UNOFFICIAL TRANSLATION
This document is an unofficial English translation of the Japanese original.

May 20, 2024

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the fiscal year ended March 31, 2024
[Under Japanese GAAP]

Company Name: Sompo Holdings, Inc.
Listed on: Tokyo Stock Exchange
Securities Code: 8630
URL: https://www.sompo-hd.com/en/
Representative: Mikio Okumura, Group CEO, President and Representative Executive Officer
Scheduled date to hold general meeting of stockholders: June 24, 2024
Scheduled date to file Securities Report: June 21, 2024
Scheduled date to start payment of dividends: June 25, 2024
Supplementary information for financial statements: Yes
Schedule for investor meeting: Yes (intended for institutional investors and analysts)

Note) Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated Results of Operations

Note) Percentages are changes from previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Fiscal year ended March 31, 2024	4,933,646	9.0	488,034	885.8	416,054	–
Fiscal year ended March 31, 2023	4,525,869	–	49,504	–	26,413	–

Note) Comprehensive income: Fiscal year ended March 31, 2024 1,061,846 million yen – %
Fiscal year ended March 31, 2023 29,346 million yen – %

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	yen	yen	%	%	%
Fiscal year ended March 31, 2024	419.83	419.69	17.5	3.5	9.9
Fiscal year ended March 31, 2023	26.14	26.13	1.3	0.4	1.1

Reference) Investment gains and losses on the equity method: Fiscal year ended March 31, 2024 1,109 million yen
Fiscal year ended March 31, 2023 (1,844) million yen

Notes)
1. Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the fiscal year ended March 31, 2024. Accordingly, the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application of these accounting standards, etc. In addition, the rate of changes from the previous fiscal year are not stated.
2. The Company implemented a 3-for-1 common stock split on April 1, 2024. Net income per share and diluted net income per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31,2023.

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio	Net assets per share
	millions of yen	millions of yen	%	yen
As of March 31, 2024	14,832,778	2,868,258	19.2	2,887.69
As of March 31, 2023	13,351,277	1,919,140	14.3	1,904.47

Reference) Equity capital: As of March 31, 2024 2,851,899 million yen
As of March 31, 2023 1,903,047 million yen

Notes)
1. Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the fiscal year ended March 31, 2024. Accordingly, the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application of these accounting standards, etc.
2. The Company implemented a 3-for-1 common stock split on April 1, 2024. Net assets per share is calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31,2023.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	millions of yen	millions of yen	millions of yen	millions of yen
Fiscal year ended March 31, 2024	473,137	(496,986)	(87,612)	1,198,566
Fiscal year ended March 31, 2023	380,999	(256,741)	(92,364)	1,271,040

2. Dividends

	Dividends per share					Total annual dividends	Dividend payout ratio (Consolidated)	Dividends on net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual			
	yen	yen	yen	yen	yen	millions of yen	%	%
Fiscal year ended March 31, 2023	—	130.00	—	130.00	260.00	87,153	331.5	4.5
Fiscal year ended March 31, 2024	—	150.00	—	150.00	300.00	98,983	23.8	4.2
Fiscal year ending March 31, 2025 (Forecast)	—	56.00	—	56.00	112.00		48.1	

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. The actual dividend amounts before the said stock split are stated for the fiscal year ended March 31, 2023 and the fiscal year ended March 31, 2024. Contents for the fiscal year ending March 31, 2025(forecast) are stated in figures after the stock split. On the assumption that the said stock split was implemented at the beginning of the fiscal year ended March 31, 2023, the total annual dividend per share for the fiscal year ended March 31, 2023 is 86.66 yen, and the total annual dividend per share for the fiscal year ended March 31, 2024 is 100 yen.

3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

Note) Percentages are changes from previous fiscal year.

	Ordinary profit		Net income attributable to shareholders of the parent		Net income per share
	millions of yen	%	millions of yen	%	yen
Full year	320,000	(34.4)	230,000	(44.7)	232.88

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. Net income per share in Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2025 has taken the impact of the said stock split into account.

(Notes)

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2024 (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes
Decrease: 1 (Company Name：Sompo Consumer Seguradora S.A.)

(2) Changes in accounting policies, changes in accounting estimations, and retrospective restatements

(a) Changes in accounting policies due to revisions to accounting standards, etc.: Yes

(b) Changes in accounting policies due to reasons other than the above: None

(c) Changes in accounting estimations: None

(d) Retrospective restatements: None

(3) Number of shares outstanding (Common stock) :

(a) Total shares outstanding including treasury stock:

As of March 31, 2024	990,482,067	shares
As of March 31, 2023	1,043,096,067	shares

(b) Treasury stock:

As of March 31, 2024	2,879,181	shares
As of March 31, 2023	43,845,246	shares

(c) Average number of shares outstanding:

For the fiscal year ended March 31, 2024	990,995,427	shares
For the fiscal year ended March 31, 2023	1,010,454,393	shares

Note) The Company implemented a 3-for-1 common stock split on April 1, 2024. Total shares outstanding, treasury stock, and average number of shares outstanding are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31,2023.

(Expression of implementation status of audit procedures)

This summary is not subject to audits by a certified public accountant or an incorporated accounting firm.

(Notes for using forecasted information, etc.)

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results, etc. may differ materially from those projected herein depending on various factors.

Contents of Appendix

1. Overview of Results of Operations …… 2
(1) Overview of Results of Operations for the fiscal year ended March 31, 2024 …… 2
(2) Overview of Financial Condition as of March 31, 2024 …… 2
(3) Outlook for the fiscal year ending March 31, 2025 …… 3

2. Basic Approach to Selection of Accounting Standard …… 3

3. Consolidated Financial Statements and Major Notes …… 4
(1) Consolidated Balance Sheet …… 4
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income …… 6
(3) Consolidated Statement of Changes in Net Assets …… 9
(4) Consolidated Statement of Cash Flows …… 11
(5) Notes on Going-Concern Assumption …… 13
(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements …… 13
(7) Notes to the Consolidated Financial Statements …… 14
Segment information, etc. …… 14
Securities …… 19
Per share information …… 21
Significant subsequent events …… 23

4. Other …… 25
(1) Summary of Results of Operations (Consolidated) …… 25
(2) Premiums Written and Claims Paid by Business Lines (Consolidated) …… 26

1. Overview of Results of Operations

(1) Overview of Results of Operations for the fiscal year ended March 31, 2024

During the fiscal year ended March 31, 2024, global growth slowed in FY2023 as compared with FY2022 due to global monetary tightening to contain inflation, rise in geopolitical risks, etc. but the global economy remained resilient driven by the U.S. economy supported by strong labor market and robust consumer spending.

The Japanese economy continued to recover at a moderate pace supported by improvement in corporate earnings, labor market, and income levels as well as pent-up demand from COVID-19 restrictions to prevent the spread of infection, etc. despite downward pressure from a slowdown in international economic recovery. However, the implications of inflation and financial/capital market fluctuations on business conditions, etc. need to be closely monitored.

Under these circumstances, the consolidated financial results of Sompo Holdings Group ("SOMPO HOLDINGS") for the fiscal year ended March 31, 2024 were as follows:

Ordinary income increased by 407.7 billion yen to 4,933.6 billion yen compared to the previous fiscal year, the components of which were underwriting income of 4,099.4 billion yen, investment income of 592.5 billion yen and other ordinary income of 241.6 billion yen. Meanwhile, ordinary expenses decreased by 30.7 billion yen to 4,445.6 billion yen compared to the previous fiscal year, the components of which were underwriting expenses of 3,495.1 billion yen, investment expenses of 108.0 billion yen, operating, general and administrative expenses of 658.7 billion yen and other ordinary expenses of 183.7 billion yen.

As a result of the foregoing, Sompo Holdings, Inc. (the "Company") reported ordinary profit, calculated as ordinary income minus ordinary expenses, of 488.0 billion yen, an increase of 438.5 billion yen from the previous fiscal year. The Company posted net income attributable to shareholders of the parent, after extraordinary items, net of income taxes and deferred income taxes and others, of 416.0 billion yen, an increase of 389.6 billion yen from the previous fiscal year.

Business results for each of the SOMPO HOLDINGS' reporting segments were as follows:

(a) Domestic P&C insurance business

In the domestic P&C insurance business, net premiums written amounted to 2,247.9 billion yen, a decrease of 42.6 billion yen from the previous fiscal year. The domestic P&C insurance business posted net income attributable to shareholders of the parent of 109.7 billion yen, an increase of 54.6 billion yen from the previous fiscal year.

(b) Overseas insurance business

In the overseas insurance business, net premiums written amounted to 1,442.4 billion yen, an increase of 62.3 billion yen from the previous fiscal year. Net income attributable to shareholders of the parent increased by 254.4 billion yen to a net income of 237.6 billion yen compared to the previous fiscal year.

(c) Domestic life insurance business

In the domestic life insurance business, life insurance premiums written amounted to 309.0 billion yen, a decrease of 1.7 billion yen from the previous fiscal year. The domestic life insurance business posted net income attributable to shareholders of the parent of 15.9 billion yen, an increase of 14.9 billion yen from the previous fiscal year.

(d) Nursing care & seniors business

Ordinary income increased by 25.5 billion yen to 177.2 billion yen compared to the previous fiscal year. Net income attributable to shareholders of the parent decreased by 1.0 billion yen to a net loss of 0.2 billion yen compared to the previous fiscal year.

(2) Overview of Financial Condition as of March 31, 2024

Total assets as of March 31, 2024 amounted to 14,832.7 billion yen on a consolidated basis, an increase of 1,481.5 billion yen from March 31, 2023. Total net assets as of March 31, 2024 amounted to 2,868.2 billion yen on a consolidated basis, an increase of 949.1 billion yen from March 31, 2023.

Cash flows for the fiscal year ended March 31, 2024 were as follows:

Cash flows from operating activities resulted in a net inflow of 473.1 billion yen, an increase of 92.1 billion yen from the previous fiscal year.

Cash flows from investing activities resulted in a net outflow of 496.9 billion yen, a decrease of 240.2 billion yen from the previous fiscal year.

Cash flows from financing activities resulted in a net outflow of 87.6 billion yen, an increase of 4.7 billion yen from the previous fiscal year.

As a result, cash and cash equivalents at the end of the period were 1,198.5 billion yen, a decrease of 72.4 billion yen from the end of the previous fiscal year.

(3) Outlook for the fiscal year ending March 31, 2025

For the fiscal year ending March 31, 2025, the Company is forecasting consolidated ordinary profit of 320.0 billion yen and net income attributable to shareholders of the parent of 230.0 billion yen, based on the following assumptions:

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
- The Company is forecasting 110.0 billion yen for net incurred losses (excluding household earthquake insurance) of Sompo Japan Insurance Inc. due to domestic natural disasters that occur in the fiscal year ending March 31, 2025, taking past trends and other factors into account.
- The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at March 31, 2024.

The above forecasts were prepared based on information available as of the date of this release. Accordingly, actual results may differ materially from projections depending on various factors.

2. Basic Approach to Selection of Accounting Standard

For the purpose of enhancing the global comparability of financial information, etc., SOMPO HOLDINGS is preparing for the adoption of International Financial Reporting Standards (IFRS). Preparation is underway on the premise of adopting IFRS starting from the Annual Securities Report for the fiscal year ending March 31, 2025.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets:		
Cash and deposits	1,246,638	1,231,345
Receivables under resale agreements	69,999	14,999
Monetary receivables bought	21,915	21,686
Money trusts	21,236	4,843
Securities	9,808,182	11,424,810
Loans	484,145	451,662
Tangible fixed assets:	360,882	371,583
Land	112,957	112,814
Buildings	137,542	157,999
Leased assets	64,935	65,297
Construction in progress	15,875	5,486
Other tangible fixed assets	29,571	29,985
Intangible fixed assets:	543,122	518,922
Software	99,161	210,523
Goodwill	197,729	170,645
Other intangible fixed assets	246,232	137,752
Other assets	707,418	710,294
Net defined benefit asset	230	433
Deferred tax assets	90,499	85,110
Allowance for possible credit losses	(2,995)	(2,913)
Total assets	13,351,277	14,832,778
Liabilities:		
Underwriting funds:	9,475,679	9,810,421
Reserve for outstanding losses and claims	2,332,903	2,723,561
Underwriting reserves	7,142,775	7,086,859
Corporate bonds	609,051	682,349
Other liabilities	1,127,008	1,111,287
Net defined benefit liability	59,235	21,654
Reserve for retirement benefits to directors	16	16
Reserve for bonus payments	42,488	57,500
Reserve for bonus payments to directors	487	443
Reserve for stocks payments	2,669	2,535
Reserves under the special laws:	110,858	116,413
Reserve for price fluctuation	110,858	116,413
Deferred tax liabilities	4,642	161,895
Total liabilities	11,432,136	11,964,519

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	134,708	32,096
Retained earnings	961,838	1,291,783
Treasury stock	(82,145)	(4,125)
Total shareholders' equity	1,114,447	1,419,799
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	708,578	1,247,127
Deferred gains and losses on hedges	2,412	1,696
Foreign currency translation adjustments	57,053	142,391
Remeasurements of defined benefit plans	20,555	40,885
Total accumulated other comprehensive income	788,599	1,432,100
Stock acquisition rights	269	235
Non-controlling interests	15,824	16,123
Total net assets	1,919,140	2,868,258
Total liabilities and net assets	13,351,277	14,832,778

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Ordinary income:	4,525,869	4,933,646
Underwriting income:	4,090,702	4,099,489
Net premiums written	3,670,717	3,690,419
Deposits of premiums by policyholders	70,773	62,530
Interest and dividend income on deposits of premiums, etc.	30,159	30,434
Life insurance premiums written	316,752	311,850
Other underwriting income	2,299	4,254
Investment income:	244,445	592,545
Interest and dividend income	173,582	183,660
Investment gains on money trusts	3,105	5,787
Investment gains on trading securities	—	224,358
Gains on sales of securities	72,651	174,815
Gains on redemption of securities	2,389	2,101
Investment gains on special account	1,430	6,984
Other investment income	21,445	25,272
Transfer of interest and dividend income on deposits of premiums, etc.	(30,159)	(30,434)
Other ordinary income:	190,720	241,611
Investment gains on the equity method	—	1,109
Other ordinary income	190,720	240,502
Ordinary expenses:	4,476,364	4,445,611
Underwriting expenses:	3,516,244	3,495,132
Net claims paid	1,947,647	2,020,095
Loss adjustment expenses	135,859	140,454
Net commissions and brokerage fees	703,159	754,170
Maturity refunds to policyholders	181,722	167,755
Dividends to policyholders	7	9
Life insurance claims paid and other payments	132,543	105,732
Provision for reserve for outstanding losses and claims	247,428	246,044
Provision for underwriting reserves	157,679	58,264
Other underwriting expenses	10,197	2,605
Investment expenses:	187,284	108,014
Investment losses on money trusts	2	—
Investment losses on trading securities	93,318	—
Losses on sales of securities	39,937	57,357
Impairment losses on securities	11,226	3,787
Losses on redemption of securities	—	1
Losses on derivatives	28,121	20,844
Other investment expenses	14,678	26,023
Operating, general and administrative expenses	598,472	658,750
Other ordinary expenses:	174,363	183,714
Interest paid	15,966	13,750
Provision for allowance for possible credit losses	4,852	—
Losses on bad debt	77	71
Investment losses on the equity method	1,844	—
Other ordinary expenses	151,622	169,893
Ordinary profit	49,504	488,034

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Extraordinary gains:	8,957	1,129
Gains on disposal of fixed assets	8,957	969
Gains on negative goodwill	—	159
Extraordinary losses:	8,078	9,583
Losses on disposal of fixed assets	2,371	1,102
Impairment losses	148	1,636
Provision for reserves under the special laws:	5,469	5,555
Provision for reserve for price fluctuation	5,469	5,555
Losses on reduction of real estate	88	—
Other extraordinary losses	—	1,288
Net income before income taxes	50,383	479,581
Income taxes	32,237	113,002
Deferred income taxes	(10,014)	(51,488)
Total income taxes	22,222	61,514
Net income	28,160	418,066
Net income attributable to non-controlling interests	1,746	2,012
Net income attributable to shareholders of the parent	26,413	416,054

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income	28,160	418,066
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	(122,829)	538,779
Deferred gains and losses on hedges	(1,016)	(716)
Foreign currency translation adjustments	121,108	84,679
Remeasurements of defined benefit plans	3,971	20,303
Share of other comprehensive income of affiliates accounted for under the equity method	(47)	733
Total other comprehensive income	1,186	643,779
Comprehensive income	29,346	1,061,846
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	28,789	1,059,555
Comprehensive income attributable to non-controlling interests	557	2,291

(3) Consolidated Statement of Changes in Net Assets

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	134,962	1,028,109	(24,965)	1,238,152
Cumulative effects of changes in accounting policies			(9,191)		(9,191)
Effect of hyperinflation			(4,225)		(4,225)
Adjusted beginning balance	100,045	134,962	1,014,692	(24,965)	1,224,735
Changes during the period:					
Dividends			(79,816)		(79,816)
Net income attributable to shareholders of the parent			26,413		26,413
Acquisition of treasury stock				(58,026)	(58,026)
Disposal of treasury stock		(253)		846	592
Changes in the scope of consolidation			547		547
Net changes in items other than shareholders' equity					
Total changes during the period	–	(253)	(52,854)	(57,179)	(110,288)
Balance at the end of the period	100,045	134,708	961,838	(82,145)	1,114,447

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	838,843	3,429	(68,911)	16,605	789,966	446	12,224	2,040,789
Cumulative effects of changes in accounting policies	(7,578)		3,190		(4,387)		1,168	(12,409)
Effect of hyperinflation								(4,225)
Adjusted beginning balance	831,265	3,429	(65,721)	16,605	785,578	446	13,393	2,024,154
Changes during the period:								
Dividends								(79,816)
Net income attributable to shareholders of the parent								26,413
Acquisition of treasury stock								(58,026)
Disposal of treasury stock								592
Changes in the scope of consolidation								547
Net changes in items other than shareholders' equity	(122,687)	(1,016)	122,775	3,950	3,021	(177)	2,430	5,275
Total changes during the period	(122,687)	(1,016)	122,775	3,950	3,021	(177)	2,430	(105,013)
Balance at the end of the period	708,578	2,412	57,053	20,555	788,599	269	15,824	1,919,140

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	134,708	961,838	(82,145)	1,114,447
Effect of hyperinflation			4,059		4,059
Adjusted beginning balance	100,045	134,708	965,897	(82,145)	1,118,506
Changes during the period:					
Dividends			(92,903)		(92,903)
Net income attributable to shareholders of the parent			416,054		416,054
Acquisition of treasury stock				(25,043)	(25,043)
Disposal of treasury stock		(32)		488	455
Cancellation of treasury stock		(102,573)		102,573	–
Changes in the scope of consolidation			2,734		2,734
Changes in interest of the parent related to transactions with non-controlling shareholders		(6)			(6)
Net changes in items other than shareholders' equity					
Total changes during the period	–	(102,612)	325,885	78,019	301,292
Balance at the end of the period	100,045	32,096	1,291,783	(4,125)	1,419,799

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	708,578	2,412	57,053	20,555	788,599	269	15,824	1,919,140
Effect of hyperinflation								4,059
Adjusted beginning balance	708,578	2,412	57,053	20,555	788,599	269	15,824	1,923,200
Changes during the period:								
Dividends								(92,903)
Net income attributable to shareholders of the parent								416,054
Acquisition of treasury stock								(25,043)
Disposal of treasury stock								455
Cancellation of treasury stock								–
Changes in the scope of consolidation								2,734
Changes in interest of the parent related to transactions with non-controlling shareholders								(6)
Net changes in items other than shareholders' equity	538,549	(716)	85,338	20,329	643,500	(33)	298	643,766
Total changes during the period	538,549	(716)	85,338	20,329	643,500	(33)	298	945,058
Balance at the end of the period	1,247,127	1,696	142,391	40,885	1,432,100	235	16,123	2,868,258

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash flows from operating activities:		
Net income before income taxes	50,383	479,581
Depreciation	51,591	58,774
Impairment losses	148	1,636
Amortization of goodwill	30,277	35,350
Gains on negative goodwill	—	(159)
Increase (decrease) in reserve for outstanding losses and claims	244,805	313,800
Increase (decrease) in underwriting reserves	(429,983)	(58,419)
Increase (decrease) in allowance for possible credit losses	1,591	(84)
Increase (decrease) in net defined benefit liability	(5,931)	(8,794)
Increase (decrease) in reserve for retirement benefits to directors	6	(0)
Increase (decrease) in reserve for bonus payments	(3,792)	13,787
Increase (decrease) in reserve for bonus payments to directors	(302)	(43)
Increase (decrease) in reserve for stocks payments	796	399
Increase (decrease) in reserve for price fluctuation	5,469	5,555
Interest and dividend income	(173,582)	(183,660)
Losses (gains) on investment in securities	(23,873)	(115,770)
Interest expenses	15,966	13,750
Foreign exchange losses (gains)	(20,223)	(23,177)
Losses (gains) related to tangible fixed assets	(6,496)	(24)
Losses (gains) related to loans	743	1
Investment losses (gains) on the equity method	1,844	(1,109)
Decrease (increase) in other assets (other than investing and financing activities)	1,082,877	(26,787)
Increase (decrease) in other liabilities (other than investing and financing activities)	(596,538)	8,266
Others	128,267	(194,226)
Subtotal	354,043	318,646
Interest and dividend received	163,437	178,554
Interest paid	(16,372)	(14,311)
Income taxes paid	(120,109)	(9,752)
Cash flows from operating activities	380,999	473,137

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Cash flows from investing activities:		
Net decrease (increase) in deposits	(9,072)	(3,802)
Purchase of monetary receivables bought	(2,187)	(1,533)
Proceeds from sales and redemption of monetary receivables bought	1,776	1,613
Increase in money trusts	(3,000)	—
Decrease in money trusts	3,634	18,520
Purchase of securities	(2,157,767)	(2,819,053)
Proceeds from sales and redemption of securities	1,921,583	2,326,442
Loans made	(127,178)	(131,696)
Collection of loans	173,989	158,367
Net increase (decrease) in receivables under securities borrowing transactions and payables under securities lending transactions	168,818	(25,722)
Others	(83,586)	27,358
Total of investment transactions	(112,989)	(449,505)
Total of operating activities and investment transactions as above	268,009	23,631
Acquisition of tangible fixed assets	(24,142)	(30,984)
Proceeds from sales of tangible fixed assets	13,365	2,417
Acquisition of stocks of subsidiaries resulting in changes in the scope of consolidation	(64,931)	(81)
Sales of stocks of subsidiaries resulting in changes in the scope of consolidation	3,329	30,217
Payments for sales of stocks of subsidiaries resulting in changes in the scope of consolidation	(19,538)	—
Others	(51,835)	(49,049)
Cash flows from investing activities	(256,741)	(496,986)
Cash flows from financing activities:		
Proceeds from borrowings	—	3,361
Repayments of borrowings	(16,288)	(4,786)
Issuance of corporate bonds	227,000	70,000
Redemption of corporate bonds	(173,370)	(1,662)
Net increase (decrease) in payables under securities lending transactions	21,353	(22,780)
Proceeds from sales of treasury stock	115	139
Acquisition of treasury stock	(58,026)	(25,043)
Dividends paid	(79,718)	(92,797)
Dividends paid to non-controlling shareholders	(1,081)	(1,939)
Others	(12,348)	(12,103)
Cash flows from financing activities	(92,364)	(87,612)
Effect of exchange rate changes on cash and cash equivalents	30,764	38,988
Increase (decrease) in cash and cash equivalents	62,657	(72,473)
Cash and cash equivalents at the beginning of the period	1,207,306	1,271,040
Increase in cash and cash equivalents resulting from newly consolidated subsidiaries	1,075	—
Cash and cash equivalents at the end of the period	1,271,040	1,198,566

(5) Notes on Going-Concern Assumption

None.

(6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements

(Changes in Accounting Policies)

(International Financial Reporting Standards (IFRS) 17 “Insurance Contracts”)

Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” from the beginning of the fiscal year ended March 31, 2024. As a result of this application, underwriting funds are measured to reflect the effects of the time value of money, the financial risks of cash flows from insurance contracts, and the uncertainty of cash flows from insurance contracts.

These changes in accounting policies have been applied retrospectively. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2023, have reflected the retrospective application. As a result, for the fiscal year ended March 31, 2023, ordinary expenses have decreased by 81,743 million yen, and ordinary profit and net income before income taxes have increased by 81,743 million yen, respectively, compared to those prior to the retrospective application. In addition, for the fiscal year ended March 31, 2023, other assets have decreased by 1,109,401 million yen, other liabilities have decreased by 515,938 million yen, and underwriting funds have decreased by 643,254 million yen. The cumulative impact of these changes has been reflected in the balance of net assets at the beginning of the fiscal year ended March 31, 2023. As a result, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2023 has decreased by 16,769 million yen.

(International Financial Reporting Standards (IFRS) 9 “Financial Instruments”)

Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 9 “Financial Instruments” from the beginning of the fiscal year ended March 31, 2024. As a result of this application, the methods for classification and measurement of financial instruments have changed.

These changes in accounting policies have been applied retrospectively. Accordingly, the consolidated financial statements for the fiscal year ended March 31, 2023, have reflected the retrospective application. As a result, for the fiscal year ended March 31, 2023, ordinary income has decreased by 81,265 million yen, ordinary expenses have increased by 73,503 million yen, and ordinary profit and net income before income taxes have decreased by 154,768 million yen, respectively, compared to those prior to the retrospective application. In addition, the cumulative impact of these changes has been reflected in the balance of net assets at the beginning of the fiscal year ended March 31, 2023. As a result, the balance of retained earnings at the beginning of the fiscal year ended March 31, 2023 has increased by 7,578 million yen, and the balance of unrealized gains and losses on securities available for sale at the beginning of the fiscal year ended March 31, 2023 has decreased by 7,578 million yen.

(7) Notes to the Consolidated Financial Statements

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The reportable segment of Sompo Holdings, Inc. (“the Company”) is the component of SOMPO HOLDINGS, for which discrete financial information is available and whose operating results are periodically reviewed by the board of directors to make decisions about resources to be allocated to the segment and assess its performance.
The respective group companies of the Company determine their comprehensive strategies for their operations as independent management unit and roll out their operations under the group-wide management policy of the Company.
Therefore, the Company is composed of business segments, which consist of the respective group companies as minimum component. “Domestic P&C insurance business,” “Overseas insurance business,” “Domestic life insurance business” and “Nursing care & seniors business” are determined as the reportable segments. The businesses not covered by the reportable segments, such as the Company, extended warranty business, digital related business, asset management business, etc., are included in "Others."
“Domestic P&C insurance business” consists mainly of underwriting of property and casualty insurance, investment, and related activities in Japan, “Overseas insurance business” consists mainly of underwriting of property and casualty insurance and investment activities overseas, “Domestic life insurance business” consists mainly of underwriting of life insurance and investment activities in Japan, and “Nursing care & seniors business” consists mainly of providing nursing care and related services.

2. Calculation methods for the amount of sales, income or loss, assets and other items by each reportable segment

The accounting methods of reportable business segments are those used in the preparation of the consolidated financial statements.
Income or loss attributable to the reportable segments is the amounts based on net income attributable to shareholders of the parent in the consolidated statement of income.
Income from internal transactions among segments is based on the price of transactions among third parties and others.

As stated in (6) Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”. These changes in accounting policies have been applied retrospectively, and the figures in Segment information for the fiscal year ended March 31, 2023 have been changed to figures that reflect the retrospective application. As a result of this application, segment income in “Overseas insurance business” for the fiscal year ended March 31, 2023 decreased by 64,743 million yen.

3. Information related to the amount of sales, income or loss, assets and other items by each reportable segment

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,290,596	1,386,039	310,834	151,646	4,139,117	36,801	4,175,919	349,949	4,525,869
Sales from internal transactions or transfers among segments	—	—	—	36	36	18,374	18,411	(18,411)	—
Total	2,290,596	1,386,039	310,834	151,683	4,139,154	55,176	4,194,330	331,538	4,525,869
Segment income (loss)	55,084	(16,711)	1,006	793	40,173	(13,759)	26,413	—	26,413
Segment assets	5,899,190	2,938,737	3,925,327	265,241	13,028,495	322,781	13,351,277	—	13,351,277
Other items:									
Depreciation	26,367	18,143	654	5,498	50,663	927	51,591	—	51,591
Amortization of goodwill	—	25,003	—	5,274	30,277	—	30,277	—	30,277
Interest and dividend income	117,484	640	55,068	93	173,287	1,312	174,599	(1,016)	173,582
Interest paid	7,592	6,112	150	2,117	15,973	1	15,975	(8)	15,966
Investment gains (losses) on the equity method	83	877	—	—	960	(2,805)	(1,844)	—	(1,844)
Extraordinary gains (Note 5)	5,854	3,099	3	—	8,957	—	8,957	—	8,957
Extraordinary losses (Note 6)	6,228	610	1,004	198	8,043	35	8,078	—	8,078
Impairment losses	148	—	—	—	148	—	148	—	148
Income tax expenses	15,728	6,219	591	2,226	24,765	(2,542)	22,222	—	22,222
Investment in affiliates accounted for under the equity method	1,564	16,598	—	—	18,163	21,915	40,079	—	40,079
Increase in tangible and intangible fixed assets	67,009	7,443	2,586	94,422	171,460	1,366	172,827	—	172,827

Notes)

1. Sales amounts represent the following:

Domestic P&C insurance business:	Net premiums written
Overseas insurance business:	Net premiums written and life insurance premiums written
Domestic life insurance business:	Life insurance premiums written
Nursing care & seniors business:	Ordinary income
“Others” and amount on the consolidated financial statements:	Ordinary income

2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company), extended warranty business, asset management business, defined-contribution pension business, etc.
3. Adjustments of sales are as follows.

Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written:	349,949	million yen
Elimination of internal transactions among segments:	(18,411)	million yen

4. Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.
5. Extraordinary gains for domestic P&C insurance business are 5,854 million yen of gains on disposal of fixed assets.
   Also, extraordinary gains for overseas insurance business are 3,099 million yen of gains on disposal of fixed assets.
6. Extraordinary losses for domestic P&C insurance business include 4,480 million yen of provision for reserve for price fluctuation.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others (Note 2)	Total	Adjustments (Note 3)	Amount on the consolidated financial statements (Note 4)
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total				
Sales (Note 1):									
Sales from transactions with external customers	2,247,927	1,445,302	309,039	177,259	4,179,528	126,225	4,305,754	627,892	4,933,646
Sales from internal transactions or transfers among segments	—	—	—	8	8	17,361	17,369	(17,369)	—
Total	2,247,927	1,445,302	309,039	177,267	4,179,536	143,586	4,323,123	610,522	4,933,646
Segment income (loss)	109,770	237,699	15,943	(228)	363,185	52,869	416,054	—	416,054
Segment assets	6,455,389	3,514,189	4,157,923	261,184	14,388,687	444,090	14,832,778	—	14,832,778
Other items:									
Depreciation	30,624	17,837	1,259	8,161	57,882	892	58,774	—	58,774
Amortization of goodwill	—	26,726	—	8,623	35,350	—	35,350	—	35,350
Interest and dividend income	123,134	746	60,023	90	183,995	689	184,684	(1,024)	183,660
Interest paid	6,519	4,853	65	2,009	13,447	312	13,760	(9)	13,750
Investment gains (losses) on the equity method	104	1,045	—	—	1,150	(41)	1,109	—	1,109
Extraordinary gains	1,066	—	0	159	1,227	—	1,227	(97)	1,129
(Gain on negative goodwill)	(—)	(—)	(—)	(159)	(159)	(—)	(159)	(—)	(159)
Extraordinary losses (Note 5)	5,561	1,106	2,368	618	9,655	25	9,680	(97)	9,583
Impairment losses	—	1,096	—	539	1,636	—	1,636	—	1,636
Income tax expenses	37,674	(8,635)	6,441	2,468	37,949	23,565	61,514	—	61,514
Investment in affiliates accounted for under the equity method	1,673	19,179	—	—	20,853	21,685	42,539	—	42,539
Increase in tangible and intangible fixed assets	60,080	10,989	2,427	12,345	85,842	2,150	87,992	—	87,992

Notes)

1. Sales amounts represent the following:
   - Domestic P&C insurance business: Net premiums written
   - Overseas insurance business: Net premiums written and life insurance premiums written
   - Domestic life insurance business: Life insurance premiums written
   - Nursing care & seniors business: Ordinary income
   - “Others” and amount on the consolidated financial statements: Ordinary income
2. “Others” is business segments which are not included in reportable segments. It includes the Company (insurance holding company), extended warranty business, digital related business, asset management business, etc.
3. Adjustments of sales are as follows.
   - Ordinary income related to domestic P&C insurance business, overseas insurance business and domestic life insurance business excluding net premiums written and life insurance premiums written: 627,892 million yen
   - Elimination of internal transactions among segments: (17,369) million yen
4. Segment income (loss) is adjusted to net income attributable to shareholders of the parent in the consolidated statement of income.
5. Extraordinary losses for domestic P&C insurance business include 4,575 million yen of provision for reserve for price fluctuation. Also, extraordinary losses for domestic life insurance business include 1,288 million yen of expenses associated with the head office relocation.

[Related information]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	627,013	117,017	159,745	1,263,943	211,113	1,291,883	3,670,717

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	297,639	3,740	15,372	—	316,752

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,692,663	827,396	619,057	4,139,117

Notes)

1. Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
2. Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
323,965	36,917	360,882

3. Information by major customers

None.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

1. Information by products and services

(Millions of yen)

	Fire and allied insurance	Marine insurance	Personal accident insurance	Voluntary automobile insurance	Compulsory automobile liability insurance	Others	Total
Net premiums written	639,487	132,078	159,216	1,281,294	195,761	1,282,580	3,690,419

(Millions of yen)

	Individual insurance	Individual annuities	Group insurance	Group annuities	Total
Life insurance premiums written	296,271	3,195	12,384	—	311,850

2. Information by geographic area

(1) Sales

(Millions of yen)

Japan	United States	Others	Total
2,675,813	836,164	667,550	4,179,528

Notes)

1. Sales represent amounts of net premiums written, life insurance premiums written and ordinary income of nursing care & seniors business.
2. Geographic area is classified into country or region in line with the classification used for management purpose mainly based on locations of customers.

(2) Tangible fixed assets

(Millions of yen)

Japan	Overseas	Total
332,945	38,638	371,583

3. Information by major customers

None.

[Information related to impairment losses on fixed assets by reportable segments]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	148	—	—	—	148	—	—	148

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Impairment losses	—	1,096	—	539	1,636	—	—	1,636

[Information related to amortization of goodwill and balance of goodwill by reportable segments]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2023	—	25,003	—	5,274	30,277	—	—	30,277
Balance as of March 31, 2023	—	118,746	—	78,983	197,729	—	—	197,729

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Amortization for the fiscal year ended March 31, 2024	—	26,726	—	8,623	35,350	—	—	35,350
Balance as of March 31, 2024	—	100,212	—	70,432	170,645	—	—	170,645

[Information related to gains on negative goodwill by reportable segments]

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)
None.

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segments					Others	Unallocated amounts and eliminations	Total
	Domestic P&C insurance business	Overseas insurance business	Domestic life insurance business	Nursing care & seniors business	Total			
Gain on negative goodwill	—	—	—	159	159	—	—	159

(Securities)

As stated in Changes in Accounting Policies, overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments.” These changes in accounting policies have been applied retrospectively, and the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application.

1. Trading Securities

(Millions of yen)

	As of March 31, 2023		As of March 31, 2024	
	Carrying amount	Unrealized gains and losses recognized in statement of income	Carrying amount	Unrealized gains and losses recognized in statement of income
Trading securities	2,119,204	(152,133)	2,790,544	85,440

Note) Certificate of deposit classified as cash and deposits and commercial paper classified as monetary receivables bought are included in the consolidated balance sheet.

2. Bonds held to maturity

(Millions of yen)

		As of March 31, 2023			As of March 31, 2024		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	1,076,224	1,231,876	155,652	186,664	205,797	19,133
Securities whose fair value does not exceed their carrying amount	Domestic bonds	132,414	114,851	(17,563)	141,418	117,389	(24,028)
Total		1,208,639	1,346,728	138,089	328,082	323,187	(4,895)

3. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2023			As of March 31, 2024		
		Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Securities whose fair value exceeds their carrying amount	Domestic bonds	187,245	198,839	11,593	38,541	39,762	1,221
Securities whose fair value does not exceed their carrying amount	Domestic bonds	1,223,159	1,110,309	(112,849)	1,909,268	1,633,678	(275,589)
Total		1,410,404	1,309,149	(101,255)	1,947,810	1,673,441	(274,368)

4. Securities available for sale

(Millions of yen)

		As of March 31, 2023			As of March 31, 2024		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	737,040	680,127	56,913	1,323,557	1,216,186	107,371
	Domestic stocks	1,211,725	370,543	841,181	1,649,777	364,082	1,285,694
	Foreign securities	964,076	772,404	191,672	1,657,686	1,293,591	364,095
	Others	185,958	172,607	13,351	258,712	221,597	37,114
	Subtotal	3,098,801	1,995,682	1,103,119	4,889,733	3,095,458	1,794,275
Securities whose carrying amount does not exceed their cost	Domestic bonds	806,847	865,614	(58,767)	841,754	902,067	(60,313)
	Domestic stocks	21,838	24,806	(2,967)	4,769	5,126	(356)
	Foreign securities	970,325	1,061,316	(90,991)	452,715	488,300	(35,585)
	Others	66,148	71,844	(5,695)	50,210	54,128	(3,917)
	Subtotal	1,865,159	2,023,582	(158,422)	1,349,449	1,449,622	(100,172)
Total		4,963,961	4,019,264	944,696	6,239,183	4,545,080	1,694,103

Notes)

As of March 31, 2023	As of March 31, 2024
1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.	1. Same as on the left
2. Beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in “Others” above.	2. Same as on the left

5. Policy reserve matching bonds sold

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	76,574	4,332	76	9,109	-	788
Total	76,574	4,332	76	9,109	-	788

6. Securities available for sale sold

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Proceeds from sales	Gains on sales	Losses on sales	Proceeds from sales	Gains on sales	Losses on sales
Domestic bonds	324,704	19,014	14,537	431,004	27,956	33,011
Domestic stocks	74,018	42,802	670	81,192	55,407	101
Foreign securities	336,618	2,739	24,641	393,124	88,937	23,328
Others	404	3,761	11	4,483	2,514	127
Total	735,746	68,319	39,860	909,804	174,815	56,568

7. Securities of which holding purposes were changed

In the fiscal year ended March 31, 2024, the entire amount of bonds held to maturity owned by a domestic consolidated life insurance subsidiary, which had been classified in the category of individual non-participating insurance assets, was changed to securities available for sale(Book value at the time of change: 905,503 million yen Amount measured at fair value: 1,015,192 million yen).
The change was aimed at increasing asset liquidity further in order to appropriately manage fluctuations in the fair value of assets and liabilities due to fluctuations in interest rates and to further promote investment that takes into account the characteristics of liabilities held by the life insurance company.

8. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
For the fiscal year ended March 31, 2023, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 8,739 million yen (domestic stocks: 882 million yen, foreign securities: 7,841 million yen,others: 16 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,535 million yen (domestic stocks: 1,034 million yen, foreign securities: 501 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.	For the fiscal year ended March 31, 2024, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 686 million yen (domestic bonds: 99 million yen, domestic stocks: 519 million yen, foreign securities: 67 million yen), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,663 million yen (domestic stocks: 810 million yen, foreign securities: 853 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the fiscal year declines by 30% or more from their cost.

(Per share information)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net assets per share	1,904.47 yen	2,887.69 yen
Net income per share	26.14 yen	419.83 yen
Diluted net income per share	26.13 yen	419.69 yen

Notes)

1. The Company implemented a 3-for-1 common stock split on April 1, 2024. Net assets per share, net income per share, and diluted net income per share are calculated on the assumption that the stock split was implemented at the beginning of the fiscal year ended March 31, 2023.
2. Calculations of net income per share and diluted net income per share are based on the following figures.

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)
Net income per share		
Net income attributable to shareholders of the parent	26,413	416,054
Amount not attributable to common shareholders	–	–
Net income attributable to shareholders of the parent to common stocks	26,413	416,054
Average number of common stocks outstanding	1,010,454 thousand shares	990,995 thousand shares
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent	–	–
Increase of common stocks:	386 thousand shares	336 thousand shares
Stock acquisition rights	386 thousand shares	336 thousand shares

3. Calculation of net assets per share is based on the following figures.

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Total net assets	1,919,140	2,868,258
Amount to be deducted from total net assets:	16,093	16,359
Stock acquisition rights	269	235
Non-controlling interests	15,824	16,123
Net assets attributable to common stocks	1,903,047	2,851,899
Number of common stocks used for calculation of net assets per share	999,250 thousand shares	987,602 thousand shares

4. In the calculation of net income per share and diluted net income per share, the Company shares outstanding in “Board Benefit Trust (BBT)” which are recognized as treasury stock in shareholders’ equity are included in treasury stock deducted from the average number of shares outstanding. In addition, in the calculation of net assets per share, such shares are included in treasury stock deducted from the number of total shares outstanding.
   The average number of the treasury stock deducted above mentioned is 2,600 thousand for the fiscal year ended March 31, 2023 and is 2,301 thousand for the fiscal year ended March 31, 2024. The number of the treasury stock deducted above mentioned is 2,561 thousand as of March 31, 2023 and is 2,232 thousand as of March 31, 2024.

5. As described in "Changes in Accounting Policies", overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments”.
   As a result, net assets per share of the fiscal year ended March 31, 2023 has increased by 48.93 yen, net income per share of the fiscal year ended March 31, 2023 has decreased by 64.07 yen, and diluted net income per share of the fiscal year ended March 31, 2023 has decreased by 64.04 yen.

(Significant subsequent events)

1. Stock split and corresponding partial amendment to the Articles of Incorporation

The Company implemented a stock split and made a corresponding partial amendment to the Articles of Incorporation on April 1, 2024 in accordance with the resolution of its Board of Directors on February 14, 2024.

(1) Purpose of the Stock Split

The purpose is to reduce the minimum investment price through the stock split, thereby creating an environment where it is easier to invest in the Company's shares and expanding its investor base.

(2) Overview of the Stock Split

(a) Method of the Stock Split

Each share of common stock held by shareholders as of the record date of Sunday, March 31, 2024 was split into three shares. Since this day falls on a non-business day of the shareholder registry administrator, the substantial record date is Friday, March 29, 2024.

(b) Number of Shares to be increased by the Stock Split

Total number of issued shares before the stock split	330,160,689 shares
Number of shares to be increased by the stock split	660,321,378 shares
Total number of issued shares following the stock split	990,482,067 shares
Total number of authorized shares following the stock split	3,600,000,000 shares

(c) Schedule of the Stock Split

Public notice of record date	Thursday, March 14, 2024
Record date	Sunday, March 31, 2024
Effective date	Monday, April 1, 2024

(3) Effect on per share information

The effect of the stock split on per share information is stated in (Per share information).

(4) Partial Amendment to the Articles of Incorporation

(a) Reason for the Amendment

In connection with the stock split, the total number of authorized shares described in Article 6 of the Company's articles of incorporation was amended effective April 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(b) Details of the Amendment

The details of the amendment are as follows.

Before the amendment	After the amendment
(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be <u>1,200,000,000</u> shares.	(Total Number of Authorized Shares) Article 6 The total number of authorized shares of the Company shall be <u>3,600,000,000</u> shares.

(Underlined parts indicates the amendments.)

(c) Schedule of the Amendment

Date of Resolution of the Board of Directors	Wednesday, February 14, 2024
Effective date	Monday, April 1, 2024

2. Acquisition of treasury stock

The Company passed a resolution setting out details of the Company's stock buybacks to be conducted in accord with Article 156 of the Companies Act applied pursuant to Article 165, paragraph 3, of that Act at the Company's Board of Directors meeting on May 20, 2024.

(1) Reason for stock buybacks

While maintaining financial soundness and improving capital efficiency by investing on growing fields, etc., the Company has a policy to provide with basic return (50% of adjusted consolidated profit) and supplementary return based on its performance trends, market conditions and its capital conditions, etc., with the option of stock buybacks depending on capital conditions other than paying dividends regarding shareholder return. In accordance with this policy, the Company will conduct stock buybacks as a part of the shareholder return (basic and supplementary return) for the financial results of fiscal year ended March 31, 2024.

(2) Details of stock buybacks

(a)	Class of shares	Common stock of the Company
(b)	Potential total number	40,000,000 shares (upper limit)
(c)	Total price	77,000,000,000 yen (upper limit)
(d)	Period	June 3, 2024 — November 18, 2024

4. Other

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)	Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	4,090,702	4,099,489	8,786	0.2
Net premiums written	3,670,717	3,690,419	19,701	0.5
Deposits of premiums by policyholders	70,773	62,530	(8,242)	(11.6)
Life insurance premiums written	316,752	311,850	(4,902)	(1.5)
Underwriting expenses:	3,516,244	3,495,132	(21,112)	(0.6)
Net claims paid	1,947,647	2,020,095	72,447	3.7
Loss adjustment expenses	135,859	140,454	4,595	3.4
Net commissions and brokerage fees	703,159	754,170	51,011	7.3
Maturity refunds to policyholders	181,722	167,755	(13,966)	(7.7)
Life insurance claims paid and other payments	132,543	105,732	(26,811)	(20.2)
Provision for reserve for outstanding losses and claims	247,428	246,044	(1,383)	(0.6)
Provision for underwriting reserves	157,679	58,264	(99,414)	(63.0)
Investment income:	244,445	592,545	348,099	142.4
Interest and dividend income	173,582	183,660	10,078	5.8
Gains on sales of securities	72,651	174,815	102,164	140.6
Investment expenses:	187,284	108,014	(79,270)	(42.3)
Losses on sales of securities	39,937	57,357	17,419	43.6
Impairment losses on securities	11,226	3,787	(7,438)	(66.3)
Operating, general and administrative expenses	598,472	658,750	60,278	10.1
Other ordinary income and expenses:	16,357	57,896	41,538	253.9
Investment gains and losses on the equity method	(1,844)	1,109	2,953	—
Ordinary profit	49,504	488,034	438,530	885.8
Extraordinary gains and losses:				
Extraordinary gains	8,957	1,129	(7,827)	(87.4)
Extraordinary losses	8,078	9,583	1,504	18.6
Extraordinary gains and losses	879	(8,453)	(9,332)	(1,061.6)
Net income before income taxes	50,383	479,581	429,197	851.9
Income taxes	32,237	113,002	80,765	250.5
Deferred income taxes	(10,014)	(51,488)	(41,473)	—
Total income taxes	22,222	61,514	39,291	176.8
Net income	28,160	418,066	389,905	1,384.6
Net income attributable to non-controlling interests	1,746	2,012	265	15.2
Net income attributable to shareholders of the parent	26,413	416,054	389,640	1,475.1

Overseas consolidated subsidiaries that have applied the International Financial Reporting Standards (IFRS) have applied IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” from the beginning of the fiscal year ended March 31, 2024. Accordingly, the figures for the fiscal year ended March 31, 2023 have reflected the retrospective application of these accounting standards, etc.

(2) Premiums Written and Claims Paid by Business Lines (Consolidated)

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	811,188	19.9	16.2	816,442	20.0	0.6
Marine insurance	134,251	3.3	28.0	139,409	3.4	3.8
Personal accident insurance	238,659	5.9	(0.5)	228,999	5.6	(4.0)
Voluntary automobile insurance	1,263,857	31.0	3.8	1,271,390	31.2	0.6
Compulsory automobile liability insurance	225,489	5.5	2.2	195,079	4.8	(13.5)
Others	1,404,014	34.4	20.7	1,427,358	35.0	1.7
Total	4,077,460	100.0	11.9	4,078,679	100.0	0.0
Deposits of premiums by policyholders	70,773	1.7	(12.6)	62,530	1.5	(11.6)

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net premiums written

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	627,013	17.1	19.6	639,487	17.3	2.0
Marine insurance	117,017	3.2	26.5	132,078	3.6	12.9
Personal accident insurance	159,745	4.4	1.8	159,216	4.3	(0.3)
Voluntary automobile insurance	1,263,943	34.4	3.8	1,281,294	34.7	1.4
Compulsory automobile liability insurance	211,113	5.8	(2.8)	195,761	5.3	(7.3)
Others	1,291,883	35.2	28.2	1,282,580	34.8	(0.7)
Total	3,670,717	100.0	14.1	3,690,419	100.0	0.5

Note) The above figures represent amounts after offsetting internal transactions among segments.

Net claims paid

(Millions of yen)

Business line	Fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023)			Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	401,364	20.6	28.9	394,234	19.5	(1.8)
Marine insurance	48,789	2.5	6.4	66,153	3.3	35.6
Personal accident insurance	88,314	4.5	24.1	78,188	3.9	(11.5)
Voluntary automobile insurance	678,374	34.8	10.7	742,638	36.8	9.5
Compulsory automobile liability insurance	144,986	7.4	(8.9)	148,191	7.3	2.2
Others	585,818	30.1	52.5	590,687	29.2	0.8
Total	1,947,647	100.0	22.9	2,020,095	100.0	3.7

Note) The above figures represent amounts after offsetting internal transactions among segments.