SOMPO HOLDINGS

UNOFFICIAL TRANSLATION

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Summary of Consolidated Financial Results for the three months ended June 30, 2024

Supplementary Information

August 9, 2024

Sompo Holdings, Inc.

（ Securities Code : 8630 ）

Summary of Consolidated Financial Results for the three months ended June 30, 2024
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Overview of Consolidated Financial Results for the three months ended June 30, 2024

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the three months ended June 30, 2024

(Billions of yen)

		Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Increase (Decrease)	Rate of change
					%
Ordinary income:	(1)	1,449	1,522	73	5.0
Net premiums written:	(2)	1,136	1,218	82	7.2
Sompo Japan Insurance Inc.	(3)	573	567	(6)	(1.1)
Overseas consolidated subsidiaries	(4)	539	626	87	16.2
Life insurance premiums written	(5)	75	75	0	0.7
Ordinary profit	(6)	128	143	14	11.6
Net income attributable to shareholders of the parent:	(7)	100	120	19	20.0
Sompo Japan Insurance Inc.	(8)	44	45	1	3.9
Overseas consolidated subsidiaries	(9)	63	81	17	27.3
Sompo Himawari Life Insurance, Inc.	(10)	4	3	(1)	(28.7)
Nursing Care business consolidated subsidiaries	(11)	1	1	(0)	(18.1)
Others and consolidation adjustment, etc.	(12)	(13)	(11)	2	

(Reference) SOMPO HOLDINGS' numerical management targets

(Billions of yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Increase (Decrease)	Rate of change
				%
Adjusted consolidated profit:	81	80	(1)	(1.8)
Sompo Japan Insurance Inc.	35	20	(14)	(41.4)
Overseas consolidated subsidiaries	34	50	15	44.7

Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	399,666	314,946	(84,720)
Receivables under resale agreements	14,999	49,994	34,995
Monetary receivables bought	18,927	18,559	(368)
Money trusts	4,712	4,835	123
Securities	5,801,000	5,856,508	55,508
Loans	408,708	400,881	(7,827)
Tangible fixed assets	236,792	237,106	314
Intangible fixed assets	242,341	241,486	(854)
Other assets	544,179	447,468	(96,711)
Prepaid pension cost	—	40	40
Allowance for possible credit losses	(2,598)	(2,597)	0
Allowance for possible investment losses	(4,372)	(4,372)	—
Total assets	7,664,357	7,564,857	(99,500)
Liabilities:			
Underwriting funds:	4,403,431	4,394,337	(9,094)
Reserve for outstanding losses and claims	992,003	1,008,303	16,299
Underwriting reserves	3,411,427	3,386,034	(25,393)
Corporate bonds	527,000	527,000	—
Other liabilities	542,958	403,637	(139,320)
Reserve for retirement benefits	69,895	70,121	225
Reserve for bonus payments	14,389	4,195	(10,193)
Reserve for bonus payments to directors	52	1	(51)
Reserves under the special laws:	104,368	105,518	1,149
Reserve for price fluctuation	104,368	105,518	1,149
Deferred tax liabilities	107,147	110,547	3,400
Total liabilities	5,769,243	5,615,358	(153,884)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	595,325	641,311	45,986
Total shareholders' equity	735,325	781,311	45,986
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	1,158,092	1,166,900	8,807
Deferred gains and losses on hedges	1,696	1,286	(410)
Total valuation and translation adjustments	1,159,789	1,168,186	8,397
Total net assets	1,895,114	1,949,498	54,384
Total liabilities and net assets	7,664,357	7,564,857	(99,500)

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	668,721	678,419	9,697	1.5
Underwriting income:	602,419	615,115	12,696	2.1
Net premiums written	573,812	567,592	(6,220)	(1.1)
Deposits of premiums by policyholders	19,975	15,004	(4,970)	(24.9)
Interest and dividend income on deposits of premiums, etc.	7,206	7,104	(102)	(1.4)
Reversal of underwriting reserves	—	25,393	25,393	—
Investment income:	64,412	61,293	(3,118)	(4.8)
Interest and dividend income	40,721	40,301	(419)	(1.0)
Investment gains on money trusts	632	52	(579)	(91.6)
Gains on sales of securities	23,660	23,852	192	0.8
Transfer of interest and dividend income on deposits of premiums, etc.	(7,206)	(7,104)	102	—
Other ordinary income	1,890	2,009	118	6.3
Ordinary expenses:	613,194	624,481	11,287	1.8
Underwriting expenses:	512,804	521,481	8,676	1.7
Net claims paid	306,515	331,005	24,490	8.0
Loss adjustment expenses	31,147	30,080	(1,067)	(3.4)
Net commissions and brokerage fees	111,533	111,056	(477)	(0.4)
Maturity refunds to policyholders	32,678	32,641	(36)	(0.1)
Provision for reserve for outstanding losses and claims	14,194	16,299	2,104	14.8
Provision for underwriting reserves	16,321	—	(16,321)	(100.0)
Investment expenses:	11,264	10,277	(986)	(8.8)
Losses on sales of securities	3,725	2,270	(1,455)	(39.1)
Impairment losses on securities	580	167	(412)	(71.2)
Operating, general and administrative expenses	86,860	90,133	3,272	3.8
Other ordinary expenses:	2,264	2,589	325	14.4
Interest paid	1,630	1,623	(7)	(0.4)
Ordinary profit	55,527	53,937	(1,590)	(2.9)
Extraordinary gains:	15	19	4	28.1
Gains on disposal of fixed assets	15	19	4	28.1
Extraordinary losses:	1,286	1,340	53	4.2
Losses on disposal of fixed assets	173	190	16	9.8
Provision for reserves under the special laws:	1,113	1,149	36	3.3
Provision for reserve for price fluctuation	1,113	1,149	36	3.3
Net income before income taxes	54,256	52,616	(1,639)	(3.0)
Income taxes and deferred income taxes	9,983	6,629	(3,353)	(33.6)
Net income	44,273	45,986	1,713	3.9

Underwriting result:					
Net premiums written	(+)	573,812	567,592	(6,220)	(1.1)
Net claims paid	(−)	306,515	331,005	24,490	8.0
Loss adjustment expenses	(−)	31,147	30,080	(1,067)	(3.4)
Net operating expenses:	(−)	192,536	194,614	2,078	1.1
Net commissions and brokerage fees		111,533	111,056	(477)	(0.4)
Operating, general and administrative expenses related to underwriting		81,002	83,558	2,555	3.2
Underwriting result		43,612	11,891	(31,721)	(72.7)
Underwriting profit		5,869	7,195	1,325	22.6
Ratios:					
Net loss ratio	(%)	58.8	63.6	4.8	
Net operating expenses ratio	(%)	33.6	34.3	0.7	
Combined ratio	(%)	92.4	97.9	5.5	

Sompo Japan Insurance Inc. (Non-consolidated)

Premiums Written and Claims Paid by Business Lines

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Business line	Three months ended June 30, 2023 (April 1 to June 30, 2023)			Three months ended June 30, 2024 (April 1 to June 30, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	126,523	19.5	1.8	131,749	20.1	4.1
Marine insurance	15,962	2.5	(0.2)	15,672	2.4	(1.8)
Personal accident insurance	50,250	7.7	1.0	47,935	7.3	(4.6)
Voluntary automobile insurance	276,255	42.5	0.0	277,225	42.2	0.4
Compulsory automobile liability insurance	51,035	7.9	(8.9)	49,385	7.5	(3.2)
Others	129,667	20.0	4.0	134,509	20.5	3.7
Total	649,694	100.0	0.4	656,477	100.0	1.0
Deposits of premiums by policyholders	19,975	——	5.9	15,004	——	(24.9)

Net premiums written

(Millions of yen)

Business line	Three months ended June 30, 2023 (April 1 to June 30, 2023)			Three months ended June 30, 2024 (April 1 to June 30, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	79,928	13.9	1.0	80,501	14.2	0.7
Marine insurance	13,136	2.3	(7.9)	12,941	2.3	(1.5)
Personal accident insurance	47,825	8.3	0.1	45,850	8.1	(4.1)
Voluntary automobile insurance	275,135	47.9	0.1	276,369	48.7	0.4
Compulsory automobile liability insurance	50,441	8.8	4.2	43,458	7.7	(13.8)
Others	107,344	18.7	3.5	108,471	19.1	1.0
Total	573,812	100.0	1.0	567,592	100.0	(1.1)

Net claims paid

(Millions of yen)

Business line	Three months ended June 30, 2023 (April 1 to June 30, 2023)			Three months ended June 30, 2024 (April 1 to June 30, 2024)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
		%	%		%	%
Fire and allied insurance	57,443	0.2	74.6	58,915	2.6	75.5
Marine insurance	5,707	23.5	46.1	6,491	13.7	52.7
Personal accident insurance	18,241	(7.3)	42.4	19,985	9.6	47.7
Voluntary automobile insurance	147,424	11.4	60.6	165,670	12.4	66.8
Compulsory automobile liability insurance	35,214	(2.3)	78.2	35,859	1.8	92.2
Others	42,484	(3.8)	42.4	44,082	3.8	43.3
Total	306,515	4.2	58.8	331,005	8.0	63.6

Sompo Japan Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2024	As of June 30, 2024
(A) Total Non-consolidated Solvency Margin		3,568,741	3,631,016
	Capital and funds, etc.	735,325	781,311
	Reserve for price fluctuation	104,368	105,518
	Contingency reserve	5,587	6,078
	Catastrophic loss reserve	521,086	506,888
	General allowance for possible credit losses	92	92
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	1,437,042	1,448,172
	Unrealized gains and losses on land	134,953	134,977
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	427,000	427,000
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	32,677	32,677
	Others	235,963	253,655
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		1,049,207	1,046,234
	Underwriting risk (R_1)	205,429	205,429
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	11,101	10,786
	Investment risk (R_4)	792,254	789,683
	Business management risk (R_5)	24,093	24,033
	Major catastrophe risk (R_6)	195,907	195,790
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		680.2 %	694.1 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The amounts and figures as of June 30, 2024 are partly calculated by using the simplified method. For example, some bases for the major catastrophe risk calculation are deemed the same as the amounts and figures as of March 31, 2024.

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	25,293	28,590	3,297
Securities	40,125	39,544	(580)
Tangible fixed assets	324	317	(6)
Intangible fixed assets	9,271	8,931	(339)
Other assets	10,500	10,764	264
Deferred tax assets	2,650	2,681	30
Allowance for possible credit losses	(2)	(2)	(0)
Total assets	88,162	90,827	2,665
Liabilities:			
Underwriting funds:	66,559	75,248	8,688
Reserve for outstanding losses and claims	27,523	29,284	1,760
Underwriting reserves	39,036	45,964	6,928
Other liabilities	6,098	3,118	(2,979)
Reserve for retirement benefits to directors	14	16	1
Reserve for bonus payments	417	175	(242)
Reserve for bonus payments to directors	20	4	(15)
Reserves under the special laws:	9	12	2
Reserve for price fluctuation	9	12	2
Total liabilities	73,120	78,575	5,455
Net assets:			
Shareholders' equity:			
Common stock	32,260	32,260	—
Capital surplus	40,692	40,692	—
Retained earnings	(57,358)	(60,031)	(2,672)
Total shareholders' equity	15,593	12,921	(2,672)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(552)	(669)	(117)
Total valuation and translation adjustments	(552)	(669)	(117)
Total net assets	15,041	12,251	(2,789)
Total liabilities and net assets	88,162	90,827	2,665

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		%
Ordinary income:	23,216	23,849	632	2.7
Underwriting income:	23,159	23,833	673	2.9
Net premiums written	23,129	23,817	687	3.0
Interest and dividend income on deposits of premiums, etc.	14	16	2	16.1
Reversal of reserve for outstanding losses and claims	16	―	(16)	(100.0)
Investment income:	55	10	(44)	(80.4)
Interest and dividend income	69	26	(42)	(61.2)
Gains on sales of securities	―	0	0	―
Transfer of interest and dividend income on deposits of premiums, etc.	(14)	(16)	(2)	―
Other ordinary income	1	4	3	224.6
Ordinary expenses:	23,862	26,514	2,651	11.1
Underwriting expenses:	19,888	22,277	2,389	12.0
Net claims paid	10,655	11,958	1,303	12.2
Loss adjustment expenses	1,185	1,213	28	2.4
Net commissions and brokerage fees	413	412	(0)	(0.2)
Provision for reserve for outstanding losses and claims	―	1,760	1,760	―
Provision for underwriting reserves	7,630	6,928	(701)	(9.2)
Investment expenses	―	0	0	―
Operating, general and administrative expenses	3,946	4,214	268	6.8
Other ordinary expenses:	28	22	(5)	(19.5)
Interest paid	1	1	0	24.2
Ordinary loss	(646)	(2,665)	(2,019)	―
Extraordinary losses:	4	3	(1)	(34.8)
Losses on disposal of fixed assets	0	0	0	676.1
Provision for reserves under the special laws:	4	2	(2)	(49.2)
Provision for reserve for price fluctuation	4	2	(2)	(49.2)
Net loss before income taxes	(651)	(2,668)	(2,017)	―
Income taxes and deferred income taxes	3	3	―	―
Net loss	(655)	(2,672)	(2,017)	―

Underwriting result:					
Net premiums written	(+)	23,129	23,817	687	3.0
Net claims paid	(−)	10,655	11,958	1,303	12.2
Loss adjustment expenses	(−)	1,185	1,213	28	2.4
Net operating expenses:	(−)	4,320	4,609	288	6.7
Net commissions and brokerage fees		413	412	(0)	(0.2)
Operating, general and administrative expenses related to underwriting		3,906	4,196	289	7.4
Underwriting result		6,967	6,035	(932)	(13.4)
Underwriting profit (loss)		(635)	(2,640)	(2,004)	―
Ratios:					
Net loss ratio	(%)	51.2	55.3	4.1	
Net operating expenses ratio	(%)	18.7	19.4	0.7	
Combined ratio	(%)	69.9	74.7	4.8	

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2024	As of June 30, 2024
(A) Total Non-consolidated Solvency Margin		19,009	16,589
	Capital and funds, etc.	15,593	12,921
	Reserve for price fluctuation	9	12
	Contingency reserve	11	11
	Catastrophic loss reserve	4,024	4,423
	General allowance for possible credit losses	1	1
	Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	(631)	(779)
	Unrealized gains and losses on land	—	—
	Excess amount of reserve for maturity refunds	—	—
	Subordinated debt, etc.	—	—
	Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Deductions	—	—
	Others	—	—
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_2)^2+(R_3+R_4)^2}+R_5+R_6$		11,011	11,036
	Underwriting risk (R_1)	8,730	8,730
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
	Guaranteed interest rate risk (R_3)	12	12
	Investment risk (R_4)	1,391	1,413
	Business management risk (R_5)	358	359
	Major catastrophe risk (R_6)	1,810	1,830
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		345.2 %	300.6 %

Note) The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996). The amounts and figures as of June 30, 2024 are partly calculated by using the simplified method. For example, some bases for the major catastrophe risk calculation are deemed the same as the amounts and figures as of March 31, 2024.

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	115,961	79,808	(36,152)
Securities:	3,935,368	3,917,464	(17,903)
Government bonds	2,967,250	2,962,491	(4,758)
Municipal bonds	59,497	56,337	(3,159)
Corporate bonds	382,384	360,409	(21,975)
Domestic stocks	13,780	13,086	(694)
Foreign securities	497,295	506,400	9,104
Loans:	42,953	43,058	105
Policy loans	42,953	43,058	105
Tangible fixed assets	2,057	2,142	84
Intangible fixed assets	4,140	4,277	136
Agency accounts receivable	195	202	6
Reinsurance accounts receivable	1,814	980	(834)
Other assets	56,189	59,152	2,963
Deferred tax assets	6,877	10,039	3,162
Allowance for possible credit losses	(125)	(128)	(2)
Total assets	4,165,432	4,116,997	(48,435)
Liabilities:			
Policy reserves:	3,555,847	3,586,286	30,438
Reserve for outstanding claims	40,221	39,903	(317)
Policy reserves	3,511,187	3,541,945	30,757
Reserve for dividends to policyholders	4,438	4,436	(1)
Agency accounts payable	5,481	4,462	(1,018)
Reinsurance accounts payable	1,129	1,005	(124)
Other liabilities	399,549	326,508	(73,041)
Reserve for bonus payments to directors	42	3	(39)
Reserve for retirement benefits	5,649	5,790	140
Reserve for possible reimbursement of prescribed claims	345	217	(128)
Reserves under the special laws:	12,035	12,303	267
Reserve for price fluctuation	12,035	12,303	267
Total liabilities	3,980,080	3,936,576	(43,504)
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	13,333	13,333	—
Retained earnings	97,012	100,212	3,200
Total shareholders' equity	127,595	130,796	3,200
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	57,755	49,624	(8,131)
Total valuation and translation adjustments	57,755	49,624	(8,131)
Total net assets	185,351	180,420	(4,930)
Total liabilities and net assets	4,165,432	4,116,997	(48,435)

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)	Three months ended June 30, 2024 (April 1 to June 30, 2024)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	145,740	125,190	(20,550)	(14.1) %
Insurance premiums and other:	104,458	104,349	(109)	(0.1)
Insurance premiums	103,388	103,419	31	0.0
Investment income:	40,173	20,296	(19,877)	(49.5)
Interest and dividend income and other	14,461	15,306	844	5.8
Gains on sales of securities	22,591	2,028	(20,563)	(91.0)
Investment gains on special account	2,469	912	(1,556)	(63.0)
Other ordinary income:	1,108	544	(563)	(50.8)
Reversal of reserve for outstanding claims	677	317	(360)	(53.2)
Ordinary expenses:	138,106	119,455	(18,651)	(13.5)
Insurance claims and other:	55,184	55,594	410	0.7
Insurance claims	10,051	11,249	1,198	11.9
Annuity payments	2,967	2,851	(116)	(3.9)
Insurance benefits	13,228	14,059	830	6.3
Surrender benefits	26,907	25,586	(1,321)	(4.9)
Other refunds	1,018	842	(175)	(17.3)
Provision for policy reserves and other:	32,098	30,757	(1,340)	(4.2)
Provision for policy reserves	32,098	30,757	(1,340)	(4.2)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(3.5)
Investment expenses:	27,138	7,304	(19,834)	(73.1)
Interest paid	18	38	19	110.3
Losses on sales of securities	24,707	5,628	(19,079)	(77.2)
Losses on derivatives	2,378	1,605	(773)	(32.5)
Operating expenses	22,388	24,450	2,062	9.2
Other ordinary expenses	1,297	1,347	50	3.9
Ordinary profit	7,633	5,734	(1,899)	(24.9)
Extraordinary losses:	301	313	11	3.7
Losses on disposal of fixed assets and other	0	0	0	5,121,380.0
Provision for reserves under the special laws:	278	267	(10)	(3.9)
Provision for reserve for price fluctuation	278	267	(10)	(3.9)
Other extraordinary losses	23	45	21	92.3
Provision for reserve for dividends to policyholders	1,017	932	(85)	(8.4)
Net income before income taxes	6,314	4,488	(1,825)	(28.9)
Income taxes and deferred income taxes	1,824	1,288	(536)	(29.4)
Net income	4,489	3,200	(1,288)	(28.7)

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Major Business Results

Total amount of policies in force

(Number in thousands, Billions of yen, %)

	As of March 31, 2024				As of June 30, 2024			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,888	104.7	22,447	98.2	4,934	100.9	22,320	99.4
Individual annuities	45	93.9	200	95.9	44	98.4	198	99.2
Group insurance	——	——	2,539	95.5	——	——	2,518	99.2
Group annuities	——	——	—	—	——	——	—	—

Note) Amounts of “Individual annuities” represent the sums of annuity fund at the beginning of annuity payment of contracts before the beginning of annuity payment and policy reserves for the contracts after the beginning of annuity payment.

Total amount of new policies

(Number in thousands, Billions of yen, %)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)				Three months ended June 30, 2024 (April 1 to June 30, 2024)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	110	90.4	399	96.0	105	95.4	409	102.3
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	——	——	34	438.1	——	——	5	15.6
Group annuities	——	——	—	—	——	——	—	—

Note) Amounts of “Individual annuities” represent amounts of annuity fund at the beginning of annuity payment.

Annualized premiums

Policies in force

(Millions of yen, %)

	As of March 31, 2024		As of June 30, 2024	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	375,613	101.4	377,264	100.4
Individual annuities	14,694	97.4	14,570	99.2
Total	390,307	101.3	391,834	100.4
Medical and survival benefits	197,905	105.5	200,175	101.1

New policies

(Millions of yen, %)

	Three months ended June 30, 2023 (April 1 to June 30, 2023)		Three months ended June 30, 2024 (April 1 to June 30, 2024)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	7,610	93.7	7,559	99.3
Individual annuities	—	—	—	—
Total	7,610	93.7	7,559	99.3
Medical and survival benefits	4,928	84.6	4,357	88.4

Notes)

1. Annualized premiums are calculated by using multipliers for various premium payment terms to the premium per payment. In single premium contracts, the amount is calculated by dividing the premium by the duration of the policy.
2. Annualized premiums for medical and survival benefits include (a) premium related to medical benefits such as hospitalization and surgery benefits, (b) premium related to survival benefits such as specific illness and nursing benefits, and (c) premium related to premium waiver benefits, in which disability cause is excluded but causes such as specific illness and nursing care are included.

Sompo Himawari Life Insurance, Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

(Millions of yen)

		As of March 31, 2024	As of June 30, 2024
(A) Total Non-consolidated Solvency Margin		422,873	417,466
	Capital, etc.	127,595	130,947
	Reserve for price fluctuation	12,035	12,303
	Contingency reserve	34,976	35,115
	General allowance for possible credit losses	0	0
	Unrealized gains and losses on securities (before tax effect deductions) (90% of gain or 100% of loss), deferred gains and losses on hedges (before tax effect deductions) (90% of gain or 100% of loss)	72,194	62,030
	Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
	Excess amount of continued Zillmerized reserve	139,674	139,498
	Subordinated debt, etc.	—	—
	Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	—	—
	Brought in capital, etc.	—	—
	Deductions	—	—
	Others	36,395	37,570
(B) Total Non-consolidated Risks $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$		74,928	75,253
	Underwriting risk (R_1)	13,473	13,339
	Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	14,184	14,407
	Guaranteed interest rate risk (R_2)	8,238	8,208
	Guaranteed minimum benefit risk (R_7)	420	436
	Investment risk (R_3)	58,925	59,245
	Business management risk (R_4)	1,904	1,912
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100		1,128.7 %	1,109.4 %

Notes)

1. The above amounts and figures are calculated based on provisions of Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act and Public Notice No. 50 of the Ministry of Finance (1996).
2. Guaranteed minimum benefit risk is calculated by using the standard method.

Supplementary Explanation

< Calculation of ratios, etc. >

- Underwriting profit = Underwriting income - Underwriting expenses - Operating, general and administrative expenses related to underwriting + Other income and expenses*
  *Other income and expenses include, but not limited to, income tax expenses for compulsory automobile liability insurance.
- Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
- Net operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
- Combined ratio = Net loss ratio + Net operating expenses ratio

< Non-consolidated solvency margin ratio >

- In addition to reserves to cover payments for claims, benefits and maturity refunds, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which exceed their normal estimates, e.g. occurrence of major catastrophes, fluctuation in mortality rate due to significant changes in key environmental factors and big decline in value of assets held by insurance companies.

- (C) Non-consolidated Solvency Margin Ratio, which is calculated in accordance with the Insurance Business Act, etc. is the ratio of “solvency margin of insurance companies by means of their capital, reserves, etc.” ((A) Total Non-consolidated Solvency Margin) to “risks which exceed their normal estimates” ((B) Total Non-consolidated Risks).

- “Risks which exceed their normal estimates” are composed of risks described below.
  <1> Underwriting risk, Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance:
  Risks of rate of occurrence of insurance claims, etc. in excess of normal estimates (excluding risks relating to major catastrophes)
  <2> Guaranteed interest rate risk:
  Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions
  <3> Investment risk:
  Risks of securities and other assets held fluctuating in prices in excess of normal estimates
  <4> Business management risk:
  Risks beyond normal estimates arising from business management that do not fall under other categories
  <5> Major catastrophe risk:
  Risks of the occurrence of major catastrophic losses in excess of normal estimates (risks such as the Great Kanto Earthquake or Isewan Typhoon)
  <6> Guaranteed minimum benefit risk:
  Risks of special account assets fluctuating in prices in excess of normal estimates

- “Solvency margin of insurance companies by means of their capital, reserves, etc.” (total non-consolidated solvency margin) is the sum of total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation, contingency reserve and catastrophic loss reserve, etc.) and parts of unrealized gains and losses on land, etc.

- Solvency margin ratio is one of the indicators for the regulatory authorities to monitor financial soundness of insurance companies. Solvency margin ratio exceeding 200% would indicate adequate capability to meet payments of possible insurance claims and others.

< Adjusted consolidated profit >

		Calculation method
Adjusted profit by business segment (Note 1)	Domestic P&C Insurance Business	Net income for the period ＋Provisions for catastrophic loss reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance Business	Operating income (Note 2) Net income for the period for affiliates accounted for under the equity-method in principle
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care Business	Net income for the period
	Digital & Others	Net income for the period －Gains/losses and impairment losses on investment (after tax)
Adjusted consolidated profit		Total of adjusted profit by business segment

Notes)

1. Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from group companies.
2. Operating income excludes one-time factors (operating income = Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.).