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November 19, 2024

Sompo Holdings, Inc.

Summary of Consolidated Financial Results for the six months ended September 30, 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 file Semi-annual Securities Report: November 28, 2024
Scheduled date to start payment of dividends: December 4, 2024
Supplementary information for quarterly financial statements: Yes
Schedule for quarterly 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 six months ended September 30, 2024 (April 1 to September 30, 2024)

(1) Consolidated Results of Operations

Note) Percentages are changes from corresponding period of previous fiscal year.

	Ordinary income		Ordinary profit		Net income attributable to shareholders of the parent	
	millions of yen	%	millions of yen	%	millions of yen	%
Six months ended September 30, 2024	2,962,950	11.4	346,641	91.4	262,230	99.4
Six months ended September 30, 2023	2,659,605	5.3	181,061	—	131,525	—

Note) Comprehensive income: Six months ended September 30, 2024 245,123 million yen (55.7) %
Six months ended September 30, 2023 553,807 million yen — %

	Net income per share	Diluted net income per share
	yen	yen
Six months ended September 30, 2024	267.05	267.05
Six months ended September 30, 2023	132.26	132.21

Note) 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, 2024.

(2) Consolidated Financial Conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of September 30, 2024	15,171,090	3,006,262	19.7
As of March 31, 2024	14,832,778	2,868,258	19.2

Reference) Equity capital: As of September 30, 2024 2,989,913 million yen
As of March 31, 2024 2,851,899 million yen

2. Dividends

	Dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Fiscal year ended March 31, 2024	—	150.00	—	150.00	300.00
Fiscal year ending March 31, 2025	—	56.00			
Fiscal year ending March 31, 2025 (Forecast)			—	76.00	132.00

Notes)

1. Revisions to the latest announced dividends forecasts: Yes
2. 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, 2024. Contents for the fiscal year ending March 31, 2025 and 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, 2024, 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	550,000	12.7	400,000	(3.9)	412.27

Note) Revisions to the latest announced forecasts of financial results: Yes

(Notes)

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: None

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

(a) Changes in accounting policies due to revisions to accounting standards, etc.: None

(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 September 30, 2024	990,482,067	shares
As of March 31, 2024	990,482,067	shares

(b) Treasury stock:

As of September 30, 2024	20,250,105	shares
As of March 31, 2024	2,879,181	shares

(c) Average number of shares outstanding:

For the six months ended September 30, 2024	981,926,955	shares
For the six months ended September 30, 2023	994,439,460	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, 2024.

(Expression of implementation status of interim audit procedures)

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

(Notes for using forecasts of financial results, 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.

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1. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets:		
Cash and deposits	1,231,345	1,154,562
Receivables under resale agreements	14,999	109,969
Monetary receivables bought	21,686	24,315
Money trusts	4,843	4,845
Securities	11,424,810	11,677,680
Loans	451,662	437,474
Tangible fixed assets	371,583	384,182
Intangible fixed assets	518,922	514,067
Other assets	710,294	778,949
Net defined benefit asset	433	411
Deferred tax assets	85,110	87,688
Allowance for possible credit losses	(2,913)	(3,057)
Total assets	14,832,778	15,171,090
Liabilities:		
Underwriting funds:	9,810,421	10,240,286
Reserve for outstanding losses and claims	2,723,561	3,063,788
Underwriting reserves	7,086,859	7,176,497
Corporate bonds	682,349	693,526
Other liabilities	1,111,287	978,349
Net defined benefit liability	21,654	24,454
Reserve for retirement benefits to directors	16	19
Reserve for bonus payments	57,500	41,472
Reserve for bonus payments to directors	443	79
Reserve for stocks payments	2,535	1,995
Reserves under the special laws:	116,413	119,199
Reserve for price fluctuation	116,413	119,199
Deferred tax liabilities	161,895	65,445
Total liabilities	11,964,519	12,164,827
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	32,096	31,684
Retained earnings	1,291,783	1,508,336
Treasury stock	(4,125)	(63,467)
Total shareholders' equity	1,419,799	1,576,599
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	1,247,127	1,043,801
Deferred gains and losses on hedges	1,696	1,399
Foreign currency translation adjustments	142,391	329,016
Remeasurements of defined benefit plans	40,885	39,096
Total accumulated other comprehensive income	1,432,100	1,413,313
Stock acquisition rights	235	3
Non-controlling interests	16,123	16,345
Total net assets	2,868,258	3,006,262
Total liabilities and net assets	14,832,778	15,171,090

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

Interim Consolidated Statement of Income

(Millions of yen)

	Six months ended September 30, 2023 (April 1 to September 30, 2023)	Six months ended September 30, 2024 (April 1 to September 30, 2024)
Ordinary income:	2,659,605	2,962,950
Underwriting income:	2,295,993	2,464,355
Net premiums written	2,088,965	2,261,531
Deposits of premiums by policyholders	35,305	32,240
Interest and dividend income on deposits of premiums, etc.	14,258	14,014
Life insurance premiums written	155,357	155,885
Investment income:	256,173	386,760
Interest and dividend income	89,493	97,181
Investment gains on money trusts	5,691	94
Investment gains on trading securities	87,190	81,404
Gains on sales of securities	69,579	213,084
Transfer of interest and dividend income on deposits of premiums, etc.	(14,258)	(14,014)
Other ordinary income	107,437	111,834
Ordinary expenses:	2,478,543	2,616,309
Underwriting expenses:	2,005,715	2,108,792
Net claims paid	981,595	1,042,611
Loss adjustment expenses	71,510	76,064
Net commissions and brokerage fees	379,382	419,240
Maturity refunds to policyholders	69,989	71,397
Life insurance claims paid and other payments	50,939	54,381
Provision for reserve for outstanding losses and claims	150,848	61,200
Provision for underwriting reserves	300,211	379,417
Investment expenses:	56,009	39,464
Losses on sales of securities	34,326	14,806
Impairment losses on securities	1,678	4,770
Losses on derivatives	7,335	10,276
Operating, general and administrative expenses	327,358	369,057
Other ordinary expenses:	89,459	98,994
Interest paid	6,911	7,630
Ordinary profit	181,061	346,641
Extraordinary gains:	424	81
Gains on disposal of fixed assets	264	81
Gains on negative goodwill	159	—
Extraordinary losses:	3,087	3,150
Losses on disposal of fixed assets	296	365
Provision for reserves under the special laws:	2,790	2,785
Provision for reserve for price fluctuation	2,790	2,785
Net income before income taxes	178,399	343,572
Income taxes	56,540	91,283
Deferred income taxes	(11,138)	(11,150)
Total income taxes	45,401	80,132
Net income	132,997	263,439
Net income attributable to non-controlling interests	1,471	1,208
Net income attributable to shareholders of the parent	131,525	262,230

Interim Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023 (April 1 to September 30, 2023)	Six months ended September 30, 2024 (April 1 to September 30, 2024)
Net income	132,997	263,439
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	312,202	(203,914)
Deferred gains and losses on hedges	(567)	(296)
Foreign currency translation adjustments	108,856	187,304
Remeasurements of defined benefit plans	(534)	(1,794)
Share of other comprehensive income of affiliates accounted for under the equity method	854	385
Total other comprehensive income	420,809	(18,315)
Comprehensive income	553,807	245,123
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	552,823	243,443
Comprehensive income attributable to non-controlling interests	984	1,680

(3) Interim Consolidated Statement of Changes in Net Assets

Six months ended September 30, 2023 (April 1 to September 30, 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	134,708	961,838	(82,145)	1,114,447
Effect of hyperinflation			283		283
Adjusted beginning balance	100,045	134,708	962,121	(82,145)	1,114,730
Changes during the period:					
Dividends			(43,411)		(43,411)
Net income attributable to shareholders of the parent			131,525		131,525
Acquisition of treasury stock				(25,016)	(25,016)
Disposal of treasury stock		(30)		403	373
Net changes in items other than shareholders' equity					
Total changes during the period	–	(30)	88,114	(24,612)	63,471
Balance at the end of the period	100,045	134,678	1,050,235	(106,757)	1,178,201

	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								283
Adjusted beginning balance	708,578	2,412	57,053	20,555	788,599	269	15,824	1,919,423
Changes during the period:								
Dividends								(43,411)
Net income attributable to shareholders of the parent								131,525
Acquisition of treasury stock								(25,016)
Disposal of treasury stock								373
Net changes in items other than shareholders' equity	312,252	(567)	110,164	(552)	421,297	(26)	1,995	423,266
Total changes during the period	312,252	(567)	110,164	(552)	421,297	(26)	1,995	486,737
Balance at the end of the period	1,020,831	1,844	167,218	20,003	1,209,897	242	17,819	2,406,161

Six months ended September 30, 2024 (April 1 to September 30, 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	32,096	1,291,783	(4,125)	1,419,799
Effect of hyperinflation			3,814		3,814
Adjusted beginning balance	100,045	32,096	1,295,597	(4,125)	1,423,613
Changes during the period:					
Dividends			(49,491)		(49,491)
Net income attributable to shareholders of the parent			262,230		262,230
Acquisition of treasury stock				(61,173)	(61,173)
Disposal of treasury stock		(411)		1,831	1,420
Net changes in items other than shareholders' equity					
Total changes during the period	–	(411)	212,738	(59,341)	152,986
Balance at the end of the period	100,045	31,684	1,508,336	(63,467)	1,576,599

	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	1,247,127	1,696	142,391	40,885	1,432,100	235	16,123	2,868,258
Effect of hyperinflation								3,814
Adjusted beginning balance	1,247,127	1,696	142,391	40,885	1,432,100	235	16,123	2,872,073
Changes during the period:								
Dividends								(49,491)
Net income attributable to shareholders of the parent								262,230
Acquisition of treasury stock								(61,173)
Disposal of treasury stock								1,420
Net changes in items other than shareholders' equity	(203,326)	(296)	186,624	(1,788)	(18,787)	(232)	222	(18,797)
Total changes during the period	(203,326)	(296)	186,624	(1,788)	(18,787)	(232)	222	134,189
Balance at the end of the period	1,043,801	1,399	329,016	39,096	1,413,313	3	16,345	3,006,262

(4) Notes on Going-Concern Assumption

None.

2. Supplementary Information

(1) Summary of Results of Operations (Consolidated)

(Millions of yen)

	Six months ended September 30, 2023 (April 1 to September 30, 2023)	Six months ended September 30, 2024 (April 1 to September 30, 2024)	Increase (Decrease)	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	2,295,993	2,464,355	168,362	7.3
Net premiums written	2,088,965	2,261,531	172,566	8.3
Deposits of premiums by policyholders	35,305	32,240	(3,064)	(8.7)
Life insurance premiums written	155,357	155,885	527	0.3
Underwriting expenses:	2,005,715	2,108,792	103,077	5.1
Net claims paid	981,595	1,042,611	61,015	6.2
Loss adjustment expenses	71,510	76,064	4,553	6.4
Net commissions and brokerage fees	379,382	419,240	39,858	10.5
Maturity refunds to policyholders	69,989	71,397	1,408	2.0
Life insurance claims paid and other payments	50,939	54,381	3,442	6.8
Provision for reserve for outstanding losses and claims	150,848	61,200	(89,648)	(59.4)
Provision for underwriting reserves	300,211	379,417	79,206	26.4
Investment income:	256,173	386,760	130,586	51.0
Interest and dividend income	89,493	97,181	7,688	8.6
Gains on sales of securities	69,579	213,084	143,504	206.2
Investment expenses:	56,009	39,464	(16,545)	(29.5)
Losses on sales of securities	34,326	14,806	(19,519)	(56.9)
Impairment losses on securities	1,678	4,770	3,092	184.3
Operating, general and administrative expenses	327,358	369,057	41,699	12.7
Other ordinary income and expenses	17,978	12,839	(5,138)	(28.6)
Ordinary profit	181,061	346,641	165,580	91.4
Extraordinary gains and losses:				
Extraordinary gains	424	81	(343)	(80.8)
Extraordinary losses	3,087	3,150	63	2.1
Extraordinary gains and losses	(2,662)	(3,069)	(406)	―
Net income before income taxes	178,399	343,572	165,173	92.6
Income taxes	56,540	91,283	34,743	61.4
Deferred income taxes	(11,138)	(11,150)	(12)	―
Total income taxes	45,401	80,132	34,731	76.5
Net income	132,997	263,439	130,441	98.1
Net income attributable to non-controlling interests	1,471	1,208	(262)	(17.9)
Net income attributable to shareholders of the parent	131,525	262,230	130,704	99.4

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Six months ended September 30, 2023 (April 1 to September 30, 2023)			Six months ended September 30, 2024 (April 1 to September 30, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	429,276	19.5	(1.8)	456,019	19.9	6.2
Marine insurance	75,321	3.4	7.1	92,292	4.0	22.5
Personal accident insurance	126,498	5.8	(0.6)	122,390	5.3	(3.2)
Voluntary automobile insurance	647,207	29.5	3.7	661,709	28.8	2.2
Compulsory automobile liability insurance	98,978	4.5	(11.0)	96,885	4.2	(2.1)
Others	818,799	37.3	3.8	866,857	37.8	5.9
Total	2,196,082	100.0	1.7	2,296,154	100.0	4.6
Deposits of premiums by policyholders	35,305	1.6	0.9	32,240	1.4	(8.7)

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

Net premiums written

(Millions of yen)

Business line	Six months ended September 30, 2023 (April 1 to September 30, 2023)			Six months ended September 30, 2024 (April 1 to September 30, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	376,031	18.0	1.5	427,778	18.9	13.8
Marine insurance	77,063	3.7	19.1	86,249	3.8	11.9
Personal accident insurance	87,619	4.2	(0.3)	86,924	3.8	(0.8)
Voluntary automobile insurance	653,911	31.3	3.4	682,208	30.2	4.3
Compulsory automobile liability insurance	102,994	4.9	(2.1)	92,924	4.1	(9.8)
Others	791,343	37.9	(6.1)	885,446	39.2	11.9
Total	2,088,965	100.0	(0.7)	2,261,531	100.0	8.3

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

Net claims paid

(Millions of yen)

Business line	Six months ended September 30, 2023 (April 1 to September 30, 2023)			Six months ended September 30, 2024 (April 1 to September 30, 2024)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
		%	%		%	%
Fire and allied insurance	203,218	20.7	10.2	179,963	17.3	(11.4)
Marine insurance	30,890	3.1	38.9	35,039	3.4	13.4
Personal accident insurance	37,539	3.8	(14.8)	40,504	3.9	7.9
Voluntary automobile insurance	358,118	36.5	11.1	386,776	37.1	8.0
Compulsory automobile liability insurance	73,300	7.5	1.8	73,647	7.1	0.5
Others	278,528	28.4	15.3	326,678	31.3	17.3
Total	981,595	100.0	10.7	1,042,611	100.0	6.2

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

(3) Securities (Consolidated)

1. Bonds held to maturity

(Millions of yen)

		As of March 31, 2024			As of September 30, 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	186,664	205,797	19,133	175,652	189,244	13,592
Securities whose fair value does not exceed their carrying amount	Domestic bonds	141,418	117,389	(24,028)	151,545	119,975	(31,570)
Total		328,082	323,187	(4,895)	327,198	309,220	(17,978)

2. Policy reserve matching bonds

(Millions of yen)

		As of March 31, 2024			As of September 30, 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	38,541	39,762	1,221	33,823	34,181	358
Securities whose fair value does not exceed their carrying amount	Domestic bonds	1,909,268	1,633,678	(275,589)	1,991,656	1,603,470	(388,185)
Total		1,947,810	1,673,441	(274,368)	2,025,479	1,637,652	(387,827)

3. Securities available for sale

(Millions of yen)

		As of March 31, 2024			As of September 30, 2024		
		Carrying amount	Cost	Unrealized gains and losses	Carrying amount	Cost	Unrealized gains and losses
Securities whose carrying amount exceeds their cost	Domestic bonds	1,323,557	1,216,186	107,371	1,260,824	1,176,478	84,346
	Domestic stocks	1,649,777	364,082	1,285,694	1,387,785	318,941	1,068,843
	Foreign securities	1,657,686	1,293,591	364,095	1,589,494	1,261,639	327,855
	Others	258,712	221,597	37,114	241,354	203,113	38,240
	Subtotal	4,889,733	3,095,458	1,794,275	4,479,458	2,960,173	1,519,285
Securities whose carrying amount does not exceed their cost	Domestic bonds	841,754	902,067	(60,313)	838,961	907,600	(68,639)
	Domestic stocks	4,769	5,126	(356)	13,138	16,600	(3,462)
	Foreign securities	452,715	488,300	(35,585)	433,371	461,052	(27,681)
	Others	50,210	54,128	(3,917)	67,464	70,367	(2,903)
	Subtotal	1,349,449	1,449,622	(100,172)	1,352,936	1,455,621	(102,685)
Total		6,239,183	4,545,080	1,694,103	5,832,394	4,415,795	1,416,599

Notes)

As of March 31, 2024	As of September 30, 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 classified as monetary receivables bought in the consolidated balance sheet are included in “Others” above.	2. Beneficial interests in the loan trusts classified as monetary receivables bought in the interim consolidated balance sheet are included in “Others” above.

4. Securities for which impairment losses are recognized

Fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)	Six months ended September 30, 2024 (April 1 to September 30, 2024)
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.	For the six months ended September 30, 2024, impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships)amount to 126 million yen (domestic stocks only), and impairment losses on stocks and others without a quoted market price and Investments in Partnerships amount to 1,415 million yen (domestic stocks: 1,107 million yen, foreign securities: 307 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the second quarter declines by 30% or more from their cost.