

**UNOFFICIAL TRANSLATION**

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February 14, 2022

**Sompo Holdings, Inc.****Summary of Consolidated Financial Results for the nine months ended December 31, 2021  
[Under Japanese GAAP]**

Company Name: Sompo Holdings, Inc.  
 Listed on: Tokyo Stock Exchange  
 Securities Code: 8630  
 URL: <https://www.sompo-hd.com/en/>  
 Representative: Kengo Sakurada, Group CEO, Director, President and Representative Executive Officer  
 Scheduled date to file Quarterly Securities Report: February 14, 2022  
 Scheduled date to start payment of dividends: \_\_\_\_\_  
 Supplementary information for quarterly financial statements: Yes  
 Schedule for quarterly investor meeting: None

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

**1. Consolidated Financial Results for the nine months ended December 31, 2021 (April 1 to December 31, 2021)****(1) Consolidated Results of Operations (accumulated)**

(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	%
Nine months ended December 31, 2021	3,157,219	8.5	261,880	82.5	183,725	114.3
Nine months ended December 31, 2020	2,909,658	2.9	143,533	(6.7)	85,726	(21.2)

Note) Comprehensive income: Nine months ended December 31, 2021 182,277 million yen (53.1) %  
 Nine months ended December 31, 2020 388,994 million yen 225.6 %

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended December 31, 2021	523.64	523.33
Nine months ended December 31, 2020	238.32	238.18

**(2) Consolidated Financial Conditions**

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
As of December 31, 2021	13,810,157	2,092,605	15.1
As of March 31, 2021	13,118,656	2,031,168	15.4

Reference) Equity capital: As of December 31, 2021 2,080,129 million yen  
 As of March 31, 2021 2,018,361 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, 2021	—	80.00	—	90.00	170.00
Fiscal year ending March 31, 2022	—	105.00	—		
Fiscal year ending March 31, 2022 (Forecast)				105.00	210.00

(Note) Revisions to the latest announced dividends forecasts: None

### 3. Forecasts of Consolidated Financial Results for the fiscal year ending March 31, 2022 (April 1, 2021 to March 31, 2022)

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	267,000	24.1	178,000	24.9	510.50

Note) Revisions to the latest announced forecasts of financial results: None

#### (Notes)

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2021 (changes in specified subsidiaries resulting in changes in the scope of consolidation): None
- (2) Application of accounting methods used specifically for the preparation of the quarterly consolidated financial statements: Yes
- (3) 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
- (4) Number of shares outstanding (Common stock):
  - (a) Total shares outstanding including treasury stock:
 

As of December 31, 2021	347,698,689 shares
As of March 31, 2021	373,330,489 shares
  - (b) Treasury stock:
 

As of December 31, 2021	2,599,114 shares
As of March 31, 2021	18,373,946 shares
  - (c) Average number of shares outstanding:
 

For the nine months ended December 31, 2021	350,860,324 shares
For the nine months ended December 31, 2020	359,701,434 shares

#### (Expression of implementation status of quarterly review procedures)

This summary is not subject to quarterly reviews 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.

## Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

	(Millions of yen)	
	As of March 31, 2021	As of December 31, 2021
Assets:		
Cash and deposits	1,068,985	1,153,210
Receivables under resale agreements	59,999	59,999
Monetary receivables bought	21,700	20,210
Money trusts	27,698	19,038
Securities	9,036,200	9,451,159
Loans	639,631	562,946
Tangible fixed assets	362,195	358,085
Intangible fixed assets	422,238	427,675
Other assets	1,481,467	1,752,215
Net defined benefit asset	83	116
Deferred tax assets	6,652	14,213
Allowance for possible credit losses	(8,196)	(8,712)
<b>Total assets</b>	<b>13,118,656</b>	<b>13,810,157</b>
Liabilities:		
Underwriting funds:	8,891,259	9,401,061
Reserve for outstanding losses and claims	1,646,818	1,907,966
Underwriting reserves	7,244,440	7,493,094
Corporate bonds	529,591	537,012
Other liabilities	1,380,322	1,515,214
Net defined benefit liability	80,497	85,647
Reserve for retirement benefits to directors	35	31
Reserve for bonus payments	30,421	18,060
Reserve for bonus payments to directors	1,083	196
Reserve for stocks payments	1,953	2,401
Reserves under the special laws:	100,212	103,973
Reserve for price fluctuation	100,212	103,973
Deferred tax liabilities	72,109	53,954
<b>Total liabilities</b>	<b>11,087,487</b>	<b>11,717,552</b>
Net assets:		
Shareholders' equity:		
Common stock	100,045	100,045
Capital surplus	244,060	134,971
Retained earnings	876,066	986,992
Treasury stock	(73,772)	(11,612)
<b>Total shareholders' equity</b>	<b>1,146,399</b>	<b>1,210,397</b>
Accumulated other comprehensive income:		
Unrealized gains and losses on securities available for sale	997,904	938,723
Deferred gains and losses on hedges	4,406	3,564
Foreign currency translation adjustments	(141,211)	(83,520)
Remeasurements of defined benefit plans	10,862	10,965
<b>Total accumulated other comprehensive income</b>	<b>871,961</b>	<b>869,732</b>
Stock acquisition rights	467	460
Non-controlling interests	12,340	12,015
<b>Total net assets</b>	<b>2,031,168</b>	<b>2,092,605</b>
<b>Total liabilities and net assets</b>	<b>13,118,656</b>	<b>13,810,157</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
 Quarterly Consolidated Statement of Income  
 Nine months ended December 31, 2021

	(Millions of yen)	
	Nine months ended December 31, 2020 (April 1 to December 31, 2020)	Nine months ended December 31, 2021 (April 1 to December 31, 2021)
Ordinary income:	2,909,658	3,157,219
Underwriting income:	2,621,231	2,782,141
Net premiums written	2,264,604	2,455,120
Deposits of premiums by policyholders	75,028	63,340
Interest and dividend income on deposits of premiums, etc.	25,118	22,453
Life insurance premiums written	253,787	238,521
Investment income:	171,023	250,957
Interest and dividend income	130,613	160,876
Investment gains on money trusts	2,355	1,233
Investment gains on trading securities	1,103	1,133
Gains on sales of securities	47,854	93,087
Transfer of interest and dividend income on deposits of premiums, etc.	(25,118)	(22,453)
Other ordinary income	117,403	124,120
Ordinary expenses:	2,766,124	2,895,338
Underwriting expenses:	2,226,835	2,354,679
Net claims paid	1,120,825	1,144,228
Loss adjustment expenses	95,620	97,419
Net commissions and brokerage fees	411,161	464,967
Maturity refunds to policyholders	146,424	139,045
Life insurance claims paid and other payments	70,017	73,625
Provision for reserve for outstanding losses and claims	92,012	211,097
Provision for underwriting reserves	288,403	220,785
Investment expenses:	44,873	13,958
Investment losses on money trusts	8	46
Losses on sales of securities	7,429	4,175
Impairment losses on securities	10,857	5,539
Operating, general and administrative expenses	394,619	420,013
Other ordinary expenses:	99,795	106,686
Interest paid	10,460	11,138
Ordinary profit	<u>143,533</u>	<u>261,880</u>
Extraordinary gains:	4,799	2,180
Gains on disposal of fixed assets	4,799	2,180
Extraordinary losses:	17,850	4,935
Losses on disposal of fixed assets	1,292	1,174
Impairment losses	10,377	—
Provision for reserves under the special laws:	3,554	3,760
Provision for reserve for price fluctuation	3,554	3,760
Other extraordinary losses	2,626	—
Net income before income taxes	<u>130,482</u>	<u>259,126</u>
Income taxes and deferred income taxes	<u>44,500</u>	<u>73,864</u>
Net income	<u>85,981</u>	<u>185,262</u>
Net income attributable to non-controlling shareholders	<u>255</u>	<u>1,536</u>
Net income attributable to shareholders of the parent	<u>85,726</u>	<u>183,725</u>

Quarterly Consolidated Statement of Comprehensive Income  
 Nine months ended December 31, 2021

	(Millions of yen)	
	Nine months ended December 31, 2020 (April 1 to December 31, 2020)	Nine months ended December 31, 2021 (April 1 to December 31, 2021)
Net income	85,981	185,262
Other comprehensive income:		
Unrealized gains and losses on securities available for sale	351,128	(59,519)
Deferred gains and losses on hedges	(1,062)	(842)
Foreign currency translation adjustments	(46,896)	57,298
Remeasurements of defined benefit plans	(214)	100
Share of other comprehensive income of affiliates accounted for under the equity method	57	(21)
Total other comprehensive income	303,012	(2,984)
Comprehensive income	388,994	182,277
(Comprehensive income attributable to)		
Comprehensive income attributable to shareholders of the parent	388,779	181,496
Comprehensive income attributable to non-controlling shareholders	214	781

## (3) Notes on Going-Concern Assumption

None.

## (4) Notes on Significant Changes in Shareholders' Equity

On November 30, 2021, the Company cancelled its treasury stock of 25,631,800 shares in accordance with the resolution approved at the Board Meeting held on November 19, 2021. As a result, the balances of capital surplus and treasury stock as of December 31, 2021 were 134,971 million yen and 11,612 million yen respectively, with decreases of 109,087 million yen for the nine months ended December 31, 2021.

## (5) Application of Accounting Methods Used Specifically for the Preparation of the Quarterly Consolidated Financial Statements

Income tax expenses are calculated by multiplying net income before income taxes by an estimated effective tax rate, which is a reasonable estimate of the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year that includes this third quarter. However, if the use of this estimated effective tax rate produces significantly unreasonable results, income tax expenses are calculated by using the statutory effective tax rate.

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

## (Changes in Accounting Policies)

## 1. Application of "Accounting Standard for Fair Value Measurement", etc.

The Company applied "Accounting Standard for Fair Value Measurement" (Accounting Standards Board of Japan (ASBJ) Statement No.30, July 4, 2019, hereinafter "Accounting Standard for Fair Value Measurement"), etc. from the beginning of the fiscal year 2021 and the Company is going to apply the new accounting policy specified in "Accounting Standard for Fair Value Measurement", etc. for the future in accordance with the transitional treatment based on Article 19 of "Accounting Standard for Fair Value Measurement" and Article 44-2 of "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, July 4, 2019).

In addition, the effect on Quarterly Consolidated Financial Statements is immaterial.

## 2. Application of "Accounting Standard for Revenue Recognition", etc.

The Company applied "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020, hereinafter "Accounting Standard for Revenue Recognition"), etc. from the beginning of the fiscal year 2021 and recognizes the revenue as the amount expected to be entitled in exchange for goods or services when the promised goods or services transferred to the customers.

The Company hereby recognizes the revenue from the service for the nursing home residents, to which the Company previously recognized the revenue as the gross amount received from the customers, as the net amount that remains after deducting the amount to pay to the suppliers from the amount received from the customers regarding the transaction in which the SOMPO HOLDINGS's role is the agent.

The Company applies "Accounting Standard for Revenue Recognition", etc. in accordance with the transitional treatment based on the conditional clause of Article 84 of "Accounting Standard for Revenue Recognition."

In addition, the effect of application of the accounting standard on Quarterly Consolidated Financial Statements is immaterial.

## Supplementary Information

### (1) Summary of Results of Operations (Consolidated)

	(Millions of yen)			
	Nine months ended December 31, 2020 (April 1 to December 31, 2020)	Nine months ended December 31, 2021 (April 1 to December 31, 2021)	Increase (Decrease)	Rate of change
Ordinary income and expenses:				%
Underwriting income:	2,621,231	2,782,141	160,910	6.1
Net premiums written	2,264,604	2,455,120	190,515	8.4
Deposits of premiums by policyholders	75,028	63,340	(11,688)	(15.6)
Life insurance premiums written	253,787	238,521	(15,266)	(6.0)
Underwriting expenses:	2,226,835	2,354,679	127,844	5.7
Net claims paid	1,120,825	1,144,228	23,403	2.1
Loss adjustment expenses	95,620	97,419	1,799	1.9
Net commissions and brokerage fees	411,161	464,967	53,805	13.1
Maturity refunds to policyholders	146,424	139,045	(7,379)	(5.0)
Life insurance claims paid and other payments	70,017	73,625	3,607	5.2
Provision for reserve for outstanding losses and claims	92,012	211,097	119,085	129.4
Provision for underwriting reserves	288,403	220,785	(67,617)	(23.4)
Investment income:	171,023	250,957	79,933	46.7
Interest and dividend income	130,613	160,876	30,263	23.2
Gains on sales of securities	47,854	93,087	45,232	94.5
Investment expenses:	44,873	13,958	(30,914)	(68.9)
Losses on sales of securities	7,429	4,175	(3,253)	(43.8)
Impairment losses on securities	10,857	5,539	(5,317)	(49.0)
Operating, general and administrative expenses	394,619	420,013	25,394	6.4
Other ordinary income and expenses	17,607	17,434	(173)	(1.0)
Ordinary profit	143,533	261,880	118,347	82.5
Extraordinary gains and losses:				
Extraordinary gains	4,799	2,180	(2,618)	(54.6)
Extraordinary losses	17,850	4,935	(12,914)	(72.3)
Extraordinary gains and losses	(13,050)	(2,754)	10,296	—
Net income before income taxes	130,482	259,126	128,643	98.6
Income taxes and deferred income taxes	44,500	73,864	29,363	66.0
Net income	85,981	185,262	99,280	115.5
Net income attributable to non-controlling interests	255	1,536	1,281	502.4
Net income attributable to shareholders of the parent	85,726	183,725	97,998	114.3

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Nine months ended December 31, 2020 (April 1 to December 31, 2020)			Nine months ended December 31, 2021 (April 1 to December 31, 2021)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	494,357	20.0	12.7	523,902	19.0	6.0
Marine insurance	67,381	2.7	(2.1)	76,621	2.8	13.7
Personal accident insurance	194,413	7.9	(10.2)	185,650	6.7	(4.5)
Voluntary automobile insurance	913,869	36.9	(0.5)	910,028	33.0	(0.4)
Compulsory automobile liability insurance	176,376	7.1	(19.9)	165,762	6.0	(6.0)
Others	629,141	25.4	9.2	898,659	32.6	42.8
Total	2,475,540	100.0	1.5	2,760,624	100.0	11.5
Deposits of premiums by policyholders	75,028	3.0	(17.4)	63,340	2.3	(15.6)

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

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2020 (April 1 to December 31, 2020)			Nine months ended December 31, 2021 (April 1 to December 31, 2021)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	364,779	16.1	15.1	403,734	16.4	10.7
Marine insurance	65,527	2.9	(1.2)	69,687	2.8	6.3
Personal accident insurance	120,483	5.3	(10.6)	121,114	4.9	0.5
Voluntary automobile insurance	913,960	40.4	0.3	908,766	37.0	(0.6)
Compulsory automobile liability insurance	179,580	7.9	(16.0)	166,184	6.8	(7.5)
Others	620,272	27.4	23.1	785,632	32.0	26.7
Total	2,264,604	100.0	5.5	2,455,120	100.0	8.4

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

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2020 (April 1 to December 31, 2020)			Nine months ended December 31, 2021 (April 1 to December 31, 2021)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	204,253	18.2	(10.6)	230,175	20.1	12.7
Marine insurance	33,963	3.0	(2.4)	32,256	2.8	(5.0)
Personal accident insurance	55,124	4.9	(18.0)	53,362	4.7	(3.2)
Voluntary automobile insurance	440,303	39.3	(11.3)	453,380	39.6	3.0
Compulsory automobile liability insurance	133,309	11.9	(9.0)	120,655	10.5	(9.5)
Others	253,870	22.7	4.0	254,398	22.2	0.2
Total	1,120,825	100.0	(7.9)	1,144,228	100.0	2.1

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, 2021			As of December 31, 2021		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	1,189,310	1,441,663	252,352	1,202,723	1,445,264	242,541
Foreign securities	32,535	33,370	835	31,015	33,291	2,275
Total	1,221,845	1,475,033	253,187	1,233,738	1,478,555	244,817

## 2. Policy reserve matching bonds

(Millions of yen)

	As of March 31, 2021			As of December 31, 2021		
	Carrying amount	Fair value	Unrealized gains and losses	Carrying amount	Fair value	Unrealized gains and losses
Domestic bonds	751,622	768,113	16,490	906,454	920,995	14,541
Total	751,622	768,113	16,490	906,454	920,995	14,541

## 3. Securities available for sale

(Millions of yen)

	As of March 31, 2021			As of December 31, 2021		
	Cost	Carrying amount	Unrealized gains and losses	Cost	Carrying amount	Unrealized gains and losses
Domestic bonds	1,987,933	2,106,572	118,638	1,946,211	2,059,878	113,666
Domestic stocks	440,936	1,271,793	830,857	430,234	1,236,305	806,071
Foreign securities	2,987,698	3,394,073	406,374	3,338,653	3,686,732	348,078
Others	222,584	241,720	19,135	236,382	262,049	25,666
Total	5,639,152	7,014,159	1,375,006	5,951,483	7,244,965	1,293,482

## Notes)

As of March 31, 2021	As of December 31, 2021
1. Securities available for sale which are considered extremely difficult to figure out their fair value are not included in the above table.	1. Stocks and others without a quoted market price and Investments in Partnerships are not included in the above table.
2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts, etc. classified as monetary receivables bought in the consolidated balance sheet are included in "Others" above.	2. Certificate of deposit classified as cash and deposits and beneficial interests in the loan trusts classified as monetary receivables bought in the quarterly consolidated balance sheet are included in "Others" above.
3. Impairment losses on securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) amount to 1,722 million yen (domestic stocks: 164 million yen, foreign securities: 1,557 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.	3. Impairment losses on securities available for sale (excluding stocks and others without a quoted market price and Investments in Partnerships) amount to 2,622 million yen (domestic stocks: 1,788 million yen, foreign securities: 833 million yen). Basically, impairment losses on securities are recognized if fair value at the end of the third quarter declines by 30% or more from their cost.