



UNOFFICIAL TRANSLATION

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Summary of
Consolidated Financial Results
for the nine months ended December 31, 2023
Supplementary Information

February 14, 2024

Sompo Holdings, Inc.

(Securities Code : 8630)

Summary of Consolidated Financial Results for the nine months ended December 31, 2023
Contents of Supplementary Information

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Overview of Consolidated Financial Results for the nine months ended December 31, 2023

Sompo Holdings, Inc.

Overview of Consolidated Financial Results for the nine months ended December 31, 2023

(Yen in billions)

		Nine months ended December 31, 2022 (April 1 to December 31, 2022)	Nine months ended December 31, 2023 (April 1 to December 31, 2023)	Increase (Decrease)	Rate of change
Ordinary income:	(1)	3,631	3,848	217	6.0
Net premiums written:	(2)	2,996	2,956	(39)	(1.3)
Sompo Japan Insurance Inc.	(3)	1,694	1,646	(47)	(2.8)
Overseas consolidated subsidiaries	(4)	1,249	1,253	4	0.3
Life insurance premiums written	(5)	235	231	(3)	(1.6)
Ordinary profit:	(6)	(39)	432	471	—
Net income attributable to shareholders of the parent:	(7)	(47)	323	370	—
Sompo Japan Insurance Inc.	(8)	33	151	117	348.2
Overseas consolidated subsidiaries	(9)	(43)	133	176	—
Sompo Himawari Life Insurance, Inc.	(10)	(4)	11	16	—
Nursing Care & Seniors consolidated subsidiaries	(11)	3	5	1	29.8
Others and consolidation adjustment, etc.	(12)	(37)	21	58	

Note)

Overseas consolidated subsidiaries that have applied International Financial Reporting Standards (IFRS) have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" from the beginning of the first quarter of the fiscal year ending March 31, 2024. Various figures for the nine months ended December 31, 2022 after retrospective application of IFRS 17 and 9 have been compared with those for the nine months ended December 31, 2023. (The same applies to subsequent tables.) The impact before and after retrospective application for the nine months ended December 31, 2022 is as shown in the table below.

The impact of main items in the consolidated statement of income for the nine months ended December 31, 2022

(Yen in billions)

		Before retrospective application	After retrospective application	Amount of impact
Ordinary income:	(1)	3,689	3,631	(58)
Investment income	(2)	245	187	(58)
Ordinary expenses:	(3)	3,632	3,670	37
Underwriting expenses	(4)	2,958	2,857	(100)
Investment expenses	(5)	86	224	137
Ordinary profit	(6)	56	(39)	(95)
Net income attributable to shareholders of the parent	(7)	37	(47)	(84)

Note)

Please refer to the note on page 5 1(6) "Changes in Accounting Policies, Changes in Accounting Estimations, and Retrospective Restatements" of the Consolidated Financial Statements for the nine months ended December 31, 2023.

(Reference) SOMPO HOLDINGS' numerical management targets

(Yen in billions)

		Nine months ended December 31, 2022 (April 1 to December 31, 2022)	Nine months ended December 31, 2023 (April 1 to December 31, 2023)	Increase (Decrease)	Rate of change
Adjusted consolidated profit		83	242	159	190.7
Sompo Japan Insurance Inc.		21	76	55	259.6
Overseas consolidated subsidiaries		47	128	80	169.8

Overview of Business Results of Principal Consolidated Subsidiaries

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Balance Sheet

	(Millions of yen)		
	As of March 31, 2023	As of December 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	474,287	401,387	(72,900)
Receivables under resale agreements	69,999	39,999	(29,999)
Monetary receivables bought	20,366	19,945	(420)
Money trusts	21,105	4,613	(16,492)
Securities	5,085,990	5,491,628	405,638
Loans	563,994	418,257	(145,736)
Tangible fixed assets	232,078	233,748	1,669
Intangible fixed assets	235,489	253,931	18,442
Other assets	531,253	428,495	(102,757)
Deferred tax assets	40,035	—	(40,035)
Allowance for possible credit losses	(2,751)	(2,878)	(127)
Allowance for possible investment losses	(5,180)	(4,805)	374
Total assets	7,266,668	7,284,322	17,654
Liabilities:			
Underwriting funds:	4,547,526	4,409,079	(138,447)
Reserve for outstanding losses and claims	960,373	992,244	31,870
Underwriting reserves	3,587,152	3,416,834	(170,318)
Corporate bonds	527,000	527,000	—
Other liabilities	589,464	409,390	(180,074)
Reserve for retirement benefits	78,879	81,399	2,520
Reserve for bonus payments	15,240	3,698	(11,542)
Reserve for bonus payments to directors	87	—	(87)
Reserves under the special laws:	99,792	103,180	3,387
Reserve for price fluctuation	99,792	103,180	3,387
Deferred tax liabilities	—	35,342	35,342
Total liabilities	5,857,992	5,569,090	(288,901)
Net assets:			
Shareholders' equity:			
Common stock	70,000	70,000	—
Capital surplus	70,000	70,000	—
Retained earnings	508,480	618,585	110,105
Total shareholders' equity	648,480	758,585	110,105
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	757,782	954,961	197,179
Deferred gains and losses on hedges	2,412	1,684	(728)
Total valuation and translation adjustments	760,194	956,646	196,451
Total net assets	1,408,675	1,715,232	306,556
Total liabilities and net assets	7,266,668	7,284,322	17,654

Sompo Japan Insurance Inc. (Non-consolidated)

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2022 (April 1 to December 31, 2022)	Nine months ended December 31, 2023 (April 1 to December 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
Ordinary income:	1,929,185	2,050,674	121,488	6.3
Underwriting income:	1,797,286	1,889,821	92,534	5.1
Net premiums written	1,694,253	1,646,833	(47,420)	(2.8)
Deposits of premiums by policyholders	52,489	50,101	(2,387)	(4.5)
Interest and dividend income on deposits of premiums, etc.	21,253	20,958	(295)	(1.4)
Reversal of underwriting reserves	26,624	170,318	143,694	539.7
Investment income:	124,763	153,408	28,644	23.0
Interest and dividend income	94,581	99,026	4,445	4.7
Investment gains on money trusts	2,320	5,731	3,411	147.0
Gains on sales of securities	36,165	53,160	16,995	47.0
Transfer of interest and dividend income on deposits of premiums, etc.	(21,253)	(20,958)	295	—
Other ordinary income	7,135	7,444	308	4.3
Ordinary expenses:	1,889,741	1,862,321	(27,419)	(1.5)
Underwriting expenses:	1,600,284	1,576,994	(23,290)	(1.5)
Net claims paid	979,229	1,014,358	35,128	3.6
Loss adjustment expenses	86,126	86,588	462	0.5
Net commissions and brokerage fees	335,927	323,291	(12,635)	(3.8)
Maturity refunds to policyholders	133,791	119,945	(13,846)	(10.3)
Provision for reserve for outstanding losses and claims	64,133	31,870	(32,263)	(50.3)
Investment expenses:	35,253	35,729	475	1.3
Investment losses on money trusts	2	—	(2)	(100.0)
Losses on sales of securities	17,510	7,545	(9,964)	(56.9)
Impairment losses on securities	1,350	1,586	235	17.5
Operating, general and administrative expenses	246,716	241,927	(4,788)	(1.9)
Other ordinary expenses:	7,486	7,669	182	2.4
Interest paid	5,365	4,896	(469)	(8.7)
Ordinary profit	39,444	188,352	148,908	377.5
Extraordinary gains:	3,088	854	(2,233)	(72.3)
Gains on disposal of fixed assets	3,088	854	(2,233)	(72.3)
Extraordinary losses:	4,052	3,871	(181)	(4.5)
Losses on disposal of fixed assets	731	483	(247)	(33.9)
Provision for reserves under the special laws:	3,321	3,387	65	2.0
Provision for reserve for price fluctuation	3,321	3,387	65	2.0
Net income before income taxes	38,480	185,336	146,856	381.6
Income taxes and deferred income taxes	4,656	33,731	29,075	624.5
Net income	33,824	151,605	117,781	348.2
Underwriting result:				
Net premiums written (+)	1,694,253	1,646,833	(47,420)	(2.8)
Net claims paid (—)	979,229	1,014,358	35,128	3.6
Loss adjustment expenses (—)	86,126	86,588	462	0.5
Net operating expenses (—)	568,178	548,662	(19,516)	(3.4)
Net commissions and brokerage fees	335,927	323,291	(12,635)	(3.8)
Operating, general and administrative expenses related to underwriting	232,251	225,370	(6,880)	(3.0)
Underwriting result	60,718	(2,776)	(63,495)	(104.6)
Underwriting profit (loss)	(38,877)	84,601	123,478	—
Ratios:				
Net loss ratio (%)	62.9	66.9	4.0	
Net operating expenses ratio (%)	33.5	33.3	(0.2)	
Combined ratio (%)	96.4	100.2	3.8	

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	Nine months ended December 31, 2022 (April 1 to December 31, 2022)			Nine months ended December 31, 2023 (April 1 to December 31, 2023)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	435,603	22.8	17.4	393,493	21.2	(9.7)
Marine insurance	44,833	2.4	20.8	44,287	2.4	(1.2)
Personal accident insurance	124,302	6.5	2.6	124,694	6.7	0.3
Voluntary automobile insurance	813,208	42.6	(0.6)	812,337	43.7	(0.1)
Compulsory automobile liability insurance	167,565	8.8	1.1	147,057	7.9	(12.2)
Others	321,314	16.9	3.3	336,231	18.1	4.6
Total	1,906,829	100.0	4.5	1,858,101	100.0	(2.6)
Deposits of premiums by policyholders	52,489	—	(17.1)	50,101	—	(4.5)

Net premiums written

(Millions of yen)

Business line	Nine months ended December 31, 2022 (April 1 to December 31, 2022)			Nine months ended December 31, 2023 (April 1 to December 31, 2023)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	305,882	18.1	24.7	258,644	15.7	(15.4)
Marine insurance	42,278	2.5	16.8	40,848	2.5	(3.4)
Personal accident insurance	119,495	7.1	2.0	118,834	7.2	(0.6)
Voluntary automobile insurance	809,662	47.8	(0.5)	808,965	49.1	(0.1)
Compulsory automobile liability insurance	156,869	9.3	(5.4)	148,759	9.0	(5.2)
Others	260,066	15.3	2.5	270,781	16.4	4.1
Total	1,694,253	100.0	3.8	1,646,833	100.0	(2.8)

Net claims paid

(Millions of yen)

Business line	Nine months ended December 31, 2022 (April 1 to December 31, 2022)			Nine months ended December 31, 2023 (April 1 to December 31, 2023)		
	Amount	Rate of change	Net loss ratio	Amount	Rate of change	Net loss ratio
Fire and allied insurance	216,482	29.2	72.8	206,912	(4.4)	82.6
Marine insurance	16,046	(5.0)	40.0	21,235	32.3	54.5
Personal accident insurance	67,608	29.7	61.1	56,852	(15.9)	52.6
Voluntary automobile insurance	430,549	7.9	59.9	473,975	10.1	65.2
Compulsory automobile liability insurance	109,720	(8.8)	77.2	112,649	2.7	83.7
Others	138,822	10.5	56.5	142,732	2.8	55.7
Total	979,229	11.1	62.9	1,014,358	3.6	66.9

Sampo Japan Insurance Inc. (Non-consolidated)

Non-consolidated Solvency Margin Ratio

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
(A) Total Non-consolidated Solvency Margin	2,952,779	3,305,586
Capital and funds, etc.	648,480	758,585
Reserve for price fluctuation	99,792	103,180
Contingency reserve	3,624	4,486
Catastrophic loss reserve	541,683	481,387
General allowance for possible credit losses	172	158
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	935,188	1,182,839
Unrealized gains and losses on land	129,929	135,050
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	36,213	32,287
Others	203,119	245,185
(B) Total Non-consolidated Risks	947,373	989,070
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	202,217	203,164
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	12,362	11,885
Investment risk (R_4)	692,323	742,532
Business management risk (R_5)	21,983	22,850
Major catastrophe risk (R_6)	192,263	184,924
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	623.3 %	668.4 %

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 December 31, 2023 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 September 30, 2023.

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

Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	17,032	20,039	3,007
Securities	50,419	45,530	(4,888)
Tangible fixed assets	351	319	(32)
Intangible fixed assets	7,594	9,051	1,456
Other assets	6,853	10,216	3,363
Deferred tax assets	1,862	1,901	38
Allowance for possible credit losses	(2)	(0)	1
Total assets	84,112	87,058	2,945
Liabilities:			
Underwriting funds:	62,687	68,998	6,310
Reserve for outstanding losses and claims	25,005	26,346	1,341
Underwriting reserves	37,682	42,651	4,969
Other liabilities	5,641	2,308	(3,333)
Reserve for retirement benefits to directors	15	19	4
Reserve for bonus payments	395	168	(227)
Reserve for bonus payments to directors	17	15	(1)
Reserves under the special laws:	107	115	8
Reserve for price fluctuation	107	115	8
Total liabilities	68,865	71,626	2,760
Net assets:			
Shareholders' equity:			
Common stock	32,260	32,260	—
Capital surplus	40,692	40,692	—
Retained earnings	(56,242)	(56,370)	(127)
Total shareholders' equity	16,709	16,582	(127)
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(1,462)	(1,150)	312
Total valuation and translation adjustments	(1,462)	(1,150)	312
Total net assets	15,247	15,431	184
Total liabilities and net assets	84,112	87,058	2,945

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

Quarterly Statement of Income

(Millions of yen)						
	Nine months ended December 31, 2022 (April 1 to December 31, 2022)		Nine months ended December 31, 2023 (April 1 to December 31, 2023)		Increase (Decrease)	Rate of change
	Amount		Amount			
Ordinary income:		51,896	56,652	4,756		9.2
Underwriting income:		51,651	55,710	4,058		7.9
Net premiums written		51,615	55,668	4,052		7.9
Interest and dividend income on deposits of premiums, etc.		35	42	6		17.1
Investment income:		235	935	699		296.3
Interest and dividend income		271	185	(86)		(31.9)
Gains on sales of securities		—	791	791		—
Transfer of interest and dividend income on deposits of premiums, etc.		(35)	(42)	(6)		—
Other ordinary income		8	7	(1)		(13.3)
Ordinary expenses:		51,280	56,758	5,478		10.7
Underwriting expenses:		39,798	45,072	5,274		13.3
Net claims paid		28,876	34,194	5,318		18.4
Loss adjustment expenses		3,304	3,497	192		5.8
Net commissions and brokerage fees		979	1,064	84		8.7
Provision for reserve for outstanding losses and claims		1,322	1,341	18		1.4
Provision for underwriting reserves		5,309	4,969	(340)		(6.4)
Investment expenses:		1	757	756		59,617.7
Losses on sales of securities		—	757	757		—
Impairment losses on securities		1	—	(1)		(100.0)
Operating, general and administrative expenses		11,406	10,828	(577)		(5.1)
Other ordinary expenses:		73	99	25		34.8
Interest paid		3	3	0		3.6
Ordinary profit (loss)		616	(105)	(721)		(117.1)
Extraordinary losses:		19	10	(9)		(48.5)
Losses on disposal of fixed assets		0	1	1		167,581,400.0
Impairment losses		4	—	(4)		(100.0)
Provision for reserves under the special laws:		15	8	(7)		(45.9)
Provision for reserve for price fluctuation		15	8	(7)		(45.9)
Net income (loss) before income taxes		596	(115)	(712)		(119.4)
Income taxes and deferred income taxes		181	11	(170)		(93.5)
Net income (loss)		414	(127)	(542)		(130.7)
Underwriting result:						
Net premiums written	(+)	51,615	55,668	4,052		7.9
Net claims paid	(-)	28,876	34,194	5,318		18.4
Loss adjustment expenses	(-)	3,304	3,497	192		5.8
Net operating expenses:	(-)	12,335	11,781	(553)		(4.5)
Net commissions and brokerage fees		979	1,064	84		8.7
Operating, general and administrative expenses related to underwriting		11,355	10,717	(638)		(5.6)
Underwriting result		7,099	6,194	(905)		(12.7)
Underwriting profit (loss)		517	(80)	(598)		(115.6)
Ratios:						
Net loss ratio	(%)	62.3	67.7	5.4		
Net operating expenses ratio	(%)	23.9	21.2	(2.7)		
Combined ratio	(%)	86.2	88.9	2.6		

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
(A) Total Non-consolidated Solvency Margin	19,323	19,151
Capital and funds, etc.	16,709	16,582
Reserve for price fluctuation	107	115
Contingency reserve	11	11
Catastrophic loss reserve	3,915	3,589
General allowance for possible credit losses	0	0
Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)	(1,421)	(1,147)
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	9,442	10,432
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$		
Underwriting risk (R_1)	7,612	8,165
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_2)	—	—
Guaranteed interest rate risk (R_3)	13	12
Investment risk (R_4)	1,747	1,467
Business management risk (R_5)	320	343
Major catastrophe risk (R_6)	1,309	1,790
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	409.2 %	367.1 %

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 December 31, 2023 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 September 30, 2023.

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

Quarterly Balance Sheet

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023	Increase (Decrease)
	Amount	Amount	
Assets:			
Cash and deposits	79,308	121,569	42,261
Securities:	3,735,314	3,895,857	160,542
Government bonds	2,693,598	2,917,219	223,621
Municipal bonds	56,732	59,901	3,169
Corporate bonds	380,019	396,143	16,124
Domestic stocks	10,424	12,011	1,587
Foreign securities	587,130	497,892	(89,238)
Loans:	42,150	43,051	901
Policy loans	42,148	43,051	903
Ordinary loans	2	—	(2)
Tangible fixed assets	1,750	2,009	259
Intangible fixed assets	3,620	3,810	189
Agency accounts receivable	119	158	39
Reinsurance accounts receivable	1,650	1,575	(74)
Other assets	59,467	57,720	(1,747)
Deferred tax assets	39,503	8,035	(31,467)
Allowance for possible credit losses	(51)	(54)	(2)
Total assets	3,962,833	4,133,735	170,901
Liabilities:			
Policy reserves:	3,423,777	3,519,709	95,932
Reserve for outstanding claims	40,758	39,306	(1,451)
Policy reserves	3,378,531	3,475,956	97,425
Reserve for dividends to policyholders	4,488	4,447	(40)
Agency accounts payable	5,134	4,569	(565)
Reinsurance accounts payable	1,075	1,033	(42)
Other liabilities	414,812	405,206	(9,605)
Reserve for bonus payments to directors	25	—	(25)
Reserve for retirement benefits	5,316	5,727	411
Reserve for possible reimbursement of prescribed claims	542	105	(437)
Reserves under the special laws:	10,958	11,764	806
Reserve for price fluctuation	10,958	11,764	806
Total liabilities	3,861,642	3,948,116	86,473
Net assets:			
Shareholders' equity:			
Common stock	17,250	17,250	—
Capital surplus	13,333	13,333	—
Retained earnings	96,422	99,932	3,510
Total shareholders' equity	127,005	130,515	3,510
Valuation and translation adjustments:			
Unrealized gains and losses on securities available for sale	(25,815)	55,102	80,917
Total valuation and translation adjustments	(25,815)	55,102	80,917
Total net assets	101,190	185,618	84,427
Total liabilities and net assets	3,962,833	4,133,735	170,901

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

Quarterly Statement of Income

(Millions of yen)

	Nine months ended December 31, 2022 (April 1 to December 31, 2022)	Nine months ended December 31, 2023 (April 1 to December 31, 2023)	Increase (Decrease)	Rate of change
	Amount	Amount		
				%
Ordinary income:	381,433	400,567	19,133	5.0
Insurance premiums and other:	319,977	319,278	(699)	(0.2)
Insurance premiums	316,620	316,378	(241)	(0.1)
Investment income:	60,527	78,672	18,145	30.0
Interest and dividend income and other	40,955	43,833	2,877	7.0
Gains on sales of securities	12,809	29,064	16,254	126.9
Investment gains on special account	179	4,028	3,849	2,148.3
Other ordinary income:	928	2,617	1,688	181.7
Reversal of reserve for outstanding claims	—	1,451	1,451	—
Ordinary expenses:	384,282	380,024	(4,257)	(1.1)
Insurance claims and other:	191,432	168,157	(23,274)	(12.2)
Insurance claims	30,668	30,273	(394)	(1.3)
Annuity payments	8,677	8,424	(253)	(2.9)
Insurance benefits	65,229	41,840	(23,389)	(35.9)
Surrender benefits	80,750	81,641	891	1.1
Other refunds	3,105	2,903	(201)	(6.5)
Provision for policy reserves and other:	101,782	97,425	(4,357)	(4.3)
Provision for reserve for outstanding claims	3,198	—	(3,198)	(100.0)
Provision for policy reserves	98,584	97,425	(1,158)	(1.2)
Provision for interest portion of reserve for dividends to policyholders	0	0	(0)	(3.6)
Investment expenses:	15,828	41,763	25,935	163.9
Interest paid	133	50	(83)	(62.5)
Losses on sales of securities	13,282	36,046	22,763	171.4
Losses on derivatives	2,303	5,567	3,263	141.7
Operating expenses	71,832	68,832	(3,000)	(4.2)
Other ordinary expenses	3,405	3,845	439	12.9
Ordinary profit (loss)	(2,848)	20,542	23,391	—
Extraordinary losses:	728	2,029	1,300	178.4
Losses on disposal of fixed assets and other	0	1	0	288.9
Provision for reserves under the special laws:	728	806	77	10.7
Provision for reserve for price fluctuation	728	806	77	10.7
Other extraordinary losses	—	1,221	1,221	—
Provision for reserve for dividends to policyholders	2,853	2,324	(528)	(18.5)
Net income (loss) before income taxes	(6,430)	16,188	22,619	—
Income taxes and deferred income taxes	(1,685)	4,678	6,364	—
Net income (loss)	(4,745)	11,510	16,255	—

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

Major Business Results

Total amount of policies in force

(Number in thousands, Yen in billions, %)

	As of March 31, 2023				As of December 31, 2023			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	4,668	106.0	22,858	98.1	4,833	103.5	22,521	98.5
Individual annuities	48	96.2	208	96.6	46	95.9	202	97.1
Group insurance	—	—	2,659	98.5	—	—	2,619	98.5
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, Yen in billions, %)

	Nine months ended December 31, 2022 (April 1 to December 31, 2022)				Nine months ended December 31, 2023 (April 1 to December 31, 2023)			
	Number		Amount		Number		Amount	
		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year		% of previous fiscal year
Individual insurance	375	142.5	1,281	88.2	339	90.3	1,298	101.3
Individual annuities	—	—	—	—	—	—	—	—
Group insurance	—	—	85	443.4	—	—	42	49.9
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, 2023		As of December 31, 2023	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	370,259	100.8	374,479	101.1
Individual annuities	15,087	98.4	14,977	99.3
Total	385,346	100.7	389,457	101.1
Medical and survival benefits	187,585	108.0	195,324	104.1

New policies

(Millions of yen, %)

	Nine months ended December 31, 2022 (April 1 to December 31, 2022)		Nine months ended December 31, 2023 (April 1 to December 31, 2023)	
		% of previous fiscal year		% of previous fiscal year
Individual insurance	24,934	110.5	24,573	98.6
Individual annuities	—	—	—	—
Total	24,934	110.5	24,573	98.6
Medical and survival benefits	17,880	123.6	15,061	84.2

Notes)

- 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.
- 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.

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

Non-consolidated Solvency Margin Ratio

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
(A) Total Non-consolidated Solvency Margin	309,186	424,425
Capital, etc.	127,005	130,312
Reserve for price fluctuation	10,958	11,764
Contingency reserve	34,301	34,795
General allowance for possible credit losses	1	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)	(35,854)	68,878
Unrealized gains and losses on land (85% of gain or 100% of loss)	—	—
Excess amount of continued Zillmerized reserve	145,353	141,204
Subordinated debt, etc.	—	—
Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin	(8,748)	—
Brought in capital, etc.	—	—
Deductions	—	—
Others	36,168	37,471
(B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	58,712	74,484
Underwriting risk (R_1)	13,924	13,606
Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance (R_8)	13,089	13,909
Guaranteed interest rate risk (R_2)	8,354	8,275
Guaranteed minimum benefit risk (R_7)	401	410
Investment risk (R_3)	41,622	58,487
Business management risk (R_4)	1,547	1,893
(C) Non-consolidated Solvency Margin Ratio [(A) / {(B) × 1/2}] × 100	1,053.2 %	1,139.6 %

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.