



**SOMPO**  
HOLDINGS

**UNOFFICIAL TRANSLATION**

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

Summary of  
Consolidated Financial Results  
for the six months ended September 30, 2020  
Supplementary Information

November 19, 2020

Sompo Holdings, Inc.

( Securities Code : 8630 )

## 1. Overview of Consolidated Financial Results for the six months ended September 30, 2020

( 1 ) Sompo Holdings, Inc.

### Overview of Consolidated Financial Results for the six months ended September 30, 2020

(Yen in hundred millions, %)

|                                                                |      | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 | Increase<br>(Decrease) | Rate of change |
|----------------------------------------------------------------|------|----------------------------------------|----------------------------------------|------------------------|----------------|
| Ordinary income:                                               | (1)  | 19,554                                 | 19,853                                 | 299                    | 1.5            |
| Net premiums written:                                          | (2)  | 15,024                                 | 15,688                                 | 664                    | 4.4            |
| Sompo Japan Insurance Inc.                                     | (3)  | 11,281                                 | 10,937                                 | (343)                  | (3.0)          |
| Overseas consolidated subsidiaries                             | (4)  | 3,457                                  | 4,436                                  | 979                    | 28.3           |
| Life insurance premiums written                                | (5)  | 1,729                                  | 1,688                                  | (41)                   | (2.4)          |
| Ordinary profit:                                               | (6)  | 637                                    | 775                                    | 137                    | 21.6           |
| Sompo Japan Insurance Inc.                                     | (7)  | 333                                    | 644                                    | 310                    | 93.1           |
| Net income attributable to shareholders of the parent:         | (8)  | 439                                    | 396                                    | (43)                   | (9.8)          |
| Sompo Japan Insurance Inc.                                     | (9)  | 249                                    | 459                                    | 209                    | 83.8           |
| Overseas consolidated subsidiaries <sup>(Note2)</sup>          | (10) | 492                                    | 64                                     | (428)                  | (86.9)         |
| Sompo Himawari Life Insurance, Inc.                            | (11) | 94                                     | 119                                    | 24                     | 26.3           |
| Nursing care and healthcare consolidated subsidiaries          | (12) | 23                                     | 20                                     | (2)                    | (11.5)         |
| Others and consolidation adjustment, etc. <sup>(Note1,2)</sup> | (13) | (421)                                  | (267)                                  | 153                    |                |

Notes)

1. "Consolidation adjustment, etc." in the above table includes profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.
2. Sompo International Holdings Ltd. among overseas consolidated subsidiaries has adopted International Financial Reporting Standards and due to differences in accounting standards, 21.4 billion yen is included in the interim result for the six months ended September 30, 2019 and 6.6 billion yen is included in the interim result for the six months ended September 30, 2020 as the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements". The same amount is excluded in "Consolidation adjustment, etc.".

## (2) Sampo Japan Insurance Inc.

## Summary of Results of Operations

| Summary of Results of Operations                    |                                                                             |                                                                              |                                                                              |                        | (Yen in hundred millions) |  |
|-----------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|---------------------------|--|
|                                                     |                                                                             | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change         |  |
| Ordinary income and expenses:                       |                                                                             |                                                                              |                                                                              |                        | %                         |  |
| Underwriting income and expenses: <sup>(Note)</sup> |                                                                             |                                                                              |                                                                              |                        |                           |  |
|                                                     | Direct premiums written (1)                                                 | 12,443                                                                       | 12,234                                                                       | (208)                  | (1.7)                     |  |
| (+)                                                 | Net premiums written (2)                                                    | 11,281                                                                       | 10,937                                                                       | (343)                  | (3.0)                     |  |
| (-)                                                 | Net claims paid (3)                                                         | 5,938                                                                        | 5,629                                                                        | (308)                  | (5.2)                     |  |
| (-)                                                 | Loss adjustment expenses (4)                                                | 582                                                                          | 569                                                                          | (13)                   | (2.3)                     |  |
| (-)                                                 | Net operating expenses: (5)                                                 | 3,571                                                                        | 3,606                                                                        | 34                     | 1.0                       |  |
|                                                     | Net commissions and brokerage fees (6)                                      | 2,052                                                                        | 2,104                                                                        | 51                     | 2.5                       |  |
|                                                     | Operating, general and administrative expenses related to underwriting (7)  | 1,519                                                                        | 1,501                                                                        | (17)                   | (1.1)                     |  |
|                                                     | Underwriting result (8)                                                     | 1,188                                                                        | 1,132                                                                        | (55)                   | (4.7)                     |  |
| (-)                                                 | Change in reserve for outstanding losses and claims (9)                     | 407                                                                          | 114                                                                          | (293)                  | (71.9)                    |  |
| (-)                                                 | Change in Ordinary Underwriting Reserves (10)                               | 587                                                                          | 342                                                                          | (245)                  | (41.7)                    |  |
| (-)                                                 | Change in Catastrophic Loss Reserve (11)                                    | 448                                                                          | 386                                                                          | (61)                   | (13.8)                    |  |
| (+)                                                 | Other underwriting income and expenses (12)                                 | 44                                                                           | 54                                                                           | 10                     | 23.3                      |  |
|                                                     | Underwriting profit (loss) (13)                                             | (210)                                                                        | 343                                                                          | 554                    | —                         |  |
| Investment income and expenses:                     |                                                                             |                                                                              |                                                                              |                        |                           |  |
| (+)                                                 | Interest and dividend income (14)                                           | 572                                                                          | 484                                                                          | (88)                   | (15.4)                    |  |
| (+)                                                 | Transfer of interest and dividend income on deposits of premiums, etc. (15) | (184)                                                                        | (169)                                                                        | 15                     | —                         |  |
|                                                     | Net Interest and dividend income (16)                                       | 388                                                                          | 315                                                                          | (73)                   | (18.9)                    |  |
| (+)                                                 | Gains and losses on sales of securities (17)                                | 324                                                                          | 162                                                                          | (161)                  | (49.9)                    |  |
| (-)                                                 | Impairment losses on securities (18)                                        | 10                                                                           | 48                                                                           | 38                     | 369.3                     |  |
| (+)                                                 | Gains and losses on derivatives (19)                                        | (35)                                                                         | (15)                                                                         | 20                     | —                         |  |
| (+)                                                 | Other investment income and expenses (20)                                   | (44)                                                                         | (34)                                                                         | 9                      | —                         |  |
|                                                     | Gross investment margin (21)                                                | 621                                                                          | 378                                                                          | (243)                  | (39.1)                    |  |
| (+)                                                 | Other ordinary income and expenses etc. (22)                                | (77)                                                                         | (78)                                                                         | (0)                    | —                         |  |
|                                                     | Ordinary profit (23)                                                        | 333                                                                          | 644                                                                          | 310                    | 93.1                      |  |
| Extraordinary gains and losses:                     |                                                                             |                                                                              |                                                                              |                        |                           |  |
| (+)                                                 | Extraordinary gains (24)                                                    | 12                                                                           | 10                                                                           | (2)                    | (19.4)                    |  |
| (-)                                                 | Extraordinary losses (25)                                                   | 30                                                                           | 41                                                                           | 11                     | 38.2                      |  |
|                                                     | Extraordinary gains and losses (26)                                         | (17)                                                                         | (31)                                                                         | (13)                   | —                         |  |
| Net income before income taxes (27)                 |                                                                             | 316                                                                          | 613                                                                          | 296                    | 93.8                      |  |
| (-)                                                 | Total income taxes (28)                                                     | 66                                                                           | 153                                                                          | 87                     | 131.3                     |  |
| Net income (29)                                     |                                                                             | 249                                                                          | 459                                                                          | 209                    | 83.8                      |  |
| Ratios:                                             |                                                                             | %                                                                            | %                                                                            | %                      |                           |  |
|                                                     | Net loss ratio (30)                                                         | 57.8                                                                         | 56.7                                                                         | (1.1)                  |                           |  |
|                                                     | Net operating expenses ratio (31)                                           | 31.7                                                                         | 33.0                                                                         | 1.3                    |                           |  |
|                                                     | Combined ratio (32)                                                         | 89.5                                                                         | 89.6                                                                         | 0.2                    |                           |  |

Note) Profit or losses by maturity refunds, etc. of savings-type insurance are not included in underwriting income and expenses.

## (3) Overseas consolidated subsidiaries

## Summary of Results of Major items

| (Yen in hundred millions)                                                                                                      |                                                                              |                                                                              |                        |                   |         |
|--------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|-------------------|---------|
|                                                                                                                                | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change |         |
| Net premiums written:                                                                                                          | (1)                                                                          | 3,457                                                                        | 4,436                  | 979               | 28.3    |
| (Sompo International)                                                                                                          | (2)                                                                          | 3,407                                                                        | 4,385                  | 977               | 28.7    |
| Net income attributable to shareholders of the parent:                                                                         | (3)                                                                          | 492                                                                          | 64                     | (428)             | (86.9)  |
| (Sompo International)                                                                                                          | (4)                                                                          | 484                                                                          | 57                     | (427)             | (88.2)  |
| The amount to be revised due to differences in accounting standards, which is excluded on consolidation <sup>(Note 1, 2)</sup> | (5)                                                                          | (214)                                                                        | (66)                   | 147               | —       |
| Reference: Adjusted net income (loss) attributable to shareholders of the parent (3)+(5)                                       | (6)                                                                          | 278                                                                          | (2)                    | (280)             | (100.8) |
| (Sompo International) (4)+(5)                                                                                                  | (7)                                                                          | 269                                                                          | (9)                    | (279)             | (103.5) |

Notes)

1. For comparison, as for the six months ended September 30, 2019, the above figures have been reclassified depending on the organization of Sampo International as of September 30, 2020.

2. "The amount to be revised due to differences in accounting standards, which is excluded on consolidation" is the amount stated on page 1 (Note 2).

## (4) Sampo Himawari Life Insurance, Inc.

## Summary of Results of Major items

| (Yen in hundred millions)        |                                                                              |                                                                              |                        |                   |
|----------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|-------------------|
|                                  | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change |
|                                  |                                                                              |                                                                              |                        | %                 |
| Insurance premiums and other (1) | 2,177                                                                        | 2,153                                                                        | (23)                   | (1.1)             |
| Net premiums written (2)         | 1,694                                                                        | 1,656                                                                        | (38)                   | (2.2)             |
| Ordinary profit (3)              | 158                                                                          | 187                                                                          | 29                     | 18.4              |
| Net income (4)                   | 94                                                                           | 119                                                                          | 24                     | 26.3              |

## (5) Sompo Japan Insurance Inc.

## Summary of Results of Major items

## (a) Direct premiums written (excluding deposits of premiums by policyholders)

(Yen in hundred millions)

| Business line                             | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                        |                |
|-------------------------------------------|------------------------------------------------------------------------|----------------|------------------------------------------------------------------------|------------------------|----------------|
|                                           | Amount                                                                 | Rate of change | Amount                                                                 | Increase<br>(Decrease) | Rate of change |
| Fire and allied insurance                 | 2,192                                                                  | 17.2 %         | 2,396                                                                  | 203                    | 9.3 %          |
| Marine insurance                          | 244                                                                    | 0.8            | 231                                                                    | (13)                   | (5.5)          |
| Personal accident insurance               | 937                                                                    | (2.0)          | 863                                                                    | (73)                   | (7.9)          |
| Voluntary automobile insurance            | 5,425                                                                  | 1.3            | 5,442                                                                  | 16                     | 0.3            |
| Compulsory automobile liability insurance | 1,515                                                                  | 4.0            | 1,169                                                                  | (346)                  | (22.9)         |
| Others                                    | 2,126                                                                  | 3.4            | 2,131                                                                  | 4                      | 0.2            |
| Total                                     | 12,443                                                                 | 4.2            | 12,234                                                                 | (208)                  | (1.7)          |
| Deposits of premiums by policyholders     | 566                                                                    | (1.5)          | 502                                                                    | (63)                   | (11.3)         |

## (b) Net premiums written

(Yen in hundred millions)

| Business line                                                                | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                        |                |
|------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------|------------------------------------------------------------------------|------------------------|----------------|
|                                                                              | Amount                                                                 | Rate of change | Amount                                                                 | Increase<br>(Decrease) | Rate of change |
| Fire and allied insurance                                                    | 1,498                                                                  | 14.9 %         | 1,516                                                                  | 17                     | 1.2 %          |
| Marine insurance                                                             | 241                                                                    | 3.5            | 208                                                                    | (33)                   | (13.8)         |
| Personal accident insurance                                                  | 913                                                                    | (2.6)          | 826                                                                    | (87)                   | (9.6)          |
| Voluntary automobile insurance                                               | 5,405                                                                  | 1.2            | 5,412                                                                  | 6                      | 0.1            |
| Compulsory automobile liability insurance                                    | 1,456                                                                  | 4.8            | 1,232                                                                  | (223)                  | (15.4)         |
| Others                                                                       | 1,765                                                                  | 2.1            | 1,743                                                                  | (22)                   | (1.3)          |
| Total                                                                        | 11,281                                                                 | 3.2            | 10,937                                                                 | (343)                  | (3.0)          |
| Excluding earthquake insurance and compulsory automobile liability insurance | 9,822                                                                  | 2.9            | 9,704                                                                  | (118)                  | (1.2)          |

## (c) Net claims paid

(Yen in hundred millions)

| Business line                                                                | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                        |                |                        |
|------------------------------------------------------------------------------|------------------------------------------------------------------------|----------------|------------------------------------------------------------------------|------------------------|----------------|------------------------|
|                                                                              | Amount                                                                 | Net loss ratio | Amount                                                                 | Increase<br>(Decrease) | Net loss ratio | Increase<br>(Decrease) |
| Fire and allied insurance                                                    | 860                                                                    | 59.8 %         | 1,002                                                                  | 141                    | 68.4 %         | 8.6 %                  |
| Marine insurance                                                             | 127                                                                    | 55.7           | 121                                                                    | (5)                    | 61.4           | 5.7                    |
| Personal accident insurance                                                  | 422                                                                    | 49.6           | 354                                                                    | (68)                   | 46.7           | (2.9)                  |
| Voluntary automobile insurance                                               | 2,777                                                                  | 58.3           | 2,516                                                                  | (260)                  | 53.2           | (5.0)                  |
| Compulsory automobile liability insurance                                    | 958                                                                    | 71.9           | 810                                                                    | (148)                  | 72.6           | 0.6                    |
| Others                                                                       | 791                                                                    | 47.6           | 824                                                                    | 32                     | 50.1           | 2.5                    |
| Total                                                                        | 5,938                                                                  | 57.8           | 5,629                                                                  | (308)                  | 56.7           | (1.1)                  |
| Excluding earthquake insurance and compulsory automobile liability insurance | 4,979                                                                  | 55.7           | 4,819                                                                  | (160)                  | 54.7           | (1.1)                  |

## (d) Net Incurred Loss during the period due to Natural Disasters in Japan

(Yen in hundred millions)

| Business line                                                                      | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                                           |                   | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                                           |                   |
|------------------------------------------------------------------------------------|------------------------------------------------------------------------|-------------------------------------------|-------------------|------------------------------------------------------------------------|-------------------------------------------|-------------------|
|                                                                                    | Net claims paid                                                        | Reserve for outstanding losses and claims | Net incurred loss | Net claims paid                                                        | Reserve for outstanding losses and claims | Net incurred loss |
| Fire and allied insurance                                                          | 50                                                                     | 306                                       | 356               | 140                                                                    | 265                                       | 405               |
| Voluntary automobile insurance                                                     | 26                                                                     | 7                                         | 33                | 35                                                                     | (2)                                       | 33                |
| Other than the above                                                               | 2                                                                      | 38                                        | 41                | 9                                                                      | 6                                         | 16                |
| Total excluding earthquake insurance and compulsory automobile liability insurance | 78                                                                     | 352                                       | 431               | 185                                                                    | 269                                       | 455               |

Note) Net incurred loss = Net claims paid + Reserve for outstanding losses and claims

Reserve for outstanding losses and claims represents amounts deducting reinsurance recoverable on unpaid loss from reserve for outstanding losses and claims of direct insurance and assumed reinsurance.

## (e) Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Yen in hundred millions)

| Business line                    | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                        |                   | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                        |                   |
|----------------------------------|------------------------------------------------------------------------|------------------------|-------------------|------------------------------------------------------------------------|------------------------|-------------------|
|                                  | Amount                                                                 | Increase<br>(Decrease) | Rate of<br>change | Amount                                                                 | Increase<br>(Decrease) | Rate of<br>change |
|                                  |                                                                        |                        | %                 |                                                                        |                        | %                 |
| Personnel expenses               | 1,136                                                                  | (35)                   | (3.0)             | 1,087                                                                  | (49)                   | (4.4)             |
| Non-personnel expenses           | 935                                                                    | (16)                   | (1.7)             | 957                                                                    | 22                     | 2.4               |
| Others (taxes and contributions) | 110                                                                    | (0)                    | (0.2)             | 109                                                                    | (1)                    | (1.0)             |
| Total                            | 2,182                                                                  | (52)                   | (2.3)             | 2,153                                                                  | (28)                   | (1.3)             |

## (f) Reserve for Outstanding Losses and Claims

(Yen in hundred millions)

| Business line                             | Six months ended September 30, 2019 |        | Six months ended September 30, 2020 |        |
|-------------------------------------------|-------------------------------------|--------|-------------------------------------|--------|
|                                           | Balance                             | Change | Balance                             | Change |
| Fire and allied insurance                 | 1,419                               | 179    | 1,227                               | 141    |
| Marine insurance                          | 328                                 | 63     | 218                                 | (6)    |
| Personal accident insurance               | 561                                 | (20)   | 476                                 | (62)   |
| Voluntary automobile insurance            | 4,011                               | 115    | 3,761                               | (20)   |
| Compulsory automobile liability insurance | 718                                 | (21)   | 739                                 | 51     |
| Others                                    | 2,224                               | 91     | 2,281                               | 10     |
| Total                                     | 9,264                               | 407    | 8,705                               | 114    |

## (g) Ordinary Underwriting Reserves

(Yen in hundred millions)

| Business line                             | Six months ended September 30, 2019 |        | Six months ended September 30, 2020 |        |
|-------------------------------------------|-------------------------------------|--------|-------------------------------------|--------|
|                                           | Balance                             | Change | Balance                             | Change |
| Fire and allied insurance                 | 7,285                               | 108    | 7,733                               | 130    |
| Marine insurance                          | 179                                 | 32     | 178                                 | (37)   |
| Personal accident insurance               | 1,360                               | 104    | 1,355                               | 81     |
| Voluntary automobile insurance            | 3,175                               | 31     | 3,192                               | (1)    |
| Compulsory automobile liability insurance | 4,550                               | 162    | 4,653                               | 22     |
| Others                                    | 3,553                               | 147    | 3,613                               | 145    |
| Total                                     | 20,105                              | 587    | 20,726                              | 342    |

Note) This table excludes reserve for maturity refunds and reserve for dividends to policyholders of savings-type insurance and includes underwriting reserves of earthquake insurance and compulsory automobile liability insurance.

## (h) Catastrophic Loss Reserve

(Yen in hundred millions)

| Business line                  | Six months ended September 30, 2019 |           |         |                  | Six months ended September 30, 2020 |           |         |                  |
|--------------------------------|-------------------------------------|-----------|---------|------------------|-------------------------------------|-----------|---------|------------------|
|                                | Reversal                            | Provision | Balance | Balance<br>ratio | Reversal                            | Provision | Balance | Balance<br>ratio |
|                                |                                     |           |         | %                |                                     |           |         | %                |
| Fire and allied insurance      | —                                   | 226       | 1,577   | 52.7             | 157                                 | 280       | 1,191   | 39.3             |
| Marine insurance               | —                                   | 14        | 452     | 93.6             | 0                                   | 6         | 446     | 107.2            |
| Personal accident insurance    | —                                   | 29        | 723     | 39.6             | —                                   | 26        | 741     | 44.9             |
| Voluntary automobile insurance | 88                                  | 175       | 477     | 4.4              | —                                   | 175       | 533     | 4.9              |
| Others                         | 10                                  | 102       | 2,133   | 60.4             | 0                                   | 56        | 2,053   | 58.9             |
| Total                          | 99                                  | 547       | 5,364   | 27.3             | 159                                 | 546       | 4,965   | 25.6             |

Note) Balance ratio = Balance of catastrophic loss reserve / { Net premiums written (excluding earthquake insurance and compulsory automobile liability insurance) × 2 } × 100

## 2. Forecasts for the fiscal year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

Sampo Holdings, Inc. (Consolidated)

(Yen in hundred millions)

|                                                                | Fiscal year ended<br>March 31, 2020<br>Result | Fiscal year ending<br>March 31, 2021<br>Original forecast<br>(A) | Fiscal year ending<br>March 31, 2021<br>Revised forecast<br>(B) | Increase<br>(Decrease)<br>(B)-(A) |
|----------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------|
| Net premiums written                                           | 28,254                                        | 28,600                                                           | 28,840                                                          | 240                               |
| Life insurance premiums written                                | 3,560                                         | 3,585                                                            | 3,500                                                           | (85)                              |
| Ordinary profit                                                | 1,924                                         | 2,230                                                            | 2,230                                                           | —                                 |
| Net income attributable to shareholders of the parent:         | 1,225                                         | 1,500                                                            | 1,400                                                           | (100)                             |
| Sampo Japan Insurance Inc.                                     | 1,305                                         | 1,560                                                            | 1,600                                                           | 40                                |
| Overseas consolidated subsidiaries <sup>(Note2)</sup>          | 753                                           | 489                                                              | 303                                                             | (186)                             |
| Sampo Himawari Life Insurance, Inc.                            | 165                                           | 170                                                              | 175                                                             | 5                                 |
| Nursing care and healthcare consolidated subsidiaries          | 61                                            | 64                                                               | 46                                                              | (17)                              |
| Others and consolidation adjustment, etc. <sup>(Note1,2)</sup> | (1,061)                                       | (783)                                                            | (724)                                                           | 58                                |
| Dividends per share (annual)                                   | 150 yen                                       | 160 yen                                                          | 170 yen                                                         | 10 yen                            |
| Dividends per share (interim)                                  | 75 yen                                        | 80 yen                                                           | 80 yen                                                          | — yen                             |
| Dividends per share (year-end)                                 | 75 yen                                        | 80 yen                                                           | 90 yen                                                          | 10 yen                            |

Notes) 1. "Consolidation adjustment, etc." in the above table includes profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

2. Sampo International Holdings Ltd. among overseas consolidated subsidiaries has adopted International Financial Reporting Standards and due to differences in accounting standards, 24.3 billion yen is included in the result during the fiscal year ended March 31, 2020 and 9.8 billion yen is included in the revised forecast during the fiscal year ended March 31, 2021 as the amount to be revised in accordance with PITF No.18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements". The same amount is excluded in "Consolidation adjustment, etc."

Sampo Japan Insurance Inc. (Non-consolidated)

(Yen in hundred millions, %)

|                                                                                | Fiscal year ended<br>March 31, 2020<br>Result | Fiscal year ending<br>March 31, 2021<br>Original forecast<br>(A) | Fiscal year ending<br>March 31, 2021<br>Revised forecast<br>(B) | Increase<br>(Decrease)<br>(B)-(A) |
|--------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------|
| Net premiums written                                                           | 21,847                                        | 21,735                                                           | 21,135                                                          | (600)                             |
| (Excluding earthquake insurance and compulsory automobile liability insurance) | 19,038                                        | 19,431                                                           | 18,779                                                          | (652)                             |
| Net loss ratio                                                                 | 64.9                                          | 64.1                                                             | 62.1                                                            | (2.1)                             |
| (Excluding earthquake insurance and compulsory automobile liability insurance) | 63.5                                          | 61.0                                                             | 59.5                                                            | (1.6)                             |
| Net operating expenses ratio                                                   | 32.4                                          | 32.8                                                             | 33.7                                                            | 0.9                               |
| (Excluding earthquake insurance and compulsory automobile liability insurance) | 33.8                                          | 33.5                                                             | 34.5                                                            | 1.0                               |
| Combined ratio                                                                 | 97.3                                          | 96.9                                                             | 95.7                                                            | (1.1)                             |
| (Excluding earthquake insurance and compulsory automobile liability insurance) | 97.3                                          | 94.6                                                             | 93.9                                                            | (0.6)                             |
| Underwriting profit                                                            | 431                                           | 830                                                              | 1,230                                                           | 400                               |
| Gross investment margin                                                        | 1,509                                         | 1,400                                                            | 1,106                                                           | (293)                             |
| Ordinary profit                                                                | 1,823                                         | 2,100                                                            | 2,200                                                           | 100                               |
| Net income                                                                     | 1,305                                         | 1,560                                                            | 1,600                                                           | 40                                |

(Major assumptions of the forecasts of consolidated financial results)

- Assumptions for net premiums written are based on the Company's own projections based on extrapolation from past trends and other factors.
  - The Company is forecasting 60.0 billion yen for net incurred loss (excluding household earthquake insurance) of Sampo Japan Insurance Inc. due to domestic natural disasters that occur during the fiscal year ending March 31, 2021, taking into account results during the six months ended September 30, 2020 and earlier, among other factors.
  - The Company assumes no major change in market interest rates, exchange rates and stock prices from their levels at September 30, 2020.
  - The Company calculates the effects of the spread of COVID-19 on the forecasts by taking into account the characteristic of each businesses, results during the six months ended September 30, 2020, current economic environment, etc.
- The Company's consolidated forecasts were prepared based on information available as of the date of this report. Accordingly, actual results may differ materially from projections depending on various factors.

### 3. Overview of Business Results of Principal Consolidated Subsidiaries

#### Sompo Japan Insurance Inc. (Non-consolidated)

##### Interim Balance Sheet

|                                                              | As of March 31, 2020 | As of September 30, 2020 | (Millions of yen)<br>Increase<br>(Decrease) |
|--------------------------------------------------------------|----------------------|--------------------------|---------------------------------------------|
|                                                              | Amount               | Amount                   |                                             |
| <b>Assets:</b>                                               |                      |                          |                                             |
| Cash and deposits                                            | 458,885              | 560,922                  | 102,036                                     |
| Receivables under resale agreements                          | 69,999               | 49,999                   | (19,999)                                    |
| Monetary receivables bought                                  | 19,897               | 21,214                   | 1,316                                       |
| Money trusts                                                 | 32,871               | 21,023                   | (11,848)                                    |
| Securities                                                   | 4,724,237            | 4,850,095                | 125,858                                     |
| Loans                                                        | 673,292              | 634,944                  | (38,348)                                    |
| Tangible fixed assets                                        | 246,883              | 245,740                  | (1,142)                                     |
| Intangible fixed assets                                      | 156,542              | 177,380                  | 20,838                                      |
| Other assets                                                 | 744,246              | 531,025                  | (213,221)                                   |
| Prepaid pension cost                                         | 409                  | 359                      | (50)                                        |
| Deferred tax assets                                          | 48,676               | 30,099                   | (18,577)                                    |
| Allowance for possible credit losses                         | (3,193)              | (3,215)                  | (21)                                        |
| Allowance for possible investment losses                     | (6,691)              | (6,463)                  | 227                                         |
| <b>Total assets</b>                                          | <b>7,166,057</b>     | <b>7,113,125</b>         | <b>(52,932)</b>                             |
| <b>Liabilities:</b>                                          |                      |                          |                                             |
| Underwriting funds:                                          | 4,577,735            | 4,635,715                | 57,979                                      |
| Reserve for outstanding losses and claims                    | 859,134              | 870,573                  | 11,439                                      |
| Underwriting reserves                                        | 3,718,600            | 3,765,141                | 46,540                                      |
| Corporate bonds                                              | 433,560              | 433,560                  | —                                           |
| Other liabilities                                            | 656,107              | 469,420                  | (186,687)                                   |
| Reserve for retirement benefits                              | 91,659               | 93,853                   | 2,193                                       |
| Reserve for bonus payments                                   | 17,811               | 20,075                   | 2,263                                       |
| Reserve for bonus payments to directors                      | 107                  | —                        | (107)                                       |
| Reserves under the special laws:                             | 87,116               | 89,071                   | 1,954                                       |
| Reserve for price fluctuation                                | 87,116               | 89,071                   | 1,954                                       |
| <b>Total liabilities</b>                                     | <b>5,864,098</b>     | <b>5,741,694</b>         | <b>(122,403)</b>                            |
| <b>Net assets:</b>                                           |                      |                          |                                             |
| Shareholders' equity:                                        |                      |                          |                                             |
| Common stock                                                 | 70,000               | 70,000                   | —                                           |
| Capital surplus                                              | 70,000               | 70,000                   | —                                           |
| Retained earnings                                            | 565,280              | 538,131                  | (27,148)                                    |
| Total shareholders' equity                                   | 705,280              | 678,131                  | (27,148)                                    |
| Valuation and translation adjustments:                       |                      |                          |                                             |
| Unrealized gains and losses on securities available for sale | 591,085              | 688,262                  | 97,177                                      |
| Deferred gains and losses on hedges                          | 5,593                | 5,036                    | (557)                                       |
| Total valuation and translation adjustments                  | 596,679              | 693,299                  | 96,619                                      |
| <b>Total net assets</b>                                      | <b>1,301,959</b>     | <b>1,371,430</b>         | <b>69,471</b>                               |
| <b>Total liabilities and net assets</b>                      | <b>7,166,057</b>     | <b>7,113,125</b>         | <b>(52,932)</b>                             |

## Sampo Japan Insurance Inc. (Non-consolidated)

## Interim Statement of Income

(Millions of yen)

|                                                                        | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change |
|------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                        | Amount                                                                       | Amount                                                                       |                        | %                 |
| Ordinary income:                                                       | 1,282,560                                                                    | 1,217,540                                                                    | (65,019)               | (5.1)             |
| Underwriting income:                                                   | 1,203,651                                                                    | 1,161,356                                                                    | (42,295)               | (3.5)             |
| Net premiums written                                                   | 1,128,105                                                                    | 1,093,789                                                                    | (34,316)               | (3.0)             |
| Deposits of premiums by policyholders                                  | 56,623                                                                       | 50,230                                                                       | (6,393)                | (11.3)            |
| Interest and dividend income on deposits of premiums, etc.             | 18,435                                                                       | 16,931                                                                       | (1,503)                | (8.2)             |
| Investment income:                                                     | 74,152                                                                       | 50,799                                                                       | (23,352)               | (31.5)            |
| Interest and dividend income                                           | 57,260                                                                       | 48,436                                                                       | (8,823)                | (15.4)            |
| Investment gains on money trusts                                       | 931                                                                          | 1,495                                                                        | 563                    | 60.4              |
| Gains on sales of securities                                           | 33,334                                                                       | 16,955                                                                       | (16,378)               | (49.1)            |
| Transfer of interest and dividend income on deposits of premiums, etc. | (18,435)                                                                     | (16,931)                                                                     | 1,503                  | —                 |
| Other ordinary income                                                  | 4,756                                                                        | 5,384                                                                        | 628                    | 13.2              |
| Ordinary expenses:                                                     | 1,249,198                                                                    | 1,153,102                                                                    | (96,095)               | (7.7)             |
| Underwriting expenses:                                                 | 1,072,406                                                                    | 977,001                                                                      | (95,404)               | (8.9)             |
| Net claims paid                                                        | 593,817                                                                      | 562,979                                                                      | (30,837)               | (5.2)             |
| Loss adjustment expenses                                               | 58,286                                                                       | 56,919                                                                       | (1,366)                | (2.3)             |
| Net commissions and brokerage fees                                     | 205,276                                                                      | 210,454                                                                      | 5,177                  | 2.5               |
| Maturity refunds to policyholders                                      | 89,764                                                                       | 87,553                                                                       | (2,210)                | (2.5)             |
| Provision for reserve for outstanding losses and claims                | 40,770                                                                       | 11,439                                                                       | (29,331)               | (71.9)            |
| Provision for underwriting reserves                                    | 82,388                                                                       | 46,540                                                                       | (35,847)               | (43.5)            |
| Investment expenses:                                                   | 11,956                                                                       | 12,929                                                                       | 972                    | 8.1               |
| Investment losses on money trusts                                      | 85                                                                           | 15                                                                           | (70)                   | (82.0)            |
| Losses on sales of securities                                          | 910                                                                          | 696                                                                          | (213)                  | (23.5)            |
| Impairment losses on securities                                        | 1,037                                                                        | 4,869                                                                        | 3,831                  | 369.3             |
| Operating, general and administrative expenses                         | 159,934                                                                      | 158,475                                                                      | (1,458)                | (0.9)             |
| Other ordinary expenses:                                               | 4,900                                                                        | 4,695                                                                        | (204)                  | (4.2)             |
| Interest paid                                                          | 3,563                                                                        | 3,529                                                                        | (34)                   | (1.0)             |
| Ordinary profit                                                        | 33,361                                                                       | 64,438                                                                       | 31,076                 | 93.1              |
| Extraordinary gains:                                                   | 1,286                                                                        | 1,036                                                                        | (249)                  | (19.4)            |
| Gains on disposal of fixed assets                                      | 1,286                                                                        | 1,036                                                                        | (249)                  | (19.4)            |
| Extraordinary losses:                                                  | 3,009                                                                        | 4,158                                                                        | 1,148                  | 38.2              |
| Losses on disposal of fixed assets                                     | 786                                                                          | 632                                                                          | (154)                  | (19.6)            |
| Impairment losses                                                      | 258                                                                          | 678                                                                          | 419                    | 162.7             |
| Provision for reserves under the special laws:                         | 1,964                                                                        | 1,954                                                                        | (10)                   | (0.5)             |
| Provision for reserve for price fluctuation                            | 1,964                                                                        | 1,954                                                                        | (10)                   | (0.5)             |
| Other extraordinary losses                                             | —                                                                            | 893                                                                          | 893                    | —                 |
| Net income before income taxes                                         | 31,638                                                                       | 61,316                                                                       | 29,678                 | 93.8              |
| Income taxes                                                           | 21,105                                                                       | 33,541                                                                       | 12,436                 | 58.9              |
| Deferred income taxes                                                  | (14,451)                                                                     | (18,150)                                                                     | (3,699)                | —                 |
| Total income taxes                                                     | 6,653                                                                        | 15,391                                                                       | 8,737                  | 131.3             |
| Net income                                                             | 24,984                                                                       | 45,925                                                                       | 20,940                 | 83.8              |
| Underwriting result:                                                   |                                                                              |                                                                              |                        |                   |
| Net premiums written (+)                                               | 1,128,105                                                                    | 1,093,789                                                                    | (34,316)               | (3.0)             |
| Net claims paid (—)                                                    | 593,817                                                                      | 562,979                                                                      | (30,837)               | (5.2)             |
| Loss adjustment expenses (—)                                           | 58,286                                                                       | 56,919                                                                       | (1,366)                | (2.3)             |
| Net operating expenses: (—)                                            | 357,177                                                                      | 360,646                                                                      | 3,468                  | 1.0               |
| Net commissions and brokerage fees                                     | 205,276                                                                      | 210,454                                                                      | 5,177                  | 2.5               |
| Operating, general and administrative expenses related to underwriting | 151,900                                                                      | 150,191                                                                      | (1,708)                | (1.1)             |
| Underwriting result                                                    | 118,824                                                                      | 113,243                                                                      | (5,580)                | (4.7)             |
| Underwriting profit (loss)                                             | (21,098)                                                                     | 34,390                                                                       | 55,488                 | —                 |
| Ratios:                                                                |                                                                              |                                                                              |                        |                   |
| Net loss ratio (%)                                                     | 57.8                                                                         | 56.7                                                                         | (1.1)                  |                   |
| Net operating expenses ratio (%)                                       | 31.7                                                                         | 33.0                                                                         | 1.3                    |                   |
| Combined ratio (%)                                                     | 89.5                                                                         | 89.6                                                                         | 0.2                    |                   |



## 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                             | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                   |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                   |                |
|-------------------------------------------|------------------------------------------------------------------------|-------------------|----------------|------------------------------------------------------------------------|-------------------|----------------|
|                                           | Amount                                                                 | % of total amount | Rate of change | Amount                                                                 | % of total amount | Rate of change |
| Fire and allied insurance                 | 219,290                                                                | 17.6              | 17.2           | 239,681                                                                | 19.6              | 9.3            |
| Marine insurance                          | 24,447                                                                 | 2.0               | 0.8            | 23,100                                                                 | 1.9               | (5.5)          |
| Personal accident insurance               | 93,720                                                                 | 7.5               | (2.0)          | 86,324                                                                 | 7.1               | (7.9)          |
| Voluntary automobile insurance            | 542,574                                                                | 43.6              | 1.3            | 544,248                                                                | 44.5              | 0.3            |
| Compulsory automobile liability insurance | 151,588                                                                | 12.2              | 4.0            | 116,927                                                                | 9.6               | (22.9)         |
| Others                                    | 212,699                                                                | 17.1              | 3.4            | 213,162                                                                | 17.4              | 0.2            |
| Total                                     | 1,244,320                                                              | 100.0             | 4.2            | 1,223,444                                                              | 100.0             | (1.7)          |
| Deposits of premiums by policyholders     | 56,623                                                                 | —                 | (1.5)          | 50,230                                                                 | —                 | (11.3)         |

## Net premiums written

(Millions of yen)

| Business line                             | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                   |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                   |                |
|-------------------------------------------|------------------------------------------------------------------------|-------------------|----------------|------------------------------------------------------------------------|-------------------|----------------|
|                                           | Amount                                                                 | % of total amount | Rate of change | Amount                                                                 | % of total amount | Rate of change |
| Fire and allied insurance                 | 149,886                                                                | 13.3              | 14.9           | 151,634                                                                | 13.9              | 1.2            |
| Marine insurance                          | 24,148                                                                 | 2.1               | 3.5            | 20,813                                                                 | 1.9               | (13.8)         |
| Personal accident insurance               | 91,397                                                                 | 8.1               | (2.6)          | 82,602                                                                 | 7.6               | (9.6)          |
| Voluntary automobile insurance            | 540,519                                                                | 47.9              | 1.2            | 541,214                                                                | 49.5              | 0.1            |
| Compulsory automobile liability insurance | 145,611                                                                | 12.9              | 4.8            | 123,211                                                                | 11.3              | (15.4)         |
| Others                                    | 176,543                                                                | 15.6              | 2.1            | 174,311                                                                | 15.9              | (1.3)          |
| Total                                     | 1,128,105                                                              | 100.0             | 3.2            | 1,093,789                                                              | 100.0             | (3.0)          |

## Net claims paid

(Millions of yen)

| Business line                             | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                |                | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                |                |
|-------------------------------------------|------------------------------------------------------------------------|----------------|----------------|------------------------------------------------------------------------|----------------|----------------|
|                                           | Amount                                                                 | Rate of change | Net loss ratio | Amount                                                                 | Rate of change | Net loss ratio |
| Fire and allied insurance                 | 86,003                                                                 | (14.1)         | 59.8           | 100,202                                                                | 16.5           | 68.4           |
| Marine insurance                          | 12,748                                                                 | 18.9           | 55.7           | 12,184                                                                 | (4.4)          | 61.4           |
| Personal accident insurance               | 42,259                                                                 | (7.7)          | 49.6           | 35,449                                                                 | (16.1)         | 46.7           |
| Voluntary automobile insurance            | 277,723                                                                | (3.9)          | 58.3           | 251,656                                                                | (9.4)          | 53.2           |
| Compulsory automobile liability insurance | 95,895                                                                 | (8.0)          | 71.9           | 81,073                                                                 | (15.5)         | 72.6           |
| Others                                    | 79,187                                                                 | (5.5)          | 47.6           | 82,413                                                                 | 4.1            | 50.1           |
| Total                                     | 593,817                                                                | (6.3)          | 57.8           | 562,979                                                                | (5.2)          | 56.7           |

## Sompo Japan Insurance Inc. (Non-consolidated)

## Non-consolidated Solvency Margin Ratio

| (Millions of yen)                                                                                                       |                      |                          |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
|                                                                                                                         | As of March 31, 2020 | As of September 30, 2020 |
| (A) Total Non-consolidated Solvency Margin                                                                              | 2,722,944            | 2,866,522                |
| Capital and funds, etc.                                                                                                 | 705,020              | 678,131                  |
| Reserve for price fluctuation                                                                                           | 87,116               | 89,071                   |
| Contingency reserve                                                                                                     | 1,348                | 1,592                    |
| Catastrophic loss reserve                                                                                               | 463,552              | 502,392                  |
| General allowance for possible credit losses                                                                            | 181                  | 128                      |
| Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)           | 731,484              | 850,395                  |
| Unrealized gains and losses on land                                                                                     | 120,616              | 140,805                  |
| Excess amount of reserve for maturity refunds                                                                           | —                    | —                        |
| Subordinated debt, etc.                                                                                                 | 433,560              | 433,560                  |
| Excess amount of reserve for maturity refunds and subordinated debt, etc. which are excluded from total solvency margin | —                    | —                        |
| Deductions                                                                                                              | 47,562               | 46,485                   |
| Others                                                                                                                  | 227,627              | 216,930                  |
| (B) Total Non-consolidated Risks                                                                                        | 759,131              | 796,067                  |
| $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                                                                      |                      |                          |
| Underwriting risk ( $R_1$ )                                                                                             | 189,818              | 189,677                  |
| Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance ( $R_2$ ) | —                    | —                        |
| Guaranteed interest rate risk ( $R_3$ )                                                                                 | 16,855               | 16,504                   |
| Investment risk ( $R_4$ )                                                                                               | 543,032              | 557,150                  |
| Business management risk ( $R_5$ )                                                                                      | 17,993               | 18,729                   |
| Major catastrophe risk ( $R_6$ )                                                                                        | 149,948              | 173,138                  |
| (C) Non-consolidated Solvency Margin Ratio<br>[ (A) / {(B) × 1/2} ] × 100                                               | 717.3 %              | 720.1 %                  |

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).

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

## Interim Balance Sheet

|                                                              | As of March 31, 2020 | As of September 30, 2020 | (Millions of yen)<br>Increase<br>(Decrease) |
|--------------------------------------------------------------|----------------------|--------------------------|---------------------------------------------|
|                                                              | Amount               | Amount                   |                                             |
| <b>Assets:</b>                                               |                      |                          |                                             |
| Cash and deposits                                            | 34,722               | 31,587                   | (3,135)                                     |
| Securities                                                   | 25,017               | 31,355                   | 6,337                                       |
| Tangible fixed assets                                        | 623                  | 556                      | (66)                                        |
| Intangible fixed assets                                      | 3,478                | 3,469                    | (8)                                         |
| Other assets                                                 | 6,260                | 9,248                    | 2,987                                       |
| Allowance for possible credit losses                         | (83)                 | (92)                     | (9)                                         |
| <b>Total assets</b>                                          | <b>70,018</b>        | <b>76,124</b>            | <b>6,106</b>                                |
| <b>Liabilities:</b>                                          |                      |                          |                                             |
| Underwriting funds:                                          | 52,152               | 59,351                   | 7,199                                       |
| Reserve for outstanding losses and claims                    | 19,610               | 20,569                   | 959                                         |
| Underwriting reserves                                        | 32,541               | 38,782                   | 6,240                                       |
| Other liabilities                                            | 3,445                | 2,266                    | (1,179)                                     |
| Reserve for retirement benefits to directors                 | 24                   | 26                       | 1                                           |
| Reserve for bonus payments                                   | 434                  | 485                      | 50                                          |
| Reserve for bonus payments to directors                      | 28                   | 9                        | (19)                                        |
| Reserves under the special laws:                             | 57                   | 62                       | 5                                           |
| Reserve for price fluctuation                                | 57                   | 62                       | 5                                           |
| Deferred tax liabilities                                     | 61                   | 170                      | 108                                         |
| <b>Total liabilities</b>                                     | <b>56,204</b>        | <b>62,371</b>            | <b>6,166</b>                                |
| <b>Net assets:</b>                                           |                      |                          |                                             |
| Shareholders' equity:                                        |                      |                          |                                             |
| Common stock                                                 | 32,260               | 32,260                   | —                                           |
| Capital surplus                                              | 40,692               | 40,692                   | —                                           |
| Retained earnings                                            | (59,387)             | (59,728)                 | (341)                                       |
| Total shareholders' equity                                   | 13,565               | 13,224                   | (341)                                       |
| Valuation and translation adjustments:                       |                      |                          |                                             |
| Unrealized gains and losses on securities available for sale | 249                  | 529                      | 280                                         |
| Total valuation and translation adjustments                  | 249                  | 529                      | 280                                         |
| <b>Total net assets</b>                                      | <b>13,814</b>        | <b>13,753</b>            | <b>(60)</b>                                 |
| <b>Total liabilities and net assets</b>                      | <b>70,018</b>        | <b>76,124</b>            | <b>6,106</b>                                |

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

## Interim Statement of Income

(Millions of yen)

|                                                                        | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change |
|------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                        | Amount                                                                       | Amount                                                                       |                        | %                 |
| Ordinary income:                                                       | 28,747                                                                       | 31,492                                                                       | 2,745                  | 9.5               |
| Underwriting income:                                                   | 28,691                                                                       | 31,435                                                                       | 2,744                  | 9.6               |
| Net premiums written                                                   | 28,664                                                                       | 31,411                                                                       | 2,746                  | 9.6               |
| Deposits of premiums by policyholders                                  | 0                                                                            | —                                                                            | (0)                    | (100.0)           |
| Interest and dividend income on deposits of premiums, etc.             | 25                                                                           | 24                                                                           | (1)                    | (6.3)             |
| Investment income:                                                     | 10                                                                           | 50                                                                           | 39                     | 376.2             |
| Interest and dividend income                                           | 35                                                                           | 74                                                                           | 39                     | 110.5             |
| Gains on sales of securities                                           | —                                                                            | 0                                                                            | 0                      | —                 |
| Transfer of interest and dividend income on deposits of premiums, etc. | (25)                                                                         | (24)                                                                         | 1                      | —                 |
| Other ordinary income                                                  | 45                                                                           | 6                                                                            | (39)                   | (85.8)            |
| Ordinary expenses:                                                     | 29,920                                                                       | 31,820                                                                       | 1,899                  | 6.3               |
| Underwriting expenses:                                                 | 22,577                                                                       | 24,567                                                                       | 1,990                  | 8.8               |
| Net claims paid                                                        | 15,410                                                                       | 14,636                                                                       | (774)                  | (5.0)             |
| Loss adjustment expenses                                               | 2,083                                                                        | 2,114                                                                        | 30                     | 1.5               |
| Net commissions and brokerage fees                                     | 577                                                                          | 611                                                                          | 33                     | 5.8               |
| Maturity refunds to policyholders                                      | 9                                                                            | —                                                                            | (9)                    | (100.0)           |
| Provision for reserve for outstanding losses and claims                | 1,315                                                                        | 959                                                                          | (356)                  | (27.1)            |
| Provision for underwriting reserves                                    | 3,173                                                                        | 6,240                                                                        | 3,067                  | 96.7              |
| Investment expenses:                                                   | 1                                                                            | 2                                                                            | 0                      | 43.7              |
| Losses on sales of securities                                          | —                                                                            | 0                                                                            | 0                      | —                 |
| Operating, general and administrative expenses                         | 7,287                                                                        | 7,219                                                                        | (67)                   | (0.9)             |
| Other ordinary expenses:                                               | 54                                                                           | 30                                                                           | (23)                   | (43.7)            |
| Interest paid                                                          | 3                                                                            | 3                                                                            | (0)                    | (17.4)            |
| Ordinary loss                                                          | (1,173)                                                                      | (328)                                                                        | 845                    | —                 |
| Extraordinary losses:                                                  | 265                                                                          | 5                                                                            | (260)                  | (98.1)            |
| Losses on disposal of fixed assets                                     | 11                                                                           | 0                                                                            | (11)                   | (100.0)           |
| Provision for reserves under the special laws:                         | 2                                                                            | 5                                                                            | 2                      | 124.9             |
| Provision for reserve for price fluctuation                            | 2                                                                            | 5                                                                            | 2                      | 124.9             |
| Business structure reform expenses                                     | 252                                                                          | —                                                                            | (252)                  | (100.0)           |
| Net loss before income taxes                                           | (1,439)                                                                      | (333)                                                                        | 1,106                  | —                 |
| Income taxes                                                           | 8                                                                            | 7                                                                            | (0)                    | (10.7)            |
| Total income taxes                                                     | 8                                                                            | 7                                                                            | (0)                    | (10.7)            |
| Net loss                                                               | (1,448)                                                                      | (341)                                                                        | 1,107                  | —                 |
| Underwriting result:                                                   |                                                                              |                                                                              |                        |                   |
| Net premiums written (+)                                               | 28,664                                                                       | 31,411                                                                       | 2,746                  | 9.6               |
| Net claims paid (—)                                                    | 15,410                                                                       | 14,636                                                                       | (774)                  | (5.0)             |
| Loss adjustment expenses (—)                                           | 2,083                                                                        | 2,114                                                                        | 30                     | 1.5               |
| Net operating expenses: (—)                                            | 7,859                                                                        | 7,809                                                                        | (49)                   | (0.6)             |
| Net commissions and brokerage fees                                     | 577                                                                          | 611                                                                          | 33                     | 5.8               |
| Operating, general and administrative expenses related to underwriting | 7,281                                                                        | 7,198                                                                        | (83)                   | (1.1)             |
| Underwriting result                                                    | 3,310                                                                        | 6,851                                                                        | 3,540                  | 106.9             |
| Underwriting loss                                                      | (1,152)                                                                      | (308)                                                                        | 844                    | —                 |
| Ratios:                                                                |                                                                              |                                                                              |                        |                   |
| Net loss ratio (%)                                                     | 61.0                                                                         | 53.3                                                                         | (7.7)                  |                   |
| Net operating expenses ratio (%)                                       | 27.4                                                                         | 24.9                                                                         | (2.6)                  |                   |
| Combined ratio (%)                                                     | 88.4                                                                         | 78.2                                                                         | (10.3)                 |                   |

Note) Amount for the six months ended September 30, 2019 includes the result of Sonpo 24 Insurance Company Limited for the three months ended June 30, 2019.

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

## Non-consolidated Solvency Margin Ratio

(Millions of yen)

|                                                                                                                         | As of March 31, 2020 | As of September 30, 2020 |
|-------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| (A) Total Non-consolidated Solvency Margin                                                                              | 17,272               | 18,309                   |
| Capital and funds, etc.                                                                                                 | 13,565               | 13,224                   |
| Reserve for price fluctuation                                                                                           | 57                   | 62                       |
| Contingency reserve                                                                                                     | 11                   | 11                       |
| Catastrophic loss reserve                                                                                               | 3,358                | 4,381                    |
| General allowance for possible credit losses                                                                            | —                    | —                        |
| Unrealized gains and losses on securities, deferred gains and losses on hedges (before tax effect deductions)           | 279                  | 629                      |
| 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                                                                                        | 8,250                | 8,297                    |
| $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$                                                                      |                      |                          |
| Underwriting risk ( $R_1$ )                                                                                             | 6,591                | 6,592                    |
| Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance ( $R_2$ ) | —                    | —                        |
| Guaranteed interest rate risk ( $R_3$ )                                                                                 | 17                   | 17                       |
| Investment risk ( $R_4$ )                                                                                               | 1,033                | 1,251                    |
| Business management risk ( $R_5$ )                                                                                      | 268                  | 275                      |
| Major catastrophe risk ( $R_6$ )                                                                                        | 1,307                | 1,309                    |
| (C) Non-consolidated Solvency Margin Ratio<br>[ (A) / { (B) × 1/2 } ] × 100                                             | 418.6 %              | 441.3 %                  |

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).

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

## Interim Balance Sheet

|                                                              | As of March 31, 2020 | As of September 30, 2020 | (Millions of yen)<br>Increase<br>(Decrease) |
|--------------------------------------------------------------|----------------------|--------------------------|---------------------------------------------|
|                                                              | Amount               | Amount                   |                                             |
| Assets:                                                      |                      |                          |                                             |
| Cash and deposits                                            | 116,117              | 144,189                  | 28,072                                      |
| Securities:                                                  | 2,983,851            | 3,145,431                | 161,580                                     |
| Government bonds                                             | 1,902,571            | 2,043,995                | 141,423                                     |
| Municipal bonds                                              | 74,127               | 67,636                   | (6,491)                                     |
| Corporate bonds                                              | 515,243              | 488,552                  | (26,691)                                    |
| Domestic stocks                                              | 7,319                | 7,904                    | 585                                         |
| Foreign securities                                           | 484,588              | 536,986                  | 52,397                                      |
| Loans:                                                       | 43,163               | 45,210                   | 2,046                                       |
| Policy loans                                                 | 43,163               | 45,204                   | 2,041                                       |
| Ordinary loans                                               | —                    | 5                        | 5                                           |
| Tangible fixed assets                                        | 1,640                | 1,645                    | 4                                           |
| Agency accounts receivable                                   | 109                  | 85                       | (24)                                        |
| Reinsurance accounts receivable                              | 1,356                | 574                      | (781)                                       |
| Other assets                                                 | 54,893               | 46,617                   | (8,276)                                     |
| Deferred tax assets                                          | 16,731               | 10,850                   | (5,880)                                     |
| Allowance for possible credit losses                         | (112)                | (109)                    | 2                                           |
| Total assets                                                 | 3,217,752            | 3,394,494                | 176,742                                     |
| Liabilities:                                                 |                      |                          |                                             |
| Policy reserves:                                             | 2,967,301            | 3,051,566                | 84,265                                      |
| Reserve for outstanding claims                               | 43,152               | 39,441                   | (3,710)                                     |
| Policy reserves                                              | 2,919,802            | 3,007,542                | 87,740                                      |
| Reserve for dividends to policyholders                       | 4,346                | 4,581                    | 235                                         |
| Agency accounts payable                                      | 3,494                | 3,247                    | (246)                                       |
| Reinsurance accounts payable                                 | 826                  | 758                      | (68)                                        |
| Other liabilities                                            | 85,548               | 151,556                  | 66,008                                      |
| Reserve for bonus payments to directors                      | 37                   | —                        | (37)                                        |
| Reserve for retirement benefits                              | 4,134                | 4,391                    | 257                                         |
| Reserve for possible reimbursement of prescribed claims      | 584                  | 475                      | (108)                                       |
| Reserves under the special laws:                             | 8,213                | 8,599                    | 386                                         |
| Reserve for price fluctuation                                | 8,213                | 8,599                    | 386                                         |
| Total liabilities                                            | 3,070,138            | 3,220,596                | 150,457                                     |
| Net assets:                                                  |                      |                          |                                             |
| Shareholders' equity:                                        |                      |                          |                                             |
| Common stock                                                 | 17,250               | 17,250                   | —                                           |
| Capital surplus                                              | 13,333               | 13,333                   | —                                           |
| Retained earnings                                            | 82,752               | 94,690                   | 11,937                                      |
| Total shareholders' equity                                   | 113,336              | 125,273                  | 11,937                                      |
| Valuation and translation adjustments:                       |                      |                          |                                             |
| Unrealized gains and losses on securities available for sale | 34,277               | 48,625                   | 14,347                                      |
| Total valuation and translation adjustments                  | 34,277               | 48,625                   | 14,347                                      |
| Total net assets                                             | 147,613              | 173,898                  | 26,285                                      |
| Total liabilities and net assets                             | 3,217,752            | 3,394,494                | 176,742                                     |

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

## Interim Statement of Income

(Millions of yen)

|                                                                             | Six months ended<br>September 30, 2019<br>(April 1 to<br>September 30, 2019) | Six months ended<br>September 30, 2020<br>(April 1 to<br>September 30, 2020) | Increase<br>(Decrease) | Rate of<br>change |
|-----------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------------------------------------------------------------|------------------------|-------------------|
|                                                                             | Amount                                                                       | Amount                                                                       |                        | %                 |
| Ordinary income:                                                            | 243,767                                                                      | 245,951                                                                      | 2,184                  | 0.9               |
| Insurance premiums and other:                                               | 217,706                                                                      | 215,330                                                                      | (2,376)                | (1.1)             |
| Insurance premiums                                                          | 216,517                                                                      | 214,236                                                                      | (2,280)                | (1.1)             |
| Investment income:                                                          | 24,021                                                                       | 26,086                                                                       | 2,064                  | 8.6               |
| Interest and dividend income and other                                      | 22,431                                                                       | 23,302                                                                       | 870                    | 3.9               |
| Gains on sales of securities                                                | 1,338                                                                        | 1,513                                                                        | 174                    | 13.0              |
| Investment gains on special account                                         | 220                                                                          | 1,267                                                                        | 1,046                  | 473.4             |
| Other ordinary income:                                                      | 2,038                                                                        | 4,535                                                                        | 2,497                  | 122.5             |
| Reversal of reserve for outstanding claims                                  | 1,196                                                                        | 3,710                                                                        | 2,513                  | 210.1             |
| Ordinary expenses:                                                          | 227,950                                                                      | 227,220                                                                      | (730)                  | (0.3)             |
| Insurance claims and other:                                                 | 91,638                                                                       | 94,778                                                                       | 3,140                  | 3.4               |
| Insurance claims                                                            | 16,631                                                                       | 18,706                                                                       | 2,074                  | 12.5              |
| Annuity payments                                                            | 5,371                                                                        | 5,044                                                                        | (327)                  | (6.1)             |
| Insurance benefits                                                          | 22,608                                                                       | 22,478                                                                       | (130)                  | (0.6)             |
| Surrender benefits                                                          | 43,982                                                                       | 45,157                                                                       | 1,175                  | 2.7               |
| Other refunds                                                               | 1,405                                                                        | 1,791                                                                        | 386                    | 27.5              |
| Provision for policy reserves and other:                                    | 90,695                                                                       | 87,740                                                                       | (2,955)                | (3.3)             |
| Provision for policy reserves                                               | 90,695                                                                       | 87,740                                                                       | (2,955)                | (3.3)             |
| Provision for interest portion of reserve for<br>dividends to policyholders | 0                                                                            | 0                                                                            | 0                      | 8.3               |
| Investment expenses:                                                        | 1,288                                                                        | 1,786                                                                        | 497                    | 38.6              |
| Interest paid                                                               | 39                                                                           | 38                                                                           | (0)                    | (1.7)             |
| Losses on sales of securities                                               | 779                                                                          | 1,337                                                                        | 557                    | 71.5              |
| Losses on derivatives                                                       | 391                                                                          | 325                                                                          | (66)                   | (16.9)            |
| Operating expenses                                                          | 42,167                                                                       | 40,754                                                                       | (1,413)                | (3.4)             |
| Other ordinary expenses                                                     | 2,160                                                                        | 2,160                                                                        | (0)                    | (0.0)             |
| Ordinary profit                                                             | 15,816                                                                       | 18,731                                                                       | 2,915                  | 18.4              |
| Extraordinary gains:                                                        | 0                                                                            | 7                                                                            | 6                      | 1,471.1           |
| Gains on disposal of fixed assets and other                                 | 0                                                                            | 7                                                                            | 6                      | 1,471.1           |
| Extraordinary losses:                                                       | 1,149                                                                        | 405                                                                          | (744)                  | (64.8)            |
| Losses on disposal of fixed assets and other                                | 27                                                                           | 18                                                                           | (9)                    | (32.6)            |
| Provision for reserves under the special laws:                              | 345                                                                          | 386                                                                          | 40                     | 11.8              |
| Provision for reserve for price fluctuation                                 | 345                                                                          | 386                                                                          | 40                     | 11.8              |
| Other extraordinary losses                                                  | 776                                                                          | —                                                                            | (776)                  | (100.0)           |
| Provision for reserve for dividends to policyholders                        | 1,430                                                                        | 1,666                                                                        | 235                    | 16.5              |
| Net income before income taxes                                              | 13,236                                                                       | 16,667                                                                       | 3,431                  | 25.9              |
| Income taxes                                                                | 3,768                                                                        | 4,428                                                                        | 660                    | 17.5              |
| Deferred income taxes                                                       | 12                                                                           | 301                                                                          | 288                    | 2,238.1           |
| Total income taxes                                                          | 3,781                                                                        | 4,730                                                                        | 948                    | 25.1              |
| Net income                                                                  | 9,454                                                                        | 11,937                                                                       | 2,482                  | 26.3              |

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

## Major Business Results

## Total amount of policies in force

(Number in thousands, Yen in hundred millions, %)

|                      | As of March 31, 2020 |                           |         |                           | As of September 30, 2020 |                           |         |                           |
|----------------------|----------------------|---------------------------|---------|---------------------------|--------------------------|---------------------------|---------|---------------------------|
|                      | Number               |                           | Amount  |                           | Number                   |                           | Amount  |                           |
|                      |                      | % of previous fiscal year |         | % of previous fiscal year |                          | % of previous fiscal year |         | % of previous fiscal year |
| Individual insurance | 4,143                | 101.4                     | 234,291 | 101.5                     | 4,165                    | 100.5                     | 234,123 | 99.9                      |
| Individual annuities | 54                   | 93.5                      | 2,296   | 96.7                      | 53                       | 98.0                      | 2,264   | 98.6                      |
| Group insurance      | —                    | —                         | 27,526  | 101.5                     | —                        | —                         | 27,503  | 99.9                      |
| 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 hundred millions, %)

|                      | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                           |        |                           | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                           |        |                           |
|----------------------|------------------------------------------------------------------------|---------------------------|--------|---------------------------|------------------------------------------------------------------------|---------------------------|--------|---------------------------|
|                      | Number                                                                 |                           | Amount |                           | Number                                                                 |                           | Amount |                           |
|                      |                                                                        | % of previous fiscal year |        | % of previous fiscal year |                                                                        | % of previous fiscal year |        | % of previous fiscal year |
| Individual insurance | 133                                                                    | 75.8                      | 12,739 | 50.7                      | 117                                                                    | 87.7                      | 9,762  | 76.6                      |
| Individual annuities | —                                                                      | —                         | —      | —                         | —                                                                      | —                         | —      | —                         |
| Group insurance      | —                                                                      | —                         | 70     | 58.3                      | —                                                                      | —                         | 430    | 612.3                     |
| 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, 2020 |                           | As of September 30, 2020 |                           |
|-------------------------------|----------------------|---------------------------|--------------------------|---------------------------|
|                               |                      | % of previous fiscal year |                          | % of previous fiscal year |
| Individual insurance          | 363,672              | 100.5                     | 363,524                  | 100.0                     |
| Individual annuities          | 15,643               | 93.8                      | 15,453                   | 98.8                      |
| Total                         | 379,315              | 100.2                     | 378,978                  | 99.9                      |
| Medical and survival benefits | 154,226              | 103.9                     | 156,977                  | 101.8                     |

## New policies

(Millions of yen, %)

|                               | Six months ended September 30, 2019<br>(April 1 to September 30, 2019) |                           | Six months ended September 30, 2020<br>(April 1 to September 30, 2020) |                           |
|-------------------------------|------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------|---------------------------|
|                               |                                                                        | % of previous fiscal year |                                                                        | % of previous fiscal year |
| Individual insurance          | 12,029                                                                 | 67.2                      | 11,334                                                                 | 94.2                      |
| Individual annuities          | —                                                                      | —                         | —                                                                      | —                         |
| Total                         | 12,029                                                                 | 67.2                      | 11,334                                                                 | 94.2                      |
| Medical and survival benefits | 6,861                                                                  | 112.0                     | 6,347                                                                  | 92.5                      |

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.



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

## Non-consolidated Solvency Margin Ratio

(Millions of yen)

|                                                                                                                                                                                                          | As of March 31, 2020 | As of September 30, 2020 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------------------|
| (A) Total Non-consolidated Solvency Margin                                                                                                                                                               | 382,291              | 430,325                  |
| Capital, etc.                                                                                                                                                                                            | 113,336              | 125,510                  |
| Reserve for price fluctuation                                                                                                                                                                            | 8,213                | 8,599                    |
| Contingency reserve                                                                                                                                                                                      | 32,499               | 32,870                   |
| General allowance for possible credit losses                                                                                                                                                             | 5                    | 3                        |
| 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) | 42,847               | 60,781                   |
| Unrealized gains and losses on land (85% of gain or 100% of loss)                                                                                                                                        | —                    | —                        |
| Excess amount of continued Zillmerized reserve                                                                                                                                                           | 182,064              | 179,471                  |
| Subordinated debt, etc.                                                                                                                                                                                  | —                    | —                        |
| Excess amount of continued Zillmerized reserve and subordinated debt, etc. which are excluded from total solvency margin                                                                                 | (27,819)             | (12,496)                 |
| Brought in capital, etc.                                                                                                                                                                                 | —                    | —                        |
| Deductions                                                                                                                                                                                               | —                    | —                        |
| Others                                                                                                                                                                                                   | 31,144               | 35,584                   |
| (B) Total Non-consolidated Risks $\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$                                                                                                                      | 51,935               | 55,015                   |
| Underwriting risk ( $R_1$ )                                                                                                                                                                              | 14,392               | 14,358                   |
| Underwriting risk for third-sector insurance products including accident, sickness and nursing-care insurance ( $R_8$ )                                                                                  | 10,554               | 10,841                   |
| Guaranteed interest rate risk ( $R_2$ )                                                                                                                                                                  | 8,442                | 8,468                    |
| Guaranteed minimum benefit risk ( $R_7$ )                                                                                                                                                                | 393                  | 396                      |
| Investment risk ( $R_3$ )                                                                                                                                                                                | 35,137               | 38,402                   |
| Business management risk ( $R_4$ )                                                                                                                                                                       | 1,378                | 1,449                    |
| (C) Non-consolidated Solvency Margin Ratio<br>[ (A) / {(B) × 1/2} ] × 100                                                                                                                                | 1,472.1 %            | 1,564.3 %                |

## 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

## &lt; Calculation of ratios, etc. &gt;

- 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

## &lt; Non-consolidated solvency margin ratio &gt;

- 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, i.e. 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.

#### 4. Supplementary Data about Financial Results for the six months ended September 30, 2020 at Press Conference

Sompo Japan Insurance Inc. (Non-consolidated)

(1) Key figures

(Yen in hundred millions)

|                                  | Six months ended<br>September 30, 2019 | Fiscal year ended<br>March 31, 2020 | Six months ended<br>September 30, 2020 | Increase<br>(Decrease) |           |
|----------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|------------------------|-----------|
|                                  |                                        |                                     |                                        | (C) - (B)              | (C) - (A) |
| (A)                              | (B)                                    | (C)                                 |                                        |                        |           |
| 1 Net premiums written           | 11,281                                 | 21,847                              | 10,937                                 | —                      | (343)     |
| Rate of change                   | 3.2 %                                  | 1.7 %                               | (3.0)%                                 | (4.7)%                 | (6.2)%    |
| 2 Total assets                   | 73,595                                 | 71,660                              | 71,131                                 | (529)                  | (2,464)   |
| 3 Loss ratio                     | 57.8 %                                 | 64.9 %                              | 56.7 %                                 | (8.2)%                 | (1.1)%    |
| 4 Operating expenses ratio       | 31.7 %                                 | 32.4 %                              | 33.0 %                                 | 0.6 %                  | 1.3 %     |
| 5 Combined ratio                 | 89.5 %                                 | 97.3 %                              | 89.6 %                                 | (7.6)%                 | 0.2 %     |
| Underwriting result ratio        | 10.5 %                                 | 2.7 %                               | 10.4 %                                 | 7.6 %                  | (0.2)%    |
| 6 Voluntary automobile insurance |                                        |                                     |                                        |                        |           |
| • Net premiums written           | 5,405                                  | 10,847                              | 5,412                                  | —                      | 6         |
| Rate of change                   | 1.2 %                                  | 1.1 %                               | 0.1 %                                  | (0.9)%                 | (1.1)%    |
| • Underwriting result ratio      | 10.1 %                                 | 7.7 %                               | 14.7 %                                 | 7.0 %                  | 4.6 %     |
| • Loss ratio                     | 58.3 %                                 | 60.6 %                              | 53.2 %                                 | (7.3)%                 | (5.0)%    |
| • Operating expenses ratio       | 31.6 %                                 | 31.7 %                              | 32.1 %                                 | 0.4 %                  | 0.5 %     |
| 7 Fire and allied insurance      |                                        |                                     |                                        |                        |           |
| • Net premiums written           | 1,498                                  | 2,851                               | 1,516                                  | —                      | 17        |
| Rate of change                   | 14.9 %                                 | 7.6 %                               | 1.2 %                                  | (6.4)%                 | (13.7)%   |
| • Underwriting result ratio      | (1.0)%                                 | (28.3)%                             | (11.8)%                                | 16.5 %                 | (10.8)%   |
| • Loss ratio                     | 59.8 %                                 | 84.5 %                              | 68.4 %                                 | (16.1)%                | 8.6 %     |
| • Operating expenses ratio       | 41.2 %                                 | 43.8 %                              | 43.4 %                                 | (0.4)%                 | 2.2 %     |
| 8 Number of employees            | 25,411                                 | 24,689                              | 23,721                                 | (968)                  | (1,690)   |
| 9 Number of agencies             | 52,217                                 | 50,719                              | 49,359                                 | (1,360)                | (2,858)   |

<Reference> Consolidated figures of Sompo Holdings, Inc.

(Yen in hundred millions)

|                                                         | Six months ended<br>September 30, 2019 | Fiscal year ended<br>March 31, 2020 | Six months ended<br>September 30, 2020 | Increase<br>(Decrease) |           |
|---------------------------------------------------------|----------------------------------------|-------------------------------------|----------------------------------------|------------------------|-----------|
|                                                         |                                        |                                     |                                        | (C) - (B)              | (C) - (A) |
| (A)                                                     | (B)                                    | (C)                                 |                                        |                        |           |
| 1 Ordinary income                                       | 19,554                                 | 37,603                              | 19,853                                 | —                      | 299       |
| 2 Net premiums written                                  | 15,024                                 | 28,254                              | 15,688                                 | —                      | 664       |
| Rate of change                                          | 4.3 %                                  | 3.9 %                               | 4.4 %                                  | 0.5 %                  | 0.1 %     |
| 3 Life insurance premiums written                       | 1,729                                  | 3,560                               | 1,688                                  | —                      | (41)      |
| Rate of change                                          | 1.5 %                                  | 1.8 %                               | (2.4)%                                 | (4.2)%                 | (3.9)%    |
| 4 Ordinary profit                                       | 637                                    | 1,924                               | 775                                    | —                      | 137       |
| 5 Net income attributable to shareholders of the parent | 439                                    | 1,225                               | 396                                    | —                      | (43)      |

Notes)

1. Loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Operating expenses ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Loss ratio + Operating expenses ratio
4. Underwriting result ratio = 1 - Combined ratio
5. Items with % within "Increase (Decrease)" represent change from the fiscal year ended March 31, 2020 and the six months ended September 30, 2019, respectively.

## Sampo Japan Insurance Inc. (Non-consolidated)

## (2) Other figures

## (a) Impairment losses on securities

(Yen in hundred millions)

|                    | Six months ended<br>September 30, 2019 | Fiscal year ended<br>March 31, 2020 | Six months ended<br>September 30, 2020 |
|--------------------|----------------------------------------|-------------------------------------|----------------------------------------|
| Domestic bonds     | —                                      | —                                   | —                                      |
| Domestic stocks    | 8                                      | 89                                  | 41                                     |
| Foreign securities | 2                                      | 27                                  | 7                                      |
| Others             | 0                                      | 0                                   | —                                      |
| Total              | 10                                     | 117                                 | 48                                     |

Note) Besides the above, impairment losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 1 hundred million yen for the six months ended September 30, 2019, 47 hundred million yen for the fiscal year ended March 31, 2020 and 2 hundred million yen for the six months ended September 30, 2020 .  
This amount is recognized in "Investment gains on money trusts" and "Investment losses on money trusts" in the statement of income.

## Applied rules of impairment loss recognition

Basically, Sampo Japan recognizes impairment losses on securities if fair value declines by 30% or more from book value.

## (b) Impairment losses on fixed assets

(Yen in hundred millions)

|           | Six months ended<br>September 30, 2019 | Fiscal year ended<br>March 31, 2020 | Six months ended<br>September 30, 2020 |
|-----------|----------------------------------------|-------------------------------------|----------------------------------------|
| Land      | 1                                      | 16                                  | 4                                      |
| Buildings | 0                                      | 5                                   | 2                                      |
| Others    | —                                      | —                                   | —                                      |
| Total     | 2                                      | 21                                  | 6                                      |

## (c) Unrealized gains and losses on securities

(Yen in hundred millions)

|                    | As of September 30, 2019 | As of March 31, 2020 | As of September 30, 2020 |
|--------------------|--------------------------|----------------------|--------------------------|
| Domestic bonds     | 1,409                    | 1,141                | 1,007                    |
| Domestic stocks    | 7,956                    | 6,115                | 7,200                    |
| Foreign securities | 1,042                    | 831                  | 1,138                    |
| Others             | 57                       | 34                   | 91                       |
| Total              | 10,466                   | 8,122                | 9,438                    |

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others" above.
2. Besides the above, unrealized gains and losses on trust assets (securities) in money trusts other than trading purposes or held to maturity amount to 20 hundred million yen as of September 30, 2019, (5) hundred million yen as of March 31, 2020 and 19 hundred million yen as of September 30, 2020.

## Sampo Japan Insurance Inc. (Non-consolidated)

## (d) Claims during the period due to natural disasters in Japan (excluding household earthquake insurance)

(Yen in hundred millions)

|                         | Six months ended<br>September 30, 2019 | Fiscal year ended<br>March 31, 2020 | Six months ended<br>September 30, 2020 |
|-------------------------|----------------------------------------|-------------------------------------|----------------------------------------|
| Direct claims paid a    | 79                                     | 2,765                               | 186                                    |
| Net claims paid b       | 78                                     | 812                                 | 185                                    |
| Unpaid claims c         | 352                                    | 119                                 | 269                                    |
| Net incurred loss b + c | 431                                    | 932                                 | 455                                    |

Notes)

1. This table represents paid and unpaid claims during the period due to natural disasters in Japan.
2. Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss.

## (e) Catastrophic loss reserve

(Yen in hundred millions, %)

| Business line                  | Six months ended<br>September 30, 2019 |                  |           | Fiscal year ended<br>March 31, 2020 |                  |           | Six months ended<br>September 30, 2020 |                  |           |
|--------------------------------|----------------------------------------|------------------|-----------|-------------------------------------|------------------|-----------|----------------------------------------|------------------|-----------|
|                                | Balance                                | Balance<br>ratio | Provision | Balance                             | Balance<br>ratio | Provision | Balance                                | Balance<br>ratio | Provision |
| Fire and allied insurance      | 1,577                                  | 52.7             | 226       | 1,069                               | 37.5             | 630       | 1,191                                  | 39.3             | 280       |
| Marine insurance               | 452                                    | 93.6             | 14        | 440                                 | 93.9             | 15        | 446                                    | 107.2            | 6         |
| Personal accident insurance    | 723                                    | 39.6             | 29        | 715                                 | 42.8             | 52        | 741                                    | 44.9             | 26        |
| Voluntary automobile insurance | 477                                    | 4.4              | 175       | 357                                 | 3.3              | 357       | 533                                    | 4.9              | 175       |
| Others                         | 2,133                                  | 60.4             | 102       | 1,996                               | 62.3             | 101       | 2,053                                  | 58.9             | 56        |
| Total                          | 5,364                                  | 27.3             | 547       | 4,578                               | 24.1             | 1,157     | 4,965                                  | 25.6             | 546       |

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) × 100  
As for the six months ended September 30, 2019 and 2020, net premiums written (excluding household earthquake insurance and compulsory automobile liability insurance) are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before deducting reversal.

## (f) Reinsurance assumed

(Yen in hundred millions)

| Business line                             | Six months ended September 30, 2019 |                               | Six months ended September 30, 2020 |                               |
|-------------------------------------------|-------------------------------------|-------------------------------|-------------------------------------|-------------------------------|
|                                           | Reinsurance premiums<br>assumed     | Reinsurance claims<br>assumed | Reinsurance premiums<br>assumed     | Reinsurance claims<br>assumed |
| Fire and allied insurance                 | 181                                 | 138                           | 179                                 | 82                            |
| Marine insurance                          | 64                                  | 30                            | 62                                  | 40                            |
| Personal accident insurance               | 4                                   | 3                             | 5                                   | 3                             |
| Voluntary automobile insurance            | 1                                   | 2                             | 0                                   | 8                             |
| Compulsory automobile liability insurance | 1,038                               | 958                           | 843                                 | 810                           |
| Others                                    | 87                                  | 32                            | 82                                  | 57                            |
| Total                                     | 1,377                               | 1,166                         | 1,173                               | 1,002                         |

## (g) Reinsurance ceded

(Yen in hundred millions)

| Business line                             | Six months ended September 30, 2019 |                             | Six months ended September 30, 2020 |                             |
|-------------------------------------------|-------------------------------------|-----------------------------|-------------------------------------|-----------------------------|
|                                           | Reinsurance premiums<br>ceded       | Reinsurance claims<br>ceded | Reinsurance premiums<br>ceded       | Reinsurance claims<br>ceded |
| Fire and allied insurance                 | 875                                 | 669                         | 1,059                               | 606                         |
| Marine insurance                          | 67                                  | 21                          | 85                                  | 28                          |
| Personal accident insurance               | 28                                  | 11                          | 42                                  | 9                           |
| Voluntary automobile insurance            | 21                                  | 48                          | 30                                  | 49                          |
| Compulsory automobile liability insurance | 1,097                               | 1,052                       | 780                                 | 957                         |
| Others                                    | 449                                 | 213                         | 470                                 | 198                         |
| Total                                     | 2,539                               | 2,016                       | 2,469                               | 1,850                       |