

## Value Creation Cycle — Common Framework to Realize Purpose —

At the core of the Sompo Group's business management is its Purpose, which is to "create a society in which every person can live a healthy, prosperous and happy life in one's own way with a Theme Park for Security, Health & Wellbeing."

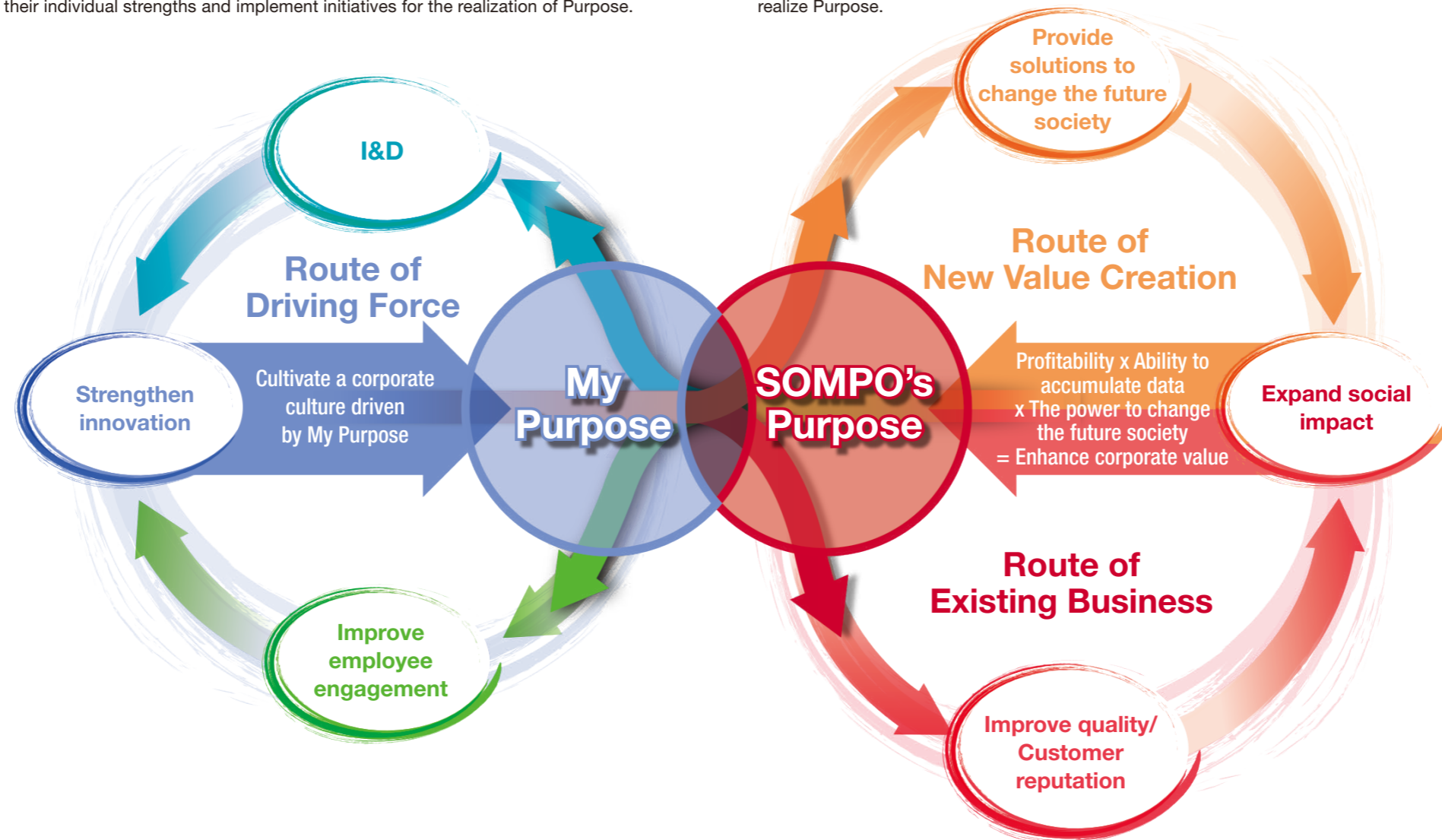
Based on the "Value Creation Cycle," which serves as a common framework across the Group, our diverse businesses connect and collaborate across business boundaries under a single "Theme Park" strategy, and our employees, who have diverse backgrounds, use My Purpose as a starting point to maximize their individual strengths and implement initiatives for the realization of Purpose.

The "Value Creation Cycle" consists of three parts: the Route of Driving Force, which is driven by My Purpose; the Route of Existing Business, which aims to improve our reputation with customers by providing high-quality services; and the Route of New Value Creation, which works to provide solutions to change the future society.

The continuous creation of value through this three-part cycle is the means by which we increase our corporate value and realize Purpose.

### My Purpose and SOMPO's Purpose

We are working to spread the Purpose concept and voluntary efforts to achieve it among all Group employees by overlapping "My Purpose," which signifies each employee's life goals and meaning of their work, and "SOMPO's Purpose." As a result, we aim to realize SOMPO's Purpose by linking our employees' sense of fulfillment and happiness to the creation of innovation through their daily work as they take on challenges in their own way.



### Route of Driving Force

We respect each other's My Purpose and recognize each other's diverse values. In such a workplace full of I&D\* (Inclusion & Diversity), each employee works with high engagement, feeling a sense of self-worth, happiness, and fulfillment. Then, driven by My Purpose, they repeatedly take on challenges and create innovations. This fosters a culture in which this behavior becomes the norm and the driving force for the realization of Purpose.

**Main initiatives**

- Town hall meetings by the Group CEO
- My Purpose 1-on-1 meetings
- SOMPO Awards

### Route of Existing Business

Employees driven by "My Purpose" are working to develop and provide high-quality products and services in existing business domains, such as insurance and nursing care, by enthusiastically engaging in cooperation with partners and shifting to high value-added operations through business innovation. Through business activities in these existing business domains, we aim to foster trust and empathy from our customers and achieve steady growth and further development of our businesses.

**Main initiatives**

- Global top-line growth
- Earnings structure reform in the Domestic P&C Insurance Business
- Creation of conglomerate premium (One Sompo)

### Route of New Value Creation

SOMPO will attract cooperation partners by utilizing its abundant real data obtained from various business activities of its existing businesses, and will provide solutions for the problems encountered by future society through DX and SOMPO's unique business model RDP, thereby creating impact.

**Main initiatives**

- "egaku" Nursing Care RDP
- Health support through Insurhealth®

\* Inclusion is important for respecting and acknowledging each employee's diverse My Purpose and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

# Human Capital Management for Enhancing Corporate Value



**Kazushi Ambe**

Sony Group Corporation  
Senior Executive Vice President  
Corporate Executive Officer

**Chiharu Takakura**

Co-Representative, Takakura & Company LLC  
Strategic Advisor, Rohto Pharmaceutical Co., Ltd.

**Shinichi Hara**

Sompo Holdings  
Group CHRO

**Kazushi Ambe**

Joined Sony in 1984. Served as Vice President of Sony Ericsson Mobile Communications and Senior Vice President of Sony Corporation of America, among other positions, before becoming Corporate Executive and then EVP & Corporate Executive Officer at Sony in 2016. Became Executive Vice President & Corporate Executive Officer in 2018 and has served in his current position since 2020. Mr. Ambe is leading a human resources strategy to help every employee grow and take on challenges to achieve Sony Group's business purpose, to "Fill the world with emotion, through the power of creativity and technology," based on its corporate culture of valuing diversity and an equal relationship between the company and its employees.

**Chiharu Takakura**

Joined Japan's Ministry of Agriculture, Forestry and Fisheries in 1983. After working as Associate Director of the Human Resources Department at Pfizer Japan Inc., she became General Manager of Global Human Resources at Ajinomoto Corporation in 2014, and then Director and CHRO at Rohto Pharmaceutical Co., Ltd. in 2020. Has served in her current position since 2023. Also serves as an outside director of Mitsui Sumitomo Insurance, Nomura Real Estate Holdings, and Niterra. Ms. Takakura has been leading human resources strategies at global companies in Japan and overseas for more than 25 years. In recent years, as an opinion leader in the human resources field, she has promoted the development of diverse next-generation human resources, for example by focusing on the concept of "Will," which refers to allowing each individual to determine what kind of value they want to provide to society through their career.

## Paradigm shift

**Ambe** A paradigm shift is taking place today that is making talent a focus of attention. Companies are trying to maximize the potential of each individual employee, which I see as an inevitable result of changes in the social environment and a common awareness of the issues shared by all companies. In addition, because the business environment remains challenging, everyone has a higher sense of urgency than before, and everyone wants to make their own choices and act on their own. This is the change we've been witnessing. This is an opportunity for companies, and I believe that seizing it will open up enormous possibilities. Since its founding 77 years ago, Sony has continued to uphold the spirit of its founder, and has always made individual initiative the core of the company's growth. We are going back to the basics once again

and trying to link individual growth to corporate growth.

**Takakura** I have been involved in the human resources world for about 25 years, and during this time, I have seen a shift in thinking about human capital. Twenty-five years ago, employees were viewed as a resource, but since then, the idea of human "assets" has spread, and concepts such as human resource management, talent management, and succession plans have emerged.

Furthermore, over the past 10 years, employees have become a form of "capital." Since it is people who create value when creating new things, I believe that the challenge for management has become how to generate value by investing resources in these people.

What I think is important is how to respond to rapid advances and changes in technology and other

circumstances. Among these circumstances is the shortage of workers, which means the value of each individual is becoming more and more important. In the younger generation especially, values about work are changing, and they have a new consciousness that they want to do something for society. Hence the term "ESG native."

**Hara** The world has changed, and we live in a time where we must focus on the individual. At SOMPO, we have our Purpose, which represents what is necessary to remain an essential organization for society and continue to thrive.

We used to expand our business and grew with our customers, buoyed by the rising population and economic growth. Yet, the demographic shift to "fewer children and living longer" reality changed how society works – along with technological advances. We wondered, "Is our conventional business model a fit for society? Would it be enough to stay solely with insurance?" The vision for innovation kicked off at that point, where we realized that it was time to expand into other fields and change how we offer insurance. We wanted employees and the organization to take on challenges to make the innovation happen. Building an organization and seeking out individuals who enjoy a challenge – that's what our human capital management aims for. Build an inclusive culture that encourages innovation. Every employee keeps their engagement high and takes on challenges. That is the goal of SOMPO's human capital management.

## Human capital management initiatives

**Hara** The first step we took toward practicing human capital management was to shift their thinking about "work." We encouraged employees to change their perception from "I am there for the company." to "The company is there for me." We then began MY Purpose to embody that initiative. Let's look at the company as a stage. Employees are encouraged to describe what they want to accomplish and cherish most in life. They will play the role on the stage represented by the company.

As an intangible measure, we organize "Townhall Meetings," where the Group CEO delivers messages interacting with employees. We also implement "MY Purpose 1-on-1 meetings" where managers and their members have interactive sessions. We have also established a cross-Group "SOMPO Award" to encourage challenge and innovation through My Purpose, and we celebrate each other's efforts under the slogan "A Cheer for Every Challenge." Through these efforts, we strive to transform our corporate culture into one that is full of challenges based on My Purpose.

Regarding tangible structures, we need systems to enable people to develop their careers to realize My Purpose. Therefore, we are expanding the job-based employment and job posting systems to encourage self-driven work styles.



**Takakura** Over the past 20 years, Rohto Pharmaceutical has grown steadily from 500 to 1,700 employees and from 50 billion yen to over 200 billion yen in sales. What makes me proudest is the fact that we have continued to launch new businesses. We went from being an eye drop company to making skin care our main business. Nowadays, focusing on health inside the stomach, we operate a farm and make and sell hamburgers and other processed foods, and are even entering the field of regenerative medicine.

The key to launching new businesses is the philosophy that has guided Rohto since its founding: "There is no business without people." It's a little old-fashioned, but we have a very flat organizational culture, with things like sports days, company trips, and birthday cake parties. Because Rohto has always put people at the center, valuing people as individuals regardless of organizational boundaries, a "hand-raising" culture that values employee initiative has taken root and even younger employees can express their opinions. In such a culture, you can even apply for promotion on your own rather than waiting for promotion from your boss. The goal is to find a place where the purpose of the individual intersects with "Connect for Wellbeing," which is the company's purpose and philosophy.

About eight years ago, we also started allowing employees to pursue jobs and businesses on the side. This is due to our Chairman's belief that "employees are not the property of the company." The idea is, since they're not our property, let's let them do what they want to do and work energetically outside of the company.

The core of the human resources system is that employees should be professionals. This is a difficult task, but we must create value for society, not for the company. Therefore, at Rohto, we do not look for needs in our careers, but work to create needs on our own, considering the future value to society of our solutions.

During my time at Ajinomoto, we presented awards for best practices, similar to the SOMPO Award, after gathering examples from around the world of people promoting our slogan "Eat Well, Live Well." I think it is very important to bring people into the limelight and recognize them.



**Ambe** When running a business, we have many assets at our disposal: financial assets, branding, intellectual property, and technology among them. However, one asset in particular, namely talent, is special in terms of being difficult to quantify and visualize and requiring a long time horizon. Above all, because people have agency and ego, they are not like other resources that management is free use however it sees fit. Precisely because of these characteristics, I see great potential in coming to terms with this form of capital we call “people.” Synchronizing “people” as a form of capital with the direction of management requires a certain level of expertise, and I believe this is what is now being asked of human resources departments. I believe that this represents an opportunity for us to increase the value of the human resources function.

Inevitably, we must reexamine the relationship between employees, who have agency and ego, and the company, placing them on an equal footing. Dialogue is important to ensure that employees feel empowered and motivated by the work they are assigned to do. The structures and systems that make up and embody Sony’s culture can be broadly divided into two categories: systems in which the company encourages employees and systems in which employees exercise their own judgment. One system continually asks, “Do you have the desire or interest to take on this kind of challenge?” while the other continually asks, “Please tell us your current thoughts and judgments.” At SOMPO you routinely hold town hall meetings and give SOMPO Awards. Trying to maintain an equal relationship requires you to continue to show respect for individual autonomy, and this is also a form of dialogue in a broad sense.

**Hara** As you say, dialogue is very important. For example, supervisors and their members regularly interact in MY Purpose 1-on-1 meetings by sharing their MY Purposes. Work and tasks will become part of their MY Purposes, incentivizing them to challenge themselves to consummate MY Purpose.

**Ambe** What is important is independent agency. I agree

with SOMPO’s approach of defining what the company aims to achieve and the significance of its existence, and then having each individual establish their own sense of values. At Sony too, we express our Purpose as the intersection of two overlapping circles, the first circle labeled “Special You” and the second circle labeled “Diverse Sony,” based on Sony’s People Philosophy: “Special You, Diverse Sony.” I think the common driver for the realization of both circles is “growth.” Both individual employees and the company must continue to grow. Growth is the common agenda for both the employee and the company, each of which has very different characteristics.

The most important action in achieving growth is “challenge.” Akio Morita, one of Sony’s founders, said, “Challenges always involve risks, but the risk of not trying is greater than the risk of trying. The opposite of progress is not regress but maintenance of the status quo.” He always said that if you’re satisfied with the status quo, you lag behind the progress of the world, which is to say you regress in relative terms. Through our human resources systems and opportunities, we encourage employees to have a dialogue about continuing to grow together.

When a business takes on a new challenge, it entails great risk, but with insurance products, you feel a sense of reassurance like when someone puts a hand on your shoulder and says, “Don’t worry, it’s all right.” Since SOMPO deals in insurance, I feel that we are developing a business with great significance as society continues to take on challenges.

I learned many things from Microsoft’s efforts to change its corporate culture based on the idea of a “Growth Mindset,” but I’m also keenly aware that changing the culture is extremely difficult and daunting. Instead of denying or changing what exists now, we aim for our vision of the future we aspire to achieve. That is the company’s Purpose and the individual’s My Purpose. I believe that growth can be the biggest common driver for both parties to achieve this goal.

**Hara** I, too, realize how difficult it is for a large-scale company with a legacy to change its culture.

However, it is also true that gradually, more and more



employees sympathize with My Purpose and challenge themselves to realize it.

**Takakura** The Ito Report on Human Capital identifies three perspectives required for a human resources strategy. The third perspective is organizational and individual behavior change. Without this, the corporate culture cannot change. Rohto continues to say that “there is no business without people,” but what Mr. Ambe just said makes me realize that if this behavioral change is not present in both the individual and the organization, the culture cannot be maintained.

In order to start a new business in the future, it is necessary to choose a direction to head in, and that is something that leaders, the management team, and everyone needs to think about. We need insight into the future to decide where to shine our light. Insight into the future is becoming more difficult than in the past 20 or 30 years. If you spend 24 hours a day on the work in front of you, how will get any insight into the future? Moreover, without time for study and dialogue between different industries, new businesses will not arise. Thinking this way, we in human resources need to create a place where employees can reallocate the time spent on their current work to other areas. The side jobs and businesses I mentioned earlier are exactly this. Without this kind of cross-border learning, you won’t notice the need to change your behavior. As Mr. Ambe said, change is difficult and sometimes you have to change your surroundings to realize it. If cross-border learning can do this, I believe that directing people’s time and energy to areas other than their main work is also part of our job in human resources.

## The direction Japanese companies should go

**Ambe** After Japan’s “30 lost years,” I think growth is more important than anything else. When asked at a press conference what word he would emphasize, the new president of the Sony Group, Hiroki Totoki, emphatically answered “growth.” Sony has six diverse businesses, each of which has many enormous competitors. Since it cannot afford to concentrate its capital in just one business, which is a handicap of its diversity, Sony must continue to create value by using its diversity as a competitive advantage. There is a sense of urgency that we must continue to grow to do this. The growth strategy of generating value from diverse businesses is exactly the same as the human resources strategy of generating value from diverse human resources. I have always valued the opportunity to interact directly with the employees we depend on to support Sony’s future growth, starting with our excellent engineers around the world. Through these conversations, I get the sense that, even more than remuneration, true growth opportunities are the

expectations we share. I believe that supporting the growth of individuals leads to corporate growth, which in turn helps us meet the expectations of the capital market.

If corporate value is an indicator of corporate growth, I think that an indicator of employee growth is an engagement indicator that shows that employees are working with enthusiasm and satisfaction. There is objective data showing a clear correlation between highly engaged organizations and company performance. I believe that our goal and responsibility in human resources is to support the growth of the company by supporting the growth of its employees so that they remain a highly engaged group at all times.

**Takakura** Both companies and individuals need to start thinking about growth again. I have also said that we are in an era of co-growth, where the company and the individual are equal. When individuals take on challenges, the company evolves. As the company evolves, new businesses emerge and there are more opportunities for individuals to take on new challenges. Six years ago, I drew a diagram of this “cycle of co-growth.” To achieve co-growth, Ajinomoto has worked to establish a global human resources system. To continue to grow in the future, we need an ethic of self-denial for our own good. It is human nature to think that if there is growth and success, it will continue, but this impulse must be resisted. I feel that My Purpose, centered firmly on the individual as the source of energy, is very important for adapting to change and growing.

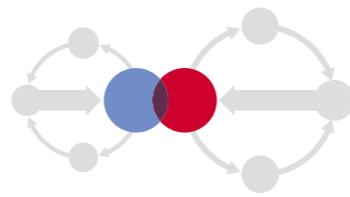
From a management perspective, there are two things to do. The first is to increase the overlap between the direction the company is headed and the thinking of each individual. The second is to continuously send out the clear message that personal growth and the evolution of the company will happen, and that there will be more opportunities to take on challenges.



**Hara** Your messages have been genuinely encouraging. My Purpose is the source of innovation, which bolsters SOMPO’s Purpose. We will continue our efforts toward realizing MY Purpose.

# Starting point of the Value Creation Cycle

## Value creation that originates from My Purpose



The Sompo Group has set its Purpose to be "With 'A Theme Park for Security, Health & Wellbeing,' create a society in which every person can live a healthy, prosperous and happy life in one's own way." With this Purpose at the core of our management, our Group is taking on the challenge of "Purpose Management" that is unique to SOMPO. Under the strategy of a "theme park" that includes our diverse insurance, nursing care, and digital businesses, and with the origin point of "My Purpose" which epitomizes the aspirations of each of our employees who have diverse backgrounds, we aim to realize SOMPO's Purpose as well as the My Purpose of each employee by overlapping the company and individual purposes, transforming individual strengths into organizational strengths, and conducting collaboration that transcends business boundaries.

### Approach and starting point for SOMPO's Purpose Management

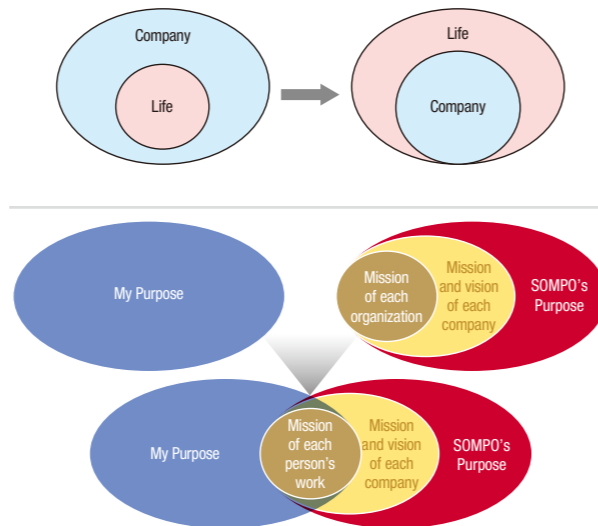
The driving force behind Purpose Management is each and every employee of the Group.

In an era of a paradigm shift in the way we work and live, in which our values are shifting from the idea of "My life in the company" to "A company that helps you realize your life's purpose," the Sompo Group believes it is most important for all employees to face their lives with their own purpose (My Purpose).

The starting point is My Purpose, which is a strong desire that wells up within each employee. By overlaying this desire with the company's and organization's Purpose, we aim to realize SOMPO's Purpose. This is SOMPO's approach to Purpose Management.

At the Town Hall Meetings held from September to November 2021, Group CEO Sakurada personally told about 10,000 employees that "the essence (of My Purpose) is using the company to achieve one's purpose," "the most important thing is one's purpose in life," and "when My Purpose and the company's Purpose mesh, each and every employee can do a good job and have a happy life, leading to the realization of SOMPO's Purpose."

This was the starting point for SOMPO's unique Purpose Management that originates from My Purpose.



Photograph of a Town Hall Meeting

### What is My Purpose?

My Purpose refers to the "purpose of life" or "meaning of work," such as what kind of person you are, what happiness means to you, and what you want to accomplish in your life.

My Purpose is something that each of us already has inside ourselves.

By verbalizing your purpose, you can use it as a guideline as well as a driving force for your own life and career. In the Sompo Group, we first look back at our own lives and careers from the three perspectives of "Want" (intrinsic motivation), "Must" (social responsibility), and "Can" (ability given to us by fate), and refer to the overlapping parts of these perspectives as "aspirations," which is what motivates us. This is what we mean when we say My Purpose.



### Town Hall Meetings by Group CEO Sakurada

The Town Hall Meetings, in which Group CEO Sakurada speaks directly to employees, are important as a starting point for SOMPO's Purpose Management, and can be called the beginning of a new journey for SOMPO.

#### Messages tailored to transformation phases

During Group CEO Sakurada's Town Hall Meetings, he gives messages and conducts dialogue with employees on different themes in line with the Group's culture transformation phases, thereby addressing My Purpose and inspiring employees to empathize with SOMPO's Purpose and take action.

Dialogue at the Global Town Hall Meeting



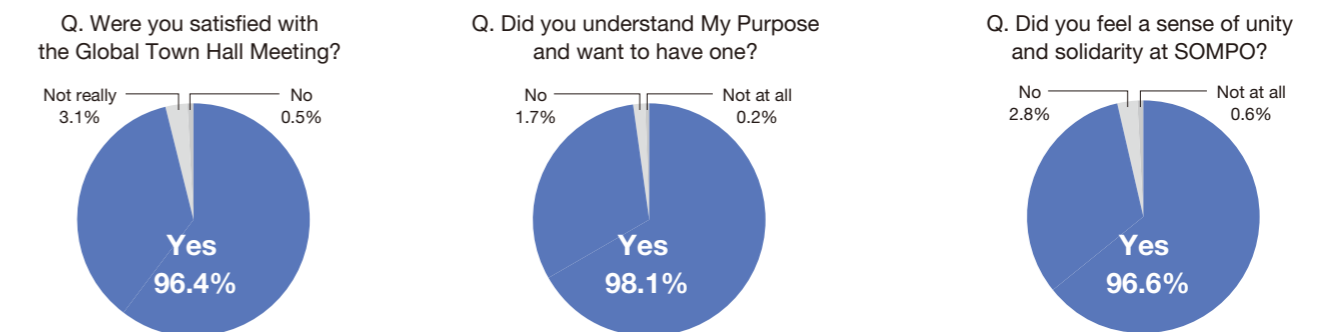
#### Dialogue between our executive leadership and Group employees

At the Town Hall Meetings, employees themselves talk about My Purpose and engage in direct dialogue with Group CEO Sakurada on the theme of My Purpose. Through dialogue between Group CEO Sakurada and representative employees, employees deepen their understanding of matters such as "the meaning of My Purpose" and "why it is necessary." Listening to such dialogue widens the circle of empathy and creates a sense of unity and solidarity throughout the organization.

#### Global Town Hall Meetings

We have also held Global Town Hall Meetings since FY2022. These meetings bring together employees from our diverse businesses in Japan and overseas in an online space to exchange opinions while respecting the diversity of the participants.

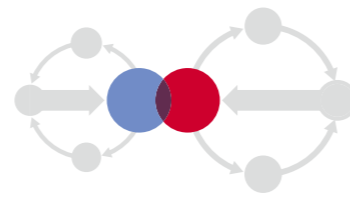
### Global spread of Purpose Management, as seen in the Global Town Hall Meeting questionnaire



### Summary of the Town Hall Meetings

(1) Theme (2) Target participants (3) Number of meetings (4) Number of participants

| Fiscal Year | Theme  | Target participants                              | Number of meetings       | Number of participants                  |
|-------------|--|--|--------------------------|---|
| FY2021      | (1) What are SOMPO's Purpose and My Purpose, and why are they necessary?                             | (2) Domestic officers and employees              | (3) 7 meetings           | (4) About 10,000                        |
| FY2022      | (1) What is management that elicits a spirit of challenge based on My Purpose?                       | (2) Domestic management layer                    | (3) 2 meetings           | (4) About 4,000                         |
| FY2022      | (1) What do we want to achieve that originates in My Purpose? + other themes                         | (2) Domestic and overseas officers and employees | (3) 4 meetings           | (4) About 8,000                         |
| FY2023      | (1) What is the relationship between SOMPO's Purpose, the various business missions, and My Purpose? | (2) Domestic and overseas officers and employees | (3) 3 meetings (planned) | (4) About 3,000 (as of August 31, 2023) |



## Overview of initiatives to spread the concept of Purpose

For the promotion throughout the Group of SOMPO's Purpose Management that originates from My Purpose, we are developing initiatives to spread the concept of Purpose from three layered perspectives.

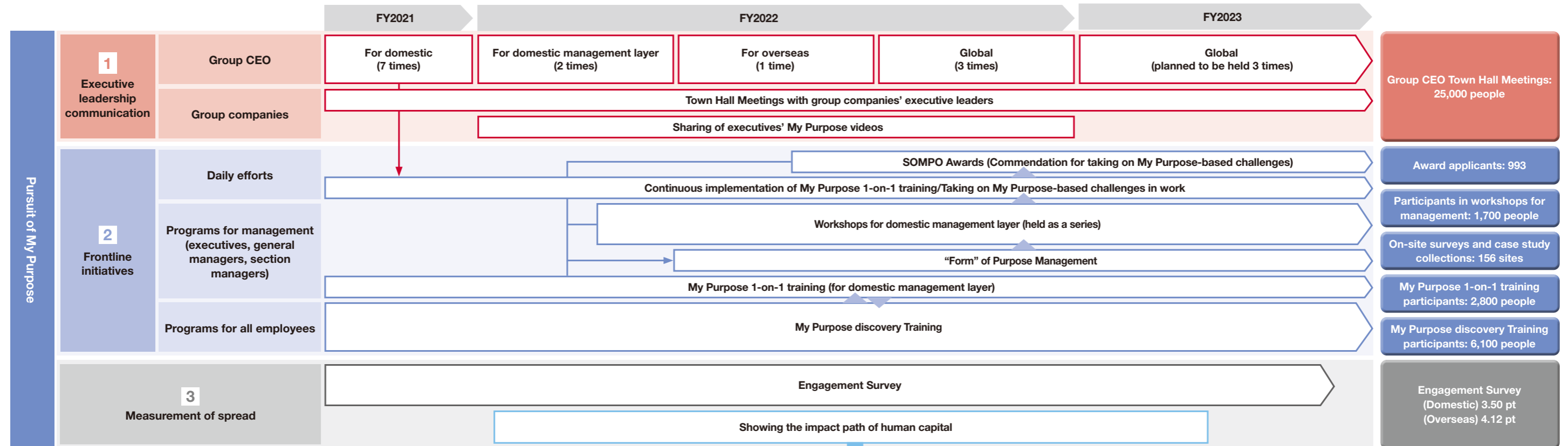
The first is "Executive leadership communication," represented by Town Hall Meetings, which encourages change toward the realization of Purpose. Led by Group CEO Sakurada, executive leaders from each business hold Town Hall Meetings on a regular basis to deliver top-down messages in line with the transformation phase.

The second is "Frontline initiatives." In order to realize Purpose and transform our culture, it is essential for each employee

who empathizes with the messages from the executive leaders to put them into practice in the offices. To support this, we are organically linking and developing bottom-up initiatives such as My Purpose 1-on-1 training for management, various workshops, and the SOMPO Awards, a Group-wide awards program.

The third is "measurement and modeling." These initiatives to spread the concept of Purpose are combined and accumulated as knowledge, which is then provided as feedback to the "executive leadership" and "offices" to further evolve and deepen the initiatives.

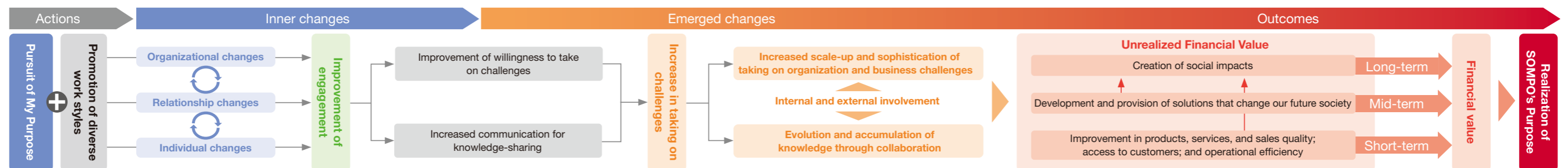
The overview of the spread of SOMPO's Purpose shows that we organically link the layered initiatives, gain understanding and verify them from both qualitative and quantitative perspectives, and move them forward.



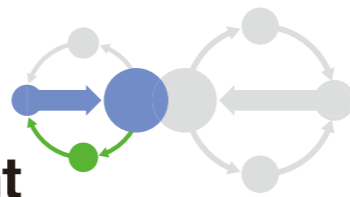
## Visualizing the impact path of human capital

Our Group uses the term "Unrealized Financial Value" to refer to value that leads to financial or corporate value in the mid- to long-term that is generated by human capital-related initiatives (actions), including the spread of the concept of SOMPO's Purpose, and the entire Group is working to improve it. By visualizing the paths through which they lead to the creation of value, we are also steadily advancing Purpose Management that originates from My Purpose by using an evidence-based approach and having it lead to sustainable growth and increased corporate value.

Specifically, we are working to map "Human Capital Impact Path" with a series of paths that lead to creation of financial value by generating changes that lead to improved engagement within the organization with actions concerning pursuit of My Purpose and promotion of diverse work styles, as well as changes that encourage taking on challenges. We are promoting the utilization of the human capital impact paths by detailing the paths, estimating the financial impact, and managing KPIs in conjunction with the strategy.



# Value Creation Cycle: Route of Driving Force (Engagement) Toward improvement of engagement

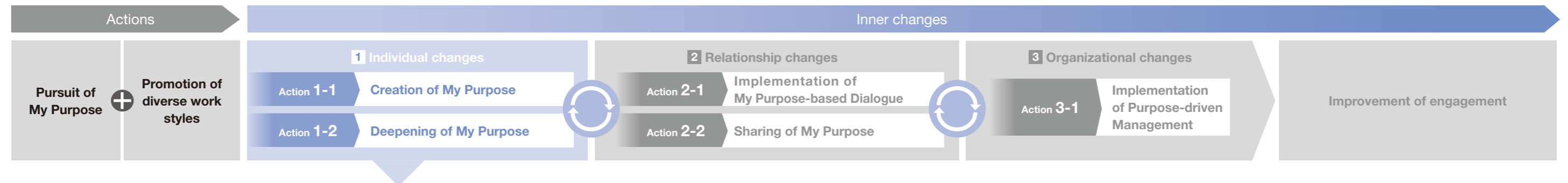


Engagement increases through the mutual functioning of three types of change: “individual changes,” “relationship changes,” and “organizational changes.” With My Purpose as the starting point, we are working to spark “inner changes,” consisting of three changes that occur within individuals and the organization, which will lead to higher engagement by taking various actions such as spreading the concept of Purpose and reforming work styles.

We will create “individual changes” through engagement with My Purpose, “relationship changes” through dialogue and

sharing via My Purpose, and “organizational changes” via this process in the entire organization. Then, through mutual functioning of these three changes and their upward spiral, we will increase engagement and have this lead to “emerged changes” in the form of taking on challenges and innovations.

This part introduces our efforts to improve engagement through these three changes.



## 1 Individual changes

The driving force behind the Sompo Group’s growth is each and every employee. The start of the transformation of the entire Group will firstly be the generation of “individual changes” by having each and every Group employee engage with their own My Purpose.

By having each employee formulate their own My Purpose, they will be able to face themselves and identify what is important to them,

what makes them unique, what makes them happy, and what makes them fulfilled. Realizing this while working will improve engagement and lead to willingness to take on challenges and creation of innovation based on their own intrinsic motivation.

Here are introductions of some of the measures we are taking to generate “individual changes.”

### Action 1-1 Creation of My Purpose

#### Creation of My Purpose: Support the formulation of My Purpose

Making a formulation of My Purpose is not easy. However, My Purpose is something that already exists within each of us. The Sompo Group provides support to employees to help them discover and verbalize the My Purpose inside them.

#### My Purpose discovery Training

To support each employee formulate their own My Purpose, we offer “My Purpose discovery Training.” The training is held on a regular monthly basis across the Group so that anyone can work on determining My Purpose at any time. The training has been held 25 times with 6,100 participants.

For the training, external lecturers are invited to explain the background of the need for My Purpose and the method for creating My Purpose. In addition, employees who have already created My Purpose serve as panelists to share their own My Purpose, their experiences in creating it, and their subsequent changes. This enables the training participants to work on formulation their own My Purpose with as positive an attitude as possible.

Through these efforts, we help each and every employee engage with My Purpose by considering what kind of a person they are and what happiness means to them.

**Cumulative number of trainings: 25**  
**Cumulative number of participants: 6,100**

### Action 1-2 Deepening of My Purpose

#### Deepening of My Purpose: [For management layer] My Purpose 1-on-1 Training

In the workplace, workplace supervisors, who have received training in dialogue on the theme of My Purpose, assist their team members in formulating and deepening their own My Purpose.

The My Purpose-centered dialogue between supervisors and team members helps the members deepen the My Purpose that they have created.

In order to support these efforts by workplace supervisors for their team members, the Sompo Group is developing Group-wide My Purpose 1-on-1 Training for all domestic management layer.

The KPI for this training is to have all eligible employees take it by the end of FY2023, and this is expected to be completed within the current fiscal year. The training is divided into several programs. These comprehensive programs cover everything from the creation of My Purpose by managers to methods for My Purpose-based Dialogue with their team members. In addition, a period of implementation in the workplace is always provided between the multiple programs so that through repeated input and output, the skills of the managers can become solidified and self-driven work styles based on each employee’s My Purpose can be established.

**[My Purpose 1-on-1]**  
Dialogue on a regular basis with supervisors based on My Purpose

DAY 1 DAY 2 DAY 3 DAY 4

Repeated input and output to establish skills

Implementation in the workplace (1 month) Implementation in the workplace (1 month) Implementation in the workplace (1 month)

#### Comments from employees who have created My Purpose

The following comments have come from employees who have created and deepened their own My Purpose through training supporting the creation of My Purpose as well as dialogue with their workplace supervisors. Engaging with My Purpose in this way brings about changes in each employee’s feelings and actions.

I found myself getting truly interested and created My Purpose. I became able to verbalize my vision for myself, and it gave me an opportunity to think about my future career and next actions.

**Yuko Sekimizu**  
Business System Promotion Office, Business Planning & Development Department  
Sompo Japan Insurance Inc.

When I tried looking back at each of my past actions, I realized that everything is connected. I am glad that I found what I value.

**Kenta Iida**  
Kitakyushu Branch, Kyushu Regional Division, Sompo Himawari Life Insurance Inc.

- I learned tips on how to lead a life with no regrets
- It gave me an opportunity to reexamine myself
- It gave me a boost to take on my own challenges
- I was glad to gain a new awareness of the values I have cherished
- I was able to clarify what I want to do in the future and the direction I want to go
- I became able to look forward even when I am having difficulties

### Verification Individual changes

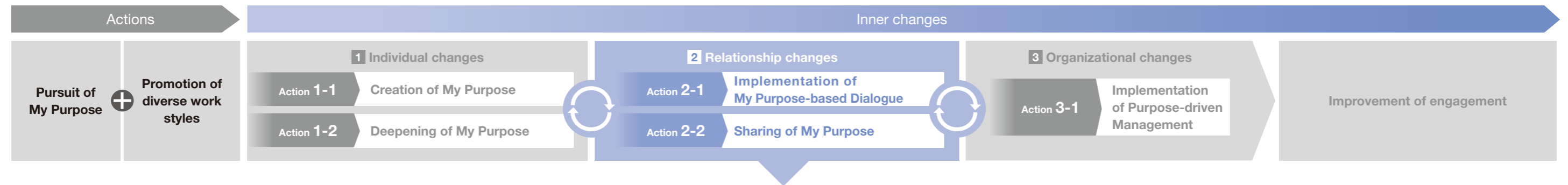
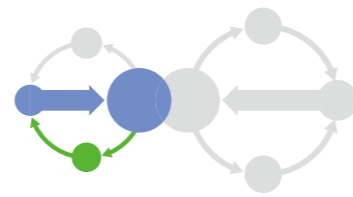
Verbalizing My Purpose and recognizing the overlap with SOMPO’s Purpose is the foundation for increasing motivation for daily work.

Our company has found that the more the organization has verbalization of My Purpose and recognizes the overlap of My Purpose and SOMPO’s Purpose, the higher the engagement.

**Correlation between the “verbalization of My Purpose” and “engagement score”**

**Correlation between “overlap of My Purpose and SOMPO’s Purpose” and “engagement score”**

\* Our analysis is based on a survey about engagement aimed at employees of the Sompo Group and conducted by Sompo Institute Plus.



## 2 Relationship changes

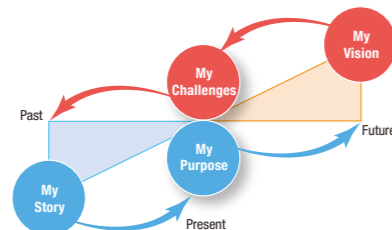
When “individuals” who have engaged with My Purpose disclose My Purpose to their supervisors and workplace team members and participate in My Purpose-based Dialogue, “relationship changes” will arise. In addition, dialogue among supervisors and workplace team members about My Purpose can lead to new insights about the My Purpose of the individuals.

In this way, “individual changes” and “relationship changes” function together, and new value is created through the acceleration of both types of change. Here are introductions of two efforts for generating “relationship changes.”

### Action 2-1 Implementation of My Purpose-based Dialogue

#### Relationship changes between supervisors and team members: Daily dialogue through My Purpose

Once individuals have formulated their own My Purpose, My Purpose-centered dialogue is held between managers and team members in the workplace. Rather than a 1-on-1 meeting focused on conventional job content, the My Purpose 1-on-1 is a “personal-level” 1-on-1 meeting between a supervisor and his or her team member that focuses on My Purpose, looking back on past experiences and encouraging taking on challenges toward one’s future ideal state “My Vision” for the realization of My Purpose. Many of the following comments have been heard from workplace managers and team members who have actually implemented the My Purpose 1-on-1, and changes have arisen in the relationships between supervisors and team members that were not seen in the previous 1-on-1s.



#### Comments from team members

- Disclosing My Purpose to my supervisor made me feel more secure and made it easier to have conversations in my daily work.
- I felt that my supervisor was looking out for me when I was assigned work based on My Purpose.

#### Comments from managers

- By disclosing our formative experiences and My Purpose together (between supervisor and team members), we were able to close the gap between us, and I began to receive more consultations than before.
- I assigned responsibilities based on the My Purpose of each team member, and they have been proactive in carrying out their work without much advice from me.

### Action 2-2 Sharing of My Purpose

#### Relationship changes with workplace team members: Implementation of My Purpose Disclosure and Meetings to Share My Purpose

In addition to My Purpose-based Dialogue between workplace supervisors and team members, having team members in the same workplace share their My Purpose together has a positive impact on their relationships. Effective efforts to create such relationship changes among team members in the workplace are “My Purpose Disclosure” and “Meetings to Share My Purpose” that are held in each workplace.

By disclosing My Purpose in the workplace and speaking at “Meetings to Share My Purpose” about each other’s formative experiences and the Purposes created from those experiences, mutual understanding among workplace team members is fostered as well as a culture of respect for each other’s values. In addition to speaking themselves, the participants also receive feedback from other team members in their workplace, which leads to new insights and further deepening of their My Purpose. In each workplace of the Group, various efforts are being made to spread movements for disclosing My Purpose and holding Meetings to Share My Purpose. Through the sharing of My Purpose and dialogue with others, relationships among colleagues are beginning to change.

#### My Purpose Disclosure: My Purpose Compilation



By talking to team members about my Purpose during the meetings to Share My Purpose, I clarified areas where there is room for deeper exploration.

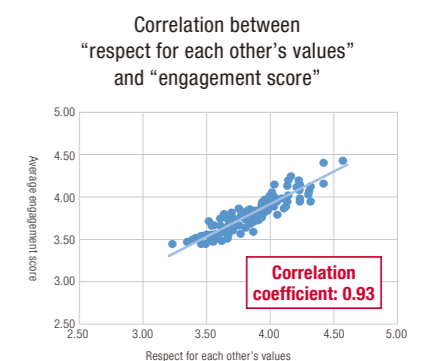
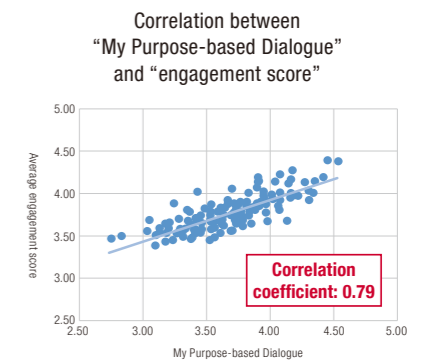
#### Meetings to Share My Purpose



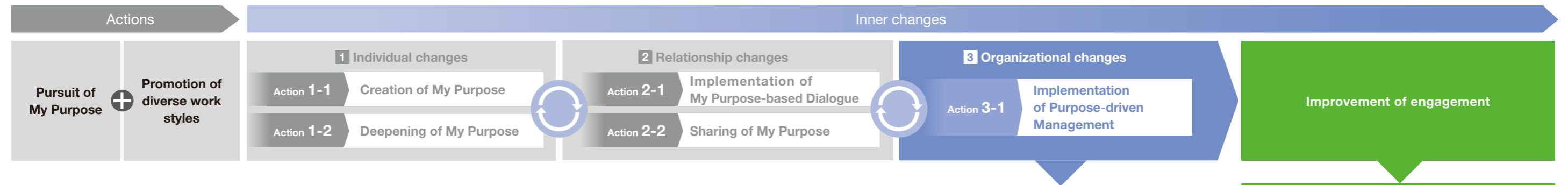
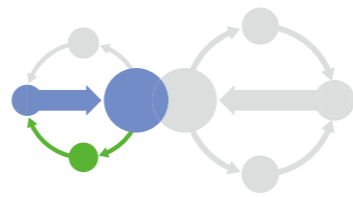
Conducting meetings to Share My Purpose has increased the number of daily conversations among team members. There have also been positive results for engagement.

### Verification Relationship changes

We believe that dialogue with supervisors based on My Purpose and mutual recognition of each other’s values contributes to increased diversity and improved engagement. We have confirmed that the more the organization has My Purpose-based Dialogue as well as mutual recognition of each other’s values, the higher the engagement.



\* Our analysis is based on a survey about engagement aimed at employees of the Somo Group and conducted by Somo Institute Plus.



### 3 Organizational changes

In an organization where there is mutual recognition of diverse values based on the My Purpose of individuals, it is easier to generate innovation by increasing engagement, creating willingness to take on challenges, and increasing communication. The key to having such a corporate culture take root and implementing it at the organizational level is the “management” of the

organization. In order to transform the management and bring about “organizational changes,” the Sompo Group is implementing a variety of measures.

**Improvement of engagement**

### Engagement

Despite various difficulties and issues, the results of the engagement survey show an upward trend across the Group, showing that the fruits of our efforts are emerging. The data also shows that increasing engagement can lead to an increase in willingness to take on challenges, and we have confirmed the higher the engagement score of the organization, the higher tendency to take on challenges.

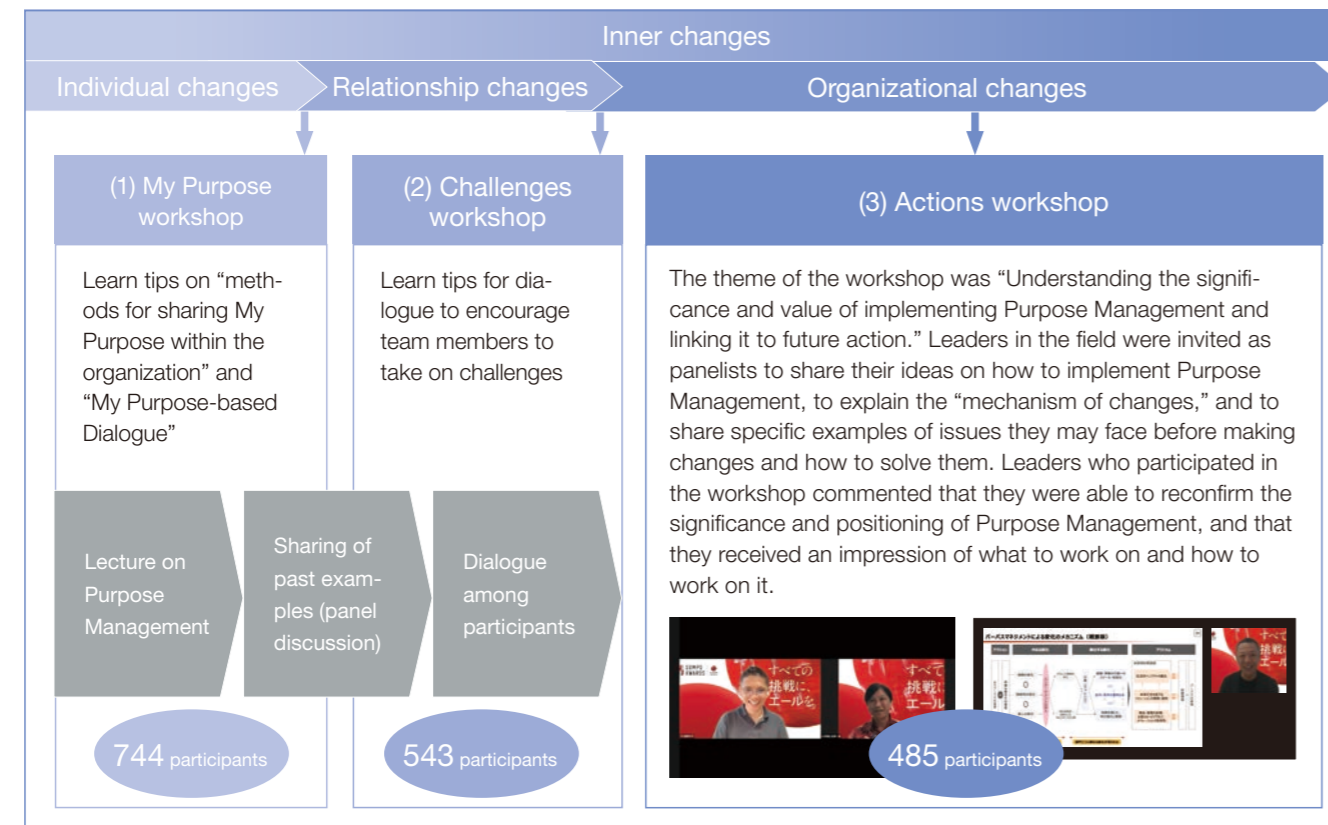
By continuing and expanding the development of various measures in response to the mechanism of changes going forward, we aim to increase engagement and the total amount of taking on challenges, and thereby work to foster our Group’s envisioned corporate culture.

#### Action 3-1 Implementation of Purpose-driven Management

As one of the measures, we are conducting a survey of the conditions at sites with pioneering Purpose Management to clarify the mechanism of organizational transformation originating from My Purpose. We are also designing and holding “workshops for management” based on the “form” of Purpose Management to implement the transformation.

A total of 11 workshops of three types with 1,700 participants were held in accordance with the organizational transformation phases.

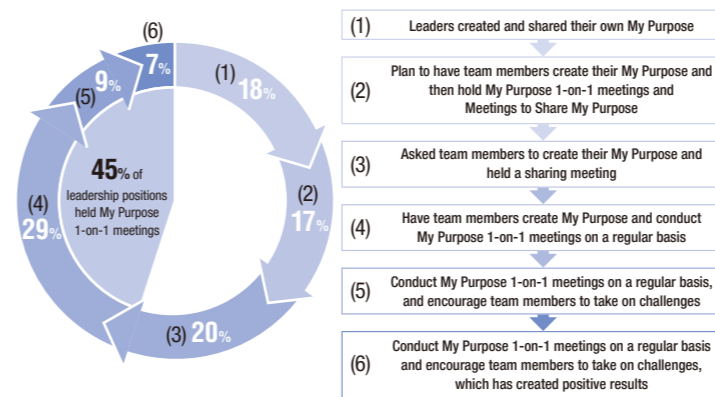
In the workshops, breakout sessions are held among the participants to collect comments from the field and what is happening in the field (tacit knowledge), and this information is reflected in the Purpose Management form (explicit knowledge). By continuing this cycle, we are working with management in the field to promote management transformation.



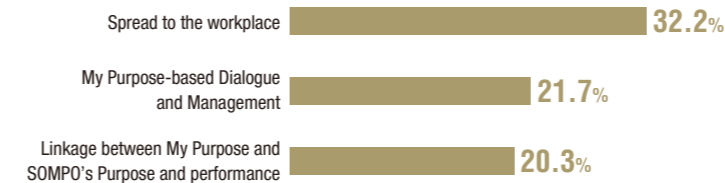
#### Current situation on management

##### Progress in My Purpose-based Dialogue for management

(May 2023 survey for domestic leadership positions, N=360)

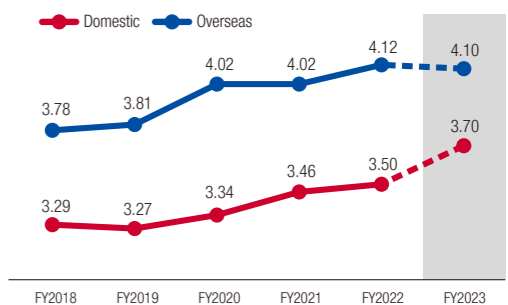


##### Management concerns (top 3)

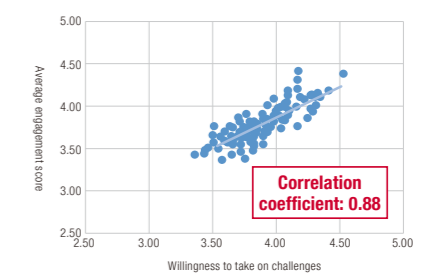


The reality is that management in the workplace faces a variety of concerns and issues when implementing Purpose Management. That is why we at the Sompo Group are aiming to create and implement a new form of SOMPO’s Purpose Management with managers in the field. The challenge undertaken by the Sompo Group has only just begun.

Gallup Engagement Survey results and target scores (5-point scale)



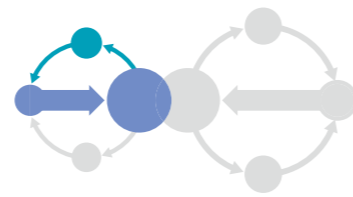
Correlation between “engagement score” and “willingness to take on challenges”



\* Our analysis is based on a survey about engagement aimed at employees of the Sompo Group and conducted by Sompo Institute Plus.



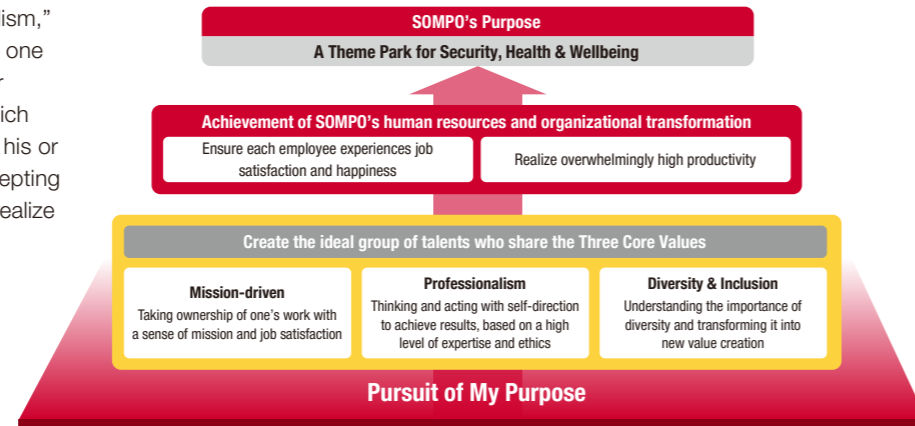
# Value Creation Cycle: Route of Driving Force (I&D) Enhancement of organizational strengths with diversity



The creation of innovation is essential for realizing SOMPO's Purpose, and the key to this is inclusion and diversity (I&D). We are promoting various efforts under our belief that innovation is created through collaboration and discussion among human resources with diverse values and skills, including differences in gender, disabilities, nationality, age, and work experience.

## Create the ideal group of talents who share the Three Core Values

Alongside "Mission-driven" and "Professionalism," we have positioned "Diversity & Inclusion" as one of our Three Core Values to be shared by our employees. By fostering an I&D culture in which each employee at each workplace leverages his or her abilities and strengths while mutually accepting others, we will aim to create innovation and realize SOMPO's Purpose beyond that.



## Fostering of I&D culture by sharing My Purpose

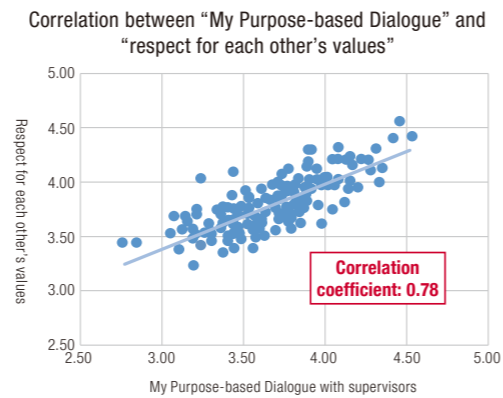
My Purpose is the key to spreading I&D. Mutual respect and acceptance of each other's My Purpose increases the sense of security at the organization and is the foundation for fostering an inclusive culture that welcomes diverse backgrounds and values, such as gender, disability, nationality,

age, and work experience. In fact, our internal data analysis confirms that the more My Purpose-based Dialogue is conducted at an organization, the stronger tendency there is for mutual acceptance of diverse values.

### Correlation between "My Purpose" and "I&D"

With the utilization and analysis of various human capital data, including on I&D, we have found that organizations that share My Purpose tend to have a "higher awareness of mutual acceptance of diverse values." Similarly, we have also confirmed that organizations that have a "higher awareness of mutual acceptance of diverse values" have an "increase in taking on challenges toward achieving My Purpose."

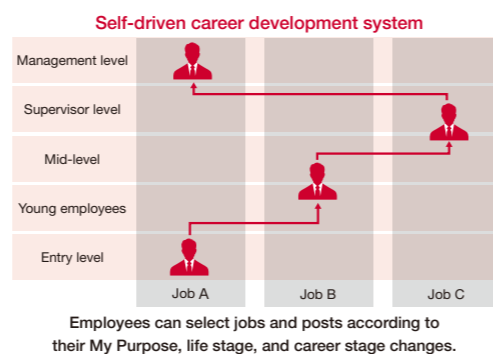
\* Our analysis is based on a survey about engagement aimed at employees of the Sompo Group and conducted by Sompo Institute Plus.



## Mechanism to support the realization of diverse forms of My Purpose

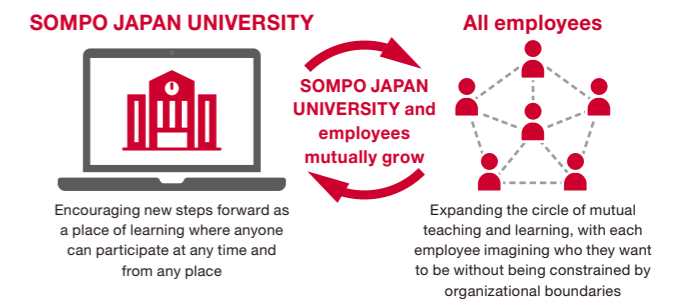
### Self-driven career development system

As a mechanism to support the realization of diverse forms of My Purpose, we are promoting self-driven career development centered on job selection led by the employees themselves, including not reassigning employees without their consent and introducing a system whereby employees can run for posts of general manager, section manager, and person in charge. At each Group company, we are discussing and reviewing company-initiated reassignments and transfers as well as expanding the self-driven career development system while taking into account the characteristics of each business.



### Establishment of our in-house online university

Sompo Japan Insurance established SOMPO JAPAN UNIVERSITY, an in-house online university, in October 2020 with the aim of structuring and promoting "self-directed learning" based on My Purpose. Because SOMPO JAPAN UNIVERSITY is an online university, it allows employees to take courses without being restricted by location, time, or current work duties. By providing equal opportunities to acquire various types of knowledge, we aim to foster and establish a culture of studying, taking on challenges, and mutually teaching and learning from one another through diverse human resources.



## Acquisition and strategic allocation of diverse human resources

### (closing the gender gap, promoting employment of people with disabilities, career recruitment)

We believe that considering a healthy gender balance in corporate management and a workforce composition with diverse backgrounds will eliminate tokenism, strengthen corporate governance, and contribute to sustainable growth through innovation. The Sompo Group has set the numerical targets of having a 30% or more ratio of female managers with influence over management decision-making, and a 2.5% ratio of employees with disabilities. We are advancing initiatives to achieve these targets by April 1, 2024.

The Sompo Group has established succession plans for the Group's key positions (86 posts in total), including the Group CEO, Group COO, Group CxO, business owners, and other key posts in domestic and overseas businesses.

Currently, the ratio of female candidates in the succession plans is 41.9% (as of the end of FY2022), and our goal is to increase it to 50% in the future.

We are also actively engaged in career recruitment, with the main purpose of promoting I&D and acquiring highly specialized talents. Since we began hiring in April 2020, we have hired about 150 mid-career hires, or about 30% of our workforce, over the past three years. We have placed mid-career hires in the respective posts of general manager, section manager, and person in charge. By integrating their strengths with those of each of our existing internal human resources, we have been able to create new value.

## Health and Productivity Management<sup>®\*1</sup> as the foundation for realization of My Purpose

We believe that it is important to maintain good mental and physical health in order to realize My Purpose. The Group regards the maintenance and promotion of employee health as one of the important themes of management. Data related to Health and Productivity Management<sup>®</sup>

(presenteeism, stress checks, etc.) is set as an important KPI in our Human Capital Impact Path, and we are in the process of analyzing its relationship to financial value and Unrealized Financial Value.

| KPI items  | FY2020       | FY2021       | FY2022       |
|--|--------------|--------------|--------------|
| Ratio of female managers <sup>*2</sup>   | 24.2%        | 26.8%        | 28.1%        |
| Ratio of female directors and executive officers <sup>*3</sup>   | 8.6%         | 9.0%         | 11.5%        |
| Ratio of female candidates in succession plans   | 25.4%        | 32.4%        | 41.9%        |
| Ratio of foreign national directors and executive officers <sup>*4</sup>                                   | 12.1%        | 14.7%        | 15.2%        |
| Wage gap between men and women <sup>*5</sup>   | —            | —            | 67.2%        |
| Ratio of male employees who take childcare leave   | —            | 71%          | 75%          |
| Ratio of employees with disabilities <sup>*3</sup>   | 2.42%        | 2.41%        | 2.36%        |
| Number of companies certified as Health and Productivity Management <sup>®</sup> Outstanding Organizations | 20 companies | 22 companies | 22 companies |
| Productivity indicators connected to Health and Productivity Management <sup>®</sup> (WLQ)                 | 93.8%        | 93.8%        | 93.5%        |

\*1 Health and Productivity Management<sup>®</sup> is a registered trademark of Nonprofit Organization Kenkokeiei.

\*2 FY2020 figure is as of March 31. Figures for FY2021 and FY2022 are as of April 1 of the following fiscal year.

\*3 Figures are as of April 1 of the following fiscal year.

\*4 Figures are as of July 1 of the following fiscal year.

\*5 Standalone figure for Sompo Holdings.

# SOMPO Awards

The Sompo Group introduced the new group-wide award program of "SOMPO Awards" in 2022 to advance from a phase in which our employees understand and empathize with My Purpose and I&D (inclusion and diversity) into a phase in which they transform their understanding into power and actually take action.

By awarding the efforts arising from the My Purpose of each and every employee toward realizing SOMPO's Purpose, this award program is to transform our corporate culture into one that embraces challenges and is driven by employees' My Purpose.



## SOMPO AWARD OF THE YEAR

One Grand Prize out of all entries



## The Gutto Award



A special award for the one which resonated the most with employees. This is selected from among the category award winners through employee voting.

## Best Category Award

One Grand Prize per category



## Messages from the award winners



**Kazuhisa Hoshino**  
Sompo Care  
West Japan First Promotion Division  
Regional Business Promotion Department

We promoted this project hoping that it would make users happy and that children in the community would think of the nursing care profession as a worthy career to aspire to. We believe that this project was only achievable because of the support and cooperation of the users and on-site staff. We would like to continue to expand the circle of community interaction among the users, children, and care workers as one integrated area.

▶ For details on the initiatives, see page 66



**Reiko Fujita**  
Prime Assistance  
Business Development Division  
Planning Office

The My Purpose that I uphold is "to resolve the world's inequality and disparity in a sustainable way with our partners." There were many individuals who have assisted and supported us in order to realize this wish through "Eyeco Support." We believe that if were not for every single one of them, we would not have been able to win this award, so we are filled with gratitude toward everyone who has shared this purpose with us.

▶ For details on the initiatives, see page 66

The SOMPO Awards are a group-wide internal award program that recognizes ideas and initiatives based on each employee's My Purpose which then lead to the realization of SOMPO's Purpose. In FY2022, the first year of the program, more than simply introducing a new awards program, we have also closely coordinated our efforts with such purpose penetration strategies as holding town hall meetings and case study sessions to help spread the program, resulting in a total of 993 entries from Sampo Group companies in Japan and overseas.

Overview of the Program

Aiming to transform our corporate culture into one that embraces challenges and is driven by employees' My Purpose, we divided the SOMPO Awards into the three categories of "Learning from Challenge," "Building a Unified Culture," and "Driving Sampo's Purpose," and then collected initiatives and ideas. For the selection process, emphasis was placed on stories that were unique to those individuals and based on the feelings, sense of mission, and My Purpose behind their challenges, along with whether qualities distinct to the Sampo Group were conveyed, such as I&D, Group synergy, and contribution to resolving social challenges. Moreover, as part of the selection process, interactive methods were adopted, including conversational style interviews to delve deeper into the applicant's thinking and implementing employee voting to select the initiatives that resonated the most with them.



Resonance

Providing an opportunity for Employees to talk about Challenges Together

The case study sessions were held to encourage as many employees as possible to "take a step forward in taking on a challenge" toward the transformation into a culture full of challenges driven by My Purpose, which is the goal of the SOMPO Award program. By providing small talk sessions for employees who have already applied for the SOMPO Awards to talk about what challenges they have taken on, we provided an opportunity for those who have not yet applied to think about their own challenges.



Launching the SOMPO Awards Website

From among the actual applications, about 300 initiatives were disclosed with the aspirations of the applicants. By communicating our corporate stance on Purpose Management internally and externally along with sharing the aspirations and challenges of Group colleagues, we have encouraged employees to take on new challenges, fostered pride in the company, and strengthened the sense of unity within the Group.



Please check our special website here. <https://www.sompo-award.info/english.html>

Aspiration behind the launch of the program

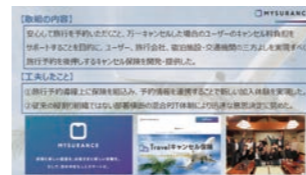
Since joining the company, I have been given the opportunity to take on various challenges by the company, which led me to think about how I could use my position to encourage my colleagues in the Group to take on new challenges. In addition, I felt that while we are a group with diverse businesses, from the viewpoint of a single employee, there may not be sufficient chances to feel this diversity. These thoughts led me to establish the "SOMPO Award," a Group-wide award system that supports each and every employee's unique challenges, with a focus on raising the total amount of challenges. The key message, "Our Purpose begins with you," contains our desire to honor, encourage, and support the challenges of all employees.



Shizuka Matsumoto  
Sampo Holdings Sustainable Management Office

Employee Voting

For the selection of the Special Award (Gutto Award), which is everyone's top choice for the one resonating the most from all of the challenges, employee voting was carried out by all Group employees among the 20 eligible category award winners selected previously. Through voting, Group colleagues transcended national and business boundaries to cheer on each other's challenges, leaving numerous comments which included, "I also want to take on challenges together," and "I felt proud to be a member of a group that undertakes these great efforts."



Category Award winners created their own materials to share initiative overviews along with the results and lessons learned with Group colleagues.



A one-minute video was employed to convey the aspirations and enthusiasm for the initiatives that could not be fully imparted with slides and to create a circle of empathy within the Group.

Awards Ceremony

An awards ceremony was held to share and honor all of their challenges and present the SOMPO Award of the Year, the Gutto Award, and the Best Category Awards. The Group's first awards ceremony, held at a hybrid of a real venue and a metaverse, provided an opportunity to experience SOMPO's unique approach to Purpose Management, where employees in Japan and overseas are interactively involved and diverse businesses work together as one. In addition, Group CEO Kengo Sakurada delivered the following message at the Awards Ceremony: "My hope is that by hearing about the challenges arising from everyone's My Purpose and honoring them, everyone will leave here having some insights and hints for their next challenges as well as colleagues to undertake them with."



# SOMPO Awards

## SOMPO AWARD OF THE YEAR Award

### Kokorozashi Award - Aspiration -

#### Promotion Project of the SOMPO style Children's Cafeteria in the Chubu Region!

##### Description of Initiative

- Mr. Hoshino changed careers and entered the nursing care industry with the ambition to "change people's perception by conveying that the nursing care profession is highly specialized and is a worthwhile profession." Gradually, he became convinced that the direction of the company's transformation matched his own ambitions.
- He took on the challenge of building the best possible team by working across business divisions to promote the SOMPO Style Children's Cafeteria while utilizing the strengths of each person in charge.
- As a result, through running the SOMPO Style Children's Cafeteria as a place for multigenerational exchange, they have not only improved teamwork but also contributed to fostering children's aspirations to become future caregivers and to creating the perception that nursing care facilities are cheerful and open.



Sompo Care Inc.  
Promotion Project of the SOMPO Style Children's Cafeteria in the Chubu Region

##### Messages of Support from Executives

- "Nursing care work is a wonderful and worthwhile profession! I would like everyone to know that!" Sparked by these emphatic feelings of Mr. Hoshino, a project team was formed and the SOMPO Style Children's Cafeteria was carried out with teamwork leveraging each of the members' strengths.
- I felt that this initiative set a great example for Purpose Management. I hope that they continue to strengthen their team through the expansion of the Children's Cafeteria and undertake the challenge of transforming the nursing care industry!

##### Comments on Employee Voting

The other day, I visited a home located in Nagoya. I felt that it had the power to create change for children and the elderly as well as the society and community.

It is rewarding for us workers to see the residents smiling as they interact with children. It makes me happy to see children showing interest in nursing care work.

## Jitsugen Award - Impact -

### Okinawa Children's Future Work Experience Event

##### Description of Initiative

- The members' desire to "contribute to the development of Okinawa and resolve its issues" led them to take on the challenge of resolving Okinawa's issue of child poverty.
- The branch manager also showed commitment to the project and fully supported the members.
- As a result, the "Okinawa Children's Future Work Experience Event," in which children learn about work from professionals, was planned as an opportunity for children to have high aspirations and was achieved through co-creation with 17 companies and organizations.
- The event attracted a great deal of interest, with the number of applications far exceeding the number of participants along with attracting numerous media outlets to cover it.



Sompo Japan Insurance Inc.  
Okinawa Contribution Team

##### Messages of Support from Executives

- I was really impressed by the fact that this project focuses on issues specific to the local community and encourages the children of Okinawa to pave the way for their own futures through co-creation with many like-minded stakeholders.
- I also applaud the fact that there was an effort to create time through a thorough review of business operations behind the realization of this project.
- Congratulations. We look forward to seeing your future efforts!

##### Comments on Employee Voting

This is a wonderful initiative which takes on the challenge of doing what is possible now for the future without putting off local issues. I hope that these kinds of activities will spread from Okinawa to the rest of Japan.

This is a wonderful initiative that has the potential for lateral development into other regions outside of Okinawa. We would like to develop it further in coordination with our activities.

## Gutto Award - Like -

### Hakken & Shinka Award - Discovery & Transformation -

#### A Society Where Everyone Can Fully Enjoy Their Life Regardless of Disability "Eyeco Support"

##### Description of Initiative

- Led by Ms. Fujita, the organizer, and Ms. Fujii, who is visually impaired, this initiative arose from the desire by those involved to "create a more exciting society for everyone, regardless of one's disability."
- With the support of SOMPO Digital Lab and the Digital and Data Strategy Department, a service providing "visual information by voice" to those who cannot see or have difficulty seeing was developed using Prime Assistance's call center.
- Users have commented that as the number of things they can do increases, they feel more motivated to try new things.



Prime Assistance Inc.  
Team Eyeco Support

##### Messages of Support from Executives

- I think this is a challenge of great social significance that was realized by the overlap of people's desire to "enrich the lives of people with disabilities," including Ms. Fujii, who agreed with the aim of the project and changed jobs to join the development team, and Ms. Fujita, who promoted the project to please Ms. Fujii who is working together.
- Please keep that aspiration and continue to take on challenges!

##### Comments on Employee Voting

It contributes to making everyone's life fulfilling in their own way and is truly an effort that brings us closer to realizing SOMPO's Purpose.

When I heard the users voice their delight, I felt proud and was moved as a member of the company providing this service.

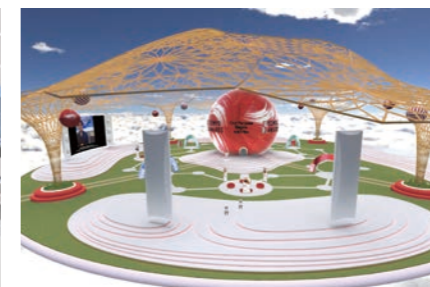
## COLUMN

### An Awards Ceremony Utilizing a Metaverse

The first SOMPO Awards Ceremony was held combining a real venue with a metaverse. It was the Group's first attempt at introducing a metaverse into an awards ceremony, and the motivation behind this was to have the employees make an awards ceremony of their own. We introduced a metaverse with interactive elements so that employees could not only watch and listen to the awards ceremony but also create and enliven it themselves by praising the winners and sending them words of encouragement while transcending the boundaries between countries and businesses.

Employees who participated in the Awards Ceremony's metaverse watched the live broadcast of the ceremony on the metaverse screen and cheered on the winners by clapping, dancing, and making other reactions as well as using the chat. In addition to the live broadcast, participants also viewed videos and posters about the award-winning projects on the metaverse and enjoyed interacting with other participants.

The emotions felt within the real venue were shared with these participants, resonating in such comments as, "Listening to the interviews with the award winners made me cry."



# Transforming into a Culture of Challenge and Innovation Based on My Purpose



## My Purpose-driven culture change

**Shimokawa** Seeking to break away from the “me in the company” work-style paradigm that has traditionally been dominant in Japan, Sompo Group has been pursuing Purpose Management based on “My Purpose,” which refers to one’s own purpose of life or meaning of work. The idea is to foster a culture driven by My Purpose and make it the driving force for sustainable growth and increased corporate value enhancement. I believe that the essence of Purpose Management is to create value unique to SOMPO, that is, to provide happiness to people and pursue sustainable growth by solving social issues.

We have deployed a variety of measures over the past three years, but since culture change is not something that can be achieved overnight, we purposefully try to do so in a connected and linked manner, rather than having the measures culminate in some single event. For example, in response to the theme and content of the town hall meetings, which are carried out as a means of communication by top management, we have implemented on-site measures such as My Purpose training, and training for the management level in conjunction with these town halls, and have measured their effectiveness and progress through engagement surveys and other means. Starting in fiscal 2022, we established the SOMPO Awards, a Group-wide award system, not

only to encourage employees to take on challenges driven by My Purpose, but also to praise and support those who have taken on such challenges, and to try to transform the culture into one of challenge and innovation.

Another thing we are working on is building “impact paths.” The goal is to improve our ability to tell our story by visualizing the mechanism by which various initiatives based on the pursuit of My Purpose lead to increased willingness to take on challenges, and then presenting evidence of this through data analysis and other means.

In this way, we are proceeding through trial and error. First, however, I’d like to ask Mr. Endo and Ms. Yamada what they think about the Group’s approach and thinking.

**Endo** I believe we have reached a point in time when many Japanese companies are in need of a paradigm shift that will fundamentally change the relationship between the company and the individual, and Sompo Group has been recognized for its forward-thinking efforts in this regard. However, such a paradigm shift requires a truly fundamental change in mindset, both for the company and the individual. This is not something that can be easily changed after a few years of work. I recognize that things will change gradually over the course of five to ten years, by all possible means. As a start, we are taking on many challenges and seeing tangible changes. This is a long-term effort, so it is important to keep

sending out the message and stick with it. I fully agree with this direction, and I think Japanese companies will not be able to survive without such efforts.

**Yamada** I too believe that a paradigm shift is the most important concept right now. Not only will the relationship between the company and the individual change, but we are now experiencing so many global natural disasters that we’ve entered a world where “abnormalities” are an everyday occurrence. I don’t think there is anyone who does not experience social issues such as global warming and geopolitical risks on a daily basis as a global citizen. The younger generation, in particular, feels a sense of crisis as a personal matter, and when we think about the future society of our children, there are a lot of problems that adults have the responsibility to address. Under such circumstances, I think that the basic premise of the company must be to contribute to society through the pursuit of economic value, or else young people, in particular, will not find their work fulfilling.

Therefore, I think Purpose Management is a very reasonable approach. I recently had the opportunity to participate in voting for the SOMPO Awards. I was impressed by how this initiative is happening from the bottom up; people are thinking seriously about social issues and tackling them while getting others around them involved.

**Shimokawa** Thank you very much. In order for us to remain needed by society 100 years from now, we ourselves must grow and change. To do so, we must fundamentally shift our paradigm. With this in mind, we are undertaking this major reform. When it comes to social issues, we agree that, both as a company and as individuals, we can grow by tackling larger social issues.

## Changes as a result of our initiatives

**Shimokawa** Next, I would like to talk about the changes we have seen in our employees as a result of the various initiatives over the past three years. In my opinion, there are three main types of changes.

The first is personal change. I think of the My Purpose initiative as an activity that awakens employee I&D (Inclusion & Diversity). I feel that slowly but surely more and more employees are becoming aware of what they want to do, the significance of their work, and their goals through the process of formulating them. I also feel that through activities to share My Purpose in the workplace, people are starting to become aware of the individuality of their colleagues around them.

The second change is in the management level. Managing employees who have awakened to their individuality has never been more difficult. Having My Purpose is not the goal; the original aim of My Purpose is to inspire people to

take on challenges. A survey of managers showed that only about 45% of all respondents have reached that point. As for the concerns of the managers, they seem to be experiencing difficulties in terms of how to interact with and manage employees on the theme of My Purpose, how to connect My Purpose with SOMPO’s Purpose and one’s mission or work in the workplace, and how to unite their teams.

The third type of change is what we have seen from the SOMPO Awards. We received 993 applications from all over the world, and approximately 7,500 employee votes were cast to evaluate the entries. This level of response was unexpected, but in a good way. It made me feel that many employees are interested in the challenges their colleagues are tackling and want to cheer them on. In addition, based on the initiatives submitted, I realized that many employees are thinking about solutions to new social issues and how they want to implement them, and are actually translating that into action.

On the other hand, it is true that there are still many employees who are not willing to take on challenges, or who are willing to take on challenges but are not ready to take action, and it makes me feel that we still have a long way to go. Do you have any advice regarding these changes and future challenges?

**Yamada** I watched the video of the SOMPO Awards and was first of all very surprised at the amount of energy the employees had. On the other hand, depending on their type of job or duties, some may find it difficult to connect their work with My Purpose and the social issues they want to solve. I think this award has provided a lot of inspiration to all of our employees. From this starting point, I hope you will make the award more valuable and continue to improve it so that more and more people will identify personally with it.

**Endo** In general, there is a 2-6-2 rule in organizations, with about 20% of the workforce being highly motivated and aware of the issues. I think what we are seeing now is the stirrings of this 20% of people. The issue is the other 80% of the workforce. In reality, there are many employees who are unable to ride a wave of change like this. Culture change, which is the ultimate goal, is about the people on the operational frontlines becoming self-reliant and self-driven, free from the prodding of management. Therefore, we must find, educate, and motivate core personnel who can lead these activities on the operational frontlines and exert centrifugal force. Once people who demonstrate this kind of initiative become the majority, the atmosphere will change dramatically. Looking at the survey figure Ms. Shimokawa cited earlier, we have not reached 50% yet, so I think this is where the next challenge lies.

Right now, it’s a personal challenge, but I think the ultimate goal is how to spread a workplace atmosphere where it is

## Transforming into a Culture of Challenge and Innovation Based on My Purpose



natural to take on challenges. Going forward, we need to establish good examples at the level of the individual workplace.

**Shimokawa** After all, managers are the key. The activities to-date have created a spark in the top 20%, which has gradually ignited a fire in the management level and is beginning to have a positive impact on some organizational units. From the point of view of making this the majority, we have no choice but to work in a steadfast manner.

**Endo** In addition to working in a steadfast manner, the attitudes and conduct of managers such as department heads and section chiefs are of course very important. Even if we create a spark in one awakened individual, their motivation will falter unless they get empathy from others and understanding from their superiors. It's a mistake to say, "I'm busy with the work at hand, so culture change will have to wait." In order to achieve results in our work, we must first create a good culture and demonstrate individual initiative. How many managers understand this? When I look at various companies, the managers are too busy to really work on it. Creating a good culture in each workplace unit is an important point and a major challenge.

### What is "innovation capacity"?

**Shimokawa** I understand the importance of establishing culture at the level of the individual workplace. In addition to this, to increase corporate value, I believe we must bring about innovation in a broad sense, in both new areas and existing businesses. What is innovation capacity? In other words, what capabilities should a company and its employees develop to increase their innovation capacity?

**Yamada** Perhaps the most important thing is the ability to set goals. I think it's important to adopt the perspective of, "how can we approach social issues to make things a little better?" It doesn't have to be a technical discovery; it could be just a rethinking or redesign of existing businesses and operations.

Plus, a strong will. I believe that a high-energy organization with a strong will is the minimum requirement to generate innovation.

**Endo** We tend to think of innovation as a brilliant individual coming up with ideas and concepts that no one else has thought of. Of course, in addition to such Western-style deductive innovation by an individual, there is also Japanese-style inductive innovation.

An example is "*kaizen*," the Japanese philosophy of continuous improvement. First, we apply *kaizen* to improve our own workplaces and services. Then, as an extension of this process, ideas are inductively generated from the field, such as providing customers with services that will make them happier and contribute more to society. It can start with a small challenge, a small change. It happens as a matter of course. I believe this is what it means to be an organization capable of innovation. To that end, it is important to develop human resources who can use their ingenuity to creatively solve problems on-site.

Once "*kaizen*" becomes a culture, it gains strength. Everyone starts looking for *kaizen* ideas without being told to do so. Major innovations can emerge from this.

As Ms. Yamada said, *kaizen* requires setting goals first, and then increasing the number of individuals and teams who can do it themselves. I believe that culture change is about introducing good examples and creating a positive atmosphere that encourages people to adapt to the desired culture.



**Yamada** Many startups start with nothing but ambition and struggle to accomplish something. Precisely because they are clear about what they want to accomplish, they are able to draw on their connections and contacts, their own solutions, or the support of others, and go from "zero to one." That's why they keep thinking a lot about how to do that. Despite making a large number of mistakes through trial and error, they manage to move forward one step at a time. Each person, in their respective positions, actively does better work, or in other words, accumulates a series of *kaizen* improvements one at a time. I think this is the only way to achieve the goal.

**Endo** I call it "Changing small and basic things" because someone who cannot even change where their own feet are planted cannot possibly create something great. Changing small and basic things also requires a spirit of challenge and frontier spirit. The management team needs to be more aware of this, but of course the bigger the organization, the more weight and distance there is. It takes tremendous courage for frontline employees to try to change something. Therefore, the person with the initiative who can demonstrate that courage will first change his or her small and basic things. When such things are done autonomously on the operational frontlines, it means a good atmosphere has been created. I believe that this is exactly what culture is all about, and how to spread such an atmosphere is very important for the future. Once someone's fire has been lit, they need to be led well to keep the flame from dying.

**Yamada** Japanese organizations are expected to be cooperative, and tend to fall into a kind of codependent relationship. But if you have a group of self-reliant individuals, they will be much more engaged with the company as a result. I think it all comes down to how the company can create an environment where people can work with independence and where mistakes are tolerated.

**Shimokawa** It is important to increase the number of employees with a sense of ownership and initiative, and to support them in a work environment that does not hinder them. If you do this, the value generated by each employee increases, and the value of the company as a whole increases.

### Expectations for the future

**Shimokawa** Lastly, what do we need to do in order for our stakeholders to have high expectations of us as a company that can achieve improvements in corporate value through culture change?

**Yamada** In the case of SOMPO, since the areas we are involved in are directly linked to social issues, I think consumers have higher expectations for us. We live in an age when the culture on which a company is based is transparent to consumers. To be chosen by consumers and, by extension, society, we need to focus on activities that resonate with them.

I think that when you are inside a company, you tend to focus on short-term results and trends within the industry. As an independent director, I believe it's my role to speak out from a third-party perspective, and give as broad a perspective as possible, such as what kind of value contribution our company has the potential to make to society, while being aware of the viewpoints of a wide range of stakeholders.



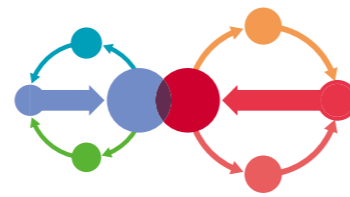
**Endo** Recently in Japan, talented people are leaving major companies and flocking to start-ups. The biggest contributing factor to this phenomenon is culture. Naturally, unless an organization has a good culture, it will not retain or attract good people. Management needs to be keenly aware that we are in such a culture-first era, and we must continue to be a company capable of accumulating top talent. And, ultimately, it must be linked to corporate value. It is important to be keenly aware that we are no longer being selected simply because we are large or well-known.

Another point is we need to think about how to value employees who make these kinds of efforts to accomplish very good things. A person who has taken on a challenge must be highly valued, and a person who has not taken on a challenge must not be. Otherwise, it will not take root as a culture. I believe that creating an environment where people who take on new challenges and show initiative are highly valued will lead to true culture change.

**Shimokawa** As you say, our measures to increase the speed of change and help culture change take root, such as by incorporating it into the employee assessment system, are not yet sufficient, so we need to keep this in mind and work towards those goals.

Culture change is a major premise for increasing the effectiveness of the various human resources investments the Group is making, and from the perspective of investors, consumers, and society, culture change is a leading indicator for improving corporate value. To gain the trust of society, we will continue to take on the challenge of achieving My Purpose and SOMPO's Purpose, even though we know it is not easy to change the culture of a corporate group with more than 70,000 employees. Nonetheless, we will work together every day as a Group to make progress, even if it is just one step forward. We will continue to take the necessary steps to ensure that everyone can feel the change.

# Improving Unrealized Financial Value Visualizing the Impact Path of Human Capital



## Initiatives to visualize SOMPO's Unrealized Financial Value

Our company uses the term Unrealized Financial Value to refer to value that leads to financial or corporate value in the mid- to long-term that is generated by human capital-related initiatives originating from My Purpose, and the entire Group is working to improve this. By visualizing this value as much as possible by determining its impact path, we are also steadily advancing Purpose Management by using an evidence-based approach and having it lead to sustainable growth and increased corporate value.

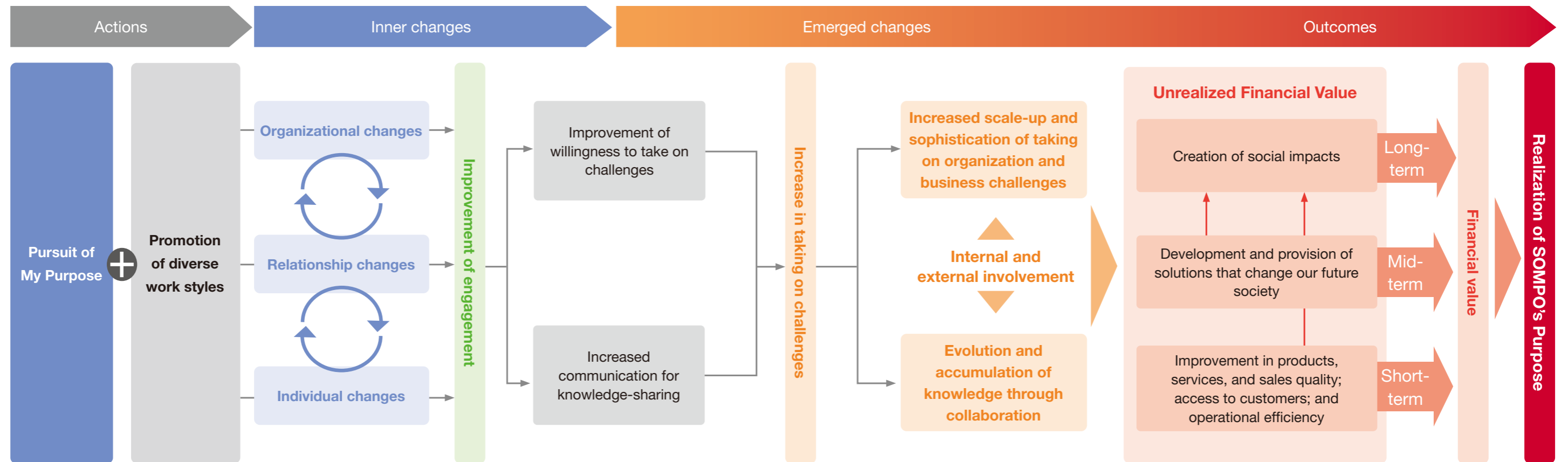
Using the Value Creation Cycle that lays out the path to realizing SOMPO's Purpose, we set key levers/KPIs to improve Unrealized Financial Value. By improving each of these indicators, we will demonstrate to our stakeholders the progress made in Purpose Management.

\* Value that is not shown on financial statements is generally called "non-financial value," but we call it "Unrealized Financial Value" because we believe such items will lead to financial and corporate value in the mid- to long-term.

## Initiatives to enhance the impact path

With the starting point of the pursuit of My Purpose, how do our various actions to improve human capital increase engagement, accelerate I&D, increase the total amount of taking on challenges and innovation, and improve financial value and ultimately corporate value? We call this path the Human Capital Impact Path and are taking on the challenge of visualizing and implementing it.

This fiscal year, we focused on enhancing the impact path based on the previous year's content. Specifically, we worked to identify the "mechanism of changes" generated by human capital-related actions originating from My Purpose, based on case studies of changes observed at sites throughout the Sompo Group and actual data measured within the company. The items of changes in last fiscal year's impact path, which were expressed as "improvement of individual strengths" and "improvement of organizational strengths," were considered to be "inner changes." These were detailed as a mechanism by which the three elements of "individuals," "relationships," and "organizations" mutually affect each other and change, leading to increased engagement. On the other hand, We also worked to draw a path for the items of changes that we saw as "emerged changes" that would lead to increased challenges and innovation and, ultimately outcomes.



| Typical KPIs | KPIs for actions through inner changes   |         |   |
|--------------|--|---------|---|
|              | KPI  | Details | FY2022 results                                    |
| My Purpose   | Executives and employees   |         | 74,654 (27,446 male; 47,208 female)               |
|              | My Purpose training participation ratio  |         | 90%*1   |
| Engagement   | Employee engagement  |         | Domestic: 3.50 points, Overseas: 4.12 points*2    |
|              | Productivity indicators connected to Health and Productivity Management® (WLQ)                 |         | 93.5%   |
|              | Number of companies certified as Health and Productivity Management® Outstanding Organizations |         | 22 (14 large companies, 8 medium-sized companies) |
| I&D data     | Percentage of female directors and executives (As of April 1, 2023)                            |         | 11.5%   |
|              | Percentage of directors and executives who are foreign-born (As of July 1, 2023)               |         | 15.2%*3   |
|              | Percentage of female candidates in succession plans  |         | 41.9%*4   |
|              | Percentage of female managers (As of April 1, 2023)  |         | 28.1%   |
|              | Percentage of employees with disabilities (As of April 1, 2023)                                |         | 2.36%   |

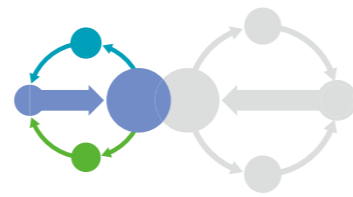
\*1 Participation ratio in the company and domestic Group companies.  
\*2 Average Gallup Q12 scores. FY2023 targets – Domestic: 3.70 points, Overseas: 4.10 points.

\*3 Ratio of directors, executive officers, vice presidents: (5 out of 33 total).  
\*4 Targeting the Group CEO, Group COO, Group CxO, Business CEOs, and other key posts (total of 86).

| Typical KPIs                | KPIs for emerged changes through outcomes                                     |   |  |
|-----------------------------|---|---|--|
|                             | KPI   | Details                                       | FY2022 results   |
| Taking on challenges        | Number of SOMPO Awards applications   |   | 993  |
|                             | Communication   | Number of employee votes for the SOMPO Awards | 7,493  |
| Quality/customer reputation | Sales numbers and premiums of priority products                               |   | Number of sales: 399,000, premiums: 4.53 billion yen   |
|                             | Customer satisfaction with insurance claims payments for automobile accidents |   | Down 0.8 points YoY                                    |
|                             | Number of Insurhealth® packages sold/owned                                    |   | Number of sales: 440,000, packages owned: 1.10 million |
|                             | Number of My Linkx members  |   | 770,000  |
| Solutions                   | Number of nursing care users  |   | 92,000   |
|                             | Operating profit of Nursing Care RDP ("egaku")                                |   | Target value: 10 billion yen*5 by 2030                 |
|                             | External sales and monetization of RDP products and services                  |   | Launch of "egaku" from FY2023                          |
| Social impact               | Social impact created by Nursing Care RDP ("egaku")                           |   | Target value: 3.7 trillion yen*5 by 2040               |
|                             | Reduction rate in financed emissions  |   | 11% reduction*6 from 2019                              |

\*5 Target values are shown due to the launch in FY2023.  
\*6 Actual result for FY2021 is shown.

# Improving Unrealized Financial Value Evidence of Inner Changes



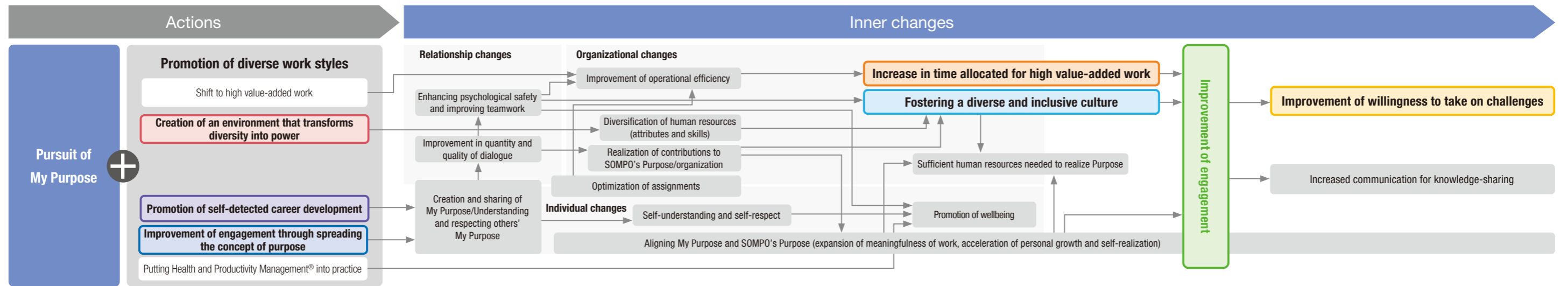
## Initiatives for sophisticate inner changes

We worked to clarify the mechanism of changes which we call inner changes, which entail various human capital improvement initiatives originating from the pursuit of My Purpose leading to changes in individuals, relationships among employees, and the organization, which in turn lead to increased engagement. We then analyzed the data we had accumulated in-house and actual case studies in the field to verify the probability of the mechanism of changes from both quantitative and qualitative perspectives. This part introduces some of our initiatives.

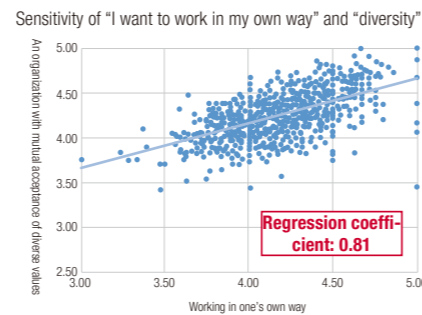
## Verification of the mechanism of inner changes

We identified from various data that measures and actions to promote diverse work styles, starting with the pursuit of My Purpose, converge with engagement through the mutual functioning of the three elements of individuals, relationships, and organizations, leading to an increase in taking on challenges. We will increase the certainty of achievement of initiatives to improve engagement in each organization of the entire Group by setting sub-KPIs related to changes in the process leading to improved engagement and actions that generate such changes.

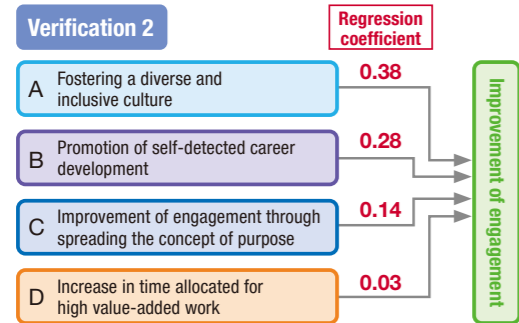
\* With regard to inner changes that lead to improved engagement from actions, based on our internal multi-year human capital-related survey data, we have conducted regression analysis and quantitatively identified multiple forms of evidence that support the probability of a causal relationship between changes. (Excerpts from some of the verification case studies are shown below)



**Verification 1** Creation of an environment that transforms diversity into power → Fostering a diverse and inclusive culture  
**A one point increase in the sense of "I want to work in my own way" will yield a 0.81 point increase in the sensed value of "fostering an organizational culture with mutual acceptance of diversity"**



We have confirmed the strong tendency that by creating an environment that transforms diversity into strength through having employees decide on My Purpose and conducting dialogue and sharing within the organization based on My Purpose, there will be an increase in the sense of "Working in one's own way," which will thereby advance I&D and give people the sense of an "organization with mutual acceptance of diverse values."

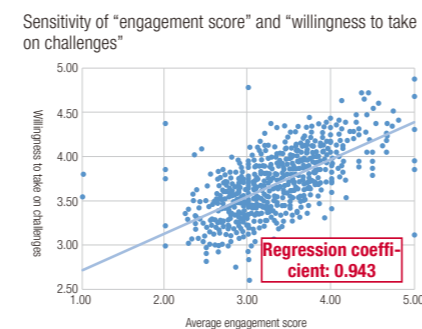


### Engagement increases if there are increases in scores for various actions and changes, such as "fostering a diverse and inclusive culture"

- A A one point increase in the score representing the sense of "an organization with mutual acceptance of diversity" will increase the engagement score by 0.38 points
- B A one point increase in the score representing the sense of "self-detected career development" will increase the engagement score by 0.28 points
- C A one point increase in the score for My Purpose 1-on-1 meetings will increase the Engagement score by 0.14 points
- D A one point increase in the score for time allocated for high value-added work will increase the engagement score by 0.03 points

\* For the results of multiple regression analysis, there was omission of items and intercepts with small regression coefficients and small impact on the objective variable.

**Verification 3** Improvement of engagement → Improvement of willingness to take on challenges  
**A one point increase in the engagement score will yield a 0.943 point increase in the sensed value of "willingness to take on challenges"**



\* Our analysis is based on a survey about engagement aimed at employees of the Sampo Group and conducted by Sampo Institute Plus.  
 \* The regression coefficient expresses the "degree of influence (sensitivity) on the result," meaning how much the result will change if the factor used to predict that certain result changes by one. The verification results introduced in this report have been confirmed to be statistically significant. (A significance level of 5% or less is used.)

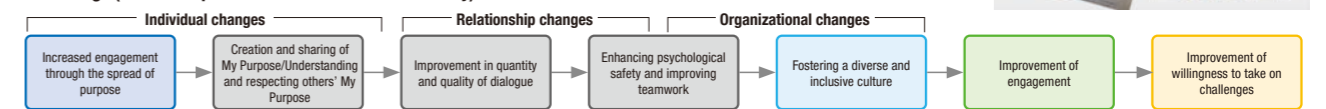
## Case studies of changes that have occurred in the field

### Motivated by My Purpose, we started to challenge ourselves

Motivated by the My Purpose to "help people around us envision a bright future and realize who they want to be," the several gathered team members developed the "Kita Support MIRAI Project" with the aim of learning about change, ourselves, and the people around us. In FY2022, we planned activities on the theme of "reconsideration" of My Purpose, created a video for team members struggling with My Purpose creation and reconsideration, and held a My Purpose roundtable discussion in collaboration with other departments. During times when the project is not going well, the team members remember My Purpose and gain the strength to continue activities through repeated introspection. We would like to continue our extensive activities in pursuit of new discoveries and positive influences on those around us.



#### Path image (selected representative items in the case study)

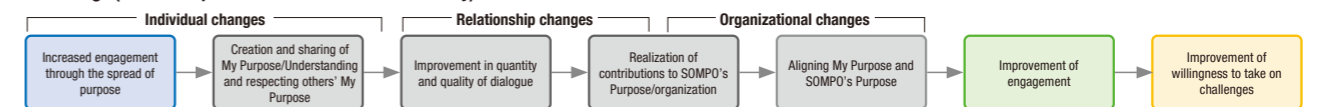


### Motivated by My Purpose, we have started to spread our vision and realize Purpose within our departments

We have established a cross-departmental Committee to Spread Vision and Purpose and are developing initiatives with the hope of spreading the vision of departments among all members of that department and making them aware of it in their daily work. Specifically, we have created tools that contribute to the spread of My Purpose throughout the organization, such as a vision video in which all members participate, an explanatory video for the creation of My Purpose, and a compilation of all team members' Purposes. Through a series of initiatives, a sense of ownership has been created among team members, and mutual understanding has increased. In addition, as each member now understands the organization's Purpose and align it and My Purposes, the department's mission, "protect customers at all costs," has become a commonplace part of the organization.

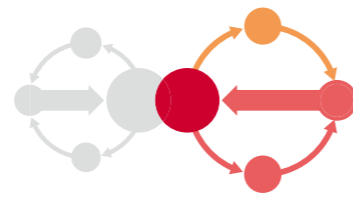


#### Path image (selected representative items in the case study)



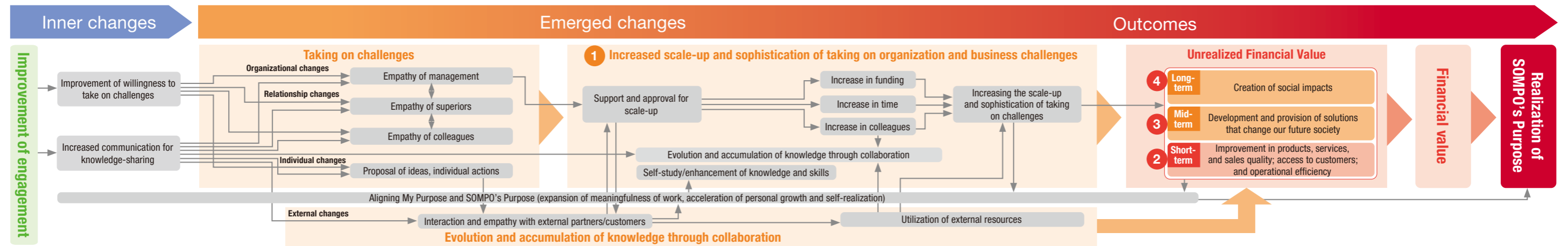


# Improving Unrealized Financial Value Evidence for Emerged Changes and Outcomes



## Initiatives to advance emerged changes and to estimate medium- and long-term outcomes

We believe that human capital improvement initiatives originating from My Purpose will increase engagement and create Unrealized Financial Value through an increase in emerged changes, such as taking on challenges. This fiscal year, we have been working to visualize this mechanism, accumulate and analyze evidence (case studies and data) that shows that engagement contributes to improved outcomes, and visualize medium- to long-term outcomes (such as trial calculations of social impact). This part introduces some of our initiatives.



### 1 Organizations with high engagement spend around 30% more time on tasks that create high added value

We confirmed that the top 25% of organizations with the highest engagement scores spend about 30% more time on tasks that create high added value, such as new sales, compared to organizations with average scores and below.

\* For this verification, tasks that create high added value were defined as the percentage of time spent on tasks that provide value-added products and services to customers to time spent on one's own tasks.

### Increased engagement and taking on challenges impact improved performance and quality

We conducted a regression analysis of the relationship of willingness to take on challenges and engagement scores with business performance and quality, based on data accumulated within the Group organizations. As a result, we quantitatively identified multiple forms of evidence that substantiate that increased engagement and taking on challenges contributes to improved quality, such as customer satisfaction, and improved business performance.

(Example: The regression coefficient is 6.36 points for engagement score and the customer satisfaction index for auto insurance claims payments)

### 2 3 Case studies of changes that have occurred in the field

#### Case study 1 Group-wide system development to improve efficiency and effectiveness of claims payment operations for large-scale disasters

With a strong desire to contribute to the rapid rebuilding of the lives of our customers in disaster-affected areas, we developed and introduced an unprecedented system for payment of insurance claims in the event of a disaster, utilizing the "Foundry" data platform provided by Palantir. We actually used that system for payment of insurance claims for the disaster of the earthquake off the coast of Fukushima Prefecture in 2022. We were able to promptly deliver insurance claims payments to customers by significantly improving our business operations.

#### Case study 2 Participation in the prefectural smart city model project by proposing a health care service, "LinkCross Blood Glucose Coaching," to the core city

Based on the My Purpose to "Think about what we can do and take action so that everyone we interact with can feel as healthy and happy as possible throughout their lives," we proposed that our city promote health and prevent serious illnesses by using our health care service "LinkCross Blood Glucose Coaching." As a result, a consortium led by the city was formed, and the healthy and happy community development using ICT (Diabetes Prevention) project (only in Japan) using LinkCross Blood Glucose Coaching was launched and adopted as a smart city model project by the prefecture.



#### Case study 3 Development of the new insurance product travel cancel insurance that contributes to solving social issues

We developed and provide travel cancel insurance to encourage travel reservations with the strong desire to create new experiences and value with insurance by changing the "impossible" of conventional insurance to "possible." This product has helped to realize the three-way satisfaction between users, travel agencies, and accommodations/transportation, and has contributed to the recovery of demand for domestic travel.



## Verification of the mechanism of emerged changes

Individuals and organizations that have increased their engagement will take specific actions, represented by "taking on challenges" and "communication," toward realizing their Purpose. Then, while involving both internal and external stakeholders, to create outcomes they will evolve and accumulate knowledge through collaboration, and increase the scale-up and sophistication of organization and business challenges. Our company refers to this series of processes as "emerged changes," and is working to visualize them and verify them through data and case studies. However, the mechanism of changes from emerged changes to outcomes differs from company to company and department to department, and we have not yet been able to fully clarify it. We will continue to make progress in these initiatives while linking them to the strategies and measures of various areas and businesses.

### 4 Social impacts generated by SOMPO

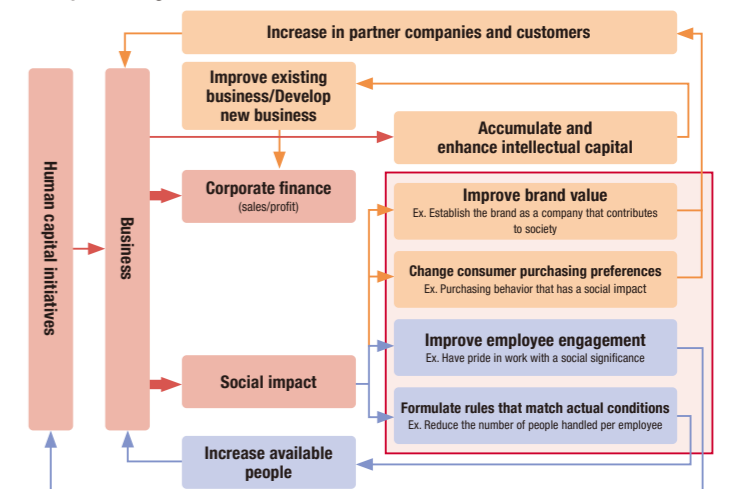
#### Linkage of social impacts to future finance

By organizing the impact paths and converting them into monetary values, we will clarify the social impacts we produce that go beyond the scale of our operations.

The following four paths show how social impact can lead to future financial value. We believe that these paths will lead to improvement in human capital and an increase in the number of partner companies and customers, which in turn will lead to an increase in financial value.

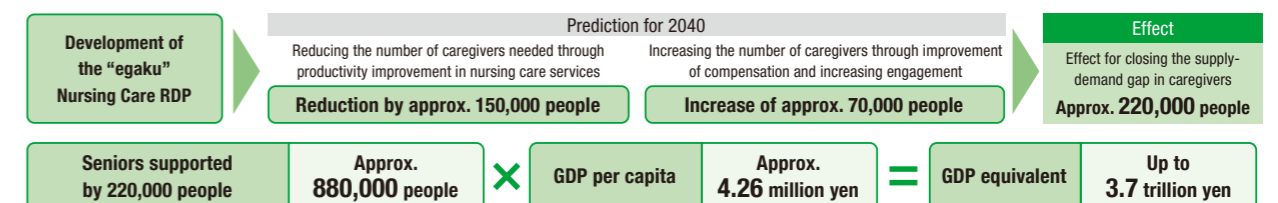
- (1) Improve brand value
- (2) Change consumer purchasing preferences
- (3) Improve employee engagement
- (4) Formulate rules that match actual conditions

#### Example: Nursing care business



#### Example of social impact calculation: Social impact created by Nursing Care RDP ("egaku")

"egaku" consists of three services: digitization support service, data utilization service, and professional service. Through the development of these services, we aim to improve the productivity of nursing care businesses, increase staff engagement, and enhance the job attraction of nursing care work. We aim to close the gap between supply and demand for caregivers by 220,000\*1 and to support up to 880,000\*2 seniors in 2040. We estimate that this will prevent people from quitting or restricting work for nursing care and create a social impact of up to 3.7 trillion yen in terms of GDP equivalent.



\*1 Assuming deployment of "egaku" to 30% of home care providers and 10% of at-home care providers who all successfully reduce the No. of caregivers needed and increase the No. of caregivers, just like at Sompo Care.

\*2 Assuming that deregulation allows 1 caregivers to support about 4 seniors.