

Domestic P&C Insurance Business

○ The Mission of This Business

As the Group's core business, the domestic P&C insurance business will at all times carefully consider the interests of customers when making decisions that shape the business. We will strive to support the security, health, and wellbeing of our customers and contribute to society as a whole through insurance and related services of the highest quality possible.

The domestic P&C insurance business meets a variety of customer needs through its operations. Sompo Japan Insurance Inc., which was established in 1888 as Japan's first

fire insurance company, primarily sells insurance through agencies as the core company in this business. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, meanwhile, is responsible for direct sales. Furthermore, Sompo Japan DC Securities Inc. provides defined contribution pension fund management services, and Sompo Risk Management Inc. offers risk solution services, and the Group can deliver products and services of the highest quality that leverage the specialization of each Group company.

○ Business Environment and Basic Strategies

The Sompo Group has a roughly 30%* share of the domestic P&C insurance market, which is currently showing steady growth in premiums. From a medium-term perspective, the operating environment of the domestic P&C insurance business is undergoing dramatic changes. Factors behind this transformation include demographic changes, the increasing frequency of large-scale natural catastrophes, and the evolution of digital technologies and accompanying changes in customer values and behavior. Moreover, lifestyles are changing due to the spread of COVID-19.

Even in these dramatically changing times, we will view environmental changes as opportunities. At the same time, we will thoroughly reflect customer perspectives, create valuable

products and services, and continue benefiting society. Through these efforts, our goal is to become the P&C insurance company that is held in the highest regard by customers. Existing businesses will enhance productivity and profitability while taking measures in anticipation of such risks as an increase in natural catastrophes as well as the risk of a slowdown in economic growth or instability in financial markets due to the spread of COVID-19.

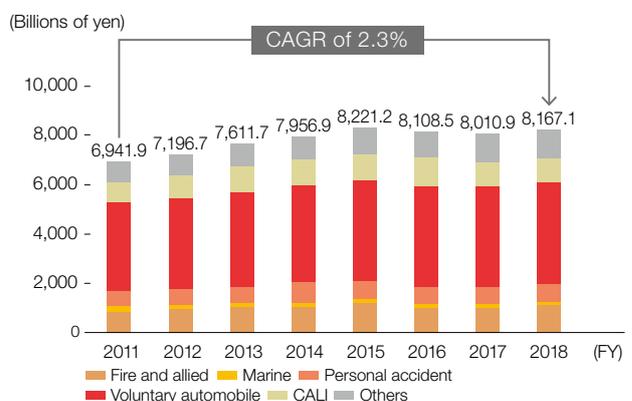
Meanwhile, new businesses will realize sustained growth by creating new points of contact with customers and new business models in light of changes in customer values and behavior and by continuing to contribute to society.

* Insurance, Hoken Kenkyujo



A verification test aimed at realizing a society with safe autonomous cars

Trend in Premiums* in the Domestic P&C Insurance Market



Source: Sigma Report, Swiss Re; Insurance, Hoken Kenkyujo

* Based on net premiums of P&C insurers in Japan excluding reinsurance companies

Progress of the Mid-Term Management Plan

The domestic P&C insurance business is predicted to account for about 50% of the Group's adjusted profit (fiscal 2020 target). Going forward, we aim for this business, which is the largest business segment, to contribute further to the Group's growth.

Results over Four Fiscal Years

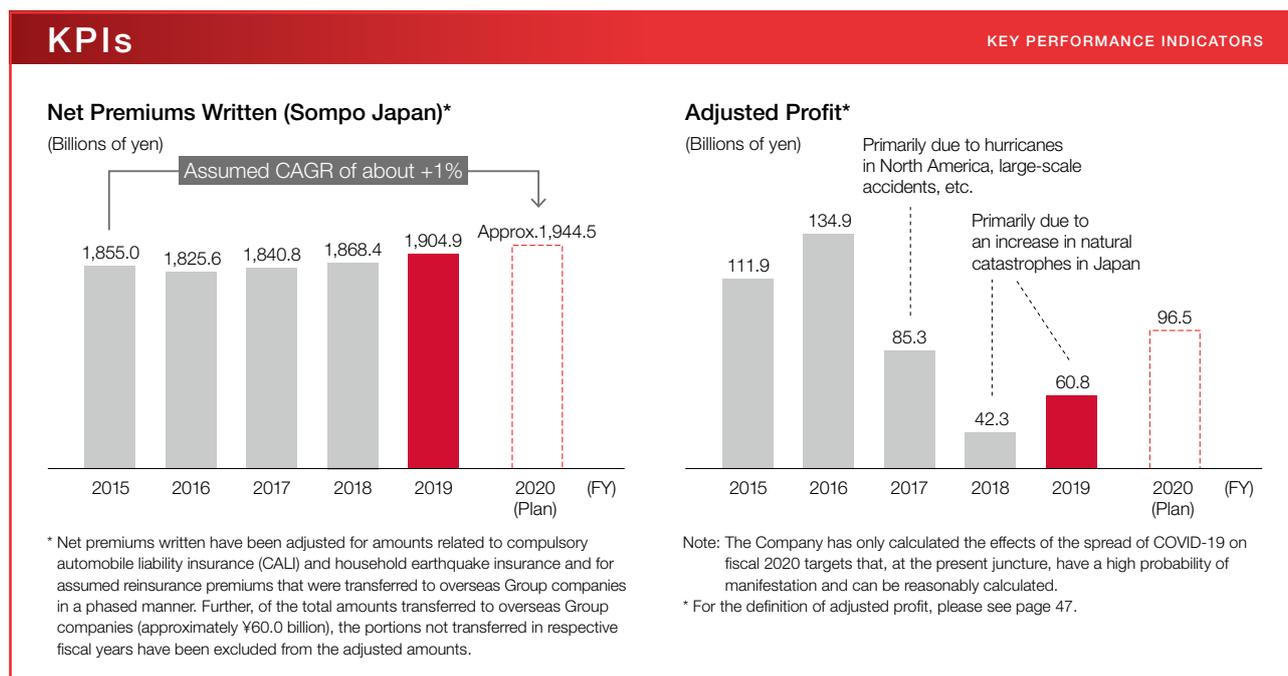
Although the business environment remained challenging during the past four fiscal years due to such factors as a series of large-scale natural catastrophes in Japan and overseas, we advanced initiatives aimed at managing risks appropriately and

increasing productivity. As a result, in fiscal 2019 adjusted profit rose year on year, despite being below our target at the beginning of the fiscal year.

Tasks for the Final Fiscal Year

A deterioration in business conditions is anticipated due to large-scale natural catastrophes and the spread of COVID-19. However, natural catastrophe frequency rates in Japan that are in line with those of average years and improvements in the productivity and profitability of existing businesses are likely to enable the domestic P&C insurance business to increase adjusted profit year on year, to ¥96.5 billion. Depending on

trends related to COVID-19, net premiums written could decline due to decreases in individual and corporate activity and purchasing, and incurred losses could increase in certain categories. Nonetheless, the domestic P&C insurance business will contribute to the growth of the Sampo Group by continuing to grow existing businesses and by creating new business models.



Medium-Term Target Profile

In response to significant changes in its operating environment, the domestic P&C insurance business will concentrate efforts on sustaining the growth of existing businesses and creating new business models, with a view to providing products and services that are of the highest quality and which support customers' security, health, and wellbeing.

Existing businesses will heighten their profitability and realize growth in accordance with quality by leveraging digital technologies to enhance productivity and to strengthen

support for agencies and by reforming the services of claims-handling departments to improve quality even further.

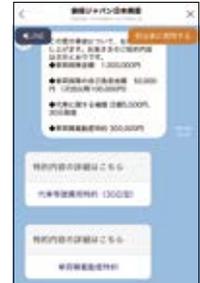
New businesses will take on the challenge of establishing new points of contact with customers and creating valuable products and services. In such initiatives, we will collaborate with digital platform developers and sharing-service providers and focus on the dramatic changes in digital technologies and industrial structures that are expected as well as on the accompanying changes in customers' values and lifestyles.

○ Toward “A Theme Park for Security, Health & Wellbeing” —Contributing to a Sustainable Society—

Launching a Chat Bot-Enabled, Real-Time Accident Response Service

Launched in October 2018, the LINE App Claim Service allows customers to make claims via smartphones. As an addition to this service, we have begun trialing a chat bot service that provides interactive accident responses 24 hours a day, 365 days a year. Thus, customers are able to receive accident responses when it suits them rather than only during the business hours of insurance companies.

Going forward, we will enhance services for customers by expanding and improving the menu of services. Specifically, we will upgrade the chat bot and add services that introduce repair shops and arrange car rentals.



A screenshot

Developing a Simulator That Extends “Driving Longevity”

Aiming to contribute to the reduction of automotive accidents involving senior drivers, which has become an important social issue, we have developed a driving simulator in partnership with SEGA Logistics Service Co., Ltd. The simulator provides diagnoses and training for driving-related cognitive functions and driving skills.

By enabling numerous people to use the driving simulator, we hope to reduce automotive accidents involving senior drivers and help realize a safe motorized society.



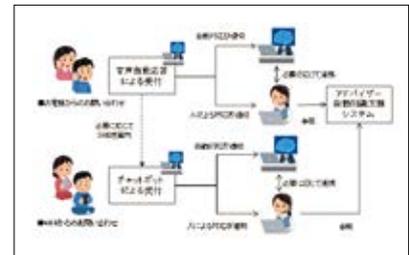
Our driving simulator

Introducing an AI-Enabled Inquiry-Handling System

We have developed the insurance industry’s first service that uses AI to understand what customers are saying and then transfers them to the appropriate help desk for dealing with the inquiry.

Until now, customers have had to follow recorded directions and press appropriate numbers. However, our new system uses voice recognition to understand what customers want and to automatically perform procedures based on the requests. Consequently, the system enables faster, smoother handling of inquiries from customers.

We will continue proactively incorporating digital technologies to realize call center services that integrate human and machine capabilities and thereby enhance the quality of customer services even further.



A rendering of our automated inquiry-handling system that uses voice recognition

Rolling Out Cost Insurance That Helps Reduce Food Waste

Food waste occurs when food that is still edible is discarded because, for whatever reason, it has lost market value. Reflecting the seriousness of the problem, the reduction of such waste has been set as a Sustainable Development Goal (SDG).

With this SDG in mind, we have launched an insurance product and an associated system to help reduce food waste. Specifically, food deemed to have lost market value due to an accident in transit is donated to Japan’s first food bank, the specified nonprofit corporation (nonprofit organization) Second Harvest Japan, and the cost of donating the food is covered by insurance payments.



Second Harvest Japan



Helping reduce food waste

Through the popularization of this product, Sompo Japan will support efforts to reduce food waste. We will also actively lower food waste by providing a loss prevention service designed to reduce insurance claims that result in food waste.

Company Outline (As of April 1, 2020)

Sompo Japan Insurance Inc.



With a view to being readily understandable to customers, the company changed its name to Sompo Japan Insurance Inc. in April 2020. As a core company in the Sompo Group, Sompo Japan supplies a wide range of P&C insurance and other services to contribute to the security, health, and wellbeing of its approximately 20 million customers across Japan. With the domestic P&C insurance business at its core, Sompo Japan will realize growth in accordance with quality and thereby become the most highly evaluated P&C insurance company.



Blue illumination of our head office in Shinjuku, Tokyo, to show gratitude to and support for medical professionals

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED



The original features of our mainstay product “Otona no Jidosha Hoken” include insurance rates that are set by age and a range of coverage options. Moreover, such services as ALSOK Reliable Accident Site Support Service have proven popular. Reflecting a favorable reputation, policies in force surpassed one million in March 2020. As the Sompo Group’s direct marketing insurance company, we aim to remain an insurance company that is understood and chosen by each customer.

Sompo Japan DC Securities Inc.



As the Sompo Group’s defined contribution pension plan administrator, we provide companies with bundled services covering everything related to the introduction through to the maintenance of defined contribution corporate pension plans, including supporting them in introducing systems and offering investment education and various types of information to participants (employees). We also provide many individuals with comprehensive services pertaining to individual-type defined contribution pension plans (iDeCo).

Sompo Risk Management Inc.



By providing services and solutions highly attuned to the client needs that stem from new social issues and risks, core businesses in the fields of analytics, risk management, and cybersecurity will support clients in their initiatives aimed at promoting security, health, and wellbeing. Thus, our efforts will focus on enabling enterprise risk management, business continuity management and planning, and cybersecurity measures.

Mysurance Inc.



As the Sompo Group’s small-amount, short-term insurance company, Mysurance Inc. creates new value in insurance by utilizing digital technologies to market products and services that cater to customers’ diverse needs. The company name was coined based on the phrase “My Insurance” and expresses our desire to offer customers personalized insurance that always helps when they have a problem.

Prime Assistance Inc.



As the Sompo Group’s assistance company, Prime Assistance supports the security and wellbeing of customers 24/7 through businesses that offer services of the highest grade, including roadside and home assistance as well as assistance in solving problems overseas. Further, we are actively developing new businesses, such as services for visitors to Japan and the SOMPO Egao Club, which is a platform themed on preventing and living with dementia. By steadily taking on new challenges, we aim to assist with many types of issues in society.

Sompo Warranty Inc.



The company provides extended warranty services, based on warranty provisions that cover the repair of a product malfunction or product defect for a fixed period after the expiration of a manufacturer’s warranty. These services are available for consumer electronics, housing equipment, solar power generation systems, mobile phones, and other products. Furthermore, for clients engaged in the management of rental housing, Sompo Warranty administers a warranty system for the restoration of rental housing appliances to their original condition. The company will continue to cater to a wide range of customer needs and to offer new extended warranty services.

Overseas Insurance Business

● The Mission of This Business

The strategic mission of the overseas insurance business is to continue the transformation of all the Sampo Group's P&C insurance and reinsurance businesses outside of Japan under a single, modern, integrated global structure. Through measured, strategic expansion and profitable growth, Sampo International is well on its way to achieving the stated goal of contributing over 40% of the Group's overall profits within the next few years. The overseas insurance business continues to outperform the industry, providing profitable growth and increased market share through a diversified P&C portfolio, vast underwriting expertise, deep broker and client relationships, and world-class claims handling. The integration of our retail insurance businesses, located throughout 30 countries around the world, into a single, powerful, globally integrated platform continues as we grow our significant client base by utilizing modern technology and providing superior customer

service and support. Our goal of establishing the high-quality Sampo retail brand globally and becoming a market leader in every country that we operate in will be achieved by maximizing the expertise and strengths of the organization across the entire platform.

At the core of the success of the overseas insurance business is a talented and experienced leadership team that is integrally aligned with Sampo Holdings. This structure provides strong corporate governance and alignment of underwriting, operations, strategy, and risk management. Focusing on strategic risk selection across the business' global, integrated footprint, Sampo International continues to identify and onboard strategically targeted acquisitions supporting the continued profitable growth of a well-balanced, attractive portfolio of global risks.

Overseas Insurance Business Unified Platform



● Business Environment and Basic Strategies

In 2019, the global P&C insurance industry experienced substantial rate increases driven by historically low interest rates, reduced capacity and risk appetites among major insurers, a rise in the frequency and severity of catastrophic events, increasing loss costs related to court settlements, and a growing number of insurance companies struggling to create and maintain profitable risk portfolios. Rate increases were most notable in the U.S. market throughout the year and across nearly all lines of commercial P&C business.

Heading into 2020, the unprecedented COVID-19 pandemic is contributing to significant levels of uncertainty within the risk management industry and throughout the global economy. As the industry adjusts to the new normal created by the pandemic, the overseas insurance business continues to operate from a position of strength. Sampo International is well-positioned to continue to meet the needs of its global employees, brokers, and customers and will leverage opportunities that have emerged as a result of disruption in the market, including aggressively hiring top talent and entering new lines of business.

Progress of the Mid-Term Management Plan

Results over Four Fiscal Years

In fiscal 2019, the fourth year of the Mid-Term Management Plan, adjusted profit in the overseas insurance business was ¥50.1 billion, up ¥17.1 billion from fiscal 2018.

The acquisition of Sampo International has significantly increased the Sampo Group's business scale and geographical diversification. Net premiums written and adjusted profit have risen 1.7 times and 2.5 times, respectively, compared with four

years ago. The top lines in North America and Europe, in particular, have grown significantly, accounting for about 70% of the total portfolio of the overseas insurance business. We have built a foundation to earn stable profits and grow in developed countries while increasing business scale as well as profitability in emerging countries over the medium-to-long term.

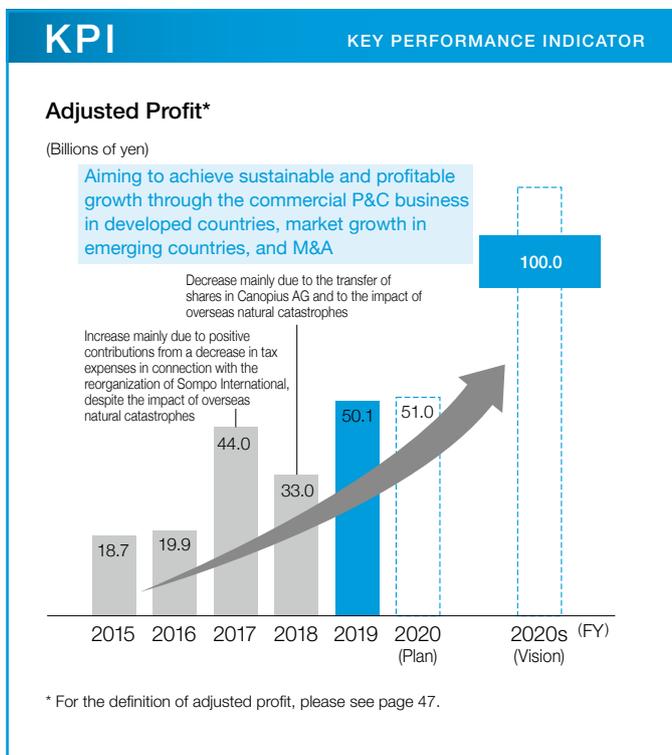
Tasks for the Final Fiscal Year

In fiscal 2020, the last year of the Mid-Term Management Plan, through the optimization of premiums written, growth of specialty insurance, and the sharing of expertise among retail companies, we plan to attain adjusted profit of ¥51.0 billion, which is more than that in fiscal 2019. If self-restraint with regard to the activities in our countries and regions of operation is prolonged, net premiums written may decrease due to reduced activity and purchasing by individuals and companies, while claims incurred may increase. We will continue to monitor the ongoing impact of COVID-19 closely.

Regarding the commercial P&C business, we plan to hedge the risks associated with traditional business lines by growing

our business in specialty insurance and maximize underwriting profit in view of the deterioration of the investment environment. For retail business, we shall share business resources to the greatest extent possible and further promote the sharing of expertise among Sampo Group companies to accelerate their growth and profitability.

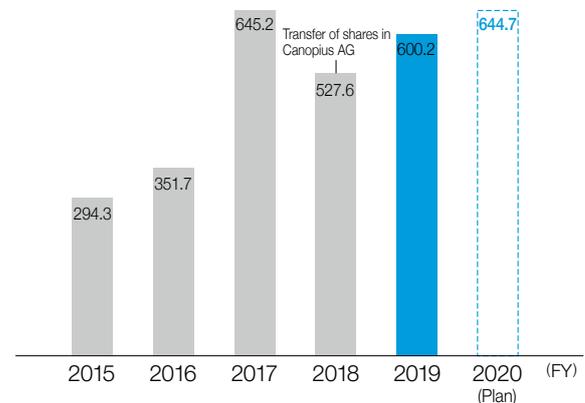
We will also move forward with efforts to reorganize our retail companies under Sampo International Holdings and strengthen our system so as to be able to make decisions quickly in line with our overall strategy, as well as to implement a flexible capital policy.



Net Premiums Written

(Billions of yen)

Through the acquisition of Endurance (now Sampo International), completed in 2017, net premiums written significantly increased.



Medium-Term Target Profile

As we continue our ongoing transformation, Sampo International is well-positioned to capitalize in providing relevant products and services to our clients, many of which face unprecedented challenges in an increasingly volatile economic environment. We have a strong track record of growing our business profitably while adapting to a changing risk landscape, and we will continue to push forward, investing in market-leading talent and technology.

Looking forward, we are steadfast in our commitment to creating the first truly global agriculture insurance business while seeking other opportunities through the development of new and enhanced products. We will expand our industry vertical strategy and increase our portfolio of industry solutions, and our core property, casualty, professional, and specialty products will continue to grow significantly in the U.S., while building relevance and scale in targeted products and markets.

We will continue to build an international market position, by developing the London & Bermuda market wholesale platform, expanding our distribution capabilities and management teams.

Our reinsurance business will remain relevant to our market, employees, and cedents through a consistent approach to our business partners. We will continue to grow our geographic footprint, in locations such as the U.K., Europe, Asia Pacific, South America, and Mexico while entering new market spaces.

Our retail platform will further enhance our capability of data analysis and usage, not only in pricing but also in claims handling and digital marketing. We will be able to continuously transform our processes through data and analytics, utilizing our unique skill-transfer structure, which will lead to innovative products, and services. The integration of all retail companies under Sampo International will drive an optimal organization structure, consolidated governance, the efficient use of capital, and expanded opportunities.

Sampo International P&C has a reputation as a market leader known for its financial strength and the ability to attract and retain the best people. We will deliver on our goal of becoming a leader in each country that we operate in and a top-10 Insurance organization globally.

Commercial P&C Strategy

Our strategy is to become one of the top-10 industry leaders within the next five years defined by scale, capability, and profitability. In order to achieve that, we will continue to deliver strong historic growth by attracting and retaining top talent, focusing on strategic risk selection, expanding geographically, and creating operating scale while maintaining core profitability globally in both insurance and reinsurance. Through long-term partnerships with brokers and clients, our leadership and experienced teams generate attractive returns for the risks we assume by utilizing tailored risk management solutions and leveraging top claims talent.

Going forward, the overseas insurance business will continue with a selective specialty underwriting focus and strategic efficiencies, such as the decision to create one platform in London, ceasing all insurance underwriting business with Lloyd's as of January 2021. With interest rates remaining historically low and as the COVID-19 pandemic continues to create market and economic uncertainty, our commercial P&C operation is ready to maximize new opportunities that these current market challenges are likely to create, while maintaining strong risk management strategies and a superior balance sheet to help drive profitable growth.

Retail Strategy

Our retail companies deliver a wide range of high-quality personal lines, small-to-medium enterprise, and corporate insurance solutions tailored to local markets. Operating mostly in emerging markets, where a high rate of premium growth is expected over the medium-to-long term, our retail platform helps retail companies achieve sustainable and profitable

growth by sharing technical resources and transferring knowledge and expertise. Integrating all retail companies under Sampo International Holdings will drive an optimal organization structure, consolidated governance, the efficient use of capital, and expanded opportunities to help deliver on our goal of becoming a leader in each country that we operate in.

M&A Strategy

We continue to take a disciplined approach to strategic M&A activities to build scale and scope in support of Sampo Holdings' vision of becoming a top-10 insurance company which contributes to the quality of life of stakeholders through "A Theme Park for Security, Health & Wellbeing."

The markets are experiencing extreme volatility with the uncertainty of the COVID-19 which we expect creating slowdown in transactions. Along with economic turmoil, we are

seeking opportunities to diversify and expand our overseas insurance platforms, whether through acquisitions, investments, or strategic partnerships, by closely monitoring the impact and duration of the outbreak through the Global Transaction Committee, which was established in fiscal 2019, along with the Transaction Core Team, to centralize high-level transaction management system.

Toward “A Theme Park for Security, Health & Wellbeing” —Contributing to a Sustainable Society—

AgriSompo: A Global Industry Leader Ensuring Food and Agriculture Sustainability by Delivering Innovative Insurance and Reinsurance Products to Agriculture Partners Worldwide

By delivering traditional and innovative products to the world’s farmers and providing solutions to crop-related issues, *AgriSompo*, Sompo International’s integrated global agriculture platform, continues to develop insurance and reinsurance products. *AgriSompo* offers crop producers, farmers, and other agri-businesses in the markets in which we operate comprehensive protection from financial losses resulting from droughts, floods, or other natural catastrophes using an integrated underwriting, technology, and distribution platform.

In addition, *AgriSompo* continues to develop traditional and innovative products to keep up with the constantly changing demands of climate change. In certain parts of the world, food is still not guaranteed and when a natural catastrophe hits, many farmers are left financially devastated. Offering protection

from the severe downside of natural catastrophes and mitigating the climate change risks and financial consequences brought about by climate change, *AgriSompo* aids the most vulnerable when natural catastrophes occur. Sompo International will continue to expand the platform globally, leveraging the Sompo Group’s broad licensing capabilities, and to partner with local government agencies to provide subsidized crop insurance programs that support resiliency efforts in countries such as India and Thailand. *AgriSompo* will help farmers and producers maintain a viable food supply and ensure that our supply is sustainable.



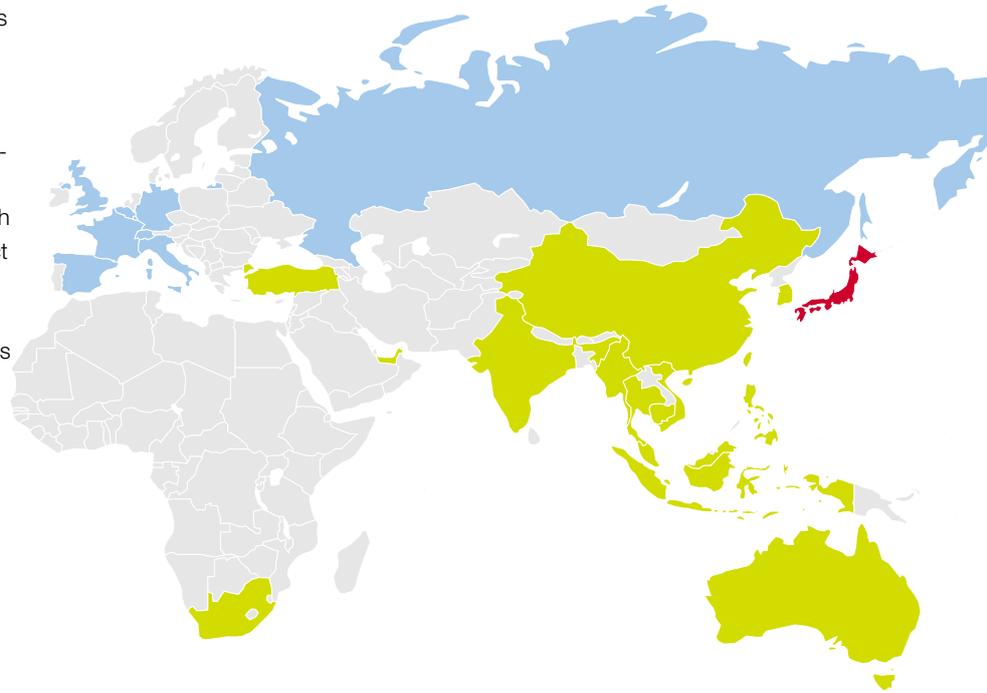
A presentation of insurance products and claims procedures to farmers (Thailand)

Global Expansion

Sampo Holdings (Asia) Pte. Ltd.

Based in Singapore, Sampo Holdings (Asia) is an intermediate holding company that is in charge of businesses in Asia and manages overseas bases in 14 countries, including ASEAN countries, India, and China. The company aims to enhance profitability and realize sustained expansion of its businesses through cross-regional measures, such as new product development, brand strategies, the sharing of resources on a Group-wide basis, and bancassurance sales at CIMB Group, which is a major banking group in the ASEAN region.

30 Countries



SOMPO SIGORTA

By leveraging methods of automobile insurance rate calculation that are based on the utilization of advanced data as well as methods of agent management, Sampo Sigorta has achieved sustained growth in Turkey's volatile P&C insurance market to become one of the country's leading insurance companies in terms of both sales and income (fifth-largest gross premiums and second-largest profit after tax in fiscal 2019). In realizing the capabilities of our retail platform, the company is playing a leading role. Its superior know-how is being transferred to the retail markets of Brazil, Malaysia, and other countries.

SOMPO SEGUROS

Providing both P&C and health insurance in Brazil's market, Sampo Seguros has established itself as the leading company in the marine insurance field (No. 1 in the industry between 2017 and 2019). As for the retail field, the company also aims to realize growth founded on sustained increases in profits by strengthening its product lineup and sales network and by utilizing its know-how in relation to the utilization of retail platforms in the automobile insurance field.

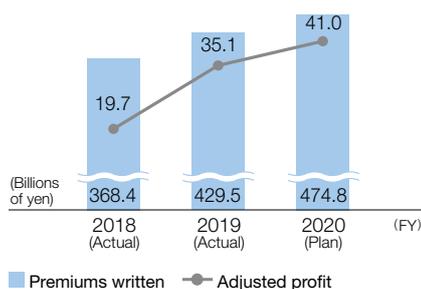
and Regions (As of March 31, 2020)



Sompo International is an insurance group that offers global underwriting and reinsurance services. As well as providing the commercial P&C sectors of developed countries with services centered on specialty insurance, the insurance group is building platforms in the retail sector, mainly in emerging countries. Sompo International will drive the growth of the Sompo Group's overseas insurance business by utilizing a truly integrated global platform and by capitalizing on expertise and insight in relation to underwriting and other areas.

Premiums Written*1 and Adjusted Profit*2 by Region

North America & Europe

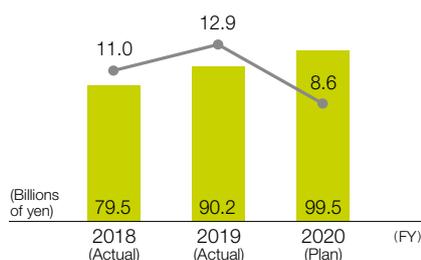


■ Premiums written ● Adjusted profit

Main Group Companies (Based on head office location)

- Sompo International Holdings Ltd.
- Endurance Specialty Insurance Ltd.
- Endurance Assurance Corporation
- Endurance Worldwide Insurance Limited
- SI Insurance (Europe), SA

Asia & the Middle East

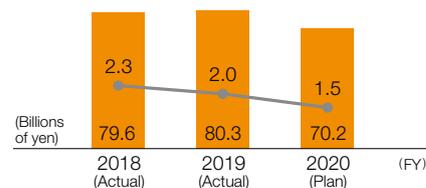


■ Premiums written ● Adjusted profit

Main Group Companies (Based on head office location)

- Sompo Sigorta Anonim Sirketi
- Sompo Holdings (Asia) Pte. Ltd.
- Sompo Insurance Singapore Pte. Ltd.
- Berjaya Sompo Insurance Berhad
- PT Sompo Insurance Indonesia
- Universal Sompo General Insurance Company Limited
- AYA SOMPO Insurance Company Limited
- Sompo Insurance China Co., Ltd.
- Sompo Insurance (Hong Kong) Company Limited

South America



■ Premiums written ● Adjusted profit

Main Group Company (Based on head office location)

- Sompo Seguros S.A.

*1 Amounts for premiums written are calculated using figures that have been adjusted based on the Company's ownership of consolidated subsidiaries and affiliates and, therefore, may differ from the amounts in the consolidated financial statements. Further, the figures for Group companies that conduct businesses in multiple regions have been included in the figures of the region that has the largest earnings.

*2 For the definition of adjusted profit, please see page 47. Further, the figures for Group companies that conduct businesses in multiple regions have been included in the figures of the region that has the largest earnings.

Domestic Life Insurance Business

● The Mission of This Business

In accordance with the Group Management Philosophy, Sompo Himawari Life Insurance Inc., is transforming into a health support enterprise. Such an enterprise helps both prepare for unlikely events and improve daily health. Thus, as a life insurance company, we support customers when unlikely events occur while enabling them to lead healthier lives day-to-day. In an era of 100-year lives, we want to help customers

enrich their lives and realize their aspirations. At the same time, our goal is to assist in the building of a vibrant, sustainable society. Going forward, we will continue providing Insurhealth®, which integrates insurance and health support functions to offer customers new value. In this way, we will benefit society by contributing to health and peace of mind.

● Business Environment and Basic Strategies

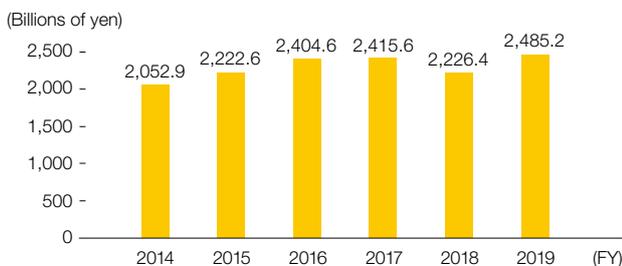
In the life insurance industry, the business environment is changing significantly. Major changes include the diversification of insurance needs as society ages, advances in digital technologies, and the normalization of low interest rates. Further, in response to the Japanese government's drive to extend healthy life expectancy, the public and private sectors are working together on initiatives to help citizens improve their health and avoid illness.

In this operating environment, Sompo Himawari Life Insurance aims to transform from a traditional life insurance company into a health support enterprise that stays beside

customers throughout their lives. To this end, we are rolling out Insurhealth®, integrating traditional insurance and healthcare functions to offer new value. While the insurance functions of these products provide financial support, their healthcare functions maintain and improve customers' health through prediction, prevention, and monitoring. Insurhealth® will enable Sompo Himawari Life Insurance's steady growth. By realizing our Policy on Customer-Oriented Business Operations and providing new value that traditional insurers cannot emulate, we will be an insurance company that is the first choice of customers.

Trend in Annualized Premiums from New Business in Japan

● Domestic life insurance market

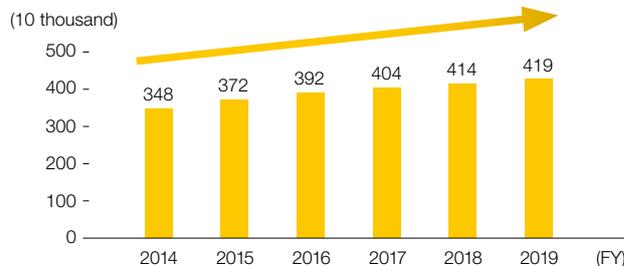


Note: Individual insurance only

Source: Trends in Life Insurance (fiscal 2019), the Life Insurance Association of Japan

Sompo Himawari Life Insurance's Policies in Force

● Policies in force are increasing steadily



Progress of the Mid-Term Management Plan

Results over Four Fiscal Years

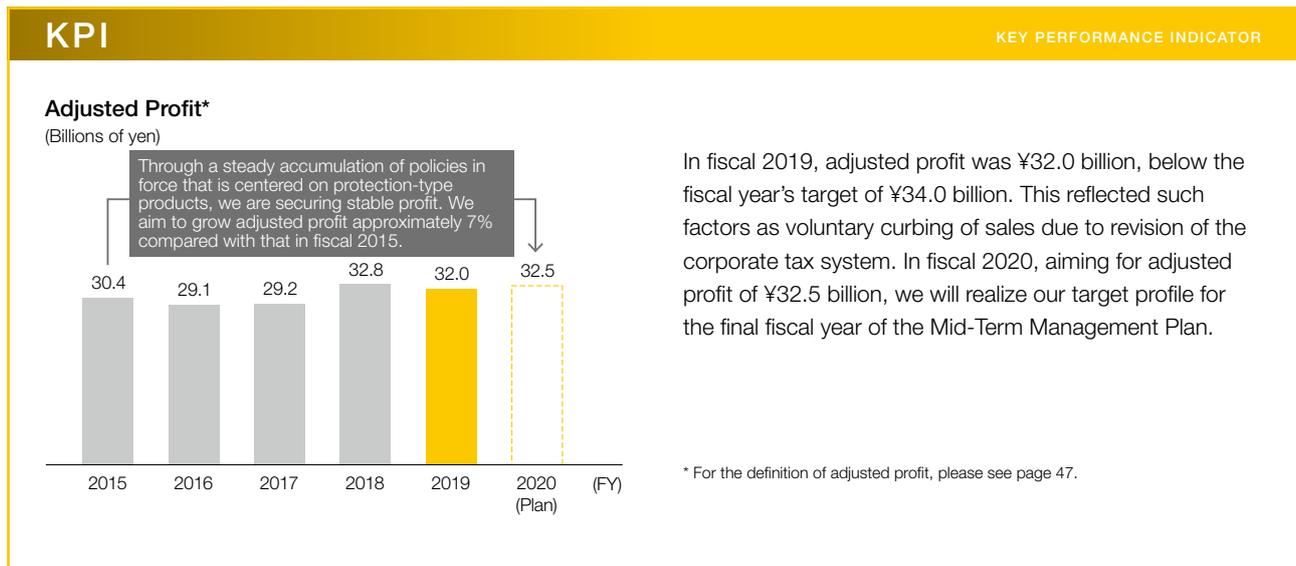
In the domestic life insurance business, a feature of the accounting treatment of life insurance is that in the first fiscal year of a policy it is recognized as an expense, with profit being realized from the following fiscal year onward. Consequently, the greater the number of new policies acquired the greater the downside pressure on profit. For this reason, we use as a key performance indicator (KPI) adjusted profit,

which is adjusted to correct the timing of expenses being incurred and to level profit. By continuing our long-standing strategy of pursuing a steady accumulation of policies in force that is more centered on protection-type products, we are securing stable profit. (We had 4.19 million policies in force as of the end of fiscal 2019.)

Tasks for the Final Fiscal Year

In fiscal 2020, the fiscal year ending March 31, 2021, we forecast adjusted profit of ¥32.5 billion. Through the introduction of new products, we will achieve an increase in policies in force that is centered on high-margin protection-type products. (We aim to have 4.31 million policies in force by end of fiscal 2020.)

Further, based on the two overriding strategies of achieving new growth and rapidly improving productivity, Sampo Himawari Life Insurance will continue to expedite the evolution and improvement of its initiatives aimed at realizing the vision of the Mid-Term Management Plan.



Medium-Term Target Profile

Going forward, joint public-private sector initiatives to extend healthy life expectancy will advance, and health-related demand is set to rise. At the same time, competition in the health field is expected to intensify as other companies develop health-focused insurance products. In response to this environment, Sampo Himawari Life Insurance will build brand value as a health support enterprise by concentrating

management resources on the development of new products and services that advance the evolution of Insurhealth® and by increasing the sales volume and service quality of these offerings. In conjunction with such efforts, we will radically reform sales operations by concentrating the administrative work of sales branches at head office, thereby rapidly improving productivity.



● Toward “A Theme Park for Security, Health & Wellbeing” —Contributing to a Sustainable Society—

Marketing Medical Insurance for Diabetics

In December 2019, we launched “BLUE” medical insurance, which helps ensure that diabetics continue their medical treatment. As befits an Insurhealth® product, BLUE provides new value by combining insurance and prevention of deterioration in the patient’s condition. Sampo Himawari Life Insurance has formed a business tie-up with H2, which provides the Health2Sync app for the management of diabetes and other chronic illnesses. Patients are encouraged to use the app for the ongoing management of their hemoglobin A1c levels. Moreover, upon meeting certain conditions, patients can transfer to types of medical insurance offered to those in good health. Our hope is that this system will help prevent the symptoms of diabetics becoming more severe.



Unveiling the Neurotrack Cognitive Health Program App

Sampo Himawari Life Insurance and Neurotrack Technologies, Inc., whose cofounder and CEO is Elli Kaplan, have partnered to develop the Neurotrack Cognitive Health Program, an app that discovers risks of cognitive function impairment at an early stage and supports preservation and improvement of cognitive functions. Launched in January 2020 and conveniently accessible via smartphones, the new app provides customers with comprehensive, science-based support covering early detection through to improvement.



The Neurotrack Cognitive Health Program app

Exhibiting at the World’s Largest Consumer Electronics Trade Show

In January 2020, Sampo Himawari Life Insurance became the first Japanese insurer*1 to set out a booth independently at CES, the world’s largest consumer electronics trade show. At the trade show in Las Vegas, Nevada, we heightened the international profile of the Insurhealth® concept and exhibited prototypes that utilize the latest technologies to provide insurance policyholders with innovative healthcare services.



The Sampo Himawari Life Insurance booth at CES 2020

Services Exhibited

- **Stress measurement app***2: Checks stress simply by using a tablet computer or smartphone to photograph the user’s face
- **Cognitive function check app***3: Checks cognition by using eye tracking
- **Lifestyle diseases prediction app***4: Uses AI to analyze an individual’s checkup results and predict the risk of lifestyle diseases up to six years ahead

We will continue utilizing analysis of data obtained through a variety of sensing technologies to recommend and provide personalized insurance products and services to each of our customers. Based on such groundbreaking measures, we will increase international awareness of our vision and aspirations as a health support enterprise.

*1 As of January 2020

*2 Collaborative development with binah.ai LTD.

*3 Collaborative development with Neurotrack Technologies, Inc.

*4 Collaborative development with Toshiba Corporation and Toshiba Digital Solutions Corporation

Nursing Care & Healthcare Business

● The Mission of This Business

By delivering high-quality nursing care services that cater to growing demand, we will help resolve the issues faced by Japan as a super-aging society. In this way, we will assist in making “Japan an affluent country that can boast to the world of a long and quality life.” Further, aiming to develop into a mainstay business of the Sampo Group alongside insurance businesses, the nursing care & healthcare business will play a central role in the Group’s transformation into “A Theme Park for Security, Health & Wellbeing.”

To ensure that senior citizens can select and receive nursing care in the places where they want to live, Sampo Care Inc. offers a comprehensive lineup of nursing care services, covering services provided at home through to those provided at residential complexes. Moreover, through a new business that provides other nursing care providers with the nursing care know-how that Sampo Care has accumulated, the company will help enhance the quality and productivity of the nursing care sector as a whole.

● Business Environment and Basic Strategies

The domestic nursing care market is expected to continue expanding as Japan’s rapidly aging society increases the number of senior citizens requiring nursing care. On the other hand, the workforce that underpins nursing care is likely to diminish as the working-age population declines. For this reason, establishing a sustainable business model by increasing productivity and securing and developing personnel is a pressing management task.

Given the aforementioned business environment, the nursing care business aims to create nursing care services that simultaneously realize high levels of productivity and quality. To this end, we will increase productivity by leveraging technologies and foster human resources by improving compensation and enhancing employee training. Another of our goals is to contribute to the building of a society that strives to prevent dementia and enables people, even if diagnosed with

dementia, to continue living with dignity as individuals. Accordingly, we are taking on the challenge of extending healthy life expectancy through the enhancement of our dementia care capabilities and through the development and rolling out of services designed to prevent the impairment of cognitive functions.

Sales of Listed Nursing Care Service Providers (Fiscal 2019)

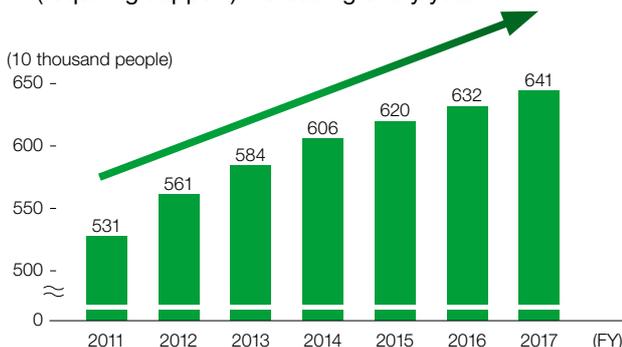
● Second highest sales in the industry

1	Company A	¥153.7 billion
2	Sampo Care	¥128.4 billion
3	Company B	¥122.9 billion
4	Company C	¥ 91.1 billion
5	Company D	¥ 60.8 billion

Note: Prepared based on each company’s earnings presentation materials

Demand Growth

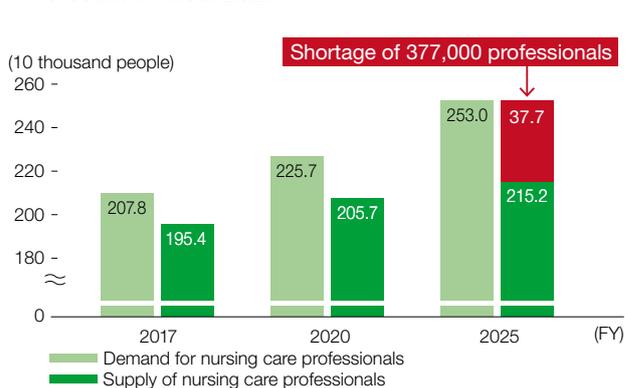
● Number of people certified as requiring nursing care (requiring support) increasing every year



Note: Prepared by the Company based on the *Annual Report on the Status of the Long-term Care Insurance* of the Ministry of Health, Labour and Welfare

Nursing Care Professional Supply–Demand Gap

● Shortage of 377,000 nursing care professionals forecast in fiscal 2025



Note: Prepared by the Company based on *Estimates of Supply and Demand of Nursing Care Professionals Toward 2025* of the Ministry of Health, Labour and Welfare

Progress of the Mid-Term Management Plan

Results over Four Fiscal Years

In the Mid-Term Management Plan's fourth fiscal year, fiscal 2019, the main operating company of the nursing care & healthcare business, Sampo Care, achieved an occupancy rate of 91.5% for serviced residences, only slightly below the

target set at the beginning of the fiscal year. Nonetheless, thanks to productivity enhancement and cost reduction measures, Sampo Care's adjusted profit surpassed the initial target for the fiscal year to reach ¥6.2 billion.

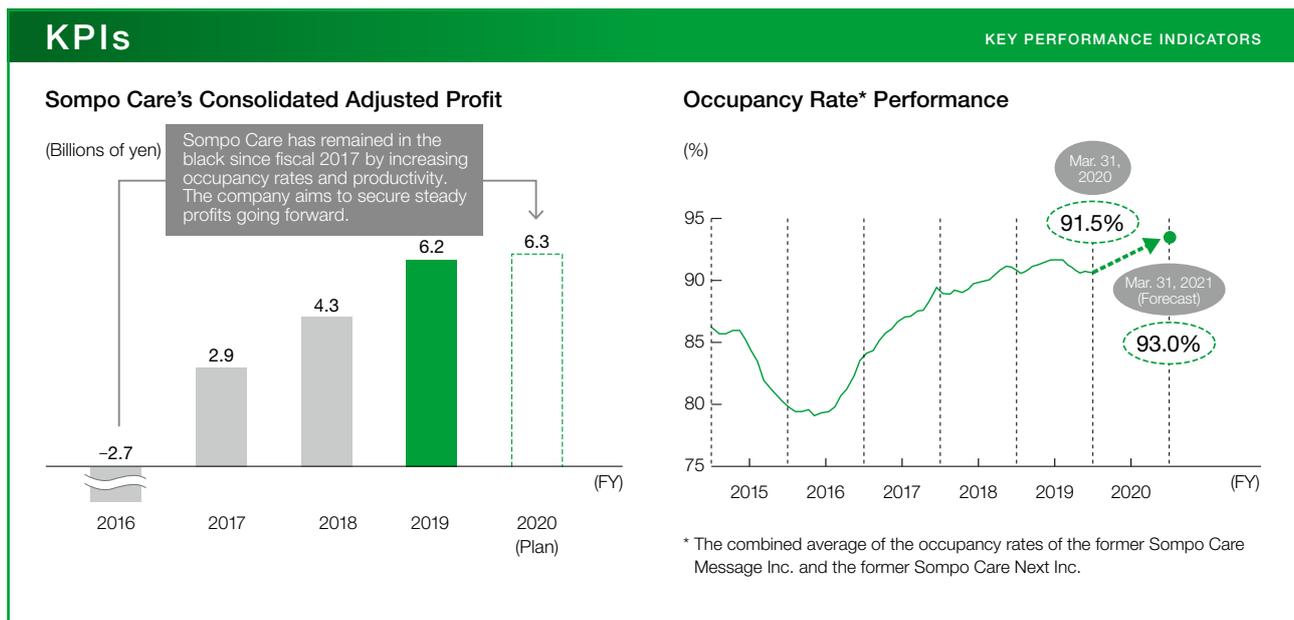
Tasks for the Final Fiscal Year

In fiscal 2020, the fiscal year ending March 31, 2021, we anticipate that our performance will benefit from improved occupancy rates and an increase in unit prices. However, partly as a result of providing a special allowance to frontline nursing care personnel due to the impact of COVID-19, we are targeting adjusted profit of ¥6.3 billion.

While the aforementioned adjusted profit target is premised on the achievement of an occupancy rate of 93.0% for serviced residences by March 31, 2021, performance could be

affected by a decline in new occupancies if the public refrains from going outdoors due to COVID-19.

Notes: 1. In the case of the nursing care & healthcare business, its numerical target for adjusted profit corresponds to its numerical target for net income. Further, occupancy rates are calculated through the division of the total number of residents at the end of a given fiscal year by the total number of housing units at the end of said fiscal year. As serviced residences account for a significant share of the revenues of Sampo Care's nursing care business, the occupancy rate of serviced residences has been adopted as a key performance indicator (KPI).
2. Forecasts of adjusted profit and occupancy rates are targets as of the submission date of this integrated annual report.



Medium-Term Target Profile

By securing and developing personnel and by utilizing technologies to heighten productivity, we will strengthen our ability to provide nursing care services and realize the highest levels of quality and productivity.

Assuming the progress of the aforementioned measures, we will cater to the burgeoning demand for nursing care by enhancing our comprehensive lineup of services—which enables senior citizens to select and receive nursing care in the places where they want to live—and by utilizing a solutions

business to provide other nursing care providers with the know-how that we have garnered in relation to nursing care services.

Further, with respect to the social issue of dementia, through the provision of services that help prevent the impairment of cognitive functions, we will contribute to the realization of a society that strives to prevent dementia and enables people, even if diagnosed with dementia, to continue living with dignity as individuals.

○ Toward “A Theme Park for Security, Health & Wellbeing” —Contributing to a Sustainable Society—

Rolling Out Business Process Support for Nursing Care Providers

April 2020 saw the launch of a nationwide Business Process Support service, which gives companies engaged in the operation of nursing care businesses as well as companies considering entry into the nursing care sector access to the extensive know-how and track record that Sampo Care has developed through the operation of its nursing care business. By providing a one-stop package that offers recommended residential complex management know-how, procurement strategies, training systems, and IT infrastructure, we will support nursing care providers throughout Japan. Through this new service, Sampo Care will help enhance the quality of nursing care services and the productivity of nursing care businesses and provide solutions to the numerous issues that the nursing care sector faces going forward.



The launch of Business Process Support

Beginning Participation in Town Development Projects

In a new initiative aimed at addressing the social issues arising from the aging of society and population decline in Japan, Sampo Care will participate in town development projects. With the provision of safe, high-quality nursing care services as an overall goal, the projects will promote the creation of sustainable, mutually supportive communities that are beneficial to their regions and conducive to exchanges across multiple generations.

Specifically, in partnership with major real estate developers and local companies, we will help extend healthy life expectancy and cater to the various other needs of municipal authorities and local communities. The project will support the day-to-day lives of people in local communities through the establishment of nursing care residential complexes and service offices and through the utilization of information and communication technology, the Internet of Things, and real data.* Moreover, for active senior citizens we plan to offer monitoring services and meal services, establish community spaces, and provide employment opportunities. Through such initiatives, the project will develop towns where people can engage more with each other.

Next to a site earmarked for the construction of a large-scale apartment building, the Yokohama Sakae Ward Project, which is already underway, will establish a nursing care residential complex incorporating the latest nursing care equipment. In addition, we plan to develop home-visit care and day-care services. The project is due for completion in April 2022. Meanwhile, under the Izumi Park Town Project our contribution to the development of a sustainable community will be to add value in the form of enhanced nursing care and medical services in a popular multipurpose residential estate with a history dating back more than 50 years. This project is slated for completion in spring 2023.

* Real data* refers to data that is acquired from various real-life activities.

Utilizing Body-Movement Sensors

We have been using Nemuri SCAN, manufactured by Paramount Bed Holdings Co., Ltd., since fiscal 2018. Installing Nemuri SCAN under a bed's mattress enables the product's built-in sensors to measure turning over, breathing, pulse, and other body movements of a bed's occupant and thereby ascertain their condition while asleep. Moreover, the product detects when the occupant sleeps, wakes, and gets out of bed, with mobile terminals allowing nursing care personnel to view this information in real time.



Sensors measure body movements to ascertain the condition of a bed's occupant while asleep.

The introduction of Nemuri SCAN to the Sampo Care La vie Re Yayoidai serviced residential complex for senior citizens has enhanced residents' quality of life and greatly improved work efficiency. The product enables the implementation of measures to enhance the quality of residents' sleep, prepare optimal nursing care plans, and prevent increases in the levels of care that residents need. Previously, touring the housing units of residents at night risked disturbing their sleep. However, as it is now possible to monitor residents remotely, personnel visit housing units to check on residents only when needed, and services can be provided when the residents have awakened. Further, the serviced residential complex has been able to reduce nighttime nursing care personnel from three to two as well as lighten workloads through a 40% reduction in the travel distance of personnel.

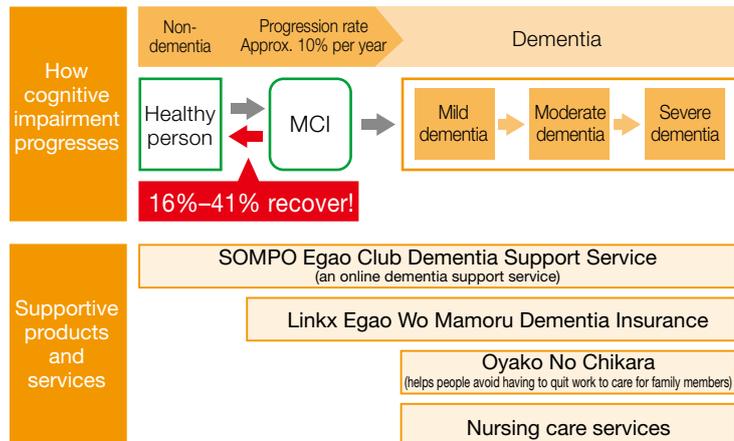
○ Initiatives on a Group-wide Basis

Developing the SOMPO Dementia Support Program

We have been developing the SOMPO Dementia Support Program Group-wide, aiming to build a society that strives to prevent dementia and enables people, even if diagnosed with dementia, to continue living with dignity as individuals. The Group provides a range of dementia-focused products and services. These include Oyako No Chikara, which helps people avoid having to resign from work to

care for family members and is offered by Sampo Japan Insurance Inc.; Linkx Egao Wo Mamoru Dementia Insurance, which pays out a lump-sum if mild cognitive impairment (MCI) or dementia is diagnosed and is provided by Sampo Himawari Life Insurance Inc.; and the SOMPO Egao Club Dementia Support Service, which introduces services that help prevent cognitive impairment and support people in their daily lives by helping them live with dignity even if they are diagnosed with dementia.

In addition, in 2019 the Sampo Group began participating in a government-subsidized R&D project tasked with verifying the efficacy of dementia prevention programs in curbing impairment of cognitive functions. Further, in 2020 Sampo Care launched the Anna-Konna website, which develops programs that are effective in reducing the risk and curbing the progression of cognitive decline and offers support to those providing dementia care in their homes. By mobilizing its unique capabilities as one of the largest insurance companies and nursing care service providers in Japan, the Sampo Group will continue developing and providing dementia-related solutions that meet customers' needs.



Personnel Development and Recruitment

Improving Personnel Retention and Training

In the nursing care industry, securing the personnel needed to meet growing nursing care demand and fostering personnel who can provide high-quality nursing care services are becoming issues.

Aiming to address these issues, in October 2019 Sampo Care raised the compensation of nursing care professionals, particularly that of certified care workers, to some of the highest levels for the occupation in respective regions. We aim to create conditions in which the highly specialized skills and knowledge of nursing care professionals receive due recognition. Also, we want to establish workplace environments in which personnel feel comfortable working and can fully demonstrate their skills. Going forward, we will raise the compensation of those who become nursing care team leaders to the same level as that of nurses, thereby enhancing the profession's social status.

Further, with a view to developing and retaining personnel, in Tokyo and Osaka we operate SOMPO Care University, an in-house university for the acquisition of nursing care knowledge and skills. The university concentrates on fostering not only nursing care specialists but also personnel who are highly focused on self-development and self-realization.

Our first priority is to enable customers to live with dignity and vitality as individuals. For this reason, we take pride in capitalizing on our specialized skills and knowledge to provide high-quality support that is responsive to the values and the mental and physical attributes of each customer. We call this mind-set "nursing care pride."



Providing support that suits each individual



Training at SOMPO Care University

COVID-19 Measures

Responding to the COVID-19 State of Emergency Declaration

Nursing care is indispensable in the day-to-day lives of senior citizens who use our services. Even amid the spread of COVID-19, we must continue providing nursing care services. Therefore, while providing services to customers we are taking measures to prevent the spread of infection. For example, we are stepping up the disinfection of service offices, using standard precautions to prevent infection when providing services, and rigorously checking the physical condition of customers and personnel. Further, at serviced residences we are enabling residents to receive "online visits" from their families.

Also, through its official YouTube channel Sampo Care has begun releasing original exercise videos, SOMPO Kaya Sumairu Taiso (Sampo Care Smile Exercise), for senior citizens and office workers who have become less active as a result of spending more time at home. Further, to help senior citizens prepare nutritional meals, the company has added the SOMPO Kaya Kantan! Sumairu Reshipishu (Sampo Care Simple! Smile Recipe Collection) to its official website.

Meanwhile, in response to the COVID-19 state of emergency declaration, we paid employees working at all service offices and residential complexes special allowances of ¥3,000 per day for permanent employees and ¥375 per hour, with an upper limit of ¥3,000 per day, for employees paid an hourly rate. Other personnel measures included conducting training online.



Sampo Care has released original exercise videos and a recipe collection.

● The Mission of Other Strategic Operating Companies

Our other strategic operating companies assist customers with building asset portfolios through asset management, undertake home remodeling, and provide comprehensive health support. These companies are enhancing their revenue models based on collaboration with the domestic P&C insurance business as well as with the businesses of other Group companies.

● Company Outline (As of April 1, 2020)

Sompo Asset Management Co., Ltd.



Sompo Asset Management Co., Ltd., proposes and provides top-caliber products and asset management services to assist customers in building asset portfolios over the medium-to-long term, with the aim of being the most customer-oriented asset management company in Japan.

FRESHHOUSE CO., LTD.



As a general remodeling company, FRESHHOUSE CO., LTD., aims to provide high-quality remodeling services that eliminate uneasiness, inconvenience, and discomfort and to create homes in which residents can live safely, comfortably, and with peace of mind.

Sompo Health Support Inc.



Sompo Health Support Inc. is focused on being a leading company in the support of mental and physical health by combining a long track record in the healthcare business with the latest knowledge and digital technologies to offer products and services that can be highly beneficial to health.

Wellness Communications Corporation



The goal of Wellness Communications Corporation is to increase the vitality of both companies and people by providing companies and health insurance associations with checkup outsourcing services and health information management systems.

● Toward “A Theme Park for Security, Health & Wellbeing” —Contributing to a Sustainable Society—

Sompo Asset Management: Celebrating the 20th Anniversary of “Buna no Mori”

Managed by Sompo Asset Management, the pioneering eco-fund Sompo Japan Green Open Fund (“Buna no Mori”) is celebrating the 20th anniversary of its establishment. Since it began incorporating environmental, social, and governance (ESG) factors into its investment value analyses in 1993, the company has built an extensive track record. Last year, the balance of the company’s ESG investment products surpassed ¥100.0 billion. Going forward, Sompo Asset Management will steadily advance initiatives focused on ESG investments.



FRESHHOUSE: Assisting Adaptation to New Lifestyles

In June 2020, FRESHHOUSE launched the Stay Reform remodeling plan to support new lifestyles that have emerged in a bid to prevent the spread of COVID-19. Stay Reform’s convenient assistance for adaptation to such lifestyles includes the remodeling of work-from-home spaces, the incorporation of touchless products, and the installation of delivery lockers for receiving packages without interfacing with others.



Sompo Health Support: Marketing the QUPiO With App

December 2019 saw the launch of Sompo Health Support’s QUPiO With, the industry’s first lifestyle improvement app to incorporate communication AI. The app closely monitors customers and, through conversation, draws their attention to findings. In this way, QUPiO With encourages customers’ continued, almost unconscious, use of the app, thereby helping inculcate healthy behavior.

Wellness Communications: Offering an Extensive Lineup of Health-Related Services

Wellness Communications is developing collaborations in the healthcare field with various Group companies. In particular, the company is collaborating with Sompo Health Support to realize seamless provision of a wide range of services related to health and disease prevention. These services include arranging checkups, encouraging people to have checkups, digitalizing checkup results, issuing health guidance, and identifying health issues based on analyses of checkup results and taking appropriate countermeasures.