

PURPOSE

What kind of value do we provide and what kind of society are we aiming for?

The COVID-19 pandemic has brought about changes in social values and “contributing to a sustainable society” as represented by the SDGs is now considered an essential priority for companies in this age. With this in mind, the Sompo Group has returned to the very basis of management and clarified what it aims to achieve and what kind of social value it will provide over the long term of 20 to 50 years. This is the essence of SOMPO’s Purpose. By leveraging our three strengths and continuously providing value to society with “A Theme Park for Security, Health & Wellbeing,” we aim to create a society in which every person can live a healthy, prosperous, and happy life in one’s own way.



SOMPO's Purpose

At the start of our new Mid-Term Management Plan, we defined “SOMPO's Purpose” in an easy-to-understand manner what the Sompo Group aims to achieve over the next 20 to 50 years. The “SOMPO's Purpose” 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” together with stakeholders. Specifically, we will deliver value to society by “protecting people from future risks facing the society,” “creating a future society for healthy and happy lives,” and “fostering the ability to change the future society with diverse talents and connections.” With this

Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

SOMPO's Strengths

- (1) Trust and responsibility with 130 years of history
- (2) Diversity of business, talent and network
- (3) Strong problem-solving abilities

▶ P.16-21

SOMPO's

With “A Theme Health & Wellbeing,” which every person prosperous and happy

Social value delivered by SOMPO

Protect people from future

Create a future society for

Foster the ability to change diverse talents

“SOMPO’s Purpose” at the core of our management, we will strive to achieve sustainable growth as a group.

In establishing SOMPO’s Purpose, we have taken into consideration the Group’s Management Philosophy we have held up so far, the strengths we have cultivated over the years, changes in the environment surrounding the Company (including global megatrends), and the social challenges we face. Based on these, we engaged ourselves in rigorous management discussions on what kind of society can be realized and what kind of value can be delivered to society in a way unique to SOMPO.

Purpose

**Park for Security,
create a society in
can live a healthy,
life in one’s own way.**

▶ P.23-25

risks facing the society

healthy and happy lives

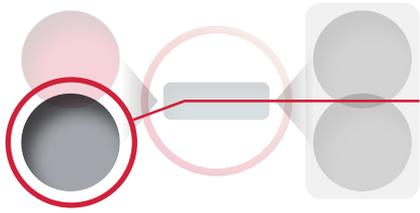
the future society with
and connections

Social challenges facing SOMPO

▶ P.22

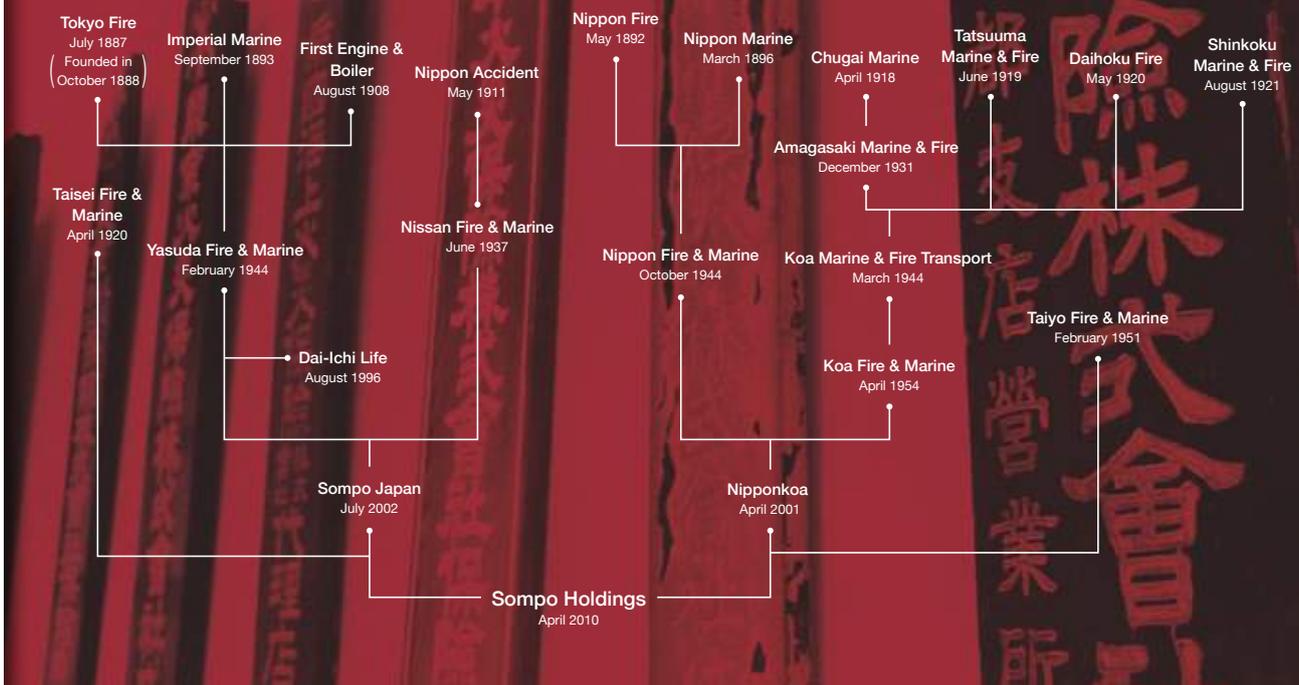
New normal

Low birthrate
and population
aging



Trust and responsibility with 130 years of history

The companies which have become the forerunners of domestic P&C insurance business, the core of the Group, were born one after another in the turbulent times during and after the Meiji Era.



1 As Japan's first fire insurance company with a mission to "protect people from the threat of fire"

In 1888, Tokyo Fire Insurance Company, Inc., one of the Group's forerunners, was born as Japan's first fire insurance company with a mission to "protect people from the threat of fire." With a spirit of service and dedication to protect our customers from fire 24 hours a day, 365 days a year, we formed the "Tokyo Fire Brigade." It was the only private and reliable fire brigade officially authorized by the Metropolitan Police Department and was highly relied upon. As an insurance company, we have a strong sense of mission "to protect our customers at all costs," which has been passed down throughout our 130-year history and is linked to our current Management Philosophy.

2 Promoting the diffusion of accident insurance to save the lives of people suffering from injuries and bring them more happiness

Nissan Fire & Marine, one of the Group's forerunners, was born as Nippon Accident which was established in 1911 as Japan's first personal accident insurance company. At that time, Japan's social security system did not exist, so people injured at work or elsewhere could not work and faced difficulties in day-to-day living, which was a major social issue. In the face of such hardships, the desire to respect humanity and "save and bring happiness to those unable to work due to injury" moved people and society and contributed to the birth of Japan's first accident insurance company and the subsequent spread of accident insurance.

Founding aspiration: To protect customers at all costs



3

Initiative of creating a resilient society through insurance

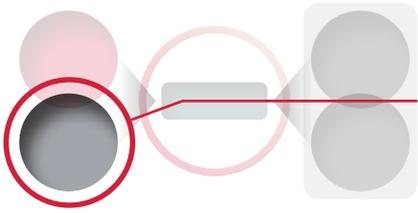
Following the Great East Japan Earthquake of March 11, 2011, the Sompo Group positioned “payment of insurance benefits as quickly as possible” to affected customers as its top management priority. With the Group’s collective efforts, we swiftly established a local disaster response headquarters and dispatched more than 3,000 personnel to affected areas to ensure prompt and smooth payment of insurance benefits. Based on this experience and lessons learnt, we have continued working to develop insurance products, risk management services, and other offerings to help create a resilient society.

4

Serving as a solution provider to address social issues, such as the low birthrate and population aging

The Sompo Group made a full-scale entry into the nursing care business in 2015. Faced with the challenge of Japan’s low birthrate and population aging, we are deploying technology to improve productivity and treatments while strengthening human resource development through enhanced employee training. In these ways, we are working to provide nursing care services with high levels of both productivity and quality. Meanwhile, we are seeking to help create a society that strives to prevent and prepare for dementia and enables people, even if diagnosed with dementia, to continue living with dignity as individuals, and taking on the challenge of extending healthy life expectancy by developing services designed to prevent the impairment of cognitive functions and improving dementia care capabilities. Even in the current so-called era of VUCA*, we have inherited the DNA of the Group, which has been tackling social issues from early on, as we work to realize a sustainable society in ways that transcend the framework of insurance.

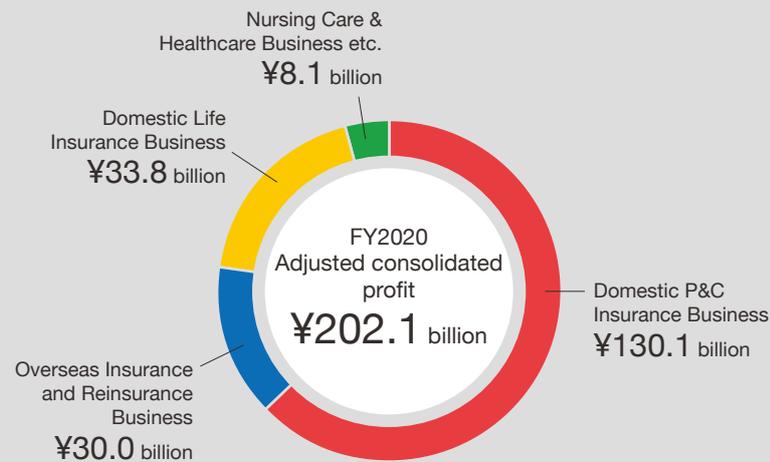
*Acronym for “Volatility, Uncertainty, Complexity, and Ambiguity”



Diversity of business, talent and network

1 Diversity of business

In addition to its six core businesses—domestic P&C insurance, overseas insurance and reinsurance, domestic life insurance, nursing care & seniors, digital, and healthcare—the Sampo Group is developing a variety of businesses to realize “A Theme Park for Security, Health & Wellbeing.” These include strategic businesses such as asset management and home remodeling.



2 Diversity

With bases in 29 countries and re-Group is developing its business emerging nations. In Japan, we works with local insurance agents, for example.



*Real figures as of March 31, 2021

*1. Simple aggregate of the bases of Sampo Japan Insurance Inc. and Sampo Himawari Life Insurance Inc.

*2. Number of commissioned agents of Sampo Japan Insurance Inc. and Sampo Himawari Life Insurance Inc.

of network

gions, including Japan, the Sampo globally in both developed and have a diverse stakeholder net-companies and local governments,

Number of agents*²
51,994

Number of business partners*³
284

Number of SOMPO Digital Labs
3

*3. Based on figures publicly disclosed by the Group (the Company and its domestic P&C insurance, overseas insurance and reinsurance, domestic life insurance, and nursing care & healthcare businesses) in fiscal 2020.

3

Diversity of talent

The Group brings together people with different backgrounds and diverse values, regardless of nationality or gender, and will make full use of its diverse strengths to accelerate innovation.



Ratio of female employees in managerial positions
24.2%
Ratio of female officers
8.6%

Ratio of foreign national officers*¹
13.6%

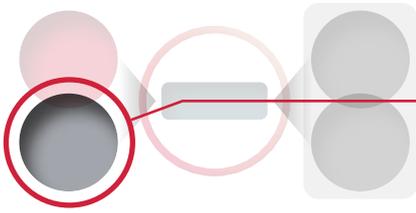
Digital talent (Those who have completed DX basic training)
FY2023 target
4,000 people

“MY Mission” training*²
FY2023 target
Completion by all eligible trainees

*Real figures as of March 31, 2021

*1. Ratio of executive officers of the company

*2. Training for diverse human resources aimed at realizing mission-driven work styles. Key factors are mastering the concepts and methods of “MY Mission 1-on-1” and developing human resources who can demonstrate leadership.



Strong problem-solving abilities

In addition to providing insurance, the Group has been using its amassed insurance-related know-how to engage in various businesses, including disaster prevention/mitigation, agriculture, and nursing care, and has leveraged its business diversity to solve social issues in various areas. We deploy large amounts of real, high-quality data obtained through our various businesses to create new customer value, which we believe will help realize a sustainable society and enhance corporate value. Going forward, we will utilize these real data to develop solutions in multiple fields. Our aim is to establish a Real Data Platform (RDP) as a valuable framework for addressing social issues in order to further refine the Group's problem-solving capabilities.

1 Insurance and Disaster Prevention/Mitigation



Relevant data
Number of provided solutions that contributed to disaster prevention/mitigation
238

The Group analyzes vast amounts of loss data (big data) accumulated over many years to provide reliable insurance coverage and develop new products and services. We also use our expertise in quantifying risk to prevent losses and provide measures to mitigate damage caused by disasters. We will continue striving to create a resilient and sustainable society by providing a wide range of services that predict and prevent diversifying risks and mitigate damage.

2 Agriculture



Relevant data
Number of countries where our agricultural insurance is offered
9

As an industry-leading global insurance company, we offer innovative products through AgriSompo, our integrated global agriculture platform which continues to develop insurance and reinsurance products. We also provide risk solutions for crop harvesting to agricultural professionals around the world. AgriSompo offers crop producers, farmers, and other agri-businesses comprehensive protection from financial losses resulting from droughts, floods, or other natural catastrophes using an integrated underwriting, technological know-how, and distribution platforms. Going forward, we will continue developing products and services tailored to climate change. Utilizing the Group's extensive network, meanwhile, we will expand the AgriSompo platform globally to help promote a sustainable food supply system.

3 Nursing Care

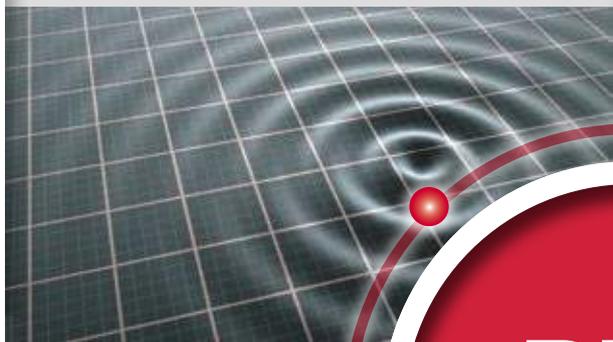


Relevant data
Number of care recipients
80,000

To address Japan's rapidly aging population and declining birthrate, we must tackle many challenges, such as securing and developing human resources to provide nursing care services. In light of various issues caused by this super-aging society, we provide a full lineup of nursing care services that can be used in a wide range of settings, from care facilities to the home. Our aim is to help Japan become an affluent country that can boast to the world of a long and quality life. In addition, we deploy information communications technology and digital technology to improve productivity and develop human resources, and we are strengthening the capacity of providing nursing care services in order to achieve the highest levels of quality and productivity.

Disaster Prevention/Mitigation
Using disaster prediction to minimize the extent of damage

Due to the frequent occurrence of natural disasters, the total annual amount of insurance claims paid by domestic property and casualty insurance companies exceeded ¥1 trillion for two consecutive years from fiscal 2018, and we expect this so-called “new normal” situation to continue. Using a variety of information on the past disasters and damage forecasts, as well as data on insurance claims payments, the Group aims to develop solutions that help local governments improve the quality of their services to residents and strengthen the resilience of companies.



Nursing Care
Improving quality and productivity in the nursing care sector

There are concerns that the gap between supply and demand for nursing care will continue widening due to the declining birthrate with aging population, and shortage of workers. The Sompo Group will work to address these issues and utilize data to improve quality and productivity in the nursing care sector. First of all, we will conduct proof of concept at our own nursing care facilities, with the aim of improving the quality of our services by developing solutions that will become a standard operating system (OS) across the sector.



Real data



Mobility
Optimize services for mobility-impaired people

- Extend driving longevity
- Develop evaluation service for elderly drivers



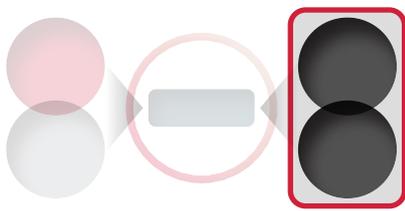
Agriculture
Improve operational efficiency and profitability of agricultural workers

- Develop operational improvement service for farmers



Healthy Aging
Use data to extend healthy life expectancy

- Extend healthy life expectancy
- Develop consistent awareness and behavior modification services for prevention, treatment, and prognosis



Social Challenges Facing SOMPO

The Group has provided services of the highest quality possible for the security, health, and wellbeing of customers, and contributed to society through the insurance, nursing care, and other businesses. However, global trends are changing drastically, and as represented by the SDGs, we are expected more than ever to foster the sustainable development of society through our own businesses. Amid changes in the business environment, we have identified various social challenges facing the Group, and based on SOMPO's strengths and resources, we have identified two social challenges that the Group needs to address: "new normal" and "low birthrate and population aging."

New normal

In the future, we expect uncertainty to increase as climate change and natural disasters become more severe while new and unprecedented risks will emerge as digital technology advances. Even in this "new normal" environment, we need to protect people from the risks they face and help create a society where people can live more safely and securely at all times.

Climate change

Increasingly severe natural disasters and droughts, water resource depletion, ecosystem destruction, etc.

Emergence of new risks

Cyber risk, global low interest rate environment, infectious diseases, etc.

Low birthrate and population aging

Low birthrate and population aging have created a huge imbalance between "support providers" and "support recipients" leading to a widening supply-demand gap in the medical and nursing care fields and a decline in the working-age population. As a result, social insurance financing became tight and social anxiety about the future is increasing. Even under such conditions, we need to create a society in which every person can live a healthy life with full of smiles in one's own way. We aim to be the first in the world to solve Japan's challenges in response to the global challenge of low birthrate and population aging.

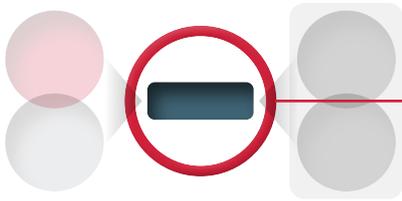
Challenges facing Japan in 2040

People aged 65 and over account for more than 35%* of the total population

Senior households becoming more isolated as single-person households increase

Decline in the working-age population resulting in fewer support providers

*Source: *Japan's Future Population Projections (2017 Estimates)*, National Institute of Population and Social Security Research



Protect people from future risks facing the society

Protect people from future risks and realize safer and more secure lifestyles

In addition to climate change and natural disasters, new risks are emerging related to infectious diseases, cybercrimes, and the like that we may face in our daily lives and business operations. We aim to protect people from these risks and help create a society where all individuals can live more safely and securely.



We deploy digital technology to develop products to address new risks in the “new normal” society and thus provide coverage and services that previously were impossible to offer.



We provide a wide range of continuous coverage services (including coverage for catastrophic risks and agricultural insurance) against intensifying natural disasters so society can continue to coexist with risks.

Reduce risks, in addition to addressing contingencies

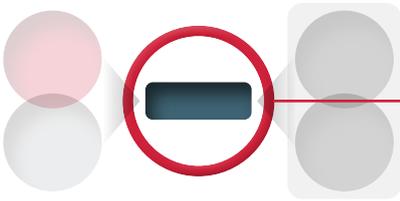
By detecting and preventing risks (such as disaster prevention/mitigation, pre-disease, and disease prevention) that anyone may face when living in a society or running a business, we aim to protect people from these risks and create a society in which damage is minimized.



We developed an AI-based “disaster damage prediction” model.



We use real health-related data to provide prediction, prevention, and early detection services.



Social Value Delivered by **SOMPO**

Create a future society for healthy and happy lives



Enable every senior (support recipient) to remain independent and enjoy healthy lives with full of smiles.

Reduce the burden on the support-providing generation to create a society where people can pursue their dreams.

Provide new models/solutions designed to improve productivity and efficiency and thus help stabilize social security financing.

By providing nursing care and healthcare services that make full use of digital and real data, as well as by developing new mobility services, we aim to create a society where both support providers and support recipients can enjoy healthy and happy lives in their own way.



We provide high-quality disease, nursing care, and dementia prevention services.



We support the health of all generations, including through fitness, diet, and life design assistance.



By improving conditions for nursing care workers, we lead the industry in overcoming the shortage of human resources.



We have developed a future model for nursing care facilities to make all residents and users happier.



Foster the ability to change the future society with diverse talents and connections

Form an ecosystem to change the future society with a real data platform as its pivot

Amid increasing uncertainty, we will analyze historical information and all kinds of facts and real data to understand future risks and deliver innovation.



We provide “visible” and “predictable” services to support the nursing care industry by digitalizing detailed daily information on approximately 100,000 people, including care facility workers, residents, and users.

Transform future society by leveraging our diverse talent developed from our diversified business portfolio

We leverage diverse talent across diverse businesses to deliver a variety of innovations.

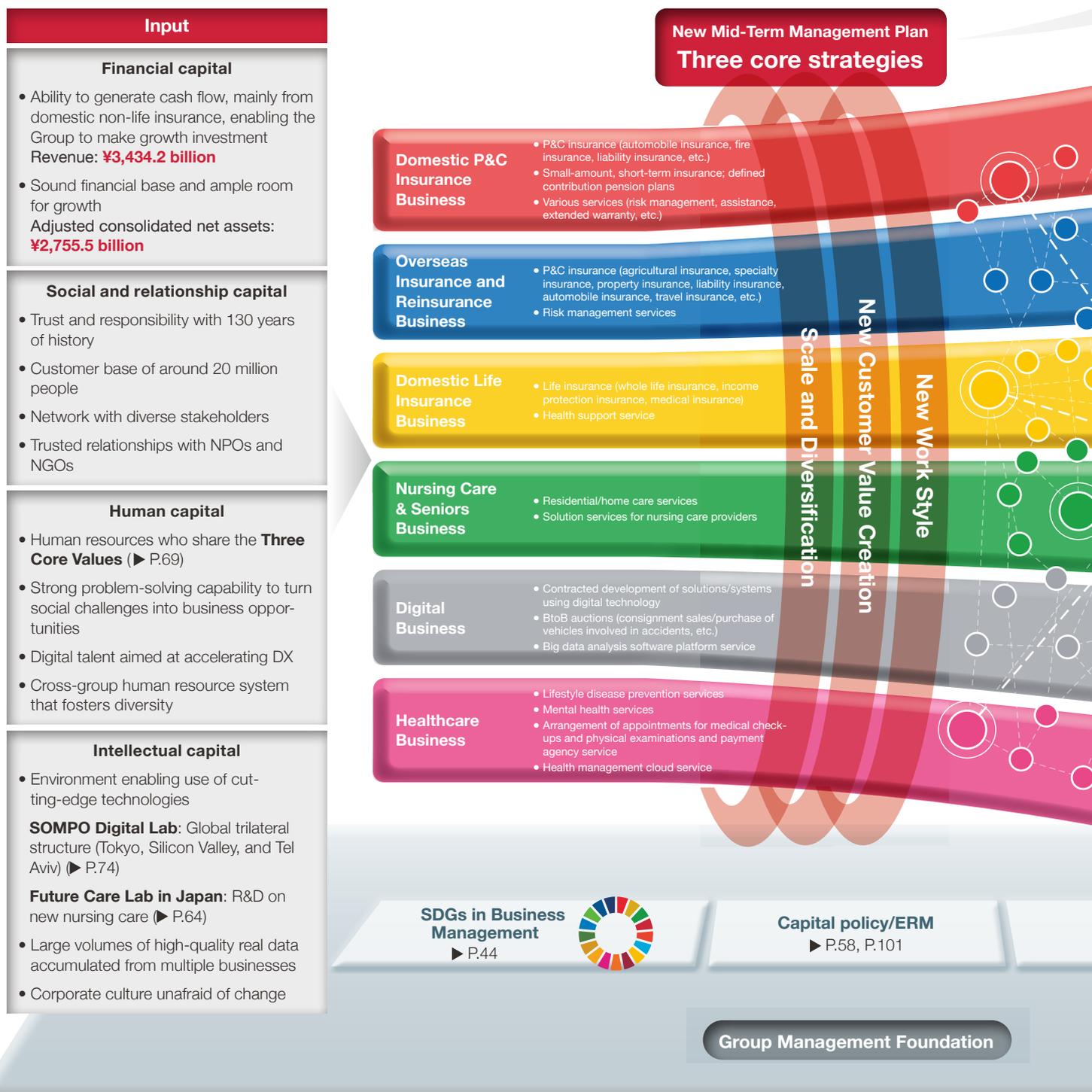


We leverage diverse talent in terms of gender, nationality, age, and career to create new solutions and ecosystems that help address social challenges.

Value Creation Process

Inheriting DNA of solving social challenges, we create diverse value by leveraging mutually reinforcing elements of the Group’s capacity to bring together diverse businesses and each business’ presence and competitive advantage in creating new value through solving problems with its own strengths, while also combining various types of capitals. Going forward, we will work to provide value on a larger scale through Real Data Platform (RDP), a framework for creating new solutions that contribute to Security, Health and Wellbeing by utilizing real data accumulated from each business.

Seeking to solidify our value creation ability by addressing social challenges, we have designated “SDGs in Business Management” as one of the Group Management Foundation in our Mid-Term Management Plan, which started in FY 2021. Drawing on a solid financial capital base and relationships of trust with various stakeholders (social and relationship capital), the Group will work together to implement the three core strategies of the plan, thereby steadily delivering value to society and making progress in achieving the SOMPO’s Purpose.



Social Challenges Facing SOMPO

New normal

Low birthrate and population aging

RDP

Real Data Platform

Partnership



SOMPO's Purpose

With “A Theme Park for Security, Health & Wellbeing,” we aim to create a society in which every person can live a healthy, prosperous, and happy life in one’s own way.

Social value delivered by SOMPO

Protect people from future risks facing the society

Create a future society for healthy and happy lives

Foster the ability to change the future society with diverse talents and connections

PURPOSE

Outcome

Financial capital

- Achieve **sustainable growth** Adjusted consolidated profit: **¥202.1 billion**
- **Maintain and improve capital efficiency** to meet shareholders' expectations Adjusted consolidated ROE: **8.0%**
- Diversify business to **support earnings stability** Risk diversification ratio: **39.4%**
Overseas business ratio: **14.9%**

Social and relationship capital

- **Contribute to society as the infrastructure** that supports people's lives Net claims paid: **¥1,519.8 billion**
Number of care recipients: **Approx. 80,000 persons**
- **Enhance brand power** with “A Theme Park for Security, Health & Wellbeing” Brand value: **¥56.3 billion**^{*1}
- Increase presence through **engagement in international initiatives** Participation in Davos Conference: **6 times**
- Solve issues through **social contribution activities with stakeholders** Number of participants in community contribution activities in collaboration with NGOs and NPOs: **25,347 persons**^{*2}

Human capital

- **Strengthen human resource diversity** as source of innovation Ratio of female employees in management positions: **24.2%**
- Adopt new work styles to **improve employee job satisfaction and happiness** Achieve average Gallup Q12 target by FY2023:
Domestic: **3.70pts**^{*3}
Overseas: **4.10pts**^{*3}
- Produce motivated employees driven by “**MY Mission**” training **Complete “MY Mission” training for all eligible employees** by FY2023

Intellectual capital

- Proactively invest in digital technologies and leverage industry-government-academia collaboration to **deliver innovation** Number of solutions developed using technologies (AI, RPA, etc.): **311**^{*4}
- **Enhance a lineup of products/services** that support the Security, Health, and Wellbeing of customers Newly developed products, services, and insurance policies: **109 types**^{*5}
- Reduce nursing care burden and **contribute to a sustainable aging society** Introduce future nursing care model at **258 facilities** by FY2023

Natural capital

- **Emphasize business activities that consider climate change and biodiversity, etc.** Greenhouse gas emissions reduction rate: **15% reduction**^{*6}
Increase renewable energy introduction rate:
By FY2030: **70% or higher**
By FY2050: **100%**

*1. Based on a survey by Interbrand Japan, Inc.

*2. Simple aggregate of participants in community activities that contribute to disaster prevention/mitigation in collaboration with NPOs/NGOs, etc. and information dissemination activities, educational opportunities related to environmental protection

*3. Results of employee engagement survey provided by Gallup, Inc.

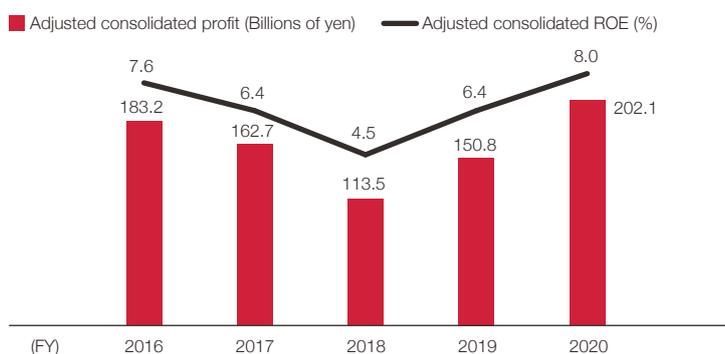
*4. Simple aggregate of number of solutions developed by Sompo Holdings, Sompo Japan, Sompo Himawari Life Insurance, and Sompo Care (FY2016–FY2020)

*5. Simple aggregate of number of products, services, and special policy newly developed by Sompo Japan, and Sompo Himawari Life Insurance (FY2016–FY2020)

*6. FY2020 Results (Compared with FY2017)

Financial and Pre-Financial Highlights

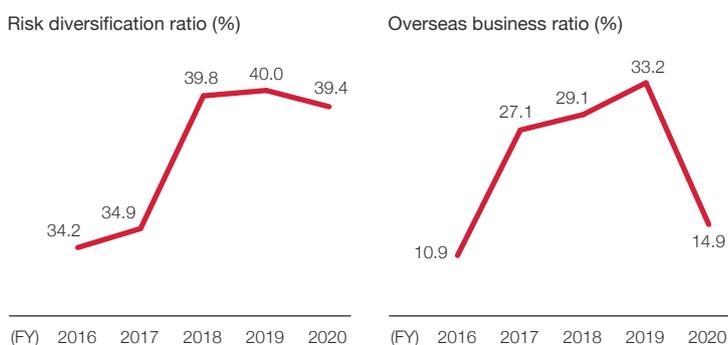
Adjusted Consolidated Profit / Adjusted Consolidated ROE



Increased profit and high capital efficiency

Adjusted consolidated profit in fiscal 2020 totaled ¥202.1 billion, and adjusted consolidated ROE reached a record-high 8.0%. We made steady progress toward achieving our fiscal 2023 targets of ¥300 billion and 10% or higher, respectively.

Risk Diversification Ratio / Overseas Business Ratio

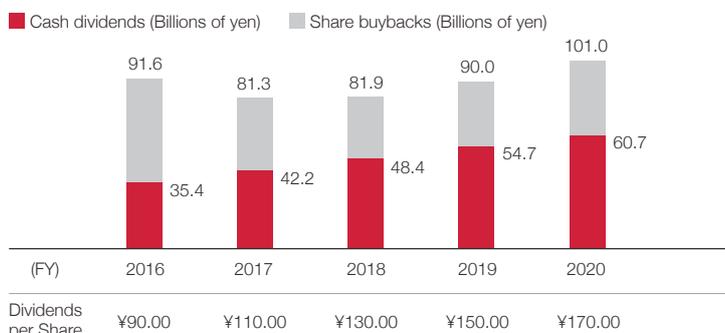


Increased earnings stability and resilience

Seeking to improve earnings stability and build a resilient business portfolio, we have set risk diversification ratio* and overseas business ratio* as KPIs under our new Mid-Term Management Plan. By fiscal 2023, the final year of the plan, we aim to raise the risk diversification ratio (from 39.4% in fiscal 2020) and achieve an overseas business ratio of 30% or higher.

* ▶ P.149 for definitions of risk diversification ratio and overseas business ratio.

Shareholder Returns

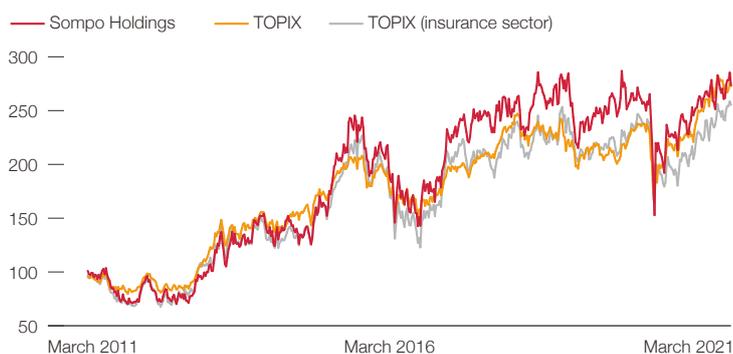


Attractive shareholder returns achieved

Total shareholder returns (dividends paid + share buybacks) steadily increased in line with growth in adjusted consolidated profit. We will continue aiming to realize attractive shareholder returns. We expect to pay year-on-year increases in dividends for the eighth consecutive periods (including our forecast for fiscal 2021). Our policy under the new Mid-Term Management Plan is to continue increasing dividends and raising the ratio of dividends to shareholder returns.

Total Shareholder Return (TSR)

Note: Indexed to 100 from March 31, 2011

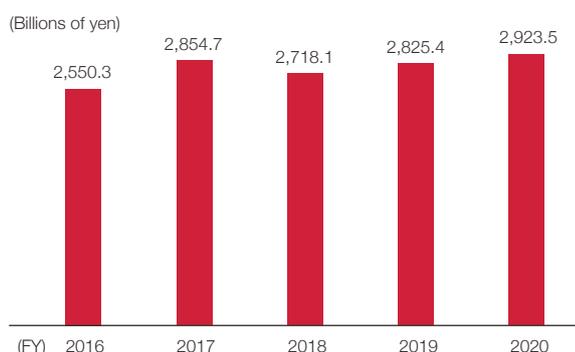


Enhanced shareholder value driven by SOMPO's Purpose

Total shareholder returns* over the past 10 years have outperformed other companies in our industry. We will continue targeting steady growth in shareholder value through initiatives aimed at realizing SOMPO's Purpose.

*Total Shareholder Return is the rate of return after reinvestment of dividends.

Net Premiums Written



Protect people from future risks facing the society

Materiality: Provide preparedness for all types of risk

Net premiums written in fiscal 2020 totaled ¥2,923.5 billion, up ¥98.0 billion year on year. This was due to a significant increase in revenue from Sompo International, which handles our overseas insurance and reinsurance business. Going forward, we will continue protecting people from future risks facing the society by enhancing preparedness for all types of risks through insurance services, which form the core of the Group's business.

Contributing to People's Health through Insurhealth®

Number of policies in force

End of FY2020: 330,000 ▶ **End of FY2023: 1.3 million**

Health Support through Health Guidance Business and Mental Health Services

Sales of health guidance business

End of FY2020: ¥3,174 million ▶ **End of FY2021: ¥3,519 million**

Sales of mental health services

End of FY2020: ¥1,359 million ▶ **End of FY2021: ¥1,485 million**

Supporting More People through Nursing Care Services

Number of nursing care users

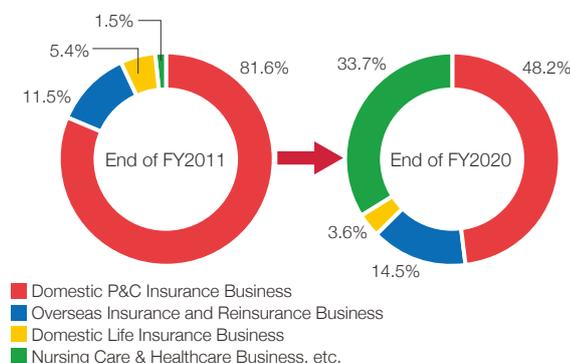
End of FY2020: 80,000 ▶ **End of FY2023: 120,000**

Create a future society for healthy and happy lives

**Materiality: Provide solutions for healthy and happy lives
Contribute to a sustainable aging society**

To help create a future society full of health and happiness, the Group provides a wide range of offerings, from insurance products that support good health to healthcare and nursing care services. The diversity of our businesses is one of our strengths. Leveraging this strength, we will foster a sustainable aging society by providing solutions that support the health and happiness of people at all life stages.

Ratio of officers and employees by business

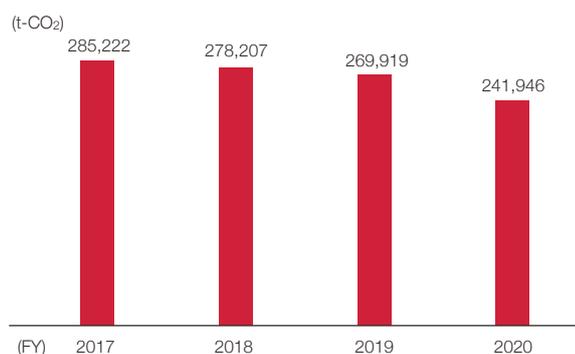


Foster the ability to change the future society with diverse talents and connections

Materiality: A group of talent who can change future society

Committed to creating "A Theme Park for Security, Health & Wellbeing," the Sompo Group, which operates various businesses, leverages its diverse human resources, a strength that is unmatched by other companies. We welcome the "good clashes" (clashes of knowledge) that occur when diverse human resources come together and are committed to creating innovations that generate new value.

Greenhouse Gas Emissions (Scope 1-3)*



Advancing "SOMPO Climate Action" initiatives

Materiality: Contribute to a greener society where the economy, society and environment are in harmony

As part of "SDGs in Business Management," positioned as a Group Management Foundation, we have launched "SOMPO Climate Action" to expedite our efforts to tackle climate change. To mitigate climate change, in fiscal 2021 we set a new greenhouse gas reduction target of becoming "carbon neutral in 2050." To this end, we are helping create a greener society where the economy, society, and environment are in harmony, for example by switching electricity used in the Group's main buildings to renewable energy.

*Total of Scope 1 (direct emissions from use of gasoline, etc.), Scope 2 (indirect emissions from energy sources, such as electricity), and Scope 3 (indirect emissions from entire value chain, including transportation and business travel). The scope of calculation covers the Company and its major consolidated subsidiaries. Note that emissions for FY2017-2019 have been recalculated based on fiscal 2020 calculation methodologies.

[Third-party verification] To ensure the reliability of reported figures, Sompo Holdings has received a third-party verification from Lloyd's Register Quality Assurance Limited (LRQA) for its calculation of greenhouse gas emissions (Scope 1-3) in fiscal 2020.