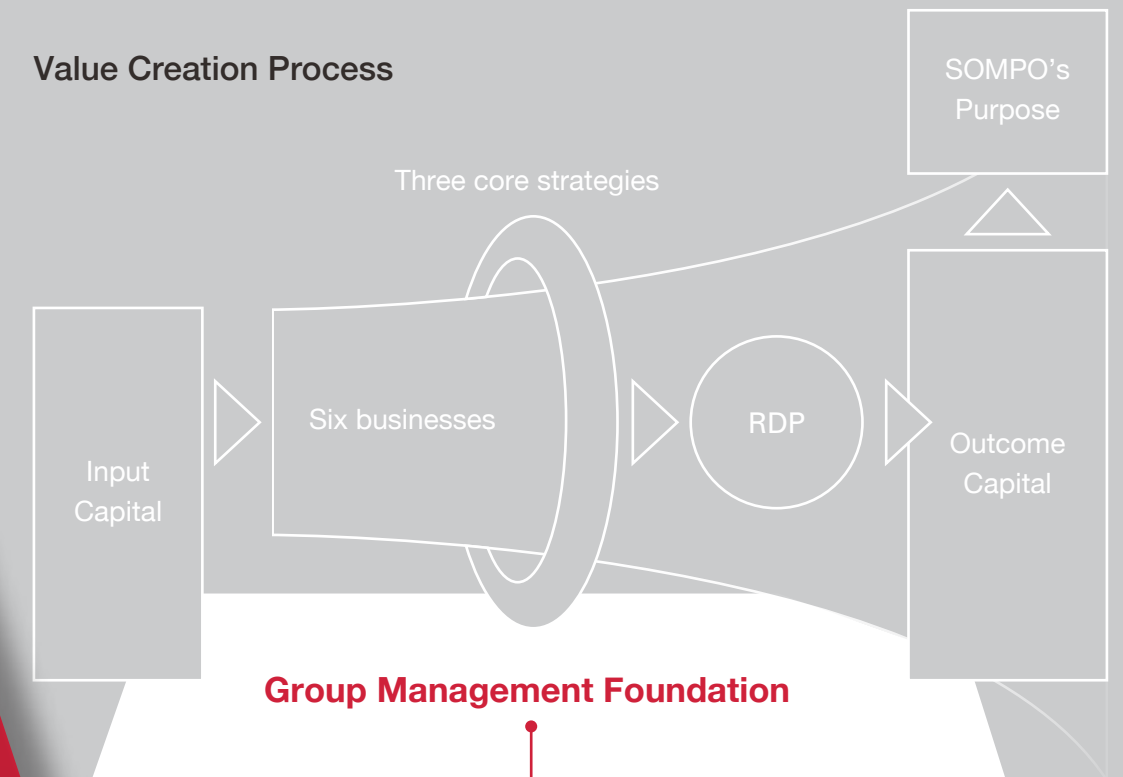


# GOVERNANCE

## Systems underpinning value creation

The Sampo Group has hitherto proactively worked on reforming corporate governance with the aim of building systems that facilitate swift decision making and dynamic business execution. Examples of such initiatives include the introduction of a Business Owner system and a Group Chief Officer (CxO) system, as well as becoming a Company with Committees. And with the use of ERM as our so-called “compass of management,” we appropriately manage increasingly diverse and complex risks in this age of VUCA characterized by instability and uncertainty. In this section we discuss the systems and characteristics of these group management foundations that underpin the Sampo Group’s sustained value creation.

### Value Creation Process



### Group Management Foundation

**SDGs in  
Business  
Management**

**Capital policy/  
ERM**

**Governance**

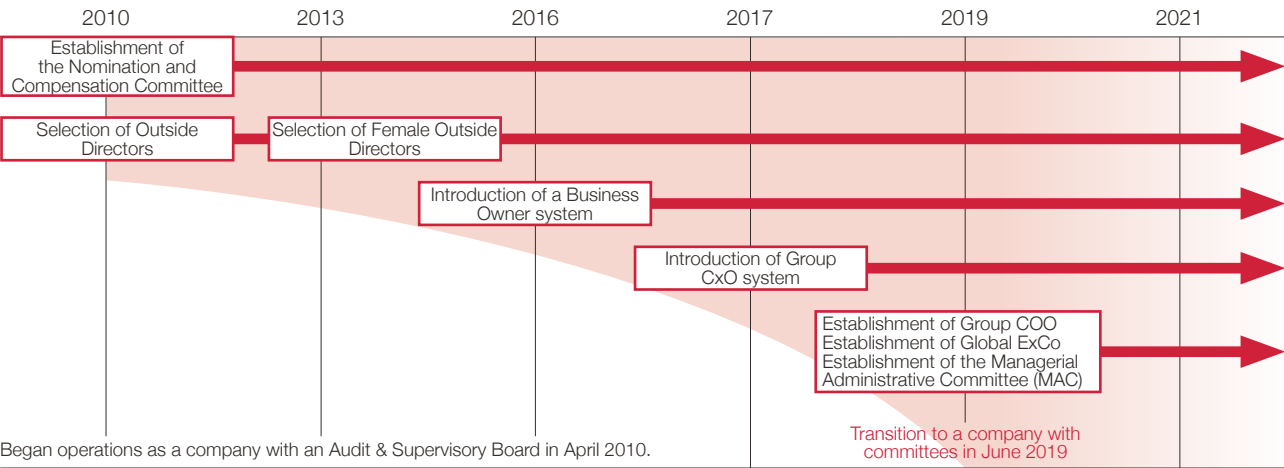
Progressing with Corporate Governance Reform

Our group continues to aim for improved transparency and fairness in corporate governance, and we believe it is important to strengthen the relationship of trust we have built with all of our stakeholders by fulfilling our corporate social responsibilities throughout our operations. For that reason, the Board of Directors has established Corporate Governance Policies and clarified the overall picture of governance organization and basic policies under which the governance framework is constructed, as we continue to enhance the system in pursuit of ideal corporate governance.

The Company aims to improve management fairness and soundness, and to that end, we have evolved the organizational structure of the Board of Directors in response to the changes in the business environment in order to maximize the functionality of Outside Directors and increase effectiveness of governance. That is why when the company was founded with an Audit & Supervisory Board, we also established a Nomination and Compensation Committee voluntarily. Half of the entire Board of Directors is comprised

of Outside Directors, enabling us to construct the Group's business foundation with the help of a more diverse selection of advice and counsel. In the process of expanding our business through the introduction of the Business Owner and Group Chief Officer (CxO) systems and other such efforts, we next introduced a "hybrid" system of governance, in which Outside Directors supervise the executive structure, focused on the Nomination and Compensation Committee, while the Audit & Supervisory Board monitors validity in addition to and beyond legality.

Moreover, in June 2019 it was decided that the company would transition to a company with committees, and three legally mandated Committees were established (Nomination, Audit, and Compensation). In addition, by forming the Board of Directors such that it was centered on the Outside Directors, we were able to fortify its supervisory function, as well as implement a system still in use today that allows for broader delegation of authority to the executive divisions.



Composition of the Board of Directors

In accordance with the Policies for Appointment of Directors and Executive Officers, candidates for the Board of Directors are selected by the Nomination Committee and decided upon at the General Meeting of Shareholders. Executive Officers and Executive Vice Presidents candidates are selected by the Nomination Committee and then decided upon by the Board of Directors.

In addition to supervising and guiding subsidiaries, the Company formulates group-wide business strategies for subsidiaries and affiliates engaged in a variety of operations centered on the P&C Insurance Business, and steadfastly continues to fulfill its role in execution and realization of those strategies. From this perspective, the aim of the Board of

Directors is to make objective decisions on management and other issues based on a diverse and independent array of opinions and perspectives. To achieve this, the Board of Directors appoints Outside Directors that represent diversity of gender, nationality and more, and the core of the Board is its Outside Directors.

In accordance with the Policies for Appointment of Directors and Executive Officers, Outside Directors are business managers, academics, judicial officers, or other individuals with specialized knowledge of finance and accounting, and they bring to the company an outside viewpoint that considers the perspectives of corporate governance, consumer response, overseas business development, and more.

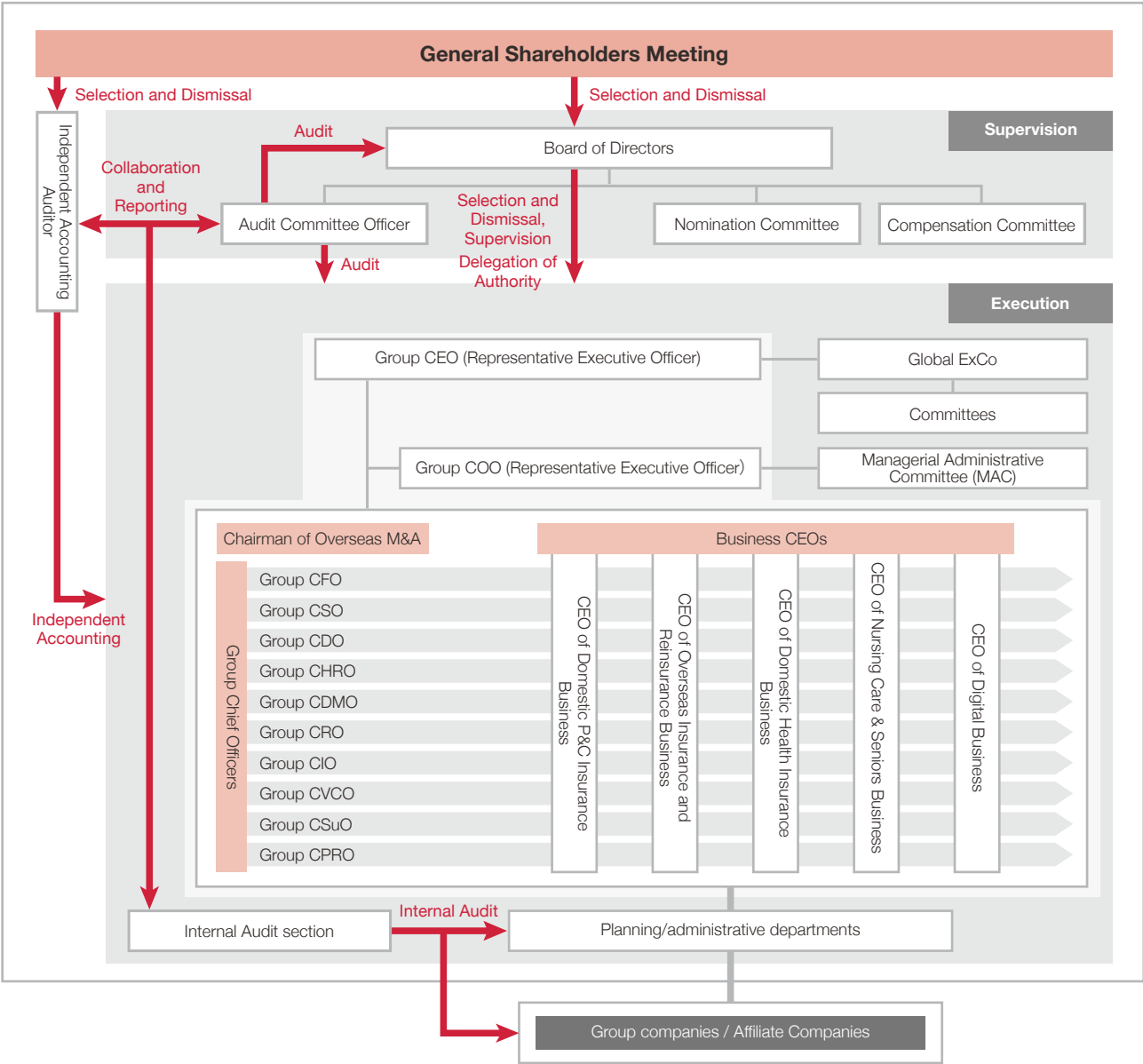
Corporate Governance Organizational Chart

By separating management supervision from business execution, the Company is able to reinforce the supervisory function of the Board of Directors and delegate significant authority to executive divisions for swifter business execution. In addition, with the establishment of the three legally mandated Committees (Nomination, Audit, and Compensation), we have been able to build a governance structure capable of achieving higher transparency and improved fairness.

The Board of Directors determines Group management basic policies and the Basic Policy on Internal Controls upon which those policies are based, appoints Executive Officer and Executive Vice Presidents, and supervises the performance of the Board of Directors and Executive Officers. Moreover, we aim to fortify the supervisory functional of the Board of Directors and accelerate execution of duties

by delegating operational execution decisions to Executive Officers in so far as the law permits. Additionally, we develop and maintain this system for more effective corporate governance functionality through the appropriate execution of duties by those on the Nomination Committee, Audit Committee, and Compensation Committee, which allows for the appointment of Directors, Executive Officers, Executive Vice Presidents, enables supervision of duties, ensures transparency of treatment, and more.

Within the business execution structure, we have adopted the Business Owner and Group Chief Officer (CxO) systems under the overall control of the Group CEO and Group COO. We aim to achieve prompt and flexible decision-making and business execution, and to better clarify authority and responsibilities.



Supervisory Framework

The Company elected to adopt a Company with Committees structure in June 2019 as part of efforts to strengthen corporate governance by separating management supervision from business execution, in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authority to executive officers. The Company also established three committees: the Nomination Committee, the Audit Committee, and the Compensation Committee. This has put into place a governance system with improved transparency and fairness.

Board of Directors

The Board of Directors performs its duties as stipulated by law or the Articles of Incorporation, establishes important items for management defined in the Rules of Board of Directors, and serves a supervisory function overseeing the state of business execution. The chairman of the Board of Directors, who is appointed by the Board as stipulated in the Articles of Incorporation, also serves as a director and the Group CEO.

As of the conclusion of the 11th General Meeting of Shareholders, nine of the twelve directors are outside directors (a majority), consisting of eleven Japanese people and one non-Japanese person, of whom nine are men and three are women. The average length of service (including time served as an Audit & Supervisory Board member) is 4.1 years.

Nomination Committee

The Nomination Committee defines policy and standards for the appointment of directors and executive officers, determines the list of candidates, and is involved in the appointment of directors and executive officers at subsidiaries, depending on their business type and scale. In addition, the committee deliberates on the appointment and dismissal of the Group CEO based on a personal performance evaluation for the purpose of enhancing transparency and corporate governance.

The Nomination Committee consists of at least three directors, a majority of whom are from among the outside directors. The chair of the Nomination Committee is chosen from among the outside directors on the committee. As of July 2021, the committee comprises five outside directors.

Compensation Committee

The Compensation Committee determines the evaluation, compensation scheme, and compensation amounts of directors and executive officers, and is involved in deciding the compensation scheme of directors and executive officers at subsidiaries, depending on their business type and scale. In addition, the committee conducts a personal performance evaluation of the Group CEO to enhance transparency and objectivity in the compensation-deciding process, and to improve corporate governance.

The Compensation Committee consists of at least three directors, a majority of whom are from among the outside directors. The chair of the Compensation Committee is chosen from among the outside directors on the committee. As of July 2021, the committee comprises five outside directors.

Audit Committee

The Audit Committee audits—from a legal compliance and appropriateness perspective—the performance of duties by directors and executive officers, produces audit reports, and determines proposals regarding the appointment, dismissal, and non-reappointment of independent accounting auditors. It also exercises right of consent to decisions on auditor compensation and the like, formulates audit standards, basic policies for audits, and auditing plans, and conducts organization-wide audits.

The Audit Committee consists of at least three members selected from among directors who do not have any executive roles, and the majority of members are outside directors. In principle, the committee chair is an outside director, selected from among its members, and the committee has at least one full-time Audit Committee member and at least one Audit Committee member who has expert knowledge of finance and accounting. As of July 2021, there are five members on the committee, four of whom are outside directors.

Directors (Appointed at Shareholders' Meeting) (As of July 1, 2021)

Inside Directors	Outside Directors	
 Kengo Sakurada (Concurrently serving as an executive officer)	 Scott Trevor Davis	 Kazuhiro Higashi
 Shinji Tsuji (Concurrently serving as an executive officer)	 Takashi Nawa	 Misuzu Shibata
	 Meyumi Yamada	
 Toshihiro Teshima	 Naoki Yanagida	 Hideyo Uchiyama
	 Isao Endo	 Kumi Ito

Nomination Committee  
Composed solely of outside directors

Compensation Committee  
Composed solely of outside directors

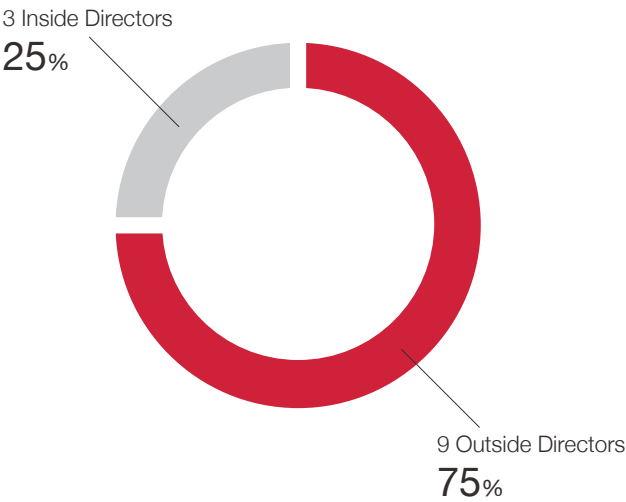
Audit Committee  
Comprises a majority of outside directors

Characteristics of the Audit System

1 Composition of the Board of Directors

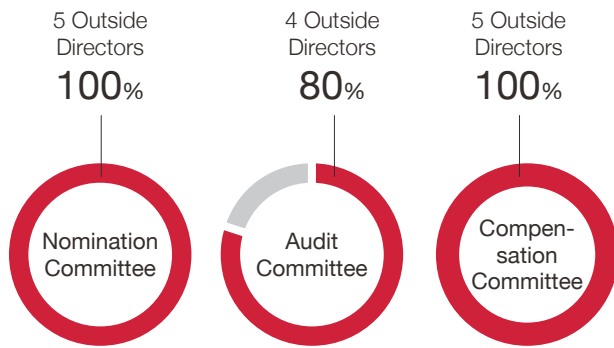
Nine out of the twelve members of the Board of Directors (or 75%) were Outside Directors as of July 2021.

\*The number and percentage have increased since the company's founding in April 2010, when six out of twelve directors (or 50%) were Outside Directors.



2 Committee Composition

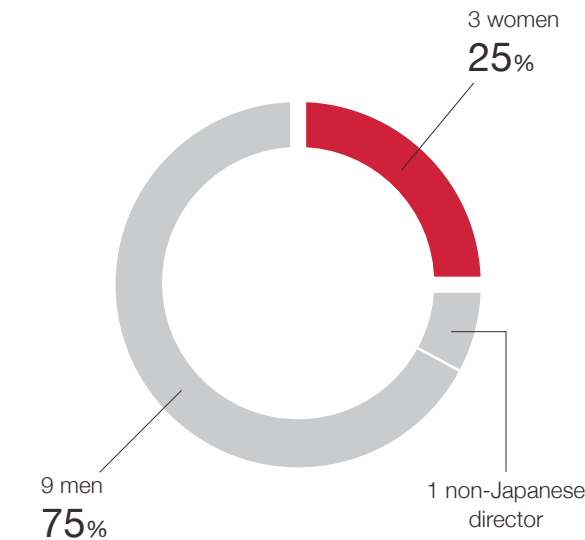
As of July 2021, the composition of the three legally-mandated committees was as follows: the Nomination Committee and Compensation Committee were comprised of Outside Directors only, while Outside Directors held a majority in the Audit Committee.



3 Gender Composition of the Board of Directors

As of July 2021, the twelve-member Board of Directors included three women (all Japanese) and nine men (eight Japanese and one non-Japanese).

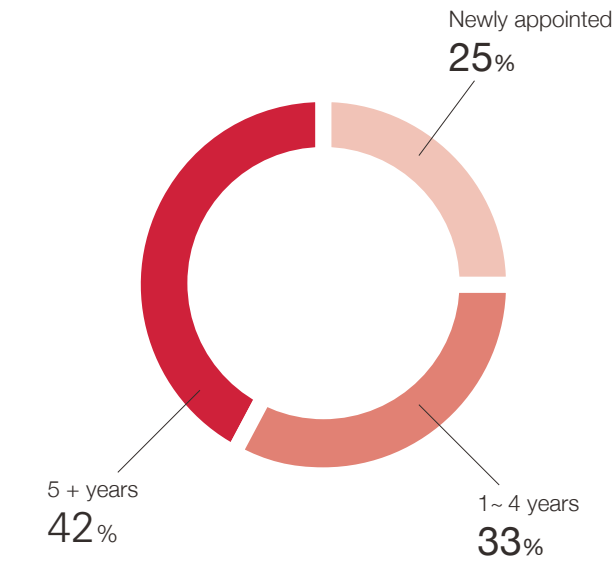
\*There were zero female directors (the number and percentage have increased) when the company was founded, and one non-Japanese director (no change since then).



4 Years of service on the Board of Directors

As of July 2021, the average term on the Board of Directors was 4.1 years (including time as a member of the Audit & Supervisory Board).

\*When the aggregate term length of an Outside Director exceeds eight years, the Company carefully considers the existence of any positive reason for reappointment, and reappointment is not prevented when such a reason is found.





About the Nomination Committee



Through effective implementation of succession plans and improved diversity on the board, we realize SOMPO's Purpose and improve corporate value.

**Scott Trevor Davis**  
Outside Director, Chair of the Nomination Committee

The Nomination Committee aims to improve transparency and fairness in the Group's governance by introducing an outsider's eye to deliberations on the appointment and dismissal of members of the board, Executive Officers and Senior Vice Presidents at each of the Group's companies.

In order to achieve our goal of becoming "A Theme Park for Security, Health & Wellbeing," the group is currently promoting transformation (i.e. qualitative change). Within that transformation, we find that roles, skills, and experience of the Board of Directors, Executive Officers and Senior Vice Presidents – in other words the portfolio the management team should have – is changing drastically day to day. Taking into considering the environment in which the Group found itself, in fiscal 2020 we enacted new policies more fitting of the Group's vision for the future, with revisions to

the policies on appointments to the Board of Directors, the formulation of portfolio-building policies for Executive Officers and Executive Vice Presidents, and revisions to appointment policies for Executive Officers and Executive Vice Presidents. At the same time, we have continued to work to improve diversity among our Group officers when appointing individual Directors and Executive Officers and formulating succession plans.

This fiscal year the Company decided what SOMPO's purpose would be. In order to achieve that purpose, it is important to effectively implement succession plans and improve diversity among officers. These goals can be realized through discussions among the Nomination Committee, which will contribute to Somo realizing its purpose and to improving corporate value.

Nomination Committee Performance

The Nomination Committee met 11 times in Fiscal 2020, with its main agenda items as follows.

Formulation of the Succession Plan	<ul style="list-style-type: none"><li>• Certain key posts take the lead in bringing about further transformation and growth in the Somo Group, and the Succession Plan was formulated in order to build a system that will produce high-quality individuals from diverse backgrounds in a stable and effective way.</li><li>• A total of 81 key posts in the Group, including the position of Group CEO, are governed by the Succession Plan.</li><li>• When selecting succession candidates, a diverse pool of talented individuals is created by establishing review criteria, such as the proportion of posts held by women.</li></ul>
Revising the Policies for Appointment of Directors	<ul style="list-style-type: none"><li>• From a standpoint independence from the Company, we revised our appointment policies for the Board of Directors to ensure that Outside Directors will fulfill their roles of providing appropriate advice on executives and high levels of supervisory functionality.</li><li>• In reference to examples from other companies in Japan and overseas, we added "Ability Requirements" and "Requirements for Terms of Office."</li></ul>
Formulation of portfolio-building policies for Executive Officers and Senior Vice Presidents, revisions to appointment policies for Executive Officers and Senior Vice Presidents	<ul style="list-style-type: none"><li>• Based in the Group's vision for the future, we have formulated and revised standards for desired portfolios of Executive Officers and Executive Vice Presidents as members of the management team, and standards for the appointment of individual Executive Officers and Executive Vice Presidents.</li><li>• These standards emphasize an overall balance between the diversity of the management team portfolio, and the skills and experience of individual officers.</li></ul>
Appointment of Executive Officers and Executive Vice Presidents	<ul style="list-style-type: none"><li>• We resolved an issue in discussion within the Board of Directors on the appointment of Executive Officers and Executive Vice Presidents.</li></ul>
Appointment of Directors to the boards of Somo Japan Insurance Inc. and Somo Himawari Life Insurance Inc.	<ul style="list-style-type: none"><li>• We resolved an issue on appointing Director candidates to the Boards of Somo Japan Insurance Inc. and Somo Himawari Life Insurance Inc.</li></ul>

About the Audit Committee



The Audit Committee aims to continue meeting stakeholder expectations by devising auditing activities that account for changes in the business environment.

**Naoki Yanagida**  
Outside Director, Chair of the Audit Committee

After the Company introduced the committee structure in June 2019, the functions of the Audit & Supervisory Board were transferred to the Audit Committee. Compared to the Audit & Supervisory Board, the Audit Committee is primarily comprised of and run by Outside Auditors, and it provides a system with more transparency and fairness.

In Fiscal 2020, the spread of COVID-19 caused drastic changes in how audits were conducted. For example, meetings with senior management teams at overseas Group companies were previously attend by full-time Audit Committee members dispatched from Japan, but as those meetings began to be conducted online, Outside Auditors were also able to attend. In this way, we implement various efforts within our auditing activities in the spread of COVID-19, as we aim to conducts higher quality audits.

Fiscal 2021 marks the beginning of a new Mid-term Management Plan. The Company is developing a variety of businesses in pursuit of the goal of becoming "A Theme Park for Security, Health and Wellbeing," and are promoting new, unique initiatives such as the Real Data Platform. Accordingly, some difficulties exist in the breadth of what must be audited, but we are able to carry out effective audits by harnessing the fact that the Audit Committee is primarily made up of Outside Directors with a diverse array of backgrounds by, for example, assigning audit responsibilities in specific businesses and functions based on the experience and expertise of each Auditor. The Audit Committee aims to continue meeting stakeholder expectations by conducting excellent audits appropriate to the business areas and management strategies subject to audit.

Audit Committee Performance

The Audit Committee met 12 times in Fiscal 2020.

The Audit Committee formulates basic policies for audits and auditing plans, engages in audits year-round in accordance with those plans, and provide a report on audit results alongside a summary of the year's auditing activities at the end of each fiscal year. Each auditing activity carried out is reported to the Audit Committee, and progress of the auditing plan is confirmed periodically. Through the year-round

auditing activities, we attend important meetings and confirm important decisions, and in addition, we collect information through meetings with Representative Executive Officers, business owners and Group CxOs, site visits with Group companies in Japan and overseas, and provide opinions and suggestions regarding management operations.

New initiatives and features of year-round auditing activities for Fiscal 2020 were as follows.

Audit Committee Responsibility System	The Audit Committee Responsibility System was introduced with the aim of conducting more in-depth audits by assigning responsibility for each business owner/Group CxO a primary auditor, and conducting audits of specific businesses and functions mainly through the primary auditor.
Collaboration with the Internal Audit Department	In order to strengthen collaboration between audits conducted by the Audit Committee and the Internal Audit Department, the General Manager of the Internal Audit Department has started to attend various meetings by the Audit Committee members.
Collaboration with Independent Accounting Auditors	As a part of our efforts to strengthen collaboration with Independent Accounting Auditors, we engaged in thorough discussions and came to an agreement with Ernst & Young ShinNihon LLC on the topic of Key Audit Matters to be implemented from Fiscal 2020.
Auditing activities harnessing online resources and other tools	In response to the spread of COVID-19, auditing activities such as Audit Committee and other meetings and site visits of Group companies in Japan and overseas have been primarily conducted through web conferences and other online methods instead of face-to-face meetings and visits.

About the Compensation Committee



The Compensation Committee focuses on reviewing the ideal executive compensation structure for the Group as a part of the effort to ensure a more mission-drive working style permeates throughout the Group as a whole.

**Kazuhiro Higashi**  
Outside Director, Chair of the Compensation Committee

The Compensation Committee aims to improve transparency and fairness in the Group’s governance by introducing an outsider’s eye to deliberations on compensation for members of the board, Executive Officers and Senior Vice Presidents at each of the Group’s companies.

In order to achieve our goal of becoming “A Theme Park for Security, Health & Wellbeing,” the Group is currently in the midst of major change as it expands into non-insurance businesses such as nursing, digital, and health care, and expands into P & C insurance and digital technology business overseas. In this environment, we feel it is becoming increasingly important to design a compensation structure that provides effective incentives to each executive officer and determines individual compensation amounts while maintaining effective governance. Based on these goals, we have altered

the ratio of fixed compensation (i.e. base salary) and performance-linked compensation. In addition, the Compensation Committee has focused on deliberating how to handle the difference between executive compensation standards in Japan and overseas.

Fiscal 2021 marks the launch of the new Mid-term Management Plan, which is built upon three pillars: scale and dispersion, creation of new value for customers, and work-style reform. The Compensation Committee is focusing on examining what sort of executive compensation structure should be implemented in the future, both as a mechanism to provide the necessary incentives to achieving the plan, and to ensure the mission-driven working style permeates throughout the Group.

Compensation Committee Performance

The Compensation Committee met 11 times in Fiscal 2020. The main agenda items of the Compensation Committee in Fiscal 2020 were as follows.

Handling disparities in domestic and international executive compensation	<ul style="list-style-type: none"><li>• The Group’s executive compensation structure determines compensation based on role and mission of each individual, and we discussed how to deal with the differences in compensation levels that are based upon actual differences in markets in Japan and overseas.</li><li>• As a result of those discussions, it was decided that we would put in the effort to gain the understanding of stakeholders and resolve this issue in the mid to long term by disclosing the approach to determining executive compensation at the Company.</li></ul>
Group CEO performance-linked compensation	<ul style="list-style-type: none"><li>• The Fiscal 2019 and 2020 efforts of the Group CEO were evaluated and payment ratios and amounts for performance-linked compensation were determined.</li></ul>
Group CEO strategic objectives and target compensation	<ul style="list-style-type: none"><li>• The Group CEO strategic objectives for Fiscal 2019 and 2020 were judged and target compensation for Fiscal 2021 was determined based on those objectives.</li></ul>
Executive Officer performance-linked compensation	<ul style="list-style-type: none"><li>• The Fiscal 2019 and 2020 efforts of Executive Officers were evaluated and payment ratios and amounts for performance-linked compensation were determined.</li></ul>
Executive Officers and Senior Vice Presidents strategic objectives and target compensation	<ul style="list-style-type: none"><li>• The strategic objectives of Executive Officers and Executive Vice Presidents for Fiscal 2019 and 2020 were judged and target compensation amounts for Fiscal 2021 were determined based on those objectives.</li></ul>

Evaluating effectiveness of the Board of Directors

Improve Board of Directors effectiveness through the PDCA cycle

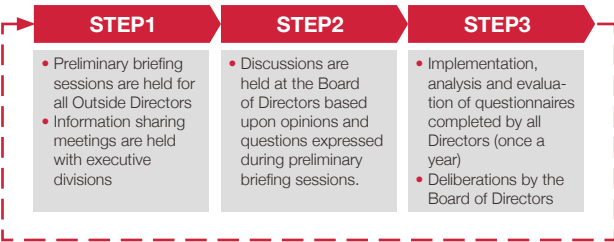
All Directors are keenly aware of the necessity to increase the effectiveness of the Board of Directors, and the Company has established a communication cycle of constant discussion and implementation year-round.

In order for the Board of Directors to engage in constructive and fulfilling discussions, a preliminary briefing session is held for all Outside Directors before each meeting of the Board, and the Board discusses the opinions and questions exchanged during that session. By unifying preliminary briefings with the Board of Directors meetings, the Company ensures that all discussions are information dense, and the viewpoints and opinions of Outside Directors are directly reflected in the meetings of the Board of Directors.

In addition, we also place an emphasis on actively incorporating the opinions of Directors through such efforts as ensuring they have the means to gain an independent

understanding of actual conditions within executive divisions, and by providing the opportunity to analyze and evaluate the effectiveness of the entire Board through an annual questionnaire given to Directors that includes a self-evaluation section.

The Company will continue to promote improvements to the governance system through efforts that ensure the Board of Directors functions better and through the PDCA cycle of evaluating effectiveness.



Results of the Effectiveness Evaluation of the Fiscal 2020 Board of Directors

- Main points of evaluation in Fiscal 2020**
- Expected role and function of the Board of Directors and its operational structure (e.g., effect and improvements of online meetings held in response to the spread of COVID-19)
  - Status of discussions on topics that should have been discussed more thoroughly in the previous fiscal year (e.g., discussion among the Board of Directors when formulating the new Mid-term Management Plan)
- The governance system includes the decision-making and supervisory/monitoring functions of the executive divisions, and it optimally aligns with the Company’s management and business strategies. Overall, it serves as a mechanism for enhancing the effectiveness of the Board of Directors through discussions on important management policies and fulfillment of preliminary briefing sessions held for each Board of Directors meeting.
- Even as its operation has become entirely remote in response to the spread of COVID-19, the system’s extremely efficient and effective management has ensured sufficient time for discussions, and allowed for appropriate levels of explanation, deliberation, and resolution on the part of the executive divisions regarding agenda items.
- It was noted that sufficient discussions were able to be held regarding Fiscal 2020 topics that were deemed to require more thorough discussion\*. In addition, free and open discussions regarding the formulation of the Mid-term Management Plan were held even outside of the Board of Directors, and they sufficiently reflected social viewpoints and the opinions of each Director. The necessary time was taken to hold meaningful talks, particularly regarding the important topic of work-style reform, and although the topic is quite comprehensive, it was determined that talks were developing well enough to progress onto concrete/execution phases. On the other hand, it was expressed that further discussion is needed on ESG and other initiatives, and it was suggested that, with an eye to future debate on management policies, there may be a better means of sharing awareness and deepening discussions with the executive divisions regarding the realization of becoming “A Theme Park for Security, Health and Wellbeing” and review of the Mid-term Management Plan.

- \*Important Fiscal 2020 topics deemed to require more thorough discussion**
- Realization of the goal to become “A Theme Park for Security, Health and Wellbeing”
  - Group ESG issues and countermeasures
  - Reforms for the future environment, including reforms for with/after COVID-19
  - Formulation of the next Mid-term Management Plan

Fiscal 2021 Board of Directors Operational Policy

Based on the results of the effectiveness evaluation of the Fiscal 2020 Board of Directors, and as a result of opinion exchange with Outside Directors and discussions with the Board of Directors, we recognize the following as topics thought to require more thorough discussion by the Fiscal 2021 Board of Directors and initiatives considered effective in allowing the Board to function better.

- Topics requiring deeper discussion in addition to those presented in Fiscal 2020**
- Evaluating and increasing value of invisible assets (branding, engagement, etc.)
  - Policies for handling ESG-related issues
  - Constructive communication with capital markets
  - Construction of Real Data Platforms

- Efforts that should be emphasized to ensure the Board of Directors functions better**
- ① Sufficient communication between Directors and Executive Officers through the use of both face-to-face and remote methods
  - ② Planned deliberations on important topics
  - ③ Clarification of matters that should be deliberated at Board of Directors meetings and effective utilization of preliminary briefing sessions
  - ④ Securement of mechanisms that contribute to better understanding of conditions within executive divisions through on-site inspections, multiple reporting lines, etc.
  - ⑤ Communication and information sharing between the Board of Directors and legally-mandated committees



Business Execution Framework

In the Company, Executive Officers make executive decisions on matters delegated by the Board of Directors and execute business under the overall supervision of the Group CEO and the Group COO. To improve corporate value across the entire group, the Company has built a matrix-style management system comprising vertical and horizontal axes. On the vertical axis, Business CEOs, who are heads of business segments, are delegated substantial authority to allow them to perform swift decision-making and business execution. On the horizontal axis, Group CxOs, who are the highest authority in their respective functional areas, oversee their area of responsibility on a Group-wide basis to ensure decision-making that is best for the Group and exercise functions laterally across the Group.

In addition, the Company has established Global ExCo as an advisory body to the Group CEO and the highest executive committee to discuss themes that significantly impact group-wide management strategy and business executive policy. Further, it also established the Managerial Administrative Committee (MAC) as an advisory body to the Group COO to discuss important matters related to the execution of business strategy and managerial administrative matters of the Company and Group Companies.

Executive Officers and Senior Vice Presidents (Appointed by the Board of Directors)

Representative Executive Officers



Kengo Sakurada  
Group CEO, Director  
President and Representative  
Executive Officer  
(Concurrently serving as a director)



Shinji Tsuji  
Group COO, Director  
Deputy President and Representative  
Executive Officer  
(Concurrently serving as a director)

Business CEOs

Group Chief Officers

**Domestic P&C Insurance Business**

Keiji Nishizawa  
CEO of Domestic P&C Insurance Business, Executive Officer  
(President and Chief Executive Officer at Sampo Japan Insurance Inc.)

**Overseas Insurance and Reinsurance Business**

John R. Charman  
CEO of Overseas Insurance and Reinsurance Business, Executive Officer  
(Sampo International Holdings Executive Chairman of the Board)

**Domestic Life Insurance Business**

Yasuhiro Oba  
CEO of Domestic Life Insurance Business, Executive Officer  
(President and Representative Executive Officer at Sampo Himawari Life Insurance Inc.)

**Nursing Care & Seniors Business**

Satoshi Kasai  
CEO of Nursing Care & Seniors Business, Executive Officer  
(Chief Executive Officer at Sampo Care Inc.)

**Digital Business**

Koichi Narasaki  
CEO of Digital Business, Group CDO, Senior Executive Vice President and Executive Officer  
(Chief Executive Officer at Sampo Light Vortex, Inc.)

Nigel Frudd  
Chairman of Overseas M&A, Group CVCO, Senior Executive Vice President  
**Overseas M&A / Value Communication**

Mikio Okumura  
Group Co-CSO, Senior Executive Vice President and Executive Officer  
(Sampo International Holdings Chief Executive Officer)  
**Strategy**

Shinichi Hara  
Group CHRO, Executive Vice President and Executive Officer  
**Human Resources**

Yoshihiro Uotani  
Group CRO, Senior Vice President and Executive Officer  
**Risk Management**

Hirofumi Shinjin  
Group CPRO, Senior Vice President and Executive Officer  
**Public Relations**

Masahiro Hamada  
Group CFO, Group Co-CSO Senior Executive Vice President and Executive Officer  
**Finance / Strategy**

Albert Chu  
Group Co-CDO, Senior Vice President  
**Digital**

Hiroshi Omata  
Group CDMO, Group CIO, Executive Vice President and Executive Officer  
**Data Marketing / IT**

Ryoko Shimokawa  
Group CSuO, Senior Vice President and Executive Officer  
**Sustainability**

Business Owner System

As the chief executives of each business segment, Business CEOs are responsible for advancing plans for the entirety of their respective business segments while also helping build “A Theme Park for Security, Health & Wellbeing,” in order to contribute to the realization of the Group Management Philosophy and Group management plans. Accordingly, Business CEOs are endowed with significant authority related to areas such as business strategy formulation, investment decision-making, and human resource assignment as required to accomplish those objectives.

Since the introduction of the Business Owner system in April 2016, Business CEOs have been leading their business segments in implementing dynamic growth strategies and in taking flexible and responsive action to address issues through swift decision-making and business execution.

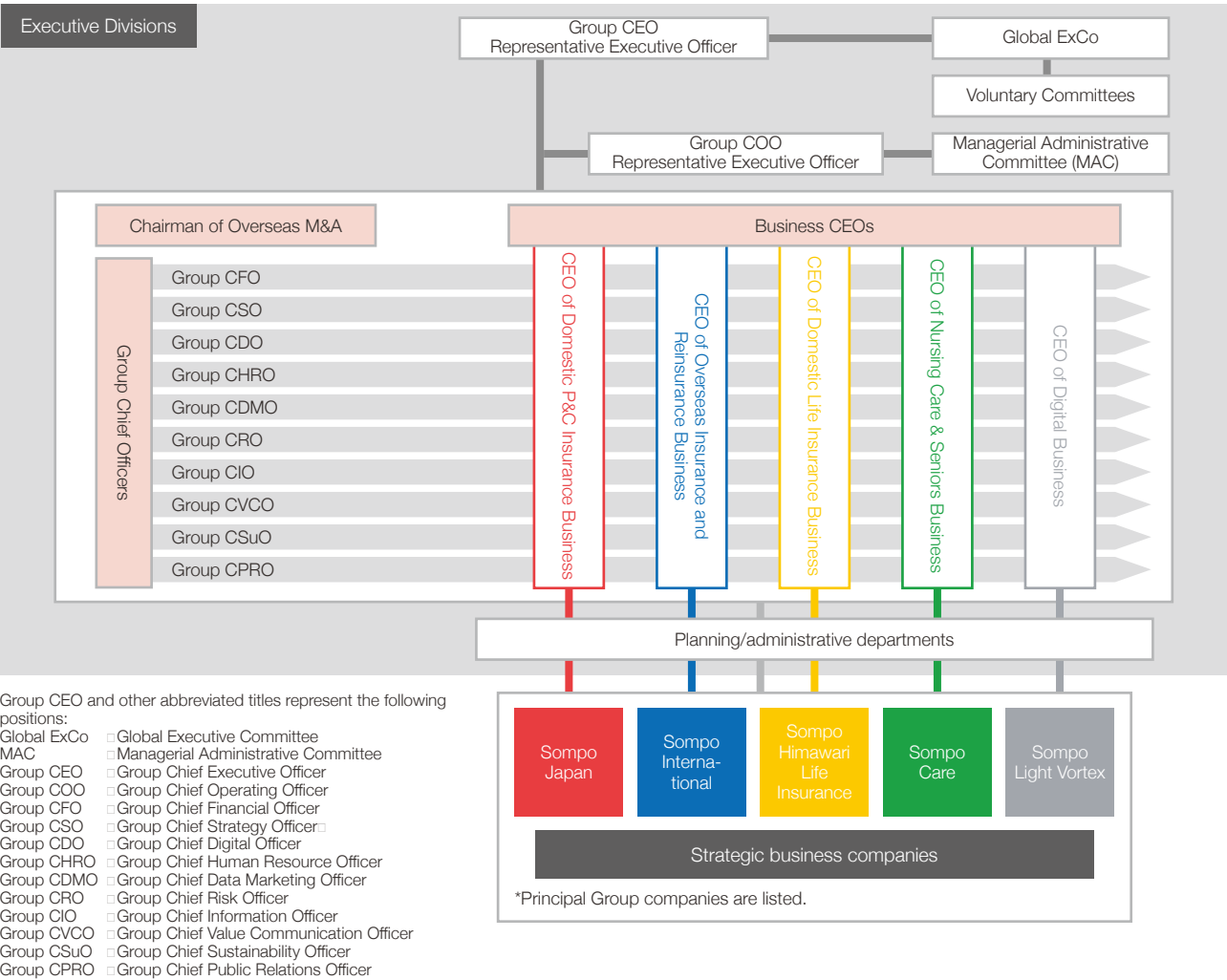
Group Chief Officer (CxO) System

Group CxOs oversee the group-wide operation of each functional area as a head of each function in the Group. In this capacity, they exercise their functions in the Group’s best interests, acting laterally across the Group based on the Group’s strategies and on their roles, functions, and responsibilities.

The Group CxO system was introduced in April 2017 to serve as a framework designed to promote strong, mission-driven leadership. The roles and functions as well as the skills and experience required of each Group Chief Officer are defined in the Group’s function portfolio. The roles and functions of Group Chief Officers as well as the number of officers and the fields for which officer positions exist are not set, but will rather be flexibly revised as the operating environment of the Group or the management issues it faces change.

Management Structure

As of August 1, 2021



Decision-making process in executive divisions (Global ExCo, MAC)



SOMPO has two executive meeting committees: Global Executive Committee (Global ExCo) and Managerial Administrative Committee (MAC). These two committees, within the scope of authority delegated to them by the Board of Directors, discuss important themes within the Group and advance decision-making in a prompt and appropriate

process under the following roles and functions. In principle, it is a policy to report matters delegated to the executive divisions to the Board of Directors. We also ensure transparency by ensuring a system for sharing information on execution of operations with Directors in various ways, by having Directors observe executive meetings.

Global ExCo

**[Chairperson]**  
Group Chief Executive Officer

**[Members]**  
Group Chief Executive Officer, Group Chief Operating Officer, CEO of Domestic P&C Insurance Business, CEO of Overseas Insurance and Reinsurance Business, CEO of Domestic Life Insurance Business, CEO of Nursing Care & Seniors Business, CEO of Digital Business, Chairman of Overseas M&A, Executive Officer in Charge of the Healthcare Domain, Group Chief Officers

**[Frequency of Meetings]**  
Six times per year in principle

**[Role & Function]**  
Comprised of diversified members, including overseas executive officers, Global ExCo discusses topics that have a significant impact on the Sompo Group's strategy, business operation policy, and other areas of business management. It is the highest-level committee of the executive divisions that makes prompt and appropriate high-level decisions.

The content of discussions is not just reported to the Board of Directors, which oversees the executive divisions, but Directors themselves also observe the meetings, and opportunities for free discussion about key topics are also set up in order to ensure transparency in the decision-making process.

MAC

**[Chairperson]**  
Group Chief Operating Officer

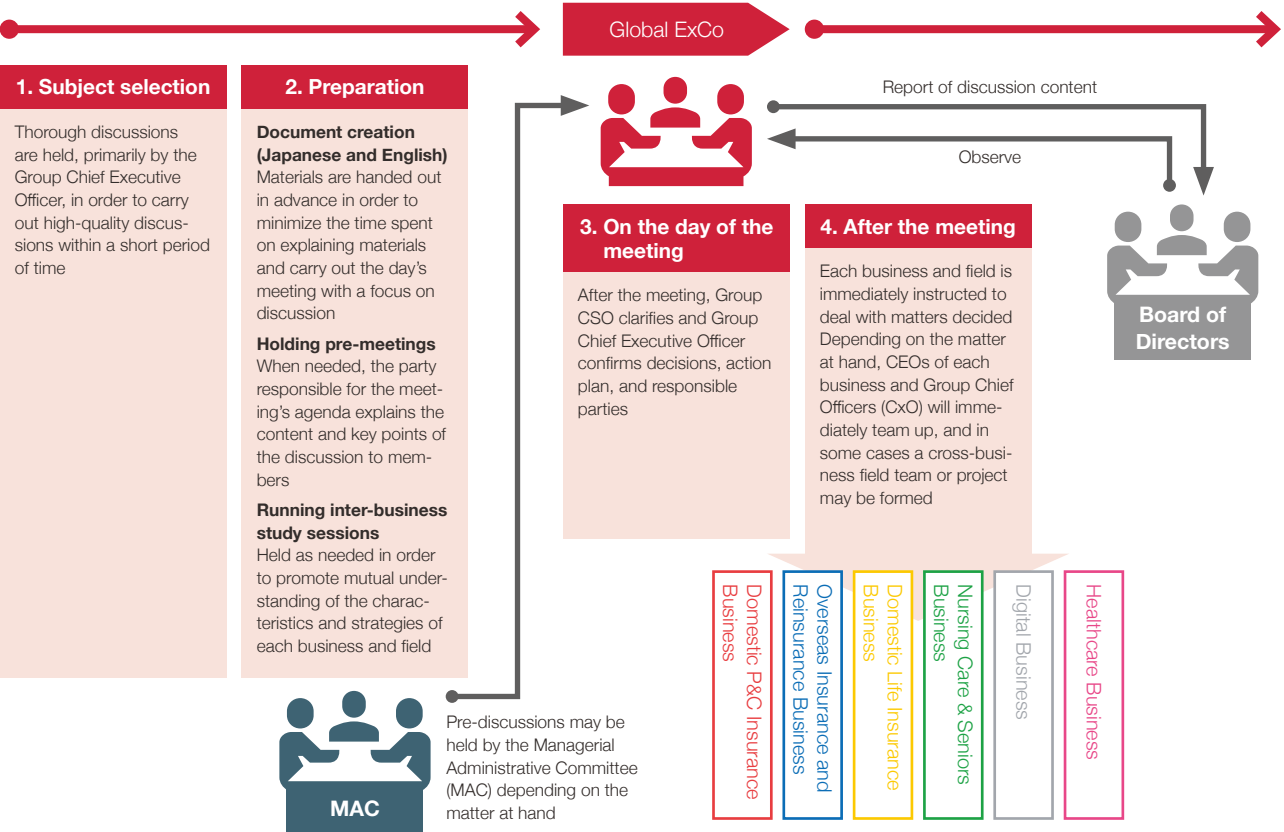
**[Members]**  
Group Chief Operating Officer, CEO of Domestic P&C Insurance Business, CEO of Domestic Life Insurance Business, CEO of Nursing Care & Seniors Business, CEO of Digital Business, Executive Officer in Charge of the Healthcare Domain, Group Chief Officers, top executives of key domestic Group companies

**[Frequency of Meetings]**  
Every month

**[Role & Function]**  
Concrete discussions are held at the Managerial Administrative Committee (MAC), the advisory body of the Group COO, primarily about domestic business projects and managerial and administrative matters. Additionally, MAC also holds additional discussions based on the instruction of Global ExCo, such as prior discussions of Global ExCo meetings depending on the matter at hand.

The two committees work together organically, with the content of MAC discussion immediately shared with Global ExCo members, including overseas executive officers.

Management of conference bodies centered on the Global ExCo



Key topics discussed at Global ExCo and MAC in FY2020



Succession Planning

1. Purpose of formulating succession plans

In order to realize further business reform and growth, the Sampo Group, which is promoting transformation to realize “A Theme Park for Security, Health & Wellbeing,” is working on the formulation of succession plans as part of a system to reliably and effectively promote high-quality personnel from diverse backgrounds to key posts leading such vision.

2. Target posts

Based on the importance in each business within the Group and the rarity of personnel replacement on the subject posts, a total of 81 key posts in the Group, including Group CEO, Group CxO, business owners, and other important posts in domestic and overseas businesses, are targeted in the succession plans.

3. Points for selecting candidates

Succession candidates are selected and evaluated in the following categories based on specified criteria for selecting candidates for each post from the viewpoint of expanding diversity. Candidates are developed according to the plans, while recruitment from outside of the Group is considered.

(1) Candidate category

Personnel who may assume a target post within 5 years	N (Next) personnel
Personnel who may assume a target post in 5 to 10 years	F (Future) personnel

(2) Criteria for selecting candidates to expand diversity of personnel pool

- Select five or more candidates for each of N personnel category and F personnel category for each post.
- Women need to account for 30% or more of candidates in N personnel category, as well as in F personnel category, for each post.
- Determine the age distribution ratio for candidates of each post.

4. Procedures for considering succession plans

Succession plans are based on evaluation criteria decided beforehand by the Nomination Committee. Succession candidates for each position are selected broadly from inside and outside the Company based on clearly stated skills and experience required for the “current” and “future” roles and functions of the position. The succession plans are drawn up using the diverse and deep insight of the members of the Nomination Committee, which also engages in proactive and constructive discussions about building up a pool of qualified and diverse candidates.



5. Coordination with appointment, placement, and development of executive officers and senior vice presidents

In order to effectively coordinate the formulated succession plans to the appointment, placement, and development of Executive Officers and Senior Vice Presidents of the Sampo Group, selected candidates are provided opportunities for dispatched training and given challenging assignments for the development of management personnel, so as to foster diverse management personnel based on the plans.

Policies for Appointment of Directors and Executive Officers

The appointment of Directors and Executive Officers is conducted in accordance with the following policies for appointment of Directors and Executive Officers. The candidates for Directors selected by the Nomination Committee are approved at the General Shareholders Meeting, and the candidates for Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

(1) Policies for the Appointment of Directors

The Company supervises and guides its subsidiaries, formulates business strategy for the Group that encompasses business strategies for subsidiaries that are engaged in the P&C insurance business and other various businesses, and is responsible for ensuring the execution and realization of these strategies.

From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors.

Additionally, the Directors are selected based on the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are selected based on I. “Ability Requirements,” II. “Standards regarding Independence of Outside Directors,” and III. “Requirements for Terms of Office.”

For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 (fifteen) in accordance with the Articles of Incorporation.

Note: In this policy, gender refers to all gender-related events, knowledge, and values, including the existence of the gender division of labor and LGBTQ.

① Ability Requirements

The Company selects Outside Directors from corporate executives, academic experts, and legal professionals who have a wide range of knowledge and experiences in various fields or individuals who have expert knowledge of finance and accounting.

In addition, the appointment shall require him/her to be in a position where he/she is able to devote the time and effort necessary to fulfill the role and responsibilities of Director appropriately.

② Standards regarding the Independence of Outside Directors

The Company will determine the independence from the Company of Outside Directors based on the matters set forth below:

- 1) Personal Relationships: A kinship between the candidate

and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.

- 2) Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.

- 3) Business Relationships: Business transactions or donations between the Group and the candidate.

- 4) Significant interests other than the above.

③ Requirements for Terms of Office

If the total terms of office as Outside Director or Outside Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment, and if there are any reasons, the Company shall not preclude reappointment.

(2) Policies for the composition and criteria for appointment of Executive Officers and Senior Vice Presidents

① Policies for the composition of Executive Officers and Senior Vice Presidents

The Company implements systematic development of managerial talent based on the succession plan. As for the composition of Executive Officers and Senior Vice Presidents as a whole, the Company places emphasis on diversity including gender, age, experience, and nationalities as well as the balance in the management team.

② Criteria for appointment of Executive Officers and Senior Vice Presidents

The Company selects Executive Officers and Senior Vice Presidents in accordance with the following criteria:

- Able to realize transformation based on SOMPO’s management philosophy and vision.
- Able to develop the next generation of leaders who will drive transformation
- Able to foster a culture in which employees have confidence and pride, and boldly take on challenges with high aspirations
- Is driven by one’s own mission and able to take action
- Has a high level of expertise and insight regarding the mission and roles to be assumed
- Has experience and a track record related to the mission and roles to be assumed
- Understands the value of diversity and is able to leverage it for value creation
- Has the ability to make fair and impartial judgments and to achieve goals
- Has a fair and honest personality

Outside director support system

The Corporate Legal Department of the secretariat of the Board of Directors and the departments in charge of each agenda item explain the content to the Outside Directors prior to meetings of the Board of Directors. Additionally, the Human Capital Department will assist the Outside Directors with the Nomination Committee and the Compensation Committee, and the Audit Committee Office will assist with

the Audit Committee, both functioning as Committee Offices.

In addition to providing Outside Directors with the Group’s newsletter, integrated report, IR presentation materials, and other materials, the Company also makes efforts to provide various types of information, such as by setting up opportunities for information sharing meetings by executive divisions.



Executive compensation structure

The Company regards its executive compensation structure as an important aspect of corporate governance. The executive compensation structure has been configured with the aim of increasing corporate value and sharing interests with shareholders. The executive compensation structure is based on the basic policies outlined below, and has been designed from an objective perspective by the Compensation

Committee, of which an outside director serves as Committee Chair.  
The Company's Policies on Decisions Pertaining to Executive Compensation describes the Basic Policies on Executive Compensation, the composition of compensation and how it is determined for each position, and the details of each type of compensation.

- Basic Policies on Executive Compensation (Common to Group Companies)
- (1) The level and system of compensation ensures acquisition and retention of top talent as the senior management team of the Sampo Group.

(2) The executive compensation structure shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth

(3) Compensation shall reflect medium- to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.

(4) Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments.  
Additionally, fixed factors associated with specific job title or position may be taken into consideration.

(5) The compensation system of the Company and major subsidiaries shall have objectivity, transparency, and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.

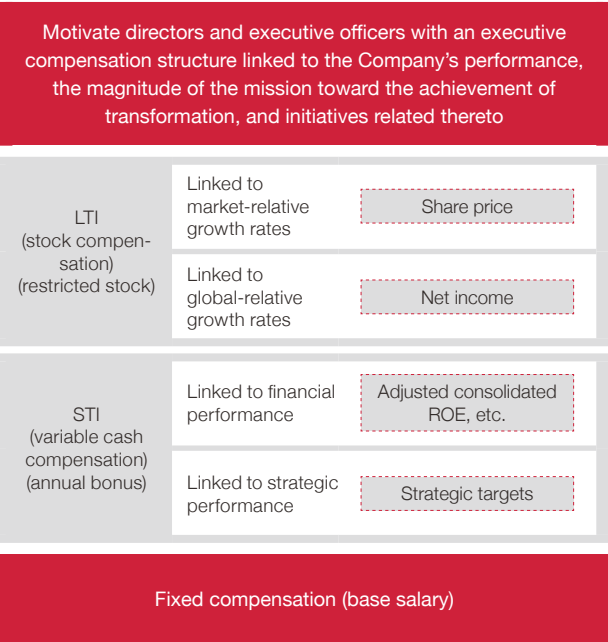
1. Overview of executive compensation structure

The Company considers the current Mid-term Management Plan as an opportunity for transformation of each business and the entire Group. Compensation for officers linked to the Company's performance, the magnitude of the mission toward the achievement of transformation, and initiatives related thereto are recognized as an important facet of corporate governance underpinning this transformation. The Company, based on the principle of being mission-driven and results-oriented (a sense of mission and job satisfaction and working with a sense of personal involvement), is of the opinion that each officer should demonstrate and act in accordance with their own duties and mission. Compensation for these officers is not a fixed amount based only on their duties or position, but decided in accordance with the magnitude of the mission they are undertaking for the future and the outcome of their efforts. The executive compensation structure was designed with this philosophy in mind.

To realize this, the Company determines the standard amounts for total compensation packages based on the post grading system (rating by post) while setting grades for each post of officer with the Group CEO as the top, commensurate with the responsibilities that come with each such post. The standard amount for the total compensation packages for each officer is determined each fiscal year, reflecting the magnitude of the mission assigned to each post.

Meanwhile, the Compensation Committee deliberates and

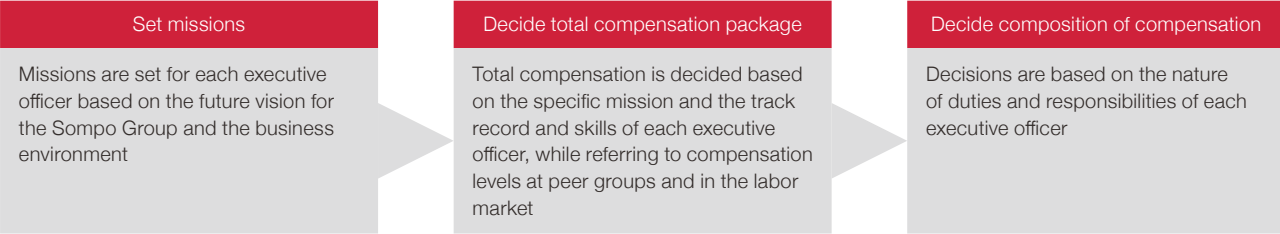
determines the amount and composition of the compensation for each director and executive officer of the Company, in accordance with the determination process and calculation methods described below.



a. Decision-making process for total remuneration packages

The Company sets compensation levels on an individual basis with consideration made to the magnitude of the mission assigned to each officer and their own personal performance.

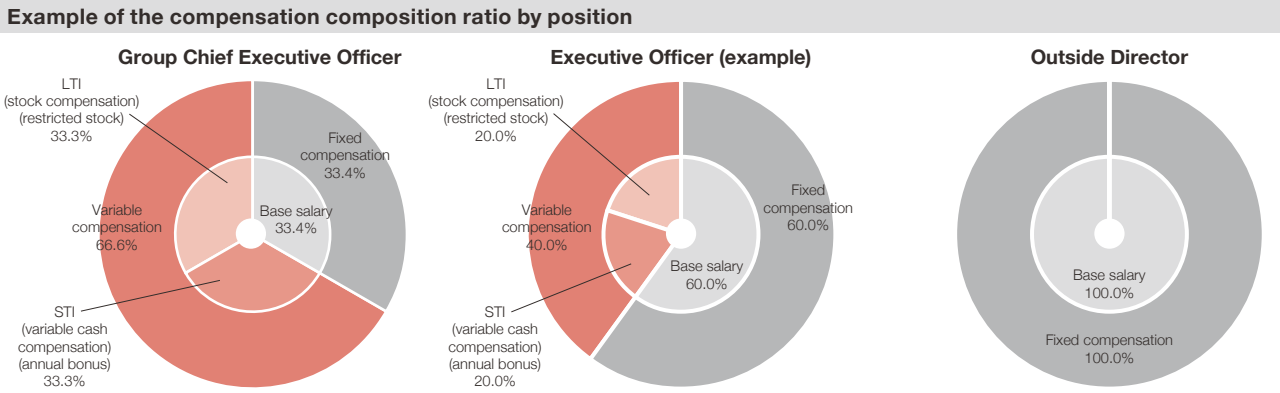
This is in contrast to an approach whereby compensation is determined according to a traditional compensation table for each officer rank.



b. Composition of compensation for officers

Compensation for officers consists of a fixed compensation (base salary) based on the duties and responsibilities of each officer and variable compensation linked to performance. Variable compensation comprises performance-linked compensation, which is compensation linked to short-term performance paid out on a fiscal-year basis in accordance with performance during each year, and LTI (stock compensation) (restricted stock), which is long-term performance-linked compensation in order to increase the association between compensation and growth in corporate value over the medium- to long term. This composition is designed to motivate officers to make decisions based on longer-term earnings with a greater awareness of the share price, instead of focusing solely on a single fiscal year.

Overview of Executive Compensation System (Executive Officers and Senior Vice Presidents)				
	Type of compensation	% of total		Remarks
		Group Chief Executive Officer	Other executive officers	
Fixed compensation	Base salary	33.4%	50~70%	<div>Set for each individual in accordance with the responsibilities and duties of their post</div> <div>Cash compensation paid monthly</div>
Variable compensation	STI (variable cash compensation) (annual bonus)	33.3%	15~25%	<div>In addition to a set standard amount, payment is decided based on annual performance and achievements</div> <div>Assessment of each officer's achievement of financial and strategic targets</div> <div>Paid in cash in June after the conclusion of the fiscal year</div>
	LTI (stock compensation) (restricted stock)	33.3%	15~25%	<div>Number of shares granted based on medium- to long-term performance in order to align management with the interests of shareholders and facilitate the longer-term growth of the Group</div> <div>Reference is made to the profit growth rates of peer companies and share price performance relative to TOPIX over the past three fiscal years</div> <div>Points based on a trust agreement are awarded in September after the conclusion of the fiscal year. Stock is granted after retirement</div>
	Subtotal	66.6%	30~50%	
Total		100%	100%	



Executive compensation structure

c. Concepts on each of the compensation types and calculation method

■ Fixed compensation (base salary)

The Company sets fixed compensation (base salary) in accordance with the responsibilities of the post assigned to each officer, and paid in equal amounts each month, in principle.

The amount of fixed compensation (base salary) is set at a level deemed fair in light of prevailing compensation levels on the market, referring to a survey of compensation for officers

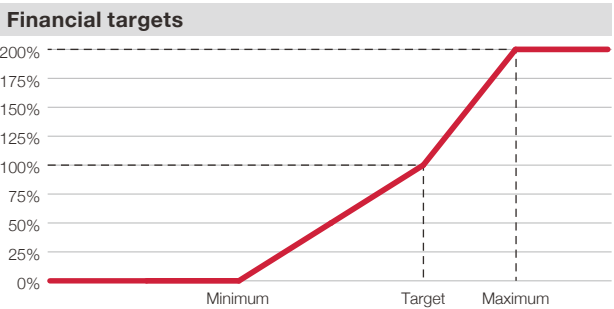
■ STI (variable cash compensation) (annual bonus)

The Company has put in place a performance-linked compensation system that rewards officers based on the business contributions they made in a single fiscal year, as a framework that incentives officers to improve performance for the sake of the Group's growth, while aligning the executive compensation structure to business strategies. A summary is as follows. To ensure that compensation reflects degrees of achievement in relation to both financial performance and strategic performance targets associated with management plans in a balanced manner, the Company revised annual bonuses so that they comprise financial performance-linked compensation and strategic performance-linked compensation. Moreover, to provide stronger incentives the Company has set the range of variation of the coefficient that is applied based on the degree of achievement of strategic objectives, which are set in accordance with the mission of each executive, to 0%–200%.

- Performance-linked compensation is determined by reflecting the degree of achievement toward financial targets and strategic targets in a single fiscal year in the target amount of performance-linked compensation.

conducted by a third-party compensation consulting firm, with a standard amount for the total compensation package based on the post grading system, as well as a base amount that depends on the nature of the duties and responsibilities of each officer while considering the mission of each post.

- The target amount of performance-linked compensation is defined as the amount to be paid when financial targets and strategic targets are achieved. This base amount is determined for each officer individually.
- Performance-linked compensation consists of financial performance-linked compensation and strategic performance-linked compensation. The ratio of the two components is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance metrics for financial targets include adjusted consolidated ROE in the fiscal year, and the coefficient is determined as a ratio of actual performance to target performance (numerical targets in the business plan).
- The performance metrics for strategic targets are those agreed upon by the Group CEO, or other senior executives (such as CEOs of businesses) in charge of evaluating performance, in accordance with the mission assigned to the officer in question, and the coefficient is set according to the degree of achievement.



Notes: 1. If the targeted financial performance is achieved, the financial target coefficient is 100% in the calculation of the target amount of compensation. The payment amount scales to the achievement of financial targets, proportionally ranging from 0% to 100%, and from 100% to 200%.

2. The graph above is an example of the relationship between target achievement and actual payment.

Strategic targets	
Level	Rate of achievement
Results better than expected	200%
	175%
	150%
	125%
Results as expected	100%
Results worse than expected	75%
	50%
	25%
	0%

\*The appropriate coefficient will be multiplied in accordance with the rate of achievement of strategic targets established for each officer. "100%" denotes the case when strategic targets have been met, with 200% being the maximum and 0% being the minimum.

■ Indicators used for performance-linked compensation

The table on the right shows a summary of financial targets used to determine performance-linked compensation. Financial targets are set for each business that is overseen by an executive officer. Strategic objectives are set for each executive officer.

Notes: 1. Net premiums written (P&C insurance) for the Domestic P&C Insurance Business excludes amounts relating to CALI and household earthquakes.

2. The E/I combined ratio for the Domestic P&C Insurance Business is the standalone figure for Sompo Japan, excluding CALI and household earthquake.

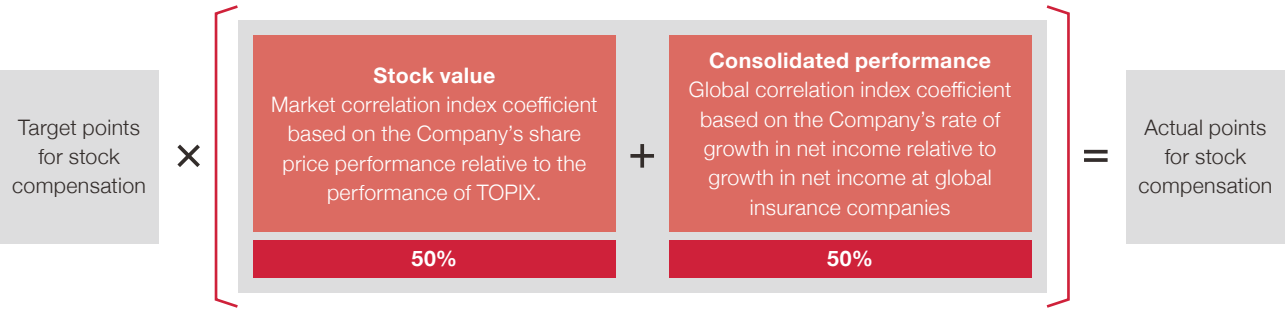
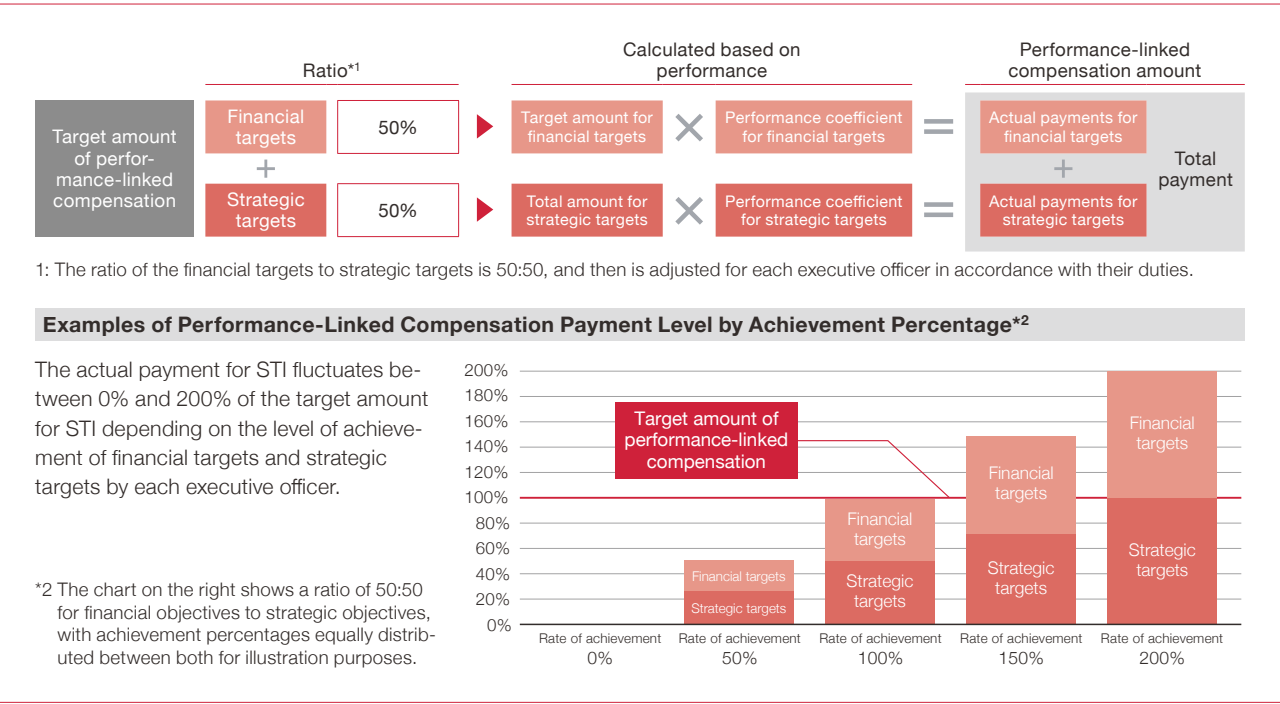
Business domain	Financial indicators (fiscal 2021)
Entire Group	Adjusted consolidated profit, adjusted consolidated ROE
Domestic P&C Insurance Business	Net premiums written (P&C insurance), adjusted profit, ROE by business, E/I combined ratio, Net income
Domestic Life Insurance Business	Amount of increase in adjusted EV, adjusted profit, ROE by business, number of policies in force
Nursing Care & Seniors Business	Revenue, adjusted profit, ROE by business

■ LTI (stock compensation) (restricted stock)

The Company believes that it is critical for the Group as a whole to grow sustainably over the long term. As such, the Company introduced, at the General Meeting of Shareholders held in June 2016, a LTI (stock compensation) (restricted stock), for the purpose of increasing awareness of contribution to improve medium- to long-term performance and increase corporate value, by clarifying further the relationship between the compensation to the Sompo Group's officers and the performance/stock value, and by having the officers share with the stockholders not only the benefits arising from rising share prices of the Sompo Group but also the risks associated with falling share prices.

This compensation mirrors the Company's medium- to long-term performance. This stock-based compensation depends on the Company's share price performance relative to TOPIX (stock value), as well as the Company's rate of growth in net income compared with growth rates at global peers with operations centered on the insurance business

- (consolidated performance).
- LTI (stock compensation) (restricted stock) is determined using market comparisons for medium- to long-term stock value and consolidated performance, expressed as a number of standard points for performance-linked stock compensation.
  - The market correlation index coefficient for stock value is determined by referring to the Company's share price performance relative to TOPIX over the past three fiscal years.
  - The global correlation index coefficient for consolidated performance is determined by comparing the Company's growth rate in consolidated net income over the past three fiscal years with the profit growth rates of global peers with operations centered on the insurance business.
  - With respect to the coefficient for LTI (stock compensation) (restricted stock), the average value over the past three fiscal years is divided by the figure of the base year and then reflected in the number of points granted.



Executive compensation structure

2. For each officer classification—total compensation, total compensation by type, and the number of eligible executives (FY2020)

In this fiscal year, for each officer classification, total compensation, total compensation by type, and the number of eligible executives were as follows.

Officer classification	Total compensation (¥ million)	Total compensation by type (¥ million)				No. of eligible executives
		Fixed compensation (base salary)	Retirement benefits, etc.	STI (variable cash compensation) (annual bonus), etc.		
				Monetary compensation	Non-monetary compensation	
Directors (excluding outside directors)	56	51	—	2	2	4
Outside Director	146	146	—	—	—	10
Executive Officer	1,955	889	—	831	234	17
Total	2,158	1,087	—	834	236	29

Notes: 1. The total compensation, total compensation by type, and the number of eligible executives include that of two Directors who resigned at the end of the 10th General Meeting of Shareholders held on June 22, 2020.  
2. The total compensation of the two Directors who concurrently serve as executive officers is separated into Director compensation and executive officer compensation and included in the total compensation for both. The overall total number of eligible executives and the total number of eligible executives for each classification are therefore different.  
3. Among STI (variable cash compensation) (annual bonus), performance-linked compensation is paid in cash and is the total of compensation based on performance in the previous fiscal year, and provisions to reserves for compensation based on performance in the fiscal year in question. (However, this excludes provisions to reserves for the previous fiscal year.) LTI (stock compensation) (restricted stock) is a non-monetary compensation, and is the amount of provisions to reserves for stock benefits recognized as the portion for the fiscal year in question, based on performance in the previous fiscal year.  
4. All compensation of directors and executive officers is from the insurance holding company. There is no compensation from the parent company of the insurance holding company.

3. Total consolidated compensation of individual executives (FY2020)

Executives who received compensation totaling not less than ¥100 million from the Company and its consolidated subsidiaries were as follows.

Name	Total compensation from the Company and its consolidated subsidiaries (¥ million)	Officer classification	Company category	Total compensation by type from the Company and its consolidated subsidiaries (¥ million)			
				Fixed compensation (base salary)	Retirement benefits, etc.	STI (variable cash compensation) (annual bonus), etc.	
						Monetary compensation	Non-monetary compensation
						STI (variable cash compensation) (annual bonus)	LTI (stock compensation) (restricted stock)
Kengo Sakurada	400	Director	The Company	6	—	1	1
		Executive Officer		143	—	154	92
		Director	Sompo Japan Insurance Inc.	—	—	—	—
Shinji Tsuji	107	Director	The Company	6	—	1	1
		Executive Officer		60	—	18	19
		Director	Sompo Himawari Life Insurance Inc.	—	—	—	—
Keiji Nishizawa	151	Executive Officer	The Company	—	—	—	—
		Director	Sompo Japan Insurance Inc.	78	—	35	37
John R. Charman	341	Executive Officer	The Company	138	—	203	—
		Director	Sompo International Holdings Ltd.	0	—	—	—
Nigel Frudd	175	Executive Officer	The Company	175	—	—	—
Mikio Okumura	100	Executive Officer	The Company	55	—	18	26
		Director	Sompo International Holdings Ltd.	—	—	—	—

Notes: 1. Regarding performance-linked compensation, compensation paid based on performance in the previous fiscal year, has been included. Provisions to reserves in the fiscal year in question, have not been included.  
2. The compensation of John Charman is paid in U.S. dollars. The foreign exchange rate from U.S. dollars to Japanese yen at the time of the remittance of fixed compensation (base salary) is used. The rate for performance-linked compensation is either the rate at the time of remittance or the rate converted internally at the end of Fiscal 2019, depending on the type of compensation.  
3. Compensation for Nigel Frudd includes expenses related to partial supplementation for income tax.  
4. Nigel Frudd is paid his fixed compensation (base salary) in U.S. dollars. The foreign exchange rate from U.S. dollars to Japanese yen at the time of the remittance is used. Expenses related to partial supplementation for income tax are paid in British pounds. The foreign exchange rate from British pounds to Japanese yen converted internally at the end of Fiscal 2020 is used.

Enterprise Risk Management (ERM)

ERM as the “Compass of Management”

In the “new normal” society, we are surrounded by increasingly uncertain risks – the upward trend in frequency of large-scale natural disasters caused by climate change, and the growing threat of cyber attacks, to name just two. In this era of VUCA, ERM’s role no longer simply entails taking measures to avoid loss. Increasingly, ERM is expected to “navigate” an optimal course for the Group by reducing the opportunity loss that it could incur as a result of mistimed

new investments or other miscalculations.  
In this sense, ERM acts as the Compass of Management in the voyage across the rough, unpredictable ocean of VUCA, helping us to realize SOMPO’s Purpose by providing these three key functions: (1) Correct understanding of the Group’s current position; (2) Sensitive detection of potential risks; and (3) Clear indication of the route the Group should take.

The evolution of ERM to enable realization of A Theme Park for Security, Health & Wellbeing

The Sompo Group aims to improve resilience, primarily in our insurance business, by accelerating initiatives toward “Scale and Diversification.” We will also contribute to addressing social challenges and strive for long-term profit growth by creating new customer value. Through these initiatives, the Group is working towards the realization of A Theme Park for Security, Health & Wellbeing. We are striving to develop an ERM framework that supports these efforts: rather than just extending our existing insurance-based paradigm, we are evolving the framework so that it is fully adapted to our new business models.

To effect this ERM evolution, we aim to establish quantitative and qualitative risk management frameworks for the non-insurance businesses of digital and healthcare, based on the expertise accumulated in the insurance and nursing businesses. We also aim to contribute to business development, leveraging our analysis of the shifting risk landscape in the “new normal” world – climate change, rapid digitalization, for example – to identify new business opportunities and services to reduce threats that our customers face; these might include disaster prevention, mitigation, response and recovery services, for example.

Enterprise Risk Management (ERM) of the Sompo Group

Functioning as a management framework that aims to maximize corporate value while balancing capital, risk, and return, the Group ERM system has two aspects: “execution strategy for risk-taking” and “risk control to provide a stable business foundation.”

1. Risk Appetite Framework

To execute effective strategic risk-taking, we use analysis of capital, risk, and return, based around the risk appetite framework, for important management decisions.  
The risk appetite framework is a system for increasing the certainty of achieving goals, by identifying which risks to take and which to avoid, in progressing towards realization of the vision set out in SOMPO’s Purpose, the management philosophy, and the Group management plans.  
Each business formulates management plans in alignment with the Sompo Group Risk Appetite Statement (► P.103), which indicates the direction of risk-taking by the Sompo Group. SOMPO Holdings reviews these plans and monitors progress towards achievement.

2. Risk Control System

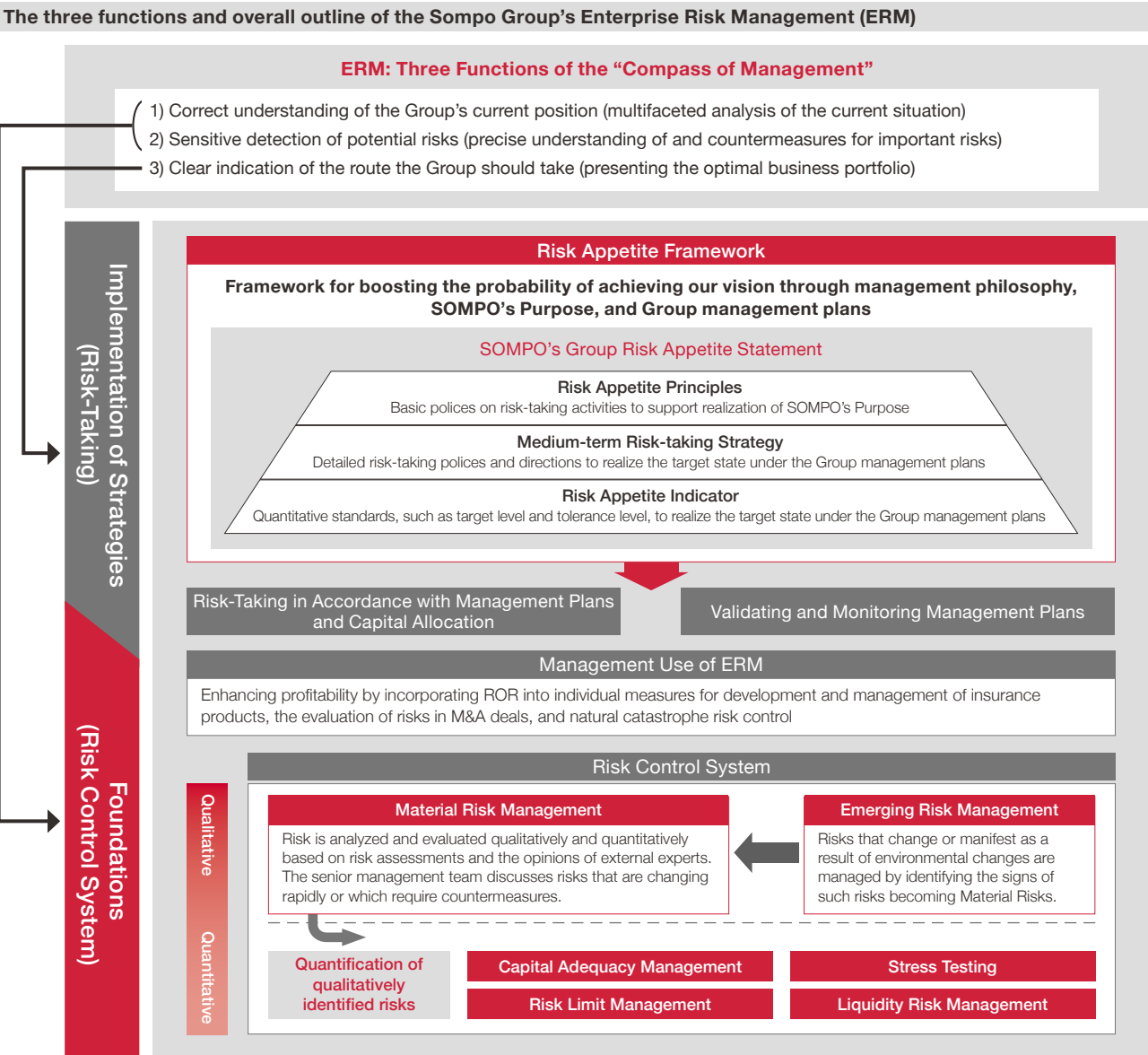
For effective risk control, the Sompo Group aims to minimize unexpected losses and stabilize profits using frameworks that identify, analyze, and evaluate the diverse risks that the Group faces.

(1) Material Risk Management

The Group defines risks that could have significant impact on the business as material risks; these are identified and assessed through an exhaustive process. Such risks are comprehensively managed by the Group CRO based on this risk assessment and expert insight, considering concrete risk scenarios that could impact the Group. Risks are evaluated in both qualitative and quantitative terms, assessing the frequency of occurrence, and the severity of impact across three risk dimensions – economic loss, business continuity, and reputational damage.  
Additionally, the Group defines emerging risks as those that are not currently material but which, due to environmental changes, have potential to become material in future. We identify these risks through a variety of information sources and through dialogue with domestic and foreign experts, and then we establish appropriate monitoring and management protocols. For emerging risks with significant expected impact, we consider them not only from the viewpoint of mitigating losses, but also from the viewpoint of seeking new business opportunities through creation of insurance products and services to address these risks. For these reasons, we monitor, research, and study emerging risks on a Group-wide basis.



Enterprise Risk Management (ERM)



Key material risks for the Sampo Group

Degree of impact	Probability of Occurrence		
	N/A (cannot be assessed), small	Medium	Large, very large
Very large		● Pandemic	
Large	● Leakage of customer information (frequency: N/A)	● Climate change ● Market risk ● Japan earthquake ● Business continuity	
Medium	● Cyber (frequency: N/A)	● Competitive environment ● ESG risk ● Human Resources ● Conduct risk ● Japan wind and flood ● Overseas Nat Cat	● Regulatory change ● Third party ● IT failure and cyber damage ● Misconduct and leakage of confidential information
Small			● Geopolitical risk

(2) Capital Adequacy Management

We quantify the various types of risks that we face using value at risk (VaR) as a unified risk metric. We take management measures as necessary to ensure that capital is maintained at an adequate level relative to risks.

(3) Stress Testing

To accurately identify and manage the events that may have a significant effect on the management of the Sampo Group, we calculate the level of impact that will eventuate if a particular stress scenario occurs. The scenarios considered include, for example, large-scale natural catastrophes, and financial market turmoil. We analyze the impact on capital and risk, and implement measures to address each event as necessary.

(4) Risk Limit Management

To avoid incurring outside losses from the occurrence of specific events, the Group sets and manages maximum limits, on a Group-wide basis, for risks such as credit risk, reinsurance risk, and overseas natural catastrophe risk.

(5) Liquidity Risk Management

In addition to projecting cash requirements for day-to-day operations, we project the maximum cash outflows that could result from events such as a large-scale natural catastrophe. We then conduct management to ensure we have sufficient liquid assets to meet cash requirements in these scenarios.

Formulation of the Sampo Group Risk Appetite Statement

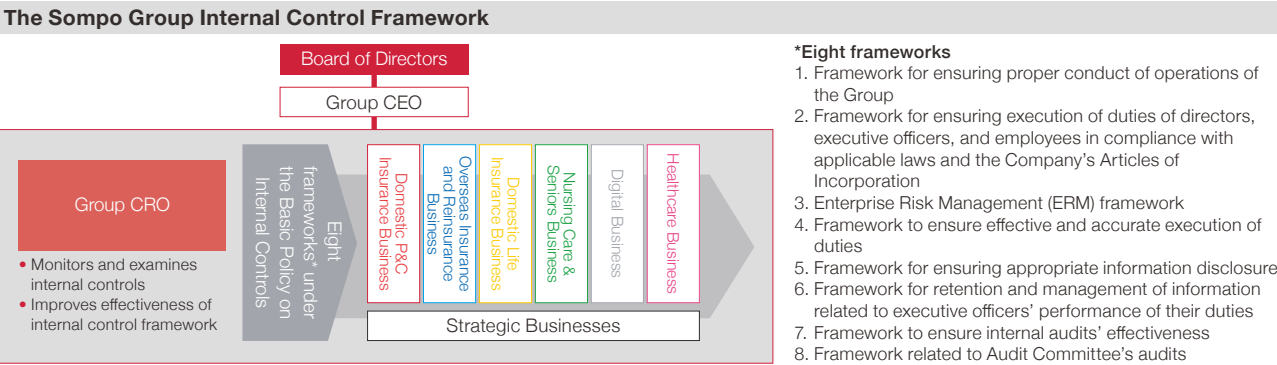
Alongside the formulation of the new Mid-Term Management Plan, we have reviewed the Group risk appetite, formulating the Sampo Group Risk Appetite Statement to clearly identify which risks that the Group should take, and which to avoid – both in quantitative and qualitative terms. The statement comprises: the Risk Appetite Principles, which are based on SOMPO's Purpose; the Medium-term Risk-taking Strategy, which aligns with the new Mid-Term Management Plan; and the Risk Appetite Indicator, which defines quantitative standards for realizing our target state. It also outlines appetite, position, and target standards by each risk category.

Risk Appetite Principles		
<ul style="list-style-type: none"><li>• We aim to maximize corporate value by controlling the balance between capital, return and risk appropriately, improving capital efficiency and profit stability, and expanding Group profit.</li><li>• We maintain a strong financial soundness to provide sustainable service and social value to as many customers as possible for the future by appropriately capturing and controlling risks that are becoming more complex and diverse.</li><li>• We build a global and well-balanced business portfolio for the safety, security and wellbeing of our customers in the insurance and nursing-care fields, diversifying the source of profits, growing and stabilizing profits by diversifying risks, and improving capital efficiency. In order to improve profitability through generating medium- and long-term value, we actively take risks in new business fields, leveraging M&amp;A, and aiming to provide solutions that create social value and to significantly increase our corporate value.</li></ul>		
Medium-term Risk-taking Strategy		
<ul style="list-style-type: none"><li>• We shall aim to achieve adjusted consolidated profit of more than ¥300bn and adjusted consolidated ROE of 10% or more in the early 2020s by securing stable returns so that the Group's growth is sustainable.</li><li>• In the insurance business, to pursue "Scale and Diversification," we shall increase insurance underwriting in overseas advanced economies, while controlling the impact of Nat Cat risks on profit fluctuations. Also, we shall promote asset management to gain return while also reducing stock risk and interest rate risk.</li><li>• In the non-insurance business, we shall aim to create businesses by actively investing in the establishment of the Real Data Platform and related fields to 'Generate new customer value'.</li></ul>		
Risk Appetite Indicator		
<ul style="list-style-type: none"><li>• The Risk Appetite Indicator defines quantitative standards, such as target levels and tolerance standards, for realizing our vision, as outlined in the Group management plans. The table below shows some examples.</li></ul>		
Indicator	Purpose	Criteria
Target capital level	Appropriate capital level for the group strategy	Group ESR: from 200% to 270%
Risk tolerance	The level of financial soundness necessary for the Group's strategy	Group ESR: 150% ESR for insurance companies: 120% ESR for non-insurance companies: 100%
	Minimum level of financial soundness necessary for business continuity	ESR for domestic insurance subsidiaries: 100%
Risk diversification ratio	Measures to evaluate the degree to which profit stability has been strengthened	Improvement compared to the ratio in FY2020
Overseas business ratio		30% or More

Group Internal Controls

The Company has established the Basic Policy on Internal Controls to guide the development and ongoing improvement of the Group-level internal control framework and form business foundations for ensuring appropriate Group operations and improving corporate value.

To ensure that the eight frameworks described under the Basic Policy on Internal Controls can function efficiently and effectively, the Board of Directors appropriately monitors and reviews the status and issues of the Group’s internal controls with the aim of enhancing the framework.



Commitment to Compliance

The Company has formulated various policies, such as the Group Basic Policy on Compliance, as well as the Group Compliance Code of Conduct, and is raising awareness of these policies among Group officers and employees. We also anticipate various compliance-related risks and work to prevent such risks from manifesting themselves so that each Group company can increase the effectiveness of compliance initiatives based on these policies.

For example, to counter risks in regions where overseas countries' laws (laws and regulations other than those of Japan or the country in which we do business) apply, we use the Group's internal and external networks to gather information regarding revisions to laws and regulations in countries and regions around the world, and then confirm the matters requiring responses. We provide this information to Group companies in Japan and overseas, supporting their readiness in terms of compliance.

In addition, we are working to introduce data analytics and strengthen our internal whistleblowing system to identify potential risks of inappropriate actions.

While the Group has positioned the insurance business at its core, it has been expanding into new business areas such as the Nursing Care & Seniors Business, Digital Business, and Healthcare Business. The Company has also been carrying out initiatives to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data. When developing frameworks, it is necessary to consider not only the relevant laws but also the business characteristics, scale, and operating conditions of each Group company, as well as the potential risks they face. As such, in addition to requiring reports from each Group company, our members participate in Group companies' meetings, and vice versa. We work to understand the conditions at each Group company and share information via company visits, helping us support the development of frameworks at Group companies.

Developing the Group’s Internal Audit Framework

The Company has established the Sampo Group Basic Policy on Internal Audits, which defines internal audits as processes for assessing the internal control framework and providing recommendations on methods for its improvement. Accordingly, the Company endeavors to develop an efficient and effective internal audit framework that spans the entire Group, and makes efforts to enhance corporate value and meet the expectations of stakeholders by conducting risk-based internal audits that take into account business characteristics and business strategies.

Specifically, the Company enhances its monitoring functions and takes a flexible approach to the auditing of changing risks. In conjunction with these efforts, the Company supports Group companies in developing their own internal audit frameworks by evaluating the quality of internal audits and recommending ways of rectifying the issues identified at each company.

IT Governance

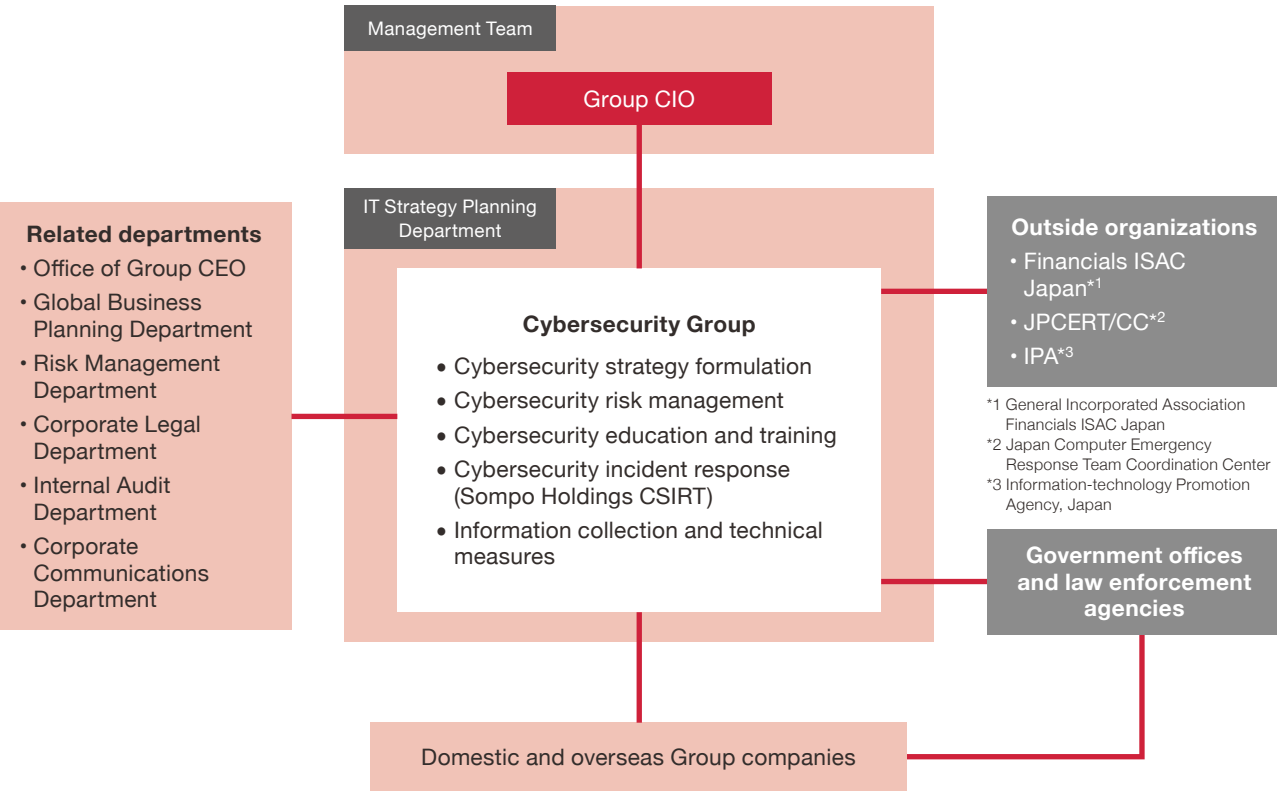
Evolving the IT systems of Group companies requires processes based on the regulations of each country and industry in which we operate. Other management processes are also kept in line with international standards. Group synergies are also being pursued by reducing system costs and risks by standardizing systems and appropriately assigning and training IT personnel. By upgrading our IT architecture to reflect present and future digital trends, we will update system infrastructure in order to execute strategic digital projects.

Responses to Cyber Risks

To provide security and safety to all of our customers, business partners, and shareholders, it is essential to develop initiatives for tackling cyber risks, which are increasing in step with the evolution of technologies and changes in environments. The Company established the Sampo Group Basic Policy on Cybersecurity, and is working across the entire Group to develop an efficient and effective cyber risk management framework based on the understanding that dealing with cybersecurity is the social responsibility of companies.

Additionally, as part of efforts to address cyber risks that become more advanced and complex on a daily basis, the company has established the Cybersecurity Group as a specialist organization under the Company's IT Strategy Planning Department to formulate cybersecurity strategies and strengthen security across the Group. This team of experts has assumed the capabilities of the Sampo Holdings CSIRT (Computer Security Incident Response Team) and works with the cybersecurity managers of Group companies to manage cyber security risks on a day-to-day basis and in emergencies. One of the team's main missions is to increase the level of maturity in the management of security risks throughout the Group.

The company will proactively embed cyber security in business strategies and IT strategies, transforming security into a source of competitive superiority in each of its businesses while also realizing digital transformation in a safe and secure manner.



## Directors

Kengo  
SAKURADAShinji  
TSUJIToshihiro  
TESHIMAScott Trevor  
DAVISKazuhiro  
HIGASHITakashi  
NAWAMisuzu  
SHIBATAMeyumi  
YAMADANaoki  
YANAGIDAHideyo  
UCHIYAMAIsao  
ENDOKumi  
ITO

Name	Kengo SAKURADA	Shinji TSUJI	Toshihiro TESHIMA	Scott Trevor DAVIS	Kazuhiro HIGASHI	Takashi NAWA		Misuzu SHIBATA	Meyumi YAMADA	Naoki YANAGIDA	Hideyo UCHIYAMA	Isao ENDO	Kumi ITO
Reappointment/ New appointment	Reappointment	Reappointment	New appointment	Reappointment	Reappointment	Reappointment		Reappointment	New appointment	Reappointment	Reappointment	Reappointment	New appointment
Positions	Director	Director	Director	Independent Outside Director	Independent Outside Director	Independent Outside Director		Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
			Audit Committee	Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Nomination Committee Compensation Committee		Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Audit Committee	Audit Committee	Audit Committee	Audit Committee
Expected roles, skills and areas of expertise for directors													
1) Business strategy	•	•	•	•	•	•		•	•	•	•	•	•
2) Global management	•	•	•	•	•	•		•	•	•	•	•	•
3) ESG, SDGs	•	•		•	•	•		•		•	•		
4) Transformation strategies	•			•	•	•			•			•	•
5) Digital	•					•			•			•	•
6) HR strategy	•		•	•	•	•					•	•	•
7) Finance, accounting	•	•	•		•				•		•	•	•
8) Corporate governance	•	•	•	•	•	•		•	•	•	•		
9) Legal, risk management	•	•	•		•			•		•			

\*Details of each skill and area of expertise are as follows.  
 Items 1) and 2): Skills and areas of expertise where all Directors are expected to provide useful advice and supervision to the executive sector  
 Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience  
 The above table shows skills and areas of expertise particularly expected for each director and does not indicate all of the skills and areas of expertise possessed by each director.

## Diversity of the Board of Directors



Category	Count
Inside Director	3
Outside Director	9



Category	Count
Men	9
Women	3



Category	Count
Inside Director	0
Outside Director	5



Category	Count
Inside Director	1
Outside Director	4



Category	Count
Inside Director	0
Outside Director	5



Directors and Executive Officers

Directors



**Kengo Sakurada**  
Director  
(Born February 11, 1956)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings

**Career Summary**  
Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1978. Gained experience in P&C insurance business integration, alliances, planning, sales and systems, as well as having enjoyed a global career in international financial institutions before being appointed Director and Managing Executive Officer of Sampo Japan Insurance Inc. in 2010. In 2012, he took over as the Company's Representative Director, President, and Executive Officer, and currently overseas management of the entire Group as Group CEO. Appointed Chairman of the Japan Association of Corporate Executives in 2019. Took current position in 2019 (Group CEO, Director, President, and Representative Executive Officer)



**Toshihiro Teshima**  
Director  
Member of Audit Committee  
(Born October 24, 1960)

Newly Appointed

**Career Summary**  
Joined Yasuda Fire & Marine Insurance Co., Ltd. in September 1992. Has many years of experience in the finance and legal departments of the P&C insurance business, and as Director of the Company, has been in charge of personnel and insurance services departments. Was appointed Director and Managing Executive Officer of Sampo Japan Nipponkoa in 2018. Made a Senior Advisor of Sampo Japan Insurance Inc. in April 2021. Appointed to current position at the Company in June 2021.



**Kazuhiro Higashi**  
Director (Outside)  
Chair of the Compensation Committee and Member of the Nomination Committee  
(Born April 25, 1957)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 8 out of 8 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 10 out of 10 Compensation Committee meetings

**Important Concurrent Positions**  
Vice Chairman at Osaka Chamber of Commerce and Industry / Chair of the Board of Directors at Resona Holdings, Inc. / Chair of the Board of Directors at Resona Bank, Limited / Outside Director at Honda Motor Co., Ltd

**Reason for Appointment**  
Experienced in finance and business management in the banking industry, was appointed President and Representative Executive Officer of Resona Holdings, Inc. and President and Executive Officer of Resona Bank, Limited in 2013. Has also held important positions in the banking industry as Chairman of the Osaka Bank Association and Vice Chairman of the Osaka Chamber of Commerce and Industry. Uses his abundant knowledge and experience in top management at major corporations to enhance supervision and decision-making in the Board of Directors at the Company. Appointed to current position at the Company in June 2020.



**Shinji Tsuji**  
Director  
(Born December 10, 1956)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings

**Career Summary**  
Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1979. Experience in P&C insurance accounting, public relations, CSR, sales, and more, and is in charge of Group company management, accounting, and finance, etc. Appointed Representative Director in 2014. Was made Group CFO in 2017, and Group COO in January 2019. Took on the concurrent post of Chief Brand Officer (CBO) in April 2019. Appointed to current position in April 2021 (Group COO, Director, Deputy President, and Representative Executive Officer).



**Scott Trevor Davis**  
Director (Outside)  
Chair of the Nomination Committee and Member of the Compensation Committee  
(Born December 26, 1960)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings, 11 out of 11 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings

**Important Concurrent Positions**  
Professor of the Department of Global Business, College of Business, Rikkyo University  
Member of the Board of Bridgestone Corporation (Outside Director)

**Reason for Appointment**  
Able to offer a broad range of insight as an academic, particularly regarding management advice for the Company through the research he conducts at university into business strategy theory. Also provides multifaceted advice from a global perspective. Appointed to current position at the Company in June 2014.



**Takashi Nawa**  
Director (Outside)  
Member of the Nomination Committee and the Compensation Committee  
(Born June 8, 1957)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 7 out of 8 Board of Directors meetings, 9 out of 10 Nomination Committee meetings, and 9 out of 10 Compensation Committee meetings

**Important Concurrent Positions**  
Visiting Professor at the School of International Corporate Strategy, Hitotsubashi Business School / President of Genesys Partners, Inc. / Member of the Board of NEC Capital Solutions Limited (Outside Director) / Outside Director at Fast Retailing Co., Ltd. / Member of the Board at Ajinomoto Co., Inc. (Outside Director)

**Reason for Appointment**  
Practical experience at major Japanese trading companies and global consulting firms, was appointed Professor of the Graduate School of International Corporate Strategy, Hitotsubashi University in 2010. Currently serving as a Visiting Professor at the university. Uses his abundant business experience as a management consultant and extensive academic knowledge from a global perspective to enhance supervision and decision-making in the Board of Directors at the Company. Appointed to current position at the Company in June 2020.

Directors



**Misuzu Shibata**  
Director (Outside)  
Member of the Nomination Committee and the Compensation Committee  
(Born July 25, 1974)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 8 out of 8 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 10 out of 10 Compensation Committee meetings  
\*Registered as Misuzu Koyama on family register.

**Important Concurrent Positions**  
Attorney-at-law / Outside Director at Delica Foods Holdings Co., Ltd. / Outside Director at Space Value Holdings Co., Ltd.

**Reason for Appointment**  
Has a wealth of knowledge and experience as an attorney and experience working at the Financial Services Agency, and uses her expertise and knowledge to enhance supervision and decision-making in the Board of Directors at the Company. Appointed to current position at the Company in June 2020.



**Naoki Yanagida**  
Director (Outside)  
Chair of the Audit Committee  
(Born February 27, 1960)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings, and 12 out of 12 Audit Committee meetings

**Important Concurrent Positions**  
Attorney-at-law / Member of the Audit & Supervisory Board at YKK Corporation (Outside Auditor) / Outside Director at Kusuri No Aoki Holdings Co., Ltd.

**Reason for Appointment**  
Has a wealth of knowledge and experience as an attorney and was appointed Outside Auditor at the Company in 2014. Uses his expert knowledge and experience to enhance supervision and decision-making in the Board of Directors at the Company. Appointed to current position at the Company in June 2019.



**Isao Endo**  
Director (Outside)  
Member of the Audit Committee  
(Born May 8, 1956)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings, 1 out of 1 Nomination Committee meetings, 10 out of 10 Audit Committee meetings, and 1 out of 1 Compensation Committee meetings

**Important Concurrent Positions**  
Outside Director at Ryohin Keikaku Co., Ltd. / Outside Director at Nextage Co., Ltd.

**Reason for Appointment**  
In addition to practical experience at a global consulting firm, has a broad range of academic insight as a graduate school professor and abundant managerial experience. Particularly through his practical research into "on-site abilities," is able to provide appropriate management advice to the Company from a deep, multifaceted perspective. Appointed to current position at the Company in June 2014.



**Meyumi Yamada**  
Director (Outside)  
Member of the Nomination Committee and the Compensation Committee  
(Born August 30, 1972)

Newly Appointed

**Important Concurrent Positions**  
Director at istyle Inc. / Outside Director at Japan Post Insurance Co., Ltd. / Outside Director at Seino Holdings Co., Ltd.

**Reason for Appointment**  
In addition to experience in entrepreneurial and operations managerial experience, has rich practical experience in digital and other forms of marketing. Has served as a member on a number of government-related telecommunications and industrial structure committees for the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, so has extensive knowledge in policy planning and formulation. Actively promotes women in the workplace, and provides valuable advice on diversity and inclusion, an important part of our corporate strategy. Appointed to current position at the Company in June 2021.



**Hideyo Uchiyama**  
Director (Outside)  
Member of the Audit Committee  
(Born March 30, 1953)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2020)  
Attended 10 out of 10 Board of Directors meetings, and 12 out of 12 Audit Committee meetings

**Important Concurrent Positions**  
Certified Public Accountant / Executive Advisor at Asahi Tax Corporation / Member of the Audit & Supervisory Board at OMRON Corporation (Outside Auditor) / Outside Director at Eisai Co., Ltd.

**Reason for Appointment**  
Has expert knowledge and experience as a Certified Public Accountant, and a wealth of experience as manager of one of Japan's leading auditing and global consulting firms. Was appointed Outside Auditor at the Company in 2017. Uses his abundant knowledge and experience to enhance supervision and decision-making in the Board of Directors at the Company. Appointed to current position at the Company in June 2019.



**Kumi Ito**  
Director (Outside)  
Member of the Audit Committee  
(Born December 20, 1964)

Newly Appointed

**Important Concurrent Positions**  
Representative Director, President and CEO of 4U Lifecare Inc. / Outside Director at Fuji Furukawa Engineering & Construction Co., Ltd.

**Reason for Appointment**  
In addition to operational strategy planning and strategic consulting at electrical equipment manufacturers and other companies, has extensive IT, digital technology, and marketing knowledge through having served as Chief Market Officer at health care related companies. Also participated in the launch of a non-profit corporation promoting women in the workplace, and provides valuable advice on diversity and inclusion, an important part of our corporate strategy. Appointed to current position at the Company in June 2021

(As of August 1, 2021)

(As of August 1, 2021)

Directors and Executive Officers

Executive Officers



**Kengo Sakurada**  
Group CEO (Group Chief Executive Officer)  
President and Representative Executive Officer  
(Born February 11, 1956)



**Shinji Tsuji**  
Group COO (Group Chief Operating Officer)  
Deputy President and Representative Executive Officer  
(Born December 10, 1956)



**Keiji Nishizawa**  
CEO of Domestic P&C Insurance Business  
Executive Officer  
[President and Chief Executive Officer at Sampo  
Japan Insurance Inc.]  
(Born February 11, 1958)



**John R. Charman**  
CEO of Overseas Insurance and Reinsurance  
Business  
Executive Officer  
[Executive Chairman of the Board at Sampo  
International Holdings Ltd.]  
(Born October 22, 1952)



**Yasuhiro Oba**  
CEO of Domestic Life Insurance Business  
Executive Officer  
[President and Representative Executive Officer]  
[at Sampo Himawari Life Insurance Inc.]  
(Born September 30, 1965)



**Satoshi Kasai**  
CEO of Nursing Care & Seniors Business  
Executive Officer  
[Chief Executive Officer at Sampo Care Inc.]  
(Born December 22, 1962)



**Koichi Narasaki**  
CEO of Digital Business  
Group CDO (Group Chief Digital Officer)  
Senior Executive Vice President and Executive  
Officer  
[Chief Executive Officer at Sampo Light Vortex, Inc.]  
(Born January 4, 1958)



**Nigel Frudd**  
Chairman of Overseas M&A  
Group CVCO (Group Chief Value Communication  
Officer)  
Senior Executive Vice President  
(Born October 4, 1958)



**Masahiro Hamada**  
Group CFO (Group Chief Financial Officer)  
Group Co-CSO (Group Co-Chief Strategy Officer)  
Senior Executive Vice President and Executive  
Officer  
(Born December 18, 1964)



**Mikio Okumura**  
Group Co-CSO (Group Co-Chief Strategy Officer)  
Senior Executive Vice President and Executive  
Officer  
[Chief Executive Officer at Sampo International  
Holdings Ltd.]  
(Born November 23, 1965)



**Albert Chu**  
Group Co-CDO (Group Co-Chief Digital Officer)  
Senior Vice President  
(Born July 31, 1960)



**Shinichi Hara**  
Group CHRO (Group Chief Human Resource Officer)  
Executive Vice President and Executive Officer  
(Born April 14, 1965)

Executive Officers



**Hiroshi Omata**  
Group CDMO (Group Chief Data Marketing Officer)  
Group CIO (Group Chief Information Officer)  
Executive Vice President and Executive Officer  
(Born October 6, 1963)



**Yoshihiro Uotani**  
Group CRO (Group Chief Risk Officer)  
Senior Vice President and Executive Officer  
(Born October 8, 1965)



**Ryoko Shimokawa**  
Group CSuO (Group Chief Sustainability Officer)  
Senior Vice President and Executive Officer  
(Born August 15, 1971)



**Hirofumi Shinjin**  
Group CPRO (Group Chief Public Relations Officer)  
Senior Vice President and Executive Officer  
(Born January 25, 1969)



**Yuji Kawauchi**  
Executive Vice President  
(General Manager, Global Business Planning  
Department)  
(Born December 24, 1965)



**Katsuyuki Tajiri**  
Executive Vice President  
(Retail Platform in Istanbul)  
(Born October 8, 1967)



**Takato Udo**  
Senior Vice President and Executive Officer  
(General Manager, Internal Audit Department)  
(Born August 4, 1962)



**Hideyasu Matsuda**  
Senior Vice President and Executive Officer  
(Healthcare Business / General Manager, Healthcare  
Business Development Department)  
(Born December 23, 1965)



**Yasunori Kuroda**  
Senior Vice President  
(General Manager, Accounting Department)  
(Born August 17, 1963)



**Takuto Kobayashi**  
Senior Vice President  
(General Manager, Innovation for Aging & Wellness  
Department)  
(Born November 22, 1965)



**Koji Ishikawa**  
Senior Vice President  
(General Manager, Secretarial Department)  
(Born December 22, 1968)



Sustainability Promotion Structure

At Sompō Group, the Group Sustainable Management Committee (hereinafter “Committee”) comprised of the Group CSuO who is the Chief Officer overseeing the sustainability function as chairman and Executive Officers in charge of corporate planning and sustainability at Group companies, leads efforts to promote sustainable management at the Group level.

Each company formulates its own SDGs Management Promotion Plan and utilizes its own new Mid-Term Management Plan and operational characteristics to achieve the “Materialities,” which are considered priority issues in realizing SOMPO’s Purpose. Based in that, SDGs management is implemented by setting KPIs and making action plans to achieve them, and by establishing promotional management positions, all while keeping in mind the social and economic values created by each company.

The committee checks the progress of each Group company, identifies issues, and offers periodic summaries of results. In addition, the committee discusses policies on how to

deal with sustainability issues such as climate change based on the diverse perspectives of each industry and company. The Committee is operated in a highly effective manner, such as discussing action plans and reporting these to the Board of Directors and Managerial Administrative Committee (MAC).



Active participation in the initiatives

Through participation in initiatives in Japan and overseas, the Group creates opportunities to engage in dialogue with advanced corporations and international organizations and to gain knowledge and learn from previous advanced efforts, remaining conscious of the cycle by which improvements to our own Company's efforts can be made. We recognize

that collaborative effort by a diverse array of actors tackling various issues will lead to a greater impact, and therefore actively participate in different initiatives, from planning to involvement. In addition, we are able to contribute to building a more sustainable world by passing on the experience gained through participating in such initiatives.

Key Initiatives and Participation



Information Disclosure

The Sompō Group has established a basic disclosure policy (<https://www.sompo-hd.com/en/company/disclosure/policies/>) in an effort to disclose information in an appropriate and timely manner so that customers, shareholders, investors, and various other stakeholders can gain an understanding of the Group's management and other initiatives.

Corporate Website and Integrated Annual Report

The corporate website is a source of corporate data, Sompō Group businesses, information for shareholders and investors, and the Group's sustainability initiatives. News releases are also posted on the website in a timely manner. The English version of the website aims to provide a broad range of information to overseas readers.

**Corporate website URL:**  
<https://www.sompo-hd.com/en/>



In addition to the corporate website, the Company publishes the Sompō Holdings Integrated Annual Report in both Japanese and English in order to provide easy-to-understand information about the Sompō Group, its management policies, and financial results.

Briefings for Investors and Analysts

The Company regularly holds briefings for investors and analysts. The presentation materials used in these briefings are made available to all interested parties on the Company's corporate website.

IR meetings are held twice a year and in principle, attended by the Group CEO and the senior management team. These meetings involve presentations and Q&A sessions. Opportunities are also arranged for the senior management team, including the Group CEO, to take part in discussions with domestic and overseas investors.

Through such dialogue, the Company is able to appropriately explain its management policies and other topics to investors and also provide the Board of Directors and the senior management team with timely feedback about investor interests and concerns, which in turn contributes to the formulation of management strategies and the execution of operations.

Briefings, etc., held in fiscal 2020

Briefings for institutional investors and analysts (IR meetings)	2 times
Financial results conference calls for institutional investors and analysts	2 times
Conferences sponsored by securities companies	5 times
One-on-one meetings with institutional investors	325 times
Information sessions for individual investors	3 times

Information related to sustainability in this report

Information related to the environment, society, and other sustainability topics is presented in this report as part of our strategies and initiatives, with an emphasis on key aspects that help improve our corporate value. For more information about sustainability, please refer to our corporate website.  
<https://www.sompo-hd.com/en/csr/>