

Governance

Sompo Holdings is changing rapidly on many dimensions. Transformation of its existing businesses, creation of new business platforms, and expansion in new markets and businesses outside of Japan.

All this requires effective strategic planning, risk taking, and investment as both a business group as a whole, and as a member of different markets and communities. This in turn requires an organization with a clear overall vision, where executives are empowered and informed in enable effective decision making, and where knowledge and best practices are shared throughout the group to create synergies of growth for the future. One of the key enabling factors for this is good governance - the ability to be transparent, accountable, and objective. Governance, an integral part of the group's management and transformation, is a topic of constant debate and discussion within SOMPO. This dialogue was held so that our stakeholders can get an inside look into what governance means to us and how we are constantly striving to improve it.

This dialogue was coordinated by Dr. Scott Trevor Davis, Sompo Holdings board member, chair of the Nominations Committee, and a professor at the College of Business, Rikkyo University.



Director and Management Members Dialogue SOMPO's evolving governance

(1) The "Why" that drives the mission and strategy of transformation

Davis Many companies are feeling the pressure to change their business models as a result of challenges that have become apparent due to shifting trends in the business environment. At Rikkyo University I have developed a framework called the Good Business Initiative which enables corporations to reframe their operations strategically, build business platforms of new and better relationships, and continually realize a shared vision of the common good through purpose driven, transformative innovation. Using this framework I can see that SOMPO has transformed strategically and coherently over the last ten years by always starting its inquiries by asking "why" in response to new challenges and emerging trends in the environment. Through this process SOMPO has established a clear purpose (reason for existence) in its pursuit of a "Theme Park for Security, Health & Wellbeing" on the long term and an approach towards the transformation needed to accomplish this as a process of qualitative evolution. I would like to ask Sakurada-san first, what has driven and enabled this qualitative evolution?

Sakurada The reason is simple – sustainability. The awareness that transformation is essential to increase the sustainability of business and a sense of emergency are the drivers. The starting point was the desire for Sompo Group to remain "indispensable" for stakeholders even up to 100 years into the future. We started to reflect on the fundamental reason for the existence of SOMPO by asking "why." We cannot say for sure that P&C insurance, the Group's founding business, would still exist in society as something valuable in 100 years' time, and it may even disappear. To ensure the sustainability of business, we need to become a reliable company that is "always there to help our customers in their daily lives" and "consulted with by the customers if there is a problem" rather than just a "P&C insurance company" that is needed only when customers face in negative situations such as accidents and disasters. As our discussions progressed, this became a common understanding among the leadership team. I believe that the basic desire of our customers is happiness, that is to live a life with "security," "health" and "wellbeing" so to become a company that can be "counted on to prolong current happiness" and "dependable even up to the very last days of a customer's life." It was inevitable therefore that we not only enhance our capability as a P&C insurance company, but also transform the whole business.

Davis How is it possible to maintain this highly intense, ongoing discussion of what is and could be SOMPO's purpose and unique social contribution?

Sakurada First, it is because the "Theme Park for Security, Health & Wellbeing" is incomplete. There is still a large gap between the Theme Park that we aspire to realize and the current Sompo Group. If SOMPO were already "indispensable", stakeholder evaluation would be much higher. Unfortunately 99% of people around the world still have an image of Sompo Group as a "P&C insurance company" and the mindset of a majority of employees is probably also that of an "insurance company." We have not yet become a company that "turns zero into a positive" which is an evolution from "turning a negative into zero" which has been the conventional role of insurance. Also, even though we are a leading company in Japan's P&C insurance market, it is a small market when seen globally. Therefore, we are not yet "indispensable" for people around the world.

One opportunity to overcome the current situation is nursing care. Our efforts to put the abstract concept of "security and health" into practice through the Nursing Care & Seniors Business, and to differentiate by utilizing digital technologies are also extremely important for growth, sustainability, and fulfilling purpose. When customers select nursing care services and facilities, unlike insurance policies, they are highly conscious of the "company" that operates the business. Customers check reviews, including word of mouth, by themselves and actually visit the facility to ask questions. Only then do they finally decide that "a facility operated by this company is suitable as their last home."

SOMPO has become a leading company in the nursing care industry but stakeholder evaluation is polarized. One view is that "SOMPO recorded a net profit but it is a red ocean market, and there is uncertainty about future profitability." The other reaction is positive commending us for "entering into the nursing care market and addressing this national crisis."

SOMPO's stance on addressing social challenges through business is increasingly appreciated, but it is difficult to say that the future value of the business and expectations toward SOMPO are currently reflected in the stock price. Based on this in order to enhance the business continuity of Sompo Group, our challenge is to make future growth both understandable and achievable through the concept of "unrealized financial value." In the process of addressing this challenge, we have set our goal to become a "real data platformer" that integrates

Director and Management Members Dialogue



Outside Director
Scott Trevor Davis

the large amount of data obtained from frontline nursing care for people's happiness. To expedite realization of our vision, we formed business alliances with Palantir Technologies Inc. which has the best data analytics capability in the world, and ABEJA, Inc. which excels in AI solutions including deep learning. We will execute a strategy to deliver an infrastructure for providing services that combine the nursing facility management know-how developed by Sompo Group with digital technologies as the new real data platform (RDP) in nursing care to nursing care providers first in Japan. The potential market size in Japan is at least JPY10 trillion and we will expand this revolutionary service platform to neighboring industries to build an ecosystem that contributes to increasing sustainability of society rather than simply competing with other companies. We are currently seeing a good response here as the number of alliances with excellent business partners is increasing. This is entirely different from the past when we only operated the insurance business. I feel that the development and operation of the RDP has now entered this second phase of cooperation with business partners to build ecosystems for the future.

(2) Vigilance for governance

Davis Behind the Group's ability to practice effective management that maintains objectivity and transparency, the process of deciding what commitments to make to which stakeholders, and engaging in dialogue with individual stakeholders in order to fulfill those commitments, is largely due in my view to SOMPO's approach to governance as a dynamic, evolving process while also maintaining a sense of urgency. What factors have made this kind of approach to governance possible?

Sakurada The biggest step was becoming a company with committees in 2019. We had a non-mandatory Nomination & Compensation Committee before then, but now both the

Nomination Committee and Compensation Committee are comprised only of non-executive directors, neither of which am I a member. This arrangement is highly objective, and impartial. For me this tense atmosphere is a good and constructive thing. I always prepare well to avoid any situations in which I cannot provide a clear explanation to a fundamental question about business management. By virtue of the committees being comprised of non-executive directors, I acquired the habit of pushing myself in advance to be able to explain logically about the "Why" and "What." To me these independent directors are neither a group of friends nor enemies, but rather people who think deeply and seriously about issues in management issues together with me and who are a source of wisdom and insight for me. I think it is very important to build and maintain such tense yet constructive atmosphere.

(3) Building a "Silo-free organization" with governance

Davis Sompo Holdings, Inc. employs a Business Owner System and a Group CxO System. There is however a view among organizational management experts that this kind of matrix organization is typical of companies in mature business phases caught up at the end of growth curves. However, at SOMPO's this system is aimed for total optimization and has enabled agile and flexible decision-making and business execution. Why was this kind of group management system built?

Sakurada I was previously head of both Sompo Holdings and Sompo Japan Insurance. Since the business size and profits of Sompo Japan accounted for a large majority of the group's total, I thought there was no issue with spending a large part of my time on the management of Sompo Japan. However, I felt that by doing so I would eventually run up against a wall when promoting the Theme Park vision and partnering up with foreign companies and companies in other industries. Therefore, I decided to concentrate on my roles as the CEO of Sompo Holdings and introduced the Business Owner System so that each business company can be managed with relative autonomy. In what is nowadays called a silo organization, the Business CEOs were given great authority and a vertical organizational structure to facilitate quick decision-making and business execution. Since then, I have monitored the strategy and management of each business, and have been in charge of the overall management of Sompo Holdings. After a while, however, the daily allocation of my own attention and time became difficult, and early signs of sub optimization became apparent in some individual businesses. A horizontal business structure to look at group-wide matters, including human resources, IT and

risk management thus became necessary. I think these kinds of issues back then arising from the fact that the advantages of a holding company structure were not fully realized give rise to a conglomerate discount. Besides, the horizontal lines rather than the vertical lines are crucial for realizing the Theme Park vision. Therefore, the Group CxO System was introduced to make the Business CEOs aware of these horizontal lines and also to create a healthy atmosphere of urgency wherein managers could actually forfeit the capital and human resource allocations to other businesses if they were not vigilant. As a result, it became easier to make the best decisions as a group and implement measures across the group. As the Group CEO, I also recognize that the Business Owner System and Group CxO System are necessary mechanisms to ensure both vertical and horizontal perspectives.

Davis It is often said that the role of governance is to ensure checks and balances. However, a distinct feature of SOMPO's governance is the Global ExCo which is an advisory body to the Group CEO. I think it offers a highly effective forum for the Business CEOs and Group CxOs to share information and know-how within the group, candidly exchange views without being bound by their own responsibilities or positions, and make high level decisions.

Sakurada I totally agree with you. The mission of each Business CEO is to win in a bottom line competition. Each Business CEO works with pride not only in terms of revenue and profit contribution, but also in the value they deliver to society. The CxOs responsible for the horizontal lines check whether the competition in the vertical line is fair and healthy from the perspectives of capital efficiency, risk management, and human resource development, etc. The mission statement of each Group CxO is also distributed across all Group CxOs so that all of them can make commitments. In addition, it was made clear that the Business CEOs are not the only ones to have clear missions, and that the Group CxOs are also held accountable for results. The Business CEOs and Group CxOs are rivals as well as partners with whom they build cooperative relationships. For example, if the CFO wants to achieve better results, it is essential for them to have a convincing discussion with the business owners. Currently it is very clear to me that healthy competition, mutual understanding and co-creation at the management level is contributing significantly to overall optimization.

(4) Scalability of governance

Global ExCo

Davis Shirakawa-san, you were appointed as the President



Group CEO, and Chairman and Representative Executive Officer
Kengo Sakurada

of Sompo Japan, the core company of Sompo Group, as well as the CEO of Domestic P&C Insurance Business in April 2022, and therefore now also attend the Global ExCo meetings. What is your impression of the Global ExCo?

Shirakawa I think it is extremely beneficial to have not only members based in Japan but also members based overseas to meet and discuss business and synergies. In fact, when I was appointed president, I was almost preoccupied with the domestic P&C insurance business. However, after I started to participate in the Global ExCo meetings and communicate with other members, I became more aware of group synergies, such as those with overseas business operations. When I return to my desk after the Global ExCo meeting, I continue to think about and chose what kind of instructions I should give as the President of Sompo Japan from the perspective of the best solution for the group.

A popular topic at a recent Global ExCo meeting was the Nursing Care RDP. I have been inspired by the leadership team being the first in Japan, and to change the world, by using RDP in the nursing care industry and the discussion about the technologies that make RDP possible. My ambition has gone up one or two levels, since I am in charge of the insurance business.

CxO System

Davis Sompo Japan also recently introduced its own internal CxO System. How do you plan to utilize this system?

Shirakawa Recently, we established a roadmap for transforming the business model of the domestic P&C insurance business segment. The roadmap is a largescale initiative to promote transformation with all departments working together, including human resource management and development, agency training, sales and marketing, and claims. Obviously, it



CEO of Domestic P&C Insurance Business
Giichi Shirakawa

is not possible for every line director or department to respond by simply doing their best, so we would like to fully benefit from the new CxO system to make the most of, and optimize, our effectiveness. We also believe that this transformation will create synergies not only for Sompo Japan but also for the group as a whole, and I will work with the Group CxOs to make us more effective and to revitalize our organization. We hope to accelerate this transformation over the next 12 months or so.

Communication with the Directors

Davis Sompo Holdings has adopted the company with committees models and has one of the most stringent governance structures in Japan. Under this structure the independent directors of Sompo Holdings are given great authority and frequently exchange views with the key members of each business unit. I think one of the distinct features of Sompo Group is that the leadership team has a wide variety of opportunities to frankly exchange views. How do you see this from your position?

Shirakawa The directors are very open with the Business CEOs leading the business companies, and I have a direct personality, so I feel that it is easy to build a good relationship. Since we are entering a period when we need to exchange views on group strategy and the business execution plan at a deeper level, being able to communicate freely without being held back by our own responsibility or position will be even more helpful.

Davis There are also things that the directors of Sompo Holdings should bear in mind. The directors should dispel the assumption that “the leadership team understands what we are thinking without us having to say anything” and try to have more careful discussions with the Business CEOs. And since the Business CEOs are given great authority over their own

businesses, I think it is critical that they in turn should provide insights into customer needs and organizational issues at places where group wide management is discussed.

Shirakawa As you said, Sompo Japan has the best understanding of the changes that are taking place in the domestic P&C insurance market, and I think it is difficult for Sompo Holdings to gain a real hands-on understanding of this market. So, I also see it as my mission as the Business CEO to thoroughly explain to the whole group the initiatives that will maximize benefits, based on new trends observed in our industry.

(5) Investment: not just about resource allocation but also resource activation under SOMPO's matrix management

Business Owner System and Global ExCo

Davis Oba-san, as the CEO of the Domestic Life Insurance Business, what do you think are the distinct features of Sompo Group's management structure and governance that are distinctive when compared with other companies?

Oba The biggest difference must be the Business Owner System. The Business CEOs are given a lot of authority, but this does not mean that they have a free hand to do whatever they want. First of all, there is the overall direction of Sompo Holdings and, based on that direction, I make decisions on strategies, investment allocations, etc. for the life insurance business. There is a fine balance between decentralized and centralized authority under this system, and that system has evolved in a unique way.

Davis What is your approach to the Global ExCo?

Oba The Global ExCo is an invaluable forum because of the balance between centralized and decentralized authority. For me, it is like coordinate axes [a two-dimensional space] for decision-making and business execution. The vertical axis represents the time from now to the future. For example, our goals are backcasted by Narasaki-san, the CEO of Digital Business and Chu-san, the Group CDO, and then discussed at the Global ExCo. Since I tend to be closer to the current situation and the field, the Global ExCo is a forum to check on how well we are moving toward our vision for the future. The horizontal axis represents the scope of our business domains. The Global ExCo is also functioning well as a forum to view the life insurance market in Japan and overseas from a higher viewpoint and to check on whether our strategic execution in

the life insurance business is ahead or behind where it needs to be to reach our goals. So, the Global ExCo and Business Owner System work together, and both are essential. Also, Okumura-san was recently appointed as the Group COO and became a member of the Global ExCo, so we began to see a unique “chemical reaction” in our discussions.

Davis I sometimes try to picture how the management and governance of Sompo Holdings would have been now without a forum like the Global ExCo. We would probably end up having long investment meetings taking half day and endless one-on-one meetings, and each business would probably have become impenetrable silos.

Oba Looking at our investment strategy, without the Global ExCo, future-oriented investment would have been limited and more emphasis would have been placed on slightly more conservative investments. In other words, future-oriented investment is widely discussed at the Global ExCo. I focus my attention on the future when the investment strategy is being discussed. Because of the Global ExCo, we are able to have discussions that link current business strategies with future goals.

Davis By making bold investments essential for the whole of Sompo Group on the long term, means that the life insurance business will also have more options for future strategies and opportunities.

Oba I totally agree. I would like to deliver exciting investment opportunities that increase business possibilities at the Global ExCo. Investments that include digital innovations are particularly important. We will also continue promoting DX [digital transformation] in the life insurance business and contribute to using RDP in group companies.

(6) Group advantage of having a “big picture”

Davis The nursing care & seniors business has the shortest history within Sompo Group, but I feel that it is developing at the fastest speed. The role of the nursing care business is increasingly important in addressing the challenges of aging society. Tell me about the changes you have observed in the frontline over the past few years.

Endo I used to work in insurance, and compared with that experience, the nursing care business is clearly attracting attention from society, and I think the employees feel that their



CEO of Domestic Life Insurance Business
Yasuhiro Oba

job directly contributes to addressing the social challenges that Japan is facing. Four hundred and forty new graduates joined in fiscal 2022. Approximately 70% of them decided to join the company because they wanted to return something to society, as their grandparents devoted a lot of attention to them during their childhoods. We currently have about 25,000 employees, and many of them find it motivating to see the seniors smile. I have a renewed feeling that Sompo Group entered a good business field.

I still cannot forget the words of Sakurada-san, the Group CEO, when we entered this business. He said that “there is no need to think about synergies with P&C insurance, so just think about becoming a top player as a nursing care provider.” This separation was necessary because once we become aware that “this company is Sompo Japan's business partner” with our subcontractors and business partners, we might not be able to make the best decisions. I always keep his words in mind to keep our strategy clear.

Davis So Sakurada-san did not enter the nursing care business to boost the immediate short term performance of Sompo Group, but rather he was aware of the need for a qualitative transformation of the nursing care industry and a service provider that does its best for that purpose.

Endo As Sakurada-san pointed out, employee development is the key to becoming a top player. The work environment at that time was not so good, and employee education was not up to par. Therefore, I decided to start by providing wide-ranging education for our employees.

I now feel that Sompo Care Inc. is in the top tier of the industry for both business size and quality of service. The employee turnover rate, which used to around 25%, has improved to around 11%. We have increased the compensation and salaries of caregivers working at Sompo Care so that they are comparable to the average salary for a nurse. This level



CEO of Nursing Care & Seniors Business
Ken Endo

has “perked up” the whole industry. The Japanese government pays attention to the initiatives of Sompo Holdings and Sompo Care, and has invited us to participate on several committees. I feel that Sompo Group is helping to resolve challenges associated with aging by improving the quality of nursing care, while protecting people against risks through insurance.

Global ExCo

Davis You are the CEO of Nursing Care & Seniors Business and therefore also a member of the Global ExCo, so tell me about the advantages of this forum and your experience of it to date.

Endo A diverse group of members from around the world participate in Global ExCo discussions. We discuss the same topic, including the vertical and horizontal business lines, such as P&C insurance, life insurance, and nursing care, which I think is an approach that is unique to SOMPO. Taking the example of nursing care, five or six years ago some members might have viewed SOMPO as entering a risky business. However, the majority of Global ExCo members are now very interested and want to know more about nursing care. The biggest advantage of Global ExCo meetings is that we can fully discuss the businesses and value creation that mesh with group strategy. For example, it is extremely important to understand and reflect on the business, investment plans, etc. of Sompo International before adapting them to another business. Topics such as the new styles of working and *My Purpose* could be different in insurance and nursing care, but it is a big advantage that we can discuss them together.

Looking at governance at Sompo Holdings, the leadership team is selected from a global perspective and includes members with diverse backgrounds. The team develops investment plans and, for example, we have invested in the nursing care business and other non-insurance businesses seven years ago. I think this is symbolic of SOMPO’s governance.

Group CxO System

Davis Please tell me about the progress of the Nursing Care RDP.

Endo We will announce the sales plan and product lineup on IR Day in November this year. We will start by promoting the Nursing Care RDP to nursing care providers, and then explore the possibility of using this in the Digital Garden Cities initiatives (smart cities) for local governments. Palantir’s technology for big data analytics will be one of the key elements in this plan. We will develop solutions that allow people to gather and analyze care records, including diets, predict changes in physical conditions in three months’ time, and then develop strategies. Palantir’s technology is a major differentiating factor for us in this industry.

Davis Only Sompo Care was able to partner with Palantir in the nursing care industry undoubtedly because Narasaki-san who was then the Group CDO deeply understood the importance and potential of the nursing care business that we’re constantly discussing, and noticed the affinity with Palantir’s technology. I believe that this sort of positive creative energy will continue to grow for as long as the CxO deeply understands the perspective of the Business CEOs.

Endo The Nursing Care RDP has the potential to change the world. I believe that the value delivered by the Nursing Care RDP can contribute directly to addressing the high-priority social challenges facing Japan and could have a positive impact on national policies.

Davis If we did not enter the nursing care industry, Sompo Group would have looked quite different now. And the Group CDO probably would not have been as powerful as he is now.

(7) Non region specific governance

What makes SOMPO different is a shared big picture, that is, not just Japan “and” or “versus” overseas.

Davis Everyone in Japan for years has been talking about the importance of being global. As the CEO of Sompo International Holdings Ltd. how do you see the global needs of SOMPO and their achievement to date?

Shea We are already a significantly global and scaled P&C insurer. The difference with other carriers is our dependency on the Japanese marketplace. In FY2021 total premium written by Sompo Group were larger than many global firms,

but few realizes this. While we are pleased with the present situation we need to balance the portfolio geographically and generate more income from outside of Japan. The only way to achieve this is to grow our customer base internationally while always maintaining a focus on the bottom line. Our strategy is to grow our customer base both in our existing and new geographies and contribute more operating income to the Sompo Group from the Overseas business and to establish the SOMPO brand in the global insurance market. Such purpose and strategy for growth are exciting propositions for our employees.

Global ExCo=Transformation of corporate culture

Davis You participated in the Global ExCo a couple of times. I also observe the meetings and can say with authority that every single time, the level of the game increases. Can you tell me what you got out of it and how the Global ExCo is working for the business and organization of Sompo International?

Shea The Global ExCo is a great forum. Coming to Tokyo for the week of Global ExCo affords me many opportunities on both ends of those meetings to meet and develop relationships with the other ExCo members and senior leaders. I believe Sakurada-san would like even more debate among the members and I believe this is happening. Senior leaders are encouraged to ask challenging questions which I think that is good. Constructive challenges and open debates and not just a forum to disseminate information will result in the best outcomes and ensure our strategies align with group priorities.

Real challenge is when I go back home and meet with the leadership team of Sompo International to make sure that the information and what we have talked about are disseminated to them, and they in turn inform their teams. If this doesn’t happen we lack consistency and focus. I am also encouraging the leadership team of Sompo International to visit Japan and meet their colleagues. I believe it would send a strong message to host a Global ExCo meeting outside of Tokyo and showcase our business in those markets.

Davis In the past in most Japanese organizations, decisions were generally made in advance, with the meetings more like a sort of ritual to go through the list, and check and confirm them in the meeting. But here at SOMPO, we are seeing serious debate about important things related to group strategies on a face to face level.

Shea I am aware of this process and I do think it still happens within SOMPO but to a lesser extent and moving in the right direction. Debate and discussion are critical to making



CEO of Overseas Insurance and Reinsurance Business
James Shea

good decisions. Senior leaders need to reach into the organization and talk to a broad number and levels of employees to understand what is happening where the business gets done. Some of the best meetings that I have is when I go to an office and say I want to talk to employees who has been here less than a year. They often have less filter and will tell you exactly what they think because they are not worried about any repercussions or retaliation. I believe the same candidness exists when speaking with employees of various levels in Japan. Based upon some of conversations they told me what they would like to see more change, and are interested in what is happening overseas. I believe the next generation of employees would like to be compensated for performance and value creation. I think they would also be willing to take greater risk to transcend the existing promotion system and convention. Our job is not to tell Sakurada-san what we think he wants to hear. We should tell him what we think.

Evolution of the global business through SOMPO’s transformation

Davis How do you want to contribute to the Global ExCo to make it even more effective?

Shea I think there is not enough understanding of how our business is conducted overseas. Much of our business at Sompo International is done through intermediaries and our competition is very different than it is in Japan. How we need to distinguish ourselves overseas is therefore different than how we need to distinguish ourselves in Japan. We all share the same objectives but how we go about achieving will have both a consistency of priorities (Purpose, Customers, Profit) but will differ in terms of the “how” we achieve them.

For Sompo Group to be successful as a global organization, we need to have a globally minded leadership team. This team does not have to be experts an expert in a particular business but they have to be curious and open mind. I will

Director and Management Members Dialogue



CEO of Digital Business
Koichi Narasaki

continue to communicate what is working in our markets to attract customers to SOMPO and where we need to focus our resources to successfully execute on our strategies.

Davis In recent years, SOMPO International's management and governance have undergone a rapid evolution. In 2017, Endurance joined the Sompo Group, and its founder, John Charman, became the head of SOMPO International. Please tell us about the impact of this very significant change and John Charman's legacy for the Sompo Group as a whole.

Shea Over my 25+ year career I have had many roles across three companies. Each time I moved into a new role or responsibility I have had the feeling that I didn't finish the job. It is important to realize that this is normal. You take it from A to B, someone else takes it from B to C, and then someone else takes from C, etc. It is never done and it is always evolving. I think John Charman's contribution, his legacy, was absolutely critical in doing what he did in the A to B phase. I believe he created a business that can rank and compete with any peer in our industry by focusing on the culture of underwriting, people and applying technical expertise to everything we do. He did it intentionally and quietly. I was surprised Sompo International became a \$13-\$14 billion business. I believe John knew that the next stage is now to be a little bit louder. He had brought it all together, successfully merged, pointed the business in the right direction, and steered through some difficult markets. And now we need to leverage this base to grow our customer base and increase our contribution to the Group.

My role is now is to take Sompo International to the next level. How we combine the positive features of a large company with what we already have.

Davis I think one part of Mr. Charman's legacy for SOMPO was that he demonstrated that in different areas in different businesses, there are other forms of governance that are

different, but also incredibly effective. And SOMPO was able to learn from that and benefited enormously. But things change, some things have to change. As you said, the job is never finished.

(8) Governance for creating the right future

Davis How do you interpret transformation at SOMPO?

Narasaki SOMPO is trying to change to win the game in the future and reach a higher position, not just protect the current position. This is transformation for SOMPO. What we are trying to do is transform ourselves. Unlike other companies that are trying to avoid mistakes at all costs, we are trying to change the game.

I think this kind of change leadership—turning transitions in society and in the times into opportunities—is built into SOMPO. If we were in a different company, this would not happen. Certainly, if this was not how we operated, we would not have made a major investment in Palantir Technologies.

Davis So, you are saying that somebody with deep experience in digital technology is used to looking at the big picture of society and industry, and then thinks ahead and sees a worldwide view. Tell me about the digital strategy to promote transformation at SOMPO.

Chu I think SOMPO is a company that is changing insurance and nursing care. Peter Drucker said that “the best way to predict the future is to create it.” That is what we are doing at SOMPO.

There are three “horizons” in our digital strategy. One is the digital transformation (DX). It is the core and also fundamental. Probably 80% of my work right now is to make sure that we make the X (transformation), that we measure the X, and that we see the impact of DX across all of our businesses and that we use the horizontal approach.

Horizon two is the RDP, or taking what we have learned and introducing a new service model to the rest of the industry created from the data that we collected through business, for example, in a core business like nursing care. So, we not only upgraded the 400 nursing care facilities of Sompo Care, but we also have the opportunity to upgrade the other 60,000 nursing care providers in this industry in Japan, and to help the Japanese economy be more productive and more efficient.

Beyond that, we have horizon three or Web 3.0, where we really look at where things are going to be in five to ten years. That is what Narasaki-san and I have been talking about. Some

of the core technologies of Web 3.0, such as blockchains, smart contracts, and tokens, are working and have the potential to completely change industries, especially finance and insurance. So, we are anticipating changes and experimenting with them so that we can create viable businesses in the future. Our aim is to be ready when the shift takes place on a large, mainstream scale and to be the leader in providing insurance products and services quickly during the Web 3.0 economy.

I am confident that there is no insurance company in the world that has such a comprehensive view of the future and how we are really helping create it together using a digital strategy. So, my point here is that Narasaki-san and I are here as members of SOMPO's leadership team to create the future using this three-horizon strategy.

Narasaki We are able to execute this strategy because we have good governance based on the balance of close communication among the leadership team and mutual understanding. In fact, there are three strengths. First, we have Sakurada-san, a visionary leader. He always asks us about what we are doing, right down to the smallest detail. Also, he is very accessible, to an extent that just does not happen in other companies.

Second is the Board of Directors of Sompo Holdings. We are in close communication with the Board about what we are trying to accomplish. As well, we discuss extensive opportunities with the Board and how the Board is thinking about the way forward and what is expected of us. Third is the Global ExCo. The remarkable thing about SOMPO's Global ExCo is that there are no politics or politicking. At the Global ExCo, we talk openly about all the key metrics as well as the significant problems, and decide whether we agree or disagree. The Global ExCo is open to all Business CEOs and Group CxOs as well as to Sompo Holdings' Board members. So, everyone has a deep understanding of what is going on for every major topic in the group's business management. The level of transparency and a balanced view are incredibly important for us.

Without any one of these three strengths of SOMPO's governance, nothing that we have accomplished to date would have been possible. We would not have been able to see this far into the future and act without the three strengths.

(9) Governance is about people. That is why “I (inclusion)” is placed above “D (diversity).”

Davis As I listened to the wide range of topics discussed today, I strongly felt that the key to good governance is having excellent human resources and that this also hinges



Group CDO (Group Chief Digital Officer)
Albert Chu

in the quality of the method of succession planning for the Group CEO. At SOMPO I know that the concepts of diversity, fairness and sense of belonging are deeply incorporated into succession planning and that Sompo Group has worked hard to create its common goals and purpose, and to attract people of diverse backgrounds and values and ensure that they are active in a culture of transformation within each business company. Why are you putting so much emphasis on human resources?

Sakurada If the only approach to human resource management is diversity, then simply being different is enough to be good. Taken to the extreme it means that an anarchic state where everything was totally inconsistent would be best. This is why an organization needs the inclusivity in order to take in and accept diversity. There is no purpose in an organization which is incapable of including and spanning differences – there could be no mission. While it is important that everybody should be able to go about things in their own way, there must be something within Sompo Group that unites us toward common goals and missions, something which I believe is purpose. By establishing a specific overall purpose for SOMPO, I seek to build an organization of talented individuals who can create and achieve their own purpose. This is why we need to focus on human resources. Inclusion is a prerequisite for such group, but the more diverse they are, the more interesting the company becomes. In the end, what matters the most is people. People and companies are constantly evolving. While business management has a life of its own, we make it mission-driven with purpose and diversity. For me, the framework that enables this at Sompo Group is governance.

Governance

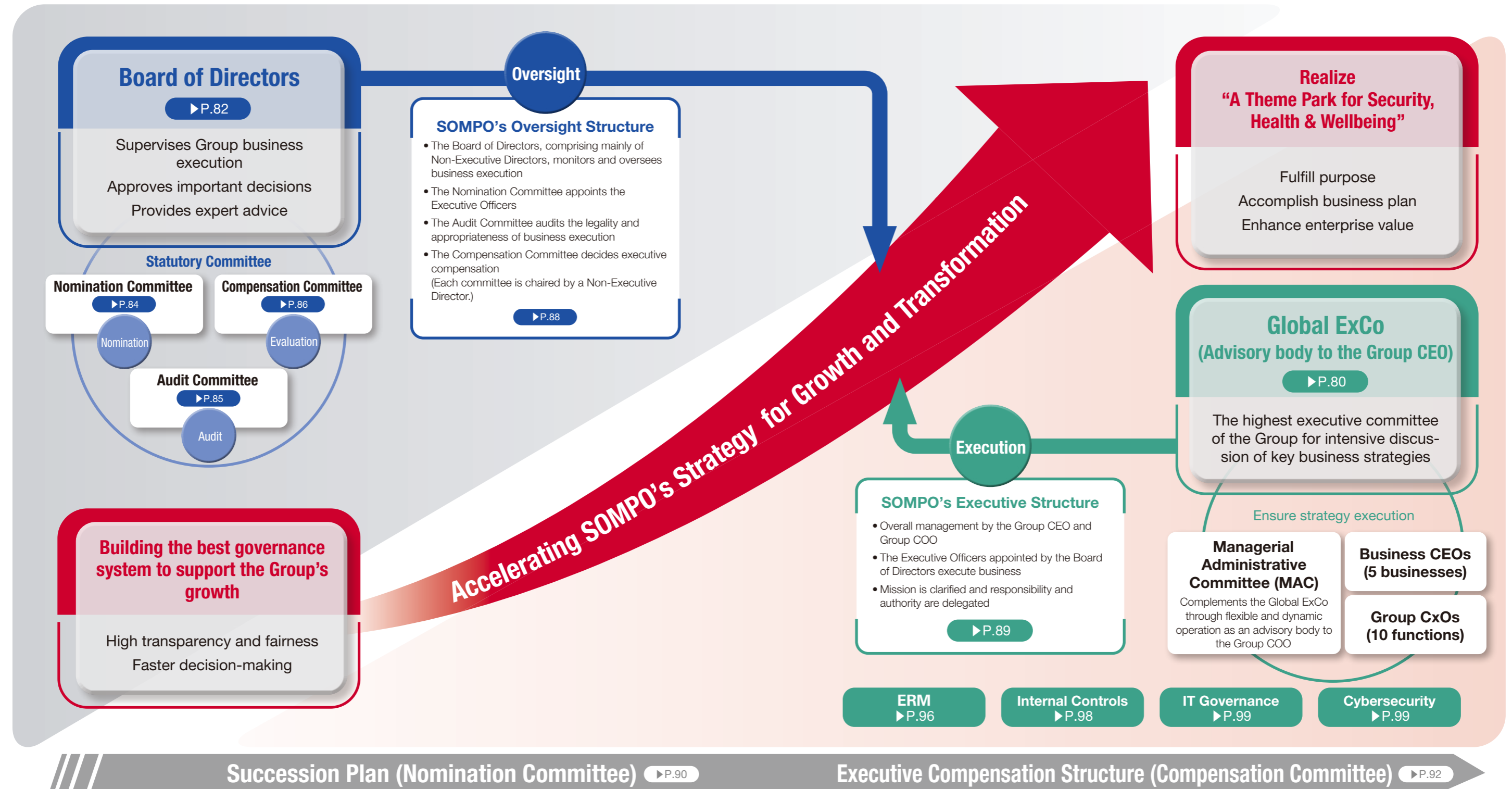
Overview of the Corporate Governance Structure

The Group has continued to transform (qualitative evolution) toward “A Theme Park for Security, Health & Wellbeing” to remain indispensable even in 100 years’ time. And it is SOMPO’s governance that supports this transformation.

As a company with committees, we established a system where the executive team is given great authority under the oversight of the Directors, comprising mainly of Non-Executive Directors, and elected by the shareholders. Among the statutory committees that are important for the Board of Directors to provide oversight, the Nomination Committee and Compensation Committee are comprised only of non-executive members, creating a healthy tension between the executive team and ensuring high transparency and fairness.

The Executive Officers and Executive Vice Presidents appointed by the Board of Directors make fast decisions by working together while honing their expertise under the Business Owner System and Group CxO System, and dynamically implement Group strategies with a sense of oneness.

The Global ExCo is the highest executive committee of the Group and members with diverse background, including the Business CEOs who manage individual business and Group CxOs who have deep expertise in their respective functional area have frank discussion across regions and time frame as well as make decisions for Group Best to realize “A Theme Park for Security, Health & Wellbeing.”



Main features of the Global Executive Committee (Global ExCo)

The Sampo Group's highest executive committee

Top global executives of the Group meet together for the Global ExCo.

The Global ExCo is an advisory body to the Group CEO and serves as a place to have intensive discussion of key topics, such as Group growth strategy based on the future outlook and social environment as well as the progress in the business plan and addressing business challenges.

The most distinct feature of the Global ExCo is the sense of oneness and speed based on the three key principles set out when it was established, which are Candor, Group Best, and Fact Base. In the meetings, the Business CEOs

and Group CEOs who are highly diverse with different nationalities and missions express their opinions frankly and have future-oriented discussion while sometimes leading to a new awareness and positive conflict. All members reconfirm the agreed matters, challenges recognized, etc. before the meeting is concluded and each member takes the next step promptly and surely in their own business/functional area. This way of decision-making and active, top-down approach represent "SOMPO -ness."



The Three Key Principles

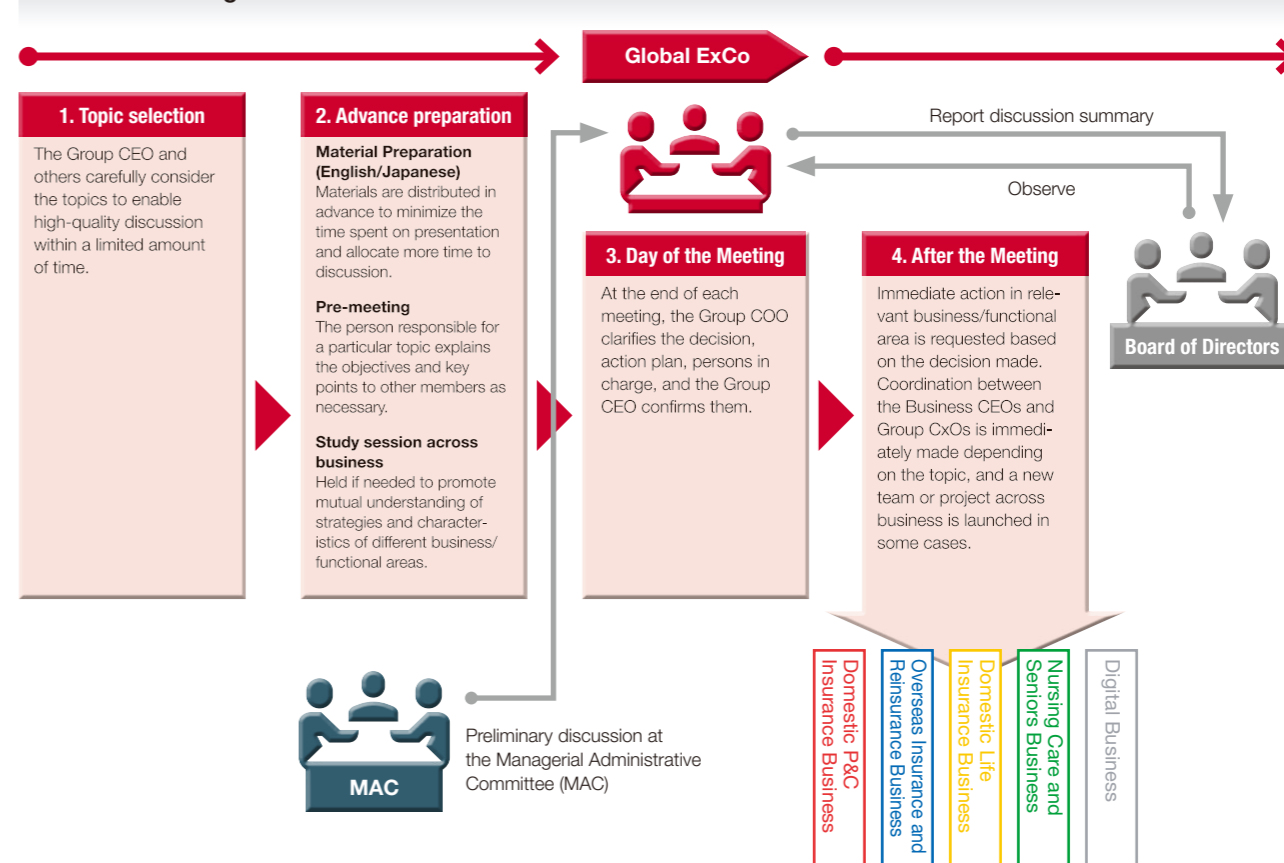
Candor	Candidly share challenges in each business/functional area and discuss to address them. Have in-depth discussion while sometimes playing devil's advocate and creating positive conflict.
Group Best	Have discussion with a bird's eye view of the entire Group as the highest executive committee of the Group. Refrain from speaking only for own business/functional area and aim to maximize outcomes for the entire Group.
Fact Base	Focus on quantitative information and subjective facts (including qualitative information from third parties, such as investors) in the discussion.

Global ExCo Structure

Chairman	Group CEO
Members	Group CEO, Group COO (Moderator), 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, Group CxOs

* The Global ExCo is managed in a way to increase transparency of governance through proactive information sharing by the executives, such as reporting the summary of discussion to the Board of Directors each time and allowing the Directors to observe the meetings.

Committee management centered on the Global ExCo



The Global ExCo meets five to six times a year. The topics are carefully selected and the discussion points are clarified beforehand to complete the necessary discussion within a limited amount of time, and active participation of all members are required on the day. In fiscal 2021, the members discussed mainly the newly-launched Mid-Term Management Plan, capital policy, shareholder return, initiatives to enhance enterprise value, Real Data Platform (RDP) strategy, new work style, etc.

In fiscal 2022, the Global ExCo will discuss the progress in existing businesses toward accomplishing the Mid-Term Management Plan, evaluation of new investment to boost profits, RDP strategy, etc. Group resource allocation conducive to selecting and executing the best corporate strategy based on the future outlook, including demographic change, and in response to rapid changes in the business environment, improvement of disclosure and communication with stakeholders to enhance enterprise value, etc. will also be examined further.

Main topics discussed by Global ExCo

Fiscal 2021	Fiscal 2022
<ul style="list-style-type: none"> • Mid-Term Management Plan • Enhancing SOMPO's enterprise value • Investment projects in Japan and overseas • Enterprise risk management (ERM) • RDP and digital strategy • Climate action policy • New work style 	<ul style="list-style-type: none"> • Mid-Term Management Plan • Enhancing SOMPO's enterprise value • Investment projects in Japan and overseas • Growth strategy • Capital allocation • RDP and digital strategy • Improving communication with stakeholders

Characteristics of the Board of Directors

Function and Role of the Board of Directors

The Board of Directors makes decisions about important management issues as stipulated in the Rules of Board of Directors, as well as fulfills obligations stipulated by laws and the Articles of Incorporation, all while supervising the status of business execution. The Chairman of the Board is selected by the Board of Directors in accordance with the Articles of Incorporation, with the position taken by a director who serves concurrently as Group CEO.

In addition, the majority of the directors on the Board shall be outside directors to ensure supervision remains effective, and to demonstrate sufficient diversity, due consideration will be given to gender, nationality, etc. At the same time, by appointing corporate executives, academics, and those with specialized knowledge of law, finance, and accounting to the Board, we are building a system of governance with high transparency and improved fairness.

Efforts to secure and improve the effectiveness of the Board of Directors

All members of the Board of Directors, including the Chairman, are acutely aware of the need to secure and improve the effectiveness of the Board, and we have established a cycle of constant discussion and implementation throughout the year through the following initiatives.

1. Implementation and use of preliminary briefing sessions for the Board of Directors

In order to ensure that discussions within the Board of Directors are constructive and productive, preliminary briefing sessions are held for all outside directors before every meeting of the Board, during which discussion is held on any opinions or questions that arise during the briefing sessions. Integrating preliminary briefing sessions and meetings of the Board in this way allows for discussions to be both efficient and substantial, and ensures that the knowledge and perspectives of outside directors are also directly reflected in how the Board operates.

2. Efforts to show the supervisory function of Board of Directors

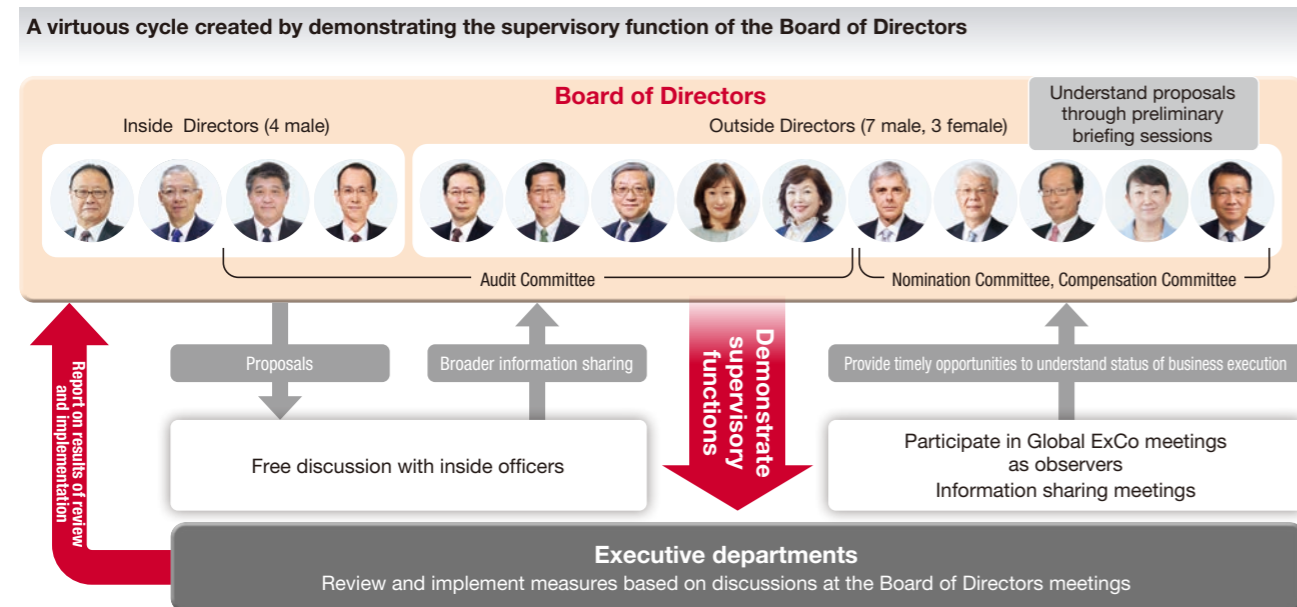
The Board is actively engaged in initiatives that demonstrate supervisory functions, such as by increasing information sharing to enable the Board to better understand performance

in order to avoid creating any distance between the Board of Directors and the executive departments, and to maintain sufficient communication.

Concrete examples include the business execution reports made by business CEOs and Group CxOs at board meetings; providing observer access to directors for various executive department committees such as the Global Executive Committee, the Managerial Administrative Committee, and other such committees; holding information sharing meetings with outside directors to report on business execution items not limited to issues discussed by the Board in a timely matter; holding free discussions on business execution items from the perspective of business CEOs; and engaging in opinion exchanges between outside directors and representative executive officers.

3. Conducting surveys on the effectiveness of the Board of Directors

The Board also emphasizes efforts to actively incorporate the opinions of directors through such means as annual surveys that include self-evaluation by each director, in order to create opportunities to gain an overall analysis and evaluation of the effectiveness of the Board of Directors as a whole.



Progress on deliberations on important topics discussed by the Board of Directors

Important discussion topics	Details
Evaluate and enhance the value of intangible assets (branding, engagement)	<ul style="list-style-type: none"> The importance of fostering a sense of solidarity among employees through new work styles; the ideal personnel system that contributes to improving engagement; and the corporate culture the Group is aiming for How to connect the different elements of these initiatives to improve corporate value
Policies for responding to ESG-related issues	<ul style="list-style-type: none"> The importance of aligning and clarifying policies for responding to climate change risks throughout the Group
How to communicate constructively with capital markets	<ul style="list-style-type: none"> Providing information and communicating effectively with investors as a means of maintaining a dialogue with capital markets regarding important management strategies
Constructing the Real Data Platform	<ul style="list-style-type: none"> The importance of business model construction, risk management, and customer perspectives in the Real Data Platform concept How to strengthen data marketing in digital business

Free discussion: a mechanism for active sharing of business execution information

In fiscal 2021, we increased the frequency and content of information sharing meetings and held multiple free discussions on business execution information from the management perspective of business CEOs in order to ensure there would be sufficient communication between directors and executive officers. Execution reports are continuously submitted before the decision-making stage and regular discussions are held between members of the Board of Directors, regardless of whether items in question are required to be submitted as proposals to the Board or not. In last year's effective evaluation of the Board of Directors, when looking into potential operational issues under the COVID-19 response, we identified that more realistic information sharing and better communication between the Board and the executives was an urgent issue, particularly between business CEOs, and the intensive free

discussions between the executives of each business and the Board were seen to have been extremely effective.

In addition, regarding the topics that should be discussed in greater detail by the Board of Directors, it has been noted that various points of view are being addressed and significant progress is being made. Particularly when touching upon purpose management and engagement, the Board has been holding active discussions and providing practical reports, and the discussions themselves are seen to have become more comprehensive. Moreover, discussions are generally conducted with the Board having sufficient awareness of the issues at hand: executives give their directives careful consideration when implementing proposals, at which point the Board of Directors is then able to deliberate again on progress made in what could be called a "virtuous cycle."

Previous Free Discussions Held

Topics discussed in fiscal 2021	
<ul style="list-style-type: none"> Strategies for the Domestic P&C Insurance Business Strategies for the Overseas Insurance and Reinsurance Business *In April 2022 Strategies for the Domestic Life Insurance Business 	<ul style="list-style-type: none"> Strategies for the Nursing Care & Seniors Business Strategies for the Digital Business Efforts aimed at sustainable growth for the Group

Further evolution of the Board of Directors to realize the Group's vision

The Group aims to strengthen the supervisory function of the Board of Directors and expedite business execution through delegating a large amount of authority to the executive departments by means of separating management oversight from business execution. By establishing the Nomination, Audit, and Compensation committees as statutory bodies within the organization, we are also able to work towards building a governance system that is highly transparent and fairer.

Between intensive deliberations on important management themes by the Board of Directors, and the Nomination, Audit, and Compensation committees appointing officers, determining their compensation, and supervising the legality and validity of their execution of duty, each of these bodies is more faithfully fulfilling its roles, and engaging in more intense discussions to remain accountable to our stakeholders. Additionally, active deliberations are being undertaken within the Global Executive Committee, the highest decision-making body in the Group,

to achieve the Mid-Term Management Plan that serves as the foundation of our management strategy, and to realize our goal of becoming "A Theme Park for Security, Health & Wellbeing."

The governance system in place allows the directors to supervise and monitor the executive departments and their decision-making, and it is our belief this system is optimized to match our management and business strategies, and that it sufficiently secures a framework for increasing the efficiency of the Board of Directors.

In order to realize our goals as a Group, we will use this governance system as the foundation for us to effectively utilize free discussions between directors and executive departments about important management topics, and by also continually improving the quality of our decision-making, we aim to meet the expectations of our shareholders and other stakeholders.

About the Nomination Committee



We intend to create a diverse portfolio of Group officers, and contribute to realizing SOMPO's Purpose and improving corporate value

Outside Director, Chair of the Nomination Committee
Scott Trevor Davis

The Nomination Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations concerning the appointment and dismissal of Directors and Executive Officers at all Group companies.

The Group is currently promoting transformation—or qualitative change—with the goal of achieving SOMPO's Purpose, namely to become "A Theme Park for Security, Health & Wellbeing." In order to further accelerate the realization of our Purpose, in fiscal 2021, we implemented the Succession Plan and selected and appointed new candidates for the following key positions: Group Chief Operating Officer & President, CEO of the Domestic P&C Insurance Business, CEO of the Overseas Insurance and Reinsurance Business, and CEO of

the Nursing Care & Seniors Business. Under this new management, the Group has made a healthy start to fiscal 2022.

Improving diversity among Group officers is critical both to realizing SOMPO's Purpose and to developing our global business—not just in insurance but in wide-ranging sectors, including nursing care, and digital. The Nomination Committee works to improve diversity among Group officers both when appointing individual Directors and Executive Officers and when formulating the Succession Plan.

Through its deliberations, the Nomination Committee intends to establish a diverse portfolio of Group officers, and contribute to realizing SOMPO's Purpose and to improving corporate value.

Nomination Committee Performance

The Nomination Committee met 11 times in fiscal 2021. Its main agenda items are listed below.

Implementing the Succession Plan for key Sompo Group positions	<ul style="list-style-type: none"> In line with the Succession Plan, the Committee selected and publicly announced new candidates for the following key Sompo Group positions: Group Chief Operating Officer & President, CEO of Domestic P&C Insurance Business, CEO of Overseas Insurance and Reinsurance Business, and CEO of Nursing Care & Seniors Business.
Formulating the Succession Plan	<ul style="list-style-type: none"> Certain key positions are critical for bringing about the further transformation and growth of the Sompo Group; in the Succession Plan, the Committee has established a system that will produce high-quality individuals from diverse backgrounds in a stable and effective way. A total of 88 key positions in the Group, including the position of Group CEO, are governed by the Succession Plan. When selecting succession candidates, the Committee draws up various criteria for consideration, such as the proportion of positions held by women, to ensure a diverse pool of talented personnel.
Appointing Executive Officer candidates	<ul style="list-style-type: none"> After considering the criteria for the appointment of Directors and the balance of the Board of Directors as a whole, the Committee resolved an issue related to the appointment of Director candidates to be submitted to the Annual General Meeting of Shareholders.
Appointing Executive Officers	<ul style="list-style-type: none"> The Committee resolved an issue related to the appointment of Executive Officers.
Appointing Directors at Sompo Japan and Sompo Himawari Life Insurance	<ul style="list-style-type: none"> The Committee resolved an issue related to the appointment of Director candidates at Sompo Japan Insurance and Sompo Himawari Life Insurance.

About the Audit Committee



We carry out highly effective audits that cater both to the growth of our business and rapid environmental changes, and thereby meet the expectations of our stakeholders

Outside Director, Chair of the Audit Committee
Naoki Yanagida

The Audit Committee is primarily comprised of Outside Auditors, ensuring high transparency and fairness. Roles are divided according to the diverse skillsets and backgrounds of its composite members, and the Committee carries out highly effective audits.

We seek to contribute to work style reforms through our auditing methods. For example, since fiscal 2020 we have proactively used video conferencing systems in response to the spread of COVID-19. By promoting auditing methods that are efficient both for those carrying out and those receiving the audits, we ensure our audits are of the highest quality. Going forward, we will continue to explore new methods for carrying out even more effective audits.

Fiscal 2021 marked the beginning of a new Mid-term Management Plan. The Company is aggressively pushing a wide range of new initiatives—such as solutions that utilize real data—to achieve its goal of becoming "A Theme Park for Security, Health and Wellbeing." Future audits will therefore have to be broader in scope and more specialized. Accordingly, in order to carry out audits of greater quality, in June 2022 the Audit Committee welcomed two new committee members with wide-ranging knowledge and expertise. The Audit Committee now comprises seven members. The Audit Committee will continue its efforts to meet stakeholder expectations by conducting audits of the highest quality.

Audit Committee Performance

The Audit Committee met 12 times in fiscal 2021.

The Audit Committee formulates basic policies for audits and auditing plans, carries out audits year-round in accordance with these plans, and provides audit reports and a summary of its auditing activities at the end of each fiscal year. A report is provided to the Audit Committee following the completion of each audit activity, enabling the Committee to regularly verify the progress of the auditing plan. The Committee's year-round auditing activities include: attending important

meetings and verifying important decisions; collecting information through meetings with Representative Executive Officers, through meetings with Business CEOs and Group CxOs, through meetings with general managers of departments and offices, and through site visits to Group companies in Japan and overseas; and providing feedback and suggestions regarding management operations.

Our auditing activities for fiscal 2021 are outlined below.

Audit Committee Responsibility System	The Audit Committee Responsibility System was introduced with the aim of conducting audits of greater depth. Each Business CEO and Group CxO is assigned a primary auditor from among the members of the Audit Committee, and audits are carried out mainly through this primary auditor.
Collaborating with the Internal Audit Department	In order to strengthen collaboration with the Internal Audit Department, various opportunities are created for exchanging opinions. For example, the General Manager of the Internal Audit Department attends meetings between Audit Committee members and officers, and is present at site visits to Group companies both in Japan and overseas. The Internal Audit Department also discusses the results of internal audits with Audit Committee members.
Collaborating with Independent Accounting Auditors	In order to strengthen collaboration with Independent Accounting Auditors, we established a plan for year-round meetings with Ernst & Young ShinNihon LLC. We work to mutually improve audit quality by ensuring frequent communications and engaging in lively exchanges of opinion.
Measures to improve audit activities	To combat COVID-19 and to promote new work styles, we have improved the efficiency of various auditing activities—including Audit Committee and other meetings, and site visits to Group companies in Japan and overseas—through the widespread use of video conferencing and other remote methods. We have also implemented measures to ensure there is sufficient time for discussions.

About the Compensation Committee



The Compensation Committee will continue to discuss the Sampo Group's executive compensation structure, with a view to increasing its incentivizing effects

Outside Director, Chair of the Compensation Committee
Kazuhiro Higashi

The Compensation Committee aims to improve transparency and fairness in the Group's governance by introducing a third-party perspective to deliberations about compensation for Directors and Executive Officers at all Group companies.

It is imperative that the executive compensation structure not only imparts positive effects on governance, but also provides real incentives for Group officers. In fiscal 2021, the Compensation Committee recommended revisions to the executive compensation structures at both Sampo Japan and Sampo Himawari Life Insurance. This formed part of our efforts to develop a more mission-driven executive compensation structure not only at Sampo Holdings, the holding company,

but across the entire Group—and particularly at its core business companies.

Two of the key questions concerning our Group's executive compensation structure are: "what compensation package should we award to the Group CEO?" and "how can we properly evaluate this?" In fiscal 2021, the Compensation Committee carefully deliberated the Group CEO's strategic goals and initiatives, and assessed the Group CEO's overall compensation, fixed compensation, and performance-linked compensation.

The Committee will continue to discuss the Sampo Group's executive compensation structure, with a view to increasing its incentivizing effects.

Compensation Committee Performance

The Compensation Committee met 10 times in fiscal 2021. The main agenda items of the Compensation Committee in fiscal 2021 are outlined below.

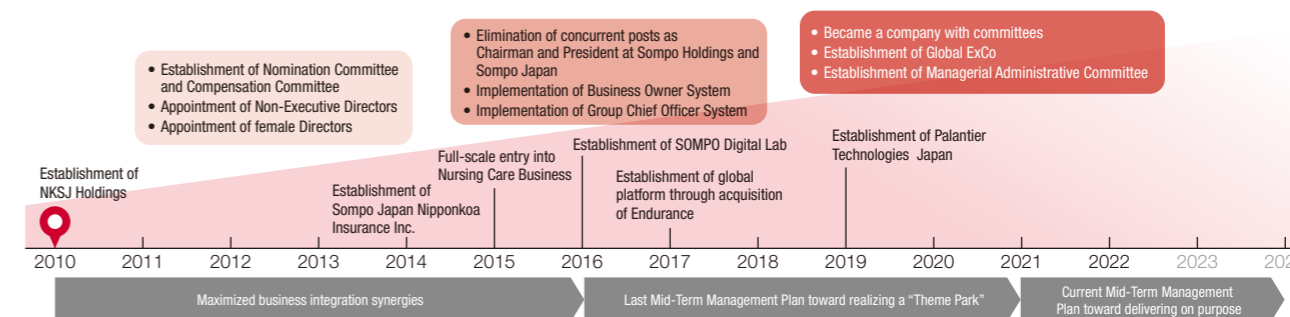
Revising executive compensation structures at Sampo Japan and Sampo Himawari Life Insurance	<ul style="list-style-type: none"> In light of the Group's Policies on Decisions Pertaining to Executive Compensation, the Committee discussed whether any aspects of the executive compensation structure at the Group's core businesses—Sampo Japan, Sampo International, Sampo Himawari Life Insurance, and Sampo Care—needed revising. Following these discussions, the Committee made recommendations regarding the executive compensation structures at Sampo Japan and Sampo Himawari Life Insurance to the Boards of Directors at both companies, in order to align them more closely to the Group's Policies on Decisions Pertaining to Executive Compensation. As of April 2022, revisions were executed in line with these recommendations.
Performance-linked compensation of the Group CEO	<ul style="list-style-type: none"> The Committee assessed the Group CEO's initiatives in fiscal 2021, and determined the payment rates and payment amounts for performance-linked compensation.
Strategic goals and base amount of compensation of the Group CEO	<ul style="list-style-type: none"> The Committee discussed the Group CEO's fiscal 2022 strategic goals of 1. Establishing RDP; 2. Engagement, and inclusion & diversity; and 3. Improving corporate value. Based on these strategic goals, it determined the base amount of compensation for fiscal 2022. <ol style="list-style-type: none"> Establishing RDP: Realize the creation of a real data platform (RDP) as a useful and socially-common framework that creates new customer value and contributes to the solving of social issues. Engagement, and inclusion and diversity: Accelerate inclusion and diversity efforts with the aim of "creating innovation" and "improving employee happiness and job satisfaction," and realize an organizational and corporate culture in which diverse employees accept each other, respect each others' "My Purpose," and are able to fully demonstrate their individual strengths. Improving corporate value: Enhance brand value by globally disseminating SOMPO's purpose, RDP, and promotion of sustainability management, and enhance corporate value by increasing recognition amongst stakeholders. The base amount of compensation for fiscal 2022 was determined based on the above strategic goals.
Performance-linked compensation of Executive Officers at Sampo Holdings	<ul style="list-style-type: none"> The Committee assessed the fiscal 2021 initiatives of Sampo Holdings Executive Officers, and determined the performance-linked compensation payment rates and payment amounts.
Strategic goals and base amount of compensation of Executive Officers at Sampo Holdings	<ul style="list-style-type: none"> The Committee discussed the fiscal 2022 strategic goals of all Executive Officers at Sampo Holdings and, based on these strategic goals, determined the base amount of compensation for fiscal 2022.

Evolving Governance

Sampo Holdings was established in 2010 as a holdings company and decided to transform to realize "A Theme Park for Security, Health & Wellbeing" to address the challenge of realizing sustainable growth as a P&C insurance Group that conducts business mainly in Japan which faces population decline, population aging, and low economic growth. Since then, we have continued to evolve governance to transform in

a more progressive and steady way.

Future-oriented discussion by diverse executives and high-quality, agile decision-making are crucial for delivering on SOMPO's Purpose to "create a society in which every person can live a healthy, prosperous and happy life in one's own way with A Theme Park for Security, Health & Wellbeing" and it is SOMPO's governance that has underpinned our efforts.



Business Execution that Combines Centrifugal and Centripetal Forces

Since the merger of P&C insurance subsidiaries in 2014, Sampo Holdings has worked to build a business foundation through a full entry into the nursing care business (2015), founding of SOMPO Digital Lab (2016), development of a global platform with the acquisition of Endurance (2017), etc. to realize "A Theme Park for Security, Health & Wellbeing."

These transformation that have shaped the framework of today's SOMPO were made possible by the matrix governance structure comprised of the Business Owner System and Group CxO System. The Business CEO who is the chief

executive of a business is delegated great authority to drive the Group's growth and expansion by developing business policies, accomplishing business plans, etc. while the Group CxO who has deep expertise in respective functional area is delegated authority to exert an influence over group-wide issues across business.

Business execution that combines the centrifugal and centripetal forces has driven transformation toward realizing a "Theme Park."

Accelerating Governance Transformation

Sampo Holdings became a company with committees in 2019 and the Global ExCo and Managerial Administrative Committee (MAC) were established to accelerate transformation for realizing a Theme Park, building on the business foundation which had been established.

Through this governance reform, management oversight and business execution were separated and substantial authority was delegated to executives to establish an effective oversight and execution structure where the Non-Executive Directors with expert knowledge focus on management oversight and key management policy decisions.

The traditional way of running the executive committee which comprised mainly of Japanese members was revamped

and the Global ExCo, the highest executive committee, was established. The Global ExCo drives SOMPO's transformation as the members with different nationality and background discuss key challenges for the Group from a truly diverse perspective, share best practices, make decisions based on global information, not just about insurance.

This governance structure has formed the cornerstone of SOMPO's transformation, such as the establishment of a new company with Palantir to realize the RDP vision, and realizing synergies toward creating a conglomerate premium.

The Group will continue to transform to realize "A Theme Park for Security, Health & Wellbeing" and pursue the best governance for sustainable growth.

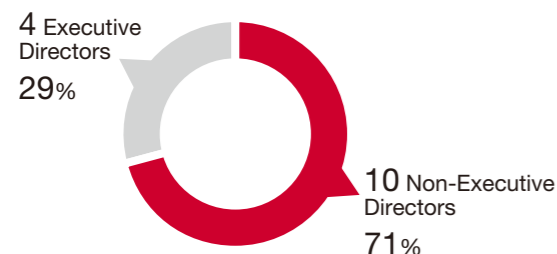
Oversight Structure

Sompo Holdings is a company with committees and has strengthened oversight by the Board of Directors by separating management oversight and business execution, and expedited business execution by delegating substantial authority to executives. In addition, three statutory committees (Nomination Committee, Audit Committee, and Compensation Committee) were established for a governance structure that provides greater transparency and fairness.

Board Composition

10 of the 14 members of the Board of Directors—or 71%—are Non-Executive Directors

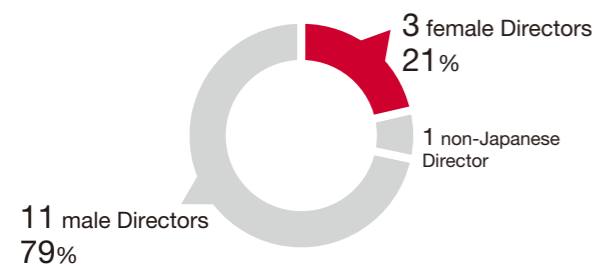
*The number and ratio of Non-Executive Directors increased since founding in April 2010 when 6 of the 12 Directors (50%) were Non-Executive Directors.



Director Diversity

Of the 14 members of the Board of Directors, 3 are female and 11 are male; 1 of the male Directors is non-Japanese

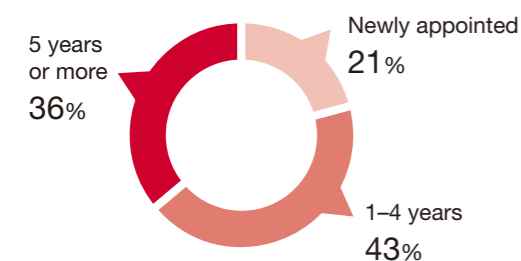
*At the time of founding, there was no female Director (the number and ratio has increased), and 1 non-Japanese Director (the number and ratio has remained the same)



Director tenure

The average tenure of the Directors is 3.8 years (including the tenure as the Audit & Supervisory Board member)

*When the tenure of the Non-Executive Director exceeds 8 years, the existence of a strong reason for reappointment is carefully assessed and reappointment is not prevented if such reason exists.



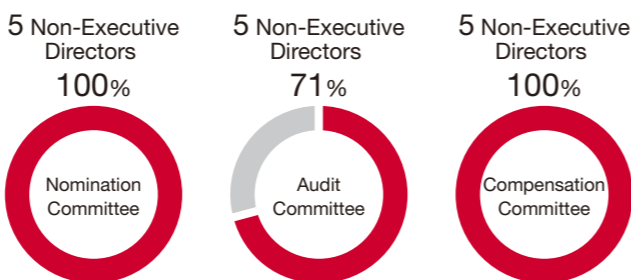
Directors Appointed at the General Meeting of Shareholders, as of July 1, 2022

Executive Directors	Non-Executive Directors		
 Kengo Sakurada Also serves as Executive Officer	 Scott Trevor Davis Chair of the Nomination Committee	 Kazuhiro Higashi Chair of the Compensation Committee	 Masayuki Waga
 Mikio Okumura Also serves as Executive Officer	 Takashi Nawa	 Meyumi Yamada	
 Toshihiro Teshima	 Naoki Yanagida Chair of the Audit Committee	 Isao Endo	 Kumi Ito
 Satoshi Kasai	 Hideyo Uchiyama	 Misuzu Shibata	

Nomination Committee Composed solely of Non-Executive Directors	Audit Committee Composed mainly of Non-Executive Directors	Compensation Committee Composed solely of Non-Executive Directors
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Committee Composition

The composition of the three legally-mandated committees is as follows: the Nomination Committee and Compensation Committee are comprised of Non-Executive Directors only; the Audit Committee is comprised mainly of Non-Executive Directors



Executive Structure

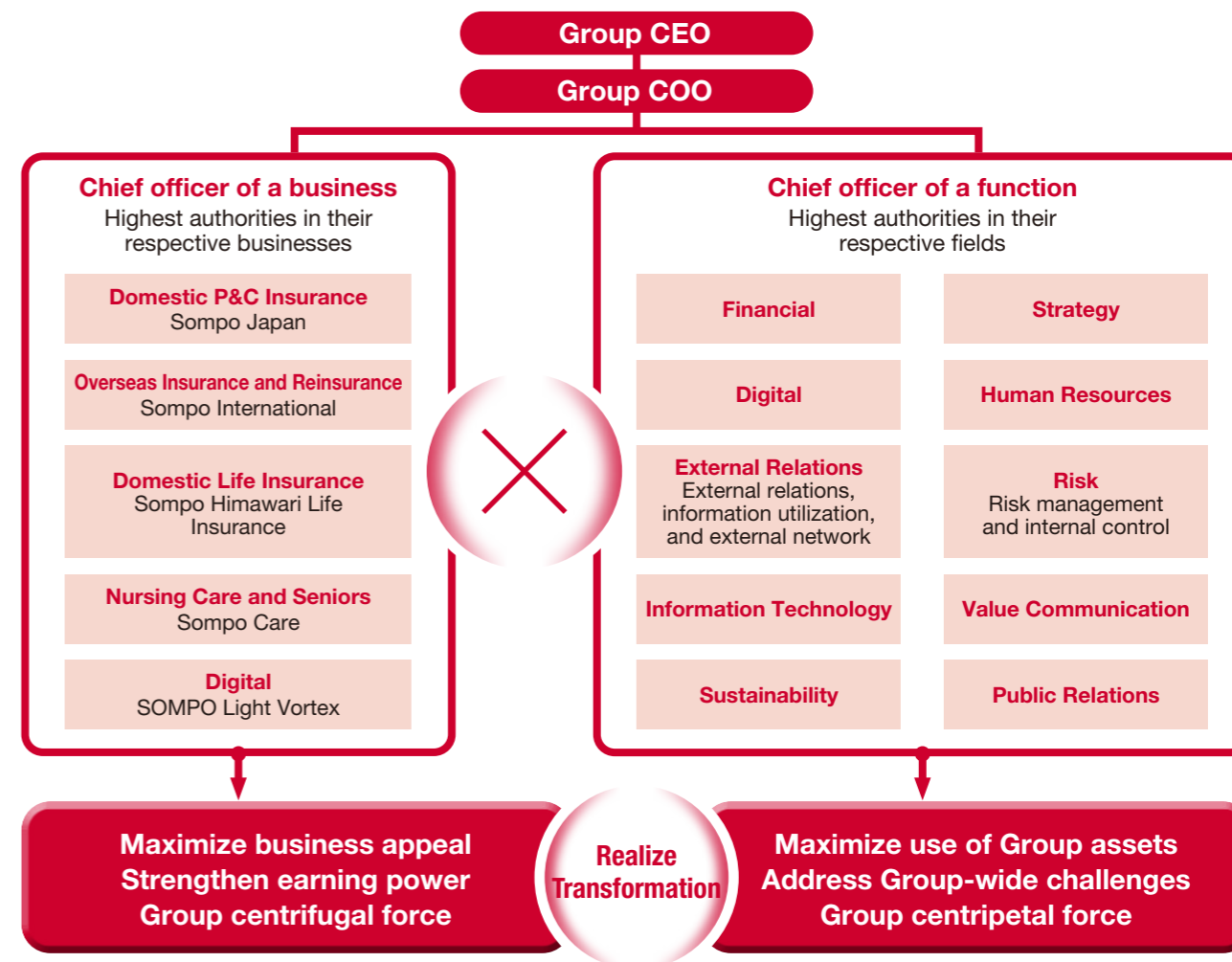
Sompo Holdings established an executive structure that combines the Business Owner System and Group CxO System to continue transforming with agility and flexibility even in the VUCA age.

Business Owner System

The Business CEO drives the Group's growth and expansion by formulating business policies, accomplishing business plans, and improving the quality of business operations as the chief executive of a business.

Group CxO System

The Group CxO who has deep expertise in a functional area exerts necessary influence across business over practicing Group management philosophy, fulfilling purpose, enhancing enterprise value, creating a conglomerate premium, etc. to maintain a sense of oneness and soundness throughout the Group.



Directors and Executive Officers with a Diverse Array of Backgrounds

The Company places great importance on the diversity of its Director and Executive Officer portfolio when formulating the Succession Plan and when appointing Directors and Executive Officers. For this reason, we appoint Directors and Executive Officers with diverse expertise and backgrounds, and so create a system that facilitates high-quality decision-making for the transformation of our Group.

8 Directors and Executive Officers have previously worked for companies outside the Sompo Group



**Directors and Executive Officers* refers to the Group CEO, the Group COO, Business CEOs, and Group CxOs; there are 16 Directors and Executive Officers at the Sompo Group.

Succession Plan

1. Goals of the Succession Plan

The Sampo Group is seeking to become “A Theme Park for Security, Health & Wellbeing.” To this end, we are formulating a Succession Plan as part of our efforts to reliably and effectively produce high-quality talent from diverse backgrounds who can take up positions that are key to realizing further business reforms and growth.

2. Positions Covered in the Plan

The Succession Plan covers a total of 88 key positions in the Group, including Group CEO, Group CxOs, Business CEOs, and other important positions in domestic and overseas businesses. Positions covered by the Plan are selected according to their importance both to the Group as a whole and to individual businesses, and based on the rarity of replacing talent in these positions.

3. Criteria for Selecting Candidates

Succession candidates are selected according to the categories listed below. In order to increase diversity, candidates for each position must meet certain criteria. Candidates may be selected from talent systematically nurtured within the Company, or recruited from outside of the Group.

(1) Candidate category

Talent who might assume key positions within 5 years	N (Next) talent
Talent who might assume key positions in 5 to 10 years	F (Future) talent

(2) Criteria for selecting candidates with the goal of increasing diversity of talent pool

- Five or more N talent candidates and five or more F talent candidates must be selected for each position.
- Women must account for 40% or more of N talent candidates and F talent candidates for each position.
- An age distribution ratio for candidates must be set for each position.

4. Procedures for Considering the Succession Plan

The Succession Plan is formulated by the Nomination Committee according to predetermined evaluation criteria. The roles, functions, and required skills and experience for each position are defined both for the present and the future. Based on these definitions, a wide range of succession candidates for each position is selected both from inside and outside the Company. The Succession Plan is drawn up using the diverse and expert insight of the members of the Nomination Committee. The Committee also engages in proactive and constructive discussions to build a stronger and more diverse pool of candidates.



5. Coordinating the Succession Plan with the Appointment, Placement, and Development of Executive Officers

The Company wishes to effectively coordinate the Succession Plan with the appointment, placement, and development of Executive Officers at the Sampo Group. We systematically nurture diverse management talent by providing selected candidates with opportunities for dispatch training and challenging assignments so that they develop the required skillsets.

Policies for Appointment of Directors and Executive Officers

The Company appoints Directors and Executive Officers in accordance with the Policies for Appointment of Directors and Executive Officers outlined below. Candidates Directors are selected by the Nomination Committee and approved at the General Shareholders Meeting. Candidate Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

(1) Policies for the Appointment of Directors

The Company not only supervises and guides its subsidiaries, but also formulates a Group-wide management strategy that encompasses the business strategies of subsidiaries engaged in P&C insurance and various other businesses. The Company is responsible for ensuring the execution and realization of these strategies.

The Board of Directors is comprised primarily of Outside Directors, so that it can draw on diverse and independent viewpoints and carry out objective evaluations of management issues. When appointing Outside Directors, nationality, gender, and other forms of diversity are considered.

Additionally, Directors are appointed according to criteria outlined in the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are appointed according to I. “Competency Requirements,” II. “Criteria for Independence of Outside Directors,” and III. “Requirements for Terms of Office.”

For the purpose of carrying out substantive discussions, the number of Directors is limited to 15, 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 gendered division of labor and LGBTQ.

① Competency Requirements

The Company appoints Outside Directors who have a wide range of knowledge and experience in various fields. They may include corporate executives, academic experts, and professionals who have expert knowledge of law, or of finance and accounting.

Outside Directors are required to be able to devote the time and effort necessary to properly fulfill the role and responsibilities of Director.

② Criteria for the Independence of Outside Directors

The Company will assess the independence of Outside Directors from the Company based on the criteria below.

- 1) Personal Relationships: kinship between the candidate and any

officer or employee of the Group; status of mutual appointments of Directors and Executive Officers between the Company and the company which the candidate is originally from.

- 2) Capital Relationships: the holding by the candidate of shares in the Company, 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. Reappointment is not prevented if such reasons are found.

(2) Policies for the composition of Executive Officers and criteria for their appointment

① Policies for the composition of Executive Officers

The Company systematically develops managerial talent based on the Succession Plan. Regarding the composition of Executive Officers as a whole, the Company places importance on the diversity—including gender, age, experience, and nationality—and the balance of the management team.

② Criteria for appointing Executive Officers

The Company appoints Executive Officers in accordance with the following criteria:

- The candidate is able to realize transformation based on the Group Management Philosophy and Vision.
- The candidate is able to develop the next generation of leaders who will drive the Group’s transformation.
- The candidate is able to foster a Group culture that fills employees with confidence and pride, and encourages them to boldly take on challenges with high aspirations.
- The candidate is driven by their own mission and able to take action accordingly.
- The candidate has a high level of expertise and insight regarding the mission and roles they are tasked with.
- The candidate has experience and a track record regarding the mission and roles they are tasked with.
- The candidate understands the importance of diversity and is able to leverage it to create value.
- The candidate has the ability to make fair and impartial judgments and to achieve goals.
- The candidate has a fair and honest personality.

Outside Director Support System

Prior to meetings of the Board of Directors, Outside Directors are provided with explanations by the Corporate Legal Department of the Secretariat of the Board of Directors, and by the departments in charge of each agenda item. Additionally, the Human Capital Department provides assistance to Outside Directors as the Secretariat of the Nomination Committee and the Compensation Committee, and the Audit Committee Office

provides assistance to Outside Directors as the Secretariat of the Audit Committee.

The Company also makes efforts to provide Outside Directors with various types of information, including the Group’s newsletter, Integrated Annual Report, Customer Feedback White Paper, Sustainability Report, and IR presentation materials.

Executive Compensation Structure

The Company regards its executive compensation structure as an important aspect of corporate governance. The goal of the executive compensation structure is to increase corporate value and to share interests with shareholders. The executive compensation structure is formulated by the Compensation Committee, which is chaired by an Outside Director, and incorporates objective points

of view. It is based on the basic policies outlined below. The Company's Policies on Decisions Pertaining to Executive Compensation describes the Basic Policies on Executive Compensation, the composition of executive compensation, how compensation is determined for each position, and the details of each type of compensation.

Basic Policies on Executive Compensation (applicable to all Group companies)

- (1) The level and system of compensation shall ensure that top talent can be acquired and retained for the senior management of the Sampo Group.
- (2) The executive compensation structure shall be consistent with the Group business strategy. It shall incentivize Directors and Executive Officers to improve their performance with the goal of achieving Group growth.
- (3) Compensation shall reflect not just single-fiscal-year performance, but also reflect medium- to long-term results and the initiatives of Directors and Executive Officers.
- (4) Compensation shall be determined in accordance with the scale of future-oriented missions undertaken by Directors and Executive Officers, and with the results of these missions. Compensation may take fixed factors associated with specific job titles or positions into consideration.
- (5) The Company's Compensation Committee shall deliberate the compensation structures of the Company and its key subsidiaries, to ensure they have the objectivity, transparency, and fairness to fulfill accountability to stakeholders.

1. Overview of Executive Compensation Structure

The Company considers the current Mid-Term Management Plan to be a period for realizing the transformation of the entire Group and each of its businesses. The Company regards performance-linked compensation for officers, the scale of the mission for realizing this transformation, and related initiatives as important elements of corporate governance, which underpins this transformation.

The Company believes that all officers should demonstrate and act in accordance with their own duties and mission, based on the principles of being mission-driven (having a sense of mission and job satisfaction, and working with a sense of personal involvement) and of being results-oriented. The executive compensation structure is not designed to award officers a fixed compensation amount based only on their duties or position; instead,

compensation is determined in accordance with the scale of the future-oriented mission they are undertaking, and with the results of these missions.

The Company assigns a grade to each position according to its responsibilities, with Group CEO being the position with the highest grade. The standard amount of total compensation packages for each position are determined according to these grades. The base amount of the total compensation package for each officer is determined every fiscal year, and reflects the scale of the mission assigned to the officer in question.

The Compensation Committee deliberates and determines the amount and composition of compensation for each Director and Executive Officer at the Company, in accordance with the decision-making process and calculation methods described below.

a) Decision-Making Process for Total Compensation Packages

The Company sets compensation levels for each officer on an individual basis, according to the scale of the mission assigned to each officer and their own personal performance. The Company

does not adopt the conventional approach of determining compensation according to a table that assigns different amounts of compensation for each officer rank.



b. Composition of compensation for officers

Compensation for officers consists of: fixed compensation (monthly salary), which is based on the duties and responsibilities of each officer; and variable compensation, which is linked to performance. Variable compensation comprises: performance-linked cash compensation, which is compensation linked to short-term performance paid out every fiscal year in accordance with fiscal-year performance; and performance-linked stock compensation, which

is compensation linked to long-term performance, and whose goal is to increase the association between compensation and medium- to long-term growth in corporate value. The composition of compensation is designed to incentivize officers to make decisions based not only from a single-fiscal-year perspective but from medium- and long-term perspectives, and to take Company performance and share price into consideration.

Overview of Executive Compensation System

	Type of compensation	% of total		Comments
		Group CEO	Other officers	
Fixed compensation	Monthly salary	33.4%	50-70%	<ul style="list-style-type: none"> Set for each officer in accordance with the roles and duties of their position Cash compensation paid monthly
Variable compensation	Performance-linked cash compensation	33.3%	15-25%	<ul style="list-style-type: none"> A base amount is set; actual payment is determined based on annual performance Based on an assessment of each officer's level of achievement for financial and strategic goals Paid in cash in June after the conclusion of the fiscal year
	Performance-linked stock compensation	33.3%	15-25%	<ul style="list-style-type: none"> Determined according to medium- and long-term performance, in order to align officer activities with the interests of shareholders and to promote the medium- and long-term growth of the Group Based on assessments of profit growth rates compared to competitor companies and of share price performance relative to TOPIX over the past three fiscal years Points based on a trust agreement are awarded in September after the conclusion of the fiscal year Stock is awarded to officers after retirement
	Subtotal	66.6%	30%-50%	
Total		100.0%	100.0%	

c. Approaches and calculation methods for each of type of compensation

Fixed compensation (monthly salary)

The Company sets fixed compensation (monthly salary) in accordance with the responsibilities of each officer's position. In principle, an equal amount is paid each month.

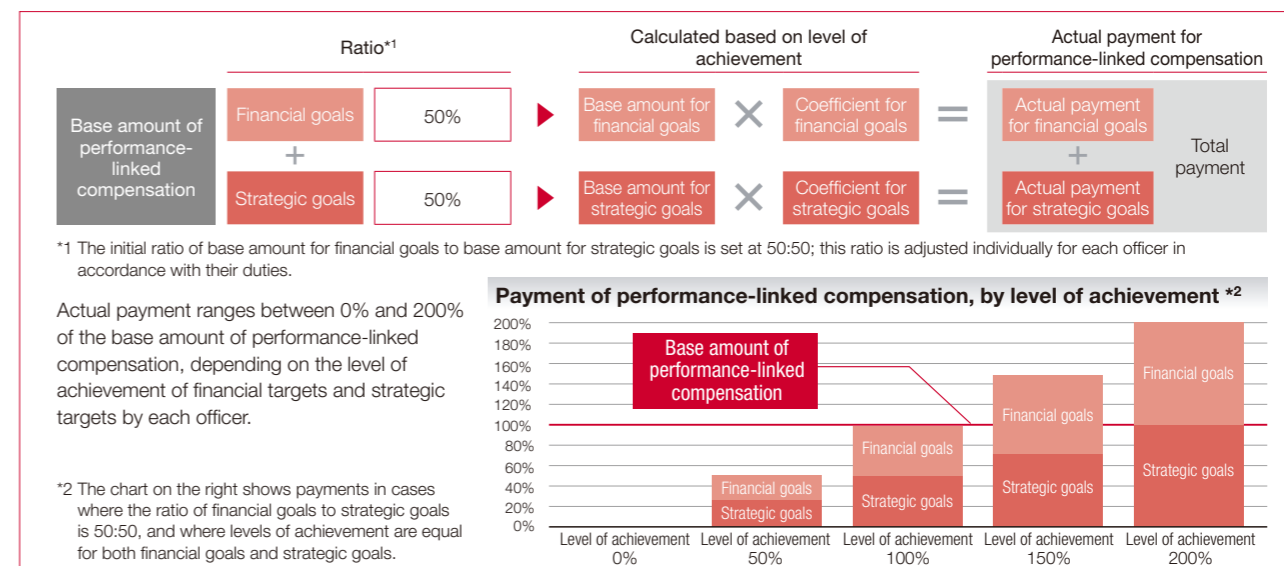
An appropriate level of fixed compensation (monthly salary) is set according to the following parameters: the standard amount of fixed compensation is based on the total compensation package for the grade assigned to the officer's position; the base amount takes into consideration the mission of the individual officer, and the nature of the officer's roles and responsibilities. Reference is also made to market compensation levels, as quantified by officer compensation surveys conducted by third-party compensation consulting firms.

Performance-linked compensation

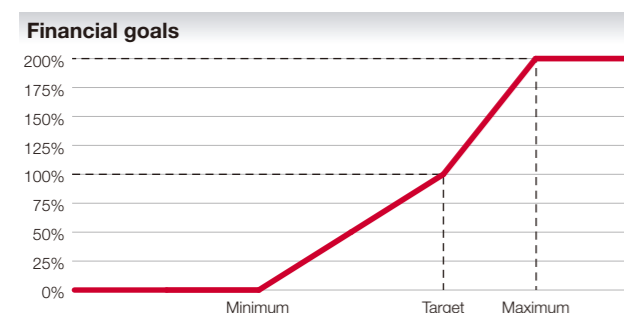
The Company operates a performance-linked compensation system that rewards officers for the contributions they made to each business's single-fiscal-year performance. This is aimed at incentivizing officers to improve performance for the sake of the Group's growth, while ensuring the executive compensation structure and the Group's business strategies are in alignment. In order to ensure that performance-linked compensation reflects

both the financial performance and the strategic performance goals associated with management plans in a balanced manner, the Company adopts a performance-linked compensation system that comprises "financial performance-linked compensation" and "strategic performance-linked compensation." To provide stronger incentives, the Company applies a coefficient to the base amounts of performance-linked compensation. This coefficient varies according to the level of achievement of strategic goals set for the mission assigned to each officer, ranging from 0% to 200%.

- To determine performance-linked compensation, the Company first sets a base amount of performance-linked compensation. This base amount is then multiplied by a coefficient that reflects the level of achievement of single-fiscal-year financial goals and strategic goals.
- The base amount of performance-linked compensation is defined as the amount to be paid if financial goals and strategic goals are fully achieved. The base amount is determined individually for each officer.
- Performance-linked compensation comprises financial performance-linked compensation and strategic performance-linked compensation. The allocation ratio of these two compensations is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.



Executive compensation structure



*The financial goal coefficient is 100% when the targeted financial performance is achieved; in this case, the base amount of compensation will be paid. Depending on the level of achievement of financial goals, actual payment will range from 0% to 200% of the base amount.
*The graph above indicates the relationship between level of achievement and actual payment.

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

*The coefficient is determined in accordance with the level of achievement of strategic goals established for each officer; this coefficient is then multiplied with the base amount. A coefficient of 100% is used when strategic targets have been fully met; 200% is the maximum and 0% the minimum.

Indicators used for performance-linked compensation

The table on the right summarizes the financial indicators used to determine performance-linked compensation. Financial indicators are set for each business; strategic goals are set for each officer.

Notes:

- Net premiums written for the Domestic P&C Insurance Business excludes amounts relating to CALI and household earthquake insurance.
- Net income for the Domestic P&C Insurance Business is the standalone figure for Sompo Japan Insurance.
- The E/I combined ratio for the Domestic P&C Insurance Business is the standalone figure for Sompo Japan Insurance, excluding CALI and household earthquake insurance.

Business domain	Financial indicators for FY2022
Entire Group	Adjusted consolidated profit, adjusted consolidated ROE
Domestic P&C Insurance Business	Net premiums written, adjusted profit, ROE, net income, E/I combined ratio
Overseas Insurance and Reinsurance Business	Gross premiums written, adjusted profit
Domestic Life Insurance Business	Increase in adjusted EV, adjusted profit, ROE, number of policies in force
Nursing Care and Seniors Business	Revenue, adjusted profit, ROE

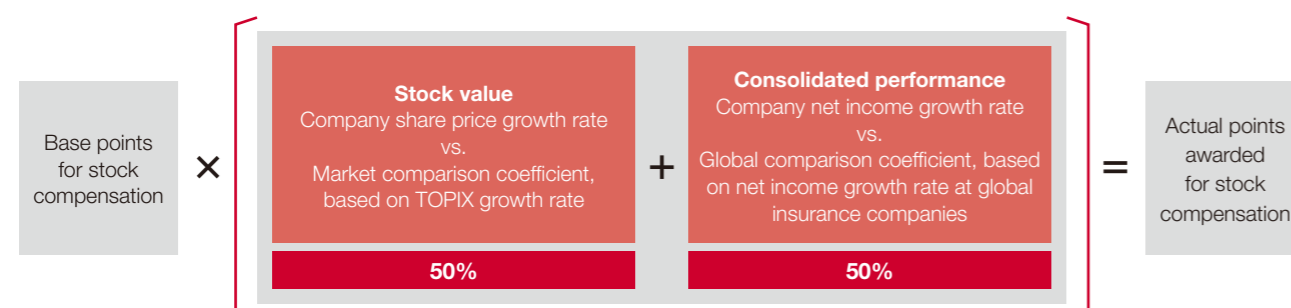
Performance-linked stock compensation

The Company believes it is vital that the Group as a whole grows sustainably over the long term. At the Annual General Meeting of Shareholders held in June 2016, the Company introduced a performance-linked stock compensation system, with the following goals: to clarify the relationship between the compensation paid to Group officers on the one hand, and performance and stock value on the other; to ensure that officers share both the benefits of rising share prices and the risks of falling share prices with shareholders; and to thereby incentivize officers to improve medium- to long-term performance and increase corporate value.

This compensation system is linked to the Company's medium- to long-term performance. The amount of stock points awarded to officers varies according to the Company's share

price performance relative to TOPIX (stock value), as well as to the growth rate of the Company's net income relative to the growth rates at global insurance business companies (consolidated performance).

- To determine performance-linked stock compensation, the Company first sets a base number of points for stock-based compensation; this base number is then multiplied by a coefficient that reflects performance relative to the market both for consolidated performance and for medium- to long-term stock value.
- To determine the coefficient used for performance-linked stock compensation, the average stock value over the past three fiscal years is divided by the figure of the base year; this coefficient is then applied to the base number of points.



2. Total compensation, total compensation by type, and number of eligible officers for each officer category, in FY2021

The total compensation, total compensation by type, and the number of eligible officers for each officer classification in the current fiscal year are outlined below.

Officer category	Total compensation (million yen)	Compensation by type (million yen)				No. of eligible executives
		Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation		
				Cash compensation	Non-cash compensation	
Directors (excluding Outside Directors)	48	43	—	3	2	4
Outside Directors	154	154	—	—	—	11
Executive Officers	2,020	1,169	—	602	248	22
Total	2,224	1,367	—	605	251	35

Notes:

- The values for total compensation, total compensation by type, and the number of eligible officers include: seven Executive Officers who resigned on March 31, 2021; and three Directors who resigned at the end of the 11th Annual General Meeting of Shareholders held on June 28, 2021.
- Compensation for the two Directors who concurrently serve as Executive Officers is separated into Director compensation and Executive Officer compensation; the compensation for each position is included in the applicable total compensation value. For this reason, the total number of eligible officers differs from the combined number of eligible officers for each classification.
- "Performance-linked cash 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 current fiscal year. It excludes provisions to reserves for the previous fiscal year. "Performance-linked stock compensation" is non-cash compensation, and is the total of: the amount of provisions to reserves for stock benefits recorded for the current fiscal year, based on performance in the previous fiscal year.
- All compensation for Directors and Executive Officers is compensation from the insurance holding company. There is no compensation from the parent of the insurance holding company.

3. Total consolidated compensation for each officer in FY2021

Executives who received compensation totaling 100 million yen or more are listed below.

Name	Total compensation from the Company and its consolidated subsidiaries (million yen)	Officer category	Company category	Total compensation by type from the Company and its consolidated subsidiaries (million yen)			
				Fixed compensation (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation	
						Cash compensation	Non-cash compensation
Kengo Sakurada	432	Director	The Company	6	—	1	1
		Executive Officer	The Company	127	—	178	118
Shinji Tsuji	106	Director	Sompo Japan Insurance	—	—	—	—
		Executive Officer	The Company	6	—	1	1
		Director	Sompo Himawari Life Insurance Sompo Care	—	—	—	—
Keiji Nishizawa	152	Executive Officer	The Company	—	—	—	—
		Director	Sompo Japan Insurance	78	—	38	35
James Shea	818	Executive Officer	The Company	488	—	—	—
John R. Charman	357	Director	Sompo International Holdings Ltd.	85	—	244	—
		Executive Officer	The Company	147	—	210	—
Nigel Frudd	187	Executive Officer	The Company	—	—	187	—
Mikio Okumura	113	Executive Officer	The Company	55	—	33	24
		Director	Sompo International Holdings Ltd.	—	—	—	—

Notes:

- The amounts of performance-linked compensation show compensation paid in the current fiscal year; provisions to reserves in the current fiscal year are not included.
- For compensation paid in foreign currencies, the amounts show yen equivalents.
- Nigel Frudd resigned as Executive Officer on March 31, 2021.
- Performance-linked cash compensation for Nigel Frudd includes expenses related to partial supplementation for income tax.

Enterprise Risk Management (ERM)

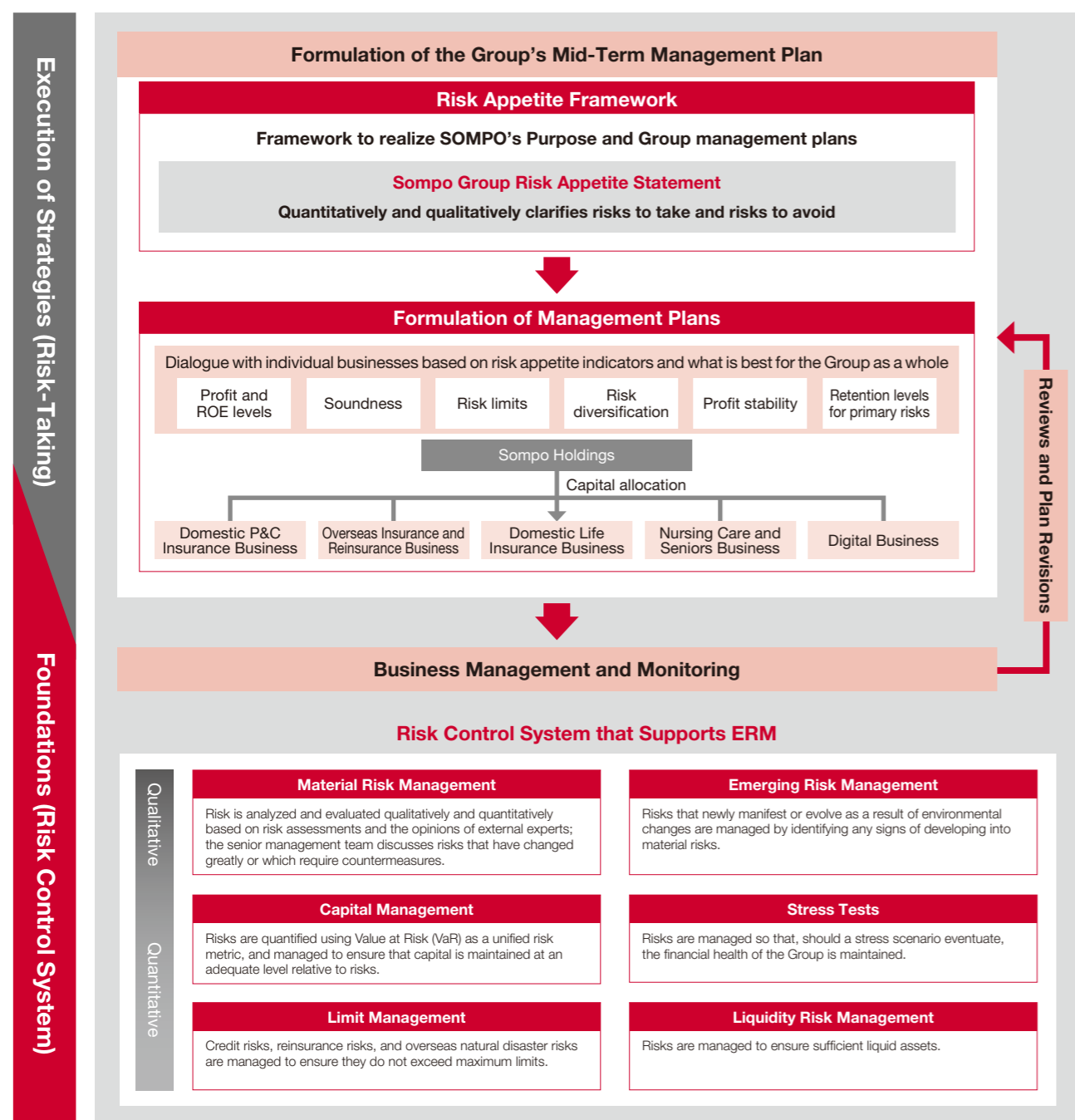
ERM as the “Compass of Management”

We live in a world of increasing uncertainty and risk. Climate change is driving more frequent occurrence of large-scale natural disasters, the threat of cyber-attacks is growing, and the global geopolitical environment is increasingly chaotic. This challenges our ability to chart the optimal course we should take as a Group.

The role of ERM is to navigate the Group through these unpredictable seas, acting as the compass to show the

optimal direction. As such, ERM provides three functions: (1) accurately analyzing and grasping the Group’s current position; (2) detecting and sensitively responding to possible future risks in advance; and (3) clearly indicating the best course of action for the Group to take. ERM’s mission is to fulfill these functions as a “compass of management” and to lead the Group to realize its management philosophy and SOMPO’s Purpose.

Overview of the Somo Group’s Enterprise Risk Management



Strengthening and Evolving ERM to Realize SOMPO’s Purpose

Sompo Group is working to improve its resilience in two ways: firstly, by accelerating “Scale and Diversification” initiatives, primarily in its insurance business; secondly, through “New Customer Value Creation” initiatives, to improve long-term profit growth while contributing to solving social issues.

We are developing an ERM framework that supports these initiatives – rather than just extending and enhancing our existing insurance business-based paradigm, we are evolving the framework so that it is fully adapted to our new business

models. For example, we are taking on the challenge of evolving ERM by establishing both quantitative and qualitative risk management frameworks for the non-insurance businesses, such as digital business, based on the expertise accumulated in the insurance and nursing businesses. Through our analysis and verification of risks in the “new normal” world, such as climate change and increasingly sophisticated cyber-attacks, we are also contributing to the identification and pursuit of business-side opportunities and threat reduction initiatives.

ERM of the Somo Group

The Group ERM framework aims to maximize corporate value while balancing capital, risk, and return. To effect this, it has two main components: the “Risk Appetite Framework,” which supports conscious risk-taking in pursuit of strategic objectives, and the “Risk Control System,” which contributes to stabilizing the foundations of our business.

1. Risk Appetite Framework

The “Risk Appetite Framework” is a system for increasing the certainty of achieving the Group’s strategic goals – as set forth in the Management Philosophy, SOMPO’s Purpose, and the Group’s Management Plan – by taking risks based on the Somo Group Risk Appetite Statement. This clearly states the risks the Group will take and the risks it will avoid. We formulate a Group’s Management Plan and allocate capital to each business, after dialogue with the respective management teams, based on risk appetite indicators and the perspective of overall Group optimization.

For further details, please visit the corporate website: <https://www.sompo-hd.com/en/company/risk/>

2. Risk Control System

For effective risk control, Sompo Group uses a “Risk Control System” that identifies, analyzes, and evaluates the various risks surrounding the Group.

The Group defines risks that could have a significant impact on its business as “material risks”; we comprehensively identify and evaluate these risks based on risk assessments and expert opinions and insights. We evaluate the frequency of occurrence and the severity of impact across three risk dimensions (economic loss, business continuity, and reputational damage) in both qualitative and quantitative terms. We also confirm the status of countermeasures.

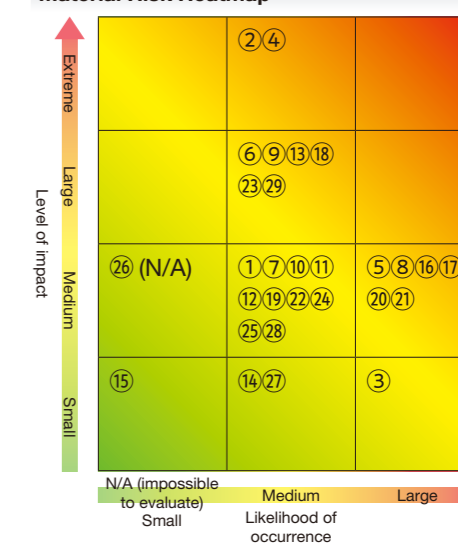
Additionally, the Group defines “emerging risks” as risks that have the potential to emerge or change, through changes in the environment or other factors, such that they would have a significant impact on the Group in the future. We manage emerging risks appropriately by monitoring any signs that they may develop into material risks.

Through Capital Adequacy Management, Stress Testing, Risk Limit Management, and Liquidity Risk Management, we strive to minimize unexpected losses and stabilize profits. <https://www.sompo-hd.com/en/ir/financial/risk/>

List of Material Risks

Type	No.	Material Risk	Type	No.	Material Risk
Management Strategy Risks	①	Deterioration of and changes in competitive environments	Operational Risks and Compliance Risks	⑮	Failures of third-party management
	②	Deterioration of economic environments		⑰	System failures
	③	Geopolitical events		⑱	Cyber security
	④	Pandemics		⑲	Labor
	⑤	Regulatory changes		⑳	Leakages of customer information (excluding cyberattacks)
	⑥	Weak governance		㉑	Misconduct and leakages of confidential information
	⑦	Mistaken evaluation of new business risks		㉒	Conduct
	⑧	Delays to large-scale system development projects		㉓	Major earthquakes in Japan
	⑨	Climate change (physical risks and transition risks)		㉔	Major storms and floods in Japan
	⑩	Sustainability		㉕	Major natural disasters overseas
	⑪	Reputation		㉖	Cyber integration
	⑫	Inadequate human resources		㉗	Mistaken evaluation of Nursing Care Business environments
	Financial and Investment Risks	⑬		Significant market deterioration	㉘
⑭		Bankruptcy of loan, investment, and reinsurance destinations	㉙	Business interruptions	
⑮		Cash requirements in times of large-scale disasters			

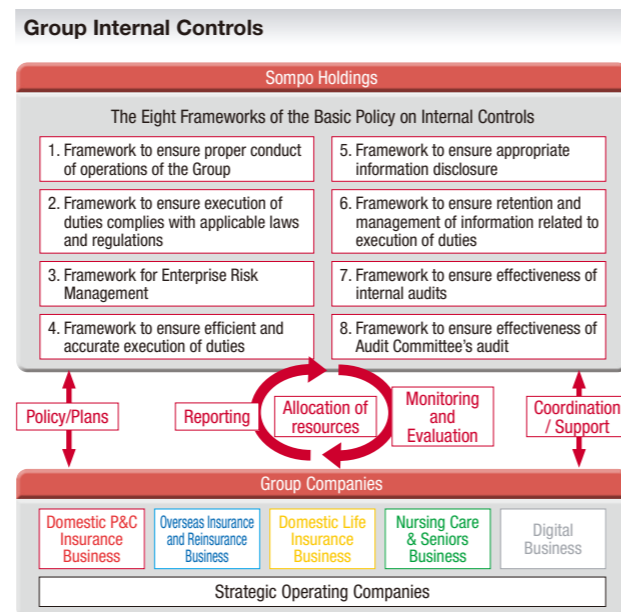
Material Risk Heatmap



Group Internal Controls to Support Corporate Governance

The Board of Directors has established eight frameworks in the Basic Policy on Internal Controls as a foundation for improving corporate value and for ensuring the proper conduct of operations within the Group. In addition, to ensure that the Group's controls function both effectively and efficiently, the Company enters into management contracts with each Group company, properly understands and checks the situation at each company, and continuously works to enhance and strengthen internal control systems at a Group level.

For further details, please visit the corporate website: <https://www.sompo-hd.com/en/company/governance/policy/>



Compliance Initiatives

As part of its commitment to compliance, the Company has formulated various policies and codes of conduct, such as the Sompo Group Basic Policy on Compliance, and established compliance systems, and raised awareness of these policies among Group officers and employees. We are a company that seeks to maintain a healthy social presence; to this end, rather than viewing compliance simply as complying with laws and regulations, we have been working to develop a culture that encourages behavior that conforms to corporate ethics and social norms.

We coordinate with Group companies so that they can increase the effectiveness of their compliance initiatives, and we have been working to evolve our compliance frameworks based on Group strategies and external environments. In response to increased social awareness of data protection, for example, we are implementing measures for privacy risks. In order to quickly discover problem events, we have strengthened our whistle-blower system, and we are also working to identify latent conduct risks and improve our understanding of

similar phenomena.

While the Group has insurance business at its core, it has expanded into new business areas such as the Nursing Care & Seniors Business and Digital Business. We have also been working to create new businesses and transform existing businesses through partnerships and the use of new digital technologies and data. When developing compliance 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, we participate in Group company meetings, and vice-versa; we also hold Chief Compliance Officer meetings, attended by the heads of the Compliance Departments in each business. This is a forum to share examples of effective initiatives undertaken by each business, and to exchange opinions on the issues we face. In this way, through our efforts to understand conditions at the Group and share information, we support the development of compliance frameworks at Group companies.

Developing the Group's Internal Audit Framework

The Company has established the Sompo 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, we endeavor to enhance corporate value and meet the expectations of stakeholders by developing an efficient and effective Group-wide internal audit framework, and by conducting risk-based internal audits that take into account the characteristics

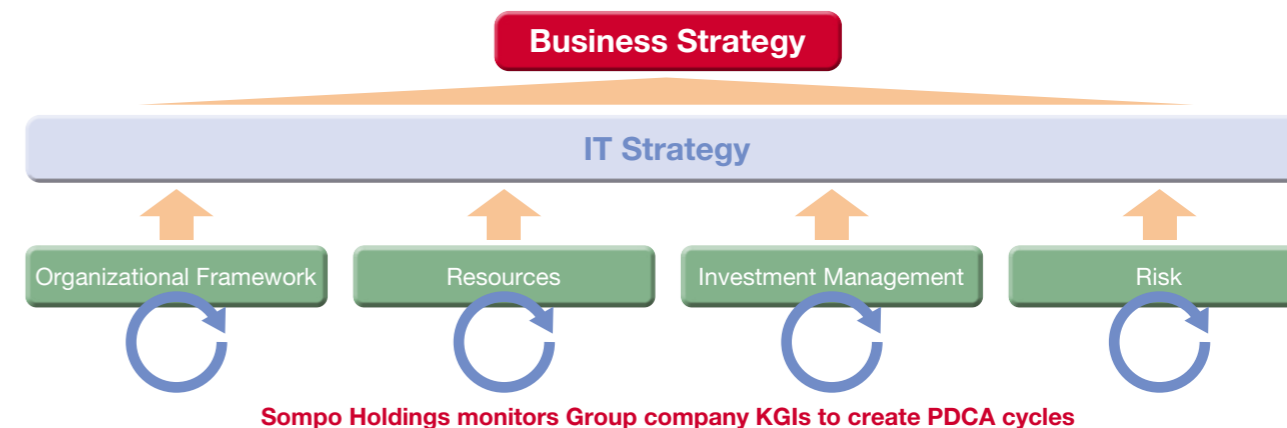
and strategies of our businesses.

Specifically, we have expanded our monitoring functions and adopted a flexible approach to the auditing of changing risks. In conjunction with these efforts, we help Group companies develop their own internal audit frameworks by evaluating the quality of their internal audits and recommending ways to rectify any issues they have identified.

IT Governance

Each entity's system implementation, operation processes are aligned in accordance with each country and industry regulations. By continuously improving the PDCA cycle via KGI

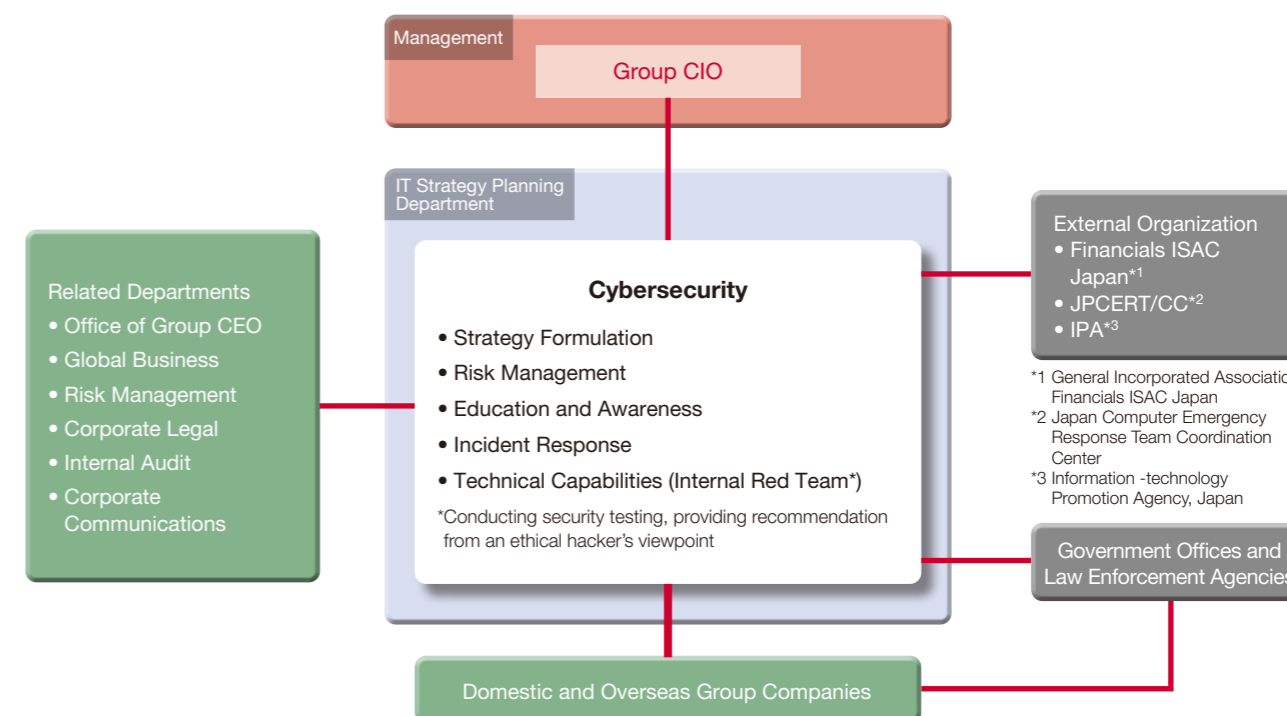
monitoring and aligning to international standards, we strive to optimize the IT processes to support the Group-wide business and IT strategy.



Responses to Cyber Risks

The company takes cybersecurity as a social responsibility. In response to cyber risks, we established "SOMPO Group Security Basic Policy" as the cornerstone to continuously improve the efficiency and effectiveness of the cyber risk management. A specialized team of cybersecurity professionals within IT Strategy Planning Department is formed to formulate strategies and strengthen cybersecurity capabilities

across the group. The team has a shared responsibility model with the entity in managing cyber risk and increase group maturity on both day-to-day operation and during emergency. Cybersecurity is prioritized and closely knitted with the business and IT strategy to help the company gain a competitive edge and deliver a safe, secured digital transformation.

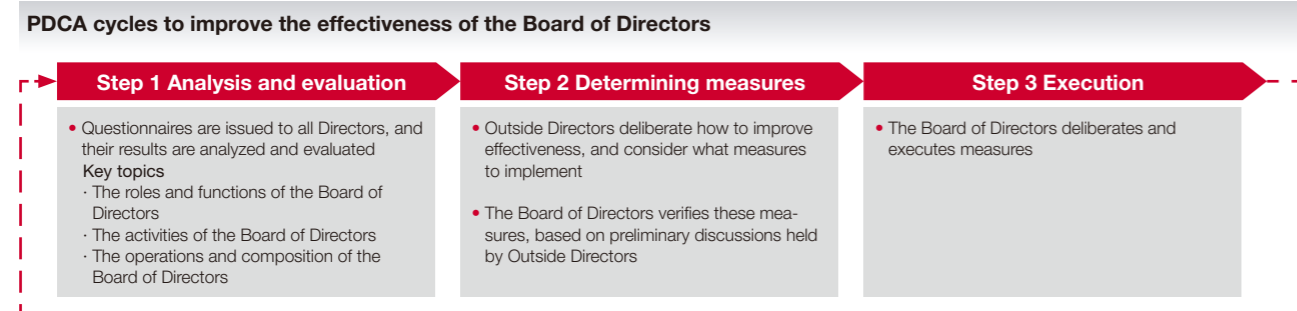


Evaluating the Effectiveness of the Board of Directors

Improving the effectiveness of the Board of Directors through PDCA cycles

As part of its efforts to improve the effectiveness of the Board of Directors, every year the Company issues a questionnaire, which includes a self-evaluation section, to each Director. We use the results of these questionnaires to analyze and evaluate the effectiveness of the Board of Directors as a whole. We also work to improve the functionality of the Board of Directors, and

strengthen corporate governance. To this end, we actively incorporate the opinions of Directors, verify measures for any identified issues and for the further evolution of the Company, and carry out PDCA cycles for the execution of concrete initiatives that enhance the functionality of the Board of Directors.



Key Initiatives and Results in Fiscal 2021

In fiscal 2021, based on the previous year's evaluation of the effectiveness of the Board of Directors, the Board of Directors carried out the initiatives outlined below.

Important fiscal 2021 topics deemed to require more thorough discussions

- Evaluating and increasing the value of non-visible assets such as branding and engagement
- Policies for handling ESG-related issues
- Constructive communication with capital markets
- Construction of the Real Data Platform

Key issues	Key initiatives
<ul style="list-style-type: none"> Ensuring sufficient exchanges of opinions with Executive Officers Ensuring focused discussions on important topics Ensuring sufficient communication between Directors and Executive Officers, through both face-to-face and remote methods 	<ul style="list-style-type: none"> Increasing frequency and expanding content of information sharing meetings Holding several free discussion meetings, and allocating time for focused discussions with executive divisions about the management strategies of each business, and about improving corporate value Holding discussions with onsite personnel in the Digital Business Holding hybrid meetings to create opportunities for in-person discussions regarding agenda items and other topics

The Board of Directors recognizes that these initiatives proactively contribute to improving the effectiveness of the Board of Directors.

Board of Directors Operational Policy for Fiscal 2022

The topics deemed to require more thorough discussion by the Board of Directors in fiscal 2022, and the initiatives considered potentially effective in allowing the Board to function better, are outlined below.

Topics deemed to require more thorough discussion in fiscal 2022

- Evaluating and increasing the value of non-visible assets such as branding and engagement
- Policies for handling ESG-related issues
- Constructive communication with capital markets
- New value creation through DX and RDP
- Business portfolios, and synergies between businesses
- Measuring the effectiveness of Purpose management
- Managing risk, including cyber security systems

Key initiatives to enable the Board of Directors to function better

- Ensuring sufficient communication between Directors and Executive Officers, through both face-to-face and remote methods
- Ensuring focused deliberations on highly important topics
- Clarifying what matters should be deliberated at Board of Directors meetings, and using preliminary briefing sessions effectively
- Creating systems—such as on-site inspections, multiple reporting lines, etc.—that improve understanding of the status of execution of business operations
- Ensuring communication and information-sharing between Directors and legally-mandated committees

With the above points in mind, the Company will implement initiatives that help the Board of Directors to function better. We will also further evolve our governance systems through the use of PDCA cycles rooted in evaluations of the effectiveness of the Board of Directors.

Sustainability Governance

The Company has established a system of sustainability governance whereby Executive Officers execute measures in line with Group-wide strategies and policies aimed at realizing SOMPO's Purpose, and the Board of Directors monitors their performance.

The Group Chief Sustainability Officer (Group CSuO) is in overall charge of sustainability at the Group, and is responsible for formulating and executing strategies related to sustainable management, and for overseeing the sustainability functions of the entire Group.

The Group Sustainable Management Committee is chaired by the Group CSuO, and its membership comprises Executive Officers in charge of corporate planning and sustainability at Group companies. The Committee carries out preliminary discussions on climate change and other sustainability issues, taking the various perspectives of Group businesses and companies into account. It then submits policies and measures for discussion to Global ExCo and MAC, thereby raising the quality of our decision-making. The Board of Directors (including preliminary briefing meetings) also receives reports on the discussions held by Global ExCo and MAC, thereby increasing the effectiveness of its supervisory functions.

The Committee is responsible for promoting the sustainability initiatives of the entire Group; to this end, it monitors the progress of and identifies potential issues in implementation plans formulated by Group companies to

achieve Materialities and Materiality KPIs for the realization of SOMPO's Purpose.



Committee Discussion Topics, April 2021–June 2022

- Sharing the Group's Mid-Term Management Plan and the policy for SDGs in Business Management in FY2021
- Formulating Materiality KPIs (MAC preliminary discussions)
- Revising the Group's net-zero targets (MAC preliminary discussions)
- Discussing the Group's climate change strategy (Global ExCo preliminary discussions)
- Summarizing initiatives for the first half of FY2021
- Summarizing full-year initiatives for FY2021

Active Participation in Initiatives

Through participation in initiatives in Japan and overseas, the SOMPO Group creates opportunities to engage in dialogue with advanced corporations and international organizations, to gain knowledge, and to learn about previous advanced efforts, with the goal of creating a cycle to improve its own initiatives. We recognize that collaborative efforts by diverse

parties are more effective than individual efforts at tackling various issues; we therefore actively participate in different initiatives, from planning to involvement. In addition, we seek to contribute to the realization of a sustainable society by disseminating what we have learned through our participation in such initiatives.



Directors



Kengo SAKURADA

Mikio OKUMURA



Scott Trevor DAVIS

Kazuhiro HIGASHI

Takashi NAWA

Meyumi YAMADA



Masayuki WAGA

Naoki YANAGIDA

Isao ENDO

Hideyo UCHIYAMA



Misuzu SHIBATA

Kumi ITO

Toshihiro TESHIMA

Satoshi KASAI

Name	Kengo SAKURADA	Mikio OKUMURA	Scott Trevor DAVIS	Kazuhiro HIGASHI	Takashi NAWA	Meyumi YAMADA	Masayuki WAGA
Positions	Director	Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director
Term of Appointment	April 2010	June 2022	June 2014	June 2020	June 2020	June 2021	June 2022

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	●	●		●			●

Name	Naoki YANAGIDA	Isao ENDO	Hideyo UCHIYAMA	Misuzu SHIBATA	Kumi ITO	Toshihiro TESHIMA	Satoshi KASAI
Positions	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Director	Director
Term of Appointment	June 2019	June 2014	June 2019	June 2020	June 2021	June 2021	June 2022

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 tables show skills and areas of expertise particularly expected for each director and do not indicate all of the skills and areas of expertise possessed by each director.

Directors and Executive Officers

Directors



Kengo Sakurada
Director
(Born February 11, 1956)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 13 out of 13 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 oversees management of the entire Group as Group CEO. Appointed Chairman of the Japan Association of Corporate Executives in 2019. Appointed to current position at the Company in April 2022 (as Group CEO, Director, and Chairman and Representative Executive Officer).

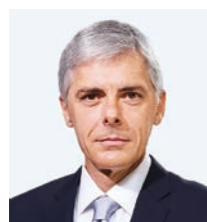


Mikio Okumura
Director
(Born November 23, 1965)

Newly appointed

Career Summary

Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1989. Has worked in the management of the domestic P&C insurance, overseas insurance and reinsurance, and the nursing care and seniors businesses, and in 2019 was appointed to the position of Group CSO. Currently oversees management of the entire Group as COO. Appointed to current position at the Company in June 2022 (as Group COO, Director, and 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 2021)
Attended 13 out of 13 Board of Directors meetings, 11 out of 11 Nomination Committee meetings, and 10 out of 10 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.



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

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 12 out of 13 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 2021)
Attended 13 out of 13 Board of Directors meetings, and 12 out of 12 Audit 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.



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

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 12 out of 13 Board of Directors meetings, and 10 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.



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 2021)
Attended 13 out of 13 Board of Directors meetings, 11 out of 11 Nomination Committee meetings, and 10 out of 10 Compensation Committee meetings

Important Concurrent Positions

Vice-Chair, Osaka Chamber of Commerce and Industry / Outside Director, Honda Motor Co., Ltd.

Reason for Appointment

Has experience in finance and management in the banking business, and in 2013, was appointed Director, President, and Representative Executive Officer of Resona Holdings, and Representative Director and President of Resona Bank, Limited. Has held numerous other important posts in the business world, including Chairperson of the Osaka Bankers Association and Vice-Chair of the Osaka Chamber of Commerce and Industry. Is expected to fortify the supervisory and decision-making functions of the Board of Directors with his wealth of knowledge and experience in upper management of major companies. Appointed to current position at the Company in June 2020.



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 2021)
Attended 12 out of 13 Board of Directors meetings, 10 out of 11 Nomination Committee meetings, and 10 out of 10 Compensation Committee meetings

Important Concurrent Positions

Representative Director, Genesis Partners / Director (Outside), NEC Capital Solutions Co., Ltd. / Director (Outside), Fast Retailing Co., Ltd. / Director (Outside) Ajinomoto Co., Inc. / Visiting Professor of International Corporate Strategy, Hitotsubashi Business School / Advisor, Sumitomo Mitsui Trust Bank, Limited / Professor, Graduate School of Business Administration, Kyoto University of Advanced Science / Audit & Supervisory Board Member, The Asahi Shimbun Co., Ltd.

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 Audit Committee
(Born July 25, 1974)
*Registered as Misuzu Koyama on family register.

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 13 out of 13 Board of Directors meetings, 11 out of 11 Nomination Committee meetings, and 10 out of 10 Compensation Committee meetings

Important Concurrent Positions

Attorney-at-law / Director (Outside), Delica Foods 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.



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

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 10 out of 10 Board of Directors meetings, 9 out of 9 Nomination Committee meetings, and 8 out of 8 Compensation Committee meetings

Important Concurrent Positions

Director, istyle, Inc. / Director (Outside), Seino Holdings Co., Ltd. / Director (Outside), Seven & i Holdings Co., Ltd.

Reason for Appointment

In addition to entrepreneurial and management experience in executive positions, has a wealth of practical experience in digital and other forms of marketing, has served as a member of committees connected to government bodies such as the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, and has extensive knowledge accumulated from working in policy development. In addition, is actively working to promote the participation of women in the workplace, and is expected to provide valuable advice on issues connected to diversity and inclusion. Appointed to current position at the Company in June 2021.



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

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 10 out of 10 Board of Directors meetings, and 9 out of 9 Audit Committee meetings

Important Concurrent Positions

Executive Consultant, 4U Lifecare Inc. / Director (Outside), True Data / Director (Outside), Fuji Furukawa Engineering & Construction Co. Ltd.

Reason for Appointment

Has experience in operational strategic at electronics manufacturers and other companies, has served as Chief Marketing Officer (CMO) at a healthcare company, and has extensive knowledge of IT and other digital technologies, and marketing. Participated in the launch of a non-profit organization that promotes the participation of women in the workplace, and is expected to provide valuable advice on issues connected to diversity and inclusion. Appointed to current position at the Company in June 2021.



Masayuki Waga
Director (Outside)
Member of the Nomination Committee and the Compensation Committee
(Born April 10, 1958)

Newly appointed

Important Concurrent Positions

None

Reason for Appointment

After holding various important posts at Mitsubishi Chemical Corporation headquarters and business departments both in Japan and overseas, was appointed President and Chief Executive Officer in 2018. Has management experience in global organizations and in driving change in personnel system and corporate culture. Due to his experience and achievements in top management at such major corporation, he is expected to provide valuable advice regarding the Group's business strategy, global management, and transformational strategies. Appointed to current position at the Company in June 2022.



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

Attendance at Board of Directors meetings and other official meetings (Fiscal 2021)
Attended 10 out of 10 Board of Directors meetings, and 9 out of 9 Audit Committee meetings

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.



Satoshi Kasai
Director Member of Audit Committee
(Born December 22, 1962)

Newly appointed

Career Summary

Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1985. Has experience in planning, human resources, and systems departments in the domestic P&C insurance business, and in 2017, was appointed the Group's Chief Human Resource Officer (CHRO) and Director and Managing Executive Officer of Sampo Japan Nipponkoa Insurance Inc. In 2019, was appointed CEO of the Group's nursing and healthcare business, and was made Group Advisor in April 2022. Appointed to current position at the Company in June 2022.

Directors and Executive Officers

Executive Officers



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



Mikio Okumura
Group COO (Chief Operating Officer)
President and Representative Executive Officer
(Born November 23, 1965)



Giichi Shirakawa
CEO of Domestic P&C Insurance Business,
Senior Vice President and Executive Officer
(Director, President and Representative Executive
Officer of Sampo Japan Insurance Inc.)
(Born August 19, 1970)



James Shea
CEO of Overseas Insurance and Reinsurance
Business, Senior Vice President and Executive
Officer
(Executive Chairman of the Board of Directors and
Chief Executive Officer of Sampo International
Holdings Ltd.)
(Born November 18, 1965)



Yasuhiro Oba
CEO of Domestic Life Insurance Business,
Senior Vice President and Executive Officer
(Director, President and Representative CEO of
Sampo Himawari Life Insurance Inc.)
(Born September 30, 1965)



Ken Endo
CEO of Nursing Care & Seniors Business,
Senior Vice President and Executive Officer
(Director, Chairman and Representative CEO of
Sampo Care Inc.)
(Born March 3, 1954)



Koichi Narasaki
CEO of Digital Business, Senior Executive Vice
President and Executive Officer
(CEO of Palantir Technologies Japan and CEO of
Sampo Light Vortex, Inc.)
(Born January 4, 1958)



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



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



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



Koji Ishikawa
Group CERO (Group Chief External Relations
Officer)
Executive Vice President and Executive Officer
(Born December 22, 1968)



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

Executive Officers



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)



Taisei Kawazoe
Group CIO (Chief Information Officer)
Senior Vice President and Executive Officer
(Born December 4, 1967)



Kenneth Reilly
Executive Vice President
(General Manager, Global Business Department)
(Born August 29, 1973)



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



Katsuyuki Tajiri
Executive Vice President
(Global Consumer P&C Insurance (Retail)
Business)
(Born October 8, 1967)



Yasuki Kume
Deputy CEO of Nursing Care & Seniors Business
Senior Vice President
(Born January 14, 1972)



Takamitsu Washimi
Senior Vice President
(Director, President and Representative COO of
Sampo Care Inc.)
(Born September 19, 1972)



Tsutomu Yamaguchi
Senior Vice President
Group Deputy CFO
(General Manager, Office of Group CFO)
(Born October 6, 1966)