



Sompo Holdings Integrated Annual Report 2024

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Editorial Policy

Our Integrated Annual Report is published with the aim of providing stakeholders with a deeper understanding of our business model and utilizing it as a communication tool to enhance our corporate value through dialogue. The Company prepared the Integrated Annual Report 2024 with reference to the International Integrated Reporting Framework^{*1} and METI's Guidance for Collaborative Value Creation^{*2}. It provides an easy-to-understand explanation of our business model and the value we deliver to our stakeholders.

This report also serves as disclosure materials based on Article 271-25 of the Insurance Business Act and Article 210-10-2 of the Ordinance for Enforcement of the Insurance Business Act.

^{*1} An international corporate reporting framework provided by the IFRS Foundation (formerly Value Reporting Foundation), which enables companies to tell their short-, medium-, and long-term value creation stories.

^{*2} Guidance developed by Japan's Ministry of Economy, Trade and Industry to encourage companies and investors to deepen mutual understanding through information disclosure and dialogue, thereby promoting collaborative value creation.



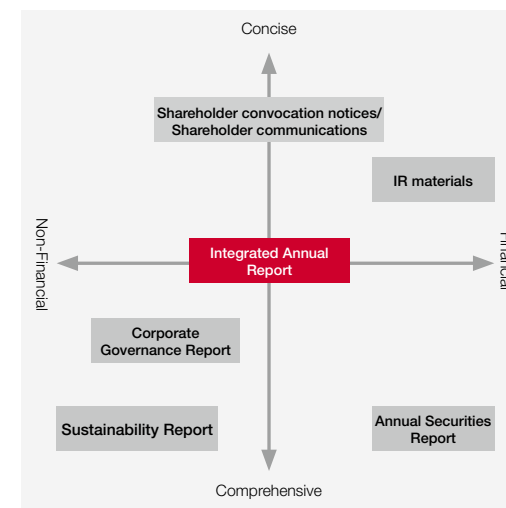
Information Disclosure System

We release our Integrated Annual Report and Sustainability Report simultaneously to deepen stakeholders' understanding of our Group's corporate activities. By reading the reports together, they can understand the overview of SOMPO's value creation and the progress of our ESG initiatives, in addition to our growth strategy toward our envisioned future.

Integrated Annual Report



Sustainability Report



Web Reference Data

- [Sustainability Report 2024](#)
- [Sustainability Website](#)
- [Investor Materials](#)
- [Corporate Governance Report](#)
- [Annual Securities Report](#) (in Japanese)

Disclaimer

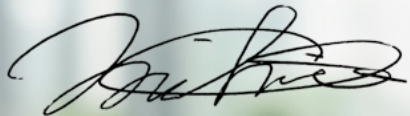
The information presented in this report includes future forecasts based mainly on the Sompo Group's management policies and plans. They are based on information available at the time of publishing. Accordingly, actual earnings and activity plans may be affected by the future operating environment.

Group CEO Message

“For a future of health, wellbeing and financial protection, we will become a truly global company, built on the trust of our stakeholders and driven by our Purpose.”

Mikio Okumura

Group CEO, Director, President and
Representative Executive Officer



By being positive about change and the power of change, we can reflect our transformation as a truly global company and demonstrate the value of our Purpose to prioritize the health, wellbeing and financial protection of everyone we serve, from individuals to enterprises.

Leveraging our strengths to meet our global customers' changing needs with optimal risk solutions

Our ambition at Sompo Group is to be a truly global company that delivers the unique value of our Japanese heritage in meeting the ever-changing needs of our global customers and stakeholders.

At the heart of this ambition is the altruistic spirit we nurture as a company born from meeting the needs of Japanese society in its early modern era. From a history of delivering protection against the risks of fire and natural disaster, we naturally progressed to envisioning how we might enable society to enjoy a future of health, wellbeing and financial protection. Leveraging these strengths, we seek to provide optimal risk solutions that meet the changing needs of customers at a global level as risks become increasingly varied and complex, from natural disaster to the impacts of new, geopolitical events.

Our path to strategic growth: Sompo's Property and Casualty (P&C) and Wellbeing businesses

Our Purpose prioritizing health, wellbeing and financial protection, creates opportunities for everyone we serve, from individuals to enterprises. Instilling our Purpose among our employees leads to a unified determination to realize these aspirations through our values (integrity, self-motivation, and diversity) for all our stakeholders and drive our role in society.

In Japan, for example, our vision is realized through our commitment to provide disaster prevention and risk-mitigation solutions, bringing ease of mind within a country exposed to natural disasters. Our vision is also driving our solutions to the social challenges and anxieties emerging from rapid, unstoppable demographic change.

Group CEO Message

To address the challenges we identify, our Medium-Term Management Plan (MTMP) since fiscal 2021 has sought to follow three core strategies: scale and diversification, New Customer Value creation and New Work Style. Each has delivered, with the growth of our global business, the development of our integrated Insurhealth® service combining insurance and health support functions, and our highly productive, quality care services. Together, they have driven our adjusted consolidated profit to a record high of 291.0 billion yen, alongside an adjusted consolidated ROE of 9.2% (10.1% when the impact of financial market fluctuations and other factors were taken into account).

In our latest MTMP launched in fiscal 2024, we build on these achievements. While our domestic P&C is undergoing reforms to address a number of issues, our overseas insurance business is driving the growth and expansion of the Group. In the medium- to long-term, our Wellbeing business is positioning itself to deliver our growth, all while we further increase our resilience, and connect with customers and deliver connected services.

Our global insurance business is a key growth driver of the Group. We are strategically expanding our business geographically in the United States, Canada, Europe and Asia based on a disciplined approach to underwriting for further profit growth. We are seeking connections between the global business and our domestic P&C business, Sampo Japan, which is reforming its business and earnings base to respond to social changes and industry practices.

These two businesses play a central role in the Group by building a foundation that enables us to provide solutions in times of high uncertainty, and by increasing our resilience. Their joint collaboration and pursuit of economies of scale as “Sampo P&C” aim to establish our firm position as a global non-life insurance company that can respond to changes in the market environment, customer needs and to risk. By focusing on building an organization and operations that leverage our high level of expertise in commercial lines while utilizing our high efficiency in the retail field, we are pursuing “Centers of Excellence” that consolidate our knowledge and experience in each country and region. Each is built on an optimal portfolio and established on best practices in underwriting, reinsurance, asset management and other spheres, further increasing our resilience.

Sampo Wellbeing aims to extend healthy life expectancy by accurately understanding the needs of customers at each life stage, and delivering the solutions to meet them. To deliver this “Life Time Value”, the business seeks to address the social challenges of health, nursing care and financial

planning for retirement, so that society views aging in a more positive light. It utilizes the data obtained through delivery of the Group’s services, to support extension of healthy life expectancy and provision of high quality, efficient nursing care services. And, by also connecting these services with insurance, it can further enhance the value of its insurance products.

Driving our transformation as a truly global company

The diversification of customer needs in Japan and greater uncertainties caused by the increased uncertainty in our operating environment, have brought to the surface the inflexibility of the insurance industry to break-away from established business models and structures. A series of incidents in Japan have further highlighted the need at Sampo for employees representing a diversity of experience and views to be able to understand changing societal and customer needs, and drive the new ideas, models and work styles that achieve change. These challenges facing our domestic P&C business are also a driver for the growth of our corporate culture. Accordingly, our domestic P&C unit is reforming itself and its business under its SJ-R initiative to become a “new Sampo Japan Insurance Inc.”

To build our future on the trust of all our stakeholders, we must break-away from outmoded standards, question the status quo, and accurately identify trends and issues. By creating a corporate culture that is positive about change and the power of change, we can create and provide the solutions that deliver new value and reflect our transformation as a truly global company. A corporate culture in which opinions can be freely exchanged and accepted is the key to creating this new value in a transformed and truly global Sampo.

By facing up to what we need to do and acting through delivery of solid and stable solutions to the global challenges of climate change, geopolitical risk and other factors, we are building the trust of our stakeholders. Now is the moment in which we can demonstrate the value of our Purpose to prioritize the health, wellbeing and financial protection of society.

SOMPO's Purpose

We have rephrased SOMPO's Purpose to make it easier for all stakeholders to understand: "For a future of health, wellbeing and financial protection."
 This new phrase expresses the Group's desire to provide services that go beyond insurance, paving the way for the future of health, wellbeing and financial protection.

Description of Purpose

For a future of health, wellbeing and financial protection

Sompo prioritizes health, wellbeing and financial protection to create opportunities for everyone we serve, from individuals to enterprises.

In a rapidly changing world and shifting demographics that demand resilience and adaptability, we are steadfast in our commitment to build on insight and meticulously craft solutions for the future.

We leverage our deep collective expertise to connect across boundaries and beyond geographies, to deliver a collaborative and connected partnership that meets the unique aspirations and risk management needs of those we serve.

**For a future of health, wellbeing and financial protection.
 We are SOMPO Group**

"Description of Purpose" states the future that we envision as a unified Group to build "a future of health, wellbeing and financial protection," the social issues that we face in the process, and how we intend to provide value to society.

The starting point to attain our Purpose is the aspirations of each employee of the Sompo Group, and we will strive to realize "a future of health, wellbeing and financial protection" while valuing these aspirations.



SOMPO's Purpose

For a future of health, wellbeing and financial protection



Web For information on initiatives based on each employee's "My Purpose", please refer to the section about [Overview of SOMPO's Value Creation / Sompo Holdings Sustainability Report 2024](#) (pages 16 to 30).

Review of the previous Mid-Term Management Plan (FY2021–FY2023)

In FY2023, the final year of the Mid-Term Management Plan that started in FY2021, the Group achieved a record-high adjusted consolidated profit of 291.0 billion yen and an adjusted consolidated ROE of 10.1%^{*1}, mainly from the Overseas Insurance and Reinsurance Business that had driven the Group’s financial results significantly.

Under the previous Mid-Term Management Plan, we worked on the Group’s transformation and business portfolio reform based on the three core strategies of “scale and diversification,” “new customer value creation,” and “new work style.” In addition to attaining stronger resilience by increasing profitability and advancing risk diversification, we took on the challenge of rolling out new initiatives in the domestic life insurance and nursing care fields to strengthen our foundation.

FY2023 actual

Adjusted consolidated profit: ¥291.0 billion
Adjusted consolidated ROE: 10.1%^{*1}

Key Financial Performance Indicators *Targets refer to the Mid-Term Management Plan announced in 2021.

	FY2023 actual	Target (end-FY2023)	Domestic P&C Insurance Business		Domestic Life Insurance Business			
			FY2023 actual	Target (end-FY2023)	FY2023 actual	Target (end-FY2023)		
Adjusted consolidated profit	¥291.0 bn.	¥300.0 bn.+	Adjusted profit	¥72.3 bn.	¥150.0 bn.+	Adjusted profit	¥41.8 bn.	¥40.0 bn.+
Adjusted consolidated ROE	10.1%^{*1}	10%+	Net premiums written ^{*2}	¥1,982.4 bn.	¥2,000.0 bn.	Annualized new premiums ^{*6}	¥38.2 bn.	¥50.0 bn.
Diversification effects	Risk diversification ratio	38.2%	E/I combined ratio ^{*2}	99.3%	91.7%	Policies in force	4.93 mil.	5.00 mil.
	Overseas business ratio	56.0%	Reduction of strategic stock holdings	¥195.6 bn. (three-year total)	¥150.0 bn. (three-year total)	Investment for ALM matching ^{*7}	¥1,111.3 bn. (three-year total)	¥900.0 bn. (three-year total)
		Improvement from FY2020 (39.4%)	Overseas Insurance and Reinsurance Business		Nursing Care & Seniors Business			
		30%+	FY2023 actual	Target (end-FY2023)	FY2023 actual	Target (end-FY2023)		
			Adjusted profit	¥163.1 bn.	¥100.0 bn.+	Adjusted profit	¥8.8 bn.	¥8.0 bn.+
			GWP growth rate ^{*3}	CAGR +15%^{*4}	CAGR approx. +9%	Revenue	¥175.8 bn.	¥162.0 bn.
			E/I combined ratio ^{*3}	91.8%^{*5}	88% Level	Occupancy rate ^{*8}	92.9%	93.8%

Increased resilience through progress in scale and diversification

Group top line CAGR +7%^{*4}

Business portfolio became more diversified

Strengthened business foundation in Domestic Life Insurance and Nursing Care

Policies in force for Domestic Life Insurance CAGR +5%^{*4}

Initiatives toward the future nursing care

^{*1} Adjusted for an increase in capital due to financial market fluctuations, etc. Adjusted consolidated ROE before adjustment was 9.2%

^{*2} Sampo Japan Insurance (excl. CALI, household earthquake insurance)

^{*3} Sampo International Commercial Business: FY2023 results include the commercial business of Sampo Sigorta, Sampo Seguros, and Asia subsidiaries (gross written premiums: \$871 million)

^{*4} For FY2021–2023 ^{*5} Excludes head office G&A expense and the impact of one-time reserve additions ^{*6} Based on sales performance

^{*7} 30-year maturity equivalent ^{*8} As fiscal year end

Web For further details, please visit the website: May 28, 2024 release titled “Mid-Term Management Plan (FY2024–2026).”

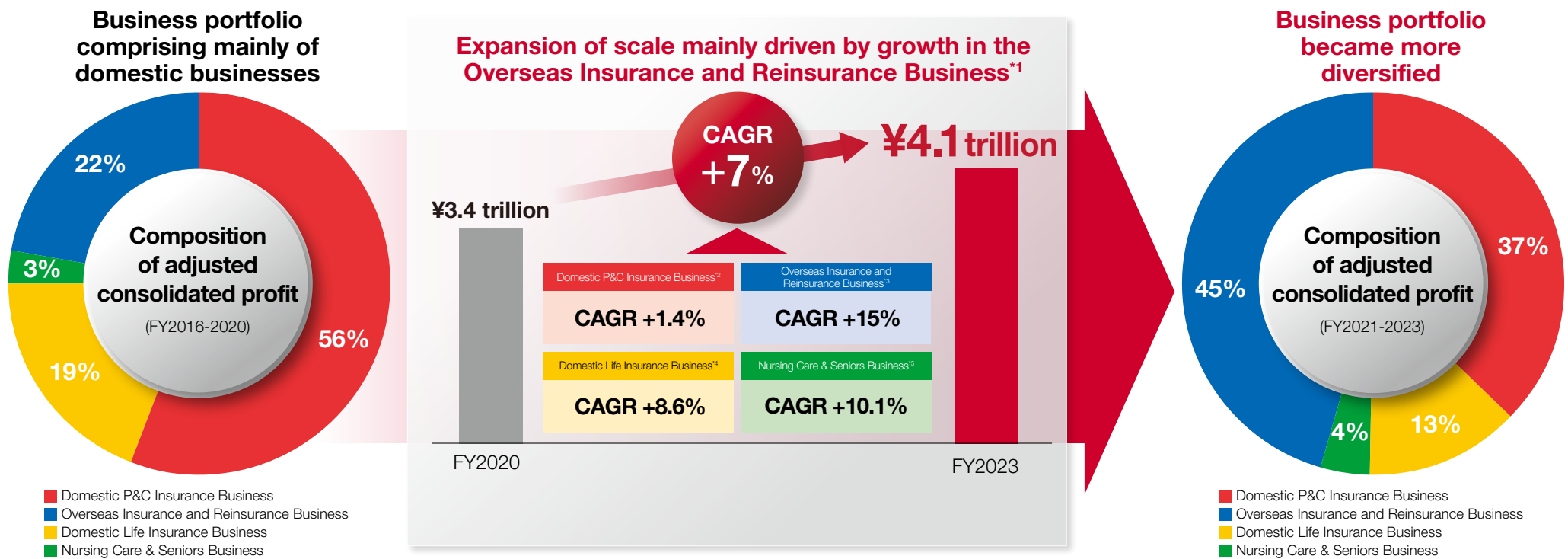
Review of the previous Mid-Term Management Plan (FY2021–FY2023)

Accomplishments from the Three Core Strategies

1 Scale and Diversification

Although the profitability of the Domestic P&C Insurance Business declined due to increased L/R of automobile insurance caused by factors such as an increase in natural disasters and inflation, the Overseas Insurance and Reinsurance Business grew mainly in the commercial field through disciplined underwriting, resulting in a Group-wide expansion of scale.

In addition, following the growth of the Overseas Insurance and Reinsurance Business, the Group's business portfolio has further diversified and advanced from a domestic business-focused portfolio to a more balanced business portfolio between domestic and overseas operations, thereby enhancing the Group's resilience.



^{*1} Net written premiums, etc. of the overseas insurance and reinsurance business and domestic P&C insurance business, life insurance premiums of the domestic life insurance business, and operating revenue of the nursing care and seniors business
^{*2} Net written premiums ^{*3} Gross written premiums ^{*4} Annualized premiums from new business (performance evaluation basis) ^{*5} Operating revenue

Review of the previous Mid-Term Management Plan (FY2021–FY2023)

2 New Customer Value Creation

We worked on new customer value creation with the aim of contributing to addressing social challenges and achieving medium- to long-term profit growth.

In the Domestic Life Insurance Business, we strived to establish ourselves as a health support company, focusing on strengthening the foundation of Insurhealth®, a new value that combines the essential function of insurance (Insurance) and the function of health support (Healthcare).

In the Nursing Care business, we took on the challenge of closing the gap between supply and demand for caregivers, which is the issue the nursing care industry is currently facing, mainly by building a model for future nursing care, improving compensation conducive to improving the social status of nursing care personnel who are the main caregivers, and implementing M&A to achieve the sustainable growth of the industry.

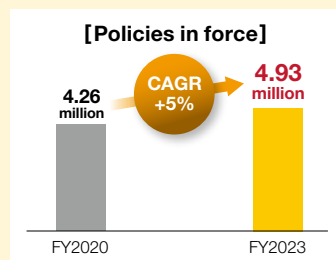
Strengthening the foundation as a health support company

Strengthening the foundation of Insurhealth®

- Insurhealth® product lineup expanded from 8 to 10 products (added cancer insurance and variable insurance)
- Insurhealth® sales since FY2018 have exceeded 1.6 million policies and 116 billion yen*

Expansion of customer base

- With Insurhealth® as the driver, the number of policies in force has reached 4.93 million



The challenge of closing the supply-demand gap for caregivers

Building the future nursing care model

- Built a sustainable nursing care business model (future nursing care model) that utilizes digital technology to improve productivity as well as quality

Implement large-scale compensation improvements

- Improved compensation based on job type and role in order to foster and retain future nursing care workers who will support a low birthrate and aging society

Implement M&As conducive to the establishment of a nursing care platform

- Acquired ND Software to provide value through know-how and DX of nursing care services and to expand the industry network



ND Software's strengths

- Top ranked in terms of the number of facilities that introduced its nursing care operations support software
- Sales offices and 700 business partners in 18 prefectures across Japan
- 530 engineers supporting software development

* As of the end of FY2023. Amounts are annualized premiums and performance evaluation basis.

3 New Work Style

We aimed to realize SOMPO's Purpose and enhance corporate value based on each employee's "My Purpose" to increase engagement and create a culture full of challenges and innovations. This Group-wide initiative was developed through three approaches: "Executive leadership communication (town hall meetings)," "Frontline initiatives (My Purpose 1-on-1)," and "Penetration measurement (engagement surveys).

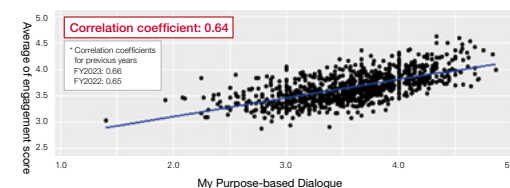
Executive leadership communication (Town Hall Meetings)

The town hall meetings were held on an ongoing basis as a forum held by the Group's senior management team to communicate the significance of "My Purpose" and "SOMPO's Purpose" to Directors, Executive Officers, and employees of the Group in Japan and overseas. To date, 15 meetings have been held in total across the Group, with approximately 24,800 people participating.

Frontline initiatives (My Purpose 1-on-1)

We have introduced My Purpose 1-on-1 training across the Group with the aim of introducing dialogue (1-on-1) between supervisors and subordinates with My Purpose at the center, and as of the end of FY2023, all Group managers in Japan had completed this training. We confirmed that engagement tends to increase in organizations that practice My Purpose-based Dialogue.

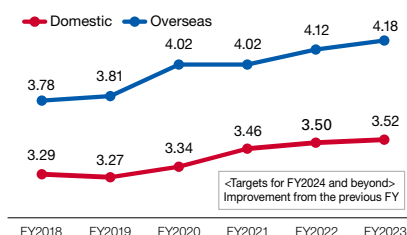
Correlation between "My Purpose-based Dialogue" and "engagement score"



Penetration measurement (Engagement Survey)

We have set employee engagement as a common KPI for the Group, and have conducted annual surveys of Group companies in Japan and overseas. Based on the results of the survey, we have been measuring the effectiveness of our initiatives, including the status of implementation and changes at the organizational level.

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



Opportunities and Risks Surrounding the SOMPO Group

Based on the business environment faced by the Group (megatrends) and other factors, we identified issues that should be addressed by the Group, and through dialogue with external stakeholders and discussions by the senior management team, we evaluated the degree of importance of these challenges based on the two axes of stakeholders and the Group. The opportunities and risks identified based on these challenges are as follows.

Web For details on the identification of issues to be addressed and evaluation of their importance, please refer to [Process of Formulating "Description of Purpose" / Sustainability Report 2024](#) (pages 7 to 8).

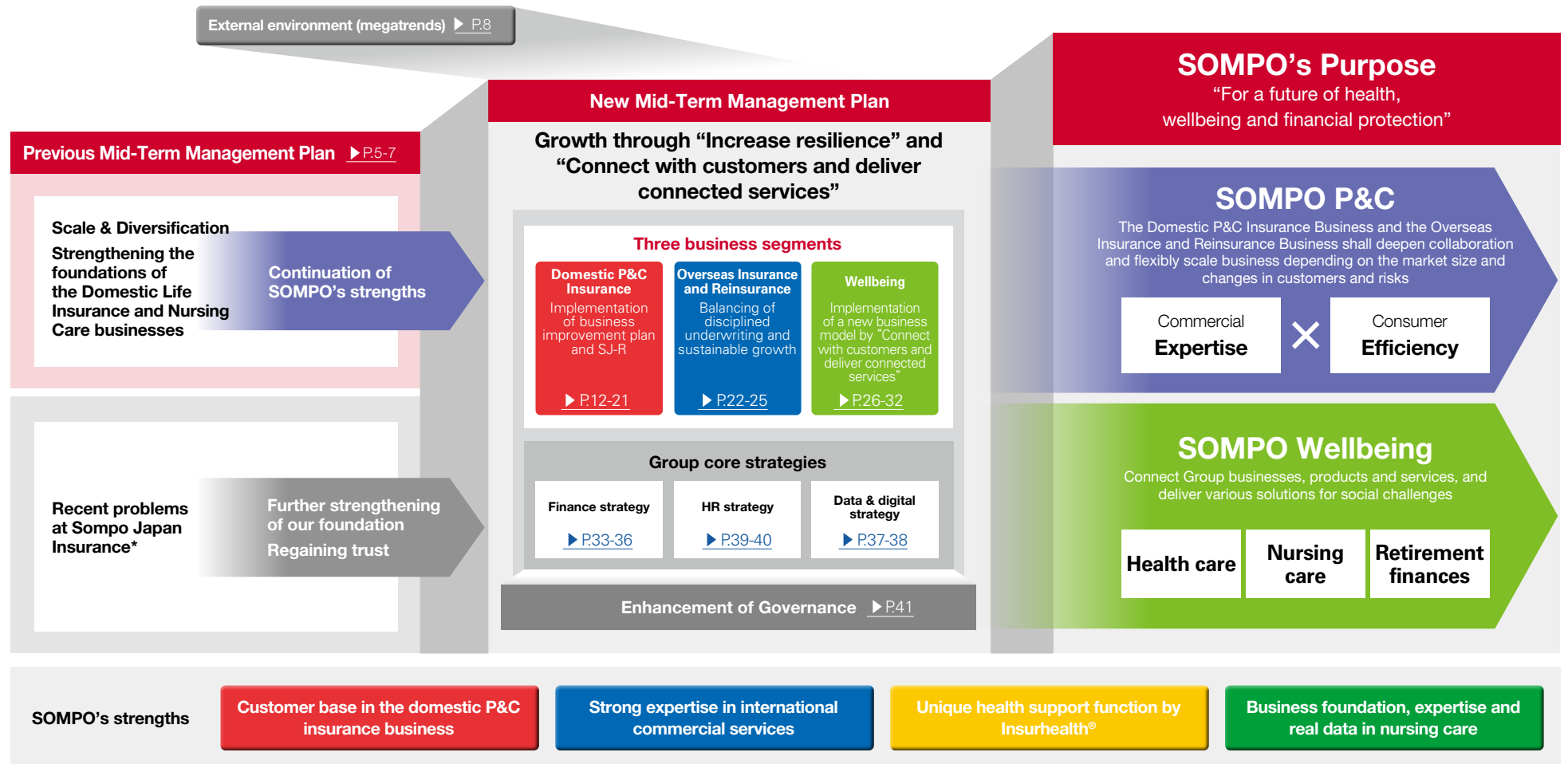
Business environment		Opportunity	Risk
External environment (megatrends)	Demographic change	<ul style="list-style-type: none"> • Expansion of overseas insurance/reinsurance market • Expansion of seniors market needs (nursing care, health-related, preventive measures, etc.) 	<ul style="list-style-type: none"> • Shrinking traditional insurance markets in Japan (e.g., automobile, home, etc.)
	Climate change	<ul style="list-style-type: none"> • Growing demand for disaster prevention and mitigation 	<ul style="list-style-type: none"> • Deterioration of P&C insurance business due to more severe and frequent natural disasters
	Technological advances	<ul style="list-style-type: none"> • Increased productivity of organizations and employees through the use of technology • Emergence of new insurance needs • New business creation opportunities 	<ul style="list-style-type: none"> • Emergence of new entrants in the insurance market • Obsolescence and decline in competitiveness of the insurance business model
	Geopolitical risk	<ul style="list-style-type: none"> • Growing demand for property and casualty insurance overseas due to increased uncertainty 	<ul style="list-style-type: none"> • Difficulty in business continuity at overseas sites • Worsening of insurance underwriting result due to increased volatility
	Changes in consumer behavior	<ul style="list-style-type: none"> • Emergence of new insurance needs, changes in insurance forms • Possibility of building new business models 	<ul style="list-style-type: none"> • Limitations of the current business model

Overview of the New Mid-Term Management Plan (FY2024-2026)

Taking into account changes in the external environment and the strengths of the Group, we have set forth “SOMPO P&C” and “SOMPO Wellbeing” as the Group’s envisioned future to realize the Purpose of “For a future of health, wellbeing and financial protection.”

In our new Mid-Term Management Plan for fiscal years 2024–2026, we have positioned “Increase resilience” and “Connect with customers and deliver connected services” as goals to achieve.

In addition to the three business segments of the Domestic P&C Insurance, Overseas Insurance and Reinsurance, and Wellbeing businesses, we will work on Group core strategies of “finance strategy”, “HR strategy”, and “data & digital strategy” to advance growth by achieving our goals of “Increase resilience” and “Connect with customers and deliver connected services.” Furthermore, we will renew commitment to serious governance reform, which is the foundation for sound growth, and improve the transparency and effectiveness of our corporate governance.



* For further details, please refer to “[Overview of Misconduct and Administrative Sanctions](#)” (page 17) and “[Progress on the business improvement plan](#)” (page 18).

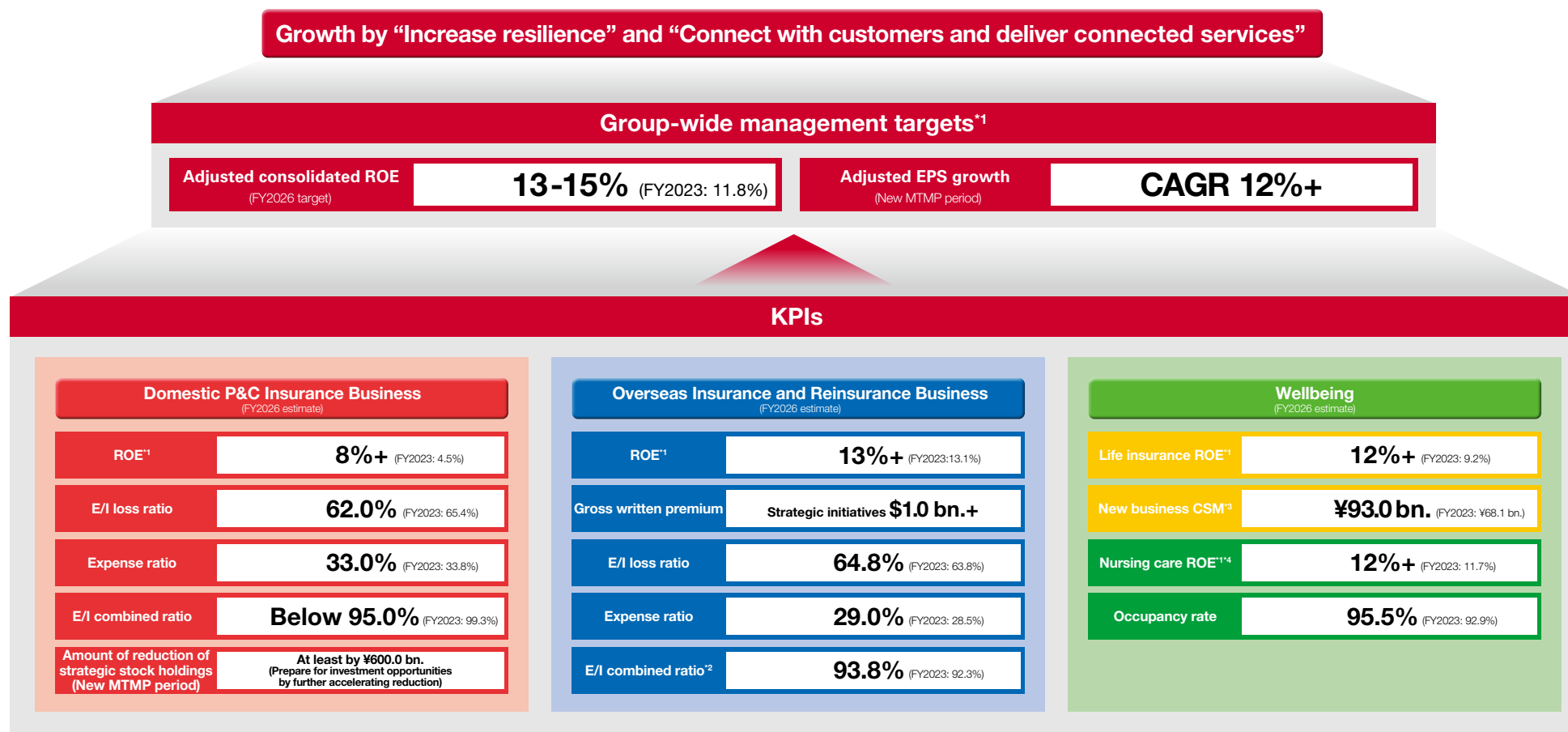
Overview of the New Mid-Term Management Plan (FY2024-2026)

Under the new Mid-Term Management Plan, we aim to raise adjusted consolidated ROE to 13–15% level by FY2026 and achieve an adjusted EPS growth rate exceeding 12% during the new Mid-Term Management Plan period.

In the Domestic P&C Insurance Business, we will increase resilience by strengthening the quality of operations and earnings structure through SJ-R.

Additionally, in the Overseas Insurance and Reinsurance Business, we aim to achieve stable profit growth through disciplined underwriting and the acquisition of specialized talents to expand our geographic and business domains, while also increasing asset investment income.

In the Wellbeing Business which focuses on “connect with customers and deliver connected services”, the Domestic Life Insurance Business will strive to increase “Himawari clients/users” based on the two axes of insurance and health support services, while the Nursing Care Business will work on advancing future nursing care services and improving the occupancy rates of existing facilities, refining their respective strengths.



*1 IFRS basis, adjusted consolidated ROE excludes OCI, estimate for FY2023. ROE of Domestic P&C is based on current definition and KPI on IFRS basis will be set at the time of application of IFRS. Aim to improve in risk diversification ratio of Group against FY2023

**2 Based on the loss ratio for the current fiscal year *3 Metric based on IFRS 17 as with new business value (before tax), estimate for FY2023 *4 Care operator business

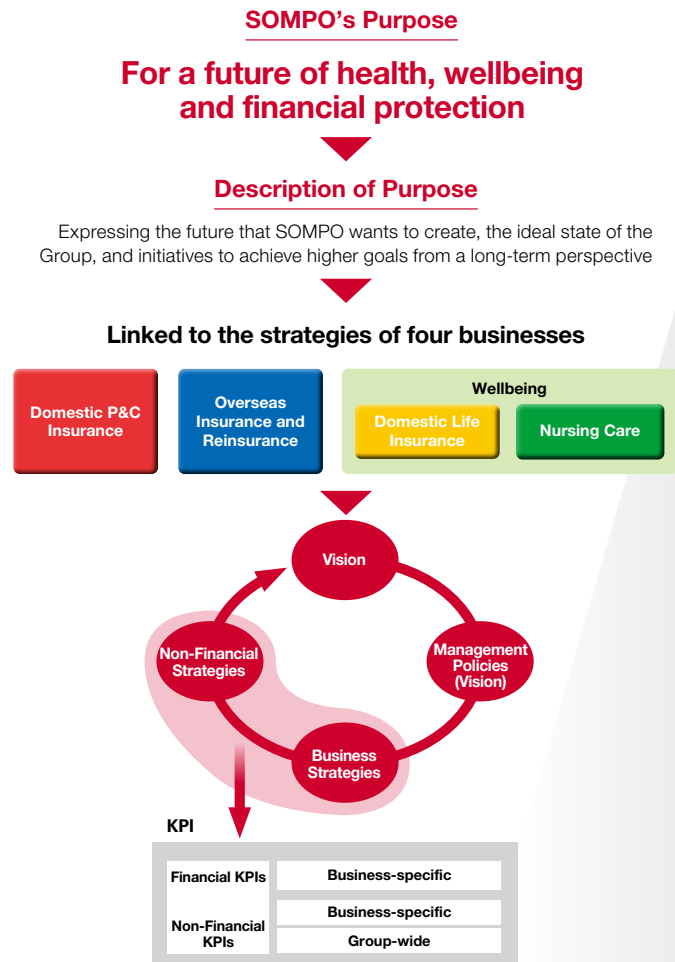
Key Management Issues to Achieve SOMPO's Purpose

In formulating our Mid-Term Management Plan starting in 2024, we analyzed the issues that we should address as a Group in order to realize our rephrased Purpose, "For a future of health, wellbeing and financial protection," in light of changes in the internal and external environment. We also formulated "Description of Purpose" through dialogue with external stakeholders and repeated discussions by the senior management team.

The "Description of Purpose" does not merely list the issues to be addressed, but it also expresses the future we want to create, the ideal state of the Group, and our initiatives to achieve higher goals from a long-term perspective.

SOMPO's Purpose and "Description of Purpose" are also linked to the strategies of the Group's four businesses. Each of these businesses has established financial and non-financial strategies to achieve sustainable growth through the resolution of the issues set forth in "Description of Purpose" and has set KPIs.

Web We consider "Description of Purpose" as materiality issues. For further details, please refer to the section about [Process of Formulating "Description of Purpose" / Sompo Holdings Sustainability Report 2024](#) (pages 7 to 8)



Key KPIs for the new Mid-Term Management Plan period (FY2024 to FY2026)

	Domestic P&C Insurance	Overseas Insurance and Reinsurance	Wellbeing	
			Domestic Life Insurance	Nursing Care
Financial KPIs	<ul style="list-style-type: none"> Segment ROE 8% + E/I loss ratio 62.0% Expense ratio 33/0% E/I combined ratio below 95.0% Amount of reduction of strategic stock holdings ¥600.0 bn.+ (cumulative total for the period) 	<ul style="list-style-type: none"> Segment ROE 13% + Gross written premium (Strategic initiatives) \$1.0bn.+ E/I loss ratio 64.8% Expense ratio 29.0% E/I combined ratio 93.8% 	<ul style="list-style-type: none"> Segment ROE 12%+ New business CSM ¥93.0 bn. 	<ul style="list-style-type: none"> Segment ROE 12% + Occupancy rate 95.5%
Non-Financial KPIs	Non-financial KPIs listed in SJ-R		<ul style="list-style-type: none"> Himawari clients / users 7.0 mil. No. of health actions 550,000 "White 500" acquired for 11 consecutive years through 2026 	<ul style="list-style-type: none"> Indicators for in-house egaku* Indicators related to Advance Care Planning (ACP)* Number of strategic hires (new graduates, non-Japanese, and strategic career hires) in 2024: 310
Group-wide	<p>(1) Human Resources Strategy</p> <ul style="list-style-type: none"> Engagement Score: Year-on-year improvement (FY2023: 3.52 pt domestic, 4.18 pt overseas) Ratio of female Directors and Executive Officers, Department Managers, and management-level employees: April 2027: 16% Directors and Executive Officers, 23% Department Managers, and 28% management-level employees; 2030: 30% for each Disability employment rate: Above legal employment rate (every year) Number of recorded harassment cases: Reduction from previous year Male parental leave utilization rate: 100% Percentage of women in the Succession Plan: 50% <p>(2) Sustainability strategy</p> <ul style="list-style-type: none"> GHG Scope 1-3 (excluding Category 15) emissions: 60% reduction by 2030 (compared to 2017), Net Zero in 2050 Investee and borrower companies' GHG Scope 3 Category 15 emissions: 25% reduction in 2025 (compared to 2019), Net Zero in 2050 Transition insurance targets: ¥25.0 bn. in FY2026 insurance premiums written 			

*Definitions and target values of indicators are under consideration as of July 2024.

Domestic P&C Insurance Business

Our domestic P&C business is transforming its business and earnings base to drive its market position and resilience.

Overview of business strategies in the new Medium-Term Management Plan

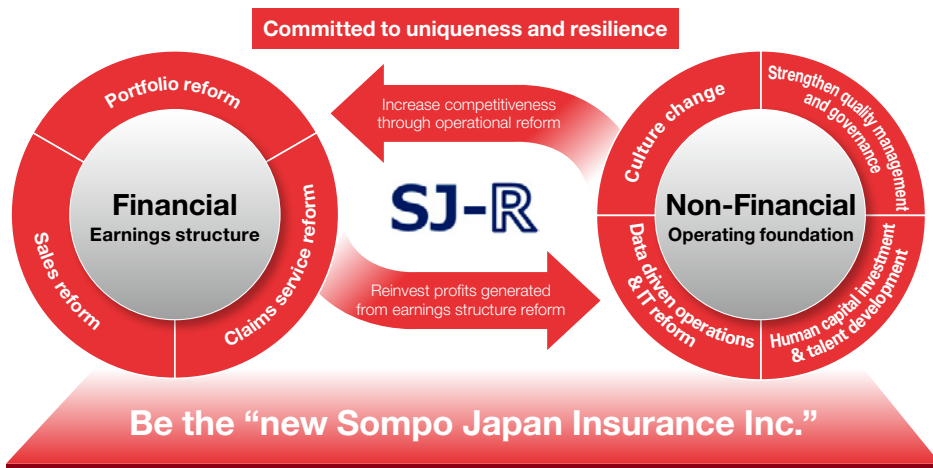
As the domestic P&C insurance arm of Sampo Group, the business strives to provide products and services that achieve sustainable growth built on the trust of its customers and society.

Under the new Medium-Term Management Plan, which started in fiscal 2024, the basic strategy is to pursue uniqueness and resilience while striving for the trust of customers and society by steadily implementing business improvement plans under the slogan, Dedicated to the customers and society. This business model reform is being achieved through two pillars: initiatives that lead directly to improved financial performance by strengthening our earnings base, such as portfolio reform, sales reform, and insurance claims service reform; and initiatives that will lead to increased profitability over the medium to long term through strengthening our business foundation, such as reviewing our quality control and governance systems and transforming our culture. Each initiative is mutually dependent, in which competitiveness is strengthened by reforming the business base and the profits obtained from the improved earnings are reinvested in non-revenue earning business foundations, to realize a “new Sampo Japan Insurance Inc.”

In addition, as part of these “SJ-R” initiatives, we will optimize claims payments and improve productivity in claims services, pursue appropriate pricing and disciplined underwriting through the close cooperation of our sales and product divisions, to restore profitability, stabilize earnings and enhance our ability to respond to environmental change. Specifically, in addition to achieving a segment return on equity (ROE) of 8% or more and an E/I combined ratio* of below 95% by fiscal 2026, we have set targets to control typhoon risk, accelerate the reduction of strategic stock holding, and reduce the ratio of long-term policies, mainly in automobile insurance and fire insurance. By completing our SJ-R initiatives in the new Medium-Term Management Plan, we will achieve profitability and growth, and build a business that is not only profitable in an individual fiscal year, but also stable in earnings and agile enough to respond flexibly and in a timely manner.

* Sampo Japan Insurance (excluding CALL and household earthquakes)

Dedicated to the customers and society



KGI	
Segment ROE*1	8% +

KPI		
E/I combined ratio*2	Below 95.0%	Profitability
Reduction of strategic stock holdings	¥ 600.0 bn.+	Stability
Typhoon risk	Maintain or reduce	Stability
Ratio of long term contracts	Aim to reduce	Flexibility

*1 Current definition basis *2 E/I basis

Domestic P&C Insurance Business

Main initiatives under the new Medium-Term Management Plan

(1) Portfolio reform

To respond to the severe business environment in the domestic P&C insurance market of recent years, such as the increasing severity and frequency of natural disasters and continued inflation, we are working to realize agile and well-balanced pricing and disciplined underwriting. Where the conventional underwriting system is focused on countermeasures for specific contracts in which profitability has deteriorated significantly, we will manage the revenue of all contracts held by segment. We will shift to a system that allows us to formulate detailed underwriting policies. We aim to develop further a high-quality portfolio by maximizing the earnings potential of our contracts, such as by improving segments with earnings issues and increasing the number of high-quality segments.

(2) Sales reform

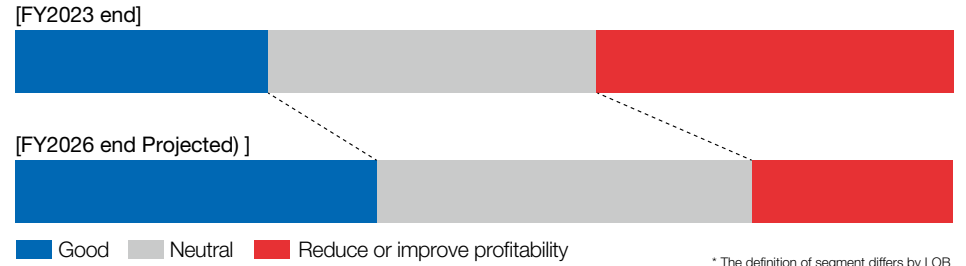
In sales, we will abandon outdated industry practices and shift to a corporate culture focused on actions that contribute to quality improvement and which properly evaluates profitability measures. As well as reviewing the old business model, such as by eliminating dual structures with agencies, ending excessive support for client core business and reducing the number of strategic shares, we will improve productivity by consolidating office work, going paperless and promoting cashless sales.

By investing the time and resources generated through these initiatives in improving quality and strengthening expertise, we aim to provide high quality services consistently in the retail market, and to provide comprehensive risk solutions through specialization and enhanced expertise in the commercial market.

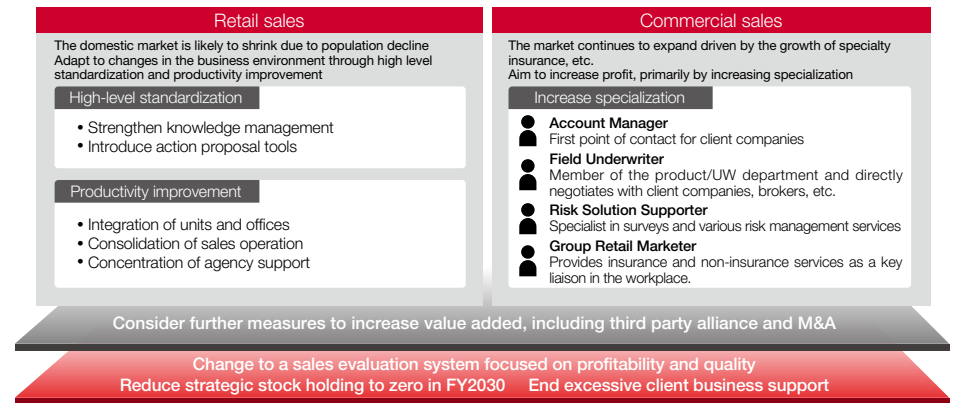
(3) Claims service reform

In Insurance Claims Services, “appropriate claims payments” and “customer satisfaction” remain our unchanging mission to ensure we remain our customers’ choice and deliver sustainable growth. To meet the expectations of all stakeholders, we are using advanced organizational design and digitalization initiatives developed by Sampo Sigorta to respond efficiently to accidents. We are working to review all claim service processes, including accident reception, initial response, repair shop referrals, fraud detection, and insurance payments, as well as strive to improve business efficiency, and strengthen fraud detection and appropriate payments by using digital technology.

Composition of written premiums by segment (excluding CALI & household EQ)



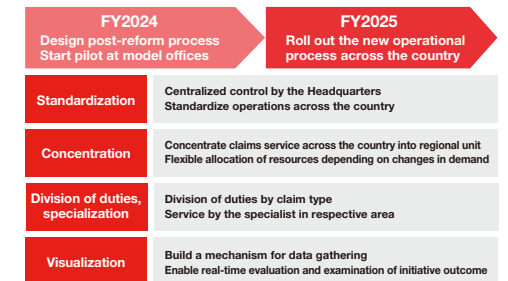
Contribute to portfolio reform through sales



Priorities in claims service



Main reform initiatives



Domestic P&C Insurance Business

Main initiatives under the new Medium-Term Management Plan

(4) Culture change

Our organizational culture fosters and emphasizes compliance and customer protection. The establishment of a Chief Culture Officer (CCuO) and the Culture Transformation Department, are leading company-wide reforms and opportunities for management to engage in dialogue with employees nationwide that focuses on the core message of safeguarding what needs to be protected, changing what needs to be changed, fostering new values shared by all, and achieving a flat and open, healthy corporate culture.

Culture change

[SJ-R Value]

Dedicated to the customers and society

Our five commitments

(1) Act fairly and impartially by giving first priority to trust of customers and society (2) Stand by customers together with the agencies to assist in lives and society (3) Focus on quality and work to improve "speed" and "ease of understanding"	(4) Proactively learn and improve expertise to pursue the fundamental value of insurance (5) Build the future of insurance by leveraging diversity and individual capabilities
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[Initiatives aimed at culture change]

Expressing culture: Establish value standards by the end of FY2024	Promoting culture: Incorporate into departmental/branch office plans
Visualizing culture: Conduct a culture change survey	Establishment of "Day of Reflection: Thinking from the Customer's Perspective and Taking Action"

(6) Data-driven operations & IT reform

Even in an extremely complex and ever-changing environment, we believe it is important to correctly understand and act on the objective data we collect and organize to properly meet diversifying customer needs and values. To establish a new mindset for looking at and acting on data and to accelerate our transformation towards a "new Sampo Japan Insurance Inc.," we will build a system for data utilization across the entire company, and improve the data literacy of employees via the newly established Data Management Department.

In addition, the IT transformation that will support the construction of this foundation, will optimize IT costs by rationalizing duplicate mission-critical systems and underutilized systems. We will also promote business automation and reforms, such as in insurance claims services, by taking advantage of the connectivity of these new systems.

(5) Strengthen quality management and governance

By taking a customer perspective, we are building a system to promote business improvements through quality control. To achieve this, we have established a Chief Quality Officer (CQO) and Quality Management Department to improve customer evaluations. Additionally, we have established a new Quality Management Committee, which includes external members, and will work to improve quality by incorporating an external perspective. In addition, with regard to strengthening governance, we have shifted to a company with an Audit and Supervisory Committee, strengthened the supervisory function of the Board of Directors by separating supervision and execution through the appointment of outside directors, and by clarifying the mission (expected roles) and responsibilities and authority of our officers.

Strengthening quality control

■ Establishment of "Quality Standards for Customer Confidence" and efforts to ensure they take root

In response to the recent series of problems and administrative sanctions taken against the Company, and with a renewed recognition of the importance of customer-oriented initiatives, we have established "Quality Standards for Customer Confidence" and are working to ensure the standards take root.

What are the Quality Standards for Customer Confidence?
 The Quality Standards for Customer Confidence serve as a baseline* (a standard below which credibility is lost) that customers can take for granted.
 * The "Quality Standards for Customer Confidence" baseline varies from customer to customer.

What is conduct risk?
 In recent years, there has been a growing trend to more broadly define as risk not only violations of laws and regulations but also actions that go against social norms and the gap between practices considered acceptable in the company and those in society as a whole. Such risks are referred to as conduct risks.

(7) Human capital investment & talent development

Since it is our employees who create quality, we value and nurture our people, and are actively engaging in their development through human capital investments. Specifically, to support the transformation of the business and earnings base, we are strengthening mid-career recruitment and offering dedicated career paths for new graduates, and are expanding and updating the job-based personnel system to enhance further the expertise of our people such as through strategic rotation and other programs. We are shifting from a people portfolio centered on generalists, to a balanced portfolio including professional human resources.

Domestic P&C Insurance Business

Message from the Business CEO

Towards a “new Sampo Japan Insurance Inc.”

Koji Ishikawa

President & CEO,
Sampo Japan Insurance Inc.
CEO of Domestic P&C Insurance
Business,
Sampo Holdings, Inc.



Increasing resilience to changes in the business environment

SJ-R aims to create a “new Sampo Japan Insurance Inc.” as part of our company-wide transformation in response to issues and changes in the domestic P&C insurance industry.

As the social climate changed, our management did not immediately notice the limitations of our current business model and the heavy burden it placed on our front-line employees. Subsequently, as a result of mergers and alliances in the 2000s, an oligopoly formed by a few major companies emerged. This made it difficult to engage in competition based on the inherent value of insurance, such as the quality and price of products and services, and this situation has continued up to the present day.

Meanwhile, the increased volatility of insurance claim payments made it difficult to predict based on historical data. In an era when the volatility of insurance claims was relatively small and income and expenditure projections were easier to make, the idea was that even if there were some unprofitable policies, they could be absorbed, and profits could be secured by simply increasing sales. However, since around 2018, natural disasters have become more severe and frequent, and more recently, inflation has become an issue. As a result, this structure has largely collapsed, and we find ourselves in a situation where we cannot ensure profits simply by increasing sales.

The large global P&C insurers with which we compete have clear risk appetites that reflect their own strengths and risk tolerance. They clearly and proactively communicate their approach to risk and the products they sell to the outside world, and design products and develop sales strategies

based on that. The business practices and competitive environment of Japan's P&C insurance industry are very different from the rest of the world.

The Company must take the lead in achieving transformation, and the SJ-R project is a strategy to significantly transform our existing business models and ways of working, in pursuit of the resilience and uniqueness that will allow us to survive in the harsh environment of the future.

Goals of the SJ-R project

We are determined to break away from the systemic problems of the industry by transforming our culture, which is the result of shared experiences of employees over many years. I am also well aware that it will not be easy to improve the profitability of the core insurance business, which has declined due to the harsh changes in the external environment, and achieve a “new Sampo Japan Insurance Inc.”

To truly change, we have to start by altering the way we work and our business model. It is not just our culture that needs to be changed; it is everything from the business model and operating methods, to the personnel system. We are in the process of formulating and establishing the action plan necessary to achieve this goal and have designed a KPI system that covers financial areas such as risk exposure, loss ratio and company expenses, as well as non-financial areas such as business processes (including quality assurance), corporate culture and human investment. This will involve transforming everything, including the way work is done in the Sales, Product, and Claims divisions and even the personnel system.

The ultimate goal of this transformation is to increase the value Sampo Japan Insurance Inc. provides to its customers. We will strengthen our resilience so that we can generate stable profits, make solid investments to increase the value we provide to customers and provide solid returns to both our employees and shareholders. By establishing such a cycle, we will create unique value that can only be found at Sampo Japan Insurance Inc. and the Sampo Group and cannot be obtained elsewhere, and then deliver it to customers at a fair price. This is the ultimate goal of the SJ-R project.

SJ-R also recognizes our business model has different characteristics in the retail and commercial sectors. In retail, it is important to differentiate ourselves from competitors in areas other than coverage. For example, there is the uniqueness and convenience of the services attached

Domestic P&C Insurance Business

Message from the Business CEO

to insurance, and whether to carry this out in-house or through external resources. Another long-standing challenge in the retail sector is the issue of the dual structure of the Sales Division side and the agency side that need to be reassessed to increase their respective productivity and efficiency, to improve the value we provide to customers, including our claims service process.

In the commercial sector, a high level of expertise is key. So far, the brokerage system, which is mainstream in Europe and the United States, has not taken root in Japan. Similarly, on the corporate side, there are currently few companies that have risk managers unlike their counterparts in Europe and the US. In the future, however, the commercial sector environment will become one in which companies compete on the intrinsic value of their insurance. As a result, insurance companies will be required to understand and analyze the risks of their clients and provide optimal risk solutions as not everything should be hedged with insurance. Traditionally, our main role has been to provide insurance, but going forward, we will need to propose not only insurance but also risk management services aimed at risk retention or reduction, including from the perspective of economic rationality. There is an urgent need to develop individuals with a high level of expertise who are capable of making such proposals.

SJ-R's plan is only 50% complete at this point. As the CEO, however, I have a firm determination to see through this major transformation, understanding that Sompo Japan Insurance Inc. needs to be able to provide unique, superior value to customers that differentiates us from competitors. I am committed to realizing a "new Sompo Japan Insurance Inc." that our people and their families can feel proud of.

Domestic P&C Insurance Business

Overview of Misconduct and Administrative Sanctions

Response to the premium adjustment practices, etc.

Overview of the case

In regards to the issue of inappropriate premium adjustments that were deemed to have violated the Antimonopoly Act, Sampo Japan Insurance underwent an onsite inspection by the Japan Fair Trade Commission on December 19, 2023, and received a business improvement order based on Article 132, Paragraph 1 of the Insurance Business Act from the Financial Services Agency on December 26, 2023. In the inspection and receipt of the order, it was pointed out that the company had been in an environment that would easily increase the risk of conduct constituting a violation of the Antimonopoly Act and related laws or the risk of leading to inappropriate behavior. Based on this point, the company submitted a business improvement plan that laid out measures to prevent recurrence, including improving the environment to facilitate fair competition, to the Financial Services Agency on February 29, 2024.

Overview of the administrative sanctions (business improvement order) (December 26, 2023)

Sampo Japan Insurance
1. Clarify management responsibility for the penalties
2. Further identification and investigation of other cases that are deemed to have violated the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Act No. 54 of 1947. Hereinafter "the Antimonopoly Act") and that led to inappropriate behavior in light of the intent of the law
3. Examination and implementation of measures to improve the environment for implementing fair competition in the field of corporate insurance, including coinsurance
4. Building of an appropriate sales promotion structure and insurance underwriting management structure (including the formulation of measures to realize the development of sales targets that will not be incentives for inappropriate behavior and sales activities that can present fair insurance premiums according to the risks involved, in light of the intent of the Antimonopoly Act and related laws)
5. Building of an appropriate legal compliance structure for complying with the Antimonopoly Act and related laws (including the provision of sufficient education to and establishment of a supervisory structure for related persons in the company, such as sales representatives, and agencies)
6. Development of a healthy organizational culture that emphasizes compliance and customer protection (including establishment of corrective measures for the corporate culture that prioritizes the convenience of the company over compliance with important laws and regulations such as the Antimonopoly Act)
7. Steadily implement above measures and drastically strengthening governance to ensure they are firmly established

Web For further details, see "[Administrative Sanctions by the Financial Services Agency](#)" (in Japanese) and "[Submission of a Business Improvement Plan by a Sampo Holdings Subsidiary](#)"

Response to fraudulent auto insurance claims, etc.

Overview of the case

In regards to the issue of the response to fraudulent auto insurance claims, etc. by a used car dealer, Sampo Holdings and Sampo Japan respectively received a business improvement order based on Article 271-29, Paragraph 1 and Article 132 Paragraph 1 of the Insurance Business Act from the Financial Services Agency on January 25, 2024. Accordingly, it was pointed out that their efforts to develop an appropriate corporate culture were insufficient. Based on this point, the companies submitted a business improvement plan that described measures to prevent recurrence, including the development of a healthy organizational culture which emphasizes compliance and customer protection, to the Financial Services Agency on March 15, 2024.

Overview of the administrative sanctions (business improvement order) (January 25, 2024)

Sampo Holdings	Sampo Japan Insurance
1. Clarify management responsibility for the penalties	1. Clarify management responsibility for the penalties
2. Ensure sound, appropriate insurance holding company management of subsidiary operations (Including to grasp the scope and effectiveness of Sampo Japan Insurance's internal controls in a timely and appropriate manner, and conduct appropriate business management)	2. Confirm appropriate policy claims management <ul style="list-style-type: none"> Establishment of a system to prevent fraudulent claims (including conduct of appropriate damage investigations, implementation of customer-oriented referral services for repair companies, consideration & implementation of central management of predictive information for fraudulent claims and necessary measures) Establishment of fair and accurate examination systems and procedures (including verification of cases that may have resulted in inappropriate non-payment due to the lack of detailed investigations and customer response based on the verification of results)
3. Fostering healthy organizational culture prioritizing compliance and customer protections over sales at insurance subsidiaries (Include corrective measures for a company culture that prioritize the company's interests over the interests of its customers)	3. Establishment of effective agency management system (insurance solicitation management) (Ensure appropriate insurance solicitation according to agents' characteristics, including consideration & implementation of appropriate management of secondments)
4. Steadily implement above measures 1-3 and drastically strengthen governance to ensure they are firmly established	4. Establishment of a system to ensure thorough compliance and customer protection (Timely identification of suspicious information with measures to ensure appropriate reporting to management inclusive of CEO and the authorities)
	5. Fostering healthy organizational culture prioritizing compliance & customer protections over sales (Include corrective measures for a company culture that prioritizes the company's interests over the interests of its customers)
	6. Steadily implement above measures 1-5 and drastically strengthen governance to ensure they are firmly established

Web For further details, see "[Overview of administrative sanctions \(business improvement orders\) by the Financial Services Agency and measures to prevent recurrence](#)" and "[Submission of a Business Improvement Plan](#)"

Domestic P&C Insurance Business

Progress on the Business Improvement Plan

Sompo Holdings and Sompo Japan Insurance submitted the first progress report on the business improvement plan to the Financial Services Agency on June 14, 2024. They will submit the next progress report as of the end of August 2024 in September 2024. The companies will strive to implement the improvement plan steadily for preventing recurrence and continue to properly report and disclose the progress.

Progress (as of the end of May 2024)

▲ Measures Implemented ■ For Further Consideration

	Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established	Establish a system to thoroughly ensure compliance and customer protections(including the Antimonopoly Act)	Foster a healthy organizational culture prioritizing compliance and customer protections
Common	Sompo Holdings		
	<ul style="list-style-type: none"> ■ Strengthen and improve the effectiveness of Group governance ■ Revise the institutional design of operating companies(major domestic companies) ■ Appoint a Chief Compliance Officer ■ Establish a Compliance office ■ Appoint a Chief Internal Audit Officer ▲ Clearly define the relationship between Group Chief Officers(CxO) and Chief Officers(CxO) of individual companies ■ Strengthen specialized personnel 	<ul style="list-style-type: none"> ■ Monitoring system for internal controls over subsidiaries' key measures and other activities ■ Information sharing and reporting system regarding the recent spate of problems ▲ Internal audit system 	<ul style="list-style-type: none"> ■ Revising, instilling, and implementing a Group Corporate Philosophy framework ▲ Follow up on progress with instilling a corporate culture
Common	Sompo Japan Insurance		
	<ul style="list-style-type: none"> ■ Appoint outside directors(establish an Audit & Supervisory Committee, etc.) ■ Governance system of the holding company over individual non-life insurance companies ■ Enhance the roles of directors in charge of second and third lines ■ Establish new committees ■ Revision on internal company policies such as proposal submission standards and circular approval policy ■ Learning from Sompo Japan Insurance's prior case examples and those of other companies ■ Bring on board perspectives from outside the company(including international perspectives) ■ Strengthen the management framework for matters submitted to the Executive Committee 	<ul style="list-style-type: none"> ■ Drastically revise management of the third line <ul style="list-style-type: none"> ● Clearly define roles in the first line ● Strengthen the risk management system and internal control in the second line(Compliance Department and Risk Management Department) ● Strengthen internal controls in the third line(Internal Audit Department) ● Communication between the first line and the second and third lines 	<ul style="list-style-type: none"> ■ Foster compliance awareness at the management level ■ Revise the Code of Conduct and other rules ■ Revise the establishment of the sales promotion system and sales targets ■ Revise personnel evaluations and their implementation ■ Foster a culture that prioritizes customer protection and compliance, and measures to instill such a culture in officers and employees ■ Establish the new post of Chief Culture Officer(CCO), the Culture Change Department, Chief Quality Officer, and the Quality Control Department
Insurance premium adjustment claims	Measures to develop an environment for fair competition in the corporate insurance field <ul style="list-style-type: none"> ■ Establish rules for matters such as insurance underwriting for collective insurance, group insurance policies, and similar arrangements ■ Determine policy for matters such as strategic shareholdings and excessive preferential treatment 	<ul style="list-style-type: none"> ■ Provide training and foster the understanding of all officers and employees regarding the Antimonopoly Act and related laws ■ Establish an appropriate insurance underwriting process at agencies 	Establish an appropriate sales promotion system and insurance underwriting management system <ul style="list-style-type: none"> ▲ Sales activities that can present appropriate premiums according to the underwriting management system, profit management for each type of policy, and risk
Fraudulent auto insurance claims	Establish an appropriate claims payment and management system <ul style="list-style-type: none"> ■ Shift technical adjusters to loss investigation work ■ Establish a system for preventing Fraudulent claims(unified management of information, stronger involvement by Head Office, etc.) ■ Establish a fair and precise screening structure 	<ul style="list-style-type: none"> ■ Formulate reporting rules regarding negative information 	Establish an effective agency management (insurance sales management) system <ul style="list-style-type: none"> ■ Establish a customer protection system by providing guidance to large agencies ■ Increase the point-reflection weighting for quality in agency fee points(in phases) ▲ Formulate rules to address misconduct by agencies

Web For further details, see ["Status of Progress on Business Improvement Plans and Receipt of the External Investigation Committee's Investigation Report on Insurance Premium Adjustment Practices"](#)

Domestic P&C Insurance Business

Discussion with Directors | Regaining Trust (Summary)



Misuzu Shibata

Independent Director
Chair of the Audit Committee,
Sampo Holdings, Inc.

Koji Ishikawa

President & CEO, Sampo Japan Insurance Inc.
CEO of Domestic P&C Insurance Business,
Sampo Holdings, Inc.

Leading role in regaining trust

Ishikawa: I believe Sampo Japan has been given the opportunity to reinvent itself and the first steps are to take responsibility for implementing our business improvement plan, and acknowledging the very important role of top management in changing the culture. The story of Sampo Japan's revival is in the value we place on the unity and earnest dialogue between the business on the ground and our management, to promote frontline-based reform.

Shibata: The most important achievement is a system for raising critical information, alongside a system and culture that evaluates it, and generates action. Key is raising the effectiveness of second- and third-line management and enhancing compliance and internal control. That means considering personnel management and human resource development plans to ensure that employees in these areas have sufficient experience.

Together with the changes in management you describe, we will be an organization capable of recognizing and acting at the first signs of problems. The ability to function as a diverse team will be key in times of rapid change. We must work on achieving culture change as a team and with determination.

Ishikawa: To reform the company, we have created the "SJ-R" project, shortening the distance between the field and management but the change in our governance is also very significant. With the establishment of the Audit and Supervisory Committees and appointment of directors who also serve as HD, opinions are shared in deep, active discussions, and the Group's management system has become more integrated.

We are also proceeding with new initiatives such as establishing a CCuO (Chief Culture Officer) and specialized Culture Transformation Department, and CQO (Chief Quality Officer), as well as changing the personnel evaluation system to ensure a cultural change and an improvement in the quality of work. Each initiative is considered against our revitalization and reform, and is looked at closely by the Audit Committee.

We have already started work on more than 80% of the items in our business improvement plan. Based on dialogue with our employees, we are also working on the vision of Sampo Japan Insurance and new value standards by November 9th. This has been designated our "Reflection Day" to challenge ourselves to think from the customer's point of view and take action to fulfil our mission and raison that is to fulfill our social responsibility to support the economy and people's lives in Japan through shared values and with our agencies.

Shibata: I have three points to add. First, is that the dialogue continues while we verify the plan's progress and as issues arise. Second is for Sampo Japan Insurance to use the strength of the Group to move forward, rather doing this on our own. Third, is that the P&C insurance industry needs to regain trust and Sampo Japan Insurance has been given the opportunity to have a strong presence to lead the transformation of the industry.

Ishikawa: By leveraging the resources and know-how of the Group, we can work together more organically in implementing our business improvement plan, and take the Group to a new dimension. It is important for Sampo Japan Insurance to connect Sampo Himawari Life Insurance and Sampo Care in the wellbeing business, and create the synergies the Group is aiming for through these connections.

Domestic P&C Insurance Business

Discussion with Directors | Culture Change to Regain Trust (Summary)



Sakai: The root cause of our series of problems was our failure to take the basic action of “thinking and acting from the Customer’s point of view,” and to update our own common sense in the face of changes in society.

Endo: I consider that one of the reasons for this is that although management had indicated a direction to take on new business challenges that extended beyond traditional insurance, there was insufficient communication to establish a common understanding of this direction.

This may have created a gap between Sampo Holdings and each operating company, and between management and employees.

Hara: To address the challenge, I concluded that we need to rephrase our purpose and firmly established three “Sampo’s values” as the basis for all executives and employees for decision-making and action: “Integrity,” “Self-motivation,” and “Diversity.”

“Integrity” means doing what is right for society. “Self-motivation” is to think independently without being bound by precedent or influence. “Diversity” is most of all about valuing differing opinions and respecting them, and changing our culture so employees can say what they think and are listened to.

These “Sampo’s Values” are being incorporated into our human resource systems, such as in evaluation and promotion criteria, starting with our executives of Sampo Holdings and Sampo Japan Insurance whom we have now located together on the same floor to promote communication.

Endo: Our executives are also working energetically to engage employees in dialogues to change mindsets and behaviors from the bottom up, not just from the top down.

Sakai: As management change their behavior, starting with listening to others, then engagement follows. For this to be successful, we have to learn and gain both experience and expertise to meet changes in society. Diversity, Equity & Inclusion (DEI) is the foundation for this.

Endo: More horizontal connections will help this change, and we need to invest more in these communications as well as education.

Sakai: Sampo Japan Insurance is accelerating communication and promoting human resource development through programs such as our “Remote Job Challenge Program” and “Mentoring Program” to give employees in local offices experience of diverse jobs and mindsets, and employee bottom-up activities such as the Employee Resource Group (ERG). We are also revamping management training to encourage support for initiatives by employees.

Hara: From this fiscal year, we are investing 30 billion yen in talent development to develop such experience and interaction. Together with CxOs from Group and each business, we are also developing our human resource strategies in each key field in a groundbreaking initiative that gives employees opportunities to hone their expertise and advance their careers within the Group.

Sakai: In order to grow globally, we need to invest enhance expertise in areas such as risk management and underwriting operations, and improve productivity by centralizing back-office operations and utilizing AI.

Endo: With it, if we recognize our strengths and start thinking about what we can do to become No. 1, the atmosphere of the entire organization will improve.

Hara: That is why “Self-motivation” among our “Sampo’s values” is important. As employees think about what they can contribute, and work hard together to create value, it becomes expertise. That’s what we need to invest in as a group.

Endo: From the company’s point of view, investing in employees to realize their own value will create an equal and flat relationship of mutual interests and trust, as well as respect.

Hara: Yes. The challenge is how employees can create value and contribute to the organization and society on their own initiative. The driving force behind this is “My Purpose,” which is born from the motivation of each and every employee. It is their motivation that guides how they want to provide value to society and the company, and how they want to contribute to it.

By sharing that “MY Purpose” with each other, we embrace each other’s values. It leads to interaction between colleagues and the opportunity to build Diversity, Equity & Inclusion (DEI), through respect for others.

It all starts with the awareness and actions of each individual, and I believe this will lead to the transformation of the corporate culture.

Domestic P&C Insurance Business

Message from the Group CRO



Keep doing the right thing until embedded into the culture

Yoshihiro Uotani

Group CRO,
Sompo Holdings, Inc.

Our responses to the two business improvement orders

Our Group received two separate business improvement orders from the Financial Services Agency in relation to the premium adjustment practices at our domestic P&C insurance subsidiary and to the responses to the fraudulent auto insurance claims of both our company and the above-mentioned subsidiary. Even though an internal control framework was in place to ensure the appropriateness of the Group's operations, it was pointed out that there were issues in terms of the effectiveness of the system for monitoring the implementation of key initiatives at that subsidiary, and with respect to communication and reporting between us and the subsidiary.

The internal controls can be deemed as the foundation necessary for the achievement of SOMPO's Purpose. While developing rules about communication and monitoring is very important to ensure that internal controls are functioning effectively, the most crucial aspect of this effectiveness lies in the values of every officer and employee and the actions taken based on those values. Given the recent incidents and following various discussions, we articulated a set of common values, which we call the "SOMPO's Values" (Code of Conduct). Going forward, it will be extremely important for the Group to make sure these values embedded within the organization.

Doing the right thing

In our day-to-day work, we need to make numerous decisions, and at times, we may find ourselves lost about which direction to take due to the situations we are in or the interests involved. Especially as an insurance group that serves the public interest, we are expected to make decisions to high

standards. For example, we need to make sure our decisions are ethically and morally appropriate, and that they are fair and just for all our customers.

As a standard for making such decisions, up until last fiscal year we had promoted the pursuit of "integrity." Integrity means considering what is ethically correct and whether it meets the expectations of society, even in the absence of laws and regulations or internal rules, and doing what is universally seen as right. This fiscal year, to further elaborate on this concept, we implemented a mechanism called "SOMPO's Yes."

More specifically, when you are unsure about what action to take, you should ask yourself: "Do you feel comfortable explaining your actions or decisions openly and honestly to society?" "Are you being fair in your dealings with customers and business partners?" "Do you feel comfortable telling your family and friends with confidence?" If you cannot answer "Yes" to all of these questions, you need to stop and reconsider your decision.

Mechanism for collecting voices from our employees

Doing the right thing is fundamental, but if signs of misconduct are detected within the organization, it is also crucial that we have a mechanism in place to ensure that accurate information is reliably communicated from the business operations to the management team through the respective reporting lines. On the other hand, even though we have established a whistleblowing system in cases of potential blockages in reporting lines, there is still room for improvement in terms of awareness of the system among officers and employees and the psychological safety related to the use of the system. As such, the system is not necessarily being utilized as widely as it should be.

In light of this situation, we are considering measures aimed at enhancing the effectiveness of the whistleblowing system, such as establishing new channels to more broadly ascertain reports, concerns, and consultations from the employees.

We aim to better detect the early signs of customer protection issues and compliance violations, and create an organization that is capable of self-remediation.

Regain trust of the Group

In the new Mid-Term Management Plan that kicked off this fiscal year, our top priority is to regain trust by steadily implementing a business improvement plan in the Domestic P&C Insurance Business, and the entire Group is committed to transforming our corporate culture. In order for the Sompo Group to remain a presence needed and trusted by society, it is crucial that every individual acts with a strong sense of compliance and high ethical standards. It is only through the cumulative actions of many officers and employees that these behaviors will be embedded as the culture of the Group.

It is most important that we, the senior management team, take the lead in instilling an awareness of compliance. With a strong determination across the Group to "build a new company," we will work resolutely to regain trust on the basis of compliance with laws and regulations, customer-oriented business operations, and the perspectives of society.

Overseas Insurance and Reinsurance Business

Message from the Business CEO

We will contribute to the stable growth of the Group's profits as an increasingly inclusive organization where diverse personnel can work with pride.

James Shea

CEO of Overseas Insurance and Reinsurance Business



At Sampo Group, we continue to expand and enhance our Insurance and Reinsurance businesses outside Japan (Overseas Business.) Through our Overseas Business, we are firmly committed to achieving profitable growth in new and existing markets, nurturing talent internally, welcoming new team members, giving people exciting responsibilities and developing them as leaders to stay ahead in a dynamic industry landscape. It is the mission of our Overseas Business to ensure it contributes consistently to Group core operating income by using disciplined underwriting to achieve an adequate return on the risks it assumes.

Growth of our Overseas Business is driven further through geographical expansion and continuous improvement. It has subsidiaries, branches and representative offices in 28 countries and regions worldwide, including North America, Europe, the Middle East, Asia and Latin America. Our Overseas Business strives to strengthen engagement with its clients and broker partners every day by using the in-depth knowledge and insights of its experts to respond to a rapidly changing risk environment in a fast and agile way, providing them with the products and coverages they need, underpinned by exceptional levels of service.

Outside Japan, our Overseas Business employs approximately 9,500 people who use their specialist insights and expertise to help simplify and resolve complex issues. In a fast-moving world, we pride ourselves on the ability to distil complicated risks, technical data and scenarios into straightforward information that is easy to understand. We constantly challenge ourselves by asking: "Is this the simplest, easiest and most efficient way to do this?" The result means we are able to provide the right solutions and outcomes for our clients, partners and our employees.

Our Japanese heritage, with its rich history, is incredibly important to us. It informs our outlook and is the basis upon which we have built our business philosophy. We seek long-term relationships, underpinned by the primary characteristics of trust, integrity and transparency. The depth and extent of our commitment to our clients and partners, further inspires their confidence in us and lays the foundations for long-term sustained success.

At the heart of our business is our most important asset - people. The ethos of our Overseas Business here is: train, retain and attract. Within our Overseas Business, opportunity and inclusion are crucial to ensuring we retain the people we attract and we provide a workplace where anyone from any background can belong and perform at their highest level. We strive to create an environment where differences are respected, valued and celebrated. Actively listening, exchanging ideas and being curious about the complex world in which we live helps our Overseas Business to understand better our clients, sets us up for long-term success and gives our people a workplace that inspires them to learn, contribute and grow.

We want our people to be proud to work for Sampo – and they are! Key to this is bringing our organization closer together. By focusing internally on who we are and how we function prepares us to meet more efficiently and effectively the needs of our employees and all our stakeholders. To achieve this our Overseas Business invests in, and values highly, internal communications and the power of our Sampo brand to connect our people and give them a sense of belonging and a shared purpose.

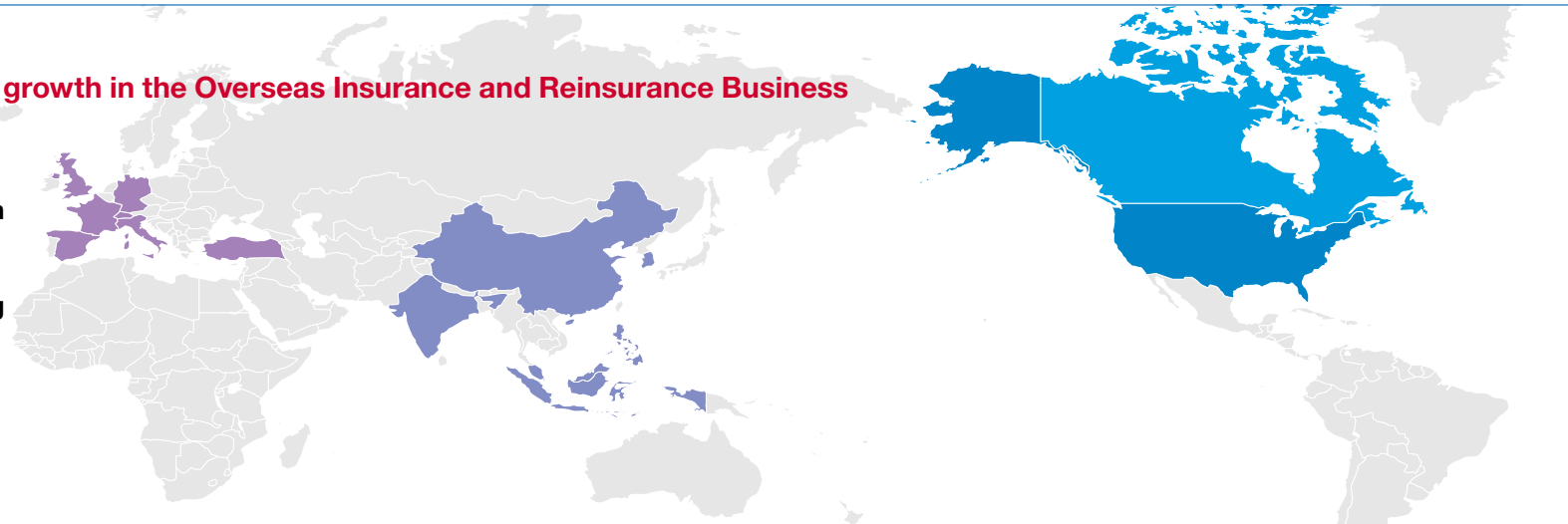
We continue to seek new opportunities to increase inclusiveness and to give our people a voice. Our Overseas Business recently introduced its inaugural CEO Advisory Council. Comprising 13 young and rising professionals representing varying roles and departments across the world, the Council includes regional leaders from North America, Europe and Asia Pacific and 10 members, nominated by its Executive Committee. With a goal of transparency and a focus on empowerment, the group is tasked with providing candid feedback and diverse perspectives on the organization's strengths, weaknesses, opportunities and threats from their unique vantage points, meeting monthly with the leadership team.

Our Overseas Business is also investing in technology, including artificial intelligence, and data to improve decision making and operational efficiency. As a people business, we are looking to support our teams with new tools we can use to undertake some of the more mundane, time-consuming work, so they can focus on enterprise and innovation, build deeper relationships with our clients and partners, and be more responsive through faster and more informed decision making.

Overseas Insurance and Reinsurance Business

Geographic expansion for growth in the Overseas Insurance and Reinsurance Business

Expand the offices opened in FY2023 by hiring additional underwriters and introducing new products in each region



Europe

FY2023

Expanded operations in France, Germany, Austria, Switzerland, Italy, Spain and the UK (outside of London)

FY2024–2026

- First quarter gross premiums +\$34 million
- Open more offices
- Continue hiring underwriters
- Launch new products

Singapore

FY2023

Increased underwriters to handle corporate channels

FY2024–2026

- First quarter gross premiums +\$3 million
- Significantly expand operations with additional staff

United States

FY2023

Opened an office in Denver
Expanded Dallas and Houston offices

FY2024

- First quarter gross premiums +\$74 million
- Hire 23 staff members in 2024
- Expand Chicago, Los Angeles, Irvine, and Boston offices
- Establish new Miami office

Canada

FY2023

Opened office in Toronto to offer primary insurance and reinsurance products

FY2024–2026

- First quarter gross premiums +\$10 million
- Expand underwriters and products offered

Looking ahead

Ultimately, how can Sampo's Overseas Business attract more clients? Its Reinsurance business is market leading with an already global reach. Historically, its Insurance business has been dependent primarily on the US and UK markets. The next several years offer opportunities for profitable growth in new and existing markets. Our Overseas Business has enjoyed some good tailwinds recently but it will no doubt encounter challenges in the future.

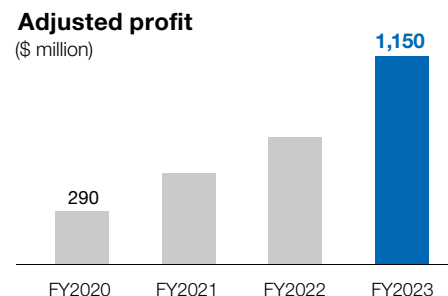
The strategy of our Overseas Business centers on several key aspects.

- Simplify and challenge everything we do
- Focus on the profitable expansion of our customer base
- Our people and culture
- Bringing our organization closer together
- Investment in technology
- Investment in the communities in which we live and work through the new Sampo Foundation

Overseas Insurance and Reinsurance Business

Financial performance

Overseas Insurance reported a strong result for 2023, generating USD \$1,150.1m operating income. Overseas Insurance represented 56% of the operating income of Somp Holdings for the 2023 year.



Reinsurance

Reinsurance recorded GPW (Gross written premium) of USD \$4.2bn, expanded 1.8%, achieving strong price improvements at renewals. Increased premiums in specialty and property lines of business were partially offset by lower Casualty premiums coming off a high base which included non-recurring premium estimate adjustments.

Underwriting income of USD \$419.4m, excluding reserve strengthening, was meaningfully up compared to the USD \$345.6m reported a year ago. In 2023, underlying combined ratio was 88.3% compared to 90.1% for 2022 as Hurricane Ian made landfall in the third quarter of 2022 and generated significant losses.

North America (US and Bermuda business)

North America business GPW of USD \$4.7bn grew 4.8% from a year ago as overall pricing remains favorable and modestly above loss costs trends.

Underwriting income was USD \$325.6m, excluding reserve strengthening, compared to USD \$182.7m the year before, again due to Hurricane Ian. The improved underwriting income led to a very favorable underlying combined ratio of 90.1%, excluding the one-time effect of prior year development.

Global Markets

Global Markets (UK, Continental Europe, Asia Pacific business, and commercial business within Turkey, Brazil and Asia Pacific) GPW of USD \$2.6bn expanded 6.7% due to organic growth across

the UK, Continental Europe and Asia Pacific, and was partially offset by a decline in premiums within Brazil and Turkey.

Underwriting income of USD \$74.4m was lower than a year ago, excluding reserve strengthening. This was largely driven by an underwriting loss in Turkey and Brazil which were impacted by greater inflationary pressures compared to the previous year. Turkey was additionally impacted by a first quarter 2023 earthquake. Underwriting income across the UK and Continental Europe was modestly higher in the current year as was the underwriting performance of Asia Pacific.

AgriSomp (global agriculture business)

GPW of USD \$2.9bn declined 16.4% from a year ago as soybean and cotton commodity prices declined. In addition, a portion of the book was re-underwritten to reduce geographic concentrations.

For 2023, AgriSomp reported an underwriting loss of USD \$67.3m compared to an underwriting gain of USD \$14.8m a year ago. The primary drivers of the reduced underwriting profit were lower earned premiums driven by the decline in GPW, adverse developments related to the 2022 growing season and continuing droughts in portions of the US. The 2022 financial year also included favorable prior year development of USD \$38.2m.

Consumer P&C

This segment, which includes personal lines operations in Brazil, Turkey and Asia Pacific, generated underwriting income of USD \$10.7m in 2023 compared to a loss of USD \$119.0m a year ago. The improvement in underwriting results was driven significantly by Turkey which recorded a USD \$84.4m increase in underwriting income from a more favorable rate and inflation environment, and Brazil which improved by USD \$60.8m predominantly from a significantly lower motor business loss ratio. The Asia Pacific business generated a smaller underwriting profit compared to a year ago as motor losses were elevated compared to 2022.

Consumer GPW of USD \$1,149.0m was in line with 2022, which is a commendable achievement considering the exit from the Brazilian personal lines business in August 2023.

Overseas Insurance and Reinsurance Business

Looking ahead to the new MTMP

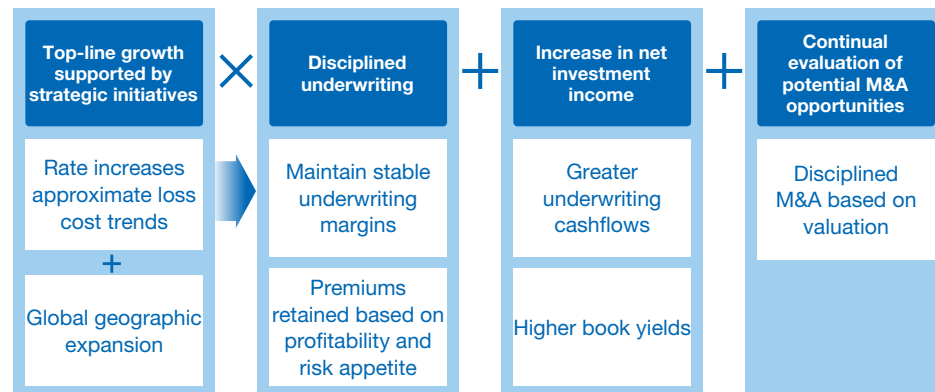
The position of Sampo Group's Overseas Business in the global marketplace remains strong and it is fully committed to continuing the momentum accomplished in 2023. Its growing global business is creating significant scale, it is investing heavily in expansive strategic initiatives and geographic diversification and has an improved product mix with lower overall volatility.

The leadership team understands the need to leverage the deep collective expertise of our Overseas Business, to connect across boundaries and beyond geographies, to deliver a collaborative and connected partnership that meets the unique aspirations and risk management needs of those it serves.

Sampo Group's Overseas Business exceeded its goals for 2023 all while achieving a larger, more globally diverse book of business and further enhancing an already strong balance sheet. It has continued this positive momentum making a strong start to 2024 and is looking to keep generating profitable organic growth and expanding its contribution to the Group's overall adjusted profit through the continued transformation of its business.

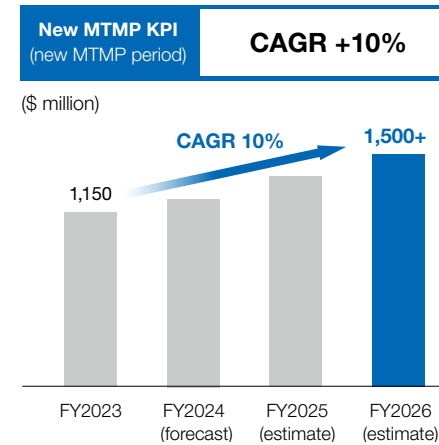
Overview of the Overseas Insurance and Reinsurance Business

Strategic Objectives FY2024 through FY2026

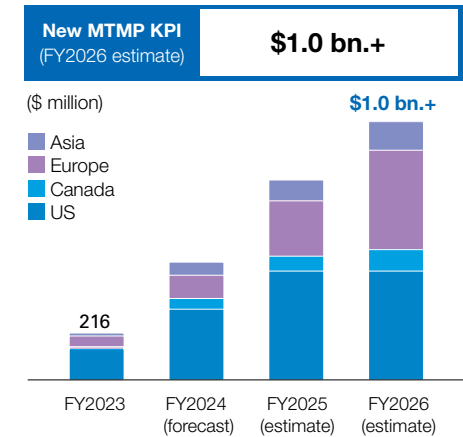


KPIs in the new MTMP

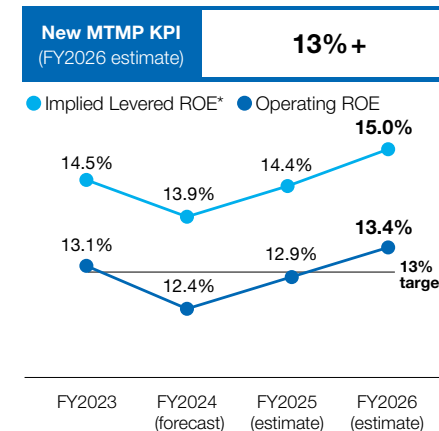
Adjusted profit



GWP for Growth Strategies



ROE



* Assumes a 20% debt-to-equity ratio consistent with Sampo Holdings

Wellbeing Three-way Discussion



Takamitsu Washimi
CEO of Nursing Care Business

Kazufumi Watanabe
Group CXO

Yasuhiro Oba
CEO of Domestic Life Insurance Business

Under the Mid-Term Management Plan starting in FY2024, the Sampo Group has launched a wellbeing business, which will take advantage of our unique characteristic of having life insurance, nursing care, and corporate wellness businesses under one roof. With “Connect with customers and deliver connected services” as the key concept, we aim to become a one-stop, seamless provider of products and services to address the various social challenges posed by Japan’s low birthrate and population aging.

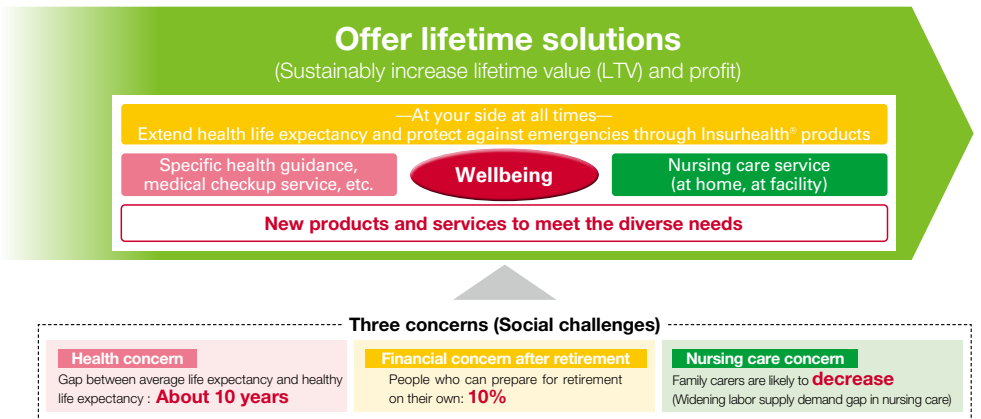
In this roundtable discussion, the three executives leading the Sampo Wellbeing initiative discuss how they intend to solve social issues and achieve medium- to long-term growth.

The big picture of Sampo Wellbeing

Watanabe In Japan, our primary market, the low birthrate and population aging has produced a large imbalance between support providers and support recipients. The demand for nursing care services in particular is steadily increasing, and when we consider not only the age group that needs nursing care, but also the age group that may potentially need nursing care at any time, we are quickly approaching the era of 100 million people requiring nursing care.

In this environment, I want to create a society where people can think positively about living longer and aging by presenting unique solutions from Sampo to address the various concerns that arise from increased longevity, specifically the three concerns of health, nursing care, and post-retirement finances. That is our vision.

In addition to the customer base of each line of business, the Sampo Group has its domestic life insurance business that has been working to provide unique value through health support, and its nursing care business that has a strong business foundation, including know-how cultivated in providing nursing care services and an industry network. The goal is to leverage the unique strengths of the Sampo Group to address and resolve the “three concerns.”



Strengths of each line of business

Oba The demographic changes in Japan did not start just recently. Since 2016, Sampo Himawari Life has set out to transform itself into a health support company, and in addition to the traditional role of life insurance—preparing for the unexpected—it has aimed to help customers live long and healthy lives. To achieve this, Sampo Himawari Life identified the value of a new product combining the traditional insurance function with a healthcare function, Insurhealth®, and has been offering it since 2018. As a result, cumulative sales of Insurhealth® have reached 1.6 million, making it a growth driver for the Company. However, I believe that we have not yet achieved the transformation into a true health support company. We must further refine our current initiatives and become a true health support company that can make a significant contribution to eliminating the health concerns facing Japanese society. This is the vision we are aiming for in our mid-term management plan for Domestic Life Insurance Business.

Wellbeing Three-way Discussion

Washimi The vision for our nursing care business is “Sompo Care transforms Japan’s nursing care, and builds the future of Japan.” We operate 470 care home facilities and 640 at-home care facilities in 25 prefectures across Japan, providing nursing care services to approximately 85,000 users. In addition, in 2023, the Group acquired ND Software, which has a nationwide network of nursing care providers to which it provides nursing care business support software.

The biggest challenge for the nursing care industry is the overwhelming shortage of workers. In other words, the gap between supply and demand for caregivers is widening. To prepare for this situation, we have been working to improve productivity with better quality by using data and digital technology to improve operational efficiency while focusing on caregiving tasks that only humans can perform. We call this sustainable nursing care business model “future nursing care” and have positioned it as one of the challenges to be tackled in this mid-term management plan. We will also contribute to eliminating people’s concerns about nursing care by providing know-how and services for a sustainable nursing care business model to other nursing care businesses through our platform. We want to be like a lifelong companion and anchor for our customers, helping them to the best of our ability throughout their lives, including at the end.

The kind of business model we are building

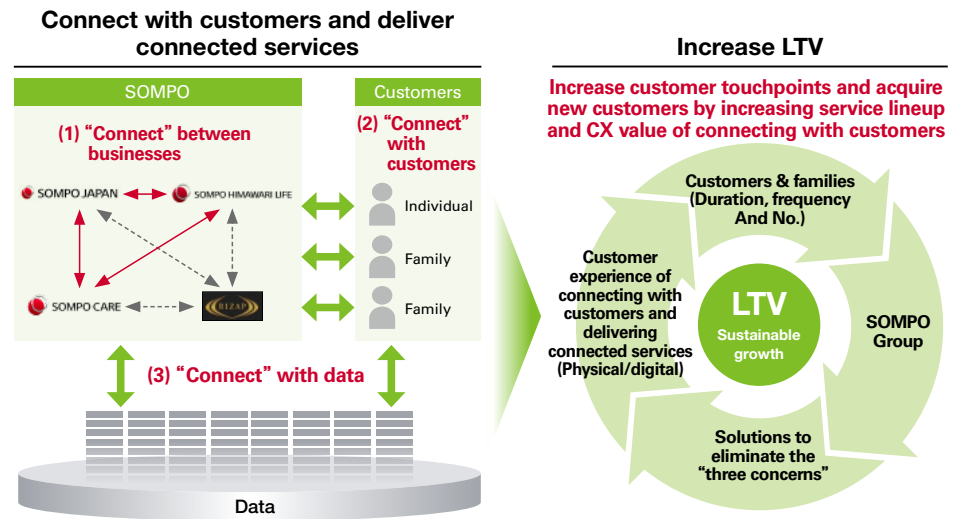
Watanabe Domestic life insurance and nursing care are solid businesses within the Group, and the corporate wellness business, including health checkups for BtoBtoE*, has also become a fairly substantial business. Until now, these businesses have developed independently and separately, but Sompo Wellbeing will focus on “Connect with customers and deliver connected services” as its key concept.

First, we will work on “connecting” the Group’s insurance, nursing care and other businesses. Our key focus is to ensure that the various health support services are tightly linked so that customers feel a sense of connection between the services. For example, we are working to provide a one-stop service that proposes health services to customers who have completed health checkups. We will also “connect” not only with our customers themselves, but also with their families—for example, with the children of users of nursing facilities. Moreover, we will digitize the actions of customers who have received our services, connect the data spanning across various Group companies, and build a single large database. We will then use this data to propose services. Ultimately, we will end up in a position to offer nursing care services. That is how I think about it.

The services of the RIZAP Group, with whom we signed a capital and business alliance agreement in June 2024, were a missing piece for us. Until now, the only approach we could take when providing health services were things like “Please exercise” or “Did you walk?” Now, however, we can make more specific suggestions like “Let’s exercise at chocoZAP.” I think the significance of obtaining this real service is huge.

* Business to Business to Employee

In this way, we will build long-lasting, deep connections with our customers and their families by providing solutions that address the “three concerns” from the customer’s perspective, thereby sustainably expanding life time value (LTV) and contributing to the Group’s medium- to long-term growth. By accumulating these kinds of reinforcing cycles, we will raise awareness of us as a group that provides unique value and create a situation where the Sompo brand is chosen by customers.



Role of each line of business

Oba In SOMPO Wellbeing, Himawari Life Insurance will play an important role in demonstrating that customers actually become healthier. We also want to increase the number of so-called “Himawari clients/users,” that is, customers who identify with the value of both the insurance products and healthcare services that we provide as a health support company. These clients/users will not only serve as a customer base for wellbeing initiatives, but also play a role in connecting with customers and acquiring and accumulating health-related data.

Wellbeing Three-way Discussion

By encouraging our currently over 5 million Himawari clients/users to take advantage of the health support features of our insurance products or healthcare services, we hope to increase the number of customers who have taken steps to change their behavior toward better health (healthy behaviors) to 550,000 by fiscal year 2026.

What we are currently discussing is how to provide optimal services to our 550,000 core customers. Among these 550,000 customers, there will be a certain number who will enter nursing care facilities themselves or whose family members will require nursing care, and some of them will become more interested in healthcare services or consider purchasing P&C insurance. For example, we will establish firm connections to those who are ready to enter a nursing facility. For those who want to exercise, we will recommend chocoZAP. If you tell us you want to prepare for dementia, we will refer you to services that meet your needs. Furthermore, we are considering establishing a points program that would allow customers to use the Group's services to accumulate points and pay for various services using these points. We want to create a universe in which our customers can feel this level of comfort—to provide value that is similar to the comfort felt by regular customers who go to a familiar restaurant and get their favorite food right away.

Regarding data, Insurhealth® accumulates data on various health activities, and when such individuals enter nursing facilities or receive healthcare services, we can refer to that data to make them feel that we understand them well. We can greet them like a regular customer instead of with a “nice to meet you.” I believe this will be an essential element of the “Connect with customers and deliver connected services” concept.

Washimi Sampo Care will play two major roles. Its first role is to contribute to the elimination of concerns in nursing care by widely offering Sampo Care's own operational know-how and services, which have been refined through the use of data and technology. Given current demographics, even if the gap between average life expectancy and healthy life expectancy continues to narrow, some people will still need nursing care services at the end of their lives. I believe it is necessary to create a society where people can live their final years happily, thinking positively about aging and longevity. For this, it is essential for us to continue providing high-quality nursing care services.

Sampo Care's second role is to “connect” with other nursing care providers through the ND Software network and other means. Sampo Wellbeing will be offering a variety of services related to the “three concerns” in the future. In addition to the know-how and services related to the nursing care business that we have been developing so far, we will work to build relationships with other nursing care providers in anticipation of the development of services to be offered before and after the need for care.

Speaking from the viewpoint of establishing connections about the Sampo Group, there are many users of Sampo Care's services who are still able to live independently. I believe that if such people are connected to the Group's health services or to RIZAP's services, it will help to eliminate their health concerns. This initiative has just begun, but at this point, there is still not enough “Connect with customers and deliver connected services” within the Group. I would like to achieve, among other things, the establishment of a system that allows customers who receive services from the Group to receive Sampo Care's nursing care services once they need them.

Future initiatives

Watanabe During the period of this mid-term management plan, I would like to start by further strengthening connections among the Group's businesses—for example corporate wellness including life insurance, nursing care, health checkups, and mental health services—and by fleshing out as many of the strengths and diverse ideas of each line of business as possible.

Regarding points of contact with customers, we will create a system that can deliver services online and offline regardless of location. As a first step, we will open three consultation desks to address the “three concerns” centering on nursing care by the end of the fiscal year. I would like to expand our points of contact with customers to include connections with their families and establish channels for delivering value that combines insurance and related services. I would also like to analyze the accumulated health behavior data to make predictions about nursing care and funding needs, and use this to encourage behavioral changes in customers.

I would like to continue creating new services in an agile manner while conducting various proof-of-concept experiments. If there are any missing pieces that the Group does not have, we will actively consider adding services through M&A, capital alliances, and so on. For example, with regard to concern about post-retirement finances, we have no adequate solutions at present, so I think this is one of the areas to be examined.

To make this vision a reality, I would like to ask both of you, Mr. Oba and Mr. Washimi, to spend the next three years continuing to hone Sampo's strengths. For my part, I will work hard to make the big picture I mentioned earlier more concrete, and to build a business foundation for Sampo Wellbeing, such as enhancing customer contact points, accumulating data, and creating a system for proposing services based on changes in customer behavior.

Wellbeing | Domestic Life Insurance Business

Message from the Business CEO

Creating a one-of-a-kind customer experience to help as many customers as possible live healthy and fulfilling lives



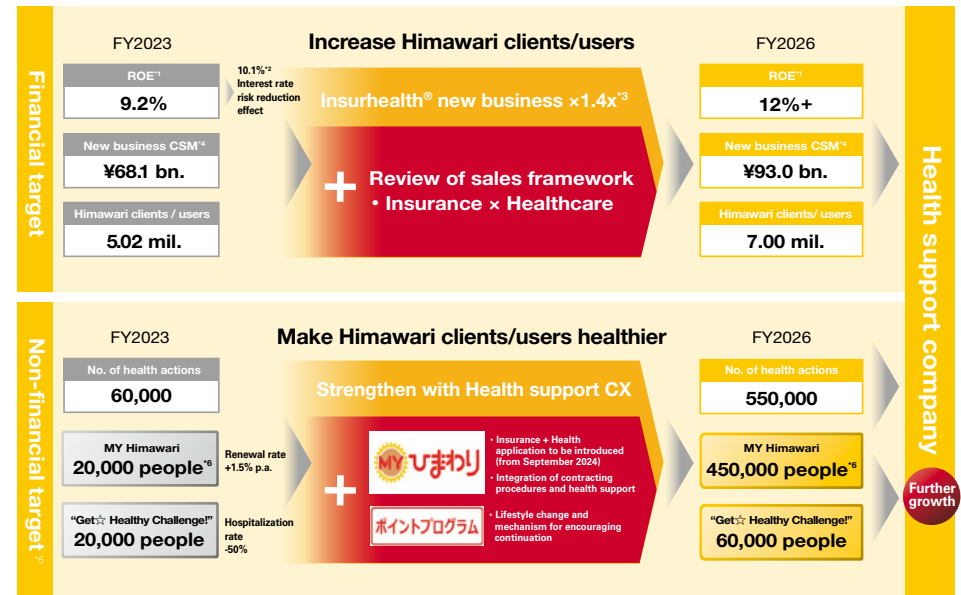
Yasuhiro Oba
CEO of Domestic Life Insurance Business

As a health support company, Sampo Himawari Life aims to support our customers in living fulfilling lives and realizing their dreams in order to create a society where people can live their lives in their own way. One product we offer that is oriented towards this vision is Insurhealth®, which combines a traditional insurance function with a healthcare function. Since its launch in 2018, cumulative sales of Insurhealth® have exceeded 1.6 million (as of the end of FY2023), with positive and supportive feedback from a significant number of customers. I also feel we are making progress in supporting our customers' health, as we are beginning to see results from our health support efforts, such as the fact that the hospitalization rate is reduced for customers who successfully complete our "Get☆ Healthy Challenge!" program compared with those who do not.

Through our insurance products and healthcare services, we have been connecting with customers through data and digital means, providing health awareness and supporting behavior change. We aim to take advantage of this kind of data and digital technology to further strengthen our communication activities to support health and improve the value provided by our insurance products and healthcare services. Going forward, all of our executives and employees will work together as a health support company to create a one-of-a-kind customer experience supporting the health of our customers in order to help as many customers as possible live healthy and fulfilling lives.

Overview of the business strategy in the new MTMP

Achieving financial and non-financial targets under the banner of "Put the customer first, increase the number of Himawari clients/users, and help them get healthier"



¹ IFRS profit basis ² Reflects a decrease in capital allocated by Sampo Holdings (required capital) due to a reduction in interest rate risk
³ Annualized premium from new business +¥12.0 bn. (Increase during the previous MTMP period +¥13.5 bn.) ⁴ New business value according to IFRS17
⁵ Value that may significantly increase future profits ⁶ No. of customers who use the app and registered medical checkup data

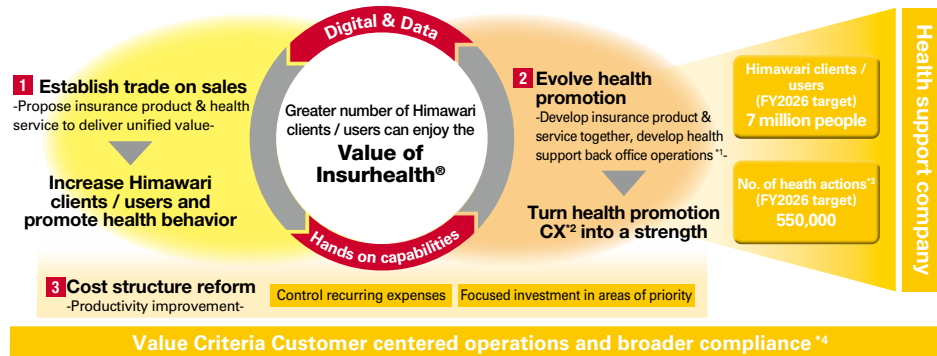
We will work to achieve the financial and non-financial targets in the Mid-Term Management Plan under the banner of Customer-centered, increase the number of Himawari clients/users, and help them get healthier." Insurhealth® and health support CX are the key drivers to achieve this goal. To achieve the financial targets we have set, we plan to boost sales of new Insurhealth® policies by 1.4 times by reviewing our sales framework to position the proposal of insurance products and the proposal of health support services equally and then making integrated proposals (trade on sales). Furthermore, through our health support CX initiative, which involves communication activities to help customers experience better health, we aim to help a significant number of Himawari clients/users achieve better health by supporting their behavior changes toward a healthier lifestyle. Through these initiatives to promote the health of Himawari clients/users, we will get the benefit and effect that healthier behavior can bring.

Wellbeing | Domestic Life Insurance Business

Key initiatives in the new MTMP

1 Establish trade on sales

We will work to connect with customers through health who could not previously be reached through insurance alone by positioning the proposal of insurance products and health support services equally and then making integrated proposals, which will help us further increase the number of Himawari clients/users as we connect with customers, strengthen our relationship with them, and establish trade on sales and sales unique to a health support company dedicated to improving health.



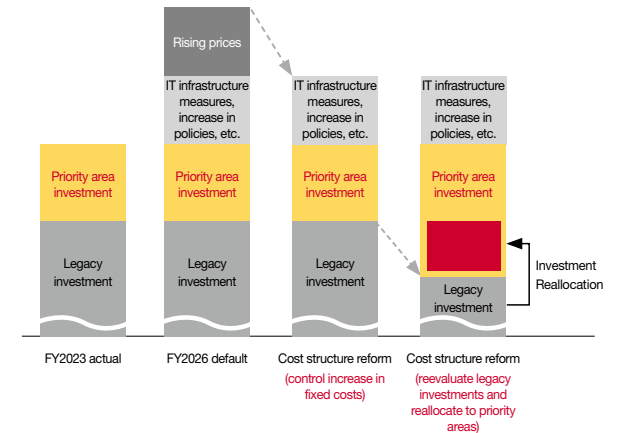
^{*1} The back office promotes health at customer touchpoints ^{*2} Communication activities by sales representatives and the Headquarters as one to promote customers' health ^{*3} No. of health actions taken by Himawari clients/users ^{*4} Gain trust by meeting society's expectations as a health support company, not just complying with laws and regulations

2 Evolve health promotion

We will connect with our customers using MY Himawari as a core tool and encourage behavioral changes starting from our administrative and customer service functions (health support back office operations), thereby making communication that encourages customers to become healthier (health support CX) our unique strength.

3 Cost structure reform

We will review all operations and curb the increase in fixed costs associated with rising logistics costs, rising prices, and the increased administrative workload due to the increase in policies. We will also reevaluate legacy investments and reallocate investments to priority areas with the goal of implementing the new MTMP's goal of increasing the number of Himawari clients/users and helping them get healthier.



Two capabilities accelerating initiatives in the new MTMP

(1) Hands-on capabilities (human resources)

The capability of on-site employees, who are close to the customer, to pool their wisdom as diverse individuals (DEI), set their own tasks, and improve and evolve through teamwork in the workplace and across the company (co-creation between organization and individuals).



(2) Data and digital capabilities

As we collect, analyze, and utilize customer data and external data through our digital initiatives, these data and digital capabilities will drive increases in the number of Himawari clients/users and the accuracy with which we make them healthier and enhance the value of Insurhealth®. Leveraging this accumulated data will make it possible to develop our own unique communication activities, products, and services, establishing a one-of-a-kind advantage.

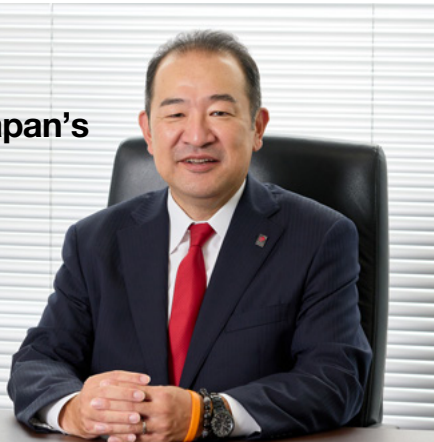


Wellbeing | Nursing Care Business

Message from the Business CEO

Sompo Care transforms Japan's nursing care, and builds the future of Japan

Takamitsu Washimi
CEO of Nursing Care Business



In rapidly aging Japan, the number of people requiring nursing care (in the "Support Required" category) and the number of elderly dementia patients are increasing, and the demand for nursing care is expected to continue to rise in the future. Meanwhile, with the decline in the working-age population, the labor shortage is expected to become even more severe, and ensuring supply capacity has become a major issue for Japanese society as a whole. In nursing care, the gap between labor supply (caregivers) and demand (from seniors in need of nursing care) is expected to widen to approximately 570,000 by 2040.

In this situation, which can be described as a national crisis, we are taking on the challenge of improving the sustainability of the nursing care industry under the slogan "Sompo Care transforms Japan's nursing care, and builds the future of Japan."

The goal of the first part of the slogan, about changing nursing care, is to transform the nursing care industry itself, not just ourselves, into a more sustainable industry and to bridge the gap between supply and demand of caregivers by providing our know-how and services to other nursing care providers. The goal of the second part of the slogan, about creating the future in Japan, is to create a future society for healthy and happy lives, free from concerns, such as health and post-retirement finances, that the nursing care industry alone is unable to handle, through the process of "Connect with customers and deliver connected services," specifically connections between the nursing care industry and the services provided by companies in the Sompo Group. We have integrated this sentiment into the slogan "Sompo Care transforms Japan's nursing care, and builds the future of Japan" to capture the goal of achieving sustainable growth for Sompo's nursing care business, and ultimately for Japan's nursing care industry.

The three watchwords for achieving this all start with the prefix "co": "co-existence," "co-development," and "co-creation." The goal is to create an environment where a more diverse workforce can thrive and to encourage future caregivers. The term "co-existence" refers to a society where caregivers and nursing care recipients can live fulfilling lives together. "Co-development" means working together to create a more rewarding company to work for, for example by expanding private services (not covered by long-term care insurance) that support users' reason for living, or by expanding the SOMPO style Children's Cafeterias, which serve as a hub for community interaction. "Co-creation" is a collaborative effort to create the future of nursing care while pursuing both service quality and productivity. Based on these three "co" watchwords, we aim to further grow as a nursing care service provider along with other nursing care providers and SOMPO Group colleagues through the process of "Connect with customers and deliver connected services."

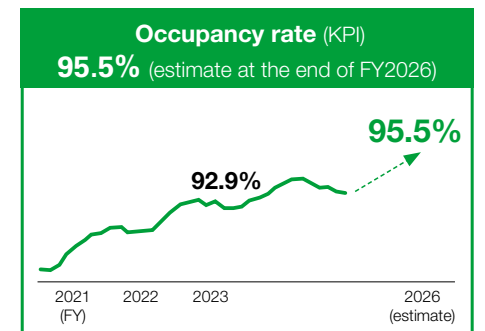
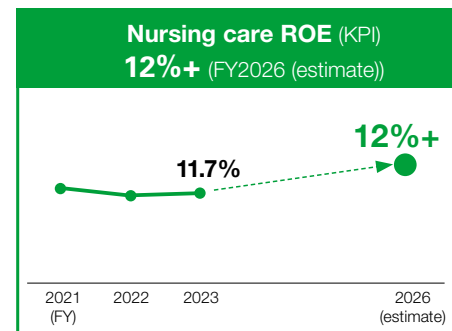
Business targets under the new MTMP

Aiming not only to grow our own profits, but to transform and develop the entire nursing care industry by developing a platform business and a wellbeing business based on our accumulated know-how as a nursing care service provider

The social issues faced by the nursing care industry are issues that must be overcome not only by us but by the entire industry. In the Mid-Term Management Plan, we aim not only for our own profit growth but also for the transformation and development of the entire nursing care industry by leveraging our operator business as a foundation for expanding into the platform business and the wellbeing business.

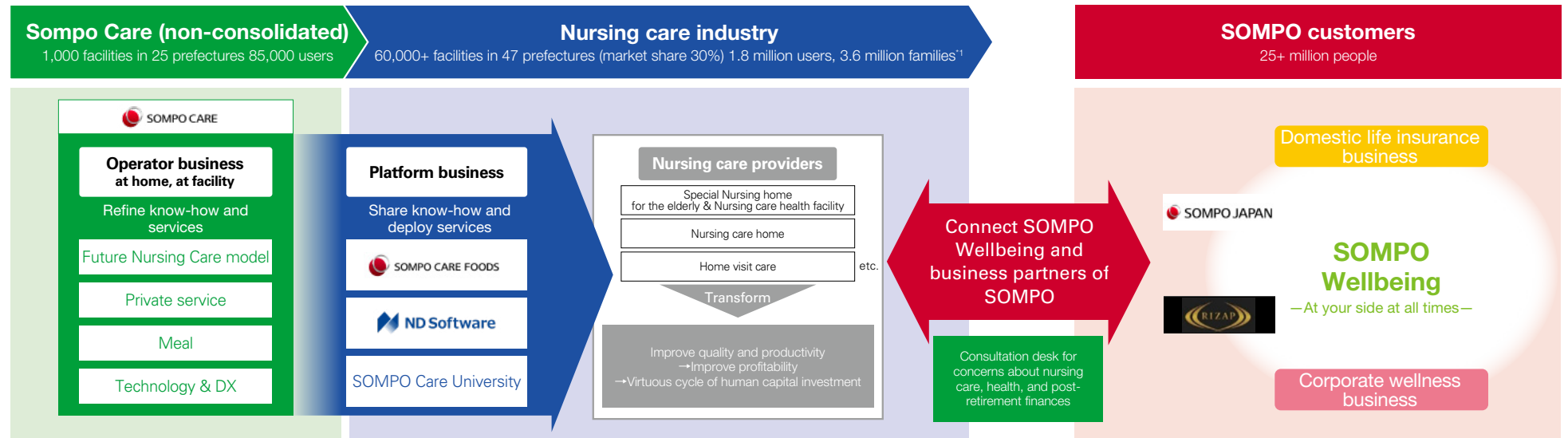
We will advance our business strategy based on the following three pillars: (1) Sompo Care's operator business, which is our core provider of nursing care services and aims for sustainable growth for itself and the industry by increasing the number of points of contact with the world while pursuing "future nursing care"; (2) the platform business, which aims to contribute to the sustainable growth of the entire industry by providing know-how gained from this operator business and refined services, by developing and providing nursing care support software through ND Software, and by establishing connections with other nursing care providers; and (3) the wellbeing business, which contributes to improving customer wellbeing by establishing connections with SOMPO Group companies.

Lead nursing care industry transformation



Wellbeing | Nursing Care Business

Future vision



*1 Calculated by assuming that each user has two family members

Operator business

Sustainable growth of the nursing care business and securing and training the human resources to support it

In the operator business, we will invest in human resources while improving profitability, building a sustainable nursing care business model, and adapting to the external environment. In particular, “future nursing care” is an effort to close the gap between the supply and demand of caregivers. In addition to utilizing digital technology, it aims to “create more time” by revamping and eliminating wastefulness, unreasonableness, and inconsistencies in the operations of nursing facilities and to provide quality nursing care services by providing “custom-made care” based on the individual needs of each user.

Platform business

Visualize know-how acquired in the nursing care business Deliver value to care providers

In the platform business, we aim to provide the know-how we have cultivated, mainly in the operator business, widely to other nursing care providers as a consulting service. For example, we will support nursing care providers through the provision of meals for seniors by SOMPO Care Foods and through the development and provision of nursing care support software by ND Software. By supporting the transformation of other providers’ nursing care operations with SOMPO’s expertise and services, we will enhance productivity with better quality, create a virtuous cycle of improved compensation and human capital investment, and contribute to the sustainable growth of the entire nursing care industry.

Wellbeing business

Aiming to improve QOL² across a wide range of stages, from the pre-symptomatic to those requiring nursing care

In the wellbeing business, we will use our platform to provide a one-stop solution for customers with concerns about nursing care, health, and post-retirement finances and support them as lifelong companions through the process of “Connect with customers and deliver connected services” between the nursing care industry and our Sompo Group colleagues. We aim to improve the quality of life of not only the users but also their families and other customers in a wide range of stages from pre-symptomatic to those requiring nursing care, through Group-wide cooperation, including the development of a consultation desk to address the “three concerns” centering on nursing care.

² Quality of life

Group Core Strategies | Finance Strategy

Message from the Business CFO



Masahiro Hamada
Group CFO

In FY2024, we kicked off our new Mid-Term Management Plan. The Group numerical management targets^{*1} in this new plan are to raise adjusted consolidated ROE to 13%–15% by FY2026, the final year of the plan, and to achieve an adjusted EPS growth rate of more than 12% over the plan’s three-year period.

As the Group CFO, I will work to optimize Group-wide capital allocation and improve capital efficiency. I am also committed to achieving these numerical targets through the business management of each Group company. As a measure to strengthen our approach, in FY2024 we created FP&A office as a specialized department for FP&A functions. By analyzing and providing recommendations on the management and financial conditions of each business, this office will employ a coordinated approach to improving results in each business and support the achievement of management targets.

Also, we will lend our ears to the opinions of capital market participants and execute an appropriate capital policy to maximize corporate value. I view all of the challenges the Group faces, whether financial or non-financial, to be my own responsibility and I remain committed to contributing to the further growth of the Group.

Last fiscal year, the Group was responsible for causing a major incident, mainly in the Domestic P&C Insurance Business, which led to the manifestation of various issues. In formulating the new Mid-Term Management Plan, we first took into account these circumstances and challenges, and reiterated our strong focus on customers, shareholders, employees, the community, and various other stakeholders. We then had the Domestic P&C Insurance Business revise its business model to prioritize the regaining of trust and the building of resilience. With the Overseas Insurance and Reinsurance Business driving Group growth in the interim, we developed a three-year roadmap for the Group that involves generating future growth through the wellbeing business.

Here I would like to explain our newly formulated Mid-Term Management Plan, focusing primarily on the finance strategy.

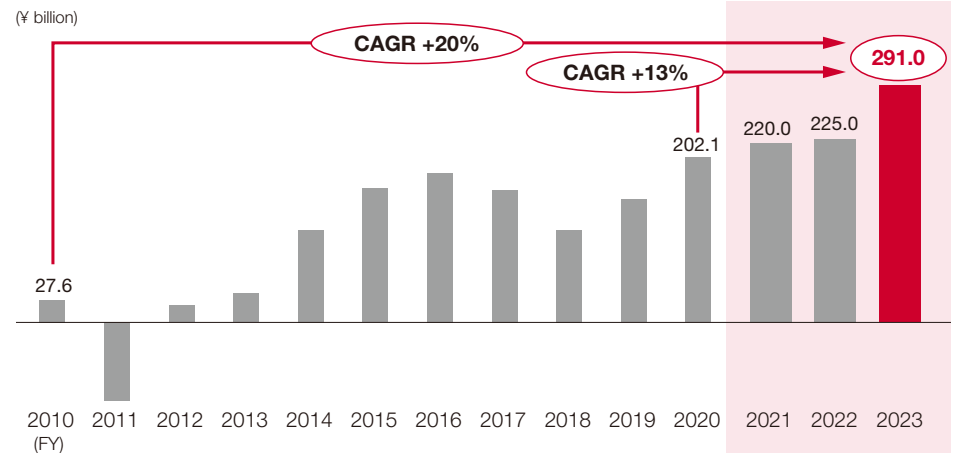
^{*1} IFRS basis; adjusted consolidated ROE excludes OCI

Review of numerical management targets in the previous Mid-Term Management Plan

First, I would like to review the previous plan, which serves as the starting point for the new Mid-Term Management Plan. During the previous plan, which kicked off in FY2021, as I mentioned above, management was rocked by the major misconduct in Japan in FY2023, the final year of the plan. Still, Group earnings were brisk, driven by the performance of the Overseas Insurance and Reinsurance Business, and even though we fell slightly short of our initial target for adjusted consolidated profit of ¥300 billion, the result of ¥291 billion yen marked a new record high.

In addition, adjusted consolidated ROE came to 9.2%, but considering the impact of financial market fluctuations in the previous fiscal year, this result was effectively 10.1%, meaning that capital efficiency reached our target level of 10% in the previous plan.

Figure 1 Adjusted consolidated profit^{*2}



^{*2} Figures for FY2010–2015 are estimates based on the same definition as in FY2016; Adjusted to an average year basis for FY2021 and FY2022 to account for temporary factors such as natural disasters

From a finance strategy perspective, we focused on reducing risks and reallocating the capital generated to growth areas. We also worked on extending attractive shareholder returns while maintaining a balance with growth investments.

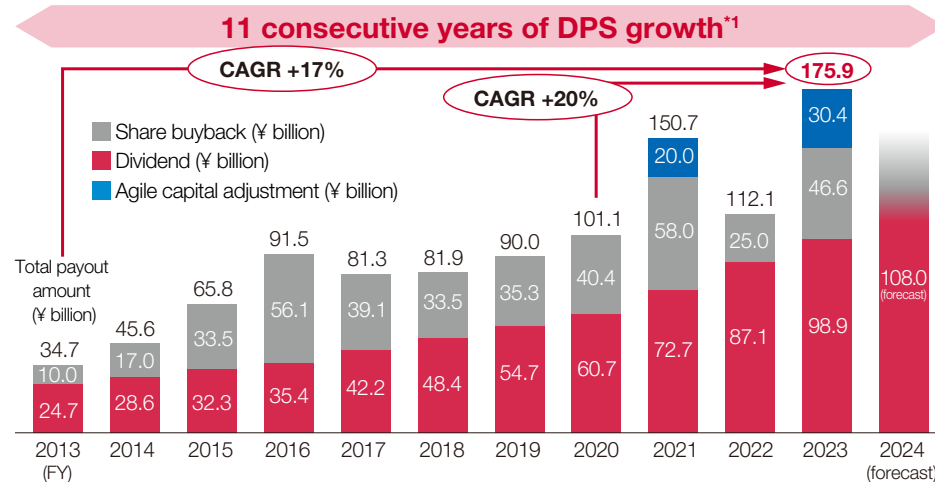
We reduced risks in areas with low capital efficiency in Japan by more than we planned, mainly in terms of strategic stock holdings risks and interest rate risks. The capital generated from these risk reductions was effectively utilized across business domains to support high growth through the circulation of capital. More specifically, we transferred ¥200 billion in capital from the Domestic P&C Insurance Business to the Overseas Insurance and Reinsurance Business. This, along with the expansion of globally diversified investments through overseas credit investments, boosted profit by more than ¥15 billion. We also completed the acquisition of ND Software, a leading provider of nursing care systems, for the purpose of strengthening the foundation of our nursing care business.

Group Core Strategies | Finance Strategy

Message from the Business CFO

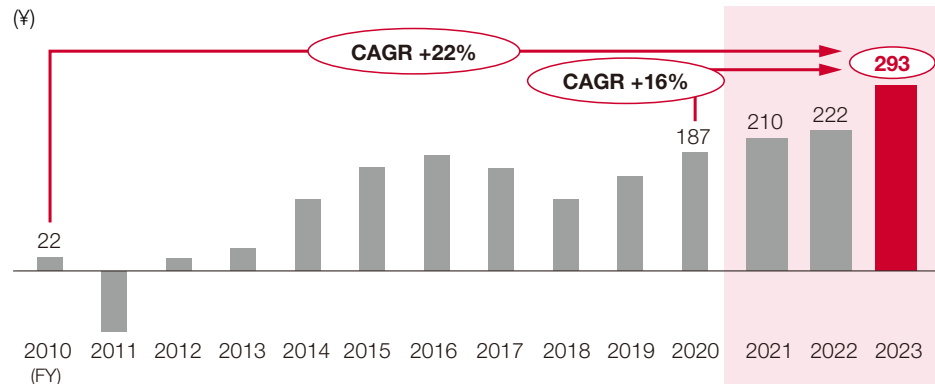
As for shareholder returns, we steadily increased dividends in line with profit growth and flexibly carried out share buybacks, taking into account capital efficiency and other factors. During the previous Mid-Term Management Plan, dividends per share grew at an annualized rate of 21%, marking 10 consecutive years of dividend hikes. Moreover, as a result of acquiring treasury shares worth a total ¥180 billion, the adjusted EPS growth rate during the period of the previous plan was an annualized 16%, outpacing growth in adjusted consolidated profit.

Figure 2 Shareholder returns



*1 Includes FY2024 dividend forecast

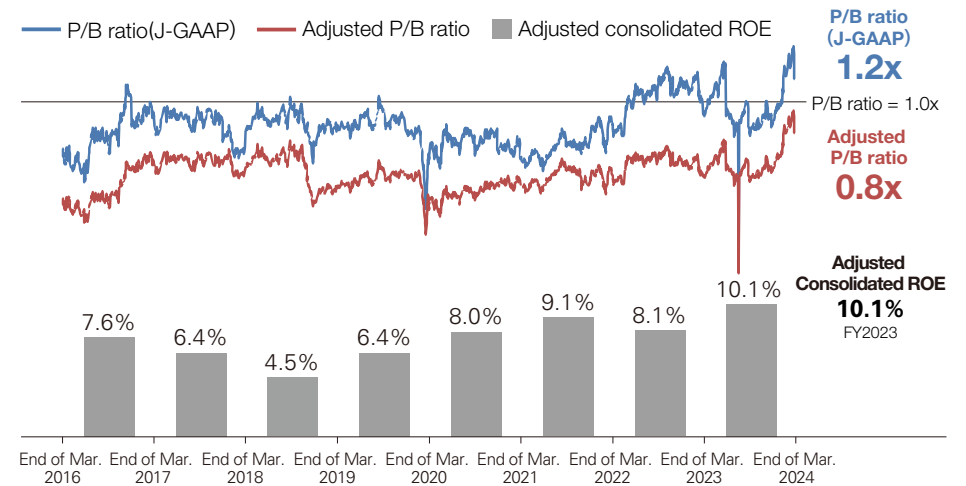
Figure 3 Adjusted consolidated per share (adjusted EPS)²



² Figures for FY2010–2015 are estimates based on the same definition as in FY2016; Adjusted to an average year basis for FY2021 and FY2022 to account for temporary factors such as natural disasters

By virtue of steady profit growth, improved capital efficiency, and enhanced shareholder returns owing to measures implemented during the previous plan, our valuation has significantly improved. The share price has risen sharply, reaching a market cap of ¥3.0 trillion, and is trading at a P/B ratio above 1.0x (J-GAAP basis). Going forward, by implementing the initiatives of the new Mid-Term Management Plan, we will also aim to achieve an adjusted P/B ratio of over 1.0x, which reflects the catastrophic loss reserve and other capital amounts.

Figure 4 P/B ratio³ and adjusted consolidated ROE⁴



³ Calculated by Sompo Holdings by using data from Bloomberg, etc.

⁴ Adjusted to an average year basis for FY2021 and FY2022 to account for temporary factors such as natural disasters; figure for FY2023 has been adjusted to reflect an increase in capital due to financial market fluctuations, etc.

Financial targets and strategy of the new Mid-Term Management Plan

As I mentioned earlier, the Group numerical management targets in the new Mid-Term Management Plan are to raise adjusted consolidated ROE to 13%–15% by FY2026, the final year of the plan, and to achieve an adjusted EPS growth rate of over 12% over the plan's three-year period. These targets are based on International Financial Reporting Standards (IFRS). We are currently making preparations for the application of IFRS, starting with our end-FY2024 Annual Securities Report.

Now, I would like to discuss the details of our finance strategy for the new Mid-Term Management Plan.

Group Core Strategies | Finance Strategy

Message from the Business CFO

Evolution of capital circulation management

The finance strategy of the new Mid-Term Management Plan calls for the evolution of “capital circulation management.” Capital circulation management, which is focused on improving capital efficiency, is a concept already established among leading European insurance peers. Simply put, it involves reallocating capital and funds from unprofitable areas to profitable ones to generate returns. A portion of these returns is then distributed to shareholders, while the remainder is reinvested to further generate high-quality profits, thereby setting in motion a virtuous cycle.

In capital circulation management, the holding company collects the profits generated by each business, aggregates this capital, and uses it for investments that contribute to the Group’s numerical management targets of adjusted consolidated ROE and adjusted EPS growth, as well as for extending attractive shareholder returns. Also, the holding company is responsible for reallocating capital to each business and monitoring financial results. I should also mention that in the new plan, we have established a policy to strengthen the remittance of capital and funds from each business to the holding company. In principle, we have adopted the approach of aggregating 100% of the annual adjusted profits at the holding company.

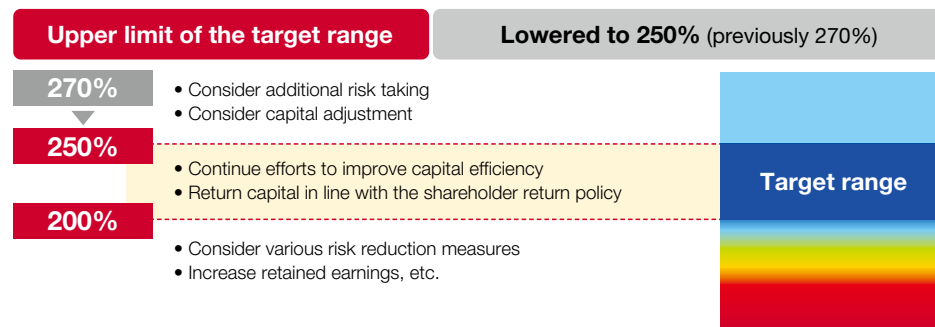
In each line of business, business operations are managed based on the capital that has been allocated. In particular, each business is responsible for taking risks that maximize capital efficiency and for steadily achieving ROE and other business-specific KPIs, thereby contributing to the achievement of the Group’s numerical management targets.

It should also be noted that KPIs include those that are directly linked to financial targets and those geared towards strengthening the business foundation. In the new Mid-Term Management Plan, significant emphasis will be placed on the latter as well.

In addition, based on the ROE target that we have set our sights on in the new plan, we have lowered the upper limit of the target range for the economic solvency ratio (ESR)—a measure of our capital adequacy—by 20 percentage points to 250%. With a capital policy that balances growth investments and shareholder returns, we will make sure we achieve the Group’s numerical management targets of adjusted consolidated ROE and adjusted EPS growth.

Next, I would like to touch upon the key points of capital circulation management.

Figure 5 ESR target range

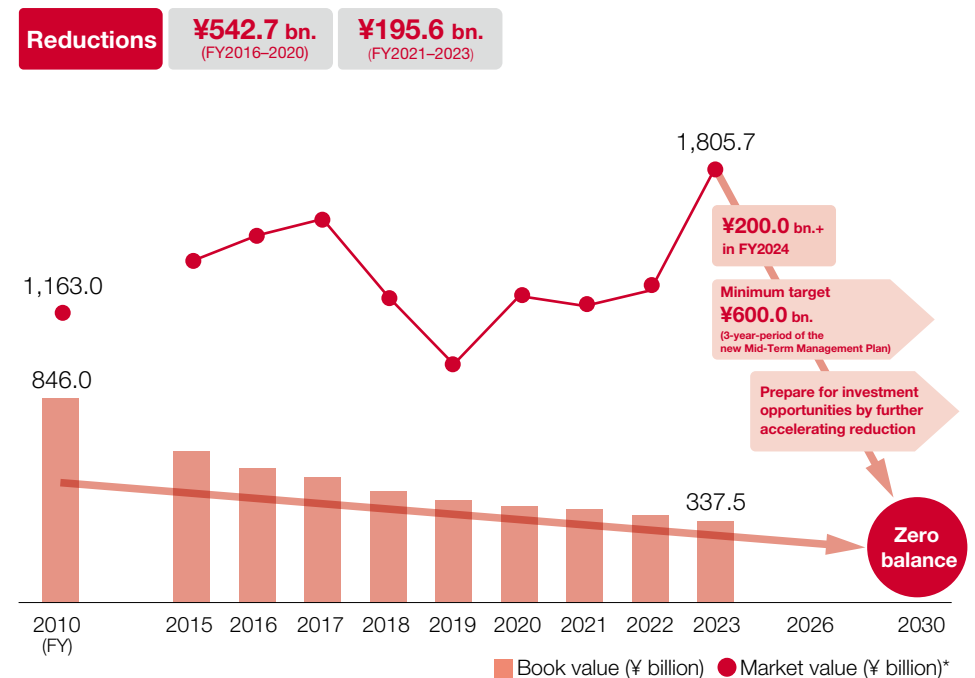


Risk reduction and control

The primary focus of risk reduction in the new Mid-Term Management Plan is Japanese stocks. In February 2024, we announced the goal of reducing the balance of our strategic stock holdings to zero by the end of FY2030. In light of our discussions with issuers and other factors, we sought to reduce our amount of strategic stock holdings by at least ¥200 billion in FY2024, nearly three times the amount in the previous year. And for the period of the new Mid-Term Management Plan, our minimum reduction amount will be ¥600 billion. This minimum target has been set after considering mainly the timeline through to the end of FY2030, changes in the external environment surrounding industry strategic stock holdings, the balance with investment opportunities, and capital efficiency. However, given recent developments, including moves by issuers to accelerate liquidity, we will look to further step up the pace of our reductions in the run up to FY2030 and make preparations for investment opportunities.

On top of this, we will beef up our management of natural disaster risks in Japan and press ahead with plans to curtail unprofitable insurance portfolios.

Figure 6 Balance and reduction of strategic stock holdings



* Includes retirement benefit trust

Group Core Strategies | Finance Strategy

Message from the Business CFO

Risk taking

We will allocate the capital strengthened through the reduction of strategic stock holdings to organic growth and M&As.

Also, in order to achieve the Group’s vision, we have established a risk appetite statement that clearly defines the risks we are willing to take and those we wish to avoid, from both quantitative and qualitative perspectives. We will therefore conduct disciplined risk taking.

Our exact approach to risk taking in the new Mid-Term Management Plan will include expanding our insurance underwriting risk exposure in high-margin segments, increasing credit investments as part of asset management risk taking, and leveraging risks for M&As and strengthening our business foundation.

As for M&As, we will adopt a stronger investment appetite than in the previous plan to prepare for a world in which we have reduced our strategic stock holdings to zero. In terms of investment targets, our policy will be to actively invest in areas that help us increase resilience and connect with customers and deliver connected services—the key objectives of the new Mid-Term Management Plan.

In the area of increase resilience, we will execute growth investments cautiously and dynamically, focusing on overseas insurance M&As, including large-scale deals, to scale up profits, improve ROE, and achieve geographical and risk diversification. And in the area of connecting with customers and delivering connected services, we will keep in mind M&As in the wellbeing business, contribute to sustained growth of the Group, focus on investment areas in which the SOMPO strengths can be leveraged, and expand our product and service platform.

M&A is not an end in itself but one of the means to improve capital efficiency. Therefore, in light of the trends in our market valuation, we will also turn our attention to investments that contribute to organic growth, particularly in the overseas insurance sector. Of course, not only investments, but business withdrawals will also be decided on with a disciplined approach.

Also, investments in human resources—indispensable to the execution of our Group strategy—have been positioned as one of the centerpieces of the Mid-Term Management Plan. Furthermore, we will also make solid investments in data and digital technologies that contribute to innovation and productivity improvements.

Asset management strategy

The weighting of asset management income as a percentage of the Group’s adjusted consolidated profit has been increasing year by year. In addition, asset management income has continued to steadily increase, in line with growth in overseas operations that have benefited from high interest rates. Compared to insurance underwriting, where profitability and profit stability have been declining due to the frequent occurrence of natural disasters and inflation in recent years, asset management as a foundation to support the Group’s adjusted consolidated profit level is growing increasingly important.

In the new Mid-Term Management Plan, while we will continue to appropriately diversify our investments with consideration for liabilities and liquidity, I believe it is important that we manage our asset management portfolio in preparation for the financial market volatility that is expected to arise during the transition to a “world with interest rates.” We will continue to prioritize the quality of our portfolio by maintaining a focus on safe investments while further advancing the portfolio diversification efforts we have pursued so far, such as the strengthening of overseas

credit investments to enhance risk-return. In doing so, we will aim to improve the risk-return profile of our asset management portfolio, profitability, and increase resilience. As a result, we aim to achieve an annual growth rate of more than 10% in Group asset management income by FY2026, the final year of the new Mid-Term Management Plan.

During the period of the plan, our policy will be to further strengthen the integrated management of the Group. By enhancing Group asset management governance and risk management, we will build an efficient management framework in an effort to pursue efficiency, profitability, and resilience in asset management.

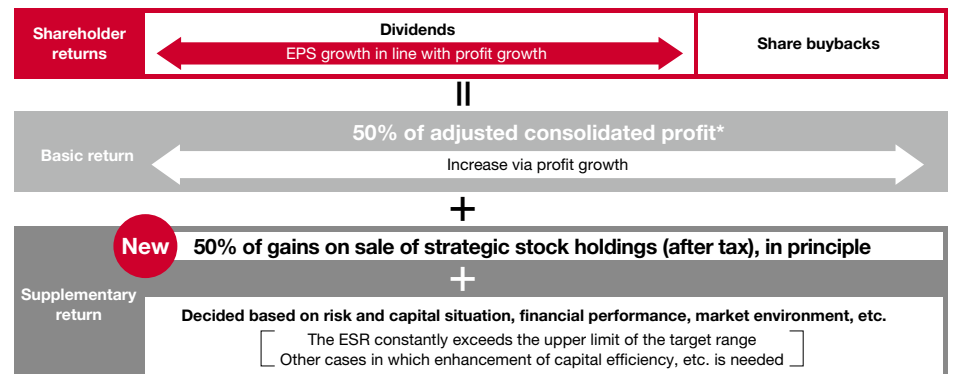
Shareholder returns policy

In principle, all of the profits generated by each business as a result of risk reduction or risk taking will be consolidated and managed by the holding company. Then, a portion of the consolidated capital will be returned to shareholders. We aim to provide shareholder returns in line with a basic policy of continuously increasing dividends through sustainable profit growth while taking both our financial soundness and the prevailing business environment into consideration. We also maintain the option of flexibly executing share buybacks depending on the share price and capital availability.

In the new Mid-Term Management Plan, 50% of adjusted consolidated profit will be paid as a basic return, and we will look to increase the total payout amount as profits grow by adding share buybacks to the total dividend amount. From FY2025, when we plan to adopt IFRS, the basic return will be based on 50% of the average adjusted consolidated profit from the last three years in order to enhance the stability and predictability of shareholder returns. In addition, we will basically aim to raise dividends in line with profit growth over the medium term and increase the ratio of dividends to the basic return.

In addition to the basic return, we will, in principle, pay an additional return of 50% of the after-tax gains on the sale of strategic stock holdings. Also, if the upper limit of the ESR target range is constantly exceeded, we will consider adjusting the capital level based on risk and capital conditions, trends in earnings, and the financial market environment, in an effort to further enhance the appeal of shareholder returns.

Figure 7 Shareholder returns policy



*50% of adjusted consolidated profit (IFRS basis, average of last three years) after adopting IFRS

Group Core Strategies | Data and Digital Strategy

We intend to leverage our global network of digital labs and the capabilities of our diverse pool of digital talent to create innovative and unique solutions by incorporating the digital technologies that we expect will dramatically expand in the future, such as AI and LLMs (large language models). We will transform ourselves and continue to achieve sustained growth by improving the operational efficiency and quality of our existing businesses and by launching new products and services that generate new customer experience value for our customers.

Achievements of the previous Mid-Term Management Plan

Having launched our digital strategy in 2016, we have since sought to streamline our businesses and establish new customer touchpoints with the use of digital technologies.

During the period of the previous Mid-Term Management Plan, we achieved operational efficiency improvements by implementing digitalization initiatives centered on proof of concept <Digitization/Digitalization>.

We pursued results from core business operations (DX effect). For example, our digital transformation efforts significantly contributed to real earnings improvements in the Domestic P&C Insurance Business <Digital transformation>.

We also made forays into new business areas to drive growth through digital innovation. Notably, we established SOMPO AUX Inc. to enter the auto auction market and we formed a joint venture Palantir Technologies Japan K.K. (Palantir) with US-based Palantir Technologies Inc. <Digital innovation>.

Going forward, we will spearhead the Group's transformation and continue to embrace the challenge of enhancing corporate value mainly by leveraging SOMPO's business foundation, utilizing new technologies, and collaborating with partners.

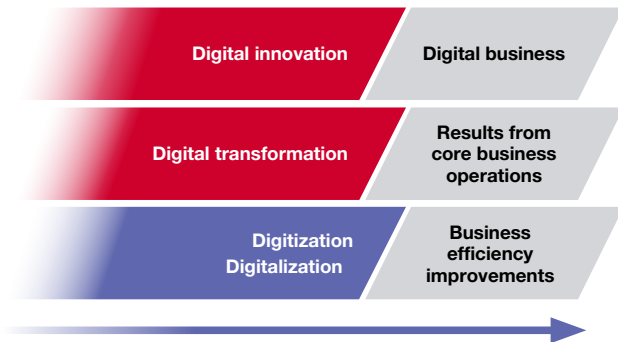
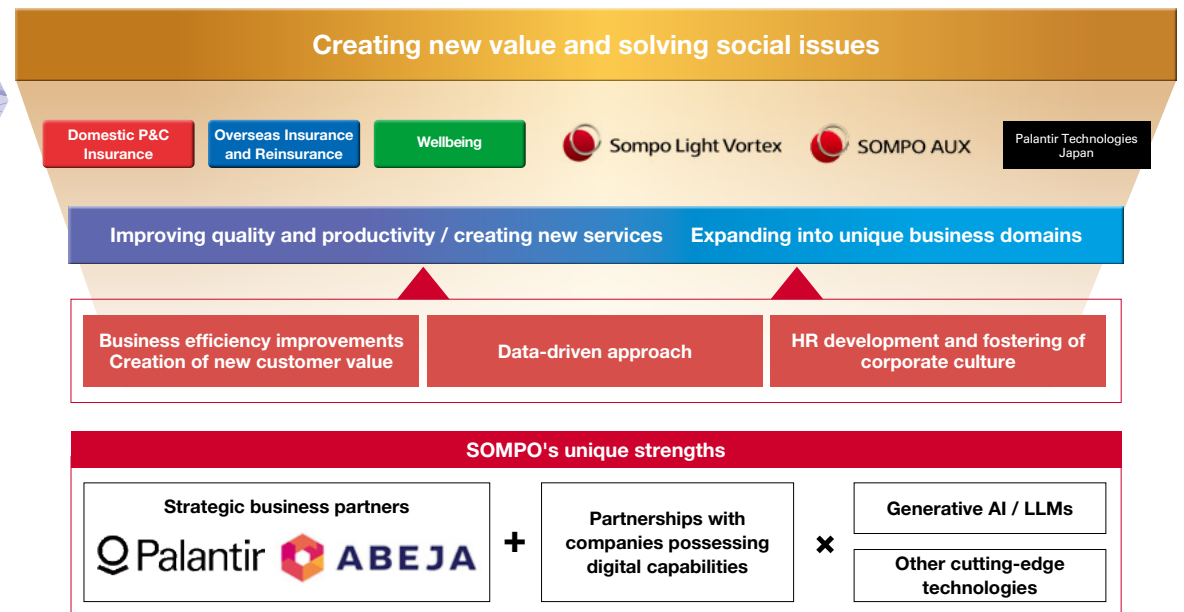
Overview of the data and digital strategy in the new Mid-Term Management Plan

We will continue to evolve our data and digital strategy in the Mid-Term Management Plan that kicked off in FY2024.

In our existing businesses, we will enhance quality and productivity in order to carry out a data-driven portfolio transformation by refining risk exposures from various angles, such as customers and specific segments, enhance customer experience value by reassessing, from the customer's point of view, the provision of services and the processing of claim payments, and minimize the manual operations required of employees.

Also, in July 2024, we established a new company called REVortex, Inc. to take on the challenge of revitalizing the circular economy business of reusing and recycling electric vehicles. Going forward, we will continue to work on creating businesses that leverage the benefits of digital technology.

Along with the data integration analysis and AI/LLM capabilities of our strategic partners Palantir and ABEJA, by forming other partnerships with companies possessing cutting-edge technology, we will draw on SOMPO's unique strengths to create new value and solve issues in society.



Group Core Strategies | Data and Digital Strategy

Key initiatives

Contributing to the Domestic P&C Insurance Business

In the Domestic P&C Insurance Business, we are working on utilizing AI for conducting checks in connection with insurance claim services, including damage assessments and estimates. In addition, by utilizing Palantir's technology, we have organized and integrated, in advance, the data necessary for various operations during large-scale disasters. This approach enabled us to quickly pay out insurance claims and streamline our disaster response operations in the wake of the Noto Peninsula Earthquake in January 2024.

Contributing to the nursing care business

Using the various data generated from Sampo Care's nursing facility operations, we have improved nursing facilities' operations and developed a system to quickly detect subtle changes in the vitals of care recipients that are usually difficult to notice in daily care and then relay this information to medical services and the like.

As demand for, and the expansion of, the nursing care business continues, we will need to further streamline and standardize the management of nursing facilities and caregiving services in order to maintain and improve the quality of care and transition to a business model with which we can sustainably provide such services. We are attempting to improve service quality primarily by utilizing generative AI and other tools to enable less experienced caregivers handle difficult tasks.

Uniqueness of the digital business

In September 2020, we established SOMPO AUX and entered the auto auction business. SOMPO AUX has developed, and currently operates, a platform called AUX Board, which facilitates the proper sale of total loss and damaged vehicles. Since its launch, the platform has steadily grown, and through its partnerships with car dealerships, car leasing companies, and other non-life insurers, it now features around 50,000 vehicle listings annually.

In May 2024, SOMPO AUX leveraged external financing with the aim of expanding the business foundation and generating further growth. They aim to bring in a new senior management team and bolster business management and to realize an industry-standard platform in the reuse-related business (circular economy) for the proper and efficient distribution of used parts through the recycling of damaged vehicles.



Message from the Group CDO



Koichi Narasaki

Group CDO

In our data and digital strategy, the Group is supported by a global network of digital teams, including SOMPO Digital Labs in Japan, the US (Silicon Valley), and Europe, SOMPO Light Vortex, SOMPO AUX, Palantir, and ABEJA. Over 400 members in all, including engineers and data scientists with wide-ranging capabilities, are fully committed to driving a Group-wide digital transformation (DX) by leveraging and deploying cutting-edge digital technologies.

As a concrete example, by utilizing Palantir's technology, in the area of nursing care, we have improved various operations and enhanced the quality of caregiving services. In the Domestic P&C Insurance Business too, Palantir's technology has helped us improve profitability and productivity in the areas of underwriting and widespread disaster management.

The digital technologies we possess are providing value not only within the Group but also to Japanese society.

After the Noto Peninsula Earthquake struck in January 2024, Sampo Japan utilized digital technology to quickly finalize insurance claim payments. At the same time, Palantir collaborated with local governments and other authorities to consolidate information on victims of the disaster and worked together to support the victims and the affected areas by assisting in the management of evacuation centers and the proper distribution of relief supplies.

As Group CDO, it is my mission to ensure that we provide value not only within the Group, but to society at large through these kinds of data and digital initiatives. I believe this approach will help enhance the value of the Group.

In the Mid-Term Management Plan that commenced in FY2024, we will harness our data and digital expertise and HR capabilities to further accelerate business efficiency and earnings improvements in our existing businesses in order to realize the SOMPO's Purpose - For a future of health, wellbeing and financial protection. We will also waste no time in deploying the technologies across the Group that can have a tremendous impact on business, such as AI and LLMs. By providing training to employees on how to apply these technologies and establishing the necessary infrastructure, we will aim to create an environment where humans and AI can coexist so that work tasks can be streamlined and business outcomes maximized.

In February 2024, Sampo Japan deployed its own optimized generative AI chat system and has been running training programs to teach employees how to use it.

Moving forward, we will continue to facilitate collaboration between Group businesses and work with other companies to deliver new services to our customers and support the creation and expansion of business opportunities for the Group.

Group Core Strategies | Human Resource Strategy

The new Medium-term Management Plan lists three catchwords: “Pride and Happiness for All Employees,” “Self-Directed Careers and Growth,” and “Pursue My Purpose.” We will improve our human resource systems and reinforce our efforts to embody SOMPO’s Purpose. In implementing Human Capital Management, we will position the following key strategies: “Transform the Corporate Culture,” “Enhance the Group Human Resources,” and “Evolve HR Systems and Reinforce the Human Resource Base. We aim to create an environment in which both employees and the company can grow together and strengthen our management base.

■ Overview of the Human Resource Strategy



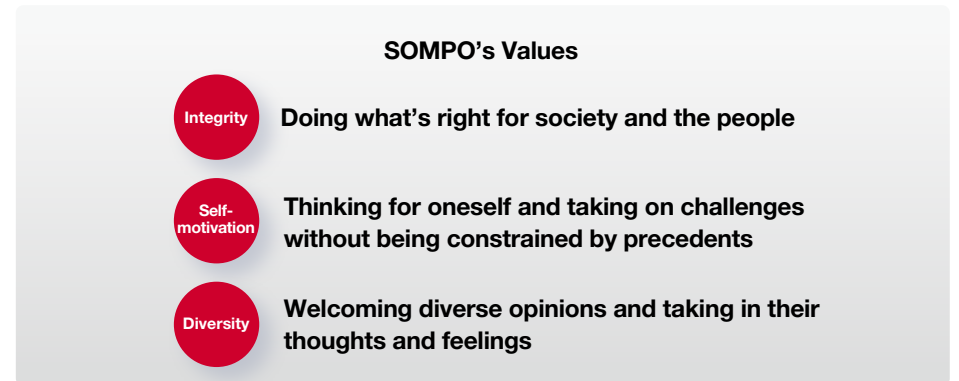
For more information on the initiatives based on My Purpose, please see the section [Overview of SOMPO's Value Creation / Sompo Holdings Sustainability Report 2024](#) (pages 16 to 30).

■ Key Strategies

Transform the Corporate Culture

We have rephrased SOMPO’s Purpose and restructured the Group’s Corporate Philosophy System. All executives and employees will work together to create a culture that is open to diverse opinions so everyone can express their views.

The new Corporate Philosophy System defines “Integrity”, “Self-motivation” and “Diversity” as “SOMPO’s Values,” which will serve as the basis for decisions and actions and which will be cherished by all executives and employees throughout the Group. In this way, we will work together to embody SOMPO’s Purpose.



Based on “SOMPO’s Values”, we are currently identifying the expected behavior for daily operations and reviewing the “Group Common Competencies” in a consistent manner. In the future, we will reflect these values in our criteria for recruiting, evaluating, promoting managers, and appointing executives. We will work to ensure that they are understood and put into practice, while improving their effectiveness.

We worked on My Purpose during the previous Medium-term Management Plan and will continue to do so in the new Medium-term Management Plan.

Mutual respect and recognition of My Purpose will develop an inclusive culture where diverse backgrounds and values coexist, such as gender, disability, age, nationality and work experience. This is the basis of the DEI (Diversity, Equity & Inclusion)* practice that the SOMPO Group is implementing.

Web For further details, please see the [DEI\(Diversity, Equity & Inclusion\) / Sompo Holdings Sustainability Report 2024](#) (pages 60 to 63).

Group Core Strategies | Human Resource Strategy

Enhance the Group's Human Resources

Build a talent portfolio to execute the Group's strategy

In order to embody SOMPO's Purpose, we will clarify the talent portfolio necessary for the strategic execution of each business and area of the Group and enhance the Group's human resources. By defining job types and skill levels, we will quantify the required talent portfolio. At the same time, by communicating these definitions to employees, we will empower people through self-directed career development and learning.

We hold Human Resources Roundtable meetings (the "Roundtable") to identify challenges related to the talent portfolio and discuss effective training, recruitment and assignment. The Roundtable covers a range of topics, including succession planning and strengthening the human resources function in each functional area. CHROs and HR departments attend the Roundtable. Depending on the topic, senior executives such as the Group CEO and heads of related departments may be present.

Discussions at the Roundtable facilitate the Group Human Capital Investment and optimal deployment within the Group.

Web For details, see [Succession plan / Sompo Holdings Sustainability Report 2024](#) (page 117).

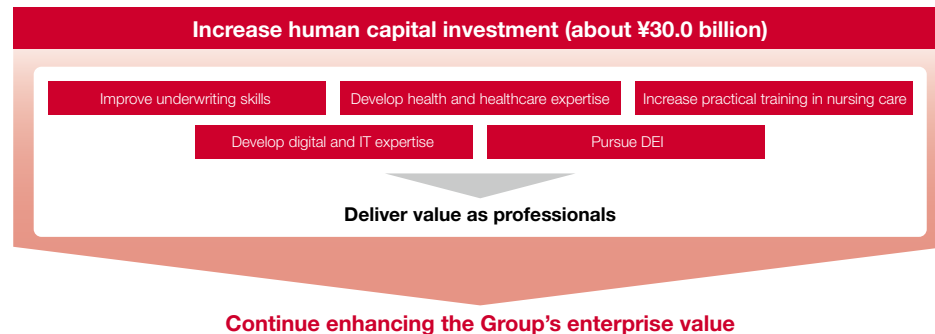
Group Human Capital Investment

We have launched SOMPO Human Capital Fund, a 30-billion-yen fund to expand the Group Human Capital Investment, including training and recruitment.

We aim to a.) strengthen the expertise of Group executives and employees in each business and field, b.) recruit and train candidates who can take on management roles for the Group, and c.) build a Group-wide learning platform to support employees' self-motivated learning.

These initiatives will enable us to continue to provide professional value and enhance sustainable corporate value.

Overview of the Group Human Capital Investment



Evolve the HR systems and Reinforce the Human Resource Base

Develop a "Choose Your Own Career" system Based on My Purpose

We are developing a "Choose Your Own Career" system based on My Purpose, which is the foundation of our human resource strategy. Following the introduction of a job-based human resource system in fiscal 2020, Sompo Holdings has abolished company-led personnel transfers as a general rule.

We want to create a workplace where employees can choose their own career paths and achieve professional results. Some operating companies, such as Sompo Japan and Sompo Himawari Life Insurance, have introduced a job-based human resource system. We will continue to consider expanding this system throughout the Group.

In addition, as a Group-wide initiative to enable employees to choose their own career paths, we introduced the Internal Job Posting System called "Job Challenge System", which allows employees to apply for open positions of their choice and transfer to the department of their choice.

The Job Challenge System allows employees to apply for open positions at any company in the Group, not just their own company.

In fiscal 2023, 28 companies with 840 positions were open for application with job descriptions accessible to Group employees. We will continue to expand opportunities for employees to shape their careers through the "Choose Your Own Career" system across the Group.

Reinforce the Human Resource Base

We will develop a Group-based human resource system and structure that will transform our corporate culture and enhance our "Group Human Resources." This includes formulating "Sompo's Values," reflecting them in the various criteria of the "Group Common Competencies," and promoting the "Choose Your Own Career" system.

We will consider integrating the job-based human resource systems within the Group. This will strengthen the expertise of employees throughout the Group and establish a system to promote mid-career recruitment of highly specialized personnel.

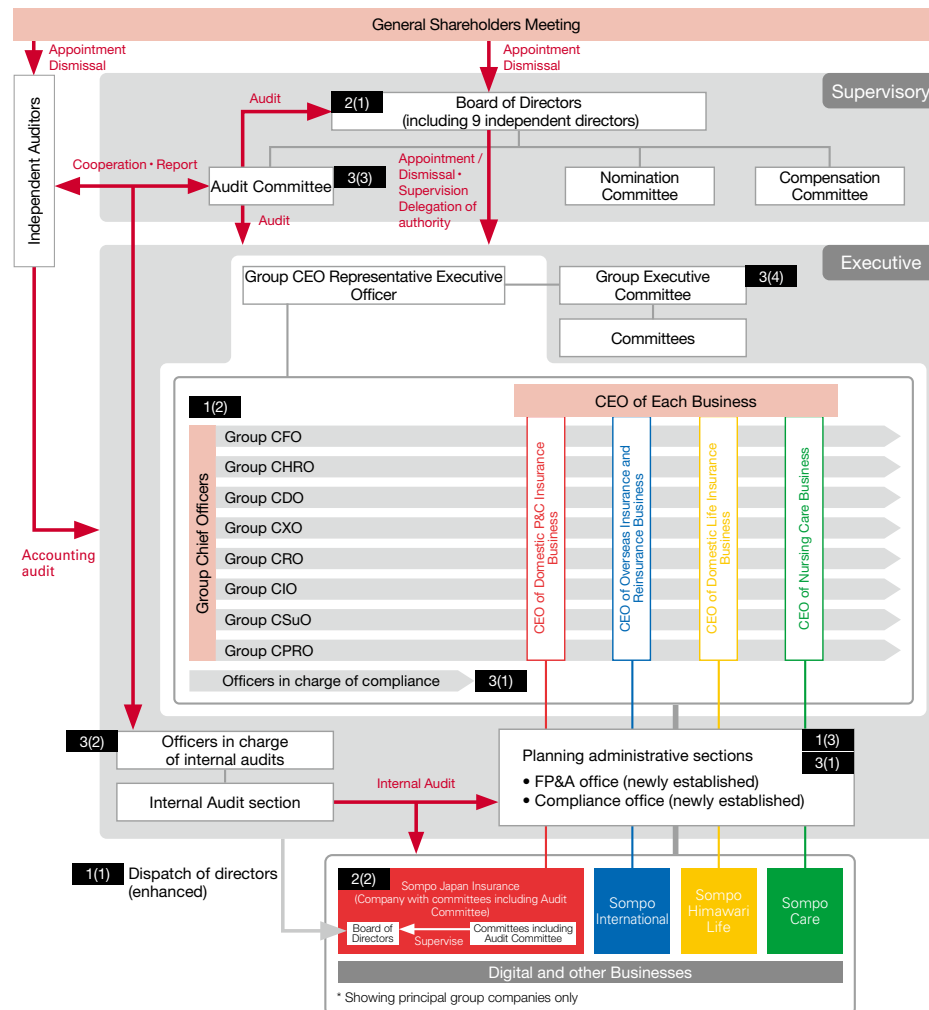
We are currently working to establish the Talent Management System, a Group-wide human resource strategy platform. This platform will enable us to visualize the "Group Talent Portfolio" and promote the "Choose Your Own Career" system.

Enhancement of Governance

We think that it is essential to improve the effectiveness of governance in order to steadily carry out our business improvement plan and regain trust of stakeholders. Since April 2024, we have been sequentially promoting the enhancement of governance in such a manner as to gain greater control of the management of subsidiaries, ensure transparency through separation of the supervision of business management from operational execution, enhance the HD functionality, and foster an organizational culture that supports these elements.

Supervision of business management and operational execution system

Sompo Holdings, Inc. (Company with a Nomination Committee, etc.)



<Major Initiatives We Have Been Carrying Out Since April 2024>

1. Gaining greater control of the management of subsidiaries

- (1) Increase in the number of directors to be dispatched from HD to Sompo Japan Insurance Inc.
- (2) Clarification of the relative relationship between Group CxO of HD and CxO of Sompo Japan Insurance Inc.
- (3) Strengthening of the monitoring system through the establishment of the FP&A office

2. Transparent decision-making process through separation of the supervision of business management from operational execution

- (1) Appointment of an independent director as the chair of the Board of Directors
- (2) Strengthening of outside perspective and supervision of the Board of Directors in Sompo Japan Insurance Inc. (shift to Committees including the Audit Committee, appointment of outside directors, review of the composition of directors)

3. Enhancement of the HD functionality

- (1) Adoption of officers in charge of compliance and establishment of the Compliance office
- (2) Appoint a Chief Internal Audit Officer
- (3) Initiation of a regular meeting by the Audit Committee and Group CRO
- (4) Reform to a group executive meeting committee (toward a meeting committee that can generate high-quality debate with well-rounded, highly maneuverable discussions)

4. Fostering of an organizational culture that supports these elements

- (1) Reconstruction of the corporate philosophy system and re-verbalization of purposes

PDF For further details, please refer to "[Group Core Strategies | Human Resource Strategy](#)" (pages 39 to 40).

- (2) Development of specialized human resources

PDF For further details, please refer to "[Group Core Strategies | Human Resource Strategy](#)" (pages 39 to 40).

- (3) Activation of the exchange of executives

PDF For further details, please refer to "[Discussion with Directors | Culture Change to Regain Trust \(Summary\)](#)" (page 20).

Web For further details, please refer to the section about [Governance / Sompo Holdings Sustainability Report 2024](#) (pages 110 to 142).

Interview with the Chair of the Board of Directors



What is the background to your appointment as Chair of the Board?

Last fiscal year, various issues of concern in Japan to our stakeholders came to light that I take very seriously. I decided to accept the role of Chair of the Board to tackle management issues from a supervisory standpoint, because I hope my experience as a leader of one of Japan's leading financial institutions might be of some help to the management of the Group.

What is the Board of Directors focused on under your leadership?

I believe a core matter to address is communications but there are three we need to address. First is to revitalize communication, then restructure internal controls and reform our execution.

On the first issue and ensure the Board of Directors of the holding company fully grasps how the Group's philosophy, plans, and policies were being understood and implemented, we asked Group Chief Financial Officer Masahiro Hamada and Group Chief Human Resources Officer Shinichi Hara to become new directors from June 2024. I expect them to provide the Board of Directors with fresh perspectives and more precise information. Together with Group Chief Executive Officer Mikio Okumura, this executive team is responsible to properly communicate to the Board of Directors progress within Sampo Group.

As an organization, a company is established by strong interactions between vertical and horizontal information, that is, through communication. An organization is a group of people, and I believe in the wisdom of moving forward while checking, using diverse information from all directions, whether the path our organization is taking is correct. In a company, the vertical threads are very strong and reporting lines are clear, but the problem lies with the horizontal lines. It is very important but challenging task to always ensure sufficient communication to obtain neutral, unembellished information.

Every organization faces challenges in communication, and I have never found it to be easy. If we create an environment where everyone can speak in an open, frank way, the Group should be able to get off to a quick start towards reforms. It is the first point I would like to focus on as Chair of the Board of Directors.

To restructure the internal control system, I believe the Board of Directors, and especially the external directors, must provide strong support. Already opinions have been shared and some measures initiated to strengthen the third line of defence, but I would like to make these more concrete and effective.

With Mikio Okumura's appointment as Group CEO to transform the Group, our third issue is to support reforming our execution. The Board of Directors must closely monitor whether transformations are moving in the right direction and progressing ahead of plan. A system of checks and balances is necessary, but I believe that a major part of oversight is creating an environment in which the executives can make bold decisions for the betterment of the company and in the interest of shareholders and other stakeholders. It is necessary therefore to clearly express our thoughts on risks, and I intend to make my stance clear on what should not be done but, otherwise, we must respect the senior management team that is leading the Group 24 hours a day, 365 days a year.

In rapidly changing and competitive times, I expect the Group CEO to demonstrate leadership and work with a sense of urgency and believe an important role of the Board of Directors is to encourage him to create an environment for things to move forward smoothly and with a sense of urgency.

What are key themes for the Board of Directors going forwards?

One main themes for the Board of Directors is the business improvement plan. Since assuming my position as Chair in April 2024, we have been monitoring progress via monthly reports, discussing all the issues we are aware of and confirming our direction.

I particularly keen we change what needs to be changed, and execution remains a problem where the Board of Directors is actively monitoring the nature of the problems and progress being made. We are a Group with diverse businesses, and the scope covered by the Board of Directors

Interview with the Chair of the Board of Directors

of Sampo Holdings is quite broad. Up to now, our approach has been to focus on important points and discuss them from a broad and high-level perspective. However, for this fiscal year at least, I think we need to look at how the employees on the front lines of each business understand and perceive the situation.

For example, this year, the Group's Purpose has been rephrased as "For a future of health, well-being and financial protection." How the employees on the ground understand and truly internalize it is important to me. What we need to do is to take advantage of the individuality of each person and create an environment that allows expression of that individuality within the organization. Until now, the vertical thread of the company has been too strong in some areas, but if we can grasp the real situation on the ground and strengthen horizontal communication, I believe we can make Purpose more meaningful and channel it into true Purpose-driven management.

What will the Board of Directors require of Sampo Group in the future?

First, is a firm communication framework integrating the vertical and horizontal threads I mentioned earlier. Globally, we have a very large number of employees, and the Company is built on the strength of each and every one of them, so it is essential we have an operating environment in which they can freely and vigorously discuss issues and solutions.

Another challenge is creating added value as a Group business. We are living in an era of accelerated evolution in which our environment can completely change from one year to the next. On a global scale, natural disasters continue to increase mainly from the effects of climate change, and there are issues such as how to ensure personal safety. In developed countries, issues related to nursing care and health are emerging with declining birthrates, aging populations, and declining working-age populations. Our Group is a rare entity that is trying to tackle these essential issues in society of securing lives and pursuing wellbeing. How we can leverage Sampo's strengths to create added value will set us apart from other companies; simply creating the same thing as others will inevitably lead to commoditization.

We need to sharpen our focus on what makes our business different. There are numerous societal challenges, but that also means there are countless opportunities. As evident from the diversity of our business operations, I believe Sampo Group has many advantages that will enable us to seize these opportunities.

Accordingly, I intend to communicate closely with the executive team and occasionally offer advice, to support this transformation and revitalize the Group to grow our corporate value.

Evaluating the Effectiveness of the Board of Directors

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.

Based on the facts that there was serious misconduct and a new Mid-Term Management Plan would start in FY2024, we evaluated the effectiveness of the Board of Directors for FY2023 to clarify efforts needed to achieve better functional performance after evaluating the past functional performance of the Board of Directors.

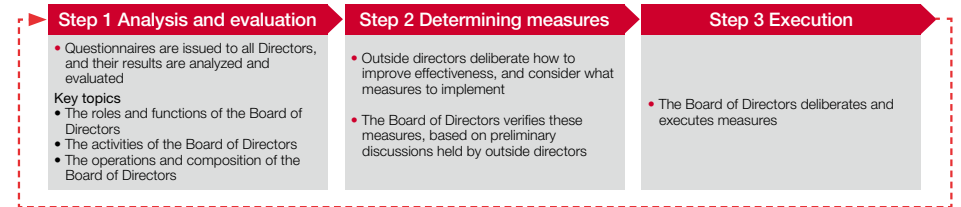
Points of the evaluation of the effectiveness of the Board of Directors FY2023

- A) Evaluation of functional performance of the Board of Directors (ensuring an appropriate deliberation process, deliberation by committees, sharing of awareness of issues, obtaining information and engagement to the extent appropriate)
- B) Evaluation of measures to prevent recurrence based on business improvement orders concerning aforementioned misconduct cases (points to be addressed by the Board of Directors from the viewpoint of supervision, and points to be encouraged for execution)
- C) Future oriented evaluation for the further evolution of the Group (issues to appropriately fulfill roles of the Board of Directors and executive divisions, and management themes to be focused on for enhancing corporate value)

FY2023 evaluation results

Evaluation on Performance of Functions of the Board of Directors	<ul style="list-style-type: none"> • While the Board of Directors has ensured sufficient deliberation time on important topics such as the Mid-Term Management Plan, the Board of Directors also observed issues such as a gap between awareness in "genba" and management and insufficient sharing of information on issues. • In order to grasp an appropriate range of information, the Board of Directors needs to increase its sensitivity, and also executive divisions need to be aware of more effective information sharing.
Evaluation of measures to prevent recurrence based on business improvement orders concerning aforementioned misconduct cases	<ul style="list-style-type: none"> • In the process of reviewing measures to prevent recurrence, it is very important that the management takes a direct view of the actual condition of the non-life insurance business, and it is evaluated along with the strengthening of the management system. Also the opinions are expressed that it is necessary to clarify the priority and schedule of measures to prevent recurrence, effective measures, monitoring of implementation status, and roles within the company. • In addition, the most important points of preventing recurrence are "employee education" and "creation of a system to prevent weathering," and the opinions are expressed that it is necessary to evaluate that these are included in the measures to prevent recurrence and to take effective measures against them. • In addition to examining the implementation of corporate ethics and the code of conduct, it is also suggested that information sharing between the Company and subsidiaries and regular opportunities for exchange of opinions between outside directors are also effective.
Future oriented evaluation for the further evolution of the Group	<ul style="list-style-type: none"> • In order to realize SOMPO's Purpose, further risk-taking and appropriate reporting of the status of business execution to the Board of Directors are required, and portfolio management that fully considers inherent risks is needed. • With regard to the integrated management of the Company and subsidiaries, the opinions are expressed that it is necessary to increase communication opportunities and information-sharing processes among the Group, to examine the way in which the Company engages in subsidiaries, and to continue to seek a flexible and effective governance.

PDCA cycles to improve the effectiveness of the Board of Directors



FY2024 initiatives

Based on the evaluation results and the Group-wide business environment, we have listed topics on which we should have more meaningful management discussions in the Board of Directors and efforts that should be emphasized to achieve better functional performance of the Board of Directors, considering reports from executive divisions, as shown below. Our executive divisions will not only continue to actively accept a broad range of opinions and advice from the Board of Directors and make continued efforts to improve the quality of decision-making but also exchange opinions with outside directors ahead of Board of Directors meetings for deeper management discussion on important business subjects, so that we can meet the expectations of our stakeholders, including shareholders.

<Topics for Deepening Management Discussions (FY2024)>

- Steady implementation and effectiveness of business improvement Plans
- Business strategies to realize SOMPO's Purpose in each business area (SJ-R at Sompo Japan, growth strategy of overseas insurance and reinsurance business, launch of wellbeing business, etc.)
- Strengthening the Group's management foundation (Management with a focus on capital cost and capital efficiency, human resources strategy, digital data strategy, valuation and value enhancement of invisible assets (brands, engagements, etc.), etc.)

<Initiatives that should be emphasized to further fulfill the functions of the Board of Directors>

- Further strengthening the effectiveness of the Group's governance and internal controls
- Strengthening the monitoring function for progress and effectiveness of measures to prevent the recurrence of serious misconducts
- Deliberation on highly important themes by focusing on issues
- Enhanced opportunities for reporting on the status of execution
- Clarification of matters to be discussed at the Board of Directors meeting
- Communication and information sharing between outside directors and each statutory committee

Web For more information on the characteristics of the Board of Directors, please refer to the section about [Corporate Governance / Sompo Holdings Sustainability Report 2024](#) (pages 110 to 127).

Directors and Executive Officers

(As of July 1, 2024)

Directors



Mikio Okumura

Director
(Born November 23, 1965)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings



Masahiro Hamada

Director
(Born December 18, 1964)

Newly appointed



Shinichi Hara

Director
(Born April 14, 1965)

Newly appointed



Scott Trevor Davis

Director (Independent)
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 2023)
Attended 13 out of 13 Board of Directors meetings, 16 out of 16 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings



Isao Endo

Director (Independent)
Member of the Nomination Committee and the Compensation Committee
(Born May 8, 1956)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 10 out of 13 Board of Directors meetings, 12 out of 13 Nomination Committee meetings, 2 out of 3 Audit Committee meetings, and 8 out of 9 Compensation Committee meetings



Kazuhiro Higashi

Director (Independent)
Chair of the Board
Member of the Nomination Committee and the Compensation Committee
(Born April 25, 1957)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings, 16 out of 16 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings



Misuzu Shibata

Director (Independent)
Chair of the Audit Committee
(Born July 25, 1974)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 12 out of 13 Board of Directors meetings, and 14 out of 14 Audit Committee meetings



Takashi Nawa

Director (Independent)
Member of the Nomination Committee and the Compensation Committee
(Born June 8, 1957)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 12 out of 13 Board of Directors meetings, 16 out of 16 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings



Meyumi Yamada

Director (Independent)
Chair of the Compensation Committee and Member of the Nomination Committee
(Born August 30, 1972)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings, 16 out of 16 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings



Kumi Ito

Director (Independent)
Member of the Audit Committee
(Born December 20, 1964)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings, and 14 out of 14 Audit Committee meetings



Masayuki Waga

Director (Independent)
Member of the Audit Committee
(Born April 10, 1958)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings, 3 out of 3 Nomination Committee meetings, 11 out of 11 Audit Committee meetings, and 2 out of 2 Compensation Committee meetings



Toru Kajikawa

Director (Independent)
Member of the Audit Committee
(Born September 24, 1951)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 10 out of 11 Board of Directors meetings, and 11 out of 11 Audit Committee meetings



Satoshi Kasai

Director
Member of the Audit Committee
(Born December 22, 1962)
Attendance at Board of Directors meetings and other official meetings (Fiscal 2023)
Attended 13 out of 13 Board of Directors meetings, and 14 out of 14 Audit Committee meetings

Web For the biographies of Directors and Executive Officers, please visit the website: [Directors and Executive Officers.](#)

Directors and Executive Officers

(As of July 1, 2024)

Executive Officers and Vice Presidents



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



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



Shinichi Hara
Group CHRO
(Group Chief Human Resource Officer)
Senior Executive Vice President and
Representative Executive Officer
(in charge of Legal Affairs and Internal Audit)
(Born April 14, 1965)



Koji Ishikawa
CEO of Domestic P&C Insurance Business,
Senior Vice President and Executive Officer
(Born December 22, 1968)



James Shea
CEO of Overseas Insurance and Reinsurance
Business, Senior Vice President
(Born November 18, 1965)



Yasuhiro Oba
CEO of Domestic Life Insurance Business,
Senior Vice President and Executive Officer
(Born September 30, 1965)



Takamitsu Washimi
CEO of Nursing Care Business,
Senior Vice President and Executive Officer
(Born September 19, 1972)



Koichi Narasaki
Group CDO (Group Chief Digital Officer)
Senior Executive Vice President and Executive
Officer
(Born January 4, 1958)



Katsuyuki Tajiri
Senior Executive Vice President
(in charge of Corporate Strategy and Overseas
M&A, General Manager, Office of Group CEO,
General Manager, Global Strategy Office)
(Born October 8, 1967)



Kazufumi Watanabe
Group CXO
(Group Chief Transformation Officer)
Executive Vice President and Executive Officer
(Born January 23, 1963)



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



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



Yoshiyasu Suzuki
Group CIO
(Group Chief Information Officer)
Senior Vice President and Executive Officer
(General Manager, IT Strategy Planning
Department)
(Born October 11, 1971)



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)



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



Hiroshi Horie
Executive Vice President
(in charge of Compliance)
(Born September 8, 1967)



Yuji Kawauchi
Executive Vice President
(in charge of Overseas Business, Wellbeing)
(Born December 24, 1965)



Yasuki Kume
Executive Vice President
(Deputy Head of Wellbeing)
(Born January 14, 1972)



Tsutomu Yamaguchi
Senior Vice President Group Deputy CFO
(Born October 6, 1966)



Yohei Namiki
Senior Vice President
(in charge of Wellbeing, General Manager,
Wellbeing Business Department)
(Born October 19, 1974)



Yuko Nakagawa
Senior Vice President
(in charge of Wellbeing)
(Born October 15, 1972)

Web For the biographies of Executive Officers and Vice Presidents, please visit the website:
[Directors and Executive Officers.](#)

Governance Member Endorsement of the Integrated Annual Report

About our Integrated Report 2024

Sompo Holdings' Integrated Report is our annual opportunity to discuss the value created by Sompo Group with our stakeholders, and is a basis for engaging in constructive dialogue with them.

Fiscal 2023 was the final year of our previous medium-term management plan, and we achieved a number of results. Chief among them was a record high 291 billion yen in adjusted consolidated income, thanks to the expansion and diversification of our overseas insurance business through its growing profitability. Another was the strengthening of our wellbeing business platform: our domestic life insurance and nursing care businesses.

Amidst this performance, however, issues surfaced in the insurance business in our home market in Japan. Sompo Holdings, Inc. and Sompo Japan Insurance Inc. were strongly criticized by domestic stakeholders, including Japan's Financial Services Agency, and are accordingly taking thorough action to address them.

Winning and preserving the trust of our stakeholders, expressing the commitment of our leadership and our people to recognize and address issues, and our united efforts to build on opportunities and achieve our vision under our new CEO, are the focus of this report. This report aims to give you a sense of how Sompo Group strives to win and keep the trust of our stakeholders by steadily improving ourselves in each and every business, to provide products and services that are truly valuable to our customers and that underline our aspiration to be a global leader with Japanese heritage.

With these points as our focus, we have moved more detailed information on governance, sustainability, and KPIs included in last year's report to our [Sustainability Report 2024](#), published simultaneously with this report.

As always, and as we pursue the growth of our corporate value, we welcome and listen attentively to the views of all our stakeholders.



Ryoko Shimokawa
Group CSuO



Sampo Holdings, Inc.

26-1, Nishi-Shinjuku 1-chome, Shinjuku-ku,
Tokyo 160-8338, Japan

URL: <https://www.sampo-hd.com/en/>