

Progress of Mid-Term Management Plan

November 25, 2021
Sompo Holdings, Inc.



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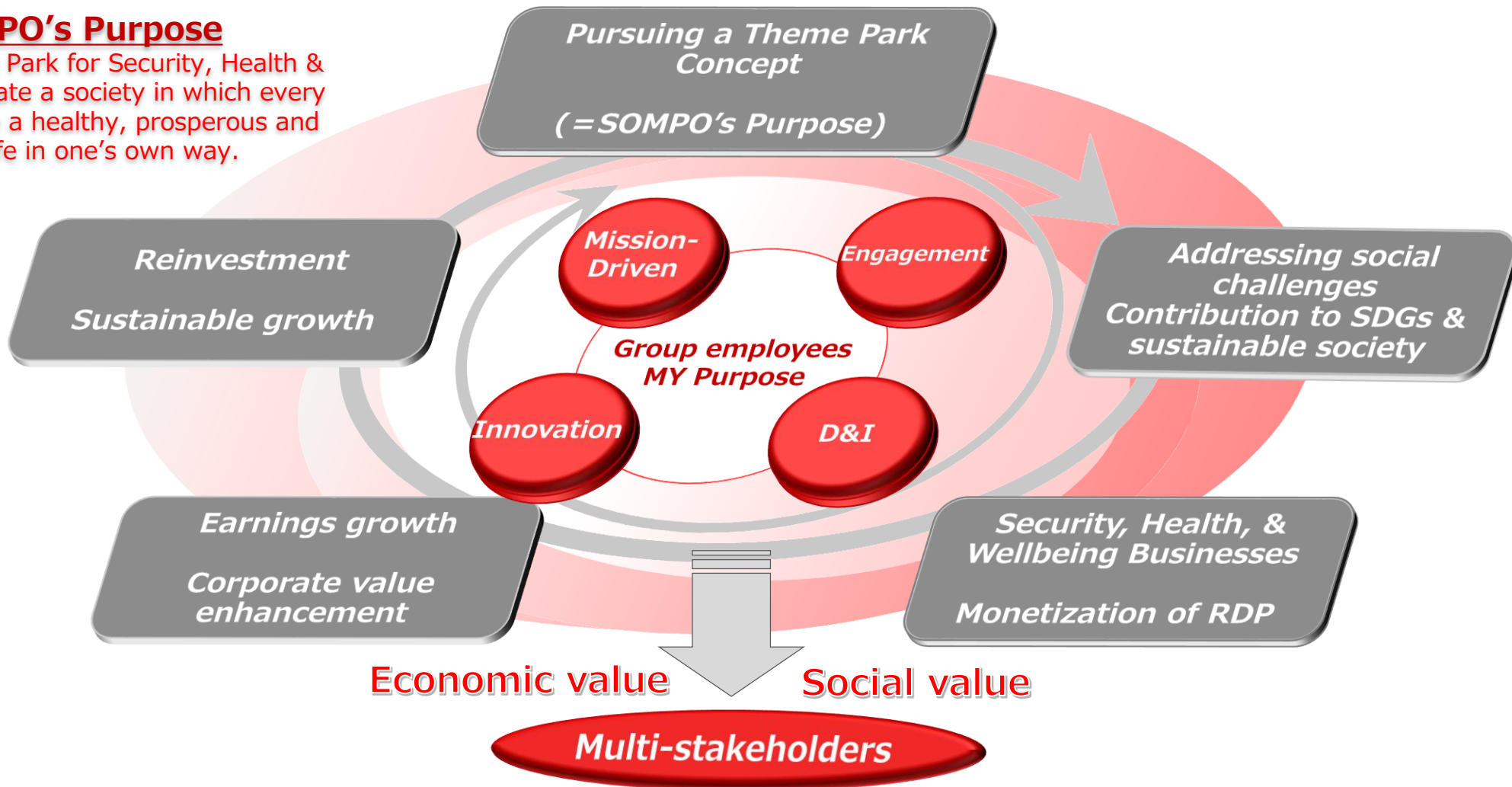
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SOMPO's Sustainable Growth Story

- Aim to perform SOMPO's Purpose by leveraging SOMPO's strengths and uniqueness, and realize sustainable growth
- Continue to deliver results to pave a solid way to our vision of the future

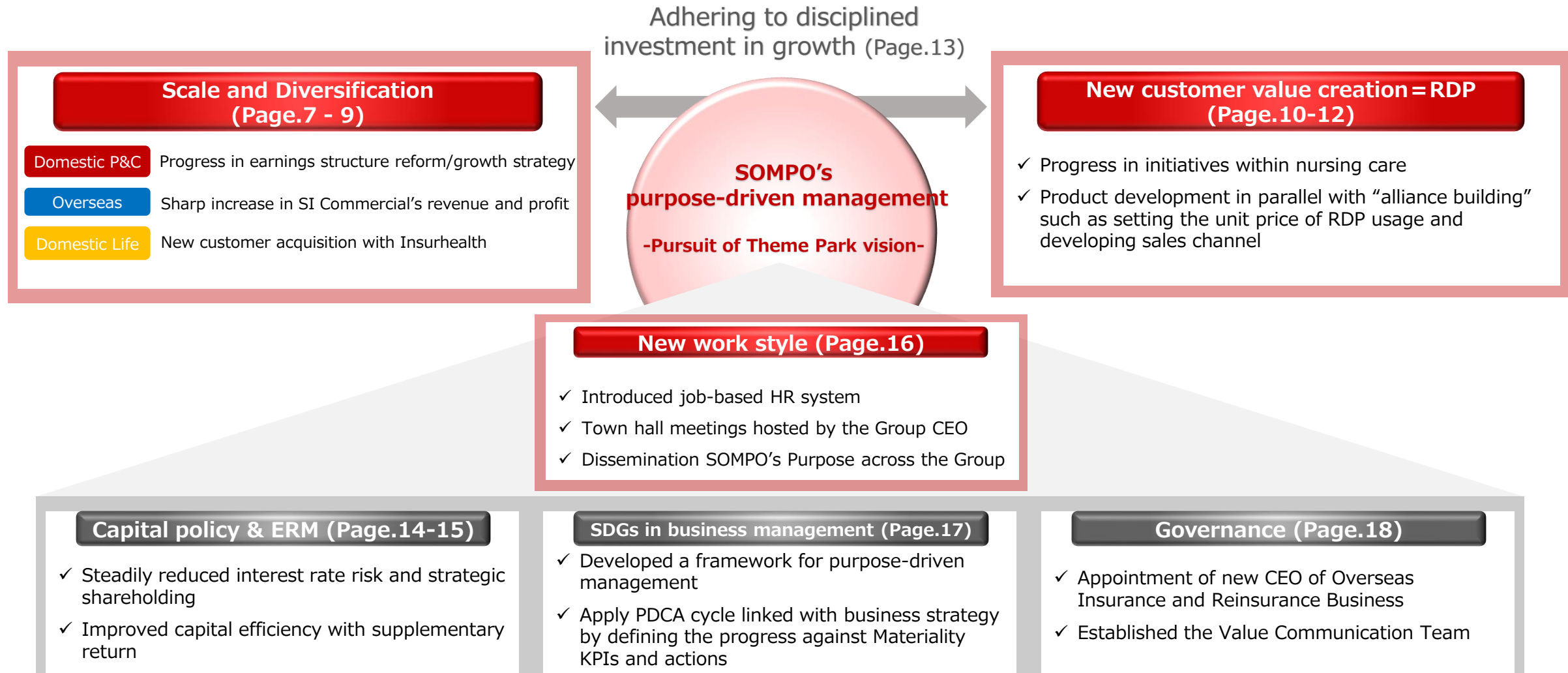
SOMPO's Purpose

With "A Theme Park for Security, Health & Wellbeing", create a society in which every person can live a healthy, prosperous and happy life in one's own way.



Progress of Mid-Term Management Plan - Overview of Initiatives -

- Adjusted consolidated profit is ahead of plan (see next page), while risk and geographical diversification have certainly increased
- Progress has been made in RDP strategy initiatives, especially in nursing care, and in New work style and other initiatives



Progress of Mid-Term Management Plan - Group management targets -

- Good start made in 1H FY2021 toward achieving Group management targets
- Expedite the achievability of Group management targets through “Scale and Diversification” and “New Customer Value Creation”

Group management targets

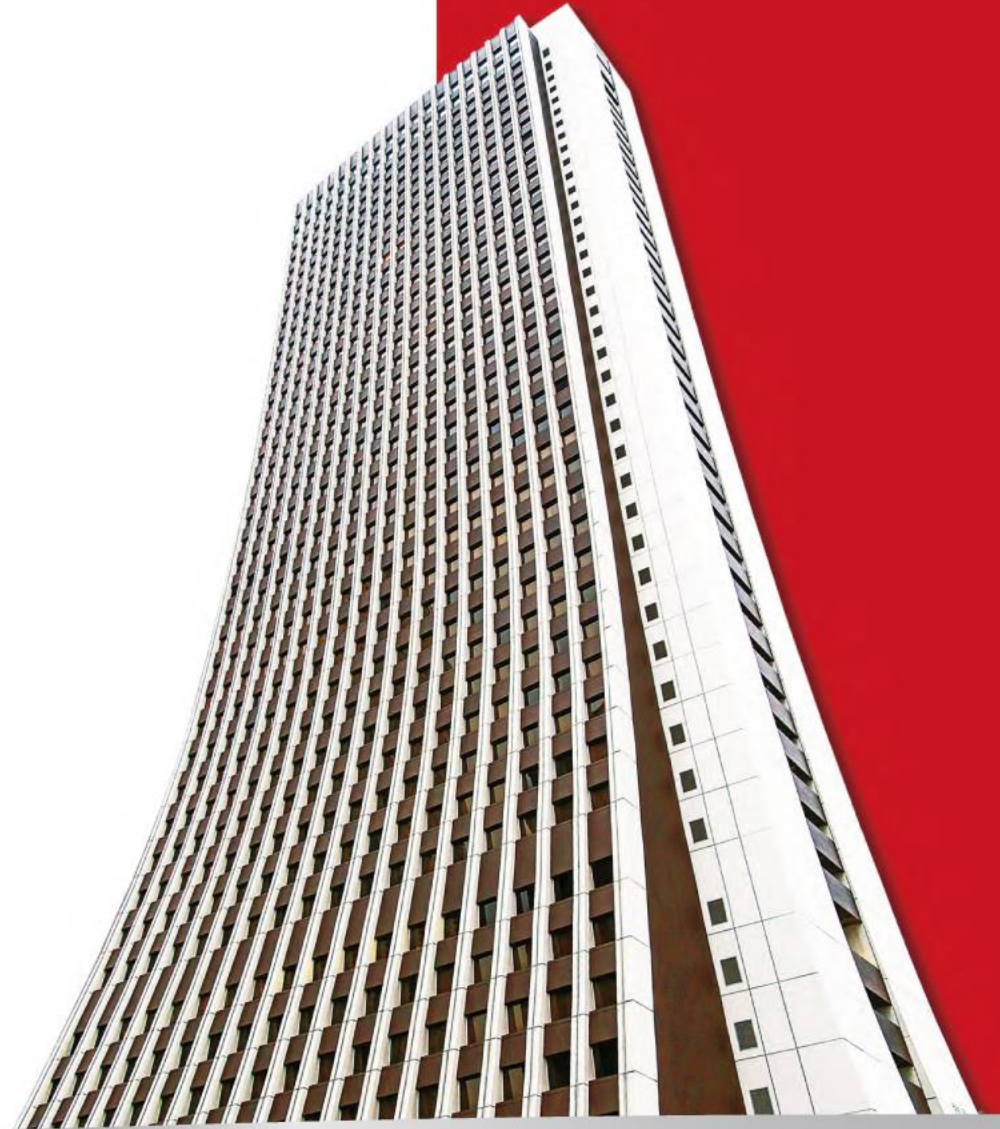
	FY2020 Actual	1H FY2021 Actual	FY2021 Forecast*1	FY2023 Plan
Adjusted consolidated profit	¥202.1 billion	¥148.7 billion	¥210 billion (¥205 billion)	¥300 billion+*2
Adjusted consolidated ROE	8.0%	5.3% Not annualized	7.4% (7.4%)	10%+
Diversification effect	Risk diversification ratio	40.2%	40.2% (40.2%)	Improve vs. FY2020
	Overseas business ratio	23.6%	26.9% (29.3%)	30%+
New customer value creation	-	See page 10	-	External sales/monetization of products/services

*1 The figures in brackets are initial forecasts

*2 Plan figures based on organic growth only.

We will increase the achievability of plan by increasing profit by ¥30.0 billion through M&A to offset downside risk (¥30 billion) associated with larger-than-expected losses from natural disasters, etc.

I .Group Strategy



Scale and Diversification(1) - Progress Overview -

- Steady top-line growth has been achieved mainly due to rate increases in Japan and overseas
- Earnings structure reform in Domestic P&C insurance and retention rate increase in Overseas insurance have been steadily expedited

Domestic P&C

Profit growth and stable cash flow generation by pursuing profitability (Main initiatives) *See pages 21-23 for details.

	Mid-Term Management Plan KPI	1H FY2021 Actual	FY2021 Forecast
Net premiums written growth* ¹	Approx. +1.5% (annualized) * ²	+2.2% (vs. 1H FY2020)	+2.5% (vs. FY2020)
E/I combined ratio* ¹	91.7%	90.7%	95.0%

- ✓ Pricing optimization in fire & allied insurance, strengthening underwriting
- ✓ New products in casualty insurance
- ✓ Steady progress in earnings structure reform, etc.

Overseas

Substantial growth in profits through rate increases and scale

(Main initiatives) *See pages 24-26 for details.

	Mid-Term Management Plan KPI	1H FY2021 Actual	FY2021 Forecast
Gross premiums written growth* ³	Approx. +9% (annualized) * ²	+34.5% (vs. 1H FY2020)	+27.9% (vs. FY2020)
E/I combined ratio* ³	88% level	92.8%	94.0%

- ✓ Rate increases over and above the industry average
- ✓ Retention rate increase reflecting improved risk-return profile of in-force policies
- ✓ Execution of bolt-on M&As

Domestic Life

Revenue growth through new customer acquisition with Insurhealth

(Main initiatives) *See pages 27-28 for details.

	Mid-Term Management Plan KPI	1H FY2021 Actual	FY2021 Forecast
Annualized new premiums* ⁴	¥50.0 billion	¥14.9 billion	¥43.0 billion
No. of policies in force	5.00 million	4.29 million	4.43 million

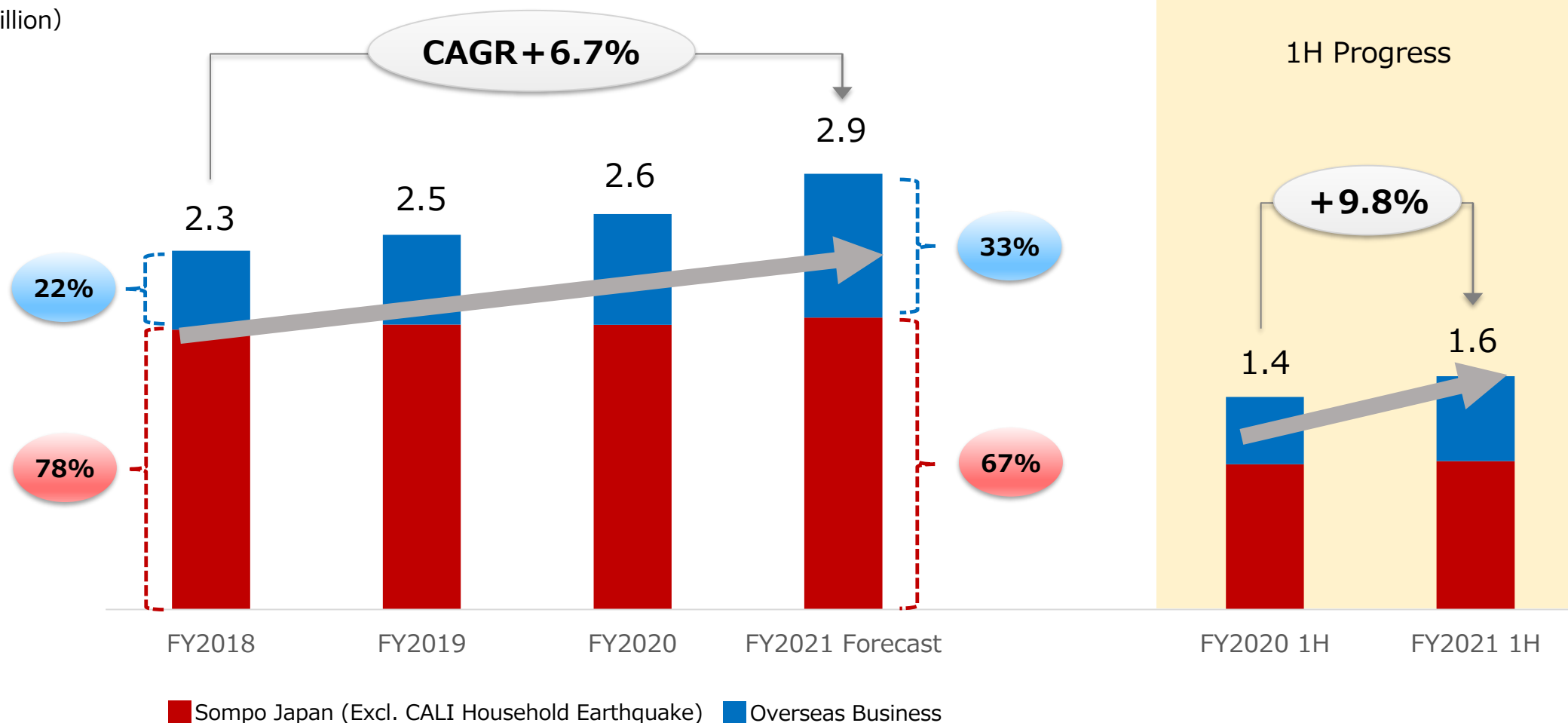
- ✓ Increase in in-force policies of protection-type products with relatively high margins
- ✓ Launch of new cancer insurance
- ✓ Sale of multi-lines driven by new products

Scale and Diversification(2) - Expansion of scale -

- Domestic P&C insurance business achieved steady growth exceeding the plan, while overseas insurance business achieved substantial revenue growth as the Group's growth engine
- As a result, scale has expanded and geographic diversification has progressed further

Trend of net premiums written

(¥Trillion)



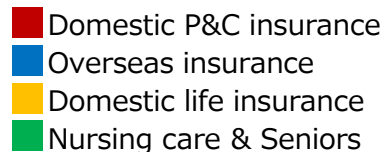
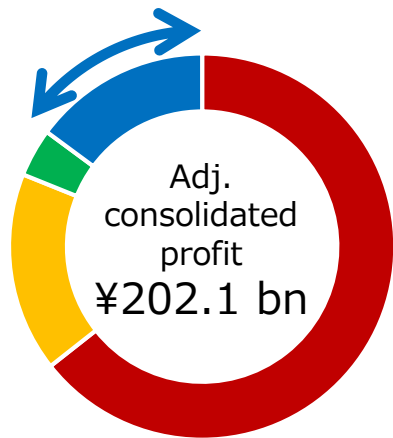
Scale and Diversification(3) - Progress of Diversification -

- The ratio of overseas business to total profit has risen as expected, thanks to the progress on scale and diversification in the Overseas Insurance and Reinsurance Businesses
- The risk diversification ratio has improved due to risk control on a Group-wide basis

Overseas business ratio

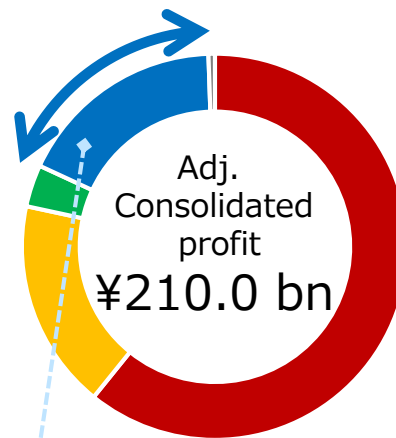
FY2020 Actual

14.9%



FY2021 Forecast

26.9%

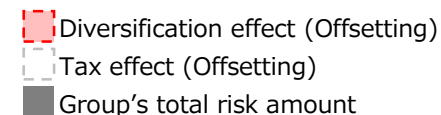


Expected to increase due to revenue growth, diminished effects of COVID-19 seen in FY2020, an increase in investment income, etc.

Risk diversification ratio (Diversification effect*)

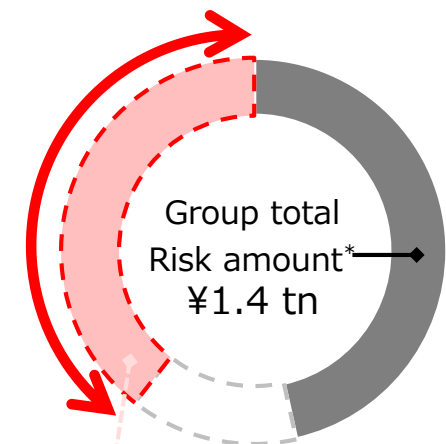
FY2020 Actual

39.4%



FY2021 Forecast

40.2%

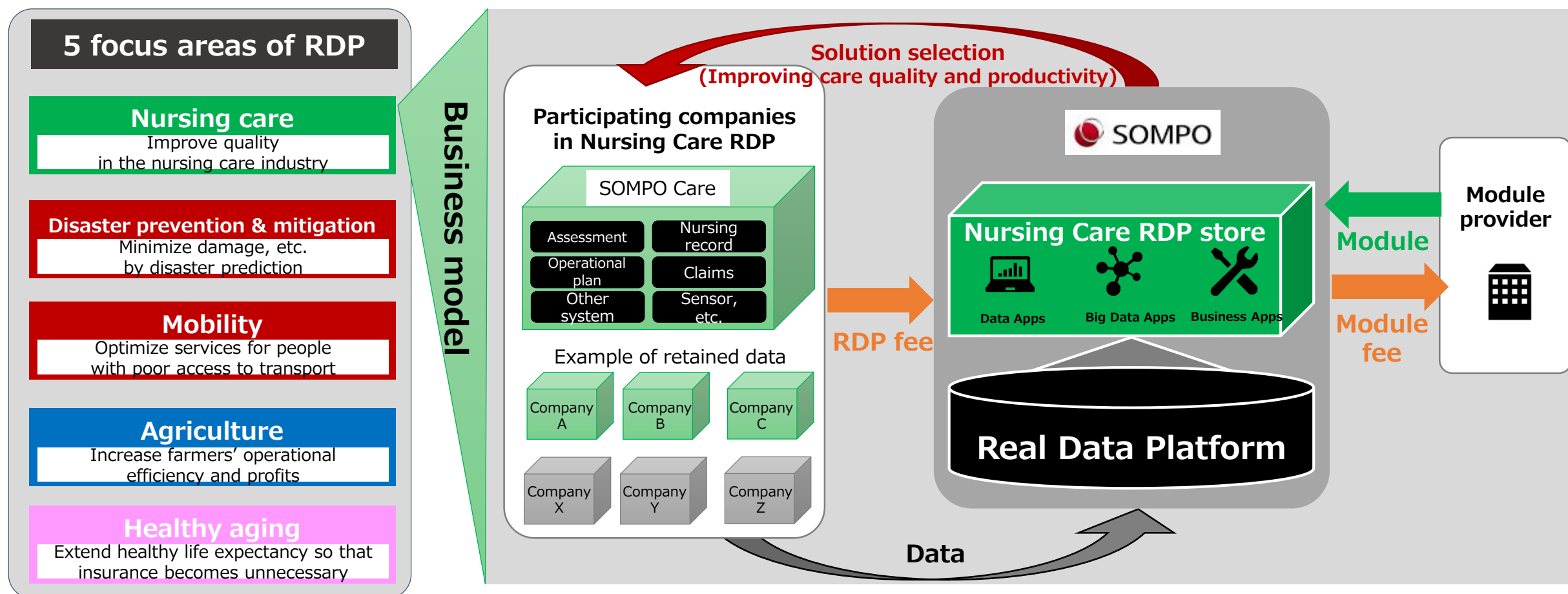


Expected to increase due to scale and diversification, efforts to improve capital efficiency, etc.

* Risk amount was calculated as 99.5% VaR over a one year period
Group's total risk amount : Sum of the individual risk amount –
Diversification effect – Tax effect

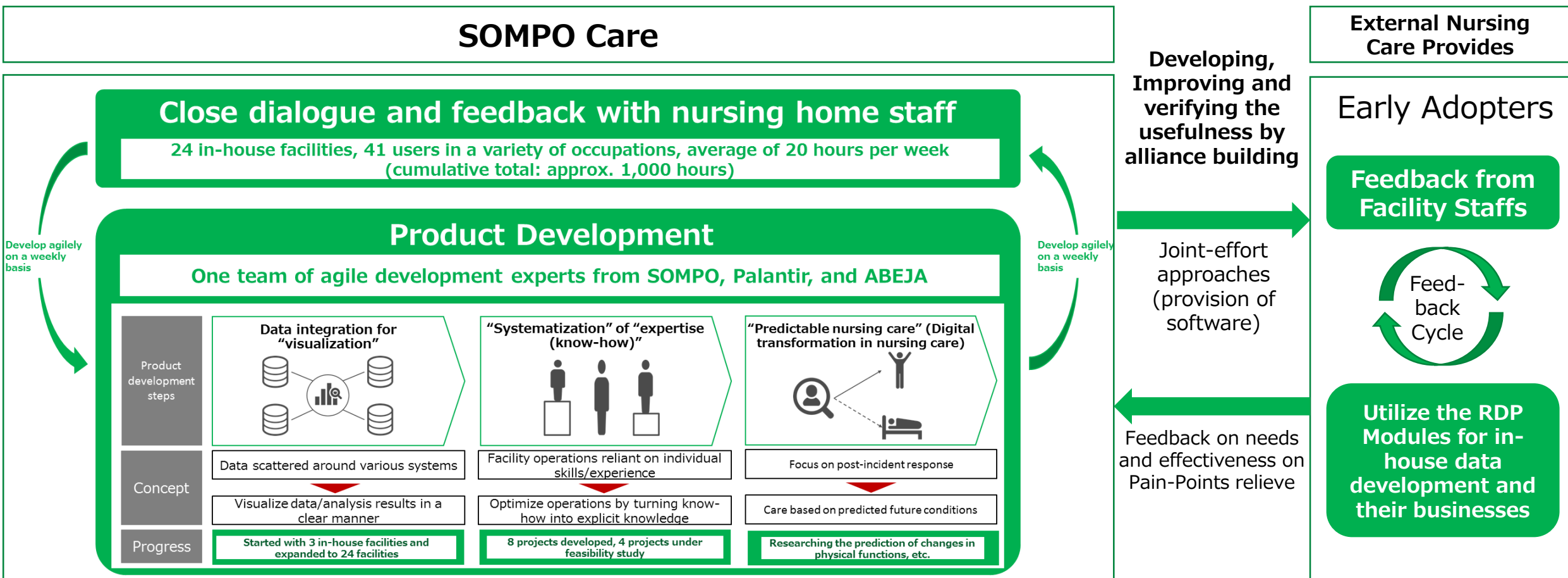
New Customer Value Creation(1) - Five Focus Areas -

- Out of five areas selected from the viewpoint of social challenges such as SDGs and data held, an initiative in nursing care is currently most advanced
- Leveraging our PoC opportunities as a leading nursing care provider, we create and deliver new value to improve quality and productivity in the industry
- Aim to become a real data platformer in nursing care by expediting new value creation, which is a key to success



New Customer Value Creation(2) - Development of Nursing Care RDP -

- In the product development process, we have spent about 1,000 hours in close dialogue and feedback with 41 staff members from a variety of positions at 24 facilities within our business
- Eight modules have been developed through "data visualization" and "systemization of expertise(know-how)", and half of them are planned to be commercialized after verification and validation. Research on predictable nursing care is also in progress
- In parallel with these in-house efforts, we have discussed joint efforts with a number of early adopters (nursing care providers) as alliance building and strengthened the process of developing, improving, and verifying the usefulness of the products



New Customer Value Creation(3) - Roadmap of Nursing Care RDP Initiatives -

- We expedite critical preparatory actions, such as setting the unit price of RDP usage and establishing sales channel, in parallel with product development and alliance building
- As an initial step, we will develop a business in an order of tens of ¥bn by combining solutions for nursing care facilities and real nursing care services
- And then, expand business gradually by building ecosystems in at-home care and peripheral businesses, and providing solutions abroad from an advanced country in solutions.

Business size of Nursing Care RDP

Unit price

×

No. of operators

+

Other

||

Mid- to long-term target
Tens of ¥bn to ¥100.0 bn level

Main initiatives towards achieving the mid- to long-term target

- Verification of effects at Sompo Care facilities (Deepening/expansion)
- Visualization of introduction benefits
- Increase in value added (Prediction model development, etc.)

Set unit price after identifying values

- Studying the needs/data environment of other operators
- Establishment of sales channel
- Cooperation with peripheral businesses

**Initial target
400+companies
(Based on the no.
of facilities)**

- Provide real service solutions, including nursing care meal services, management consulting, and centralized purchasing
- Build ecosystems by engaging at-home care, caregivers, etc. other than nursing care facilities
- International deployment, including developed countries facing low birth rate and population ageing

- As an initial step, develop a business of tens of ¥bn in size with RDP for “nursing care facilities” + real services
- Expand business gradually from at-home care, peripheral businesses (medical institutions, dispensing pharmacies, etc.) and internationally

Investment in Growth to Achieve the Mid-term Management Plan

- Capital allocation has been on track to increase the achievability of management targets and long-term growth
- As for digital business investment to create new customer value, steady progress has been made in collaboration, including projects invested in the past

Progress of growth investment

Capital allocated to growth investment under the Mid-Term Management Plan

Approx. ¥600.0bn

Investing for future growth with a discipline

Investment to date : Approx. ¥40bn

Scale and diversification

Acquisition of Italian crop insurance company

Strategic investment in insurtech company

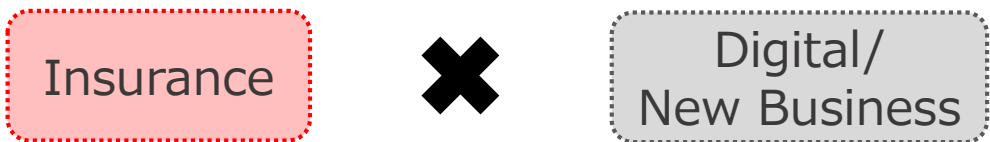
New customer value creation

Establishment of core company of the Digital Business

Strategic investment in connected car data company

Capital alliance with AI startup

Investment area



- ✓ Increase profitability
 - ✓ Diversify business portfolio
 - ✓ Strengthen resilience
- ✓ Address social challenges from a long-term perspective
 - ✓ Transform business portfolio
 - ✓ Increase sustainable growth potential

Digital investment (ex Palantir)

- ✓ Investment for new business creation and strategic returns since 2016
 - ✓ Collaboration with investees progressed in about 60% of all projects
- In progress (including delay) / Collaboration realized

Stopped considering / Stalled
- ✓ Investment value increased as the business of investees has grown (Direct + VC)
- Total investment :
Approx. ¥30bn

▶

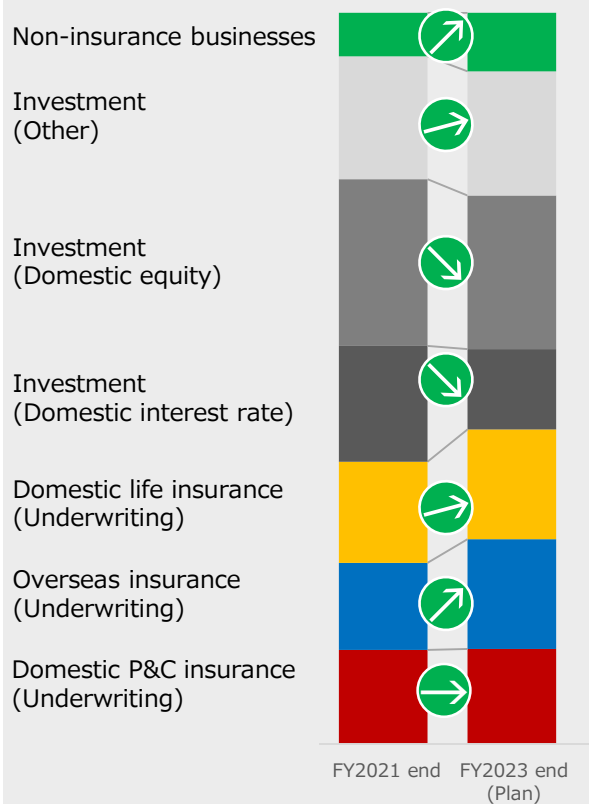
Current equity value (SOMPO estimate) : Approx.
¥60bn*

* Direct: Since the shares are unlisted, we estimate the stock value based on the valuation at the time of the most recent capital increase
 . VC: We estimate the total amount of recovery and remaining market value

Capital Policy & ERM (1) - Risk Reduction -

- Risk reduction initiatives towards improving capital efficiency have been on track
- Aim to improve capital efficiency at the Group level by improving capital efficiency in existing businesses and allocating capital to areas with high capital efficiency

Direction of risk



Reduction of domestic interest rate risk

- Purchase of super-long bonds*¹ by Himawari Life

1H FY2021 Actual	Mid-Term Management Plan Target
¥158.8 bn	¥300.0 bn p.a.
Risk amount -¥20 bn (-3.8% vs. FY2020 end)	

Reduction of strategic shareholdings*²

1H FY2021 Actual	Mid-Term Management Plan Target
¥19.9 bn* ³	¥50.0 bn p.a.
Risk amount -¥8.8 bn (-1.3% vs. FY2020 end)	

Adjusted consolidated ROE of 10% +

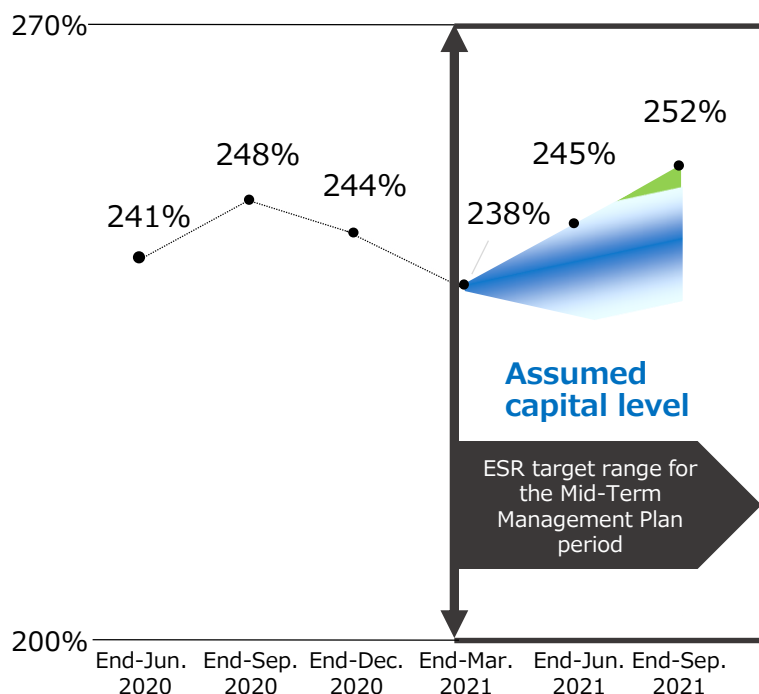
Capital efficiency exceeding the cost of capital (approx. 7%)

*1 30-year bond equivalent *2 Market value basis *3 Includes short positions on Nikkei 225 futures

Capital Policy & ERM (2) - Shareholder Return -

- Since capital surplus is likely to stably remain greater than assumed level in the capital strategy, we decided to buy back shares worth ¥20.0bn as supplementary return
- Continue to deliver attractive shareholder return by taking into account the business environment and capital situation, while executing disciplined growth investment

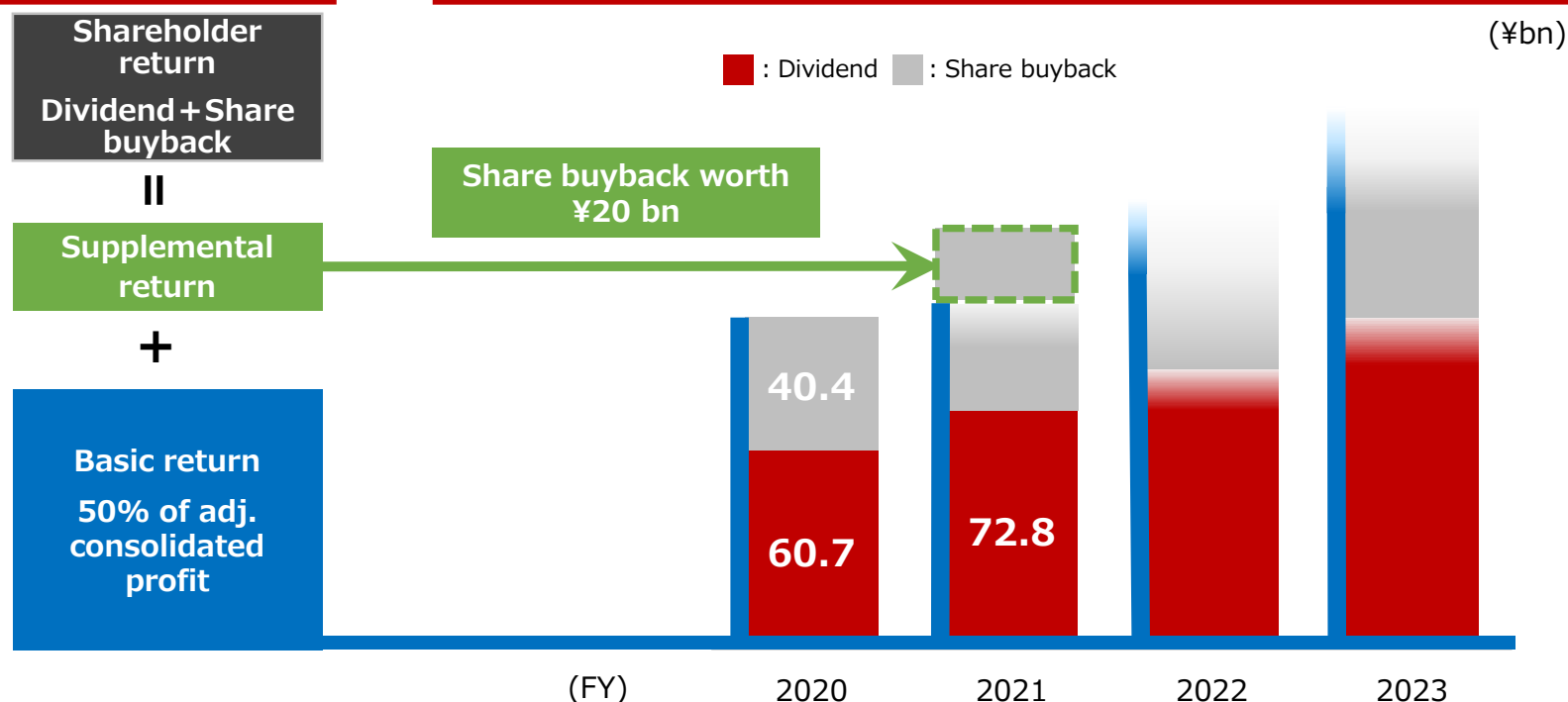
ESR trend



Conditions for and situations of delivering supplemental return

- When ESR constantly exceeds the target range
- When adjusted profit declines due to one-off factors such as natural disasters, maintain the prior fiscal year's level of return
- When growth investment such as large M&A is not expected
- ✓ **When it is determined that enhancement of capital efficiency, etc. are needed**

Shareholder return*

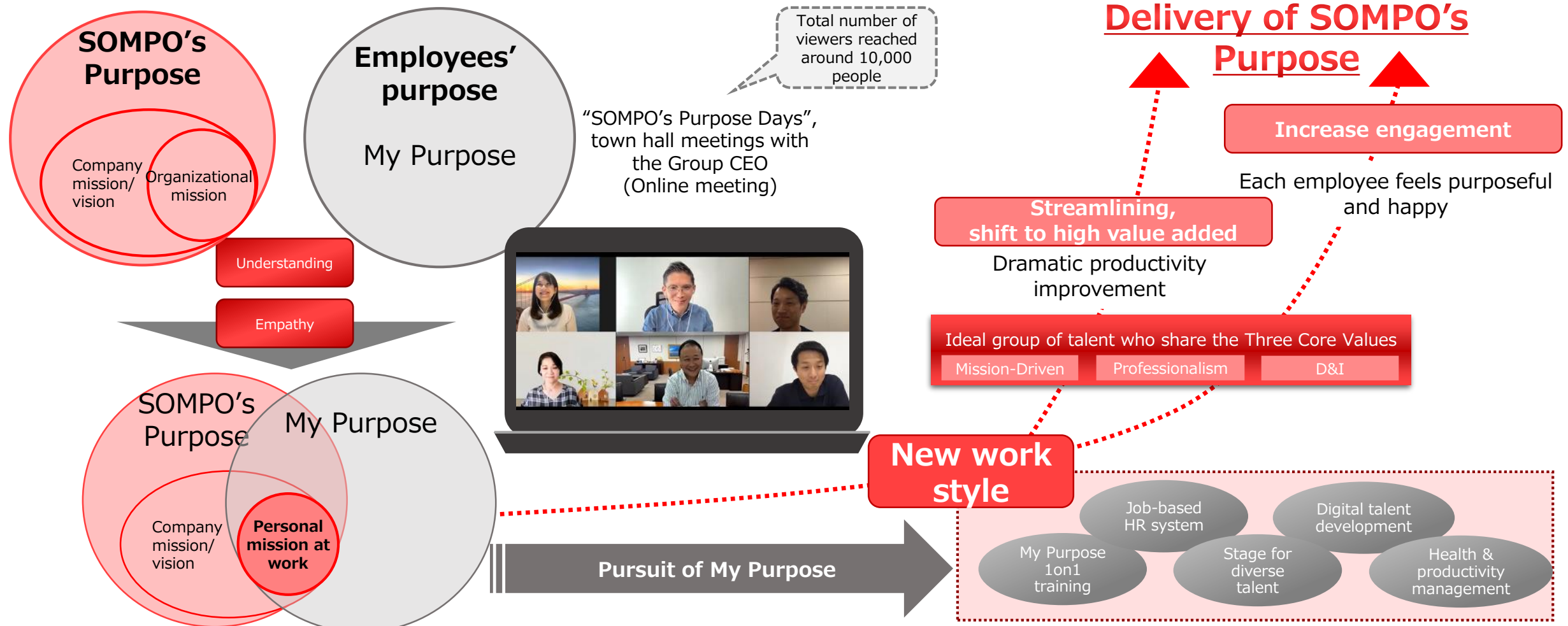


Dividend per share	¥170	¥210 (Forecast)
Total payout ratio	50%

*1 Rough estimates for FY2021 onwards

New Work Style

- Each Group employee aligns My Purpose with SOMPO's Purpose to be self-driven at work
- Through this, accomplish the goals of new work style, that is, "job satisfaction and happiness of each employee" and "productivity improvement" to eventually deliver SOMPO's Purpose



SDGs in Business Management

- PDCA is implemented in conjunction with business strategies, by clarifying the status of achievement and actions through defining Materiality KPIs for the realization of the Purpose
- The Annual Report was fundamentally revised to be an important information disclosure tool to promote SOMPO's strategies and initiatives to achieve the Purpose

Materiality KPIs (See pages 35-37 for details)

Identify social challenges we face

Determine high priority challenges based on the linkage between the social challenges to be addressed and SDGs

Organizes 7 materialities

Materiality KPIs

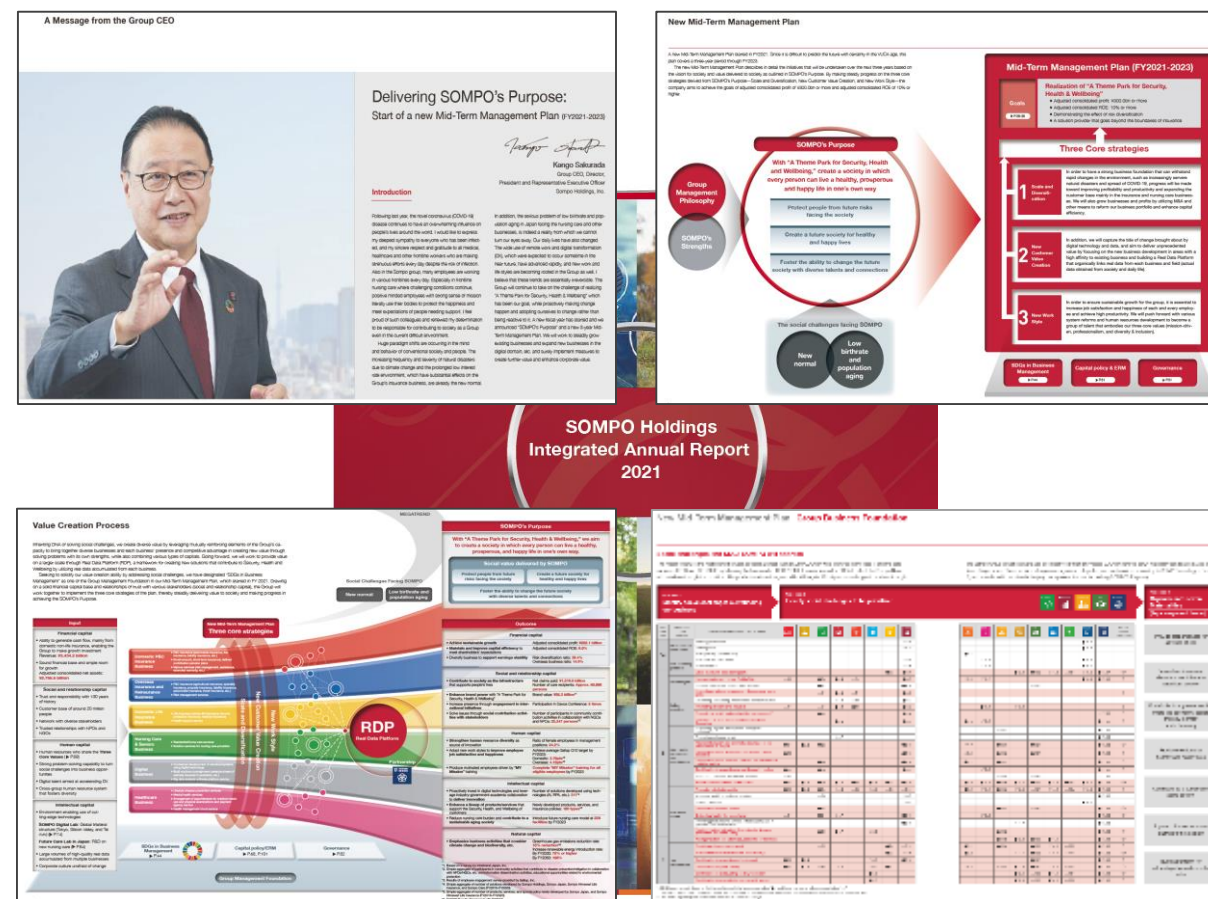
Business Strategies	New Work Style	Environment/Society	36
22	8	6	

Economic value ✖ Social value

Set KPIs so that business initiatives create social value
(30 out of 36 KPIs are adopted as individual business mid-term management plan targets)

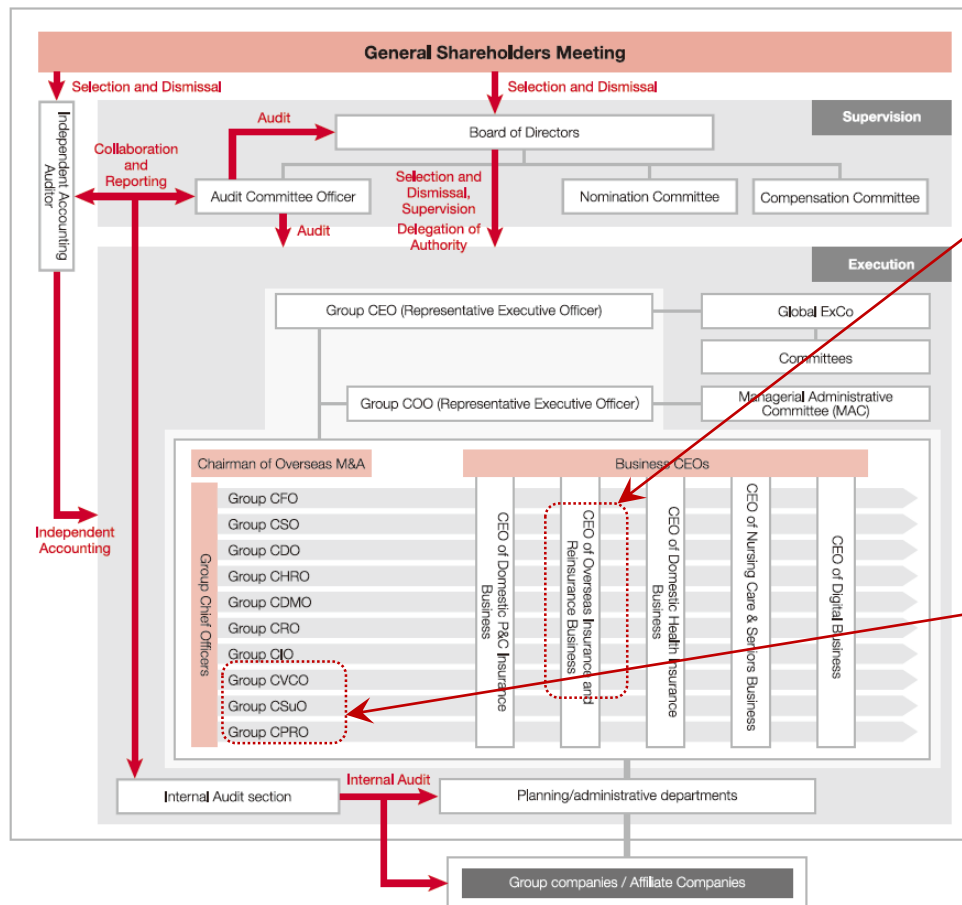
→ **A mechanism linking initiatives towards realizing the Purpose and execution of business plans**

Annual Report 2021



- A new CEO of Overseas Insurance and Reinsurance Business was appointed on September 1 in line with the succession plan
- The Value Communication Team was established under the Group CVCO to strengthen the structure to increase brand value and corporate value through purpose-driven management and promotion of sustainability

Corporate governance structure



✓ Appointment of new CEO of Overseas Insurance and Reinsurance Business

James Shea was appointed as the CEO of Overseas Insurance and Reinsurance Business in line with the succession plan as John Charman is retiring

✓ Establishment of the Value Communication Team (VCT)

- Group Chief Value Communication Officer,
- Group Chief Sustainability Officer,
- Group Chief Public Relations Officer,

are the main members of the VCT

- Work together to increase unrealized financial value through purpose management and sustainability promotion
- Improve brand value and corporate value through effective communication with multi-stakeholders

II .Strategies by Business



KPIs by Business

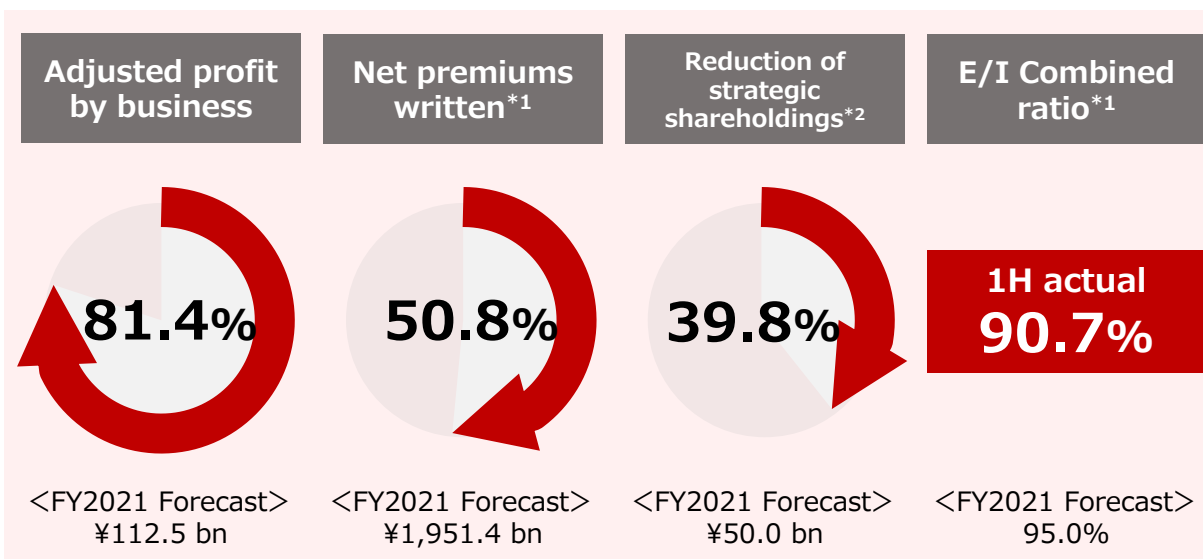
- To achieve Group management targets, top line, profitability and adjusted profit targets by business were set as KPIs
- 1H FY2021 results of each business have been successfully on track toward achieving the FY2021 Forecast

Domestic P&C	1H FY2021 Actual	FY2021 Forecast*7	FY2023 Plan
Adjusted profit by business	¥91.6 bn	¥112.5 bn (¥105 bn)	¥150.0 bn +
Net premiums written*1	¥991.2 bn	¥1,951.4 bn (¥1,929.3 bn)	¥2,000 bn
E/I combined ratio*1	90.7%	95.0% (94.8%)	91.7%
Reduction of strategic shareholdings	¥19.9 bn*2	¥50 bn (¥50 bn)	¥50.0 bn p.a. 3-year cum. Total: ¥150.0 bn
Overseas Insurance	1H FY2021 Actual	FY2021 Forecast*7	FY2023 Plan
Adjusted profit by business	¥35.1 bn	¥56.5 bn (¥60.0 bn)	¥100.0 bn +
Gross premium written growth*5	+34.5%	+27.9% (+10.2%)	Approx. +9% p.a.
E/I combined ratio*5	92.8%	94.0% (91.7%)	88% level
Domestic Life	1H FY2021 Actual	FY2021 Forecast*7	FY2023 Plan
Adjusted profit by business	¥18.5 bn	¥32.5 bn (¥32.5 bn)	¥40.0 bn +
Annualized new premiums*3	¥14.9 bn	¥43 bn (¥43 bn)	¥50.0 bn
No. of policies in force	4.29 mn	4.43 mn (4.43 mn)	5.00 mn
Increase in ALM assets*4	¥158.8 bn	¥300 bn (¥300 bn)	¥300.0 bn p.a. 3-year cum. total : ¥900.0 bn
Nursing Care & Seniors	1H FY2021 Actual	FY2021 Forecast*7	FY2023 Plan
Adjusted profit by business	¥2.5 bn	¥6.5 bn (¥6.5 bn)	¥8.0 bn +
Revenue	¥67.3 bn	¥137.7 bn (¥137.5 bn)	¥162.0 bn
Occupancy rate	90.8%	92.0%*6 (90.8%)	93.8%*6

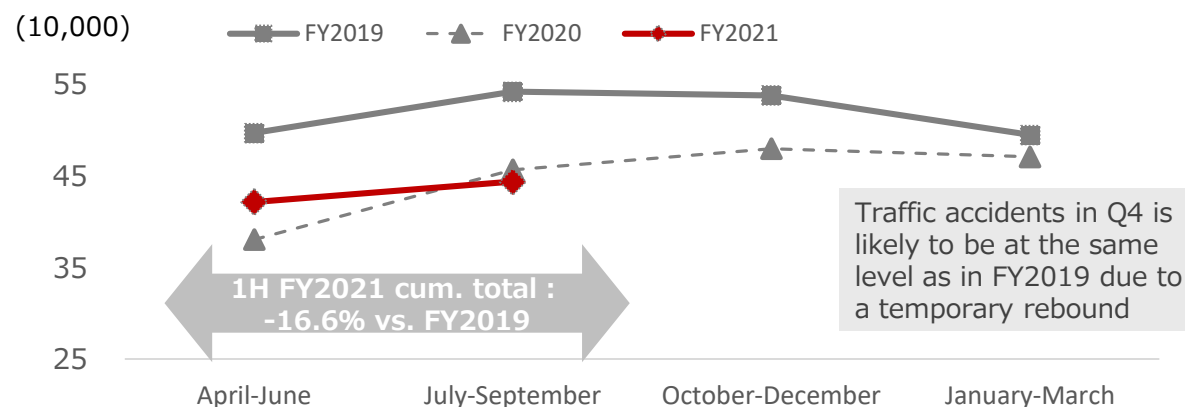
*1 Sompo Japan (excl. CALI, household earthquake) *2 Includes futures *3 Sales performance basis *4 30-year bond equivalent *5 SI Commercial *6 As of fiscal yearend
*7 Initial forecasts in brackets

Domestic P&C Insurance(1) - Progress Overview -

Progress against KPIs in 1H (vs. FY2021 forecasts)



Ref. No. of traffic accidents*3 (Monthly)



Key points of progress against KPIs in FY2021

1	<p>✓ Adjusted profit by business</p> <ul style="list-style-type: none"> Earnings structure reform has produced visible results through pricing optimization, strengthening underwriting by utilizing technology, etc.
2	<p>✓ Net premiums written</p> <ul style="list-style-type: none"> On track owing to top line growth in fire & allied insurance through the progress of earnings structure reform and sales growth of other insurance, focusing on Business Master Plus*4
3	<p>✓ E/I combined ratio</p> <ul style="list-style-type: none"> Both the G&A expense ratio and company expense ratio have been in line with the plan since an increase in depreciation expense associated with main enterprise system renovation was offset by manpower savings, etc. The loss ratio declined mainly due to a decrease in domestic natural disaster losses

*1 Sompo Japan (excl. CALI, household earthquake)

*2 Includes short positions on Nikkei 225 futures

*3 Excludes accidents caused by natural disasters and incurred losses exceeding a certain amount

*4 Packaged product for SMEs that covers various risks faced companies

Domestic P&C Insurance(2) - Earnings Structure Reform -

- Efforts to optimize rates and improve underwriting terms & conditions of large loss policies have produced visible results

Earnings structure reform

Pricing optimization

1H FY2021 Actual FY2021 Forecast

¥+9.9 bn

¥+18.8 bn

■ Main initiative

- Rate increase in fire & allied insurance based on building age, etc. (Jan. 2021)

Productivity improvement

1H FY2021 Actual FY2021 Forecast

¥+0.8 bn

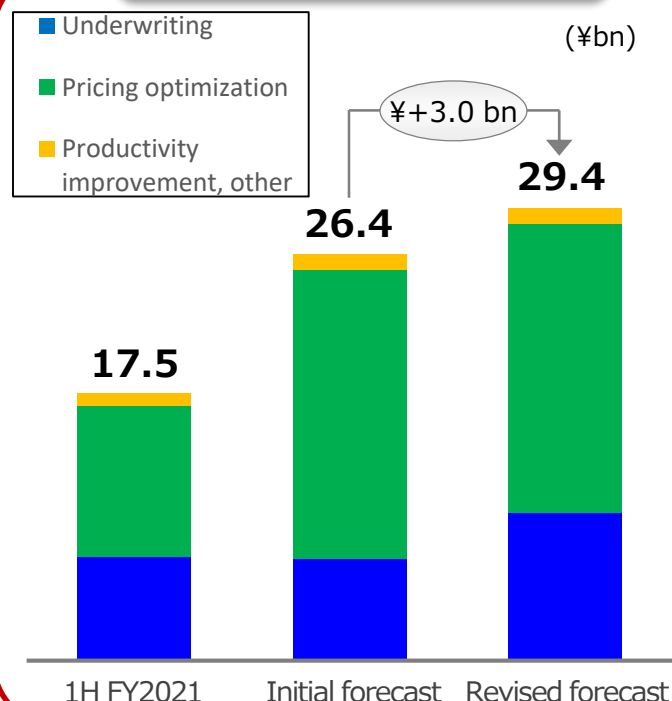
¥+1 bn

■ Measures to improve productivity for saving manpower

- PoC to improve productivity by utilizing digital technologies
- Started developing digital technology solutions to address common issues faced by the Headquarters departments in data generation/analysis, frontline support, etc.

62 projects in total, of which production
+ PoC phase : 36 projects

Earnings structure reform effects (FY2021)



Underwriting

1H FY2021 Actual FY2021 Forecast

¥+6.7 bn

¥+9.6 bn

Revised up by ¥3 bn from the initial plan

Measures against large losses of large companies

Effect : ¥4.3 bn

Measures against large losses of SMEs, etc.

Effect : ¥2.4 bn

■ Main initiatives

- Implemented measures against large losses of SMEs by using Palantir's technology
- Plan to roll out to other insurance from FY2022

*The effects are estimates compared to FY2020 actual on a after tax basis

Domestic P&C Insurance(3) - Top Line Growth Initiatives -

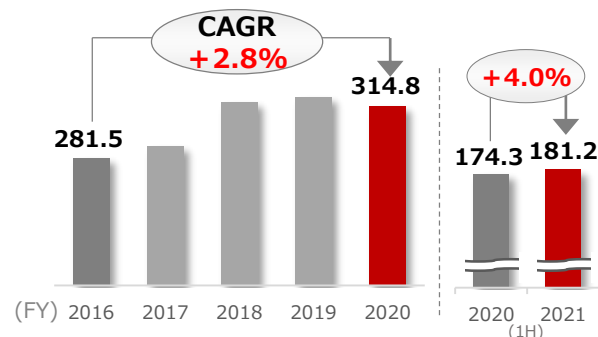
Top line growth driven by casualty insurance and property insurance

Solid growth in both casualty insurance and property insurance, continue implementing marketing strategy to accelerate growth

Increase sales of Business Master Plus

Drove topline growth of casualty line

Net premiums written (Casualty line / ¥bn)



- Increase customers by taking advantage of option selection and contract application
- Increase the unit price of premiums by having a wide range of options in the product line-up

Optimize underwriting of property insurance by utilizing technology

- Boost the top line through AI underwriting by cooperating with Palantir
- Plan to roll out to casualty line

<Future initiatives>

- Build an underwriting platform supported by automatic online data collection and analysis
- Fine tune prices with property risk survey by using satellite/aerial photos

PLANCK
Geo.X

New market finding and creation

- Develop solutions for renewable energy, etc.
- Develop disaster prevention & mitigation services, etc.

Products aligned with SDGs

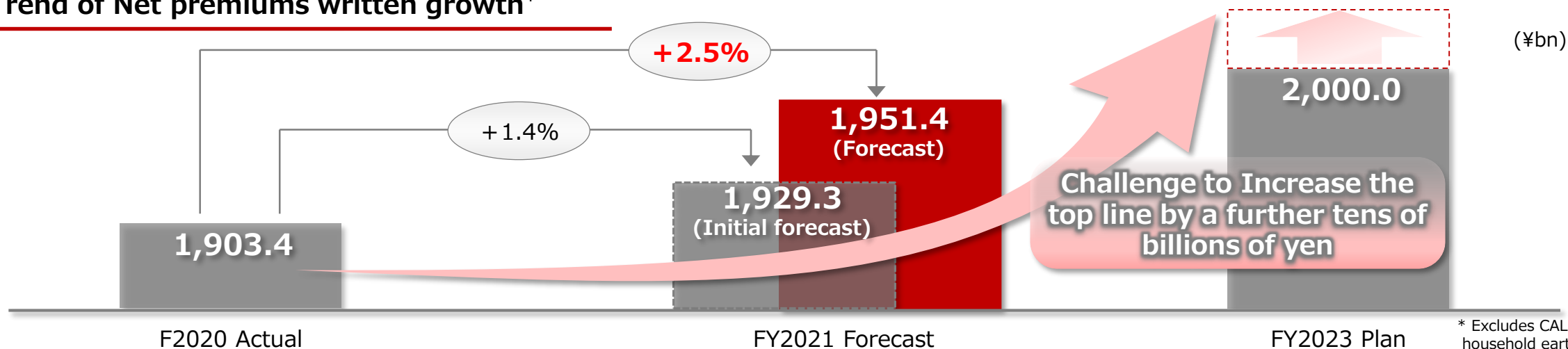
Strategy to grow further by addressing social challenges

Space industry market

Digital related insurance

- Accumulate know-how by collaborating with startups, etc.
- Approach to market by cooperating with platformer, etc.

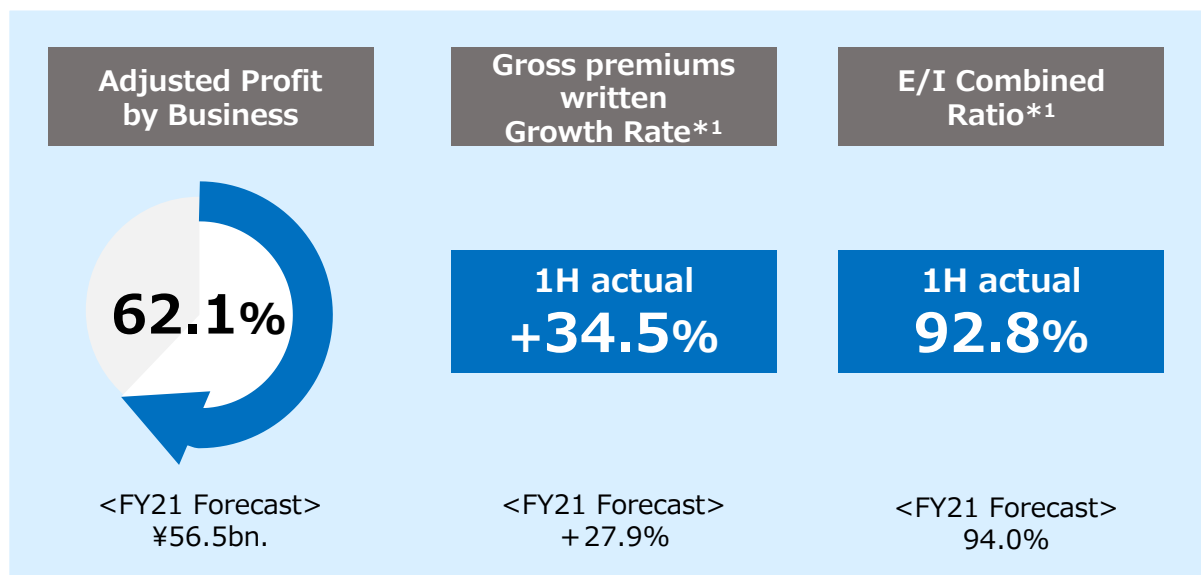
Trend of Net premiums written growth*



* Excludes CALI, household earthquake

Overseas Insurance Business(1) - Progress Overview -

Progress against KPIs in H1 (vs. FY2021 forecasts)



Ref. Status of losses due to natural disasters

- 9/30/2021 YTD Catastrophe Losses*2 of approximately ¥44.0 bn
 - Revised FY21 forecast include catastrophe losses approximately ¥55.0 bn
- Estimated industry losses on global basis in FY2021 may exceed ¥10.0 tn
 - Sizeable losses: Hurricane Ida, Texas Freeze and European flood

Key Points of progress against KPIs in FY 2021

1	✓ Adjusted profit by business <ul style="list-style-type: none"> SI Commercial P&C Business Anticipates Generating Originally Planned Adjusted Profit for FY2021 Sompo International Holdings continues to integrate Overseas Retail businesses into its governance and control framework and enhancing oversight capabilities
2	✓ Gross premiums written growth rate <ul style="list-style-type: none"> Gross Written Premium Growth in Excess of Plan Being Achieved Within SI's Commercial P&C Business SI's Commercial P&C business continues to deliver profitable growth as it leverages its global franchise and underwriting capabilities in a strong market where price increases continue to outpace loss cost trends
3	✓ Combined ratio <ul style="list-style-type: none"> SI's Commercial P&C business expects to deliver full year improved underwriting results despite the continued frequency and severity of natural catastrophe losses, reflecting the quality of its underwriting, the benefits of a diversified portfolio and pricing improvements achieved

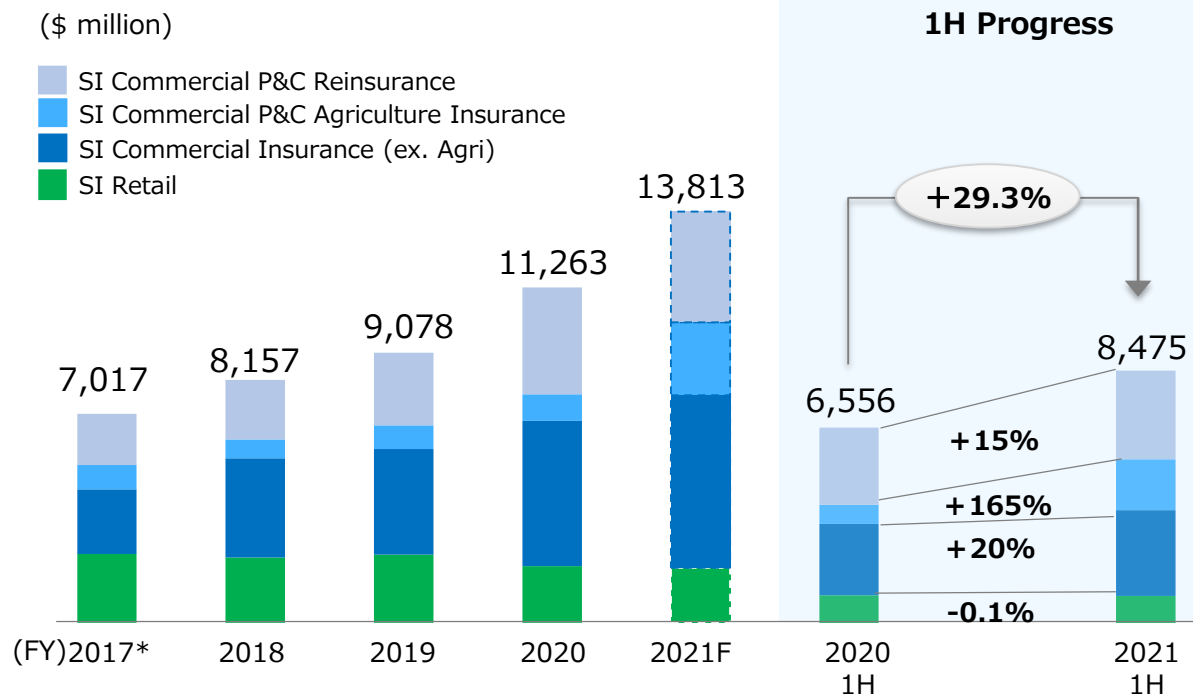
*SI Commercial P&C

*2 Exclude Domestic Insurance business's exposure

Overseas Insurance Business(2) - Disciplined and Opportunistic Growth -

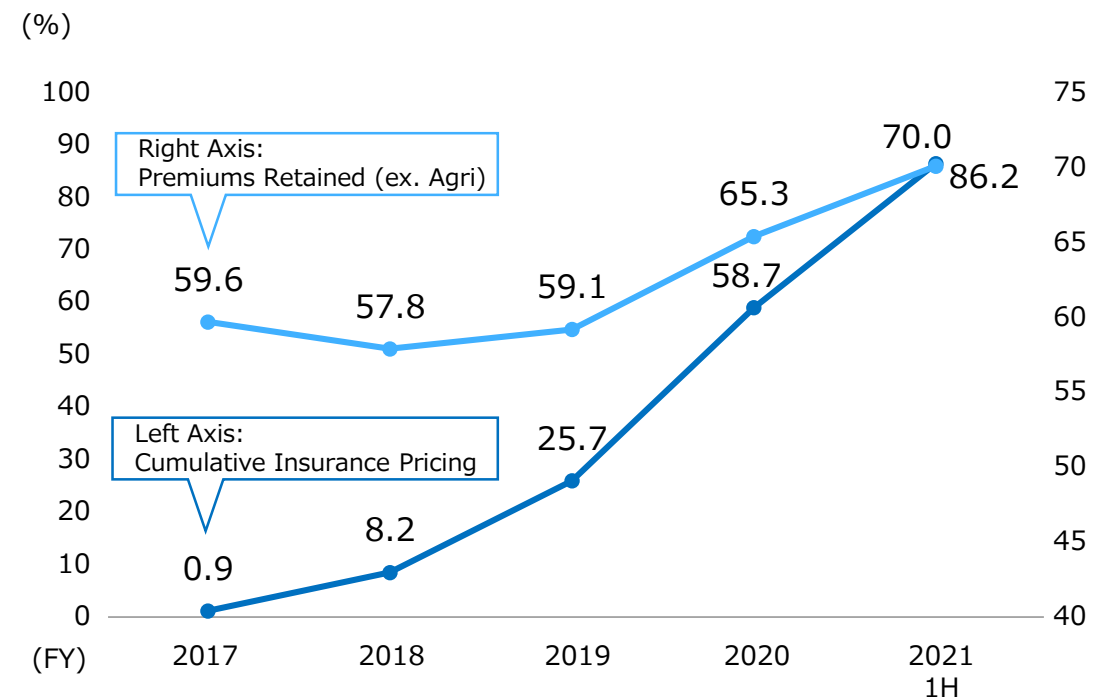
- SI Commercial P&C expanded through organic growth and through the integration of Diversified
- Market trends remain attractive across nearly all Lines of business

SIH's gross premiums written growth



- Acquisition of Diversified and higher commodity prices has led to significant growth in agriculture insurance premiums
- Insurance (ex. Ag.) and reinsurance gross premiums continue to expand as pricing remains favorable

Commercial P&C Insurance Price Increases Paired with Lower Reinsurance Purchases

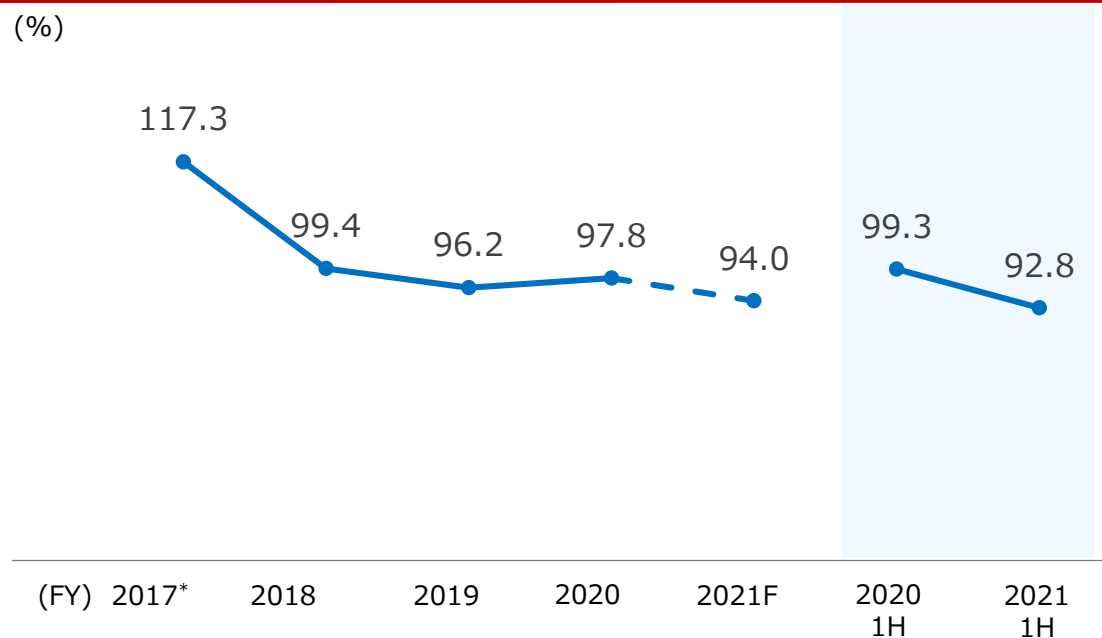


- Though decelerating, market pricing remains favorable and in excess of loss cost trends. Strategically increasing premiums retained (reduced reinsurance purchasing) to reflect favorable economics
- Improved pricing in previous years is directly contributing to enhanced margins in FY2021

Overseas Insurance Business(3) - SI Commercial P&C's Planned Underwriting Improvements -

- SI Commercial P&C's 1H FY2021 underwriting profitability increased due to higher rates, growing premium base and greater scale, while catastrophe losses were well managed compared to peers

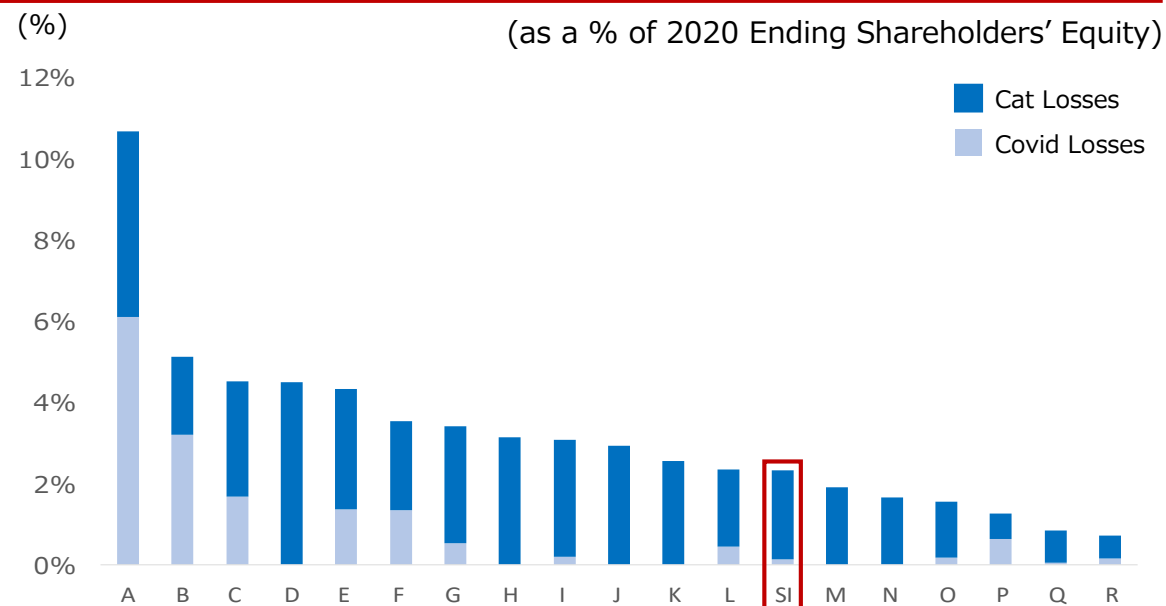
SI Commercial P&C's combined ratio



- The 2Q2021 YTD combined ratio compares favorably to 2Q2020 YTD due to improvements in the loss and expense ratios
- The revised FY2021 forecast includes improving underwriting margins reflecting the positive impact of rate changes

*Exclude f.Sompo America's and others figure

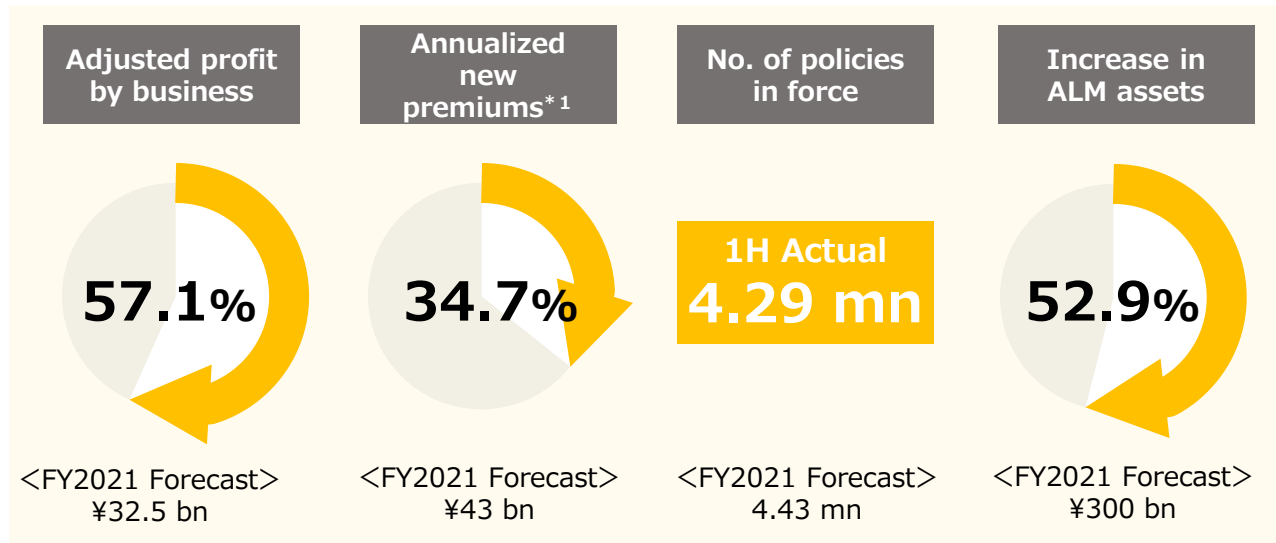
1H of 2021 catastrophe and COVID-19 losses (peer comparison)



- During the first quarter the industry was adversely impacted by the freeze in Texas while second quarter industry catastrophe losses were fairly light
- Industry COVID-19 P&C losses have been negligible in FY2021 as initial reserves established in FY2020 have largely remained unchanged. Some life operations continue to experience mortality related losses in FY2021

Domestic Life Insurance(1) - Progress Overview -

Progress against KPIs in 1H (vs. FY2021 forecasts)



Ref. Annualized new premiums (Based on financial results announced)

	FY2019	FY2020	FY2021	% change vs. FY2019
Himawari Life(1H)	¥12.0 bn	¥11.3 bn	¥13.1 bn	+9.4%
Himawari Life(1Q)	¥5.5 bn	¥4.2 bn	¥6.5 bn	+17.9%
Other domestic life insurance companies(1Q)*2	¥531.2 bn	¥241.4 bn	¥444.4 bn	-16.3%

Key points of progress against KPIs in FY2021

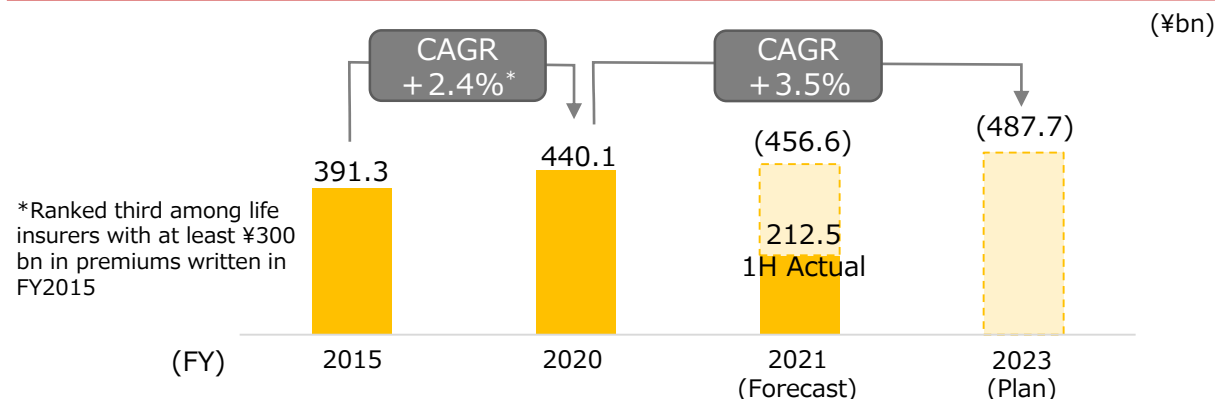
1	<p>✓ Adjusted profit by business</p> <p>On track mainly due to an increase in in-force policies of protection-type products</p>
2	<p>✓ Annualized new premiums</p> <ul style="list-style-type: none"> • KPI of ANP is ambitious at +44% YoY. ANP has been higher than in FY2019 (pre-COVID-19 level) and significantly outperformed industry peers in 1Q • Sale of new cancer insurance (Insurhealth) launched on Oct. 2 reached 300K in just over 1.5 month and made a good start. Aim to accomplish the annual plan by increasing sales of other lines in association with this product, etc.
3	<p>✓ Increase in ALM assets</p> <p>On track with an increase of ¥158.8 bn in 1H FY2021 against the annual target of ¥300.0 bn</p>

*1 Sales performance basis *2 Source: Life Insurance Association of Japan.

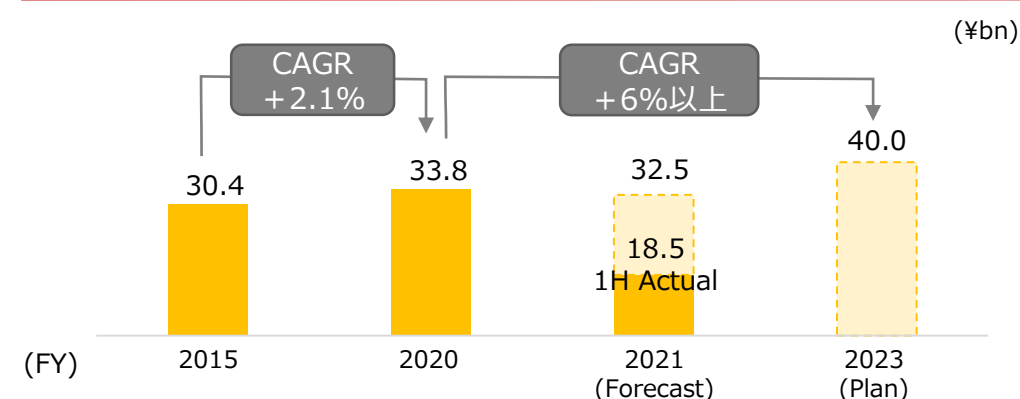
Domestic Life Insurance(2) - Key Indicators -

- Increase adjusted profit through one of the highest levels of growth in premiums written and sales strategy of highly profitable Insurhealth
- Increase ALM assets as planned to reduce interest rate risk by nearly halving the interest rate sensitivity of MCEV by the end of FY2023

Premiums written

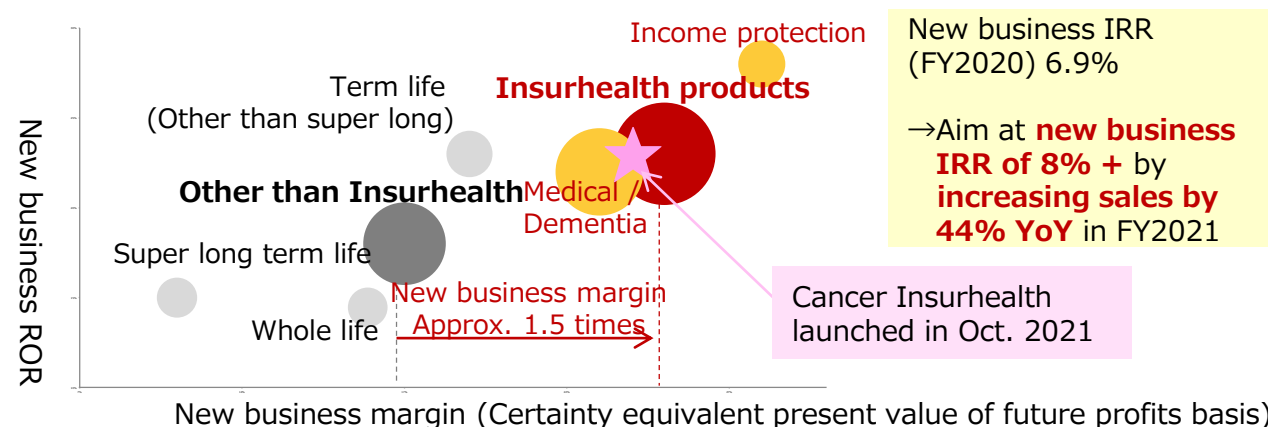


Adjusted profit

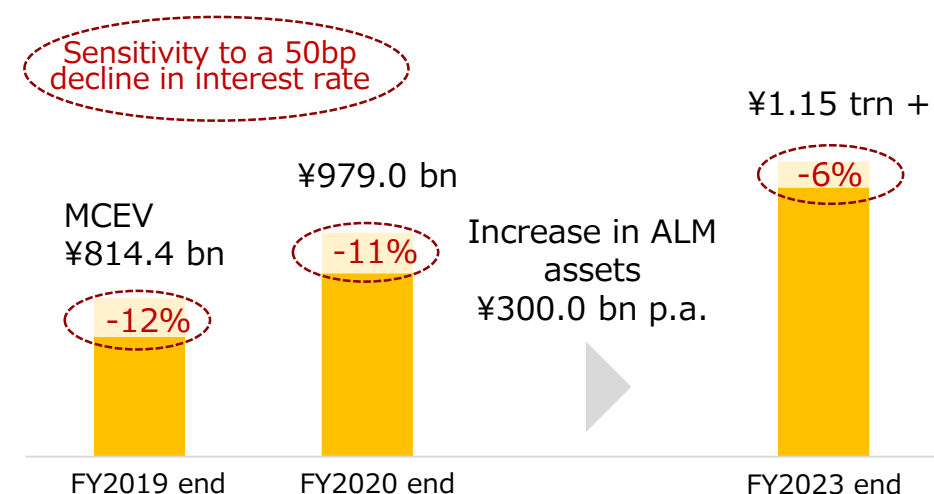


Profitability management by new business ROR and new business margin

New business margin (FY2020): 13.5% (One of the highest level among domestic companies disclosing EV) (1H FY2021 actual 14.8%)

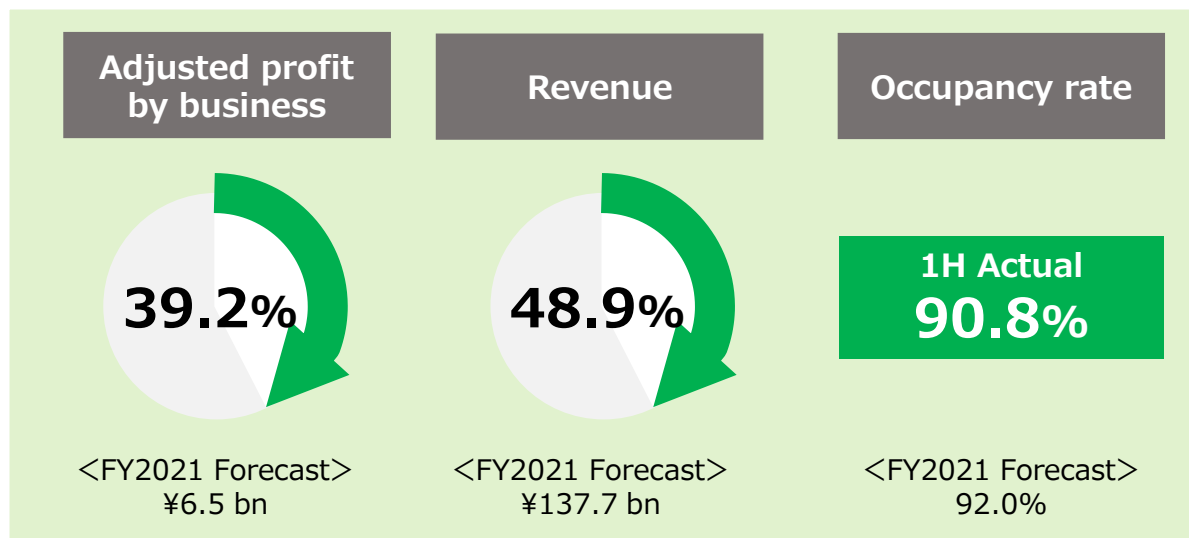


Reduction of MCEV sensitivity through interest rate risk reduction measures

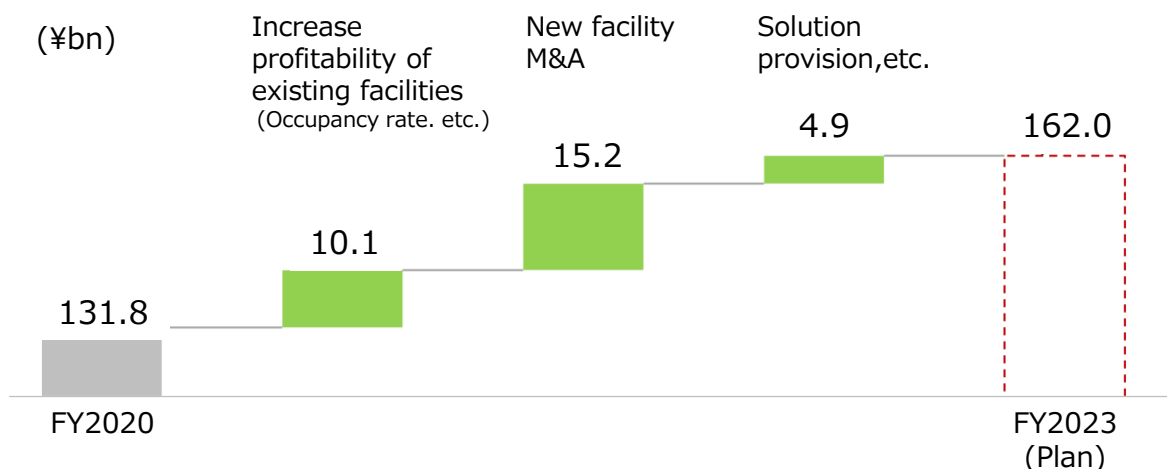


Nursing Care & Seniors(1) - Progress Overview -

Progress against KPIs in 1H (vs. FY2021 forecasts)



Ref. Revenue growth plan by strategy in the Mid-Term Management Plan period

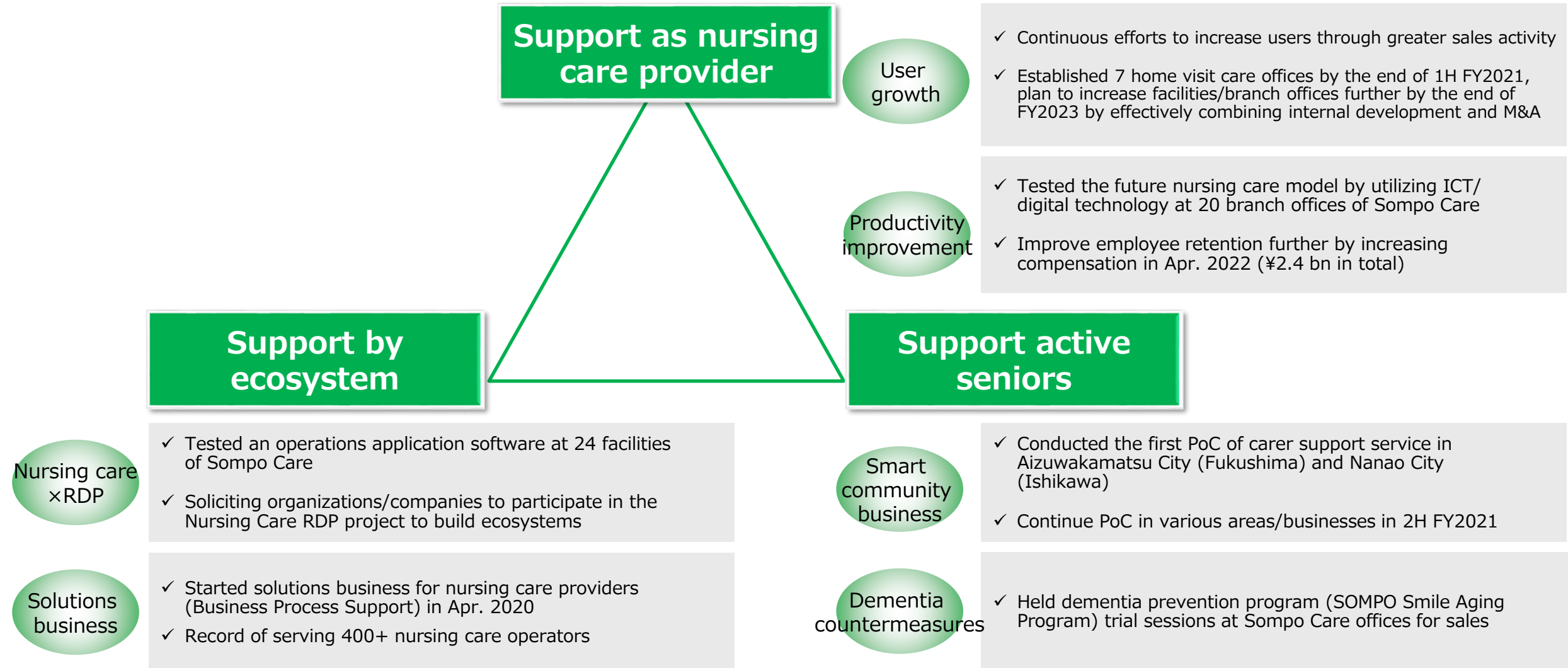


Key points of progress against KPIs in FY2021

1	<p>✓ Adjusted profit by business</p> <ul style="list-style-type: none"> Revenue increased due to an increase in residents owing to greater sales activity Adjusted profit for FY2021 is likely to be ¥6.5 bn as initially expected due to an increase in personnel expense associated with revenue growth, increase in supplies expense because of COVID-19, etc.
2	<p>✓ Revenue</p> <ul style="list-style-type: none"> The progress rate is 49% vs. plan and on track since the number of new residents exceeded the initial forecast owing to greater sales activity. Revenue for FY2021 is expected to be as initially planned through continuous efforts in 2H
3	<p>✓ Occupancy rate</p> <ul style="list-style-type: none"> The number of new residents exceeded the initial plan target due to greater sales activity The occupancy rate at the end of FY2021 is likely to be significantly higher than the initial forecast of 90.8% through continuous efforts

Nursing Care & Seniors(2) - Progress of 3 Core Strategies -

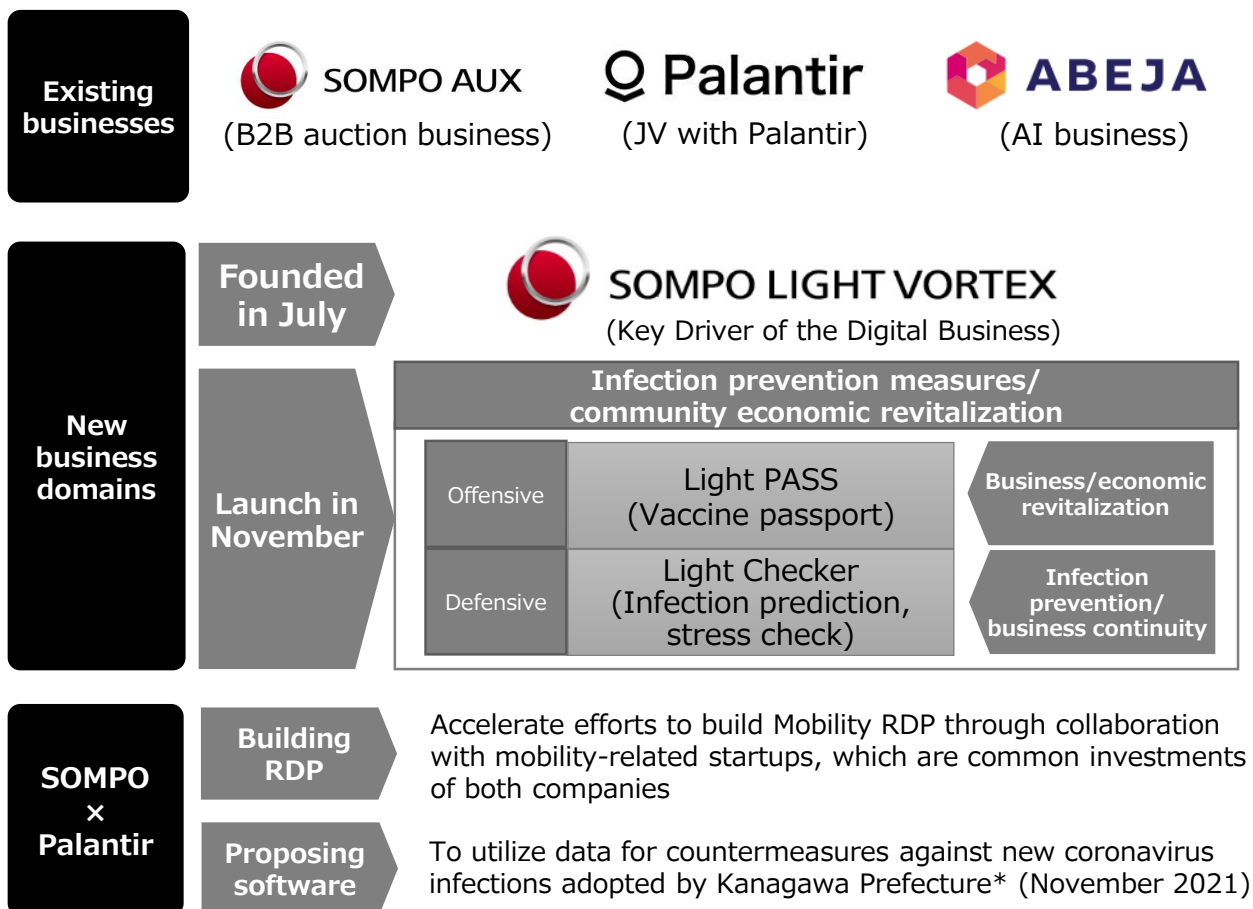
- Steady progress has been made in the 3 core strategies to deliver social value in addition to economic value



Digital Business - Progress of Initiatives -

- SOMPO Light Vortex was established as the core company of the Digital Business
- Started working on commercialization of digital solutions, such as product development, sales, etc. by collaboration with startups with cutting edge technologies




Digital business



*Agreement between Kanagawa Prefecture and Palantir Technologies Japan Co.

Digital transformation (DX) at group companies

DX initiatives

-  **SOMPO JAPAN**
 - Promotion of DX in call center operations
 - Insurance to support EC businesses
 - "Z-Value", a new rent guarantee system
 - Introduction of security solution
-  **SOMPO HIMAWARI LIFE**
 - Cancer risk assessment service
-  **SOMPO CARE**
 - Online exercise program
 - Caregiver support PoC

Partners, etc.



Local governments

SOMPO was selected as the "DX company to watch in 2021" among "Digital transformation stocks (DX stocks) 2021" jointly by the Ministry of Economy, Trade and Industry (METI) and Tokyo Stock Exchange (TSE), while Group companies continue to communicate with partners with digital technologies, and is actively promoting DX at the Group level.

III .Reference



Nursing Care RDP in Collaboration with Palantir (video introduction)



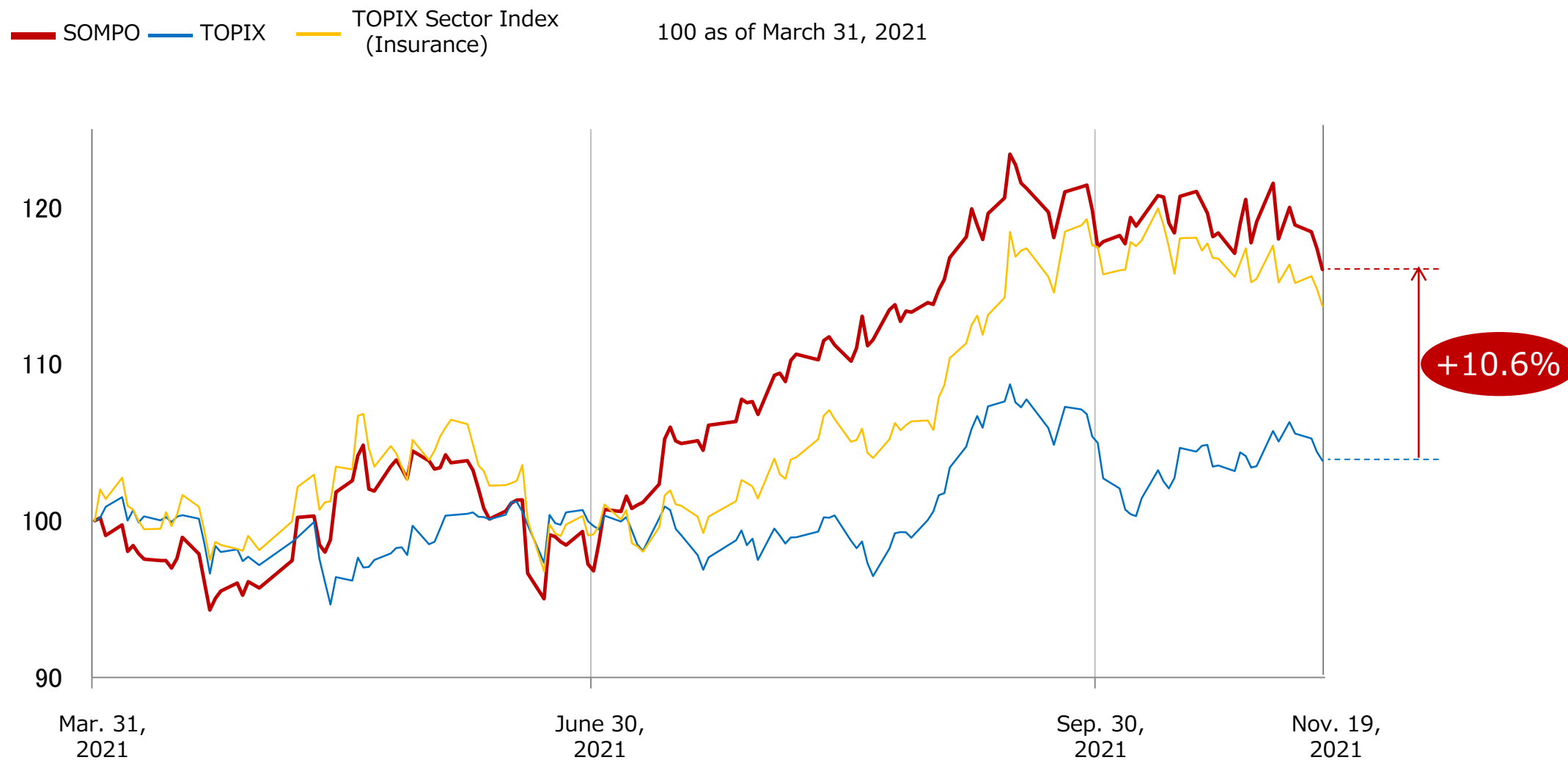
Links to the Video (Palantir's Website)

Japanese <https://www.palantir.com/impact/sompo/japan/>

English <https://www.palantir.com/impact/sompo/>

Total Shareholder Return

TSR record (March 31 through November 19, 2021)



Progress of Materiality KPIs

Materiality	Materiality subcategories	Materiality KPIs					Relevant SDG targets			Society SOMPO aims for / Vision to be realized
		KPIs	Target business	Numerical targets	Progress (as of September 30, 2021)	Partnership KPI progress				
Provide preparedness for all types of risk	Financial inclusion and promoting insurance to all people	Domestic net written premiums (contribution to promoting insurance)	Domestic P&C insurance	FY2021: 1,988.6 bn yen FY2023: 2,079.9 bn yen	991.2 bn yen	Increase in partnerships (1) No. of collaborations /partnerships announced to the public: 24 (2) No. of PoC* and pilot tests conducted through collaborations /partnerships :19 (3) No. of solutions provided through collaborations /partnerships :27 *Proof-of-Concept	1.4	8.10	11.7	Due to the evolution of insurance, people are protected from new risks such as climate change, infectious diseases and cyberattacks, and can live a secure and healthy life.
		Overseas gross written premiums (contribution to promoting insurance)	Overseas insurance	FY2021: +7.9% FY2022: +7.1% FY2023: +6.9% * In USD	-		1.4	8.10	13.1	
		No. of life insurance policies in force (contribution to promoting insurance)	Domestic life insurance	FY2021: 4,430,000 FY2023: 5,000,000	4,290,000		1.4	3.3	8.10	
		No. of sales and premiums for insurance products that help people prepare for illness and injury (Medical Master, Nyuin Passport)	Domestic P&C insurance	Increase YoY	Sales Actual in 2021 : No of sales 5,546 / premium 0.81 bn yen		3.3	3.4	8.10	
	Contribution to a sustainable food supply	Expansion of AgriSampo's agricultural insurance business to more countries	Overseas insurance	Increase in number of target countries by FY2023	-		1.5	2.4	13.1	
Prevent accidents and disasters, contribute to a resilient society	Contribution to resilient society against natural disasters	Customer satisfaction with insurance claims paid for natural disasters	Domestic P&C insurance	Improvements YoY	56.9pt (+2.1 compared to the previous year at present)		1.5	11.b	13.1	Risks are controlled and damage is minimized by detecting signs and preventing damage.
	Contribution to secure and healthy next-generation mobility society	No. of sales and premiums for insurance products that contribute to secure and healthy next-generation mobility society (New DRIVING!, UGOKU)	Domestic P&C insurance	Increase YoY	Sales Actual in 2021 (only UGOKU) : No of sales 7,834 /premium 8 mn yen		3.6	8.10	11.2	
	Next-generation education (disaster prevention and traffic safety)	No. of participants in disaster prevention and traffic safety training	All businesses of the Group	FY2021:15,000	-		3.6	4.7	11.b	
Contribute to a greener society where the economy, society and the environment are in harmony	Sustainable finance (insurance underwriting, product development, investing and lending)	Participation and activities in sustainability-related initiatives and rulemaking	All businesses of the Group	Publish activity results	-		9.4	11.4	13.3	Inclusive and resilient carbon neutral society where people and nature are in harmony
		No. of engagement with investee and borrower companies	All businesses of the Group	Increase YoY	-		7.a	9.4	13.a	
	Contribution to a green society, recycling society and society in harmony with nature	Greenhouse gas emission reduction rate (Scope 1-3)	All businesses of the Group	60% reduction by FY2030 (compared to 2017), net zero by FY2050 *The target for FY2050 includes investee and borrower companies	-		7.2	12.8	13.2	
		Switching to renewable energy sources	All businesses of the Group	70% introduction rate by FY2030	-		7.2	12.2	13.2	
	Next-generation education (environment)	No. of participants in environmental education programs	All businesses of the Group	FY2021: 11,500	-		12.3	13.3	14.1	

Progress of Materiality KPIs

Materiality	Materiality subcategories		Materiality KPIs					Relevant SDG targets			Society SOMPO aims for / Vision to be realized
			KPIs	Target business	Numerical targets	Progress (as of of September 30, 2021)	Partnership KPI progress				
Provide solutions for healthy and happy lives	Extending healthy life expectancy	Co-creation with various stakeholders	No. of Insurhealth policies sold	Domestic life insurance	End of FY2021: 300,000 End of FY2023: 420,000	100,000	Increase in partnerships	1.4	3.4	8.10	People who need support can live a healthy and happy life with dignity as individuals.
			No. of Insurhealth policies in force	Domestic life insurance	End of FY2021: 600,000 End of FY2023: 1,300,000	480,000		1.4	3.4	8.10	
			Insurhealth product sales share	Domestic life insurance	End of FY2021: 60% End of FY2023: 80%	62.4%		3.4	3.a	8.10	
			Company name recognition	Domestic life insurance	End of FY2021: 60% End of FY2023: 80%	41.7%		3.4	3.a	8.10	
			Perception as a health-promoting company	Domestic life insurance	End of FY2021: No. 5 in the life insurance industry End of FY2023: No. 1 in the industry	No. 3	(1) No. of collaborations /partnerships announced to the public: 24	3.4	3.a	8.10	
			No. of facilities offering dementia prevention programs	Nursing care & seniors	FY2021: 38 FY2023: 171	16	(2) No. of PoC* and pilot tests conducted through collaborations /partnerships :19	3.4	5.4	10.2	
			Health guidance business revenue	Healthcare	FY2021: 3.519 bn yen	1.814 bn yen	3.4	3.5	4.7		
			Mental health service revenue	Healthcare	FY2021: 1.485 bn yen	0.638 bn yen	3.4	4.4	8.8		
			Contribution to a smart society	No. of smart community proof of concepts	Nursing care & seniors	FY2021:10	2	(3) No. of solutions provided through collaborations /partnerships :27	3.4	3.d	
	Contribute to a sustainable aging society		Contribution to a sustainable social security system	No. of facilities that introduce a Future Nursing Care model	Nursing care & seniors	FY2021: 28 FY2023: 258	20	*Proof-of-Concept	1.3	3.4	
Nursing care facility occupancy rate		Nursing care & seniors		FY2021: 90.8% FY2023: 93.8%	90.8%	1.3	3.4		10.2		
No. of nursing care users		Nursing care & seniors		FY2021: 90,000 FY2023: 120,000	87000	1.3	3.4		10.2		
Care provider turnover rate		Nursing care & seniors		FY2021: 11.4% FY2023: 10.5%	10.6%	1.3	3.4		8.5		

Progress of Materiality KPIs

Materiality	Materiality subcategories	Materiality KPIs					Relevant SDG targets			Society SOMPO aims for / Vision to be realized
		KPIs	Target business	Numerical targets	Progress (as of September 30, 2021)	Partnership KPI progress				
A group of talent who can change future society	Improving employee engagement through new workstyle	Employee engagement	All businesses of the Group	End of FY2023: Gallup Q12 average points: (domestic) 3.70 pt, (overseas) 4.10 pt	(domestic) 3.52pt (overseas) 4.03pt	Increase in partnerships	4.4	8.2	8.8	Our diverse employees develop innovative solutions and have the power to drive transformation towards a better society.
		My Mission training participation rate	All businesses of the Group	End of FY2023: 100% of eligible employees	66% of employees in three major domestic businesses		3.4	4.4	8.2	
		Work-at-home rate	All businesses of the Group	More than 50% of whole Group *Nursing care frontline not included	63%		4.4	5.4	8.8	
	Health and productivity management, human dignity and human rights risk	Health and productivity management index (WLQ)* *Work Limitations Questionnaire	All businesses of the Group	Improvements YoY at each company	-	(1) No. of collaborations /partnerships announced to the public: 24	3.4	4.4	8.8	
	Promoting diversity and inclusion	Ratio of female managers	All businesses of the Group	End of FY2023: 30%	26.1%	(2) No. of PoC* and pilot tests conducted through collaborations /partnerships :19	5.5	8.2	10.2	
		Ratio of employees with disabilities	All businesses of the Group	End of FY2023: 2.5%	2.39%	(3) No. of solutions provided through collaborations /partnerships :27	4.4	8.2	10.2	
		Shift to job-based HR system	All businesses of the Group	Realize job-based system at each company by the end of FY2023	SOMPOHD shifted FY 2021		8.2	8.5	9.5	
	Investment in HR (Lifelong learning / Recurrent education)	No. of digital personnel developed/employed	All businesses of the Group	End of FY2023 DX specialists: 177 DX planning personnel (A) Employees who have completed basic DX training: 4,000 (B) Participants in AI planning, data utilization, CX agile design training: 3,000 Personnel using DX: 17,100 training participants	DX specialists : 14 (A) Employees who have completed basic DX training : 1,044 (B) Participants in AI planning, data utilization, CX agile design training : 410 Personnel using DX : 5,977 training participants		4.4	8.2	9.5	
Build a platform for partnerships towards creating value	Promoting a digital society	Group revenue generated by utilizing RDP* *Real Data Platform	Digital	500.0 bn yen (long-term target)	-	*Proof-of-Concept	3.4	9.2	11.b	SOMPO proposes a prosperous life for both people who support and people who are supported in an aging society by creating innovation based on facts and data.
		External sales and monetization of RDP products and services	Digital	More than two projects by the end of FY2023	-		3.4	9.2	11.b	

Highlights of 1H FY2021 Results

- Consolidated ordinary profit for 1H FY2021 increased by ¥113.0 billion to ¥190.5 billion and consolidated net income for 1H FY2021 increased by ¥91.1 billion to ¥130.7 billion.
- Revised upward full year business forecast to reflect partial sale of stocks held at HD as well as performance progress in each business. Consolidated ordinary profit for FY2021 is expected to be ¥267.0 billion and consolidated net income for FY2021 is expected to be ¥178.0 billion, which is a recorded high for each.
- Adjusted consolidated profit, which provides shareholder returns, is revised upward to ¥210.0 billion and ¥20.0 billion worth of share-buyback will be made as Supplementary return to investors.

1H FY2021 Actual

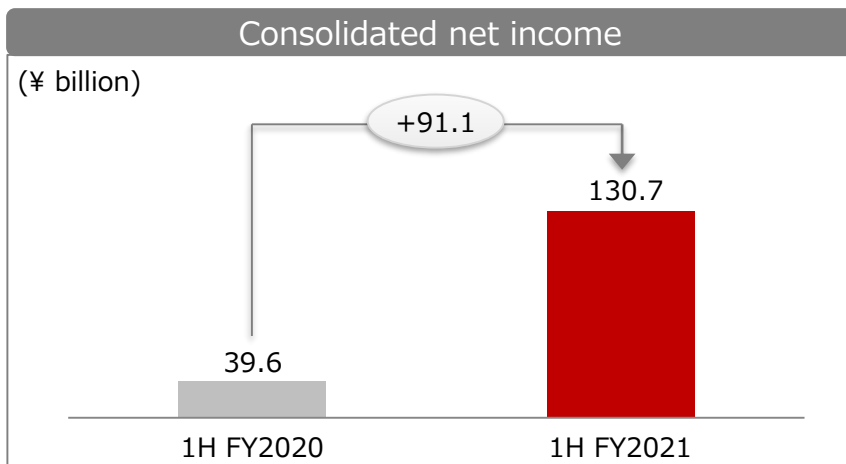
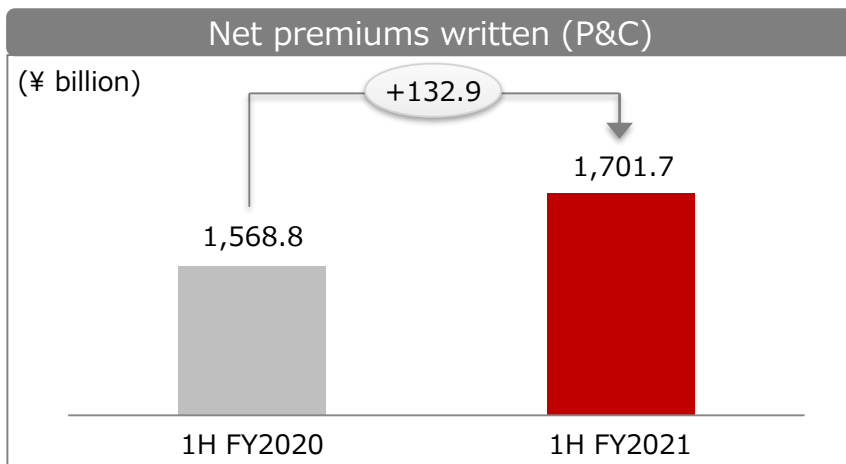
- Sampo Japan's underwriting profit increased by ¥11.9 billion, mainly due to a decrease in the domestic natural disasters.
* The E/I loss ratio for automobile insurance rose by 1.4pt year on year (It improved by 6.6pt against 1H FY2019).
The number of accidents increased by 3.3% year on year (It decreased by 16.6% against 1H FY2019).
Investment profit increased by ¥13.8 billion, mainly due to an increase in dividend income from the investment fund.
- Adjusted profit in overseas insurance business increased by ¥27.7 billion, partly due to rate improvement impact and steady investment profit at SI as well as the absence of COVID-19 which adversely impacted FY2020.
- Annualized new premium in domestic life insurance business increased steadily, centered on insurhealth® products.
- Occupancy ratio in nursing care and seniors business continued to improve.
- Stocks held at HD were partially sold.

Revision of FY2021 Forecast

- Full year business forecast is revised upward, mainly due to partial sale of stocks held at HD as well as the large incurred losses and steady net interest and dividend income. Consolidated ordinary profit is expected to increase to ¥267.0 billion by ¥82.0 billion against the initial forecast and consolidated net income is expected to be ¥178.0 billion, an increase of ¥53.0 billion against the initial forecast.
- Adjusted consolidated profit, which provides shareholder returns, is expected to be ¥210.0 billion an increase of ¥5.0 billion against the initial forecast.
- ¥20.0 billion worth of share-buyback will be made as Supplementary return to investors, based on the fact that the latest capital surplus is expected to stably exceed the estimated level as the mid-term management plan was based.

Highlights of 1H FY2021 Results - Consolidated Basis -

- Net premiums written increased by ¥132.9 billion, mainly due to top line growth of Sompo Japan centered in fire and allied lines and other lines as well as top line growth of SI.
- Consolidated ordinary profit and consolidated net income largely increased, partly due to partial sale of stocks held at HD as well as profit growth of SI and Sompo Japan.



(¥ billion)	1H FY2020	1H FY2021	Change	FY2021 (Revised forecasts)
Consolidated ordinary income	1,985.3	2,179.7	+194.4 (+9.8%)	-
Net premiums written (P&C)	1,568.8	1,701.7	+132.9 (+8.5%)	3,181.0
Life insurance premiums	168.8	157.9	-10.9 (-6.5%)	331.0
Consolidated ordinary profit	77.5	190.5	+113.0	267.0
Sompo Japan	64.4	87.8	+23.4	181.0
Overseas insurance subsidiaries	17.3	37.0	+19.6	59.4
Himawari Life	17.0	14.5	-2.5	17.2
SOMPO Care	5.4	3.9	-1.4	8.8
Consolidated adjustment ^{*1} /Others	-26.7	47.1	+73.9	0.4
Consolidated net income ^{*2}	39.6	130.7	+91.1	178.0
Sompo Japan	45.9	64.1	+18.1	137.0
Overseas insurance subsidiaries	6.4	26.3	+19.8	39.4
Himawari Life	11.9	10.0	-1.8	11.6
SOMPO Care	2.3	2.5	+0.2	5.3
Consolidated adjustment/Others	-27.0	27.6	+54.7	-15.3
(Reference) Adjusted consolidated profit	95.0	148.7	+53.7	210.0
Domestic P&C insurance	67.5	91.6	+24.0	112.5
Overseas insurance	7.4	35.1	+27.7	56.5
Domestic life insurance	18.0	18.5	+0.4	32.5
Nursing care & seniors	1.8	2.5	+0.6	6.5
Digital, etc.	-	0.8	+0.8	1.0

*1 Incl. profits and losses of consolidated companies other than the above and adjustments due to consolidation adjustments, etc.

*2 Consolidated net income denotes net income (loss) attributable to shareholders of the parent. (The same shall apply hereafter.)

Highlights of 1H FY2021 Results – Business Forecasts for 2021(Consolidated Basis) -

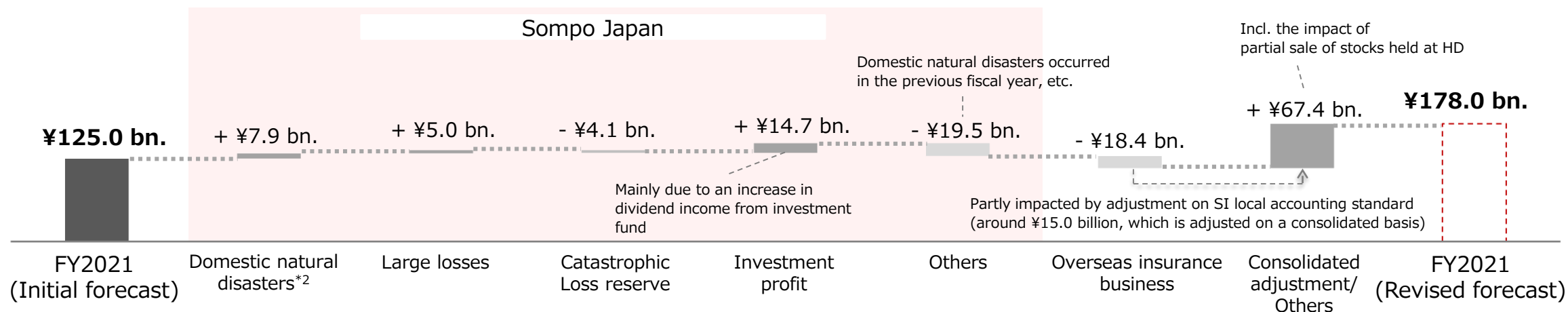
- Revised upward full year business forecast to reflect partial sale of stocks held at HD as well as performance progress.
- Consolidated net income for FY2021 is expected to be ¥178.0 billion.

(¥ billion)	FY2020 Actual (A)	FY2021			Change (C-A)
		Initial forecasts (B)	Revised forecasts (C)	Change(C-B)	
Net premiums written (P&C)	2,923.5	3,090.0	3,181.0	+91.0	+257.4
Life insurance premiums	346.1	358.0	331.0	-27.0	-15.1
Consolidated ordinary profit	215.0	185.0	267.0	+82.0	+51.9
Sompo Japan	197.4	174.5	181.0	+6.5	-16.4
Overseas subsidiaries	52.2	72.3	59.4	-12.8	+7.1
Himawari Life	28.9	17.2	17.2	-0.0	-11.6
SOMPO Care	8.7	8.6	8.8	+0.2	+0.1
Consolidated adjustment/Others	-72.3	-87.7	0.4	+88.1	+72.7
Consolidated net income	142.4	125.0	178.0	+53.0	+35.5
Sompo Japan	146.9	133.0	137.0	+4.0	-9.9
Overseas subsidiaries	35.8	57.9	39.4	-18.4	+3.6
Himawari Life	20.0	11.6	11.6	-	-8.4
SOMPO Care	5.3	5.1	5.3	+0.1	-0.0
Consolidated adjustment/Others	-65.6	-82.6	-15.3	+67.2	+50.2
(Reference) Adjusted consolidated profit	202.1	205.0	210.0	+5.0	+7.8
Domestic P&C insurance	130.1	105.0	112.5	+7.5	-17.6
Overseas insurance	30.0	60.0	56.5	-3.5	+26.4
Domestic life insurance	33.8	32.5	32.5	-	-1.3
Nursing care & seniors	8.1	6.5	6.5	-	-1.6
Digital, etc.	-	1.0	1.0	-	+1.0

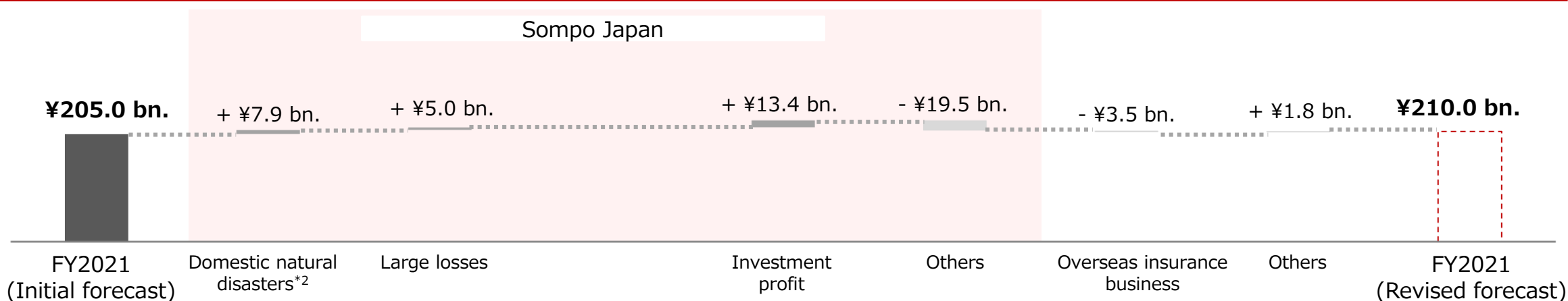
Highlights of 1H FY2021 Results - Main Points of Revised Business Forecasts for FY2021 -

- Revised upward full year business forecast mainly due to partial sale of stocks held at HD as well as the large incurred losses and steady net interest and dividend income.
- Adjusted consolidated profit, which provides shareholder returns, is expected to be ¥210.0 billion, an increase of ¥5.0 billion against the initial forecast.

Revised factors (figures after tax*1) : Consolidated net income



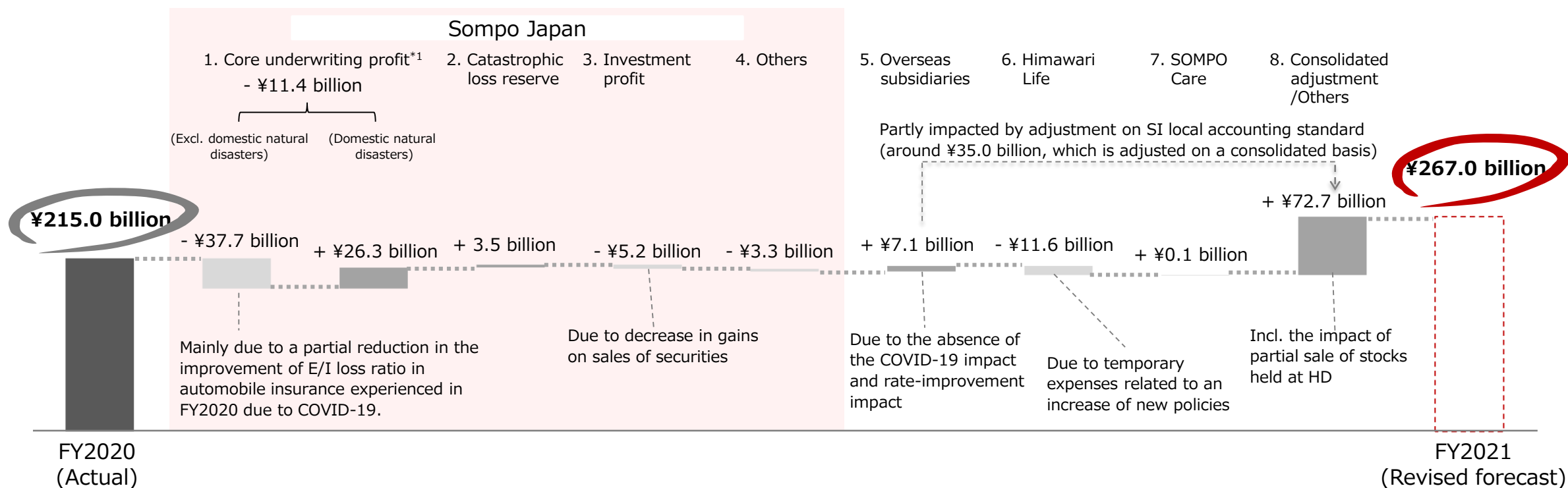
Revised factors (figures after tax*1) : Adjusted consolidated profit



*1 Incl. provisional numbers *2 Occurred in the current fiscal year

Highlights of 1H FY2021 Results -Breakdown of Business Forecasts (Consolidated Ordinary Profit) of FY2021-

Increase/decrease factors of consolidated ordinary profit



	1. Core underwriting profit		2. Catastrophic loss reserve	3. Investment profit	4. Others	5. Overseas subsidiaries	6. Himawari Life	7. SOMPO Care	8. Consolidated adjustment /Others	Consolidated ordinary profit
	(Excl. domestic natural disasters)	(Domestic natural disasters)								
FY2020 Actual	¥201.7 billion	- ¥99.3 billion	- ¥36.1 billion	¥146.4 billion	- ¥15.3 billion	¥52.2 billion	¥28.9 billion	¥8.7 billion	- ¥72.3 billion	¥215.0 billion
FY2021 Revised forecasts	¥164.0 billion	- ¥73.0 billion	- ¥32.5 billion	¥141.1 billion	- ¥18.6 billion	¥59.4 billion	¥17.2 billion	¥8.8 billion	¥0.4 billion*2	¥267.0 billion
(Reference) FY2021 Initial forecasts	¥182.2 billion	- ¥84.0 billion	- ¥26.7 billion	¥120.7 billion	- ¥17.7 billion	¥72.3 billion	¥17.2 billion	¥8.6 billion	- ¥87.7 billion*2	¥185.0 billion

*1 Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve.

*2 The goodwill for the SI acquisition is \$1,513 million. Combined with intangible assets, the net amortization amount is around \$2,000 million(as of the date of acquisition).

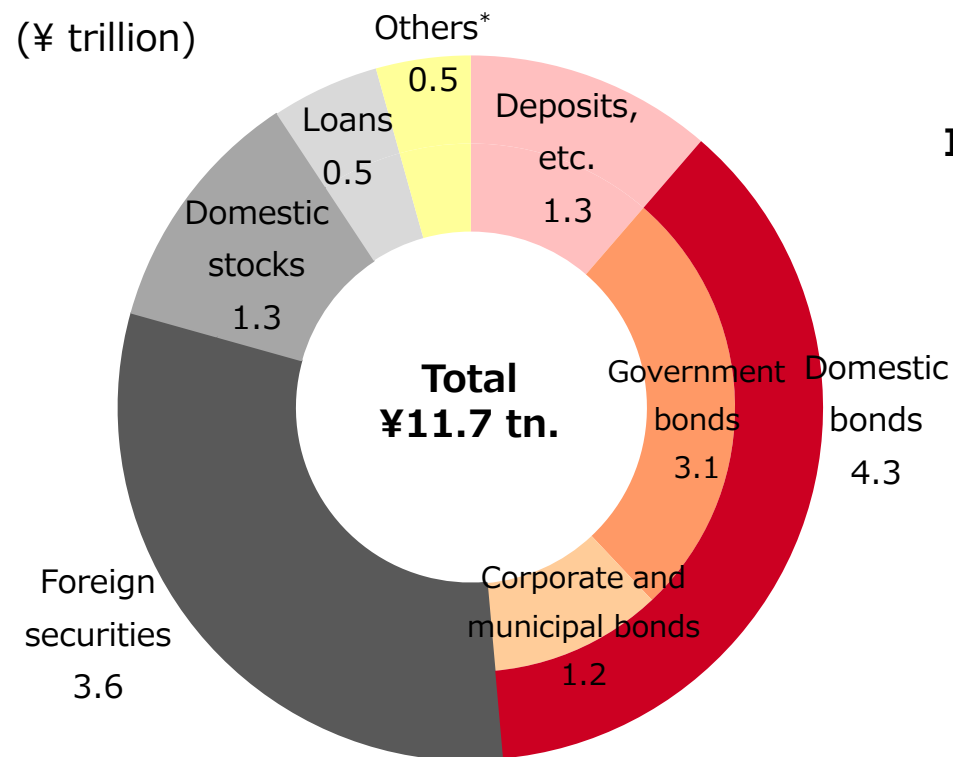
The amortization period for the goodwill is 10 years, and the amortization period for intangible asset has been set appropriately.

The total annual amortization costs is projected at ¥24.3 billion for FY2021 revised forecast.

Highlights of 1H FY2021 Results - Group consolidated Asset Portfolio -

- Develops a stable portfolio centered on bonds considering liability, liquidity, creditworthiness and other characteristics.

Amount of investment assets (as of end of September 2021, group consolidated basis)



Investment assets by company

(¥ billion)

	Amount of investment assets	Composition
Sompo Japan	5,636.1	47.9%
Overseas subsidiaries	1,813.3	15.4%
Himawari Life (General account)	3,789.1	32.2%
Saison Automobile & Fire	66.3	0.6%
Other domestic subsidiaries	460.3	3.9%
Total	11,765.3	100%

* Others include lands, buildings and stocks of non-consolidated subsidiaries, etc.

Highlights of 1H FY2021 Results - Numerical Management Targets, etc. -

Numerical management targets for plan

(¥ billion)	1H FY2021		FY2021		FY2023	
	(Actual)	(Change)	(Revised forecasts)	(Segment ROE) ^{*5}	(Plan) ^{*6}	(Segment ROE)
Domestic P&C insurance	91.6	+24.0	112.5	8.4%	150.0+	11.4%
Overseas insurance	35.1	+27.7	56.5	6.6%	100.0+	11.6%
Domestic life insurance	18.5	+0.4	32.5	4.3%	40.0+	5.7%
Nursing care & seniors ^{*3}	2.5	+0.6	6.5	11.5%	8.0+	14.3%
Digital, etc.	0.8	+0.8	1.0	-	2.0+	-
Total (Adjusted consolidated profit)	148.7	+53.7	210.0	-	300.0+	-
Adjusted consolidated ROE^{*4}	-	-	7.4%	-	10%+	-
ROE (J-GAAP)	-	-	8.6%	-	-	-

Definition of adjusted profit^{*1}

Domestic P&C insurance

Net income
+ Provisions for catastrophic loss reserve, etc. (after tax)
+ Provisions for reserve for price fluctuation (after tax)
- Gains/losses on sales of securities and impairment losses on securities (after tax)

Overseas insurance

Operating Income^{*2}
Equity-method affiliates are in principle included as net income

Domestic life insurance

Net income
+ Provision of contingency reserve (after tax)
+ Provision of reserve for price fluctuation (after tax)
+ Adjustment of underwriting reserve (after tax)
+ Deferral of acquisition costs (after tax)
- Depreciation of acquisition costs (after tax)
- Gains/losses on sales of securities and impairment losses on securities (after tax)

Nursing care/seniors

Healthcare, etc.

Net income

Digital

Net income
- Gains/losses and impairment losses on investment (after tax)

^{*1} Adjusted profit for each business excludes one-time factors and special factors such as subsidiary dividends, etc.

^{*2} Operating income excluding one-time factors (= Net income - Net foreign exchange gains/losses - Net realized and unrealized gains/losses - Net impairment losses recognized in earnings, etc.)

^{*3} FY2020 nursing care & healthcare, etc., adjusted profit = Net income (excluding one-time factors)

^{*4} Adjusted consolidated ROE = Adjusted consolidated profit / Adjusted consolidated net assets (The denominator is the average balance at the end/start of each fiscal year.)

Adjusted consolidated net assets = Consolidated net assets (excluding life insurance subsidiary's net assets) + Catastrophic loss reserve, etc., in domestic P&C insurance (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets

Domestic life insurance adjusted net assets = Net assets (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

^{*5} ROE for each business = Adjusted profit for each business / Allocated capital for each business (Total consolidated net assets of the companies of each business or the required capital based on risk model. Average at the end/start of each fiscal year.)

Regarding the ROE for each business, it is not suitable to use for comparison between businesses since each business is defined differently based on its characteristics. The introduction of this aims to increase the probability of achieving the adjusted consolidated ROE and ROE targets for each business by monitoring the progress of each business.

^{*6} The plan is based on the assumption of organic growth. We will increase the probability of achieving the plan by adding ¥30.0 billion in profit through M&A to offset downside risks (¥30.0 billion) due to the impact of natural disasters and other factors beyond our expectations.

Note Regarding Forward-looking Statements

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

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