Value Creation Process

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

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

Social Challenges Facing SOMPO

RDP

Real Data Platform

Partnership

New normal

Low birthrate and population aging

SOMPO's Purpose

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

Social value delivered by SOMPO

Protect people from future risks facing the society

Create a future society for healthy and happy lives

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

Input

Financial capital

- Ability to generate cash flow, mainly from domestic non-life insurance, enabling the Group to make growth investment Revenue: ¥3.434.2 billion
- Sound financial base and ample room for growth Adjusted consolidated net assets: ¥2,755.5 billion

Social and relationship capital

- Trust and responsibility with 130 years of history
- Customer base of around 20 million people
- Network with diverse stakeholders
- Trusted relationships with NPOs and NGOs

Human capital

- Human resources who share the Three Core Values (▶ P.69)
- Strong problem-solving capability to turn social challenges into business opportunities
- Digital talent aimed at accelerating DX
- Cross-group human resource system that fosters diversity

Intellectual capital

 Environment enabling use of cutting-edge technologies

SOMPO Digital Lab: Global trilateral structure (Tokyo, Silicon Valley, and Tel Aviv) (► P.74)

Future Care Lab in Japan: R&D on new nursing care (► P.64)

- Large volumes of high-quality real data accumulated from multiple businesses
- Corporate culture unafraid of change

New Mid-Term Management Plan Three core strategies

Domestic P&C Insurance

Overseas Insurance and Reinsurance **Business**

P&C insurance (agricultural insurance, specialty insurance, property insurance, liability insuranc automobile insurance, travel insurance, etc.)

Nursing Care & Seniors **Business**

SDGs in Business Management ▶ P.44

Capital policy/ERM ▶ P.58, P.101

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Style

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Governance ▶ P.82

Group Management Foundation

Outcome

Financial capital

Achieve sustainable growth

Adjusted consolidated profit: ¥202.1 billion

Maintain and improve capital efficiency to

Adjusted consolidated ROE: 8.0%

• Diversify business to support earnings stability

Risk diversification ratio: 39.4% Overseas business ratio: 14.9%

Social and relationship capital

 Contribute to society as the infrastructure that supports people's lives

Net claims paid: ¥1,519.8 billion Number of care recipients: Approx. 80,000

• Enhance brand power with "A Theme Park for Security, Health & Wellbeing"

Brand value: ¥56.3 billion*

• Increase presence through engagement in inter- Participation in Davos Conference: 6 times national initiatives

 Solve issues through social contribution activities with stakeholders

Number of participants in community contribution activities in collaboration with NGOs and NPOs: 25.347 persons*2

Human capital

• Strengthen human resource diversity as source of innovation

 Adopt new work styles to improve employee job satisfaction and happiness

 Produce motivated employees driven by "MY Mission" training

Ratio of female employees in management positions: 24.2%

Achieve average Gallup Q12 target by FY2023:

Domestic: 3.70pts*3 Overseas: 4.10pts*3

Complete "MY Mission" training for all eligible employees by FY2023

Intellectual capital

• Proactively invest in digital technologies and lever- Number of solutions developed using techage industry-government-academia collaboration nologies (Al, RPA, etc.): 311*4

• Enhance a lineup of products/services that support the Security, Health, and Wellbeing of

Newly developed products, services, and insurance policies: 109 types*

• Reduce nursing care burden and **contribute to a** Introduce future nursing care model at **258** sustainable aging society

facilities by FY2023

Natural capital

 Emphasize business activities that consider climate change and biodiversity, etc.

Greenhouse gas emissions reduction rate: 15% reduction

Increase renewable energy introduction rate: Bv FY2030: 70% or higher By FY2050: 100%

- . Based on a survey by Interbrand Japan, Inc.
- *2. Simple aggregate of participants in community activities that contribute to disaster prevention/mitigation in collaboration with NPOs/NGOs, etc. and information dissemination activities, educational opportunities related to environmental
- *3. Results of employee engagement survey provided by Gallup, Inc.
- *4. Simple aggregate of number of solutions developed by Sompo Holdings, Sompo Japan, Sompo Himawari Life Insurance, and Sompo Care (FY2016-FY2020)
- i. Simple aggregate of number of products, services, and special policy newly developed by Sompo Japan, and Sompo Himawari Life Insurance (FY2016-FY2020)
- *6. FY2020 Results (Compared with FY2017)