SOMPO HOLDINGS | Innovation for Wellbeing

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Sompo Holdings, Inc.

Standard & Poor's Global Ratings revised upward the ERM Assessment of Sompo Holdings Group and upgraded Sompo International's Financial Strength Ratings

Sompo Holdings, Inc. (President & CEO: Kengo Sakurada) received notice from Standard & Poor's Global Ratings (hereinafter "S&P") last week that it raised the assessment of the Sompo Holdings Group's (hereinafter "Sompo") ERM (enterprise risk management*) to "Strong" from "Adequate with strong risk controls". At the same time, S&P raised the financial strength ratings on Sompo International Holdings Ltd.'s (hereinafter "SIH") core operating companies to 'A+' from 'A'.

   *series of management processes to enhance corporate value while balancing the capital, risk and return

S&P raised Sompo's ERM assessment to Strong as Sompo continuously utilizes ERM in various management decision processes. S&P commented that it views favorably the continued use of return-on-risk metrics in evaluating various risk-taking initiatives, and the use of ERM analysis in making strategic decisions, such as product pricing and due diligence for mergers and acquisitions.

S&P commented on the rationale for raising the financial strength ratings of the Sompo International companies to A+, citing "SIH's increased integration and strategic importance to Sompo Group" as the company leverages SI's operating platform "to enhance its product and geographic mix and expand its international presence.".

Sompo's goal is to transform into a "theme park for the security, health and wellbeing of customers" and further enhance corporate value. To cope with evolving risks, Sompo is continuously enhancing its ERM practices on a group-wide basis, and further expanding its business through establishment of a "truly integrated global platform" under SIH. Sompo endeavors to become one of the top 10 global insurers with respect to profit and ROE, the vision set under current Mid-Term Management Plan.

(Reference) ERM Assessment of S&P

Assessment
1. Very Strong
2. Strong
3. Adequate with strong risk controls
4. Adequate
5. Weak