

March 13, 2026

Sompo Holdings, Inc.
Mikio Okumura, Group CEO, Director
President and Representative Executive Officer
(Stock code 8630, TSE Prime Market)

Sompo Japan Insurance Inc.
Koji Ishikawa, President and CEO

**Status of Progress on the Business Improvement Plans
(Update on disclosed matter as of February 28, 2026)**

Sompo Holdings, Inc. (Group CEO, Director, President and Representative Executive Officer: Mikio Okumura, hereinafter “Sompo Holdings”) and Sompo Japan Insurance Inc. (President and CEO: Koji Ishikawa, hereinafter “Sompo Japan”) today reported the status of progress on the business improvement plans and related matters to the Financial Services Agency in accordance with a business improvement order dated January 25, 2024 regarding their measures to address fraudulent automobile insurance claims and related matters.

Sompo Japan also reported the status of progress on a business improvement plan to the Financial Services Agency in accordance with a business improvement order dated December 26, 2023, concerning insurance premium adjustments and other practices, and a business improvement order dated March 24, 2025, concerning the leakage of customer information, among other matters.

We are committed to continuing our efforts to prevent recurrence and establishing them as our corporate culture, leveraging these initiatives for the realization of a "New Sompo Japan," so that we can regain the trust of, as well as hear from, all the stakeholders such as customers, society, and shareholders, “We're glad we chose Sompo Japan. We're glad we chose SOMPO.” United as one, all executives and employees will continue to pursue these efforts with unwavering resolve and determination.”

(Note)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Our initiatives to regain trust

Progress Report on the Business Improvement

As of February 28, 2026

Sompo Japan

Progress Status of the Business Improvement Plans

Management's Commitment to Regaining Trust



President and Chief
Executive Officer
Sompo Japan Insurance Inc.

石川 耕治

This March marks two years since we began implementing measures based on the business improvement plans formulated in response to fraudulent automobile insurance claims and insurance premium adjustments. During this period, we have been working to fundamentally reform our corporate culture. Feedback from the first line at the field level indicates that many positive changes have emerged in employees' awareness and behavior, including the prompt reporting and sharing of negative information with management, voluntary improvement initiatives led by frontline employees, and increased cross-divisional communication. In addition, with regard to the inappropriate management of policyholder information at agencies, we have continued to implement measures to prevent recurrence.

We are determined to continue these efforts without ever halting this progress until the day when our improvement initiatives are fully embedded in our corporate culture. With the resolve and determination of all officers and employees working together as one, we will continue our efforts to realize a “New Sompo Japan” that earns the recognition of all stakeholders—including customers, local communities, and shareholders—so that we can hear them say, “We’re glad we chose Sompo Japan. We’re glad we chose SOMPO.”

The Series of Problems and its Causes

The series of problems

! Insurance premium adjustment practices

! Responses to fraudulent automobile insurance claims

! Inappropriate management of insurance contract information



True causes of the problems

Corporate culture

- Valuing company profits over customer protection and compliance
- Lack of morals and risk ownership of sales representatives
- Negative information is not escalated (Gap between the sales representatives and management)
- Self-protection, a top-down culture, siloed thinking, and blaming others, etc.

Governance

- The management team lacking risk awareness and dysfunctional internal controls
- Dysfunctional Compliance and Risk Management Divisions
- Claims payment management system, etc.

Structural issues in non-life insurance industry

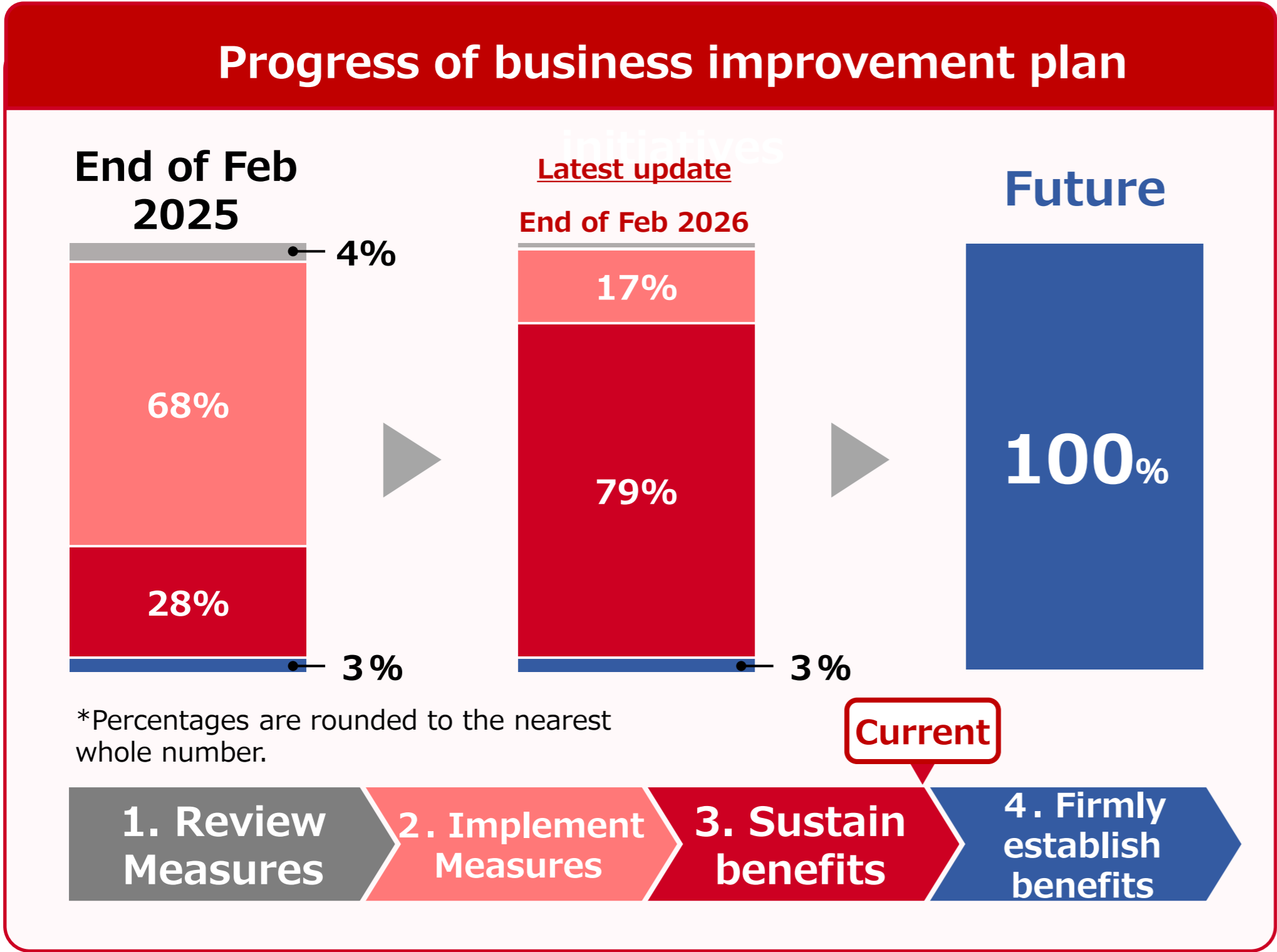
- Excessive preferential treatment for primary business and secondments to agencies
- A distorted competitive environment by cross-shareholding
- Conflicts of interest at agencies also operating as auto repair shops, etc.

Summary of Progress on the Business Improvement Plans

Classify all 183 measures of the business improvement plans by phase of progress and manage progress accordingly

All measures have been launched, with approximately 80% of the measures continuing to deliver benefits

Steady initiatives are underway to firmly establish benefits for all measures



- 1 Review Measures** → A stage where measures to be implemented in the future are under consideration

- 2 Implement Measures** → A stage where some processes and programs for the measures are in place, have been communicated and understood, and the measures have begun

- 3 Sustain benefits** → A stage where some activities related to supporting and monitoring the measures are being carried out to ensure their continued implementation
*Currently, approximately 80% of the measures are at this stage.

- 4 Firmly establish benefits** → A stage where the benefits are firmly established through the rigorous execution of the PDCA cycle as a new internal control

Clear Signs of Improvement



PDCA cycles for the various measures are functioning at both the field level and head office, and the results of these improvement efforts are beginning to appear as concrete changes in structures and behaviors

Transformation of corporate culture
(See p. 7)

Strengthening governance
(See p. 16)

Solving structural issues
(See p. 21)

Past State

Results of Improvement Efforts

Future Direction

Insufficient actions toward autonomous improvement based on risk ownership



Risk ownership at the first line at the field level has improved, and autonomous problem-solving is advancing



Further embed a culture of autonomous improvement

Loss investigations were conducted with some steps omitted



A structure has been rebuilt in which a dedicated staff member is involved in all loss investigation cases



Maintain a structure that enables appropriate loss investigations

Agency structural development was limited to initiatives at the first line at the field level



Company-wide initiatives were launched to support agency structural development



Continue supporting agencies' autonomous PDCA cycles

Overview of Initiatives for Improvement

**Transformation of
corporate culture**

Additions and updates from the previous report (December 2025)

Demonstration of Risk Ownership at the First Line at the Field Level

Risk ownership (taking ownership) at the first line at the field level has improved, leading to progress in autonomous improvement initiatives addressing various challenges

Benefits generated

Case 1

Strengthening the loss investigation framework
(Minami Tohoku Claims Department)



Trainer and new technical adjuster in discussion

Issues and objectives

Strengthening the loss investigation framework is an urgent priority to deter fraudulent claims

Initiatives (Training and knowledge transfer)

- Senior personnel have been assigned as dedicated trainers to transfer expertise to younger staff
- Tailored guidance based on individual development has helped to enhance their expertise at an early stage

Results

Progress has been made in building a robust loss investigation framework

Case 2

Initiatives to engage with customer feedback
(Nishi Tokyo Branch)



Discussion with agency representatives

Initiatives (Analysis and sharing)

- Conducted interviews with more than 1,000 customers to analyze and compile their direct feedback as data
- Shared analytical data on our customers with agencies through dialogue

Results

Many agencies have incorporated the insights into their own management plans and use them to promote customer-oriented business operations

Mechanisms to Prevent Memories from Fading and Fostering Risk Awareness

Discussions are held across all workplaces during the “Day/Month to Review the Past Incidents”* to return to a customer-centric perspective
 Insights generated through candid dialogue are shared across the Company to accelerate the transformation of our corporate culture



Feedback on recent changes (What is different)

- Entrenchment of a reporting culture**
A culture has now taken root where employees consult their supervisor when something feels “not right”
- Expansion of information sharing**
Not only expressions of appreciation but also requests for improvement are shared more widely, creating more opportunities to utilize them to enhance services
- Change in mindset**
Renewed recognition of the importance of factors beyond the top line (customer satisfaction and compliance)



Feedback on future actions (What we aim to further advance)

- Ensuring psychological safety**
Creating an environment where concerns are not left unaddressed and everyone feels safe speaking up
- Institutionalizing improvement mechanisms**
Strengthening mechanisms to share complaints and feedback internally and translate them into operational improvements
- Contributing to the restoration of trust**
Seeking to restore trust through contributions to local communities and society beyond insurance operations

For details on the “Day/Month to Review the Past Incidents,” please refer to Status of Progress on the Business Improvement Plans (as of November 30, 2025). https://www.sompo-hd.com/-/media/hd/en/files/news/2025/e_20251215_1.pdf

Initiatives That Promote Mutual Understanding between Divisions (Executive Dialogues)

“X,” an executive dialogue initiative in which officers share their perspectives on realizing SJ-R*
Publishing cross-dialogues between officers from different areas of responsibility to accelerate the transformation of our corporate culture



Oki, Officer in charge of Claims Services × Yamaguchi, Officer in charge of Retail Sales



Sakai, Officer in charge of HR and Culture Change ×
Horie, Officer in charge of Quality Management and Chief Compliance Officer

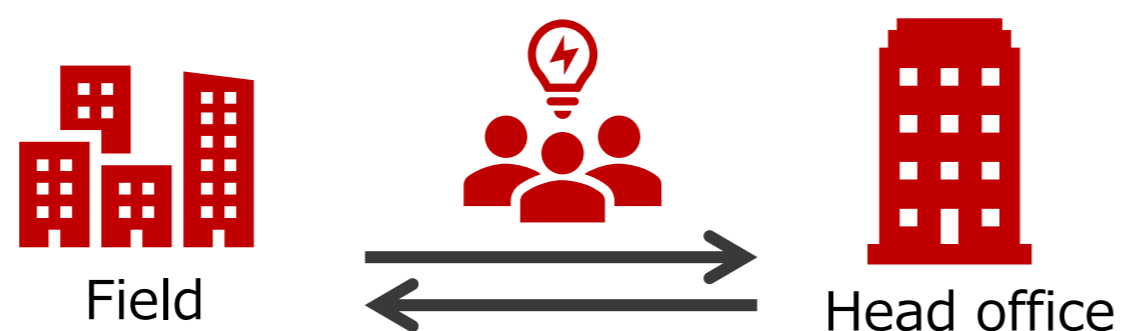
We adopt a dialogue-based approach rather than one-way communication to draw out the intent of the officers behind measures and promote mutual understanding across divisions throughout the Company

*A project aimed at realizing the “New Sompo Japan” under the slogan “customers, society, and ourselves, all in one direction.” <https://www.sompo-japan.jp/company/initiatives/sjr/> (in Japanese)

Initiatives That Promote Mutual Understanding between Divisions (Interdivisional Dialogue)

Promoting interdivisional dialogue to understand each other across workplaces and deepen shared understanding
 Beyond fostering mutual understanding, initiatives to improve quality through interdivisional collaboration are also progressing

Interdivisional Dialogue (Field level / Head office)



- Eliminating siloed thinking through mutual understanding and the sharing of intent
- Identifying challenges that require a company-wide effort and enhancing effectiveness

Feedback from participants

- Field** Gained an opportunity to understand the company's situation and the perspectives of the head office
- Head office** Provided context not conveyed in official notices, thereby deepening understanding
- Shared** Direct dialogue enabled a shared understanding of challenges



Notable initiatives arising from interdivisional collaboration

- Collaboration between the claims service division and the sales division
- Implementing quality improvement initiatives based on customer surveys

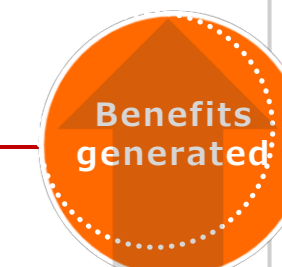


Key initiatives

- Meetings based on survey results, including agency representatives
- Direct interviews with customers who expressed dissatisfaction

Benefits arising from interdivisional collaboration

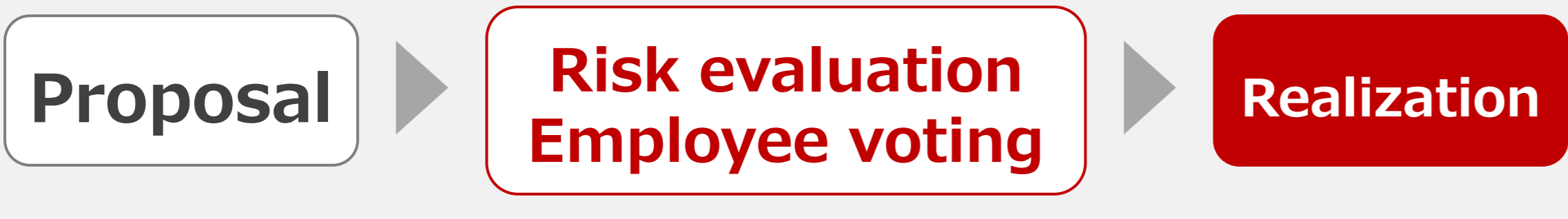
- Improved customer service quality
- Enhanced mindset of thinking from the customer's perspective



Responses to “Doro-Tama Box,” a Framework to Escalate Negative Information



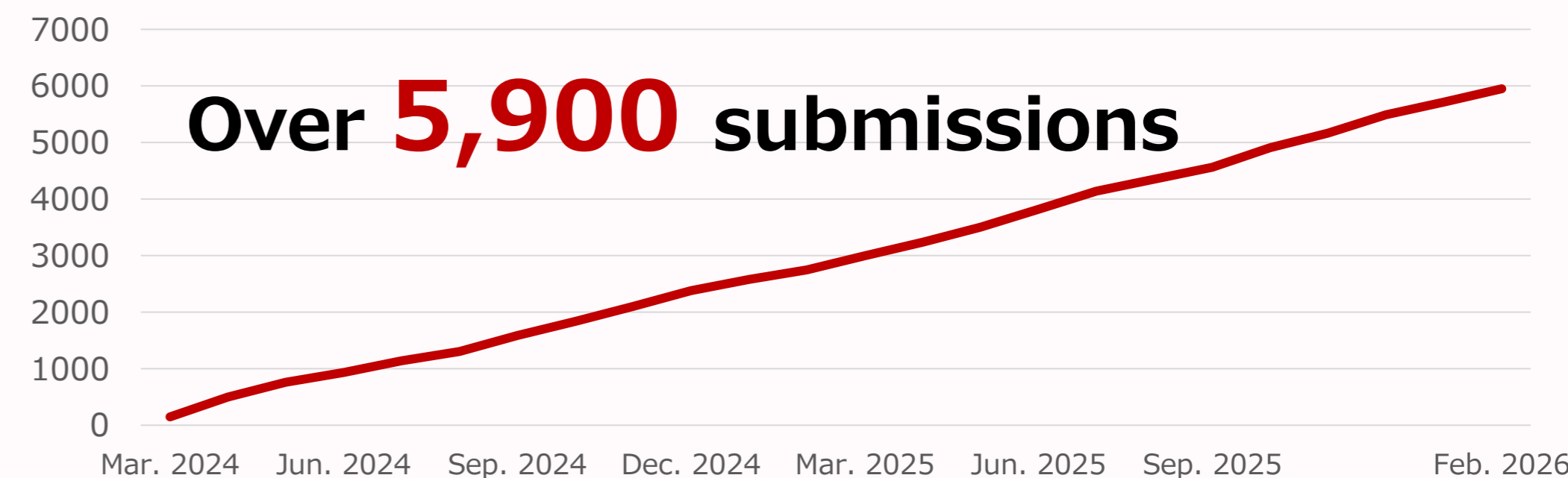
- “Doro-Tama*BOX,” a mechanism to enable all employees nationwide to directly escalate negative information to the management team
- Implemented a framework for a continuous PDCA cycle to enhance the effectiveness of initiatives



Key examples realized through PDCA

- Improvements to premium calculation tools that contribute to quality enhancement
- Consideration of appropriate contract tools based on past accident data

Trend in the number of proposals (March 2024 – February 2026)



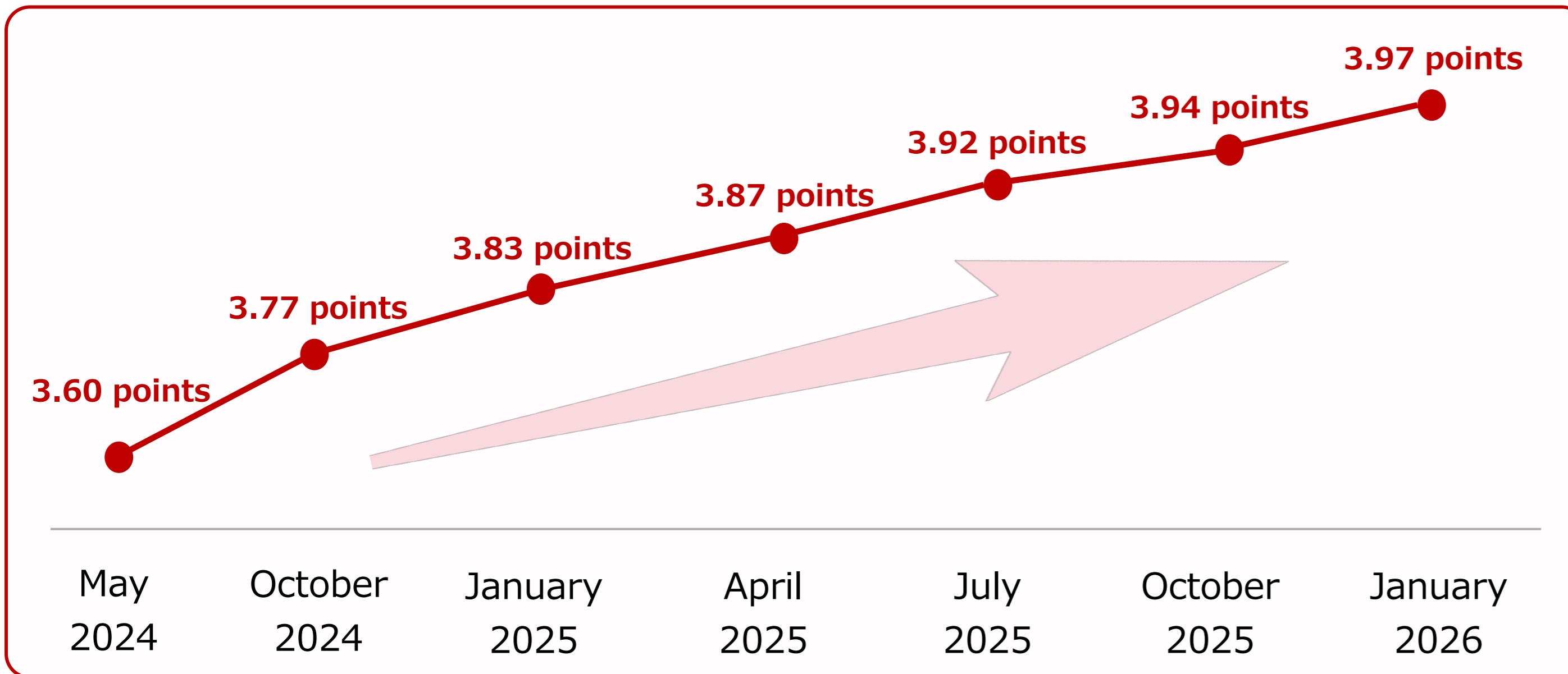
- The number of submissions has remained steady at approximately 250 per month, establishing a culture of consistently voicing opinions
- Minimize the risk of incidents that fail to meet our “Customer Trust Quality Standards” by addressing negative information

*“Dorotama” is an abbreviation of “onions with mud” in Japanese, and recommends raising undisguised opinion or information (as it is with mud).

Data Gathering to Transform Culture

Quantitatively understand the actual conditions through data to transform our corporate culture, which is the true cause of the problems

The results of the "Culture change survey" (indicators of awareness and action for culture transformation) have steadily improved, Based on the results, regular reviews and in-depth dialogue are promoted in each workplace



Culture change survey

Key questions (on a scale of one to five)

- Q. Do executives actively send out a message to employees and provide a chance to communicate?
- Q. Do you share even negative information with your superiors and other departments without hesitation?

Responses

- Average response rate: 92.1%
- Average no. of respondents: 19,790

The January 2026 survey revealed positive comments toward culture transformation, such as "Opportunities for dialogue and recognition have increased" and "Regular review sessions are gradually changing the workplace culture."

Overview of Initiatives for Improvement

Strengthening governance

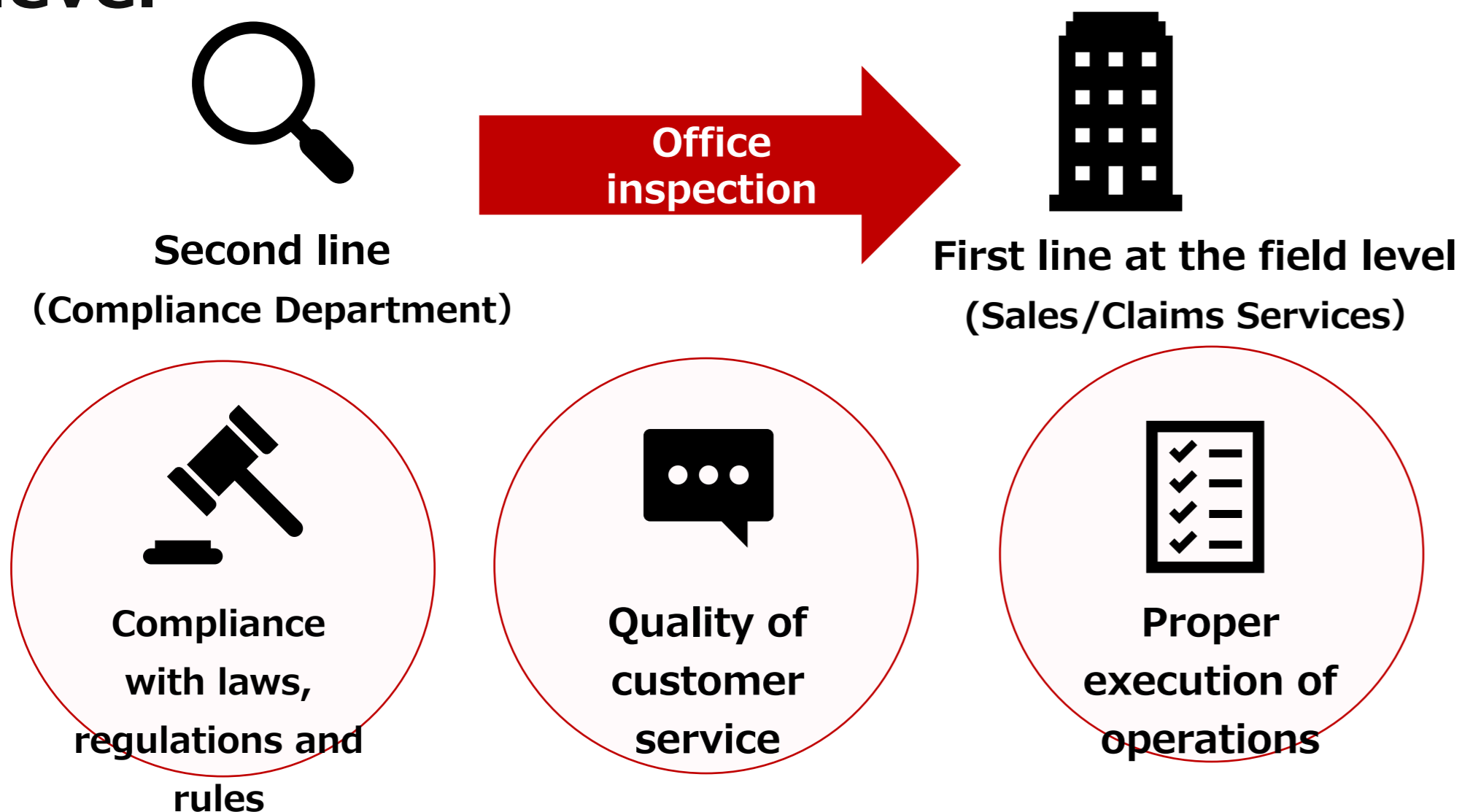
Additions and updates from the previous report (December 2025)

Strengthening of the Three Lines of Defense System (Initiatives by the Second Line Targeting the Fields and Agencies)

To promote the creation of a disciplined and dynamic organization, the second line is strengthening various initiatives to support the first line at the field level and agencies

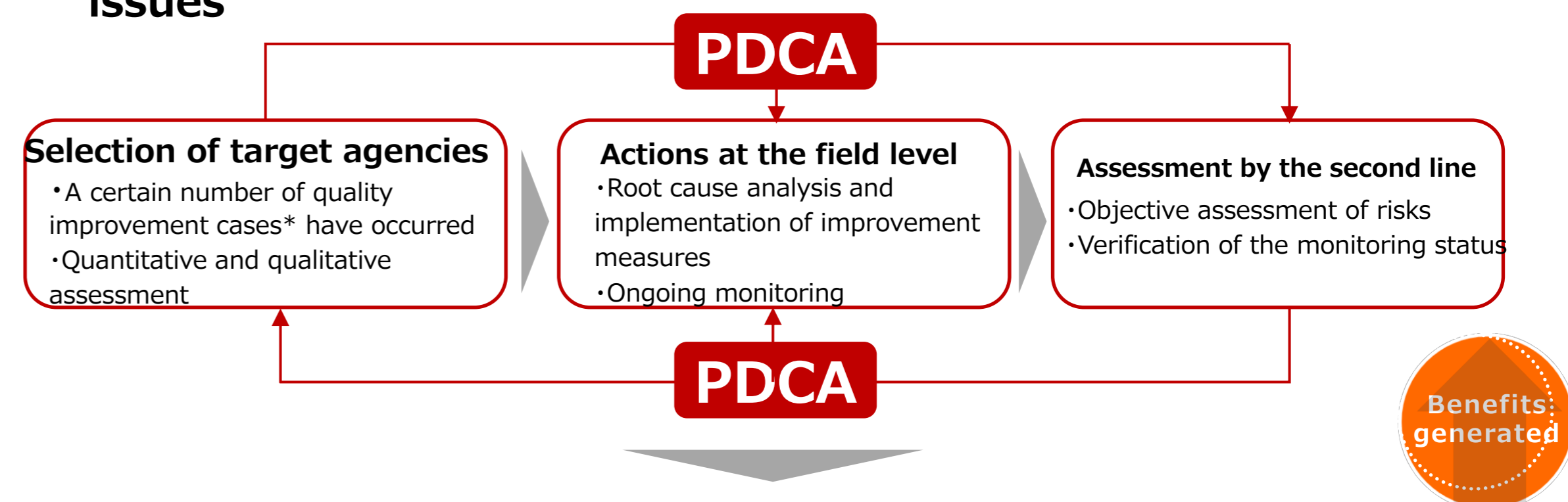
*Three lines of defense: Framework for establishing systems related to internal control, governance, and company-wide risk management

Inspections of the first line at the field level



Steady implementation of business improvement plans and realization of customer-oriented business operations

Company-wide initiatives to improve agencies with identified issues



- Since the launch of initiatives in FY2024, the PDCA cycle for organizational responses has progressed through eight rounds of agency selection and follow-up actions
- To enhance risk ownership in the first line at the field level, sales offices autonomously select agencies and advance on-site responses
- Organizational responses involving management addressed issues in agency structural development that could not be resolved by the field alone, minimizing the risk of harm to customers

*Quality Improvement Cases: Cases that do not constitute misconduct, but do not meet the minimum business quality standards for agencies and need improvement.



Strengthening of the Three Lines of Defense System (Audit of Business Improvement Plans)

The third line (Internal Audit Department) conducted a second audit of the business improvement plan

A company-wide PDCA cycle for autonomously identifying and addressing issues requiring improvement is becoming established

Overall assessment of the audit of the business improvement plans (summary)



Head office departments have rolled out various initiatives to the field, which the field has accepted sincerely and responded to accordingly



Initiatives under the business improvement plan are progressing largely as scheduled



However, some measures were found to have areas requiring improvement

*Corrective actions have been confirmed

Key findings from internal audit

Organizational culture and management

Analysis of factors hindering culture change and their reflection in measures are required

Compliance and customer protection management system

Customer trust quality standards must be further embedded to restore customer trust

Management system for claims and other payments

Under the customer trust quality standards, differences in evaluation perspectives among the claims service department and claims service sections need to be addressed

The progress of improvements is being confirmed through ongoing monitoring of identified issues
An autonomous internal control system based on the three lines of defense system is currently being established

Establishing an Appropriate Loss Investigation System



In light of the series of issues, we have rebuilt our system to ensure that loss investigators (technical adjusters) are involved in all cases

This system has been maintained for more than two years and has become embedded in the Company's operations

Loss investigations prior to FY2023

For repair shops assessed as having highly reliable repair estimates, loss investigations were conducted with certain steps omitted




! Issues and background

-  Risk of inappropriate claims
-  Excessive emphasis on productivity and efficiency, leading to a diminished customer perspective, etc.

Current loss investigations

A system has been established in which technical adjusters are involved in all loss investigation cases

✓ Measures for implementation

-  Strengthening the loss investigation system
-  Building a loss investigation system utilizing digital technologies
-  Strengthening support for the first line at the field level by the first line at the head office, and other measures

The loss investigation system has been rebuilt to achieve the desired state, resulting in an increase in the detection of fraudulent insurance claims through loss investigations



Initiatives to Ensure Appropriate Claims Payments

In addition to strengthening measures against fraudulent claims, post-payment verification has been introduced after claims payments are completed
Ensuring fair and appropriate claims payments



Response framework centered on a department dedicated to countering fraudulent claims

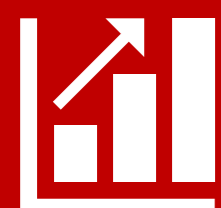


Establishment of a dedicated department and implementation of triage (approximately 54,000 cases in 11 months)

*Triage: The process for reviewing cases showing signs of fraud and confirming any additional necessary information



Review and direction on detailed investigation policies



Among the cases for which investigation policies were reviewed and directed, a certain proportion of fraudulent claims were prevented

Company-wide awareness of fraudulent claims and investigative capabilities have improved, accelerating the development of the response framework

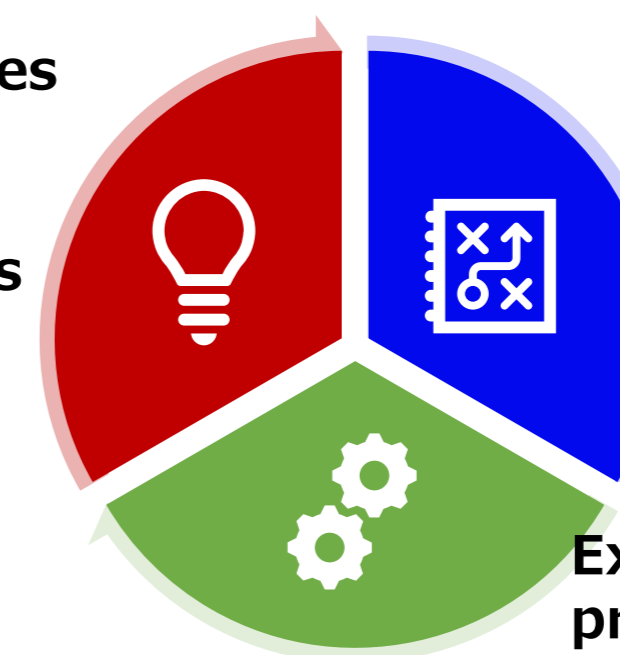
A framework to verify and improve the appropriateness of claims payments



Periodic post-verification of completed claims payments (from the perspective of appropriateness)
Identification of issues and linkage to improvement measures to enhance effectiveness

Process of verification and implementation of measures

Verification of completed cases



Deployment of measures to correct gaps

Execution and promotion of measures

Examples of specific measures (addressing issues identified in the previous fiscal year)

- Issue:** Lack of timely contact ⇒ **Measure:** Provision of contact data
- Issue:** Insufficient verification of expense claims ⇒ **Measure:** Planning and holding training sessions

Overview of Initiatives for Improvement

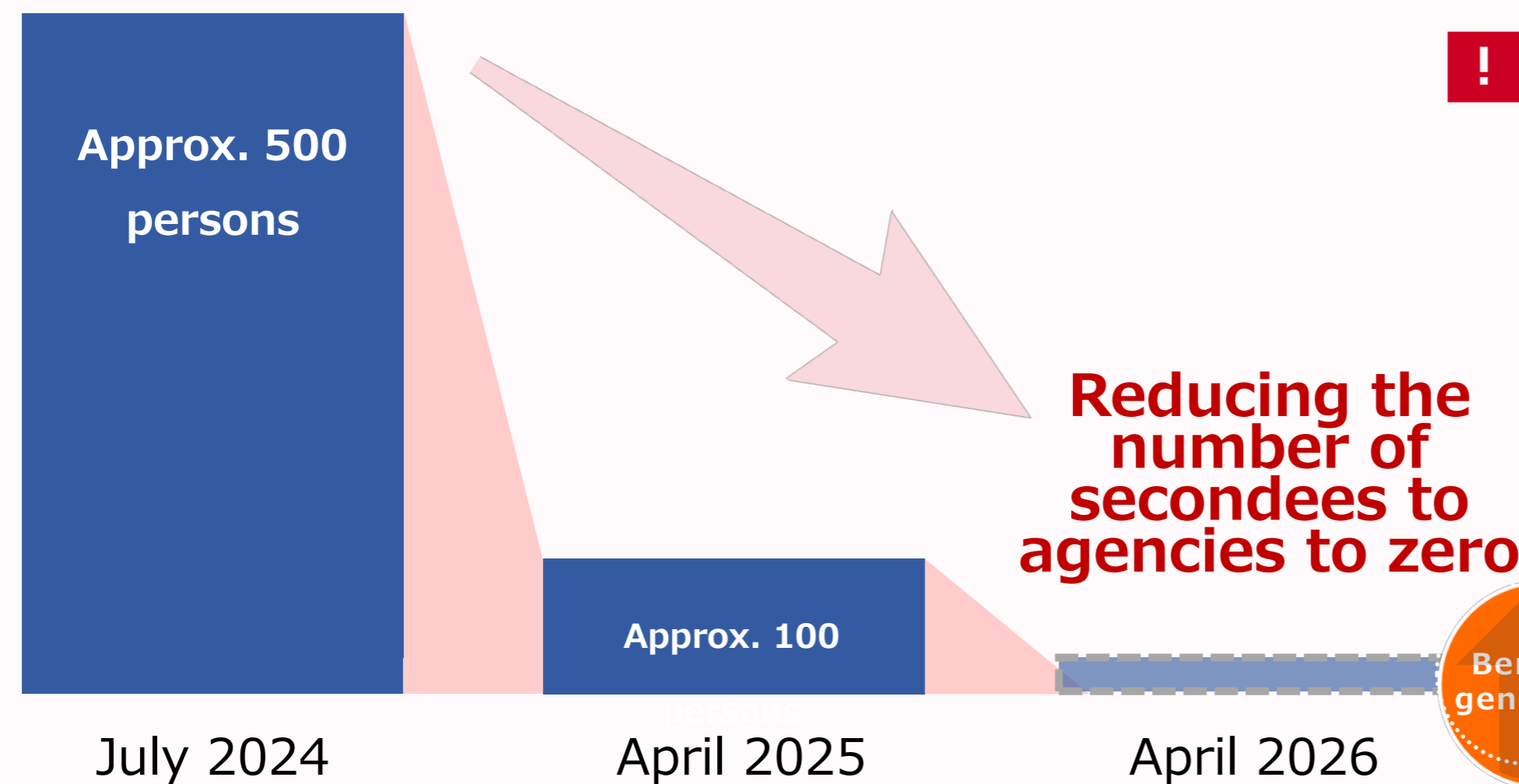
Solving structural issues

Additions and updates from the previous report (December 2025)

Initiatives to Secure an Appropriate Competitive Environment

Established our own guidelines based on those formulated by the General Insurance Association of Japan, and abolished secondments that do not contribute to the establishment of customer-oriented business operations, **reducing the number of secondees to agencies to zero as of the end of March 2026**

Operation of the system of secondment to agencies based on our guidelines



Issues regarding secondment to agencies revealed by the state of problems

- The importance of not only taking a medium- to long-term perspective focused on quality improvement, but also adopting a short-term perspective that emphasizes strengthening relationships with customers and agents in sales, as well as gaining market share.



Excessive preferential treatment through secondments may have hindered agencies' efforts to become independent.

Secondments to agencies will in principle remain prohibited.

Any new secondments to entities other than agencies will be subject to strict review by the relevant departments, including the second line.

Introduction of an Agency Evaluation Framework Emphasizing Operational Quality

Fundamentally revise our agency commission system, shifting the focus from scale and revenue growth to operational quality, moving away from a sales-driven approach, and accelerating improvements in customer service

Existing issues and future direction



Issues identified through the series of incidents:
Prioritizing “scale and revenue growth” over operational quality, etc.



Feedback from many agencies:
Dissatisfaction with channel-specific systems and frameworks driven by insurance companies, etc.

Direction of the new evaluation system:

Place greater emphasis on operational quality, ensuring fairness, impartiality, and transparency, etc.

Key points of the new evaluation system



Abolish channel-specific evaluation systems
→ Adopt a more transparent evaluation system



Increase the weighting of operational quality in the evaluation of agencies
→ Reflect the status of organizational system development in the evaluation



Evaluate scale based on the total contract volume handled by all partner non-life insurers
→ Discourage share adjustments not based on customer intent



Classification of system categories for general insurance agencies and specialized monoline agencies
→ Provide evaluation systems tailored to each business model

Introduction of AI



Introduce AI-based assessments for quality evaluation (with employees making the final decision)



Minimize variations in the evaluation and guidance of qualitative items

Initiatives to Support Agency Structural Development

Ahead of the industry-wide introduction of the “Agency Business Quality Evaluation System*” in FY2026, we are implementing our own measures to encourage agencies to improve their quality independently

Support measures for self-assessment checks

(Enhancing effectiveness through the use of a workbook)



Clear explanations of key points for each check item and easy-to-understand examples of expected actions



Used in a wide range of situations, from preparatory learning to the formulation of improvement plans



Contributes to quality improvement through effective self-assessment

Agency Structural Development Support Program

(Support for growth tailored to size and characteristics and governance)



Promote customer-oriented business operations and growth strategies that they remain the preferred choice of customers

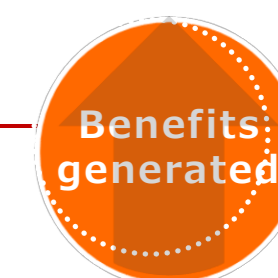


Clarify governance issues and support the establishment of frameworks



Program outcomes

- Increased personnel engaged in insurance operations
- Clearer roles within agencies (autonomous management and checks)
- Development of management policies and operational flows for proper solicitation
- Improvement of quality metrics contributing to higher customer satisfaction
- Increased opportunities for dialogue between agencies and insurance companies



These initiatives strongly support agencies in improving quality and achieving growth as the preferred choice of customers

*For details on the Agency Business Quality Evaluation System, please visit the website of the General Insurance Association of Japan: <https://www.sonpo.or.jp/about/efforts/quality/index.html> (in Japanese)

Overview of the Business Improvement Plans (Full Version)

Progress Status of Business Improvement Plans (SOMPO HD/Sompo Japan)

Supplementary explanation ▲ Measures in discussion ■ Measures implemented ● Sustain benefits ★ Firmly establish benefits
 Red: Measures with progress made from the previous report (measures in discussion ⇒ measures implemented, measures implemented ⇒ Sustain benefits)



1. Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established	2. Establish a system to thoroughly ensure compliance and customer protections (including the Antimonopoly Act)	3. Foster a healthy organizational culture prioritizing compliance and customer protections
<p>Sompo Holdings</p> <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 and establish the Compliance Office ● Appoint a Chief Internal Audit Officer 	<ul style="list-style-type: none"> ● A monitoring system for internal controls over subsidiaries' key measures and other activities ★ Information sharing and reporting system regarding 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 of instilling a corporate culture
<p>Sompo Japan Insurance</p> <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 ● Strengthen the independence of the third line of defense ● Change the management's mindset with education and development ● Enhance management of the Executive Committee agenda items ● Bring onboard perspectives from outside the company (including international perspectives) ● Establish committees related to the execution of the business improvement plan and strengthen oversight of progress management 	<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 controls in the second line (Compliance Department and the Risk Management Department) ● Strengthen internal controls in the third line (internal Audit Department) ● Communication between the first line and the second and third lines ● Clarify expectations and roles for the second line and strengthen talent ● DX of audits (data analysis including email forensics, and use of generative AI) 	<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 ● 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 Change Officer (CCO) and the Culture Change Department ● Establish the new post of Chief Quality Control Officer and the Quality Control Department ■ Dialogue across divisions (e.g., field-head office, claims service-sales dialogue) ● Review risk assessments for product development, changes, and discontinuation
<p>4. Establish an appropriate claims payment and management system</p> <ul style="list-style-type: none"> ★ Recommended Repair Shop System (Monitor operation of the previous system when requested by customers) ● Streamline operations using digital technologies ★ Abolish simplified investigations ★ Strengthen involvement of technical adjusters in loss investigation operations ★ Verify appropriateness of payments for natural disasters under automobile liability insurance 	<ul style="list-style-type: none"> ● Conduct audits related to the third-line business improvement plan and strengthen follow-up on issues ● Develop training programs for secondees on the Personal Information Protection Act and Unfair Competition Prevention Act ● Implement log investigation function for email system used to communicate with agencies ● Promote use of the whistleblowing system and disseminate internal leniency ● Improve underwriting rules for coinsurance and group insurance, etc. ● Continue to disseminate the Antimonopoly Act ● Clarify handling of our product information 	<p>5. Establish an effective agency management (insurance sales management) system</p> <ul style="list-style-type: none"> ● Increase quality weighting in agency commission points ● Clarify handling of quasi-dealer certification ● Analyze data on quality improvement issues and monitor improvement status ● Take action based on the monitoring results, such as making improvement recommendations to agencies with problems
<p>6. Measures to ensure an environment for fair competition in the corporate insurance area</p> <ul style="list-style-type: none"> ● Review cross-holding stocks/sales plan ● Review excessive preferential treatment ● Formulate a management system for secondees ■ Coordination with group companies about management of secondees 		<p>7. Establish an appropriate sales promotion framework and an underwriting management framework</p> <ul style="list-style-type: none"> ● Thoroughly manage profitability by insurance type and policy ● Establish sales activities to present appropriate insurance premium by risk ● The product division, etc. will check the appropriateness of the premiums the sales division quoted to companies (validation by the second and third lines)

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from December 2025 to February 2026) (1)

Measures	Main progress
1. Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established	
Incorporation of external perspectives	<ul style="list-style-type: none"> ■ Incorporation of external perspectives into management <ul style="list-style-type: none"> • Directors who also hold positions at the holding company attend Board of Directors meetings and express their opinions. ■ Conducted an awareness survey on Sompo Japan for agencies <ul style="list-style-type: none"> • To quantitatively assess agencies' views of the Company and use this information to improve our quality, we conducted our second survey targeting agencies and received responses from 3,911 participants. • In response to the question, "Do you feel that our corporate culture is shifting toward prioritizing compliance and customer protection rather than sales?", approximately 50% of respondents answered "strongly" or "somewhat," indicating early signs of change from an external perspective. We could confirm signs of change were noted by external parties. We will disseminate and instill this further so that more agencies can feel the change.
Follow-up by the third line	<ul style="list-style-type: none"> ■ Business improvement plan audit <ul style="list-style-type: none"> • Conducted audits of the business improvement plan and disclosed a summary of the results across the Company. • Communicated the need for the first line at the head office and the first line at the field level to work together to steadily advance the plan.
2. Establish a system to thoroughly ensure compliance and customer protections (including Antimonopoly Act)	
Establish a legal compliance system	<ul style="list-style-type: none"> ■ Compliance training for all officers and employees <ul style="list-style-type: none"> • We conducted compliance training on the Unfair Competition Prevention Act for all officers and employees. In this training, we reinforced awareness that obtaining competitors' product revision information may pose a risk of violating the Act. ■ Disseminate information on whistleblowing and internal leniency systems <ul style="list-style-type: none"> • We have continued structured efforts to promote awareness of the whistleblowing system and internal leniency system. • An employee survey was conducted to assess awareness levels of these systems.

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from December 2025 to February 2026) (2)

Measures	Main progress
3. Foster a healthy organizational culture prioritizing not sales but compliance and customer protections	
<ul style="list-style-type: none"> ■ Foster compliance awareness at the management level ■ Initiatives for mutual understanding across divisions ■ Foster a culture that prioritizes customer protection and compliance, and measures to instill such a culture in officers and employees 	<ul style="list-style-type: none"> ■ Dissemination of information by top management <ul style="list-style-type: none"> • President Ishikawa continuously sent messages on the state of the company and commitment at the time of reporting on the improvement plan, quarterly financial results briefing, and other occasions. • The town hall meeting project entered its second cycle in the 2nd half of FY2025. By the end of February 2026, approximately 17,300 employees from 1,575 departments and branches in total had participated in town hall meetings, including traditional roundtable meetings and open meetings (a combination of in-person and online meetings). • We held the “Leader Summit (Claims Service Division)” in October and December, bringing together leaders from the claims service division. This initiative was designed to reaffirm the division’s mission through direct messages from management and to strengthen horizontal connections across the division. ■ Dialogue across divisions (e.g., field-head office, claims service-sales dialogue) <ul style="list-style-type: none"> • We conducted inter-divisional dialogues (field and head office) across all regions to promote cross-divisional communication. Survey results indicated that approximately 80% of leaders and staff were satisfied, while around 90% recognized the need for such dialogue. • Dialogues have been initiated voluntarily between claims service and sales at the first line at the field level, and have also been conducted across head office functions, indicating that dialogue is spreading across the Company. ■ Status of culture change survey <ul style="list-style-type: none"> • Regular culture change surveys continue to show that steady progress has been made toward the transformation of the corporate culture.
4. Establish an appropriate claims payment and management system	
Strengthen the claims payment management system	<ul style="list-style-type: none"> ■ Monitoring the independence of the claims service division <ul style="list-style-type: none"> • We have been conducting monitoring through a survey for the claims service division since February 2026, including checks for any inappropriate handling.
Recommended repair shop system	<ul style="list-style-type: none"> ■ Monitoring appropriate operation of the previous system when requested by customers <ul style="list-style-type: none"> • We monitored the appropriateness of the operation of the “system for referring customers to high-quality repair shops only when requested by customers,” which was in place from September 2023 to August 2025, and confirmed that there were no issues with its operation. • We launched a new system (Recommended Repair Shop System) in August 2025 to confirm our customers’ preferences, ensure that referrals are made through an appropriate process, and conduct ongoing monitoring.
Measures against fraudulent claims	<ul style="list-style-type: none"> ■ Demonstration of functions by a department dedicated to counter fraudulent claims, speedy information sharing, and capturing signs of fraud <ul style="list-style-type: none"> • A department set up in FY2025 to handle suspected fraud cases supports investigations and considers response policy about suspected fraud cases reported from across Japan. It continues working on the response in coordination with local investigation departments.

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from December 2025 to February 2026) (3)

Measures	Main progress
5. Establish an effective agency management (insurance sales management) system	
Separate sales when providing guidance to large agencies in terms of insurance premiums	<ul style="list-style-type: none"> We have notified all employees via an internal memo that, "From a customer protection perspective, we will firmly respond to agencies which require service quality improvement. Unless improvement is made despite strict guidance, etc., and cancellation of the agency contract seems inevitable based on an overall judgment, we take sales performance into account and provide appropriate guidance and talent development," and provide appropriate guidance and talent development. Additionally, when evaluating sales branch performance, if guidance is provided to an agency to protect its customers and employees, but the agency shows no improvement and its contract is terminated, all revenue losses are considered improvements in performance.
Increase the quality weighting in agency commission points	<ul style="list-style-type: none"> In December, we disclosed the revision policy for agency commission structure for FY2027. While expanding incentives for quality improvement and regulatory compliance, we continue to incorporate evaluation criteria that take into account the occurrence of compliance violations.
6. Examine and implement measures for establishing an environment for proper competition, including the system of managing secondees	
Review cross-holding stocks/sales plan	<ul style="list-style-type: none"> The sales of cross-holding stocks for FY2025 is 272.9 billion yen as of the end of February 2026
Formulate a management system for secondees	<ul style="list-style-type: none"> In accordance with our secondment guidelines, we apply a rule that in principle there will be no secondments to agencies. The number of secondees to agencies is expected to be zero as of the end of March 2026. Going forward, secondment to agencies will in principle remain prohibited. Any new secondments to entities other than agencies will be subject to strict review by the relevant departments, including those in the second line.
7. Establish an appropriate sales promotion system and insurance underwriting management system	
Improve corporate risk management capabilities	<ul style="list-style-type: none"> We offer a risk manager training program to support the training of risk managers needed to enhance corporate risk management. From the third session launched in October 2025, we introduced an advanced course covering more sophisticated topics. We also continue to offer the existing courses with some modifications, supporting the enhancement of risk management for both corporate entities and in-house agencies.

[SOMPO HD] Progress Status of Business Improvement Plans (Main Initiatives from December 2025 to February 2026) (1)

Measures	Main progress
1. Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established	
(1) Strengthen and improve the effectiveness of Group governance	<ul style="list-style-type: none"> We have strengthened the oversight over SOMPO Japan further, such as by placing the Group CEO to serve as the chair of its Board of Directors meetings. Based on the results of an external evaluation by experts regarding the effectiveness of the Board of Directors, we are examining efficient and effective group-wide corporate governance functions.
(2) Revise the institutional design of operating companies (major domestic companies)	<ul style="list-style-type: none"> Confirmed at the executive level that the Company will maintain the current institutional design consisting of Sompo Japan, Sompo Himawari Life Insurance, Inc., and SOMPO Care Inc. in the next fiscal year, and continue to dispatch directors to these companies.
(3) Appoint a Chief Compliance Officer	<ul style="list-style-type: none"> Newly appointed Chief Compliance Officer concurrently serving as Chief Compliance Officer of Sompo Japan to promote information sharing in a timely and appropriate manner and strengthen collaboration. The officer provides oversight and support functions to establish an appropriate system for managing secondments.
(4) Establish a Compliance Office	<ul style="list-style-type: none"> Reviewed this year's compliance promotion initiatives and confirmed at the executive level that various monitoring activities by the Compliance Office (established April 2024; now the Compliance Department) are appropriately implemented and embedded across the organization.
(5) Appoint a Chief Internal Audit Officer	<ul style="list-style-type: none"> Implement initiatives across the group to enhance and standardize internal audit functions.
(6) Clearly define the relationships between Group Chief Officers (CxO) and Chief Officers (CxO) of individual companies	<ul style="list-style-type: none"> Clarified and implemented the collaboration between Chief Officers (CxO) when negative information was found at a group company.
(7) Strengthen specialized personnel	<ul style="list-style-type: none"> Organized the overview of the Group's personnel investment (details, amount) and implemented personnel investment measures (development, hiring, etc.). We started a training program for raising the standards of officers, covering group companies.
2. As an insurance holding company, establish a system to ensure sound and appropriate management of the operations of subsidiary insurance companies	
(1) Monitoring system for internal controls over subsidiaries' key measures and other activities 1) Strengthen monitoring of key measures and other activities	<ul style="list-style-type: none"> We continue to monitor the status of deliberation at various key meeting bodies of SOMPO Japan, confirming the implementation of proper prior risk assessment and after-the-fact monitoring on key measures of SOMPO Japan.
2) Monitoring of the adequacy and effectiveness of Sompo Japan's internal controls	<ul style="list-style-type: none"> In addition to attending important meetings of Sompo Japan, the Compliance Department regularly meets with Sompo Japan's Compliance Department and checks the progress of recurrence prevention measures outlined in the Business Improvement Plans prepared by Sompo Japan. To improve the effectiveness of audit by the Audit and Supervisory Committee stated in 3) below, in addition to the progress status of the Business Improvement Plans, the Group CRO, etc. report to the Audit Committee every quarter about the overall internal control system, responses to the Group's major risk and occurrence of incidents and major issues at subsidiaries, and their prevention measures.
3) Audits of the status of development and operation of internal controls, including progress management on the improvement plans by the Audit Committee	<ul style="list-style-type: none"> To improve the effectiveness of audits by the Audit Committee, as stated in above 2), the Audit Committee has received a quarterly report from Group CRO, etc. on the matters related to internal controls. To monitor risks at each Group company including Sompo Japan, continuously cooperate with audit and supervisory committee members and auditors of each Group company.

[SOMPO HD] Progress Status of Business Improvement Plans (Main Initiatives from December 2025 to February 2026) (2)

Measures	Main progress
2. As an insurance holding company, establish a system to ensure sound and appropriate management of the operations of subsidiary insurance companies	
(2) Information sharing and reporting system regarding the recent spate of problems 1) Develop a system for subsidiaries' key information to be reported to Sompo Holdings without omission	a. Reestablish reporting rules on key matters from subsidiaries to Sompo Holdings <ul style="list-style-type: none"> We have established and are implementing policies necessary for group companies to ensure that they seek approval of/report to SOMPO HD regarding important matters.
2) Establish a system to actively obtain subsidiaries' key information	a. Constantly monitor management status and be directly involved in formulating measures through integrated management with Sompo Japan's head office departments and mutual concurrent appointments of officers and employees <ul style="list-style-type: none"> Reviewed initiatives for integrated management and cross-appointments of officers and employees between the Company and certain departments of Sompo Japan, and confirmed at the executive level maintenance of the current organizational structure, based on the tangible results achieved. b. Sompo Holdings' officers will officially participate in various important meetings of Sompo Japan <ul style="list-style-type: none"> Clearly defined the officers and employees attending important meetings of Group companies including Sompo Japan to strengthen and operate an active information sharing. c. Bolster informal communication <ul style="list-style-type: none"> Held regular meetings among Group Chief Officers (CxO) and among key divisions of Sompo Japan to increase opportunities to communicate to strengthen and implement information sharing. d. Strengthen risk assessment <ul style="list-style-type: none"> Hold information-sharing sessions with group companies on risk assessments. e. Encourage use of the whistleblowing system and improve its reliability <ul style="list-style-type: none"> In order to enhance the reliability of the internal whistleblowing system, initiatives are being implemented to strengthen Group-based investigation responses, including Group-wide training for personnel involved, provision of learning content for such personnel, and the establishment of consultation desks for those involved.
(3) Internal audit system	Confirm and assess the appropriateness and other aspects of the actual state of internal controls at Sompo Japan <ul style="list-style-type: none"> Established an audit plan for the "Audit of Business Improvement Plans" conducted by Sompo Japan's Internal Audit Department, in which our Internal Audit Department also participates, and are conducting audits.
3. Establish a system to foster in subsidiary insurance companies a healthy organizational culture prioritizing not sales but compliance and customer protections	
(1) Revise, instill and implement the Group Corporate Philosophy framework	<ul style="list-style-type: none"> To increase the effectiveness of the rebuilt corporate philosophy framework, the revised "Group Common Competencies" have been implemented since April 2025, along with the new criteria for hiring, evaluating, promoting to management positions, and electing executives. To support improvement of management-level skills and a virtuous cycle of the organizational PDCA process, an external coaching program for department and section managers has been newly introduced.
(2) Follow up on progress with instilling a corporate culture	<ul style="list-style-type: none"> In order to ensure the spread of "SOMPO Values" and the "Group Common Competencies," a PDCA cycle has been established through the use of culture surveys and engagement surveys.