

June 15, 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 May 31, 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 being a company that continues to think and act from the customer’s perspective in everything we do.

We will constantly return to this fundamental principle and, until the day our improvement initiatives are fully embedded in our corporate culture, we will never stop moving forward. With a profound sense of resolve and determination, all directors, officers, and employees will continue to work together as one to earn the trust and recognition of our customers and stakeholders, who can truly say, “We’re glad we chose Sompo Japan. We’re glad we chose SOMPO.”

(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 Our Business Improvement Plans

As of May 31, 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

Two years have passed since we began implementing measures based on the business improvement plans formulated in response to fraudulent automobile insurance claims and insurance premium adjustment practices. During this period, we have been working company-wide to fundamentally transform our corporate culture. In addition, we have continued initiatives to prevent the recurrence of the inappropriate management of policyholder information at independent agencies,

Currently, more than half of the total 183 measures set out in the plans have moved to the "Firmly establish benefits" phase, and a framework for new internal controls is being established.

To truly regain trust, we must not become complacent about building and establishing these mechanisms. Rather, we need to continue to question whether they are functioning effectively as "behavioral changes" in each and every employee. We will continue to rigorously assess the progress of transformation, drawing on objective evaluation metrics informed by external expertise, rather than relying solely on self-assessment.

To continue being "A company that thinks like a customer in every aspect of business," we will always return to this starting point. We will continue our progress without halting until the day when our improvement initiatives are fully embedded in our corporate culture and all officers and employees will work together as one with resolve and determination to realize a "New Sompo Japan" that earns the recognition: "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 not being escalated (Gap between the sales representatives and management)
- Self-protection, a top-down culture, siloed thinking, and blaming others, etc.

Governance

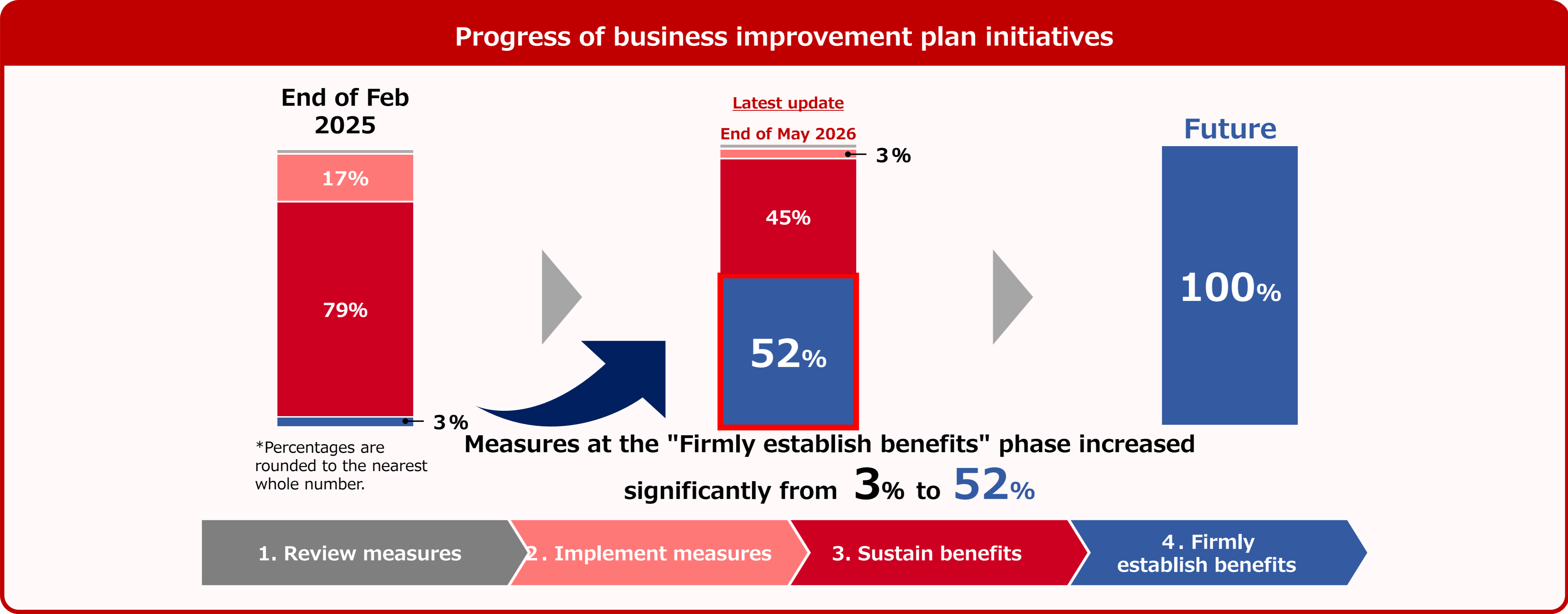
- The management team lacking risk awareness and internal controls being dysfunctional
- Dysfunctional Compliance and Risk Management Divisions
- Claims payment management system, etc.

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


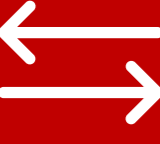




Two years have passed since the plans were launched, and more than half of all 183 measures have moved to the "Firmly establish benefits" phase. Since the previous report, progress has advanced significantly, driven by fiscal year-end reviews of each initiative and other factors.



Approach to Determining That Benefits Have Been Firmly Established for Each Measure

The transition of each measure to "Firmly establish benefits" is determined carefully based on the steady execution of the PDCA cycle.

Strict verification is conducted, also incorporating the perspective of a third-party organization, to confirm that all of the following elements have been satisfied.

- | | |
|---|---|
|  | 1. Each measure has been planned and communicated based on the true causes. |
|  | 2. The existence of each measure has been communicated to relevant parties by the department responsible for the measure. |
|  | 3. Each measure is understood by relevant parties. |
|  | 4. The department responsible for the measure provides support so that each measure can be operated effectively. |
|  | 5. A monitoring process is functioning to verify the quality of each measure. |
|  | 6. Processes necessary for each measure to function effectively are being steadily implemented and thoroughly carried out. |

Major Measures That Moved to the "Firmly Establish Benefits" Phase

From March to May, 90 measures were determined to have reached the "Firmly establish benefits" phase. The main measures for each of the seven key initiative areas under the Business Improvement Plans are as follows.

Foster a healthy organizational culture prioritizing compliance and customer protections over sales

- Establish a framework for customer-centric quality management; [see pp. 7-8](#) (Establishment of the Quality Control Department and officer in charge of quality control, etc.)

Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established

- Newly established issue-specific committees (Quality Control Committee and Profitability UW/Product Committee)
- Enhance the roles of directors in charge of second and third lines

Establish an appropriate claims payment and management system

- Define and instill the mission for employees in the claims service division; [see pp. 11-12](#)
- Ensure the independence of claims payment operations

Measures to ensure an environment for fair competition in the corporate insurance area, including the system for managing secondees

- Establish a framework for compliance with the Antimonopoly Act; [see pp. 13-14](#) (Establishment of rules prohibiting contact with other companies, etc. and underwriting rules)
- Formulate a management system for secondees (Abolish the former secondment system)

- Foster compliance awareness at the management level

Establish a system to thoroughly ensure compliance and customer protections

- Monitor suspected fraudulent claims cases
- Revise the Compliance Program; [see pp. 9-10](#)

Establish an effective agency management (insurance sales management) system

- Revise processing rules, etc. related to agency action standards
- Training for all employees on conflicts of interest risk

Establish an appropriate sales promotion framework and an underwriting management

- Establish a framework based on the ideal state of corporate insurance (product division and sales division); [see pp. 15-16](#)
- Disseminate information on rate revisions and strengthen the sales division's ability to explain them

Major Measures That Moved to the "Firmly Establish Benefits" Phase

Measure **1**

Establish a framework for customer-centric quality management

Recognizing the importance of customer-centric initiatives, we have defined company-wide "Customer Trust Quality Standards" and are implementing measures to ensure they take root across the organization.



Major Measures That Moved to the "Firmly Establish Benefits" Phase

① Establish a framework for customer-centric quality management

1. Building a framework for establishing the Customer Trust Quality Standards



Defining "quality" → To enable everyone to think from the customer's perspective in every aspect of business, the Company established the Customer Trust Quality Standards as a Company-wide definition.



Establishing the Quality Control Department and officer in charge of quality control → To instill the Customer Trust Quality Standards, the Company installed an officer in charge of quality control and established the Quality Control Department as the organization responsible for execution.

2. Initiatives to establish Customer Trust Quality Standards



Customer quality monitoring → Detect inappropriate solicitation and other issues and minimize conduct risk.



Setting quality KPIs → Set KPIs related to quality and implement PDCA at each workplace.

3. Verification of effectiveness and objective evaluation



Quality Control Committee → Regularly hold meetings for the Quality Control Committee, which includes outside experts, and conduct highly transparent discussions on conduct risk and other matters.



Analysis of customer feedback → Regularly report analysis results of customer feedback, including complaints, to the Executive Committee and other bodies, and reflect them in Company-wide measures and management decisions.

4. Determination that benefits have been firmly established and future actions



Determination that benefits have been firmly established

The Company confirmed that a framework is in place in which PDCA cycles, including the operation of quality KPIs and monitoring by management, function autonomously, and determined that benefits have been firmly established.



Future actions

The Company will continue to confirm whether this quality-focused framework is truly leading to behavioral change in each and every employee.

Major Measures That Moved to the "Firmly Establish Benefits" Phase

Measure **2**

Revision of the Compliance Program

The Company is implementing a Compliance Program to build a legal compliance system and promoting the instilling of risk ownership (taking ownership) in all workplaces and in each individual.



Major Measures That Moved to the "Firmly Establish Benefits" Phase

② Revision of the Compliance Program

1. Building the Compliance Program framework



Formulation of the annual compliance policy → Based on issues in the Company's compliance system, the Board of Directors discussed and reached a resolution on the compliance policy and ideal state.



Formulation of the annual Compliance Program → The Company formulated the Compliance Program as an action plan for realizing the ideal state set out in the compliance policy.

2. Initiatives to promote the program



Company-wide rollout of mandatory training, etc. → The Company conducted practical training and workplace discussions on the Antimonopoly Act, information management, and other topics.



Fostering a sense of ownership → The Company promoted mindset change through direct dialogue between the Chief Compliance Officer (CCoO) and branch and department managers at the field level.

3. Verification of effectiveness and objective evaluation



Monitoring by the Compliance Department → The Compliance Department strictly monitored the "reliable implementation and completion at all workplaces" of training and other initiatives.



Verification involving management → The implementation progress and issues were reported to the Executive Committee and the Board of Directors, and management-level review and verification were conducted.

4. Determination that benefits have been firmly established and future actions



Determination that benefits have been firmly established

Based on reviews by the Executive Committee and other bodies, PDCA cycles are functioning reliably by reflecting findings in the next fiscal year's policy, and the Company determined that benefits have been firmly established.



Future actions

The Company will continue to deepen autonomous PDCA cycles in which each workplace independently identifies signs of risk and prevents risks before they materialize.

Major Measures That Moved to the "Firmly Establish Benefits" Phase

Measure **3**

Definition and instillation of the mission of the claims service division

The claims service division's unchanging mission was redefined as "appropriate claims payment" and "customer satisfaction," and initiatives are being accelerated so that this mission becomes established as behavior by all employees in the claims service division.



Major Measures That Moved to the "Firmly Establish Benefits" Phase

③ Definition and instillation of the mission of the claims service division

1. Building a framework for establishing the mission



Redefining the mission → The mission was defined as "appropriate claims payment (correct payment without overpayment or underpayment)" and "customer satisfaction."



Revision of manuals → Based on the above mission, the Claims Service Manual was fundamentally revised.

2. Initiatives to establish the mission



Direct communication from management → The Company held a Leader Summit, where leaders from claims service divisions nationwide gathered, and management directly communicated the mission.



Confirmation of understanding → In a survey, more than 75% of employees responded that they deeply understand the goal of realizing the mission.

3. Verification of effectiveness and objective evaluation



Verification of basic behaviors → Using a common review sheet and other tools, the Company verifies and monitors from a unified perspective whether basic behaviors, such as understanding accident details, are being practiced.



Ongoing monitoring of independence → The Company objectively verifies whether inappropriate intervention from the sales division is impairing the appropriateness of claims payment operations or causing similar issues.

4. Determination that benefits have been firmly established and future actions



Determination that benefits have been firmly established

The Company confirmed that the level of understanding of the mission is high and that a foundation for delivering fair and impartial services is functioning Company-wide, determining that benefits have been firmly established.



Future actions

The Company will continue to verify whether a true understanding of the mission and the accompanying behavioral change have taken root in each and every employee.

Major Measures That Moved to the "Firmly Establish Benefits" Phase

Measure **4**

Establish a framework for compliance with the Antimonopoly Act

To ensure compliance with the Antimonopoly Act, the Company has established a foundation by rolling out and thoroughly implementing rules on appropriate underwriting and contact with other companies, confirming the establishment of benefits through regular monitoring and PDCA cycles.



Major Measures That Moved to the "Firmly Establish Benefits" Phase

④ Establish a framework for compliance with the Antimonopoly Act

1. Building a framework for compliance with the Antimonopoly Act



Formulation of rules → The Company formulated and rolled out rules to avoid violating the Antimonopoly Act, as well as rules prohibiting, in principle, contact between the sales division and competitors.



Establishment of a specialized organization → The Company established the Fair Trade Promotion Office as a specialized organization for compliance with the Antimonopoly Act.

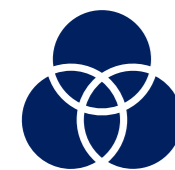
2. Initiatives to establish the rules



Thorough implementation of rules through a dedicated website and training

→ The Company centralized information through an Antimonopoly Act portal site and ensured widespread knowledge through e-learning and training for all officers and employees.

3. Verification of effectiveness and objective evaluation



Implementation of multilayered monitoring → The Company conducts quarterly monitoring by the first line at the field level and the second line, while also conducting verification through the third line audit system and verification of appropriate operation.



Objective verification by a third-party organization, etc. → Through rigorous audits by a third-party organization, the Company verifies the validity of multilayered monitoring.

4. Determination that benefits have been firmly established and future actions



Determination that benefits have been firmly established

The Company **confirmed that no serious rule violations have occurred** to date and that autonomous PDCA cycles are functioning, including feedback of regular verification results to the first line at the field level, and determined that benefits have been firmly established.



Future actions

The Company will continue to prevent rules from becoming a mere formality through **more advanced monitoring and other measures**, while continuing to **verify behavioral change among all employees**.

Major Measures That Moved to the "Firmly Establish Benefits" Phase

Measure **5**

Establish a framework based on the ideal state of corporate insurance

The Company has established a framework for providing the intrinsic value of insurance according to each customer's specific risks and issues, rather than providing value other than the intrinsic value of insurance, such as excessive preferential treatment.



Major Measures That Moved to the "Firmly Establish Benefits" Phase

⑤ Establish a framework based on the ideal state of corporate insurance

1. Building a framework for structural development

 **Reorganization of the sales division into industry-specific organizations** → To build an organizational structure capable of making highly specialized proposals, the Company reorganized the sales division into industry-specific organizations in April 2026.

 **Subdivision of the product division organization** → To pursue more specialized underwriting, the Company subdivided the product division from four departments to eight departments in October 2025.

2. Initiatives for structural development


 **Establishing an advanced proposal environment for risk management** → The Company introduced a solution platform, including SOMPO SUSTAINA, a natural disaster risk analysis tool.

 **Support for strengthening risk management capabilities** → The Company launched a risk manager training program to support corporate customers in solving their issues.

 **Advancing issue-solving proposals** → The Company is advancing proposals at the field level based on a deep understanding of customers, rather than starting from the assumption that the Company's own products should be proposed.

3. Verification of effectiveness and objective evaluation

 **Checks on and monitoring of the sales division by the product division** → The product division conducts ongoing ex-post verification and monitoring of the appropriateness of underwriting conditions and insurance premiums presented to companies by the sales division.

 **Strengthening the risk management system within the product division** → The Company newly established the Product Risk Management Group across the eight product departments to strengthen the risk management system within the product division.

4. Determination that benefits have been firmly established and future actions



Determination that benefits have been firmly established

In addition to an organizational structure for making **advanced proposals**, programs have been established to **continuously strengthen expertise**, and the Company determined that benefits have been firmly established.



Future actions

PDCA cycles **involving both the product division and sales division** have begun to function. The Company will continue to implement and verify initiatives to ensure the continued delivery of advanced proposals.

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)**

Foster a healthy organizational culture prioritizing not sales but compliance and customer protections

Sompo Holdings

- Revising, instilling, and implementing a Group Corporate Philosophy framework
- Follow up on progress of instilling a corporate culture

Sompo Japan Insurance

- ★ Foster compliance awareness at the management level
- Revise the Code of Conduct and other rules
- Strengthen a market-oriented perspective in product development

- Foster a culture that prioritizes customer protection and compliance, and measures to instill such a culture in officers and employees
- Conduct interdivisional dialogue (field-head office, claims service-sales, etc.)

- Establish organizational PDCA cycles for corporate culture transformation
- ★ Establish a Quality Control Department and appoint an officer in charge of quality control
- ★ Follow-up by the third line for corporate culture transformation
- ★ Review the exchange of performance information with other companies and its use

Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established

Sompo Holdings

- ★ 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 a Compliance Office and Compliance Office
- ★ Appoint a Chief Internal Audit Officer
- ★ Clearly define the relationships between Group Chief Officers (CxO) and Chief Officers (CxO) of individual companies
- ★ Strengthen specialized personnel

Sompo Japan Insurance

- Strengthen the independence of the third line of defense
- ★ Change management mindsets with education and development
- ★ Enhance management of the Executive Committee agenda items
- ★ Bring onboard perspectives from outside the company (including international perspectives)
- Expand risk assessment when submitting matters to the Executive Committee

- ★ Enhance management of the Executive Committee agenda items
- ★ Newly establish issue-specific committees
- Create and roll out the Risk Ownership Handbook
- Expand risk assessment when submitting matters to the Executive Committee
- ★ Enhance the roles of directors in charge of second and third lines

Establish a system to thoroughly ensure compliance and customer protections

Sompo Holdings

- 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

Sompo Japan Insurance

- ★ Monitor suspected fraudulent claims cases
- ★ Conduct monitoring by the first line at the head office
- Develop and establish training and programs on the Act on the Protection of Personal Information and the Unfair Competition Prevention Act

- Strengthen risk management in promoting measures and conduct risk assessments of head office first-line measures
- ★ Clarify expectations and roles for the second line and strengthen talent
- Conduct monitoring of the first line at the field level by the second line

Sompo Japan Insurance

Establish an appropriate claims payment and management system

- ★ Define and instill the mission for employees in the claims service division
- ★ Ensure the independence of claims payment operations (Eliminate inappropriate intervention by the Sales Division)

- ★ Review and develop rules in the claims service division and strengthen monitoring
- ★ Revise the Claims Payment Regulations and Claims Service Manual

Measures to ensure an environment for fair competition in the corporate insurance area

- ★ Establish rules prohibiting contact with other companies, etc.
- ★ Improve underwriting rules for coinsurance and group insurance, etc.
- ★ Formulate a management system for secondees (Abolish the former secondment system)

- Formulate a management system for secondees (new secondment system)
- Coordinate with group companies about the management of secondees
- ★ Discuss the business model for corporate agencies
- ★ Revise procurement rules for products and services

Establish an effective agency management (insurance sales management) system

- Establish a supervision and guidance system for agencies (Use of surveys)
- Monitor customer surveys
- ★ Separate sales when providing guidance to large agencies in terms of insurance premiums

- ★ Review the content of customer surveys
- ★ Revise processing rules, etc. related to agency action standards
- ★ Confirm the status of establishment of measures to prevent recurrence
- ★ Implement training for all employees on conflicts of interest risk
- ★ Deepen complaint analysis

Establish an appropriate sales promotion system and insurance underwriting management system

- Initiatives to enhance profitability analysis and pricing
- ★ Clarify the roles of each division based on the ideal state of corporate insurance
- ★ Thoroughly manage profitability by insurance type

- ★ Review how head office inquiries related to underwriting are handled
- ★ Disseminate information on rate revisions and strengthen the sales division's ability to explain them

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from March 2026 to May 2026) (1)

Measures	Main progress
<p>Foster a healthy organizational culture prioritizing not sales but compliance and customer protection</p>	
<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 May 2026, approximately 18,068 employees from 1,647 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). ■ Dialogue across divisions (e.g., field-head office, claims service-sales dialogue) <ul style="list-style-type: none"> • Inter-divisional dialogues (field and head office), which promotes dialogue across divisions, will continue in FY2026 and is scheduled to be held for leaders and staff from May to July. • For dialogue between claims services and sales at the first line at the field level, the Company is implementing voluntary sessions nationwide in coordination with divisional policies and various measures. ■ Instilling and establishing autonomous risk ownership in the first line <ul style="list-style-type: none"> • The Company positioned risk ownership as an essential skill for management and newly rolled out Risk Ownership Training to help managers experience how their instructions, words, and actions are received. <p>(Main training content)</p> <ul style="list-style-type: none"> ➢ Promoting understanding and instillation of the roles expected of management and risk ownership ➢ Case studies based on daily operations at the first line at the field level, such as claims payments and agency structural development, including video viewing sessions, group discussions, and instructor explanations to recognize and share risks ➢ Understanding the COSO Framework based on case studies and learning internal control mechanisms to apply it in practice
<p>Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established</p>	
<ul style="list-style-type: none"> ■ Incorporation of external perspectives ■ Establish a framework to escalate negative information 	<ul style="list-style-type: none"> ■ Incorporation of external perspectives into management <ul style="list-style-type: none"> • Directors who concurrently serve at the holding company and directors who are Audit and Supervisory Committee members attend Board of Directors meetings, including preliminary briefings, and express their opinions. ■ Framework for directly communicating the voices of employees nationwide to management <ul style="list-style-type: none"> • In Doro-Tama BOX, a mechanism to enable all employees nationwide to directly escalate negative information to the management team, the number of proposals has remained at approximately 250 per month, and the cumulative total has exceeded 6,400. • Based on proposals from employees, the Company is developing tools that contribute to quality improvement and using responses to negative information to minimize the risk of incidents that fail to meet the Customer Trust Quality Standards.

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from March 2026 to May 2026) (2)

Measures	Main progress
Establish a system to thoroughly ensure compliance and customer protection	
Establish a legal compliance system	<ul style="list-style-type: none"> ■ Compliance training for all officers and employees <ul style="list-style-type: none"> • The Company confirmed that all departments had completed the six FY2025 employee compliance training programs conducted from December to March. • FY2026 employee compliance training will consist of 17 programs, and the training curriculum will be disclosed in three batches over the year, allowing flexible responses to new issues arising during the fiscal year. ■ Office inspections of the first line at the field level <ul style="list-style-type: none"> • The Company will also conduct office inspections in FY2026 for the first line at the field level to execute the Business Improvement Plans and realize customer-oriented business operations. • This fiscal year, the Company will support the development of internal control systems through risk-based PDCA cycles that incorporate prevention, rather than stopping at post-incident response.
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"> • In February 2026, the Company conducted a survey for the claims service division and confirmed that the average score for all officers and employees on the Code of Conduct for ensuring the independence of claims payment operations remained high, at 3.98 points. • In addition, an external organization conducted interviews with the first line at the field level, and no material deficiencies or issues requiring immediate correction were identified in the level of understanding and implementation of rules for ensuring the independence of claims payments.
Measures against fraudulent claims	<ul style="list-style-type: none"> ■ Demonstration of functions by a department dedicated to counter fraudulent claims, swift information sharing, and capturing signs of fraud <ul style="list-style-type: none"> • In the department dedicated to responding to suspected fraudulent claims cases established in FY2025, the Company provides investigation support for fraudulent claims cases reported nationwide and considers response policies, while continuing to work with local departments. • In the approximately one year and two months since the dedicated department was established, more than 8,100 investigations have been conducted.

[Sompo Japan Insurance] Progress Status of Business Improvement Plans (Main Initiatives from March 2026 to May 2026) (3)

Measures	Main progress
Establish an effective agency management (insurance sales management) system	
Promote initiatives for agency structural development	<ul style="list-style-type: none"> ■ Initiatives supporting appropriate dialogue to promote agency structural development <ul style="list-style-type: none"> • To complete agency structural development, the Company has established an internal structure and is providing full support so that sales branches can engage in careful dialogue with agencies. • Specifically, the Company uses the Agency Business Quality Evaluation System to align perspectives on specific points for improvement toward quality enhancement. ■ Promotion of the Agency Structural Development Support Program <ul style="list-style-type: none"> • Since FY2025, the Company has assigned promoters of the Agency Structural Development Support Program to Area Support Divisions nationwide. • In FY2026, the Company will improve the full set of structural development support tools, clarify the role of agency business development, review the training system by strengthening coordination with relevant departments, and disclose support measures for dialogue methods.
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 that 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.
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 FY2026 is 24.7 billion yen as of the end of May 2026
Formulate a management system for secondees	<ul style="list-style-type: none"> • All existing secondees to agencies returned by the end of March 2026.
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. • The program consists of three courses: Basic, Regular, and Advanced. The Company will continue the program in FY2026 to support the enhancement of risk management at corporate customers and in-house corporate agencies.
Reorganize into industry-specific organizations	<ul style="list-style-type: none"> • To enhance industry-specific expertise, the Company reorganized its organizational structure into industry-specific organizations.

[SOMPO HD] Progress Status of Business Improvement Plans (Main Initiatives from March 2026 to May 2026) (1)

Measures	Main progress
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"> Based on the results of an external evaluation by experts of the effectiveness of the Board of Directors, the Company is establishing a process for improving its operation. By continuing the system in which directors of the Company concurrently serve as directors of Sompo Japan and someone other than Sompo Japan's top executive serves as chair of its Board of Directors, and by formulating and disclosing a mission statement on which the Company's Board of Directors should be based, the Company is working to further strengthen the governance system and improve its effectiveness.
(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 this fiscal year, and continue to dispatch directors to these companies.
(3) Appoint a Chief Compliance Officer	<ul style="list-style-type: none"> 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 Company has established mechanisms to support each operating company's autonomous development of its compliance system and a PDCA cycle for building a corporate culture that prioritizes compliance.
(4) Establish a Compliance Office	<ul style="list-style-type: none"> The Company has formulated this fiscal year's Compliance Program and is continuing a PDCA cycle to enhance the compliance system across the Group. The Company has conducted a Declaration of Compliance with Laws and Regulations by all Group officers and employees and is leading the fostering of a Group-wide corporate culture that prioritizes compliance.
(5) Appoint a Chief Internal Audit Officer	<ul style="list-style-type: none"> Through initiatives including optimizing J-SOX evaluation processes across the Group, monitoring the Business Improvement Plans, and communicating observations, the Company is continuously working to enhance and standardize the internal audit function across the Group.
(6) Clearly define the relationships between Group Chief Officers (CxO) and Chief Officers (CxO) of individual companies	<ul style="list-style-type: none"> When negative information occurs at a Group company, the collaboration framework between Chief Officers (CxOs) has been clarified in the relevant rules and is being operated accordingly.
(7) Strengthen specialized personnel	<ul style="list-style-type: none"> The Company is implementing human capital investment measures for Group employees, including development and recruitment, as well as training programs to raise the level of officers, including those at Group companies. The Company has specified these initiatives in the relevant rules and reflected the assignment, recruitment, and development of specialized personnel in the internal audit plan.
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 on key measures of SOMPO Japan.
2) Monitor 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 (During this reporting period, monitoring of the conflict of interest management system was completed). 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 March 2026 to May 2026) (2)

Measures	Main progress
As an insurance holding company, establish a system to ensure sound and appropriate management of the operations of subsidiary insurance companies	
<p>(2) Information sharing and reporting system regarding the recent spate of problems 1) Develop a system for subsidiaries' key information to be reported to Sampo Holdings without omission</p>	<p>a. Reestablish reporting rules on key matters from subsidiaries to Sampo Holdings</p> <ul style="list-style-type: none"> The Company has confirmed that related rules at each Group company clearly state that key matters are submitted to and reported to the Company without omission, and that these rules are being properly operated.
<p>2) Establish a system to actively obtain subsidiaries' key information</p>	<p>a. Constantly monitor management status and be directly involved in formulating measures through integrated management with Sampo Japan's head office departments and mutual concurrent appointments of officers and employees</p> <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 Sampo Japan, and confirmed at the executive level maintenance of the current organizational structure, based on the tangible results achieved. <p>b. Sampo Holdings' officers will officially participate in various important meetings of Sampo Japan</p> <ul style="list-style-type: none"> The Company has clarified the officers and employees of the Company who attend important meetings of Group companies, including Sampo Japan, and has specified in the relevant rules that they may officially participate in various meetings of subsidiaries. <p>c. Bolster informal communication</p> <ul style="list-style-type: none"> The Company continues to hold regular meetings between the Group's Chief Officers (CxOs) and between the Company and key counterpart departments at Sampo Japan. By specifying these meetings in the relevant rules, informal communication has become firmly established as a mechanism. <p>d. Strengthen risk assessment</p> <ul style="list-style-type: none"> The Company has conducted a summary review of initiatives for information exchange with Group companies on risk assessment. <p>e. Encourage use of the whistleblowing system and improve its reliability</p> <ul style="list-style-type: none"> Through awareness surveys on the whistleblowing system and other measures, the Company summarized its operating status, determined response policies for consultation channels for improvement, and revised related rules to enhance the reliability of the system.
<p>(3) Internal audit system</p>	<p>Confirm and assess the appropriateness and other aspects of the actual state of internal controls at Sampo Japan</p> <ul style="list-style-type: none"> Established an audit plan for the "Audit of Business Improvement Plans" conducted by Sampo Japan's Internal Audit Department, in which our Internal Audit Department also participates, and are conducting audits.
Establish a system to foster in subsidiary insurance companies a healthy organizational culture prioritizing not sales but compliance and customer protections	
<p>(1) Revise, instill and implement the Group Corporate Philosophy framework</p>	<ul style="list-style-type: none"> To increase the effectiveness of the rebuilt Corporate Philosophy framework, the Company continues to apply the revised Group Common Competencies and the criteria based on them for hiring, evaluation, promotion to management positions, and election of officers. To support the improvement of management-level skills and a virtuous cycle of organizational PDCA cycles, there are plans for the external coaching program for department and section managers introduced last fiscal year is planned to continue this fiscal year.
<p>(2) Follow up on progress with instilling a corporate culture</p>	<ul style="list-style-type: none"> To ensure the spread of "SOMPO Values" and the "Group Common Competencies," a PDCA cycle has been established using culture surveys and engagement surveys.