September 15 , 2026

Sompo Holdings, Inc.
Mikio Okumura, Group CEO, Director
President and Representative Executive Officer

Sompo Japan Insurance Inc.
Koji Ishikawa, President and CEO

Status of Progress on the Business Improvement Plans
(Update on the disclosed matter as of August 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.

SOMPO Holdings and Sompo Japan will constantly return to the fundamental principle of "thinking from the customer's perspective in everything we do" and, until the day our reform initiatives are fully embedded as a new corporate culture, we will never stop moving forward. All directors, officers, and employees will continue to work together as one in driving these reforms forward.

(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.

Sompo Holdings, Inc. Sompo Japan Insurance Inc.

Our initiatives to regain trust

Progress Report on Our Business Improvement Plans

As of August 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

This September marks two and a half years since we began implementing measures based on our business improvement plans. To ensure that we become “A company that thinks like a customer in every aspect of business,” we have been working to fundamentally transform our corporate culture.

Currently, approximately 60% of the total 183 measures set out in the plans have moved to the “Firmly establish benefits” phase, with a framework that enables autonomous, ongoing improvements. We are also continuing to implement the remaining measures steadily, and the foundation of our internal management systems for recovery is becoming more robust.

However, getting these improvement mechanisms up and running is merely a steppingstone towards regaining trust. The challenge ahead is to ensure that these mechanisms never become formalities, and to rigorously scrutinize everyone from management to field staff about whether specific behavioral changes, such as proactively identifying and addressing risks and fostering a culture where employees feel confident speaking up, are continuing to function effectively in practice.

Going forward, we shall further refine our governance by building a solid foundation of self-discipline and self-correction, while proactively seeking objective verifications from external experts.

Returning to our starting point of being “A company that thinks like a customer in every aspect of business,” all officers and employees will work together as one and press forward until the day arrives when this transformation is fully established as our new corporate culture.

The Series of Problems and its True 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.

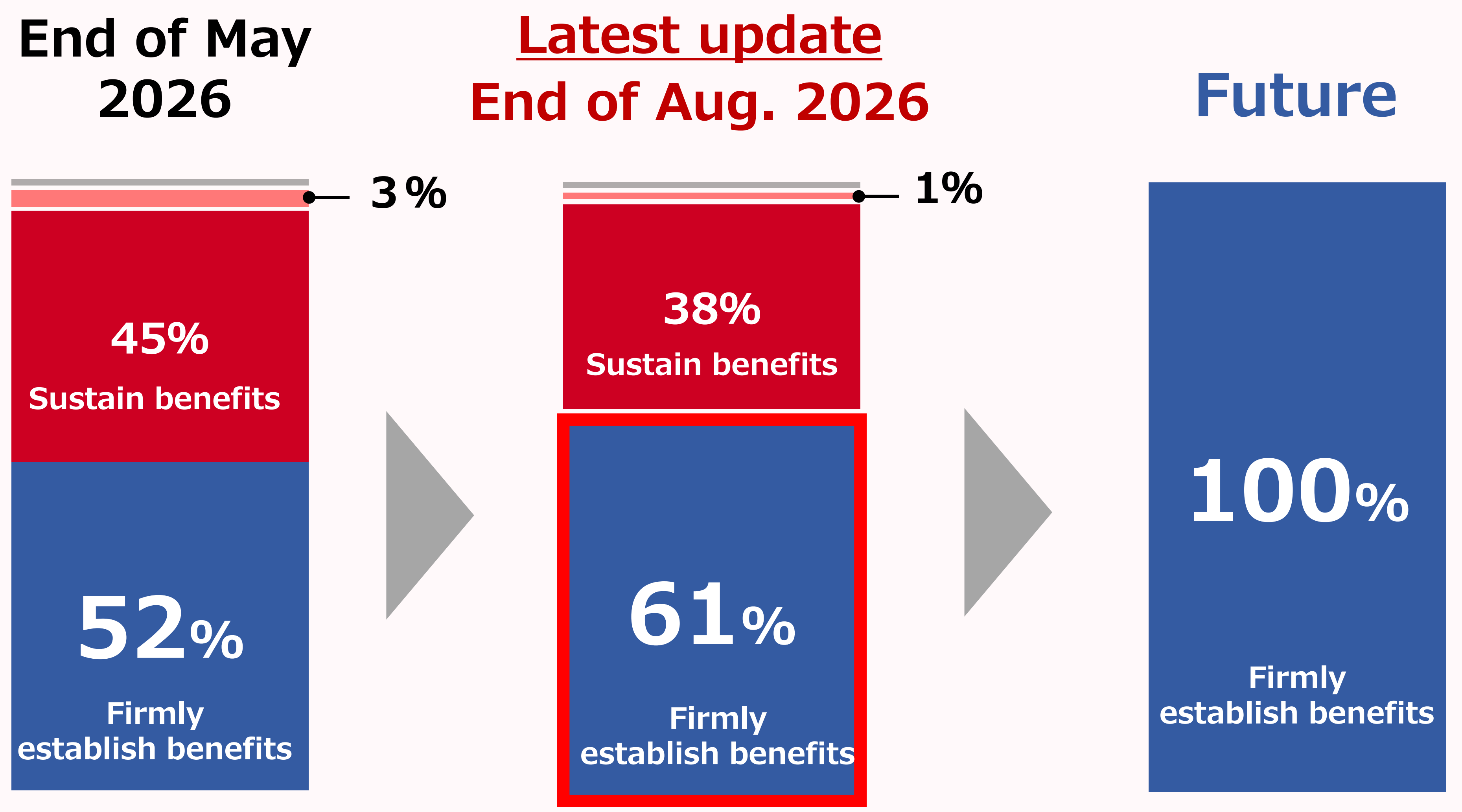
Structural issues in non-life insurance industry

- 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

**Over 60% of the total 183 measures have moved to the "Firmly establish benefits" phase.
Steady progress is being made on each measure.**

Progress of business improvement plan initiatives



*Percentages are rounded to the nearest whole number.

1. Review measures → 2. Implement measures → 3. Sustain benefits → 4. Firmly establish benefitS

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
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

***Currently, approximately 60% of the measures are at this stage.**

Towards Steady Progress and Further Improvement

Two and a half years after launching our business improvement plans, a framework has been established to ensure thorough implementation of the improvement cycle. By building on improvements based on external verifications, we are maintaining and strengthening a system that ensures established initiatives do not revert to previous practices.

Matters we have addressed to date

Establishment of a framework and process
Establishing rules and business processes

Implementation of a company-wide PDCA cycle
Continuously monitoring and improvement the effectiveness of measures

Verifications incorporating an external perspective
Verifying effectiveness from an objective perspective

Results of initiatives

99% of all measures have reached phases:
Sustain benefits | Firmly establish benefits

Deepened autonomous improvement
Established a cycle

Becoming an organization that continuously verifies and improves established initiatives and is capable of self-correction in the face of new challenges

Overview of Initiatives for Improvement

Transformation of corporate culture

Additions and updates from the previous report (June 2026)

Fostering, Improving, and Firmly Establishing Risk Ownership

Efforts to embed risk ownership as an integral part of our corporate culture and organizational culture are ongoing.

We are implementing the full-fledged deployment of Risk Ownership Training for all levels of management.

Three skills acquired through training

1. Realize

Use case studies to develop a perspective on risk

2. Think

Take a hard look at oneself and re-examine one's own words and actions

3. Act

Implement the PDCA cycle in the workplace

Case study

Are superiors' words and actions pushing their subordinates beyond their limits?

Realization

There is the risk that anxiety-inducing words and actions, comments that focus solely on results, or excessive reprimands may lead to subordinates trying to anticipate their superiors' wishes or confuse the means with the end.

Changes in attitudes following training

(According to post-training survey)

Deepened risk awareness

As a leader, I realized that there was scope to question and investigate whether the sudden improvement in the indicators might, in fact, be the result of fraudulent practices aimed at meeting the targets.

Becoming aware of one's own preconceptions

I realized that the belief that "I will be fine" was the greatest risk of all.

Specific changes in behavior

I realized I'd developed a habit of questioning every little word and action of my own.

Form Creation and Revision Process Centered on the Customer's Perspective

We introduced a process to review key forms from the customer's perspective when creating the forms that customers view.

We are working towards a system that continuously addresses any aspects customers find difficult to understand.

1. Assessment of current situation
(Establishment of checkpoints)

- Confirm customers' perception of existing forms
- Establish and update checkpoints from the customer's perspective

2. Design
(Creation and revision)

- Prepare the forms in accordance with the customer-oriented checklist when creating or revising direct delivery documents

3. Verification
(Customer acceptance tests)

- Conduct customer acceptance tests at the prototype stage
- Improve and enhance clarity

4. Approval
(Internal approval)

- Approve on the basis of the physical prototype and the results of the customer acceptance test

Form improvement concept

Before

- The content focuses on what our company wishes to convey to customers
- Some parts may be difficult to understand from the customer's perspective

After improvements

- **A design that prioritizes clarity and readability for customers**
- **Forms that make the content easier to understand and show exactly what needs to be done**

Further Transformation Towards Achieving a Corporate Culture "That Thinks Like a Customer in Every Aspect of Business"

Initiatives "that think like a customer in every aspect of business" are progressing across the country.

Deploying these successful initiatives company-wide is driving our transformation towards a truly customer-oriented corporate culture

Case 1

Initiative to provide assistive vehicle hire services
(Hyogo Branch, Hyogo Claims Service Department)

Issues and objectives

We were unable to arrange a car hire company specializing in assistive vehicles, and thus could not meet customer needs.

Initiative (Partnership with a car hire company specializing in assistive vehicles)

We established a system that allows us to easily refer car hire companies specializing in assistive vehicles in response to customer requests.

Results

We helped customers by seamlessly connecting customers who require assistive vehicles with specialists in the field.

Case 2

Initiative aimed at developing disaster prevention education content
(Fukushima Branch)

Issues and objectives

We aim to help improve disaster prevention while strengthening community-based social contribution activities.

Initiative (Joint development of disaster prevention educational content with student organizations)

We jointly developed the new disaster prevention educational content, "Let's Plan Our Disaster Prevention Rucksack," with the Fukushima University Disaster Volunteer Center.

Results

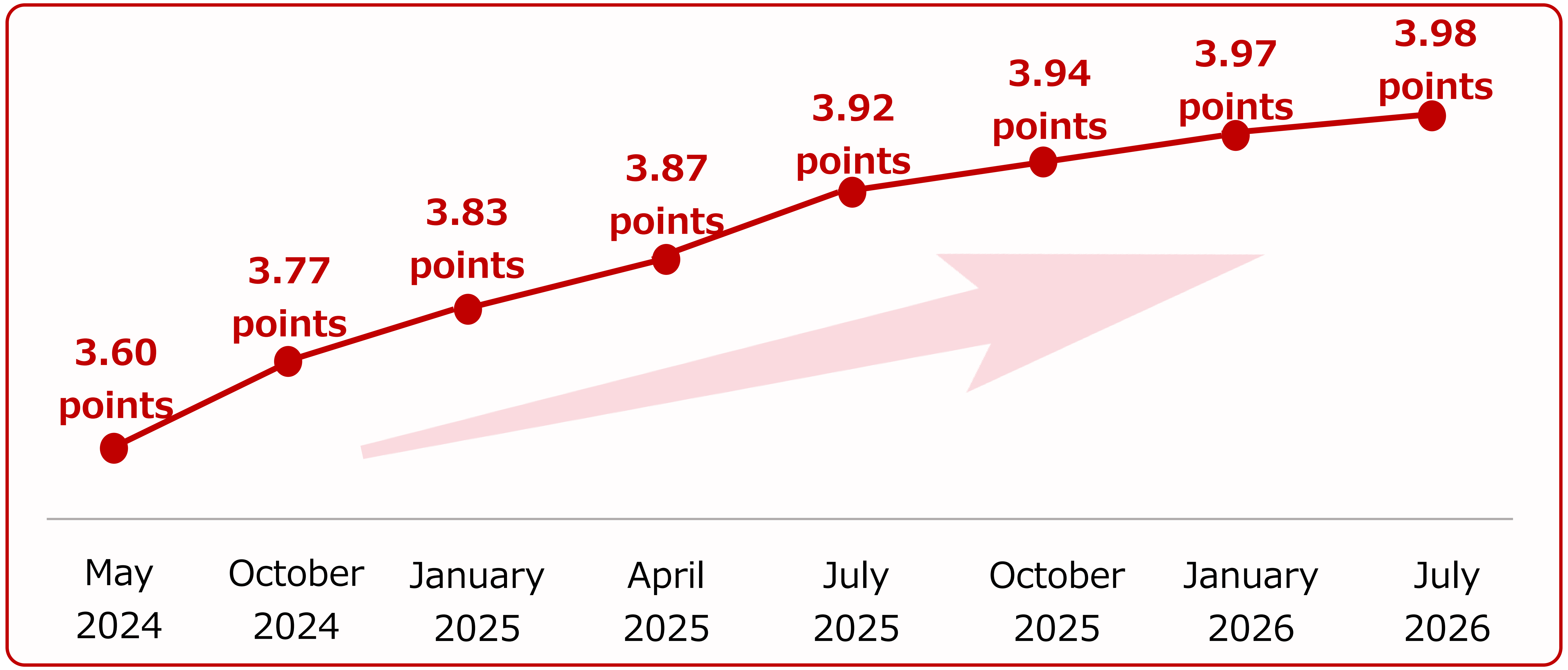
By developing workshops using disaster prevention educational content, we were able to raise awareness among a wide range of age groups.

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" (survey on attitudes and behavior aimed at cultural transformation) have steadily improved,

Based on the results, regular reviews and in-depth dialogue are promoted in each workplace



Culture change survey (5 questions in total)

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: **92.2%**
Average no. of respondents: **19,829**

In the survey conducted in July 2026, we received comments that reflected a positive outlook towards corporate culture transformation: "There have been more opportunities for dialogue and recognition." "Through regular reviews and a series of initiatives aimed at improvement, the culture is beginning to change."

Overview of Initiatives for Improvement

Strengthening governance

Additions and updates from the previous report (June 2026)

Incorporation of external perspectives into management

The Quality Control Committee, which acts as the advisory body to the Executive Committee, includes external experts as external committee members. From FY2026, we will welcome new external committee members, thus establishing a framework to continuously incorporate an external perspective into our management.

Yutaka Arai

- Formerly served as Vice-Minister for International Affairs, Ministry of Agriculture, Forestry and Fisheries and Commissioner of the Consumer Affairs Agency
- Senior Specially Appointed Professor at Tokyo University of Science; Visiting Professor at University of Marketing and Distribution Sciences

Hiroko Kawamoto

- Worked for many years at All Nippon Airways Co., Ltd., where she was responsible for brand strategy, in-flight service quality management, staff development and diversity and inclusion (D&I)
- Currently serves as an external director at East Japan Railway Company and Canon Marketing Japan Inc.

Yumiko Nagasawa

- Chair of Foster Forum
- Formerly served as a member of the Financial Advisory Council and as a member of the Expert Panel on Structural Issues and Competition in the Non-life Insurance Industry, etc.

(Note) In alphabetical order of last name

By receiving recommendations that incorporate an objective perspective unbound by existing industry conventions, as well as case studies and specific trends from other sectors, management discussions aimed at realizing customer-oriented business operations have been invigorated.

Initiatives to Ensure Appropriate Claims Payments (Automobile Insurance Sector)

Appropriate handling of fraudulent claims is a customer-oriented initiative that safeguards the fairness and trustworthiness of the insurance system.
A specialist department works in collaboration with field staff to handle cases, from scrutinizing signs of fraud through to conducting investigations.

Strengthening measures to tackle fraudulent claims

The task of identifying fraud, which was previously carried out on-site, is now implemented centrally by a specialist department.

Over **72,000** cases confirmed in approximately 1 year and 5 months since installation

Increased sensitivity to signs of fraud at the field level

Fostering of culture **that does not overlook fraudulent claims**

Main roles of specialist department

- Investigation of signs
- Collaboration with field staff
- Proving of the facts

Not only do they assess whether an investigation is necessary, but they also address the matter directly.

Two case studies demonstrating expertise

1 Suspicions of staged accident involving several people

- By applying our specialist expertise, we identified discrepancies in the accident report that had been raised by several stakeholders.
- Conducted a thorough investigation with all relevant parties, thus preventing fraudulent claims before they arose.

2 Verification (with evidence) of which claims are not covered by the compensation scheme

- Detected discrepancies between the accident report and the facts
- Through a specialist investigation, we established that the incident occurred during a race, thus preventing fraudulent claims before they arose.

Initiatives to Ensure Appropriate Claims Payments (Fire Insurance and Personal Accident Insurance Sectors)

In sectors such as fire insurance, we are deploying at each workplace mechanisms that build on the approaches already established in the automobile insurance sector.

We have appointed specialist staff to promote the detection of fraud, thus achieving tangible results.

1. Spotting the signs
Check for possible fraud
Case officer

Cooperate

2. Conduct a specialist review
Assess the degree of suspicion
Verification specialist

Handover

3. Conduct an independent investigation
Specialist staff lead the investigation and response

4. Complete the process
Take the necessary actions and complete them

Investigation specialist

Ensure fraudulent claims are not overlooked and that insurance payments are made correctly

Changes that occurred following the introduction of the process

Clarification of assessment criteria

As specific guidelines and standards have now been established for areas that previously relied on the judgment of individual staff members, variations in approach have been minimized, enabling more consistent responses.

Raised awareness of fraud prevention

The mindset of not tolerating any misconduct, as these payments are made using the valuable insurance premiums entrusted to us by our customers, has become even stronger than before.

Promotion of consultation and collaboration

- A culture of feeling free to seek advice at an earlier stage than before has taken root.
- A culture has emerged in which team members support one another in dealing with issues, rather than individuals shouldering the burden alone.

Proper Implementation of the Recommended Repair Shop System

In June 2025, we launched a new system for introducing recommended car repair shops.

One year on from the system's launch, we have confirmed that it provides customers with a genuine sense of assurance.

Before	
Shop selection	⊗ Independent assessment at our discretion ⊗ Potential for variations in quality
Shop introduction	⊗ Allocation based on the company's circumstances ⊗ Risk that sales performance may take precedence over customer needs

After

- ✔ **Selection based on objective criteria overseen by an independent body**
- ✔ **Ensuring of reliable repair quality**
- ✔ **Customers can make their own selection via the dedicated website**

Search → Select → Repair

Comments from customers who have used the system

Entirely digital system
As it's difficult for me to take calls during the day, it was great to be able to communicate via chat.

Peace of mind even in unfamiliar surroundings
Although the accident happened in an unfamiliar area, I was able to easily search for a shop near my location, which was a great help.

High-quality repairs and courteous service
I am very satisfied with the sound advice, prompt arrangements, and the kind and courteous service.

We ensure the introduction of suitable shops, guided by objectivity and the customer's selection.

Overview of Initiatives for Improvement

Solving structural issues

Additions and updates from the previous report (June 2026)

Implementation of Various Policies to Encourage Branch Offices to Provide Appropriate Support to Agencies

We have issued guidelines aimed at ensuring education, guidance, and management relating to insurance sales by agencies are carried out appropriately, while seeking to prevent favoritism in agency operations.

As set out in the guidelines, each employee shall possess:

Decision-making value

Necessity
Fairness
Suitability
Rationality
Perspective of agency support

To provide the best possible proposals to our customers and agencies, employees must:

Possess the value of "thinking and making decisions independently"

I.e. Correctly understand the purpose of the regulatory amendments, utilize one's expertise to collaborate with colleagues, make judgments, and take action

Proactively manage the risk of favoritism within one's own organization

Fulfil the duties of education, guidance, and management required in relation to insurance sales

Key points of the guidelines

1. **Planned training aimed at promoting autonomy and quality improvement**
   Supporting agencies so that they can independently and appropriately establish a framework through training and guidance
2. **Guidance and support during visits requiring specialist knowledge**
   Providing specialist briefings aimed at guiding and training agency staff on new products and complex projects
3. **Fair agency introductions tailored to clients' preferences**
   Fair selection and introduction of agencies for new clients

- Balance regulatory compliance with "true partnership" to safeguard our clients' interests
- Openly respond to "socially accepted expectations" from agencies

Through guidelines designed to fundamentally improve inappropriate relationships between the sales departments and agencies, we are transforming internal values and behavior.

Initiatives to Support Agency Structural Development (SOMPO Agent Academy)

Launched the "SOMPO Agency Academy" educational program designed to encourage autonomous quality improvement among agencies

More than 4,500 people have participated to date, and feedback has indicated that the quality of proposals and dialogue has improved.

Course structure for FY2026

Basic course
Sales (basic), administrative work

Mastering the basics of insurance proposals and administrative procedures

Skill-up course
Strengthening corporate support capabilities, administrative work

Enhancing role-specific expertise and practical skills

Life insurance course
Making life insurance proposals a habit

Strengthening comprehensive proposal capabilities

Key feedback received on the FY2025 program

Improved knowledge and skills

- You can gain a deeper understanding and acquired related knowledge (e.g. legal matters) that cannot be learned through day-to-day work
- You can learn at your own pace and review any parts you don't understand by watching the videos as many times as you like.

Improved proposal quality and customer service

- I've been able to engage in more in-depth conversations with customers, and the duration of these conversations has increased.
- The AI-powered roleplaying enabled us to objectively review our own speaking styles and mannerisms, helping us to improve.

We confirmed the tangible improvement in quality achieved by participating agencies.
We will continue to refine the program and further enhance the value we provide to our customers.

Initiatives to Improve Corporate Risk Management Capabilities

As the risks facing businesses become increasingly complex and sophisticated, appropriate risk management is crucial.

We provide ongoing support through the Risk Manager Training Course, which was launched in FY2024.

Since the course began in FY2024, over

350 people have participated

STEP 1
Basic course
Understand the basics of risk
Currently underway

STEP 2
Regular course
Identify and assess risks and devise countermeasures
Currently underway

STEP 3
Advanced course
Learn more specialized and practical skills
Scheduled to start in October of FY2026

Changes experienced by course participants

- Gained a systematic understanding of risk management
- Perspective on risk has changed
- Lectures based on practical experience helped deepen understanding

We will continue to support customers and agencies to enhance their risk management capabilities, thus enhancing companies' abilities to respond to risks.

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 (Start of measures ⇒ Sustain benefits, Sustain benefits ⇒ Firmly establish 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

●Appoint outside directors
★Conduct audits by the Audit and Supervisory Committee
★Strengthen the management control framework of the holding company over individual non-life insurance companies
★Bring onboard perspectives from outside the company (including international perspectives)
●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
●Strengthen the independence of the third line of defense
★Change management mindsets with education and development

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

★Report fraudulent claims to the internal Management Committee
★Clarify the personnel evaluation viewpoints and the positioning of the Anti-Monopoly Act in the disciplinary system
★Conduct monitoring by the first line at the head office
●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

★Establish framework for preventing and pursuing fraudulent claims
★Rapidly share and centrally manage information; capture signs of fraud
★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)

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

●Abolish secondments to agencies, etc. as part of the sales strategy previously in place; select appropriate secondment destinations
★Establish rules prohibiting contact with other companies, 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

★Conduct data analysis and monitor improvements for quality improvement initiatives; report to the Internal Management Committee
●Establish a supervision and guidance system for agencies
●Monitor customer surveys (Use of surveys)
★Confirm the status of establishment of measures to prevent recurrence
★Implement training for all employees on conflicts of interest risk
★Deepen complaint analysis
★Separate sales when providing guidance to large agencies in terms of insurance premiums

Establish an appropriate sales promotion system and insurance underwriting management system

★Review organizational objectives and their implementation
●Ensure that improvements to staff evaluations are implemented on-site
●Incorporate personal data protection and the prevention of unfair competition into staff evaluations and target–setting
●Initiatives to enhance profitability analysis and pricing
★Thoroughly manage profitability by insurance type
★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 June 2026 to August 2026) (1)

Measures	Main progress
Foster a healthy organizational culture prioritizing not sales but compliance and customer protection	
■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**	**■Dissemination of information by top management** • 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. • By the end of August 2026, approximately 19,400 employees from 1,799 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). This fiscal year, to foster deeper dialogue and encourage participants to take a personal interest in the issues, we are setting themes in advance, for example, to enhance the quality of discussions. **■Dialogue across divisions (e.g., field-head office, claims service-sales dialogue)** • Dialogue across departments (field-head office), which promotes communication between departments, continued in FY2026 and was held for leaders and staff members between May and 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. **■Review of organizational objectives and their implementation** • Following the publication of the implementation guidelines for the FY2026 internal organizational awards scheme (SJ-Ring), we held a briefing session for field staff in June, during which we provided a detailed explanation of the role of SJ-Ring, its alignment with departmental policies, and the balance between quality and profitability.

Drastically strengthen governance to diligently implement the business improvement plan and ensure measures are firmly established	
■Incorporation of external perspectives **■Establish a framework to escalate negative information**	**■Incorporation of external perspectives into management** • 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. • At the Board of Directors meeting in June 2026, we reported on the audit policy and audit plan for FY2026, as resolved by the Audit and Supervisory Committee. **■Framework for directly communicating the voices of employees nationwide to management** • 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 7,100. • Based on proposals, 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 June 2026 to August 2026) (2)

Measures	Main progress
Establish a system to thoroughly ensure compliance and customer protection	
Establish a legal compliance system	■**Instilling and establishing autonomous risk ownership in the first line** • For the core objectives of all departments and branches, we have set up a risk-based PDCA cycle for establishing internal control frameworks and designated "organizational management that prioritizes compliance" as a mandatory requirement. • 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. We are successfully holding these events across the country, with compliance officers acting as trainers. (Main training content) ➢ 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

Measures	Main progress
Establish an appropriate claims payment and management system	
Measures against fraudulent claims	■**Demonstration of functions by a department dedicated to counter fraudulent claims, swift information sharing, and capturing signs of fraud** • 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 Field Investigation Division. In the approximately one year and five months since the dedicated department was established, more than 72,000 investigations have been conducted. • Furthermore, rather than treating reports o suspected fraudulent claims as isolated incidents, we manage them centrally at the head office, establishing a systematic response framework.

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

Measures	Main progress
Establish an effective agency management (insurance sales management) system	
Promote initiatives for agency structural development	■ **Initiatives supporting appropriate dialogue to promote agency structural development** • 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** • Since FY2025, the Company has assigned promoters of the Agency Structural Development Support Program (DKB) to Area Support Divisions nationwide and is working in collaboration with support teams from the Sales Support Department to implement the program. In the post-implementation satisfaction survey, agencies rated scored the program at 4.6 and branch staff at 4.9 (out of 5).
Examine and implement measures for establishing an environment for proper competition, including the system of managing secondees	
Review cross-holding stocks/sales plan	• The sales of cross-holding stocks for FY2026 is 89.3 billion yen as of the end of August 2026
Review of excessive favoritism	• We have issued guidelines to ensure that excessive favoritism is prevented in agency operations, while enabling the appropriate execution of the “duties of education, guidance, and management relating to insurance sales by agencies.” • These guidelines emphasize the importance of correctly understanding the intent behind the regulatory amendments and of establishing the value of “thinking and making decisions independently” to provide the best possible proposals to customers and agencies. They encourage staff to utilize their expertise and collaborate with colleagues to make judgments and take action appropriately.
Establish an appropriate sales promotion system and insurance underwriting management system	
Improve corporate risk management capabilities	• 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.

[SOMPO HD] Progress Status of Business Improvement Plans (Main Initiatives from June 2026 to August 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	• 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)	• It has been 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. The new structure came into effect following the annual general shareholders' meetings of each company.
(3) Appoint a Chief Compliance Officer	• 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	• The Company has formulated this fiscal year's Compliance Program and is continuing a PDCA cycle to enhance the compliance system across the Group.
(5) Appoint a Chief Internal Audit Officer	• 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	• 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	• 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**	• 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. • One of Sompo Japan's key initiatives is the management of insurance claims payments and the monitoring of control systems. It has been confirmed that the Company's autonomous management and control mechanisms are functioning effectively in areas such as the "revision of the Claims Service Manual" and "initiatives for reporting cases of fraudulent claims," which the company is implementing as part of its business improvement plan.
2) Monitor the adequacy and effectiveness of Sompo Japan's internal controls	• 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 t)o 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	• 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 June 2026 to August 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	
(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 Reestablish reporting rules on key matters from subsidiaries to Sompo Holdings** • 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.
2) Establish a system to actively obtain subsidiaries' key information	**a. Reestablish reporting rules on key matters from subsidiaries to Sompo Holdings 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** • 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** • The Company has clarified the officers and employees of the Company who attend important meetings of Group companies, including Sompo Japan, and has specified in the relevant rules that they may officially participate in various meetings of subsidiaries. **c. Bolster informal communication** • The Company continues to hold regular meetings between the Group's Chief Officers (CxOs) and between the Company and key counterpart departments at Sompo Japan. By specifying these meetings in the relevant rules, informal communication has been established as a mechanism, and it is ensured that there are no omissions or delays in the reporting of important matters. **d. Strengthen risk assessment** • The Company is continuing to hold information-sharing sessions with group companies on risk assessments. **e. Encourage use of the whistleblowing system and improve its reliability Encourage use of the whistleblowing system and improve its reliability** • To ensure the continued reliability of the whistleblowing system, operation status information is disclosed within the Company and awareness surveys are conducted across the Group.
(3) Internal audit system	**Confirm and assess the appropriateness and other aspects of the actual state of internal controls at Sompo Japan** • The Company is continuing to monitor the progress of the "Off-Site Monitoring Relating to the Business Improvement Plans" and the "Audit of Operational Improvement Plans" conducted Sompo Japan's Internal Audit Department through regular meetings between the Company and Sompo Japan.
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	• 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, the external coaching program for department and section managers introduced last fiscal year has commenced its activities (training, coaching, etc.) this fiscal year as well, starting in July.
(2) Follow up on progress with instilling a corporate culture	• To ensure the spread of "SOMPO Values" and the "Group Common Competencies," a PDCA cycle has been established using culture surveys and engagement surveys. • Starting this fiscal year, culture surveys and engagement surveys have merged. The results of the first survey show an increase compared with the previous survey, confirming that levels remain high.