

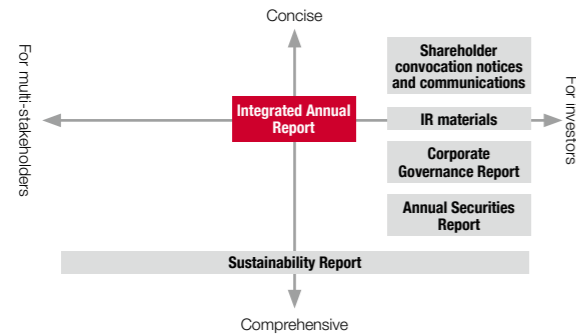
SOMPO Holdings Sustainability Report 2022



Overview of Sustainability Communication

Overview of Sustainability Communication

We use the following tools to disseminate information to ensure our stakeholders understand our sustainability initiatives.



Features of the Sustainability Report 2022

The "Sustainability Report 2022" is characterized by the following three main points:

1. Initiatives of SDGs in business management toward the realization of SOMPO's Purpose

In her Management Message, Group CSuO Ryoko Shimokawa covers the topics of SDGs management based on My Purpose for the realization of SOMPO's Purpose, solutions to social issues driven by each employee's My Purpose, and climate change initiatives for a sustainable society.

2. Efforts that take advantage of the characteristics of our company and the latest trends in society

Expectations for companies are rising for its concrete actions in response to climate change. In our mid-term management plan, we introduce "adapt to climate change," "mitigate climate change," and "contribute to societal transformation" as SOMPO Climate Action and concrete initiatives are disclosed in the report. In addition, we continue to quantitatively disclose climate change risks and opportunities and specific countermeasures in line with the TCFD framework. Furthermore, in addition to initiatives related to respect for humanity and health and productivity management, the report also includes information on quality improvement initiatives, the SOMPO Group's social contributions, and contributions to the community and society through culture and the arts.

3. Initiatives to improve information disclosure credibility

We refer to various international guidelines when disclosing information and this Report in particular has been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards.

In addition, since 2001, when the approach of third party comments on sustainability reports was not common, we have received third party comments from Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth and the publisher of Socio Management Review, which has led to continuous improvement of our efforts. Starting in fiscal year 2012 we have obtained assurance by a third-party organization regarding greenhouse gas (GHG) emissions, and are expanding this effort to Group companies each year. Since 2016 we have also obtained assurance regarding the total number of days lost due to absence. We are working on highly transparent information disclosure.

We also include our achievements and future strategies as shown below.

- ESG Data Index and the list of products and services for a sustainable society. In addition, the major ESG data page shows the performance of Sompo Holdings and its main consolidated subsidiaries compiled on a multi-year basis for easy comparison to report data in detail.
- A Key Initiatives section organized by stakeholder group, which introduces details of our work to address social issues.

Covered Organizations

This Report covers Sompo Holdings, Inc., its affiliated group companies and foundations in and outside Japan. It also features some activities by group company agencies.

Reporting Period

This Report relates mainly to initiatives from April 1, 2021, to March 31, 2022, but also contains some latest initiatives and policies to provide updated information.

Publication

Annually

Publication Period

Last issue: September 2021
Current issue: February 2023

Referenced Guidelines

- GRI Sustainability Reporting Standards*
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- TCFD recommendations
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 7th version
- Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation

*The details published on the Sompo Holdings sustainability website and in the Sustainability Report 2021 have been prepared in conformity with the Core option of the GRI Sustainability Reporting Standards. Please refer to the following GRI Content Index.

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Disclaimer

Our sustainability reports include forward-looking statements based on the Group's management policies and plans. These statements were created based on information available at the time of compilation. Actual outcomes and results of activities may differ from such statements due to future changes in the business environment.

Policy

Sompo Group has established following policies including the "Group Sustainability Vision" and the Group as a whole implements various initiatives to fulfill its corporate social responsibility.

Group Sustainability Vision

We, the Sompo Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and "diversity and inclusion" in the course of our business operations in a transparent, fair and open manner. By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

Group Environmental Policy

We, the Sompo Group will contribute to developing a resilient, inclusive and sustainable society so that future generations can inherit our irreplaceable Earth, by addressing environmental issues in the course of our core business operations and working proactively to resolve environmental issues through active dialogue and engagement with stakeholders.

< Action Guidelines >

1. Providing products and services to make a more resilient society

We will provide products and services that increase preparedness against the risk of natural catastrophes in order to contribute to adapting to climate change, building a low carbon society, conserving biodiversity and promoting stakeholders' eco-consciousness.

2. Promoting resource conservation through the entire value chain

We will assess the environmental impact of our business including the emission of waste and comply with environmental laws and regulations. We will promote resources and energy conservation as well as recycling activities throughout the entire value chain by cooperating with various stakeholders.

3. Raising awareness of environmental issues and corporate citizenship

We will broadly promote environmental education and awareness of environmental conservation by providing environmental information with the unique aspect of a global group engaged in

a wide range of business centering on insurance. Furthermore, we will proactively encourage our employees' individual voluntary efforts as a global citizen to conserve the environment through involving in the local community. To enable continuous improvements, we will periodically review the above-mentioned activities to reflect our environmental objectives and targets.

Group Policy for Human Rights

We, the Sompo Group pledge to respect human rights of our all stakeholders in global markets including our group and all value chains. We will respect the international norms of behavior*, and simultaneously act with the highest ethical standards towards an inclusive, resilient, equitable and sustainable society. Based on the perspectives set out below, we will address the human rights impacts of our activities while communicating with our stakeholders, establish an effective company approach and act, and continuously improve our approach and information disclose. We respect human dignity as the foundation of universal human rights.

1. Respecting human rights of stakeholders

We will respect human rights of all stakeholders associated with our global business activities, including customers and suppliers. We will avoid, prevent or mitigate indirect adverse impact on human rights of our stakeholders. Should there be any abuse of human rights, we will address it promptly and adequately.

2. Respecting human rights of employees

In all facets of labour practices, we will not discriminate on the basis of race, color, ethnic origin, religion, creed, nationality, birthplace, social status, descent, gender, sexual orientation, gender identity, sexual expression, pregnancy, marital status, age, disability or any other status. We, as a company, will take a global perspective, recognize individuality and diversity (Diversity and Inclusion), respect every employee's challenging spirit and speedy action, and ensure a dynamic working environment by maintaining and promoting every employee's health.

3. Promotion of human rights in global markets

We will comply with the laws and regulations of the countries and regions where our business operations and value chains are based. At the same time, we will conduct our business by taking into consideration the local culture and customs, as well as the environment and society in accordance with the expectations of stakeholders, and take into account local human rights issues. We will conduct the highly transparent business and contribute toward economic and social development and creation of social values of local communities.

4. Expectations for suppliers and business partners

Our requirement for suppliers, business partners and other stakeholders is to respect human rights based upon the international norms of behavior. In the event that we identify any adverse impacts of human rights, we will encourage them to take appropriate measures through engagement such as dialogue and consultation.

5. Human rights due diligence

We will continuously establish a system of human rights due diligence to identify and assess any actual or potential human rights risk in order to prevent or mitigate these adverse impacts on human rights Sampo Group may cause or contribute to.

This policy does not necessarily replace local laws and regulations. We will actively engage in this policy while complying with local laws and regulations.

*International norms of behavior refers to the guidelines on human rights including the Universal Declaration of Human Rights, International Covenants on Human Rights (International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights), ILO International Labor Standards, The United Nations Guiding Principles on Business and Human Rights known as "Ruggie Framework," Sustainable Development Goals, The United Nations Global Compact, Women's Empowerment Principles (WEPIs), The OECD Guidelines for Multinational Enterprises and ISO26000.

Group Sustainable Procurement Policy

Sampo Holdings strives to maximize its beneficial impacts on the environment, society, and economy through procurement processes aligned with the following sustainability principles:

1. Fair and equal transactions

We will conduct fair and equal transactions with all suppliers by engaging in anti-corruption efforts and by giving full consideration to quality, delivery time, economic feasibility, and social issues such as the environment and human rights.

2. Compliance with laws and regulations

We will comply with all laws and related regulations in the countries and regions where we operate, and respect relevant social norms and their intent in our procurement practices. We will strictly manage the information obtained through our procurement activities.

3. Consideration of global issues

We will collaborate with suppliers and other stakeholders to integrate sustainability into our value chain to maximize our contribution to climate change adaptation and mitigation, biodiversity conservation, and a circular economy; to tackle human rights issues in the global market, such as poverty and unequal opportunities for workers; and to promote better work-life balance and diversity and inclusion.

Policy for ESG-related Underwriting, Investment and Loan

The SOMPO Group strives to make the world more resilient. We see sustainability as a long-term driver of value, and we rely on insights gained from SOMPO's Purpose to guide our underwriting, investment, and business decision-making.

To ensure that each company in the Group fulfills its corporate social responsibility, we have established a Group Sustainability Vision and other policies, and based on these, we identify market opportunities, manage risk, and enhance our corporate value through community involvement, social responsibility, and diversity & inclusion.

The Group's ESG principles on underwriting, investments, and loans is as follows.

Advancing the Energy Transition

As the most significant challenge humankind faces, we believe the world – and the financial services sector – must take meaningful climate action today. Therefore, we commit to net zero emissions in our underwriting, investments, and operations by 2050.

We promote the transition through our insurance of and investments in renewable energy and other innovative green technologies.

We will not underwrite new insurance or make new investments in or loans for new or existing coal power plants or thermal coal mine projects*¹. We also will not underwrite new insurance or make new investments in or loans for oil and gas extraction projects in the oil sands or the Arctic National Wildlife Refuge (ANWR).

We will not insure or make investments or loans to companies whose primary business is coal*², or oil and gas extraction projects in the ANWR, unless they establish a GHG reduction plan by January 2025*³.

We have been a signatory to the United Nation's Principles for Sustainable Insurance (PSI) and Principles for Responsible Investment (PRI) for several years, and in order to more proactively realize the goals of the Paris Agreement, the Group has recently joined the Net Zero Insurance Alliance (NZIA), the Net Zero Asset Owner Alliance (NZAOA), and the Net Zero Asset Managers Initiative (NZAM).

We aim to support our customers on their sustainability journey, working with them to reduce their carbon footprint.

Advancing Social Equity

Under the Group Policy for Human Rights, the Group acts with a commitment to respecting the fundamental human rights of all stakeholders in the global marketplace.

With the aim of enabling each and every employee to maximize his or her strengths, we have positioned diversity and inclusion as an important management strategy for growth, and are working to build a system and corporate culture to realize this goal.

In addition, when underwriting insurance and making investments and loans, and when entering into new partnerships with each of our business partners (brokers, reinsurers, investment managers, lessees, vendors, etc.), we take into consideration our Group's Sustainability related vision and policies.

Aspiring for Excellence in Governance

Based on the Group Sustainability Vision, the Group will make business decisions based on high ethical standards, respecting international codes of conduct and considering the interests of all stakeholders, including customers, employees, local communities, and shareholders.

In addition, we will proactively and fairly disclose transparent information to society regarding our progress toward achieving our goals, etc., in accordance with TCFD and other disclosure standards.

*1 We may carefully consider and respond to cases where there are innovative technologies such as Carbon Dioxide Capture, Utilization, and Storage (CCS, CCUS), carbon recycling, ammonia co-firing, or other innovative technologies in place that are expected to reduce GHG emissions and contribute to the realization of the Paris Agreement.

*2 Defined as companies that derive at least 30% of their revenues from coal-fired power generation, thermal coal mines, or oil sands, or electric utilities companies that generate at least 30% of their energy from coal.

*3 We will not apply restrictions to insurance that supports the health and wellbeing of individuals, e.g. workers' compensation insurance.

Corporate Citizenship Policy (Sampo Japan Insurance)

Our company and its Group companies will make proactive contributions to society with the objective of resolving community and global social issues, while supporting individual employees' voluntary efforts.

1. Corporate citizenship activities

We will work proactively to realize a sustainable society for future generations in collaboration with various stakeholders, including NGOs/NPOs, civil society organizations and government, by focusing on three areas: the environment, welfare and fine arts, in which we have accumulated expertise and achievements.

2. Support for individual employees' social contribution efforts

We will support and encourage employees' voluntary activities in contributing to society by developing human resources responsive to social issues.

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Management Message



SOMPO's Purpose and the management framework for implementing it

In May 2021, we officially proclaimed SOMPO's Purpose: With “A Theme Park for Security, Health and Wellbeing,” create a society in which every person can live a healthy, prosperous and happy life in one's own way. This Purpose represents a return to our Management Philosophy. It is a long-term vision for the next 20 to 50 years, in which the Group management clarifies what kind of social issues it faces, what it aims to achieve, and what kind of value it will provide to society. In other words, it declares our aspiration. We share a vision, which is to move forward toward the realization of our Purpose, and to gain the sympathy of our stakeholders for the way we continue to generate economic and social value over the medium to long term while solving social issues.

In our Mid-Term Management Plan, which started in FY2021 and aims to “Realize a Theme Park for Security, Health and Wellbeing,” we implemented three basic strategies: scale and diversification, new customer value creation, and new work style, and positioned “SDGs management” as a group management foundation for this purpose. SDGs management is a management framework for creating economic and social value through our core business. Within this framework, we set KPIs for each of the seven material issues identified as “Priority Issues for Achieving SOMPO's Purpose,” which are derived from social issues that align with stakeholder expectations and international norms related to sustainability, and then each business and company builds and implements a PDCA cycle based on action plans linked to its business plan.

In this way, we have positioned SDGs management as a framework for driving our efforts to achieve SOMPO's Purpose.

“My Purpose” as the starting point for the realization of SOMPO's Purpose

Under this framework, each and every employee of the Sompo Group becomes the driving force behind the realization of SOMPO's Purpose. At the Sompo Group, each and every employee is driven by “My Purpose,” which is the purpose of one's own life. By aligning the Purpose of the Company with that of the individual, we are able to create innovation through repeated challenges based on intrinsic motivation. Aiming to make this kind of corporate culture the driving force behind our “purpose management,” we are working to promote “purpose dissemination.”

Since 2021, we have continued to focus on fostering awareness, understanding, and empathy for the importance of SOMPO's Purpose and My Purpose by linking top management's communications, such as town hall meetings by the Group CEO and individual Business CEOs, with on-site efforts, such as My Purpose training and cross-Group workshops. The results of the surveys of these measures and employee

engagement surveys indicate that this purpose dissemination is making steady progress, and we are seeing a positive response. We will continue our efforts to improve the driving force for the realization of SOMPO's Purpose until it reaches the level of a culture change.

Solving social issues through collaboration with stakeholders, with people as the driving force

For Sompo Group employees, My Purpose is not just about their own personal interests, but also includes their desire to please customers and business partners and contribute to the resolution of social issues. This is not only because the Sompo Group operates businesses such as insurance and nursing care that can be said to be public institutions in society, but also because social accountability is inherent in the nature of the Group. The Sompo Group has a history of working on CSR and sustainability for nearly 30 years, including tackling global environmental issues since the early 1990s. Throughout these efforts, we have emphasized human resource development, which we have continued to promote in order to incorporate CSR and sustainability into the core of our management. Such social accountability is in the nature of our employees, so they will continue to take on the challenge of solving various social issues, driven by My Purpose.

Another aspect of Sompo Group's DNA is collaboration with our stakeholders. We have been working in collaboration with stakeholders for 30 years, starting with the “Environmental Open Lecture for Citizens” program started in 1993 in cooperation with an environmental NPO. More recently, we signed an agreement with the National Institute of Advanced Industrial Science and Technology (AIST) to solve social issues. Because today's social issues are complex and difficult to solve, it is essential to address them with a multi-stakeholder approach. We will continue to actively engage in solving social issues in collaboration with our stakeholders.

Toward the realization of a sustainable society

In order to realize a sustainable society, climate change is an issue at hand that must be solved by multi-stakeholder efforts. Building on the strengths we have cultivated through the accumulation of past efforts, we are working to adapt to climate change, mitigate climate change, and contribute to social transformation under the banner of Sompo Climate Action, which is part of our Mid-Term Management Plan ending in 2023. As concrete examples, in addition to interim greenhouse gas targets under Scopes 1, 2, and 3 (categories 1-14), in 2022 we announced an interim target for Scope 3/Category 15 (25% reduction by 2025 (compared to 2019)), and we have announced our “Policy for ESG-related Underwriting, Investment and Loan” and are working on specific initiatives in this area.

My greatest hope is that these actions of the Sompo Group will arouse the sympathy of like-minded stakeholders and contribute to the realization of a sustainable society.

In this report, we introduce the major initiatives of the Sompo Group toward the realization of a sustainable society. I hope that all of our stakeholders will read this report and give us their honest feedback.

February 2023

Ryoko Shimokawa
Group CSuO, Senior Vice President and Executive Officer

SOMPO's Purpose

SOMPO has returned to its Management Philosophy and defined "SOMPO's Purpose" as what the Group aims to achieve and what value it will provide over the long span of the next 20 and 50 years.

Together with our stakeholders, we will continue to provide value to society through our concept of a "Theme Park for Security, Health & Wellbeing," aiming to create a society in which every person can live a healthy, prosperous, and happy life in one's own way.



Group Management Philosophy
We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

SOMPO's Strengths

- (1) Trust and responsibility with 130 years of history
- (2) Diversity of business, talent and networks
- (3) Strong problem-solving abilities

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

Social value delivered by SOMPO

- Protect people from future risks facing the society
- Create a future society for healthy and happy lives
- Foster the ability to change the future society with diverse talents and connections

Social challenges facing SOMPO

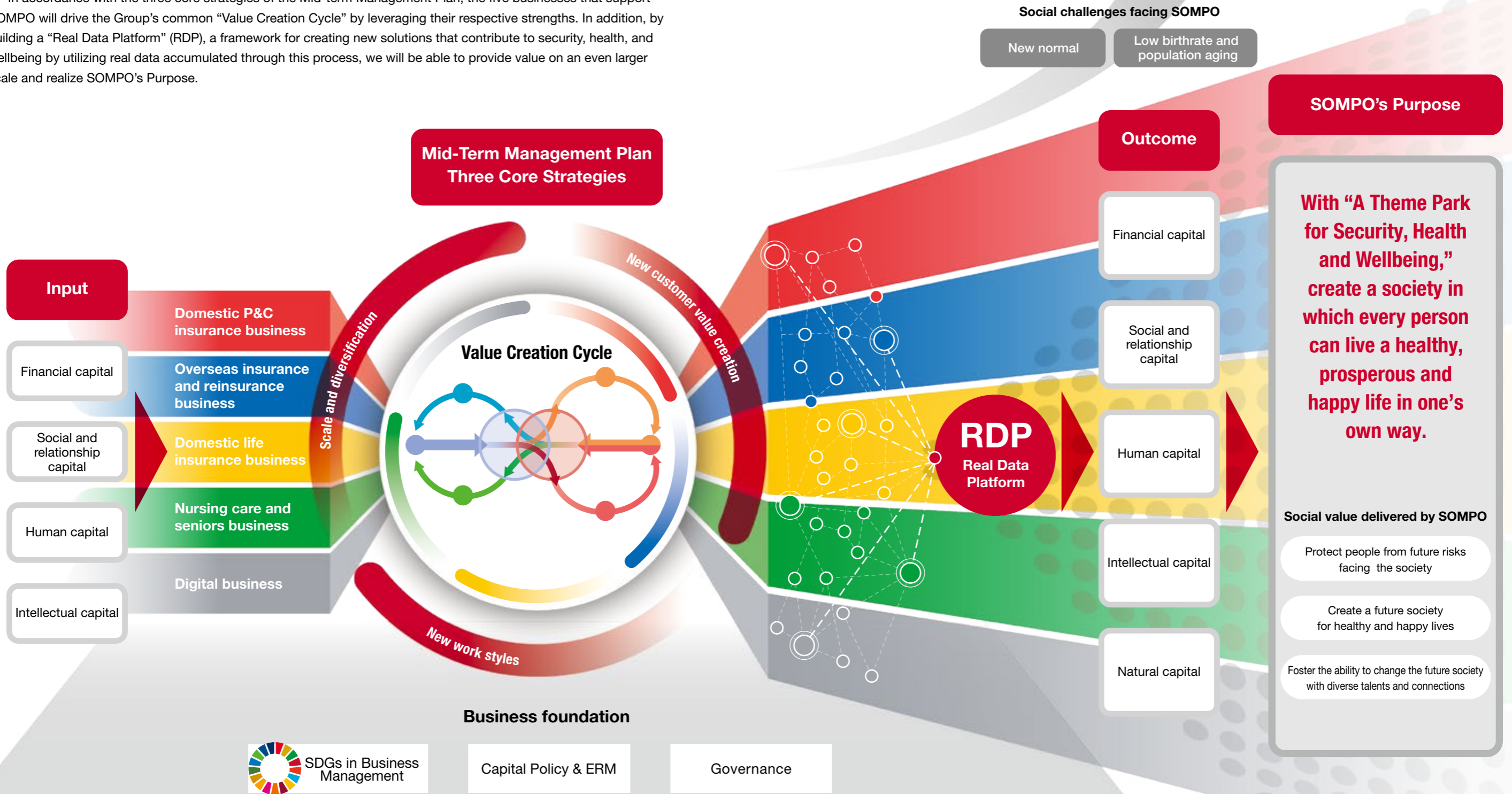
- New normal
- Low birthrate and population aging

Overview of the SOMPO's Value Creation

MEGATREND

Through the Group's capacity to bring together diverse businesses and the connections of each business, the Sampo Group works to create diverse value by leveraging each business' presence and competitive advantage in creating new value by using its own strengths to solve problems.

In accordance with the three core strategies of the Mid-term Management Plan, the five businesses that support SOMPO will drive the Group's common "Value Creation Cycle" by leveraging their respective strengths. In addition, by building a "Real Data Platform" (RDP), a framework for creating new solutions that contribute to security, health, and wellbeing by utilizing real data accumulated through this process, we will be able to provide value on an even larger scale and realize SOMPO's Purpose.



Value Creation Cycle

The Sampo Group is working as one to drive the “Value Creation Cycle” by combining capital and developing diverse businesses to realize SOMPO’s Purpose. The Value Creation Cycle consists of three pathways: the “Route of Driving Force,” in which employees motivated by My Purpose work in their own way in an environment full of I&D* (inclusion and diversity) and foster a culture of repeatedly tackling challenges; the “Route of Existing Business,” in which trust and empathy are generated through the provision of cooperation-oriented high-quality services; and the “Route of New Value Creation,” in which new solutions are offered by fully utilizing data generated from existing businesses as well as leveraging the Real Data Platform (RDP) that creates DX and SOMPO’s proprietary business model. The Sampo Group’s unique style of value creation is to continuously create value via the cycle of these three routes through our business activities. By strengthening and expanding the Value Creation Cycle, we aim to enhance corporate value and realize SOMPO’s Purpose.

My Purpose → **I&D** → **Innovation**

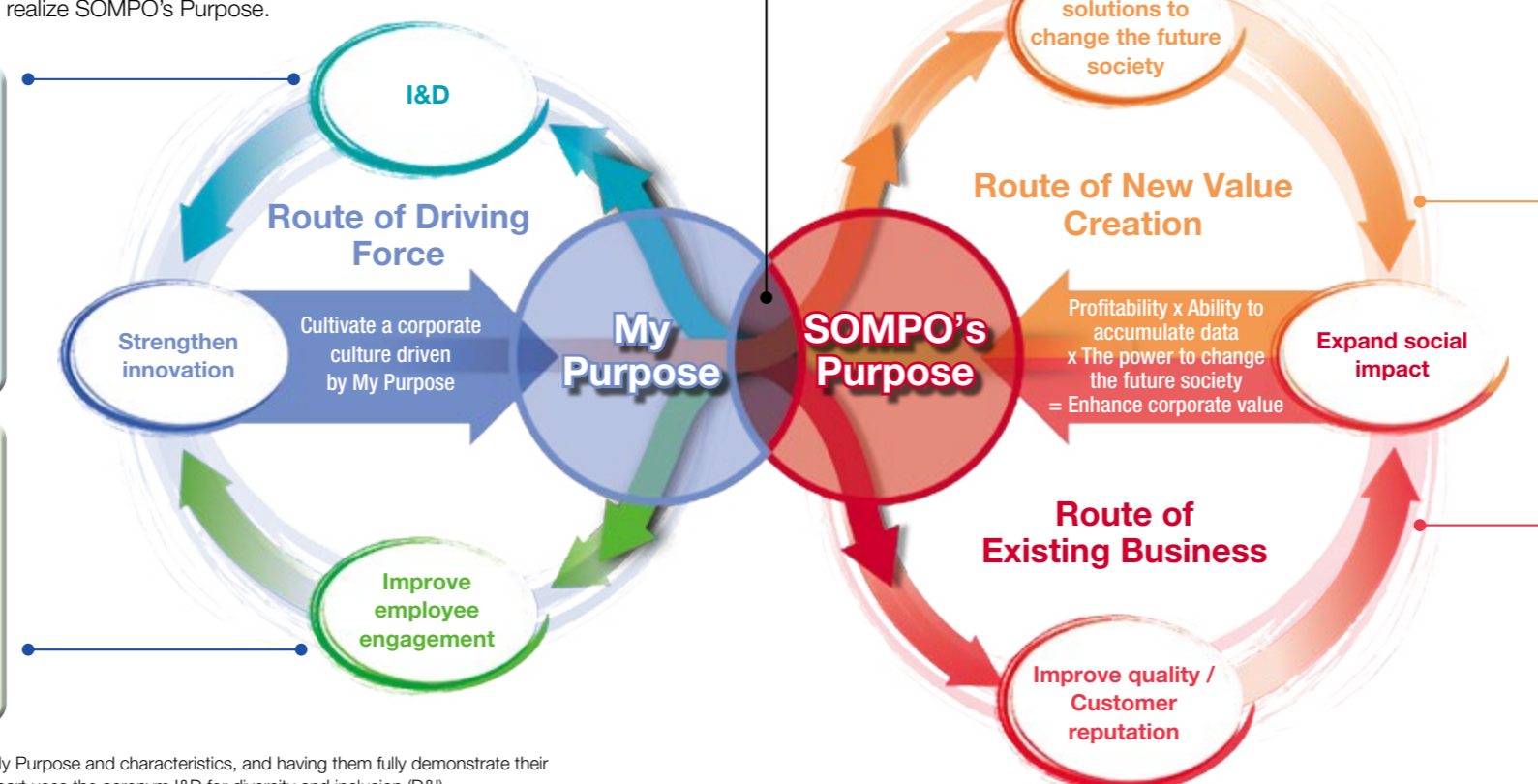
Creating innovation through the concentration and collision of diverse values

We are working to foster a culture in which employees from various backgrounds respect each other’s “My Purpose” and recognize each other’s diverse values. This culture and human resource strategy based on “My Purpose” will create a virtuous cycle that attracts diverse human resources from outside the company and further strengthens I&D. It will also create new innovations through the concentration and collision of diverse values.

My Purpose → **Engagement** → **Innovation**

Increasing engagement and improving capabilities for innovation

In an environment where each and every employee with their own “My Purpose” can feel a sense of happiness, fulfillment, and being true to themselves, employees being self-motivated to take on challenges will lead to higher engagement. Through dialogue between supervisors and subordinates, we will spur employees to take on challenges based on their own motivation without fear of failure, increase engagement, and systematically improve the ability to generate innovation.



My Purpose and SOMPO’s Purpose
Overlap of My Purpose and SOMPO’s Purpose
 We are working to spread the Purpose concept and voluntary efforts to achieve it among all Group employees by overlapping “My Purpose,” which signifies each employee’s life goals and meaning of their work, and “SOMPO’s Purpose.” As a result, we aim to realize SOMPO’s Purpose by linking our employees’ sense of fulfillment and happiness to the creation of innovation through their daily work as they take on challenges in their own way.

“Route of New Value Creation”
Providing solutions for future society
 SOMPO will attract cooperation partners by utilizing its abundant real data obtained from various business activities of its existing businesses, and will provide solutions for the problems encountered by future society through DX and Sampo’s unique business model RDP, thereby creating impact.

“Route of Existing Business”
Providing cooperation-oriented high-quality services
 Employees driven by “My Purpose” are working to develop and provide high-quality products and services in existing business domains, such as insurance and nursing care, by enthusiastically engaging in cooperation with partners and shifting to high value-added operations through business innovation. Through business activities in these existing business domains, we aim to foster trust and empathy from our customers and achieve steady growth and further development of our businesses.

*Inclusion is important for respecting and acknowledging each employee’s diverse My Purpose and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

Message from the Value Communication Team (VCT)



The Value Communication Team (“VCT”), consisting of the Group CVCO, Group CSuO, and Group CPRO, was established in August 2021 with the mission of enhancing corporate value through effective communication with multi-stakeholders including the financial market. To date, we have led the Group’s key initiatives, including analysis of corporate value, brand strategy, PR, dissemination of Purpose to Group employees and SDGs management (ESG initiatives) etc. Amidst a drastically changing business environment surrounding the Group, the three members with diverse backgrounds work closely together and collaborate with business owners, and CxOs including CFO to lead and support Group-wide efforts to enhance corporate value. We also send a message for these efforts to various stakeholders to enhance SOMPO’s corporate value.

Chairman of Overseas M&A, Group CVCO
Nigel Frudd



Group CSuO
Ryoko Shimokawa

To realize SOMPO’s Purpose, our mission is to transform the culture of SOMPO—starting with employees having their own My Purpose—promote SDGs management that creates social and economic value through our core businesses, and build a brand strategy that communicates these initiatives as a connected story. We will contribute to the enhancement of corporate value by demonstrating SOMPO’s unique sustainable growth both internally and externally.



Group CPRO
Hirofumi Shinjin

As the person in charge of the public relations domain, my mission is to communicate efforts to realize SOMPO’s Purpose to internal and external stakeholders through press coverage, advertising, and publicity, both domestically and internationally, as well as to raise the value of the Group’s brands, increase the number of customers and profit, and enhance corporation value. By communicating the concept of “A Theme Park for Security, Health & Wellbeing,” we aim to foster a sense of unity among the 74,000 officers and employees of the Group.

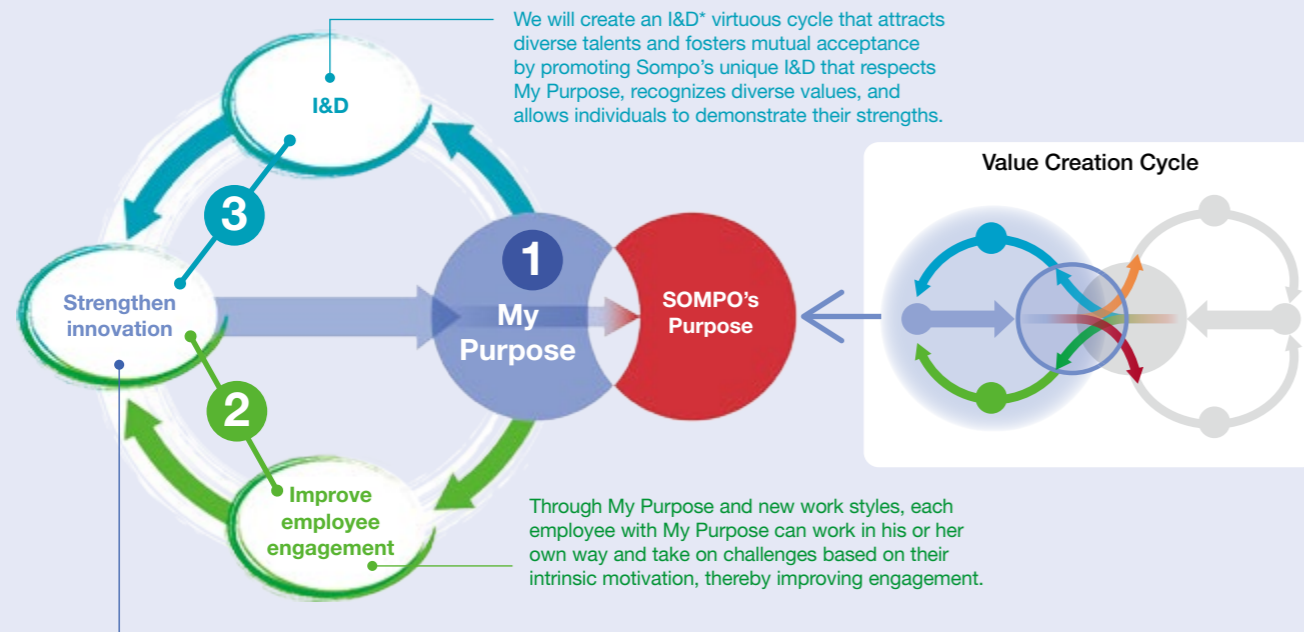
Value Creation Cycle: Route of Driving Force

Fostering a culture driven by My Purpose

SOMPO's Purpose is to create a society in which every person can live a healthy, prosperous and happy life true to themselves by continuing to provide value to society through its concept of a "Theme Park for Security, Health and Wellbeing."

The essence of Purpose Management is to achieve both economic and social value by solving social issues and to pursue sustainable growth that contributes to people's happiness. The driving force for this is each and every employee of the Group.

Each employee of the Somo Group is driven by My Purpose, which is his or her own life purpose. By overlapping SOMPO's Purpose and the individual purposes of employees, innovation will be created through employees repeatedly tackling challenges based on their own internal motivation. This corporate culture will be the driving force of Purpose Management. This part introduces our efforts to foster such a culture, as well as My Purpose, which is the starting point for such a culture.



Strengthening the ability to create innovative new products and services (organizational capability) by fostering a culture in which highly engaged employees repeatedly take on challenges in an environment full of I&D

*Inclusion is important for respecting and acknowledging each employee's diverse "My Purpose" and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

| Number of officers and employees | Number of officers and employees by business (as of March 31, 2022) | | | | |
|---|---|--------------------|-------------------------|--------------------------|------------------------------|
| | Domestic P&C insurance | Overseas insurance | Domestic life insurance | Nursing care and seniors | Digital and other businesses |
| 73,676 Male: 27,070 Female: 46,606 (as of March 31, 2022) | 35,068 | 10,472 | 2,716 | 23,606 | 1,814 |

| | | | |
|--|---|---|--|
| My Purpose training participation rate*1 66.0 % (100% of target for FY2023) | Employee engagement Gallup Q12 average score*2 (Domestic) 3.46 pt (Overseas) 4.02 pt | Target values for the health and productivity management indicator, Work Limitations Questionnaire (WLQ)*3 93.8 % | Number of group companies recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program*4 22 companies Large companies: 14 companies Small and medium-sized companies: 8 companies |
|--|---|---|--|

| | | | | |
|---|---|---|---|--|
| Ratio of female directors and executive officers 9.0 % (as of April 1, 2022) | Ratio of foreign national directors and executive officers*5 14.7 % (as of July 1, 2022) | Ratio of female candidates in Succession Plans*6 32.4 % | Ratio of female employees in managerial positions 26.8 % (as of April 1, 2022) | Ratio of employees with disabilities 2.41 % (as of April 1, 2022) |
|---|---|---|---|--|

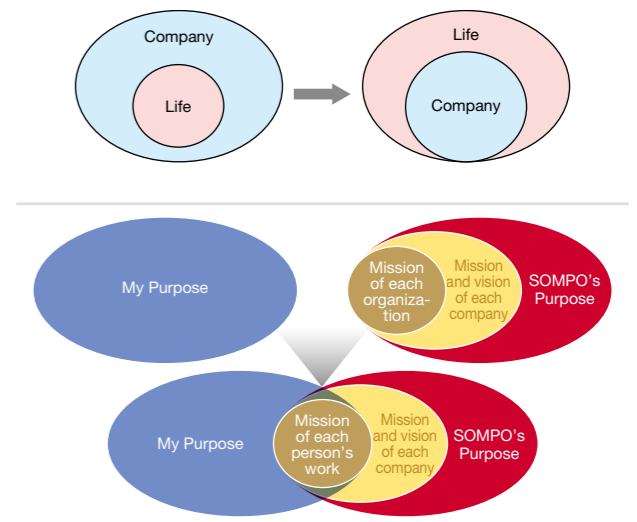
*1 Participation rate in domestic P&C insurance, domestic life insurance, and nursing care and senior business
*2 Targets at the end of FY2023 set at 3.70 pt in Japan / 4.10 pt overseas
*3 Applies to Somo Japan and Somo Himawari Life

*4 Of which, 11 companies were included in the White 500 (large corporation category)
*5 Ratio of our directors and executive officers (5/34 people)
*6 Applies to key posts including Group CEO, Group CxO, and business owners (88 in total)

SOMPO's approach to Purpose Management

The driving force behind the realization of SOMPO's Purpose is each and every employee of the Group. In an era of a paradigm shift in the way we work and live, in which our values are shifting from the idea of "My life in the company" to "A company that helps you realize your life's purpose," Somo Group believes it is most important for all employees to face their lives with their own purpose ("My Purpose").

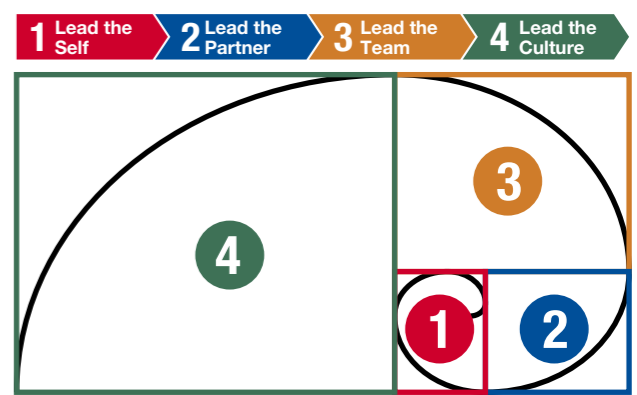
The starting point is My Purpose, which is a strong desire that wells up within each employee. By overlaying this desire with the company's and organization's Purpose, we aim to realize SOMPO's Purpose. This is SOMPO's approach to Purpose Management.



Culture that SOMPO is aiming for

In the SOMPO Group, each employee engages with their own My Purpose and overlaps it with SOMPO's Purpose. Innovations are created throughout the Group due to employees tackling challenges based on their intrinsic motivation. In addition, we aim to create a culture in which diverse employees respect each others' My Purpose and can fully demonstrate their individual strengths.

We are implementing a variety of measures to promote the following four steps in order to advance the transformation to the culture we are aiming for.



- ① **Lead the Self...** Each employee changes after creating his or her My Purpose
- ② **Lead the Partner...** Tackle challenges and create innovation through dialogue with partners based on My Purpose
- ③ **Lead the Team...** Implement "tackling challenges and creating innovation through dialogue based on My Purpose" at the organizational level
- ④ **Lead the Culture...** Create a mechanism to continue to implement the practices in the organization in a sustainable way, and achieve transformation of the culture

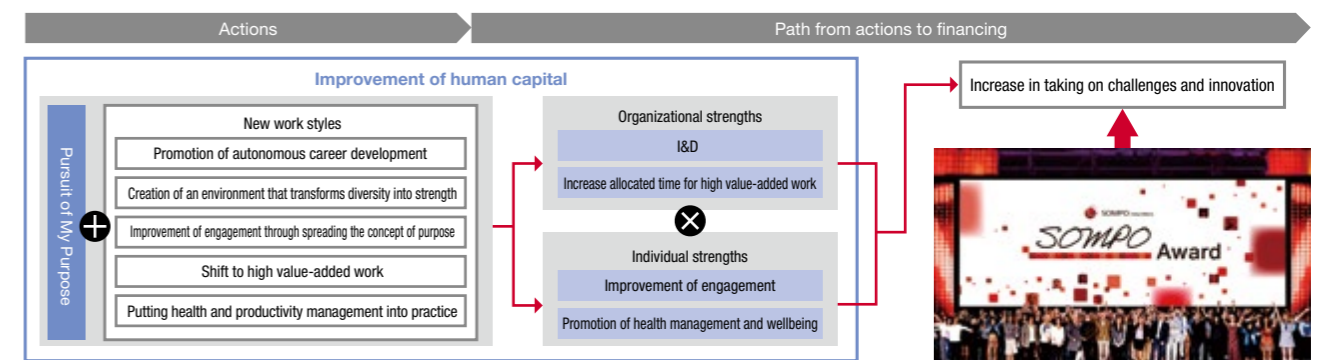
Efforts to visualize the impact paths of human capital

The Somo Group is also focusing on visualizing the paths through which cultural and new work styles initiated by My Purpose will lead to increased financial and corporate value through an increase in human capital.

Specifically, we use the term "impact paths" to refer to the series of paths that My Purpose and new work styles will yield to "create short-term and mid-term financial value by enhancing the power of individuals and organizations, improving the quality and quantity of work, and increasing tackling challenges and innovation." We are working on the details of the path,

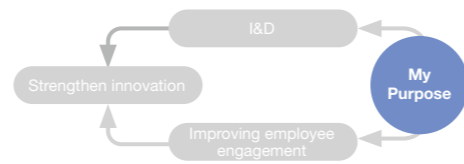
verifying the correlation between elements by utilizing internal and external data, and organizing the KPIs that will be required in the future.

In addition, as a mechanism to accelerate tackling challenges and creating innovation, we are considering the introduction of an award system (SOMPO Award) to recognize value-creating efforts initiated due to My Purpose. We are also considering the introduction of an award system (SOMPO Awards) to recognize value-creating initiatives by employees that originate from My Purpose.



1 My Purpose as the starting point

4.4 Increasing job satisfaction through technical and professional skills 8.2 Improving economic productivity through innovation 10.2 Strengthening of people's capabilities and promotion of inclusion



What is My Purpose?

"My Purpose" refers to the "purpose of life" or "meaning of work," such as what kind of person you are, what happiness means to you, and what you want to accomplish in your life.

When considering My Purpose within the Sampo Group, we first look back at our own lives and careers from the three perspectives of "Want" (intrinsic motivation), "Must" (social responsibility), and "Can" (ability given to us by fate), and refer to the overlapping parts of these perspectives as "aspirations," which is what motivates us.



Various measures to support the formulation and respect of My Purpose



Town Hall Meetings by the Group CEO

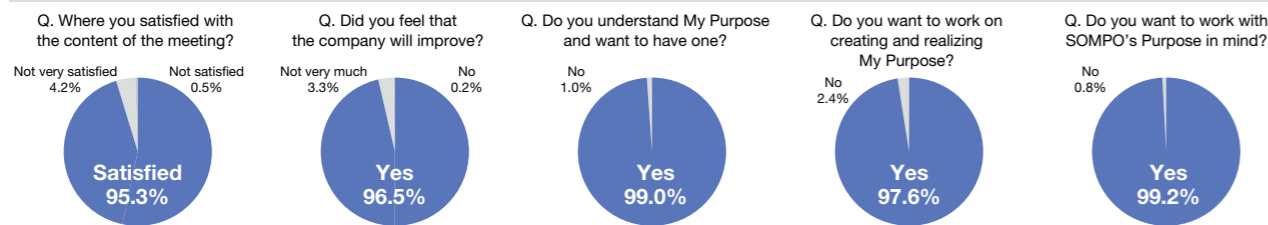
Under the theme of "Considering the Purpose/Mission of the Company and Individuals," Group CEO Kengo Sakurada held Town Hall Meetings (seven times from September to November 2021) for employees of all Group companies in Japan, in which he spoke directly to approximately 10,000 employees. At the Town Hall Meetings, Group CEO Sakurada personally spoke about matters, including that "the essence (of My Purpose) is using the company to achieve one's purpose," and, "The most important thing is one's purpose in life. I would like you to firstly remember what your own purpose is." He clarified that the Sampo Group will make group-wide efforts to realize SOMPO's Purpose by focusing on employees' My Purpose at the center of its endeavors. In the post-participation questionnaire, 99% of the employees answered that they would like to have a My Purpose, indicating that this resonated with them.



The Group's top executive personally speaks to and engages in dialogue with Group employees

Questionnaire for Town Hall Meeting participants

[Questionnaire results (total of 7 meetings)]



Implementation of cross-Group training and movement from the field starting point

Various measures were implemented in order to keep the fire lit in the hearts of employees following participation in the Town Hall Meetings, including training and workshops to support the formulation of My Purpose across the Group, and meetings to share My Purpose. Approximately 4,000 employees participated in the 20 sessions (as of the end of July 2022). Employees who participated in these measures could be considered the starting point, from which the establishment of the "Purpose Promotion Committee," the holding of "Meetings to Share My Purpose," and other voluntary initiatives in various companies and departments have expanded. The movement to formulate and respect My Purpose is spreading throughout the Group.



About 4,000 people have participated in a total of 20 sessions

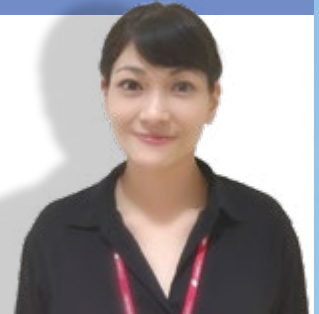
Wanting to make all people smile

Kazuko Endo, Manager, Awaji Ekimae, Sampo Care

My Purpose is that I want to provide a space where all people can live while smiling and a place where they can make amazing lifelong memories. It was my grandmother, who lived together with me, who taught me the importance of smiling and offering kindness to those around me.

My beloved grandmother suffered from rheumatism. After she became unable to walk, I brought food to her room every mealtime, and we would talk for about an hour. The time I spent with my grandmother, who always seemed to enjoy talking with me, led me to my goal of becoming a caregiver. When residents and their families tell me with a smile that they are glad they picked this location, and that they are glad I am the one providing care, I feel truly happy to be doing this job.

I will continue to enjoy working with my colleagues with a smile so that we can fulfil the role of partners in the lives of our residents.



My Purpose

Providing a space where all people can live while smiling and a place where they can make amazing lifelong memories

I hope that no one will ever have to experience the regret I experienced that day...

Akemi Chatani, Manager, Sampo Japan Partners Kyoto Branch



My Purpose is to increase the number of people who can live with a smile and have peace of mind through insurance so that they do not become waylaid by accidents in life.

After joining our company, I knew I needed to review my parents' life insurance, but I kept putting it off. When my father was diagnosed with cancer, I hurried to check their life insurance and found that it did not provide sufficient coverage, which closed off their treatment options. I felt bad for my parents and angry at myself. I do not want anyone else to experience the deep regret I felt at that time.

My job now is to deliver peace of mind to customers through answering phones and other such tasks, and to organize the organization members.

By understanding My Purpose now, my behavior and awareness have changed. I am now able to go the extra mile with a sense of purpose, even in matters that made me hesitant in the past, and I feel a sense of fulfillment and of accomplishment.

My Purpose

I will never forget to behave with sincerity. I will increase the number of people who can live with a smile by providing ways to prepare ahead of time through insurance so that those in front of me can live a rich life without worries and not be waylaid by accidents in life.

Changes brought about by My Purpose

Eiji Yoshinaga, Branch Manager, Corporate Division 1, Corporate Department, Sampo Himawari Life Insurance



I feel that what was most important was that I was able to clearly verbalize my inner self in the process of creating My Purpose.

I believe that clear verbalization will lead to a clearer understanding of those around us, and furthermore, to the creation of an environment in which differences in thinking can be recognized and respected. In fact, I believe that team members now have a clearer understanding of their own purposes and the purpose of the company/organization than ever before. From a management standpoint, it is easier to support each individual in finding an understanding that allows them to realize their own purpose. As a result, I feel that we are making positive efforts to promote D&I and improve engagement.

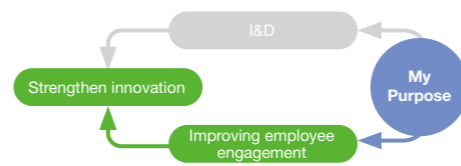
Also, although it may be a side effect, I presume that everyone understands and resonates with my personal "My Purpose," and that we have become able to work together to achieve it as a sales organization (laugh). I am grateful to each and every member.

My Purpose

I would like to properly execute our mission in an unprecedented positive and constructive manner, retain the ability to do so, and utilize the function of insurance to help the world so that reason and justice can prevail.

2 From improving engagement to creating innovation

4.4 Increasing job satisfaction through technical and professional skills 8.2 Improving economic productivity through innovation 9.b Added-value creation through innovation



Engagement is enhanced when all employees with a My Purpose take on challenges based on their intrinsic motivation in an environment where they can feel a sense of individuality, happiness, and fulfillment. To this end, we will emphasize dialogue centered on My Purpose to encourage employees to take on challenges based on each individual's intrinsic motivation, enhance engagement, and systematically improve the ability to generate innovation.

Various measures to achieve purpose-driven organizational management

My Purpose 1-on-1 training

In order to encourage employees to take on challenges based on their intrinsic motivation through dialogue centered on My Purpose, we have conducted Group-wide My Purpose 1-on-1 training for managers and above 267 times (as of August 16, 2022) for approximately 2,500 personnel.

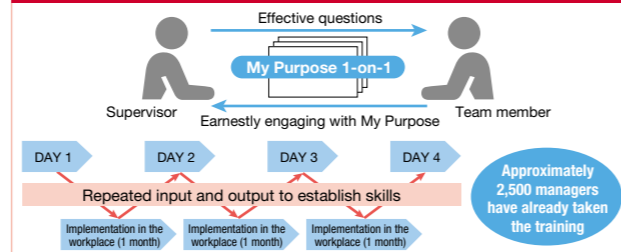
The KPI is to have 100% of all targeted personnel take the training by the end of FY2023. 86% of targeted personnel are expected to complete the training by the end of this fiscal year.

The My Purpose 1-on-1 is a "personal-level" 1-on-1 meeting between a supervisor and his or her subordinate that focuses on My Purpose, looking back on past experiences and encouraging taking on challenges towards one's future ideal state ("My Vision") for the realization of My Purpose.

By implementing and habitually conducting dialogue based on this dialogue flow in each department, we will foster a culture that generates taking on new challenges and innovation, which will lead to the realization of SOMPO's Purpose.



My Purpose 1-on-1 training



Dialogue flow to encourage taking on challenges based on intrinsic motivation from dialogue



Town Hall Meeting for Domestic Leaders

In FY2022, we held a Town Hall Meeting with Group CEO Sakurada for the 3,600 leaders in Japan who are the key to implementing a new era of management that makes the most of each and every employee who works in a purpose-driven manner. There were discussions on what a leader should be and how organizations should be managed in order to make our efforts to spur taking on challenges and innovation through dialogue based on My Purpose sustainable.

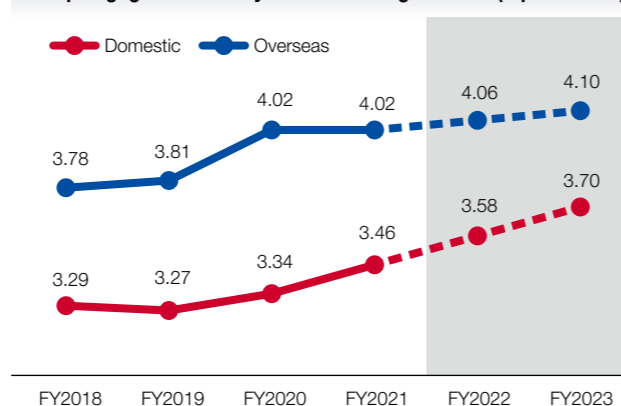
Group CEO Sakurada conveyed passionate messages

to the participants, such as, "Sometimes it is the leader's role to connect the mission with each person's My Purpose," and "Purpose management is tough, and is an opportunity for leaders to demonstrate their abilities." Many of the leaders present received inspiration for solving their daily hesitations and concerns. In the post-attendance questionnaire, 99% of participants answered that they understood and recognized the importance of purpose and the role of leaders in leading purpose-driven organizations.

Engagement Survey

Based on the belief that improving the fulfillment and happiness of every employee is the driving force for achieving high productivity, we have set employee engagement as a common KPI for the Group since FY2021. We have adopted Gallup's Q12 survey for our Engagement Survey, and conduct it twice per year for domestic and overseas group companies. In the most recent Engagement Survey, approximately 75% of the Group companies showed an increase in their scores. We are gradually seeing the effects of our measures to spread the concept of purpose. Going forward, we will continue and expand various measures to further improve employee engagement in the future.

Gallup Engagement Survey results and target scores (5-point scale)



My Purpose draws out the capabilities of organizations

Ryuichi Futakuchi, Manager, Nagoya Automobile Sales Department 3, Sampo Japan Insurance

I first realized what My Purpose is when I was engaged in my daily management duties, and found myself thinking, "I want to create an environment where I can fully understand my team members and each of them can demonstrate 120% of his or her capabilities."

Firstly, I disclosed my personal My Purpose to all team members in my workplace to help them understand me.

In addition, by holding meetings to share My Purpose in my department, mutual understanding has deepened between team members, and I feel that team cohesion has increased when I see things like people moving to voluntarily help each other.

We usually link My Purpose with work goals and engage in dialogue to draw out what each team member wants to do.

Under these circumstances, positive changes are being made, such as results being generated through taking on new challenges and team members applying for the job challenge program in order to seize career opportunities for themselves.

The quality of communication has also changed, and this has had an impact on the engagement survey.

I feel that the key to a strong organization is for each of us to continue this cycle of dialogue based on My Purpose to encourage employees to take on new challenges and attain achievements.



My Purpose

We must actively engage with people, increase opportunities to exchange smiles with colleagues, and create an environment where colleagues believe in each other and work enthusiastically together. We must also draw out maximal team capabilities and realize a society where no one is isolated or lonely.

My Purpose changed my values

Tomoko Yanagihara, Business General Manager and Senior Leader, Tokyo Chuo Division 4, Sampo Care



I attained my current position after having worked in the finance and real estate industries, but I didn't previously have much familiarity with the concept of respecting the aspirations of individuals and engaging with work in this way. However, when I became a manager, I found that the employees I was overseeing would not follow my instructions in the way I wanted them to at all, and I got the distinct feeling that the old style of management would no longer work. After that, I learned the importance of dialogue and implemented it. But that alone was not enough.

It was during this time that I encountered the concept of "conducting dialogue with team members with My Purpose as the starting point."

At last year's Town Hall Meeting, I was struck by Mr. Sakurada's statements, "It is important to firstly think of My Purpose," and "I want you to use the company as a place to realize your own purpose."

Through subsequent training and other activities, I have realized that this is truly an idea that fits the times.

My Purpose

I want to create a workplace where employees feel satisfied with their jobs, and increase the number of things that our clients have been able to do because of Sampo

I believe that everyone will be able to be happy at work if we can create an organization in which we seek the overlap between My Purpose and SOMPO's Purpose together, and assist each other in taking on challenges. I will continue to directly engage with each of my team members, and implement dialogue based on My Purpose.

Initiatives in which My Purpose has led to innovation and results

Katsuaki Namba, Manager, Kariya Sales Section, Nagoya Automobile Development Department, Sampo Japan Insurance

In the department I belong to, we are aiming for a "purpose-driven work style." All employees have formulated their own My Purpose, which they share with one another in the workplace and move to implement themselves.

Furthermore, since this fiscal year, we have been holding "meetings to share My Purpose initiatives and actual examples" with the companies and agencies we are in charge of. Through these efforts, we are contributing to the human resource development and organizational development of our corporate clients. We are also building new relationships based on purpose with corporate group companies that we have not had much of a chance to connect with in our 130-year history. We are definitely feeling a positive response.

For example, I recently held a purpose-sharing meeting with companies that had never done insurance business with us before. This meeting led to a significant change in the way our customers view our company and our employees, and to a new business relationship that transcends the boundaries of our history. In addition, at another company, we shared the department manager's My Purpose with the employees, which ended up resonating with many of them. Subsequently, the quality and breadth of communication grew, which in turn led to new sales projects.

We believe that the sharing of My Purpose is not limited to the framework of insurance, but leads to the creation of a team of colleagues who can take on the challenge of solving social issues together. We will continue to actively engage in such efforts going forward.

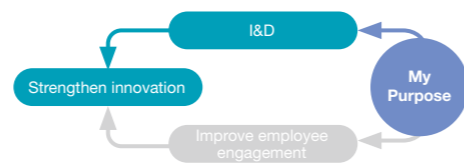


My Purpose

Toward a world where everyone can live with a raison d'être

3 From I&D* to creating innovation

4.5 Education and professional training for people with disabilities 5.5 Participation and advancement of women 10.2 Strengthening people's capabilities and promoting inclusion



The Sampo Group works to foster a culture in which employees from various backgrounds respect each other's My Purpose and recognize diverse values. This culture and our human resource strategy based on My Purpose have created a virtuous cycle that attracts diverse talents from outside the company and further strengthens I&D, creating new innovations through the concentration and collision of diverse values.

I&D through My Purpose

Sharing and resonating with My Purpose

Inclusion of each employee's diverse My Purpose and their utilization as a force for Group innovation starts with understanding and recognizing one another's My Purpose. The Sampo Group is disseminating "SOMPO DNA," a biography of the futures of 100 Sampo Group employees with diverse personalities who are motivated by their respective My Purpose and are realizing their aspirations on the Sampo stage, both inside and outside the company. In addition, through other means such as videos, cross-Group communities, and sharing meetings at each workplace, we are promoting efforts to disclose and respect each other's My Purpose among employees, including directors and officers.



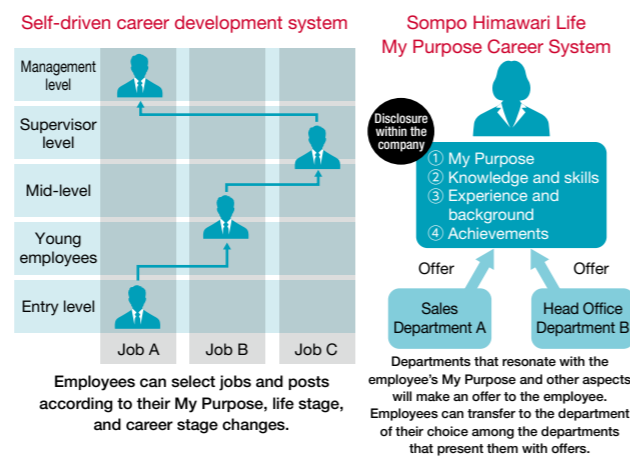
Click here for the biographies of 100 Sampo Group employees (SOMPO DNA)
<https://www.sampo-dna.info/> (only Japanese)

A system to further promote I&D and to encourage taking on challenges and innovation

Introduction of a personnel system that supports career development based on My Purpose

The Sampo Group is advancing the introduction and expansion of a personnel system that enables employees to make choices in their own life and career paths based on My Purpose, and to demonstrate their achievements.

Sampo Holdings is promoting self-driven career development centered on job selection led by the employees themselves, including not reassigning employees without their consent and introducing a system whereby employees can run for department or section manager posts. In addition, at Sampo Himawari Life, each employee discloses their knowledge, skills, experience, career history, and achievements to the company along with his or her My Purpose as part of the "Himawari My Purpose Career System." It allows employees to choose where they would like to move to from among the departments that have offered them a new position based on this information.



Career recruitment

The Sampo Group actively promotes career recruitment with the main purpose of promoting I&D and acquiring highly specialized talents. After we began hiring in April 2020, we have hired approximately 100 mid-career hires, or 20% of our workforce, over the past two years. We have placed mid-career hires in the respective posts of general manager, section manager, and person in charge. By integrating the strengths of each of our existing internal human resources, we have been able to create new value.

Closing the gender gap

The Sampo Group is building a climate and environment that supports how easy it is for female employees to work, including by introducing a training program that supports balancing life events and career advancement, an unconscious bias diagnostic tool, and training videos. As a result of these efforts, the number and ratio of female managers as of April 1, 2022 are respectively 1,843 and 26.8% (target by April 1, 2024: 30%). In addition, the Succession Plan for the Group's major key posts (88 posts in total) sets a numerical target of 50% female candidates by FY2022, and efforts are being advanced to achieve this target.

*Inclusion is important for respecting and acknowledging each employee's diverse "My Purpose" and characteristics, and having them fully demonstrate their unique abilities, which will lead to innovation. In order to express this meaning, this part uses the acronym I&D for diversity and inclusion (D&I).

Meetings to share My Purpose in order to deepen mutual understanding among team members

Hiroshi Arisue, Senior Deputy Manager, Customer Communication Planning Department, Sampo Japan Insurance

In the previous fiscal year, we held a meeting to share My Purpose among a portion of members. This fiscal year, we asked department managers and various leaders to hold meetings to share My Purpose with team members across the entire workplace. Currently, we are supporting the sharing and creation of My Purpose through 1-on-1 meetings and other opportunities, and we plan to invite interested parties from among the team members to participate in sharing sessions in the future.

Through the meetings to share My Purpose, we were able to both learn more about ourselves and help the members around us understand us. In addition, by learning that each member around us has different thoughts and feelings, and by learning about the background that led up to those thoughts and feelings, our sense of mutual understanding has deepened even further. In the workplace, we are able to make decisions while having more meaningful communication, taking into consideration each other's ideas and areas of expertise, and this has resulted in a high level of synergy.

Meetings to share My Purpose are a necessary initiative for My Purpose, which is to "walk together, struggle together, and share joy together with many people." We intend to continue to actively hold these meetings.



My Purpose

Walking together, suffering together, and sharing joy together with many people

I decided to enter the Group because Sampo Group's philosophy based on My Purpose resonated with me

Kanami Matsuda, Deputy Manager, Sustainable Management Office, Sampo Holdings



For some time, I have been thinking about my career from the perspective of what I want to do and what I can do to achieve it. Then I came across Sampo, a company that values My Purpose. I truly resonated with the concept of building one's own career by making the most of the company's fields, centering on My Purpose, and decided to join Sampo.

My personal My Purpose is to be honest about how I feel and to use the power of communication to support a society overflowing with positive support.

Going forward, I would like to utilize my knowledge and experience in branding and communication, which I gained in an industry completely different from Sampo. I will strive to send positive support to everyone in the Sampo Group, each with their own diverse values, so that they can tackle their daily work honestly with their own feelings. I also want to face my daily work with honesty in order to embody my personal My Purpose.

My Purpose

I will provide support through the power of communication for a society that can be honest with its own feelings and overflows with positive support.

Taking on new challenges and innovations created by My Purpose

Ayumi Ito, Deputy Manager, Corporate Branch Office, Oita Branch, Sampo Japan Insurance

In the department to which I belong, we try to draw out individual thoughts (My Purpose) through dialogue (1-on-1) with each member and assign roles that match them.

Through regular dialogue with the section manager, I reconfirmed that I have a strong desire to contribute to my hometown of Oita, and I was assigned to Oita Prefecture this fiscal year.

Currently, as a step toward realizing My Purpose, I am considering an event using the Sampo Group's original SDGs card game to create a deep connection with Oita Prefecture.

This card game was developed to promote understanding of Sampo's SDGs initiatives, based on the starting point of Sampo colleagues' wish to "communicate more about the company."

When considering an event, we exchange opinions with other employees who are considering similar events. As everyone has their own ideas and plans, it is a good opportunity to be exposed to ideas, which in turn contribute to deepening one's own thinking.

In this way, by bringing together and connecting a diverse group of colleagues with their own My Purpose, new ideas will lead to the creation of new challenges and innovation, and I feel that the Sampo Group as a whole will become a stronger company.



My Purpose

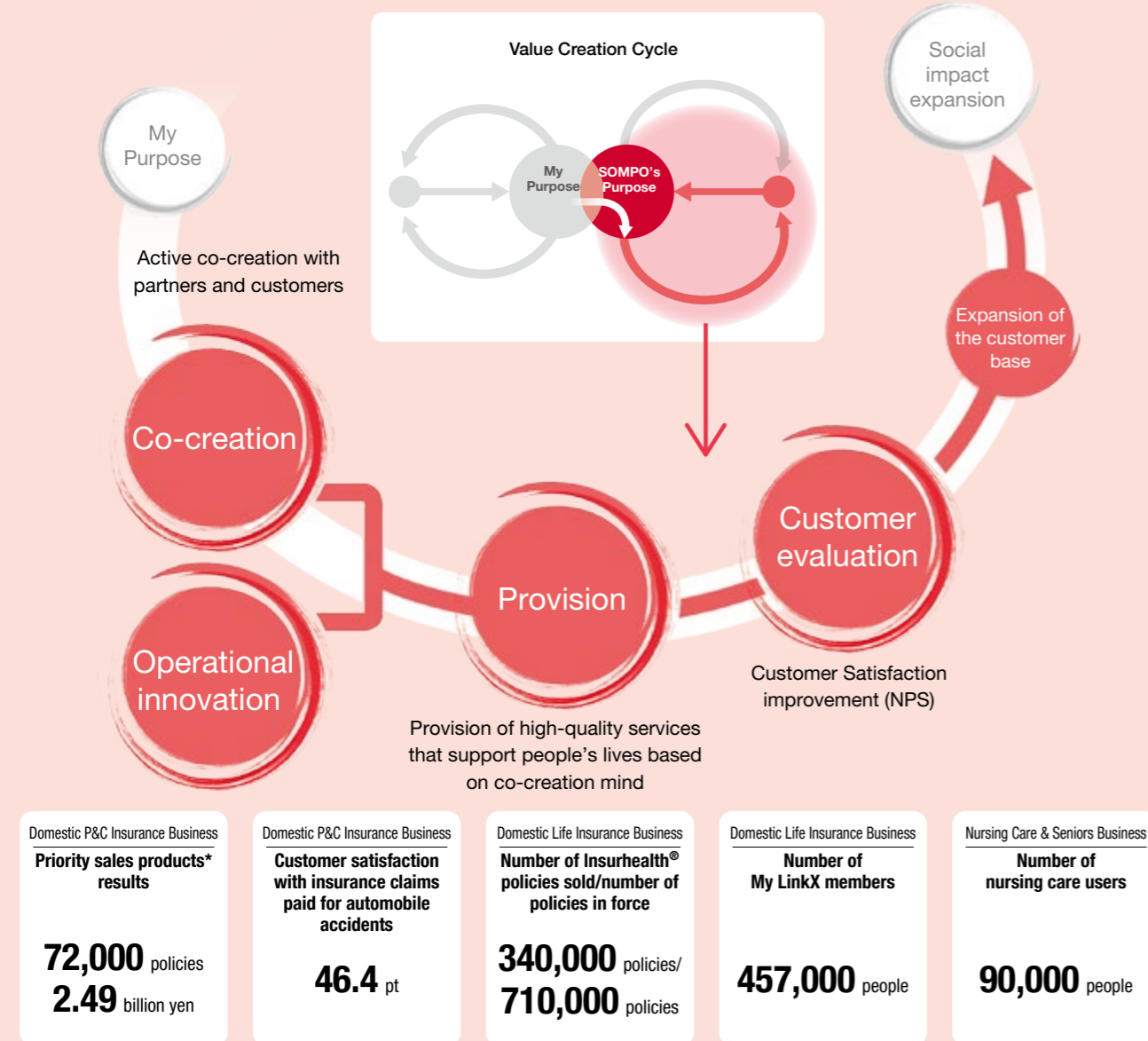
For the world and its people - I want to connect with people, learn from them, and keep smiling~

Value Creation Cycle: Route of Existing Business



Expansion of our customer base through the provision of high-quality products and services based on co-creation mind

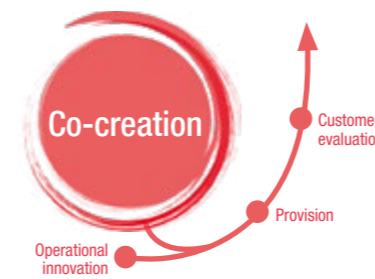
At the Sampo Group, employees are motivated by My Purpose, the driving force for the realization of SOMPO's Purpose. All of the Group's employees are working as one in existing business domains to provide high-quality services through co-creation with partners and thereby expand our customer base. This part will introduce specific examples of such efforts at each Group company, along with the thoughts of the employees involved in these efforts.



*Figures are actual results for FY2021
*Priority sales products include Medical Master, Nyuin Passport, New DRIVING! and UGOKU

Expansion of our customer base with the co-creation mind

Highly-engaged employees driven by My Purpose are shifting to high-value-added operations through **operational innovation**, and are working eagerly on **co-creation** with partners to **provide** the market with high-quality products and services that support customers' lives in diverse business domains. Through these efforts, we aim to further expand our customer base and achieve business growth by enhancing **customer evaluations** based on trust and empathy.



Creation of high-quality products and services through co-creation with partners and customers

In order to fully and appropriately reflect the opinions obtained from the market obtained by employees with diverse values in the development of products and services, we actively engage in co-creation with partners and customers. We aim to create high-quality products and services that are not limited by our own technologies and expertise.

The "Nyuin Passport" thoroughly reflects customers' needs

Sompo Japan Insurance

3.3 Eradication and control of epidemics and infectious diseases 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The new medical insurance "Nyuin Passport," launched in June 2021, was created reflecting opinions from over 10,000 customers.

The product was developed after repeatedly conducting street interviews, qualitative and quantitative surveys, and the like with customers, thoroughly considering what customers wanted. Focused on customer views such as, "There is a burden on families left behind after someone is hospitalized," "Concerns about having enough money in the event of hospitalization," and "The many administrative procedures are cumbersome," we realized the industry's first coverage and a procedure that can be completed via smartphone. This product provides peace of mind from before hospitalization to afterwards, creating an environment in which customers can focus on their treatment.



Taking on new challenges unbound by precedent

Nobuya Yamamoto Senior Deputy Manager, Healthcare Business Group, Personal Lines Product Development Department

I feel it rewarding and motivating to take on new challenges through my work. This product was a great challenge for me, as it was developed by a team that was thoroughly focused on customer feedback, without being bound by precedent, with the desire to be of help with insurance in times of need. As a result, we have become able to pay insurance claims in as little as 30 minutes, which led to our winning the top prize in the "2021 Nikkei Superior Products and Services Awards." We will continue to take on the challenge of solving the issues faced by our customers and society by working without being bound by precedent with our customers as our central focus.

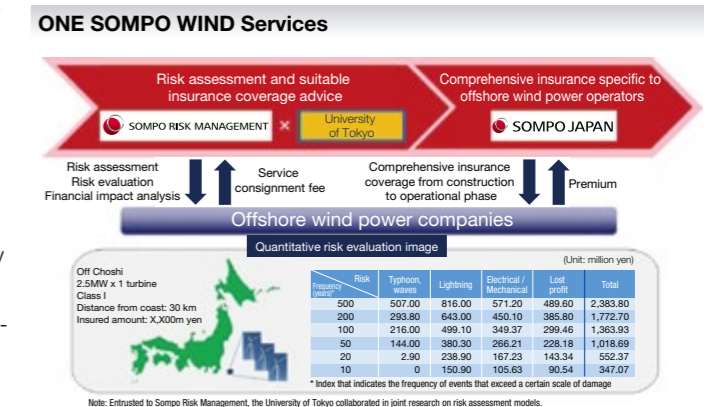


"ONE SOMPO WIND Services" contribute to realizing a net-zero society

Sompo Japan Insurance

7.2 Expanding renewable energy share 13.2 Climate change countermeasures 17.16 Multi-stakeholder partnership

In Japan, the spread and stable supply of renewable energy is a major challenge in working toward the net-zero society that the world is striving to achieve. Although offshore wind power has great potential and is expected to be introduced in the future, one of its issues is that it is exposed to various risks such as typhoons, lightning strikes, and other natural disasters, as well as accidents such as those involving undersea cables. Based on joint research with the University of Tokyo, our Group developed a risk assessment model and launched "ONE SOMPO WIND Services," which is comprehensive insurance that covers various risks for offshore wind power operators and includes risk assessments from construction work to business operations. In this way, we support offshore wind power operators in Japan and contribute to the spread of renewable energy.



Encouraging the spread of renewable energy

Yosuke Murakami Senior Deputy General Manager, Head of Energy Underwriting Section, Corporate Marketing Department VI

We believe it is our duty for the future young generation, who will shoulder the future, to visualize the unknown risks of offshore wind power projects, develop appropriate risk hedging measures, and contribute to the sustainable growth of the offshore wind power industry, which will play a leading role in providing safe and eco-friendly energy. Through ONE SOMPO WIND Services, we support our customers in public tenders and financing. We will continue to support the spread of renewable energy, the key to controlling the risk of climate change, which is considered to be a factor that increases the risk of natural disasters.

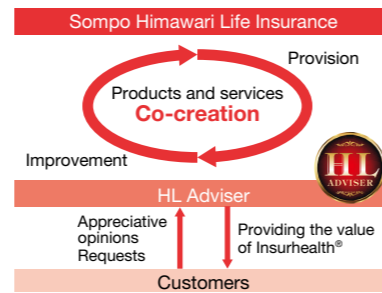


Co-creation with HL Advisors who provide high-quality products and services

3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services 17.16 Multi-stakeholder partnership

Sompo Himawari Life Insurance recognizes Himawari Life advisors as life insurance sales representatives of the highest quality who combine “high consulting and proposal skills,” “realization of health support,” and “customer-centric operation.” Under the motto of “Creating together” with HL Advisors, we provide customers with the value of Insurhealth® which combining the traditional role of life insurance to prepare for any possibility with day-to-day healthcare support functions. and deliver “security, health, and wellbeing,” thereby increasing the number of new customers who appreciate Insurhealth®. We will also work on co-creation to realize a Health Support Enterprise by utilizing the views of HL Advisors who are closest to our customers.

Sompo Himawari Life Insurance



The best partners that can protect customers for any possibility and their day-to-day healthcare

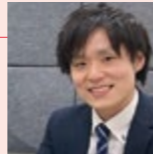
Sho Yamashita Senior Deputy Manager, Sales Planning Department



I feel it is rewarding to deliver security and wellbeing to future customers by listening to and supporting HL Advisors. I would like to work with HL Advisors, our highest quality partners toward establishing a Health Support Enterprise, to spread the value of Insurhealth® and to receive happy comments from our customers.

Evolving the value of Insurhealth® together

Kyogo Furuhashi Senior Deputy Manager, Sales Planning Department



I would like to solve social issues by focusing attention on others and carefully listening to them. HL Advisors are our highest quality partners who can help more customers solve their problems by providing the value of Insurhealth®. HL Advisors are essential to the realization of My Purpose, and I would like to continue to work with them to advance Insurhealth®.

“Eyeco Support” development through dialogues with visually impaired

3.4 Mental health and welfare promotion 9.2 Promoting industry development through innovation, increasing employment and GDP 17.16 Multi-stakeholder partnership

With the desire to offer “service that only people can provide,” Prime Assistance (PRA) developed “Eyeco Support” to meet the needs of people with vision disabilities who want to freely go out whenever they wish. This service was developed through a trial-and-error process involving dialogues with visually impaired. By providing information on the surrounding area obtained by operators via smartphone images, the service enables timely access to necessary information and greatly expands the choices and range of activities for people with vision disabilities. We are expanding our circle of co-creation through demonstration experiments with local governments, airlines, and railroad companies that share the same awareness of the issues involved in this service.



Prime Assistance

Eliminating all barriers and bring smiles to socially oppressed

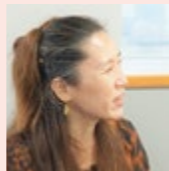
Reiko Fujita Deputy Manager, Life Support Business Dept.



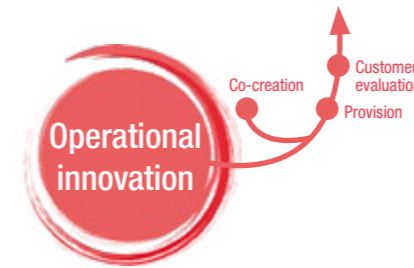
I want to develop services that empower people who suffer from barriers caused by isolation and disparities, together with my team members. “Eyeco Support” is the embodiment of this. In developing Eyeco Support, we held dialogues with people with vision disabilities, and I believe we were able to reflect their voices in our development because PRA is close to the end users in terms of their lifestyles and thoughts. Going forward, I would like to contribute to realizing a society where everyone, regardless of whether they have a disability, can fully demonstrate their abilities and challenge themselves to make their dreams come true.

Supporting people’s lives with digital and communication capabilities

Mitsue Fujii Life Support Business Dept.



I joined PRA because I was involved in the early stages of the development of this product as an advisor. Initially, I was involved in product development as an end-user with a vision disability, and felt delighted to see a product being created. When I joined the company as an employee, I felt the weight of my responsibilities, but I believe that PRA provides an environment where I can take on challenges together with its members. Currently, we are moving from the development phase to the user expansion phase. I would like to expand the value of this product, which supports people’s lives through digital and communication capabilities, to many people.



Shifting to high value-added services that only people can provide

The Sompo Group is working to shift to a work style that aims to provide high value-added services that only people can provide, such as creating more time to spend with customers, by promoting operational innovation through the use of digitalization and technology.

Future Nursing Care Creation Project aiming to improve the quality of nursing care and reduce the workload of caregiving staff

1.3 Implementation of an appropriate social protection system and measures 3.4 Mental health and welfare promotion 8.6 Promoting a safe and secure work environment

This project aims both to improve the quality of nursing care and to reduce the workload of caregiving staffs by reviewing work at nursing facilities from the perspectives of “facility management,” “care management,” and “nursing care services.”

Specifically, we are utilizing the latest technology and real data to create more time by reviewing work processes, and are promoting efforts to provide optimal services to users by spending more time on “tasks that only people can do,” such as talking with them.



Improvement of care quality

We provide the highest quality nursing care services that only people can provide by offering optimal care for each individual (meaning custom-made care) based on the philosophy of “respect humanity” while being careful about people’s mental and physical conditions, and values such as “what people can do” and “what people want to do.”

As part of this, we are focusing on helping our users to live their lives to the end in their own way by utilizing our original “Yumeyui Note,” which allows them to make a record of their lives thus far and dreams they wish to realize, and to share their individual values and goals for their lives.



Reducing the workload of caregiving staffs

By introducing technology into nursing facilities, we are working to satisfy our users and reduce the workload of frontline staffs.

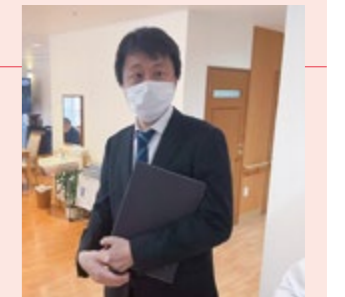
For example, the “Biami” shower bathing device for nursing care not only allows users to bathe comfortably without fear of drowning, as there is no need to fill the bathtub with hot water, but also reduces the workload of caregivers by allowing one person to assist bathing in a special bathtub, which normally requires two people.

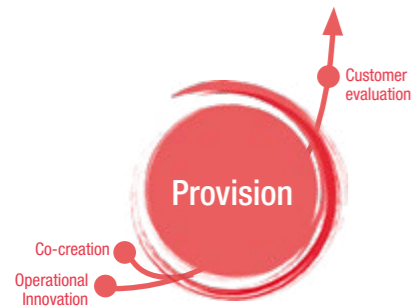


Interview with the Facility Head of Sompo no le Haruhino

Takashi Kozawa Senior Facility Head

We have been working since FY2020 as one of the leading homes in the future nursing care creation project. Previously, we had relied on experience and intuition of staff members to give nursing care, so it took a certain amount of time to train new staff members, for example. However, by utilizing technology, we have been able to standardize work and reduce the workload of staff. Staff members are able to use their free time to spend more time with residents than ever before, and I believe this has led to improved quality.





Providing high-quality products and services that solve social issues

Through accelerated cooperation to enhance product and service capabilities and business innovation aimed at providing high value-added services, the Somo Group is working to provide high-quality products and services that solve social issues and support our customers' business innovation and lifestyles.

“Medical Master” to solve the issues of SME proprietors

3.3 Eradication and control of epidemics and infectious diseases 3.4 Mental health and welfare promotion 8.3 Supporting micro, small, and medium enterprises through innovation

To fulfil the needs of SME proprietors desiring to take good care of their employees and easily obtain insurance, we have been offering the new product “Medical Master” for SMEs since June 2021. This product is paid for by the company without requiring employees to pay premiums, and covers not only tangible assets owned by the company, but also the people who support the company, such as proprietors and employees. SME proprietors wishing to enhance their employee benefit programs to be just as good as those of large companies in order to secure talented employees and prevent turnover have been highly impressed with the simplicity of the procedures, including the fact that it is not necessary to register or provide notification of employees. Through this product, we protect a wide range of SMEs and their employees from various risks.

Sompo Japan Insurance



Members with diverse characteristics demonstrate their strengths

Kazuteru Yamada Group Leader, SME Package Product Development Team, Commercial Business Strategy and Underwriting Department

I wish to contribute to the creation of an environment where employees are able to work with peace of mind for many years. I would also like to respond to the concerns of proprietors, among them preventing employee turnover and labor shortages. The Medical Master Development Project was initiated by a team that transcended departmental boundaries with this in mind. I believe that when members with diverse backgrounds combine their knowledge and experience, we can accomplish a great job that is greater than the sum of our individual strengths. Although I myself only joined the team in the middle of the project, we were able to overcome the many challenges that arose, one by one, by sharing our wisdom with each other. Indeed, I feel that we were able to complete the project precisely because of the strengths shown by our diverse team members. I would like to continue to respect the diversity of my colleagues whilst creating products that will please our customers.



Providing cancer insurance that offers total support from before onset to post-treatment care

1.4 Accessibility of people to all services and financial resources 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The “Health Support Cancer Insurance: Yuuki no Omamori” launched in October 2021 provides total support from before onset to post-treatment care. It is a “new form of cancer insurance” that is both rational and compatible with the latest cancer treatments based on the High-cost Medical Expense Benefit system. Smokers who successfully quit smoking after enrollment can change to a less expensive non-smoker premium rate. Furthermore, we have introduced the industry’s first system in which premiums are not charged for the first three months of cancer coverage from the time of concluding the contract.

Sompo Himawari Life Insurance



Supporting the fulfilling lives of customers

Toshihiko Morita Senior Deputy Manager, Business Planning Department

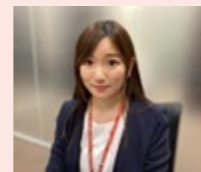
This product provides total support from before the onset of cancer to after treatment concludes. We introduce a cancer risk screening service that can be performed at home, allowing early detection of cancer. If people get cancer, we support the improvement of physical issues by introducing online exercise lessons for cancer patients. I would like to continue to focus on the significance of my involvement in each job, and refine the high quality of the services we deliver to our customers.



Developing insurance that is attentive to customers' needs

Aya Tanaka Senior Deputy Manager, Product Planning Department

This product responds to customer needs by offering two types of coverage: a “treatment benefit type” that pays benefits for each month of receiving treatment under the High-cost Medical Expense Benefit system, and a “diagnosis benefit type” that pays benefits in a lump sum to be used in a variety of ways. We will continue to develop insurance that is attentive to customers' needs, and deliver insurance that is generally considered “hard to understand” and “difficult” in an easy-to-understand manner.



Expanding our customer base based on trust and empathy

We are working to expand our customer base, which will support steady business growth, by earning the trust and empathy of customers and society in each of our business domains through provision of cooperation-oriented high-quality products and services.

No. 1 in the agency-based non-life insurance category of the J.D. Power “2021 Contact Center Support Satisfaction Survey”!

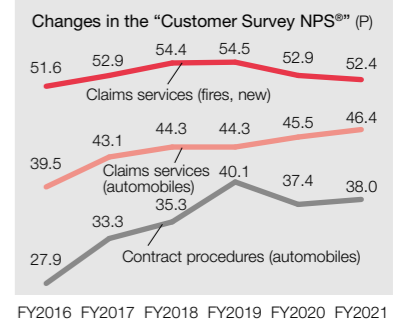
3.6 Promoting traffic safety 8.10 Accessibility to insurance and financial services 11.2 Providing access to sustainable transportation systems

This survey's purpose is to discover the level of satisfaction of people who used contact center support at financial institutions within the past year for resolving problems, making various inquiries, and gathering information on products and services. Sompo Japan ranked first in the agency-based non-life insurance company category, receiving the highest ratings in all four factors: ease of use, adequacy of information provided and responses to requests, politeness of explanations/politeness of responses, and time required to solve problems and respond.

Sompo Japan is also working to firmly establish customer-centric work management*, and has established “Customer Survey NPS®” as one of the indicators to evaluate the status of this. Our evaluation by customers who have completed contract procedures and received claims services has improved compared to that before the announcement of the customer-centric work management policy (as of the end of FY2016).

*Sompo Japan conducts customer-centric work management based on a thorough understanding of the customer's perspective at all points of contact with customers, in accordance with its Management Philosophy.

Sompo Japan Insurance

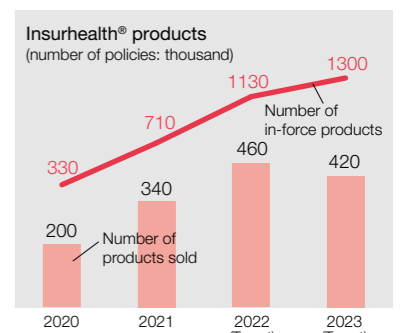


The number of applications for “Health Support Cancer Insurance: Yuuki no Omamori” has reached 200,000!

1.4 Accessibility of people to all services and financial resources 3.4 Mental health and welfare promotion 8.10 Accessibility to insurance and financial services

The number of applications for “Health Support Cancer Insurance: Yuuki no Omamori” reached 200,000 in July 2022. Customers who have subscribed have commented favorably, noting that “it motivated me to quit smoking” and “the fact that there is no duplication of premiums was a deciding factor in my decision to review my cancer insurance.” It has also been highly evaluated by financial

planners and other experts, and has won the grand prize and top place in various cancer insurance rankings. This product, Insurhealth®, is a “new type of cancer insurance” that provides total support from before the onset of cancer to post-treatment care. We will continue to expand the number of Insurhealth® products sold and in-force as we aim to become a Health Support Enterprise.



Sompo Care won the top prize of the “Asia Pacific Eldercare Innovation Awards” for efforts to assist users independence!

3.4 Mental health and welfare promotion 9.2 Promoting industry development through innovation, increasing employment and GDP 17.16 Multi-stakeholder partnerships

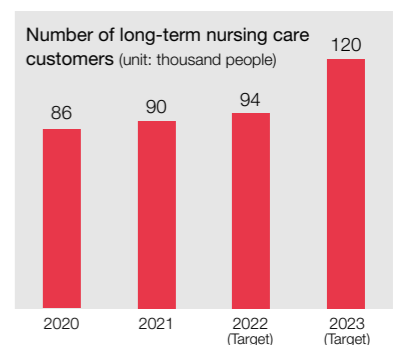
Through its nursing care service, which offers “assistance for independence” that respects each person's “individuality,” Sompo Care provides “Sompo Care Independence Assistance that Supports Independent Lifestyles” with the concept of improving quality of life (QOL) for seniors. This was entered in the “Operator of the Year—Assisted Living” category and won the top prize.

Under the theme of “Rethinking the Way Eldercare is Provided,” a panel of judges composed of global experts evaluated more than 200 outstanding innovations in eldercare entered from around the world and presented awards in each category.

In order to provide nursing care services

that lead to “assistance for independence,” we are working to provide optimal care based on a deep understanding of the needs of each individual senior through care management, conducting educational training and case study sessions for staff as a peripheral approach to assistance for independence, and accumulating and analyzing data through the active utilization of ICT and digital technology. By working to understand the gap between the essential needs of each senior and the content of services provided, we are striving to provide more appropriate nursing care services. Through these efforts, we will increase the number of long-term nursing care customers and support more seniors by

providing optimal long-term care services that are individualized and of high quality to each and every senior.

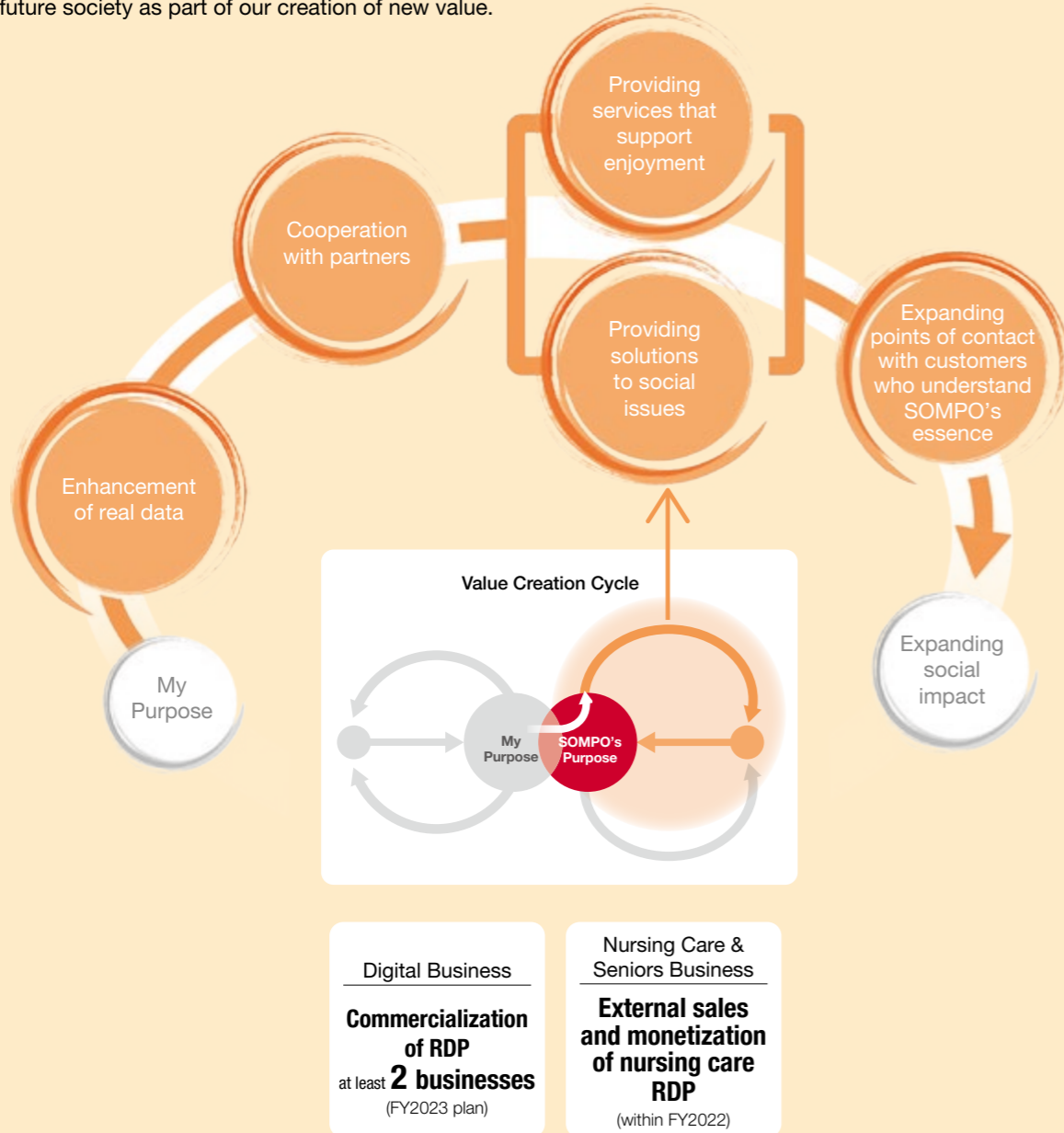


Value Creation Cycle: Route of New Value Creation



Providing solutions to change our future society

With the trust we have cultivated through our existing businesses and the abundance of high-quality real data we have accumulated, we are working to create new value beyond the boundaries of existing businesses by attracting diverse businesses and human resources as cooperation partners, promoting DX, and establishing our new RDP business model. The content here introduces specific efforts by each company to provide solutions that will change our future society as part of our creation of new value.



By thoroughly promoting the digital transformation (DX) of each business, which we have been working on since 2016, we aim to further accelerate the DX of the entire Group and increase corporate value by implementing revenue growth and improving operational efficiency in existing businesses, and by linking the efforts of Sampo Group companies to each business and company both in Japan and overseas.

In addition, by linking DX initiatives to RDP, we aim to develop and provide innovative SaaS solutions, especially in the nursing care and healthcare areas where social needs are high, and to materialize our unique RDP business.

Group CDO
Albert Chu

DX Strategy to realize digital transformation

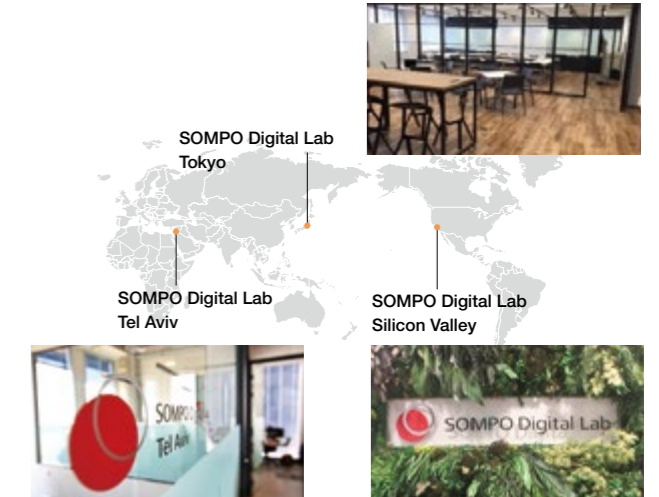
The Group is developing two mutually important efforts that are digital and data-driven: “new customer value creation through new businesses” and “DX promotion for existing Group businesses.”

We have positioned DX promotion as a foundational initiative, and have set up an organization to discover digital technologies, appointed a CDO to take charge of DX promotion, and secured and trained personnel to realize digital transformation (securing DX specialists and DX human resources development) as its three pillars. Through the organic functions in each of these pillars, we are working to accelerate DX initiatives and realize transformation. In addition, we will utilize data accumulated through the DX initiatives of the entire Group, and seek to enhance corporate value through the creation of customer value by linking it to our efforts for the realization of the Real Data Platform (RDP), a framework for creating new solutions that contribute to security, health, and wellbeing.

The SOMPO Digital Lab transforms existing businesses and creates new businesses

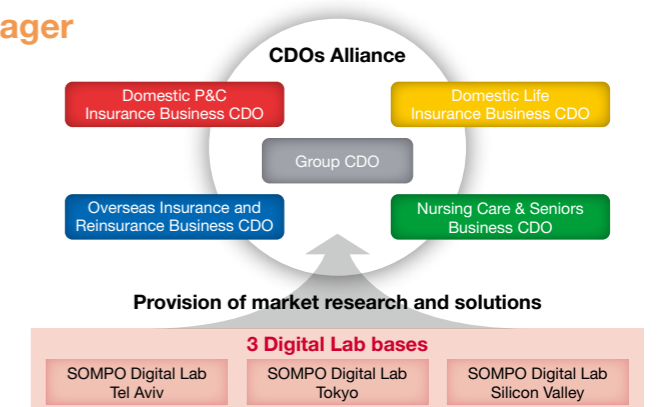
Since the establishment of the Digital Strategy Planning Department (now the Digital and Data Strategy Department) in April 2016, the SOMPO Digital Lab has been supporting the Sampo Group digital business at three bases in Tokyo, Silicon Valley, and Tel Aviv.

Each of the three bases is involved in its local community, and gathers cutting-edge information while also utilizing the venture capital network, enabling the collection of information on the latest technologies and approaches to leading local companies. In addition, through mutual collaboration by the bases to realize DX for the entire Group, they provide optimal solutions to diverse business needs and support the transformation of existing businesses and the creation of new businesses for each Group company.



Appointment of the DX Promotion Manager

The Group CDO, who is the DX Promotion Manager for the entire Group, and the four CDOs appointed in each business to promote DX in the Group's core businesses will build an alliance to promote DX initiatives. In addition, the three SOMPO Digital Lab bases, which serve as “antennae” to quickly pick up on advanced digital technologies, are also responsible for market research, proof of concept (PoC) work, and solution provision, offering comprehensive support to each business, and thereby accelerating DX initiatives across the Group.



Envisioned status and expected effects achieved through DX

| Business | Envisioned status through DX | Expected effects in FY2023 |
|---|--|---|
| Domestic P&C Insurance | <ul style="list-style-type: none"> Digital transformation of organizations and business processes (defensive DX) Creation of new digital business models to improve CX/UX (offensive DX) | 15.1 billion yen (Improvement of underwriting income/expenses and operational efficiency) |
| Overseas Insurance and Reinsurance | <ul style="list-style-type: none"> Business process transformation and automation Realization of differentiation through utilization of new technologies Improvement of quality and speed of decision making through data integration Realization of loss prevention through digital utilization | 1.9 billion yen (Improvement of underwriting income and expenditure, operational efficiency enhancement) |
| Domestic Life Insurance | <ul style="list-style-type: none"> Expansion of Himawari fans by improving the value of Insurhealth® (insurance + healthcare) Pursuit of operational efficiency and optimization | 4 billion yen (New business opportunities, operational efficiency enhancement) |
| Nursing Care & Seniors | <ul style="list-style-type: none"> Realizing of projects of creation of future nursing care with high quality and productivity by utilizing digital data e.g. evolution of assisted living homes and at home nursing care models | 900 million yen (Operational efficiency enhancement) |

SOMPO's partners for creating new value

9.5 Research promotion and technology improvement through innovation 11.5 Disaster-resilient community development 17.16 Multi-stakeholder partnership

The Somo Group aims to realize SOMPO's Purpose and enhance corporate value by working with like-minded partners to promote initiatives that create new value by providing solutions that help solve social issues.

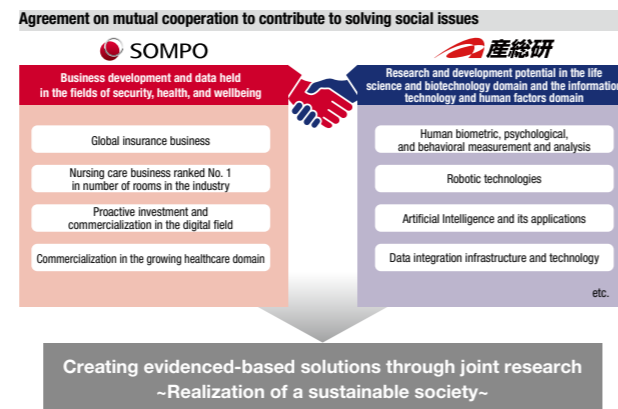
Palantir Technologies Inc

To provide new solutions by utilizing large amounts of high-quality real data, SOMPO has formed a business alliance consisting of three companies including Palantir Technologies Inc. (hereinafter "Palantir") and Palantir Technologies Japan K.K., which was established as a joint venture with Palantir.

By combining Palantir's technology with our Group's real data, we are working to develop a real data platform (RDP) and take on the challenge of creating new value. With regard to the preceding nursing care RDP, solutions for nursing facilities are scheduled to be deployed by the end of FY2022, and we are steadily proceeding with preparations to this end.

National Institute of Advanced Industrial Science and Technology (AIST)

Sompo Holdings has concluded an agreement on comprehensive mutual cooperation with AIST, one of the largest research institutes in Japan, in order to solve social issues such as the declining birthrate and aging population and the challenges associated with the new normal by leveraging expertise in our respective fields. SOMPO and AIST aim to build a platform for creating new customer value and solutions by forming an ecosystem involving the national government, local governments, and businesses. The first step will be to develop and standardize methods for assessing nursing care quality, and to develop methods for efficiently discerning the actual state of the nursing care process, with the aim of disseminating this to the world as a security, health, and wellbeing solution coming from Japan.



Advancement and automation of underwriting operations

3.4 Promotion of mental health and welfare 8.2 Improving economic productivity through innovation 8.10 Accessibility to insurance and financial services

Palantir's data analysis platform "Foundry" was introduced for underwriting work (hereinafter "UW").

By integrating data scattered both inside and outside the company and storing it in one place, Foundry has created an end-to-end solution to increase efficiency and improve the accuracy of decisions.

At present, Foundry is used as the main system for UW, primarily by the corporate fire insurance underwriting department. In addition to promoting data-based pricing and optimization of underwriting conditions, the system has enabled us to identify SME-scale contracts with high loss ratios that could not be identified in the past and allowed us to review their underwriting conditions, yielding a steady improvement in income and expenditures in FY2021.

Going forward, we aim to further advance and automate UW by expanding our efforts for new types of insurance and integrating risk models and AI technology in the future.

Sompo Japan Insurance

In addition, through cooperation with Hitachi, Ltd., we were the first in the insurance industry to commercialize natural disaster portfolio optimization technology using cutting-edge pseudo-quantum computing, and we introduced this into natural disaster risk underwriting decisions in FY2022. The technology uses a pseudo-quantum computer to rapidly calculate a portfolio that balances both risk-taking and stable profitability from a vast number of possible combinations of underwriting and reinsurance conditions for natural disaster risks. We have already begun using this technology for earthquake insurance for corporate clients, and will continue to expand its use in underwriting and reinsurance arrangements for other types of insurance.

Sompo Japan will continue to promote DX through the utilization of cutting-edge technologies, including real data platforms and quantum technology.

Providing new value utilizing digital technology and data

Sompo Himawari Life Insurance

3.4 Mental health and welfare promotion 9.5 Creating added value through innovation 17.16 Multi-stakeholder partnership

In order to realize SOMPO's Purpose, we are leveraging digital technology and data to provide value that makes our customers healthier. To date, we have provided new value through collaboration with Binah.ai, an Israeli startup company with H2 in Taiwan and Niigata University. Our collaboration with



Binah.ai was in the healthcare field, and involved joint development of a function that allows customers to check their stress conditions by simply taking a photographic portrait of a face. This function is provided through the "LinkX Health Try" app, which supports improvement of lifestyle habits. This app also includes other functions utilizing

technology from a Silicon Valley startup company that acquires health checkup data from images. In addition, H2 is developing Health2Sync App a health management app for diabetics that is used by approximately 900,000 people worldwide.

Through our business alliance, we support the prevention of serious illness by manage chronic conditions efficiently. Moreover, we are conducting joint research with Niigata University on the effects of improvement of lifestyle habits through voluntary lifestyle review using the app.

We will continue to provide new value by leveraging our domestic and international networks and expertise.



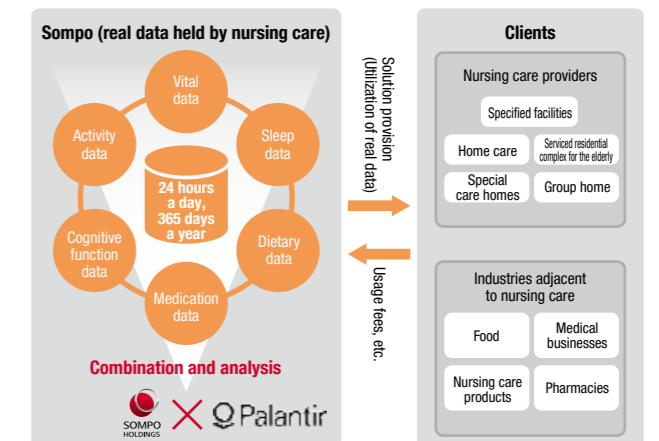
Service Design, Senior Deputy Manager, Business Planning Department
Airi Ito

Nursing Care RDP—transformation into a platformer in the nursing care and seniors business field

3.4 Mental health and welfare promotion 9.2 Creating added value through innovation 17.16 Multi-stakeholder partnership

Overview of the nursing care RDP

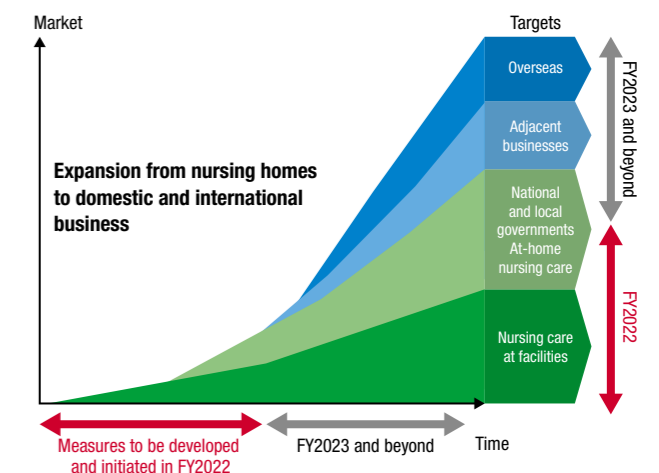
In the nursing care and seniors business, we are taking on the challenge of resolving the gap between the growing demand for nursing care and the supply of nursing care due to the social issue of Japan's aging population, and improving the sustainability of the nursing care insurance system. A major pillar of these efforts is the "Nursing Care RDP (Real Data Platform)". The main pillar of this initiative is the "Nursing Care Real Data Platform (RDP)." Based on industry leader Sompo Care's big data (real data) on users, operational capabilities such as services and know-how, and Palantir's data integration, the RDP aims to contribute to the sustainability of the entire industry by creating new solutions that contribute to improve productivity with good quality and deploying them in the nursing care and adjacent industries.



Vision for the Nursing Care RDP

The goals of the Nursing Care RDP are not only to expand into the nursing care and adjacent industries, but also to realize a sustainable nursing care insurance system in cooperation with both national and local governments, and to expand business overseas.

As the first step, we started collaboration with a partner company for nursing care facilities in June 2022, with full-scale sales planned to begin by the end of the fiscal year. At the same time, we aim to establish a system that has the potential to become the de facto standard by collaborating with local governments to build a home nursing care model and study caregiver support services, and by standardizing technology and care quality through joint research with the AIST.



Business model and practice of the Nursing Care RDP

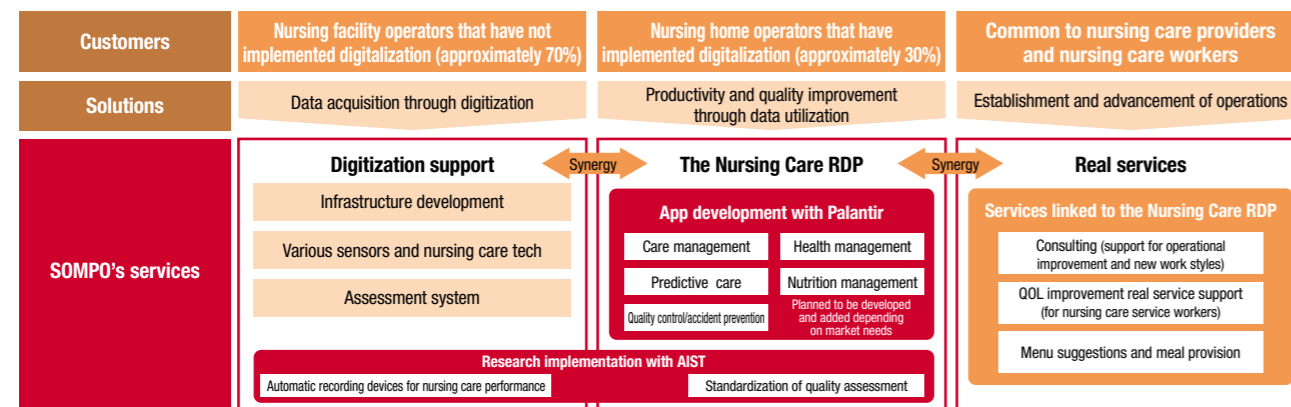
Business model of the Nursing Care RDP

We are considering supporting nursing facilities with three menus : the Nursing Care RDP, support for digitalization and real service provision as a business model.

For nursing care providers that have already implemented digitalization, we will provide the solutions (apps) we have developed to help them improve productivity and quality through data utilization. For nursing care providers whose various records have not been digitalized and their operation have not been systematized yet, we will support development of their infrastructure by supporting digitization and aid visualization

through centralized management for various data, along with creating a system that enables them to acquire and utilize real data. Furthermore, in addition to data-related support, we will also provide support in terms of real services, such as Sompno Care's know-how and services, in order to establish and enhance operations.

By providing such support, we will spread SOMPO's aim of improved productivity accompanied by good quality throughout the industry, and take on the challenge of contributing to improving the sustainability of the nursing care insurance system.



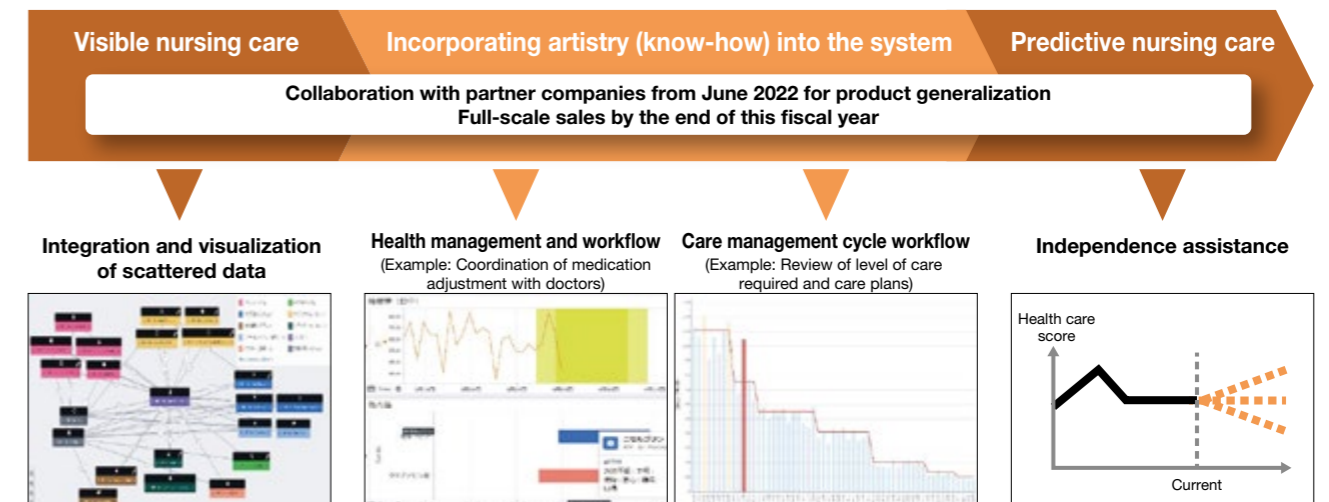
Specific examples of solutions for nursing facilities

Health management and workflow

This app provides suggestions on changes in health condition by centralizing and analyzing information from various sensors and daily customer records. We are developing and verifying this app with the expectation that it will be effective in coordinating with doctors to adjust medications, provide necessary interventions, and more.

Care management cycle workflow

Based on the real data and records obtained, this app provides suggestions in terms of four aspects of the care management flow: assessment, care planning, nursing staff workflow (schedules), and nursing care records. We are developing and verifying the app with the expectation that it will be effective in implementing a review of the level of care required and care plans.



The future we aim for with the Nursing Care RDP

On the implementation of the demonstration

Interview with the Facility Head of Sompno no Ie, Kawasaki Miyamae Daisuke Sasaki Senior Facility Head

As a leading home exercising nursing care RDP, we are currently conducting a demonstration of a module that utilizes real data. Previously, our information on users (real data) was scattered across multiple systems and paper documents, and it took time to find necessary information. The centralization of information has reduced the time required to create care plans and improved the quality of care. The data also suggests appropriate timing and methods of care predicted from the data, and thanks to this we are beginning to be able to provide high-quality care for our users when they need it. We believe that we will be able to provide each customer with more personalized care due to being able to interact with them more in the time created by the system.



Project leader's comment Naoki Hiranuma General Manager of the Data Strategy Department, Sompno Care

Currently, we are using the predictive nursing care function at two facilities, proceeding with efforts to prevent the deterioration of customers whose condition has been predicted to be worse, and preparing to expand the number of users and roll out the system. We are aiming to allow our users to achieve "the ability to continue living their own lives by preventing the worsening of health conditions as much as possible," and to realize the goals of "reduce workload caused by prevention from deteriorating health conditions of users and improve motivation by providing care tailored to each individual user," and "stabilize management by reducing staff workload and preventing employee turnover" for our Company.



Towards promotion of the nursing care RDP

Takahiro Iwamoto
Executive Director and Chief Digital Officer, Sompno Care



One of the social issues facing Japan is the declining birthrate and aging population, which is a major problem that no industry can avoid. The aging of society means that while the number of seniors will increase, the working-age population will decrease — something that will have a particularly large impact on the nursing care industry. The Ministry of Health, Labor and Welfare (MHLW) has announced an estimate that by 2040, there will be a shortage of 690,000 nursing care workers to support seniors. We at SOMPO feel a strong sense of urgency about this issue, and have thought about what we can do to improve the sustainability of the nursing care industry. As a result, we have concluded that instead of focusing solely on our own growth, it is essential to work hand in hand with other nursing care providers, medical care, and other adjacent industries to achieve growth for society as a whole through the Nursing Care RDP.

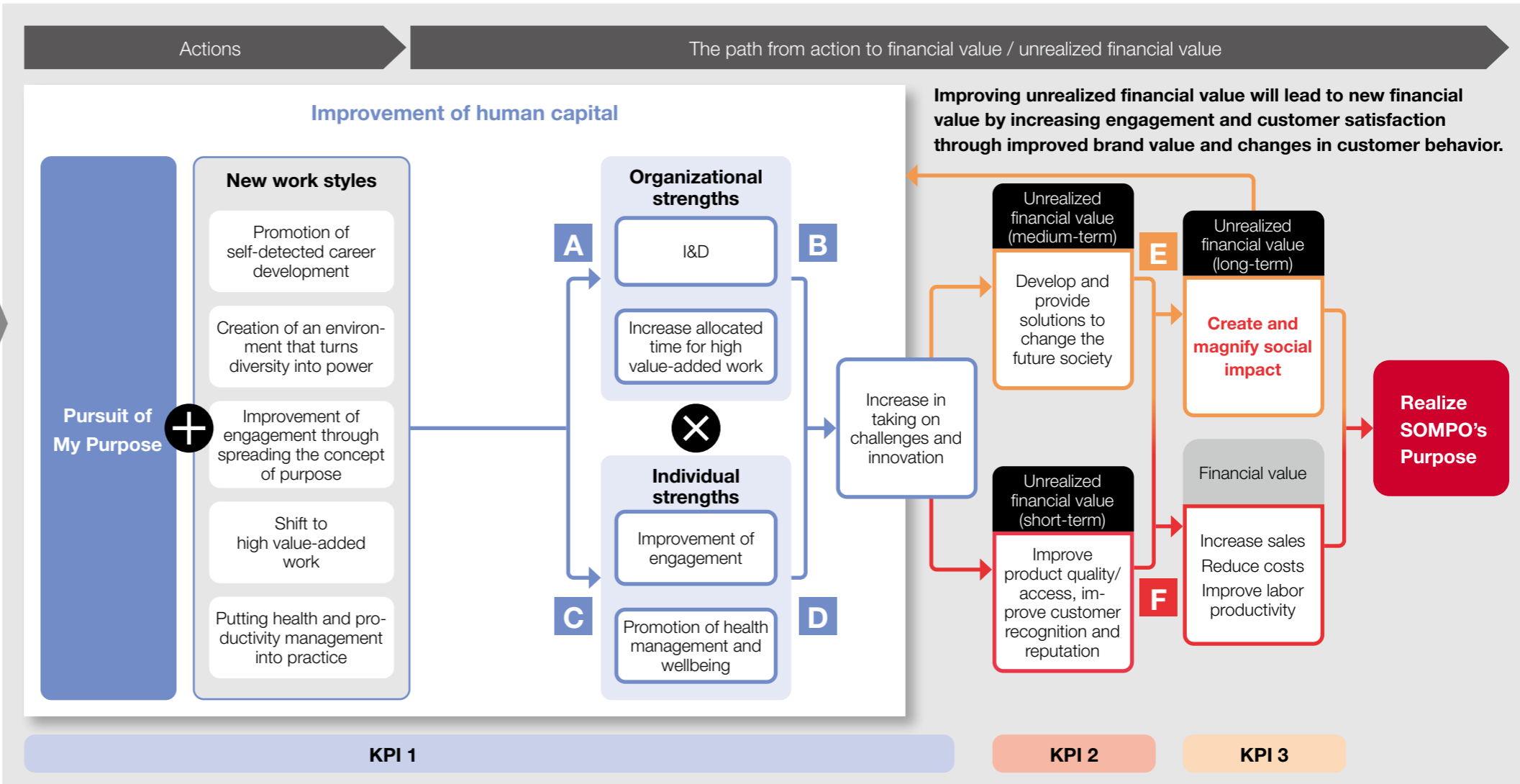
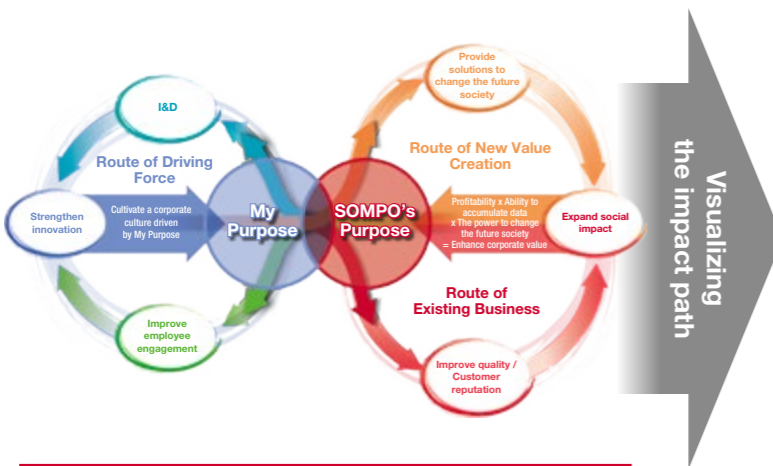
Through our Nursing Care RDP efforts, we aim to improve productivity with good quality throughout the nursing care industry as a whole. We will ensure the calculation of nursing care fees and personnel systems through appropriate care management, improve the activities of daily living (ADL) and QOL of users through health management and future predictions, and in turn have this lead to reductions in social security costs. Through this, we hope to create a world in which users, employees, and future society can all benefit from "the three goods" (good for the buyer, seller, and society).

Improving Unrealized Financial Value – Visualizing the impact path of human capital

Efforts to visualize SOMPO's Unrealized Financial Value

The Group calls any value that leads to financial or corporate value in the mid- to long-term **“Unrealized Financial Value,”** and the entire Group works to improve it while attempting to visualize it as much as possible by determining its impact path. Using the “Value Creation Cycle” that lays out the path to realizing SOMPO's Purpose, we set key levers/KPI to improve unrealized financial value. By improving each of these indicators, we will demonstrate to our stakeholders how we are progressing in managing the path to achieving SOMPO's Purpose.

*Value that is not shown on financial statements is generally called “non-financial value,” but we call it “unrealized financial value” because we believe such items will lead to financial and corporate value in the mid- to long-term.



The Impact Path

We have visualized the path our efforts to improve unrealized financial value through our investment in human capital will take to creating financial and corporate value.

We believe that our My Purpose initiative and new work style will lead to improvements in human capital, i.e. organizational strength and individual abilities, by improving engagement and I&D. This will work to drive other efforts to produce innovation and improve short-, medium-, and long-term unrealized financial value. Through this, we will increase financial value in a sustainable way and achieve our purpose.

This time, we particularly focused on visualizing the impact path for human capital. Based on the narrative created by this impact path, we have set sequential KPIs for each lever to gauge and display progress (see table on right.) We will verify each of these connections using data gathered within the Group and objective data published by external organizations, and thereby work to improve the impact path.

| KPI 1 | Details | 2021 financial results |
|------------|---|--|
| My Purpose | • Executives and employees (As of March 31, 2022) | 73,676 (27,070 male; 46,606 female) |
| | • My Purpose training participation ratio (FY2021) | 66.0% (FY2023 goal: 100%) *1 |
| Engagement | • Employee engagement | Domestic: 3.46 points Overseas: 4.02 points*2 |
| | • Productivity indicators connected to health and productivity management | 93.8%*3 |
| | • Number of companies certified as Health & Productivity Management Outstanding Organizations | 22 (14 large companies, 8 small to medium-sized companies) |
| I&D Data | • Percentage of female executives (As of April 1, 2022) | 9.0% |
| | • Percentage of executives who are foreign-born (As of July 1, 2022) | 14.7%*4 |
| | • Percentage of female candidates in succession plans | 32.4%*5 |
| | • Percentage of female managers (As of April 1, 2022) | 26.8% |
| | • Percentage of employees with disabilities (As of April 1, 2022) | 2.41% |

| KPI 2 | Details | FY2021 results |
|-----------------------------|--|----------------------------|
| Quality/customer reputation | • Sales of priority products | 72,000 at 2.49 billion yen |
| | • Customer satisfaction with car accident response | 46.4pt |
| | • Number of Insurhealth® packages sold/owned | 340,000/710,000 |
| | • Number of nursing care users | 90,000 |

| KPI 3 | Details | Goal |
|---------------|--|--|
| Solutions | • Group sales created using RDP | 500 billion yen (mid- to long-term goal) |
| | • External sales and monetization of RDP products and services | Two or more businesses by end of FY2023. |
| Social impact | • Approx. 3.7 trillion yen (for details, see “Progress of Mid-Term Management Plan (November 25, 2022)”) | |

*1 Participation rate in domestic P&C insurance, domestic life insurance, and nursing care and seniors businesses
*2 FY2023 targets – Domestic: 3.70 points, Overseas: 4.10 points

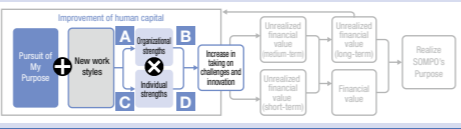
*3 Targeting Sampo Japan and Sampo Himawari Life
*4 Ratio of executive directors, executive officers, vice presidents: (5 out of 34 total)
*5 Targeting the Group CEO, other chief officers, presidents, and other key posts (total 88)

Improving Unrealized Financial Value – Visualizing the impact path of human capital

Verifying the impact path connections

Organizational improvement route

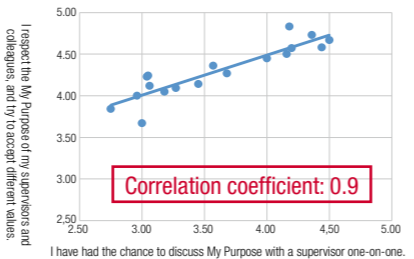
Human Capital



A My Purpose dialogue accelerates I&D

Formulating My Purpose, engaging in dialogue about it, and sharing it within the organization are all key to nurturing I&D culture—a culture that accepts diverse values—and form the foundation upon which such a culture is built.

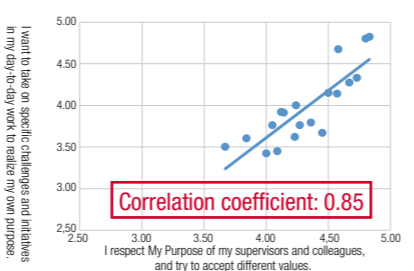
At SOMPO, we have confirmed that the more an organization engages in one-on-one discussions with employees about their My Purpose, the more that organization tends to recognize and accept diverse values.



B I&D fosters an intrinsic motivation that encourages more people to take on challenges

We believe that individuals with different values can more easily demonstrate their talents and strengths at organizations that foster I&D culture, and are more likely to take on the challenge of producing innovation.

SOMPO has confirmed that organizations that accept diversity in values tend to have employees who are more willing to take on challenges to realize their My Purpose.

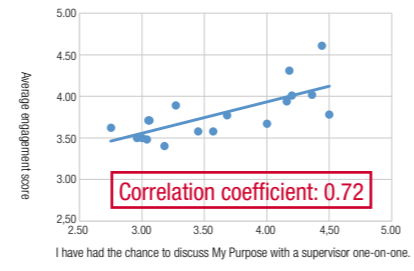


C My Purpose dialogue improves engagement faster

We believe that formulating a My Purpose and discussing it one-on-one with supervisors and subordinates encourages employees to work autonomously based in that purpose, which leads to improved engagement.

SOMPO has confirmed that organizations that engage in one-on-one dialogues about My Purpose tend to have higher engagement.

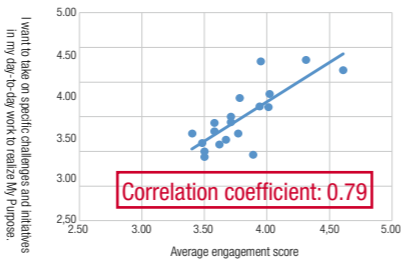
*Normal correlation between one-on-one dialogues and engagement is roughly 0.5.



D Engagement increases intrinsic motivation encouraging more employees to take on challenges

We believe that improving engagement leads to greater innovation and more employees taking on challenges based on their own intrinsic motivations.

SOMPO has confirmed that highly-engaged organizations tend to have employees more motivated to take on challenges to realize their My Purpose.



Individual improvement route

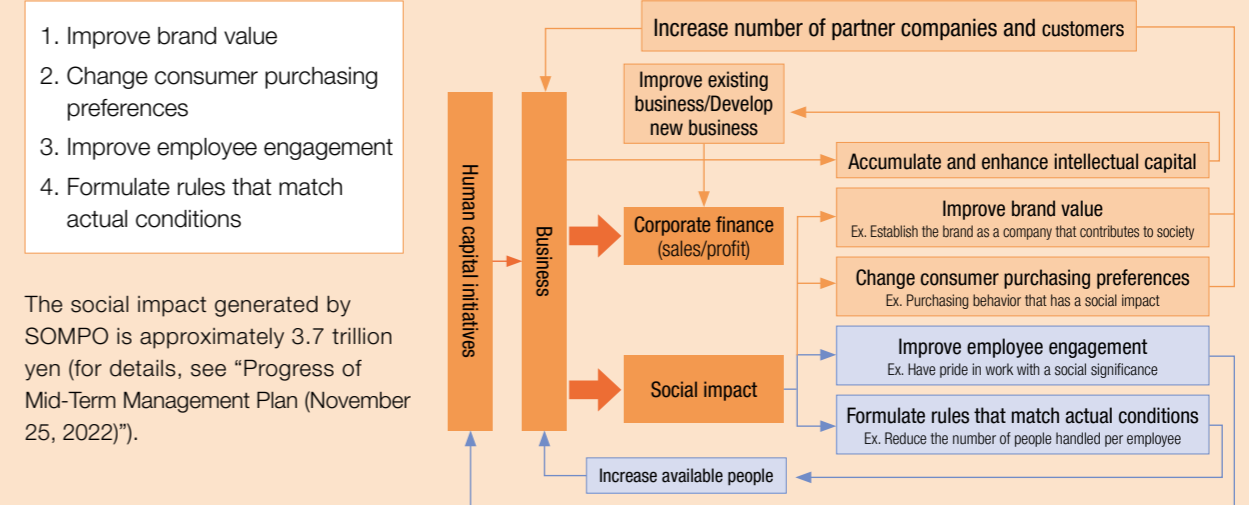
Unrealized Financial Value (Medium-term, Long-term)



E The challenge of visualizing SOMPO's social impact and the connection to future financial value

By organizing impact paths and converting them into monetary values, we will clarify the social impact we produce that go beyond the scale of our operations. The four paths shown below show how social impact can lead to future financial value, and by taking these paths, we believe that our social impact will be returned to us in the form of human capital and business activity, and thereby produce financial value.

Example: Nursing care business



The social impact generated by SOMPO is approximately 3.7 trillion yen (for details, see "Progress of Mid-Term Management Plan (November 25, 2022)").

Unrealized Financial Value (Short-term)

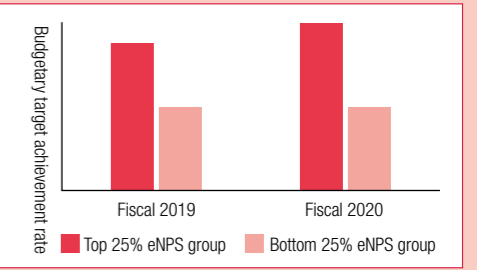


F Improving engagement leads to improved quality and performance through individuals taking on challenges and increasing innovation

It is expected that organizations with high engagement are able to improve labor productivity and quality. Here at the Group, we have analyzed the correlation between engagement (eNPS)* and budgetary target achievement rate, and confirmed that sales branches that score highly tend to have higher rates of achievement in subsequent fiscal years.

* eNPS or "employee Net Promoter Score" is a metric used at Somo Japan to measure employee engagement, and is an indicator based on the question, "Would you encourage your friends or family to join the company?"

We compared and confirmed engagement (eNPS) and budgetary target achievement rates for the top 25% and bottom 25% of Somo Japan's roughly 550 sales branches. We were able to confirm that there is a statistically significant difference between the two groups, **with higher achievement rates in the upper 25% of sales branches compared to the lower 25%.**



*This analysis was conducted by Somo Institute Plus.

*Our analysis is based on a survey about engagement aimed at employees of Somo Holdings and conducted by Somo Institute Plus. We are currently looking into expanding future analysis to include surveys conducted on each group company.

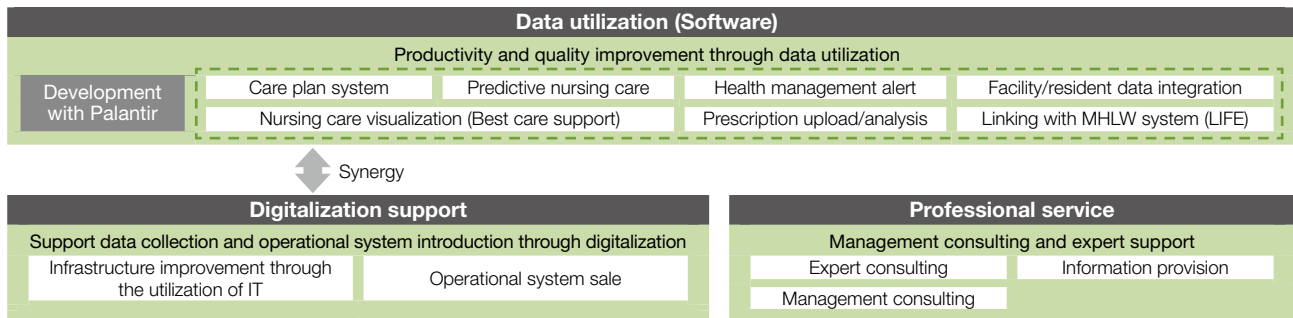
*Understanding correlation coefficient: Generally speaking, the closer the coefficient is to "1," the stronger the positive relationship between two variables is. A strong correlation between the variables is suggested for any coefficient with an absolute value roughly between 0.7 and 1.0.

Solving Social Issues with “egaku” Nursing Care RDP

Commercialization of “egaku” Nursing Care RDP

In November 2022, we announced “egaku,” our new Nursing Care RDP (Real Data Platform) service. Starting in FY2023, the service will be deployed to many nursing care providers to lead the transformation of the nursing care industry and transform it into a business that supports more seniors. In addition to data utilization (software), “egaku” offers digitalization support services and professional

services to support nursing care facility operations. We expect “egaku” to contribute to improving the quality and productivity of nursing care providers who adopt it, thereby improving profitability at their sites. We aim to expand “egaku” to 30% of facility-based business sites and 10% of home-based business sites by FY2030, with revenue of 30 billion yen and operating profit of 10 billion yen.



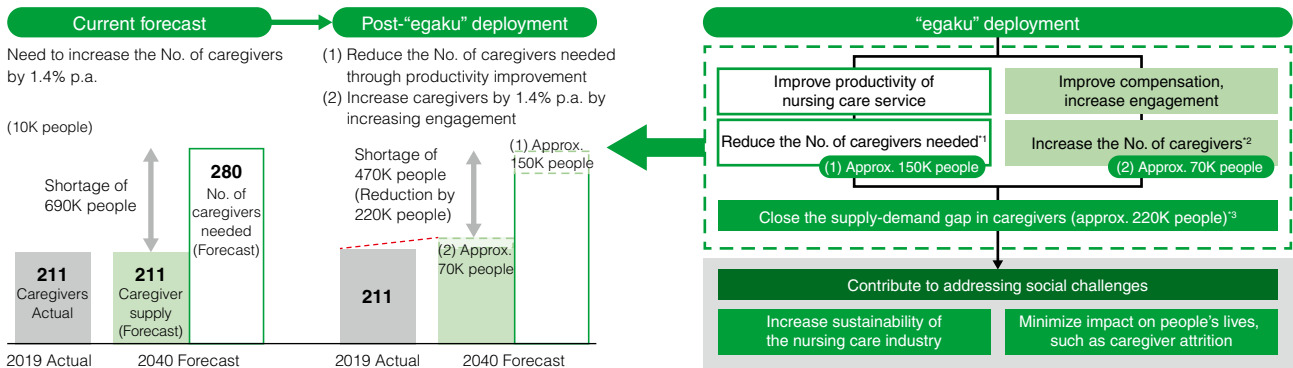
“egaku” project aims to close the supply-demand gap of 220,000 caregivers

In Japan, where hyper-aging is accelerating, the number of seniors requiring nursing care will continue to increase, and it is estimated that approximately 2.8 million caregivers will be needed by 2040. Since there were 2.11 million caregivers in FY2019, this leaves a supply-demand gap of approximately 690,000 caregivers.

the number of caregivers required (by approximately 150,000) by improving the productivity of the nursing care industry as a whole, and to increase the number of caregivers (by approximately 70,000) by enhancing the attractiveness of nursing care work through better compensation and engagement. In this way, we aim to close the supply-demand gap of 220,000 caregivers.

Through the services provided by “egaku,” we aim to reduce

Closing the supply-demand gap in caregivers (Outline)



*1 The effect of the increased number of seniors that can be cared for by each caregiver as a result of improved productivity of care services, thereby reducing the number of seniors in need
 *2 The effect of increasing the number of caregivers at the level of the required growth rate (1.4% per year) by implementing compensation improvements funded by the effects of productivity gains and by improving the attractiveness and engagement of caregiving work through increased efficiency
 *3 Number for Japan assuming deployment of “egaku” to 30% of home care providers and 10% of at-home care providers who all successfully reduce the No. of caregivers needed and increase the No. of caregivers, just like at Sompo Care

Social impact created by “egaku”

By closing the 220,000-person supply-demand gap for caregivers, “egaku” would enable support for up to 880,000 seniors⁴. If 880,000 seniors cannot receive nursing care service, it can be assumed that their families, etc. (numbering 880,000, equal to the

number of seniors without access to care) would need to quit or restrict work to provide their care. By preventing this scenario, it is estimated that “egaku” would create a social impact of up to 3.7 trillion yen (based on the Japanese GDP).

(Reference) Social impact of supply-demand gap in caregivers by 220K people (GDP equivalent)

| | | | | | | | |
|----------------------------------|---------------------|---|----------------|----------|---|----------------|---------------|
| Seniors supported by 220K people | approx. 880K people | × | GDP per capita | ¥4.26 mn | = | GDP equivalent | Up to ¥3.7 tn |
|----------------------------------|---------------------|---|----------------|----------|---|----------------|---------------|

*4 Assuming that deregulation allows 1 caregiver to support 4 seniors. SOMPO Care is participating in the Ministry of Health, Labor and Welfare’s demonstration project for deregulation.

By providing “egaku” as a solution to change the future society to one with more nursing care providers, we will expand our social impact, realize SOMPO’s Purpose, and enhance its corporate value.