

Securities code: 8630  
June 1, 2023

Notice to Shareholders

Sompo Holdings, Inc.  
1-26-1 Nishi-Shinjuku, Shinjuku-ku,  
Tokyo  
Kengo Sakurada, Group CEO,  
Director, Chairman and  
Representative Executive Officer

## Notice of Convocation of the 13th General Shareholders Meeting

Thank you all for your continued patronage.

The 13th General Shareholders Meeting of Sompo Holdings, Inc. (the “Company” or “we”) will be held as shown below.

**Shareholders are sincerely requested to exercise your voting rights either in writing (the Voting Rights Exercise Form) or via the Internet.**

Please review the “**Reference Documents for General Shareholders Meeting**” (pages 7 to 30) hereafter, and exercise your voting rights in accordance with the “**Instructions concerning the Exercising of Voting Rights**” (pages 5 to 6).

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### Details of the Meeting

- Date and Time:** **Monday, June 26, 2023 at 10:00 a.m.**  
(Reception opens at 9:00 a.m.)
- Location:** **Head Office, 2nd floor conference room  
Sompo Japan Insurance Inc.,  
1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo**

The General Meeting of Shareholders will also be streamed live on the Internet. For details, please see the enclosed “**Information on the Live Streaming of the 13th General Shareholders Meeting**” (available in Japanese).

- \* Any major changes in the hosting of the General Shareholders Meeting will be posted on our website (<https://www.sompo-hd.com/en/>).

### **3. Purpose of the Meeting of Shareholders:**

#### **Matters to be Reported**

1. The business report, the consolidated financial statements and the audit reports on the consolidated financial statements by the independent accounting auditors and the Audit Committee for Fiscal Year 2022 (April 1, 2022 to March 31, 2023)
2. The financial statements for Fiscal Year 2022 (April 1, 2022 to March 31, 2023)

#### **Resolution Matters**

- Proposal No. 1** Disposal of Retained Earnings  
**Proposal No. 2** Appointment of Twelve Directors

### **4. Matters related to Exercise of Voting Rights:**

- (1) In the event that a shareholder exercises their voting rights using the Voting Rights Exercise Form and does not indicate approval or disapproval of each proposal, the absence of such indication shall be treated as a vote for approval.
- (2) If duplicate votes are exercised by using both the enclosed Voting Rights Exercise Form and the Internet, the vote cast using the Internet shall be treated as the effective vote.
- (3) If any shareholder casts duplicate or multiple votes via the Internet, the last vote cast shall be treated as the effective vote.
- (4) In the event that a shareholder exercises their voting rights through proxy, in accordance with Article 18 of the Articles of Incorporation of the Company, proxy eligibility shall be limited to one (1) of the shareholders having voting rights of the Company and the proxy shall submit documentation proving the power of proxy (such as a letter of proxy) to the reception counter at the meeting.  
As a further means to prove the power of proxy, one of the following documents shall be submitted in addition to the letter of proxy which is signed and sealed by the proxy grantor:
  - 1) the Voting Rights Exercise Form sent by the Company to the proxy grantor;
  - 2) an original copy of the certificate of registered seal of the proxy grantor (the proxy grantor is required to affix the same registered seal to the relevant documentation such as letter of proxy); or
  - 3) a copy of an official identification document issued by governmental agencies such as a driving license or a health insurance card by which the name and address of the proxy grantor can be confirmed.

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## ■ Matters Regarding Measures for Electronic Provision

In convening this General Shareholders Meeting, in accordance with laws and regulations and Article 16 of the Articles of Incorporation of the Company, we have taken measures for electronic provision of information contained in the reference documents for the General Shareholders Meeting (matters presented through electronic provision), which is presented on the Company website as the “Notice of Convocation of the 13th General Shareholders Meeting” and “Other Matters Presented Through Electronic Provision in Giving the Notice of Convocation of the 13th General Shareholders Meeting (matters omitted in the paper copy).”

[The Company website “Shareholder’s Meeting” page]

<https://www.sompo-hd.com/en/ir/stock/meeting/>

The aforementioned information is also presented on the website of the Tokyo Stock Exchange (Listed Company Search). Please access the following Tokyo Stock Exchange website (Listed Company Search) and enter the issue name (Sompo Holdings) or securities code (8630), and then opt for “Basic information” and “Documents for public inspection/PR information” for verification.

[Tokyo Stock Exchange website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Based on laws and regulations and Article 16 of the Articles of Incorporation of the Company, the following information is not presented in this notice of convocation, but only on the website of the Company and the Tokyo Stock Exchange (Listed Company Search).

1. “Status of Major Offices of the Corporate Groups” under “Matters Concerning the Current Status of the Insurance Holding Company,” “Matters Relating to Stock Acquisition Rights,” and “Basic Policy on Internal Controls” and “Matters Concerning Specified Wholly-Owned Subsidiary” under “Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System” in the Business Report;
2. “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements”;
3. “Non-consolidated Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements.”

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

- Any amendments to the matters presented through electronic provision shall also be presented on the website of the Company and the Tokyo Stock Exchange (Listed Company Search).
- The notices of convocation for this general meeting are sent in paper copy as before, regardless of whether or not there was a request for delivery of paper copy, considering this to be a transition period to the electronic provision system.

## Instructions concerning the Exercising of Voting Rights

You may exercise your voting rights by the following three methods.

### 1) Exercise your voting rights via the Internet

Please go to the website for exercising voting rights shown below, and indicate your approval or disapproval with respect to each proposal by the deadline for exercising voting rights.

**Deadline for Exercising Voting Rights** June 23, 2023 (Friday) at 5:00 p.m.  
(Japan time)

#### Points to Note When Exercising Voting Rights via the Internet

- Shareholders will be responsible for the costs such as internet connection charges and communication charges they incur in accessing the website for exercising voting rights.
- It might not be possible to use the website for exercising voting rights depending on the user environment of the shareholders.

### 2) Exercise your voting rights by mail

Please mark your approval or disapproval with respect to each proposal on the enclosed Voting Rights Exercise Form, and return it promptly so that it is received by us by the deadline for exercising voting rights.

**Deadline for Exercising Voting Rights** June 23, 2023 (Friday) at 5:00 p.m.  
(Japan time)

Please note that the Voting Rights Exercise Form needs to be duly delivered to the Company by the deadline.

### 3) Exercise your voting rights by attending the General Shareholders Meeting

Please bring and submit the enclosed Voting Rights Exercise Form to the reception desk of the meeting. You are cordially requested to bring this notice of convocation.

**Date and Time of the Meeting** June 26, 2023 (Monday) at 10:00 a.m.  
(Japan time)

Please note that no gifts will be distributed at this General Shareholders Meeting.

How to Exercise Voting Rights via Internet:  
(Omitted for brevity)

For Inquiries with Respect to the Exercise of Voting Rights via Internet:

For inquiries, please contact the following:

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Telephone 0120-768-524 (Toll Free (from within Japan only))

Hours of Operation 9:00 a.m. - 9:00 p.m. (excluding Year-end and  
New Year's holidays)

To Institutional Investors

Institutional investors may use the "Electronic Voting Platform" operated by ICJ, Inc. as a means to exercise their voting rights.

## Reference Documents for General Shareholders Meeting

### Proposals and Reference Matters Thereof

#### Proposal 1: Disposal of Retained Earnings

While maintaining financial soundness and improving capital efficiency by means such as investing in growth fields, the Company has a basic policy for this period of paying stable dividends, with the option of share buybacks according to capital condition.

With respect to the year-end dividend of this period, the Company proposes, taking into consideration matters, such as financial conditions and the future operating environment, as follows.

Matters concerning year-end dividend:

1. Matters concerning allocation of assets to be distributed to shareholders, and the total amount thereof:

Amount per share of common stock of the Company: 130 yen

Total amount: 43,411,849,910 yen

As a result of this, the amount of annual dividend of the current period will be 260 yen per share, inclusive of the amount of interim dividend of 130 yen per share.

2. Effective Date of dividend of retained earnings:  
June 27, 2023

## **Proposal 2: Appointment of Twelve Directors**

The term of office of all fourteen directors will expire at the conclusion of this General Shareholders Meeting. Accordingly, for further enhancing the effectiveness of the Board of Directors through renewing its portfolio, we propose to decrease the number of directors by two, and appoint twelve directors (including nine outside directors), in accordance with the decision made by the Nomination Committee.

The candidates for the positions of directors are listed below:









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No.	Name	Current Position and Responsibilities at the Company	Others
1	Kengo SAKURADA	Group CEO, Director, Chairman and Representative Executive Officer Overall management of the Group's operations (CEO)	Reappointment
2	Mikio OKUMURA	Group COO, Director, President and Representative Executive Officer Overall management of the Group's operations (COO)	Reappointment
3	Scott Trevor DAVIS	Director (Outside Director) Nomination Committee Member (Chair) Compensation Committee Member	Reappointment Outside Independent Outside Director
4	Isao ENDO	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
5	Kazuhiro HIGASHI	Director (Outside Director) Compensation Committee Member (Chair) Nomination Committee Member	Reappointment Outside Independent Outside Director
6	Takashi NAWA	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
7	Misuzu SHIBATA	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
8	Meyumi YAMADA	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
9	Kumi ITO	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
10	Masayuki WAGA	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
11	Toru KAJIKAWA		New appointment Outside Independent Outside Director
12	Satoshi KASAI	Director Audit Committee Member	Reappointment

<Reference: Expected roles, skills and areas of expertise for directors>

- Aiming for the realization of the “SOMPO’s Purpose”, the Company is pushing forward with transformation in order to bring to life our vision, “A Theme Park for Security, Health and Wellbeing.”
- Transformation is defined qualitatively as the “transformation of the business portfolio” and “transformation of the corporate culture,” and quantitatively as the achievement of “adjusted consolidated profit of 300.0 billion yen or more and adjusted consolidated ROE of 10% or higher.”
- In order to achieve this, the Board of Directors is composed mainly of outside directors, with the aim of making objective judgments on management issues and other matters from diverse and independent perspectives, by appointing directors in consideration of diversity, including gender and internationality.

\*The committee members scheduled to assume office in the table below are those candidates who will assume office if Proposal 2 “Appointment of Twelve Directors” is approved and adopted.







						
<b>Name</b>	Kengo SAKURADA	Mikio OKUMURA	Scott Trevor DAVIS	Kazuhiro HIGASHI	Isao ENDO	Takashi NAWA
<b>Reappointment/ New appointment</b>	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment
<b>Positions, and committees to be appointed</b>	Director	Director	Independent Outside Director  Nomination Committee  Compensation Committee	Independent Outside Director  Nomination Committee  Compensation Committee	Independent Outside Director  Nomination Committee  Compensation Committee	Independent Outside Director  Nomination Committee  Compensation Committee
<b>Expected roles, skills and areas of expertise for director candidates</b>						
1) Business strategy	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●
3) ESG, SDGs	●	●	●	●		●
4) Transformation strategies	●	●	●	●	●	●
5) Digital	●	●			●	●
6) Talent strategy	●	●	●	●	●	●
7) Finance, accounting	●	●		●	●	
8) Corporate governance	●	●	●	●		●
9) Legal, risk management	●	●		●		

\*Details of each skill and area of expertise are as follows. The above table shows skills and areas of expertise particularly expected for each candidate and does not indicate all of the skills and areas of expertise possessed by each candidate.

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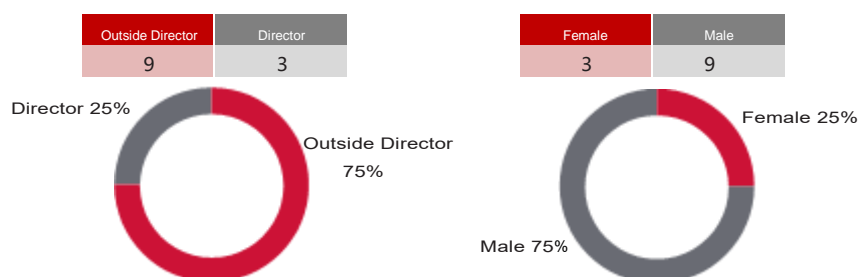
Items 1) and 2): Skills and areas of expertise where in principle all directors are expected to provide useful advice and supervision to the executive sector

Items 3) through 9): Skills and areas of expertise where each director is expected to provide useful advice and supervision to the executive sector based on his or her insight and professional knowledge gained through experience

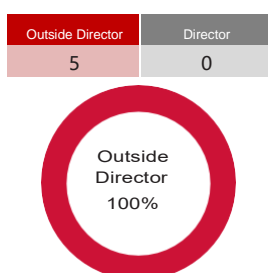
						
Name	Meyumi YAMADA	Misuzu SHIBATA	Kumi ITO	Masayuki WAGA	Toru KAJIKAWA	Satoshi KASAI
Reappointment/ New appointment	Reappointment	Reappointment	Reappointment	Reappointment	New appointment	Reappointment
Positions, and committees to be appointed	Independent Outside Director Nomination Committee Compensation Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee	Director Audit Committee
Expected roles, skills and areas of expertise for director candidates						
1) Business strategy	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●
3) ESG, SDGs	●	●		●		
4) Transformation strategies	●		●	●		●
5) Digital	●		●			
6) Talent strategy			●	●	●	●
7) Finance, accounting	●		●	●	●	
8) Corporate governance	●	●		●	●	●
9) Legal, risk management		●		●	●	

(Diversity of the Board of Directors)

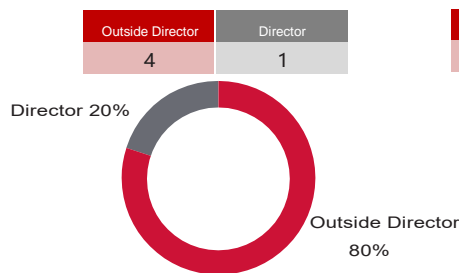
1. Directors Overall



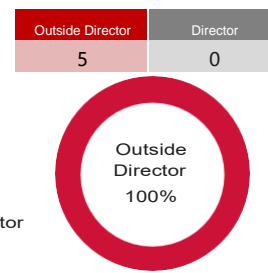
2. Nomination Committee



3. Audit Committee



4. Compensation Committee



## ■ Policies for Appointment of Directors

Directors are appointed according to appointment criteria that are based on the comprehensive guidelines for supervision of insurance companies. Moreover, the Company will appoint outside directors based on (1) Competency Criteria, (2) Standards regarding Independence of Outside Directors, and (3) Criteria for Years of Service as described below.

### (1) Competency Criteria

The Company shall appoint as outside directors those with a wide range of knowledge and experience having backgrounds in corporate management, academia or legal profession, or those with professional knowledge regarding finance and accounting. In addition, when appointed, they are required to be in a condition to devote the time and effort necessary to properly fulfill their roles and responsibilities as directors.

### (2) Standards regarding Independence of Outside Directors

The Company will determine the independence from the Company of outside directors based on the matters set forth below:

- 1) Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
- 2) Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.
- 3) Business Relationships: Business transactions or donations between the Group and the candidate.
- 4) Significant interests other than the above.

### (3) Criteria for Years of Service

The Company will carefully consider whether or not there is a positive reason for reappointing the candidate whose total terms of office as outside director or outside audit & supervisory board member of the Company exceeds eight years, and if there is a positive reason, reappointment will not be precluded.

### Candidate for directors (twelve individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate <small>(As of March 31, 2023)</small>
1	<p style="text-align: center;">Kengo SAKURADA (Feb. 11, 1956)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Reappointment</div>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1978    Joined The Yasuda Fire &amp; Marine Insurance Co., Ltd.  Jul. 2005    Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. ("Sompo Japan")</p> <p>Apr. 2007    Managing Executive Officer of Sompo Japan  Jun. 2007    Director, Managing Executive Officer of Sompo Japan  Apr. 2010    Director, Managing Executive Officer of the Company  Jul. 2010    Director, Executive Officer of the Company  Representative Director, President and Chief Executive Officer of Sompo Japan</p> <p>Jun. 2011    Director of the Company  Apr. 2012    Representative Director, President and Executive Officer of the Company</p> <p>Sep. 2014    Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa")</p> <p>Apr. 2015    Representative Director, Chairman of Sompo Japan Nipponkoa  Jul. 2015    Group CEO, Representative Director, President and Executive Officer of the Company  Director, Chairman of Sompo Japan Nipponkoa  Apr. 2016    Director of Sompo Japan Nipponkoa (now Sompo Japan Insurance Inc.) (current position)</p> <p>Apr. 2019    Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)</p> <p>Jun. 2019    Group CEO, Director, President and Representative Executive Officer of the Company  Apr. 2022    Group CEO, Director, Chairman and Representative Executive Officer (current position)</p> <p>Apr. 2023    Trustee Emeritus of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position)</p> <p>&lt;Responsibilities in the Company&gt;  Overall management of the Group's operations (CEO)</p> <p>&lt;Significant positions concurrently held&gt;  Director of Sompo Japan Insurance Inc.</p> <p>&lt;Number of years in office as director (at the end of this General Shareholders Meeting)&gt;  13 years</p> <p>&lt;Record of attendance at meetings of the n Fiscal 2022&gt;  14 out of 14 (100%)</p> <p>&lt;Reasons for selection as a candidate for director&gt;  In addition to his experience in business integration, business alliance, corporate planning, sales and systems in the P&amp;C insurance business, Mr. Kengo SAKURADA has global experience at international financial institutions. He took office as Representative Director and President of Sompo Japan in 2010, as Representative Director and President of the Company in 2012, and as Group CEO (Chief Executive Officer) of the Company in 2015. Mr. Sakurada has knowledge of management of insurance holding companies and global business management. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors and the Company believes that his knowledge would be necessary for the future global development and advancement to new business fields. Accordingly, he was re-selected as a candidate for director.</p>	24,141 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
2	<p>Mikio OKUMURA (Nov. 23, 1965)</p> <p>Reappointment</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1989    Joined The Yasuda Fire &amp; Marine Insurance Co., Ltd.</p> <p>Apr. 2006    Joined FinTech Global Incorporated</p> <p>Dec. 2007    Member of the Board, Head of Investment Banking Division of FinTech Global Incorporated</p> <p>Apr. 2015    Executive Officer, General Manager, Corporate Planning Department of the Company</p> <p>Apr. 2016    Executive Officer of the Company</p> <p>Jun. 2016    Director, Executive Officer of the Company</p> <p>Jul. 2016    Representative Director and President of Sompo Care Inc.</p> <p>Apr. 2017    CEO of Nursing Care &amp; Healthcare Business, Director, Managing Executive Officer of the Company</p> <p>Jul. 2017    Representative Director, Chairman and Executive Officer of Sompo Care Message Inc. Representative Director, Chairman and Executive Officer of Sompo Care Next Inc.</p> <p>Mar. 2019    Director of Sompo International Holdings Ltd.</p> <p>Apr. 2019    Group CSO, Director, Managing Executive Officer of the Company</p> <p>Jun. 2019    Group CSO, Executive Vice President and Executive Officer of the Company</p> <p>Jan. 2020    Group Co-CSO, Executive Vice President and Executive Officer of the Company Chief Executive Officer of Sompo International Holdings Ltd.</p> <p>Apr. 2021    Group Co-CSO, Senior Executive Vice President and Executive Officer of the Company</p> <p>Sep. 2021    Director of Sompo International Holdings Ltd. (current position)</p> <p>Apr. 2022    Group COO, President and Representative Executive Officer of the Company</p> <p>Jun. 2022    Group COO, Director, President and Representative Executive Officer of the Company (current position)</p> <p>&lt;Responsibilities in the Company&gt; Overall management of the Group's operations (Chief Operating Officer)</p> <p>&lt;Significant positions concurrently held&gt; Director of Sompo International Holdings Ltd.</p> <p>&lt;Number of years in office as director (at the end of this General Shareholders Meeting)&gt; 1 year</p> <p>&lt;Record of attendance at meetings of the Board of Directors in Fiscal 2022&gt; 11 out of 11 (100%)</p> <p>&lt;Reasons for selection as a candidate for director&gt; Mr. Mikio OKUMURA, following experience of participating in the management of various divisions namely Domestic P&amp;C Insurance Business, Overseas Insurance and Reinsurance Business, Nursing Care &amp; Seniors Business, took office as Group CSO (Chief Strategy Officer) in 2019, and has been serving since April 2022 as Group COO (Chief Operating Officer), President and Representative Executive Officer, with high level knowledge and experience regarding various business fields of the SOMPO Group. With his abundant experience and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.</p>	3,700 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
3	<p>Scott Trevor DAVIS (Dec. 26, 1960)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University</p> <p>May 2004 Director of Ito-Yokado Co., Ltd.</p> <p>Sep. 2005 Director of Seven &amp; i Holdings Co., Ltd.</p> <p>Mar. 2006 Audit &amp; Supervisory Board Member of Nissen Co., Ltd.</p> <p>Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position)</p> <p>Mar. 2011 Member of the Board of Bridgestone Corporation (current position)</p> <p>Jun. 2014 Director of the Company (current position)</p> <p>&lt;Significant positions concurrently held&gt;</p> <p>Professor of the Department of Global Business, College of Business, Rikkyo University</p> <p>Member of the Board of Bridgestone Corporation (Outside Director)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;</p> <p>9 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;</p> <p>Meetings of the Board of Directors: 14 out of 14 (100%)</p> <p>Meetings of the Nomination Committee: 10 out of 10 (100%)</p> <p>Meetings of the Compensation Committee: 11 out of 11 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;</p> <p>Mr. Scott Trevor DAVIS has broad knowledge as an erudite scholar and provided appropriate advice to the Company from global perspectives, especially through his research on strategic management, ESG and CSR at the university, in terms of reinforcing the supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Despite a lack of experience in participation in corporate management other than by serving as outside director or outside audit &amp; supervisory board member, he was re-selected as a candidate for outside director due to the reasons mentioned above.</p>	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
4	<p data-bbox="277 719 427 779">Isao ENDO (May 8, 1956)</p> <p data-bbox="252 815 466 853">Reappointment</p> <p data-bbox="252 902 466 972">Outside Director Candidate</p> <p data-bbox="252 1014 466 1084">Independent Outside Director</p>	<p data-bbox="501 412 863 439">&lt;Summarized Resume, Position&gt;</p> <p data-bbox="501 439 1166 837">           Apr. 1979    Joined Mitsubishi Electric Corporation            Oct. 1988    Joined The Boston Consulting Group Inc.            Oct. 1992    Joined Andersen Consulting            Oct. 1996    Partner of Andersen Consulting            Sep. 1997    Partner and Director of Booz Allen Hamilton            May 2000    Managing Partner of Roland Berger Ltd.            Apr. 2006    Chairman of Roland Berger Ltd.                             Professor of the Graduate School of Commerce,                             Waseda University            May 2011    Director of Ryohin Keikaku Co., Ltd.            Mar. 2013    Audit &amp; Supervisory Board Member of Yamaha                             Motor Co., Ltd.            Jun. 2014    Director of the Company (current position)                             Director of Nisshin Steel Co., Ltd.            Feb. 2021    Director of NEXTAGE Co., Ltd. (current position)         </p> <p data-bbox="501 864 1182 994">           &lt;Significant positions concurrently held&gt;            Director of NEXTAGE Co., Ltd. (Outside Director)            &lt;Number of years in office as outside director (at the end of this            General Shareholders Meeting)&gt;            9 years         </p> <p data-bbox="501 999 1110 1077">           &lt;Record of attendance at meetings in Fiscal 2022&gt;            Meetings of the Board of Directors: 14 out of 14 (100%)            Meetings of the Audit Committee: 12 out of 13 (92%)         </p> <p data-bbox="501 1081 1190 1402">           &lt;Reasons for selection as a candidate for outside director and            expected roles &gt;            Mr. Isao ENDO has practical experience at a global consulting            firm, in addition to broad insight based on academic knowledge            as a graduate school professor, as well as abundant            experience as a company manager. He has provided            appropriate advice on the management of the Company,            especially through his deep and diversified perspective gained            through his practical research on “hands-on capabilities,” and            can be expected to reinforce the supervising and decision-            making functions of the Board of Directors. Accordingly, he was            re-selected as a candidate for outside director.         </p>	1,200 Shares



Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate  (As of March 31, 2023)
5	<p>Kazuhiro HIGASHI (April 25, 1957)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1982    Joined Saitama Bank, Ltd. (now Resona Group)</p> <p>Jun. 2005    Outside Director of Resona Trust &amp; Banking Co., Ltd.</p> <p>Jun. 2009    Director, Deputy President and Executive Officer of Resona Holdings, Inc.</p> <p>Apr. 2011    Director, Deputy President and Representative Executive Officer of Resona Holdings, Inc.</p> <p>Apr. 2012    Representative Director, Deputy President and Executive Officer of Resona Bank, Limited</p> <p>Apr. 2013    Director, President and Representative Executive Officer of Resona Holdings, Inc. Representative Director, President and Executive Officer of Resona Bank, Limited</p> <p>Apr. 2017    Chairman of the Board, President and Representative Director of Resona Bank, Limited</p> <p>Jun. 2017    Chairman of Osaka Bankers Association</p> <p>Nov. 2017    Vice Chairman of The Osaka Chamber of Commerce and Industry (current position)</p> <p>Apr. 2018    Chairman of the Board, President and Representative Director, Executive Officer of Resona Bank, Limited</p> <p>Apr. 2020    Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited</p> <p>Jun. 2020    Director of the Company (current position)</p> <p>Jun. 2021    Director of Honda Motor Co., Ltd. (current position)</p> <p>&lt;Significant positions concurrently held&gt;</p> <p>Vice Chairman of The Osaka Chamber of Commerce and Industry</p> <p>Director of Honda Motor Co., Ltd. (Outside Director)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;</p> <p>3 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;</p> <p>Meetings of the Board of Directors: 14 out of 14 (100%)</p> <p>Meetings of the Nomination Committee: 10 out of 10 (100%)</p> <p>Meetings of the Compensation Committee: 11 out of 11 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;</p> <p>Having experience in finance and corporate management, among others, in the banking business, Mr. Kazuhiro HIGASHI took office as Director, President and Representative Executive Officer of Resona Holdings, Inc. and Representative Director, President and Executive Officer of Resona Bank, Limited in 2013. He has served numerous key positions in the business community including Chairman of Osaka Bankers Association and Vice Chairman of The Osaka Chamber of Commerce and Industry. With his abundant knowledge and experience as a top-level executive of large-scale corporations, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for outside director.</p>	0 Shares

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
6	<p>Takashi NAWA (June 8, 1957)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;  Apr. 1980    Joined Mitsubishi Corporation  Apr. 1991    Joined McKinsey &amp; Company  Jun. 2010    Professor of Graduate School of International Corporate Strategy, Hitotsubashi University (now School of International Corporate Strategy, Hitotsubashi University Business School)  President of Genesys Partners, Inc. (current position)  Sep. 2010    Senior Advisor of Boston Consulting Group  Jun. 2011    Member of the Board of NEC Capital Solutions Limited (current position)  Nov. 2012    Director of FAST RETAILING CO., LTD.  Jun. 2014    Member of the Board of DENSO CORPORATION  Jun. 2015    Member of the Board of Ajinomoto Co., Inc. (current position)  Apr. 2018    Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School (current position)  Jun. 2020    Director of the Company (current position)  Apr. 2022    Advisor of Sumitomo Mitsui Trust Bank, Limited (current position)  Professor, Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science (current position)  Jun. 2022    Audit &amp; Supervisory Board Member of The Asahi Shimbun Company (current position)</p> <p>&lt;Significant positions concurrently held&gt;  President of Genesys Partners, Inc.  Member of the Board of NEC Capital Solutions Limited (Outside Director)  Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School  Advisor of Sumitomo Mitsui Trust Bank, Limited  Professor, Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science  Audit &amp; Supervisory Board Member of The Asahi Shimbun Company (Outside Audit &amp; Supervisory Board Member)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;  3 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;  Meetings of the Board of Directors: 14 out of 14 (100%)  Meetings of the Nomination Committee: 10 out of 10 (100%)  Meetings of the Compensation Committee: 11 out of 11 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;  Having practical experience in a major Japanese trading company and global consulting firms, Mr. Takashi NAWA was appointed professor of Graduate School of International Corporate Strategy at Hitotsubashi University in 2010, and currently is a guest professor of International Corporate Strategy, Hitotsubashi University Business School. With his abundant business experience as a management consultant, combined with his profound academic knowledge from a global perspective, he has provided appropriate advice to the Company in terms of reinforcing supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Accordingly, he was re-selected as a candidate for outside director.</p>	300 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
7	<p>Misuzu SHIBATA (July 25, 1974)</p> <p>*Ms. Misuzu SHIBATA's registered name is Misuzu KOYAMA.</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Oct. 2000 Registered as attorney-at-law</p> <p>Nov. 2001 NS Law Office, Lawyer (current position)</p> <p>Oct. 2007 Fixed-term civil servant at the Financial Services Agency, Supervision Bureau, Planning and Management Division, Deposit Insurance and Resolution Framework Office</p> <p>Apr. 2017 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute of Japan</p> <p>Jun. 2017 Director of DELICA FOODS HOLDINGS CO., LTD. (current position)</p> <p>Jun. 2020 Director of the Company (current position)</p> <p>Director of SPACE VALUE HOLDINGS CO., LTD.</p> <p>Mar. 2023 Director of PILOT CORPORATION (current position)</p> <p>&lt;Significant positions concurrently held&gt;</p> <p>Attorney at law</p> <p>Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director)</p> <p>Director of PILOT CORPORATION (Outside Director)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;</p> <p>3 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;</p> <p>Meetings of the Board of Directors: 14 out of 14 (100%)</p> <p>Meetings of the Nomination Committee: 2 out of 2 (100%)</p> <p>Meetings of the Audit Committee: 9 out of 10 (90%)</p> <p>Meetings of the Compensation Committee: 2 out of 2 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;</p> <p>Ms. Misuzu SHIBATA has abundant knowledge and experience as a legal expert and has provided appropriate advice to the Company on governance, diversity &amp; inclusion, in terms of reinforcing supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Despite a lack of experience in corporate management other than serving as an outside director in the past, she was re-selected as a candidate for outside director due to the reasons mentioned above.</p>	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
8	<p>Meyumi YAMADA (Aug. 30, 1972)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1995    Joined KOEI KOGYO Co., Ltd</p> <p>May 1997    Joined Kiss Me Cosmetics Co., Ltd.</p> <p>Jul. 1999    Representative Director of istyle LLC</p> <p>Apr. 2000    Representative Director of istyle Inc.</p> <p>Dec. 2009    Director of istyle Inc. (current position)</p> <p>May 2012    Representative Director and President of Cyberstar Co., Ltd.</p> <p>Sep. 2015    Director of MEDIA GLOBE CO., LTD. (current position)</p> <p>Mar. 2016    Representative Director and President of IS Partners Inc.</p> <p>Sep. 2016    Director of Eat Smart, Inc.</p> <p>Jun. 2017    Director of JAPAN POST INSURANCE Co., Ltd. Director of SEINO HOLDINGS CO., LTD. (current position)</p> <p>Nov. 2019    Director of IS Partners Inc. (current position)</p> <p>Jun. 2021    Director of the Company (current position)</p> <p>May 2022    Director of Seven &amp; i Holdings Co., Ltd. (current position)</p> <p>&lt;Significant positions concurrently held&gt;</p> <p>Director of istyle Inc.</p> <p>Director of SEINO HOLDINGS CO., LTD. (Outside Director)</p> <p>Director of Seven &amp; i Holdings Co., Ltd. (Outside Director)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;</p> <p>2 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;</p> <p>Meetings of the Board of Directors: 14 out of 14 (100%)</p> <p>Meetings of the Nomination Committee: 10 out of 10 (100%)</p> <p>Meetings of the Compensation Committee: 11 out of 11 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;</p> <p>In addition to her entrepreneurial and business management experience, Ms. Meyumi YAMADA has a wealth of practical business experience in marketing, including digital marketing. She possesses a high level of knowledge, having served on government-related committees including councils related to industrial structure and information and communications of the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, and by participating in policy formulation. Drawing on such knowledge, she has provided appropriate advice to the Company in terms of reinforcing the supervisory and decision-making functions of the Board of Directors. She is also actively involved in initiatives on women's empowerment in the workplace, and provides valuable advice on diversity &amp; inclusion, an important strategy of the Company, and is expected to play an active role in these areas. Accordingly, she was re-selected as a candidate for outside director.</p>	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
9	<p>Kumi ITO (Dec. 20, 1964)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;            Apr. 1987    Joined Sony Corporation            Apr. 1998    Joined IBM Japan, Ltd.            Jan. 2014    CMO of GE Healthcare Japan Corporation            Oct. 2016    Director and COO of 4U Lifecare Inc.            Jul. 2017    CMO of Yext Co., Ltd.            Apr. 2018    Representative Director, President and CEO of 4U Lifecare Inc.            Jun. 2018    Director of True Data Inc. (current position)            Jun. 2020    Director of FUJI FURUKAWA ENGINEERING &amp; CONSTRUCTION CO. LTD. (current position)            Jun. 2021    Director of the Company (current position)            Nov. 2022    Director of Ryohin Keikaku Co., Ltd. (current position)            Apr. 2023    Managing Partner of Office KITO (current position)</p> <p>&lt;Significant positions concurrently held&gt;            Managing Partner of Office KITO            Director of True Data Inc. (Outside Director)            Director of FUJI FURUKAWA ENGINEERING &amp; CONSTRUCTION CO. LTD. (Outside Director)            Director of Ryohin Keikaku Co., Ltd. (Outside Director)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt;            2 years</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt;            Meetings of the Board of Directors: 14 out of 14 (100%)            Meetings of the Audit Committee: 13 out of 13 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt;            Ms. Kumi ITO is highly knowledgeable in IT, digital and marketing, with experience such as in business strategy planning and strategy consulting at an electronics manufacturer and other business companies, as well as serving as Chief Marketing Officer (CMO) at a healthcare business company. Drawing on such knowledge, she has provided appropriate advice to the Company in terms of reinforcing the supervisory and decision-making functions of the Board of Directors. She also provides valuable advice on diversity &amp; inclusion, an important strategy of the Company, as she participates in the establishment of a non-profit organization that promotes women's empowerment in the workplace, and is expected to play an active role in these areas. Accordingly, she was re-selected as a candidate for outside director.</p>	100 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
10	<p>Masayuki WAGA (Apr. 10, 1958)</p> <p>Reappointment</p> <p>Outside Director Candidate</p> <p>Independent Outside Director</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1981    Joined Mitsubishi Kasei Corporation</p> <p>Jun. 2009    Managing Director of MCC PTA Asia Pacific Private Company Limited</p> <p>                  Managing Director of Mitsubishi Chemical Singapore Pte Ltd</p> <p>                  Managing Director of Mitsubishi Chemical (Thailand) Co., Ltd.</p> <p>Apr. 2011    Associate Director and General Manager, Corporate Strategy Office of Mitsubishi Chemical Holdings Corporation</p> <p>Jun. 2012    Executive Officer, General Manager, Corporate Strategy Office of Mitsubishi Chemical Holdings Corporation</p> <p>Apr. 2013    Executive Officer, Chief Operation Officer, Performance Products Division of Mitsubishi Chemical Corporation</p> <p>Apr. 2015    Managing Executive Officer, Chief Operation Officer, Performance Products Division of Mitsubishi Chemical Corporation</p> <p>Apr. 2017    Managing Executive Officer, Chief Operating Officer, Information, Electronics &amp; Display Business Domain of Mitsubishi Chemical Corporation</p> <p>Apr. 2018    Representative Director, Director of the Board, President and Chief Executive Officer of Mitsubishi Chemical Corporation</p> <p>Apr. 2022    Director of the Board of Mitsubishi Chemical Corporation</p> <p>Jun. 2022    Director of the Company (current position)</p> <p>&lt;Number of years in office as outside director (at the end of this General Shareholders Meeting)&gt; 1 year</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt; Meetings of the Board of Directors: 11 out of 11 (100%) Meetings of the Nomination Committee: 8 out of 8 (100%) Meetings of the Compensation Committee: 9 out of 9 (100%)</p> <p>&lt;Reasons for selection as a candidate for outside director and expected roles&gt; Mr. Masayuki WAGA served in executive posts in various business domains both in Japan and abroad, as well as head office divisions at Mitsubishi Chemical Corporation, assuming the office of Representative Director, Director of the Board, President and Chief Executive Officer in 2018. He has experience in managing global organization, and driving transformation in human resources system and corporate culture. Based on his own experience and achievements as the top management of a large business, he is expected to provide precious advice on the business strategies, global management, and transformation strategies of the Company. Accordingly, he was re-selected as a candidate for outside director.</p>	0 Shares

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
11	<p data-bbox="225 819 459 875">Toru KAJIKAWA (September 24, 1951)</p> <div data-bbox="252 902 464 981" style="border: 1px solid blue; padding: 2px; margin-bottom: 5px;">New appointment</div> <div data-bbox="252 1016 464 1095" style="border: 1px solid green; padding: 2px; margin-bottom: 5px;">Outside Director Candidate</div> <div data-bbox="252 1131 464 1209" style="border: 1px solid orange; padding: 2px;">Independent Outside Director</div>	<p data-bbox="475 405 839 427">&lt;Summarized Resume, Position&gt;</p> <p data-bbox="475 427 1187 958">           Oct. 1976    Joined Chuo Audit Corporation (<i>Chuo Kaikei Jimusho</i>)            Sep. 1979    Registered as Certified Public Accountant            May 1990    Audit &amp; Supervisory Board Member of Kakiyasu Honten Co., Ltd.            Sep. 1990    Representative Partner of Taiyo Audit Corporation            Jun. 1997    Audit &amp; Supervisory Board Member of Kakiyasu Honten Co., Ltd. (current position)            Jul. 2000    Managing Partner of Taiyo Audit Corporation            Apr. 2005    Professor of Aoyama Gakuin University Graduate School            Apr. 2010    Visiting Professor of Aoyama Gakuin University Graduate School            Jun. 2014    Audit &amp; Supervisory Board Member of Kikkoman Corporation (current position)            Jul. 2014    Chairman and Representative Employee of Taiyo ASG LLC (now Grant Thornton Taiyo LLC) (current position)            Mar. 2017    Audit &amp; Supervisory Board Member of MITSUBISHI PENCIL CO., LTD. (current position)         </p> <p data-bbox="475 987 911 1010">&lt;Significant positions concurrently held&gt;</p> <p data-bbox="475 1010 1187 1223">           Chairman and Representative Partner of Grant Thornton Taiyo LLC            Audit &amp; Supervisory Board Member of Kakiyasu Honten Co., Ltd. (Outside Audit &amp; Supervisory Board Member)            Audit &amp; Supervisory Board Member of Kikkoman Corporation (Outside Audit &amp; Supervisory Board Member)            Audit &amp; Supervisory Board Member of MITSUBISHI PENCIL CO., LTD. (Outside Audit &amp; Supervisory Board Member)         </p> <p data-bbox="475 1223 1166 1279">&lt;Number of years in office as director (at the end of this General Shareholders Meeting)&gt;</p> <p data-bbox="475 1279 491 1301">-</p> <p data-bbox="475 1312 1187 1630">&lt;Reasons for selection as a candidate for outside director and expected roles&gt;            Mr. Toru KAJIKAWA has abundant experience as a manager serving as Representative Employee of Grant Thornton Taiyo LLC, on top of his professional insight and experience as a certified public accountant. He has experience as an accountant of providing advice on audit and management of companies of all sizes in various industries, as well as abundant knowledge and experience as a manager of an audit firm, and is expected to provide valuable advice in areas such as corporate governance of the Company. Accordingly, he was selected as a candidate for new outside director.</p>	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2023)
12	<p>Satoshi KASAI (Dec. 22, 1962)</p> <p>Reappointment</p>	<p>&lt;Summarized Resume, Position&gt;</p> <p>Apr. 1985    Joined The Yasuda Fire &amp; Marine Insurance Co., Ltd.</p> <p>Apr. 2015    Executive Officer, General Manager, Human Resources Department of the Company Executive Officer, General Manager, Human Resources Department of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”)</p> <p>Apr. 2017    Group CHRO, Managing Executive Officer of the Company Managing Executive Officer of Sompo Japan Nipponkoa</p> <p>Apr. 2019    CEO of Nursing Care &amp; Healthcare Business, Executive Officer of the Company Representative Director, Chief Executive Officer of Sompo Care Inc.</p> <p>Jun. 2019    CEO of Nursing Care &amp; Healthcare Business, Executive Officer of the Company</p> <p>Apr. 2021    CEO of Nursing Care &amp; Seniors Business, Executive Officer of the Company</p> <p>Mar. 2022    CEO of Nursing Care &amp; Seniors Business, Executive Officer, General Manager, Innovation for Aging and Wellness Department of the Company</p> <p>Apr. 2022    Advisor of the Company</p> <p>Jun. 2022    Director of the Company (current position)</p> <p>&lt;Number of years in office as director (at the end of this General Shareholders Meeting)&gt; 1 year</p> <p>&lt;Record of attendance at meetings in Fiscal 2022&gt; Meetings of the Board of Directors: 11 out of 11 (100%) Meetings of the Audit Committee: 10 out of 10 (100%)</p> <p>&lt;Reasons for selection as a candidate for director&gt; Mr. Satoshi KASAI, with working experience in planning, human resources, and system sections at the Domestic P&amp;C Insurance Business, took office as CHRO (Chief Human Resource Officer) of the Group in 2017, and later as CEO of Nursing Care &amp; Healthcare Business in 2019. Mr. Kasai has knowledge of the SOMPO Group as a whole, not least in human resources strategies and Nursing Care &amp; Seniors Business. With his abundant experience and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.</p>	15,487 Shares



Notes:

1. There are no special interests between each candidate and the Company.
2. Mr. Scott Trevor DAVIS, Mr. Isao ENDO, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Ms. Meyumi YAMADA, Ms. Kumi ITO, Mr. Masayuki WAGA and Mr. Toru KAJIKAWA are candidates for outside directors.  
The Company has prescribed the “outside director independence criteria for the appointment of outside directors” (<Reference: Policies for Appointment of Officers> 1. (2) on the next page). None of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. The Company has registered Mr. Scott Trevor DAVIS, Mr. Isao ENDO, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Ms. Meyumi YAMADA, Ms. Kumi ITO and Mr. Masayuki WAGA as independent directors stipulated by the regulations of the Tokyo Stock Exchange, Inc. If the election of the directors is approved, they will continue to be independent directors. In addition, Mr. Toru KAJIKAWA meets the requirements for independent directors stipulated by the regulations of the Tokyo Stock Exchange, Inc. and the Company plans to register him as an independent director with the Tokyo Stock Exchange, Inc. in the event that their election is approved.
3. The Company has entered into a contract (contract for limitation of liability), in accordance with Article 427, Paragraph 1 of the Companies Act, with Mr. Scott Trevor DAVIS, Mr. Isao ENDO, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Ms. Meyumi YAMADA, Ms. Kumi ITO and Mr. Masayuki WAGA, respectively, that limits his or her compensation liability for damages under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act. If they are appointed (reappointed) as outside directors, the Company intends to continue said contract with each of them. If Mr. Toru KAJIKAWA is appointed (newly appointed) as an outside director, the Company intends to conclude the same contract with him.
4. The Company has entered into a Directors and Officers liability insurance policy with an insurance company. The insurance covers directors, executive officers and senior vice presidents (shikkouyakuin) of the Company and directors, audit & supervisory board members, executive officers, senior vice presidents (shikkouyakuin) and employees and others in positions of management and supervision of the Company’s subsidiaries (excluding some overseas subsidiaries). If the election of each candidate as a director is approved and each candidate is appointed as a director, each candidate will become insured under such policy. The insurance covers any loss which may arise from the insured directors, etc. being held liable for the performance of their duties or being subject to a claim in respect of such liability. However, damages caused by willful misconduct or gross negligence will not be covered and there are other exemptions. The relevant insurance will be renewed during the term of office of each candidate, and the Company will bear all insurance premiums.

<Reference: Policies for Appointment of Directors and Executive Officers>

The appointment of Directors and Executive Officers is conducted in accordance with the following policies for appointment of Directors and Executive Officers. The candidates for Directors selected by the Nomination Committee are approved at the General Shareholders Meeting, and the candidates for Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

1. Policies for Appointment of Directors

The Company supervises and guides its subsidiaries, formulates management strategy for the Group that encompasses management strategies for subsidiaries that are engaged in the P&C insurance business and other various businesses, and is responsible for ensuring the execution and realization of these strategies.

From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors.

Additionally, the Directors are selected based on the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are selected based on I. "Ability Requirements", II. "Standards regarding Independence of Outside Directors", and III. "Requirements for Terms of Office".

For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 (fifteen) in accordance with the Articles of Incorporation.

Note: In this policy, gender refers to all gender-related events, knowledge, and values, including the existence of the gender division of labor and LGBTQ.

(1) Ability Requirements

The Company selects Outside Directors from corporate executives, academic experts, and legal professionals who have a wide range of knowledge and experiences in various fields or individuals who have expert knowledge of finance and accounting.

In addition, the appointment shall require him/her to be in a position where he/she is able to devote the time and effort necessary to fulfill the role and responsibilities of Director appropriately.

(2) Standards regarding Independence of Outside Directors

The Company will determine the independence from the Company of outside directors based on the matters set forth below:

- 1) Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
- 2) Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.
- 3) Business Relationships: Business transactions or donations between the

Group and the candidate.

4) Significant interests other than the above.

In the event that a candidate for outside director falls within any of the categories listed below, the Nomination Committee, a committee primarily constituted of outside directors, will examine his/her independence. Following the final determination by the Board of Directors, the proposal for appointment will be submitted to the General Shareholders Meeting of the Company and the Company will submit notification of such outside director as an independent director as prescribed by each financial instruments exchange.

1) Personal Relationships

- a. The candidate is or was Executive Director (Note 1), Executive Officer, Senior Vice President or an employee of the Company or its subsidiary at present or in the past 10 years (in 10 years prior to his/her appointment if the candidate was a Non-Executive Director or Audit & Supervisory Board Member).
- b. The candidate is a relative (Note 3) of a person who is or was Executive Director, Executive Officer, Senior Vice President or an important employee (Note 2) of the Company or its subsidiary at present or in the past 5 years.
- c. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer or Senior Vice President of (i) a company that accepts Director(s) (full-time or independent) from the Company or its subsidiary, (ii) its parent company or (iii) its subsidiary.

2) Capital Relationships

- a. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Senior Vice President or an employee of a company in which the Company owns 10% or more of the voting rights.
- b. The candidate is a relative of a person who is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer or Senior Vice President of a company in which the Company owns 10% or more of the voting rights.
- c. The candidate owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is or was Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Board Member, Senior Vice President or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
- d. The candidate is a relative of a person who owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is a relative of the person who is or was Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Board Member, Senior Vice President of the subject company).

3) Business Relationships

- a. The candidate is a person who makes or made payments of 2% or more of the Company's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) to the Company or its subsidiary (if the payer is a corporation, the candidate is or was Executive Director, Executive Officer, Senior Vice President or an employee of the

- subject company, its parent company or a significant subsidiary) or a relative of the person.
- b. The candidate is a person who receives or received payments of 2% or more of the candidate's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) from the Company or its subsidiary (if the recipient is a corporation, the candidate is or was Executive Director, Executive Officer, Senior Vice President or an employee of the subject company, its parent company or a significant subsidiary) or a relative of the person.
  - c. The candidate is a Board Member (should be limited to a person who executes business) or other member or his/her relative, who executes business of a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation, etc. who receives donations or grants exceeding 10 million yen per year based on the average of the past three fiscal years from the Company or its subsidiary.
  - d. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Senior Vice President or an employee or his/her relative of (i) a financial institution, (ii) other large creditor, (iii) its parent company or (iv) a significant subsidiary, from which the Company obtains or has obtained financing (the financing is indispensable, which the Company depends on to the extent that such financing has little or no substitute) at present or in the past three years.
  - e. The candidate is an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, or a person who was any of the above in the past three years, and who actually is or was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary (including those who are currently retired).
  - f. The candidate is a relative of (i) a certified public accountant (or a tax accountant) or (ii) an employee or a partner of an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary.
  - g. The candidate is a relative of a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, and who actually is engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary, or a person who was an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who served as an accounting auditor of the Company or its subsidiary, in the past three years, and who actually was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary during the subject period of time.
  - h. The candidate is a consultant such as an attorney or a certified public accountant other than the above (e) who receives financial or other property benefits of 10 million yen or more per year (based on the average of the past three years) exclusive of officer's compensation, and a person who is and was an employee, a partner, an associate or a staff member or his/her relative of a consulting firm or other specialized advisory firm such as a legal office or an audit corporation other than the above 5), who received

payments of 2% or more of the firm's consolidated gross annual sales (based on the average of the past three fiscal years) from the Company or its subsidiary.

#### 4) Significant Interests

A person who can be recognized to have significant interests other than the above 1) through 3).

#### Notes:

1. "Executive Director" means the Director as set forth in each item of Article 363, Paragraph 1 of the Companies Act and other Directors who executed business of the subject company (the same applies to the following).
2. "Important employee" means a person who falls under the "important employee" as set forth in Article 362, Paragraph 4, Item 3 of the Companies Act (the same applies to the following).
3. "Relative" refers to a spouse, a relative within the second degree of kinship or a relative who lives together (the same applies to the following).
4. "Significant subsidiary" refers to a subsidiary that is described as a significant subsidiary in (i) the items of e.g., "Status of Significant Parent Company and Subsidiaries" in the business report associated with the subject company's most recent fiscal year (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act), or other materials that are generally published by the subject company (the same applies to the following).
5. The past tense as described in the above 2) (c) and (d), and 3) (a), (b) and (h) (e.g., a person who "was") refers to within the past five years.

(3) Requirements for Terms of Office If the total terms of office as Outside Director or Outside Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment, and if there are any reasons, the Company shall not preclude reappointment.

#### 2. Policies for the composition and criteria for appointment of Executive Officers and Senior Vice Presidents

##### (1) Policies for the composition of Executive Officers and Senior Vice Presidents

The Company implements systematic development of managerial talent based on the succession plan. As for the composition of Executive Officers and Senior Vice Presidents as a whole, the Company places emphasis on diversity including gender, age, experience, and nationalities as well as the balance in the management team.

##### (2) Criteria for appointment of Executive Officers and Senior Vice Presidents

The Company selects Executive Officers and Senior Vice Presidents in accordance with the following criteria:

- Able to realize transformation based on SOMPO's management philosophy and Purpose
- Able to develop the next generation of leaders who will drive transformation
- Able to foster a culture in which employees have confidence and pride, and boldly take on challenges with high aspirations
- Is driven by one's own mission and able to take actions

- Has a high level of expertise and insight regarding the mission and roles to be assumed
- Has experience and a track record related to the mission and roles to be assumed
- Understands the value of diversity and is able to leverage it for value creation
- Has the ability to make fair and impartial judgments and to achieve goals
- Has proven fair and honest

-- End

## Attachments

### Attachment (1)

#### **Fiscal 2022 Business Report For the Period from April 1, 2022 through March 31, 2023**

#### **I. Matters Concerning the Current Status of the Insurance Holding Company**

##### **(1) Progress and Results of Business of the Corporate Group**

###### **Main Substance of Business of the Corporate Group**

At the end of the fiscal year ended March 31, 2023, the Group consisted of Sompo Holdings, Inc. (the “Company” or “Sompo Holdings, Inc.” or “we”), 74 companies that are consolidated subsidiaries, and 12 companies that are affiliates accounted for under the equity-method and others. The Group’s main businesses are the domestic property and casualty (“P&C”) insurance business, overseas insurance and reinsurance business, domestic life insurance business and nursing care & seniors business.

###### **Financial and Economic Environment, and Progress and Results of the Corporate Group for the Fiscal Year under Review**

During the period under review, although the global economy continued to pick up moderately as the impact of COVID-19 eased, downside risks remained, such as inflation rates remaining high, monetary tightening impacting overall consumption and capital investment, and uncertainties caused by factors such as the situation in Ukraine.

In the Japanese economy as well, economic and social activities have normalized, personal consumption and capital investment have picked up as people learn to live with COVID-19, and corporate earnings have generally improved. However, it is still necessary to pay close attention to the impact of price increases, supply-side constraints, and fluctuations in financial and capital markets.

###### **(Progress and Results of Business of the Corporate Group)**

The Group Management Philosophy states, “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.” Furthermore, we have established “SOMPO’s Purpose,” which indicates the Group’s long-term vision, and are working to resolve social issues. By doing so, we aim to realize a sustainable society in which every person can live a healthy, prosperous and happy life in one’s own way. In the three-year Mid-term Management Plan which we started in FY2021, we set the three basic strategies of

“scale and diversification,” “creation of new customer value,” and “new work style,” and intend to materialize “A Theme Park for Security, Health and Wellbeing” in order to realize “SOMPO’s Purpose.”

As a holding company for the entire Group, we are promoting the transformation of our business portfolio in order to execute our business plans and sustainably increase our corporate value. During the period under review, in addition to allocating the management resources necessary to implement the Group strategy and strengthening the governance system, we worked on supporting the development of “egaku,” a service for nursing care providers that utilizes the technology of the Group’s proprietary “Real Data Platform” (“RDP”) as well as on new measures to create a conglomerate premium that transcends business boundaries and more.

During the period under review, the Group suffered a decline in earnings from increased insurance payouts due to factors such as the occurrence of natural disasters in Japan and overseas, an increase in the rate of automobile accidents, and an increase in the number of people infected with COVID-19. However, we steadily advanced with initiatives such as improving the profit structures in the Domestic P&C Insurance Business and pricing strategies in the Overseas Insurance and Reinsurance Business, as well as with developing and providing products and services focused on health in the Domestic Life Insurance Business, and expanding nursing facilities and services in the Nursing Care & Seniors Business. In addition, based on the idea that each and every employee of the Group making repeated challenges starting from their own “My Purpose” will improve the quality and productivity of the Group’s services and lead to the creation of innovation, we have held multiple town hall meetings where employees of Group companies in Japan and overseas can talk directly with the management team, including Group CEOs.

#### **(Performance over the Period under Review)**

The Company’s consolidated financial results were as follows.

Ordinary income increased by 439.6 billion yen to 4,607.1 billion yen. Meanwhile ordinary expenses increased by 632.6 billion yen to 4,484.6 billion yen.

As a result, ordinary profit for the period under review decreased by 192.9 billion yen to 122.5 billion yen. Net income attributable to shareholders of the parent amounted to 91.1 billion yen, representing a decrease of 133.6 billion yen when compared to the previous period.



## **(Progress and Results of Each Business Segment)**

The progress and results of each business segment are as follows.

### **Domestic P&C Insurance Business**

#### **Sompo Japan**

Sompo Japan Insurance Inc. aims to realize a better life for all customers and a sustainable society by providing services of the highest quality that contribute to the security, health, and wellbeing of our customers.

In FY2022, although the business environment remained difficult due to factors such as the number of insurance claims, centered on medical insurance, surged due to the impact of COVID-19, the entire company worked together to promptly pay claims in order to deliver peace of mind to our customers as fast as possible.

In October 2022, we launched an industry-first product, “Anshin - Torihiki Master (Special coverage for accounts receivable),” as a new coverage for Business Master Plus (comprehensive business activity insurance), our main product for small-to-medium sized enterprise clients, with the aim of alleviating cash flow concerns in a severe economic environment. In January 2023, we began offering “SOMPO SUSTAINA,” a service for corporate customers aimed at helping resolve issues such as climate change response.

We are also working to improve the efficiency of business processes and reform our earnings structure through the use of digital technology. In November 2022, as a digital transformation (DX) measure in automobile accident response, we introduced a solution that automatically checks damage estimates through AI-based image recognition. In addition to speeding-up claims payments, we will accelerate efforts to provide new customer value through attentive customer service, development of high-quality services and more, utilizing the time and data newly created by realizing productivity improvements.

We will continue to provide solutions to social issues while responding flexibly to changes in the environment, and as the core company of the Group, we will take on the challenge of sustainable growth of existing businesses and the creation of new business models.

#### **SAISON AUTOMOBILE AND FIRE INSURANCE**

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED\* will further expand and grow its direct marketing business model in response to the diverse needs of customers.

## Overseas Insurance and Reinsurance Business

Sompo International Holdings Ltd., comprising our overseas insurance and reinsurance businesses, operates across the United States, Europe, Latin America, Middle East, Asia and other regions, and has helped deliver value -- security, health and wellbeing -- to customers and society through high-quality insurance and reinsurance solutions and services. As a driver for growth in the group, it continues to steadily expand in terms of the business scale as well as profitability, solidifying its position as a leading provider in the global P&C (re)insurance market. In FY2022, adjusted profits of \$703.7 million for overall overseas insurance and reinsurance businesses grew 30.9% year-on-year.

For the overseas commercial business, GWP of \$13.5 billion increased 9.9% year-on-year in FY2022 driven by further improvements in pricing and organic expansion. For the full-year, the commercial business had adjusted profits of \$691.0 million which grew 22.9% year-on-year, even after taking into consideration the effects of Hurricane Ian. The improvement was driven by increased underwriting income of 23.6% reflecting improved pricing and increased premiums while also benefiting from investment income growth of 24.9% resulting from higher yields and growing investment assets. During FY2022, we continued to expand our operations to provide market-leading solutions to our global customers.

The overseas consumer business saw a year-on-year increase of 20.8% in GWP driven by higher pricing and disciplined portfolio management. We achieved overall improved profitability year-on-year, even after taking into consideration the inflationary effects of businesses in Turkey and Brazil. This improved result was due to a better loss ratio, higher premiums and strong investment income. In May 2022, we entered into an agreement to sell our sub-scale consumer business in Brazil with an expected close in mid-2023.

We remain committed to profitably expanding our overseas operations through disciplined underwriting and improving scale. Future expansion will include leveraging our global commercial franchise into new geographies with a focus on Canada, Continental Europe and Southeast Asia, thereby creating an even more diversified business portfolio and achieving further profit growth.

## **Domestic Life Insurance Business**

### **Sompo Himawari Life**

Sompo Himawari Life Insurance Inc. aims to establish itself as a “health support enterprise,” that supports the health of customers, by providing new value Insurhealth<sup>®</sup> that integrates the functions of insurance, which provide coverage for emergencies, with day-to-day healthcare support functions.

In FY2022, increased insurance payouts and other trends due to the impact of COVID-19 were a factor behind the downturn in profits. However, while the life insurance industry is faced by a challenging environment with a declining birthrate, aging population, low interest rates and so on, we have used Insurhealth<sup>®</sup> to drive steady expansion in the scale of our business. As a result, the number of policies in force stood at 4.71 million as of March 31, 2023, an increase of 0.26 million compared to March 31, 2022. The annualized premium for policies in force increased by 2.6 billion yen to 385.3 billion yen.

With regard to Insurhealth<sup>®</sup>, the health support function has also produced results. The “health challenge” system offers a discount on premiums and a monetary reward for successfully quitting smoking or improving one’s health. We found that among those who succeeded in the challenge, the percentage of customers who became hospitalized was approximately 50% lower than those who had not completed the challenge. In FY2022, we also launched paid healthcare services for companies in two areas, “Femtech” and lifestyle-related diseases, in order to solve health issues of people working in companies.

Going forward, through the expansion and penetration of Insurhealth<sup>®</sup>, we will continue to support our customers' health initiatives and provide follow-up services to help them actually become healthy, while contributing to the achievement of the security, health, and wellbeing of society by providing products and services that focus on health.

## **Nursing Care & Seniors Business**

### **Sompo Care**

Based on the brand slogan of “Changing the future of nursing care,” Sompo Care Inc. (“Sompo Care”) offers a full lineup of wide-ranging services to meet diversifying needs as a “comprehensive nursing care brand” that caters to the wishes of each and every individual.

In FY2022, we formulated “Sompo Care: Challenge for the Future” to achieve nursing care of the future, and the entire company worked together to address these challenges. Specific initiatives include the “Future Care Project,” which aims to transform nursing care into a coveted profession by setting forth the “New 3Ks\* of Nursing Care Work,” and maximize the use of technology to create high-value-added jobs that only people can do. We also started operating the “SOMPO style children's cafeteria” at the approximately 450 Sompo Care residential care facilities nationwide.

In addition, the “egaku” service for nursing care providers, the commercialization of which was announced in November 2022, aims to contribute to society by realizing the sustainable provision of nursing care services by helping to eliminate the gap between the supply and demand of nursing care personnel, in addition to the economic benefits for nursing care providers adopting the service. We are committed to making the “egaku” business a success by fully utilizing the customer base and product development capabilities of ND Software Co., Ltd., a major nursing care software company that was made the Company’s wholly-owned subsidiary in February 2023, and by leveraging the synergies of the acquisition at an early stage. We will continue to lead the reforms not only of our own company but also the nursing care industry and transform ourselves into a business that supports more elderly people in order to realize a society where people can receive the care they want in the place they want to live in, and enjoy their own late life.

\*The “New 3Ks\* of Nursing Care Work” aims to transform nursing care into a ‘Kaete-iku’ (changing) job = sustainable new nursing care, ‘Kachi-aru’ (valuable) job = highly satisfying nursing care, and ‘Kando-dekiru’ (inspiring) job = nursing care that only people can do, so that nursing care becomes a coveted profession.

## Others

### (Digital Business)

With the aim to overcome challenges in order to realize “SOMPO’s Purpose” by means such as DX and RDP development, and to provide new value to customers and society as a whole, we are focusing on our digital business. Pivoting on SOMPO Light Vortex, Inc., we have worked on creating, developing, and managing new businesses with a digital starting point, supporting the development of the Group’s digital technologies, and more. In addition, the Company has partnered with Palantir Technologies Inc., a U.S. technology company, for the utilization of real data and the development of RDP, and we also aim to grow the Group’s business by utilizing the company’s Foundry software and other technologies.

### (Other Businesses)

Sompo Warranty Inc. specializes in providing extended warranty services for products such as home appliances and housing equipment, Sompo Asset Management Co., Ltd. is engaged in the business of providing services related to asset formation for customers, Sompo Japan DC Securities Inc. handles defined contribution pension plans, Sompo Risk Management Inc. offers services including risk management, business continuity management and planning, and cyber security, and Sompo Health Support Inc. provides health guidance support to health insurance associations nationwide and supports mental health measures that are an issue for companies. These companies aim to improve their profit models based on business collaboration with other Group companies including those in the domestic P&C insurance business.

## **Priority Issues to be Addressed**

### **◆Operating Environment and Management Strategy**

The speed of change in the business environment surrounding the Group is increasingly accelerating, and the social issues we must deal with are becoming complex. These include the increasingly severe natural disasters that are becoming the norm due to climate change caused by factors such as global warming, the rapid decline and aging of the population in Japan, especially among working-age people, continued inflation, uncertainty in financial markets due mainly to sudden interest rate and exchange rate fluctuations, and diverse consumption patterns. In addition, the impact of geopolitical risks such as the situation in Ukraine, changes in the international political situation, and the resurgence of the number of people infected by COVID-19 continue to require close monitoring. The Group believes that by achieving sustainable growth ourselves while providing value to society through its business activities even in this environment, we can materialize “A Theme Park for Security, Health and Wellbeing,” which will lead to increasing the Group’s social value and economic value.

The Group’s vision of “A Theme Park for Security, Health and Wellbeing” aims to give concrete form to the abstract concepts of security, health, and wellbeing. The vision entails standing close to people, who are the center of society, and addressing social issues through our business by making appropriate use of digital and other leading-edge technologies, while contributing to society as an entity providing cohesive support to the lives and lifestyles of customers. Through the three basic strategies of “scale and diversification,” “creation of new customer value,” and “new work style,” stated in our Mid-term Management Plan, we aim to build a resilient portfolio that supports the growth of the Group, evolve into a platformer for solving social issues including the RDP strategy, and foster a corporate culture in which employees take on challenges driven by “MY Purpose” to make innovations.

### **◆Progress of the Mid-term Management Plan (FY2021-FY2023) and Management Targets**

The Group sets adjusted consolidated profit, adjusted consolidated ROE, risk diversification ratio, and global business ratio as its numerical management targets in order to indicate the Group’s actual profitability and capital efficiency. In FY2022, adjusted consolidated profit was 152.2 billion yen, adjusted consolidated ROE was 5.5%, risk diversification ratio was 40%, and global business ratio was 61%.

In FY2023, the final year of the Mid-term Management Plan, we will continue to aim for maximizing the conglomerate premium by pursuing the Group’s best, while improving capital efficiency in each of our businesses based on our basic strategies.

#### ◆Group Governance System

As a Company with a nomination committee, etc., we have developed a supervisory system centered around outside directors. Each of the three statutory committees, namely, the Nomination Committee, Audit Committee, and Compensation Committee, are chaired by an outside director, and hold fair and active discussions to strengthen the Group's governance. The Nomination Committee deliberates on the formulation of policies for the appointment of directors and executive officers, succession plans, and others in light of the dramatically changing business environment, as well as the appointment of directors and executive officers including those of Group companies. The Audit Committee, in addition to regular communication with the management team, provides necessary opinions and recommendations to management based on information gathered through audits conducted in cooperation with the internal audit sections. The Compensation Committee designs a compensation system that is an effective incentive while still effecting governance, determines the compensation of the Group CEO and each individual director and executive officer, and examines the ideal compensation system to be pursued. In addition, to ensure that the Board of Directors' supervisory function over the executive department is fully exercised, the Company engages in initiatives to actively and proactively enhance the soundness and transparency of governance such as by ensuring opportunities for sharing information on business execution through means other than meetings of the Board of Directors as well.

The Company utilizes the business owner system and the Group Chief Officer system, under the general oversight of the Group CEO and Group COO, for its business operation system to enable agile and flexible decision-making and business execution as well as ensuring the clarity of authority and responsibility. The executive officers and senior vice presidents (shikkouyakuin) appointed by the Board of Directors will pursue their own missions, while the Group as a whole will aim to carry out timely and appropriate management discussion and build a highly effective operation system that supports the Group's sustainable growth by making maximum use of the functions of the Global Executive Committee, which is an advisory organ to the Group CEO and the highest executive committee, and the Managerial Administrative Committee, which is an advisory organ to the Group COO.

## < Reference : Directors and Executive Officers >

The Company's Directors and Executive Officers will be as shown below subject to the approval of Proposal 2 "Appointment of Twelve Directors"

### Directors (appointed at Shareholders Meeting)

#### Directors



Kengo SAKURADA  
(Concurrently serves as Executive Officer)



Mikio OKUMURA  
(Concurrently serves as Executive Officer)



Satoshi KASAI

#### Outside Directors



Scott Trevor DAVIS



Kazuhiro HIGASHI



Meyumi YAMADA



Isao ENDO



Takashi NAWA



Misuzu SHIBATA



Kumi ITO



Masayuki WAGA



Toru KAJIKAWA

#### Nomination Committee

Composed solely of outside directors

#### Compensation Committee

Composed solely of outside directors

#### Audit Committee

Majority composed of outside directors



## Executive Officers (appointed by the Board of Directors)

### Representative Executive Officers



Group CEO  
Director, Chairman and  
Representative Executive Officer

Kengo SAKURADA  
(Concurrently serves as Director)



Group COO  
Director, President and  
Representative Executive Officer

Mikio OKUMURA  
(Concurrently serves as Director)

### Group Chief Officers



Chairman of Overseas M&A  
Senior Executive Vice President  
Nigel FRUDD

#### Overseas M&A



Group CFO, Group CSO  
Senior Executive Vice President and Executive  
Officer  
Masahiro HAMADA

#### Finance • Strategy



Group CHRO  
Senior Executive Vice President and Executive  
Officer  
Shinichi HARA

#### Human Resources



Group CXO  
Executive Vice President and Executive Officer  
Kazufumi WATANABE

#### Business Transformation



Group CERO  
Executive Vice President and Executive Officer  
Koji ISHIKAWA

#### External Relations



Group CRO, Group CIO  
Executive Vice President and Executive Officer  
Yoshihiro UOTANI

#### Risk Management • Internal Control • IT



Group CDO  
Senior Vice President  
Albert CHU

#### Digital



Group CSuO  
Senior Vice President and Executive Officer  
Ryoko SHIMOKAWA

#### Sustainability



Group CPRO  
Senior Vice President and Executive Officer  
Hirofumi SHINJIN

#### Public Relations

### CEOs of Business

#### Domestic P&C Insurance



CEO of Domestic P&C Insurance Business, Senior  
Vice President and Executive Officer

Giichi SHIRAKAWA  
(President and Chief Executive Officer of Sompo  
Japan Insurance Inc.)

#### Overseas Insurance & Reinsurance



CEO of Overseas Insurance and Reinsurance  
Business, Senior Vice President

James SHEA  
(Executive Chairman of the Board of Directors  
and Chief Executive Officer of  
Sompo International Holdings Ltd.)

#### Domestic Life Insurance



CEO of Domestic Life Insurance Business,  
Senior Vice President and Executive Officer

Yasuhiro OBA  
(President and Chief Executive Officer of  
Sompo Himawari Life Insurance Inc.)

#### Nursing Care & Seniors



CEO of Nursing Care & Seniors Business, Senior  
Vice President and Executive Officer

Ken ENDO  
(Chief Executive Officer of Sompo Care Inc.)

#### Digital



CEO of Digital Business, Senior Executive Vice  
President and Executive Officer

Koichi NARASAKI  
(CEO of Palantir Technologies Japan K.K.)  
(CEO of SOMPO Light Vortex. Inc.)

- Executive Vice President (General Manager, Global Business Department) Kenneth REILLY
- Executive Vice President, (General Manager, Global Strategy Office) Katsuyuki TAJIRI
- Deputy CEO of Nursing Care & Seniors Business, Senior Vice President Yasuki KUME
- Senior Vice President (Group Deputy CFO, General Manager, Office of Group CFO) Tsutomu YAMAGUCHI

- Executive Vice President (Head of New Business in Asia etc. (excluding P&C Insurance)) Yuji KAWAUCHI
- Executive Vice President (General Manager, Corporate Planning Department) Emiko MAKI
- Senior Vice President Takamitsu WASHIMI

The Group will work to improve its corporate value by evolving the role it should play, and aim to solve various issues and realize a sustainable society, while facing diverse stakeholders in sincerity.

We very much look forward to the further support of all our shareholders in the future.

Notes:

1. The calculation methods for adjusted profit for each business segment, adjusted consolidated profit, adjusted consolidated ROE, risk diversification ratio and global business ratio (regional diversification ratio) from FY2023 (inclusive) are as follows.

		Calculation method
Adjusted profit by business segment <sup>*1</sup>	Domestic P&C Insurance Business	Net income for the period + Provisions for catastrophic loss reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance and Reinsurance Business	Operating income <sup>*2</sup> Net income for the period for affiliates accounted for under the equity-method in principle
	Domestic Life Insurance Business	Net income for the period + Provisions of contingency reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Deferral of acquisition cost (after tax) – Depreciation of acquisition cost (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care & Seniors Business	Net income for the period
	Digital Business	Net income for the period – Gains/losses on sales and impairment losses related to investment (after tax)
	Others	Net income for the period
	Adjusted consolidated profit	Total of above adjusted profits
Adjusted consolidated net assets	Consolidated net assets (excluding domestic life insurance subsidiary's net assets) + Catastrophic loss reserve in domestic P&C insurance, etc. (after tax) + Reserve for price fluctuation in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets <sup>*3</sup>	
Adjusted consolidated ROE	Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)	
Risk diversification ratio	Risk diversification effect ÷ Total amount of Group risk (Before consideration of diversification effect)	
Global business ratio (Regional diversification ratio)	Adjusted profit of Overseas Insurance and Reinsurance Business ÷ Adjusted consolidated profit	

\*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from Group companies/subsidiaries.

\*2 Defined at the operating income, which excludes one-time factors (= Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.)

\*3 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP) + Contingency reserve (after tax) + Reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Non-depreciated acquisition cost (after tax)

2. The monetary amounts, number of shares owned and the like in these Business Report (including the tables set forth below) have been rounded off to the nearest unit displayed. Ratios such as percentages of ownership of shares have been rounded to the nearest unit displayed.

## (2) State of Progress in Assets and Income (Loss) of the Corporate Group and the Insurance Holding Company

### A. Trends in Assets and Income (Loss) of the Corporate Group

Category	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Ordinary income	3,760,366	3,846,323	4,167,496	4,607,134
Ordinary profit	192,451	215,097	315,512	122,530
Net income attributable to shareholders of the parent	122,515	142,482	224,842	91,156
Comprehensive income	(77,806)	512,417	143,823	(32,648)
Net assets	1,612,584	2,031,168	2,040,789	1,868,902
Gross assets	11,977,836	13,118,656	13,787,835	14,460,232

### B. Trends in Assets and Income (Loss) of the Insurance Holding Company

Category	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	113,545	224,945	170,164	147,733
Dividends received	104,308	214,376	157,556	133,861
Subsidiaries, etc., engaged in the insurance business	101,200	213,660	153,600	128,960
Other subsidiaries, etc.	3,108	716	3,956	4,901
Net income (loss) for the period	95,449	203,154	183,589	116,786
Net income (loss) per share for the period	260.31 yen	566.62 yen	526.04 yen	346.73 yen
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	1,043,723	1,384,770	1,318,207	1,333,159
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	791,389	786,315	786,315	786,315
Stocks, etc., in other subsidiaries, etc.	124,328	133,265	155,930	239,328

**(3) Status of Major Offices of the Corporate Groups**

As stated in Attachment (9) hereto.

**(4) Status of Employees in the Corporate Group**

Business Segment	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period
	No. of employees	No. of employees	No. of employees
Domestic P&C insurance business	24,347	23,500	(847)
Overseas insurance and reinsurance business	7,492	7,467	(25)
Domestic life insurance business	2,706	2,636	(70)
Nursing care & seniors business	11,719	13,840	2,121
Others (Insurance holding company, etc.)	1,512	1,614	102
Total	47,776	49,057	1,281

Notes:

1. The number of employees includes those who are concurrently serving at the Group companies. Persons seconded from the Group to another company have been excluded, and persons seconded from another company to the Group have been included.
2. All the number of employees of the Company is included under "Others (Insurance holding company, etc.)"

**(5) Status of Major Lenders to the Corporate Group**

None.

**(6) Status of Funding to the Corporate Group**

- A. The Company's consolidated subsidiary Sompo Japan Insurance Inc., issued as of October 14, 2022, a 1st series of unsecured straight bonds with inter-bond pari passu clause as well as a 2nd series of unsecured straight bonds with inter-bond pari passu clause. The funds raised by the issuance of these bonds shall be appropriated as long-term investment funds for securities investments, etc. and as working capital.

<1st series of unsecured straight bonds with inter-bond pari passu clause>

Total issue amount	50.0 billion yen
Maturity date	October 14, 2027 (5-year bonds)

<2nd series of unsecured straight bonds with inter-bond pari passu clause>

Total issue amount	50.0 billion yen
Maturity date	October 14, 2032 (10-year bonds)

B. The Company's consolidated subsidiary Sompo Japan Insurance Inc. issued, on February 13, 2023, a 4th series of unsecured subordinated bonds with interest deferrable clause and early redeemable option. The funds raised by this issuance shall be appropriated for the repayment of existing debt.

Total issue amount	127.0 billion yen
Maturity date	February 13, 2083 (60-year bonds) Sompo Japan Insurance Inc. may, at its discretion, redeem the bonds (i) on February 13, 2033 and each subsequent anniversary or (ii) upon the occurrence and continuation of a regulatory event, a tax deductibility event or a rating agency event on or after February 13, 2023, subject to approval of the regulatory authority and other conditions.

## (7) Status of Capital Investment

### A. Gross Capital Investment

Business Segment	Amount
Domestic P&C insurance business	(Millions of yen) 21,555
Overseas insurance and reinsurance business	3,188
Domestic life insurance business	199
Nursing care & seniors business	4,296
Others (Insurance holding company, etc.)	423
Total	29,662

Note: The amount of the Company's capital investment is included in that of "Others (Insurance holding company, etc.)"

### B. New Installation, etc. of Significant Equipment

None.

## (8) Status of Significant Parent Company and Subsidiaries, etc.

### A. Status of Parent Company

None.

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## B. Status of Subsidiaries, etc.

(As of March 31, 2023)

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
<b>(Consolidated subsidiaries)</b>						
Sompo Japan Insurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 12, 1944	70,000 million yen	100.0%	—
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku Tokyo	Domestic P&C insurance	Sep. 22, 1982	32,260 million yen	99.9% (99.9%)	—
Sompo Japan Partners Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	100 million yen	100.0% (100.0%)	—
Mysurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Jul. 17, 2018	2,075 million yen	100.0% (100.0%)	—
Sompo International Holdings Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas (re)insurance	Mar. 24, 2017	USD 0 thousand (0 million yen)	100.0% (100.0%)	—
Endurance Specialty Insurance Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas (re)insurance	Nov. 30, 2001	USD 12,000 thousand (1,602 million yen)	100.0% (100.0%)	—
Endurance Assurance Corporation	Wilmington Delaware (USA)	Overseas (re)insurance	Sep. 5, 2002	USD 5,000 thousand (667 million yen)	100.0% (100.0%)	—
Endurance Worldwide Insurance Limited	London (UK)	Overseas (re)insurance	Apr. 10, 2002	GBP 215,967 thousand (35,755 million yen)	100.0% (100.0%)	—
SI Insurance (Europe), SA	Luxembourg (Luxembourg)	Overseas (re)insurance	Jan. 12, 2018	EUR 30 thousand (4 million yen)	100.0% (100.0%)	—
Sompo Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas (re)insurance	Mar. 30, 2001	TRY 195,498 thousand (1,362 million yen)	100.0% (100.0%)	—

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

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	Overseas (re)insurance	Aug. 1, 2008	SGD 790,761 thousand (79,550 million yen)	100.0% (100.0%)	—
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas (re)insurance	Sep. 22, 1980	MYR 118,000 thousand (3,568 million yen)	70.0% (70.0%)	—
Sompo Seguros S.A.	Sao Paulo (Brazil)	Overseas (re)insurance	Oct. 8, 1943	BRL 1,872,498 thousand (49,078 million yen)	99.9% (99.9%)	—
Sompo Himawari Life Insurance Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7 1981	17,250 million yen	100.0%	—
Sompo Care Inc.	Shinagawa-ku Tokyo	Nursing care & seniors	May 26, 1997	3,925 million yen	100.0%	—
ND Software Co., Ltd.	Nanyo-shi, Yamagata	Nursing care & seniors	Dec. 20, 2018	100 million yen	100.0%	—
Sompo Warranty Inc.	Chiyoda-ku Tokyo	Others (Extended warranty)	Aug. 20, 2009	95 million yen	100.0%	—
SOMPO Light Vortex, Inc.	Shinjuku-ku Tokyo	Other (Digital-related)	Jul. 1, 2021	12,198 million yen	100.0%	—
Sompo Asset Management Co., Ltd.	Chuo-ku Tokyo	Others (Asset management)	Feb. 25, 1986	1,550 million yen	100.0%	—
Sompo Japan DC Securities Inc.	Shinjuku-ku Tokyo	Others (Defined contribution pension plan)	May 10, 1999	3,000 million yen	100.0% (100.0%)	—
Sompo Risk Management Inc.	Shinjuku-ku Tokyo	Others (Risk management)	Nov. 19, 1997	30 million yen	100.0%	—
Sompo Health Support Inc.	Chiyoda-ku Tokyo	Others (Healthcare)	Oct. 1, 2018	10 million yen	100.0%	—
<b>(Affiliates accounted for under the equity-method)</b>						
Capital Insurance Corporation	Chiyoda-ku Tokyo	Domestic P&C insurance	Jun. 21, 1994	6,200 million yen	20.6% (20.6%)	—
Universal Sompo General Insurance Company Limited	Mumbai (India)	Overseas (re)insurance	Jan. 5, 2007	INR 3,681,818 thousand (6,038 million yen)	34.6% (34.6%)	—



Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Palantir Technologies Japan K.K.	Shibuya-ku Tokyo	Others (Software sales)	Oct. 15, 2019	5,432 million yen	50.0%	—
Tier IV, Inc.	Nagoya Aichi	Others (Autonomous driving platform development)	Dec. 1, 2015	104 million yen	27.7%	—
DeNA SOMPO Mobility Co., Ltd.	Shibuya-ku Tokyo	Others (C2C car sharing)	Mar. 1, 2019	100 million yen	50.0%	—
ABEJA, Inc.	Minato-ku Tokyo	Others (AI-related)	Sep. 10, 2012	100 million yen	22.0% (22.0%)	—
DeNA SOMPO Carlife Co., Ltd.	Shibuya-ku Tokyo	Others (Private car leasing)	Mar. 25, 2019	100 million yen	39.0%	—
akippa Inc.	Osaka City Osaka	Others (Parking space sharing)	Feb. 2, 2009	100 million yen	33.5%	—

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method. The lineup of companies on the list have been revised from the perspective of importance.
2. The yen value displayed in parentheses under the “Common Stock” column is the amount translated at the market exchange rate as of the end of the current period.
3. The figures stated in parentheses in the column of “Percentages of Voting Rights of Subsidiaries, etc. Held by the Company” represent the indirect ownership ratio that is included in the total.

**Overview of Important Business Alliances**

1. Comprehensive Business Alliance Between Sompo Japan Insurance Inc. and The Dai-ichi Life Insurance Company, Limited  
Pursuant to a comprehensive business alliance with The Dai-ichi Life Insurance Company, Limited, the Company’s consolidated subsidiary Sompo Japan Insurance Inc. has entered into agreements for agency in business and conduct of administrative work. The Dai-ichi Life Insurance Company, Limited handles P&C insurance products of Sompo Japan Insurance Inc. and the agencies of Sompo Japan Insurance Inc. handle life insurance products of The Dai-ichi Life Insurance Company, Limited.
2. Business Alliance with Credit Saison Co., Ltd. by Sompo Japan Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY,

#### LIMITED

Pursuant to a business alliance with Credit Saison Co., Ltd., the Company's consolidated subsidiary Sampo Japan Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED develop and provide P&C insurance products to Saison cardholders.

3. Business Alliance between the Company and SOHGO SECURITY SERVICES CO., LTD.

Under the business alliance formed between the Company and SOHGO SECURITY SERVICES CO., LTD., emergency aid services at the time of an accident are provided by SOHGO SECURITY SERVICES CO., LTD. to automobile insurance policyholders of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, a consolidated subsidiary of the Company. In addition, the same services are provided to part of automobile insurance policyholders of Sampo Japan Insurance Inc.

4. Alliance Between Sampo Holdings (Asia) Pte. Ltd. and the CIMB Group Concerning Sales of P&C Insurance Through Banks

Pursuant to an alliance with the CIMB Group, a major banking group in Southeast Asia, the Company's consolidated subsidiary Sampo Holdings (Asia) Pte. Ltd. provides P&C insurance products through the CIMB Group's network of branches in four countries in Southeast Asia (Malaysia, Indonesia, Singapore and Thailand).

5. Alliance Between the Company, Palantir Technologies Inc. and Palantir Technologies Japan K.K.

The Company is developing a new solution model that utilizes the software technologies of Palantir Technologies Inc. through an alliance with Palantir Technologies Inc. and Palantir Technologies Japan K.K., which was jointly established by the Company and Palantir Technologies Inc.

**(9) Status of Assignment and Acceptance of Assignment of Businesses, etc.**

None.

**(10) Other Important Matters Relating to the Present Condition of the Corporate Group**

None.

## II. Matters Relating to Company Executives

### (1) Overview of Company Executives

#### A. Directors

(As of March 31, 2023)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo SAKURADA	Director	Director of Sompo Japan Insurance Inc. Chairman of Keizai Doyukai (Japan Association of Corporate Executives)	Note 1
Mikio OKUMURA	Director	Director of Sompo International Holdings Ltd.	—
Scott Trevor DAVIS	Director (outside) Member of the Nomination Committee (chair) Member of the Compensation Committee	Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director)	Note 2
Naoki YANAGIDA	Director (outside) Member of the Audit Committee (chair)	Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of Kusuri No Aoki Holdings Co., Ltd. (Outside Director)	Note 2
Isao ENDO	Director (outside) Member of the Audit Committee	Director of NEXTAGE Co., Ltd. (Outside Director)	Note 2
Hideyo UCHIYAMA	Director (outside) Member of the Audit Committee	Certified Public Accountant Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Outside Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)	Note 2, Note 3
Kazuhiro HIGASHI	Director (outside) Member of the Compensation Committee (chair) Member of the Nomination Committee	Vice Chairman of The Osaka Chamber of Commerce and Industry Director of Honda Motor Co., Ltd. (Outside Director)	Note 2

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Takashi NAWA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	President of Genesys Partners, Inc. Member of the Board of NEC Capital Solutions Limited (Outside Director) Member of the Board of Ajinomoto Co., Inc. (Outside Director) Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School Advisor of Sumitomo Mitsui Trust Bank, Limited Professor, Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science Audit & Supervisory Board Member of The Asahi Shimbun Company (Outside Audit & Supervisory Board Member)	Note 2
Misuzu SHIBATA	Director (outside) Member of the Audit Committee	Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) Director of PILOT CORPORATION (Outside Director)	Note 2, Note 4
Meyumi YAMADA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	Director of istyle Inc. Director of SEINO HOLDINGS CO., LTD. (Outside Director) Director of Seven & i Holdings Co., Ltd. (Outside Director)	Note 2, Note 5
Kumi ITO	Director (outside) Member of the Audit Committee	Director of True Data Inc. (Outside Director) Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO. LTD. (Outside Director) Director of Ryohin Keikaku Co., Ltd. (Outside Director)	Note 2, Note 6
Masayuki WAGA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	—	Note 2

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Toshihiro TESHIMA	Director Member of the Audit Committee	—	Note 7, Note 8
Satoshi KASAI	Director Member of the Audit Committee	—	Note 7

Notes:

1. Mr. Kengo SAKURADA resigned as Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) and took office as Trustee Emeritus as of April 27, 2023.
2. Each of Mr. Scott Trevor DAVIS, Mr. Naoki YANAGIDA, Mr. Isao ENDO, Mr. Hideyo UCHIYAMA, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Ms. Meyumi YAMADA, Ms. Kumi ITO and Mr. Masayuki WAGA is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general shareholders.
3. Mr. Hideyo UCHIYAMA has many years of working experience as a certified public accountant at audit firms, and has a considerable level of experience in connection with finance and accounting.
4. Ms. Misuzu SHIBATA’s registered name is Misuzu KOYAMA.
5. Ms. Meyumi YAMADA’s registered name is Meyumi YAMADA using different type of Japanese characters for her first name.
6. Ms. Kumi ITO took office as Managing Partner of Office KITO as of April 3, 2023.
7. In order to ensure the effectiveness of audits, the Company needs an extensive range of accurate information collected by internal directors who are well versed in the Group’s internal organization and execution of business. For this reason, the Company has elected Mr. Toshihiro TESHIMA and Mr. Satoshi KASAI as full-time members of the Audit Committee.
8. Mr. Toshihiro TESHIMA has many years of working experience in the financial and legal section of Sompo Japan Insurance Inc. and has a considerable insight into finance and law.

## B. Executive Officers

(As of March 31, 2023)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo SAKURADA	Group CEO, Chairman and Representative Executive Officer Responsibilities in the Company: Overall management of the Group's operations (Chief Executive Officer)	Director of Sompo Japan Insurance Inc. Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)	Note 1
Mikio OKUMURA	Group COO, President and Representative Executive Officer Responsibilities in the Company: Overall management of the Group's operations (Chief Operating Officer)	Director of Sompo International Holdings Ltd.	—
Giichi SHIRAKAWA	CEO of Domestic P&C Insurance Business, Executive Officer Responsibilities in the Company: Domestic P&C Insurance Business (Chief executive)	Representative Director, President and Chief Executive Officer of Sompo Japan Insurance Inc.	—
James SHEA	CEO of Overseas Insurance and Reinsurance Business, Executive Officer Responsibilities in the Company: Overseas Insurance and Reinsurance Business (Chief executive)	Executive Chairman of the Board of Directors and Chief Executive Officer of Sompo International Holdings Ltd.	Note 2
Yasuhiro OBA	CEO of Domestic Life Insurance Business, Executive Officer Responsibilities in the Company: Domestic Life Insurance Business (Chief executive)	Representative Director, President and Chief Executive Officer of Sompo Himawari Life Insurance Inc.	—
Ken ENDO	CEO of Nursing Care & Seniors Business, Executive Officer Responsibilities in the Company: Nursing Care & Seniors Business (Chief executive)	Representative Director, Chief Executive Officer of Sompo Care Inc. Director of Nissan Tokyo Sales Holdings Co., Ltd. (Outside Director)	—
Koichi NARASAKI	CEO of Digital Business, Senior Executive Vice President Responsibilities in the Company: Digital Business (Chief executive)	CEO of Palantir Technologies Japan K.K. CEO of SOMPO Light Vortex, Inc.	—
Masahiro HAMADA	Group CFO, Group CSO, Senior Executive Vice President Responsibilities in the Company: The Group's finance (Chief executive), the Group's strategy (Chief executive)	Director of SOMPO Light Vortex, Inc. Director of Sompo Himawari Life Insurance Inc.	—

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Shinichi HARA	Group CHRO, Senior Executive Vice President, General Manager of Human Resources Department Responsibilities in the Company: The Group's human resources (Chief executive)	Director of Sompo International Holdings Ltd.	Note 3
Koji ISHIKAWA	Group CERO, Executive Vice President Responsibilities in the Company: The Group's public relations, information and external networking (Chief executive), Chief Assistant to the Group CEO	—	—
Yoshihiro UOTANI	Group CRO, Executive Officer Responsibilities in the Company: The Group's risk management and internal control (Chief executive)	Audit & Supervisory Board Member of SOMPO Light Vortex, Inc. Director of Sompo Care Inc.	Note 4
Ryoko SHIMOKAWA	Group CSuO, Executive Officer Responsibilities in the Company: The Group's sustainability (Chief executive)	—	—
Hirofumi SHINJIN	Group CPRO, Executive Officer, General Manager of Corporate Communications Department Responsibilities in the Company: The Group's public relations (Chief executive)	—	—
Taisei KAWAZOE	Group CIO, Executive Officer, General Manager of IT Planning Department Responsibilities in the Company: The Group's IT (Chief executive)	—	Note 5

Notes:

1. Mr. Kengo SAKURADA resigned as Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) and took office as Trustee Emeritus as of April 27, 2023.
2. Mr. James SHEA resigned as Executive Officer of the Company as of March 31, 2023 and took office as Senior Vice President (shikkouyakuin) of the Company as of April 1, 2023.
3. Mr. Shinichi HARA has been dismissed from his duties as General Manager of Human Resources Department of the Company as of March 31, 2023.
4. Mr. Yoshihiro UOTANI took office as Group CRO, Group CIO, Executive Vice President of the Company as of April 1, 2023. He resigned as Audit & Supervisory Board Member of SOMPO Light Vortex, Inc. and Director of Sompo Care Inc. as of March 31, 2023 and took office as Director of SOMPO Light Vortex, Inc. as of April 1, 2023.
5. Mr. Taisei KAWAZOE resigned as Group CIO, Executive Officer of the Company as of March 31, 2023.



## (2) Remuneration, etc., for Officers

Category	Number of Persons Receiving Payment	Total Remuneration, etc.	Total Amount Per Type of Remuneration			
			Fixed Remuneration (Monthly Remuneration)	Retirement Benefits, etc.	Performance-linked Remuneration, etc.	
					Monetary Remuneration	Non-monetary Remuneration
					Performance-linked Remuneration	Performance-linked Stock Compensation
Directors (excluding outside directors)	5	78 million yen	73 million yen	—	2 million yen	2 million yen
Outside directors	10	187 million yen	187 million yen	—	—	—
Executive officers	19	1,725 million yen	779 million yen	—	642 million yen	302 million yen
Total	31	1,990 million yen	1,040 million yen	—	645 million yen	305 million yen

### Notes:

1. The number of persons receiving payment, total remuneration, etc. and total amount by type of remuneration, etc. for each respective officer category include the number of and amount for one executive officer who resigned as of March 31, 2021, six executive officers who resigned as of March 31, 2022 as well as one director who retired at the conclusion of the 12th General Shareholders Meeting held on June 27, 2022.
2. The amount of remuneration, etc. for two directors who concurrently serve as executive officers and one director who concurrently served as executive officer until March 31, 2022 are separated as the portion payable for their roles as directors and for their roles as executive officers, and then included into each category of the remuneration, etc. for directors and executive officers, resulting in an inconsistency between the total number of persons receiving payment and the sum of the number of persons receiving payment in each category.
3. Of the performance-linked remuneration, etc., performance-linked remuneration is paid in cash and is the total amount of remuneration based on the performance of the previous fiscal year and the amount of reserve for remuneration based on the performance of the current fiscal year (excluding the amount of reserve for the previous fiscal year). Performance-linked stock compensation is non-monetary remuneration and is the amount of provision of reserve for stock benefits based on the performance of the previous fiscal year, posted as the portion for the current fiscal year.
4. All remuneration of directors and executive officers are the remuneration, etc. paid by the insurance holding company, and no remuneration is paid by the parent company, etc. of the insurance holding company.

## Method of Determining Policies on Decisions Pertaining to the Amounts of Remuneration for Officers or its Calculation Method, and Outline of the Contents of the Policies

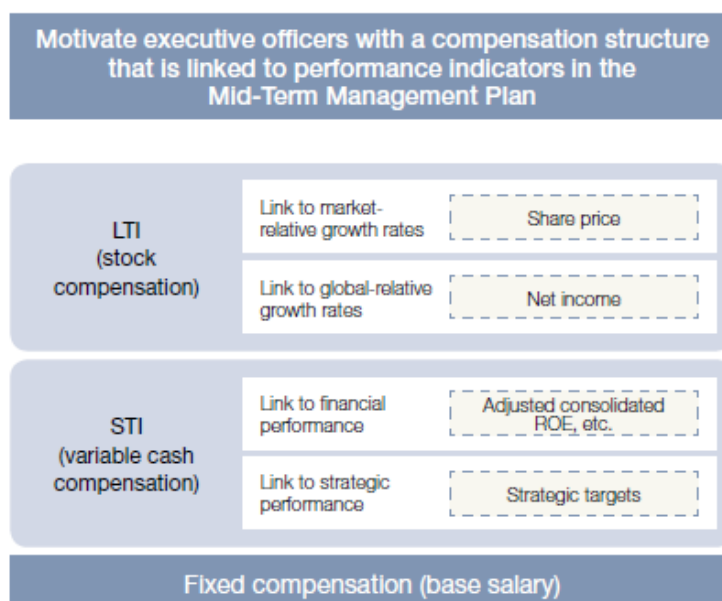
### 1. Positioning of Remuneration System for Officers

The Company regards its remuneration system for officers as an important aspect of corporate governance. The remuneration system for officers has been configured with the aim of increasing corporate value and sharing interests with shareholders. The aforementioned system is based on the basic policies outlined below, and has been designed from an objective perspective by the Compensation Committee, which is chaired by an outside director.

The Company's Policies for Determining Compensation for Officers describes the Basic Policies on Remuneration for Officers, the composition of remuneration and how it is determined for each position, and the details of each type of remuneration.

### 2. The Company's Remuneration System for Officers

The Company considers the current Mid-term Management Plan as an opportunity to realize transformation of each business and the entire Group. Remuneration for officers linked to the Company's performance, the magnitude of the mission toward the achievement of transformation, and initiatives related thereto are recognized as an important facet of corporate governance underpinning this transformation.



The Company, based on the principle of being mission-driven and results-oriented (a sense of mission and job satisfaction and working with a sense of personal involvement), is of the opinion that each officer should demonstrate and act in accordance with their own duties and mission. Remuneration for these officers is not a fixed amount based on their duties or position, but decided in accordance with the magnitude of the mission they are undertaking for the future and the outcome of their efforts. The system for remuneration for officers was designed with this philosophy in mind.

To realize this, the Company determines the standard amount for the total remuneration packages based on the post grading system (rating by post) while setting grades for each post of officer with the Group CEO as the top, commensurate with the responsibilities that come with each such post. The standard amount for the total remuneration packages for each officer is determined each fiscal year, reflecting the

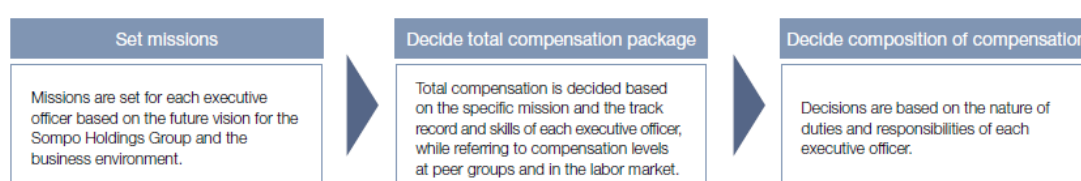
magnitude of the mission assigned to each post.

Meanwhile, the Compensation Committee deliberates and determines the amount and composition of the remuneration for each director and executive officer of the Company, in accordance with the determination process and calculation methods described below.

### (1) Decision-making process for total remuneration packages

The Company sets remuneration levels on an individual basis with consideration made to the magnitude of the mission assigned to each officer and their own personal performance. This is in contrast to an approach whereby remuneration is determined according to a traditional remuneration table for each officer rank.

From April 1, 2023 onward, in principle, the remuneration level is set on an individual basis with consideration made mainly to the magnitude of the mission assigned.



### (2) Composition of remuneration for officers

Remuneration for officers consists of a fixed remuneration (monthly remuneration) based on the duties and responsibilities of each officer and a variable component linked to performance. Variable remuneration comprises performance-linked remuneration, which is remuneration linked to short-term performance paid out on a fiscal-year basis in accordance with performance during each year, and performance-linked stock compensation, which is remuneration linked to long-term performance in order to increase the association between remuneration and growth in corporate value over the medium-to-long term. This composition is designed to motivate officers to make decisions based on longer-term earnings with a greater awareness of the share price, instead of focusing solely on a single fiscal year.

#### <Overview of Executive Compensation System>

	Type of compensation	% of total		Comments
		Group CEO	Other officers	
Fixed compensation	Monthly salary	33.4%	50-70%	<ul style="list-style-type: none"> <li>Set for each officer in accordance with the roles and duties of their position</li> <li>Cash compensation paid monthly</li> </ul>
Variable compensation	Performance-linked cash compensation	33.3%	15-25%	<ul style="list-style-type: none"> <li>A base amount is set; actual payment is determined based on annual performance</li> <li>Based on an assessment of each officer's level of achievement for financial and strategic goals</li> <li>Paid in cash in June after the conclusion of the fiscal year</li> </ul>
	Performance-linked stock compensation	33.3%	15-25%	<ul style="list-style-type: none"> <li>Determined according to medium- and long-term performance, in order to align officer activities with the interests of shareholders and to promote the medium- and long-term growth of the Group</li> <li>Based on assessments of profit growth rates compared to competitor companies and of share price performance relative to TOPIX over the past three fiscal years</li> <li>Points based on a trust agreement are awarded in September after the conclusion of the fiscal year</li> <li>Stock is awarded to officers after retirement</li> </ul>
	Subtotal	66.6%	30%-50%	
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

### (3) Concepts of the remuneration elements and calculation method

#### ■ Fixed Remuneration (Monthly Remuneration)

The Company sets fixed remuneration (monthly remuneration) in accordance with the responsibilities of the post assigned to each officer, and paid in equal amounts each month, in principle.

The amount of fixed remuneration (monthly remuneration) is set at a level deemed

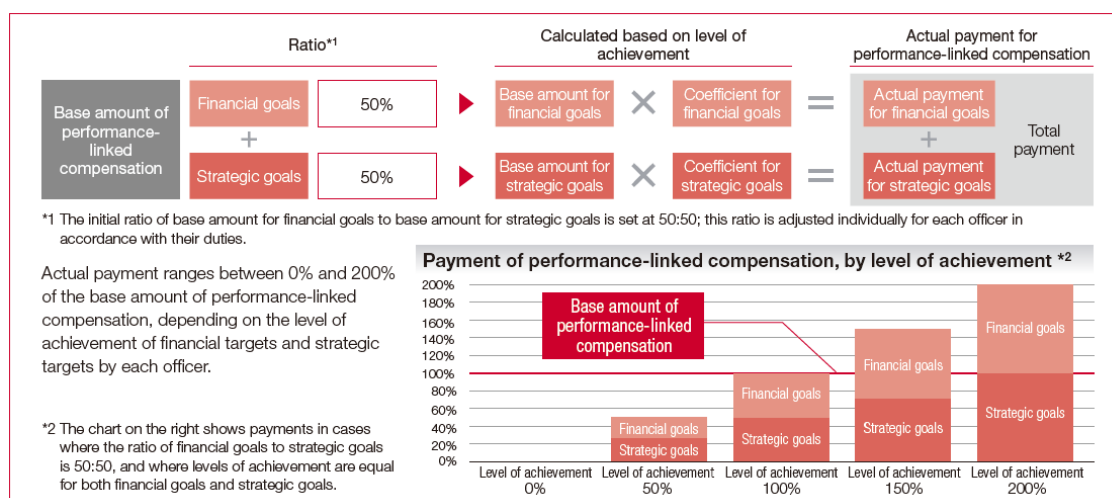
fair in light of prevailing remuneration levels on the market, referring to a survey of remuneration for officers conducted by a third-party remuneration consulting firm, with a standard amount for the total remuneration package based on the post grading system, as well as a base amount that depends on the nature of the duties and responsibilities of each officer while considering the mission of each post.

### ■ Performance-linked Remuneration

The Company has put in place a performance-linked remuneration system that rewards officers based on the business contributions they made in a single fiscal year, as well as establishing a framework that incentivizes officers to improve performance for the sake of the Group's growth, while aligning the remuneration system for officers to business strategies.

- Performance-linked remuneration is determined by reflecting the degree of achievement toward financial goals and strategic goals in a single fiscal year in the base amount of performance-linked remuneration.
- The target amount of performance-linked remuneration is defined as the amount to be paid when financial goals and strategic goals are achieved. This base amount is determined for each officer individually.
- Performance-linked remuneration consists of financial performance-linked remuneration and strategic performance-linked remuneration. The ratio of the two components is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance metrics for financial goals include adjusted consolidated ROE in the fiscal year, and the coefficient is determined as a ratio of actual performance to target performance (numerical targets in the business plan).
- The performance metrics for strategic goals are those agreed upon by the Group CEO, or other senior executives (such as Business Owners) in charge of evaluating performance, in accordance with the mission assigned to the officer in question, and the coefficient is set according to the degree of achievement.

For FY2023, engagement metrics are assigned to all officers as a mandatory component related to unrealized financial value metrics, which serve as performance metrics applied to strategic goals, while some officers are assigned brand value metrics.



### ■ Performance-linked Stock Compensation

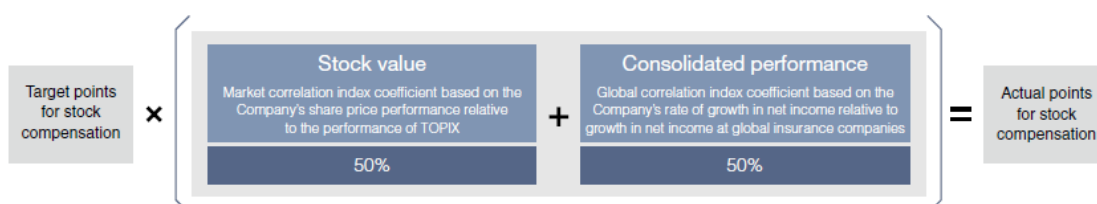
The Company believes that it is critical for the Group as a whole to grow sustainably over the long term. As such, the Company introduced, at the General Shareholders

Meeting held in June 2016, a performance-linked stock compensation plan, for the purpose of increasing awareness of contribution to improve medium- to long-term performance and increase corporate value, by clarifying further the relationship between the remuneration to the Group’s officers and the performance/stock value, and by having the officers share with the stockholders not only the benefits arising from rising share prices but also the risks associated with falling share prices.

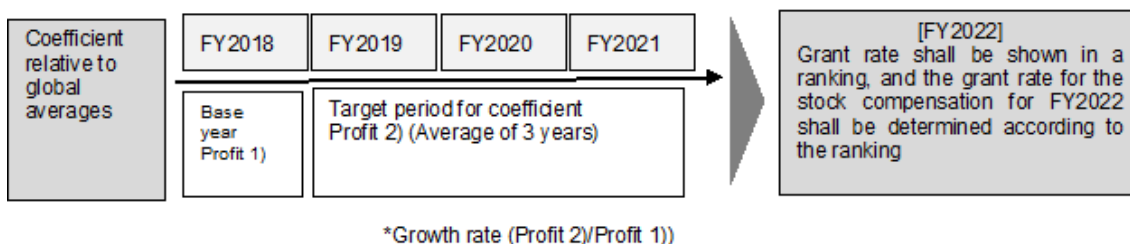
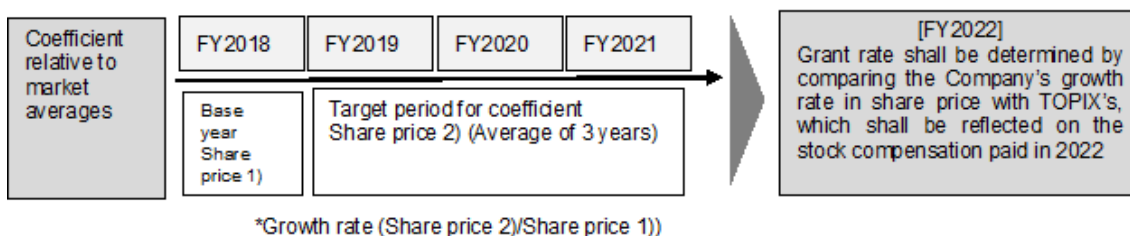
Performance-linked stock compensation mirrors the Company’s medium-to-long-term performance.

This stock-based compensation depends on the Company’s share price performance relative to TOPIX (stock value), as well as the Company’s rate of growth in net income compared with growth rates at global peers with operations centered on the insurance business (consolidated performance).

- Performance-linked stock compensation is determined using market comparisons for medium-to-long-term stock value and consolidated performance, expressed as a number of standard points for performance-linked stock compensation.
- The coefficient for stock value is determined by referring to the Company’s share price performance relative to TOPIX over the past three fiscal years.
- The coefficient for consolidated performance is determined by comparing the Company’s growth rate in consolidated net income over the past three fiscal years with the profit growth rates of global peers with operations centered on the insurance business.



- With respect to the coefficient for performance-linked stock compensation, the average value over the past three fiscal years is divided by the figure of the base year and then reflected in the number of points granted. The following shows an illustration of the evaluation period for stock compensation for points granted in FY2022.



With a view to motivating executives to sustainably increase the Company's corporate value and to promote more value sharing between executives and shareholders, the Company decided, at the Compensation Committee meeting held on February 14, 2023, to abolish the performance-based stock compensation system and introduce a stock-linked compensation system that provides the same economic value as cash stock effective April 1, 2023. The outline of the stock-linked compensation system is described hereunder.

- The Company will annually grant eligible officers a number of units calculated by multiplying the base amount of stock-linked compensation, determined based on the size of the mission assigned to each officer, by the strategic goal coefficient for the previous fiscal year, and divided by the share price of the Company.
- The Company will, at the time of vesting, deliver each officer stock-linked compensation (Phantom Stock; hereinafter "PS") commensurate with the number of units granted, which can be exercised by each officer to receive the amount equivalent to the Company's share price and dividends as compensation.
- The units granted will vest at the end of the fiscal year three years after the date of grant, and the vested units will be classified as PS (i) and PS (ii).
- The vested units will be allocated 50% each to PS (i) and PS (ii), and paid to officers in cash as follows, respectively.
  - PS (i): Paid in cash at any time from vesting to retirement, in an amount based on the share price at that time, adding an amount equivalent to accumulated dividends.
  - PS (ii): Paid in cash upon retirement, in an amount based on the share price at that time, adding an amount equivalent to accumulated dividends.

(4) Payment proportion (composition ratio by remuneration)

The Company determines the appropriate proportion between the fixed portion and performance-linked portion commensurate with the roles and responsibilities, to incentivize officers to accomplish management strategies/management plans and achieve performance targets, based on the Basic concept of Compensation for Directors and Executive Officers.

Remuneration, etc. for executive officers in charge of business execution is designed to provide motivation and morale enhancement for solidly practicing strategies under the Mid-term Management Plan and other strategies in pursuit of achieving performance targets and sustainable business value, while sharing values with shareholders over the medium to long term. The composition of remuneration is structured to give higher proportions to the performance-linked portion for posts with greater performance responsibilities. For example, 66.6% of the remuneration for the Group CEO is variable depending on performance, while fixed remuneration (monthly remuneration) accounts for 33.4%, thereby clarifying the responsibilities for performance to establish a largely performance-based compensation system.

On the other hand, remuneration for non-executive directors consists solely of fixed remuneration with no payment of performance-linked remuneration or performance-linked stock compensation.

(5) Reason for selecting the indicators used to determine performance-linked remuneration and performance-linked stock compensation as well as the method for determining the amounts thereof

■ Indicators used to determine performance-linked remuneration

The following is a summary of financial indicators used to determine performance-linked remuneration and are set according to the business domain of an officer. Strategic targets are assigned to each individual officer.

Business domain	Financial indicators (Fiscal 2022)	Reason for selection
Entire Group	Adjusted consolidated profit	• Designed to encourage enhancement of profitability across the Group
	Adjusted consolidated ROE	• Designed to encourage enhancement of capital efficiency across the Group
Domestic P&C Insurance Business	Net premiums written	• Designed to encourage further growth of domestic P&C insurance business
	Adjusted profit	• Designed to encourage enhancement of profitability of Domestic P&C Insurance Business
	ROE	• Designed to encourage enhancement of capital efficiency of Domestic P&C Insurance Business
	Net income	• Designed to encourage enhancement of profitability of Domestic P&C Insurance Business
	E/I combined ratio	• Designed to encourage enhancement of business efficiency of Domestic P&C Insurance Business
Overseas Insurance and Reinsurance Business	Gross Written Premium	• Designed to encourage further growth of Overseas Insurance and Reinsurance Business
	Adjusted profit	• Designed to encourage enhancement of profitability of Overseas Insurance and Reinsurance Business
Domestic Life Insurance Business	Amount of increase in adjusted EV	• Designed to encourage further growth of Domestic Life Insurance Business
	Adjusted profit	• Designed to encourage enhancement of profitability of Domestic Life Insurance Business
	ROE	• Designed to encourage enhancement of capital efficiency of Domestic Life Insurance Business
	Number of policies in force	• Designed to encourage further growth of Domestic Life Insurance Business
Nursing Care & Seniors Business	Revenue	• Designed to encourage further growth of Nursing Care & Seniors Business
	Adjusted profit	• Designed to encourage enhancement of profitability of Nursing Care & Seniors Business
	ROE	• Designed to encourage enhancement of capital efficiency of Nursing Care & Seniors Business

Notes:

1. Net premiums written in the Domestic P&C Insurance Business excludes amounts relating to CALI and household earthquakes.
2. Net income in the Domestic P&C Insurance Business is the standalone figure for Sampo Japan.
3. The E/I combined ratio in the Domestic P&C Insurance Business is the standalone figure for Sampo Japan, excluding CALI and household earthquake insurance.

- Indicators used to determine performance-linked stock compensation  
 Indicators used to determine the actual standard points for performance-linked stock compensation granted to each officer for performance-linked stock compensation, and the reason for the selection thereof are summarized below.  
 This content applies to all officers who are subject to the grant of points.

Stock compensation indicators	Description of the indicators	Reason for selection
Coefficient relative to market averages	Coefficient determined by referring to the Company's share price performance relative to TOPIX (over the past three fiscal years)	<ul style="list-style-type: none"> <li>• Designed to pay more stock compensation when the Company's share price outperforms TOPIX, thereby enhancing the linkage between compensation and improvement of corporate value over the medium to long term, as originally intended by the system</li> <li>• Designed to align the economic interest of the Company's officers with shareholder interest</li> </ul>
Coefficient relative to global averages	Coefficient determined by comparing the Company's growth rate in net income with the profit growth rates of global peers that primarily operate insurance business (over the past three fiscal years)	<ul style="list-style-type: none"> <li>• Designed to pay more stock compensation when the Company's growth rate in net income exceeds that of actual business competitors, or global peers that primarily operate insurance business, thereby enhancing the linkage between compensation and improvement of corporate value over the medium to long term, as originally intended by the system</li> </ul>

- Method for determining the amounts of performance-linked remuneration and performance-linked stock compensation  
 Performance-linked remuneration and performance-linked stock compensation are calculated based on aforementioned (3), and the amount paid is determined by the Compensation Committee in view of corporate performance and the contribution thereto by individual officers, among other factors.

### 3. Policies for Determining Compensation for Directors and Executive Officers

The Company positions remuneration for officers as an important matter in terms of enhancing corporate performance as well as corporate value, and accordingly formulates the Policies for Determining Compensation for Directors and Executive Officers.

#### (1) Policies for determining compensation for individual officers

The Company formulates the policies on decisions of remuneration for individual officers, whereby the amount paid is determined based on personal performance evaluation including qualitative assessment of each officer. The policies for determining compensation for individual officers are determined by the resolution of the Compensation Committee. The policies for determining compensation for individual officers in this fiscal year are as follows:



### **<Policies for Determining Compensation for Directors and Executive Officers>**

The Company regards compensation for Directors and Executive Officers as important matter from the viewpoints of improving business performance and corporate value, and sets policies for determining compensation for Directors and Executive Officers as follows:

- (1) Basic concept of Compensation for Directors and Executive Officers (Group-wide policy)
  - (i) The level and system of compensation ensures acquisition and retention of top talent as management of the Group.
  - (ii) The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.
  - (iii) Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.
  - (iv) Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments. Additionally, fixed factors associated with specific job title or position may be taken into consideration.
  - (v) The compensation system of the Company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.
- (2) Compensation system for Directors and Executive Officers

The following is applied to the Company's compensation system for Directors and Executive Officers. However, in case there is a justifiable reason for not applying the following, the amount and composition of compensation are determined individually by the Compensation Committee.

- (i) Composition and determination method of Directors' compensation

Compensation for Directors shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation. With regard to monthly compensation, performance-linked compensation and performance-linked stock compensation, fixed amount shall be determined for monthly compensation, while a base amount and the number of base point (one point = one common share of the Company) shall be determined for performance-linked compensation and performance-based stock compensation, depending on whether the Director is an Outside Director or not, and whether the Director is a full-time or a part-time Director.

However, performance-linked compensation and performance-linked stock compensation are not paid to non-executive Directors.

Any Director who also serves as an Executive Officer shall be paid with the sum of the compensation for Director and the compensation for Executive Officer.

The overview of the performance-linked compensation and performance-linked stock compensation is described below in (iii) and (iv).

(ii) Composition and determination method of Executive Officers' and Senior Vice Presidents' compensation

Compensation of Executive Officers and Senior Vice Presidents shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation. The amount and composition of compensation of Executive Officers and Senior Vice Presidents are determined based on the business environment and market average executive compensation, reflecting the magnitude of the mission, strategic importance thereof, achievements and skills.

Additionally, fixed amount shall be determined for monthly compensation, while base amount and the number of base point (one point = one common share of the Company) shall be determined for performance-linked compensation and performance-linked stock compensation.

(iii) Performance-linked compensation

The Company has introduced performance-linked compensation system to align compensation for Directors and Executive Officers and business strategy and heighten the Directors' and Executive Officers' awareness of performance improvement for the Group's growth. The overview of the system is described below.

- Performance-linked compensation shall be determined by reflecting the degree of achievement of financial target and strategic target for a single fiscal year in the base amount of performance-linked compensation.
- The base amount of performance-linked compensation is defined as the amount to be paid when financial target and strategic target are achieved. This base amount is determined individually for each Director and Executive Officer.
- Performance-linked compensation consists of financial performance-linked compensation and strategic performance-linked compensation, and the allocation ratio of each base amount is determined by the Compensation Committee in accordance with the nature of the mission of each Director and Executive Officer.
- Performance indicators that are applied to financial target are adjusted consolidated ROE and others for the fiscal year and the coefficient is determined according to the actual figures vs. target figures (numerical target in business plan).
- Performance indicators that are applied to strategic target are the indicators agreed by the Group CEO, Business CEO or other Director or Executive Officer responsible for evaluation in accordance with the mission of each Director or Executive Officer, and the coefficient is determined according to the degree of the achievement.

(iv) Performance-linked stock compensation

The Company introduced performance-linked stock compensation system using employee benefit trust to increase correlation between compensation and increase in corporate value over the mid-to-long term. The overview of the system is described below.

- Performance-linked stock compensation shall be determined by reflecting the mid-to-long term stock value and consolidated performance against market averages in the number of base point for performance-linked stock compensation.
- Coefficient for stock value relative to market averages shall be determined by comparing the growth rate of the Company's stock value over the past 3 (three) fiscal years to the TOPIX growth rate.

- Coefficient for consolidated performance relative to global averages shall be determined by comparing the growth rate of the Company's consolidated net income over the past 3 (three) fiscal years to the growth rate of peer groups (global companies in the insurance industry and others).
- Coefficient that are applied when paying performance-linked stock compensation is calculated by adding the above-mentioned coefficient for stock value and coefficient for consolidated performance, and the payment points are calculated by multiplying the number of base point for performance-linked stock compensation by the coefficient for performance-linked stock compensation.

The contents of the remuneration, etc. for individual officers in the current fiscal year are judged by the Compensation Committee to be in line with the policies for determining compensation for individual officers, as they have been determined appropriately according to the performance indicators by business and the level of achievement against individual strategic goals regarding performance-linked remuneration, and the medium- to long-term stock value and the market comparisons for consolidated performance regarding performance-linked stock compensation, in accordance with a system that conforms with the Basic concept of remuneration for officers.

(2) Policy for determining the amount of remuneration, etc. for each position and its calculation method

The Company largely classifies the roles of officers, etc. into supervisory responsibilities and operational responsibilities which are defined by the nature of responsibilities and by the scale of the scope of responsibilities, respectively, and set officer remuneration in accordance with each role.

a. Remuneration for directors

The role of directors in a company with a nomination committee, etc. is supervision of business execution, which is, by its nature, classified as supervisory responsibilities. Thus, the nature of remuneration for directors, which is basic remuneration, is deemed remuneration for supervisory responsibilities. In consideration of the roles of outside directors and non-executive directors, the Company sets the amounts of their remuneration in reference to the remuneration levels in the market based on a survey of executive remuneration conducted by a third-party remuneration consulting firm. Also, due to the role of fulfilling supervisory responsibilities, these officers are not eligible for the payment of performance-linked compensation.

b. Remuneration for executive officers

The role of executive officers is business execution, which is, by its nature, operational responsibilities. Accordingly, their remuneration corresponds to their operational responsibilities.

Remuneration for executive officers corresponding to their operational responsibility shall be set individually according to the magnitude of the mission assigned to respective officers. As executive officers shall, by the nature of operational responsibilities, be responsible for the results of their performance, they shall be paid, apart from the payment of fixed remuneration (monthly remuneration), performance-linked remuneration for the performance in the current fiscal year along with performance-linked stock compensation for the performance over the medium to long term, according to their degree of contribution.

#### 4. Target Values and Actual Results of the Indicators Used to Determine Performance-linked Remuneration and Performance-linked Stock Compensation (Paid in the Current Fiscal Year)

(1) Target values and actual results of the indicators for performance-linked remuneration  
Target values and actual levels of achievement of the indicators related to performance-linked remuneration paid during the current fiscal year are as follows:

Business domain	Corporate performance appraisal indicators (Fiscal 2021)	Target values (Fiscal 2021)	Actual results (Fiscal 2021)
Entire Group	Adjusted consolidated profit	218.0 billion yen	268.2 billion yen
	Adjusted consolidated ROE	7.86%	9.61%
Domestic P&C Insurance Business	Net premiums written	1,988.6 billion yen	1,999.6 billion yen
	Adjusted profit	115.9 billion yen	169.3 billion yen
	ROE	8.8%	12.6%
	E/I combined ratio	94.8%	93.5%
	Net income	133.0 billion yen	166.2 billion yen
Domestic Life Insurance Business	Amount of increase in adjusted EV	50.6 billion yen	39.6 billion yen
	Adjusted profit	32.4 billion yen	33.7 billion yen
	ROE	4.32%	4.54%
	Number of policies in force	4,430,000	4,450,000
Nursing Care & Seniors Business	Revenue	137.5 billion yen	136.1 billion yen
	Adjusted profit	6.4 billion yen	6.3 billion yen
	ROE	11.42%	11.30%

Notes:

1. The target values and actual results are partially adjusted compared with KPIs and figures in the financial statements announced by the Company.
2. Net premiums written for the Domestic P&C Insurance Business excludes amounts relating to CALI and household earthquakes.
3. The E/I combined ratio for the Domestic P&C Insurance Business is the stand-alone figure for Sompo Japan, excluding CALI and household earthquake insurance.
4. Net income in the Domestic P&C Insurance Business is the stand-alone figure for Sompo Japan.

The Compensation Committee conducted personal performance evaluation of the Group CEO, through assessing the performance against his mission comprising determination and implementation of the measures for materializing the SOMPO's Purpose and the Mid-term Management Plan, and concluded that his performance exceeded expectations.

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

(2) Actual results of the indicators for performance-linked stock compensation

The levels of achievement for indicators related to performance-linked stock compensation granted in the current fiscal year are as follows:

Stock compensation indicators	Actual results of the Company (Fiscal 2021)	Benchmarks
Coefficient relative to market averages	93.5%	TOPIX share price growth rate
Coefficient relative to global averages	5th in rank	Bottom line growth rate of the top 21 global companies that primarily operate insurance business

### (3) Contracts for Limitation of Liability, Indemnity Agreements

Name	Overview of the Contracts for Limitation of Liability, Indemnity Agreements, etc.
Scott Trevor DAVIS (Director (outside))	<p>The Articles of Incorporation of the Company stipulate that according to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with outside directors to limit liability for damages caused by failure to perform duties (contract for limitation of liability) and that the limit of liability based on the contract for limitation of liability shall be the amount stipulated by laws and regulations. Based on the provisions of the Articles of Incorporation, the Company has entered into a contract for limitation of liability with outside directors.</p>
Naoki YANAGIDA (Director (outside))	
Isao ENDO (Director (outside))	
Hideyo UCHIYAMA (Director (outside))	
Kazuhiro HIGASHI (Director (outside))	
Takashi NAWA (Director (outside))	
Misuzu SHIBATA (Director (outside))	
Meyumi YAMADA (Director (outside))	
Kumi ITO (Director (outside))	
Masayuki WAGA (Director (outside))	

### (4) Directors and Officers Liability Insurance

Scope of the Insured	Overview of the Directors and Officers Liability Insurance
<p>Directors, audit &amp; supervisory board members, executive officers, senior vice presidents (shikkouyakuin) and employees and others in positions of management and supervision of the Company and its subsidiaries (excluding some overseas subsidiaries)</p>	<p>The Company has entered into a directors and officers liability insurance with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers any damages which may arise from the directors, etc. being held liable for the performance of their duties or being subject to a claim in respect of such liability. However, damages caused by intentional or gross negligence will not be covered and there are other exemptions. The Company will bear all insurance premiums.</p>

### **III. Matters Relating to Outside Officers**

#### **(1) Concurrently Held Positions and Other Circumstances of Outside Officers**

Concurrently held positions of outside officers are as stated in “II. Matters Relating to Company Executives, (1) Overview of Company Executives.” Furthermore, there are no significant capital relationships or business transactions between the Company and the companies in which outside officers hold concurrent positions.

## (2) Main Activities of Outside Officers

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
<p>Scott Trevor DAVIS (Director (outside))</p>	<p>8 years and 9 months</p>	<p>Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 11 times out of 11 meetings</p>	<p>Based on his professional knowledge as a learned scholar, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the points requiring attention in SDGs management and partnerships in ESG, the importance of determining future organizational capabilities in human resources strategies as well as of third-party assessment of preventative measures against harassment. As a chair of the Nomination Committee, he is taking the initiative in organizing the implementation of succession plans for the main posts within the Group, while making valuable remarks and statements on the assessment and compensation structure of officers of the Group as a member of the Compensation Committee through his research on strategic management, ESG and CSR at the university and also from global perspectives. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.</p>
<p>Naoki YANAGIDA (Director (outside))</p>	<p>8 years and 9 months</p>	<p>Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit Committee: Attended 13 times out of 13 meetings</p>	<p>Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of motivating managerial staff in penetrating compliance, desirable assessment and verification of the reliability of the internal reporting system, and the points requiring attention in developing administrative methodology and framework for making appropriate investment decisions. As a chair of the Audit Committee, he leads the way into strengthening the Group's audit system, while making valuable remarks and statements on a broad range of matters such as the Group's responses and measures related to compliance with his expertise and abundant experience. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.</p>



Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Isao ENDO (Director (outside))	8 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit Committee: Attended 12 times out of 13 meetings	Based on his professional knowledge and experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of being able to discern companies with technology worth collaborating with, promoting measures in sync with frontline situations, and the culture of commending good practices, etc. As a member of the Audit Committee, he also makes valuable remarks and statements on a broad range of matters such as a fresh viewpoint as how on-site audit ought to be, and insight into effectively managing the Company's audits based on its business characteristic with his expertise and abundant experience gained from working many years at consulting firms. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.
Hideyo UCHIYAMA (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit Committee: Attended 13 times out of 13 meetings	Based on his professional knowledge and experience as a certified public accountant and company manager, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of analyzing the root cause of the challenges and risks, etc. in critical measures as well as explaining the relationship between human capital and financial value in the value creation cycle in a way that is easy to understand. As a member of the Audit Committee, he also makes valuable remarks and statements on a broad range of matters such as the perspective of audit required in accounting audit, how reporting to the Audit Committee should be, and how management decision related to accounting treatments ought to be, by leveraging his expertise and abundant experience in accounting and management gained from working for many years at audit firms. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Kazuhiro HIGASHI (Director (outside))	2 years and 9 months	<p>Meetings of the Board of Directors:            Attended 14 times out of 14 meetings</p> <p>Meetings of the Nomination Committee:            Attended 10 times out of 10 meetings</p> <p>Meetings of the Compensation Committee:            Attended 11 times out of 11 meetings</p>	<p>Based on his experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of shared awareness among management about various criteria in investment strategies, and how internal audit ought to be involved in the process of key projects, etc.</p> <p>As a chair of the Compensation Committee, he is taking the initiative, capitalizing on his wealth of knowledge and experience, in the discussion for ensuring an officers' remuneration system that can incentivize officers more effectively, while offering valuable remarks and statements with regard to the reinforcement of supervisory and decision-making functions of the Board of Directors as member of the Nomination Committee.</p> <p>Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.</p>
Takashi NAWA (Director (outside))	2 years and 9 months	<p>Meetings of the Board of Directors:            Attended 14 times out of 14 meetings</p> <p>Meetings of the Nomination Committee:            Attended 10 times out of 10 meetings</p> <p>Meetings of the Compensation Committee:            Attended 11 times out of 11 meetings</p>	<p>Based on his professional knowledge and experience as a management consultant and an erudite scholar, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of purpose-driven management, enhancement of corporate value through implementing business strategies and dialogue with investors, the points requiring attention in scaling investment projects as well as in brand strategies overseas, and the desirable way to effectively measure enhancement of diversity &amp; inclusion as well as employee engagement.</p> <p>As a member of each of the Nomination Committee and the Compensation Committee, he also makes valuable remarks and statements on the nomination policy, and the assessment and compensation structure of officers of the Group in terms of reinforcing supervisory and decision-making functions of the Board of Directors with his abundant business experience, combined with his profound academic knowledge from a global perspective.</p> <p>Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee</p>

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Misuzu SHIBATA (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Nomination Committee: Attended 2 times out of 2 meetings Meetings of the Audit Committee: Attended 9 times out of 10 meetings Meetings of the Compensation Committee: Attended 2 times out of 2 meetings	Based on her professional knowledge as a legal expert, she makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as verifying whether transactions constitute conflicts of interest, the desirable exercise of voting rights in cross-shareholdings, the importance of analyzing the root cause of harassment incidents and taking preventative measures. As a member of the Audit Committee, she also makes valuable remarks and statements on Group governance and diversity & inclusion, an important strategy of the Company, with her expertise and abundant experience. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.
Meyumi YAMADA (Director (outside))	1 year and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 11 times out of 11 meetings	Based on her experience as entrepreneur of venture businesses, she makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the desirable way to invest in new technologies held by venture businesses, etc. and appropriate human resources exchange with them as part of investment strategies, the points requiring attention in internal and external communication concerning new business strategies as well as initiatives to close gender gaps. As a member of each of the Nomination Committee and the Compensation Committee, she also makes valuable remarks and statements, capitalizing on her abundant knowledge earned through her business experience including corporate management in digital and other industries, on a broad range of matters such as election and evaluation of the Group officers as well as determination of their remuneration, and diversity & inclusion, an important strategy of the Company. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Kumi ITO (Director (outside))	1 year and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit Committee: Attended 13 times out of 13 meetings	Based on her professional knowledge and experience as a company manager, she makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the importance of internal communication in large-scale IT system developments and the creation of synergy through intra-group asset sharing. As a member of the Audit Committee, she also makes valuable remarks and statements on a broad range of matters such as the desirable management and strategies for Group companies and the corporate stance to tackle the issue of harassment, based on her IT, digital, and marketing expertise she gained in business corporations, as well as her high level insight as company manager. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.
Masayuki WAGA (Director (outside))	9 months	Meetings of the Board of Directors: Attended 11 times out of 11 meetings Meetings of the Nomination Committee: Attended 8 times out of 8 meetings Meetings of the Compensation Committee: Attended 9 times out of 9 meetings	Based on his professional knowledge and experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors, mainly from supervisory and advisory viewpoints over business execution, on a broad range of matters such as the desirable internal structure to handle investment projects, the points requiring attention in human resources development, and messaging on countermeasures against harassment that is easy to understand. As a member of each of the Nomination Committee and the Compensation Committee, he also makes valuable remarks and statements on the election and evaluation of Group officers as well as the determination of their remuneration, and the Company's business strategies, global management and transformation strategies, capitalizing on his abundant experience and knowledge earned through his career as the top management of a large business including global organizations and leading the transformation of human resources systems and corporate culture. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

Notes:

1. Mr. Naoki YANAGIDA and Mr. Hideyo UCHIYAMA served as audit & supervisory board members until the conclusion of the 9th General Shareholders Meeting held

on June 24, 2019. As such, the terms of office as outside audit & supervisory board members of Mr. Naoki YANAGIDA and Mr. Hideyo UCHIYAMA are five years and two years, respectively, which are included in their respective terms of office in the above table.

2. Since Ms. Misuzu SHIBATA served as a member of the Nomination Committee as well as the Compensation Committee until the conclusion of the 12th General Shareholders Meeting held on June 27, 2022, and served as a member of the Audit Committee thereafter, her attendance is included in the above table for the Nomination Committee, the Compensation Committee and the Audit Committee.

### **(3) Remuneration of Outside Officers**

Matters concerning remuneration of outside officers are as described in “II. Matters Relating to Company Executives, (2) Remuneration, etc., for Officers.”

### **(4) Opinion of Outside Officers**

None.

#### IV. Equity Shares

##### (1) Number of Shares

(As of March 31, 2023)

Total number of authorized shares	1,200,000 thousand shares
Total number of shares outstanding	347,698 thousand shares

##### (2) Total Number of Shareholders at the End of the Current Fiscal Year:

60,169

##### (3) Major Shareholders

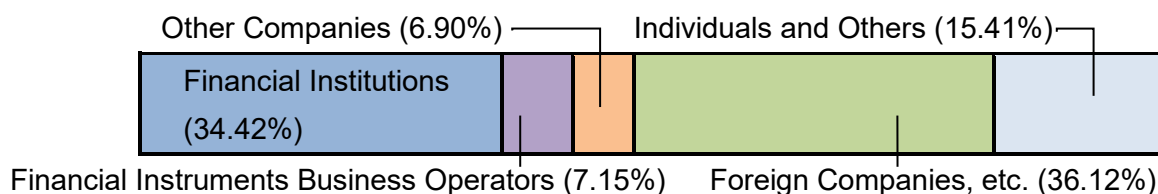
(As of March 31, 2023)

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	60,103	18.00
Custody Bank of Japan, Ltd. (Trust account)	22,401	6.71
JP MORGAN CHASE BANK 380055	11,100	3.32
GOVERNMENT OF NORWAY	8,727	2.61
Sompo Holdings Employee Shareholders Association	8,591	2.57
JPMorgan Securities Japan Co., Ltd.	7,829	2.34
STATE STREET BANK WEST CLIENT – TREATY 505234	6,026	1.80
JP MORGAN CHASE BANK 385781	4,126	1.24
NIPPON EXPRESS HOLDINGS, INC.	3,901	1.17
Naigai Kisen Co., Ltd.	3,419	1.02
Total	136,228	40.79

##### Notes:

- In addition to the above, there are 13,761 thousand shares of treasury stock owned by the Company.  
The number of said treasury stock does not include 853 thousand shares of the Company's stock owned by Mizuho Trust & Banking Co., Ltd. (Retrustee: Custody Bank of Japan, Ltd. (Trust account E), which was set up for the purpose of the "Board Benefit Trust (BBT)" plan.
- The portion of shares outstanding is calculated after deducting treasury stock (13,761 thousand shares).

## Types of Shareholders



### (4) Shares of the Company Issued to Officers during the Fiscal Year

Category	Number of shares	Number of officers holding shares
Directors and Executive Officers	33,200 shares of common stock	7
Outside Directors	—	—

The Company adopts a performance-linked stock compensation plan for directors, executive officers, and senior vice presidents (shikkouyakuin). During the current fiscal year, the Company granted 33,200 shares including the portion equivalent to the execution of duties of senior vice president (shikkouyakuin) to seven persons who had been an executive officer in the past.

Note: Other than the above stock, the Company has paid cash equivalent to 34,144 shares converted into cash to such seven persons.

### (5) Matters Relating to the Company's Shareholdings

#### A. Policy on Owning and Reducing Strategic Shareholdings

As part of its capital policy, the Company implements a management policy of allocating a portion of the capital buffer realized from the continuous selling of strategic shareholdings to growth investment, such as M&A, to maintain financial soundness and improve capital efficiency. In the medium term, the Company aims to reduce the level of holdings to no more than 20% of its adjusted consolidated net assets by the end of FY2030, and plans will be in place to achieve this.

The Company's consolidated subsidiary Sompo Japan engages in strategic shareholdings for the purposes of gaining return in the form of dividend income and share price increase, fortifying relations with insurance sales channels and business partners, and maintaining and strengthening insurance transactions with corporate clients.

The Company plans to reduce strategic shareholdings by 150.0 billion yen in the three years of the current Mid-term Management Plan from FY2021 to FY2023. The Company has achieved a cumulative reduction of 120.4 billion yen from

FY2021 to 2022, and plans to achieve a further reduction of 70.0 billion yen in FY2023, which is expected to be achievable.

The Company and domestic consolidated subsidiaries other than Sompo Japan hold shares for the purposes of reinforcing collaboration and relationships with corporations with various advanced technologies and business models including those in digital business, in order to realize “A Theme Park for Security, Health and Wellbeing.”

#### B. Verification by the Board of Directors

With respect to the listed strategic shareholdings held by the Group, the Company’s Board of Directors annually verifies the economic rationality for continuing to retain the shares. For such verification of shares held by Sompo Japan, we consider the contribution to profits in the form of insurance revenue, dividends as well as capital gain through share price increase, and future prospect based on the objectives of such holdings involving insurance transactions and reinforcement of alliance. For measuring contribution to profits, the Company uses indicators that quantitatively evaluate returns vs. risks associated with insurance underwriting and shareholding. As for the shares held by the Company and domestic consolidated subsidiaries other than Sompo Japan, we consider all aspects including the degree of contribution to the Group strategies, including the status of collaboration (business alliance) with the investees and the verifiable fruits derived therefrom, apart from the long-term profitability expected from such shares.

#### C. Standards for Exercising Voting Rights of Sompo Japan

Sompo Japan will appropriately exercise its voting rights following a basic policy of supporting the sustainable growth of the invested company and based on the constructive dialogue with the invested company as necessary in consideration of the invested company’s activities to address environmental issues, corporate governance status, compliance structure, and other areas.

In making decision in exercise voting rights, the points taken into consideration in particular include the following.

- (1) Potential material negative impact on shareholder value (transfer of important assets, share transfers due to reasons such as merger or conversion to wholly-owned subsidiary, capital increase from a third-party allocation with an advantageous placement, introduction of anti-takeover measures, etc.)
- (2) Financial performance (provision of retirement benefits to officers of



companies with a capital deficiency or poor business performance, posting net losses for consecutive periods, ROE and shareholder return, etc.)

(3) Development and operation status of ESG (status of appointment of outside directors, tenure of outside officers and their attendance at meetings of the Board of Directors and the Audit & Supervisory Board, sustainability-related issues such as reduction of GHG emissions, etc.)

## **V. Matters Relating to Stock Acquisition Rights**

As stated in Attachment (10) hereto.

## VI. Matters Relating to Independent Accounting Auditor

### (1) Status of Independent Accounting Auditor

Name	Remuneration, etc., in Connection with the Relevant Fiscal Year	Others
<p>Ernst &amp; Young ShinNihon LLC</p> <p>Designated Member with limited liability: Noboru Miura Designated Member with limited liability: Hirotsugu Kamoshita Designated Member with limited liability: Hiroyuki Kobayashi</p>	<p>86 million yen</p>	<p>1) Reasons for the Audit Committee's consent to the remuneration, etc. for independent accounting auditors</p> <p>Upon all required examination on the appropriateness of contents of the audit plan designed by the independent accounting auditor, status of the audit duty execution by the independent accounting auditor, the basis for calculating the estimated remuneration and other matters, the Audit Committee of the Company has made a decision to consent to the amount of remuneration, etc. for the independent accounting auditor.</p> <p>2) Details of non-audit services provided by the independent accounting auditor for which the Company pays fees</p> <p>The Company entrusts to the independent accounting auditor the advisory services concerning the adoption of IFRS as services other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).</p>

#### Notes:

1. The auditing agreement between the Company and the independent accounting auditor does not classify between audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. Moreover, this distinction cannot substantively be made, so the total has been stated.
2. The total amount of cash and other property benefits that the Company and its subsidiary corporations, etc. are to pay to the independent accounting auditor is 727 million yen.

## **(2) Contract for Limitation of Liability, Indemnity Agreements**

None.

## **(3) Other Matters Concerning the Independent Accounting Auditor**

### **A. Policy on Decisions pertaining to Dismissal or Not Reappointing the Independent Accounting Auditor**

If the Audit Committee of the Company determines that the independent accounting auditor falls under any case prescribed in each item of Article 340, Paragraph 1 of the Companies Act, the Audit Committee dismisses the independent accounting auditor pursuant to unanimous consent of all members of the Audit Committee.

The Audit Committee verifies, through its full-year audit activities, the compliance with the auditing standards and quality control standards for audit established by the Business Accounting Council, in which the expertise, professional ethics, independence, an audit implementation system, a quality control system, and the duty performance status of the independent accounting auditor are included. As a result of the audits, if the Audit Committee finds that the independent accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit Committee, in accordance with the provisions prescribed in Article 404, Paragraph 2 of the Companies Act, determines the content of a proposal for dismissal or not reappointing the independent accounting auditor, and submit the proposal to the General Shareholders Meeting.

### **B. Examination of Financial Statements of Significant Subsidiary Corporations, etc. of the Insurance Holding Company, by a Certified Public Accountant or an Accounting Corporation Other Than the Independent Accounting Auditor of the Insurance Holding Company**

Among significant subsidiary corporations etc. of the Company, ND Software Co., Ltd. and overseas subsidiary corporations etc. are audited by accounting corporations other than the independent accounting auditor of the Company.

## **VII. Basic Policy on what the Persons Controlling Financial and Business Policy Decisions ought to be**

None.

## **VIII. Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System**

### **(1) Overview of the Establishment of the System to Ensure the Appropriate**

#### **Performance of the Business Operations**

The Company has established the “Basic Policy on Internal Controls” for the Sampo Group (the “Group”) by a resolution of the Board of Directors, and has put in place a system to ensure that the Group’s business operations are appropriately performed.

The “Basic Policy on Internal Controls” is as stated in Attachment (11) hereto.

### **(2) Overview of the Status of Implementation of the System to Ensure the Appropriate**

#### **Performance of the Business Operations**

#### **(1) Internal Control System as a Whole**

- In order to ensure the effective functioning of the Group’s internal control, the Company has established various basic policies to control the Group, and checks the development and implementation status of these policies in a timely manner through the Board of Directors, while analyzing events occurring both inside and outside of the Group and seeking continually to improve, enhance and strengthen the internal control system.
- In the system, the heads of each business segment are delegated authority as business owners for business strategy proposals, investment decisions and talent deployment, to implement agile decision-making and operational strategy proposals. The Company also introduced a system supervised by Group CEO and Group COO whereby Group Chief Officers are deployed as chief officers responsible for each functional area to exercise functions laterally across the Group including execution of strategies and important issues of the entire Group.
- The Company established the Global Executive Committee (“Global ExCo”) and the Managerial Administrative Committee (“MAC”) to enhance the decision-making function and create a management structure capable of overseeing diverse businesses based on the business owner system while flexibly responding to the changing environment.
- Furthermore, a framework is being developed for promoting the initiatives for providing solutions to medium- to long-term social issues towards materializing SOMPO’s Purpose primarily by the Group Sustainable Management Committee whose members comprise of CSuO (including the officer in charge of sustainability) of each of the Domestic P&C Insurance Business, Overseas Insurance and Reinsurance Business, Domestic Life Insurance Business and Nursing Care & Seniors Business as well as CSO, and is chaired by Group CSuO who serves as the chief executive of the sustainability domain.

#### **(2) System to Control the Group Companies**

- The Company carries out management of Group companies in order to enhance the corporate value of the Group as a whole by way of approving important matters such as management plans for the Group companies, receiving reports from each company of the Group including the progress of the plan and occurrence of risk events, and taking effective measures as needed in accordance with the approval and reporting system based on the business owner system.

- The Company strives to ensure appropriate business operations of the Group by verifying the status on the development and implementation of the systems for each of the Group companies that are established based on various basic policies of the Group, and providing guidance to each company of the Group as needed.

### (3) Compliance System

- The Company sets out policies for promoting the Group's compliance annually, and makes each company of the Group to be thoroughly aware of such policies. Each company of the Group takes its own initiatives to enhance compliance in a systematic manner based on the established policies. The Company and each company of the Group have set their sights on the promotion of more effective compliance and work to prevent the materialization of risks, including the formulation of a structure to cope with the risk of extra territorial applications of foreign laws.
- The Company makes the basic action pertaining to the compliance of the Group's officers and employees thoroughly aware as the Group Compliance Code of Conduct.
- The Company and Group companies endeavor to detect legal violations and other inappropriate events at an early stage by developing structures such as the internal reporting system and internal audit system.
- The Company and Group companies have established an external contact point for internal reporting. The Company strives to increase its effectiveness by making the entire Group to be thoroughly aware of this internal reporting contact point as well as the rules on how to put into place the internal reporting system including the prohibition on treating whistleblowers unfavorably.
- Each of the Group companies, upon finding any inappropriate event, takes appropriate measures within the company where such event occurred. The Company also verifies the appropriateness of the countermeasures taken, and provides assistance and guidance as required upon receiving reports on the relevant event from each company of the Group.
- The Company, at its Managerial Administrative Committee (MAC), checks on the progress in the compliance promotion including the status of response to issues regarding compliance, and examines the adequacy of such initiatives.

### (4) System Regarding Strategic Risk Management (ERM)

- The Company makes each company of the Group to be thoroughly aware of its management strategies and Group Basic Policy on ERM in order to facilitate progress of ERM and dissemination of its culture throughout the overall Group. Each company of the Group establishes strategic risk management systems suitable for the nature of its operation, corporate scale and characteristic, such as developing rules pursuant to the Group Basic Policy on ERM in order to facilitate progress of ERM and dissemination of its culture throughout the overall Group.
- The Company formulates business plans that are consistent with the Sompo Group Risk Appetite Statement through deliberations by the Global ExCo and allocates its capital to each business unit based on the growth potential and profitability. Each business unit takes risks within the range of allocated capital in an attempt to achieve profit objectives established in the business plan. The Company carries out ERM based on the principle of the PDCA cycle, in which changes in the

operating environment and progress in plans are periodically reviewed and the plans and capital allocations are revised as needed.

- The Company comprehensively identifies significant risks surrounding the Group based upon the fundamental of risk assessment, builds and operates risk control processes which performs analysis, evaluation and control. For especially significant risks, the Group CRO gains insight into and examines such risks comprehensively. Business owners, etc. subsequently develop and implement response measures against risks that require a reinforced system to manage them through a discussion by the Managerial Administrative Committee (MAC), etc. in order to improve the effectiveness of risk control. The Company also appropriately controls “emerging risks” that may materialize or transform in the wake of environmental and other changes, and thus possibly have a significant impact on the Group going forward, by keeping an eye on signs of evolving into serious risks.
- The Company promotes the development of the function to ensure the appropriateness of the matters related to actuary of the entire Group (the Group’s actuarial functions) by managing Group companies based on the Actuarial Basic Policy.
- The Company has established the Group ERM Committee as a subordinate organization of the Global ExCo. The Group ERM Committee discusses on a Group-wide basis the important issues concerning the strategic risk management as well as material risks surrounding the Group.

#### (5) Structure for the Execution of Duties

- The Company sets out mid-term management plans and fiscal year plans for the Group, which are shared by each company of the Group. Each company of the Group sets out its own mid-term management plans and fiscal year plans that are consistent with plans made on a Group basis, so as to ensure the Group-wide cohesiveness. In addition, the Group promotes enhancement in its IT governance, which is at the base, to develop and promote various measures that contribute to business operation with high reliability, convenience and efficiency for Group companies.
- Matters that may significantly affect the Group management, such as mid-term management plan and decisions on policies for M&A, are duly deliberated at the Global ExCo and the Managerial Administrative Committee (MAC) in order to enhance the efficiency and effectiveness of resolutions by the Board of Directors.

#### (6) Audit System by the Audit Committee

- In order to ensure the effectiveness of audit by the Audit Committee, the Company establishes an Audit Committee Office that is independent from commands and orders given by executive officers, and appoints exclusive staff.
- The Company formulates rules concerning the reporting to the Audit Committee, who receive reports from officers and employees on primarily the status of their duty execution periodically. In addition, reports are made promptly on matters requested by the Audit Committee.
- The Company ensures opportunities for the members of the Audit Committee selected by the Audit Committee to express opinions by attending important meetings.
- The Company ensures opportunities for the members of the Audit Committee or

the Audit Committee to exchange information with the independent accounting auditor and internal audit sections on the audit results, etc.

- The Company convenes periodic meetings where the members of the Audit Committee meet with representative executive officers to exchange opinions regarding the recognition of the Group's important issues. The members of the Audit Committee also perform onsite audit, etc. at the Group companies, and exchange information with the representative, etc. and the members of the Audit Committee of the respective companies.

**IX. Matters Concerning Specified Wholly-Owned Subsidiary**

As stated in Attachment (12) hereto.

**X. Matters Regarding Transactions with the Parent Company, etc.**

None.

**XI. Matters Relating to Accounting Advisors**

None.

**XII. Others**

None.

## Attachment (2)

### Consolidated Balance Sheet For the fiscal year 2022 (As of March 31, 2023)

(Millions of yen)

		(Millions of yen)
Assets:		
Cash and deposits		1,246,638
Receivables under resale agreements		69,999
Monetary receivables bought		21,915
Money trusts		21,236
Securities		9,808,182
Loans		484,145
Tangible fixed assets:		360,882
Land		112,957
Buildings		137,542
Leased assets		64,935
Construction in progress		15,875
Other tangible fixed assets		29,571
Intangible fixed assets:		543,122
Software		99,161
Goodwill		197,729
Other intangible fixed assets		246,232
Other assets		1,816,820
Net defined benefit asset		230
Deferred tax assets		98,173
Allowance for possible credit losses		(11,114)
Total assets		<u>14,460,232</u>
Liabilities:		
Underwriting funds:		10,118,934
Reserve for outstanding losses and claims		2,382,382
Underwriting reserves		7,736,552
Corporate bonds		609,051
Other liabilities		1,642,946
Net defined benefit liability		59,235
Reserve for retirement benefits to directors		16
Reserve for bonus payments		42,488
Reserve for bonus payments to directors		487
Reserve for stocks payments		2,669
Reserves under the special laws:		110,858
Reserve for price fluctuation		110,858
Deferred tax liabilities		4,642
Total liabilities		<u>12,591,329</u>



Net assets:

Common stock	100,045
Capital surplus	134,708
Retained earnings	1,035,772
Treasury stock	(82,145)
Total shareholders' equity	<u>1,188,381</u>
Unrealized gains and losses on securities available for sale	587,917
Deferred gains and losses on hedges	2,412
Foreign currency translation adjustments	54,890
Remeasurements of defined benefit plans	20,555
Total accumulated other comprehensive income	<u>665,776</u>
Stock acquisition rights	269
Non-controlling interests	14,475
Total net assets	<u>1,868,902</u>
Total liabilities and net assets	<u>14,460,232</u>

## Attachment (3)

### Consolidated Statement of Income

For the fiscal year 2022 (April 1, 2022 to March 31, 2023)

	(Millions of yen)
Ordinary income:	4,607,134
Underwriting income:	4,090,702
Net premiums written	3,670,717
Deposits of premiums by policyholders	70,773
Interest and dividend income on deposits of premiums, etc.	30,159
Life insurance premiums written	316,752
Other underwriting income	2,299
Investment income:	325,711
Interest and dividend income	241,475
Investment gains on money trusts	3,105
Investment gains on trading securities	2,200
Gains on sales of securities	75,524
Gains on redemption of securities	2,389
Investment gains on special account	1,430
Other investment income	29,744
Transfer of interest and dividend income on deposits of premiums, etc.	(30,159)
Other ordinary income	190,720
Ordinary expenses:	4,484,604
Underwriting expenses:	3,597,988
Net claims paid	1,947,647
Loss adjustment expenses	135,859
Net commissions and brokerage fees	703,159
Maturity refunds to policyholders	181,722
Dividends to policyholders	7
Life insurance claims paid and other payments	132,543
Provision for reserve for outstanding losses and claims	322,801
Provision for underwriting reserves	164,048
Other underwriting expenses	10,197
Investment expenses:	113,781
Investment losses on money trusts	2
Losses on sales of securities	58,653
Impairment losses on securities	12,325
Losses on derivatives	28,121
Other investment expenses	14,678

Operating, general and administrative expenses	598,472
Other ordinary expenses:	174,363
Interest paid	15,966
Provision for allowance for possible credit losses	4,852
Losses on bad debt	77
Investment losses on the equity method	1,844
Other ordinary expenses	151,622
<hr/> Ordinary profit	<hr/> 122,530
Extraordinary gains:	8,957
Gains on disposal of fixed assets	8,957
<hr/> Extraordinary losses:	<hr/> 8,078
Losses on disposal of fixed assets	2,371
Impairment losses	148
Provision for reserves under the special laws:	5,469
Provision for reserve for price fluctuation	5,469
Losses on reduction of real estate	88
<hr/> Net income before income taxes	<hr/> 123,409
Income taxes	32,237
Deferred income taxes	(1,759)
Total income taxes	30,477
Net income	92,931
Net income attributable to non-controlling interests	1,774
<hr/> Net income attributable to shareholders of the parent	<hr/> 91,156

**Attachment (4)****Non-Consolidated Balance Sheet**

For the fiscal year 2022 (As of March 31, 2023)

(Millions of yen)

<b>Assets:</b>	
Current assets:	201,542
Cash and bank deposits	62,751
Prepaid expenses	1,726
Accounts receivable	136,655
Others	408
Fixed assets:	1,131,617
Tangible fixed assets:	369
Buildings	256
Tools, furniture and equipment	113
Investments and other assets:	1,131,247
Investment securities	105,275
Investments in subsidiaries and affiliates	1,025,644
Others	327
Total assets	<u>1,333,159</u>
<b>Liabilities:</b>	
Current liabilities:	125,114
Short-term loans payable to subsidiaries and affiliates	122,000
Accounts payable	2,006
Accrued expenses	1
Income taxes payable	10
Reserve for bonus payments	790
Reserve for bonus payments to directors	305
Others	0
Fixed liabilities:	17,548
Reserve for retirement benefits	229
Reserve for stocks payments	2,669
Deferred tax liabilities	14,186
Others	463
Total liabilities	<u>142,663</u>
<b>Net assets:</b>	
Shareholders' equity:	1,153,107
Common stock	100,045
Capital surplus:	502,555
Capital reserves	25,045
Other capital surplus	477,509
Retained earnings:	632,651
Other retained earnings:	632,651
Retained earnings carried forward	632,651
Treasury stock	(82,145)
Valuation and translation adjustments:	37,119
Unrealized gains and losses on securities available for sale	37,119
Stock acquisition rights	269
Total net assets	<u>1,190,496</u>
Total liabilities and net assets	<u>1,333,159</u>

**Attachment (5)****Non-Consolidated Statement of Income**

For the fiscal year 2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	133,861
Fees received from subsidiaries and affiliates	13,872
Total operating income	<u>147,733</u>
Operating expenses:	
Operating, general and administrative expenses	25,863
Total operating expenses	<u>25,863</u>
Operating profit	<u>121,869</u>
Non-operating income:	
Interest income	0
Interest on securities	334
Dividend income	12
Foreign exchange gains	133
Gains on forfeiture of unclaimed dividends	55
Interest on tax refund	0
Others	98
Total non-operating income	<u>635</u>
Non-operating expenses:	
Interest paid	1
Investment losses on investment partnerships	960
Commission for acquisition of treasury stock	25
Others	13
Total non-operating expenses	<u>1,001</u>
Ordinary profit	<u>121,504</u>
Extraordinary gains:	
Gains on sales of investment securities	965
Total extraordinary gains	<u>965</u>
Extraordinary losses:	
Losses on disposal of fixed assets	4
Impairment losses on investment securities	7,736
Losses on valuation of stocks of subsidiaries and affiliates	1,981
Losses on sales of investment securities	31
Total extraordinary losses	<u>9,754</u>
Net income before income taxes	112,715
Income taxes	(3,991)
Deferred income taxes	(80)
Total income taxes	<u>(4,071)</u>
Net income	<u>116,786</u>

## Attachment (6)

### Independent Auditor's Report

May 17, 2023

The Board of Directors  
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Noboru Miura  
Designated Engagement Partner  
Certified Public Accountant

Hirotsugu Kamoshita  
Designated Engagement Partner  
Certified Public Accountant

Hiroyuki Kobayashi  
Designated Engagement Partner  
Certified Public Accountant

#### Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Sompo Holdings, Inc. (the "Company") and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2023, in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information included in the Group's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Audit Committee for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit Committee are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Attachment (7)

### Independent Auditor's Report

May 17, 2023

The Board of Directors  
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

Noboru Miura  
Designated Engagement Partner  
Certified Public Accountant

Hirotsugu Kamoshita  
Designated Engagement Partner  
Certified Public Accountant

Hiroyuki Kobayashi  
Designated Engagement Partner  
Certified Public Accountant

#### Opinion

Pursuant to Article 436, Section 2, paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, notes to the financial statements and the related supplementary schedules of Sompo Holdings, Inc. (the "Company") applicable to the 13<sup>th</sup> fiscal year from April 1, 2022 to March 31, 2023.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2023, in accordance with accounting principles generally accepted in Japan.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Other Information**

The other information comprises the information included in the Company's business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Audit Committee for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit Committee are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## **Attachment (8)**

### **Certified Copy of the Audit Report of the Audit Committee**

#### **Audit Report**

The Audit Committee audited the duties as performed by the directors and executive officers for the 13th fiscal year from April 1, 2022 to March 31, 2023. The methods and results are reported as follows:

##### 1. Audit Methods and Contents

The Audit Committee received reports periodically from directors, executive officers, and employees, etc. with respect to the status of establishment and operation concerning the contents of Board of Directors resolutions regarding the matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act as well as the status of the system developed under the said Board of Directors resolutions (internal control systems). We requested explanations if and when needed, made remarks and statements with respect thereto, and conducted the audit in the following manner:

- (i) In accordance with the audit policy and audit plans, etc. established by the Audit Committee and in cooperation with the internal audit sections of the Company, the Audit Committee attended important meetings, received reports from directors and executive officers, etc. concerning the status of the performance of their duties, requested explanations if and when needed, gained access to important approval documents, and examined the status of business operations and assets. As for subsidiaries, we requested communications and an exchange of information with directors and audit & supervisory board members of subsidiaries, and received business report from subsidiaries if and when needed. With respect to the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act, we received reporting concerning the evaluation of the relevant internal control systems and the status of audit from directors and executive officers, etc. and ERNST & YOUNG SHINNIHON LLC, and requested explanations if and when needed.

- (ii) We have monitored and inspected whether the accounting auditor has maintained its independent position and conducted proper auditing and received reports from the accounting auditor on the status of the performance of its duties and requested explanations if and when needed. We have also received the notification from the accounting auditor that it has developed the “internal system for ensuring the appropriate execution of duties (matters listed in each item of Article 131 of the Rules of Corporate Accounting) in accordance with “Quality Control Standards for audit” (Business Accounting Council, October 28, 2005) and others, and requested explanations if and when needed.

On the basis of the above-described audit methods, we have examined the consolidated financial statements (consolidated balance sheet, consolidated statement of income (loss), consolidated statement of changes in net assets and notes to consolidated financial statements) for the relevant fiscal year, the financial statements (balance sheet, statement of income (loss), statement of changes in net assets and notes to non-consolidated financial statements) for the relevant fiscal year, and supplementary schedules thereof.

## 2. Audit Results

### (1) Audit Results for the Business Report, etc.

- (i) The business report and supplementary schedules thereof properly represent conditions at the Company in accordance with relevant laws and regulations and the Company’s articles of incorporation.
- (ii) There are no inappropriate behaviors or serious violations of the laws, regulations or the Company’s articles of incorporation relating to directors’ and executive officers’ performance of their duties.
- (iii) The contents of the Board of Directors resolution concerning the internal control systems are appropriate. Further, there are no matters to be raised regarding the statements in the business report and performance of duties by directors and executive officers with respect to the internal control systems.

### (2) Audit Results for the Consolidated Financial Statements

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

(3) Audit Results for the Financial Statements and Supplementary Schedules thereof

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

May 19, 2023

The Audit Committee, Sompo Holdings, Inc.

Naoki YANAGIDA, Chairperson of the Audit Committee (Outside Director)

Toshihiro TESHIMA, Member of the Audit Committee (full-time)

Satoshi KASAI, Member of the Audit Committee (full-time)

Hideyo UCHIYAMA, Member of the Audit Committee (Outside Director)

Isao ENDO, Member of the Audit Committee (Outside Director)

Kumi ITO, Member of the Audit Committee (Outside Director)

Misuzu SHIBATA, Member of the Audit Committee (Outside Director)

## Attachment (9)

### Status of Major Offices of the Corporate Groups

#### A. Status of the Insurance Holding Company

(As of March 31, 2023)

Name of Office	Location	Date of Establishment
Head Office	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	April 1, 2010

#### B. Status of Subsidiary Corporations, etc.

(As of March 31, 2023)

Business Segment	Name of Company	Name of Office	Location	Date of Establishment
Domestic P&C insurance business	Sompo Japan Insurance Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 21, 1976
	SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Sep. 22, 1982
Overseas insurance and reinsurance business	Sompo International Holdings Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Mar. 24, 2017
	Endurance Specialty Insurance Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Nov. 30, 2001
Domestic life insurance business	Sompo Himawari Life Insurance Inc.	Head Office	6-13-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Oct. 1, 2011
Nursing care & seniors business	Sompo Care Inc.	Head Office	4-12-8, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Jul. 1, 2017
	ND Software Co., Ltd.	Head Office	3369 Wada, Nanyo-shi, Yamagata	Dec. 20, 2018
Others	Sompo Warranty Inc.	Head Office	2-2-3, Soto-Kanda, Chiyoda-ku, Tokyo	Jun. 14, 2021
	SOMPO Light Vortex, Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 1, 2021
	Sompo Asset Management Co., Ltd.	Head Office	2-2-16, Nihonbashi, Chuo-ku, Tokyo	Nov. 24, 2009
	Sompo Japan DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999
	Sompo Risk Management Inc.	Head Office	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Dec. 4, 2006
	Sompo Health Support Inc.	Head Office	1-2-3, Awaji-cho, Kanda, Chiyoda-ku, Tokyo	Oct. 1, 2018



## Attachment (10)

### Matters Relating to Stock Acquisition Rights

(1) Number of Stock Acquisition Rights That Executives of the Insurance Holding Company Hold as of the Last Day of the Fiscal Year

	Overview of Content of Stock Acquisition Rights	Number of Holders of Stock Acquisition Rights
Directors (excluding outside officers) and executive officers	<p>The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 22</li> <li>• Type and number of shares underlying stock acquisition rights: 550 shares of common stock (25 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From August 17, 2010 to August 16, 2035</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	1
	<p>The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 5</li> <li>• Type and number of shares underlying stock acquisition rights: 500 shares of common stock (100 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From November 1, 2011 to October 31, 2036</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	1
	<p>The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 74</li> <li>• Type and number of shares underlying stock acquisition rights: 7,400 shares of common stock (100 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From August 14, 2012 to August 13, 2037</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	1

	<p>The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 39</li> <li>• Type and number of shares underlying stock acquisition rights: 3,900 shares of common stock (100 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From August 13, 2013 to August 12, 2038</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	1
	<p>The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 39</li> <li>• Type and number of shares underlying stock acquisition rights: 3,900 shares of common stock (100 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	1
	<p>The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc.</p> <ul style="list-style-type: none"> <li>• Number of stock acquisition rights: 53</li> <li>• Type and number of shares underlying stock acquisition rights: 5,300 shares of common stock (100 shares per stock acquisition right)</li> <li>• Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share</li> <li>• Period during which the stock acquisition rights can be exercised: From August 17, 2015 to August 16, 2040</li> <li>• Major conditions of exercise of stock acquisition rights: As stated in Note 1</li> </ul>	2
Outside directors	—	—

Notes:

1. Each of the holders of stock acquisition rights (the “Holder of Stock Acquisition Rights”) may exercise his or her stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer.  
Moreover, the Holder of Stock Acquisition Rights is to exercise in one transaction all of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she received pursuant to his or her position as a director or an executive officer of the Company, and shall not be allowed to exercise only a part thereof.
2. This table shows the stock acquisition rights that the Company has granted to executives of the Company as consideration for execution of duties.

3. As to an officer of the Company who was a director or an executive officer (shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or Sompo Japan Nipponkoa Insurance Inc., at the time of grant of these stock acquisition rights, the allocation was made to such officer of the Company on the basis of his/her being director or executive officer (shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or Sompo Japan Nipponkoa Insurance Inc., as the case may be. The number of the stock acquisition rights, as well as the type and number of the underlying shares, held by officers of the Company as of the last day of this fiscal year are as set out below.

The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.  
534 (13,350 shares of common stock)

The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.  
132 (13,200 shares of common stock)

The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.  
74 (7,400 shares of common stock)

The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.  
39 (3,900 shares of common stock)

The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.  
39 (3,900 shares of common stock)

The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. 4 (400 shares of common stock)

4. At the time of establishment of the Company, stock acquisition rights that former Sompo Japan Insurance Inc. and former NIPPONKOA Insurance Company, Limited had issued were extinguished as of April 1, 2010, and the stock acquisition rights of the Company (from the 1st issue of stock acquisition rights through the 22nd issue of stock acquisition rights) were issued on the same date to the holders of the extinguished stock acquisition rights as replacement therefor. The number of stock acquisition rights held by the executives of the Company as of the last day of this fiscal year, as well as the type and number of the underlying shares, are as set out below.

•The 15th issue of stock acquisition rights of NKSJ Holdings, Inc.  
136 (3,400 shares of common stock)

•The 16th issue of stock acquisition rights of NKSJ Holdings, Inc.  
237 (5,925 shares of common stock)

- (2) Stock Acquisition Rights, etc., in the Insurance Holding Company That Have Been Granted to Employees, etc., During the Fiscal Year  
None.

## Attachment (11)

### (1) Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System

The Company, by resolution of its Board of Directors, adopts the “Basic Policy on Internal Controls” and has put in place a system to ensure the proper operations of the Sompo Group.

The “Basic Policy on Internal Controls” is as follows.

#### <Basic Policy on Internal Controls>

The Company, by resolution of its Board of Directors, adopts the Basic Policy on Internal Controls to ensure the proper operations of the Sompo Group (hereinafter the “Company Group”) and contribute to enhancement and quality improvement of corporate governance based on relevant laws and regulations and the Group’s management philosophy. The Company shall strive to appropriately capture and validate the Company Group’s control status based on the Basic Policy on Internal Controls at the Board of Directors and enhance its systems. In the event of an incident that may have a material impact on the management of the Company Group, the Company shall promptly determine a response policy at the Board of Directors and take necessary measures.

#### 1. System for Ensuring Proper Conduct of Operations of the Group

As set forth below, the Company shall establish the systems required to ensure that the operations of the Company Group are conducted properly.

- (1) The Company shall present the Group Management Philosophy, SOMPO's Purpose, Human Capital Core Values, and the Group Sustainability Vision to its Group companies.
- (2) The Company shall set forth a basic policy for the business management of Group companies and clarify the scope and terms of the business management of the Company. The Company shall also set forth what requires Group companies to submit applications for approval and to report on important matters that have an impact on the Group's management strategy and business plan, while appropriately exercise shareholder rights to each Group company. Furthermore, the Company shall ensure the effectiveness of this action by, for example, concluding business management agreements with them.
- (3) The Company shall formulate various Group Basic Policies that prescribe the Company Group's control framework and disseminate them to Group companies, requesting compliance therewith. The Company shall also have its Group companies establish systems based on these basic policies, such as by causing them to formulate their own rules according to their actual business operations.
- (4) The Company shall establish systems for information collection, inspections, and examinations required for management decisions. The Company shall also seek to activate management discussions through such means as reliably providing information to independent directors and ensure the adequacy of management decisions on important matters regarding business management of the Company Group.
- (5) The Company shall set forth a basic policy for the management of intra-group transactions to ensure the soundness and adequacy of the Company Group

operations without legal violations or risk spreads resulting from conflicts of interest in intra-group transactions. In order to ensure its effectiveness, the Company shall establish intra-group transaction control system, such as ruling transaction scope, items, responsible department to review, and reviewing intra-group transaction properly.

## 2. System for Ensuring Execution of Duties of Directors, Executive Officers, and Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation

As set forth below, the Company shall establish the systems required to ensure that the Company Group's directors, executive officers, and employees ("Officers and Employees") execute their duties in compliance with applicable laws and the firm's Articles of Incorporation.

- (1) The Company shall verify that the Group Company's Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of Officers and Employees' execution of their duties at meetings of the Board of Directors.
- (2) The Company shall set forth a basic policy on compliance, determine a code of conduct and the course of action for Group compliance as a fundamental principle for the business, and establish a compliance system in the Company Group for managing customer information, managing conflicts of interest transactions, and responding to anti-social forces. The Company shall also issue a compliance rule with standards of conduct for Officers and Employees of the Company Group and conduct ongoing education and training based on compliance rule to disseminate these basic policies, the code of conduct, and the compliance rule.
- (3) The Company shall establish systems in the Company Group for internal reporting and internal whistle blowing for misconduct and other such incidents and properly rectify or otherwise respond to such matters.
- (4) The Company shall set forth a basic policy for responding to customer feedback and establish effective systems in the Company Group for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality.
- (5) The Company shall set forth a basic policy on the quality of products and services for customers and develop a system to maintain and improve the quality of customer services in the Company Group, such as preparing a manual for reporting procedures to the Company in the event that any Group company imposes an economic disadvantage on a customer, and the check procedures for similar cases among Group companies.
- (6) The Company shall set forth a Security policy and establish appropriate management systems for information assets, such as clarifying basic measures to be taken to ensure the security of information assets in the Company Group.

## 3. Strategic Risk Management Frameworks

The Company shall set forth a basic policy on ERM and implement the Strategic Risk Management, i.e. an ERM designed to minimize unforeseen losses while effectively utilizing its capital, increasing its profits under appropriate control of risks, and maximizing the Company Group's corporate value.

- (1) In order to ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the Sompo Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting. The Company shall also appropriately manage risks that may

confront the Company Group as a whole through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Company Group.

- (2) The Company shall have its Group companies develop and implement the appropriate frameworks for strategic risk management, including assessment and evaluation of risks, according to their scope, scale, and characteristics of operations.
- (3) The Company shall set forth a basic policy on actuarial science that form the basis of ERM to ensure the appropriate valuation of insurance liabilities and the financial soundness.

#### 4. System to Ensure Effective and Accurate Execution of Duties

As set forth below, the Company shall delegate authority for the execution of job duties, prescribe rules regarding decision-making and reporting, establish a command and control structure, and effectively utilize management resources to ensure that the Company Group's Officers and Employees execute their duties properly and efficiently.

- (1) The Company shall formulate the Company Group's management plans and share these plans with its Group companies.
- (2) The Company shall establish Global Executive Committee to discuss strategic issues for the entire Group, and Managerial Administrative Committee to discuss management issues. The Company shall discuss important issues related to the execution of the Company Group's business operations on these committees, leading to high-quality, swift decision-making, and establish a system to conduct sufficient examinations in areas of high expertise and technical sophistication.
- (3) The Company shall clearly identify the Company Group's matters in which their Board of Directors is to be involved by designating matters over which their Board of Directors have decision-making authority and matters to be reported to their Board of Directors. The Company shall also determine executive officers' authority consistent with the matters thus designated.
- (4) The Company shall establish the Company Group's rules and clearly define their internal organizational units' objectives and scope of responsibilities and shall determine for each organizational unit the division of its duties, executives, and scope of operational authority.
- (5) In order to achieve highly reliable, convenient, and effective business operations, the Company shall set forth a basic policy on IT and develop IT governance and system risk control in the Company Group, such as requiring each group company to set up a department aiming to develop an IT control system and to make a system plan, system risk control plan.
- (6) The Company shall set forth a basic policy on the management of outsourcing and ensure proper operations in association with outsourcing by the Company Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.
- (7) The Company shall set forth a basic policy on asset management and manage assets with sufficient consideration of risk management based on safety, liquidity, and profitability in light of the characteristics of the Company Group's funds being managed.
- (8) The Company shall set forth a basic policy on the establishment of a business continuity system and ensure the stability and soundness of the Company Group's operational foundation in times of emergency, such as by establishing systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters.

## 5. System for Ensuring Appropriate Information Disclosure

- (1) The Company shall set forth a basic policy on disclosure in order to disclose information regarding the Company Group's business situation properly at timely manner and to enhance its equitability and usability. In order to ensure its effectiveness, the Company shall set up a department that controls disclosure matters based on laws and regulations to establish systems for timely and appropriate disclosure of information concerning its business activities.
- (2) The Company shall set forth a basic policy on internal control over financial reporting in the Company Group to ensure adequacy and reliability of financial reporting. In order to ensure the effectiveness of this internal control system, the Company shall clarify various processes and risks led up to the preparation of appropriate financial statements, etc., and shall review those processes to ensure appropriateness of it given the audit results by Audit Committee, Accounting Auditor, and Internal Audit Division. The Company shall also designate a department being responsible for internal control and assessment respectively, and make an annual evaluation plan for internal control in accordance with the internal control framework generally accepted, while assess the plan and prepare an internal control report.

## 6. System for Retention and Management of Information Related to Executive Officers' Performance of Their Duties

In order to appropriately retain and manage information related to the executive officers' performance of their duties, the Company shall prescribe rules dictating methods for retaining and managing information related to the executive officers' execution of their duties, including minutes of the meetings of the important meetings and documentation related thereto. The Company shall also establish the system required to retain and manage such information.

## 7. System to Ensure Internal Audits' Effectiveness

In order to ensure the effectiveness of the Company Group's internal audits, the Company shall set forth a basic policy on internal audits, which shall define matters, such as securing independence concerning internal audits, establishing rules and developing plans, and establishing internal audit systems that are efficient and effective for the Group as a whole.

## 8. System Related to Audit Committee's Audits

The Company shall establish the following systems to improve the effectiveness of Audit Committee's audits:

### 8-1. Matters relating to employees who assist Audit Committee in the performance of their duties

The Company shall establish an Audit Committee Office as an organization that reports directly to Audit Committee and appoint personnel with the requisite knowledge and experience to serve as Staff of Audit Committee (employees to assist with Audit Committee's duties) assigned exclusively to audit duty. The Company shall also set forth the Rules Regarding Staff of Audit Committee and ensure their independence from executive functions and the effectiveness of instructions issued by Audit Committee to the Staff of Audit Committee as follows.

- (1) The Company shall ensure the Staff of Audit Committee's independence from

executive officers and other business executives by making decisions regarding Staff appointments, dismissal, compensation, and personnel appraisal subject to the approval of Audit Committee members selected by Audit Committee.

- (2) In conducting their duties, Staff of Audit Committee shall follow the instructions and orders of Audit Committee or Audit Committee members only and not receive instructions or orders from other personnel.
- (3) Staff of Audit Committee shall have the authority to collect information required in relation to their duties ordered by Audit Committee.

#### 8-2. System for Reporting to Audit Committee

- (1) The Company shall, under Audit Committee's approval, prescribe matters that are to be reported to Audit Committee by Officers and Employees (including gross violations of laws or Articles of Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports in the rules for reporting to Audit Committee. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by Audit Committee.
- (2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to Audit Committee because of such submission. The same shall apply to the Officers and Employees of Group companies.
- (3) When Audit Committee express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive officer in question shall report back to Audit Committee on the progress in addressing the matter cited by Audit Committee.

#### 8-3. Other Systems to Ensure that Audit Committee's Audits are Conducted Effectively

- (1) Audit Committee Members appointed by Audit Committee may attend important meetings and express their opinions.
- (2) The Company shall fully cooperate with Audit Committee or Audit Committee members when they discuss with directors, executive officers, accounting auditors, internal audit sections, and other persons required to appropriately perform the duties of Audit Committee. The Company also cooperate with them when they collect information from or discuss with Officers and Employees of Group companies.
- (3) The Company shall respond to Audit Committee's requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
- (4) Appointment, dismissal or any other important change relating to the head of Internal Audit department shall be approved by Audit Committee.
- (5) The Internal Audit department shall discuss and agree with Audit Committee about the internal audit plan. The Internal Audit department shall report to the Audit Committee audit results and designated matters, and receive instructions from the Audit Committee as necessary.
- (6) When Audit Committee or Audit Committee members submit a request for the coverage of costs arising in connection with the execution of their duties, it shall be appropriately processed according to the request made by them.
- (7) Officers and Employees of the Company shall comply with any other rules set forth by Audit Committee and items provided in audit standard.

-- End



## Attachment (12)

### Matters Concerning Specified Wholly-Owned Subsidiary

(1) Name and Address of the Specified Wholly-Owned Subsidiary

Name	Address
Sompo Japan Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(2) Total Carrying Value as of March 31, 2023 of Shares of the Specified Wholly-Owned Subsidiary Held by the Company and its Wholly-Owned Subsidiaries, etc.  
698,500 million yen

(3) Total Amount Recorded Under Assets on the Company's Balance Sheets as of March 31, 2023  
1,333,159 million yen

## Notes to the Consolidated Financial Statements

### Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

Sompo Holdings, Inc. (“the Company”) prepares the consolidated financial statements in accordance with the “Ordinance on Accounting of Companies” (Ordinance of the Ministry of Justice No. 13, 2006) and the “Ordinance for Enforcement of the Insurance Business Act” (Ordinance of the Ministry of Finance No. 5, 1996) pursuant to the provision of Article 118 of the “Ordinance on Accounting of Companies.”

The definitions of subsidiaries and affiliates, etc. conform to Article 2 of the “Ordinance on Accounting of Companies.”

#### 1. Scope of consolidation

(1) Number of consolidated subsidiaries: 74 companies

Names of major subsidiaries

Sompo Japan Insurance Inc.  
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED  
Sompo Japan Partners Inc.  
Mysurance Inc.  
Sompo International Holdings Ltd.  
Endurance Specialty Insurance Ltd.  
Endurance Assurance Corporation  
Endurance Worldwide Insurance Limited  
SI Insurance (Europe), SA  
Sompo Sigorta Anonim Sirketi  
Sompo Holdings (Asia) Pte. Ltd.  
Berjaya Sompo Insurance Berhad  
Sompo Seguros S.A.  
Sompo Himawari Life Insurance, Inc.  
Sompo Care Inc.  
ND Software Co., Ltd.  
Sompo Warranty Inc.  
Sompo Light Vortex, Inc.  
Sompo Asset Management Co., Ltd.  
Sompo Japan DC Securities Inc.  
Sompo Risk Management Inc.  
Sompo Health Support Inc.

ND Software Co, Ltd. and its three subsidiaries are included in the scope of consolidation from the fiscal year ended March 31, 2023 as they became subsidiaries through the acquisition of shares.

(2) Names of major non-consolidated subsidiaries

Names of major subsidiaries

Sompo Systems, Inc.

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the financial conditions and results of operations of Sompo Holdings Group (“SOMPO HOLDINGS”) in terms of total assets, ordinary income, net income or loss and retained earnings, etc. to the extent of equity position of the Company, they are excluded from the scope of consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 12 companies

Names of major affiliates

Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

Palantir Technologies Japan K.K.

Tier IV, Inc.

DeNA SOMPO Mobility Co., Ltd.

ABEJA, Inc.

DeNA SOMPO Carlife Co., Ltd.

akippa Inc.

(2) The non-consolidated subsidiaries and affiliates (Sompo Systems, Inc., etc.) do not have a material impact on the consolidated financial statements in terms of net income or loss and retained earnings, etc. to the extent of the equity position of the Company even if they are excluded from the scope of the equity method, and they do not have a material impact as a whole. Therefore, they are excluded from the scope of the equity method.

(3) The Company holds 26.6% of voting rights of Japan Earthquake Reinsurance Co., Ltd. (“J.E.R.”) through its domestic consolidated property and casualty insurance subsidiaries. As J.E.R. is engaged in public business and the Company is not considered to have a material impact on J.E.R.’s decisions of finance, promotion and business strategy, J.E.R. is excluded from affiliates.

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

#### 4. Accounting policies

##### (1) Valuation policies and methods for securities

- (a) Trading securities are carried at fair value.  
Cost of sale is calculated based on the moving-average method.
- (b) Bonds held to maturity are carried at amortized cost based on the moving-average method.
- (c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).  
The outline of risk management policy in relation to policy reserve matching bonds is as follows.  
Domestic consolidated life insurance subsidiary sets up the sub-category for individual insurance depending on line of business and investment policy, etc., and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds within a certain range.
- (d) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.
- (e) Securities available for sale (excluding stocks and others without a quoted market price) are carried at fair value.  
Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.
- (f) Stocks and others without a quoted market price of securities available for sale are carried at cost based on the moving-average method.
- (g) Securities managed as trust assets in individually operated money trusts for primarily trading purposes are carried at fair value.
- (h) Securities managed as trust assets in individually operated money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

##### (2) Valuation policies and methods for derivative transactions

Derivative transactions are carried at fair value.

- (3) Depreciation methods of significant depreciable assets
- (a) Tangible fixed assets (excluding leased assets)  
Depreciation of tangible fixed assets (excluding leased assets) is calculated by using the straight-line method.
  - (b) Intangible fixed assets (excluding leased assets)  
Amortization of intangible fixed assets (excluding leased assets) is calculated by using the straight-line method.  
As for intangible fixed assets acquired through the acquisition of subsidiaries, amortization is being carried out over the estimated period of its effect and as its effect emerges.  
Amortization of software for internal use held by the consolidated subsidiaries is calculated by using the straight-line method based on the estimated useful lives.
  - (c) Leased assets  
Leased assets under finance lease transactions that are not deemed to transfer ownership of the leased assets to the lessee for the domestic consolidated subsidiaries have been depreciated using the straight-line method over the period of the lease.
- (4) Accounting policies for significant reserves
- (a) Allowance for possible credit losses  
In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible credit losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.  
For claims against debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated collectable amounts by the disposal of collateral and by guarantees.  
For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.  
For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.  
The departments responsible for respective assets assess relevant claim in accordance with the internal standards for self-assessment of assets. The asset auditing department independently reviews the results and allowances are provided based on the reviewed results.  
The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.
  - (b) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the fiscal year based on internal regulations.

- (c) Reserve for bonus payments  
In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.
  - (d) Reserve for bonus payments to directors  
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.
  - (e) Reserve for stocks payments  
In order to provide for the grant of Company shares to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.
  - (f) Reserve for price fluctuation  
In order to provide for possible losses arising from price fluctuation of stock, etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.
- (5) Methods of accounting procedures for retirement benefits
- (a) Allocation method of projected retirement  
Benefit formula method is mainly used for calculating retirement benefit obligation as the method for attributing projected retirement benefits to the end of the current consolidated fiscal year.
  - (b) Amortization method of actuarial difference  
Actuarial difference is mainly amortized from the following fiscal year by using the straight-line attribution method over certain years (10 to 11 years) within the average remaining service years of employees in each fiscal year when the difference occurs.

(6) Significant hedge accounting

Generally the consolidated subsidiaries apply the exceptional treatment for certain interest rate swaps to hedge cash flow fluctuation risk of floating-rate loans and bonds to the extent that such transactions meet the conditions required for the application of the exceptional treatment.

The deferred hedge accounting method is applied to interest rate swaps to hedge interest rate fluctuation risk related to long-term insurance contracts based on “The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Committee Practical Guideline No. 26). Since insurance liabilities as hedged item and interest rate swaps as hedging instrument are grouped by certain remaining periods, and then designated as hedge, the hedge is highly effective and the assessment of hedge effectiveness is omitted.

The fair value hedge accounting method is applied to equity swaps for hedging the future stock price fluctuation risks.

Generally the fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated assets, etc. The assignment accounting as an exceptional treatment is applied to certain transactions to the extent that such transactions meet the conditions required for application of the assignment accounting. Deferred hedge is applied to the part of foreign exchange forward contracts to fix yen denominated cash flow from foreign currency denominated forecast transactions. The assignment accounting is applied to currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated corporate bonds issued by the domestic consolidated insurance subsidiary and foreign currency denominated borrowings.

Hedge effectiveness is assessed by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of assessment.

However, when the significant conditions are shared among the hedged item and the hedging instrument and its effectiveness is obviously considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the assignment accounting, the assessment of the hedge effectiveness is omitted.

(7) Accounting policies for significant revenue and expenses

In the Nursing Care & Seniors Business, performance obligations are satisfied when various nursing care services at nursing homes (fee-based nursing homes) or the assisting equipment sales services are provided to nursing facility residents, and revenue is recognized at the point in time when such performance obligations are satisfied.

The Company hereby recognizes the revenue from the service for the nursing facility residents as the net amount that remains after deducting the amount to pay to the suppliers from the amount received from the customers regarding the transaction in which the SOMPO HOLDINGS's role is the agent.

(8) Accounting methods for insurance contracts

The domestic consolidated insurance subsidiaries account for insurance contracts, including insurance premiums, reserve for outstanding losses and claims and underwriting reserve, etc., pursuant to the provisions of laws and regulations, such as the Insurance Business Act, etc.

(9) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 10 to 20 years.  
Immaterial amounts of goodwill are amortized at one time.

(10) Accounting methods for consumption taxes

The Company and its domestic consolidated subsidiaries account for consumption taxes by using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses mainly under the tax-included method.  
Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over 5 years.

(Significant accounting estimates)

1. Impairment of goodwill

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2023

Goodwill: 197,729 million yen

(2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

(a) Calculation method

Goodwill is amortized in equal installments over its amortization period (within 20 years) by measuring the length of period it remains effective. However, immaterial goodwill is amortized at one time in the fiscal year in which it arises. The Company assesses whether there are indications of impairment of goodwill at the end of fiscal years and also performs the assessment whenever necessary, pursuant to the "Accounting Standard for Impairment of Fixed Assets" and the "Guidance on Accounting Standard for Impairment of Fixed Assets" (Accounting Standards Board of Japan (ASBJ) Guidance No.6). An asset group including goodwill whose operating environment including market environment has significantly deteriorated (e.g. significant deviation downward from the business plan at the time of its acquisition, or deterioration in its latest business results or future prospect) is deemed to have an indication of impairment.

For the asset group including goodwill with an indication of impairment, the total amount of undiscounted future cash flows deriving therefrom over the remaining amortization period is estimated. If such amount is below its book value, impairment losses shall be recognized.

For the asset group including goodwill for which it was determined that impairment losses should be recognized, the recoverable value shall be calculated in the form, for example, of the usage value, which is calculated by discounting the undiscounted future cash flows by a certain discount rate. If such recoverable value is below its book value, impairment losses shall be recorded, at the amount of difference between the two.



- (b) Effects on the consolidated financial statements for the fiscal year ending March 31, 2024

Impairment losses can occur if there is a significant decrease in the undiscounted future cash flows, resulting from an event that requires a significant downward adjustment in preparing future business plans (such as a material event that affects assumptions of estimated net premiums written or loss ratio, etc. at overseas insurance business) accompanied by indications of impairment.

2. Reserve for outstanding losses and claims

- (1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2023

Reserve for outstanding losses and claims: 2,382,382 million yen

- (2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

The domestic consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to the provisions of Article 117 of the Insurance Business Act and Articles 72 and 73 of the Ordinance for Enforcement of the Insurance Business Act, and Public Notice No. 234 of the Ministry of Finance (1998). Overseas consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to laws and regulations in the country of domicile.

- (a) Calculation method

With respect to ordinary outstanding claims reserve, for insurance contracts for which an event that triggers payment was reported, the expected amount of payment is estimated for each insurance contract, based on the reported details of the event, policy conditions of the insurance contract and the loss adjustment activities. With respect to the Incurred But Not Reported Losses Reserve (hereinafter the "IBNR Reserve"), when an event that triggers payment has not yet been reported but an event prescribed in the insurance contract is found to have already occurred, the amount of payment is estimated by calculation units such as line of business, by using primarily statistical methods. As for losses of rather case-specific nature such as large-scale natural disasters, the IBNR Reserve is estimated on a case-by-case basis.

- (b) Effects on the consolidated financial statements for the fiscal year ending March 31, 2024

The amount of insurance claims paid or the recorded amount of reserve for outstanding losses and claims can deviate from the initial estimation, due to revision of laws and regulations in Japan and overseas, changes in the trend of court precedents, inflation and fluctuations in exchange rates and other fluctuating factors.

While the IBNR Reserve is provided in consideration of past trends and other factors based on appropriate insurance actuarial principles, it involves uncertainty that results from unreported occurrence of events that trigger payment.

(Changes in accounting policies)

Application of “Implementation Guidance on Accounting Standard for Fair Value Measurement”

The Company has applied “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter the “Fair Value Measurement Guidance”) from the beginning of the fiscal year 2022 and will apply the new accounting policy specified in “Fair Value Measurement Guidance” for the future in accordance with the transitional treatment based on Paragraph 27-2 of “Fair Value Measurement Guidance.” In addition, the effect on Consolidated Financial Statements is immaterial.

(Additional information)

1. Performance-linked stock compensation plan

The Company introduced the “Board Benefit Trust (BBT)” (hereinafter the “Plan”), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS.

(1) Outline of the transactions involved

The Company established the “Rules of the Stock Benefit Trust for Directors” (hereinafter the “Rules”) as prerequisite to the introduction of the Plan. Based on the Rules, the Company contributes money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank has duly acquired shares in the Company using the money trusted thereto (hereinafter the “Trust”).

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

(2) Accounting treatment

The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (ASBJ Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2023 are recorded as treasury stock under shareholders’ equity, and its carrying amount is 3,280 million yen and its number of shares is 853,700.

2. Adoption of “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System”

The Company and certain domestic consolidated subsidiaries have transitioned from the consolidated taxation system to the group tax sharing system starting from the fiscal year 2022. In addition, the Company has complied with “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System” (ASBJ Practical Issue Task Force No. 42, August 12, 2021) for the accounting treatment of corporate and local income taxes, or accounting treatment and disclosure of tax effect accounting regarding these taxes.

### 3. Accounting Treatment in a Hyperinflationary Economy

During the fiscal year ended March 31, 2023, as the cumulative inflation rate in Turkey exceeded 100% over three years, we determined that our subsidiary in Turkey, which has the Turkish lira as its functional currency, is operating under a hyperinflationary economy. The financial statements of the Turkish subsidiary have therefore been consolidated with adjustments made in accordance with IAS 29, "Financial Reporting in Hyperinflationary Economies." IAS 29 requires that the financial statements of subsidiaries in a hyperinflationary economy be restated to the unit of measurement as of the end of the reporting period before inclusion in the consolidated financial statements.

## Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 420,172 million yen and advanced depreciation of tangible fixed assets amounts to 12,325 million yen.

2. Investments in non-consolidated subsidiaries and affiliates are as follows.

Securities (stocks)  
49,111 million yen  
(investments in jointly controlled companies  
1,980 million yen)  
Securities (equity interests)  
13,281 million yen

3. The individual amounts and the total amount of bankrupt or de facto bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans among loans under the Insurance Business Act are as follows.

(1) Bankrupt or de facto bankrupt loans amount to 30 million yen.

Bankrupt or de facto bankrupt loans represent loans to borrowers who are in bankruptcy due to reasons such as the filing of petition for commencement of bankruptcy proceedings, reorganization proceedings, or rehabilitation proceedings.

(2) Doubtful loans amount to 18 million yen.

Doubtful loans represent, among loans which are not included in bankrupt or de facto bankrupt loans, loans for which the borrower is not yet bankrupt, but it is highly probable that the principal cannot be collected and interest cannot be received in accordance with the contract due to the deterioration of the financial condition and business performance of the borrower.

(3) Loans overdue for three months or more amount to 34 million yen.

Loans overdue for three months or more represent, among loans that are not included in bankrupt or de facto bankrupt loans and doubtful loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

(4) There are no restructured loans.

Restructured loans represent, among loans which are not included in bankrupt or de facto bankrupt loans, doubtful loans, and loans overdue for three months or more, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(5) The total of bankrupt or de facto bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans amounts to 83 million yen.

4. Breakdown of pledged assets is securities of 788,282 million yen, deposits of 30,610 million yen and tangible fixed assets of 928 million yen. These are collateral for the borrowings and securities which are put into as deposited assets for overseas operation and others. Secured debts are composed of payables under securities lending transactions of 575,531 million yen and the borrowings of 134 million yen. Securities include 518,569 million yen in pledged securities as collateral under securities lending transactions secured by cash.
5. Securities include 669,649 million yen of lending securities under loan agreements.
6. Amounts are rounded down to the unit noted.

## **Notes to the Consolidated Statement of Income**

1. Main components of operating expenses are as follows.

Agency commissions, etc.	627,049 million yen
Salaries	257,195 million yen

Operating expenses represent the sum of loss adjustment expenses, operating, general and administrative expenses and net commissions and brokerage fees included in the consolidated statement of income.

2. Amounts are rounded down to the unit noted.

## Notes to the Consolidated Statement of Changes in Net Assets

### 1. Type and number of shares outstanding and of treasury stock

(Thousand shares)

	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
Shares outstanding				
Common stock	347,698	-	-	347,698
Total	347,698	-	-	347,698
Treasury stock				
Common stock	5,096	9,709	190	14,615
Total	5,096	9,709	190	14,615

#### Notes)

- Treasury stock of common stock at the beginning and the end of the period includes 961 thousand shares and 853 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.
- Breakdown of increase in treasury stock of common stock of 9,709 thousand shares is as follows.  
Increase due to acquisition of treasury stock in accordance with approval of the Board of Directors: 9,704 thousand shares  
Increase due to purchase of shares less than a full trading unit: 4 thousand shares
- Breakdown of decrease in treasury stock of common stock of 190 thousand shares is as follows.  
Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 107 thousand shares  
Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 82 thousand shares  
Decrease due to sales of shares less than a full trading unit: 0 thousand shares

### 2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	269
Total		269

### 3. Dividends

#### (1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 27, 2022	Common stock	36,074	105	March 31, 2022	June 28, 2022
Board of Directors' Meeting held on November 18, 2022	Common stock	43,742	130	September 30, 2022	December 6, 2022

Notes)

- The "total amount of dividends" based on the resolution of the General Shareholders' Meeting held on June 27, 2022 includes 100 million yen in dividends paid on the shares in the Company held by the BBT.
- The "total amount of dividends" based on the resolution of the Board of Directors held on November 18, 2022 includes 111 million yen in dividends paid on the shares in the Company held by the BBT.

#### (2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Shareholders' Meeting held on June 26, 2023	Common stock	43,411	Retained earnings	130	March 31, 2023	June 27, 2023

Note) The "total amount of dividends" based on the resolution of the General Shareholders' Meeting to be held on June 26, 2023 includes 110 million yen in dividends to be paid on the shares in the Company held by the BBT.

#### 4. Amounts are rounded down to the unit noted.

## Notes on Financial Instruments

### 1. Overview of financial instruments

#### (1) Our policy to manage financial instruments

As SOMPO HOLDINGS is mainly engaged in insurance businesses and recognizes the characteristic of investment fund for the insurance company, SOMPO HOLDINGS manages the investment assets based on the perspectives of safety, liquidity and profitability. Further, in order to appropriately manage investment assets related to long-term insurance liabilities related to life insurance and savings-type insurance, SOMPO HOLDINGS intends to stabilize returns for the future maturity refunds to policyholders by the methodology based on ALM (integrated management of assets and liabilities). In addition, with a view to strengthen the financial structure, the consolidated subsidiary increased its capital substantively by the issuance of subordinated bond (i.e. hybrid finance) which is deemed as capital to some extent by major credit rating agencies.

#### (2) The nature and risk of financial instruments

As financial instruments which SOMPO HOLDINGS holds are mainly securities such as bonds and stocks, SOMPO HOLDINGS is exposed to risks (market risks) associated with price fluctuations of investments, which are influenced by stock prices, interest rates and foreign exchange rates, as well as risks (liquidity risks) that securities may not be traded or may be forced to be traded at far more unfavorable prices than under normal conditions due to a market crisis, etc.

In addition, the securities and the loans which SOMPO HOLDINGS holds are exposed to credit risk which would cause a significant decrease in their value or uncollectible interest and principal due to the reasons such as deterioration of creditworthiness and bankruptcy of the issuer and the borrower.

Regarding derivative transactions, SOMPO HOLDINGS utilizes derivatives to hedge risks on assets held. These also involve market risks and credit risks.

Please refer to the note on “(6) Significant hedge accounting” in “4. Accounting policies” in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements” for derivative transactions which hedge accounting is applied to.

#### (3) The risk management systems regarding financial instruments

The Company has established the risk management systems to appropriately identify, evaluate and control risks and accurately respond when risks emerge through strategic risk management (ERM) designed to maximize the corporate value of SOMPO HOLDINGS, as described below.

With the aim of maintaining strategic risk management, the Company’s Board of Directors has established the “SOMPO Group Basic Policy on ERM,” which sets forth principles for accurately assessing the group-wide status of risk exposure and managing the various types of risk in a comprehensive manner. With the aim of enabling appropriate management decision making based upon assessment of group-wide risk, the Company established Group ERM committee. Moreover, the Risk Management Department was established to promote the Company’s efforts to develop and enhance its risk management systems.

Through the model of investment risks, the Company manages market risk, credit risk and real estate investment risk. In addition, the Company comprehensively manages risks, including the risk of invested assets failing to yield assumed interest rates with regard to insurance liabilities related to savings-type insurance held by its insurance subsidiaries. The Company obtains investment assets information on a daily basis and quantifies investment risks. Further, the Company utilizes risk management by setting stress scenarios to cover events that could cause a material impact on the operations of SOMPO HOLDINGS, and performing stress tests to assess and measure risks comprehensively.



As to credit risks, in order to avoid concentrating the risks on specific borrowers, the Company has set credit limits and manages the risks appropriately for the whole group. As to liquidity risks, the Company has developed systems for its insurance subsidiaries to forecast payments for claims, etc. upon occurrence of liquidity risk scenarios, such as catastrophic events, to adequately manage and ensure the liquid assets to cope with these payments.

Each group company has rules formulated in reference to the SOMPO Group Basic Policy on ERM, thereby developing risk management systems appropriate to the content, scale, and characteristics of their particular business activities and implementing autonomous risk management. In addition, insurance subsidiaries place considerable emphasis on managing various types of risk in ways tailored to their particular risk profile. By doing so, these subsidiaries are appropriately addressing risks that could significantly affect their operations.

(4) Supplemental explanation about the fair value of financial instruments

In view that certain assumption is employed to measure the fair value of financial instruments, the resulting value might differ depending on the assumption to be applied.

2. Financial instruments' fair value, etc. and breakdown by level of fair value

Carrying amount, fair value, unrealized gains and losses and fair value by level as of March 31, 2023 are as follows.

Stocks and others without a quoted market price and Investments in Partnerships, etc., are not included in the following table (Please refer to Note 3).

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure the fair value.

Level 1 fair value: Fair value measured using observable inputs, of which quoted market prices in active markets for assets or liabilities that are the subject of the measurement.

Level 2 fair value: Fair value measured using observable inputs other than Level 1 inputs.

Level 3 fair value: Fair value measured using unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in the level of the lowest level input among the level to which each of the inputs belongs.

(1) Financial instruments measured at fair value on the consolidated balance sheet  
(Millions of yen)

	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary receivables bought	-	21,915	-	21,915
Money trusts	-	21,236	-	21,236
Securities:				
Trading securities				
Domestic bonds	4,688	1,394	-	6,083
Domestic stocks	9,591	-	-	9,591
Foreign securities	15,967	7,931	-	23,898
Securities available for sale				
Domestic bonds	742,025	801,862	-	1,543,888
Domestic stocks	1,233,564	-	-	1,233,564
Foreign securities	1,132,532	2,001,162	697,810	3,831,505
Others	69,189	2,242	160,308	231,741
<b>Total assets</b>	<b>3,207,560</b>	<b>2,857,745</b>	<b>858,119</b>	<b>6,923,425</b>
Derivative transactions <sup>(*1) (*2)</sup> :				
Currency-related	-	(11,139)	-	(11,139)
Interest-related	-	3,261	-	3,261
Stock-related	(1)	-	-	(1)
Bond-related	-	7,694	-	7,694
Others	(1)	(27)	(265)	(295)
<b>Total derivative transactions</b>	<b>(3)</b>	<b>(210)</b>	<b>(265)</b>	<b>(479)</b>

(\*1) This table collectively shows derivative transactions which are included in other assets and other liabilities.

Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net liabilities in total are shown in the brackets [ ].

(\*2) Among the derivative transactions, the carrying amount of transactions to which hedge accounting is applied is (6,881) million yen.

(2) Financial instruments other than those measured at fair value on the consolidated balance sheet

“Cash and deposits,” “receivables under resale agreements,” and “payables under securities lending transactions” are omitted, as the majority of these are short term (within 1 year) and the fair value approximates the book value.

(Millions of yen)

	Fair value				Carrying amount	Unrealized gains and losses
	Level 1	Level 2	Level 3	Total		
Securities:						
Bonds held to maturity						
Domestic bonds	1,181,881	164,846	-	1,346,728	1,208,639	138,089
Foreign securities	26	12,766	-	12,792	12,845	(53)
Policy reserve matching bonds						
Domestic bonds	1,299,564	9,585	-	1,309,149	1,410,404	(101,255)
Loans <sup>(*)</sup>	-	-	492,119	492,119	484,114	8,004
Total assets	2,481,472	187,197	492,119	3,160,789	3,116,003	44,785
Corporate bonds	-	605,519	-	605,519	609,051	(3,532)
Total liabilities	-	605,519	-	605,519	609,051	(3,532)

(\*) This figure represents deductions to loans of 31 million yen as general and individual allowance for possible credit losses.

Notes)

1. A description of the valuation technique(s) and inputs used in the fair value measurements

#### Assets

##### Monetary receivables bought

The fair value is measured at prices obtained from third parties and is classified as Level 2 fair value based on the inputs used for the prices obtained.

##### Money trusts

In principle, the fair value is measured at the value of securities managed as a trust asset calculated by the same method used for “securities” and is classified as Level 2 fair value based on the level of such securities.

##### Securities

The fair value of securities for which unadjusted quoted market prices in active markets are available is classified as Level 1 fair value. This mainly includes stocks, government bonds and listed investment trusts. If a publicly available quoted market price is used but the market is not active, the fair value of such securities is classified as Level 2 fair value. This mainly includes municipal bonds and corporate bonds.

For unlisted investment trusts, the fair value is measured at published quoted market prices, etc. provided by the investment trust management company, and is classified as Level 2 or Level 3 fair value based primarily on the level of the components of the trust assets.

The fair value of private placement bonds is measured at the value calculated using prices obtained from third parties. The fair value that uses observable inputs or where the effect of unobservable inputs is not material is classified as Level 2 fair value, while those that use significant unobservable inputs are classified as Level 3 fair value.

## Loans

The fair value of loans is measured at the amount obtained by discounting expected future cash flows to be collected for each loan by a discount rate equal to the risk free rate for the corresponding period plus a credit risk premium and a liquidity premium based on internal ratings, and is classified as Level 3 fair value.

## Liabilities

### Corporate bonds

The fair value of corporate bonds is measured at the value calculated using prices on exchanges and the price published by industry associations, etc. and is classified as Level 2 fair value.

### Derivative transactions

The fair value of exchange traded transactions is based on the closing price of exchanges, etc. The fair value of OTC transactions is measured at the value calculated based on the discounted present value of future cash flows and option pricing models using inputs such as interest rates and foreign exchange rates.

The fair value of exchange traded transactions is mainly classified as Level 1 fair value. The fair value of OTC transactions that use observable inputs or where the effect of unobservable inputs is not material is classified as Level 2 fair value, while those that use significant unobservable inputs are classified as Level 3 fair value.

2. Level 3 fair value of financial instruments measured at fair value on the consolidated balance sheet

(1) Reconciliation from the balance at the beginning of the period to the balance at the end of the period and unrealized gains (losses) included in profit or loss

(Millions of yen)

	Securities	Derivative transactions
	Securities available for sale	Others
Balance at the beginning of the period	753,556	264
Profit or loss or other comprehensive income for the period		
Recorded in profit or loss <sup>(*)</sup>	8,896	990
Recorded in other comprehensive income	(13,617)	135
Purchases, sales, issuances and settlements	109,283	(1,656)
Balance at the end of the period	858,119	(265)
Net realized and unrealized gains and losses of financial instruments held at the end of the reporting period included in profit or loss for the period <sup>(*)</sup>	15,353	372

(\*) Included in "investment income" and "investment expenses" in the consolidated statement of income.

(2) A description of valuation processes used in fair value measurements

The fair values of financial instruments held by departments that trade financial instruments are measured and verified in accordance with basic policies stipulated by each group company. The measurement results are verified by departments independent from the departments that trade financial instruments.

In measuring fair value, the Company uses a valuation model that most appropriately reflects the nature, characteristics and risks of each asset. In addition, when using quoted market prices obtained from third parties, the Company verifies whether the prices are valid using appropriate methods, such as by confirming the valuation techniques and inputs used.

3. The carrying amounts of stocks and others without a quoted market price and Investments in Partnerships, etc. on the consolidated balance sheet are as follows. They are not included in “securities” in the table disclosed in fair value and breakdown by level of fair value of financial instruments.

	(Millions of yen)
	Carrying amount
Stocks and others without a quoted market price <sup>(*1)</sup>	95,252
Investments in Partnerships, etc. <sup>(*2)</sup>	200,767

(\*1) Stocks and others without a quoted market price include unlisted stocks, and they are not subject to fair value disclosure in accordance with Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19).

(\*2) Investments in Partnerships, etc. are mainly investment partnerships, and they are not subject to fair value disclosure in accordance with Paragraph 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31).

## Note on Per Share Information

Net assets per share	5,566.64 yen
Net income per share	270.64 yen

## Note on Significant Subsequent Events

The Issuance of a Domestic Unsecured Straight Bond (Social Bond)

On April 27, 2023, the Company issued a domestic unsecured straight bond (social bond) as follows.

1. Issuer	Sompo Holdings, Inc.
2. Name of Bonds	1st series of unsecured straight bond with inter-bond pari passu clause (social bond)
3. Aggregate principal amount	JPY 70 billion
4. Denomination	JPY 100 million
5. Issue price	JPY 100 per amount of JPY 100 of each bond
6. Redemption price	JPY 100 per amount of JPY 100 of each bond
7. Maturity dates	April 27, 2028 (5-year bonds)
8. Interest rates	0.479% per annum
9. Offering period	April 21, 2023
10. Payment date	April 27, 2023
11. Interest payment dates	April 27 and October 27 of each year
12. Use of funds	Repayment of short-term borrowings (bridge loan) procured to acquire shares of ND Software
13. Third-party evaluation	Third-party evaluation obtained from Japan Credit Rating Agency Ltd.
14. Joint lead managers	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc. BofA Securities Japan Co., Ltd.
15. Structuring agent	Mizuho Securities Co., Ltd.
16. Fiscal agent	Mizuho Bank, Ltd.
17. Credit rating	AA+ (Japan Credit Rating Agency, Ltd.)
18. Securities depository	Japan Securities Depository Center, Incorporated

## Notes to the Financial Statements

### Notes on Significant Accounting Policies

#### 1. Valuation policies and methods for securities

- (1) Stocks of subsidiaries and affiliates are carried at cost based on the moving-average method.
- (2) Securities available for sale (excluding stocks and others without a quoted market price) are carried at fair value.  
Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.
- (3) Stocks and others without a quoted market price of securities available for sale are carried at cost based on the moving-average method.

#### 2. Depreciation methods of fixed assets

Depreciation of tangible fixed assets is calculated by using the straight-line method.

Useful lives of major tangible fixed assets are as follows.

Buildings	8 to 39 years
Furniture and equipment	2 to 15 years

#### 3. Accounting policies for reserves

- (1) Reserve for bonus payments  
In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.
- (2) Reserve for bonus payments to directors  
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.
- (3) Reserve for retirement benefits  
In order to provide for the payment of retirement benefits to employees, reserve for retirement benefits is recorded, with the estimated amount of retirement benefit obligation at the end of the fiscal year.  
Retirement benefit obligation is calculated by adopting a simplified accounting method that deems retirement benefit obligation to be equal to the amount of retirement benefit payable assuming the voluntary retirement of the employees at the end of the fiscal year.
- (4) Reserve for stocks payments  
In order to provide for the grant of Company shares to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

(Additional information)

#### Performance-linked stock compensation plan

The Company introduced the “Board Benefit Trust (BBT)” (hereinafter the “Plan”), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS.

##### (1) Outline of the transactions involved

The Company established the “Rules of the Stock Benefit Trust for Directors” (hereinafter the “Rules”) as prerequisite to the introduction of the Plan. Based on the Rules, the Company contributes money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank has duly acquired shares in the Company using the money trusted thereto (hereinafter the “Trust”).

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

##### (2) Accounting treatment

The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (ASBJ Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the period are recorded as treasury stock under shareholders’ equity, and its carrying amount is 3,280 million yen and its number of shares is 853,700.

## Notes to the Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 363 million yen.

### 2. Guaranteed obligations

The Company jointly and severally guarantees 8,075 million yen for acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Inc. which is a subsidiary of the Company, and jointly and severally guarantees 24,415 million yen for rent payments based on building lease contracts.

3. Monetary claims and monetary debts owed by or to subsidiaries and affiliates (excluding the amount presented separately in the balance sheet)

Short-term monetary claims	107,852 million yen
Long-term monetary claims	114 million yen
Short-term monetary debts	662 million yen



## Note to the Statement of Income

Transactions with subsidiaries and affiliates

Results of operating transactions:	
Operating income	147,733 million yen
Operating expenses	7,018 million yen
Results of non-operating transactions	2 million yen

## Note to the Statement of Changes in Net Assets

Type and number of treasury stock at the end of the period

Common stock	14,615,082 shares
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Note) The treasury stock of common stock at the end of the period includes 853,700 shares in the Company held by the "Board Benefit Trust (BBT)."

## Note on Tax Effect Accounting

Major components of deferred tax assets and deferred tax liabilities are as follows.

Deferred tax assets:

Losses on valuation of stocks of subsidiaries and affiliates	5,900 million yen
Impairment losses on investment securities	3,643 million yen
Intangible fixed assets of tax accounting, etc.	1,991 million yen
Deemed dividends	1,618 million yen
Others	1,928 million yen
Subtotal	15,082 million yen
Valuation allowance	(12,530) million yen
Total deferred tax assets	2,552 million yen

Deferred tax liabilities:

Unrealized gains and losses on securities available for sale	(16,340) million yen
Others	(398) million yen
Total deferred tax liabilities	(16,738) million yen
Net deferred tax liabilities	(14,186) million yen

The Company has transitioned from the consolidated taxation system to the group tax sharing system starting from the fiscal year 2022. In addition, the Company has complied with "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (ASBJ Practical Issue Task Force No. 42, August 12, 2021) for the accounting treatment of corporate and local income taxes, or accounting treatment and disclosure of tax effect accounting regarding these taxes.

## Note on Related-party Transaction

Subsidiaries and affiliates

(Millions of yen)

Type	Name of company	Holding/held ratio of voting rights	Relationship with related party	Description of transactions	Transaction amount	Item	Balance at the end of the period
Subsidiary company	Sompo Care Inc.	Ownership Direct 100.0%	Guaranteed obligations	Guarantee for acceptances and guarantees (Note 1)	8,075	—	—
				Guarantee for the amount corresponding to rent payments based on building lease contracts (Note 2)	24,415	—	—

Notes)

1. The Company jointly and severally guarantees acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Inc. The Company does not receive a guarantee commission.
2. The Company jointly and severally guarantees rent payments. The Company does not receive a guarantee commission.

## Note on Per Share Information

Net assets per share	3,573.35 yen
Net income per share	346.73 yen

## Note on Significant Subsequent Events

### The Issuance of Domestic Unsecured Straight Bond (Social Bond)

On April 27, 2023, the Company issued domestic unsecured straight bond (social bond), as follows.

1. Issuer	Sompo Holdings, Inc.
2. Name of bonds	1st series of unsecured straight bond with inter-bond pari passu clause (social bond)
3. Aggregate principal amount	JPY 70 billion
4. Denomination	JPY 100 million
5. Issue price	JPY 100 per amount of JPY 100 of each bond
6. Redemption price	JPY 100 per amount of JPY 100 of each bond
7. Maturity dates	April 27, 2028 (5-year bonds)
8. Interest rates	0.479% per annum
9. Offering period	April 21, 2023
10. Payment date	April 27, 2023
11. Interest payment dates	April 27 and October 27 of each year
12. Use of funds	Repayment of short-term borrowings (bridge loan) procured to acquire shares of ND Software
13. Third-party evaluation	Third-party evaluation obtained from Japan Credit Rating Agency Ltd.
14. Joint lead managers	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Daiwa Securities Co. Ltd. Nomura Securities Co., Ltd. SMBC Nikko Securities Inc. BofA Securities Japan Co., Ltd.
15. Structuring agent	Mizuho Securities Co., Ltd.
16. Fiscal agent	Mizuho Bank, Ltd.
17. Credit rating	AA+ (Japan Credit Rating Agency Ltd.)
18. Securities depository	Japan Securities Depository Center, Incorporated

## Reference

### Q & A

Q1. What is your policy for returning profits to shareholders, going forward?

A. We aim to provide attractive shareholder returns while taking into consideration matters such as financial soundness and the business environment, with the basic policy of continuously increasing dividends based on sustainable profit growth, as well as maintaining the option of flexibly executing share buybacks depending on stock price and capital condition.

Under the current Mid-term Management Plan, we set the basic shareholder return rate at 50% of adjusted consolidated profit <sup>(Note 1)</sup> and aim to steadily increase the total return (total dividends paid + total share buybacks) in line with profit growth, while providing supplementary returns depending on trends in business results, financial market environment, capital condition, and other factors. In addition, we aim to raise the ratio of dividends to shareholder returns with our basic policy of increasing dividends in line with profit growth.

Based on this policy, as for the shareholder return in FY2022, we expect to increase the dividend to 260 yen per share (interim 130 yen, year-end 130 yen), an increase of 50 yen from the FY2021 dividend, and also to implement a share buyback of 25.0 billion yen (maximum) in total. As a result, the total return ratio <sup>(Note 2)</sup> for FY2022 will be 74%. This is due to the fact that although adjusted consolidated profit declined due to one-time factors such as natural disasters, and although the basic return also decreased, supplementary returns were made from the viewpoint of maintaining a stable level of shareholder return.

For FY2023, we expect to increase the dividend for the 10th consecutive year, to 300 yen per share (interim 150 yen, year-end 150 yen), an increase of 40 yen from the FY2022 dividend.

#### Notes:

1. Adjusted consolidated profit is the total amount of the Group's profit on an adjusted basis, and is calculated as follows for each business segment.  
Adjusted consolidated profit for the fiscal year ended March 31, 2023 is 152.2 billion yen.
2. Total return ratio is an indicator that shows the weight of shareholder return on profit for each fiscal year, and is calculated as follows:  
Total payout ratio = (Total dividends paid + Total share buybacks (for shareholder return purposes)) / Adjusted consolidated profit

- \* The calculation methods for adjusted profit for each business segment and adjusted consolidated profit for fiscal year ended March 31, 2023 are as follows.

		Calculation method
Adjusted profit by business segment*1	Domestic P&C Insurance Business	Net income for the period + Provisions for catastrophic loss reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance and Reinsurance Business	Operating income*2 Net income for the period for affiliates accounted for under the equity-method in principle
	Domestic Life Insurance Business	Net income for the period + Provisions of contingency reserve, etc. (after tax) + Provisions for reserve for price fluctuation (after tax) + Adjustment of underwriting reserve (after tax) + Deferral of acquisition cost (after tax) – Depreciation of acquisition cost (after tax) – Gains/losses on sales of securities and impairment losses on securities (after tax)
	Nursing Care & Seniors Business	Net income for the period
	Digital Business	Net income for the period – Gains/losses on sales and impairment losses related to investment (after tax)
	Other	Net income for the period
Adjusted consolidated profit		Total of above adjusted profits

- \*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from subsidiaries.
- \*2 Defined at the operating income, which excludes one-time factors (= Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.)

Q2. Please tell us about SOMPO's human capital management.

A. **SOMPO's human capital management, starting with the pursuit of My Purpose**

Human capital is the driving force for realizing SOMPO's Purpose. We believe that viewing, investing in, and nurturing people as capital will lead to increased engagement of each and every employee and promotion of I&D\*, which in turn will become a source of innovation that will support sustainable corporate growth. The key to improving human capital is each employee's sense of "My Purpose." The concept of "My Purpose" is for employees identify their intrinsic motivation and what they would like to accomplish in life. Aligning each employee's My Purpose with SOMPO's Purpose will lead to the realization of SOMPO's Purpose.

\* Inclusion is important for respecting and accepting the diverse "My Purpose" and characteristics of each employee, maximizing their abilities, and leading to innovation. To express this, we abbreviate Diversity & Inclusion (D&I) as "I&D."

**Efforts to promote My Purpose and SOMPO's Purpose**

At the heart of our efforts to instill a sense of purpose are Town Hall Meetings as an initiative for communication by top management, and My Purpose 1-on-1, which is a front-line initiative.

Since FY2021, Town Hall Meetings have been held continuously with employees in Japan and overseas. They serve as a forum for the Group CEO himself to continuously communicate the significance of My Purpose and SOMPO's Purpose. To date, more than 18,000 employees have attended our Town Hall Meetings.

My Purpose 1-on-1 aims to enable supervisors to effectively enable subordinates to identify their My Purpose and help them bring it into their daily work to achieve results. We have introduced My Purpose 1-on-1 training for all group managers, and we expect to achieve 100% participation by the end of FY2023.

**Measuring to spread purpose (Engagement Survey)**

As a method for measuring instillation of purpose, we have introduced an engagement survey. 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 80% of the domestic 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.

### **Sharing and resonating with My Purpose to drive I&D**

The Group strives to create innovation by fully tapping into the diverse personalities of our employees, with the ultimate aim of achieving SOMPO's Purpose. We believe that respecting and acknowledging each other's My Purpose fosters an inclusive culture where employees of diverse backgrounds and values can coexist, whatever their gender, disability, nationality, age, or work history may be. Analyzing the results of the Engagement Survey, we have found that the more organizations practice dialogue based on My Purpose, the stronger the tendency is toward recognizing each other's diverse values. We will continue our initiatives based on My Purpose to foster I&D culture and improve corporate value through innovation and challenges.

### **Closing the gender gap**

As well as building a culture and environment that supports women to advance their careers, we are also focusing on ensuring that women are strongly represented in our hiring of officers and managers.

- Implementing a program to train female leaders for the Group
- Introducing unconscious-bias diagnostic tools and training videos
- Setting a target for women to comprise 50% or more of succession plans

Percentage of female managers as of April 1, 2023: 28.1% (target of 30.0% at the end of FY2023)

### **Promoting employment of people with disabilities**

Our group is working to promote the employment of people with disabilities with the aim of creating new value as a component of I&D, while stably providing a place for people with disabilities to demonstrate their abilities and achieve self-fulfillment in their professional lives.

- Allocating vocational life consultants for people with disabilities throughout Japan (Sompo Japan)
- Utilizing SOMPO Challenged Inc., a special-purpose subsidiary

Percentage of employees with disabilities as of April 1, 2023: 2.36% (target of 2.5% at the end of FY2023)

### **Supporting self-driven career development based on My Purpose**

To enable employees to pursue My Purpose, we are promoting self-driven career development centered on job selection led by the employees themselves. As part of this, we only reassign employees with their consent and have introduced a system whereby employees can run for department or section manager posts.

In April 2020, the Company introduced the system for mid-career hires from outside the Company. We expanded this to include general manager posts from April 2021, section manager posts from April 2022, and person-in-charge posts from April 2023.

We will continue to discuss and review company-directed changes and transfers, and expand our self-driven career development system at each Group company based on its business characteristics.

### **Visualizing the effects of human capital management (formulating the impact path of human capital)**

We have formulated an impact path of human capital, which visualizes a path for how our My Purpose-initiated efforts to improve human capital connect to the improvements of financial value and unrealized financial value in the medium- to long-term.

By utilizing and analyzing various data such as the Engagement Survey results, we visualize the correlation between our efforts to improve human capital and the improvement of corporate value to formulate an impact path.

For example, we have found that organizations that have been able to practice My Purpose 1-on-1 meetings show high employee engagement and high commitment toward achieving My Purpose.

We will continue improving our impact path going forward with the aim of showing our stakeholders our progress in advancing SOMPO's purpose.



## **Sustainability**

In our Mid-Term Management Plan, we have positioned SDGs in Business Management, which aims to use our core business to create economic value and social value, as one of the Group Business Foundations.

For our SDGs in Business Management, we have set up 42 KPIs to assess the seven material issues that we need to address to realize SOMPO's Purpose. We monitor progress toward achieving these, and are promoting Group-wide initiatives.

### **SOMPO climate action initiatives**

To “contribute to a green society where the economy, society and environment are in harmony,” which is one of our material issues, the Mid-Term Management Plan upholds our SOMPO Climate Action commitment and carries out various initiatives to adapt to climate change, mitigate climate change, and contribute to societal transformation.

### **Formulate interim GHG-reduction targets for investee and borrower companies**

In addition to the goal of achieving net-zero GHG emissions across our entire value chain—including investee and borrower companies—by 2050, in May 2022, we set an interim target of reducing GHG emissions by 25% by 2025 (compared to 2019 levels). Toward achieving these goals, we will strengthen our engagement with our investee and borrower companies.

## Initiatives for ESG-conscious insurance underwriting and investment and lending

The Group makes decisions on insurance underwriting, investment and lending and business activities based on SOMPO's Purpose. In particular, we are working to contribute to energy transition, which is indispensable for the transition to a green society, based on the following insurance underwriting and investment and lending policies.

Coal-fired power plants and thermal coal mine projects *Whether new or existing	Suspension of new insurance underwriting and investment and lending
Oil sands and oil and gas extraction activities in the Arctic National Wildlife Refuge (ANWR)	
Companies with no greenhouse gas (GHG) reduction plan in place by January 2025, and which engages primarily in coal business or engages in oil and gas extraction activities in the ANWR	Suspension of insurance underwriting and investment and lending

For further information about our policies, please visit our corporate website.

<https://www.sompo-hd.com/en/csr/system/vision/>

## Efforts to promote the spread of offshore wind power projects

Sompo Japan and SOMPO Risk Management Inc. utilize a risk assessment model developed with the University of Tokyo to sell "ONE SOMPO WIND Services." This provides offshore wind power operators with comprehensive insurance that covers various risks and includes risk assessments from construction work to business operations. In February 2023, we applied this risk assessment model and began selling a service that analyzes financial impact through probabilistic damage assessments.

Through these services, the Group will contribute to the risk management of offshore wind power operators, promoting the spread of offshore wind power projects, which involve extremely low carbon emissions, and thereby contributing to the realization of a carbon neutral society.

## Joined international alliances for net zero

The Sompo Group became the first Japanese insurance company to join three of the sector-specific alliances\* that comprise the Glasgow Financial Alliance for Net Zero (GFANZ), a global alliance of financial institutions committed to achieving net-zero GHG emissions by 2050. Through our membership in these

organizations, we intend to contribute to the establishment of rules aimed at realizing social transformation, and to accelerate our initiatives to achieve net zero by promoting decarbonization in our underwriting operations, and reducing GHGs in our investments.

\* The three alliances we have joined (2022):

- NZIA (Net-zero Insurance Alliance)
- NZAOA (Net-Zero Asset Owner Alliance)
- NZAM (Net Zero Asset Managers Initiative)

## **Efforts such as humanitarian support and disaster relief**

### **Donations for humanitarian work in Ukraine and neighboring countries**

The Group donated a total of 84,532,205 yen to five organizations engaged in humanitarian assistance activities in Ukraine and neighboring countries. This amount was based on the number of visitors to the “Henri Le Sidaner—Henri Martin” exhibition held at the SOMPO Museum of Art (from March 26, 2022 to June 26, 2022) and on the number of views of videos introducing the exhibition.

\* The five donation recipients:

- UNHCR (United Nations High Commissioner for Refugees)
- UNICEF (United Nations Children's Fund)
- Save the Children
- Japanese Red Cross Society
- Japan Platform

### **Support for victims of the earthquake in Turkey and Syria**

The Group has donated a total of 31 million yen to support those affected by the earthquake that struck Turkey and Syria on February 6, 2023 (local time). In addition, the SOMPO Chikyu (Earth) Club\*, a volunteer organization composed of executives and employees of the SOMPO Group, donated a total of 1 million yen to the Japanese Red Cross Society and Japan Platform as a fund for activities related to disaster relief.

\* SOMPO Chikyu (Earth) Club

A volunteer organization composed of SOMPO Group executives and employees established in 1993.

The Chikyu (Earth) Club Social Contribution Fund is operated by volunteers of executives and employees who donate an amount of their choosing from their salaries.

For more information on the Group’s sustainability initiatives, please refer to Sustainability Report 2022 and the Company’s official website.

<https://www.sompo-hd.com/en/csr/communications/report/>

<https://www.sompo-hd.com/en/csr/>

## Major External Evaluations

### Inclusion in ESG indices

The Company is included in the following ESG-related indices (March 2023).

Dow Jones Sustainability Indices (Asia Pacific)

S&P/JPX Carbon Efficient Index

FTSE Blossom Japan Index

FTSE4Good Index series

MSCI ESG Leaders Indexes Constituent\*

MSCI Japan Empowering Women Index (WIN)\*

MSCI Japan ESG Select Leaders Index\*

\* The inclusion of Sompo Holdings in MSCI indices and the use of MSCI logos, trademarks, service marks, or index names does not mean that MSCI or its affiliates sponsors, recommends, or promotes Sompo Holdings. MSCI indices are the exclusive property of MSCI and the names and logos are trademarks or service marks of MSCI or its affiliates.

### Awarded Gold, the highest rating, in the work with Pride Index, an assessment of LGBT initiatives

Sompo Japan has received a Gold rating from work with Pride, a voluntary organization, which is the highest rating index for LGBT initiatives. This is the fourth consecutive year since 2019 that Sompo Japan has received this award in recognition of its efforts to create an environment and culture in which LGBT employees can work comfortably and with a sense of job satisfaction (November 2022).

### Selected for the CDP Climate Change A List (highest rating)

SOMPO has been named in the Climate Change A List, the highest rating in the 2022 assessment of climate change by the CDP, an international project in which the world's leading institutional investors request companies in respective countries disclose their climate change strategies and greenhouse gas emissions. This is the sixth time that we have been selected for the Climate Change A List (December 2022).

### **Selected as a FY2022 Nadeshiko Brand**

The Company was selected as a FY2022 Nadeshiko Brand in a joint initiative by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange to select listed companies that excel in promoting women's empowerment. This is the fifth time that we have been selected (March 2023).

### **Received the Excellence Award at the 2nd NIKKEI Integrated Report Awards**

In the 2nd NIKKEI Integrated Report Awards sponsored by the Nikkei Inc., the Company received an Excellence Award in recognition of its Integrated Report 2022 (February 2023).

Please refer to the URL below for the English version of the Integrated Report 2022.

<https://www.sompo-hd.com/en/ir/data/annual/>

### **Received Encouragement Award at the 31st Global Environment Awards**

SOMPO Japan and SOMPO Risk Management received the Encouragement Award at the 31st Global Environment Awards hosted by the Fujisankei Communications Group in recognition of their ONE SOMPO WIND Services product for offshore wind power operators (March 2023).

### **Recognized as a Certified Health & Productivity Management Outstanding Organization 2023, Large Corporate Division (White 500)**

As a company that excels in health and productivity management (“kenko keiei”®\*) we have been certified as a “Certified Health & Productivity Management Outstanding Organization 2023, Large Corporate Division (White 500)” under the Certified Health & Productivity Management Outstanding Organization Recognition Program administered by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi.

Overall, 22 companies in the Group have been certified as either “Certified Health & Productivity Management Outstanding Organization 2023, Large Corporate Division” or “Certified Health & Productivity Management Outstanding Organization 2023, Small and Medium-sized Corporate Division 2023.” Of these, eight companies have been certified as “Certified Health & Productivity Management Outstanding Organization 2023, Large Corporate Division (White 500)” (March 2023).

\* kenko keiei® is a registered trademark of Nonprofit Organization KenkoKeiei.

### **Recognized as a 5-star company in the 6th Nikkei Smart Work Management Survey**

The Company was recognized with a 5-star rating in the 6th Nikkei Smart Work Management Survey\*, which selects leading companies that are taking on the challenge of revolutionizing productivity through workstyle innovation. (November 2022)

\* The survey, which has been conducted by Nikkei Inc. since 2017, targets publicly listed companies and leading unlisted companies nationwide. It defines "smart work management" as efforts to maximize organizational performance through three elements: the realization of diverse and flexible work styles; a system for creating new businesses; and the ability to develop markets. The companies are evaluated on a five-star scale.

### **Received the Grand Prix in the Career Ownership Management Award 2023**

The Company received the Grand Prix, the highest achievement of the Career Ownership Management Award 2023. The Company was highly commended mainly for carrying out purpose-driven management under "My Purpose" and its capacity to communicate qualitative and quantitative results inside and outside the organization (May 2023).