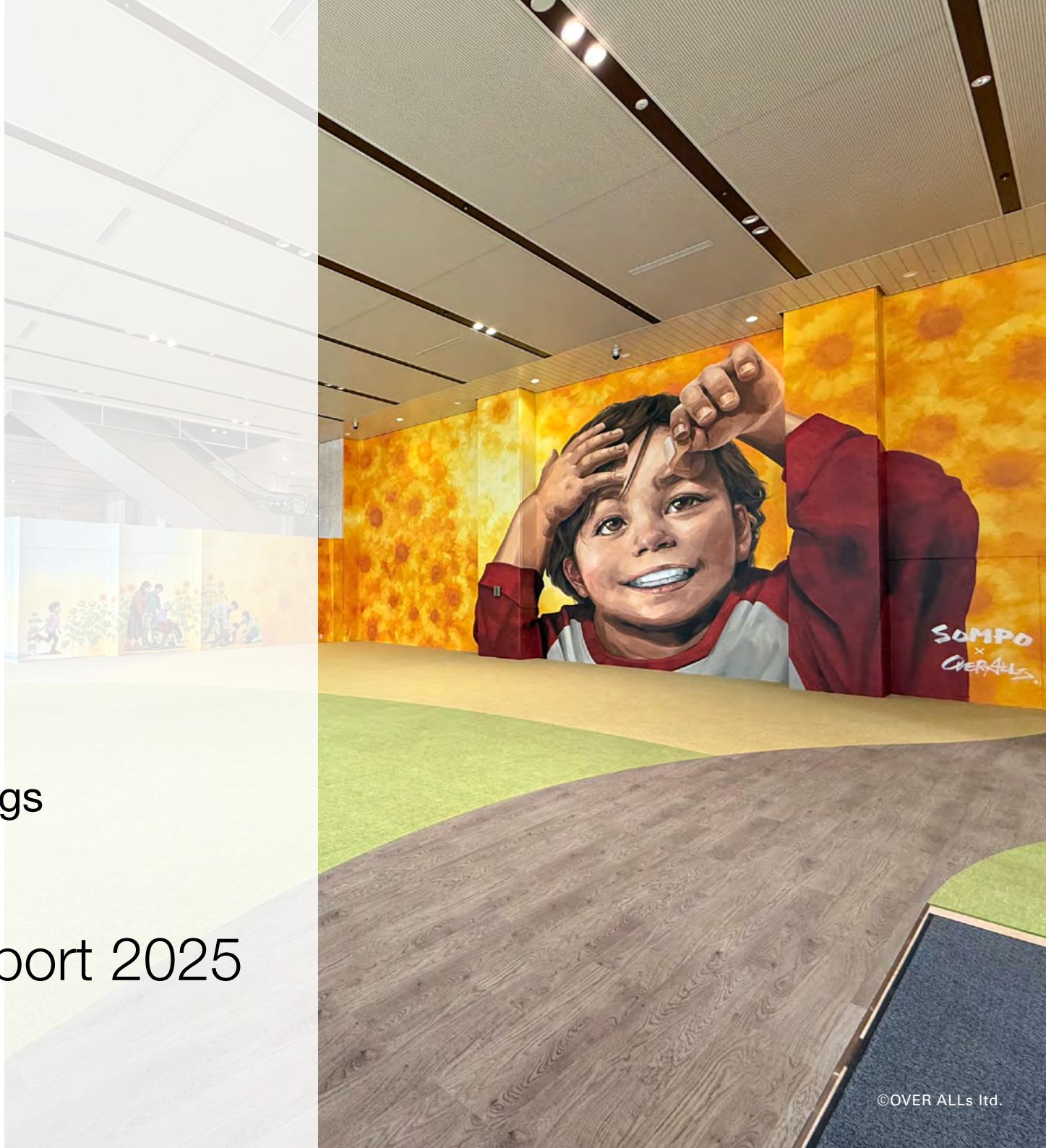




Sompo Holdings  
Integrated  
Annual Report 2025



# To Our Stakeholders

## To Our Stakeholders

### Main Section

### Sustainability Section

### Financial and Corporate Data Section

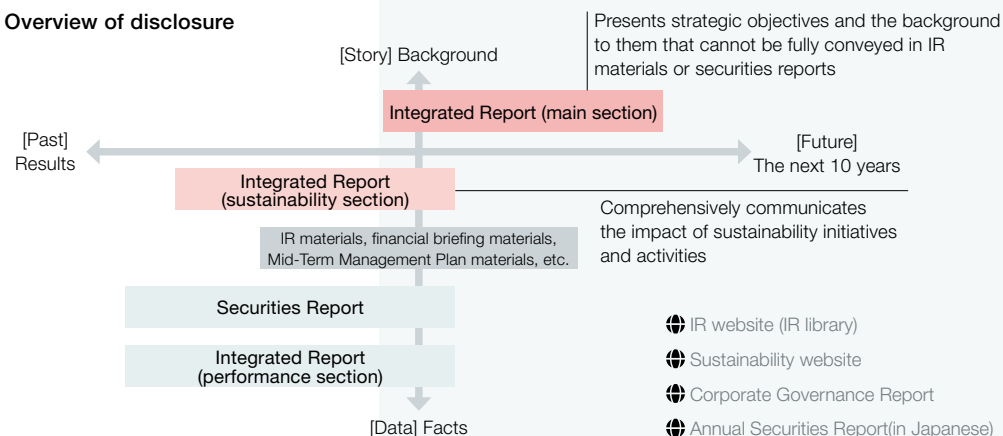
We decided to begin publishing an Integrated Report in FY2024, combining our Integrated Report and Sustainability Report. The report encompasses a main section, a sustainability section, and a financial and corporate data section.

The main section and performance section offer comprehensive disclosure of the Group's vision, our strategic objectives and the background to the objectives, as well as financial and performance information, while the sustainability section broadly discloses impact of specific sustainability initiatives and activities.

We chose this new format to gain a more in-depth understanding among stakeholders of the Group's business model, while also presenting a coherent story that clearly conveys our vision and strategy for creating long-term corporate value, as well as the progress we are making toward achieving that goal.

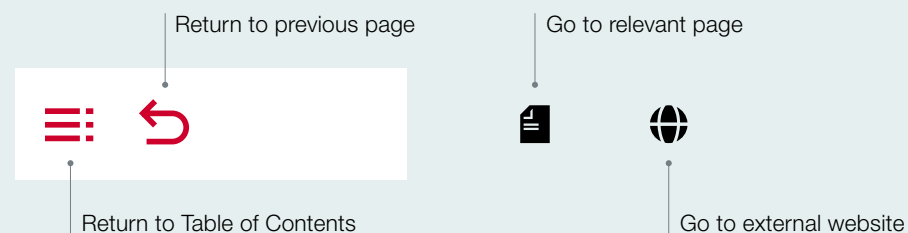
By capitalizing on this Integrated Report as a communication tool, we hope to promote dialogue with stakeholders and generate a cycle that will lead to the further enhancement of corporate value.

### Overview of disclosure



### Guide to reading this report

Each page contains navigation buttons to make it easier to move around between pages.



### Editorial Policy

This report compiles financial and non-financial information on Group efforts to create sustainable value, and presents our business model and the value we provide to stakeholders in an easy-to-understand manner. It also serves as disclosure materials based on Article 271-25 of the Insurance Business Act and Article 210-10-2 of the Ordinance for Enforcement of the Insurance Business Act.

### Reporting period

This report relates mainly to initiatives from April 1, 2024, to March 31, 2025, but also contains some latest initiatives and policies to provide updated information.

### Scope of this report

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

### Publication period

Japanese version: August 2025, English version: November 2025

(Previous report. Japanese version: August 2024, English version: October 2024)

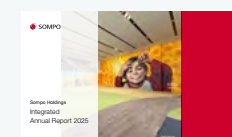
### Referenced guidelines

- International Integrated Reporting Framework\*<sup>1</sup>
- Guidance for Collaborative Value Creation\*<sup>2</sup>
- GRI Sustainability Reporting Standards
- ISO 26000: International standard on social responsibility
- SDG Compass: The guide for business action on the SDGs
- TCFD recommendations/TNFD recommendations
- ISO 14064-1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication
- The Ten Principles of the United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- Charter of Corporate Behavior and Its Implementation Guidance, Keidanren (Japanese Business Federation), the 9th version

\*1 An international corporate reporting framework provided by the IFRS Foundation (formerly Value Reporting Foundation), which enables companies to tell their short-, medium-, and long-term value creation stories.

\*2 Guidance developed by Japan's Ministry of Economy, Trade and Industry to encourage companies and investors to deepen mutual understanding through information disclosure and dialogue, thereby promoting collaborative value creation.

### Thinking behind the cover



©OVER ALLs Ltd.

The cover design of this report features a mural that expresses SOMPO's Purpose: For a future of health, wellbeing, and financial protection.

The SOMPO Grand Mural Project was planned with the cooperation of OVERALLs, a company that specializes in expressing corporate history and philosophy through murals. Installed in the atrium on the first floor of Sompo Japan Insurance's Shinjuku headquarters building, the mural was inspired by the ideas of project members, who were Sompo Group employees recruited from all over the country.

For further details, please refer to Corporate Citizenship Activities (sustainability section, page 180).





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Disclaimer

The information presented in this report includes future forecasts based mainly on the Sompo Group's management policies and plans. They are based on information available at the time of publishing. Accordingly, actual earnings and activity plans may be affected by the future operating environment.

Planning and editing

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# Group CEO Message

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The origins of the Sampo Group date back to 1888, when Japan's first fire insurer, Tokyo Fire Insurance, was established. For more than 130 years, while dealing with complex risks and issues, we have strived to meet the expectations of our stakeholders, including customers, society, shareholders, business partners and colleagues to deliver a future of health, wellbeing and financial protection. Throughout and looking ahead, we continue to build Sampo Group's resilience to be able to deliver value for society and for people, under any conditions.

The keys to building our resilience as a company are our corporate culture and professionals' growth. It is vital that we create a culture that develops a deep understanding of the importance and significance of professionalism at work, based on constantly learning and achieving one's own aspirations. Under a new management structure comprising the SOMPO P&C and SOMPO Wellbeing business segments, we will strengthen our efforts to 'connect and be connected' and learn from each other across the group so that we can become 'a Japan-born, truly global company.'

My aim is to ensure the growth of the Sampo Group as a stronger and more innovative enterprise by leveraging our diversity, increasing our resilience, and fostering a corporate culture where we learn from each other across geographic and business boundaries. This will help achieve the future of health, wellbeing and financial protection that we want to pass on to the next generation.



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## Group CEO Message

### Resilience is essential to delivering ‘a future of health, wellbeing and financial protection’

In 1888, when Sampo’s predecessor Tokyo Fire Insurance was founded, frequent fire occurrence had become a major social issue, and the company’s aim was to give people greater peace of mind. The modern world in which we live is filled with risks and anxieties amid a stream of previously unimaginable events, such as rising geopolitical tensions, climate change, and the advent of dramatic technological changes, including AI.

To take climate change as an example, the increased severity and frequency of natural disasters pushed related economic losses in FY2024 to US\$318 billion, a critical situation for the industry. The global revenue base required to offset such losses is insufficient, which has resulted in a hard market and surging premiums, while the market has recently shown signs of moderating. This market trend, as one of the factors, is widening the so-called protection gap, where customers find it harder to secure coverage for natural disasters and to access services. We need to recognize this as a major social issue that the insurance industry must face.

The demographic shift is another looming issue. In Japan, we are facing various problems due to the rapidly aging society caused by low birthrates and increased longevity. Estimated medical expenses rose to more than ¥47.3 trillion in FY2023, around 20% higher than a decade earlier. As a result, increasing anxiety about the sustainability of the health care insurance system and the long-term care insurance system is spreading not only among the elderly but also among young people.

Preserving the company’s founding concept of delivering peace of mind, the Sampo Group today is working towards ‘a future of health, wellbeing and financial protection’ for a society confronting complex issues. To satisfy the expectations of customers, society, shareholders, business partners, colleagues and other stakeholders by earning the trust of everyone and consistently delivering peace of mind, it is essential that we build the resilience of the Sampo Group. In other words, everybody in the Group needs to combine strength with flexibility.

This is not simply about increasing revenues or boosting profitability using more advanced business models or insurance underwriting. In a broader sense, resilience means creating an organization that is flexible enough to respond to varied conditions.

### Corporate culture and ‘My Purpose’ as the keys to building resilience

Customer needs will continue to change amid an expected acceleration of trends.

In such circumstances, the corporate culture we develop with our employees holds the key to building resilience. Providing solutions to the issues of today is not enough; our organization and everyone working in it must be determined to learn and grow constantly, and we strive to create a culture imbued with such values.

Improving specialist expertise and productivity are vital for developing the competitive edge needed to increase corporate value. However, I think it is even more important to think all the time about what our customers really need and to have a strong determination to find solutions. By making this part of the organization’s culture, I believe specialist expertise as well as productivity of all professionals will rise as a matter of course.

‘My Purpose’ is the starting point for this transformation of corporate culture.

My experiences with people from the world of sports show me how many elite athletes understand the importance of objective self-evaluation, combined with a determination to set goals and to work hard to achieve them. I think the same can be said in business. We all come into this world with the potential to contribute in some way to family, friends and society. ‘My Purpose’ expresses the aspiration to become the person to achieve that. We must be honest with ourselves, take an objective view, and resolve to overcome



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any shortcomings. The company stands ready to provide opportunities for our professionals. As our professionals connect their purpose with SOMPO's Purpose, and as 'My Purpose' gradually evolves over time, they will increasingly focus on achieving these goals. That is what true professionalism means. By taking the initiative with all of our senior management team, I aim to instill this in all Group employees.

We held the inaugural Sampo Group Awards in 2022 to recognize achievements by Group colleagues. Ever since, it has provided an opportunity for executives and colleagues to discover and praise the challenges undertaken by Group colleagues around the world, and to help unify us to take on fresh challenges. At the awards ceremony held in February 2025, we saw how hard many of our Sampo Group people were working with their colleagues to contribute to the Group's Purpose through property and casualty (P&C) insurance and risk management services, and the creation of new businesses using digital technologies. My profound realization is that my role as a CEO is to create an environment that enables employees to achieve while expanding their opportunities, by helping to embed a corporate culture that encourages professionalism in all aspects of their work. I feel confident such efforts over time will build the resilience of the Sampo Group.



### Progress with current MTMP

The goals of the Mid-Term Management Plan (MTMP) that we announced in May 2024 are to 'increase resilience' and to 'connect and be connected.' We set financial performance targets for FY2026 of adjusted consolidated ROE of 13–15% and a CAGR over the period for adjusted EPS of at least 12% (both on an IFRS basis), based on achieving growth within the two business segments of SOMPO P&C and SOMPO Wellbeing. Adjusted consolidated profit in FY2024, the first year of the plan, reached ¥334.3 billion (Japanese GAAP basis), a record high significantly ahead of initial guidance that was mainly driven by higher earnings in our overseas insurance business. On an IFRS basis, we expect adjusted consolidated ROE in FY2025 of about 10% and a CAGR for adjusted EPS over the current MTMP period of over 14%. We remain focused on hitting all these performance targets.

Moreover, our commitment is to raise adjusted consolidated profit to the ¥500 billion level and market capitalization to the ¥6 trillion level by FY2030, by reallocating capital realized from the sale of strategic shareholdings to fund growth investments and businesses with higher earnings potential. While these targets are double the level of what we first announced at the start of the MTMP in 2024, the focus is on ensuring we achieve our goals by realizing strong and steady growth.

In 2024, to support these efforts, we established Centers of Excellence (CoEs) staffed with highly talented people with a global perspective in areas such as finance, communications and internal audit. Their role is to apply the knowledge and know-how from our overseas insurance businesses to Sampo Group P&C insurance operations in Japan.

### New management structure to support development of 'a Japan-born, truly global company'

We still have further to go if we are to transform the Sampo Group into a resilient enterprise able to provide solutions for the real needs of customers, while responding flexibly to the changing business environment. We decided to adopt a new management structure as early as possible to accelerate the 'connect and be connected' transition while further reinforcing our ability to learn best practices internally by leveraging the strengths of the Sampo Group, which spans different regions and a range of businesses. We announced this in February 2025 during the first year of the current MTMP.

Under the new structure, a CEO has been appointed to each of the two new business



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segments and I have delegated some of my duties as Group CEO to these business segment CEOs. James Shea, CEO of Sampo International, is the CEO of SOMPO P&C; Yasuhiro Oba, having previously headed up domestic life insurance operations, is the CEO of SOMPO Wellbeing. Besides overseeing the steady implementation of the business improvement plans, I am devoting more time as the Group CEO to promoting critical strategies to support the Group's transformation, including broader roll-out of CoEs, fostering a corporate culture centered on sharing best practices; ensuring a talent strategy blind to gender, age and nationality as we seek to incorporate diverse opinions and values; and promoting the transformative utilization of digital, data and AI technologies for our businesses and enhancing productivity.

By executing these strategies consistently, my aspiration is to transform Sampo into a 'Japan-born, truly global company,' creating an enterprise capable of meeting the needs of customers worldwide and leveraging our Japanese heritage, such as our spirit of altruism.

### Targets for SOMPO P&C and SOMPO Wellbeing

At SOMPO P&C, in addition to expanding geographically and diversifying, we are expanding the scope of services we offer before and after insurance, including disaster prevention and mitigation, accident prediction, and emergency responses. We see this helping us to forge deeper customer relationships over the long term. To this end, we are focused on cross-border learning and development of best practice from every company across the global Sampo Group. For instance, through its SJ-R project designed to reform business models and corporate culture to address a series of problems, Sampo Japan Insurance aims to change its earnings structure and operating foundation, moving away from its traditional business model to create an innovative and highly resilient company. One of the key challenges of this project is how to transform the insurance underwriting portfolio. To date, we have applied know-how acquired from Sampo International to develop mechanisms to support sophisticated underwriting and timely rate revisions. Under Mr. Shea's leadership, the P&C business segment will pursue such initiatives driven by our Centers of Excellence.

In 2024, we announced SOMPO Wellbeing will focus on providing solutions to the three major concerns in modern Japan arising from its demographic trends. As a result of the efforts of past generations to realize major improvements in medicine, food and public

health, life expectancy in Japan has increased by over 30 years, from around 50 in the late 1940s to today, where we can expect to live to 80 or even 100. Yet, as birthrates fall and society progressively ages, the longevity that we should all celebrate has spurred several anxieties. We refer to these as the 'three concerns' of health (can we stay healthy as we get older?), senior care (will care services be available when we need it?), and retirement finance (can we afford to retire?). I believe we must harness the collective power of the Group to alleviate these concerns. Under the leadership of Mr. Oba, who led Sampo Himawari Life for many years, SOMPO Wellbeing will become a pillar of Group earnings by steadily building its business through the provision of solutions that alleviate these concerns.

### Helping the next generation inherit a better society

We live in an affluent society created by the aspirations and hard work of our predecessors. Nonetheless, I think that we all want to leave it to the next generation in a better state. As the Group CEO, I also believe that the Sampo inherited by the next generation must be one that continues to provide peace of mind for the various risks and concerns people and companies face, regardless of the times. That is why I am committed to the Group's transformation. I am confident that we can create a stronger, innovative and resilient Sampo Group by utilizing the strengths of our diverse operations and by fostering a culture where professionals can connect and learn across boundaries of geography and business. Then we can pass the baton to the next generation knowing that we have contributed to building a future of health, wellbeing and financial protection.



# SOMPO's Purpose

# For a future of health, wellbeing and financial protection

## Description of Purpose

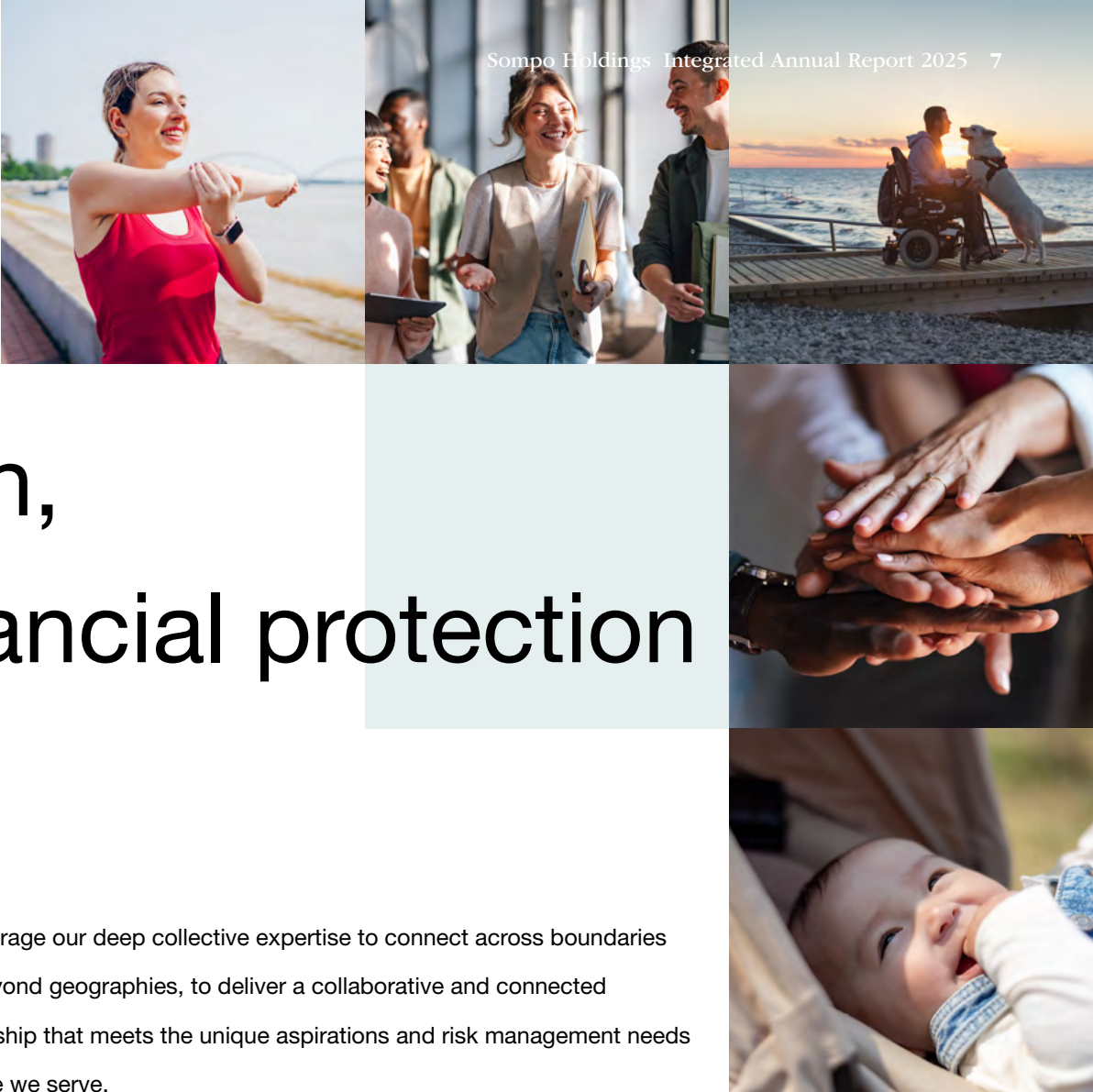
For a future of health, wellbeing and financial protection

Sompo prioritizes health, wellbeing and financial protection to create opportunities for everyone we serve, from individuals to enterprises.

In a rapidly changing world and shifting demographics that demand resilience and adaptability, we are steadfast in our commitment to build on insight and meticulously craft solutions for the future.

We leverage our deep collective expertise to connect across boundaries and beyond geographies, to deliver a collaborative and connected partnership that meets the unique aspirations and risk management needs of those we serve.

For a future of health, wellbeing and financial protection.  
We are SOMPO Group.





# Realizing Our Purpose

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External environment, social issues

- Increasingly severe natural disasters
- Geopolitical risk
- Declining birthrate, aging population
- Advances in AI and other technology

## SOMPO P&C

Addressing changes in customers and risks

- Domestic P&C Insurance Business
- Overseas Insurance and Reinsurance Business



Improve profitability

- Pursue efficiency in reinsurance, investment, etc. by leveraging a globally combined balance sheet
- SJ-R in domestic P&C insurance (improve underwriting results, change corporate culture, etc.)
- Geographic expansion and increased diversification in overseas insurance

Connect and be connected

## SOMPO Wellbeing

Provide solutions to a range of concerns associated with a declining birthrate and aging population

- Domestic Life Insurance Business
- Nursing Care Business



Increase resilience

Increase solutions that address the three concerns

- Increase sales of Insurhealth®, Future Nursing Care, increase sales of asset building products
- Create value-added through connect and be connected
- Change the corporate culture (mutual learning)

## Execution of growth investment

Mid-Term Management Plan management targets (IFRS basis)

Adjusted consolidated ROE (FY2026)	Adjusted EPS growth (Mid-Term Management Plan period)
13-15%	CAGR +12% or higher

Market cap, EPS: Sustainable growth  
ROE: Global peer level

FY2030 targets

Adjusted consolidated profit	Market cap
¥500.0 billion level	¥6.0 trillion level

Group strategy

Finance strategy	Human resource strategy
Digital, data, and AI strategy	Sustainability strategy
Governance	

SOMPO's Purpose

For a future of health, wellbeing and financial protection

Mitigate future risks for customers

Alleviate customer concerns

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# Mid-Term Management Plan (FY2024–2026): FY2024 Year-End Progress

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Group-wide management targets (IFRS basis)

Adjusted consolidated ROE (FY2026 target): **13-15%** (FY2024 actual: 9.2%)

Adjusted EPS growth (Mid-Term Management Plan period): CAGR **12% +**

Each business KPIs	SOMPO P&C						SOMPO Wellbeing					
	● Domestic P&C Insurance Business			● Overseas Insurance and Reinsurance Business			● Domestic Life Insurance Business			● Nursing Care Business		
		FY2026 targets	FY2024 progress		FY2026 targets	FY2024 progress		FY2026 targets	FY2024 progress		FY2026 targets	FY2024 progress
	Segment ROE* <sup>1</sup>	10% +* <sup>2</sup>	7.9%	Segment ROE* <sup>4</sup>	13% +	14.2%	Segment ROE* <sup>5</sup>	8% +	7.7%	Segment ROE* <sup>1</sup> (Operator business* <sup>6</sup> )	12% +	13.7%
	E/I combined ratio* <sup>3</sup>	Below 95%	98.9%	Adjusted profit* <sup>4</sup>	CAGR: +10%	\$1,380 million (initial plan: \$1,243 million)	Adjusted profit* <sup>1</sup>	¥70.0 billion level	¥57.0 billion	Adjusted profit* <sup>1</sup>	¥12.0 billion level	¥8.3 billion
	Amount of reduction of strategic stock holdings	¥800.0 billion + (total for MTMP period) (Revised upward from initial target of 600.0 billion +)	¥429.3 billion	Gross written premiums* <sup>4</sup> (effect of geographic expansion)	\$1.0 billion +	Around \$540 million	New business CSM	¥93.0 billion	¥69.8 billion	Occupancy rate	95.5%	94.7%
	Non-financial SJ-R KPIs	FY2025 targets	FY2024 progress				Himawari clients/users	7 million	5.38 million	Private service revenue	¥800 million level	¥600 million
	• Engagement score	Year-on-year improvement	3.63 points (+0.03 points from previous fiscal year)				No. of health actions	550,000	187,000	Contribution of Future Nursing Care* <sup>7</sup>	¥3 billion level	¥1.4 billion
	• Co-creation, dialogue with local communities and businesses	Year-on-year increase	499 cases (+179 from previous fiscal year)				White 500	Achieved for 11 consecutive years through FY2026	Acquired for nine consecutive years through FY2024			
	• Overall satisfaction with accident response (auto insurance)	75.6%	73.7%									
	• Overall satisfaction with accident response (fire and specialty insurance)	80.1%	78.0%									

Group-wide KPIs	Human Resource Strategy		
		Targets	FY2024 progress
	Engagement score	FY2026 target: Year-on-year improvement	Japan: 3.56 points (+0.04 points from previous fiscal year); Overseas: 4.16 points (-0.02 points from previous fiscal year)
	Ratio of employees with disabilities	FY2026 target: 2.7% +	2.61%
	Ratio of males taking childcare leave	Target: 100%	81.0%
	Ratio of female Directors and Executive Officers, Department Managers, and Management-level Employees:	April 2027 target: Directors and Executive Officers 16%, Department Managers 23%, Management-level Employees 28%    2030 target: 30% for all categories	April 2025 target: Directors and Executive Officers 14.3%, Department Managers 20.7%, Management-level Employees 26.6%
	Confirmed harassment cases	Target by FY2026: Year-on-year decrease	33 (-4 cases from previous fiscal year)
	Ratio of female candidates in succession plans	Target: 50%	40%
	Sustainability Strategy		
		Targets	Progress
GHG Scope 1-3 (excluding Category 15) reduction	2030 target: 60% reduction compared to 2017    2050 target: Net zero	Currently being calculated* <sup>8</sup>	
Investee and borrower companies' GHG Scope 3 Category 15 reduction	2025 target: 25% reduction compared to 2019 2030 target: 50-60% reduction compared to 2019 (intensity basis)    2050 target: Net zero	2023 results: 16.5% reduction	
Transition insurance target	FY2026 target: Gross written premiums of ¥25 billion	FY2024 result: ¥29.7 billion	

\*1 IFRS basis    \*2 Converted target (8%) based on old standards (Japanese GAAP) basis to IFRS    \*3 Old standards (Japanese GAAP) basis to IFRS    \*4 Old standards (IFRS4) basis    \*5 IFRS adjusted profit ÷ IFRS net assets

\*6 Calculated by using adjusted profit generated mainly from public long-term care insurance benefits received for facility-based and at-home care, etc. as the numerator

\*7 An initiative aiming to boost productivity while maintaining quality by focusing on tasks that only human beings can perform for other human beings, and utilizing digital and other technology, data, and AI to make operations at nursing care facilities more efficient

\*8 After ESG data is calculated, it will be posted on the Sompo Holdings website    [ESG Data](#)

Sustainability Section

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# Overview of SOMPO P&C

SOMPO P&C is striving to maximize the return on risks by integrating its Domestic P&C Insurance Business and Overseas Insurance and Reinsurance Business, and to establish a competitive advantage by fully capitalizing on the Group's expertise, to increase resilience and achieve sustainable growth.

Increase resilience, achieve sustainable growth

James Shea  
CEO of SOMPO P&C

Domestic P&C Insurance Business

Overseas Insurance and Reinsurance Business

✓ Maximizing return on risks  
(taking risks based on a combined balance sheet)

✓ Establishing a competitive advantage in the domestic P&C insurance market  
(capitalizing fully on knowledge within the Group)

## Scale of SOMPO P&C

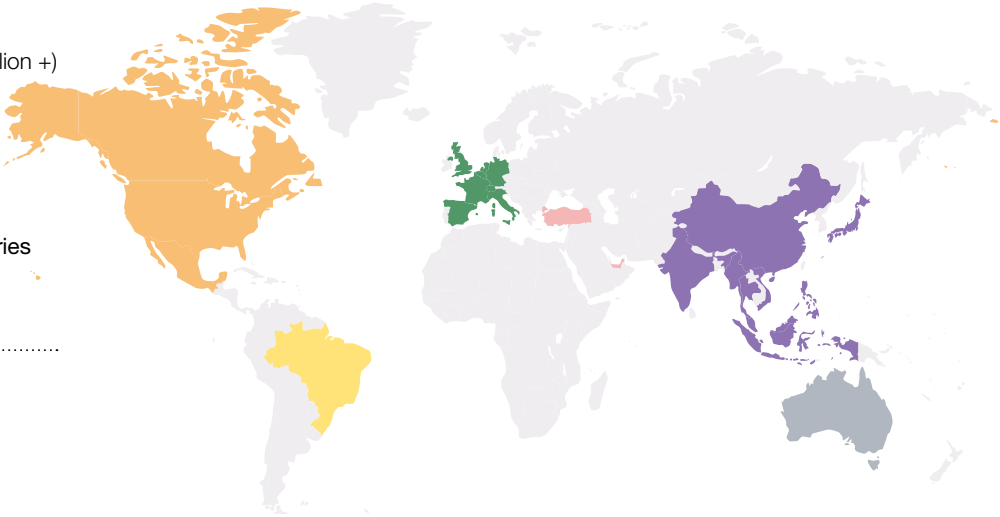
Globally, the company has more than ¥4.8 trillion in gross written premiums, operates in 29 countries and regions, and has a workforce of more than 30,000 people.

We will leverage our scale, diversity, and other strengths to promote centers of excellence that leverage knowledge available within the Group.

¥ 4.8 trillion + (\$31.7 billion +)  
Gross written premiums

Operating in 29 countries and regions

30,000 + employees worldwide

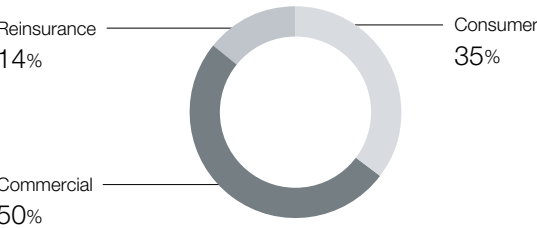


## Portfolio of SOMPO P&C

We operate consumer, commercial, and reinsurance businesses through locations worldwide.

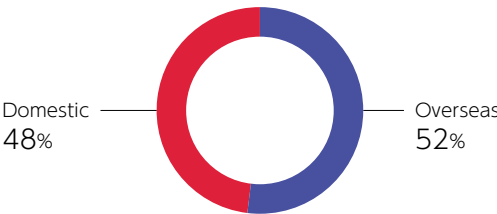
We will strive to further increase resilience, building on a portfolio that is diverse in terms of business and region.

FY2024 gross written premiums by line of business



Note: Rounded to the nearest whole number

FY2024 gross written premiums by region



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James Shea

CEO of SOMPO P&C  
Overseas Insurance and Reinsurance Business (Officer)

Group CEO

SOMPO P&C

SOMPO Wellbeing

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In today’s dynamic global insurance landscape, achieving sustainable growth requires a balance between operational excellence, cultural cohesion and forward-thinking talent strategies. Over the past year, Sompo Overseas has demonstrated these qualities through its continuous execution of a clear, long-term strategy that integrates local expertise with global ambitions. One hallmark of Sompo’s achievements outside Japan lies in its ability to execute on a carefully communicated plan.

Despite various headwinds, such as market uncertainty, the company has maintained its focus on underwriting discipline and strategic expansion. By embedding this strategic clarity, our Overseas business continues to demonstrate effectively how large, decentralized organizations can drive alignment and growth without sacrificing or compromising local agility.

Recently, we have achieved the following milestones:

- Operational expansion:**  
We opened new offices in Denver, Houston and Miami in the United States, plus Milan in Italy, and Birmingham and Manchester in the United Kingdom.
- Reinsurance excellence:**  
Our business has delivered outstanding results in the reinsurance segment, which is testament to the company’s underwriting capabilities.
- Cultural integration:**  
We work constantly to develop and foster a sense of belonging across geographies for our colleagues around the world, to ensure teams see themselves as part of a unified global organization.

Talent as a cornerstone of growth

In a people-driven business such as ours, talent acquisition, retention and development are not just HR priorities – they are

strategic imperatives. Our Overseas business has made significant strides in this area in terms of attracting top talent and developing the next generation of leaders. Outside Japan, we welcomed more than 400 new employees last year, including leadership and business function experts. This underscores our growing reputation as a destination for top industry professionals.

Initiatives such as our “Future Leaders Program” illustrate a proactive approach to retention and succession planning, ensuring a deep bench of talent for the next decade and beyond. With the global insurance industry facing a talent gap due to demographic shifts, we are prioritizing internal development while also remaining an attractive option for external talent.

This focus on talent is not only about meeting today’s needs but also about preparing for the future challenges of our industry, including the increasing demand for cross-cultural competencies and digital expertise.

Leveraging market conditions and brand strength

Sompo’s Overseas growth trajectory has been fueled by both external market conditions and the growing strength of its brand.

- Market opportunities:**  
We have focused underwriting on key lines of business, demonstrating agility and market awareness.
- Brand evolution:**  
While Sompo’s brand is very well established in Japan, we are continuing to make effective strides to enhance our reputation internationally, with brokers and clients around the world now increasingly recognizing Sompo as a trusted, stable partner. We have also demonstrated that true leadership in this context involves not only responding to market conditions but also

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anticipating them, aligning capabilities with opportunities, and building a brand that resonates across diverse markets.

One of Sompo's unique strengths is its commitment to becoming a “multi-local” organization – one that respects and leverages local cultures while integrating them into a dynamic and cohesive global framework. We recognize that to achieve truly global success requires understanding the nuances of all our different business cultures, both in Japan and elsewhere. To support this, we create opportunities for employees to work across geographies, allowing them to share their expertise and experiences while fostering cultural sensitivity to pursue and achieve business and individual goals. Going forward, our aim is to have a globally integrated organization where all our local teams, wherever they are in the world, feel part of a larger whole – supported by shared tools, processes and a unified culture. We believe that by taking this approach, we are best positioned as a business to navigate the complexities of globalization in the 21st century.

### Balancing long-term vision with immediate actions

As a business, we understand the importance of balancing long-term goals with immediate, actionable steps. We aim to pursue and leverage quick wins wherever possible in many areas of our business, such as reinsurance, purchasing, vendor management and operational efficiencies. At the same time, we are looking ahead to 2030 and beyond with a focus on talent development, organic growth and strategic acquisitions. We recognize that we are on a journey and, even if the pace and speed of our travel vary over time, we are always moving in the right direction.

In a world marked by geopolitical tensions, economic uncertainty and climate-related risks, the approach of our Overseas business is both pragmatic and forward-looking. From a risk management

perspective, we distinguish between controllable and uncontrollable risks, focusing on underwriting discipline and operational resilience. We are also always looking to find opportunities within challenges by exploring new geographies, products and partnerships while maintaining a measured pace of growth.

This resilience, coupled with a commitment to sustainability and innovation, positions Sompo as a leader in navigating the complexities of a rapidly changing world.

### Our new SOMPO P&C segment

SOMPO P&C leverages our scale across various geographies through a well-balanced mix of commercial insurance, consumer insurance and reinsurance, mitigating risk by diversifying its portfolio and stabilizing financial performance. The organization leverages expertise from each segment to enhance products and services, delivering tailored solutions to meet diverse customer needs and adapting swiftly to market dynamics. This strategic approach not only drives growth opportunities through cross-selling and market expansion but also ensures competitiveness and customer satisfaction. We expect to see the benefits globally where new strategies, ideas and approaches are needed to counter changing demographics.

SOMPO P&C represents in excess of US\$30bn gross written premium driven by more than 30,000 employees worldwide. With a balanced global portfolio of 50% commercial, 35% consumer and 14% reinsurance, we are well positioned across geographies and products to continue our strategy and maximize the potential of our organization as a global community, driving innovation to achieve both our purpose and our strategic objectives more effectively.

Key to all of this is bringing our organization closer together. By focusing internally on who we are and how we function prepares

us to support more efficiently and effectively our colleagues and other stakeholders.

The successful integration between our Overseas business and Sompo Japan Insurance is important to better align us as a global P&C organization and to support our strategies. Although we introduced the change on April 1, 2025, the integration process will remain ongoing for some time as we bring our teams closer together and pursue synergies. This structural change is part of our ongoing evolution to remain resilient amid economic changes. It will simplify our business, allowing us to continue to foster deeper connections and alignment across geographies, deliver profitable results to our shareholders and create the best place to work in our industry.

The primary aim of all this is to simplify what we do so we can meet the constantly evolving demands of our customers, wherever they are, both now and in the future.

### Conclusion: A vision for 2030 and beyond

Sompo's Overseas business journey is a testament to the power of alignment, talent and cultural integration. By focusing on people, leveraging market opportunities and navigating challenges with clarity, the company is not only achieving financial success but also setting a benchmark for what a truly global insurance organization can aspire to be.

Our company continues to evolve and our vision for 2030 – rooted in a unified global identity, a deep bench of talent and a commitment to excellence – offers valuable lessons for others in the industry. Leadership is about shaping the future, and Sompo is well on its way to doing just that.

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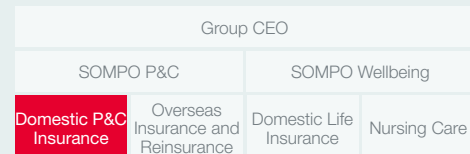
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## SJ-R driving a ‘new Sompo Japan Insurance Inc.’

### Koji Ishikawa

President of Sompo Japan Insurance



## Regaining trust as the basis for a new Sompo Japan Insurance

Sompo Japan Insurance severely eroded its trust with customers and other stakeholders through a series of issues that included falsified auto insurance claims, manipulation of corporate insurance premiums, and the improper management of policy information with insurance agents. While I have been dealing with these issues even since before my appointment as CEO, I believe their real cause lies in the failure of our business model to adapt to changes in society and business conditions.

We are focused on executing the companywide SJ-R project to create a new Sompo Japan Insurance, driven by the realization that there is no future unless we make changes now. Based on the steady implementation of the business improvement plan, our fundamental reforms to business models and work methods represent a new challenge to transform the company into an entity that earns the appreciation of all stakeholders, making them satisfied with choosing us.

## Entrenching cultural reform, rebuilding our business basis

Reforming our corporate culture is the most critical element that underpins the entire SJ-R project. Over the past year, we have been working to foster a healthy corporate culture under the slogan, ‘Be true to customers, society and ourselves.’

Our corporate culture is gradually changing, demonstrated in the consistent improvement seen across seven sets of scores recorded in our Culture Change Survey, which we first undertook in May 2024 covering all employees. Of the 145 initiatives in the business improvement plan, survey scores as of the end of July 2025 showed 126 of them “continue to be effective.” This is a good sign that our executives and employees alike are striving to reform the organization, without regard for the way things were done in the past.

We have put a lot of effort into building the dialogue between employees and management. As of the end of July 2025, the executives from Head Office, including myself, have held town hall-style meetings covering every branch office attended by over 10,000 employees in total. These opportunities for dialogue yielded constructive ideas on company policies, and have been instrumental in encouraging positive change.

Separately, by the end of May 2025, around 4,700 employees visited the “Room for passing down: Learn from the past”<sup>\*1</sup> installation that we set up in the head office in November 2024. New recruits are similarly encouraged to visit to help gain a deeper understanding of the problems Sompo Japan Insurance has faced and the related causes.

In April 2025, we also revamped our HR systems in line with our revised set of values, based on “Our Five Promises” created in FY2024 and our “SOMPO’s Values,” that outline our shared Group positions. This has been an important step in creating a culture where employees can combine respect for diverse opinions, think for themselves and have agency, accelerating our transition to a company where people are happy at work in an environment of respect and mutual support.

In addition, recommendations by the SJ-R Working Group, which mainly comprises 41 front-line employees, have been reflected in the formulation of the Customer Trust Quality Standards and a mission statement for the new Sompo Japan Insurance. Among measures being implemented across the company, we have set up a new policy for the ideal insurance claims service. These are all key steps in bottom-up reform.

However, given the prior lack of any effective mechanism to escalate issues (“Andon”), our organizational reforms still have further to go. We can only achieve true reform by changing our business processes and model. Adopting a better balance between generalists and professional staff remains a longer-term issue. Utilizing the ¥30 billion SOMPO Human Capital Fund, we are currently accelerating development and recruitment of professional staff. The key to achieving SJ-R is to instill a spirit of autonomy across the company so employees can think, act and develop on their own initiative, without having to wait for directions.

<sup>\*1</sup> A facility established for employees to ensure that the facts about the loss of public trust stemming from a series of issues are not forgotten, and to pass on the lessons learned to future generations. It allows employees to view documents and watch videos summarizing the situation at the time, as well as giving an overview of administrative sanctions and customer feedback.



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### Steady progress in strengthening the earning structure and outlook ahead

Over the past year, we have accelerated efforts to strengthen the earning structure.

For example, our fire insurance business had been generating sustained losses in recent years due to harsh conditions that included higher inflation and the increasing severity and frequency of natural disasters. We have now recorded two successive years of core underwriting profit<sup>\*2</sup> after we revised premium rates to make product lines sustainable and adopted a more disciplined approach to underwriting.

As with the fire insurance initiatives, we are also working to balance fairness and profitability in auto insurance, by utilizing AI and other means to help optimize claim payment procedures while enhancing expertise.

We have restricted the expense ratio to the same level as last year through various measures, despite making strategic upfront investments for growth. Our target expense ratio in FY2030 is about 30%.

The action plan involves reducing IT costs, executing an optimized branch strategy, and allocating roles between agencies and insurance companies.

Within Sales, besides improving the efficiency of the Retail Business, which is highly susceptible to demographic trends, we are seeking to increase convenience for customers while also improving the business expense ratio.

In the Commercial Business, rather than just being a supplier of insurance, our transformational aim is to act as a corporate group that offers comprehensive professional risk solutions including insurance, based on a detailed understanding and analysis of customer risks.

We are making steady progress in utilizing generative AI to respond to internal inquiries, and in consolidating our sales operations into seven areas nationwide. We expect to reduce the business expense ratio by around 0.5pt by the end of FY2026 through business process optimization.

In April 2025, we set up a new Special Investigation Unit in the claims service division to handle fraudulent insurance claims so we can ensure fair and proper claim payments. We expect to see the loss ratio for auto insurance improve from FY2025.

Elsewhere, the SJ-R Dashboard that we released in July 2024 has deepened awareness of the need for change by helping to facilitate management-employee dialogue based on factual data. I believe this recognition of the need for reform is now embedded in the entire company.

At the same time, we are progressively managing revenue by segment across the entire policy portfolio, which will enable us to implement more precise underwriting practices.

<sup>\*2</sup> Core underwriting profit is underwriting profit less the impact related to catastrophic loss reserve, contingency reserve, and natural disaster policy reserves

### Completing SJ-R and evolving as SOMPO P&C

From FY2025, the Sampo Group has adopted a new management structure based on the two business segments of SOMPO P&C and SOMPO Wellbeing. SOMPO P&C brings together the Domestic P&C and Overseas insurance businesses to target optimized returns by expanding our capacity to assume risk through a single combined balance sheet. We will also work to raise the probability and speed of realizing the SJ-R project by enabling the Japanese-style adoption of global best practice.

This will accelerate SOMPO P&C's transition to a truly global insurer with the capacity to offer optimized risk solutions for customers from a global perspective, integrating the wealth of experience and specialist expertise in our overseas businesses.

There are already many examples of how we are making the most of the knowledge within SOMPO P&C to achieve the SJ-R goals.

For example, incorporating overseas expertise in the design of insurance policies to handle variables such as inflation and FX rates, or the use of AI to evaluate potential claim fraud, is driving change across our product, insurance services and sales divisions. By leveraging our combined balance sheet to pursue enhanced efficiency in areas such as reinsurance and asset management, we also create a capacity unavailable to stand-alone firms, while contributing to higher Group profitability and stability. At the same time, we have begun HR initiatives to develop a diverse, talented workforce through international exchange programs.

On the other hand, change is painful at times and sometimes involves tough choices. My determination to ensure change happens successfully, and is unwavering and strong.

None of these challenges are straightforward, but we will see the SJ-R project to completion and create a new Sampo Japan Insurance that will make all of our employees proud, and ensure our customers and other stakeholders always feel satisfied in choosing SOMPO.

We look forward to these challenges, and we hope you will continue to anticipate the efforts of Sampo Japan Insurance and the Sampo Group.

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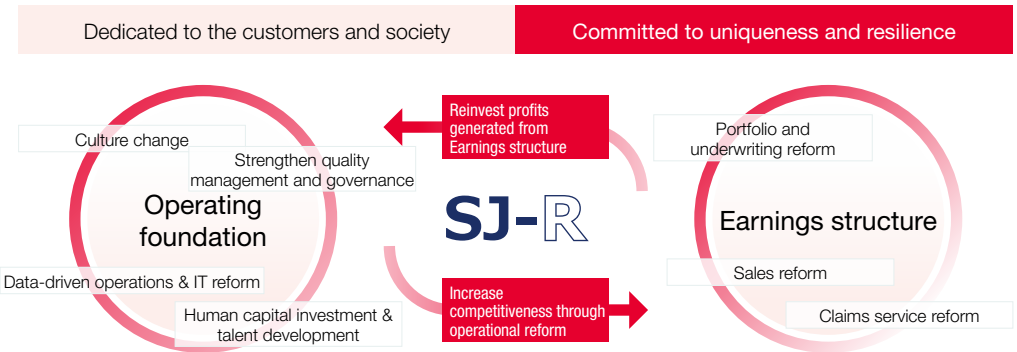
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Overview of business strategy in the Mid-Term Management Plan

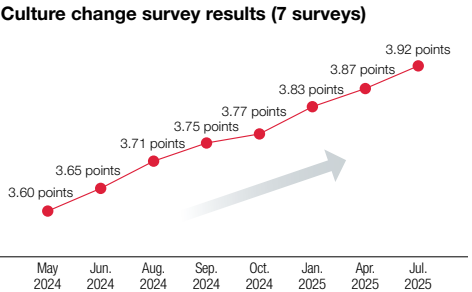
Aiming to realize a “new Sompo Japan Insurance” that boasts uniqueness and resilience



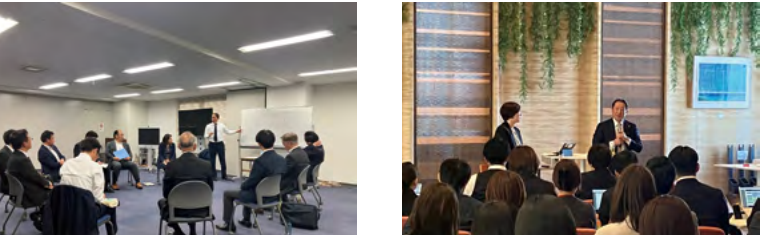
With a basic philosophy of “Dedicated to the customers and society,” we will steadily implement our business improvement plans to regain trust while focusing on rebuilding our business foundation and revenue base. We will raise the quality of our operations while also focusing on the SJ-R project to reform the portfolio and our insurance claims service and sales departments.

Major initiatives

To reform the corporate culture, in FY2024 we communicated our commitment that “change starts with the senior management team” by holding town hall meetings to directly listen to and engage with employees on the front lines, doing away with any sense of distance between management and the front lines and fostering trust. In FY2025, to further accelerate SJ-R initiatives, we are expanding the scope of dialogue and strengthening communication across



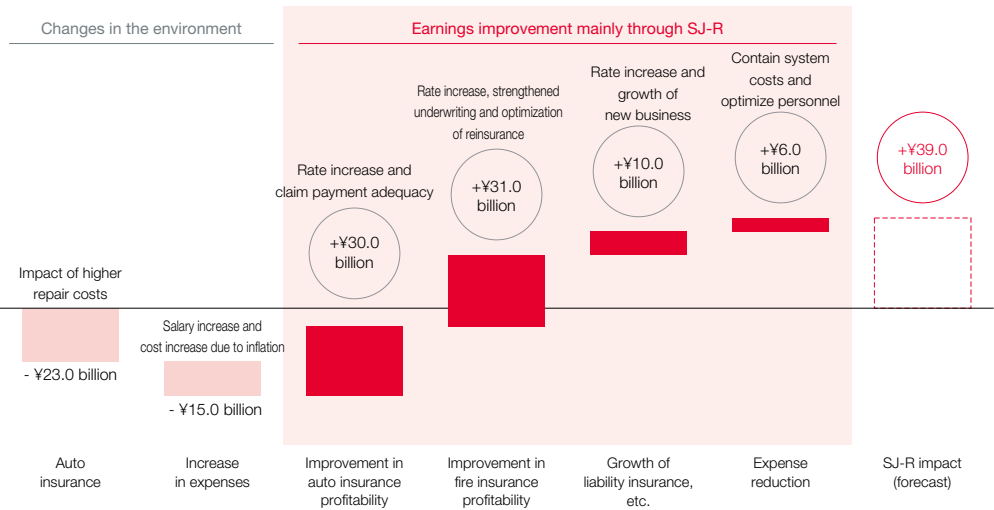
the Group. This will help us spread our vision for the new Sompo Japan Insurance and the thinking of management and encourage employees in implementing measures, as management and our people on the front lines work together to move forward with reforms.



Town hall meeting with management

Expected improvement in earnings mainly through SJ-R

In FY2025, our various SJ-R initiatives are expected to yield an improvement of around ¥39 billion in earnings (after tax) compared to FY2024.



Note: Old standards (Japanese GAAP basis)

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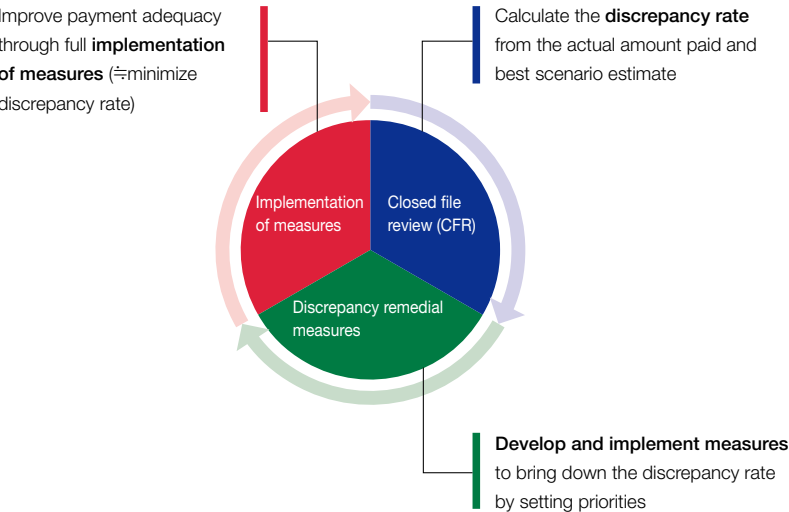
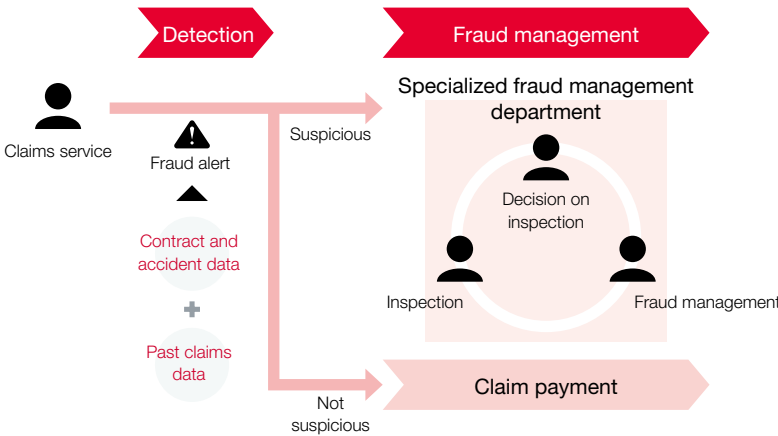
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In auto insurance, we will improve claim payment adequacy and step up the pace of improvement in earnings by reinforcing fraud detection and introducing post-mortem reviews of cases in which payments have already been made (CFR\*).

\* Closed file review (CFR): A framework for checking cases for which payments have already been made from the perspective of appropriate insurance payments and identifying any nationwide issues discovered in the process. We ensure more appropriate insurance payments by reviewing business processes and rules in response to issues that are identified.

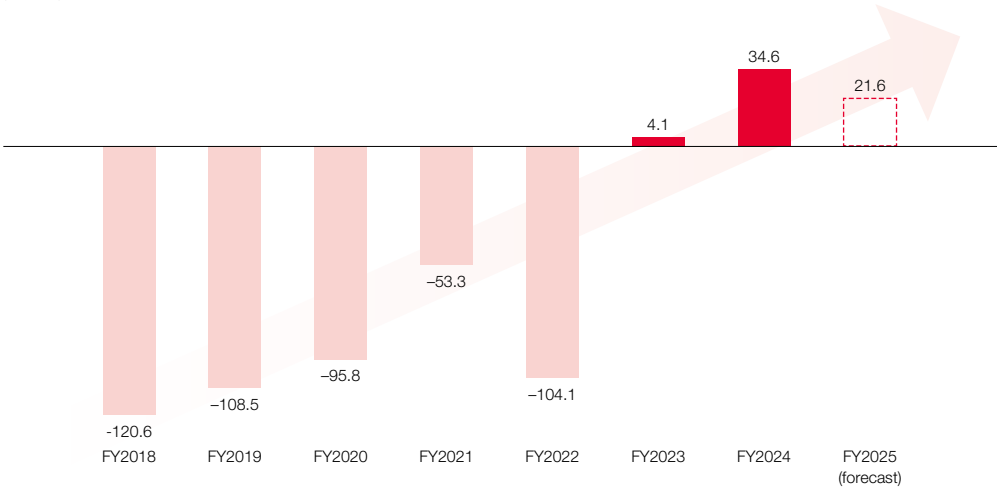


In addition to efforts to optimize rates, we are working to improve the portfolio by rigorously implementing disciplined underwriting in segments with persistently high loss ratios and by reducing profit volatility and risk exposure through improved compensation terms.

As a result of these efforts, core fire insurance underwriting profit for FY2024 was ¥34.6 billion. We are working to lock in a similar level of profitability for FY2025.

Fire Insurance Core Underwriting Profit\*

(¥ billion)



\* Underwriting profit excluding the impact of catastrophic loss reserves, contingency reserves, and underwriting reserves related to natural disasters



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## Overseas P&C Business financial results

The Overseas P&C Business has a diversified portfolio consisting of SompoRe, North America, Global Markets, AgriSompo (global agriculture business), and Consumer P&C Segment.

Excluding AgriSompo, which continues to be affected by commodity prices in North America, all businesses maintained high growth, and gross premiums for 2024 reached US\$16,532 million.

The strategic business units of our Overseas P&C Segment reported the following results in 2024:

### SompoRe

Gross Premiums Written (GPW) increased by 8.1% to US\$4,532 million, mainly due to successful renewals, new business written and reinstatement premiums. The favorable rate environment in Global Property, new business and prior year premium adjustments, as well as Global Casualty renewals, drove strong growth.

Underwriting income increased to a record US\$394 million, up from US\$366 million in the prior year, primarily driven by strong earned premium growth. The current year combined ratio of 89.8% is outstanding, yet still in line with the 89.8% in 2023, albeit impacted by changes in business mix between quota share and excess of loss treaties along with changes in the market cycle in Casualty.

### North America (United States, Bermuda, Canada and Mexico)

GPW totaled US\$4,997million, an increase of 5.6% from a year ago. This was the highest level ever for North America, reflecting broad-based new business growth, in part driven by geographic expansion initiatives, and an overall continued positive rate environment exceeding loss cost trends. Double-digit rate increases in Casualty were partially offset by the ongoing competitive market environment in other lines.

Underwriting income was US\$15 million compared to an underwriting loss of US\$152 million in 2023. The improvement was mainly due to the impact of reserve strengthening for 2019 and prior accident years that took place in 4Q 2023, partially offset by higher catastrophe activity, strategic changes in the reinsurance structure, and higher G&A expenses to support business growth.

Pre-tax catastrophe losses were \$215 million, including those incurred from hurricanes Milton and Helene, compared with \$172 million in 2023.

### Global Markets (United Kingdom, Continental Europe and commercial business within Turkey, Brazil and Asia Pacific)

GPW totaled US\$2,993 million, a year-on-year increase of 16.6%, with strong contributions from both the core in-situ business lines (particularly Casualty and Energy) and from the strategic growth initiatives in Continental Europe, APAC and UK Commercial.

Underwriting income of US\$62 million increased from US\$29 million reported a year ago. This was driven by higher net earned premium and a lower net loss ratio (with the prior year impacted by reserve strengthening), partially offset by higher G&A expenses due to the upfront investment in the strategic growth initiatives and the ongoing impacts from inflation and FX.

### AgriSompo (global agriculture business)

GPW totaled US\$2,627 million, a decline of 8.7% from a year ago. This was mainly driven by the decline in commodity prices in North America. Additional impact was realized from ongoing efforts to re-underwrite the portfolio, reducing concentration risk.

For 2024, AgriSompo reported an underwriting income of US\$46 million compared to an underwriting loss of US\$67 million a year ago. The improvement in the underwriting income was primarily driven by significant favorable prior year reserve development in the current year, partially offset by higher G&A expenses due to ongoing impacts from inflation and investments.

### Consumer P&C Segment

Our Consumer P&C segment, which includes the personal lines operations in Turkey and Asia Pacific, generated an underwriting loss of US\$19 million compared to underwriting income of US\$11 million a year ago. Consumer GPW totaled US\$1,381 million, a year-on-year increase of 33%. This excluded the impact of the Brazil consumer exit in 2023, primarily driven by inflation-related increases in Turkey.

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In 2024, the Sompo Group declared its commitment to provide solutions to three concerns arising from the modern social issue in Japan of a low birthrate and population aging and, in April 2025, launched SOMPO Wellbeing under a new management structure.

At SOMPO Wellbeing, guided by the key phrase “connect and be connected,” we connect various businesses with unique strengths and connect with various customers to provide comprehensive solutions tailored to individual needs related to the three concerns.

In this way, we are helping to bring about a society where people think positively about aging by addressing the three concerns.

## SOMPO Wellbeing’s Vision

Contribute to a society where people think positively about aging

## Sompo’s efforts to address the three concerns

### Extend healthy life expectancy

- Health visualization
- Prevention
- Intervention
- Protection

### Fill the labor supply-demand gap in nursing care

- Establishment of a sustainable business model
- Nursing care consulting
- Dementia prevention

### Make retirement savings last longer

- Assistance in investment and securitization

## Three concerns arising from a low birthrate and population aging

### Health concern

Gap between life expectancy and healthy life expectancy  
Approx. 10 years

### Nursing care concern

Number of family caregivers  
**Declining**

### Financial concern after retirement

Ratio of self-funded retirees  
**10%**

## Connect and be connected through the unique strengths of the various businesses

Connecting customers, products, and services from the various businesses to provide solutions that are distinctive to Sompo

### Sompo Himawari Life Insurance (Domestic Life Insurance Business)

Cumulative sales of Insurhealth® combining insurance and health support features  
About 2.1 million policies

### Sompo Health Support (Lifestyle Disease Prevention, Mental Health Business)

Health guidance: About 620 health insurance associations and other organizations with which we do business (about 34% of nationwide health insurance associations)  
Mental health: Transactions with approximately 1,000 companies

### RIZAP (Smart Life Gym chocoZAP business)

Members About 1.23 million

### Sompo Care (Nursing Care Business)

Number of senior residence rooms  
Over 28,000  
Providing care services (including at-home care) to about 86,000 people

### Wellness Communications (Health Management Cloud, Health Solution Business)

Health management cloud IDs  
Over 1.8 million  
Network of affiliated medical institutions for health checkups  
Over 2,000

**SOMPO Wellbeing**  
“Connect and be connected”

\* The above figures are as of July 1, 2025 (RIZAP figures are as of August 14, 2025).

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Yasuhiro Oba  
CEO of SOMPO Wellbeing

“Connect and be connected”: Creating a business model to alleviate three concerns and help people think positively about aging

Group CEO			
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## The importance of accumulating results to realize success

I was appointed CEO of SOMPO Wellbeing in April 2025 after ten years working in Sompo Himawari Life, including as President for seven years from 2018. From the start, I realized the growth limitations of our traditional life insurance business model and knew we must develop a new competitive edge. In 2018, we began offering Insurhealth® as part of our new vision to be a ‘health support enterprise,’ combining traditional life insurance with health support functions.

For our customers, life insurance and health are not separate, but in fact are two sides of the same coin. Recognizing this has allowed us to construct a new pillar for our business. However, because they were so used to the old model, our employees and sales agencies initially found the idea hard to accept, and the business struggled at first. For seven years, I visited our worksites across Japan to deliver

more than 300 dialogues on the Insurhealth® vision and strategy.

The “Get Healthy Challenge” program for customers with income protection insurance, marketed as “protection for you and your family,” provided a relatable, concrete example of the concept in action for employees. Under the program, policyholders received a rebate on premiums for achieving a measurable improvement in health. This generated grateful customer feedback and a positive market impression. Results are important in business, and the steady accumulation of successes mattered more than the concept.

## My mission as CEO of SOMPO Wellbeing

The Sompo Group originated as Tokyo Fire Insurance, which was established in 1888. The business was imbued with the spirit of fighting fires to help customers at a time when fires were frequent due to densely packed wooden housing. Average life expectancy in Japan has risen by over 40 years in the 130 years since. While we

enjoy great happiness and prosperity, modern life is filled with risks that were not an issue before.

Amid falling birth rates and advanced aging of society, the mission of SOMPO Wellbeing today is to address the three concerns that people face in terms of health, nursing care and retirement finance. While the risk profile is different, I think the philosophy is identical to when the business was founded, rooted in a desire to serve customers. People are often faced by a combination of two or three of these concerns at once. Since the solution depends on family structure and economic circumstances, it makes for a highly individualized problem that requires a specific yet comprehensive approach.

I do not believe any other company in Japan or worldwide is providing comprehensive, tailored solutions to addressing the three concerns. SOMPO is leading the way in this regard, and I see it as my mission as the CEO of SOMPO Wellbeing.

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#### Current initiatives to realize “Connect and be connected”

Our current focus in realizing this mission is “Connect and be connected.” By leveraging and connecting the unique strengths of each of the businesses we currently operate, and by forging deeper connections with customers, we aim to alleviate the three concerns.

The number of customers attracted to Sompo Himawari Life’s concept of “insurance + health support” who have subscribed to Insurhealth® has reached around 2.1 million people. Sompo Care owns Japan’s largest network of rooms for senior living, currently numbering around 28,000. With around 86,000 people using its homecare services as well, Sompo Care has accumulated a wealth of knowledge and expertise in care service provision. Sompo Health Support supplies specific health guidance and other services for corporate employees, with the top market share among medical insurers of around 34%. Based on the vision of “making companies and people healthy,” Wellness Communications supplies cloud-based health management services for the corporate market, managing data covering health checks and related information on around 1.8 million employees across some 1,800 companies. In addition, we have developed more than 1.2 million chocoZAP subscribers through our capital alliance with the RIZAP Group.

I believe that connecting these businesses will give us a more comprehensive grasp of the individual issues that customers face, enabling SOMPO to provide more tailored services that are uniquely capable of alleviating the three concerns.

There are two ongoing initiatives. The first is to reform the mindset of employees. As CEO, I see this as vital in defining the vision and purpose of SOMPO Wellbeing. Since my appointment in April 2025, I have been organizing morning meetings each week as a repeated opportunity to share my thoughts directly with employees involved in wellbeing operations. I plan to expand such opportunities internally

and externally so all Sompo Group employees can understand our wellbeing mission, while also fostering connections across business boundaries and establishing the basis for action.

The second initiative is to create a system based on using a common customer ID for all SOMPO Wellbeing companies so we can record the points of contact of customers with each company and the services provided. We aim to develop and release the system by the end of FY2026 so we can analyze this information. Creating a common customer ID has been a longstanding challenge within the Sompo Group. A project involving employees from each company, including Sompo Japan Insurance, is underway, with the long-term aim to build a single customer base for the entire Sompo Group.

We have also made major changes to our decision-making structures. In my view, the interests of an operating company do not always coincide with those of SOMPO Wellbeing. Since it is important to integrate our decision-making if we want to overcome this trade-off, we have instituted the Wellbeing Management Board, comprising the presidents of each operating company with myself as chair. The speed of decision-making and policy execution will increase when we have substantive discussions involving senior managers from across SOMPO Wellbeing.

#### Helping to realize a society where people think positively about aging

To address customer inquiries related to the three concerns, we have opened three “Wellbio” metropolitan outlets; we have also received many inquiries through our online portal. Customers visiting these outlets are often seeking advice on nursing care. The consultations cover many related topics, including choosing between facility-based and in-home care; how to handle the property when a loved one enters a nursing home; managing the assets of dementia sufferers; the cost of nursing care and how to fund it; and end-of-life



preparations. Our professional advisers work closely with each customer to consider what type of nursing care best suits their location, family structure and economic circumstances. In some cases, we can offer an effective solution based on an introduction to a nursing home or family trust. In July 2025, we also began offering “Wellbio Biz” services for the corporate sector to support people in balancing work with nursing care. The rising number of workers in Japan who provide nursing care to relatives is an emerging societal issue, with studies estimating the associated economic losses could increase to ¥9 trillion per year by 2030 due to about 3.18 million joining the ranks of family carers. We are confident this business is a good prospect, based on positive feedback we received from companies where we trialed the service in FY2024.

Harnessing our collective power, I believe we can quickly establish a globally unique business model under my leadership. Not only will SOMPO Wellbeing be a driver of the growth of the Sompo Group over the medium and long term, but our efforts will help realize a society where people think positively about aging.

# Domestic Life Insurance Business

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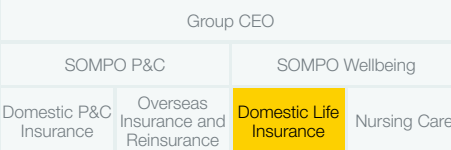
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Health support company creating  
growth engine for SOMPO Wellbeing

Yasuki Kume  
President of Sompo Himawari Life Insurance



## Creating a new Sompo Himawari Life through leadership based on diverse career history

I started my career in P&C insurance sales and then gained experience in various business functions, including product development for auto insurance, HR, and business planning. During my time in auto insurance product development, I experienced major changes in the industry due to deregulation and sector consolidation, which led to dynamic market conditions requiring new products and business structures. Next, while managing the nursing care business at Sompo Care, I helped gain a deeper understanding of this tough service industry, quite different from insurance; the importance of dialogue with customers and frontline employees; and the difficulties involved when integrating organizations with different cultures. Utilizing my various experiences to date, I am committed body and soul to leading Sompo Himawari Life as president to achieve sustainable growth for the company, while contributing to our customers' futures and helping to address societal concerns.

## 'Connect and be connected': Turning customer concerns into expectations

Sompo Himawari Life has been promoting Insurhealth® as a product that combines the traditional role of life insurance, in terms of preparing for the unexpected, with new added value in the form of day-to-day healthcare support. Cumulatively, more than 2.1 million Insurhealth® policies have been written, pointing to a strong degree of customer acceptance. Amid aging demographics and lifestyle diversification, we aim to offer a broader range of support to help alleviate customer concerns about health and longevity. To that end, we are helping customers to achieve healthier outcomes every day through the 'MY Himawari' health administration app and other means. Furthermore, as a member of the Sompo Group, we aim to realize more comprehensive wellbeing by addressing other challenges such as nursing care and retirement finance via collaborative efforts with Group companies. Our mission is to turn customer concerns into expectations. Guided by our purpose of creating 'a future of health, wellbeing and financial protection,' Sompo Himawari Life aspires to play a significant role in the lives of our customers.

## A health support company giving whole-of-life support

We are flexibly utilizing internal Group resources within the SOMPO Wellbeing structure, building on Himawari Life's strengths and track record as a health support company. We are accelerating cross-functional initiatives through 'connect and be connected' collaborative programs that link products and services across business segments, such as applying expertise from the nursing care business to the development of insurance products. In contrast, restoring the trust eroded due to the series of leaks of customer information across the industry is an urgent challenge. Besides recovering trust, we aim to stand out in subtle ways for operational excellence through thoroughly performing fundamental tasks in terms of applying high standards of ethics and discipline. Without fear of change, we will continue to harness the collective capabilities of Sompo Himawari Life to become a health support company that can help customers across all of life's challenges from health to nursing care, while in the process earning enduring public trust.

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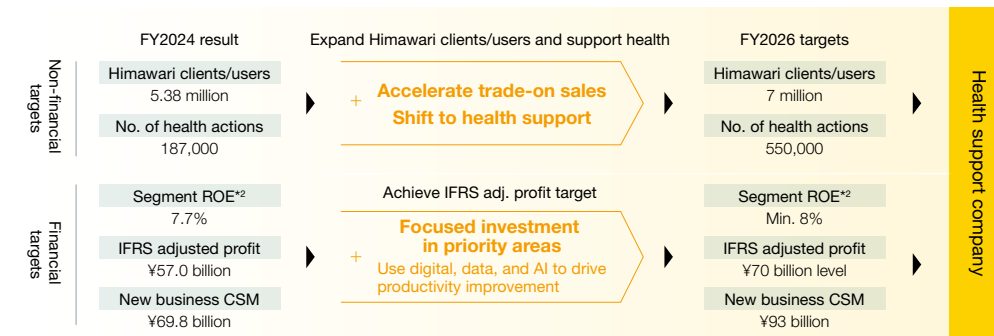
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Achieve IFRS profit of ¥70 billion level by expanding Himawari clients/users\*1 (to 7 million) with a customer-centric approach and supporting the health of customers (through 550,000 health actions)



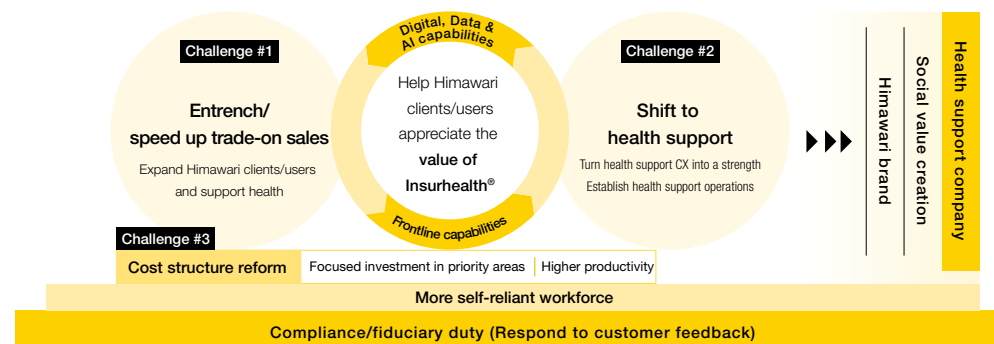
\*1 Customers who appreciate the value of both the insurance products and health support services offered by Himawari Life

\*2 IFRS adj. profit ÷ IFRS net assets

We are focused on achieving the financial and non-financial targets in the current MTMP, which seeks to expand Himawari clients/users with a customer-centric approach and support health.

The three challenges forming key drivers for achieving these targets are trade-on sales, shifting to a health support business model, and reforming cost structures. The synergies created in facing these

### Major initiatives



challenges will further enhance the value embedded in Insurhealth®, By delivering this value to even more Himawari clients/users, we will solidify our position as a Health Support Company.

#### [1] Trade-on sales

We aim to connect and build stronger relationships with our customers by putting insurance products and health support services on an equal-value footing and linking them in a single value proposition. This approach seeks to accelerate the expansion of the Himawari clients/users, while growing revenues through sales to more health support-oriented customers with whom we could not have connected using life insurance alone.

#### [2] Shifting to a health support business model

We are leveraging the MY Himawari\*\*3 app as a communication platform to connect customers with Himawari Life Insurance, seeking to set apart the company's unique strengths. The aim of the platform is to realize comfortable, natural health support for customers (health support CX), while offering more sophisticated health support and evolving the customer experience centered on building health support infrastructure (health support administration) managed by the administrative department.

\*3 Released in September 2024, this app provides a range of services related to life insurance (My Life Insurance) and health (My Health) based on the concept of being able to "see, connect, and change."

#### [3] Reforming cost structures

Becoming a "health support company" means investing in long-term social value creation while focusing investments in priority areas to help keep Himawari clients/users healthy. Furthermore, we are capitalizing on digital, data, and AI initiatives to reform business processes, seeking to boost productivity by streamlining routine tasks and otherwise optimizing resources, moving forward with reforms to our cost structures.

### Dual capabilities driving these initiatives

#### (1) Frontline capabilities

Frontline employees working close to customers can pool the wisdom derived from their individual diversity (DEI) and identify their own challenges, improving and evolving through teamwork within the workplace and across the company (co-creation between organization and individuals).

#### (2) Digital, Data & AI capabilities

Collection, analysis, and utilization of customer and external data from digital initiatives will drive the expansion of Himawari clients/users and make health support more precise, thereby enhancing the value of Insurhealth®. The use of the accumulated data will enable development of Himawari Life's unique communication activities, products, and services, thereby establishing our distinctive strengths. In addition, the utilization of AI will not only help boost productivity, but also enhance the value delivered to customers.

# Nursing Care Business

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Sompo Care is transforming nursing care in Japan, building the future of Japan

Takamitsu Washimi

President of Sompo Care

Group CEO

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## Aiming to provide value beyond the traditional nursing care industry framework

Responsible for the entire nursing care business made up of Sompo Care and ND Software under SOMPO Wellbeing, we work to fulfill our purpose of “Transforming Japan’s nursing care, and building the future of Japan.” Our Mid-Term Management Plan takes up the challenge of providing value beyond the traditional nursing care industry framework around three pillars: the Operator business, the Platform business, and the Wellbeing business.

The Operator business provides service via the care home and at-home nursing care services that we have built up. The greatest issue facing the nursing care industry is a pressing shortage of people, which has arrived sooner than we anticipated. That makes it important to work on raising job satisfaction and productivity, along with quality. Leveraging young talent, senior talent, female talent, foreign talent, as well as technology, digital, data, and AI, are all ways to achieve this. “Have humans focus on what only humans can accomplish, and leave all other operations to technology, digital, data, and AI.” This is the shape of “future nursing care” that we are aiming for. In a workplace environment where diverse talent thrives, we are also committed to providing career support and improved conditions so each team member can take on challenges with pride and fulfillment.

Every individual naturally has different values and different ways of living. That is precisely why even when people reach an advanced age and require nursing care, we believe we must get to know them deeply and honor what they can do and wish to do. Based on a philosophy of “respect for human

beings,” we have pondered a model for “supporting autonomy” in the truest sense, and pursued new forms of custom-made care using our proven expertise and technological strengths. We create the ultimate “custom-made care” by optimizing “future nursing care,” “private service” beyond the scope of long-term care insurance, use of technology, and our meals—which are a point of pride.

We cannot “transform Japan’s nursing care” alone. In the Platform business, we take the know-how and services cultivated in the Operator business and spread it to our colleagues in the world of nursing care providers, thereby achieving “transformation of Japan’s nursing care.” We aim to transform and develop the nursing care industry overall via outside sales of our meal and operation services, consulting services which support operational improvement, and nursing care and welfare operational support software from ND Software.

In the Wellbeing business, we work together with our colleagues in the nursing care industry, Sompo Japan Insurance, and Sompo Himawari Life Insurance to provide users and their families with service to safeguard their health and happiness, and achieve “the creation of the future of Japan.” Wellbio consultation service addresses three concerns of health, nursing care, and funds after retirement, providing not just consultations on nursing care, but services to support the lives of users and their families overall, with consultations that span overall living including health, insurance, and asset management.

## A hub that relieves three concerns and builds the future of Japan

As those responsible for actual nursing care services and being the closest presence to our users as they lead their lives, we coordinate between Sompo Group companies to integrate our products and services and evolve them to become a hub for relieving three concerns—not just nursing care but also health and retirement funds.

The value we generate as a group originates with on-site know-how, services, and data. As the main player of SOMPO Wellbeing, we have gone beyond the traditional nursing care provider framework, and we continue to evolve into a provider of services to support overall living. Furthermore, following our ‘connect and be connected’ approach, we overcome boundaries between departments and roles, inside and outside the company, to create mechanisms for tying together staff, customers, communities, and the group as a whole.

What we need to do in the era up ahead is go beyond a nursing care framework and realize a society with a positive understanding of aging. Going forward, we will continue to transform nursing care in Japan through ceaseless trial and error of all kinds to refine know-how and services and share the fruits of our efforts with our colleagues in the nursing care industry. In addition, by providing service that serves to dispel the three concerns of seniors, we can create the future of Japan. We will keep moving forward with this aspiration in mind.

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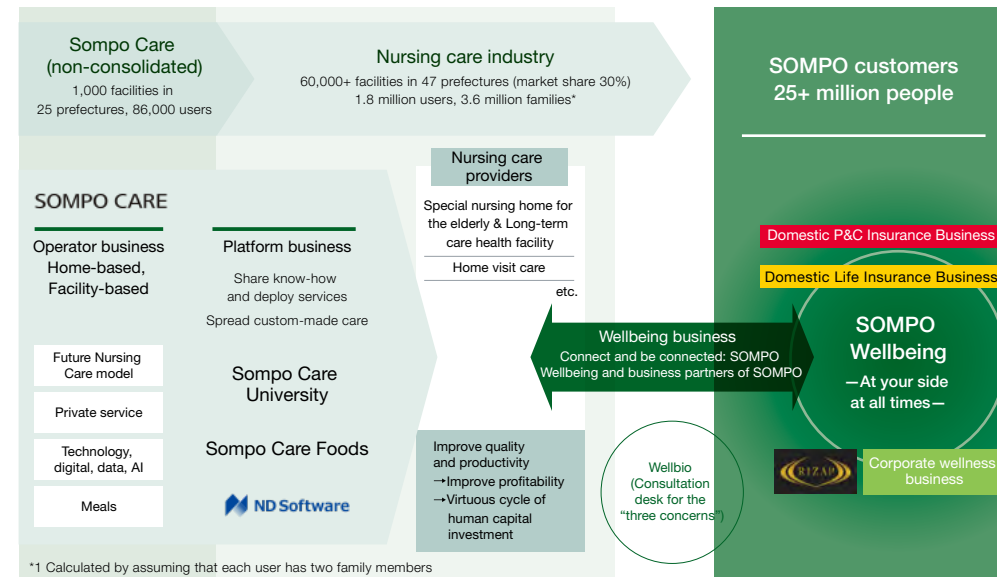
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In addition to the core Operator business, the MTMP newly designates the Platform business and the Wellbeing business as earnings pillars, and aims to transform and develop the overall nursing care industry



In addition to the core Operator business, our Mid-Term Management Plan, which started in FY2024, newly designates the Platform business—undertaken as a main player in the group—and the Wellbeing business as earnings pillars. We are working not just on the profit growth of our Group’s nursing care business, but to transform and develop the nursing care industry as a whole.

In FY2024 adjusted profits, occupancy rate, and business-specific ROE all progressed on target. In addition to growth for existing operations and new buildings, we are deploying the “future nursing care” model to all care homes, and achieving greater productivity along with quality. Increased sales of ND Software’s software, and progress with outside meal sales, tied into expansion for the Platform business.

### Major initiatives

#### Operator business

We have worked to improve profitability, develop the “future nursing care” model, and adopt to rising prices and other aspects of the external environment, managing to raise the occupancy rate of nursing care

#### Progress in KPIs

##### Adjusted profit\*1

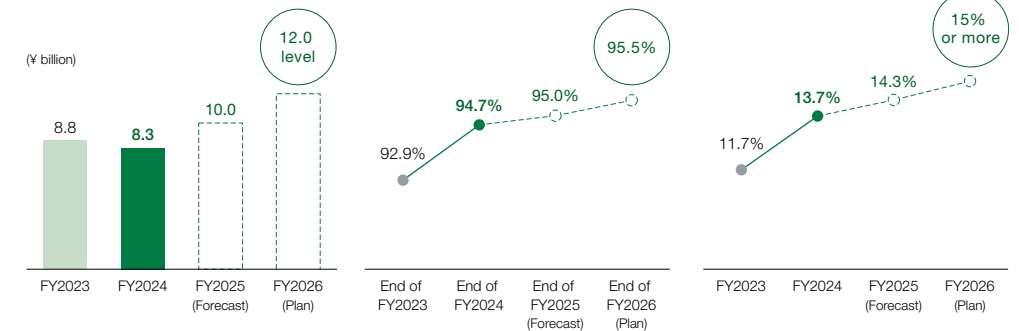
FY2026 forecast	¥12.0 billion level
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##### Occupancy rate

MTMP KPIs (end-FY2026)	95.5%
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##### ROE (Operator business\*2)

MTMP KPIs (FY2026)	12% or more
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\*1 Previous domestic accounting standards (Japanese GAAP) to FY2023, IFRS basis from FY2024

\*2 Calculated by using adjusted profit generated mainly from public long-term care insurance benefits received for facility-based and at-home care, etc. as the numerator. Previous domestic accounting standards to FY2023, IFRS basis from FY2024

facilities to 94.7%, the highest level since we entered the industry. We have completed deployment of the “future nursing care” model to all nursing care homes, achieving an increase in productivity equivalent to 1.8 people per month per home (10% of the total working hours of nursing care staff working in nursing care homes). We have also carried out full-fledged development of “private service” beyond the scope of long-term care insurance, with the aim of providing service to help users live life to the fullest.

#### Platform business

We have worked to develop and provide nursing care and welfare operational support software via ND Software, and external sales of meals and consulting service with know-how and service built up in the Operator business. In FY2024 we made progress beyond previous-year results with ND Software sales and outside sales of meals for senior care facilities.

#### Wellbeing business

We have worked to develop new services around nursing care providing a one-stop response to concerns over health, nursing care, and retirement funds. We are broadening people’s options for living by advancing the creation of mechanisms for pre-illness and preventive care, end-of-life planning and asset management support, and Wellbio consulting service for seniors and their families.

# New Initiative of SOMPO Wellbeing

## "Wellbio Biz": A service to support the balance between work and caregiving

Sompo Health Support has developed "Wellbio Biz", a new corporate-oriented service to support the balance between work and nursing care, helping to prevent employees from leaving their jobs to care for family and contributing to greater corporate productivity. The service was launched on July 1, 2025.

### Background and purpose

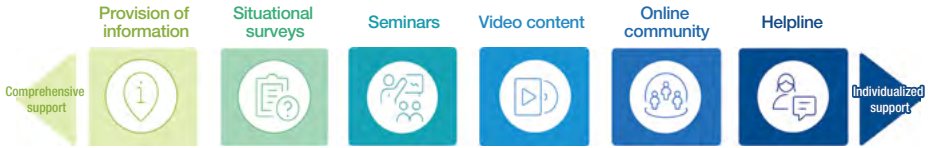
Due to the accelerating trend of population aging and a declining birthrate in Japan, the working population is both shrinking and aging, causing acute labor shortages for companies. Moreover, with the growth of dual-income households, the number of people who have to work while caring for family members is also increasing, giving rise to more situations in which balancing caregiving and work is challenging. This has resulted in the pronounced issues of lower labor productivity and an exodus of personnel from companies, as employees leave their jobs to care for family members. To address this situation, the Japanese government is working to support companies in enabling a balance between work and nursing care, including formulating guidelines for business owners on supporting such a balance.

The Sompo Group over many years has built up expertise in the fields of both nursing care and health and productivity management. Capitalizing on this expertise, Sompo Holdings and Sompo Health Support developed Wellbio Biz, a service offering comprehensive support for companies' efforts to keep employees from leaving their jobs to care for family members and maintain and improve productivity. Providing this service will help bring about a society in which people can continue to work without concern.



### Overview of the service

Wellbio Biz is a corporate-oriented service to support the balance between work and caregiving. It is a packaged service supporting the initiatives of various companies, which comports with the Ministry of Economy, Trade and Industry's Guidelines for Business Owners on Supporting Work and Nursing Care Balance and the amendments that the Ministry of Health, Labour and Welfare has made to the Act on



Childcare Leave/Caregiver Leave among other guidelines.

The service ranges from comprehensive to individualized support, addressing all of the various factors needed to prevent employees from leaving their jobs to care for family members and to maintain productivity. As caregiving concerns in particular differ widely between employees, offering support tailored to each individual is crucial. One aspect of the service is an online community, cited as a model case in the Ministry of Economy, Trade and Industry's Guidelines for Business Owners on Supporting Work and Nursing Care Balance. We developed this community for corporate customers building on the expertise Sompo Japan Insurance gained in managing a similar in-house community. The helpline staff includes professionals from Sompo Care, who are experts in nursing care, and has received high marks\* in customer reviews. Both services are unique to the Sompo Group, which has been engaged in nursing care for many years.

\* A STORES review by customers using the service in June 2025 gave the helpline an overall rating of 4.9 out of 5.

### Development of the service going forward

Having trialed the service in the second half of FY2024, involving its use by 40,000 employees from eight companies, We have repeatedly refined its content since then. We also showcased the service as part of an event that took place during the Health and Wellbeing theme week of Expo 2025 Osaka, Kansai, Japan in June 2025, highlighting the individualized support and other distinctive services of the Sompo Group.

We officially launched the service in July 2025. Going forward, by providing this service to the corporate clients of Sompo Japan Insurance and other Group companies, we will accelerate our efforts to address social issues, including mitigating economic loss stemming from employee turnover and lower productivity connected to nursing care concerns.



Talk at Expo 2025 Osaka, Kansai, Japan (Left: Mr. Nagumo of the Japan Research Institute, Limited; Right: Mr. Oba, CEO of SOMPO Wellbeing)

Note: SOMPO Wellbeing co-sponsored the joint presentation, "Achieving KENKO Investment for Health (KIH)&Well-being with financial institutions," hosted by the Events and Planning Unit of Nikkei Inc. on June 24, 2025.

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By achieving sustained growth in share valuation and adjusted EPS and improving capital efficiency to global standards, we target a market capitalization of ¥6 trillion and adjusted consolidated profit of ¥500 billion in FY2030.

Masahiro Hamada

Group CFO



## Mid-Term Management Plan (FY2024–2026) targets and goals for FY2030

The first year of the current Mid-Term Management Plan (MTMP) that began in FY2024 has now ended. On an IFRS basis, we have set a Group management target of at least 12% for the CAGR for adjusted EPS to increase adjusted consolidated ROE to 13–15% by FY2026, the final year of the plan. Moreover, the goals for FY2030 are a market capitalization of ¥6 trillion and adjusted consolidated profit of ¥500 billion, along with a reduction of strategic shareholdings to zero by this time.

Under the MTMP, we are actively reallocating more capital to help achieve our goals. In FY2024, based on a disciplined capital policy, we announced the Group's largest ever share buyback of ¥260 billion. From FY2025, we consolidated the Group's operations into two business units, SOMPO P&C and SOMPO Wellbeing, creating a structure to optimize risk-return both in Japan and overseas. We were also the first Japanese P&C insurance group to make the full-scale transition to International Financial Reporting Standards (IFRS).

My mission as Group CFO is to ensure we succeed in hitting the MTMP and FY2030 goals by progressing these initiatives steadily and effectively while generating sustained growth in stock valuation and adjusted EPS and boosting our return on capital to globally competitive levels.

Below I will review in detail the progress made in the first year of the current MTMP and SOMPO's financial strategy.

## Review of first year of current MTMP and outlook

Based on our success in FY2024 in upgrading the earnings forecast and pursuing a disciplined capital policy, the share price rose 40% to ¥4,521 at the end of March 2025, up from ¥3,190 a year earlier when the current MTMP started. Market capitalization increased significantly to ¥4.2 trillion, driven mainly by the growth of the overseas insurance business and the sale of strategic shareholdings and disciplined measures to enhance shareholder returns. At the same time, over the past year we have steadily implemented key Group strategies such as SJ-R initiatives, regional overseas expansion and investment to strengthen the SOMPO Wellbeing business foundation. Nonetheless, we recognize we have not yet seen substantial growth in profitability. Increasing stock valuation to the ¥6 trillion level by FY2030 will require steady implementation of Group strategies leading to higher profit margins and an enhanced scale of earnings.

With future profit growth front of mind, we made steady progress in FY2024 towards achieving the target CAGR for adjusted EPS of at least 12%, including a capital adjustment of ¥110 billion via share buybacks during the year. While the adjusted consolidated ROE target (13–15% level) is challenging, I believe we should primarily focus on measures to boost the ROE numerator such as improving the basic return from our existing operations while also growing adjusted consolidated profit through disciplined growth investment. However, we must be disciplined in judging growth investments even though they are dependent on opportunities arising. We will concentrate on ROE numerator measures first, while watching various factors such as the status of the growth investment pipeline and income opportunities; market conditions; and the impact of share buybacks. Where necessary, we will also consider capital adjustments or other ROE denominator measures. In either case, the core focus is on realizing growth and achieving the FY2026 target for ROE using a balanced approach.

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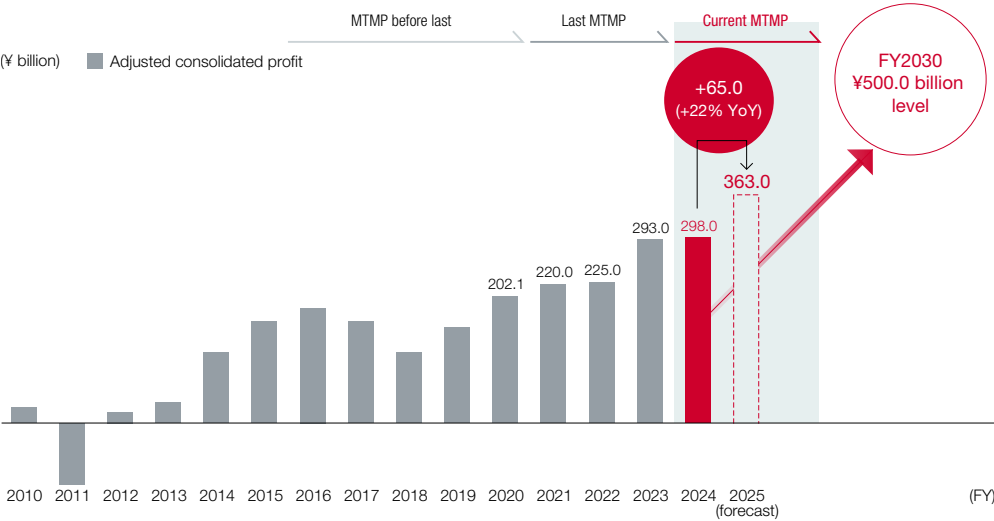
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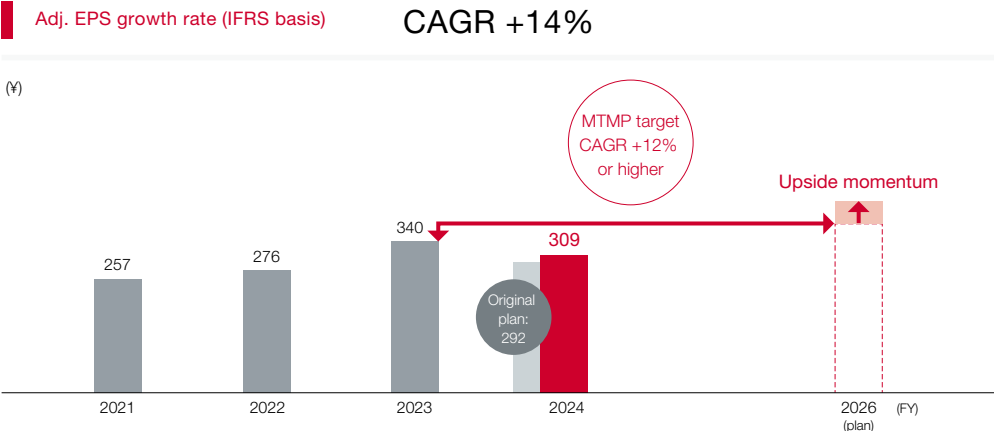
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**Figure 1 Adjusted Consolidated Profit**



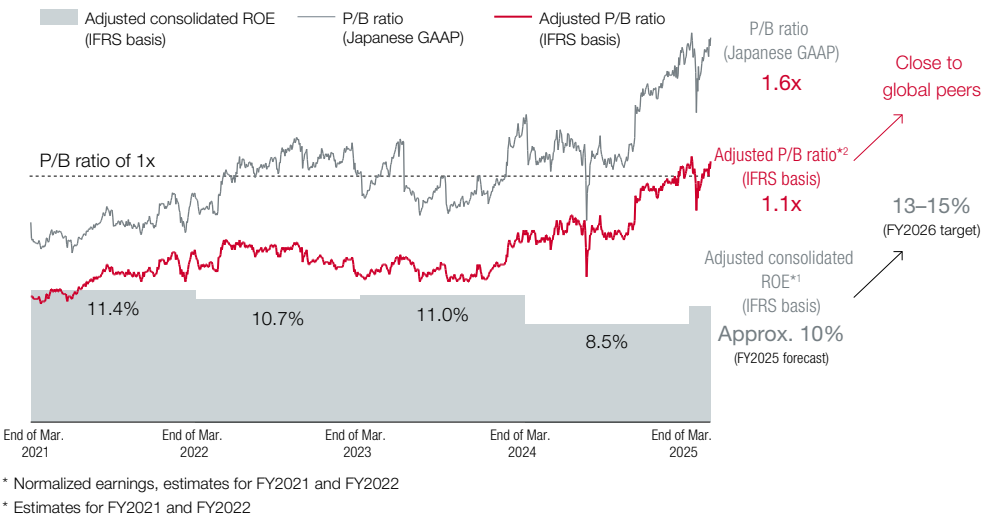
\* Old standards (Japanese GAAP) basis until FY2023, IFRS basis from FY2024  
 \* Normalized earnings since FY2021: Adjust the one-time factors such as impact of COVID-19, major losses, natural disasters (only domestic natural disasters since FY2023), etc., to original plan  
 \* Old standards (Japanese GAAP) basis actual FY2021: ¥261.3 billion., FY2022: ¥152.2 billion., FY2023: ¥291.0 billion., FY2024: ¥334.3 billion.  
 \* IFRS actual FY2024: ¥323.4 billion.

**Figure 2 Adjusted EPS**



\* Normalized earnings, estimates for FY2021 and FY2022

**Figure 3 P/B Ratio and Adjusted Consolidated ROE**



\* Normalized earnings, estimates for FY2021 and FY2022  
 \* Estimates for FY2021 and FY2022

## Capital generation and reallocation

The evolved financial strategy in the current MTMP involves, in the first instance, the internal management of allocated capital by each Group business to maximize risk-return and achieve KPIs, including the ROE targets set for each business. This contributes to the Group achieving its consolidated performance targets. The holding company collects and reinvests the profits generated by each business to meet our targets for growth in adjusted consolidated ROE and adjusted EPS, together with attractive shareholder returns. The roles of the Group also include the redistribution of capital to each business and the monitoring of performance. The current MTMP policy is to reinforce the capital remittances from businesses to the holding company. It also introduces the idea of maintaining a balance with the operating capital retained in each business, while providing full control to the holding company over any surplus capital. In addition, based on our new ROE target, we have increased the target ceiling for our measure of capital adequacy, the Economic Solvency Ratio (ESR), by 20pt to 250%.

We will strive to ensure we achieve the Group's financial targets of adjusted consolidated ROE and growth in adjusted EPS by making the recycling of capital function more effectively, based on our steady implementation of the MTMP policies covering the three areas of risk mitigation and capital control, deployment of capital and growth investment, and shareholder returns.

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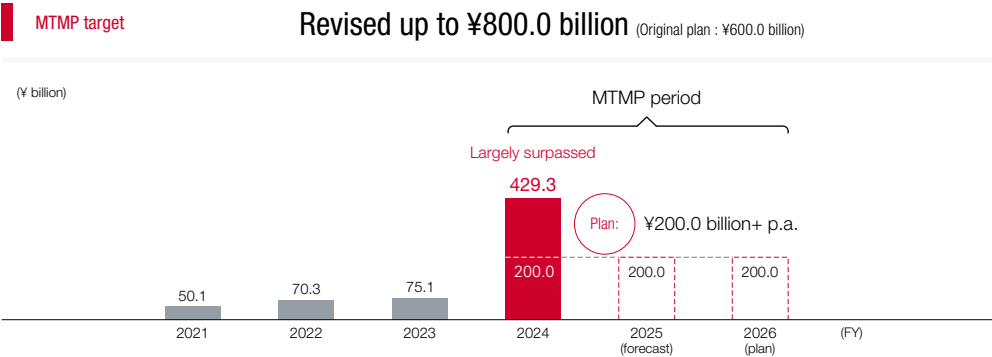
## Risk mitigation and capital control

We aim to completely sell down strategic shareholdings by the end of FY2030. The reduction achieved in FY2024 alone was ¥429.3 billion, substantially ahead of plan. Based on this result, we have upgraded the MTMP target for a total reduction in strategic shareholdings, from ¥600 billion to ¥800 billion. We aim to accelerate the pace of reduction further as we head towards FY2030, reallocating the capital generated to invest in organic growth, M&A and enhanced shareholder returns.

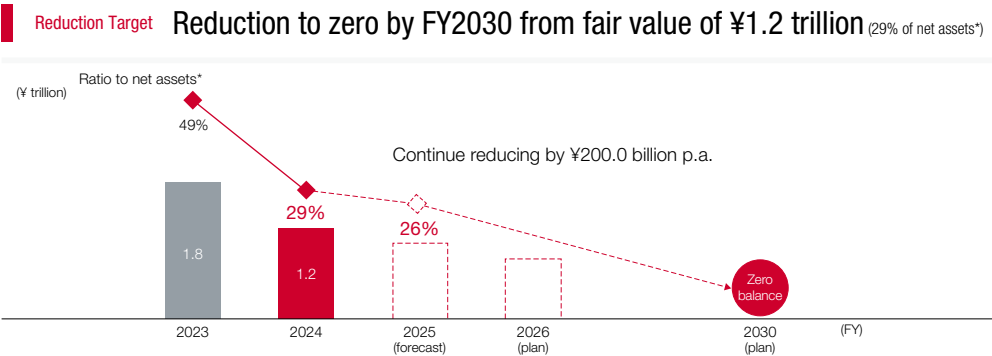
We also make strict decisions to exit various investment projects by setting clear criteria that take into account initial plans and changes in the business environment, working to rapidly withdraw from unprofitable investments and recover capital efficiently, while allocating the recovered capital to new growth investment opportunities. Elsewhere, while strengthening how we manage risks posed by domestic natural disasters, we will continue to reduce our exposure to unprofitable parts of the insurance portfolio.

Figure 4 Sale of Strategic Shareholdings / Balance of Strategic Shareholdings

### Sale of Strategic Shareholdings



### Balance of Strategic Shareholdings



## Deployment of capital and growth investment

Under the current MTMP, we plan to deploy capital in four key areas: overseas M&A, wellbeing M&A, organic reinvestment and business base reinforcement. Capital deployment will be steady in each area, but our aim is also to increase the effectiveness of these actions by creating a dual-unit business structure composed of SOMPO P&C and SOMPO Wellbeing.

Given that a certain scale of profit accumulation is essential to reaching our FY2030 goals, we acknowledge the need for M&A-derived inorganic earnings growth. From that point of view, our appetite would be strong for overseas acquisitions with potential for rapid earnings accretion and contribution to greater resilience, provided it cleared our hurdle rate and was a good fit in terms of investment discipline and culture. We would not hesitate in such cases. Our targeted regions remain the same, with a preference for North America and Europe, notably for commercial business. However, we are prepared to broaden our horizons. For M&A in the wellbeing sector, we are focused on investment areas to broaden our product and service base where we could utilize Sompo's strengths and thereby contribute to the sustained growth of the Group.

We will continue to take a firmly disciplined approach, since M&A is a means to raise capital efficiency and not merely an end in itself. Based on valuation trends and other factors, in fact we did not make any large-scale acquisitions in FY2024. However, we did invest to promote organic growth, mainly in overseas insurance operations. We also deployed capital in insurance underwriting, led by high-margin segments, while broadening the Group's credit investment portfolio as part of our asset management practices.

Human capital is a vital part of the Group's strategy, and HR investments form one of the highlights of the current MTMP. We are also investing actively across data and digital to help promote innovation and enhance productivity.

## Policy on shareholder returns

In principle, profits generated by each business are consolidated and managed by Sompo Holdings while maintaining a balance with operating capital levels retained by businesses. A portion of this collected capital is then returned to shareholders. Our policy is to fund continued DPS hikes from sustained profit growth, considering sound finances and market conditions. We will also conduct share buybacks flexibly depending on the share price and our capital situation.

Under the current MTMP, to enhance the predictability and stability of shareholder returns since the adoption of IFRS in FY2025, the policy sets the basic return at 50% of adjusted consolidated profits, based on the latest 3-year average. We aim to increase total return through earnings growth, translating over time into higher DPS, combined with share buybacks. As a rule, we plan to increase dividends in line with

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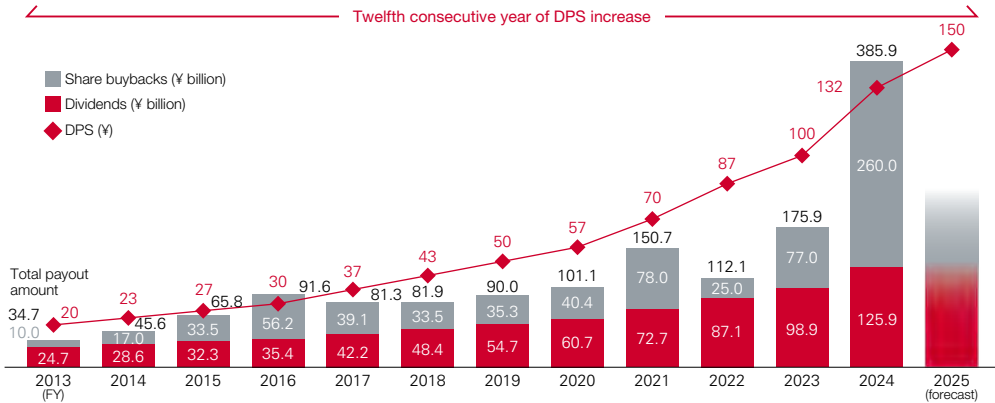
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medium-term earnings growth, while also increasing the payout ratio applied to the basic return. On top of this, we plan to provide an additional return set, as a rule, at 50% of gains from sales of strategic shareholdings (on a post-tax basis). We will also consider capital adjustments if the ESR is consistently above the target range, subject to the status of risk, capital, earnings trends and financial market conditions.

The total return in FY2024 in line with the current MTMP shareholder returns policy was ¥385.9 billion, of which share buybacks represented ¥260 billion. Both figures marked new highs. Based on the earnings outlook for each business and a disciplined capital approach, we expect to achieve an EPS growth rate of at least 14% during the MTMP period. The initial DPS guidance for FY2025 is ¥150, an increase of ¥18 and the twelfth consecutive hike in annual DPS.

Going forward, we will seek to maintain attractive shareholder returns while emphasizing dialogue with market participants.

Figure 5 Shareholder Returns

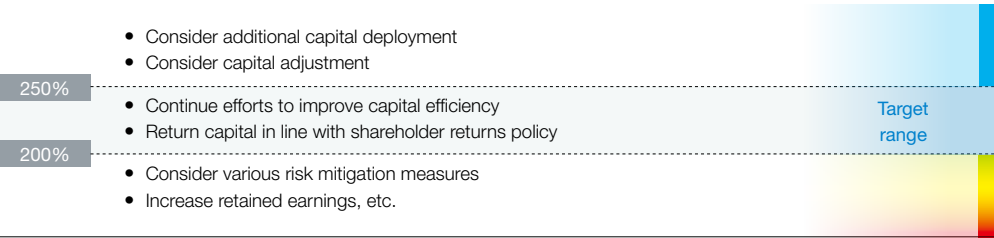


\* The Company implemented a 3-for-1 common stock split on April 1, 2024. In comparisons of DPS before and after the stock split, figures before the split are adjusted to level after the split (rounded to the nearest decimal place).

Figure 6 Shareholder Return Policy



Figure 7 ESR Target Range



Creation of dual-unit business structure (SOMPO P&C, SOMPO Wellbeing)

From FY2025, we are concentrating our operations into the two business domains of SOMPO P&C and SOMPO Wellbeing to help strengthen collaboration across business and regional boundaries. We aim to ensure consistent consolidated growth by applying an accelerated focus to the business unit themes of “increase resilience” and “connect and be connected.” With P&C insurance operations across 29 countries and regions, SOMPO P&C is building greater resilience coupled with risk-return optimization in an increasingly uncertain environment through an integrated global insurance business. To boost profitability, we plan to leverage the integrated global balance sheet for efficiency gains in reinsurance, asset management and other areas; accelerate SJ-R initiatives by introducing insurance expertise from overseas; invest in geographically broader, more diversified overseas insurance underwriting capacity; and undertake growth investments. Meanwhile, to help alleviate the three concerns of health, retirement funding and nursing care, SOMPO Wellbeing is building Group-based solutions by expanding sales of Insurhealth®, developing its conventional nursing care capacity, and increasing sales of wealth accumulation products. The FY2030 target for SOMPO Wellbeing is adjusted profits of over ¥100 billion, based on sustained growth in Lifetime Value (LTV).

We will achieve the Group targets we have set of raising market capitalization to ¥6 trillion and adjusted consolidated profit to ¥500 billion, based on the successful growth of these businesses and the implementation of our financial strategy.

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## Human resource strategy for a Japan-born, truly global company

**Shinichi Hara**  
Group CHRO



The Sampo Group aspires to become “a Japan-born, truly global company.” From an HR perspective, this means creating a company where every individual is a professional in their own right.

Our culture began as a homogeneous community, operating under a lifetime employment system. Employees were considered high achievers when they were adept at navigating internal dynamics. This focus produced “cookie-cutter” employees. Naturally, moving toward our aspirational vision will require significant time and energy.

Previously, our talent development emphasized cultivating generalists. We are now making a decisive shift towards fostering an environment where each individual can fully leverage and enhance their expertise. Importantly, this does not mean we seek specialists who consider their mission complete once their individual task is done. Rather, we look for professionals who apply their expertise to the organization’s broader goals with a strong sense of mission — while continuing to deepen their own skills. Ultimately, we strive to be a company brimming with such driven professionals.

### Culture: Our Foundation. People: Our Pillars.

In FY2024, we embarked on rebuilding our corporate philosophy system around our purpose. We redefined SOMPO’s Purpose, the very reason for the Group’s existence, so that it serves as a north star for all stakeholders. We also defined “SOMPO’s Values”(please refer to the main section, page 33), which will be cherished by all executives and employees throughout the Group. Based on these values, we revised our Group Common Competencies and embedded them into various systems and standards to ensure stronger adaptation and effectiveness.

These initiatives are not a “one-and-done” effort that concludes once guidelines are established. Instead, as the company continues to operate, these principles serve as a compass, gradually shaping employees’ daily awareness and actions, and over time organically embedding themselves into our corporate culture. Building on this cultural foundation, strengthening talent is essential for creating new value and driving growth. We have positioned “Enhance the Group’s Human Resources” as a core pillar of our Human Resource strategy, and accelerated investments in people through the JPY 30 billion SOMPO Human Capital Fund established in FY2024.

In addition, we are currently defining a clear vision of the professionals we aim to nurture across the Group. Conceptually, the skills and expertise required of employees are structured in two layers: The first layer represents the “Three Rs” (reading, writing, and arithmetic), common to all employees with a focus on English and AI literacy. The second layer consists of specialized expertise tailored to each professional domain.

Employees will hone their strengths and expertise on Sampo’s stage, pursuing self-directed career paths. Anchored by our restructured corporate philosophy, we aim to bring soul into the framework, making Sampo’s culture truly alive.

### “Connect and Be Connected” in Human Resource Strategy and Center of Excellence (CoE)

We transitioned to a new management structure in FY2025, reorganizing into two business segments: SOMPO P&C and SOMPO Wellbeing. Each segment now leads its own human resource strategy, enabled by its key Center of Excellence (CoE) concept.

The Sampo Group is accelerating the development of CoE to disseminate best practices and expertise from each domain across the Group. We will empower individuals with expertise, experience, and leadership to guide the Group forward — no matter their country of work or affiliated company.

To spearhead this effort, we have appointed Group Chief Officers for the internal audit and communication domains, effective August 2024, choosing the right leaders from across our organization.

This approach is not limited to executive appointments. The crucial point is to take a Group-wide perspective to identify and appoint the most suitable talent for each position. Through such initiatives, we will bring our “connect and be connected” principle to life within our Human Resource strategy, enabling us to evolve into an even stronger Group.

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### Sampo's Work Styles: Built for Growth

While accelerating these initiatives, our work style is a key area we must reassess. As the external landscape shifts dramatically, continued corporate growth requires an agile and flexible organization, which begins with empowering each employee's work style.

In FY2025, we newly established "Sampo's Work Styles and Workplaces Principles" and "Sampo Work Style Policy," aiming to maximize organizational value creation while fostering high performance, growth, and fulfillment for employees. We will balance both in-office and remote work while leveraging the benefits of each.

As a leading example of the above initiative, Sampo Holdings and parts of Sampo Japan's corporate function will relocate to a new office in February 2027 as the Group Headquarters. The new office will leverage cutting-edge technology to enable highly productive work styles. This marks our first step toward promoting diverse and flexible work styles that support them across the entire Group. By cultivating the future of work, we aim to drive sustainable growth and enhance corporate value.

### New Metrics for Medium- to Long-Term Value

Investments in people — whether in talent development or workplace improvements — are expected to deliver high productivity and increased profits over the medium to long term. To measure the impact of these investments, we introduced two new productivity metrics in FY2025: Labor Productivity (value created per employee) and Human Capital ROI (return on investment in people). These metrics reflect our view that spending on talent is an investment, not a cost.

That said, given that these metrics are influenced by revenue volatility from external factors such as natural disasters, they are designed to track medium- to long-term improvement rather than year-to-year fluctuations. We will continue refining these indicators going forward.

### To Being a Japan-Born, Truly Global Company

With the new management structure introduced in fiscal year 2025, each business segment is independently executing its own talent strategy. Under the SOMPO P&C umbrella, Sampo International and Sampo Japan Insurance have initiated various collaborations that transcend national, regional and cultural boundaries. The Japanese organization, as it pivots toward strengthened expertise, has much to learn from Sampo International, which has grown by leveraging its employees' high level of expertise. At the same time, Japan's long-cherished altruism will remain crucial as we go global.

Through mutual learning and development across the Group, we will foster the growth of each employee and embody Sampo's values: Integrity, Self-Motivation, and Diversity. By building a Group brimming with professionals, we will realize our vision of becoming a Japan-born, truly global company.

## TOPICS

### Harnessing Diverse Expertise for Global Impact

As we aim to establish ourselves as a truly global company, we are committed to developing a cohesive culture that harnesses the strengths of our operations around the world while valuing and respecting local differences.

By aligning the diverse perspectives of Sampo (SIH) and Sampo Japan Insurance under the SOMPO P&C umbrella, we are driving innovation, enhancing resilience and strengthening our competitive advantage through collaboration, talent development and shared values.

We are committed to advancing cross-cultural communication and leadership development to bridge organizational differences and support an integrated and agile workforce. This will allow us to create a more unified, adaptable and dynamic corporate culture.

We recognize that the collective expertise of our people fuels our success. As such, our vision goes beyond expanding our global footprint — it is about fostering an inclusive environment rooted

in a shared purpose and the pursuit of excellence. By aligning our human capital strategy with these principles, we are creating an environment where talent can thrive to help us drive sustainable growth and deliver exceptional value to our customers worldwide. These foundations not only position SOMPO P&C as a global industry leader but also enable us to proactively meet the evolving needs of our customers and partners — and the communities we serve — with confidence and meaningful impact.



Joy McCune

Sampo International  
CHRO



## Human Resource Strategy

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## Overview of the Human Resource Strategy

The Mid-Term Management Plan lists three catch phrases: Pride and Happiness for All Employees, Self-Directed Careers and Growth, and Pursue My Purpose. Under the plan, we will improve our HR systems and reinforce efforts to embody SOMPO's Purpose. In implementing human capital management, we have positioned the following as key strategies: Enhance the Group's Human Resources, Transform the Corporate Culture, and Evolve the HR Systems and Reinforce the Human Resource Base. Going forward, these key strategies will continue to serve as axes for creating an environment in which both employees and the company can grow together as we further strengthen the management base.

### Overview of the Human Resource Strategy in the Mid-Term Management Plan



## Key Strategies

### Enhance the Group's Human Resources

We will clarify the talent portfolio needed to execute the Sompo Group's management strategies and enhance the Group's human resources.

We launched a ¥30 billion SOMPO Human Capital Fund in FY2024 to build the talent portfolio necessary to execute the management strategies of the Sompo Group and its various businesses, and to expand investment in Group talent in areas such as training and recruitment. We also hold a Talent Roundtable, attended by the CHROs and HR departments of each company, as well as the Group CEO and executives from related departments, to discuss talent training, promotion, assignment, and other matters based on succession plans for each functional area. These roundtables are helping us build the ideal talent portfolio and invest in the human resources needed to do so. Going forward, we will further augment efforts to enhance human resources, including clarifying the expertise and skills required of employees and expanding our systems for subsidizing certifications and training courses to help improve those skills.

#### Examples of human capital investment using the ¥30 billion SOMPO Human Capital Fund

Domestic P&C commercial sales reform Specialist development program	Acquisition, development of underwriting specialists; sharing of expertise with the frontline
Start of training related to operations utilizing generative AI (LLM)	Improvements to development of future leaders through secondment to other companies
Introduction of a Group-wide learning management system	Further investment to foster an organization and culture where diverse talent can thrive

#### Ongoing enhancement of the Group's enterprise value by delivering value as professionals

For further details on talent enhancement and development, please refer to Talent Development ([sustainability section, page 140](#)).

For further details regarding succession planning, please refer to Succession Plan ([sustainability section, page 65](#)).

In the various business domains and Group companies, we are stepping up training and recruitment efforts to hone employees' expertise. For example, Sompo Japan Insurance is taking several steps to secure a stable supply of personnel to support sustainable growth, assigning recruitment ambassadors in each prefecture in Japan, offering nationwide internships and seminars for new graduates, and hiring mid-career talent through referrals. We are also moving forward with initiatives to hone expertise, such as by developing a tiered educational system including the Innovation Z talent development program for young employees, and by expanding in-house online learning, including SOMPO Japan University and SOMPO Commercial Academy.

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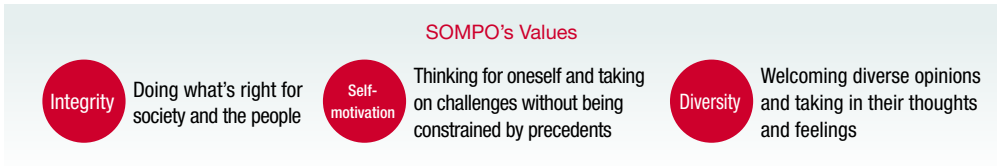
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Furthermore, as a way of shoring up the foundation for strengthening talent across the Group, we introduced SOMPO Learning Hub, a learning management platform that encourages voluntary learning on the part of employees.

Through these initiatives, we will continue to enhance sustainable corporate value for the Group going forward.

## Transform the Corporate Culture

All Sompo Group executives and employees work together to transform the corporate culture into one which is open to diverse opinions and where everyone’s views are heard. In FY2024, we defined Integrity, Self-motivation, and Diversity as SOMPO’s Values, to serve as the basis for decisions and actions and as a valuable frame of reference for executives and employees throughout the Group.



We have also reviewed our Group Common Competencies to ensure consistency with SOMPO’s Values, and have reflected these in the selection criteria for Directors and Executive Officers, management promotions, employee evaluations, and recruitment, seeking to instill them more broadly and increase their effectiveness. Going forward, we will continue to pursue the transformation of a corporate culture grounded in these values, enabling diverse talent to thrive and driving the sustainable growth of the Group.



## The HR Systems and Reinforce the Human Resource Base

To support the pursuit of My Purpose, which serves as the foundation of our human resource strategy, and to support initiatives to Enhance the Group’s Human Resources and Transform the Corporate Culture through HR systems and frameworks, we are expanding systems and laying the foundation to support individual choice in career development. For instance, through the Group Job Challenge Program, any Group employee can apply for an open position in any Group company, offering the chance to embrace new challenges and gain broad experience. This supports the self-directed career development of each employee, based on their My Purpose. In FY2025, we began standardizing and evolving the job-based HR systems of Sompo Holdings and Sompo Japan Insurance. Going forward, we will continue to refine extend this HR system across the Group, hone the expertise of all employees, and accelerate the development of a Center of Excellence to tie advanced expertise into the sustainable growth of the Group.

In addition, we are developing a Group-wide HR strategy platform (talent management system) with the aim of visualizing the Group’s talent portfolio and further support individual choice in career development and advances in expertise.

We are also preparing to introduce a new stock compensation program using cash stock in FY2026 for employees of Group companies in Japan. The aim is to further enhance employee awareness of Group performance and increases in stock price as well as their sense of ownership, boosting their motivation to contribute. This will foster a sense of unity throughout the Group and lead to the longer-term enhancement of corporate value.

## Looking Ahead

The Sompo Group believes that investing in people is linked to numerous benefits—it makes employees more satisfied with their work, fosters career ownership, boosts employee engagement, helps maintain and improve physical and mental health, and helps ensure wellbeing—and these in turn give rise to outward, concrete changes in behavior.

We have further clarified our KPIs to make these effects visible. We also introduced two new productivity indicators in FY2025: labor productivity and the return on investment (ROI) in human capital. Rather than evaluating upswings or downswings within a single fiscal year, these indicators are intended to drive improvement by evaluating initiatives based on the HR strategy from a longer-term perspective.

By further integrating our business and human resource and management strategies, we aim to reach the targets of our Mid-Term Management Plan and enhance sustainable corporate value, while working across the Group to realize SOMPO’s Purpose.

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# Human Resource Strategy

## Group-Wide Framework, KPIs

The Sompo Group will steadily implement its human resource strategy to enable every employee to achieve further growth and embody SOMPO's Values, thereby contributing to the realization of SOMPO's Purpose.

By visualizing progress of initiatives tied to our HR strategy in terms of measuring the degree to which we achieve the KPIs set out in our Group-wide framework, we are seeking to optimize the PDCA cycle and pursuing ongoing improvement.

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Human ResourcesTransform the  
Corporate CultureEvolve the HR  
Systems and  
Reinforce the  
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Progress in  
HR Strategy

Changes (KPIs\*1)

#### Self-motivation Honing Expertise

	FY2024 results	Scope	Target
HR investment amount (use of Sompo Human Capital Fund)	¥840 million	All Group companies in Japan	Year-on-year increase
Career ownership indicator	Number of employees who have transitioned to job-based HR initiative	244 (+32 YoY)	Sompo Holdings Sompo Japan Insurance Year-on-year increase
	Number of transfers/applicants in open recruitment system*2	267 people out of 836 (+38/+136 YoY)	All Group companies in Japan Year-on-year increase

#### Diversity Active Participation of Diverse Talent

	FY2024 results	Scope	Target
Ratio of female executives/ general managers/managers	14.3%/20.7%/26.6% (+1.6%/+0.6%/+1.1% YoY)	Group-wide	30% (2030 target)
Mid-career hires	241 (+151 YoY)	Sompo Holdings Sompo Japan Insurance	Year-on-Year increase
Ratio of mid-career hires	43.9% (+10.6% YoY)	Sompo Holdings Sompo Japan Insurance	Year-on-year improvement
Ratio of female candidates in succession plans	40% (-2.6% YoY)	Group-wide	50%
Ratio of males taking childcare leave	81.0% (-0.2% YoY)	All Group companies in Japan	100%
Ratio of employees with disabilities	2.61% (+0.12% YoY)	All Group companies in Japan	2.7% (FY2025 target)

#### Integrity Improving Integrity

	FY2024 results	Scope	Target
Integrity indicator*3	3.68 (-0.07 YoY)	All Group companies in Japan	Year-on-year improvement
Confirmed harassment cases	33 (-4 YoY)	All Group companies in Japan	Year-on-year decrease

#### Maintaining and Improving Physical and Mental Health

	FY2024 results	Scope	Target
Total of actual hours worked	1,931 (-17 YoY)	All Group companies in Japan	Year-on-year decrease
Number of employees on mental health leave	794 (+82 YoY)	All Group companies in Japan	Year-on-year decrease
Ratio of employees with standard BMI	64.6% (-0.2% YoY)	All Group companies in Japan	Year-on-year improvement
Ratio of smokers	16.3% (-0.5% YoY)	All Group companies in Japan	Less than 12% (2030 target)

#### Increasing Engagement

	FY2024 results
	In Japan: 3.56 (+0.04 YoY) Overseas: 4.16 (-0.02 YoY)
Scope	Group-wide
Target	Year-on-year improvement

#### Taking on More Challenges that Drive Innovation

	FY2024 results
	Challenge indicator*3: 3.44 (+0.14 YoY)
Scope	All Group companies in Japan
Target	Year-on-year improvement

#### Improving Productivity Productivity indicator\*4

	FY2024 results
	Human capital ROI 43.2%
Scope	Group-wide
Target	Year-on-year improvement
	FY2024 results
	Labor productivity ¥13million per employee
Target	Year-on-year improvement

#### Human capital ROI

$$= \frac{\text{Adjusted consolidated profit} + \text{investment in people} \text{ (personnel expenses} + \text{education investment} + \text{workplace investment)}}{\text{(personnel expenses} + \text{education investment} + \text{workplace investment}) - 1}$$

#### Labor productivity

$$= \frac{\text{Adjusted consolidated profit} + \text{investment in people} \text{ (personnel expenses} + \text{education investment} + \text{workplace investment)}}{\text{number of employees}}$$

\*1 The framework given here is centered on KPIs common to the Group

\*2 Internal recruitment system among Group companies and between Sompo Holdings and major Group companies in Japan

\*3 Average scores related questions in an in-house engagement survey

\*4 Introduced in FY2025

Enhancing corporate value,  
achieving SOMPO's Purpose

Creating value as a Group

# Human Resource Strategy

## Center of Excellence (CoE): Integrating Knowledge and Talent to Make the Entire Group More Competitive

The Sampo Group is accelerating its establishment of a Center of Excellence to share the specialized knowledge and expertise it has accumulated in various business domains throughout the Group. Our first goal in FY2024 was to strengthen the competitiveness of the Group as a whole by further acting to assign the most suitable personnel from across the Group to key positions, regardless of the division they formerly belonged to or their responsibilities.

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### David Camputo

Group Chief Audit Executive (CAE)  
Senior Vice President  
Sampo International CAE



The establishment of a global Center of Excellence in Internal Audit marked a major milestone in Sampo's transformation journey. By integrating internal audit teams from Sampo Holdings, Sampo International, Sampo Japan, Himawari Life, and Sampo Care, we've built a unified function that strengthens how we manage risk, uphold governance, and drive long-

term value creation.

With shared platforms like TeamMate+ and real-time JSOX testing, the team is driving consistency, speed, and transparency across the Group. At the same time, a new global Center of Expertise is developing future-ready talent by fostering curiosity, agility, and knowledge exchange across geographical regions. This unified function's use of data analytics and AI is sharpening foresight and enabling deeper insights that help guide business decisions with greater speed and confidence. As a result, Internal Audit is evolving from a traditional control function into an embedded strategic advisor with executable action plans.

This Center of Excellence model reflects a mindset shift. It positions Internal Audit as a trusted partner in building a stronger, more resilient Sampo. It is about operating with clarity and purpose, anticipating what's next, and ensuring we are always ready to meet tomorrow's challenges together.

### Nicolas Burnet

Executive Vice President  
in charge of SOMPO P&C  
Group Deputy Chief Financial Officer (CFO)



Global Finance is setting the pace for how aligned financial leadership can create long-term value at scale. Through closer integration across Sampo Holdings and Sampo International of our capital policy, financial strategy, investments, and our communications with investors, we are building a more connected, forward-looking, and

performance-driven function.

In 2024, Sampo exceeded record profit levels, improved capital efficiency, and executed disciplined share buybacks while maintaining ample capacity for growth investments. The Finance function played a key role in advancing these outcomes through strategic asset allocation, enhanced ROE management, and investor engagement initiatives that lifted the Group's market valuation and adjusted P/B ratio.

At the same time, we are strengthening our foundation through smart investments in talent and digital infrastructure. Generative AI is now being applied in financial planning and analysis, while new HR systems are accelerating career mobility and alignment across regions.

This Center of Excellence approach is enabling Finance to operate as a truly global partner to the business. It is helping to drive performance, build investor trust, and ensure Sampo is well-positioned for long-term, sustainable growth.

### Sina Martens

Senior Vice President  
in charge of Communications  
(Group Head of Communications)



The creation of the Group Communications function marks a major step forward in how we connect, engage, and grow as One Sampo. By aligning the communications capabilities of Sampo Holdings and Sampo International, we've established a unified global team that brings together diverse expertise, perspectives and energy to

communicate our organization's single strategic vision.

This alignment is creating new opportunities for collaboration to strengthen and grow our global reputation, enabling us to amplify the capabilities of our businesses. With a stronger alignment on priorities and a deeper sense of purpose rooted in shared values, colleagues across regions are now more connected than ever.

In 2025, Sampo International launched Workvivo, a vibrant internal engagement platform that is now being rolled out across Sampo Holdings and Sampo Japan. By enhancing how we communicate our priorities, align teams, and strengthen cultural integration across the Group, this platform is becoming a shared space for all our people to collaborate and contribute to our global culture.

Group Communications plays a crucial role in strengthening our shared identity, aligning our focus on management and business objectives, and connecting diverse geographies and cultures. This development exemplifies how the Center of Excellence approach is making us stronger – uniting us as one team with one vision for the future.



# Digital, Data, and AI Strategy

**SOMPO DDAX (Digital, Data, and AI Transformation) is building a future of health, wellbeing and financial protection.**

We are leveraging the power of digital technology, data, and AI to build a future of health, wellbeing and financial protection.

Motivated by our Group digital strategy, DDAX. DDAX connects to the future via two approaches.

**Horizontal DDAX (Group-wide digital infrastructure):**

We are providing an environment where all employees can use leading-edge technologies such as AI/LLMs (Large Language Models), and we are now working to implement AI in order to be able to address operational issues and specific tasks within the Group. This will improve operational efficiency and allow accurate data-based decisions, tying into improved service for customers.

**Vertical DDAX (deepening Digital Business):**

In addition to existing businesses, we also taking-up the challenge of creating new businesses in adjacent fields by making full use of digital technology, supporting our Group's corporate clients and contributing to solving social problems. We are responding to customer needs and delivering order-made security, health, and wellbeing.

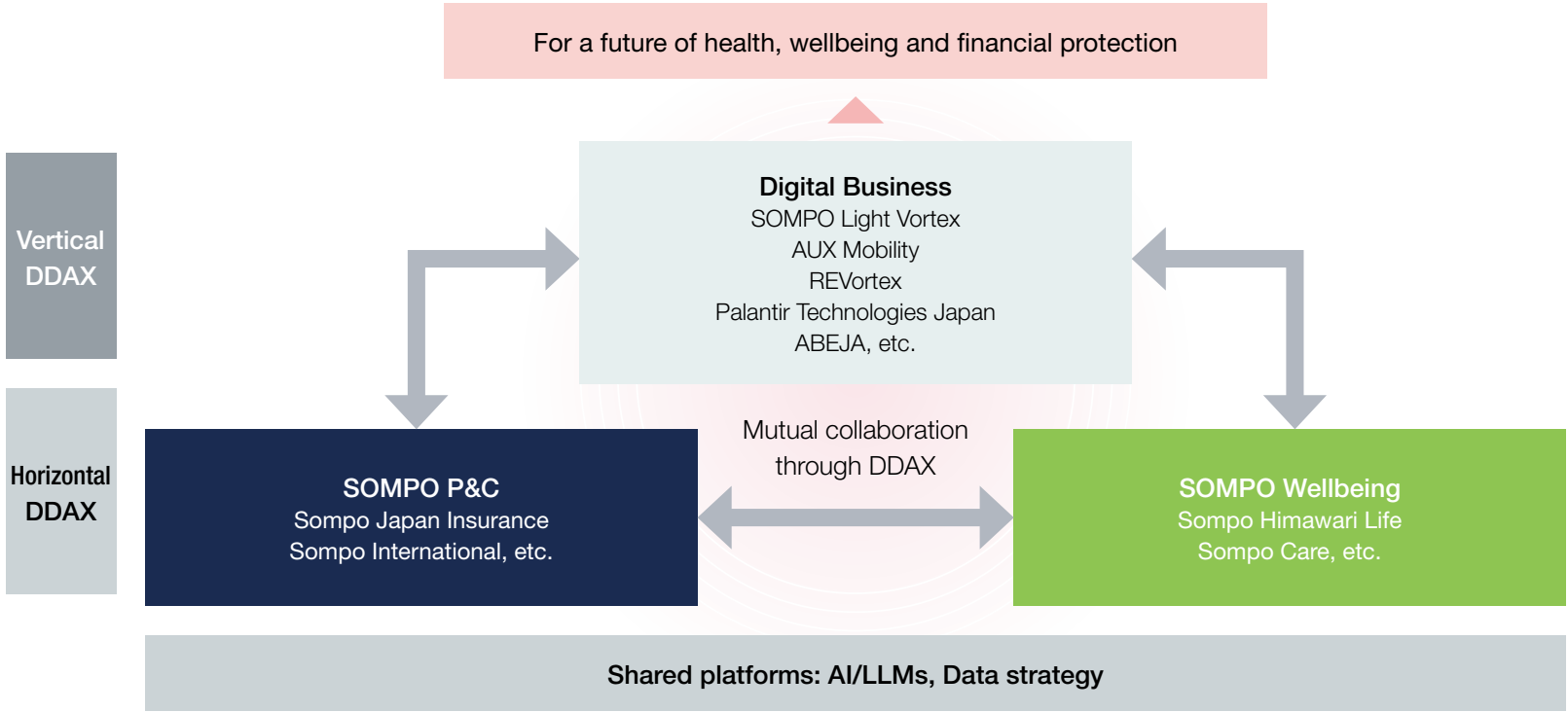
DDAX continues to evolve. DDAX is already generating concrete results, including the creation of novel services and dramatic improvements in productivity through AI. In addition, coordination between our various businesses is creating new services that meet the diverse needs of our customers. Through DDAX, we maximize the potential of digital technology to build a richer future for everyone.

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### Providing New Experiential Value Only AI Can Achieve

Masayuki Kimura  
Group CDO



### SOMPO's new digital strategy: DDAX

The Sompo Group established SOMPO Digital Labs in Tokyo and Silicon Valley in 2016, and has been advancing digital data transformation (DDX), including data-driven portfolio realignment, while incorporating leading-edge digital technologies. I have worked on our company's projects since 2016 when I was at my previous post, and from that perspective, I believe our strength lies in our history of taking on challenges. In the past, new technology deployment sometimes became an end in itself, which resulted in a lack of improvement in user convenience and a lack of acceptance, leading to so-called technology-driven failures. Having gone through this experience, we now make sure our thinking is issue driven, deploying technology in order to resolve user and on-site issues. In this way we can align with customers and employees, ensuring their acceptance of new initiatives.

Implementation teams are crucial when implementing AI and digital technologies in an issue-driven manner. Our digital department now has about 200 people, and I don't think there are many companies in Japan—other than IT firms—that have such an in-house organization. We believe that our in-house development capabilities, which allow us to maximize development speed while keeping costs down and addressing specific needs, are a major strength of our company.

With AI advancing at a dizzying pace in recent years, incorporating AI to enhance operational efficiency, personalize the customer experience, and bring reform to business models has become essential to companies' survival. In utilizing AI, preparing the underlying data to fully harness AI's power is crucial. The DDAX we are aiming for is to radically evolve our conventional digital strategies and achieve AI-driven transformation, while capitalizing fully on the data.

### Mission

I joined Sompo Holdings as Group CDO in June 2025 because the company's Purpose resonated with me and I wanted to be involved in something that has social significance. My mission is to promote DDAX across the entire Sompo Group, and within that context my focus is on driving forward AI. We are implementing AI in various business processes across the Group, leading to improved productivity and the creation of new businesses, thereby contributing to the achievement of the Group's goals for FY2030.

There are three phases in advancing AI in a company: the first phase is when employees become proficient in using AGI (Artificial General Intelligence), the second phase is when AI is incorporated into business operations, and the third phase is when business models are changed to incorporate AI.

In the first phase, the Group's proprietary conversational generative AI was used by over 50% of employees, contributing to increased efficiency in tasks such as creating meeting minutes and drafting emails. In the second phase, we are incorporating AI in a way tailored to each business's operations. For example, Sompo Japan Insurance's insurance claims service division uses AI to assign staff when accepting accident claims and to strengthen fraud detection. Sompo Care's nursing care facilities provide personalized care for each resident based on sleep data and care records. Going forward, we aim to provide even greater experiential value by leveraging AI based on this kind of data. Sompo is now steadily implementing the second phase of its AI advancement, and we are engaged with each business division as we move towards the third phase, where we transform our business models.

Spreading our AI vision and fostering a culture within the company is indispensable to achieving our mission. To foster a culture of AI utilization, we operate a community to share know-how and further reinforce the spread of AI throughout the group. In addition, to further accelerate our activities, we are actively working to develop and acquire AI talent to further enhance our in-house development digital division, which is one of our strengths.

### What we aim to achieve by advancing AI

I have been involved in the launch of many new businesses, and even in difficult situations, I have found a path to success by continually addressing customer challenges and achieving results. In my last post, I launched a business in Silicon Valley on my own without any overseas experience. I believe my strengths lie in my ability to work backwards from a goal and my mental toughness. Leveraging these strengths, I will implement the necessary solutions one by one and tackle various challenges to achieve DDAX through each phase, enhancing AI use by all employees, implementing AI in business processes, and transforming each business such that it has a business model that incorporates AI. I expect to face many challenges and difficulties along the way, but I will never give up. I will be at the forefront of advancing AI, mobilizing the power of our digital team. I will provide customers with new experiential value that can only be achieved through AI, and I will work hard to push forward with DDAX to contribute to the realization of a future of health, wellbeing and financial protection.

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## Bringing about a Better Society via the Power of Data and People

Akiko Murakami

Group CDaO



### Supporting Group businesses through data

My mission is to support the entire Group's business by making maximum use of the power of data. I am working on this mission from two main perspectives.

The first perspective is leveraging the power of data to achieve the Group's 'connect and be connected' vision faster. Under our new management structure, we aim to create new value through the global integration of our P&C insurance businesses operating in Japan and overseas, as well as via coordination between the diverse services in our wellbeing business. In order to succeed with these major changes, it is indispensable to coordinate and make strategic use of the data that exists in each organization.

The second perspective is how to apply the amazing advances in AI to our business. The use of AI in business is no longer an option but a prerequisite, and it is necessary to not just use AI but improve its performance as well. To this end, we believe that improving the quality of data and building a system that allows us to constantly leverage data suitable for AI use (AI-ready data) strengthens the competitiveness of the entire Group.

### Three issues to be addressed to achieve our mission

Since April 2025, when I assumed the position of Group CDaO, we have worked on three main tasks to achieve our mission.

The first is the creation of use cases. We are advancing initiatives that allow Group employees to build up successful experiences through the use of data to improve operations and increase the value provided to customers. One example is the SJ-R Dashboard deployed at Sampo Japan Insurance. This is a system for all employees to check shared data and link it to specific actions. Since it enables comparison of the status of one's own department with that of the entire company based on data (facts), it is useful for the analysis of concrete measures to enhance the soundness and increase the quality of management.

The second is human resource development. In the past data was generally perceived as something managed by the IT department, but we encourage each employee to be an active participant in data usage, and think and act for themselves about its utilization. We have also created opportunities for employees to share with each other what data they hold and how they manage and use it, in an effort to improve the data literacy of the Group as a whole.

The third is data governance. As data utilization becomes more diverse, there will be more cases than ever where data from one department is used in another department or within the Group. To this end, we are working to create a foundation— including rules and infrastructure—so that each employee can understand their own data and its value, and undertake proactively to uphold data quality.

### I want to achieve a better society using the power of technology

Ever since I was moved by the power of science at the Tsukuba Science Expo when I visited as a child, I have sensed the significance of using technology to improve the world and have followed the path of technology. To fulfill my aspirations of those days, I am now working as the Group CDaO of Sampo Holdings, and I would like to contribute to the achievement of a better society by supporting SOMPO P&C and SOMPO Wellbeing through data.

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## Leveraging Digital Technology to Create New Business

Koichi Narasaki

Senior Executive Vice President and  
Executive Officer  
in charge of Digital & New Business (Officer)  
and Investment



### Initiatives aimed at achieving our mission

Since joining the company in 2016, I have led the Group's digital business as Group CDO, and from FY2025 I am responsible for the digital business and investments, and work to progress towards achievement of our three missions.

The first mission is to launch new businesses that leverage digital technology and directly contribute to the Group's earnings. Five entities are already in operation, including a joint venture with Palantir Technologies Inc., SOMPO Light Vortex, which helps client firms solve problems, and AUX Mobility in the mobility field. For example, SOMPO Light Vortex works with the sales offices of Sampo Japan Insurance and leverages SOMPO's capabilities to support firms in solving management, DX, new business development, and other issues.

Based on the Sampo Group's strong recognition and solid customer base, we contribute significantly to overall Group earnings.

The second mission is to support the further development and evolution of SOMPO P&C and SOMPO Wellbeing from adjacent fields. We will play the role of a component manufacturer, so to speak, by entering and developing adjacent areas that are difficult for individual businesses to address alone. For example, in the P&C area, we are looking for the seeds of businesses and developing solutions with a view to contributing to businesses in the future, such as businesses related to electric vehicles (EV), which are expected to spread in future, and also new businesses related to medical care for the elderly in the well-being area.

Third, as a new business development officer, I will create a new third business in addition to P&C and Wellbeing. In August 2025, we are launching a new organization and already working on concrete projects. Through early commercialization, we will contribute to the realization of a future of health, wellbeing and financial protection.

### Accomplishing through the spirit of altruism

Prior to joining the Sampo Group, I worked for a trading company for about 20 years, and then spent 16 years in corporate management and business development as CEO, COO, and such at US software startups. From that time to the present, I have consistently maintained the spirit of altruism to enrich not only our company but also our customers and society. I later decided to join the Sampo Group because SOMPO's purpose of health, wellbeing and financial protection resonated with me.

My mission now is to deliver the value of security, health, and wellbeing through our business, and to be rewarded with the satisfaction of our customers, which is the very spirit of altruism that I cherish; I am determined to accomplish this mission with a strong sense of purpose.

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## SOMPO's Value Creation Generating a Greater Impact Together with Our Stakeholders

Kayoko Sakai  
Group CSuO



### Our origins and sustainability journey

"We want to protect people from disasters." This unwavering desire, born in Japan's Meiji era, is the foundation of the Sompo Group. Its origins trace back to Tokyo Fire Insurance, Japan's first fire insurance company, established in 1888. The strong sense of mission and determination to protect policyholders has been passed down as the core spirit of the Sompo Group. This spirit is still at the core of our activities more than 130 years since our founding, breathing life into our unwavering sense of mission to contribute to society.

In 1992, the United Nations Conference on Environment and Development was held in Rio de Janeiro, Brazil. Our then-president participated as the head of the Keidanren (Japanese Business Federation) delegation and returned home deeply moved by the importance of corporate environmental initiatives, stating, "The 21st century will be the century of the environment." Under this strong leadership, we established the Department of Global Environment in October the same year, and SOMPO's sustainability initiatives began in earnest. The foresight demonstrated by SOMPO taking the lead in addressing environmental issues as an insurance company at such an early stage at the beginning of the 1990s is deeply inspiring. This pioneering spirit serves as an important guiding principle that we carry on.

### Treasuring stakeholder collaboration

What we value most in our sustainability initiatives is collaboration with our stakeholders. Challenges facing modern society are increasingly complex, and extremely difficult for companies to solve alone. However, we can generate a greater impact by collaborating with diverse sectors. One symbolic initiative is the Public Seminars on the Environment, which we began in 1993. Started in collaboration with environmental NGOs, the program has continued for over 30 years, contributing to the cultivation of citizens with deeper awareness of environmental issues and motivated to take action. With over 53,000 participants to date, the program has had a definite impact on society. Also, most recently starting in 2024, as part of efforts to mitigate climate change, we have cooperated with domestic and international

businesses to begin testing technology to analyze greenhouse (methane) gas leaks from corporate facilities using satellite imagery. We have presented this initiative at international conferences such as the United Nations Framework Convention on Climate Change COP29, and are pursuing information exchange and service development with other stakeholders. We sense the growing expectations that the risk management knowledge and know-how of the insurance industry will have a positive impact on society. SOMPO is also focused on cooperation with all stakeholders—including customers, business partners, local communities, and employees, academias, governments, etc.—through the development and provision of insurance and services in partnership with financial institutions and firms in Japan and overseas, as well as activities to contribute to communities. This is because we firmly believe that dialogue and engagement with stakeholders are essential to accurately identify the needs that society truly desires to meet and to have a greater impact. Through these initiatives, we will solidify our relationships of trust and cooperation with stakeholders, ensuring the sustained growth of the Group. We will continue to carefully nurture this collaboration with stakeholders as the foundation that supports the activities of the Sompo Group.

### Employees as the driving force behind our initiatives

The Sompo Group views its employees as the most vital driving force behind its pursuit of sustainability across the Group. The strong desire to serve people that was the founding commitment of the company is deeply entrenched in every employee, and is one of our greatest strengths. To embody this commitment, we established Sompo Chikyu (Earth) Club, a volunteer organization for employees, more than three decades ago, in 1993. This organization has provided opportunities to raise employee awareness of social issues and encourage concrete action. For more than 20 years, we have also conducted continuous sustainability training for all employees to instill the importance of addressing social issues through our core business. Furthermore, since 2021, we have focused on instilling a sense of purpose among employees, grounded in their individual desires and aspirations. Through the SOMPO Group Awards, our internal recognition program, we recognize employees who are working to realize their purpose and address social issues. By sharing their initiatives, we foster a sense of unity throughout the Group.

Instilling sustainability and a sense of purpose cannot be achieved overnight. However, guided by the strong conviction that the ongoing, day-to-day actions of each employee will ultimately have a significant impact on society, we will continue to do our utmost to cultivate our employees, the driving force of all we do.

### Sompo Group's unique value creation story

Challenges facing modern society—including climate change, loss of biodiversity, and human rights issues—are becoming increasingly complex and difficult to address. Sompo Group, which has the purpose of building "for a future of health, wellbeing, and financial protection," aims to tackle social issues and enhance corporate value by leveraging the strong relationships and trust it has built with diverse stakeholders, and the enthusiasm of its employees. We will actively communicate Sompo Group's unique value creation story to garner broader stakeholder support and maximize our impact on society. You can expect to hear from us on the evolving value creation story of the Sompo Group as it strives to become a Japan-born, truly global company.

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### Stakeholder engagement

Our Group engages in dialogue and cooperation with multiple stakeholders based on the idea that even complex social issues in modern society can be brought closer to resolution through collaboration between diverse sectors.

We believe that accurately understanding the needs that society truly seeks to have met, creating greater impact, and building strong relationships of trust and cooperation with stakeholders will lead to the sustainable growth of our Group, and we are working toward that end.

#### Customers and clients

A service combining risk management and climate data to reduce natural disaster risk in supply chains

##### Overview

Since 2023, Sompo Japan Insurance and Sompo Risk Management, in collaboration with Weathernews Inc., have been providing a web service called "SORA Resilience" that combines their respective insurance data, risk management and control expertise, and extensive weather-related data to provide disaster information. Providing real-time information on disaster conditions not only for the companies themselves but also for their supply chains contributes to corporate risk management and business continuity.



#### Local communities

Solving complex community social issues through children's cafeterias

##### Overview

Since 2022, Sompo Care has been hosting SOMPO-style Children's Cafeterias at nursing care facilities such as nursing homes across Japan. These cafeterias provide a forum for multigenerational interaction between care facility residents and local children through meals and recreation. With this initiative we aim to address multiple social issues in the local community, such as increasing the happiness and vitality of residents, fostering job satisfaction among care staff, and fostering an affinity for care work among children.



#### Business partners

Insurance agencies engage in activities to contribute to communities

##### Overview

Among our partner agencies in the insurance business, AIR Auto Club, an organization of Sompo Japan Insurance's auto repair shop agencies, is engaged in a variety of activities from Hokkaido to Kyushu in Japan that contribute to society in response to local needs—including nature conservation and cleanup activities, and leveraging auto repair skills to repair wheelchairs.



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#### Employees

Leveraging employee skills to support the Great East Japan Earthquake reconstruction efforts

##### Overview

In 2012 we launched an employee dispatch program sending Sompo Group employees to support organizations engaged in reconstruction activities in areas affected by the Great East Japan Earthquake. This program was created to address to the need for personnel with management skills, given that reconstruction activities in the affected areas would be necessary over the longer term. Through this program, we contributed to disaster relief efforts in the affected areas while also working to raise employee awareness of social issues and improve their problem-solving skills.



#### Government institutions

Supporting the livelihoods of rice farmers vulnerable to natural disasters

##### Overview

As the result of research on risk financing, in 2010 Sompo Japan Insurance and Sompo Risk Management—in collaboration with the Japan Bank for International Cooperation (JBIC) and other public-private partnerships—launched weather index insurance targeting drought risk in northeast Thailand. This insurance is offered to borrowers of the government-affiliated Bank for Agriculture and Agricultural Cooperatives (BAAC) and pays insurance claims when cumulative rainfall falls below a certain threshold. This initiative has garnered attention as a measure to support the livelihood of rice farmers, who are particularly vulnerable to the severe impacts of natural disasters—for instance, in 2011, the year after the weather index insurance was launched, the number of policyholders exceeded 6,000.



#### NPO/NGO

Contributing to raising awareness and conserving the natural environment in accord with local issues

##### Overview

Sompo Japan Insurance's biodiversity conservation initiative, the SAVE JAPAN Project, launched in 2011, is a collaborative project with the Japan NPO Center (a designated non-profit organization that aims to establish new partnerships between NPOs and companies), regional NPO support centers with expertise in issues facing various parts of Japan, and environmental NPOs. By implementing citizen-participation initiatives tailored to the issues facing each region of Japan, the project contributes to conserving the natural environment and raising public awareness on regional environmental issues.



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## SOMPO Group Awards -Empowering employees to drive sustainability-

Based on the belief that each and every employee is the driving force behind our sustainability initiatives, our Group has endeavored to support employee initiatives.

The Sompo Group Awards, given out since 2022, are a groupwide employee recognition program based on the concept of “Our Purpose begins with you.” The aim is to foster a sense of unity and diversity within the Group by sharing the aspirations of colleagues addressing social issues, exchanging encouragement, and understanding each other’s challenges. The awards system also seeks to instill in employees the importance of contributing to fulfill SOMPO’s purpose and addressing social issues.

The second edition of the awards, SOMPO Award 2024, featured events such as the Connect with Encouragements Meeting, where employees selected as representatives of each group company got to know each other and deepened their relationships, as well as the related Pre-Event and SOMPO Week events, which gave opportunities for employees at large to learn about the initiatives of each group company’s representative projects. By expanding the circle of employees tackling social issues and challenging themselves to realize their aspirations and My Purpose, our Group aims to achieve sustained growth and enhance corporate value.



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# Ensuring More Effective Governance

Our Group considers restoring the trust of our stakeholders to be its top priority and is continuously committed to enhancing the effectiveness of its governance. Since 2024, we have been working to fundamentally strengthen our management and governance framework, establish systems to ensure the sound and proper operation of our subsidiaries, and develop a framework to foster a healthy corporate culture.

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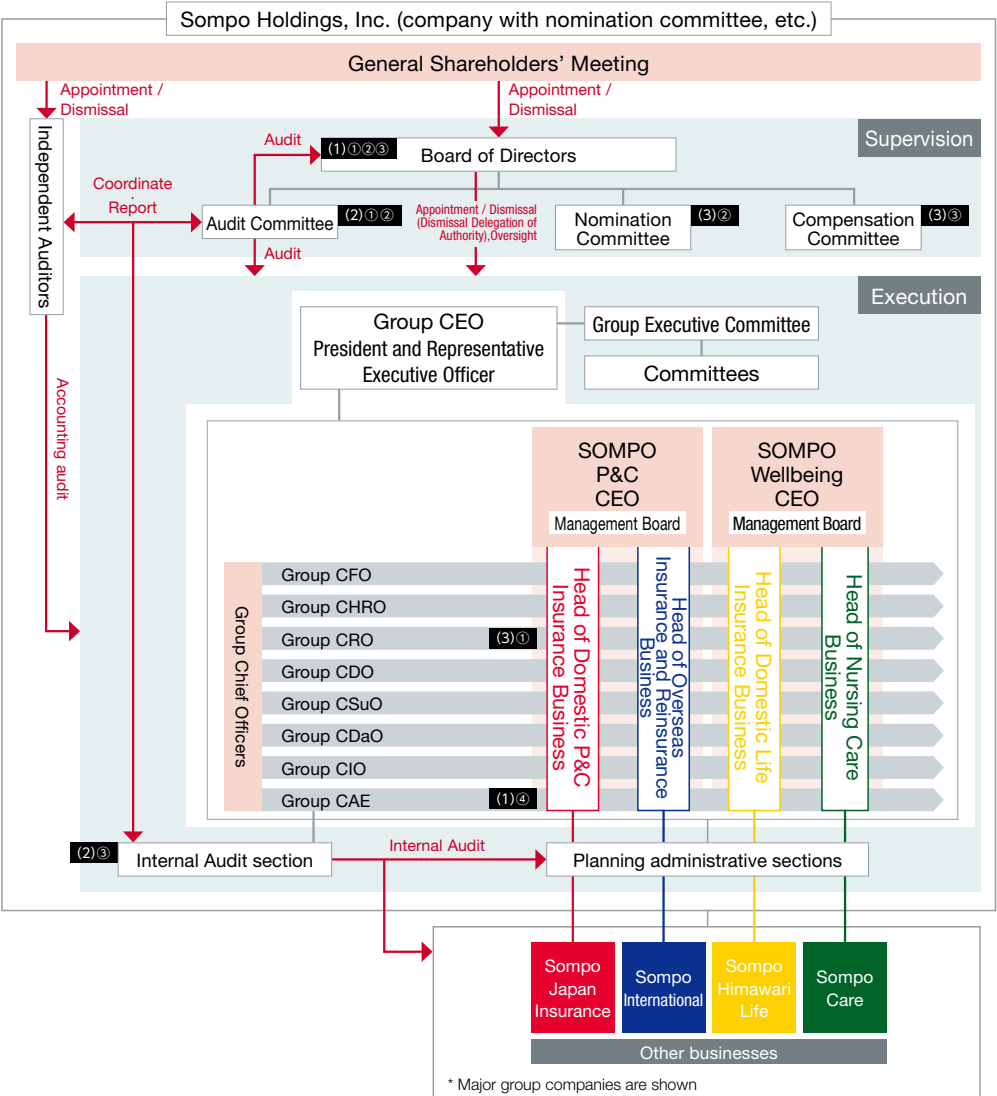
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Note: The Company will determine the independence from the Company of Outside Directors based on the matters set forth below:  
A. Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the company and the company which the candidate is originally from.

## (1) Fundamentally strengthen our management and governance framework

1. Appoint an independent director\* as chair of the Board of Directors
2. Promote more active discussion at Board meetings  
For details, please refer to the Message from the chair of the Board (main section, page 45).
3. Analyze, evaluate the effectiveness of the Board of Directors as a whole using outside experts
4. Group CAE: Appoint the best talent from a global perspective  
For details, please refer to the Message from the chair of the Board (main section, page 45).

## (2) Establish systems to ensure the sound and proper operation of our subsidiaries

1. Gather voices from employees of Group companies
2. Regularly exchange opinions between the Audit Committee, the Group CRO, and Senior Executive Vice President in charge of Compliance
3. Improve effectiveness of internal audit functions  
For details, please refer to the Audit Committee (main section, page 49).

## (3) Take initiatives to foster a healthy corporate culture

1. Review Sompo Group Compliance Code of Conduct and promote the use of SOMPO's Yes to officers and employees  
For details, please refer to Group Internal Control (main section, page 44).
2. Revise the Policies for Appointment of Directors and Executive Officers to reflect the new Group Common Competencies  
For details, please refer to the Nomination Committee (main section, page 51).
3. Revise the Basic concept of Compensation for Directors and Executive Officers to reflect the new Group Common Competencies, and change the Group executive compensation system  
For details, please refer to the Compensation Committee (main section, page 52).

For information on our submission of the business improvement plan regarding the improper management of insurance contract information, see the following document.

Submission of a Business Improvement Plan by our Subsidiary (May 30, 2025)

For information on the progress of our business improvement plans regarding insurance premium adjustment practices and our response to fraudulent auto insurance claims, see the following document.

Status of Progress on the Business Improvement Plans (as of the end of May 2025)

B. Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.  
C. Business Relationships: Business transactions or donations between the Group and the candidate.  
D. Significant interests other than the above.



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Establishing organizational resilience through corporate culture reform and enhanced internal controls, enabling all employees to autonomously make right decisions and take appropriate actions.

Yoshihiro Uotani

Group CRO



## Current circumstances and challenges for the internal control system of the Group

In March 2025, our domestic P&C insurance subsidiary received a business improvement order from the Financial Services Agency regarding the leakage of customer information. This is the third business improvement order we have received in less than 18 months, following previous orders concerning insurance premium adjustment practices and fraudulent automobile insurance claims. As Group CRO, I take it very seriously.

SOMPO's Purpose, "For a future of health, wellbeing and financial protection," is a compass navigating us to make contributions to society and to enable a sustainable increase in corporate value. To realize this purpose, it is essential that we conduct our business in a highly transparent manner built on a robust management foundation, and the key to achieving this is an effectively functioning internal control system.

Currently, the Group is tackling to break through outdated business models and industry practices and reform its corporate culture. We need to make sure that our progress is steady, so we aim to utilize our new management structure to strengthen collaboration across business and regional boundaries, proactively incorporate diverse values and best practices, and continuously enhance internal controls based on global governance standards.

We also understand it is important that all officers and employees capture the potential gaps between our values based on our business model and society's values, and that they ensure not to overlook these gaps, but rather take ownership of them, proactively reviewing work processes and ways of thinking to make continuous improvements. We believe this PDCA cycle of assessment and revision is critical to realizing a firm internal control system.

## Three key initiatives to strengthen the Group's management structure

Following the business improvement orders, Sompo Japan Insurance continues to make progress in line with its business improvement plan. However, the issues identified are not unique to our domestic P&C

insurance business. They must be addressed by the Group as a whole, and to that end the Group is implementing three key initiatives.

### (1) Develop a healthy organizational culture that emphasizes compliance and customer protection

Breaking through outdated industry practices and transforming our corporate culture is highly depending on the behavioral changes in every officer and employee. Last year, we revised our Compliance Code of Conduct and created "SOMPO's Yes" to serve as a mechanism (decision-making guidelines) that ensures we consistently do the right thing in our day-to-day operations. Closely following these guidelines will be crucial going forward, and Group companies are already implementing their own initiatives. These include publicizing the new guidelines through messages from the CEO and executives, as well as in-house newsletters and training sessions, and by creating mobile phone standby screens and video conference backgrounds highlighting "SOMPO's Yes." We have received feedback from employees saying that "SOMPO's Yes" has steered them in the right direction, suggesting that our efforts to embed these guidelines are gradually delivering results. By sharing examples of effective initiatives undertaken by Group companies, we will continue doing our utmost to foster a customer-oriented culture throughout the Group.

### (2) Implement initiatives to establish an effective governance system

In our daily operations, it is crucial to identify hidden risks and address them appropriately instead of being focused solely on achieving targets, through joint efforts by frontline and head-office. When reviewing frontline operations and target-setting, our head office's second-line team and internal audit team will exercise their oversight and monitoring functions from an independent perspective, with a view to enhancing the effectiveness of internal controls.

As a specific initiative, we will be revisiting operations by incorporating external viewpoints to identify the compliance risks and conduct risks inherent in our daily operations, subsequently conducting a fundamental review of the governance system taking into account the identified risks.

### (3) Establish an appropriate legal compliance system

As a key measure for preventing problems from occurring within the Group, it is critical that all officers and employees have a correct understanding of the laws and regulations, and an awareness that certain daily routines may be in violation of them. Sompo Group has introduced the "SOMPO Learning Hub," a Group-wide learning platform that officers and employees can use to access training at any time. This has contributed to an environment in which employees can systematically acquire knowledge to be applied to day-to-day work. We plan to reinforce our legal knowledge education, focusing on key topics, through practical curriculum, integrating components such as briefing sessions, internal workshops, and self-assessment. We also plan to remain abreast of legal and regulatory trends worldwide so that we can review and enhance systems for ensuring legal compliance without delay.

## Our path to transformation

Receiving an additional business improvement order in the midst of implementing our business improvement plans has made us keenly aware that our "status quo bias" is more deeply rooted than we thought, hindering change. We now view this crisis as the "last chance" to transform our corporate culture, and have committed to the aforementioned initiatives in order to regain the trust of stakeholders while also fostering the Group's growth.

To ensure the implementation and adoption of an effective legal compliance and governance system, it is critical that every officer and employee make the right decisions and take the right actions. Leading by example, our management team will work cohesively with the entire Group to drive corporate culture transformation.

# Message from the Chair of the Board

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## Ensuring effective governance for the Group’s sustained growth

Kazuhiro Higashi  
Outside Director  
Chair of the Board



### Addressing three issues for the Board

Last year’s report identified three issues for the Board of Directors: to revitalize communications (especially horizontal communication); to rebuild the system of internal controls; and to support the executive transformation. We have focused on each of these issues over the past year.

First, in terms of energizing communications, one change at Board level has been the style of engagement by Group CEO Mr. Okumura in his presentations to Board meetings I have chaired, creating a flat relationship with other directors. At the same time, we receive a detailed news update from him at the start of each meeting. Receiving this wealth of detail with commentary in a timely manner about things that cannot be seen from outside SOMPO has given the outside directors including myself a much deeper understanding, and this has made subsequent discussions more meaningful. Aside from board meetings, we also get information from a range of sources, including intensive discussions between the executive officers and outside directors at retreats; discussions with other outside directors, before and after Board meetings; and discussions with the outside directors of Sompo Japan Insurance, a core Group company. In 2025, we are scheduled to participate in events such as the Leaders’ Summit for the Group’s executive officers, held in July, and the Annual General Meeting for Independent Directors at Sompo International, which we have attended since 2024. I believe these initiatives will help us to gather information and invigorate discussions at Board meetings.

On the second issue of enhancement of internal controls, to strengthen the Group’s third line of defense, in FY2024 we established a new Senior Executive Vice President in charge of Compliance, as well as an outside director for Sompo Japan Insurance. In addition, in FY2025 we named Sompo International Chief Audit Executive (CAE) David Camputo as Group CAE to oversee internal auditing of the entire Sompo Group. The use of overseas thinking in building an internal controls system is quite a rare initiative for a Japanese company, in my view. This is part of the Center of Excellence initiative to ensure the best people are appointed to appropriate positions in the Group, whose effectiveness the Board will keep monitoring. On the third point of supporting the executive transformation, our response has been based on raising the quantity and quality of related communications with Mr. Okumura and the other executive officers. We held intensive discussions about the new management system at a retreat in December 2024. The shift to a group operating entirely to global standards through the transformation of the management structure rather than merely treating the overseas business as a business segment, represents a significant challenge for the Japanese financial industry. I sensed the firm resolve of Mr. Okumura when we listened to him talk about the move. The Board of Directors is supportive of this structural reform of management, which one could characterize as ‘thinking outside the box.’

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### Aims of new management structure

Besides how the business operates, the new management structure is aimed at changing the way people work and the culture of the organization. Since its inception in the Meiji era, Japan's P&C insurance industry has pursued a unique path featuring wars, various types of regulation, and periods of rapid economic growth. The industry started to assume more global risk after statutory liberalization in 1996, but, as in the banking industry, where I also have experience, I think that the P&C insurance sector has been held back by the so-called “convoy” approach keeping all players at the same speed. In my opinion, we must urgently break free from this old structure. The new management structure confirms Mr. Okumura's resolve to drive fundamental cultural reform.

The Board's role in overseeing cultural reforms is to monitor closely whether frontline staff change the way they think and act. We want to spend time confirming consistent change across the Group, rather than observing the details. To this end, we aim to learn what is happening by attending and listening at the meetings of Sampo Japan Insurance branch managers, for example. Changing a corporate culture takes time, and my honest opinion is that we have a considerable way to go.

### The key to reform lies in individual professionalism

I believe professionalism is the key to reform. Insurance was born out of the spirit of “mutual aid,” the notion of assisting each other to overcome incomprehensible risks. This same spirit connects to the nursing care business of the Sampo Group today. Every Group employee needs to think and act with professionalism so we can realize the concept of mutual aid. While it is important for professionals to have skills and knowledge, a dedicated sense of mission is at its core.

Humans are said to be one of the most social species. I think it is fair to say human happiness springs from the satisfaction felt in helping others. At its root is a sense of responsibility and the notion of always doing something for customers and the betterment of society. I believe we must re-examine what we are here to do, where we came from, and then reaffirm our purpose. Rather than accepting the company's purpose as a formality, I would like employees to think about what they want to do for society and the skills they should hone to do that. Inside a company, we tend to think within the confines of our work, but our dedication should be focused not on the company, but rather on customers and society. I believe that professionalism is about doing what is best for customers and society. I want to monitor if employees rediscover their purpose, and then consciously monitor if their actions are based on that.

### Sampo Group outlook and role of Board of Directors

Our challenge today is how to accelerate business and culture reforms that would normally take an organization a decade to absorb. Mr. Okumura and the business CEOs of the two business units will be focused on integrating distinctive cultures and getting the business divisions to work and grow together. At SOMPO P&C, the issue is how to integrate regional operations with varied cultures and business methods. At SOMPO Wellbeing, the issue is how to generate synergies between life insurance, nursing care and healthcare – three businesses with a shared concept based around seeking to live happily while being healthy. I hope senior management will demonstrate leadership in how they listen to feedback from each division. The Board will seek to contribute to the sustained growth of the Group by communicating more closely with executives and supporting the implementation of reform measures.

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Overview of the Board of Directors

As a company with a nomination committee, etc., we have established a governance framework in which the Board of Directors, primarily made up of outside directors, oversees the executive divisions. Independent directors also chair the Board of Directors and the three statutory committees—the Nomination, Audit, and Compensation committees. Each committee engages in balanced, lively discussions aimed at strengthening Group governance. Furthermore, we enhance the soundness and transparency of governance by proactively sharing information on the status of execution at Board meetings.

The Board of Directors fulfills its responsibilities as stipulated by laws and regulations and the Articles of Incorporation. It also makes decisions on important business matters as set forth in the Rules of Board of Directors, while exercising its supervisory function regarding business execution.

In accordance with policies for appointment of directors and executive officers, outside directors are company managers, academics, legal professionals, or individuals with specialized knowledge in finance, accounting, or other areas, who bring an outside perspective to issues such as corporate governance,

consumer relations, and overseas business development.

A briefing for outside directors is held every time the Board convenes to brief them on agenda items. Board meetings and briefings are managed in an integrated manner: Opinions and questions raised by outside directors during the briefing are shared with all Board members prior to the meeting. We also aim to ensure constructive and substantial discussions at Board meetings and effectiveness in the way meetings are run by inviting directors to participate as observers in Group ExCo meetings and other committee meetings, and by providing information via the Board secretariat.

Achievements in FY2024

Main topics discussed at Board of Directors meetings

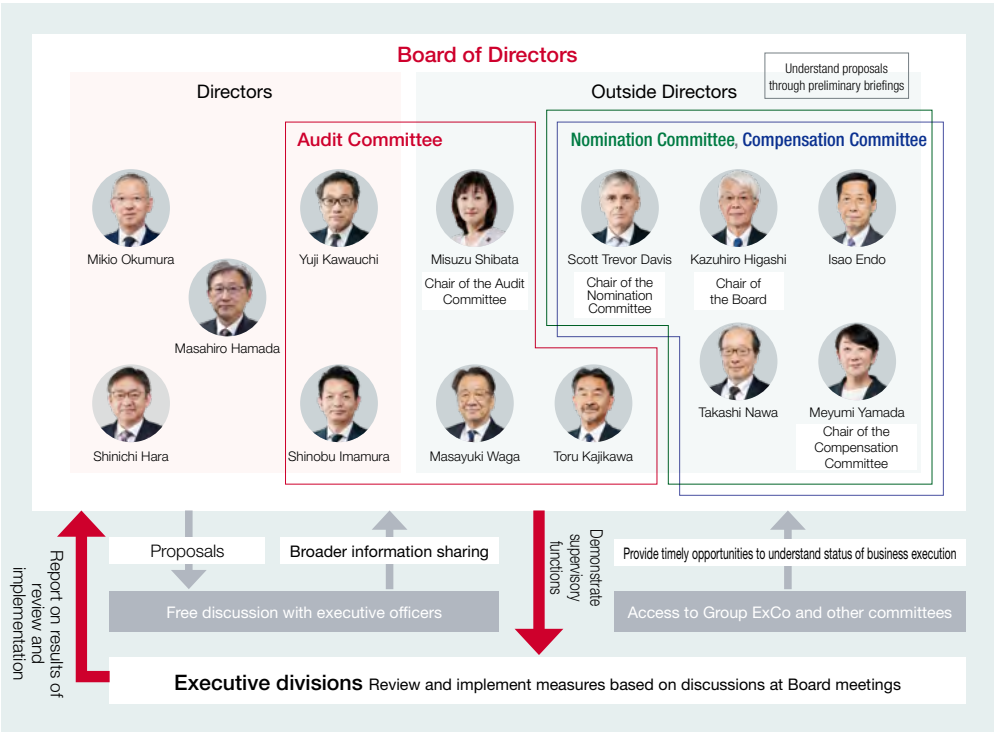
A total of 14 Board meetings were held in FY2024. The principal agenda items that were discussed at these meetings are outlined below.

Topic	Description
Implementation and effectiveness of the business improvement plans of Sompo Holdings and Sompo Japan Insurance	In addition to confirming progress of the business improvement plan, made recommendations to enhance the effectiveness of initiatives such as reforming corporate culture and addressing structural issues in the P&C insurance industry.
Group strategies to further enhance corporate value	Discussed issues such as the management framework, the business portfolio, and the human resource strategy to ensure the achievement of the Mid-Term Management Plan that began in FY2024 and sustainably increase corporate value.
Promotion of capital circulation management	In light of progress in drawing down cross-shareholdings, discussed the balance between growth investments to improve ROE and shareholder returns.
Progress of Mid-Term Management Plan	Confirmed progress of the Mid-Term Management Plan through regular status reports by the Group CEO and quarterly reports on the Group's numerical management targets.
Sustainability initiatives	Summarized Group sustainability initiatives to date and discussed future direction for addressing priority issues.

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Virtuous cycle created by leveraging the supervisory function of the Board of Directors



Specific initiatives

- Appropriate reporting on business execution by Group CEO, business CEOs, and Group Chief Officers at Board meetings
- Ensuring opportunities to deepen understanding and discuss key management issues and strategies, such as by holding intensive discussion retreats
- Director participation as observers in Group ExCo meetings and access to other meetings
- Ensuring opportunities to report timely information on business execution to outside directors, not limited to matters to be brought up at Board meetings
- Free discussion on information relating to execution
- Exchanging opinions between outside directors and representative executive officers



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## Initiatives to improve the effectiveness of the Board of Directors

### PDCA cycle for the effective functioning of the Board of Directors

The Company works to improve the functionality of the Board of Directors and strengthen corporate governance by carrying out PDCA cycles for the execution of concrete initiatives that enhance the functionality of the Board of Directors.

As part of its efforts to improve the effectiveness of the Board of Directors in FY2024, we utilized an external expert to analyze and evaluate the effectiveness of the Board of Directors as a whole, in addition to an existing questionnaire, which includes a self-evaluation section to each Director.

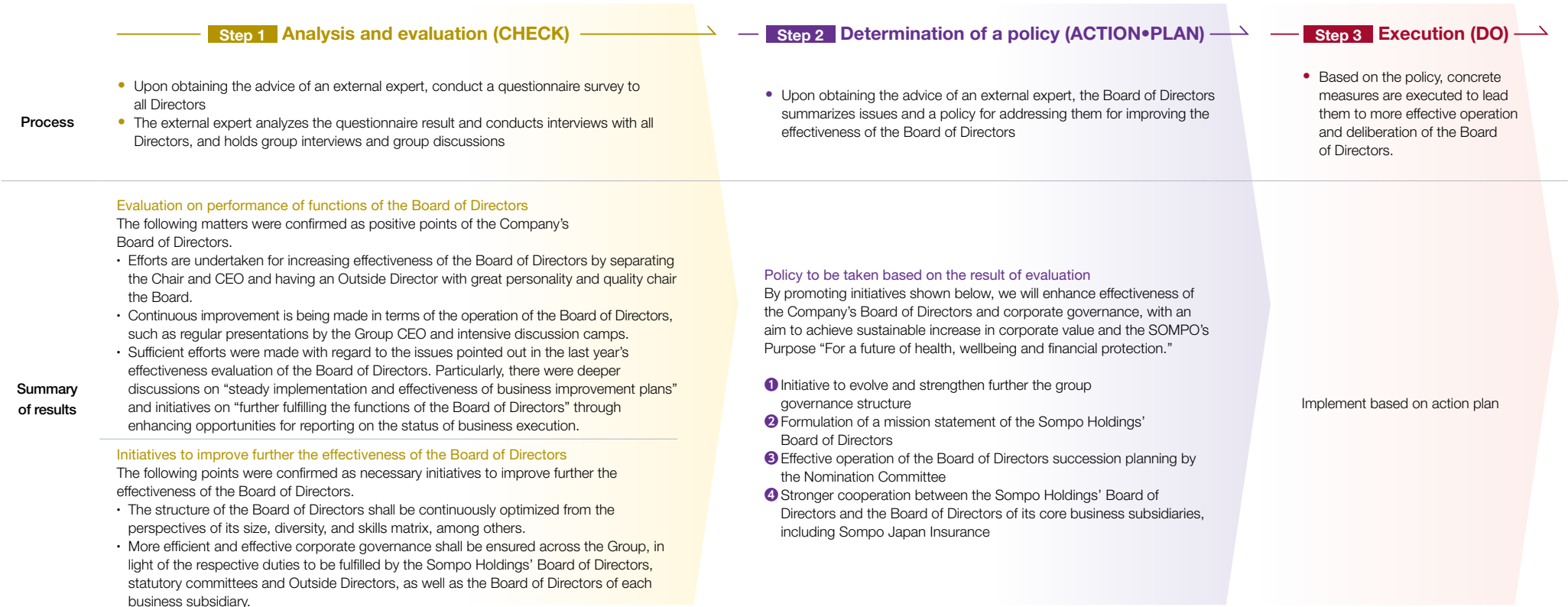
### Summary of results of third-party evaluation and future policy

A summary of the results of the evaluation of the effectiveness of the operation of the Board of Directors in FY2024 conducted using outside experts and the action plan going forward are as follows. We will continue to take steps to improve the issues identified by the evaluation and pursue initiatives needed to further enhance the functioning of the organization.



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# Audit Committee

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Effective audits strengthen the  
new management  
framework's momentum

Misuzu Shibata

Outside Director  
Chair of the Audit Committee



### FY2024 initiatives

The Audit Committee has positioned the progress of the business improvement plans as one of its key audit categories. In our monitoring, we are putting emphasis on confirming whether the various measures are having their intended effect—that is, identifying any gaps between management and the front lines, and whether bad news is being reported accurately to the senior management team. As it is critical that the second line of governance—the Risk Management and Compliance Departments—and the third line—the Internal Audit Department—are functioning properly, the Audit Committee received reports directly from the Group Chief Risk Officer (CRO) quarterly. These enable an exchange of views based on information, including candid impressions and intuitions, while also striving to gauge the situation on the ground by improving both the quality and quantity of reports from the Internal Audit Department.

For instance, the Internal Audit Department administered a questionnaire and conducted interviews regarding Sampo Japan Insurance's "Dorotama Box" for employee feedback. What we found was not only positive aspects but also suggestions for improvement. We initially reported the results to the Audit Committee, and then reported the situation on the ground to the Board of Directors of Sampo Holdings. I view this as a sign of progress.

David Camputo, head of Sampo International's Internal Audit Department, also began serving as Group Chief Audit Executive (CAE) in April 2025. Through repeated dialogue with the various head of business segment, he is working to establish an optimal audit approach that takes into account the nature of each business while also aiming for consistent and efficient audits across the Group, and is also

helping to hone the expertise of Internal Audit Department members. I heard recently that there has been an increase in people wanting to transfer to the Internal Audit Department at Sampo Japan Insurance—I take this as a positive development, and on behalf of the Audit Committee, I intend to deepen cooperation with him to further strengthen the Group's third line of defense.

In addition, outside directors, including members of the Audit Committee, took part in training for Sampo Japan's leadership team in FY2024. I believe this enabled them to grasp what employees on the front lines are talking about and hold more realistic discussions and exchanges of views with executives.

However, much of the concrete impact of the business improvement plans will only become evident going forward. Things inevitably take time, especially when it comes to corporate culture. Having received yet another business improvement order at the end of FY2024, it goes without saying that FY2025 is a pivotal year in which the Group must be even more diligent in its efforts. The Audit Committee will do its part in continuing to monitor the current situation to see where the Group is heading, in terms of what it should aim to become and whether its efforts are bearing substantial fruit.

### How we can support the new group management framework

We recognize that the new management framework that establishes two business units—SOMPO P&C and SOMPO Wellbeing—aims to speed up and achieve the various measures outlined in the Mid-Term Management Plan, with the goal of realizing the vision for the Group in 2030. This represents a major challenge, as Okumura Group CEO acknowledged in affirming his strong commitment and resolve, noting that now is the time to change the corporate culture and values and that it is precisely in difficult times that the company has to take the next step forward. The Audit Committee intends to carry out its audits with the perspective of ensuring that there are reliable checks in place when they are needed, boosting confidence in those checks, and encouraging the forward-looking progress of management. To make sure that the new management framework functions properly, we will closely monitor whether authority and the organizational structure are aligned with the Group's objectives and whether vital Group matters are being reported to the Board of Sampo Holdings, thus ensuring that the various business CEOs of SOMPO P&C and SOMPO Wellbeing are being properly led.

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### Achievements in FY2024

A total of 15 Audit Committee meetings were held in FY2024. Major audit activities for the year are as follows.

Category	Overview
Formulation of basic audit policy and audit plan	Based on the vision the Group is aspiring to and the issues identified in the Audit Committee's activities in FY2023, the committee defined key audit categories and formulated a basic audit policy and audit plan.
Attending key executive meetings	We attended key executive meetings and reviewed relevant documents to understand the company's critical decision-making processes and business execution, and expressed our views when it seemed necessary.
Confirming the response to misconduct and other matters	The Group CRO and the Senior Executive Vice President in charge of Compliance reported to our committee quarterly (or on an ad hoc basis in particular cases) on the status of responses to serious risks in the Group, misconduct and the occurrence of serious incidents at subsidiaries, and the implementation of measures to prevent recurrence, and we made recommendations and expressed opinions as necessary.
Meetings with representative executive officer, CEOs of each business, Group CxOs, general managers of departments and officers, and Group company directors and executives	Through the various meetings, we sought to gauge awareness of issues and the state of the business on the ground, confirmed progress and views on key audit categories, and engaged in free and open exchanges of opinions.

Under a highly specialized framework that capitalizes on each member's experience and knowledge, the Audit Committee conducts auditing activities with the mission of protecting the interests of stakeholders by sharing information and actively exchanging opinions among its members, as well as collaborating with the Group CAE and Internal Audit Department.

The Audit Committee formulates basic audit policies and draws up audit plans, carries out auditing activities throughout the year in accordance with the audit plans, submits audit reports at the end of the fiscal year, and summarizes its auditing activities. We frequently report on our activities to the Audit Committee and regularly confirm progress in the audit plans.

Auditing activities throughout the year include attending key meetings of the Board of Directors and senior executives, confirming important decisions, and gathering information through meetings with the Representative Executive Officer, with the business CEOs (effective April 1, 2025, the title of business CEOs was changed to head of business segment) and Group CxOs, with general managers of departments and officers, and with Group company directors and executives. Auditors then supervise the status of the execution of duties by directors and executive officers and offer necessary opinions and recommendations.

### FY2025 key audit categories

As in FY2024, the business improvement plans remains a critical ongoing initiative for the Group, so we are making this a key focus of our auditing for FY2025. We have also newly designated the status of the new framework of SOMPO P&C and SOMPO Wellbeing as a key audit category, and will closely monitor whether appropriate systems are in place and functioning in the new framework.

Category	Auditing perspective
Status of business improvement plans * Ongoing category from FY2024	<ul style="list-style-type: none"><li>• Proper management of progress and reporting system for the business improvement plans</li><li>• Roles played by by Sampo Holdings executives in Sampo Holdings-led initiatives</li></ul>
Status of the new management structure of SOMPO P&C and SOMPO Wellbeing	<ul style="list-style-type: none"><li>• Establishment and functioning of the leadership structure for each business CEO</li><li>• Smooth decision-making and business execution</li><li>• Reporting and discussion of important matters</li><li>• Human resource allocation and development</li></ul>

# Nomination Committee

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A management structure to  
promote integrated  
Group-wide initiatives

**Scott Trevor Davis**

Outside Director

Chair of the Nomination Committee



The aim of the Nomination Committee is to improve the transparency and fairness of the Sompo Group's governance by bringing an external perspective to deliberations relating to the appointment or dismissal of the directors, executive officers and senior vice presidents of all Group companies.

To fulfill SOMPO's Purpose, the Group is currently focused on realizing the Sompo Group vision through increasing the resilience of the domestic P&C insurance business, while also developing the seamless provision of services to customers within the wellbeing business. In FY2025, to accelerate the achievement of this vision, we consolidated operations into two business units, SOMPO P&C and SOMPO Wellbeing. Each unit has a freshly appointed Business CEO to oversee its development. The delegation of certain responsibilities from the Group CEO to each Business CEO is an organizational change aimed not only at speeding up decision-making, but also at promoting integrated Group-wide initiatives based on the discussions of each Management Board.

To lead the new structure, the Nomination Committee picked Mr. James Shea as the CEO of SOMPO P&C and Mr. Yasuhiro Oba as the CEO of SOMPO Wellbeing, alongside the appointment of various executives and senior vice presidents to support the new set-up. We have also formulated succession plans for these and other leadership roles critical to continuing Group transformation and growth; and are constantly discussing and interviewing potential candidates to ensure there is a stable and effective process for appointing high-quality people with diverse expertise and experience to senior positions. In doing so, we aim to appoint appropriate candidates for realizing SOMPO's Purpose and enhancing corporate value, keeping in mind the need to build management structures resistant to any reoccurrence of the various malfeasance issues affecting Sompo from 2023 onwards, while also ensuring management is effectively supported through oversight and advisory roles.

Going forward, by building the most appropriate portfolio of diverse and talented managers to lead the Group based on the discussions of the Nomination Committee, we will contribute to achieving SOMPO's Purpose and raising corporate value.

## Achievements in FY2024

A total of 11 Nomination Committee meetings were held in FY2024. The principal agenda items that were discussed at these meetings are outlined below.

Category	Overview
Revision of Policies for Appointment of Directors and Executive Officers	To appoint directors and executive officers capable of instilling a common set of expected behaviors across the Group's entire organization, the committee resolved to fully reflect the revised set of "Group Common Competencies" in the appointment standards for these positions, and to include a new requirement for consistency with SOMPO's Values.
Formulation/execution of succession plans	The committee formulated and approved succession plans for the leadership roles critical to achieving SOMPO's Purpose and supporting ongoing Group transformation and growth, with the aim of ensuring a stable and effective process for the appointment to senior positions of high-quality people with diverse expertise and experience.
Candidate selection (directors)	The committee approved a list of directorial candidates for the resolution submitted to the Annual General Meeting of Shareholders, based on internal appointment standards for directors and the need to create a balanced portfolio of talent for the Board of Directors.
Candidate selection (executives/senior VPs)	The committee approved the submission to the Board of a resolution on the appointment of executives and senior VPs as part of moves in FY2025 to establish a new management structure, including the appointment of Business CEOs to speed up initiatives at SOMPO P&C and SOMPO Wellbeing.
Appointment of directors for Sompo Japan Insurance and Sompo Himawari Life Insurance	The committee approved lists of directorial candidates that were duly submitted as recommendations to the Boards of both Sompo Japan Insurance and Sompo Himawari Life Insurance.

## TOPICS

### "Policies for Appointment of Directors and Executive Officers" formulated, based on new "Group Common Competencies"

Focused on SOMPO's Purpose and the corporate philosophy of the Group, the aim is to harness our collective efforts to transform the corporate culture so employees can speak up and diverse views are accepted. Within the new corporate philosophy set-up, SOMPO's Values are defined as Integrity, Self-motivation and Diversity, and these form the foundation for all judgments and actions underlying Group-wide efforts to achieve SOMPO's Purpose. Based on the starting point of SOMPO's Values, we have also re-introduced expectations for daily actions and revised the "Group Common Competencies".

In line with the above, the Nomination Committee revised the Policies for Appointment of Directors and Executive Officers, based on the revised set of "Group Common Competencies", and ensured that behavioral expectations were fully reflected in standards applied to executive and senior VP appointments. In addition, the committee resolved to establish SOMPO's Values as a common requirement for Policies for appointment of Directors.

These moves clarified that the Nomination Committee will seek to appoint executives and senior VPs capable of leading the Group-wide entrenchment of expected behaviors as part of fostering such a culture across the organization.

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Developing an Executive compensation structure to underscore governance and grow corporate value

Meyumi Yamada

Outside Director  
Chair of the Compensation Committee



The mission of the Compensation Committee is to improve the transparency and fairness of Sampo Group governance by bringing an external perspective to deliberations relating to the remuneration of directors, executive officers and senior vice presidents at all Group companies. We believe it is vital that the executive compensation structure provides truly effective incentives to people in these positions, while also demonstrating effective governance and contributing to growth in corporate value.

In FY2024, while also incorporating the views of external experts, we conducted repeated, comprehensive reviews into whether the Group's executive compensation structure provided appropriate drivers for helping to prevent reoccurrence of the various malfeasance issues that affected the Group from 2023 onwards, and for promoting SOMPO's Purpose while enhancing corporate value. Our analysis also considered these issues from the perspective of incentives and stakeholder satisfaction.

The resulting changes aimed at systemic evolution included setting remuneration levels based on market trends and the global realignment of long-term incentives across the Group, both domestically and internationally.

Moreover, to accelerate the realization of the Sampo Group Vision, we have formulated a system of incentives aimed at supporting the new structure in which Group operations have been consolidated into the two business units of SOMPO P&C and SOMPO Wellbeing.

Going forward, the Compensation Committee will continue deliberating how best to create incentives that help build a highly effective Executive compensation structure, thus contributing to growth in corporate value.

## Achievements in FY2024

A total of 12 Compensation Committee meetings were held in FY2024. The principal agenda items that were discussed at these meetings are outlined below.

Category	Overview
Revision of Basic concept of Compensation for Directors and Executive Officers	The committee approved establishing SOMPO's Purpose and SOMPO's Values as the overarching concepts to underpin all elements of the basic concept of compensation for directors and executive officers, with remuneration for these positions to be based on evaluating how well managers implement the concepts and entrench this organizational culture.
Nature of executive compensation structure	In FY2024, the committee reviewed and revised the executive compensation structure from the perspectives of appropriateness, incentive effectiveness, and stakeholder satisfaction. Revisions were formulated and approved focusing on specific areas, including the suitability of remuneration levels, the rationality of share price-linked incentives, and severance/retirement payments.
Performance-linked compensation for Group CEO	The committee approved the FY2025 strategic targets and related remuneration amounts for the Group CEO.
Performance-linked compensation for Executive Officers and Senior Vice Presidents	The committee approved performance-linked compensation percentages and amounts for the results achieved by each of the Group's Executive Officers and Senior Vice Presidents in FY2024, in line with their performance evaluations by the Group CEO.
Strategic goals and base amount of compensation for Executive Officers and Senior Vice Presidents	The committee approved the FY2025 strategic targets and related remuneration amounts for all Sampo Group's Executive Officers and Senior Vice Presidents.

## TOPICS

### Formulation of new Basic concept of Compensation for Directors and Executive Officers

The appropriateness of the basic concept of compensation for directors and executive officers and core elements of executive compensation structure was re-examined following the series of malfeasance issues that occurred from 2023 onwards.

After ongoing evaluations in FY2024, SOMPO's Purpose and SOMPO's Values were established as the overarching concepts to underpin all elements of the basic concept of compensation for directors and executive officers. The introduction to the basic philosophy was also rewritten to state that executive remuneration would be based on the evaluation of the ability to uphold SOMPO's Purpose and SOMPO's Values; implement the new "Group Common Competencies" defining Group-wide behavioral expectations; and entrench this organizational culture. The creation of stakeholder value has also been added to the core elements of the executive compensation structure.

The Compensation Committee will continue to develop an executive compensation structure for the Group, in line with the revised basic concept of compensation for directors and executive officers.

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Directors



**Mikio Okumura**  
Director  
(Born November 23, 1965)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14



**Masahiro Hamada**  
Director  
(Born December 18, 1964)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 11 out of 11



**Shinichi Hara**  
Director  
(Born April 14, 1965)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 11 out of 11



**Scott Trevor Davis**  
Director\*  
Chair of the Nomination Committee and  
Member of the Compensation Committee  
(Born December 26, 1960)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Nomination Committee: 10 out of 11  
Meetings of the Compensation Committee: 11 out of 12



**Isao Endo**  
Director\*  
Member of the Nomination Committee and the  
Compensation Committee  
(Born May 8, 1956)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Nomination Committee: 10 out of 11  
Meetings of the Compensation Committee: 10 out of 12



**Kazuhiro Higashi**  
Director\*  
Chair of the Board  
Member of the Nomination Committee and the  
Compensation Committee  
(Born April 25, 1957)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Nomination Committee: 11 out of 11  
Meetings of the Compensation Committee: 12 out of 12



**Misuzu Shibata**  
Director\*  
Chair of the Audit Committee  
(Born July 25, 1974)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Audit Committee: 15 out of 15



**Takashi Nawa**  
Director\*  
Member of the Nomination Committee and the  
Compensation Committee  
(Born June 8, 1957)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 13 out of 14  
Meetings of the Nomination Committee: 11 out of 11  
Meetings of the Compensation Committee: 12 out of 12



**Meyumi Yamada**  
Director\*  
Chair of the Compensation Committee and  
Member of the Nomination Committee  
(Born August 30, 1972)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
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Meetings of the Compensation Committee: 12 out of 12



**Masayuki Waga**  
Director\*  
Member of the Audit Committee  
(Born April 10, 1958)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Audit Committee: 15 out of 15



**Toru Kajikawa**  
Director\*  
Member of the Audit Committee  
(Born September 24, 1951)  
[Attendance at meetings \(FY2024\)](#)  
Meetings of the Board of Directors: 14 out of 14  
Meetings of the Audit Committee: 15 out of 15



**Yuji Kawauchi** [Newly appointed](#)  
Director  
Member of the Audit Committee  
(Born December 24, 1965)



**Shinobu Imamura** [Newly appointed](#)  
Director  
Member of the Audit Committee  
(Born February 13, 1973)

\* Outside Director as set forth in Article 2 (XV) of the Companies Act.

\* Mr. Scott Trevor DAVIS, Mr. Isao ENDO, Mr. Kazuhiro HIGASHI, Ms. Misuzu SHIBATA, Mr. Takashi NAWA, Ms. Meyumi YAMADA, Mr. Masayuki WAGA and Mr. Toru KAJIKAWA, meet the requirements of an "independent director" which is specified by the Tokyo Stock Exchange, Inc., and are deemed as being unlikely to have any conflict of interest with general stockholders.

For further details on the biographies of Directors, please refer to the website: Directors and Executive Officers.