Sompo Holdings

Integrated Report 2026



Introduction

Commitment from Management

SOMPO's Value Creation

Building a Future beyond Risk:
SOMPO P&C

Peace of Mind for an Aging Society:
SOMPO Wellbeing

SOMPO Earth Positive Actions

Strategic Use of Digital, Data, and AI:
Digital, Data and AI Strategy

Human rights / Embodying
Our Values of Integrity,
Self-motivation and Diversity:
Human Resource Strategy

Governance

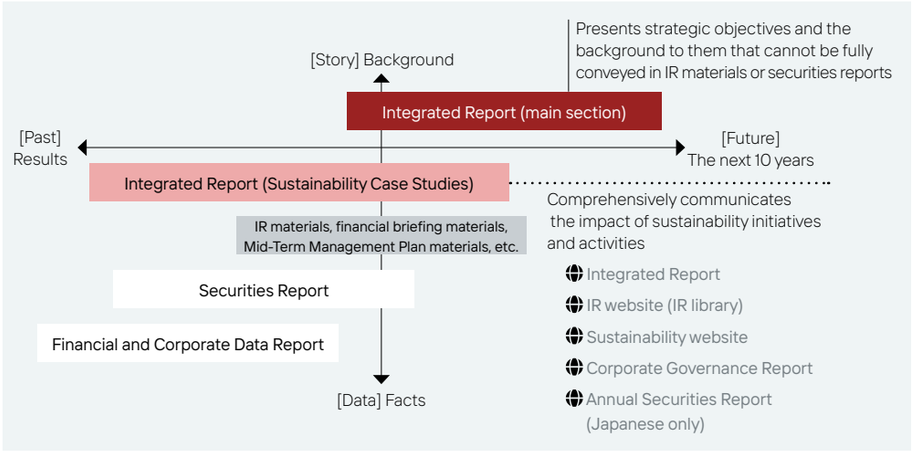
To Our Stakeholders

This report seeks to present the Group's growth story, from a medium- to long-term perspective, aimed at realizing our vision. The main section of this report details the objectives and background of our strategy (why), as well as the actions we plan to take for the future (how), which cannot be fully conveyed in our IR materials or securities reports. Additionally, specific sustainability initiatives are featured in our Sustainability Case Studies. Through this report, we aim to deepen constructive dialogue with our stakeholders and drive the sustainable enhancement of corporate value.

Overview of disclosure

To allow readers easy access to the information they are interested in, we have organized the content as follows.

- Main section: an overview of value creation starting with growth strategy and financials
- Sustainability Case Studies: Specific sustainability initiatives and related information



Guide to reading this report

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



Reporting period

This report relates mainly to initiatives from April 1, 2025 to March 31, 2026, but also contains some of the 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 2026, English version: October 2026
(Previous report. Japanese version: August 2025, English version: November 2025)

Referenced guidelines

- International Integrated Reporting Framework*1
- Guidance for Collaborative Value Creation*2
- 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)

*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.

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.

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SOMPO's Purpose

For a future of health, wellbeing and financial protection

Description of Purpose

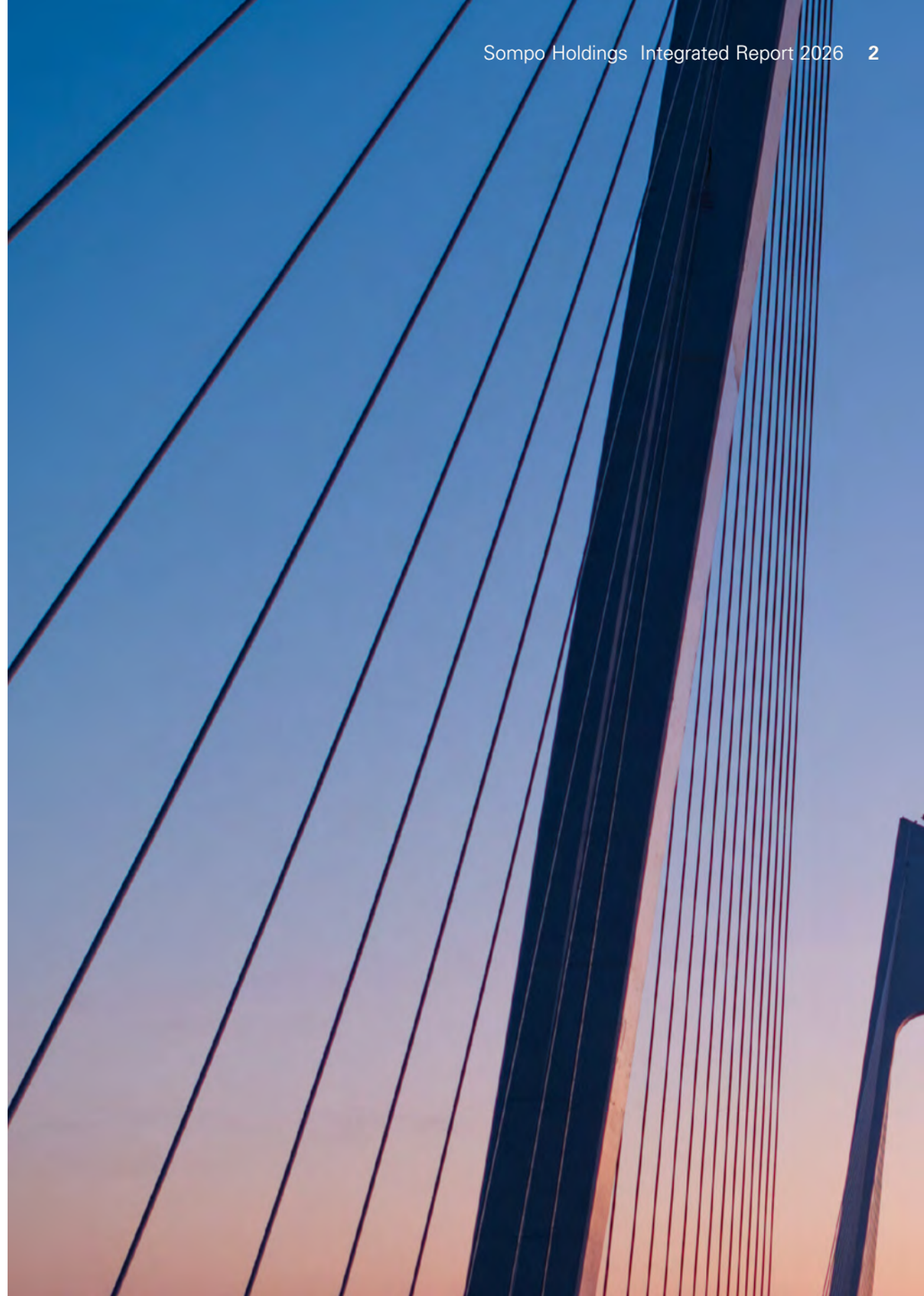
For a future of health, wellbeing and financial protection

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.



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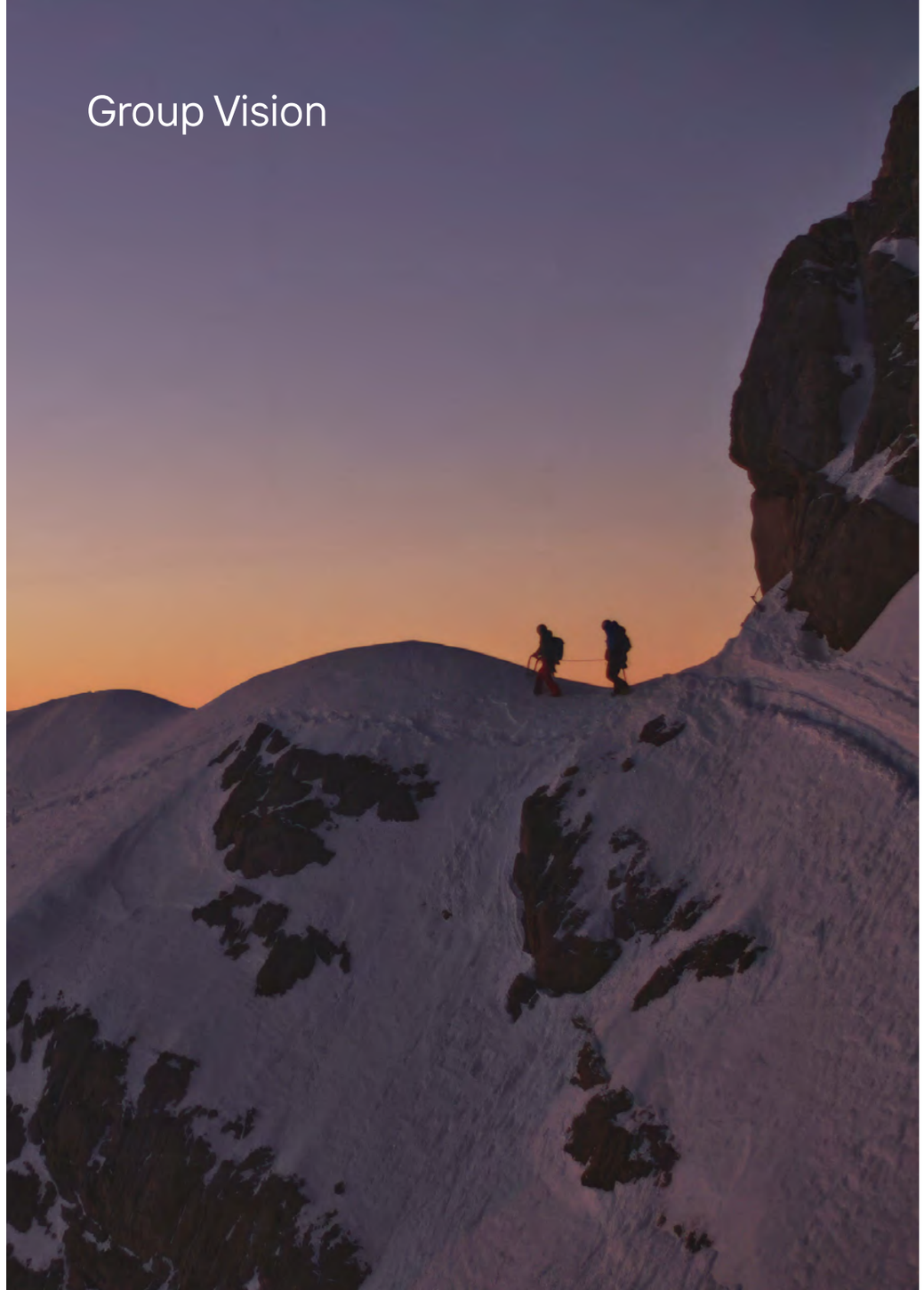
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Group Vision



The vision to unlock possibilities

The vision to unlock possibilities

How do we give people the security and confidence to contend with future uncertainty?

For more than a century, Sompo has carefully looked at the world through the powerful lens of anticipation.
Our experts collaboratively examine the data, define the risks, and formulate actionable insights. By challenging conventions with the courage of our convictions, we can combine the wisdom of hindsight with the clarity of foresight.

This is how we've always prepared customers, communities, and colleagues for what might come—before a challenge arrives, or an opportunity slips by.

This is the essential Sompo difference—this is how we unlock the greatest of possibilities for you.

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At a Glance

* As of end of March 2026

The Sompo Group, which traces its origins to Tokyo Fire Insurance founded in 1888, has grown by providing value to society, mainly through its P&C Insurance Business. In FY2025, the Group transitioned to a managing structure comprised of two business units, SOMPO P&C, which includes the Domestic P&C Insurance Business and the Overseas Insurance and Reinsurance Business, and SOMPO Wellbeing, which includes the Domestic Life Insurance Business, Nursing Care Business, and others. This change is accelerating sustainable growth by realizing a future of health, wellbeing, and financial protection.

SOMPO

SOMPO P&C

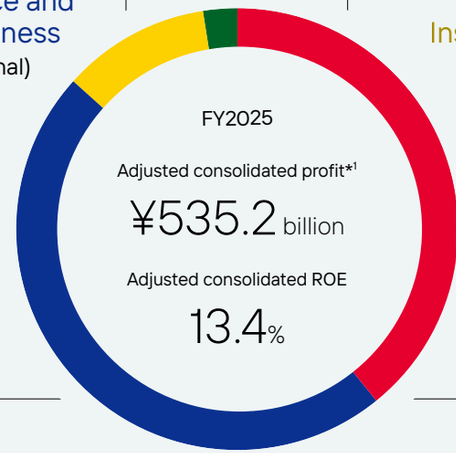
Domestic P&C Insurance Business
(Sompo Japan Insurance)

¥219.4 billion

Overseas Insurance and Reinsurance Business
(Sompo International)

¥265.3 billion

¥484.7 billion



SOMPO Wellbeing

Domestic Life Insurance Business
(Sompo Himawari Life Insurance)

¥61.3 billion

Nursing Care Business
(Sompo Care)

¥10.9 billion

¥74.1 billion*2

Approximate market capitalization
¥5.3 trillion (excluding treasury stock)

Number of consolidated subsidiaries
165 companies

Number of executives and employees
72,237

Regions operating
29 countries and regions globally

*1 Includes Others (-¥23.6 billion)
*2 Includes ¥1.9 billion from SOMPO Wellbeing
Note: The primary businesses have been placed in parentheses.

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Message from the Group CEO

Targeting our evolution into a "global platform for resilience and wellbeing"



Group CEO Director, President and
Representative Executive Officer

When I became Group CEO in 2024, I signaled my commitment to transform to stakeholders both within the Group and outside. I took this stance because I believe transformation would be essential to addressing the challenges in our business environment—ranging increasingly severe natural disasters, geopolitical risks, mounting inflation, and generative AI and other technological advances to demographic trends in Japan such as a declining population and the progressive aging of society—while also addressing changing customer needs. Since then, I have continually stressed the need for executives and employees to grasp the significance of reform and the importance of taking action. As Group CEO, I see it as my greatest responsibility to complete this transformation.

The fruit of transformations and a confident sense of moving forward

The Group's Mid-Term Management Plan covering the period from FY2024 to FY2026 set out two goals for qualitative transformation: to "increase resilience" and realize our aim to "connect and be connected." Sompo Japan Insurance, which runs our domestic P&C insurance operations, initiated the SJ-R project to rebuild the operating foundation by reforming areas such as corporate culture and quality control, and by earning structure through reforms to the underwriting portfolio, sales operations, and other aspects of business.

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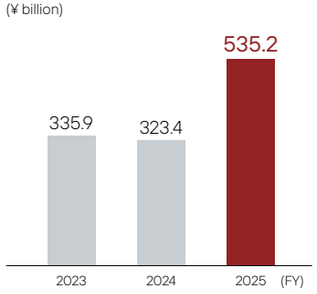
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Message from the Group CEO

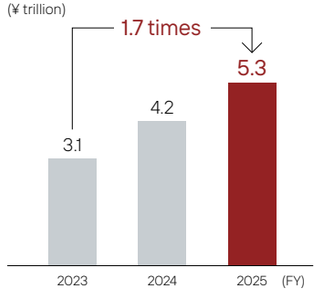
Our transformations began to bear tangible fruit in FY2025, with adjusted consolidated profit reached a record high of ¥535.2 billion. This put us over our target of ¥500 billion, originally set for FY2030, five years ahead of schedule. Adjusted consolidated ROE rose to 13.4%, against a FY2026 target of 13–15%. As of the end of March 2026, market capitalization was around ¥5.3 trillion, a robust 70% improvement over the level of roughly ¥3.1 trillion (excluding treasury stock) at the end of March 2024, when we formulated the FY2024-2026 management plan.

Aside from external factors such as fewer natural disasters, these results were also due to the gradual recovery in profitability at Sompo Japan Insurance stemming from the SJ-R project, alongside steady growth driven by Sompo International. All four of the Group's core businesses, including domestic life insurance and nursing care, recorded year-on-year increases in revenue and profit, contributing to growth at the Group level.

Adjusted Consolidated Profit

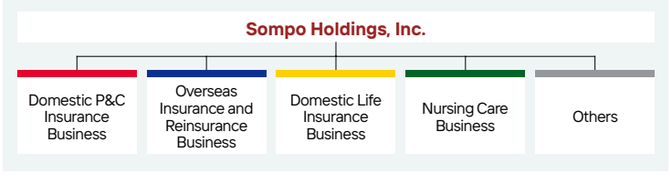


Market Capitalization

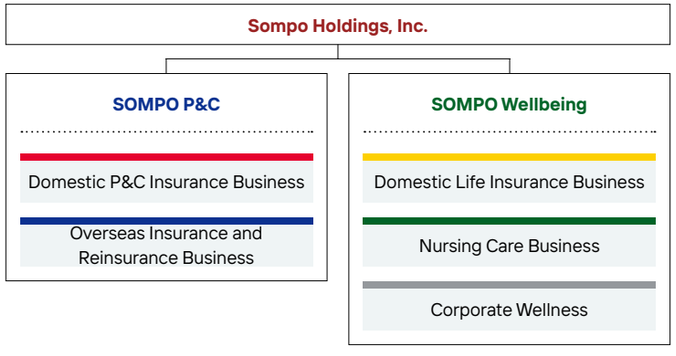


In April 2025, we transitioned to a new management structure, integrating operations into the two business segments of SOMPO P&C and SOMPO Wellbeing. The aim of the transition was to break down the silos that had been created by our earlier adoption of a four business-segment structure encompassing the domestic P&C insurance, overseas insurance, domestic life insurance, and nursing care. This marked a major decision to accelerate ongoing moves to "connect and be connected," in addition to creating Centers of Excellence to foster reciprocal learning across geographical and business boundaries, and position the Group to meet the genuine needs of customer. Recent positive results prove the wisdom of our reforms. I believe that, over the past year, our employees have gained a confident sense of moving forward—that our company is capable of change and that, together, we can build a future.

Management structure prior to March 2025



Management structure from April 2025



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Message from the Group CEO

A year of laying foundations for future growth

FY2026 will be a critical year for solidifying progress on the current growth trajectory and further enhancing corporate value. Besides achieving the targets to which we have committed in the Mid-Term Management Plan (adjusted consolidated ROE of 13%–15% and a CAGR of at least 12% for adjusted EPS), we will focus on preparing for the next stage of growth.

Under the leadership of business CEO James Shea, alongside further organic growth based on geographical expansion, SOMPO P&C is working to streamline costs, pursue more sophisticated underwriting, and generate other operating synergies in the reinsurance business as quickly as possible from the post-merger integration following the FY2025 acquisition of Aspen. At Sompo Japan Insurance, as well as steadily putting the business improvement plans into place, efforts will focus on further increasing profitability and customer value by speeding up reforms to the operating foundation and earnings structure under the SJ-R project.

In FY2025, with the establishment of Sompo Wellbeing Inc., we created the operational foundations for the SOMPO Wellbeing segment, whose mission is to address the three concerns that people face in terms of health, nursing care, and retirement finances. We built our presence in this segment through capital and business alliances with the RIZAP Group and with Kamakura Shinsho. In FY2026, under the leadership of business CEO Yasuhiro Oba, we will try to expand touchpoints with customers and pursue related business initiatives by integrating these foundations with the operational strengths of Sompo Himawari Life Insurance and Sompo Care.

Elsewhere, we are accelerating efforts to create new businesses that can drive future growth. In FY2025, we acquired Japanese agricultural company Nousouken, whose work focuses on addressing food security issues related to factors such as climate change. We will continue to develop new businesses proactively in FY2026 to help realize SOMPO's Purpose.

We continue to sell down our strategic shareholdings as part of our efforts to fund growth investments. We are reallocating capital raised from such divestments to M&A projects that build scale in the P&C insurance business, promote regional diversification, or fill in missing pieces in the wellbeing segment. We see acquisitions as a means of sustaining growth rather than as an end. We will only move ahead with a deal if it meets stringent criteria in terms of its strategic and economic rationale.

As we move forward in building these foundations, our aim is to achieve adjusted profit by FY2030 of three times the average recorded over the previous management plan period (¥250 billion in FY2021–2023) and a market capitalization three times its level as of the end of March 2024 (around ¥3.1 trillion).

Maximizing human capital in an era of human-AI collaboration

Fully capitalizing on digital, data, and AI assets is undoubtedly the key to accelerating business growth. It will not only dramatically boost productivity—it will also create original value distinctive to Sompo in the customer experience while evolving our business model to the next level. We see the role of human beings becoming even more vital as evolving technologies change the way we collaborate with AI. While AI handles routine tasks, we see our source of competitiveness arising from the abilities only people possess, in terms of creating solutions from scratch and having the enthusiasm and empathy to engage with others.

We established the ¥30 billion SOMPO Human Capital Fund in FY2024 to further our investment in human resources as the Group's key source of non-financial capital. We will continue to embody the SOMPO's Values of Integrity, Self-Motivation, and Diversity by actively cultivated talented professionals who can create genuine value in this emerging era of human-AI collaboration.

Starting in FY2026, we have also introduced a stock compensation program for employees of Group companies in Japan to reward and incentivize them to embrace personal growth development challenges that will also benefit the company and society. We see this fostering a positive cycle in which employees can take ownership of value-added creation, share that value with other shareholders, and contribute to the development of their asset formation.

Dive into Challenges, Drive our Evolution

In April 2027, to further reinforce the Group cohesion that is indispensable to moving toward the next stage of growth, we will change our company name from Sompo Holdings, Inc. to Sompo Group, Inc. In addition, to express the Group's commitment to supporting every employee in taking on challenges and being confident in their limitless potential, we have redefined the Group Vision as "The vision to unlock possibilities," as well as reformulated the SOMPO's Materiality that sets out the material issues to be addressed by the Group. Under "ONE SOMPO" approach, our shared goal is to realize the company's Purpose while achieving sustainable growth, both by deepening collaboration between the holding and operating companies and across divisional boundaries, and by speeding up processes to enable employees to take on challenges in ways that promote personal growth.

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The origins of the SOMPO Group date back to 1888, with the establishment of Tokyo Fire Insurance as Japan's first insurer of fire-related risks, with a spirit of "*hikeshi*," or dealing with fires. Protecting people from fire was a major issue for Japanese society at the time, expressed in the *hikeshi* spirit of acting for the sake of people and society. We have since grown by addressing social issues through insurance, nursing care, and other services.

Japan, the SOMPO Group's home market, is an advanced country that faces a range of issues stemming from the growing intensity of natural disasters, a shrinking population, and other factors. I am not pessimistic, however. On the contrary, I prefer to see opportunities for the Group to lead the world in developing better solutions that will address such societal issues.

Examples of ways the Group can offer value that is unique and priceless—even by global standards—include the HIKESHI DNA 2030 Project of Sompo Japan Insurance, which offers seamless solutions spanning everything from disaster prevention and mitigation to recovery support, and the nursing care services of Sompo Care that draw on advanced technology to boost quality and productivity. By building diverse businesses that span countries and regions to offer solutions to address issues, the Group will evolve into a platform for global resilience and wellbeing. This is our vision for 2030 and beyond.

The key to making this vision a reality is for every Group employee to consider thoroughly the genuine needs of customers and to embrace this challenge in our founding spirit of acting for the sake of people and society. Teamwork and collaboration across both borders and divisions will also be essential here. To underpin this, we must foster a corporate culture grounded in frank, fearless discussions based on data and concepts, as well as in celebrating success in embracing challenges, which emphasizes "Harmony, but not Conformity."

Our aim is to make SOMPO a platform for global resilience and wellbeing. Fully committed to the spirit of acting for the sake of people and society, I will drive our evolution into a corporate group that addresses diverse social issues and consistently provides solutions that meet the genuine needs of customers. I will also continue to give my full support to employees—the driving force behind this mission—as they drive into challenges.

Group CEO message video

Watch the video message to stakeholders from the Group CEO here.



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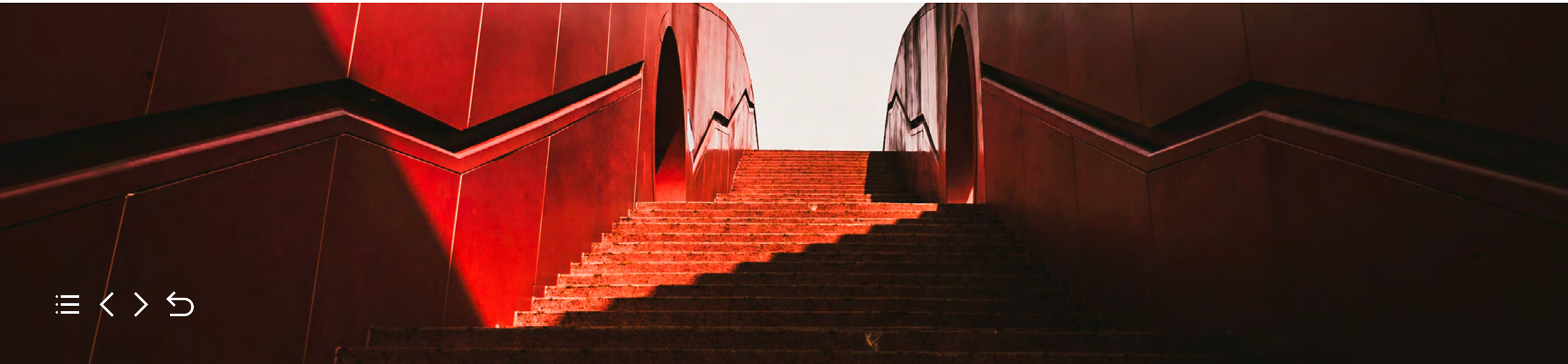
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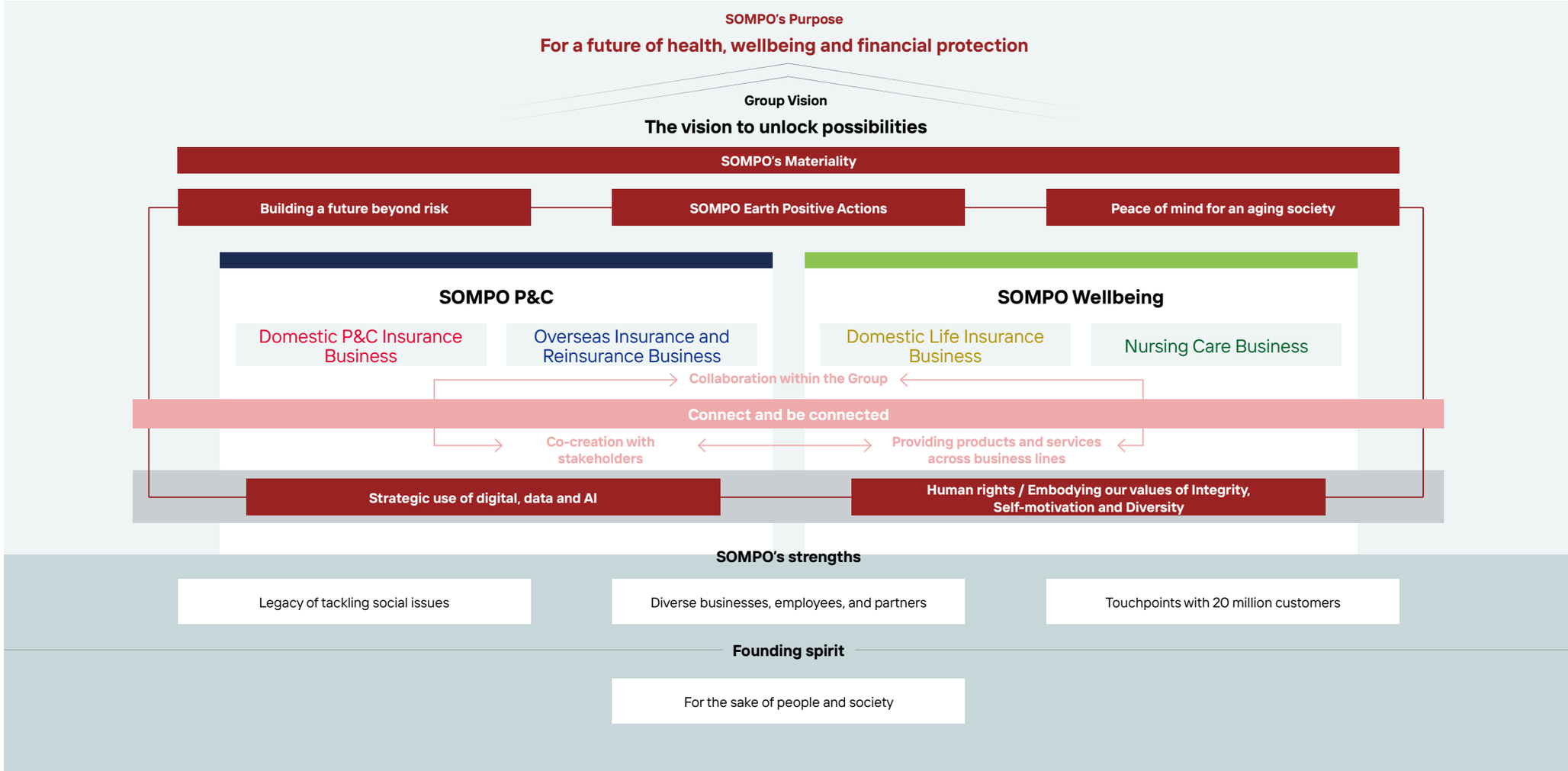
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SOMPO's Value Creation Process

Upholding its founding spirit of acting for the sake of people and society, the Sompo Group is taking on an array of challenges in today's highly uncertain society.

Guided by our Purpose, "For a future of health, wellbeing and financial protection," we will create value through a business model unique to Sompo. Centered on the concept of "connect and be connected," the model enables SOMPO P&C and SOMPO Wellbeing to work together organically, co-create with diverse stakeholders, and leverage our customer touchpoints to deliver a wide range of products and services.

As our employees across diverse businesses, each with their own unique aspirations, boldly take on challenges and strive to create value to unlock possibilities, we aim to achieve the sustainable growth of the Group and realize our Purpose.



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SOMPO's Materiality

Faced with increasingly complex social issues driven by macrotrends, such as a declining birthrate and aging population, increasingly severe natural disasters, and advances in AI and other technology, the Sompo Group believes that transforming the organization itself and creating value by anticipating the future are essential. Amid such changes in the environment, we have identified five areas of materiality as priority issues to be addressed in realizing our Purpose—"For a future of health, wellbeing and financial protection"—through sustainable growth.

We provide comprehensive support through insurance, risk consulting, and other solutions—before, during, and after the occurrence of a disaster—to help bring about a society where our individual customers and corporate clients can live safely and securely, with freedom from the threat of disasters

For details:
- **SOMPO P&C: p. 18**
  - Domestic P&C Insurance Business: p. 21
  - Overseas Insurance and Reinsurance Business: p. 26

We are addressing various challenges by capitalizing on digital, data, and AI resources to boost in-house productivity and create new experiences carefully tailored to customer needs

For details:
- **Digital, Data, and AI Strategy: p. 47**

For details on the process of identifying materiality, please refer to SOMPO's Materiality/Sustainability Case Studies (pp. 3–4).

Realizing "For a future of health, wellbeing and financial protection"

Sustainable growth through the creation of social and financial value

SOMPO's Materiality

Building a future beyond risk

Peace of mind for an aging society

SOMPO Earth Positive Actions

Social issues SOMPO aims to resolve

Strategic use of digital, data and AI

Human rights / Embodying our values of Integrity, Self-motivation and Diversity:

Governance (p. 63) and Compliance

Foundation for solving social issues

We are working to address the various social challenges arising from a declining birthrate and aging population. By alleviating the concerns customers now face in terms of health care, nursing care, and retirement finances, we aim to bring about a society where people think positively about aging

For details:
- **SOMPO Wellbeing: p. 31**
  - Domestic Life Insurance Business: p. 35
  - Nursing Care Business: p. 37

We are pursuing a synergistic approach to addressing complex global environmental issues, such as climate change, biodiversity, and a circular economy, based on a foundation of respecting human rights. Our aim is to help bring about a society where both current and future generations can live safely, securely, and healthily

For details:
- **SOMPO Earth Positive Actions: p. 41**

We are building a team of professionals who embody SOMPO's Values and a spirit of respect for human rights, accelerating our approach to resolving social issues

For details:
- **Human Resource Strategy: p. 54**

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Progress on the Mid-Term Management Plan as of End-FY2025

The Mid-Term Management Plan for FY2024–2026 established two goals—to "increase resilience" and "connect and be connected"—and set targets of adjusted consolidated ROE of 13–15% and a CAGR over the period for adjusted EPS of at least 12%. We made steady headway in FY2025; decisive steps to transform the organization bore fruit in our financial performance, with adjusted consolidated ROE reaching 13.4%.

Progress of the Mid-Term Management Plan (FY2024–2026)

Category	Targets in the Mid-Term Management Plan	FY2024 (results)	**FY2025 (results)**	FY2026 (forecast)
Adjusted consolidated ROE	**13-15%**	**9.2%**	**13.4%**	**Approximately 13.1%*1**
Adjusted EPS growth rate	**CAGR of at least 12%**	**—**	**—**	**Annual rate above 19%*2**
Adjusted consolidated profit	—	¥323.4 billion	¥535.2 billion	¥500 billion
SOMPO P&C	—	¥283.2 billion	¥484.7 billion	¥460 billion
Domestic P&C Insurance Business	—	¥123.5 billion	¥219.4 billion	¥180 billion
Overseas Insurance and Reinsurance Business	—	¥159.7 billion	¥265.3 billion	¥280 billion
SOMPO Wellbeing	—	¥66.2 billion	¥74.1 billion	¥75 billion
Domestic Life Insurance Business	—	¥57.0 billion	¥61.3 billion	¥61 billion
Nursing Care Business	—	¥8.3 billion	¥10.9 billion	¥13 billion
Other Wellbeing	—	¥0.8 billion	¥1.9 billion	¥1 billion
Other	—	¥–26.0 billion	¥–23.6 billion	¥–35 billion

Please refer to the Definition of Adjusted Consolidated Profit, Etc. for the calculation methods for adjusted profit by business segment, adjusted consolidated profit, adjusted consolidated net assets, and adjusted consolidated ROE.

*1 ROE adjusted based on the assumptions used in formulating the Mid-Term Management Plan, accounting for the impact of financial market fluctuations and other factors

*2 Estimates taking into account only the basic return and the return of gains from sales of strategic shareholdings

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Evolving Capital Circulation for the Sustained Enhancement of Corporate Value

Launched in FY2024, Sompo Holdings' current Mid-Term Management Plan (MTMP) has now entered its final year. Over this period, the Group has resolutely sought to pursue transformation and take decisive action, with the result that adjusted consolidated profit surpassed ¥500 billion in FY2025, and our market capitalization had surpassed ¥5 trillion at the end of FY2025—an increase of more than ¥2 trillion compared with the end of FY2023.

My mission is to relentlessly pursue further transformation and decisive action and take them to an even higher level. As head of the Group's finances, I am resolved to be deeply involved in all aspects of value creation without being held back by existing frameworks or the way things have been done in the past. I believe two areas warrant attention in particular.

Our primary aim is to improve capital efficiency in the Group by further increasing ROE. Group ROE has steadily improved since the start of the current MTMP, but taking ROE to the next level will require rigorous efforts to improve the capital efficiency of individual businesses. At the same time, we will focus on generating high-quality profits that generate cash flow, thereby further accelerating the circulation of capital.

Following our acquisition of Aspen Insurance Holdings, we will also consider further investments in inorganic growth. Compared to our global peers, we are still at the stage of aspiring to ongoing growth and expansion. In principle, therefore, we will allocate the capital we generate to growth investments. While practicing strict investment discipline, we will boldly embrace the challenge of investing in growth, confident that we can further expand profits and harness that growth to increase total shareholder returns, thereby maximizing shareholder value over the medium to long term.



Katsuyuki Tajiri
Group CFO

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Review of FY2025 and outlook

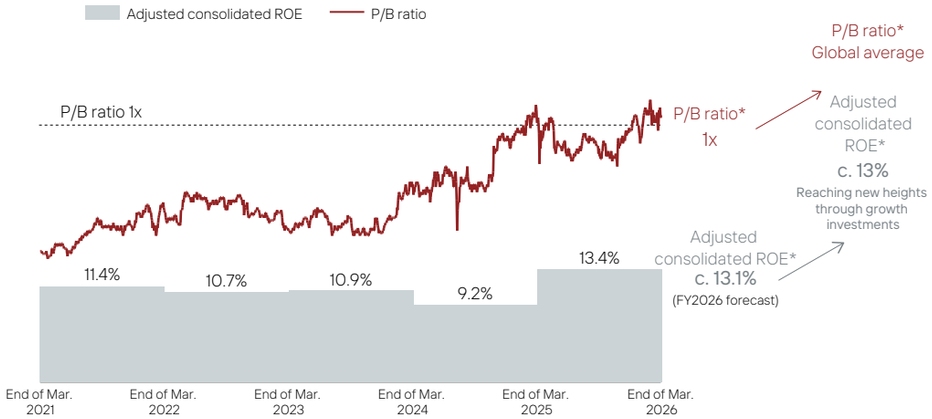
Amid favorable business conditions, including a decline in natural disasters both in Japan and abroad, adjusted consolidated profit for the Group was ¥535.2 billion in FY2025. In the Domestic P&C Insurance Business, we achieved our FY2030 target of ¥500 billion ahead of schedule, boosting profitability by making steady headway with the SJ-R project while progressively expanding the Overseas Insurance and Reinsurance Business.

We also completed the Aspen acquisition in February 2026, a growth investment equivalent to more than ¥500 billion, and subsequent post-merger integration (PMI) has been progressing smoothly. We regard this as a significant outcome of the growth strategy outlined in the current MTMP.

The MTMP has as its management targets adjusted consolidated ROE of 13-15% and adjusted EPS growth of over 12% for FY2026. As of FY2025, adjusted consolidated ROE was 13.4% and our adjusted EPS growth forecast for the current MTMP was 19%.

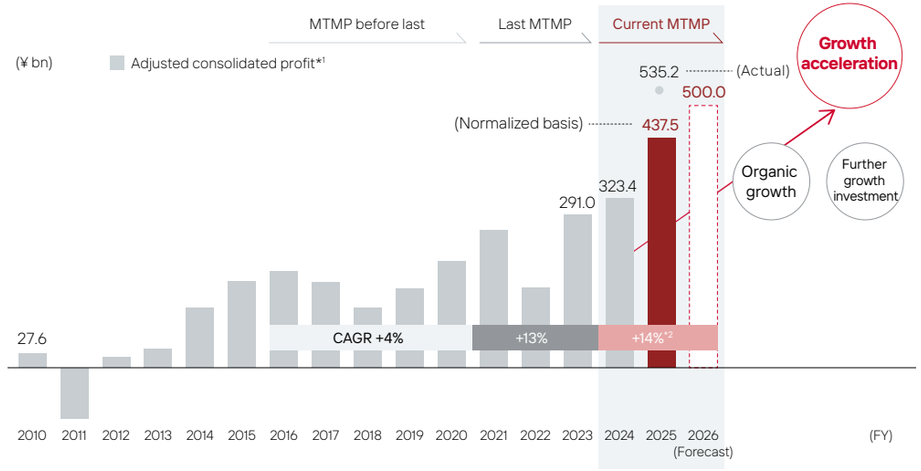
Not settling for the status quo, to further accelerate this smooth progress we have raised our FY2030 target for enhancing corporate value, taking it to a higher level. In the following section, I discuss in detail our vision for FY2030 and the growth scenario for bringing it about.

P/B ratio and adjusted consolidated ROE*



* Estimates for FY2021-2022, The forecast for FY2026 reflects an adjusted ROE (11.0% prior to adjustment) based on assumptions revised at the time of the medium-term plan's formulation to account for factors such as financial market volatility, consolidated net assets for the period were linearly interpolated

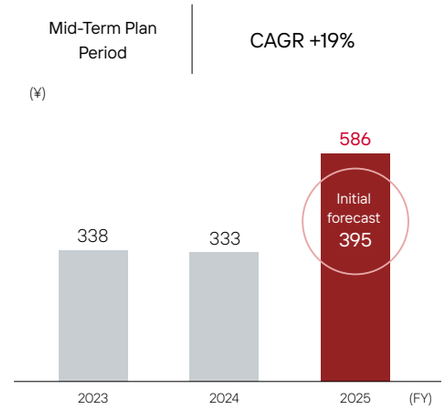
Trend of Adjusted Consolidated Profit



*1 J-GAAP basis until FY2023, IFRS basis from FY2024

*2 Adjusted consolidated profit for FY2023 (base year) was calculated by using IFRS profit of ¥335.9 bn.

Adjusted EPS Growth Rate



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Vision for FY2030

We aim to raise our adjusted consolidated profit, adjusted consolidated ROE, and market capitalization to even higher levels.

While creating corporate value in this manner, our main focus will be on steadily increasing adjusted consolidated ROE to around 13% and then going on to pursue further improvement. We believe initiatives to improve profitability organically and investments in inorganic growth are both vital in terms of increasing capital efficiency.

Ideally, we seek to improve ROE at the same time as achieving profit growth—that is, realizing sustainable growth in both ROE and EPS. We have maintained robust growth in EPS since the launch of the current MTMP. To continue this growth momentum, we think it is essential to expand profits by taking appropriate risks while engaging in growth investments that will have an impact not only in the near term but also over the longer term. We will also target additional profit through high-quality growth investments.

More sophisticated management of capital circulation

Managing the circulation of capital is at the heart of our financial strategy. This entails the holding company getting maximum use out of the profits generated by each business by reinvesting the capital in activities that contribute to Group management targets, namely adjusted consolidated ROE and growth in adjusted EPS, as well as putting it toward attractive shareholder returns. It also includes redistributing capital to each business and monitoring performance. Initiatives to manage the circulation of capital under the current MTMP have proven successful, leading to steady improvement in ROE.

If we are to improve ROE further, we must maintain a state in which profit growth (the ROE numerator) exceeds growth in net assets (the ROE denominator). To this end, we will be even more rigorous in our use of capital, taking fewer risks on investments with low capital efficiency and channeling capital into areas with high capital efficiency.

To effectively manage the circulation of capital, we have to create a framework for facilitating the smooth transfer of capital between businesses and selectively allocating capital and funds to areas with high capital efficiency. This demands that we work as a Group to further enhance the capacity of each business to generate cash flow as well as our capital mobility (fungibility). In addition to such flexible use of Group funds, we will also make use of external financing (fund procurement) as needed. To this end, in April 2026 we issued U.S. dollar-denominated senior unsecured corporate bonds—the first to qualify as fully paid-up structurally subordinated Tier 2 capital instruments under Japan's new solvency regulations.

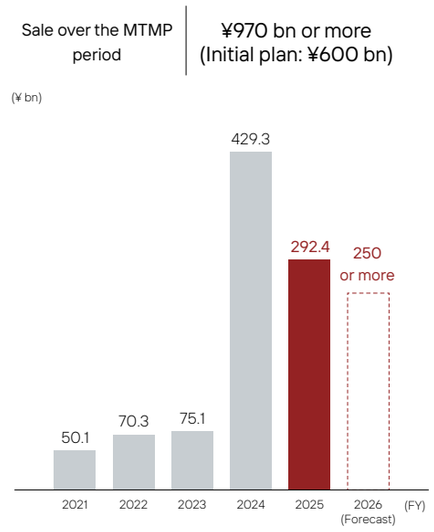
Going forward, we will continue working toward the optimal capital structure and instruments while at the same time addressing funding needs, with a focus on maintaining and improving our financial soundness and credit ratings.

Drawing down strategic shareholdings

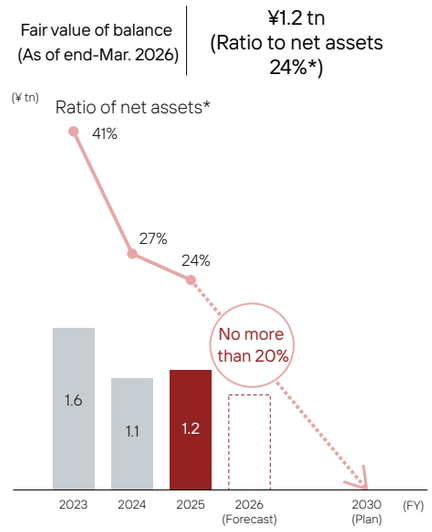
With a goal of completely shedding our strategic shareholdings by the end of FY2030, we reduced such shareholdings by ¥292.4 billion in FY2025, surpassing our initial plan. Based on this result, at the start of FY2026 we revised our initial target for the total reduction in strategic shareholdings upward from ¥600 billion to ¥970 billion or more.

We are resolved to see this reduction in strategic shareholdings through, as it will contribute to enhancing capital efficiency and ROE while at the same time lowering the cost of capital. At the same time, simply selling off the shareholdings and retaining the proceeds could decrease our stable dividend income and risk the excessive accumulation of capital, which could actually lower capital efficiency. As I mentioned earlier, we believe therefore that a balanced use of the capital and funds yielded by the sales, encompassing disciplined growth investments (including investments in inorganic growth) and shareholder returns, will be critical to our ongoing management of the circulation of capital.

Reduction of strategic shareholding



Balance of listed shares held



* Listed strategic-holding shares / IFRS consolidated net assets

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Growth investments

Recognizing that inorganic profit growth is essential to meeting our FY2030 targets, we are constantly seeking out new growth investment opportunities. This is what led to our acquisition of Aspen in February 2026, a deal we considered to be a good fit in terms of our investment discipline and culture. A large-scale overseas acquisition valued at more than ¥500 billion, this represented a growth investment geared toward realizing the Group's growth strategy. As I mentioned, PMI with Aspen is now smoothly underway.

As we venture further into the PMI process, we are seeking at an early stage to generate synergies with SOMPO P&C—with the Overseas Insurance and Reinsurance Business in particular.

Our Economic Solvency Ratio (ESR), an indicator of financial soundness, remains at a sufficient level even after the Aspen acquisition. This allows us to pursue further investment opportunities. In the P&C insurance business, we continue to have a strong appetite for M&A deals with overseas insurance companies and other businesses that we think would enhance both our earnings and our resilience. Dedicated M&A teams at Sompo Holdings and Sompo International continue to collaborate in an ongoing search for potential investment opportunities. With the number of deals on the rise as the overseas P&C insurance market softens, we will continue to explore possibilities with a focus on areas that promise further growth and contribute to risk diversification.

At SOMPO Wellbeing, we will apply strict discipline in pursuing investments aimed at securing the missing pieces necessary to realize our vision of a wellbeing ecosystem. To achieve that end, we recently entered into a capital and business alliance with Kamakura Shinsho, acquiring a portion of that company's shares.

Policy on shareholder returns

Our policy under the current MTMP is to enhance the predictability and stability of shareholder returns by setting the basic return at 50% of adjusted consolidated profits, based on the latest three-year average, and providing an additional return that is set, as a rule, at 50% of gains from the sales of strategic shareholdings (on a post-tax basis). We will also flexibly consider capital adjustments.

On the other hand, the dividend yield has been trending downward amid a rise in our stock valuation (share price), which has eroded the appeal of our shares somewhat from a dividend perspective. While acknowledging this as an issue, we believe we can achieve further profit growth and enhance resilience by continuing to improve the profitability of existing businesses, making steady headway with the Aspen PMI, and executing growth investments. Accordingly, we have adopted a policy of progressively increasing the payout ratio.

As a first step in this direction, we intend to raise the target payout ratio to roughly 40% in FY2026, which would mean a projected DPS of ¥200—an increase of ¥50 from the FY2025 dividend of ¥150. Our plan is to gradually increase the target payout ratio to 50% over the medium term. We will also consider flexibly conducting share buybacks (capital adjustments) when necessary, maintaining a balance between growth investments and shareholder returns, with due consideration for medium-term adjusted consolidated ROE.

As Group CFO, I will further emphasize an approach geared toward achieving our target ROE, seeking the optimal allocation between growth investments and shareholder returns.

Dividend per share (DPS) and dividend payout ratio



(¥ bn)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026 (Forecast)
Total payout	34.7	45.6	65.8	91.6	81.3	81.9	90.0	101.1	150.7	112.1	175.9	385.9	281.6	–
Dividends	24.7	28.6	32.3	35.4	42.2	48.4	54.7	60.7	72.7	87.1	98.9	125.9	135.6	175.0
Share buyback	10.0	17.0	33.5	56.2	39.1	33.5	35.3	40.4	78.0	25.0	77.0	260.0	146.0	–

*1 Since FY2013, including FY2026 forecast

*2 Dividends/Adjusted consolidated profit, adjusted profits for FY2021 and FY2022 are normalized by excluding one-off effects, J-GAAP basis until FY2024, IFRS basis (3-year average) from FY2025

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Message from the CEO of SOMPO P&C

Strengthening Connection and Coordination Across Sompo P&C

Following the establishment of Sompo P&C in April 2025, our focus has been on strengthening the connections across our Property & Casualty businesses. The purpose of Sompo P&C is to support a more integrated way of working between our Overseas operations and Japan, enabling the Group as a whole to leverage its collective strengths more effectively.

At its core, Sompo P&C is designed to foster closer collaboration in areas where greater alignment enriches our overall franchise. That includes how we share expertise, how we link capabilities across regions and functions, and how we engage with the market in a more consistent manner. The objective is not uniformity for its own sake, rather ensuring we work more effectively together where it delivers tangible value.

This matters not only internally, but also externally. As the needs of our customers continue to evolve, and the environments in which we operate become more complex, there is real value in presenting a clearer and more unified proposition to customers, distribution partners, reinsurance partners and third-party vendors. By approaching these relationships with greater consistency and a shared purpose, we can improve the quality of our engagement, deepen key partnerships across the value chain and reinforce the broader value of the Sompo franchise.

Building the Foundations for Better Coordination

During the year, we made encouraging progress in a number of areas, including:

- In Operations and IT, we established a three-year Business and IT Transformation program and successfully delivered the first year of that plan. This included achieving the initial savings target, putting in place a clearer target operating model and establishing a more regular meeting cadence to support alignment and execution. These are important foundations for stronger coordination and for a more scalable business over time.



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

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Message from the CEO of SOMPO P&C

- In HR, we also continued to strengthen connectivity through people. Colleagues from Japan worked in SIH locations across a wide range of departments through Japan Representative (J-Rep) and trainee programs, helping to deepen mutual understanding, share knowledge and build relationships across the Group. We also held regular cross-functional leadership meetings to exchange views and share best practices. These efforts may appear simple, but they are essential. Strong coordination ultimately depends on trust, familiarity and open channels between people and teams.

- In Finance and Investments, we have actively leveraged the benefits of scale across Sompo P&C. By taking a unified approach to the market as we have aligned teams more closely across regions, we are improving consistency, strengthening execution and vertical integrating decision-making. This also helps us engage the market more effectively, improve efficiency in how capital is deployed within Sompo P&C while making use of the Group's broader financial resources. We have also improved profitability by leveraging scale and aligning our asset allocation to the most effective capital structures at both Sompo P&C and Group levels which has delivered meaningful financial benefits. Importantly, this is not about centralization for its own sake, but about facilitating alignment where a Group-wide perspective produces better outcomes.

- Sompo Türkiye and Sompo Japan partnered on a motor/automobile claims transformation initiative, with Sompo Japan visiting Türkiye to learn from their operating model. These insights are helping shape Sompo Japan's future business process, IT architecture, and transformation roadmap, with Sompo Türkiye serving as a benchmark for best practices in specialization, standardization, digitalization, centralization, and performance visibility.

- In addition, Sompo Japan CEO Ishikawa-san and I also visited several offices across Japan to speak directly with colleagues and share our perspective on what a more connected Sompo P&C can become.

What links these efforts together is a common principle: identifying where closer coordination creates meaningful value, and then building the relationships, disciplines and processes needed to support it. In that sense, Sompo P&C is a platform for facilitation as much as for execution. It provides a framework through which our businesses can work more closely together while continuing to respect the distinct strengths, responsibilities and market realities of each part of the Group.

Balancing Global Connectivity with Local Strength

That balance is important. Our ambition is to be better connected globally while remaining responsive locally. We believe Sompo's strength comes in part from the diversity of its businesses, the quality of its underwriting and distribution capabilities, and the trust it has built across different markets. The role of Sompo P&C is to help connect those strengths more effectively, so that the whole Group benefits where coordination makes sense, while preserving the local expertise and accountability that remain essential to success.

Looking ahead, our priority is to continue building on this momentum. We will remain focused on practical coordination across functions and businesses where it adds value, on facilitating stronger collaboration between our Overseas operations and Japan, and on strengthening how we present ourselves to our external partners. We will continue to pursue a "connect and be connected" approach across Sompo P&C as we build a more capable and effective global P&C platform for the Group.

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Domestic P&C Insurance Business

Initiatives to regain trust

More than two years have passed since we initiated actions based on our business improvement plans to rectify the issues of falsified auto insurance claims and manipulation of corporate insurance premiums. We have also taken ongoing measures to prevent reoccurrence of the improper management of policy information and other data with insurance agents.

Seeking to ensure that this series of incidents is never forgotten, we have worked to transform the corporate culture and strengthen governance. Listening to feedback from employees on the front lines, it is evident that there have been many positive changes in terms of employee awareness and behavior, including employee-led activities for improvement, greater dialogue between divisions, and more prompt reporting of negative information.

We will continue working together across the company to help realize a "new Sompo Japan Insurance Inc.," a company that will inspire customers, people in local communities, shareholders, and all of our stakeholders to say, "We're glad we chose Sompo Japan. We're glad we chose SOMPO."

Transforming the corporate culture and strengthening governance

Based on the business improvement plans, we have implemented a total of 183 specific company-wide measures. As of the end of May 2026, more than half of the measures had entered the stage of taking root and being fully effective, having been integrated into our internal controls. The majority of the remaining measures are in the stage of continuing to take effect.

Our goal is for every employee on the front lines to cultivate an in-depth understanding of the nature and purpose of our rules, so that they can apply principles to determine and adopt the correct course of action, regardless of circumstances. Three clear signs of internal change are now emerging out of our pursuit of this fundamental approach.

The first involves transforming the corporate culture. Employees on the front lines are steadily growing in their awareness of "risk ownership" with regard to the risks inherent to our operations. They are increasingly enthusiastic about our collective ability to change the company, as seen in initiatives such as a "Day to Review the Past Incidents" for learning from past mistakes, a "Dorotama Box" used to convey employee feedback directly to management, and the "Heritage and Reflection Room: Learning from Lessons of incidents we caused," a special installation set up to ensure that past lessons are passed down to future generations.

The second involves strengthening governance. We have put systems in place to detect issues early on and are following a PDCA cycle to establish clearly defined roles and responsibilities for our first (front lines), second (management), and third (audit) lines of defense. We have also made strides in revising our business processes, including ensuring that damage assessment systems function properly and that insurance claims are processed fairly and appropriately.

The third change involves solving structural issues. Not bound by the way things have been done before, we have discontinued the secondment system, which was not contributing to a customer-oriented business management policy. We have also reoriented agency evaluation to a quality-focused framework to support the autonomous development of our agencies.

Transforming the business foundation and improving profitability through SJ-R

The SJ-R project, launched in FY2024, has the twin goals of regaining the trust of customers and society and improving the profitability of the P&C insurance business. FY2026 is the year when we aim to achieve both these goals.

We have focused resources over the past year on reinforcing the operating foundation. In the Retail Business, we have worked to improve quality through more in-depth collaboration with agencies, while also making headway in terms of raising quality and productivity through the operation of the Administrative Quality Department. In the Commercial Business, in response to increasingly complex corporate risks, we have invested in systems to support greater specialization in underwriting and other capabilities. Our efforts in claims servicing have focused on instilling and establishing quality standards for earning customer trust.

Leveraging the power of transformation to realize a "new Sompo Japan Insurance Inc."



Koji Ishikawa
President of Sompo Japan Insurance

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Domestic P&C Insurance Business

These initiatives are steadily transforming our earnings structure. The improvement in profitability with fire insurance has been especially noteworthy. Ensuring an appropriate level of profit is necessary to enable us to supply insurance products sustainably in the future. Collaboration between staff on the front lines and head office divisions to make improvements, such as optimizing premium rates and revising underwriting guidelines, have made our fire insurance lines able to ensure a steady level of profit. In automobile insurance, another core product, we have made progress in improving profitability despite persistently high inflation, by means of more advanced data analysis and pricing technology.

Reflecting these efforts, adjusted profit for the Domestic P&C Insurance Business rose to a new high in FY2025, at ¥219.4 billion. While there were comparatively few natural disasters in Japan, I believe the steady improvement in earnings was due to better customer service grounded in quality standards aimed at regaining customer trust, alongside improvements in day-to-day operations. We hope to build on this momentum in FY2026. Under the new SOMPO P&C, we will deepen our sense of unity and collaboration with Sompo International. By integrating their global expertise and high-level specialized knowledge at an even deeper level, we aim to transform the Domestic P&C Insurance Business into a strong growth driver for the Sompo Group.

Future growth strategy: launch of the HIKESHI DNA 2030 Project

We are currently facing unprecedented changes in the business environment for the P&C insurance industry in Japan, including a shrinking population, increasingly severe and frequent natural disasters, heightened cyber risks, and regulatory reforms. We cannot continue to meet the expectations society has for insurers under such conditions if all we do is continue the business as usual of paying out insurance claims after an accident occurs.

In this context, we launched the "HIKESHI DNA 2030 Project" as our growth strategy to build a new future. The project aims to broaden our business focus beyond compensation after an accident to include more proactive areas such as disaster recovery and mitigation as well as recovery support after an accident. We will seek to evolve the Sompo Japan brand so that customers continue to choose us as their reliable partner not only when an accident happens, but also in supporting them before and afterwards.

We are building an advanced platform for disaster prediction and damage analysis that integrates policy data with weather information, satellite imaging, and other input. We are offering personalized insurance using an AI-based building diagnostic service. We are collaborating with strategic partners with unique strengths. Progress with these multifaceted initiatives will enable us to generate fresh social value in terms of disaster recovery and mitigation while at the same time ensuring the growth of Sompo Japan.

We have inherited a spirit of deep dedication to protecting local communities from disaster, as exemplified by the Tokyo Fire Brigade formed by our predecessors in the 1880s in Japan (known as *"hikeshi"*). Our goal is to turn the word *"hikeshi"* into a global emblem of advanced risk management and resilience, while making disaster prevention and mitigation a new element of Japanese culture.

Continuing to evolve for the sake of people and society

Our mission is not simply to be a company that generates excellent financial results, but to ensure that customers and society as a whole feel "We're glad we chose Sompo Japan. We're glad we chose SOMPO." Through our core business, we aspire to realize disaster-resilient local communities where everyone can live with peace of mind.

Delivering such social value sustainably requires us to further evolve the Group's financial position, which includes maintaining a combined ratio of no more than 95% along with an adjusted consolidated ROE of more than 13%. We will carry the reforms set forth in the SJ-R project through to completion. Based on the shared determination of all of our employees, I believe we can translate Sompo's DNA of acting for the sake of people and society into real value for society.

Driven by the passion contained in the company's HIKESHI DNA, we will continue to capitalize on the diverse talents and enthusiasm of our employees to ensure that Sompo Japan evolves for the sake of people and society.

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Domestic P&C Insurance Business

Reforming the operating foundation and improving profitability through SJ-R

With a basic philosophy of "Dedicated to the customers ,society, and ourselves," 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.

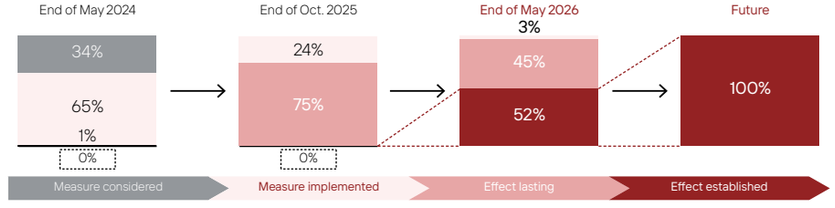
Aiming to realize a "new Sompo Japan Insurance" that boasts uniqueness and resilience

Dedicated to the customers ,society, and ourselves | Committed to uniqueness and resilience



Progress overview of business improvement plans

We have divided the 183 measures of the business improvement plans into phases to better manage progress. As of the end of May 2026, 52% of the measures had taken root and were fully effective while 45% were continuing to take effect. We are steadily implementing towards the full establishment of all the business improvement plan measures.

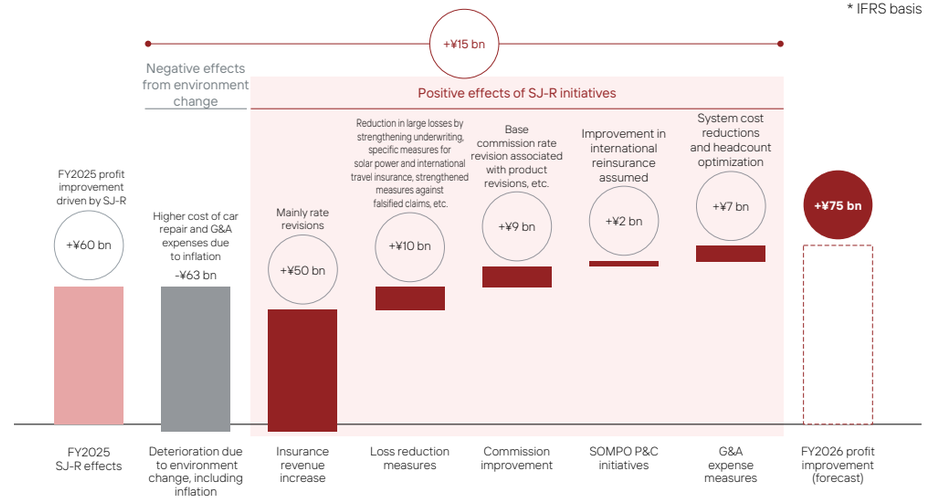


Action item	Progress (end of Apr. 2026)
Corporate culture change	・The number of posts through "Dorotama Box," where employees can share their opinions, has remained at around 250 per month, and a culture of continuously sharing views has taken root.
Improve internal control	・Systematic measures were implemented regarding agencies with issues (eight rounds of agency selection and follow-up since the start of initiative in FY2024) ・The department specializing over falsified claims was established and carried out triage (approx. 43,000 cases over 10 months)
Solve structural issues	・All employees seconded to agencies returned by the end of March 2026 ・Implementing unique support measures ahead of the introduction of the agency service quality assessment system

Profit improvement driven by SJ-R

We generated an additional ¥60 billion in earnings through strengthening underwriting, optimizing claims paid, and addressing G&A expense, as well as through better pricing. Despite the unfavorable effects of inflation projected for FY2026, we expect to generate an additional ¥15 billion through SJ-R initiatives.

* IFRS basis

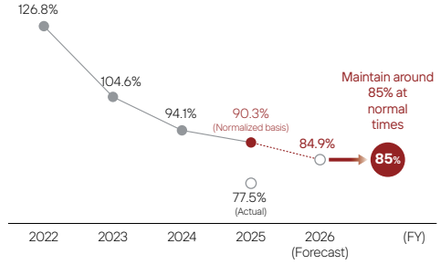


Improving fire insurance earnings

The product that lies at the origins of the Group's founding is fire insurance, and it is no exaggeration to say that such insurance serves as a critical piece of infrastructure supporting societal resilience today. In addition to efforts to optimize premium rates, Sompo Japan Insurance is improving the portfolio through rigorously disciplined underwriting in segments with consistently high loss ratios and by curbing profit volatility and risk exposure through improvements to coverage terms.

E/I combined ratio

* J-GAAP basis



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Domestic P&C Insurance Business

Initiatives to address reforms in corporate culture

• Town hall meetings and dialogue across divisions



As a first step toward reforming the corporate culture to regain trust, management has held a series of town hall meetings to engage directly with employees nationwide (as of the end of May 2026, a total of 1,647 departments and branches and approximately 18,000 employees have participated in the meetings). Starting in 2025, the company has also begun hosting dialogue across divisions to foster mutual understanding and discussion across organizational boundaries (as of end of March 2026, there were a total of 24 dialogue sessions involving 1,400 participants).

Held at both branches and the head office, these dialogues allow leaders and employees to share challenges and discuss solutions according to their level of employment. The dialogues continue to foster and expand an open and transparent organizational culture.

• Heritage and Reflection room and Day/ Month to Review the Past Incidents



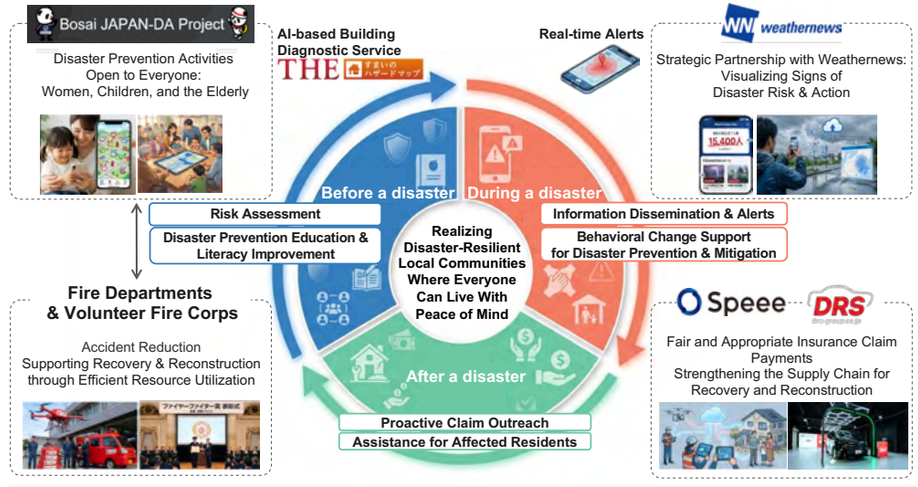
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We established the "Heritage and Reflection room: Learning from Lessons of incidents we caused" to acknowledge the fact that we lost the trust of society and to ensure that this memory never fades. By reflecting on what happened at the time and why, employees can internalize the lessons from these incidents and pass them on to future generations. We also designated November as "Month to Review the Past Incidents" and held workplace meetings at all of our offices to discuss practical steps toward realizing our vision of being a company that considers everything from the customer's perspective. Based on the feedback gathered from these meetings, we held a meeting for the executives in charge and department managers.

HIKESHI DNA 2030 Project

This project seeks to make the vision for the new Sompo Japan Insurance a reality, taking into account changes in the overall environment and revisions to industry regulations. By striving "to realize a disaster-resilient local communities where everyone can live with peace of mind," we aim to establish the brand image of Sompo Japan Insurance as the company to rely on when disaster strikes, and become the company of choice for customers.

Note: The chart below contains things still under consideration.



Tokyo Fire Brigade



In 1893, the Tokyo Fire Insurance Company formed the Tokyo Fire Brigade, at the time the only private fire brigade officially authorized by the Metropolitan Police Department. When a fire was reported, the firefighters would don their *happi* coats embroidered with the brigade's emblem, grab Tobiguchi (fire hooks), and rush to the scene as quickly as possible to extinguish the fire and prevent it from spreading, protecting both customers and the local community. The Tokyo Fire Insurance Company's emblem, which incorporates the design of a Tobiguchi, is depicted on the Tokyo Fire Brigade's embroidered *happi* coats and lanterns.

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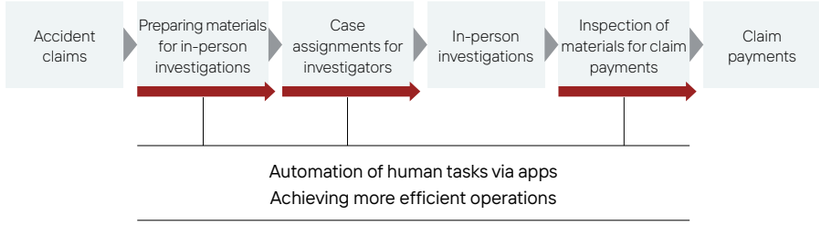
Domestic P&C Insurance Business

Initiatives to enhance the quality of the claims service division

Sompo Japan Insurance is proactively implementing digital transformation measures to ensure prompt and seamless insurance claim payments to customers in the event of large-scale natural disasters. Previously, information required for claims investigations was dispersed across multiple systems, resulting in significant time spent scheduling visits for affected customers and preparing the necessary documentation for investigations. To address this issue, Sompo Japan Insurance has partnered with Palantir Technologies and ABEJA—leaders in data and AI use—to develop a centralized system for managing information as well as apps to support business operations. These developments have made the processes of preparing materials for claims investigations, scheduling on-site inspections, and managing appointments more efficient.

Through enhancing our response to customers affected by disasters, the HIKESHI DNA 2030 Project aims to help realize a disaster-resilient society where everyone can live with peace of mind.

Measures to enhance efficiency for claim payments during large-scale disasters



HIKESHI Partnership with Weathernews



In April 2026, Sompo Japan Insurance entered into a HIKESHI Partnership with Weathernews, one of the world's largest weather companies. Under the slogan "Making disaster prevention Japan's new culture," the partnership combines Weathernews' high-precision weather data and observation infrastructure with Sompo Japan Insurance's expertise in risk management. As the first step in this partnership, we began airing a collaborative show called HIKESHI ACTIONS! which started airing on the 24/7 weather program Weathernews LiVE in June of 2026. We are also conducting a large-scale joint promotional campaign via apps and social media.

We will work to raise awareness of disaster prevention and mitigation for every individual in society, strongly encourage concrete behavioral changes to protect lives and livelihoods from disasters, and strive to increase awareness of our HIKESHI initiatives.

Please refer to "HIKESHI ACTIONS!" for details (Japanese only).

Joint creation of vehicle repair platform through partnership with DRS Group



In May 2026, Sompo Japan Insurance entered into a strategic partnership with Germany-based DRS Group, a global leader in paintless dent repair technology. In response to increasingly severe hailstorms in recent years, we are capitalizing on DRS Group's state-of-the-art technology that allows dents to be restored quickly without the need for replacing parts or repainting and uses an AI scanner to identify damage in only 20 seconds. We have established a framework to set up initial diagnostic centers in disaster-stricken areas within 72 hours and to fully digitize the entire process from estimates to claims. By minimizing the amount of discarded parts and paint used, we thoroughly reduce environmental impact and help bring about a circular economy. Much more than simply paying insurance claims quickly, we accompany customers throughout the entire vehicle restoration process, thereby supporting sustainable social infrastructure.

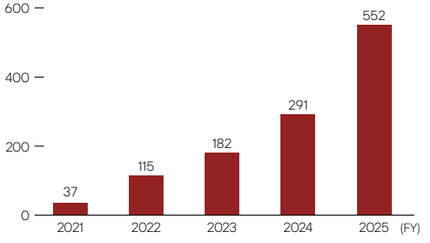
Bosai JAPAN-DA Project

Guided by the spirit of acting for the sake of people and society that has been part of the Group's "HIKESHI DNA" since our founding, the Bosai JAPAN-DA Project conducts hands-on disaster preparedness workshops that address local challenges, targeting parents and their children who will shape the future. Organized in collaboration with local business partners and agencies through local Sompo Japan Insurance employees, the workshops are expanding across the country, broadening the scope of solutions we provide to address local challenges that go beyond insurance.



Water disaster changing game

Bosai JAPAN-DA Project workshops



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Overseas Insurance and Reinsurance Business

Strategic Role and Direction of the Overseas Business

The Overseas Insurance & Reinsurance business plays a central role in Sompo Group's ambition to become a platform for global resilience and well-being. In recent years, the business has expanded its scale, strengthened its underwriting capabilities and broadened its international footprint.

The acquisition of Aspen this year marks a major step forward in that journey, accelerating the growth strategy and enhancing the depth and breadth of our specialty insurance and reinsurance platform.

During the previous Mid-Term Management Plan period, the strategic direction of our Overseas business was shaped by a clear set of priorities: disciplined growth, portfolio quality, capital efficiency, expansion in targeted markets and the strengthening of specialty and reinsurance capabilities.

Performance and Strategic Momentum

In assessing performance, it is important to recognize both the strength of the underlying business and the impact of major strategic actions taken during the period.

Sompo International continues to be a key driver of Sompo Holdings Group results, accounting for approximately 49% of the Group's adjusted profit.

The results reflect growth across all segments, solid renewals and improved underwriting performance.

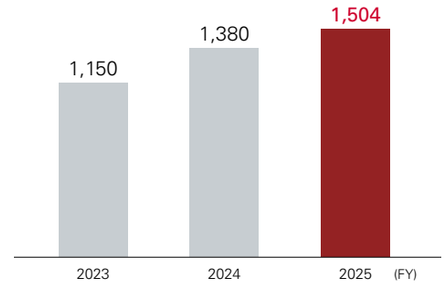
The Aspen acquisition was completed in February 2026. Its impact is important in terms of both scale and strategic positioning, strengthening the business's insurance and reinsurance portfolios, along with its UK platform, and access to its Capital Markets business and enhanced access to 70 global markets through the Lloyd's market. It also increases the ability to pursue opportunities in markets where previously our presence was limited. In this sense, Aspen should be viewed not only as an acquisition that adds earnings and premium volume, but also as a strategic enabler that is accelerating progress toward a more diversified and globally connected business model.

For the period January 1 to December 31, 2025:

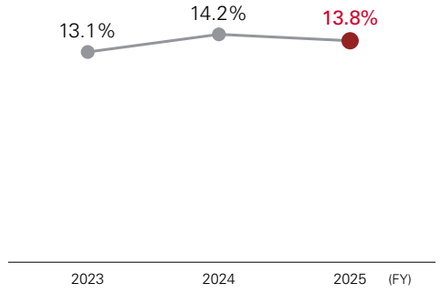
- **Sompo International Holdings generated record operating income in 2025 of US$ 1.5 billion on an IFRS 4 basis.** The growth in operating income was primarily driven by a strong underwriting result and resilient investment income which drove our **annualized operating return on equity (ROE) of 13.8%** above our 13% financial target.

Adjusted Profit (Operating Income)

($ mn)



Adjusted ROE



- **Gross Premiums Written increased 4.4% to a record US$17.1 billion,** reflecting sustained momentum across all segments. Our global strategic growth initiatives delivered US$ 1 billion GPW one year ahead of expectations.
- **Combined ratio of 95.2%** is in line with the prior year as both the loss ratio and expense ratio remained unchanged at 65.9% and 29.3%, respectively.
- **Net Investment Income was up 12.8% year over year** driven by higher assets under management (AUM), resilient reinvestment yields on the fixed income portfolio and tactical asset allocation.
- At year-end we remain well capitalized with a **257% Economic Solvency Ratio.**

Performance by Business Unit:

SompoRe

- Despite the changing market environment, GPW of US$ 4.5 billion increased 3% over the expiring renewal base driven by increases in property, catastrophe and speciality businesses.
- Underwriting income of US$ 307.2 million produced an impressive 92.1% combined ratio, up from the prior year driven by higher catastrophe losses that included the California wildfires in North America.
- The Aspen acquisition will position SompoRe into the Top 10 Global Reinsurers, along with a history of top-tier profitability.

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Overseas Insurance and Reinsurance Business

Americas Insurance (North America Insurance, AgriSompo, and Latin America)

- GPW increased by 2.1% year on year to US$ 8.3 billion driven by new business growth from geographic expansion initiatives, continued rate increases in North America Casualty, and increased uptake on certain crop supplemental products. These were partially offset by the lower rate environment in other P&C products and lower crop commodity prices.
- Underwriting income of US$ 274.8 million improved significantly from US$ 57.9 million reported a year ago, primarily from North America Insurance underwriting initiatives. The benefit of lower catastrophe losses was partially offset by prior year reserve strengthening for 2024 reinsurance year crop losses.
- Investments in people, products and capabilities in Canada, coupled with the strategic expansion of Sompo's US footprint, supported profitable growth, strengthened market presence, and contributed positively to North America Insurance's overall financial performance.

EMEA Insurance (UK, Continental Europe and Türkiye)

- GPW increased by 16.1% to US$ 3.4 billion primarily driven by the expansion in Continental Europe, which has nearly doubled its GPW, and the Türkiye Motor business.
- Underwriting loss of US$ 97.5 million worsened from a gain of $14.5 million income reported a year ago impacted by strategic growth investments in Continental Europe, large losses in the UK in the first half of 2025 and by inflation-driven increase to claims costs in Türkiye. Investment yields in Türkiye remained strong at 33%, supporting the overall economics of this business.

APAC

- GPW increased by 5.4% year over year to US$ 853.7 million, driven by growth in the Consumer business, partially offset by portfolio and line size management in the Commercial segment.
- Underwriting income declined slightly to US$ 28.2 million, compared to US$ 34.4 million in 2024, due to large losses in commercial business including regional natural catastrophes. The acquisition ratio rose by 1.3 percentage points year over year, reflecting our continued focus in repositioning the commercial portfolio with a lower proportion of fronting business.

Strategic Priorities for Future Growth

Looking ahead, the strategy for Sompo's Overseas Insurance and Reinsurance business remains centered on disciplined, profitable growth. The business will continue to pursue opportunities selectively, especially in markets where it remains underpenetrated. At the same time, management remains clear that growth must be judged by its contribution to the bottom line, not simply by premium volume.

Technology and AI will also play an increasingly important role in the business's strategy. As data becomes more central to underwriting, distribution and operations, the ability to use AI effectively will become a source of competitive advantage. The opportunity lies in improving decision-making, increasing efficiency, enhancing service and scaling expertise across the platform. At the same time, success will depend on strong governance and careful management of risk, including issues related to bias, data quality and regulatory expectations.

Another important strategic theme is culture. As Sompo's Overseas platform grows in scale and complexity, maintaining agility and avoiding unnecessary bureaucracy is essential. Our aim is to build a business that is globally connected but still locally empowered, with clear governance and strong accountability. That balance will be central to sustaining performance and supporting future expansion.

In this context, Sompo's Overseas business is not only growing larger but also it is becoming more integrated, more diversified and more strategically important to the Group. Its role in Sompo's transformation is therefore significant. It contributes earnings, broadens the Group's global presence, enhances resilience through diversification and supports the development of a more globally connected operating model.

The strategy going forward is therefore clear: maintain underwriting discipline, pursue selective growth, strengthen technology and AI capabilities, and continue building a business that combines global reach with local market strength. By doing so, Sompo's Overseas Insurance & Reinsurance business will remain a key engine of Sompo Group's long-term value creation and an important pillar in realizing the Group's vision.

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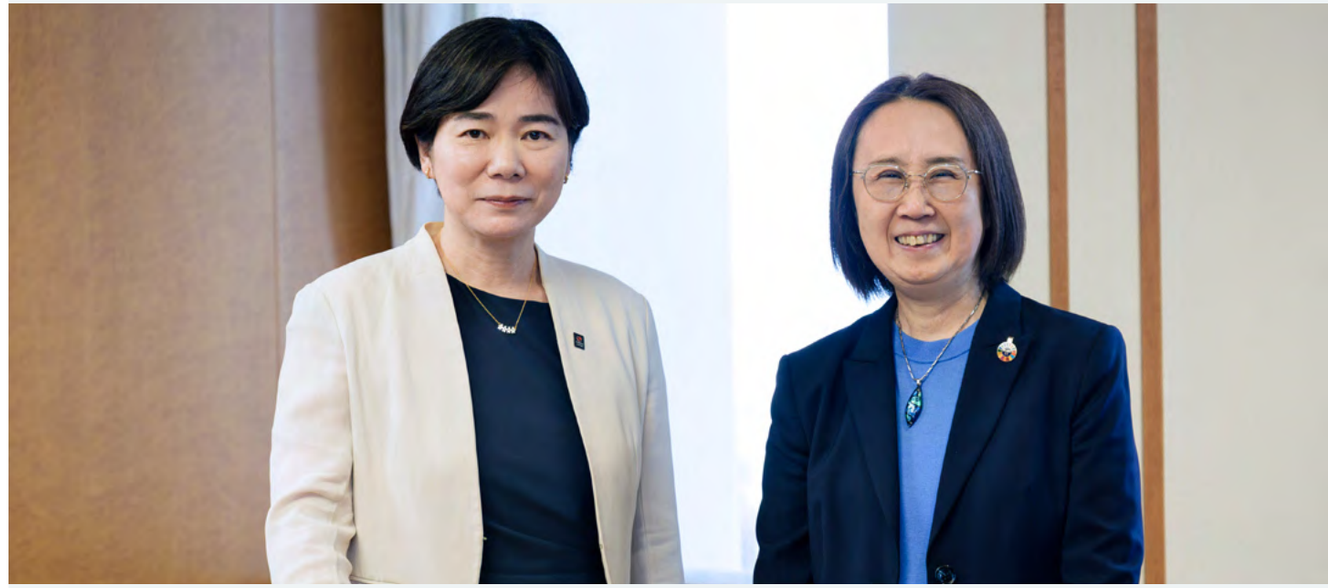
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Dialogue | Toward Transforming the Business Foundation and Creating Value Unique to Sompo Japan

In response to a series of malfeasance issues, Sompo Japan has been working to fundamentally transform its business foundation, including reforming the corporate culture and improving quality. Kayoko Sakai, the Chief Culture Officer (CCuO) in charge of transforming the business foundation at Sompo Japan, and Emiko Nagasawa, who served as an outside expert member on the Quality Management Committee, sat down to discuss the current status of these efforts and the challenges ahead.



Kayoko Sakai
Senior Executive Vice President CCuO, CSuO
Sompo Japan Insurance
Group CSuO
Sompo Holdings

Emiko Nagasawa
Former Outside Expert Committee Member
Sompo Japan Insurance,
Quality Management Committee
Waku Waku Co-Creation Office

Fostering a culture of dialogue and consent

Sakai Our company has a very long-standing relationship with Ms. Nagasawa—she has played an active role in the Japan Business Federation (Keidanren) and has supported us on numerous occasions, including when our successive Presidents and Chairs were appointed as Chairs of the Keidanren Nature Conservation Council or of the Committee on Responsible Business Conduct & SDGs Promotion. As part of our business improvement plans, we established a Quality Management Committee with the goal of improving the quality of our business operations for fulfilling the fiduciary duty to customers, and we came to see that it was essential to incorporate outside perspectives to achieve our goal. Ms. Nagasawa immediately came to mind as a candidate to serve as an expert committee member. She maintains broad connections both in the business community and beyond, and has given deep consideration to the social responsibilities that companies should fulfill. When we approached her, she graciously accepted our invitation and supported the Quality Management Committee for two years, starting in April 2024.

Nagasawa Sompo Japan has long been recognized as a leader in sustainability. That's precisely why I was deeply concerned by the series of issues that came to light, and I accepted the committee position in the hope that I could contribute to the company's efforts to move forward.

Throughout my career at Keidanren, I have been involved in promoting the Charter of Corporate Behavior and supporting companies' sustainability initiatives. From that experience, I have come to believe that transforming corporate culture and changing day-to-day behaviors across an organization are among the most difficult challenges any company can face.

In the Quality Management Committee, I sought not only to discuss the strengthening of systems and processes, but also to offer candid observations from the perspective of whether a genuine customer-first mindset is truly reflected in decisions and actions on the frontline.

Sakai The FSA's business improvement orders strongly highlighted cultural issues like excessive top-down decision-making, a disregard for customers and compliance, and a disconnect between management

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and employees on the front lines. Under our SJ-R project, we are working on two areas of transformation—our operating foundation and our earnings structure—and we've put various measures in place to transform the culture so that we can act in a way that is deeply considerate of our customers.

The first thing we did was to facilitate dialogue between management and employees. We've held discussions with roughly 18,000 employees over the past two years (as of the end of May 2026), focusing on demonstrating management's commitment to change while fostering a culture of dialogue and consent. Initially, there was some distrust toward management, and we sometimes received harsh criticism from employees. Now, though, I can really feel a shift in employees' mindsets—we're increasingly hearing comments like, "I feel it's okay to speak up," "I also need to make changes myself," and "We should be the ones to bring about change."

Also, after hearing feedback from around 15,000 employees, we formulated the vision of "We're glad we chose Sompo Japan. We're glad we chose SOMPO." in addition to our value "Dedicated to the customers ,society, and ourselves," and are currently focusing our efforts on embedding these principles throughout the organization. We believe it's important to reflect daily on whether our day-to-day work and behavior aligns with our vision and values and to continue to see these principles evolve through ongoing dialogue.

The meaning of customer-centric business operations

Nagasawa The P&C insurance business is built on providing intangible value—peace of mind and trust. That is why I believe that operational quality and customer-centricity are not simply management issues; they go to the very heart of the company's purpose and long-term sustainability. In that sense, the current transformation is not merely about strengthening compliance. It is an opportunity to re-examine the fundamental question: What value does the company seek to create for society?

One of the most challenging aspects of our discussions, however, has been defining exactly who the "customer" is in this business. If I ask employees across the company, I may get different answers back depending on their role at work. The difficulty stems from the fact that various stakeholders, including agencies, are incorporated into the business model. For this reason, the company has to carefully define its terms. A culture cannot truly be said to have taken root until there is progress to the point where all stakeholders understand and embody the value the company offers.

Sakai Despite the fact that there are customers on the outward-facing side of our agencies, we previously focused solely on the agencies themselves, rolling out agency-centric initiatives. Currently, we are once again holding more in-depth discussions within the company about what it means for business operations to be customer-centric to fulfill our fiduciary duty. This is the conclusion we've come to: To provide customers with the best possible proposals and response fairly and with integrity as a company, and to fulfill our duty to explain together with our agencies the rationale for our proposals and response.

I believe "risk ownership" is key to putting this into practice. It's vital for each employee to thoroughly understand the direction the company is heading and proactively anticipate the kinds of problems that might arise in their assigned work, think about how to prevent such problems, and what action to take if problems do occur.

Shifting from "telling" to "communicating"

Sakai One of the major changes I've noticed since inviting experts onto the Quality Management Committee is in our external communication. For example, our previous business improvement reports consisted almost entirely of text, but after receiving feedback that they should be easier for the general public to understand—and help employees feel the changes taking place within the company—we focused on making them clearer and more accessible. An outside director once told us, "This company insists on broadcasting information." Their point was that we were falling short in terms of whether the information we were sending out was actually reaching the people we intended to reach.

Nagasawa There's a difference between sending a message and ensuring that it is truly understood. Even if you think you're conveying your message, it's meaningless if it doesn't get across to the other person. I've heard that, with the use of AI and other tools, the company's communication is now shifting to become audience-oriented, and I find that very encouraging.

The importance of being systematic

Sakai Our company actually received an administrative disposition about 20 years ago. When I think about why we were unable to learn from that experience, I feel that a major factor was our failure to put

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proper systems in place.

To ensure we never forget these incidents or repeat the same mistakes, we established a "Heritage and Reflection room" installation at the head office. This installation allows employees to experience our journey of improvement—including a timeline documenting our past administrative disposition and company actions, as well as feedback from customers and society at large—through videos, panels, and audio recordings that engage both sight and hearing. In addition to visits by groups from various work sites, new hires and newly appointed general managers have visited as well, bringing total visitors to about 6,000 employees. We've also designated November of each year as "Month to Review the Past Incidents" and hold workplace meetings during this time. We believe it is crucial to establish a system to ensure that we never forget how we lost the trust of our customers and society, nor the inconvenience and concern we caused them.

Nagasawa It is valuable and necessary to put in place systems that help preserve and pass on the company's purpose and values. In today's society, building robust systems is rightly regarded as an essential part of achieving sustainable change.

At the same time, as I mentioned earlier, I believe it will be extremely difficult to instill this aspiration all the way to the level of the company's agencies. A company cannot sustain its own culture in isolation. Unless those shared values become embedded across the broader ecosystem, they will be difficult to maintain over the long term. Just as Sompo Japan has demonstrated leadership in sustainability, I look forward to the company serving as a leader in advancing a customer-first culture across the industry, inspiring others and helping to raise standards for the sector as a whole.

Value creation unique to Sompo Japan

Sakai Thank you. First and foremost, I believe it is a prerequisite to see to it that every measure in our current business improvement plans becomes a routine part of employee behavior. On top of that, we've also been deepening our discussions around what kind of value we will provide so that our company continues to be the preferred choice of customers over the next 100 years. Through repeated discussions involving both management and younger employees, we've formulated a value creation story. The story emphasizes our commitment to driving both social and economic value in a way that not only generates earnings but also gives back to society. The HIKESHI DNA 2030 Project, which has gotten fully underway in FY2026, represents one of the concrete initiatives we are taking to put this into practice. The company's origins from the time of its founding in 1888 lie in protecting people from fire disasters (*hikeshi*). Our aim is to provide products and services as a kind of "modern HIKESHI" guided by the same spirit by supporting customers holistically, from prevention before a disaster to the time when disaster strikes, as well as in its aftermath.

Nagasawa I believe the HIKESHI DNA project is extremely meaningful and wonderful. Reaffirming the company's core values and using them as a foundation for thinking about what is needed today and what will be needed in the future is critically important.

No going back

Nagasawa The greatest challenge in transforming corporate culture is ensuring that things do not revert to the old ways once the initial sense of urgency begins to fade. Sustaining change requires top management to consistently reinforce its message and to maintain ongoing dialogue with employees and agencies on the front lines.

The priority must continue to be on the factors that can't be measured by numbers alone—building customer trust and fostering an environment where employees feel safe speaking up. While continuing to incorporate outside perspectives, the company needs to integrate this transformation into its day-to-day management rather than treating it as a special project. Ultimately, I believe a cultural transformation can truly be said to have taken root only when employees on the front feel empowered to speak up whenever they believe something is not in the best interests of customers, and when those actions are encouraged, recognized and valued.

Sakai I think you've put your finger on it. It's really important to declare that change starts with the leadership and to keep demonstrating the unwavering commitment of top management. Another key point is risk ownership, which I mentioned earlier. To put it another way, I think of it as taking personal ownership of issues to an extraordinary degree. In addition to a safe psychological environment that allows employees to speak up without being held back by precedent when they sense something that seems off, I believe the core of not reverting to old ways after a transformation lies in each employee prizing the company's purpose, vision, and values and consistently treating these as their own responsibility.



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Overview of SOMPO Wellbeing

In an era where 100-year lifespans are the norm, our aim is to help create a society where living longer is a source of hope rather than anxiety. SOMPO Wellbeing addresses three key societal concerns of health care, nursing care, and retirement finances to build a society where everyone can look forward to aging in their own way. Through initiatives to "connect and be connected" that organically integrate our products, customer touchpoints, and data, we gain an in-depth understanding of individual customers and deliver the optimal solutions they need at the most opportune moments. Rather than providing one-off services, we "connect" to future value, building enduring and highly supportive relationships with our customers.

SOMPO Wellbeing's Value Creation Story

Our Vision

Contribute to a society where everyone can think positively about aging

Key Initiatives

Alleviate three concerns

Health care concern	Nursing care concern	Financial concern after retirement
Extend healthy life expectancy (around a 10-year gap between life expectancy and healthy life expectancy)	**Fill the labor supply-demand gap in nursing care** (more people requiring nursing care, fewer caregivers)	**Make retirement savings last longer** (ratio of self-funded retirees 10%)

Our Value Proposition

"Connect and be connected"

1 Know by being connected

Integrating customer data from the various companies through a common ID platform for personalized analysis

Analysis platform / Common ID infrastructure

2 Connecting to deliver

Using digital touchpoints and AI, providing services at the optimal time before the three concerns of customers materialize

AI / Digital contacts

Improving life time value

3 Long-standing, deep connections

Gaining trust that allows customers to say, "We're glad we chose SOMPO," building relationships to support them throughout their lives

Chain of customer touchpoints / Developing more in-depth relationships

Our Diverse Ventures

Diverse businesses with specialized expertise

Sompo Himawari Life Insurance (Domestic Life Insurance Business) — Health / Nursing care / Money
Insurhealth®: insurance + health support features
Over 2.3 million cumulative policies in force

Sompo Care (Nursing Care Business) — Nursing care
Number of senior residence rooms: Over 28,000
Providing care services to about 87,000 people

SOMPO Wellbeing (business to help address the three concerns) — Health / Nursing care / Money
Wellbio consultation service addressing the three concerns
Satisfaction with consultation: 4.9/5.0
(Wellbio follow-up survey, as of June 2026)

Sompo Health Support (health guidance, healthcare business) — Health
Health guidance: About 475,000 consultations
Providing mental health support services to over 1.1 million people

RIZAP (chocoZAP business) — Health
chocoZAP gyms nationwide: 2,000 (as of July 17, 2026)
Number of members: 1.16 million (as of May 14, 2026)

Wellness Communications (health management cloud, health checkup solutions business) — Health
Energizing businesses and people. Supporting the wellbeing of about 5,000 companies

Sompo Japan Insurance Customer base of about 20 million people

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Message from the CEO of SOMPO Wellbeing

Driving global wellbeing by addressing three concerns

Addressing the three concerns that have emerged as risks in the 21st century

Harking back to the Sompo Group's origins as Tokyo Fire Insurance, which was animated by a spirit of "*hikeshi*," or dealing with fires, SOMPO Wellbeing is also facing new risks that have arisen in the 21st century as a consequence of declining birthrates, aging societies, and shrinking populations. We are working to address the three concerns people now face in terms of health care, nursing care, and retirement finances. These are complex risks, in which the underlying causes build up over a long period of time and often eventually surface simultaneously, such as in the form of the need to care for elderly parents, the need to set aside funds for retirement, and personal health issues. We therefore saw the importance of a business that, rather than addressing the three concerns one by one, would take a holistic approach to providing long-term support to help customers address them. To my knowledge, no other business in the world is capable of providing such a comprehensive response to such complex issues. Anticipating that societies around the world will come to face the same 21st century risks, our goal at SOMPO Wellbeing is to build a business that can expeditiously deliver solutions pioneered here in Japan, an advanced nation confronting multiple challenges ahead of other countries.

Interconnecting customer touchpoints and developing deeper relationships are the key

I believe the Sompo Group is the group that stands closest to customers worried about the three concerns. It has a more in-depth understanding of the gravity and complexity of the issues than anyone in the industry and has put in place the business foundation needed to guide customers toward solutions. This business foundation encompasses SOMPO Himawari Life Insurance, which now has over 2.3 million Insurhealth® policies in force; SOMPO Care, Japan's leading provider of facility-based care; and the corporate wellness business, which boasts numerous corporate clients in the health and productivity management domain. Our greatest strength lies in the unique services and customer touchpoints that drive each of these businesses.

The purpose of SOMPO Wellbeing is to bring these businesses together, capitalizing on their respective customer touchpoints to offer solutions that transcend business boundaries. Guided by the key phrase "connect and be connected," our strategy is to go beyond simply providing standalone services by expanding touchpoints from which we can provide customers with the solutions that will best meet their needs, thereby building relationships that continue throughout customers' lives.

For example, at SOMPO Care, which supports roughly 87,000 users, we provide services that address the



Yasuhiro Oba
CEO of SOMPO Wellbeing

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health care, and retirement finances concerns felt by users' families. We also provide cancer risk screening and other services to support health for customers who have achieved better health through SOMPO Himawari Life's Insurhealth® initiative. We deliver these wellbeing solutions to a wide range of customers by also collaborating with Sompo Japan Insurance, which has the Group's most extensive customer network. Interconnecting customer touchpoints in this way drives value creation.

The result ought to be that our customers can think, "We're glad we chose SOMPO's services. We're glad we chose SOMPO." We are endeavoring to create a cycle that heightens the value of each company with an approach grounded in these touchpoints.

Specific initiatives

The foundation for this cycle will be the common customer platform we plan to bring onstream in the fall of 2026, which will entail common customer IDs and shared analytics. This platform will facilitate progressive linkage between the systems of each Group company, enabling us, with customer consent, to integrate and analyze data previously held by the separate businesses. This will realize a framework to support the timely provision of services optimized to needs of each customer.

We are also engaged in developing services that offer added value. Since it was launched in October 2025, Sompo Wellbeing Inc. has established Wellbio consultation desks in Tokyo, Saitama, Kanagawa, Osaka, and Nagoya, aiding customers in addressing the three concerns. More than 1,000 customers have already made use of these consultation desks, even though full-scale promotional campaigns for the service are not yet under way. We have been encouraged by the hypothetical and empirical data collected so far, which suggest that customers who initially approach the consultation desks to talk about caregiving will often go on to enquire about retirement finances and their own health issues. In FY2026, we will also begin building a new solution provision model by leveraging the extensive, trusted agency networks of Sompo Japan Insurance and SOMPO Himawari Life.

For corporate customers, we offer a package service called "Wellbio Biz" that supports employees in balancing work and nursing care. The number of "working carers" (individuals balancing work with nursing care) is expected to reach approximately 3.18 million in Japan by 2030. To address this issue, Wellbio Biz has already grown to the point of serving around 150,000 people (including about 120,000 people outside the Sompo Group), mainly employees of large companies that do business with Sompo Japan Insurance.

In December 2025, we also entered into a capital and business alliance with Kamakura Shinsho, operator of Japan's largest portal sites in the end-of-life planning space. By aligning ourselves with Kamakura Shinsho, which targets the various needs of individuals approaching the end of life, our aim is to build an end-of-life infrastructure that offers comprehensive support, from advance directives and preparations to procedures after death to care for families left behind. We have already begun providing these services to SOMPO Care users, SOMPO Himawari Life customers, and their families, receiving appreciative feedback.

To elevate the quality of our recommendations and service offerings, we are also taking a behavioral-science approach to encouraging customers to adopt health-conscious behavior. In the SOMPO Choco-Katsu! Trial for Group employees, participants with no previous exercise habits were encouraged to make use of the casual ChocoZAP gyms operated by RIZAP, Inc., located in numerous convenient locations. In addition to participating employees building exercise habits, the trial yielded data that demonstrated productivity improvements, such as a reduction in presenteeism. We have also incorporated behavioral science into the specific health guidance offered by the corporate wellness business, driving an increase in the percentage of people booking initial consultations and an accompanying boost to sales. Going forward, we plan to draw on this evidence in developing B2B services.

Expectations for operating companies within SOMPO Wellbeing

A year after the launch of SOMPO Wellbeing, we are working to hone the strengths of each business to further accelerate our initiatives. For our domestic life insurance business, SOMPO Himawari Life Insurance has the largest number of customer touchpoints in the Group, with over 2.3 million Insurhealth® policies in force. We expect that company to further expand its customer touchpoints and play a leading role to serve as touchpoints for other businesses. For our nursing care business, we envision SOMPO Care moving further ahead to create the future of nursing care, helping to transform nursing care in Japan by offering solutions to other care providers. For our healthcare and corporate wellness business, we look to SOMPO Health Support and Wellness Communications to capitalize on their wealth of accomplishments and data in expanding their reach to include small and medium-sized businesses in addition to the large corporations that have been the focus to date.

I believe it is also essential to engage in collaboration that transcends organizational boundaries. Since taking office as CEO, in addition to communicating with employees, I have made personnel changes across the businesses that make up SOMPO Wellbeing. It has been encouraging to see employees from different businesses getting to know one another and engaging in daily communication, naturally enhancing cross-organizational efforts to "connect and be connected" and contributing to customer-centric recommendations.

Our vision for 2030 and subsequent global expansion in view

SOMPO Wellbeing has set a target of increasing adjusted consolidated profit to ¥100 billion or more by FY2030. We aim to make that goal more attainable, not only through organic growth at the level of each business and through the extension of customer touchpoints between businesses, but also by acquiring the missing pieces needed to realize our ideal business model.

Looking further ahead, we aspire to deploy globally the solutions we have created here in Japan—a nation confronting these demographic challenges ahead of the rest of the world. We are seeking to establish a business model in Japan by FY2030, and have begun preparations for global expansion beyond that point. Our aim is to export superior solutions crafted in Japan to countries worldwide, evolving into an unparalleled entity that supports global wellbeing by enhancing people's resilience in their everyday lives. As a front-runner in the global pursuit of wellbeing, SOMPO Wellbeing is paving the way for a world in which everyone can flourish and think positively about aging.

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Domestic Life Insurance Business

Our evolution as a health support company, on a steady growth path

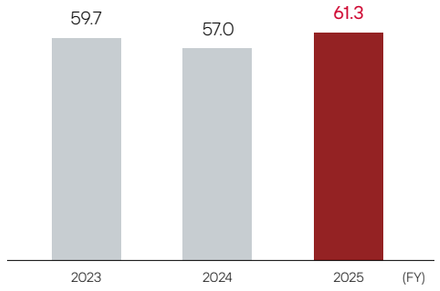
Since we announced a plan to transform into a health support company in 2016, Sompo Himawari Life has targeted consistent growth by promoting Insurhealth® as a product that combines the traditional role of life insurance with a new support function for healthcare.

Under the Mid-Term Management Plan starting in FY2024, we expanded our lineup beyond the traditional protection products such as medical insurance and cancer coverage to include new unit-linked insurance plans for supporting wealth accumulation. This helped us broaden our customer base and expand into new markets while boosting revenue from policy premiums and other income. We also released the MY Himawari app and introduced a points program to reward positive health actions and provide customers with incentives to manage their health better.

The success of these initiatives contributed to the domestic life insurance business reporting ¥61.3 billion in IFRS adjusted profit for FY2025. By year-end, policies in force numbered around 5.22 million and the base of Himawari clients/users* sharing our philosophy had grown to around 5.70 million.

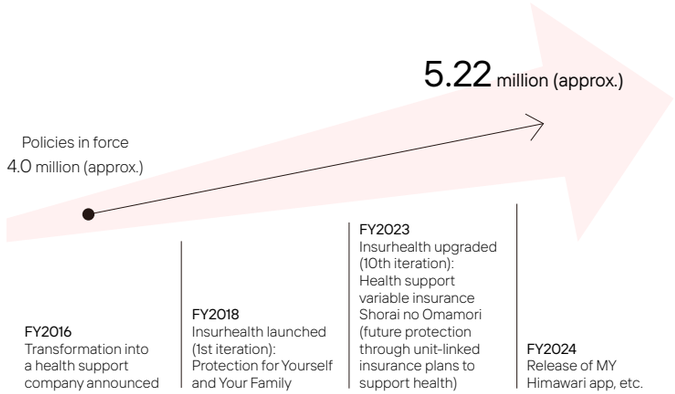
Adjusted profit

(¥ billion)



* Number of users with an existing policy or a subscription to wellbeing services

Insurhealth driving growth in policies in force



For details: Principal Insurhealth products and wellbeing services (Japanese only)

Assets and strengths gained from health-oriented focus

Beyond the increase in business scale, the major assets we have gained are the knowledge and data accumulated from providing everyday health support to customers.

For example, our Get☆Healthy Challenge! Program rewarded participants with premium discounts linked to improvements in health and smoking habits. A joint study with Sompo Institute Plus has since confirmed a reduction in hospitalization rates after a few years for those who successfully completed "Challenge!" compared to those who did not.

The study also showed that the frequency of usage of the MY Himawari app for daily health support among the "Challenge!" participants was positively correlated with program success.

Such programs are helping us build up knowledge on how health actions can reduce future health risks. In addition, the data gained from the health check-ups for around 78,000 policyholders using the app allow us to build a unique database to define the emerging field of insurance and health data utilization.

Going forward, we will utilize this evidence based on knowledge and data to develop more high-value-added insurance products and wellbeing services.

From health support to wellbeing support: creating original value as a constant life partner



Yasuki Kume

President of Sompo Himawari Life Insurance

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Domestic Life Insurance Business

Current reforms are essential to evolving into a wellbeing support partner

Japan faces the demographic challenges of a society undergoing population aging at an unprecedented speed. Increasingly complex social issues have made many customers more anxious about the future. In this context, to stay the first choice of customers, we have to be a company that continues to come alongside customers to meet their genuine needs.

Our next mission is to remain the first choice of customers by leveraging strengths we have developed to help address societal issues. This is why in FY2026 we are pursuing a vision of evolving from a health support company into a wellbeing support partner.

Beyond simply preparing for illness or injury, our aim is to help alleviate the three concerns that are a key source of future-related anxiety, namely health care, nursing care, and retirement finances.

Specifically, by leveraging the knowledge we have built up with Insurhealth and the strengths of Sompo Group, we will continue to provide constant support to customers to help them live life to the fullest through the varied stages of life, from prediction and prevention to prognosis, nursing care, and end of life.

Constant support through life's varied stages



Two growth drivers supporting evolution, underpinned by trust

We are strongly pursuing two growth drivers to guide this next evolution.

First, we are working to strengthen Insurhealth products. We are focused on speeding up the development cycle to create highly original products that will rapidly respond to diverse customer needs, based on a decade of data and accumulated strengths.

Second, we are becoming a provider of wellbeing services. Based on the business domain-expanding "connect and be connected" approach, we are offering a range of services to harness collective Group strengths. These include Wellbio Biz, which helps employees balance their work and nursing care responsibilities, and a collaboration with Kamakura Shinsho in the end-of-life planning space.

The foundational basis for these initiatives is the trust we build with people through customer-centric operations. Any business delivering the intangible value of insurance can only succeed by building trust-based relationships with customers.

We take the recent scandals in the Japanese life insurance sector extremely seriously because they have damaged the trust that is the foundation of the industry. Our goal is to achieve sustainable growth grounded in trust by ensuring customer-centric operations backed by high levels of transparency across corporate activities.

Driving the growth of Sompo Wellbeing through social value creation

A major issue in present-day Japan is the fragmentation of service delivery to respond to needs associated with a low birthrate and population aging, such as health care, nursing care, and retirement finances in later life—despite the existence of specialists within each field.

The key to addressing this issue lies in a business model of life insurance that is characterized by long-term contact with customers. By maximizing the strength of this long-term customer engagement, we aim to go beyond the traditional function of protection for the unexpected to deliver an integrated, seamless customer experience spanning life stages from prediction, prevention and insurance to post-illness prognosis, nursing support care, and end of life. As a value proposition, we believe this will create a unique growth strategy that leverages the strengths of the Sompo Group.

Sompo Wellbeing will be a powerful leader in helping to bring about a society where customers' three major concerns are addressed and people think more positively about aging.

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Nursing Care Business

In pursuit of our purpose of Transforming Japan's nursing care, and building the future of Japan, we champion the values of coexistence, mutual growth and co-creation, fundamentally rooted in respect for human beings. Guided by these principles, we have established three core businesses as the pillars of our management strategy.

The Operator business delivers optimized nursing care services to users; the Solutions business extends the expertise and services we have accumulated over the years to other nursing care business operators to drive sector-transforming outcomes; and the Wellbeing business seeks to build the future of Japan by addressing the three concerns of health care, nursing care, and retirement finances.

Purpose

Transforming Japan's nursing care, and building the future of Japan

Priority goals

Respect for human beings

Coexistence	Mutual growth	Co-creation
Enhance supply and contain demand to realize a society where people can live together in harmony	Work together to cultivate a company where employees are more engaged	Work together to build the future of nursing care

Business strategy

Transform Japan's nursing care		Build the future of Japan
Protect	Extend	Create
Operator business	**Solutions business**	**Wellbeing business**
Shape "future nursing care"	Transform the nursing care industry	Address the three concerns

Operator business: building the future of nursing care—making nursing care operations more sustainable

Japan's nursing care industry currently faces an unprecedented crisis brought about by a drastic shortage of care workers. The shortfall in nursing care personnel will expand to an estimated 570,000 people by 2040, and the total industry workforce contracted for the first time in 2023. Unless this situation changes, we face the reality of a future where we cannot properly support users.

In the Operator business, we are seeking to build the future of nursing care by boosting productivity while maintaining quality, based on the concept of having care workers focus on what only they can accomplish, and leaving all other operations to technology and digital, data, and AI (DDA) tools.

This initiative had generated a cumulative positive impact of ¥2.5 billion by the end of FY2025, driving growth in adjusted profit from the nursing care business to a record-high ¥10.9 billion.

We have completed applications for a 3:0.9 staffing ratio at 148 of our nursing care homes, and aim to achieve this ratio across our network of care facilities by FY2030. We are reducing working hours spent on routine tasks by deploying AI for tasks such as taking minutes in meetings, drafting care plans, and CCTV monitoring. This enables employees to use the time freed up to come alongside users to provide custom-made care drawing on their expertise. Capitalizing on AI not only boosts efficiency and creates new economic value, but also generates moral value that ties into our respect for human beings.

Solutions business: transforming the nursing care industry—delivering expertise and services

The challenge of shaping "future nursing care" is not just about solidifying our competitive position. We plan to leverage the expertise and services accumulated in the Operator business to create solutions that drive productivity growth along with quality across the nursing care industry in Japan. We are confident that this mission for the Solutions business will help transform Japan's nursing care.

Collaboration between Sompo Care Solutions (established in July 2026) and ND Software will help accelerate this strategy. We are integrating the product expertise of ND Software, a leader in the market for nursing care operational support software, with the nursing care operational expertise and customer base built up by Sompo Care via its nationwide channels. More than simply selling systems, our aim with this initiative is to build a common industry platform that enhances the sustainability of Japan's nursing care sector as a whole.

By creating a future nursing care operating model in Japan, this collaboration between Sompo Care, Sompo Care Solutions, and ND Software will seek to improve the sustainability of the nursing care industry and transform Japan's nursing care.

Integrating expertise in nursing care operations, technology, and DDA resources to transform Japan's nursing care sector is both something we alone can do and our duty. Sompo Care Solutions aims to achieve annual sales of ¥10 billion by FY2028 through ND Software's nationwide rollout of the future nursing care operating model across a network of over 48,000 clients. We believe the future wellbeing of Japanese society will come about as we partner with other nursing care providers to overcome the social issue

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



Takamitsu Washimi

President of Sompo Care

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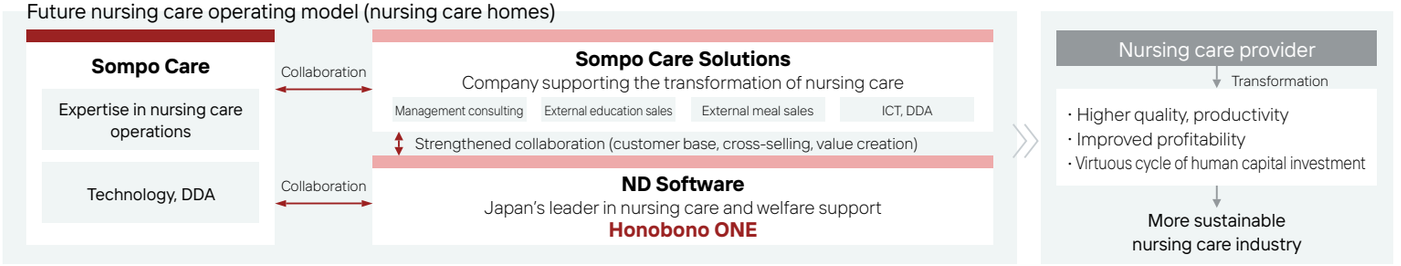
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Nursing Care Business



of overwhelming labor shortages with a robust commitment to supporting the industry as a whole.

Wellbeing business: alleviating the three concerns—connect and be connected with the Group and with partners

The Wellbeing business embodies our mission of building the future of Japan. Our focus to date has been on long-term care insurance services that support the way people want to live, alongside private services outside the insurance field. As the anchor of the Sompo Group and nursing care professionals, we are deeply committed to fulfilling end-of-life planning needs. Striving to be a "true partner in life's final chapter," we earnestly engage with every individual's wishes for how they envision their final days. Through more in-depth collaboration with Kamakura Shinsho, a leading portal site operator in Japan that shares this commitment, we are evolving into a group of professional nursing care providers catering to all stages of life for our users, including their desires regarding the end of life.

Our concept of wellbeing goes beyond physical and mental health to encompass finding fulfillment in society. Under a Group-wide "ONE SOMPO" approach, we are collaborating with Sompo Japan Insurance, Sompo Himawari Life Insurance, and other like-minded alliance partners to enhance wellbeing for users, families, and society as a whole by seeking to address the three concerns of health care, nursing care, and retirement finances.

Investing in people to support the business now and in the future

With the aim of cultivating a company where employees feel more engaged, in pursuit of realizing the "New 3K" in nursing care (Kaete-iku [change]), Kachi-aru [worthwhile], and Kando-dekiru [inspiring]), we are moving forward with investments in employee education and with efforts to improve compensation programs. We have created the capacity for 23,000 employees to study each year at the Sompo Care University, our in-house learning center, or through our online campus. Our Care Pride Meister system encourages individual employees to pursue specialization and take pride in their work.

In addition, we have used the synergies generated by the rollout of future nursing care and earnings from private (non-insurance) services to fund ongoing improvements in compensation programs, equivalent to a total of ¥5.8 billion to date. By 2030, we aim to raise annual salary levels in the nursing care business to the industry average so that more workers are drawn to be caregivers in the future.

Building a dynamic workplace that empowers a diverse workforce, enabling young professionals, senior experts, and international talent to excel irrespective of gender. One example yielding concrete results is a model we have developed with NSDCI, an organization affiliated with the Indian government, in which workers undergo a nine-month specialist training program before joining our workforce in Japan. A total of 49 Indian nationals came to Japan under this program in FY2025.

Moving forward, guided by both moral and economic considerations, and by fostering an environment focused on things only care workers can do, we will continue striving to be genuine companions for people approaching the end of life, for both our users and their families as well as for society as a whole. Supporting a future of health, wellbeing, and financial protection, the nursing care business aims to transform Japan's nursing care, and build the future of Japan.

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SOMPO Wellbeing Initiatives

Establishment of Sompo Wellbeing Inc.

Since its founding, the Sompo Group has maintained a focus on addressing the social issues of the time. Faced with a super-aging society in Japan, our current emphasis is on creating a unique business model that comprehensively addresses the three concerns of health care, nursing care, and retirement finances. Our goal is to achieve sustainable business growth by building and expanding a network of direct customer touchpoints that enable us to provide the best possible customer experience and develop deeper, longer-lasting relationships. The crux of this strategy is SOMPO Wellbeing, which we established to help enhance the value of the Group's wellbeing business as a whole by serving as a hub connecting customers with wellbeing services.

Specific initiatives

・Wellbio

A free consultation service for questions related to nursing care, Wellbio operates out of three locations in Tokyo and a location in Saitama, Kanagawa, Osaka, and Nagoya.

In addition to face-to-face consultations at these locations, we offer services online, over the phone, and through at-home visits. In the consultations, our team of "life concierges" with specialist expertise and a wealth of experience on the ground—including social workers, accredited care workers, nurses, care support specialists (care managers), and former nursing care facility managers—assist each customer with their specific concerns.

The mission of the Wellbio service is to bring hope to people who have concerns over health care, nursing care, and retirement finances. We come alongside customers from a neutral and impartial position, addressing their specific concerns and working with them to determine optimal solutions. We offer multifaceted support for a broad range of issues, from concerns about caring for elderly parents to retirement finance, inheritance, and health problems.



We also offer individual consultations via our Wellbio Biz service for companies looking to help employees balance work with nursing care, supporting employees so that they can continue to work without worries.

・Wellbio Biz

Wellbio Biz is a service that helps corporate customers seeking to support employees in balancing work and nursing care. In the year or so since its launch, Wellbio Biz has served more than 150,000* people.

This service is aligned with government initiatives in Japan, such as the Childcare and Family Care Leave Act, the Health and Productivity Management Survey, and the Guidelines for Business Owners on Supporting the Work and Nursing Care Balance of Employees. It is a comprehensive package service ranging from general support to individualized assistance for employees, enabling companies to help employees balance work and nursing care responsibilities.

To date, we had offered the Wellbio Biz service principally to large corporations, but in July 2026, we launched Wellbio Biz-Light for medium-sized and small companies. Through these services, we are actively working to address the pressing social issue in Japan of balancing work with nursing care.

* About 120,000 people excluding Sompo Group companies



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SOMPO Wellbeing Initiatives

Capital and business alliance with Kamakura Shinsho

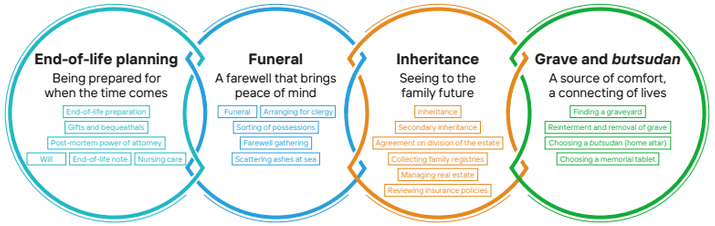
Background and purpose

In December 2025, we entered into a capital and business alliance with Kamakura Shinsho, operator of one of Japan's largest portal sites in the end-of-life planning space. The company provides services to address various needs of individuals approaching the end of life, including funerals, grave sites, nursing care, and inheritance. In the business domain of SOMPO Wellbeing, collaboration in the end-of-life planning space is essential to supporting customers throughout their lives as we pursue our core principle of "connect and be connected." By connecting the strengths of both companies, this alliance aims to build an end-of-life planning infrastructure that comes alongside customers and their families to provide comprehensive support, ranging from advance directives and preparations to procedures after death and care for families left behind.

Examples of initiatives

Sompo Group companies have begun collaboration with Kamakura Shinsho. Sompo Himawari Life Insurance has launched a new support service for end-of-life planning, spanning the entire value chain from disease prediction and prevention to insurance, prognosis and nursing care, and end-of-life support. Sompo Care is seeking to go beyond its traditional role as nursing care provider to act as a true companion for elderly users facing the end of life. In addressing the pain felt by users and their families at each stage of end-of-life, Sompo Care draws on tools such as its revised Yume Yui notebook for writing a living will, and introduces the services of Kamakura Shinsho at the appropriate time. Meanwhile, Sompo Wellbeing is working in tandem with Kamakura Shinsho to provide customers with tailored solutions via the Wellbio consultation service, which adopts a comprehensive approach to concerns ranging from nursing care to health care and retirement finaces. Going forward, we are planning the joint development of additional services that leverage the expertise of the companies under the capital and business alliance.

鎌倉新書
Kamakura Shinsho



A single end-of-life planning service that supports you all along

SOMPO Choco-Katsu! exercise research project

In January 2026, we launched SOMPO Choco-Katsu!, a behavioral science-based research project aimed at encouraging people to form regular exercise habits.

Project overview and objectives

Under this project, roughly 10,000 Sompo Group employees are eligible for free access to the casual ChocoZAP gyms operated by RIZAP, Inc., found in numerous convenient locations throughout Japan. The project is designed to help participants form exercise habits and improve their health, and scientifically verify the impact.

Through this project, which seeks to enhance corporate value by maximizing customer lifetime value, Sompo Wellbeing is collecting and analyzing an array of data from both within and outside the Sompo Group (including collaboration partners) and building an ecosystem that contributes to customer wellbeing.

Impact to date

Midway through the project, data shows an increasing number of employees who are exercising regularly as a result of taking part in this the program, and demonstrates improvements in both physical and mental health, along with a reduction in presenteeism* (based on analysis by SOMPO Institute Plus).

Going forward, we will continue working to develop new models for health and productivity management that enhance corporate value by reducing productivity losses due to health issues (presenteeism) and improving employee drive and commitment to work (engagement).

* Situation in which employees report to work despite being ill, adversely affecting their performance and productivity.

chocoZAP

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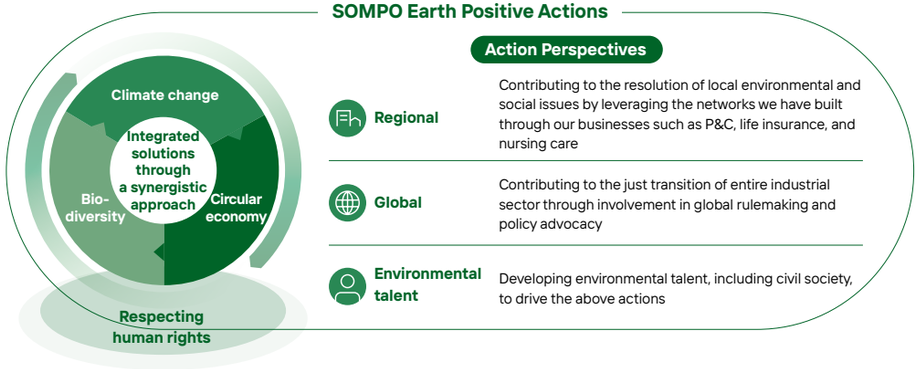
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Overview of SOMPO Earth Positive Actions

New group strategy, SOMPO Earth Positive Actions

The Sompo Group initiated SOMPO Earth Positive Actions in FY2026 as a new group strategy for exerting a positive impact on the future of the planet. Representing an evolution from the previous SOMPO Climate Action, and given the complexity and interconnectedness of issues related to the global environment, the new strategy takes a synergistic approach that integrates climate action with biodiversity and circular economy initiatives, based on a foundation of respecting human rights.

In carrying out the SOMPO Earth Positive Actions, we will make the most of our distinctive strengths including the regional networks built through the Sompo Group's diverse businesses, such as P&C insurance, life insurance, and nursing care, our track record of contributing to global rulemaking in the sustainability space, and our long-standing involvement in talent development in the environmental field. We will work as one to accelerate execution of this new strategy.



Objectives of the SOMPO Earth Positive Actions

In addition to taking steps to reduce the environmental footprint of our own business activities, we are addressing global environmental challenges, seeking to reduce the greenhouse gas (GHG) emissions of society as a whole and restore the global environment, while transitioning to an economic system that keeps resources in circulation and ensuring a just transition for customers and society, by providing insurance products and solutions that capitalize on the Group's strengths.

In this way, by executing the SOMPO Earth Positive Actions, we seek to balance contributions to the global environment with the sustainable growth of the Sompo Group.

Why engage in such initiatives?

The Purpose of the Sompo Group is to strive for a future of health, wellbeing, and financial protection. We recognize that, if we are to realize this Purpose, it is essential to ensure a sound natural environment that can serve as the bedrock for an abundant society.

Through its various businesses, the Sompo Group aims to resolve the social issues of building a future beyond risk and ensuring peace of mind for an aging society. However, the increasingly intense natural disasters and the collapse of ecosystems due to climate change threaten to undermine the very foundation of our operations, directly endangering the health, wellbeing, and financial soundness of customers.

As a company confronting a wide array of risks to society, it is incumbent on the Sompo Group to address global environmental issues both to ensure the sustainability of its own operations and to enhance the resilience of society as a whole. We believe it is our basic duty to turn such global environmental risks into opportunities and help address social issues through our business activities.

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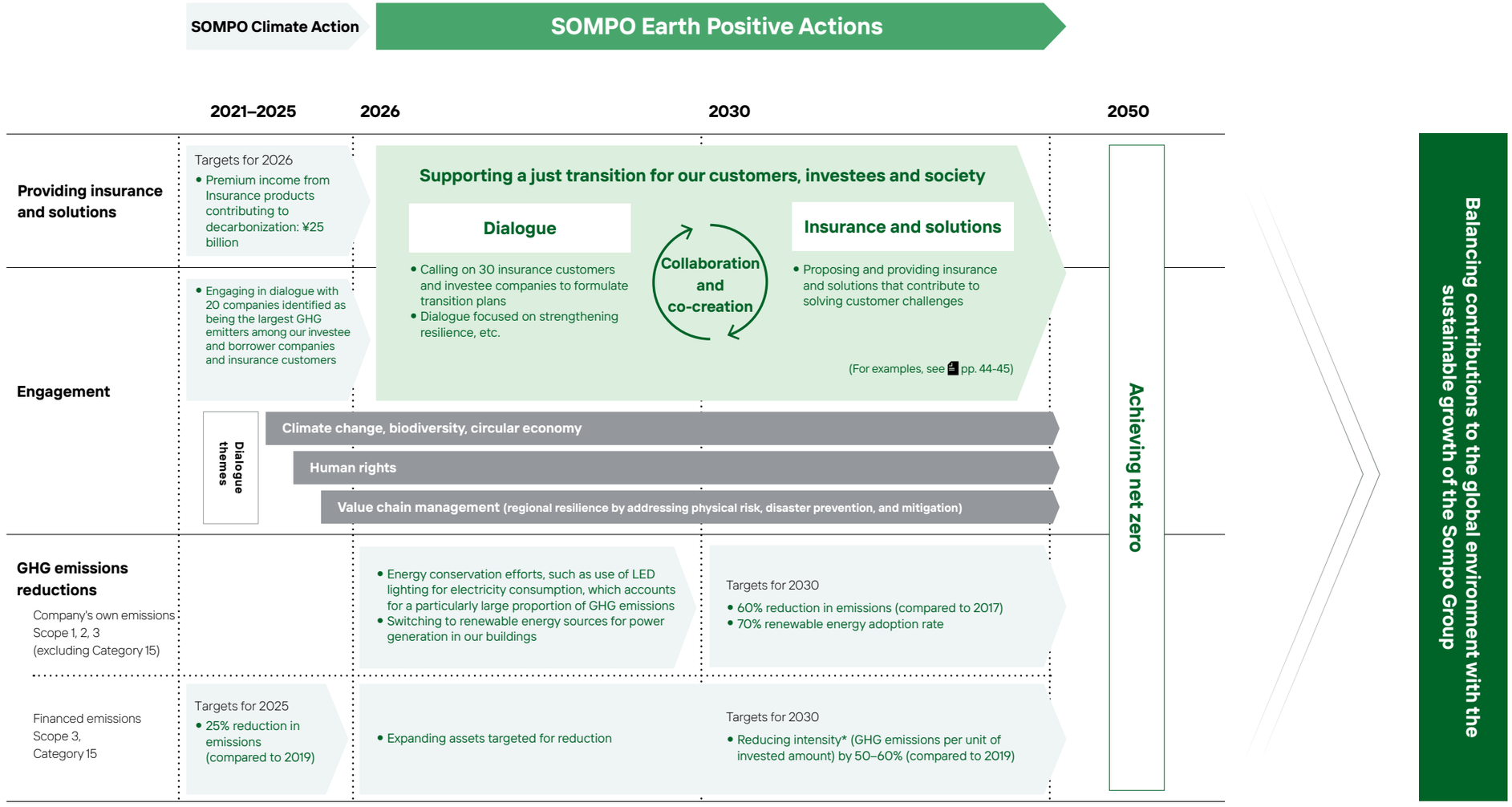
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SOMPO Earth Positive Actions Roadmap

The Sompo Group has created a roadmap for balancing contributions to the global environment with the sustainable growth of the Group, with a view to achieving net zero by 2050. Guided by this roadmap, we are supporting a just transition for society not only by reducing our own GHG emissions, but also through engagement with investee and borrower companies, insurance customers, and business partners, as well as the provision of insurance and solutions.



* Intensity is an indicator that is not easily affected by increases or decreases in the balance of investments and loans. It was established as an indicator of GHG emission efficiency not only to reduce our financed emissions but also to promote the green transition of our investee and borrower companies and society at the same time.

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SOMPO Earth Positive Actions Initiatives

Under the new strategy, with the goal of achieving net zero by 2050, the roughly 70,000 employees of the Sompo Group will work together to implement solutions that drive positive, forward-looking change in collaboration with all stakeholders, including our customers, business partners, and local communities. We highlight some of the main initiatives below.

Contributing to the construction of a sustainable value chain

Increasingly severe natural disasters stemming from climate change represent an urgent issue, posing serious physical risk to every node in the global value chain. For the Sompo Group, as a P&C insurance company that has underwritten risk for all manner of industries, it is our mission to strengthen the resilience of society and support the sustainable growth of companies.

Promoting deeper understanding of physical risk

The Sompo Group teamed up with the Institute for Global Environmental Strategies (IGES) and other partners to create a joint Japanese translation of the CEO Handbook on Physical Risk and Resilience in Value Chains published by the World Business Council for Sustainable Development (WBCSD), seeking to educate corporate executives on the need to address physical risks across the value chain and on how they can practically do so.



For details: "Physical Risk and Resilience in Value Chains" and "Getting Ahead of Physical Risk" (WBCSD)

Strengthening corporate resilience by visualizing risks

The web service SORA Resilience helps to visualize supply chain disaster risk in real time. Developed in collaboration with financial institutions, SOMPO SUSTAINA supports partner companies in the financial industry in visualizing physical risks.

For details: SORA Resilience and SOMPO SUSTAINA (Japanese only)

Supporting decarbonization management and promoting green transformation

The Sompo Group supports the green transformation of society as a whole by providing insurance products that contribute to decarbonization and engaging with business partners. Sompo International, which operates on a global scale, is helping to bring about a decarbonized society by providing insurance and other solutions to the U.K.-based Dogger Bank Wind Farm, set to be the world's largest offshore wind farm, as well as supporting management of the complex risks associated with emerging technologies and large-scale infrastructure.

With a view to promoting decarbonization management by small and medium-sized enterprises in Japan, we have also teamed up with various stakeholders to develop Denki-Check, an AI-based service supporting companies in reducing their electricity charges and emissions.

For details: AI-based Electricity Diagnostic Service Denki-Check (Japanese only)

Through these and other initiatives, the Sompo Group is enhancing the value of its business partners while also contributing to construction of a sustainable value chain.

Helping to improve regional resilience through disaster prevention and mitigation

Increasingly frequent natural disasters are undermining the safety of regional communities, and are also giving rise to serious environmental issues in the form of loss of natural capital. The predecessor to the Sompo Group, Tokyo Fire Insurance Company, was founded in 1888 as Japan's first fire insurance company. Although it was an insurance company, Tokyo Fire Insurance formed a private firefighting brigade. The Sompo Group ever since has carried on this spirit "hikeshi*" or dealing with fires, redefining it for the modern era as our "HIKESHI DNA." As a company whose core business is P&C insurance, the Sompo Group's strength and value lie in the way in which it goes beyond the simple payment of insurance claims after an accident—we also protect customers and local communities at every point before, during, and after disasters.

Enhancing regional resilience through "HIKESHI DNA"

The HIKESHI DNA 2030 Project was initiated to embody this philosophy. In the modern-day spirit of hikeshi, we aim to develop disaster prevention into a new culture rooted in Japan, working to enhance regional resilience through co-creation with industry, government, academia, and local communities. (p. 24)

For details: Launch of the HIKESHI DNA 2030 Project (Japanese only)

* "hikeshi" were traditional Japanese firefighters of the Edo period.

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Preventing and mitigating disasters through the broad-based protection of natural capital



In devising solutions in conjunction with various stakeholders, Sompo Japan Insurance emphasizes a landscape approach, through which it views not simply isolated points in nature but an integrated whole alongside interconnected ecosystems and the economic and social activities of people who live in them. In doing so, our focus is on an approach that balances nature and the economy.

As part of its SAVE JAPAN Project, a nationwide initiative to support citizen participation in biodiversity conservation activities, the Sompo Group has also launched the OECM 100 Project*1, which promotes the registration of "other effective area-based conservation measures" (OECMs, geographically defined sites that do not lie within protected areas). The aim here is achieving the global "30by30" target of effectively preserving more than 30% of land and sea areas as healthy ecosystems by 2030.

Through this initiative, we are contributing to achievement of the "30by30" target while also promoting Ecosystem-based Disaster Risk Reduction (Eco-DRR), which draws on local ecosystems to prevent or mitigate disasters, thereby helping to foster disaster-resilient regional communities.

For details: SAVE Japan Project 2025-2026 (Japanese only)

Supporting the realization of a nature-positive society

The Sompo Group also has partnered with the Nature-preneur Japan General Incorporated Foundation to build nature-positive ecosystems to encourage the "nature-preneurs" who will lead the challenge to regenerate natural capital and discover nature-based solutions. Alongside the CSO Learning Program that the SOMPO Environment Foundation has run for more than 25 years, this initiative is aimed at fostering the next generation of environmental talent.

For details: Building a Nature-Positive Ecosystem

Building a circular economy model

As the concept of planetary boundaries, or the environmental limitations of Earth, continues to garner attention, there is an urgent need of transition from a society of mass production and mass disposal to a circular economy in which resources are kept in use for as long as possible. Some aspects of the Sompo Group's P&C insurance business indirectly generate an environmental footprint—in dealing with automobile accidents, for example, the business is involved in the scrapping and disposal of damaged vehicles and the replacement of parts.

Against this backdrop, Sompo Japan Insurance is pursuing the circular use of damaged vehicles (reuse, recycling, and rebuilding), revisiting the accident response process, and leveraging the insurance mechanism to help build a circular economy model for society.

Promoting resource recycling through repair and reuse

When a hailstorm breaks out, insurance companies have to pay out claims for vehicle dents and other damages. With a view to reducing mass disposal and environmental footprint associated with traditional repair approaches involving painting sheet metal and extensively replacing parts, the Sompo Group has entered into a strategic partnership with Germany-based DRS Group, a global leader in paintless dent repair (PDR) technology. The aim of the partnership is to co-create a rapid vehicle repair platform using AI scanners in combination with PDR technology—which is environmentally friendly since it does not entail replacing parts—while also working to prevent such disasters through the joint development of hail disaster prediction and occurrence alerts.

For details: Strategic Partnership Agreement with DRS Group—Co-creation of a Rapid Vehicle Repair Platform for Hail Disasters Utilizing World-Class Technology



Supporting resource recycling through the insurance mechanism

The Sompo Group is also harnessing the power of insurance in addressing the issue of food waste in Japan, which amounts to approximately 4.64 million tons annually*2. We introduced Food Bank Activity Insurance as a specialized insurance for food banks, which provide the needy with food that otherwise would have been thrown away. With insurance premiums and coverage limits governed by the amount of food handled, this easily accessible policy is designed to help food banks expand their activities without fear of legal liability. In this way, we are working hard to promote food recycling.

For details: Launch of Specialized Insurance for Food Banks to Aid in Reducing Food Loss (Japanese only)

Through these and other initiatives, the Sompo Group is helping to build a circular economy model by promoting resource recycling as well as creating new value in insurance.

*1 This initiative has been recognized internationally as well, including being featured as a case study in the Asia-Pacific Synergies Report jointly published by the UN Economic and Social Commission for Asia and the Pacific (ESCAP), the UN Environment Programme (UNEP), and the Asian Development Bank (ADB).
*2 Ministry of the Environment estimate for FY2023

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Addressing Social Challenges as a Source for Creating New Business

The spirit of altruism

Since I joined SOMPO in 2016 as Group Chief Digital Officer (CDO), I have led the strategic use of digital, data, and AI transformation (DDAX) and worked to build the digital infrastructure to support the Group's transformation. In FY2025, I handed over the role of CDO to my successor and was appointed to a new position as Head of Digital and New Business , in charge of investment. In this role, I've been stepping up our efforts to create even greater value by fully leveraging the digital infrastructure we've built over the years. At the heart of everything I do is a spirit of altruism—I want to provide genuine value to our customers and to society through business. This spirit of altruism is the very embodiment of the Sompo Group's Purpose and the ideal we strive for—to use sustainable business models to solve the structual issues facing society. I am convinced that it is precisely this unwavering pursuit of altruism that will ultimately benefit the Group, realizing sustainable growth and a dramatic increase in our corporate value.

Sustainable social infrastructure

I began laying the groundwork for commercializing solutions to social challenges during my time as CDO. The first step in this direction was the establishment of Palantir Technologies Japan, a joint venture with U.S.-based Palantir Technologies. The company's data platform contributes to resolving social issues, including disaster response and nursing care, while also helping to boost profitability for the Sompo Group. Furthermore, the platform is increasingly being adopted by companies outside the Group, supporting the digital transformation initiatives of Japanese businesses.

Also, SOMPO Light Vortex (SLV), established in 2021, plays a central role in the commercialization of solutions to social issues. In the mobility field, for example, SLV works through AUX Mobility to promote businesses aimed at helping build a circular economy, such as a platform for auctioning damaged vehicles. This is a highly profitable business model that combines the social value of reducing environmental impact with our strong customer base, and it is already making a significant contribution to the Group's overall performance.

Furthermore, in August 2025 we established the Business Development Department to realize the growth potential of these nusinesses at an early stage. The department's mission is to take the lead in supporting the development of our core business from adjacent areas, seeking to maximize Group synergies. We are making steady headway with the development of solutions that will serve as future revenue streams, in areas such as electric vehicles and senior housing. To address the pressing issue of food security, we also welcomed Nousouken into the Group through SLV, marking our full-fledged entry into the food and agriculture business. We will build a new distribution platform by integrating Nousouken's nationwide fresh produce distribution network with our AI and digital technologies. By feeding the proprietary data accumulated through this initiative back into the development of existing insurance products and high-value-added services such as disaster prevention and meal delivery for the elderly, we will establish a data ecosystem that simultaneously addresses issues in society, enhances the value we provide, and contributes to sustainable earnings.



Koichi Narasaki
Senior Executive Vice President and Executive Officer
Head of Digital & New Business, in charge of investment
General Manager, Business Development Department

A third pillar

My most important mission is to create new businesses that will serve as a third driver of earnings following our business of SOMPO P&C and SOMPO Wellbeing. Without being bound by the traditional categories of finance and insurance, we will build new business domains that form the infrastructure of a sustainable society. For the Group, which views addressing social issues itself as its greatest opportunity for growth, new business development serves as the core engine driving the medium- to long-term growth. To meet the expectations of our stakeholders, we will be thorough in pursuing early commercialization and establishing a solid earnings base, driven by a spirit of altruism. I am committed to growing these new businesses into a robust third driver of earnings and greatly enhancing corporate value.

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Foundation for solving social issues

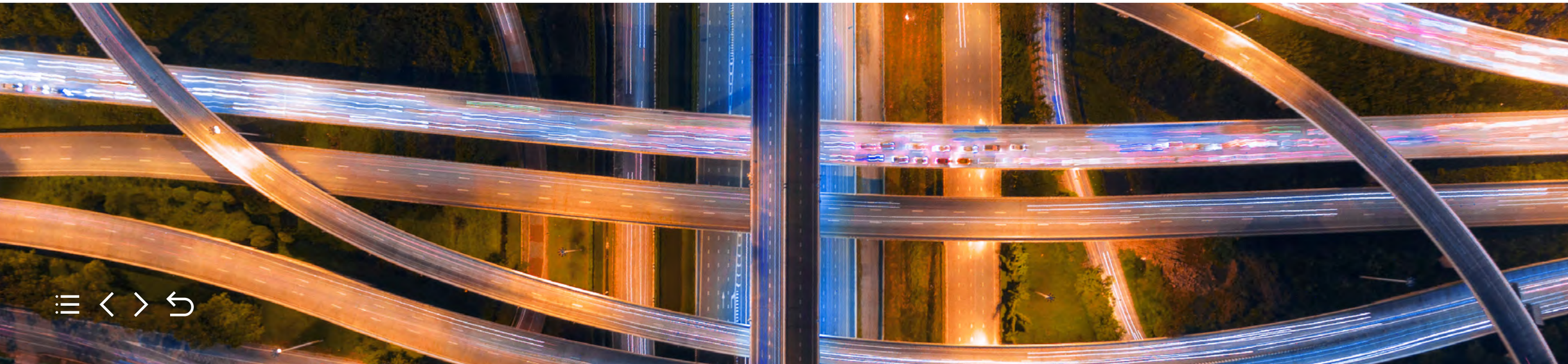
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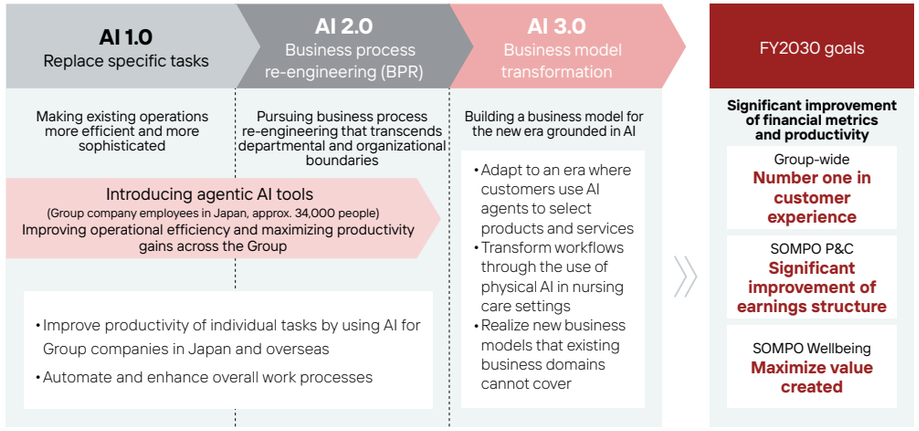
Overview and Roadmap for the Digital, Data, and AI Strategy

Business transformation across the Group: digital, data, and AI transformation

The Sompo Group has positioned Group-wide digital, data, and AI transformation (DDAX) as a powerful core engine to drive sustainable growth. Moving beyond conventional digitalization, the Group is focusing on transforming business models around the use of AI and creating new value in customer experiences, with the goal of evolving into a next-generation enterprise.

Specifically, we will improve the productivity of specific tasks and restructure overall operations, transforming the business model.

SOMPO's Vision for Digital, Data, and AI Transformation (DDAX)



Implementation framework centered on an AI Center of Excellence (AI CoE) and data governance

Under the leadership of the Group Co-CDO and Group CDaO, we have established an AI Center of Excellence (AI CoE) as an organization spanning the entire Group. The AI CoE oversees overall strategy and operates four specialized task forces: Talent Development and Culture; IT and Architecture; Data; and Risk and Governance. The AI CoE comprehensively drives the Group's initiatives from the perspectives of both forward-looking actions and protection against risks, ranging from recruiting and developing talent to constructing a common data infrastructure and formulating an ethics policy. By closely coordinating its strategic oversight with the operation of the specialized task forces, the AI CoE is advancing the following initiatives.

• AI and data use to strengthen and create businesses

Boosting the productivity and strengthening earnings base of existing businesses through the use of AI and data, driving value creation in wellbeing and other new business domains

• Establishment of a next-generation data infrastructure and a framework for robust data governance

Building a next-generation data infrastructure that maximizes the value of data use, establishing a robust data governance framework

Through AI CoE–led initiatives, we will build a solid foundation to robustly drive DDAX forward, creating new customer experiences and social value while realizing the sustainable enhancement of corporate value.

Creating value through both general-purpose and specialized AI tools

The Group has deployed its own dedicated general-purpose AI, which numerous employees already use in their daily work. Beyond Group-wide efficiency improvements, we are simultaneously driving forward a project to implement specialized AI trained on the deep operational knowledge specific to the various business domains.

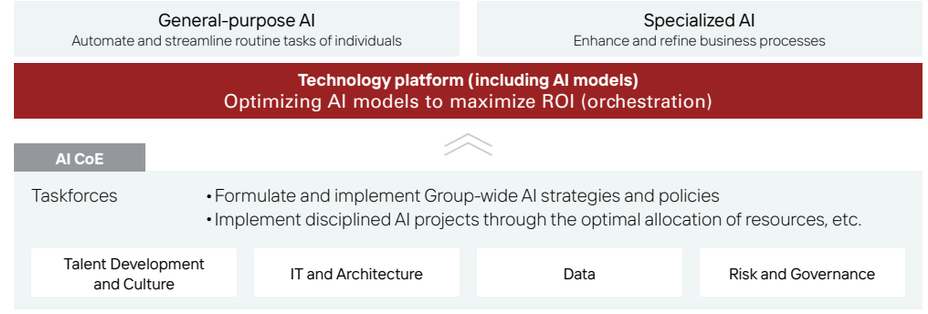
• Rollout of SOMPO AI Agent general-purpose AI

The Group has rolled out SOMPO AI Agent, an AI tool designed for broad use by all employees in their daily tasks, regardless of the task or department in question. Having rolled out the tool to around 34,000 employees across Group companies in Japan, we are currently conducting pilot tests in preparation for full-scale implementation. We are expanding use of the tool through appropriate safety controls and comprehensive literacy training, including a mandatory preliminary training for employees. We are already steadily generating use cases as we encourage employees to integrate the tool into their daily work, driving company-wide productivity gains and a fundamental overhaul of our business processes.

• Project to implement specialized AI

We are also advancing a project to implement specialized AI for specific operations. The tools are trained on the deeper operational knowledge of various business domains and optimized for unique workflows. By combining employees' specialized expertise with AI, we are pursuing a targeted approach to addressing the distinct challenges faced by various departments.

By creating such use cases, we will make our existing operations more sophisticated while strengthening the earnings base of our core businesses.



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Message from the Group Co-CDO

Creating new value
through business model
transformation driven by
human-AI collaboration



Masayuki Kimura
Group Co-Chief
Digital Officer (Co-CDO)

Business model transformation grounded in AI

As Co-CDO, my mission is to spearhead digital, data, and AI transformation (DDAX) across the Group, harnessing AI to thoroughly improve productivity and strengthen the earnings base of existing businesses.

By pursuing business model transformation grounded in AI and the creation of new value in terms of customer experience, we seek to further enhance the resilience of the Group's P&C insurance business and build a platform to connect the wellbeing business' various solutions that help address social issues.

To this end, we have entered into an AI 1.0 phase, in which AI replaces specific tasks, as well as an AI 2.0 phase, involving the AI-driven transformation of operations across all departments. We are now planning the transition to an AI 3.0 phase, which we envision as a business model that breaks free of the constraints of existing businesses for a new era of human-AI collaboration.

We are working to further hone the digital capabilities that constitute a core strength of the Group, aiming to dramatically improve productivity as a new source of value creation.

Shifting toward on-site value creation, and building an AI environment

Recent technological advances have made it possible for anyone to master AI. In such an era, I believe the source of a company's competitiveness stems not from technology per se but rather from the people who use it. Thus, as we continue to pursue operational transformation in the AI 2.0 phase, I am convinced that the key to enhancing corporate value lies with the employees on the front lines who best understand customer needs and our business challenges. Until now, the Sompo Group has taken an "issue-driven" approach to problem-solving led by the highly capable team of our digital department, encompassing 250 specialists in Japan and overseas. We're now seeking to take this one step further, making a definitive shift toward an approach of on-site value creation. This requires us to foster an environment that empowers employees on the front lines—and not just the digital department—to harness AI themselves. To accelerate sustainable growth and the enhancement of corporate value, I believe it essential that new customer experiences and business model transformation emerge from the front lines, supported by the Group's corporate culture of embracing challenges.

Fusing a specialist organization with the strengths of employees on the front lines

One particular initiative has been the establishment of an AI Center of Excellence (AI CoE) as Group-wide organization to spearhead the advancement of AI. The AI CoE serves as a framework for the safe and effective Group-wide adoption of AI and for disciplined project management. Under this framework, we are pursuing an approach that combines both general-purpose and specialized AI.

In the area of general-purpose AI, we are driving forward the Group-wide rollout of the SOMPO AI Agent to around 34,000 employees across Group companies in Japan. To accelerate AI adoption among front-line employees, we have held training sessions as well as "ideathons" focused on AI use, putting in place a hands-on environment allowing for the rapid hypothesis testing and implementation of ideas from the front lines.

In parallel with these efforts regarding general-purpose AI, we are moving forward with the Group-wide implementation of specialized AI. This goes beyond merely replacing specific tasks—it entails a fundamental transformation of the operations of departments as a whole, which requires fusing the specialized knowledge of sophisticated AI with the on-site expertise of employees deeply familiar with the operations.

We are currently moving forward with initiatives in the P&C insurance domain by bringing together the strengths of a specialist organization encompassing digital and AI talent both in Japan and overseas with the strengths of employees on the front lines. Examples include the development of Oshison LLM, a large language model that automatically generates draft responses to inquiries based on internal regulations and accumulated knowledge, as well as the Agency Operations Quality Evaluation System. We are pursuing initiatives in the wellbeing domain as well, including a data-driven home care model and a data model for seniors.

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Message from the Group Co-CDO

Harnessing data and AI

to deliver a future of health,

wellbeing, and financial protection



Ryuichi Yoshimura

Group Co-Chief
Digital Officer (Co-CDO)

Incorporating AI into data utilization with an eye to maximizing value in the wellbeing domain

In the context of our DDAX strategy for transforming the businesses of the Sompo Group, I oversee the use of data in commercializing key businesses in the wellbeing domain and maximizing value creation. I have a vision for a future in which the very term "AI use" is outdated. Indeed, our entire Group aspires to a future in which AI has become integral to society and to people's lives, just as the internet did before that, and continues to deliver health, wellbeing, and financial protection to our customers and society. To realize this vision, I believe every employee must take ownership of on-site issues and master AI as their ultimate partner in addressing such issues. I am spearheading efforts to foster a new organizational culture that takes full advantage of the intelligence and empathy that human beings alone can bring to the table, while simultaneously building new business models grounded in AI use.

Two-pronged approach to turn implicit on-site knowledge into assets for the entire organization

In recent years, companies have been thrust into a stage of striving to take initiative in making full use of AI while still drawing on uniquely human intelligence. The rollout of AI itself is no longer the goal—the task now is figuring out how AI can contribute to business outcomes. I think we see the genuine value of AI when it is used not just for more sophisticated analysis but as a force to transform business realities, as it draws out meaning from frontline data and uses this to positively transform customer experiences and daily decision-making.The greatest strength of the Sompo Group is the on-site capability cultivated on the front lines of nursing care, health, and insurance. Currently, however, in some areas, implicit knowledge—such as front-line experience and intuition— and fragmented data on customers' daily lives have not been fully leveraged as an asset for the entire organization. If we are to shape AI into a source of competitive advantage, we must build a system that integrates scattered data with knowledge from the front lines and elevates the result into explicit business value. This calls for a two-pronged approach that combines a deep dive into individual on-site issues with a big-picture perspective that turns the insights thus gleaned into assets for the entire organization.

Working toward digital transformation in the wellbeing domain

We are currently engaged in digitalization and data visualization for our operating companies in the wellbeing domain as we transition to data-driven business processes. In our focus area of elderly care, in particular, we are transforming data on the daily lives and care needs of seniors into assets that could directly benefit facility management and care interventions, to ensure that decisions made at the front line are data-driven as a matter of course. Going forward, we will accelerate this initiative further, bringing together diverse customer touchpoints, such as in the areas of nursing care, life insurance, and wellbeing, in crafting optimal proposals that maximize customer lifetime value. At the same time, we will move beyond qualitative evaluation of our digital initiatives, shifting to a rigorous investment management model employing objective evaluation indicators, such as revenue growth and cost and risk reduction. Our goal by FY2030 is to dramatically boost productivity and ensure sustainable growth for the entire Group by clarifying the roles and responsibilities associated with digital investments and linking these directly to tangible business outcomes.

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Message from the Group CDaO

Building a foundation for data-driven management to drive sustainable growth



Akiko Murakami

Group Chief Data Officer
(CDaO)

Laying the foundation for data-driven management connecting our various businesses

My mission as Group CDaO is to use data as a means of connecting the Group's diverse businesses, thereby creating new value by drawing on the collective strengths of our Group companies. In the context of our DDAX initiatives for the Group-wide transformation of the Sompo Group, I envision a future where the right data flows seamlessly across the Group and is deeply integrated with AI. I believe this would ensure the sustainable improvement of profitability and the ongoing creation of new customer experience value in all our business domains. If such a thorough-going transformation is to succeed, however, our people will be just as critical as our systems and technologies. With a view to realizing our targets for FY2030, I aim to further hone the Group's competitive advantages through the appropriate placement of personnel highly skilled in data analysis, and by laying down a solid foundation for data-driven management, in which decisions about our various businesses are made expeditiously and are solidly grounded in data.

Creating value through data, AI, and use cases

In realizing data-driven management, I believe the creation of genuine value in business rests on a combination of three elements: data, AI (technology), and use cases (solutions for on-site issues). Even if we have sophisticated AI and data infrastructure in place, these will yield no results and will fail to generate the expected value unless they lead to solutions to actual issues on the ground. That's why I view my mission as not merely overseeing the supply of data, but also supporting the generation of data-driven use cases from the front lines. Since I also serve as the CDaO of Sompo Japan, I will collaborate with Sompo International to help boost profitability in the insurance business from a data perspective. I will also work with the Group Co-CDO, Ryuichi Yoshimura, to support the expansion of use cases in the wellbeing business. To ensure that AI functions properly, allowing accurate management decisions and maximizing the creation of value, it is essential to transform the role of our data departments—their evolution into structures that work in tandem with our business divisions at every stage from problem-solving to implementation is the key to creating value.

Building a next-generation data platform and strengthening data governance

Data in the possession of our Group companies is a key source of the value that the Sompo Group can provide to customers. For this reason, I am focusing on two initiatives in particular as Group CDaO. The first is building a next-generation data platform. As employees in the Group make increasing use of data and AI tools, I am leading the construction of a platform to serve as a hub for data use across the Group, structuring the data in a way that is easily understood by AI, while also aiming to streamline costs and labor. The second initiative involves bolstering our data governance. While we are currently incorporating AI into our operations, the accuracy and effectiveness of AI tools rely heavily on the quality of the data input. By rolling out next-generation data platforms and establishing data management guidelines, we will strengthen data governance while advancing the consolidation of data and standardization of data definitions across the Group's diverse businesses.This will enable us to maintain the high data quality essential for the accuracy of AI and create an environment in which any employee can use the data safely and appropriately. Through these initiatives, we can help create value across the Group's businesses that will be recognized and appreciated by customers.

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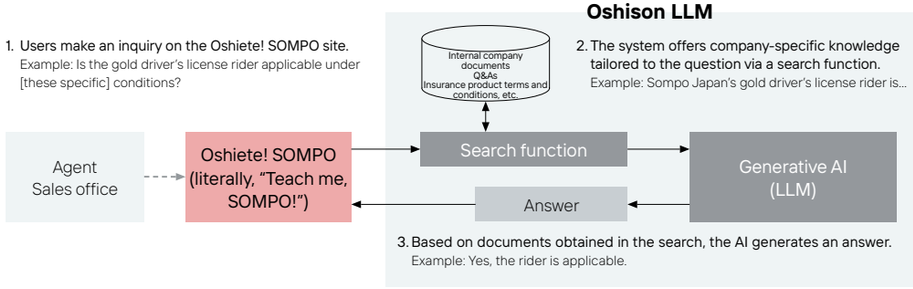
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Initiatives in Digital, Data, and AI Strategy

Using dedicated generative AI to transform operations and deliver value

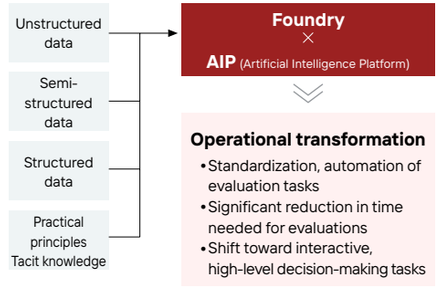
In June 2025, Sompo Japan Insurance introduced Oshison LLM, an inquiry-response system powered by a large language model (LLM). Trained on the company's internal regulations and knowledge, the dedicated AI automatically generates draft responses quickly and accurately while clearly citing sources. Currently seeing around 50,000 uses per month, the system has greatly reduced the time required to handle inquiries, leading to dramatic improvements in employee work efficiency and shorter response times for customers. Moving forward, we will further expand the scope of data and tasks covered by AI while maintaining robust security measures, strengthening our support system for sales teams to further enhance the value we provide to customers.

The mechanism reduces the time needed to address inquiries by having AI draft responses automatically



Transforming agency evaluations through data integration and AI

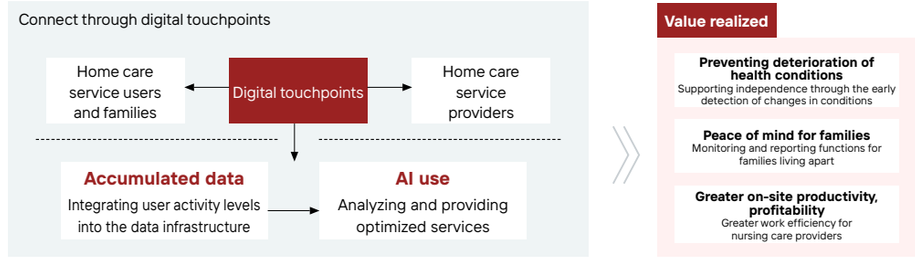
In December 2025, Sompo Japan Insurance launched the Agency Operations Quality Evaluation System, which leverages the Foundry data integration platform and AI platform of Palantir Technologies. By integrating and visualizing dispersed qualitative and quantitative data, we automated complex evaluation processes that previously relied on manual human review, thereby, establishing a consistent and rigorous company-wide framework. This operational transformation significantly reduced the time required for evaluations, allowing employees to shift their focus toward more in-depth dialogue with agencies and higher-level decision-making



Going forward, we will further expand the use of data to reinforce customer trust and deliver greater peace of mind by fostering sound, sustainable agency management.

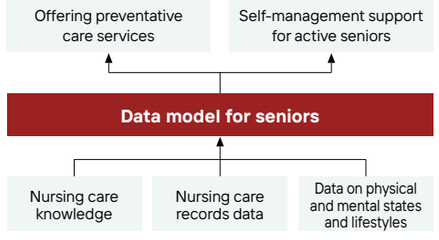
Establishing a data-driven home care model and business foundation

Amid the progressive aging of society and increasingly acute shortages of nursing care personnel in Japan, we are pursuing digital transformation spanning the entire Sompo Group in the home care sector. This involves creating digital touchpoints that connect users, their families, and nursing care providers, and leveraging data on daily activity levels along with other data collected over time. This enables us to achieve three objectives simultaneously: preventing the deterioration of health conditions through early detection of condition changes, providing peace of mind to families, and improving the on-site productivity of care personnel. Building on this data, we will propose services optimized for each individual, thereby diversifying our revenue streams. Through these efforts, we are establishing a data-driven home care model grounded in our accumulated expertise, and will build a sustainable business foundation with an eye toward expansion beyond the Group.



Building a data model for seniors and implementing a new service model

Based on statistical data on the facilities owned by the Sompo Group and their residents, we have begun developing a data model for seniors that visualizes potential health changes based on shifts in their lifestyles or physical and mental condition. By combining the nursing care expertise Sompo Care has cultivated on the front lines with resident data accumulated through our day-to-day care services, our goal is to continuously monitor residents' health status of residents and detect changes at an early stage. This will enable us to provide more effective care services so that each resident can live a longer, more fulfilling life. Going forward, we will expand the scope of this initiative to include active seniors not yet in need of nursing care. By developing this model to include support for self-management that helps customers identify lifestyle issues and encourages behavioral changes, we aim to extend healthy life expectancy and establish a new service model for a super-aged society.



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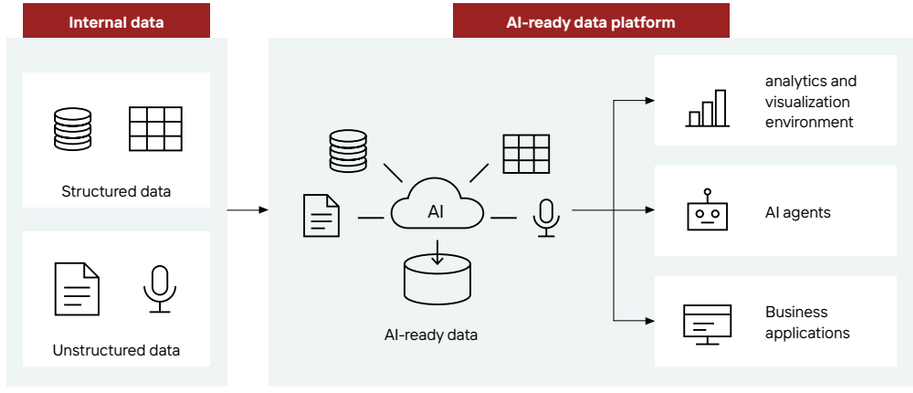
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Initiatives in Digital, Data, and AI Strategy

Building data infrastructure and promoting data-driven decision-making

As a core initiative for transforming the business model through the use of AI, the Sompo Group is developing an AI-ready data platform to serve as a foundation for data utilization across the Group. In addition to centralizing data that is dispersed across the company, the platform will prepare a wide range of previously difficult-to-process unstructured data, including data related to insurance policy terms and conditions, in formats such as text, images, and audio, so that AI can accurately read and interpret it. In parallel with development of this platform, we are also pursuing more sophisticated operations through collaboration with AI agents. By building a framework that enables immediate access to accurate responses to a wide variety of inquiries based on the latest internal information, we will significantly streamline operations and create an environment where employees can focus their efforts on higher-value-added proposal activities. Furthermore, in the areas of underwriting and claims services, we are exploring more accurate, data-driven premium pricing, as well as the use of AI to interpret complex information for faster claims payment decisions. By establishing a growth loop in which AI continuously learns from information gathered during daily operations to hone its accuracy, and by promoting data-driven decision-making using this platform, we aim to achieve the sustainable enhancement of corporate value.



Developing digital and AI talent and expanding the pool of specialized professional staff

To turn future changes in the business environment into opportunities for growth and achieve sustainable development, the Sompo Group has designated AI use skills and English communication skills as key Sompo Group Common Skills that all employees should cultivate, and is stepping up investment in human resources in these areas.

For digital and AI talent, specifically, we have categorized personnel into specialist talent, planning talent, and utilization talent, establishing a separate training framework for each group.

Under these frameworks, we are implementing a multi-tiered program, including mandatory AI Literacy Training for all employees, SOMPO AI Agent Leadership Training mandatory for managers and above, and Data-Driven Planning Training aimed primarily at planning talent. We ensure that the training is not mere classroom instruction but contributes to the creation of new business opportunities. Training involves practical themes, including projects focused on addressing real-world challenges faced by employees on the front lines.

To expand our pool of specialized talent capable of accelerating the Group's transformation, we are vigorously promoting mid-career hiring. Through various branding initiatives drawing on the SOMPO Human Capital Fund, launched to strengthen the Group's workforce, we are gaining market visibility and attracting highly skilled professionals with diverse expertise who can hit the ground running.

Going forward, by building a robust talent base, we will more fully integrate the use of digital technology, data, and AI into our corporate culture, powerfully driving innovation across the Group.



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Message from the Group CHRO

Unlock the potential of our people and empower self-directed challenges: A virtuous cycle of growth and engagement shaping the future of SOMPO

The Sompo Group has established its group vision—"The vision to unlock possibilities"—with the aim of pursuing sustainable growth through value creation for society. We now stand at a new stage of challenges—an endeavor unlike anything we have faced in the past.

Since our inception in the P&C insurance, we have championed social wellbeing for over a century, continuously creating value that evolves with the times. Our people have always been the cornerstone of our success. As the Group CHRO, my mission is to realize the Group vision. I achieve this by unlocking the potential of every employee—across Japan and worldwide—and channeling that collective power into sustainable growth for the Group.

A stock compensation program to make our vision a reality

Unlocking employee potential requires individual ownership and proactive initiative to drive the company forward and shape its future.

To foster ownership and translate our Group vision into tangible action, we introduced a stock compensation program in July 2026 for approximately 48,000 employees across more than 30 Group companies in Japan. The program was designed around three key principles: (1) Group-wide implementation in Japan; (2) equal share grants regardless of position; and (3) annual share grants.

Beyond a mere enhancement of employee benefits, this initiative is designed to enhance the Group's corporate value through our people's dedication, empower employees to directly share in the value they create as owners, and align the company's growth with employees' financial wellbeing. Through this program, we aim to cultivate a Group-wide culture in which employees are inspired to contribute, believe in their own potential, and proactively embrace new challenges.



Shinichi Hara
Group Chief Human Resources Officer (CHRO)

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Message from the Group CHRO

Cultivating professionals who create value in the age of AI

To ensure that each employee continues to drive value creation by proactively taking on challenges, we must cultivate their ability to anticipate change, evolve continuously, and blaze new trails.

To support this growth, we launched the ¥30 billion SOMPO Human Capital Fund in FY2024 to strengthen our people's skills and professional expertise. This significant investment in human capital focuses on: (1) broadening expertise across diverse fields, (2) developing future leaders, (3) cultivating leadership to drive a new culture, and (4) providing certification support for self-directed learning. At the heart of this investment lies human-AI collaboration, which is unlocking the potential of our people and organization to drive growth and value creation.

Beginning in FY2025, the Sompo Group positioned AI literacy and English as Group-wide core skills for executives and employees—the modern-day equivalent of "reading, writing, and arithmetic"—and is actively strengthening capabilities in both areas. Concurrently in FY2025, we incorporated AI-related elements into the Group Common Competencies, which set forth the expected behaviors for all executives and employees. Our aim is to make the Sompo Group a place where professionals thrive in the age of AI—not by being replaced by technology but by mastering it and creating value that only people can deliver.

By connecting diverse professionals with specialized expertise through the shared languages of AI and English, we will foster collaboration and mutual learning across organizational and national boundaries, accelerating the creation of value unique to SOMPO.

Looking ahead: The future envisioned by our Human Capital Value Creation Story

This fiscal year, we formalized our Human Capital Value Creation Story—the overarching blueprint for our talent strategy(p. 57). The story is designed to ensure that employee ownership and self-directed growth translate into sustained improvements in corporate value over the medium to long term, rather than remaining one-off initiatives.

At the heart of our Human Capital Value Creation Story are SOMPO's Values: Integrity (doing what is right for society and people), Self-motivation (thinking independently and challenging convention), and Diversity (welcoming diverse perspectives and respecting others) guide the decisions and actions of every executive and employee across the Group. Among these, integrity underpins everything we do. No matter how much expertise we develop or how effectively we harness technology, without integrity we cannot achieve sustainable growth for our people and organization or deliver lasting value to our customers. Without embodying SOMPO's Values, our Human Capital Value Creation Story would be nothing more than a castle built on sand.

Building on a culture rooted in these values, our continued pursuit of employee experience supports the growth of both our people and our organization. That growth, in turn, enhances the enjoyment of working at the Sompo Group and strengthens employee engagement. Sustaining this virtuous cycle through the self-directed efforts of our people is the essence of the human capital management we aspire to, and serves as the roadmap for the transformation of the Sompo Group. Moving forward, we will work to realize the future envisioned in this story by executing a talent strategy aligned with our business strategy and strengthening the mechanism that enables employees to share in the value we create.

We will change our company name to Sompo Group, Inc. effective April 2027. As all executives and employees across the Group take pride in being part of the Sompo Group, embrace the responsibility that comes with it, and put our "Connect and Be Connected" philosophy into practice, we will accelerate value creation across the Group. In parallel, we will establish a governance framework that enables SOMPO P&C and SOMPO Wellbeing to autonomously execute talent strategies tailored to their respective business needs.

By unlocking the potential of every employee across the Sompo Group, we will work together with our customers and all other stakeholders to help shape a future of safety, wellbeing, and financial protection.

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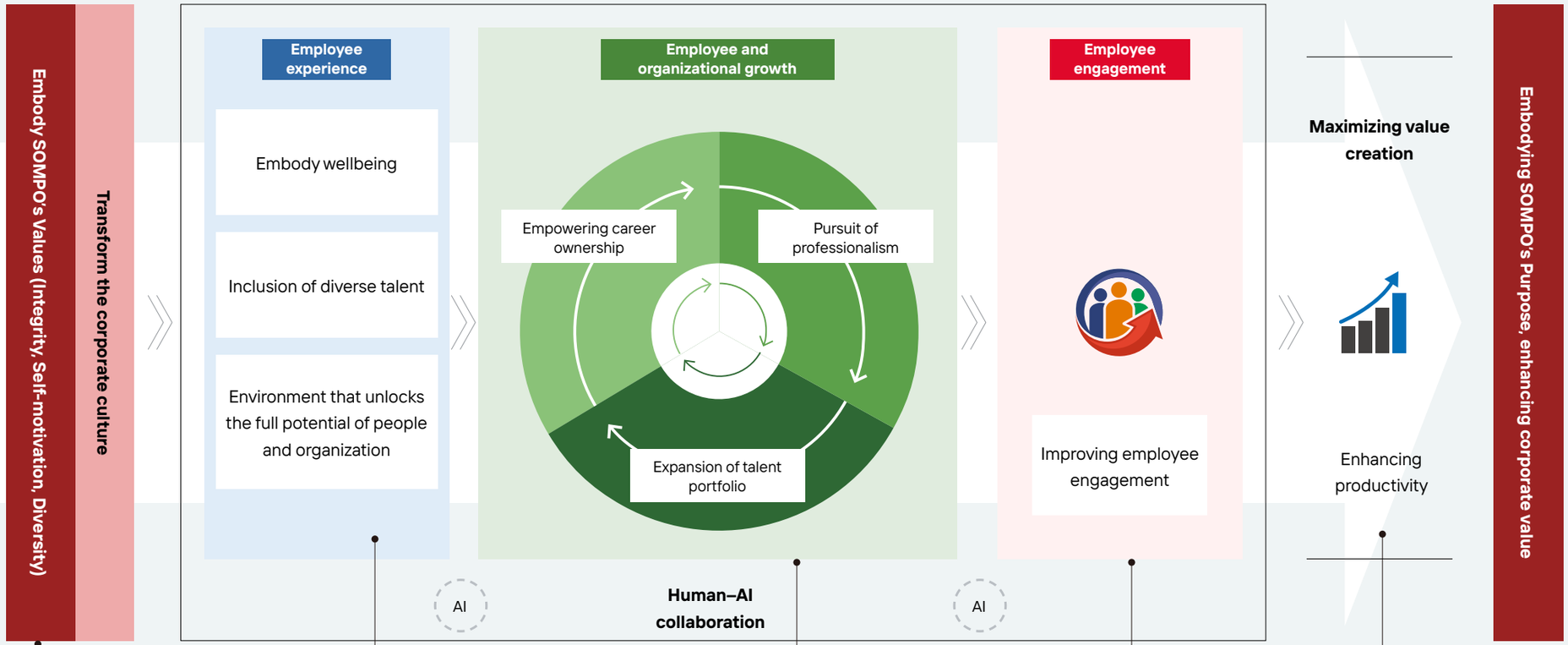
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Our Human Capital Value Creation Story

The Sompo Group aims to achieve two core objectives: realizing SOMPO's Purpose and sustainably enhancing corporate value. To this end, we are pursuing an enhanced employee experience, employee and organizational growth, and employee engagement, while fostering human-AI collaboration and maximizing value creation for the Group. In FY2026, we structured our medium- to long-term HR strategy into a narrative: "Our Human Capital Value Creation Story."



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Key Initiatives in Our Human Capital Value Creation Story

The starting point of Our Human Capital Value Creation Story—embodying SOMPO's Values

Our Human Capital Value Creation Story begins with embodying SOMPO's Values of Integrity, Self-motivation, and Diversity.

In FY2024, the Sompo Group reiterated its Purpose statement as part of reformulating the corporate philosophy. Under the new philosophy, the Group established SOMPO's Values as the core direction for all executives and employees across the Group, serving as the foundation for all judgements and actions underlying Group-wide efforts to achieve SOMPO's Purpose.

In FY2025, we made SOMPO's Values the basis of our expectations for the concrete actions we expect of all executives and employees and have revised the Group Common Competencies to ensure they are consistent with the Values. We are reflecting these changes across the Group in the selection criteria for directors and executive officers, management promotions, performance evaluations, and recruitment, seeking to instill the Values more broadly across the organization and increase their effectiveness.

Framework to ensure implementation by all executives and employees



Through these initiatives, we are fostering a corporate culture in which SOMPO's Values take root in organizations and in the Group as a whole, where each employee embodies the Values and where employees can speak up and diverse views are accepted.

Employee experience

We are pursuing initiatives to enhance the employee experience under the key themes of embodying wellbeing, including diverse talent, and creating an environment that unlocks the full potential of our people and organization.

Embodying wellbeing

To maintain and promote the physical and mental wellbeing of employees, we have formulated our Health and Productivity Management strategy map and are systematically implementing group-wide initiatives to invest in employees' health. One such initiative is Wellbio Biz, a service introduced in FY2025 by Sompo Wellbeing that supports a balance between work and nursing care, at Sompo Holdings, Sompo Japan Insurance, and select Group companies. Offering comprehensive support, including providing information under the supervision of nursing care professionals, seminars, and individual consultation services, we are helping to alleviate the burden of caregiving for our employees. Through these initiatives, we are providing comprehensive support to help improve employee wellbeing*[1].

We are also working from every angle to thoroughly eradicate harassment, which undermines wellbeing. In addition to instilling SOMPO's Values, we are also rigorously enforcing our revised criteria for selecting directors and executive officers and management promotions, raising awareness of our helplines, and clarifying standards for misconduct and disciplinary action through revisions to our disciplinary rules*[2].

*1 For further details on our initiatives to promote health and productivity management, please refer to the Sustainability Case Studies in the "Health and Productivity Management" section of the "Human Capital Strategy" section (pp. 81-87).

*2. For further details on our initiatives to eradicate harassment, please refer to the Sustainability Case Studies in the "Business and Human Rights" subsection of the "Respect for Human Rights" section (pp. 62-71).

Inclusion of diverse talent*

The Sompo Group is pursuing a multifaceted series of initiatives with the goal of becoming a Group where employees with diverse backgrounds and values respect one another, learn from and inspire one another, and are able to fully utilize their expertise and abilities to thrive, regardless of gender, disability, race, nationality, age, or other factors.

* For further details on our initiatives to promote the inclusion of diverse talent, please refer to the Sustainability Case Studies within the "Inclusion & Engagement" subsection of the "Human Capital Strategy" section (pp. 72-76).

Environment that unlocks the full potential of people and organization

The Sompo Group aims to build an AI platform to actively capitalize on AI and allow employees to focus on tasks that can only be performed by human beings, thereby creating greater value. In FY2025, the Group rolled out the SOMPO AI Agent tool across the Group in Japan with the goal of dramatically improving productivity and transitioning to new ways of working based on human-AI collaboration.

We are also revisiting existing work styles. To maximize value creation both for each employee and for the organization, we formulated Sompo's Work Styles and Workplace Principles and the Sompo Work Style Policy in FY2025. By allowing employees to choose from among various options the work style that is most appropriate to their specific duties and roles, whether this involves coming into the office or working remotely, we aim to optimize work styles that balance maximizing the creation of organizational value with high performance, growth, and employee engagement.

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Key Initiatives in Our Human Capital Value Creation Story

Project to establish a Group headquarters and relocate to a new office



We are moving forward with a cross-departmental project in preparation for the establishment of the Group headquarters, scheduled for March 2027. To put new ways of working into practice at the new office, we are aiming to foster a workplace that offers diversity, agility, and flexibility in work styles. With this goal in mind, we are holding workshops with members selected from the departments involved in the relocation, conducting in-depth discussions and deliberations on new approaches to work and communication. Through these cross-departmental, employee-led discussions, we are incorporating diverse perspectives and ideas into the plans for the headquarters while facilitating spontaneous interactions and knowledge-sharing among employees, working to build an office environment that will further strengthen collaboration.

Employee and organizational growth

Valuing the growth of both employees and the organization, we are taking steps to further strengthen the workforce across the Group by focusing on the key themes of empowering career ownership, pursuing professionalism, and expanding the talent portfolio. We established the SOMPO Human Capital Fund in FY2024, a ¥30 billion fund dedicated to investing in human capital. Through this fund, we are actively investing in talent across all businesses and fields.

Encouraging self-directed learning and growth

Sompo Japan Insurance, Sompo Himawari Life, Sompo Holdings, and other Group companies have introduced a system that allows employees to draw on the SOMPO Human Capital Fund to select opportunities for acquiring the skills necessary for their current and future career development and apply to the company for financial aid. This initiative has further encouraged employees toward self-directed learning.

In FY2025, we also designated AI literacy and English proficiency as Group Common Skills and defined these as mandatory requirements for executives and management, and are stepping up investment in talent development in these areas.

Sompo AI Agent leadership training (example of the use of the SOMPO Human Capital Fund)

In FY2026, we are launching a SOMPO AI Agent leadership training program, targeting management-level personnel at Group companies in Japan. Building upon the Generative AI leadership training program we carried out in FY2025, the new program features practical exercises based on concrete use cases, including leveraging AI in one-on-one meetings and daily management tasks. Our aim through the training is to cultivate the practical skills needed for leaders to drive the adoption of AI within their teams and ultimately realize an organization where every employee capitalizes on generative AI to create value.

Job-based and open recruitment HR systems

We are expanding systems and mechanisms to support each employee in taking ownership of their careers. In April 2025, we standardized the job-based recruitment system of Sompo Holdings and Sompo Japan Insurance as part of the integration and evolution of our Group-wide HR system. We have also promoted a Group Job Challenge Program as a way for employees to take ownership of their own career path. Under this program, employees wherever they currently work can opt to apply for any open position in their desired Group company or department. In FY2025, a total of 958 positions across 25 Group companies were posted under this program.

SOMPO Professional Pool: a pool of specialized talent

To expand the talent portfolio, we established the SOMPO Professional Pool, a talent pool for sharing highly specialized professionals within the Group. The aim is to further enhance the quality and quantity of specialized talent across the Group, optimize the allocation of talent within the Group, and leverage experience gained across diverse businesses to further strengthen our specialized workforce. Under this initiative, we are recruiting highly specialized professionals centrally for the whole Group in fields such as AI, cybersecurity, legal affairs, and compliance, and strategically assigning them to key projects and positions at Group companies, with the aim of further sharing and disseminating expertise across the Group.

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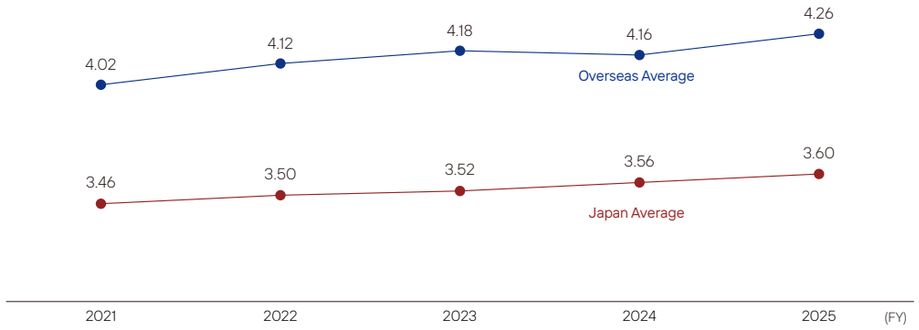
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Key Initiatives in Our Human Capital Value Creation Story

Employee engagement

The Sompo Group believes that all our initiatives aimed at embodying SOMPO's Values and pursuing both a better employee experience and employee and organizational growth will help to further enhance the engagement of every employee. To better visualize such engagement, we conduct a yearly Group-wide engagement survey and thoroughly analyze and evaluate the results. Furthermore, we strive to continuously enhance employee engagement through a multifaceted approach that involves stepping up investment in the workforce, including the introduction of a Group-wide stock-based compensation plan, and aggressively raising compensation levels.

Engagement survey score results for the last five years (Japan and overseas)



Stock compensation program for Group employees

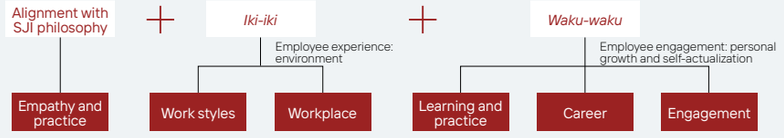
In July 2026, we introduced a stock compensation program for approximately 48,000 employees across more than 30 Group companies in Japan. By providing eligible employees with uniform, ongoing compensation in the form of company stock, this program inculcates a sense of ownership—ensuring that each employee gains a sense of contributing to Group's future while also fostering a sense of unity within the Group. We believe the sum of employees' daily efforts will ultimately enhance corporate value over the longer term, and by sharing the results of these efforts with all employees, we will create a virtuous cycle in which the Group's sustainable growth and employees' asset formation go hand in hand.

Making an "*iki-iki waku-waku*" workplace: Introducing the IKI-IKI WAKU-WAKU Index*

Sompo Japan Insurance

Sompo Japan Insurance has developed a proprietary IKI-IKI WAKU-WAKU Index as a metric to measure progress in creating a workplace where every employee is motivated and enthusiastic about their work and can experience both a sense of vitality (*iki-iki*) and a sense of excitement and inspiration (*waku-waku*). The index was created by extracting and reordering the elements deemed particularly critical to the achievement of our vision from questions in the yearly engagement survey. Teams in each workplace engage in ongoing dialogue based on the index to identify strengths and challenges, and by linking these discussions to actions aimed at self-improvement, we are working to build an organization and a workforce that can respond flexibly to change while continuing to achieve sustainable growth.

IKI-IKI WAKU-WAKU Index



* The IKI-IKI WAKU-WAKU Index utilizes a portion of questions from the engagement survey.
"*Iki-iki*" is a Japanese term meaning "vitality" and "*waku-waku*" is a term indicating "excitement" and "inspiration."

Maximizing value creation

Sompo's human resource strategy pursues a better employee experience, employee and organizational growth, and employee engagement, in an environment of human-AI collaboration. To visualize the value this strategy will generate over the longer term, we introduced two productivity metrics in FY2025: labor productivity, which indicates the amount of value created per employee, and human capital ROI, which indicates the return on the investment in human resources.

Compared with FY2024 results, results for FY2025 showed improvements in both labor productivity and human capital ROI. However, rather than evaluating the metrics based solely on year-on-year changes, we intend to assess initiatives grounded in our human resource strategy from a longer-term perspective, using this assessment to drive continuous improvement. Moving forward, while continuing to verify the effectiveness of individual measures, we will aim to maximize value creation, realize SOMPO's Purpose as a unified Group, and enhance sustainable corporate value by steadily carrying out the human resource strategy to achieve a better employee experience, employee and organizational growth, and enhanced employee engagement.

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Initiatives for Core Businesses

Sompo Japan Insurance Inc.
CHRO

Akira Yoshida



At Sompo Japan Insurance, we are dedicated to valuing and developing people. In line with the Group's commitment to unlocking people's potential for self-directed challenge, we are building an environment where everyone can embrace challenges with ownership.

To foster the employee experience and employee engagement that serve as a supportive foundation for this, we are updating our consent-based transfer policy, allowing employees to choose work locations, and evolving HR systems to encourage success regardless of age. Prioritizing employee health as a management cornerstone, we pursue productive workstyles, including through AI agents, and cultivate a learning culture by supporting self-directed reskilling. By creating a company where people are proud to choose SOMPO, and being the preferred choice for customers through sustainable growth, we accelerate the Group's value creation.

Sompo Himawari Life Insurance Inc.
CHRO

Michiko Noda



Sompo Himawari Life Insurance will further evolve into a wellbeing support partner, contributing to customer wellbeing by resolving the three key concerns: health, nursing care, and retirement finance. This evolution is underpinned by robust health and productivity management, actively encouraging each employee to improve health literacy and engage in proactive health promotion. A vibrant work environment, both mentally and physically, is a critical business foundation for delivering new value to customers. Building on this foundation, we will cultivate a corporate culture where each employee aligns their 'My Purpose' with the company's vision, autonomously charts their career path, and proactively embraces challenges. By leveraging diverse individual strengths to enhance our collective organizational capabilities, we aim to deliver customer value and achieve sustainable growth.

Sompo International
CHRO

Joy McCune



Unlocking the potential of our people starts with a simple commitment: authentic, consistent listening and acting on what we hear. At Sompo, the collective expertise of our people fuels our success, and when they feel heard, our people share ideas that spark innovation, strengthen culture, and accelerate performance.

Engagement grows, and energy rises when leaders create space for real dialogue, respond with meaningful action, and empower teams to shape the future. With the clarity of our vision and values as our guide, we focus on the moments that matter, inviting ongoing feedback and connection. This approach has already driven enhancements across our global programs, from Total Rewards and Recognition to Learning and Development, and Wellbeing.

The result is a culture where people don't just show up, they lean in, contribute boldly, and thrive. By fostering a connected, inclusive culture and listening and acting on what we hear, we drive growth and create an employee experience that unlocks possibilities for everyone.

Sompo Care Inc.
CHRO

Kiyomi Yoshioka



With our purpose of "Transforming Japan's nursing care, and building the future of Japan," Sompo Care addresses serious social challenges stemming from a rapidly aging population. The key is "future nursing care," maximizing DDA to achieve higher service quality and to reduce operational burdens. To support this transformation, we develop professionals through Sompo Care University, offering anytime, anywhere learning, and aggressively invest in their self-directed growth. This has fostered a widespread culture of self-directed learning, with 25,000 participants in learning activities in FY2025. Realizing productivity improvements with quality through future nursing care leads to better worker compensation and higher social standing, thus ensuring the realization of our purpose. Together, we will create a future where everyone can take on challenges with pride.

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KPIs for the Group Human Resource Strategy

Major category	Section	KPIs	Scope	Targets	FY2025 results	FY2024 results
Employee experience	Embody wellbeing	Presenteeism (WLQ-J)	All Group companies in Japan	Year-on-year improvement	94.6	94.5
		Absenteeism (number of employees on mental health leave) *1		Year-on-year decrease	1,073 persons	983 persons
		Comprehensive Health Risk Index		Year-on-year decrease	90	92
		Average monthly overtime hours	SHD, SJI, SHL	Year-on-year decrease	20 hours	15 hours
		Ratio of employees with standard BMI *2		Year-on-year improvement	65.9%	66.0%
		Ratio of males taking childcare leave	All Group companies in Japan	100%	84.3%	81.0%
		Ratio of smokers *2	SHD, SJI, SHL	Year-on-year decrease	12.3%	12.8%
		Confirmed harassment cases	All Group companies in Japan	Year-on-year decrease	23	33
	Inclusion of diverse talent	Number of Mid-career Hires	SHD, SJI	Year-on-year increase	306 persons	241 persons
		Ratio of Mid-career Hires		Year-on-year improvement	50.5%	43.9%
		Ratio of employees with disabilities	All Group companies in Japan	2.7%	2.69%	2.61%
Employee and organizational growth	Pursuit of professionalism	Qualification support: number of approved applications	SHD, SJI, SHL	Total 2,000	664 applications	—
		Amount utilized from the SOMPO Human Capital Fund	All Group companies in Japan	Year-on-year increase	¥1.78 billion	¥840 million
		Challenge indicators*3		Year-on-year improvement	3.52	3.44
	Empowering career ownership	Number of employees under the job-based system	SHD, SJI	Year-on-year increase	340 persons	244 persons
		Job posting mobility (number of transfers / applicants)	SHD, SJI, SHL, SCA	Year-on-year increase	286 persons / 748 persons	267 persons /836 persons
	Expansion of talent portfolio	Ratio of female executives / general managers / managers*4	Group-wide	FY2026 target: 16%/23%/27% FY2030 target: 30% across indicators	14.2%/21.3%/27.2%	14.3%/20.7%/26.6%
		Ratio of female candidates in succession plans		50%	36.2%	40.0%
Employee engagement	Improve employee engagement	Engagement scores*5	Group-wide	Year-on-year increase	Japan: 3.60 Overseas: 4.26	Japan: 3.56 Overseas: 4.16
		IKI -IKI WAKU-WAKU Index *6 (IKIWAKU Index)	SJI	—	Alignment with SJI philosophy: 58.3% *Iki-iki**7: 64.1% *Waku-waku**7: 53.5%	—
Maximize value creation	Enhance productivity metrics	Labor productivity	Group-wide	Year-on-year increase	¥15 million per person	¥13 million per person
		Human capital ROI		Year-on-year increase	60.5%	43.2%

Note: The abbreviations used to indicate scope are SHD = Sompo Holdings; SJI = Sompo Japan Insurance; SHL = Sompo Himawari Life; and SCA = Sompo Care.

*1 The calculation definition was changed in FY2025. FY2024 figures have been recalculated based on the new definition.
*2 The scope of coverage was changed in FY2025. FY2024 figures have been recalculated based on the new scope.
*3 Average score of challenge-related questions in the engagement survey (5-point scale).
*4 Managers = general managers + managers
*5 Rated on a 5-point scale
*6 The index utilizes a portion of questions from the engagement survey. Percentage of respondents who selected a score of 4 or 5
*7 "*Iki-iki*" is a Japanese term meaning "vitality" and "*waku-waku*" is a term indicating "excitement" and "inspiration."

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Message from the Chair of the Board

Board of Directors Mission Statement

The Sompo Group is committed to regaining trust by implementing the business improvement plans formulated in response to a series of issues that occurred in the past. Since FY2024, when I took office as Chair of the Board, we have been undertaking governance reforms aimed at restoring stakeholder confidence and preventing recurrence of these issues, such as appointing one of the company's top global talent as Group Chief Audit Executive (CAE), reviewing the system for evaluating the effectiveness of the Board of Directors to ensure a more objective and transparent process, and revising executive appointment policies and the basic concept regarding executive compensation.

Building on the groundwork laid down by reforms undertaken to date, in FY2025 we formulated and announced the Board of Directors Mission Statement to clarify the roles and objectives of the Board. As with the executive team, we will be reorganizing the composition of the Board going forward. We based the Mission Statement on conclusions reached through repeated discussions by the Board, convinced that, if the Group is to climb to even greater heights, it is crucial that we clearly articulate the values and mission we seek to uphold through these reforms, and pass these on to the next generation.

Recognizing that regaining trust and maximizing corporate value over the longer term are the responsibility of the Board of Directors, the Mission Statement outlines a commitment to restructuring the business model and portfolio in light of rapid changes in the business environment, to investing in growth with appropriate and decisive risk-taking, and to addressing societal challenges and pursuing sustainable growth which are the founding spirit.

I believe that the founding spirit of addressing societal challenges and pursuing sustainable growth is of particular importance. The origins of the Sompo Group date back to the establishment of Japan's first fire insurer, a company imbued with a drive to act for the sake of people and society. Over time, the Group's Purpose has evolved into working for a future of health, wellbeing, and financial protection—in other words, contributing to our customers by delivering solutions that bring their health, wellbeing, and financial protection. I would like to see the next generation of Board members reclaim this founding spirit and use it as the basis for discussions aimed at contributing to society while also achieving sustainable growth.

Revitalizing communications

Revitalizing communications constitutes another key thrust of our efforts. To enhance the effectiveness of its oversight, the Board of Directors is also committed to the qualitative evolution of its communication. To ensure that discussions are productive, it is essential that all Board members, including outside directors, have a thorough understanding of one another's expertise, values, and thought processes, enabling them to engage on a level footing in back-and-forth discussions. After exploring what size would be most appropriate in terms of further energizing discussions, we reduced the size of the Board from 13 to 11 members.

Mikio Okumura, the Group CEO, gives a business execution report at the start of every Board meeting, which has proven extremely effective in enhancing the quality of discussions. The purpose of these reports is not to share accomplishments in a formal manner, but rather for the CEO to candidly share his thoughts on the ongoing challenges top management is facing, and whatever concerns or sense of crisis they feel. This ensures that even outside directors have a clear understanding of the context surrounding the executive team, which facilitates even more substantive discussions.



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Message from the Chair of the Board

There had also been significant challenges with regard to communication among the executive team. We have worked to strengthen Group governance and touchpoints with our operating companies, but I am confident that the change in the company name from Sompo Holdings, Inc. to Sompo Group, Inc., due to take effect in 2027, will make a significant contribution to even better communication. For the Sompo Group to realize the spirit of "ONE SOMPO," it is crucial to move beyond the functional relationships that exist between the holding company and the operating companies whose shares it holds. The planned name change embodies the strong commitment to operating business as a truly integrated organization with an organic sense of unity, in which diverse employees from various businesses ranging from insurance to nursing care can talk about the future of the Group from a unified perspective. It is my hope that all Group employees gain an understanding of management's intentions and engage in even more vigorous conversations on that basis.

Toward regaining trust and maximizing corporate value over the longer term

Our oversight role as outside directors is not to keep the executive team in check or hamper its progress. Rather, outside directors bring significant value by carefully examining and deliberating on issues from a perspective that is distinct from that of the executive team, which tends to move in the same direction to drive projects forward—asking whether driving projects forward has become an end in itself, and whether any critical perspectives have been overlooked. By our very nature of coming from outside the company, outside directors can contribute to the decision-making process with opinions that are not always predictable or even favorable. The point is to encourage the Board to get back to its fundamentals—for instance, taking the standpoint of stakeholders in questioning whether a course of action would be acceptable to society as a whole, and whether the action is appropriate in the context of the Group's Purpose. It is this conscientious process by the Board of Directors that enables the executive team to have confidence in taking appropriate risks.

The Group's earnings are brisk at present, and it has achieved its financial targets, including adjusted consolidated ROE and adjusted consolidated profit, ahead of schedule. I appreciate that the Group is steadily strengthening the earnings structure of its existing businesses alongside efforts to regain trust that was lost due to past issues. I think it is vital, though, for the Board of Directors to maintain a longer-term perspective rather than focusing purely on performance in the near term.

In corporate management, preparing for the next forward-looking transformation has to begin precisely when current performance is robust. Some might say that, from the standpoint of capital efficiency and near-term returns, the Group should channel management resources into the highly profitable SOMPO P&C. Of course, as its core business, the Group should further strengthen SOMPO P&C, but it cannot rely on this alone. Rather, the Group has to prepare for unforeseen changes in the operating environment by returning to its founding spirit of addressing societal challenges and pursuing sustainable growth, as expressed in the Board of Directors Mission Statement. Companies that focus solely on near-term profits and rely solely on businesses that currently turn a profit will inevitably find themselves vulnerable in the face of unforeseen changes in the environment, undermining their own sustainability.

As the chair, I will lead the Board of Directors to fully acknowledge the perspectives of the many stakeholders who uphold its businesses, including shareholders, investors, customers, local communities, and employees. We will foster more active discussions to provide strong support for the executive team as it boldly embraces challenges, ensuring that the Sompo Group regains trust and maximizes corporate value over the longer term.

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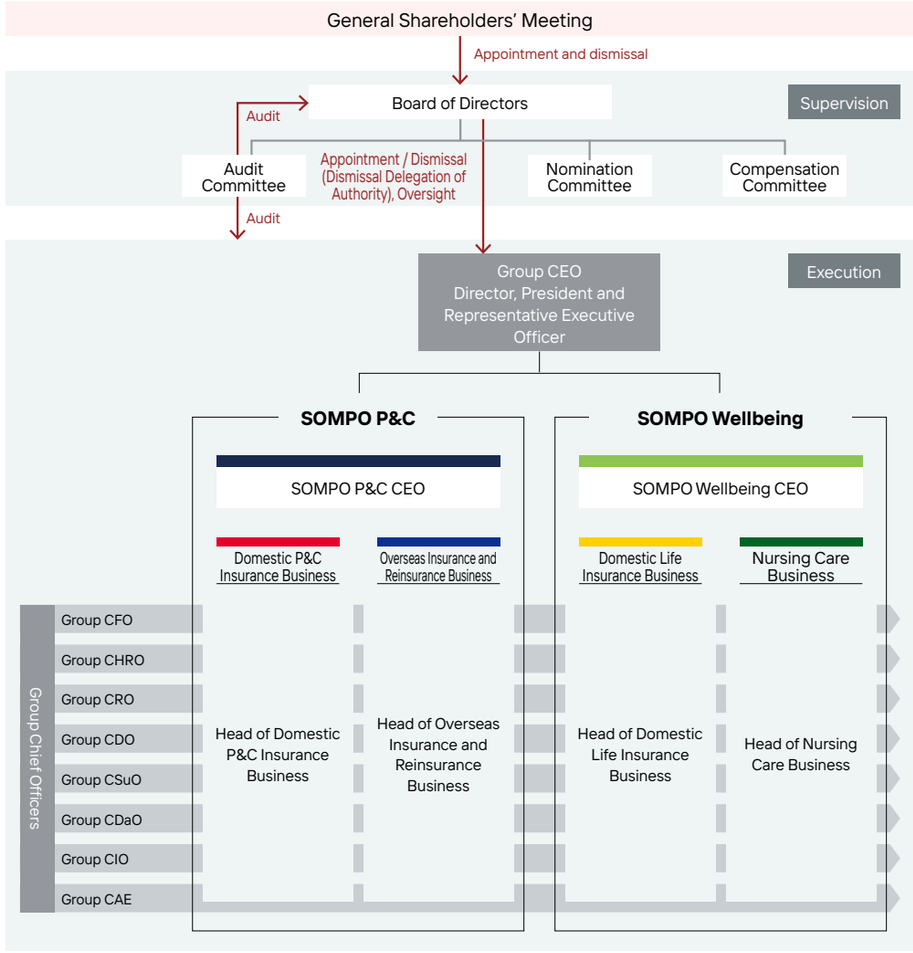
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Overview of Governance Framework

Our Group considers restoring the trust of our stakeholders to be its top priority and is 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 enhance the effectiveness of this framework. In FY2025, we formulated the Board of Directors Mission Statement and optimized the number of Board members. We will continue to strive to build an even stronger governance framework through ongoing assessments and improvements.

Group governance framework

* As of July 1, 2026



Initiatives to improve the effectiveness of the Board of Directors

(1) Fundamentally strengthen our management and governance framework

- Appoint an independent director* as chair of the Board of Directors and promote robust dialogue at Board meetings
- Formulate the Board of Directors Mission Statement to maximize corporate value over the medium to long term
- Analyze, evaluate, and continuously improve the effectiveness of the Board of Directors as a whole using outside experts
- Appoint the best talent from a global perspective primarily under the direction of the Group CAE
- Optimize the number of Board members

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

- Gather voices from employees of Group companies
- Regularly exchange opinions between the Audit Committee, the Group CRO, and Senior Executive Vice President in charge of Compliance
- Improve effectiveness of internal audit functions
- Full-time members of Sompo Holdings' Audit Committee will serve concurrently on Sompo Japan Insurance's Audit Committee

(3) Take initiatives to foster a healthy corporate culture

- Review Sompo Group Compliance Code of Conduct and promote the use of "SOMPO's Yes" to officers and employees
- Revise the Policies for Appointment of Directors and Executive Officers to reflect the Group Common Competencies
- Basic concept of Compensation for Directors and Executive Officers that reflects the Group Common Competencies, and changes to the Group executive compensation system

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Progress Status of Business Improvement Plans

* As of end of May 2026

The Sompo Group has steadily advanced its improvement plans based on the business improvement orders and has pursued initiatives to firmly establish a customer-centric corporate culture

For details, see the progress report on our business improvement plans (As of end of May 2026)

Progress Status of Business Improvement Plans for Sompo Holdings and Sompo Japan Insurance

Supplementary explanation ▲ Measures in discussion ■ Measures implemented ● Sustained benefits ★ Firmly established benefits First line: Field operations, Second line: Management departments Third line: Audit departments

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

Sompo Holdings

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

Sompo Japan Insurance

- ★ Foster compliance awareness at the management level
- ● Revise the Code of Conduct and other rules
- ● Strengthen a market-oriented perspective in product development
- ● Foster a culture that prioritizes customer protection and compliance, and take measures to instill such a culture in officers and employees
- ● Conduct interdivisional dialogue (field-head office, claims service sales, etc.)
- ● Establish organizational PDCA cycles for corporate culture transformation
- ★ Establish a Quality Control Department and appoint an officer in charge of quality control
- ★ Follow-up by the third line for corporate culture transformation
- ★ Review the exchange of performance information with other companies and its use

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

Sompo Holdings

- ★ Strengthen and improve the effectiveness of Group governance
- ★ Revise the institutional design of operating companies (major domestic companies)
- ★ Appoint a Chief Compliance Officer and establish a Compliance Office
- ★ Appoint a Chief Internal Audit Officer
- ★ Clearly define the relationships between Group Chief Officers (CxO) and Chief Officers (CxO) of individual companies
- ★ Strengthen specialized personnel

Sompo Japan Insurance

- ● Strengthen the independence of the third line of defense
- ★ Change management mindsets with education and development
- ★ Enhance management of the Executive Committee agenda items
- ★ Bring onboard perspectives from outside the company (including international perspectives)
- ● Expand risk assessment when submitting matters to the Executive Committee
- ★ Establish new committees for specific issues
- ● Create and roll out the Risk Ownership Handbook
- ★ Enhance the roles of Directors in charge of second and third lines

Establish a system to thoroughly ensure compliance and customer protections

Sompo Holdings

- ● A monitoring system for internal controls over subsidiaries' key measures and other activities
- ★ Information sharing and reporting system regarding recent spate of problems
- ● Internal audit system

Sompo Japan Insurance

- ★ Monitor suspected fraudulent claims cases
- ★ Conduct monitoring by the first line at the head office
- ● Develop and establish training and programs on the Act on the Protection of Personal Information and the Unfair Competition Prevention Act
- ● Strengthen risk management in promoting measures and conduct risk assessments of head office first-line measures
- ★ Clarify expectations and roles for the second line and strengthen talent
- ● Conduct monitoring of the first line at the field level by the second line

Sompo Japan Insurance

Establish an appropriate claims payment and management system

- ★ Define and instill the mission for employees in the claims service division
- ★ Ensure the independence of claims payment operations (Eliminate inappropriate intervention by the Sales Division)
- ★ Review and develop rules in the claims service division and strengthen monitoring
- ★ Revise the Claims Payment Regulations and Claims Service Manual

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

- ★ Establish rules prohibiting contact with other companies, etc.
- ★ Improve underwriting rules for coinsurance and group insurance, etc.
- ★ Formulate a management system for secondees (Abolish the former secondment system)
- ● Formulate a management system for secondees (new secondment system)
- ● Coordinate with group companies about the management of secondees
- ★ Discuss the business model for corporate agencies
- ★ Revise procurement rules for products and services

Establish an effective agency management (insurance sales management) system

- ● Establish a supervision and guidance system for agencies (Use of surveys)
- ● Monitor customer surveys
- ★ Separate sales when providing guidance to large agencies in terms of insurance premiums
- ★ Review the content of customer surveys
- ★ Revise processing rules, etc. related to agency action standards
- ★ Confirm the status of establishment of measures to prevent recurrence
- ★ Implement training for all employees on conflicts of interest risk
- ★ Deepen complaint analysis

Establish an appropriate sales promotion system and insurance underwriting management system

- ● Initiatives to enhance profitability analysis and pricing
- ★ Clarify the roles of each division based on the ideal state of corporate insurance
- ★ Thoroughly manage profitability by insurance type
- ★ Review how head office inquiries related to underwriting are handled
- ★ Disseminate information on rate revisions and strengthen the sales division's ability to explain them

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Operational Status of the Board of Directors

Overview of the Board of Directors

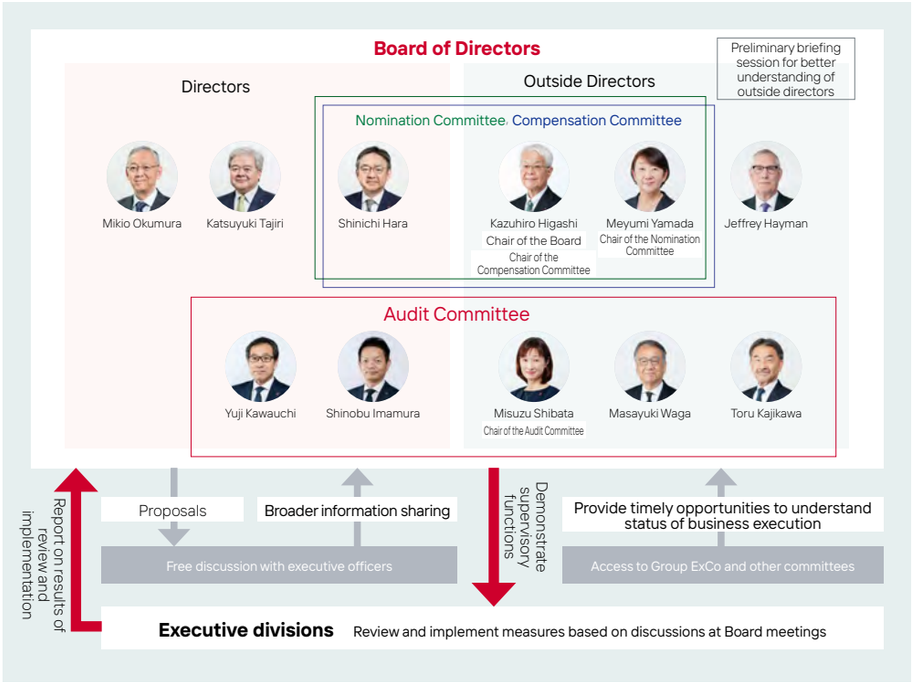
As a company with a nomination committee, etc., we have established a governance framework in which the Board of Directors, primarily made up of outside directors, oversees the executive divisions. Independent directors also chair the Board of Directors and the three statutory committees—the Nomination, 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 global management, corporate governance, and innovation and investment strategy.

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.

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



Achievements in FY2025

Main topics discussed at Board of Directors meetings

A total of seven Board meetings were held in FY2025. The principal agenda items that were discussed at these meetings are outlined below.

Topic	Description
Progress of the business improvement plans and initiatives to firmly establish them at Sompo Holdings and Sompo Japan Insurance	We reviewed the progress of the business improvement plans and made recommendations for creating ways to conduct effective evaluations that take into account the corporate culture reforms and the characteristics of each measure implemented.
Progress of Mid-Term Management Plan	Confirmed progress of the Mid-Term Management Plan and the Group risk level through regular status reports by the Group CEO and quarterly reports on the Group's numerical management targets.
Clarifying the responsibilities and roles of the Board of Directors	We discussed the role of the Board of Directors in supporting appropriate and decisive risk-taking aimed at maximizing medium- to long-term corporate value, and we formulated the Board of Directors Mission Statement.
The medium- to long-term business portfolio	We discussed our medium- to long-term business portfolio and the direction of our growth investments, and we reviewed our investment discipline, including areas of investment and strategic significance, the appropriateness of business plans for our investment strategy, and the evaluation of return on investment for new business ventures.
AI and digital strategy and cyber resilience	After clarifying the value of AI and digital technologies for customers, we made recommendations regarding the importance of formulating medium- to long-term strategies, as well as regarding the need for coordinating with government agencies and other entities during the transformation of business models and for estimating specific financial impacts. We also reviewed the Group's cyber risk landscape and cybersecurity measures.

Specific initiatives

- Regular reporting on business execution by Group CEO, business CEOs, and each Group Chief Officers at Board meetings
- Ensuring opportunities to promote understanding and deeper discussions concerning key management issues and medium- to long-term strategies, such as by holding intensive discussion retreats
- Director participation as observers in Group ExCo meetings and access to other key meetings
- Ensuring opportunities to report or share information on business execution to outside directors in a timely manner, not limited to the topics discussed at Board meetings
- Free discussion on information relating to business execution
- Ensuring opportunities for ongoing exchange of opinions between outside directors and representative executive officers, etc.

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Operational Status of the Board of Directors

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 initiatives to enhance the effectiveness of the Board of Directors in FY2025, the company continued to utilize outside experts to evaluate the effectiveness of the Board of Directors in terms of its response to issues identified in the third-party evaluation conducted in FY2024 and the status of deliberations by the Board of Directors.

Process of the third-party evaluation utilizing an external expert

Step 1 Analysis and evaluation (CHECK)

- Upon obtaining the advice of an external expert, conduct a questionnaire survey to all Directors
- The external expert analyzes the questionnaire result

Step 2 Determination of a policy (ACTION・PLAN)

- Upon obtaining the advice of an external expert, the Board of Directors summarizes issues and a policy for addressing them for improving the effectiveness of the Board of Directors

Step 3 Execution (DO)

- Based on the policy, the Board of Directors executes operation and deliberation

Outline of the result of the third-party evaluation

A summary of the results of the evaluation of the effectiveness of the operation of the Board of Directors in FY2025 conducted using outside experts are as follows.

Based on the results of the evaluation in FY2025, we will continue to implement the measures necessary to further enhance performance.

We posted on our website the Sompo Holdings Board of Directors Mission Statement, which was formulated to further enhance the effectiveness of our Board of Directors and corporate governance.

For details, see the Sompo Holdings Board of Directors Mission Statement

Policy to be taken for FY2025 based on the result of FY2024 evaluation

By promoting initiatives shown below, the company will enhance effectiveness of its Board of Directors and corporate governance, with an aim to achieve sustainable increase in corporate value and the SOMPO's Purpose "For a future of health, wellbeing and financial protection."

(1) Initiative to evolve and strengthen further the Group's governance structure with the aim of promoting the transformation of the Group's management structure
(2) Formulation of a mission statement of the Sompo Holdings' Board of Directors
(3) Effective operation of the Board of Directors succession planning by the Nomination Committee
(4) Stronger cooperation between Sompo Holdings' Board of Directors and Sompo Japan Insurance's Board of Directors

Evaluation of Performance for the Board of Directors in FY2025 (summary)

- As in the previous year, the operational aspects of the Board of Directors were positively evaluated and are expected to continue.
- One of the most notable features of the current fiscal year has been the increase in mutual understanding and mutual trust among directors.
- In the future, the challenge will be to embody the mission statement in the agendas of the Board of Directors and its committees, and to establish it as the common understanding and culture of the Board of Directors.
- n the previous fiscal year, "Stronger cooperation between the Sompo Holdings' Board of Directors and the Sompo Japan Insurance's Board of Directors" was identified as a challenge. The Board of Directors promoted the initiatives to address this issue during the fiscal year under review, and efforts continue to be required for further evolution and strengthening of the Group's governance structure.

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Activities of the Nomination Committee

Meyumi Yamada

Outside Director
Chair of the Nomination Committee



Building the optimal executive structure and portfolio for the Board of Directors

The Nomination Committee is responsible for proactively enhancing the transparency and fairness of the Group's governance to ensure the Board of Directors can fulfill their mission effectively. In particular, the committee plays a key role in effectively advancing well-ordered succession plans for executives, including the Group CEO, ensuring the best appointments of key executives across the Sompo Group, and building an optimal member portfolio for the Board. The committee has also established an oversight framework characterized by a high degree of effectiveness and independence by formulating policies and criteria for the appointment of directors, executive officers, and senior vice presidents; determining candidate proposals; participating in appointments to key positions at Group companies; and deliberating on the appointment or dismissal of the Group CEO based on their individual performance evaluation.

As described below, in FY2025, we implemented measures and made decisions to establish a management and oversight framework that will drive the transformation needed to realize SOMPO's Purpose.

First, with a view to establishing a new management structure, we selected Mr. Katsuyuki Tajiri as Representative Executive Officer and Mr. Tajiri and Mr. Jeffrey Hayman as candidates for the Board of Directors. Mr. Tajiri possesses extensive experience in planning and management both in Japan and overseas, as well as exceptional strategic insight; we have determined that he is the ideal candidate for serving as the Group CFO, who oversees the financial and capital strategies of the entire Group. We also selected Mr. Hayman as the ideal candidate to strengthen the oversight and monitoring functions of the Board of Directors from a global perspective, given his high level of expertise in insurance risk governance gained from his experience in key positions at one of the world's leading global insurance groups and as Chairman of the Board of Directors at a listed insurance company in Europe.

In addition, we focused on formulating and implementing succession plans to ensure the steady and effective development of senior executives and the next generation of management personnel who will provide the foundation for enhancing corporate value over the longer term. In FY2025, we established guidelines for 87 key positions other than the Group CEO, and pursued diversity in our talent pool by setting a clear selection criterion requiring that at least 50% of candidates be women. Furthermore, with regard to the training and recruitment of the next generation of management personnel who will lead the Group in the future, we discussed multifaceted training processes and recruitment policies, including accelerating the hiring of external candidates and digital natives and enhancing high-level decision-making capabilities, as well as the need for personnel training programs that would include overseas assignments designed to prepare candidates for success in global markets. Additionally, we have continued to discuss the succession plan for the Group CEO in an objective manner to guarantee a transparent and systematic approach, and are making strides in cultivating a more sophisticated successor development pipeline.

We also reviewed the structure of the Board of Directors and reduced the number of directors from 13 to 11. This move is intended to foster more in-depth engagement by each director in discussions, establish a more agile oversight framework, and promote swift and effective decision-making in a rapidly changing business environment.

To support these initiatives, the Nomination Committee maintains close communication and actively exchanges views on an ongoing basis with the Group CEO and the entire executive team. Going forward, the committee will continue to pursue an optimal executive portfolio that embodies diversity and expertise, strengthening mechanisms to consistently and effectively develop high-caliber management talent.

Achievements in FY2025

The committee held a total of ten meetings in FY2025. The principal agenda items discussed at these meetings are outlined below.

Category	Overview
Formulation of succession plans	The committee formulated and adopted succession plans. The objective was to effectively cultivate a stable flow of high-caliber people with diverse expertise and backgrounds who are capable of assuming key leadership roles, as well as individuals with a global perspective who will be able to take on senior positions in the Group, with a view to realizing SOMPO's Purpose and driving the further transformation and growth of the Group.
Candidate selection (directors)	The committee approved a list of director candidates for the resolution to be 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 (executive officers/senior VPs)	The committee approved a resolution to be submitted to the Board of Directors regarding the appointment of executive officers and senior VPs to serve under the company's new executive structure for FY2026, with a view to the next stage of becoming a "Japan-born, truly global company" and further enhancing corporate value.
Appointment of directors and senior VPs for Sompo Japan Insurance and Sompo Himawari Life Insurance	The committee held discussions concerning the candidates for directors and senior VPs for Sompo Japan Insurance and Sompo Himawari Life Insurance.
Formulation of the Nomination Committee's Mission Statement and review of candidate selection policies and skill matrix for directors	To ensure the effective execution of the mission of the Board of Directors, which was a topic of discussion throughout FY2025, the committee clarified its responsibilities in the form of a Mission Statement and revised its policies for selecting director candidates. We also revised the skill matrix for directors with reference to their roles on the Board.

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Policies for Appointment of Directors and Executive Officers

Basic concept

The Appointment of Directors and Executive Officers is conducted in accordance with the following policies for appointment of Directors and Executive Officers. The candidates for Directors selected by the Nomination Committee are approved at the General Shareholders Meeting, and the candidates for Executive Officers and key Senior Vice Presidents are selected by the Nomination Committee and approved by the Board of Directors, while the candidates for other Senior Vice Presidents are approved by the Group CEO.

Policies for Appointment of Candidates for Directors

Directors supervise the execution of operations by the company and its subsidiaries and other entities, as well as supporting the promotion of a management strategy for the entire Group and being responsible for the realization thereof. From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors.

Additionally, the candidates for Directors are selected based on 1) the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies; 2) whether they possess the values that serve as the basis for decisions and actions (integrity, self-motivation, diversity) and that are necessary for carrying out SOMPO's Purpose; and 3) their ability to perform the roles of the Board of Directors set forth in the mission statement of the Board of Directors and contribute to maximizing corporate value over a medium to long term in order to meet expectations of stakeholders including shareholders. Outside Directors are, meanwhile, selected based on 1) "Ability Requirements," 2) "Standards regarding Independence of Outside Directors," and 3) "Requirements for Terms of Office." For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 in accordance with the Articles of Incorporation.

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

(1) Ability Requirements

The company selects Outside Directors from individuals who have a wide range of knowledge and experiences in various fields in light of changes in the environment and priority management issues in the execution of the company's medium- to long-term strategies. In addition, the appointment shall require him/her to be in a position where he/she is able to devote the time and effort necessary to fulfill the role and responsibilities of Director appropriately.

(2) Standards regarding Independence of Outside Directors

The company will determine the independence from the company of Outside Directors based on the matters set forth below:

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.
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.

(3) Requirements for Terms of Office

If the terms of office exceed four years since his/her first appointment as Outside Director of the company, the company shall not preclude reappointment if there are any positive reasons for reappointment in light of changes in the environment and priority management issues in the execution of the company's medium- to long-term strategies. In reappointing a person whose terms of office will exceed four years, the company will carefully consider whether there are any positive reasons for reappointment when his/her term of office expires each year.

Policies for the composition and criteria for appointment and removal of Executive Officers and Senior Vice Presidents

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

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

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

The Company appoints Executive Officers and Senior Vice Presidents who meet the following criteria and who can promote these values throughout the organization through talent development and other initiatives.

- Always think and do what is fair and right for others and society.
- Continuously deliver value to others and society with a long-term perspective.
- Capable of taking bold actions, driven by own mission and high aspiration.
- Possess strong expertise in assigned mission and roles, supported by proven experience and accomplishments.
- Act simply and quickly; stay ahead of change to drive transformation.
- Embrace diversity, respect others, and remain open to different opinions.
- Strive to engage in constructive dialogues that foster candid exchanges of opinions to create value.
- Actively collaborate across organizations and entities to maximize the value delivered.

The Board shall consider the removal of any Executive Officer or Senior Vice President who is determined to lack the requisite qualifications in connection with the foregoing.

(3) Directors' liability

The company does not impose a limitation of liability on its Director. For outside directors, liability is partially limited in accordance with the Japanese Companies Act.

Outside Director support system

Prior to meetings of the Board of Directors, Outside Directors are provided with explanations by the Corporate Legal Department of the secretariat of the Board of Directors, and by the departments in charge of each agenda item. Additionally, the Human Capital Department provides assistance to Outside Directors as the secretariat of the Nomination Committee and the Compensation Committee, and the Audit Committee Office provides assistance to Outside Directors as the secretariat of the Audit Committee.

The company also makes efforts to provide Outside Directors with various types of information, including the Integrated Annual Report, Annual Securities Report, and IR presentation materials.

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Succession Plan

* As of August 1, 2026

Goals of the succession plan

With a view to achieving SOMPO's Purpose and to also drive further transformation and growth of the Group, we are formulating succession plans for key leadership positions with the aim of establishing a system to reliably and effectively produce high-quality personnel with different specializations and backgrounds.

Positions covered in the plan

A total of 92 key positions within the Group, including the Group CEO, Group CxOs, and other important positions in each line of business in Japan and overseas have succession plans in place.

Criteria for selecting candidates

Succession candidates are selected according to the categories listed below. To increase diversity, candidates for each position must meet certain criteria. Candidates may be selected from talent systematically nurtured within the company, or recruited from outside of the Group.

(1) Candidate category

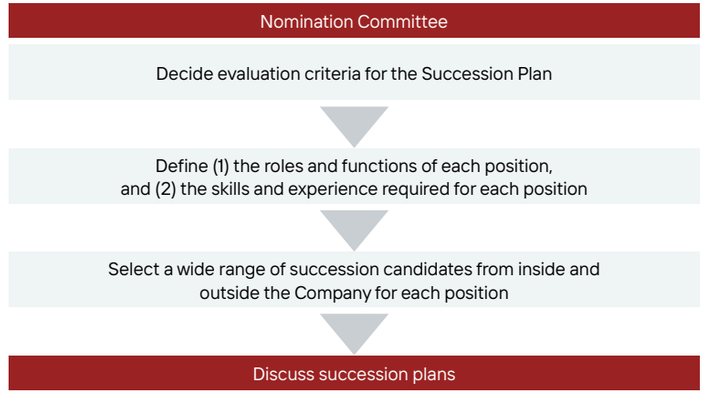
Talent who might assume key positions within 5 years	N (Next) talent
Talent who might assume key positions in 6 to 10 years	F (Future) talent

(2) Criteria for selecting candidates with the goal of increasing diversity of talent pool

- Six or more N talent candidates and F talent candidates must be selected for each position.
- Women must account for 50% or more of N talent candidates and F talent candidates for each position.
- An age distribution ratio for candidates must be set for each position.
- At least one candidate from either another business within the Sompo Group or an external candidate from outside the Sompo Group must be selected for some of the positions.

Procedures for considering the succession plan

The Succession Plan is formulated by the Nomination Committee according to predetermined evaluation criteria. The roles, functions, and required skills and experience for each position are defined both for the present and the future. Based on these definitions, a wide range of succession candidates for each position is selected both from inside and outside the Company. The Succession Plan is drawn up using the diverse and expert insight of the members of the Nomination Committee. The Committee also engages in proactive and constructive discussions to build a stronger and more diverse pool of candidates.



Coordinating the succession plan with the appointment, placement, and development of Executive Officers and Senior Vice Presidents

For the purpose of effectively linking the formulated succession plan with the appointment, placement, and development of Sompo Group Executive Officers and Senior Vice Presidents, we formulate placement and development plans for each post at a Group-wide roundtable meeting. These plans include suitable tough assignments, investing in talent based on individual challenges, and sending candidates to management training programs. Appropriate training plans are then implemented based on these plans.

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Activities of the Audit Committee

Misuzu Shibata

Outside Director
Chair of
the Audit Committee



Supporting sound governance and fostering the enhancement of corporate value

The Audit Committee provides oversight to management from an independent and objective standpoint and works to contribute to the enhancement of corporate value over the medium to long term. The committee is guided by a mission to audit and oversee the execution of duties by officers by verifying the reliability of financial reporting, the effectiveness of internal controls and risk management systems, and compliance with laws, regulations, and other relevant rules, thereby supporting a sound framework for governance across the Group.

To ensure that management can fully exercise its executive capabilities, avoid placing an excessive burden on frontline operations, and establish a highly effective and efficient Group audit system, the committee has adopted a basic approach of maximizing audit resources and being sensitive to the dual structure of the Group made up of a holding company and its businesses. While focusing in particular on the parent company's management capabilities—that is, whether our executive team can manage and oversee Group companies appropriately—we are striving to eliminate any blind spots in governance. To this end, we have continued work to enhance functions and strengthen coordination between the second and third lines of defense—in other words, risk management and compliance departments, and the Internal Audit Department. At the same time, we are collaborating closely with auditors at subsidiaries to arrive at a shared understanding of risks. In accordance with this basic approach, we carried out the activities listed in the table on the right in FY2025 and are continuing with audit activities initiated during that year in FY2026, focusing on two key audit categories.

First, we will focus on making progress on the business improvement plans. In addition to verifying efforts to fully implement the plans, which were developed in response to past incidents, our focus is not merely on the fulfillment of each element in the plans, but also on whether a genuinely customer-oriented corporate culture has taken root on the front lines and whether a framework is in place that enables the benefits of that culture to continue to play out in a sustainable way. We will confirm this through dialogue with management.

Second, we will focus on making progress on initiatives at SOMPO P&C and SOMPO Wellbeing. This fiscal year, these two major growth engines that will drive the future of the Group are transitioning to a phase of seeking to deliver concrete results. We will closely monitor whether the frameworks designed to address the new risks associated with this major transformation are functioning effectively, and whether the personnel needed to support this transformation are being appropriately placed and trained. At the same time, we will continue to monitor key issues such as AI governance, cybersecurity, and the establishment of a corporate culture that enables the rapid identification and reporting of unfavorable information.

I believe the Audit Committee must gain the trust of those within the Group to serve as the Group's brakes that will always work even at critical points, and at the same time it must serve as an accelerator that encourages management to take sound risks. To live up to the trust placed in the Group by our stakeholders, we will continue to vigorously drive forward reforms in governance.

Achievements in FY2025

The committee held a total of 13 meetings in FY2025. The principal agenda items discussed at these meetings are outlined below.

Category	Overview
Formulation of a basic audit policy and audit plan	• In FY2025, the committee identified key audit categories—based on our Group's vision, challenges faced in the previous fiscal year, and their importance, including implementation of the business improvement plans and the new management structures at SOMPO P&C and SOMPO Wellbeing—and formulated an audit plan to ensure that these categories will be monitored effectively. • We also formulated a new Mission Statement for the Audit Committee which will serve as the foundation for our future basic audit policies and plans.
Mobilizing full-time Audit Committee members in the field and providing appropriate feedback to management	• With our two full-time Audit Committee members, we worked to enhance the sharing of information and the exchange of opinions regarding company and Group meetings, striving to quickly identify real-world challenges on the front lines. Having one of the full-time Audit Committee members also serve as an Audit and Supervisory Committee member for Sompo Japan Insurance dramatically improved the quality and speed of information sharing. • Based on the changes mentioned above, we established a framework to manage the results of discussions by the Audit Committee, including those with outside Audit Committee members, and provide timely feedback to management.
Preventing recurrence of misconduct and coordinating internal audits	• Regarding the implementation of the business improvement plans—a key audit category—we worked closely with the Internal Audit Department (the third line of defense) to verify the extent to which measures had taken root at an operational level.
Confirmation of new management structures of two business units and more in-depth organizational audits	• Working closely with the Internal Audit Department, we conducted audits of the new management structures at SOMPO P&C and SOMPO Wellbeing, which are key audit categories. • Through dialogue with the business CEOs and auditors at Group companies, we monitored risk management related to the Group's transformation as well as personnel assignments and training, from multiple perspectives.

Shinobu Imamura

Director
Member of
the Audit Committee



Since June 2025, I have served concurrently as a full-time member of the Audit Committee for Sompo Holdings and as an Audit Committee member for its core business Sompo Japan Insurance. The purpose of holding both positions is to ensure transparency between the two companies and to strengthen the effectiveness of our Group-wide auditing framework.

To achieve this goal, I report directly to the Audit Committee on the temperature on the ground at Sompo Japan Insurance and on any emerging risks, making sure that information is neither delayed nor downplayed. This helps eliminate informational blind spots and supports a framework that allows the holding company to accurately grasp the actual conditions of its operating companies.

Furthermore, I believe that using first-hand information in this way to engage in in-depth discussions with the outside Audit Committee members who bring an objective and broad perspective to the table enables us to conduct substantive, high-caliber audits that go beyond the surface issues.

I will continue to fulfill my role as a kind of "hub" connecting the two business units and contribute to building a robust governance framework that lives up to the trust placed in us by our stakeholders.

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Activities of the Compensation Committee

Kazuhiro Higashi

Outside Director
Chair of the
Compensation
Committee



Encouraging appropriate yet decisive risk-taking by executives; moving toward a fair and competitive executive compensation structure

The Compensation Committee plays a key role in the oversight function of the Board of Directors, taking the lead in establishing and administering a fair and competitive executive compensation system. The committee's proactive mandate is to strongly encourage the executive divisions to pursue sound and robust management and to take risks appropriately yet decisively. Also, by determining the Group-wide executive compensation framework, conducting performance evaluations, taking part in decisions by major subsidiaries concerning compensation, and conducting individual performance evaluations of the Group CEO, the committee acts to eliminate arbitrariness in the decision-making process around compensation and ensure a high degree of objectivity, transparency, and fairness.

In FY2025, guided by this mission, the committee deliberated and resolved on the following matters regarding the method of evaluating the management structure, the design of systems based on our Basic Philosophy of Executive Compensation, and specific revisions aimed at further enhancing the effectiveness of incentives.

First, regarding the current management structure and performance evaluations for individual executives, in addition to assessing the degree to which financial targets reflecting the year's performance were achieved, we have conducted a comprehensive strategic goal evaluation to assess the exercise of leadership aimed at achieving management plans from a long-term incentive program and efforts toward the qualitative transformation of the corporate culture. To enhance the objectivity of our evaluation, we have established a rigorous process in which the Compensation Committee, which is composed of a majority of outside directors, engages in thorough-going communication with the Group CEO and other executive officers at the beginning, midpoint, and end of each fiscal term. After clarifying the rationale behind our decisions, we make sure these decisions are reflected in the evaluation of individual executives and in the determination of their compensation amounts.

Second, based on the Basic Concept of Compensation for Directors and Executive Officers, which was revised in FY2025, we moved forward with establishing an appropriate executive compensation structure. SOMPO's Purpose and SOMPO's Values are positioned as the overarching concepts informing the Basic Concept. We established a system that links the compensation of executives both to how well they take the lead in practicing the Group Common Competencies, which are Group-wide behavioral expectations, and to the process by which they exhibit a commitment to fostering a healthy corporate culture while engaging the entire organization. Additionally, we added the sustainable creation of value for stakeholders as a core element of the Basic Concept, creating a compensation framework linked to addressing social issues.

The Compensation Committee has also held repeated discussions regarding appropriate standards for future executive compensation in the company as it strives to become a global enterprise. In particular, we conducted a multifaceted review to determine whether the company is sufficiently competitive in the market by referencing benchmark data on peer groups provided by an independent third-party organization, as well as actual compensation amounts for executives disclosed by other companies. By continuing to discuss the renumeration amounts linked to the scope, importance, and level of responsibility of each executive's mission, as well as the balance between fixed and performance-linked compensation, we strive to maintain objective compensation levels that enable us to attract and retain fair, impartial, and highly capable management personnel.

Third, to maximize the incentive to drive the sustainable enhancement of corporate value, we conducted a detailed review of the compensation structure. For performance-linked compensation, which represents a near-term incentive, we restructured the financial performance coefficient to make it more dynamic and introduced a new equation in which compensation varies based on performance relative to actual results as well as targets.

For our phantom stock system, which is a long-term incentive compensation program linked to stock prices, we decided to revise the evaluation metrics and change the grant schedule in preparation for extending the program's application to other Group companies in FY2026. In addition, we introduced relative Total Shareholder Return (TSR) as a new performance metric for executives of the company and its core subsidiaries. By reflecting the company's stock price growth relative to the market and its competitors in the compensation structure, we will align executive compensation and shareholder returns more closely than ever before, further encouraging executives to share value with shareholders.

In promoting these initiatives, the Compensation Committee stays in close communication with the Group CEO and executive management, actively exchanging views on an ongoing basis. Going forward, the committee will continue to pursue a compensation governance framework that supports the sustainable enhancement of corporate value while fulfilling its accountability to shareholders and other stakeholders.

Achievements in FY2025

The committee held a total of ten meetings in FY2025. The principal agenda items discussed at these meetings are outlined below.

Category	Overview
Deliberation and resolution regarding the ideal Group executive compensation structure	The committee deliberated on the ideal form that both systems should take: whether the performance-linked compensation structure is effective in providing appropriate incentives, and whether the stock price-linked compensation structure reflects the objectives of sharing value with shareholders and providing motivation for the medium to long term. As a result of the discussions, we resolved to add growth rates from past performance as a financial indicator to the performance-linked compensation structure. Additionally, regarding the stock price-linked compensation structure, we resolved to expand the scope of the system to include group companies effective April 2026 and to revise the performance-linked metrics, evaluation methods, and unit grant schedule.
Resolution on performance-linked compensation for Group CEO	The committee approved the Group CEO's FY2026 strategic goals and the corresponding amount of compensation for the fiscal year.
Resolution on performance-linked compensation for executive officers and senior VPs	The committee evaluated the efforts of executive officers and senior VPs in FY2025 and approved performance-linked compensation percentages and amounts.
Resolution on strategic goals and base amount of compensation for executive officers and senior VPs	The committee approved the FY2026 strategic goals and related compensation amounts for executive officers and senior VPs.
Formulation of Compensation Committee Mission Statement	To ensure the effective execution of the mission of the Board of Directors, which was a topic of discussion throughout FY2025, the committee clarified its responsibilities in the form of a Compensation Committee Mission Statement.

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Executive Compensation Structure

Basic concept

The company regards its remuneration system for officers as an important aspect of corporate governance. The remuneration system for officers has been designed with the aim of encouraging appropriate and decisive risk-taking by the executive divisions and providing fair and competitive remuneration, toward the maximization of corporate value over the medium to long term. Therefore, the aforementioned system was designed from an objective perspective by the Compensation Committee, which is chaired by an outside director.

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

Basic concept of Compensation for Directors and Executive Officers (Group-wide policy)

The company's Purpose is "For a future of health, wellbeing and financial protection." To embody this purpose, it defines the expected behaviors based on SOMPO's Values (Integrity, Self-motivation, and Diversity) as the foundation for the decisions and actions of executives and employees.

Executives are expected to lead by example. Therefore, their compensation is determined based on the following principles:

(i) The compensation system should create sustainable value for stakeholders over the medium to long term

(ii) The level and system of compensation ensures acquisition and retention of top talent as management of the Group.

(iii) Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments. Additionally, fixed factors associated with specific job title or position may be taken into consideration.

(iv) The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.

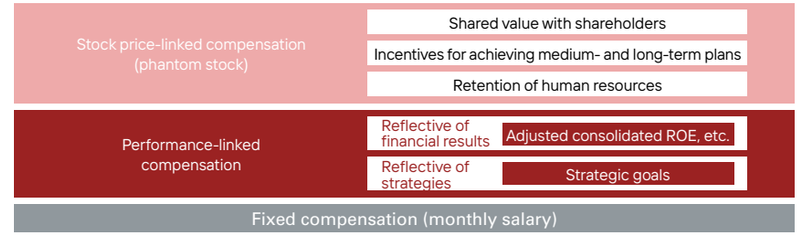
(v) Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.

(vi) The compensation system of the company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the company.

Overview of executive compensation structure

Under the new MTMP, commencing from fiscal year 2024, the Group is promoting the enhancement of resilience in the P&C insurance business, and the provision of seamless services to our customers in the Wellbeing business as part of the Group's vision. The company positions executive compensation as a governance and incentive mechanism for the officers leading these initiatives, linking it to the scale of the mission, the efforts undertaken, and the company's performance.

Executive compensation structure linked with magnitude of mission, initiatives and earnings of the company to incentivize officers for increasing resilience and realizing seamless provision of services



The company believes that all officers should demonstrate and act in accordance with their own duties and mission, based on the principles of being mission-driven (having a sense of mission and job satisfaction, and working with a sense of personal involvement) and of being results-oriented. The executive compensation structure is not designed to award officers a fixed compensation amount based only on their duties or position; instead, compensation is determined in accordance with the scale of the future-oriented mission they are undertaking, and with the results of these missions.

The company assigns a grade to each position according to its responsibilities, with Group CEO being the position with the highest grade. The standard amount of total compensation packages for each position are determined according to these grades. The base amount of the total compensation package for each officer is determined every fiscal year, and reflects the scale of the mission assigned to the officer in question.

We also introduced malus clauses for stock price-linked compensation and clawback clauses for both performance-linked compensation and stock price-linked compensation as mechanisms to further enhance governance.

The Compensation Committee deliberates and determines the amount and composition of compensation for each Director and Executive Officer at the company, in accordance with the decision-making process and calculation methods described in the following pages.

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Executive Compensation Structure

(1) Decision-making process for total compensation packages

The company sets compensation levels for each officer on an individual basis, according to the scale of the mission assigned to each officer and their own personal performance. The company does not adopt the conventional approach of determining compensation according to a table that assigns different amounts of compensation for each officer rank.

Setting missions	Deciding total compensation packages	Deciding composition of compensation
Missions are set for each officer based on the future vision of the Sompo Group and the prevailing business environment.	Total compensation is determined based on the specific mission and other factors, and with reference to compensation levels in peer groups and the labor market.	The composition of compensation is determined based on the roles and responsibilities of each officer.

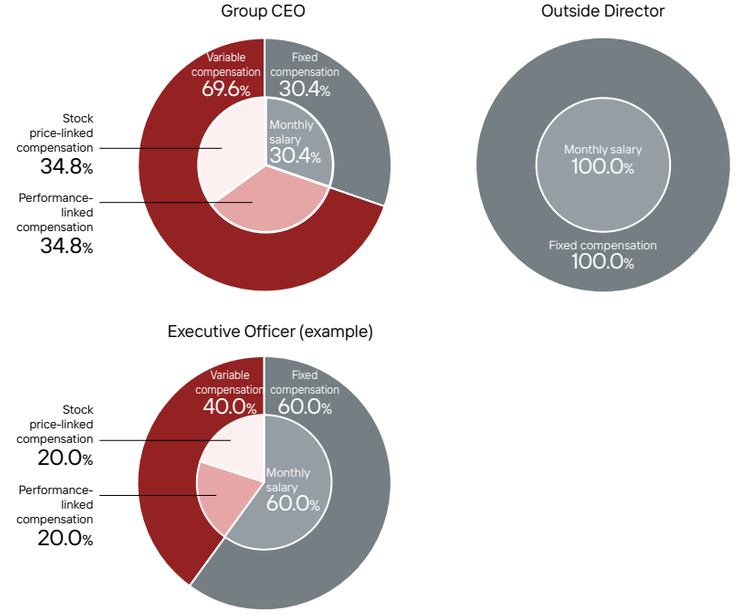
(2) Composition of compensation for officers

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

Overview of executive compensation system

	Type of compensation	% of total (approximate) Group CEO	% of total (approximate) Other officers	Comments
Fixed compensation	Monthly salary	30.4%	50–70%	• Set for each officer in accordance with the roles and duties of their position • Cash compensation paid monthly
Variable compensation	Performance-linked compensation	34.8%	15–25%	• A base amount is set; actual payment is determined based on annual performance • Based on an assessment of each officer's level of achievement for financial and strategic goals • Paid in cash in June after the conclusion of the fiscal year
	Stock price-linked compensation	34.8%	15–25%	• Payment amount is determined in accordance with the share price to share value with shareholders and promote medium- to long-term growth for the Group • Payment in cash at any time after a certain period has elapsed since the granting of units up until retirement and upon retirement
	Subtotal	69.6%	30–50%	
Total		100%	100%	

Examples of compensation structure by position



(3) Approaches and calculation methods for each type of compensation

1) Fixed compensation (monthly salary)

The company sets fixed compensation (monthly salary) in accordance with the responsibilities of each officer's position. In principle, an equal amount is paid each month.

An appropriate level of fixed compensation (monthly salary) is set according to the following parameters: the standard amount of fixed compensation is based on the total compensation package for the grade assigned to the officer's position; the base amount takes into consideration the mission of the individual officer, and the nature of the officer's roles and responsibilities. Reference is also made to market compensation levels, as quantified by officer compensation surveys conducted by third-party compensation consulting firms.

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2) Performance-linked Remuneration

The company operates a performance-linked compensation system that rewards officers for the contributions they made to each business's single-fiscal-year performance.

To ensure that performance-linked compensation reflects both the financial performance and the strategic performance goals associated with management plans in a balanced manner, the company adopts a performance-linked compensation system that comprises "financial performance-linked compensation" and "strategic performance-linked compensation." To provide stronger incentives, the company applies a coefficient to the base amounts of performance-linked compensation. This coefficient varies according to the level of achievement of strategic goals set for the mission assigned to each officer, in principle ranging from 0% to 200%.

- Performance-linked remuneration is determined by reflecting the degree of achievement toward financial goals and strategic goals in a single fiscal year in the base amount of performance-linked remuneration.
- To determine performance-linked compensation, the company first sets a base amount of performance-linked compensation. This base amount is then multiplied by a coefficient that reflects the level of achievement of single-fiscal-year financial goals and strategic goals.
- The base amount of performance-linked compensation is defined as the amount to be paid if financial goals and strategic goals are fully achieved. The base amount is determined individually for each officer.
- The performance indicators adopted as financial goals adjusted consolidated ROE, among others, for the fiscal year, and the coefficient is determined based according to the actual results versus the targets in the business, as well as on how the fiscal year's results compare to past performance.
- The performance indicators adopted as strategic goals are the metrics agreed on by the Group CEO, the business CEO, or other Director or Executive Officer responsible for appraisals, in accordance with the mission of each Director and Executive Officer, and the coefficient is determined according to the level of achievement.
- Engagement metrics are assigned to some officers in relation to unrealized financial value metrics, which serve as performance metrics applied to strategic goals.
- A clawback clause has been introduced in performance-linked remuneration as a mechanism to further enhance governance.

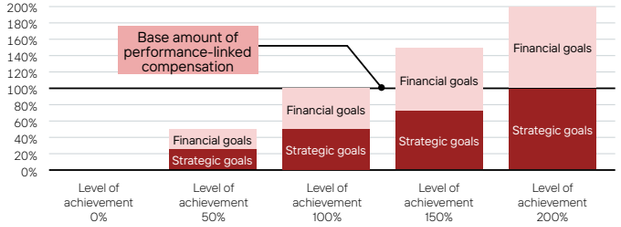


*1 The initial ratio of base amount for financial goals to base amount for strategic goals is set at 50:50; this ratio is adjusted individually for each officer in accordance with their duties.

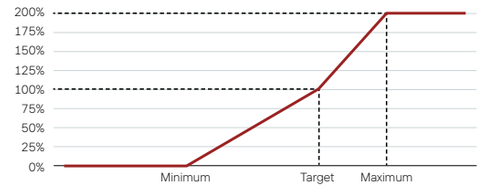
Actual payment in principle ranges between 0% and 200% of the base amount of performance-linked compensation, depending on the level of achievement of financial targets and strategic targets by each officer.

*2 The chart on the right shows payments in cases where the ratio of financial goals to strategic goals is 50:50, and where levels of achievement are equal for both financial goals and strategic goals.

Payment of performance-linked compensation, by level of achievement*2



Financial goals*



The financial goal coefficient is 100% when the targeted financial performance is achieved; in this case, the base amount of compensation will be paid. Depending on the level of achievement of financial goals, actual payment will range from 0% to 200% of the base amount.

* The graph above indicates the relationship between level of achievement and actual payment.

Strategic goals

Description	Level of achievement
Results better than expected	200%
	175%
	150%
	125%
Results as expected	100%
Results worse than expected	75%
	50%
	25%
	0%

The coefficient is determined in accordance with the level of achievement of strategic goals established for each officer; this coefficient is then multiplied with the base amount. As a rule, a coefficient of 100% is used when strategic targets have been fully met; 200% is the maximum and 0% the minimum.

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Indicators used for performance-linked compensation

The table on the right summarizes the financial indicators used to determine performance-linked compensation. Financial indicators are set for each business; strategic goals are set for each officer.

Business domain		Financial indicators for FY2025
Entire Group		Adjusted consolidated profit (goals) Adjusted consolidated profit (results) Adjusted consolidated ROE
SOMPO P&C	Domestic P&C Insurance Business	Adjusted profit (goals) Adjusted profit (results)
	Overseas Insurance and Reinsurance Business	Adjusted profit (goals)
SOMPO Wellbeing	Domestic Life Insurance Business	Adjusted profit (goals) Adjusted profit (results) No. of Himawari clients/users
	Nursing Care Business*1	Adjusted profit (goals) Adjusted profit (results)
	Other Wellbeing businesses	Adjusted profit (goals) Adjusted profit (results)
Digital domain*2		Adjusted profit (goals) Adjusted profit (results) Revenue
Direct Insurance Business		Adjusted profit (goals) Adjusted profit (results) No. of policies

*1 Adjusted profit for goals and results in the Nursing Care Business is the standalone figure for Sompo Care Inc.
*2 Adjusted profit for goals and results as well as revenue in the Digital domain are the standalone figures for Palantir Technologies Japan KK.

3) Stock price-linked compensation

The company believes it is vital that the Group as a whole grows sustainably over the long term. For the purpose of maintaining the link between compensation for directors and executive officers and stock value, as well as further raising the awareness and talent retention that contributes to stronger earnings and greater corporate value over the medium-to-long term, we introduced a new stock price-linked compensation (phantom stock, or PS), effective from April 1, 2023.

For this compensation, PS offering the same economic value as cash stock is issued to the directors and executive officers. An overview of this system is as follows.

- The number of units granted is determined by multiplying the stock price-linked compensation base amount, which varies depending on the magnitude of the mission of each director and executive officer, in principle, by the previous year's strategic goal evaluation coefficient and dividing it by the company's share price.

[Stock price-linked compensation base amount × Strategic goal evaluation coefficient from previous FY + Stock price-linked compensation base amount × Relative TSR coefficient] ÷ Company's closing share price on the grant date = Number of units granted

- Once vested, the units are categorized into PS 1 and PS 2 and will vest three years from the grant date. If the director or executive officer resigns voluntarily before the vesting date, the units will not be eligible for vesting.
- PS 1 and PS 2 units will be divided evenly (50% each) and be subject to the following.
  PS 1: After vesting, an amount based on the current share price at any time up until retirement, along with an equivalent cumulative dividend amount, will be paid in cash.
  PS 2: Upon retirement, an amount based on the share price calculated with a prescribed method, along with an equivalent cumulative dividend amount, will be paid in cash.
- The payment amount will be determined as follows.

Payment based on the exercise of rights for PS 1 at any time

[Number of PS 1 units designated by the director or executive officer × Closing share price on the day the director or executive officer indicated their intention to receive PS 1] + Equivalent cumulative dividend amount

Payment based on the exercise of rights for PS 1 and PS 2 upon retirement

[Number of unexercised PS 1 and PS 2 units up until the day of retirement × Share price at the time of retirement (calculated based on a prescribed method)] + Equivalent cumulative dividend amount

- A malus clause and a clawback clause have been introduced in stock price-linked compensation as a mechanism to further enhance governance

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Total compensation, total compensation by type, and number of eligible officers for each officer category, in FY2025

The total compensation, total compensation by type, and the number of eligible officers for each officer classification in the current fiscal year are outlined below

Officer category	Total compensation, etc. (million yen)	Compensation by type (million yen)					No. of eligible executives
		Fixed compensation No. of eligible executives (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation, etc.		Non-cash compensation included in the left	
				Performance-linked compensation	Stock price-linked compensation		
Directors (excluding outside directors)	86	77	—	6	2	—	6
Outside directors	185	185	—	—	—	—	9
Executive Officers	900	262	—	346	292	—	11
Total	1,172	525	—	353	294	—	23

Notes: 1. The number of recipients, total compensation, and total compensation by type of compensation, include six Executive Officers who resigned on March 31, 2025, and two Directors who retired at the end of the 15th General Shareholders Meeting on June 23, 2025.
2. The amount of compensation for the three Directors who also serve as Executive Officers is included in the total amount of compensation for each category after separating their compensation as Directors from their compensation as Executive Officers. Thus, the total number of recipients and the sum of recipients from all the categories differ.
3. Performance-linked compensation, etc., is the total amount of compensation based on the financial results of the previous fiscal year and provisions recorded for compensation based on the financial results of the current fiscal year (excluding the provisions recorded in the previous fiscal year).
4. All compensation for Directors and Executive Officers is from the insurance holding company, and there is no compensation from the parent company holding company or other companies.
5. The compensation total amounts above are calculated based on Japanese standards.
6. Officer indicates both Directors and Executive Officers.

Total consolidated compensation for each officer in FY2025

Executives who received compensation totaling 100 million yen or more are listed below.

Name	Total compensation from the company and its consolidated subsidiaries (million yen)	Officer category	Company category	Total compensation by type from the company and its consolidated subsidiaries (million yen)				
				Fixed compensation No. of eligible executives (monthly compensation)	Retirement benefits, etc.	Performance-linked compensation, etc.		Non-cash compensation included in the left
						Performance-linked compensation	Stock price-linked compensation	
Mikio Okumura	356	Director	Sompo Holdings	6	—	2	1	—
		Executive Officer		93	—	171	80	—
Masahiro Hamada	141	Director	Sompo Holdings	6	—	2	0	—
		Executive Officer		44	—	51	36	—
Shinichi Hara	124	Director	Sompo Holdings	6	—	2	0	—
		Executive Officer		40	—	47	27	—
Koichi Narasaki	144	Executive Officer	Sompo Holdings	47	—	44	51	—

Notes: 1. Performance-linked compensation, etc., is the total amount of provisions recorded for compensation based on the financial results of the previous fiscal year and compensation based on the financial results of the current fiscal year (excluding provisions recorded in the previous fiscal year).
2. The total compensation amounts above are calculated based on Japanese standards.
3. Officer indicates both Directors and Executive Officers.

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Board of Directors

* As of July 1, 2026

Directors



Mikio Okumura

Director
(Born November 23, 1965)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7



Shinichi Hara

Director
Member of the Nomination Committee and the Compensation Committee
(Born April 14, 1965)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7



Katsuyuki Tajiri

Newly appointed

Director
(Born October 8, 1967)



Kazuhiro Higashi

Outside, independent

Director*
Chair of the Board
Chair of the Compensation Committee and
Member of the Nomination Committee
(Born April 25, 1957)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7
Meetings of the Nomination Committee: 10 out of 10
Meetings of the Compensation Committee: 10 out of 10



Misuzu Shibata

Outside, independent

Director*
Chair of the Audit Committee
(Born July 25, 1974)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7
Meetings of the Audit Committee: 13 out of 13



Meyumi Yamada

Outside, independent

Director*
Chair of the Nomination Committee and
Member of the Compensation Committee
(Born August 30, 1972)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7
Meetings of the Nomination Committee: 10 out of 10
Meetings of the Compensation Committee: 10 out of 10



Masayuki Waga

Outside, independent

Director*
Member of the Audit Committee
(Born April 10, 1958)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7
Meetings of the Audit Committee: 13 out of 13



Toru Kajikawa

Outside, independent

Director*
Member of the Audit Committee
(Born September 24, 1951)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 7 out of 7
Meetings of the Audit Committee: 13 out of 13



Jeffrey Hayman

Outside, independent
Newly appointed

Director*
(Born January 18, 1960)



Yuji Kawauchi

Director
Member of the Audit Committee
(Born December 24, 1965)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 6 out of 6
Meetings of the Audit Committee: 10 out of 10



Shinobu Imamura

Director
Member of the Audit Committee
(Born February 13, 1973)
Attendance at meetings (FY2025)
Meetings of the Board of Directors: 6 out of 6
Meetings of the Audit Committee: 10 out of 10

* Outside Director as set forth in Article 2 (XV) of the Companies Act.
* Kazuhiro HIGASHI, Misuzu SHIBATA, Meyumi YAMADA, Masayuki WAGA, Toru KAJIKAWA and Jeffrey HAYMAN 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 Directors and Executive Officers page.

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Composition of the Board of Directors

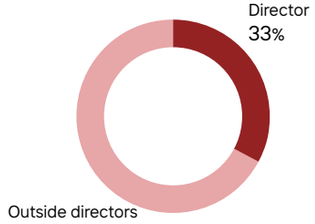
* As of July 1, 2026

Expected roles, skills, and areas of expertise or skill matrix for director candidates

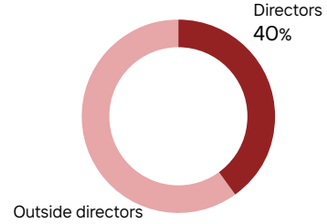
Name		Mikio Okumura	Shinichi Hara	Katsuyuki Tajiri	Kazuhiro Higashi	Misuzu Shibata	Meyumi Yamada	Masayuki Waga	Toru Kajikawa	Jeffrey Hayman	Yuji Kawauchi	Shinobu Imamura
Reappointment/New appointment		Reappointment	Reappointment	New appointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	New appointment	Reappointment	Reappointment
Chair of the Board		Director	Director	Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Independent Outside Director	Director	Director
Tenure		4 years	2 years	—	6 years	6 years	5 years	4 years	3 years	—	1 year	1 year
Chair of the Board		—	—	—	●	—	—	—	—	—	—	—
Nomination Committee		—	●	—	●	—	● (Chair)	—	—	—	—	—
Audit Committee		—	—	—	—	● (Chair)	—	●	●	—	●	●
Compensation Committee		—	●	—	● (Chair)	—	●	—	—	—	—	—
Roles of the Board of Directors	Expected roles, skills and areas of expertise											
Supervision of management strategy, capital policy, and appointment of key directors and executive officers	1) Group management strategy * Core requirement	●	●	●	●	●	●	●	●	●	●	●
	2) Global management	●	●	●	—	—	—	●	—	●	●	—
	3) Sustainability	—	—	—	—	●	●	—	—	●	—	—
	4) Finance/accounting	—	●	●	●	—	—	—	●	—	—	●
Monitoring of governance, internal control, and risk management systems	5) Corporate governance	●	—	—	●	●	—	●	●	—	●	●
	6) Legal/risk management	—	●	—	—	●	—	—	●	●	—	●
Promoting innovation and strategic investment	7) Innovation and investment strategy	—	—	●	●	—	●	●	—	—	●	—
	8) AI and Digital	●	—	—	—	—	●	—	—	—	—	—

Note: To more clearly define the specific skills and areas of expertise expected of Directors, we have limited the number of skills and areas of expertise to a maximum of three per Director, excluding the core requirement of Group Management Strategy. This chart does not represent every skill or area of expertise possessed by each Director.

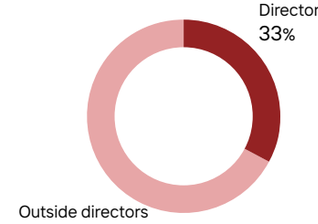
Nomination Committee



Audit Committee

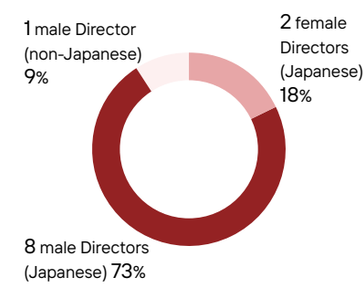


Compensation Committee



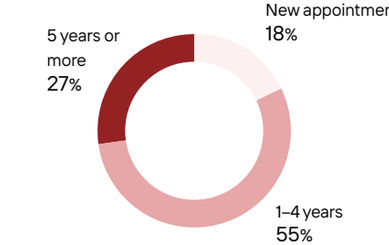
Diversity of the Board of Directors

Of the 11 members of the Board of Directors, 2 are female and 1 is non-Japanese.



Director tenure

The average tenure of the Directors is 3.1 years (including previous periods as a director)



Note: Decimal places have been rounded to the nearest whole number