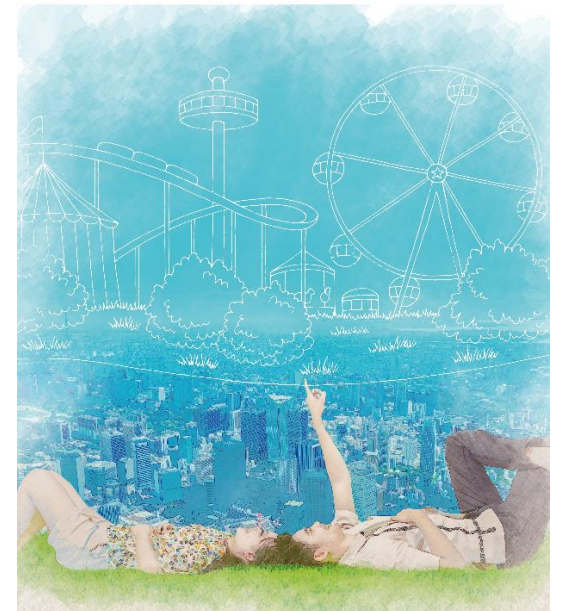


“egaku” Strategy in Nursing Care and Seniors Business

March 7, 2023
Sompo Holdings, Inc.



Group CEO Keynote Speech

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SOMPO's Purpose

With **“A Theme Park for Security, Health & Wellbeing”** create a society in which every person can live a healthy, prosperous, and happy life in one's own way



Sompo Holdings, Inc.

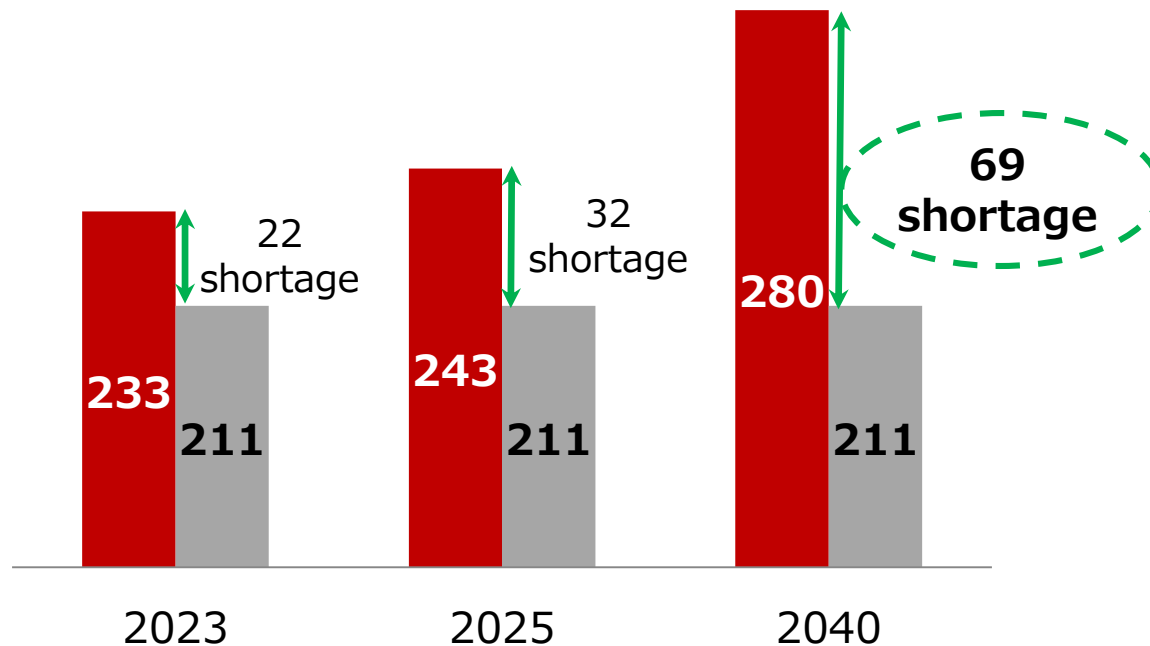


Full-scale entry in FY2015

Japan's Nursing Care Business Environment and the Economic Value/Social Impact Created by egaku

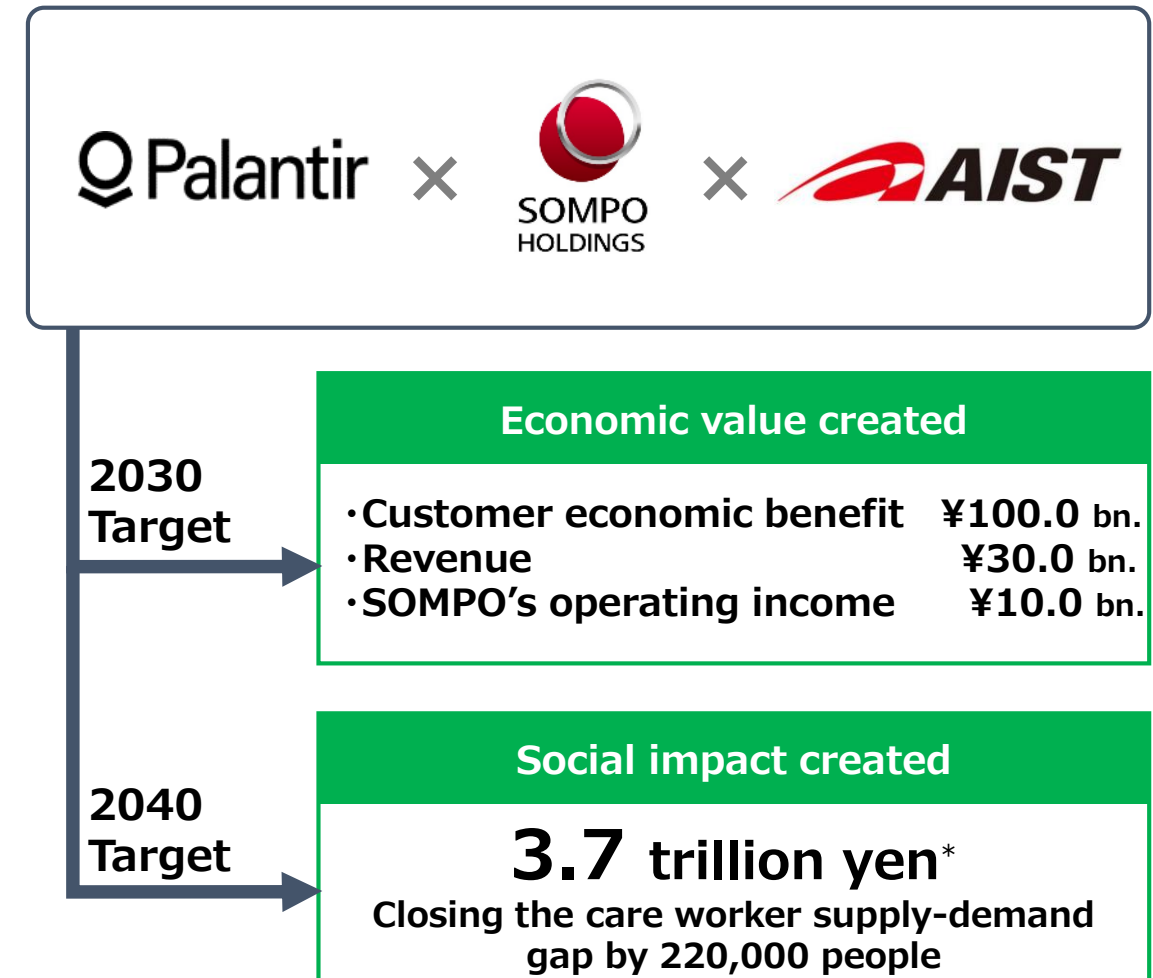
Widening gap between care worker demand and supply

(10,000 people) ■ Care worker demand ■ Care worker supply



Source: Necessary number of care workers based on the 8th National Long-Term Care Insurance Business Plan of the Ministry of Health, Labour and Welfare

Economic value and social impact created by egaku



*Assumes that egaku is deployed to 30% of facility-based and 10% of home-based care providers, and helps reduce the number of necessary care workers while increasing the number of care workers as in the case of SOMPO Care.
Assumes that one care worker supports approximately 4 seniors, and that the impact on families and others if 880,000 seniors are unable to receive care services is estimated from the maximum value of GDP per person.

Care environment in North America

AMERICAN POPULATION AGE 65 AND OLDER

(million people)



Number of care workers increased by **more than 4% on average over the past 5 years**



43.5 million people provide care with no compensation

Ratio of care workers to seniors

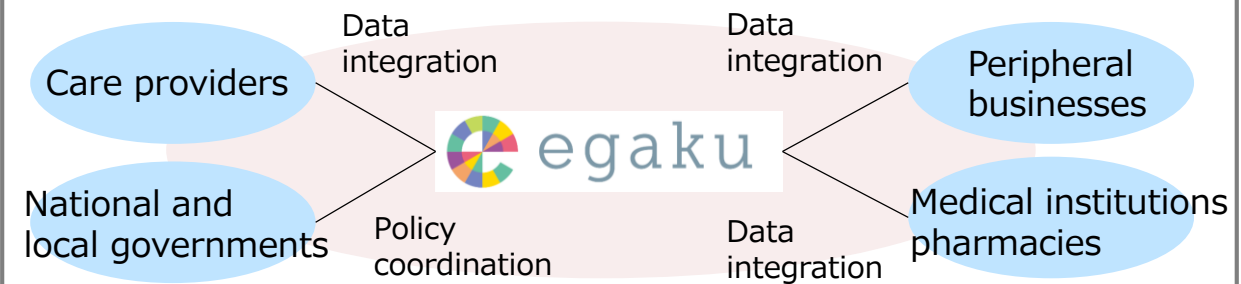
2022
7:1



2030
4:1

SOMPO's ambition

Ecosystem with egaku at the center (Vision)

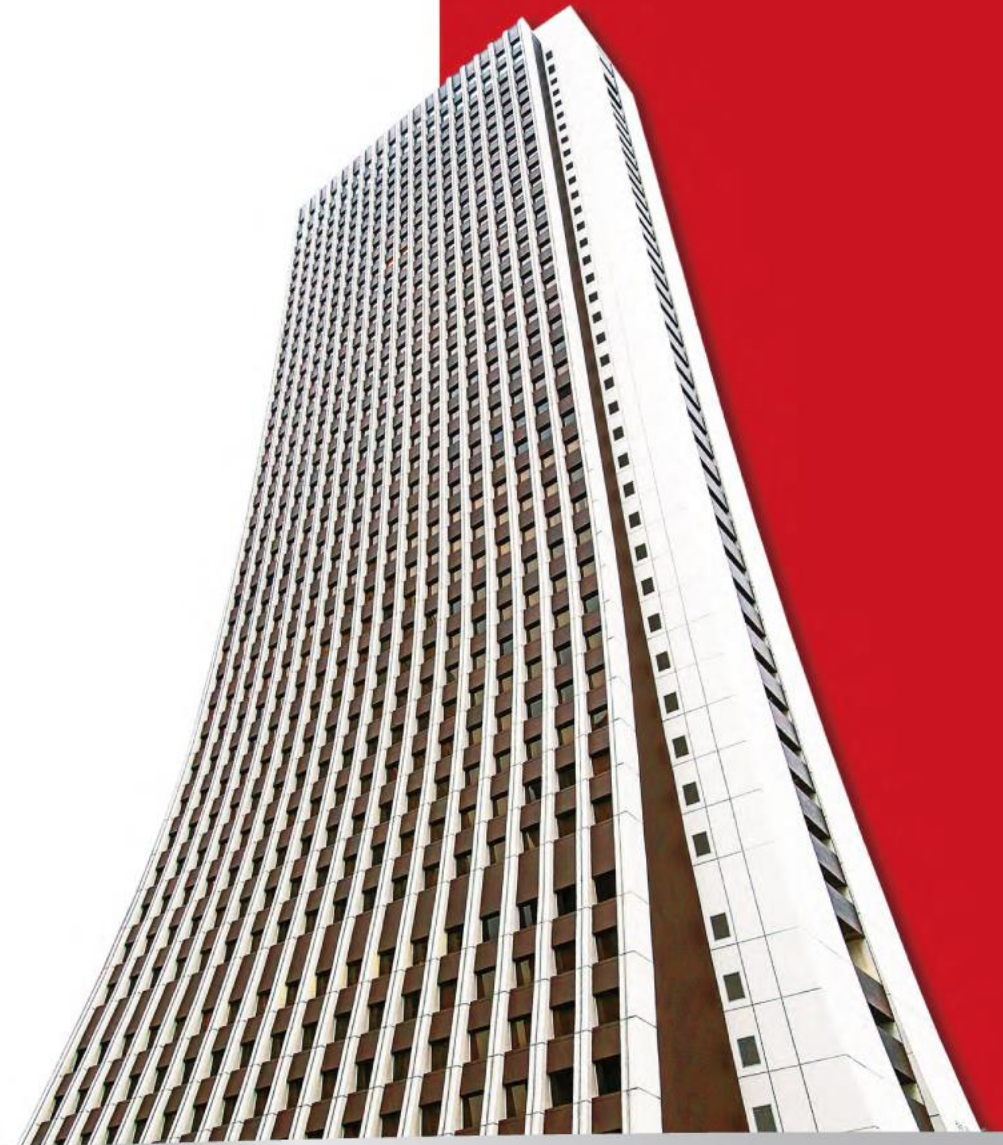


Cooperate with foreign partners

Export egaku to other countries
Deliver services to family caregivers in other countries

Contribute to improving QOL of people around the world

Sompo's Nursing Care and Seniors Business (Overview)



Overview of SOMPO's Nursing Care and Seniors Business

- Sompo Care is ranked second in terms of revenue and first in the number of senior living rooms
- Provides a full lineup of nursing care services from home with nursing care to home-based office, such as home visit and adult day care center through service locations throughout Japan

Sompo Care overview

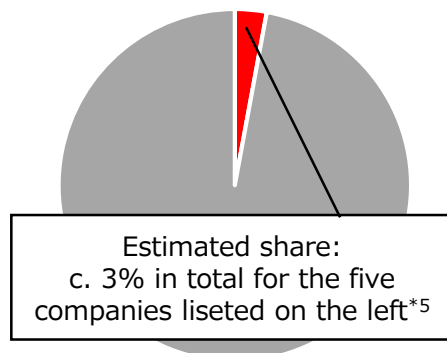
No. of employees (as of end of Sep, 2022)	24,543
Revenue (Forecast for FY2022)	¥150.4 bn.
No. of Senior Living Rooms* ¹	c. 28,500 rooms
Nursing home and other* ¹	322 buildings
Serviced senior residence* ¹	146 buildings
Home service, etc.* ¹	563 offices

*¹ As of April 1, 2022

Largest companies by revenue and market share

Revenue for FY2021*² (¥bn.)

Company A* ³	153.7
Sompo Care	136.1
Company B	127.3
Company C* ⁴	93.2
Company D	68.8

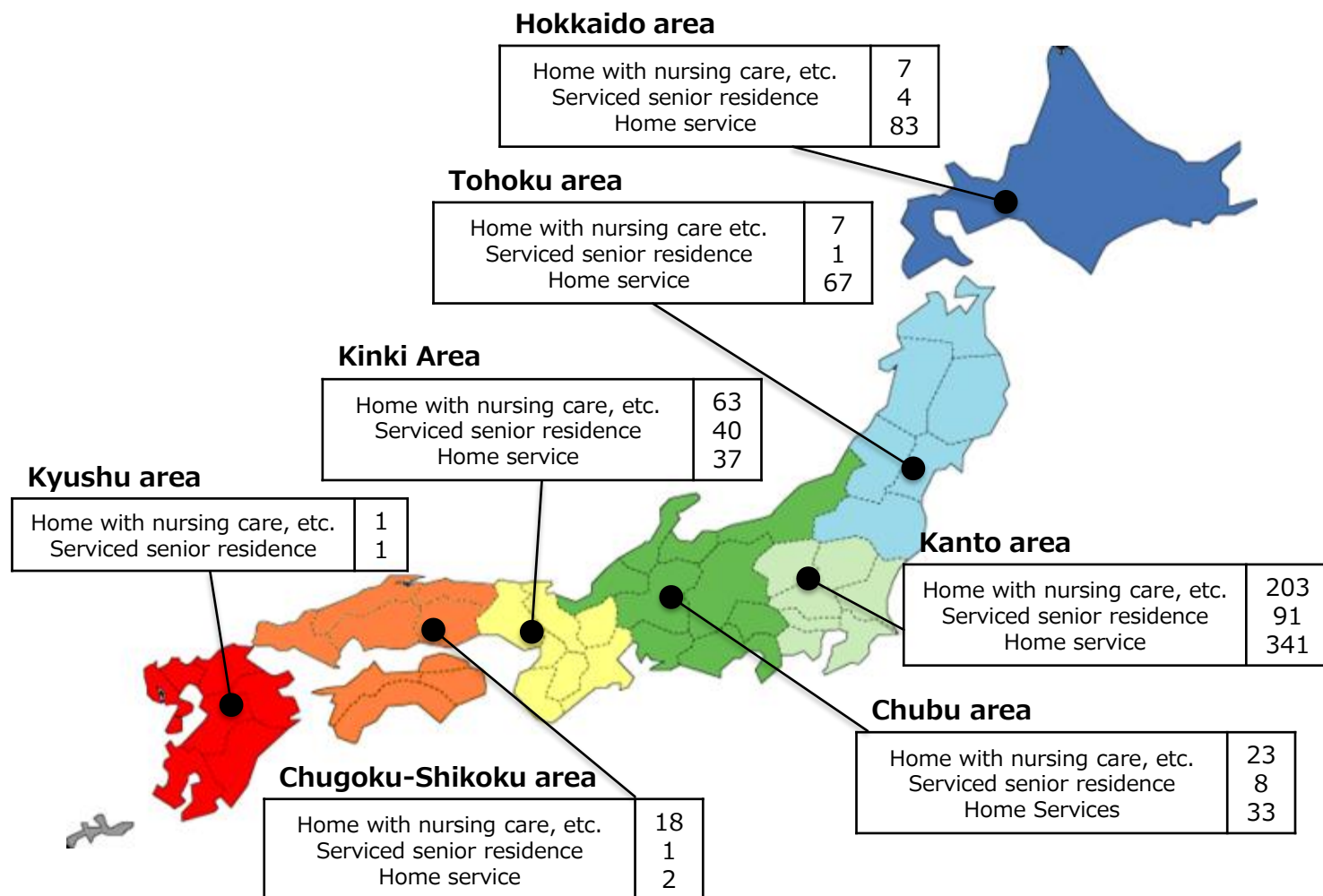


*² Compiled by SOMPO based on information disclosed by each company

*³ Year ended March 2020 *⁴ Year ended March 2021

*⁵ Estimated by SOMPO based on summary of statistics on public long-term care benefit expenses, etc. for fiscal 2021 and information disclosed by each company

Service locations of Sompo Care*¹



History of SOMPO's Nursing Care and Seniors Business

- Under the last Mid-Term Management Plan, SOMPO enhanced education and invested in mergers of nursing care companies and growth to build a foundation for growth as a nursing care provider
- Under the current Mid-Term Management Plan, SOMPO expanded the business by opening new buildings and executing M&A, improved productivity as well as quality, and started a new endeavor to increase job satisfaction among employees supporting SOMPO's growth

Last Mid-Term Management Plan (MTMP)

Invested in growth (Future Care Lab in Japan)

- Carried out R&D, PoC, and evaluation of nursing technologies



Current Mid-Term Management Plan (MTMP)

FY2022

- ✓ Opened the first new building after the acquisition and merger of Nexus Care
- ✓ Implemented the second round of compensation improvement
- ✓ Opened SOMPO style children's cafeteria
- ✓ Released Care Yell app

FY2021

- ✓ Started a challenge to improve productivity as well as quality

FY2020

- ✓ Acquired Tokyo Tatemono Senior Life Support

FY2019

- ✓ Established Future Care Lab in Japan
- ✓ Implemented the first round of compensation improvement

FY2018

- ✓ Established Sampo Care through merger of former companies

FY2016

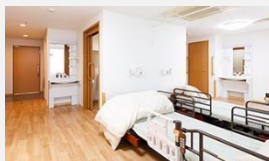
- ✓ Opened Sampo Care University

FY2015

- ✓ Entered into the nursing care business
- Acquired Watami's nursing care business
- Acquired Message

Enhancing Education (Sampo Care University)

- Established the industry's first corporate university
- Conducted initial training at a training facility that replicates a nursing home



Improved job satisfaction of employees (SOMPO style children's cafeteria)

- Began operation at around 450 offices as of the end of January 2023
- Increased energy and happiness of users and employee satisfaction
- Contributed to addressing social issues faced by children

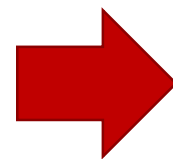


Background of egaku Development

- Japan's nursing care service, unparalleled in the world, is facing a crisis due to the widening gap between supply and demand of care workers
- Aim to eliminate the gap between supply and demand through egaku and contribute to improving the sustainability of care in Japan

Overview and challenges of nursing care service in Japan

- The network and scale of Japan's nursing-care services are unparalleled in the world
- Local communities and care providers support many elderly people



Growing gap between supply and demand for care workers

- Need **c. 690,000** or more care workers by 2040

The crisis of care in Japan

Changes in the external environment

- Aging population
- Decrease in working-age population

Elderly people

Nursing Care Service Network in Japan

Community (consultation service)

Regional
Comprehensive
Support center

Home care
support offices
(care managers)
etc.



Care services

c. **60K**
Nursing-
care
providers

c. **260K**
Facilities
·
Offices

c. **2.12
million**
Care
Workers



- Provide SOMPO's know-how to care providers through egaku
- Aim to close the supply-demand gap by providing the following two values

1

Creating job satisfaction for care workers

2

Overwhelming productivity gains
(introduction of new technologies, deregulation)

What SOMPO can contribute

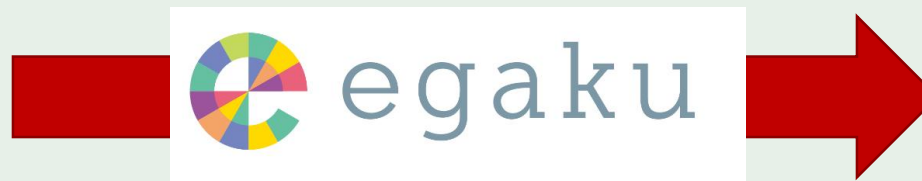
- To address the widening gap between supply and demand for care workers, SOMPO reform itself and expand the wave of reform in the industry through M&A
- In addition, we aim to transform the future of nursing care through egaku by making our know-how as the de facto standard in the industry

What SOMPO can contribute

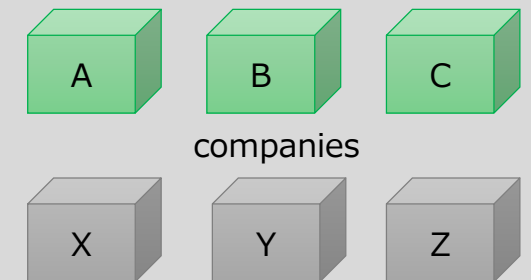
- 1 SOMPO Care reform itself and lead the industry
- 2 Spreading the wave of change in the industry through M&A
- 3 Providing SOMPO's know-how to nursing care providers, aiming to become the de facto standard in the industry

- ✓ Following the launch of the solutions business in 2020, **commercialize a data platform called egaku from FY2023**
- ✓ **Through these businesses, we will realize our management philosophy (Support many elderly people. Change the future of nursing care)**

SOMPO's vision for the future nursing care



Provide to nursing care industry



egaku's Vision

- Since entering the nursing care business, the business has grown steadily, taking full advantage of synergies within the SOMPO group
- Continue to grow as a nursing care provider and achieve significant growth through a paradigm shift centered on egaku



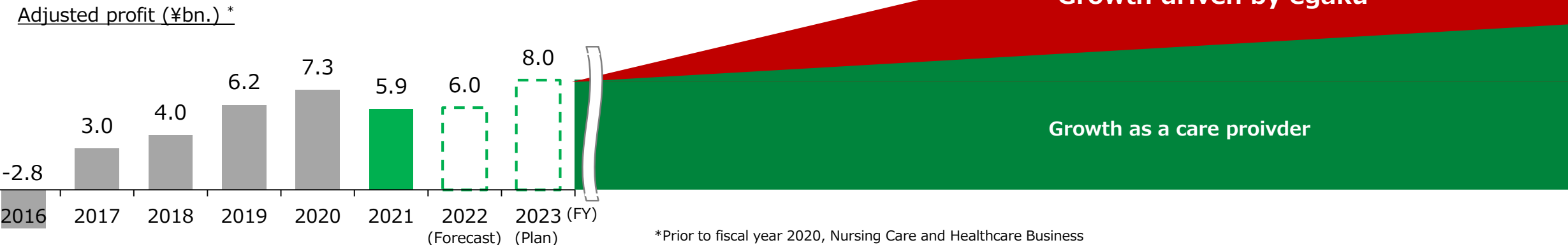
egaku's strengths

- Business foundation and external recognition as a care provider which has been nuild from the last MTMP by leveraging SOMPO's brand
- Product developed by the care provider together with **Palantir** by leveraging SOMPO's capital strength and strong partnerships

Launch in April 2023 egaku business	Sompo Care	ND Software
Digitization support service	<ul style="list-style-type: none"> •Infrastructure development •Operating system sales •LTC Tech 	<ul style="list-style-type: none"> •Billing & Recording system
Data utilization service	<ul style="list-style-type: none"> •Software provision by using Palantir's Foundry 	
Professional service	<ul style="list-style-type: none"> •Professional consulting •Management consulting •Information Services 	

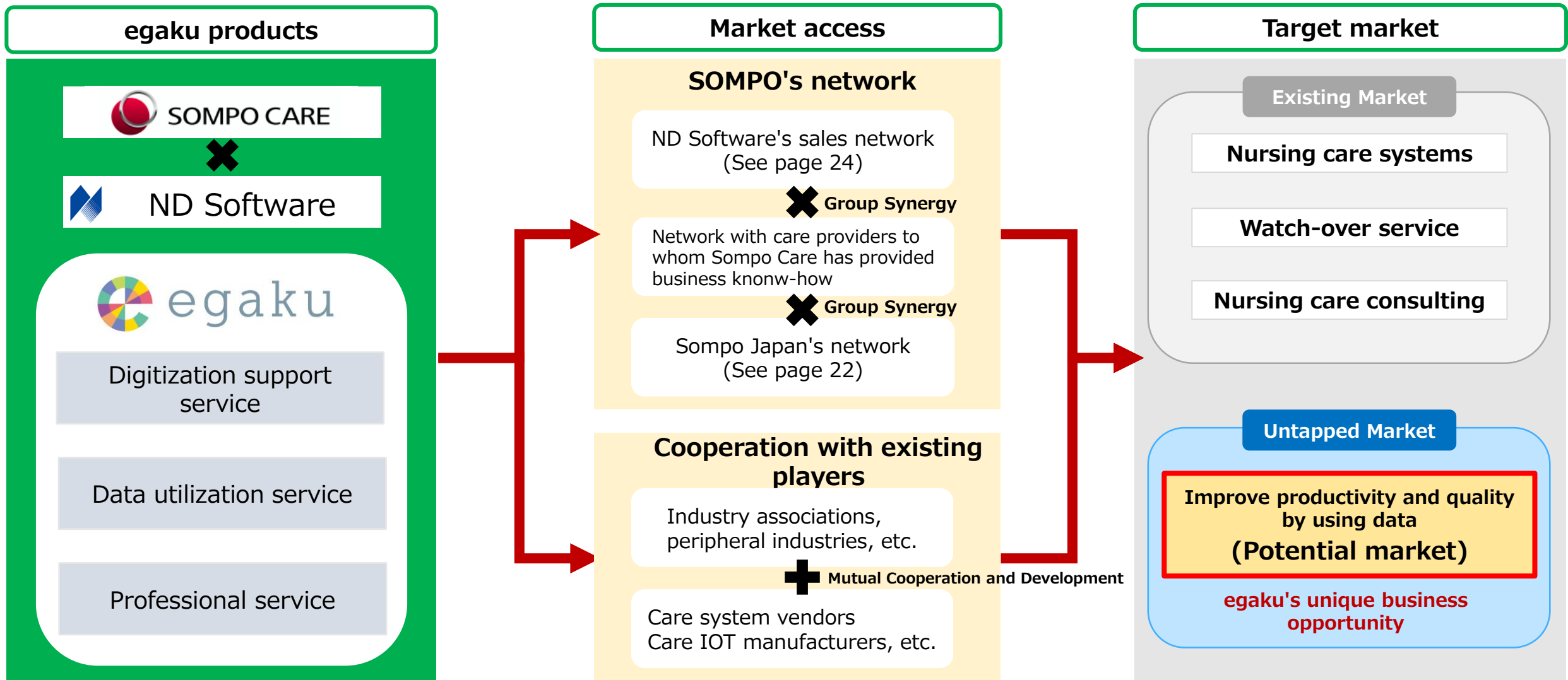
Became a subsidiary at the end of February 2023

synergy



egaku's Target Market

- Leverage egaku's strengths and market access which improved by making ND software a Group company to pursue large business opportunities in untapped potential markets
- Ability to collaborate and develop with existing players in the recording and billing system, industry associations and surrounding industries to meet the needs of nursing home communities



egaku Product Details and
KSF(Key Success Factor) for
Business Expansion



egaku Product Details

- egaku consists of three types of services: data utilization service, digitization support service, and professional service
- Provide a wide range of services in a way that can be freely chosen according to the digitization situation and needs of care providers

Three egaku services for sustainable care

Data utilization service (software)

See page 15

System architecture that can be linked to existing nursing care operating systems (recording system and billing system)

Enhancing productivity and quality by using data

App development with Palantir

Assessment

Predictive care

Health Management Alert

Facility 360

Care Management Cycle (CMC) module

Prescription upload / analysis

LIFE linked app

↕ Synergy

Digitization support service

Areas of collaboration with ND Software

Support for data acquisition and business system implementation through digitization (support for approximately 70% of nursing homes that are not digitized)

Infrastructure development associated with IT

Operating system sales

↕ Synergy

Professional service

Consulting and professional support of management techniques (utilizing CMC modules)

Professional consulting

Information services

Management consulting

egaku Product Details - Data Utilization Service -

- Phase 1 provides time creation, customer value, through seven products
- Solving issues such as improving productivity with quality and increasing the engagement of caregivers through time creation

Phase 1 products (from FY2023)

Data utilization service	Assessment	Assessment V4
	Care Plan	Predictive care
	Care provision	Health management alert
		Facility 360
	Check Monitoring	Care management cycle (CMC) module
	Datalization LIFE linkage	Prescription drug uptake and analysis
		LIFE * linked app

Functional & customer value obtained through data utilization service



Assessment system equipped with various auxiliary functions (discrepancy judgment, etc.)



Suggestion of optimal care based on predictions of residents' health condition (intervention advice from predictions and past records)



Health management support for residents (Integrated vital data management, emergency alert function, etc.)



Efficient understanding of conditions in facilities (Centralize basic information about residents, care records, changes in vitals over time, assessment information, and information about employees)



Improvement based on residents' care plans, care schedules and analysis of actual care



QR reading of prescriptions

Linking assessment data with LIFE, update function for LIFE submission

Customer value

Time creation

Examples of challenges solved by time creation



Improve care quality
Provide individualized care depending on each individual's situation



Reduce strains, waste and inconsistency of operations
Optimize workload of caregivers and care managers



Increase employee engagement
• Reduce workload imbalance
• Increase job satisfaction through ideal care practices



Optimize public LTC benefits
Smoothly obtain add-on

*Scientific Caregiving Information System by the Ministry of Health, Labor and Welfare

Value Created by egaku (Overview)

- Of the various problems arising from the shortage of frontline care workers, a decline in the occupancy rate and a rise in the attrition rate are factors that cause business deterioration
- Aim to improve staff job satisfaction and occupancy rates by creating more time through egaku, leading to the provision of sustainable nursing care services

**Problems
arising from
the shortage
of frontline
care workers**

**No leeway at the
frontline care
facilities**

•Difficult to accept
new residents
•Employee attrition
(Declining occupancy rate/
rising attrition rate)

**Business
deterioration
•
Disfunction of
society**

**Value created
by egaku**

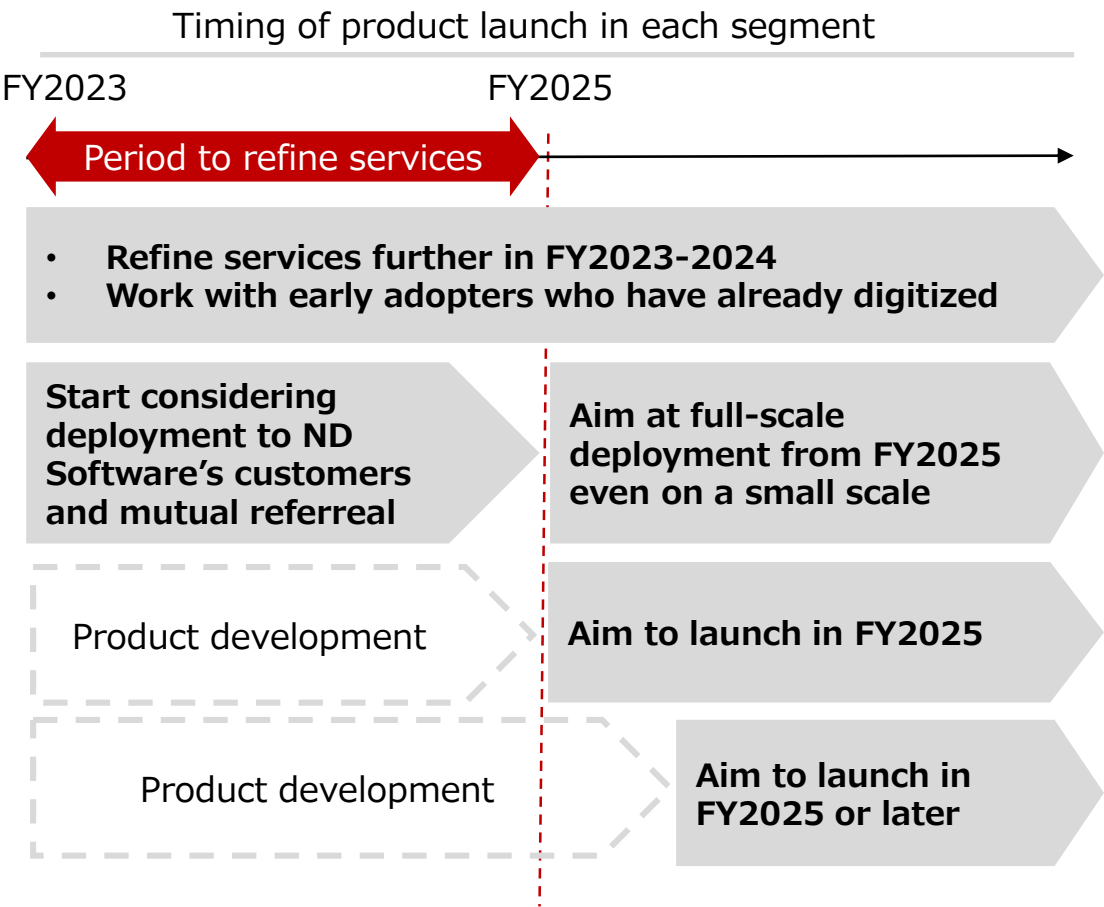
**Create time at
the frontline
nursing care**

•Establish a system for
accepting residents
•Increase employee
satisfaction
and engagement

**Sustainable care
service delivery**

- egaku will be initially deployed at private nursing homes and specified nursing homes, and main users in the early stage will be early adopters with medium to large scale digitization and high interest in individual care
- Initial digitization support, such as the introduction of recording system, will be provided to care providers that have not digitized yet

Target segment		Number of targets	
Facility-based care provider	Private nursing home, specialized nursing home	Medium to large (Owns 10+ facilities)	c. 100 corporations 2,500 facilities
		Small (Owns no more than 9 facilities)	c. 6,800 corporations 12,000 facilities
	Senior care facility, group home	Large to small	c. 10,000 corporations 18,000 facilities
Home-based care provider (Home assistance, small multi-function home care, visiting nurse and small multi-function home care)		Large to small	c. 32,000 corporations 45,000 offices



Vision for Launching egaku Business

- In the early stage of the egaku business, it is extremely important to refine the services, build a track record and produce results both internally and externally. Various actions will be taken
- Aim to expand sales in FY2025 onwards by preparing for deployment to small care providers and developing home-based services

	Overview	Action Example	See
Early stge of egaku business (FY2023 - FY2024)	Build an internal track record	Accelerate efforts at Sompo Care	P19
	Refince services in every way possible with early adopters	Expand and deepen partnerships	P20-21
	Utilize SOMPO Group's network	Cooperate with financial institutions, etc.	P22
	Cooperate and collaborate with various care providers	Approach ND Software's customer base	P23-27
	Expand and deploy to small care providers	Deepen cooperation with ND Software	
	Collaborate with academia	Collaborate with AIST	P28
	Deploy to home-based as well as facility-based care provider	PoC in collaboration with local governments and at Somp care, etc.	P30-32







Build an Internal Track Record/Initiatives at Sompo Care (Future Care Project)

- As an example of operational improvement initiatives at Sompo Care, workload per facility decreased by around 15% and a profits increased by approximately ¥8.4 million per year
- egaku also creates new value such as supporting the independence of the elderly and increasing staff engagement

Economic benefits

- Estimated benefits based on use cases at Sompo Care (facility capacity of c. 60 residents)

egaku service		Estimated economic benefits (Facility capacity of approx. 60 residents per month)			Per annum
Digitization support service	<ul style="list-style-type: none">• Recording system introduction• LTC tech introduction	 <ul style="list-style-type: none">• Streamline recordkeeping• Reduce care worker workload	Reduce workload, improve operations	Reduce workload by c. 15% (equivalent to c. 300 hours, ¥600,000) -Total hours worked per facility: c. 2,000 hours -Labor cost: c. ¥ 2,000 per hour	c. ¥8.4 mn.+ per facility
Data utilization service	<ul style="list-style-type: none">• Seven software	 <ul style="list-style-type: none">• Optimize workload and headcount allocation• Reducie information collection/administrtrtive work			
		 <ul style="list-style-type: none">• Ensure appropriate long-term care level• Obtain public long-term care benefit add-on			
Professional service	<ul style="list-style-type: none">• Predictive care• Professional support		<div>New value creation (e.g. Support senior independence and increase employee engagement)</div>		

Refine Services in Every Way Possible with Early Adopters /Expand and Deepen Partnerships (1)

- Aim to create a valuable impact for customers, management, and frontline nursing care by refining services in every way possible with early adopters
- To expand sales in FY2025 onwards, standardize and increase versatility of products to create an impact by taking into account the differences among providers (work flow and data held)

Expand partnerships

- About 100 early adopters are the initial targets

Align management and frontline of nursing care

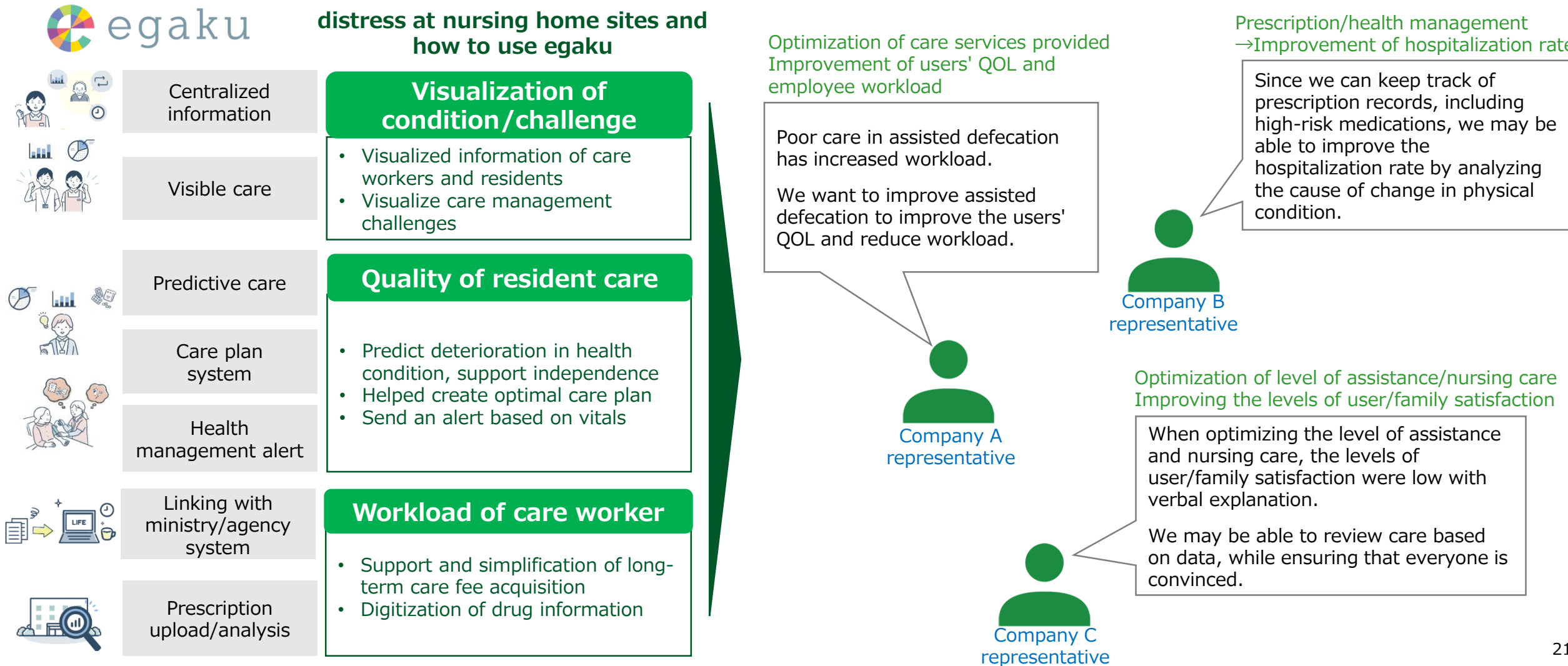
- Customer's perspective
- Management's perspective
- Frontline's perspective

Impact x Feasibility (Work flow and data held)

Refine products to expand sales in FY2025 onwards (standardize and increase versatility)

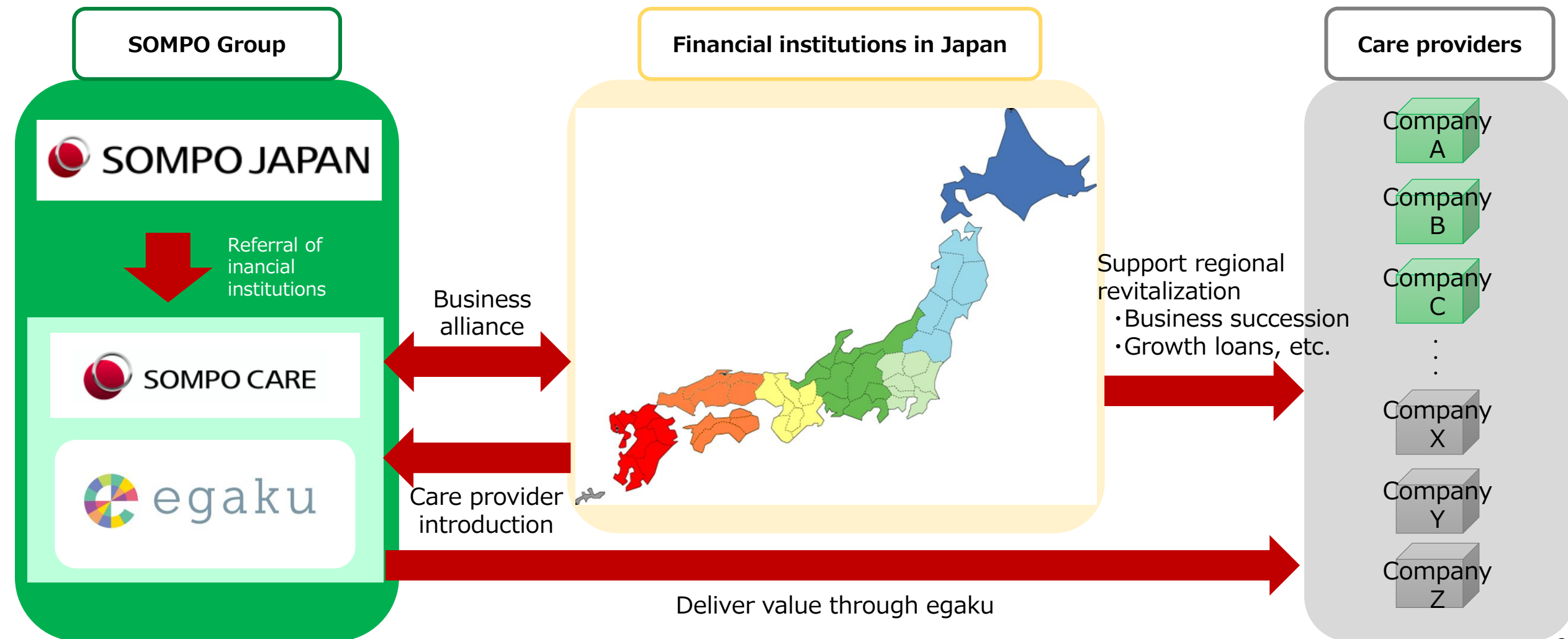
Refine Services in Every Way Possible with Early Adopters /Expand and Deepen Partnerships (2)

- Initial feedback from external care providers has been very positive
- Confirmed that challenges similar to those in Sompo Care exist outside the company and that there is a high degree of confidence in specific solutions to the challenges



Utilize SOMPO Group's Network / Cooperate with Financial Institutions, etc.

- By utilizing Sompo Japan's network, Sompo Care formed business alliances with financial institutions across the country for collaboration utilizing nursing care know-how
- Sompo Care will initially focus on early adopters, the initial targets, to deliver value to care providers who are customers of financial institutions



Cooperate with ND Software

- Started to discuss and build a framework for creating synergies by making ND Software a member of SOMPO Group
- Aim to finalize the 100 day plan as soon as possible and grow the egaku business through early maximization of synergies

Activities through Day 1

**Build a framework for
defining collaboration
areas**

February 22
Face-to-face kick-off meeting
by executives and key
members of both companies

**Start examining the
mission and action plan
in collaboration areas**

100 day plan (until around end of May)

**Develop a vision through
collaboration**

**Develop an action plan in
collaboration areas**

**Implement the action
plan, including quick hits**

**Grow the egaku
business by
maximizing synergies**

Overview and Superiority of ND software

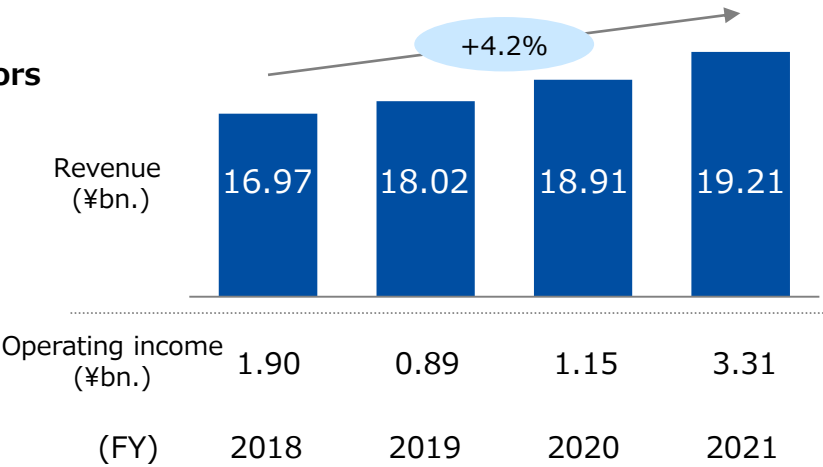
- ND Software became a wholly-owned subsidiary of Sompo Holdings on February 28, 2023
- Develops and sells the Honobono series of internally developed welfare operations support software with the largest share in the nursing care industry

Corporate Profile Founded: 1976 (software since 1982)
Revenue: ¥19.21 bn. [FY2021]
Number of full-time employees: 418 [As of Mar. 31, 2022]

- Business Overview:
- Develop and maintain original welfare and healthcare software
 - Sell, maintain, and support the Honobono series of internally developed welfare operations support software with the largest share in the nursing care industry



Key Indicators



Sales structure

- ✓ About 120 sales representatives in 30 locations nationwide (Direct sales: 13, agency sales: 86)
- ✓ Percentage of revenue by channel
Top 10 agencies: c. 55%, 700 SME agencies: c. 20%, Direct sales: c. 25%

Engineer resource, development and operation track record

- ✓ Large number of talented engineers who can achieve QCD (quality, cost and delivery time) of software development required by major SIers
No. of engineers: c. 550 (consolidated basis)
- ✓ Operates software used by c. 50,000 nursing care facilities

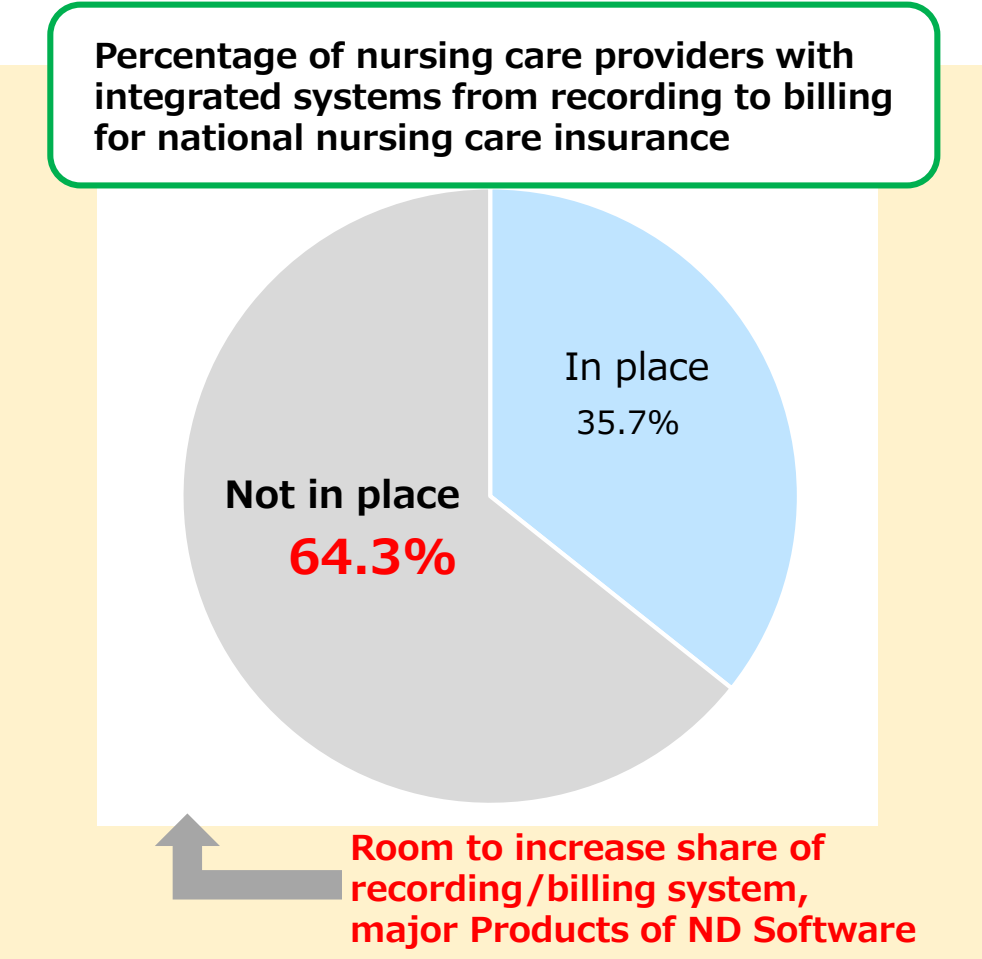
After sales customer support structure

- ✓ Call center is staffed by c. 120 employees
- ✓ Dedicated employees who are qualified as care administration manager responds to inquiries
- ✓ Online instructions and guidance for use at the time of introduction (7,000 times or more, 95% satisfied)
- ✓ Remote support in case of emergency or failure

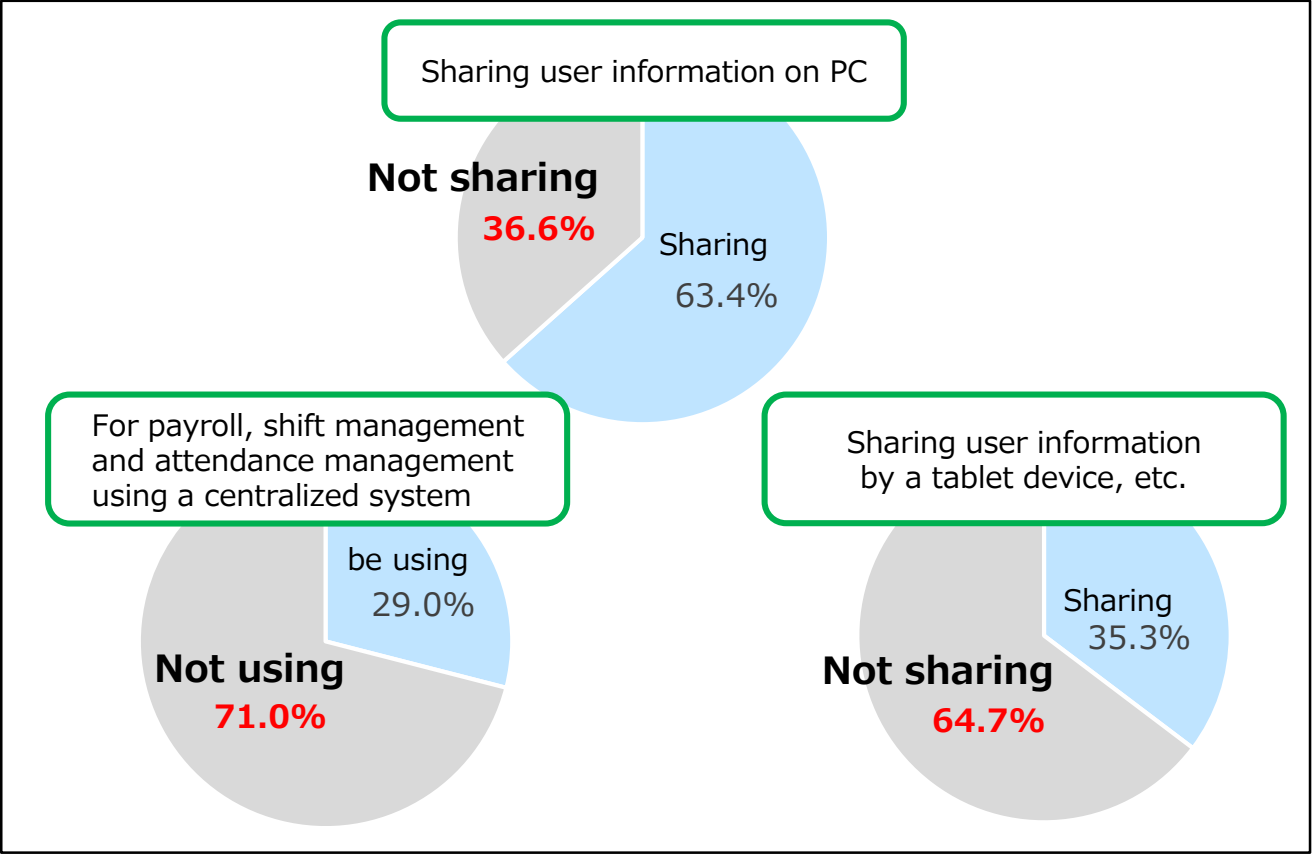
Digitization among Care Providers

- 64% of facility-based providers have not digitized everything from records to national nursing care insurance billing systems
- The market situation leaves room for ND Software's main product, recording/billing system for national nursing care insurance, to expand its market share

Percentage of ICT equipment utilization
(Home wit nursing care (selected nursing homes))



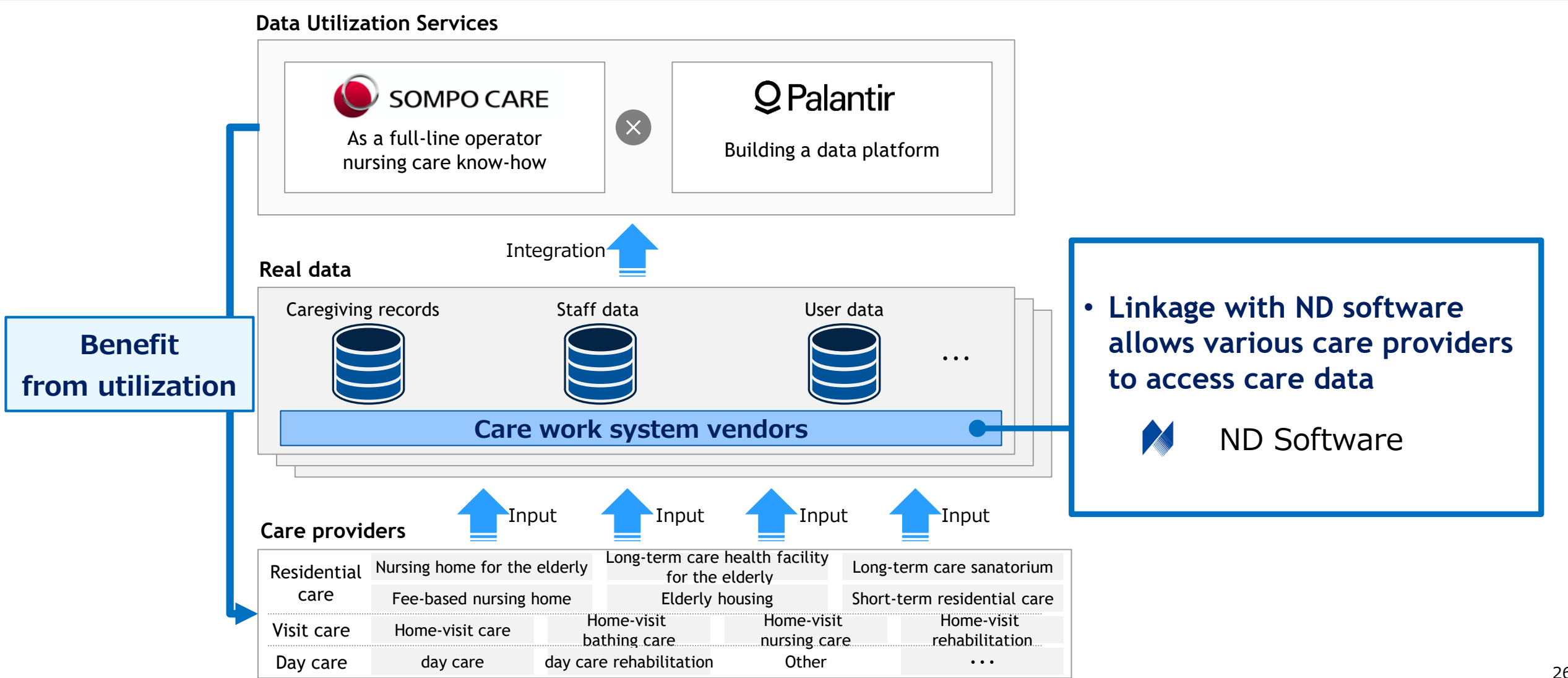
(Reference) Responses to other questions



Data Sources : Caregiver Labor Stability Center FY2021 Survey on Caregiver Labor Conditions [Results of Survey on Caregiver Labor Conditions at Business Sites]
Excerpts of responses from nursing care for residents living in specified facilities
Survey period : October 1, 2021 - October 31
Subjects of the survey:
18,000 facilities were selected by random sampling from those providing national long-term care insurance services nationwide
17,011 valid surveys and 8,809 valid responses (51.8% response rate).

Synergies with ND Software -Data Access-

- The uniqueness and the core of the egaku business, "data utilization services", require access to real data managed by system vendors
- Linkage with ND software enables smoother data entry and data integration



Synergies with ND Software -Customer and Service Base-

- Owned customers and sales force of ND Software are extremely useful in achieving to be the de facto standard in the industry in a short period
- In particular, ND Software have a very high share in specialized nursing home, which Sompo Care does not have, and we can expect collaboration in product development and sales

Target segment		Number of targets		Clients owned by ND Market Share	Synergies with SOMPO
Facility-based care provider	Private nursing home, specialized nursing home	Medium to large (Owns 10+ facilities)	c. 100 corporations 2,500 facilities	c. 5,500 facilities c. 35% (specialized nursing home: 43%)	<div>✓ Access to customer base</div> <div>✓ Customer support functions</div> <div>✓ Manufacturer functions</div> <div>✓ Sharing know-how with SOMPO</div>
		Small (Owns no more than 9 facilities)	c. 6,800 corporations 12,000 facilities		
	Senior care facility, group home	Large to small	c. 10,000 corporations 18,000 facilities	c. 7,000 facilities c. 35%	
Home-based care provider <small>(Home assistance, small multi-function home care, visiting nurse and small multi-function home care)</small>		Large to small	c. 32,000 corporations 45,000 offices	c. 9,000 facilities c. 20%	

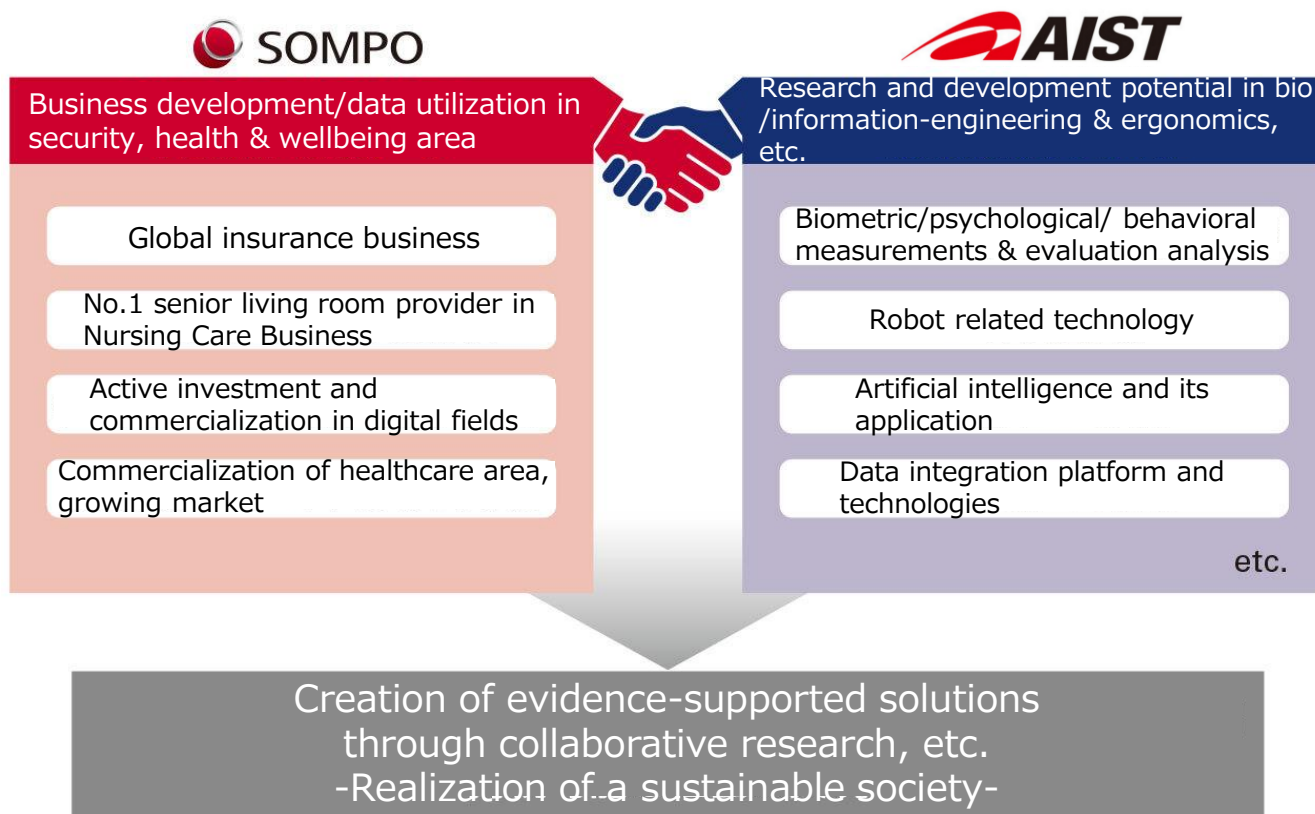
Synergies for ND

We can expect ND’s sales to improve by “Package sales” with egaku and ND’s record system for corporations that have not yet adopted digitization

Creation of Solutions by SOMPO x AIST

- Further solutions for egaku will be created through joint research utilizing the strengths of SOMPO and AIST*1

SOMPO-AIST RDP*2 Collaborative Research Lab



Further development of egaku

- The RDP Collaborative Research Lab conducted research on the following four themes:
- Depending on the subject, academic experts, care provider organizations, etc.

Expert committee established

Development and standardization of assessment methods for quality of care

Enhancement of predictive care

Simplification of time study/automation of care record

Expert committee Established

Development and standardization of evaluation method of care tech

More Possibilities for egaku (Home-based egaku)

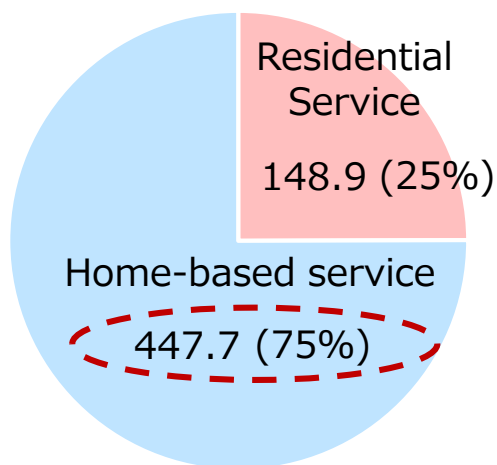


Home-based egaku's Vision

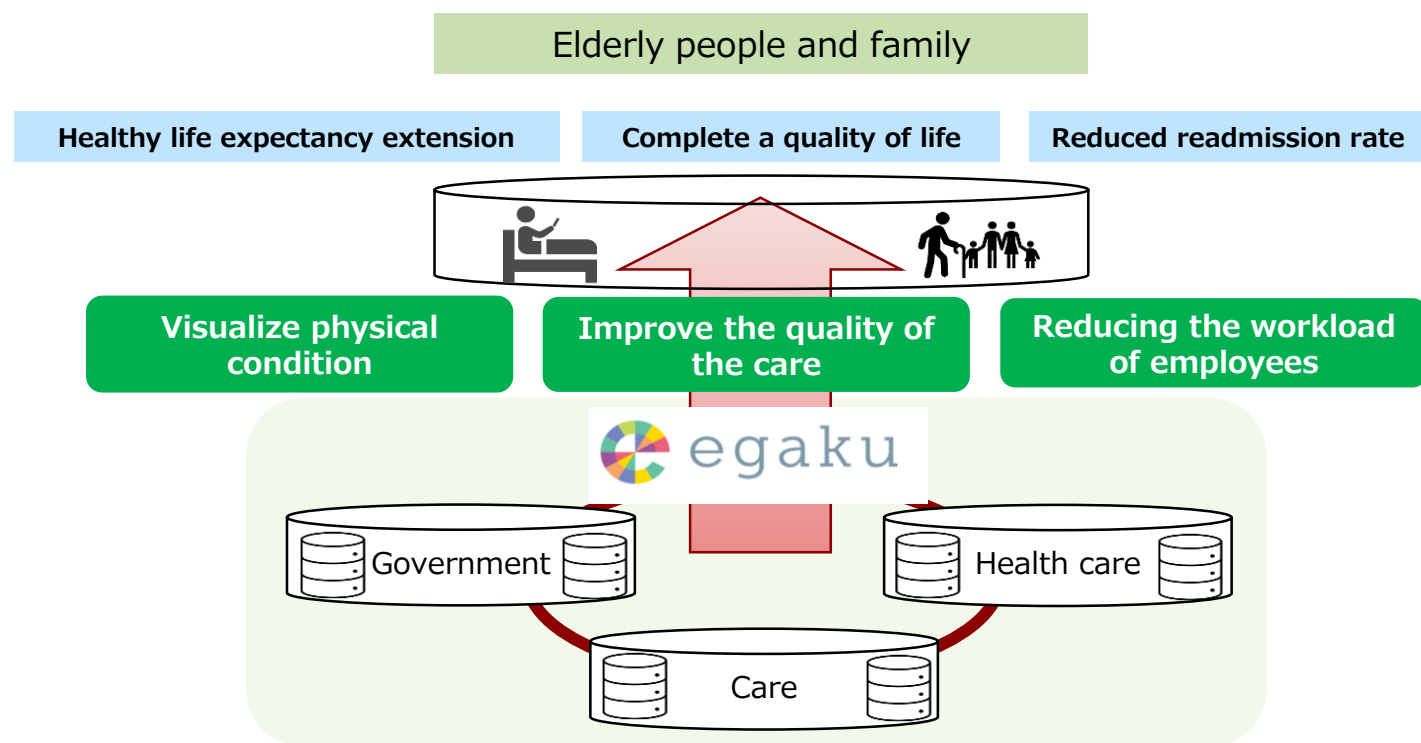
- Improving productivity with quality in home care services, which account for 75% of care recipients, is needed to resolve the supply and demand gap for care workers
- egaku aims to become a de facto standard in home care services as well, contributing to the utilization of data from government, medical care, and nursing care as a key component of the community-based comprehensive care system

No. of recipients of nursing care services

(ten thousands people)



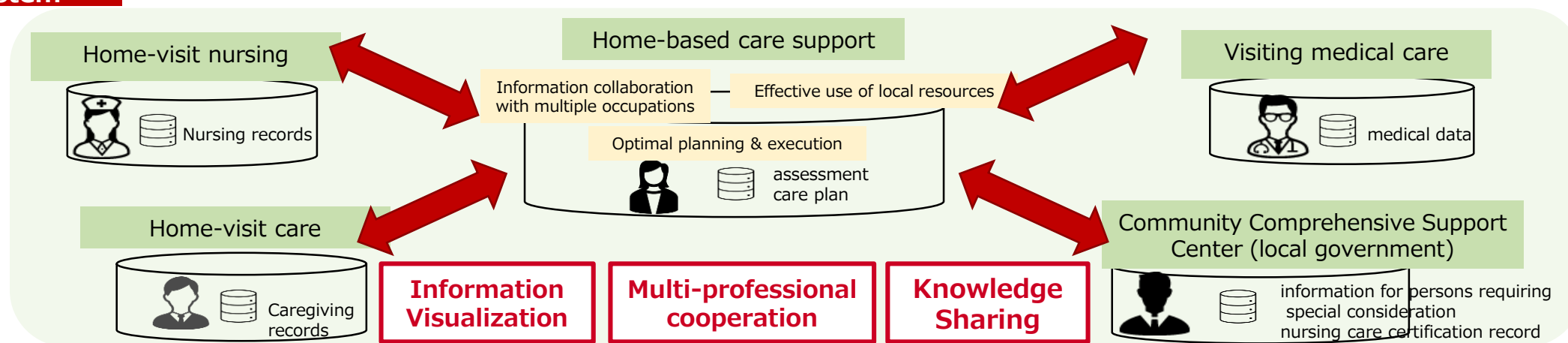
Home-based egaku's vision



Features and Challenges of Home Care

- Multi-job and multi-office services such as home-based care support (care manager), home-visit care, home-visit nursing, and home-visit medical care work together to provide services ⇔ facility care(home with nursing care): 1 provider provides all services
- Limited hours for various services, and family and relative support make up for that lack (⇔ facility care: 365 days, 24 hours support)

Home-based care system



Challenges

Public administration

National health care insurance benefits are not justified



Medical and nursing care settings

Lack of teamwork

- Communicating with related parties through analog methods such as visits, phone calls, faxes and handwriting

Lack of sharing knowledge

- Care of the elderly depends on the competence of care managers, **experience is not systematized** and there is a difference to proposed plan services - Fewer people are able to propose appropriate plans for people in need of care, including services not covered by national insurance

Sharing only limited information disrupting continuity

- No nighttime service provider/Upper limit on the number of times of national long-term care insurance, etc., **delays detection of deterioration of physical condition, etc., due to point of condition recognition**
- At home, there is **almost no monitoring item provision, sensor installation, etc.**, and proper evaluation is not possible



User/family

Lack of support for self-reliance / QOL decline

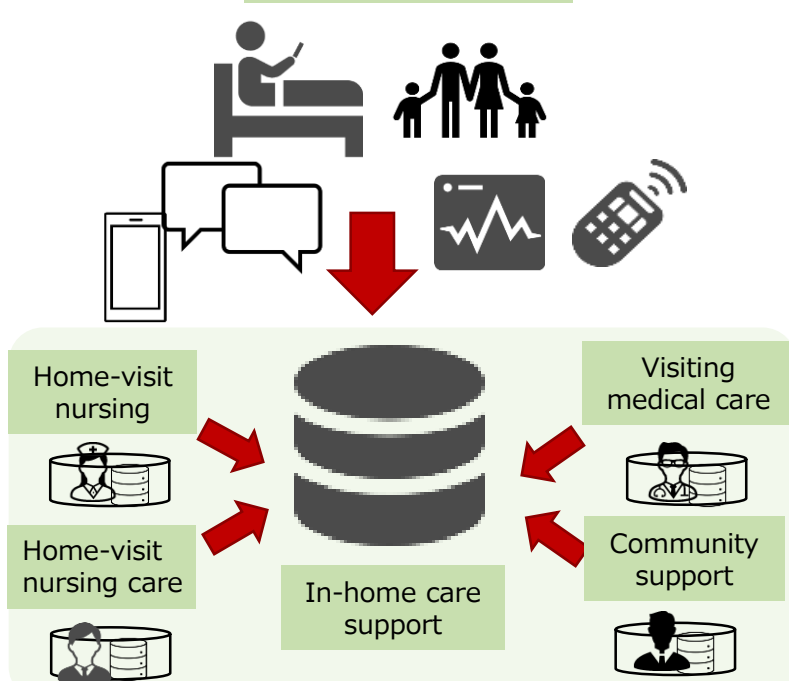
Problem Solving Solutions

- Integration and centralization of data scattered across offices into home-based care support
- Complementing limited data with communication tools and automated record keeping from the user's perspective rather than service provider's perspective

1. Visualization of the elderly people's condition

- Acquisition of information originating from the person/family (Use of care ale, IoT devices)
- Integration of care records, etc. scattered across offices into in-home care support

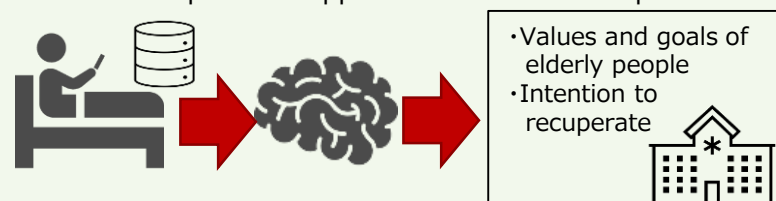
Elderly people /Family



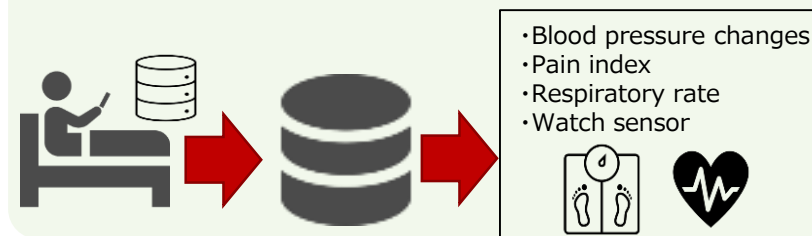
2. Improvement of quality of care for elderly people

- Alert according to analysis of the integrated data to determine the individual's condition (Disease, scene)
- ACP(Advance Care Planning) Support Features (Analysis of "Care-Yell" Communication)
- Implementation of Home-based version of "Predictive Care"

By AI analysis of communication originating from the elderly people, ACP is linked to the hospital at the time of admission to provide support for the treatment plan



Specific alerts for end-of-life period simplify safety checks and provide suggestions for medication adjustments, etc.



3. Reduction of workload on staff

- Optimizing care time (Working Shift AI Matching)

Visualize staff's service work (direct time) and moving time, etc. (indirect time) and adjust working shifts by AI analysis Support



References



Desired Impact of egaku Business

- Plan to commercialize “egaku” in FY2023. Refine services, aim to generate operating profit of approx. ¥10.0 bn. in FY2030, and bring benefits of approx. ¥100.0 bn. to the nursing care industry by introducing “egaku”
- Try to (1) increase sustainability of the nursing care industry and (2) minimize the impact on people’s lives, such as caregiver attrition, in the long term

Business launch and expansion

Business launch (FY2023-2024)

- Deploy to early adopter and refine services in every way possible
- Further PoC at SOMPO and build track record
- Build alliance and collaborate with various nursing care providers
- Utilize SOMPO Group network

Business expansion (FY2025 onwards)

- Deploy to firms other than early adopters
- Reach out to at-home care providers, not just nursing home providers

Target business size in FY2030

- Revenue approx. JPY30 billion, operating profit approx. ¥10.0 bn.
- No. of facilities that introduced “egaku”^{*1} approx. 13,000

Nursing home offices	approx. 9,000 Share approx. 30%	At-home care offices	approx. 4,000 Share approx. 10%
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Economic benefits to customers by introducing “egaku” approx. ¥100.0 bn.

(Economic benefits of ¥8.4 mn. per facility × No. of facilities that introduced “egaku” 13,000)

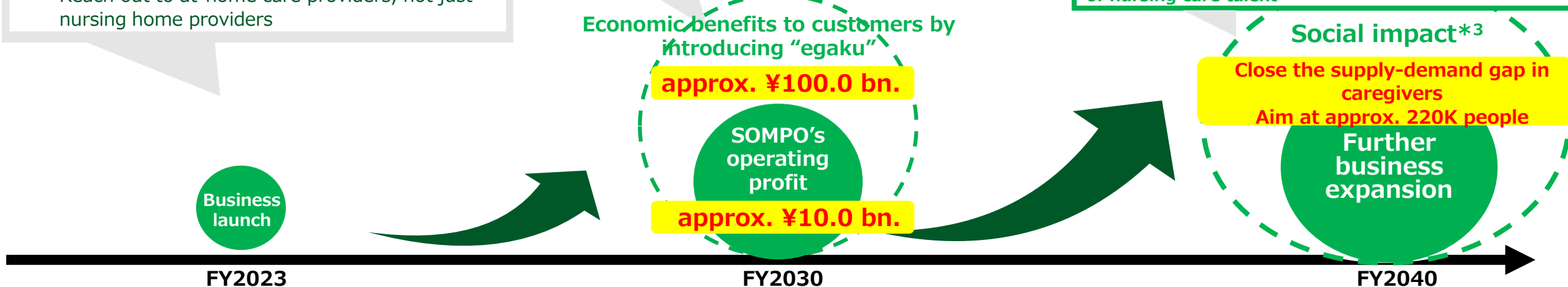
Long-term vision

De facto standard for the entire nursing care industry

- Deploy to adjacent industries, local governments, and other countries in addition to expanding in the nursing care business
- Build sustainable infrastructure in response to an increasing number of people requiring support^{*2}

- ① Increase sustainability of the nursing care industry
- ② Minimize the impact on people’s lives, such as caregiver attrition

⇒ The challenge is to close the supply-demand gap of nursing care talent



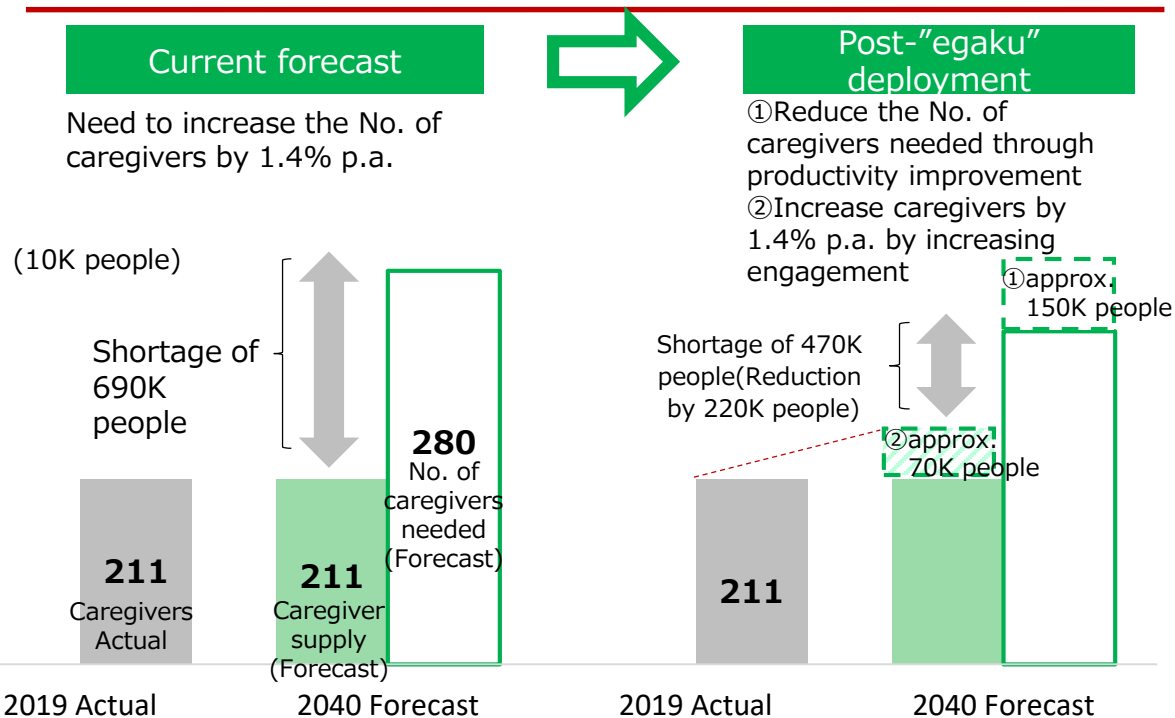
*1 Nursing home providers (Special nursing home, senior healthcare facility, private care provider, GH): No. of firms approx. 17,000, No. of offices approx. 32,000
At-home care providers: No. of firms approx. 32,000, No. of offices approx. 45,000

*2 Increase by approx. 25% in FY2030 and approx. 40% in FY2040 vs. FY2020 (Prepared by SOMPO using the 55th Social Security Council Long-Term Care Insurance Committee meeting materials) *3 See P35

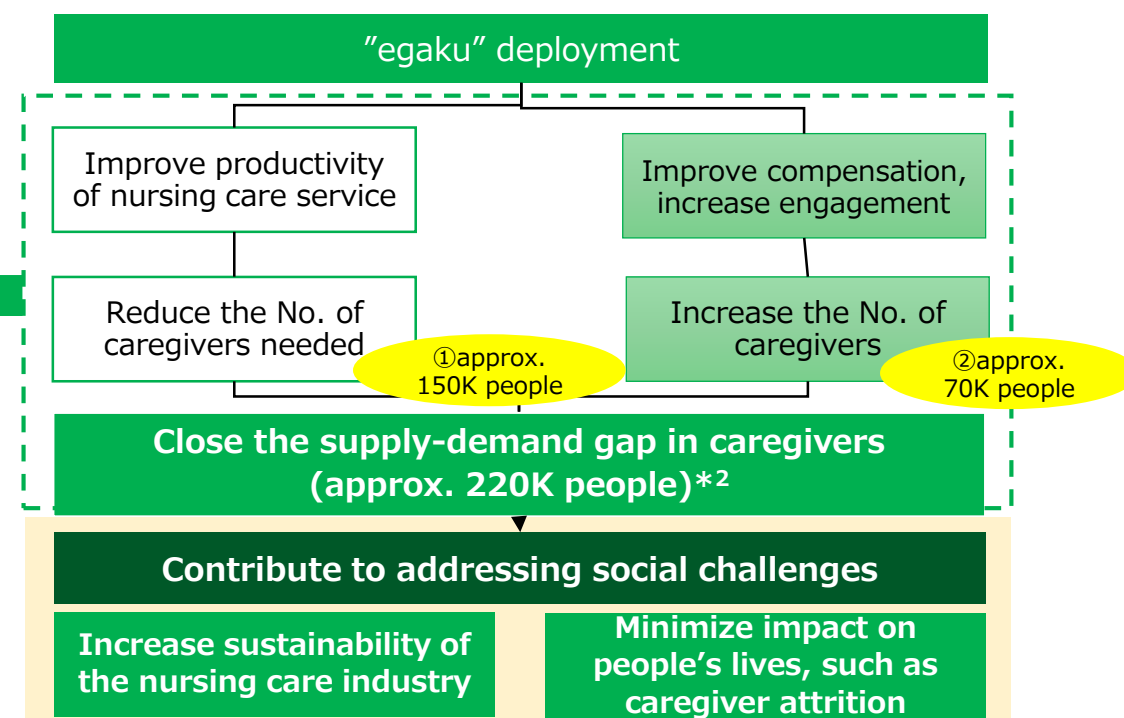
Impact on the Whole Society

- The supply-demand gap in caregivers is estimated to be approx. 690K people in 2040 due an increasing number of seniors requiring support
- Aim to close the supply-demand gap by 220K people by reducing the number of caregivers needed through productivity improvement with “egaku”, and expanding the talent pool by increasing engagement and job attraction

Closing the supply-demand gap in caregivers (Outline)



Impact path*1



(Reference) Close the supply-demand gap in caregivers by 220K people (GDP equivalent)

Seniors supported by 220K people*3 approx. 880K people



GDP per capita ¥4.26 mn



GDP equivalent ¥3.7 tn.

*1 There are other likely impact, such as maintenance and improvement of ADL/QOL of seniors with high-quality services and associated potential for reducing social security benefits.

*2 Assuming deployment of “egaku” to 30% of home care providers and 10% of at-home care providers who all successfully reduce the No. of caregivers needed and increase the No. of caregivers, just like at Sompo Care

*3 Assuming that 1 caregivers support about 4 seniors. If 880K seniors cannot receive nursing care service, their families, etc. would need to quit or restrict work for nursing care, which in turn would lower GDP growth. Since not all families, etc. would quit work for nursing care resulting in zero contribution to GDP, this is an estimate of the maximum impact on GDP.

Note Regarding Forward-looking Statements

The forecasts included in this document are based on the currently available information and certain assumptions that we believe reasonable. Accordingly, the actual results may differ materially from those projected herein depending on various factors.

Contacts



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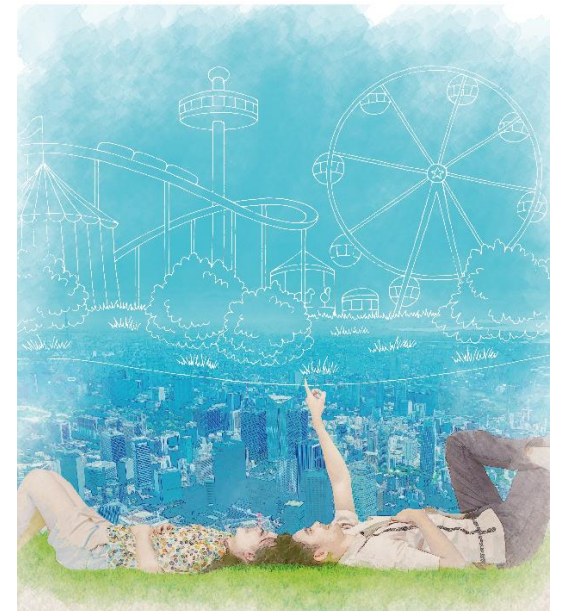
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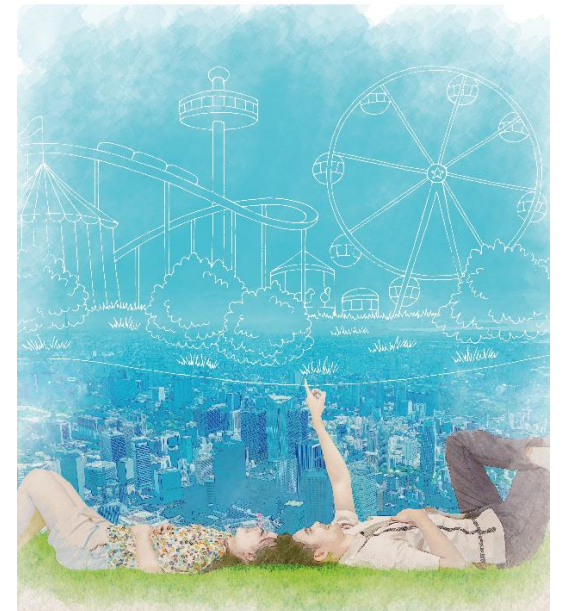
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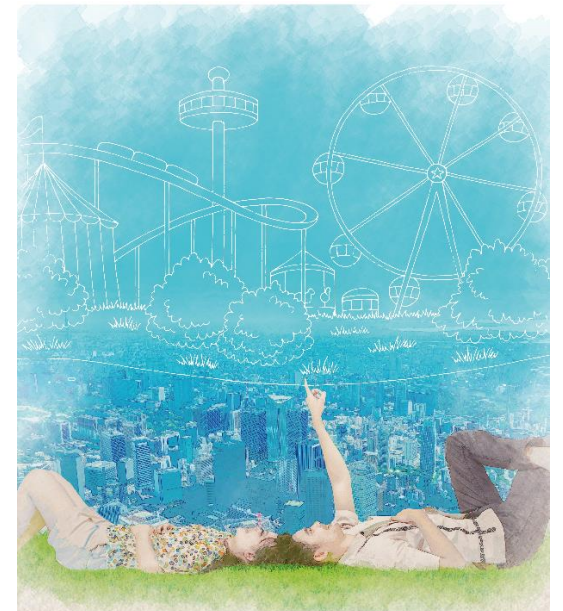
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