

Progress of Mid-Term Management Plan

May 26, 2023
Sompo Holdings, Inc.

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Reference

Key Points of Today's Presentation

Progress of Mid-Term Management Plan

Financials

- ✓ **In FY2023, adjusted consolidated profit is expected to be JPY280.0 bn., the highest level ever**
- ✓ The **adjusted consolidated ROE target for FY2023 (10% or more) is likely to be achieved**
- ✓ The **group's top line is likely to increase by more than 30%** over the Mid-Term Management Plan period with steady progress in scale and diversification

Capital policy

- ✓ **Strategic shareholding reduction principle updated**
The group aims to reduce the ratio of strategic holding volume to adjusted consolidated net assets to 20% or less by FY2030
- ✓ Dividend per share **increased for the 10th consecutive year**
The Group adheres to a highly transparent shareholder return policy to return 50% of adjusted consolidated profit and increase dividends in line with profit growth
- ✓ **Well-balanced capital policy** that takes into account improvement in capital efficiency, strong growth investment appetite, and attractive shareholder return.

Foundation for mid-term growth

- ✓ **New initiatives are launched to improve profitability in the domestic P&C insurance business** in light of the adverse business environment
- ✓ In the **overseas insurance business, profitability and profit stability are maintained/strengthened** through geographic expansion and profitability-focused underwriting
- ✓ **The Group establishes a solid foundation for mid-term growth**
Domestic Life = Insurhealth® products Nursing Care & Seniors = "egaku"

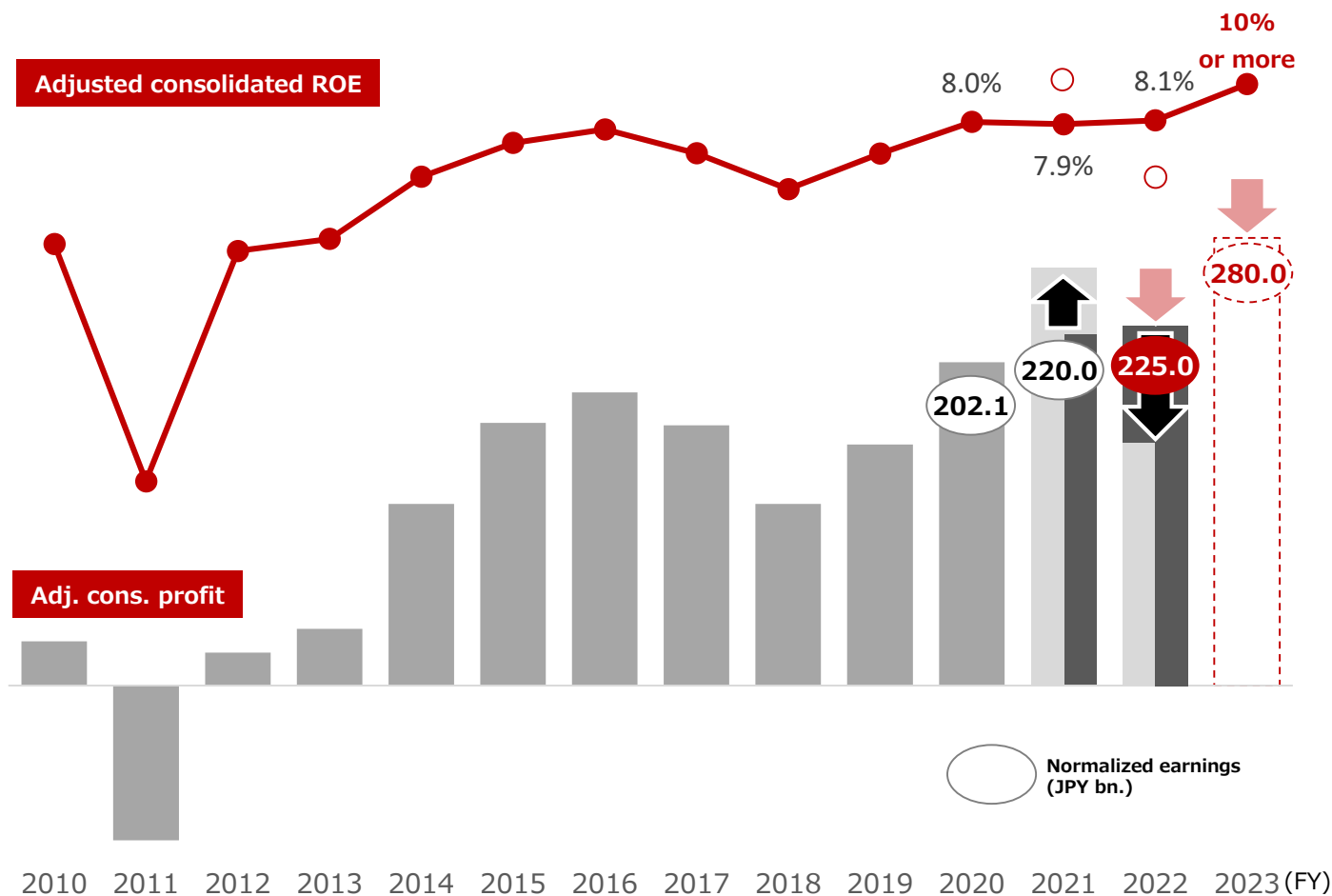
I . Group Strategy



Progress against Group Management Targets

- In FY2022, adjusted consolidated profit (normalized basis excluding one-off effects) was about JPY225.0 bn.
- In FY2023, adjusted consolidated profit and ROE are expected to be JPY280.0 bn. and 10% or more, respectively, by factoring in the adverse business environment such as inflation

Adjusted consolidated profit and ROE *1



*1 Figures for FY2021 and FY2022 are on a normalized basis.

(Forecast)

Effects of one-off factors

	FY2021	FY2022	FY2023
	+JPY40.0 bn.	-JPY73.0 bn.	-
COVID-19	+JPY25.0 bn.	-JPY34.0 bn.	-
Natural disasters	-	-JPY30.0 bn.	-
Other	+JPY15.0 bn. (Favorable investment climate)	-JPY9.0 bn. (Large losses, etc.)	-

Effects of adverse business environment in domestic P&C business *2

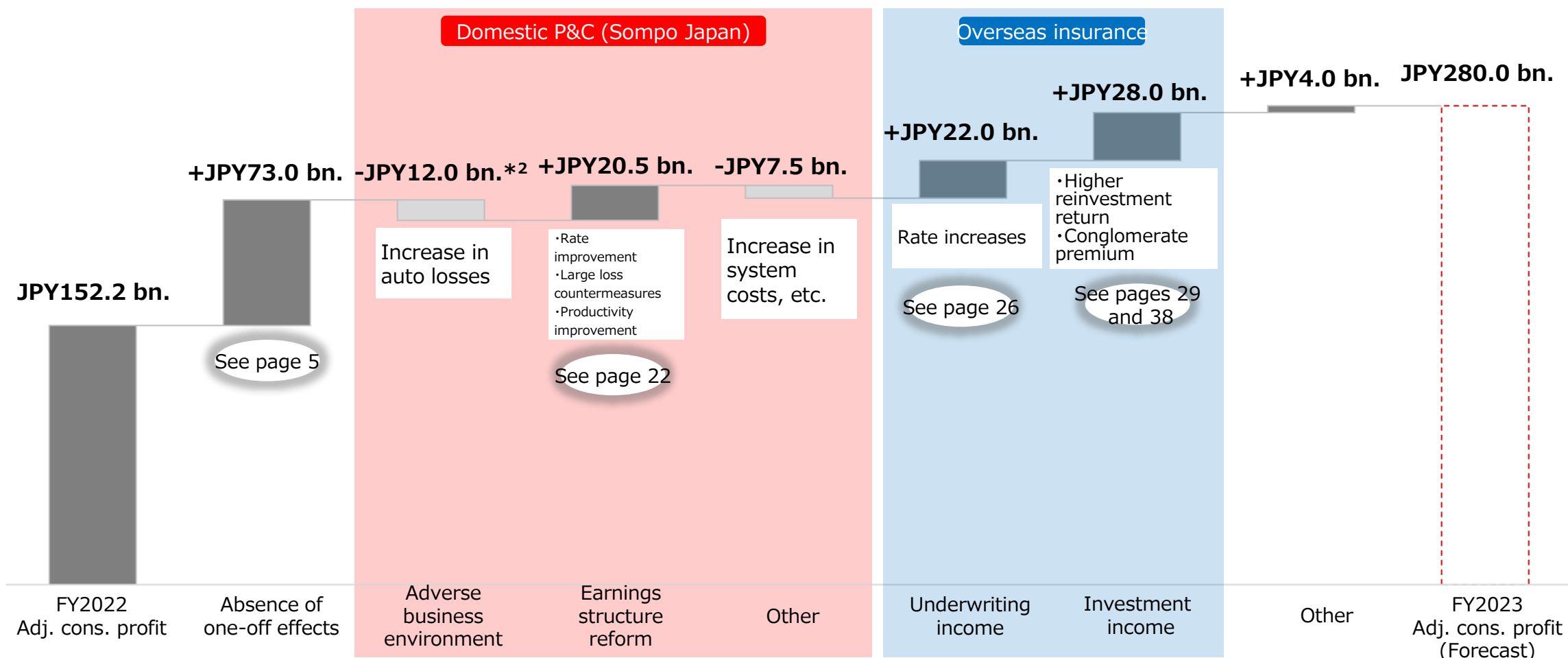
	FY2021	FY2022	FY2023
	-	-JPY56.0 bn.	-JPY85.0 bn.
Natural disasters, large losses	-	-JPY15.0 bn.	-JPY15.0 bn.
Increase in auto losses	-	-JPY21.0 bn.	-JPY50.0 bn.
Increase in fire attritional losses	-	-JPY20.0 bn.	-JPY20.0 bn.

*2 Difference between the assumptions under the current Mid-Term Management Plan 5

Path Towards Achieving the FY2023 Adjusted Consolidated Profit Target (Overview)

- In FY2023, the main profit drivers is an increase in investment income in the overseas insurance business driven by higher interest rates and conglomerate premium
- While FY2023 adjusted consolidated profit is likely to slightly underperform the target under the current Mid-Term Management Plan, it would be the record-high, reflecting SOMPO's earnings capability development

Factors of variation in adjusted consolidated profit *1



*1 The above figures are estimates on an after-tax basis.

*2 The less-than-expected reduction in auto incurred losses, etc. which do not affect YoY analysis, were excluded from the YoY change in the effects of adverse business environment on page 5.

Achievements under the Mid-Term Management Plan

- The top line scale has grown by a CAGR of over 10%. The ratio of overseas insurance profit to group profit (diversification) has expanded to 44% over the past two years
- In addition to scale and diversification, achievements such as “egaku” initiative (Nursing Care RDP) and creation of a conglomerate premium were materialized among various initiatives under the Mid-Term Management Plan, including

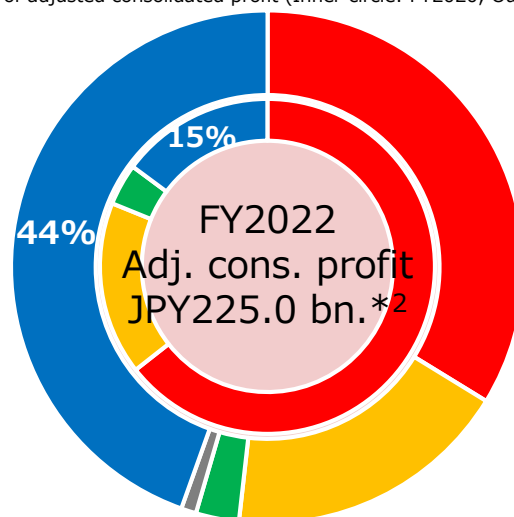
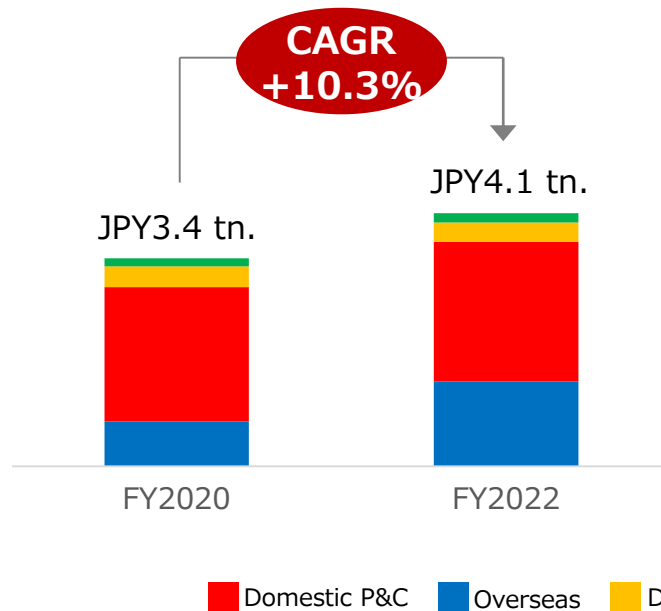
Achievements under the Mid-Term Management Plan

Scale and Diversification

The scale expanded substantially due to strong top line growth*1

The Group's business portfolio further diversified by expanded ratio of overseas insurance profit to group profit

<Composition of adjusted consolidated profit (Inner circle: FY2020, Outer circle: FY2022)>



RDP (Real Data Platform)

- ✓ Launch of “egaku” (Nursing Care RDP)
- ✓ Acquisition of ND Software Co.



Conglomerate premium

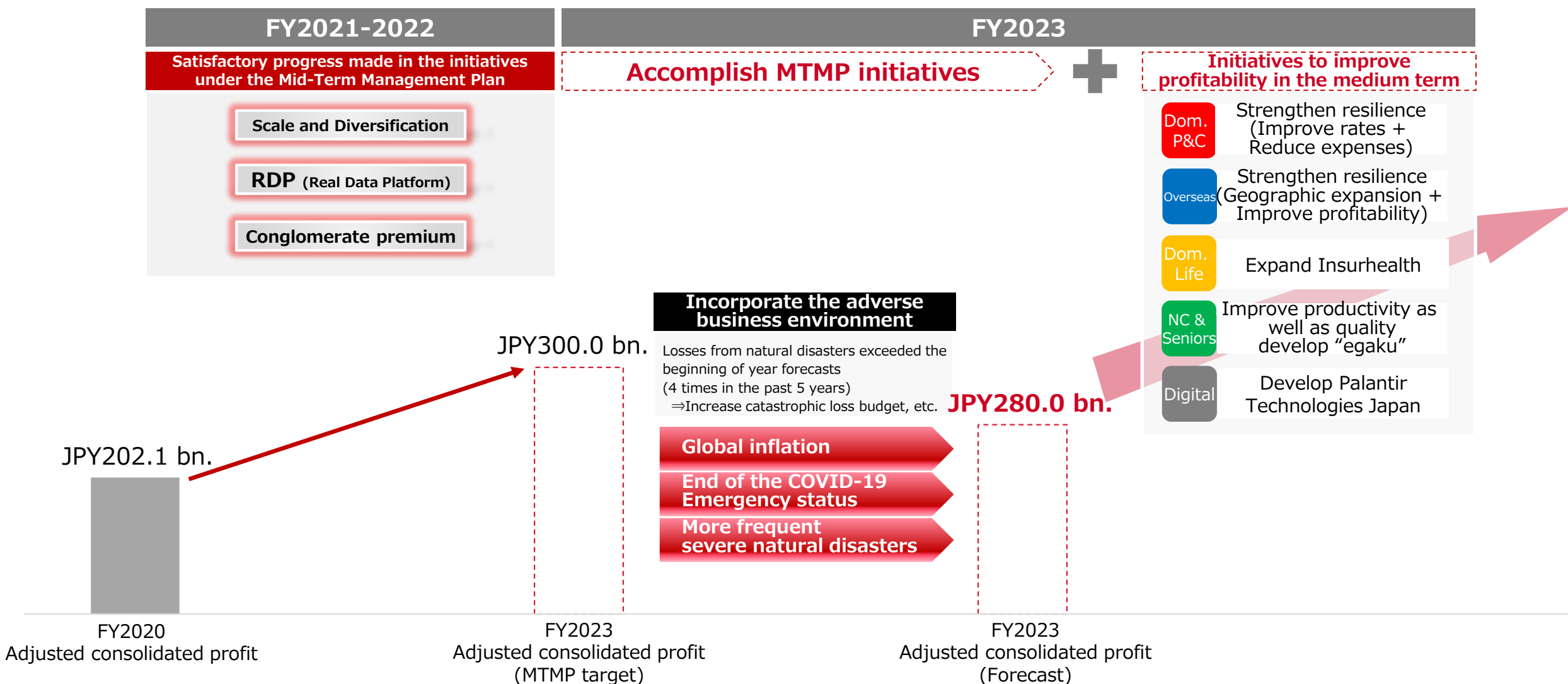
- ✓ Strengthened integrated management in reinsurance, investment, and multinational business across the group.
- ✓ Capital transfer of JPY200.0 bn. from SJ to SI

*1 Net written premiums + Life insurance premiums + Nursing care business revenue

*2 The amount and composition of FY2022 adjusted consolidated profit are on a normalized basis.

Actions Against the Adverse Business Environment

- Despite satisfactory progress made in individual initiatives, FY2023 adjusted consolidated profit is projected to be JPY280.0 bn., slightly under the original target (JPY300.0 bn.) under the Mid-Term Management Plan, by incorporating the adverse business environment such as inflation
- The Group's endeavor to expand adjusted consolidated profit in the medium term remains, by accomplishing the initiatives under the Mid-Term Management Plan as well as starting and implementing initiatives to bottom-up profitability



Measures to Improve Profitability in the Medium Term (1) Domestic P&C Insurance

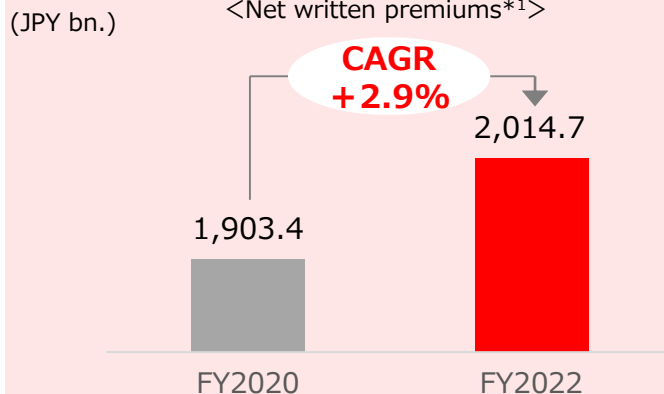
- The top line and the progress of earnings structure reform exceeded the Mid-Term Management Plan targets, while inflation and increasingly frequent and severe natural disasters have become the part of the new normal
- To mitigate the adverse business environment, the Group initiated new actions to secure profitability and to strengthen resilience in the medium term

Achievements under the MTMP

Top line growth

<Net written premiums*1>

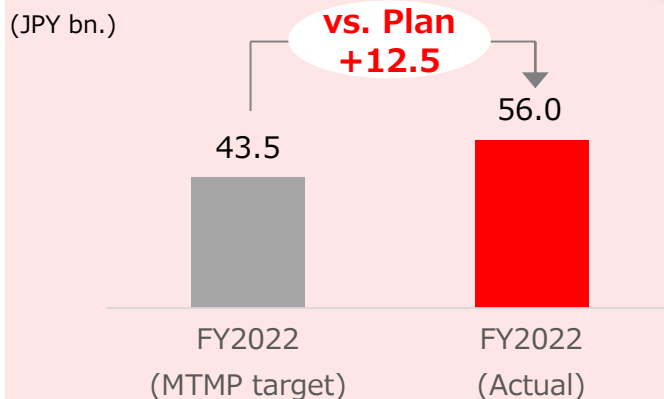
**CAGR
+2.9%**



Earnings structure reform*2

See page 22

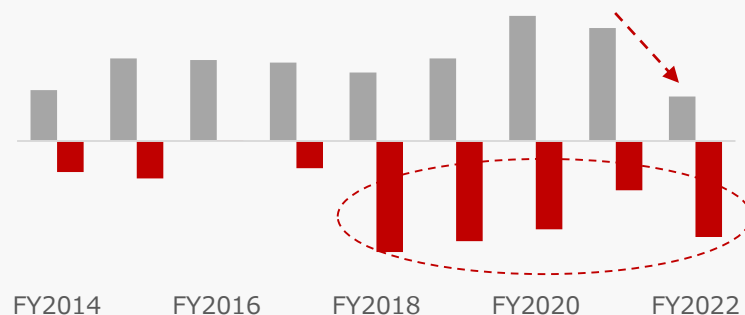
**vs. Plan
+12.5**



Adverse business environment, etc.

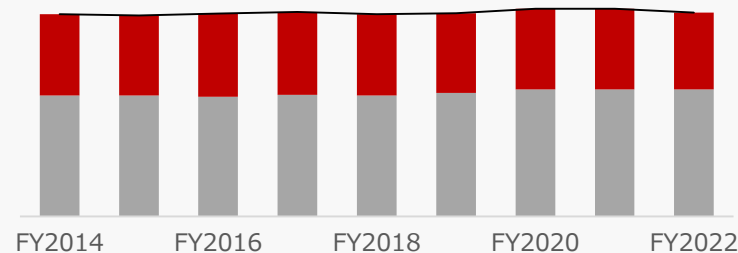
Deteriorating underwriting result in auto and fire

Auto core underwriting income Fire core underwriting income*3



Elevated expense ratio*1

Agency commission ratio Company expense ratio Expense ratio



Initiatives to improve profitability in the medium term

See page 24

Drastic measures to improve profitability

Rate improvement Insurance period reduction Coverage review

Output

Automobile: Offset the adverse business environment
Fire: Turns to profit in Mid-2020's

Measures to improve productivity

Product consolidation and simplification Organizational structure improvement

Expense ratio

Target : 31% level in the medium term

*1 Sompo Japan (Excl. CALI & household earthquake)

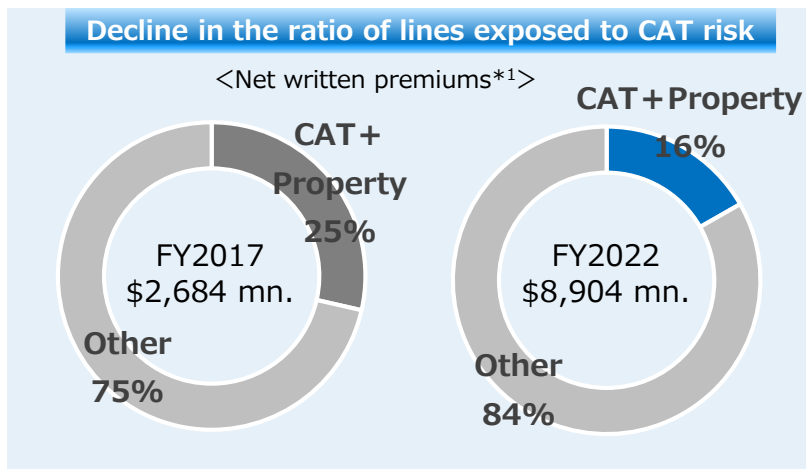
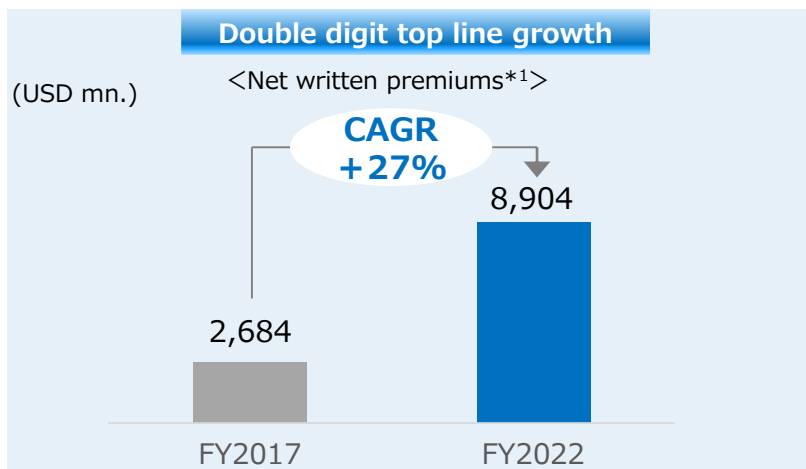
*2 Effect vs. FY2020, after tax basis

*3 Sompo Japan (Excl. household earthquake)

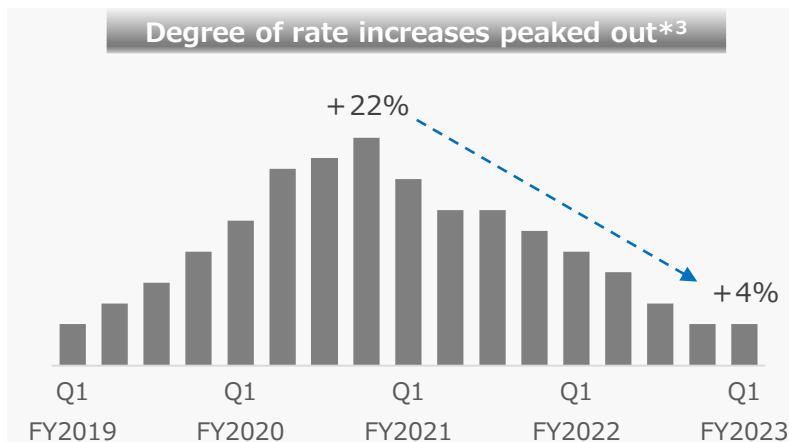
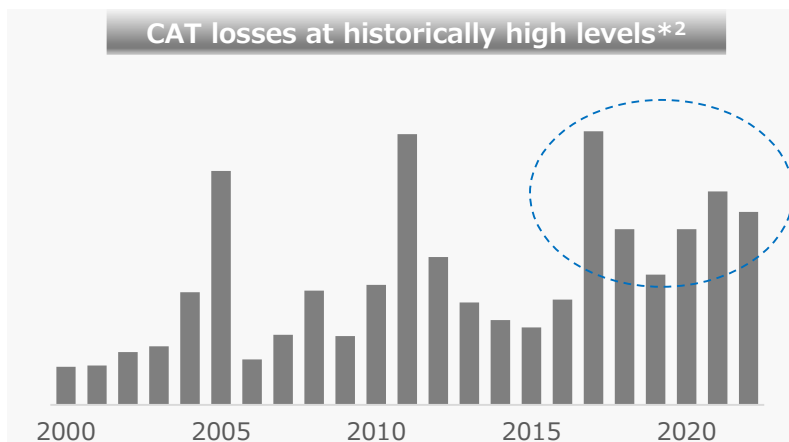
Measures to Improve Profitability in the Medium Term (2) Overseas Insurance

- In the overseas insurance business, the top line and profit increased, while the lines of business became more diversified through bolt-on M&As, rate increases, etc. following the acquisition of Endurance
- Pursue geographic expansion and tighten underwriting stance by focusing on profitability to continue growing and increase resilience

Achievements under the MTMP



Worsening business environment



Measures to improve profitability in the medium term

Progress in geographic expansion

Canada Europe Southeast Asia

Effect

Improve profit stability

Profitability improvement See page 28

Rate increases exceeding the loss cost Underwriting risk optimization

Combined ratio

Maintain advantage over peers

*1 SI Commercial

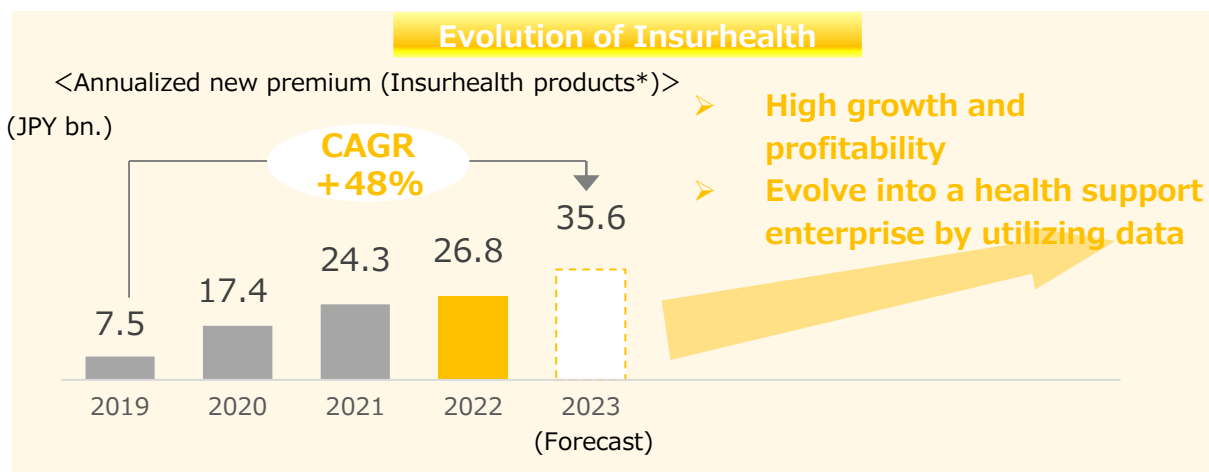
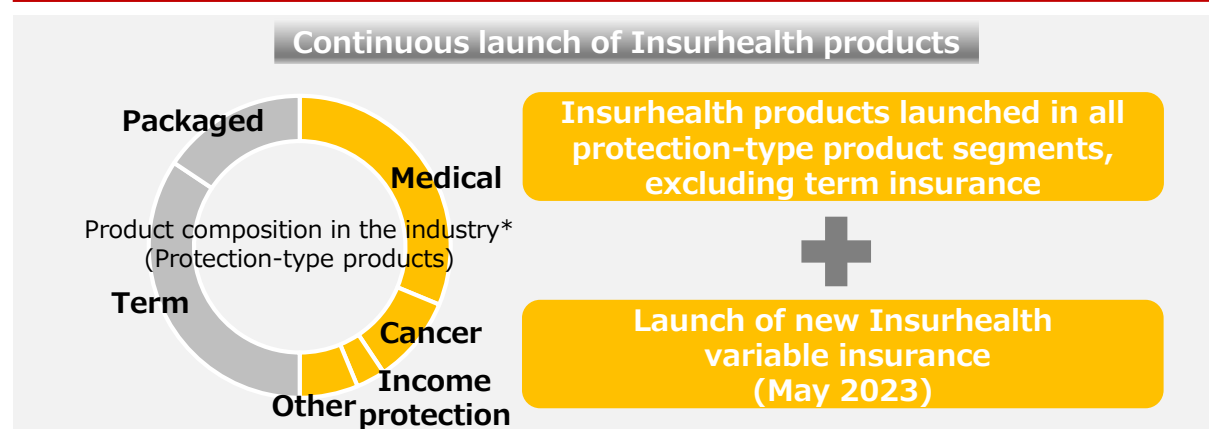
*2 Source: Aon 2022 Natural Disasters Events and Loss Trends

*3 Source: Global Insurance Market Index Marsh

Measures to Improve Profitability in the Medium Term (3) Domestic Life / Nursing Care & Seniors

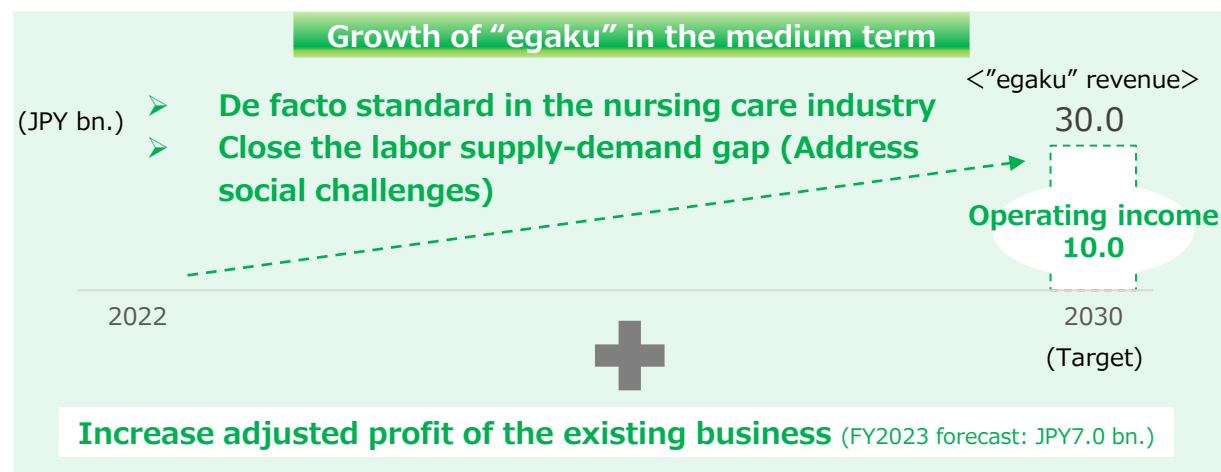
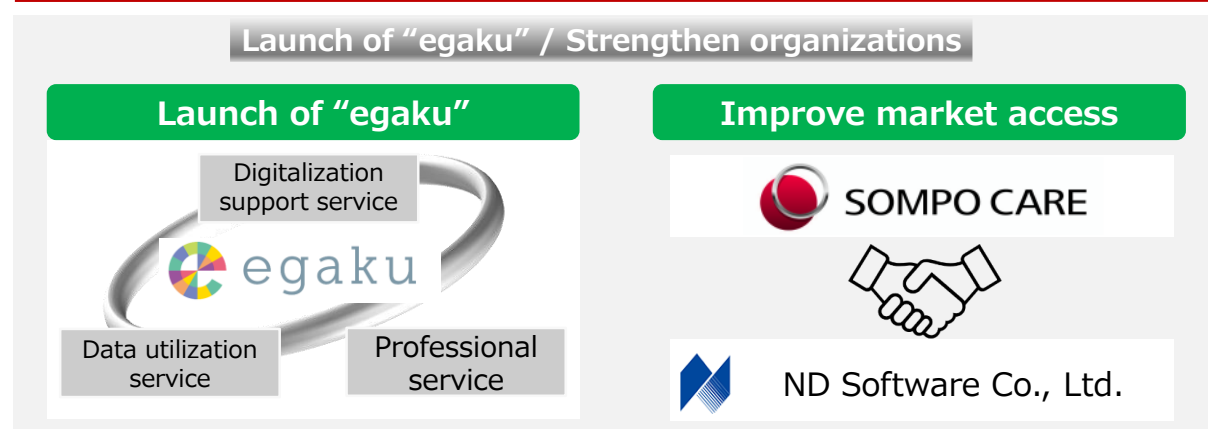
- Domestic Life evolves into a health support provider, while balancing high growth and profitability by continuous launch of Insurhealth® products
- Alongside the “egaku”’s business development, the Nursing Care & Seniors Business aims to become the de facto standard of the industry

Domestic Life (Growth of Insurhealth®)



* Performance evaluation basis

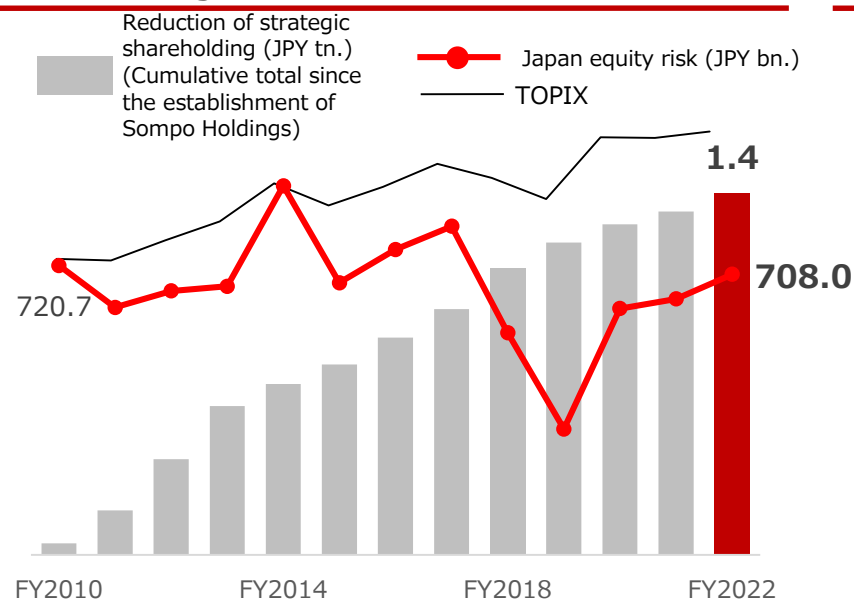
Nursing Care & Seniors (Growth of “egaku”)



Capital Efficiency Improvement

- Steady progress was made in reducing interest rate and strategic shareholding risks. ESR is within the target range (200-270%, as of end-March 2023: 223%)
- The ratio of natural disaster risk to total risk has remained stable, while natural disaster risk has been appropriately controlled

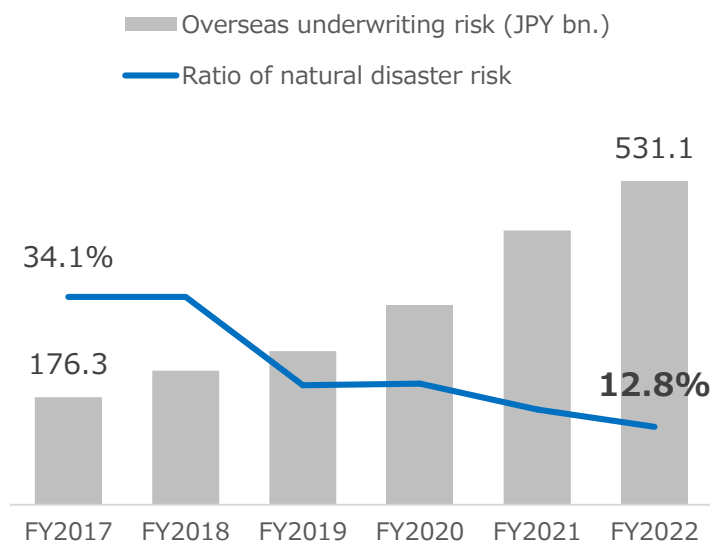
Domestic P&C: Reduction of strategic shareholding risk



FY2022

Accelerated the pace of strategic shareholding reduction from JPY50.0 bn.⇒JPY70.0 bn.
FY2022 actual: Reduced by JPY70.3 bn.

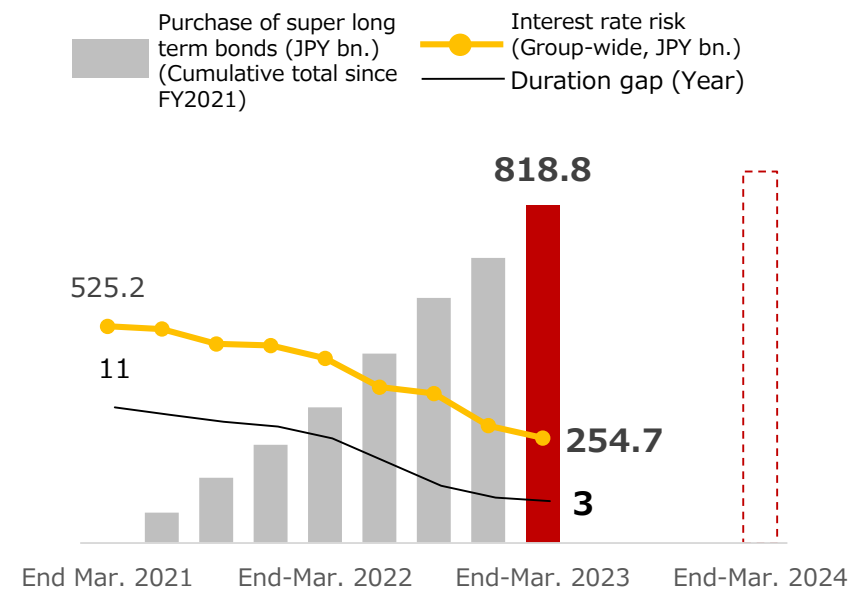
Overseas insurance: Control of losses from natural disasters



FY2022

Underwriting risk increased as a result of top line growth, but the ratio of natural disaster risk fell sharply

Domestic Life: Reduction of interest rate risk



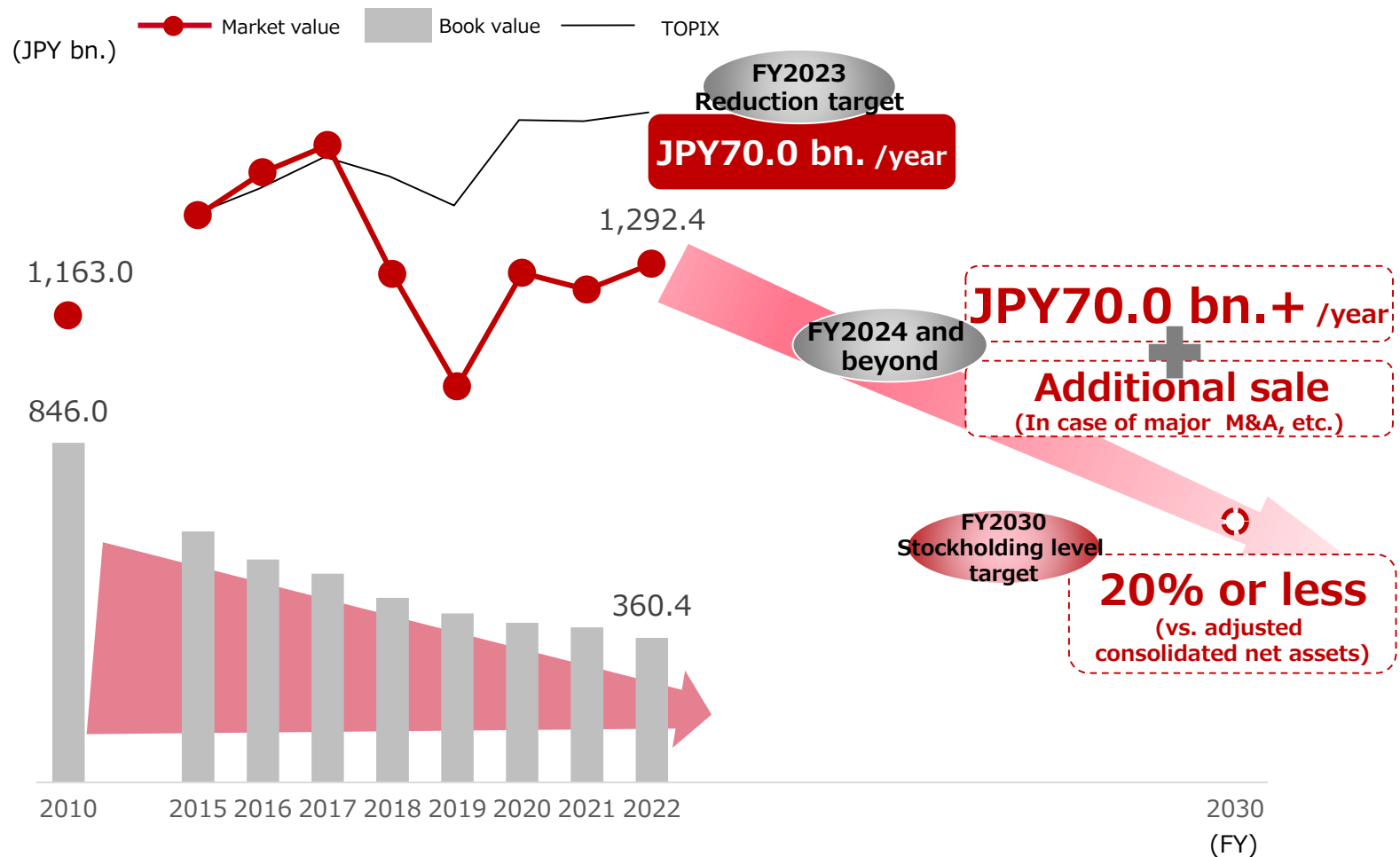
FY2022

Accelerated the rate of super long term bond purchases from JPY300.0 bn.⇒JPY500.0 bn.
FY2022 actual: Purchase of JPY489.3 bn.

Mid-Term Plan to Reduce Strategic Shareholding

- The balance of strategic holding stocks has consistently declined to JPY 360 bn. (book-value basis)
- Further reduction is scheduled to make the ratio of the balance (market value basis) to 20% or less of adjusted consolidated net assets by FY2030
- This schedule is a path to further reduction effort after FY2030

Balance of strategic shareholding



Capital efficiency of strategic shareholding (ROR)

Improved by over 3%*

Improve capital efficiency and profitability

Improve engagement with investees

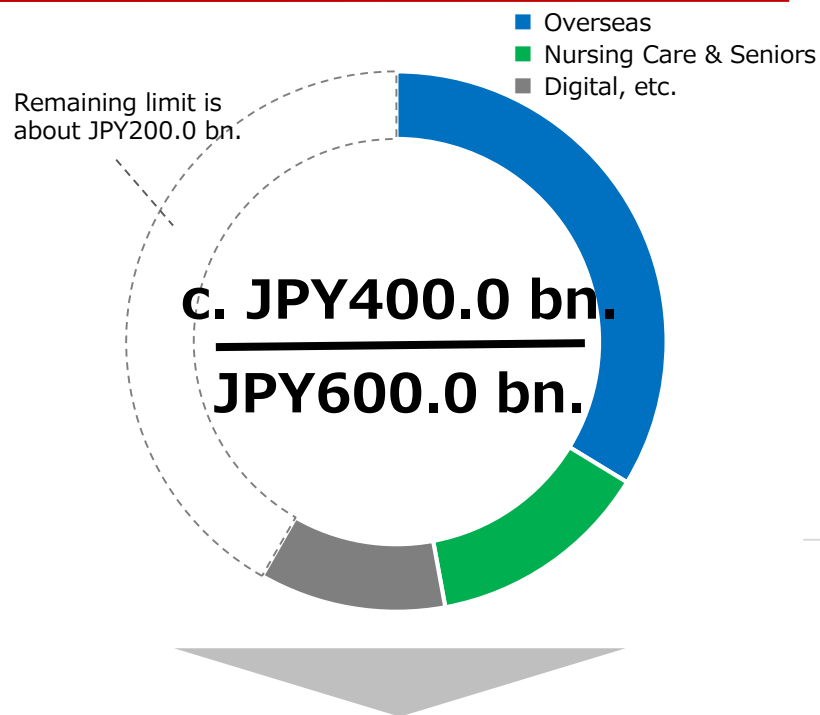
- ✓ Improve the decision making procedure for exercise voting rights
- ✓ Revise the checking criteria for the shareholder's meeting agenda

* vs. end of March, 2022

Growth Investment

- Growth investment has been on track with strong discipline in investment
- Alongside strong investment appetite, deals shall be made opportunistically at appropriate valuations

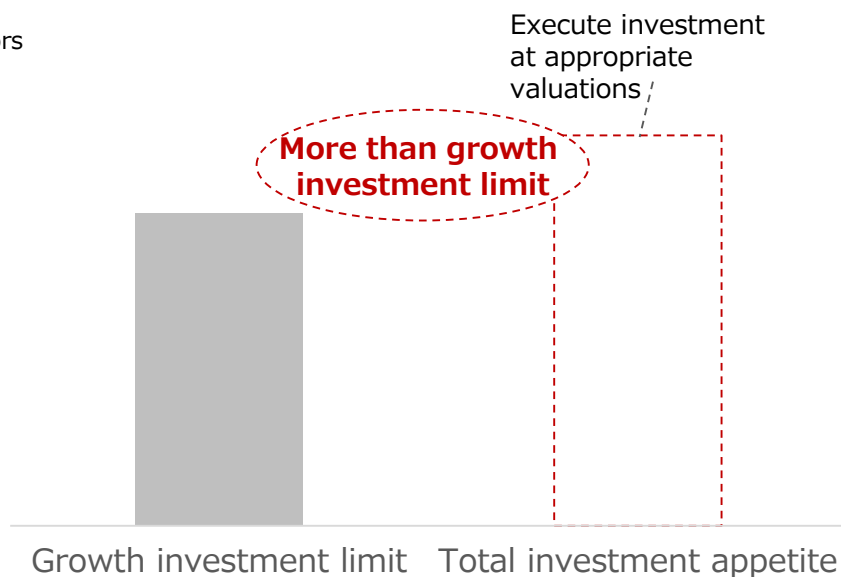
Progress in growth investment



FY2022

Capital transfer to SI
Acquisition of ND Software Co., etc.

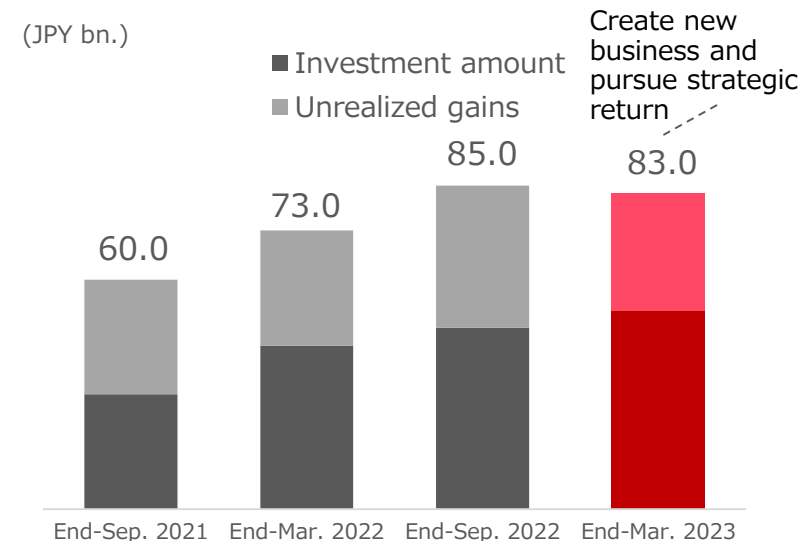
Growth investment appetite



At present

Total investment appetite is more than the remaining growth investment limit

(Reference) Equity value of digital investment*



FY2022

The value of invested assets went up along investees' businesses grew

*The value of direct investments were estimated by referring to the valuation at the time of latest capital increase, while the value of VC investments were estimated by summing the recovered amount and residual market value.

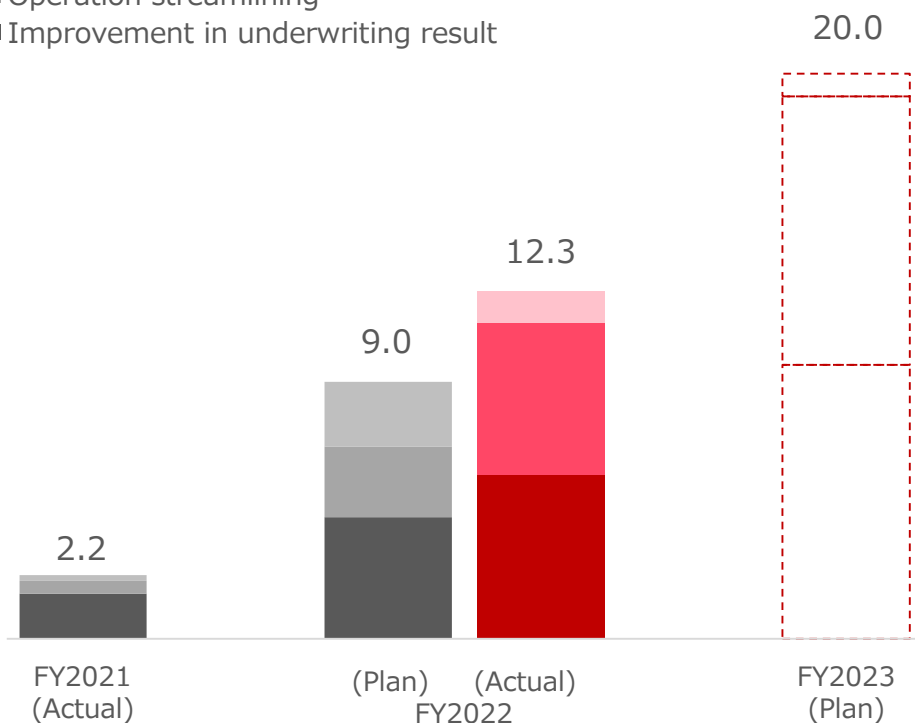
Contribution of Digital Transformation (DX)

- In FY2022, the overall contribution of DX was JPY12.3 bn. on a group-wide basis, primarily through improvement in underwriting result
- In FY2023, the contribution of DX is expected to be around JPY20.0 bn. DX continues to take place in the medium term by utilizing new technologies, including generative AI and blockchain

Contribution of DX (Group-wide)

(JPY bn.)

- New business opportunities
- Operation streamlining
- Improvement in underwriting result



Driver of accelerating DX



Data-driven solutions to challenges

Utilize in improving underwriting result

Contribution at FY2023 end
+JPY9.6 bn.
 (vs. FY2020)

Utilize generative AI, large language model (LLM)

- Trial for internal use
- Identify use case for practical application and start PoC for introduction
- Start working on setting rules and guidelines on compliance, information management risk, etc.

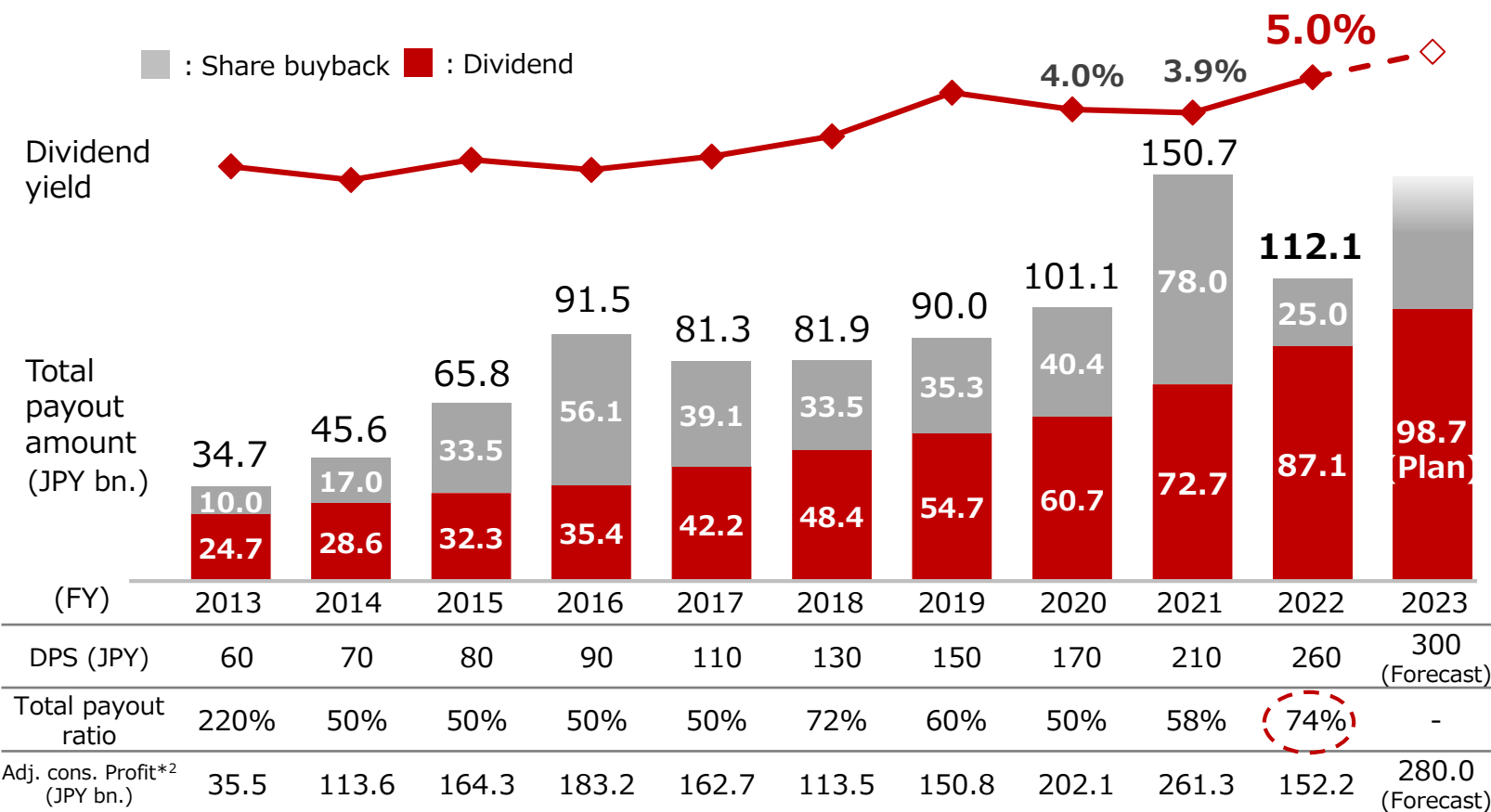
Shareholder Return

- Adhere to a highly transparent shareholder return policy, which returns 50% of adjusted consolidated profit (basic return) and increases dividends in line with profit growth
- The Group's capital policy prioritizes balance between capital efficiency, strong growth investment appetite, and an attractive shareholder return

Record of shareholder return

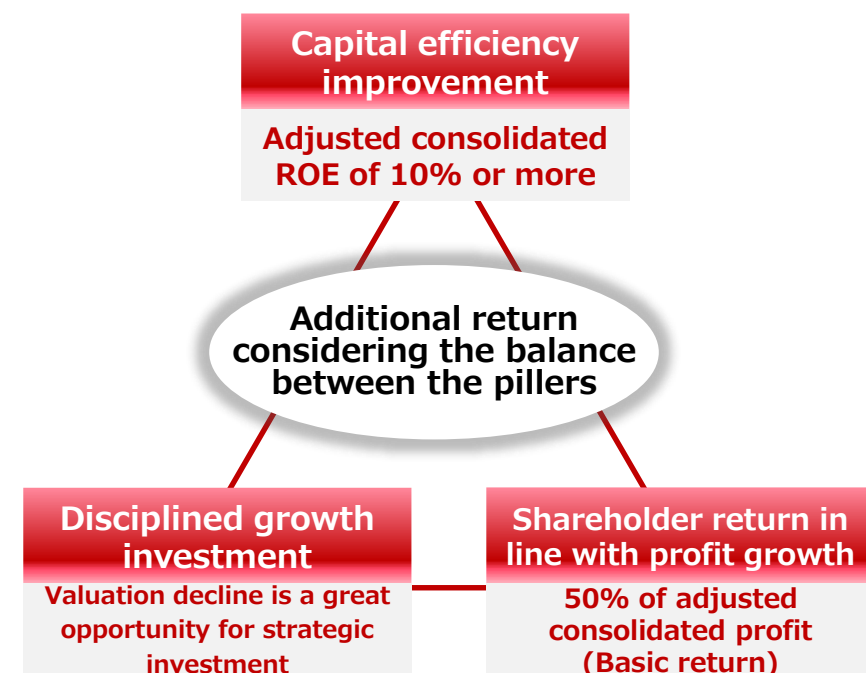
Balance between shareholder return and growth investment

DPS growth for the 10th consecutive year*1



*1 Includes FY2023 forecast

*2 Figures for FY2013-2015 are estimates based on the definition used for FY2016.



Purpose-Driven Business Management

- SOMPO's Purpose initiative has been widely shared among global employee. Executive leadership communication and initiatives carried out at offices improved employee's engagement
- The Group strives to materialize SOMPO's Purpose by achieving high productivity through maximization of human capital, etc.

SOMPO's Purpose

**"A Theme Park for Security,
Health & Wellbeing"**

Maximizing human capital

Achieve high productivity

**Motivation and happiness for
for every employee**

**Executive
leadership
communication**

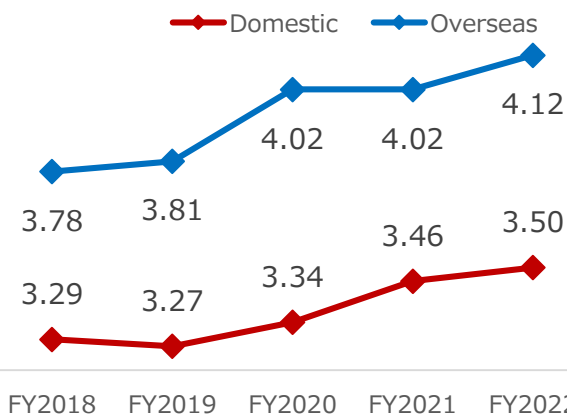
**Town hall
meetings**

**Initiatives
at offices**

**Designing
Individual
Purposes,
1on1 consultations**

**Alignment with
Individual
Purposes**

Steady improvement in engagement*



Self-driven career development

No. of applicants
for job posting

**280
applicants**
【Sompo Holdings】
(No. of applications
for 110 positions)

Mid-career
recruitment

**150
positions**
【Sompo Holdings】
(500 employees)

* Gallup's Q12 Employee Engagement Survey

Mid-Term Goals

- The Group's financial value shall be enhanced by improved capital efficiency and profit stability, underpinned by stronger resilience
- Enterprise value shall be also expedited by creating social value its monetization by networking with multistakeholders with a data-driven approach, such as the growth of "egaku"

SOMPO's Purpose "A Theme Park for Security, Health & Wellbeing"

Goals: Materializing purpose and enhancing enterprise value

Enhancing financial value

Improve ROE

Stabilize profit

Stronger resilience

Current MTMP

FY2023 adjusted consolidated ROE (Forecast):
10% or more

Scale and diversification

Conglomerate premium

Turn social value into financial value

Scaling-up social value

Growth of "egaku"
(Social impact of JPY3.7T*)

New service

Networking with multistakeholders with a data-driven approach

Current MTMP

Launch of "egaku", instilling purpose

RDP

Purpose-driven business management

Financial foundation and customer base

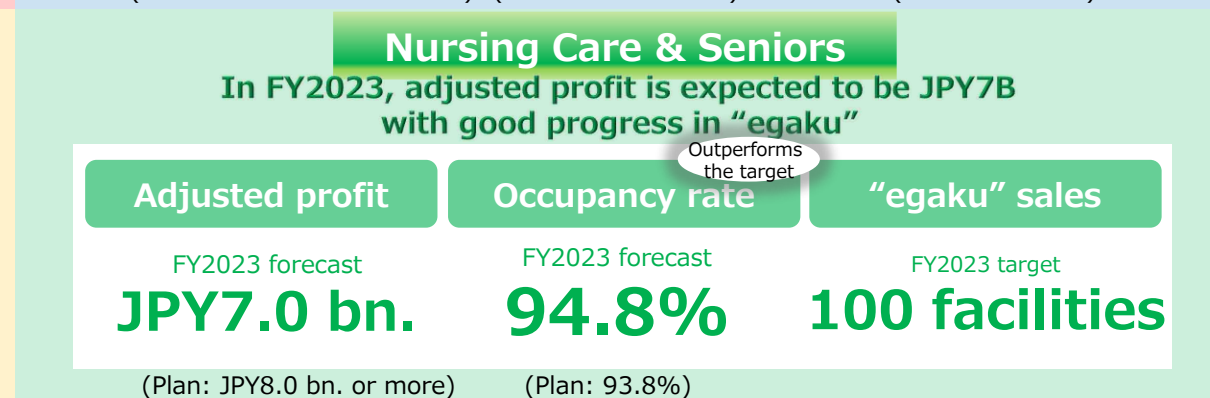
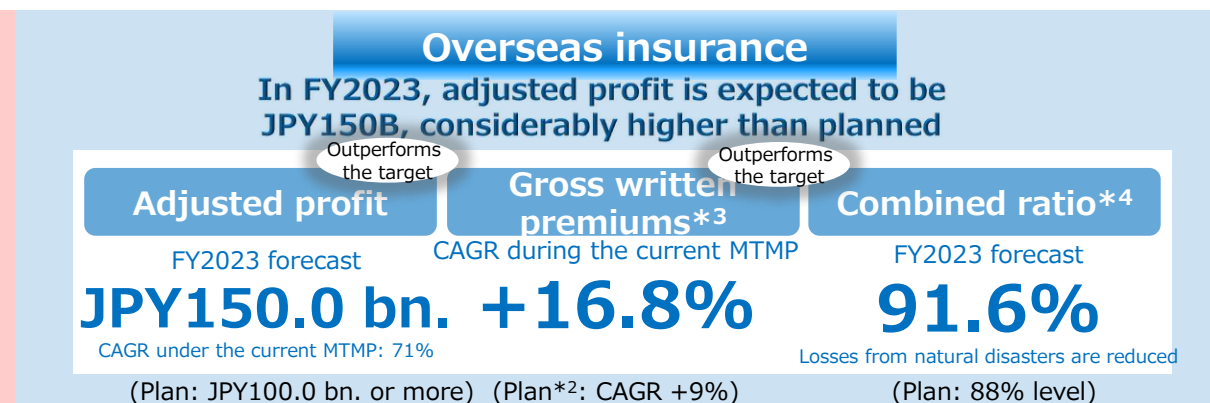
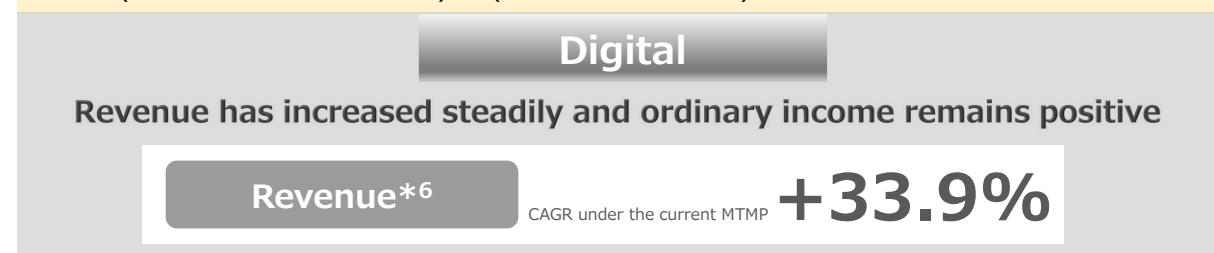
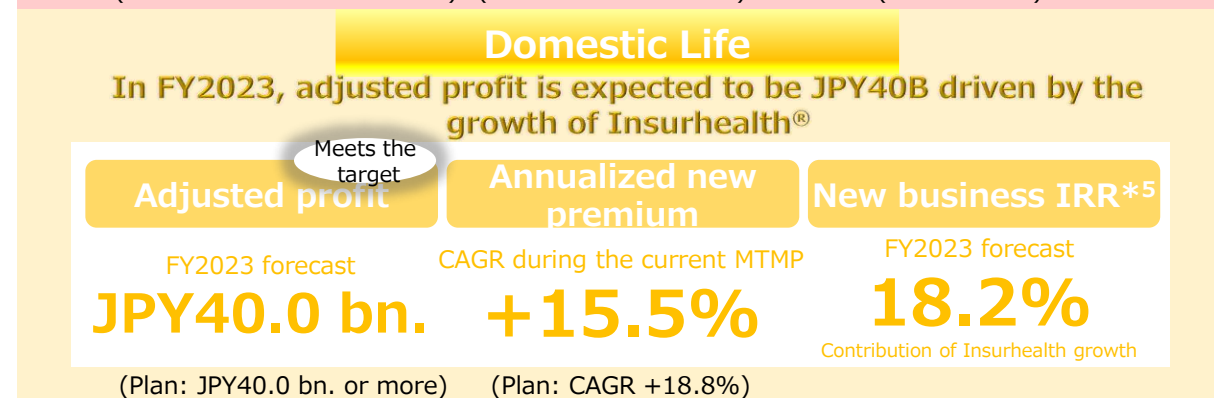
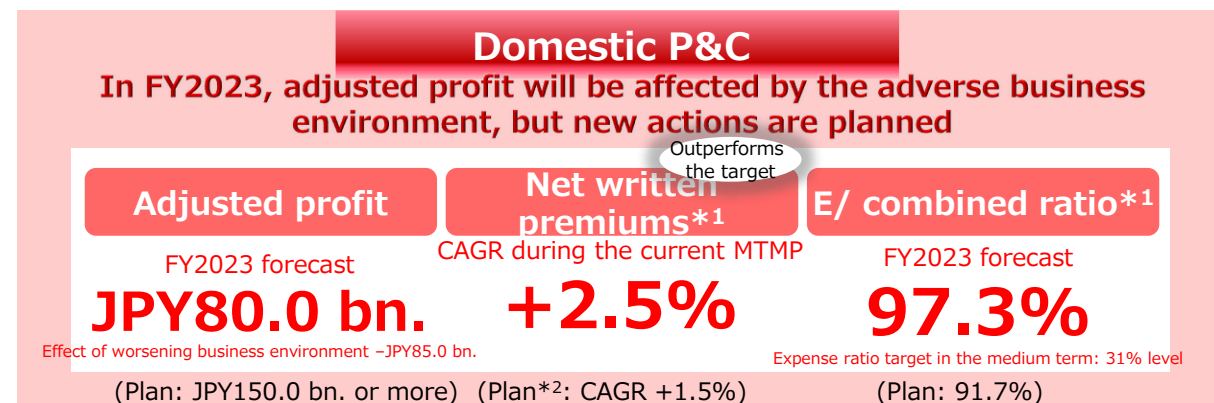
* FY2040 target

II . Business Strategy



Key Points of Each Business

- The top line targets of individual businesses under the current Mid-Term Management Plan are likely to be largely met or outperformed
- Though FY2023 adjusted profit will be affected by the domestic P&C insurance which is adversely impacted by business environment, All business segments will design and implement initiatives for growth in the medium term



*1 Sampo Japan (Excluding CALI & household earthquake)

*2 Net direct premiums written (Excluding CALI & household earthquake)

*3 SI Commercial (Excluding Sampo Seguros, Sampo Sigorta, and commercial business of Asian companies, USD basis)

*4 SI Commercial excluding head office expenses

*5 Adjusted profit basis

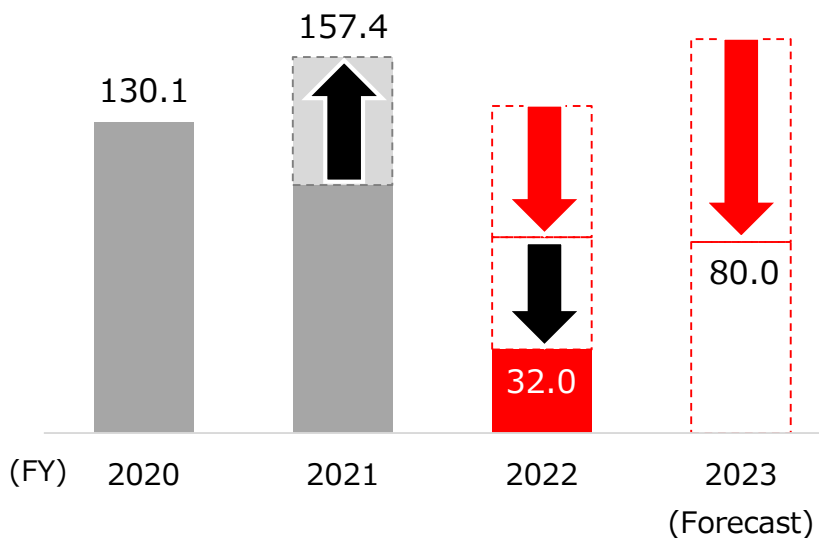
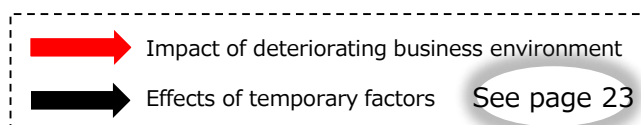
*6 Sum of SOMPO Light Vortex, SOMPO AUX, Palantir Technologies Japan, and ABEJA

Domestic P&C (1) Progress of Major KPIs

- FY2023 adjusted profit is projected to be JPY80.0 bn, factoring in the impact of the changes in the environment, such as inflation and increasing frequency and severity of natural disasters
- NWP, which supports our future earnings, will exceed the medium-term target, owing to improved pricing in fire & allied lines and sales expansion of casualty lines

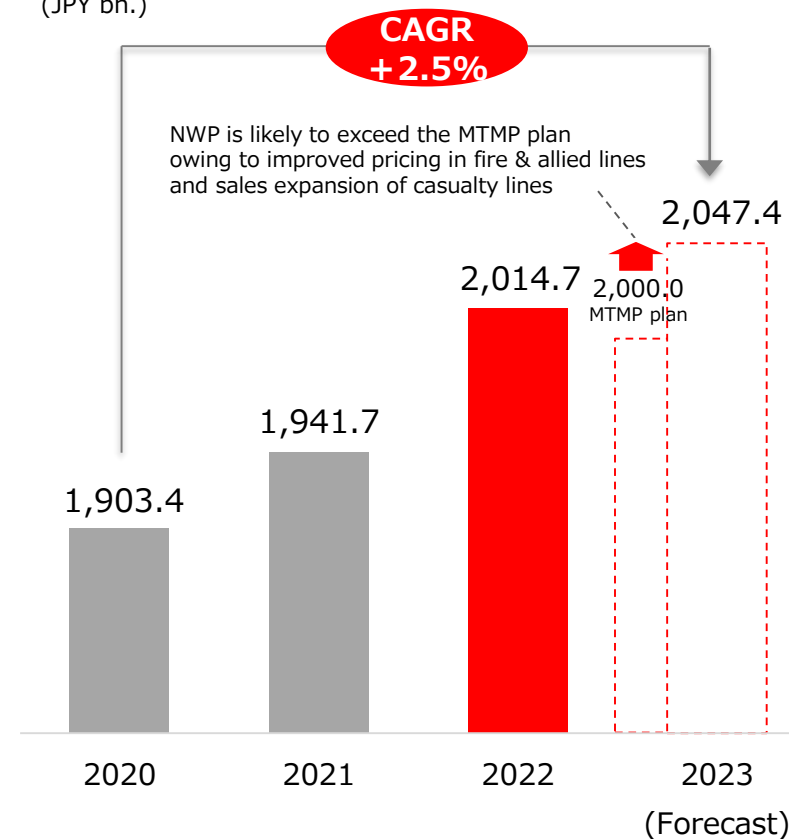
Adjusted profit

(JPY bn.)



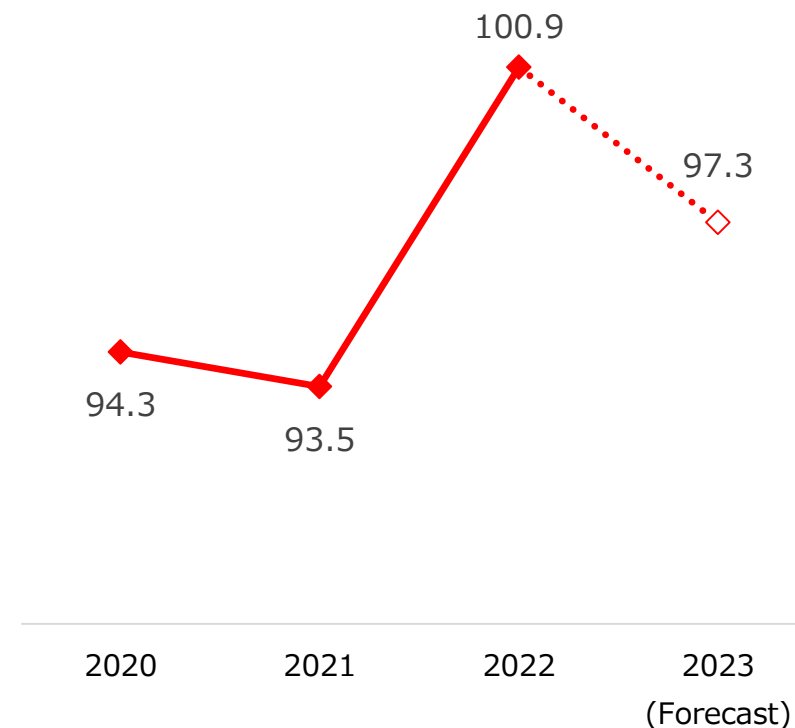
Net written premium*

(JPY bn.)



E/I CR*

(%)

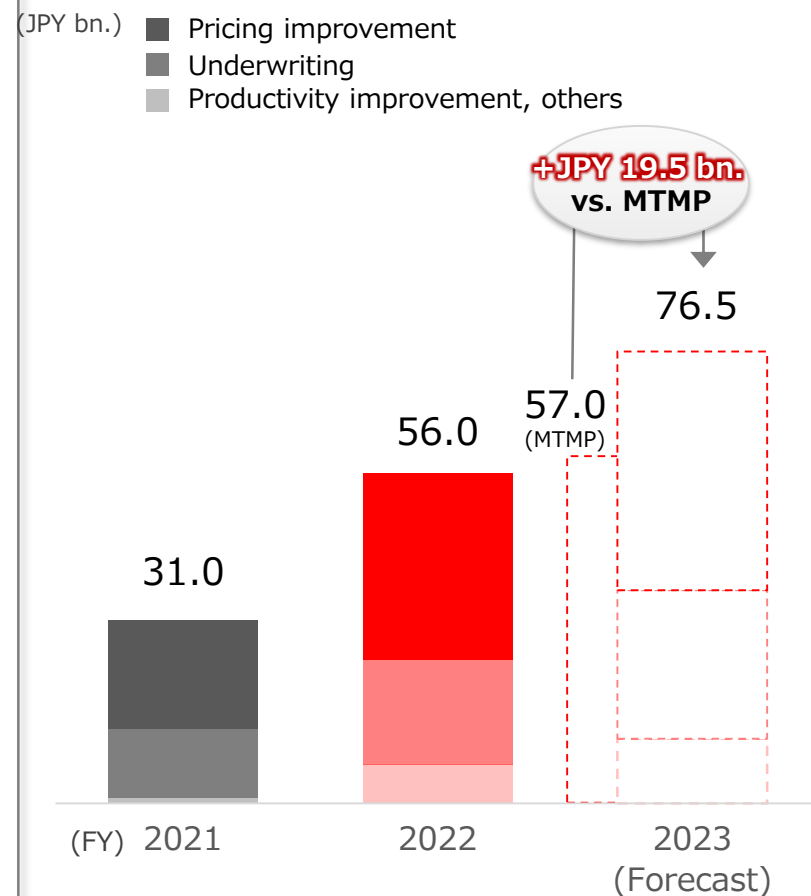


*Sompo Japan (Excluding CALI & household earthquake)

Domestic P&C (2) Progress of On-Going Initiatives (Earnings Structure Reform)

- Improvements have resulted in all initiative arenas
- In underwriting initiatives, application of Palantir's technologies were expanded from fire & allied insurance to liability insurance

Effect of earnings structure reform*1 (Total)



Effects*1, main initiatives

Pricing improvement

**FY2023 effect
JPY40.5 bn.**

Revise fire & allied rate
(Completed in Oct. 2022)
Increased by 12% on average

Revise auto insurance rate
(Completed in January 2023)
Decreased by a smaller margin

Underwriting

**FY2023 effect
JPY25.0 bn.**

Utilize Palantir's technology to expand the scope of initiatives
Large contracts only ⇒ Expansion to small and midsize contracts
Fire & Allied only ⇒ Expansion to Liability insurance and "Business Master Plus"

Productivity improvement, others

**FY2023 effect
JPY11.0 bn.**

Utilize digital technologies to transform operational processes
Staff optimization through natural attrition (End of FY2023 – about 2,600 people*2)

*1 The effects are estimated by comparing with FY2020 actual on a after tax basis

*2 vs. end of FY2020

Domestic P&C (3) Current Business Environment and Future Outlook

- Though earnings structure reform initiatives went well, adverse changes in the environment offset its achievements
- To prepare for the possibility of continuous adverse business environment, we are developing more drastic measures to improve earnings

Changes in the business environment

Impact on adjusted consolidated profit

Material changes in the fundamental business environment

More frequency and severity of natural disasters

Decline in reinsurance capacity

Increase in large losses

Post-COVID-19 Environment

Inflation

Increase in accidents due to buildings/facilities aging

Impact of natural disaster
Impact of large losses

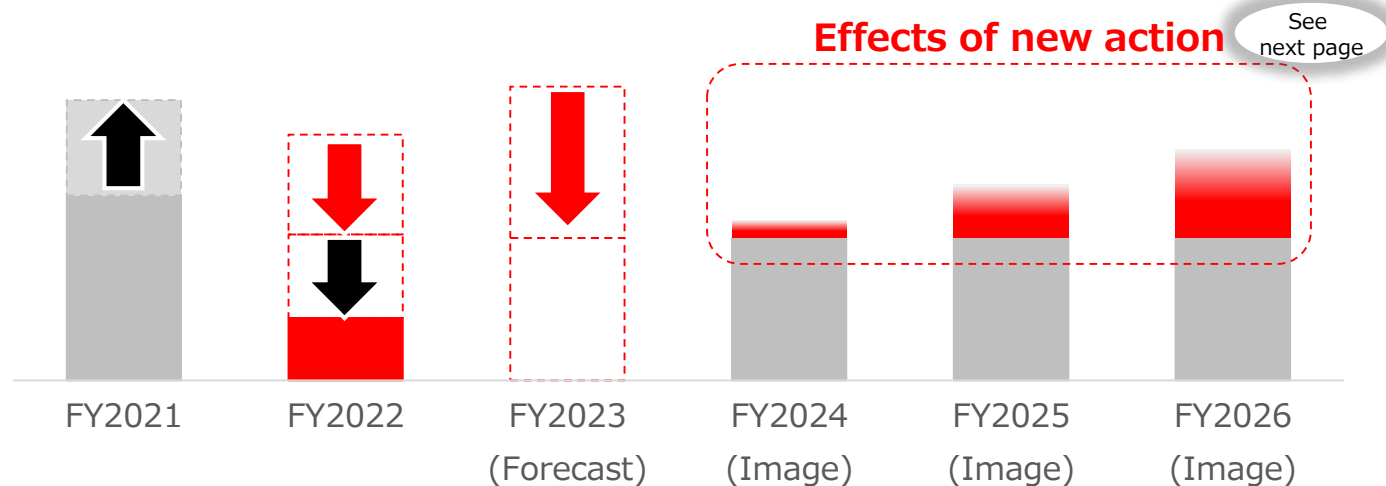
Increase

Auto insurance payment

Increase

Fire insurance normal loss

Increase



Impact of one-time factor

	FY2021	FY2022	FY2023
	+JPY53.5 bn.	-JPY47.0 bn.	-
Impact of COVID-19	+JPY28.5 bn.	-JPY12.0 bn.	-
Natural disaster	-	-JPY27.0 bn.	-
Others	+JPY25.0 bn. (Favorable asset management environment, etc.)	-JPY8.0 bn. (Large loss)	-

Impact of adverse business environment*

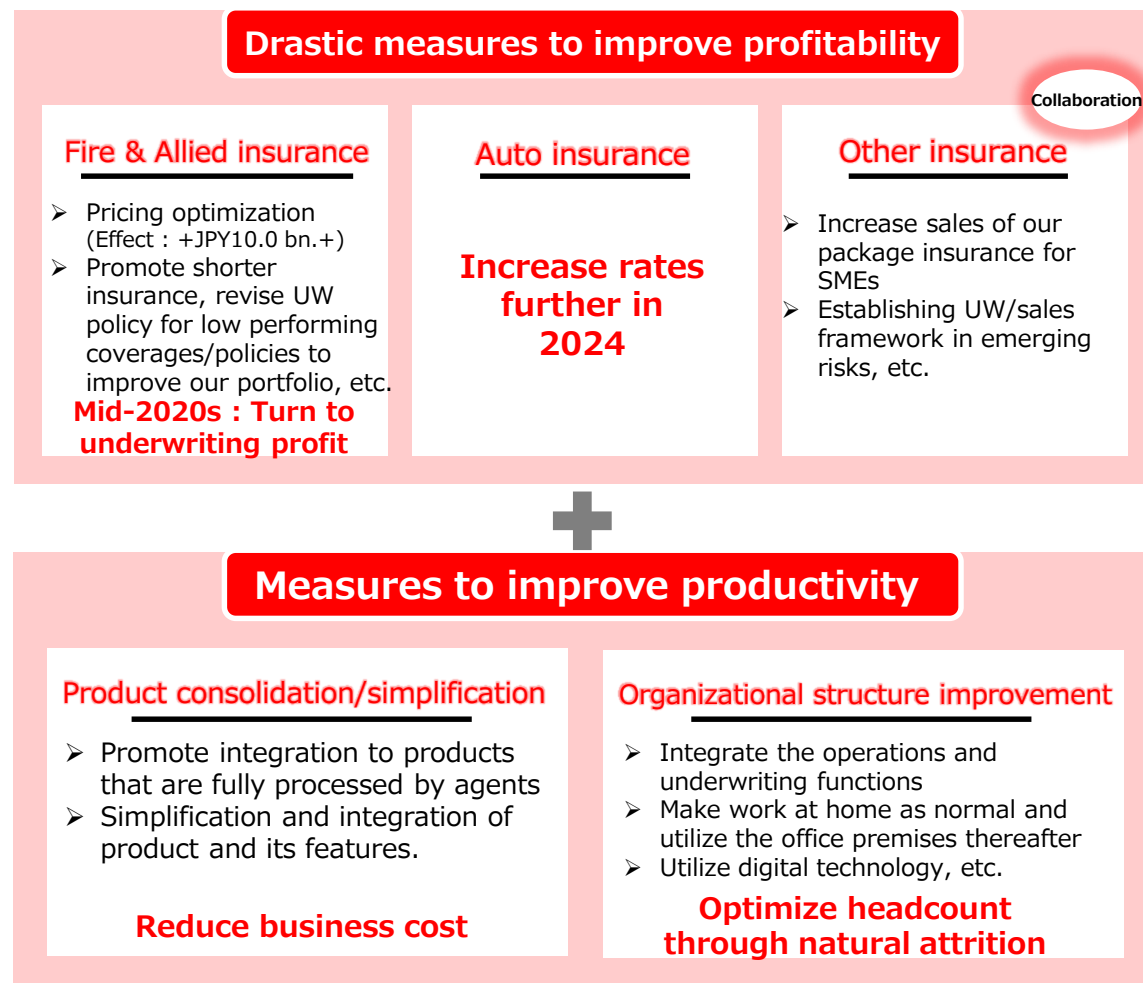
	FY2021	FY2022	FY2023
	-	-JPY56.0 bn.	-JPY85.0 bn.
Natural disaster Large loss	-	-JPY15.0 bn.	-JPY15.0 bn.
Increase in auto insurance payment	-	-JPY21.0 bn.	-JPY50.0 bn.
Increase in fire insurance normal loss	-	-JPY20.0 bn.	-JPY20.0 bn.

* vs. MTMP

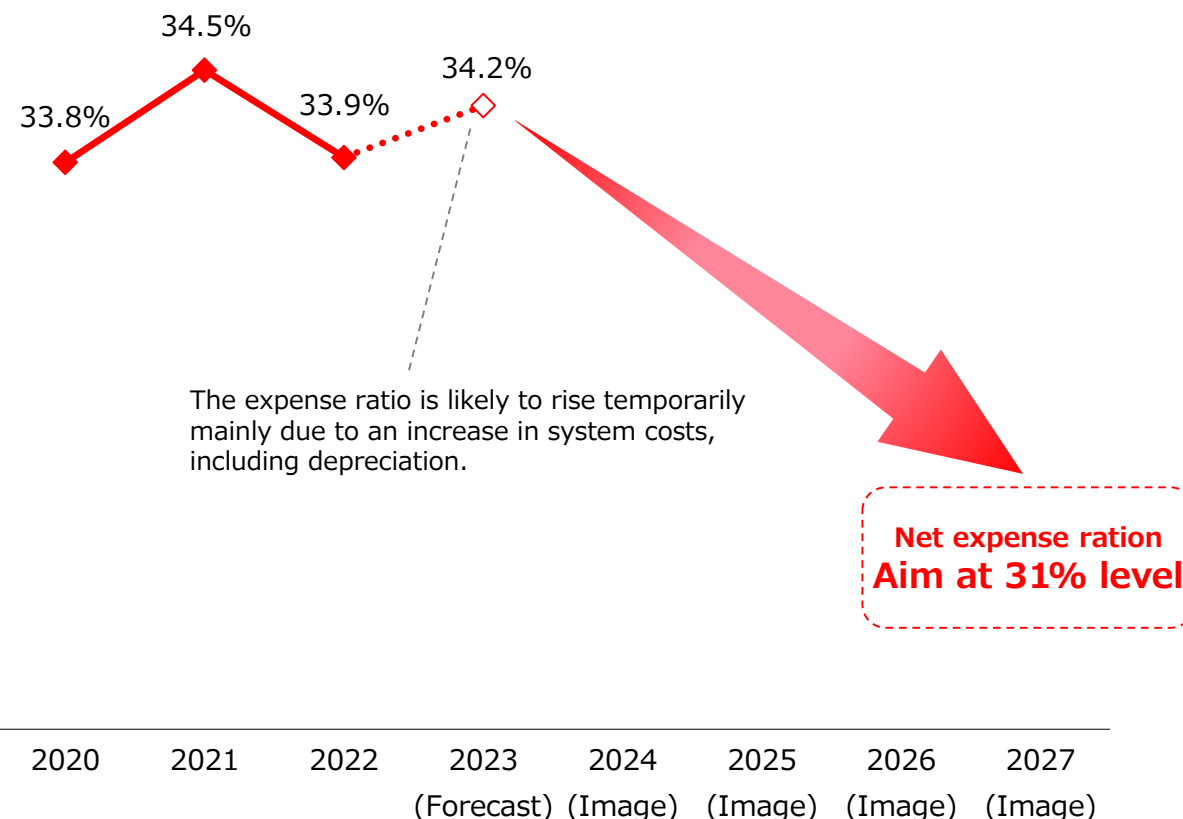
Domestic P&C (4) Further Actions for Earnings Improvement

- The earnings structure reform initiatives, such as pricing optimization and controlling high-loss ratio accounts, have been in effect to improve profitability
- In addition, to achieve the 31% level expense ratio, further decisive initiatives in profit and productivity improvement shall scale-up the cost reduction

Actions to improve earnings



Expense ratio* outlook



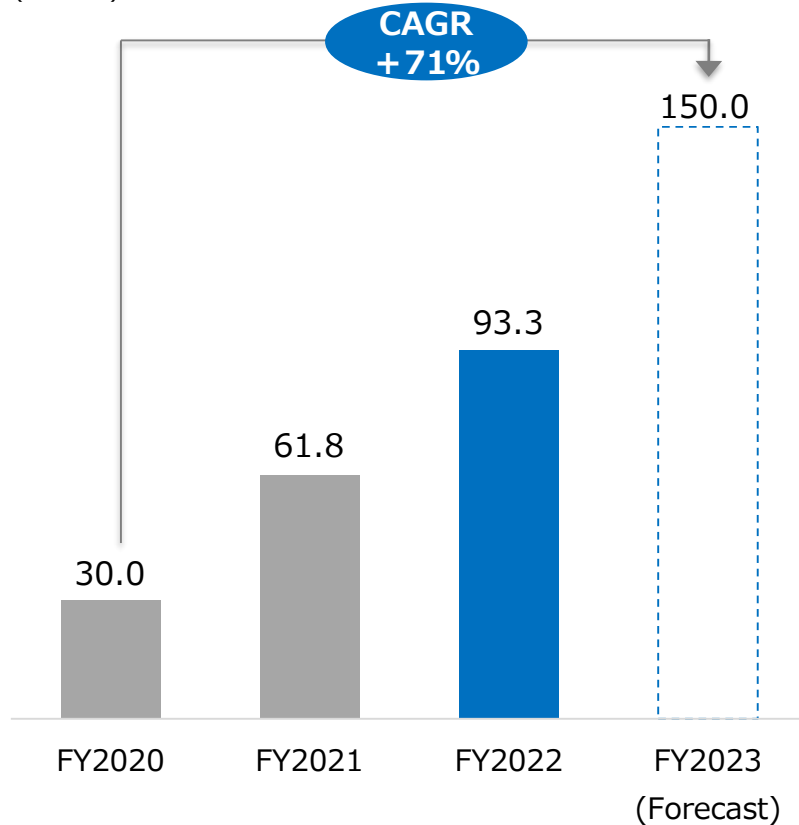
* Sompo Japan (Excluding CALI & householding earthquake)

Overseas Insurance Business (1) Progress of Major KPIs

- Well under way to exceed the adjusted profit target for FY2023 established in the mid-term plan based on our global expansion, driven by higher investment yields and improved underwriting margins

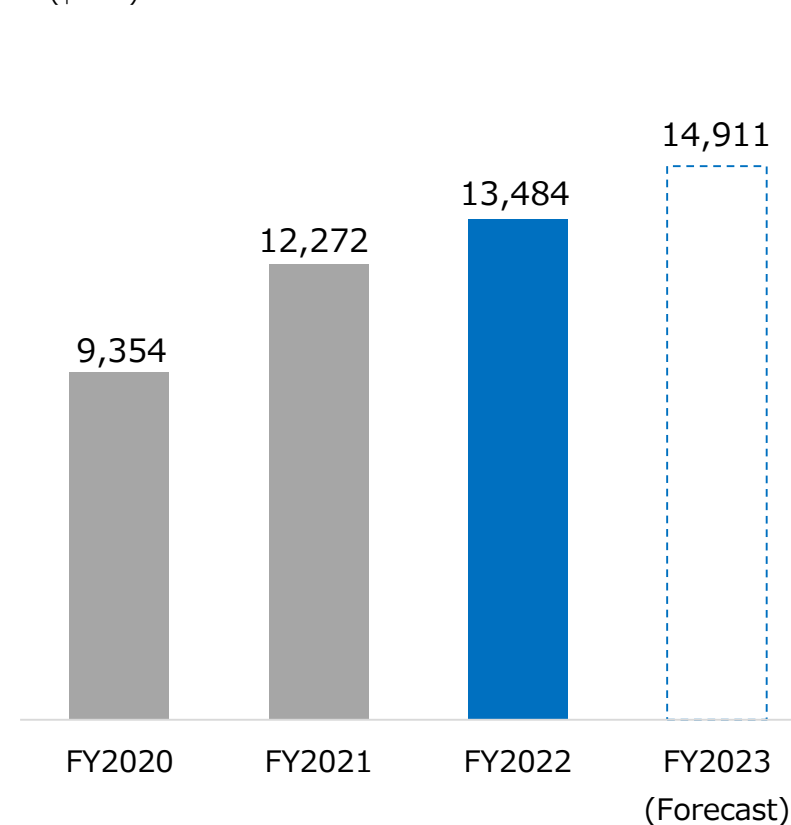
Adjusted profit (Overseas insurance business)

(JPY bn.)



Gross premiums written (SI Commercial P&C*1)

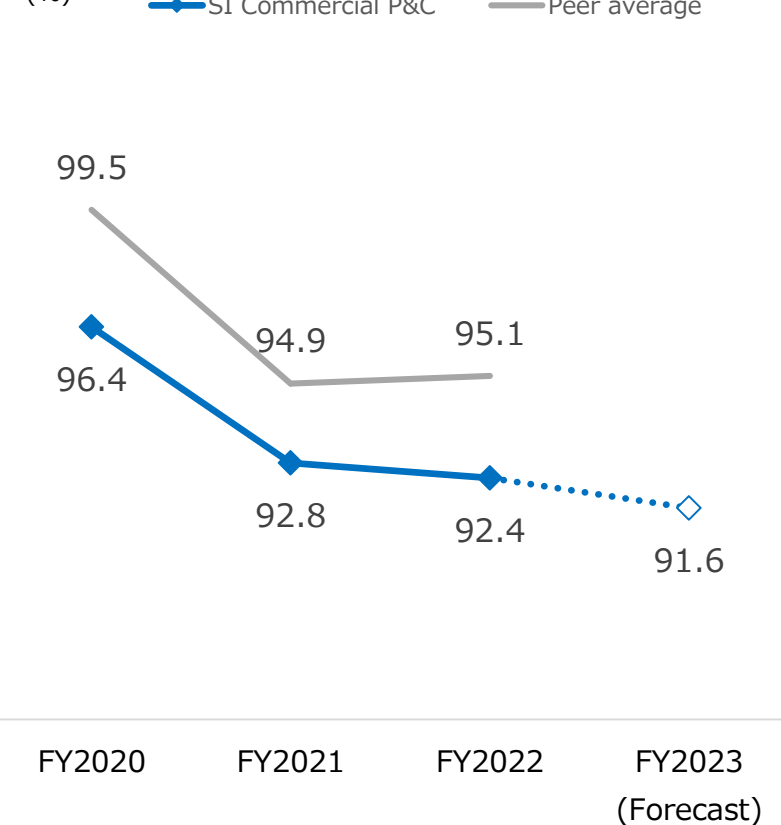
(\$ mn.)



Combined ratio (SI Commercial P&C)

(%)

— SI Commercial P&C*2 — Peer average*3



*1 For the FY2023 forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia subsidiaries is included within SI Commercial and represented \$890 million of gross premiums written

*2 Excl. corporate expense

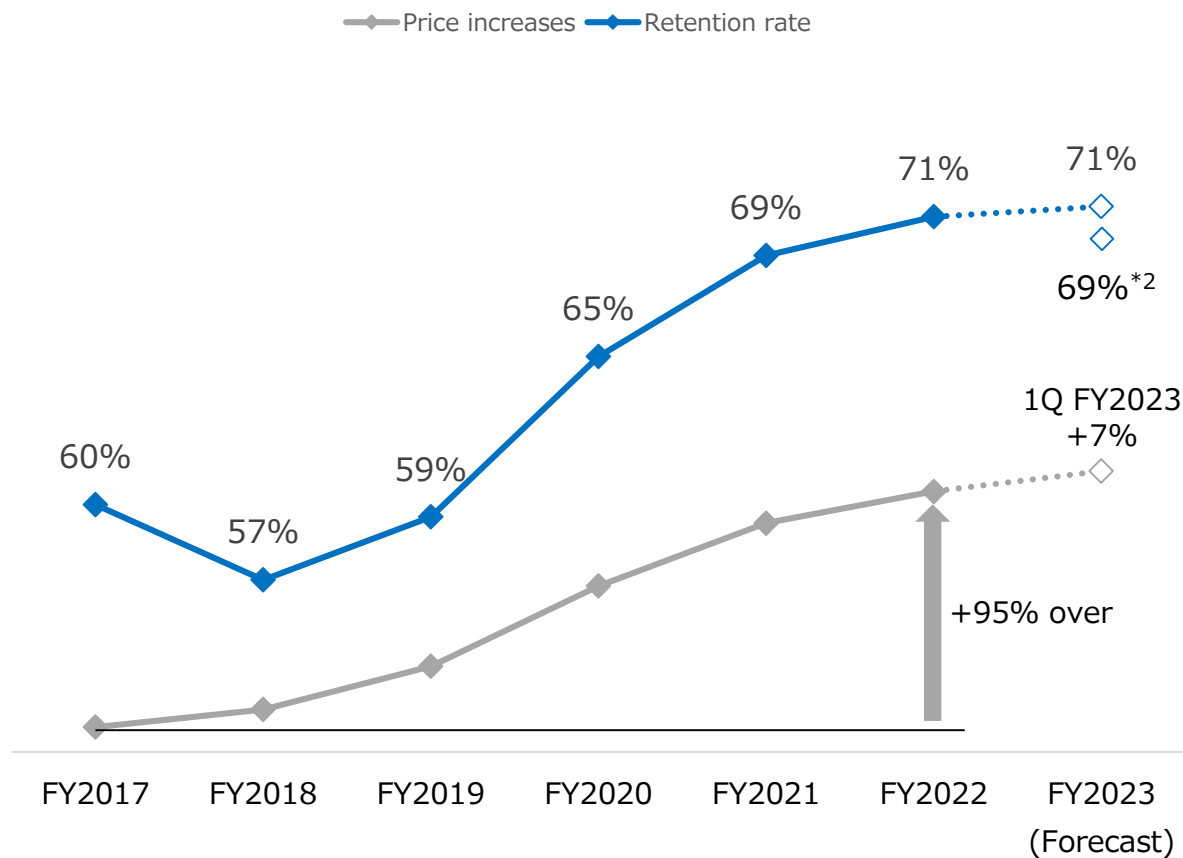
*3 Data provided by S&P IQ Pro.

Peeraverage includes Allianz SE, American International Group, Inc., Arch Capital Group Ltd., Agro Group International Holdings, Ltd., Assicurazioni Generali S.p.A., AXA SA, AXIS Capital Holdings Limited, Chubb Limited, Everest Re Group, LTD., Markel Corporation, RenaissanceRe Holdings Ltd., SCOR SE, Swiss Re AG, The Hartford Financial Services Group, Inc., The Travelers Companies, Inc., W.R. Berkley Corporation, and Zurich Insurance Group AG

Overseas Insurance Business (2) Net Premiums Written Benefitted from Improved Pricing

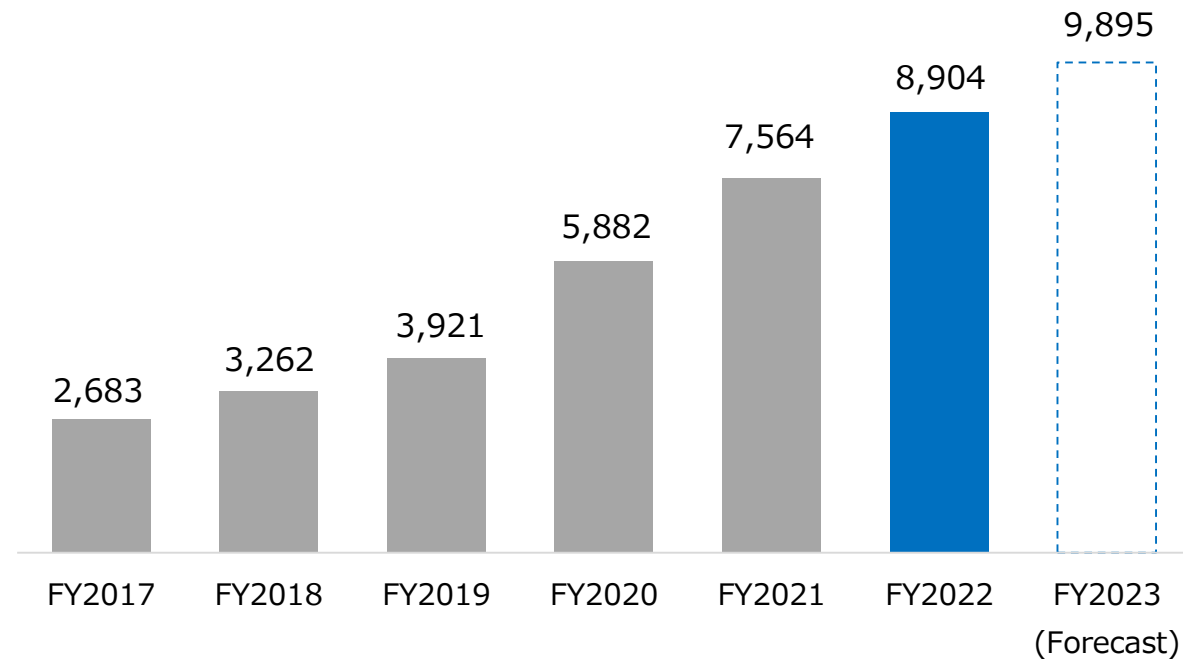
- Significant growth in net written premiums driven by organic growth, improved market pricing in excess of inflation, higher retention of premiums also supported by bolt-on acquisitions

Pricing and Retention*¹ (SI Commercial P&C)



Net Premiums Written*³ (SI Commercial P&C)

(\$ mn.)



*1 Pricing : Insurance business excl. AgriSompo Retention : Excl. AgriSompo

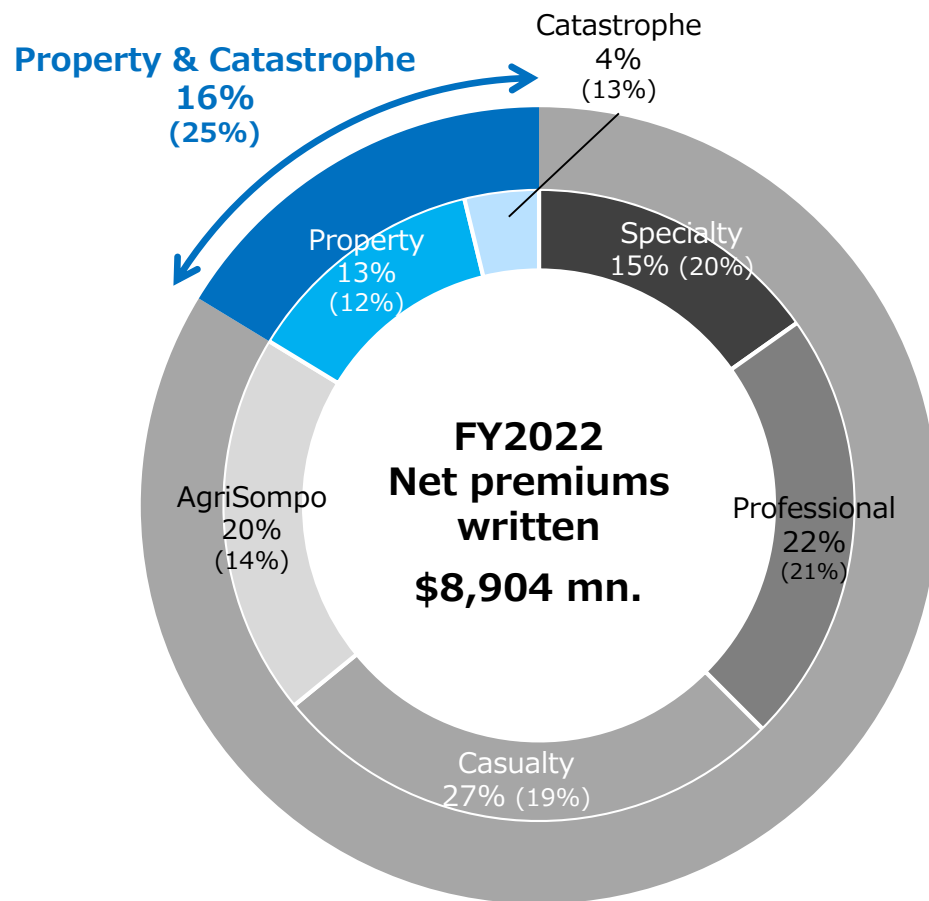
*2 Incl. the commercial business within Sompo Sigorta, Sompo Seguros and Asia subsidiaries

*3 For the FY2023 forecast, the commercial business within Sompo Sigorta, Sompo Seguros and Asia subsidiaries are included within SI Commercial and represented \$404 million of net premiums written

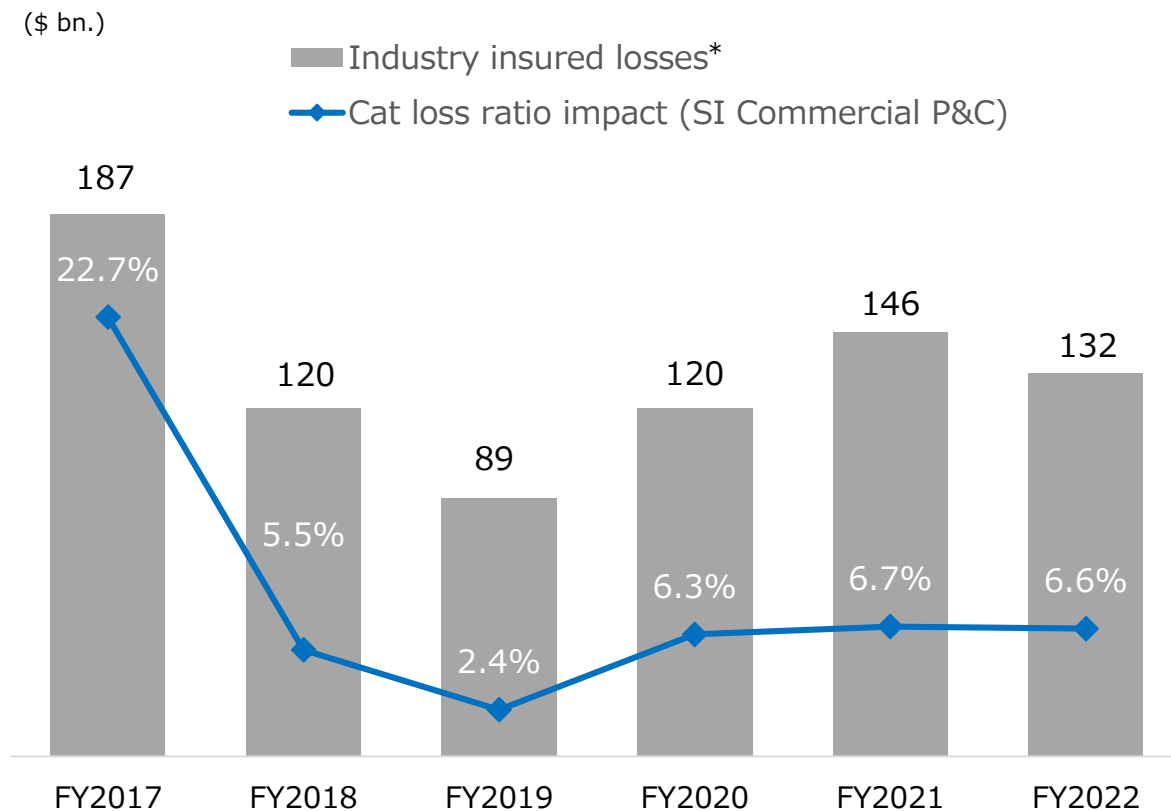
(Reference) SI Commercial P&C Achieved Significant Growth And Product Diversification

- Meaningfully improved global mix of products which has reduced volatility associated with the impact of natural disasters
- Property and Catastrophe as a % of the portfolio has been reduced by 8% since 2017, which has reduced exposure to CATs

Net Premium Written by line of business (% of portfolio in 2017)



Recent global insured cat losses have been above historical levels

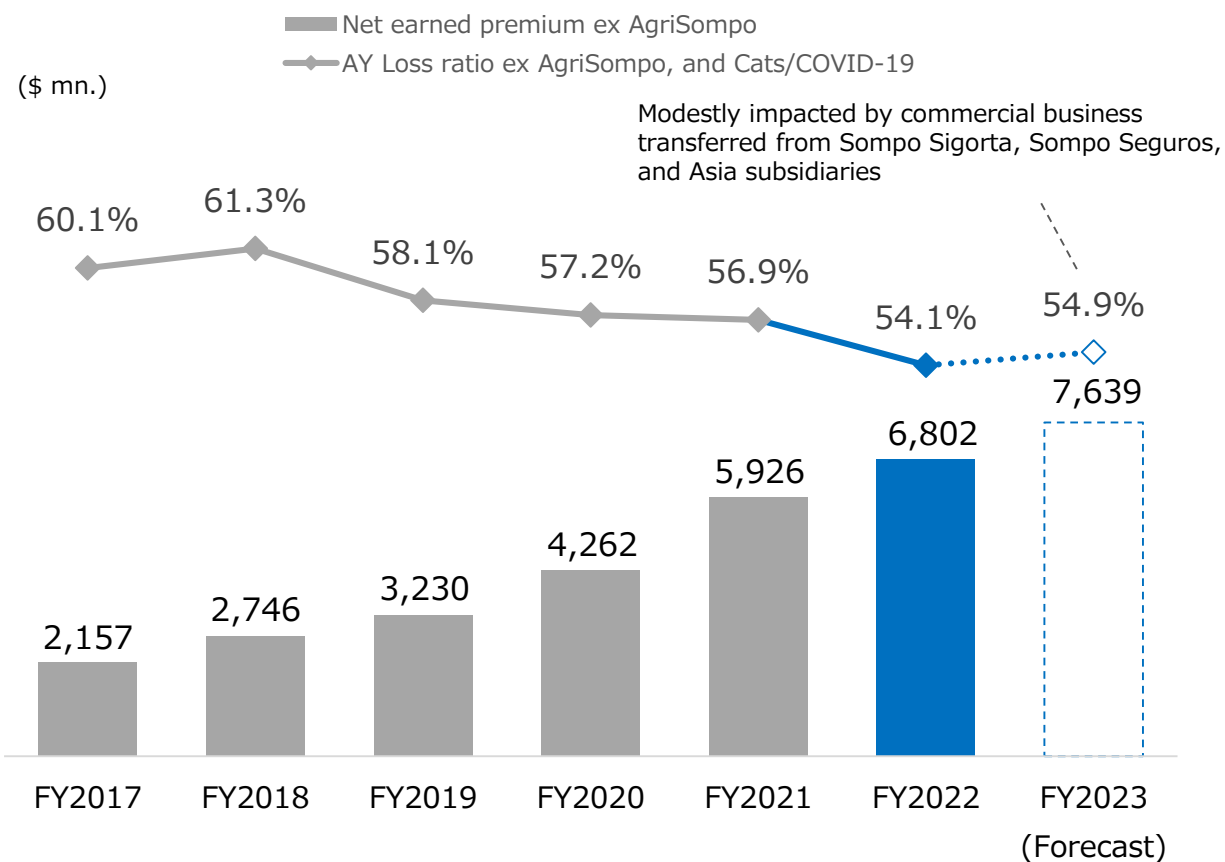


*Source : Aon 2022 Natural Disasters Events and Loss Trends

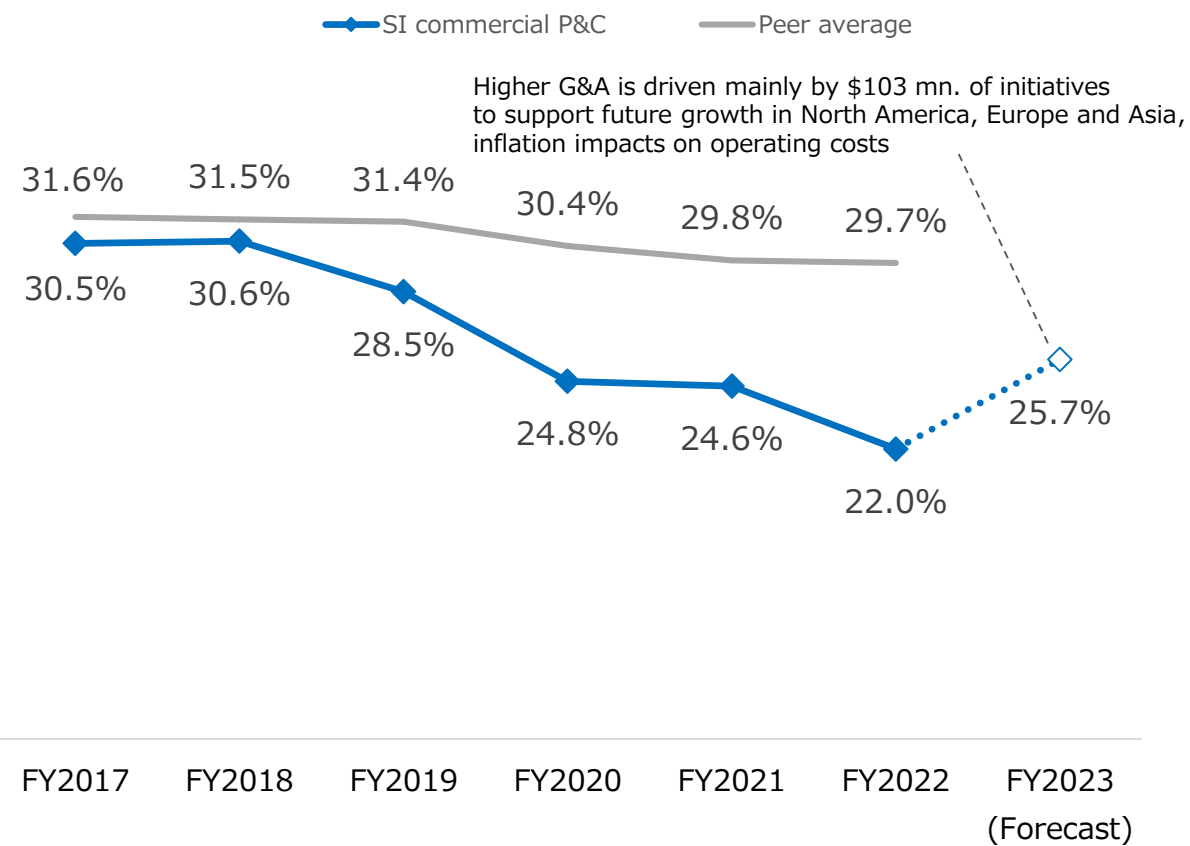
Overseas Insurance Business (3) Improvement of Loss Ratio and Expense Ratio

- Growth in earned premiums through improved market pricing, organic expansion and bolt on acquisitions has benefitted scale and margins

Improved Pricing Has Led to Loss Ratio Improvement*¹



Expense Ratio*^{1*2}



*¹ For the FY2023 forecast, the commercial business within Sampo Sigorta, Sampo Seguros and Asia subsidiaries are included within SI Commercial

*² Data provided by S&P IQ Pro.

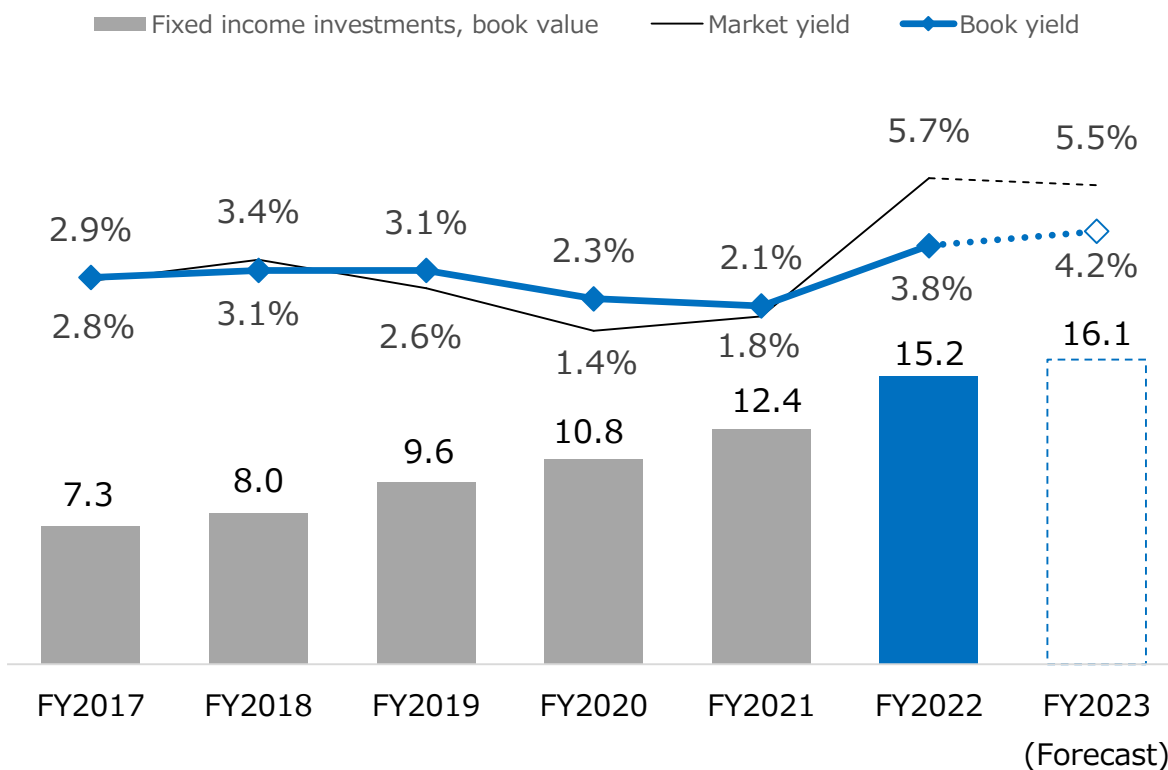
Peer average includes Allianz SE, American International Group, Inc., Arch Capital Group Ltd., Agro Group International Holdings, Ltd., Assicurazioni Generali S.p.A., AXA SA, AXIS Capital Holdings Limited, Chubb Limited, Everest Re Group, LTD., Markel Corporation, RenaissanceRe Holdings Ltd., SCOR SE, Swiss Re AG, The Hartford Financial Services Group, Inc., The Travelers Companies, Inc., W.R. Berkley Corporation, and Zurich Insurance Group AG

Overseas Insurance Business (4) Investment Portfolio is a Growing Source of Income

- Growth in fixed income assets and improved market yields will meaningfully benefit investment income for the foreseeable future and has improved our running book yield

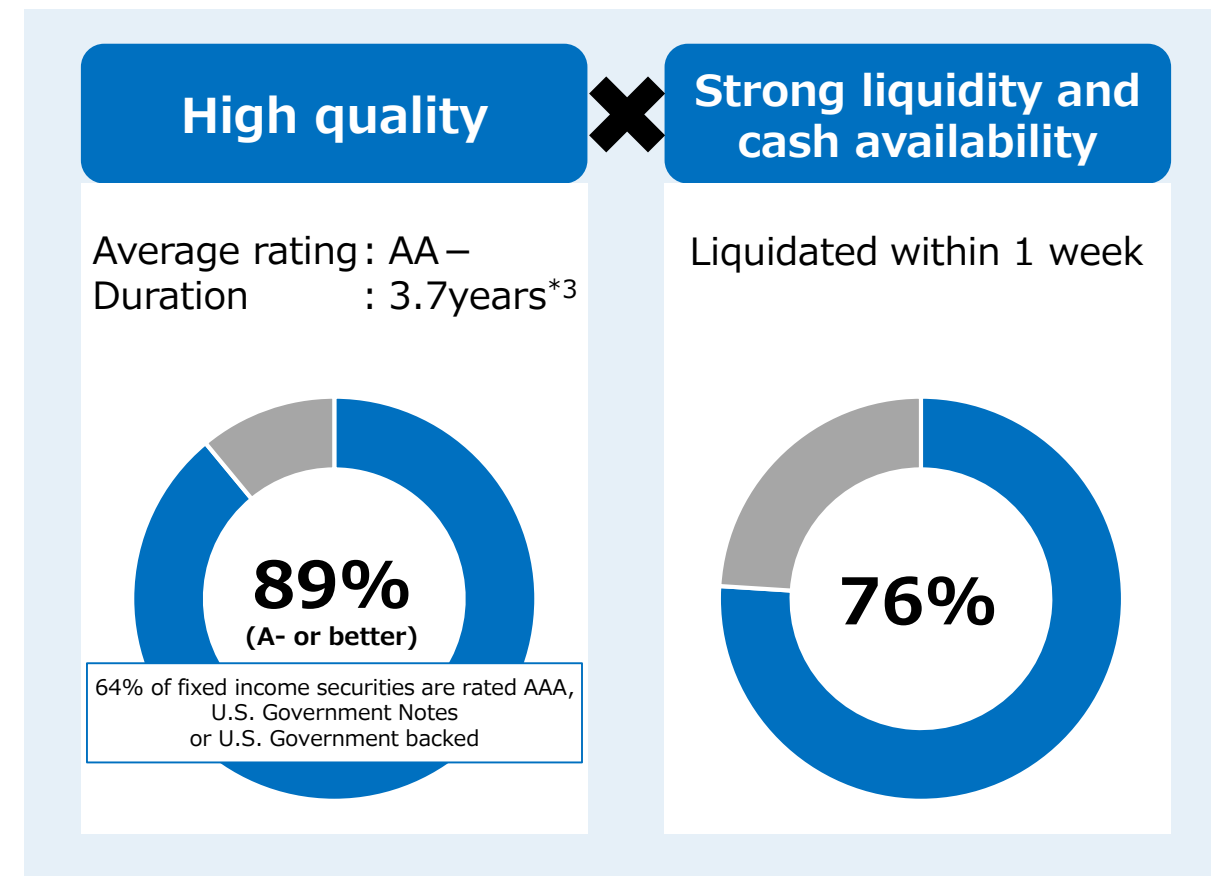
All Fixed Income Asset Growth, Market Yield and Book Yield*1

(\$ bn.)



*1 Book value, market & book yields include investment grade core fixed income and non-investment grade fixed income securities. Values are as of calendar yearend (12/31) through 2022; 2023 figures are projected ending book value, market yield and book yield as of 12/31/2023

Investment Grade Core Fixed Income Portfolio Characteristics*2 (as of end of Dec. 2022)

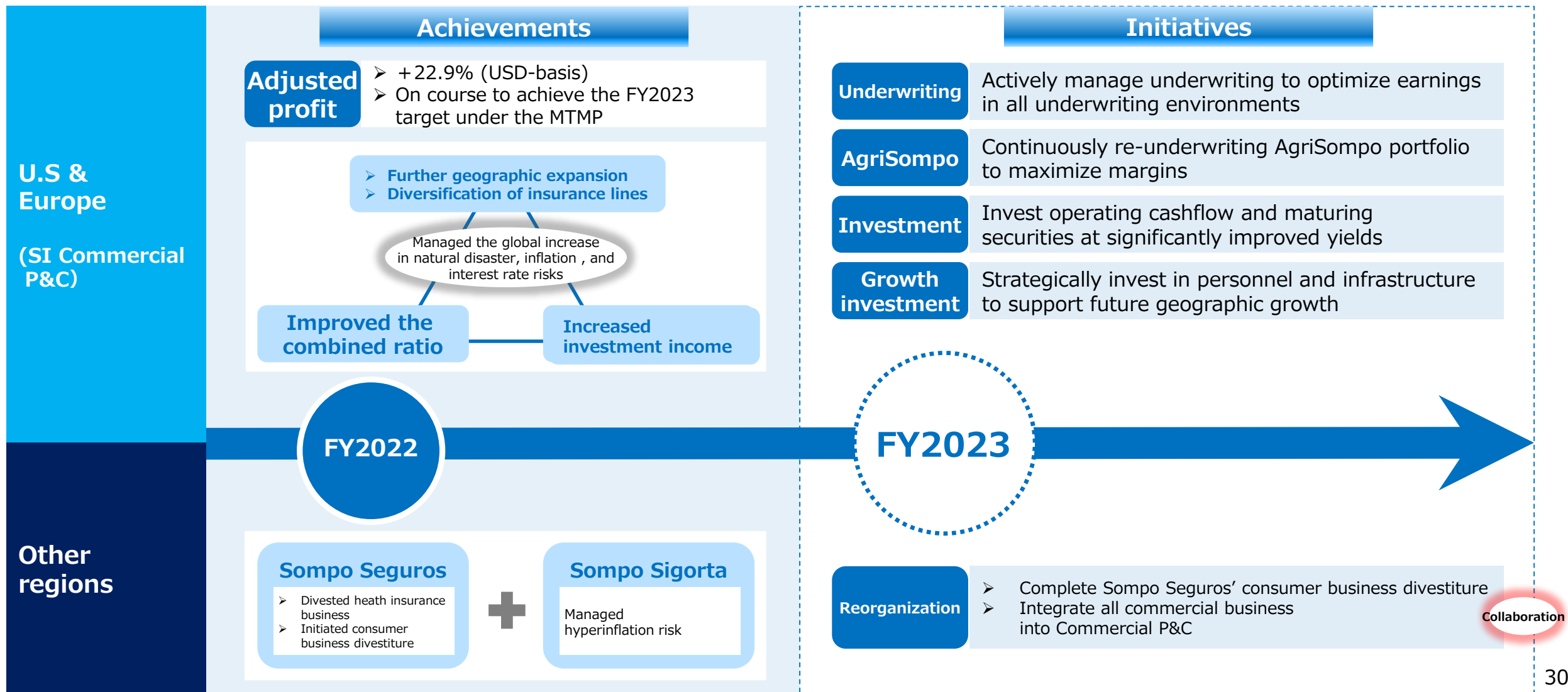


*2 Book value of investment grade core fixed income as of 12/31/2022 - \$11.5 bn.

*3 Effective duration

Overseas Insurance Business (5) FY2023 Initiatives

- Significant strategic and financial progress was made in the first two years of the mid-term plan
- We are well positioned to successfully achieve the mid-term plan targets despite more challenging environmental factors



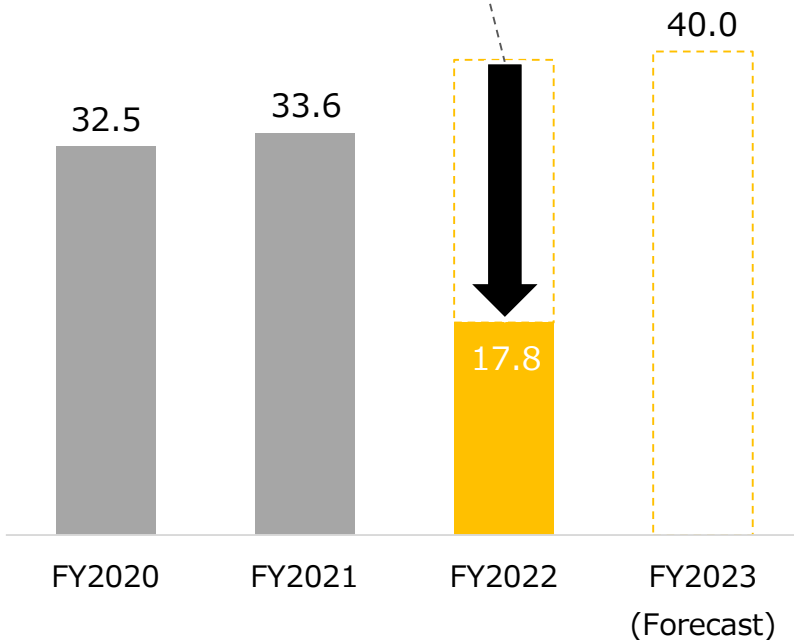
Domestic Life (1) Progress of Major KPIs

- Adjusted profit for FY2023 is predicted to be JPY40.0 bn., outperforming the medium-term target, mainly due to the impact of COVID-19 not in force
- We strive to expand ANP by launching Insurhealth®*1 variable insurance in May 2023

Adjusted profit

(JPY bn.)

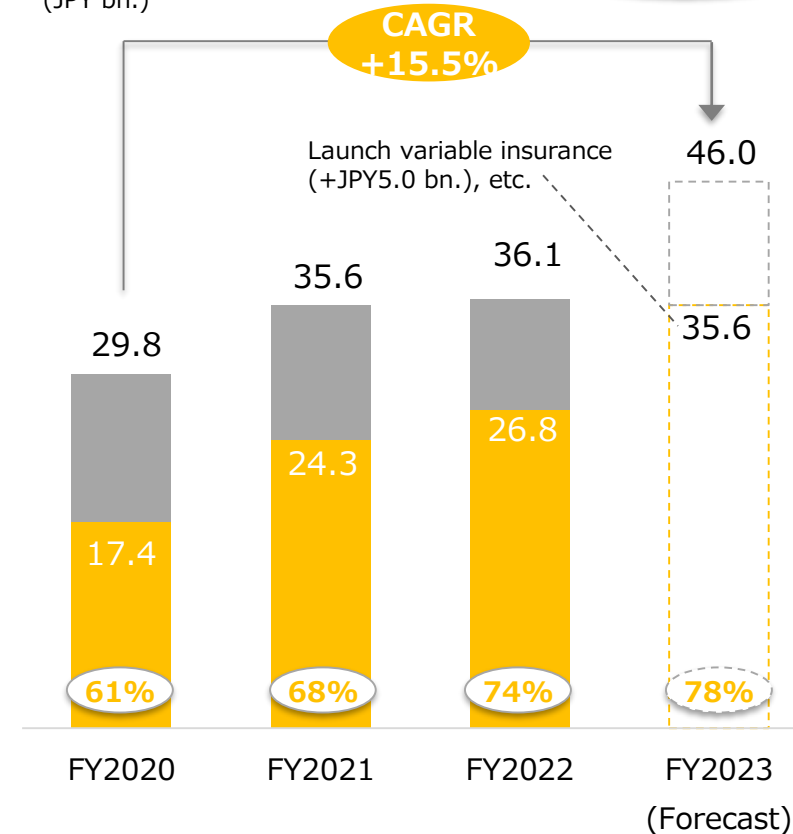
Decline pressure due to one-time factor (Impact of COVID-19 : -JPY22.0 bn.)



ANP*2

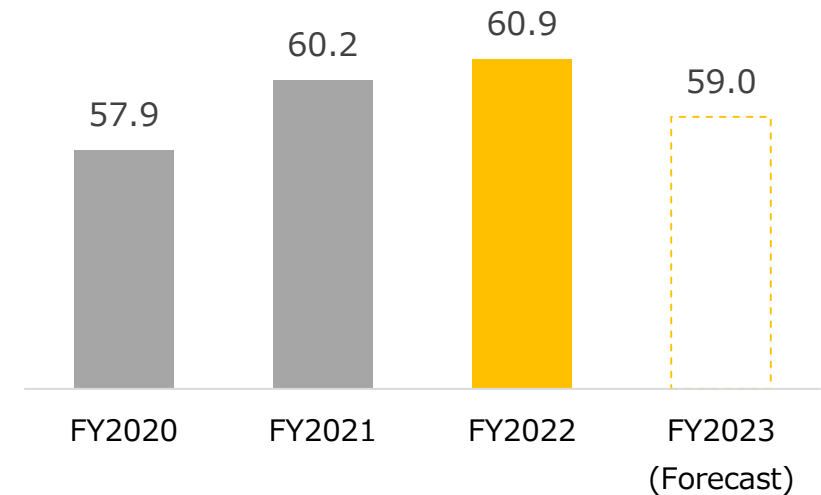
■ Insurhealth ■ Non-Insurhealth Share of insurhealth

(JPY bn.)



General expense

(JPY bn.)



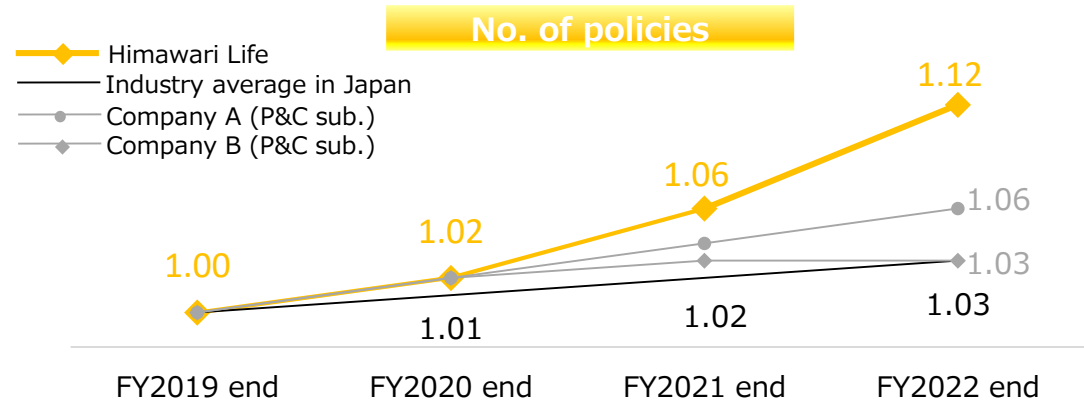
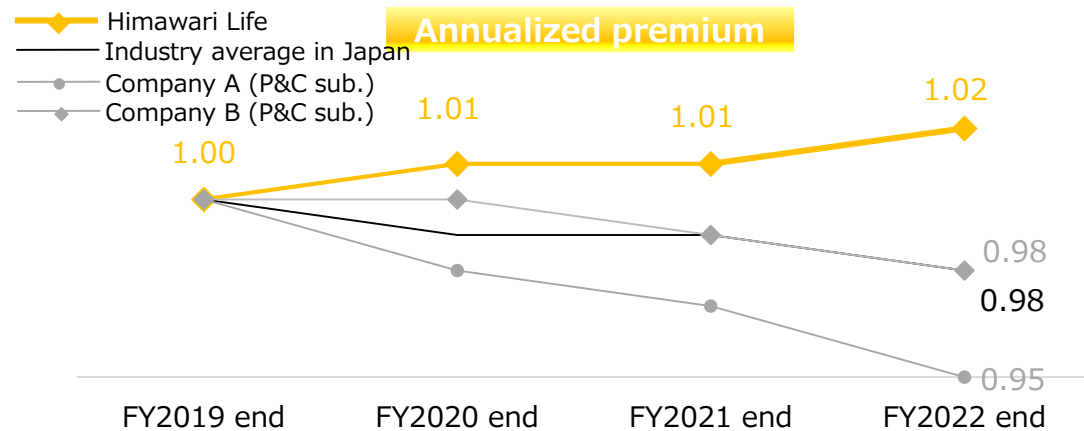
*1 New value that combines traditional insurance function and healthcare function.

*2 Operating results basis

Domestic Life (2) Business Expansion Driven by Insurhealth®

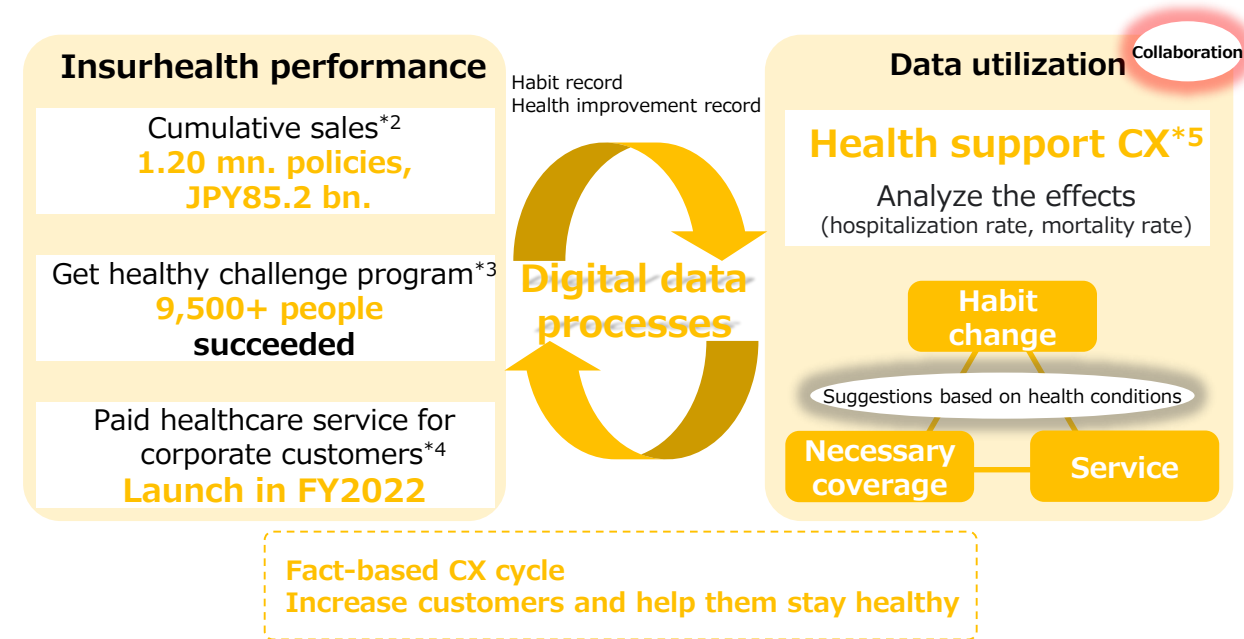
- Policies in force have increased steadily and is superior to competitors in the same industry, owing to the launch of Insurhealth® in FY2018
- “Insurance + Healthcare” value has been delivered at operational level, contributing to increase the number of clients enjoying healthy condition

Policies in force*1



*1 Indexed with FY2019 end =1.0, FY2022 end for Industry average in Japan is as of the end of Dec. 2022

Overview of life insurance DX



Optimize operations with digital technologies (Insurance + Healthcare operations)

*2 From Apr. 2018 through Mar. 2023, Annualized premium on performance evaluation basis

*3 As of end-Apr. 2023. The number of people who successfully lowered BMI and blood pressure, quit smoking after participating in the program, and received cash refund.

The hospitalization rate of people who succeeded was nearly half as much as that of people who did not succeed (Published on Feb. 13, 2023)

*4 In femtech and lifestyle diseases

*5 Communication activity in which frontline sales and HQ work together to support the health of customers.

Domestic Life (3) Insurhealth® Profitability and Productivity Improvement

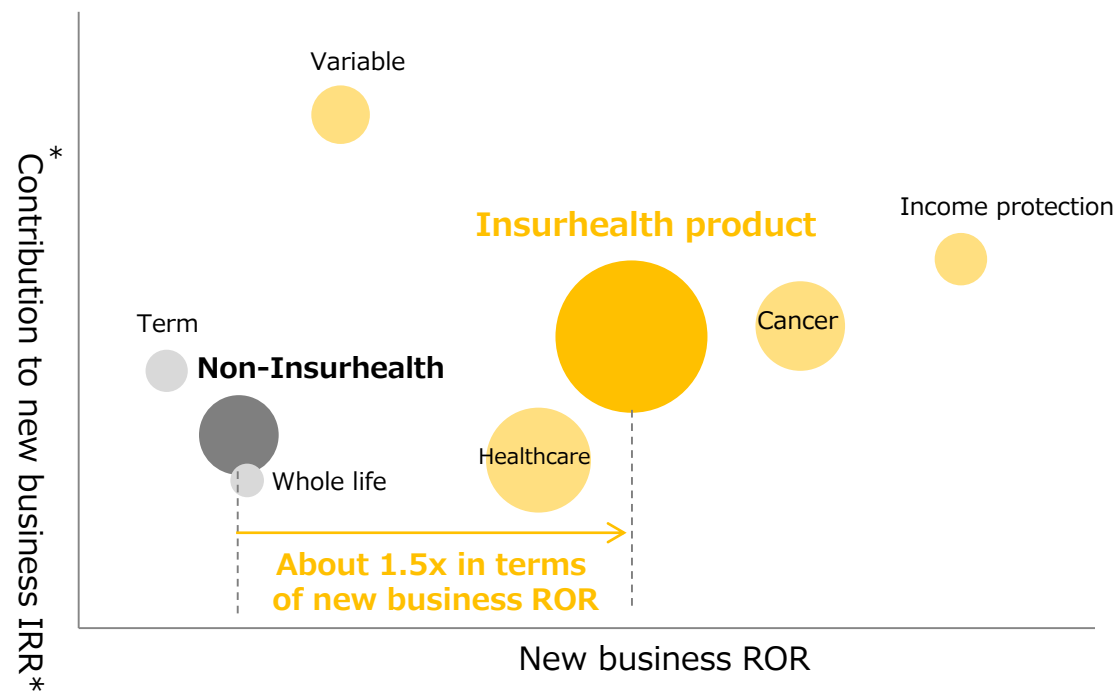
- Raising the IRR through growth and productivity improvement is sought, driven by Insurhealth® products
- IRR is enhanced by increasing sales through the launch of Insurhealth®-branded variable insurance, featuring relatively small market risk

Insurhealth profitability and IRR contribution

New business
IRR
(Adjusted profit)

FY2022
15.2%
(J-GAAP basis : 8.3%)

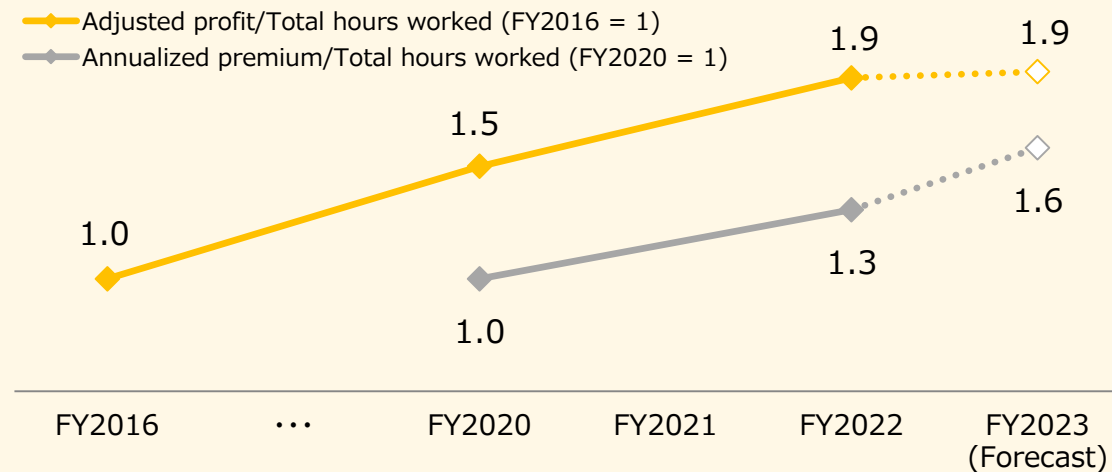
FY2023 (Forecast)
18.2%
(J-GAAP basis : 9.7%)



* Contribution to a rise in IRR from FY2022 through FY2023 (Sales volume×Profitability)

Productivity improvement

Productivity (Indicator per hour worked)



Main initiatives

Continuing initiatives from the previous mid-term plan

Creating time resources
at sales offices by administrative
work born by HQs

Digitalization
(Paperless solicitation,
claim and policy maintenance operations)

HR system reform
(Integrate career and
non-career positions)

New initiatives under the current mid-term plan

Remote-based support
(Support of
some agencies)

Online
solicitation

Efficient and short
calls/meetings
(standardized formats)

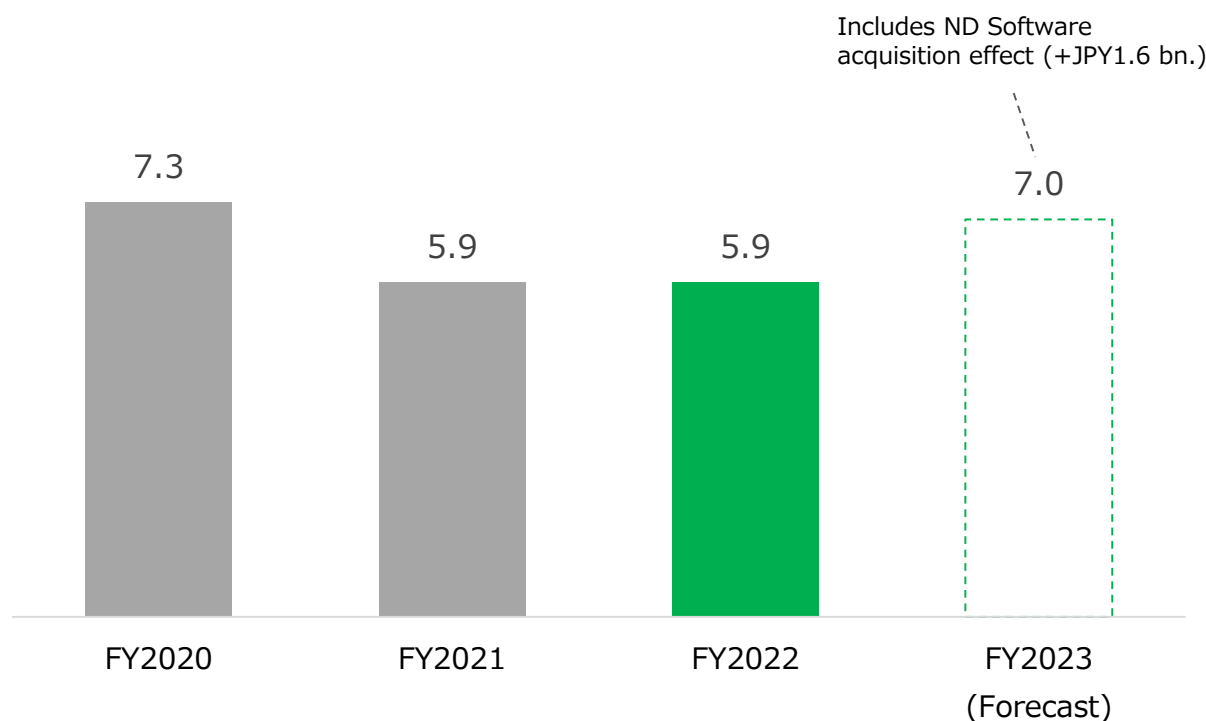
HR system reform
(Evaluation
system reform)

Nursing Care & Seniors (1) Progress of Major KPIs

- We will strive to be a growing care business operator by increasing the number of users in line with the expansion of facilities & home-care bases and improving productivity with quality
- A paradigm shift is sought in the business domain centered on “egaku”, by development of “egaku” business and the creation of synergies with ND Software Co., etc.

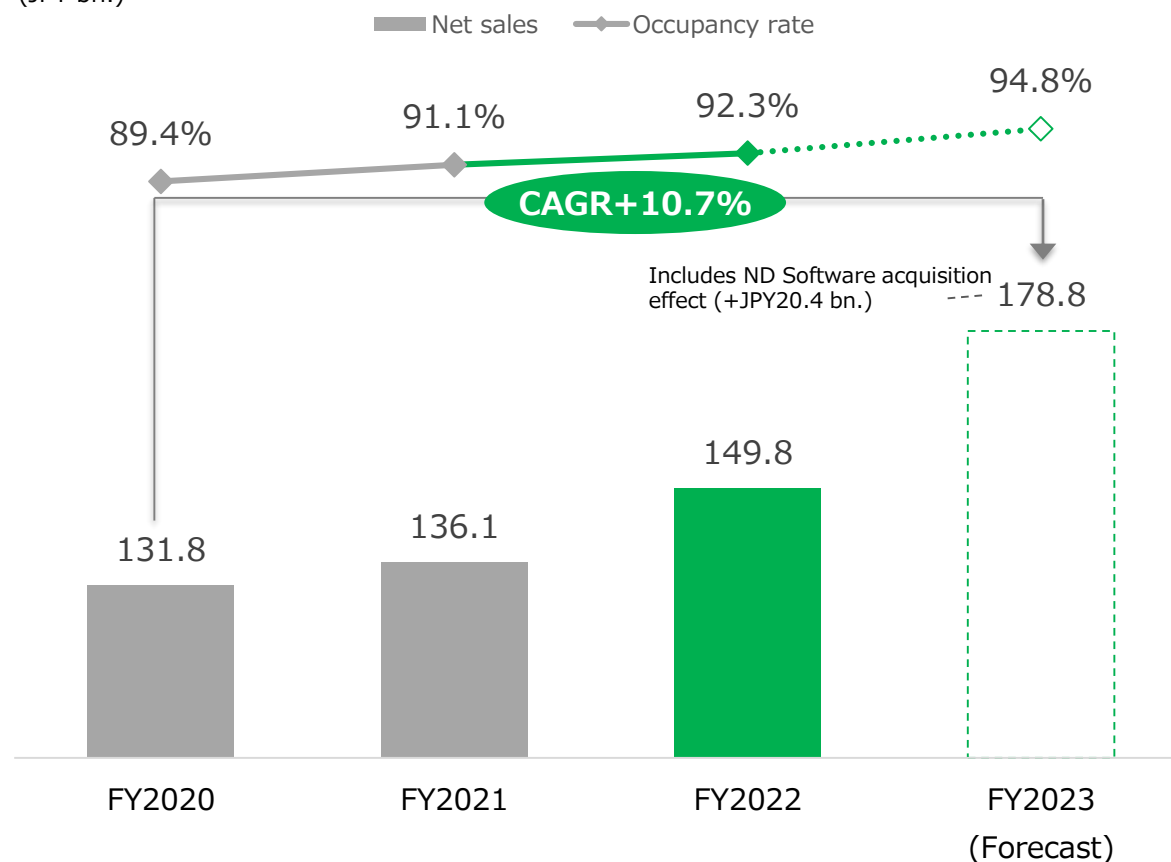
Adjusted profit

(JPY bn.)



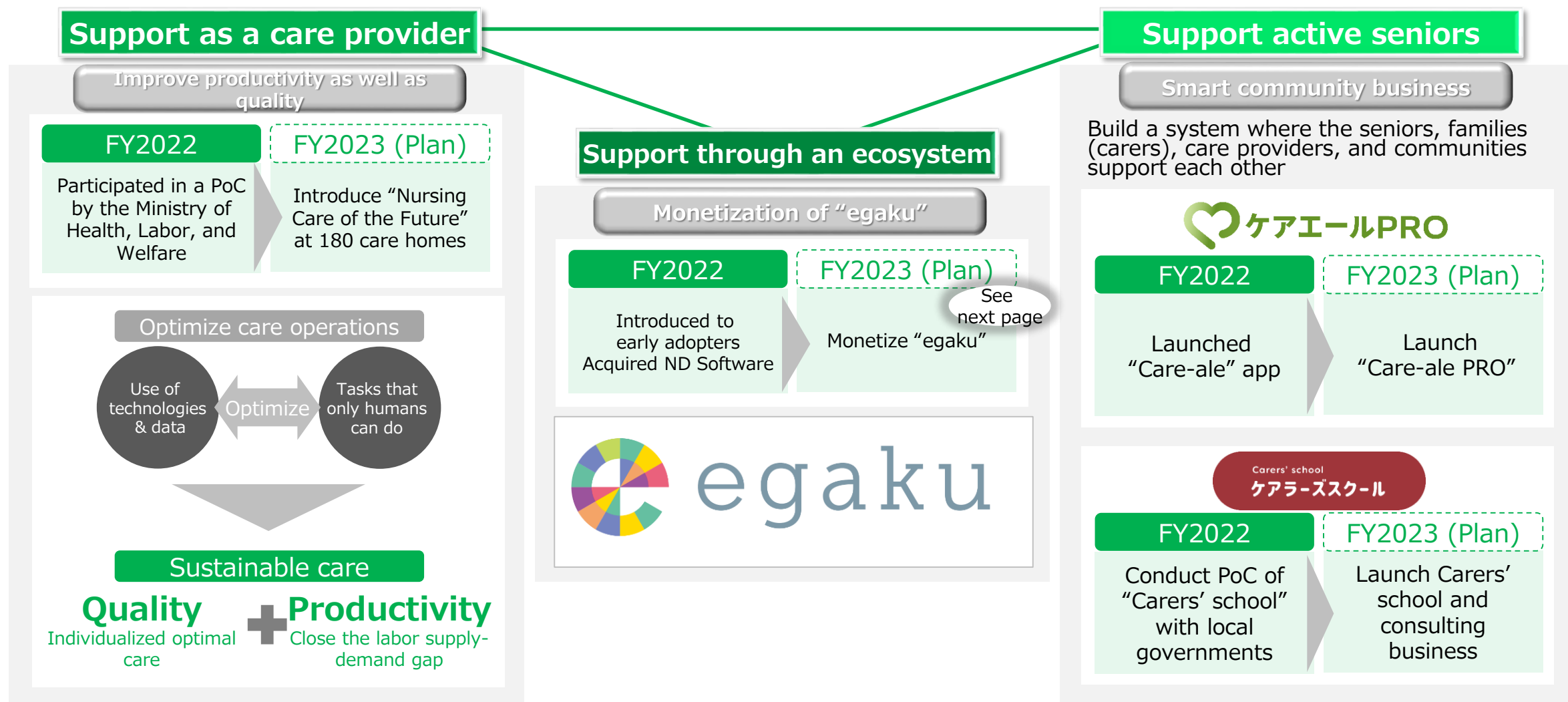
Net sales, occupancy rate

(JPY bn.)



Nursing Care & Seniors (2) FY2023 Initiatives

- In FY2023, “Nursing Care of the Future” will be introduced at 180 care homes to improve quality and productivity of the services
- A paradigm shift to a new business arena is sought through the monetization of “egaku”, launch of “Care-ale PRO”, etc.



Nursing Care & Seniors (3) FY2023 Roadmap for “egaku” Business

- Launching major initial products (software) and selling “egaku” products to 100 nursing care facilities are sought in FY2023
- Group synergies shall be pursued by acquiring clients through communicating with ND Software Co.’s clients, etc., making use of “digitalization support services”

FY2023 roadmap



FY2030 goals

Revenue JPY30.0 bn.

Operating income JPY10.0 bn.



Long-term vision

Developing a De facto standard of the nursing care industry

*1 “Visible care”: (1) Improve care quality as well as operational efficiency by utilizing data, (2) efficiently grasp the conditions of all users, (3) detect early any changes in physical conditions and avoid side effects and the risk of multiple drug doses.

“Predictable care”: Use AI to predict health conditions and propose measures to promote self support

“Care plan maker”: Support optimal assessment and service planning to improve the quality of care, and obtaining additions through Long-term care Information system For Evidence (LIFE) linkage.

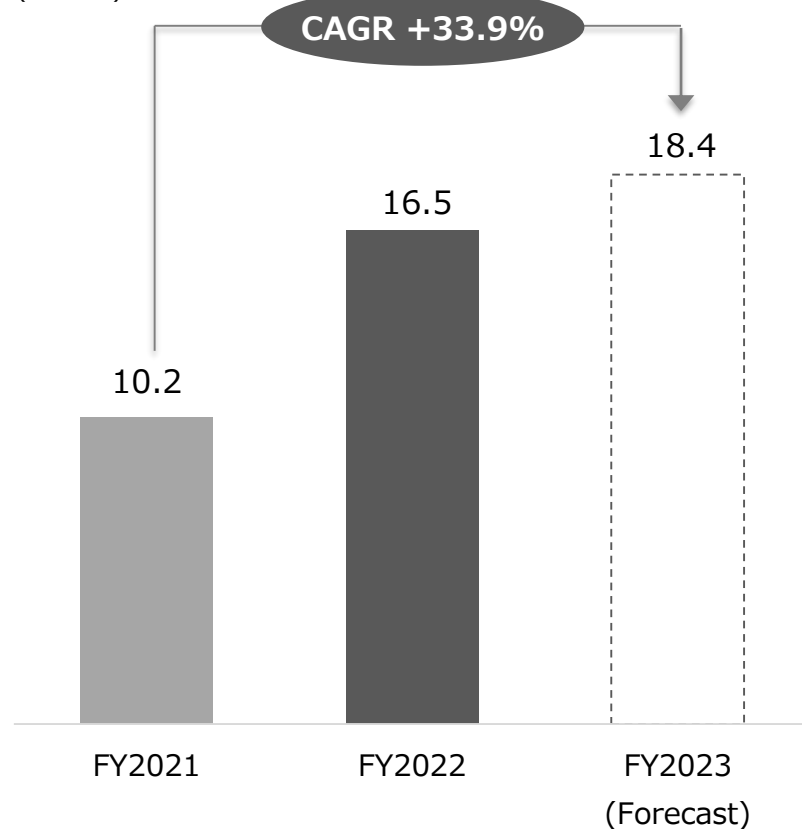
*2 Support data acquisition through digitization and the introduction of business systems.

Digital

- Digital business revenue has grown at a brisk pace. FY2022 ordinary income turned to be positive
- Stable contribution to group earnings is sought not only by collaborating with other business segments but also by the digital segment itself

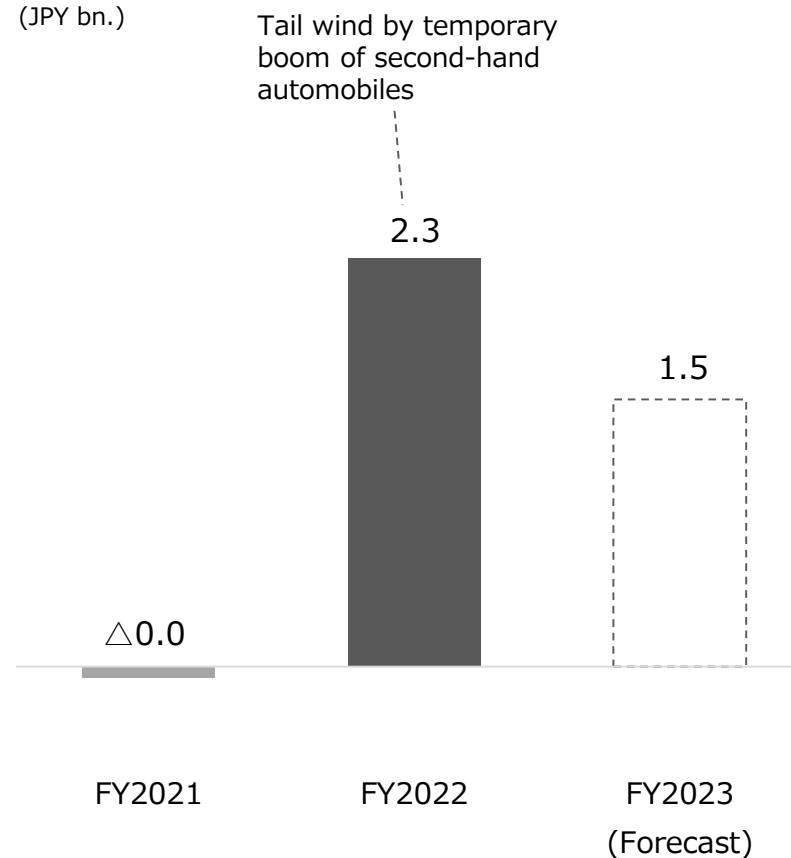
Digital business revenue

(JPY bn.)

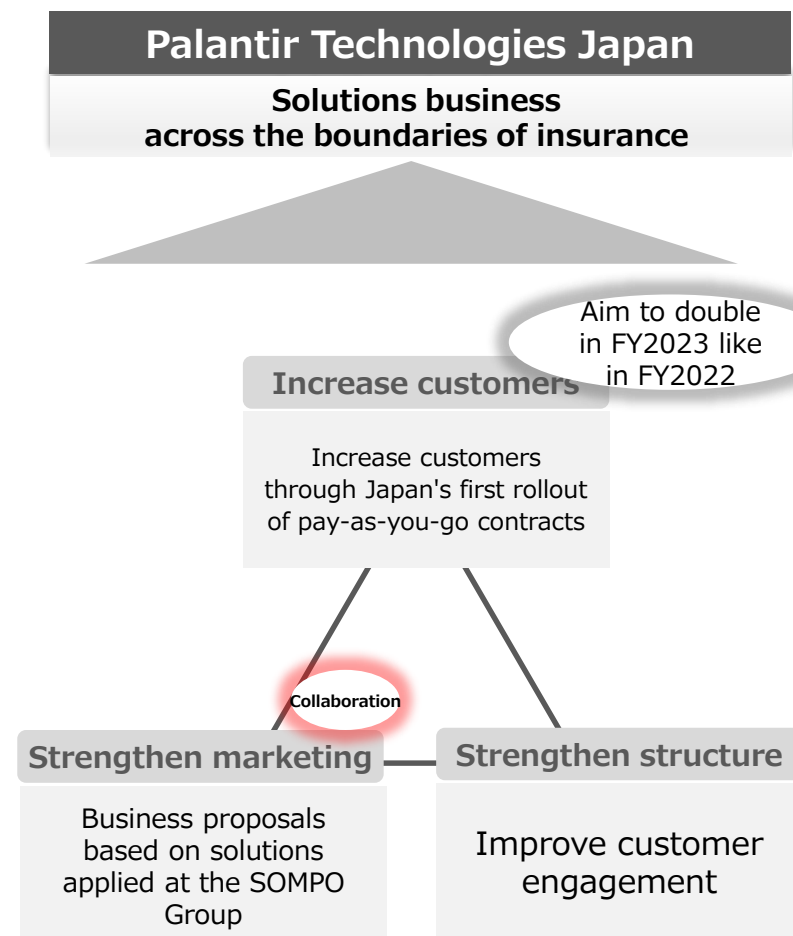


Ordinary income

(JPY bn.)



Major initiatives in FY2023










* Sum of SOMPO Light Vortex, SOMPO AUX, Palantir Technologies Japan, and ABEJA

Conglomerate Premium

- In FY2023, a conglomerate premium of over JPY15.0 bn. is projected, primarily through investment initiatives
- SOMPO continues to enhance enterprise value by expediting the Group's best results, against the deteriorating business environment

Conglomerate premium

FY2023 forecast: Over JPY15.0 bn. (Adjusted profit basis)

	Initiatives	Achievements
Retention & reinsurance  	<ul style="list-style-type: none"> ➤ Further collaboration in cession ➤ Simplified riders at SI 	Improvement of risk/return profile
Investment   	<ul style="list-style-type: none"> ➤ Capital Transfer from SJ to SI (JPY200.0 bn.) ➤ Investment diversification (Credit risk-taking, etc.) 	JPY15.0 bn.
Multinational business  	<ul style="list-style-type: none"> ➤ Establishment of a multinational platform 	Acquiring new business

Further growth

Work toward Group's Best, against the deteriorating business environment

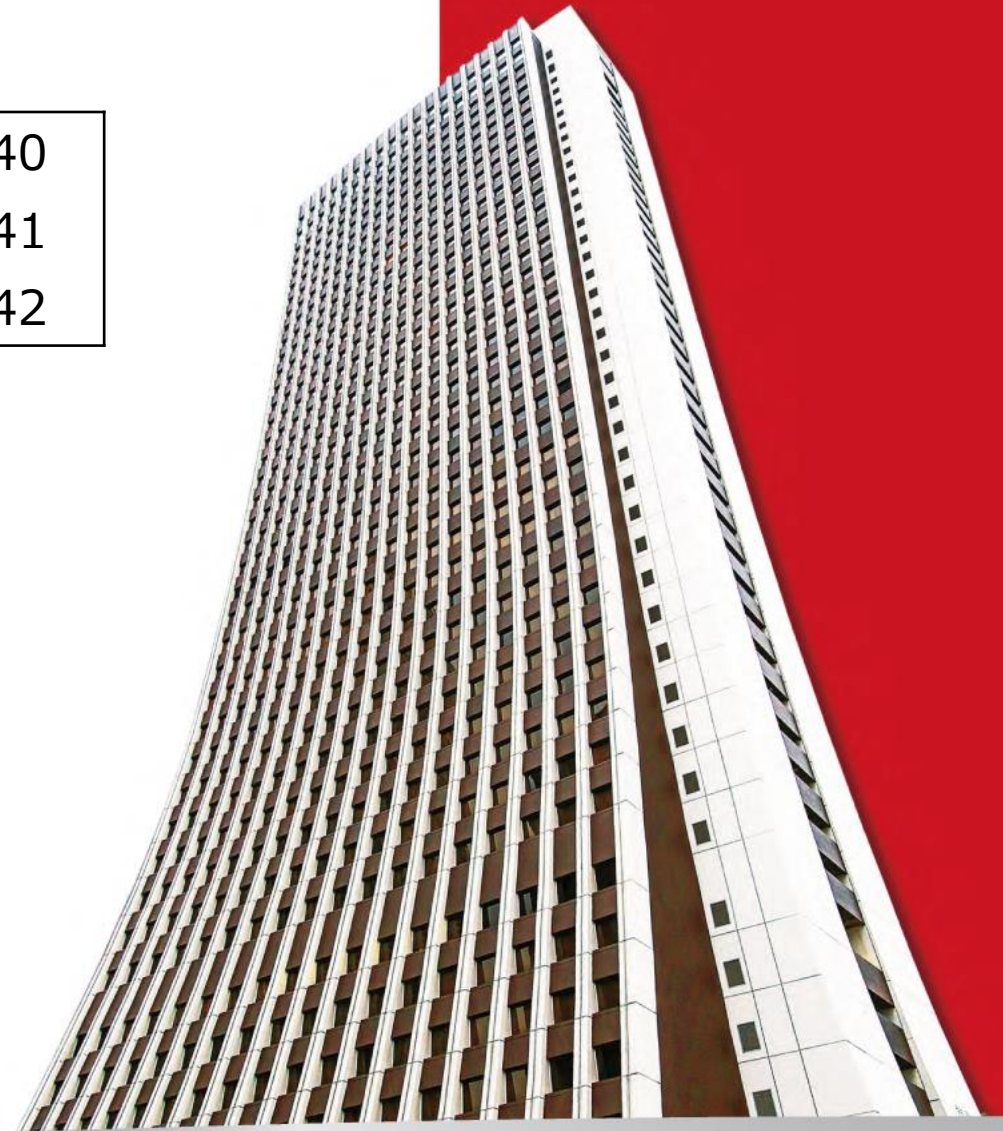
Details to be decided

Core initiatives to be disclosed in in Nov. 2023

Continue enhancing enterprise value

Reference

Stock Price and Valuation	40
Numerical Management Indicators, etc.	41
Evaluation by External Stakeholders	42



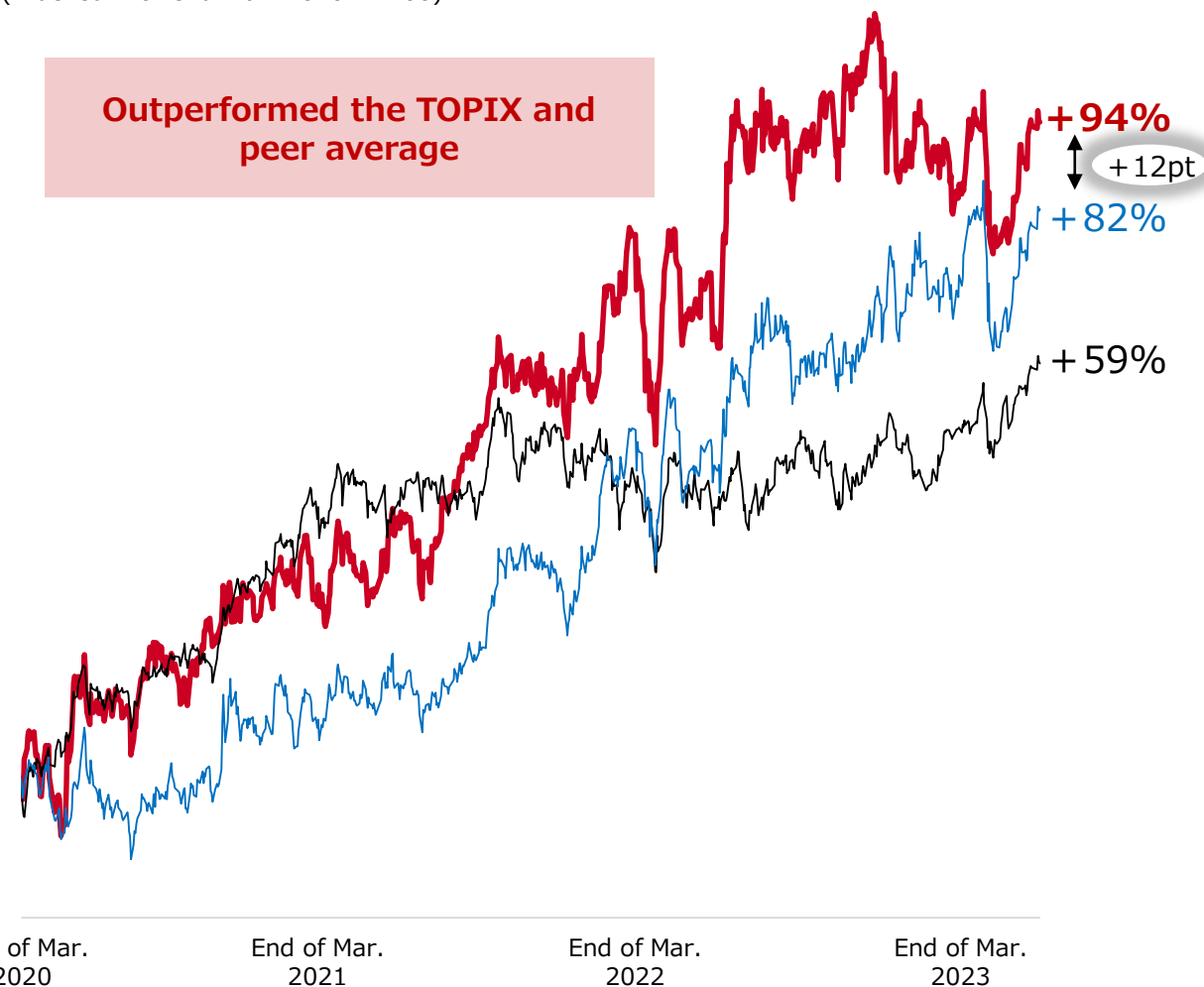
Stock Price and Valuation

Total shareholder return*1

— SOMPO — TOPIX — Peer average

(Indexed with end-Mar. 2020 = 100)

Outperformed the TOPIX and peer average

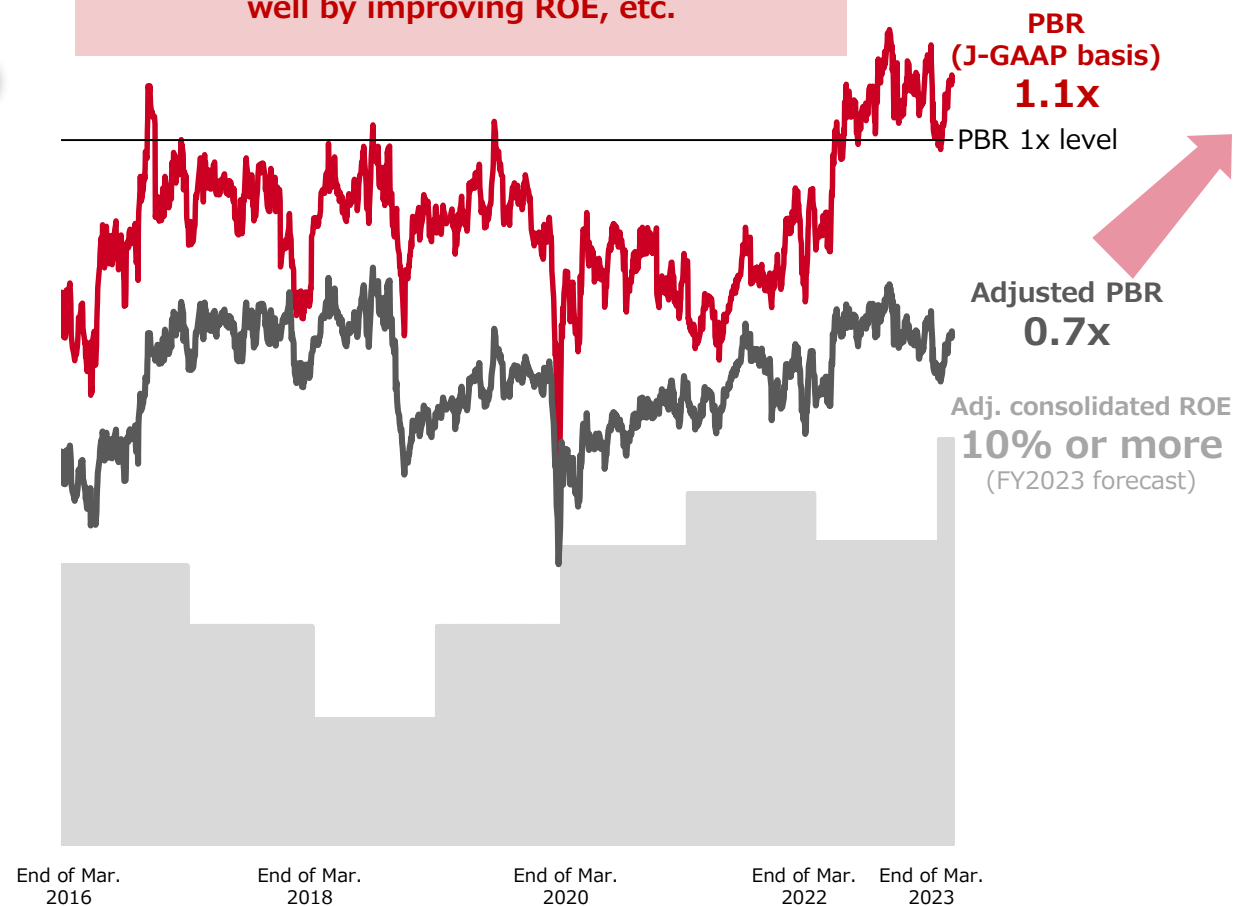


*1 Calculated by using Bloomberg data, etc.

PBR*1 and adjusted consolidated ROE*2

■ Adj. consolidated ROE — PBR (J-GAAP) — Adjusted PBR

Adjusted PBR is prospected to be above 1x as well by improving ROE, etc.



*2 Normalized basis

Numerical Management Indicators, etc.

Numerical Management Indicators, etc.

(JPY bn.)	FY2021		FY2022		FY2023	
	(Actual)	(ROE by business)*4	(Actual)	(ROE by business)*4	(Forecast)	(ROE by business)*4
Domestic P&C	157.4	11.7%	32.0	2.2%	80.0	5.4%
Overseas	61.8	7.1%	93.3	9.5%	150.0	12.3%
Domestic Life	33.6	4.5%	17.8	2.6%	40.0	6.2%
Nursing Care & Seniors	5.9	10.7%	5.9	10.2%	7.0	5.3%
Digital, etc.	2.4	-	3.0	-	2.0	-
Total (Adj. cons. profit)	261.3	-	152.2	-	280.0	-
Adj. cons. ROE*3	9.4%	-	5.5%	-	10% or more	-
ROE (J-GAAP basis)	11.1%	-	4.7%	-	12.1%	-

*1 Adjusted profit of business segment excludes special factors, such as one-off effects and group company dividends received.

*2 Operating Income excluding one-off factors (= Net income – Foreign exchange gains/losses – Realized and unrealized gains/losses on securities – Impairment losses, etc.)

*3 Adjusted consolidated ROE = Adjusted consolidated profit ÷ Adjusted consolidated net assets (The denominator is the average of the amount at the beginning and end of year.)

Adjusted consolidated net assets = Consolidated net assets (excl. net assets of domestic life insurance business) + Catastrophic loss reserves, etc. in domestic P&C insurance (after tax) + Price fluctuation reserves in domestic P&C insurance (after tax) + Adjusted net assets of domestic life insurance

Adjusted net assets of domestic life insurance = Net assets (J-GAAP basis) + Contingency reserves (after tax) + Price fluctuation reserves (after tax) + Adjustment of policy reserves (after tax) + Unamortized acquisition cost (after tax)

*4 ROE of business segment = Adjusted profit of business segment ÷ Capital allocated to business segment (Sum of consolidated net assets of companies belonging to the business segment, or the amount of capital required based on risk models. The average of the amount at the beginning and end of year.)

Since the ROE is separately defined by taking into account the business characteristics and differs by business segment, a simple comparison between business segments is inappropriate. It was introduced to increase the probability of achieving adjusted consolidated ROE and segment ROE targets by monitoring the progress of business segment.

Definition of adjusted consolidated profit*1

Domestic P&C

Net income
+ Provision for catastrophic loss reserves, etc. (after tax)
+ Provision for catastrophic loss reserves, etc. (after tax)
– Realized and unrealized gains/losses on securities (after tax)

Overseas

Operating Income*2
Net income of affiliates are accounted for using the equity method in principle

Domestic Life

Net income
+ Provision for contingency reserves (after tax)
+ Provision for price fluctuation reserves (after tax)
+ Adjustment of policy reserves (after tax)
+ Deferral of acquisition cost (after tax)
– Amortization of acquisition cost (after tax)
– Realized and unrealized gains/losses on securities (after tax)

Nursing Care & Seniors

Net income

Other

Digital

Net income
– Realized and unrealized gains/losses on investments (after tax)

Evaluation by External Stakeholders

*As of March 31, 2023

Major ESG indices in which SOMPO is included

Dow Jones Sustainability Indices
(Asia Pacific)

Member of
**Dow Jones
Sustainability Indices**

Powered by the S&P Global CSA



2022 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

2022 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index



FTSE4Good Index series



FTSE4Good

FTSE Blossom Japan Index



FTSE Blossom
Japan

Evaluation by external organizations

CDP A List
(Dec. 2022)



Nikkei SDGs Management Survey
"5-star"
(Nov. 2022)



Nikkei Smart Work Management
Survey "5-star"
(Nov. 2022)



Toyo Keizai CSR Ranking
(CSR total) "3rd place"
(Feb. 2023)



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

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.

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