

New Mid-Term Management Plan (FY2024-2026)

For a future of "Health, Wellbeing & Financial Protection"

May 28, 2024

Sompo Holdings, Inc.

Table of Contents

Executive Summary	3	Governance Structure	34
Numerical Management Target under the New Mid-Term Management Plan	4	Recurrence Prevention Measures (Main Progress)	35
I. Review of Previous Mid-Term Management Plan		ESG (Sustainability : Climate Action)	36
Achievements and Challenges during the Previous Mid-Term Management Plan	6	Enhance Enterprise Value and Valuations while Growing Sustainably	37
Profit and Capital Efficiency Reached Record Highs	7	III. Business Strategy	
Shareholder Return by Putting Words into Action and High EPS Growth	8	New Sampo Japan (1) Review of the Previous Mid-Term Management Plan	39
Resilience Increased through Scale and Diversification	9	New Sampo Japan (2) Main KPIs of the New Mid-Term Management Plan	40
Progress in Risk Reduction, Capital Allocation to Growth Areas, and Pursuit of a Conglomerate Premium	10	New Sampo Japan (3) Overview of SJ-R	41
Steady Progress in Building a Business Foundation for the SOMPO's Mid- to Long-Term Growth	11	New Sampo Japan (4) Portfolio Reform	42
Stock Price Rose Sharply and Valuations Improved Substantially	12	New Sampo Japan (5) Claims Service Reform	43
II. New Mid-Term Management Plan		New Sampo Japan (6) Sales Reform	44
Management Targets and Main KPIs	14	New Sampo Japan (7) Operational Reform (Culture Change, Strengthening Quality Management)	45
Challenges under the New Mid-Term Management Plan (1) Changes in the Business Environment	15	New Sampo Japan (7) Operational Reform (Data-Driven Operations, Human Capital Investment)	46
Challenges under the New Mid-Term Management Plan (2) Occurrence of the Recent Problems	16	Overseas Insurance and Reinsurance Business (1) Review of Previous Mid-Term Management Plan	47
SOMPO Group Vision and Role of the New Mid-Term Management Plan	17	Overseas Insurance and Reinsurance Business (1) Review of Previous Mid-Term Management Plan (Improving Profitability and Stability)	48
Overview of the New Mid-Term Management Plan	18	Overseas Insurance and Reinsurance Business (3) Further Success for the New Mid-Term Management Plan	49
Overview of SOMPO P&C	19	Overseas Insurance and Reinsurance Business (4) Main KPIs of the New Mid-Term Management Plan	50
New Sampo Japan (1) Overview of "SJ-R"	20	Overseas Insurance and Reinsurance Business (5) Major Initiatives (Overview)	51
New Sampo Japan (2) KPI	21	Overseas Insurance and Reinsurance Business (5) Major Initiatives (Progress in Geographical Expansion)	52
Overseas Growth Strategy (1) Overview	22	Overseas Insurance and Reinsurance Business (6) Gross Premium Written to Continue to Grow	53
Overseas Growth Strategy (2) KPI	23	Overseas Insurance and Reinsurance Business (7) Underwriting Margins Are Expected to Remain Stable across the Mid-Term Management Plan	54
SOMPO Wellbeing (1) Overview	24	Overseas Insurance and Reinsurance Business (8) Net Investment Income Continues to Expand	55
SOMPO Wellbeing (2) Addressing Social Challenges and Sustainable Growth	25	Wellbeing (Domestic Life Insurance) (1) Review of the Previous Mid-Term Management Plan	56
SOMPO Wellbeing (3) Domestic Life Insurance and Nursing Care Businesses	26	Wellbeing (Domestic Life Insurance) (2) Main KPIs of the New Mid-Term Management Plan	57
Finance Strategy (Promote Capital Circulation)	27	Wellbeing (Domestic Life Insurance) (3) Main Initiatives	58
Risk Reduction: Accelerating the Pace of Reducing Strategic Holding Stocks	28	Wellbeing (Nursing Care) (1) Review of the Previous Mid-Term Management Plan	59
Approach to Risk-Taking (Organic Growth and Growth Investment)	29	Wellbeing (Nursing Care) (2) Main KPIs of the New Mid-Term Management Plan	60
Investment Strategy	30	Wellbeing (Nursing Care) (3) Main Initiatives	61
Human Capital Investment	31	Reference	
Data & Digital Strategy	32	Definition of Financial Metrics	63
Shareholder Return Policy	33	Management Targets	64

Executive Summary

Review of previous Mid-Term Management Plan

- ✓ Steadily implemented the main initiatives (scale & diversification, future nursing care, risk reduction, growth investment) under the last Mid-Term Management Plan (MTMP)
- ✓ **Adjusted consolidated profit hit a record high and adjusted consolidated ROE reached the 10% target level***
- ✓ As a result, the stock price rose and the P/B ratio (J-GAAP basis) recovered to above 1x
- ✓ However, it is crucial to transform the business model in light of changes in the business environment and the recent problems that occurred in Japan

Vision

- ✓ **For a future of "Health, Wellbeing & Financial Protection", evolve into a corporate group to continue to deliver services**
- ✓ Flexibly incorporate the market size and changes in customers & risks and solve social challenges related to health, nursing care, and retirement finances

New Mid-Term Management Plan

- ✓ Aim to **"Increase resilience" and "Connect with customers and deliver connected services"**
- ✓ Three core businesses are **(1) New Sampo Japan, (2) Overseas, and (3) Wellbeing**
 - (1) New Sampo Japan: Rebuild earnings structure and business foundation through the "SJ-R" initiatives
 - (2) Overseas: : Maintain double-digit profit growth through disciplined renewal of existing portfolio and contributions from growth initiatives
 - (3) Wellbeing : Grow by delivering solutions for social challenges related to health, nursing care, and retirement finances
- ✓ **As a financial strategy, promote capital circulation and invest aggressively in human capital** to continue enhancing enterprise value
- ✓ **Aim to reduce strategic holding stocks at least by ¥200.0 bn. in FY2024 and ¥600.0 bn. during the 3-year period of the MTMP and accelerate to reduce**
- ✓ Shareholder return will comprise of basic return and **supplementary return calculated as 50% of gains on sale of strategic holding stocks (after tax)** and flexible capital adjustment will be considered

*Adjusted for an increase in capital due to financial market fluctuations, etc.

Numerical Management Target under the New Mid-Term Management Plan

- Preparing for application of International Financial Reporting Standards (IFRS) from the end of FY2025 to improve comparability with global peers, etc.
- The adjusted consolidated ROE target for FY2026 (IFRS basis) is 13-15% around the same level as global peers, and the EPS growth target for the 3-year period is above +12% (CAGR)

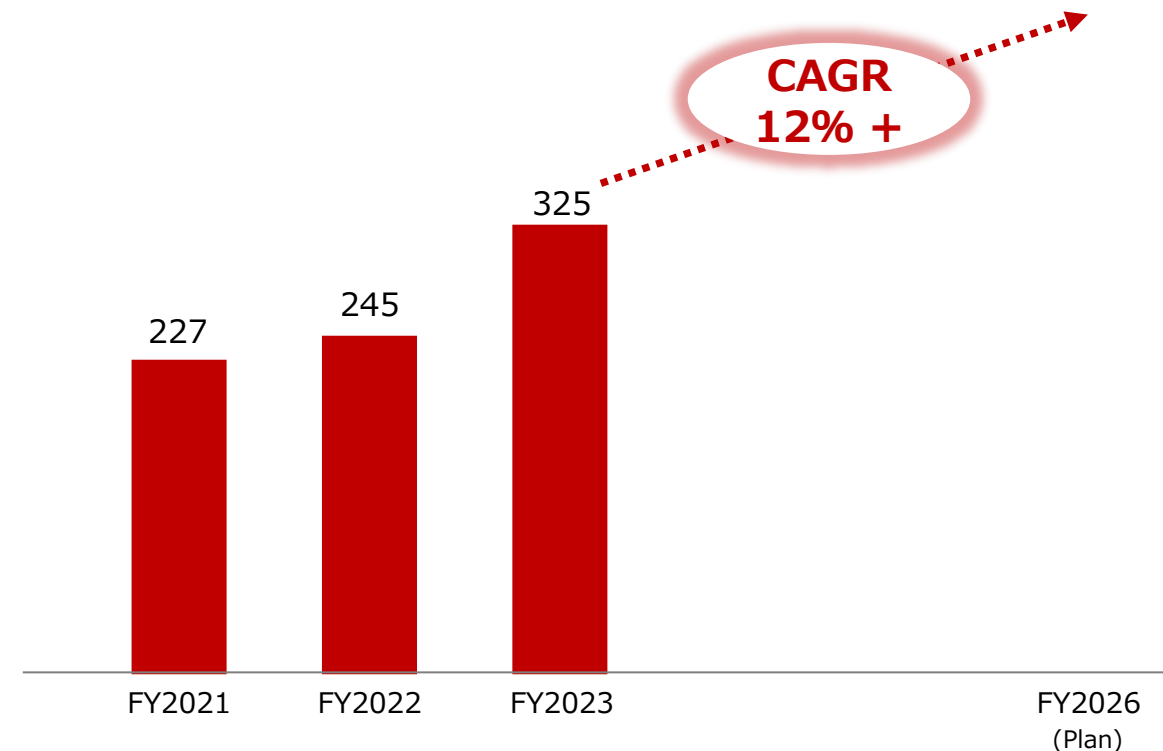
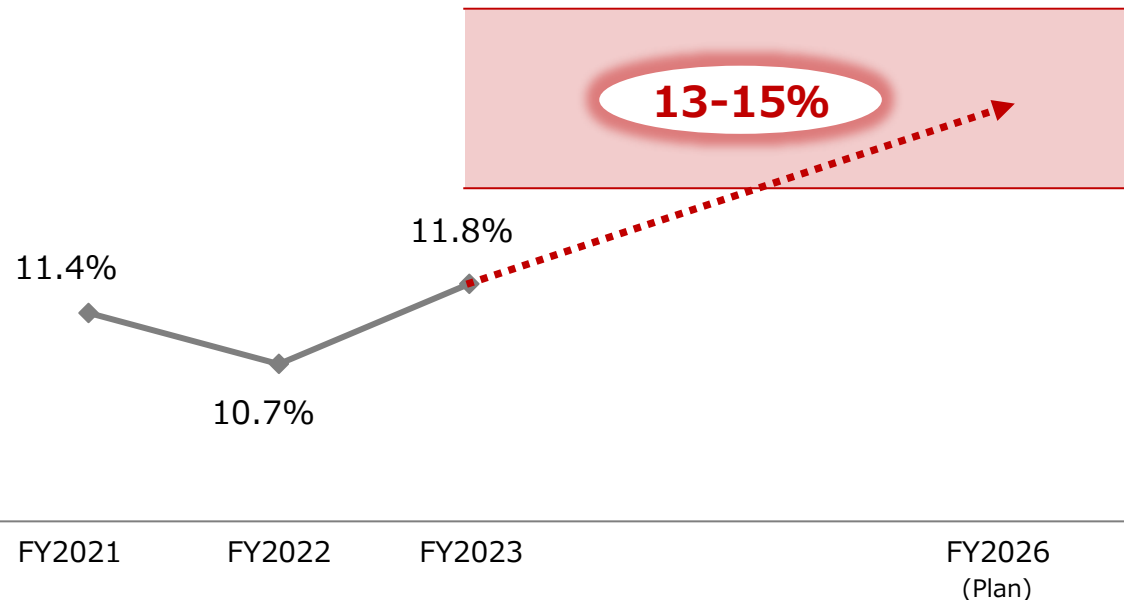
Adjusted consolidated ROE (IFRS basis, excluding OCI)*

FY2026 target
13-15%

Adjusted EPS growth (IFRS basis)*

New MTMP period
CAGR12% +

(¥)



* Figures for the previous mid-term management plan are estimated. Figures for FY2021 and FY2022 are normalized.

I. Review of Previous Mid-Term Management Plan



Achievements and Challenges during the Previous Mid-Term Management Plan

- Increased resilience by pursuing scale and diversification, and strengthened business foundation in health and nursing care by expanding Insurhealth® and worked toward the future nursing care
- Adjusted consolidated profit hit a record high and adjusted consolidated ROE rose to the 10% target level, resulting in higher enterprise value and valuations

FY2023 actual

Adjusted consolidated profit: JPY291.0 billion (record high)
Adjusted consolidated ROE: 10.1%*¹ (Reached the target of 10% or higher)

See page 7

Increased resilience through scale & diversification

See page 9

Largely driven by the growth of the overseas business

Group top line growth exceeded CAGR 8%*²

Business portfolio became more diversified

Through rate increase, disciplined underwriting, etc.

Profitability of fire insurance improved steadily in Japan

Strengthened business foundation in health and nursing care

See page 11

By expanding Insurhealth*³ product lineup and sales

Customer base expanded

By leveraging know-how as a nursing care provider

Challenges for the future nursing care

Shareholder return

See page 8

Steady DPS growth In line with profit growth

DPS growth*²: CAGR+21%

Flexible share buyback

More than ¥180.0 billion in total

Market risk reduction

See page 10

Reduction of interest rate risk and strategic holding stocks

Exceeded the plan targets

Growth investment execution

See page 10

To strengthen the nursing care business foundation

Acquired ND Software

In pursuit of a conglomerate premium
Capital transfer of ¥200.0 billion to Sompo International

Changes in the business environment

See page 15

Recent problems at Sompo Japan

See page 16

*¹ Adjusted for an increase in capital due to financial market fluctuations, etc. Adjusted consolidated ROE before adjustment was 9.2%. *² For FY2021-2023

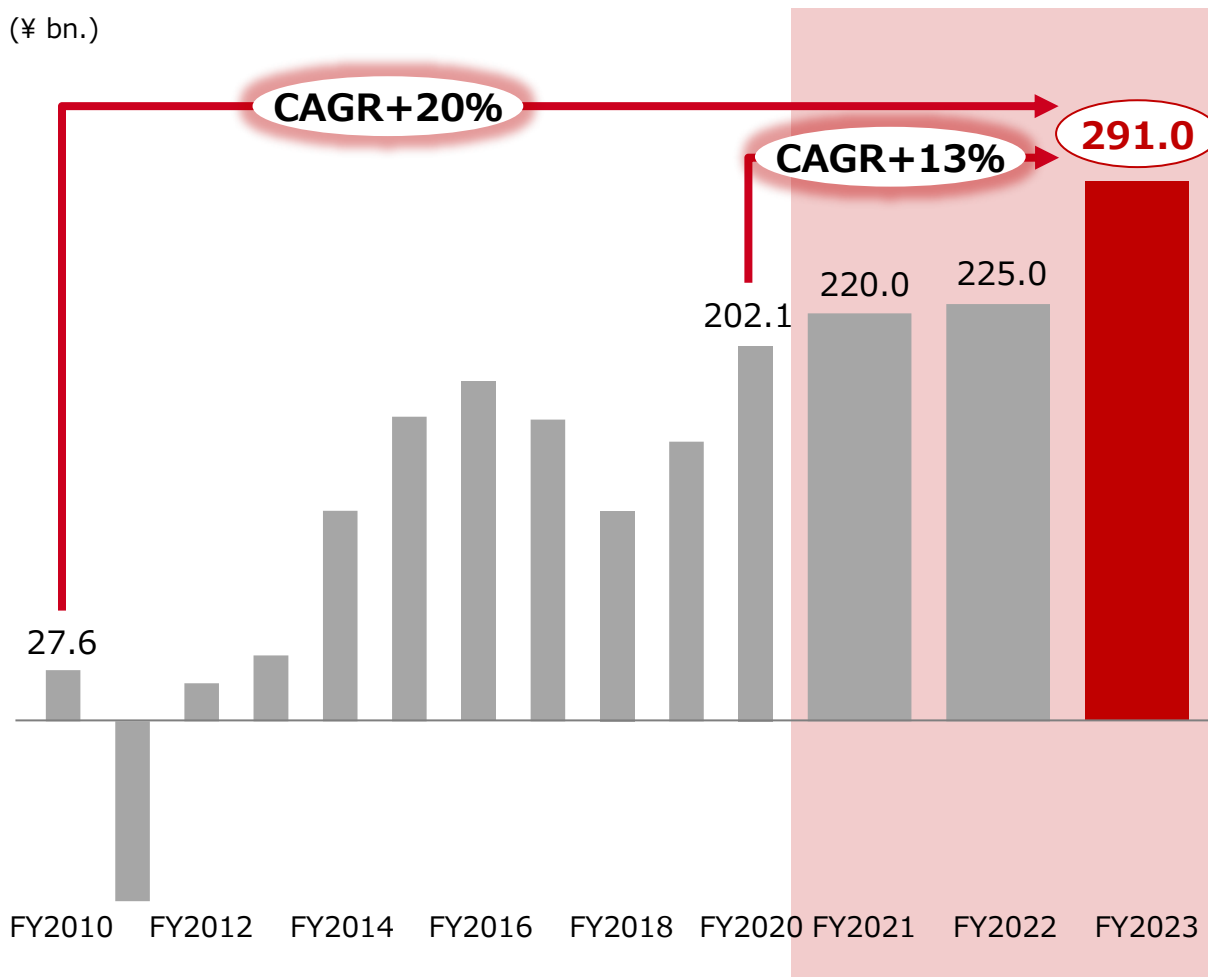
*³ Insurhealth® : Unique value that combines traditional insurance and health support functions

Profit and Capital Efficiency Reached Record Highs

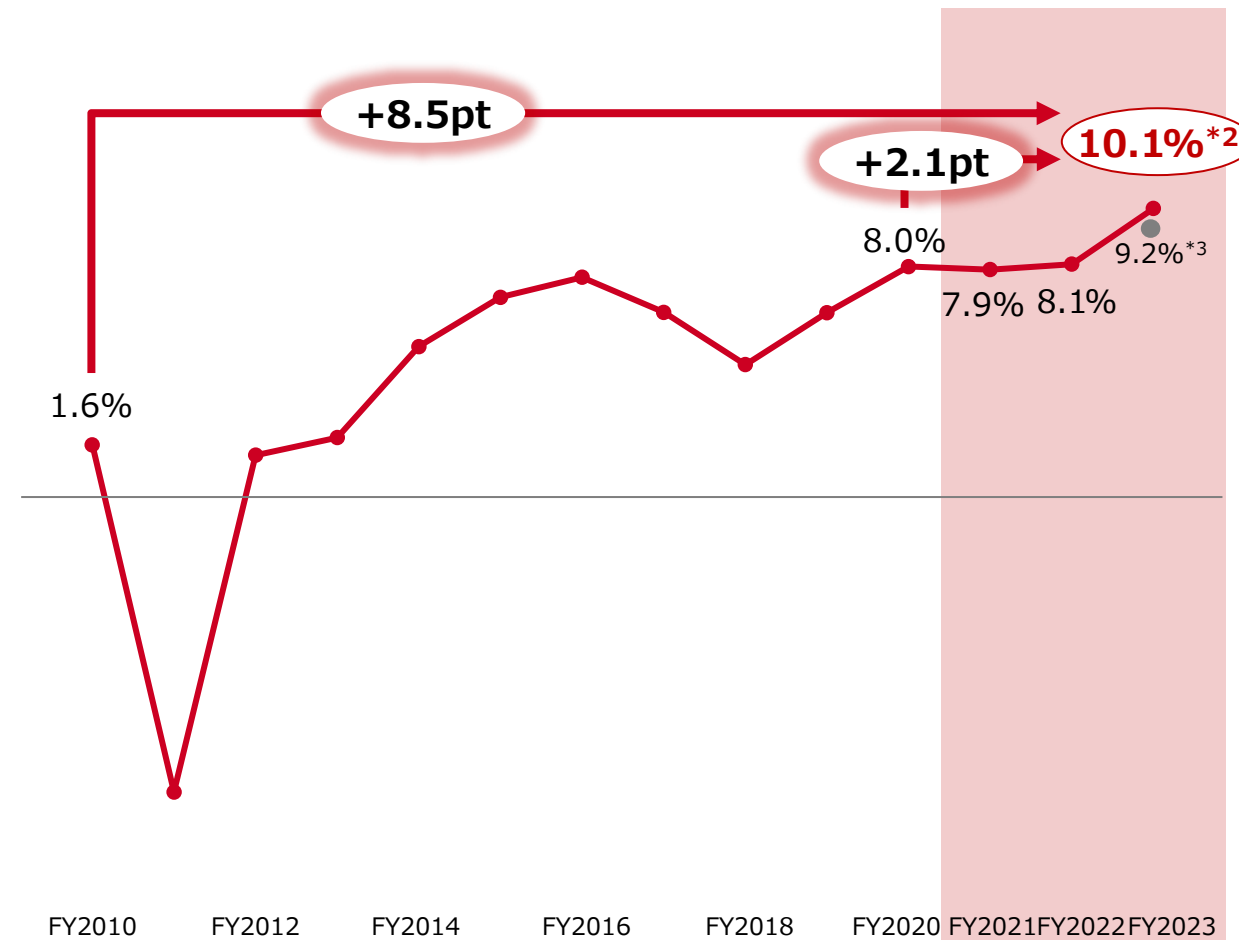
- Adjusted consolidated profit for FY2023, the final year of the previous Mid-Term Management Plan, was JPY291.0 billion, a new record high
- Adjusted consolidated ROE after adjustment for financial market fluctuations, etc. reached 10.1%, and exceeded the capital efficiency target of 10% or higher under the previous MTMP

Adjusted consolidated profit*1

(¥ bn.)



Adjusted consolidated ROE*1*2



*1 Figures for FY2010-2015 are estimates by using the same definition as in FY2016. Figures for FY2021 and FY2022 are normalized.

*2 Figure for FY2023 is adjusted for an increase in capital due to financial market fluctuations, etc.

*3 Adjusted consolidated ROE before adjustment

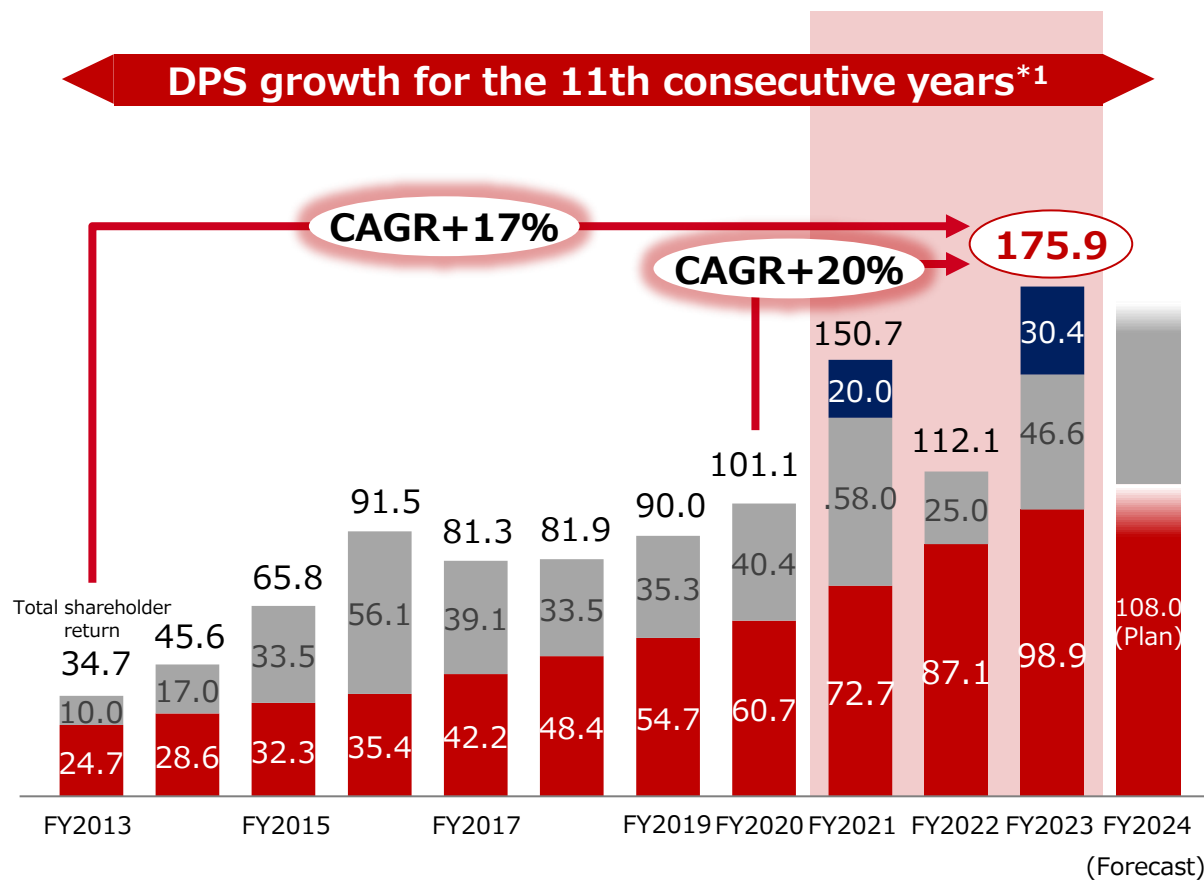
Shareholder Return by Putting Words into Action and High EPS Growth

- Steadily increased DPS in line with profit growth and flexibly bought back shares based on a highly transparent shareholder return policy
- As a result, EPS growth during the previous Mid-Term Management Plan period was +16% (CAGR) and exceeded the growth of adjusted consolidated profit

Shareholder return

(¥ bn.)

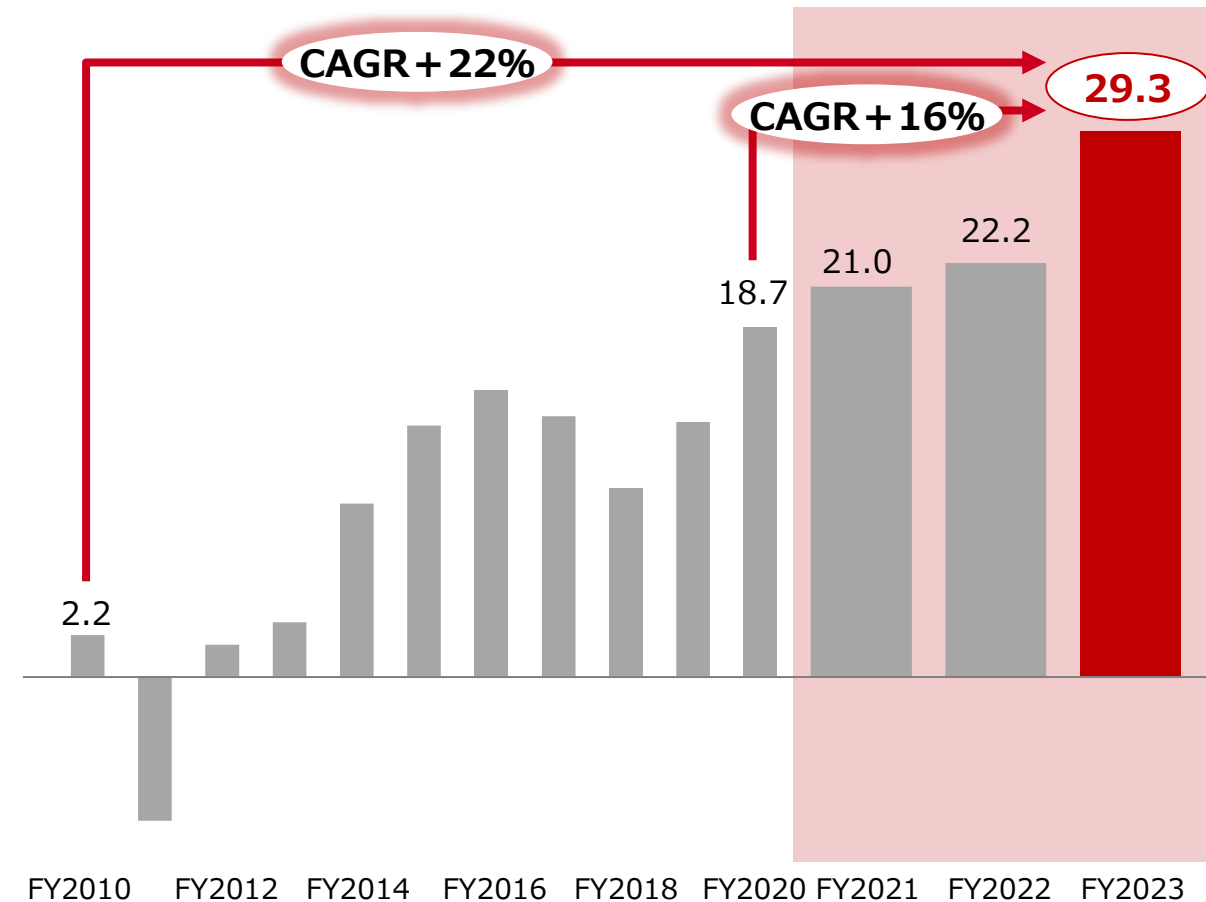
■ : Dividends ■ : Share buyback ■ : Agile capital adjustment



*1 Includes FY2024 dividend forecast

Earnings per share (EPS)*2

(¥)

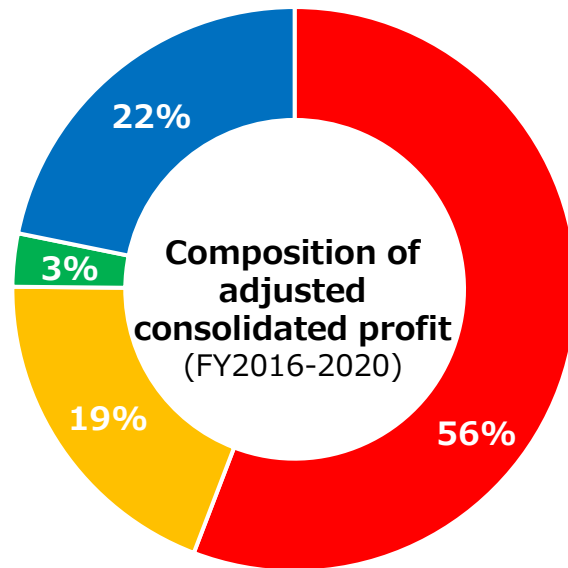


*2 Figures for FY2010-2015 are estimates by using the same definition as in FY2016. Figures for FY2021 and FY2022 are normalized

Resilience Increased through Scale and Diversification

- SOMPO's business size grew faster than planned largely driven by the growth of the overseas insurance business
- SOMPO's business portfolio became more diversified and balanced between domestic and overseas businesses, which has strengthened our resilience

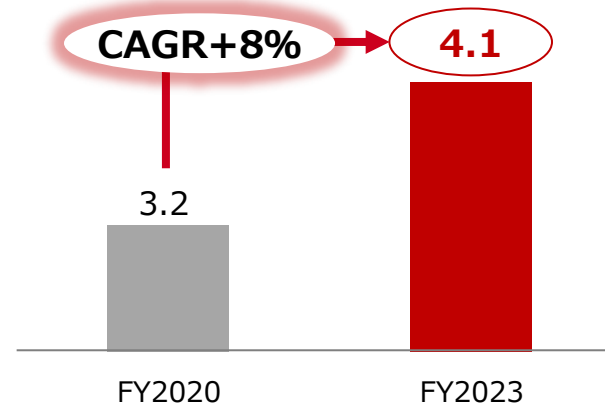
Business portfolio comprising mainly of domestic businesses



■ Domestic P&C ■ Overseas
■ Domestic Life ■ Nursing care, etc.

Business size grew faster than planned*1

(¥ tn.)



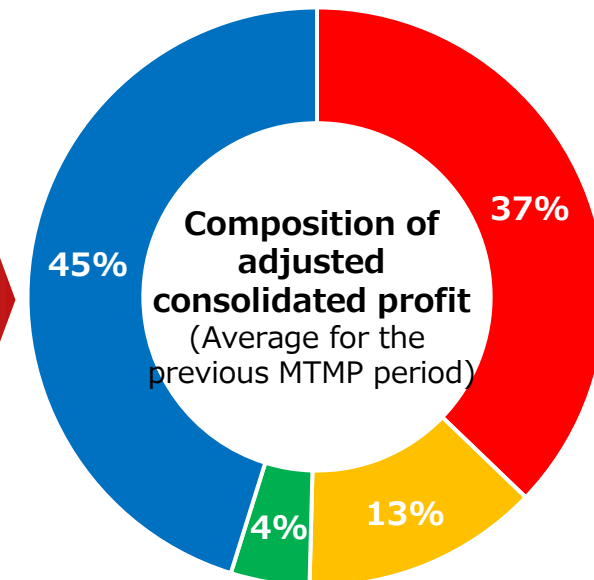
Domestic P&C*2
CAGR + 1.4%
(Plan : +1.5%)

Overseas*3
CAGR + 15%
(Plan : +9%)

Domestic Life*4
CAGR + 8.6%
(Plan : +19%)

Nursing care & Seniors*5
¥ 175.8 bn.
(Plan : ¥162.0 bn.)

Business portfolio became more diversified



■ Domestic P&C ■ Overseas
■ Domestic Life ■ Nursing care, etc.

*1 Net written premiums, etc. of the overseas insurance and domestic P&C insurance businesses, life insurance premiums of the domestic life insurance business, and operation revenue of the nursing care and seniors business

*2 Net written premiums *3 Gross written premiums *4 Annualized premiums from new business (performance evaluation basis) *5 FY2023 operating revenue

Progress in Risk Reduction, Capital Allocation to Growth Areas, and Pursuit of a Conglomerate Premium

- Risks in low capital efficiency areas, such as strategic holding stocks and interest rate risks, were reduced faster than planned
- Capital generated from risk reduction was allocated to organic growth in pursuit of a conglomerate premium and M&A to support higher growth

Risk reduction plans were accomplished

Reduction of strategic holding stocks exceeded the initial plan target

<Reduction of strategic holding stocks from FY2021 through FY2023>

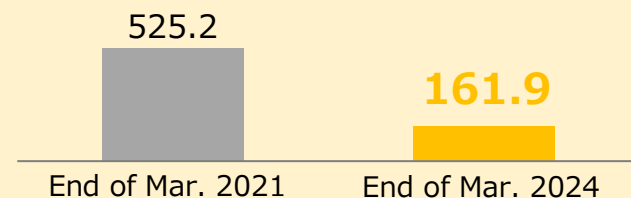
(¥ bn.)



Reduction of interest rate risk exceeded the plan target

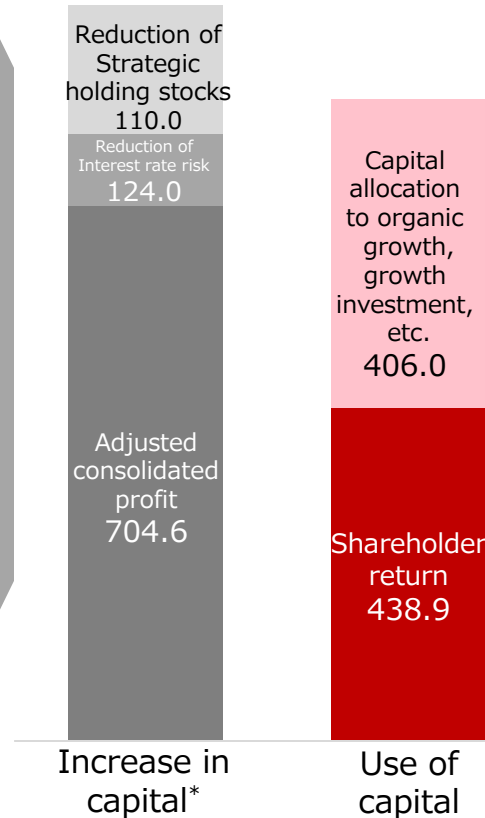
<JPY interest rate risk amount>

(¥ bn.)



Capital policy under the previous Mid-Term Management Plan

(¥ bn.)



Capital allocation to disciplined M&A and organic growth

Overseas

Capital transfer of ¥200.0 bn. to Sompo International



Profit contribution of more than ¥15.0 bn. through a conglomerate premium

Nursing Care

Acquisition of ND Software

Digital

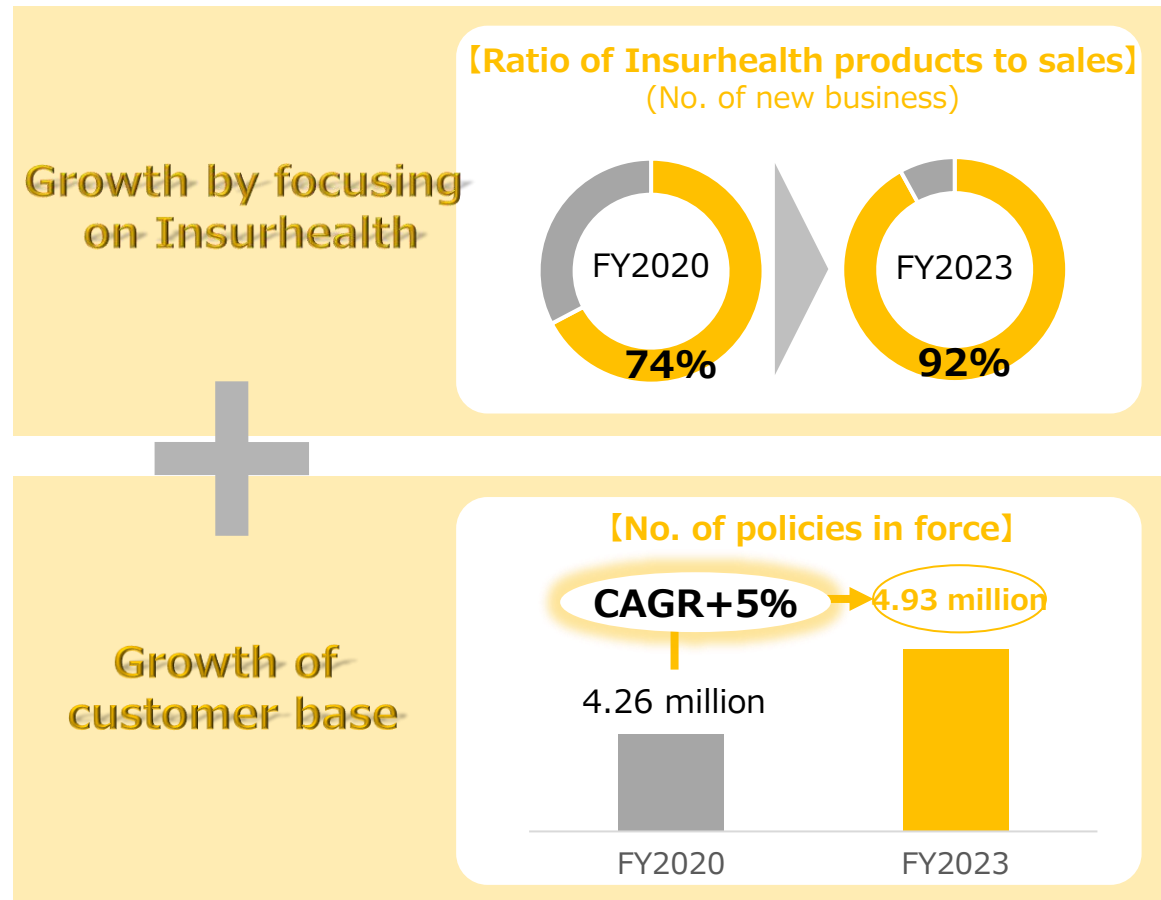
Execution of investment in digital companies

* Excl. the impact of financial market fluctuations, etc.

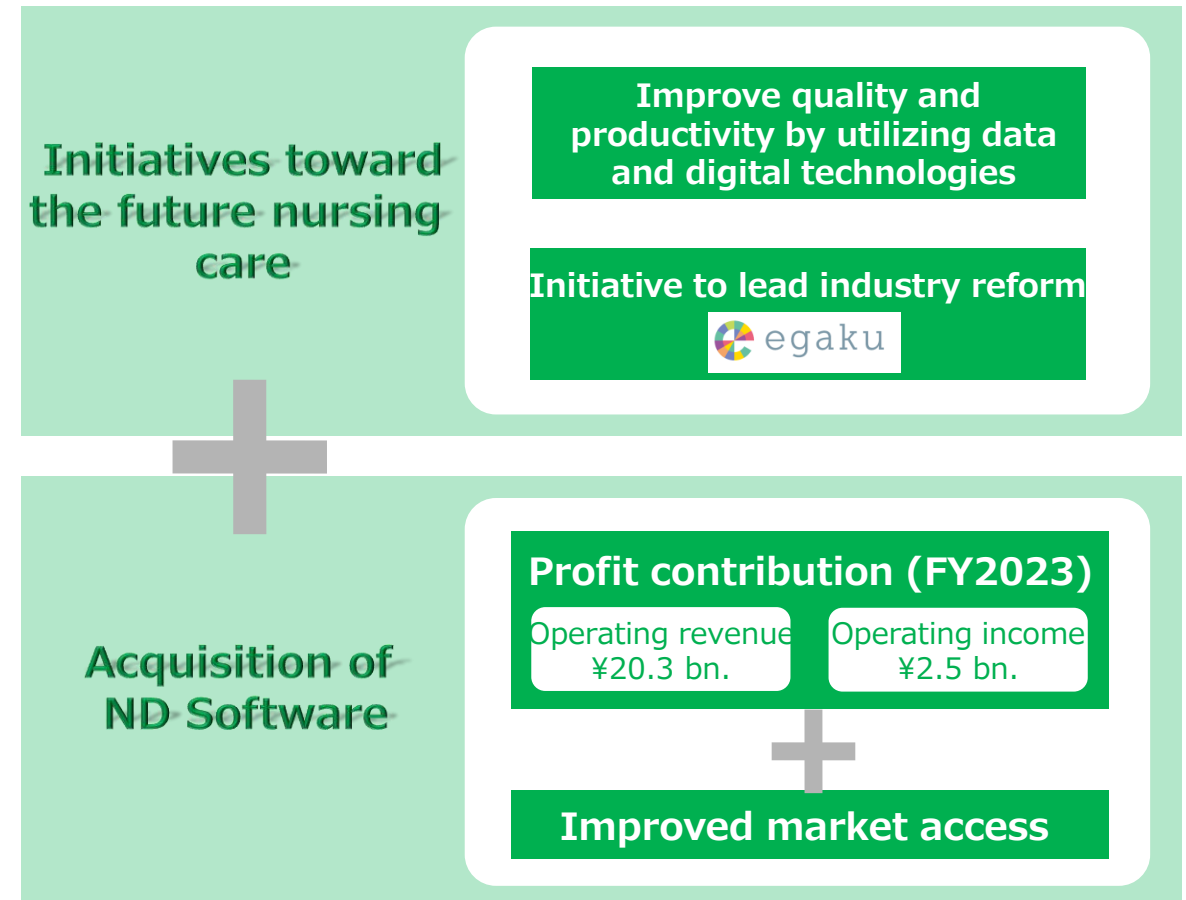
Steady Progress in Building a Business Foundation for the SOMPO's Mid- to Long-Term Growth

- The domestic life insurance business grew steadily by expanding Insurhealth® product lineup and customer base as a health support company
- In the nursing care business, stepped up the initiatives toward the future nursing care by utilizing data and digital technologies

Growth of customer base with Insurhealth products (Himawari Life)



Initiatives toward the future nursing care in the nursing care business



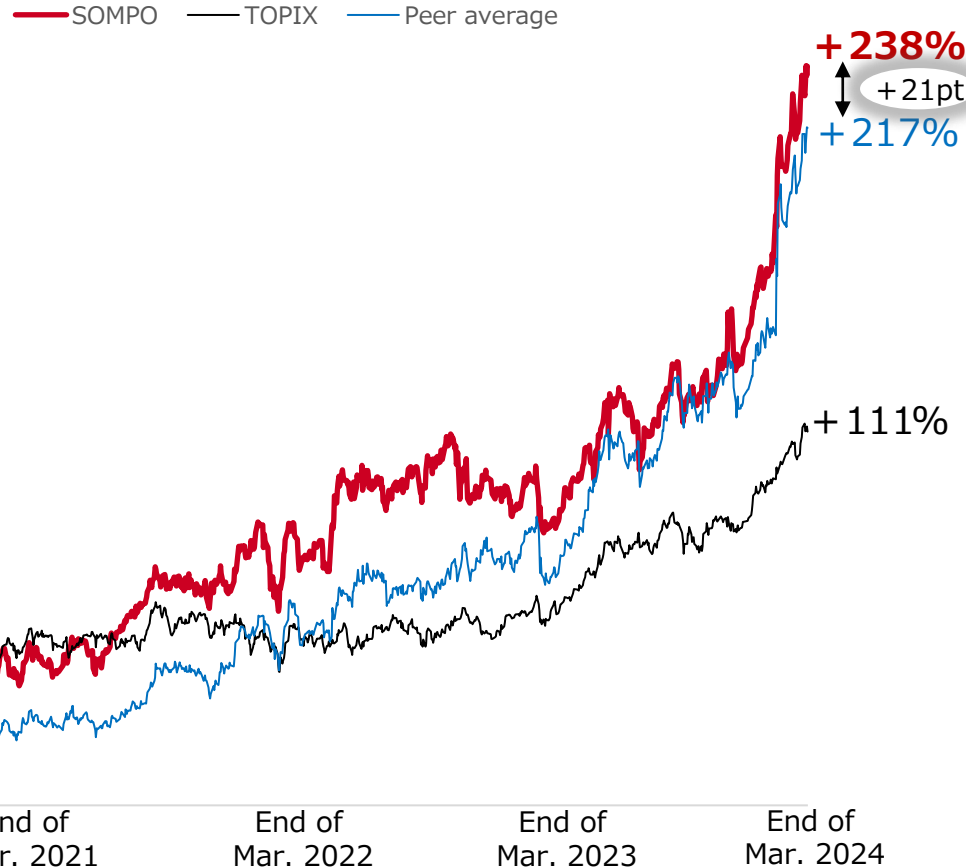


Stock Price Rose Sharply and Valuations Improved Substantially

- Initiatives under the previous Mid-Term Management Plan produced results in addition to steady profit growth, capital efficiency improvement and increase in shareholder return
- The stock price rose sharply and the P/B ratio (J-GAAP basis) recovered to above 1x. The adjusted P/B ratio is expected to recover to above 1x through the initiatives under the new Mid-Term Management Plan

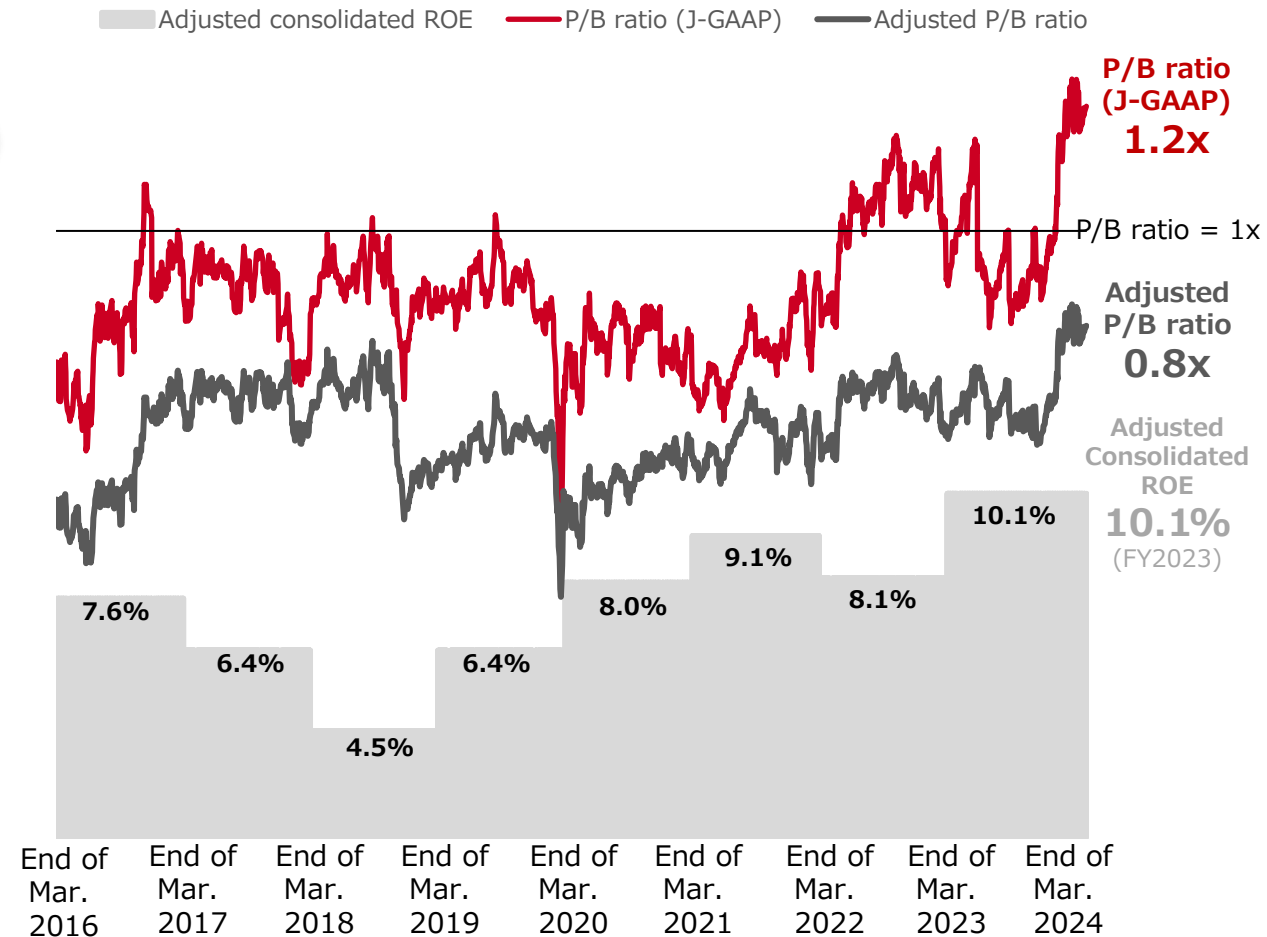
Total shareholder return*¹ (from the end of FY2019 to the end of FY2023)

(Indexed with end of Mar. 2020 as 1)



*1 Calculated by Sompo Holdings by using data from Bloomberg, etc.

P/B ratio*¹ and adjusted consolidated ROE*²



*2 Figures for FY2021 and FY2022 are normalized. Figures for FY2023 are adjusted for an increase in capital due to financial market fluctuations, etc.

II. New Mid-Term Management Plan



Management Targets and Main KPIs

- Aim to increase ROE to 13-15% in FY2026 and achieve EPS growth of above +12% (CAGR) during the new Mid-Term Management Plan period
- Achieve management targets through organic growth, and seek disciplined M&A to enhance achievability

Numerical management target*1

Adjusted consolidated ROE
(FY2026 target)

13-15%
(FY2023 : 11.8%)

Adjusted EPS growth
(New MTMP period)

CAGR12% +

KPIs

Domestic P&C (FY2026 estimate)

ROE*1

8% +

(FY2023 : 4.5%)

E/I loss ratio

62.0%

(FY2023 : 65.4%)

Expense ratio

33.0%

(FY2023 : 33.8%)

E/I combined ratio

Below 95.0%

(FY2023 : 99.3%)

Amount of reduction
of strategic holding stocks
(New MTMP period)

At least by ¥600.0 bn.

(Prepare for investment opportunities
by further accelerating reduction)

Overseas (FY2026 estimate)

ROE*1

13% +

(FY2023 : 13.1%)

Gross written
premium

Strategic initiatives
\$1.0 bn. +

E/I loss ratio

64.8%

(FY2023 : 63.8%)

Expense ratio

29.0%

(FY2023 : 28.5%)

E/I combined
ratio*2

93.8%

(FY2023 : 92.3%)

Wellbeing (FY2026 estimate)

Life insurance
ROE*1

12% +

(FY2023 : 9.2%)

New business
CSM*2

¥93.0 bn.

(FY2023 : ¥68.1 bn.)

Nursing care
ROE*1*3

12% +

(FY2023 : 11.7%)

Occupancy rate

95.5%

(FY2023 : 92.9%)

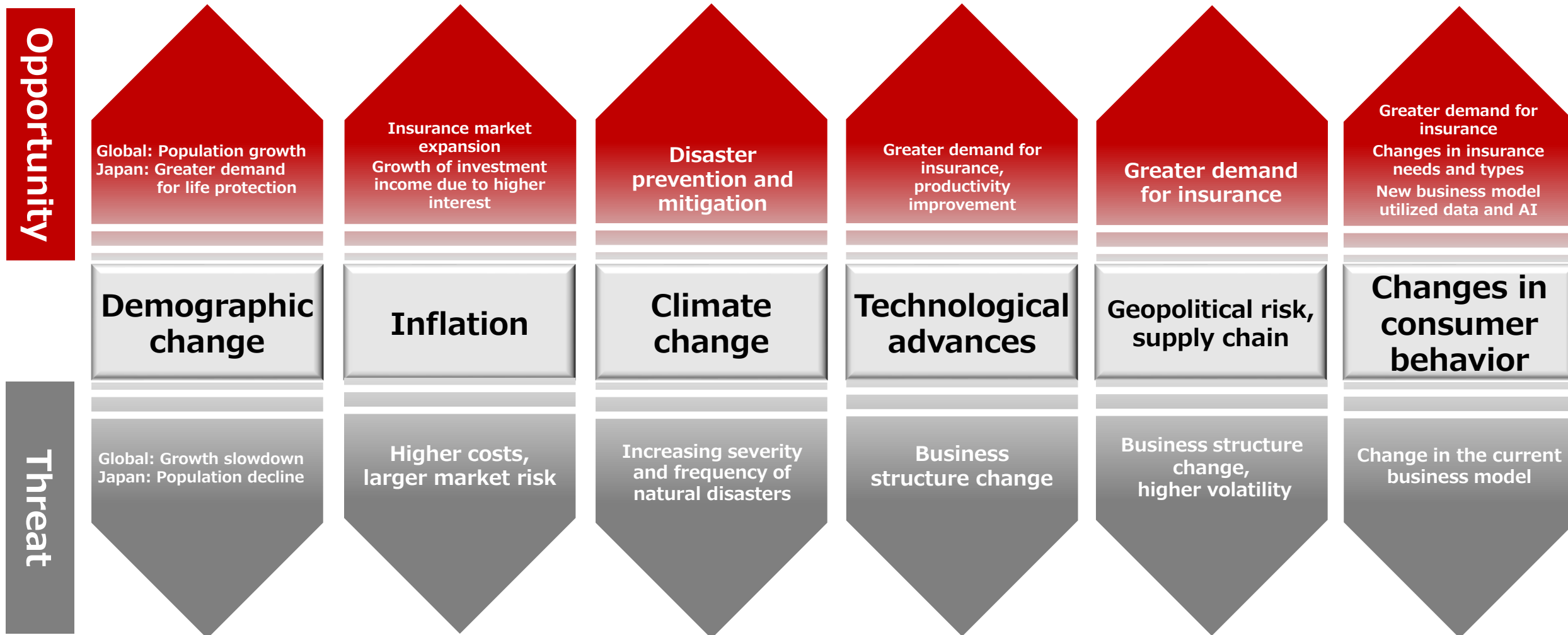
*1 IFRS basis, adjusted consolidated ROE excludes OCI, estimate for FY2023. ROE of Domestic P&C is based on current definition and KPI on IFRS basis will be set at the time of application of IFRS.

Aim to improve in risk diversification ratio of Group against FY2023. *2 Metric based on IFRS 17 as with new business value (before tax), estimate for FY2023. The same shall apply hereafter.

*3 Care operator business

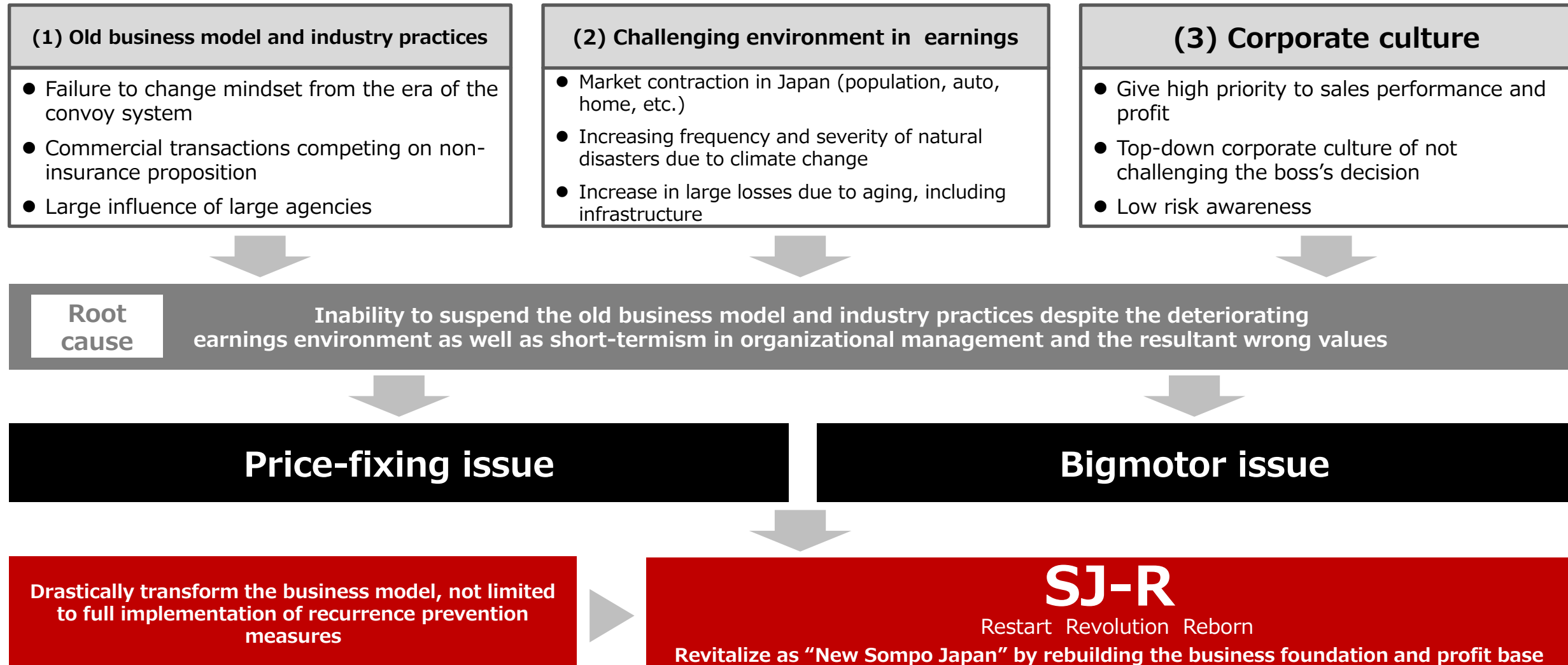
Challenges under the New Mid-Term Management Plan (1) Changes in the Business Environment

- The P&C insurance market in Japan will hit the ceiling due to population decline, and consumer behavior will change due to technological advances, sharing, etc.
- While the aging society may create new social needs, it may be impossible to address deepening social challenges only with insurance and nursing care alone



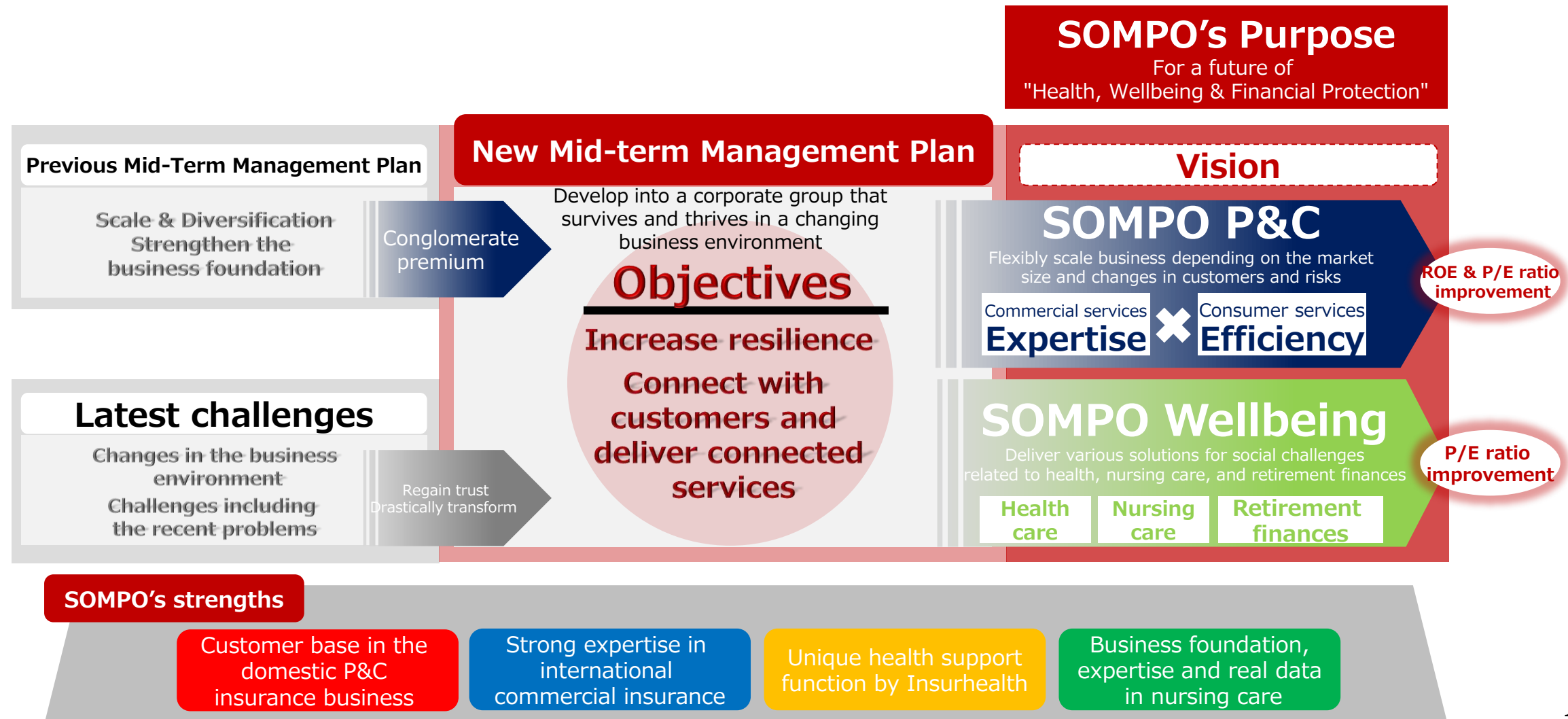
Challenges under the New Mid-Term Management Plan (2) Occurrence of the Recent Problems

- The root causes of the recent problems lie in short-termism and inability to break away from the old business model and industry practices despite the deteriorating earnings environment
- There is a pressing need to drastically transform the business model in addition to fully implementing recurrence prevention measures in the meantime



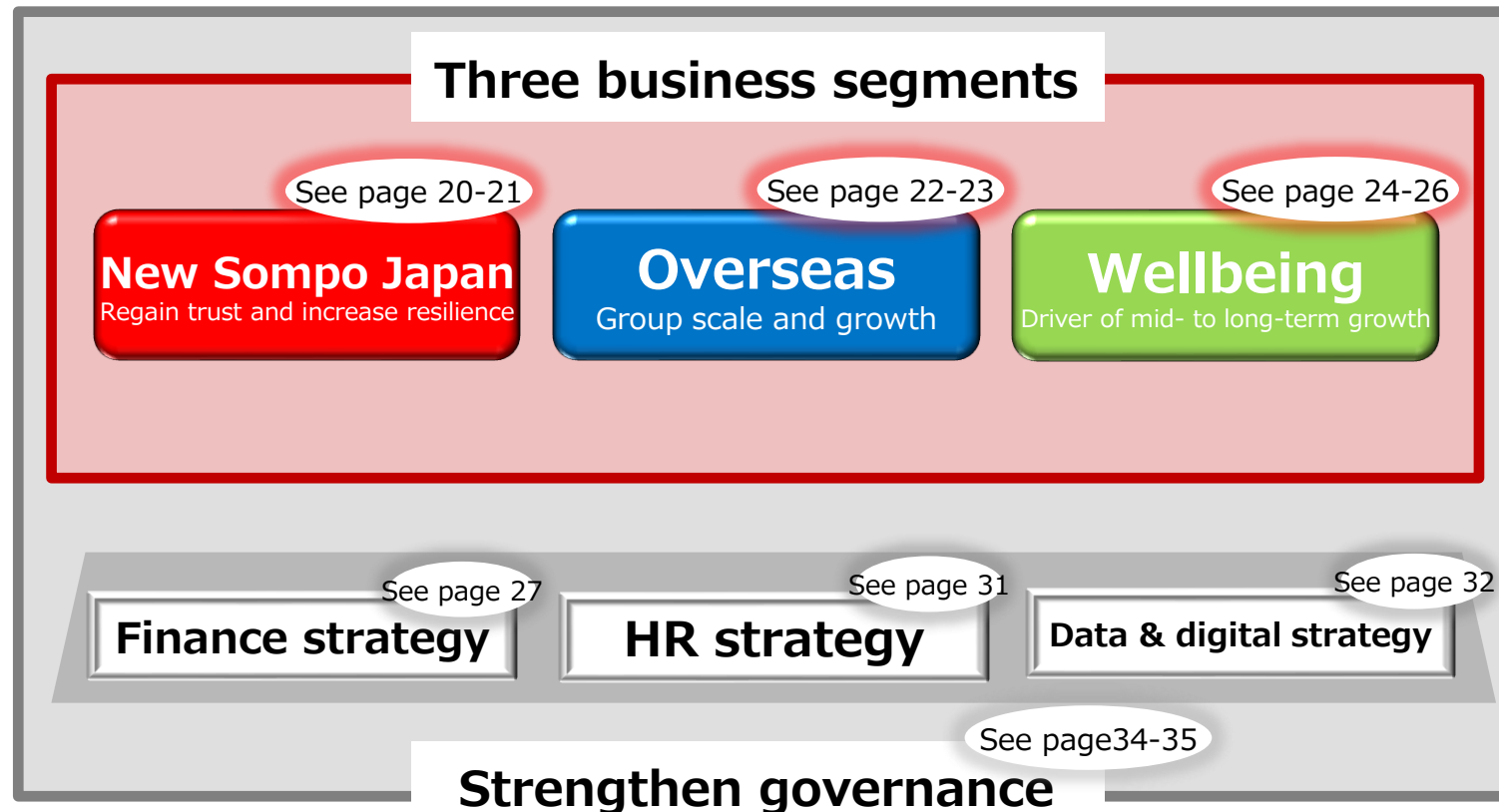
SOMPO Group Vision and Role of the New Mid-Term Management Plan

- For a future of "Health, Wellbeing & Financial Protection", the Group is developing into a corporate group that continues to deliver services
- Achieve the vision as soon as possible by "Increasing resilience" and "Connecting with customers and delivering connected services" under the new Mid-Term Management Plan, while addressing the latest challenges



Overview of the New Mid-Term Management Plan

- Aim to “increase resilience” and “Connect with customers and deliver connected services” under the new Mid-Term Management Plan by focusing on the three business segments
- Aim to improve the ROE as well as grow profits by making efficient use of group capital with strengthening governance



Objectives

Increase resilience
Connect with customers and deliver connected services

Numerical management target*

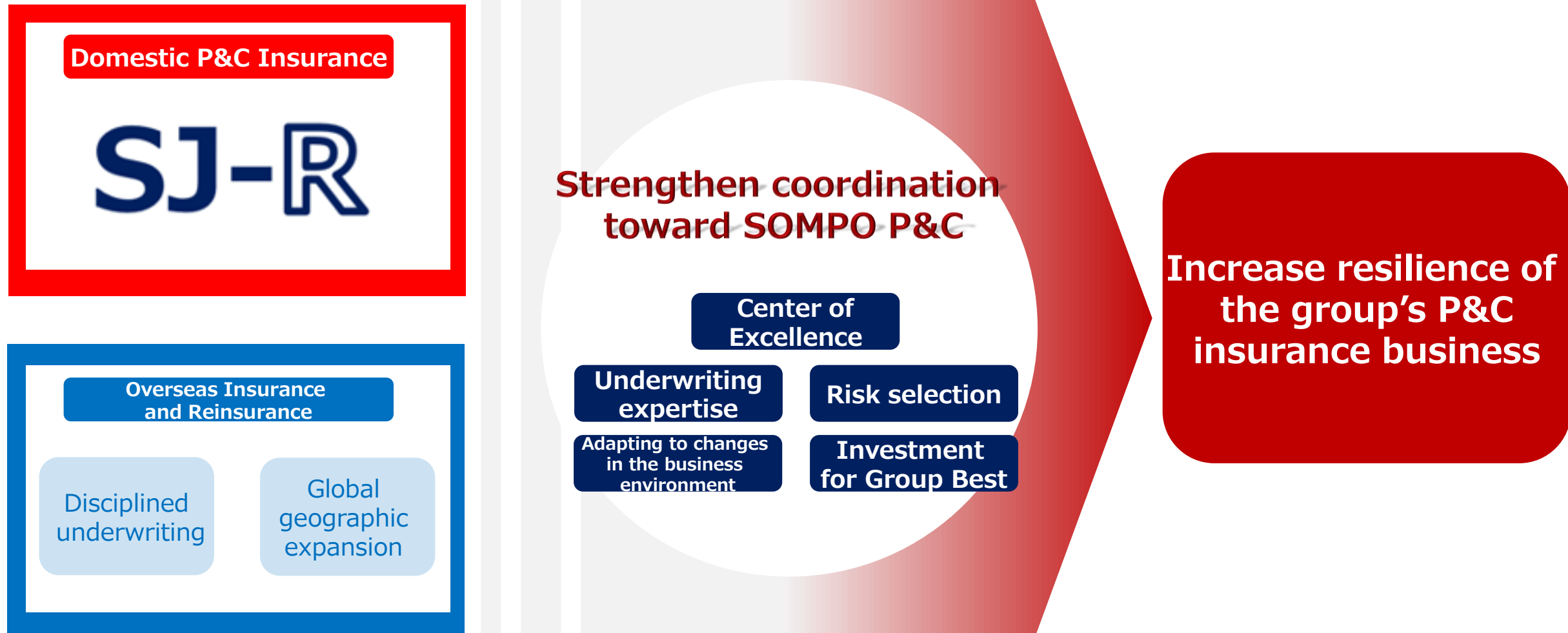
Adjusted consolidated ROE
 13-15%

Adjusted EPS growth
 12% +

* IFRS basis (excluding OCI)

Overview of SOMPO P&C

- Increase resilience of the domestic P&C business through “SJ-R” and overseas P&C insurance and reinsurance business through geographic business expansion and other initiatives
- Strengthen coordination between the domestic P&C insurance business and overseas insurance and reinsurance business to establish the Group’s P&C underwriting and investment organization at the highest global level



New Sompo Japan (1) Overview of "SJ-R"

- Transform the business model and break way from old industry practices by implementing the "SJ-R", while steadily executing the business improvement plan and regaining trust
- Reform operations and earnings structure under the new Mid-Term Management Plan to become a "highly unique and resilient P&C insurance company"

Reforms under the "SJ-R"

Portfolio & Sales reform

E/I combined ratio -4pt
(99%⇒95%)

Low profitability, stability, and flexibility

Financial management by segment

Profit-focused sales

High profitability, stability, and flexibility

Claims service reform

Strengthen detection of falsified claims through division of duties

Four priorities

Customer satisfaction

Payment adequacy

Efficiency

Employee satisfaction

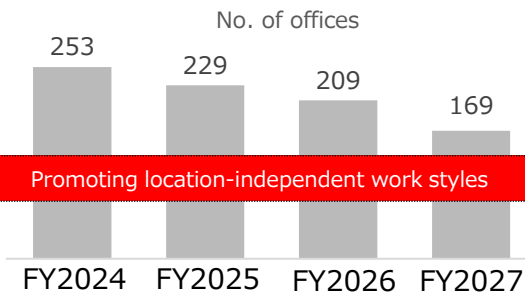
Improve productivity by centralization

Cost control through new work style

No. of offices vs. FY2023

-84

Large reduction in the number of offices



Drastic system cost savings

Further reforms

Comprehensive cost review

- ✓ Reorganization of related businesses
- ✓ Third-party alliance in non-competitive area

Specialization and standardization strategy

- ✓ Commercial: Improve expertise and risk solution service
- ✓ Retail: Improve standardization and productivity

Become a highly unique and resilient P&C insurance company

Culture change, governance, quality improvement, talent development, data-driven organization

New Sompo Japan (2) KPI

- Improve stability and flexibility as well as profitability under the SJ-R, and transform into a resilience business structure
- Implement the initiatives in each area to achieve the following quantitative targets by the end of FY2026

Improvement of profitability

Profit recovery through SJ-R

Reducing the risk amount (allocated capital) through reduction of strategic holding stocks

Improvement of ROE

KPI
(ROE*1)

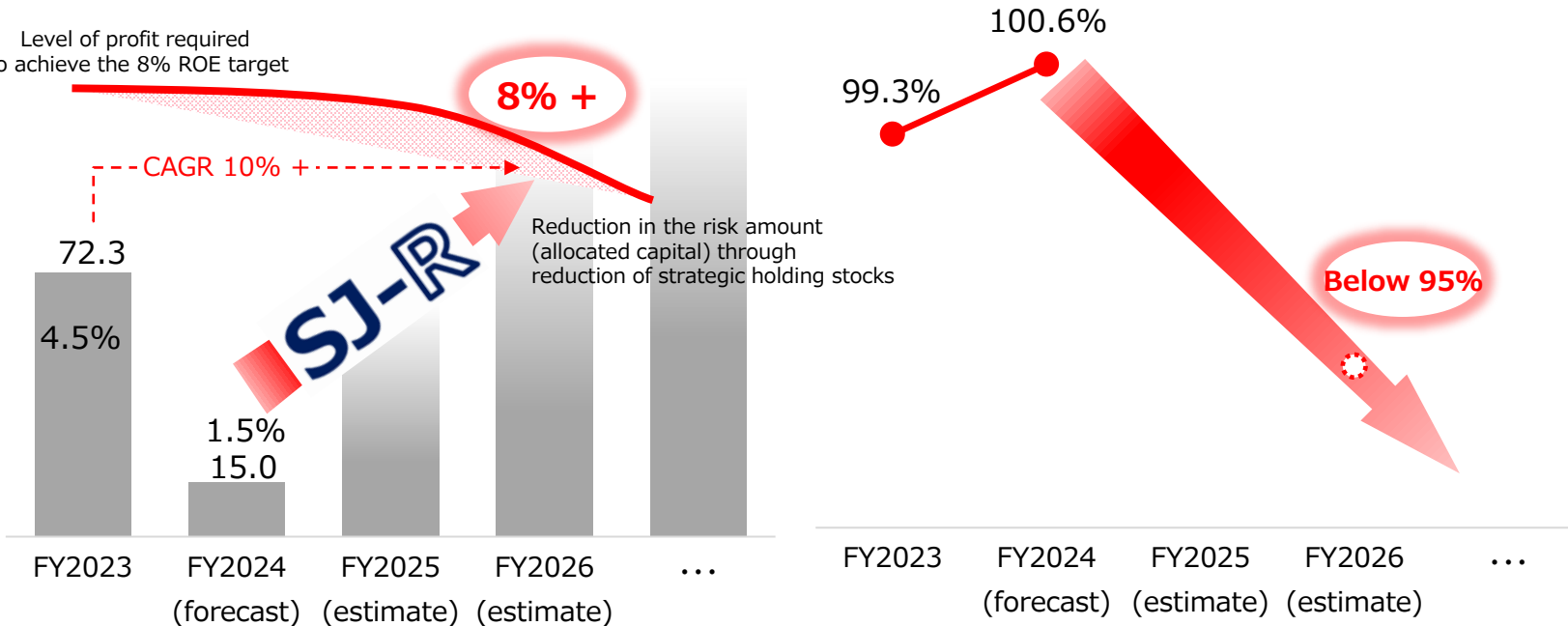
8% +
(FY2026)

KPI
(Combined ratio*2)

Below 95.0%

(¥ bn.) ● ROE ■ Adjusted profit

Level of profit required to achieve the 8% ROE target



*1 Current definition basis *2 E/I basis

Increase of stability

Step up efforts to control and reduce top risks

Japan typhoon risk

Plan to maintain or reduce

Strategic holding stocks

At least by ¥600.0 bn.
(Prepare for investment opportunities by further accelerating reduction)

Increase of flexibility

Large reduction in long-term contracts

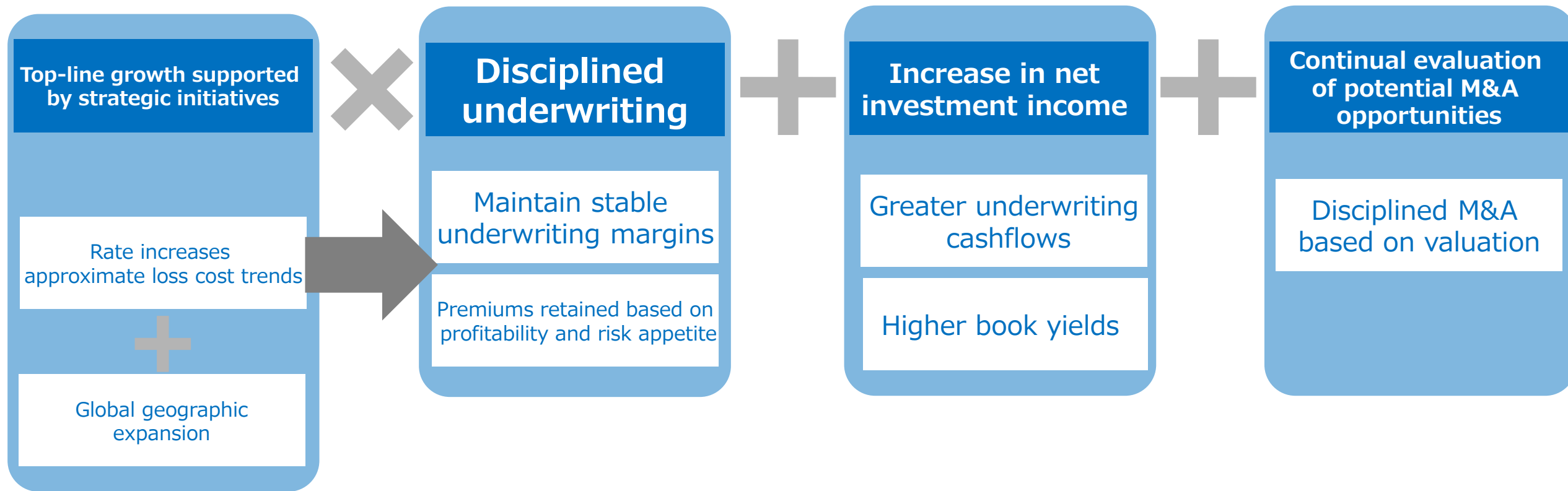


Reduce the ratio of long-term contracts +
Implement further drastic measures

Overseas Growth Strategy (1) Overview

- Continue to annually grow adjusted profits over the mid-term plan with gross premiums written growth supported by disciplined renewal of existing portfolio and contributions from growth initiatives
- Increase in net investment income through higher book yields and greater underwriting cashflows, while evaluating of potential M&A opportunities

Strategic Objectives FY2024 through FY2026



Overseas Growth Strategy (2) KPI

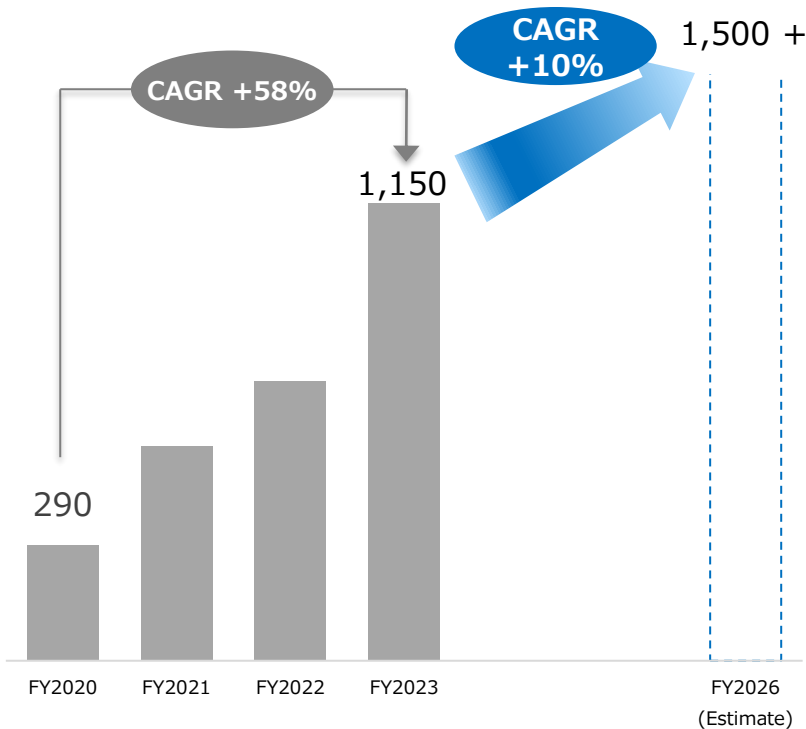
- Adjusted profit is expected to grow supported by expanding underwriting income and higher net investment income
- Strategic initiatives started in 2023 and continuing through the mid-term plan will generate top line growth and support profitable growth

Adjusted profit

KPI

CAGR + 10%

(\$ mn.)



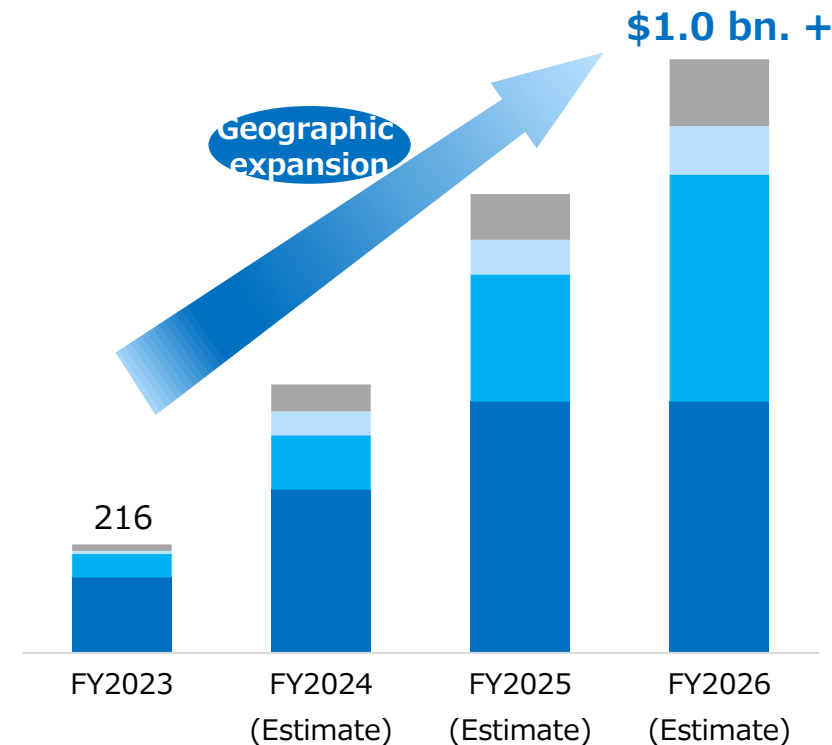
Gross premiums written (Strategic Initiatives)

KPI

\$1.0 bn. +

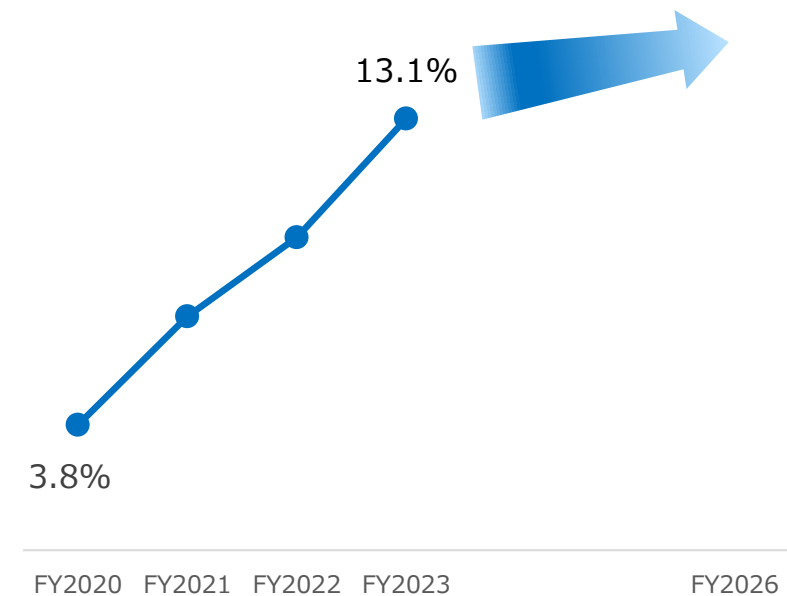
(\$ mn.)

■ Asia ■ Canada ■ Europe ■ US



ROE

KPI

13% +
(FY2026)

SOMPO Wellbeing (1) Overview

- Combine the customer base, strengths, and know-how of businesses of SOMPO Group, and connect products and services beyond business boundaries
- Build the wellbeing business foundation under the new Mid-Term Management Plan to address social challenges and for SOMPO Group to grow sustainable

Domestic Life Insurance

Grow the customer base
by combining insurance
and health support

Promote
Behavior change
for health

Nursing Care

Business
foundation
Expertise

Real data

Corporate wellness

Promoting healthy behavior
among employees
of business partners

Supporting health
management
for corporate HR

SOMPO Wellbeing

-At your side at all times-

Behavior change

Data analytics

Nursing care
business foundation

Domestic
customer base

**Connect customers
and services
for unique and
sustainable growth**

SOMPO Wellbeing (2) Addressing Social Challenges and Sustainable Growth

- Deliver solutions for extending healthy life expectancy by focusing on the group's health support service and top-level nursing care quality, brand, and customer base in Japan
- Deliver solutions to meet customer needs in depth and length to continue increasing LTV of each customer and for SOMPO to grow sustainably in the mid to long term

Deliver solutions throughout life (Continuous growth of life time value (LTV) and profit)

-At your side at all times-

Extension of healthy life expectancy and provision of emergency support by Insurhealth product

Specific health guidance,
medical checkup service, etc.

Wellbeing

Nursing care service (at facility, at-home)

New products and services to meet the diverse needs

Three concerns (Social challenges)

Health concern

Gap between average life expectancy and healthy life expectancy :

About 10 years

Financial concern after retirement

People who can prepare for retirement on their own:

10%

Nursing care concern

Family carers are likely to **decrease**
(Widening labor supply-demand gap in nursing care)

SOMPO Wellbeing (3) Domestic Life Insurance and Nursing Care Businesses

- The domestic life insurance business is expected to generate stable profits by focusing on insurance and service, increasing the number of customers, and strengthening health support.
- SOMPO will lead efforts to reform the nursing care industry, such as by improving quality and efficiency of operations by utilizing data and digital technologies, etc.

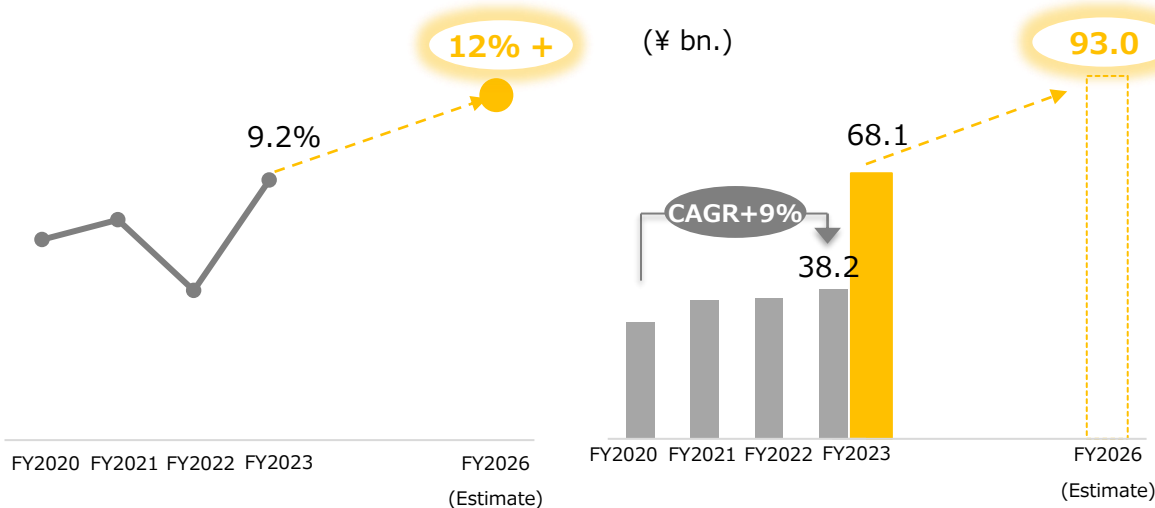
Domestic life insurance business

Differentiation as a health support company

Increase "Himawari clients/users*1" and strengthen health support

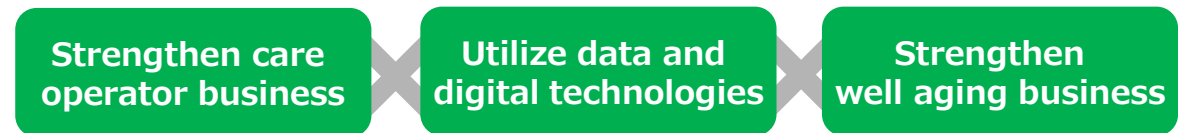


KPI (ROE*2)	12% + (FY2026)	KPI (New business CSM*3)	¥93.0 bn. (FY2026)
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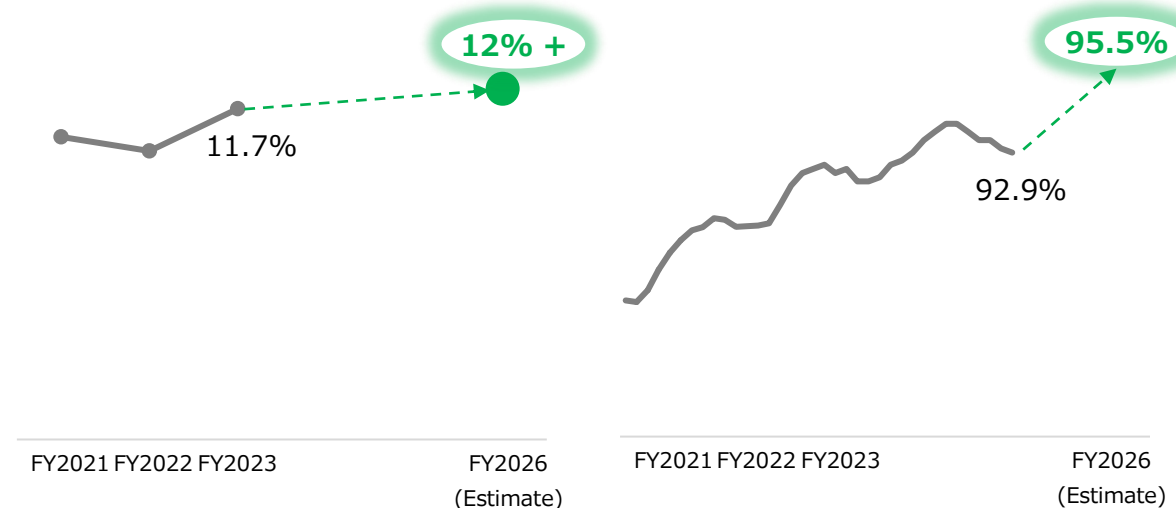


Nursing care business

Lead efforts to reform the nursing care industry



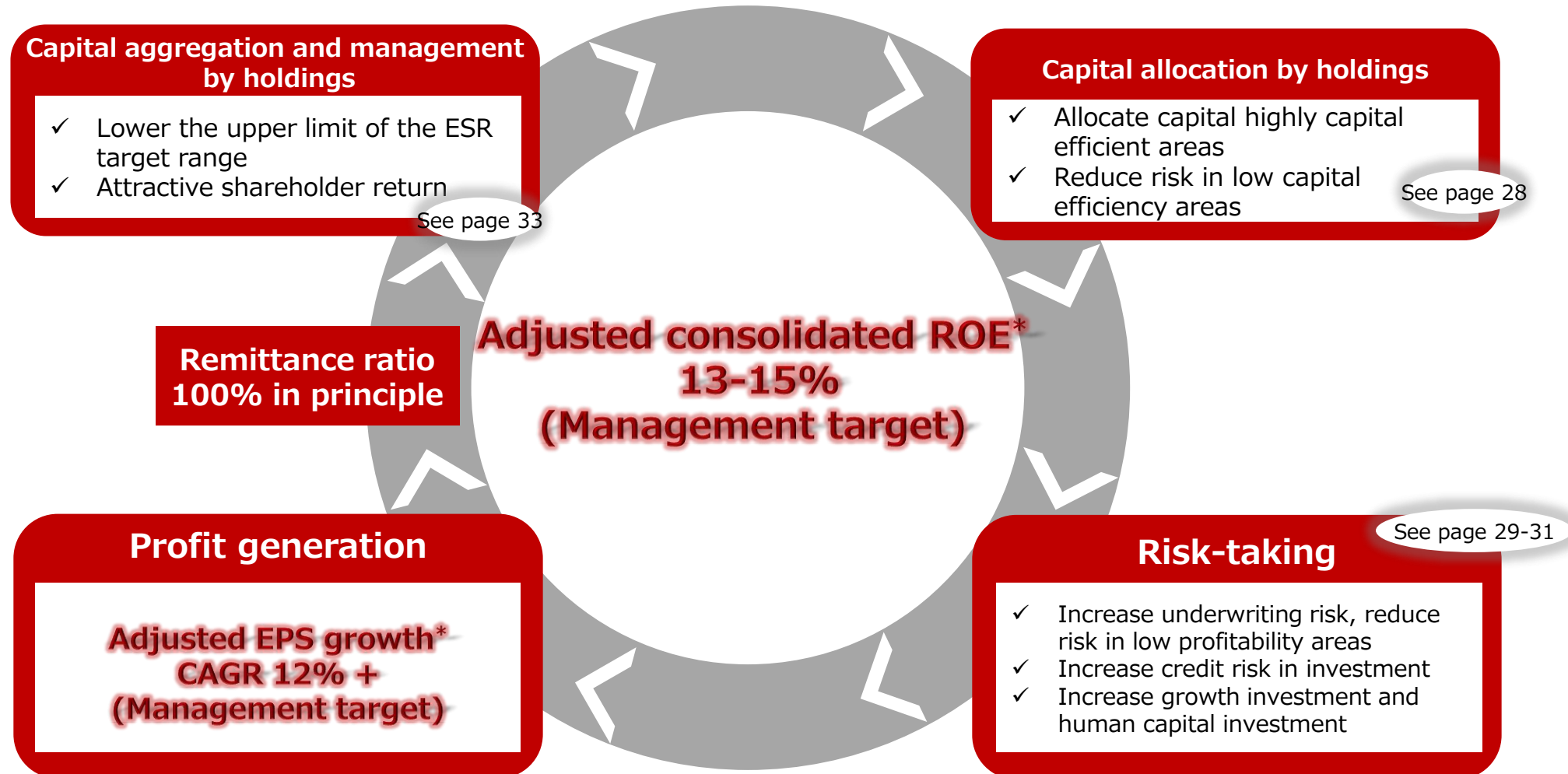
KPI (ROE*2*4)	12% + (FY2026)	KPI (Occupancy rate)	95.5% (end of FY2026)
-------------------------	--------------------------	--------------------------------	---------------------------------



*1 No. of policies in force + health-related service users. The same shall apply hereafter. *2 IFRS basis, figures before FY2023 are estimates
*3 Annualized premiums from new business (performance evaluation basis) *4 Care provider business

Finance Strategy (Promote Capital Circulation)

- Promote capital circulation further to increase resilience, build a connected society, and achieve management targets
- The upper limit of the ESR target range was lowered to 250% based on the increase in the ROE target

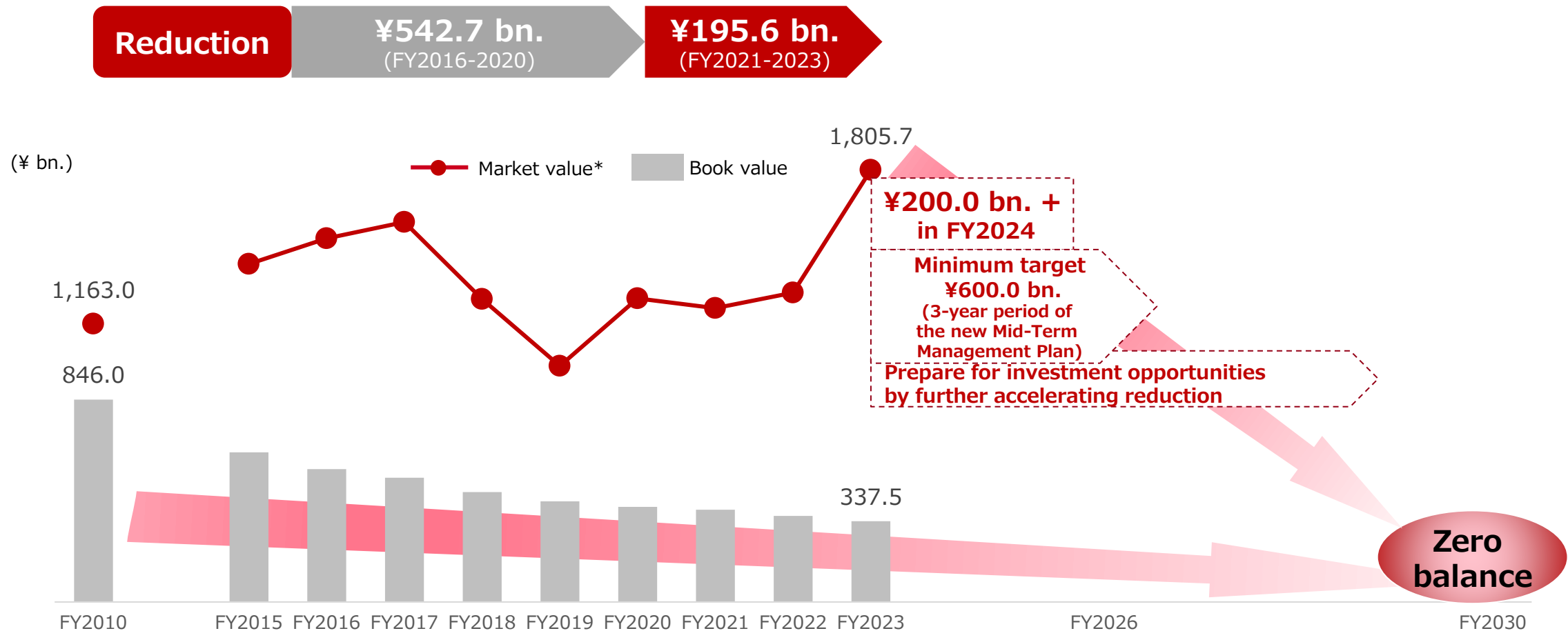


* IFRS basis (excluding OCI)

Risk Reduction: Accelerating the Pace of Reducing Strategic Holding Stocks

- Aim to reduce the balance of strategic holding stocks, a possible impediment to fair competition, to zero by FY2030 by focusing on listed stocks
- Reduce strategic holding stocks by ¥200.0 billion or more in FY2024, by ¥600.0 billion or more during the 3-year period of the new Mid-Term Management Plan, and aim to prepare for investment opportunities by further accelerating reduction and reduce the cost of capital (around 7%)

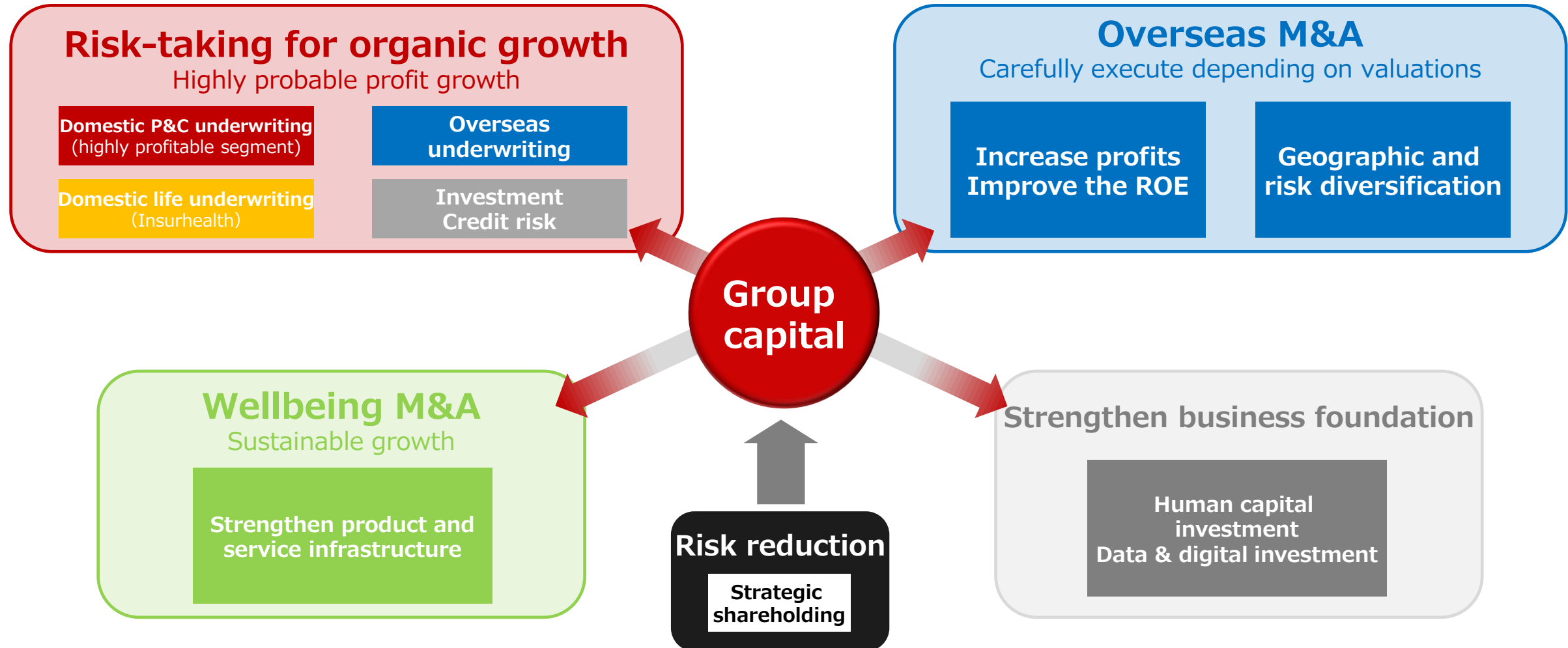
Balance and reduction of strategic holding stocks*



* Includes retirement benefit trust

Approach to Risk-Taking (Organic Growth and Growth Investment)

- Allocate cash and capital generated from risk reduction and profit growth to organic growth, M&A, and shareholder return in a well-balanced manner
- Use group capital to increase underwriting risk in highly profitable LOB, risk-taking in investment by increasing credit risk, M&A, and strengthen business foundation



Investment Strategy

- The Group investments contribute to increasing capital efficiency and resilience by further coordinating of operations across the Group and diversifying the portfolio by promoting the use of investment IT infrastructure
- Aim to steadily grow investment income through appropriate risk-taking by taking into account liability characteristics and liquidity

Previous MTMP

Balance risk reduction and profit growth

- ✓ Reduce risks (strategic holding stocks, interest rate risk) See page 10
- ✓ Create a conglomerate premium (credit investment)
- ✓ Establish Group investment infrastructure

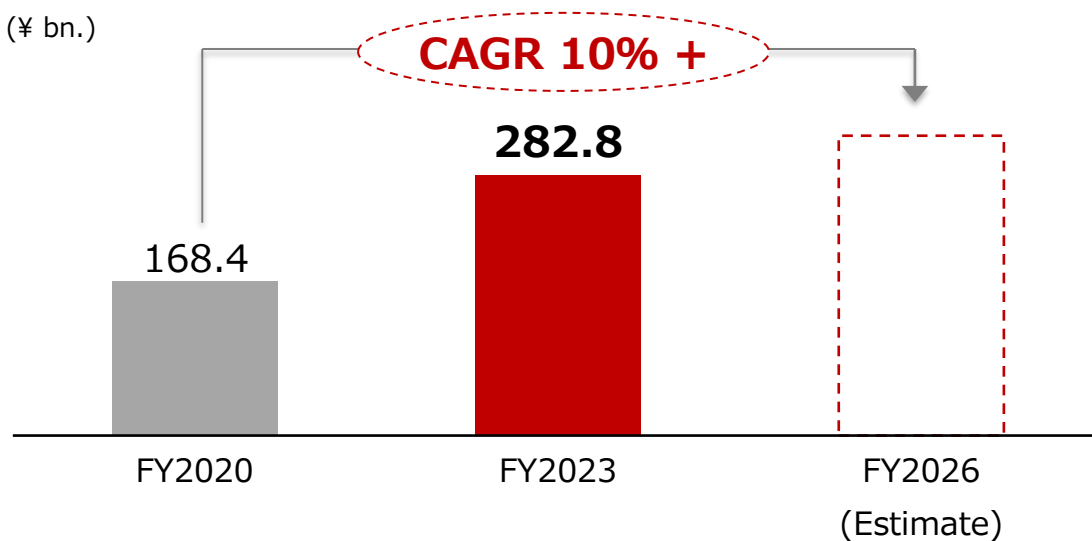
New MTMP

Coordinate operations across the Group

- ✓ Accelerate the pace of reduction of strategic holding stocks and reduce the balance to zero in FY2030 See page 28
- ✓ Improve risk-return profile by increasing international credit investment
- ✓ Improve Group investment governance and risk management

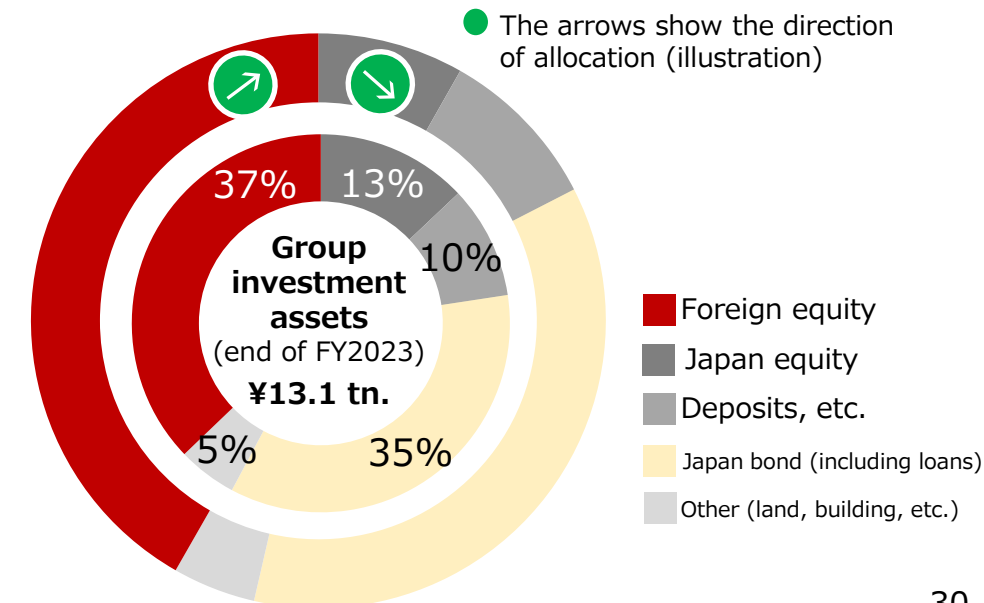
Group investment income*

(¥ bn.)



* Before tax, adjusted profit basis

Composition of group investment assets *Inner circle: FY2023 end, Outer circle: FY2026 end plan



Human Capital Investment

- Increase human capital investment to develop expertise of employees
- Continue delivering value as professionals to continue enhancing the Group's enterprise value

Increase human capital investment (about ¥30.0 billion)

Improve underwriting skills

**Develop health
and healthcare expertise**

**Increase practical
training in nursing care**

Develop digital and IT expertise

Pursue DEI

Deliver value as professionals

Continue enhancing the Group's enterprise value

Data & Digital Strategy

- Improve quality and productivity of each business and create more business opportunities by utilizing SOMPO's business foundation

Past initiatives

Contribution to each businesses

- ✓ Improve insurance underwriting result
- ✓ Utilize data for wide area disaster management
- ✓ Streamline operations by using AI (loss estimate, etc.)

Unique business area

- ✓ Set up a JV, use at SOMPO
- ✓ Increase client companies (FY2023: +50%)
- ✓ Grow into the largest car auction company in Japan that buys and sells total loss vehicles

Streamlining

Data-driven

IT/digital integration

Palantir Technologies Japan

SOMPO AUX

Initiatives under the new MTMP and beyond

- ✓ Review insurance underwriting and claims payment from the customer's perspective
- ✓ Data-driven portfolio reform
- ✓ Minimize manual operations
- ✓ Expand sales channels
- ✓ Strengthen and enlarge the business foundation

Group business foundation

Strategic alliance

 Palantir

 ABEJA

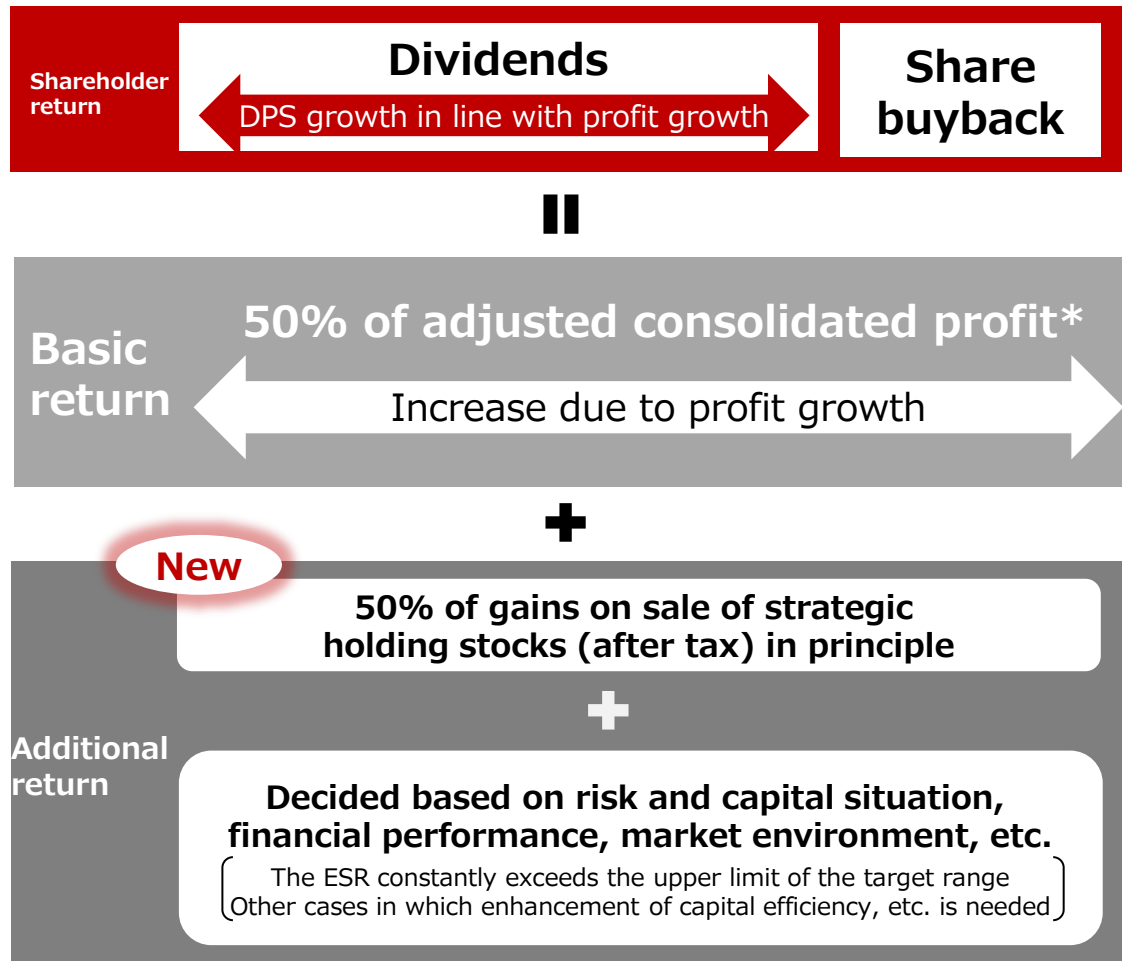
+

Specialists

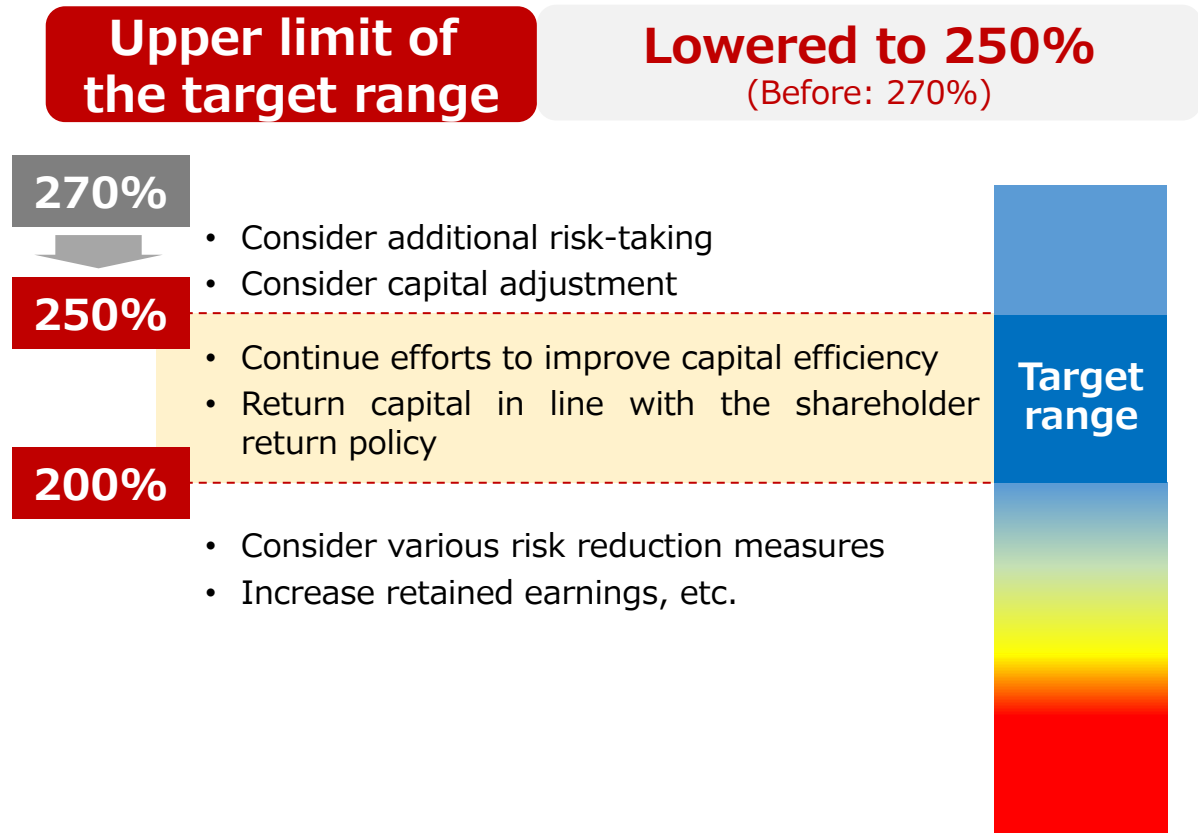
Shareholder Return Policy

- Increase shareholder return and improve predictability by delivering 50% of gains on sale of strategic holding stocks as supplementary return in addition to basic return
- Lowered the upper limit of the ESR target range to 250%, and steadily implement additional risk-taking and capital adjustment to improve capital efficiency

Shareholder return policy



ESR target range



* 50% of adjusted consolidated profit (IFRS basis, average of latest 3 years) after adopting IFRS

Governance Structure

- Sompo Holdings and Sompo Japan will visualize the process of initiatives and the Board of Directors of both companies will continuously monitor to make steady progress in the business improvement plans
- Sompo Holdings will increase the number of executives who also serve as Directors of business companies, operate the Headquarters as one with Sompo Japan, and strengthen the subsidiary management framework by the holding company
- The business companies will increase effectiveness of the Board of Directors by appointing non-executive Directors and reviewing operating procedures, and reinforce the autonomous PDCA cycle by focusing on the three lines of defense

Increasing the quality and effectiveness of Group governance

Board of Directors

Management

Sompo Holdings

Company with Nomination Committee, etc.

(From 2019)

- Transition to a company with Nomination Committee, etc.
- The Board is composed mainly of non-executive Directors
- The Nomination, Audit, and Compensation Committees oversee management from the external perspective (all chaired by non-executive Directors)

(From 2024)

- The Board is chaired by a non-executive Director
- Step up efforts to increase effectiveness of Board oversight
 - Strengthen coordination between the Audit Committee and Audit & Supervisory Committee/Board of business companies
 - Improve the quality and increase the frequency of management information sharing

- Increased executives in charge of internal control and established a new unit
- The Group CRO reports the progress in the business improvement plan, etc. to the Audit Committee on a quarterly basis
- The Group CxOs and business CxOs communicate frequently to share understanding (double hatting of some by the holding company executives)
- Increase specialization of the 2nd and 3rd lines of defense (talent acquisition & development, etc.)
- Strengthen oversight by sending in the Directors of business companies
- Strengthen financial planning & analysis

See page 35

Sompo Japan

Company with Audit & Supervisory Committee, etc.

- Separate business execution and management oversight, strengthen Board oversight
 - Transition to a company with Audit & Supervisory Committee, etc.
 - Appointed non-executive Directors (4 people)
 - The holding company executives also serve as Directors
 - Chaired by members other than the President and CEO
 - Revised the agenda and Board meeting frequency

- Ensure transparency in the decision-making process (established a Committee, developed internal rules)
- Clarify the responsibilities and authority of the CxOs
- Operate as one with the holding company (some functions)
- Step up efforts to create an open culture to use the voice of employees in business execution

The holding company supports the business companies in reinforcing the PDCA cycle from a groupwide perspective

Action

<Effective measures to increase the quality of management>

- Improve the quality from the customer's perspective based on best practices of the Group

Plan

<Develop achievable growth plans>

- Understanding of business environment and strategy for realizing the Purpose
- Appropriate headcount allocation to accomplish the plan
- Risk assessment for key measures

<Effective oversight and monitoring>

- Strengthen the three lines of defense
- Appropriate oversight by the Board of Directors and Committees

<Produce results by doing the right thing>

- Strengthen the compliance framework
- Put values into action based on the guiding principles

Check

Do

Recurrence Prevention Measures (Main Progress)

- Sompo Japan is implementing effective recurrence prevention measures under the governance framework which was strengthened following Board approval
- The expert panel of the Financial Services Agency is discussing revision of industry rules and practices in response to the BM and price-fixing problems

Key points in strengthening the governance framework of Sompo Japan

Bring in external perspectives, improve the framework to strengthen Board oversight

- SJ became a company with Audit & Supervisory Committee, etc., appointed non-executive Directors, and revised Board composition

Clarify the proposal guidelines to the Board, etc. and establish Committees

- A mechanism that enables relevant members to have necessary discussions without holding back negative information

Clarify the mission (expected roles), responsibilities, and authority of executives

- Appointed the Chief Quality Officer (CQO), etc. and put responsibilities and authority into internal rules

Double hatting by the holding company executives in key areas

- 6 Directors (3 Directors including the Chair are non-executive Directors), 4 CxOs/Executive Officers

Recurrence prevention measure in response to the BigMotor issue (example)

Change the management mindset and develop talent to get a better customer's perspective

- Appointed the Chief Culture Officer (CCuO) and established the Culture Transformation Department

Reorganize the structure by focusing on operational quality and comprehensively review and improve the evaluation system

- Established the Quality Management Department
- Made the agency commission system more quality-focused

Comprehensively review and reorganize the claims service departments

- Develop a draft process that ensures customer satisfaction, payment adequacy, efficiency, and employee satisfaction

Recurrence prevention measure in response to the price-fixing issue (example)

Improve the environment for fair competition in commercial insurance

- Decided to reduce the balance of strategic holding stocks to zero
- Progress made in discussions to abolish client business support

Establish a proper sales structure and underwriting management framework

- Change to a sales evaluation system focused on profitability and quality

Establish a compliance framework, including the Antimonopoly Act

- Separate the Compliance Department from the Corporate Legal & Compliance Department and strengthen the functions

The Business Improvement Plan Committee checks the progress on a monthly basis

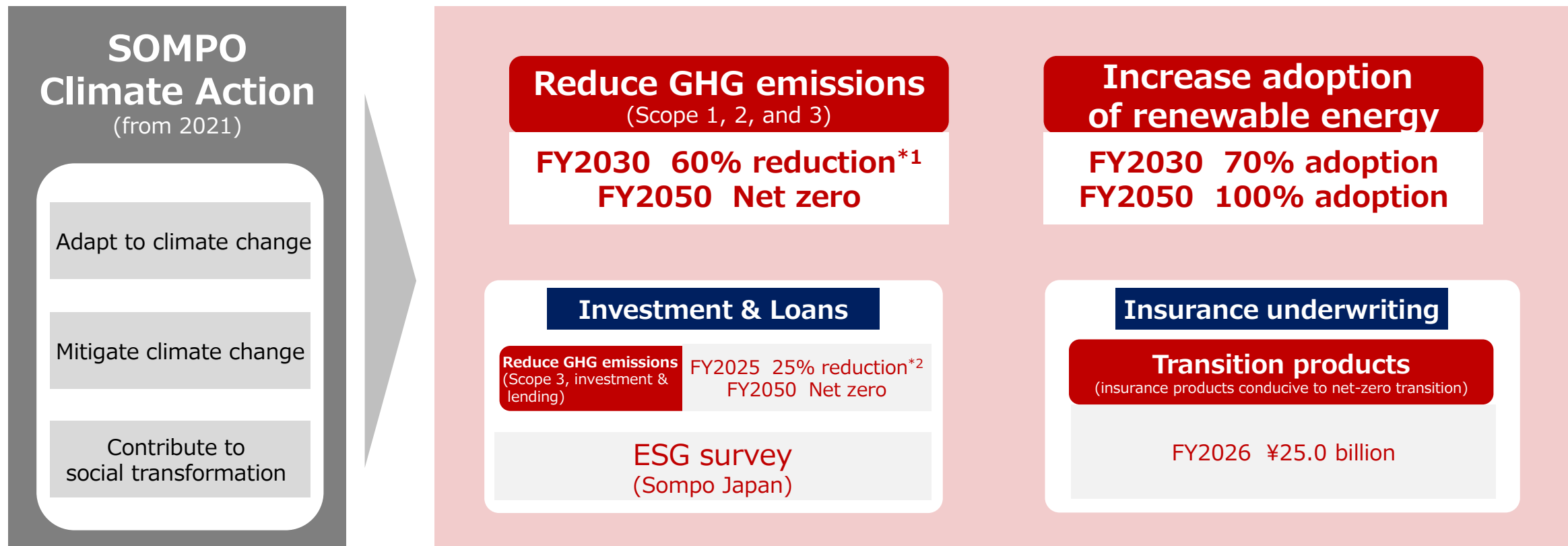
Fixed point observation of employees' values and behavior change

Monitoring by a third party (TBD)

ESG (Sustainability : Climate Action)

- SOMPO Group will continue to proactively work as one to contribute to addressing social challenges through business and on priority areas, including climate change, to realize a sustainable society

SOMPO Climate Action and roadmap

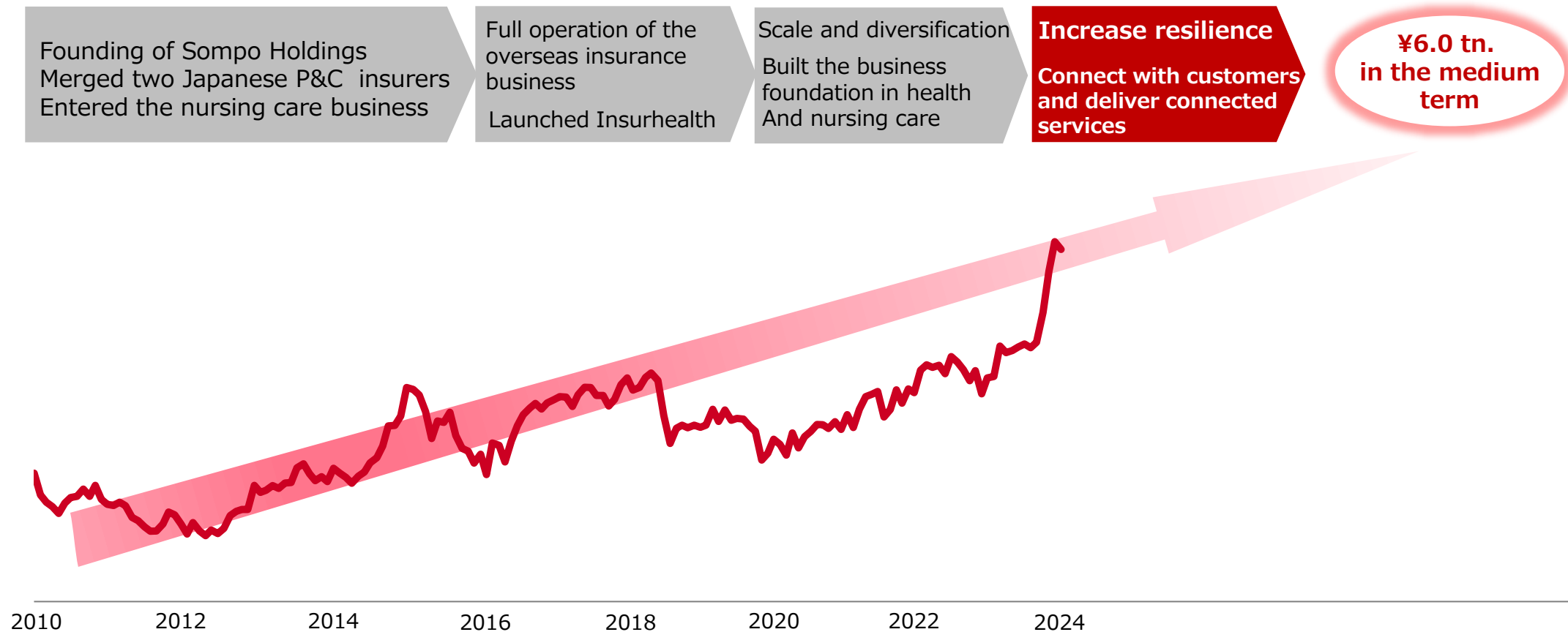


*1 Compared with 2017 *2 Compared with 2019

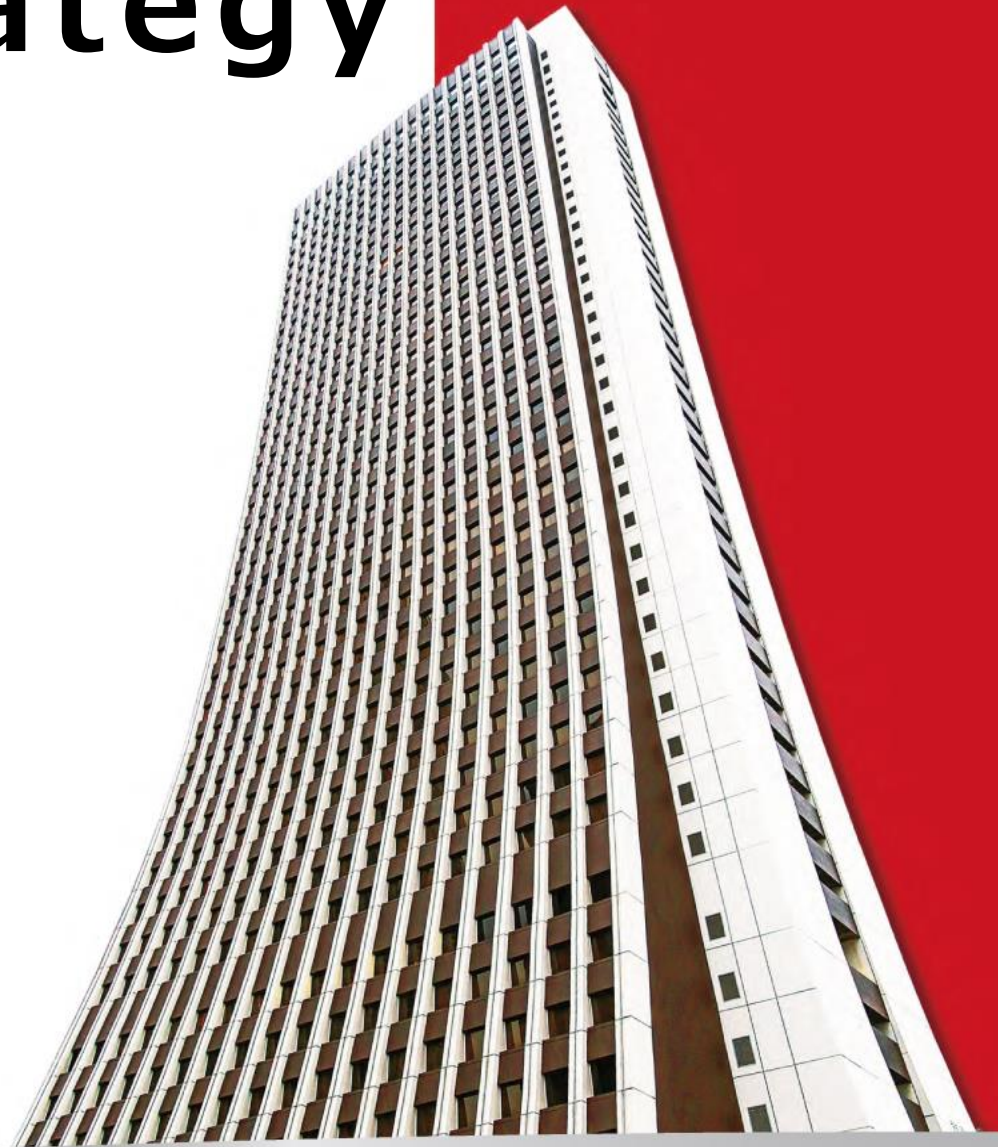
Enhance Enterprise Value and Valuations while Growing Sustainably

- Grow sustainably by achieving “increase resilience” and “connect with customers and deliver connected services” and promoting circulation of capital with reduction of the cost of capital
- Push up enterprise value (market cap) to around ¥6.0 tn. in the mid to long term

Market cap of Sompo Holdings



III. Business Strategy



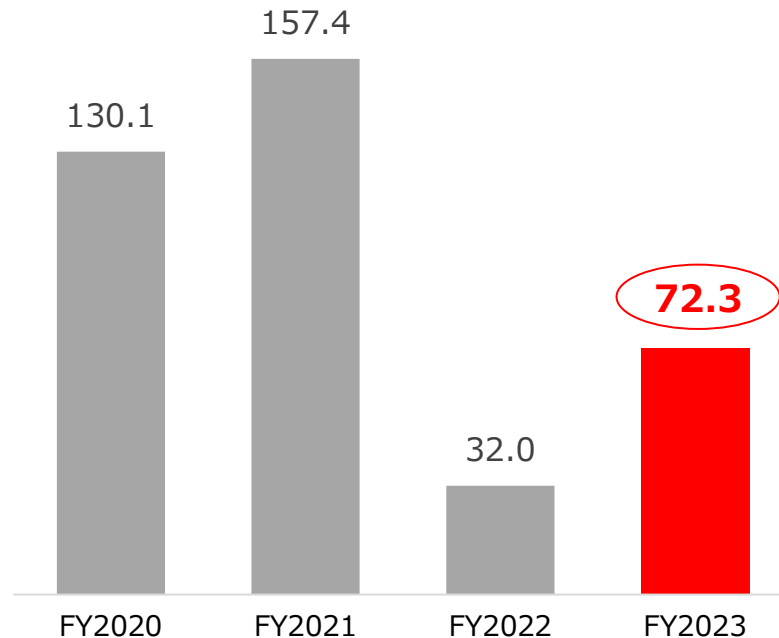
New Sompo Japan (1) Review of the Previous Mid-Term Management Plan

- Adjusted profit was less than planned mainly due to an increase in Nat Cat losses and higher cost of repair in auto insurance, while the reduction of strategic holding stocks exceeded the initial plan target.
- While a decline in large losses provided a temporary tailwind, underwriting income in fire insurance turned positive owing to efforts so far to improve profitability.

Adjusted profit

Previous MTMP KPI (FY2023 plan)
¥150.0 billion or more

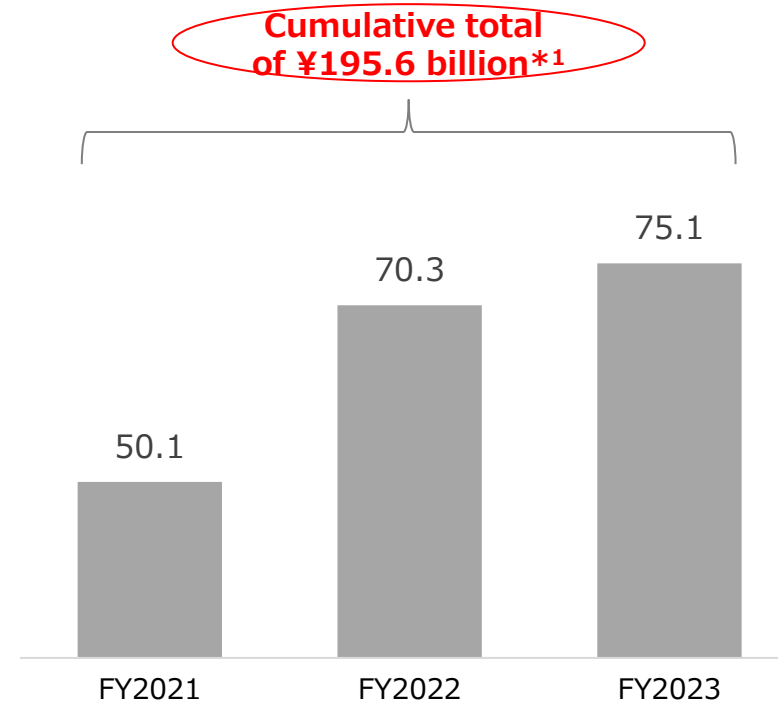
(¥ bn.)



Reduction of strategic holding stocks

Previous MTMP KPI (Cum. total)
¥150.0 billion **Achieved**

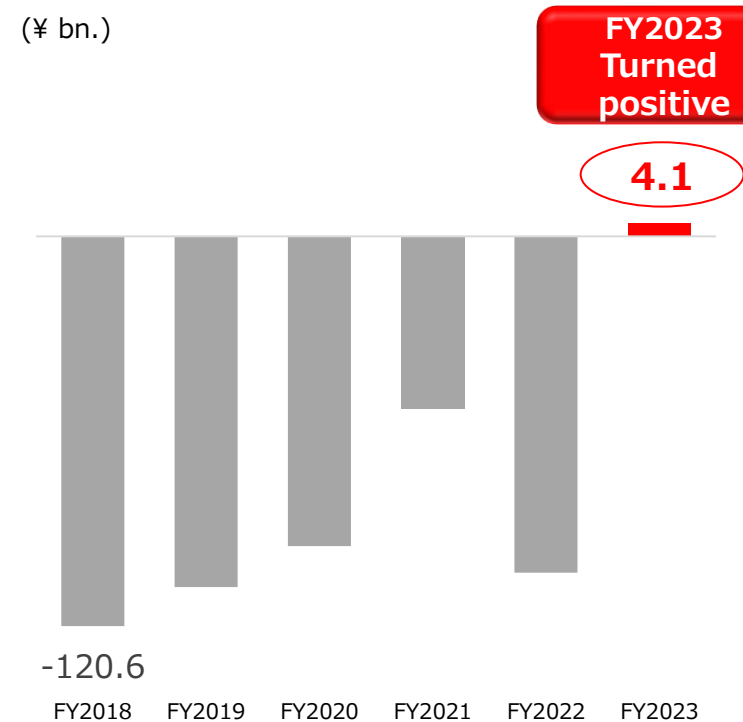
(¥ bn.)



Underwriting result in fire insurance improved

Underwriting income in fire insurance*2

(¥ bn.)



*1 Includes sale by the Board Benefit Trust

*2 Excludes net provision for catastrophic loss reserves

New Sompo Japan (2) Main KPIs of the New Mid-Term Management Plan

- In FY2026, the ROE of the domestic P&C insurance business is expected to return to 8% or higher due to the SJ-R effect, reduction of strategic holding stocks risk, etc.
- In FY2026, the E/I combined ratio is also likely to improve to below 95% (-4pt vs. FY2023 actual) since various initiatives, including portfolio reform, would take effect

ROE

KPI (FY2026 forecast)	8% or higher
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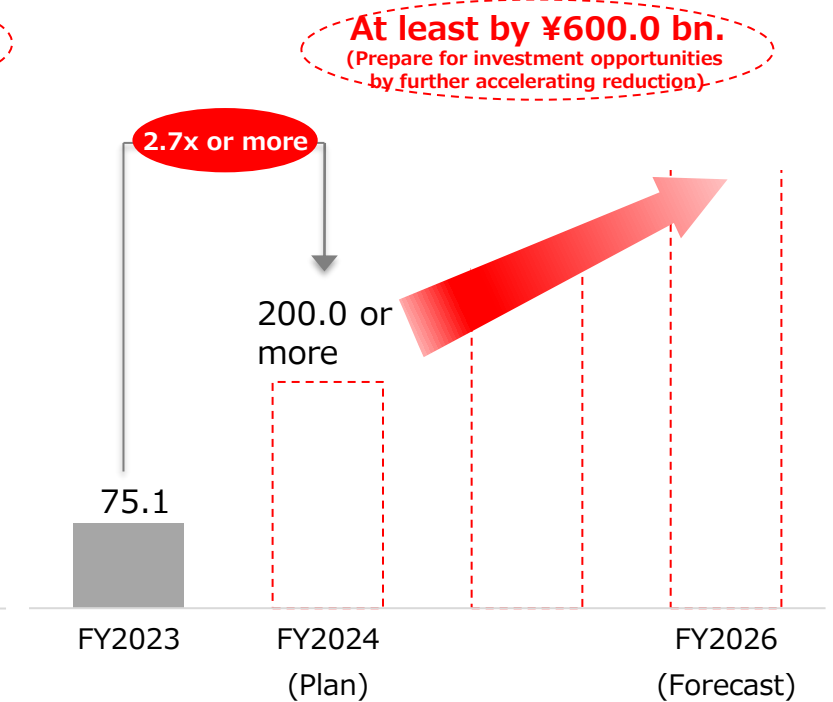
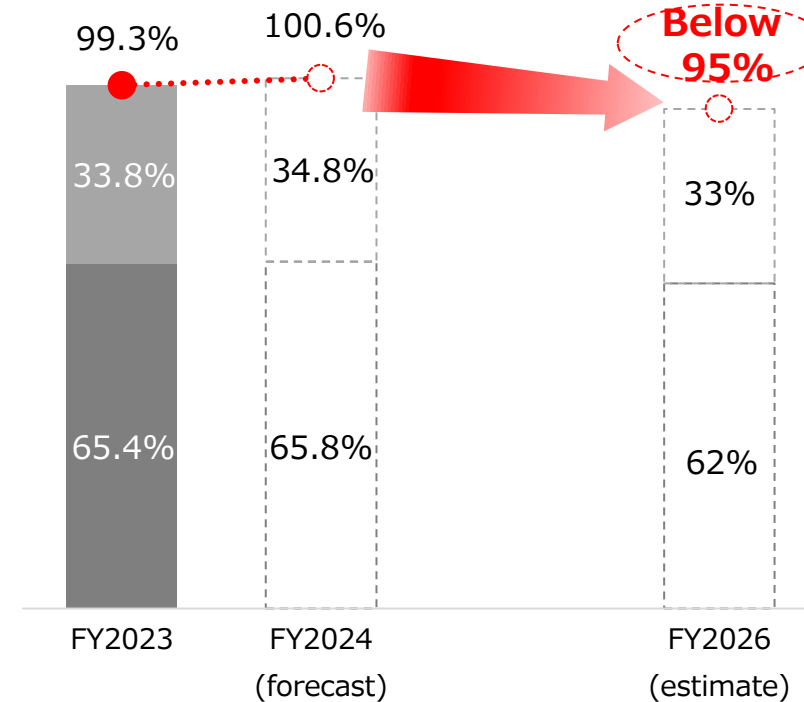
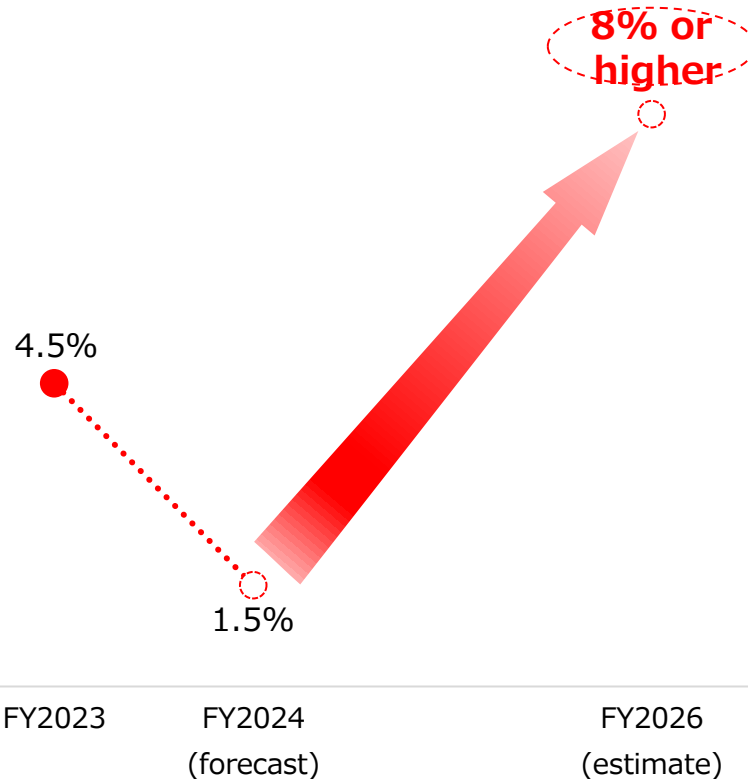
E/I combined ratio

KPI (FY2026 forecast)	Below 95%
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Reduction of strategic holding stocks

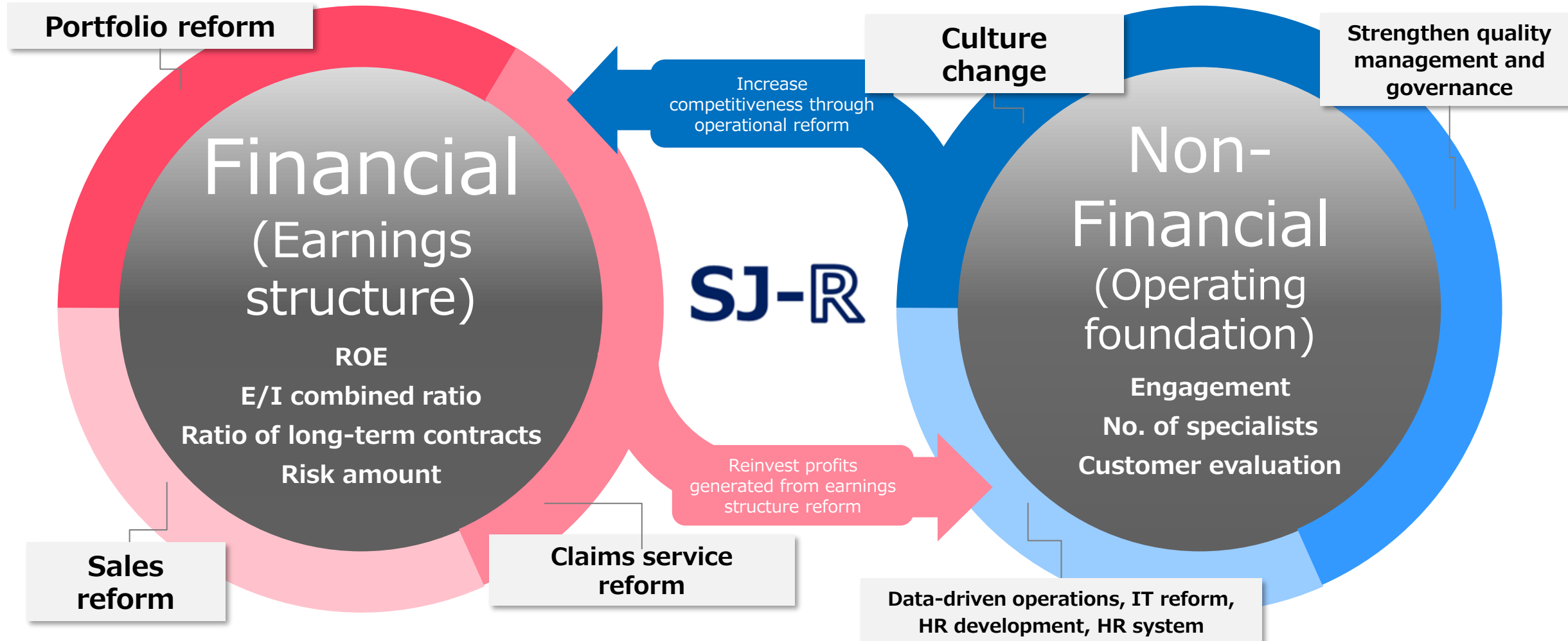
KPI (Cum. total)	At least by ¥600.0 bn. (Prepare for investment opportunities by further accelerating reduction)
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(¥ bn.)



New Sompo Japan (3) Overview of SJ-R

- The goals of SJ-R is to realized sustainable growth by reforming the earnings structure to increase profitability and resilience as well as operating foundation



New Sompo Japan (4) Portfolio Reform

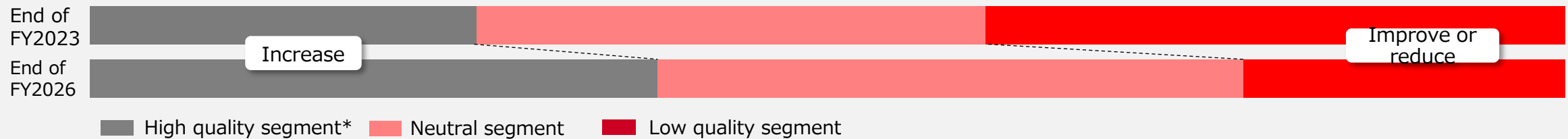
- Aim to improve the portfolio in terms of profitability, flexibility, and stability
- Control the portfolio through pricing, underwriting, resource allocation, sales evaluation, etc. based on financial management by segment

Profitability (Combined ratio)

Flexibility (LT contract ratio)

Stability (Risk amount, etc.)

Portfolio reform



Action plan by segment

High quality segment

Below the target combined ratio

Maintain or reduce rates

Increase sales

Focused investment

Add-on adjustment in sales evaluation

Neutral segment

Around the target combined ratio

Maintain or increase rates

Disciplined underwriting

Low quality segment

Above the target combined ratio

Increase rates

Revise underwriting T&C

Reduced investment

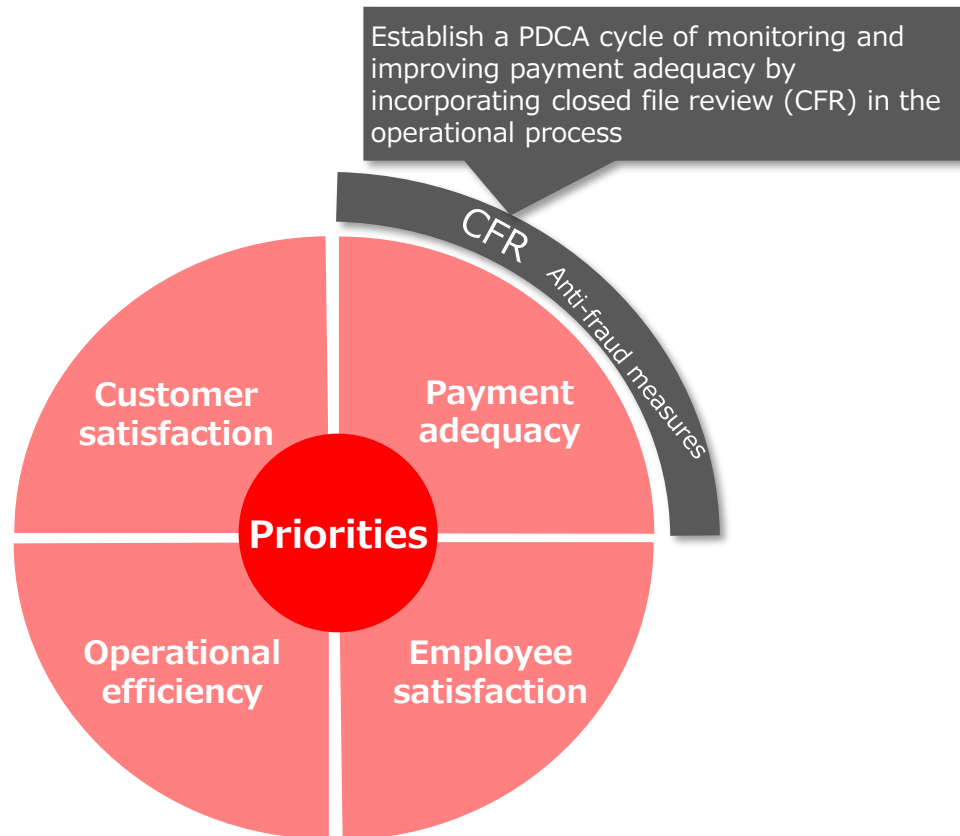
Deduction adjustment in sales evaluation

* The above segments differ from LOB segmentation. Classified based on risk amount, long-term contract ratio, etc. not just profitability.

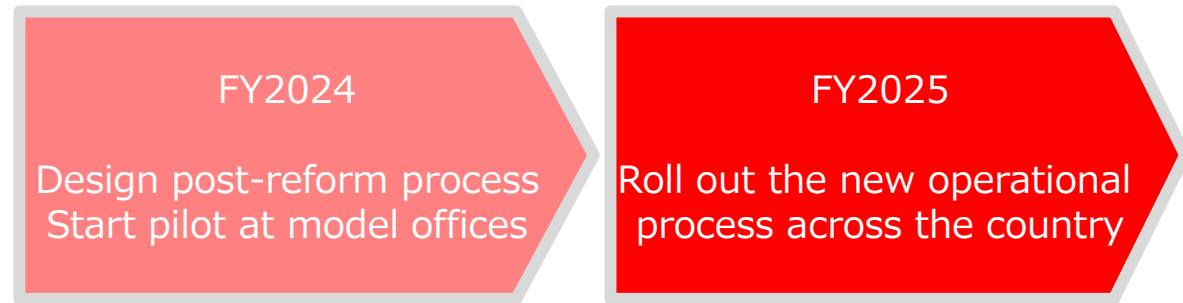
New Sompo Japan (5) Claims Service Reform

- Four priorities in claims service are “customer satisfaction”, “payment adequacy”, “efficiency”, and “employee satisfaction”
- Improve payment adequacy through CFR as well as reform claims service through standardization, concentration, division of duties, specialization, and visualization

Priorities in claims service



Main reform initiatives



Standardization	Centralized control by the Headquarters Standardize operations across the country
Concentration	Concentrate claims service across the country into regional unit Flexible allocation of resources depending on changes in demand
Division of duties, specialization	Division of duties by claim type Service by the specialist in respective area
Visualization	Build a mechanism for data gathering Enable real-time evaluation and examination of initiative outcome

New Sompo Japan (6) Sales Reform

- The sales departments will contribute to portfolio reform through insurance sales activities
- Aim to increase value added by focusing on high-level standardization and productivity improvement in retail sales, and increasing specialization in commercial sales

Contribute to portfolio reform through sales

Retail sales

The domestic market is likely to shrink due to population decline.
Adapt to changes in the business environment through high-level standardization and productivity improvement

High-level standardization

- Strengthen knowledge management
- Introduce action proposal tools

Productivity improvement

- Integration of units and offices
- Consolidation of sales operation
- Concentration of agency support

Commercial sales

The market continues to expand driven by the growth of specialty insurance, etc.

Aim to increase profit, primarily by increasing specialization

Increase specialization



Account Manager

First point of contact for client companies



Field Underwriter

Member of the product/UW department and directly negotiates with client companies, brokers, etc.



Risk Solution Supporter

Specialist in surveys and various risk management services

Consider further measures to increase value added, including third-party alliance and M&A

Change to a sales evaluation system focused on profitability and quality

Reduce strategic holding stocks to zero in FY2030

Abolish excessive client business support

New Sompo Japan (7) Operational Reform (Culture Change, Strengthening Quality Management)

- Reform operating foundation through culture change, strengthening quality management, etc. to regain trust and for sustainable operations
- Establish a framework for quantitatively monitoring improvement and change by clarifying the definition and setting KPIs

Culture change

[SJ-R Value]

Dedicated to the customers and society

Our five commitments

- Act fairly and impartially by giving first priority to trust of customers and society
- Stand by customers together with the agencies to assist in lives and society
- Focus on quality and work to improve "speed" and "ease of understanding"
- Proactively learn and improve expertise to pursue the fundamental value of insurance
- Build the future of insurance by leveraging diversity and individual capabilities

[Culture change steps]

Verbalize culture : Establish universal values by the end of FY2024

Visualize culture : Conduct a culture change survey

Share culture : Incorporate into departmental/branch office plans

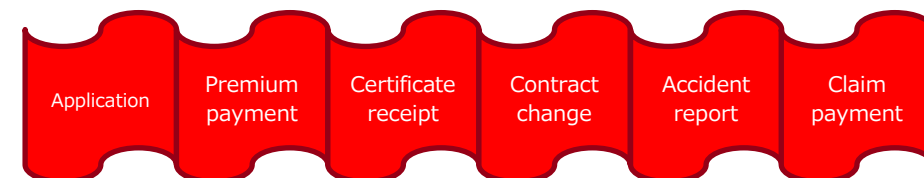
Reminder mechanism : Set a "day to think about customers"

Strengthening quality control

Define minimum quality standards to be maintained and monitored by a specialized department



Uncover needs and area of improvement from all customer touchpoints, and set specific KPIs for quality management



New Sompo Japan (7) Operational Reform (Data-Driven Operations, Human Capital Investment)

- Promote data-driven operations by strengthening the data infrastructure for implementing reforms under SJ-R
- Make steady efforts to improve profitability in the medium term by strengthening talent development and human capital investment to improve employee skills

Data-driven operations

Give priority to develop data infrastructure for the underwriting and claims service departments to implement reforms

What

Data management and analysis

- Timely and multifaceted financial management by segment
- Cost per claim monitoring for payment adequacy and fraud detection, etc.

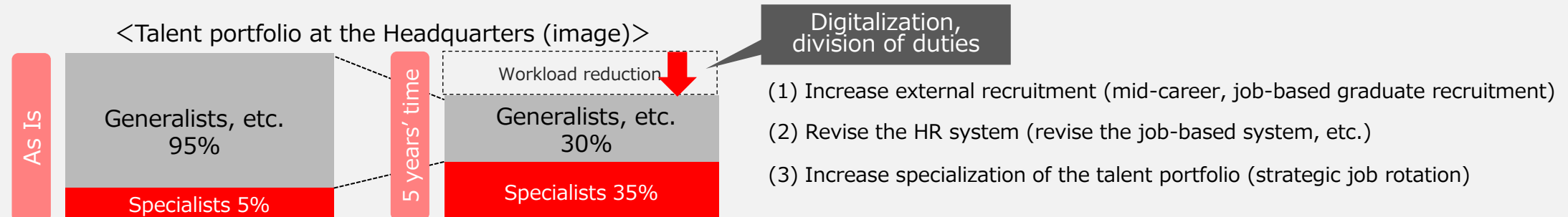
How

Realize in order of priority a state where necessary data can be automatically obtained from the system by utilizing Foundry, etc.

Continue developing the data infrastructure in FY2025 onwards

Human capital investment, talent development

Turn the talent portfolio comprising mostly of generalists into a well-balanced portfolio with specialists, increase human capital investment



Overseas Insurance and Reinsurance Business (1) Review of Previous Mid-Term Management Plan

- Adjusted profit and gross written premiums meaningfully exceeded the mid-term plan targets
- The combined ratio improved significantly and even after accounting for the unanticipated effects of inflation, funding of the recently approved overseas strategic initiatives and the challenging U.S. agriculture growing conditions

Ajusted profit



(¥ bn.)

**CAGR
+76%**

163.1

30.0

61.8

93.3

FY2020

FY2021

FY2022

FY2023

Gross written premiums (SI Commercial*1)



(\$ mn.)

**CAGR
+15%**

14,370

9,354

12,272

13,484

FY2020

FY2021

FY2022

FY2023

Combined ratio*2 (SI Commercial)



(%)

96.4

92.8

92.4

91.8*3

FY2020

FY2021

FY2022

FY2023

*1 For FY2023, the commercial business within Sompo Sigorta, Sompo Seguros and Asia subsidiaries is included within SI Commercial and represented \$871 million of gross premiums written

*2 Excl. corporate expense

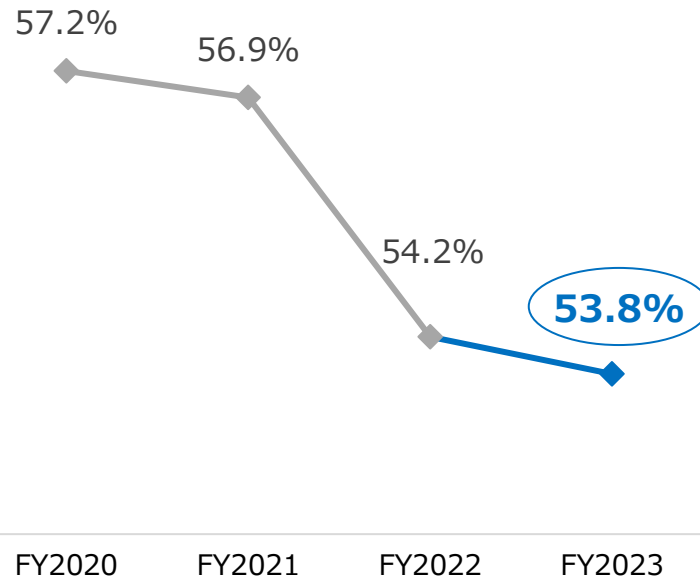
*3 Excludes one-time FY2023 reserve increase which has a related impact of 6.4 pts. on the loss ratio

Overseas Insurance and Reinsurance Business (1) Review of Previous Mid-Term Management Plan (Improving Profitability and Stability)

- Strengthened profitability and the balance sheet for future years by achieving rate increases in excess of loss costs, adjusting premiums retained based on profitability and risk appetite, while strengthened reserves
- A larger, globally diversified portfolio has stabilized the impact of catastrophe losses on the combined ratio

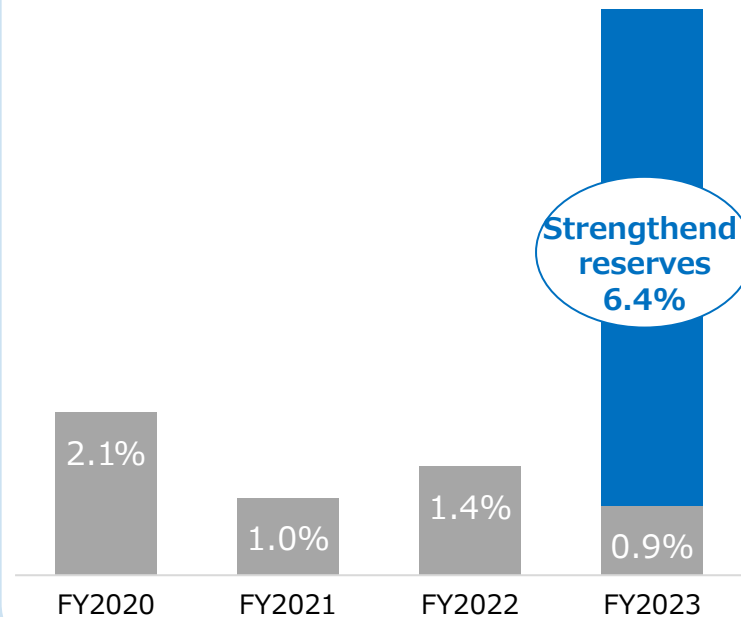
Despite the inflationary environment, AY loss ratio improved steadily by achieving rate increases in excess of loss costs, while adjusting premiums retained based on profitability and risk appetite

AY loss ratio*¹



Strengthened reserves and the balance sheet for future years

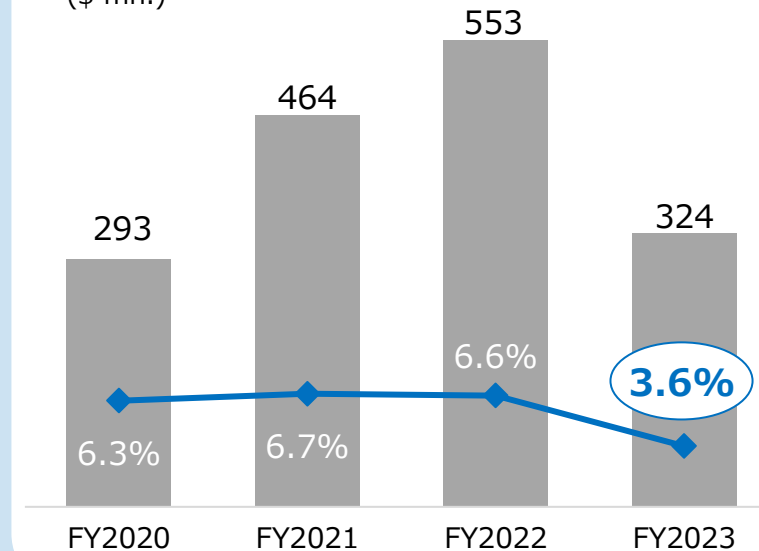
PYD adverse impact on loss ratio*²



A larger, globally diversified portfolio has stabilized the impact of catastrophe losses on the combined ratio

Impact of catastrophe losses on the combined ratio

■ Net incurred losses related to overseas natural disasters
◆ Loss ratio impact
 (\$ mn.)



*1 SI Commercial (excl. AgriSompo and CATs/COVID-19)

*2 SI Commercial

Overseas Insurance and Reinsurance Business (3) Further Success for the New Mid-Term Management Plan

- Significant strategic initiatives achieved in FY2023 to drive further success for the new mid-term management plan

New Mid-Term Management Plan

Preparing for cycle management

Maintaining underwriting discipline

Strategic growth plan

Focused on enhancing shareholder value

Investing in SOMPO's future

Product diversification

Geographic diversification

Customer base

Previous MTMP

The achievements of the last mid-year plan provides a good foundation for the FY2024-FY2026 plan

Dynamic operating environment

- ✓ Rate environment to keep pace with claims inflation
- ✓ Tailwinds from interest rates
- ✓ Moderating economic inflation

Overseas Insurance and Reinsurance Business (4) Main KPIs of the New Mid-Term Management Plan

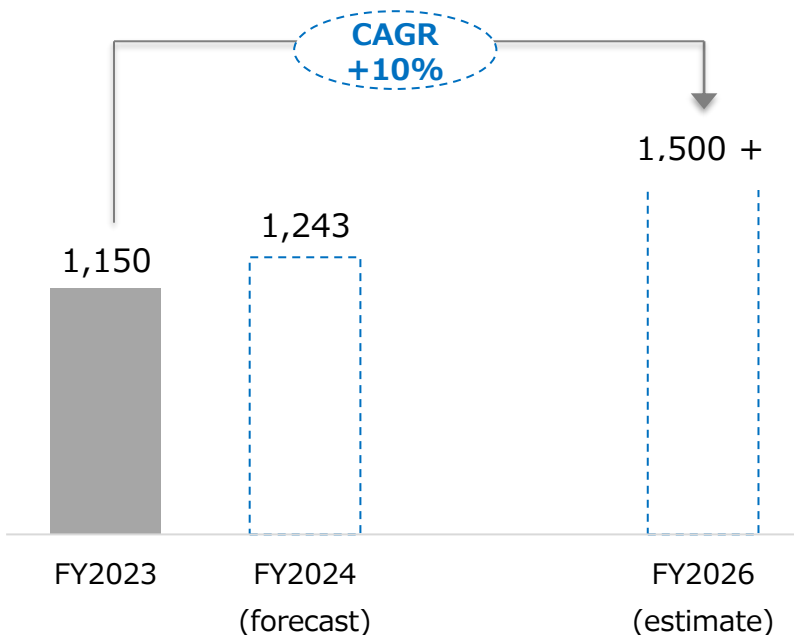
- Adjusted profit is expected to grow supported by expanding underwriting income and higher net investment income
- Strategic initiatives started in 2023 and continuing through the mid-term plan will generate top line growth and support profitable growth

Adjusted profit

KPI

CAGR +10%

(\$ mn.)



Adjusted profit growth supported by strong underwriting income and expansion of net investment income

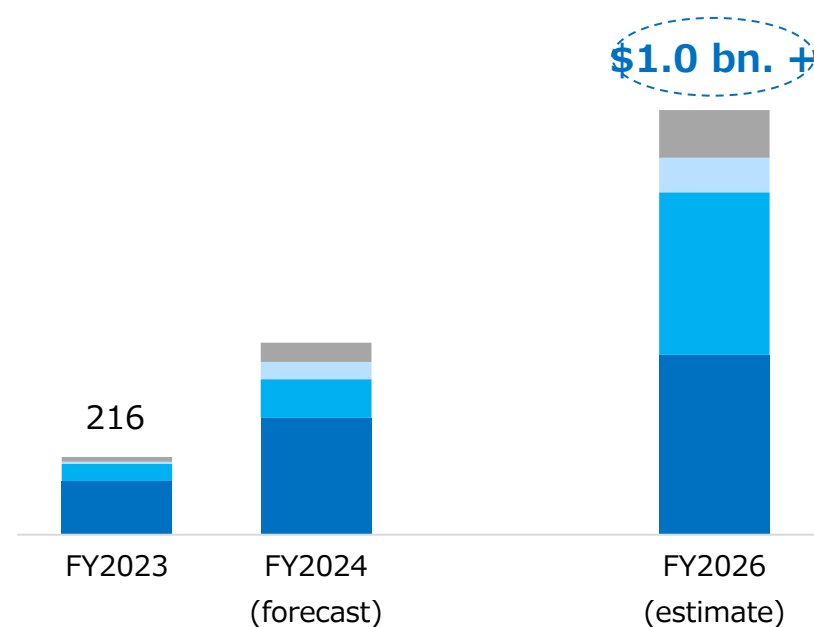
Gross written premium (Strategic initiatives)

KPI
(FY2026 estimate)

\$1.0 bn. +

(\$ mn.)

■ Asia ■ Canada ■ Europe ■ US



Gross written premium growth supported by strategic initiatives and stable pricing

ROE

KPI
(FY2026 estimate)

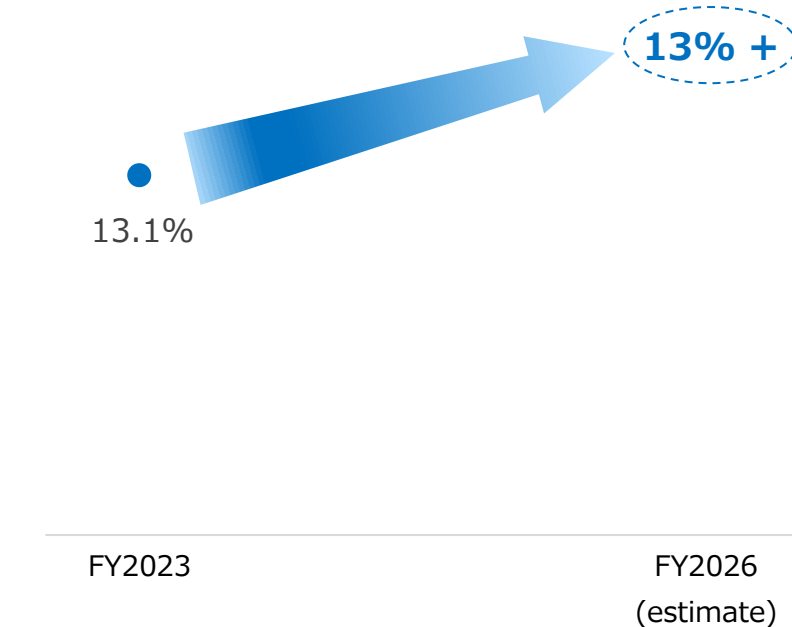
13% +

13.1%

FY2023

FY2026

(estimate)

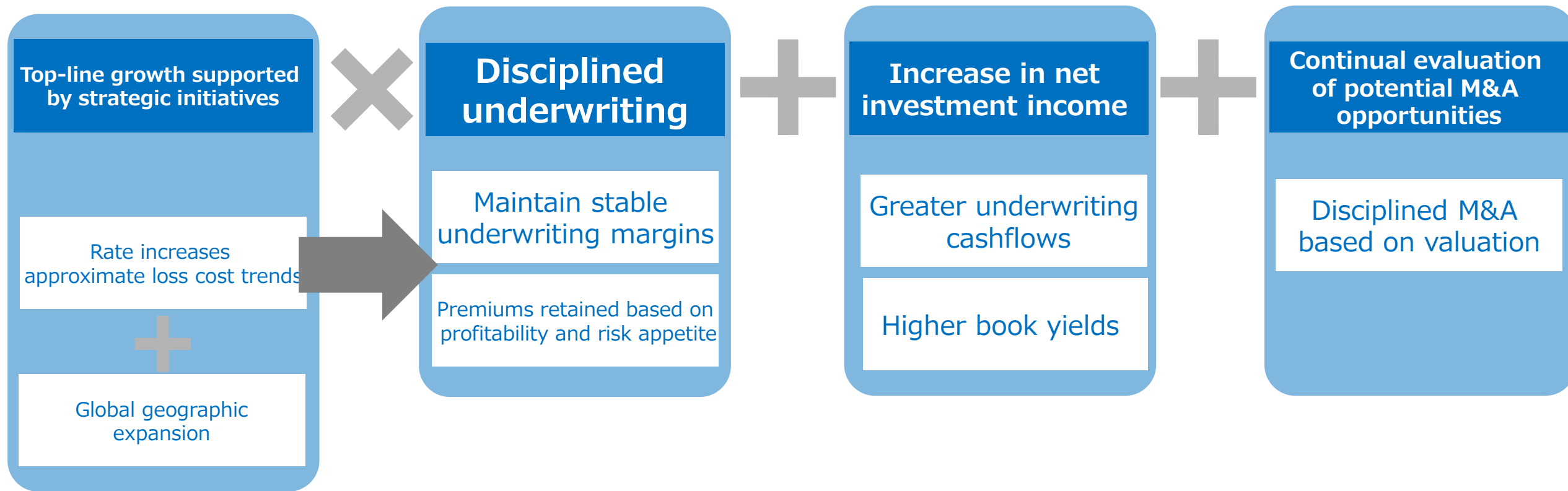


Cross-Cycle ROE improves over the mid term plan reflecting greater profitability and scale

Overseas Insurance and Reinsurance Business (5) Major Initiatives (Overview)

- Continue to annually grow adjusted profits over the mid-term plan with gross premiums written growth supported by disciplined renewal of existing portfolio and contributions from growth initiatives
- Increase in net investment income through higher book yields and greater underwriting cashflows, while evaluating of potential M&A opportunities

Strategic Objectives FY 2024 through FY 2026



Overseas Insurance and Reinsurance Business (5) Major Initiatives (Progress in Geographical Expansion)

- Progress in geographical expansion initiatives such as opening branches and hiring underwriting teams in the U.S., Canada, Continental Europe, and Singapore
- Aim to grow gross premiums written through geographic expansion by leveraging global brand and underwriting capabilities

Expand the base established in FY2023 within each region through hiring additional underwriters and adding new products

Europe

FY2023

Expanded operations in France, Germany, Austria, Switzerland, Italy, Spain, and the UK (outside of London)

FY2024-2026

Continue to attract underwriters and launch new products, while opening additional offices

Canada

FY2023

Opened an office in Toronto to provide insurance and reinsurance products

FY2024-2026

Expand underwriters and products offered

Singapore

FY2023

Added commercial underwriters to serve the wholesale distribution channel

FY2024-2026

Hire additional staff and meaningfully expand operations

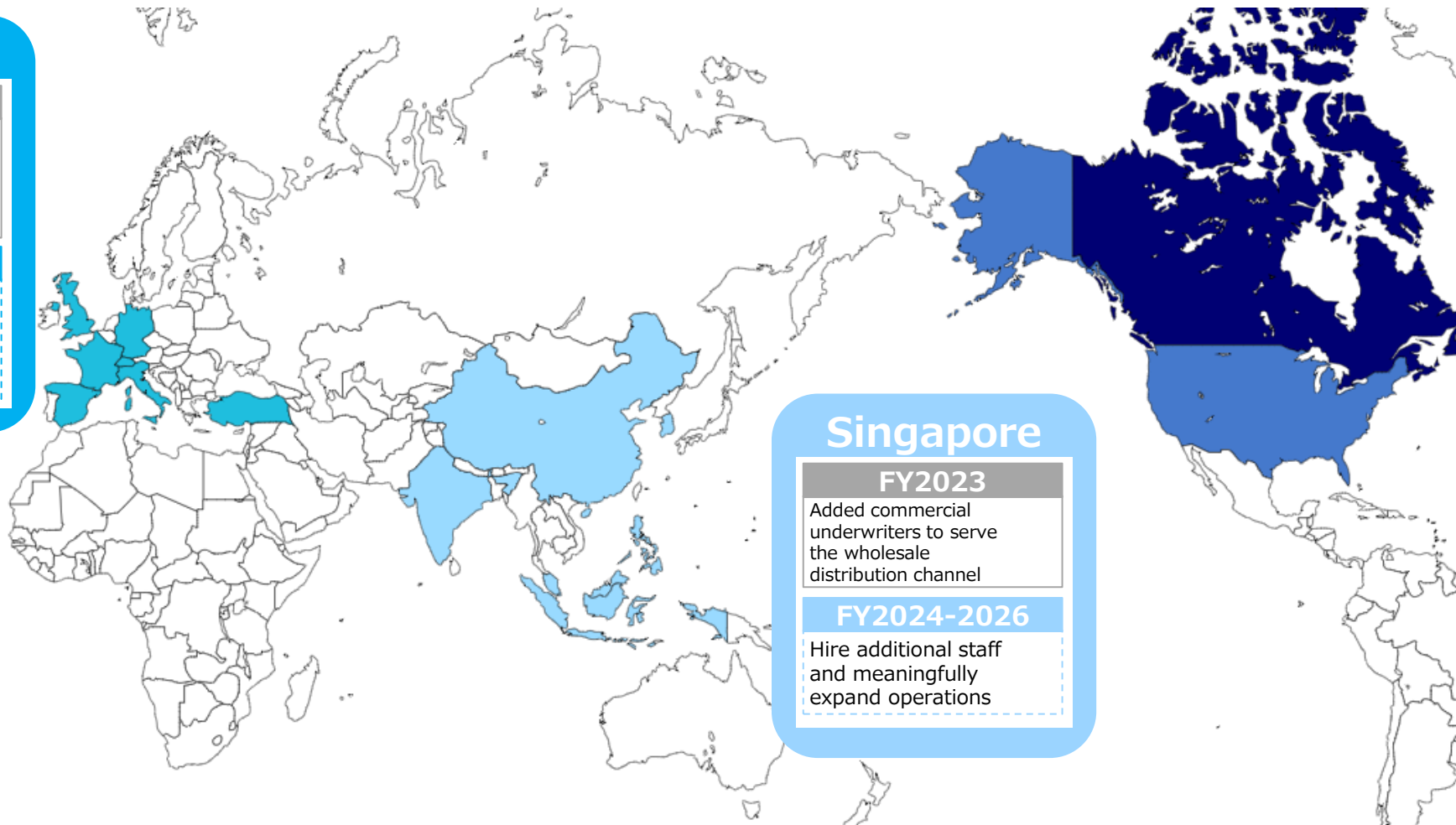
United States

FY2023

Opened an office in Denver while expanding Dallas and Houston offices

FY2024

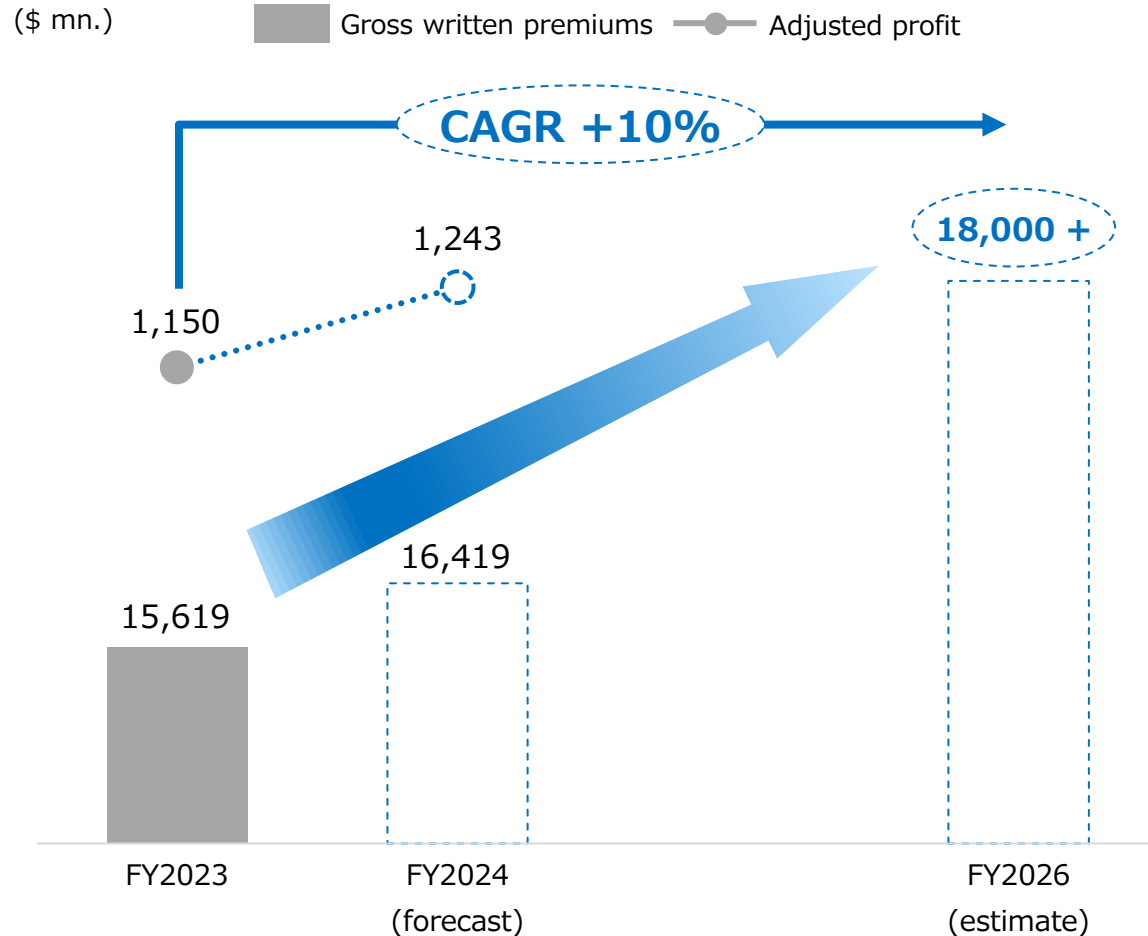
Attract additional underwriters while expanding Chicago, Los Angeles, Irvine and Boston offices. Open new office in Miami.



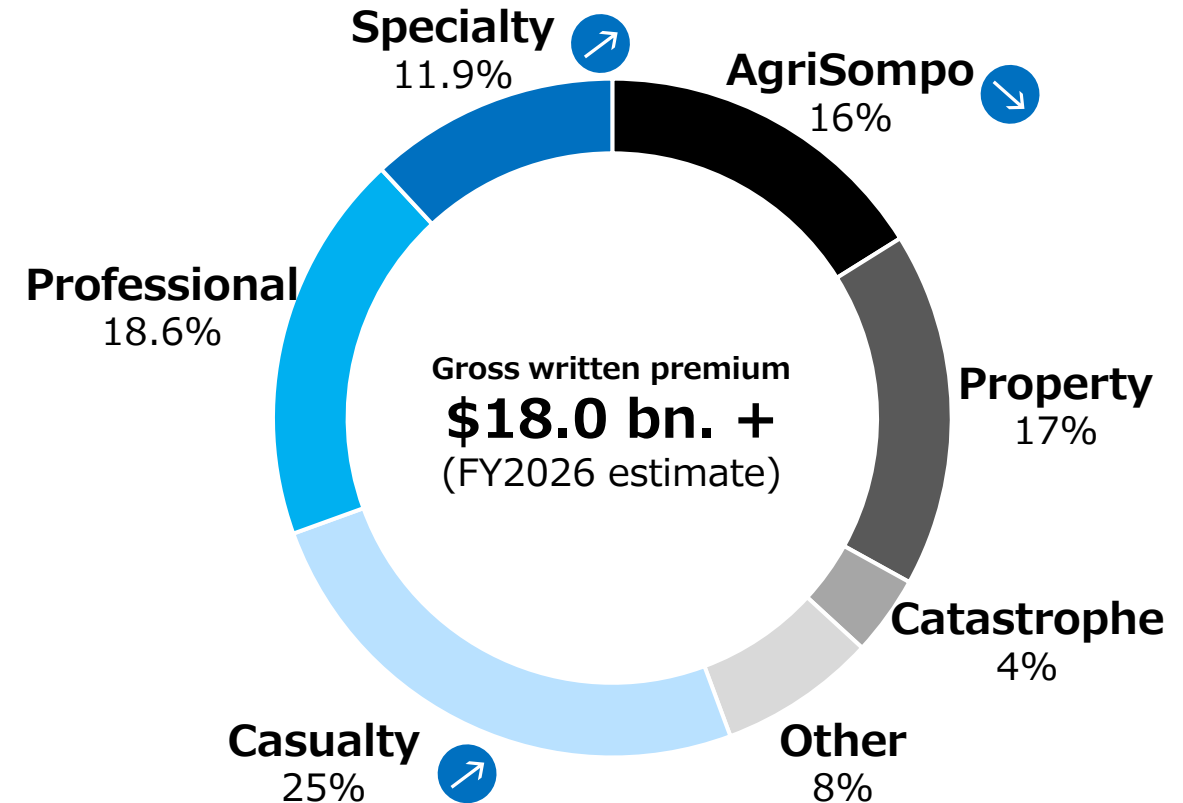
Overseas Insurance and Reinsurance Business (6) Gross Premium Written to Continue to Grow

- Gross premium written growing to over \$18.0 bn. by FY2026 and adjusted profit CAGR of 10% over the new mid-term management plan
- Diversity across multiple business lines to protect against potential individual downturns in the market

Gross written premiums and adjusted profit growth



Gross written premium diversity



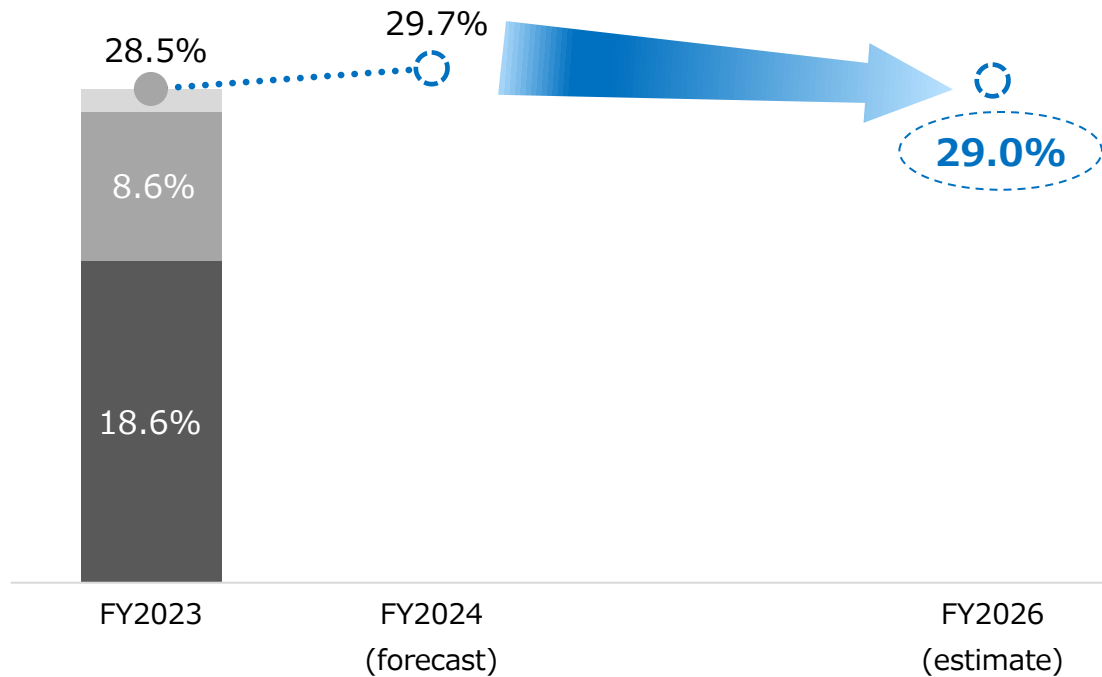
● The arrows show the direction of weight since FY2023 (illustration)

Overseas Insurance and Reinsurance Business (7) Underwriting Margins Are Expected to Remain Stable across the Mid-Term Management Plan

- Overall underwriting margins are expected to remain stable as expenses related to strategic initiatives will peak in FY2024 while forecasted loss ratios stabilize as pricing increases are expected to approximate inflation rates

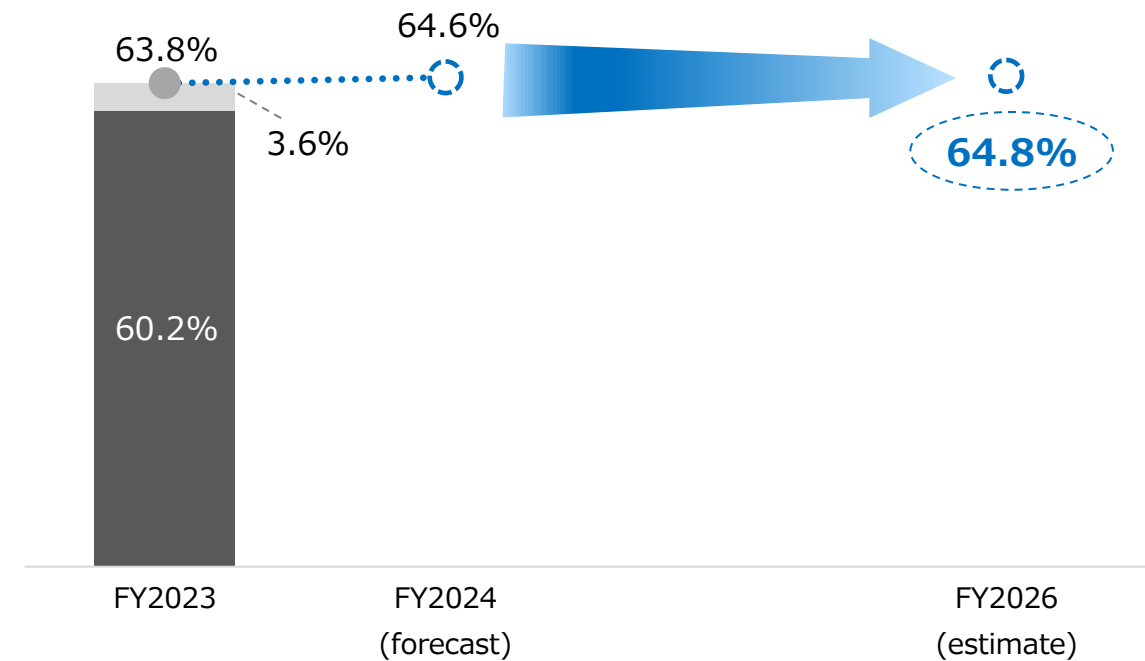
Expense ratio

Acquisition
 G&A
 Corporate
 Expense ratio



Loss ratio

Loss ratio (Accident Year, ex. CAT)
 Catastrophes
 Loss ratio

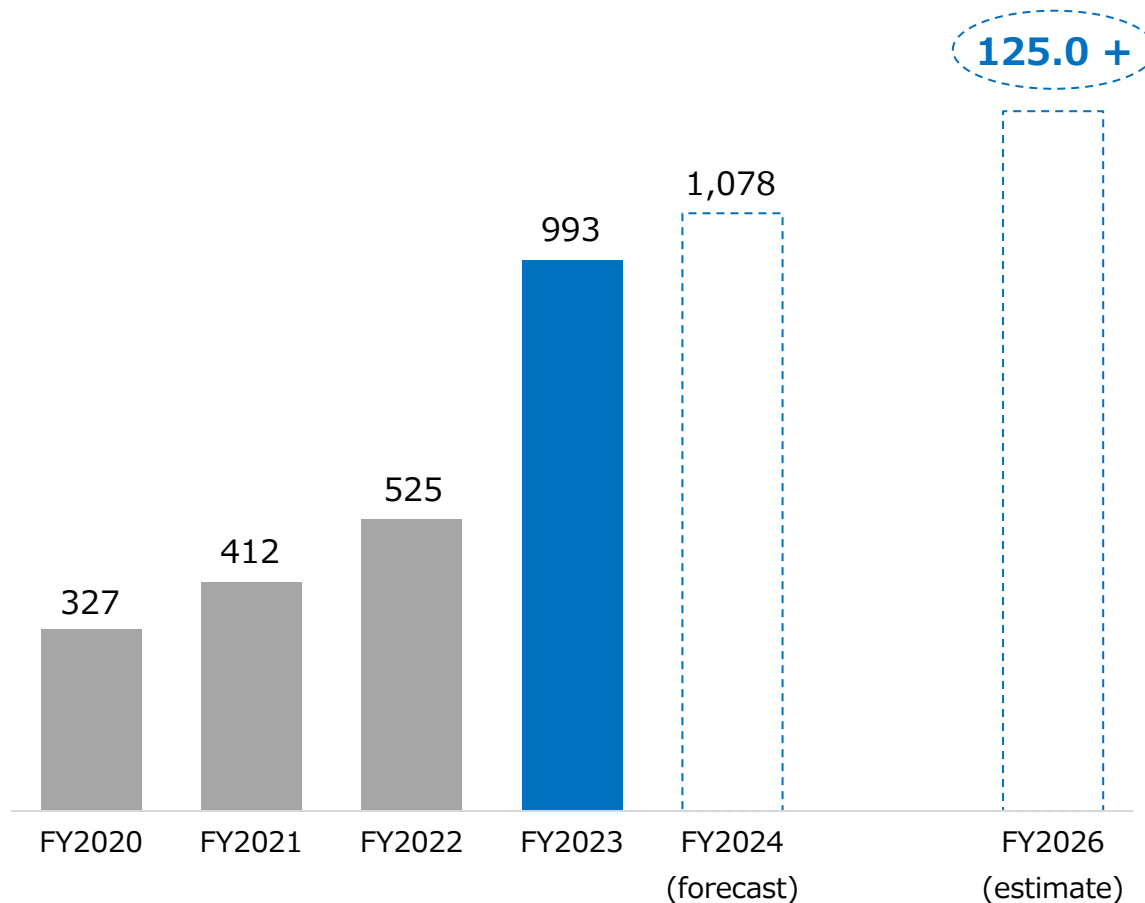


Overseas Insurance and Reinsurance Business (8) Net Investment Income Continues to Expand

- Net investment income expected to increase as investment portfolio grows supported by operating cashflow while book and market yields converge

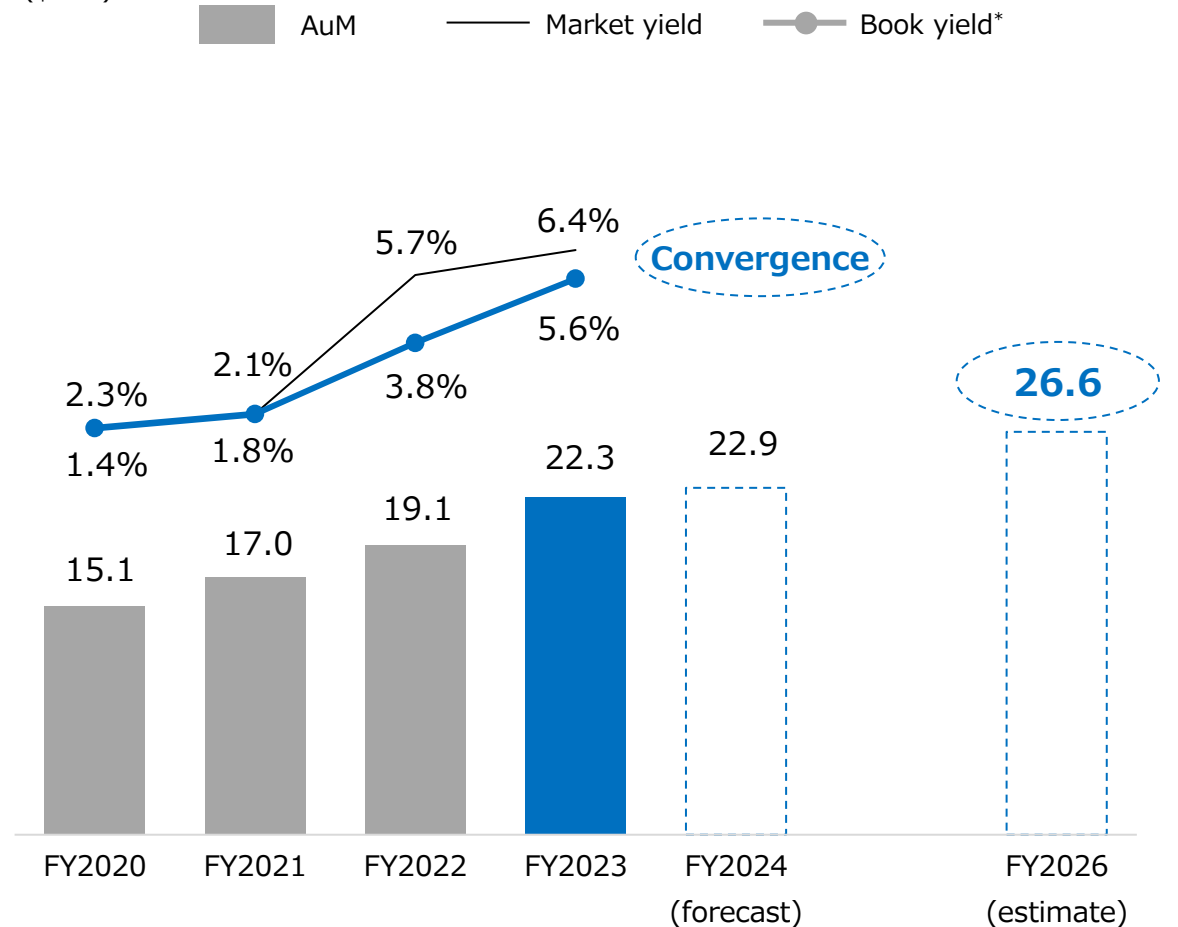
Net investment income continues to expand

(\$ mn.)



Assets under management expand while book and market yields converge

(\$ bn.)



* SI Commercial

Wellbeing (Domestic Life Insurance) (1) Review of the Previous Mid-Term Management Plan

- In FY2023, adjusted profit hit a record high of JPY41.8 billion, achieving the target under the previous mid-term management plan
- Strong progress was made in establishing the platform as a health support company through the sales of Insurhealth®, health promotion, etc.

Adjusted profit

Achieved
Record high profit

Previous
MTMP KPI
(FY2023 plan)

¥40.0 billion or more

(¥ bn.)

CAGR +9%

Reduction by one-off effect
(COVID-19 effect -220)

41.8

32.5*1

33.6

17.8

FY2020

FY2021

FY2022

FY2023

Annualized new premium (performance evaluation basis)

Previous
MTMP KPI
(FY2023 plan)

¥50.0 bn.

(¥ bn.)

CAGR +9%

38.2

29.8

35.6

36.1

FY2020

FY2021

FY2022

FY2023

Insurhealth track record

Insurance product sales*2

New business
1.61 million

Annualized
new premium*3
JPY115.9 bn

Health promotion

Success in Get☆Healthy
Challenge! Program*4
c. 13,000 people

Hospitalization rate
50%*5

*1 Definition of the last MTMP *2 Cumulative total since launch in April 2018 *3 Performance evaluation basis

*4 A scheme to return the benefit from improving the BMI and blood pressure and quit smoking after purchasing a policy *5 Compared with those who did not succeed in the program

Wellbeing (Domestic Life Insurance) (2) Main KPIs of the New Mid-Term Management Plan

- Through insurance products and healthcare services, Himawari Life increases its clients/users, and strengthens the platform for promoting health behavior change
- In FY2026, the ROE is expected to increase to 12% or higher, driven by new business CSM growth from Insurhealth® and cost structure reform

ROE*

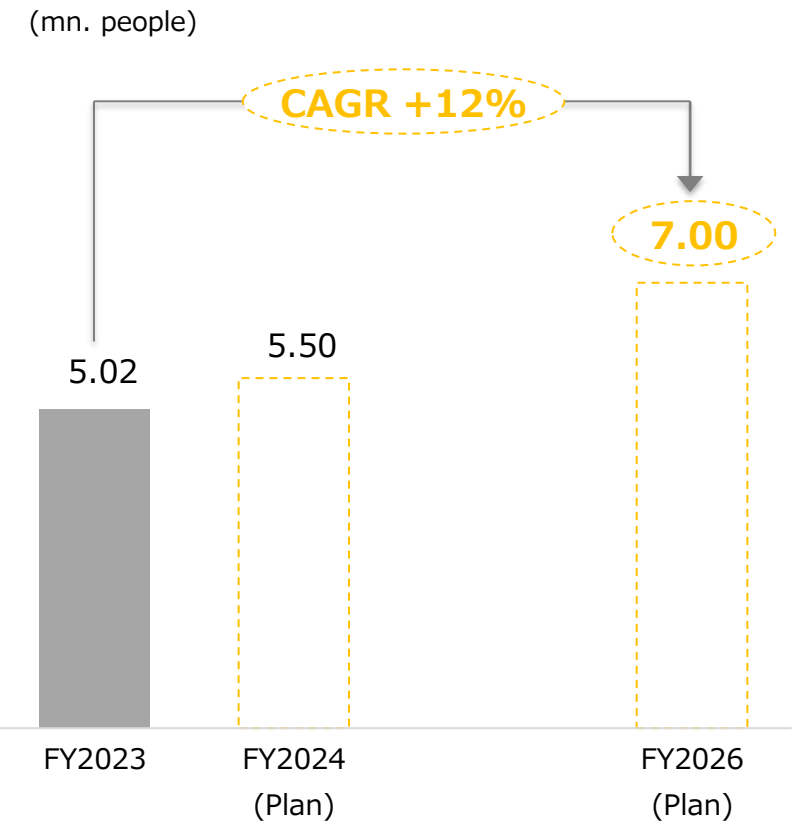
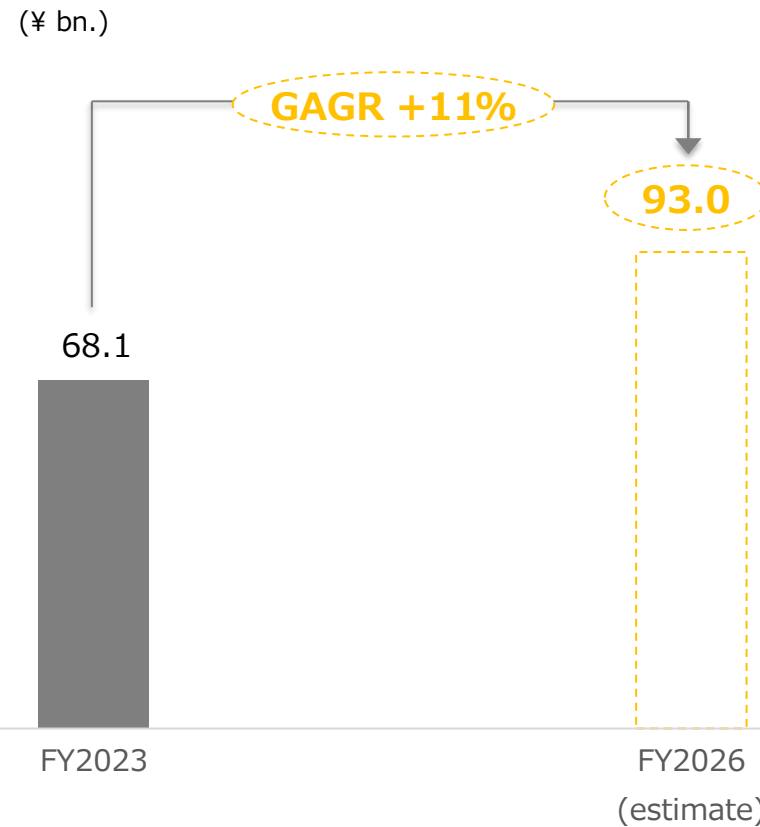
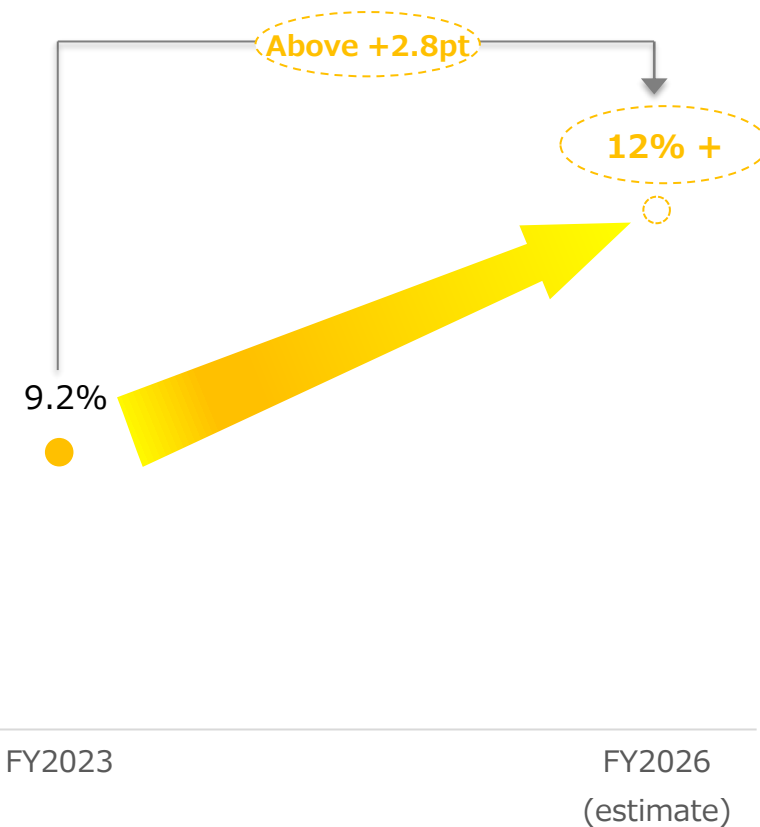
KPI (FY2026 estimate)	12% +
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New business CSM

KPI (FY2026 estimate)	¥93.0 bn.
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Himawari clients/users

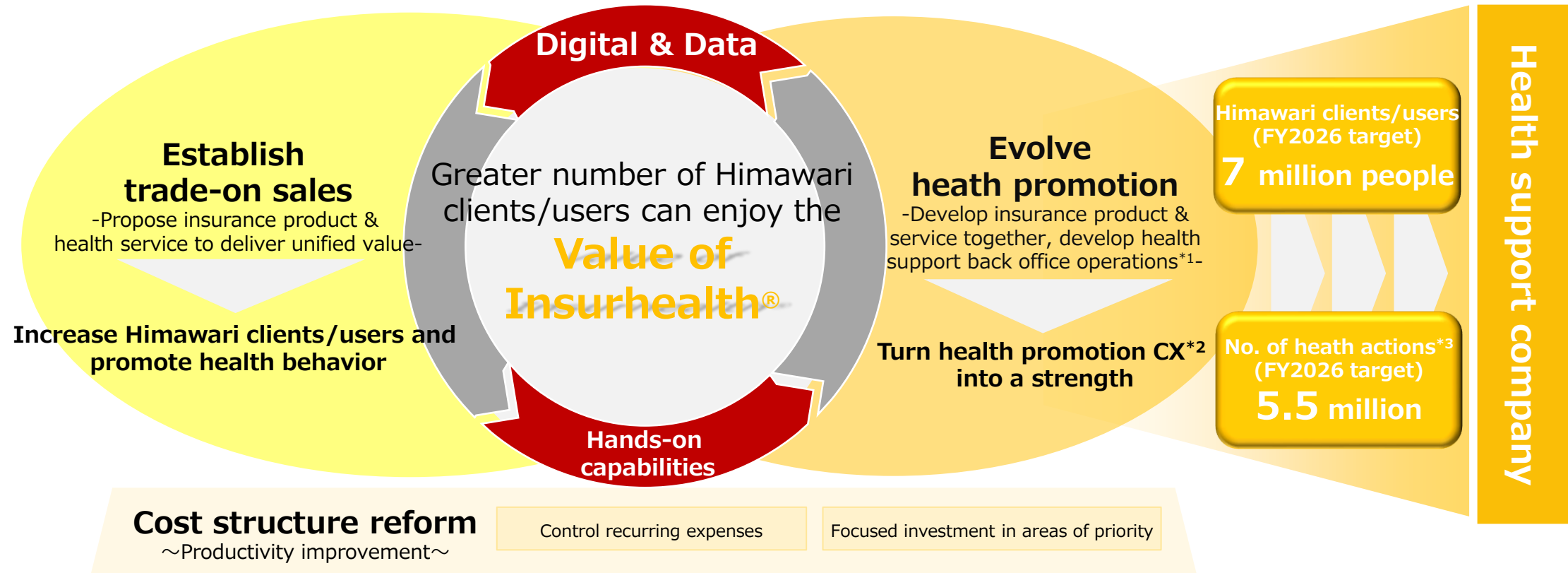
New MTMP KPI (FY2026 plan)	7 million
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* IFRS adjusted profit basis by using capital allocated for economic value-based risk amount

Wellbeing (Domestic Life Insurance) (3) Main Initiatives

- Himawari Life strengthens sale structure, product & service development, and administrative work infrastructure as a health support company
- Improves productivity by controlling recurring expenses and investing in priority areas through selection and concentration



Value Criteria = Customer-centered operations and broader compliance*4

*1 The back office promotes health at customer touchpoints

*2 Communication activities by sales representatives and the Headquarters as one to promote customers' health

*3 No. of health actions taken by Himawari clients/users

*4 Gain trust by meeting society's expectations as a health support company, not just complying with laws and regulations

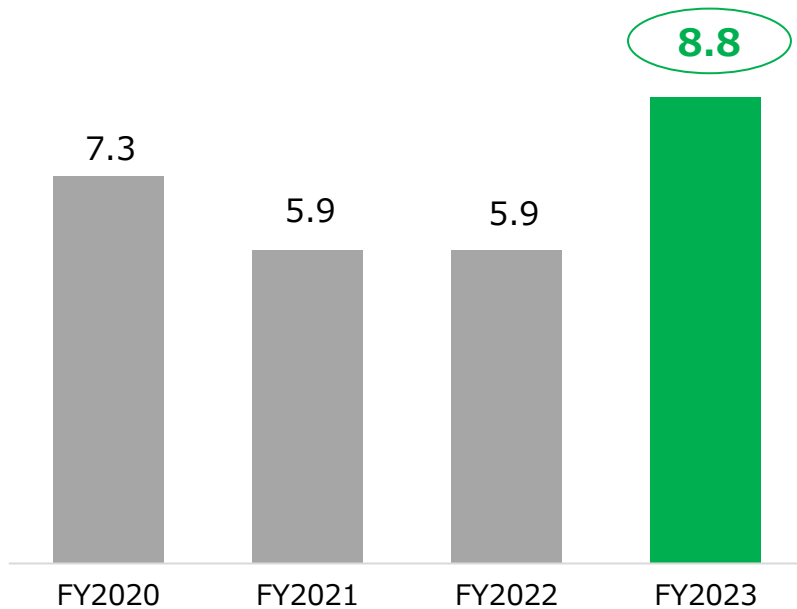
Wellbeing (Nursing Care) (1) Review of the Previous Mid-Term Management Plan

- Adjusted profit for FY2023 achieved the target due to a rise in the occupancy rate, productivity improvement, and the acquisition of ND Software while improving employee compensation
- The occupancy rate declined temporary due to COVID-19, but rose to a record high of 92.9% at the end of FY2023 through sales activities to increase residents

Adjusted profit

Previous MTMP KPI (FY2023 plan)	¥8.0 bn. or more	Achieved
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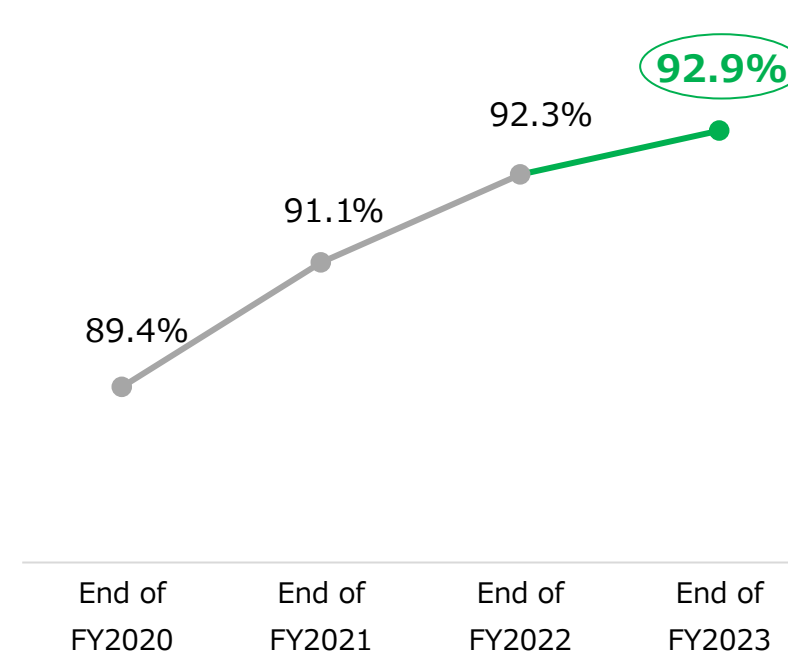
(¥ bn.)



Occupancy rate

Previous MTMP KPI (FY2023 plan)	93.8%
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(¥ bn.)



Main initiatives and challenges



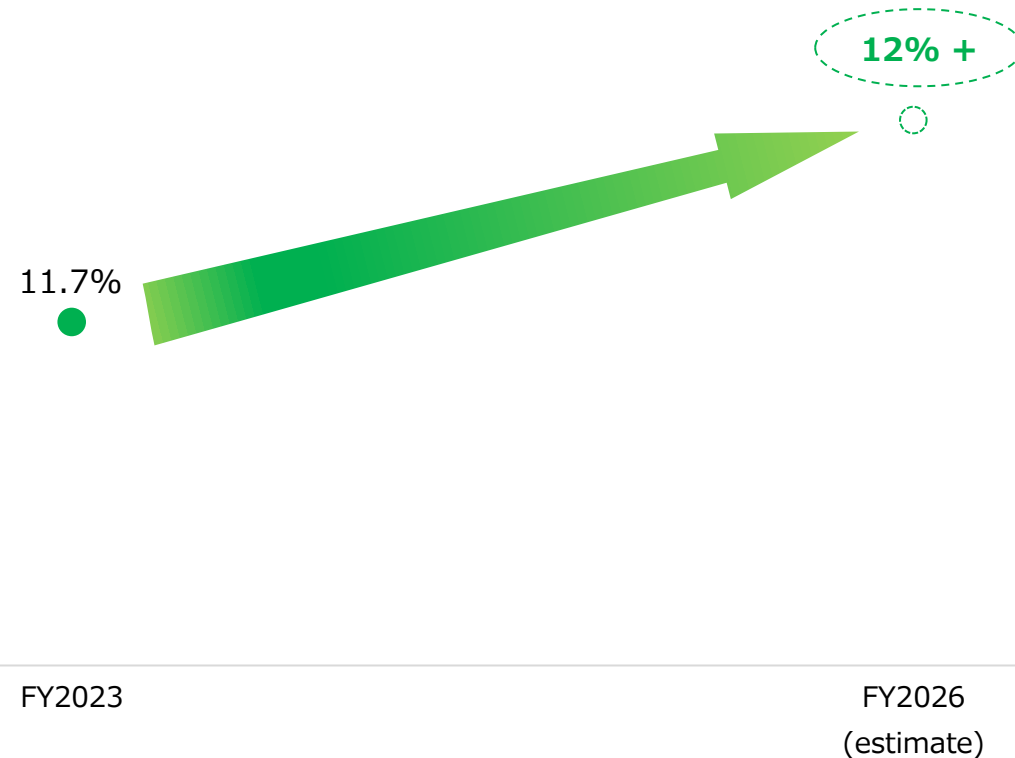
Wellbeing (Nursing Care) (2) Main KPIs of the New Mid-Term Management Plan

- The ROE is expected to decline temporarily in FY2024 due to compensation improvement and investment in new facility development, but is likely to rise to 12% or higher driven by growth of existing businesses and new facilities as well as productivity improvement
- The occupancy rate is expected to rise steadily

ROE (Operator business*)

New MTMP KPI
(FY2026 estimate)

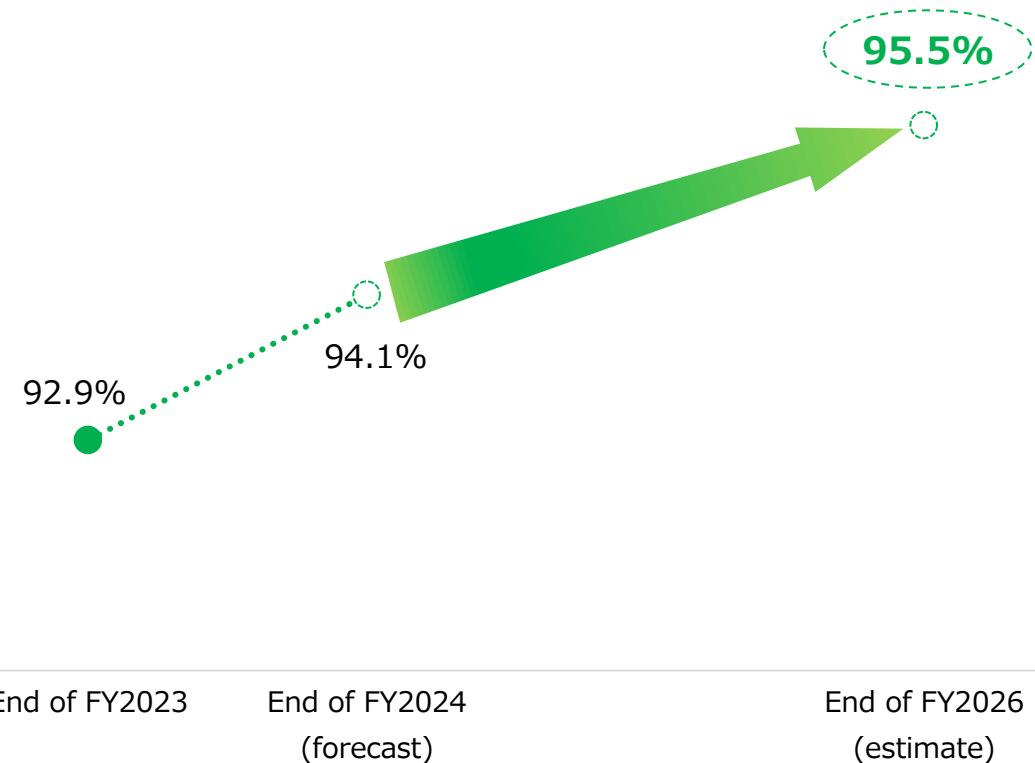
12% +



Occupancy rate (Sompo Care)

New MTMP KPI
(FY2026 estimate)

95.5%



* Calculated by using adjusted profit of the business of which public long-term care benefits are the main source of revenue (care facilities, at-home care offices, etc.) as the numerator.

Wellbeing (Nursing Care) (3) Main Initiatives

- Wellbeing business aims to bridge the gap between the labor supply and demand in nursing care sector, which is a social challenge, by transforming the nursing care business into a platformer.
- Sompo Care aims to lead nursing care industry transformation by strengthening operating foundation
- ND Software will care providers to improve the quality of care through software development and outsourcing services



Sompo Care transforms Japan's nursing care, and builds the future of Japan

Lead nursing care industry transformation

Strengthen the operator business

Secure and develop HR
Improve productivity & quality

Sustainable growth of the nursing care business

Strengthen the well aging business

Optimal resource allocation to adjacent businesses of nursing care

Lead to "Connect"

Transform into a platformer

Contribute to closing the labor supply-demand gap in nursing care

Develop the platform business

Visualize know-how acquired in the nursing care business

Deliver value to care providers



CareBase

Product development

Cloud-migration, revamp UI/UX, streamlining

Revamp "Honobono", the nursing care operations management software



A software company that provides best support to nursing care providers in Japan

Assist operations of care providers

Strengthen sales & support

Strengthen support by sales, consultancy, and online services

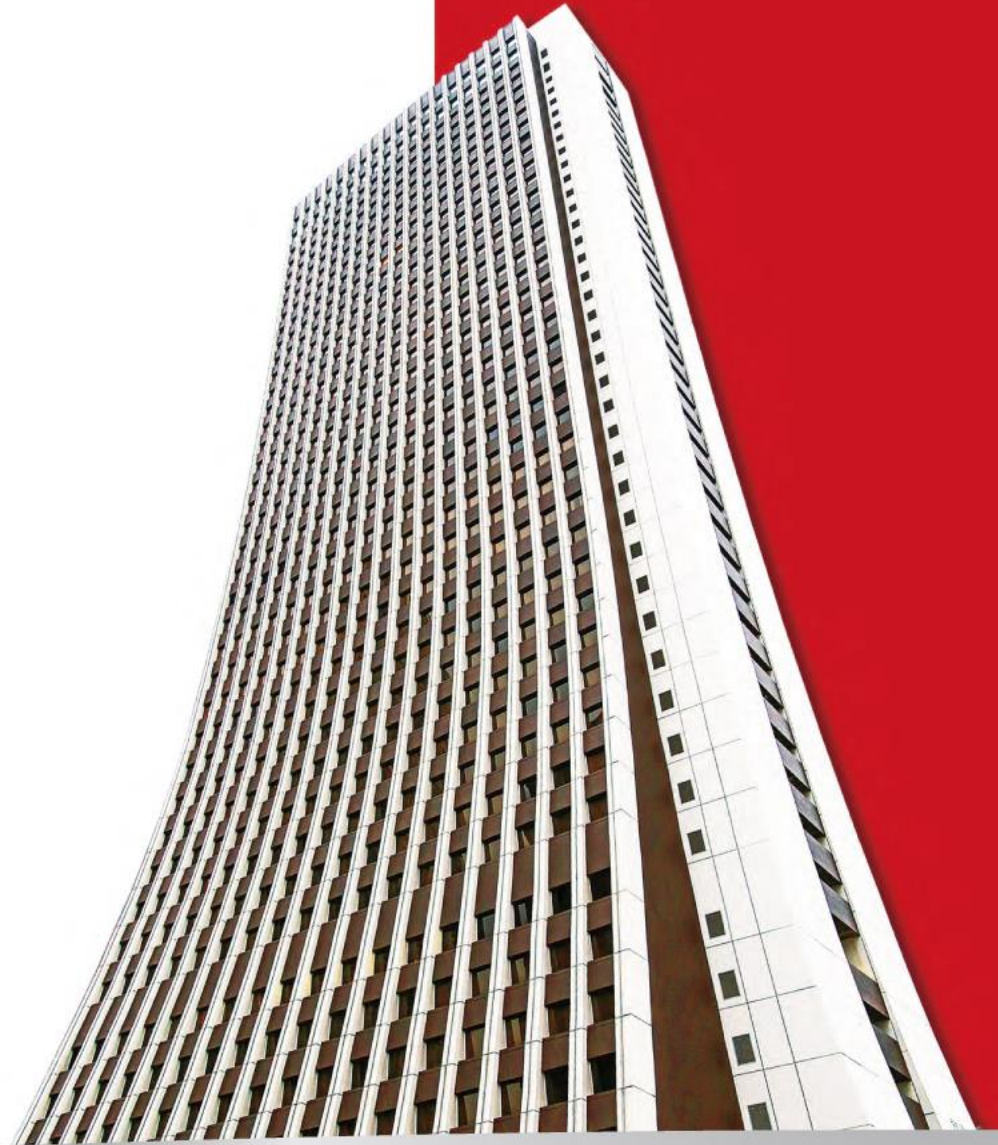
Increase customer satisfaction

Human capital investment

Compensation improvement
improve training environment

Secure and develop HR (incl. engineers)

Reference



Definition of Financial Metrics

Definition of adjusted profit*1 (FY2024)

Domestic P&C	Net income + Provision for catastrophic loss reserve, etc. (after tax) + Provision for price fluctuation reserves (after tax) – Gains/losses on sale of securities and unrealized losses on securities (after tax)
Overseas	Operating Income*2 Net income for equity-method affiliates in principle
Domestic Life	Net income + Provision for contingency reserve, etc. (after tax) + Provision for price fluctuation reserve (after tax) + Adjustment of underwriting reserve (after tax) + Deferral of acquisition costs (after tax) – Amortization of acquisition costs (after tax) – Gains/losses on sale of securities and unrealized losses on securities (after tax)
Nursing Care	Net income
Other	Net income – Gains/losses on sale of investment and unrealized losses on investment (after tax)

Definition of adjusted net assets and adjusted ROE (FY2024)

Adjusted consolidated net assets	Consolidated net assets (excluding net assets of domestic life insurance) + Catastrophic loss reserve, etc. in domestic P&C insurance (after tax) + Price fluctuation reserve in domestic P&C insurance (after tax) + Domestic life insurance adjusted net assets
Domestic life insurance adjusted net assets	Net assets of domestic life insurance (J-GAAP) + Contingency reserve (after tax) + Price fluctuation reserve (after tax) + Adjustment of underwriting reserve (after tax) + Unamortized acquisition costs (after tax)
Adjusted consolidated ROE	Adjusted consolidated profit / Adjusted consolidated net assets*3
ROE of business	Adjusted profit of the business / Capital allocated to the business*4

Planned treatment after IFRS adoption

	IFRS net income	IFRS adjusted profit	(Reference) Current adjusted profit
Gains/losses on sale of strategic holding stocks	-	-	-
Expected credit loss	✓	-	-
Effects of financial market fluctuations*5	✓	-	-
Catastrophic loss reserve etc.	-	-	-
Impairment of goodwill, other intangible fixed assets	✓	-	-

IFRS adjusted ROE IFRS adjusted consolidated profit / IFRS consolidated net assets*6

*1 Adjusted profit for each business excludes one-time factors and special factors, such as group company dividends

*2 Operating income excluding one-time factors

(= Net income – Foreign exchange gains/losses – Realized and unrealized gains/losses on securities – Impairment losses, etc.)

*3 Average balance at the start/end of each fiscal year

*4 Total of consolidated net assets of companies belonging to the business segment or required capital based on the risk model, average balance at the start/end of each fiscal year
ROE of nursing care operator business

*5 Gains/losses arising from change in fair value of securities, gains/losses arising from changes in foreign exchange rates, etc.

*6 Excludes other comprehensive income (OCI) from investment (mainly valuation difference on securities)

Management Targets

Adjusted consolidated profit and adjusted consolidated ROE

(¥ bn.)

	FY2023		FY2024		FY2026 (IFRS basis)
	(Actual)	(Segment ROE)	(Forecast)	(Segment ROE)	(Plan)
Adjusted consolidated ROE	9.2%	-	Approx. 7%	-	13-15%
Adjusted EPS growth	-	-	-	-	CAGR 12% +
Adjusted consolidated profit	291.0	-	255.0	-	-
Domestic P&C	72.3	4.5%	15.0	1.5%	-
Overseas	163.1	13.1%	190.0	12.8%	-
Domestic Life	41.8	6.6%	41.0	7.3%	-
Nursing Care	8.8	11.7%	6.0	10.9%	-
Other	4.8	-	3.0	-	-

* See page 63 for definition

Note Regarding Forward-looking Statements

Forecasts included in this document are based on currently available information and certain assumptions that we consider reasonable at this point in time. Actual results may differ materially from those projected herein depending on various factors.

Contacts



Investor Relations Department

Telephone : +81-3-3349-3913

E-Mail : ir@sompo-hd.com

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