

New Mid-Term Management Plan

(Domestic P&C Insurance Business, Overseas Insurance Business and Wellbeing)

July 10, 2024

Sompo Holdings, Inc.

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Overview of New Mid-Term Management Plan

- For a future of “Health, Wellbeing & Financial Protection, aim to “increase resilience” and “Connect with customers and deliver connected services” by focusing on the three business segments
- Aim to target ROE at the global peer level and high EPS growth by making efficient use of group capital with strengthening governance

SOMPO's Purpose

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

Vision

SOMPO P&C

Commercial services
Expertise

Consumer services
Efficiency

SOMPO Wellbeing

Deliver solutions for
health, nursing care & retirement finances

Management target*

Adjusted consolidated ROE : 13~15%

Adjusted EPS growth : CAGR 12% +

Growth by “Increase resilience” and “Connect with customers and deliver connected services”

Finance strategy

~Promote capital circulation~

- ✓ Strategic capital allocation /Risk reduction
- ✓ Remittance ratio 100% in principle
- ✓ Lower the upper limit of the ESR target range
- ✓ Growth investment with strategy and discipline

HR strategy

Data & digital
strategy



Today's
topics

Three business
segments

New Sampo Japan

Regain trust and increase resilience

Overseas

Group scale and growth

Wellbeing

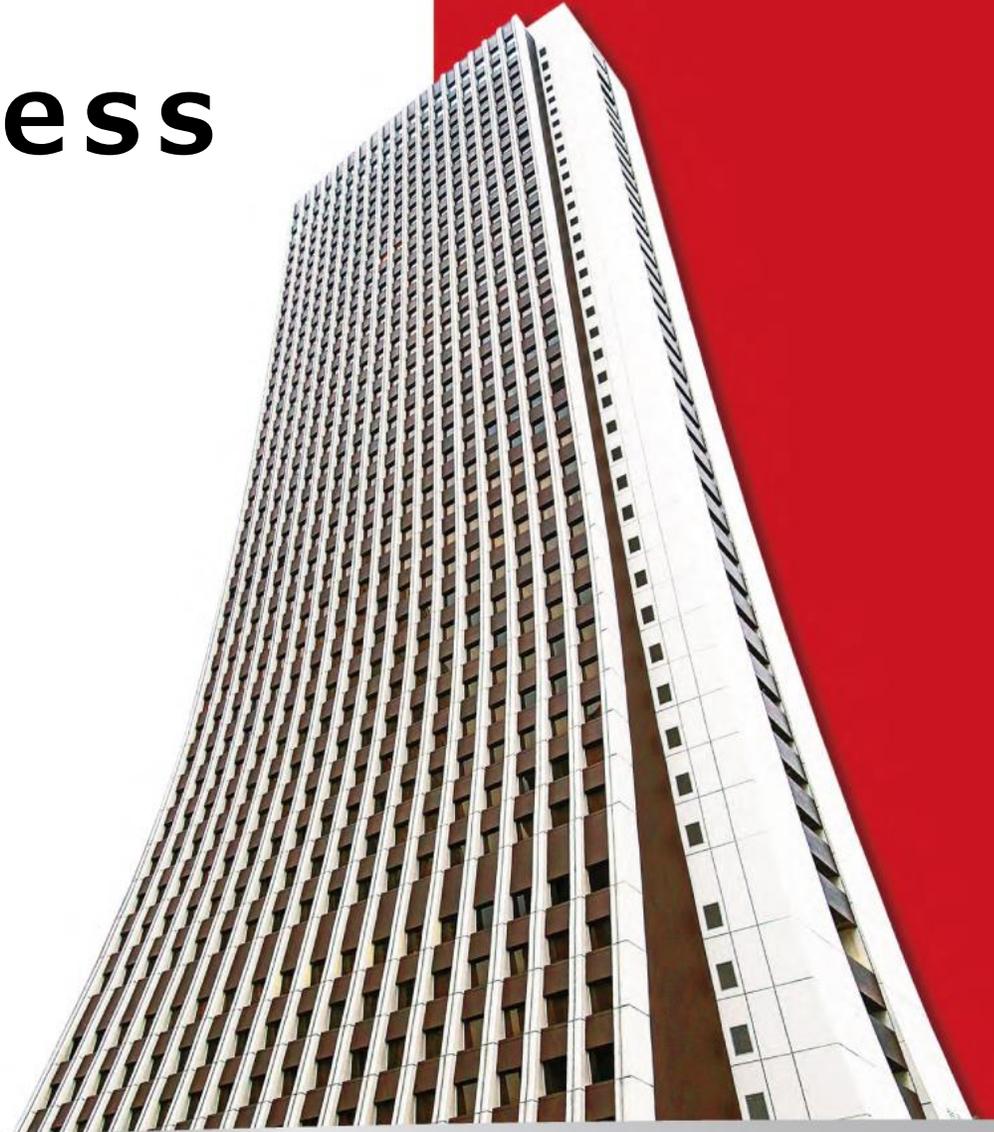
Driver of mid- to long-term growth

Strengthen governance

New
Mid-term
Management
Plan

* IFRS basis (excluding OCI)

1. Domestic P&C Insurance Business

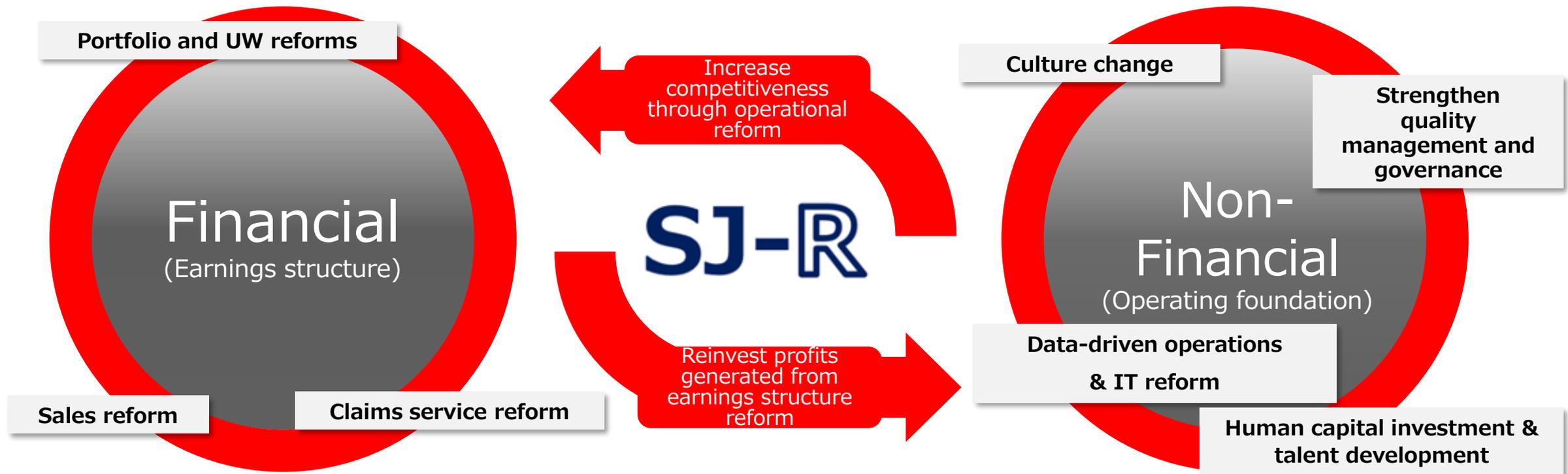


Overview of New Mid-Term Management Plan (SJ-R)

- The goal is to realize sustainable growth by implementing earnings structure and operational reforms to increase profitability and resilience

Dedicated to Customers and Society

Committed to uniqueness and resilience

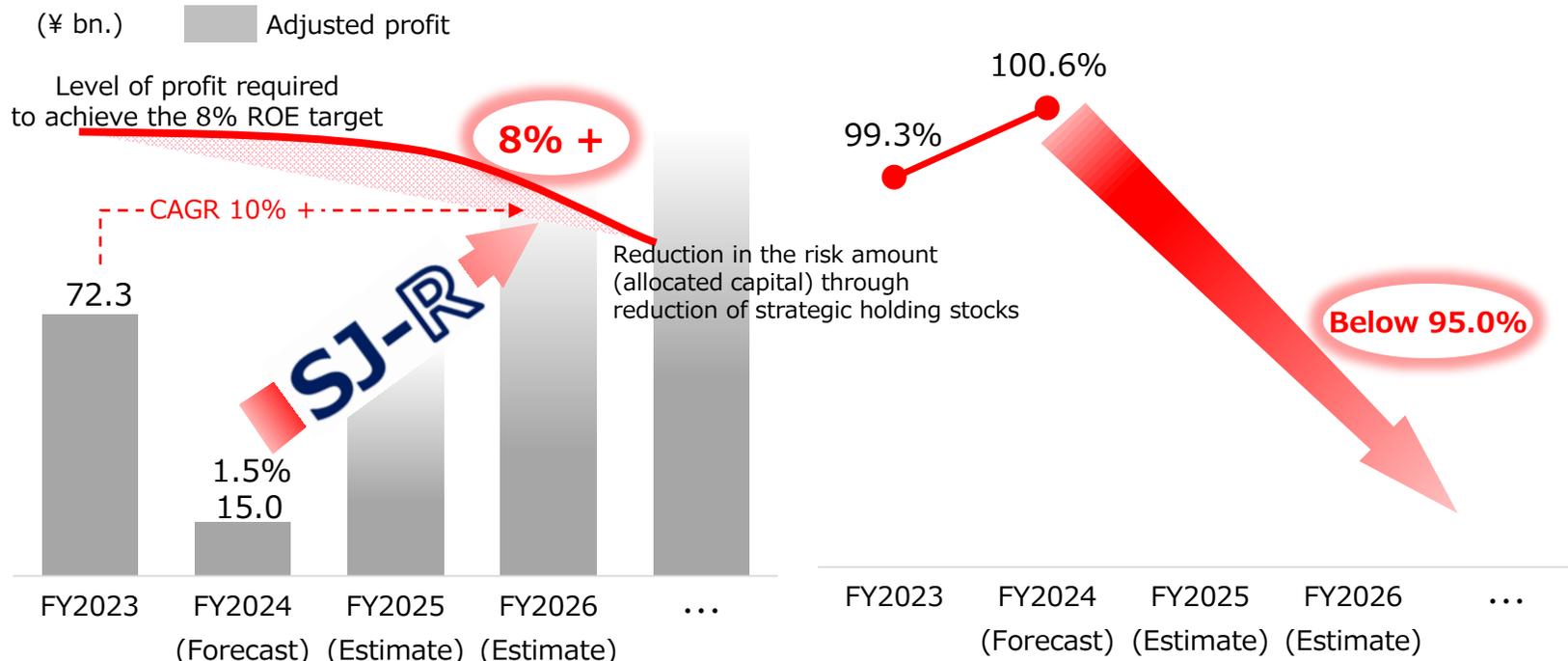


Be the "New Sompo Japan"

KPIs of the New Mid-Term Management Plan

- 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

Improve profitability



*1 Current definition basis *2 E/I basis

Increase earnings stability

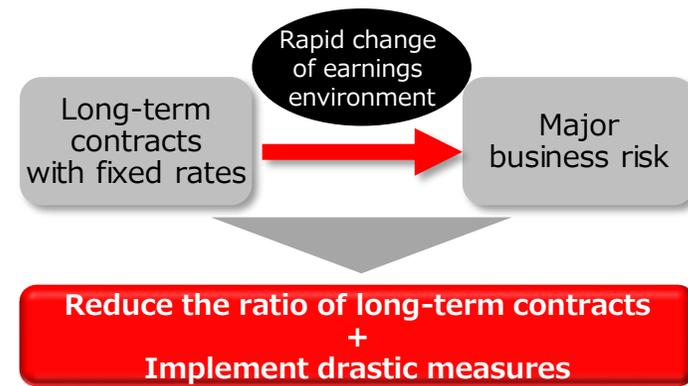
Portfolio reform



Increase flexibility

Shorten product and rate revision cycles

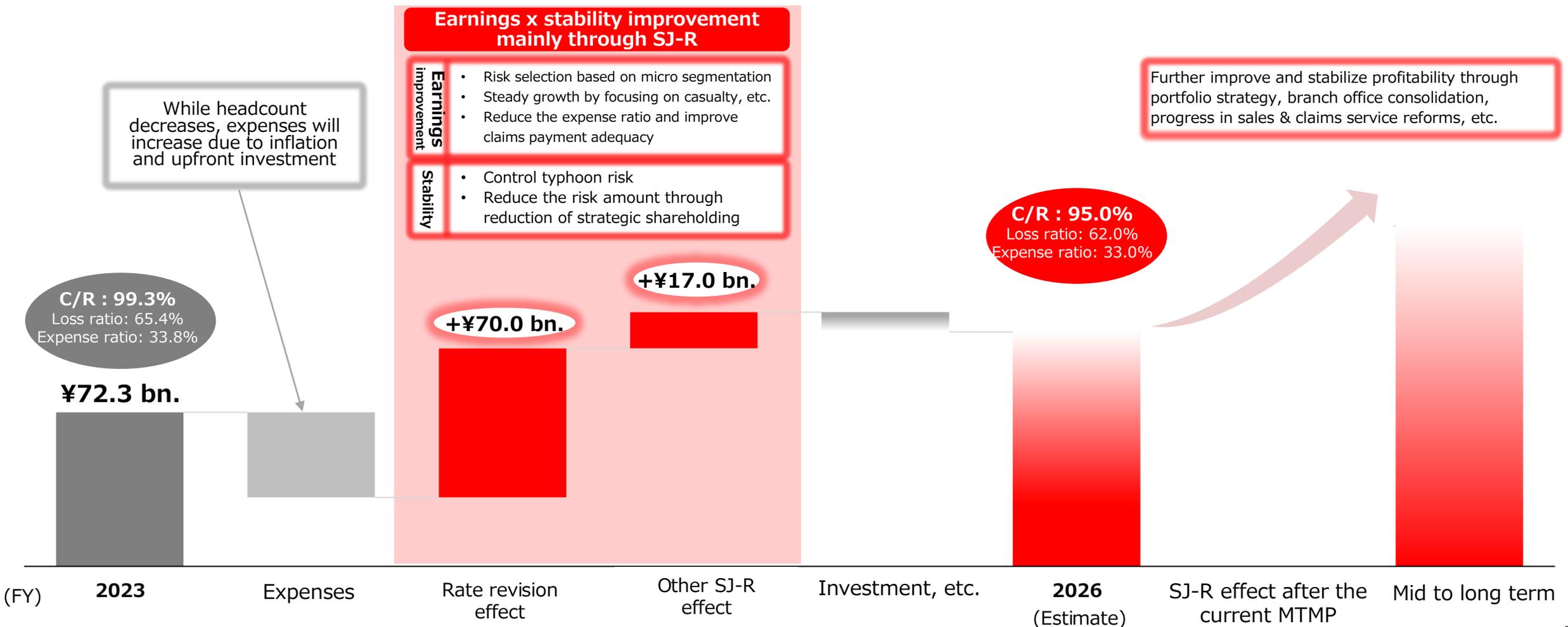
Material reduction in long-term contracts



Projected Earnings Improvement

- Plan to steadily increase earnings, primarily through rate revisions that are likely to boost earnings by around ¥70.0 bn.*
- Generate profits by maximizing the potential of the portfolio of in-force policies through fine segmentation and underwriting

Adjusted profit outlook (Domestic P&C Insurance Business)



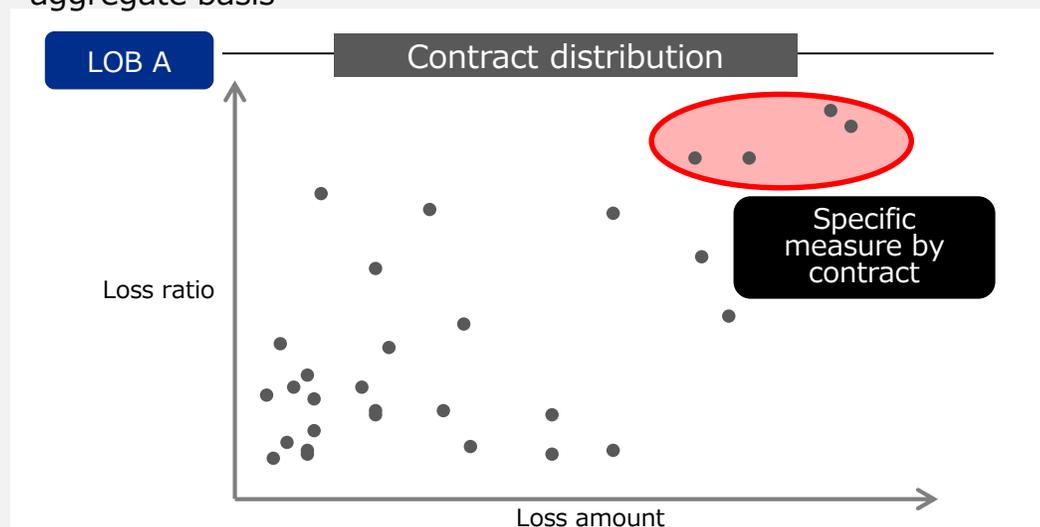
* Includes the effects of past rate revisions materializing during the current Mid-Term Management Plan period

Driver of Earnings Improvement (Portfolio Reform)

- Substantially change in underwriting discipline, which previously focused on measures for specific policies with extremely poor profitability
- Improve portfolio quality by managing financial performance of all in-force contracts by segment and a finely tuned underwriting policy

Underwriting approach in the past

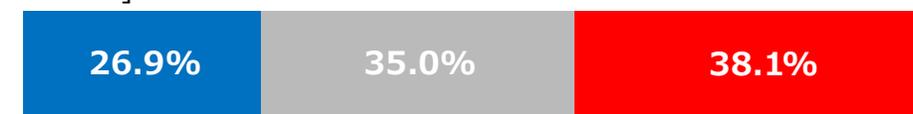
Focused on specific measures for high LR contracts
Managed financial performance of other contracts on an aggregate basis



Goal

Clarify policy, such as increase, improve, and reduce for each segment
Maximize the potential of the underwriting portfolio by this

Composition of written premiums excluding CALI & household EQ
[FY2023 end]



[FY2026 end (Projected)]



■ Good ■ Neutral ■ Reduce or improve profitability

* The definition of segment differs by LOB

Support and specialists from SI to facilitate accomplishment

Example of segmental underwriting which started early in FY2023

Tightened underwriting for old properties and solar power generation facilities to improve the fire insurance portfolio.
Plan to roll out across all segments due to its proven effectiveness

Ratio of old properties among new business

20% ⇒ 4%

No. of in-force solar power generation facility contracts

Reduced by 10%

Ratio. of solar power generation facility contracts with theft deductible

40%

Fire insurance UW income*

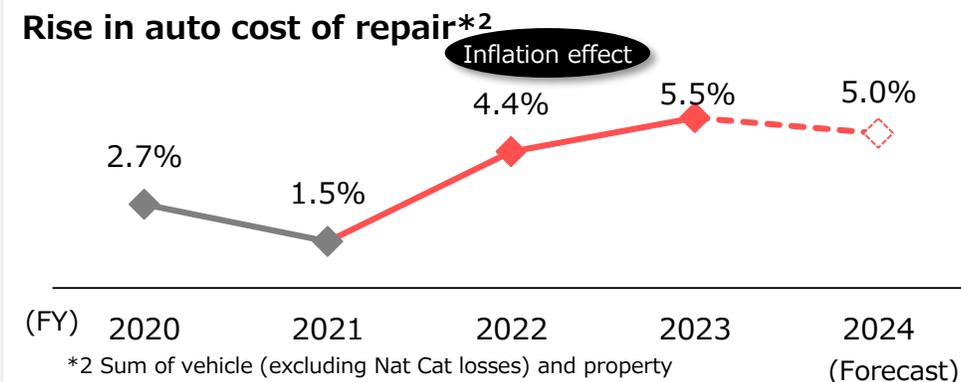
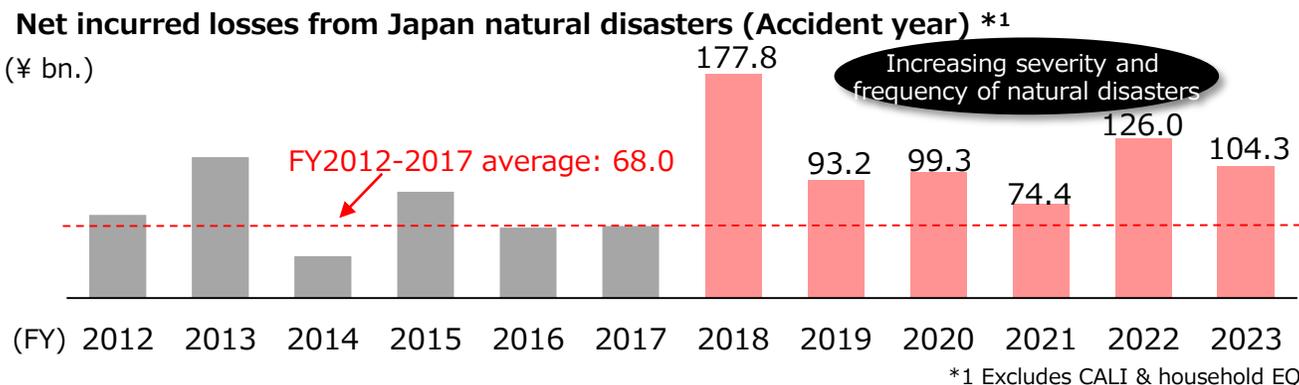
Returned to profit (FY2023)

* Excludes the effect of catastrophic loss reserves

Resilience against Rapid Changes in the Environment

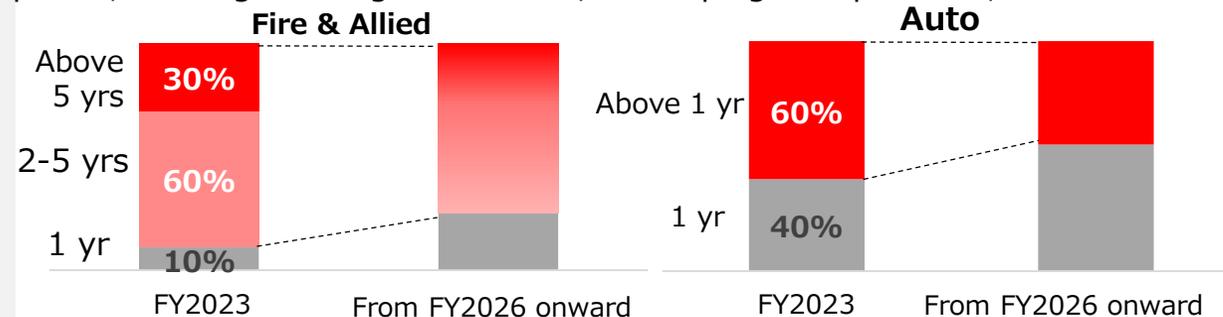
- An existing strategy to improve earnings for FY2026 could be negatively affected if the business environment changes rapidly like during the previous Mid-Term Management Plan period
- Aim to reduce the ratio of long-term contracts and shorten the product revision cycle to quickly adapt to possible changes in the environment and increase the probability of achieving the targets

Need to improve resilience against changes in the environment



Ratio of long-term contracts

Aim to reduce the ratio of long-term contracts by shortening insurance period, revising the long-term factor, developing new products, etc.



Product development speed

Substantially reduced lead time for product development and revision of main LOB by revamping the core IT system

Auto: Already launched
 Fire: To be launched in FY2025
 Personal accident: Already launched

Product development time*3
50% Reduction

*3 Time required for system development. Product development time differs by LOB, revision, etc.

Core Operation Reform (Sales)

- Improve operational efficiency by eliminating the dual structure and centralizing back office activities so that sales can use the time generated for expediting specialization and improving quality

Eliminate the dual structure

Existence of excessive support for agent operations by insurance companies



Example of dual structure operations

- Prepare application and pricing
- Manage contract maturity
- Product explanation at the time of proposal
- Manage insurance agent qualification

Back office activities & operations optimization

- Difficulties in adequate staffing in the face of population decline, especially in rural areas
- Severe dependency on individual skills due to complicated products and operational rules
- Need to reduce expenses and improve productivity to increase profitability

Improve operational quality and reduce back office activities of sales branches by 15% through consolidation of sales administration, etc.

Concentrate operations to back offices in 7 areas in Japan

Expedite paperless (Shipping less)

Fully cashless

Standardize and digitalize operations

Current challenge

Initiative for improvement

Evaluate all agents, give guidance and hold dialogues for improvement by the end of FY2024

Revise the agent commission system to reflect operation levels and restrict LOB etc. for agents that cannot eliminate the dual structure



Goal

Retail sales

Achieve the lowest cost operations in the industry by improving productivity

- Ratio of agents that can complete operations on their own: 100%
- Optimal allocation of resources by channel and geographical area through selection and concentration
- Establish a framework for delivering high-quality services throughout the country through high-level standardization

Commercial sales

Deliver comprehensive solutions through division of duties and by increasing specialization

Relationship management
Underwriting
Delivering risk solutions

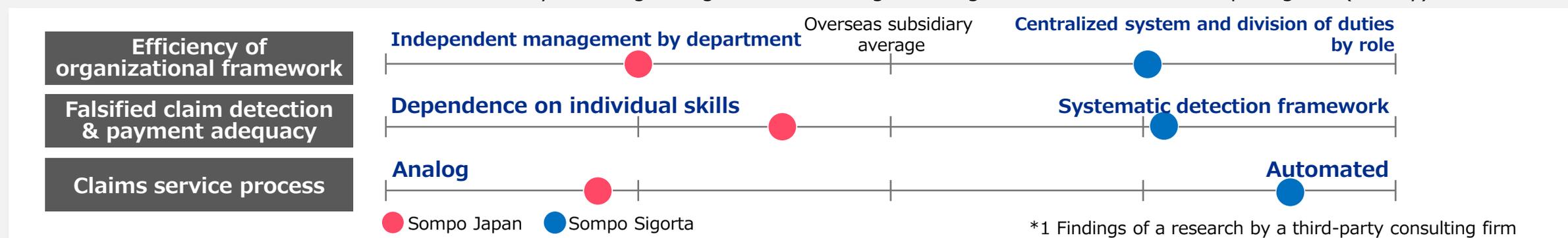
Division of duties facilitate specialization which in turn enables delivery of highly sophisticated solutions

Core Operation Reform (Claims Service)

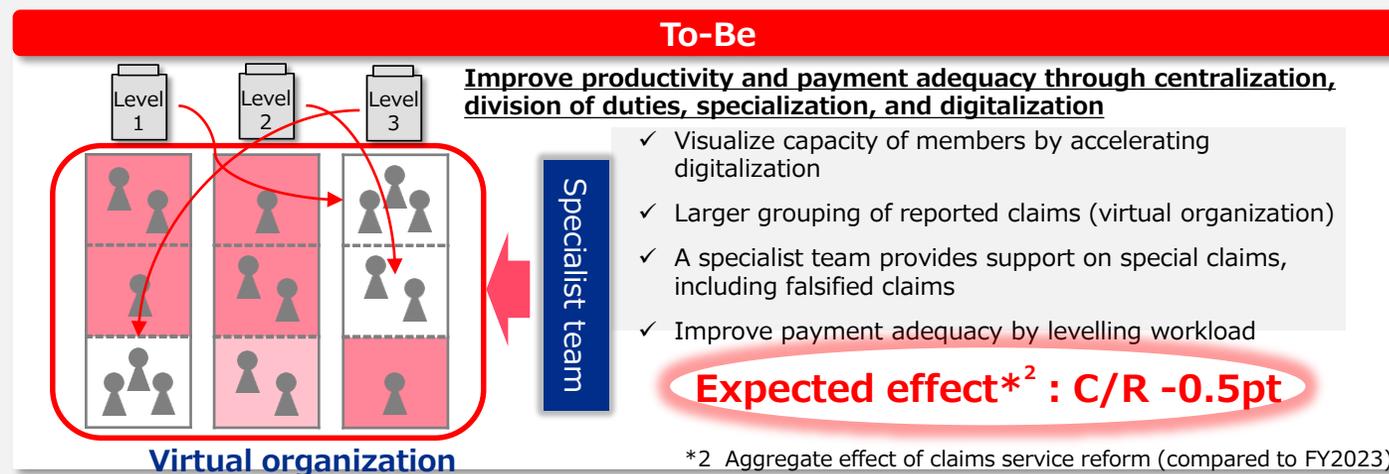
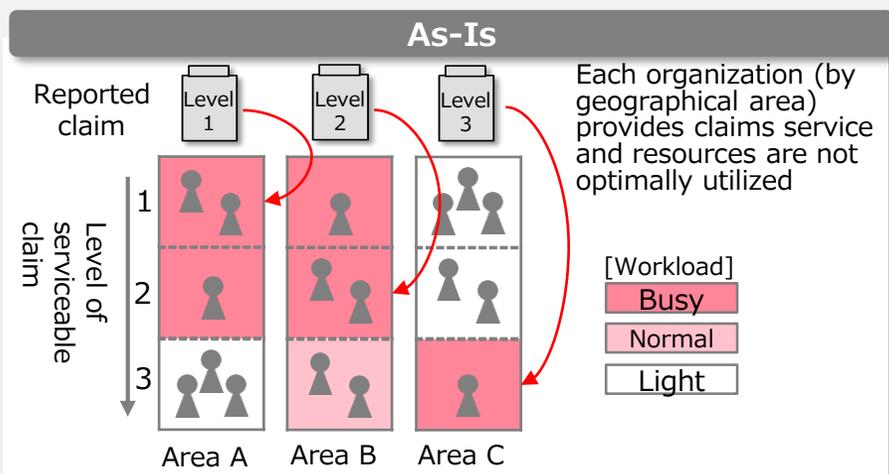
- Transform claims service into a model that meets the global standards by referring to Innovative operations of an overseas subsidiaries
- A reform is being implemented that revises the entire claims service process from reported claims to initial response, repair factory referral, fraud detection, and claims payment.

Performance comparison (Sompo Japan vs. Overseas subsidiary)*1

Aim to build an efficient claims service framework by referring to organizational design and digitalization efforts of Sompo Sigorta (Turkey)



Example of claims service reform



Initiatives in Pursuit of Uniqueness and Further Growth (Direct Sales & Alliance)

- Implement the direct sales strategy for sustainable growth of the domestic P&C insurance business in view of the changing customer path
- Strengthen alliances with other businesses, execute M&As, and form alliances to expedite value-added of insurance and group synergies

Direct strategy

Increase competitiveness by leveraging the diverse customer base and strengths of each business vehicle



- Hybrid model of agent-based and direct -

Sompo Japan to strengthen internet direct to fulfill diversifying needs

Develop and test sales of fully digitalized Business Master Plus which has enjoyed brisk sales. Consider full-scale sales and rollout to other products.



- Purely direct -

Ranked No. 2 in the direct auto insurance industry

Aim to be the best in internet direct sale P&C insurance by improving profitability by increasing sophistication of pricing by cooperating with Sompo Japan and overseas subsidiaries



- Digital marketing & Embedded -

Cumulative sales exceeded 1 million policies

Expand the customer base by focusing on next generation users as well as Sompo Japan and Sompo Direct to utilize accumulated knowledge in digital marketing and embedded insurance

Strengthen alliances

Increase value-added of insurance and accelerate group synergy realization through business alliances with third parties and cooperation with group companies

Domestic P&C

Customer base of about 20 million people
Financial protection against emergencies



[Examples of scope]

InsurTech

Disaster prevention & mitigation

Assistance service

Wellbeing



- Aim to Aiming to evolve into a "Connect with Customers and Deliver Connected Services" P&C insurance company by taking in the lifestyle support and behavior change function of chocoZAP as Sompo Japan's value-added
- Launched a special chocoZAP service through SOMPO Park as a first step

* Plan to change the company name from Saison Automobile & Fire Insurance Co., Ltd. on October 1, 2024, subject to approval by the relevant authorities

(Reference) New Sompo Japan / Committed to Uniqueness

- Combine various insurance products and services of Sompo Japan with health support and lifestyle change functions of chocoZAP to evolve into a P&C insurer that connects with customers and delivers connected services for healthcare and wellbeing, not just security and financial protection

Combine P&C insurance products (auto insurance, travel insurance, etc.) and chocoZAP
<Started from H1 FY2024>

Sompo Japan (P&C insurance)

Security and financial protection against emergencies



Auto insurance



Fire insurance



Travel, personal
accident, medical

SOMPO Park (Digital touchpoint)

(Contents for young people, outdoor, international travel, car magazine, wellbeing, rewards, education contents, etc.)

×



Support and lifestyle change for physical
and mental health = Wellbeing

RIZAP Group



Highway service areas



1,500 outlets across Japan

(Reference) Support to Agent office

- Become a P&C insurer that is chosen by customers by supporting agent management through collaboration with RIZAP/chocoZAP

New customer value creation through community-based P&C insurance agents across Japan * chocoZAP

Sompo Japan agents (47,000 in 47 prefectures)

Community-based approach in operations

- Become a P&C insurer that is chosen by local customers



Support care dealers, etc. in local community contribution



Support the change to a physical visit insurance outlet



Strengthen employee welfare service for employee health insurance



DX / digital marketing support

*



Open a complex of chocoZAP and insurance outlet on unused land (motivation for physical visit, build a lasting touchpoint)



Build a community-based, new monetization/business model (Utilize digital signage)



Agent business/operations support (Support in marketing by sharing the know-how of RIZAP, etc.)



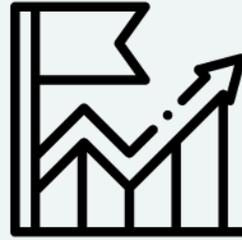
2. Overseas Insurance Business



Highlights



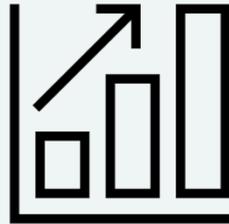
**Growth strategy
focused on geographic
expansion**



**Continued underlying
underwriting
improvement and
expense discipline**



**Financial targets focus
on profitable growth**



**Investment Income to
provide tailwind
for FY2024 - 2026**



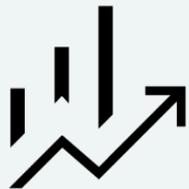
**Strong capital base to
fund growth strategy**



**FY2024 off to a good
start**

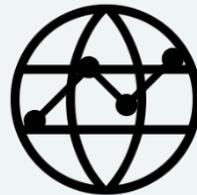
Strategic Objectives

1



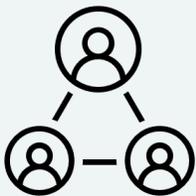
**Improve Operating
Income driven by
Underwriting**

2



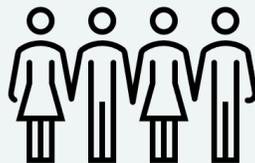
**Expansion through
Geography, Customers
and Products**

3



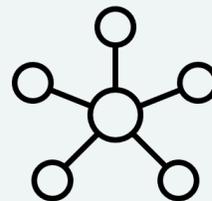
**Drive
Culture**

4



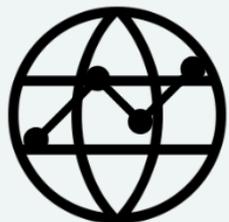
People

5



**Invest in
Technology**

Highlights(1) Growth Strategy Focused on Geographic Expansion



**Growth strategy
focused on geographic
expansion**



Continued underlying
underwriting
improvement and
expense discipline



Financial targets focus
on profitable growth



Investment Income to
provide tailwind
for FY2024 - 2026



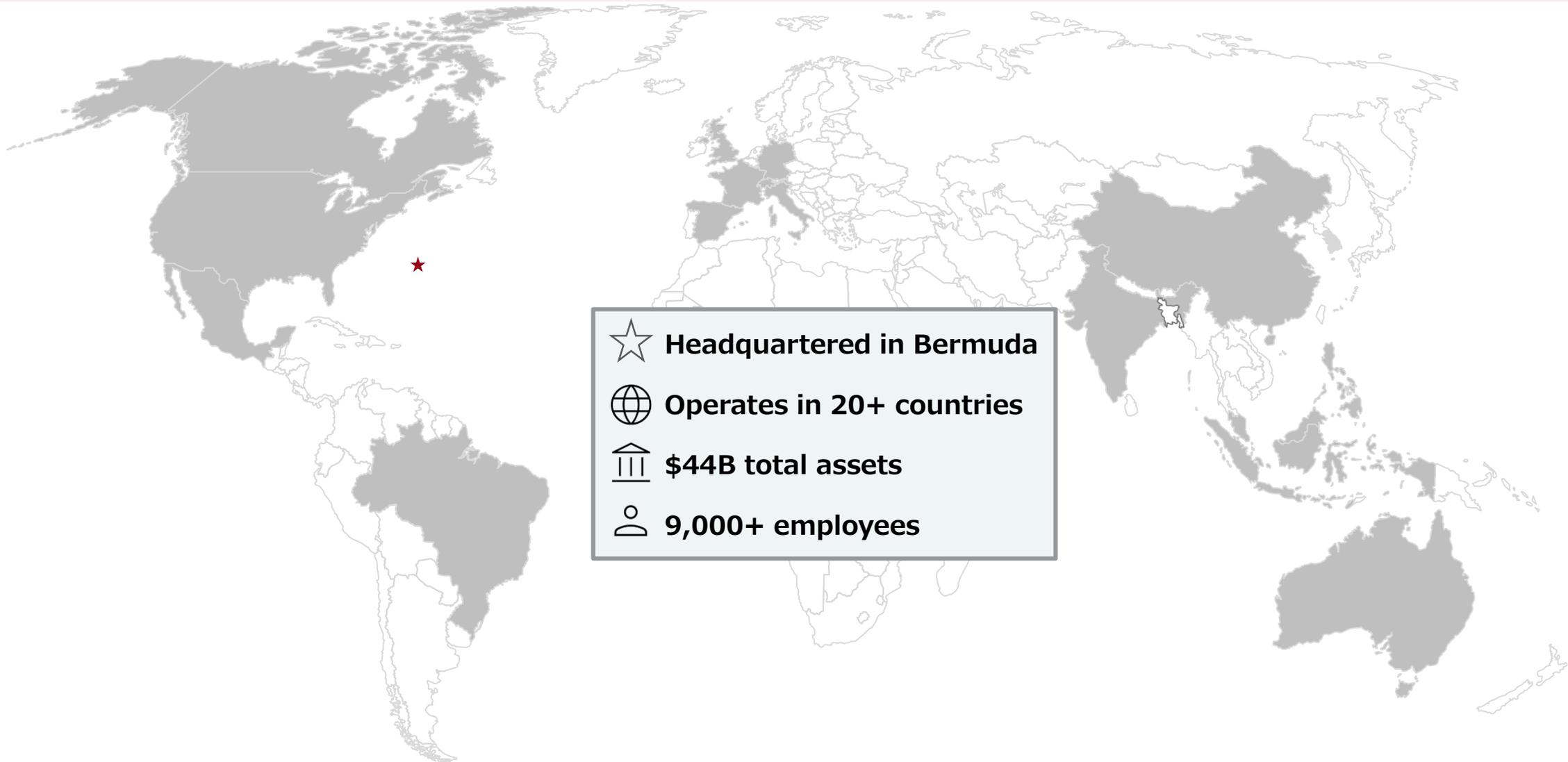
Strong capital base to
fund growth strategy



FY2024 off to a good
start

Global Expansion of Sompo International (SI)

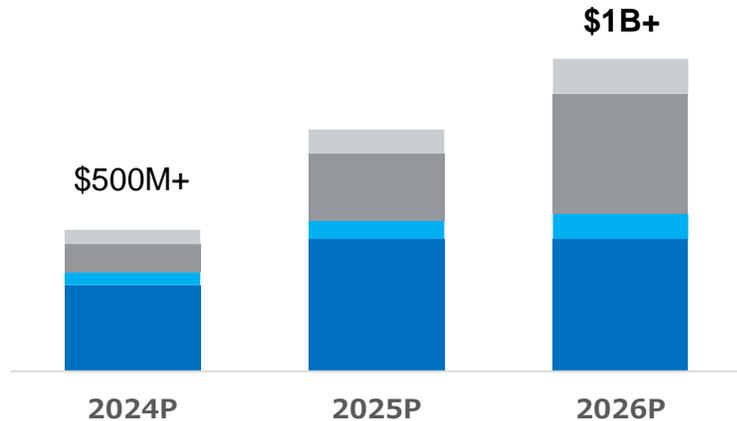
- Sompo International is becoming a truly global organization through global expansion



Growth Strategies

- Good progress is being made on strategic growth initiatives started in FY2023
- Strategic growth initiatives are expected to increase gross written premiums by over \$1 billion by FY2026 through organic growth opportunities in the US, Continental Europe (including UK), Canada and Singapore

Gross Written Premiums for Growth Strategies



GWP +\$120M
in Q1 FY24

United States



- Q1 GWP +\$74M
- 23 staff onboard YTD
- Opened/expanded 3 offices

Canada



- Q1 GWP +\$10M
- Licensing new product lines
- Opened new branch

Europe



- Q1 GWP +\$34M
- Operational in 6 CE markets and 2 new UK offices
- Geographic and product expansion

Singapore



- Q1 GWP +\$3M
- 25 staff onboarded YTD
- Launched to market, with positive feedback and strong submissions

Strategic Growth Initiatives

- Our strategic initiatives are expected to drive profitable growth through geographic expansion and enhanced product

US

Canada

Europe

Singapore

FY2023 Accomplishments

- ✓ Opened new Denver office and expanded in Texas
- ✓ Opened an office in Toronto to provide insurance and reinsurance products
- ✓ Expanded operations in France, Germany, Austria, Switzerland, Italy, Spain and the UK (outside of London)
- ✓ Added commercial underwriters to serve the wholesale distribution channel

FY2024-2026 Objectives

- Continue to attract additional underwriters
- Continue to expand existing offices in the U.S. and Europe
- Open new office locations in the U.S. and Europe
- Expand product offerings

Highlights(2) Financial Targets Focus on Profitable Growth



Growth strategy
focused on geographic
expansion



Continued underlying
underwriting
improvement and
expense discipline



**Financial targets focus
on profitable growth**



Investment Income to
provide tailwind
for FY2024 - 2026



Strong capital base to
fund growth strategy



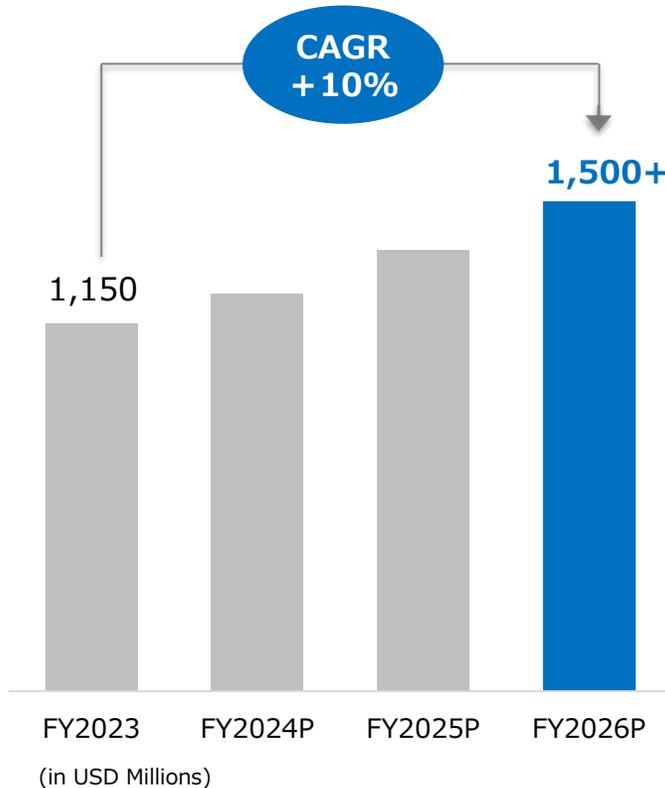
FY2024 off to a good
start

FY2024 - 2026 New Mid-term Management Plan Financial Targets

- Adjusted profit is expected to grow supported by expanding underwriting income and higher net investment income
- Strategic growth initiatives will generate top line growth and support profitable growth

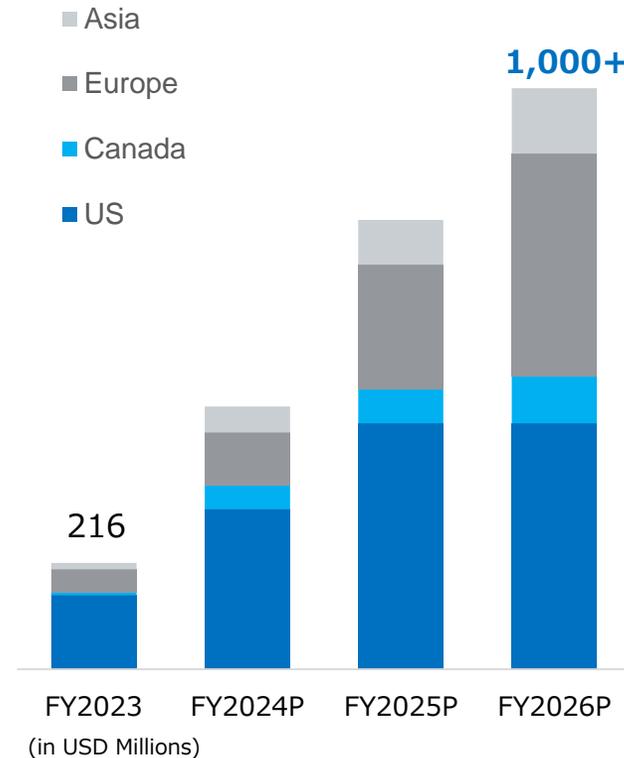
Overseas Adjusted Profit

Target CAGR +10%



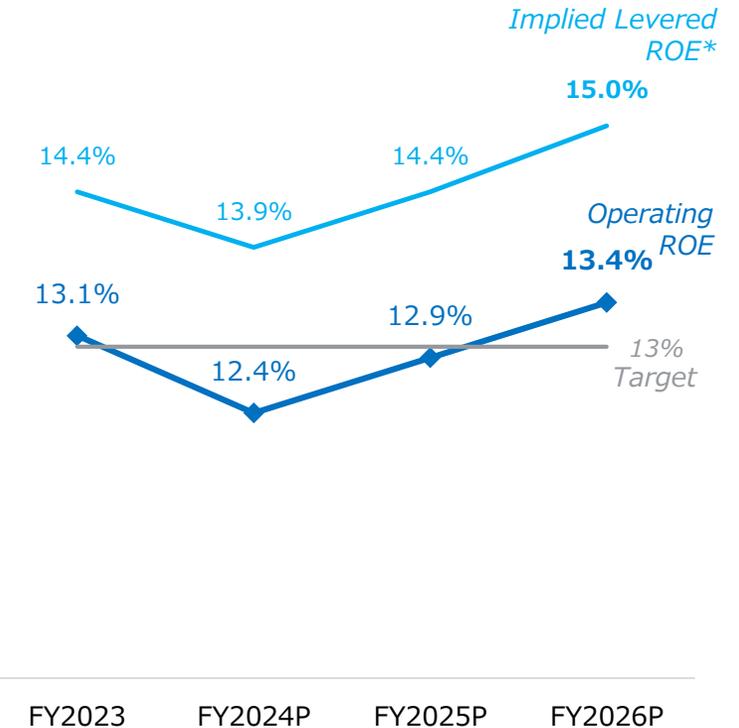
GWP for Growth Strategies

Target GWP \$1.0B+



Operating Return on Equity for SI

Target 13%+



* Assumes a 20% debt-to-equity ratio consistent with Sompoco

Financial Strategic Objectives

- We will achieve our financial targets by driving our strategic financial objectives

Continued Topline Growth

- Continue global expansion across U.S., Canada, Europe and Singapore
- Still targeting modest growth in established markets

Disciplined Underwriting

- Increase rates in line with lost cost trends / maintain stable underwriting margins while growing
- Retain premiums based on profitability and risk appetite (cycle management)
- Continuous re-underwriting (product mix / catastrophe losses)

Investment Income Management

- Increase net investment income through higher book yields and growth in cash flows
- Tactical reallocations and improved cash flow analysis
- Total return focus to increase shareholder value

Optimize Capital Deployment

- Capital levels above required capital range to fund growth strategy
- Capital allocated based on internal model
- Hurdle rate is 13%

Highlights(3) Strong Capital Base to Fund Growth Strategy



Growth strategy
focused on geographic
expansion



Continued underlying
underwriting
improvement and
expense discipline



Financial targets focus
on profitable growth



Investment Income to
provide tailwind
for FY2024 - 2026



**Strong capital base to
fund growth strategy**

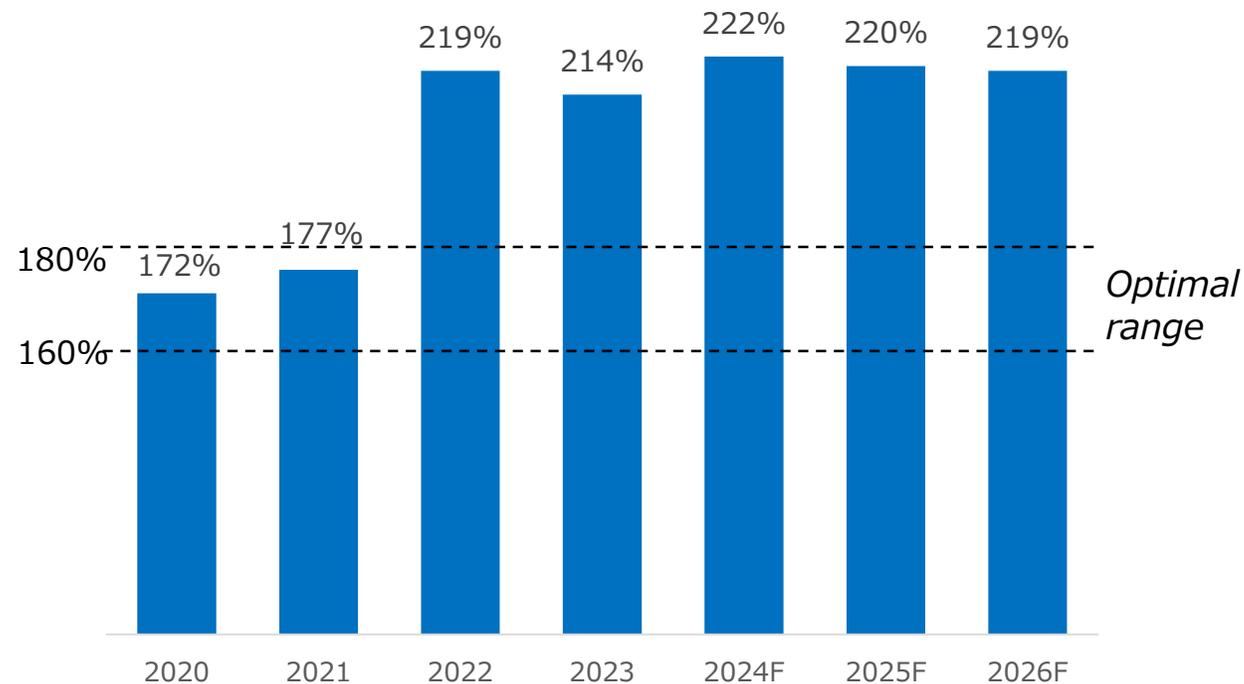


FY2024 off to a good
start

A Strong Capital Position by All Measures...

- Strong capital position supports growth initiatives and provides capacity for external opportunities

ECR Solvency Ratio*1



S&P SCR*2 **146%** Strong contributor to Group SCR and rating

ESR SCR*3 **290%** Reflects strong diversification benefit

*1 Bermuda Monetary Authority Bermuda Solvency Capital Requirement (BMA BSCR)

*2 SIH stand-alone

*3 Internal model

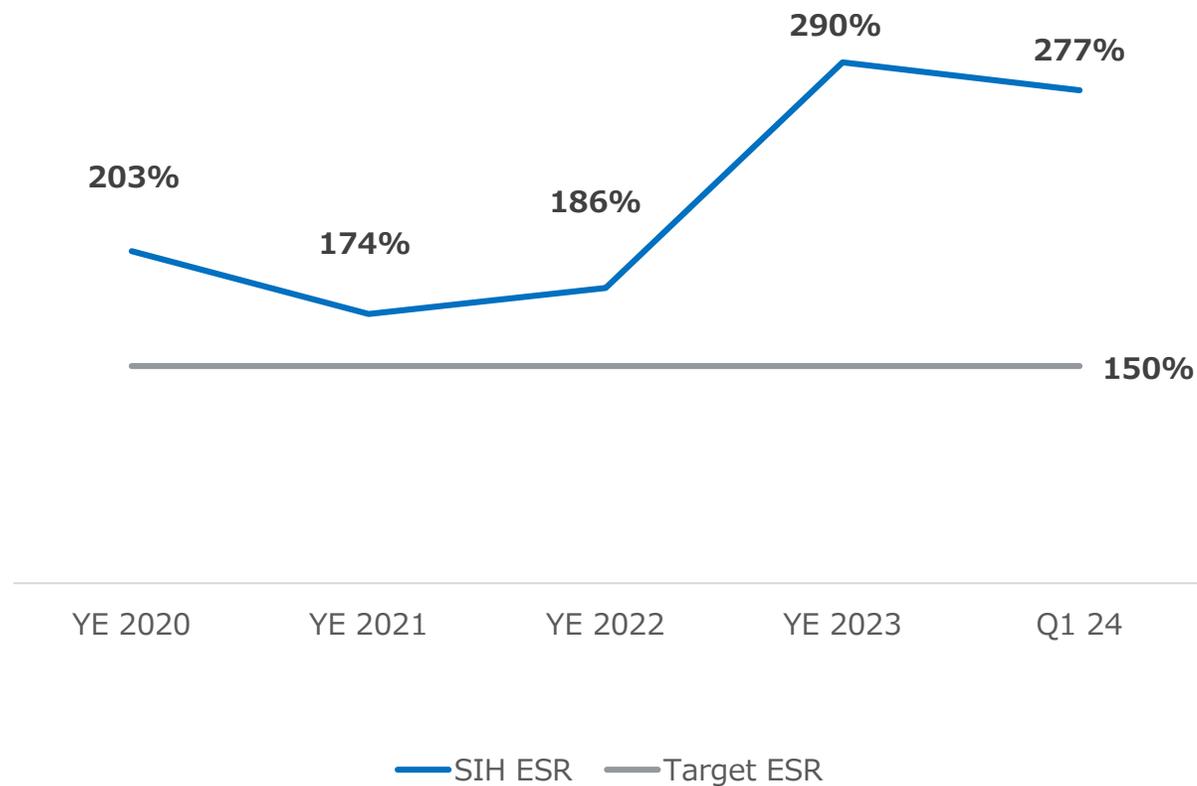
Capital Policy

	Action
Sub-optimal	Potential redeployment of capital
Optimal	Fine-tune risk strategy
Sub-Optimal	Improve capital position / re-orient risk strategy
Alert	Restore capital position
Below Minimum	Submission of recovery plan to BMA

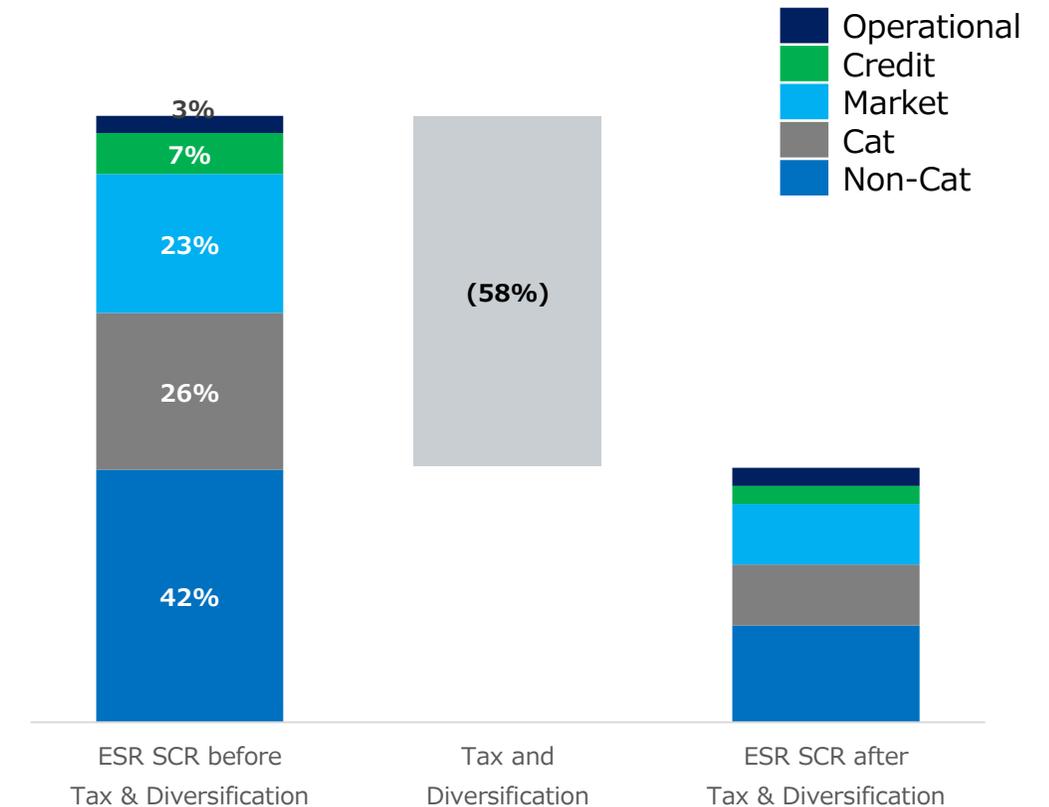
...and Positioned for Growth Based on Internal Model

- We deploy capital based on our internal model
- The internal model is used to assess our risk adjusted performances and to drive our portfolio mix

SIH Economic Solvency Ratio (ESR) (%)*



High diversification driven by product array and geographic footprint*

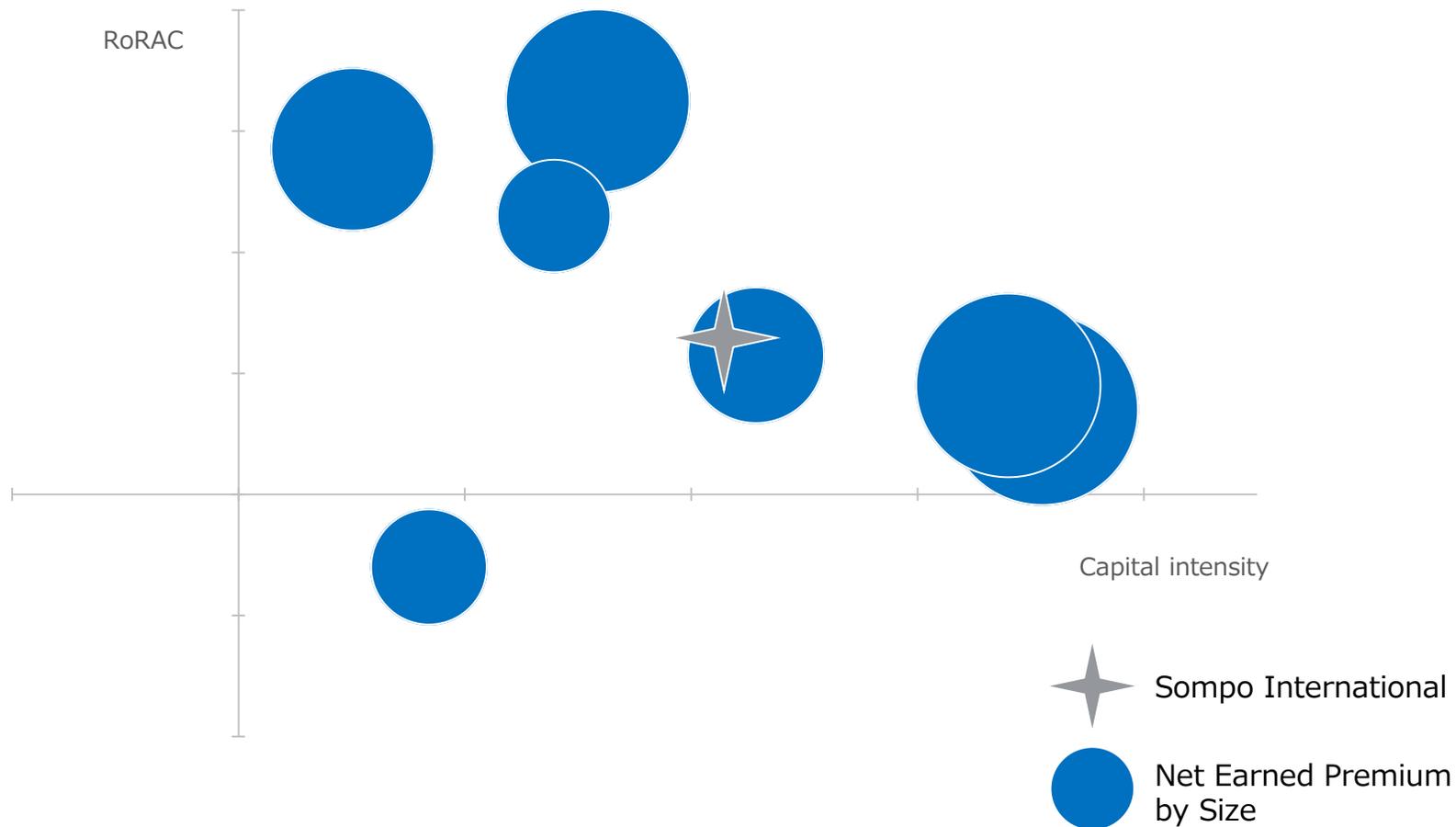


*Internal Model

Optimal Capital Allocation

- Our model is used to allocate capital to the most value-accretive lines to support the overall portfolio

Economic RoRAC*¹ vs Capital intensity*², main lines of business



Portfolio management:

- ✓ Reducing tail intensity
- ✓ Managing earnings volatility
- ✓ Driving pricing adequacy
- ✓ Monitoring Nat Cat appetite

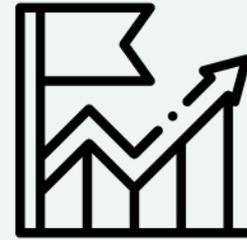
*1 Return on Risk Adjusted Capital

*2 Allocated Risk Adjusted Capital / NEP

Highlights(4) Continued Underlying Underwriting Improvement and Expense Discipline



Growth strategy
focused on geographic
expansion



**Continued underlying
underwriting
improvement and
expense discipline**



Financial targets focus
on profitable growth



Investment Income to
provide tailwind
for FY2024 - 2026



Strong capital base to
fund growth strategy

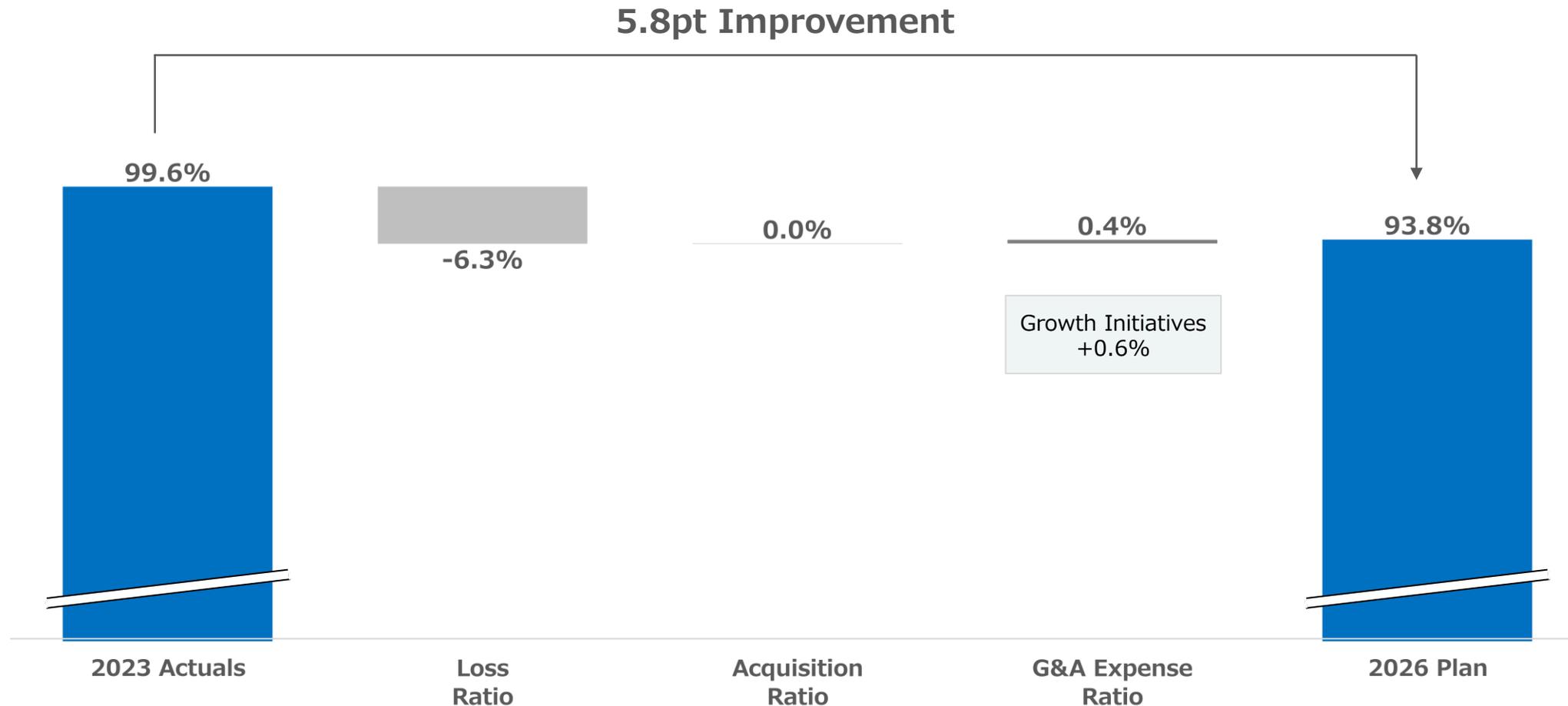


FY2024 off to a good
start

Combined Ratio Improvement

- SIH Combined ratio is expected to improve by 5.8pt driven by modest underwriting improvement and expense discipline

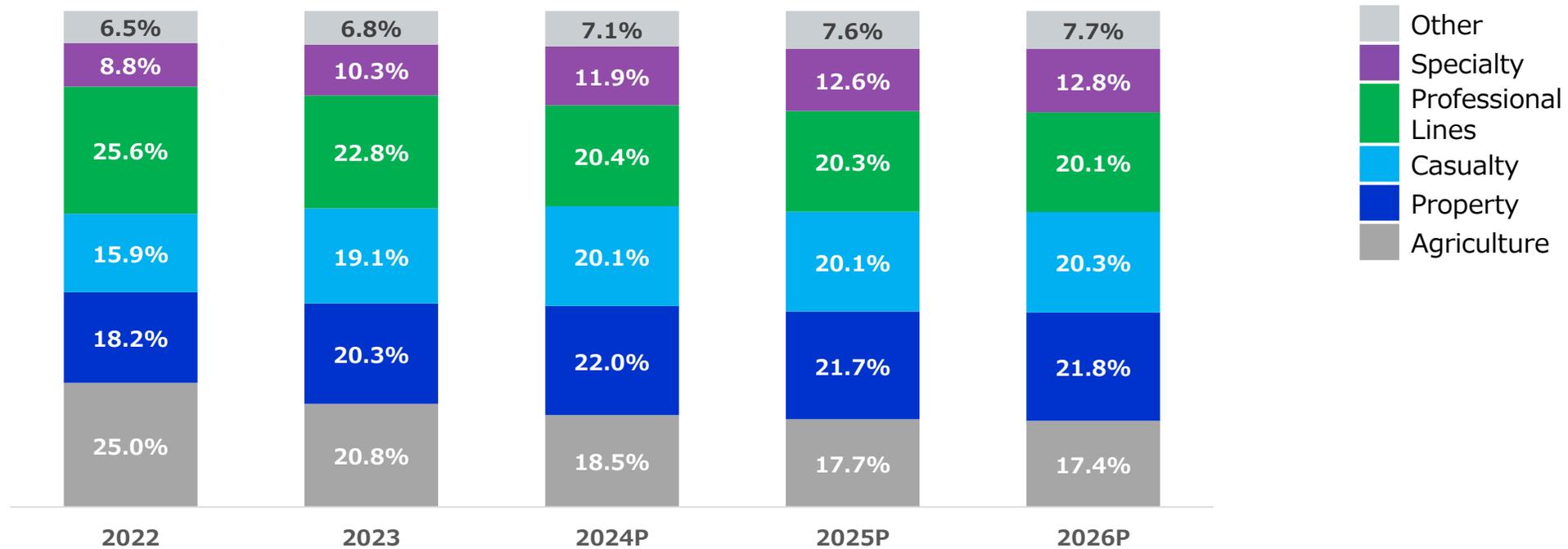
Combined Ratio – FY2023 through FY2026



Overview of Commercial Insurance Mix

- Diversity across multiple lines of business

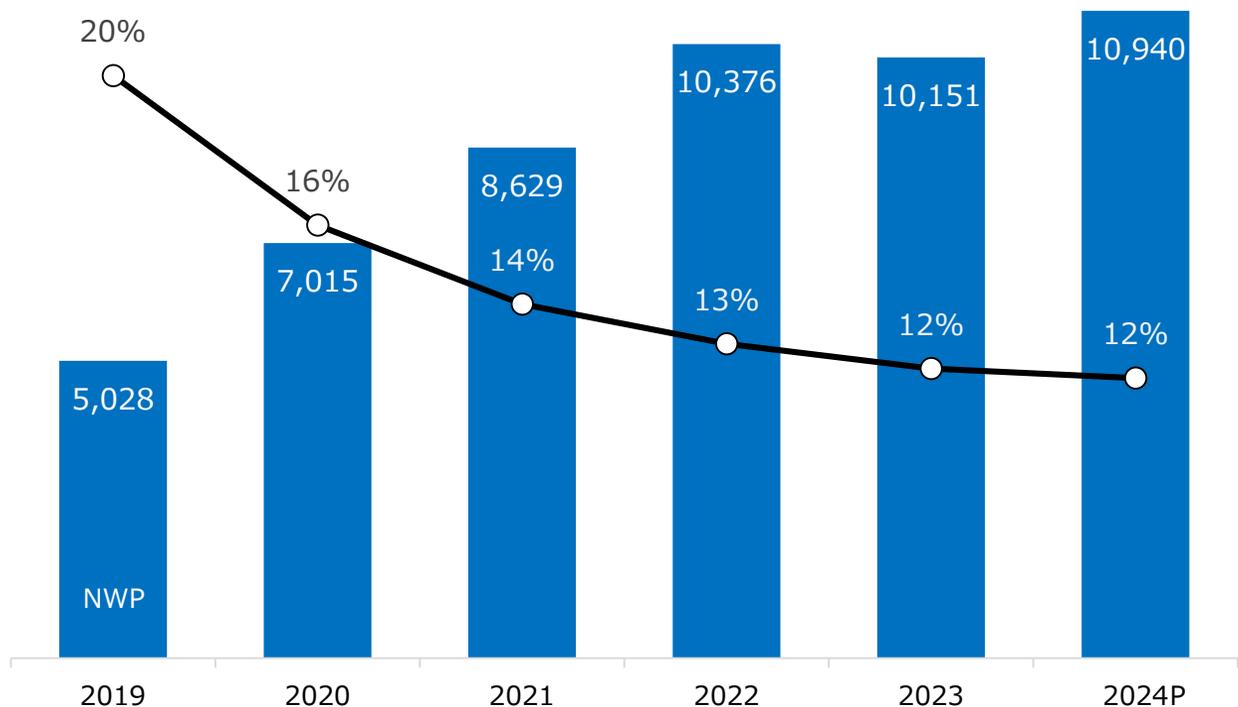
Commercial Insurance GWP Mix Over Time



Earnings Volatility and Exposure from Natural Catastrophe Loss

- Earnings volatility and exposure from natural catastrophe loss has reduced

Catastrophe Probable Maximum Loss* % of NWP (\$M)



Highlights

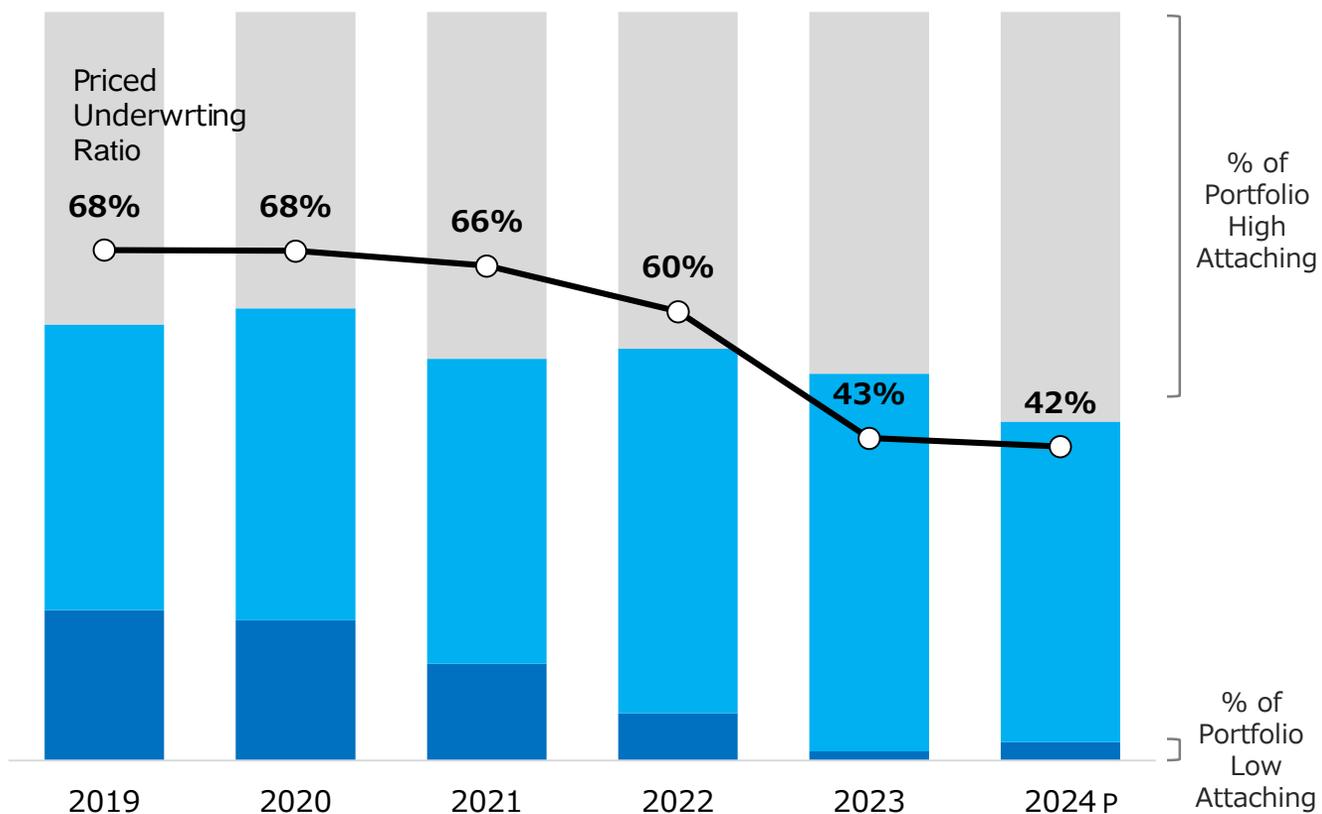
- Achieved through:
 - Greater portfolio diversification
 - Improved pricing adequacy
 - Shift of assumed portfolios
 - Repositioning to higher attachment
 - Disciplined limit deployment

* Catastrophe PMLs shown represent the level of single occurrence net loss we would expect not to exceed with 99% confidence.

SompoRe Portfolio Positioned to Perform in Current Climatic Conditions

- Driving the portfolio towards higher attaching cat losses while achieving strong rate

SompoRe Catastrophe Portfolio Re-positioning



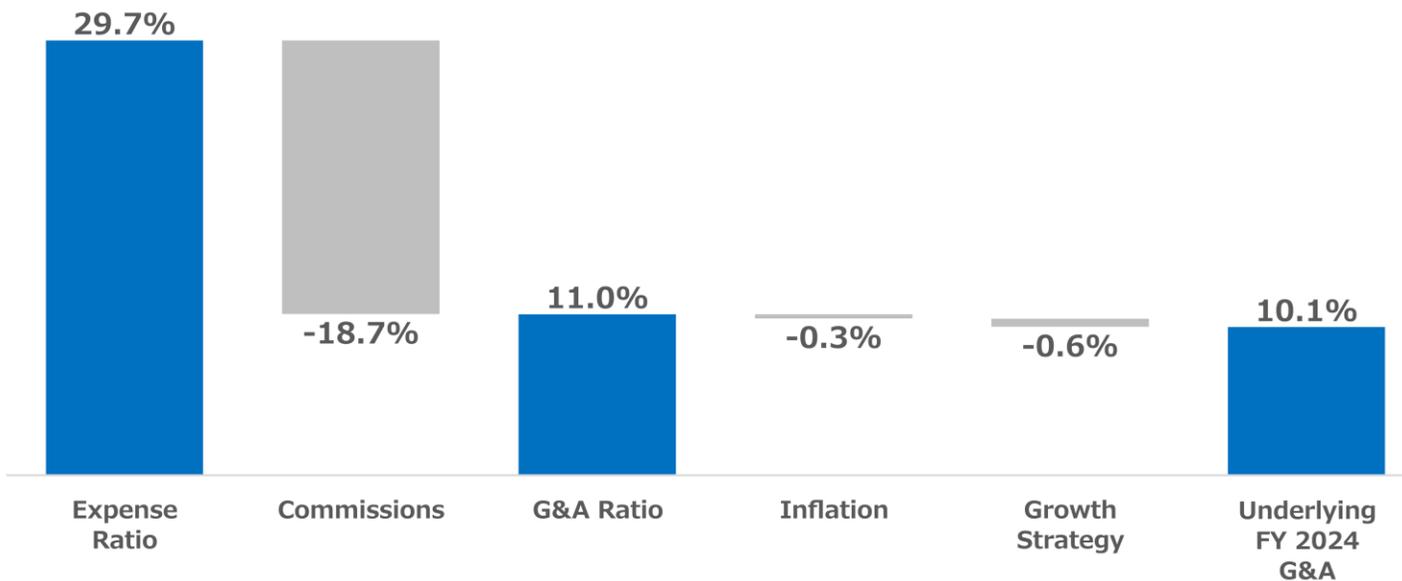
Highlights

- The SompoRe portfolio has been successfully transitioned over several years to **minimise exposure to 'attritional' catastrophe losses**.
- The current portfolio is generating **strong risk-adjusted returns** and remains a focus for opportunistic risk taking.
- The five-year achieved catastrophe loss ratio and associated volatility has been **amongst the lowest across reinsurance peers**.

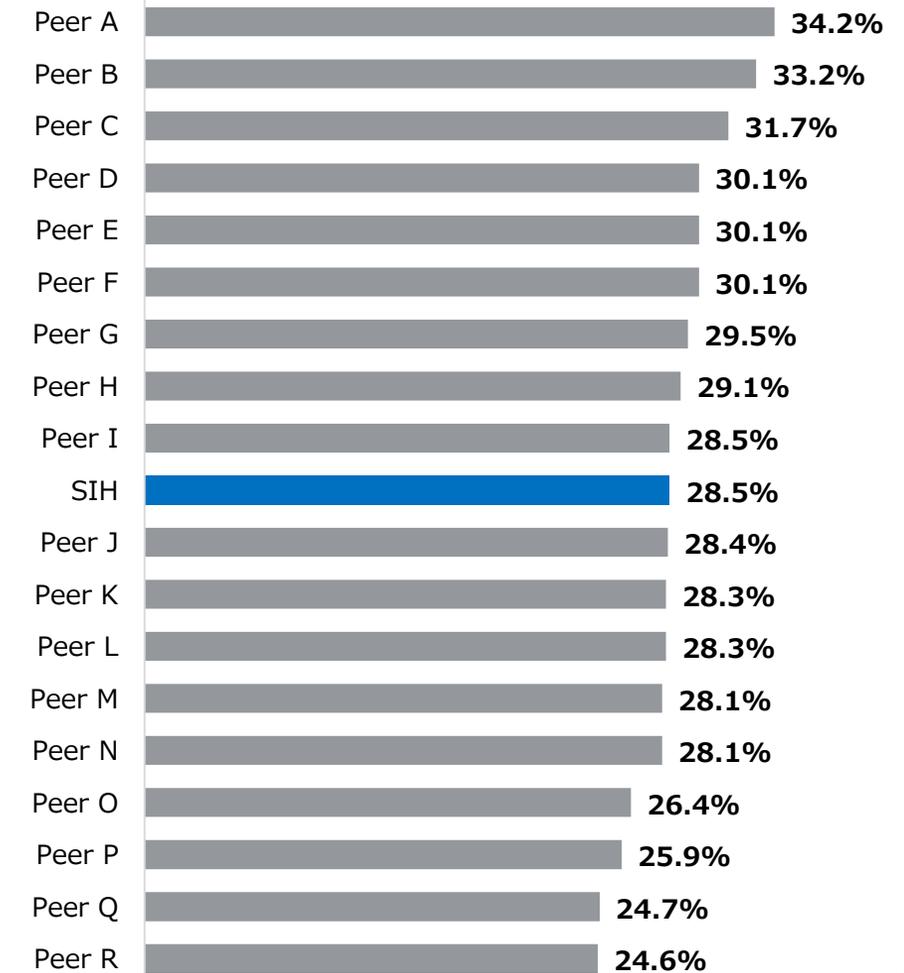
Overview of Expenses

- Focused on disciplined expense management

FY2024 Deconstructed Expense Ratio



FY2023 Peer Expense Ratio



Highlights(5) Investment Income to Provide Tailwind for FY2024 - 2026



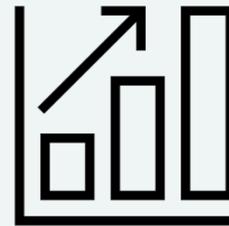
Growth strategy
focused on geographic
expansion



Continued underlying
underwriting
improvement and
expense discipline



Financial targets focus
on profitable growth



**Investment Income to
provide tailwind
for FY2024 - 2026**



Strong capital base to
fund growth strategy

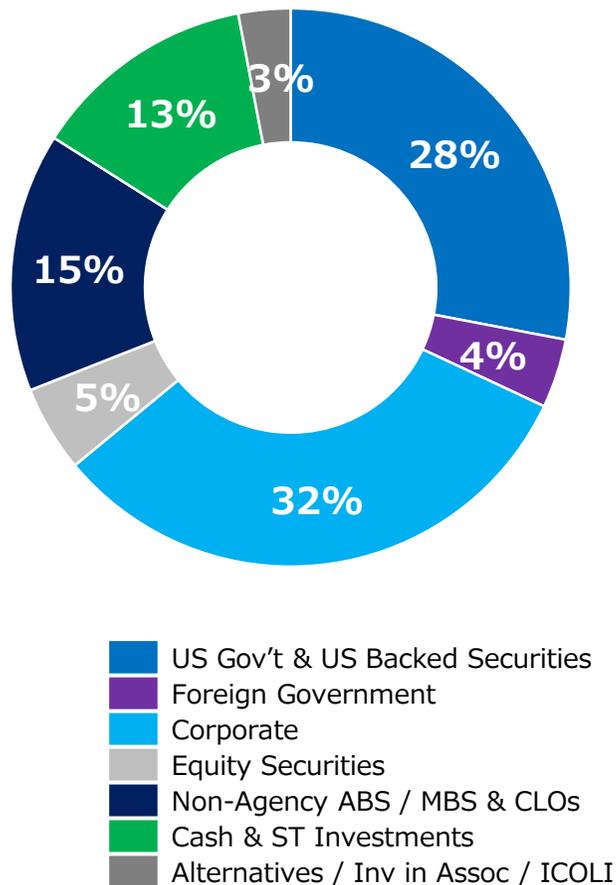


FY2024 off to a good
start

Q1 2024 Investments Snapshot

- We have a high-quality, well-diversified portfolio

Total Investments and Cash*1



Highlights

- Assets under management of ~\$20B as of the end of Q1 2024**
- Core fixed income**
 - AA- average quality
 - 3.7-year duration
 - 75% of portfolio*2 is investment grade
- Current Book Yield is 5.71%*3, up 15bp from YE 2023**
- Trailing 12-month NII of +\$1B**
- Strategy and focus:**
 - ✓ Centralized strategy and team
 - ✓ Risk controlled approach
 - ✓ Portfolio is matched for currency, duration and liquidity
 - ✓ Total return and ROE focus

*1 Includes pending receivables and payables

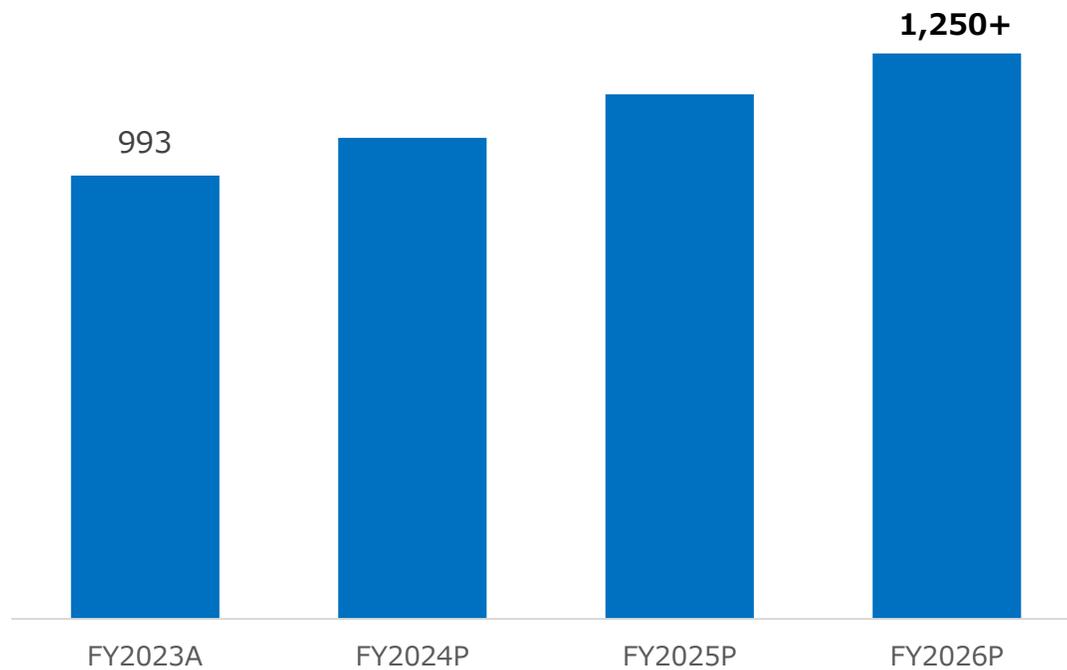
*2 North American and Europe portfolio

*3 Includes core fixed income and high yield

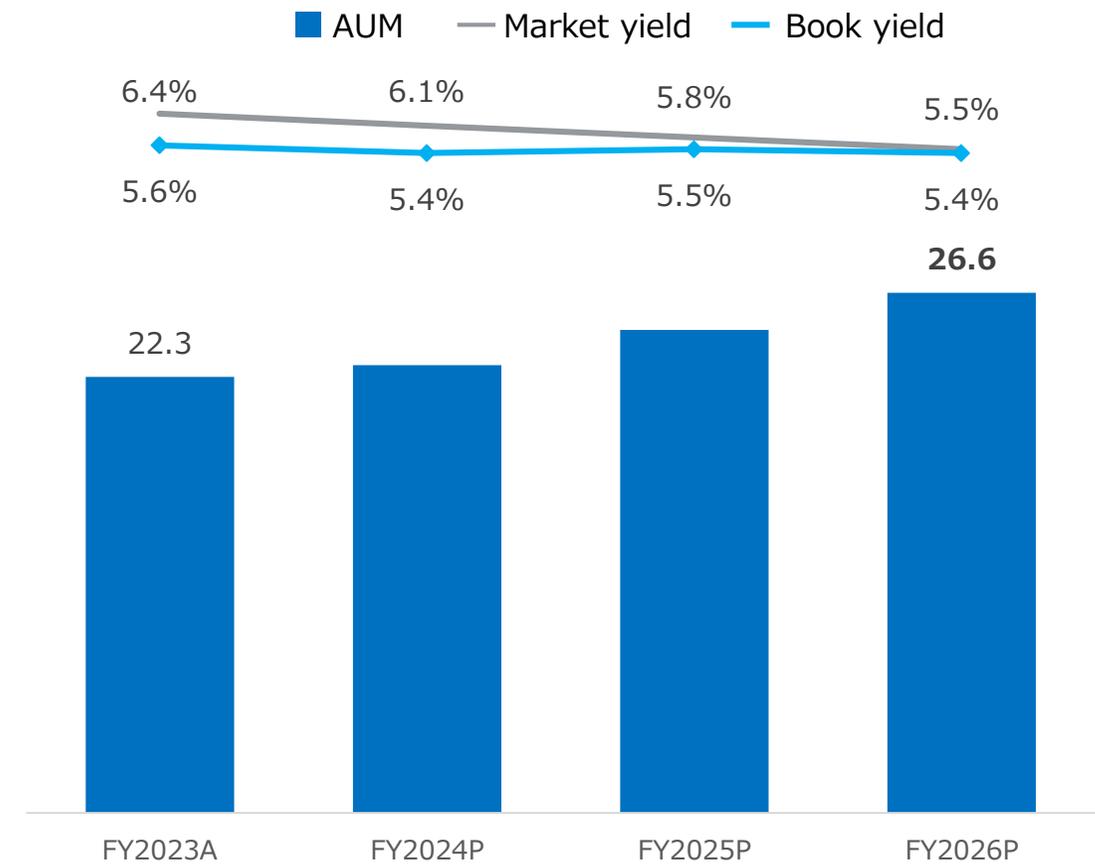
Investment Income Provides Tailwind

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

Net Investment Income (\$M)



AUM (\$B) and Portfolio Yield

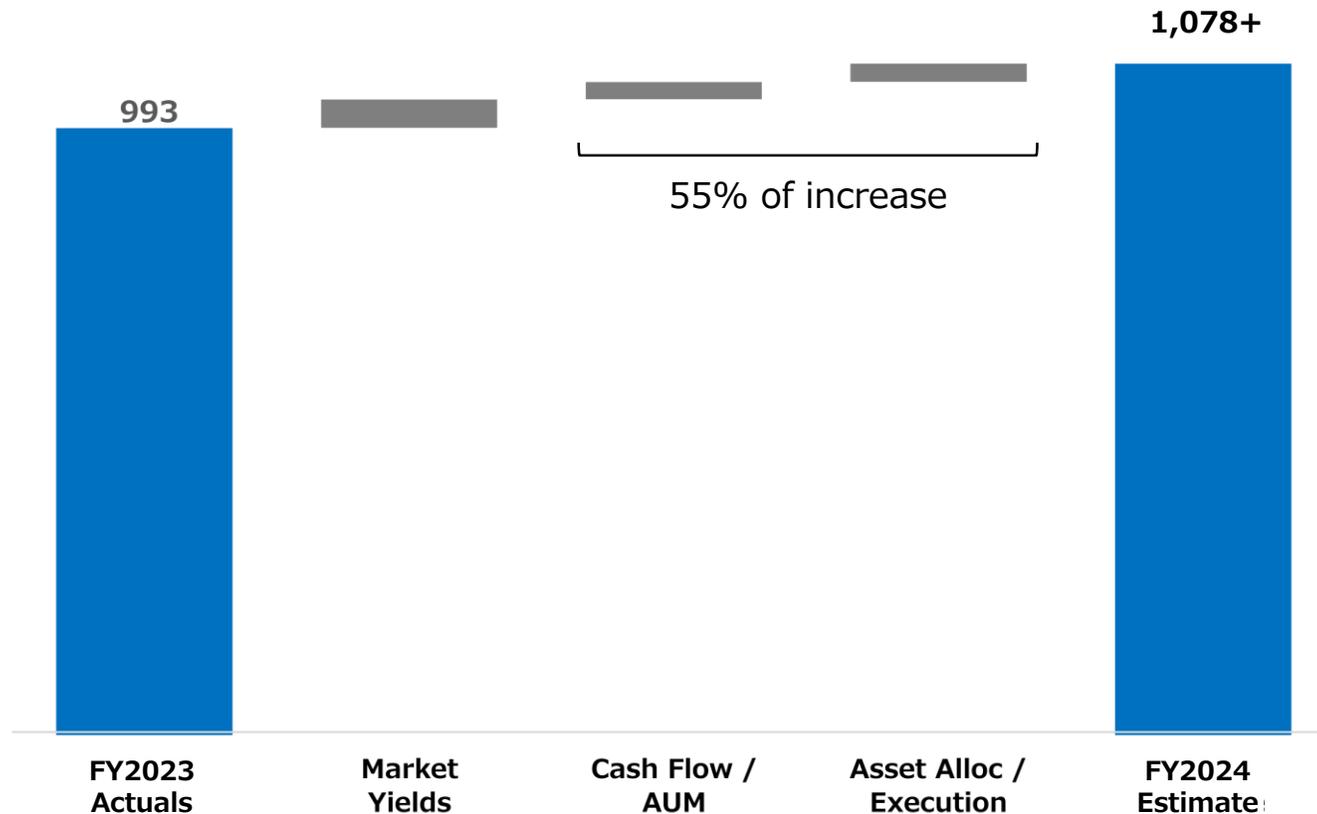


* SI Commercial

Tailwinds and Management Actions Driving Higher Investment Income

- Management actions continue to support improved investment income

FY2024 Investment Income Walk (\$M)



Highlights

- FY2024 Investment Income growth is driven by:
 - Higher market yields
 - Higher cash flows driven by underwriting performance and cash management actions
 - Tactical asset reallocation

Highlights(6) FY2024 off to a Good Start



Growth strategy
focused on geographic
expansion



Continued underlying
underwriting
improvement and
expense discipline



Financial targets focus
on profitable growth



Investment Income to
provide tailwind
for FY2024 – 2026



Strong capital base to
fund growth strategy

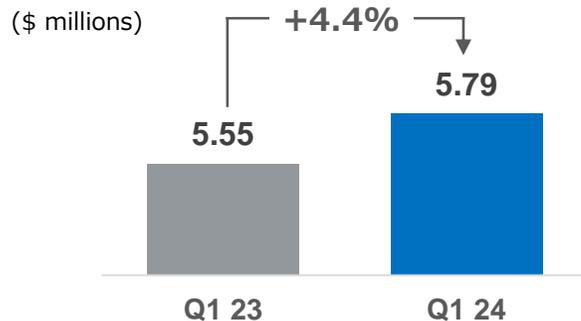


**FY2024 off to a good
start**

Q1 FY2024 Performance

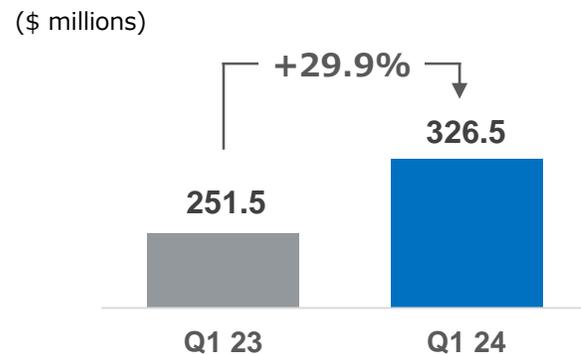
- Q1 FY2024 performance was strong across GWP, operating income and operating ROE %

Gross Written Premium



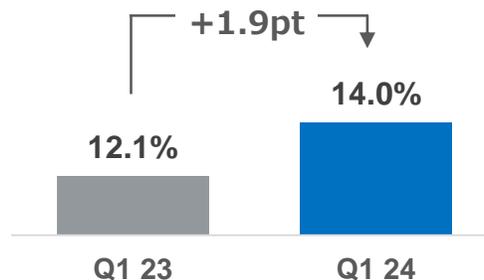
- Grew 10.9% excluding AgriSompo
- \$120M from Growth Initiatives
- Most lines contributing rate in excess of trend

Operating Income



- ~30bps Loss Ratio improvement
- Investment Income up 47.1%

Operating ROE*



- Shareholders' Equity up 8.8% year-over-year
- Remitted \$619M dividend in Q1

*Annualized ROE calculated based on the adjusted profit of Q1 and the average balance of net asset in Q1

Key Messages

- ✓ Off to a good start in FY2024 after successful completion of the previous mid-term plan in FY2023
- ✓ Improved underwriting, reduced catastrophe risk and investment income expected to drive results for next plan cycle
- ✓ Continued investment in growth strategy self-funded by profitability of Sompo International Holdings
- ✓ Strong capital base for which to continue to grow, while paying a healthy dividend to shareholder

3. Wellbeing



Wellbeing (1) The “Three Concerns” We Want to Solve

- The number of caregivers continues to increase as the population ages, and if we include the elderly, we are entering an "age of 100 million caregivers" where the involvement of individuals in caregiving is inevitable
- The “three concerns” of health, nursing care, and retirement finance are serious, and the negative impact on the economy is enormous

“Age of 100 million caregivers”

Not only those who will become caregivers, but also those who are in the reserves for when caregiving may begin, involvement with caregiving is inevitable for many people throughout their lives.

Persons certified
as requiring
nursing care or
support

7 million people
(2.7 times more than in 2000)

Caregivers +
Reservists
(50s+)

32 million people
(56% of their generation)

**Households involved in long-term care
increased significantly**

Health concern

Gap between average life expectancy and healthy life expectancy :

About 10 years

Nursing care concern

Worsening gap between long-term care supply and demand :
Family carers are likely to **decrease**

Financial concern after retirement

Retirement needs continue to grow
People who can prepare for retirement on their own : **10%**

Wellbeing (2) Overview

- Combine the customer base, strengths, and know how of businesses of SOMPO Group, and combine products and services beyond business boundaries
- We build the wellbeing business infrastructure under the Mid-Term Management Plan to address social challenges and for SOMPO Group to grow sustainably

Domestic life

Grow the customer base by combining insurance and health support

Promote lifestyle change for health

Nursing care

Business foundation
Expertise

Real data

Corporate wellness

Promote healthy behavior among employees of business partners

Support health & productivity management for corporate HR

SOMPO Wellbeing

- At your side at all times -

Lifestlye
change

Data
analytics

Nursing care
business
foundation

Customer base

Connect with customers & households, and deliver connected services for unique and sustainable growth

Wellbeing (3) Achieve Sustainable Growth by Addressing Social Challenges

- Offer solutions for extending healthy life expectancy by focusing on the Group's products and services and top-level nursing care quality, brand, and customer base in Japan
- We want to be deeply involved our customers' needs for a long time to further increase LTV of each customer and for SOMPO to grow sustainably in the medium to long term

Offer lifetime solutions (Sustainably increase lifetime value (LTV) and profit)

- At your side at all times -

Extend health life expectancy and protect against emergencies through Insurhealth products

Specific health guidance,
medical checkup service, etc.

Wellbeing

Nursing care services
(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%

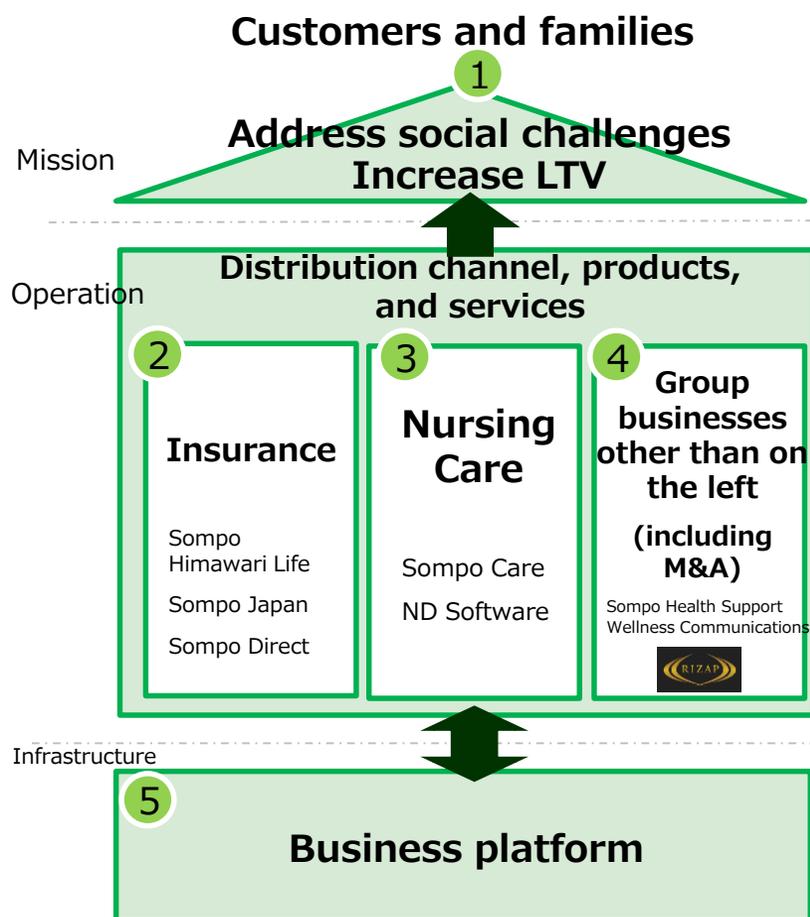
Nursing care concern

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

Wellbeing (4) Business Strategy and Roles of Business Units

- Create a society where people can look positively at growing old by alleviating the “three concerns”
- Evolve and integrate the business platform and strategies in “insurance” and “nursing care” which are SOMPO’s strengths and differentiating factors (connect with customers and deliver connected services)
- Turn SOMPO into a brand that is chosen by customers for its unique value

Strategy house/business model



Overview

- Mission**
 - Create a society where people can look positively at growing old by alleviating the “three concerns” related to health, retirement finances and nursing care
 - Increase LTV per customer, accelerate growth, and increase adjusted profits by combining life insurance, nursing care, and other group businesses

Build a unique business that combines insurance for health, wellbeing and financial protection, new-age nursing care, and healthcare, assist customers throughout their lives, and turn SOMPO into a brand that is chosen by customers
- Insurance (mainly domestic life)**
 - Increase Himawari clients/users through insurance and health services, establish a business infrastructure for promoting lifestyle change related to health of customers of the P&C and life insurance businesses, and contribute to alleviating health concerns

By FY2026 No. of Himawari clients/users: 7 million people, No. of health actions: 550,000
- Nursing care**
 - Improve own operations, improve industry-wide quality and efficiency by offering to other care providers as solutions, and contribute to alleviating nursing care concerns

By FY2026 No. of staff per facility: Sompo no ie 16.4 people (-1.9 v.s. FY2022) , La Vie Re 25.8(-0.4 v.s. FY2022)
- Group businesses (Other than ② and ③)**
 - Build a business platform by tying up and strengthening each business and supplementing the missing components through M&As, etc. to accomplish the mission
 - Expand B2B2E medical checkup service, mental health service, specific health guidance for health insurance associations to alleviate health concerns of employees
- Business platform**
 - Possess functions, including customer touchpoints (both offline and online), data accumulation and analysis, forecasting, and lifestyle change
 - Acquire crosssell and upsell products to increase LTV in “three concerns”

Domestic Life Business



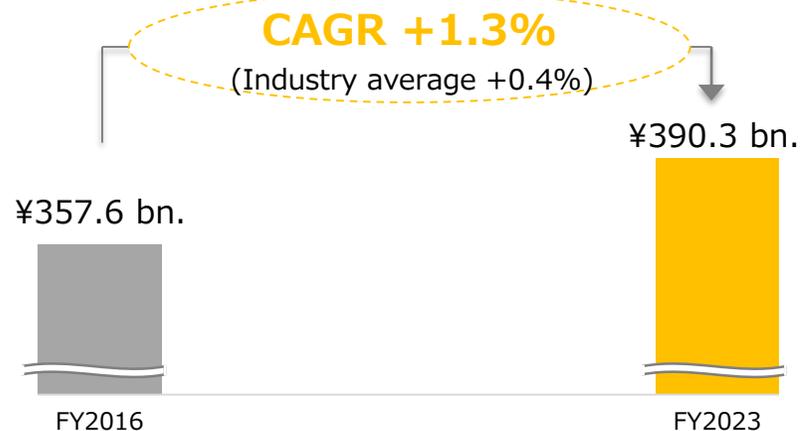
Domestic Life (1) Growth History of the Domestic Life Insurance Business

- Our challenge began in FY2016 to become a “health support company” as a way forward from a traditional life insurance company
- Increased customer base and annualized premium in force through Insurhealth®*1 have driven profits and improved capital efficiency

No. of in-force policies



Annualized premium in force

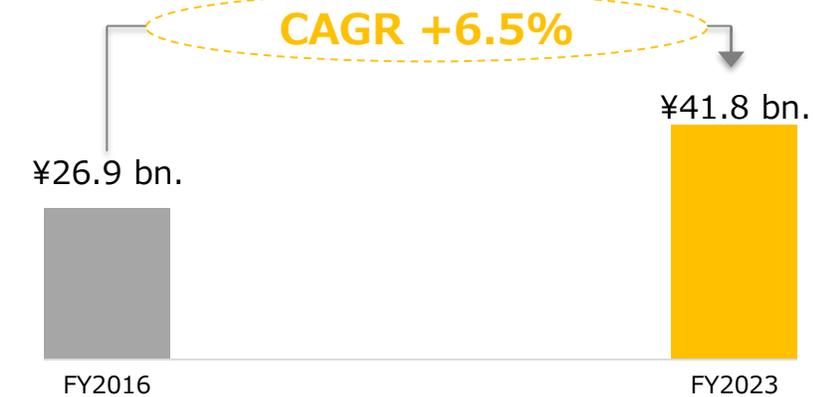


Increased customer base

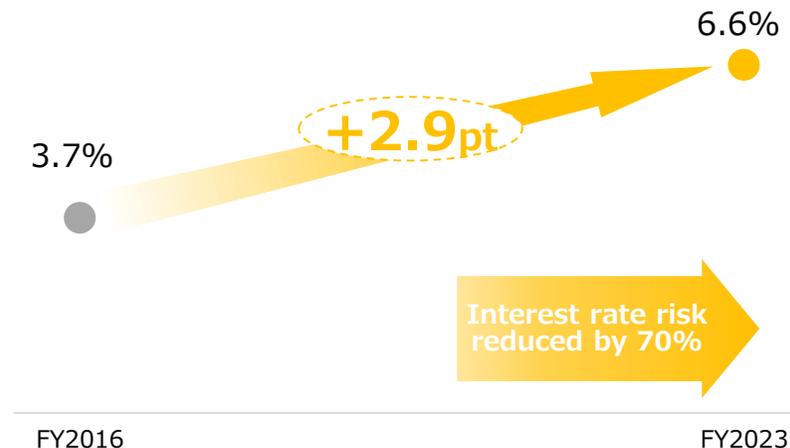
Insurhealth®

High profitability

Adjusted profit*2



Capital efficiency (ROE*2)



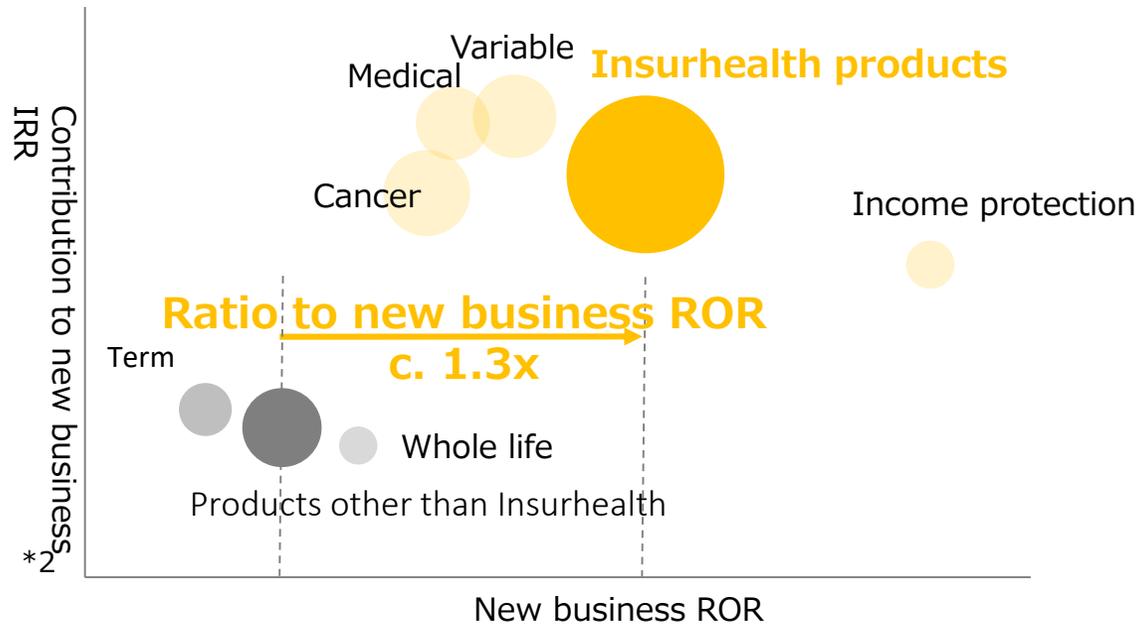
Domestic Life (2) Features of Insurhealth®

- Insurhealth has been a driver of ROE improvement with cumulative sales of 1.6 million policies since FY2018 and new business ROR at 1.3x of other products
- It has gradually built a track record of health support CX for customers who have found value in the combination of insurance and healthcare services (Himawari clients/users)

Sales record and profitability

Cumulative sales (No. of policies, annualized premium*₁)

1.6 million **116.0** ¥ bn.

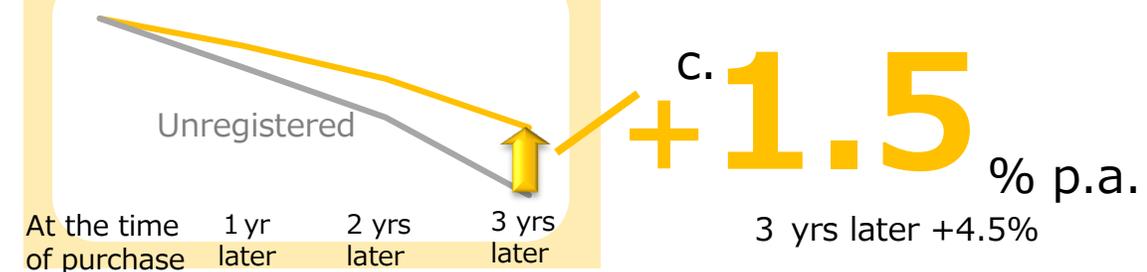


Health support CX effects

Hospitalization rate of customers who succeeded in "Get☆Healthy!" Challenge program*₃



Renewal rate of medical checkup data registrants*₄



Ratio of appreciation for Insurhealth*₅



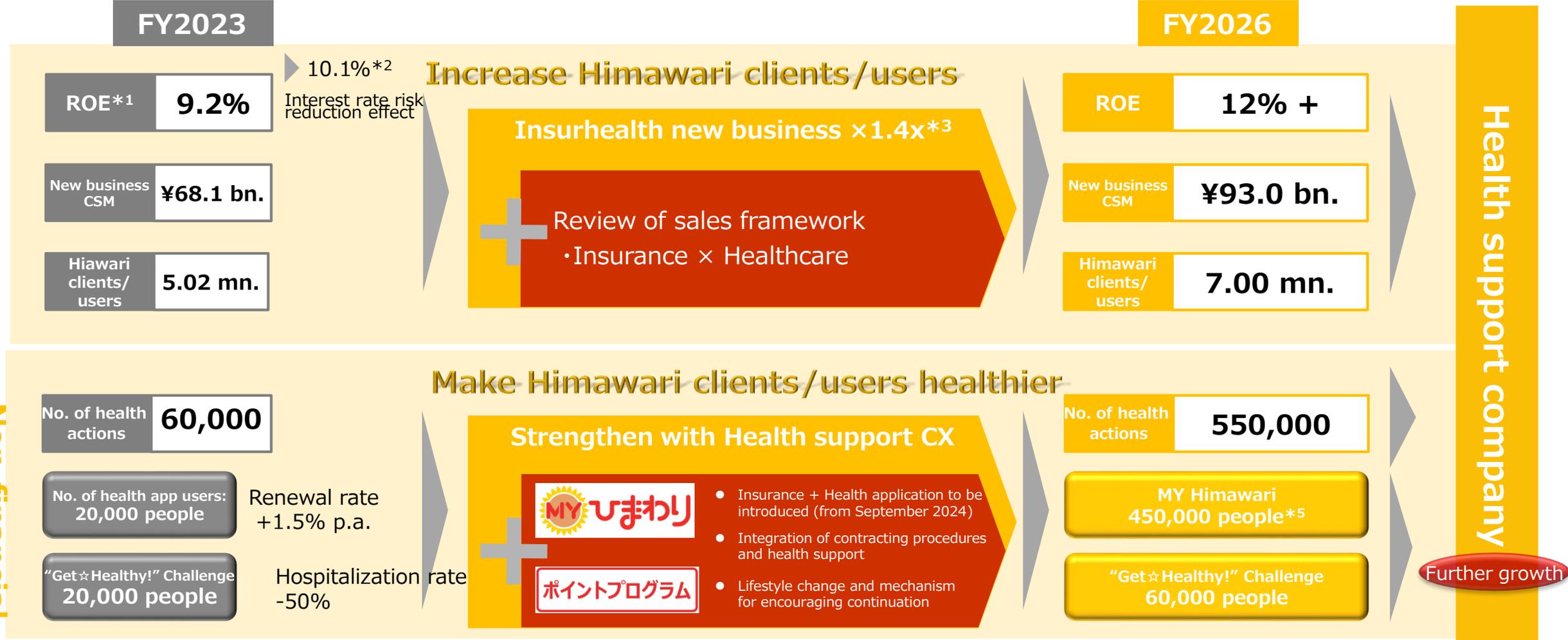
*₁ Sales performance basis through end-March 2024 *₂ YoY increase in annualized premium in force x Profitability *₃ A discount system for BMI and blood pressure improvement and smoking cessation through a cash refund *₄ "Get☆Healthy!" Challenge app registrants *₅ Ratio to total voice of customers (appreciation, complaint, etc.)

Domestic Life (3) New Mid-Term Management Plan (FY2024-2026)

- Aim to increase Himawari clients/users and strengthen health support services for Himawari clients/users as a health support company
- Establish a health behavior change platform and achieve the financial and non-financial targets

Financial target

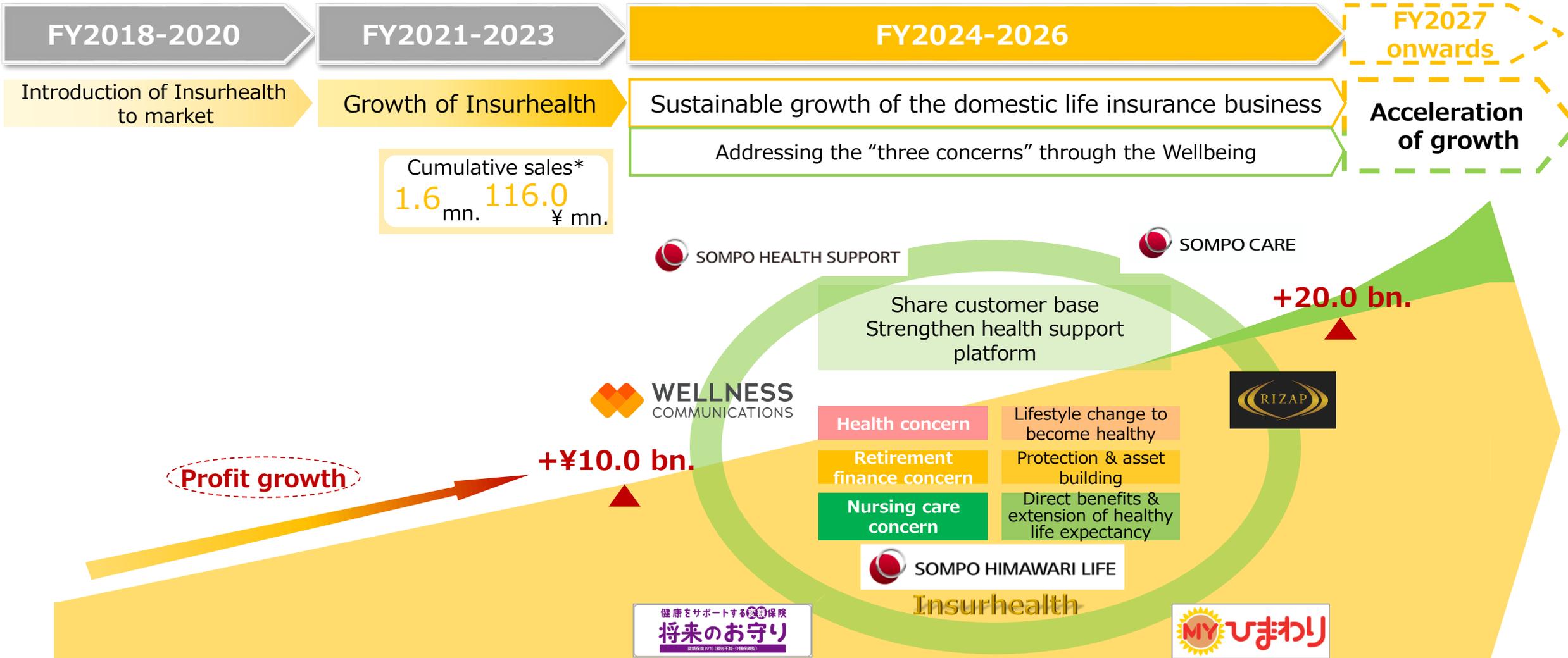
Non-financial target



*1 IFRS profit basis *2 Reflects a decrease in capital allocated by Sampo Holdings (required capital) due to a reduction in interest rate risk
 *3 Annualized premium from new business +¥12.0 bn. (Increase during the previous MTMP period +¥13.5 bn.) *4 Value that may significantly increase future profits
 *5 No. of customers who use the app and registered medical checkup data

Domestic Life (4) Accelerate Growth through the Wellbeing

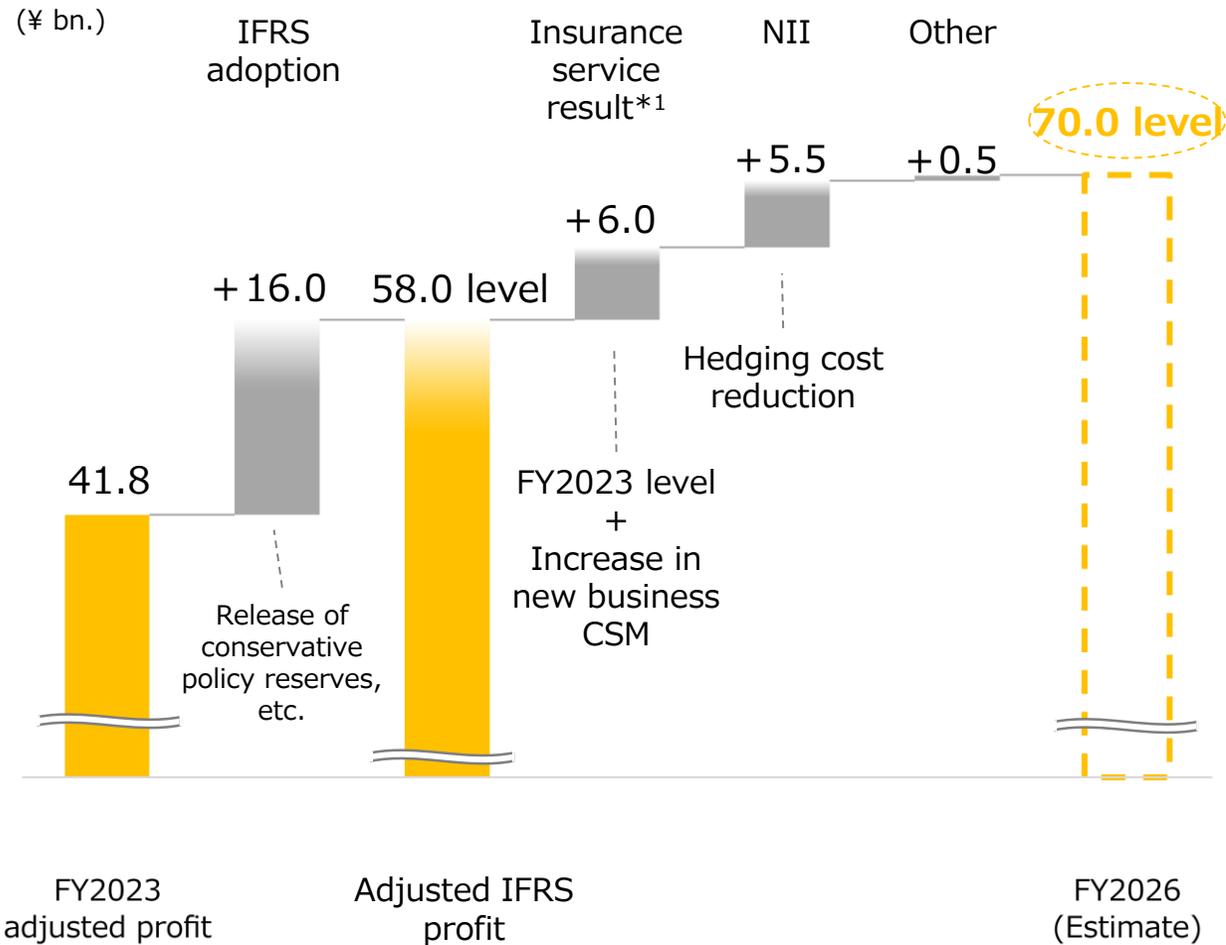
- Accelerate growth by strengthening the health support platform of the domestic life insurance business through inter-business coordination
- Contribute to addressing social challenges by focusing on extending health life expectancy and increasing value delivered to customers



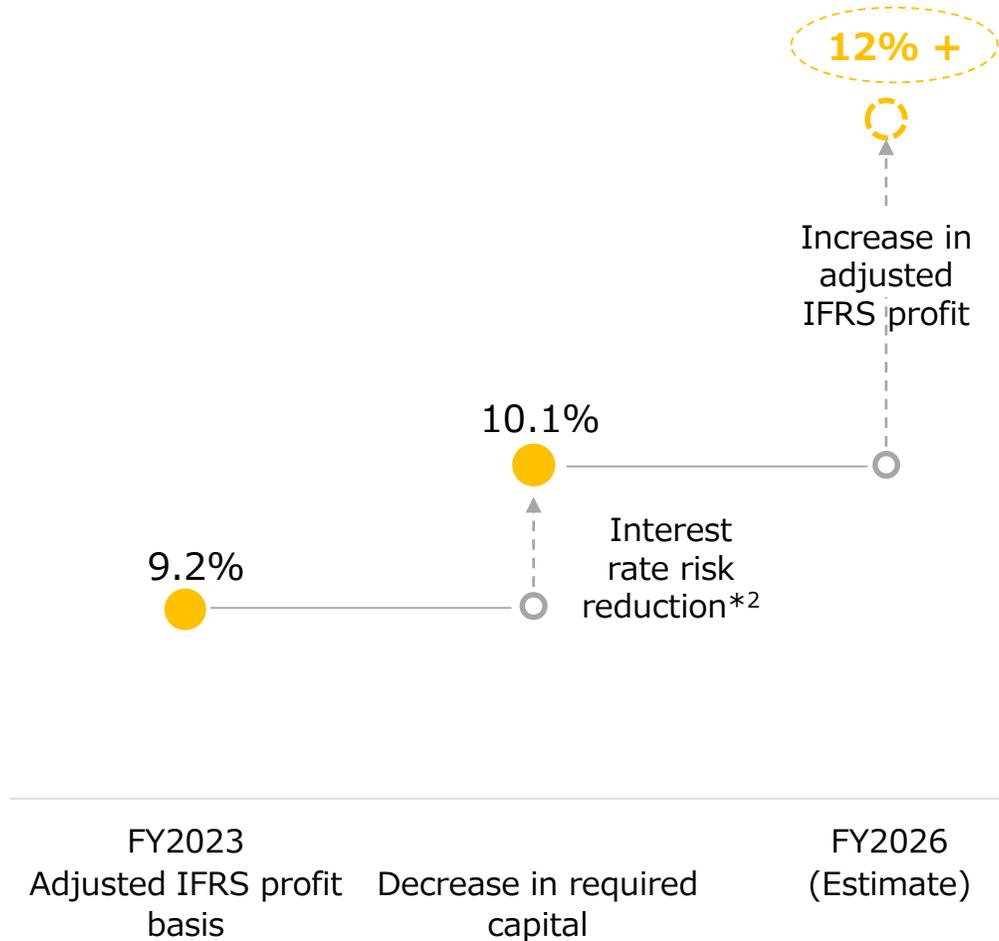
* Sales performance basis through end-March 2024

(Reference) Factors of Variation in Adjusted IFRS Profit and ROE

Factors of variation in adjusted IFRS profit (After tax)



Factors of variation in ROE



*1 Income from insurance service (sum of profit earned, including amortization of CSM recorded as a liability, etc. and P&L from claims, etc.)

*2 Reflects a decrease in capital allocated by Sompo Holdings due to a reduction in interest rate risk

Nursing Care Business



Nursing Care(1) Business Foundation

- The nursing care business consists of two companies. Both Sompo Care, a leading nursing care provider, and ND Software, a leading nursing care system provider, have strong business foundation
- The two companies generate stable profits as Sompo Care is top-ranked in terms of the number of senior care home rooms in Japan, while ND Software is top-ranked in terms of the number of facilities that introduced nursing care operations support software



Overview

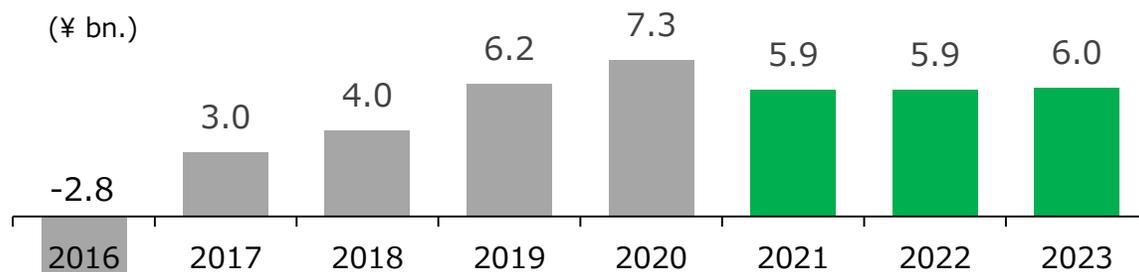
No. of executives & employees	25,225 people
No. of care home facilities	471
No. of at-home care facilities	639

Strengths

- Top-ranked in terms of the number of senior care home rooms (28,500 + rooms)
- Operates in 25 prefectures throughout Japan
- Provides full lineup of services (at facility, at home)

Adjusted profit

(¥ bn.)



ほのぼのNEXT®

ほのぼのmore

Overview

No. of executives & employees (of which engineer)	1,080 people (530 people)
No. of facilities using NDS software*	48,000 +
No. of sales partners	700 + companies

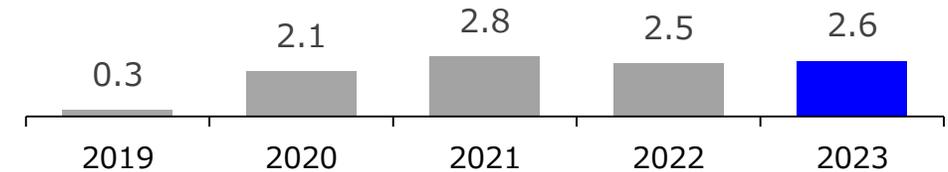
* ND Software on a non-consolidated basis, only nursing care

Strengths

- Top-ranked in terms of the number of facilities that introduced its nursing care operations support software
- Sales offices and 700 business partners in 18 prefectures across Japan
- 530 engineers supporting software development

Net income

(¥ bn.)



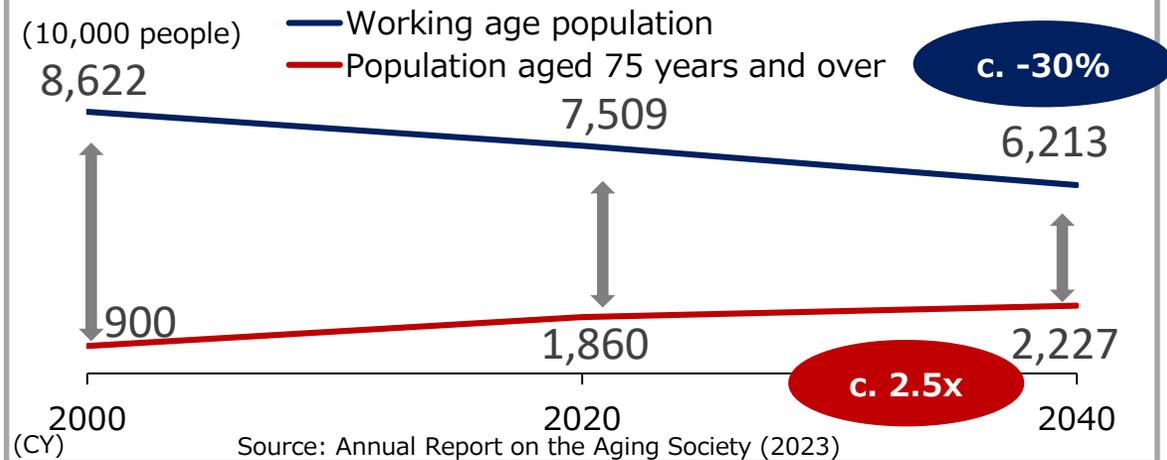
Nursing Care(2) Business Environment and Review of the Previous Mid-Term Management Plan

- In 2040, the population aged 75 years and over will increase by 2.5 times, while the working-age population will decrease by 30% as compared with 2000 when the public long-term care insurance system was introduced
- Improved employee compensation and made investment, such as in “*egaku*” development, to address the labor shortage during the previous Mid-Term Management Plan period

Business environment

- ✓ Increase in nursing care demand and labor shortage
- ✓ Materialization of inflation risk (construction expense, food expenses, utility charges, etc.)

Increase in nursing care demand and labor shortage



Review of the previous Mid-Term Management Plan

- ✓ Profits remained flat (inflation and advance investment, such as in *egaku* development)
- ✓ Implemented measures to address the labor supply-demand gap in nursing care

Measures implemented during the previous MTMP

Compensation improvement

(Twice, about ¥3.0 bn. in total)

Future Nursing Care & *egaku* development

Acquisition of ND Software

Challenge from the previous MTMP

- Improve profitability through Future Nursing Care (improve both quality and productivity) and utilization rate of existing facilities
- “Connect with customers and deliver connected services” mainly through *egaku* and ND Software

Operator business

Platform business

Wellbeing business

Nursing Care (3) Operator Business (Strategy)

- Work steadily on price revision by adapting to changes in the environment as well as raising the occupancy rate and making new facilities contribute to profits
- Improve both quality and productivity, step up efforts to generate non-public insurance revenue, and invest earnings generated in human capital to build a sustainable business model

Improve profitability

Grow the existing businesses

Strengthen PMI

Build a sustainable business model

Future Nursing Care
(Improve both quality and productivity)

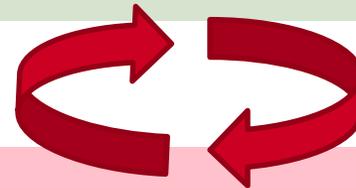
See next page for details

Increase non-insurance earnings

Adapt to changes in the business environment

Price revision

Increase in repair costs and inflation effects



Human capital investment

Major compensation improvement

Improve employee satisfaction
Strengthen education

Nursing Care(4) Operator Business (Future Nursing Care)

- The Future Nursing Care aims to improve both quality and productivity in a phased manner (create time, increase specialization and improve quality, offer customized care)
- By 2030, each facility will be able to operate with 4 to 6 fewer people than the current number of employees

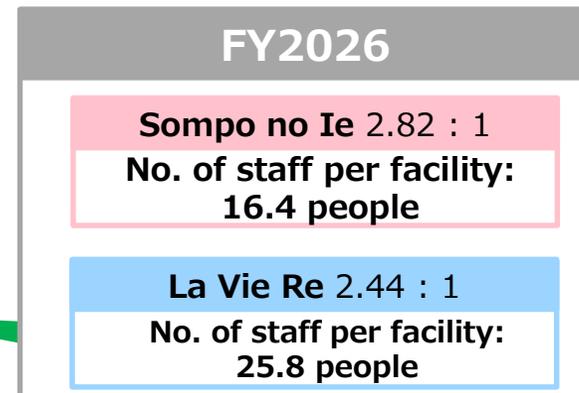
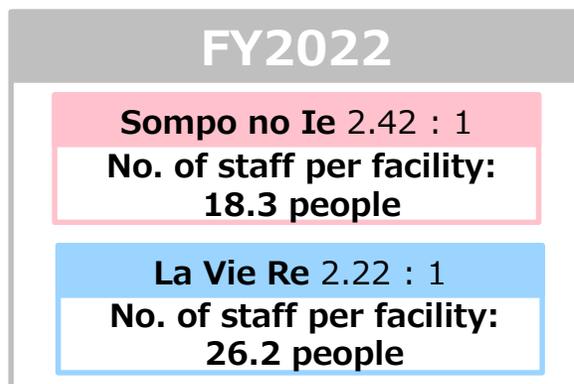
Future Nursing Care initiatives



Before the initiatives

New Mid-Term Management Plan period

Goals (FY2030)



Upper limit under the current rules
(3.3 : 1)

Sompo no Ie 3.3 : 1

No. of staff per facility: 14.0 people
(-4.3 people)

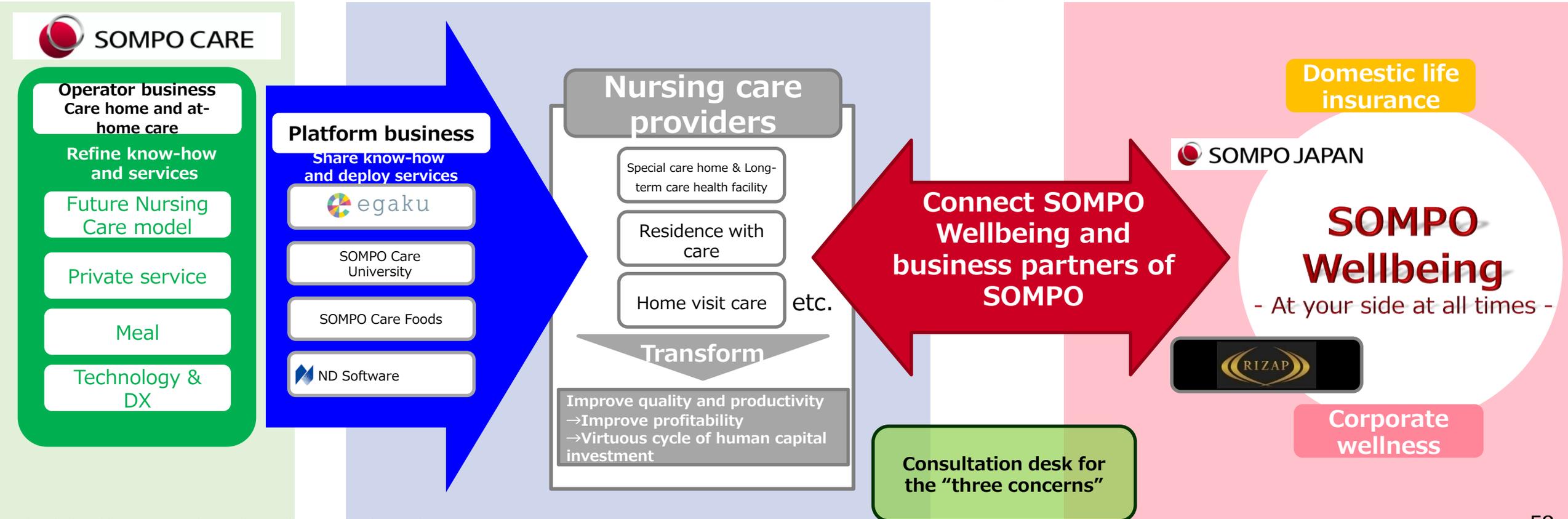
La Vie Re 3.1 : 1

No. of staff per facility: 20.3 people
(-5.9 people)



Nursing Care(5) Platform & Wellbeing (Connect with Customers and Deliver Connected Services)

- In the platform business, “connect” with 60,000 + nursing care facilities (market share 30%) by sharing the know-how and deploy services of Sompo Care to other nursing care providers
- Also, “connect” the services and businesses of SOMPO Wellbeing with nursing care providers connected with Sompo Care



* Calculated by assuming that each user has two family members

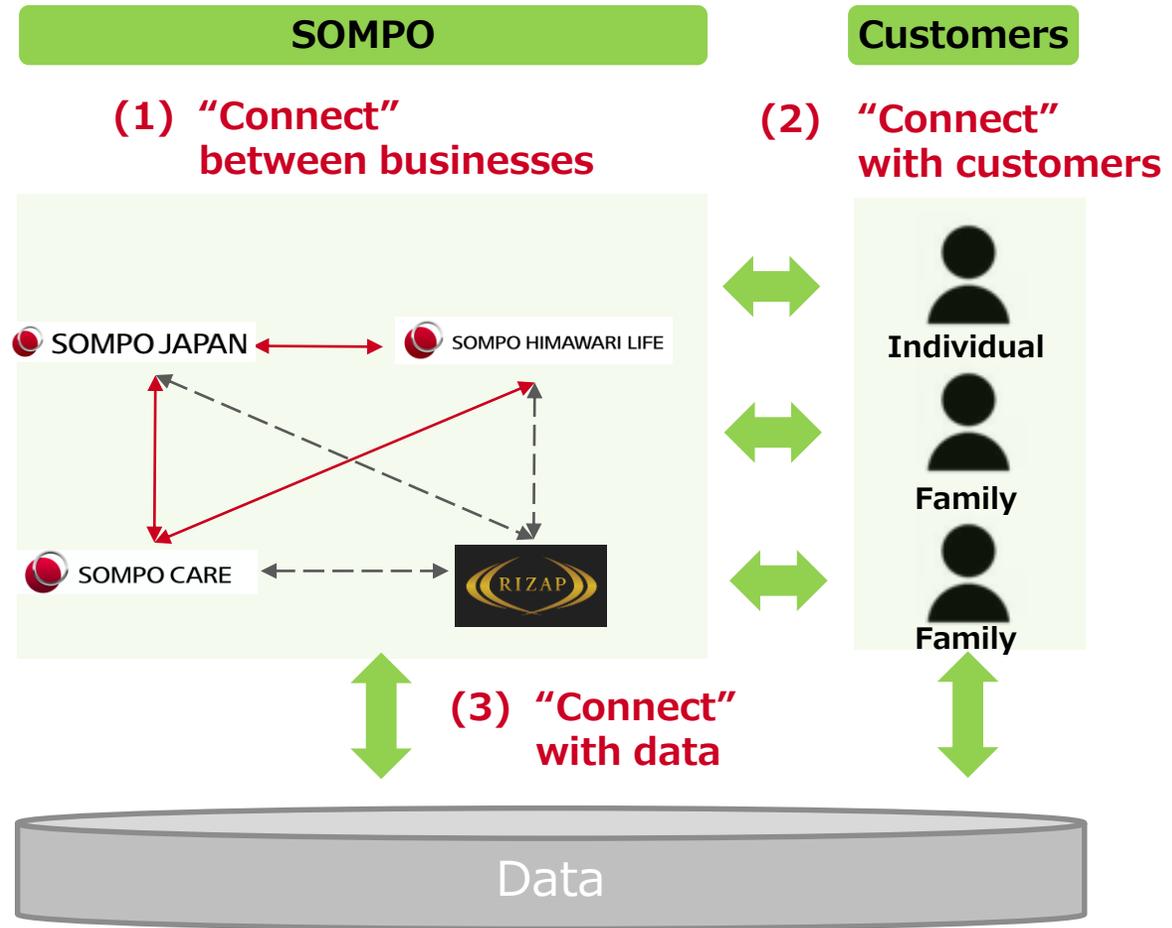
Main Initiatives



Main Initiative(1) Overview of "Connect with Customers and Deliver Connected Services"

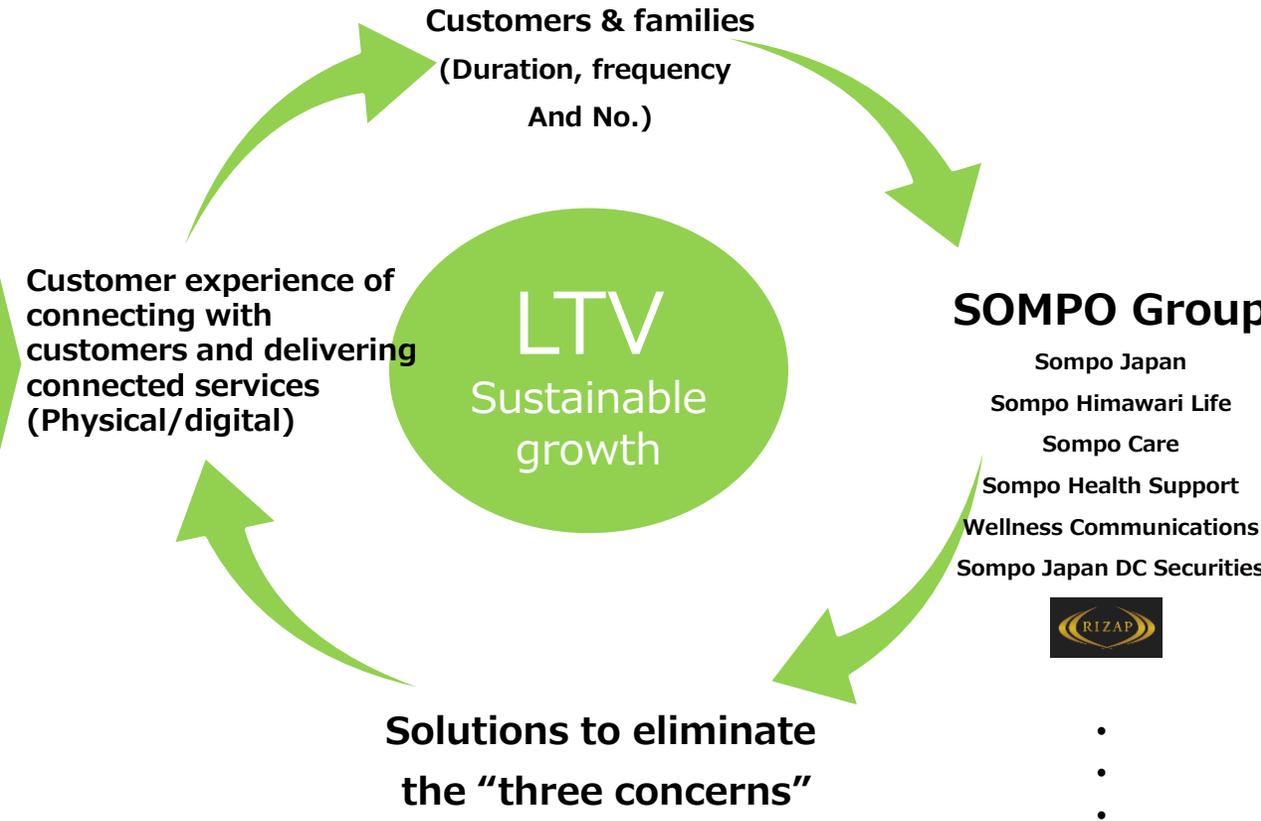
- Maximize value delivered by SOMPO Group by connecting businesses, products, and services within the Group, and connecting with customers and data
- Increase lifetime value by offering solutions that address the "three concerns" from the customer's perspective

Connect with customers and deliver connected services



Increase LTV

Increase customer touchpoints and acquire new customers by increasing service lineup and CX value of connecting with customers



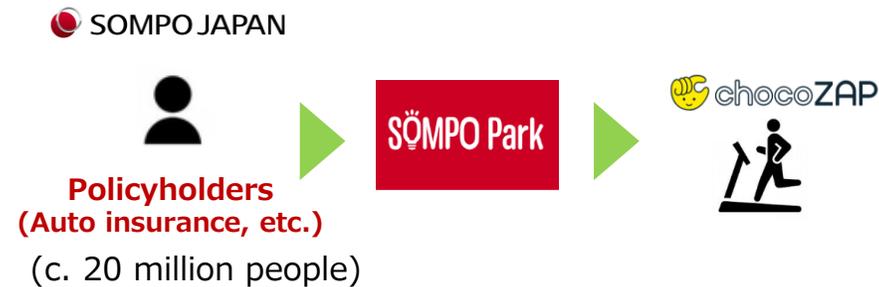
Main Initiative(2) Example of “Connect with Customers and Deliver Connected Services” (Digital Touchpoints)

- Connect insurance companies, including domestic P&C insurance, within the companies and with nursing care and medical checkup, connect with customers and families, and build a business infrastructure that creates new value by leveraging the corporate wellness business which has one of largest customer base in Japan in addition to the insurance and nursing care businesses

Example 1

Introduce life insurance products by connecting with auto insurance customers

Step 1



Step 2

Screen for prospects who are interested in health among auto insurance policyholders

Step 3



Example 2

Create new earnings opportunities by strengthening customer touchpoints

Insurhealth®

(c. 1.6 million people)

Growbase

(c. 1.5 million people)



chocoZAP



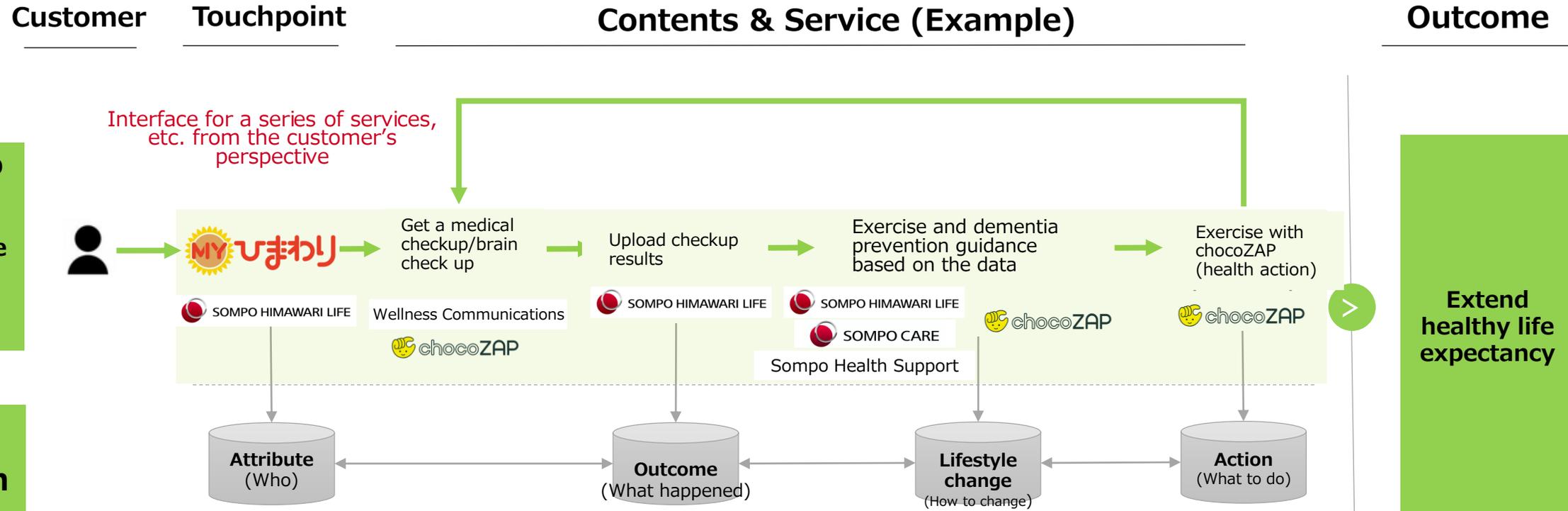
(c. 1.2 million people)

Increase customer registration and visit frequency of SOMPO's digital touchpoints by integrating the interface in Step1

Raise the renewal rate of policyholders and digitalization of claims process, etc., propose and deliver new services and products

Main Initiative(3) Extending Healthy Life Expectancy

- Daily exercise is an essential part of lifestyle change for customers become healthier. Automatically acquire dynamic data by encouraging customers to exercise through chocoZAP
- Develop a mechanism for customers to become healthier by acquiring and accumulating services and dynamic data which are the missing components of the Group, and establishing a cycle of “Medical checkup” ⇒ “Exercise” ⇒ “Medical checkup”
- Contribute to extending healthy life expectancy by implementing the above initiatives

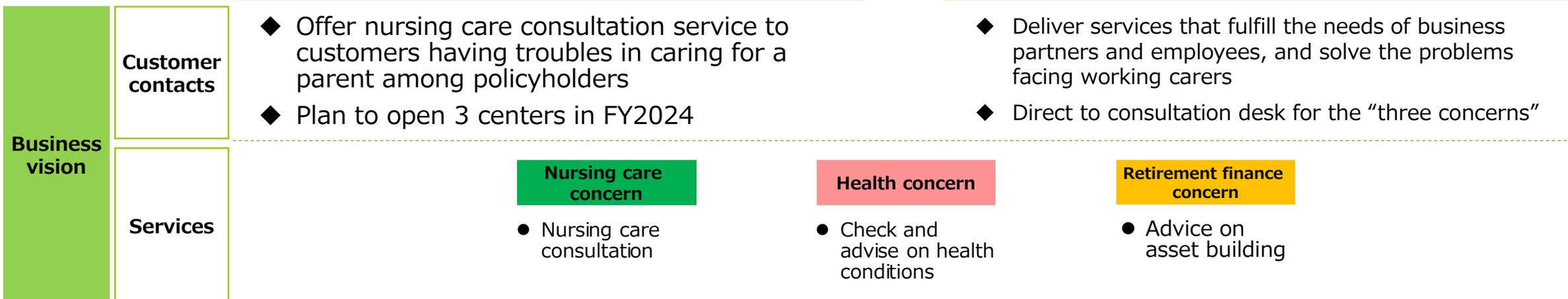


Main Initiative(4) Other Business Areas (Physical Touchpoints) and Future Actions

- Focus on nursing care first as a new business area, commercialize the support center for the “three concerns”, and plan to open 3 centers by the end of FY2024.
- Also, deliver services, etc. for working carers to prevent resignation for caring roles which has been attracting attention as a social challenge, by taking into account the needs of employers and employees
- Like the business alliance with RIZAP, strengthen customer touchpoints, form alliances, and strengthen distribution channels for sustainable growth

Consultation desk for the “three concerns”

Corporate wellness business



Future action

- ◆ Strengthen ties between the customers and families, form alliances with companies that have contents to increase earnings opportunities, etc.
- ◆ Enhance the capability to deliver value that combines insurance and peripheral services to customers, and strengthen the distribution channels and customer contacts for continuous growth of written premiums and service sales

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.

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