[English Translation]

December 18, 2018

To whom it may concern

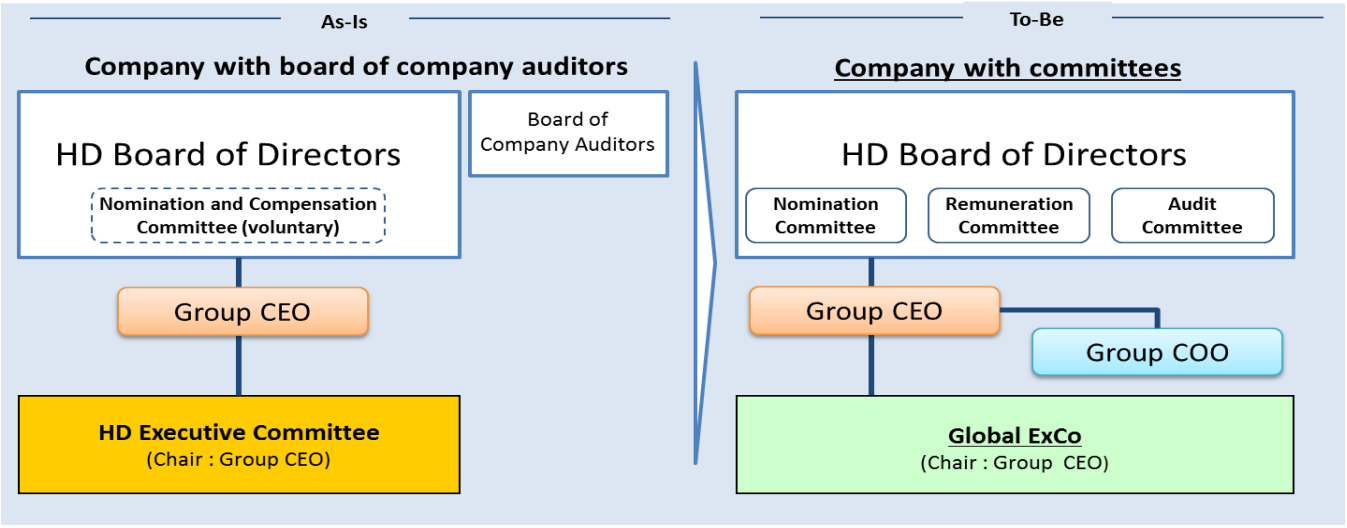
Company Name : Sompo Holdings, Inc.
Representative : Kengo Sakurada, Group CEO, Representative Director, President and Executive Officer
(Stock Code: 8630, the first section of the Tokyo Stock Exchange)

# Change of group governance structure and personnel changes

- Sompo Holdings, Inc. (hereafter SOMPO Holdings) today announces that it has taken the first step towards changing its governance structure to "Company with committees" from the current "Company with board of company auditors" structure. SOMPO Holdings also has started to consider establishment and operation of key committees, structure of directors and executives in order to support the new governance structure.
- SOMPO Holdings also announces personnel changes as attached.
- These changes take effect prior to the change of the group governance system including a shift from "Company with board of company auditors" to "Company with committees".

## 1. Summary

- Given the increasingly tougher operating environment surrounding SOMPO Holdings, such as numerous natural disasters in the world and the emergence of new needs in the VUCA era, agile and flexible management structure is required to be in place as soon as practical.
- SOMPO Holdings strives to become “unique and uncommon corporate group in the world” by pursuing the two initiatives to “globalize its business” and “revolutionize its business (a Theme Park)”. SOMPO Holdings has started to consider changing its group governance structure to develop a firmer management structure which enables globalization and diversified businesses and services leading to the security, health, and well-being of customers.
- Details of the governance change are shown in a diagram below.



(1) Organizational restructuring - A shift to company with committees (scheduled in June 2019)

- SOMPO Holdings made solid progress in the Group management reinforcement and acquired sufficient experience for the execution structure to advance to the next stage; started hybrid corporate governance structure (with the N&C Com and the Board of company auditors) and the Business Owners System (FY2016), started the Group Chief Officers System and building out a global platform for overseas insurance business (FY2017) and integrated healthcare business companies (FY2018).
- As a next stage of corporate governance, SOMPO Holdings will change its governance structure from "Company with board of company auditors" to "Company with committees" so that the Group can accelerate the decision-makings and execute more actively to achieve its goal. Along with this change, SOMPO Holdings aims to strengthen both the function of supervision and execution:
  (i) by clarifying their roles and responsibilities; and,
  (ii) by encouraging the BoD mainly consisting of outside directors to focus on supervision.
- The shift to "Company with committees" is put into effect subject to the 9th General Shareholders Meeting's approval to revision of the article of incorporation which is scheduled in June 2019.

(2) Establishment of "Global ExCo" (scheduled in April 2019)

- "Global ExCo" is established to discuss and make decisions from the Group-wide viewpoint. (defined as an advisory board for Group CEO).
  * Global ExCo: abbreviation of "Global Executive Committee"
- The ExCo is regarded as the highest executive committee for executives. The members consist of following members including key members of Overseas Insurance Business, John Charman and Nigel Frudd. Discussion with high expertise and diverse opinions enables the Group CEO to make decisions on Group-wide strategic issues.

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|---|
| 1. Group CEO, 2. Group COO, 3. CEO of Domestic P&C Insurance Business, 4. CEO of Overseas Insurance Business, 5. Chairman of Overseas M&A, 6. CEO of Domestic Life Insurance Business, 7. CEO of Nursing Care and Healthcare Business, 8. Group CFO, 9. Group CSO, 10. Group CHRO |

(3) Establishment of "Group COO" position (scheduled in January 1, 2019)

- The position of "Group COO" is going to be established to support Group CEO in the comprehensive Group management and to make decisions on behalf of Group CEO with respect to domestic, operational and administrative items.
  * Group COO: abbreviation of "Group Chief Operating Officer"
- SOMPO Holdings also sets up MAC as an advisory board to Group COO so as to discuss mainly domestic, operational and administrative items.
  * MAC: abbreviation of "Managerial Administrative Committee"

**2. Change of the overseas governance structure**

- SOMPO Holdings is steadily building out a global platform overseeing P&C (commercial) insurance business and retail insurance business under Sompo International Holdings Ltd. (hereafter SIH) so as to develop overseas insurance business.
- SIH BoD will be expanded to 5 members from 3 members, accordingly as SIH's roles and responsibilities are expanding towards building out the platform.
- The followings are the personnel changes in order to aim for further growth with a consistent strategy.
  a) John Charman will assume CEO of Overseas Insurance Business of SOMPO Holdings and remain as SIH Executive Chairman.
  b) Nigel Frudd will be appointed as SIH Chief Executive Officer in addition to Chairman of Overseas M&A of SOMPO Holdings.
  c) Recai Dalaş will be appointed as "CEO of SIH Retail" which is going to be established in SIH. Retail ExCo will

be formed under SIH with key overseas executives in the Group in the same way as the P&C (commercial) insurance business.

* Turkey (Istanbul) will be the base of SIH Retail.

**3. Personnel Changes**

See the Appendix.

**4. Timetable**

| | |
|---|---|
| Establishment of Group COO Position | January 1, 2019 |
| Establishment of Global ExCo / MAC | April 2019 (scheduled) |
| BoD to resolve revising the article of incorporation | May 2019 (scheduled) |
| General Shareholders Meeting (revising the article of incorporation) | June 2019 (scheduled) |
| Effective date of the revised incorporation (a shift to a company with committees) | June 2019 (scheduled) |

(End)

## Appendix Announcement of Personnel Changes

### 1. Personnel changes of Director and Executive Officer

[Effective date: January 1, 2019]

| (New title) | (Name) | (Current title) |
|---|---|---|
| Group COO<br>Group CFO<br>Representative Director,<br>Deputy President | Shinji Tsuji | Group CFO<br>Representative Director,<br>Deputy President and<br>Senior Managing Executive Officer |
| Senior Executive Vice President<br>(Chairman of Overseas M&A) | Nigel Frudd | Managing Executive Officer |

[Effective date: April 1, 2019]

| (New title) | (Name) | (Previous title) |
|---|---|---|
| Group COO<br>Representative Director,<br>Deputy President | Shinji Tsuji | Group COO<br>Group CFO<br>Representative Director,<br>Deputy President and<br>Senior Managing Executive Officer |
| CEO of Overseas Insurance Business | John R. Charman | |
| CEO of Nursing Care & Healthcare Business | Satoshi Kasai | Group CHRO<br>Managing Executive Officer<br>General Manager,<br>Human Capital Department |
| Group CFO<br>Group CIO<br>Director,<br>Executive Vice President | Masahiro Hamada | Group CSO<br>Group CIO<br>Director,<br>Managing Executive Officer |
| Group CSO<br>Director,<br>Executive Vice President<br>General Manager,<br>Office of Group CEO of the Company | Mikio Okumura | Nursing Care & Healthcare Business Owner<br>Director,<br>Managing Executive Officer |
| Group CHRO<br>Executive Vice President | Shinichi Hara | Executive Officer<br>General Manager,<br>Global Business Planning Department |
| Executive Vice President<br>General Manager,<br>Global Business Planning Department | Yuji Kawauchi | Executive Officer |

| | | |
|---|---|---|
| Director,<br>Executive Vice President | Junichi Tanaka | Overseas insurance business owner<br>Director,<br>Managing Executive Officer |

**2. Appointments of Executive Officer**

[Effective date: January 1, 2019]

| (New title) | (Name) | (Current title) |
|---|---|---|
| Senior Vice President<br>General Manager,<br>Secretarial Department | Koji Ishikawa | General Manager,<br>Secretarial Department |

**Reference : Personnel Changes of Sompo International Holdings**

**Sompo International Holdings Ltd.**

[Effective date: January 1, 2019]

| (New title) | (Name) | (Current title) |
|---|---|---|
| Executive Chairman | John R. Charman | Chief Executive Officer<br>& Chairman of the Board |
| Chief Executive Officer | Nigel Frudd | Chief Strategy Officer |
| CEO of Retail | Recai Dalaş | |

* Recai Dalaş will remain as Chief Executive Officer of Sompo Japan Sigorta Anonim Sirketi.

| | | |
|---|---|---|
| Executive Director | Katsuyuki Tajiri | |

[Effective date: April 1, 2019]

| (New title) | (Name) | (Current title) |
|---|---|---|
| Non-Executive Director | Mikio Okumura | |
| (Retirement) | Junichi Tanaka | Non-Executive Director |

**Sompo Holdings (Asia) Pte Ltd.**

[Effective date: April 1, 2019]

| (New title) | (Name) | (Current title) |
|---|---|---|
| Chief Executive Officer | Daniel Neo | Chief Operating Officer |
| (Retirement) | Yuji Kawauchi | Chief Executive Officer |

* Effective April 1, 2019, Yuji Kawauchi will be appointed as Executive Vice President, General Manager, Global Business Planning Department of Sompo Holdings, Inc.

| | | |
|---|---|---|
| Chief Operating Officer | Yasuhiro Sasanuma | Executive Director<br>Head of Corporate Planning |

* Sompo Holdings (Asia) is currently covering the South Asia & Pacific Regions. Effective April 1, 2019, it will include East Asia Region in addition to the aforementioned regions.

(End)