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Securities code: 8630

May 31, 2019

Notice to Shareholders

Sompo Holdings, Inc.
1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Kengo Sakurada, Group CEO, Representative Director, President and Executive Officer

Notice of Convocation of the 9th General Meeting of Shareholders

Thank you all for your continued patronage.

The 9th General Meeting of Shareholders of Sompo Holdings, Inc. (the "Company" or "we") will be held as shown below and your attendance is cordially requested.

If you are unable to attend on this date, you may exercise your voting rights either in writing (the Voting Rights Exercise Form) or via the Internet. In this case, please review the "Reference Documents for General Meeting of Shareholders" (from page 6 to page 34), and exercise your voting rights in accordance with the "Instructions concerning the Exercising of Voting Rights" (from page 4 to page 5).

Details of the Meeting

1. Date and Time: **June 24, 2019 (Monday) at 10:00 a.m.**
(The reception desk will open at 9:00 a.m.)
*Please note that the reception desk will open at a different time from last year.

2. Location: **1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo**
Sompo Japan Nipponkoa Insurance Inc., Head Office, 2nd floor conference room

- Please note that attendees may be requested to go to another venue if the main venue above is congested.
- Only shareholders at the main venue will be allowed to get the floor. Those who desire to get the floor are requested to be present at the main venue.

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3. Purpose of the Meeting of Shareholders:

Matters to be Reported

1. The business report, the consolidated financial statements and the audit reports on the consolidated financial statements by the accounting auditors and the Audit & Supervisory Board for Fiscal Year 2018 (April 1, 2018 to March 31, 2019)

2. The financial statements for Fiscal Year 2018 (April 1, 2018 to March 31, 2019)

Matters to be Resolved

Proposal No. 1 Disposition of Retained Earnings
Proposal No. 2 Partial Amendment to the Articles of Incorporation
Proposal No. 3 Appointment of Eleven Directors

4. Matters related to Exercise of Voting Rights:

(1) In the event that a shareholder exercises his/her/its voting rights using the Voting Rights Exercise Form and does not indicate his/her/its approval or disapproval of each proposal, the absence of such indication shall be treated as a vote for approval.

(2) If duplicate votes are exercised by using both the enclosed Voting Rights Exercise Form and the Internet, the vote cast using the Internet shall be treated as the effective vote.

(3) If any shareholder casts duplicate or multiple votes via the Internet, the last vote cast shall be treated as the effective vote.

(4) In the event that a shareholder exercises his/her/its voting rights through proxy, in accordance with Article 18 of Articles of Incorporation of the Company, proxy eligibility shall be limited to one (1) of the shareholders having voting rights of the Company and the proxy shall submit a documentation proving the power of proxy (such as letter of proxy) to the reception counter at the meeting.
As a further means to prove the power of proxy, one of the following documents shall be submitted in addition to the letter of proxy which is signed and sealed by the proxy grantor:
1) the Voting Rights Exercise Form sent by the Company to the proxy grantor;
2) an original copy of the certificate of registered seal of the proxy grantor (in this case, the proxy grantor is required to affix the same registered seal to the relevant documentation such as letter

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of proxy); or

3) a copy of the official identification document issued by governmental agencies such as driving license or health insurance card by which the name and address of the proxy grantor can be confirmed.

-- End

Of the documents to be attached to the notice of convocation, the following are posted on our website in accordance with laws and regulations and Article 16 of Articles of Incorporation of the Company and accordingly those are not included in this notice of convocation:

1. "Status of Major Offices of the Corporate Groups" under "Matters Concerning the Current Status of the Insurance Holding Company," "Matters Relating to Stock Acquisition Rights," and "Basic Policy on Internal Control" and "Matters Concerning Specified Wholly-Owned Subsidiary" under "Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System" in the Business Report;
2. "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements"; and
3. "Non-consolidated Statement of Changes in Net Assets" and "Notes to Non-consolidated Financial Statements."

If we need to amend the reference documents for general meeting of shareholders, business reports, consolidated financial statements, or financial statements, the amended contents will be posted on our website.

【Our Website】	**https://www.sompo-hd.com/ (Japanese)** **https://www.sompo-hd.com/en/ (English)**

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Instructions concerning the Exercising of Voting Rights

You may exercise your voting rights by the methods set out below.

If you are Able to Attend the General Meeting of Shareholders

Please bring and submit the enclosed Voting Rights Exercise Form to the reception desk of the meeting. You are cordially requested to bring this notice of convocation.

Date and Time of the Meeting: June 24, 2019 (Monday) at 10:00 a.m.
(The reception desk will open at 9:00 a.m.)
(Japan time)

If you are Unable to Attend the General Meeting of Shareholders

Please exercise your voting rights by means of either one of the following methods.

■ Mailing Document (the Voting Rights Exercise Form)
Please mark your approval or disapproval with respect to each proposal on the enclosed Voting Rights Exercise Form, and return it so that it is received by us by the deadline for exercising voting rights.

Deadline for Exercising Voting Rights: June 21, 2019 (Friday) at 5:00 p.m. (Japan time)

■ Internet (Please refer to the next page for details)
Please go to the website for exercising voting rights shown below, and indicate your approval or disapproval with respect to each proposal by the deadline for exercising voting rights.

Deadline for Exercising Voting Rights: June 21, 2019 (Friday) at 5:00 p.m. (Japan time)

Points to Note When Exercising Voting Rights via the Internet

■ The shareholders will be responsible for the costs such as internet connection charges and communication charges he/she/it incurs in accessing the website for exercising voting rights.
■ It might not be possible to use the website for exercising voting rights depending on the user environment of the shareholders.

How to Exercise Voting Rights via Internet:
(Omitted for brevity)

For Inquiries with Respect to the Exercise of Voting Rights via Internet:

For inquiries, please contact the following:
Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Telephone: 0120-768-524 (Toll Free (from within Japan only))
Hours of Operation: 9:00 a.m. - 9:00 p.m. (excluding Saturdays, Sundays and national holidays)

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To Institutional Investors

Institutional investors may use the “Electronic Voting Platform” operated by ICJ, Inc. as a means to exercise their voting rights.

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Reference Documents for General Meeting of Shareholders

Proposals and Reference Matters Thereof

Proposal 1: Disposition of Retained Earnings

While maintaining financial soundness and improving capital efficiency by investing in growth fields, the Company has a basic policy of paying stable dividends, with the option of share buybacks according to capital condition.
With respect to the year-end dividend of this period, the Company proposes, taking into consideration matters, such as financial conditions and the future operating environment, as follows.

Matters concerning year-end dividend:

1. Matters concerning allocation of assets to be distributed to shareholders, and the total amount thereof:
   Amount per share of common stock of the Company: 65 yen
   Total amount: 24,243,456,835 yen
   As a result of this, the amount of annual dividend of the current period will be 130 yen per share, inclusive of the amount of interim dividend of 65 yen per share.

2. Effective Date of dividend of retained earnings:
   June 25, 2019

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Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reason for Amendment

The Group aims to achieve sustainable growth and enhancement of corporate value by continuously improving the transparency and fairness of its corporate governance. To this end, the Company has steadily strengthened the Group's management structure. Subsequently, the Company will change its governance structure to "Company with committees, such as Nomination Committee" aiming to further strengthen both the function of supervision and execution by clarifying their roles and responsibilities; and to strengthen supervision structure by the transition to the Board of Directors mainly consisting of outside directors. In conjunction with this, the Company will make amendments including the addition of provisions concerning the Nomination Committee, Audit Committee and Compensation Committee as well as executive officers, the deletion of provisions concerning the Audit & Supervisory Board Members and the Audit & Supervisory Board, and changes to article numbers required by these changes.

Of the proposed amendments to the Articles of Incorporation, the consent of all of the Audit & Supervisory Board Members has been obtained regarding Article 33. The proposed amendment to the Articles of Incorporation shall become effective at the conclusion of this General Meeting of Shareholders.

2. Particulars of Amendment

The particulars of amendment are as set forth below:

Current Articles of Incorporation and Proposed Amendments

(Underlines indicate amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 1 General Provisions	Chapter 1 General Provisions
Articles 1-3 (omitted for brevity)	Articles 1-3 (unchanged)
(Corporate Organs) Article 4 The Company shall have the following Corporate Organs in addition to the shareholders meeting and the directors. (1) A board of directors; (2) Audit & supervisory board members; (3) Audit & supervisory board; and (4) Accounting auditors.	(Corporate Organs) Article 4 The Company shall have the following Corporate Organs in addition to the shareholders meeting and the directors. (1) A board of directors; (2) The Nomination Committee, the Audit Committee and the Compensation Committee; (3) Executive officers; and (4) Accounting auditors.
Article 5 (omitted for brevity)	Article 5 (unchanged)
Chapter 2 Shares	Chapter 2 Shares

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Current Articles of Incorporation	Proposed Amendments
Articles 6-9 (omitted for brevity)	Articles 6-9 (unchanged)
(Increased Purchase Request in Relation to Shares less than One Unit) Article 10 A shareholder of the Company may, in accordance with the share handling regulations established by a resolution of the board of directors (the "Share Handling Regulations"), make a request to the Company to sell the shareholder shares in an amount that combined with the shares less than one unit that the shareholder holds would total shares of one unit.	(Increased Purchase Request in Relation to Shares less than One Unit) Article 10 A shareholder of the Company may, in accordance with the share handling regulations, make a request to the Company to sell the shareholder shares in an amount that combined with the shares less than one unit that the shareholder holds would total shares of one unit.
(Shareholder Registry Administrator) Article 11 (omitted for brevity) 2 The shareholder registry administrator and the associated administrative office shall be determined by a resolution of the board of directors and public notice shall be made thereof. 3 (omitted for brevity)	(Shareholder Registry Administrator) Article 11 (unchanged) 2 The shareholder registry administrator and the associated administrative office shall be determined by the executive officer who has been delegated to determine them by a resolution of the board of directors and public notice shall be made thereof. 3 (unchanged)
(Share Handling Regulations) Article 12 The handling of shares in the Company and procedures concerning the shareholders' exercise of rights shall be governed by the share handling regulations in addition to laws or regulations or these Articles of Incorporation.	(Share Handling Regulations) Article 12 The handling of shares in the Company and procedures concerning the shareholders' exercise of rights shall be governed by the share handling regulations established by the executive officer who has been delegated to establish them by a resolution of the board of directors in addition to laws or regulations or these Articles of Incorporation.
Chapter 3 General Shareholders Meeting	Chapter 3 General Shareholders Meeting
Articles 13-14 (omitted for brevity)	Articles 13-14 (unchanged)
(Person With Right to Convene Meetings and Chairperson) Article 15 The Director and President shall convene a shareholders meeting and shall be the chairperson thereof. 2 If the Director and President is	(Person With Right to Convene Meetings and Chairperson) Article 15 The Director who concurrently serves as Group Chief Executive Officer shall convene a shareholders meeting and shall be the chairperson thereof. 2 If there is no Director who concurrently

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Current Articles of Incorporation	Proposed Amendments
unavailable, another director shall convene the shareholders meeting and be the chairperson thereof, in accordance with an order of precedence as shall be determined in advance by the board of directors.	serve as Group Chief Executive Officer or the Director who concurrently serves as Group Chief Executive Officer is unavailable, another director shall convene the shareholders meeting and be the chairperson thereof, in accordance with an order of precedence as shall be determined in advance by the board of directors.
Articles 16-18 (omitted for brevity)	Articles 16-18 (unchanged)
Chapter 4 Directors and the Board of Directors	Chapter 4 Directors and the Board of Directors
Articles 19-21 (omitted for brevity)	Articles 19-21 (unchanged)
(Representative Director and Executive Directors) Article 22 The board of directors shall, by its resolution, elect a representative director. 2 The board of directors may, by its resolution, elect a single director and chairman and a single director and president.	(deleted)
(Person With Right to Convene the Meeting of the Board of Directors and the Chairman of the Board) Article 23 Except as otherwise prescribed by laws or regulations, the Director and President shall convene meetings of the board of directors and shall be the chairperson thereof. 2 If the Director and President is unavailable, another director shall convene the meeting of the board of directors and become the chairperson thereof, in accordance with an order of precedence as shall be determined in advance by the board of directors.	(Person With Right to Convene the Meeting of the Board of Directors and the Chairman of the Board) Article 22 Except as otherwise prescribed by laws or regulations, the Director who has been determined in advance by the board of directors shall convene meetings of the board of directors and shall be the chairperson thereof. 2 If the Director who has been determined in accordance with the preceding Paragraph is unavailable, another director shall convene the meeting of the board of directors and become the chairperson thereof, in accordance with an order of precedence as shall be determined in advance by the board of directors.
(Convocation of Meeting of the Board of Directors) Article 24 Notice that a meeting of the	(Convocation of Meeting of the Board of Directors) Article 23 Notice that a meeting of the

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Current Articles of Incorporation	Proposed Amendments
board of directors will be convened shall be given to each director and each audit & supervisory board member at least three days prior to the date of the meeting, provided, however, that this period may be reduced when necessary due to an emergency.	board of directors will be convened shall be given to each director at least three days prior to the date of the meeting, provided, however, that this period may be reduced when necessary due to an emergency.
2 If the consent of all directors and audit & supervisory board members has been obtained, a meeting of the board of directors may be convened without taking the procedures of convocation.	2 If the consent of all directors has been obtained, a meeting of the board of directors may be convened without taking the procedures of convocation.
Articles 25-26 (omitted for brevity)	Articles 24-25 (unchanged)
(Remuneration, Etc.) Article 27 Remuneration, bonuses and other compensation received from the Company as consideration for duties performed (the "Remuneration, etc.") for directors shall be determined pursuant to a resolution of a shareholders meeting.	(deleted)
Articles 28-29 (omitted for brevity)	Articles 26-27 (unchanged)
Chapter 5 Audit & Supervisory Board Members and the Audit & Supervisory Board	(deleted)
(Number of Audit & Supervisory Board Members) Article 30 The number of audit & supervisory board members of the Company shall not be greater than seven.	(deleted)
(Method of Election) Article 31 The audit & supervisory board members shall be elected by a shareholders meeting. 2 A resolution to elect an audit & supervisory board member may be passed by exercise of a majority of the voting rights at a meeting where shareholders having one third or more of all of the voting rights of the shareholders authorized to exercise voting rights are present.	(deleted)

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Current Articles of Incorporation	Proposed Amendments
(Term of Office) Article 32 The term of office of an audit & supervisory board member shall be until the time of the conclusion of the ordinary shareholders meeting that is held in connection with the final business year that ends within four years from the election of the audit & supervisory board member concerned.	(deleted)
(Convocation of a Meeting of the Audit & Supervisory Board) Article 33 Notice that a meeting of the audit & supervisory board will be convened shall be given to each audit & supervisory board member at least three days prior to the date of the meeting, provided, however, that this period may be reduced when necessary due to an emergency. 2 If the consent of all audit & supervisory board members has been obtained, a meeting of the audit & supervisory board may be convened without taking the procedures of convocation.	(deleted)
(Method of Resolution by the Audit & Supervisory Board) Article 34 A resolution of the audit & supervisory board may be passed by a majority of the audit & supervisory board members. 2 The audit & supervisory board shall, by its resolution, elect full time audit & supervisory board members.	(deleted)
(Audit & Supervisory Board Regulations) Article 35 Except as otherwise prescribed by laws or regulations or these Articles of Incorporation, the operation of the audit & supervisory board shall be governed by the Audit & Supervisory Board Regulations established by a resolution of the audit & supervisory board.	(deleted)
(Remuneration, Etc.) Article 36 Remuneration, etc. for audit & supervisory board members shall be determined pursuant to a resolution of a shareholders meeting.	(deleted)

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Current Articles of Incorporation	Proposed Amendments
(Release from Liability of an Audit & Supervisory Board Member) Article 37 The Company may, pursuant to a resolution of its board of directors and in accordance with Article 426, Paragraph 1 of the Companies Act, release an audit & supervisory board member (including a person who was an audit & supervisory board member) from liability for damages caused by a breach of duty as an audit & supervisory board member, to the extent permitted by laws or regulations.	(deleted)
(Agreement Limiting Liability of Independent Audit & Supervisory Board Members) Article 38 The Company may, in accordance with Article 427, Paragraph 1 of the Companies Act, enter into an agreement with an independent audit & supervisory board member limiting liability for damages caused by a breach of such independent audit & supervisory board member's duties. In this event the maximum liability pursuant to said agreement shall be the amount as prescribed by laws or regulations.	(deleted)
(New Provision)	Chapter 5 Nomination Committee, Audit Committee and Compensation Committee
(New Provision)	(Method of Election of Committee Members) Article 28 Members of the Nomination Committee, the Audit Committee and the Compensation Committee shall be elected from among the directors by a resolution of the board of directors.
(New Provision)	(Committee Rules) Article 29 Matters related to the operation of the Nomination Committee, the Audit Committee and the Compensation Committee shall be governed by the rules of the respective committees established by a resolution of the board of directors in addition to laws or regulations or these

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Current Articles of Incorporation	Proposed Amendments
	Articles of Incorporation.
(New Provision)	Chapter 6 Executive Officers
(New Provision)	(Method of Election) Article 30 Executive officers shall be elected by a resolution of the board of directors.
(New Provision)	(Term of Office) Article 31 The term of office of an executive officer shall be until the time of conclusion of the first meeting of the board of directors that is convened after the conclusion of the ordinary shareholders meeting held in connection with the final business year that ends within one year from the election of the executive officer concerned.
(New Provision)	(Representative Executive Officer and Group Chief Executive Officer) Article 32 The board of directors shall, by its resolution, elect a representative executive officer. 2 The board of directors may, by its resolution, elect a Group Chief Executive Officer from the executive officers.
(New Provision)	(Release from Liability of Executive Officers) Article 33 The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act and by a resolution of the board of directors, release an executive officer (including a person who was an executive officer) from liability for damages caused by a breach of duty as an executive officer, to the extent permitted by laws or regulations.
(New Provision)	(Executive Officer Rules) Article 34 Matters related to executive officers shall be governed in accordance with the Executive Officer Rules established by a resolution of the board of directors in addition to laws or regulations or these Articles of

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Current Articles of Incorporation	Proposed Amendments
	Incorporation.
Chapter 6 Accounting	Chapter 7 Accounting
Articles 39-42 (omitted for brevity)	Articles 35-38 (unchanged)
(New Provision)	Supplementary Provision
(New Provision)	(Transitional Measures for Release from Liability of an Audit & Supervisory Board Member) Article 1 The Company may, pursuant to Article 426, Paragraph 1 of the Companies Act, and by a resolution of its board of directors, release an audit & supervisory board member (including a person who was an audit & supervisory board member) from liability for damages caused by a breach of duty as an audit & supervisory board member arising in connection with actions that occurred before the conclusion of the 9th Ordinary General Shareholders Meeting, to the extent permitted by laws or regulations.

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Proposal 3: Appointment of Eleven Directors

Subject to approval of Proposal 2: “Partial Amendment to the Articles of Incorporation,” the Company will change its governance structure from “Company with audit & supervisory board ” to “Company with committees, such as Nomination Committee” at the conclusion of this General Meeting of Shareholders. In conjunction with this transition, the term of office of all directors and audit & supervisory board members will expire.

Following the transition to company with committees, such as Nomination Committee, the Company will further strengthen both the function of supervision and execution by clarifying their roles and responsibilities and strengthen supervision structure by the transition to the Board of Director mainly consisting of outside directors. Therefore, approval for the appointment of eleven directors (including seven outside directors) is requested, subject to approval of Proposal 2: “Partial Amendment to the Articles of Incorporation.”

The candidates for the positions of directors are listed below:

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Candidate No.	Name	Current Position and Responsibilities at the Company	Others
1	Kengo Sakurada	Group CEO, Representative Director and President and Executive Officer Overall management of the Group's operations (CEO)	Reappointment
2	Shinji Tsuji	Group COO, Group CBO, Representative Director, Deputy President Overall management of the Group's operations, Chief executive of the Group's brand area	Reappointment
3	Masaki Hanawa	Audit & Supervisory Board Member	New appointment
4	Hidenori Hanada	Audit & Supervisory Board Member	New appointment
5	Sawako Nohara	Director (Outside Director)	Reappointment Outside Independent Outside Director
6	Isao Endo	Director (Outside Director)	Reappointment Outside Independent Outside Director
7	Tamami Murata	Director (Outside Director)	Reappointment Outside Independent Outside Director
8	Scott Trevor Davis	Director (Outside Director)	Reappointment Outside Independent Outside Director
9	Naoki Yanagida	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	New appointment Outside Independent Outside Director
10	Hideyo Uchiyama	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	New appointment Outside Independent Outside Director
11	Atsuko Muraki	Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	New appointment Outside Independent Outside Director

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<Reference: Illustration of shift to company with committees>
(Omitted for brevity)

<Reference: Planned Composition of Committees>
The planned composition of committees in the event that Proposal 2: “Partial Amendment to the Articles of Incorporation” and Proposal 3: “Appointment of Eleven Directors,” are approved is as follows.

Candidate No.	Name	Nomination Committee	Audit Committee	Compensation Committee	Other
1	Kengo Sakurada				Group CEO, Representative Executive Officer
2	Shinji Tsuji				Representative Executive Officer
3	Masaki Hanawa		○		
4	Hidenori Hanada		○		
5	Sawako Nohara	○		○	Outside Director
6	Isao Endo	○		○	Outside Director
7	Tamami Murata	○		○	Outside Director
8	Scott Trevor Davis	○		○	Outside Director
9	Naoki Yanagida		○		Outside Director
10	Hideyo Uchiyama		○		Outside Director
11	Atsuko Muraki		○		Outside Director

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Candidate for directors (eleven individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
1	Kengo Sakurada (Feb. 11, 1956) Reappointment	<Summarized Resume, Position> Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Jul. 2005 Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2007 Managing Executive Officer of Sompo Japan Jun. 2007 Director, Managing Executive Officer of Sompo Japan Apr. 2010 Director, Managing Executive Officer of the Company Jul. 2010 Director, Executive Officer of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Jun. 2011 Director of the Company Apr. 2012 Representative Director, President and Executive Officer of the Company Sep. 2014 Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, Chairman of Sompo Japan Nipponkoa Jul. 2015 Group CEO, Representative Director, President and Executive Officer of the Company (current position) Director, Chairman of Sompo Japan Nipponkoa Apr. 2016 Director of Sompo Japan Nipponkoa (current position) Apr. 2019 Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position) <Responsibilities in the Company> Overall management of the Group’s operations (CEO) <Significant positions concurrently held> Director of Sompo Japan Nipponkoa Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) <Number of years in office as director (at the end of this General Meeting of Shareholders)> 9 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) <Reasons for selection as a candidate for director> In addition to his experience in business integration, business alliance, corporate planning, sales and systems in the P&C insurance business, Mr. Kengo Sakurada has global experience at international financial institutions. He took office as Representative Director and President of Sompo Japan in 2010, as Representative Director and President of the Company in 2012, and as Group CEO (Chief Executive Officer) of the Company in 2015. Mr. Sakurada has knowledge of management of insurance holding companies and global business management. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors and the Company believes that his knowledge would be necessary for the future global development and advancement to new business fields. Accordingly, he was re-selected as a candidate for director.	20,341 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
2	Shinji Tsuji (Dec. 10, 1956) Reappointment	<Summarized Resume, Position> Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer and General Manager, Customer Service Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2009 Managing Executive Officer of Sompo Japan Jun. 2011 Director, Managing Executive Officer of the Company Apr. 2012 Director, Senior Managing Executive Officer of the Company Apr. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (“Sompo Japan Nipponkoa Himawari Life”) (current position) Apr. 2017 Group CFO, Representative Director, Deputy President and Senior Executive Officer of the Company Jan. 2019 Group COO, Group CFO, Representative Director, Deputy President and Senior Executive Officer of the Company Apr. 2019 Group COO, Group CBO, Representative Director, Deputy President and Senior Executive Officer of the Company (current position) <Responsibilities in the Company> Overall management of the Group’s operations Chief executive of the Group’s brand area <Significant positions concurrently held> Director of Sompo Japan Nipponkoa Himawari Life <Number of years in office as director (at the end of this General Meeting of Shareholders)> 8 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) <Reasons for selection as a candidate for director> Mr. Shinji Tsuji has experience in accounting, public relations, CSR and sales in the P&C insurance business. He was mainly responsible for corporate management of group companies as well as accounting and finance at the Company, and took office as Representative Director of the Company in 2014, as Group CFO (Chief Financial Officer) of the Company in 2017, and as Group COO (Chief Operating Officer) and Group CBO (Chief Brand Officer) of the Company in 2019. Mr. Tsuji has knowledge of management of insurance holding companies of the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	20,050 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
3	Masaki Hanawa (Feb. 16, 1958) New appointment	<Summarized Resume, Position> Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2010 Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Jan. 2011 Executive Officer, General Manager, Corporate Planning Department & Service Quality Management and Enhancement Department of Sompo Japan Apr. 2011 Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Apr. 2012 Managing Executive Officer of Sompo Japan Apr. 2013 Managing Executive Officer of NIPPONKOA Insurance Company, Limited (“NIPPONKOA”) Apr. 2014 Director, Managing Executive Officer of Sompo Japan Sep. 2014 Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2016 Senior Advisor of Sompo Japan Nipponkoa Jun. 2016 Audit & Supervisory Board Member of the Company (current position) <Number of years in office as director (at the end of this General Meeting of Shareholders)> - (3 years in office as Audit & Supervisory Board Member) <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) as Audit & Supervisory Board Member <Reasons for selection as a candidate for director> Mr. Masaki Hanawa has experience in corporate planning, accounting and finance in the P&C insurance business and life insurance business. At the Company, he took office as Audit & Supervisory Board Member (full-time) in 2016, and has engaged in wide-ranging audit activities to look at the entire Group. Mr. Hanawa has knowledge of insurance holding companies. With his abundant experience and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was selected as a candidate for new director.	24,458 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
4	Hidenori Hanada (Aug. 15, 1958) New appointment	<Summarized Resume, Position> Apr. 1981 Joined The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2016 Executive Officer, General Manager, Accounting Department of the Company Executive Officer, General Manager, Accounting Department of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2017 Executive Officer, General Manager, Accounting Department of Sompo Japan Nipponkoa Apr. 2018 Senior Advisor of Sompo Japan Nipponkoa Jun. 2018 Audit & Supervisory Board Member of the Company (current position) <Number of years in office as director (at the end of this General Meeting of Shareholders)> - (1 year in office as Audit & Supervisory Board Member) <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) as Audit & Supervisory Board Member <Reasons for selection as a candidate for director> Mr. Hidenori Hanada has many years of experience in the accounting section of the Company and Sompo Japan Nipponkoa. At the Company, he took office as Audit & Supervisory Board Member (full-time) in 2018, and has engaged in wide-ranging audit activities to look at the entire Group. Mr. Hanada has knowledge on finance and accounting fields at insurance holding companies and insurance companies. With his abundant experience and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was selected as a candidate for new director.	7,847 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
5	Sawako Nohara (Jan. 16, 1958) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Dec. 1988 Joined LIFE SCIENCE LABORATORIES, LTD. Jul. 1995 Joined InfoCom Research, Inc. Apr. 1996 Senior Researcher of InfoCom Research, Inc. Jul. 1998 Head of the E-Commerce Business Development Group of InfoCom Research, Inc. Dec. 2000 Director of IPSe Marketing, Inc. Dec. 2001 President of IPSe Marketing, Inc. (current position) Jun. 2006 Member of the Board of NEC Corporation Nov. 2009 Project Professor of the Graduate School of Media and Governance, Keio University (current position) Jun. 2012 Audit & Supervisory Board Member of Sompo Japan Insurance Inc. Jun. 2013 Director of the Company (current position) Jun. 2014 Member of the Board of Nissha Printing Co., Ltd. Director of JAPAN POST BANK Co., Ltd. (current position) Jun. 2018 Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. (current position) <Significant positions concurrently held> President of IPSe Marketing, Inc. Project Professor of the Graduate School of Media and Governance, Keio University Outside Director of JAPAN POST BANK Co., Ltd. Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. (Outside Audit & Supervisory Board Member) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 6 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 12 out of 14 (85%) <Reasons for selection as a candidate for outside director> Ms. Sawako Nohara has experience as a manager, in addition to her abundant experience in the IT industry, as well as deep insight gained through participation in policy-making during her term as an officer in government-related committees including as a private sector member of the Industrial Competitiveness Council. She has provided appropriate advice on the management of the Company from diversified and professional perspectives. Moreover, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Accordingly, she was re-selected as a candidate for outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
6	Isao Endo (May 8, 1956) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1979 Joined Mitsubishi Electric Corporation Oct. 1988 Joined The Boston Consulting Group Inc. Oct. 1992 Joined Andersen Consulting Oct. 1996 Partner of Andersen Consulting Sep. 1997 Partner and Director of Booz Allen Hamilton May 2000 Managing Partner of Roland Berger Ltd. Apr. 2006 Chairman of Roland Berger Ltd. (current position) Professor of the Graduate School of Commerce, Waseda University May 2011 Director of Ryohin Keikaku Co., Ltd. (current position) Mar. 2013 Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. Jun. 2014 Director of the Company (current position) Director of Nisshin Steel Co., Ltd. (currently Nippon Steel Nisshin Co., Ltd.) (current position) <Significant positions concurrently held> Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of Nippon Steel Nisshin Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 5 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> Mr. Isao Endo has practical experience at a global consulting firm, in addition to broad insight based on academic knowledge as a graduate school professor, as well as abundant experience as a company manager. He has provided appropriate advice on the management of the Company, especially through his deep and diversified perspective gained through his practical research on “Gemba Power.” Accordingly, he was re-selected as a candidate for outside director.	700 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
7	Tamami Murata (Jan. 18, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1988 Admitted to the Japanese Bar Aug. 2001 Attorney at law at Murata Law Office (current position) Apr. 2008 Executive Vice President of Daini Tokyo Bar Association Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Attorney at law <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 5 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> Ms. Tamami Murata has abundant knowledge and experience as a legal expert and provided appropriate advice on the management of the Company with professional insight based on her knowledge and experience. Moreover, she has also provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company. Despite lack of experience in participation in corporate management other than by serving as outside director, she was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
8	Scott Trevor Davis (Dec. 26, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004 Director of Ito-Yokado Co., Ltd. Sep. 2005 Director of Seven & i Holdings Co., Ltd. Mar. 2006 Audit & Supervisory Board Member of Nissen Co., Ltd. Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position) Mar. 2011 Member of the Board of Bridgestone Corporation (current position) Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 5 years <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) <Reasons for selection as a candidate for outside director> Mr. Scott Trevor Davis has broad knowledge as an erudite scholar and provided appropriate advice on the management of the Company, especially through his research on strategic management and CSR at the university. Moreover, he also has provided diversified advice from global perspectives. Despite lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, he was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
9	Naoki Yanagida (Feb. 27, 1960) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1987 Admitted to the Japanese Bar Attorney at law at The Law Offices of Yanagida & Nomura (now Yanagida & Partners) (current position) Jun. 2004 Statutory Auditor of Nippon Paper Industries Co., Ltd. Statutory Auditor of Nippon Unipack Holdings Co., Ltd. Jun. 2014 Audit & Supervisory Board Member of the Company (current position) Auditor of Alpine Electronics, Inc. Jun. 2016 Director (Audit and Supervisory Committee Member) of Alpine Electronics, Inc. Audit & Supervisory Board Member of YKK Corporation (current position) <Significant positions concurrently held> Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - (5 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) as Outside Audit & Supervisory Board Member <Reasons for selection as a candidate for outside director> Mr. Naoki Yanagida possesses abundant knowledge and experience as a legal expert, and took office as Outside Audit & Supervisory Board Member of the Company in 2014. Despite lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, with his professional knowledge and experience, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was selected as a candidate for new outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
10	Hideyo Uchiyama (Mar. 30, 1953) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Nov. 1975 Joined Arthur Young & Company Dec. 1979 Joined Asahi Accounting Company (now KPMG AZSA LLC) Mar. 1980 Registered as Certified Public Accountant Jul. 1999 Representative Partner of Asahi & Co. (now KPMG AZSA LLC) May 2002 Board Member of Asahi &Co. (now KPMG AZSA LLC) Jun. 2006 Executive Board Member of KPMG Azsa & Co. (now KPMG AZSA LLC) Jun. 2010 Managing Partner of KPMG Azusa & Co. (now KPMG AZSA LLC) Chairman of KPMG Japan Sep. 2011 Chairman of KPMG Asia Pacific Oct. 2013 CEO of KPMG Japan Sep. 2015 Executive Advisor of ASAHI Tax Corporation (current position) Jun. 2016 Audit & Supervisory Board Member of OMRON Corporation (current position) Jun. 2017 Audit & Supervisory Board Member of the Company (current position) Jun. 2018 Director of the Eisai Co., Ltd. (current position) <Significant positions concurrently held> Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON (Outside Audit & Supervisory Board Member) Corporation (Independent Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - (2 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) as Outside Audit & Supervisory Board Member <Reasons for selection as a candidate for outside director> Mr. Hideyo Uchiyama possesses professional insight and experience as a certified public accountant. Furthermore, he has abundant experience as a manager at one of Japan's leading auditing corporations and a global consulting firm, and took office as Outside Audit & Supervisory Board Member of the Company in 2017. With his abundant knowledge and experience, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was selected as a candidate for new outside director.	200 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate
11	Atsuko Muraki (Dec. 28, 1955) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1978 Joined Ministry of Labour Oct. 2005 Counsellor for Policy Evaluation, Minister's Secretariat, Ministry of Health, Labour and Welfare Sep. 2006 Deputy Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Jul. 2008 Director-General of Equal Employment, Children and Families Bureau, Ministry of Health, Labour and Welfare Sep. 2010 Director-General for Policies on Cohesive Society, Cabinet Office Sep. 2012 Director-General of Social Welfare and War Victims' Relief Bureau, Ministry of Health, Labour and Welfare Jul. 2013 Vice-Minister of Health, Labour and Welfare, Ministry of Health, Labour and Welfare Jun. 2016 Member of the Board of ITOCHU Corporation (current position) Jun. 2017 Audit & Supervisory Board Member of the Company (current position) Jun. 2018 Director of Sumitomo Chemical Company, Limited (current position) <Significant positions concurrently held> Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - (2 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings of the Board of Directors in Fiscal 2018> 14 out of 14 (100%) as Outside Audit & Supervisory Board Member <Reasons for selection as a candidate for outside director> Ms. Atsuko Muraki has deep insight and abundant experience, having held important posts such as Vice-Minister of Health, Labour and Welfare, Deputy Director-General, and Director-General of Equal Employment, Children and Families Bureau of the Ministry of Health, Labour and Welfare, as well as Director-General for Policies of the Cabinet Office. She took office as Outside Audit & Supervisory Board Member of the Company in 2017. Despite lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, with her abundant knowledge and experience, she is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, she was selected as a candidate for new outside director.	0 Shares

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Notes:

1. There are no special interests between each candidate and the Company.
2. Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata, Mr. Scott Trevor Davis, Mr. Naoki Yanagida, Mr. Hideyo Uchiyama and Ms. Atsuko Muraki, are candidates for outside directors.
   The Company has prescribed the “Standards regarding Independence of Outside Directors” (from page 32 to page 35). None of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. Each of the above candidates is an “independent director” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general shareholders.
3. Ms. Sawako Nohara served as outside audit & supervisory board member of our subsidiary in the past.
4. The Company has entered into a contract (contract for limitation of liability), in accordance with Article 427, Paragraph 1 of the Companies Act, with Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata and Mr. Scott Trevor Davis, respectively, that limits his or her compensation liability for damages under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act. If they are reappointed as outside directors, the Company intends to continue said contract with each of them.
   If Mr. Naoki Yanagida, Mr. Hideyo Uchiyama and Ms. Atsuko Muraki are newly appointed as outside directors, the Company intends to conclude the same contract with each of them.

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■ Policies for Appointment of Officers

The Company has prescribed the “Policies for Appointment of Officers” by resolution of the Board of Directors based on the advice of the Nomination and Compensation Committee, an advisory organ to the Board of Directors. In the event that Proposal 2 "Partial Amendment to the Articles of Incorporation" is approved and the Company changes to a company with committees, such as Nomination Committee, the content of the "Policies for Appointment of Officers" will be as follows.

<Policies for Appointment of Officers>

The appointment of officers is conducted in accordance with the following policies for appointment of officers. Candidates for directors shall be nominated by the Nomination Committee and subsequently approved at the General Meeting of Shareholders, while candidates for Executive Officers shall be nominated by the Nomination Committee and subsequently approved by the Board of Directors.

1. Policies for Appointment of Directors

   The Company supervises and guides its subsidiaries, formulating management strategies for subsidiaries engaged in various businesses, mainly in the P&C insurance business, as well as comprehensive management strategies for the entire Group. The Company is responsible for the execution and realization of these strategies. From this perspective, to facilitate objective decision making with respect to management issues from a diverse and independent focus and perspective, outside directors with a wide range of knowledge and experience having backgrounds in corporate management, academia or legal profession, or those with professional knowledge regarding finance and accounting are nominated, with diversity in terms of gender, nationality and other factors taken into account, and the Board of Directors will be composed mainly of outside directors.
   Furthermore, the appointment of directors is based on appointment criteria in consideration of Comprehensive Guidelines for Supervision of Insurance Companies. Moreover, the Company has formulated outside director independence criteria for the appointment of outside directors and will appoint outside directors based on these criteria.
   It shall be noted that, for the purpose of carrying out substantive discussions, the number of directors shall be limited to 15, pursuant to the provisions of the Articles of Incorporation.

2. Policies for Appointment of Executive Officers
   For appointment of Executive Officers, the Company formulated a “desired image for Executive Officers” and “Policies for appointment of Executive Officers” to prescribe basic matters concerning the skills and qualifications required, the balance between experience and achievements and others and will make appointments based on these criteria and policies.

-- End

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■ Standards regarding Independence of Outside Directors

The Company has prescribed the “Standards regarding Independence of Outside Directors” by resolution of the Board of Directors based on the advice of the Nomination and Compensation Committee, an advisory organ to the Board of Directors. If Proposal 2 "Partial Amendment to the Articles of Incorporation" is approved and the Company changes its governance structure to a company with committees, the content of the "Standards regarding Independence of Outside Directors" will be as follows.

<Standards regarding Independence of Outside Directors>

The Company will determine the independence from the Company of outside directors based on the matters set forth below:

1. Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
2. Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.
3. Business Relationships: Business transactions or donations between the Group and the candidate.
4. Significant interests other than the above.

In the event that a candidate for outside director falls within any of the categories listed below, the Nomination Committee, a committee primarily constituted of outside directors, will examine his/her independence. Following the final determination by the Board of Directors, the proposal for appointment will be submitted to the General Meeting of Shareholders of the Company and the Company will submit notification of such outside director as an independent director as prescribed by each financial instruments exchange.

(1) Personal Relationships

1) The candidate is or was an executive director (Note 1), an executive officer , an executive officer(shikkouyakuin) or an employee of the Company or its subsidiary at present or in the past 10 years (in 10 years prior to his/her appointment if the candidate was an executive director or audit & supervisory board member).
2) The candidate is a relative (Note 3) of a person who is or was an executive director, an executive officer, an executive officer(shikkouyakuin) or an important employee (Note 2) of the Company or its subsidiary at present or in the past 5 years.
3) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer or an executive officer(shikkouyakuin) of (i) a company that accepts director(s) (full-time or independent) from the Company or its subsidiary, (ii) its parent company or (iii) its subsidiary.

(2) Capital Relationships

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1) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer(shikkouyakuin) or an employee of a company in which the Company owns 10% or more of the voting rights.
2) The candidate is a relative of a person who is a director, an audit & supervisory board member, an accounting advisor, an executive officer or an executive officer(shikkouyakuin) of a company in which the Company owns 10% or more of the voting rights.
3) The candidate owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
4) The candidate is a relative of a person who owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is a relative of the person who is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member or an executive officer(shikkouyakuin) of the subject company).

(3) Business Relationships

1) The candidate makes or made payments of 2% or more of the Company's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) to the Company or its subsidiary (if the payer is a corporation, the candidate is or was an executive director, an executive officer, and executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary).
2) The candidate receives or received payments of 2% or more of the candidate's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) from the Company or its subsidiary (if the recipient is a corporation, the candidate is or was an executive director, executive officer, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary).
3) The candidate is a board member (should be limited to a person who executes business) or other member who executes business of a public interest incorporated foundation, a public interest incorporated association, or a non-profit corporation, etc. who receives donations or grants exceeding 10 million yen per year based on the average of the past three fiscal years from the Company or its subsidiaries.
4) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer(shikkouyakuin) or an employee of (i) a financial institution, (ii) other large creditor, (iii) its parent company or (iv) a significant subsidiary, from which the Company obtains or has obtained financing (the financing is indispensable, which the Company depends on to the extent that such financing has little or no

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substitute) at present or in the past three years.

5) The candidate is an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, or a person who was any of the above in the past three years, and who actually is or was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary (including those who are currently retired).
6) The candidate is a relative of (i) a certified public accountant (or a tax accountant) or (ii) an employee or a partner of an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary.
7) The candidate is a relative of a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, and who actually is engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary, or a person who was an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who served as an accounting auditor of the Company or its subsidiary, in the past three years, and who actually was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary during the subject period of time.
8) The candidate is a consultant such as an attorney or a certified public accountant other than the above 5) who receives financial or other property benefits of 10 million yen or more per year (based on the average of the past three years) exclusive of officer's compensation, and a person who is and was an employee, a partner, an associate or a staff member of a consulting firm or other specialized advisory firm such as a legal office or an audit corporation other than the above 5), who received payments of 2% or more of the firm's consolidated gross annual sales (based on the average of the past three fiscal years) from the Company or its subsidiary.

(4) Significant Interests

A person who can be recognized to have significant interests other than the above (1) through (3).

Notes:

1. "Executive director" means the director as set forth in each item of Article 363, Paragraph 1 of the Companies Act and other directors who executed business of the subject company (the same applies to the following).
2. "Important employee" means a person who falls under the "important employee" as set forth in Article 362, Paragraph 4, Item 3 of the Companies Act (the same applies to the following).
3. "Relative" refers to a spouse, a relative within the second degree of kinship or a relative who lives together (the same applies to the following).
4. "Significant subsidiary" refers to a subsidiary that is described as a significant

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subsidiary in (i) the items of e.g., “Status of Significant Parent Company and Subsidiaries” in the business reports associated with the subject company’s most recent fiscal year (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act), or other materials that are generally published by the subject company (the same applies to the following).

5. The past tense as described in the above (2) 3) and 4), and (3) 1), 2) and 8) (e.g., a person who “was”) refers to within the past five years.

-- End

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Attachments

Attachment (1)

Fiscal 2018 Business Report
For the Period from April 1, 2018 through March 31, 2019

I. Matters Concerning the Current Status of the Insurance Holding Company

(1) Progress and Results of Business of the Corporate Group

Main Substance of Business of the Corporate Group

At the end of the fiscal year ended March 31, 2019, the Group consisted of Sompo Holdings, Inc. (the "Company" or "Sompo Holdings, Inc." or "we"), 67 companies that are consolidated subsidiaries, and 5 companies that are affiliates accounted for under the equity-method and others. The Group's main businesses are the domestic property and casualty ("P&C") insurance business, domestic life insurance business, overseas insurance business and nursing care & healthcare business.

Financial and Economic Environment, and Progress and Results of the Corporate Group for the Fiscal Year under Review

The global economy during the period under review continued a modest recovery overall amid factors including a steady economic recovery in the U.S., despite increasing uncertainty with regard to growth mainly due to trade issues, a gradual slowdown in the Chinese economy, and the outlook for the negotiations on the United Kingdom's withdrawal from the European Union. The Japanese economy continued on a moderate recovery trend, mainly due to improvement in corporate earnings and employment conditions, and a rebound in personal consumption, despite delays in production and distribution due to a series of natural disasters including heavy rains, earthquakes and typhoons, as well as signs of weakness in exports and production in some areas.

(Progress and Results of Business of the Corporate Group)

Under the five-year Mid-Term Management Plan that started in FY2016, the Group aims to build a "theme park for the security, health, and wellbeing of customers" that will bring happiness to every aspect of customers' lives, with a view to realizing our group management philosophy of providing "highest quality services that contribute to the security, health, and wellbeing of our customers." To that end, the Group is making efforts such as to thoroughly enhance the appeal of each business, while exploring new business opportunities and expanding services for customers

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through business collaboration among Group companies and utilization of digital technologies.

As a holding company, the Company is proceeding with the “transformation of the business portfolio” and “qualitative evolution of each business” of the Group, with the aim of achieving business plans for the Group as a whole and maximizing the Group’s corporate value and strives to address important group issues, such as establishing and reinforcing the superiority of each business, drafting the Group’s management strategy, allocating management resources across the Group, creating the governance system, as well as carrying out digital strategy and M&A.

During the period under review, as part of these initiatives, the Group established a new unit under Sompo International Holdings Ltd. (“SIH”) to oversee the insurance business in the retail sector and proceeded with building a genuinely integrated platform. Moreover, the Group focused on efforts to build an ecosystem for collaboration among businesses within the Group as well as external partners. Initiatives include the “SOMPO Dementia Support Program,” which provides wide-ranging support from dementia prevention to nursing care, depending on the degree of symptoms. The Group also steadily implemented initiatives to use digital technologies.

In addition, in January 2019, the Group established the Group Chief Operating Officer (Group COO) to support Group Chief Executive Officer in comprehensive Group management and to make decisions and oversee operations with respect to important operational and administrative matters. By establishing this position, the Group aims to strengthen its governance structure, make and execute group-wide decisions more swiftly on a global basis than before, and reinforce the management structure.

(Performance over the Period under Review)

The Company’s consolidated financial results were as follows.

Ordinary income decreased by 127.0 billion yen to 3,643.0 billion yen. Meanwhile ordinary expenses decreased by 184.0 billion yen to 3,444.0 billion yen.

As a result, ordinary profit for the period under review increased by 57.0 billion yen to 198.9 billion yen. Net income attributable to shareholders of the parent amounted to 146.6 billion yen, representing an increase of 6.8 billion yen when compared to the previous period.

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(Progress and Results of Each Business Segment)

The progress and results of each business segment were as follows.

Domestic P&C Insurance Business

Sompo Japan Nipponkoa

Sompo Japan Nipponkoa Insurance Inc. is making efforts to achieve growth with quality such as by leveraging “Gemba Power” and proactively taking advantage of digital technologies, in order to create products and services that have value to facilitate the security, health, and wellbeing of customers and continue contributing to society. We will expand existing businesses and take on the challenge of new growth strategies, aiming to be the P&C insurance company that enjoys the greatest support from customers.

In FY2018, we began offering “LINE Insurance*,” a new insurance service that lets customers easily and quickly enroll in various unique types of insurance through social networking services (“SNS”), in order to deliver insurance services that enrich customer lifestyles and lead to increase in the number of customers. In addition, we are working to increase customer convenience by launching the “Noru Pita!” automobile insurance, the first insurance in the domestic P&C insurance industry to allow enrollment in 12-hour units, as well as SNS-based services that provide integrated handling of the entire process from accident reception to follow-up procedures.

Meanwhile, we are enhancing operational efficiency, improving productivity and accelerating the shift to value creation operations by introducing digital technologies such as AI (Artificial Intelligence) and RPA (Robotic Process Automation) into our existing businesses.

Going forward, we will continue to proactively take on the challenge of implementing new growth strategies such as creating new businesses in collaboration with other companies that have digital technologies and cutting-edge scientific technologies.

* ”LINE Insurance” was jointly developed by Sompo Japan Nipponkoa Insurance Inc. and LINE Financial Corporation.

SAISON AUTOMOBILE AND FIRE INSURANCE, Sonpo 24

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED* and Sonpo 24 Insurance Company Limited* are developing a direct marketing business model and have responded to diverse customer needs.

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* SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited plan to merge on July 1, 2019, subject to the approval of the relevant authorities, with the aim of improving efficiency and profitability.

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Overseas Insurance Business

In the overseas insurance business, the Group operates in 30 countries and regions, and is building a genuinely integrated platform centered on SIH, which was established as a controlling company. In developed countries, where the Group focuses on the corporate sector, we almost completed the reorganization of existing subsidiaries in Europe and the U.S. In the market for emerging countries, where the Group focuses on the retail sector, a new management team was put together in the retail section within SIH. Bringing together know-how from the Group across national and regional borders, we are building an innovative business model on a global basis.

The Group is also pursuing initiatives to make use of products and services based on the insurance underwriting and risk management expertise and advanced know-how possessed by SIH at Group companies around the world. In September 2018, we launched “SomPro,” a platform which specializes in providing products and services tailored for financial institutions and professionals. Our aim is to offer high quality services to customers in countries throughout the world through our over 30 types of insurance products and more than 100 experts. In addition, “AgriSompo,” a team specializing in agricultural insurance, provides technologies to local subsidiaries in Asia. AgriSompo is achieving steady results, such as “Weather Index Insurance,” which we developed and sell together with local financial institutions to support the business of local farmers in Thailand.

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Domestic Life Insurance Business

Sompo Japan Nipponkoa Himawari Life

Sompo Japan Nipponkoa Himawari Life Insurance, Inc., aiming to transform itself into a “health support enterprise,” that stays beside customers throughout their lives, is striving to create a three-part business model that seamlessly integrates “products” and “services” that contribute to customer health with high quality “channels (sales persons)” that deliver these to customers.

In FY2018, we began offering Insurhealth®, an insurance that integrates the original functions of insurance with healthcare functions. In death protection insurance, we launched “Linkx Jibun to Kazoku no Omamori,” an insurance that comes with a “Get Healthy Challenge!” program that lowers insurance premiums for customers who have improved their health, returning the amount equivalent to the difference in the premiums paid from the time of first enrollment. The number of policies sold topped 100,000 in 10 months. In addition, in cancer insurance, we launched “Linkx Pink (cancer diagnosis insurance for women),” offering protection focused on mainly breast cancer, in illness and medical insurance, we launched “Linkx Egao Wo Mamoru Dementia Insurance,” which offers protection for mild cognitive impairment and dementia, and “Linkx Nineguard (general lifestyle and disability protection insurance),” which comes with health promotion and disease prevention services such as mail-order blood testing that lets customers perform health checks at home.

We continue to build a support system based on provision of health-related apps and high-quality life insurance sales persons. In addition to our three-part business model, we will deliver new value to customers by providing Insurhealth®.

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Nursing Care & Healthcare Business

Sompo Care

In the nursing care & healthcare business, the Group merged four nursing care business companies* in July 2018 into newly formed Sompo Care Inc., a company that offers a full line of nursing care services from facility-based services to homecare. Sompo Care Inc. has introduced a regional headquarters system that divides its business into four divisions covering the whole areas of Japan, and is working to optimize staff allocation and effectively use management resources according to market needs and strategies.

In October 2018, we also began offering the “SOMPO Egao Club” as the first initiative in the “SOMPO Dementia Support Program” operated by the Group. The SOMPO Egao Club mainly works on efforts to prevent impairment of cognitive functions and provides information on appropriate care and other matters to support those who develop dementia, as well as introducing services.

Furthermore, in February 2019, we opened the “Future Care Lab in Japan” to create a new form of nursing care based on co-existence of “people” and “technology” through effective use of ICT and digital technology. Through this project, we aim to use technology to eliminate the shortage of nursing care workers while building a nursing care business model that will steadily generate revenue and realizing a sustainable society where the elderly can live in peace of mind.

* The four companies are Sompo Care Inc., Sompo Care Next Inc., Japan Care Service Corporation and Planning Care Corporation.

Others

SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. is engaged in the business of providing services related to asset formation for customers, Sompo Risk Management Inc. offers services including risk management and cyber security, and Sompo Japan Nipponkoa DC Securities Inc. handles defined contribution pension plans. These companies aim to improve their profit models based on business collaboration with other Group companies including those in the domestic P&C insurance business.

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Issues to be Addressed

◆Recognition of Business Environment, Vision

The environment surrounding the Group is undergoing substantial changes, such as the increasing frequency of large-scale natural disasters caused by climate change, the rapidly declining birthrate and aging society in Japan, as well as the transformation of existing business models due to digital technology. In order to quickly and flexibly address such rapid changes and establish a strong management foundation, the Company will seek to create a unique and sophisticated “theme park for the security, health, and wellbeing of customers” that is unparalleled worldwide to resolve social issues and realize sustainable growth.

◆Mid-Term Management Plan (FY2016-FY2020)

Adjusted consolidated profit decreased from the previous year due to the impact of large-scale natural disasters in Japan and overseas in FY2018. However, if the impact of natural disasters in Japan is excluded, the revenue base of each business grew steadily. In order to achieve the targets of the Mid-Term Management Plan, the Group will continue to promote the “transformation of the business portfolio” and “qualitative evolution of each business” of the Group while strengthening our efforts to realize our vision in the early 2020s to attain “adjusted consolidated profit of 300.0 billion yen or more and adjusted consolidated ROE of 10% or higher (see Note 1).”

◆Strategy Direction of Each Business

The Group will work toward the following goals in each of its business segments. In the domestic P&C insurance business, the Group’s largest business, we will create new revenue sources through collaboration with leading players across industry borders and use of digital technology with a view to transforming and diversifying contact points with customers according to changes in society. The overseas insurance business, as the Group’s driver for profit growth, seeks to accelerate organic growth worldwide and to build an optimal portfolio, including disciplined M&A, based on a genuinely integrated platform. The domestic life insurance business will pursue steady profit growth brought about by transforming from a traditional “life insurance company” to a “health support enterprise” through the development of “Insurhealth®,” which integrates insurance and healthcare. The nursing care & healthcare business aims to increase profitability through high-quality and effective management to expand the revenue base in the senior

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market, while at the same time realizing “Japan as Global Pioneer in Healthy Longevity” by addressing dementia and other social issues of the aging society.

◆Group Governance System

In order to promote the “transformation of the business portfolio” and “qualitative evolution of each business,” the Group proactively uses a variety of human resources both inside and outside Japan to accelerate decision-making and execute more actively with the aim of realizing the Group’s vision.

The Company utilized the business owner system, the Group Chief Officer system, and the executive officer system, under the general oversight of the Group CEO and Group COO, for its business operation system to enable agile and flexible decision-making and business execution as well as ensuring the clarity of authority and responsibility. Furthermore, the Company decided to establish the Global Executive Committee (“Global ExCo”) in April 2019 as the highest executive committee for executives to discuss Group-wide strategic issues among other matters. Global ExCo, which is defined as an advisory organ to the Group CEO and includes key members of the overseas insurance business, plans to hold discussions based on high expertise and diverse opinions from a global viewpoint, regarding topics that have significant impact on management, such as Group-wide management strategies or business operation policies.

The contents of discussion by Global ExCo are immediately reflected in individual business strategies and materialized. Important matters including management issues pertaining to the Company and Group companies are discussed in detail by the Managerial Administrative Committee (“MAC”), an advisory organ to the Group Chief Operating Officer, and then implemented. The Group aims to create a structure in which both MAC and Global ExCo organically carry out their respective functions by sharing the contents discussed by MAC with the members of Global ExCo.

Along with these initiatives, the Company will shift to a company with committees, such as Nomination Committee, conditional upon approval at the General Meeting of Shareholders in June 2019. The Company aims to strengthen the supervision governance system by making the Board of Directors consist mainly of outside directors, while clarifying the separation of supervision and execution in management and delegating substantial authority to the executive sector.

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<Reference: Directors and Executive Officers >

Sompo Holdings' Directors and Executive Officers will be as follows subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation" and Proposal 3 " Appointment of Eleven Directors " .

Directors (to be appointed at Shareholders Meeting)

Directors	Outside Directors	
 Kengo Sakurada (Concurrently serves as Executive Officer)	 Sawako Nohara	 Isao Endo
 Shinji Tsuji (Concurrently serves as Executive Officer)	 Tamami Murata	 Scott Trevor Davis
 Masaki Hanawa	 Naoki Yanagida	 Hideyo Uchiyama
 Hidenori Hanada	 Atsuko Muraki	

Nomination Committee
Composed solely of outside directors

Compensation Committee
Composed solely of outside directors

Audit Committee
Comprised of a majority of outside directors

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Executive Officers (to be appointed at the Board of Directors)

Representative Executive Officers



Group CEO
Director, President and
Representative Executive Officer
Kengo Sakurada
（Concurrently serves as Director）



Group COO, Group CBO
Director, Deputy President and
Representative Executive Officer
Shinji Tsuji
(Concurrently serves as Director)

Brand

CEOs of Businesses

Domestic P&C Insurance Business



CEO of Domestic P&C Insurance Business,
Executive Officer Keiji Nishizawa

Sompo Japan Nipponkoa Insurance Inc.
President

Overseas Insurance Business



CEO of Overseas Insurance and Reinsurance
Business, Executive Officer John R. Charman

Sompo International Holdings Ltd.
Executive Chairman of the Board

Domestic Life Insurance Business



CEO of Domestic Health Insurance Business,
Executive Officer Yasuhiro Oba

Sompo Japan Nipponkoa Himawari Life
Insurance Inc.
President

Nursing Care & Healthcare Business



CEO of Nursing Care and Healthcare Business,
Executive Officer Satoshi Kasai

Sompo Care Inc.
Chief Executive Officer

Executive Officers and Group Chief Officers



Senior Executive Vice President and Executive
Officer (Chairman of Overseas M&A)
Nigel Frudd

Sompo International Holdings Ltd.
Chief Executive Officer

Overseas M&A



Group CFO, Group CIO,
Executive Vice President and
Executive Officer
Masahiro Hamada

Finance•IT



Group CSO, Executive Vice
President and Executive Officer
Mikio Okumura

Strategy



Group CDO, Executive Vice
President and Executive Officer
Koichi Narasaki

Digital



Group CRO
Senior Vice President and
Executive Officer
Takashi Izuhara

Risk Management



Group CHRO
Executive Vice President and
Executive Officer
Shinichi Hara

Human Resources

Executive Vice President and Executive Officer, General Manager, Global Business Planning Department　Yuji Kawauchi

Senior Vice President and Executive Officer, General Manager, Accounting Department　Yasunori Kuroda

Senior Vice President and Executive Officer, General Manager, Innovation For Aging & Wellness Department　Takuto Kobayashi

Senior Vice President and Executive Officer (Retail Platform in Istanbul)　Katsuyuki Tajiri

Senior Vice President and Executive Officer, General Manager, Office of Group CEO　Takato Udo

Senior Vice President and Executive Officer, General Manager, Secretarial Department　Koji Ishikawa

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<Reference: The Company's Corporate Governance Reform>

Aiming to enhance corporate value and achieve a sustainable society, the Group and each of its businesses will work in a unified manner toward building a "theme park for the security, health, and wellbeing of customers" as set out in the Mid-Term Management Plan, with a view to achieving sustainable growth.
We very much look forward to the further support of all of our shareholders in the future.

Notes:

1. The calculation methods for adjusted profit for each business segment, adjusted consolidated profit and adjusted consolidated ROE after FY2019 are as follows.

		Calculation method
Adjusted profit by business segment[*1]	Domestic P&C Insurance Business[*2]	Net income for the period ＋Provisions for catastrophic loss reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance Business	Net income for the period (including major non-consolidated subsidiaries) Operating income[*4] for Sompo International
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax)
	Nursing Care & Healthcare Business, etc.[*3]	Net income for the period
Adjusted consolidated profit		Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding domestic life insurance subsidiary's net assets) ＋Catastrophic loss reserve in domestic P&C insurance, etc. (after tax) ＋Reserve for price fluctuation in domestic P&C insurance (after tax) ＋Domestic life insurance adjusted net assets[*5]
Adjusted consolidated ROE		Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)

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*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from subsidiaries.
*2 Total of Sompo Japan Nipponkoa Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, Sonpo 24 Insurance Company Limited, Sompo Japan Nipponkoa Insurance Services Inc., Sompo Japan Nipponkoa DC Securities Inc., Sompo Risk Management Inc., Mysurance Inc., DeNA SOMPO Mobility Co., Ltd. and DeNA SOMPO Carlife Co., Ltd.
*3 Total of Sompo Care Inc., SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., Prime Assistance Inc., Sompo Warranty Inc., FRESHHOUSE Co., Ltd. and Sompo Health Support Inc.
*4 Adjusted profit of Sompo International is defined at the operating income, which excludes one-time factors (operating income = Net income – Net foreign exchange gains and losses – Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.)
*5 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP)＋Contingency reserve (after tax)＋Reserve for price fluctuation (after tax)＋Adjustment of underwriting reserve (after tax)＋Non-depreciated acquisition cost (after tax)

2. The monetary amounts, number of shares owned and the like in this Business Report (including the tables set forth below) have been rounded off to the nearest unit displayed. Ratios such as percentages of ownership of shares have been rounded to the nearest unit displayed.

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(2) State of Progress in Assets and Income (Loss) of the Corporate Group and the Insurance Holding Company

A. Trends in Assets and Income (Loss) of the Corporate Group

Category	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Ordinary income	3,256,186	3,419,530	3,770,052	3,643,040
Ordinary profit	216,853	241,713	141,890	198,959
Net income attributable to shareholders of the parent	159,581	166,402	139,817	146,626
Comprehensive income	(116,689)	226,949	177,754	(54,460)
Net assets	1,652,839	1,868,940	1,916,210	1,779,911
Gross assets	10,186,746	11,931,135	11,948,323	12,018,254

B. Trends in Assets and Income (Loss) of the Insurance Holding Company

Category	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	130,741	71,611	117,740	126,491
Dividends received	125,000	63,835	107,600	113,800
Subsidiaries, etc., engaged in the insurance business	124,500	62,100	107,400	113,560
Other subsidiaries, etc.	500	1,735	200	240
Net income (loss) for the period	125,024	61,522	106,900	111,321
Net income (loss) per share for the period	308.85 yen	154.96 yen	276.31 yen	297.81 yen
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	1,077,485	993,534	1,008,519	1,027,464
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	821,651	794,572	791,606	791,389
Stocks, etc., in other subsidiaries, etc.	100,026	102,400	101,330	103,065

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(3) Status of Major Offices of the Corporate Groups

As stated in Attachment (9) hereto.

(4) Status of Employees in the Corporate Group

A. Status of the Insurance Holding Company

Category	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period	At the End of the Current Period		
				Average Age	Average Years of Service	Average Monthly Salary
Employees	557 persons	579 persons	22 persons	43.4	17.5	620 thousand yen

Notes:

1. The number of employees is the number of those who are employed including those who are concurrently serving with a consolidated subsidiary of the Company. Persons seconded from the Company to another company have been excluded, and persons seconded from another company to the Company have been included.
2. Years of service at consolidated subsidiaries of the Company have been included in the average years of service.
3. The average monthly salary is the average monthly salary as of March 2019 (including overtime allowances) and does not include bonuses.

B. Status of the Corporate Group

Business Segment	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period
	No. of employees	No. of employees	No. of employees
Domestic P&C insurance business	27,406	27,425	19
Overseas insurance business	6,270	6,533	263
Domestic life insurance business	2,659	2,916	257
Nursing care & healthcare business	11,412	11,392	(20)
Others	797	1,121	324
Total	48,544	49,387	843

Notes:

1. The number of employees is the total of those at the Company and the consolidated subsidiaries of the Company (collectively referred to in this paragraph as the “Group”). This also is the number of employees excluding those seconded from the Group to outside of the Group, and including those seconded from outside of the Group into the Group.
2. The increase in the number of employees in “Others” mainly reflects the split of the healthcare business by Sompo Risk Management & Health Care Inc., in October 2018, which was previously classified as the “Nursing care & healthcare business.” The company changed its

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name to Sompo Risk Management Inc. and became engaged in the risk management business (Others).

3. The number of employees of the Company is included in Others.

(5) Status of Major Lenders to the Corporate Group

None.

(6) Status of Funding to the Corporate Group

None.

(7) Status of Capital Investment

A. Gross Capital Investment

Business Segment	Amount
Domestic P&C insurance business	(Millions of yen) 21,709
Overseas insurance business	2,333
Domestic life insurance business	2,175
Nursing care & healthcare business	4,585
Others	221
Total	31,026

Note: The amount of the Company's capital investment is included in that of Others.

B. New Installation, etc. of Significant Equipment

None.

(8) Status of Significant Parent Company and Subsidiaries, etc.

A. Status of Parent Company

None.

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B. Status of Subsidiaries, etc.

(As of March 31, 2019)

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
(Consolidated subsidiaries)						
Sompo Japan Nipponkoa Insurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 12, 1944	70,000 million yen	100.0%	—
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku Tokyo	Domestic P&C insurance	Sep. 22, 1982	32,260 million yen	99.8% (99.8%)	—
Sonpo 24 Insurance Company Limited	Toshima-ku Tokyo	Domestic P&C insurance	Dec. 6, 1999	19,000 million yen	100.0% (100.0%)	—
Sompo Japan Nipponkoa Insurance Services Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	1,845 million yen	100.0% (100.0%)	—
Sompo International Holdings Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Mar. 24, 2017	USD 0 thousand (0 million yen)	100.0% (100.0%)	Note 2
Endurance Specialty Insurance Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Nov. 30, 2001	USD 12,000 thousand (1,331 million yen)	100.0% (100.0%)	—
Sompo America Insurance Company	New York New York (USA)	Overseas insurance	Aug. 9, 1962	USD 13,742 thousand (1,525 million yen)	100.0% (100.0%)	—
Endurance Worldwide Holdings Limited	London (UK)	Overseas insurance	Apr. 10, 2002	USD 346,320 thousand (38,438 million yen)	100.0% (100.0%)	—
SI Insurance (Europe), SA	Luxembourg (Luxembourg)	Overseas insurance	Jan. 12, 2018	EUR 30 thousand (3 million yen)	100.0% (100.0%)	Note 4
Sompo Japan Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas insurance	Mar. 30, 2001	TRY 195,498 thousand (3,892 million yen)	100.0% (100.0%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Aug. 1, 2008	SGD 790,761 thousand (64,747 million yen)	100.0% (100.0%)	—
Sompo Insurance Singapore Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Dec. 14, 1989	SGD 318,327 thousand (26,064 million yen)	100.0% (100.0%)	—
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas insurance	Sep. 22, 1980	MYR 118,000 thousand (3,209 million yen)	70.0% (70.0%)	—
PT Sompo Insurance Indonesia	Jakarta (Indonesia)	Overseas insurance	Dec. 16, 1975	IDR 344,940,000 thousand (2,690 million yen)	80.0% (80.0%)	—
Sompo Insurance China Co., Ltd.	Dalian (China)	Overseas insurance	May 31, 2005	CNY 600,000 thousand (9,882 million yen)	100.0% (100.0%)	—
Sompo Insurance (Hong Kong) Company Limited	Hong Kong (China)	Overseas insurance	Mar. 25, 1977	HKD 270,000 thousand (3,817 million yen)	97.8% (97.8%)	—
Sompo Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Oct. 8, 1943	BRL 985,585 thousand (28,030 million yen)	99.9% (99.9%)	—
Sompo Saude Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Jun. 12, 2001	BRL 116,280 thousand (3,307 million yen)	100.0% (100.0%)	—
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7, 1981	17,250 million yen	100.0%	—
Sompo Care Inc.	Shinagawa-ku Tokyo	Nursing care & healthcare	May 26, 1997	3,925 million yen	100.0%	Note 5
Sompo Health Support Inc.	Chiyoda-ku Tokyo	Nursing care & healthcare	Oct. 1, 2018	10 million yen	100.0%	Note 6
SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Chuo-ku Tokyo	Others (Asset management)	Feb. 25, 1986	1,550 million yen	100.0%	—
Sompo Risk Management Inc.	Shinjuku-ku Tokyo	Others (Risk management)	Nov. 19, 1997	30 million yen	100.0%	Note 6

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Japan Nipponkoa DC Securities Inc.	Shinjuku-ku Tokyo	Others (Defined contribution pension plan)	May 10, 1999	3,000 million yen	100.0% (100.0%)	—
(Affiliates accounted for under the equity-method)						
Hitachi Capital Insurance Corporation	Chiyoda-ku Tokyo	Domestic P&C insurance	Jun. 21, 1994	6,200 million yen	20.6% (20.6%)	—
Universal Sompo General Insurance Company Limited	Mumbai (India)	Overseas insurance	Jan. 5, 2007	INR 3,681,818 thousand (5,927 million yen)	34.6% (34.6%)	—

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method.
2. Sompo International Holdings Ltd., a consolidated subsidiary of the Company, acquired issued shares in Lexon Holding Company, a U.S. guarantee insurance business company, and nine other companies on June 1, 2018, making it a consolidated subsidiary of the Company.
3. Lexon Holding Company, which was a consolidated subsidiary of the Company, became extinguished on December 31, 2018, following an absorption-type merger with Endurance U.S. Holdings Corp., a consolidated subsidiary of the Company, as the surviving company and Lexon Holding Company and four other companies as extinguished companies. As a result, Lexon Holding Company ceased to be a consolidated subsidiary of the Company.
4. Sompo Japan Nipponkoa Insurance Company of Europe Limited, which was a consolidated subsidiary of the Company, became extinguished following its merger with SI Insurance (Europe), SA, a consolidated subsidiary of the Company, on January 1, 2019, whereby it ceased to be a consolidated subsidiary of the Company.
5. Sompo Care Message Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Care Inc. on April 1, 2018. In addition, Sompo Care Next Inc., Japan Care Service Corporation and Planning Care Corporation, which were consolidated subsidiaries of the Company, became extinguished on July 1, 2018, following mergers with Sompo Care Inc., a consolidated subsidiary of the Company, as the surviving company. As a result, Sompo Care Next Inc. and two other companies ceased to be consolidated subsidiaries of the Company.

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6. Sompo Risk Management & Health Care Inc., a consolidated subsidiary of the Company, split its healthcare business and newly established Sompo Health Support Inc. on October 1, 2018, whereby the latter became a consolidated subsidiary of the Company. As a result, on the same date, Sompo Risk Management & Health Care Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Risk Management Inc., reclassifying its major line of business from “Nursing care & healthcare” to “Others (Risk management).”
7. The yen value displayed in parentheses under the “Common Stock” column is the amount translated at the market exchange rate as of the end of the current period.
8. The figures stated in parentheses in the column of “Percentages of Voting Rights of Subsidiaries, etc. Held by the Company” represent the indirect ownership ratio that is included in the total.

Overview of Important Business Alliances

1. Comprehensive Business Alliance Between Sompo Japan Nipponkoa Insurance Inc. and The Dai-ichi Life Insurance Company, Limited
   Pursuant to a comprehensive business alliance with The Dai-ichi Life Insurance Company, Limited, the Company’s consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. has entered into agreements for agency in business and conduct of administrative work. The Dai-ichi Life Insurance Company, Limited handles P&C insurance products of Sompo Japan Nipponkoa Insurance Inc. and the agencies of Sompo Japan Nipponkoa Insurance Inc. handle life insurance products of The Dai-ichi Life Insurance Company, Limited.
2. Business Alliance with Credit Saison Co., Ltd. by Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Pursuant to a business alliance with Credit Saison Co., Ltd., the Company’s consolidated subsidiary Sompo Japan Nipponkoa Insurance Inc. and SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED develop and provide P&C insurance products to Saison cardholders.
3. Business Alliance between the Company and SOHGO SECURITY SERVICES CO., LTD.
   Under the business alliance formed between the Company and SOHGO SECURITY SERVICES CO., LTD., emergency aid services at the time of an accident are provided by SOHGO SECURITY SERVICES CO., LTD. to automobile insurance policyholders of SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, a consolidated subsidiary of the Company. In addition, the same services are provided to part of automobile insurance policyholders of Sompo Japan Nipponkoa Insurance Inc.
4. Alliance Between Sompo Holdings (Asia) Pte. Ltd. and the CIMB Group Concerning Sales of P&C Insurance Through Banks
   Pursuant to an alliance with the CIMB Group, a major banking group in Southeast Asia, the Company’s consolidated subsidiary Sompo Holdings (Asia) Pte. Ltd. is able to provide P&C insurance products through the CIMB Group’s network of branches in four countries in Southeast Asia (Malaysia, Indonesia, Singapore and Thailand). Sompo Holdings (Asia) Pte. Ltd. is currently offering its products in Malaysia, Indonesia and Singapore.

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(9) Status of Assignment and Acceptance of Assignment of Businesses, etc.

None.

(10) Other Important Matters Relating to the Present Condition of the Corporate Group

A. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited, consolidated subsidiaries of the Company, plan to merge on July 1, 2019, subject to approval of the relevant authorities, with the aim of enhancing their efficiency and profitability.

B. Sompo Japan Nipponkoa Insurance Inc., a consolidated subsidiary of the Company, plans to change its company name to “Sompo Japan Insurance Inc.” on April 1, 2020, subject to the approval of relevant authorities.

C. Sompo Japan Nipponkoa Himawari Life Insurance, Inc., a consolidated subsidiary of the Company, plans to change its company name to “Sompo Himawari Life Insurance Inc.” on October 1, 2019, subject to approval of the relevant authorities.

D. Sompo Japan Sigorta Anonim Sirketi, a consolidated subsidiary of the Company, has decided on May 15, 2019 to change its company name to “Sompo Sigorta Anonim Sirketi” , subject to approval of the relevant authorities.

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II. Matters Relating to Company Executives

(1) Overview of Company Executives

(As of March 31, 2019)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo Sakurada	Group CEO, Representative Director, President Responsibilities in the Company: Overall management of the Group's operations (Chief Executive Officer)	Director of Sompo Japan Nipponkoa Insurance Inc.	Note 1
Shinji Tsuji	Group COO, Group CFO, Representative Director Responsibilities in the Company: Overall management of the Group's operations, Chief executive of the Group's finance area	Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Note 2
Keiji Nishizawa	CEO of Domestic P&C Insurance Business, Director Responsibilities in the Company: Chief executive of Domestic P&C Insurance Business	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	—
Junichi Tanaka	CEO of Overseas Insurance and Reinsurance Business, Director Responsibilities in the Company: Chief executive of Overseas Insurance and Reinsurance Business and overseeing the Middle East & South America region	—	Note 3
Yasuhiro Oba	CEO of Domestic Health Insurance Business, Director Responsibilities in the Company: Chief executive of Domestic Health Insurance Business,	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	—
Mikio Okumura	CEO of Nursing Care & Healthcare Business Responsibilities in the Company: Chief executive of Nursing Care & Healthcare Business	Representative Director, Chief Executive Officer of Sompo Care Inc. Director, Sompo International Holdings Ltd.	Note 4
Masahiro Hamada	Group CSO, Group CIO, Director Responsibilities in the Company: Chief executive of the Group's strategy area Chief executive of the Group's IT area	—	Note 5

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Masato Fujikura	Group CRO, Director Responsibilities in the Company: Chief executive of the Group's risk management, internal control, internal audit areas	—	Note 6
Sawako Nohara	Director (outside)	Representative Director, President of IPSe Marketing, Inc. Project Professor of the Graduate School of Media and Governance, Keio University Outside Director of JAPAN POST BANK Co., Ltd. Outside Audit & Supervisory Board Member of Tokyo Gas Co., Ltd.	Note 7
Isao Endo	Director (outside)	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of Nippon Steel Nisshin Co., Ltd. (Outside Director)	Note 7
Tamami Murata	Director (outside)	Attorney at law	Note 7
Scott Trevor Davis	Director (outside)	Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director)	Note 7
Masaki Hanawa	Audit & supervisory board member (full-time)	—	—
Hidenori Hanada	Audit & supervisory board member (full-time)	—	Note 8
Naoki Yanagida	Audit & supervisory board member (outside)	Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member)	Note 7

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Hideyo Uchiyama	Audit & supervisory board member (outside)	Certified Public Accountant Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)	Note 7, Note 9
Atsuko Muraki	Audit & supervisory board member (outside)	Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director)	Note 7

Notes:

1. Mr. Kengo Sakurada took office as Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) as of April 26, 2019.
2. Mr. Shinji Tsuji took office as Group COO and Group CBO of the Company as of April 1, 2019.
3. Mr. Junichi Tanaka resigned from his position of Director of the Company as of March 31, 2019 and retired from his position of Managing Executive Officer.
4. Mr. Mikio Okumura resigned from his position of Representative Director of Sompo Care Inc. and retired from his position of CEO of the same company as of March 31, 2019. Meanwhile, he took office as Group CSO of the Company as of April 1, 2019.
5. Mr. Masahiro Hamada took office as Group CFO and Group CIO of the Company and Director of Sompo Care Inc. as of April 1, 2019
6. Mr. Masato Fujikura resigned from the position of Director of the Company as of March 31, 2019 and retired from his position of Managing Executive Officer.
7. Each of Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata, Mr. Scott Trevor Davis, Mr. Naoki Yanagida, Mr. Hideyo Uchiyama and Ms. Atsuko Muraki is an “independent director/auditor” which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general shareholders.
8. Mr. Hidenori Hanada has many years of working experience in the accounting section of the Company and has a considerable level of knowledge of finance and accounting.
9. Mr. Hideyo Uchiyama has many years of working experience as a certified public accountant at audit firms, and has a considerable level of experience in connection with finance and accounting.

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(2) Remuneration, etc., for Officers

Category	Number of Officers for Payment	Total Remuneration, etc.	Total Amount Per Type of Remuneration, etc.			
			Fixed Remuneration (Monthly Remuneration)	Performance-linked Remuneration	Performance-linked Stock Compensation	Retirement Benefits, etc.
Directors	12	597 million yen	339 million	141 million yen	116 million yen	—
Audit & supervisory board members	6	104 million yen	104 million	—	—	—
Total	18	701 million yen	443 million	141 million yen	116 million yen	—

Notes:

1. The number of officers for payment, total remuneration, etc., and total amount per type of remuneration, etc., include the number and amount of one director who resigned as of March 31, 2018, and one director and one audit & supervisory board member who retired at the end of the 8th General Meeting of Shareholders held on June 25, 2018.
2. The total amount of remuneration, etc. of directors includes 479 million yen as remuneration of executive officers for directors who are serving concurrently as executive officers (243 million yen in fixed remuneration (monthly remuneration), 131 million yen in performance-linked remuneration and 104 million yen in performance-linked stock compensation).
   The remuneration of executive officers is being paid to a total of eight persons.
3. Fixed remuneration (monthly remuneration) is paid in cash.
4. Performance-linked remuneration is paid in cash and is the total amount of remuneration based on the performance of the previous fiscal year and the amount of reserve for remuneration based on the performance of the current fiscal year (excluding the amount of reserve for the previous fiscal year).
5. Performance-linked stock compensation is the amount of provision of reserve for stock benefits based on the performance of the previous fiscal year, posted as the portion for the current fiscal year.
6. Officers who receive remuneration, etc. of 100 million yen or more in total from the Company and its consolidated subsidiaries are listed as follows.
   Performance-linked remuneration is the amount of remuneration paid based on the performance of the previous fiscal year, and does not include the amount of reserve for the current fiscal year.

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(yen)

Name	Total Amount of Consolidated Remuneration, etc.	Officer Category	Company Category	Total Amount Per Type of Consolidated Remuneration, etc.			
				Fixed Remuneration (Monthly Remuneration)	Performance-linked Remuneration	Performance-linked Stock Compensation	
Kengo Sakurada	248 million	Director	The Company	110 million	82 million	56 million	-
		Director	Sompo Japan Nipponkoa Insurance Inc.	-	-	-	-
Keiji Nishizawa	150 million	Director	The Company	-	-	-	-
		Director	Sompo Japan Nipponkoa Insurance Inc.	78 million	31 million	40 million	-

7. The maximum amounts of remunerations determined by resolutions of the General Meeting of Shareholders are as set out below.

Category	Maximum Amount of Remuneration
Directors	・Fixed remuneration (monthly remuneration) and performance-linked remuneration not more than 700 million yen per year (of which the amount to outside directors shall be not more than 100 million yen per year) ・Performance-linked stock compensation not more than 500 million yen[*2] in three fiscal years[*1] *1 From the fiscal year ended March 31, 2017 to the fiscal year ended March 31, 2019 *2 The maximum amount contributed by the Company as the portion for directors to the Board Benefit Trust for performance-linked stock compensation. Note: In each case, the amount of remuneration, etc. of directors does not include the portion paid as employee salary to directors serving concurrently as employees.
Audit & supervisory board members	・Fixed remuneration (monthly remuneration) not more than 110 million yen per year

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Policies on Decisions Pertaining to the Amounts of Remuneration of Officers, or the Method of Calculation Thereof

The Company determines its "Policies on Decisions Pertaining to Remuneration for Officers" by resolution of the Board of Directors, based on the results of consultation with the nomination and Compensation Committee which is an advisory organ to the Board of Directors. The following is the content thereof:

<Policies on Decisions Pertaining to Remuneration for Officers>

The Company considers remuneration for officers to be an important matter from the viewpoint of improving the Company's performance and corporate value, and has set the following policies on decisions pertaining to remuneration for officers.

1. Basic Philosophy On Remuneration for Officers (Common to the Group)

(1) Level and system of remuneration shall enable the Company to recruit and retain superior human resources as the Group's management.

(2) Remuneration system for officers shall be consistent with business strategy, and shall promote officers' incentive to improve performance for the Group's growth.

(3) Remuneration shall reflect performance in the medium- to long-term and the efforts of officers, in addition to performance in a single fiscal year.

(4) Objectiveness, transparency and fairness that can fulfill accountability to stakeholders shall be assured for the remuneration system of the Company and its major subsidiaries through the deliberation process of the Nomination and Compensation Committee established within the Company.

2. The Company's Remuneration System for Officers

The following policies shall apply to the Company's remuneration system for officers. However, in cases where there are reasonable grounds not to apply the following policies, the Nomination and Compensation Committee shall deliberate the amount and composition of individual remuneration and make a recommendation to the Board of Directors, and the Board of Directors shall decide.

Furthermore, the Nomination and Compensation Committee shall deliberate each year concerning the budget for remuneration for all directors and executive officers of the Company, and make a recommendation to the Board of Directors, and the Board of Directors shall decide. The Board of Directors shall determine the amount of remuneration for directors and executive officers within the limits of this budget for remuneration of officers.

(1) Composition and Method for Determining Remuneration of Directors

Remuneration of directors shall consist of monthly remuneration and performance-linked remuneration as well as performance-linked stock compensation.

With regard to monthly remuneration, performance-linked remuneration and performance-linked stock compensation, monthly remuneration shall be determined at a fixed amount, and performance-linked remuneration and performance-linked stock compensation shall be determined respectively based on a base amount and a standard number of points (one point equalling one share of the Company's common stock.). Remuneration shall also depend on whether the person is an outside or internal director, or does or does not have authority to represent the company.

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However, performance-linked remuneration and performance-linked stock compensation will not be paid to outside directors.
Remuneration as a director and remuneration as an executive officer shall be totaled and paid together to those directors who are serving concurrently as executive officers.
Performance-linked remuneration and performance-linked stock compensation are as outlined in (4) and (5) below.

(2) Composition and Method for Determining Remuneration of Executive Officers
Remuneration of executive officers shall consist of monthly remuneration and performance-linked remuneration as well as performance-linked stock compensation.
The amount and composition of remuneration of the Group CEO, shall be deliberated and recommended by the Nomination and Compensation Committee, and determined by the Board of Directors, taking into account the business environment and market levels of remuneration for officers, and reflecting factors such as results and skill. The amount and composition of remuneration of executive officers other than the Group CEO shall be determined in light of the business environment and market levels of remuneration for officers, and reflecting factors such as the importance of duties, strategic position, results and skill.
Monthly remuneration shall be determined at a fixed amount, and performance-linked remuneration and performance-linked stock compensation shall be determined respectively based on a base amount and a standard number of points (one point equalling one share of the Company's common stock.)
Performance-linked remuneration and performance-linked stock compensation are as outlined in (4) and (5) below.

(3) Remuneration of Audit & Supervisory Board Members
The structure and level of remuneration of audit & supervisory board members shall be in accordance with their duties and responsibilities, and determined at a fixed amount through discussion between the audit & supervisory board members, depending on whether the audit & supervisory board member is full-time or independent, and taking into consideration their independence.

(4) Performance-linked Remuneration System
The Company has introduced a performance-linked remuneration system as a way to align the remuneration system for officers with business strategy, and to promote officers' incentive to improve performance for the growth of the Group. The system is outlined below.
・Performance-linked remuneration is determined by reflecting single-fiscal-year corporate performance and individual performance in the base amount of performance-linked remuneration.
・The performance benchmarks applied to corporate performance are adjusted consolidated profit and adjusted consolidated ROE for the fiscal year, and a coefficient is determined as a ratio of actual results against target values for each benchmark (business plan target values). For individual performance, a coefficient is determined according to evaluation results from the officer performance evaluation system.

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・The coefficient applied when paying performance-linked remuneration is calculated by multiplying the above corporate performance coefficient by the individual performance coefficient, and the payment amount is calculated by multiplying the base amount of performance-linked remuneration by the relevant coefficient.

・For officers who serve as business owners and officers who are responsible for those businesses, factors such as net sales and profits of the businesses for which they are responsible are reflected in remuneration as corporate performance benchmarks.

(5) Performance-linked Stock Compensation Plan

The Company has introduced a performance-linked stock compensation plan using a Board Benefit Trust in order to increase the link between remuneration and medium- to long-term improvement of corporate value. The plan is outlined as follows.

・In the performance-linked stock compensation, medium- to long-term stock value and consolidated performance compared to the market are reflected in the number of standard points for performance-linked stock compensation.

・With regard to stock value, a benchmark coefficient compared to the market is determined by comparing the growth rate of the Company's share price for the past three fiscal years with the TOPIX growth rate.

・For consolidated performance, a global benchmark coefficient is determined by comparing the growth rate of the Company's consolidated net profit for the past three fiscal years to the growth rate of a peer group of global companies mainly in the insurance industry.

・The coefficient applied when paying performance-linked stock compensation is calculated by adding the above market benchmark coefficient by the global benchmark coefficient, and points to be paid are calculated by multiplying the standard number of points for performance-linked stock compensation by the relevant coefficient.

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(3) Contracts for Limitation of Liability

Name	Overview of the Contracts for Limitation of Liability
Sawako Nohara (Director (outside))	The Company entered into, with each of outside directors and outside audit & supervisory board members, a contract that limits his or her compensation liability for damages (contract for limitation of liability) under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Companies Act. The maximum liability pursuant to said contract is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
Isao Endo (Director (outside))	
Tamami Murata (Director (outside))	
Scott Trevor Davis (Director (outside))	
Naoki Yanagida (Outside audit & supervisory board member)	
Hideyo Uchiyama (Outside audit & supervisory board member)	
Atsuko Muraki (Outside audit & supervisory board member)	

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III. Matters Relating to Outside Directors / Outside Audit & Supervisory Board Members

(1) Concurrently Held Positions and Other Circumstances of Outside Directors / Outside Audit & Supervisory Board Members

(As of March 31, 2019)

Name	Concurrently Held Positions and Other Circumstances
Sawako Nohara (Director (outside))	Representative Director, President of IPSe Marketing, Inc. Director of JAPAN POST BANK Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. (Outside Audit & Supervisory Board Member)
Isao Endo (Director (outside))	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of Nisshin Steel Co., Ltd. (Outside Director)
Tamami Murata (Director (outside))	—
Scott Trevor Davis (Director (outside))	Member of the Board of Bridgestone Corporation (Outside Director)
Naoki Yanagida (Outside audit & supervisory board member)	Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member)
Hideyo Uchiyama (Outside audit & supervisory board member)	Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)
Atsuko Muraki (Outside audit & supervisory board member)	Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director)

Note: There are no significant capital relationships or business transactions between the Company and the companies in which outside officers hold concurrent positions.

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(2) Main Activities of Outside Directors / Outside Audit & Supervisory Board Members

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Sawako Nohara (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 12 times out of 14 meetings	Based on her experience as a company manager, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of fundamental analysis of issues and risk assessment, and points requiring attention in promoting digital strategies. As chairperson of the Nomination and Compensation Committee, she organizes opinions to be expressed to the Board of Directors regarding the nomination policy and the assessment and compensation structure of officers of the Group, and she also makes valuable remarks and statements on such issues. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Isao Endo (Director (outside))	4 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on his professional knowledge and experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of Group-specific strategies which are at the core of business growth, and points requiring attention in establishing a global business management structure. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Tamami Murata (Director (outside))	4 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on her professional knowledge as a legal expert, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of formulating policies taking account of stakeholders, and points requiring attention in securing and developing human resources with a high level of expertise. As a member of the Nomination and Compensation Committee, she also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.
Scott Trevor Davis (Director (outside))	4 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings	Based on his professional knowledge as a learned scholar, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of a robust governance structure to support the Group’s growth, and points requiring attention in entering into new business fields. As a member of the Nomination and Compensation Committee, he also makes valuable remarks and statements regarding the nomination policy and the assessment and compensation structure of officers of the Group. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board	Remarks Made at Meetings of the Board of Directors and Meetings of the Audit & Supervisory Board and Other Activities
Naoki Yanagida (Outside Audit & supervisory board member)	4 years and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention in disclosing information to outsiders, and the method of discussion when changing the Group governance structure. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Hideyo Uchiyama (Outside Audit & supervisory board member)	1 year and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on his professional knowledge as a certified public accountant, he makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention in considering investment into new fields such as digital strategy, and the importance of the direct involvement of top management in the establishment of the internal control system at overseas subsidiaries. Further, he expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.
Atsuko Muraki (Outside Audit & supervisory board member)	1 year and 9 months	Meetings of the Board of Directors: Attended 14 times out of 14 meetings Meetings of the Audit & Supervisory Board: Attended 13 times out of 13 meetings	Based on her professional knowledge as an administrator at the Ministry of Health, Labour and Welfare, she makes valuable remarks and statements at meetings of the Board of Directors and meetings of the Audit & Supervisory Board on a broad range of matters such as points requiring attention in discussing growth strategies for the Nursing Care & Healthcare Business, and the importance of efforts to make major policies well understood by employees within the Group. Further, she expresses valuable opinions from time to time to the representative director and others through means other than meetings of the Board of Directors and meetings of the Audit & Supervisory Board.

Note: The Company has a Nomination and Compensation Committee as an advisory organ to the Board of Directors.

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(3) Remuneration of Outside Directors / Outside Audit & Supervisory Board Members

	Number of Payees	Remuneration, etc., from Insurance Holding Company	Remuneration, etc., from Parent Company, etc., of Insurance Holding Company
Total remuneration, etc.	7	98 million yen	―

Note:

The following are the details of remuneration, etc. from the insurance holding company:

Directors (outside): 4 individuals 56 million yen

Outside audit & supervisory board members:

3 individuals 42 million yen

(4) Opinion of Outside Directors / Outside Audit & Supervisory Board Members

None.

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IV. Equity Shares

(1) Number of Shares

(As of March 31, 2019)

Total number of authorized shares	1,200,000 thousand shares
Total number of shares outstanding	373,330 thousand shares

Note: The total number of shares outstanding decreased due to the cancellation of treasury stock (42,021,805 shares) on November 30, 2018.

(2) Total Number of Shareholders at the End of the Current Fiscal Year: 42,254

(3) Major Shareholders

(As of March 31, 2019)

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	24,715	6.6
JP MORGAN CHASE BANK 380055	24,512	6.6
Japan Trustee Services Bank, Ltd. (Trust account)	18,034	4.8
GOVERNMENT OF NORWAY	14,525	3.9
Sompo Holdings Employee Shareholders Association	8,759	2.3
Nippon Express Co., Ltd.	8,001	2.1
Japan Trustee Services Bank, Ltd. (Trust account 5)	6,823	1.8
Japan Trustee Services Bank, Ltd. (Trust account 7)	6,786	1.8
JP MORGAN CHASE BANK 385151	5,372	1.4
STATE STREET BANK WEST CLIENT - TREATY 505234	5,240	1.4

Notes:
1. The portion of shares outstanding is calculated after deducting treasury stock.
2. The number of shares held by Nippon Express Co., Ltd. includes 1,600 thousand shares contributed by that company as trust assets for a retirement benefit trust (In the shareholder register, the shares are listed in the name of Mizuho Trust & Banking Co., Ltd., Nippon Express Retirement Benefit Trust).

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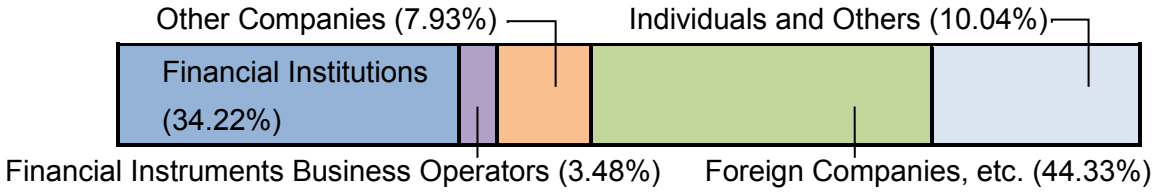
Types of Shareholders



V. Matters Relating to Stock Acquisition Rights

As stated in Attachment (10) hereto.

VI. Matters Relating to Accounting Auditor

(1) Status of Accounting Auditor

Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
Ernst & Young ShinNihon LLC Designated Member with limited liability: Yuji Ozawa Designated Member with limited liability: Hirotsugu Kamoshita Designated Member with limited liability: Makoto Kubodera	60 million yen	1) Reasons for the Audit & Supervisory Board's consent to the remuneration, etc. for accounting auditors Upon all required examination on the appropriateness of contents of the audit plan designed by the accounting auditor, status of the audit duty execution by the accounting auditor, the basis for calculating the estimated remuneration and other matters, the Audit & Supervisory Board of the Company has made a decision to consent to the amount of remuneration, etc. for the accounting auditor. 2) Details of non-audit services provided by the accounting auditor for which the Company pays fees The Company entrusts to the accounting auditor the advisory services concerning the adoption of IFRS as services other than the services stipulated in Article 2, Paragraph 1 of the Certified

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Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
		Public Accountants Act (non-audit services).

Notes:
1. The auditing agreement between the Company and the accounting auditor does not classify between audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. Moreover, this distinction cannot substantively be made, so the total has been stated.
2. The total amount of cash and other property benefits that the Company and its subsidiary corporations, etc. are to pay to the accounting auditor is 515 million yen.

(2) Contract for Limitation of Liability

None.

(3) Other Matters Concerning the Accounting Auditor

A. Policy on Decisions pertaining to Dismissal or Not Reappointing the Accounting Auditor

If the Audit & Supervisory Board of the Company determines that the accounting auditor falls under any case prescribed in each item of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board dismisses the accounting auditor pursuant to unanimous consent of all audit & supervisory board members.
The Audit & Supervisory Board verifies, through its full-year audit activities, the compliance with the auditing standards and quality control standards for audit established by the Business Accounting Council, in which the expertise, professional ethics, independence, an audit implementation system, a quality control system, and the duty performance status of the accounting auditor are included. As a result of the audits, if the Audit & Supervisory Board finds that the accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit & Supervisory Board, in accordance with the provisions prescribed in Article 344 of the Companies Act, determines the content of a proposal for dismissal or not reappointing the accounting auditor, and submit the proposal to the General Meeting of Shareholders.

B. Examination of Financial Statements of Significant Subsidiary Corporations, etc. of the Insurance Holding Company, by a Certified Public Accountant or an Accounting Corporation Other Than the Accounting Auditor of the

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Insurance Holding Company

Among significant subsidiary corporations etc. of the Company, overseas subsidiary corporations etc. are audited by accounting corporations other than the accounting auditor of the Company.

VII. Basic Policy on what the Persons Controlling Financial and Business Policy Decisions ought to be

None.

VIII. Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System

(1) Overview of the Establishment of the System to Ensure the Appropriate Performance of the Business Operations

The Company has established the "Basic Policy on Internal Control" for the Sompo Holdings Group (the "Group") by a resolution of the Board of Directors, and has put in place a system to ensure that the Group's business operations are appropriately performed.
A resolution was reached at the meeting of the Board of Directors held on March 26, 2019 to revise the "Basic Policy on Internal Control" as of April 1, 2019. The Group's revised "Basic Policy on Internal Control" is as stated in Attachment (11) hereto.

(2) Overview of the Status of Implementation of the System to Ensure the Appropriate Performance of the Business Operations

(1) Internal Control System as a Whole

- In order to ensure the effective functioning of the Group's internal control, the Company has established various basic policies to control the Group, and regularly checks the development and implementation status of these policies through the Board of Directors, while seeking continually to improve the internal control systems. The Company has also established the Group ERM and Internal Control Committee, made up of officer-level personnel, which analyzes events occurring both inside and outside of the Group while working to enhance and strengthen the Group's internal control systems.
- In the system, the heads of each business segment are delegated authority as business owners for business strategy proposals, investment decisions and talent deployment, to implement agile decision-making and operational strategy proposals. The Company also introduced a system supervised by Group CEO and Group COO whereby Group Chief Officers are deployed as chief officers responsible for each functional area to exercise functions laterally across the Group including execution of strategies and important issues of the entire Group.
- In order to ensure further enhancement in the decision-making function, progress and development of the business owner system, as well as creation of a management structure capable of overseeing diverse businesses while flexibly responding to the changing environment, the Company has decided to change the

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Group's governance structure. To this end, the Company is set to implement policies including the transition to a company with committees (e.g., Nomination Committee), the establishment of a Global Executive Committee and a Managerial Administrative Committee.

(2) System to Control the Group Companies

- The Company carries out management of Group companies in order to enhance the corporate value of the Group as a whole by way of approving important matters such as management plans for the Group companies, receiving reports from each company of the Group including the progress of the plan and occurrence of risk events, and taking effective measures as needed in accordance with the approval and reporting system based on the business owner system.
- The Company strives to ensure appropriate business operations of the Group companies by verifying the status on the development and implementation of the systems for each of the Group companies that are established based on various basic policies of the Group, and providing guidance to each company of the Group as needed.

(3) Compliance System

- The Company sets out policies for promoting the Group's compliance annually, and makes each company of the Group to be thoroughly aware of such policies. Each company of the Group takes its own initiatives to enhance compliance in a systematic manner based on the established policies. The Company and each company of the Group have set their sights on the promotion of more effective compliance and work to prevent the materialization of risks, including the formulation of a structure to cope with the risk of extra territorial applications of foreign laws.
- The Company and Group companies endeavor to detect legal violations and other inappropriate events at an early stage by developing structures such as the internal reporting system and internal audit system.
- In regard to internal reporting, the Company has established the Compliance Hotline, a third-party body, as an internal reporting contact point for the entire Group. The Company strives to increase its effectiveness by making the entire Group to be thoroughly aware of this internal reporting contact point as well as the rules on how to put into place the internal reporting system including the prohibition on treating whistleblowers unfavorably.
- Each of the Group companies, upon finding any inappropriate event, takes appropriate measures within the company where such event occurred. The Company also verifies the appropriateness of the countermeasures taken, and provides assistance and guidance as required upon receiving reports on the relevant event from each company of the Group.
- The Company convenes meetings of the Group ERM and Internal Control Committee on a regular basis, deliberates on the progress in the compliance enhancement including the status of measures to address compliance challenges, and examines the efficiency of the efforts taken place.

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(4) System Regarding Strategic Risk Management (ERM)

- The Company makes each company of the Group to be thoroughly aware of its management strategies and Group Basic Policy on ERM in order to facilitate progress of ERM and dissemination of its culture throughout the overall Group. Each company of the Group establishes strategic risk management systems suitable for the nature of its operation, corporate scale and characteristic, such as developing rules pursuant to the Group Basic Policy on ERM in order to facilitate progress of ERM and dissemination of its culture throughout the overall Group.
- The Company sets out its business plan taking the Group Risk Appetite Statement into consideration, and allocates its capital to each business unit based on the growth potential and profitability. Each business unit manages its business in accordance with risk tolerance of allocated capital in an attempt to achieve profit objectives established in the business plan. The Company carries out ERM based on the principle of the PDCA cycle, in which changes in the operating environment and progress in plans are periodically reviewed and the plans and capital allocations are revised as needed.
- The Company identifies significant risks arising from various sources based upon the fundamental of risk assessment, builds and operates risk control processes which performs analysis, evaluation and control. For especially significant risks, risk controllers (officer level) are identified in an effort to clarify the scope of responsibility in terms of the implementation of response measures and its progress in order to improve the effectiveness of risk control processes. The Company also monitors “emerging risks” that may materialize or transform in the wake of environmental and other changes, exerting a serious impact on the Group in the future.
- The Group ERM and Internal Control Committee is tasked with holding management discussions regarding executing and increasing the efficacy of ERM as well as the establishment and maintenance of the effective risk management system.

(5) Structure for the Execution of Duties by Directors

- The Company sets out mid-term management plans and fiscal year plans for the Group, which are shared by each company of the Group. Each company of the Group sets out its own mid-term management plans and fiscal year plans that are consistent with plans made on a Group basis, so as to ensure the Group-wide cohesiveness. In addition, the Group promotes enhancement in its IT governance, which is at the base.
- Matters that may significantly affect the Group management, such as mid-term management plan and decisions on policies for M&A, are duly deliberated at meetings of the relevant task-specific committees and the Executive Management Meeting in order to enhance the efficiency and effectiveness of resolutions by the Board of Directors.

(6) Audit System by the Audit & Supervisory Board Members

- In order to ensure the effectiveness of audit by the audit & supervisory board members, the Company establishes an audit & supervisory board members’ office

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that is independent from commands and orders given by Directors, etc., and appoints exclusive staff.

- The Company formulates rules concerning the reporting to the audit & supervisory board members, who receive reports from Officers and Employees on primarily the status of their duty execution periodically. In addition, reports are made promptly on matters requested by the audit & supervisory board members.
- The Company ensures opportunities for the audit & supervisory board members to express opinions by attending the Executive Management Meeting and other important meetings that are deemed necessary by themselves.
- The Company ensures opportunities for the audit & supervisory board members to exchange information with the accounting auditor and internal audit sections on the audit results, etc..
- The Company convenes periodic meetings where the audit & supervisory board members meet with Representative Directors to exchange opinions regarding the recognition of the Group's important issues. The audit & supervisory board members also perform onsite audit, etc. at the Group companies, and exchange information with the representative, etc. and audit & supervisory board members of the respective companies.

IX. Matters Concerning Specified Wholly-Owned Subsidiary

As stated in Attachment (12) hereto.

X. Matters Regarding Transactions with the Parent Company, etc.

None.

XI. Matters Relating to Accounting Advisors

None.

XII. Others

None.

Attachment (2)

Consolidated Balance Sheet

For the fiscal year 2018 (As of March 31, 2019)

(Millions of yen)

Assets:	
Cash and deposits	971,469
Receivables under resale agreements	64,999
Monetary receivables bought	11,869
Money trusts	40,993
Securities	8,012,734
Loans	703,255
Tangible fixed assets:	355,144
Land	128,381
Buildings	124,558
Leased assets	55,598
Construction in progress	13,260
Other tangible fixed assets	33,345
Intangible fixed assets:	401,165
Software	21,023
Goodwill	198,694
Other intangible fixed assets	181,447
Other assets	1,447,194
Net defined benefit asset	207
Deferred tax assets	15,663
Allowance for possible credit losses	(6,442)
Total assets	12,018,254
Liabilities:	
Underwriting funds:	8,348,638
Reserve for outstanding losses and claims	1,559,910
Underwriting reserves	6,788,727
Corporate bonds	510,383
Other liabilities	1,113,887
Net defined benefit liability	103,796
Reserve for retirement benefits to directors	31
Reserve for bonus payments	30,363
Reserve for bonus payments to directors	261
Reserve for stocks payments	1,347
Reserves under the special laws:	90,722
Reserve for price fluctuation	90,722
Deferred tax liabilities	38,910
Total liabilities	10,238,342

Net assets:	
Common stock	100,045
Capital surplus	244,170
Retained earnings	712,745
Treasury stock	(2,902)
Total shareholders' equity	1,054,058
Unrealized gains and losses on securities available for sale	763,859
Deferred gains and losses on hedges	6,449
Foreign currency translation adjustments	(62,937)
Remeasurements of defined benefit plans	(3,551)
Total accumulated other comprehensive income	703,820
Stock acquisition rights	632
Non-controlling interests	21,399
Total net assets	1,779,911
Total liabilities and net assets	12,018,254

Attachment (3)

Consolidated Statement of Income

For the fiscal year 2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

Ordinary income:	3,643,040
Underwriting income:	3,220,047
Net premiums written	2,718,155
Deposits of premiums by policyholders	111,132
Interest and dividend income on deposits of premiums, etc.	38,203
Life insurance premiums written	349,606
Other underwriting income	2,949
Investment income:	273,249
Interest and dividend income	188,722
Investment gains on money trusts	5,445
Gains on sales of securities	110,913
Gains on redemption of securities	1,709
Investment gains on special account	391
Other investment income	4,271
Transfer of interest and dividend income on deposits of premiums, etc.	(38,203)
Other ordinary income	149,743
Ordinary expenses:	3,444,081
Underwriting expenses:	2,737,949
Net claims paid	1,694,889
Loss adjustment expenses	135,759
Net commissions and brokerage fees	504,932
Maturity refunds to policyholders	205,423
Dividends to policyholders	128
Life insurance claims paid and other payments	88,471
Provision for reserve for outstanding losses and claims	13,119
Provision for underwriting reserves	89,730
Other underwriting expenses	5,494
Investment expenses:	35,798
Investment losses on money trusts	1,006
Investment losses on trading securities	195
Losses on sales of securities	10,984
Impairment losses on securities	13,425
Losses on redemption of securities	236
Losses on derivatives	2,766
Other investment expenses	7,184

Operating, general and administrative expenses	540,542
Other ordinary expenses:	129,792
Interest paid	13,902
Provision for allowance for possible credit losses	420
Losses on bad debt	27
Investment losses on the equity method	593
Other ordinary expenses	114,848
Ordinary profit	198,959
Extraordinary gains:	12,868
Gains on disposal of fixed assets	12,868
Extraordinary losses:	9,799
Losses on disposal of fixed assets	2,427
Impairment losses	1,735
Provision for reserves under the special laws:	4,626
Provision for reserve for price fluctuation	4,626
Other extraordinary losses	1,009
Net income before income taxes	202,029
Income taxes	43,276
Deferred income taxes	16,380
Total income taxes	59,657
Net income	142,372
Net loss attributable to non-controlling shareholders	4,253
Net income attributable to shareholders of the parent	146,626

Attachment (4)

Non-Consolidated Balance Sheet

For the fiscal year 2018 (As of March 31, 2019)

(Millions of yen)

Assets:	
Current assets:	128,812
Cash and bank deposits	36,570
Prepaid expenses	32
Accounts receivable	92,084
Others	124
Fixed assets:	898,652
Tangible fixed assets:	260
Buildings	205
Tools, furniture and equipment	54
Investments and other assets:	898,391
Investment securities	3,785
Investments in subsidiaries and affiliates	894,454
Others	151
Total assets	1,027,464
Liabilities:	
Current liabilities:	26,313
Short-term loans payable to subsidiaries and affiliates	24,300
Accounts payable	1,088
Accrued expenses	0
Income taxes payable	153
Consumption taxes payable	254
Unearned income	11
Reserve for bonus payments	385
Reserve for bonus payments to directors	119
Others	0
Fixed liabilities:	1,458
Reserve for stocks payments	1,347
Others	110
Total liabilities	27,771
Net assets:	
Shareholders' equity:	999,080
Common stock	100,045
Capital surplus:	612,011
Capital reserves	25,045
Other capital surplus	586,966
Retained earnings:	289,924
Other retained earnings:	289,924
Retained earnings carried forward	289,924
Treasury stock	(2,902)
Valuation and translation adjustments:	(19)
Unrealized gains and losses on securities available for sale	(19)
Stock acquisition rights	632
Total net assets	999,693
Total liabilities and net assets	1,027,464

Attachment (5)

Non-Consolidated Statement of Income

For the fiscal year 2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	113,800
Fees received from subsidiaries and affiliates	12,691
Total operating income	126,491
Operating expenses:	
Operating, general and administrative expenses	11,099
Total operating expenses	11,099
Operating profit	115,392
Non-operating income:	
Foreign exchange gains	9
Gains on forfeiture of unclaimed dividends	30
Office work fee	17
Interest on tax refund	8
Others	5
Total non-operating income	72
Non-operating expenses:	
Interest paid	1
Investment losses on investment partnerships	127
Others	5
Total non-operating expenses	134
Ordinary profit	115,329
Extraordinary losses:	
Losses on disposal of fixed assets	1
Impairment losses on investment securities	2,758
Losses on valuation of stocks of subsidiaries and affiliates	511
Total extraordinary losses	3,271
Net income before income taxes	112,058
Income taxes	577
Deferred income taxes	158
Total income taxes	736
Net income	111,321

Attachment (6) [English Translation of the Auditors' Report Originally Issued in Japanese Language]

Independent Auditor's Report

May 16, 2019

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Kamoshita
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Sompo Holdings, Inc. applicable to the fiscal year from April 1, 2018 through March 31, 2019.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Sompo Holdings Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Attachment(7) [English Translation of the Auditors' Report Originally Issued in Japanese Language]

Independent Auditor's Report

May 16, 2019

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC

Yuji Ozawa
Certified Public Accountant
Designated and Engagement Partner

Hirotsugu Kamoshita
Certified Public Accountant
Designated and Engagement Partner

Makoto Kubodera
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Sompo Holdings, Inc. applicable to the 9th fiscal year from April 1, 2018 through March 31, 2019.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the 9th fiscal year ended March 31, 2019 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

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Attachment (8)

Certified Copy of the Audit Report of the Audit & Supervisory Board

Audit Report

The Audit & Supervisory Board has prepared this audit report following deliberation on the basis of audit reports as prepared by each audit & supervisory board member in respect of the duties as performed by the directors of the Company during the 9th fiscal year from April 1, 2018 to March 31, 2019 and hereby reports as follows:

1. Audit Methods and Contents of Audit & Supervisory Board Members and the Audit & Supervisory Board

(1) The Audit & Supervisory Board established the audit policy and audit plans, etc., received reports from each audit & supervisory board member on audit field work performed and audit results, and also received reports from directors, etc. and the accounting auditor concerning the status of the performance of their duties, and requested explanations if and when needed.

(2) Each audit & supervisory board member, in conformity with general audit standards set out by the Audit & Supervisory Board and in accordance with the audit policy and audit plans, communicated with directors and employees from internal audit and other departments and strove to collect information and developed the environment for audit, and conducted audit as follows:

(i) We attended the Board of Directors meetings and other pertinent meetings, received reports from directors and employees concerning the status of the performance of their duties, and requested explanations if and when needed, gained access to important approval documents, and examined the status of business operations and assets. As for subsidiaries, we requested communications and an exchange of information with directors and audit & supervisory board members of subsidiaries, and received business reports from subsidiaries if and when needed.

(ii) We received reports periodically from directors and employees concerning the contents of Board of Directors resolutions relating to the establishment of the system to ensure that directors comply with the laws and regulations and the articles of incorporation in the performance of their duties and other systems stipulated by Paragraphs 1 and 3 of Article 100 of the Ordinance for

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Enforcement of the Companies Act as necessary to ensure that business operations of companies are performed appropriately as well as the status of the system developed under the said Board of Directors resolutions (the internal control systems). We requested explanations concerning the said reports if and when needed and made remarks and statements with respect thereto. With respect to the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act, we received reporting concerning the evaluation of the relevant internal control systems and the status of audit from directors, etc. and ERNST &YOUNG SHINNIHON LLC, and requested explanations if and when needed.

(iii) We have monitored and inspected whether the accounting auditor has maintained its independent position and conducted proper auditing and received reports from the accounting auditor on the status of the performance of its duties and requested explanations if and when needed. We have also received the notification from the accounting auditor that it has developed the "internal system for ensuring the appropriate execution of duties (matters listed in each item of Article 131 of the Rules of Corporate Accounting) in accordance with "Quality Control Standards for audit" (Business Accounting Council, October 28, 2005) and others, and requested explanations if and when needed.

On the basis of the above-described audit methods, we have examined the consolidated financial statements (consolidated balance sheet, consolidated statement of income (loss), consolidated statement of changes in net assets and notes to consolidated financial statements) for the relevant fiscal year, the financial statements (balance sheet, statement of income (loss), statement of changes in net assets and notes to non-consolidated financial statements) for the relevant fiscal year, and supplementary schedules thereof.

2. Audit Results

(1) Audit Results for the Business Report, etc.

(i) The business report and supplementary schedules thereof properly represent conditions at the Company in accordance with relevant laws and regulations and the Company's articles of incorporation.

(ii) There are no inappropriate behaviors or serious violations of the laws, regulations or the Company's articles of incorporation relating to directors' performance of their duties.

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(iii) The contents of the Board of Directors resolution concerning the internal control systems are appropriate. Further, there are no matters to be raised regarding the statements in the business report and performance of duties by directors with respect to the internal control systems, including the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act.

(2) Audit Results for the Financial Statements and Supplementary Schedules thereof
The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

(3) Audit Results for the Consolidated Financial Statements and Supplementary Schedules thereof
The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

May 20, 2019

The Audit & Supervisory Board, Sompo Holdings, Inc.

Masaki Hanawa, audit & supervisory board member (full-time)
Hidenori Hanada, audit & supervisory board member (full-time)
Naoki Yanagida, outside audit & supervisory board member
Hideyo Uchiyama, outside audit & supervisory board member
Atsuko Muraki, outside audit & supervisory board member

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Attachment (9)

Status of Major Offices of the Corporate Groups

A. Status of the Insurance Holding Company

(As of March 31, 2019)

Name of Office	Location	Date of Establishment
Head Office	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo	April 1, 2010

B. Status of Subsidiary Corporations, etc.

(As of March 31, 2019)

Business Segment	Name of Company	Name of Office	Location	Date of Establishment
Domestic P&C insurance business	Sompo Japan Nipponkoa Insurance Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 21, 1976
	SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Sep. 22, 1982
	Sonpo 24 Insurance Company Limited	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Jul. 24, 2000
	Sompo Japan Nipponkoa Insurance Services Inc.	Head Office	2-1-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 1, 2011
Overseas insurance business	Sompo International Holdings Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Mar. 24, 2017
	Sompo Seguros S.A.	Head Office	Rua Cubatão, 320, Paraíso São Paulo-SP, CEP04013-001-Brazil	Oct. 21, 2014
Domestic life insurance business	Sompo Japan Nipponkoa Himawari Life Insurance, Inc.	Head Office	6-13-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Oct. 1, 2011
Nursing care & healthcare business	Sompo Care Inc.	Head Office	4-12-8, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Jul. 1, 2017
	Sompo Health Support Inc.	Head Office	1-2-3, Awaji-cho, Kanda, Chiyoda-ku, Tokyo	Oct. 1, 2018
Others	SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Head Office	2-2-16, Nihonbashi, Chuo-ku, Tokyo	Nov. 24, 2009
	Sompo Risk Management Inc.	Head Office	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Dec. 4, 2006
	Sompo Japan Nipponkoa DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999

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Attachment (10)

Matters Relating to Stock Acquisition Rights

(1) Number of Stock Acquisition Rights That Executives of the Insurance Holding Company Hold as of the Last Day of the Fiscal Year

	Overview of Content of Stock Acquisition Rights	Number of Holders of Stock Acquisition Rights
Directors (excluding outside directors)	The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 22 ・Type and number of shares underlying stock acquisition rights: 550 shares of common stock (25 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2010 to August 16, 2035 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	1
	The 24th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 62 ・Type and number of shares underlying stock acquisition rights: 6,200 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From November 1, 2011 to October 31, 2036 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	2
	The 25th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 157 ・Type and number of shares underlying stock acquisition rights: 15,700 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 14, 2012 to August 13, 2037 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3

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	The 26th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 83 ・Type and number of shares underlying stock acquisition rights: 8,300 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 13, 2013 to August 12, 2038 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3
	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 103 ・Type and number of shares underlying stock acquisition rights: 10,300 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	4
	The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. ・Number of stock acquisition rights: 100 ・Type and number of shares underlying stock acquisition rights: 10,000 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2015 to August 16, 2040 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	6
Directors (outside)	—	—
Audit & supervisory board members	—	—

Notes:

1. Each of the holders of stock acquisition rights (the “Holder of Stock Acquisition Rights”) may exercise his or her stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer.
   Moreover, the Holder of Stock Acquisition Rights is to exercise in one

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transaction all of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she received pursuant to his or her position as a director or an executive officer of the Company, and shall not be allowed to exercise only a part thereof.

2. This table shows the stock acquisition rights that the Company has granted to executives of the Company as consideration for execution of duties.
3. As to a director of the Company who was a director or an executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, Sompo Japan Nipponkoa Insurance Inc. or Sompo Japan Nipponkoa Himawari Life Insurance, Inc., at the time of grant of these stock acquisition rights, the allocation was made to such director of the Company on the basis of his/her being director or executive officer of Sompo Japan Insurance Inc., NIPPONKOA Insurance Company, Limited, Sompo Japan Nipponkoa Insurance Inc. or Sompo Japan Nipponkoa Himawari Life Insurance, Inc., as the case may be. The number of the stock acquisition rights, as well as the type and number of the underlying shares, held by directors of the Company (excluding outside directors) as of the last day of this fiscal year are as set out below.

   The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.
   804 (20,100 shares of common stock)
   The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.
   189 (18,900 shares of common stock)
   The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.
   127 (12,700 shares of common stock)
   The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.
   77 (7,700 shares of common stock)
   The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.
   92 (9,200 shares of common stock)
   The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. 38 (3,800 shares of common stock)

4. At the time of establishment of the Company, stock acquisition rights that Sompo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited had issued were extinguished as of April 1, 2010, and the stock acquisition rights of the Company (from the 1st issue of stock acquisition rights through the 22nd issue of stock acquisition rights) were issued on the same date to the holders of the extinguished stock acquisition rights as replacement therefor. The number of stock acquisition rights held by the executives of the Company as of the last day of this fiscal year, as well as the type and number of the underlying shares, are as set out below.

   ・The 15th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   197 (4,925 shares of common stock)
   ・The 16th issue of stock acquisition rights of NKSJ Holdings, Inc.:
   342 (8,550 shares of common stock)

(2) Stock Acquisition Rights, etc., in the Insurance Holding Company That Have Been Granted to Employees, etc., During the Fiscal Year

None.

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Attachment (11)

(1) Systems to Ensure the Appropriate Performance of the Business Operations and the Status of Implementation of the System

A resolution was reached at the meeting of the Board of Directors held on March 26, 2019 to revise the "Basic Policy on Internal Control" as of April 1, 2019. The Group's revised "Basic Policy on Internal Control" is as follows.

<Basic Policy on Internal Control>

The Company, by resolution of its Board of Directors, adopts the Basic Policy on Internal Controls to ensure the proper operations of the Sompo Holdings Group (hereinafter the "Group") and contribute to enhancement and quality improvement of corporate governance based on relevant laws and regulations and the Group's management philosophy. The Company shall strive to appropriately capture and validate the Group's control status based on the Basic Policy and enhance its systems.

1. System for Ensuring Proper Conduct of Operations of the Group

As set forth below, the Company shall establish the systems required to ensure that the operations of the Company Group are conducted properly

(1) The Company shall present the Group Management Philosophy, the Group Action Guideline, the Group Vision, the Group Basic Management Policies, the Group Personnel Vision, and the Group CSR Vision to its Group companies.
(2) The Company shall prescribe the Sompo Holdings Group Basic Policy on the Business Management of Group Companies and manage its Group companies appropriately, either directly or through Group companies, by such means as entering into business management agreements. The Company shall also exercise its shareholder rights appropriately.
(3) The Company shall establish approval and reporting systems concerning Group companies' business strategies and other important matters that affect Group operations.
(4) The Company shall formulate various basic policies that prescribe the Company Group's control framework and disseminate them to Group companies, requesting compliance therewith. The Company shall also have its Group companies establish systems based on these basic policies, such as by causing them to formulate their own rules according to their actual business operations.
(5) The Company shall establish systems for information collection, inspections, and examinations required for management decisions. The Company shall also seek to activate management discussions through such means as reliably providing information to independent directors and ensure the adequacy of management decisions on important matters regarding business management of the Company Group.
(6) The Company shall prescribe the Sompo Holdings Group Basic Policy on Management of Intra-Group Transactions, appropriately monitor and review material intragroup transactions and other such matters, and ensure the fairness and soundness of intragroup transactions.

2. System for Ensuring Execution of Duties of Directors, Executive Officers, and

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Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation

As set forth below, the Company shall establish the systems required to ensure that the Company Group's directors, executive officers, and employees ("Officers and Employees") execute their duties in compliance with applicable laws and the firm's Articles of Incorporation.

(1) The Company shall verify that the Group Company's Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of directors' execution of their duties at meetings of the Board of Directors
(2) The Company shall prescribe the Sompo Holdings Group Basic Policy on Compliance and the Sompo Holdings Group Compliance Code of Conduct to establish compliance systems. The Company shall also issue a compliance manual with standards of conduct for Officers and Employees of the Company Group and conduct ongoing education and training based on compliance manual to disseminate these basic policies, the code of conduct, and the compliance manual.
(3) The Company shall prescribe the Group Compliance Promotion Policy for each business year, systematically promote compliance related efforts, and monitor the status of compliance promotion.
(4) The Company shall establish systems in the Company Group for internal reporting and internal whistle blowing for misconduct and other such incidents and properly rectify or otherwise respond to such matters.
(5) The Company shall prescribe the Sompo Holdings Group Basic Policy on Response to Customer Feedback and establish effective systems for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality
(6) The Company shall prescribe the Sompo Holdings Group Basic Policy on Proper Management of Customer Services and establish systems to ensure proper customer services, such as maintaining and improving the quality of products and services provided to customers.
(7) The Company shall prescribe the Sompo Holdings Group Basic Policy on Customer Information Management and appropriately manage customer information, such as by appropriately obtaining and using customer information.
(8) The Company shall prescribe the Sompo Holdings Group Security Policy and establish appropriate management systems for information assets, such as clarifying basic measures to be taken to ensure the security of information assets in the Company Group
(9) The Company shall prescribe the Sompo Holdings Group Basic Policy on Managing Conflict-of-Interest Transactions and establish systems for preventing conflict-of-interest transactions that unduly harm customer interests, such as managing transactions that are typically found to unduly harm customer interests.
(10) The Company shall prescribe the Sompo Holdings Group Basic Policy on Response to Antisocial Forces and establish systems for responding to antisocial forces, such as by dealing with antisocial forces resolutely to reject undue claims from and sever relationships with antisocial forces by cooperating with specialized agencies.

3. Strategic Risk Management Frameworks

The Company shall prescribe the Sompo Holdings Group Basic Policy on ERM

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and implement the Strategic Risk Management, i.e. an ERM designed to minimize unforeseen losses while effectively utilizing its capital, increasing its profits under appropriate control of risks, and maximizing the Company Group's corporate value.

(1) To ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting. The Company shall also appropriately manage risks that may confront the Group as a whole through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Group.
(2) The Company shall have its Group companies develop and implement the appropriate frameworks for strategic risk management, including assessment and evaluation of risks, according to their scope, scale, and characteristics of operations.

4. System to Ensure Effective and Accurate Execution of Duties

As set forth below, the Company shall delegate authority for the execution of job duties, prescribe rules regarding decision-making and reporting, establish a command and control structure, and effectively utilize management resources to ensure that the Company Group's Officers and Employees execute their duties properly and efficiently.

(1) The Company shall formulate the Company Group's management plans and share these plans with its Group companies
(2) The Management Committee shall confer on matters pertaining to the performance of the Company Group's key operations and seek to improve the efficiency and effectiveness of Board of Directors' deliberations.
(3) The Company shall clearly identify the Company Group's matters in which their Board of Directors is to be involved by designating matters over which their Board of Directors have decision-making authority and matters to be reported to their Board of Directors. The Company shall also determine executive officers and other personnel's decision-making authority consistent with the matters thus designated.
(4) The Company shall establish the Company Group's rules and clearly define their internal organizational units' objectives and scope of responsibilities and shall determine for each organizational unit the division of its duties, executives, and scope of operational authority
(5) The Company shall prescribe the Sompo Holdings Group Basic Policy on IT Strategy and establish adequate and accurate Group IT systems to achieve highly reliable, convenient, and effective business operations, such as by formulating IT system strategies and establishing Group IT system governance.
(6) The Company shall prescribe the Sompo Holdings Group Basic Policy on Outsourcing Management and ensure proper operations in association with outsourcing by the Company Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.
(7) The Company shall prescribe the Sompo Holdings Basic Policy on Asset Management and manage assets with sufficient consideration of risk management based on safety, liquidity, and profitability in light of the characteristics of the Company Group's funds being managed.
(8) The Company shall prescribe the Sompo Holdings Group Basic Policy on

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Establishing Business Continuity Systems and ensure the stability and soundness of the Group's operational foundation in times of emergency, such as by establishing systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters.

5. System for Ensuring the Financial Soundness and Adequacy of Financial Reporting

(1) The Company shall prescribe the Sompo Holdings Group Basic Policy on Managing Financial Soundness and Actuarial Matters and establish management systems to ensure financial soundness.
(2) The Company shall prescribe the Sompo Holdings Group Basic Policy for Internal Controls over Financial Reporting and, to ensure adequacy and reliability of the Company Group's financial reporting on a consolidated basis, determine a framework for establishment, operation, and evaluation of internal controls over the Company Group's financial reporting and to establish requisite systems within the Company Group.

6. System for Ensuring Appropriate Information Disclosure

The Company shall prescribe the Sompo Holdings Group Basic Policy on Disclosure and set up a department that controls disclosure matters based on laws and regulations to establish systems for timely and appropriate disclosure of information concerning its business activities.

7. System for Retention and Management of Information Related to Directors and Executive Officers' Performance of Their Duties

To appropriately retain and manage information related to the Company Group's directors and executive officers' performance of their duties, the Company shall prescribe rules dictating methods for retaining and managing information related to the Company Group's directors and executive officers' execution of their duties, including minutes of the meetings of the Board of Directors and other important meetings and documentation related thereto. The Company shall also establish the system required to retain and manage such information.

8. System to Ensure Internal Audits' Effectiveness

To ensure the effectiveness of the Company Group's internal audits, the Company shall prescribe the Sompo Holdings Group Basic Policy on Internal Audits, which shall define matters, such as securing independence concerning internal audits, establishing rules and developing plans, and establishing internal audit systems that are efficient and effective for the Group as a whole.

9. System Related to *Kansayaku* Audits

The Company shall establish the following systems to improve the effectiveness of the *kansayaku* audits:

9-1. Matters relating to employees who assist *kansayaku* in the performance of their duties

The Company shall establish a *kansayaku* office and, at *kansayaku's* requests, appoint personnel with the requisite knowledge and experience to serve as Staff

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of the Audit & Supervisory Board (employees to assist with *kansayaku's* duties) assigned exclusively to audit duty. The Company shall also prescribe the Rules Regarding Staff of the Audit & Supervisory Board and ensure their independence from executive functions and the effectiveness of instructions issued by the *kansayaku* to the Staff of the Audit & Supervisory Board as follows.

(1) The Company shall ensure the Staff of the Audit & Supervisory Board's independence from directors by making decisions regarding Staff appointments, dismissal, and remuneration subject to the approval of standing Members and by seeking a standing Members' approval for the Staff's personnel evaluations.
(2) In conducting their duties, Staff of the Audit & Supervisory Board shall follow the instructions and orders of the *kansayaku* only and not receive instructions or orders from directors, executive officers, or other non-audit personnel.
(3) Staff of the Audit & Supervisory Board shall have the authority to collect information required in relation to their duties ordered by *kansayaku*.

9-2. System for Reporting to *Kansayaku*

(1) The Company shall, under the Audit & Supervisory Board's approval, prescribe matters that are to be reported to *kansayaku* by Officers and Employees (including gross violations of laws or Articles of Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by *kansayaku*.
(2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to *kansayaku* because of such submission. The same shall apply to the Officers and Employees of Group companies.
(3) When *kansayaku* express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive officer in question shall report back to the audit & supervisory board members on the progress in addressing the matter cited by the *kansayaku*.

9-3. Other Systems to Ensure that *Kansayaku* Audits are Conducted Effectively

(1) *Kansayaku* may attend and express their opinions to the Board of Directors, Executive Management Meeting, and other important meetings.
(2) The Company shall ensure that there are opportunities for *kansayaku* to appropriately and fully exchange opinions with directors, executive officers, internal audit sections, accounting auditors, and other persons required to appropriately perform the duties of the *kansayaku*. Officers and Employees shall submit reports on matters concerning the performance of their duties at the request of the *kansayaku*.
(3) The Company shall respond to *kansayaku's* requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
(4) The Company shall ensure that there are opportunities for *kansayaku* to cooperate with the *kansayaku* of Group companies and collect information from Officers and Employees of Group companies at the request of the *kansayaku*.
(5) The internal audit section will cooperate with the *kansayaku* on the audit or assist in the audit, in accordance with requests.
(6) When *kansayaku* submit a request for the coverage of costs arising in

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connection with the execution of their duties, it shall be appropriately processed according to the request made by the *kansayaku*.

-- End

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Attachment (12)

Matters Concerning Specified Wholly-Owned Subsidiary

(1) Name and Address of the Specified Wholly-Owned Subsidiary

Name	Address
Sompo Japan Nipponkoa Insurance Inc.	1-26-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

(2) Total Carrying Value as of March 31, 2019 of Shares of the Specific Wholly-Owned Subsidiary Held by the Company and its Wholly-Owned Subsidiaries, etc.
703,574 million yen

(3) Total Amount Recorded Under Assets on the Company's Balance Sheets as of March 31, 2019
1,027,464 million yen

Attachment (13)

Consolidated Statement of Changes in Net Assets

For the fiscal year 2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	408,335	603,615	(128,182)	983,814
Cumulative effects of changes in accounting policies			3,529		3,529
Restated balance	100,045	408,335	607,144	(128,182)	987,343
Changes during the period:					
Dividends			(45,208)		(45,208)
Net income attributable to shareholders of the parent			146,626		146,626
Acquisition of treasury stock				(39,127)	(39,127)
Disposal of treasury stock		(50)		295	244
Cancellation of treasury stock		(164,112)		164,112	–
Changes in the scope of consolidation			4,182		4,182
Changes in interest of the parent related to transactions with non-controlling shareholders		(2)			(2)
Net changes in items other than shareholders' equity					
Total changes during the period	–	(164,165)	105,600	125,279	66,714
Balance at the end of the period	100,045	244,170	712,745	(2,902)	1,054,058

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	922,425	7,050	(22,317)	(3,205)	903,954	749	27,692	1,916,210
Cumulative effects of changes in accounting policies	(3,529)				(3,529)			–
Restated balance	918,896	7,050	(22,317)	(3,205)	900,425	749	27,692	1,916,210
Changes during the period:								
Dividends								(45,208)
Net income attributable to shareholders of the parent								146,626
Acquisition of treasury stock								(39,127)
Disposal of treasury stock								244
Cancellation of treasury stock								–
Changes in the scope of consolidation								4,182
Changes in interest of the parent related to transactions with non-controlling shareholders								(2)
Net changes in items other than shareholders' equity	(155,037)	(601)	(40,620)	(346)	(196,604)	(116)	(6,292)	(203,013)
Total changes during the period	(155,037)	(601)	(40,620)	(346)	(196,604)	(116)	(6,292)	(136,298)
Balance at the end of the period	763,859	6,449	(62,937)	(3,551)	703,820	632	21,399	1,779,911

Notes to the Consolidated Financial Statements

Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

Sompo Holdings, Inc. (“the Company”) prepares the consolidated financial statements in accordance with the “Ordinance on Accounting of Companies” (Ordinance of the Ministry of Justice No. 13, 2006) and the “Ordinance for Enforcement of the Insurance Business Act” (Ordinance of the Ministry of Finance No. 5, 1996) pursuant to the provision of Article 118 of the “Ordinance on Accounting of Companies.”

The definitions of subsidiaries and affiliates, etc. conform to Article 2 of the “Ordinance on Accounting of Companies.”

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 67 companies
   Name of major subsidiaries
   Sompo Japan Nipponkoa Insurance Inc.
   SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Sonpo 24 Insurance Company Limited
   Sompo Japan Nipponkoa Insurance Services Inc.
   Sompo International Holdings Ltd.
   Endurance Specialty Insurance Ltd.
   Sompo America Insurance Company
   Endurance Worldwide Insurance Limited
   SI Insurance (Europe), SA
   Sompo Japan Sigorta Anonim Sirketi
   Sompo Holdings (Asia) Pte. Ltd.
   Sompo Insurance Singapore Pte. Ltd.
   Berjaya Sompo Insurance Berhad
   PT Sompo Insurance Indonesia
   Sompo Insurance China Co., Ltd.
   Sompo Insurance (Hong Kong) Company Limited
   Sompo Seguros S.A.
   Sompo Saúde Seguros S.A.
   Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
   Sompo Care Inc.
   Sompo Health Support Inc.
   SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
   Sompo Risk Management Inc.
   Sompo Japan Nipponkoa DC Securities Inc.

   Lexon Holding Company and 9 other companies became subsidiaries as a result of the acquisition of shares and thus were included in the scope of consolidation from the fiscal year ended March 31, 2019, however, Lexon Holding Company ceased to exist following an absorption-type merger on December 31, 2018, in which Endurance U.S. Holdings Corp. was a surviving company while Lexon Holding Company and 4 other companies were absorbed companies.
   Sompo Japan Nipponkoa Insurance Company of Europe Limited was merged by absorption into SI Insurance (Europe), SA on January 1, 2019.

Sompo Care Next Inc. was merged by absorption into Sompo Care Inc. on July 1, 2018. Sompo Care Inc. changed its name from Sompo Care Message Inc. on April 1, 2018.
Sompo Risk Management & Health Care Inc. (renamed Sompo Risk Management Inc. on October 1, 2018) split its healthcare business on October 1, 2018, and established Sompo Health Support Inc. As a result, Sompo Health Support Inc. is included in the scope of consolidation from the fiscal year ended March 31, 2019.

(2) Names of major non-consolidated subsidiaries
Names of major subsidiaries

Sompo Insurance (Thailand) Public Company Limited

Sompo Japan Nipponkoa Reinsurance Company Limited

As the non-consolidated subsidiaries do not have a material impact on reasonable judgment about the financial conditions and results of operations of Sompo Holdings Group ("SOMPO HOLDINGS") in terms of total assets, ordinary income, net income or loss and retained earnings, etc. to the extent of equity position of the Company, they are excluded from the scope of consolidation.

2. Application of the equity method
(1) Number of affiliates accounted for under the equity method: 5 companies
Name of major affiliates

Hitachi Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

(2) The non-consolidated subsidiaries and affiliates (Sompo Insurance (Thailand) Public Company Limited and Sompo Japan Nipponkoa Reinsurance Company Limited, etc.) do not have a material impact on the consolidated financial statements in terms of net income or loss and retained earnings, etc. to the extent of the equity position of the Company even if they are excluded from the scope of the equity method, and they do not have a material impact as a whole. Therefore, they are excluded from the scope of the equity method.

(3) The Company holds 26.6% of voting rights of Japan Earthquake Reinsurance Co., Ltd. ("J.E.R.") through its domestic consolidated property and casualty insurance subsidiaries. As J.E.R. is engaged in public business and the Company is not considered to have a material impact on J.E.R.'s decisions of finance, promotion and business strategy, J.E.R. is excluded from affiliates.

3. The fiscal year of consolidated subsidiaries
The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.
Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.
Cost of sale is calculated based on the moving-average method.

(b) Bonds held to maturity are carried at amortized cost based on the moving-average method.

(c) Policy reserve matching bonds are carried at amortized cost based on the moving-average method in accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy Reserve Matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No.21).
The outline of risk management policy in relation to policy reserve matching bonds is as follows.
Domestic consolidated life insurance subsidiary sets up the sub-category for individual insurance depending on line of business and investment policy, etc., and follows the management policy to match the duration of the policy reserve in the sub-category with the duration of policy reserve matching bonds within a certain range.

(d) Stocks of non-consolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.

(e) Securities available for sale (excluding securities available for sale which are considered extremely difficult to figure out their fair value) are carried at fair value based on the market price and other factors at the end of the fiscal year. Unrealized gains and losses are directly included in net assets and cost of sale is calculated based on the moving-average method.

(f) Securities available for sale which are considered extremely difficult to figure out their fair value are carried at cost based on the moving-average method.

(g) Securities managed as trust assets in individually operated money trusts for primarily trading purposes are carried at fair value.

(h) Securities managed as trust assets in individually operated money trusts classified as other than trading purposes or held to maturity are carried on the same basis as that of securities available for sale.

(2) Valuation policies and methods for derivative transactions
Derivative transactions are carried at fair value.

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets (excluding leased assets) is calculated by using the straight-line method.

(b) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets (excluding leased assets) is calculated by using the straight-line method.

As for intangible fixed assets acquired through the acquisition of overseas subsidiaries, amortization is being carried out over the estimated period of its effect and as its effect emerges.

Amortization of software for internal use held by the consolidated subsidiaries is calculated by using the straight-line method based on the estimated useful lives.

(c) Leased assets

Leased assets under finance lease transactions that are not deemed to transfer ownership of the leased assets to the lessee for the domestic consolidated subsidiaries have been depreciated using the straight-line method over the period of the lease.

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

In order to provide for losses from defaults, the domestic consolidated insurance subsidiaries establish allowance for possible credit losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.

For claims against debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated collectable amounts by the disposal of collateral and by guarantees.

For claims against debtors that are highly likely to go bankrupt in the future, allowances are provided based on the amount considered necessary according to overall solvency assessment of the debtor, after deduction of estimated collectable amounts by disposal of collateral and by guarantees.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the default rate, which is calculated based on historical credit loss experience for a certain period in the past.

The departments responsible for respective assets assess relevant claim in accordance with the internal standards for self-assessment of assets. The asset auditing department independently reviews the results and allowances are provided based on the reviewed results.

The other consolidated subsidiaries determine mainly the collectability of the receivables respectively to provide allowances to cover the estimated future losses.

(b) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the fiscal year based on internal regulations.

(c) Reserve for bonus payments

In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.

(d) Reserve for bonus payments to directors

In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.

(e) Reserve for stocks payments

In order to provide for the grant of Company shares to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

(f) Reserve for price fluctuation

In order to provide for possible losses arising from price fluctuation of stock, etc., the domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Act.

(5) Methods of accounting procedures for retirement benefits

(a) Allocation method of projected retirement

Benefit formula method is mainly used for calculating retirement benefit obligation as the method for attributing projected retirement benefits to the end of the current consolidated fiscal year.

(b) Amortization method of actuarial difference and prior service costs

Actuarial difference is mainly amortized from the following fiscal year by using the straight-line attribution method over certain years (10 to 11 years) within the average remaining service years of employees in each fiscal year when the difference occurs.

Prior service costs are mainly amortized by using the straight-line method over certain years (5 years) within the average remaining service years of employees at the time of occurrence.

(6) Significant hedge accounting

Generally the consolidated subsidiaries apply the exceptional treatment for certain interest rate swaps to hedge cash flow fluctuation risk of floating-rate loans and bonds to the extent that such transactions meet the conditions required for the application of the exceptional treatment.

The deferred hedge accounting method is applied to interest rate swaps to hedge interest rate fluctuation risk related to long-term insurance contracts based on “The Accounting and Auditing Treatment on the Application of the Financial Products Accounting Standard to the Insurance Industry” (Japanese Institute of Certified Public Accountants Industry Audit Practice Committee Report No. 26). Since insurance liabilities as hedged item and interest rate swaps as hedging instrument are grouped by certain remaining periods, and then designated as hedge, the hedge is highly effective and the assessment of hedge effectiveness is omitted.

The consolidated subsidiaries apply the fair value hedge accounting method to equity swaps for hedging the future stock price fluctuation risks.

Generally the fair value hedge accounting method is applied to forward foreign exchanges, currency options and currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated assets, etc. The assignment accounting as an exceptional treatment is applied to certain transactions to the extent that such transactions meet the conditions required for application of the assignment accounting. Deferred hedge is applied to the part of foreign exchange forward contracts to fix yen denominated cash flow from foreign currency denominated forecast transactions. The assignment accounting is applied to currency swaps in order to reduce foreign exchange rate fluctuation risk on foreign currency denominated corporate bonds issued by the domestic consolidated insurance subsidiary and foreign currency denominated borrowings.

Hedge effectiveness is assessed by periodically comparing the accumulated fluctuations of the market value or cash flows of the hedged item to those of the related hedging instrument for the period from the commencement of the hedge to the date of assessment.

However, when the significant conditions are shared among the hedged item and the hedging instrument and its effectiveness is obviously considered high, when interest rate swaps meet requirements for applying the exceptional treatment or when certain transactions fulfill the required conditions to apply the assignment accounting, the assessment of the hedge effectiveness is omitted.

(7) Method and period of amortization of goodwill
Goodwill is amortized in equal installments over 10 to 20 years.
Immaterial amounts of goodwill are amortized at one time.

(8) Accounting methods for consumption taxes
The Company and its domestic consolidated subsidiaries account for consumption taxes by using the tax-excluded method, except for the domestic consolidated insurance subsidiaries' expenses such as loss adjustment expenses and operating, general and administrative expenses mainly under the tax-included method.
Non-deductible consumption taxes relating to assets are included in other assets and amortized in equal installments over 5 years.

(Changes in accounting policy)

ASU No.2016-01 "Recognition and Measurement of Financial Assets and Financial Liabilities." has been early applied from the fiscal year ended March 31, 2019 at overseas consolidated subsidiaries that apply US GAAP.
ASU No.2016-01 requires equity investments except the investments in consolidated subsidiaries and affiliates accounted for under the equity method (hereinafter the "Equity Investments") to be measured at fair value with changes in fair value recognized in net income or loss. Due to this update, previously, the Company has changed the Equity Investments classified as securities available for sale in overseas consolidated subsidiaries into trading securities from the fiscal year ended March 31, 2019 and has changed the method of recording changes in unrealized gains and losses related to the Equity Investments into the method of recording changes in unrealized gains and losses related to the Equity Investments in the consolidated statement of income.
The Company has transferred unrealized gains and losses on securities available for sale related to the Equity Investments at the end of the fiscal year ended March 31, 2018 to retained earnings as of the beginning of the fiscal year ended March 31, 2019.
As a result, retained earnings have increased by 3,529 million yen and unrealized gains and losses on securities available for sale has decreased by the same amount at the beginning of the fiscal year ended March 31, 2019.The effect on ordinary profit and net income before income taxes for the fiscal year ended March 31, 2019 was immaterial.

(Additional information)

Introduction of a performance-linked stock compensation plan
The Company introduced the "Board Benefit Trust (BBT)" (hereinafter referred to as the "Plan"), a performance-linked stock compensation plan for directors (excluding outside directors) and executive officers of SOMPO HOLDINGS.

(1) Outline of the transactions involved
The Company established the "Rules of the Stock Benefit Trust for Directors" (hereinafter the "Rules") as prerequisite to the introduction of the Plan. Based on the Rules, the Company contributes money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank has duly acquired shares in the Company using the money trusted thereto (hereinafter the "Trust").
The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, in proportion to the points granted thereto.

(2) Accounting treatment

The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (Accounting Standards Board of Japan Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2019 are recorded as treasury stock under shareholders’ equity, and its carrying amount is 1,518 million yen and its number of shares is 550,100.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 399,664 million yen and advanced depreciation of tangible fixed assets amounts to 16,958 million yen.

2. Investments in non-consolidated subsidiaries and affiliates are as follows.

Securities (stocks)	22,362 million yen
Securities (equity interests)	2,481 million yen

3. (1) Loans to borrowers in bankruptcy are not included in loans. Overdue loans amount to 137 million yen.
Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96, paragraph (1), item (iii) (a) to (e) (the maximum amount transferable to allowance for possible credit losses) or Article 96, paragraph (1), item (iv) of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.
Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(2) Loans overdue for three months or more amount to 35 million yen.
Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

(3) Restructured loans are not included in loans.
Restructured loans represent, among loans which are not included in any of the above categories, loans on which favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts have been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amount to 173 million yen.

4. Breakdown of pledged assets is securities of 598,778 million yen, deposits of 56,238 million yen and tangible fixed assets of 4,837 million yen. These are collateral for the borrowings and securities which are put into as deposited assets for overseas operation and others. Secured debts are composed of payables under securities lending transactions of 227,176 million yen, payables under repurchase agreements of 8,977 million yen, the borrowings of 2,230 million yen and deposits of 47 million yen. Securities include 219,252 million yen in pledged securities as collateral under securities lending transactions secured by cash.

5. Securities include 340,432 million yen of lending securities under loan agreements.

6. The amount of loan commitments outstanding is 8,879 million yen.

7. A guarantee of 9,049 million yen is provided with respect to the obligations associated with underwriting at Canopius Reinsurance AG.

8. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Income

1. Main components of operating expenses are as follows.

Agency commissions, etc.	483,659 million yen
Salaries	241,980 million yen

Operating expenses represent the sum of loss adjustment expenses, operating, general and administrative expenses and net commissions and brokerage fees included in the consolidated statement of income.

2. Other extraordinary losses are 1,009 million yen of the special premium to be paid out in conjunction with Special Measures for Employees' Career Change Support at a consolidated subsidiary, Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

3. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Changes in Net Assets

1. Type and number of shares outstanding and of treasury stock

(Thousand shares)

	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
Shares outstanding				
Common stock	415,352	-	42,021	373,330
Total	415,352	-	42,021	373,330
Treasury stock				
Common stock	34,772	8,244	42,112	904
Total	34,772	8,244	42,112	904

Notes)

1. Treasury stock of common stock at the beginning and ~~at~~ the end of the period includes 596 thousand shares and 550 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.

2. Decrease of 42,021 thousand shares in shares outstanding of common stock is due to cancellation of treasury stock in accordance with approval by Board of Directors.

3. Breakdown of increase in treasury stock of common stock of 8,244 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by Board of Directors: 8,238 thousand shares
   Increase due to purchase of shares less than a full trading unit: 6 thousand shares

4. Breakdown of decrease in treasury stock of common stock of 42,112 thousand shares is as follows.
   Decrease due to cancellation of treasury stock in accordance with approval by Board of Directors: 42,021 thousand shares
   Decrease due to disposal of treasury stock related to the exercise of rights of the BBT: 46 thousand shares
   Decrease due to disposal of treasury stock related to the exercise of stock acquisition rights: 44 thousand shares
   Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	632
Total		632

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Stockholders held on June 25, 2018	Common stock	20,964	55	March 31, 2018	June 26, 2018
The Board of Directors' meeting held on November 19, 2018	Common stock	24,243	65	September 30, 2018	December 4, 2018

Notes)

1. The "total amount of dividends" based on the resolution of the General Meeting of Stockholders held on June 25, 2018 includes 32 million yen in dividends paid on the shares in the Company held by the BBT.

2. The "total amount of dividends" based on the resolution of the Board of Directors held on November 19, 2018 includes 35 million yen in dividends paid on the shares in the Company held by the BBT.

(2) Of dividends recorded in the current fiscal year, dividends effective in the following fiscal year

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Stockholders held on June 24, 2019	Common stock	24,243	Retained earnings	65	March 31, 2019	June 25, 2019

Note) The "total amount of dividends" based on the resolution of the General Meeting of Stockholders scheduled to be held on June 24, 2019 includes 35 million yen in dividends to be paid on the shares in the Company held by the BBT.

4. Amounts are rounded down to the unit noted.

Notes on Financial Instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

As SOMPO HOLDINGS is mainly engaged in insurance businesses and recognizes the characteristic of investment fund for the insurance company, SOMPO HOLDINGS manages the investment assets taking into consideration safety, liquidity and profitability. Further, in order to appropriately manage investment assets related to long-term insurance liabilities related to life insurance and savings-type insurance, SOMPO HOLDINGS intends to stabilize returns for the future maturity refunds to policyholders by the methodology based on ALM (integrated management of assets and liabilities).

In addition, with a view to strengthen the financial structure, the consolidated subsidiary increased its capital substantively by the issuance of subordinated bond (i.e. hybrid finance) which is deemed as capital to some extent by major credit rating agencies.

(2) The nature and risk of financial instruments

As financial instruments which SOMPO HOLDINGS holds are mainly securities such as bonds and stocks, SOMPO HOLDINGS is exposed to risks (market risks) associated with price fluctuations of investments, which are influenced by stock prices, interest rates and foreign exchange rates, as well as risks (liquidity risks) that securities may not be traded or may be forced to be traded at far more unfavorable prices than under normal conditions due to a market crisis and the like.

In addition, the securities and the loans which SOMPO HOLDINGS holds are exposed to credit risk which would cause a significant decrease in their value or uncollectible interest and principal due to the reasons such as deterioration of creditworthiness and bankruptcy of the issuer and the borrower.

Regarding derivative transactions, SOMPO HOLDINGS utilizes derivatives to hedge risks on assets held. These also involve market risks and credit risks.

Please refer to the note on “(6) Significant hedge accounting” in “4. Accounting policies” in “Significant Accounting Policies for the Preparation of the Consolidated Financial Statements” for derivative transactions which hedge accounting is applied to.

(3) The risk management systems regarding financial instruments

The Company has established the risk management systems to appropriately identify, evaluate and control risks and accurately respond when risks emerge through strategic risk management (ERM) designed to maximize the corporate value of SOMPO HOLDINGS, as described below.

With the aim of maintaining strategic risk management, the Company’s Board of Directors has established the “Group Basic Policy on ERM,” which sets forth principles for accurately assessing the group-wide status of risk exposure and managing the various types of risk in a comprehensive manner. With the aim of enabling appropriate management decision making based upon assessment of group-wide risk, the Company established Group ERM and Internal Control committee. Moreover, the Risk Management Department was established to promote the Company’s efforts to develop and enhance its risk management systems.

Through the model of investment risks, the Company manages market risk, credit risk and real estate investment risk. In addition, the Company comprehensively manages risks, including the risk of invested assets failing to yield assumed interest rates with regard to insurance liabilities related to savings-type insurance held by its insurance subsidiaries. The Company obtains investment assets information on a daily basis and quantifies investment risks. Further, the Company utilizes risk management by setting stress scenarios to cover events that could cause a material impact on the operations of SOMPO HOLDINGS, and performing stress tests to assess and measure risks

comprehensively.
As to credit risks, in order to avoid concentrating the risks on specific borrowers, the Company has set credit limits and manages the risks appropriately for the whole group.
As to liquidity risks, the Company has developed systems for its insurance subsidiaries to forecast payments for claims, etc. upon occurrence of liquidity risk scenarios, such as outbreak of catastrophe, and to ensure liquidity assets so as to adequately secure enough to cope with these payments.
Each group member has rules formulated in reference to the Group Basic Policy on ERM, thereby developing risk management systems appropriate to the content, scale, and characteristics of their particular business activities and implementing autonomous risk management. In addition, insurance subsidiaries place considerable emphasis on managing various types of risk in ways tailored to their particular risk profile. By doing so, these subsidiaries are appropriately addressing risks that could significantly affect their operations.

(4) Supplemental explanation about the fair value of financial instruments
Other than the fair value of financial instruments based on the market price, fair value calculated reasonably is included if the market price is not obtainable. In view that certain assumption is employed to measure the fair value, the resulting value might differ depending on the assumption to be applied.

2. Fair value of financial instruments
Carrying amount, fair value and unrealized gains and losses as of March 31, 2019 are as follows. Meanwhile, financial instruments which are considered extremely difficult to figure out their fair value are not included in the following table. (Please refer to Notes) 2 for details.)

(Millions of yen)

	Carrying amount	Fair value	Unrealized gains and losses
(1) Cash and deposits	971,469	971,469	-
(2) Receivables under resale agreements	64,999	64,999	-
(3) Monetary receivables bought	11,869	11,869	-
(4) Money trusts	40,993	40,993	-
(5) Securities:			
Trading securities	198,084	198,084	-
Bonds held to maturity	1,197,758	1,510,109	312,350
Policy reserve matching bonds	370,080	409,926	39,846
Securities available for sale	6,165,141	6,165,141	-
(6) Loans	703,255		
Allowance for possible credit losses(*1)	(40)		
	703,215	722,531	19,315
Total assets	9,723,613	10,095,125	371,512
(1) Corporate bonds	510,383	521,433	11,049
(2) Payables under securities lending transactions	227,176	227,176	-
(3) Borrowings	108,751	108,791	39
Total liabilities	846,312	857,401	11,088
Derivative transactions(*2):			
Hedge accounting is not applied to	4,838	4,838	-
Hedge accounting is applied to	11,056	11,056	-
Total derivative transactions	15,894	15,894	-

(*1) This figure represents deductions to loans as general and individual allowance for possible credit losses.

(*2) This table collectively shows derivative transactions which are included in other assets and other liabilities.
Net assets and liabilities from derivative transactions are shown on the net basis.

Notes)
1. Calculation methods for the fair value of financial instruments

Assets

(1) Cash and deposits
As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(2) Receivables under resale agreements
As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(3) Monetary receivables bought
The fair value is based on the price quoted by counterparties.

(4) Money trusts
The fair value of the financial instruments managed as trust asset is as follows. As bank deposit, etc. are short term and their fair value approximates the book value, the book value is presented as the fair value. The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association and the price quoted by counterparties and others. The fair value of the domestic stocks is based on the price at exchanges. In addition, the fair value of foreign securities is based on the price at exchanges and others.

(5) Securities
The fair value of the domestic bonds is based on the price at exchanges, the price released by Japan Securities Dealers Association and the price quoted by counterparties and others. The fair value of the domestic stocks is based on the price at exchanges. In addition, the fair value of foreign securities is based on the price at exchanges and the price quoted by counterparties and others.

(6) Loans
The fair value is the amount of future collection cash flow of each loan which is discounted by the risk free rate for the corresponding period, adding credit risk premium and liquidity premium thereto. For the loans categorized as loans to borrowers in bankruptcy legally or substantially and to borrowers who are highly probable to go bankrupt in the future, the fair values are the carrying amount less current estimated credit losses. Because the estimated credit losses are calculated based on the amount expected to be covered by collateral and guarantee, the fair value approximates the said amount.

Liabilities

(1) Corporate bonds
The fair value is based on the price at exchanges, the price released by Japan Securities Dealers Association and others.

(2) Payables under securities lending transactions
As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(3) Borrowings

The fair value is the amount of future collection cash flow of each borrowing which is discounted by the risk free rate for the corresponding period, adding credit risk premium and liquidity premium thereto.

Derivative transactions

The fair value of forward foreign exchanges is based on the forward exchange rate or the price quoted by counterparties.

The fair value of currency swaps is based on the price quoted by counterparties. In addition, the fair value of forward foreign exchange contracts and others to which assignment accounting is applied is included in the fair value of foreign currency denominated corporate bonds (liabilities) and foreign currency denominated borrowings as they are accounted for as one together with. Therefore, their fair value is included in the fair value of the corporate bonds and borrowings.

The fair value of currency options is based on the price quoted by counterparties.

The fair value of interest rate futures is based on the price quoted by counterparties.

The fair value of interest rate swaps is based on the price quoted by counterparties and the fair value calculated by discounting estimated future cash flow to the present value.

The fair value of equity index futures is based on the closing price at major exchanges.

The fair value of bonds forwards is mainly based on the price quoted by information vendors.

The fair value of credit derivatives is mainly based on the price quoted by information vendors.

The fair value of weather derivatives is calculated based on the contract term and other elements of the contract.

The fair value of earthquake derivatives is calculated based on the contract term and other elements of the contract.

The fair value of loss development cover is calculated based on the contract term and other elements of the contract.

The fair value of pandemic derivatives is calculated based on the contract term and other elements of the contract.

2. Carrying amounts of the financial instruments which are considered extremely difficult to figure out their fair value are as follows. These financial instruments are not included in "(5) Securities."

Category	Carrying amount (millions of yen)
Domestic stocks	49,775
Foreign securities	19,397
Others	12,013
Total	81,186

As domestic stocks are unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

As foreign securities are unlisted stocks or investments mainly in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

As others are investments mainly in unlisted stocks and do not have quoted market prices, they are not included in the scope of fair value disclosure.

Note on Per Share Information

Net assets per share	4,720.07 yen
Net income per share	392.26 yen

Non-Consolidated Statement of Changes in Net Assets

For the fiscal year 2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity						Valuation and translation adjustments	
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains and losses on securities available for sale	Total valuation and translation adjustments
		Capital reserves	Other capital surplus	Other retained earnings / Retained earnings carried forward				
Balance at the beginning of the period	100,045	25,045	751,128	223,811	(128,182)	971,849	(34)	(34)
Changes during the period:								
Dividends				(45,208)		(45,208)		
Net income				111,321		111,321		
Acquisition of treasury stock					(39,127)	(39,127)		
Disposal of treasury stock			(50)		295	244		
Cancellation of treasury stock			(164,112)		164,112	—		
Net changes in items other than shareholders' equity							14	14
Total changes during the period	—	—	(164,162)	66,113	125,279	27,230	14	14
Balance at the end of the period	100,045	25,045	586,966	289,924	(2,902)	999,080	(19)	(19)

	Stock acquisition rights	Total net assets
Balance at the beginning of the period	749	972,563
Changes during the period:		
Dividends		(45,208)
Net income		111,321
Acquisition of treasury stock		(39,127)
Disposal of treasury stock		244
Cancellation of treasury stock		—
Net changes in items other than shareholders' equity	(116)	(101)
Total changes during the period	(116)	27,129
Balance at the end of the period	632	999,693

Notes to the Financial Statements

Notes on Significant Accounting Policies

1. Valuation policies and methods for securities
(1) Stocks of subsidiaries and affiliates are carried at cost based on the moving-average method.
(2) Securities available for sale which are considered extremely difficult to figure out their fair value are carried at cost based on the moving-average method.

2. Depreciation methods of fixed assets
Depreciation of tangible fixed assets is calculated by using the straight-line method.

Useful lives of major tangible fixed assets are as follows.

Buildings	8 to 39 years
Furniture and equipment	3 to 15 years

3. Accounting policies for reserves
(1) Reserve for bonus payments
In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.
(2) Reserve for bonus payments to directors
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.
(3) Reserve for stocks payments
In order to provide for the grant of Company shares to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

4. Accounting methods for consumption taxes
The Company accounts for consumption taxes by using the tax-excluded method.

(Changes in presentation)

Changes in association with the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting," etc.

The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc. since the beginning of the fiscal year ended March 31, 2019. Accordingly, its presentation method has been changed to present deferred tax assets under investments and other assets, and deferred tax liabilities under fixed liabilities.

(Additional information)

Introduction of a performance-linked stock compensation plan

The Company introduced the “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”), a performance-linked stock compensation plan for directors (excluding outside directors) and executive officers of SOMPO HOLDINGS.

(1) Outline of the transactions involved

The Company established the “Rules of the Stock Benefit Trust for Directors” (hereinafter the “Rules”) as prerequisite to the introduction of the Plan. Based on the Rules, the Company contributes money to a trust bank as fund for acquiring shares to be delivered later, and the trust bank has duly acquired shares in the Company using the money trusted thereto (hereinafter the “Trust”).

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding outside directors) and executive officers of SOMPO HOLDINGS, in proportion to the points granted thereto.

(2) Accounting treatment

The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (Accounting Standards Board of Japan Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2019 are recorded as treasury stock under shareholders’ equity, and its carrying amount is 1,518 million yen and its number of shares is 550,100.

Notes to the Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 220 million yen.

2. Guaranteed obligations

The Company jointly and severally guarantees 8,075 million yen for acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Inc. which is a consolidated subsidiary of the Company, jointly and severally guarantees 35,575 million yen for rent payments based on building lease contracts, and jointly and severally guarantees 40 million yen for lease payments based on lease contracts.

3. Monetary claims and monetary debts owed by or to subsidiaries and affiliates (excluding the amount presented separately in the balance sheet)

Short-term monetary claims	69,244 million yen
Long-term monetary claims	59 million yen
Short-term monetary debts	471 million yen

Note to the Statement of Income

Transactions with subsidiaries and affiliates

Results of operating transactions:		
Operating income	126,491	million yen
Operating expenses	1,717	million yen
Results of non-operating transactions	20	million yen

Note to the Statement of Changes in Net Assets

Type and number of treasury stock at the end of the period

Common stock	904,330 shares

Note) The treasury stock of common stock at the end of the period includes 550,100 shares in the Company held by the “Board Benefit Trust (BBT).”

Note on Tax Effect Accounting

Major components of deferred tax assets are as follows.

Deferred tax assets:		
Deemed dividends	20,833	million yen
Impairment losses on investment securities	1,068	million yen
Losses on valuation of stocks of subsidiaries and affiliates	633	million yen
Others	391	million yen
Subtotal	22,927	million yen
Valuation allowance	(22,927)	million yen
Total deferred tax assets	—	
Net deferred tax assets	—	

Note on Related-party Transaction

Subsidiaries and affiliates

(Millions of yen)

Type	Name of company	Holding/held ratio of voting rights	Relationship with related party	Description of transactions	Transaction amount	Item	Balance at the end of the period
Subsidiary company	Sompo Care Inc.	Ownership Direct 100.0%	Guaranteed obligations	Guarantee for lease payments (Note 1)	40	—	—
				Guarantee for acceptances and guarantees (Note 2)	8,075	—	—
				Guarantee for the amount corresponding to rent payments based on building lease contracts (Note 3)	35,575	—	—

Notes)

1. The Company jointly and severally guarantees lease payments. The Company does not receive a guarantee commission.
2. The Company jointly and severally guarantees acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Inc. The Company does not receive a guarantee commission.
3. The Company jointly and severally guarantees rent payments. The Company does not receive a guarantee commission.

Note on Per Share Information

Net assets per share	2,682.57 yen
Net income per share	297.81 yen