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Securities code: 8630

May 29, 2020

Notice to Shareholders

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

Notice of Convocation of the 10th General Meeting of Shareholders

Thank you all for your continued patronage.

The 10th General Meeting of Shareholders of Sompo Holdings, Inc. (the "Company" or "we") will be held as shown below.

To prevent the spread of the novel coronavirus disease (COVID-19) and in light of the strong request to refrain from going out, **we ask that you refrain from coming to the General Meeting of Shareholders on the day of the event, and that you exercise your voting rights either in writing (the Voting Rights Exercise Form) or via the Internet, as much as possible.**

Please review the "Reference Documents for General Meeting of Shareholders" (from page 6 to page 27) hereafter, 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 22, 2020 (Monday) at 10:00 a.m.

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

* Please see the Appendix for our response to the novel coronavirus disease (COVID-19) at the General Meeting of Shareholders.
* If there are any major changes in the holding of the General Meeting of Shareholders due to circumstances in the future, we will post them via the Internet on our website (https://www.sompo-hd.com/en/).

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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 Committee for Fiscal Year 2019 (April 1, 2019 to March 31, 2020)

2. The financial statements for Fiscal Year 2019 (April 1, 2019 to March 31, 2020)

Matters to be Resolved

Proposal No. 1 Disposition of Retained Earnings
Proposal No. 2 Appointment of Twelve 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 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

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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 following three methods.

1) Exercise your voting rights via the Internet

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 19, 2020 (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.

2) Exercise your voting rights by mail

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 19, 2020 (Friday) at 5:00 p.m. (Japan time)

3) Exercise your voting rights by attending 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 22, 2020 (Monday) at 10:00 a.m. (Japan time)

Please note that no gifts will be distributed at this General Meeting of Shareholders. Please also be advised that there are no plans for organizing an art museum tour for our shareholders.

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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)

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: 75 yen
   Total amount: 27,388,386,150 yen
   As a result of this, the amount of annual dividend of the current period will be 150 yen per share, inclusive of the amount of interim dividend of 75 yen per share.

2. Effective Date of dividend of retained earnings:
   June 23, 2020

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Proposal 2: Appointment of Twelve Directors

The term of office of all eleven directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to appoint twelve directors (including nine outside directors), increasing the number of directors by one (and increasing the number of outside directors by two), in accordance with the decision made by the Nomination Committee to further strengthen our management foundation with an aim toward future business growth.
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, Director, President and Representative Executive Officer Overall management of the Group's operations (CEO)	Reappointment
2	Shinji TSUJI	Group COO, Group CBO, Director, Deputy President and Representative Executive Officer Overall management of the Group's operations(COO), Chief executive of the Group's brand area	Reappointment
3	Hidenori HANADA	Director Audit Committee Member	Reappointment
4	Sawako NOHARA	Director (Outside Director) Compensation Committee Member (Chairperson) Nomination Committee Member	Reappointment Outside Independent Outside Director
5	Scott Trevor DAVIS	Director (Outside Director) Nomination Committee Member (Chairperson) Compensation Committee Member	Reappointment Outside Independent Outside Director
6	Kazuhiro HIGASHI		New appointment Outside Independent Outside Director
7	Takashi NAWA		New appointment Outside Independent Outside Director
8	Misuzu SHIBATA		New appointment Outside Independent Outside Director
9	Naoki YANAGIDA	Director (Outside Director) Audit Committee Member (Chairperson)	Reappointment Outside Independent Outside Director
10	Hideyo UCHIYAMA	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director

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11	Atsuko MURAKI	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
12	Isao ENDO	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director

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<Reference: Planned Composition of Committees>

The planned composition of committees in the event that Proposal 2: “Appointment of Twelve 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	Hidenori HANADA		○		
4	Sawako NOHARA	○		○	Outside Director
5	Scott Trevor DAVIS	○		○	Outside Director
6	Kazuhiro HIGASHI	○		○	Outside Director
7	Takashi NAWA	○		○	Outside Director
8	Misuzu SHIBATA	○		○	Outside Director
9	Naoki YANAGIDA		○		Outside Director
10	Hideyo UCHIYAMA		○		Outside Director
11	Atsuko MURAKI		○		Outside Director
12	Isao ENDO		○		Outside Director

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Candidate for directors (twelve 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 Director, Chairman of Sompo Japan Nipponkoa Apr. 2016 Director of Sompo Japan Nipponkoa (now Sompo Japan Insurance Inc.) (current position) Apr. 2019 Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position) Jun. 2019 Group CEO, Director, President and Representative Executive Officer of the Company (current position) <Responsibilities in the Company> Overall management of the Group’s operations (CEO) <Significant positions concurrently held> Director of Sompo Japan Insurance Inc. 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)> 10 years <Record of attendance at meetings of the Board of Directors in Fiscal 2019> 10 out of 10 (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.	21,541 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. (now Sompo Himawari Life Insurance Inc.) (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 Jun. 2019 Group COO, Group CBO, Director, Deputy President and Representative Executive Officer of the Company (current position) <Responsibilities in the Company> Overall management of the Group’s operations (Chief Operating Officer) Chief executive of the Group’s brand area <Significant positions concurrently held> Director of Sompo Himawari Life Insurance Inc. <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 2019> 10 out of 10 (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.	20,750 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	Hidenori HANADA (Aug. 15, 1958) Reappointment	<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 Jun. 2019 Director of the Company (current position) <Number of years in office as director (at the end of this General Meeting of Shareholders)> 1 year (2 years in office, if adding 1 year in office as Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 11 out of 11 (100%) Meetings of the Audit & Supervisory Board: 3 out of 3 (100%) <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, was appointed as Director and served as a member of the Audit Committee in 2019, 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 re-selected as a candidate for 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
4	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. Jul. 1998 Head of the E-Commerce Business Development Group of InfoCom Research, 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 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) Jun. 2019 Director of Daiichi Sankyo Co., Ltd. (current position) Apr. 2020 Project Professor of the Graduate School of Media and Governance, Keio University (current position) <Significant positions concurrently held> 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) Director of Daiichi Sankyo Co., Ltd. (Outside Director) Project Professor of the Graduate School of Media and Governance, Keio University <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 7 years <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Nomination Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 9 out of 9 (100%) <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
5	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)> 6 years <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Nomination Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 9 out of 9 (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 a 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
6	Kazuhiro HIGASHI (April 25, 1957) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1982 Joined Saitama Bank, Ltd. (now Resona Group) Jun. 2005 Outside Director of Resona Trust & Banking Co., Ltd. Jun. 2009 Director, Deputy President and Executive Officer of Resona Holdings, Inc. Apr. 2011 Director, Deputy President and Representative Executive Officer of Resona Holdings, Inc. Apr. 2012 Representative Director, Deputy President and Executive Officer of Resona Bank, Limited Apr. 2013 Director, President and Representative Executive Officer of Resona Holdings, Inc. Representative Director, President and Executive Officer of Resona Bank, Limited Apr. 2017 Chairman of the Board, President and Representative Director of Resona Bank, Limited Jun. 2017 Chairman of Osaka Bankers Association Nov. 2017 Vice Chairman of The Osaka Chamber of Commerce and Industry (current position) Apr. 2018 Chairman of the Board, President and Representative Director, Executive Officer of Resona Bank, Limited Apr. 2020 Chairman and Director of Resona Holdings, Inc. (current position) Chairman and Director of Resona Bank, Limited (current position) <Significant positions concurrently held> Vice Chairman of The Osaka Chamber of Commerce and Industry Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - <Reasons for selection as a candidate for director> Having experience in finance and corporate management, among others, in the banking business, Mr. Kazuhiro HIGASHI took office as Director, President and Representative Executive Officer of Resona Holdings, Inc. and Representative Director, President and Executive Officer of Resona Bank, Limited in 2013. He has served numerous key positions in the business community including Chairman of Osaka Bankers Association and Vice Chairman of The Osaka Chamber of Commerce and Industry. With his abundant knowledge and experience as a top-level executive of large-scale corporations, 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
7	Takashi NAWA (June 8, 1957) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company Jun. 2010 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University (now School of International Corporate Strategy, Hitotsubashi University Business School) (current position) President of Genesys Partners, Inc. (current position) Sep. 2010 Senior Advisor of Boston Consulting Group Jun. 2011 Member of the Board of NEC Capital Solutions Limited (current position) Nov. 2012 Director of FAST RETAILING CO., LTD. (current position) Jun. 2014 Member of the Board of DENSO CORPORATION Jun. 2015 Member of the Board of Ajinomoto Co., Inc. (current position) <Significant positions concurrently held> Professor of School of International Corporate Strategy, Hitotsubashi University Business School President of Genesys Partners, Inc. Member of the Board of NEC Capital Solutions Limited (Outside Director) Director of FAST RETAILING CO., LTD. (Outside Director) Member of the Board of Ajinomoto Co., Inc. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - <Reasons for selection as a candidate for director> Having practical experience in a major Japanese trading company and global consulting firms, Mr. Takashi NAWA was appointed professor of Graduate School of International Corporate Strategy at Hitotsubashi University in 2010. With his abundant business experience as a management consultant, combined with his profound academic knowledge from a global perspective, 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
8	Misuzu SHIBATA (July 25, 1974) *Ms. Misuzu SHIBATA's registered name is Misuzu KOYAMA. New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Oct. 2000 Registered as attorney-at-law Nov. 2001 NS Law Office, Lawyer (current position) Oct. 2007 Fixed-term civil servant at the Financial Services Agency, Supervision Bureau, Planning and Management Division, Deposit Insurance and Resolution Framework Office Apr. 2017 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute of Japan Jun. 2017 Director of DELICA FOODS HOLDINGS CO., LTD. (current position) <Significant positions concurrently held> Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> - <Reasons for selection as a candidate for director> Ms. Misuzu SHIBATA has abundant knowledge and experience as a legal expert including working experience at the Financial Services Agency. Despite a lack of experience in corporate management other than serving as an outside director in the past, with her professional 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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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) Reappointment 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 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) Jun. 2019 Director of the Company (current position) Aug. 2019 Director of Kusuri No Aoki Holdings Co., Ltd. (current position) <Significant positions concurrently held> Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of Kusuri No Aoki Holdings Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 1 year (6 years in office, if adding 5 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 11 out of 11 (100%) Meetings of the Audit & Supervisory Board: 3 of 3 (100%) <Reasons for selection as a candidate for outside director> Mr. Naoki YANAGIDA has abundant knowledge and experience as a legal expert. He took office as Outside Audit & Supervisory Board Member of the Company in 2014 and as Outside Director of the Company in 2019. Despite a 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 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
10	Hideyo UCHIYAMA (Mar. 30, 1953) Reappointment 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 Jun. 2018 Director of the Eisai Co., Ltd. (current position) Jun. 2019 Director of the Company (current position) <Significant positions concurrently held> Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Outside 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)> 1 year (3 years in office, if adding 2 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 11 out of 11 (100%) Meetings of the Audit & Supervisory Board: 3 of 3 (100%) <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 and as Outside Director of the Company in 2019. With his abundant knowledge and experience, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for outside director.	300 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) Reappointment 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 Jun. 2018 Director of Sumitomo Chemical Company, Limited (current position) Jun. 2019 Director of the Company (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)> 1 year (3 years in office, if adding 2 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 11 out of 11 (100%) Meetings of the Audit & Supervisory Board: 3 of 3 (100%) <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 and as Outside Director of the Company in 2019. Despite a lack of experience in participation in corporate management other than by serving as an 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 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
12	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. <Significant positions concurrently held> Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Meeting of Shareholders)> 6 years <Record of attendance at meetings in Fiscal 2019> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Nomination Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 9 out of 9 (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,” and can be expected to provide remarks and statements to the management from a broader perspective. Accordingly, he was re-selected as a candidate for outside director.	800 Shares

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Notes:

1. There are no special interests between each candidate and the Company.
2. Ms. Sawako NOHARA, Mr. Scott Trevor DAVIS, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA , Ms. Misuzu SHIBATA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA, Ms. Atsuko MURAKI and Mr. Isao ENDO are candidates for outside directors.
   The Company has prescribed the “Standards regarding Independence of Outside Directors” (from page 25 to page 27). 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. Scott Trevor DAVIS, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA, Ms. Atsuko MURAKI and Mr. Isao ENDO, 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 appointed (reappointed) as outside directors, the Company intends to continue said contract with each of them.
   If Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA and Ms. Misuzu SHIBATA are appointed (newly appointed) as outside directors, the Company intends to conclude the same contract with each of them.
5. Mr. Hidenori HANADA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Ms. Atsuko MURAKI had served as audit & supervisory board members until the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019. The number of meetings of the Board of Directors each of them attended includes three times of attendance as audit & supervisory board members. In addition, both the number of meetings of the Audit & Supervisory Board each of them attended during the period in which the Company had been a “Company with audit & supervisory board,” and the number of meetings of the Audit Committee they attended subsequent to the Company’s change to a “Company with committees, such as Nomination Committee” are specified additionally in the above table.

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<Reference: Policies for Appointment of Officers>

The appointment of officers is conducted in accordance with the following policies. 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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<Reference: 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 Stockholders 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
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

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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 is a person who 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, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary) , or a relative of the person.
2) The candidate is a person who 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, an executive officer, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary) , or a relative of the person.
3) The candidate is a board member (should be limited to a person who executes business) or other member or his/her relative, 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 or his/her relative 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 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)

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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 or his/her relative 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 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 2019 Business Report
For the Period from April 1, 2019 through March 31, 2020

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, 2020, the Group consisted of Sompo Holdings, Inc. (the "Company" or "Sompo Holdings, Inc." or "we"), 66 companies that are consolidated subsidiaries, and 12 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

During the period under review, although the global economy continued a modest recovery overall, the global novel coronavirus pandemic at the end of the period curtailed economic activity and caused a rapid slowdown in the economy. In terms of the Japanese economy, although there were signs of improvement in employment conditions and a rebound in personal consumption, the situation was difficult due to the impact of the novel coronavirus disease, which put significant downward pressure on the economy.

(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 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 "reforms to the corporate culture" of the Group, with the aim of achieving business plans for the Group as a whole and maximizing the Group's corporate value. We strive to address important group issues such as establishing

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and reinforcing the superiority of each business, drafting the Group's management strategy, allocating management resources across the Group, creating the governance system, and carrying out digital strategy and M&A, while primarily promoting the diversification of our human resources in order to achieve a shift to a mission-driven and results-oriented corporate culture.

During the period under review, as part of these initiatives, Palantir Technologies Japan K.K. was formed jointly with Palantir Technologies Inc. ("Palantir"), a technology company that is engaged in a big data and operations software platform business. We will use Palantir's technology to analyze the huge amount of real data that the Group accumulates on a daily basis through the provision of services to its customers, such as insurance and nursing care data, in order to improve the sophistication and efficiency of existing businesses. Furthermore, we will aim to exploit synergies between businesses and develop new products and services with greater value by maximizing the use of such data.

As part of our efforts to strengthen the governance structure, the Company shifted to a Company with committees, such as Nomination Committee, in June 2019. By separating supervision of management and business execution, the aim is to strengthen the supervisory function of the Board of Directors and speed up business execution through the delegation of significant authority to the executive department.

In the executive sector, the Global Executive Committee ("Global ExCo"), an advisory organ to the Group CEO, and the Managerial Administrative Committee ("MAC"), an advisory organ to the Group COO, were established in April 2019. As the highest executive committee, Global ExCo holds discussions based on high expertise and diverse values from a global viewpoint, regarding topics that have significant impact on management, such as Group-wide management strategies or business operation policies, including the overseas business. In addition, the MAC holds discussions mainly on important matters related to domestic businesses and operational management.

(Performance over the Period under Review)

The Company's consolidated financial results were as follows.

Ordinary income increased by 117.3 billion yen to 3,760.3 billion yen. Meanwhile ordinary expenses increased by 123.8 billion yen to 3,567.9 billion yen.

As a result, ordinary profit for the period under review decreased by 6.5 billion yen to 192.4 billion yen. Net income attributable to shareholders of the parent amounted to 122.5 billion yen, representing a decrease of 24.1 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

Sompo Japan Insurance Inc.* is taking on the challenge of sustainable growth in existing businesses and creating new business models, with the aim to be the P&C insurance company that enjoys the greatest support from customers.

In 2019, while we continued to face a difficult business environment, including a series of large-scale natural disasters such as Typhoons Faxai and Hagibis, in order to deliver peace of mind to our customers as quickly as possible, we have worked to pay insurance claims promptly and used reinsurance to properly manage risk and improve productivity and profitability.

In an effort to increase contact with customers and improve customer convenience, we launched a service that provides integrated handling of the entire process from receiving notification of an accident from customers' smartphones to its follow-up procedures in October 2018, and we have continued to expand related functions. In November 2019, we launched "SOMPO AI Repair Quotation," an automatic quotation service using AI (Artificial Intelligence). This allows us to quickly provide customers with a rough estimation of the cost of automobile repairs, which is important information when making insurance claim procedures, and this further contributes to customer convenience.

As part of our efforts to create new business models, we are collaborating with companies such as those involved in the development of autonomous technology and its implementation in society, as well as companies that operate parking space sharing business. We will take on the challenge of innovation for creating new value by leveraging data such as the Group's customer base and the strengths of each company that we partner with.

* Sompo Japan Nipponkoa Insurance Inc. changed its company name to Sompo Japan Insurance Inc. on April 1, 2020.

SAISON AUTOMOBILE AND FIRE INSURANCE

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED* will further expand and grow its direct marketing business model in response to the diverse needs of customers.

* SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited merged on July 1, 2019.

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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 Sompo International Holdings Ltd.(SIH), which was established as a controlling company. The Overseas Insurance business plays an important role in increasing Group profit and we have expanded the business by consistently employing strategies of organic growth (growth in existing businesses) and disciplined approach to M&A.

In the commercial business, we provide offering such as AgriSompo (agriculture insurance), SomPro (professional liability insurance) and other products around the world to solve issues, such as unstable agricultural environment, cyber risk and large claim lawsuits. The experienced teams, extensive products, deep market knowledge, and significant capacity to clients worldwide have resulted in steady, continued premium growth for Sompo International.

In the retail business, we began an initiative to transfer the expertise of Sompo Sigorta (Turkey) which is a key driver of retail growth, to other group companies in emerging countries and execute it. In FY2019 we focused our efforts on automobile insurance which accounts for a large portion of the retail market, introduced pricing methods that utilize internal and external data to the maximum extent, and supported distribution channel management. By sharing best practices, we aim to attain top tier growth and profitability with efforts to differentiate ourselves in each market.

Regarding M&A, we will continue searching for opportunities while maintaining investment discipline.

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Domestic Life Insurance Business

Sompo Himawari Life

Sompo Himawari Life Insurance Inc.* aims to transform itself into a “health support enterprise,” that stays beside customers throughout their lives. Specifically, we have continued to provide new products and services that offer Insurhealth®, an insurance that integrates the original functions of insurance with healthcare functions to offer new added value since FY2018.

We also developed several new products and services to expand Insurhealth® in FY2019. We are working on the prevention of illnesses becoming severe in addition to conventional insurance functions through the launch of a product for diabetic patients, “Blue”, medical insurance for people with diabetes,” and the provision of lifestyle disease management services to manage blood glucose levels, etc.

In addition, for “Egao Wo Mamoru Dementia Insurance,” an existing product, we have launched a new service that provides cognitive function tests and suggestions for improvement based on the results of these tests, thereby strengthening the integrated provision of insurance functions as economic preparations for dementia and services to prepare for cognitive decline.

Furthermore, for corporate customers, we launched a “non-dividend comprehensive welfare group term insurance policy” with a premium discount system for corporate customers who are engaged in health management.

Thanks to these initiatives, Insurhealth® products have grown to approximately 25% of the sales volume (annualized premiums from new business), and this has contributed to an increase in insurance premiums and other. As a result, net income for the period for FY2019 reached a record high, and a contribution was made to revenue growth.

We will continue to improve sales volume and service quality, and aim to continue to be a company that can provide a peace of mind and health with a strong relationship with each and every one of our customers.

* Sompo Japan Nipponkoa Himawari Life Insurance, Inc. changed its company name to Sompo Himawari Life Insurance Inc. on October 1, 2019.

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Nursing Care & Healthcare Business

Sompo Care

Sompo Care Inc. aims to contribute to the realization of “Japan as a Global Pioneer in Healthy Longevity” where the elderly can live in peace of mind through offering a full line-up of nursing care services from facility-based services to homecare. As a major player in the industry, we are also taking on the challenge of developing nursing care services that combine high productivity and quality through the proactive use of technology and human resource development, as well as extending healthy lifespans through means such as coexisting with and preventing dementia. Nursing home occupancy rates have remained high and profits have also steadily grown.

In terms of the use of technology, we are working to reduce the burden on nursing care workers and improve the Quality of Life (QOL) of users through means such as the introduction of ICT, paperless nursing care operations, and a sleep watch system. In addition, we are testing the introduction of autonomous wheelchairs, 5G (5th generation mobile communications system) and AI to monitor food intake, and sensors to confirm the safety of people, among other systems, with the aim of achieving practical use in the future.

In FY2019, we worked to improve the quality of nursing care by further enhancing human resource development, including improving the treatment of nursing care workers and enhancing training for new graduates, thereby supporting a rewarding work environment for employees and reducing the turnover rate by developing people who take pride in nursing care.

From the perspective of dementia prevention, we are expanding the Group’s “SOMPO Dementia Support Program,” including participation in a public-private joint demonstration project in collaboration with the National Center for Geriatrics and Gerontology.

In addition, from April 2020, Sompo Care Inc. has provided consulting services to other nursing care providers by applying various know-how of nursing care services which we have cultivated (facility management, introduction of ICT, procurement, human resource development, etc.), in an aim to contribute to improving the quality and productivity of the nursing care industry as a whole.

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Others

Sompo Asset Management Co., Ltd.* is engaged in the business of providing services related to asset formation for customers, Sompo Japan DC Securities Inc.* handles defined contribution pension plans, and Sompo Risk Management Inc. offers services including risk management and cyber security. 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.

* SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. and Sompo Japan Nipponkoa DC Securities Inc. changed their company names to Sompo Asset Management Co., Ltd. and Sompo Japan DC Securities Inc., respectively, on April 1, 2020.

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Priority Issues to be Addressed

◆Operating Environment and Management Strategy

The environment surrounding the Group is undergoing substantial changes, such as the increase of large-scale natural disasters caused by climate change, the rapidly declining birthrate and aging society in Japan, and the transformation of existing business models due to low interest rate environment and digital technology.

The novel coronavirus disease, which has been rapidly expanding since the end of the period under review, has not only had a major impact on the management foundations of companies around the world, but has also become a threat to the lives and health of all stakeholders, and the situation continues to be unpredictable.

In addition to quickly and flexibly addressing such rapid changes and maintaining a strong management foundation, the Group will fulfill its role as an important social infrastructure by providing services including insurance and nursing care, while placing the highest priority on the safety of its employees and customers.

Under the vision of a “theme park for the security, health, and wellbeing,” the Group will give concrete form to the abstract concepts of security, health, and wellbeing. The vision entails addressing social issues and providing cohesive support by accompanying people, who are the focus of society, throughout their lives and by making appropriate use of digital and other leading-edge technologies.

The Group will continue to work together as a whole to achieve this goal with each business and Group company.

◆Progress of the Mid-Term Management Plan (FY2016-FY2020) and KPI

The Company uses adjusted consolidated profit and adjusted consolidated ROE as management indicators in order to indicate the Group’s actual profitability and capital efficiency. Despite the impact of several large-scale natural disasters in Japan, as a result of steady progress in the execution of business, in FY2019, adjusted consolidated profit increased from the previous year to 150.8 billion yen and an adjusted consolidated ROE of 6.4% was recorded. If the impact of natural disasters in Japan is excluded, the revenue base of each business grew steadily. The breakdown of adjusted consolidated profit as of the end of FY2019 is 40% for the Domestic P&C Insurance Business, 33% for the Overseas Insurance Business, 21% for the Domestic Life Insurance Business, and 5% for the Nursing Care & Healthcare Business, etc.

With respect to the numerical management targets for FY2020, which is the final year of the Mid-Term Management Plan, the Company has announced an adjusted consolidated profit of 187.0 billion yen and an adjusted consolidated ROE of at least 8.1%, based on the forecast of the impact of the spread of the novel coronavirus disease, which has been calculated solely taking into account the amount of impact

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that can be reasonably calculated with a high probability of occurrence at this time.
In order to achieve the targets of the Mid-Term Management Plan, the Group will promote the transformation of the business portfolio of the Group by improving capital efficiency taking advantage of the characteristics of each business and effectively investing capital in new business fields such as health and wellness areas, in addition to the overseas insurance business which is expected to grow. Furthermore, in order to continue evolving sustainably as a global corporate group, we have set the target of adjusted consolidated profit of 300.0 billion yen or more and adjusted consolidated ROE of 10% or higher (see page 40, Note 1) as the Group's vision, and we will strengthen our efforts to achieve this target in the early 2020s.

◆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 strengthen the profitability of existing businesses as well as create new revenue sources through collaboration with leading players across industry borders and use of digital technology. 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 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 "transformation of the corporate culture," 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.
Up until now, the Company has utilized the business owner system and the Group Chief 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. Going forward, we will aim to build an even stronger operation system that will support the Group's growth by maximizing the functions of the two meeting bodies, the Global ExCo and the Management Administrative Committee (MAC).

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As for the supervisory system, we have shifted to a Company with committees, such as Nomination Committee. As a result, the Board of Directors consists mainly of outside directors, and three statutory committees have been established: Nomination Committee, Audit Committee, and Compensation Committee. Each committee is chaired by an outside director, and fair and active discussions are held to strengthen the Group's governance. In addition, the executive department shares the status of execution in an enthusiastic and proactive manner by means such as securing opportunities for sharing information with the Board of Directors, in order to ensure that this supervisory governance function is fully utilized. By further implementing such initiatives, we aim to increase the transparency of governance and ensure the sound and sustainable growth of the Group through sufficient discussions on important management issues.

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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 "Appointment of Twelve Directors ".

Directors (to be appointed at Shareholders Meeting)

Directors	Outside Directors
 Kengo SAKURADA (Concurrently serves as Executive Officer)	 Sawako NOHARA
	 Scott Trevor DAVIS
	 Misuzu SHIBATA
 Shinji TSUJI (Concurrently serves as Executive Officer)	 Kazuhiro HIGASHI
	 Takashi NAWA
 Hidenori HANADA	 Naoki YANAGIDA
	 Hideyo UCHIYAMA
	 Atsuko MURAKI
	 Isao ENDO

Nomination Committee

Composed solely of outside directors

Compensation Committee

Composed solely of outside directors

Audit Committee

Composed 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 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 Life Insurance Business,
Executive Officer
Yasuhiro OBA
(Sompo 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,
Special Advisor to Group CEO)
Nigel FRUDD
Overseas M&A



Group Co-CSO
Executive Vice President and Executive Officer
Mikio OKUMURA
(Sompo International Holdings Ltd. Chief Executive Officer)
Strategy



Group Co-CDO
Group CIO
Executive Vice President and Executive Officer
Hiroshi OMATA
Digital・IT



Group CHRO
Executive Vice President and Executive Officer
Shinichi HARA
Human Resources



Group CFO
Group Co-CSO
Executive Vice President and Executive Officer
Masahiro HAMADA
Finance・Strategy



Group CDO
Executive Vice President and Executive Officer
Koichi NARASAKI
Digital



Group CRO
Senior Vice President and Executive Officer
Takashi IZUHARA
Risk Management

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, Internal Audit Department Takato UDO

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

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The Group will work to improve its corporate value by evolving the role it should play, and aim to solve social issues and realize a sustainable society, as well as aim to embody the group management philosophy while incorporating the voices of its diverse stakeholders.

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 FY2020 are as follows.

<table>
<tr><th colspan="2"></th><th>Calculation method</th></tr>
<tr><td rowspan="4">Adjusted profit by business segment[*1]</td><td>Domestic P&C Insurance Business[*2]</td><td>Net income for the period
＋Provisions for catastrophic loss reserve, etc. (after tax)
＋Provisions for reserve for price fluctuation (after tax)
－Gains/losses on sales of securities and impairment losses on securities (after tax)</td></tr>
<tr><td>Overseas Insurance Business</td><td>Net income for the period (including major non-consolidated subsidiaries)
Operating income[*4] for Sompo International</td></tr>
<tr><td>Domestic Life Insurance Business</td><td>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)</td></tr>
<tr><td>Nursing Care & Healthcare Business, etc.[*3]</td><td>Net income for the period</td></tr>
<tr><td colspan="2">Adjusted consolidated profit</td><td>Total of above adjusted profits</td></tr>
<tr><td colspan="2">Adjusted consolidated net assets</td><td>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]</td></tr>
<tr><td colspan="2">Adjusted consolidated ROE</td><td>Adjusted consolidated profit ÷ Adjusted consolidated net assets
(All values in the denominator are the average of the fiscal-year opening and closing balances.)</td></tr>
</table>

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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 Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, Sompo Japan Partners Inc., Mysurance Inc., Sompo Japan DC Securities Inc., Sompo Risk Management Inc., DeNA SOMPO Mobility Co., Ltd., akippa Inc., DeNA SOMPO Carlife Co., Ltd., Prime Assistance Inc. and Sompo Warranty Inc.
*3 Total of Sompo Care Inc., Sompo Health Support Inc., Sompo Asset Management Co., Ltd., Palantir Technologies Japan K.K., FRESHHOUSE Co., Ltd. and Wellness Communications Corporation
*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 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Ordinary income	3,419,530	3,770,052	3,643,040	3,760,366
Ordinary profit	241,713	141,890	198,959	192,451
Net income attributable to shareholders of the parent	166,402	139,817	146,626	122,515
Comprehensive income	226,949	177,754	(54,460)	(77,806)
Net assets	1,868,940	1,916,210	1,779,911	1,612,584
Gross assets	11,931,135	11,948,323	12,018,254	11,977,836

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

Category	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	71,611	117,740	126,491	113,545
Dividends received	63,835	107,600	113,800	104,308
Subsidiaries, etc., engaged in the insurance business	62,100	107,400	113,560	101,200
Other subsidiaries, etc.	1,735	200	240	3,108
Net income (loss) for the period	61,522	106,900	111,321	95,449
Net income (loss) per share for the period	154.96 yen	276.31 yen	297.81 yen	260.31 yen
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	993,534	1,008,519	1,027,464	1,043,723
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	794,572	791,606	791,389	791,389
Stocks, etc., in other subsidiaries, etc.	102,400	101,330	103,065	124,328

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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

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	27,425	26,332	(1,093)
Overseas insurance business	6,533	6,679	146
Domestic life insurance business	2,916	2,661	(255)
Nursing care & healthcare business	11,392	10,963	(429)
Others (Insurance holding company, etc.)	1,121	900	(221)
Total	49,387	47,535	(1,852)

Notes:

1. The number of employees includes those who are concurrently serving at the Group companies. Persons seconded from the Group to another company have been excluded, and persons seconded from another company to the Group have been included. Although the number of employees were calculated uniformly by including employees who were concurrently serving at the parent company and at the Group companies in employees serving at the parent company as for the end of the previous period, from the end of the current period, we have changed to a calculation method in accordance with the ratio of concurrent service.
2. All the number of employees of the Company is included under “Others (Insurance holding company, etc.)”

(5) Status of Major Lenders to the Corporate Group

None.

(6) Status of Funding to the Corporate Group

None.

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(7) Status of Capital Investment

A. Gross Capital Investment

Business Segment	Amount
Domestic P&C insurance business	(Millions of yen) 17,583
Overseas insurance business	8,397
Domestic life insurance business	912
Nursing care & healthcare business	4,837
Others (Insurance holding company, etc.)	151
Total	31,882

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, 2020)

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	99.9% (99.9%)	Note 2
Sompo Japan Nipponkoa Insurance Services Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	100 million yen	100.0% (100.0%)	—
Mysurance Inc.	Shinjuku-ku Tokyo	Small-amount, short-term insurance	Jul. 17, 2018	1,250 million yen	100.0% (100.0%)	Note 3
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%)	—
Endurance Specialty Insurance Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Nov. 30, 2001	USD 12,000 thousand (1,305 million yen)	100.0% (100.0%)	—
Endurance Assurance Corporation	Wilmington Delaware (USA)	Overseas insurance	Sep. 5, 2002	USD 5,000 thousand (544 million yen)	100.0% (100.0%)	—
Endurance Worldwide Insurance Limited	London (UK)	Overseas insurance	Apr. 10, 2002	GBP 215,967 thousand (28,792 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%)	—
Sompo Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas insurance	Mar. 30, 2001	TRY 195,498 thousand (3,231 million yen)	100.0% (100.0%)	Note 4

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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 (60,390 million yen)	100.0% (100.0%)	—
Sompo Insurance Singapore Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Dec. 14, 1989	SGD 278,327 thousand (21,255 million yen)	100.0% (100.0%)	—
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas insurance	Sep. 22, 1980	MYR 118,000 thousand (2,968 million yen)	70.0% (70.0%)	—
PT Sompo Insurance Indonesia	Jakarta (Indonesia)	Overseas insurance	Dec. 16, 1975	IDR 494,940,000 thousand (3,316 million yen)	80.0% (80.0%)	—
Sompo Insurance China Co., Ltd.	Dalian (China)	Overseas insurance	May 31, 2005	CNY 600,000 thousand (9,186 million yen)	100.0% (100.0%)	—
Sompo Insurance (Hong Kong) Company Limited	Hong Kong (China)	Overseas insurance	Mar. 25, 1977	HKD 270,000 thousand (3,790 million yen)	97.8% (97.8%)	—
Sompo Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Oct. 8, 1943	BRL 1,010,832 thousand (21,176 million yen)	99.9% (99.9%)	—
Sompo Himawari Life Insurance Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7 1981	17,250 million yen	100.0%	Note 5
Sompo Care Inc.	Shinagawa-ku Tokyo	Nursing care & healthcare	May 26, 1997	3,925 million yen	100.0%	—
Sompo Health Support Inc.	Chiyoda-ku Tokyo	Nursing care & healthcare	Oct. 1, 2018	10 million yen	100.0%	—
SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.	Chuo-ku Tokyo	Others (Asset management)	Feb. 25, 1986	1,550 million yen	100.0%	—
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%)	—
Sompo Risk Management Inc.	Shinjuku-ku Tokyo	Others (Risk management)	Nov. 19, 1997	30 million yen	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
(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 (5,375 million yen)	34.6% (34.6%)	—
AYA SOMPO Insurance Company Limited	Yangon (Myanmar)	Overseas insurance	Jul. 12, 2018	MMK 63,636,241 thousand (4,995 million yen)	15.0% (15.0%)	Note 6
Palantir Technologies Japan K.K.	Minato-ku Tokyo	Others (Software sales)	Oct. 15, 2019	5,432 million yen	50.0%	Note 7
DeNA SOMPO Mobility Co., Ltd.	Shibuya-ku Tokyo	Others (C2C car sharing)	Mar. 1, 2019	100 million yen	49.0%	Note 8
akippa Inc.	Osaka City Osaka	Others (Parking space sharing)	Feb. 2, 2009	100 million yen	33.5%	Note 9
DeNA SOMPO Carlife Co., Ltd.	Shibuya-ku Tokyo	Others (Private car leasing)	Mar. 25, 2019	100 million yen	39.0%	Note 10

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method.
2. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED and Sonpo 24 Insurance Company Limited, both consolidated subsidiaries of the Company, merged on July 1, 2019, with SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED as the surviving company. As a result, Sonpo 24 Insurance Company Limited ceased to be a consolidated subsidiary of the Company.
3. Mysurance Inc., a subsidiary of the Company, became a consolidated subsidiary of the Company, due to its increased significance.
4. Sompo Japan Sigorta Anonim Sirketi, a consolidated subsidiary of the Company, changed its company name to Sompo Sigorta Anonim Sirketi on May 28, 2019.
5. Sompo Japan Nipponkoa Himawari Life Insurance, Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Himawari Life Insurance Inc. on October 1, 2019.
6. Sompo Japan Nipponkoa Insurance Inc., a consolidated subsidiary of the Company, acquired 15.0% of the total number of shares outstanding of AYA

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Myanmar General Insurance Company Limited (currently AYA SOMPO Insurance Company Limited) located in Myanmar, on September 13, 2019. With the approval from the local authority obtained by AYA Myanmar General Insurance Company Limited (currently AYA SOMPO Insurance Company Limited) on November 28, 2019, the Company made AYA Myanmar General Insurance Company Limited (currently AYA SOMPO Insurance Company Limited) an affiliate accounted for under the equity-method of the Company.

7. The Company acquired 50.0% of the total number of shares outstanding of Palantir Technologies Japan K.K. on November 15, 2019, making it an affiliate accounted for under the equity-method of the Company.
8. The Company acquired 49.0% of the total number of shares outstanding of DeNA SOMPO Mobility Co., Ltd. on April 15, 2019, making it an affiliate accounted for under the equity-method of the Company.
9. The Company acquired 33.5% of the total number of shares outstanding of akippa Inc. on October 1, 2019, making it an affiliate accounted for under the equity-method of the Company.
10. The Company acquired 39.0% of the total number of shares outstanding of DeNA SOMPO Carlife Co., Ltd. on April 16, 2019, making it an affiliate accounted for under the equity-method of the Company.
11. 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.
12. 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

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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. Sompo Japan Nipponkoa Insurance Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan Insurance Inc. on April 1, 2020.
B. Sompo Japan Nipponkoa Insurance Services Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan Partners Inc. on April 1, 2020.
C. SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., a consolidated subsidiary of the Company, changed its company name to Sompo Asset Management Co., Ltd. on April 1, 2020.
D. Sompo Japan Nipponkoa DC Securities Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan DC Securities Inc. on April 1, 2020.

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II. Matters Relating to Company Executives

(1) Overview of Company Executives

A. Directors

(As of March 31, 2020)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo SAKURADA	Director	Director of Sompo Japan Nipponkoa Insurance Inc. Chairman of Keizai Doyukai (Japan Association of Corporate Executives)	Note 1
Shinji TSUJI	Director	Director of Sompo Himawari Life Insurance Inc.	—
Masaki HANAWA	Director Member of the Audit Committee	—	Note 2
Hidenori HANADA	Director Member of the Audit Committee	—	Note 2, Note 3
Sawako NOHARA	Director (outside) Member of the Compensation Committee (chair) Member of the Nomination Committee	Representative Director, President of IPSe Marketing, Inc. Outside Director of JAPAN POST BANK Co., Ltd. Outside Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. Member of the Board (Outside) of Daiichi Sankyo Co., Ltd.	Note 4
Isao ENDO	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director)	Note 4
Tamami MURATA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	Attorney at law	Note 4
Scott Trevor DAVIS	Director (outside) Member of the Nomination Committee (chair) Member of the Compensation Committee	Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director)	Note 4

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Naoki YANAGIDA	Director (outside) Member of the Audit Committee (chair)	Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of Kusuri No Aoki Holdings Co., Ltd. (Outside Director)	Note 4
Hideyo UCHIYAMA	Director (outside) Member of the Audit Committee	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 4, Note 5
Atsuko MURAKI	Director (outside) Member of the Audit Committee	Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director)	Note 4

Notes:

1. Sompo Japan Nipponkoa Insurance Inc., at which Mr. Kengo SAKURADA concurrently holds a significant position, changed its company name to Sompo Japan Insurance Inc. on April 1, 2020.
2. In order to ensure the effectiveness of audits, the Company needs an extensive range of accurate information collected by internal directors who are well-versed in the Group's internal organization and execution of business. For this reason, the Company has elected Mr. Masaki HANAWA and Mr. Hidenori HANADA as full-time members of the Audit Committee.
3. 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.
4. 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.
5. 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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B. Executive Officers

(As of March 31, 2020)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo SAKURADA	Group CEO, President and Representative Executive Officer Responsibilities in the Company: Overall management of the Group's operations (Chief Executive Officer)	Director of Sompo Japan Nipponkoa Insurance Inc. Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)	Note 1
Shinji TSUJI	Group COO, Group CBO, Deputy President and Representative Executive Officer Responsibilities in the Company: Overall management of the Group's operations(Chief Operating Officer), the Group's brand area (Chief executive)	Director of Sompo Himawari Life Insurance Inc.	—
Keiji NISHIZAWA	CEO of Domestic P&C Insurance Business, Executive Officer Responsibilities in the Company: Domestic P&C Insurance Business (Chief executive)	Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Insurance Inc.	Note 1
John R. CHARMAN	CEO of Overseas Insurance and Reinsurance Business, Executive Officer Responsibilities in the Company: Overseas Insurance Business (Chief executive)	Director of Endurance Specialty Insurance Ltd. Executive Chairman of the Board of Sompo International Holdings Ltd.	—
Yasuhiro OBA	CEO of Domestic Life Insurance Business, Executive Officer Responsibilities in the Company: Domestic Life Insurance Business (Chief executive)	Representative Director, President and Chief Executive Officer of Sompo Himawari Life Insurance, Inc.	—
Satoshi KASAI	CEO of Nursing Care & Healthcare Business, Executive Officer Responsibilities in the Company: Nursing Care & Healthcare Business (Chief executive)	Representative Director, Chief Executive Officer of Sompo Care Inc.	—
Nigel FRUDD	Senior Executive Vice President and Executive Officer Responsibilities in the Company: Chairman of Overseas M&A	—	Note 2
Masahiro HAMADA	Group CFO, Group Co-CSO, Group CIO, Executive Vice President and Executive Officer Responsibilities in the Company: The Group's finance (Chief executive),	Director of Sompo Care Inc.	Note 3

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
	the Group's strategy (Joint chief executive, primarily in charge of group-wide and domestic strategies), the Group's IT (Chief executive)		
Mikio OKUMURA	Group Co-CSO , Executive Vice President and Executive Officer Responsibilities in the Company: The Group's strategy (Joint chief executive, primarily in charge of overseas strategies)	Chief Executive Officer of Sompo International Holdings Ltd.	—
Koichi NARASAKI	Group CDO, Executive Vice President and Executive Officer Responsibilities in the Company: The Group's digital strategy (Chief executive)	CEO of Palantir Technologies Japan K.K.	—
Takashi IZUHARA	Group CRO, Senior Vice President and Executive Officer Responsibilities in the Company: The Group's risk management, internal control and internal audit (Chief executive)	—	—
Shinichi HARA	Group CHRO, Executive Vice President and Executive Officer General Manager of Human Resources Department Responsibilities in the Company: The Group's human resources (Chief executive)	—	—
Yuji KAWAUCHI	Executive Vice President and Executive Officer General Manager of Global Business Planning Department	Director of Sompo International Holdings Ltd.	—
Yasunori KURODA	Senior Vice President and Executive Officer General Manager of Accounting Department	—	—
Takuto KOBAYASHI	Senior Vice President and Executive Officer General Manager of Innovation for Aging & Wellness Department	Director and Executive Officer, CSO of Sompo Care Inc.	—
Katsuyuki TAJIRI	Senior Vice President and Executive Officer Responsibilities in the Company: Retail Platform in Istanbul	Director of Sompo International Holdings Ltd. Director of Sompo Seguros S.A.	—
Takato UDO	Senior Vice President and Executive Officer	—	—

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
	Responsibilities in the Company: General Manager to Office of Group CEO		
Koji ISHIKAWA	Senior Vice President and Executive Officer General Manager of Secretarial Department	—	—

Notes:

1. Sompo Japan Nipponkoa Insurance Inc., at which Mr. Kengo SAKURADA and Mr. Keiji NISHIZAWA concurrently hold significant positions, changed its company name to Sompo Japan Insurance Inc. on April 1, 2020.
2. Mr. Nigel FRUDD took office as Chairman of Overseas M&A and Special Advisor to Group CEO of the Company as of April 1, 2020.
3. Mr. Masahiro HAMADA took office as Group CFO and Group Co-CSO, and Executive Vice President and Executive Officer of the Company as of April 1, 2020.
4. Mr. Hiroshi OMATA took office as Group Co-CDO and Group CIO, and Executive Vice President and Executive Officer of the Company as of April 1, 2020.

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(2) Remuneration, etc., for Officers

Category		Number of Persons Receiving 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	Directors (excluding outside directors)	8	126 million yen	120 million yen	5 million yen	—	—
	Outside directors	7	104 million yen	104 million yen	—	—	—
Audit & supervisory board members	Audit & supervisory board members (excluding outside audit & supervisory board members)	2	15 million yen	15 million yen	—	—	—
	Outside audit & supervisory board members	3	10 million yen	10 million yen	—	—	—
Executive officers		16	1,197 million yen	482 million yen	510 million yen	204 million yen	—
Total		36	1,454 million yen	733 million yen	516 million yen	204 million yen	—

Notes:

1. The Company has changed its governance structure from “Company with audit & supervisory board” to “Company with committees, such as Nomination Committee” at the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019. In accordance with this change, the number of persons receiving payment, total remuneration, etc., and total amount per type of remuneration, etc. applicable under “Audit & supervisory board members (excluding outside audit & supervisory board members)” and “Outside audit & supervisory board members” listed above indicate the number of audit & supervisory board members who have been in office during the period between April 1, 2019 and June 24, 2019 and the total amount of consideration for duties performed.
2. The number of persons receiving payment, total remuneration, etc. and total amount per type of remuneration, etc. for each respective officer category include the number of and

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amount for two directors who resigned as of March 31, 2019 and four directors who retired at the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019.

3. The total remuneration, etc. for “Directors (excluding outside directors)” includes remuneration for the position as director and remuneration for the position as executive officer paid for directors who concurrently served as executive officer from April 1, 2019 to June 24, 2019, and remuneration for directors without a concurrent role as executive officer from the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019 to March 31, 2020. Furthermore, remuneration for the position as executive officer paid for directors serving concurrently as executive officer is 73 million yen (67 million yen in fixed remuneration (monthly remuneration), and 6 million yen in performance-linked remuneration), and there are six officers receiving this remuneration.
4. The total remuneration, etc. for “Executive officers” includes remuneration for the position as director paid for executive officers who concurrently served as director from the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019 to March 31, 2020. Of the executive officers, there are two officers receiving the remuneration of directors.
5. Fixed remuneration (monthly remuneration) is paid in cash.
6. 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).
7. 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.
8. All remuneration of directors, audit & supervisory board members, and executive officers are the remuneration, etc. paid by the insurance holding company, and no remuneration is paid by the parent company, etc. of the insurance holding company.

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Method of Determining Policies on Decisions Pertaining to the Amounts of Remuneration for Officers or its Calculation Method, and Outline of the Contents of the Policies

1. Positioning of Remuneration System for Officers

The Company regards its remuneration system for officers as an important aspect of corporate governance. The remuneration system for officers has been configured with the aim of increasing corporate value and sharing interests with shareholders. The aforementioned system is based on the basic policies outlined below, and has been designed from an objective perspective by the Compensation Committee, which is chaired by an outside director.

The Company's Policies on Decisions Pertaining to Remuneration for Officers describes the Basic Policies on Remuneration for Officers, the composition of remuneration and how it is determined for each position, and the details of each type of remuneration.

Basic concept of Compensation for Directors and Executive Officers (Group-wide policy)

(1) The level and system of compensation ensures acquisition and retention of top talent as management of the Group.

(2) The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.

(3) Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.

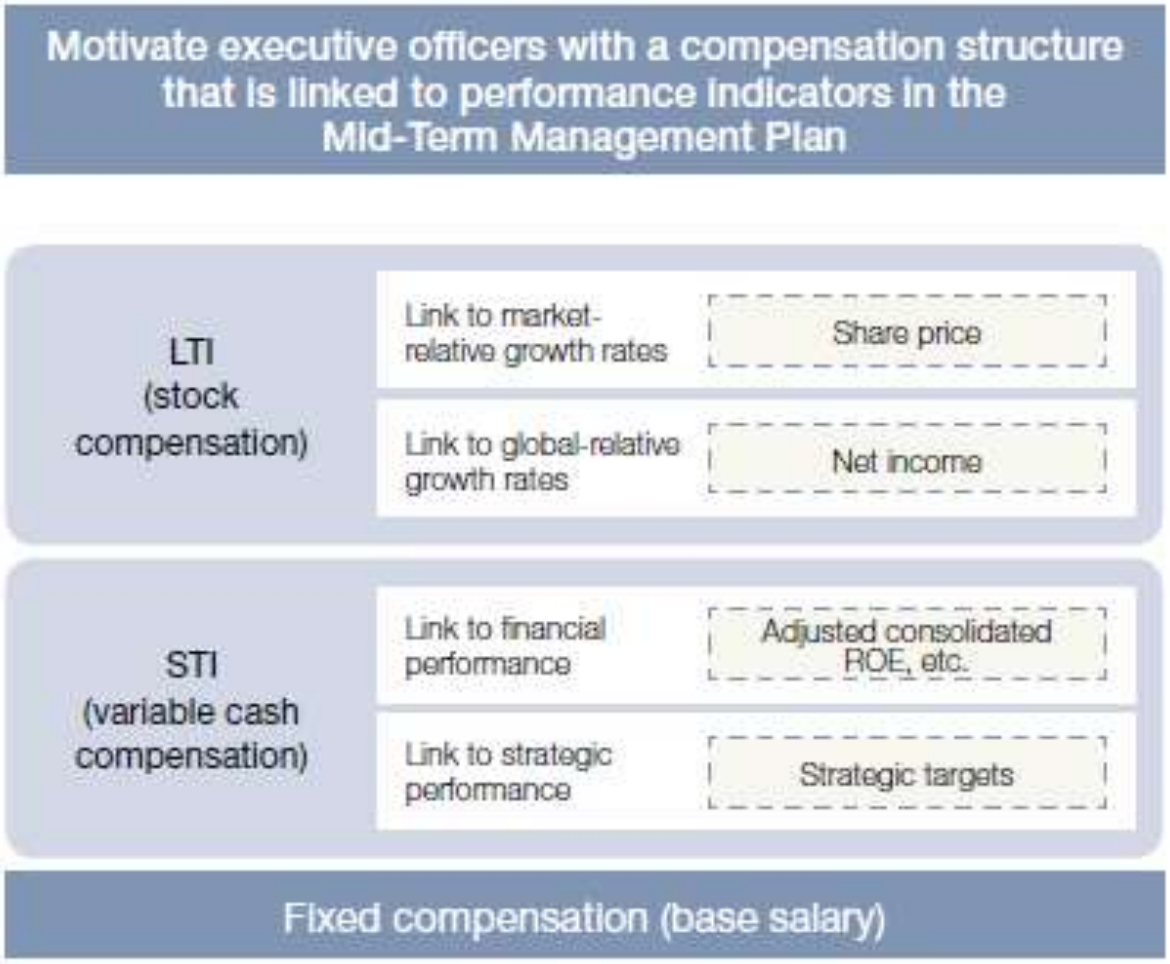
(4) Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments. Additionally, fixed factors associated with specific job title or position may be taken into consideration.

(5) The compensation system of the Company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.

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2. The Company's Remuneration System for Officers

The Company considers the current Mid-Term Management Plan as an opportunity for transformation of each business and the entire Group. Remuneration for officers linked to the Company's performance, the magnitude of the mission toward the achievement of transformation, and initiatives related thereto are recognized as an important facet of corporate governance underpinning this transformation.

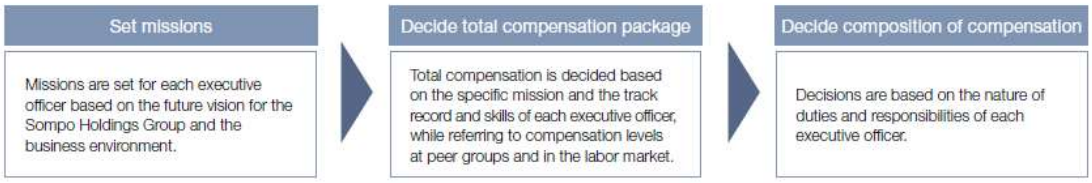


The Company, based on the principle of being mission-driven and results-oriented, is of the opinion that each officer should demonstrate and act in accordance with their own duties and mission. Remuneration for these officers is not a fixed amount based on their duties or position, but decided in accordance with the magnitude of the mission they are undertaking for the future and the outcome of their efforts. The system for remuneration for officers was designed with this philosophy in mind.

(1) Decision-making process for total remuneration packages

The Company sets remuneration levels on an individual basis with consideration made to the magnitude of the mission assigned to each officer and their own personal performance. This is in contrast to an approach whereby remuneration is determined according to a traditional remuneration table for each officer rank.

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(2) Composition of remuneration for officers

Remuneration for officers consists of a fixed remuneration (monthly remuneration) based on the duties and responsibilities of each officer and a variable component linked to performance. Variable remuneration comprises performance-linked remuneration, which is remuneration linked to short-term performance paid out on a fiscal-year basis in accordance with performance during each year, and performance-linked stock compensation, which is remuneration linked to long-term performance in order to increase the association between remuneration and growth in corporate value over the medium-to-long term. This composition is designed to motivate officers to make decisions based on longer-term earnings with a greater awareness of the share price, instead of focusing solely on a single fiscal year.

Outline of Executive Compensation Structure at Sompo Holdings

	Type of compensation	% of total		Remarks
		CEO	Other executive officers	
Fixed compensation	Base salary	37.5%	50%–70%	• Set for each individual in accordance with the responsibilities and duties of their assigned post • Cash compensation paid monthly
Variable compensation	STI (annual bonus)	37.5%	15%–25%	• In addition to a set standard amount, payment amount is decided based on annual performance and achievements • Assessment of each executive officer's achievement of financial targets and strategic targets • Paid in cash in June after the conclusion of the fiscal year
	LTI (restricted stock)	25.0%	15%–25%	• Number of shares granted based on medium-to-long-term performance in order to align management with the interests of shareholders and facilitate the longer-term growth of the Group • Reference is made to the profit growth rates of peer companies and share price performance relative to TOPIX over the past three fiscal years • Points based on a trust agreement are awarded in September after the conclusion of the fiscal year; Stock is granted after retirement
	Subtotal	62.5%	30%–50%	
Total		100%	100%	

(3) Concepts on each of the remuneration elements and calculation method

■Fixed Remuneration (Monthly Remuneration)

The Company sets fixed remuneration (monthly remuneration) in accordance with the responsibilities of the post assigned to each officer, and paid in equal amounts each month, in principle.

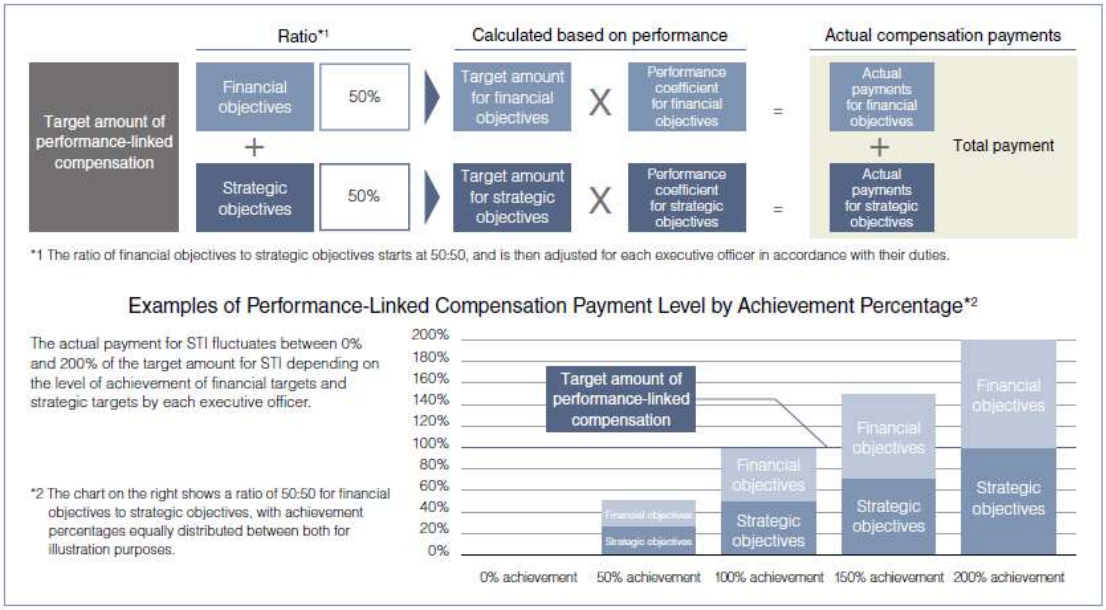
The amount of fixed remuneration (monthly remuneration) is set at a level deemed fair in light of prevailing remuneration levels on the market, referring to a survey of remuneration for officers conducted by a third-party remuneration consulting firm, with a standard amount for the total remuneration package based on the post grading system (rating by post), as well as a base amount that depends on the nature of the duties and responsibilities of each officer while considering the mission of each post.

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■Performance-linked Remuneration

The Company has put in place a performance-linked remuneration system that rewards officers based on the business contributions they made in a single fiscal year, as well as establishing a framework that incentives officers to improve performance for the sake of the Group's growth, while aligning the remuneration system for officers to business strategies.

- Performance-linked remuneration is determined by reflecting the degree of achievement toward financial targets and strategic targets in a single fiscal year in the base amount of performance-linked remuneration.
- The target amount of performance-linked remuneration is defined as the amount to be paid when financial targets and strategic targets are achieved. This base amount is determined for each officer individually.
- Performance-linked remuneration consists of financial performance-linked remuneration and strategic performance-linked remuneration. The ratio of the two components is determined by the Compensation Committee in accordance with the nature of the mission assigned to each officer.
- The performance metrics for financial targets include adjusted consolidated ROE in the fiscal year, and the coefficient is determined as a ratio of actual performance to target performance (numerical targets in the business plan).
- The performance metrics for strategic targets are those agreed upon by the Group CEO, or other senior executives (such as Business Owners) in charge of evaluating performance, in accordance with the mission assigned to the officer in question, and the coefficient is set according to the degree of achievement.



■Performance-linked Stock Compensation

Performance-linked stock compensation mirrors the Company's medium-to-long-term performance. This stock-based compensation depends on the Company's share price performance relative to TOPIX (stock value), as well as the Company's rate of growth in net income compared with growth rates at global peers with operations centered on the insurance business (consolidated performance).

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- Performance-linked stock compensation is determined using market comparisons for medium-to-long-term stock value and consolidated performance, expressed as a number of standard points for performance-linked stock compensation.
- The coefficient for stock value is determined by referring to the Company's share price performance relative to TOPIX over the past three fiscal years.
- The coefficient for consolidated performance is determined by comparing the Company's growth rate in consolidated net income over the past three fiscal years with the profit growth rates of global peers with operations centered on the insurance business.



The Group's "Policies on Decisions Pertaining to Remuneration for Officers" are as follows:

<Policies on Decisions Pertaining to Remuneration for Officers>

The Company regards compensation for Directors and Executive Officers as important matter from the viewpoints of improving business performance and corporate value, and sets policies for determining compensation for Directors and Executive Officers as follows:

(1) Basic concept of Compensation for Directors and Executive Officers (Group-wide policy)

(i)The level and system of compensation ensures acquisition and retention of top talent as management of the Group.
(ii)The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.
(iii)Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.
(iv)Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments. Additionally, fixed factors associated with specific job title or position may be taken into consideration.
(v)The compensation system of the Company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.

(2) Compensation system for Directors and Executive Officers

The following is applied to the Company's compensation system for Directors and Executive Officers. However, in case there is a justifiable reason for not applying the following, the amount and composition of compensation are determined individually by the Compensation Committee.

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(i) Composition and determination method of Directors' compensation

Compensation for Directors shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation. With regard to monthly compensation, performance-linked compensation and performance-linked stock compensation, fixed amount shall be determined for monthly compensation, while a base amount and the number of base point (one point = one common share of the Company) shall be determined for performance-linked compensation and performance-based stock compensation, depending on whether the Director is an Outside Director or not, and whether the Director is a full-time or a part-time Director.
However, performance-linked compensation and performance-linked stock compensation are not paid to non-executive Directors.
Any Director who also serves as an Executive Officer shall be paid with the sum of the compensation for Director and the compensation for Executive Officer.
The overview of the performance-linked compensation and performance-linked stock compensation is described below in (iii) and (iv).

(ii) Composition and determination method of Executive Officers' compensation

Compensation for Executive Officers shall consist of monthly compensation, performance-linked compensation and performance-linked stock compensation. The amount and composition of compensation for Executive Officers are determined based on the business environment and market average executive compensation, reflecting the magnitude of the mission, strategic importance thereof, achievements and skills.
Additionally, fixed amount shall be determined for monthly compensation, while base amount and the number of base point (one point = one common share of the Company) shall be determined for performance-linked compensation and performance-linked stock compensation.

(iii) Performance-linked compensation

The Company has introduced performance-linked compensation system to align compensation for Directors and Executive Officers and business strategy and heighten the Directors' and Executive Officers' awareness of performance improvement for the Group's growth. The overview of the system is described below.

- Performance-linked compensation shall be determined by reflecting the degree of achievement of financial target and strategic target for a single fiscal year in the base amount of performance-linked compensation.
- The base amount of performance-linked compensation is defined as the amount to be paid when financial target and strategic target are achieved. This base amount is determined individually for each Director and Executive Officer.
- Performance-linked compensation consists of financial performance-linked compensation and strategic performance-linked compensation, and the allocation ratio of each base amount is determined by the Compensation Committee in accordance with the nature of the mission of each Director and Executive Officer.
- Performance indicators that are applied to financial target are adjusted consolidated ROE and others for the fiscal year and the coefficient is determined according to the actual figures vs. target figures (numerical target in business plan).
- Performance indicators that are applied to strategic target are the indicators

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agreed by the Group CEO, Business CEO or other Director or Executive Officer responsible for evaluation in accordance with the mission of each Director or Executive Officer, and the coefficient is determined according to the degree of the achievement.

(iv)Performance-linked stock compensation

The company introduced performance-linked stock compensation system using employee benefit trust to increase correlation between compensation and increase in corporate value over the mid-to-long term. The overview of the system is described below.

・Performance-linked stock compensation shall be determined by reflecting the mid-to-long term stock value and consolidated performance against market averages in the number of base point for performance-linked stock compensation.
・Coefficient for stock value relative to market averages shall be determined by comparing the growth rate of the Company's stock value over the past 3 (three) fiscal years to the TOPIX growth rate.
・Coefficient for consolidated performance relative to global averages shall be determined by comparing the growth rate of the Company's consolidated net income over the past 3 (three) fiscal years to the growth rate of peer groups (global companies in the insurance industry and others).
・Coefficient that are applied when paying performance-linked stock compensation is calculated by adding the above-mentioned coefficient for stock value and coefficient for consolidated performance, and the payment points are calculated by multiplying the number of base point for performance-linked stock compensation by the coefficient for performance-linked stock compensation.

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(3) Contracts for Limitation of Liability

Name	Overview of the Contracts for Limitation of Liability
Sawako NOHARA (Director (outside))	The Articles of Incorporation of the Company stipulate that according to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into a contract with outside directors to limit liability for damages caused by failure to perform duties (contract for limitation of liability) and that the limit of liability based on the contract for limitation of liability shall be the amount stipulated by laws and regulations. Based on the provisions of the Articles of Incorporation, the Company has entered into a contract for limitation of liability with outside directors.
Isao ENDO (Director (outside))	
Tamami MURATA (Director (outside))	
Scott Trevor DAVIS (Director (outside))	
Naoki YANAGIDA (Director (outside))	
Hideyo UCHIYAMA (Director (outside))	
Atsuko MURAKI (Director (outside))	

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III. Matters Relating to Outside Officers

(1) Concurrently Held Positions and Other Circumstances of Outside Officers

(As of March 31, 2020)

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) Member of the Board (Outside) of Daiichi Sankyo Co., Ltd. (Outside Director)
Isao ENDO (Director (outside))	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director)
Tamami MURATA (Director (outside))	—
Scott Trevor DAVIS (Director (outside))	Member of the Board of Bridgestone Corporation (Outside Director)
Naoki YANAGIDA (Director (outside))	Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of KUSURI NO AOKI HOLDINGS CO., LTD. (Outside Director)
Hideyo UCHIYAMA (Director (outside))	Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)
Atsuko MURAKI (Director (outside))	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 Officers

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Sawako NOHARA (Director (outside))	6 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 9 times out of 9 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 strategy development with a degree of maturity of each Group business in mind, and points requiring attention in managing large-scale system development. As chairperson of the Compensation Committee, she leads the way into organizing discussions regarding the assessment and compensation structure of officers of the Group, while making valuable remarks and statements on the nomination policy of officers of the Group as a member of the Nomination Committee. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.
Isao ENDO (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 9 times out of 9 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 sharing information for the purpose of understanding the status of the executive sector, and points requiring attention in putting the group management philosophy into practice. As a member of each of the Nomination Committee and the 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 and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Tamami MURATA (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 9 times out of 9 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 new business opportunities that can assist the Group's sustainable growth, and points requiring attention regarding personnel management in the nursing care business. As a member of each of the Nomination Committee and the 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 and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.
Scott Trevor DAVIS (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 9 times out of 9 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 developing an optimal governance structure in order to put the Group's management strategy into practice, and points requiring attention when transferring authority to the executive sector. As chairperson of the Nomination Committee, he leads the way into organizing discussions regarding nomination policy of the officers of the Group, while making valuable remarks and statements on the assessment and compensation structure of officers of the Group as a member of the Compensation Committee. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Naoki YANAGIDA (Director (outside))	5 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 11 times out of 11 meetings Meetings of the Audit & Supervisory Board: Attended 3 times out of 3 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as points requiring attention when examining a review on the internal audit system, and how the contents of deliberations by the Audit Committee ought to be reported to the Board of Directors. As chairperson of the Audit Committee, he leads the way into strengthening the Group's audit system, while making valuable remarks and statements regarding executive sector audits including how an organizational structure and educational system required for the thorough compliance with laws and regulations ought to be developed. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.
Hideyo UCHIYAMA (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 11 times out of 11 meetings Meetings of the Audit & Supervisory Board: Attended 3 times out of 3 meetings	Based on his professional knowledge as a certified public accountant, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of examining the effects when evaluating plans for large-scale system development, and points requiring attention when carrying out the development of the structure of the executive sector. As a member of the Audit Committee, he makes valuable remarks and statements regarding executive sector audits including the adequacy of accounting treatments when investing in new fields, assessment criteria at the time of evaluating investment effectiveness, and points requiring attention when developing a global-scale internal control system. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Atsuko MURAKI (Director (outside))	2 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 11 times out of 11 meetings Meetings of the Audit & Supervisory Board: Attended 3 times out of 3 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 on a broad range of matters such as the importance of practical analysis and examination that contribute to improving the service quality and productivity in the nursing care business. As a member of the Audit Committee, she makes valuable remarks and statements regarding executive sector audits including initiatives for adequately utilizing the function of the internal reporting system, and what aspects ought to be considered to maintain policies on recruitment and development in order to effectively secure human resources with a high level of expertise. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

Note: Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Ms. Atsuko MURAKI served as audit & supervisory board members until the conclusion of the 9th General Meeting of Shareholders held on June 24, 2019. The number of meetings of the Board of Directors attended by each of them includes three times of attendance as audit & supervisory board members. In addition, both the number of meetings of the Audit & Supervisory Board attended by each of them during the period in which the Company had been a “Company with audit & supervisory board,” and the number of meetings of the Audit Committee attended by each of them subsequent to the shift to a “Company with committees, such as Nomination Committee” are specified additionally in the above table. The terms of office as outside audit & supervisory board members of Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA, and Ms. Atsuko MURAKI are five years, two years, and two years, respectively, which are included in their respective terms of office in the above table.

(3) Remuneration of Outside Officers

Matters concerning remuneration of outside officers are as described in “II. Matters Relating to Company Executives, (2) Remuneration, etc., for Officers.”

(4) Opinion of Outside Officers

None.

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IV. Equity Shares

(1) Number of Shares

(As of March 31, 2020)

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

(2) Total Number of Shareholders at the End of the Current Fiscal Year: 42,646

(3) Major Shareholders

(As of March 31, 2020)

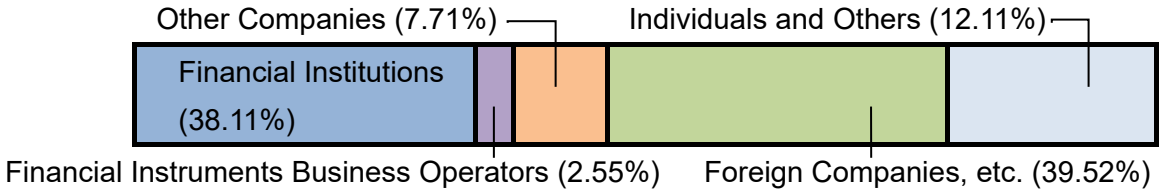
Name of Shareholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	30,431	8.33
JP MORGAN CHASE BANK 380055	23,572	6.46
Japan Trustee Services Bank, Ltd. (Trust account)	19,270	5.28
GOVERNMENT OF NORWAY	18,579	5.09
Japan Trustee Services Bank, Ltd. (Trust account 7)	9,743	2.67
Sompo Holdings Employee Shareholders Association	8,659	2.37
Japan Trustee Services Bank, Ltd. (Trust account 9)	8,327	2.28
NIPPON EXPRESS CO., LTD.	8,001	2.19
Japan Trustee Services Bank, Ltd. (Trust account 5)	7,554	2.07
JP MORGAN CHASE BANK 385151	5,972	1.64
Total	140,112	38.37

Notes:

1. In addition to the above, there are 8,152 thousand shares of treasury stock owned by the Company. The number of said treasury stock does not include 1,053 thousand shares of the Company's stock owned by Mizuho Trust & Banking Co., Ltd. (Retrustee: Trust & Custody Services Bank, Ltd. (Trust account E), which was set up for the purpose of the "Board Benefit Trust (BBT)" plan.
2. The portion of shares outstanding is calculated after deducting treasury stock (8,152 thousand shares).
3. 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.

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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: Noboru Miura Designated Member with limited liability: Hirotsugu Kamoshita Designated Member with limited liability: Makoto Kubodera	73 million yen	1) Reasons for the Audit Committee'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 Committee 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 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 585 million yen.

(2) Contract for Limitation of Liability

None.

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(3) Other Matters Concerning the Accounting Auditor

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

If the Audit Committee 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 Committee dismisses the accounting auditor pursuant to unanimous consent of all members of the Audit Committee.
The Audit Committee 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 Committee finds that the accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit Committee, in accordance with the provisions prescribed in Article 404, Paragraph 2 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 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.

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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 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.
The Group's "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 analyzing events occurring both inside and outside of the Group and seeking continually to improve, enhance and strengthen the internal control system.
- 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 reformed the Group's governance structure, including the transition to a company with committees (e.g., Nomination Committee), the establishment of the Global ExCo and Managerial Administrative Committee (MAC).
- In light of environmental changes occurring both inside and outside of the Company, the Company has reviewed the operation of the meeting of Council for CSR Promotion and constructed a structure led by the Group COO in order to deliberate on agendas concerning a broad scope of ESG and sustainability issues from a medium- to long-term perspective.

(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.

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- 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. In addition, the Company has revised its Group Compliance Code of Conduct with the aim of strengthening the basic action pertaining to the compliance of the Group's officers and employees.
- 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.
- 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. The Company also has registered itself with the Whistleblowing Compliance Management System (Self-Adaptation Declaration Registration System) to expand the scope of applicable cases and further enhance the whistleblower protection.
- 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, at its Managerial Administrative Committee (MAC), checks on the progress in the compliance promotion including the status of response to issues regarding compliance, and examines the adequacy of such initiatives.

(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 through deliberations by the Global ExCo with the Group Risk Appetite Statement as the starting point, and allocates its

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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, the Group CRO gains insight into and examines such risks comprehensively. Business owners, etc. subsequently develop and implement response measures against risks that are not sufficiently managed through a discussion by the Global ExCo, etc. in order to improve the effectiveness of risk control. The Company also appropriately controls “emerging risks” that may materialize or transform in the wake of environmental and other changes, and thus possibly have a significant impact on the Group going forward, by keeping an eye on signs of evolving into serious risks.
- The Company has allocated a Chief Group Actuary in order to strengthen the Group’s insurance actuarial functions.
- The Company has established the Group ERM Committee as a subordinate organization of the Global ExCo. The Group ERM Committee discusses on a Group-wide basis the important issues concerning the strategic risk management as well as material risks surrounding the Group.

(5) Structure for the Execution of Duties by Executive Officers

- 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 the Global ExCo and the Managerial Administrative Committee (MAC) in order to enhance the efficiency and effectiveness of resolutions by the Board of Directors.

(6) Audit System by the Audit Committee

- In order to ensure the effectiveness of audit by the Audit Committee, the Company establishes an Audit Committee Office that is independent from commands and orders given by executive officers, and appoints exclusive staff.
- The Company formulates rules concerning the reporting to the Audit Committee, 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 Committee.
- The Company ensures opportunities for the members of the Audit Committee selected by the Audit Committee to express opinions by attending important meetings.
- The Company ensures opportunities for the members of the Audit Committee or

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the Audit Committee to exchange information with the accounting auditor and internal audit sections on the audit results, etc.

・The Company convenes periodic meetings where the members of the Audit Committee meet with representative executive officers to exchange opinions regarding the recognition of the Group's important issues. The members of the Audit Committee also perform onsite audit, etc. at the Group companies, and exchange information with the representative, etc. and the members of the Audit Committee 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 2019 (As of March 31, 2020)

(Millions of yen)

Assets:	
Cash and deposits	925,014
Receivables under resale agreements	69,999
Monetary receivables bought	21,183
Money trusts	33,003
Securities	7,970,386
Loans	684,094
Tangible fixed assets:	374,393
Land	126,045
Buildings	135,333
Leased assets	71,969
Construction in progress	8,311
Other tangible fixed assets	32,734
Intangible fixed assets:	407,988
Software	18,822
Goodwill	172,665
Other intangible fixed assets	216,501
Other assets	1,428,879
Net defined benefit asset	186
Deferred tax assets	70,886
Allowance for possible credit losses	(8,179)
Total assets	11,977,836
Liabilities:	
Underwriting funds:	8,544,735
Reserve for outstanding losses and claims	1,558,502
Underwriting reserves	6,986,233
Corporate bonds	504,089
Other liabilities	1,091,499
Net defined benefit liability	94,094
Reserve for retirement benefits to directors	30
Reserve for bonus payments	32,969
Reserve for bonus payments to directors	702
Reserve for stocks payments	1,619
Reserves under the special laws:	95,387
Reserve for price fluctuation	95,387
Deferred tax liabilities	125
Total liabilities	10,365,252

Net assets:	
Common stock	100,045
Capital surplus	244,129
Retained earnings	788,922
Treasury stock	(38,842)
Total shareholders’ equity	1,094,254
Unrealized gains and losses on securities available for sale	578,261
Deferred gains and losses on hedges	5,593
Foreign currency translation adjustments	(83,214)
Remeasurements of defined benefit plans	2,103
Total accumulated other comprehensive income	502,743
Stock acquisition rights	551
Non-controlling interests	15,033
Total net assets	1,612,584
Total liabilities and net assets	11,977,836

Attachment (3)

Consolidated Statement of Income

For the fiscal year 2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

Ordinary income:	3,760,366
Underwriting income:	3,334,680
Net premiums written	2,825,482
Deposits of premiums by policyholders	113,703
Interest and dividend income on deposits of premiums, etc.	35,140
Life insurance premiums written	356,064
Other underwriting income	4,289
Investment income:	266,713
Interest and dividend income	204,135
Investment gains on money trusts	202
Investment gains on trading securities	324
Gains on sales of securities	90,376
Gains on redemption of securities	1,032
Other investment income	5,782
Transfer of interest and dividend income on deposits of premiums, etc.	(35,140)
Other ordinary income	158,973
Ordinary expenses:	3,567,915
Underwriting expenses:	2,839,225
Net claims paid	1,645,340
Loss adjustment expenses	130,144
Net commissions and brokerage fees	531,419
Maturity refunds to policyholders	212,156
Dividends to policyholders	101
Life insurance claims paid and other payments	94,610
Provision for reserve for outstanding losses and claims	8,394
Provision for underwriting reserves	212,208
Other underwriting expenses	4,848
Investment expenses:	48,166
Investment losses on money trusts	2,507
Losses on sales of securities	6,562
Impairment losses on securities	23,307
Losses on redemption of securities	455
Losses on derivatives	6,999
Investment losses on special account	1,925
Other investment expenses	6,408

Operating, general and administrative expenses	539,172
Other ordinary expenses:	141,350
Interest paid	14,166
Provision for allowance for possible credit losses	1,219
Losses on bad debt	54
Investment losses on the equity method	8,952
Other ordinary expenses	116,956
Ordinary profit	192,451
Extraordinary gains:	1,873
Gains on disposal of fixed assets	1,873
Extraordinary losses:	17,133
Losses on disposal of fixed assets	4,532
Impairment losses	2,672
Provision for reserves under the special laws:	4,664
Provision for reserve for price fluctuation	4,664
Other extraordinary losses	5,264
Net income before income taxes	177,191
Income taxes	71,733
Deferred income taxes	(17,729)
Total income taxes	54,004
Net income	123,187
Net income attributable to non-controlling shareholders	671
Net income attributable to shareholders of the parent	122,515

Attachment (4)

Non-Consolidated Balance Sheet

For the fiscal year 2019 (As of March 31, 2020)

(Millions of yen)

Assets:	
Current assets:	123,417
Cash and bank deposits	25,159
Prepaid expenses	119
Accounts receivable	97,881
Others	256
Fixed assets:	920,306
Tangible fixed assets:	254
Buildings	198
Tools, furniture and equipment	56
Investments and other assets:	920,051
Investment securities	4,204
Investments in subsidiaries and affiliates	915,717
Others	129
Total assets	1,043,723
Liabilities:	
Current liabilities:	34,336
Short-term loans payable to subsidiaries and affiliates	32,500
Accounts payable	945
Accrued expenses	7
Income taxes payable	8
Unearned income	18
Reserve for bonus payments	345
Reserve for bonus payments to directors	510
Others	0
Fixed liabilities:	1,846
Reserve for stocks payments	1,619
Deferred tax liabilities	29
Others	197
Total liabilities	36,182
Net assets:	
Shareholders' equity:	1,006,921
Common stock	100,045
Capital surplus:	611,976
Capital reserves	25,045
Other capital surplus	586,930
Retained earnings:	333,742
Other retained earnings:	333,742
Retained earnings carried forward	333,742
Treasury stock	(38,842)
Valuation and translation adjustments:	67
Unrealized gains and losses on securities available for sale	67
Stock acquisition rights	551
Total net assets	1,007,540
Total liabilities and net assets	1,043,723

Attachment (5)

Non-Consolidated Statement of Income

For the fiscal year 2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	104,308
Fees received from subsidiaries and affiliates	9,236
Total operating income	113,545
Operating expenses:	
Operating, general and administrative expenses	12,866
Total operating expenses	12,866
Operating profit	100,679
Non-operating income:	
Interest on securities	1
Gains on forfeiture of unclaimed dividends	34
Outsourcing service income	95
Office work fee	18
Interest on tax refund	24
Others	4
Total non-operating income	177
Non-operating expenses:	
Interest paid	7
Investment losses on investment partnerships	128
Foreign exchange losses	35
Others	13
Total non-operating expenses	185
Ordinary profit	100,671
Extraordinary gains:	
Gains on sales of stocks of subsidiaries and affiliates	1,240
Total extraordinary gains	1,240
Extraordinary losses:	
Losses on disposal of fixed assets	0
Impairment losses on investment securities	3,591
Losses on valuation of stocks of subsidiaries and affiliates	2,852
Total extraordinary losses	6,444
Net income before income taxes	95,467
Income taxes	17
Total income taxes	17
Net income	95,449

Independent Auditor's Report

May 18, 2020

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Hirotsugu Kamoshita
Designated Engagement Partner
Certified Public Accountant

Makoto Kubodera
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 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 notes to the consolidated financial statements of Sompo Holdings, Inc. (the "Company") applicable to the fiscal year from April 1,2019 to March 31,2020.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2020, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit Committee 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 such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

We have no interest in the Company and its consolidated subsidiaries which should be disclosed in accordance with the Certified Public Accountants Act.

Independent Auditor's Report

May 18, 2020

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Hirotsugu Kamoshita
Designated Engagement Partner
Certified Public Accountant

Makoto Kubodera
Designated Engagement Partner
Certified Public Accountant

Opinion

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, notes to the financial statements and the related supplementary schedules of Sompo Holdings, Inc. (the "Company") applicable to the 10th fiscal year from April 1,2019 to March 31,2020.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2020, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit Committee for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Conflicts of Interest

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

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Attachment (8)

Certified Copy of the Audit Report of the Audit Committee

Audit Report

The Audit Committee audited the duties as performed by the directors and executive officers for the 10th fiscal year from April 1, 2019 to March 31, 2020 (Note). The methods and results are reported as follows:

1. Audit Methods and Contents

The Audit Committee received reports periodically from directors, executive officers, and employees, etc. concerning the contents of Board of Directors resolutions regarding the matters set forth in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act as well as the status of the system developed under the said Board of Directors resolutions (internal control systems). We requested explanations if and when needed, made remarks and statements with respect thereto, and conducted the audit in the following manner:

(i) In accordance with the audit policy and audit plans, etc. established by the Audit Committee and in cooperation with the internal audit sections of the Company, the Audit Committee attended important meetings, received reports from directors and executive officers, etc. concerning the status of the performance of their duties, 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. 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 and executive officers, etc. and ERNST &YOUNG SHINNIHON LLC, and requested explanations if and when needed.

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(ii) 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’ and executive officers’ performance of their duties.

(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 and executive officers with respect to the internal control systems.

(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.

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(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, 2020

The Audit Committee, Sompo Holdings, Inc.

Naoki YANAGIDA, Chairperson of the Audit Committee (Outside Director)
Hidenori HANADA, Member of the Audit Committee (full-time)
Masaki HANAWA, Member of the Audit Committee (full-time)
Hideyo UCHIYAMA, Member of the Audit Committee (Outside Director)
Atsuko MURAKI, Member of the Audit Committee (Outside Director)

(Note) As of June 24, 2019, the Company changed its governance structure from “Company with audit & supervisory board” to “Company with committees, such as Nomination Committee” following the resolution at the 9th General Meeting of Shareholders held on June 24, 2019. The situation from April 1, 2019 to the conclusion of the General Meeting of Shareholders on June 24, 2019 is based on the contents succeeded from the former Audit & Supervisory Board.

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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, 2020)

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, 2020)

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
Overseas insurance business	Sompo International Holdings Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Mar. 24, 2017
	Endurance Specialty Insurance Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Nov. 30, 2001
Domestic life insurance business	Sompo 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 Japan Nipponkoa DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999
	Sompo Risk Management Inc.	Head Office	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Dec. 4, 2006

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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 officers) and executive officers	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: 98 ・Type and number of shares underlying stock acquisition rights: 9,800 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	3
	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	5
Outside directors	—	—

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 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.

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3. As to an officer of the Company who was a director or an executive officer(shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or Sompo Japan Nipponkoa Insurance Inc., at the time of grant of these stock acquisition rights, the allocation was made to such officer of the Company on the basis of his/her being director or executive officer(shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or Sompo Japan Nipponkoa 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 officers of the Company 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.
   82 (8,200 shares of common stock)
   The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. 35 (3,500 shares of common stock)

4. At the time of establishment of the Company, stock acquisition rights that former Sompo Japan Insurance Inc. and former 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

The Company has established the “Basic Policy on Internal Control” for the Sompo 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.

The Group’s “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 Group (hereinafter the “Company 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 Company Group’s control status based on the Basic Policy on Internal Controls at the Board of Directors and enhance its systems. In the event of an incident that may have a material impact on the management of the Company Group, the Company shall promptly determine a response policy at the Board of Directors and take necessary measures.

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 set forth a basic policy for the business management of Group companies and clarify the scope and terms of the business management of the Company. The Company shall also set forth what requires Group companies to submit applications for approval and to report on important matters that have an impact on the Group's management strategy and business plan, while appropriately exercise shareholder rights to each Group company. Furthermore, the Company shall ensure the effectiveness of this action by, for example, concluding business management agreements with them.
   (3) The Company shall formulate various Group 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.
   (4) 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.
   (5) The Company shall set forth a basic policy for the management of intra-group transactions to ensure the soundness and adequacy of the Company Group operations without legal violations or risk spreads resulting from conflicts of

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interest in intra-group transactions. In order to ensure its effectiveness, the Company shall establish intra-group transaction control system, such as ruling transaction scope, items, responsible department to review, and reviewing intra group transaction properly.

2. System for Ensuring Execution of Duties of Directors, Executive Officers, and 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 Officers and Employees' execution of their duties at meetings of the Board of Directors.
(2) The Company shall set forth a basic policy on compliance, determine a code of conduct and the course of action for Group compliance as a fundamental principle for the business, and establish a compliance system in the Company Group for managing customer information, managing conflicts of interest transactions, and responding to anti-social forces. The Company shall also issue a compliance rule with standards of conduct for Officers and Employees of the Company Group and conduct ongoing education and training based on compliance rule to disseminate these basic policies, the code of conduct, and the compliance rule.
(3) 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.
(4) The Company shall set forth a basic policy for responding to customer feedback and establish effective systems in the Company Group for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality.
(5) The Company shall set forth a basic policy on the quality of products and services for customers and develop a system to maintain and improve the quality of customer services in the Company Group, such as preparing a manual for reporting procedures to the Company in the event that any Group company imposes an economic disadvantage on a customer, and the check procedures for similar cases among Group companies.
(6) The Company shall set forth a 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.

3. Strategic Risk Management Frameworks

The Company shall set forth a basic policy on ERM 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) In order 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

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confront the Company 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 Company 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 Company shall establish Global Executive Committee to discuss strategic issues for the entire Group, and Managerial Administrative Committee to discuss management issues. The Company shall discuss important issues related to the execution of the Company Group's business operations on these committees, leading to high-quality, swift decision-making, and establish a system to conduct sufficient examinations in areas of high expertise and technical sophistication.
(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' 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) In order to achieve highly reliable, convenient, and effective business operations, the Company shall set forth a basic policy on IT and develop IT governance and system risk control in the Company Group, such as requiring each group company to set up a department aiming to develop an IT control system and to make a system plan, system risk control plan.
(6) The Company shall set forth a basic policy on the management of outsourcing 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 set forth a 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 set forth a basic policy on the establishment of a business continuity system and ensure the stability and soundness of the Company 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

The Company shall set forth a basic policy on management of financial soundness

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and actuarial matters in order to develop and ensure an appropriate management system for these matters in the Company Group. In order to ensure its effectiveness, the Company shall set up a department to supervise the management of financial soundness and actuary, while appointing a person in charge of these, and clarify the preparation of proper financial statements and various processes on it. Based on results of the accounting audit and internal audit, the Company shall review various processes in timely manner and ensure their appropriateness.

6. System for Ensuring Appropriate Information Disclosure

(1) The Company shall set forth a basic policy on disclosure in order to disclose information regarding the Company Group's business situation properly at timely manner and to enhance its equitability and usability. In order to ensure its effectiveness, the Company shall 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.
(2) The Company shall set forth a basic policy on internal control over financial reporting in the Company Group to ensure adequacy and reliability of financial reporting. In order to ensure the effectiveness of this internal control system, the Company shall designate a department being responsible for internal control and assessment respectively. The Company shall also make an annual evaluation plan for internal control in accordance with the internal control framework generally accepted, while assess the plan and prepare an internal control report.

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

In order to appropriately retain and manage information related to the executive officers' performance of their duties, the Company shall prescribe rules dictating methods for retaining and managing information related to the executive officers' execution of their duties, including minutes of the meetings of the 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

In order to ensure the effectiveness of the Company Group's internal audits, the Company shall set forth a 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 Audits by Audit Committee

The Company shall establish the following systems to improve the effectiveness of Audit Committee's audits:

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

The Company shall establish an Audit Committee Office as an organization that reports directly to Audit Committee and appoint personnel with the requisite knowledge and experience to serve as Staff of Audit Committee (employees to assist with Audit Committee's duties) assigned exclusively to audit duty. The

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Company shall also set forth the Rules Regarding Staff of Audit Committee and ensure their independence from executive functions and the effectiveness of instructions issued by Audit Committee to the Staff of Audit Committee as follows.

(1) The Company shall ensure the Staff of Audit Committee's independence from executive officers and other business executives by making decisions regarding Staff appointments, dismissal, compensation, and personnel appraisal subject to the approval of Audit Committee members selected by Audit Committee.
(2) In conducting their duties, Staff of Audit Committee shall follow the instructions and orders of Audit Committee or Audit Committee members only and not receive instructions or orders from other personnel.
(3) Staff of Audit Committee shall have the authority to collect information required in relation to their duties ordered by Audit Committee.

9-2. System for Reporting to Audit Committee

(1) The Company shall, under Audit Committee's approval, prescribe matters that are to be reported to Audit Committee 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 in the rules for reporting to Audit Committee. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by Audit Committee.
(2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to Audit Committee because of such submission. The same shall apply to the Officers and Employees of Group companies.
(3) When Audit Committee 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 Audit Committee on the progress in addressing the matter cited by Audit Committee.

9-3. Other Systems to Ensure that Audit Committee's Audits are Conducted Effectively

（1） Audit Committee Members appointed by Audit Committee may attend important meetings and express their opinions.
（2） The Company shall fully cooperate with Audit Committee or Audit Committee members when they discuss with directors, executive officers, accounting auditors, internal audit sections, and other persons required to appropriately perform the duties of Audit Committee. The Company also cooperate with them when they collect information from or discuss with Officers and Employees of Group companies.
（3） The Company shall respond to Audit Committee's requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
（4） Appointment, dismissal or any other important change relating to the head of Internal Audit department shall be approved by Audit Committee.
（5） The Internal Audit department shall discuss and agree with Audit Committee about the internal audit plan. The Internal Audit department shall report to the Audit Committee audit results and designated matters, and receive instructions from the Audit Committee as necessary.
（6） When Audit Committee or Audit Committee members submit a request for the coverage of costs arising in connection with the execution of their duties, it shall be appropriately processed according to the request made by them.
（7） Officers and Employees of the Company shall comply with any other rules set forth by Audit Committee and items provided in audit standard.

-- End

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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, 2020 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, 2020
1,043,723 million yen

Consolidated Statement of Changes in Net Assets

For the fiscal year 2019 (April 1, 2019 to March 31, 2020)

(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	244,170	712,745	(2,902)	1,054,058
Changes during the period:					
Dividends			(51,632)		(51,632)
Net income attributable to shareholders of the parent			122,515		122,515
Acquisition of treasury stock				(36,328)	(36,328)
Disposal of treasury stock		(35)		387	352
Changes in the scope of consolidation			154		154
Changes in interest of the parent related to transactions with non-controlling shareholders		(5)			(5)
Others			5,139		5,139
Net changes in items other than shareholders' equity					
Total changes during the period	—	(40)	76,177	(35,940)	40,196
Balance at the end of the period	100,045	244,129	788,922	(38,842)	1,094,254

	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	763,859	6,449	(62,937)	(3,551)	703,820	632	21,399	1,779,911
Changes during the period:								
Dividends								(51,632)
Net income attributable to shareholders of the parent								122,515
Acquisition of treasury stock								(36,328)
Disposal of treasury stock								352
Changes in the scope of consolidation								154
Changes in interest of the parent related to transactions with non-controlling shareholders								(5)
Others								5,139
Net changes in items other than shareholders' equity	(185,597)	(856)	(20,276)	5,654	(201,076)	(81)	(6,365)	(207,523)
Total changes during the period	(185,597)	(856)	(20,276)	5,654	(201,076)	(81)	(6,365)	(167,327)
Balance at the end of the period	578,261	5,593	(83,214)	2,103	502,743	551	15,033	1,612,584

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: 66 companies
   Names of major subsidiaries
   Sompo Japan Nipponkoa Insurance Inc.
   SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Sompo Japan Nipponkoa Insurance Services Inc.
   Mysurance Inc.
   Sompo International Holdings Ltd.
   Endurance Specialty Insurance Ltd.
   Endurance Assurance Corporation
   Endurance Worldwide Insurance Limited
   SI Insurance (Europe), SA
   Sompo 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 Himawari Life Insurance, Inc.
   Sompo Care Inc.
   Sompo Health Support Inc.
   SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
   Sompo Japan Nipponkoa DC Securities Inc.
   Sompo Risk Management Inc.

   Sonpo 24 Insurance Company Limited was merged by absorption into SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED on July 1, 2019.
   Mysurance Inc. is included in the scope of consolidation from the fiscal year ended March 31, 2020 due to an increase in its materiality.
   Sompo Sigorta Anonim Sirketi changed its name from Sompo Japan Sigorta Anonim Sirketi on May 28, 2019, and Sompo Himawari Life Insurance, Inc. changed its name from Sompo Japan Nipponkoa Himawari Life Insurance, Inc. on October 1, 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: 12 companies

Names of major affiliates

Hitachi Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

AYA Sompo Insurance Company Limited

Palantir Technologies Japan K.K.

DeNA SOMPO Mobility Co., Ltd.

akippa Inc.

DeNA SOMPO Carlife Co., Ltd.

AYA Sompo Insurance Company Limited, Palantir Technologies Japan K.K., DeNA SOMPO Mobility Co., Ltd., akippa Inc. and DeNA SOMPO Carlife Co., Ltd. became affiliates as a result of the acquisition of shares and thus were included in the scope of equity method from the fiscal year ended March 31, 2020.

(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 non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) 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)

Sompo International Holdings Ltd., an overseas consolidated subsidiary, has adopted International Financial Reporting Standards (hereinafter "IFRS") for its consolidated financial statements from the beginning of the fiscal year 2019, in place of US GAAP previously applied. This decision was made considering the overall circumstances, including the situation of the application of accounting standards at other overseas consolidated subsidiaries and the fact that SOMPO HOLDINGS is contemplating voluntary adoption of IFRS.
As the effect of this change was immaterial, IFRS have not been adopted retrospectively.
Changes in retained earnings due to this change in accounting policies, which are the amounts transferred to retained earnings from foreign currency translation adjustments, are shown in "Others" in the Consolidated Statement of Changes in Net Assets.

(Additional information)

Introduction of a performance-linked stock compensation plan
The Company introduced the "Board Benefit Trust (BBT)" (hereinafter the "Plan"), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) 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 non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

(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, 2020 are recorded as treasury stock under shareholders' equity, and its carrying amount is 4,047 million yen and its number of shares is 1,053,400.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 410,205 million yen and advanced depreciation of tangible fixed assets amounts to 15,688 million yen.

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

Securities (stocks)	36,049 million yen
Securities (equity interests)	3,808 million yen

3. (1) Loans to borrowers in bankruptcy are not included in loans. Overdue loans amount to 81 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 117 million yen.

4. Breakdown of pledged assets is securities of 449,819 million yen, deposits of 38,663 million yen and tangible fixed assets of 2,457 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 182,213 million yen, the borrowings of 380 million yen and deposits of 47 million yen. Securities include 167,783 million yen in pledged securities as collateral under securities lending transactions secured by cash.

5. Securities include 379,198 million yen of lending securities under loan agreements.

6. 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.	511,025 million yen
Salaries	236,852 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 5,264 million yen of expenses pertaining to changes of company names.

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	373,330	-	-	373,330
Total	373,330	-	-	373,330
Treasury stock				
Common stock	904	8,428	127	9,205
Total	904	8,428	127	9,205

Notes)

1. Treasury stock of common stock at the beginning and the end of the period includes 550 thousand shares and 1,053 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.

2. Breakdown of increase in treasury stock of common stock of 8,428 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by Board of Directors: 7,821 thousand shares
   Increase due to acquisition of the BBT: 601 thousand shares
   Increase due to purchase of shares less than a full trading unit: 6 thousand shares

3. Breakdown of decrease in treasury stock of common stock of 127 thousand shares is as follows.
   Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 97 thousand shares
   Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 29 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	551
Total		551

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 24, 2019	Common stock	24,243	65	March 31, 2019	June 25, 2019
The Board of Directors' meeting held on November 19, 2019	Common stock	27,388	75	September 30, 2019	December 4, 2019

Notes)

1. The "total amount of dividends" based on the resolution of the General Meeting of Stockholders held on June 24, 2019 includes 35 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, 2019 includes 79 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 22, 2020	Common stock	27,388	Retained earnings	75	March 31, 2020	June 23, 2020

Note) The "total amount of dividends" based on the resolution of the General Meeting of Stockholders scheduled to be held on June 22, 2020 includes 79 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 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, 2020 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	925,014	925,014	-
(2) Receivables under resale agreements	69,999	69,999	-
(3) Monetary receivables bought	21,183	21,183	-
(4) Money trusts	33,003	33,003	-
(5) Securities:			
Trading securities	32,526	32,526	-
Bonds held to maturity	1,200,548	1,496,069	295,520
Policy reserve matching bonds	460,685	500,834	40,148
Securities available for sale	6,174,482	6,174,482	-
(6) Loans	684,094		
Allowance for possible credit losses(*1)	(45)		
	684,048	701,715	17,666
Total assets	9,601,493	9,954,829	353,335
(1) Corporate bonds	504,089	505,968	1,879
(2) Payables under securities lending transactions	182,213	182,213	-
(3) Borrowings	76,467	76,432	(35)
Total liabilities	762,770	764,614	1,844
Derivative transactions(*2):			
Hedge accounting is not applied to	5,013	5,013	-
Hedge accounting is applied to	16,557	16,557	-
Total derivative transactions	21,570	21,570	-

(*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 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	66,414
Foreign securities	21,841
Others	13,456
Total	101,711

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	4,385.85 yen
Net income per share	334.12 yen

Non-Consolidated Statement of Changes in Net Assets
For the fiscal year 2019 (April 1, 2019 to March 31, 2020)

(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	586,966	289,924	(2,902)	999,080	(19)	(19)
Changes during the period:								
Dividends				(51,632)		(51,632)		
Net income				95,449		95,449		
Acquisition of treasury stock					(36,328)	(36,328)		
Disposal of treasury stock			(35)		387	352		
Net changes in items other than shareholders' equity							86	86
Total changes during the period	–	–	(35)	43,817	(35,940)	7,841	86	86
Balance at the end of the period	100,045	25,045	586,930	333,742	(38,842)	1,006,921	67	67

	Stock acquisition rights	Total net assets
Balance at the beginning of the period	632	999,693
Changes during the period:		
Dividends		(51,632)
Net income		95,449
Acquisition of treasury stock		(36,328)
Disposal of treasury stock		352
Net changes in items other than shareholders' equity	(81)	5
Total changes during the period	(81)	7,847
Balance at the end of the period	551	1,007,540

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 (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.

(3) 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 non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) 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.

(Additional information)

Introduction of a performance-linked stock compensation plan
The Company introduced the "Board Benefit Trust (BBT)" (hereinafter the "Plan"), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) 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 non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

(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, 2020 are recorded as treasury stock under shareholders’ equity, and its carrying amount is 4,047 million yen and its number of shares is 1,053,400.

Notes to the Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 245 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, and jointly and severally guarantees 32,564 million yen for rent payments based on building 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	76,559 million yen
Long-term monetary claims	60 million yen
Short-term monetary debts	570 million yen

Note to the Statement of Income

Transactions with subsidiaries and affiliates

Results of operating transactions:	
Operating income	113,545 million yen
Operating expenses	2,224 million yen
Results of non-operating transactions	7 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	9,205,407 shares

Note) The treasury stock of common stock at the end of the period includes 1,053,400 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:	
Impairment losses on investment securities	2,187 million yen
Deemed dividends	1,618 million yen
Losses on valuation of stocks of subsidiaries and affiliates	1,349 million yen
Others	1,138 million yen
Subtotal	6,293 million yen
Valuation allowance	(6,293) 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 acceptances and guarantees (Note 1)	8,075	—	—
				Guarantee for the amount corresponding to rent payments based on building lease contracts (Note 2)	32,564	—	—

Notes)

1. 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.
2. 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	2,765.50 yen
Net income per share	260.31 yen