Corporate Governance Report

Last Update: July 1, 2020
Sompo Holdings, Inc.
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https://www.sompo-hd.com/en/

Note: This is a translation of the Japanese language original for convenience purposes only, and in the event of any discrepancy, the Japanese language original shall prevail.

The corporate governance of Sompo Holdings, Inc. (the "Company") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

(1) Management Philosophy etc.

Sompo Group (hereinafter "the Group") has established the following Group Management Philosophy, Group Action Guidelines, and Group Vision.

Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.

Group Action Guidelines

To provide the highest possible quality of service to our customers we will:
1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
2. act with initiative, set ourselves the highest goals, and always learn from our actions;
3. strive to be both prompt and clear in our dealings and activities; and,
4. act with the utmost integrity.

Group Vision

Our goal is to always be the best customer service provider both at home and abroad.

(2) Basic Views on Corporate Governance

Following the principles of the Group management philosophy, the Group considers value creation for stakeholders in the administration of its business and establishes and implements the Group Action Guidelines as standards of behavior for the Group employees in Japan and abroad with the business objectives of increasing corporate value through sustainable business growth and becoming the world's leading group in the service industry driven by the highest level of customer satisfaction in Japan.

The Group considers continuous improvement of transparency and fairness of the Group's corporate governance and fulfillment of its corporate social responsibility as essential for maintaining strong relations of trust with stakeholders. The Board of Directors has accordingly established this Policy to clarify basic policies regarding the overall vision for the governance structure and the development of governance framework. We continue to make efforts to enhance corporate governance in pursuit of the best corporate

governance. Further information on the Group's Corporate Governance Policy may be viewed on the Company website at https://www.sompo-hd.com/en/company/governance/overview/policies/

Sompo Holdings, Inc. (hereinafter "the Company") has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure by separating management supervision from business execution in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authorities from the Board of Directors to executive functions The Company also established three committees; Nomination Committee, Audit Committee, and Compensation Committees and established governance structure that works to improve transparency and fairness. In addition, executive officers make executive decisions and perform duties on the matters delegated from the Board of Directors under the comprehensive supervision by the Group CEO and the Group COO, while business owner system and Group Chief Officer (hereinafter "Group CxO") system are in place to ensure agile and flexible decision-making and duty practice, with clearly defined authorities and responsibilities.

The Board of Directors sets the basic policy and the basic policies for Group management and for internal control which forms the foundation of Group management, appoints Executive Officers, and supervises the performance of duties by Directors and Executive Officers. Additionally, the Board of Directors delegates executive decisions to Executive Officers in principle, as far as the laws permit, to further strengthen the supervisory function of the Board of Directors and accelerate business execution.
Additionally, the Company established the Global Executive Committee (hereinafter "Global ExCo"), which is, the highest executive committee and an advisory body to the Group CEO to discuss important matters that significantly impact management, such as Group management strategy and business executive policy. The Company also established Managerial Administrative Committee (hereinafter "MAC") as an advisory body to the Group COO to discuss important matters related to execution of business strategies and managerial administrative matters of the Company and Group companies.

(3) View on the Corporate Governance Code

We understand that the Corporate Governance Code (the "Code") is established in order to contribute to company's sustainable corporate growth and the increase of corporate value in the medium term by improving the system for transparent, fair, prompt, and decisive decision-making based on the perspective of all stakeholders, including the company's shareholders, customers, employees and local communities.
In the spirit of the Code, the Group constantly seeks to improve its corporate governance to promote the Group's ongoing growth and the enhancement of corporate value in the medium term.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Group complies with all principles of the Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

Principle 1.4 Cross-Shareholdings

Policy on Cross-Shareholdings

-The Company's subsidiary Sompo Japan Insurance Inc.(hereinafter Sompo Japan) engages in cross-shareholdings for the purposes of receiving investment return in the form of dividend income and share price appreciation, fortifying relations with the insurance sales channels and business partners, and maintaining and strengthening insurance transactions with corporate clients.
-The Board of Directors annually examines the rationale for continuing to maintain cross-shareholding accounts. The examination considers the future use of the shares based on the cross-shareholding objectives, such as supporting insurance transactions and strengthening alliances, reviews the long-term outlooks for unrealized gains from value appreciation and the share value, and sets quantitative risk and return assessment benchmarks for the associated insurance transactions and share values.
-As part of the Group's capital policy, the Company implements a management policy of allocating a portion of the capital buffer realized from the continuous selling of cross-shareholdings to growth business investment, such as overseas M&A, to support the maintenance of financial soundness and improve capital

efficiency. These activities are conducted in accordance with the midterm and annual retention and disposal plans for cross-shareholdings established by the Board of Directors.

Exercising voting rights for cross-shareholdings

-The Company's subsidiary Sompo Japan maintains a Policy for Conformance to the Japanese version of the Stewardship Code. The Policy for the Exercise of Voting Rights is as follows.

<Sompo Japan: Policy for Conformance to the Japanese version of the Stewardship Code (abridged)>

1. Basic Policy on Exercise of Voting Rights

Sompo Japan exercises its voting rights following a basic policy of supporting the sustainable growth of the invested company and as deemed appropriate in consideration of the invested company's activities to address environmental issues, corporate governance status, compliance structure, and other areas.

2. Policy on Discussions

The discussion of items considered as requiring careful examination from various perspectives, such as the significance related to raising corporate value, includes a thorough examination of the purpose and objectives. Final decisions for such discussion items are determined based on the dialogue with the invested company and other information. Items given special attention include the following.

(1) Transfer of important assets
(2) Share transfers related a merger or wholly owned subsidiary
(3) Provision of retirement benefits to officers of companies with a capital deficiency or poor business performance
(4) Capital increase from a third-party allocation with an advantageous placement
(5) Introduction of hostile acquisition defensive measures
(6) Posting net losses consecutively for a certain period of time
(7) Design of corporate governance

3. Disclosure of voting records

The Company considers it important to contribute to the enhancement of corporate value, damage prevention, and sustainable growth of invested companies through such activities as constructive dialogues and provision of risk management with investee companies in order to fulfill its stewardship responsibilities.

Positioning the exercise of voting rights as part of these activities, the Company discloses aggregate voting records, examples of dialogues held with investee companies, and cases of exercising the right of dissent for a more accurate understanding of its activities.

Upon comprehensive consideration of the impact on the overall activity mentioned above of the Company to fulfill its stewardship responsibilities, the Company does not disclose voting records on an individual agenda item basis.

Principle 1.7 Related Party Transactions

When the Company engages in transactions or other dealings defined as a related party transaction, the Company conducts proper oversight, which shall include consulting with experts as considered necessary and presenting the transaction for approval and/or reporting the transaction at the Board of Directors Meeting attended by outside directors in compliance with all laws, regulations, and Company internal rules. The execution of such a transaction shall be properly disclosed as a material fact base as stipulated by law.

Principle 2.6 Demonstration of Functions as a Corporate Pension Asset Owner

The Company's key subsidiaries in Japan, including Sompo Japan and Sompo Himawari Life Insurance, Inc., employ defined-contribution pension plans to reduce future risks in corporate accounting and to support free asset building in accordance with economic rationality and individual employees' life plans. Based on its high degree of specialized expertise, the Company's subsidiary Sompo Japan DC Securities Inc. is designated as the asset-management agency. It provides employees of individual companies that have adopted these plans with thorough member training using e-learning and encourages use of the matching-contribution program, among other efforts to promote the pension plans.

Principle 3.1 Full Disclosure

The Company has established the Group Management Philosophy, Group Action Guidelines, and Group Vision and publically communicates its management strategy and medium-term management plans to realize the vision for the corporate group. The Company's management strategy and medium-term management plans are presented on the Company website.

https://www.sompo-hd.com/en/ir/strategy/

The basic philosophy on corporate governance is based on the principles of the Corporate Governance Code, which are presented in the section “1. Basic Views, (2) and (3)” of this report.
As the decision-making policy and process for setting director compensation amounts, the Company makes the policies on decisions pertaining to compensation for officers and describes in section “7. Policies on Decisions pertaining to Compensation for Officers” of the Corporate Governance Policy on the Company website.
https://www.sompo-hd.com/en/company/governance/overview/policies/

The reasons for selecting a candidate for director and policies for appointment of officers are presented in the reference materials provided with the Notice of Convocation of the General Meeting of Shareholders for discussions and election at the Meeting. Decisions on selection and dismissal of executive officers are made by the Board of Directors following review by the Nomination Committee based on the content of the director selection policies and other considerations.
https://www.sompo-hd.com/en/ir/stock/meeting/

Supplementary Principle 4.1.1 Roles and Responsibilities of the Board (Scope and content of matters delegated to management)
The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure. The roles and responsibilities of the Company’s Board of Directors are stipulated by law and the Articles of Incorporation, and matters to be resolved the Board of Directors Meeting are stipulated in the Company’s “Rules and Regulations for the Board of Directors.” Decisions regarding other matters of business execution are delegated to management under the Group CEO, the Group COO, and business owners, and the content of such matters is clearly stipulated in the internal rules, including the basic policies and the managerial decision rules.
<Main items for resolution by the Board of Directors Meeting other than items stipulated by law and the Articles of Incorporation>
-Important matters concerning Group management policy
-Matters related to the exercise of voting rights at the General Meeting of Shareholders of Sompo Japan and Sompo Japan Himawari Life Insurance, Inc.
-The establishment, purchase, or sale of important subsidiaries

Principle 4.9 Independence Standards and Qualification for Independent Directors
The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure. The Company has established “outside director independence criteria” based on the decisions of the Nomination Committee and by resolution of the Board of Directors in accordance with the standards required for Financial Instruments Exchange.
The Board of Directors appoints outside directors who have broad range of knowledge and experiences as corporate management, academia, legal or finance profession to facilitate objective decision making with respect to management issues from a diverse and independent viewpoint and perspective and diversity in terms of gender and nationalities; and the majority of the Board of Directors consists of outside directors. As a result of this policy, the Company’s independent outside directors contribute to frank, active, and constructive deliberations and discussions at meetings of the Board of Directors, the Nomination Committee, the Audit Committee and the Compensation Committee.

Supplementary Principle 4.11.1 Policy and Procedure regarding the Board of Directors Skillset and the Appointment of Directors
The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure. The Company’s views on the overall balance of knowledge, experience, and capabilities and the diversity and scope of the Board of Directors as well the policy and procedure for selecting a candidate for director are presented in sections “3. Board of Directors and Committees” and “5. Policies for Appointment of Directors and Executive Officers” of the Corporate Governance Policy on the Company website.
https://www.sompo-hd.com/en/company/governance/overview/policies/

Supplementary Principle 4.11.2 Concurrent Positions of Directors
In the event a director would be holding a concurrent position at another company, the Board of Directors determines the appropriateness of the appointment upon verifying the appropriateness of such positions as

stipulated by law and by verifying the business content, volume of duties, and other conditions of the concurrent position. The Company seeks candidates with minimum of concurrent positions.

Supplementary Principle 4.11.3 Evaluation of the Effectiveness of the Board of Directors

At our company, every director, including the Chairman of the Board of Directors, is keenly aware of the need for initiatives to enhance the effectiveness of the Board of Directors, and we have established a cycle in which discussions are constantly held throughout the year and actions are taken. In addition, we place a high priority on actively incorporating the opinions of directors by, for example, always ensuring that supervisors have the means to proactively grasp the actual conditions of the executive officers, and by providing an opportunity to comprehensively analyze and evaluate the effectiveness of the entire Board of Directors by conducting a questionnaire once a year that includes the self-evaluation of each director.

Our company's Board of Directors is composed of a large number of outside directors to ensure that the governance function of supervision is fully exercised. In order to ensure that diversity is exercised, outside directors are appointed from among corporate managers, academics, and members with expertise in legal, financial, and accounting fields. This system of governance ensures high levels of transparency and fairness. In addition, our company holds preliminary briefing sessions for all outside directors each time the meetings of the Board of Directors are held, so that constructive and productive discussions can be held. The Board of Directors also holds discussions based on the opinions and questions raised at each meeting. At the Company, integrated management of preliminary briefing sessions and the Board of Directors ensures that discussions are conducted in a free-spirited manner and that the views of outside directors are directly reflected in the Board of Directors.

Furthermore, in order to strengthen management supervision and business execution, the Company adopted a Company with Committees, and separated both functions and transferred a significant amount of authority from the Board of Directors to the executive officers. As a result, the Board of Directors intensively deliberates on important management themes, the statutory committees on Nomination, Audit, and Compensation deepen discussions to fulfill accountability to stakeholders, and the executive officers expedite business execution. In addition, in order to maintain a sense of distance between the Board of Directors and the executive departments and to maintain sufficient communication even after the delegation of authority, the Company will proactively take measures that contribute to the exercise of governance functions of supervision, such as strengthening information coordination for directors to grasp the status of execution.

Concretely, Business Owners and Group Chief Officers reports on the current status of their business execution at the Board of Directors; directors have accesses to the Global Executive Committee and the Managerial Administrative Committee, which are the meeting body of the executive officers; information sharing meetings are held to report the status of the execution of business to the outside directors in a timely manner; and the outside directors exchange opinions with the representative executive officers.

Regarding the Company's efforts and the current governance system in our company, the Board of Directors of our company states that the Board of Directors is exercising the function of supervising and monitoring the executive officers, that the management of each statutory committee is proceeding smoothly and that discussions not only in terms of frequency and time but also in terms of substance are leading to the exercise of the governance function, and that the Board functions as an advanced governance model.

On the other hand, the following are themes that our company's directors consider necessary to deepen discussions at future meetings of the Board of Directors, and initiatives that may be effective in enabling the Board of Directors to further fulfill its functions. With these in mind, the Company will continue to implement measures to enhance the effectiveness of these measures.

(Topics to be discussed at the Board of Directors meetings)
• Realization of "A Theme Park for Security, Health & Wellbeing"
• Challenges and possible solutions relating to ESG
• Future reforms to cope with With Corona / After Corona
• Formulation of the next mid-term management plan

(Key Initiatives to Realize the Further Fulfillment of the Functions of the Board of Directors)

• To focus on important issues (To decide annual schedule in advance)
• To clarify matters to be discussed at the Board of Directors and utilize preliminary briefing sessions
• Directors and executive officers to well communicate
• To ensure a system that contributes to understanding the status of execution, such as observation on site and ensuring multiple reporting lines
• Directors and statutory committees to well communication and coordinate information
•To ensure opportunities for dialogue with stakeholders

Finally, the Company's directors have commented that the Global Executive Committee and other bodies are discussing initiatives for business execution from a global and forward-looking perspective, that the Company is expediting the decision-making, and that the new executive structure is starting to have a positive impact on business performance. The Company's executive officers will continue to take an active role in receiving various opinions and advice to improve the quality of decision-making. At the same time, the executive officers intend to meet the expectations of shareholders and other stakeholders by holding free discussions with directors on important management issues.

Supplementary Principle 4.14.2 Policy on Director Training
The Company's policy on training directors is presented in section "6. Policies for Training of Directors and Executive Officers" of the Corporate Governance Policy on the Company website.
https://www.sompo-hd.com/en/company/governance/overview/policies/

Principle 5.1 Policy for Constructive Dialogue with Shareholders
The Company, to a reasonable extent, proactively responds to requests from shareholders and engages in positive and constructive dialogue.
To further promote constructive dialogue with shareholders, the Board of Directors decides the matter for carrying out the Investor Relations framework and Investor Relations activities. The Company sets an Investor Relations Action Plan and reports to the Board of Director in addition to the summary of last year.

2. Capital Structure

Percentage of Foreign Shareholders	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	30,431,600	8.33%
JP Morgan Chase Bank 380055	23,572,291	6.46%
Japan Trustee Services Bank, Ltd. (Trust account)	19,270,900	5.28%
Government of Norway	18,579,548	5.09%
Japan Trustee Services Bank, Ltd. (Trust account 7)	9,743,900	2.67%
Sompo Holdings Employee Shareholders Association	8,659,317	2.37%
Japan Trustee Services Bank, Ltd. (Trust account 9)	8,327,300	2.28%

Nippon Express Co., Ltd.	8,001,221	2.19%
Japan Trustee Services Bank, Ltd. (Trust account 5)	7,554,300	2.07%
JP Morgan Chase Bank 385151	5,972,131	1.64%

Controlling Shareholder (except for Parent Company)	None
Parent Company	None

Supplementary Explanation

Major Shareholders mentioned above are based on the shareholder's list as of March 31, 2020.
*1. The percentage above represents a ratio of Number of Shares Owned to the total number of issued shares excluding treasury stock owned by the Company (8,152,000 shares). The number of said treasury stock does not include 1,053,000 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 number of shares held by Nippon Express Co., Ltd., includes 1,600,000 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).
*3. While the Report on Major Shareholders (Change Report) provided for public viewing on December 15, 2018, indicated that First Eagle Investment Management, LLC owned 32,227,000 shares of Company stock (8.63% of total shares issued and outstanding) as of November 30, 2018, it was not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*4. While the Report on Major Shareholders provided for public viewing on March 7, 2017, indicated that Mizuho Bank, Ltd., and four of its joint shareholders owned 20,995,000 shares of Company stock (5.05% of total shares issued and outstanding) as of February 28, 2017, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*5. While the Report on Major Shareholders (Change Report) provided for public viewing on October 19, 2018, indicated that Blackrock Japan Co., Ltd., and seven of its joint shareholders owned 20,948,000 shares of Company stock (6.03% of total shares issued and outstanding) as of October 15, 2018, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*6. While the Report on Major Shareholders provided for public viewing on January 8, 2020, indicated that Nomura Securities Co., Ltd., and three of its joint shareholders owned 18,871,000 shares of Company stock (5.05% of total shares issued and outstanding) as of December 31, 2019, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*7. While the Report on Major Shareholders provided for public viewing on January 8, 2020, indicated that Norges Bank owned 18,735,000 shares of Company stock (5.02% of total shares issued and outstanding) as of January 22, 2020, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*8. While the Report on Major Shareholders provided for public viewing on March 5, 2020, indicated that Sumitomo Mitsui Trust Asset Management Co., LTD, and its joint shareholder Nikko Asset Management Co., Ltd. owned 18,781,000 shares of Company stock (5.03% of total shares issued and outstanding) as of February 28, 2020, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.
*9. While the Report on Major Shareholders provided for public viewing on April 6, 2020, indicated that Mitsubishi UFJ Trust and Banking Corporation and three of its joint shareholders owned 18,893,000 shares of Company stock (5.06% of total shares issued and outstanding) as of March 30, 2020, they were not included under Status of Major Shareholders above because the Company was unable to confirm the effective number of shares owned.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Type of Business	Insurance
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

None

5. Other Special Circumstances which may have Material Impact on Corporate Governance

None

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Three Committees (Nomination, Audit and Remuneration)

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	12

[Outside Directors]

Number of Outside Directors	9

Number of Independent Directors	9

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Sawako Nohara	From another company											
Scott Trevor Davis	Academic											
Kazuhiro Higashi	From another company											
Takashi Nawa	From another company											
Misuzu Shibata	Attorney at law											
Naoki Yanagida	Attorney at law											
Hideyo Uchiyama	CPA											
Atsuko Muraki	Other											
Isao Endo	From another company											

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Membership of Committees	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Sawako Nohara	Nomination / Remuneration	○	Representative Director, President of IPSe Marketing, Inc. Director of Japan Post Bank Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from diverse and expert perspectives based on experience as a manager and abundant experience in the IT

			Statutory Auditor of Tokyo Gas Co., Ltd. Director of Daiichi Sankyo Co., Ltd. Project Professor, Keio University Graduate School of Media and Governance	industry, as well as deep insight gained through participation in policymaking during her term as an officer in government-related committees, including as a private sector member of the Industrial Competitiveness Council, and of providing valuable recommendations with regard to the Company's important strategy of promoting women. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Scott Trevor Davis	Nomination / Remuneration	○	Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation	Nominated with the expectation of providing Company management with pertinent advice from wide-ranging knowledge as an academician, gained particularly through university research in strategic management and CSR, and multifaceted advice from a global perspective. Appointed as independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Kazuhiro Higashi	Nomination / Remuneration	○	Vice Chairman of The Osaka Chamber of Commerce and Industry Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited	Nominated with the expectation of providing Company management with pertinent advice from his abundant knowledge and experience as a top-level executive of large-scale corporations including Chairman of Osaka Bankers Association and Vice Chairman of The Osaka Chamber of Commerce and Industry, as well as his experience in finance and corporate management in the banking business. Appointed as independent director as concern is judged

				not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Takashi Nawa	Nomination / Remuneration	○	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)	Nominated with the expectation of providing Company management with pertinent advice from his abundant business experience as a management consultant, combined with his profound academic knowledge from a global perspective, in addition to his practical experience in a major Japanese trading company and global consulting firms. Appointed as independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Misuzu Shibata	Nomination / Remuneration	○	Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) Director of SPACE VALUE HOLDINGS CO.,LTD. (Outside Director)	Nominated with the expectation of providing Company management with pertinent advice from abundant knowledge and experience as a legal expert. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Naoki Yanagida	Audit	○	Attorney at law Audit and Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director, Kusuri No Aoki Holdings Co.,Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his abundant specialized knowledge and experience as a legal professional. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the

				perspectives of a personal, capital, transaction, or other interests or relationships
Hideyo Uchiyama	Audit	○	Certified public accountant Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) Director, Eisai Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his abundant experience as a manager at one of Japan's leading auditing corporations and a global consulting firm in addition to his professional knowledge and experience as a certified public accountant. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships
Atsuko Muraki	Audit	○	Member of the Board of ITOCHU Corporation (Outside Director) Director, Sumitomo Chemical Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from her high level of knowledge and abundant experience based on having held important posts such as Vice-Minister, Deputy Director-General, and Director-General of the Equal Employment, Children and Families Bureau in the Ministry of Health, Labour and Welfare, as well as Director-General for Policies of the Cabinet Office. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships
Isao Endo	Audit	○	Director of Ryohin Keikaku Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his broad insight based on his practical experience at a global consulting firm and academic knowledge as a graduate school professor, in addition to abundant experience as a company manager.

				Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.

[Committees]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Nomination Committee	5	0	0	5	Outside Director
Remuneration Committee	5	0	0	5	Outside Director
Audit Committee	5	1	1	4	Outside Director

[Executive Officers (Shikkoyaku)]

Number of Executive Officers (Shikkoyaku)	19

Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Kengo Sakurada	Yes	Yes	No	No	No
Shinji Tsuji	Yes	Yes	No	No	No
Keiji Nishizawa	No	No	No	No	No
John R. Charman	No	No	No	No	No
Yasuhiro Oba	No	No	No	No	No
Satoshi Kasai	No	No	No	No	No
Nigel Frudd	No	No	No	No	No
Masahiro Hamada	No	No	No	No	No
Mikio Okumura	No	No	No	No	No
Koichi Narasaki	No	No	No	No	No
Hiroshi Omata	No	No	No	No	Yes
Takashi Izuhara	No	No	No	No	No
Shinichi Hara	No	No	No	No	Yes
Yuji Kawauchi	No	No	No	No	Yes
Yasunori Kuroda	No	No	No	No	Yes
Takuto Kobayashi	No	No	No	No	Yes

Katsuyuki Tajiri	No	No	No	No	Yes
Takato Udo	No	No	No	No	Yes
Koji Ishikawa	No	No	No	No	Yes

[Auditing Structure]

Appointment of Directors and/or Staff to Support the Audit Committee	Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Officers (Shikkoyaku)

To ensure the effectiveness of audits by the Audit Committee, the Company has established the Audit Committee Office as an organization dedicated to assisting the duties of the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Company has changed its governance structure to "Company with committees", effective June 2019, as a part of efforts to strengthen corporate governance structure.

The Internal Audit Department discusses with the Audit Committee when the department makes internal audit plans. The results of audits by the Internal Audit Department are all reported to the Audit Committee. The Audit Committee requests the Internal Audit Department to conduct investigations as necessary, and uses the results of these investigations for audit by the Audit Committee. In addition, the Internal Audit Department works closely with the Accounting Auditor and regularly exchanges opinions.

The Audit Committee formulates audit plans and conducts audits. It strives to implement efficient audits by requesting General Manager of Internal Audit Department to attend the Audit Committee and regularly exchanging opinions and information with the Internal Audit Department. It also deepens mutual understanding with the accounting auditors about the content of audits, including risk recognition and audit plans, and it exchanges opinions with the Internal Audit Department upon receiving explanations on the implementation status of audits. Also, the quality of the audits by the accounting auditors is maintained by consenting to the decision for the accounting auditors' audit fee after verifying that adequate time will be able to be provided for the audits.
Steps have also been taken to provide a supportive environment for the accounting auditor, including enabling access to senior management personnel such as the Representative Executive Officer and promoting collaboration with the internal audit and other departments.
When the Audit Committee receives reports on the results of audits from the accounting auditor, the Internal Audit Department attends so that the three parties could have the same understanding.

During the audits and other activities, the internal audit department, the Audit Committee and accounting auditors exchange opinions and information with the internal control departments (corporate management / accounting). The internal control department uses the results of the opinion and information exchanges by three audit parties to strengthen the internal controls.

[Independent Directors]

Number of Independent Directors	9

Matters relating to Independent Directors

The Company has designated all outside directors as independent directors. The criteria for independence from the Company for appointing outside directors are as follows. 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 and Compensation 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, 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, an executive officer(shikkouyakuin) of a company in which the Company owns 10% or more of the voting rights.
3) The candidate owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
4) The candidate is a relative of a person who owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is a relative of the person who is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member or an executive officer(shikkouyakuin) of the subject company).
(3) Business Relationships
1) The candidate 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) 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.

[Incentives]

Incentive Policies for Directors and/or Executive Officers (Shikkoyaku)	Performance-linked Remuneration / Other

Supplementary Explanation

Compensation for Directors and Executive Officers shall be determined by the Compensation Committee in accordance with the policies on decisions pertaining to compensation for officers.

In the 6th Ordinary General Meeting of Shareholders held on June 27, 2016, the Company has decided to establish a new performance-linked stock compensation plan, “Board Benefit Trust” so as to raise awareness to enhance corporate performance and corporate value in the mid-to-long term.

Recipients of Stock Options	None

Supplementary Explanation

None

[Remuneration for Directors and Executive Officers (Shikkoyaku)]

Disclosure of Individual Directors’ Remuneration	Selected Directors
Disclosure of Individual Executive Officers’ (Shikkoyaku) Remuneration	No Individual Disclosure

Supplementary Explanation

Aggregate totals for management members (director, auditor, and executive officer respectively) compensation and totals by category of compensation and other compensations are reported in the financial statements and business reports. The Company individually discloses the amount of the compensation of the director whose total consolidated compensation is ¥100 million or more. In fiscal 2019, Kengo Sakurada was paid ¥326 million (including base(monthly) cash compensation of ¥150 million, performance-linked cash compensation of ¥82 million, and performance-based stock compensation of ¥94 million); Shinji Tsuji was paid ¥100 million (including base(monthly) cash compensation of ¥66 million, performance-linked cash compensation of ¥13 million, and performance-based stock compensation of ¥20 million); Keiji Nishizawa was paid ¥151 million (including base(monthly) cash compensation of ¥78 million, performance-linked cash compensation of ¥35 million, and performance-based stock compensation of ¥37 million); John Charman was paid ¥107 million (including base(monthly) cash compensation of ¥107 million); Nigel Frudd was paid ¥839 million (including base(monthly) cash compensation of ¥90 million, performance-linked cash compensation of ¥598 million, and retirement allowances of ¥149 million);.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Sompo Holdings’ Executive Compensation Structure The Company regards its executive compensation structure as an important aspect of corporate governance. The executive compensation structure has been configured with the aim of increasing corporate value and sharing interests with shareholders. The aforementioned structure 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 Executive Compensation describes the Basic Policies on Executive Compensation, the composition of compensation and how it is determined for each position, and the details of each type of compensation. 2. Overview of Executive Compensation Structure

The Company considers the current Mid-Term Management Plan as an opportunity for transforming each business and the entire Group. Executive compensation linked to the Company's performance is recognized as an important facet of corporate governance underpinning this transformation initiative.

The Company, based on the principle of being mission-driven and results-oriented, is of the opinion that each executive officer should demonstrate and act in accordance with their own duties and mission. Compensation for these executive 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 structure for executive compensation was designed with this philosophy in mind.

(1) Decision-making process for total compensation packages
The Company sets compensation levels on an individual basis with consideration made to the magnitude of the mission assigned to each executive officer and their own personal performance. This is in contrast to an approach whereby compensation is determined according to a traditional compensation table for each executive rank.

(2) Composition of executive compensation
Executive officer compensation consists of a fixed component (base salary) based on the duties and responsibilities of each executive officer and a variable component linked to performance. Variable compensation comprises an annual bonus, which is compensation linked to short-term performance paid out on a fiscal-year basis in accordance with performance during each year, and restricted stock, which is compensation linked to long-term performance in order to increase the association between compensation and growth in corporate value over the medium-to-long term. This composition is designed to motivate executive 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.

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

■ Fixed Compensation (Base Salary)

The Company sets fixed compensation (base salary) in accordance with the responsibilities of the post assigned to each executive officer, and paid in equal amounts each month, in principle.
The amount of fixed compensation (base salary) is set at a level deemed fair in light of prevailing compensation levels on the market, referring to a survey of executive compensation conducted by a third-party compensation consulting firm, with a standard amount for the total compensation package based on the post grading system, as well as a base amount that depends on the nature of the duties and responsibilities of each executive officer while considering the mission of each post.

■ STI (Annual Bonus)

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

• The annual bonus 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 compensation.
• The target amount of performance-linked compensation is defined as the amount to be paid when financial targets and strategic targets are achieved. This base amount is determined for each executive officer individually.
• The annual bonus consists of financial performance-linked compensation and strategic performance-linked compensation. The ratio of the two components is determined by the Compensation Committee in accordance with the nature of the mission assigned to each executive 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 executive officer in question, and the coefficient is set according to the degree of achievement.

■ LTI (Restricted Stock)

Performance-linked stock compensation mirrors the Company's medium-to-long-term performance. This stockbased 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).

• 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 regards compensation for officers as important matters from the viewpoints of improvement in business performance and corporate value, and sets "policies on compensation for officers" as follows:

(1) Basic policy on Compensation for Officers (Common to Group Companies)

a) The level and structure of compensation shall be able to acquire and retain excellent human resources as management of the Group.
b) Compensation structure shall be consistent with business strategy and promote the incentive for directors and executive officers to improve performance for the sake of the Group's growth.
c) Compensation shall reflect medium to long-term results and initiatives performed by directors and executive officers, not limited to performance in single fiscal year.
d) The contents of the compensation shall be determined in accordance with the scale of the mission undertaken in future-oriented mind and the accomplishment. Additionally, fixed element associated with specific job title or position may be taken into consideration.
e) The compensation structure at the Company and major subsidiaries shall secure objectiveness, transparency and fairness to fulfill accountability for stakeholders in the deliberation process at the Compensation Committee in the Group.

(2) Compensation structure for Officers

The Group sets policies on compensation for officers as follows. However, in cases there are reasonable grounds to believe that those policies should not be applied, the amount and composition of compensation are determined by the Board of Directors based on the recommendation of the Compensation Committee.

a) Compensation composition for directors and method to determine it.
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 director 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 (c) and (d).
b) Composition of compensation for Executive Officers and method to determine it.
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 Officer are determined based on the business environment and market average executive compensation, reflecting the scale 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. Overview of performance-linked compensation and performance-linked stock compensation are described in c) d) below.
c) 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 in 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 or 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 agreed by the Group CEO, Business CEO or other Director or Executive Officers 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.

d) 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 average 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.

[Supporting System for Outside Directors]

The Company has changed its governance structure to "Company with committees", effective June 2019 as a part of the efforts to strengthen corporate governance structure.
The Company maintains a system for the Corporate Legal Department overseeing the secretariat of the Board of Directors and departments responsible for issues to be covered at the meeting to hold preliminary briefings to the outside directors in advance of the meeting. The Human Capital Department supports the Nominating

Committee and the Compensation Committee, while the Audit Committee Office supports the Audit Committee.
The Company provides a variety of information sources for the outside directors, including the Group Journal, Integrated Report, White Paper of Customer Feedback, CSR Communication Report, and IR Briefing Materials.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)	None

Others

In some cases, the Company appoints former Group CEOs and/or presidents as special advisors. However, these special advisors have no roles or authority with regard to advising on management. Instead, these appointments are intended to carry out external activities, such as those related to business associations, social contribution activities, and cultural activities. They are appointed to one-year terms through a resolution of the Board of Directors. The Company has no such special advisors at present.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure.
The Board of Directors sets the basic management policy and the basic policy for internal control which forms the foundation of the Group management, appoints executive officers and provides supervision over the performance of duties by directors and executive officers. Additionally, the Board of Directors delegates executive decisions to executive officers in principle, as long as laws permit, for further strengthening the supervisory function of the Board of Directors and further accelerating business execution simultaneously.
In addition, by appropriately executing the duties of the Nominating Committee, Audit Committee, and Compensation Committee, which have the chairman and a majority of its members as outside directors, the Company ensures transparency in the appointment of directors and executive officers, the audit of their duties, and also the treatment of directors and executive officers to control and maintain the structure of corporate governance for proper and more efficient function.
On the executive side of the structure, executive officers make executive decisions and perform duties on the matters delegated from the Board of Directors under the comprehensive supervision by the Group CEO and the Group COO, while business owner system and Group Chief Officer system are in place to ensure agile and flexible decision-making and duty practice, with clearly defined authorities and responsibilities.
Additionally, the Company established the highest executive committee, the Global Executive Committee (hereinafter “Global ExCo”), as an advisory body to Group CEO to discuss themes that significantly impact

group-wide management strategy as well as business executive policy. The Company also established Managerial Administrative Committee (hereinafter "MAC") to discuss important matters related to execution of business strategies and managerial administrative matters of the Company and Group Companies.
The Group considers that it is essential to continually improve the transparency and fairness of the Group's corporate governance and to maintain strong relations of trust with stakeholders. The Board of Directors has accordingly established the Corporate Governance Policy to clarify basic policies regarding the formation of the overall vision for the governance structure and the governance framework.

Directors and the Board of Directors

The Board of Directors performs its duties as stipulated by laws and regulations and the Articles of Incorporation, decides on important items for management as defined in the Rules of the Board of Directors, and serves a supervisory function overseeing the status of business execution.
The Chairman of the Board of Directors is appointed at the Board of Directors Meeting as stipulated in the Articles of Incorporation, which is assumed by the Director who serves as Group CEO.
Prior to the Board of Directors Meeting, preliminary briefing sessions are held for Outside Directors before every meeting to explain about the agenda items. The opinions, questions, and other comments expressed by the Outside Directors at the preliminary briefing sessions are shared with all attending Directors before the Board of Directors Meeting, to operate the Board of Directors Meeting and preliminary briefing session in a unified manner. Additionally, executive functions and the secretariat of the Board of Directors Meeting provide information as necessary. Such procedures facilitate constructive and productive discussion at the Board of Directors Meeting and ensure the effectiveness of the operations of Board of Directors Meeting. In addition, Outside Directors and the Group CEO hold meeting to facilitate open exchange of opinions among Outside Directors and between the top Executive Officers.
Outside Directors shall be selected in accordance with the Policies for the appointment of Directors and Executive Officers, to include individuals having with a wide range of knowledge and experience having backgrounds in corporate management, academia, and professions related to legal, finance, accounting etc., in order to incorporate wider perspectives from outside with respect to issues such as corporate governance, consumer needs and overseas business operation.
The tenure of Directors ends upon the closing of the final General Meeting of Shareholders held within a fiscal year that is within one year from the appointment in order to clarify the responsibilities of the management concerning the fiscal year.
Upon the time of the closing of the 10th General Meeting of Shareholders, the Company's Board of Directors comprises 12 members, 9 members of whom (majority) are outside directors. Current members include 11 Japanese nationals and 1 non-Japanese, and 9 male and 3 female. The average tenure (including that as an auditor) is 4.3 years.

Nomination Committee

The Nomination Committee defines policy and standard for the appointment of Directors and Executive Officers, determines the list of candidates, and involve in the appointment of Directors and Executive Officers of subsidiaries when necessary according to the profile and size of the business.
In addition, the Nomination Committee deliberates appointment and dismissal of the Group CEO based on the personal performance evaluation to improve transparency and corporate governance.
The Nomination Committee consists of at least 3 (three) members and the majority of the members are selected from Outside Directors to ensure independence and neutrality of the Committee. The Chairman of the Committee is selected from a member who is an Outside Director.

Compensation Committee

The Compensation Committee determines the evaluation and compensation scheme and compensations of Directors and Executive Officers, and involve in the compensations of Directors and Executive Officers of subsidiaries according to the profile and the size of the business.
In addition, the Compensation Committee performs personal performance evaluation of the Group CEO to enhance transparency and objectivity of the compensation determination process and improve corporate governance.
The Committee consists of at least 3 (three) members selected from Directors and the majority of the members are selected from Outside Directors in order to ensure independence and neutrality of the Committee. The Chairman of the Committee is selected from a member who is an Outside Director.

Members of Nomination/Compensation Committee

The majority of the members are selected from Outside Directors in order to secure autonomy and neutrality of the Committees. As of the date of submission of this report, both Committees consist of 4 members, all of whom are Outside Directors.

Evaluation of performance and the selection and dismissal process for the Group CEO and executives

Based on the executive performance evaluation system, the Company's Executive Officers, including the Group CEO are subject to performance evaluations by the Compensation Committee based on clear indication of their missions and evaluation of the state of performance of their own missions. The results of this evaluation are reflected in annual decisions by the Nomination Committee on reappointment of executives.

Executive Officers report to the Board of Directors on business execution. In addition, the Nominating Committee and the Compensation Committee can, if necessary, have the Group CEO and other executive officers attend the committee for comments or clarification.

And the members of the Nominating Committee the Compensation Committee will regularly discuss, outside of the committee, with the Group CEO about the role and mission of the group leader, and evaluate their progress. Such process for the Group CEO and executives secures objectivity, timeliness, and transparency in the process of appointment/reappointment of the Company's Executive Officers, including the Group CEO.

Audit Committee

The Audit Committee shall audit the legality and the appropriateness of the duty performance of Directors and Executive Officers produce audit reports, and determine agenda to be presented to the General Shareholders Meeting regarding the appointment, dismissal and non-reappointment of the Independent Auditor.

In addition, the Audit Committee exercises its right to consent to the determination of compensation for the Independent Auditor.

The Audit Committee establishes the audit standards, basic audit policy, and audit plans to ensure effectiveness of the aforementioned audit practice and carries out audit in an organized manner.

The Audit Committee consists of at least 3 (three) members selected from the Directors who do not assume any executive role, and the majority of the members shall be Outside Directors.

In addition, the Chairman of the Committee is selected from the members who are Outside Directors in principle with more than one full-time audit member who is familiar with the business of the Group and audit member who has expert knowledge of finance and accounting in principle.

Conclusion of contracts limiting liability

According to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with an outside director to limit liability for damages caused by failure to perform duties (a Contract for Limitation of Liability). The Articles of Incorporation stipulate that the limit of liability based on the Contracts 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.

Business Executive Structure and Executive Officers

Executive Officers shall make executive decisions on matters delegated by the Board of Directors and execute business, and within the scope in accordance with the laws and regulations or the Articles of Incorporation, internal rules etc., execute business based on management strategy of the Group.

As the Chief Executive Officer of the Group, the Group CEO oversees the overall management of the Group by strategically assigning Business CEOs that are the heads of each business segment and Group CxOs that are the heads of each function of the Group to realize agile and flexible Group Management in response to discontinuous changes in business environment.

As a Chief Operating Officer of the Group, the Group COO supports the Group CEO in overseeing the overall management of the Group, makes decisions and supervises businesses in accordance with the role sharing with the Group CEO.

Business CEOs as heads of each business (CEO of Domestic P&C Insurance, CEO of Overseas Insurance, CEO of Domestic Life Insurance and CEO of Nursing Care & Healthcare) are delegated the authority of business strategy formulation, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution by the business division that is closer to customers.

Group CxO s as heads of each function in the Group (Group CFO (finance), Group CSO (strategy), Group CDO (digital), Group CRO (risk management), Group CIO (IT), Group CHRO (human resource) and Group CBO (brand)) oversee Group-wide operation of each function to enable agile and flexible decision-making and Group-wide business execution in the Group's best interest.

Global Executive Committee
Global Executive Committee, as an advisory body to the Group CEO and the highest executive committee, is held six times a year in principle to discuss themes that significantly impact group-wide management strategy and business executive policy.
Global Executive Committee is chaired by the Group CEO and comprised of Group COO, Business CEOs, Chairman of Overseas M&A, Group CFO, Group CSO, Group CHRO and others.

Managerial Administrative Committee (MAC)
Managerial Administrative Committee (MAC), as an advisory body to the Group COO is held monthly in principle to discuss important matters related to execution of business strategy and managerial administrative matters of the Company and Group Companies.
Managerial Administrative Committee (MAC) is chaired by the Group COO and comprised of Group CxOs, Business CEOs and others.

Voluntary Committees
Global Transaction Committee and Group ERM Committee are established as a subordinate organization of the Global Executive Committee ("Global ExCo".) to discuss matters that require professional and global management discussions in each business and/or functional area, with a view to conduct discussions which essentially lead to high-quality and speedy decision-making at the Global ExCo.

・Global Transaction Committee

The committee intends to contribute to the swift and appropriate decision-making concerning setting up subsidiaries (M&A) and PMI in the Group’s businesses.

・Group ERM Committee

The committee discusses on a Group-wide basis the important issues concerning the Group 's strategic risk management as well as material risks.

3. Reasons for Adoption of Current Corporate Governance System

The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure by separating management supervision from business execution in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authorities from the Board of Directors to executive functions. The Company also established three committees; Nomination Committee, Audit Committee and Compensation Committee, to enhance the governance structure transparency and fairness practice.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Notice of Convocation of the 10th General Meeting of Shareholders was sent on May 29, 2020.
Scheduling AGMs Avoiding the Peak Day	The 10th General Meeting of Shareholders was held on June 22, 2020.

Allowing Electronic Exercise of Voting Rights	The Company enables the exercise of voting rights via the Internet.
Participation in Electronic Voting Platform	Participation in the Electronic Voting Platform for Foreign and Institutional Investors for submission of voting rights.
Providing Convocation Notice in English	The Company provides an English-language version of the Notice of Convocation via the Company homepage.
Other	The Company provides the Notice of Convocation of the Ordinary General Meeting of Shareholders, IR meeting materials, and other information via the Company homepage to promote participation in the General Meeting of Shareholders and the smooth exercise of voting rights.

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Board of Directors has established a Disclosure Policy, which is available from the Company's website.
Regular Investor Briefings for Individual Investors	None
Regular Investor Briefings for Analysts and Institutional Investors	Briefings are held twice annually after announcing the midyear and full fiscal year results.
Regular Investor Briefings for Overseas Investors	Briefings are held more than once annually for overseas institutional investors in the United States, Europe, Asia, or other regions.
Posting of IR Materials on Website	Web page for investor relations materials English-language IR materials are available at https://www.sompo-hd.com/en/ir/ Information for investors available on the web site: Stock market price quotes, stock market price historical data, share information, dividend information, credit ratings information, IR materials (including video), Integrated Report, CSR Communications Report, Annual Report, financial data, financial results, financial statements, quarterly financial statements, Notice of Convocation of the Ordinary General Meeting of Shareholders, notices of resolutions, monthly business results reports, etc. (Many of the materials are also available in English.) In addition to providing information via the web site, the Company also distributes news releases and other communications to analysts, institutional investors, and other stakeholders.
Establishment of Department and/or Manager in Charge of IR	IR Department: Officers are appointed from Office of Group CFO IR Officer in Charge: Masahiro Hamada, Group CFO, Executive Vice President and Executive Officer IR Operations Contact: Osamu Nose, Investor Relations Department TEL: +81-33349-3913
Other	IR Meetings are held twice annually with the senior management including Group CEO and, in principle, in attendance and include presentations and question and answer sessions. The Company arranges for senior management, including the Group CEO, to visit and engage in dialogue with overseas investors several times a year. In Japan, the executive officer of the IR Department arranges for dialogue with shareholders as needed. These dialogues enable the Company to explain it management policies and other topics in a timely manner while also allowing the Company senior management to receive timely feedback on shareholder interests and concerns, which contributes to forming management strategy and executing operations.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Group Basic Management Policy states that the Group will engage in active dialogue with stakeholders to fulfill its social responsibility as a corporation and contribute to realizing a sustainable society.
Implementation of Environmental Activities, CSR Activities etc.	The Company established the Group CSR Vision as a guideline for the Group's contributions to the realization of a resilient, sustainable society. The Company recognizes that the social issues of climate change, a super aging society, and inequality are growing, and thus identifies the themes that we should intensively address as the Group CSR Material Issues and quantifies related targets in the Group CSR-KPI targets. https://www.sompo-hd.com/en/csr/system/ The Group addresses global environmental issues following the precepts of the Group Environmental Policy and engages activities to reduce CO_2 emissions, while also developing and marketing such products as Weather Index Insurance to mitigate drought damage for farmers in developing countries. The Group provides information about these and other activities via its website. In addition, we declare support for the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and take various actions addressing climate change and promoting highly transparent information disclosure via our Annual Securities Report and/or Integrated Annual Report. <The Group CSR Materiality> Based upon the Group CSR Vision, the Group has established the following Three Key Strengths to advance initiatives that take advantage of the Group's strengths. <Our Key Strengths> 1. Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues. 2. Promoting the development of advanced human skills by fostering partnerships with stakeholders' representative of broad sectors of civil society. 3. Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture. The Group has identified Five CSR Material Issues that the Group must address based on its Group CSR Vision to realize "a resilient and sustainable society through providing products and services that contribute to security, health, and wellbeing." <Five Material Issues> 1. Providing Solutions for Disaster Preparedness 2. Contributing to Health and Welfare 3. Promoting the Manageability of Global Environmental Issues 4. Empowering Community and Society 5. Supporting Diversity and Inclusion in Private and Public Life
Development of Policies on Information Provision to Stakeholders	The Sompo Group Basic Policy on Disclosure stipulates the Company shall actively endeavor to distribute information to stakeholders even when not stipulated by law or other regulation and that the information shall be relevant, accurate, easy to understand, and provided in a timely manner.
Other	**Promoting diversity**

	The Group Personnel Vision states that promoting diversity is a key element to fulfilling the Group Management Philosophy to “provide the highest possible quality of service to our customers.” The Group respects and values the individuality and diversity of each employee and seeks to encourage all employees to fulfill their potential. The Diversity Promotion Headquarters is established with the aims of stepping up activities to promote diversity throughout the group and a workforce that value all personnel as individuals, regardless of gender, nationality, or other characteristics. Particular effort is given to empowering women in the workplace and measures are implemented to promote female advancement to managerial and executive positions. One of these measures is to provide role models and encourage the desire for career advancement among female employees. Accordingly, three outside directors at the Company are female, and one director, one executive officer, and two outside directors at Sompo Japan are female. The Group is also implementing specific measures to achieve targets for women in managerial positions. The Group has set a target for 30% of managerial positions to be held by female by the end of fiscal 2020. The Group is creating a company culture that is supportive of the career advancement of women. The Company implements group-wide female training programs to improve their knowledge/skill and change their mindset. Each group company also has its unique training program. As a result of these efforts, the number of women holding management position has risen from 305 women, or 5.0% of managerial positions in July 2013 when the targets were set to 906 people, or 23.8 % as of April 1, 2020. In March 2020, in consecutive three years, the Company was chosen for the 2019 Nadeshiko List, established jointly by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, in recognition of its efforts to promote women’s empowerment in the workplace. Sompo Japan also has received the Prime Minister’s Award to Commend Leading Companies Where Women Shine, presented by the Cabinet Office. As mentioned above, the Company has received recognition from outside parties every year. The Company is also taking active steps to further advance diversity and globalization. The Company currently appoints two non-Japanese executive officers, and an internal recruitment program was launched to bring employees from overseas Group companies to Sompo Japan and other companies. **Properly managing health and productivity** The Group promotes health management based on the belief that "health of employees and their families" is the driving force behind realizing the "highest quality service that contributes to the security, health, and wellbeing of our customers", and various Group companies are implementing various measures. In order to maintain and promote the health and wellbeing of employees, each group company is implementing various initiatives based on the individual’s health condition. In addition, we believe that ensuring vigorous work environment will help (i) maintain employee health, (ii) improve productivity and (iii) ultimately lead to sustainable corporate growth. To attain the purpose, each group company is working on the realization of various work style reforms (e.g., optimizing work hours, encouraging teleworking, shift work and taking annual paid leave). We are working on Data Health by utilizing health data analysis provided by its Group company, Sompo Health Support, Inc., and in cooperation with health insurance associations. We put a high value on productivity, and are working on the analysis on the relationships between work hours and Presenteeism*.

	* Presenteeism is defined as a loss caused by lower productivity arising from mental/physical health conditions. SOMPO Holdings was selected as a "2020 Health & Productivity Stock" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for its outstanding health and productivity management. Following last year, this is the second consecutive year to be selected. At the same time, 12 Sompo Group companies have been recognized as "Health & Productivity Management Outstanding Organizations (Large Enterprise Category)", and eight of them have been certified as "White 500" companies, under the program titled "2020 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category)". This recognition is to acknowledge excellent large companies that strategically carry out efforts in cooperation with an insurer to manage employee health, co-sponsored by METI and an NPO the Nippon Kenko Kaigi. We will deliver the effects of our initiatives, internally and externally, in cooperation with health insurance associations. By strengthening customer support while monitoring the outcome of such initiatives, we will be further contributing to the penetration of health and productivity management to our Group companies and customers. **Fulfilling social responsibility through proper payment of taxes** The Company will fulfill its corporate social responsibility through striving to bear an appropriate tax burden in compliance with applicable tax laws in the countries and regions in which it does business, while respecting the standpoints of various stakeholders.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company, by resolution of its Board of Directors, adopts the Basic Policy on Internal Controls to ensure the proper operations of the Group (hereinafter the "Group") and contribute to enhancement and quality improvement of corporate governance based on relevant laws and regulations and the Group's management philosophy. The Company shall strive to appropriately capture and validate the Group's control status based on the Basic Policy and enhance its systems. Additionally, in the situation of any event that poses material impact on the management of the Group, the Board of Directors shall promptly determine the policy to address the situation and necessary countermeasures.

1. System for Ensuring Proper Conduct of Operations of the Group
As set forth below, the Company shall establish the systems required to ensure that the operations of the Company Group are conducted properly.
(1) The Company shall present the Group Management Philosophy, the Group Action Guideline, the Group Vision, the Group Basic Management Policies, the Group Personnel Vision, and the Group CSR Vision to its Group companies.
(2) The Company shall prescribe the Group Basic Policy on the Business Management of Group Companies to clarify the scope and specifics of the business management. The Company also stipulates matters that Group companies shall submit applications for approval and report on important matters that impact the Group's management strategy and business plan, and appropriately exercises shareholder rights at each Group company. Furthermore, the Company shall ensure the effectiveness of this system by, for example, concluding a business management agreement.
(3) The Company shall formulate various basic policies of the Group 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 established a basic policy for the management of intra-group transactions to ensure that the soundness and appropriateness of its business operations are not affected by legal violations or risk influence resulting from conflicts of interest in intra-group transactions. In order to ensure its effectiveness, the Company shall establish an appropriate management system, including designating the transactions subject to monitoring, monitoring items, and departments responsible for monitoring, and appropriately identifying and examining important transactions within the Group.

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 prescribe the Sompo Group Basic Policy on Compliance and the Sompo Group Compliance Code of Conduct to establish compliance systems. The Company shall also issue a compliance manual with standards of conduct for Officers and Employees of the Company Group and conduct ongoing education and training based on compliance manual to disseminate these basic policies, the code of conduct, and the compliance manual.
(3)The Company shall 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 prescribe the Basic Policy on Response to Customer Feedback and organize effective systems in the Group for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality.
(5) The Company shall prescribe the Basic Policy on Quality of Services of Products and Services provided to Customers to formulate reporting procedure in the event of negative incident at Group companies that adversely affects customers financially and prepare manuals for checking similar incident that occurred in the Group to maintain and improve the quality of products and services provided to customers.
(6)The Company shall prescribe the 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 prescribe the 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 Group's corporate value.
(1)To ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting.
The Company shall also appropriately manage risks that may confront the Group as a whole through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Group.
(2)The Company shall have its Group companies develop and implement the appropriate frameworks for strategic risk management, including assessment and evaluation of risks, according to their scope, scale, and characteristics of operations.

4. System to Ensure Effective and Accurate Execution of Duties
As set forth below, the Company shall delegate authority for the execution of job duties, prescribe rules regarding decision-making and reporting, establish a command and control structure, and effectively utilize

management resources to ensure that the Company Group's Officers and Employees execute their duties properly and efficiently.
(1)The Company shall formulate the Company Group's management plans and share these plans with its Group companies.
(2) The 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 organize and prepare resolution matters and reporting matters for the Board of Directors Meeting so that the items that require the involvement of the Board of Directors are defined clearly. The Company shall also determine the scope of executive authorities of executives consistent with the clarification described herein.
(4) The Company shall establish the 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) For the purpose of realizing a business operation system with high level of credibility, convenience and efficiency, the Company shall prescribe the Group Basic Policy on IT Strategy and require each company of the Group to establish department responsible for building IT management system, develop system plan and system risk management to form a framework of IT governance and system risk management of the Group.
(6) The Company shall prescribe the Basic Policy on Outsourcing Management and ensure proper operations in association with outsourcing by the Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.
(7) The Company shall prescribe the 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 Group's funds being managed.
(8) The Company shall prescribe the Group Basic Policy on Establishing Business Continuity Systems and ensure the stability and soundness of the Group's operational foundation in times of emergency, such as by establishing systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters.

5. System for Ensuring the Financial Soundness and Adequacy of Financial Reporting
The Company shall prescribe the Basic Policy on Managing Financial Soundness and Actuarial Matters in order to establish an appropriate management system for financial soundness and actuarial management. In order to ensure efficiency, the Company shall establish a department, appoint personnel in charge of preparing appropriate financial statement, etc. and clarify related processes. The Company shall also review related processes as necessary based on the results of accounting audit and internal audit, etc. to ensure adequacy.

6. System for Ensuring Appropriate Information Disclosure
(1) The Company shall prescribe the Basic Policy on Disclosure to disclose information regarding the management status of the Group in an appropriate and timely manner and to reinforce fairness and efficiency in such disclosure. In order to ensure 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 prescribe the Basic Policy for Internal Controls over Financial Reporting to ensure appropriateness and credibility in financial reporting. In order to ensure efficiency, the Company shall designate department responsible for related internal control and another department to evaluate such internal control, comply with the internal control framework generally accepted as fair and appropriate, develop annual evaluation plan of internal control and produce internal control report.

7. System for Retention and Management of Information Related to Executive Officers' Performance of Their Duties
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 important meetings and documentation related thereto. The Company shall also establish the system required to retain and manage such information.

8. System to Ensure Internal Audits' Effectiveness
To ensure the effectiveness of the Company Group's internal audits, the Company shall prescribe the 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 the Audit Committee' 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 and, at Audit Committee' requests, appoint personnel with the requisite knowledge and experience to serve as Staff of the Audit Committee (employees to assist with Audit Committee' duties) assigned exclusively to audit duty. The Company shall also prescribe the Rules Regarding Staff of the Audit Committee and ensure their independence from executive functions and the effectiveness of instructions issued by the Audit Committee to the Staff of the Audit Committee as follows.
(1) The Company shall ensure the Staff of the Audit Committee's independence from executives and other persons in charge of execution by requiring consent from the Audit Committee's member appointed by Audit Committee regarding appointments, dismissal, and personnel evaluation of Staff of Audit Committee.
(2) In conducting their duties, Staff of the Audit Committee shall follow the instructions and orders of the Audit Committee or the members of Audit Committee only and not receive instructions or orders from any other personnel.
(3)Staff of the 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 the 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, etc. in the rules regarding 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 in question shall report back to the Audit Committee on the progress in addressing the matter cited by Audit Committee.

9-3. Other Systems to Ensure that Audit Committee' Audits are Conducted Effectively
(1) Any member of Audit Committee appointed by Audit Committee may attend and express their opinions at important meetings.
(2) The Company shall fully cooperate when Audit Committee or any member of the Audit Committee exchange opinions with directors, executive officers, accounting auditors, internal audit sections, and other persons required to appropriately performing the duties of the Audit Committee. The same shall apply to information gathering from or opinion exchange with Officers and Employees of Group companies.
(3) The Company shall respond to Audit Committee' requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
(4) Appointment, dismissal or any other important personnel change relating to the head of internal audit section shall require consent from Audit Committee.
(5) The internal audit section shall discuss and agree with Audit Committee on internal audit plan. The internal audit section shall report audit result and other designated items and follow instructions from Audit Committee as necessary.
(6) The Company shall appropriately handle any claim for reimbursement by Audit Committee and Staff of Audit Committee for necessary expenses to conduct duties.
(7) Officers and Employees of the Company shall also respect any other rule prescribed by Audit Committee and items provided in audit standard.

2. Basic Views on Eliminating Anti-Social Forces

The Company seeks to continually earn the trust of society and maintain sound corporate management and has established the Sompo Group Basic Policy on Response to Antisocial Forces which stipulates maintaining an absolutely uncompromising stance on undue claims and other activities by antisocial forces that disrupt or threaten the safety of civil society, rejecting all overtures, and blocking all relations with antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
None

2. Other Matters Concerning to Corporate Governance System

Overview of the system for timely disclosure

1. Basic stance

The Company maintains a system for disclosure in line with its Sompo Group Basic Policy on Disclosure. The policy is to provide information to about the Group's business conditions and various activities that is accurate, easy to understand, and provided in a timely manner as well as highly impartial and beneficial to various stakeholders including our shareholders, investors, and policyholders of subsidiary insurance companies.

The Company proactively complies with the Companies Act, Financial Instruments and Exchange Act, Insurance Business Act, and similar corporate laws (hereinafter "laws") as well as the regulations of the Financial Instruments Exchanges on which the Company is listed, and distributes information to stakeholders even when not stipulated by law or other regulation. The Company also endeavors to provide accurate, easy to understand, and timely information that is appropriate for the stakeholder that will be receiving the information.

2. Execution framework for disclosure operations

(1) System for disclosure

As mandated by law, the Company maintains a Corporate Legal Department that serves as a supervisory office for disclosure compliance.

Each of the Company's departments immediately reports all important information (information that is potentially required to be disclosed) to the Corporate Legal Department. The Company's direct subsidiaries similarly report any important information they become aware of related to their company or their subsidiary and affiliate companies to the Corporate Legal Department and the departments with jurisdiction.

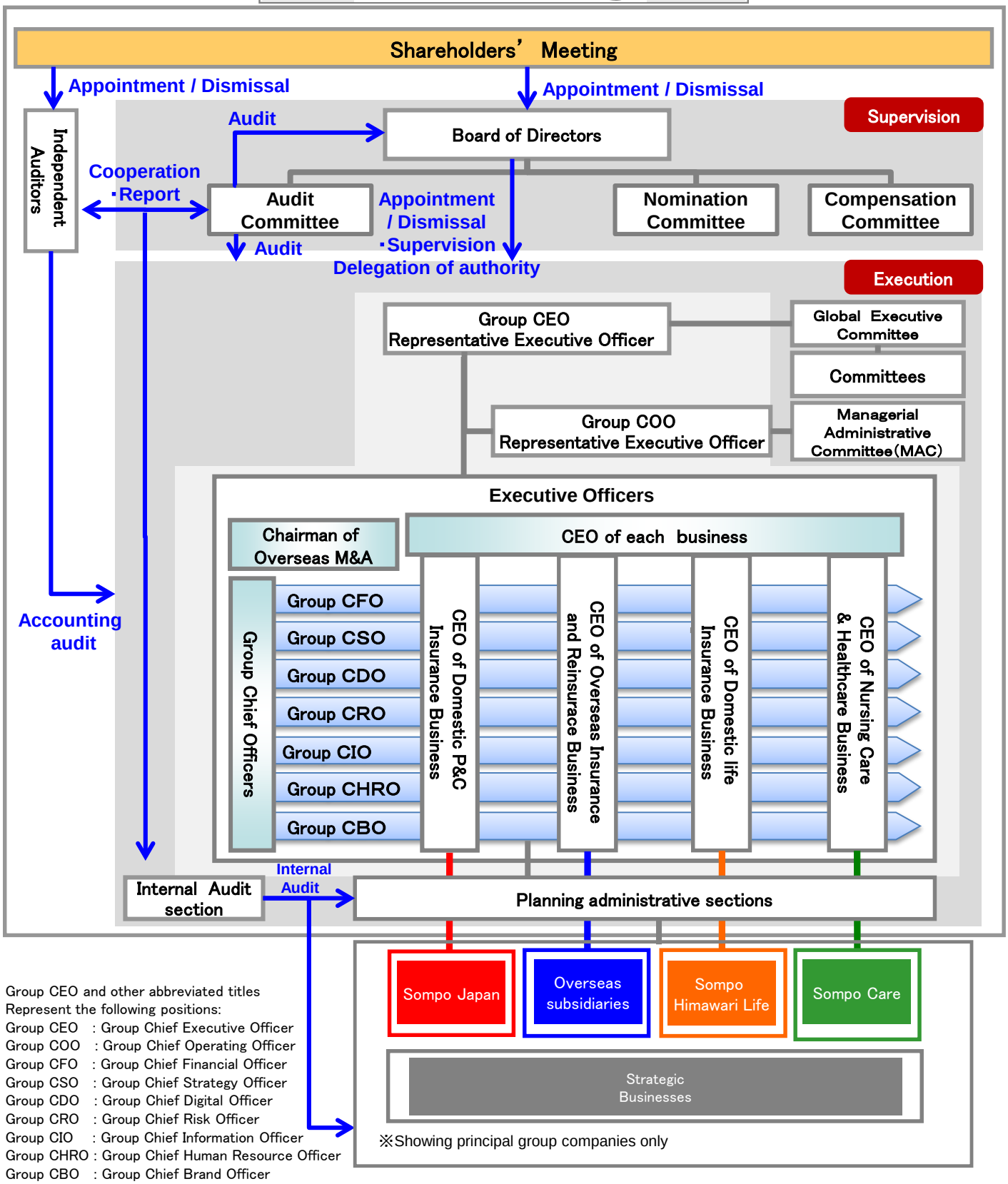
The Corporate Legal Department makes a decision whether or not to disclose and determines the actual contents.

(2) Disclosure system monitoring

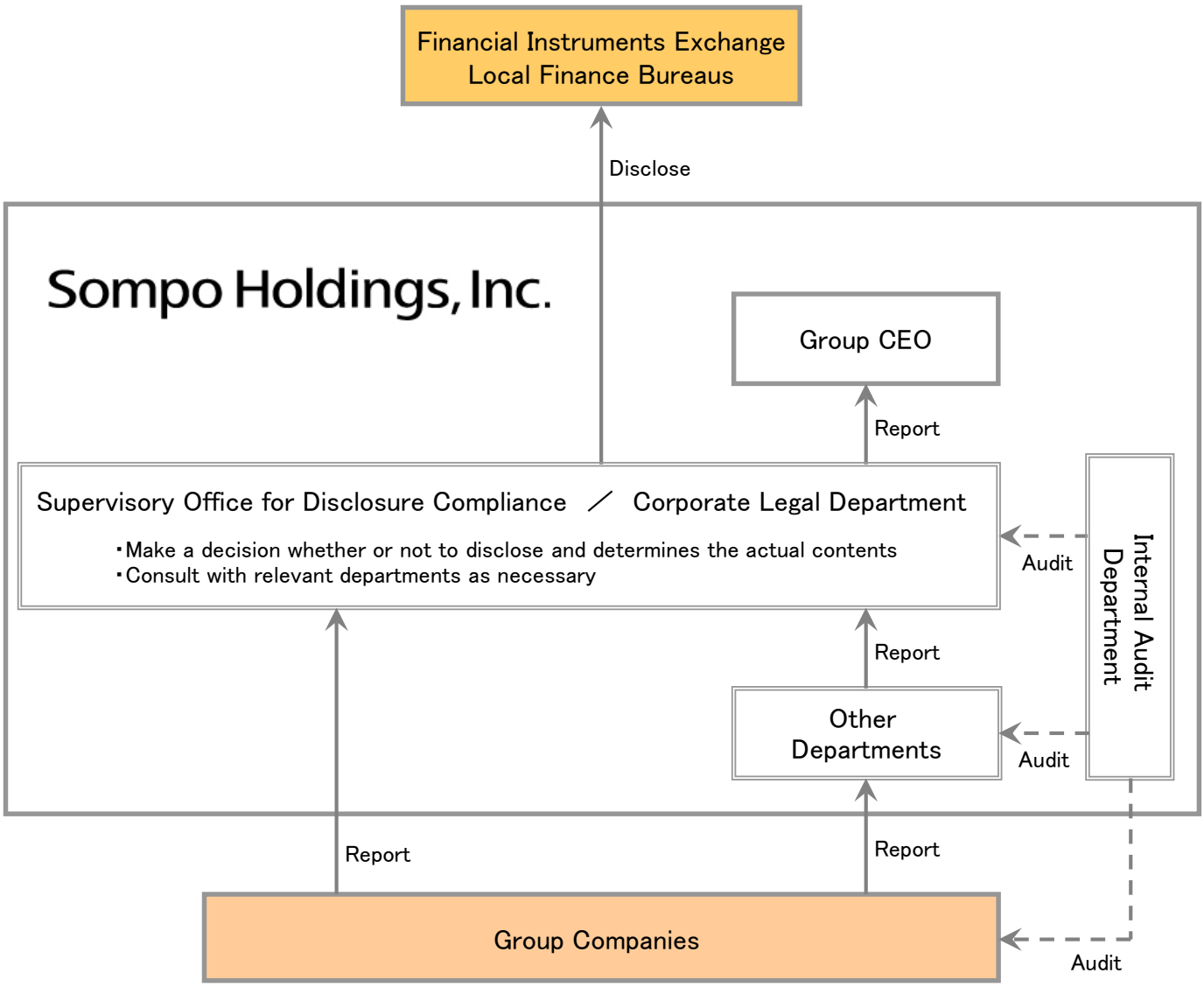
The Company, as stipulated in the Sompo Group Basic Policy on Internal Audits, maintains an internal auditing system for the Company and Group companies. The Company's Internal Auditing Department conducts internal audits to verify the appropriateness of business operations, including the disclosure of information, monitors the internal auditing activities of Group companies, and reports major issues to the Board of Directors.

Sompo Holdings

As of July 1, 2020



Group CEO and other abbreviated titles
Represent the following positions:
Group CEO : Group Chief Executive Officer
Group COO : Group Chief Operating Officer
Group CFO : Group Chief Financial Officer
Group CSO : Group Chief Strategy Officer
Group CDO : Group Chief Digital Officer
Group CRO : Group Chief Risk Officer
Group CIO : Group Chief Information Officer
Group CHRO : Group Chief Human Resource Officer
Group CBO : Group Chief Brand Officer


Financial Instruments Exchange
Local Finance Bureaus
Disclose
Sompo Holdings, Inc.
Group CEO
Report
Supervisory Office for Disclosure Compliance ／ Corporate Legal Department
・Make a decision whether or not to disclose and determines the actual contents
・Consult with relevant departments as necessary
Audit
Internal Audit Department
Report
Other Departments
Audit
Report
Report
Group Companies
Audit