[English Translation]

May 26, 2021

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

Announcement of Mid-Term Management Plan (FY2021-2023)

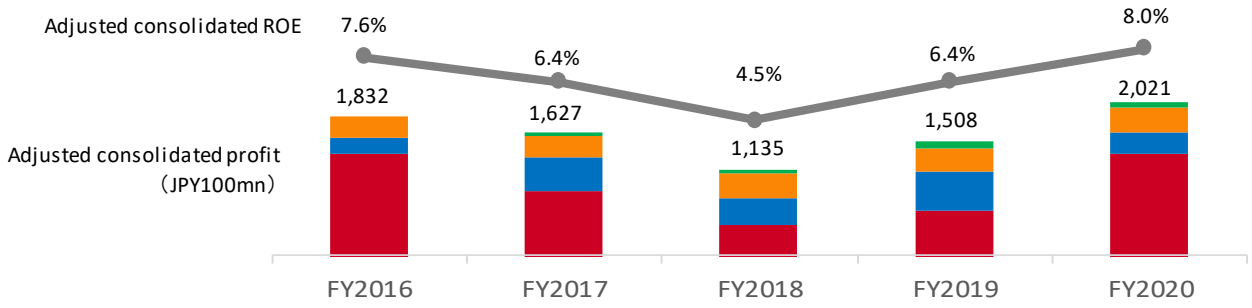
Sompo Holdings, Inc. (hereinafter “SOMPO”) hereby announces the new “Mid-Term Management Plan (FY2021-2023)” starting from FY2021.

1. Review of the previous Mid-Term Management Plan and development of the new Mid-Term Management Plan

Under the previous Mid-Term Management Plan (FY2016-2020), the SOMPO Group forged ahead with business portfolio transformation and corporate culture change by enhancing competitive advantages of individual businesses and implementing digital strategy to strengthen the business foundation for the realization of "A Theme Park for Security, Health and Wellbeing”.

As a result, adjusted consolidated profit for FY2020 reached a record high of ¥202.1 billion (vs. full-year forecast of ¥200.0 billion announced in November 2020), while adjusted consolidated ROE was 8.0% (vs. Nov. 2020 forecast of 8.5%).

＜Performance of the previous Mid-Term Management Plan (FY2016-2020)＞



The world is undergoing major changes due to increasing frequency and intensity of natural disasters, population ageing in Japan, exponential evolution of technology, and the continuing effects of COVID-19 infection. The SOMPO Group aims to realize the Group Management Philosophy by seizing the right opportunities presented by changes in the age of VUCA* and continue to be indispensable at all times to people and society. Therefore, to clarify the Group's medium- to long-term goals and the value to be continuously delivered to society, SOMPO established "SOMPO's Purpose" as the basis of

management strategy.

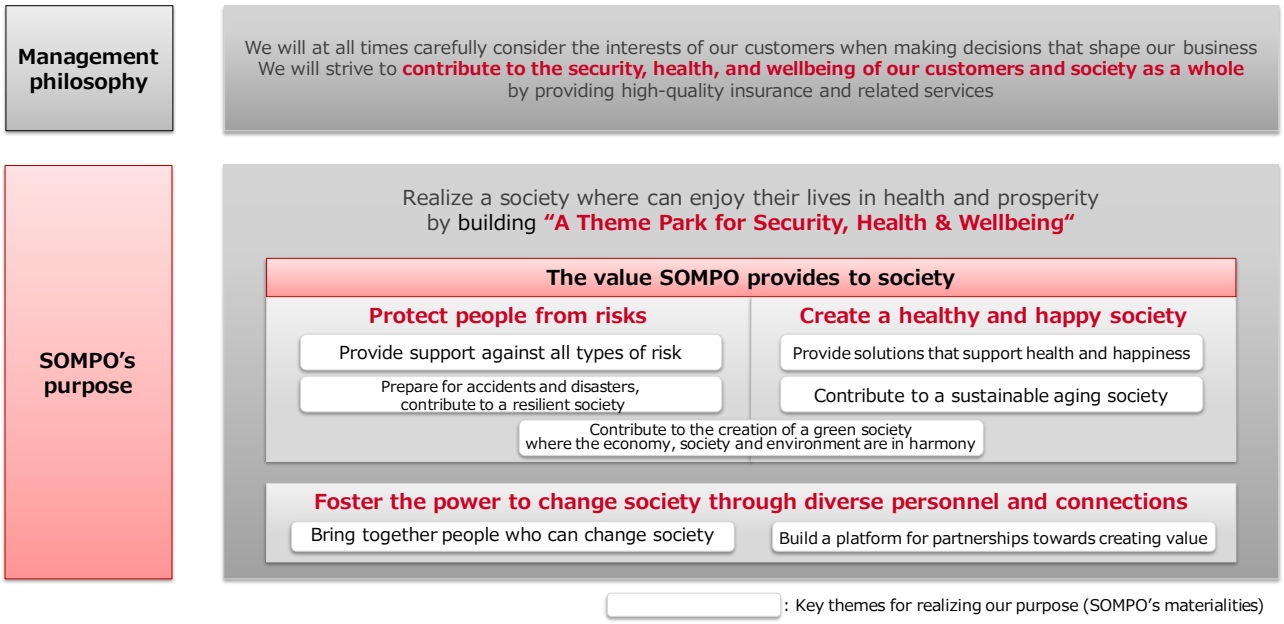
The Group developed the new Mid-Term Management Plan (FY2021-2023) to realize “SOMPO’s Purpose” steadily. Under this Plan, the Group will pursue organic growth of existing businesses, including insurance and nursing care, and build Real Data Platform (hereinafter "RDP") that will drive the realization of "A Theme Park for Security, Health and Wellbeing", develop solutions, and promote new work style.

※Acronym which stands for Volatility, Uncertainty, Complexity, and Ambiguity.

2. Overview of “SOMPO’s Purpose”

The Management Philosophy of the SOMPO Group is to “contribute to the society by providing the highest quality services for the security, health and wellbeing of customers”.

Guided by this Management Philosophy, the Group will face various social challenges from a medium- to long-term perspective to protect and support the people and society by focusing on “security”, “health” and “wellbeing”. We hope to contribute to sustainable society by working to address these challenges. The Group will create a society in which everyone can enjoy a healthy and prosperous life in one’s own way. This is “SOMPO’s Purpose”.



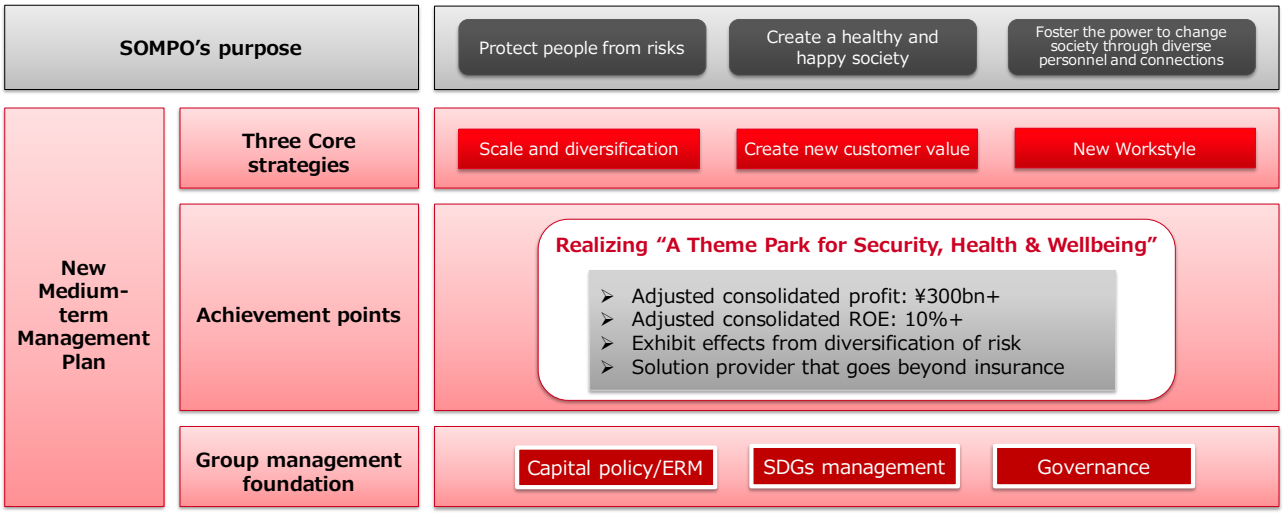
3. Overview of Mid-Term Management Plan (FY2021-2023)

The SOMPO Group developed the 3-year Mid-Term Management Plan (FY2021-2023) starting from FY2021 with the aim of realizing "SOMPO's Purpose" by delivering value to society in a concrete way and proactively incorporating SDGs, common social challenges, in business management.

(1) Outline of Mid-Term Management Plan

The Mid-Term Management Plan has three basic strategies, which are "pursuit of scale and diversification" to increase profitability of existing businesses and stabilize profits, "creation of new customer value" by utilizing real data, and "new work style". Specific strategies and goals (KPIs) are set for each strategy and the Group will work toward generating adjusted consolidated profit of ¥300 billion

or more, achieving adjusted consolidated ROE of 10% or higher, bring out the risk diversification effect, and evolve into a solution provider crossing insurance business boundaries.



(2) Basic strategies

①Pursuit of scale and diversification

We will increase profitability and expand customer base of existing businesses, primary insurance and nursing care, to enhance resilience to withstand changes in the environment, as well as achieve further growth also through disciplined M&A, etc. to transform business portfolio and improve capital efficiency.

②Creation of new customer value

We aim to deliver entirely new values by focusing on developing new businesses in priority domains (health & wellness, mobility & property, digital) that have high affinity with existing businesses and building RDP as new platform that organically connects real data of individual businesses/domains.

③New work style

We aim to create a group of talents that share Three Core Values (Mission-Driven, Professionalism, and Diversity & Inclusion) to improve job satisfaction and happiness of each employee and to achieve an overwhelmingly high productivity for the sustainable growth of the Group.

(3) Individual business strategies

①Domestic P&C Insurance Business

Led by Sompo Japan, the domestic P&C insurance business will improve profitability through earnings structure reform, increase the topline by strengthening marketing, implement digital transformation, create new business models, and generate stable profits as the largest business of the Group.

②Overseas Insurance and Reinsurance Business

Led by Sompo International, the overseas insurance business will increase topline growth through bolt-on M&A, etc. and ensure profitability through pricing improvement in commercial lines, while

improving profitability by transferring skills and strengthening business foundation under a unified business management framework in retail lines.

③Domestic Life Insurance Business

The domestic life insurance business will continue to grow the topline driven by Insurhealth®, and further accelerate growth with product/marketing strategies that utilize digital/data. In addition, it will establish a firm footing as a health support company by increasing fans of Sompo Himawari Life and raising brand awareness.

④Nursing Care & Seniors Business

Led by Sompo Care, the nursing care & seniors business will work toward improving the quality and productivity of nursing care by making full use of technology to support the lives of seniors and with the aim of extending healthy life expectancy. It will also work on building ecosystems in collaboration with other nursing care providers and medical/healthcare providers by utilizing real data and real services.

⑤Digital Business

The digital business will develop solutions and business models based on RDP through the alliance with Palantir, which has the world's leading data analytics technology, and collaboration with startups, etc. in Japan and abroad.

⑥Healthcare Business

The healthcare business will develop businesses covering prevention/preventive medicine, diagnosis and treatment that help promote health and improve productivity and quality in healthcare, and create new value through co-creation in and outside the Group, real business foundation, and digital utilization.

(4) Group Management Targets

Indicator		Previous Plan	New Mid-Term Management Plan	
		FY2020 (Actual)	FY2021 (Forecast)	FY2023 (Plan)
Adjusted consolidated ROE		8.0%	7.4%	10% or higher
Adjusted consolidated profit		¥202.1B	¥205.0B	¥300B or more
(Reference)	Domestic P&C	¥130.1B	¥105.0B	¥150B or more
	Overseas	¥30.0B	¥60.0B	¥100B or more
	Domestic Life	¥33.8B	¥32.5B	¥40B or more
	Nursing Care & Seniors, etc.	¥8.1B	¥7.5B	¥10B or more
Diversification effect	Risk diversification ratio	39.4%	40.2%	Improvement vs. FY2020 actual
	Overseas business ratio	14.9%	29.3%	30% or higher

	(Geographical diversification)			
New customer value creation	Long-term target	-	Group revenue generated through RDP utilization: More than ¥500B	
	New Mid-Term target	-	External distribution/monetization of RDP products/services: 2 businesses or more	

＜Reference links＞

■ IR meeting materials / New Mid-Term Management Plan (FY2021-2023)
URL: https://www.sompo-hd.com/-/media/hd/en/files/doc/pdf/e_ir/2021/e_20210526.pdf

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