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Securities code: 8630

June 2, 2021

Notice to Shareholders

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

Notice of Convocation of the 11th General Shareholders Meeting

Thank you all for your continued patronage.

The 11th General Shareholders Meeting of Sompo Holdings, Inc. (the "Company" or "we") will be held as shown below.

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

Please review the "Reference Documents for General Shareholders Meeting" (from page 6 to page 27) hereafter, and exercise your voting rights in accordance with the "Instructions concerning the Exercising of Voting Rights" (from page 4 to page 5).

Details of the Meeting

1. Date and Time: **June 28, 2021 (Monday) at 10:00 a.m.**
(Reception starts at 9:00 a.m.)

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

Please refer to the enclosed "Information on the Live Streaming of the 11th General Shareholders Meeting" (available in Japanese) and, as much as possible, please refrain from coming to the meeting by viewing the live streaming.

* If there are any major changes in the holding of the General Shareholders Meeting due to circumstances in the future, we will post them via the Internet on our website (https://www.sompo-hd.com/en/).

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3. Purpose of the Meeting of Shareholders:

Matters to be Reported

1. The business report, the consolidated financial statements and the audit reports on the consolidated financial statements by the independent accounting auditors and the Audit Committee for Fiscal Year 2020 (April 1, 2020 to March 31, 2021)

2. The financial statements for Fiscal Year 2020 (April 1, 2020 to March 31, 2021)

Resolution Matters

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

4. Matters related to Exercise of Voting Rights:

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

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

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

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

-- End

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

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

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

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

Request Concerning Prevention of the Spread of the Novel Coronavirus Disease (COVID-19) at the General Shareholders Meeting

The following is our response for preventing the spread of the novel coronavirus disease at the General Shareholders Meeting. We kindly ask for your understanding and cooperation.

1. Requests to shareholders attending the meeting

・ Please wear a face mask.
・ If you feel unwell, please notify the staff.
・ The proceedings on the day of the meeting are scheduled to be shortened drastically, and detailed explanations of matters to be reported (including audit reports) and proposals will be omitted. You are kindly requested to take a look at the notice of convocation beforehand.
・ The General Shareholders Meeting will be filmed from the rear of the venue for streaming, and due care will be given such that shareholders will not show up on the live stream. However, please note that there might be cases where shareholders will appear for unavoidable reasons.

2. The Company's response

・ There will be no gifts distributed at the General Shareholders Meeting.
・ There are no plans for organizing an art museum tour for shareholders.
・ Face masks and alcohol disinfectants will be available within the venue, and the staff will check your body temperature at the reception desk.

As the seats will be arranged with wider space between them, the number of seats available will be significantly fewer. As such, you may be denied entry into the venue.

・ Shareholders who feel unwell may not be allowed to enter the venue.
・ The General Shareholders Meeting will be available on live streaming for shareholders who do not attend the meeting in person. (For details, please refer to the enclosed "Information on the Live Streaming of the 11th General Shareholders Meeting (available in Japanese)."）

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Instructions concerning the Exercising of Voting Rights

You may exercise your voting rights by the following three methods.

1) Exercise your voting rights via the Internet

Please go to the website for exercising voting rights shown below, and indicate your approval or disapproval with respect to each proposal by the deadline for exercising voting rights.

Deadline for Exercising Voting Rights: June 25, 2021 (Friday) at 5:00 p.m. (Japan time)

Points to Note When Exercising Voting Rights via the Internet

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

2) Exercise your voting rights by mail

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

Deadline for Exercising Voting Rights: June 25, 2021 (Friday) at 5:00 p.m. (Japan time)

3) Exercise your voting rights by attending the General Shareholders Meeting

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

Date and Time of the Meeting: June 28, 2021 (Monday) at 10:00 a.m. (Japan time)

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

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

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

For inquiries, please contact the following:

Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.

Telephone 0120-768-524 (Toll Free (from within Japan only))

Hours of Operation 9:00 a.m. - 9:00 p.m. (excluding Saturdays, Sundays and national holidays)

To Institutional Investors

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

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Reference Documents for General Shareholders Meeting

Proposals and Reference Matters Thereof

Proposal 1: Disposition of Retained Earnings

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

Matters concerning year-end dividend:

1. Matters concerning allocation of assets to be distributed to shareholders, and the total amount thereof:
   Amount per share of common stock of the Company: 90 yen
   Total amount: 32,035,341,870 yen
   As a result of this, the amount of annual dividend of the current period will be 170 yen per share, inclusive of the amount of interim dividend of 80 yen per share.

2. Effective Date of dividend of retained earnings:
   June 29, 2021

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Proposal 2: Appointment of Twelve Directors

The term of office of all twelve directors will expire at the conclusion of this General Shareholders Meeting. Accordingly, we propose to appoint twelve directors (including nine outside directors), in accordance with the decision made by the Nomination Committee.
The candidates for the positions of directors are listed below:

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Candidate No.	Name	Current Position and Responsibilities at the Company	Others
1	Kengo SAKURADA	Group CEO, Director, President and Representative Executive Officer Overall management of the Group's operations (CEO)	Reappointment
2	Shinji TSUJI	Group COO, Director, Deputy President and Representative Executive Officer Overall management of the Group's operations (COO)	Reappointment
3	Toshihiro TESHIMA		New appointment
4	Scott Trevor DAVIS	Director (Outside Director) Nomination Committee Member (Chair) Compensation Committee Member	Reappointment Outside Independent Outside Director
5	Kazuhiro HIGASHI	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
6	Takashi NAWA	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
7	Misuzu SHIBATA	Director (Outside Director) Nomination Committee Member Compensation Committee Member	Reappointment Outside Independent Outside Director
8	Meyumi YAMADA		New appointment Outside Independent Outside Director
9	Naoki YANAGIDA	Director (Outside Director) Audit Committee Member (Chair)	Reappointment Outside Independent Outside Director
10	Hideyo UCHIYAMA	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
11	Isao ENDO	Director (Outside Director) Audit Committee Member	Reappointment Outside Independent Outside Director
12	Kumi ITO		New appointment Outside Independent Outside Director

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<Reference: Expected roles, skills and areas of expertise for directors>

・The Company is undergoing a transformation to become a "Theme Park for Security, Health and Wellbeing."

・Transformation is defined qualitatively as the "transformation of the business portfolio" and "transformation of the corporate culture," and quantitatively as the achievement of "adjusted consolidated profit of 300.0 billion yen or more and adjusted consolidated ROE of 10% or higher." In order to achieve this, the Board of Directors is composed mainly of outside directors, with the aim of making objective judgments on management issues and other matters from diverse and independent perspectives, by appointing directors in consideration of diversity, including gender and internationality.

*The committee members scheduled to assume office in the table below are those candidates who will assume office if Proposal 2 "Appointment of Twelve Directors" is approved and adopted.

						
Name	Kengo SAKURADA	Shinji TSUJI	Toshihiro TESHIMA	Scott Trevor DAVIS	Kazuhiro HIGASHI	Takashi NAWA
Reappointment/ New appointment	Reappointment	Reappointment	New appointment	Reappointment	Reappointment	Reappointment
Positions, and committees to be appointed	Director	Director	Director Audit Committee	Independent Outside Director Nomination Committee Compensation Committee	Independent Outside Director Nomination Committee Compensation Committee	Independent Outside Director Nomination Committee Compensation Committee
Expected roles, skills and areas of expertise for director candidates						
1) Business strategy	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●
3) ESG, SDGs	●	●		●	●	●
4)Transformation strategies	●			●	●	●
5) Digital	●					●
6) HR strategy	●		●	●	●	●
7) Finance, accounting	●	●	●		●	
8) Corporate governance	●	●	●	●	●	●
9) Legal, risk management	●	●	●		●	

*Details of each skill and area of expertise are as follows. The above table shows skills and areas of expertise particularly expected for each candidate and does not indicate all of the skills and areas of expertise possessed by each candidate.

Items 1) and 2): Skills and areas of expertise where all Directors are expected to provide useful advice and supervision to the executive sector

Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience

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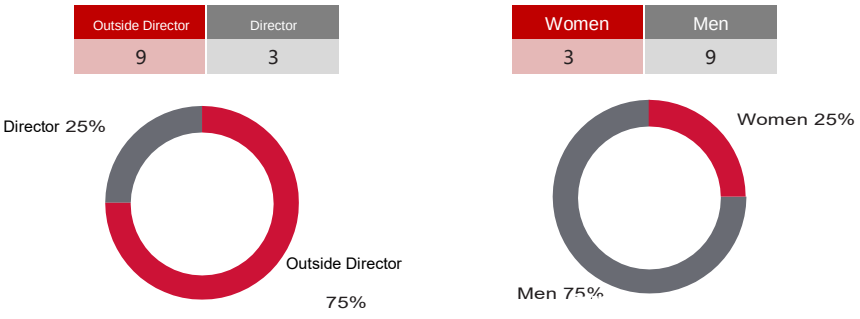
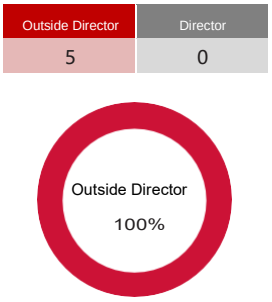
Name	Misuzu SHIBATA	Meyumi YAMADA	Naoki YANAGIDA	Hideyo UCHIYAMA	Isao ENDO	Kumi ITO
Reappointment/ New appointment	Reappointment	New appointment	Reappointment	Reappointment	Reappointment	New appointment
Positions, and committees to be appointed	Independent Outside Director Nomination Committee Compensation Committee	Independent Outside Director Nomination Committee Compensation Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee	Independent Outside Director Audit Committee
Expected roles, skills and areas of expertise for director candidates						
1) Business strategy	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●
3) ESG, SDGs	●		●	●		
4) Transformation strategies		●			●	●
5) Digital		●			●	●
6) HR strategy				●	●	●
7) Finance, accounting		●		●	●	●
8) Corporate governance	●	●	●	●		
9) Legal, risk management	●		●			

(Diversity of the Board of Directors)

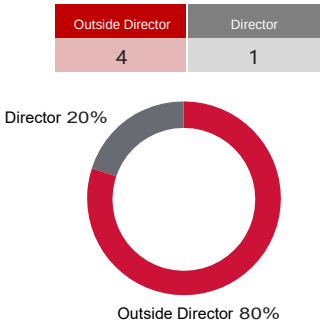
1. Directors Overall



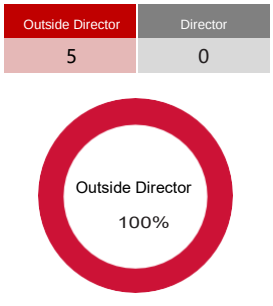
2.Nomination Committee



3. Audit Committee



4. Compensation Committee



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■Policies for Appointment of Directors

Directors are appointed according to appointment criteria that are based on the comprehensive guidelines for supervision of insurance companies. Moreover, the Company will appoint outside directors based on (1) Competency Criteria, (2) Standards regarding Independence of Outside Directors, and (3) Criteria for Years of Service as described below.

(1) Competency Criteria

The Company shall appoint as outside directors those with a wide range of knowledge and experience having backgrounds in corporate management, academia or legal profession, or those with professional knowledge regarding finance and accounting. In addition, when appointed, they are required to be in a condition to devote the time and effort necessary to properly fulfill their roles and responsibilities as directors.

(2) Standards regarding Independence of Outside Directors

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

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

(3) Criteria for Years of Service

The Company will carefully consider whether or not there is a positive reason for reappointing the candidate whose total terms of office as outside director or outside audit & supervisory board member of the Company exceeds eight years, and if there is a positive reason, reappointment will not be precluded.

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Candidate for directors (twelve individuals)

Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
1	Kengo SAKURADA (Feb. 11, 1956) Reappointment	<Summarized Resume, Position> Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Jul. 2005 Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2007 Managing Executive Officer of Sompo Japan Jun. 2007 Director, Managing Executive Officer of Sompo Japan Apr. 2010 Director, Managing Executive Officer of the Company Jul. 2010 Director, Executive Officer of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Jun. 2011 Director of the Company Apr. 2012 Representative Director, President and Executive Officer of the Company Sep. 2014 Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Apr. 2015 Representative Director, Chairman of Sompo Japan Nipponkoa Jul. 2015 Group CEO, Representative Director, President and Executive Officer of the Company Director, Chairman of Sompo Japan Nipponkoa Apr. 2016 Director of Sompo Japan Nipponkoa (now Sompo Japan Insurance Inc.) (current position) Apr. 2019 Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) (current position) Jun. 2019 Group CEO, Director, President and Representative Executive Officer of the Company (current position) <Responsibilities in the Company> Overall management of the Group’s operations (CEO) <Significant positions concurrently held> Director of Sompo Japan Insurance Inc. Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) <Number of years in office as director (at the end of this General Shareholders Meeting)> 11 years <Record of attendance at meetings of the Board of Directors in Fiscal 2020> 10 out of 10 (100%) <Reasons for selection as a candidate for director> In addition to his experience in business integration, business alliance, corporate planning, sales and systems in the P&C insurance business, Mr. Kengo SAKURADA has global experience at international financial institutions. He took office as Representative Director and President of Sompo Japan in 2010, as Representative Director and President of the Company in 2012, and as Group CEO (Chief Executive Officer) of the Company in 2015. Mr. Sakurada has knowledge of management of insurance holding companies and global business management. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors and the Company believes that his knowledge would be necessary for the future global development and advancement to new business fields. Accordingly, he was re-selected as a candidate for director.	22,741 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
2	Shinji TSUJI (Dec. 10, 1956) Reappointment	<Summarized Resume, Position> Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer and General Manager, Customer Service Department of Sompo Japan Insurance Inc. (“Sompo Japan”) Apr. 2009 Managing Executive Officer of Sompo Japan Jun. 2011 Director, Managing Executive Officer of the Company Apr. 2012 Director, Senior Managing Executive Officer of the Company Apr. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (now Sompo Himawari Life Insurance Inc.) (current position) Apr. 2017 Group CFO, Representative Director, Deputy President and Senior Executive Officer of the Company Jan. 2019 Group COO, Group CFO, Representative Director, Deputy President and Senior Executive Officer of the Company Apr. 2019 Group COO, Group CBO, Representative Director, Deputy President and Senior Executive Officer of the Company Jun. 2019 Group COO, Group CBO, Director, Deputy President and Representative Executive Officer of the Company Apr. 2021 Group COO, Director, Deputy President and Representative Executive Officer of the Company (current position) <Responsibilities in the Company> Overall management of the Group’s operations (Chief Operating Officer) <Significant positions concurrently held> Director of Sompo Himawari Life Insurance Inc. <Number of years in office as director (at the end of this General Shareholders Meeting)> 10 years <Record of attendance at meetings of the Board of Directors in Fiscal 2020> 10 out of 10 (100%) <Reasons for selection as a candidate for director> Mr. Shinji TSUJI has experience in accounting, public relations, CSR and sales in the P&C insurance business. He was mainly responsible for corporate management of group companies as well as accounting and finance at the Company, and took office as Representative Director of the Company in 2014, as Group CFO (Chief Financial Officer) of the Company in 2017, as Group COO (Chief Operating Officer) and Group CBO (Chief Brand Officer) of the Company in 2019, and currently as Group COO of the Company. Mr. Tsuji has knowledge of management of insurance holding companies of the P&C insurance business. With his abundant experiences and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for director.	21,550 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
3	Toshihiro TESHIMA (Oct. 24, 1960) New appointment	<Summarized Resume, Position> Sep. 1992 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2017 Executive Officer, General Manager, Corporate Legal Department of Sompo Japan Nipponkoa Insurance Inc. (“Sompo Japan Nipponkoa”) Executive Officer, General Manager, Corporate Legal Department of the Company Apr. 2018 Director, Managing Executive Officer of Sompo Japan Nipponkoa Apr. 2021 Senior Advisor of Sompo Japan Insurance Inc. (current position) <Number of years in office as director (at the end of this General Shareholders Meeting)> - <Reasons for selection as a candidate for director> Mr. Toshihiro TESHIMA has many years of experience in the finance and legal sections of Sompo Japan Insurance Inc., where he was responsible for the human resources and claims service sections as a director. Mr. Teshima has knowledge on financial, legal and business fields at insurance companies. With his abundant experience and achievements, he is expected to reinforce supervisory and decision-making functions of the Board of Directors. Accordingly, he was selected as a candidate for new director.	5,500 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
4	Scott Trevor DAVIS (Dec. 26, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004 Director of Ito-Yokado Co., Ltd. Sep. 2005 Director of Seven & i Holdings Co., Ltd. Mar. 2006 Audit & Supervisory Board Member of Nissen Co., Ltd. Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position) Mar. 2011 Member of the Board of Bridgestone Corporation (current position) Jun. 2014 Director of the Company (current position) <Significant positions concurrently held> Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 7 years <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Nomination Committee: 11 out of 11 (100%) Meetings of the Compensation Committee: 11 out of 11 (100%) <Reasons for selection as a candidate for outside director and expected roles> Mr. Scott Trevor DAVIS has broad knowledge as an erudite scholar and provided appropriate advice to the Company from global perspectives, especially through his research on strategic management, ESG and CSR at the university, in terms of reinforcing the supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Despite a lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, he was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
5	Kazuhiro HIGASHI (April 25, 1957) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1982 Joined Saitama Bank, Ltd. (now Resona Group) Jun. 2005 Outside Director of Resona Trust & Banking Co., Ltd. Jun. 2009 Director, Deputy President and Executive Officer of Resona Holdings, Inc. Apr. 2011 Director, Deputy President and Representative Executive Officer of Resona Holdings, Inc. Apr. 2012 Representative Director, Deputy President and Executive Officer of Resona Bank, Limited Apr. 2013 Director, President and Representative Executive Officer of Resona Holdings, Inc. Representative Director, President and Executive Officer of Resona Bank, Limited Apr. 2017 Chairman of the Board, President and Representative Director of Resona Bank, Limited Jun. 2017 Chairman of Osaka Bankers Association Nov. 2017 Vice Chairman of The Osaka Chamber of Commerce and Industry (current position) Apr. 2018 Chairman of the Board, President and Representative Director, Executive Officer of Resona Bank, Limited Apr. 2020 Chairman and Director of Resona Holdings, Inc. (current position) Chairman and Director of Resona Bank, Limited (current position) Jun. 2020 Director of the Company (current position) <Significant positions concurrently held> Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited Vice Chairman of The Osaka Chamber of Commerce and Industry <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 1 year <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 8 out of 8 (100%) Meetings of the Nomination Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 10 out of 10 (100%) <Reasons for selection as a candidate for outside director and expected roles> Having experience in finance and corporate management, among others, in the banking business, Mr. Kazuhiro HIGASHI took office as Director, President and Representative Executive Officer of Resona Holdings, Inc. and Representative Director, President and Executive Officer of Resona Bank, Limited in 2013. He has served numerous key positions in the business community including Chairman of Osaka Bankers Association and Vice Chairman of The Osaka Chamber of Commerce and Industry. With his abundant knowledge and experience as a top-level executive of large-scale corporations, he has provided appropriate advice to the Company in terms of reinforcing the supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Accordingly, he was re-selected as a candidate for	0 Shares

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		outside director.	
Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
6	Takashi NAWA (June 8, 1957) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1980 Joined Mitsubishi Corporation Apr. 1991 Joined McKinsey & Company Jun. 2010 Professor of Graduate School of International Corporate Strategy, Hitotsubashi University (now School of International Corporate Strategy, Hitotsubashi University Business School) President of Genesys Partners, Inc. (current position) Sep. 2010 Senior Advisor of Boston Consulting Group Jun. 2011 Member of the Board of NEC Capital Solutions Limited (current position) Nov. 2012 Director of FAST RETAILING CO., LTD. (current position) Jun. 2014 Member of the Board of DENSO CORPORATION Jun. 2015 Member of the Board of Ajinomoto Co., Inc. (current position) Apr. 2018 Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School (current position) Jun. 2020 Director of the Company (current position) <Significant positions concurrently held> 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) Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 1 year <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 7 out of 8 (87%) Meetings of the Nomination Committee: 9 out of 10 (90%) Meetings of the Compensation Committee: 9 out of 10 (90%) <Reasons for selection as a candidate for outside director and expected roles> Having practical experience in a major Japanese trading company and global consulting firms, Mr. Takashi NAWA was appointed professor of Graduate School of International Corporate Strategy at Hitotsubashi University in 2010, and currently is a guest professor of International Corporate Strategy, Hitotsubashi University Business School. With his abundant business experience as a management consultant, combined with his profound academic knowledge from a global perspective, he has provided appropriate advice to the Company in terms of reinforcing supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Accordingly, he was re-selected as a candidate for outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
7	Misuzu SHIBATA (July 25, 1974) *Ms. Misuzu SHIBATA's registered name is Misuzu KOYAMA. Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Oct. 2000 Registered as attorney-at-law Nov. 2001 NS Law Office, Lawyer (current position) Oct. 2007 Fixed-term civil servant at the Financial Services Agency, Supervision Bureau, Planning and Management Division, Deposit Insurance and Resolution Framework Office Apr. 2017 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute of Japan Jun. 2017 Director of DELICA FOODS HOLDINGS CO., LTD. (current position) Jun. 2020 Director of the Company (current position) Director of SPACE VALUE HOLDINGS CO., LTD. (current position) <Significant positions concurrently held> Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) Director of SPACE VALUE HOLDINGS CO., LTD. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 1 year <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 8 out of 8 (100%) Meetings of the Nomination Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 10 out of 10 (100%) <Reasons for selection as a candidate for outside director and expected roles> Ms. Misuzu SHIBATA has abundant knowledge and experience as a legal expert and has provided appropriate advice to the Company on governance, diversity & inclusion, in terms of reinforcing supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Despite a lack of experience in corporate management other than serving as an outside director in the past, she was re-selected as a candidate for outside director due to the reasons mentioned above.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
8	Meyumi YAMADA (Aug. 30, 1972) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1995 Joined KOEI KOGYO Co., Ltd May 1997 Joined Kiss Me Cosmetics Co., Ltd. Jul. 1999 Representative Director of istyle LLC Apr. 2000 Representative Director of istyle Inc. Dec. 2009 Director of istyle Inc. (current position) May 2012 Representative Director and President of Cyberstar Co., Ltd. Sep. 2015 Director of MEDIA GLOBE CO., LTD. (current position) Mar. 2016 Representative Director and President of IS Partners Inc. Sep. 2016 Director of Eat Smart, Inc. Jun. 2017 Director of JAPAN POST INSURANCE Co., Ltd. (current position) Director of SEINO HOLDINGS CO., LTD. (current position) Nov. 2019 Director of IS Partners Inc. (current position) <Significant positions concurrently held> Director of istyle Inc. Director of JAPAN POST INSURANCE Co., Ltd. (Outside Director) Director of SEINO HOLDINGS CO., LTD. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> - <Reasons for selection as a candidate for outside director and expected roles> In addition to her entrepreneurial and business management experience, Ms. Meyumi YAMADA has a wealth of practical business experience in marketing, including digital marketing. She possesses a high level of knowledge such as by participating in policy formulation, having served on government-related committees related to councils on information and communications and industrial structure of the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry. She is also actively involved in initiatives on women's empowerment in the workplace, and can be expected to provide valuable advice on diversity & inclusion, an important strategy of the Company. Accordingly, she was selected as a candidate for new outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
9	Naoki YANAGIDA (Feb. 27, 1960) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1987 Admitted to the Japanese Bar Attorney at law at The Law Offices of Yanagida & Nomura (now Yanagida & Partners) (current position) Jun. 2004 Statutory Auditor of Nippon Paper Industries Co., Ltd. Statutory Auditor of Nippon Unipack Holdings Co., Ltd. Jun. 2014 Audit & Supervisory Board Member of the Company Auditor of Alpine Electronics, Inc. Jun. 2016 Director (Audit and Supervisory Committee Member) of Alpine Electronics, Inc. Audit & Supervisory Board Member of YKK Corporation (current position) Jun. 2019 Director of the Company (current position) Aug. 2019 Director of Kusuri No Aoki Holdings Co., Ltd. (current position) <Significant positions concurrently held> Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of Kusuri No Aoki Holdings Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 2 years (7 years in office, if adding 5 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 12 out of 12 (100%) <Reasons for selection as a candidate for outside director and expected roles> Mr. Naoki YANAGIDA has abundant knowledge and experience as a legal expert. He took office as Outside Audit & Supervisory Board Member of the Company in 2014 and as Outside Director of the Company in 2019. Despite a lack of experience in participation in corporate management other than by serving as outside director or outside audit & supervisory board member, with his professional knowledge and experience as a legal expert, he has provided appropriate advice to the Company in terms of reinforcing the supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Accordingly, he was re-selected as a candidate for outside director.	0 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
10	Hideyo UCHIYAMA (Mar. 30, 1953) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Nov. 1975 Joined Arthur Young & Company Dec. 1979 Joined Asahi Accounting Company (now KPMG AZSA LLC) Mar. 1980 Registered as Certified Public Accountant Jul. 1999 Representative Partner of Asahi & Co. (now KPMG AZSA LLC) May 2002 Board Member of Asahi &Co. (now KPMG AZSA LLC) Jun. 2006 Executive Board Member of KPMG Azsa & Co. (now KPMG AZSA LLC) Jun. 2010 Managing Partner of KPMG Azusa & Co. (now KPMG AZSA LLC) Chairman of KPMG Japan Sep. 2011 Chairman of KPMG Asia Pacific Oct. 2013 CEO of KPMG Japan Sep. 2015 Executive Advisor of ASAHI Tax Corporation (current position) Jun. 2016 Audit & Supervisory Board Member of OMRON Corporation (current position) Jun. 2017 Audit & Supervisory Board Member of the Company Jun. 2018 Director of the Eisai Co., Ltd. (current position) Jun. 2019 Director of the Company (current position) <Significant positions concurrently held> Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Outside Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 2 years (4 years in office, if adding 2 years in office as Outside Audit & Supervisory Board Member) <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Audit Committee: 12 out of 12 (100%) <Reasons for selection as a candidate for outside director and expected roles> Mr. Hideyo UCHIYAMA possesses professional insight and experience as a certified public accountant. Furthermore, he has abundant experience as a manager at one of Japan's leading auditing corporations and a global consulting firm, and took office as Outside Audit & Supervisory Board Member of the Company in 2017 and as Outside Director of the Company in 2019. With his abundant knowledge and experience as an accountant and company manager, he has provided appropriate advice to the Company in terms of reinforcing the supervisory and decision-making functions of the Board of Directors, and is expected to play an active role in these areas. Accordingly, he was re-selected as a candidate for outside director.	500 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
11	Isao ENDO (May 8, 1956) Reappointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1979 Joined Mitsubishi Electric Corporation Oct. 1988 Joined The Boston Consulting Group Inc. Oct. 1992 Joined Andersen Consulting Oct. 1996 Partner of Andersen Consulting Sep. 1997 Partner and Director of Booz Allen Hamilton May 2000 Managing Partner of Roland Berger Ltd. Apr. 2006 Chairman of Roland Berger Ltd. Professor of the Graduate School of Commerce, Waseda University May 2011 Director of Ryohin Keikaku Co., Ltd. (current position) Mar. 2013 Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. Jun. 2014 Director of the Company (current position) Director of Nisshin Steel Co., Ltd. Feb. 2021 Director of NEXTAGE Co., Ltd. (current position) <Significant positions concurrently held> Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of NEXTAGE Co., Ltd. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> 7 years <Record of attendance at meetings in Fiscal 2020> Meetings of the Board of Directors: 10 out of 10 (100%) Meetings of the Nomination Committee: 1 out of 1 (100%) Meetings of the Audit Committee: 10 out of 10 (100%) Meetings of the Compensation Committee: 1 out of 1 (100%) <Reasons for selection as a candidate for outside director and expected roles> Mr. Isao ENDO has practical experience at a global consulting firm, in addition to broad insight based on academic knowledge as a graduate school professor, as well as abundant experience as a company manager. He has provided appropriate advice on the management of the Company, especially through his deep and diversified perspective gained through his practical research on “hands-on capabilities,” and can be expected to reinforce the supervising and decision-making functions of the Board of Directors. Accordingly, he was re-selected as a candidate for outside director.	1,000 Shares

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Candidate No.	Name (Date of Birth)	Summarized Resume, Position, Responsibilities, Significant Positions Concurrently Held and Others	Number of Shares of the Company Owned by Candidate (As of March 31, 2021)
12	Kumi ITO (Dec. 20, 1964) New appointment Outside Director Candidate Independent Outside Director	<Summarized Resume, Position> Apr. 1987 Joined Sony Corporation Apr. 1998 Joined IBM Japan, Ltd. Jan. 2014 CMO of GE Healthcare Japan Corporation Sep. 2016 Director and COO of 4U Lifecare Inc. Jul. 2017 CMO of Yext Co., Ltd. Apr. 2018 Representative Director, President and CEO of 4U Lifecare Inc. (current position) Jun. 2018 Director of True Data Inc. (current position) Jun. 2020 Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO. LTD. (current position) <Significant positions concurrently held> Representative Director, President and CEO of 4U Lifecare Inc. Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO. LTD. (Outside Director) <Number of years in office as outside director (at the end of this General Shareholders Meeting)> - <Reasons for selection as a candidate for outside director and expected roles> Ms. Kumi ITO is highly knowledgeable in IT, digital and marketing, with experience such as in business strategy planning and strategy consulting at an electronics manufacturer and other business companies, as well as serving as Chief Marketing Officer (CMO) at a healthcare business company. She is also expected to provide valuable advice on diversity & inclusion, an important strategy of the Company, as she participates in the establishment of a non-profit organization that promotes women's empowerment in the workplace. Accordingly, she was selected as a candidate for new outside director.	0 Shares

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Notes:

1. There are no special interests between each candidate and the Company.
2. Mr. Scott Trevor DAVIS, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Ms. Meyumi YAMADA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA, Mr. Isao ENDO and Ms. Kumi ITO are candidates for outside directors.
   The Company has prescribed the "outside director independence criteria for the appointment of outside directors" (<Reference: Policies for Appointment of Officers> 1. (2) on the next page). None of the above candidates fall within any of the categories for examination listed in the above-referred standards and each candidate is considered to be independent. The Company has registered Mr. Scott Trevor DAVIS, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Mr. Isao ENDO as independent directors stipulated by the regulations of the Tokyo Stock Exchange, Inc. If the election of the directors is approved, they will continue to be independent directors. In addition, Ms. Meyumi YAMADA and Ms. Kumi ITO meet the requirements for independent directors stipulated by the regulations of the Tokyo Stock Exchange, Inc. and the Company plans to register them as independent directors with the Tokyo Stock Exchange, Inc. in the event that their election is approved.
3. The Company has entered into a contract (contract for limitation of liability), in accordance with Article 427, Paragraph 1 of the Companies Act, with Mr. Scott Trevor DAVIS, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Mr. Isao ENDO, respectively, that limits his or her compensation liability for damages under Article 423, Paragraph 1 of the Companies Act to the Minimum Liability Amount stipulated in Article 425, Paragraph 1 of the Companies Act. If they are appointed (reappointed) as outside directors, the Company intends to continue said contract with each of them.
   If Ms. Meyumi YAMADA and Ms. Kumi ITO are appointed (newly appointed) as outside directors, the Company intends to conclude the same contract with both of them.
4. The Company has entered into a Directors and Officers liability insurance with an insurance company. The insurance covers directors, executive officers and executive officers (shikkouyakuin) of the Company and directors, audit & supervisory board members, executive officers, executive officers (shikkouyakuin) and employees and others in positions of management and supervision of the Company's subsidiaries (excluding some overseas subsidiaries). If the election of each candidate as a director is approved and each candidate is appointed as a director, each candidate will become the insured under such policy. The insurance covers any loss which may arise from the insured directors, etc. being held liable for the performance of their duties or being subject to a claim in respect of such liability. However, damages caused by willful misconduct or gross negligence will not be covered and there are other exemptions. The relevant insurance will be renewed during the term of office of each candidate, and the Company will bear all insurance premiums.
5. JAPAN POST INSURANCE Co., Ltd., where Ms. Meyumi YAMADA has served as an outside director since June 2017 to the present, has found incidents related to policy rewriting that was not in line with customers' intention and may have caused disadvantages to customers during her tenure. The details of the case have already been reported by the Special Investigation Committee, which was established by JAPAN POST INSURANCE Co., Ltd., JAPAN POST HOLDINGS Co., Ltd. and JAPAN POST Co., Ltd. and is composed solely of external experts who have no interest in the three companies. Ms. Yamada has been making recommendations regularly from the perspective of legal and customer compliance management as necessary, and after the case was identified, she has made recommendations for customer protection and prevention of recurrence and carried out her responsibilities appropriately.

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<Reference: Policies for Appointment of Directors and Executive Officers>

The appointment of Directors and Executive Officers is conducted in accordance with the following policies for appointment of Directors and Executive Officers. The candidates for Directors selected by the Nomination Committee are approved at the General Shareholders Meeting, and the candidates for Executive Officers are selected by the Nomination Committee and approved by the Board of Directors.

1. Policies for Appointment of Directors

The Company supervises and guides its subsidiaries, formulates management strategy for the Group that encompasses management strategies for subsidiaries that are engaged in the P&C insurance business and other various businesses, and is responsible for ensuring the execution and realization of these strategies.
From this perspective, the Board of Directors selects Outside Directors to facilitate objective decision-making with respect to management issues from a diverse and independent viewpoint and perspective with consideration of diversity such as gender and nationalities, and the majority of the Board of Directors consists of Outside Directors.
Additionally, the Directors are selected based on the selection criteria that incorporate the Comprehensive Guidelines for Supervision of Insurance Companies. Outside Directors are selected based on I. "Ability Requirements", II. "Standards regarding Independence of Outside Directors", and III. "Requirements for Terms of Office".
For the purpose of carrying out substantive discussions, the number of Directors shall be limited to 15 (fifteen) in accordance with the Articles of Incorporation.
Note: In this policy, gender refers to all gender-related events, knowledge, and values, including the existence of the gender division of labor and LGBTQ.

(1) Ability Requirements

The Company selects Outside Directors from corporate executives, academic experts, and legal professionals who have a wide range of knowledge and experiences in various fields or individuals who have expert knowledge of finance and accounting.
In addition, the appointment shall require him/her to be in a position where he/she is able to devote the time and effort necessary to fulfill the role and responsibilities of Director appropriately.

(2) Standards regarding Independence of Outside Directors

The Company will determine the independence from the Company of outside directors based on the matters set forth below:
1) Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the company which the candidate is originally from.
2) Capital Relationships: The holding of shares in the Company by the candidate

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and the status of shareholding by the Group.
3) Business Relationships: Business transactions or donations between the Group and the candidate.
4) Significant interests other than the above.

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

1) Personal Relationships
a. The candidate is or was Executive Director (Note 1), Executive Officer, Senior Vice President 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 a Non-Executive Director or Audit & Supervisory Board Member).
b. The candidate is a relative (Note 3) of a person who is or was Executive Director, Executive Officer, Senior Vice President or an important employee (Note 2) of the Company or its subsidiary at present or in the past 5 years.
c. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer or Senior Vice President 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
a. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Senior Vice President or an employee of a company in which the Company owns 10% or more of the voting rights.
b. The candidate is a relative of a person who is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer or Senior Vice President of a company in which the Company owns 10% or more of the voting rights.
c. 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 Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Board Member, Senior Vice President or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
d. 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 Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Board Member, Senior Vice President of the subject company).

3) Business Relationships
a. 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

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subsidiary (if the payer is a corporation, the candidate is or was Executive Director, Executive Officer, Senior Vice President or an employee of the subject company, its parent company or a significant subsidiary) or a relative of the person.

b. 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 Executive Director, Executive Officer, Senior Vice President or an employee of the subject company, its parent company or a significant subsidiary) or a relative of the person.
c. 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 Co
d. The candidate is Director, Audit & Supervisory Board Member, Accounting Advisor, Executive Officer, Senior Vice President 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.
e. 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 en
f. 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.
g. 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.
h. The candidate is a consultant such as an attorney or a certified public accountant other than the above (e) 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%

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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) (c) and (d), and 3) (a), (b) and (h) (e.g., a person who "was") refers to within the past five years.

(3) Requirements for Terms of Office
If the total terms of office as Outside Director or Outside Audit & Supervisory Board Member of the Company exceeds eight years, the Company will carefully consider whether there are any positive reasons for reappointment, and if there are any reasons, the Company shall not preclude reappointment.

2. Policies for the composition and criteria for appointment of Executive Officers and Senior Vice Presidents

(1) Policies for the composition of Executive Officers and Senior Vice Presidents
The Company implements systematic development of managerial talent based on the succession plan. As for the composition of Executive Officers and Senior Vice Presidents as a whole, the Company places emphasis on diversity including gender, age, experience, and nationalities as well as the balance in the management team.

(2) Criteria for appointment of Executive Officers and Senior Vice Presidents
The Company selects Executive Officers and Senior Vice Presidents in accordance with the following criteria:
- Able to realize transformation based on SOMPO's management philosophy and vision
- Able to develop the next generation of leaders who will drive transformation
- Able to foster a culture in which employees have confidence and pride, and boldly take on challenges with high aspirations
- Is driven by one's own mission and able to take actions
- Has a high level of expertise and insight regarding the mission and roles to

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be assumed

- Has experience and a track record related to the mission and roles to be assumed
- Understands the value of diversity and is able to leverage it for value creation
- Has the ability to make fair and impartial judgments and to achieve goals
- Has a fair and honest personality

-- End

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Attachments

Attachment (1)

Fiscal 2020 Business Report
For the Period from April 1, 2020 through March 31, 2021

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

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

Main Substance of Business of the Corporate Group

At the end of the fiscal year ended March 31, 2021, the Group consisted of Sompo Holdings, Inc. (the "Company" or "Sompo Holdings, Inc." or "we"), 73 companies that are consolidated subsidiaries, and 13 companies that are affiliates accounted for under the equity-method and others. The Group's main businesses are the domestic property and casualty ("P&C") insurance business, overseas insurance business, domestic life insurance business, and nursing care & healthcare business.

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

During the period under review, although the global economy was weak due to the global novel coronavirus pandemic, signs of a recovery were starting to be seen. The Japanese economy also faced a difficult situation, with some weakness in consumer spending and corporate earnings, although there were signs of a recovery in production and exports.

(Progress and Results of Business of the Corporate Group)

The Group Management Philosophy states, "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." During the period under review, which is the final year of the five-year Mid-term Management Plan, the Group achieved steady growth based on the initiatives it has taken in each of its businesses to date, and at the same time, accelerated new investments in growth fields and digital strategies for the future, working to strengthen its management foundation for the realization of a "Theme Park for Security, Health and Wellbeing." In addition, the spread of COVID-19 affected the Group's business activities during the period under review. The Group continued each business operation with thorough infection prevention measures, placing the highest priority on ensuring the safety of all employees, customers and other stakeholders.

As a holding company of the entire Group, the Company is proceeding with the "reformation of the business portfolio" and "reformation of the corporate culture" of

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the Group, with the aim of achieving business plans and maximizing the corporate value. Up to this day, we have strived to address important group issues such as establishing and reinforcing the superiority of each business, drafting the Group's management strategy, allocating management resources across the Group, strengthening the governance system, carrying out digital strategy and M&A, and promoting the diversification of human resources.

During the period under review, the Group decided to enter into a three-way business partnership with Palantir Technologies Inc. ("Palantir") and Palantir Technologies Japan K.K., with which we have been strengthening relationships, in order to utilize the various real data held by the Group through its various businesses. Palantir is a tech company that provides advanced technologies and services for organizations with complex and highly confidential data environments. We will jointly develop services that mainly utilize the company's Foundry software technology with the aim of growing the Group's business. In addition, we expanded the scope of our efforts to provide new value through a capital alliance with Tier IV, Inc., which is engaged in the development of automated driving systems and other businesses, and through collaboration with various partners across industries. We have also decided to set up a headquarters for promoting "SOMPO's Workstyle Innovation" within the Company, and to work on the transformation of our human resources throughout the Group. In order to achieve sustainable growth for the Group, we will further accelerate initiatives such as the development of human resources who share the three core values (mission-driven, professionalism, and diversity & inclusion) and the shift to digital work, with the aim of improving the sense of fulfillment and happiness of each employee and achieving outstandingly high productivity.

(Performance over the Period under Review)

The Company's consolidated financial results were as follows.

Ordinary income increased by 85.9 billion yen to 3,846.3 billion yen. Meanwhile ordinary expenses increased by 63.3 billion yen to 3,631.2 billion yen.

As a result, ordinary profit for the period under review increased by 22.6 billion yen to 215.0 billion yen. Net income attributable to shareholders of the parent amounted to 142.4 billion yen, representing an increase of 19.9 billion yen when compared to the previous period.

(Summary of Previous Mid-term Management Plan (FY2016 to FY2020))

The Group uses adjusted consolidated profit and adjusted consolidated ROE as management indicators in order to indicate the Group's actual profitability and capital efficiency. In FY2020, the final year of the five-year Mid-term Management Plan, adjusted consolidated profit reached a record high of 202.1 billion yen and adjusted

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consolidated ROE was 8.0%. The breakdown of adjusted consolidated profit as of the end of FY2020 is 64% for the Domestic P&C Insurance Business, 15% for the Overseas Insurance Business, 17% for the Domestic Life Insurance Business, and 4% for the Nursing Care & Healthcare Business, etc. The business forecast announced in November 2020 was adjusted consolidated profit of 200.0 billion yen and adjusted consolidated ROE of 8.5%.

During the Mid-term Management Plan period, in the Domestic P&C Insurance Business, in addition to structural reforms of the management foundation to strengthen the profitability of existing businesses, we mainly worked on the development of new businesses. In the Overseas Insurance Business, we expanded the scale of our business through disciplined M&As, including the acquisition of Endurance Specialty Holdings Ltd. (now Sompo International Holdings Ltd.), and built a global platform by reorganizing our subsidiaries. In the Domestic Life Insurance Business, we developed and rolled out new products and services to transform ourselves into a “health support enterprise” with Insurhealth® at the core. In the Nursing Care & Healthcare Business, we implemented measures to help improve the service quality and productivity of existing nursing facilities, as well as conducted other initiatives including human resource development. We also advanced the digital strategy, including the opening of the SOMPO Digital Lab.

(Progress and Results of Each Business Segment)

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

Domestic P&C Insurance Business

Sompo Japan

Aiming to be the P&C insurance company that enjoys the greatest support from customers, Sompo Japan Insurance Inc. is working to provide products and services that deliver security, health, and wellbeing to its customers, and taking on the challenge of building a new business model that realizes value creation.

In FY2020, in response to the spread of the novel coronavirus disease, we worked to expand the compensation for products that compensate for absence from work due to infectious diseases, and also made use of the Internet and improved products so that application procedures, which previously required face-to-face guidance, can be fully completed non-face-to-face.

With regard to the earthquake off the coast of Fukushima that occurred in February 2021, we are working to pay insurance claims as soon as possible by reviewing our internal system and procedures for claim payments, while utilizing assessments by documents review in consideration of the prevention of the spread of the virus.

On the other hand, in order to build a new business model that realizes value

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creation, we formed an alliance with One Concern, Inc. (“One Concern”), a company that aims to solve social issues in a field that is highly compatible with the existing P&C insurance business, and made Tier IV, Inc. (“Tier IV”) an affiliate company. Through our partnership with One Concern, a company with strengths in AI-based disaster damage prediction services, we have begun to develop services that contribute to disaster prevention and mitigation. We have been collaborating with Tier IV since 2019 in the proof of concept of automated driving, and will continue to support the practical application of safe and secure automated driving through Tier IV’s advanced technology, thereby contributing to solving social issues such as securing means of transportation in depopulated areas and the shortage of drivers due to a population decline.

Sompo Japan Insurance Inc. will continue to take on the challenge of sustainable growth in existing businesses and creating new business models.

SAISON AUTOMOBILE AND FIRE INSURANCE

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

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Overseas Insurance Business

Sompo International Holdings (SIH) continues to build out a global, integrated platform across the 29 countries that make up the overseas business of Sompo Holdings. The overseas insurance business plays an important role in increasing Group profit and we have expanded the business by consistently employing strategies of organic growth (growth in existing businesses) and disciplined approach to M&A.

The overseas commercial insurance business continues to contribute to Sompo group by leveraging its strengths – including brand, distribution capabilities, capital strength and, most importantly, talent. The business has continued to grow by securing new business opportunities across most lines of business, expanding scale through strategic M&A, all while staying true to a disciplined underwriting approach.

The operations in North America and Europe continued to grow our earnings base, focusing on providing a broad range of risk management products and services to corporate clients. the company also took steps to strengthen AgriSompo, Sompo International's worldwide agricultural insurance business, with the acquisition of Diversified Crop Insurance Services ("Diversified"), a leading U.S. crop insurance organization, and a strategic distribution partnership with InVivo Group, an agricultural cooperative in France. With the addition of Diversified in December 2020, AgriSompo became one of the largest crop insurance providers in the U.S. and the world, with combined gross written premiums exceeding $2.BB USD. As a global market leader, AgriSompo will continue to provide solutions to address climate change risk and sustaining our food supply, while enhancing the risk diversification and profitability of our overall commercial insurance portfolio.

In December 2020, the acquisition of the U.S. aviation insurance managing general underwriter, W. Brown & Associates Insurance Services ("W. Brown") was completed. In addition to building on a long-standing relationship with an industry-leading managing general underwriter, this transaction reaffirms a dedication to the long-term general aviation market and reinforces Sompo International's commitment to building a portfolio of industry leading, diversified and profitable products and services.

Finally, we continue to transfer the expertise of Sompo Sigorta Anonim Sirketi (Turkey) to Sompo group companies in emerging markets, with an eye toward raising profitability and achieving medium- to long-term high growth rates in our retail business. Through our integrated global network, we will continue to explore opportunities to export our best practices and knowledge of the retail market to enhance the value we provide to clients in additional countries and regions around the world.

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Domestic Life Insurance Business

Sompo Himawari Life

Sompo Himawari Life Insurance Inc. aims to transform itself into a “health support enterprise,” that help customers stay healthy every day by providing not only coverage for emergencies, but also providing new value (Insurhealth®) that integrates the functions of insurance with healthcare functions.

We also developed several new products and services to expand Insurhealth® in FY2020.

As a new product, we launched a new medical insurance product based on the concept of preventing serious illnesses, “Health Support Medical Insurance: Kenko no Omamori” in June 2020, and the number of sales exceeded 130,000 policies. In addition, in March 2021, we launched “Suwantoku Cancer Insurance,” an online exclusive cancer insurance policy based on the concept of early detection and early treatment.

As a new service exclusive for policyholders and the insured, in July 2020, we released “LinkX Health Try,” an app that supports improvement of lifestyle habits with a function that predicts the risk of lifestyle-related diseases based on the results of health checkups, and in January 2021, we released LinkX Score, an app that visualizes the state of your body, mind, and lifestyle as a numeric score to support daily health activities.

In December 2020, in response to the spread of the novel coronavirus, we started an online interview and paperless application procedures for some of our insurance products, providing peace of mind to customers who feel concerned about face-to-face interviews.

We will continue to expand and instill Insurhealth®, further strengthen our ties with each and every customer, and aim to continue to be a company that can provide “security, health, and wellbeing” to our customers.

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Nursing Care & Healthcare Business

Sompo Care

Based on the slogan of “Changing the future of nursing care,” Sompo Care Inc. aims to contribute to society and achieve sustainable growth by resolving issues faced by a super-aging society, such as a serious shortage of support staff. Offering a full line-up of nursing care services, ranging from nursing care centers to homecare services, Sompo Care works to improve quality and productivity through the use of digital technology and real data, and provide sustainable services to meet the growing demand for nursing care.

In FY2020, we worked to strengthen the foundation of our full line-up of services through M&As with nursing care providers and the establishment of new home nursing care centers. In addition, with the aim of assisting nursing care supporters, we launched a “business process support” service to provide other nursing care providers with the know-how we have accumulated over the years in operating nursing care businesses, with services including business operation consulting and food purchasing service, and a strong track record was achieved in the first year of the service.

In terms of the use of technology, we have introduced mattress sensors in many rooms to measure the sleep status of residents, thereby improving the QOL (quality of life) of residents and reducing the workload of night shift staff. In addition, we have introduced Palantir Technologies Japan’s data analysis system in multiple facilities ahead of others, and it is beginning to see the effects in improving service quality and productivity.

We will continue to aim to contribute to improving the quality and productivity of the nursing care industry as a whole by leveraging our operational know-how based on the largest number of senior living rooms in Japan and our strengths in real data and data analysis, both in terms of quality and quantity in order to realize a society in which people can receive the care they want in the place they want to live in, and can enjoy their own late life.

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Others

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

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Priority Issues to be Addressed

◆Operating Environment and Management Strategy

The environment surrounding the Group is undergoing substantial changes, such as the increasing frequency and severity of natural disasters caused by climate change, the rapidly declining birthrate and aging society in Japan, and the transformation of existing business models due to a prolonged low interest rate environment and exponential evolution of technology.

In addition, the impact of the novel coronavirus disease is still affecting the management foundations of many companies, and remains a threat to the lives and health of stakeholders. These are all issues common to society, linked to the Sustainable Development Goals (SDGs) advocated by the United Nations.

In addition to quickly and flexibly addressing such rapid changes and maintaining a strong management foundation by practicing ERM (enterprise risk management) that appropriately controls the balance of capital, risk, and return, the Group will continue to take thorough measures and responses against the novel coronavirus disease in each company to ensure the safety of all employees, customers and other stakeholders. We will continue to provide value to society through the vision of a “Theme Park for Security, Health and Wellbeing,” and thereby realize a society in which all people can enjoy their own lives in good health and abundance, as “SOMPO's Purpose,” and position it at the core of our management strategy.

Under the vision of a “Theme Park for Security, Health and Wellbeing,” which the Group aims to achieve, the Group will give concrete form to the abstract concepts of security, health, and wellbeing. The vision entails accompanying people, who are the focus of society, and addressing social issues through our business by making appropriate use of digital and other leading-edge technologies, while contributing to society as an entity providing cohesive support to the lives and lifestyles of customers. It is the Group’s vision, the future we aspire to achieve.

The Group will protect people from future risks facing the society by providing preparedness against all types of risks, preventing accidents and disasters, and contributing to a resilient society. In addition, by providing solutions for healthy longevity and contributing to a sustainable aging society, we will create a future society for healthy and happy lives. Through these efforts, we will also contribute to the creation of a green society where the economy, society, and the environment are in harmony. Furthermore, we aim to foster the power to change the future society by realizing diverse personnel and building a platform for partnerships.

◆The New Mid-term Management Plan (FY2021-FY2023)

In order to make concrete progress in providing value to such society, the Group has decided to launch a new three-year Mid-term Management Plan with the aim of

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realizing “SOMPO's Purpose” while proactively incorporating the SDGs into management. The plan consists of three basic strategies: “pursuit of scale and diversification” in an aim to stabilize profits by increasing the profitability of existing businesses; “creation of new customer value” mainly through the utilization of real data; and “new work style.” Each strategy has specific strategies and achievement targets (KPI), and we will work to achieve adjusted consolidated profit of 300.0 billion yen or more and adjusted consolidated ROE of 10% or more, as well as to demonstrate the effects of risk diversification and evolve into a solution provider beyond the framework of insurance.

◆Group Governance System

The Group has shifted to a Company with a nomination committee, etc. in June 2019. It has developed a supervisory system centered around outside directors. Each of the three statutory committees, namely, the Nomination Committee, Audit Committee, and Compensation Committee, are chaired by an outside director, and hold fair and active discussions to strengthen the Group’s governance. In addition, to ensure that the supervisory function over the executive department is fully exercised, the Company will enhance the soundness and transparency of governance by actively and proactively sharing the status of business execution such as by ensuring opportunities for sharing information with the Board of Directors. The Company utilizes the business owner system and the Group Chief Officer system, under the general oversight of the Group CEO and Group COO, for its business operation system to enable agile and flexible decision-making and business execution as well as ensuring the clarity of authority and responsibility. In April 2021, the Company established a new CEO of Digital Business to promote the digital business and the Group CDMO (Chief Data Marketing Officer), who is the chief executive of the Group's data marketing domain, to establish an innovation framework for this domain. In addition, the Group has appointed an executive officer in charge of the healthcare domain with a view to entering new business domains. The executive officers and executive officers (shikkouyakuin) appointed by the Board of Directors will pursue their own missions, while the Group as a whole will aim to build a highly effective operation system that supports the Group’s sustainable growth by making maximum use of the functions of the Global Executive Committee, which is an advisory organ to the Group CEO and the highest executive committee, and the Managerial Administrative Committee, which is an advisory organ to the Group COO and mainly discusses important matters related to the implementation of business strategies and operational management of the Group.

< Reference：Directors and Executive Officers >

Sompo Holdings' Directors and Executive Officers will be as follows subject to the approval of Proposal 2 "Appointment of Twelve Directors".

Directors (to be appointed at Shareholders Meeting)

Directors



Kengo SAKURADA
(Concurrently serves as Executive Officer)



Shinji TSUJI
(Concurrently serves as Executive Officer)



Toshihiro TESHIMA

Outside Directors



Scott Trevor DAVIS



Kazuhiro HIGASHI



Meyumi YAMADA



Takashi NAWA



Misuzu SHIBATA



Naoki YANAGIDA



Hideyo UCHIYAMA



Isao ENDO



Kumi ITO

Nomination Committee

Composed solely of outside directors

Compensation Committee

Composed solely of outside directors

Audit Committee

Composed of a majority of outside directors

Executive Officers (to be appointed at Shareholders Meeting)

Representative Executive Officers



Group CEO
Director, President and Representative Executive Officer

Kengo SAKURADA
(Concurrently serves as Director)



Group COO
Director, Deputy President and Representative Executive Officer

Shinji TSUJI
(Concurrently serves as Director)

CEOs of Business

Domestic P&C Insurance Business



CEO of Domestic P&C Insurance Business, Executive Officer

Keiji NISHIZAWA
(President and Chief Executive Officer of Sompo Japan Insurance Inc.)

Overseas Insurance Business



CEO of Overseas Insurance and Reinsurance Business, Executive Officer

John R. CHARMAN
(Executive Chairman of the Board of Sompo International Holdings Ltd.)

Domestic Life Insurance Business



CEO of Domestic Life Insurance Business, Executive Officer

Yasuhiro OBA
(President and Chief Executive Officer of Sompo Himawari Life Insurance Inc.)

Nursing Care & Senior Business



CEO of Nursing Care and Senior Business, Executive Officer

Satoshi KASAI
(Chief Executive Officer of Sompo Care Inc.)

Digital Business



CEO of Digital Business, Group CDO
Senior Executive Vice President and Executive Officer

Koichi NARASAKI
(CEO of Palantir Technologies Japan K.K.)

Executive Officers and Group Chief Officers



Chairman of Overseas M&A
Group CBO
Senior Executive Vice President
Nigel FRUDD
Overseas M&A · Brand



Group CFO, Group Co-CSO
Senior Executive Vice President and Executive Officer
Masahiro HAMADA
Strategy



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



Group Co-CDO
Senior Vice President
Albert CHU
Digital



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



Group CDMO, Group CIO
Executive Vice President and Executive Officer
Hiroshi OMATA
Data Marketing · IT



Group CRO
Senior Vice President and Executive Officer
Yoshihiro UOTANI
Risk Management

-Executive Vice President (General Manager, Global Business Planning Department) Yuji KAWAUCHI
-Senior Vice President and Executive Officer (General Manager, Internal Audit Department) Takato UDO
-Senior Vice President (General Manager, Accounting Department) Yasunori KURODA
-Senior Vice President (General Manager, Secretarial Department) Koji ISHIKAWA

-Executive Vice President, (Retail Platform in Istanbul) Katsuyuki TAJIRI
-Senior Vice President and Executive Officer (Healthcare Business, General Manager, Healthcare Business Development Department) Hideyasu MATSUDA
-Senior Vice President (General Manager, Innovation for Aging and Wellness Department) Takuto KOBAYASHI
-Senior Vice President (Group Deputy CBO, General Manager, Corporate Communications Department) Hirofumi SHINJIN

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The Group will work to improve its corporate value by evolving the role it should play, and aim to solve various issues and realize a sustainable society, while facing diverse stakeholders in sincerity.

We very much look forward to the further support of all of our shareholders in the future.

Notes:

1. The calculation methods for adjusted profit for each business segment, adjusted consolidated profit, adjusted consolidated ROE, risk diversification ratio and global business ratio (regional diversification ratio) from FY2021 (inclusive) are as follows.

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		New Mid-term Management Plan	(Reference) Previous Mid-term Management Plan
Adjusted profit by business segment[*1]	Domestic P&C Insurance Business[*2]	Net income for the period ＋Provisions for catastrophic loss reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)	Net income for the period ＋Provisions for catastrophic loss reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)
	Overseas Insurance Business	Operating income[*5] Net income for the period for affiliates accounted for under the equity-method in principle	Net income for the period (including major non-consolidated subsidiaries) Operating income[*5] for Sompo International
	Domestic Life Insurance Business	Net income for the period ＋Provisions of contingency reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax) －Gains/losses on sales of securities and impairment losses on securities (after tax)	Net income for the period ＋Provisions of contingency reserve, etc. (after tax) ＋Provisions for reserve for price fluctuation (after tax) ＋Adjustment of underwriting reserve (after tax) ＋Deferral of acquisition cost (after tax) －Depreciation of acquisition cost (after tax)
	Nursing Care & Seniors Business	Net income for the period	Net income for the period
	Digital Business[*3]	Net income for the period －Gains/losses on sales and impairment losses related to investment (after tax)	-
	Healthcare Business, etc.[*4]	Net income for the period	-
Adjusted consolidated profit		Total of above adjusted profits	Total of above adjusted profits
Adjusted consolidated net assets		Consolidated net assets (excluding domestic life insurance subsidiary's net assets) ＋Catastrophic loss reserve in domestic P&C insurance, etc. (after tax) ＋Reserve for price fluctuation in domestic life insurance (after tax) ＋Domestic life insurance adjusted net assets[*6]	Consolidated net assets (excluding domestic life insurance subsidiary's net assets) ＋Catastrophic loss reserve in domestic P&C insurance, etc. (after tax) ＋Reserve for price fluctuation in domestic life insurance (after tax) ＋Domestic life insurance adjusted net assets[*6]

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Adjusted consolidated ROE	Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)	Adjusted consolidated profit ÷ Adjusted consolidated net assets (All values in the denominator are the average of the fiscal-year opening and closing balances.)
Risk diversification ratio	Risk diversification effect ÷ Total amount of Group risk (Before consideration of diversification effect)	-
Global business ratio (Regional diversification ratio)	Adjusted profit of Overseas Insurance Business ÷ Adjusted consolidated profit	-

*1 Adjusted profit by business segment excludes one-time gains and losses or special factors such as dividend from subsidiaries.
*2 Total of Sompo Japan Insurance Inc., SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, Sompo Japan Partners Inc., Mysurance Inc., Sompo Japan DC Securities Inc., Sompo Risk Management Inc., Tier IV, Inc., DeNA SOMPO Mobility Co., Ltd., akippa Inc., DeNA SOMPO Carlife Co., Ltd., Prime Assistance Inc. and Sompo Warranty Inc.
*3 Total of Palantir Technologies Japan K.K., Sompo AUX Inc. and ABEJA, Inc.
*4 Total of Sompo Health Support Inc., Wellness Communications Corporation, Sompo Asset Management Co., Ltd. and FRESHHOUSE Co., Ltd.
*5 Defined at the operating income, which excludes one-time factors (= Net income – Net foreign exchange gains and losses –Net realized and unrealized gains and losses – Net impairment losses recognized in earnings, etc.)
*6 Adjusted net assets of domestic life insurance business = Net assets of domestic life insurance business (J-GAAP)＋Contingency reserve (after tax)＋Reserve for price fluctuation (after tax)＋Adjustment of underwriting reserve (after tax)＋Non-depreciated acquisition cost (after tax)

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

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

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

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Ordinary income	3,770,052	3,643,040	3,760,366	3,846,323
Ordinary profit	141,890	198,959	192,451	215,097
Net income attributable to shareholders of the parent	139,817	146,626	122,515	142,482
Comprehensive income	177,754	(54,460)	(77,806)	512,417
Net assets	1,916,210	1,779,911	1,612,584	2,031,168
Gross assets	11,948,323	12,018,254	11,977,836	13,118,656

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

Category	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020 (Current Period)
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Operating income	117,740	126,491	113,545	224,945
Dividends received	107,600	113,800	104,308	214,376
Subsidiaries, etc., engaged in the insurance business	107,400	113,560	101,200	213,660
Other subsidiaries, etc.	200	240	3,108	716
Net income (loss) for the period	106,900	111,321	95,449	203,154
Net income (loss) per share for the period	276.31 yen	297.81 yen	260.31 yen	566.62 yen
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Gross assets	1,008,519	1,027,464	1,043,723	1,384,770
Stocks, etc., of subsidiaries, etc., engaged in the insurance business	791,606	791,389	791,389	786,315
Stocks, etc., in other subsidiaries, etc.	101,330	103,065	124,328	133,265

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(3) Status of Major Offices of the Corporate Groups

As stated in Attachment (9) hereto.

(4) Status of Employees in the Corporate Group

Business Segment	End of Previous Period	End of Current Period	Increase (Decrease) in Current Period
	No. of employees	No. of employees	No. of employees
Domestic P&C insurance business	26,332	25,245	(1,087)
Overseas insurance business	6,679	7,502	823
Domestic life insurance business	2,661	2,656	(5)
Nursing care & healthcare business	10,963	11,727	764
Others (Insurance holding company, etc.)	900	985	85
Total	47,535	48,115	580

Notes:

1. The number of employees includes those who are concurrently serving at the Group companies. Persons seconded from the Group to another company have been excluded, and persons seconded from another company to the Group have been included.
2. All the number of employees of the Company is included under “Others (Insurance holding company, etc.)”

(5) Status of Major Lenders to the Corporate Group

None.

(6) Status of Funding to the Corporate Group

None.

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(7) Status of Capital Investment

A. Gross Capital Investment

Business Segment	Amount
Domestic P&C insurance business	(Millions of yen) 16,634
Overseas insurance business	6,084
Domestic health insurance business	446
Nursing care & healthcare business	4,050
Others (Insurance holding company, etc.)	236
Total	27,452

Note: The amount of the Company's capital investment is included in that of Others (Insurance holding company, etc.).

B. New Installation, etc. of Significant Equipment

None.

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

A. Status of Parent Company

None.

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B. Status of Subsidiaries, etc.

(As of March 31, 2021)

Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
(Consolidated subsidiaries)						
Sompo Japan Insurance Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 12, 1944	70,000 million yen	100.0%	Note 2
SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Toshima-ku Tokyo	Domestic P&C insurance	Sep. 22, 1982	32,260 million yen	99.9% (99.9%)	—
Sompo Japan Partners Inc.	Shinjuku-ku Tokyo	Domestic P&C insurance	Feb. 28, 1989	100 million yen	100.0% (100.0%)	Note 3
Mysurance Inc.	Shinjuku-ku Tokyo	Small-amount, short-term insurance	Jul. 17, 2018	1,625 million yen	100.0% (100.0%)	—
Sompo International Holdings Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Mar. 24, 2017	USD 0 thousand (0 million yen)	100.0% (100.0%)	—
Endurance Specialty Insurance Ltd.	Pembroke (British Overseas Territory of Bermuda)	Overseas insurance	Nov. 30, 2001	USD 12,000 thousand (1,328 million yen)	100.0% (100.0%)	—
Endurance Assurance Corporation	Wilmington Delaware (USA)	Overseas insurance	Sep. 5, 2002	USD 5,000 thousand (553 million yen)	100.0% (100.0%)	—
Endurance Worldwide Insurance Limited	London (UK)	Overseas insurance	Apr. 10, 2002	GBP 215,967 thousand (32,876 million yen)	100.0% (100.0%)	—
SI Insurance (Europe), SA	Luxembourg (Luxembourg)	Overseas insurance	Jan. 12, 2018	EUR 30 thousand (3 million yen)	100.0% (100.0%)	—
Sompo Sigorta Anonim Sirketi	Istanbul (Turkey)	Overseas insurance	Mar. 30, 2001	TRY 195,498 thousand (2,594 million yen)	100.0% (100.0%)	—

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Sompo Holdings (Asia) Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Aug. 1, 2008	SGD 790,761 thousand (65,055 million yen)	100.0% (100.0%)	—
Sompo Insurance Singapore Pte. Ltd.	Singapore (Singapore)	Overseas insurance	Dec. 14, 1989	SGD 278,327 thousand (22,898 million yen)	100.0% (100.0%)	—
Berjaya Sompo Insurance Berhad	Kuala Lumpur (Malaysia)	Overseas insurance	Sep. 22, 1980	MYR 118,000 thousand (3,145 million yen)	70.0% (70.0%)	—
PT Sompo Insurance Indonesia	Jakarta (Indonesia)	Overseas insurance	Dec. 16, 1975	IDR 494,940,000 thousand (3,811 million yen)	80.0% (80.0%)	—
Sompo Insurance China Co., Ltd.	Dalian (China)	Overseas insurance	May 31, 2005	CNY 600,000 thousand (10,104 million yen)	100.0% (100.0%)	—
Sompo Insurance (Hong Kong) Company Limited	Hong Kong (China)	Overseas insurance	Mar. 25, 1977	HKD 270,000 thousand (3,844 million yen)	97.8% (97.8%)	—
Sompo Seguros S.A.	Sao Paulo (Brazil)	Overseas insurance	Oct. 8, 1943	BRL 1,159,345 thousand (22,224 million yen)	100.0% (100.0%)	—
Sompo Himawari Life Insurance Inc.	Shinjuku-ku Tokyo	Domestic life insurance	Jul. 7 1981	17,250 million yen	100.0%	—
Sompo Care Inc.	Shinagawa-ku Tokyo	Nursing care & healthcare	May 26, 1997	3,925 million yen	100.0%	—
Sompo Health Support Inc.	Chiyoda-ku Tokyo	Nursing care & healthcare	Oct. 1, 2018	10 million yen	100.0%	—
Sompo Asset Management Co., Ltd.	Chuo-ku Tokyo	Others (Asset management)	Feb. 25, 1986	1,550 million yen	100.0%	Note 4
Sompo Japan DC Securities Inc.	Shinjuku-ku Tokyo	Others (Defined contribution pension plan)	May 10, 1999	3,000 million yen	100.0% (100.0%)	Note 5
Sompo Risk Management Inc.	Shinjuku-ku Tokyo	Others (Risk management)	Nov. 19, 1997	30 million yen	100.0%	—
(Affiliates accounted for under the equity-method)						

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Company Name	Location	Major Lines of Business	Date of Establishment	Common Stock	Percentage of Voting Rights of Subsidiaries, etc. Held By the Company	Others
Hitachi Capital Insurance Corporation	Chiyoda-ku Tokyo	Domestic P&C insurance	Jun. 21, 1994	6,200 million yen	20.6% (20.6%)	—
Universal Sompo General Insurance Company Limited	Mumbai (India)	Overseas insurance	Jan. 5, 2007	INR 3,681,818 thousand (5,596 million yen)	34.6% (34.6%)	—
AYA SOMPO Insurance Company Limited	Yangon (Myanmar)	Overseas insurance	Jul. 12, 2018	MMK 63,636,241 thousand (4,912 million yen)	15.0% (15.0%)	—
Tier IV, Inc.	Nagoya Aichi	Others (Autono-mous driving platform develop-ment)	Dec. 1, 2015	2,590 million yen	18.0%	Note 6
Palantir Technologies Japan K.K.	Minato-ku Tokyo	Others (Software sales)	Oct. 15, 2019	5,432 million yen	50.0%	—
DeNA SOMPO Mobility Co., Ltd.	Shibuya-ku Tokyo	Others (C2C car sharing)	Mar. 1, 2019	100 million yen	50.0%	—
akippa Inc.	Osaka City Osaka	Others (Parking space sharing)	Feb. 2, 2009	100 million yen	33.5%	—
DeNA SOMPO Carlife Co., Ltd.	Shibuya-ku Tokyo	Others (Private car leasing)	Mar. 25, 2019	100 million yen	39.0%	—

Notes:

1. This table shows the details of significant consolidated subsidiaries and affiliates accounted for under the equity-method.
2. Sompo Japan Nipponkoa Insurance Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan Insurance Inc. on April 1, 2020.
3. Sompo Japan Nipponkoa Insurance Services Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan Partners Inc. on April 1, 2020.
4. SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD., a consolidated subsidiary of the Company, changed its company name to Sompo Asset Management Co., Ltd. on April 1, 2020.
5. Sompo Japan Nipponkoa DC Securities Inc., a consolidated subsidiary of the Company, changed its company name to Sompo Japan DC Securities Inc. on April 1, 2020.
6. The Company acquired 18.0% of the total number of shares outstanding of Tier IV, Inc. on August 28, 2020, making it an affiliate accounted for under the equity-method of the Company.
7. The yen value displayed in parentheses under the “Common Stock” column

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is the amount translated at the market exchange rate as of the end of the current period.

8. The figures stated in parentheses in the column of “Percentages of Voting Rights of Subsidiaries, etc. Held by the Company” represent the indirect ownership ratio that is included in the total.

Overview of Important Business Alliances

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

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

None.

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

None.

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II. Matters Relating to Company Executives

(1) Overview of Company Executives

A. Directors

(As of March 31, 2021)

Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Kengo SAKURADA	Director	Director of Sompo Japan Insurance Inc. Chairman of Keizai Doyukai (Japan Association of Corporate Executives)	—
Shinji TSUJI	Director	Director of Sompo Himawari Life Insurance Inc.	—
Hidenori HANADA	Director Member of the Audit Committee	—	Note 1, Note 2
Sawako NOHARA	Director (outside) Member of the Compensation Committee (chair) Member of the Nomination Committee	Representative Director, President of IPSe Marketing, Inc. Outside Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. Member of the Board (Outside) of Daiichi Sankyo Co., Ltd. Project Professor of the Graduate School of Media and Governance, Keio University	Note 3
Scott Trevor DAVIS	Director (outside) Member of the Nomination Committee (chair) Member of the Compensation Committee	Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director)	Note 3
Kazuhiro HIGASHI	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited Vice Chairman of The Osaka Chamber of Commerce and Industry	Note 3

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Takashi NAWA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	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) Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School	Note 3
Misuzu SHIBATA	Director (outside) Member of the Nomination Committee Member of the Compensation Committee	Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) Director of SPACE VALUE HOLDINGS CO., LTD. (Outside Director)	Note 3, Note 4
Naoki YANAGIDA	Director (outside) Member of the Audit Committee (chair)	Attorney at law Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of Kusuri No Aoki Holdings Co., Ltd. (Outside Director)	Note 3
Hideyo UCHIYAMA	Director (outside) Member of the Audit Committee	Certified Public Accountant Executive Advisor of ASAHI Tax Corporation Audit & Supervisory Board Member of OMRON Corporation (Outside Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)	Note 3, Note 5
Atsuko MURAKI	Director (outside) Member of the Audit Committee	Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director)	Note 3
Isao ENDO	Director (outside) Member of the Audit Committee	Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of NEXTAGE Co., Ltd. (Outside Director)	Note 3

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Notes:

1. In order to ensure the effectiveness of audits, the Company needs an extensive range of accurate information collected by internal directors who are well-versed in the Group's internal organization and execution of business. For this reason, the Company has elected Mr. Hidenori HANADA as a full-time member of the Audit Committee.
2. Mr. Hidenori HANADA has many years of working experience in the accounting section of the Company and has a considerable level of knowledge of finance and accounting.
3. Each of Ms. Sawako NOHARA, Mr. Scott Trevor DAVIS, Mr. Kazuhiro HIGASHI, Mr. Takashi NAWA, Ms. Misuzu SHIBATA, Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA, Ms. Atsuko MURAKI and Mr. Isao ENDO, is an "independent director/auditor" which is specified by Tokyo Stock Exchange, Inc. as being unlikely to have a conflict of interest with general shareholders.
4. Ms. Misuzu SHIBATA's registered name is Misuzu KOYAMA.
5. Mr. Hideyo UCHIYAMA has many years of working experience as a certified public accountant at audit firms, and has a considerable level of experience in connection with finance and accounting.

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B. Executive Officers

(As of March 31, 2021)

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

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Masahiro HAMADA	Group CFO, Group Co-CSO, Group CIO, Executive Vice President Responsibilities in the Company: The Group's finance (Chief executive), the Group's strategy (Joint chief executive, primarily in charge of group-wide and domestic strategies)	Director of Sompo Care Inc.	Note 4
Mikio OKUMURA	Group Co-CSO, Executive Vice President Responsibilities in the Company: The Group's strategy (Joint chief executive, primarily in charge of overseas strategies)	Chief Executive Officer of Sompo International Holdings Ltd.	Note 5
Koichi NARASAKI	Group CDO, Executive Vice President Responsibilities in the Company: The Group's digital strategy (Chief executive, primarily in charge of the Group's overall management and new digital business)	CEO of Palantir Technologies Japan K.K.	Note 6
Hiroshi OMATA	Group Co-CDO, Group CIO, Senior Vice President and Executive Officer, General Manager of Digital Strategy Planning Department Responsibilities in the Company: The Group's digital strategy (Joint chief executive, primarily in charge of Group's digital promotion and data management), the Group's IT (Chief executive)	―	Note 7
Takashi IZUHARA	Group CRO, Senior Vice President and Executive Officer Responsibilities in the Company: The Group's risk management and internal control (Chief executive)	―	Note 8
Shinichi HARA	Group CHRO, Executive Vice President General Manager of Human Resources Department Responsibilities in the Company: The Group's human resources (Chief executive)	―	―
Yuji KAWAUCHI	Executive Vice President General Manager of Global Business Planning Department	Director of Sompo International Holdings Ltd.	Note 9

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Name	Position and Responsibilities in the Company	Significant Positions Concurrently Held	Others
Yasunori KURODA	Senior Vice President and Executive Officer General Manager of Accounting Department	—	Note 10
Takuto KOBAYASHI	Senior Vice President and Executive Officer General Manager of Innovation for Aging & Wellness Department	Director and Executive Officer, CSO of Sompo Care Inc.	Note 11
Katsuyuki TAJIRI	Senior Vice President and Executive Officer Responsibilities in the Company: Retail Platform in Istanbul	Director of Sompo International Holdings Ltd.	Note 12
Takato UDO	Senior Vice President and Executive Officer General Manager of Internal Audit Department	—	—
Koji ISHIKAWA	Senior Vice President and Executive Officer General Manager of Secretarial Department	—	Note 13

Notes:

1. Mr. Shinji TSUJI took office as Group COO, Deputy President and Representative Executive Officer of the Company as of April 1, 2021.
2. Mr. Satoshi KASAI took office as CEO of Nursing Care & Seniors Business and Executive Officer of the Company as of April 1, 2021.
3. Mr. Nigel FRUDD resigned as Senior Executive Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Group CBO and Senior Executive Vice President of the Company as of April 1, 2021.
4. Mr. Masahiro HAMADA took office as Group CFO, Group Co-CSO and Senior Executive Vice President of the Company as of April 1, 2021.
5. Mr. Mikio OKUMURA took office as Group Co-CSO and Senior Executive Vice President of the Company as of April 1, 2021.
6. Mr. Koichi NARASAKI took office as CEO of Digital Business, Group CDO and Senior Executive Vice President of the Company as of April 1, 2021.
7. Mr. Hiroshi OMATA took office as Group CDMO, Group CIO and Executive Vice President of the Company as of April 1, 2021.
8. Mr. Takashi IZUHARA resigned as Group CRO and Senior Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Executive Vice President of the Company as of April 1, 2021.
9. Mr. Yuji KAWAUCHI resigned as Executive Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Executive Vice President of the Company as of April 1, 2021.
10. Mr. Yasunori KURODA resigned as Senior Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Senior Vice President of the Company as of April 1, 2021.
11. Mr. Takuto KOBAYASHI resigned as Senior Vice President and Executive Officer of the

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Company as of March 31, 2021 and took office as Senior Vice President of the Company as of April 1, 2021.

12. Mr. Katsuyuki TAJIRI resigned as Senior Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Executive Vice President of the Company as of April 1, 2021.
13. Mr. Koji ISHIKAWA resigned as Senior Vice President and Executive Officer of the Company as of March 31, 2021 and took office as Executive Vice President of the Company as of April 1, 2021.
14. Mr. Yoshihiro UOTANI took office as Group CRO and Senior Vice President and Executive Officer of the Company as of April 1, 2021.
15. Mr. Hideyasu MATSUDA took office as Senior Vice President and Executive Officer of the Company as of April 1, 2021.
16. The Company has newly established a Vice President System as of April 1, 2021.

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(2) Remuneration, etc., for Officers

Category	Number of Persons Receiving Payment	Total Remuneration, etc.	Total Amount Per Type of Remuneration			
			Fixed Remuneration (Monthly Remuneration)	Retirement Benefits, etc.	Performance-linked Remuneration, etc.	
					Monetary Remuneration	Non-monetary Remuneration
					Performance-linked Remuneration	Performance-linked Stock Compensation
Directors (excluding outside directors)	4	56 million yen	51 million yen		5 million yen	
			51 million yen	—	2 million yen	2 million yen
Outside directors	10	146 million yen	146 million yen		—	
			146 million	—	—	—
Executive officers	17	1,955 million yen	889 million yen		1,065 million yen	
			889 million	—	831 million	234 million yen
Total	29	2,158 million yen	1,087 million yen		1,071 million yen	
			1,087 million	—	834 million	236 million yen

Notes:

1. The number of persons receiving payment, total remuneration, etc. and total amount per type of remuneration, etc. for each respective officer category include the number of and amount for two directors who retired at the conclusion of the 10th General Shareholders Meeting held on June 22, 2020.
2. The amount of remuneration, etc. for the two directors who concurrently serve as executive officers are separated as the portion payable for their roles as directors and for their roles as executive officers, and then included into each category of the remuneration, etc. for directors and executive officers, resulting in an inconsistency between the total number of persons receiving payment and the sum of the number of persons receiving payment in each category.
3. Of the performance-linked remuneration, etc., performance-linked remuneration is paid in cash and is the total amount of remuneration based on the performance of the previous fiscal year and the amount of reserve for remuneration based on the performance of the current fiscal year (excluding the amount of reserve for the previous fiscal year). Performance-linked stock compensation is non-monetary remuneration and is the amount of provision of reserve for stock benefits based on the performance of the previous fiscal year, posted as the portion for the current fiscal year.
4. All remuneration of directors and executive officers are the remuneration, etc. paid by the insurance holding company, and no remuneration is paid by the parent company, etc. of the insurance holding company.

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

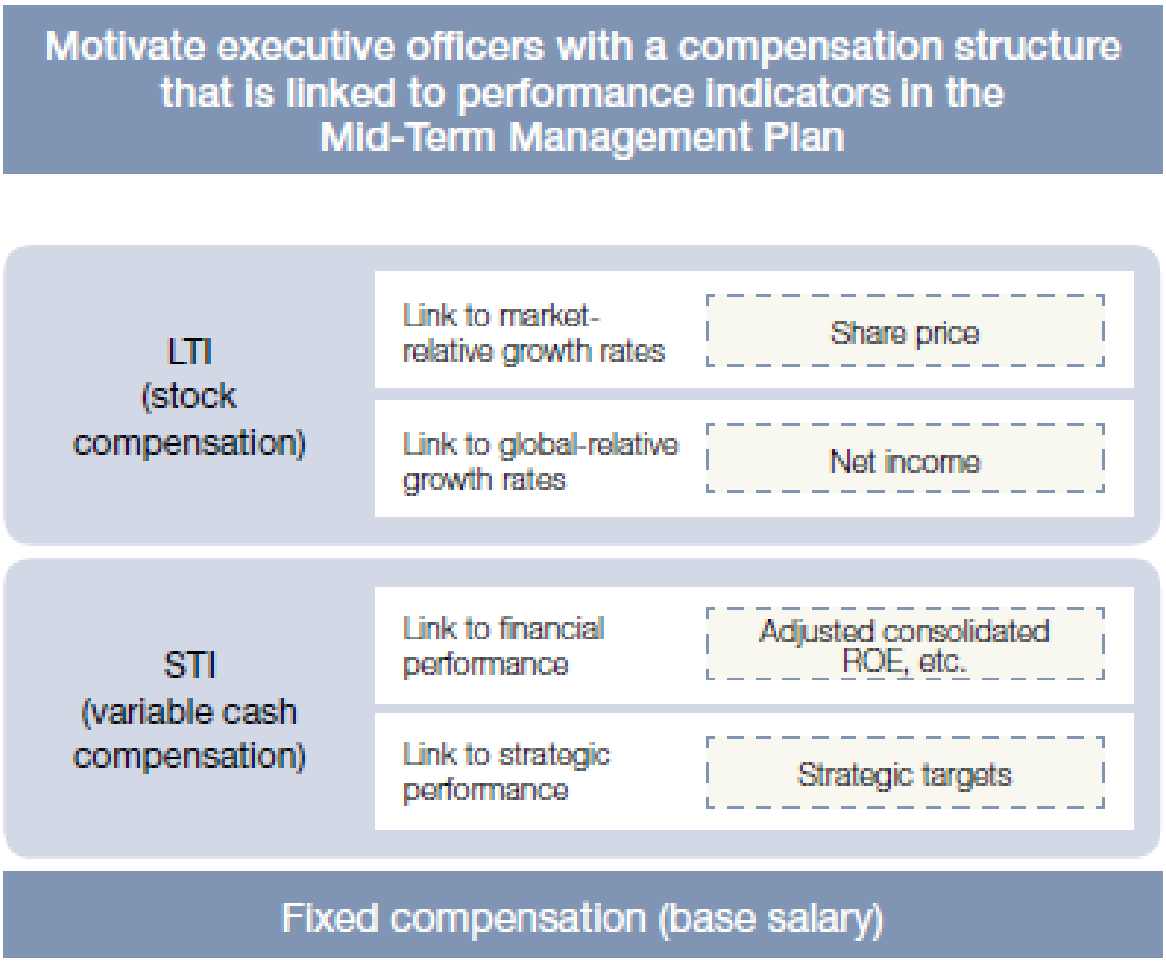
1. Positioning of Remuneration System for Officers

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

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

2. The Company's Remuneration System for Officers

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



The Company, based on the principle of being mission-driven and results-oriented, is of

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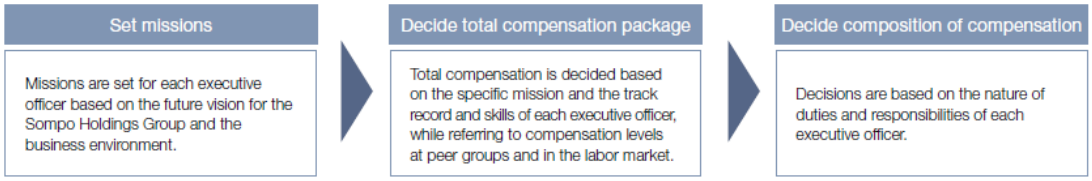
the opinion that each officer should demonstrate and act in accordance with their own duties and mission. Remuneration for these officers is not a fixed amount based on their duties or position, but decided in accordance with the magnitude of the mission they are undertaking for the future and the outcome of their efforts. The system for remuneration for officers was designed with this philosophy in mind.
To realize this, the Company determines the standard amount for the total remuneration packages based on the post grading system (rating by post) while setting grades for each post of officer with the Group CEO as the top, commensurate with the responsibilities that come with each such post. The standard amount for the total remuneration packages for each officer is determined each fiscal year, reflecting the magnitude of the mission assigned to each post.
Meanwhile, the Compensation Committee deliberates and determines the amount and composition of the remuneration for each director and executive officer of the Company, in accordance with the determination process and calculation methods described below.

(1) Decision-making process for total remuneration packages

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



(2) Composition of remuneration for officers

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

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Outline of Executive Compensation Structure at Sompo Holdings

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

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

■Fixed Remuneration (Monthly Remuneration)

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

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

■Performance-linked Remuneration

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

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

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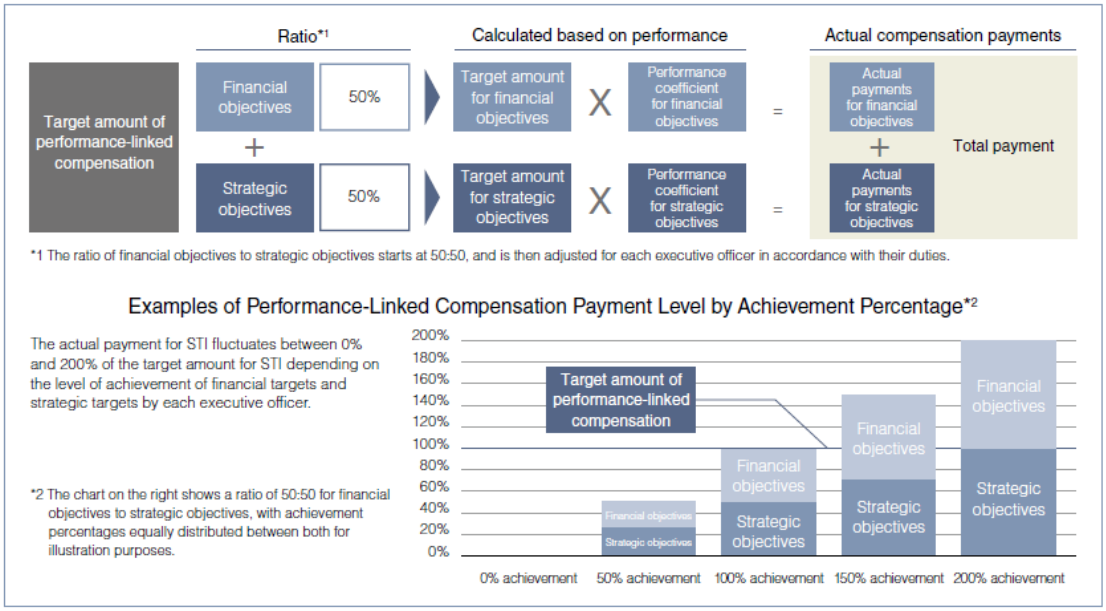
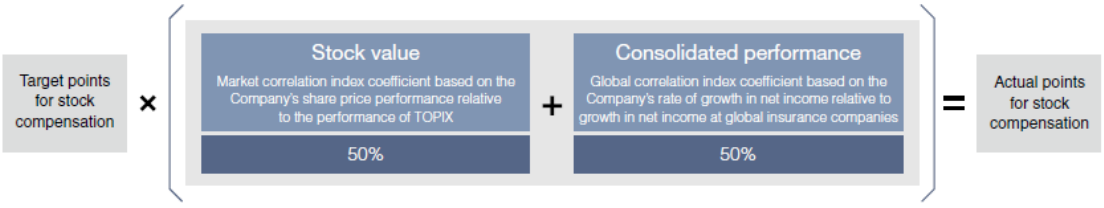


■Performance-linked Stock Compensation

The Company believes that it is critical for the Group as a whole to grow sustainably over the long term. As such, the Company introduced, at the General Shareholders Meeting held in June 2016, a performance-linked stock compensation plan, for the purpose of increasing awareness of contribution to improve medium- to long-term performance and increase corporate value, by clarifying further the relationship between the remuneration to the Group's officers and the performance/stock value, and by having the officers share with the stockholders not only the benefits arising from rising share prices but also the risks associated with falling share prices.

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

- 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.



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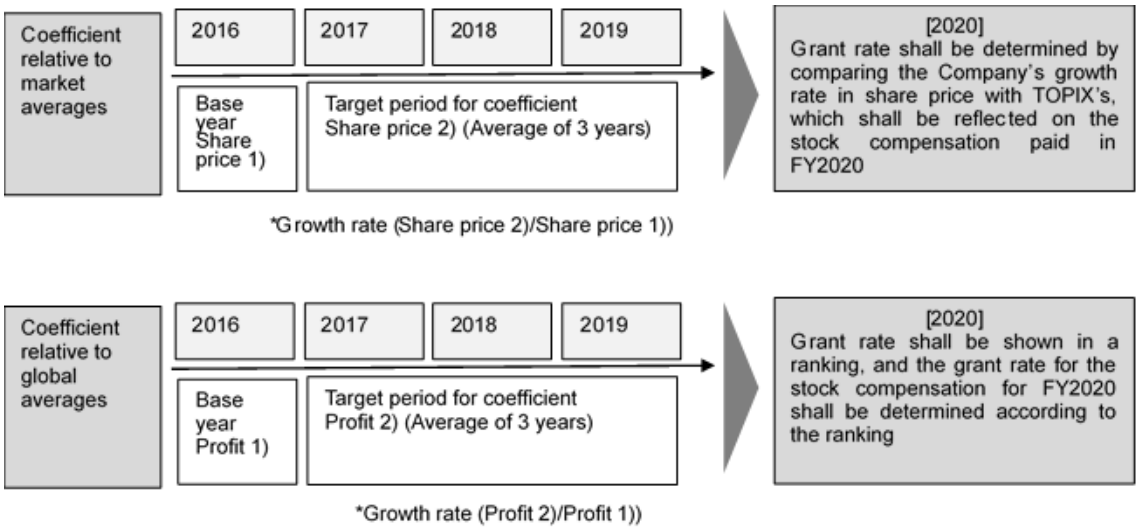
・ With respect to the coefficient for performance-linked stock compensation, the average value over the past three fiscal years is divided by the figure of the base year and then reflected in the number of points granted. The following shows an illustration of the evaluation period for stock compensation for points granted in FY2020.



(4) Payment proportion (composition ratio by remuneration)

The Company determines the appropriate proportion between the fixed portion and performance-linked portion commensurate with the roles and responsibilities, to incentivize officers to accomplish management strategies/management plans and achieve performance targets, based on the Basic concept of Compensation for Directors and Executive Officers.

Remuneration, etc. for executive officers engaged in business execution is designed to provide motivation and morale enhancement for solidly practicing strategies under the Mid-term Management Plan and other strategies in pursuit of achieving performance targets and sustainable business value, while sharing values with shareholders over the medium to long term. The composition of remuneration is structured to give higher proportions to the performance-linked portion for posts with greater performance responsibilities. For example, 62.5% of the remuneration for the Group CEO is variable depending on performance, while fixed remuneration (monthly remuneration) accounts for 37.5%, thereby clarifying the responsibilities for performance to establish a largely performance-based compensation system.

On the other hand, remuneration for non-executive directors consists solely of fixed remuneration with no payment of performance-linked remuneration.

(5) Reason for selecting the indicators used to determine performance-linked remuneration and performance-linked stock compensation as well as the method for determining the amounts thereof

■Indicators used to determine performance-linked remuneration

The following is a summary of financial indicators used to determine performance-linked remuneration and are set according to the business domain of an officer. Strategic targets are assigned to each individual officer.

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Business domain	Financial indicators (Fiscal 2020)	Reason for selection
Entire Group	Adjusted consolidated ROE	・Consistent with the indicator set under the Mid-term Management Plan
Domestic P&C insurance business	Net premiums written Adjusted profit ROR(Note) Net income Combined ratio	・Designed to encourage further growth of domestic P&C insurance business ・Consistent with the indicator set under the Mid-term Management Plan ・Designed to encourage practice of ERM management ・Designed to encourage enhancement of profitability ・Designed to encourage enhancement of business efficiency
Overseas insurance business	Net premiums written Adjusted profit ROR(Note)	・Designed to encourage further growth of overseas insurance business ・Consistent with the indicator set under the Mid-term Management Plan ・Designed to encourage practice of ERM management
Domestic life insurance business	Amount of increase in adjusted EV Adjusted profit ROR(Note)	・Designed to encourage further growth of domestic life insurance business ・Consistent with the indicator set under the Mid-term Management Plan ・Designed to encourage practice of ERM management
Nursing care & healthcare business	Revenue Ordinary profit Net income	・Designed to encourage further growth of nursing care & healthcare business ・Consistent with the indicator set under the Mid-term Management Plan ・Designed to encourage contribution to growth of the Group

(Note) ROR: Return on Risk. It is an indicator of return comparing to risk, designed for continuous enhancement of quality of capital, implementation of capital policy that ensures positive return, and maximization of corporate value.

■Indicators used to determine performance-linked stock compensation

Indicators used to determine the actual standard points for performance-linked stock compensation granted to each officer for performance-linked stock compensation, and the reason for the selection thereof are summarized below. This content applies to all officers who are subject to the grant of points.

Stock compensation indicators	Description of the indicators	Reason for selection
Coefficient relative to market averages	Coefficient determined by referring to the Company's share price performance relative to TOPIX (over the past three fiscal years)	・Designed to pay more stock compensation when the Company's share price outperforms TOPIX, thereby enhancing the linkage between compensation and improvement of corporate value over the medium to long term, as originally intended by the system ・Designed to align the economic interest of the Company's officers with shareholder interest

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Coefficient relative to global averages	Coefficient determined by comparing the Company's growth rate in net income with the profit growth rates of global peers that primarily operate insurance business (over the past three fiscal years)	・Designed to pay more stock compensation when the Company's growth rate in net income exceeds that of actual business competitors, or global peers that primarily operate insurance business, thereby enhancing the linkage between compensation and improvement of corporate value over the medium to long term, as originally intended by the system

■ Method for determining the amounts of performance-linked remuneration and performance-linked stock compensation
Performance-linked remuneration and performance-linked stock compensation are calculated based on aforementioned (3), and the amount paid is determined by the Compensation Committee in view of corporate performance and the contribution thereto by individual officers, among other factors.

3. Policies for Determining Compensation for Directors and Executive Officers
The Company positions remuneration for officers as an important matter in terms of enhancing corporate performance as well as corporate value, and accordingly formulates the Policies for Determining Compensation for Directors and Executive Officers.

(1) Policies for determining compensation for individual officers
The Company formulates the policies on decisions of remuneration for individual officers, whereby the amount paid is determined based on personal performance evaluation including qualitative assessment of each officer. The policies for determining compensation for individual officers are determined by the resolution of the Compensation Committee. The policies for determining compensation for individual officers are as follows:

< Policies for Determining Compensation for Directors and Executive Officers>

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

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

(i)The level and system of compensation ensures acquisition and retention of top talent as management of the Group.
(ii)The compensation system for Directors and Executive Officers shall be consistent with business strategy and heightens the Directors' and Executive Officers' awareness of performance improvement for the Group's growth.
(iii)Compensation shall reflect medium to long-term results and initiatives of Directors and Executive Officers, not just performance in a single fiscal year.
(iv)Compensation shall be determined in accordance with the magnitude of the mission with a forward-looking mindset and accomplishments.

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Additionally, fixed factors associated with specific job title or position may be taken into consideration.
(v)The compensation system of the Company and major subsidiaries shall have objectivity, transparency and fairness to fulfill accountability to stakeholders through the deliberation process at the Compensation Committee of the Company.

(2) Compensation system for Directors and Executive Officers

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

(i) Composition and determination method of Directors' compensation

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

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

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

(iii) Performance-linked compensation

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

・Performance-linked compensation shall be determined by reflecting the degree of achievement of financial target and strategic target for a single

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fiscal year in the base amount of performance-linked compensation.

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

(iv)Performance-linked stock compensation

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

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

-- End

The contents of the remuneration, etc. for individual officers in the current fiscal year are judged by the Compensation Committee to be in line with the policies for determining compensation for individual officers, as they have been determined appropriately according to the performance indicators by business and the level of achievement against individual strategic targets regarding performance-linked remuneration, and the medium- to long-term stock value and the market comparisons for consolidated performance regarding performance-linked stock compensation, in accordance with a system that conforms with the Basic concept of remuneration for officers.

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(2) Policy for determining the amount of remuneration, etc. for each position and its calculation method

The Company largely classifies the roles of officers, etc. into supervisory responsibilities and operational responsibilities which are defined by the nature of responsibilities and by the scale of the scope of responsibilities, respectively, and set officer remuneration in accordance with each role.

a. Remuneration for directors

The role of directors in a company with a nomination committee, etc. is supervision of business execution, which is, by its nature, classified as supervisory responsibilities. Thus, the nature of remuneration for directors, which is basic remuneration, is deemed remuneration for supervisory responsibilities. In consideration of the roles of outside directors and non-executive directors, the Company sets the amounts of their remuneration in reference to the remuneration levels in the market based on a survey of executive remuneration conducted by a third-party remuneration consulting firm. Also, due to the role of fulfilling supervisory responsibilities, these officers are not eligible for the payment of performance-linked compensation.

b. Remuneration for executive officers

The role of executive officers is business execution, which is, by its nature, operational responsibilities. Accordingly, their remuneration corresponds to their operational responsibilities.

Remuneration for executive officers corresponding to responsibilities for business execution shall be set individually according to the magnitude of the mission assigned to respective officers. As executive officers shall, by the nature of operational responsibilities, be responsible for the results of their performance, they shall be paid, apart from the payment of fixed remuneration (monthly remuneration), performance-linked remuneration for the performance in the current fiscal year along with performance-linked stock compensation for the performance over the medium to long term, according to their degree of contribution.

4. Target Values and Actual Results of the Indicators Used to Determine Performance-linked Remuneration and Performance-linked Stock Compensation (Paid in the Current Fiscal Year)

(1) Target values and actual results of the indicators for performance-linked remuneration

Target values and actual levels of achievement of the indicators related to performance-linked remuneration paid during the current fiscal year are as follows:

Corporate performance appraisal indicators (Fiscal 2019)	Target values (Fiscal 2019)	Actual results (Fiscal 2019)
Adjusted consolidated ROE	7.8%	6.6%
Net premiums written - Domestic P&C insurance business	2,221.5 billion yen	2,235.8 billion yen
Adjusted profit - Domestic P&C insurance business	101.1 billion yen	71.1 billion yen
ROR - Domestic P&C insurance business	12.6%	8.8%
Net income - Domestic P&C insurance business	163.0 billion yen	130.5 billion yen
Combined ratio - Domestic P&C insurance business	95.1%	97.2%

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Net premiums written - Overseas insurance business	608.0 billion yen	614.4 billion yen
Adjusted profit - Overseas insurance business	54.0 billion yen	46.8 billion yen
ROR - Overseas insurance business	16.6%	14.1%
Amount of increase in adjusted EV - Domestic health insurance business	95.0 billion yen	70.4 billion yen
Adjusted profit - Domestic life insurance business	34.0 billion yen	32.1 billion yen
ROR - Domestic life insurance business	5.8%	5.7%
Revenue - Nursing care & healthcare business	127.4 billion yen	128.4 billion yen
Ordinary profit - Nursing care & healthcare business	7.1 billion yen	10.1 billion yen

(Note) The target values and actual results are partially adjusted compared with KPIs and figures in the financial statements announced by the Company.

The Compensation Committee conducted personal performance evaluation of the Group CEO, through assessing the performance against his mission comprising determination and implementation of the measures for materializing the management philosophy and the Mid-term Management Plan, and concluded that his performance was satisfactory as anticipated.

(2) Actual results of the indicators for performance-linked stock compensation

The levels of achievement for indicators related to performance-linked stock compensation granted in the current fiscal year are as follows:

Stock compensation indicators	Actual results of the Company (Fiscal 2019)	Benchmarks
Coefficient relative to market averages	105.1%	TOPIX share price growth rate
Coefficient relative to global averages	13th in rank	Bottom line growth rate of the top 21 global companies that primarily operate insurance business

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(3) Contracts for Limitation of Liability, Indemnity Agreements

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

(4) Directors and Officers Liability Insurance

Scope of the Insured	Overview of the Directors and Officers Liability Insurance
Directors, audit & supervisory board members, executive officers, executive officers (shikkouyakuin) and employees and others in positions of management and supervision of the Company and its subsidiaries (excluding some overseas subsidiaries)	The Company has entered into a directors and officers liability insurance with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. This insurance covers any damages which may arise from the directors, etc. being held liable for the performance of their duties or being subject to a claim in respect of such liability. However, damages caused by intentional or gross negligence will not be covered and there are other exemptions. The Company will bear all insurance premiums.

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III. Matters Relating to Outside Officers

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

(As of March 31, 2021)

Name	Concurrently Held Positions and Other Circumstances
Sawako NOHARA (Director (outside))	Representative Director, President of IPSe Marketing, Inc. Audit & Supervisory Board Member of Tokyo Gas Co., Ltd. (Outside Audit & Supervisory Board Member) Member of the Board (Outside) of Daiichi Sankyo Co., Ltd. (Outside Director)
Scott Trevor DAVIS (Director (outside))	Member of the Board of Bridgestone Corporation (Outside Director)
Kazuhiro HIGASHI (Director (outside))	Chairman and Director of Resona Holdings, Inc. Chairman and Director of Resona Bank, Limited
Takashi NAWA (Director (outside))	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)
Misuzu SHIBATA (Director (outside))	Director of DELICA FOODS HOLDINGS CO., LTD. (Outside Director) Director of SPACE VALUE HOLDINGS CO., LTD. (Outside Director)
Naoki YANAGIDA (Director (outside))	Audit & Supervisory Board Member of YKK Corporation (External Audit & Supervisory Board Member) Director of KUSURI NO AOKI HOLDINGS CO., LTD. (Outside Director)
Hideyo UCHIYAMA (Director (outside))	Audit & Supervisory Board Member of OMRON Corporation (Independent Audit & Supervisory Board Member) Director of the Eisai Co., Ltd. (Outside Director)
Atsuko MURAKI (Director (outside))	Member of the Board of ITOCHU Corporation (Outside Director) Director of Sumitomo Chemical Company, Limited (Outside Director)
Isao ENDO (Director (outside))	Director of Ryohin Keikaku Co., Ltd. (Outside Director) Director of NEXTAGE Co., Ltd. (Outside Director)

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

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(2) Main Activities of Outside Officers

Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Sawako NOHARA (Director (outside))	7 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 11 times out of 11 meetings Meetings of the Compensation Committee: Attended 11 times out of 11 meetings	Based on her experience as a company manager, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of the use of digital technology in the workstyle innovation and measuring effectiveness in frontline operations, and points requiring attention when assessing compliance initiatives. As a chair of the Compensation Committee, she leads the way into organizing discussions regarding the assessment and compensation structure of officers of the Group, while making valuable remarks and statements on the nomination policy of officers of the Group and on diversity & inclusion, an important strategy of the Company, as a member of the Nomination Committee. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.
Scott Trevor DAVIS (Director (outside))	6 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 11 times out of 11 meetings Meetings of the Compensation Committee: Attended 11 times out of 11 meetings	Based on his professional knowledge as an erudite scholar, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of sustainability and ESG in the Group's management strategy and the importance of risk management in large-scale system development. As a chair of the Nomination Committee, he leads the way into organizing discussions regarding nomination policy of the officers of the Group, while making valuable remarks and statements on the assessment and compensation structure of officers of the Group as a member of the Compensation Committee through his research on strategic management, ESG and CSR at the university and also from global perspectives. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Kazuhiro HIGASHI (Director (outside))	9 months	Meetings of the Board of Directors: Attended 8 times out of 8 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 10 times out of 10 meetings	Based on his experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of value from the customer's perspective at the time of drafting the management plan, capital allocation, points requiring attention in investment projects, and how the human resource system ought to be in the workstyle innovation. As a member of each of the Nomination Committee and the Compensation Committee, he also makes valuable remarks and statements on the nomination policy, and the assessment and compensation structure of officers of the Group in terms of reinforcing supervisory and decision-making functions of the Board of Directors with his abundant knowledge and experience. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.
Takashi NAWA (Director (outside))	9 months	Meetings of the Board of Directors: Attended 7 times out of 8 meetings Meetings of the Nomination Committee: Attended 9 times out of 10 meetings Meetings of the Compensation Committee: Attended 9 times out of 10 meetings	Based on his professional knowledge and experience as a management consultant and an erudite scholar, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of creating corporate value based on social value and economic value, the importance of sustainability in management strategy, and points requiring attention on cyber risk surrounding companies. As a member of each of the Nomination Committee and the Compensation Committee, he also makes valuable remarks and statements on the nomination policy, and the assessment and compensation structure of officers of the Group in terms of reinforcing supervisory and decision-making functions of the Board of Directors with his abundant business experience, combined with his profound academic knowledge from a global perspective. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Misuzu SHIBATA (Director (outside))	9 months	Meetings of the Board of Directors: Attended 8 times out of 8 meetings Meetings of the Nomination Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 10 times out of 10 meetings	Based on her professional knowledge as a legal expert, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of Group-wide implementation of exemplary initiatives for compliance and points requiring attention concerning corporate governance. As a member of each of the Nomination Committee and the Compensation Committee, she also makes valuable remarks and statements on the nomination policy, and the assessment and compensation structure of officers of the Group as well as governance and diversity & inclusion, an important strategy of the Company, with her abundant knowledge and experience. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors, Nomination Committee and Compensation Committee.
Naoki YANAGIDA (Director (outside))	6 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 12 times out of 12 meetings	Based on his professional knowledge as a legal expert, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of handling information in building a real data platform, points requiring attention concerning corporate governance, and points requiring attention concerning the Group's sustainable growth at the time of drafting the management plan. As a chair of the Audit Committee, he leads the way into strengthening the Group's audit system, while making valuable remarks and statements on a broad range of matters such as the Group's reporting system related to compliance with his expertise and abundant experience. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Hideyo UCHIYAMA (Director (outside))	3 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 12 times out of 12 meetings	Based on his professional knowledge and experience as a certified public accountant and company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of infrastructure reforms in improving labor productivity, the importance of comparison and verification when evaluating labor productivity, and points requiring attention in enhancing the effectiveness of internal audit. As a member of the Audit Committee, he also makes valuable remarks and statements on a broad range of matters such as the perspective of audit required in accounting audit, how reporting to the Audit Committee should be, and how management decision related to accounting treatments ought to be, by leveraging his expertise and abundant experience in accounting and management gained from working for many years at audit firms. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.
Atsuko MURAKI (Director (outside))	3 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Audit Committee: Attended 11 times out of 12 meetings	Based on her professional knowledge as an administrator at the Ministry of Health, Labour and Welfare, she makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of enhancing the concept of independent career development in connection with the workstyle innovation, points requiring attention in pushing forward measures to prevent COVID-19 in the nursing care business, and the importance of drafting a stakeholder-oriented management plan. As a member of the Audit Committee, she also makes valuable remarks and statements on a broad range of matters such as how the workstyle innovation ought to be during the pandemic and response related to the Company's employee engagement with her expertise and abundant experience gained from working for many years at the ministry. Further, she expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

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Name	Term of Office	Record of Attendance at Meetings of the Board of Directors, etc.	Remarks Made at Meetings of the Board of Directors, etc. and Other Activities
Isao ENDO (Director (outside))	6 years and 9 months	Meetings of the Board of Directors: Attended 10 times out of 10 meetings Meetings of the Nomination Committee: Attended 1 time out of 1 meeting Meetings of the Audit Committee: Attended 10 times out of 10 meetings Meetings of the Compensation Committee: Attended 1 time out of 1 meeting	Based on his professional knowledge and experience as a company manager, he makes valuable remarks and statements at meetings of the Board of Directors on a broad range of matters such as the importance of added value and creativity in promoting the workstyle innovation and the importance of the perspective of execution in frontline operations at the time of drafting the management plan. As a member mainly of the Audit Committee, he also makes valuable remarks and statements on a broad range of matters such as how on-site audit ought to be during the pandemic and the Company's effective management audit system based on expertise of the members of the Audit Committee with his expertise and abundant experience gained from working many years at consulting firms. Further, he expresses valuable opinions and statements from time to time to the representative executive officers and others through means other than meetings of the Board of Directors and Audit Committee.

Notes: 1. Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Ms. Atsuko MURAKI served as audit & supervisory board members until the conclusion of the 9th General Shareholders Meeting held on June 24, 2019. As such, the terms of office as outside audit & supervisory board members of Mr. Naoki YANAGIDA, Mr. Hideyo UCHIYAMA and Ms. Atsuko MURAKI are five years, two years, and two years, respectively, which are included in their respective terms of office in the above table.

2. Mr. Isao ENDO had served as a member of the Nomination Committee and the Compensation Committee until the conclusion of the 10th General Shareholders Meeting held on June 22, 2020, and has been serving as a member of the Audit Committee since that day. As such, attendance at the meetings of the Nomination Committee and the Compensation Committee and at meetings of the Audit Committee are stated in the above table.

(3) Remuneration of Outside Officers

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

(4) Opinion of Outside Officers

None.

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IV. Equity Shares

(1) Number of Shares

(As of March 31, 2021)

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

(2) Total Number of Shareholders at the End of the Current Fiscal Year: 45,618

(3) Major Shareholders

(As of March 31, 2021)

Name of Shareholder	Investment in the Company	
	Number of Shares Held	Portion of Shares Outstanding
	Thousands	%
The Master Trust Bank of Japan, Ltd. (Trust account)	35,049	9.85
Custody Bank of Japan, Ltd. (Trust account)	20,093	5.65
JP MORGAN CHASE BANK 380055	16,176	4.54
GOVERNMENT OF NORWAY	11,071	3.11
Custody Bank of Japan, Ltd. (Trust account 7)	10,267	2.88
Sompo Holdings Employee Shareholders Association	8,760	2.46
NIPPON EXPRESS CO., LTD.	6,501	1.83
Custody Bank of Japan, Ltd. (Trust account 5)	5,331	1.50
STATE STREET BANK WEST CLIENT – TREATY 505234	5,252	1.48
Custody Bank of Japan, Ltd. (Trust account 4)	5,245	1.47
Total	123,749	34.77

Notes:

1. In addition to the above, there are 17,382 thousand shares of treasury stock owned by the Company. The number of said treasury stock does not include 991 thousand shares of the Company's stock owned by Mizuho Trust & Banking Co., Ltd. (Retrustee: Custody Bank of Japan, Ltd. (Trust account E), which was set up for the purpose of the "Board Benefit Trust (BBT)" plan.
2. The portion of shares outstanding is calculated after deducting treasury stock (17,382 thousand shares).
3. The number of shares held by NIPPON EXPRESS CO., LTD. includes 1,600 thousand shares contributed by that company as trust assets for a retirement benefit trust (In the shareholder register, the shares are listed in the name of Mizuho Trust & Banking Co., Ltd., Nippon Express Retirement Benefit Trust).

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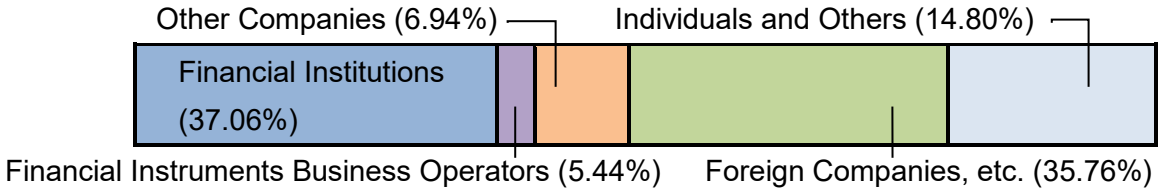
Types of Shareholders



(4) Shares of the Insurance Holding Company Issued to Officers during the Fiscal Year

None.

(5) Matters Relating to the Company's Shareholdings

A. Policy on Owning and Reducing Strategic Shareholdings Held by Sompo Japan Insurance Inc.

The Company's consolidated subsidiary Sompo Japan Insurance Inc. engages in strategic shareholdings for the purposes of fortifying relations with the insurance sales channels and business partners, and maintaining and strengthening insurance transactions with corporate clients.

As part of its capital policy, the Company implements a management policy of allocating a portion of the capital buffer realized from the continuous selling of strategic shareholdings to growth investment, such as M&A, to maintain financial soundness and improve capital efficiency. In the five years under the previous Mid-term Management Plan (FY2016 to FY2020), the Company reduced strategic shareholdings by 542.7 billion yen.

Also during the period of the new Mid-term Management Plan (FY2021 to FY2023) which begins from FY2021, the Company's policy is to reduce strategic shareholdings by 150.0 billion yen in three years.

The Board of Directors annually examines the economic rationality for continuing to maintain strategic shareholding accounts. In the examination process, the Board of Directors considers the future use of the shares based on the strategic shareholding objectives, such as supporting insurance transactions and strengthening alliances, reviews the unrealized gains from value appreciation and the long-term outlook for the share value, and sets quantitative risk and return assessment benchmarks for the associated insurance transactions and share value.

B. Standards for Exercising Voting Rights of Sompo Japan Insurance Inc.

Sompo Japan Insurance Inc. appropriately exercises its voting rights following a basic policy of supporting the sustainable growth of the invested company and

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based on the constructive dialogue with the invested company as necessary in consideration of the invested company's activities to address environmental issues, corporate governance status, compliance structure, and other areas.

In making decision in exercise voting rights, the points taken into consideration in particular include the following.

1) Transfer of important assets
2) Share transfers related to a merger or wholly owned subsidiary and others
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 anti-takeover measures
6) Posting net losses for consecutive periods
7) Development of corporate governance

C. Status of Shareholding by the Company

As part of the Group's growth strategy, the Company forms capital alliances with and invests in companies (business venture) that have various advanced technologies and business models that contribute to the Group strategy, including digital technologies. In FY2020, the Company invested 500 million US dollars (approximately 54.0 billion yen) in Palantir Technologies Inc., which possesses strength in big data analysis, in a move to realize the Group's vision through active investment. Going forward, the Company will continue to pursue disciplined capital alliances and investment premised on maintaining financial soundness.

V. Matters Relating to Stock Acquisition Rights

As stated in Attachment (10) hereto.

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VI. Matters Relating to Independent Accounting Auditor

(1) Status of Independent Accounting Auditor

Name	Remuneration, etc., in Connection With the Relevant Fiscal Year	Others
Ernst & Young ShinNihon LLC Designated Member with limited liability: Noboru Miura Designated Member with limited liability: Hirotsugu Kamoshita Designated Member with limited liability: Hiroyuki Kobayashi	75 million yen	1) Reasons for the Audit Committee's consent to the remuneration, etc. for independent accounting auditors Upon all required examination on the appropriateness of contents of the audit plan designed by the independent accounting auditor, status of the audit duty execution by the independent accounting auditor, the basis for calculating the estimated remuneration and other matters, the Audit Committee of the Company has made a decision to consent to the amount of remuneration, etc. for the independent accounting auditor. 2) Details of non-audit services provided by the independent accounting auditor for which the Company pays fees The Company entrusts to the independent accounting auditor the advisory services concerning the adoption of IFRS as services other than the services stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

Notes:

1. The auditing agreement between the Company and the independent accounting auditor does not classify between audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act. Moreover, this distinction cannot substantively be made, so the total has been stated.
2. The total amount of cash and other property benefits that the Company and its subsidiary corporations, etc. are to pay to the independent accounting auditor is 552 million yen.

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(2) Contract for Limitation of Liability, Indemnity Agreements

None.

(3) Other Matters Concerning the Independent Accounting Auditor

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

If the Audit Committee of the Company determines that the independent accounting auditor falls under any case prescribed in each item of Article 340, Paragraph 1 of the Companies Act, the Audit Committee dismisses the independent accounting auditor pursuant to unanimous consent of all members of the Audit Committee.
The Audit Committee verifies, through its full-year audit activities, the compliance with the auditing standards and quality control standards for audit established by the Business Accounting Council, in which the expertise, professional ethics, independence, an audit implementation system, a quality control system, and the duty performance status of the independent accounting auditor are included. As a result of the audits, if the Audit Committee finds that the independent accounting auditor cannot properly perform its duties or it is deemed necessary for other reasons, the Audit Committee, in accordance with the provisions prescribed in Article 404, Paragraph 2 of the Companies Act, determines the content of a proposal for dismissal or not reappointing the independent accounting auditor, and submit the proposal to the General Shareholders Meeting.

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

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

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

None.

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

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

The Company has established the "Basic Policy on Internal Controls" for the Sompo Group (the "Group") by a resolution of the Board of Directors, and has put in place a system to ensure that the Group's business operations are appropriately performed.
The Company resolved to revise (as of April 1, 2021) the "Basic Policy on Internal Controls" at the meeting of the Board of Directors held on March 26, 2021.
The revised "Basic Policy on Internal Controls" is as stated in Attachment (11) hereto.

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

(1) Internal Control System as a Whole

- In order to ensure the effective functioning of the Group's internal control, the Company has established various basic policies to control the Group, and regularly checks the development and implementation status of these policies through the Board of Directors, while analyzing events occurring both inside and outside of the Group and seeking continually to improve, enhance and strengthen the internal control system.
- In the system, the heads of each business segment are delegated authority as business owners for business strategy proposals, investment decisions and talent deployment, to implement agile decision-making and operational strategy proposals. The Company also introduced a system supervised by Group CEO and Group COO whereby Group Chief Officers are deployed as chief officers responsible for each functional area to exercise functions laterally across the Group including execution of strategies and important issues of the entire Group.
- The Company decided to newly establish a CEO of Digital Business as the chief executive for commercialization of the digital domain and a Group Chief Data Marketing Officer (CDMO) as the chief executive for the Group's data marketing domain.
- The Company established the Global Executive Committee ("Global ExCo") and the Managerial Administrative Committee ("MAC") to enhance the decision-making function and create a management structure capable of overseeing diverse businesses based on the business owner system while flexibly responding to the changing environment.
- The Company established the Group Sustainable Management Committee, whose members comprise of officers of Group companies, headed by the Group COO, to discuss a wide range of ESG and sustainability issues from a medium- and long-term perspective. The Company also established the Sustainable Management Office to implement the management/business strategy and sustainable management in an integrated manner.

(2) System to Control the Group Companies

- The Company carries out management of Group companies in order to enhance the corporate value of the Group as a whole by way of approving important matters

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such as management plans for the Group companies, receiving reports from each company of the Group including the progress of the plan and occurrence of risk events, and taking effective measures as needed in accordance with the approval and reporting system based on the business owner system.

- The Company strives to ensure appropriate business operations of the Group by verifying the status on the development and implementation of the systems for each of the Group companies that are established based on various basic policies of the Group, and providing guidance to each company of the Group as needed.

(3) Compliance System

- The Company sets out policies for promoting the Group's compliance annually, and makes each company of the Group to be thoroughly aware of such policies. Each company of the Group takes its own initiatives to enhance compliance in a systematic manner based on the established policies. The Company and each company of the Group have set their sights on the promotion of more effective compliance and work to prevent the materialization of risks, including the formulation of a structure to cope with the risk of extra territorial applications of foreign laws.
- The Company makes the basic action pertaining to the compliance of the Group's officers and employees thoroughly aware as the Group Compliance Code of Conduct.
- The Company and Group companies endeavor to detect legal violations and other inappropriate events at an early stage by developing structures such as the internal reporting system and internal audit system.
- The Company has established the Compliance Hotline, a third-party body, as an internal reporting contact point for the entire Group. The Company strives to increase its effectiveness by making the entire Group to be thoroughly aware of this internal reporting contact point as well as the rules on how to put into place the internal reporting system including the prohibition on treating whistleblowers unfavorably. The Company also has registered itself with the Whistleblowing Compliance Management System (Self-Adaptation Declaration Registration System) to expand the scope of applicable cases and protect whistleblowers.
- Each of the Group companies, upon finding any inappropriate event, takes appropriate measures within the company where such event occurred. The Company also verifies the appropriateness of the countermeasures taken, and provides assistance and guidance as required upon receiving reports on the relevant event from each company of the Group.
- The Company, at its Managerial Administrative Committee (MAC), checks on the progress in the compliance promotion including the status of response to issues regarding compliance, and examines the adequacy of such initiatives.

(4) System Regarding Strategic Risk Management (ERM)

- The Company makes each company of the Group to be thoroughly aware of its management strategies and Group Basic Policy on ERM in order to facilitate progress of ERM and dissemination of its culture throughout the overall Group. Each company of the Group establishes strategic risk management systems suitable for the nature of its operation, corporate scale and characteristic, such as developing rules pursuant to the Group Basic Policy on ERM in order to facilitate

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progress of ERM and dissemination of its culture throughout the overall Group.

- The Company sets out its business plan through deliberations by the Global ExCo with the Group Risk Appetite Statement as the starting point, and allocates its capital to each business unit based on the growth potential and profitability. Each business unit manages its business in accordance with risk tolerance of allocated capital in an attempt to achieve profit objectives established in the business plan. The Company carries out ERM based on the principle of the PDCA cycle, in which changes in the operating environment and progress in plans are periodically reviewed and the plans and capital allocations are revised as needed.
- The Company identifies significant risks arising from various sources based upon the fundamental of risk assessment, builds and operates risk control processes which performs analysis, evaluation and control. For especially significant risks, the Group CRO gains insight into and examines such risks comprehensively. Business owners, etc. subsequently develop and implement response measures against risks that are not sufficiently managed through a discussion by the Global ExCo, etc. in order to improve the effectiveness of risk control. The Company also appropriately controls “emerging risks” that may materialize or transform in the wake of environmental and other changes, and thus possibly have a significant impact on the Group going forward, by keeping an eye on signs of evolving into serious risks.
- The Company has allocated a Chief Group Actuary in order to strengthen the Group’s insurance actuarial functions.
- The Company has established the Group ERM Committee as a subordinate organization of the Global ExCo. The Group ERM Committee discusses on a Group-wide basis the important issues concerning the strategic risk management as well as material risks surrounding the Group.

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

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

(6) System for Ensuring the Financial Soundness and Adequacy of Financial Reporting

- The Company decided to revise the Basic Policy on Managing Financial Soundness and Actuarial Matters mainly based on the revision of the guidelines for supervision of insurance companies, and newly establish the Actuarial Basic Policy. Based on this, the Company will strive to develop a system that can make use of the actuarial control function and actuarial knowledge in decision-making.

(7) Audit System by the Audit Committee

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- In order to ensure the effectiveness of audit by the Audit Committee, the Company establishes an Audit Committee Office that is independent from commands and orders given by executive officers, and appoints exclusive staff.
- The Company formulates rules concerning the reporting to the Audit Committee, who receive reports from officers and employees on primarily the status of their duty execution periodically. In addition, reports are made promptly on matters requested by the Audit Committee.
- The Company ensures opportunities for the members of the Audit Committee selected by the Audit Committee to express opinions by attending important meetings.
- The Company ensures opportunities for the members of the Audit Committee or the Audit Committee to exchange information with the independent accounting auditor and internal audit sections on the audit results, etc.
- The Company convenes periodic meetings where the members of the Audit Committee meet with representative executive officers to exchange opinions regarding the recognition of the Group's important issues. The members of the Audit Committee also perform onsite audit, etc. at the Group companies, and exchange information with the representative, etc. and the members of the Audit Committee of the respective companies.

IX. Matters Concerning Specified Wholly-Owned Subsidiary

As stated in Attachment (12) hereto.

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

None.

XI. Matters Relating to Accounting Advisors

None.

XII. Others

None.

Attachment (2)

Consolidated Balance Sheet

For the fiscal year 2020 (As of March 31, 2021)

(Millions of yen)

Assets:	
Cash and deposits	1,068,985
Receivables under resale agreements	59,999
Monetary receivables bought	21,700
Money trusts	27,698
Securities	9,036,200
Loans	639,631
Tangible fixed assets:	362,195
Land	120,244
Buildings	139,471
Leased assets	66,807
Construction in progress	3,946
Other tangible fixed assets	31,726
Intangible fixed assets:	422,238
Software	118,128
Goodwill	163,555
Other intangible fixed assets	140,554
Other assets	1,481,467
Net defined benefit asset	83
Deferred tax assets	6,652
Allowance for possible credit losses	(8,196)
Total assets	13,118,656
Liabilities:	
Underwriting funds:	8,891,259
Reserve for outstanding losses and claims	1,646,818
Underwriting reserves	7,244,440
Corporate bonds	529,591
Other liabilities	1,380,322
Net defined benefit liability	80,497
Reserve for retirement benefits to directors	35
Reserve for bonus payments	30,421
Reserve for bonus payments to directors	1,083
Reserve for stocks payments	1,953
Reserves under the special laws:	100,212
Reserve for price fluctuation	100,212
Deferred tax liabilities	72,109
Total liabilities	11,087,487

Net assets:	
Common stock	100,045
Capital surplus	244,060
Retained earnings	876,066
Treasury stock	(73,772)
Total shareholders’ equity	1,146,399
Unrealized gains and losses on securities available for sale	997,904
Deferred gains and losses on hedges	4,406
Foreign currency translation adjustments	(141,211)
Remeasurements of defined benefit plans	10,862
Total accumulated other comprehensive income	871,961
Stock acquisition rights	467
Non-controlling interests	12,340
Total net assets	2,031,168
Total liabilities and net assets	13,118,656

Attachment (3)

Consolidated Statement of Income

For the fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

Ordinary income:	3,846,323
Underwriting income:	3,403,765
Net premiums written	2,923,547
Deposits of premiums by policyholders	93,496
Interest and dividend income on deposits of premiums, etc.	32,031
Life insurance premiums written	346,177
Other underwriting income	8,512
Investment income:	279,437
Interest and dividend income	198,288
Investment gains on money trusts	5,046
Investment gains on trading securities	1,526
Gains on sales of securities	78,654
Gains on redemption of securities	3,116
Investment gains on special account	4,912
Other investment income	19,923
Transfer of interest and dividend income on deposits of premiums, etc.	(32,031)
Other ordinary income	163,120
Ordinary expenses:	3,631,226
Underwriting expenses:	2,903,127
Net claims paid	1,519,862
Loss adjustment expenses	127,052
Net commissions and brokerage fees	549,324
Maturity refunds to policyholders	196,812
Dividends to policyholders	65
Life insurance claims paid and other payments	95,399
Provision for reserve for outstanding losses and claims	135,941
Provision for underwriting reserves	275,451
Other underwriting expenses	3,217
Investment expenses:	51,126
Investment losses on money trusts	11
Losses on sales of securities	7,901
Impairment losses on securities	5,752
Losses on redemption of securities	479
Losses on derivatives	28,165
Other investment expenses	8,817

Operating, general and administrative expenses	537,431
Other ordinary expenses:	139,541
Interest paid	13,734
Provision for allowance for possible credit losses	1,778
Losses on bad debt	29
Investment losses on the equity method	3,147
Other ordinary expenses	120,850
Ordinary profit	215,097
Extraordinary gains:	9,639
Gains on disposal of fixed assets	9,639
Extraordinary losses:	29,799
Losses on disposal of fixed assets	2,468
Impairment losses	19,805
Provision for reserves under the special laws:	4,825
Provision for reserve for price fluctuation	4,825
Other extraordinary losses	2,699
Net income before income taxes	194,937
Income taxes	86,681
Deferred income taxes	(34,633)
Total income taxes	52,047
Net income	142,890
Net income attributable to non-controlling shareholders	407
Net income attributable to shareholders of the parent	142,482

Attachment (4)

Non-Consolidated Balance Sheet

For the fiscal year 2020 (As of March 31, 2021)

(Millions of yen)

Assets:	
Current assets:	178,160
Cash and bank deposits	14,835
Prepaid expenses	2,588
Accounts receivable	160,420
Others	316
Fixed assets:	1,206,609
Tangible fixed assets:	304
Buildings	202
Tools, furniture and equipment	101
Investments and other assets:	1,206,305
Investment securities	286,559
Investments in subsidiaries and affiliates	919,580
Others	165
Total assets	1,384,770
Liabilities:	
Current liabilities:	41,065
Short-term loans payable to subsidiaries and affiliates	38,680
Accounts payable	1,152
Accrued expenses	1
Income taxes payable	7
Reserve for bonus payments	360
Reserve for bonus payments to directors	863
Others	0
Fixed liabilities:	68,710
Reserve for retirement benefits	4
Reserve for stocks payments	1,953
Deferred tax liabilities	66,381
Others	370
Total liabilities	109,775
Net assets:	
Shareholders' equity:	1,119,018
Common stock	100,045
Capital surplus:	611,907
Capital reserves	25,045
Other capital surplus	586,861
Retained earnings:	480,838
Other retained earnings:	480,838
Retained earnings carried forward	480,838
Treasury stock	(73,772)
Valuation and translation adjustments:	155,508
Unrealized gains and losses on securities available for sale	155,508
Stock acquisition rights	467
Total net assets	1,274,994
Total liabilities and net assets	1,384,770

Attachment (5)

Non-Consolidated Statement of Income

For the fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

Operating income:	
Dividends received from subsidiaries and affiliates	214,376
Fees received from subsidiaries and affiliates	10,569
Total operating income	224,945
Operating expenses:	
Operating, general and administrative expenses	16,644
Total operating expenses	16,644
Operating profit	208,301
Non-operating income:	
Interest on securities	83
Gains on forfeiture of unclaimed dividends	43
Outsourcing service income	57
Office work fee	33
Interest on tax refund	17
Others	15
Total non-operating income	250
Non-operating expenses:	
Interest paid	3
Investment losses on investment partnerships	59
Foreign exchange losses	193
Others	25
Total non-operating expenses	282
Ordinary profit	208,269
Extraordinary losses:	
Losses on disposal of fixed assets	0
Impairment losses on investment securities	1,509
Losses on valuation of stocks of subsidiaries and affiliates	5,783
Total extraordinary losses	7,293
Net income before income taxes	200,976
Income taxes	7
Deferred income taxes	(2,185)
Total income taxes	(2,178)
Net income	203,154

Independent Auditor's Report

May 18, 2021

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Hirotsugu Kamoshita
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Kobayashi
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of Sompo Holdings, Inc. (the "Company") and its consolidated subsidiaries (the Group) applicable to the fiscal year from April 1,2020 to March 31,2021.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2021, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

May 18, 2021

The Board of Directors
Sompo Holdings, Inc.

Ernst & Young ShinNihon LLC
Tokyo, Japan

Noboru Miura
Designated Engagement Partner
Certified Public Accountant

Hirotsugu Kamoshita
Designated Engagement Partner
Certified Public Accountant

Hiroyuki Kobayashi
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Section 2, paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, notes to the financial statements and the related supplementary schedules of Sompo Holdings, Inc. (the "Company") applicable to the 11th fiscal year from April 1,2020 to March 31,2021.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position and results of operations of the Company, applicable to the fiscal year ended March 31, 2021, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Responsibilities of Management and Audit Committee for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

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Attachment (8)

Certified Copy of the Audit Report of the Audit Committee

Audit Report

The Audit Committee audited the duties as performed by the directors and executive officers for the 11th fiscal year from April 1, 2020 to March 31, 2021. The methods and results are reported as follows:

1. Audit Methods and Contents

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

(i) In accordance with the audit policy and audit plans, etc. established by the Audit Committee and in cooperation with the internal audit sections of the Company, the Audit Committee attended important meetings, received reports from directors and executive officers, etc. concerning the status of the performance of their duties, requested explanations if and when needed, gained access to important approval documents, and examined the status of business operations and assets. As for subsidiaries, we requested communications and an exchange of information with directors and audit & supervisory board members, etc. of subsidiaries, and received business reports from subsidiaries if and when needed. With respect to the internal control systems pertaining to the financial reporting under the Financial Instruments and Exchange Act, we received reporting concerning the evaluation of the relevant internal control systems and the status of audit from directors and executive officers, etc. and ERNST &YOUNG SHINNIHON LLC, and requested explanations if and when needed.

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

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

2. Audit Results

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

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

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

(iii) The contents of the Board of Directors resolution concerning the internal control systems are appropriate. Further, there are no matters to be raised regarding the statements in the business report and performance of duties by directors and executive officers with respect to the internal control systems.

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(2) Audit Results for the Consolidated Financial Statements

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

(3) Audit Results for the Financial Statements and Supplementary Schedules thereof

The audit methods used and results obtained by the accounting auditor, ERNST & YOUNG SHINNIHON LLC, are appropriate.

May 20, 2021

The Audit Committee, Sompo Holdings, Inc.

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

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Attachment (9)

Status of Major Offices of the Corporate Groups

A. Status of the Insurance Holding Company

(As of March 31, 2021)

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

B. Status of Subsidiary Corporations, etc.

(As of March 31, 2021)

Business Segment	Name of Company	Name of Office	Location	Date of Establishment
Domestic P&C insurance business	Sompo Japan Insurance Inc.	Head Office	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Jul. 21, 1976
	SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED	Head Office	3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo	Sep. 22, 1982
Overseas insurance business	Sompo International Holdings Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Mar. 24, 2017
	Endurance Specialty Insurance Ltd.	Head Office	Waterloo House, 100 Pitts Bay Road, Pembroke HM08 Bermuda	Nov. 30, 2001
Domestic life insurance business	Sompo Himawari Life Insurance Inc.	Head Office	6-13-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Oct. 1, 2011
Nursing care & healthcare business	Sompo Care Inc.	Head Office	4-12-8, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Jul. 1, 2017
	Sompo Health Support Inc.	Head Office	1-2-3, Awaji-cho, Kanda, Chiyoda-ku, Tokyo	Oct. 1, 2018
Others	Sompo Asset Management Co., Ltd.	Head Office	2-2-16, Nihonbashi, Chuo-ku, Tokyo	Nov. 24, 2009
	Sompo Japan DC Securities Inc.	Head Office	1-25-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	May 10, 1999
	Sompo Risk Management Inc.	Head Office	1-24-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	Dec. 4, 2006

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Attachment (10)

Matters Relating to Stock Acquisition Rights

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

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

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	The 26th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 83 ・Type and number of shares underlying stock acquisition rights: 8,300 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 13, 2013 to August 12, 2038 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3
	The 27th issue of stock acquisition rights of NKSJ Holdings, Inc. ・Number of stock acquisition rights: 98 ・Type and number of shares underlying stock acquisition rights: 9,800 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 15, 2014 to August 14, 2039 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	3
	The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. ・Number of stock acquisition rights: 100 ・Type and number of shares underlying stock acquisition rights: 10,000 shares of common stock (100 shares per stock acquisition right) ・Amount to be paid-in at the time of exercise of each stock acquisition right: 1 yen per share ・Period during which the stock acquisition rights can be exercised: From August 17, 2015 to August 16, 2040 ・Major conditions of exercise of stock acquisition rights: As stated in Note 1	5
Outside directors	—	—

Notes:

1. Each of the holders of stock acquisition rights (the “Holder of Stock Acquisition Rights”) may exercise his or her stock acquisition rights during the stock acquisition rights exercise period, and only within a period of 10 days from the day following the date on which he or she has lost his or her position as either a director or an executive officer.
   Moreover, the Holder of Stock Acquisition Rights is to exercise in one transaction all of the stock acquisition rights that he or she holds, as to the stock acquisition rights (stock compensation-type stock options) that he or she received pursuant to his or her position as a director or an executive officer of the Company, and shall not be allowed to exercise only a part thereof.
2. This table shows the stock acquisition rights that the Company has granted to executives of the Company as consideration for execution of duties.

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3. As to an officer of the Company who was a director or an executive officer (shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or former Sompo Japan Nipponkoa Insurance Inc., at the time of grant of these stock acquisition rights, the allocation was made to such officer of the Company on the basis of his/her being director or executive officer (shikkouyakuin) of former Sompo Japan Insurance Inc., former NIPPONKOA Insurance Company, Limited or Sompo Japan Nipponkoa Insurance Inc., as the case may be. The number of the stock acquisition rights, as well as the type and number of the underlying shares, held by officers of the Company as of the last day of this fiscal year are as set out below.
   The 23rd issue of stock acquisition rights of NKSJ Holdings, Inc.
   804 (20,100 shares of common stock)
   The 24th issue of stock acquisition rights of NKSJ Holdings, Inc.
   189 (18,900 shares of common stock)
   The 25th issue of stock acquisition rights of NKSJ Holdings, Inc.
   127 (12,700 shares of common stock)
   The 26th issue of stock acquisition rights of NKSJ Holdings, Inc.
   77 (7,700 shares of common stock)
   The 27th issue of stock acquisition rights of NKSJ Holdings, Inc.
   82 (8,200 shares of common stock)
   The 28th issue of stock acquisition rights of Sompo Japan Nipponkoa Holdings, Inc. 35 (3,500 shares of common stock)

4. At the time of establishment of the Company, stock acquisition rights that former Sompo Japan Insurance Inc. and former NIPPONKOA Insurance Company, Limited had issued were extinguished as of April 1, 2010, and the stock acquisition rights of the Company (from the 1st issue of stock acquisition rights through the 22nd issue of stock acquisition rights) were issued on the same date to the holders of the extinguished stock acquisition rights as replacement therefor. The number of stock acquisition rights held by the executives of the Company as of the last day of this fiscal year, as well as the type and number of the underlying shares, are as set out below.
   ・The 15th issue of stock acquisition rights of NKSJ Holdings, Inc.
   197 (4,925 shares of common stock)
   ・The 16th issue of stock acquisition rights of NKSJ Holdings, Inc.
   342 (8,550 shares of common stock)

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

None.

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Attachment (11)

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

The Company, by resolution of its Board of Directors, adopts the" Basic Policy on Internal Controls" to ensure the proper operations of the Sompo Group. The Company resolved to revise (as of April 1, 2021) the "Basic Policy on Internal Controls" at the meeting of the Board of Directors held on March 26, 2021. The revised "Basic Policy on Internal Controls" is as follows.

<Basic Policy on Internal Controls>

The Company, by resolution of its Board of Directors, adopts the Basic Policy on Internal Controls to ensure the proper operations of the Sompo Group (hereinafter the "Company Group") and contribute to enhancement and quality improvement of corporate governance based on relevant laws and regulations and the Group's management philosophy. The Company shall strive to appropriately capture and validate the Company Group's control status based on the Basic Policy on Internal Controls at the Board of Directors and enhance its systems. In the event of an incident that may have a material impact on the management of the Company Group, the Company shall promptly determine a response policy at the Board of Directors and take necessary measures.

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

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

(1) The Company shall present the Group Management Philosophy, the Group Action Guideline, the Group Vision, the Group Basic Management Policies, the Group Personnel Vision, and the Group CSR Vision to its Group companies.
(2) The Company shall set forth a basic policy for the business management of Group companies and clarify the scope and terms of the business management of the Company. The Company shall also set forth what requires Group companies to submit applications for approval and to report on important matters that have an impact on the Group's management strategy and business plan, while appropriately exercise shareholder rights to each Group company. Furthermore, the Company shall ensure the effectiveness of this action by, for example, concluding business management agreements with them.
(3) The Company shall formulate various Group Basic Policies that prescribe the 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 Group.
(5) The Company shall set forth a basic policy for the management of intra-group

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transactions to ensure the soundness and adequacy of the Group operations without legal violations or risk spreads resulting from conflicts of interest in intra-group transactions. In order to ensure its effectiveness, the Company shall establish intra-group transaction control system, such as ruling transaction scope, items, responsible department to review, and reviewing intra group transaction properly.

2. System for Ensuring Execution of Duties of Directors, Executive Officers, and Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation

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

(1) The Company shall verify that the Group Company's Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of Officers and Employees' execution of their duties at meetings of the Board of Directors.
(2) The Company shall set forth a basic policy on compliance, determine a code of conduct and the course of action for Group compliance as a fundamental principle for the business, and establish a compliance system in the Group for managing customer information, managing conflicts of interest transactions, and responding to anti-social forces. The Company shall also issue a compliance rule with standards of conduct for Officers and Employees of the Group and conduct ongoing education and training based on compliance rule to disseminate these basic policies, the code of conduct, and the compliance rule.
(3) The Company shall establish systems in the Group for internal reporting and internal whistle blowing for misconduct and other such incidents and properly rectify or otherwise respond to such matters.
(4) The Company shall set forth a basic policy for responding to customer feedback and establish effective systems in the Group for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality.
(5) The Company shall set forth a basic policy on the quality of products and services for customers and develop a system to maintain and improve the quality of customer services in the Group, such as preparing a manual for reporting procedures to the Company in the event that any Group company imposes an economic disadvantage on a customer, and the check procedures for similar cases among Group companies.
(6) The Company shall set forth a Security policy and establish appropriate management systems for information assets, such as clarifying basic measures to be taken to ensure the security of information assets in the Group.

3. Strategic Risk Management Frameworks

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

(1) In order to ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting. The Company shall also appropriately manage risks that may

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confront the 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.

(3) The Company shall set forth a basic policy on actuarial science that form the basis of ERM to ensure the appropriate valuation of insurance liabilities and the financial soundness.

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 Group's Officers and Employees execute their duties properly and efficiently.

(1) The Company shall formulate the 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 Group's business operations on these committees, leading to high-quality, swift decision-making, and establish a system to conduct sufficient examinations in areas of high expertise and technical sophistication.

(3) The Company shall clearly identify the Group's matters in which their Board of Directors is to be involved by designating matters over which their Board of Directors have decision-making authority and matters to be reported to their Board of Directors. The Company shall also determine executive officers' authority consistent with the matters thus designated.

(4) The Company shall establish the Group's rules and clearly define their internal organizational units' objectives and scope of responsibilities and shall determine for each organizational unit the division of its duties, executives, and scope of operational authority.

(5) In order to achieve highly reliable, convenient, and effective business operations, the Company shall set forth a basic policy on IT and develop IT governance and system risk control in the Group, such as requiring each group company to set up a department aiming to develop an IT control system and to make a system plan, system risk control plan.

(6) The Company shall set forth a basic policy on the management of outsourcing and ensure proper operations in association with outsourcing by the Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.

(7) The Company shall set forth a basic policy on asset management and manage assets with sufficient consideration of risk management based on safety, liquidity, and profitability in light of the characteristics of the Group's funds being managed.

(8) The Company shall set forth a basic policy on the establishment of a business continuity system and ensure the stability and soundness of the 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.

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５. System for Ensuring Appropriate Information Disclosure

(1) The Company shall set forth a basic policy on disclosure in order to disclose information regarding the Group's business situation properly at timely manner and to enhance its equitability and usability. In order to ensure its effectiveness, the Company shall set up a department that controls disclosure matters based on laws and regulations to establish systems for timely and appropriate disclosure of information concerning its business activities.
(2) The Company shall set forth a basic policy on internal control over financial reporting in the Group to ensure adequacy and reliability of financial reporting. In order to ensure the effectiveness of this internal control system, the Company shall clarify various processes and risks led up to the preparation of appropriate financial statements, etc., and shall review those processes to ensure appropriateness of it given the audit results by Audit Committee, Accounting Auditor, and Internal Audit Division. The Company shall also designate a department being responsible for internal control and assessment respectively, and make an annual evaluation plan for internal control in accordance with the internal control framework generally accepted, while assess the plan and prepare an internal control report.

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

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

7. System to Ensure Internal Audits' Effectiveness

In order to ensure the effectiveness of the Group's internal audits, the Company shall set forth a basic policy on internal audits, which shall define matters, such as securing independence concerning internal audits, establishing rules and developing plans, and establishing internal audit systems that are efficient and effective for the Group as a whole.

8. System Related to Audit Committee's Audits

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

8-1. Matters relating to employees who assist Audit Committee in the performance of their duties

The Company shall establish an Audit Committee Office as an organization that reports directly to Audit Committee and appoint personnel with the requisite knowledge and experience to serve as Staff of Audit Committee (employees to assist with Audit Committee's duties) assigned exclusively to audit duty. The Company shall also set forth the Rules Regarding Staff of Audit Committee and ensure their independence from executive functions and the effectiveness of instructions issued by Audit Committee to the Staff of Audit Committee as follows.

(1) The Company shall ensure the Staff of Audit Committee's independence from executive officers and other business executives by making decisions regarding

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Staff appointments, dismissal, compensation, and personnel appraisal subject to the approval of Audit Committee members selected by Audit Committee.

(2) In conducting their duties, Staff of Audit Committee shall follow the instructions and orders of Audit Committee or Audit Committee members only and not receive instructions or orders from other personnel.

(3) Staff of Audit Committee shall have the authority to collect information required in relation to their duties ordered by Audit Committee.

8-2. System for Reporting to Audit Committee

(1) The Company shall, under Audit Committee's approval, prescribe matters that are to be reported to Audit Committee by Officers and Employees (including gross violations of laws or Articles of Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports in the rules for reporting to Audit Committee. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by Audit Committee.

(2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to Audit Committee because of such submission. The same shall apply to the Officers and Employees of Group companies.

(3) When Audit Committee express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive officer in question shall report back to Audit Committee on the progress in addressing the matter cited by Audit Committee.

8-3. Other Systems to Ensure that Audit Committee's Audits are Conducted Effectively

（1）Audit Committee Members appointed by Audit Committee may attend important meetings and express their opinions.

（2）The Company shall fully cooperate with Audit Committee or Audit Committee members when they discuss with directors, executive officers, accounting auditors, internal audit sections, and other persons required to appropriately perform the duties of Audit Committee. The Company also cooperate with them when they collect information from or discuss with Officers and Employees of Group companies.

（3）The Company shall respond to Audit Committee's requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).

（4）Appointment, dismissal or any other important change relating to the head of Internal Audit department shall be approved by Audit Committee.

（5）The Internal Audit department shall discuss and agree with Audit Committee about the internal audit plan. The Internal Audit department shall report to the Audit Committee audit results and designated matters, and receive instructions from the Audit Committee as necessary.

（6）When Audit Committee or Audit Committee members submit a request for the coverage of costs arising in connection with the execution of their duties, it shall be appropriately processed according to the request made by them.

（7）Officers and Employees of the Company shall comply with any other rules set forth by Audit Committee and items provided in audit standard.

-- End

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

Attachment (12)

Matters Concerning Specified Wholly-Owned Subsidiary

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

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

(2) Total Carrying Value as of March 31, 2021 of Shares of the Specified Wholly-Owned Subsidiary Held by the Company and its Wholly-Owned Subsidiaries, etc.
698,500 million yen

(3) Total Amount Recorded Under Assets on the Company's Balance Sheets as of March 31, 2021
1,384,770 million yen

Consolidated Statement of Changes in Net Assets

For the fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	100,045	244,129	788,922	(38,842)	1,094,254
Changes during the period:					
Dividends			(56,058)		(56,058)
Net income attributable to shareholders of the parent			142,482		142,482
Acquisition of treasury stock				(35,322)	(35,322)
Disposal of treasury stock		(69)		391	322
Changes in the scope of consolidation			(8)		(8)
Changes in the scope of the equity method			729		729
Net changes in items other than shareholders' equity					
Total changes during the period	–	(69)	87,144	(34,930)	52,144
Balance at the end of the period	100,045	244,060	876,066	(73,772)	1,146,399

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains and losses on securities available for sale	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	578,261	5,593	(83,214)	2,103	502,743	551	15,033	1,612,584
Changes during the period:								
Dividends								(56,058)
Net income attributable to shareholders of the parent								142,482
Acquisition of treasury stock								(35,322)
Disposal of treasury stock								322
Changes in the scope of consolidation								(8)
Changes in the scope of the equity method								729
Net changes in items other than shareholders' equity	419,643	(1,187)	(57,997)	8,759	369,217	(84)	(2,693)	366,439
Total changes during the period	419,643	(1,187)	(57,997)	8,759	369,217	(84)	(2,693)	418,584
Balance at the end of the period	997,904	4,406	(141,211)	10,862	871,961	467	12,340	2,031,168

Notes to the Consolidated Financial Statements

Significant Accounting Policies for the Preparation of the Consolidated Financial Statements

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

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

1. Scope of consolidation
   (1) Number of consolidated subsidiaries: 73 companies
   Names of major subsidiaries
   Sompo Japan Insurance Inc.
   SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
   Sompo Japan Partners Inc.
   Mysurance Inc.
   Sompo International Holdings Ltd.
   Endurance Specialty Insurance Ltd.
   Endurance Assurance Corporation
   Endurance Worldwide Insurance Limited
   SI Insurance (Europe), SA
   Sompo Sigorta Anonim Sirketi
   Sompo Holdings (Asia) Pte. Ltd.
   Sompo Insurance Singapore Pte. Ltd.
   Berjaya Sompo Insurance Berhad
   PT Sompo Insurance Indonesia
   Sompo Insurance China Co., Ltd.
   Sompo Insurance (Hong Kong) Company Limited
   Sompo Seguros S.A.
   Sompo Himawari Life Insurance, Inc.
   Sompo Care Inc.
   Sompo Health Support Inc.
   Sompo Asset Management Co., Ltd.
   Sompo Japan DC Securities Inc.
   Sompo Risk Management Inc.

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

   (2) Names of major non-consolidated subsidiaries
   Names of major subsidiaries
   Sompo Insurance (Thailand) Public Company Limited
   Sompo Japan Nipponkoa Reinsurance Company Limited

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

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 13 companies

Names of major affiliates

Hitachi Capital Insurance Corporation

Universal Sompo General Insurance Company Limited

AYA SOMPO Insurance Company Limited

Tier IV, Inc.

Palantir Technologies Japan K.K.

DeNA SOMPO Mobility Co., Ltd.

akippa Inc.

DeNA SOMPO Carlife Co., Ltd.

Tier IV, Inc. became affiliates as a result of the acquisition of shares and thus were included in the scope of equity method from the fiscal year ended March 31, 2021.

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

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

3. The fiscal year of consolidated subsidiaries

The balance sheet dates of the foreign consolidated subsidiaries are December 31. As the difference between the balance sheet dates and the consolidated balance sheet date does not exceed three months, the financial statements as of December 31 are used for the preparation of the consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the balance sheet dates of the subsidiaries to the consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

(a) Trading securities are carried at fair value.

Cost of sale is calculated based on the moving-average method.

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

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

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

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

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

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

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

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

(3) Depreciation methods of significant depreciable assets

(a) Tangible fixed assets (excluding leased assets)

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

(b) Intangible fixed assets (excluding leased assets)

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

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

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

(c) Leased assets

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

(4) Accounting policies for significant reserves

(a) Allowance for possible credit losses

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

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

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

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

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

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

(b) Reserve for retirement benefits to directors

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

(c) Reserve for bonus payments

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

(d) Reserve for bonus payments to directors

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

(e) Reserve for stocks payments

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

(f) Reserve for price fluctuation

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

(5) Methods of accounting procedures for retirement benefits

(a) Allocation method of projected retirement

Benefit formula method is mainly used for calculating retirement benefit obligation as the method for attributing projected retirement benefits to the end of the fiscal year ended March 31, 2021.

(b) Amortization method of actuarial difference

Actuarial difference is mainly amortized from the fiscal year ended March 31, 2022 by using the straight-line attribution method over certain years (10 to 11 years) within the average remaining service years of employees in each fiscal year when the difference occurs.

(6) Significant hedge accounting

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

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

The fair value hedge accounting method is applied to equity swaps for hedging the future stock price fluctuation risks.

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

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

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

(7) Accounting methods for insurance contracts

The domestic consolidated insurance subsidiaries account for insurance contracts, including insurance premiums, reserve for outstanding losses and claims and underwriting reserve, etc., pursuant to the provisions of laws and regulations, such as the Insurance Business Act, etc.

(8) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over 10 to 20 years.
Immaterial amounts of goodwill are amortized at one time.

(9) Accounting methods for consumption taxes

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

(Significant accounting estimates)

1. Impairment of goodwill

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2021

Goodwill: 163,555 million yen

(2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

(a) Calculation method

Goodwill is amortized in equal installments over its amortization period (within 20 years) by measuring the length of period it remains effective. However, immaterial goodwill is amortized at one time in the fiscal year in which it arises. Indications of impairment of goodwill are identified at the end of fiscal years, and efforts are also made to identify them whenever necessary, pursuant to the "Accounting Standard for Impairment of Fixed Assets" and the "Guidance on Accounting Standard for Impairment of Fixed Assets" (Accounting Standards Board of Japan Guidance No.6). An asset group including goodwill whose operating environment including market environment has significantly deteriorated (e.g. significant deviation downward from the business plan at the time of its acquisition, or deterioration in its latest business results or future prospect) is deemed to have an indication of impairment.

For the asset group including goodwill with an indication of impairment, the total amount of undiscounted future cash flows deriving therefrom over the remaining amortization period is estimated. If such amount is below its book value, impairment losses shall be recognized.

For the asset group including goodwill for which it was determined that impairment losses should be recognized, the recoverable value shall be calculated in the form, for example, of the usage value, which is calculated by discounting the undiscounted future cash flows by a certain discount rate. If such recoverable value is below its book value, impairment losses shall be recorded, at the amount of difference between the two.

(b) Effects on the consolidated financial statements for the fiscal year ended March 31, 2022

Impairment losses can occur in the case of an event that, with indications of impairment, requires a significant downward adjustment in preparing future business plans (such as a material event that affects assumptions of estimated net premiums written or loss ratio, etc. at overseas insurance business), resulting in a significant decrease in the undiscounted future cash flows.

2. Reserve for outstanding losses and claims

(1) Amount recorded on the consolidated financial statements for the fiscal year ended March 31, 2021

Reserve for outstanding losses and claims: 1,646,818 million yen

(2) Other information that helps readers of the consolidated financial statements understand the details of the accounting estimates

The domestic consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to the provisions of Article 117 of the Insurance Business Act and Articles 72 and 73 of the Ordinance for Enforcement of the Insurance Business Act, and Public Notice No. 234 of the Ministry of Finance (1998). Overseas consolidated insurance subsidiaries provide for reserve for outstanding losses and claims pursuant to laws and regulations in the country of domicile.

(a) Calculation method

With respect to ordinary outstanding claims reserve, for insurance contracts for which an event that triggers payment was reported, the expected amount of payment is estimated for each insurance contract, based on the reported details of the event, policy conditions of the insurance contract and the loss adjustment activities. With respect to the Incurred But Not Reported Losses Reserve (hereinafter the “IBNR Reserve”), when an event that triggers payment has not yet been reported but an event prescribed in the insurance contract is found to have already occurred, the amount of payment is estimated by calculation units such as line of business, by using primarily statistical methods. As for losses of rather case-specific nature such as large-scale natural disasters, the IBNR Reserve is estimated on a case-by-case basis.

(b) Effects on the consolidated financial statements for the fiscal year ended March 31, 2022

The amount of insurance claims paid or the recorded amount of reserve for outstanding losses and claims can deviate from the initial estimation, due to revision of laws and regulations in Japan and overseas, changes in the trend of court precedents, inflation and fluctuations in exchange rates and other fluctuating factors.

While the IBNR Reserve is provided in consideration of past trends and other factors based on appropriate insurance actuarial principles, it involves uncertainty that results from unreported occurrence of events that trigger payment.

(Changes in method of presentation)

Adoption of the “Accounting Standard for Disclosure of Accounting Estimates”

The Company has adopted the “Accounting Standard for Disclosure of Accounting Estimates” (Accounting Standards Board of Japan Statement No. 31, March 31, 2020) starting from the consolidated financial statements at the end of the fiscal year ended March 31, 2021, whereby its consolidated financial statements started to carry notes on significant accounting estimates.

(Additional information)

1. Performance-linked stock compensation plan

The Company introduced the “Board Benefit Trust (BBT)” (hereinafter the “Plan”), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS.

(1) Outline of the transactions involved

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

The Plan is a scheme for delivering shares, based on the Rules, to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, in proportion to the points granted thereto upon their retirement.

(2) Accounting treatment

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

Shares in the Company remaining in the Trust at the end of the fiscal year ended March 31, 2021 are recorded as treasury stock under shareholders’ equity, and its carrying amount is 3,810 million yen and its number of shares is 991,700.

2. Accounting treatment associated with the introduction of the consolidated taxation system

The Company and certain domestic consolidated subsidiaries have submitted applications for approval of the consolidated taxation system in the fiscal year ended March 31, 2021, and are scheduled to adopt the consolidated taxation system from the fiscal year ended March 31, 2022 Therefore, accounting treatment that assumes the adoption of the consolidated taxation system has been implemented from the fiscal year ended March 31, 2021 in accordance with the “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (Accounting Standards Board of Japan Practical Issue Task Force No. 5, January 16, 2015) and the “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (Accounting Standards Board of Japan Practical Issue Task Force No. 7, January 16, 2015).

3. Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

With regard to the transition to the group tax sharing system created under the “Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 8, 2020) and items for which the non-consolidated taxation system was reviewed in line with the transition to the group tax sharing system, the Company and certain domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (Accounting Standards Board of Japan Guidance No. 28, February 16, 2018), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision, as allowed in Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (Accounting Standards Board of Japan Practical Issue Task Force No. 39, March 31, 2020).

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 418,670 million yen and advanced depreciation of tangible fixed assets amounts to 14,841 million yen.

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

   Securities (stocks)
   49,026 million yen
   (investments in jointly controlled companies
   1,857 million yen)
   Securities (equity interests)
   3,761 million yen

3. (1) Loans to borrowers in bankruptcy are not included in loans. Overdue loans amount to 86 million yen.
   Loans to borrowers in bankruptcy represent non-accrual loans which meet the events defined in Article 96, paragraph (1), item (iii) (a) to (e) (the maximum amount transferable to allowance for possible credit losses) or Article 96, paragraph (1), item (iv) of the "Order for Enforcement of the Corporation Tax Act" (Cabinet Order No. 97 of 1965). Non-accrual loans are defined as loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because payments of principal or interest are overdue for considerable periods and therefore are regarded as improbable.
   Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which grace on interest payments has been granted in order to assist or facilitate the restructuring of borrowers in financial difficulties.

   (2) Loans overdue for three months or more amount to 69 million yen.
   Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.

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

   (4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amount to 156 million yen.

4. Breakdown of pledged assets is securities of 560,123 million yen, deposits of 63,790 million yen and tangible fixed assets of 2,399 million yen. These are collateral for the borrowings and securities which are put into as deposited assets for overseas operation and others. Secured debts are composed of payables under securities lending transactions of 337,061 million yen, the borrowings of 307 million yen and deposits of 47 million yen. Securities include 297,927 million yen in pledged securities as collateral under securities lending transactions secured by cash.

5. Securities include 488,416 million yen of lending securities under loan agreements.

6. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Income

1. Main components of operating expenses are as follows.

Agency commissions, etc.	526,468 million yen
Salaries	233,287 million yen

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

2. Impairment losses are recorded in the fiscal year ended March 31, 2021 as follows.

Purpose of use	Category	Location	Impairment losses (millions of yen)			
			Land	Buildings	Others	Total
Properties used for the insurance business	Other tangible fixed assets, software and other intangible fixed assets	-	-	-	640	640
Properties for rent	Land and buildings	Land and buildings in Tokyo	429	71	-	501
Idle properties	Land and buildings	Ten properties including land and buildings in Yamanashi	4,353	2,549	-	6,903
-	Software	-	-	-	1,900	1,900
-	Other intangible fixed assets	-	-	-	9,859	9,859
Total			4,783	2,621	12,401	19,805

The domestic consolidated insurance subsidiaries categorize properties used for the insurance business as a single asset group for the entire insurance business. Each property for rent, idle property and expected disposal property is categorized as an individual asset group. The other consolidated subsidiaries categorize properties used for the business as a single asset group for each subsidiary.
With regard to properties used for the insurance business, since business activities at the domestic consolidated insurance subsidiaries have continuously generated negative cash flows, and the book value of those properties has become unrecoverable, their book value as a whole is recorded as impairment losses in extraordinary losses. Concerning properties for rent and idle properties whose profitability is decreased significantly, due mainly to a decline in the prices of land, the consolidated subsidiaries devalue the book value of those properties to the recoverable value, and these devaluations are recorded as impairment losses in extraordinary losses. As for software, as a result of the impairment test for each individual asset following the review of useful lives of software owned by overseas consolidated subsidiaries, the consolidated subsidiaries devalue the book value of those properties to the recoverable value, and these devaluations are recorded as impairment losses in extraordinary losses. As for other intangible fixed assets, since the underwriting right in the Lloyd's market has become valueless as a result of the decision

to exit from Lloyd's business mainly at overseas consolidated subsidiaries, the book value of those properties as a whole is recorded as impairment losses in extraordinary losses. The recoverable value of the properties for rent is calculated by using the usage value, which is calculated by the future cash flow discounted by 3.9%. The recoverable value of idle properties is calculated by using the net selling price, which is the appraisal value measured by the real estate appraisers.

3. Other extraordinary losses are 1,722 million yen of expenses pertaining to COVID-19 measures and 977 million yen of expenses pertaining to changes of company names.

4. Amounts are rounded down to the unit noted.

Notes to the Consolidated Statement of Changes in Net Assets

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

(Thousand shares)

	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
Shares outstanding				
Common stock	373,330	-	-	373,330
Total	373,330	-	-	373,330
Treasury stock				
Common stock	9,205	9,266	98	18,373
Total	9,205	9,266	98	18,373

Notes)

1. Treasury stock of common stock at the beginning and the end of the period includes 1,053 thousand shares and 991 thousand shares in the Company held by the Board Benefit Trust (BBT), respectively.

2. Breakdown of increase in treasury stock of common stock of 9,266 thousand shares is as follows.
   Increase due to acquisition of treasury stock in accordance with approval by Board of Directors: 9,261 thousand shares
   Increase due to purchase of shares less than a full trading unit: 5 thousand shares

3. Breakdown of decrease in treasury stock of common stock of 98 thousand shares is as follows.
   Decrease due to disposal of treasury stock related to exercise of rights of the BBT: 61 thousand shares
   Decrease due to disposal of treasury stock related to exercise of stock acquisition rights: 36 thousand shares
   Decrease due to sales of shares less than a full trading unit: 0 thousand shares

2. Stock acquisition rights

Category	Breakdown of stock acquisition rights	Balance at the end of the period (millions of yen)
Sompo Holdings, Inc.	Stock acquisition rights for stock options	467
Total		467

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Stockholders held on June 22, 2020	Common stock	27,388	75	March 31, 2020	June 23, 2020
The Board of Directors' meeting held on November 19, 2020	Common stock	28,670	80	September 30, 2020	December 7, 2020

Notes)

1. The "total amount of dividends" based on the resolution of the General Meeting of Stockholders held on June 22, 2020 includes 79 million yen in dividends paid on the shares in the Company held by the BBT.

2. The "total amount of dividends" based on the resolution of the Board of Directors held on November 19, 2020 includes 79 million yen in dividends paid on the shares in the Company held by the BBT.

(2) Of dividends recorded in the fiscal year ended March 31, 2021, dividends effective in the fiscal year ended March 31, 2022

Resolution	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Stockholders held on June 28, 2021	Common stock	32,035	Retained earnings	90	March 31, 2021	June 29, 2021

Note) The "total amount of dividends" based on the resolution of the General Meeting of Stockholders scheduled to be held on June 28, 2021 includes 89 million yen in dividends to be paid on the shares in the Company held by the BBT.

4. Amounts are rounded down to the unit noted.

Notes on Financial Instruments

1. Overview of financial instruments

(1) Our policy to manage financial instruments

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

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

(2) The nature and risk of financial instruments

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

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

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

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

(3) The risk management systems regarding financial instruments

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

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

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

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

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

2. Fair value of financial instruments
Carrying amount, fair value and unrealized gains and losses as of March 31, 2021 are as follows. Meanwhile, financial instruments which are considered extremely difficult to figure out their fair value are not included in the following table. (Please refer to Notes) 2 for details.)

(Millions of yen)

	Carrying amount	Fair value	Unrealized gains and losses
(1) Cash and deposits	1,068,985	1,068,985	-
(2) Receivables under resale agreements	59,999	59,999	-
(3) Monetary receivables bought	21,700	21,700	-
(4) Money trusts	27,698	27,698	-
(5) Securities:			
Trading securities	31,211	31,211	-
Bonds held to maturity	1,221,845	1,475,033	253,187
Policy reserve matching bonds	751,622	768,113	16,490
Securities available for sale	6,921,257	6,921,257	-
(6) Loans	639,631		
Allowance for possible credit losses(*1)	(34)		
	639,597	654,527	14,929
Total assets	10,743,918	11,028,526	284,608
(1) Corporate bonds	529,591	545,550	15,959
(2) Payables under securities lending transactions	337,061	337,061	-
(3) Borrowings	45,979	45,988	8
Total liabilities	912,632	928,600	15,967
Derivative transactions(*2):			
Hedge accounting is not applied to	2,890	2,890	-
Hedge accounting is applied to	[33,746]	[33,746]	-
Total derivative transactions	[30,856]	[30,856]	-

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

possible credit losses.

(*2) This table collectively shows derivative transactions which are included in other assets and other liabilities.

Net assets and liabilities from derivative transactions are shown on the net basis. The items which are net liabilities in total are shown in the brackets [ ].

Notes)

1. Calculation methods for the fair value of financial instruments

Assets

(1) Cash and deposits

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(2) Receivables under resale agreements

As all are short term and the fair value approximates the book value, the book value is presented as the fair value.

(3) Monetary receivables bought

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

(4) Money trusts

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

(5) Securities

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

(6) Loans

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

Liabilities

(1) Corporate bonds

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

(2) Payables under securities lending transactions

As all are short term and the fair value approximates the book value, the book value is

presented as the fair value.

(3) Borrowings

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

Derivative transactions

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

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

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

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

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

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

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

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

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

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

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

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

Category	Carrying amount (millions of yen)
Domestic stocks	73,256
Foreign securities	23,041
Others	13,563
Total	109,861

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

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

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

Note on Per Share Information

Net assets per share	5,686.22 yen
Net income per share	397.40 yen

Non-Consolidated Statement of Changes in Net Assets

For the fiscal year 2020 (April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity						Valuation and translation adjustments	
	Common stock	Capital surplus		Retained earnings	Treasury stock	Total shareholders' equity	Unrealized gains and losses on securities available for sale	Total valuation and translation adjustments
		Capital reserves	Other capital surplus	Other retained earnings / Retained earnings carried forward				
Balance at the beginning of the period	100,045	25,045	586,930	333,742	(38,842)	1,006,921	67	67
Changes during the period:								
Dividends				(56,058)		(56,058)		
Net income				203,154		203,154		
Acquisition of treasury stock					(35,322)	(35,322)		
Disposal of treasury stock			(69)		391	322		
Net changes in items other than shareholders' equity							155,441	155,441
Total changes during the period	–	–	(69)	147,095	(34,930)	112,096	155,441	155,441
Balance at the end of the period	100,045	25,045	586,861	480,838	(73,772)	1,119,018	155,508	155,508

	Stock acquisition rights	Total net assets
Balance at the beginning of the period	551	1,007,540
Changes during the period:		
Dividends		(56,058)
Net income		203,154
Acquisition of treasury stock		(35,322)
Disposal of treasury stock		322
Net changes in items other than shareholders' equity	(84)	155,357
Total changes during the period	(84)	267,453
Balance at the end of the period	467	1,274,994

Notes to the Financial Statements

Notes on Significant Accounting Policies

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

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

Useful lives of major tangible fixed assets are as follows.

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

3. Accounting policies for reserves
(1) Reserve for bonus payments
In order to provide for employees' bonus payments, reserve for bonus payments is recorded, with the estimated amount to be paid at the end of the fiscal year.
(2) Reserve for bonus payments to directors
In order to provide for directors' bonus payments, reserve for bonus payments to directors is recorded, with the estimated amount to be paid at the end of the fiscal year.
(3) Reserve for retirement benefits
In order to provide for the payment of retirement benefits to employees, reserve for retirement benefits is recorded, with the estimated amount of retirement benefit obligation at the end of the fiscal year.
Retirement benefit obligation is calculated by adopting a simplified accounting method that deems retirement benefit obligation to be equal to the amount of retirement benefit payable assuming the voluntary retirement of the employees at the end of the fiscal year.
(4) Reserve for stocks payments
In order to provide for the grant of Company shares to directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents (shikkouyakuin) of SOMPO HOLDINGS, according to the "Rules of the Stock Benefit Trust for Directors," reserve for stocks payments is recorded, with the estimated amount of the stock payment obligation at the end of the fiscal year.

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

(Additional information)

1. Performance-linked stock compensation plan
The Company introduced the "Board Benefit Trust (BBT)" (hereinafter the "Plan"), a performance-linked stock compensation plan for directors (excluding non-executive directors and outside directors), senior vice presidents and senior vice presidents

(shikkouyakuin) of SOMPO HOLDINGS.

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

(2) Accounting treatment
The gross method is adopted based on the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (Accounting Standards Board of Japan Practical Issue Task Force No. 30, March 26, 2015). Expenses and corresponding reserve are provided based on the number of points granted to officers according to the Rules.
Shares in the Company remaining in the Trust at the end of the period are recorded as treasury stock under shareholders’ equity, and its carrying amount is 3,810 million yen and its number of shares is 991,700.

2. Accounting treatment associated with the introduction of the consolidated taxation system
The Company has been approved by the Commissioner of the National Tax Agency to adopt the consolidated taxation system with the Company as the parent company for consolidated taxation from fiscal year ending March 31, 2022. Therefore, accounting treatment that assumes the adoption of the consolidated taxation system has been implemented from the fiscal year ended March 31, 2021 in accordance with the “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 1)” (Accounting Standards Board of Japan Practical Issue Task Force No. 5, January 16, 2015) and the “Practical Solution on Tentative Treatment of Tax Effect Accounting Under Consolidated Taxation System (Part 2)” (Accounting Standards Board of Japan Practical Issue Task Force No. 7, January 16, 2015).

3. Adoption of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system
With regard to the transition to the group tax sharing system created under the “Act on Partial Amendment to the Income Tax Act, etc.” (Act No. 8, 2020) and items for which the non-consolidated taxation system was reviewed in line with the transition to the group tax sharing system, the Company has not applied the provisions of Paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (Accounting Standards Board of Japan Guidance No. 28, February 16, 2018), and the amounts of deferred tax assets and deferred tax liabilities are based on the provisions of the tax laws before the revision, as allowed in Paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (Accounting Standards Board of Japan Practical Issue Task Force No. 39, March 31, 2020).

Notes to the Balance Sheet

1. Accumulated depreciation of tangible fixed assets amounts to 275 million yen.

2. Guaranteed obligations
   The Company jointly and severally guarantees 8,075 million yen for acceptances and guarantees of the main bank related to liability of refunds of residency deposits to residents of the nursing home managed by Sompo Care Inc. which is a consolidated subsidiary of the Company, and jointly and severally guarantees 29,734 million yen for rent payments based on building lease contracts.

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

Short-term monetary claims	116,637 million yen
Long-term monetary claims	74 million yen
Short-term monetary debts	645 million yen

4. Monetary debts to directors and senior vice presidents amount to 149 million yen.

Note to the Statement of Income

Transactions with subsidiaries and affiliates

Results of operating transactions:	
Operating income	224,945 million yen
Operating expenses	3,806 million yen
Results of non-operating transactions	4 million yen

Note to the Statement of Changes in Net Assets

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

Common stock	18,373,946 shares

Note) The treasury stock of common stock at the end of the period includes 991,700 shares in the Company held by the “Board Benefit Trust (BBT).”

Note on Tax Effect Accounting

Major components of deferred tax assets and deferred tax liabilities are as follows.

Deferred tax assets:	
Losses on valuation of stocks of subsidiaries and affiliates	3,118 million yen
Impairment losses on investment securities	2,649 million yen
Losses carried forward for tax purposes	1,972 million yen
Deemed dividends	1,618 million yen
Others	736 million yen
Subtotal	10,096 million yen
Valuation allowance	(7,904) million yen
Total deferred tax assets	2,191 million yen
Deferred tax liabilities:	
Unrealized gains and losses on securities available for sale	(68,567) million yen
Others	(5) million yen
Total deferred tax liabilities	(68,573) million yen
Net deferred tax liabilities	(66,381) million yen

The Company conducts accounting treatment based on the consolidated taxation system that will be applied from the fiscal year ending March 31, 2022. Therefore, total deferred tax assets have increased by 2,191 million yen at the end of the period.

Note on Related-party Transaction

Subsidiaries and affiliates

(Millions of yen)

Type	Name of company	Holding/held ratio of voting rights	Relationship with related party	Description of transactions	Transaction amount	Item	Balance at the end of the period
Subsidiary company	Sompo Care Inc.	Ownership Direct 100.0%	Guaranteed obligations	Guarantee for acceptances and guarantees (Note 1)	8,075	—	—
				Guarantee for the amount corresponding to rent payments based on building lease contracts (Note 2)	29,734	—	—

Notes)

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

Note on Per Share Information

Net assets per share	3,590.65 yen
Net income per share	566.62 yen