Corporate Governance Report

Last Update: October 21, 2024

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

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

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

1. Basic Views

(1) Corporate Philosophy etc.

SOMPO Group (hereinafter "the Group") has established the following "SOMPO's Purpose". In the Mid-Term Management Plan starting from fiscal 2024, the previous "SOMPO's Purpose" has been rephrased to make it clearer.

In addition, in order to embody SOMPO's Purpose, we have established the "SOMPO's Values" as the values that all the Group executives and employees wish to cherish.

SOMPO's Purpose

For a future of health, wellbeing and financial protection

The Group will contribute to a sustainable society and pave the way for the future by leveraging the Group's strengths, beyond insurance, to address various social issues from a medium- to long-term perspective and tackle to resolve them, with a focus on "health, wellbeing and financial protection". We will continue to support people and businesses in overcoming their challenges, transcending organizational and business hierarchies within the Group, with the keyword "connect with customers and deliver connected services"

SOMPO's Values

"Integrity": Doing what's right for society and the people.
"Self-motivation": Thinking for oneself and taking on challenges without being constrained by precedents.
"Diversity": Welcoming diverse opinions and taking in their thoughts and feelings.

In order to embody SOMPO's Purpose, we will use "SOMPO's values" as the basis for the decisions and actions of each and every Group executive and employee, and we will work together as a group to achieve this.

(2) Basic Views on Corporate Governance

The Group aims to serve diverse stakeholders and tackle to address various social issues through each business based on SOMPO's Purpose (For a future of "health, wellbeing & financial protection") to enhance enterprise value.

Sompo Holdings, as the holding company of all Group companies, considers continuous improvement of transparency and fairness of the Group's corporate governance and fulfillment of corporate social

responsibility through business as essential for maintaining strong relations of trust with stakeholders. The Board of Directors has accordingly established this Policy to clarify basic policies regarding the overall vision for the governance structure and the development of governance framework. We continue to make efforts to enhance corporate governance in pursuit of the best corporate governance. Further information on the Group's Corporate Governance Policy may be viewed on the Company website.
(https://www.sompo-hd.com/en/company/governance/overview/policies/)

The Company has changed its governance structure to "Company with committees", effective June 2019, as part of efforts to strengthen corporate governance structure by separating management supervision from business execution in order to reinforce the supervisory function of the Board of Directors and to accelerate business execution by delegating substantial authorities from the Board of Directors to executive functions. The Company also established three committees; Nomination Committee, Audit Committee, and Compensation Committee and established a governance structure that works to improve transparency and fairness. The Board of Directors sets the basic policies for Group management and for internal control which forms the foundation of Group management, appoints Executive Officers and Senior Vice Presidents, and supervises the performance of duties by Directors and Executive Officers. The Board of Directors also delegates executive decisions to Executive Officers in principle, as far as the laws permit, to further strengthen the supervisory function of the Board of Directors and accelerate business execution.
In addition, by appropriately executing the duties of the Nominating Committee, Audit Committee, and Compensation Committee, which have the Chairman and a majority of its members as Outside Directors, the Company ensures transparency in the appointment of Directors, Executive Officers, and Senior Vice Presidents, the audit of their duties, and the compensation of Directors, Executive Officers and Vice Presidents to develop and maintain the structure for enhanced functioning of corporate governance.
On the structure for business execution, under the overall supervision of the Group CEO and the Group COO Executive Officers make executive decisions and perform duties delegated from the Board of Directors, while the Business Segment System and Group Chief Officer (hereinafter "Group CxO") system are in place to ensure agile and flexible decision-making and business execution, with clearly defined authorities and responsibilities.
Additionally, the Company has established the Group Executive Committee which is an advisory body to the Group CEO to discuss important matters that significantly impact management, such as Group management strategy and business executive policy.

(3) View on the Corporate Governance Code

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

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

The Group complies with all principles of the Code revised in June 2021.

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

Supplementary Principle 1-1-1 Reasons for and analysis of opposition to the company's proposals

At the 14th Ordinary General Meeting of Shareholders held on June 24, 2024, the Company submitted Proposal No. 2, "Election of 13 Directors". Although this proposal was approved, a certain number of dissenting votes were cast regarding the election of some of the Directors. The Company analyzed the main reasons for this as follows:
- Some shareholders exercised their voting rights to oppose the appointment of the director concurrently serving as the Group CEO due to the discovery of serious misconducts by the Group in fiscal 2023.
- Some shareholders exercised their voting rights to oppose the appointment of the director concurrently serving as the Group CEO due to the ratio of the balance of shares held for business relationship to net assets as of the end of March 2024.

- Due to the attendance rate of the Audit Committee in fiscal 2023, some shareholders exercised their voting rights to oppose the election of one director.

Based on the above analysis, the Company will steadily implement its Business Improvement Plan and continue to work on evaluation and improvement to further enhance the effectiveness of the supervisory function of the entire Group.

In addition, with regard to shares held for business relationship, we have formulated a plan to reduce the balance of shares held to zero by the end of fiscal 2030 for those shares that could hinder fair competition in insurance transactions. We will accelerate our efforts to reduce the balance of such shares in order to achieve this goal.

We will strive to actively disclose information on the status of these improvements and other matters, and will also work to communicate broadly with our stakeholders.

Principle 1.3　Basic Policy of Capital Policy

[Actions to Achieve Management that is Conscious of Cost of Capital and Stock Price] [Update date: August 29, 2024]

- Our capital policy is based on the Enterprise Risk Management (ERM) framework. Its basic policy is to maintain robust financial health by appropriately controlling the balance of capital, risk, and return, with the goal of achieving adjusted consolidated ROE levels and adjusted EPS growth rates that are comparable to our global peers, as well as ensuring attractive shareholder returns (dividends paid + share buybacks) commensurate with both profit and shareholder equity levels.
- To sustainably boost the Group's capital efficiency, we will promote circulation of capital by actively allocating capital to highly capital efficient areas and withdrawing from low efficiency areas in a timely and appropriate manner. In addition to increasing remittance from mature businesses, we will use the capital and cash flow generated through the downsizing of business segments with low capital efficiency and the reduction of equity holdings for business relationships (hereinafter, "Strategic equity holdings") to invest in growth, including M&A, and in areas with high capital efficiency, based on the risk-taking direction clarified in the "SOMPO Group's Risk Appetite Statement".

By reviewing and advancing these initiatives one by one, we aim to achieve an adjusted consolidated ROE of 13-15% and an adjusted EPS growth rate of over 12% in FY2026, the final year of the Mid-Term Management Plan.

The target for adjusted consolidated ROE was set based on our cost of capital of 7% and the average level of our global peers, as estimated by CAPM（Capital Asset Pricing Model）.

- To maintain robust financial health, we manage capital based on the Economic Solvency Ratio (ESR), which compares capital and risk based on economic value. In capital management, we set a target capital level (ESR: 200% to 250%) and risk tolerance as a guide to appropriate capital levels from the perspective of financial soundness and capital efficiency, and implement appropriate capital policies according to the ESR target levels. In calculating ESR, we take into account recent regulatory trends and disclosures by domestic and overseas insurance companies. Additionally, in order to enhance global comparability, we have adopted capital management methods that comply with international capital regulations and are working to maintain financial soundness.
- We aim to provide attractive shareholder returns while taking into consideration our financial soundness and the business environment, with the basic policy of continuously increasing dividends through sustainable profit growth as well as maintaining the option of flexibly executing share buybacks depending on share price and capital availability.

Under the Mid-Term Management Plan, we set a basic shareholder return rate equivalent to 50%* of adjusted consolidated profit and will increase the total amount of returns (dividends paid + share buybacks) through profit growth. We will in principle return an additional 50% of gains/losses on the sale of Strategic equity holdings, and will also consider capital level adjustments in light of risk and capital conditions, performance trends, and financial market conditions. In addition, our basic policy is to increase dividends in line with mid-term profit growth, and to raise the ratio of dividends to total payout.

*After the application of International Financial Reporting Standards (IFRS), the basic return will be 50% of the average of the most recent three years of adjusted consolidated earnings.

The company's efforts regarding actions to achieve management that is conscious of cost of capital and stock price are disclosed in the Integrated Annual Report.
(https://www.sompo-hd.com/en/ir/data/annual/)

Principle 1.4　Strategic Equity Holdings

Policy on Strategic Equity Holdings

-The Group holds Strategic equity holdings (equity holdings other than for net investment purposes) primarily for the following purposes.

a) To maintain insurance transactions and insurance sales channels held by our subsidiary, Sompo Japan

b) For the purpose of strategic capital and business alliances.

-Of these, we have established a plan to reduce to zero our holdings of equities that could impede proper competition in insurance transactions by the end of FY2030. To achieve the goal, Sompo Japan will work to reduce its holdings by more than 600 billion yen during the period of the Mid-term Management Plan from FY2024 to FY2026. During the period of the last Mid-term Management Plan from FY2021 to FY2023, Sompo Japan achieved a reduction of 195.6 billion yen, exceeding the planned cumulative reduction of 150 billion yen.

-Part of the capital buffer created by the reduction of Strategic equity holdings will be allocated to growth investments such as M & As, to maintain and improve financial soundness and capital efficiency.

Confirmation and Examination by the Board of Directors

The Company carries out the following confirmation and examination by the Board of Directors.

-The Board of Directors confirms the impact on the Group's corporate value by comparing the Company's cost of capital with indicators that quantitatively evaluate the return and risk of stocks, in addition to the progress of the reduction plan, for listed stocks that may hinder proper competition in insurance transactions during the period until the balance of stockholdings is reduced to zero.

-With regard to listed shares held by the Company and its domestic subsidiaries for the purpose of strategic capital and business alliances, the Board of Directors examines the appropriateness of holding such shares, taking into consideration not only the long-term profitability of the shares but also the contribution to the Group strategy, including the status of cooperation (business alliances) with investees assumed at the time of investment, and the state of achievements in business alliances.

Exercising voting rights for cross-shareholdings

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

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

1. Basic Policy on Exercise of Voting Rights

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

2. Policy on Discussions

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

(1) Potential material negative impact on shareholder value (transfer of important assets, share transfers due to reasons such as merger or conversion to wholly-owned subsidiary, capital increase from a third-party allocation with an advantageous placement, introduction of anti-takeover measures, etc.)

(2) Financial performance (provision of retirement benefits to officers of companies with a capital deficiency or poor business performance, posting net losses for consecutive periods, ROE and shareholder return, etc.)

(3) Development and operation status of ESG (status of appointment of outside directors, tenure of outside officers and their attendance at meetings of the Board of Directors and the Audit & Supervisory Board, sustainability-related issues such as reduction of GHG emissions, etc.)

3. Disclosure of voting records

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

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

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

Principle 1.7 Related Party Transactions

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

Supplementary Principle 2.4.1 Ensuring diversity in appointing core human resources

<Policy on ensuring diversity>

The Group has positioned "Diversity, Equity and Inclusion (DEI)" as one of the key management strategies essential to the growth of the Group, and is promoting it.

The purpose of promoting DEI is to foster a corporate culture that "respects" and "dialogues" with respect for autonomous individual differences from the perspective of employees, the perspective of the company, and the perspective of society, to raise employee pride and motivation to work, and to support growth (employee perspective); to connect diverse individual activities and improved decision-making quality to value creation and resilience (company perspective); and to create a workplace and society in which all people, including minorities, can play an active role safely (social perspective).

To fulfill SOMPO's Purpose of serving as "For a future of health, wellbeing & financial protection", we will implement true DEI, in which each employee at each workplace is not affected by gender, disability status, nationality, age, etc., in which each employee's values are respected and each employee's talents and strengths are utilized in dialogue to create new values in anticipation of change.

<Measures to ensure diversity>

The Diversity Equity and Inclusion Promotion Headquarters has been established to promote DEI throughout the Group. With this as the driving force, we will reflect the perspectives of diverse human resources in the various services offered by the Group. We will also create an environment in which all employees can exercise their individuality and strengths and work with a sense of contribution to the team, in order to achieve the objectives of "employee perspective," "company perspective," and "society perspective" described above.

In addition, the Group is working to take advantage of the diversity of each employee by focusing on the diverse values of each employee and the "My Purpose" that drives them.

□ Closing the Gender Gap

With regard to closing the gender gap, the entire Group and each company holds various events such as training programs and seminars designed to steadily foster awareness among female employees, thereby creating a climate and environment that supports women's career advancement. Aiming to improve diversity in management decision-making, the Group has set numerical targets for the ratio of female executives, the ratio of female general managers, and the ratio of female managers to 30% or more by 2030. In addition, the Group has formulated a succession plan for the group's key posts (91 in total), including executives including Group CEOs, and has set a target for the ratio of female candidates to 50%. As of April 1, 2024, there were 5 female executives in the Company (3 outside directors, 1 executive officer, 1 executive officer), 6 in Sompo Japan (1 Outside Director, 5 Executive Officers), and the ratio of female executives to management positions in the entire Group was 25.5% *.

(*) At Sompo Japan, we have achieved our goal of 30% of the female ratio of above the level of team leaders who have been assigned to evaluation work, which we have defined as managers, through our continuous efforts to promote the advancement of women. In the future, we will define managers as those at or above the leadership level, which is a higher decision-making level, and accelerate our efforts by targeting the female ratio.

□ Appointment of Foreign Nationals and External Personnel

The Group has formed a diverse workforce, including foreign nationals, through the development of its overseas insurance business. In addition, we are working to further promote DEI and globalize our business by launching programs to actively recruit personnel from overseas group companies, mainly in Sompo Japan. In April 2020, the Company introduced a job-based personnel system for external personnel. This system creates positions based on the content of duties (jobs), and hires and assigns personnel with the necessary

experience and skills. By expanding the number of job-based personnel through external career recruitment, etc., this system contributes to building a human resource group with diverse experience and skills.
In addition, we actively promote highly specialized personnel to key positions such as directors, general managers, and specialists. We are working to ensure diversity by promoting strategic personnel assignments that are not restricted to gender or nationality.
In the Company, 18.2% of executive officers and senior vice presidents are foreign nationals. As of March 31, 2024, the ratio of foreign nationals employed in the Company is 8.0%, while that of external personnel is 27.8%. In the future, we will further diversify our personnel system by expanding our job-based personnel system and promoting strategic staffing.

□ Promoting advancement of people with disabilities

The Group is working to provide a stable place for people with disabilities with the aim of creating new value as a component of DEI, while providing a stable place for people with disabilities to demonstrate their abilities and achieve self-fulfillment in their professional lives. The Group hires people with disabilities all over the country, and is making efforts to create workplaces where they can play an active role and secure employment. Sompo Japan Insurance Inc. has placed vocational life consultants for people with disabilities throughout Japan, and has established a system to provide support for creating comfortable workplaces. SOMPO Challenged Inc., a special-purpose subsidiary established in April 2018, also plays a role in driving the employment and activities of people with disabilities in the Group. The employment rate of people with disabilities is 2.49% as of April 1, 2024.
In FY2023, we held "Universal Manner Certification" training for group executives. We believe that systematically learning and mastering the practice of universal manners (mindset and actions toward diverse people, including those with disabilities) will not only enable us to provide customers with "reasonable consideration" and valuable products and services based on correct understanding, but will also lead to greater understanding and respect for people with disabilities among our employees. We believe that this will lead to a better understanding of and respect for people with disabilities.

Principle 2.6 Demonstration of Functions as a Corporate Pension Asset Owner

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

Principle 3.1 Full Disclosure

The Company has established the SOMPO's Purpose and publicly communicates its management strategy and medium-term management plans to deliver value to society and to realize society aimed at in the medium to long term.

(ⅰ) The Company′s Management Strategy and the Mid-Term Management Plan

In the Mid-Term Management Plan (FY 2024 to FY 2026), which begins in FY 2024, we will pursue "resilience" and "connect with customers and deliver connected services" as basic strategies in order to respond to future changes in the environment and take advantage of the strengths of SOMPO. We will redefine our business areas into 3 categories and implement growth strategies for each business based on the Group's issues, while quickly realizing our vision.
In particular, over the following three years, the Domestic P&C Insurance Business will make efforts to restore trust of stakeholders and improve resilience, while the Overseas Insurance Business will support the Group's size and growth, and the Wellbeing Business will to become a driver of medium- to long-term growth. We aim to achieve our management targets, such as a Group adjusted consolidated ROE of 13~15% and an adjusted EPS growth rate of over 12%.
The Group's common strategies to support these growth strategies include the Human Resources Strategy (including corporate culture transformation), the Financial Strategy (including capital recycling management), the Data and Digital Strategy, and governance, and will steadily evolve them.

In order to restore trust in the Group, all officers and employees will reaffirm that they are committed to providing value to their stakeholders, including customers, society, employees, and shareholders, and strong governance will support them.

The details of the Company's management strategy and medium-term management plans are presented on the Company website.
(https://www.sompo-hd.com/en/ir/strategy/)

(ii) The basic philosophy on corporate governance is based on the principles of the Corporate Governance Code, which are presented in the section "1. Basic Views, (2) and (3)" of this report.

(iii) As the decision-making policy and process for setting director compensation amounts, the Company makes the policies on decisions pertaining to compensation for officers and describes in section "7. Policies on Decisions pertaining to Compensation for Officers" of the Corporate Governance Policy on the Company website.
(https://www.sompo-hd.com/en/company/governance/overview/policies/)

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

Supplementary Principle 3.1.3 Sustainability initiatives and investment in human capital and intellectual property

At the group, "For a future of health, wellbeing and financial protection" is at the core of our management as the "SOMPO's Purpose". Each of the Group's businesses will formulate a strategy to realize the SOMPO's Purpose and steadily implement it, with the aim of realizing the SOMPO's Purpose. In addition, it is essential to improve human capital and intellectual property in implementing the strategy. Under the supervision of the Board of Directors, the Group will allocate optimal management resources, thereby enhancing the certainty of the strategy.
Furthermore, the "Description of Purpose" section explains a future the Group wishes to create, what social issues it is addressing, and how it is trying to provide value to society for the future.

Description of Purpose
For a future of health, wellbeing and financial protection
Sompo prioritizes health, wellbeing and financial protection to create opportunities for everyone we serve, from individuals to enterprises.
In a rapidly changing world and shifting demographics that demand resilience and adaptability, we are steadfast in our commitment to build on insight and meticulously craft solutions for the future.
We leverage our deep collective expertise to connect across boundaries and beyond geographies, to deliver a collaborative and connected partnership that meets the unique aspirations and risk management needs of those we serve.
For a future of health, wellbeing and financial protection.
We are SOMPO Group.

In addition, in order for the Group to contribute to the realization of a resilient and sustainable society, the Group has established the Group Sustainability Vision and established the Group Sustainable Management Promotion Council to discuss policies for the Group's efforts to enhance its corporate value by contributing to the realization of a sustainable society, thereby enhancing the effectiveness of its efforts.
Details can be found on the Company website.
(https://www.sompo-hd.com/en/csr/system/)

Details of our sustainability initiatives and efforts to improve our human and intellectual capital are available on the Company website and/or Integrated Annual Report.
[Initiatives for Sustainability]
(https://www.sompo-hd.com/en/csr/)
[Human capital]
(https://www.sompo-hd.com/-/media/hd/en/files/csr/communications/pdf/2024/e_report2024_3.pdf)
[Intellectual capital]
(https://www.sompo-hd.com/-/media/hd/en/files/csr/communications/pdf/2024/e_report2024_5.pdf)
(Please refer to the section on data and digital utilization.)

In response to climate change, which has become increasingly critical as a global social issue in recent years, the Group has set "adopt to climate change," "mitigate climate change," and "contribute to societal transformation" as its "SOMPO Climate Action" and has established KPIs such as greenhouse gas reduction targets and targets for the introduction of renewable energy.
In addition, we declare support for the recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) and work on climate scenario analysis and highly transparent disclosure of these information via our Annual Securities Report and/or Integrated Annual Report.
(https://www.sompo-hd.com/en/csr/materiality/topic2/)

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

Principle 4.9 Independence Standards and Qualification for Independent Directors
The Company has established "outside director independence criteria" based on the decisions of the Nomination Committee and by resolution of the Board of Directors in accordance with the standards required for Financial Instruments Exchange.
The Board of Directors appoints outside directors who have broad range of knowledge and experiences as corporate management, academia, legal or finance profession to facilitate objective decision making with respect to management issues from a diverse and independent viewpoint and perspective and diversity in terms of gender and nationalities; and the majority of the Board of Directors consists of outside directors. As a result of this policy, the Company's independent outside directors contribute to frank, active, and constructive deliberations and discussions at meetings of the Board of Directors, the Nomination Committee, the Audit Committee and the Compensation Committee.
Note: In this principle, gender means all the phenomena, knowledge, and viewpoints relating to sexuality such as gender division of labor and LGBTQ.

Supplementary Principle 4.11.1 Policy and Procedure regarding the Board of Directors Skillset and the Appointment of Directors
The Company's Board of Directors is composed of a large number of outside directors to ensure effectiveness of supervision. In order to ensure sufficient diversity, outside directors are appointed from among corporate managers, academics, and members with expertise in legal, financial, and accounting fields, taking gender or nationality into consideration as well. This system of governance ensures high levels of transparency and fairness.
The Company's views on the overall balance of knowledge, experience, and capabilities and the diversity and scope of the Board of Directors as well the policy and procedure for selecting a candidate for director and a

skill matrix that lists the skills and areas of expertise that each director is particularly expected to have are presented in sections “3. Board of Directors and Committees” and “5. Policies for Appointment of Directors and Executive Officers” of the Corporate Governance Policy and “Directors' Skills Matrix” on the Company website.
- Corporate Governance Policy
(https://www.sompo-hd.com/en/company/governance/overview/policies/)
- Directors' Skills Matrix
(https://www.sompo-hd.com/en/company/summary/skillmatrix/)

Supplementary Principle 4.11.2 Concurrent Positions of Directors

In the event a director would be holding a concurrent position at another company, the Board of Directors determines the appropriateness of the appointment upon verifying the appropriateness of such positions as stipulated by law and by verifying the business content, volume of duties, and other conditions of the concurrent position. The Company seeks candidates with minimum of concurrent positions. Regarding outside director’s concurrent position at another company, the Nomination Committee confirms that each person can secure the time and effort required to appropriately fulfill his/her role and responsibilities as an outside director of the Company, as well as number of positions held concurrently by outside directors.

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

1. Initiatives to secure and enhance the effectiveness of the Board of Directors

At the Company, every director, including the Chairman of the Board of Directors, is keenly aware of the need for securing and enhancing the effectiveness of the Board of Directors, and we have established a cycle in which discussions are constantly held throughout the year and actions are taken with following initiatives.
a) The Structure of Board of Directors
As stated in Supplementary Principle 4.11.1 above, the Company's Board of Directors is composed of a large number of outside directors to ensure effectiveness of supervision. In order to ensure sufficient diversity, outside directors are appointed from among corporate managers, academics, and members with expertise in legal, financial, and accounting fields, taking gender or nationality into consideration as well. This system of governance ensures high levels of transparency and fairness.
In April 2024, we shifted to a governance system in which an outside director chairs the Board of Directors. This will enhance the fairness of management discussions at the Board of Directors meetings, strengthen the supervisory function for the executive divisions, and increase the objectivity and transparency of management.
b) Implementation and Utilization of Preliminary Briefing Sessions of the Board of Directors
The Company holds preliminary briefing sessions for all outside directors each time the meetings of the Board of Directors are held, so that constructive and productive discussions can be held. The Board of Directors also holds discussions based on the opinions and questions raised at each meeting. At the Company, integrated management of preliminary briefing sessions and the Board of Directors ensures efficient and fruitful discussions and that the views and perspectives of outside directors are directly reflected in the Board of Directors.
c) Activation of Discussions by Statutory Committees
The Company adopted a Company with Committees in June 2019 in order to strengthen management supervision and speed up business execution. Under this structure, discussions are deepened in order for each organization to perform its roles more faithfully and fulfill its accountability to stakeholders, including intensive deliberations on important management themes at the Board of Directors, appointment and remuneration decisions of officers and supervision of the legality and appropriateness of execution of duties at the Nomination, Audit, and Compensation Committees.
d) Measures for the Exercise of Functions of Supervision of the Board of Directors
In order to maintain a sense of distance between the Board of Directors and the executive departments and to maintain sufficient communication even after the delegation of authority due to adoption of Committees as above, the Company will proactively take measures that contribute to the exercise of functions of supervision, such as strengthening information coordination for directors to grasp the status of execution.
Concretely, Business CEO and Group CxO report on business execution at the Board of Directors meetings, outside directors can observe the Group Executive Committee, which is a meeting body of the Executive Division, and other meeting bodies, various opportunities are provided to outside directors to share information in a timely manner without limiting matters to be discussed by the Board of Directors, and meeting between outside directors and representative executive officers are held.

e) Conducting a Questionnaire to Evaluate the Effectiveness of the Board of Directors
We place a high priority on actively incorporating the opinions of directors by providing an opportunity to comprehensively analyze and evaluate the effectiveness of the entire Board of Directors by conducting a questionnaire once a year that includes the self-evaluation of each director.
The status and evaluation results of the effectiveness questionnaire in FY2023 are described in 2. below.

2. Response in light of serious misconducts in the Group in FY 2023
On January 25, 2024, the Company and its consolidated subsidiary, Sompo Japan received business improvement orders from the Financial Services Agency (hereinafter "FSA") based on Article 132, Paragraph 1 of the Insurance Business Act due to the problem of Big Motor's (Collectively refers to three companies: Big Motor Co., Ltd., BM Holdings Co., Ltd., and BM Hanaten Co., Ltd.) handling of fraudulent automobile insurance claims, etc., and in the order, it was pointed out that our efforts to foster an appropriate corporate culture were insufficient. Based on this, the Company submitted a business improvement plan to FSA on March 15, 2024, with measures to prevent recurrence, such as fostering a sound corporate culture that emphasizes compliance and customer protection, so as not to cause such a situation again.
In addition, on December 26, 2023, Sompo Japan received business improvement orders from FSA based on Article 132, Paragraph 1 of the Insurance Business Act due to inappropriate insurance premium adjustment, that was seen as infringing on the Antimonopoly Act pointing out that our business environment was prone to risk of conflict with the Antimonopoly Act, etc. Based on this, the Company submitted a business improvement plan to FSA on February 29, 2024, which set forth measures to prevent recurrence, such as creating an environment for proper competition.
Following the discovery of the above cases, the Company's Board of Directors made recommendations for effective group governance in planning business improvement plans, etc. in order to appropriately fulfill its supervisory and advisory functions. Based on the occurrence of these cases and the start of a new medium-term management plan in fiscal 2024, the Company conducted an effectiveness questionnaire (conducted from March to April 2024) with the aim of evaluating the status of the Board of Directors' performance of its functions to date and identifying initiatives necessary to achieve further performance of its functions.

(1) Points of View of the Effectiveness Questionnaire
• Evaluation of functional performance of the Board of Directors (ensuring an appropriate deliberation process, deliberation by committees, sharing of awareness of issues, obtaining information and engagement to the extent appropriate)
• Future oriented evaluation for the further evolution of the Group (issues to appropriately fulfill roles of the Board of Directors and executive divisions, and management themes to be focused on for enhancing corporate value)
• Evaluation of measures to prevent recurrence based on business improvement orders concerning aforementioned misconduct cases (points to be addressed by the Board of Directors from the viewpoint of supervision, and points to be encouraged for execution)

(2) Overview of Evaluation Results
< Evaluation on Performance of Functions of the Board of Directors >
• In response to the serious misconducts, the Board of Directors expressed the opinion that it should reaffirm the possibility of prevention and issues in governance.
• While the Board of Directors has ensured sufficient deliberation time on important topics such as the Medium-Term Management Plan, the Board of Directors also observed issues such as a gap between awareness in "genba" and management and insufficient sharing of information on issues.
• In order to grasp an appropriate range of information, the Board of Directors needs to increase its sensitivity, and also executive divisions need to be aware of more effective information sharing.
• In addition, the Board of Directors has expressed its opinion that future issues need to be considered, such as the role of operating companies and how to cooperate within the Group.
• With regard to the Board of Directors, the integrated management of the Board of Directors with the prior briefing session has been evaluated as stimulating discussions and efficient and effective management within a limited time.

< Future oriented evaluation for further evolution of the group >

• In order to realize SOMPO's purpose, the Board of Directors has expressed the opinion that further risk-taking and appropriate reporting of the status of business execution are required, and portfolio management that fully considers inherent risks is needed.
• In addition, with regard to the integrated management of the Company and operating companies, the opinions are expressed that it is necessary to increase communication opportunities and information-sharing processes among the Group, to examine the way in which the Company engages in operating companies, and to continue to seek a flexible and effective governance.
• On the other hand, the opinions are also expressed that it is expected to further strengthen Group governance by taking this opportunity to review operating company governance, and that it is necessary to hold more open and frank discussions on a regular basis.

< Evaluation of Measures to Prevent Recurrence Based on the Business Improvement Orders Concerning Serious Misconduct Cases >
• In the process of reviewing measures to prevent recurrence, it is very important that the management takes a direct view of the actual condition of the non-life insurance business, and it is evaluated along with the strengthening of the management system, and the opinions are expressed that it is necessary to clarify the priority and schedule of measures to prevent recurrence, effective measures, monitoring of implementation status, and roles within the Company.
• In addition, the two most important points of preventing recurrence are "employee education" and "creation of a system to prevent weathering," and the opinions are expressed that it is necessary to evaluate that these are included in the measures to prevent recurrence and to take effective measures against them.
• While evaluating the strengthening of the supervisory function of the board of directors of operating companies, it is pointed out that cooperation between the Audit Committee of the Company and the Audit and Supervisory Committee of Sompo Japan will become more important.
• In addition to examining the implementation of corporate ethics and the code of conduct, it is also suggested that information sharing between the Company and operating companies and regular opportunities for exchange of opinions between outside directors are also effective.

3.Initiatives focusing on for further fulfilling the functions of the Board of Directors
Based on the evaluation results described in 2. above and the management environment of the Group, the Board of Directors should deepen management discussions based on reports from the executive division, and initiatives that we will focus on in order to further fulfill the functions of the Board of Directors include the following: Keeping these in mind, the Company will continue to implement initiatives to enhance the effectiveness of the Board of Directors.
Executive divisions of the Company will continue to actively receive various opinions and advice from the Board of Directors and make efforts to enhance the quality of decision-making. The Company also plans to meet the expectations of shareholders and other stakeholders by holding free discussions with Directors on important management topics.

< Topics for Deepening Management Discussions (FY 2024) >
• Steady implementation and effectiveness of business improvement Plans
• Major strategies to realize SOMPO’s Purpose in each business area
(SJ-R at Sompo Japan, growth strategy of overseas insurance business, launch of wellbeing business, etc.)
• Strengthening the Group's management foundation
(Management with a focus on capital cost and capital efficiency, human resources strategy, digital data strategy, valuation and value enhancement of invisible assets (brands, engagements, etc.), etc.)

< Initiatives that should be emphasized to further fulfill the functions of the Board of Directors >
• Further strengthening the effectiveness of the Group's governance and internal controls
• Strengthening the monitoring function for progress and effectiveness of measures to prevent the recurrence of serious misconducts
• Deliberation on highly important themes by focusing on issues
• Enhanced opportunities for reporting on the status of execution
• Clarification of matters to be discussed at the Board of Directors meeting
• Communication and information sharing between outside directors and each statutory committee

Supplementary Principle 4.14.2 Policy on Director Training

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

Principle 5.1 Policy for Constructive Dialogue with Shareholders

The Company, to a reasonable extent, proactively responds to requests from shareholders and engages in positive and constructive dialogue.
To further promote constructive dialogue with shareholders, the Board of Directors decides the matter for carrying frameworks and activities for enhancement of investor relations. The Company sets an investor relations action plan and reports to the Board of Director in addition to the summary of results of activities in the last year.

Principle 5.1.2 Policy to promote Constructive Dialogue with Shareholders

(i) Involvement of management team in dialogue with shareholders
The Group's management team, including the Group CEO, takes the lead in engaging in constructive dialogue with shareholders and investors, which is driven by the executive officer and the department in charge.

(ii)Organic collaboration of relevant departments to assist dialogue
The department in charge of investor relations plays a central role in the promotion of dialogue with investors and supports it in collaboration with various departments, including corporate planning, sustainable management promotion, finance and accounting, public relations, investment, overseas business, and each department of group companies.

(iii)Various means of dialogue other than individual interviews
In addition to regular IR meetings, the Company holds a number of timely IR events to encourage disclosure and positive dialogue by its management team.

(iv)Report to the Board of Directors and Management
Views and concerns of investors are reported to the Board of Directors and the management team in a timely and appropriate manner.

(v)Control of Insider Information
The Company makes prompt and fair disclosure via its website. In addition, the Company refrain from discussing our business performance during a certain period prior to the announcement of financial results.

Please also refer to the "III.2. IR Activities" section of this report for details of our IR activities.

2. Capital Structure

Percentage of Foreign Shareholders	More than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	149,954,300	15.43
Custody Bank of Japan, Ltd. (Trust account)	61,999,960	6.38
Government of Norway	41,401,671	4.26
JP Morgan Chase Bank 380055	25,387,531	2.61

Sompo Holdings Employee Shareholders Association	22,562,586	2.32
State Street Bank West Client-Treaty 505234	21,404,710	2.20
State Street Bank and Trust Company 505001	19,602,890	2.02
JP Morgan Securities Japan Co., Ltd.	14,158,506	1.46
JP Morgan Chase Bank 385781	12,960,827	1.33
JP Morgan Chase Bank 385632	10,604,252	1.09

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

Supplementary Explanation

Major Shareholders mentioned above are based on the shareholder's list as of September 30, 2024.
* The percentage above represents a ratio of Number of Shares Owned to the total number of issued shares excluding treasury shares owned by the Company (18,627 thousand shares).

3. Corporate Attributes

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

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

None

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

None

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

1. Organizational Composition and Operation

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

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Outside Director
Number of Directors	13

[Outside Directors]

Number of Outside Directors	9
Number of Independent Directors	9

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Scott Trevor Davis	Academic											
Kazuhiro Higashi	From another company											
Misuzu Shibata	Attorney at law											
Takashi Nawa	From another company											
Meyumi Yamada	From another company											
Isao Endo	From another company											
Kumi Ito	From another company											
Masayuki Waga	From another company											
Toru Kajikawa	CPA											

* Categories for "Relationship with the Company"

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

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

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/*kansayaku*
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/*kansayaku* are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Membership of Committees	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Scott Trevor Davis	Nomination / Remuneration	○	Professor of the Department of Global Business, College of Business, Rikkyo University Director of Bridgestone Corporation Director of Ajinomoto Food Manufacturing Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from wide-ranging knowledge as an academician, gained particularly through university research in strategic management, ESG and CSR, and multifaceted advice from a global perspective. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he, as a chair of the Nomination Committee, provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Isao Endo	Nomination / Remuneration	○	Director of Dream Arts Inc. Director of NEXTAGE Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his broad insight based on his practical

			Director of TANAKA Holdings Co., Ltd.	experience at a global consulting firm and academic knowledge as a graduate school professor, in addition to abundant experience as a company manager. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Kazuhiro Higashi	Nomination / Remuneration	○	Vice Chairman of The Osaka Chamber of Commerce and Industry Director of Honda Motor Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his abundant knowledge and experience as a top-level executive of large-scale corporations including Chairman of Osaka Bankers Association and Vice Chairman of The Osaka Chamber of Commerce and Industry, as well as his experience in finance and corporate management in the banking business. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he, as Chairman of the Board of Directors and chair of the Compensation Committee, provides strict

				supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Misuzu Shibata	Audit	○	Attorney at law Director of DELICA FOODS HOLDINGS CO., LTD. Director of PILOT CORPORATION	Nominated with the expectation of providing Company management with pertinent advice on governance, diversity & inclusion, in terms of reinforcing supervisory and decision-making functions of the Board of Directors, as well as her abundant knowledge and experience as a legal expert. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, she, as a chair of the Audit Committee, provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Takashi Nawa	Nomination / Remuneration	○	Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School	Nominated with the expectation of providing Company management with pertinent advice from his abundant business experience as a management consultant, combined with his profound academic knowledge from a

			President of Genesys Partners, Inc. Member of the Board of NEC Capital Solutions Limited (Outside Director) Advisor of Sumitomo Mitsui Trust Bank, Limited. Professor, Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science Auditor of The Asahi Shimbun Company	global perspective, in addition to his practical experience in a major Japanese trading company and global consulting firms. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Meyumi Yamada	Nomination / Remuneration	○	Director of istyle Inc. Director of SEINO HOLDINGS CO., LTD. Director of Seven & i Holdings Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from her 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 and 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. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, she provides

				strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Kumi Ito	Audit	○	Managing Partner of Office KITO Director of True Data Inc. Director of FUJI FURUKAWA ENGINEERING & CONSTRUCTION CO. LTD. Director of Ryohin Keikaku Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from her high level of knowledge 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 actively promotes women's empowerment in the workplace. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, she provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal,

				capital, transaction, or other interests or relationships.
Masayuki Waga	Audit	○	-	Nominated with the expectation of providing Company management with pertinent advice from his experience in executive posts at chemical company in various business domains both in Japan and abroad, as well as head office divisions. He has experience in managing global organization, and driving transformation in human resources system and corporate culture, and can be expected to provide valuable advice based on his own experience and achievements as the top management of a large business. Especially in addressing the incident concerning our response to fraudulent automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.
Toru Kajikawa	Audit	○	Certified public accountant Chairman and Managing Partner of Grant Thornton Taiyo LLC. Auditor of Kakiyasu Honten Co., Ltd.	Nominated with the expectation of providing Company management with pertinent advice from his abundant experience as a manager at auditing corporations in addition to his professional knowledge and experience as a certified public accountant. Especially in addressing the incident concerning our response to fraudulent

			Auditor of KIKKOMAN CORPORATION. Auditor of MITSUBISHI PENCIL CO., LTD.	automobile insurance claims made by Big Motor and the case of inappropriate insurance premium adjustments committed by a subsidiary of the Company, he provides strict supervision and guidance on building of a highly effective internal control system and reforming the organizational culture, aimed at recurrence prevention. Appointed as an independent director as concern is judged not to exist for a conflict of interest with general shareholders from the perspectives of a personal, capital, transaction, or other interests or relationships.

[Committees]

Committee's Composition and Attributes of Chairperson

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

[Executive Officers (Shikkoyaku)]

Number of Executive Officers (Shikkoyaku)	12

Status of Additional Duties

Name	Representative Authority	Additional Duties as Director			Additional Duties as Employee
			Nomination Committee Member	Remuneration Committee Member	
Mikio Okumura	Yes	Yes	No	No	No
Masahiro Hamada	Yes	Yes	No	No	No
Shinichi Hara	Yes	Yes	No	No	No
Koji Ishikawa	No	No	No	No	No
Yasuhiro Oba	No	No	No	No	No
Takamitsu Washimi	No	No	No	No	No
Koichi Narasaki	No	No	No	No	No

Kazufumi Watanabe	No	No	No	No	No
Yoshihiro Uotani	No	No	No	No	No
Yoshiyasu Suzuki	No	No	No	No	Yes
Ryoko Shimokawa	No	No	No	No	No
Hirofumi Shinjin	No	No	No	No	No

[Auditing Structure]

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

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

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

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

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

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

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

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

[Independent Directors]

Number of Independent Directors	9

Matters relating to Independent Directors

The Company has designated all outside directors as independent directors. The criteria for independence from the Company for appointing outside directors are as follows. The Company will determine the independence from the Company of outside directors based on the matters set forth below:
1. Personal Relationships: A kinship between the candidate and any officer or employee of the Group, status of mutual appointments of officers between the Company and the Company which the candidate is originally from.
2. Capital Relationships: The holding of shares in the Company by the candidate and the status of shareholding by the Group.
3. Business Relationships: Business transactions or donations between the Group and the candidate.
4. Significant interests other than the above.
In the event that a candidate for outside director falls within any of the categories listed below, the Nomination and Compensation Committee, a committee primarily constituted of outside directors, will examine his/her independence. Following the final determination by the Board of Directors, the proposal for appointment will be submitted to the General Meeting of Stockholders of the Company and the Company will submit notification of such outside director as an independent director as prescribed by each financial instruments exchange.
(1) Personal Relationships
1) The candidate is or was an executive director (Note 1), an executive officer, an executive officer(shikkouyakuin) or an employee of the Company or its subsidiary at present or in the past 10 years (in 10 years prior to his/her appointment if the candidate was an executive director or audit & supervisory board member).
2) The candidate is a relative (Note 3) of a person who is or was an executive director, an executive officer, an executive officer(shikkouyakuin) or an important employee (Note 2) of the Company or its subsidiary at present or in the past 5 years.
3) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer (shikkouyakuin) of (i) a company that accepts director(s) (full-time or independent) from the Company or its subsidiary, (ii) its parent company or (iii) its subsidiary.
(2) Capital Relationships
1) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer (shikkouyakuin) or an employee of a company in which the Company owns 10% or more of the voting rights.
2) The candidate is a relative of a person who is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer(shikkouyakuin) of a company in which the Company owns 10% or more of the voting rights.
3) The candidate owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member, an executive officer (shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary (Note 4) of the subject company).
4) The candidate is a relative of a person who owns or owned 10% or more of the voting rights of the Company at present or in the past five years (if the shareholder is a corporation, the candidate is a relative of the person who is or was a director, an audit & supervisory board member, an accounting advisor, an executive officer, a board member or an executive officer (shikkouyakuin) of the subject company).
(3) Business Relationships
1) The candidate is a person who makes or made payments of 2% or more of the Company's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) to the Company or its subsidiary (if the payer is a corporation, the candidate is or was an executive director, an executive officer, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary), or a relative of the person.
2) The candidate is a person who receives or received payments of 2% or more of the candidate's consolidated gross annual sales (based on the current fiscal year or the average of the past three fiscal years) from the Company or its subsidiary (if the recipient is a corporation, the candidate is or was an executive director, an executive officer, an executive officer(shikkouyakuin) or an employee of the subject company, its parent company or a significant subsidiary) , or a relative of the person.
3) The candidate is a board member (should be limited to a person who executes business) or other member or his/her relative, who executes business of a public interest incorporated foundation, a public interest

incorporated association, or a non-profit corporation, etc. who receives donations or grants exceeding 10 million yen per year based on the average of the past three fiscal years from the Company or its subsidiaries.
4) The candidate is a director, an audit & supervisory board member, an accounting advisor, an executive officer, an executive officer(shikkouyakuin) or an employee or his/her relative of (i) a financial institution, (ii) other large creditor, (iii) its parent company or (iv) a significant subsidiary, from which the Company obtains or has obtained financing (the financing is indispensable, which the Company depends on to the extent that such financing has little or no substitute) at present or in the past three years.
5) The candidate is an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, or a person who was any of the above in the past three years, and who actually is or was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary (including those who are currently retired).
6) The candidate is a relative of (i) a certified public accountant (or a tax accountant) or (ii) an employee or a partner of an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary.
7) The candidate is a relative of a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who serves as an accounting auditor of the Company or its subsidiary, and who actually is engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary, or a person who was an employee, a partner or a staff member of a certified public accountant (or a tax accountant) or an audit corporation (or a tax accounting corporation), who served as an accounting auditor of the Company or its subsidiary, in the past three years, and who actually was engaged in auditing (excluding supplementary involvement) for the Company or its subsidiary during the subject period of time.
8) The candidate is a consultant such as an attorney or a certified public accountant other than the above 5) who receives financial or other property benefits of 10 million yen or more per year (based on the average of the past three years) exclusive of officer's compensation, and a person who is and was an employee, a partner, an associate or a staff member or his/her relative of a consulting firm or other specialized advisory firm such as a legal office or an audit corporation other than the above 5), who received payments of 2% or more of the firm's consolidated gross annual sales (based on the average of the past three fiscal years) from the Company or its subsidiary.
(4) Significant Interests
A person who can be recognized to have significant interests other than the above (1) through (3).
Notes:
1. "Executive director" means the director as set forth in each item of Article 363, Paragraph 1 of the Companies Act and other directors who executed business of the subject company (the same applies to the following).
2. "Important employee" means a person who falls under the "important employee" as set forth in Article 362, Paragraph 4, Item 3 of the Companies Act (the same applies to the following).
3. "Relative" refers to a spouse, a relative within the second degree of kinship or a relative who lives together (the same applies to the following).
4. "Significant subsidiary" refers to a subsidiary that is described as a significant subsidiary in (i) the items of e.g., "Status of Significant Parent Company and Subsidiaries" in the business reports associated with the subject company's most recent fiscal year (Article 120, Paragraph 1, Item 7 of the Ordinance for Enforcement of the Companies Act), or other materials that are generally published by the subject company (the same applies to the following).
5. The past tense as described in the above (2) 3) and 4), and (3) 1), 2) and 8) (e.g., a person who "was") refers to within the past five years.

[Incentives]

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

Supplementary Explanation

The Compensation Committee of the Company has introduced a stock-linked compensation system (PS) that provides the same economic value as cash stock in order to motivate executives to sustainably increase the Company's corporate value and to promote value sharing between executives and shareholders.

Recipients of stock-linked compensation system	Internal directors, Executive Officers/ Other

Supplementary Explanation

None

[Remuneration for Directors and Executive Officers (Shikkoyaku)]

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

Supplementary Explanation

Aggregate totals for management members (director, auditor, and executive officer respectively) compensation and totals by category of compensation and other compensations are reported in the financial statements and business reports. The Company individually discloses the amount of the compensation of the director whose total consolidated compensation is ¥100 million or more. In FY 2023, Kengo Sakurada was paid ¥262 million (including base(monthly) cash compensation of ¥133 million, performance-linked cash compensation of ¥128 million); Mikio Okumura was paid ¥164 million (including base(monthly) cash compensation of ¥133 million, performance-linked cash compensation of ¥60 million); James Shea was paid ¥467 million (including base(monthly) cash compensation of ¥264 million and performance-linked cash compensation of ¥203 million); Nigel Frudd was paid ¥103 million (including performance-linked cash compensation of ¥103 million);

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Sompo Holdings' Executive Compensation Structure The Company regards its executive compensation structure as an important aspect of corporate governance. The executive compensation structure has been configured with the aim of increasing corporate value and sharing interests with shareholders. The aforementioned structure is based on the basic policies outlined below, and has been designed from an objective perspective by the Compensation Committee, which is chaired by an outside director. The Company's Policies on Decisions Pertaining to Executive Compensation describes the Basic Policies on Executive Compensation, the composition of compensation and how it is determined for each position, and the details of each type of compensation. 2. Overview of Executive Compensation Structure The Company considers the current Mid-Term Management Plan as an opportunity for realizing transformation of each business and the entire Group. Executive compensation linked to the Company's performance is recognized as an important facet of corporate governance underpinning this transformation initiative. The Company, based on the principle of being mission-driven (Stay engaged with a sense of mission; take ownership at work) and results-oriented, is of the opinion that each executive officer should demonstrate and

act in accordance with their own duties and mission. Compensation for these executive officers is not a fixed amount based on their duties or position, but decided in accordance with the magnitude of the mission they are undertaking for the future and the outcome of their efforts. The structure for executive compensation was designed with this philosophy in mind.

(1) Decision-making process for total compensation packages

The Company sets compensation levels on an individual basis with consideration made to the magnitude of the mission assigned to each executive officer, etc. This is in contrast to an approach whereby compensation is determined according to a traditional compensation table for each executive rank.

(2) Composition of executive compensation

Executive officer compensation consists of a fixed component (base salary) based on the duties and responsibilities of each executive officer and a variable component linked to performance. Variable compensation comprises an annual bonus, which is compensation linked to short-term performance paid out on a fiscal-year basis in accordance with performance during each year, and a stock-linked compensation system (PS) that provides the same economic value as cash stock in order to motivate executives to sustainably increase the Company's corporate value and to promote value sharing between executives and shareholders. This composition is designed to motivate executive officers to make decisions based on longer-term earnings with a greater awareness of the share price, instead of focusing solely on a single fiscal year.

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

■ Fixed Compensation (Base Salary)

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

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

■ STI (Annual Bonus)

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

• The annual bonus is determined by reflecting the degree of achievement toward financial targets and strategic targets in a single fiscal year in the base amount of performance-linked compensation.

• The target amount of performance-linked compensation is defined as the amount to be paid when financial targets and strategic targets are achieved. This base amount is determined for each executive officer individually.

• The annual bonus consists of financial performance-linked compensation and strategic performance-linked compensation. The ratio of the two components is determined by the Compensation Committee in accordance with the nature of the mission assigned to each executive officer.

• The performance metrics for financial targets include adjusted consolidated ROE in the fiscal year, and the coefficient is determined as a ratio of actual performance to target performance (numerical targets in the business plan).

• The performance metrics for strategic targets are those agreed upon by the Group CEO, or other senior executives (such as Business CEOs) in charge of evaluating performance, in accordance with the mission assigned to the executive officer in question, and the coefficient is set according to the degree of achievement.

• The performance metrics applied for strategic targets include an engagement metric for all executive officers and a brand value metric for some executive officers as mandatory items related to the unrealized financial value metric.

■ Stock-linked compensation system (Phantom Stock (hereinafter “PS”))

Stock-linked compensation is compensation in which the amount received varies according to the number of units granted as well as the Company stock price and dividends, and is linked to the medium- to long-term growth of the Company.

• The number of units will be determined by reflecting the level of achievement of strategic goals in the base amount of stock-linked compensation, which is determined based on the size of the mission, etc.

• The units granted will vest at the end of the fiscal year three years after the date of grant, and the vested units will be classified as PS (i) and PS (ii).
• Directors may exercise their rights at any time with respect to PS (i) and only upon retirement with respect to PS (ii), and the amount to be paid will be calculated by multiplying the number of units exercised by the Company's share price at the time of exercise and adding an amount equivalent to the dividends accumulated up to the time of exercise.

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

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

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

a) Composition and determination method of Directors' compensation
Compensation for Directors shall consist of monthly compensation, performance-linked compensation and stock price-linked compensation. With regard to monthly compensation, performance-linked compensation and stock price-linked compensation, fixed amount shall be determined for monthly compensation, while a base amount and the number of base point (one unit = cash equivalent to one common share of the Company) shall be determined for performance-linked compensation and stock price-linked 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 stock price-linked 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 stock price-linked compensation is described below in (c) and (d).
b) Composition and determination method of Executive Vice President and Executive Officers', Executive Vice Presidents' compensation
Compensation of Executive Officers and Senior Vice Presidents shall consist of monthly compensation, performance-linked compensation and stock price-linked 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.
Additionally, fixed amount shall be determined for monthly compensation, while base amount and the number of base point (one unit = cash equivalent to one common share of the Company) shall be determined for performance-linked compensation and stock price-linked compensation.
The overview of the performance-linked compensation and stock price-linked compensation is described below in (c) and (d)
c) Performance-linked compensation
The Company has introduced performance-linked compensation system to align compensation for Directors and Executive Officers and business strategy and heighten the Directors' and Executive Officers' awareness of performance improvement for the Group's growth. The overview of the system is described below:

• Performance-linked compensation shall be determined by reflecting the degree of achievement of financial target and strategic target in a single fiscal year in the base amount of performance-linked compensation.
• The base amount of performance-linked compensation is defined as the amount to be paid when financial target and strategic target are achieved. This base amount is determined individually for each Director and Executive Officer.
• Performance-linked compensation consists of financial performance-linked compensation and strategic performance-linked compensation, and; the allocation ratio of each base amount is determined by the Compensation Committee in accordance with the nature of the mission of each Director or Executive Officer.
• Performance indicators that are applied to financial target are adjusted consolidated ROE and others for the fiscal year and the coefficient is determined according to the actual figures vs. target figures (numerical target in business plan).
• Performance indicators that are applied to strategic target are the indicators agreed by the Group CEO, Business CEOs or other Directors or Executive Officers responsible for evaluation in accordance with the mission of each Director or Executive Officer, and the coefficient is determined according to the degree of the achievement.
d) Performance-linked stock compensation (hereinafter "PS").
The Company has introduced a stock price-linked compensation system that provides the same economic value as actual shares in order to motivate directors to continuously improve the Company's corporate value and to promote value sharing between directors and shareholders. The outline of this system is as follows:
• Stock price-linked compensation reflects an amount equal to the Company's stock price and dividends in the number of units granted.
• The number of units will be determined by reflecting the level of achievement of strategic goals in the base amount of stock-linked compensation, which is determined based on the size of the mission, etc.
• The units granted will vest at the end of the fiscal year three years after the date of grant, and the vested units will be classified as PS (i) and PS (ii).
• Directors may exercise their rights at any time with respect to PS (i) and only upon retirement with respect to PS (ii), and the amount to be paid will be calculated by multiplying the number of units exercised by the Company's share price at the time of exercise and adding an amount equivalent to the dividends accumulated up to the time of exercise.

[Supporting System for Outside Directors]

Prior to meetings of the Board of Directors, outside directors are provided with explanations by the Corporate Legal Department of the Secretariat of the Board of Directors, and by the departments in charge of each agenda item. Additionally, the Human Capital Department provides assistance to outside directors as the Secretariat of the Nomination Committee and the Compensation Committee, and the Audit Committee Office provides assistance to outside directors as the Secretariat of the Audit Committee.
The Company also makes efforts to provide outside directors with various types of information, including the Integrated Annual Report, Annual Securities Report, and IR presentation materials.

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

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

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

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

Others

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

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

The Board of Directors sets the basic management policy and the basic policy for internal control which forms the foundation of the Group management, appoints executive officers/executive officers (shikkouyakuin) and provides supervision over the performance of duties by directors and executive officers. Additionally, the Board of Directors delegates executive decisions to executive officers in principle, as long as laws permit, for further strengthening the supervisory function of the Board of Directors and further accelerating business execution simultaneously.
In addition, by appropriately executing the duties of the Nominating Committee, Audit Committee, and Compensation Committee, which have the chairman and a majority of its members as outside directors, the Company ensures transparency in the appointment of directors and executive officers/executive officers(shikkouyakuin), the audit of their duties, and also the treatment of directors and executive officers to control and maintain the structure of corporate governance for proper and more efficient function.
On the executive side of the structure, executive officers make executive decisions and perform duties on the matters delegated from the Board of Directors under the comprehensive supervision by the Group CEO and the Group COO, while business segment system and Group CxO system are in place to ensure agile and flexible decision-making and duty practice, with clearly defined authorities and responsibilities.
Additionally, the Company established the Group Executive Committee (hereinafter "Group ExCo"), as an advisory body to the Group CEO to discuss themes that significantly impact group-wide management strategy as well as business executive policy.
The Group considers that it is essential to continually improve the transparency and fairness of the Group's corporate governance and to maintain strong relations of trust with stakeholders. The Board of Directors has accordingly established the Corporate Governance Policy to clarify basic policies regarding the formation of the overall vision for the governance structure and the governance framework.

Directors and the Board of Directors

The Board of Directors performs its duties as stipulated by laws and regulations and the Articles of Incorporation, decides on important items for management as defined in the Rules of the Board of Directors, and serves a supervisory function overseeing the status of business execution.
The Chairman of the Board of Directors is an outside director appointed at the Board of Directors Meeting as stipulated in the Articles of Incorporation.
*Kazuhiro Higashi, an outside director, has been appointed the Chairman of the Board of Directors effective April 1, 2024.
Prior to the Board of Directors Meeting, preliminary briefing sessions are held for Outside Directors before every meeting to explain about the agenda items. The opinions, questions, and other comments expressed by the Outside Directors at the preliminary briefing sessions are shared with all attending Directors before the Board of Directors Meeting, to operate the Board of Directors Meeting and preliminary briefing session in a unified manner. Additionally, executive functions and the secretariat of the Board of Directors Meeting provide information as necessary. Such procedures facilitate constructive and productive discussion at the Board of Directors Meeting and ensure the effectiveness of the operations of Board of Directors Meeting. In addition, Outside Directors and the Group CEO hold meeting to facilitate open exchange of opinions among Outside Directors and between the top Executive Officers.

Outside Directors shall be selected in accordance with the Policies for the appointment of Directors and Executive Officers, to include individuals having with a wide range of knowledge and experience having backgrounds in corporate management, academia, and professions related to legal, finance, accounting etc., in order to incorporate wider perspectives from outside with respect to issues such as corporate governance, consumer needs and overseas business operation.
The tenure of Directors ends upon the closing of the final General Meeting of Shareholders held within a fiscal year that is within one year from the appointment in order to clarify the responsibilities of the management concerning the fiscal year.
Upon the time of the closing of the 14th General Meeting of Shareholders, the Company's Board of Directors comprises 13 members, 9 members of whom (majority) are outside directors. Current members include 12 Japanese nationals and 1 non-Japanese, 10 males and 3 females. The average tenure (including that as an auditor) is 3.7 years.

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

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

Members of Nomination/Compensation Committee
The majority of the members are selected from Outside Directors in order to secure autonomy and neutrality of the Committees. As of the date of submission of this report, both Committees consist of 5 members, all of whom are Outside Directors.

Evaluation of performance and the selection and dismissal process for the Group CEO and executives
Based on the executive performance evaluation system, the Company's Executive Officers, including the Group CEO are subject to performance evaluations by the Compensation Committee based on clear indication of their missions and evaluation of the state of performance of their own missions. The results of this evaluation are reflected in annual decisions by the Nomination Committee on reappointment of executives.
Executive Officers report to the Board of Directors on business execution. In addition, the Nominating Committee and the Compensation Committee can, if necessary, have the Group CEO and other executive officers attend the committee for comments or clarification.
And the members of the Nominating Committee the Compensation Committee will regularly discuss, outside of the committee, with the Group CEO about the role and mission of the group leader, and evaluate their progress. Such process for the Group CEO and executives secures objectivity, timeliness, and transparency in the process of appointment/reappointment of the Company's Executive Officers, including the Group CEO.

Audit Committee

The Audit Committee shall audit the legality and the appropriateness of the duty performance of Directors and Executive Officers produce audit reports, and determine agenda to be presented to the General Shareholders Meeting regarding the appointment, dismissal and non-reappointment of the Independent Auditor.
In addition, the Audit Committee exercises its right to consent to the determination of compensation for the Independent Auditor.
The Audit Committee establishes the audit standards, basic audit policy, and audit plans to ensure effectiveness of the aforementioned audit practice and carries out audit in an organized manner.
The Audit Committee consists of at least 3 (three) members selected from the Directors who do not assume any executive role, and the majority of the members shall be Outside Directors.
In addition, the Chairman of the Committee is selected from the members who are Outside Directors in principle with more than one full-time audit member who is familiar with the business of the Group and audit member who has expert knowledge of finance and accounting in principle.

Conclusion of contracts limiting liability

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

Directors and Officers Liability Insurance

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.

Business Executive Structure and Executive Officers

Executive Officers shall make executive decisions on matters delegated by the Board of Directors and execute business, and within the scope in accordance with the laws and regulations or the Articles of Incorporation, internal rules etc., execute business based on management strategy of the Group. Executive Officers (shikkouyakuin) executes business while inheriting the part of authority and responsibilities of the Executive Officers.
As the Chief Executive Officer of the Group, the Group CEO oversees the overall management of the Group by strategically assigning Business CEOs that are the heads of each business segment and Group CxOs that are the heads of each function of the Group to realize agile and flexible Group Management in response to discontinuous changes in business environment.
As a Chief Operating Officer of the Group, the Group COO supports the Group CEO in overseeing the overall management of the Group, makes decisions and supervises businesses in accordance with the role sharing with the Group CEO.
Business CEOs as heads of each business (CEO of Domestic P&C Insurance, CEO of Overseas Insurance, CEO of Domestic Life Insurance, and CEO of Nursing Care) are delegated the authority of business strategy formulation, investment decisions, and personnel deployment to enable agile and flexible decision-making and business execution by the business division that is closer to customers.
Group CxOs as heads of each function in the Group (Group CFO (finance), Group CSO (strategy), Group CDO (digital), Group CHRO (human resource), Group CXO (Transformation), Group CERO (liaison activity, information utilization, external relation), Group CRO (risk management), Group CIO (IT), Group CVCO (value communication), Group CSuO (sustainability) and Group CPRO (public relation)) oversee Group-wide operation of each function to enable agile and flexible decision-making and Group-wide business execution in the Group's best interest.

Group Executive Committee

Group Executive Committee, as an advisory body to the Group CEO and the executive committee, to discuss themes that significantly impact group-wide management strategy and business executive policy.
Group Executive Committee is chaired by the Group CEO and comprised of Group COO, Business CEOs, executive officers in Charge of Domain and others.

Voluntary Committees

• Group ERM Committee
Established as a subordinate organization of the Group Executive Committee ("Group ExCo".), the committee discusses on a Group-wide basis the important issues concerning the Group's strategic risk management as well as material risks.

• Global Transaction Committee
Established as a subordinate organization of the Group ExCo, the committee conducts agile and substantive discussions on subsidiaries (M&A) and PMI in the overseas insurance businesses.

• Investment Committee
Established as a subordinate organization of the Group ExCo, the committee evaluates, from a professional and impartial standpoint, investment activities undertaken by the Group for business expansion, new business development, and other purposes.

• Wellbeing Committee
Established as a subordinate organization of the Group ExCo, the committee discusses on strategies and policies related to the wellbeing businesses.

3. Reasons for Adoption of Current Corporate Governance System

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

III. Implementation of Measures for Shareholders and Other Stakeholders

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

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Notice of Convocation of the 14th General Meeting of Shareholders was sent on June 3, 2024.
Scheduling AGMs Avoiding the Peak Day	The 14th General Meeting of Shareholders was held on June 24, 2024.
Allowing Electronic Exercise of Voting Rights	The Company enables the exercise of voting rights via the Internet.
Participation in Electronic Voting Platform	Participation in the Electronic Voting Platform for Foreign and Institutional Investors for submission of voting rights.
Providing Convocation Notice in English	The Company provides an English-language version of the Notice of Convocation via the Company homepage.
Other	The Company provides the Notice of Convocation of the Ordinary General Meeting of Shareholders, IR meeting materials, and other information via the Company homepage. Since 2020, we have been distributing the general

	meeting of shareholders on the Internet to promote participation in the General Meeting of Shareholders and the smooth exercise of voting rights.

2. IR Activities

	Supplementary Explanations
Preparation and Publication of Disclosure Policy	The Board of Directors has established a Disclosure Policy, which is available from the Company's website.
Regular Investor Briefings for Individual Investors	Briefings are held for individual investors as appropriate.
Regular Investor Briefings for Analysts and Institutional Investors	Briefings are held timely IR events, mainly financial results.
Regular Investor Briefings for Overseas Investors	Briefings are held regularly for overseas institutional investors in the United States, Europe, Asia, or other regions. In addition, we actively conduct interviews remotely.
Posting of IR Materials on Website	Web page for investor relations materials English-language IR materials are available at https://www.sompo-hd.com/en/ir/ Information for investors available on the web site: Stock market price quotes, stock market price historical data, share information, dividend information, credit ratings information, IR materials (including video), Integrated Report, Sustainability Report, Annual Report, financial data, financial results, financial statements, quarterly financial statements, Notice of Convocation of the Ordinary General Meeting of Shareholders, notices of resolutions, monthly business results reports, etc. (Many of the materials are also available in English.) In addition to providing information via the web site, the Company also distributes news releases and other communications to analysts, institutional investors, and other stakeholders.
Establishment of Department and/or Manager in Charge of IR	IR Department: Officers are appointed from Office of Group CFO IR Officer in Charge: Masahiro Hamada, Group CFO, Director, Senior Executive Vice President and Representative Executive Officer IR Operations Contact: Hiroshi Takano, Investor Relations Department TEL: +81-33349-3913
Other	Financial results briefings are held with the senior management in attendance and include presentations and question and answer sessions. The Company arranges for senior management to engage in dialogue with overseas investors several times a year. In Japan, the executive officer of the IR Department arranges for dialogue with shareholders as needed. These dialogues enable the Company to explain it management policies and other topics in a timely manner while also allowing the Company senior management to receive timely feedback on shareholder interests and concerns, which contributes to forming management strategy and executing operations.

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	< SOMPO's Purpose> For a future of "health, wellbeing & financial protection" The Group will contribute to a sustainable society and pave the way for the future by leveraging the SOMPO Group's strengths, beyond insurance, to

	address various social issues from a medium- to long-term perspective and work to resolve them, with a focus on “health, wellbeing & financial protection”. We will continue to support the challenges of people and companies, beyond the hierarchy of organizations and businesses within the Group, with the keyword “connect with customers and deliver connected services”.
Implementation of Environmental Activities, CSR Activities etc.	With regard to global environmental issues, since the 1990s, we have been continuously engaged in environmental education and providing financial products in cooperation with stakeholders. Based on the strengths that we have gained through these efforts, we will put into practice the three actions of "Together with stakeholders, aim to realize an inclusive and resilient carbon neutral society where people and nature are in harmony”. <SOMPO Climate Action> 1.Adapt to climate change Help enhance societal resilience by developing/offering products/services through collaboration 2.Mitigate climate change Achieve net zero group GHG emissions (by 2050) 3.Contribute to societal transformation Support the transition of society by collaborating with stakeholders, such as NGOs, and engaging as financial institutions The key KPIs for SOMPO Climate Action are as follows. -Greenhouse gas emission reduction rate toward net zero (by 2050): -60% reduction from 2017 by FY2030 (Scope 1-3 (excluding investments and loans)) –Financed emissions 25% reduction from 2019 by FY2025 (Scope 3, Category 15) -Introduction of renewable energy: 70% by FY2030 -Transition insurance (insurance products that contribute to decarbonization): ¥25.0 billion (primary premiums in FY2026)
Development of Policies on Information Provision to Stakeholders	SOMPO Group Basic Policy on Disclosure stipulates the Company shall actively endeavor to distribute information to stakeholders even when not stipulated by law or other regulation and that the information shall be relevant, accurate, easy to understand, and provided in a timely manner.
Other	**Properly managing health and productivity** The Group promotes health management based on the belief that "mental and physical health of employees and their families" is the driving force behind realizing “SOMPO's Purpose”. The Group's Policy for Human Rights also states that the Group will work to maintain and improve the health of its employees and to ensure a vibrant working environment. Based on these policies, the Group considers the maintenance and improvement of employee health to be one of the most important management themes, and is committed to Health Management. *Health Management ® is a registered trademark of the Health Management Study Group, an NPO. The Group Health Declaration was established to further strengthen Health Management throughout the Group. We will further promote health management by disseminating our policies within and outside the Group which incorporate the three significance of health management ((1) realization of “SOMPO's Purpose”, (2) improvement of productivity, and (3) improvement of corporate value). These efforts were highly evaluated, the Company was selected for eight consecutive years as "2024 Certified Health & Productivity Management Outstanding Organizations" by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for its outstanding health and productivity management. At the same time, 21 the Group companies have been

	recognized as “2024 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)”and “2024 Certified Health & Productivity Management Outstanding Organizations (Small and Medium Enterprise Category)”, and seven of them have been certified as “White 500” companies, under the program titled “2024 Certified Health & Productivity Management Outstanding Organizations Recognition (Large Enterprise Category)” and one of them have been certified as “Bright 500”companies, under the program titled “2024 Certified Health & Productivity Management Outstanding Organizations Recognition (Small and Medium Enterprise Category)”. We will deliver the effects of our initiatives, internally and externally, in cooperation with health insurance associations. By strengthening customer support while monitoring the outcome of such initiatives, we will be further contributing to the penetration of health and productivity management to the Group companies and customers. **Fulfilling social responsibility through proper payment of taxes** The Company will fulfill its corporate social responsibility through striving to bear an appropriate tax burden in compliance with applicable tax laws in the countries and regions in which it does business, while respecting the standpoints of various stakeholders.

IV. Matters Related to the Internal Control System

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

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

1. System for Ensuring Proper Conduct of Operations of the Group
As set forth below, the Company shall establish the systems required to ensure that the operations of the Company Group are conducted properly.
(1) The Company shall present SOMPO's Purpose, SOMPO’s Values, and the Group Sustainability Vision to its Group companies.
(2) The Company shall prescribe the Group Basic Policy on the Business Management of Group Companies to clarify the scope and specifics of the business management. The Company also stipulates matters that Group companies shall submit applications for approval and report on important matters that impact the Group's management strategy and business plan, and appropriately exercises shareholder rights at each Group company. Furthermore, the Company shall ensure the effectiveness of this system by, for example, concluding a business management agreement.
(3) The Company shall formulate various basic policies of the Group that prescribe the Company Group’s control framework and disseminate them to Group companies, requesting compliance therewith. The Company shall also have its Group companies establish systems based on these basic policies, such as by causing them to formulate their own rules according to their actual business operations.
(4) The Company shall establish systems for information collection, inspections, and examinations required for management decisions. The Company shall also seek to activate management discussions through such

means as reliably providing information to independent directors and ensure the adequacy of management decisions on important matters regarding business management of the Company Group.
(5) The Company established a basic policy for the management of intra-group transactions to ensure that the soundness and appropriateness of its business operations are not affected by legal violations or risk influence resulting from conflicts of interest in intra-group transactions. In order to ensure its effectiveness, the Company shall establish an appropriate management system, including designating the transactions subject to monitoring, monitoring items, and departments responsible for monitoring, and appropriately identifying and examining important transactions within the Group.

2. System for Ensuring Execution of Duties of Directors, Executive Officers, and Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation
As set forth below, the Company shall establish the systems required to ensure that the Company Group's directors, executive officers, and employees (hereinafter "Officers and Employees") execute their duties in compliance with applicable laws and the firm's Articles of Incorporation.
(1) The Company shall verify that the Group Company's Officers and Employees are executing their duties in a legally compliant manner through such means as reporting on the state of Officers and Employees' execution of their duties at meetings of the Board of Directors.
(2) The Company shall prescribe the Group Basic Policy on Compliance and the Group Compliance Code of Conduct to establish compliance systems. The Company shall also issue a compliance manual with standards of conduct for Officers and Employees of the Company Group and conduct ongoing education and training based on compliance manual to disseminate these basic policies, the code of conduct, and the compliance manual.
(3) The Company shall establish systems in the Company Group for internal reporting and internal whistle blowing for misconduct and other such incidents and properly rectify or otherwise respond to such matters.
(4) The Company shall prescribe the Basic Policy on Response to Customer Feedback and organize effective systems in the Group for responding to customer feedback, such as proactively analyzing customer feedback to improve operational quality.
(5) The Company shall prescribe the Basic Policy on Quality of Services of Products and Services provided to Customers to formulate reporting procedure in the event of negative incident at Group companies that adversely affects customers financially and prepare manuals for checking similar incident that occurred in the Group to maintain and improve the quality of products and services provided to customers.
(6) The Company shall prescribe the Security Policy and establish appropriate management systems for information assets, such as clarifying basic measures to be taken to ensure the security of information assets in the Company Group.

3. Strategic Risk Management Frameworks
The Company shall prescribe the Basic Policy on ERM and implement the Strategic Risk Management, i.e., an ERM designed to minimize unforeseen losses while effectively utilizing its capital, increasing its profits under appropriate control of risks, and maximizing the Group's corporate value.
(1) To ensure the effectiveness of Strategic Risk Management, the Company shall establish systems for Strategic Risk Management, such as the SOMPO's Group Risk Appetite Statement to work as a guideline for risk taking in capital budgeting.
The Company shall also appropriately manage risks that may confront the Group as a whole through the adequate assessment of the risks inherent to a group structure and of the outline of various risk characteristics that exist within the Group.
(2) The Company shall have its Group companies develop and implement the appropriate frameworks for strategic risk management, including assessment and evaluation of risks, according to their scope, scale, and characteristics of operations.
(3) As a foundation of ERM, the Company shall prescribe the Actuarial Basic Policy to appropriately measure insurance liabilities and ensure 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 Company Group's Officers and Employees execute their duties properly and efficiently.

(1) The Company shall formulate the Company Group's management plans and share these plans with its Group companies.
(2) The Company shall establish the Group Executive Committee to discuss the strategy for the entire Group as well as discuss important topics such as the execution of the Company Group's business operations which significantly impact overall business, and by having the Group CEO, CEOs of each business and Group CxOs participate, the company will establish a system which enables for high-quality, swift decision-making, and conduct sufficient examinations in areas of high expertise.
(3) The Company shall organize and prepare resolution matters and reporting matters for the Board of Directors Meeting so that the items that require the involvement of the Board of Directors are defined clearly. The Company shall also determine the scope of executive authorities of executives consistent with the clarification described herein.
(4) The Company shall establish the Group's rules and clearly define their internal organizational units' objectives and scope of responsibilities and shall determine for each organizational unit the division of its duties, executives, and scope of operational authority.
(5) For the purpose of realizing a business operation system with high level of credibility, convenience and efficiency, the Company shall prescribe the Group Basic Policy on IT Strategy and require each company of the Group to establish department responsible for building IT management system, develop system plan and system risk management to form a framework of IT governance and system risk management of the Group.
(6) The Company shall prescribe the Basic Policy on Outsourcing Management and ensure proper operations in association with outsourcing by the Group, such as by managing outsourced companies according to processes from the start to termination of outsourcing.
(7) The Company shall prescribe the Basic Policy on Asset Management and manage assets with sufficient consideration of risk management based on safety, liquidity, and profitability in light of the characteristics of the Group's funds being managed.
(8) The Company shall prescribe the Group Basic Policy on Establishing Business Continuity Systems and ensure the stability and soundness of the Group's operational foundation in times of emergency, such as by establishing systems to ensure the continuity or early restoration of the Group's key operations during times of crisis, including major natural disasters.

5. System for Ensuring Appropriate Information Disclosure
(1) The Company shall prescribe the Basic Policy on Disclosure to disclose information regarding the management status of the Group in an appropriate and timely manner and to reinforce fairness and efficiency in such disclosure. In order to ensure effectiveness, the Company shall set up a department that controls disclosure matters based on laws and regulations to establish systems for timely and appropriate disclosure of information concerning its business activities.
(2) The Company shall prescribe the Basic Policy for Internal Controls over Financial Reporting to ensure appropriateness and credibility in financial reporting. In order to ensure efficiency, the Company shall clarify related processes and risks in preparing appropriate financial statements. The Company shall also review related processes as necessary based on the results of audit by Audit Committee, Accounting Auditors and Internal Audit Departments to ensure adequacy. In addition, the Company shall designate department responsible for related internal control and another department to evaluate such internal control, comply with the internal control framework generally accepted as fair and appropriate, develop annual evaluation plan of internal control and produce internal control report.

6. System for Retention and Management of Information Related to Executive Officers' Performance of Their Duties
To appropriately retain and manage information related to the executive officers' performance of their duties, the Company shall prescribe rules dictating methods for retaining and managing information related to the executive officers' execution of their duties, including minutes of important meetings and documentation related thereto. The Company shall also establish the system required to retain and manage such information.

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

8. System Related to Audits by Audit Committee
The Company shall establish the following systems to improve the effectiveness of the Audit Committee' 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 and, at Audit Committee' requests, appoint personnel with the requisite knowledge and experience to serve as Staff of the Audit Committee (employees to assist with Audit Committee' duties) assigned exclusively to audit duty. The Company shall also prescribe the Rules Regarding Staff of the Audit Committee and ensure their independence from executive functions and the effectiveness of instructions issued by the Audit Committee to the Staff of the Audit Committee as follows.
(1) The Company shall ensure the Staff of the Audit Committee's independence from executives and other persons in charge of execution by requiring consent from the Audit Committee's member appointed by Audit Committee regarding appointments, dismissal, and personnel evaluation of Staff of Audit Committee.
(2) In conducting their duties, Staff of the Audit Committee shall follow the instructions and orders of the Audit Committee or the members of Audit Committee only and not receive instructions or orders from any other personnel.
(3) Staff of the Audit Committee shall have the authority to collect information required in relation to their duties ordered by Audit Committee.

8-2. System for Reporting to Audit Committee.
(1) The Company shall, under the Audit Committee's approval, prescribe matters that are to be reported to Audit Committee by Officers and Employees (including gross violations of laws or Articles of Incorporation or other improprieties in connection with execution of duties that potentially may cause a material loss for the company) and the timing of such reports, etc. in the rules regarding reporting to Audit Committee. Officers and Employees shall unfailingly submit reports in accord with such prescriptions and other reports requested by Audit Committee.
(2) The Company shall not unfavorably treat such Officers and Employees who have submitted such reports to Audit Committee because of such submission. The same shall apply to the Officers and Employees of Group companies.
(3) When Audit Committee express opinions on directors or executive officers' execution of their duties or recommend improvements thereof, the director or executive in question shall report back to the Audit Committee on the progress in addressing the matter cited by Audit Committee.

8-3. Other Systems to Ensure that Audit Committee' Audits are Conducted Effectively
(1) Any member of Audit Committee appointed by Audit Committee may attend and express their opinions at important meetings.
(2) The Company shall fully cooperate when Audit Committee or any member of the Audit Committee exchange opinions with directors, executive officers, accounting auditors, internal audit sections, and other persons required to appropriately performing the duties of the Audit Committee. The same shall apply to information gathering from or opinion exchange with Officers and Employees of Group companies.
(3) The Company shall respond to Audit Committee' requests concerning access to the minutes of important meetings and other important documents (including electromagnetic records).
(4) Appointment, dismissal or any other important personnel change relating to the head of internal audit section shall require consent from Audit Committee.
(5) The internal audit section shall discuss and agree with Audit Committee on internal audit plan. The internal audit section shall report audit result and other designated items and follow instructions from Audit Committee as necessary.
(6) The Company shall appropriately handle any claim for reimbursement by Audit Committee and Staff of Audit Committee for necessary expenses to conduct duties.
(7) Officers and Employees of the Company shall also respect any other rule prescribed by Audit Committee and items provided in audit standard.

2. Basic Views on Eliminating Anti-Social Forces

The Company seeks to continually earn the trust of society and maintain sound corporate management and has established the SOMPO Group Basic Policy on Response to Antisocial Forces which stipulates

maintaining an absolutely uncompromising stance on undue claims and other activities by antisocial forces that disrupt or threaten the safety of civil society, rejecting all overtures, and blocking all relations with antisocial forces.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation

None

2. Other Matters Concerning to Corporate Governance System

<u>Overview of the system for timely disclosure</u>

1. Basic stance

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

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

2. Execution framework for disclosure operations

(1) System for disclosure

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

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

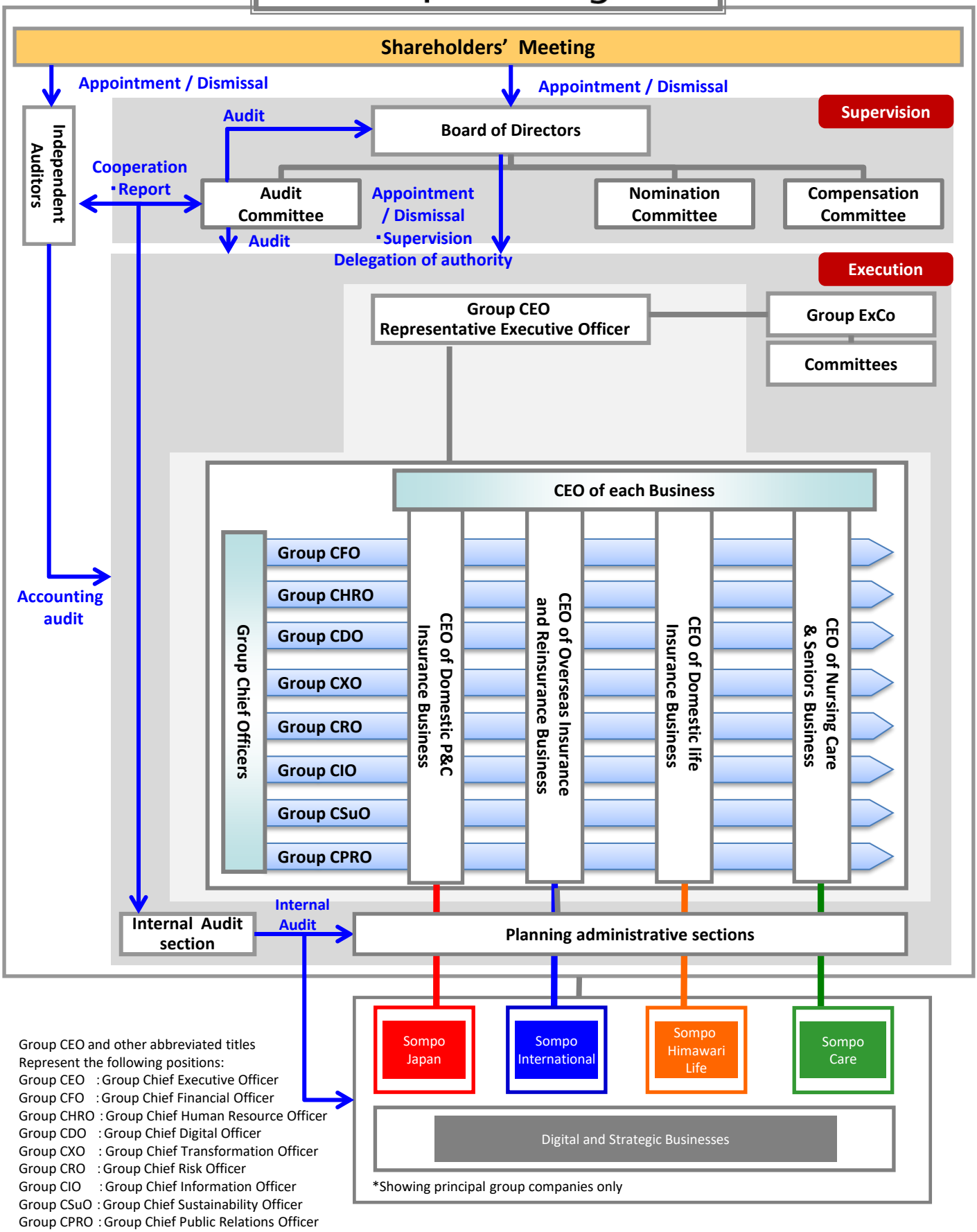
The Corporate Legal Department makes a decision whether or not to disclose and determines the actual contents.

(2) Disclosure system monitoring

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

Sompo Holdings

As of April 1, 2024



Group CEO and other abbreviated titles
Represent the following positions:

Group CEO : Group Chief Executive Officer
Group CFO : Group Chief Financial Officer
Group CHRO : Group Chief Human Resource Officer
Group CDO : Group Chief Digital Officer
Group CXO : Group Chief Transformation Officer
Group CRO : Group Chief Risk Officer
Group CIO : Group Chief Information Officer
Group CSuO : Group Chief Sustainability Officer
Group CPRO : Group Chief Public Relations Officer

Overview of the Timely Disclosure System

