

Review of the previous Mid-Term Management Plan (FY2021–FY2023)

In FY2023, the final year of the Mid-Term Management Plan that started in FY2021, the Group achieved a record-high adjusted consolidated profit of 291.0 billion yen and an adjusted consolidated ROE of 10.1%^{*1}, mainly from the Overseas Insurance and Reinsurance Business that had driven the Group's financial results significantly.

Under the previous Mid-Term Management Plan, we worked on the Group's transformation and business portfolio reform based on the three core strategies of "scale and diversification," "new customer value creation," and "new work style." In addition to attaining stronger resilience by increasing profitability and advancing risk diversification, we took on the challenge of rolling out new initiatives in the domestic life insurance and nursing care fields to strengthen our foundation.

FY2023 actual

Adjusted consolidated profit: ¥291.0 billion
Adjusted consolidated ROE: 10.1%^{*1}

Key Financial Performance Indicators *Targets refer to the Mid-Term Management Plan announced in 2021.

	FY2023 actual	Target (end-FY2023)	Domestic P&C Insurance Business		Domestic Life Insurance Business			
			FY2023 actual	Target (end-FY2023)	FY2023 actual	Target (end-FY2023)		
Adjusted consolidated profit	¥291.0 bn.	¥300.0 bn.+	Adjusted profit	¥72.3 bn.	¥150.0 bn.+	Adjusted profit	¥41.8 bn.	¥40.0 bn.+
Adjusted consolidated ROE	10.1%^{*1}	10%+	Net premiums written ^{*2}	¥1,982.4 bn.	¥2,000.0 bn.	Annualized new premiums ^{*6}	¥38.2 bn.	¥50.0 bn.
Diversification effects	Risk diversification ratio	38.2%	E/I combined ratio ^{*2}	99.3%	91.7%	Policies in force	4.93 mil.	5.00 mil.
	Overseas business ratio	56.0%	Reduction of strategic stock holdings	¥195.6 bn. (three-year total)	¥150.0 bn. (three-year total)	Investment for ALM matching ^{*7}	¥1,111.3 bn. (three-year total)	¥900.0 bn. (three-year total)
		Improvement from FY2020 (39.4%)	Overseas Insurance and Reinsurance Business		Nursing Care & Seniors Business			
		30%+	FY2023 actual	Target (end-FY2023)	FY2023 actual	Target (end-FY2023)		
			Adjusted profit	¥163.1 bn.	¥100.0 bn.+	Adjusted profit	¥8.8 bn.	¥8.0 bn.+
			GWP growth rate ^{*3}	CAGR +15%^{*4}	CAGR approx. +9%	Revenue	¥175.8 bn.	¥162.0 bn.
			E/I combined ratio ^{*3}	91.8%^{*5}	88% Level	Occupancy rate ^{*8}	92.9%	93.8%

Increased resilience through progress in scale and diversification

Group top line CAGR +7%^{*4}

Business portfolio became more diversified

Strengthened business foundation in Domestic Life Insurance and Nursing Care

Policies in force for Domestic Life Insurance CAGR +5%^{*4}

Initiatives toward the future nursing care

^{*1} Adjusted for an increase in capital due to financial market fluctuations, etc. Adjusted consolidated ROE before adjustment was 9.2%

^{*2} Sampo Japan Insurance (excl. CALI, household earthquake insurance)

^{*3} Sampo International Commercial Business: FY2023 results include the commercial business of Sampo Sigorta, Sampo Seguros, and Asia subsidiaries (gross written premiums: \$871 million)

^{*4} For FY2021–2023 ^{*5} Excludes head office G&A expense and the impact of one-time reserve additions ^{*6} Based on sales performance

^{*7} 30-year maturity equivalent ^{*8} As fiscal year end

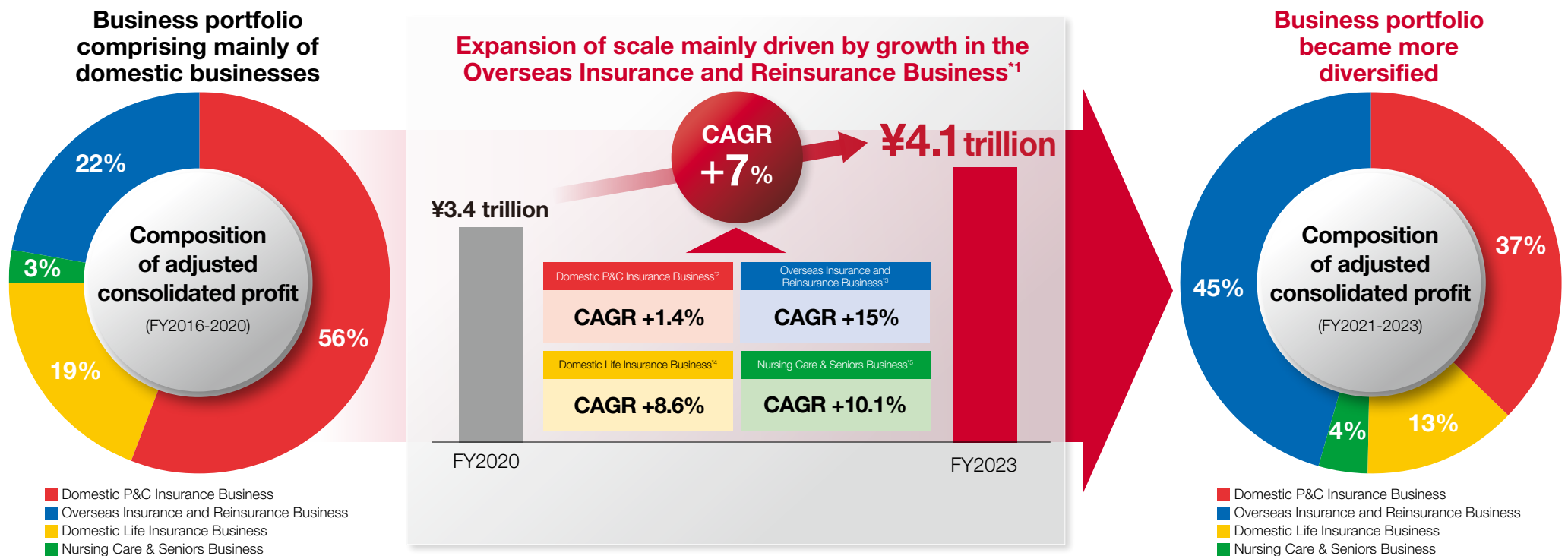
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Accomplishments from the Three Core Strategies

1 Scale and Diversification

Although the profitability of the Domestic P&C Insurance Business declined due to increased L/R of automobile insurance caused by factors such as an increase in natural disasters and inflation, the Overseas Insurance and Reinsurance Business grew mainly in the commercial field through disciplined underwriting, resulting in a Group-wide expansion of scale.

In addition, following the growth of the Overseas Insurance and Reinsurance Business, the Group's business portfolio has further diversified and advanced from a domestic business-focused portfolio to a more balanced business portfolio between domestic and overseas operations, thereby enhancing the Group's resilience.



^{*1} Net written premiums, etc. of the overseas insurance and reinsurance business and domestic P&C insurance business, life insurance premiums of the domestic life insurance business, and operating revenue of the nursing care and seniors business

^{*2} Net written premiums ^{*3} Gross written premiums ^{*4} Annualized premiums from new business (performance evaluation basis) ^{*5} Operating revenue

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2 New Customer Value Creation

We worked on new customer value creation with the aim of contributing to addressing social challenges and achieving medium- to long-term profit growth.

In the Domestic Life Insurance Business, we strived to establish ourselves as a health support company, focusing on strengthening the foundation of Insurhealth®, a new value that combines the essential function of insurance (Insurance) and the function of health support (Healthcare).

In the Nursing Care business, we took on the challenge of closing the gap between supply and demand for caregivers, which is the issue the nursing care industry is currently facing, mainly by building a model for future nursing care, improving compensation conducive to improving the social status of nursing care personnel who are the main caregivers, and implementing M&A to achieve the sustainable growth of the industry.

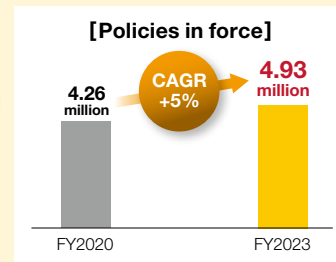
Strengthening the foundation as a health support company

Strengthening the foundation of Insurhealth®

- Insurhealth® product lineup expanded from 8 to 10 products (added cancer insurance and variable insurance)
- Insurhealth® sales since FY2018 have exceeded 1.6 million policies and 116 billion yen*

Expansion of customer base

- With Insurhealth® as the driver, the number of policies in force has reached 4.93 million



The challenge of closing the supply-demand gap for caregivers

Building the future nursing care model

- Built a sustainable nursing care business model (future nursing care model) that utilizes digital technology to improve productivity as well as quality

Implement large-scale compensation improvements

- Improved compensation based on job type and role in order to foster and retain future nursing care workers who will support a low birthrate and aging society

Implement M&As conducive to the establishment of a nursing care platform

- Acquired ND Software to provide value through know-how and DX of nursing care services and to expand the industry network



ND Software's strengths

- Top ranked in terms of the number of facilities that introduced its nursing care operations support software
- Sales offices and 700 business partners in 18 prefectures across Japan
- 530 engineers supporting software development

* As of the end of FY2023. Amounts are annualized premiums and performance evaluation basis.

3 New Work Style

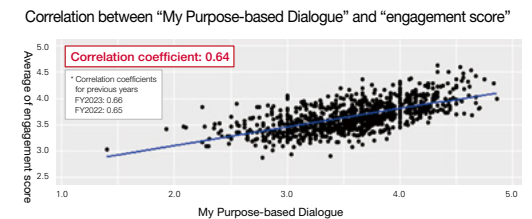
We aimed to realize SOMPO's Purpose and enhance corporate value based on each employee's "My Purpose" to increase engagement and create a culture full of challenges and innovations. This Group-wide initiative was developed through three approaches: "Executive leadership communication (town hall meetings)," "Frontline initiatives (My Purpose 1-on-1)," and "Penetration measurement (engagement surveys).

Executive leadership communication (Town Hall Meetings)

The town hall meetings were held on an ongoing basis as a forum held by the Group's senior management team to communicate the significance of "My Purpose" and "SOMPO's Purpose" to Directors, Executive Officers, and employees of the Group in Japan and overseas. To date, 15 meetings have been held in total across the Group, with approximately 24,800 people participating.

Frontline initiatives (My Purpose 1-on-1)

We have introduced My Purpose 1-on-1 training across the Group with the aim of introducing dialogue (1-on-1) between supervisors and subordinates with My Purpose at the center, and as of the end of FY2023, all Group managers in Japan had completed this training. We confirmed that engagement tends to increase in organizations that practice My Purpose-based Dialogue.



Penetration measurement (Engagement Survey)

We have set employee engagement as a common KPI for the Group, and have conducted annual surveys of Group companies in Japan and overseas. Based on the results of the survey, we have been measuring the effectiveness of our initiatives, including the status of implementation and changes at the organizational level.

