

**Exclusive Course for the Professionals of Insurance Industry in Uzbekistan**  
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# **Corporate Governance of General Insurance Companies**

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# **I. Corporate Governance in Japan**

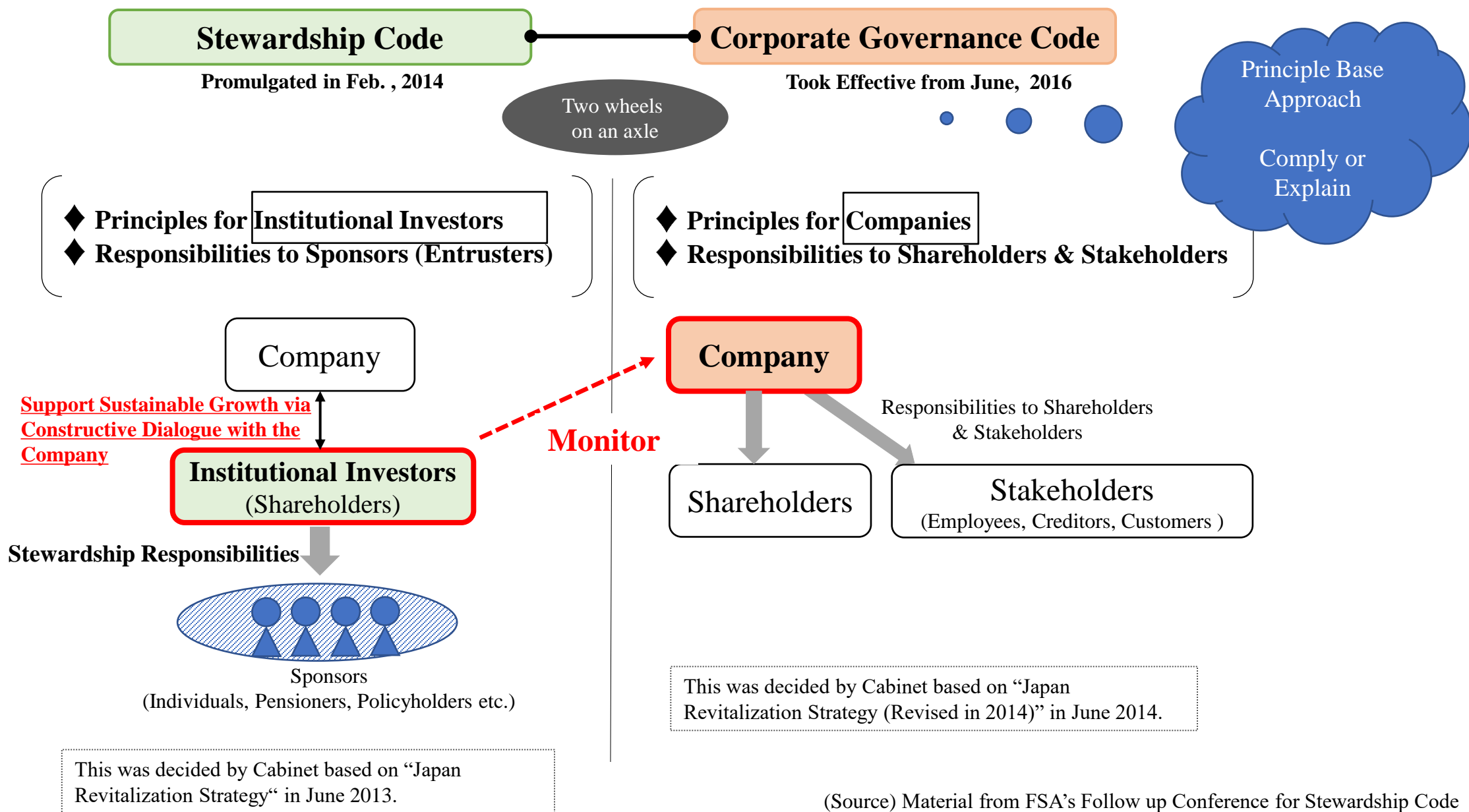
## **1. Major Regulations for the sustainable finance in Japan**

- Green Growth Strategy Through Achieving Carbon Neutrality in 2050 by The Ministry of Economy, Trade and Industry (METI)
- Basic Guidelines on Climate Transition Finance by FSA, METI and The Ministry of the Environment
- **Corporate Governance Code** and the Guidelines for Investors' and Companies' Dialogue by Tokyo Stock Exchange
- **Stewardship Code** by FSA

## 2. History of introduction of Corporate Governance regulations

Time	Government Affiliations/Stock Exchange
2013	Japan Revitalization Strategy “JAPAN is BACK” is announced
2014	Stewardship Code is launched
2015	Corporate Governance Code is launched
2019	Practical Guidelines for Corporate Governance Systems are implemented Companies Act is revised (requirements for outside directors, restrictions to shareholder proposals)
2020	Practical Guidelines for Independent Directors are formulated
2022	Market segments of the Tokyo Stock Exchange are reclassified

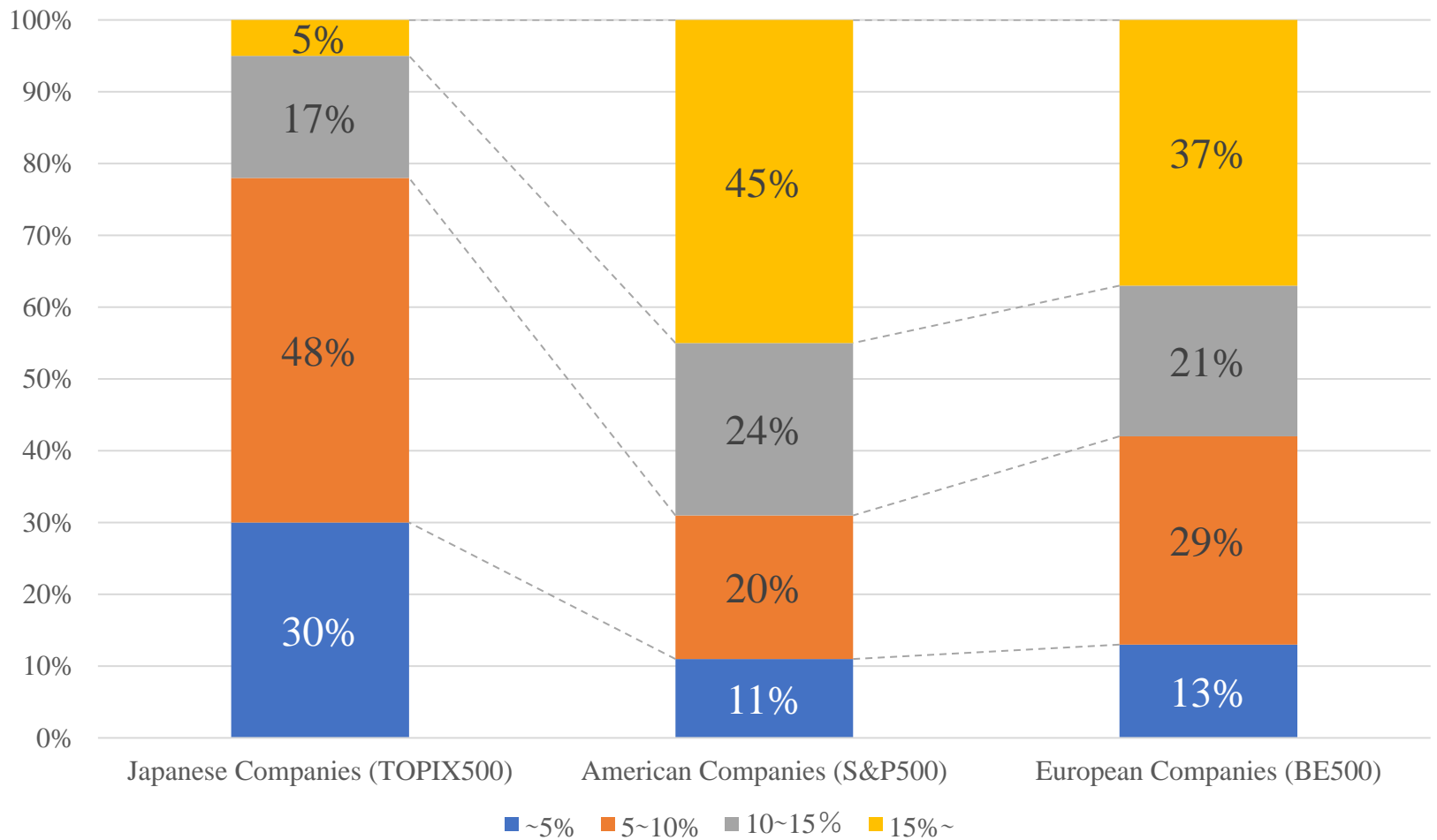
# 3. Outline of Stewardship Code / Corporate Governance Code



(Source) Material from FSA’s Follow up Conference for Stewardship Code and Corporate Governance Code

## Методик тавсиялар

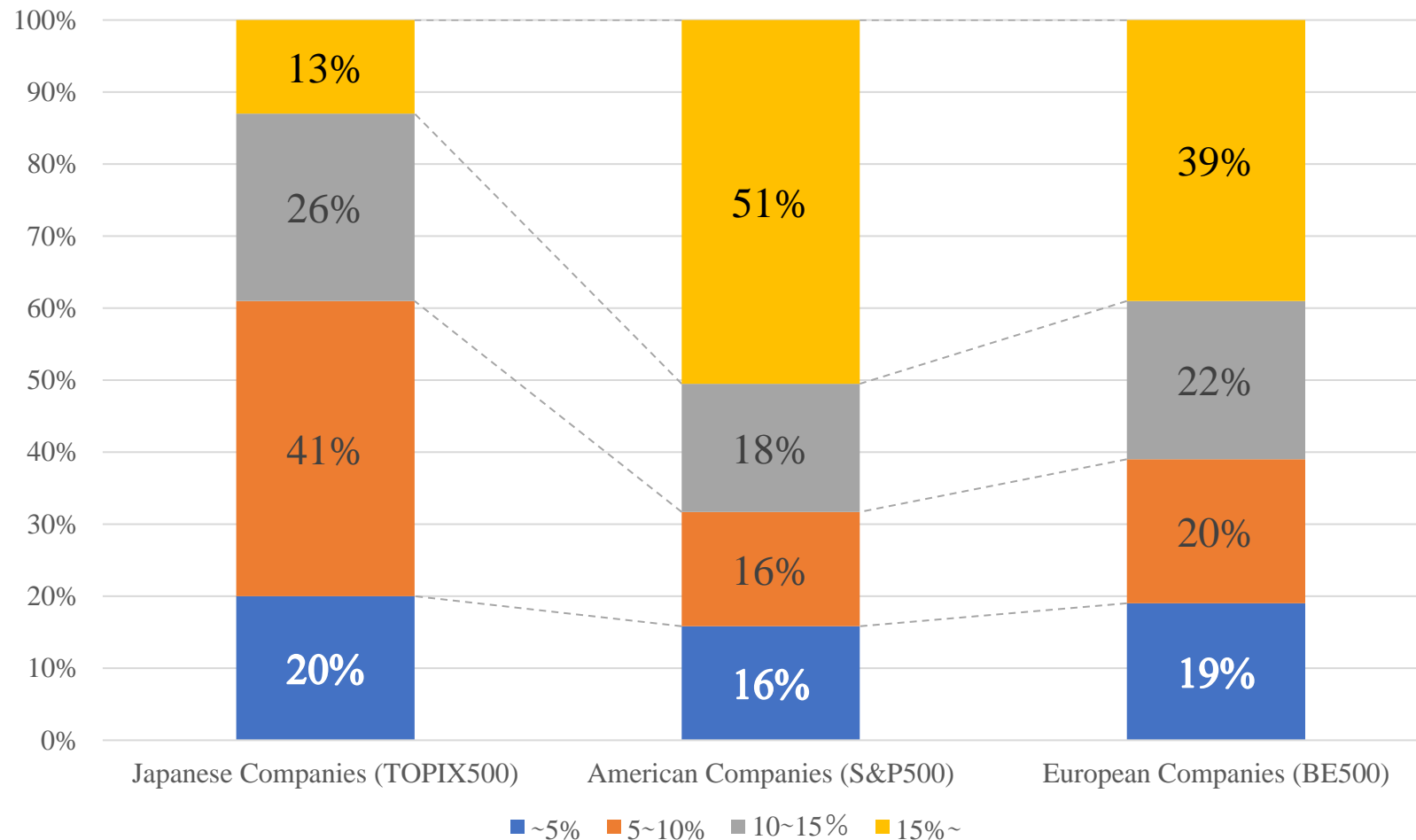
# (Reference) ROE comparison among Japanese, American and European Companies (At the time in 2016)



(Source) Material from ITO report2.0 translated by FALIA



# (Reference) ROE comparison among Japanese, American and European Companies (At the time in 2019)



(Source) Material from METI's Conference on the Reasonable Process of General Shareholder's Meeting for a new era translated by FALIA

## 4. Japan's Stewardship Code

- 1. Institutional investors should have a clear policy on how they fulfill their stewardship responsibilities, and publicly disclose it.**
- 2. Institutional investors should have a clear policy on how they manage conflicts of interest in fulfilling their stewardship responsibilities and publicly disclose it.**
- 3. Institutional investors should monitor investee companies so that they can appropriately fulfill their stewardship responsibilities with an orientation towards the sustainable growth of the companies.**
- 4. Institutional investors should seek to arrive at an understanding in common with investee companies and work to solve problems through constructive engagement with investee companies.**
- 5. Institutional investors should have a clear policy on voting and disclosure of voting activity. The policy on voting should not be comprised only of a mechanical checklist; it should be designed to contribute to the sustainable growth of investee companies.**

## 4. Japan's Stewardship Code

- 6. Institutional investors in principle should report periodically on how they fulfill their stewardship responsibilities, including their voting responsibilities, to their clients and beneficiaries.**
- 7. To contribute positively to the sustainable growth of investee companies, institutional investors should develop skills and resources needed to appropriately engage with the companies and to make proper judgments in fulfilling their stewardship activities based on in-depth knowledge of the investee companies and their business environment and consideration of sustainability consistent with their investment management strategies.**
- 8. Service providers for institutional investors should endeavor to contribute to the enhancement of the functions of the entire investment chain by appropriately providing services for institutional investors to fulfill their stewardship responsibilities.**

## 4. Japan's Stewardship Code

**What is “engagement”? → “Agreement to get married”**

Institutional investors have to get to know the companies better

- Good Corporate Governance to activate BODs
- Separation of execution and oversight
- Growth storyline
- Corporate Value creation

## **5. Japan's Corporate Governance Code (CGC) (General Principles)**

**1. Securing the Rights and Equal Treatment of Shareholders**

**2. Appropriate Cooperation with Stakeholders Other Than Shareholders**

**3. Ensuring Appropriate Information Disclosure and Transparency**

**4. Responsibilities of the Board**

**5. Dialogue with Shareholders**

**16 supplemental principles**

**Principle 1 -1  
Shareholders'  
Rights**

**Principle 1 -2  
Shareholder  
Meetings**

**Principle 1 -3  
Capital Policy**

**Principle 1 -4  
Cross-  
Shareholdings**

**Principle 1 -5  
Anti-Takeover  
Measures**

**Principle 1 -6  
Capital Policy  
harming  
Shareholders'  
Rights**

**Principle 1 -7  
Related Party  
Transactions**

**Principle 2-1  
Business  
Principles of  
Value Creation**

**Principle 2-2  
Code of Conduct**

**Principle 2-3  
Sustainability  
Issues**

**Principle 2-4  
Ensuring  
Diversity**

**Principle 2-5  
Whistleblowing**

**Principle 2-6  
Roles as  
Appropriate  
Asset Owners**

**4 supplemental principles**

**Principle 3-1  
Full Disclosure**

**Principle 3-2  
External  
Auditors**

**5 supplemental principles**

**Principle 5-1  
Constructive  
Dialogue**

**Principle 5-2  
Disclosure of  
Strategies and  
Business Plans**

**4 supplemental principles**

**Principle 4-1  
Bord's Roles and  
Responsibilities(1)**

**Principle 4-2  
Bord's Roles and  
Responsibilities(2)**

**Principle 4-3  
Bord's Roles and  
Responsibilities(3)**

**Principle 4-4  
*Kansayaku* and  
the *Kansayaku*  
Board**

**Principle 4-5  
Responsibilities  
of Directors and  
*Kansayaku***

**Principle 4 -6  
Execution and  
Oversight**

**Principle 4-7  
Independent  
Directors' Roles and  
Responsibilities**

**Principle 4-8  
Effective Use of  
Independent  
Directors**

**Principle 4-9  
Qualification for  
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Directors**

**Principle 4-10  
Use of Optional  
Approach**

**Principle 4-11  
Preconditions for  
Board and  
*Kansayaku* Board**

**Principle 4-12  
Active Board  
Deliberations**

**Principle 4-13  
Info. Gathering  
and Support**

**Principle 4-14  
Directors and  
*Kansayaku*  
Training**

**23 supplemental principles**

(Source) Website of  
Japan Exchange Group

## 5. Japan's Corporate Governance Code (CGC) In Comparison with UK or US

### Japan

- 31 Principles + 52 Supplemental Principles (16+4+5+23+4) = 83
- Adding 5 new Supplemental Principles in 2021

### UK

- 18 Principles (A-R) + 41 Provisions = 59
- Principle B: The board should establish company's purpose, values and strategy, and satisfy itself that these and its culture are aligned.
- Provision 9: A Chief Executive should not become chair of the same company

### US No CGC

## 6. Main points of revisions of CGC in June 2021 (1/2)

Points	Details
<b>1. Upgrading Function of the Board</b>	<ul style="list-style-type: none"> <li>■ <b>For Companies listed on the <u>Prime Market</u>,</b> <ul style="list-style-type: none"> <li>- <u>At least 1/3 of Independent Directors</u></li> <li>- Independent Committees under the Board Required to Disclose its Policy, Mandates &amp; Roles</li> </ul> </li> <li>■ Disclosure of '<u>Skills Matrix</u>' of the Board and Selection of Independent Directors with Management Experience</li> </ul>
<b>2. Securing Diversity</b>	<ul style="list-style-type: none"> <li>■ Presentation of Diversity Policies, Goals and Status regarding <u>Promotion of Women, Foreign Nationals and Midcareer Hires</u></li> </ul>
<b>3. Measures for Sustainability Issues</b>	<ul style="list-style-type: none"> <li>■ Dealing with Sustainability as More Important Management Issues to Increase Corporate Value</li> <li>■ Disclosure of Basic Policy of Sustainability <u>Initiatives</u></li> <li>■ <b>For Companies listed on the Prime Market,</b> Enhance Quality and Quantity of Disclosure of Data Based on the 'TCFD Recommendations' or an Equivalent Framework</li> </ul>

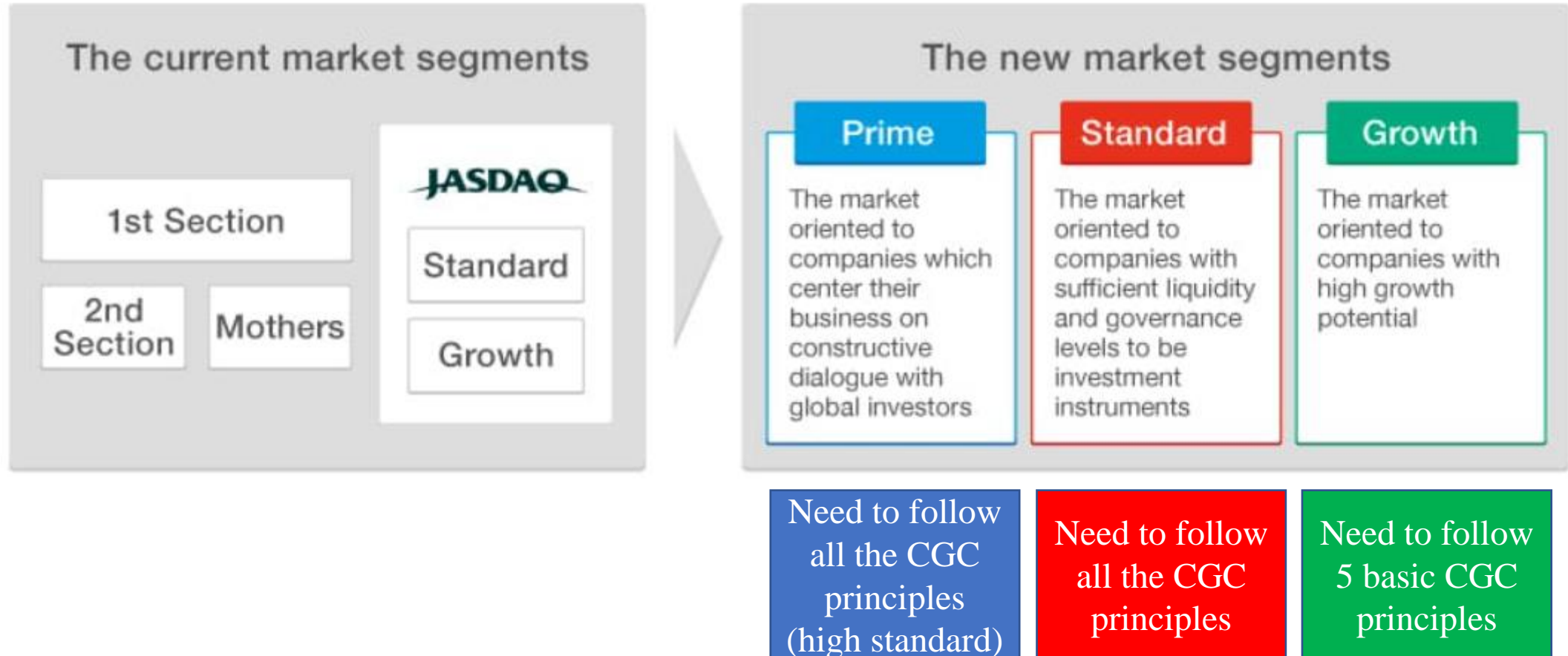


## 6. Main points of revisions of CGC in June 2021 (2/2)

Points	Details
<b>4. Others</b>	<ul style="list-style-type: none"> <li>■ At least 1/3 (Majority, if listed on the Prime Market) of Independent Directors who are independent of the Controlling Shareholder, Or a Special Committee of Independent Persons</li> <li>■ Establishing Effective Internal Control and Risk Management System by Internal Audit Dept.'s Direct Report to Board and <i>Kansayaku</i>.</li> <li>■ <b>For Companies listed on the Prime Market,</b> <ul style="list-style-type: none"> <li>- Making the Electronic Voting Platform Available at least to Institutional Investors</li> <li>- <u>Disclosure of Documents in English</u></li> </ul> </li> <li>■ Disclosure of Basic Policy of Business Portfolio and the Status of Review</li> <li>■ <u><i>Kansayaku</i> Included in the Dialogue with Shareholders</u></li> </ul>

# (Reference) Overview of the market restructuring of Japan Exchange Group<sup>17</sup>

On April 4, 2022, the stock market will be restructured into three new market segments.



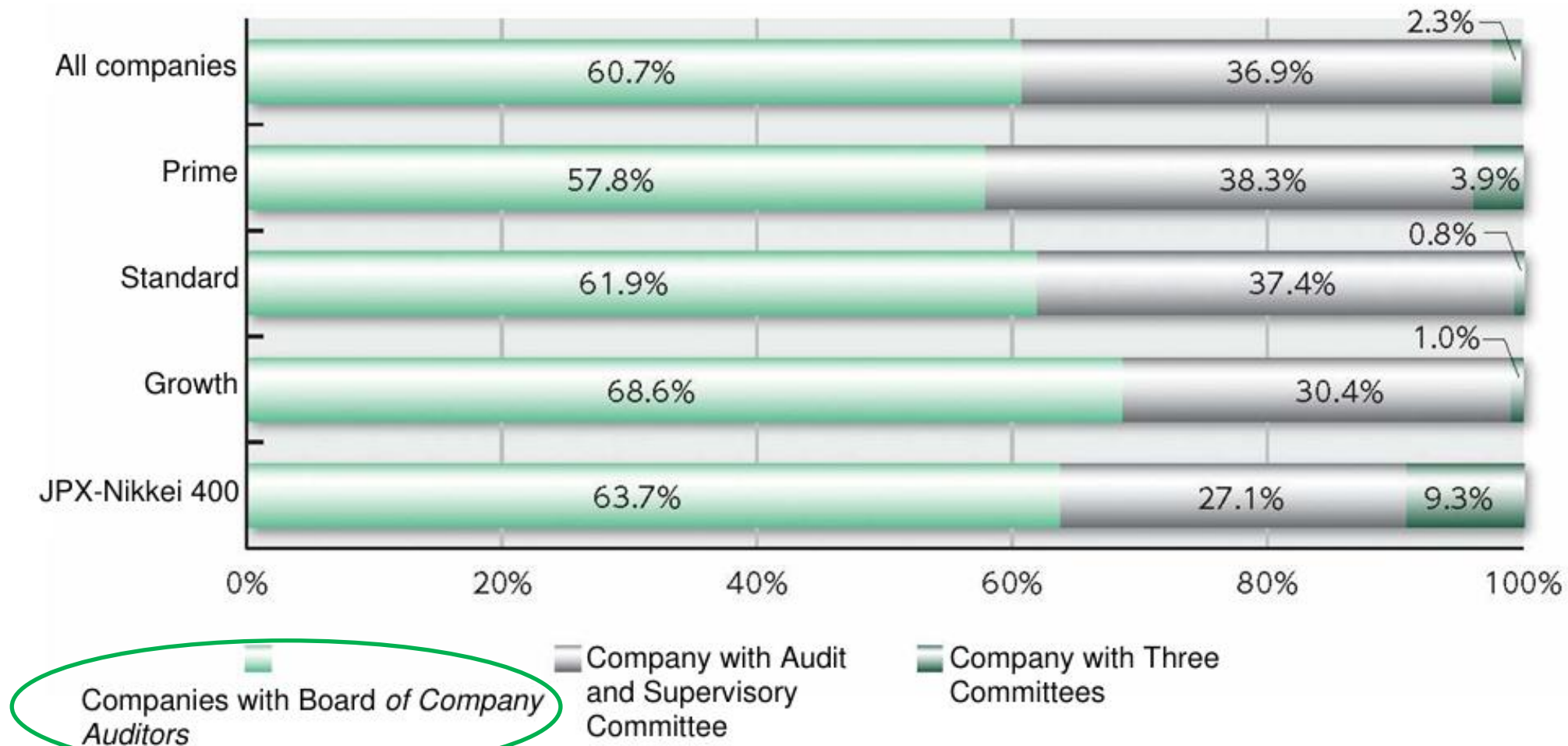
# (Reference) Breakdown of the market class of the listed companies in Japan



White Paper version (as of)	2023 2022/7/14
Prime	1,837
Standard	1,456
Growth	477
TOTAL	3,770

(Source) Corporate Governance Whitepaper 2023 by Tokyo Stock Exchange, Inc.

# (Reference) 3 Governance Forms of Listed Companies in Japan

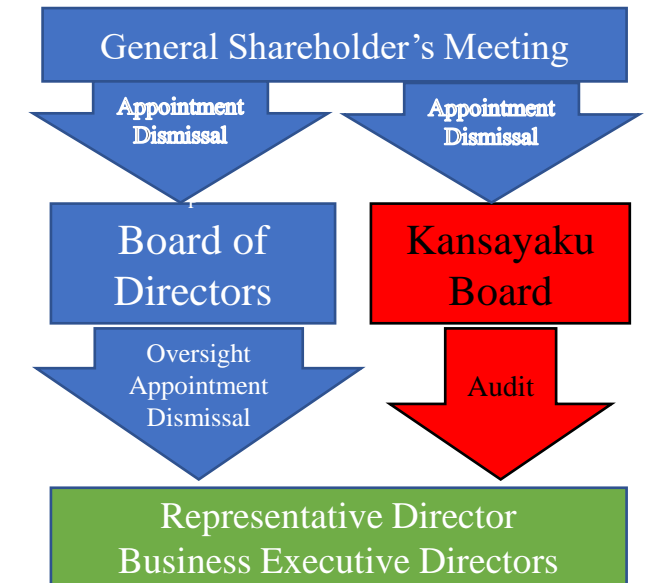


(Former name)  
Company with Kansayaku  
Board

(Source) Corporate Governance Whitepaper 2023 by Tokyo Stock Exchange, Inc.

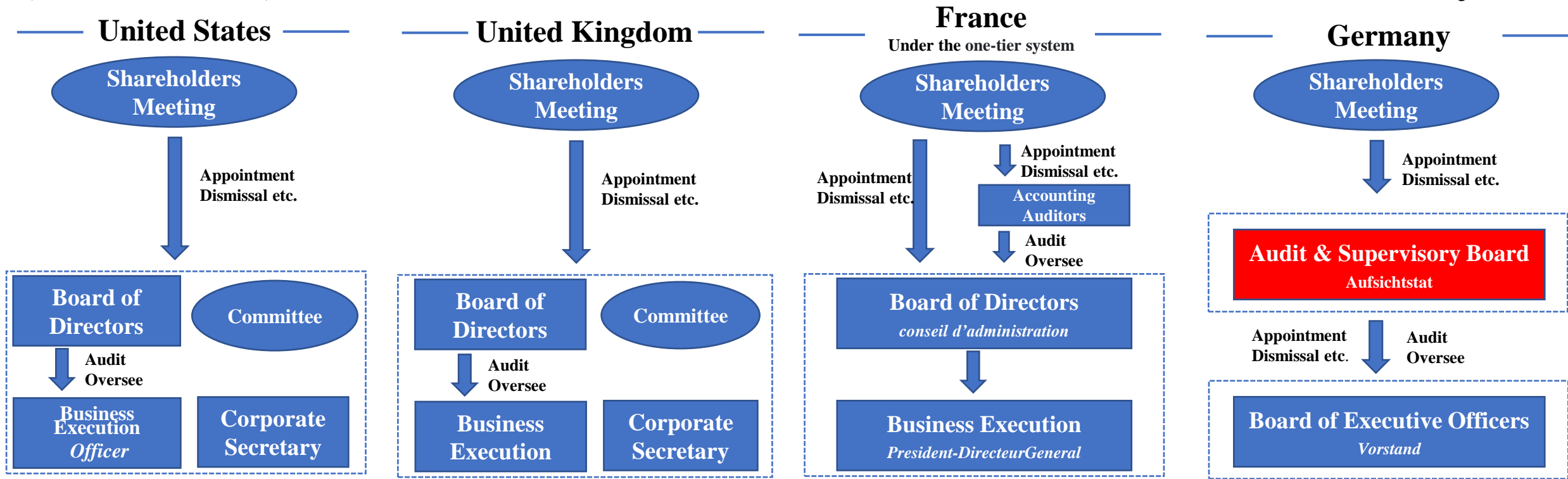
# (Reference) What is Kansayaku?

- **Kansayaku is translated as Audit and Supervisory Board Member by Japan Audit & Supervisory Board Members Association.**
- **Kansayaku was established in 1899**
- **Originally Kansayaku oversaw the Board of Directors and audited Accounting matters following the German Companies Act**
- **After 1950 Board of Directors was in charge of overseeing the executive directors following U.S. corporate governance rules**
- **After Commercial Code Amendment in 1974, both Board of Directors and Kansayaku Board were appointed at General Shareholders' Meeting and oversaw the executive directors**
- **Kansayaku has significant auditing authority to investigate legality of the executives based on his/her independent judgement, however Kansayaku Board has no authority to appoint/dismiss the directors.**



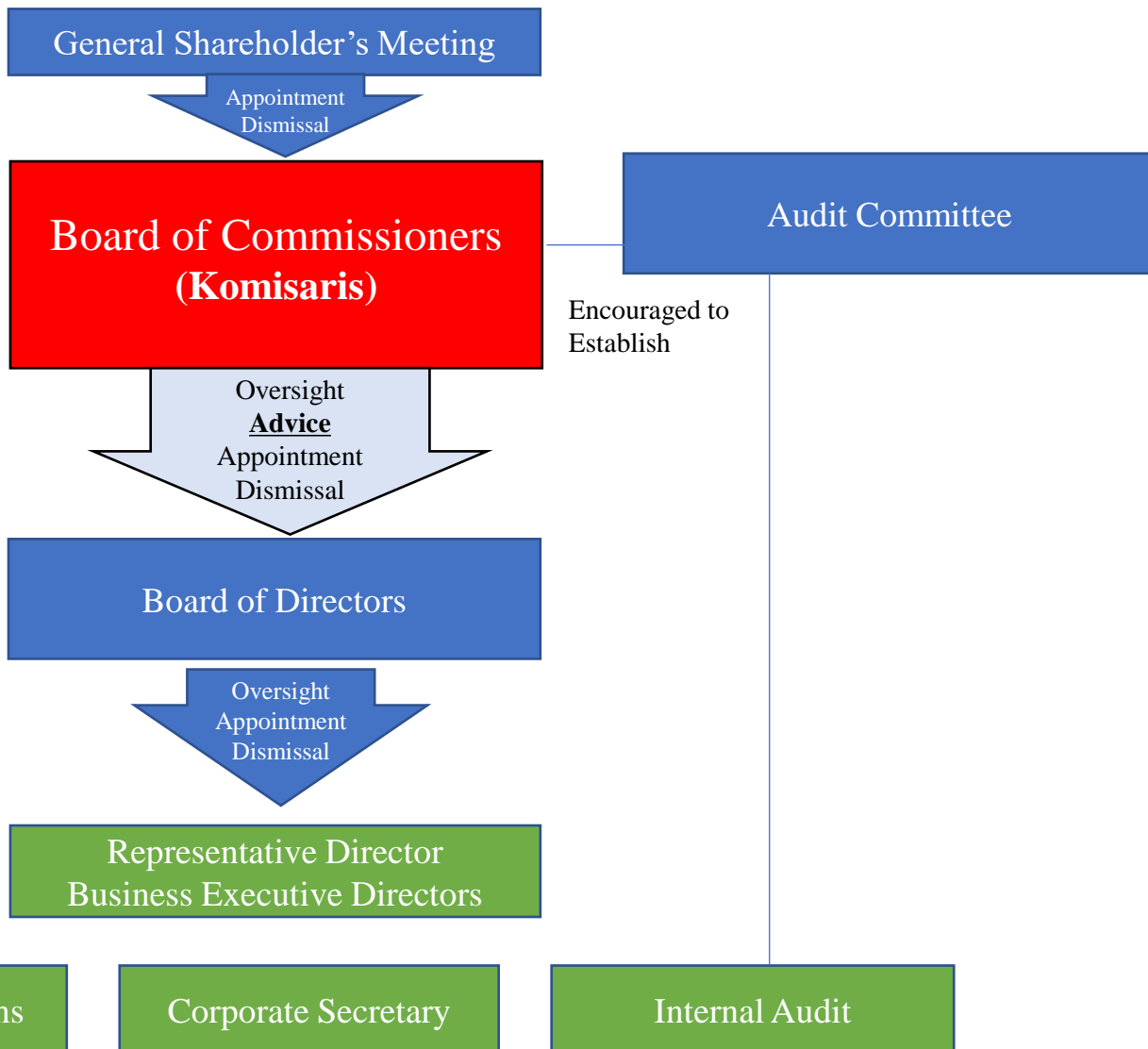
# (Reference) Governance Forms in the U.S., U.K., France and Germany

21



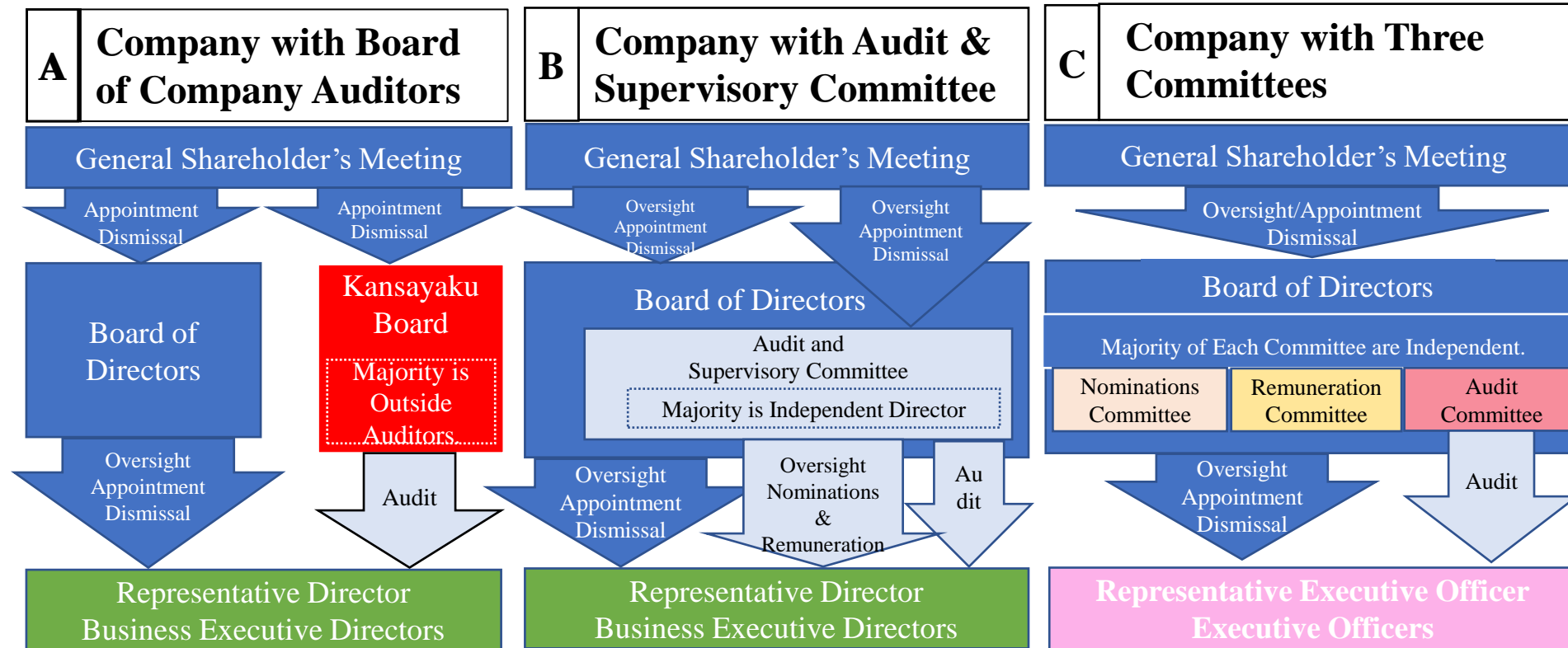
	United States	United Kingdom	France	Germany
<b>Structure of 'Board of Directors' in case of Listed Companies</b> ※ 'Audit & Supervisory Board' for Germany	Majority of the members must be independent directors.	Majority of the members must be independent directors.	2/3 or more must be from Outside. (1/2 or more are requested to be independent directors.)	Representatives from shareholders & employees at the ratio of 50/50. ※ Companies above a certain size only
<b>Establishment of Committees in case of Listed Companies</b>	Listing rules require to establish the Audit, Nominations and Remuneration Committee.	The CG Code recommends to establish the Audit, Nominations and Remuneration Committee.	Audit Committee is required. Nominations, Remuneration and Governance Committee are recommended.	Audit & Supervisory Board is authorized to establish the Audit and Nominations Committee. ※ CG Code requests to establish these committees

# (Reference) Governance Forms of Companies in Indonesia





## 7. 3 Governance Forms of Listed Companies in Japan



	A	B	C
<b>Directors' Authority for Business Execution</b>	Representative Directors & Business Executive Directors	Representative Directors & Business Executive Directors	Directors do not execute business, instead oversee the executive officers
<b>Audited by</b>	<ul style="list-style-type: none"> <li>• Kansayaku</li> <li>• Kansayaku Board (Independent Authority)</li> </ul>	<b>Audit &amp; Supervisory Committee</b>	<b>Audit Committee</b>
<b>Auditing Members</b>	<ul style="list-style-type: none"> <li>• Kansayaku (3 people~)</li> <li>• Majority is from Outside.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors (3 people~)</li> <li>• Majority is from Outside.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors (3 people~)</li> <li>• Majority is from Outside.</li> </ul>
<b>Term of Kansayaku/Audit member</b>	4 Years	2 Years	1 Year

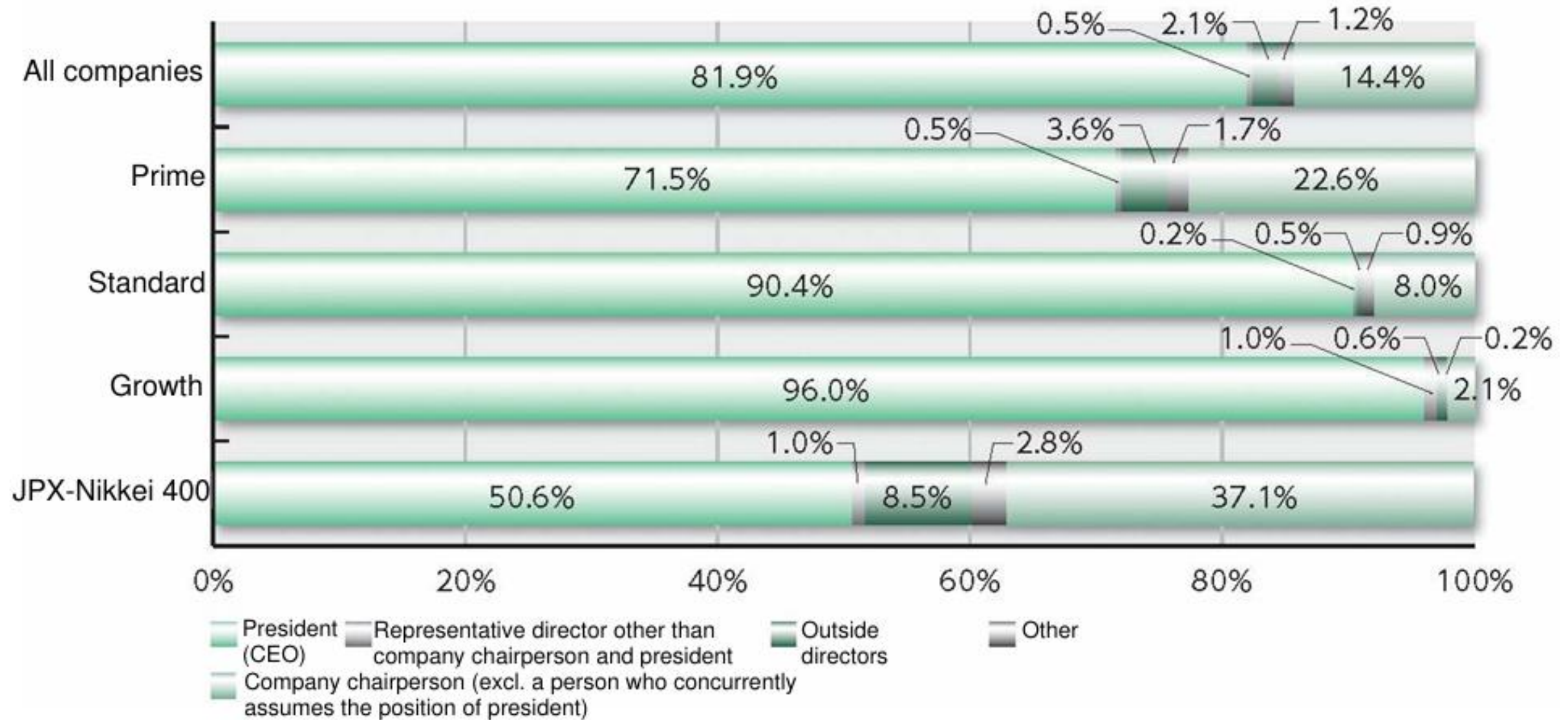
(Source) Made by FALIA based on the Companies Act



# (Reference) Status of Establishment of Nomination Committee and Remuneration Committee (by Market Segment)

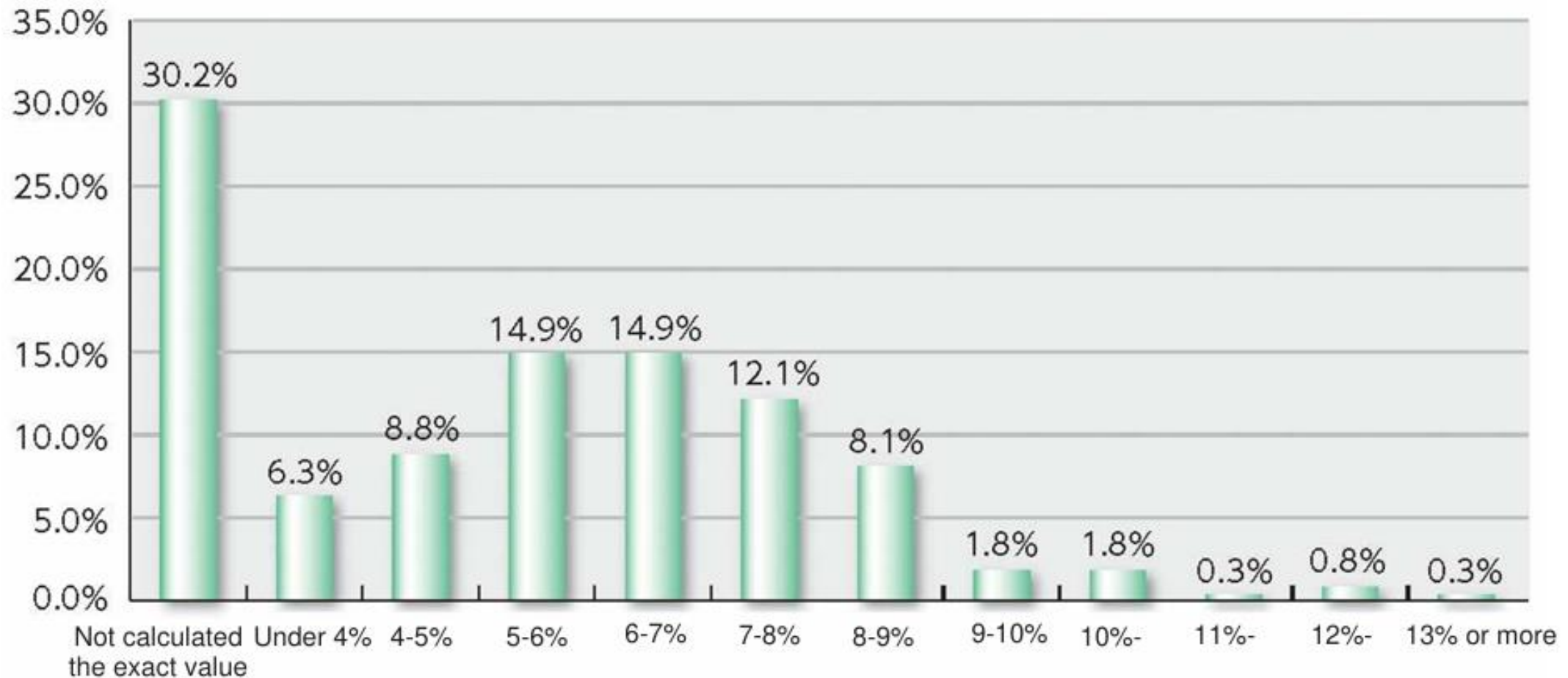
Scope of data aggregation	Number of companies	Company with Three Committees		Company with Supervisory Committee or Companies with Board of Company Auditors			
		Statutory nomination committee and remuneration committees		Voluntary nomination committee		Voluntary remuneration committee	
		Number of companies	Ratio	Number of companies	Ratio	Number of companies	Ratio
All companies	3,770	88	2.3%	2,036	54.0%	2,175	57.7%
Prime	1,837	72	3.9%	1,464	79.7%	1,499	81.6%
Standard	1,456	11	0.8%	494	33.9%	547	37.6%
Growth	477	5 companies	1.0%	78	16.4%	129	27.0%
JPX-Nikkei 400	399	37	9.3%	330	82.7%	333	83.5%

# (Reference) Attributes of Board Chair of listed companies in Japan



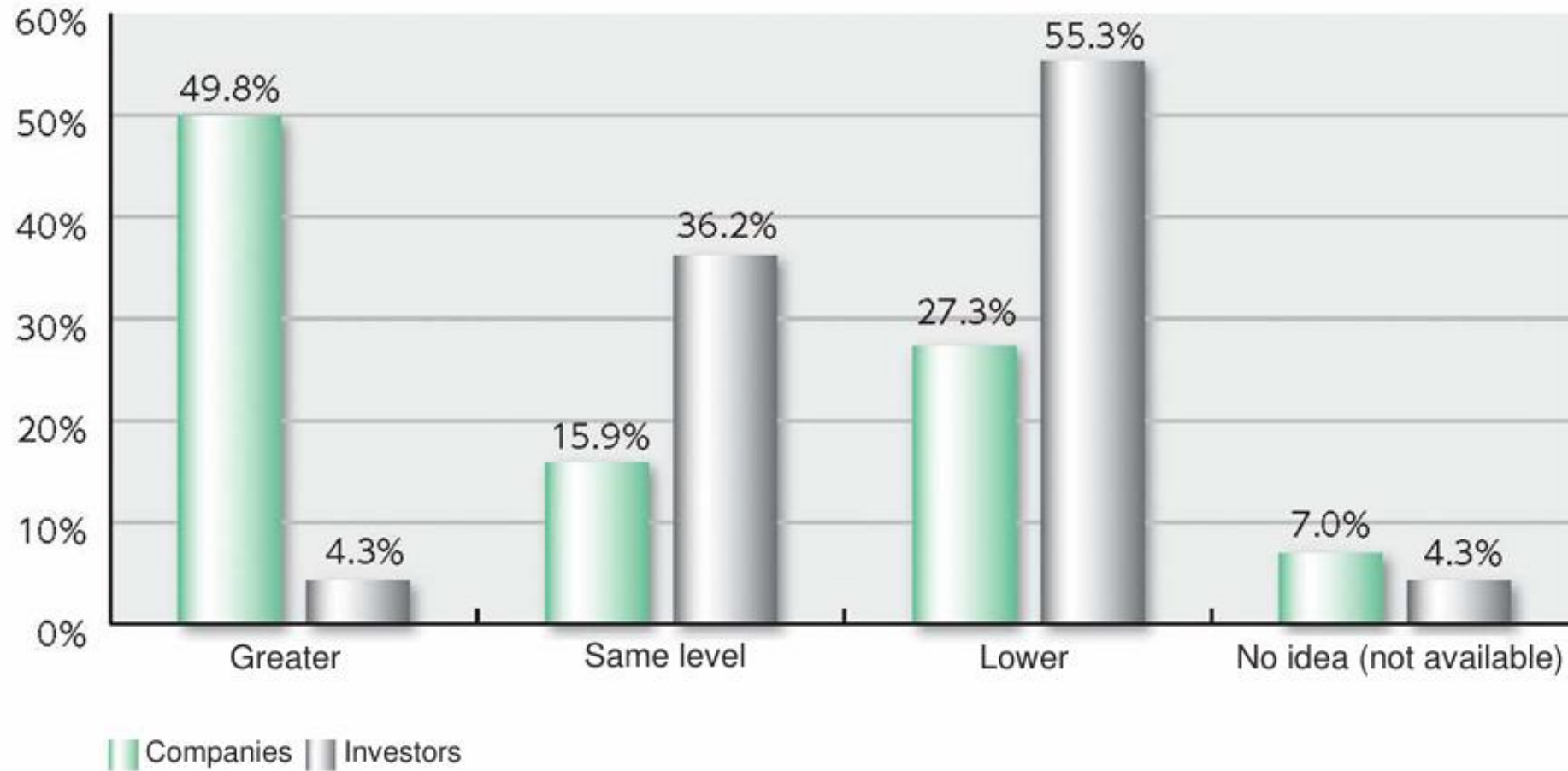
(Source) Corporate Governance Whitepaper 2023 by Tokyo Stock Exchange, Inc.

# (Reference) Japanese Companies' Understanding of the Cost of Capital



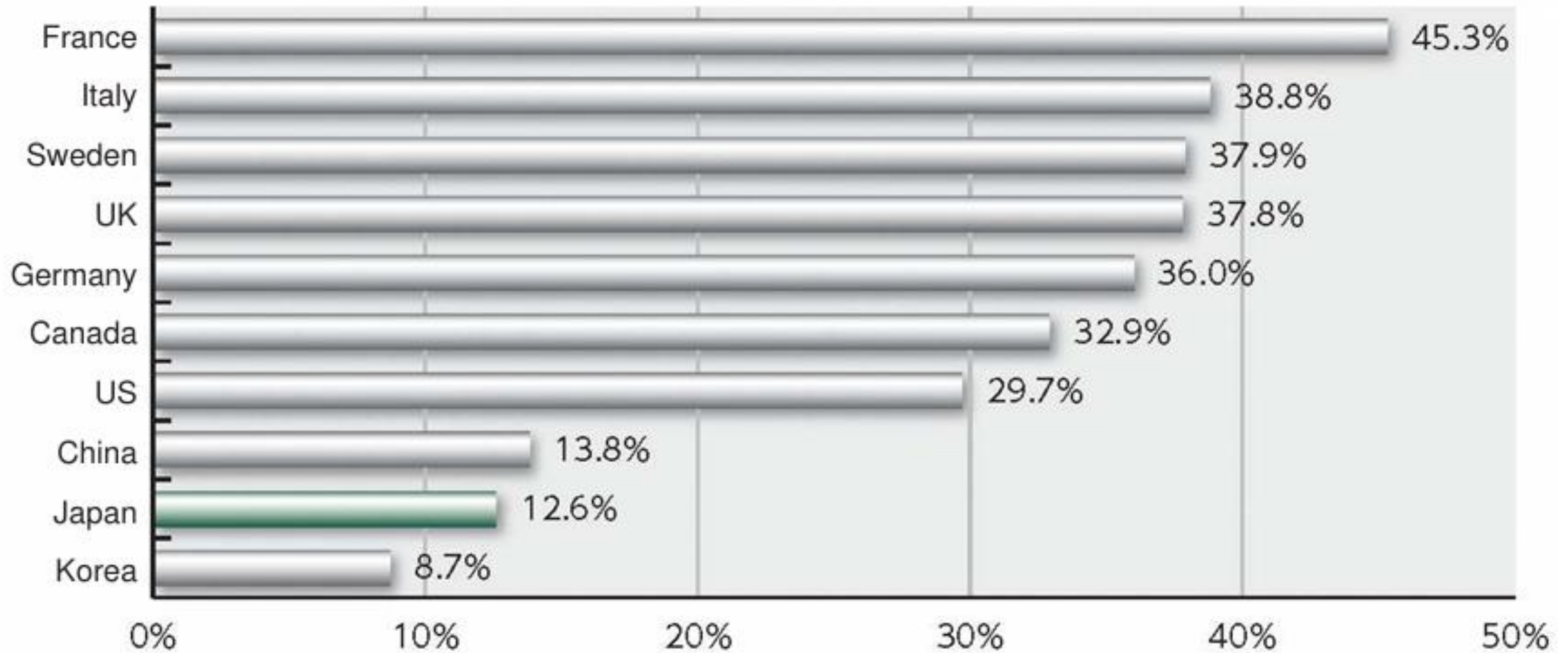
(Source) Compiled based on the Life Insurance Association of Japan “Initiatives by Life Insurers to Reinvigorate the Equity Market and Achieve a Sustainable Society through Asset Management” (April 2022)

# (Reference) Perceptions of ROE Levels against Cost of Capital



(Source) Compiled based on the Life Insurance Association of Japan “Initiatives by Life Insurers to Reinvigorate the Equity Market and Achieve a Sustainable Society through Asset Management” (April 2022)

# **(Reference) Percentage of women executives in other countries (2021)<sup>38</sup>**



(Source) Prepared from the website of the Gender Equality Bureau, Cabinet Office

















































## **8. What is the current significant issues of corporate governance in Japan?**

- **Few companies adopting three committees form**
- **Board of Director needs to strengthen its oversight ability**
- **Lack of human resources/diversity of independent directors**
- **Lack of succession plan of CEOs and training of directors/auditors**
- **Lack of ROE goal setting / disclosure of cost of capital**

### **Voices from companies**

- **Companies are coping with corporate governance as a legal governmental regulation to comply, not understanding the background reason**
- **As the speed of changing business environment is too quick, it is difficult to handle it with corporate governance**
- **CGC seems too detailed**
- **Auditing process should be strengthened**

# 9. Corporate Governance Ranking by ACGA (Asian Corporate Governance Association)

	1	2	3	4	5	6	7	8	9	10	11	12
2016												
2018												
2020												
2023												

Tie for the 2<sup>nd</sup> place

Tie for the 5<sup>th</sup> place

Tie for the 7<sup>th</sup> place

Tie for the 3<sup>rd</sup> place

Tie for the 6<sup>th</sup> place

## Breakdown of the CG Watch 2023 ranking of Japan

	Government & Public Governance	Regulators	CG Rules	Listed Companies	Investors	Auditors & Audit Regulators	Civil Society & Media
Scores	61	65	67	49	65	83	66
Ranking (out of 12)	3	2	8	8	2	1	3



# 9. Corporate Governance Ranking by ACGA (Score change)

CG Watch 2023	2023 Total (%)	2020 Total (%)	Change vs 2020 (ppt*)
1. Australia	75.2	74.7	+ 0.5
2. Japan (previously =5 <sup>th</sup> )	64.6	59.3	+5.3
=3. Singapore (previously =2 <sup>nd</sup> )	62.9	63.2	-0.3
=3. Taiwan (previously 4 <sup>th</sup> )	62.8	62.2	+0.6
5. Malaysia	61.5	59.5	+2.0
=6. Hong Kong (previously =2 <sup>nd</sup> )	59.3	63.5	-4.2
=6. India (previously 7 <sup>th</sup> )	59.4	58.2	+1.2
8. Korea (previously 9 <sup>th</sup> )	57.1	52.9	+4.2
9. Thailand (previously 8 <sup>th</sup> )	53.9	56.6	-2.7
10. China	43.7	43.0	+0.7
11. Philippines	37.6	39.0	-1.4
12. Indonesia	35.7	33.6	+2.1



# (1) Each score category by country

Market scores by category: 2023 vs 2020

(%)		AU	CH	HK	IN	ID	JP	KR	MY	PH	SG	TW	TH
1. Government & Public Governance	2023	71	32	55	45	32	61	52	37	29	56	67	35
	2020	68	29	65	45	31	60	60	32	28	60	68	35
2. Regulators	2023	66	56	62	53	29	65	57	58	25	63	65	50
	2020	65	52	69	53	24	62	53	53	27	63	66	51
- Funding, capacity, CG reform	2023	61	44	54	52	35	67	51	56	25	56	61	45
	2020	62	42	62	51	31	58	45	53	27	56	62	47
- Enforcement	2023	72	69	72	54	22	63	64	60	24	71	70	54
	2020	68	64	76	56	16	66	62	54	26	70	70	56
3. CG Rules	2023	83	63	75	73	40	67	65	79	48	77	71	75
	2020	82	63	75	69	35	58	56	77	45	75	66	76
4. Listed Companies	2023	76	39	53	60	36	49	49	66	48	58	55	51
	2020	79	51	59	65	38	44	48	66	55	60	63	60
5. Investors	2023	69	22	33	46	20	65	56	42	25	39	40	35
	2020	66	18	34	44	19	60	44	43	21	39	38	38
6. Auditors & Audit Regulators	2023	82	49	82	69	65	83	73	92	62	83	83	79
	2020	86	43	81	54	59	77	70	86	60	81	76	76
7. Civil Society & Media	2023	82	26	50	74	44	66	43	53	33	64	62	46
	2020	80	22	60	78	38	62	36	44	36	64	62	49

## (2) Why Japan ranked up in 2023?

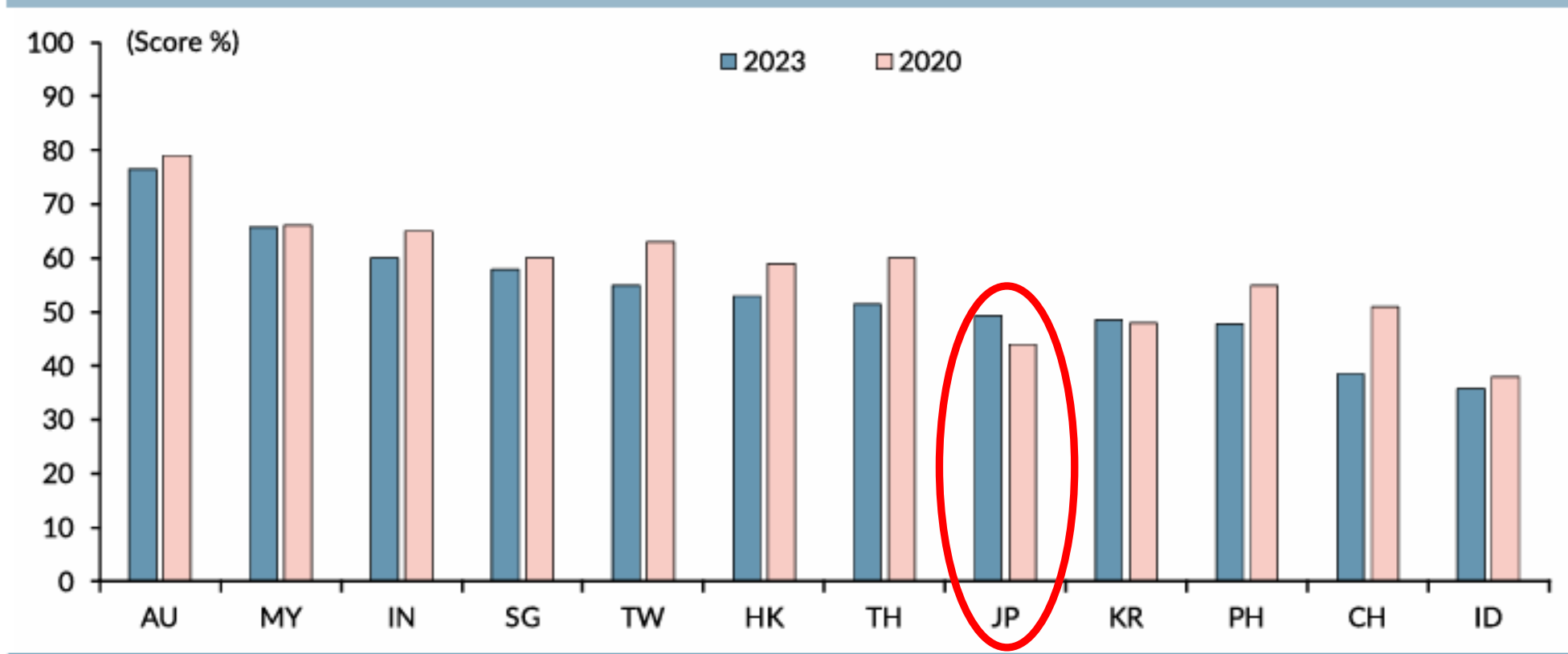
Rising market:  
Japan

### Japan is trying to seize the moment:

- TSE focus on capital efficiency and profitability to address low valuations of listed companies and improve investment options.
- FSA new “Action Programme” to accelerate CG reform. Addressing several deeply entrenched problems: takeovers, collective engagement
- Government driving gender diversity and women’s empowerment: new TSE listing rules setting targets for gender diversity in companies
- METI pushing fairer and more transparent takeovers
- Listed companies are improving disclosure, albeit from a low level. (rank in this section rose from 11<sup>th</sup> in 2020 to 8<sup>th</sup> in 2023)
- Investors (domestic and foreign) are strengthening individual and collective engagement—and using their votes in a more targeted way
- Big increase in the number of shareholder proposals.
- Range of improvements to the audit regulatory system
- Civil society continues to expand (director training, advocacy) while the media continues to improve

### (3) Listed companies need more disclosures for Japan

Listed companies: scores by market



## **II. Corporate Governance of Japanese General Insurance Companies**

- 1. Annual Reports / Integrated Reports vary in their emphasis depending on the region**
- 2. Board of Directors vary in their focus and monitoring**
- 3. Committees vary in focus**
- 4. Top Management Message of Japanese insurance companies**
- 5. Management Strategy and Performance of Japanese insurance companies**
- 6. Corporate Governance System of Japanese insurance companies**
- 7. Corporate Governance System of European and US insurance companies**

# 1. Annual Reports / Integrated Reports vary in their emphasis depending on the region

	Allianz	AXA	Generali	Prudential plc	Prudential Financial	Tokio Marine	SOMPO	MS & AD	(Unit) Pages Dai-ichi Life Holdings
Total	267	554	414	363	228	229	125	189	168
Group introduction/ strength/management strategy	110	70	148	96	85	71	81	86	58
Corporate Governance	38	72		48		28	28	16	24
Sustainability (ESG) Strategy		92		53		26	12	11	24
Consolidated financial statements	109	236	192	138	84	48			
(Introduction of Directors)	12	17	46	13	5	16	13	12	16
(Remuneration)	26	34	128	28	34	2	4	2.5	2
Reference	Annual Report 2023	Annual Report 2023	Annual Integrated Report and Consolidated Financial Report 2023	Annual Report 2023	Annual Report 2023	Integrated Report 2023	Integrated Report 2023	Integrated Report 2023	Integrated Report 2023
Alternative Report	Sustainability Report 2023 158p	Integrated Report 2023 58p	Corporate Governance & Share Ownership Report 2023 126p	Sustainability Report 2023 101p	2022 Sustainability Report 66p 2023 Proxy Statement 84p	Directors' detailed profile on the company website			

(Source) Material from referenced report counted by FALIA

## 2. Board of Directors vary in their focus and monitoring

(Unit) Number of Persons

	Allianz	AXA	Generali	Prudential plc	Prudential Financial	Tokio Marine	SOMPO	MS & AD	Dai-ichi Life Holdings
<b>Board of Directors</b>	<b>Supervisory Board</b>								
<b>Number of Directors</b>	<b>12</b>	<b>16</b>	<b>13</b>	<b>11</b>	<b>10</b>	<b>15</b>	<b>12</b>	<b>11</b>	<b>15</b>
<b>Female</b>	<b>5</b>	<b>9</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Involvement with company business execution</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>8</b>	<b>3</b>	<b>6</b>	<b>6</b>
<b>No Involvement with company business execution</b>	<b>12</b>	<b>7</b>	<b>12</b>	<b>9</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>9</b>
<b>Employees representatives</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Independent directors</b>	<b>12</b>	<b>10</b>	CFBA 12* CG code 10	<b>9</b>	<b>8</b>	<b>7</b>	<b>9</b>	<b>5</b>	<b>7</b>
<b>Number of Nationalities</b>	<b>5</b>	<b>8</b>	<b>not clear</b>	<b>not clear</b>	<b>not clear</b>	<b>not clear</b>	<b>not clear</b>	<b>not clear</b>	<b>not clear</b>
<b>LGBT</b>					<b>1</b>				
<b>Senior Independent Director</b>		○	No need*	○	○ Lead Independent Director				

\* Generali Corporate Governance and Share Ownership Report 2023 (March 2024) Page 66

(Source) Material from referenced report counted by FALIA

### 3. Committees vary in focus

	Allianz	AXA	Generali	Prudential plc	Prudential Financial	Tokio Marine	SOMPO	MS & AD	Dai-ichi Life Holdings
Governance Form of the company	German Form	French Form	Similar to Company with Kansayaku Board	UK Form	US Form	Company with Kansayaku Board	Company with Three Committees	Company with Kansayaku Board	Company with Audit & Supervisory Committee
Committee									
Audit	○	○	Board of Statutory Auditors	○	○	Kansayaku Board	○	Kansayaku Board	○
Nomination	○	—	○	○	○	○ (optional)	○	○ (optional)	○ (optional)
Compensation	—	○	○	○	○	○ (optional)	○	○ (optional)	○ (optional)
Sustainability	○	○	○	○	Corporate Governance & Business Ethics	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)
Finance & Risk	○	○	○	○	○	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)	○ (outside of BoD)
CSuO	○	○	○	○	Chief Governance Officer, Senior VP	○ (Board Member)	○	○	○
Reference	Annual Report 2023	Annual Report 2023	Annual Integrated Report and Consolidated Financial Report 2023	Annual Report 2023	Annual Report 2023	Integrated Report 2023	Integrated Report 2023	Integrated Report 2023	Integrated Report 2023
Alternative Report	Sustainability report 2023 156p	Integrated report 2023 57p	Corporate Governance & Share Ownership Report 2023 122p	Environmental, Social and Governance Report 2022 100p	2022 Sustainability Report 63p 2023 Proxy Statement 84p	Sustainability report 2023 200p	Sustainability report 2023 149p	Sustainability report 2023 246p	Sustainability report 2023 231p

(Source) Material from referenced report counted by FALIA



# 4. Top Management Message



**Message** from  
Our New  
**CEO**

**With our inherent  
“DNA of change and challenge,”  
we aim to become a global top-  
level insurance group**

**President and Representative Director (CEO)**  
Dai-ichi Life Holdings, Inc.

*Tetsuya Kikuta*

My name is Tetsuya Kikuta, and I was appointed president and CEO of Dai-ichi Life Holdings, Inc., in April 2023. I believe that my major roles are to oversee the entire Group, optimize the allocation of management resources within the Group, and respond to the expectations of various stakeholders including shareholders, through deep dialogue as a listed company.

When I became CEO, I set a goal of becoming one of the top global insurance groups by 2030. As a publicly listed company, our mission is to work to improve corporate value. My aspirations are to first achieve an industry-leading level of corporate value in Japan by the end of fiscal 2026, then reach a level on par with the world's top-tier insurance groups by 2030. Given our current position, these will not be easy to achieve. Nevertheless, I believe it is very important to verbalize our goals and demonstrate our enthusiasm in an easy-to-understand manner.

Rather than blindly following precedents, we should affirm new challenges as a whole company, keeping in mind the environmental changes that will occur in society and in the market. Instead of being afraid of a risk of failure, we should imagine the fruits of success and take action. In so doing, we will further empower the “DNA of change and challenge” that flows through the Dai-ichi Life Group, and then pursue to return to growth in our domestic business, expand our overseas business, and create new businesses. Through those efforts, we will become a driving force toward the future of the insurance industry.



# 4. Top Management Message



## To Protect Our Customers and Society in Times of Need

### Tokio Marine Group Purpose

Since Tokio Marine's founding in 1879, our unwavering purpose has remained: "To protect customers and society in times of need."

Our company found its beginnings in marine insurance 144 years ago. Since then, Japan has experienced many difficult periods and dramatic societal changes, such as the Great Kanto Earthquake, defeat in war, and the advance of motorization. Yet with our purpose, "To protect customers and society in times of need," as our foundation throughout our history, we have confronted societal challenges through our core insurance business and strived to provide solutions. It could be said that all of our business activities contribute to addressing societal challenges. Our employees work under the premise of "The more Tokio Marine grows, the better for society." As a result, we are confident in our continued ability to achieve sustained profit, while providing value to all our stakeholders, including customers, society, shareholders, and our employees.

In 2021, we clearly defined the next generations as an addition to the above stakeholders, based on the strong belief that we have a responsibility to pass on our shared natural environment to the next generation in a sustainable state. Of course, it is not an easy task to continuously provide value to all stakeholders. But the optimal solution is always there, waiting to be found. With this conviction, and our unwavering purpose in mind, we will continue working towards a sustainable society while addressing ever-more complex societal challenges. As a result, we will achieve growth for the Company and continue to provide value to all our stakeholders.

### Business Environment Awareness

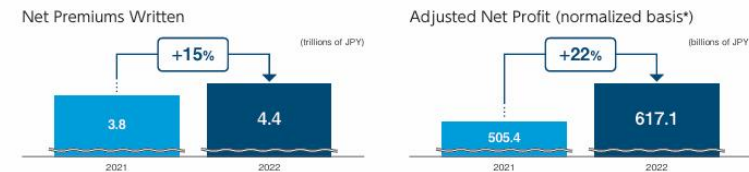
Today, 144 years since our founding, we have grown into a global company, and more than half of Group profits originate from overseas operations. For us, the issues occurring today—wherever in the world—are not simply someone else's problems.

Natural catastrophes are intensifying alongside climate change. The war in Ukraine has been prolonged, further rupturing our world. Under the situation, the global supply chain continues to be reconfigured and economic security is reassessed, all at tremendous speeds. Against this backdrop, inflation is rising rapidly around the globe. The bankruptcy of some U.S. financial institutions demonstrates the tightening of monetary policy, and there is increased risk of an economic downturn. VUCA is deepening across all fields, including political, economic, and social, making it harder to outlook the future in a few weeks' time, let alone months.

Within this business environment, and in contrast to fiscal 2021, when we posted record profits, fiscal 2022 was affected by temporary factors such as natural catastrophes including typhoons and hurricanes, and COVID-19. These had a negative impact of 173.1 billion yen, a 23% year-on-year drop, and we finished at 444 billion yen. However, insurance exists to support customers in times of need. To this end, we look at fiscal 2022 as a year when we faced many moments of truth. In those moments, we demonstrated the value of our existence. Through these experiences, we believe without a doubt that we will bounce back even stronger moving forward.

In fact, net premiums written, one of the benchmarks of client confidence in our business, saw a year-on-year increase of 15%, rising to 4.4 trillion yen despite the pandemic. Also, our normalized base profit, which excludes one-time factors, saw a year-on-year increase of 22%, rising to 617.1 billion yen. This past year gives us confidence that our underlying capabilities are stronger and will continue to be stronger as we evolve and grow.

### FY2022 Performance



\*: Natural catastrophes are normalized to an average annual level. Excluded in 2021 are the impact of COVID-19, capital gains in North America, etc.; and capital gains from sale of business-related equities (for part of sale exceeding 100 billion yen). In addition, 2022 excludes the war in Ukraine and South African floods.

## 4. Top Management Message

Message from the Group CEO

**SOMPO's unique purpose-driven management will make it indispensable.**

Kengo Sakurada

Group CEO, Director, Chairman and  
Representative Executive Officer  
Sompo Holdings, Inc.





# 4. Top Management Message



## CEO Message /

**As a platform provider of risk solutions,  
we will grow together  
with society.**

### Introduction

#### ■ Thoughts on Being a Platform Provider of Risk Solutions

The country is now coexisting with COVID-19, its status under the Infectious Diseases Control Law has been moved to Category 5, and economic activity is normalizing and regaining its vitality. On the other hand, in 2022, many events had a profound impact on people's lives and business activities worldwide, including Russia's military invasion of Ukraine, the hailstorms in June centered on the Kanto region, Typhoons No. 14 and 15, and Hurricane Ian that hit North America. The market environment also remained unstable, with rising interest rates worldwide and financial instability in Europe and the United States, and the global economy experienced significant turbulence, including concerns about inflation and an economic slowdown.

The pandemic and the intensification of natural catastrophes due to climate change seriously affect people's lives and business activities. As various risks are materializing, our role should be to compensate for economic

losses and provide solutions to risks, prevent risks from materializing, and reduce the economic burden when risks become real.

The current Medium-Term Management Plan, which started in FY2022, describes this role as a "platform provider of risk solutions." This reflects our desire to grow together with society by contributing to addressing various social issues through data, digital technology, and knowledge and know-how from within and outside the Group. In times of uncertainty, we will fulfill our mission as an insurance and financial group that supports society by demonstrating our true nature as a platform provider of risk solutions.

Insurance has adapted to risk over time and continues to change. We view the various environmental changes as a major turning point in the Group's business. We will work with a sense of speed to address social issues, reform our profit structure, and improve our corporate value.

#### Vision of Medium-Term Management Plan (2022–2025)

The Medium-Term Management Plan has two primary goals.

The first is our goal of becoming a corporate group that supports a resilient and sustainable society. As a platform provider of risk solutions, we will develop and provide optimal solutions and contribute to addressing various social issues, including climate change, toward realizing a "corporate group that supports a resilient and sustainable society."

The second goal is to secure high profitability with International Financial Reporting Standards (IFRS) net income of ¥470 billion–¥500 billion and an adjusted ROE of 10% or more on a stable basis in FY2025.

To realize the Group's vision, the Medium-Term Management Plan defines three basic strategies: "Value" (value creation), "Transformation" (business reforms), and "Synergy" (demonstration of Group synergies). With these basic strategies as the pillars of our Medium-Term Management Plan, we will provide products and services that offer new value before and after insurance coverage, enhance the sophistication of our risk consulting services using data and digital technology (Value), create new businesses (Transformation), and further improve operational efficiency and quality (Synergy).

# 5. Management Strategy and Performance of Japanese insurance companies



## Progress on KPIs

Capital efficiency			Risk control			Accounting profit		
Group adjusted ROE (accounting)	FY2022 result	5.0% (unachieved level)	Market risk reduction (vs. March-end 2021)	FY2022 result	Approx. ¥530 billion (95% of 3-year progress)	Group adjusted profit	FY2022 result	¥184.4 billion (unachieved level)
	FY2023 target	Approx. 8%		FY2023 target	¥560 billion		FY2023 target	¥250 billion–¥280 billion
Group ROEV (economic value)	FY2022 result	3.9% (unachieved level)	Economic solvency ratio (ESR)	FY2022 result	226%	Relative TSR	FY2022 result	4th place
	Medium- to long-term target level	Average around 8%		Medium- to long-term target level	170%–200%		Medium- to long-term target level	Relative advantage over 10 domestic and overseas competitors
						Market valuation		

# 5. Management Strategy and Performance of Japanese insurance companies

The Group We Aspire to Be  
(Long-term vision)

**A Global Insurance Group That Delivers Sustainable Growth by Providing Safety and Security to Customers Worldwide**

Our next Mid-Term Business Plan (FY2024–2026) is set to be published in May 2024, but looking ahead, the following has been decided:

- Continue to achieve world-class EPS growth (currently at approx +5–7%) through organic growth
- Raise ROE to be on a par with European and American peers, and expand equity spread
- As a result, we will expand shareholder return



# 5. Management Strategy and Performance of Japanese insurance companies

FY2023 Projections	670.0 billion yen CAGR +15% (compared with FY2020)	17.1%	50%	100.0 billion yen
(Reference) FY2023 Plans (Published in May 2021)	CAGR +3-7% (compared with FY2020)	12%	40% or above	Flexible implementation
FY2022 Results	617.1 billion yen	15.1%	48.5%	100.0 billion yen
FY2021 Results	505.4 billion yen	12.7%	43%	100.0 billion yen
FY2020 Results	446.0 billion yen	11.5%	40%	50.0 billion yen
Financial KPIs	Adjusted net income*1	Adjusted ROE*1	Dividend payout ratio	Capital level adjustment (share buybacks)



# 5. Management Strategy and Performance of Japanese insurance companies

Message from the Group CEO

SOMPO's unique purpose-driven management will make it indispensable.

Kengo Sakurai  
Group CEO



		FY2020 actual	FY2021 actual	FY2022 actual	FY2023 forecast	Target (end-FY2023)
Adjusted consolidated profit		¥202.1 billion	¥261.3 billion	¥152.2 billion	¥280.0 billion	¥300.0 billion or more
Adjusted consolidated ROE		8.0%	9.4%	5.5%	10% or higher	10% or higher
Diversification effects	Risk diversification ratio	39.4%	41.1%	39.5%	40% or higher	Improvement on FY2020
	Overseas business ratio	14.9%	23.7%	43.2% <sup>*1</sup>	50% or higher	30% or higher

## Domestic P&C Insurance

	FY2020 actual	FY2021 actual	FY2022 actual	FY2023 forecast	Target (end-FY2023)
Adjusted profit	¥130.1 billion	¥157.4 billion	¥32.0 billion	¥80.0 billion	¥150.0 billion or more
Net premiums written <sup>*2</sup>	¥1,903.4 billion	¥1,941.7 billion	¥2,014.7 billion	¥2,047.4 billion	¥2,000.0 billion
E/I combined ratio <sup>*2</sup>	94.3%	93.5%	100.9%	97.3%	91.7%
Reduction of strategic shareholdings	¥70.3 billion	¥50.1 billion	¥70.3 billion	¥70.0 billion	¥50.0 billion (three-year total: ¥150.0 billion)

## Overseas Insurance and Reinsurance

	FY2020 actual	FY2021 actual	FY2022 actual	FY2023 forecast	Target (end-FY2023)
Adjusted profit	¥30.0 billion	¥61.8 billion	¥93.3 billion	¥150.0 billion	¥100.0 billion or more
GWP growth rate <sup>*3</sup>	+37.8%	+31.1%	+9.9%	+10.6%	Annual rate of approx. +9%
E/I combined ratio <sup>*3</sup>	97.8%	93.9%	93.5%	91.6%	88–89%

# 5. Management Strategy and Performance of Japanese insurance companies

<b>FY2025 Target Net Income (on an IFRS basis)</b>
<b>¥470 billion – ¥500 billion</b>
<b>FY2025 Target Adjusted ROE</b>
<b>Stable achievement of 10% or higher</b>

(¥ billion)

	FY2022 Results	FY2025 target
Group Adjusted Profit	172.7	467.8
Domestic non-life insurance (excluding gains/losses on sales of strategic equity holdings)	118.0 (28.4)	257.8
Domestic life insurance	34.7	54.2
International business	17.9	145.5
Financial services business/ Digital and risk-related services business	2.0	10.3
Group Adjusted ROE	4.8%	12.2%
Consolidated net premiums written	3,934.4	4,455.3
Life insurance premiums (Gross premiums income)*46	1,707.5	1,500.0
MSI Aioi Life's EEV	908.0	-
ESR (Economic Solvency Ratio)	228%	180–250%



As a platform provider of risk solutions, we will grow together with society.

**Noriyuki Hara**  
Chairman of the Board of Directors of Dai-ichi Kangaro Life Insurance Co., Ltd.

Statement of Management Policy (2023-2025)

Our vision is to become a platform provider of risk solutions, where we can grow together with society. We will achieve this vision by providing risk solutions that meet the needs of our customers and society, and by growing our business in a sustainable manner.

Our business strategy is to focus on the following areas:




- Domestic non-life insurance
- Domestic life insurance
- International business
- Financial services business/ Digital and risk-related services business

We will achieve our vision by providing risk solutions that meet the needs of our customers and society, and by growing our business in a sustainable manner.



# 5. Management Strategy and Performance of Japanese insurance companies

## Sustainability KPIs

Priority issue	KPI progress		Target	FY2022 Results
 <b>Symbiosis with the global environment</b> (planetary health)		GHG emission reduction rate (versus FY2019)	FY2030: -50% FY2050: Net zero	-26.8% (Scope 1 + 2)
		Renewable energy usage rate	FY2030: 60% FY2050: 100%	21.1%
	FY2025	Premium growth rate for products that contribute to the decarbonization of society and a circular economy Example: Carbon Neutral Support Agreement	Annual average 18%	17.9%
 <b>Safe and secure society</b> (resilience)	FY2025	Growth rate of the number of subscriptions for products that contribute to improving social resilience Example: Cybersecurity insurance	Annual average 20%	29.4%
		Instances of support for the resolution of issues faced by regional companies Example: Seminars on regional revitalization	10,000 instances a year	12,349 cases
 <b>Happiness of diverse people</b> (well-being)	FY2025	Number of companies supporting human rights-related measures Example: Harassment prevention consulting	1,000 instances a year	1,111 cases
		Number of policies in force for asset-building products to support longevity Example: Tontine annuity insurance	100,000	50,000 cases
		Number of policies in force for products that help solve health-related social issues Example: Medical insurance covering dementia and infertility treatment	2.6 million	2.17 million cases



As a provider of life solutions, we will grow together with society.

Naoyuki Hara

Chairman of Dai-ichi Kangaro Life Insurance Co., Ltd.

# 5. Management Strategy and Performance of Japanese insurance companies



As a chairman of the board, we will grow together with society.

Chairman of the Board of Directors

Nanyuki Hara

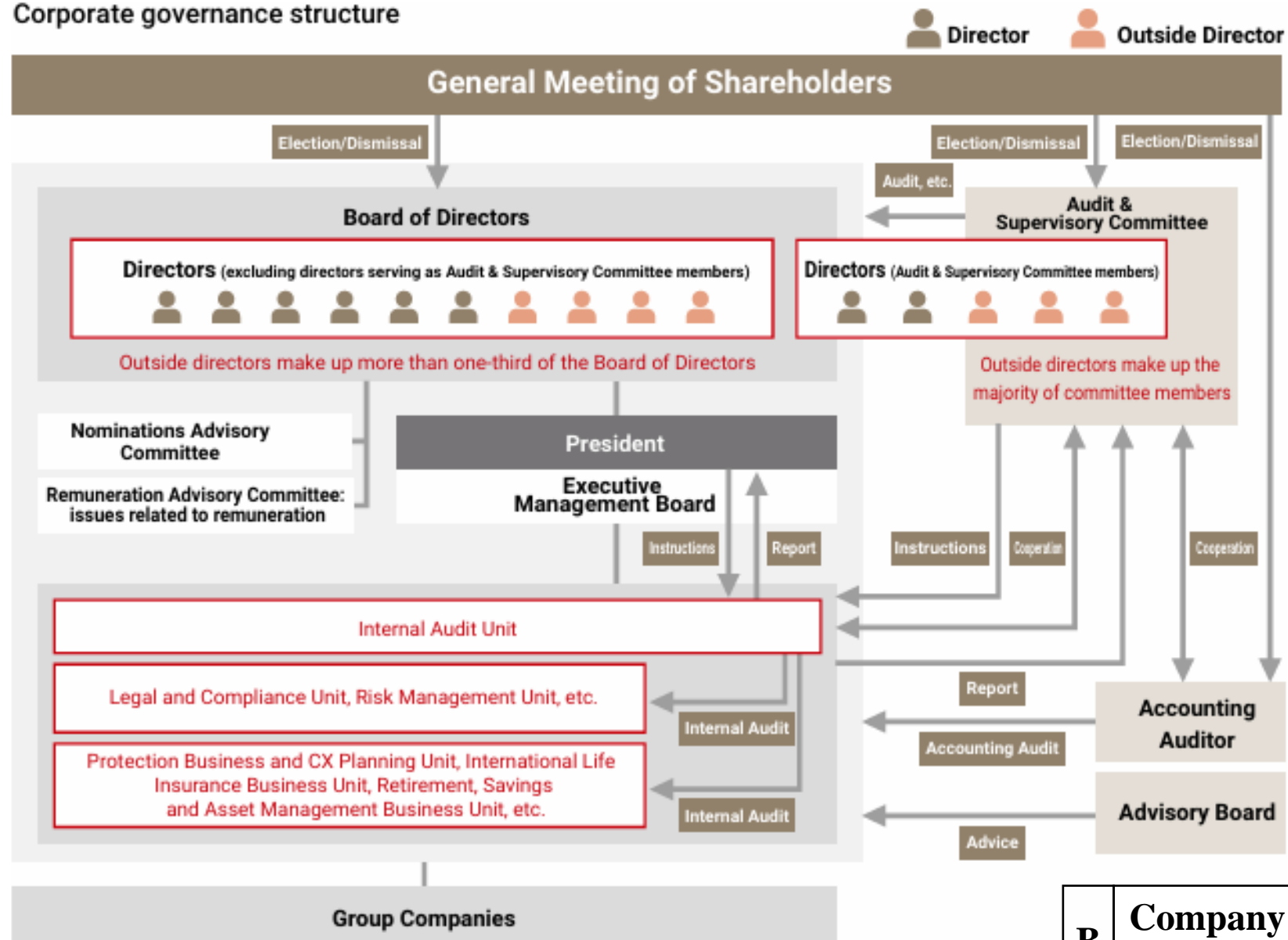
## Human Assets and Quality KPIs

( ): FY2022 results

Human Assets	End of FY2030 (aiming for early achievement)	Percentage of female managers	30% (19.5%)	Percentage of female line managers	15% (12.9%)
	FY2025	<b>Digital human resources</b> 7,000 persons (about 3,600 persons)	<b>Overseas human resources</b> 1,200 persons (about 1,180 persons)	<b>Productivity improvement</b> 8.5% (9.2%)	
Human Assets	FY2025	<b>Percentage of personnel expenses</b> Current level (22.6%) or higher	<b>Percentage of employees hired locally overseas appointed as executives of overseas subsidiaries</b> Current level (83.0%) or higher	<b>Percentage of employees who exercise regularly</b> Current level (26.5%) or higher	
		<b>Male childcare leave</b> Percentage of male employees taking childcare leave: 100% Duration of leave: 4 weeks (92.5%, 8.1 days)	<b>Employee awareness survey</b> <ul style="list-style-type: none"> <li>Sense of feeling that our business helped create shared value</li> <li>Constant awareness of Mission, Vision, and Values</li> <li>Pride in work, feeling motivated</li> <li>Playing active roles</li> </ul> <div> <b>The same level or higher compared with the previous year</b> </div> <p>See <b>P.48</b> for employee satisfaction data</p>		
		<b>Number of annual paid leave days taken</b> The same level or higher compared with the previous year (16.4 days)			
Quality	FY2025	<b>Customer satisfaction level (on contract procedures and the claim payment process)</b>		<b>The same level or higher compared with the previous year</b>	

# 6. Corporate Governance System of Japanese insurance companies

Corporate governance structure



B

**Company with Audit & Supervisory Committee**

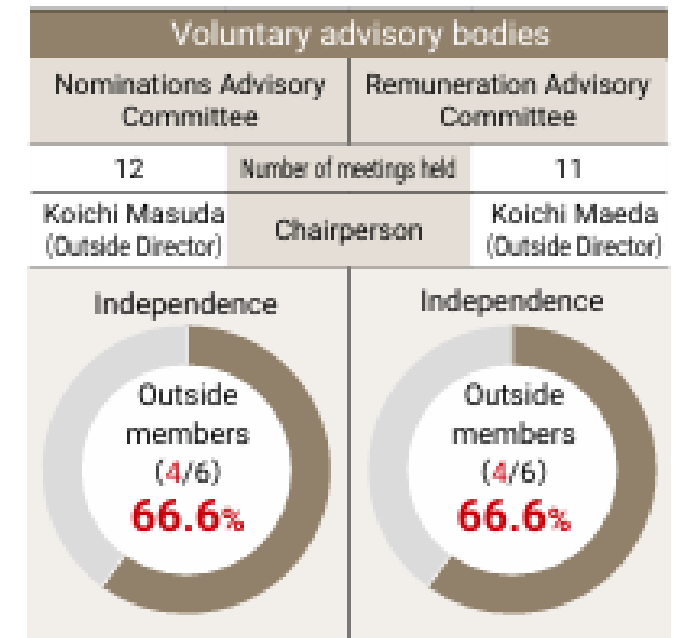
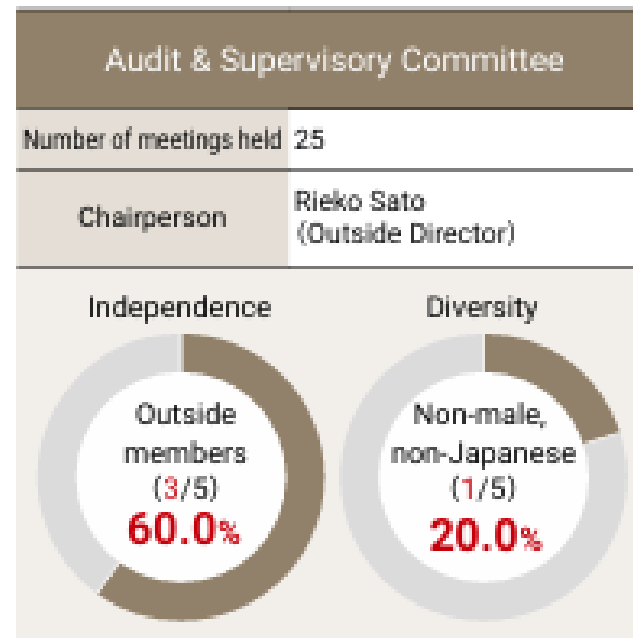
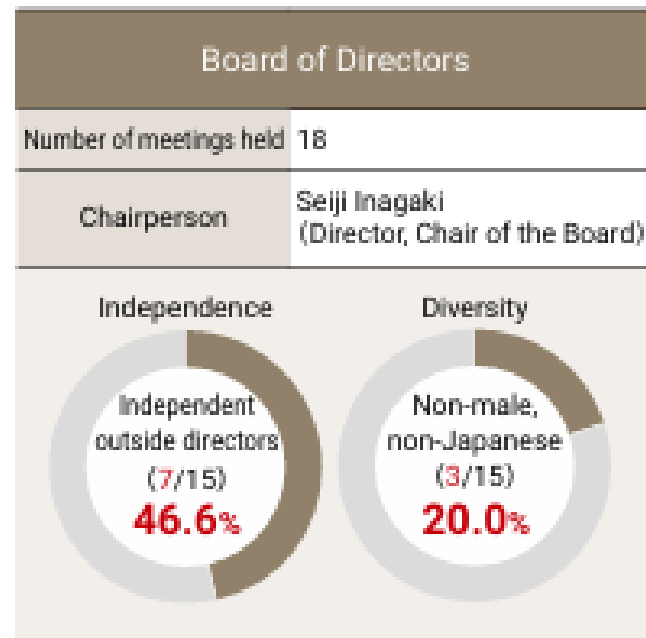


# 6. Corporate Governance System of Japanese insurance companies



## Overview of the Corporate Governance Structure (as of June 26, 2023)

Corporate governance model	Company with an Audit & Supervisory Committee	Breakdown of remuneration for directors	1) Basic remuneration 2) Single-year performance-linked remuneration 3) Restricted stock remuneration 4) Performance-linked stock remuneration
Term of office for directors	1 year 2 years for directors serving as Audit & Supervisory Committee members	Voluntary advisory bodies	Nominations Advisory Committee and Remuneration Advisory Committee
Limit on duration of term	Outside directors: 8 years Directors serving as Audit & Supervisory Committee members: 12 years	Independent auditor	KPMG AZSA LLC



# 6-1. Outside Directors



**Yasushi Shingai** Age: 67  
Number of shares held: 300 Outside Director

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings
Other major occupations	Representative Director, Shingai Management Institute Co., Ltd. Outside Director, ExaWizards Inc. Outside Director, Olympus Corporation
Reason for appointment	

In addition to his deep experience and insight gained through acting as a business executive of a global company, he has rich experience and sophisticated and expert knowledge of corporate finance and mergers & acquisitions as the finance officer. The Company believes that he brings significant benefits to the Company by supervising management and advising on various matters of corporate management based on his global and objective viewpoint at Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile	
Apr. 1980 Joined the Japan Tobacco and Salt Public Corporation (presently Japan Tobacco Inc.)	Inc., Executive Vice President, JT International S.A.
Jul. 2001 Vice President, Finance Planning Division	Jun. 2011 Representative Director and Executive Vice President, Japan Tobacco Inc.
Jul. 2004 Senior Vice President, Chief Financial Officer	Jan. 2018 Member of the Board
Jun. 2005 Member of the Board, Senior Vice President, and Chief Financial Officer	Jun. 2019 Outside Director, Dai-ichi Life Holdings, Inc. (to present)
Jun. 2006 Member of the Board of Japan Tobacco	Apr. 2022 Representative Director, Shingai Management Institute Co., Ltd. (to present)

**Koichi Maeda** Age: 72  
Number of shares held: 9,098 Outside Director

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings
Other major occupations	—
Reason for appointment	

He has deep experience and insight gained through acting as a business executive of highly public enterprises. He has also brought significant benefits to the Company by supervising and advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile	
Apr. 1975 Joined Nippon Telegraph and Telephone Public Corporation	Jun. 2009 Representative Director, Senior Executive Vice President, General Manager, Consumer Business Promotion Division, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION
Jul. 1999 General Manager, Kagoshima Branch, NIPPON TELEGRAPH AND TELEPHONE WEST CORPORATION	Representative Director, President, NTT EAST PROPERTIES, INC.
Jul. 2000 General Manager, Planning Department, Consumer & Office Division, NTT Communications Corporation	Jun. 2012 Representative Director, President, NTT FINANCE CORPORATION
Jun. 2002 General Manager, Consumer & Office Division	Jun. 2016 Director, Chief Executive Counselor
Jun. 2004 Director, Senior Vice President, General Manager, Consumer & Office Division	Oct. 2016 Outside Director, Dai-ichi Life Holdings, Inc. (to present)
Aug. 2006 Director, Senior Vice President, Deputy General Manager, Net Business Division	Jul. 2017 Chief Executive Counselor, NTT FINANCE CORPORATION
Jun. 2008 Director, Executive Vice President, Deputy General Manager, Net Business Division	Jul. 2018 Advisor to the President
	Jul. 2020 Advisor, NTT FACILITIES, INC.



**Bruce Miller** Age: 62  
Number of shares held: 0 Outside Director

Activities in fiscal 2022	Attended 15 of 15 Board of Directors meetings
Other major occupations	—
Reason for appointment	

He is a specialist in global politics and economy and has rich experience and deep insight into the life insurance business as a Non-Executive Director of TAL, a subsidiary of the Company. He has also brought significant benefits to the Company by supervising management and giving advice on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and on other occasions. The Company expects that he will continue to share his experience and expertise on oversight of management of the Group and therefore appointed him as an outside director.

Profile	
Feb. 1986 Joined the Australian Government Department of Foreign Affairs and Trade	Aug. 2011 Australian Ambassador to Japan
Jan. 2001 Assistant Secretary, Strategic Policy Branch	Jan. 2017 Director-General, Australian Government Office of National Assessments
Apr. 2003 Assistant Secretary, North East Asia Branch	Sep. 2018 Senior Policy Fellow, Australian National University
Aug. 2004 Minister-Counsellor (Political), Australian Embassy Tokyo	Aug. 2020 Chair, Australia-Japan Foundation (to present)
May 2009 Deputy Director-General, Australian Government Office of National Assessments	Apr. 2022 Chair, the Foreign Investment Review Board, Australia (to present)
	Jun. 2022 Director, Dai-ichi Life Holdings, Inc. (to present)

**Yuriko Inoue** Age: 60  
Number of shares held: 8,100 Outside Director

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings
Other major occupations	Outside Director, NIPPON SIGNAL CO., LTD.
Reason for appointment	

She is an experienced and trusted professor specializing in intellectual property law, and she has a wide range of knowledge about IT-related systems and policies. She has also brought significant benefits to the Company by supervising management and advising on various legal matters and data governance in IT strategies of the Company based on her objective viewpoint. The Company has the expectation that she will continue to share her experience and expertise on oversight of management of the Group and therefore appointed her as an outside director.

Profile	
Nov. 1993 Lecturer, University of Tokyo Graduate Schools for Law and Politics	Apr. 2004 Professor
Apr. 1995 Associate Professor, University of Tsukuba Graduate School of Business Administration & Public Policy	Oct. 2010 Professor, Hitotsubashi University Graduate School of International Corporate Strategy
Apr. 2001 Associate Professor, University of Tsukuba Graduate School of Business Sciences	Apr. 2018 Professor, Business Law Department of Graduate School of Law (to present)
Sep. 2002 Associate Professor, Kobe University Graduate School of Law	Jun. 2018 Outside Director, Dai-ichi Life Holdings, Inc. (to present)



**Rieko Sato** Age: 66  
Number of shares held: 10,981 Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings Attended 25 of 25 Audit & Supervisory Committee meetings
Other major occupations	Partner, Ishii Law Office Outside Director, J. FRONT RETAILING Co., Ltd. Outside Audit & Supervisory Board Member, Mitsubishi Corporation
Reason for appointment	

She is an experienced and trusted attorney, and she has had a wide range of experience serving as an outside Director and outside Audit & Supervisory Board member of various corporations. She has also brought significant benefits to the Company by supervising and auditing management as well as advising on various legal matters of the Company based on her objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that she will continue to use her experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed her as an outside director serving as an Audit & Supervisory Committee member.

Profile	
Apr. 1984 Registered as Attorney-at-Law	Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)
Jun. 1989 Shearman & Sterling LLP	
Jul. 1998 Partner, Ishii Law Office (to present)	
Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited	

**Koichi Masuda** Age: 79  
Number of shares held: 14,421 Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings Attended 25 of 25 Audit & Supervisory Committee meetings
Other major occupations	—
Reason for appointment	

He is an experienced and trusted Certified Public Accountant, and he has had a wide range of experience serving as outside Director (Audit & Supervisory Committee member) and outside Audit & Supervisory Board member of various corporations. He has also brought significant benefits to the Company by supervising and auditing management and advising on various financial matters of the Company based on his objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed him as an outside director serving as an Audit & Supervisory Committee member.

Profile	
Apr. 1966 Yoshiji Tanaka CPA Office	Jan. 2004 Representative Partner, KPMG AZSA & Co.*
Jan. 1970 Otemachi Kaikei Jimusho Audit Corporation	Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants
Jan. 1975 Shinwa Audit Corporation*	Jul. 2010 Advisor (to present)
Sep. 1978 Partner	Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)
Jul. 1992 Representative Partner, Asahi Shinwa Audit Corporation*	*Presently, KPMG AZSA LLC
Oct. 1993 Representative Partner, Asahi Audit Corporation*	



**Ungyong Shu** Age: 60  
Number of shares held: 5,489 Outside Director (Audit & Supervisory Committee Member)

Activities in fiscal 2022	Attended 18 of 18 Board of Directors meetings Attended 24 of 25 Audit & Supervisory Committee meetings
Other major occupations	President & CEO, Core Value Management, Co., Ltd. Outside Director, Sojitz Corporation Outside Director, Monex Group, Inc.
Reason for appointment	

He has a wide range of experience as a managing director of financial institutions. He has also brought significant benefits to the Company by supervising and auditing management as well as advising on various matters of corporate management based on his global and objective viewpoint at the Board of Directors meetings and on other occasions. The Company has the expectation that he will continue to use his experience to good advantage in conducting audits and supervision of the Group's management and therefore appointed him as an outside director serving as an Audit & Supervisory Committee member.

Profile	
Apr. 1986 Joined Morgan Guaranty Trust Company of New York, a subsidiary of J.P. Morgan & Company, Inc.	Jun. 2015 Outside Director, The Dai-ichi Life Insurance Company, Limited
May 2001 Managing Director, JP Morgan Securities	Oct. 2016 Outside Director (Audit & Supervisory Committee Member), Dai-ichi Life Holdings, Inc. (to present)
Jul. 2005 Head of Financial Institutions Division	Sep. 2022 Visiting Professor, Hitotsubashi University Graduate School of Business Administration (to present)
May 2007 Chairman of Financial Institutions Group, Merrill Lynch Japan Securities Ltd.	
Jul. 2010 Co-Head of Investment Banking Division	
Jul. 2011 Vice Chairman	
Nov. 2013 President & CEO, Core Value Management, Co., Ltd. (to present)	



# 6-2. Skill Matrix

Name	Title	(1) Corporate management	(2) Global management	(3) Finance	(4) Accounting/ Actuarial Affairs	(5) Legal affairs	(6) Compliance	(7) Risk management	(8) ICT/ DX*	(9) Innovation (New business development)	(10) Sustainability
Seiji Inagaki	Director, Chair of the Board	✓	✓	✓	✓		✓	✓			
Tetsuya Kikuta	Representative Director, President, CEO	✓	✓	✓	✓					✓	✓
Hitoshi Yamaguchi	Representative Director, Managing Executive Officer	✓	✓	✓	✓						
Hiroshi Shoji	Director, Managing Executive Officer	✓		✓	✓						
Hidehiko Sogano	Director, Managing Executive Officer, CSuO	✓	✓	✓							✓
Toshiaki Sumino	Director	✓	✓	✓	✓	✓		✓			✓
Koichi Maeda	Outside Director	✓	✓	✓			✓		✓		
Yuriko Inoue	Outside Director					✓	✓		✓		✓
Yasushi Shingai	Outside Director	✓	✓		✓	✓	✓	✓	✓	✓	✓
Bruce Miller	Outside Director		✓	✓		✓		✓			✓
Takahiro Shibagaki	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓							
Fusakazu Kondo	Director (Audit & Supervisory Committee Member (Full-Time))	✓		✓	✓						
Rieko Sato	Outside Director (Audit & Supervisory Committee Member)					✓	✓	✓			
Ungyong Shu	Outside Director (Audit & Supervisory Committee Member)	✓	✓	✓				✓			
Koichi Masuda	Outside Director (Audit & Supervisory Committee Member)	✓			✓						

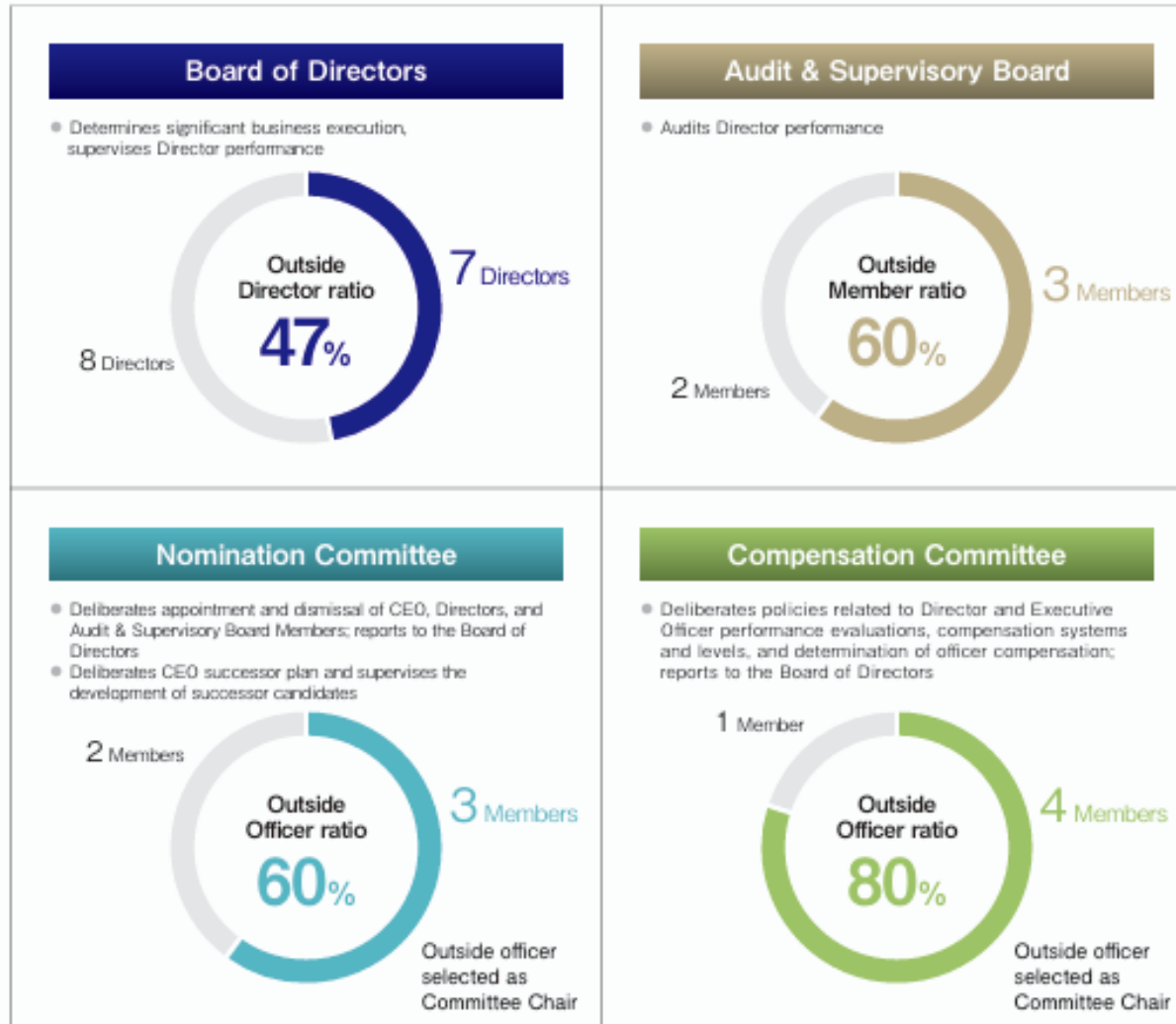




# 6. Corporate Governance System of Japanese insurance companies



## ► Corporate Governance System



Diversity in the members of the Board of Directors and Audit & Supervisory Board is accelerating.



A

**Company with Board of Company Auditors**



# 6-1. Directors



Chairman of the Board  
**Tsuyoshi Nagano**

> Biography



President & Chief Executive Officer (Representative Director)  
Group CEO (Group Chief Executive Officer)  
Group CCO (Group Chief Culture Officer)

**Satoru Komiya**

> Biography

(Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Outside Director

**Takashi Mitachi\***

> Biography

(Professor, Graduate School of Management, Kyoto University)



Outside Director

**Nobuhiro Endo\***

> Biography

(Executive Advisor of NEC Corporation)



Senior Managing Director (Representative Director)  
Group CFO (Group Chief Financial Officer)

**Kenji Okada**

> Biography

(Senior Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Senior Managing Director  
Group CSO (Group Chief Strategy and Synergy Officer)

**Yoichi Moriwaki**

> Biography



Outside Director

**Shinya Katanozaka\***

> Biography

(Chairman of ANA HOLDINGS INC.)



Outside Director

**Emi Osono\***

> Biography

(Professor, School of Business Administration, Hitotsubashi University Business School)



Senior Managing Director (Representative Director)  
Co-Head of International Business

**Kichihiro Yamamoto**

> Biography

(Senior Managing Director of Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Managing Director  
Group CLCO (Group Chief Legal and Compliance Officer)

**Yoshinori Ishii**

> Biography

(Managing Executive Officer of Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Outside Director

**Kosei Shindo\***

> Biography

(Director, Member of the Board and Senior Advisor of NIPPON STEEL CORPORATION)



Outside Director

**Robert Alan Feldman\***

> Biography

(Senior Advisor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.)



Managing Director  
Group COO (Group Chief Operating Officer)

**Kiyoshi Wada**

> Biography



Director

**Shinichi Hirose**

> Biography

(Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.)



Outside Director

**Haruka Matsuyama\***

> Biography

(Attorney-at-law)



# 6-2. Skill Matrix

Name	Positions and key responsibilities		Skills and experience									
			Corporate Management	Finance & Economy	Accounting	Legal & Compliance	Environment	Human Resources Strategy	Governance & Risk Management	Technology	Internationality	Insurance Business
Tsuyoshi Nagano	Chairman of the Board		○	○					○		○	○
Satoru Komiya	President & Chief Executive Officer	Group CEO (Group Chief Executive Officer) Group CCO (Group Chief Culture Officer)	○	○				○			○	○
Kenji Okada	Senior Managing Director	Group CFO (Group Chief Financial Officer)		○	○	○			○		○	○
Yoichi Moriwaki	Senior Managing Director	Group CSO (Group Chief Strategy and Synergy Officer)		○	○		○	○		○		○
Kichiro Yamamoto	Senior Managing Director	Head of International Business Co-Head of International Business		○	○				○		○	○
Yoshinori Ishii	Managing Director	Group CLCO (Group Chief Legal and Compliance Officer)				○		○	○			○
Kiyoshi Wada	Managing Director	Group COO (Group Chief Operating Officer) Group CSUO (Group Chief Sustainability Officer)		○	○		○				○	○
Shinichi Hirose	Director		○	○				○				○
Takashi Mitachi	Outside Director		○	○	○		○		○	○	○	
Nobuhiro Endo	Outside Director		○	○					○	○	○	
Shinya Katanozaka	Outside Director		○	○				○	○		○	
Emi Osono	Outside Director		○				○		○		○	
Kosei Shindo	Outside Director		○	○			○	○			○	
Robert Alan Feldman	Outside Director		○	○	○		○		○	○	○	
Haruka Matsuyama	Outside Director			○	○	○			○			
Hirokazu Fujita	Audit & Supervisory Board Member (full-time)			○	○				○		○	○
Takayuki Yuasa	Audit & Supervisory Board Member (full-time)		○	○	○	○			○			○
Akihiro Wani	Outside Audit & Supervisory Board Member			○	○	○			○		○	
Nana Otsuki	Outside Audit & Supervisory Board Member			○	○		○		○		○	
Junko Shimizu	Outside Audit & Supervisory Board Member			○	○		○		○		○	

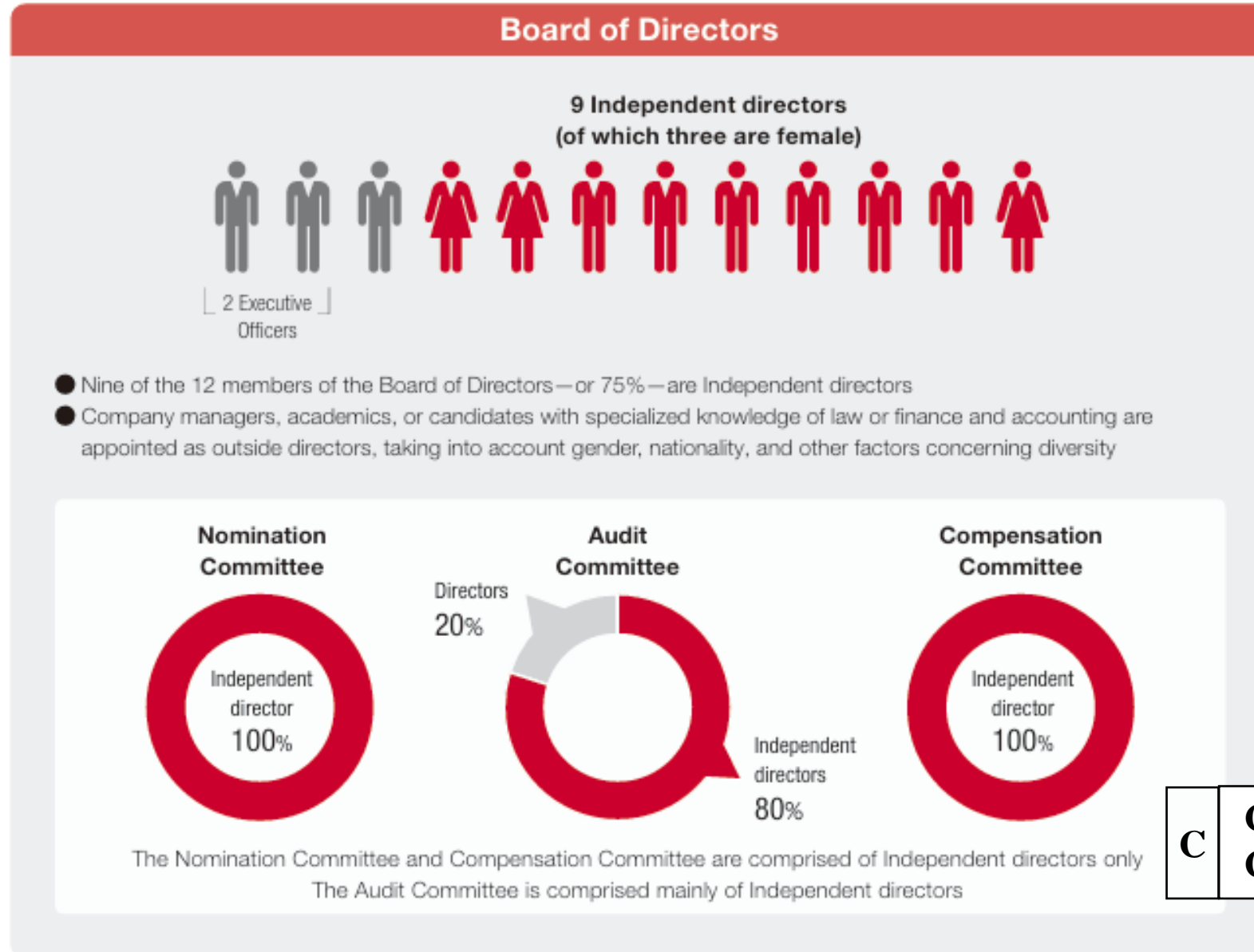


# 6. Corporate Governance System of Japanese insurance companies

Message from the Group CEO

SOMPO's unique purpose-driven management will make it indispensable.

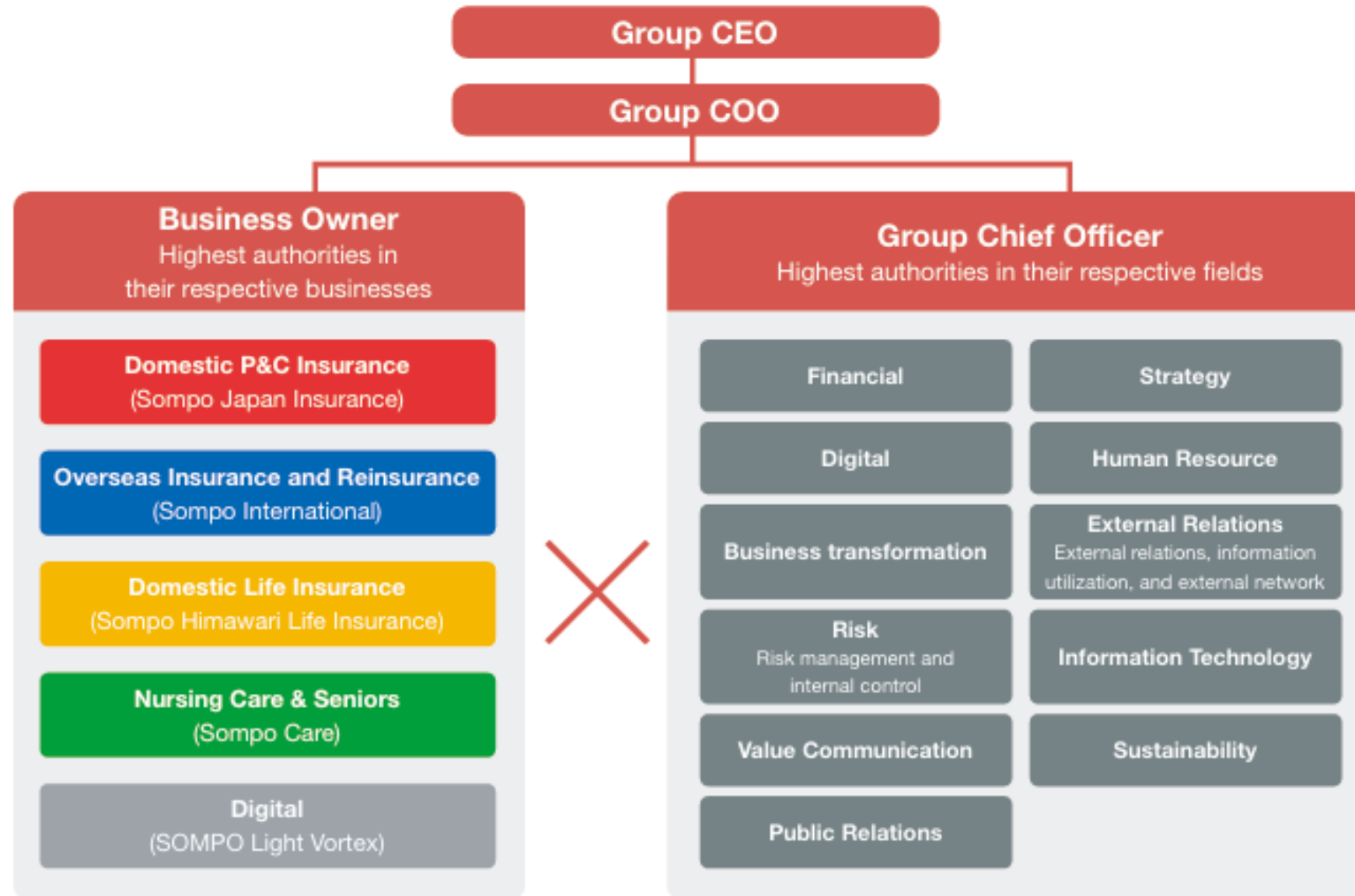
Kengo Sakurai  
Group CEO



C

**Company with Three Committees**

# 6. Corporate Governance System of Japanese insurance companies



Message from the Group CEO

SOMPO's unique purpose-driven management will make it indispensable.

Kengo Sakurai  
Group CEO



# 6. Corporate Governance System of Japanese insurance companies

Message from the Group CEO

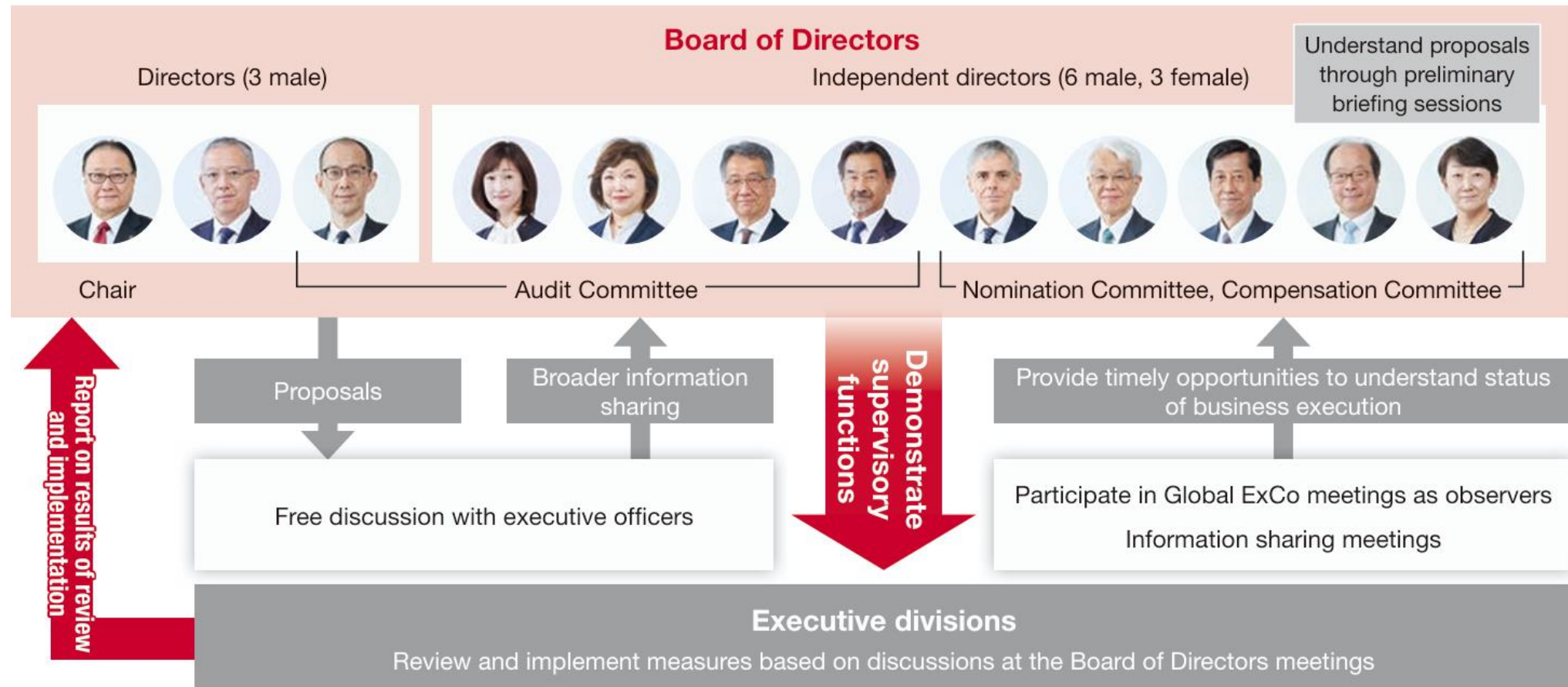
SOMPO's unique purpose-driven management will make it indispensable.

Kengo Sakurai  
Group CEO



## Efforts to ensure and improve the effectiveness of the Board of Directors

A virtuous cycle created by demonstrating the supervisory function of the Board of Directors





# 6-1. Directors



**Kengo Sakurada**  
Director  
(Born February 11, 1966)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings

#### Career Summary

Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1978. Gained experience in P&C Insurance Business integration, alliances, planning, sales, and systems, as well as having enjoyed a global career in international financial institutions before being appointed Director and Managing Executive Officer of Sompo Japan Insurance Inc. in 2010. In 2012, he took over as the Company's Representative Director, President, and Executive Officer, and currently oversees management of the entire Group as Group CEO. Previously Chairman of Japan Association of Corporate Executives (Kaizi Doyukai) from 2019 to 2023. Appointed to current position at the Company in April 2022 (as Group CEO, Director, and Chairman and Representative Executive Officer).



**Mikio Okumura**  
Director  
(Born November 23, 1965)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 11 out of 11 Board of Directors meetings

#### Career Summary

Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1989. Has worked in the management of the Domestic P&C Insurance, Overseas Insurance and Reinsurance, and the Nursing Care & Seniors Business, and in 2019 was appointed to the position of Group CDO. Currently oversees management of the entire Group as CDO. Appointed to current position at the Company in June 2022 (as Group CDO, Director, and President and Representative Executive Officer).



**Misuzu Shibata**  
Director (Independent)  
Chair of the Audit Committee  
(Born July 25, 1974)  
\*Registered as Misuzu Kayama on family register.

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, 2 out of 2 Nomination Committee meetings, 9 out of 10 Audit Committee meetings, and 2 out of 2 Compensation Committee meetings

#### Important Concurrent Positions

Attorney-at-law  
Director of DULICA FOODS HOLDINGS CO., LTD. (Outside)  
Director of PILOT CORPORATION (Outside)

#### Reason for Appointment

Has extensive knowledge and experience as a lawyer and work experience at the Financial Services Agency. She is expected to leverage her expert knowledge and experience to provide valuable advice about corporate governance from the viewpoint of the Board of Directors' oversight and decision-making functions, and with regard to diversity & inclusion. Appointed to current position at the Company in June 2020.



**Meyumi Yamada**  
Director (Independent)  
Member of the Nomination Committee and the Compensation Committee  
(Born August 30, 1972)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings

#### Important Concurrent Positions

Director of idyle Inc.  
Director of SEINO HOLDINGS CO., LTD (Outside)  
Director of Seven & I Holdings Co., Ltd. (Outside)

#### Reason for Appointment

In addition to entrepreneurial and management experience in executive positions, has a wealth of practical experience in digital and other forms of marketing. Has served as a member of committees connected to government bodies such as the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry, and has extensive knowledge accumulated from working in policy development. In addition, is actively working to promote the participation of women in the workplace, and is expected to provide valuable advice on issues connected to diversity and inclusion. Appointed to current position at the Company in June 2021.



**Scott Trevor Davis**  
Director (Independent)  
Chair of the Nomination Committee and Member of the Compensation Committee  
(Born December 26, 1960)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings

#### Important Concurrent Positions

Professor of the Department of Global Business, College of Business, Rikkyo University  
Member of the Board of Bridgestone Corporation (Outside)  
Director of Ajinomoto Co., Inc. (Outside)

#### Reason for Appointment

Has broad knowledge as an eminent scholar and provide appropriate advice to the company's management, especially through his research on strategic management, ESG and CSR at the university. He can also be expected to provide multifaceted advice from a global perspective. Appointed to current position at the Company in June 2014.



**Isao Endo**  
Director (Independent)  
Member of the Nomination Committee and the Compensation Committee  
(Born May 8, 1956)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, and 12 out of 13 Audit Committee meetings

#### Important Concurrent Positions

Director of NECTAGE Co., Ltd. (Outside)  
Director of TANAKA Holdings Co., Ltd. (Outside)

#### Reason for Appointment

In addition to practical experience at a global consulting firm, has a broad range of academic insight as a graduate school professor and abundant managerial experience. Particularly through his practical research into "on-site abilities," is able to provide appropriate management advice to the Company from a deep, multifaceted perspective. Appointed to current position at the Company in June 2014.



**Kumi Ito**  
Director (Independent)  
Member of the Audit Committee  
(Born December 20, 1964)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, and 13 out of 13 Audit Committee meetings

#### Important Concurrent Positions

Managing Partner of Office KITO  
Director of True Data Inc. (Outside)  
Director of FUJII FURUKAWA ENGINEERING & CONSTRUCTION CO.LTD (Outside)  
Director of Ryohin Keikaku Co., Ltd. (Outside)

#### Reason for Appointment

Has experience in operational strategy at electronics manufacturers and other companies, has served as Chief Marketing Officer (CMO) at a healthcare company, and has extensive knowledge of IT and other digital technologies, and marketing. Participated in the launch of a non-profit organization that promotes the participation of women in the workplace, and is expected to provide valuable advice on issues connected to diversity and inclusion. Appointed to current position at the Company in June 2021.



**Masayuki Waga**  
Director (Independent)  
Member of the Audit Committee  
(Born April 10, 1958)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 11 out of 11 Board of Directors meetings, 8 out of 8 Nomination Committee meetings, and 9 out of 9 Compensation Committee meetings

#### Important Concurrent Positions

None

#### Reason for Appointment

After holding various important posts at Mitsubishi Chemical Corporation headquarters and business departments both in Japan and overseas, was appointed President and Chief Executive Officer in 2018. Has management experience in global organizations and in driving change in personnel system and corporate culture. Due to his experience and achievements in top management at such major corporation, he is expected to provide valuable advice regarding the Group's business strategy, global management, and transformational strategies. Appointed to current position at the Company in June 2022.



**Kazuhiro HIGASHI**  
Director (Independent)  
Chair of the Compensation Committee and Member of the Nomination Committee  
(Born April 25, 1957)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings

#### Important Concurrent Positions

Vice-Chair, Osaka Chamber of Commerce and Industry  
Director of Honda Motor Co., Ltd. (Outside)

#### Reason for Appointment

Has experience in finance and management in the banking business, and in 2013, was appointed Director, President, and Representative Executive Officer of Sompo Holdings and Representative Director and President of Resona Bank, Limited. Has held numerous other important posts in the business world, including Chairperson the Osaka Bankers Association and Vice-Chair of the Osaka Chamber of Commerce and Industry. Is expected to fortify the supervisory and decision-making functions of the Board of Directors with his wealth of knowledge and experience in upper management of major companies. Appointed to current position at the Company in June 2020.



**Takashi Nawa**  
Director (Independent)  
Member of the Nomination Committee and the Compensation Committee  
(Born June 8, 1957)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 14 out of 14 Board of Directors meetings, 10 out of 10 Nomination Committee meetings, and 11 out of 11 Compensation Committee meetings

#### Important Concurrent Positions

President of Genesys Partners, Inc.  
Member of the Board of NEC Capital Solutions Limited (Outside)  
Guest Professor of School of International Corporate Strategy, Hitotsubashi University Business School  
Advisor of Sumitomo Mitsui Trust Bank, Limited  
Professor, Division of Business Administration, Graduate School of Business Administration, Kyoto University of Advanced Science  
Audit & Supervisory Board Member of The Asahi Shimbun Company (Outside Auditor)

#### Reason for Appointment

Has practical experience at major Japanese trading companies and global consulting firms and was appointed Professor of the Graduate School of International Commerce, Shiga University of Science in 2010. Currently serving as a Visiting Professor at the university. Uses his abundant business experience as a management consultant and extensive academic knowledge from a global perspective to enhance supervision and decision-making on the Board of Directors at the Company. Appointed to current position at the Company in June 2020.



**Toru Kajikawa**  
Director (Independent)  
Member of the Audit Committee  
(Born September 24, 1951)

#### Newly appointed

#### Important Concurrent Positions

Chairman and Representative Employee of Grant Thornton Tokyo LLC  
Audit & Supervisory Board Member of Kakiyasu Honten Co., Ltd. (Outside Auditor)  
Audit & Supervisory Board Member of Kikkoman Corporation (Outside Auditor)  
Audit & Supervisory Board Member of MITSUBISHI PENCIL CO., LTD. (Outside Auditor)

#### Reason for Appointment

Has professional knowledge and experience as a certified public accountant and a wealth of experience as a manager. He is expected to provide valuable advice concerning corporate governance in particular by leveraging his experience in offering audit and management advice to companies of all sizes in various sectors, as well as his plentiful knowledge and experience as a manager of an audit firm. Appointed to current position at the Company in June 2023.



**Satoshi Kasai**  
Director  
Member of Audit Committee  
(Born December 22, 1962)

Attendance at Board of Directors meetings and other official meetings (Fiscal 2022)

Attended 11 out of 11 Board of Directors meetings, and 10 out of 10 Audit Committee meetings

#### Career Summary

Joined Yasuda Fire & Marine Insurance Co., Ltd. in April 1985. Has experience in planning, human resources, and systems departments in the Domestic P&C Insurance Business, and in 2017, was appointed the Group's Chief Human Resource Officer (CHRO) and Director and Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. In 2019, was appointed CEO of the Group's Nursing & Healthcare Business, and was made Group Advisor in April 2022. Appointed to current position at the Company in June 2022.

Message from the Group CEO

SOMPO's unique purpose-driven management will make it indispensable.

Kengo Sakurada  
Group CEO





# 6-2. Skill Matrix

Name	Kengo SAKURADA	Mikio OKUMURA	Scott Trevor DAVIS	Kazuhiro HIGASHI	Isao ENDO	Takashi NAWA	Meyumi YAMADA	Misuzu SHIBATA	Kumi ITO	Masayuki WAGA	Toru KAJIKAWA	Satoshi KASAI
Reappointment/ new appointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	Reappointment	New appointment	Reappointment
Positions	Director	Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Independent Director	Director
			Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Nomination Committee Compensation Committee	Audit Committee	Audit Committee	Audit Committee	Audit Committee	Audit Committee
Expected roles, skills and areas of expertise for directors												
1) Business strategy	●	●	●	●	●	●	●	●	●	●	●	●
2) Global management	●	●	●	●	●	●	●	●	●	●	●	●
3) ESG, SDGs	●	●	●	●		●	●	●		●		
4) Transformation strategies	●	●	●	●	●	●	●		●	●		●
5) Digital	●	●			●	●	●		●			
6) HR strategy	●	●	●	●	●	●			●	●	●	●
7) Finance, accounting	●	●		●	●		●		●	●	●	
8) Corporate governance	●	●	●	●		●	●	●		●	●	●
9) Legal, risk management	●	●		●				●		●	●	

\* Details of each skill and area of expertise are as follows.

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

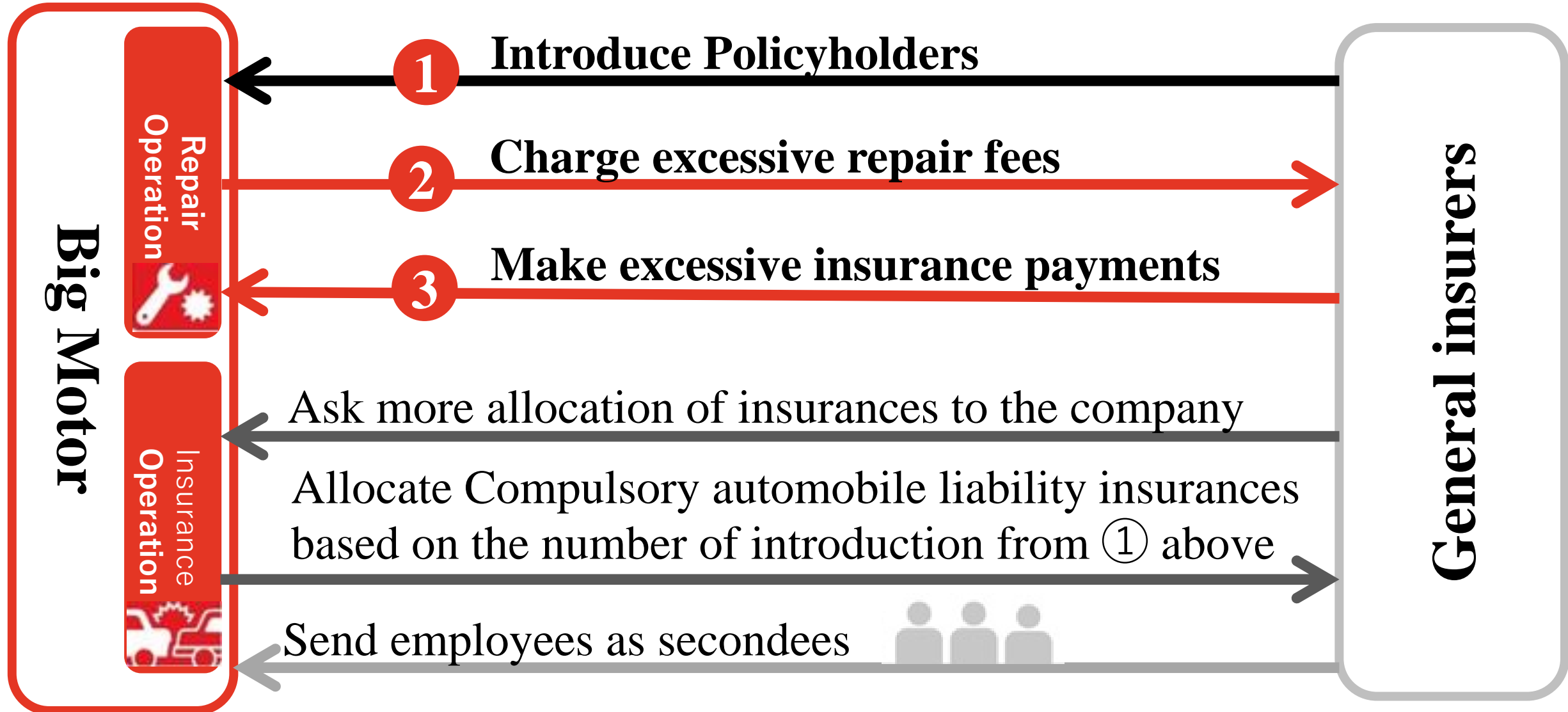
Items 3) through 9): Skills and areas of expertise where each Director is expected to provide useful advice and supervision to the executive sector based on professional knowledge gained through his or her specific insight and experience

The above tables show skills and areas of expertise particularly expected for each director and do not indicate all of the skills and areas of expertise possessed by each director.



(Reference)

## Relationship between General insurers and Big Motor



# (Reference)

## Fundamental reasons behind the SOMPO's wrongdoings with Big Motor (Announcement by FSA)



*Administrative actions against Sompo Japan Insurance Inc. and Sompo Holdings, Inc.*

<Summary>

The FSA took administrative actions against Sompo Japan Insurance Inc. and Sompo Holdings, Inc., ordering the improvement of their business operations pursuant to the "Insurance Business Act."

January 25, 2024

The administrative actions are based on findings from the onsite-inspection of the said entities conducted by the FSA and from reports filed by Sompo Japan Insurance Inc. in response to the FSA's order to submit reports pertaining to the conduct of their businesses, pursuant to the "Insurance Business Act."

The original press release is available in Japanese at the following URL:

<https://www.fsa.go.jp/news/r5/hoken/20240125/20240125.html> 



# (Reference)

## Fundamental reasons behind the SOMPO's wrongdoings with Big Motor



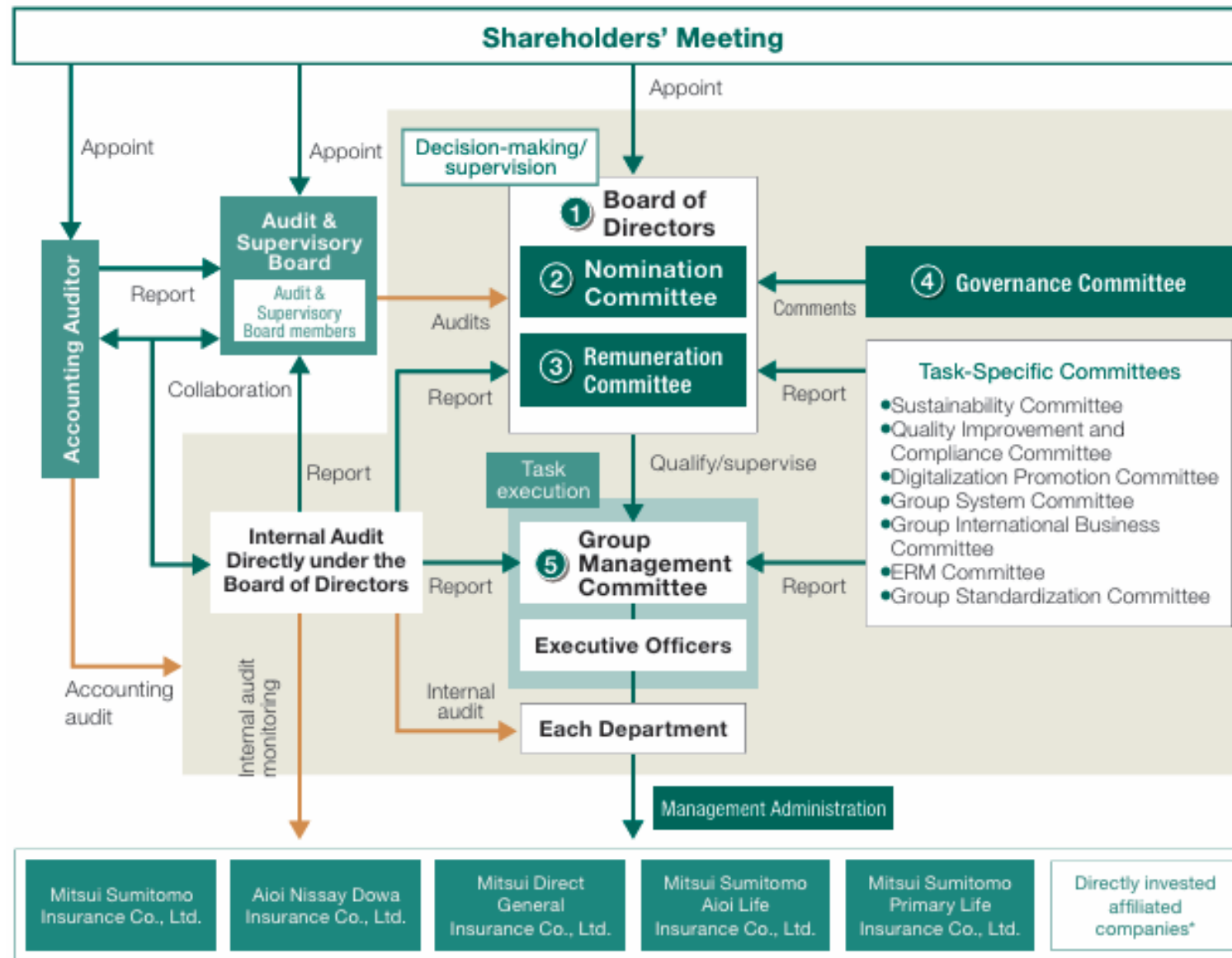
1) While efforts by Sompo Holdings to foster an appropriate corporate culture are insufficient, the following corporate culture has been fostered at Sompo Japan under its management team, including successive presidents.

- ① A corporate culture that values the company's own operating results and profits more than the customer's profits
- ② A corporate culture where top-down management does not object to decisions made by superiors such as the president
- ③ A corporate culture in which unfavorable information is not reported in a timely and appropriate manner to those responsible for business management, such as management and the parent company.

# 6. Corporate Governance System of Japanese insurance companies

MS&AD Insurance Group Holdings, Inc.

(as of July 1, 2023)



\*Related operating companies consist of the following eight: MS&AD InterRisk Research & Consulting, MS&AD Business Support, MS&AD Staff Services, MS&AD Systems, MS&AD Business Service, MS&AD Grand Assistance, MS&AD ABILITYWORKS, and MS&AD Ventures.

Note: Committees boxed in   indicate those under the scope of supervision of the Board of Directors.



A

**Company with Board of Company Auditors**

# 6. Corporate Governance System of Japanese insurance companies



As a member of the Board, we will grow together with society.

The Board of Directors is composed of 18 members, including 7 independent non-executive directors.

The Board of Directors is responsible for the overall management of the company, including the approval of the business plan, the budget, and the dividend policy.

The Board of Directors also oversees the company's risk management and internal control systems.

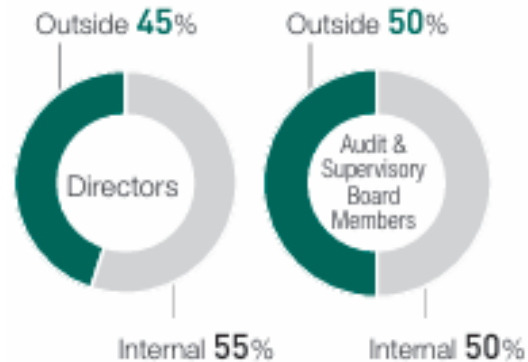
The Board of Directors is composed of 18 members, including 7 independent non-executive directors.

The Board of Directors is responsible for the overall management of the company, including the approval of the business plan, the budget, and the dividend policy.

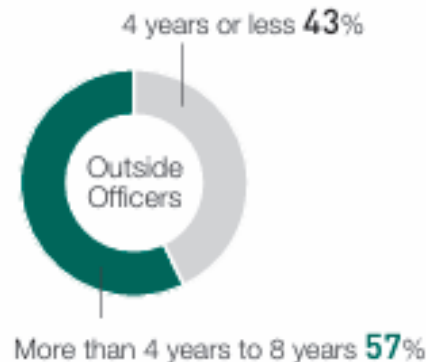
The Board of Directors also oversees the company's risk management and internal control systems.

## Director/Audit & Supervisory Board Member Composition (as of July 1, 2023)

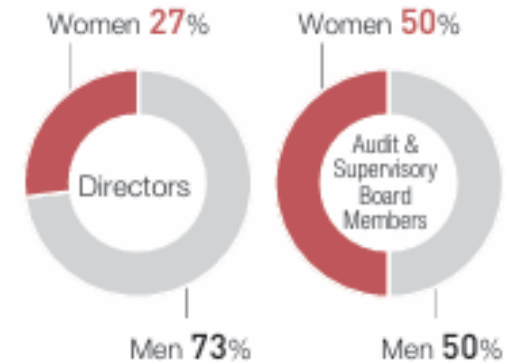
### Ratio of Outside Directors



### Length of Term in Office of Outside Directors



### Ratio of Women



### Ratio of Outside Directors and Outside Audit & Supervisory Board Members on the Board (compared with July 1, 2010)



### Ratio of Women on the Board (compared with July 1, 2010)



# 6-1. Outside Directors



**Mariko  
Bando**

Outside Director

Chairperson of  
the Remuneration Committee

**Attendance record:** Board of Directors' meetings 12 of 12 (100%)

**Number of Company shares owned:** 6,600

**Reasons for appointment and expected role:**

Held prominent positions as Director of Gender Equality Bureau of the Cabinet Office, President of Showa Women's University, etc. She has a wealth of knowledge and experience in the fields of public administration and education, as well as in the promotion of diversity, and is expected to supervise management and provide advice to management in general.

**Important concurrent positions:**

President of Showa Women's University

Director, Mitsubishi Research Institute, Inc. (Outside Director)

Director, ITOKI CORPORATION (Outside Director)

**Date of birth:** Aug. 17, 1946



**Junichi  
Tobimatsu**

Outside Director

Chairperson of  
Governance Committee

**Attendance record:** Board of Directors' meetings 12/12 (100%)

**Number of Company shares owned:** 0

**Reasons for appointment and expected role:**

He has a wealth of knowledge and experience concerning overall corporate legal affairs including those of overseas companies as an attorney-at-law. We expect him to supervise management and provide advice on all aspects of management in relation to ensuring the soundness of the Group's management.

**Important concurrent positions:**

Attorney-at-law, GAIEN PARTNERS  
Director, amana inc. (Outside Director)

Director, AI, Inc. (Outside Director (Audit and Supervisory Committee Member))

Director, CANDEAL Co., Ltd. (Outside Director (Auditor))

**Date of birth:** Aug. 15, 1972



**Akemi  
Ishiwata**

Outside Director

**Attendance record:** Board of Directors' meetings 10/10 (100%)

**Number of Company shares owned:** 100

**Reasons for appointment and expected role:**

As an Executive Officer of Kao Corporation, she has a wealth of knowledge on sustainability and experience in public relations and corporate branding. We expect her to supervise management and provide advice on all aspects of management from a wide range of perspectives.



**Rochelle  
Kopp**

Outside Director

Chairperson of  
Nomination Committee

**Attendance record:** Board of Directors' meetings 12/12 (100%)

**Number of Company shares owned:** 0

**Reasons for appointment and expected role:**

She has a wealth of knowledge in the field of cross-cultural communication and experience as a management consultant. We expect her to supervise management and provide advice on all aspects of management in relation to the global expansion of the Group.

**Important concurrent positions:**

Managing Principal, Japan Intercultural Consulting  
Director (Outside Director), Lightworks Corporation

**Date of birth:** June 29, 1964



**Jun  
Suzuki**

Outside Director

Newly appointed

**Number of Company shares owned:** 2,500

**Reasons for appointment and expected role:**

Held prominent positions as the General Representative in Europe of the TEIJIN Group of TEIJIN LIMITED, Representative Director, President and CEO of TEIJIN LIMITED, etc. He has extensive knowledge of international business and experience as a manager, and is expected to supervise management and provide advice on management in general.

**Important concurrent positions:**

Senior Advisor, TEIJIN LIMITED

**Date of birth:** Feb. 19, 1958



As a member of the Board of Directors, we will grow together with society.

# 6-2. Skill Matrix

Officer	Skills								
	Corporate Management	Internationality	IT and Digital	Sustainability	Human Resources and Human Asset Development	Legal Affairs and Compliance	Risk Management	Finance and Accounting	Insurance Business
Director Karasawa	●	●		●	●	●	●	●	●
Director Kanasugi	●	●		●	●	●			●
Director Hara	●	●		●	●		●		●
Director Higuchi	●	●	●	●	●	●	●	●	●
Director Shimazu		●	●	●	●	●	●		●
Director Shirai				●		●	●		●
Outside Director Bando	●	●		●	●	●			
Outside Director Tobimatsu		●				●			
Outside Director Kopp	●	●		●	●				
Outside Director Ishiwata				●					
Outside Director Suzuki	●	●		●	●				
Auditor Suto							●	●	●
Auditor Suzuki							●	●	●
Outside Auditor Chiyoda		●						●	
Outside Auditor Uemura						●			



As a member of the team, we will grow together with society.

Report on Sustainability 2023



# 7. Corporate Governance System of European and US insurance companies

## 7-1. Top Message (AXA)

**“AXA is ready to unlock  
the future”**



## 7-2. Directors (Generali)

**Andrea Sironi**  
Chairman

Age 59

In office since 28/02/2022\*  
02/05/2022\*\*

**Independent<sup>88</sup>**

Committees ● P

Skills

Experience

**Philippe Donnet**  
Managing Director  
and Group CEO

Age 63

In office since 17/03/2016

**Executive**

Committees -

Skills

Experience

**Marina Brogi**  
Director

Age 56

In office since 29/04/2022

**Independent<sup>88</sup>**

Committees ● ● ○

Skills

Experience

\* As director \*\* As Chairman

**Umberto Malesci**  
Director

Age 42

In office since 29/04/2022

**Independent<sup>88</sup>**

Committees ● ● P

Skills

Experience

### Skills and experience of the Board of Directors

#### Skills

 Financial and actuarial	92%	 Audit & Risk Management	69%
 Insurance and financial markets	92%	 Legal	15%
 Regulatory framework and compliance rules	92%	 ESG and Sustainability	53%
 Corporate governance	100%	 Digital, IT and cybersecurity	38%
 Business model and Strategy	92%	 Internationalism	100%

#### Experience

 Managerial and/or Entrepreneurial	69%
 Institutional	30%
 Consultancy	15%
 Academic	23%

# 7-3. Skill Matrix (Allianz)

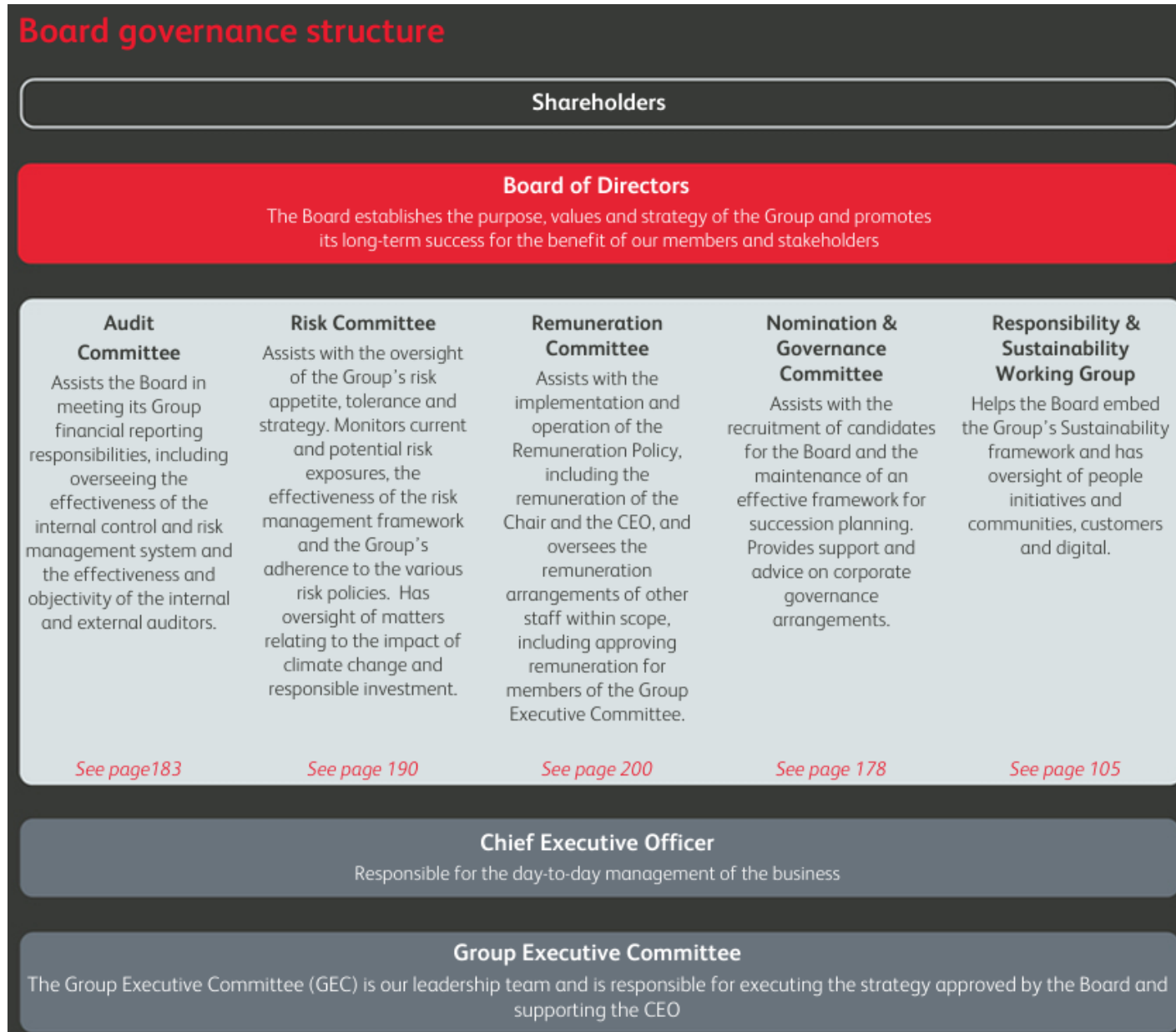
		Diekmann	Hainer	Boissard	Bosse	Chatterjee	Eichiner	Burkhardt-Berg	Le Goaër	Grundler	Kirsch	Lawrenz	Di Paolo
Tenure	Joined Board in	2017	2017	2017	2012	2022	2016	2012	2018	2016	2018	2015	2022
Personal Appropriateness	Regulatory Requirement (Fit & Proper)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Independence <sup>1</sup>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	No Overboarding <sup>1</sup>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	Gender	male	male	female	female	female	male	female	male	female	male	male	male
	Nationality	German	German	French	Danish	Singaporean	German	German	French	German	German	German	Italian
Expertise	Accounting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Insurance Actuarial Practice	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Investment Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Technology	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Digital Transformation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Employee Engagement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regional Expertise	North America	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Growth Markets	✓	✓	-	-	✓	✓	-	-	-	-	-	-
	Europe (E.U.)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Criteria met. Expertise criteria based on annual self-evaluation by the Supervisory Board. Tick means at least “Good knowledge” and implies the capacity to understand the relevant matters well, and to take educated decisions. Good knowledge may result from existing qualifications and from the training regularly attended by all members of the Supervisory Board. On a scale from A-E this requires at least grade B.

1\_ According to the German Corporate Governance Code.



# 7-4. Corporate Governance Structure (Prudential plc)

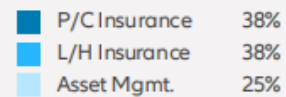


# 7-5. Performance Presentation (Allianz)

## 5yr track record

### Operating profit 2020: EUR 10.8bn

#### By segments<sup>1</sup>

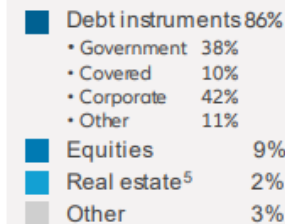


#### By regions:

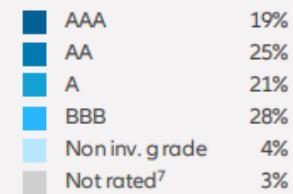


### Investment portfolio 2020: EUR 790bn

#### Asset allocation



#### Debt instruments by rating<sup>6</sup>



In EUR		2016	2017	2018	2019	2020	Δ 20/19	CAGR4yr
Income statement	Revenues <sup>8</sup> (bn)	122.4	126.1	132.3	142.4	140.5	-1.3%	+3.5%
	Operating profit (bn)	11.1	11.1	11.5	11.9	10.8	-9.3%	-0.7%
	Shareholders' net income (bn)	7.0	6.8	7.5	7.9	6.8	-14.0%	-0.7%
Capital	Shareholders' equity (bn)	67.1	65.6	61.2	74.0	80.8	+9.2%	+4.8%
	Solvency II ratio <sup>9</sup> (%)	218%	229%	229%	212%	207%	-5%-p	-
Other data	3rd party AuM (tn)	1.36	1.45	1.44	1.69	1.71	+1.5%	+5.9%
	Total AuM (tn)	1.87	1.96	1.96	2.27	2.39	+5.3%	+6.3%
	RoE (%)	12.3%	11.8%	13.2%	13.6%	11.4%	-2.2%-p	-
Share information	Basic earnings per share	15.3	15.2	17.4	18.9	16.5	-12.8%	+1.9%
	Dividend per share	7.60	8.00	9.00	9.60	9.60	0.0%	+6.0%
	Dividend yield (%) <sup>10</sup>	4.8%	4.2%	5.1%	4.4%	4.8%	+0.4%-p	-

1) Excl. "Corporate & Other" and consolidation between segments

2) CEE, Asia Pacific, Latin America, Middle East and Africa, Turkey. Austria and AZ Direct allocated to Western and Southern Europe

3) UK, Ireland, Australia

4) Allianz Global Corporate & Specialty, Euler Hermes, Allianz Partners, Allianz Re

5) Excluding real estate held for own use and real estate held for sale

6) Excluding seasoned self-originated private retail loans

7) Mostly mutual funds and short-term investments

8) From 2018, total revenues also comprise P/C fee and commission income

9) Including the application of transitional measures for technical provisions, the Solvency II capitalization ratio amounted to 240% as of 31.12.20

10) Divided by year-end share price

For a definition of alternative performance measures please refer to our [website](#)

# 7-6. Materiality (Allianz)

## 05.3 Materiality



### Our material issues

Our assessment identified 19 material issues which were prioritized as either having high or medium importance. Topics are ranked and presented in a materiality matrix along two axes according to stakeholder views on their importance to society and to our business.

All topics in the materiality matrix relate to sustainability and several are linked to our sustainability strategy pillars, including:

**E: Our climate approach** – climate change, environmental footprint in our operations.

**S: Our social approach** – financial inclusion, local community engagement, human rights, D&I.

**G: Our approach to sustainability integration** – ethics and responsible business, data and AI ethics, data privacy, cybersecurity, sustainability integration into products.

The top three most material issues for all our key stakeholders and our business are:

1. Climate change
2. Ethics and responsible business
3. Cybersecurity

# 7-7. Remuneration (Prudential Financial)

## 2021 NEOs' Total Direct Compensation at a Glance

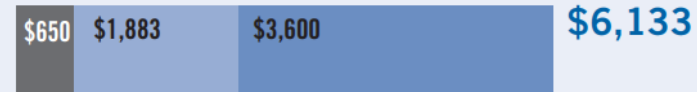
(thousands)

The following illustrations depict the amount and mix of pay delivered to our CEO and other NEOs for the 2021 performance year, including salary paid in 2021 and incentive awards granted in February 2022 for 2021 performance.

### Charles F. Lowrey



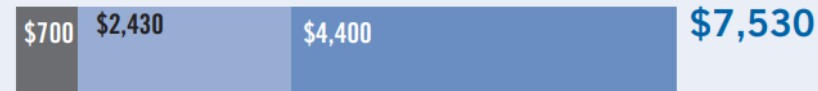
### Kenneth Y. Tanji



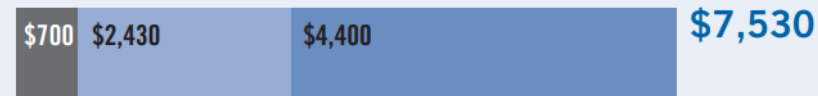
### Robert M. Falzon



### Scott G. Sleyster



### Andrew F. Sullivan



- 2021 Base Salary
- Annual Incentive Award
- Long-Term Incentive Award

## 7-8. Board Review (Prudential plc)

### Board review and Advice for Shareholders

As required by the CG Code, the Board of Directors evaluates its own operation and that of the Board Committees at least once a year. In accordance with a practice followed by most Italian large-cap issuers, Generali has for some time outsourced the task of supporting the relevant Board Committee, and, consequently, the Board of Directors, to a firm of external consultants. For the three years 2019-21, subject to the opinion of the GSC, the firm has been identified as Egon Zehnder International S.p.A. The Board of Directors provided for the consultant to be actively involved in the Board reviews for the financial years 2019 and 2021, with the preparation of a questionnaire for the members of the Board of Directors and the chair of the Board of Statutory Auditors, followed by interviews. The activity for financial year 2020 was performed in-house, with the consultant merely providing support.

#### Board effectiveness

##### Actions during 2021 arising from the 2020 review

The performance evaluation of the Board and its principal Committees for 2020 was conducted externally by Independent Board Evaluation, an independent consultancy. The external nature of the review met the provisions of the UK Code which requires external evaluations on no less than three-yearly intervals. The findings were presented to the Nomination & Governance Committee and Board for discussion in December 2020. A final report was presented in February 2021, and the Board approved a number of action points for 2021. Set out below is an update on progress to address the 2021 actions:



## Principles

- J. Appointments to the board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management.<sup>4</sup> Both appointments and succession plans should be based on merit and objective criteria<sup>5</sup> and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.
- K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.
- L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.

21. There should be a formal and rigorous annual evaluation of the performance of the board, its committees, the chair and individual directors. The chair should consider having a regular externally facilitated board evaluation. In FTSE 350 companies this should happen at least every three years. The external evaluator should be identified in the annual report and a statement made about any other connection it has with the company or individual directors.
22. The chair should act on the results of the evaluation by recognising the strengths and addressing any weaknesses of the board. Each director should engage with the process and take appropriate action when development needs have been identified.
23. The annual report should describe the work of the nomination committee, including:
- the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - how the board evaluation has been conducted, the nature and extent of an external evaluator's contact with the board and individual directors, the outcomes and actions taken, and how it has or will influence board composition;
  - the policy on diversity and inclusion, its objectives and linkage to company strategy, how it has been implemented and progress on achieving the objectives; and
  - the gender balance of those in the senior management<sup>6</sup> and their direct reports.



END of lecture material

I appreciate your patience.