

Progress of Mid-Term Management Plan

Company Participants

- Kengo Sakurada, Group CEO, President, and Representative Executive Officer
- Koichi Narasaki, CEO of Digital Business, Group CDO, Senior Executive Vice President and Executive Officer
- Masahiro Hamada, Senior Executive VP/CFO/Co-CSO/IR
- Mikio Okumura, Senior Executive Vice President and Executive Office & Chief Executive Officer at Sampo International Holdings Ltd.
- Satoshi Kasai, CEO of Nursing Care, and Seniors Business
- Shinji Tsuji, Deputy President & COO
- Tatsuru Aoki, Caregiver
- Unidentified Company Representative, Company Representative
- Yuta Tachizako, Nursing Care Manager and Facility Head

Other Participants

- Kazuki Watanabe, Analyst
- Koichi Niwa, Analyst
- Koki Sato, Analyst
- Masao Muraki, Analyst
- Natsumu Tsujino, Analyst
- Tatsuo Majima, Analyst
- Wataru Otsuka, Analyst

Presentation

Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Thank you very much for the kind introduction. I am Kengo Sakurada, Group CEO of Sampo Holdings. The MC said the presentation would take 30 minutes but I would try to be brief so that we can allocate more time for Q&A. So I would like to first thank all the participants for taking time out of their busy schedule to join our IR meeting today.

Our First Half Results and Revised Full-Year Guidance for fiscal '21 were announced on November 19th. What I'd like to achieve today is to help you understand the progress of the Mid-Term Management Plan that started this fiscal year.

After my presentation on the progress of the management targets and the various initiatives carried out so far we will have some time for Q&A. Now please turn to page 3.

First and foremost I'd like to share my thoughts on Sompos purpose-driven management as a Group CEO and secure understanding on this concept.

This slide illustrates how the pursuit of purpose will lead to sustainable growth for Sampo. At Sampo, we believe that the pursuit of a Theme Park vision is the very essence of our purpose. In other words, pursuing the Theme Park for Security, Health and Wellbeing, will guide us to solve social issues and ultimately contribute to a sustainable society.

In addition to conducting businesses that contribute to security, health and wellbeing, such as insurance and nursing care, we will build our proprietary Real Data Platform or RDP from these businesses.

By evolving the RDP into a monetizable business model we will increase corporate value and I think this is a way for us to meet the expectations of the investors. And through these initiatives will try to enhance the corporate value and accelerate the cycle of reinvesting the value generated from the Theme Park vision.

You may find something similar to this diagram presented from the other companies except for the RDP component. Sampo is unique in that we have a Nursing Care business. We are very exceptional in that space even in a global context and we have real data generated from nursing care and insurance business. And the second ability to analyze the data set.

We will capitalize on this strength to realize our purpose and achieve sustainable growth. And as you can see in the center of this diagram it is the Group's employees who have their own personal purposes that underpin the realization of these goals.

Each employee is required to clarify personal purposes while enhancing engagement. And from the Nominating Committee and the Remuneration Committee, I have mandated this mission and this is one of my important missions. And I will explain how we are working on it later.

Please turn to the next page. This slide shows the overall picture of our Mid-Term Management Plan and summarizes the progress made in the first half of the (three core) strategies in the underlying business foundations. I will give the details later but in general we have made steady progress.

As I explained in May we have been sharing among the management team the intent of showing results of each initiative set forth in the plan to the investors quantitatively with evidence and I believe that led to our good progress. Please turn to the next page.

As announced on the 19th, we achieved record-high profit for the first half of the year. We have also revised up our full year earnings guidance and we are off to a very good start toward reaching our Mid-Term Management Plan target of JPY 300 million in adjusted profit.

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It's only been six months since the start of the Mid-Term Management Plan and we will continue to show our progress objectively based on these Groups management targets.

From the next page, I will go through our Group Strategy. Please turn to page 7. Scale and diversification is one of the three core strategies under the Mid-Term Management Plan.

I will explain the details of each of the businesses later. But the top line growth has been outpacing the plan. Now this is due to pricing measures and new product launches in the Domestic P&C business and rate increases in the Overseas Insurance business which stands out with its very good growth.

In the Domestic Life Insurance business we expect top line growth triggered by the launch of a new cancer product. And we expect the growth to be higher than the expectation.

The combined ratio, an indicator of profitability is still far from the level targeted in the Mid-Term Management Plan. This is mainly for the Insurance business. The combined ratio for the Insurance business is still far from the level targeted under the Mid-Term Management Plan but we will thoroughly execute the Profit Structure Reform in Domestic P&C business and profitability improvement measures in Overseas Insurance business. And please turn to the next page.

We are expanding the scale of our business, Insurance business both in Japan and overseas backed by the progress of various initiatives including rate hikes. We have been achieving a high annual growth rate of just under 7%, and this first half a high year-on-year growth rate of just under 10%, was achieved.

In particular, the growth overseas has been remarkable and the business has more than tripled compared to the period before the acquisition of a formal Endurance now known as Sampo International. Furthermore the ratio of the Overseas Insurance business is increasing against our total business portfolio.

Despite the general perception of the insurance industry being a mature industry with no prospects for future growth, Sampo has actually achieved such strong growth. And we'd like to lead us to a steady growth of bottom line. And this will be an important measure for us to achieve our vision under RDP.

And the Overseas business ratio and risk diversification ratio which are the numerical targets for diversification are showing a strong start. We expect the Overseas Insurance business to contribute more to adjusted profit in the current fiscal year than the last. And the Overseas business ratio is steadily progressing toward the F.Y. '23 target of 30% or more.

At the result meeting in May we explained that the five focus areas in the road map for RDP which will be the pillar for creating a New Customer Value.

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Our goal in terms of business size is to exceed JPY 500 million in the medium to long term. And with this roadmap, the Nursing Care RDP is expected to spearhead the overall initiatives. As of today I will show the spotlight on the Nursing Care RDP and explain the current status.

This slide illustrates the RDP business model for the Nursing Care business. Japan is facing the modern social issues of declining birth rate, aging population, and shrinking working population. Against such backdrop Sampo is taking on the challenge of creating new value to solve social issues using the Nursing Care business as PoC verification opportunity.

So that you will have a better picture of our initiative, we made a video of showing the significance of working on Nursing Care RDP with Palantir, our RDP Partner, on the details of our efforts at nursing care facilities. After the video, I will provide more details on the next page. So please take a look at the video.

(Video Begins)

Satoshi Kasai {BIO 20083911 <GO>}

(through translator) Japan has one of the healthiest and highest life expectancy societies. On the other hand, we face significant challenges from an aging population, and a declining birth rate.

More people need care about the labor pool is shrinking. Japan is a developed country facing serious challenges. We had invested in various operational systems and sensor technologies but the data was still siloed in many different places and not fully utilized.

That's when we came across Foundry. I believe we have achieved about 20% improvement to the overall care operations at the facilities. We are looking to use Foundry at 50 facilities by the end of the year.

What we wanted to first achieve is to take the real data that we have such as nursing care records, meal consumption data, and medication records that we had in various systems all over the place, and bring them together in a single place and be able to visualize the data.

Yuta Tachizako

(through translator) As a Nursing Care Facility Manager, Foundry brings together all the data that was previously scattered so it is possible for me to proactively check the conditions of many residents and give the appropriate instructions to the caregivers.

Tatsuru Aoki

(through translator) Previously it took 30 minutes to 60 minutes just to gather the necessary information to review the contents of the care plan but after introducing Foundry, all the necessary data is on a single screen so it is much quicker for us to understand the status of the residents and know at a glance what actions to take next.

Yuta Tachizako

(through translator) Currently in the facility we have sensors under the bed which measure, sleeping time, respirator rate, and the pulse of the residents.

A few days after integrating the sensor data to Foundry, we notice that one of the residents sleeping time had increased from an average of 10 hours to 16 hours. We were able to find this out by using Foundry.

I asked the doctor what caused the increase of sleeping hours but the doctor couldnt specify the cause. However when we overlaid the sleeping data with the residents prescription data within Foundry, we were able to see that around the same time the residents prescription dosage was increased.

I consulted with the doctor and upon decreasing the dosage, the residents average sleeping hours went back to 10 hours.

Satoshi Kasai {BIO 20083911 <GO>}

(through translator) With this technology, we connected not only Sompos Cares data but other care providers data to perform even more advanced data analysis and generate significant value.

In our long-term care business we do our utmost to support the elderly with a smile so they can live a healthy and fulfilling life. So MPO would like to help shape this kind of future.

(Video Ends)

Kengo Sakurada {BIO 15149542 <GO>}

(through translator) So that was how we are using the Real Data Platform in our Nursing Care business. And I hope you now have a better image on what we are trying to achieve.

Let me also share the development status. Product development is underway for this product in three steps. Data visualization, systematization of expertise, getting the "know hows" and the expertise of able, experienced, caregivers. And using those data we would like to make a predictable nursing care. So these are the important steps that we are taking under development.

We have already deployed the product to 20 facilities within our Group and the development is aligned with the needs and workflow on site, achieves through an approximately 1,000 hours of internal dialogue with Palantir, our Partner and with ABEJA talented engineers. ABEJA is a blue chip company when it comes to IT.

At this point we have already developed eight modules and half of them are planned to be commercialized after verification and validation.

We are also working to create solutions that are actually necessary for nursing care providers by having external nursing care facilities, actually use the system and give us feedback from the users perspective. There are about 60,000 nursing care homes and we hope that we can offer a necessary service to those facilities.

We have been able to reshape the nursing care RDP to certain extent through a process of trial and error, and agile development.

We have confirmed that they are still a number of issues to be addressed before we can commercialize the Nursing Care RDP. Setting the price is one of them. We believe that the 20% productivity gain can save the labor costs by JPY 10 million to JPY 20 million per facility for an average fee-based nursing home.

And predictable care function will be offered as a additional value proposition. And we plan to set an appropriate price in commensurate with the benefits that can be delivered.

As the initial step, at a target launch of the Nursing Care RDP, is set for F.Y. '22. And by combining solutions with real services for nursing care facilities, we aim to create a business for several tens of billions of yen.

And as the next step we will form an ecosystem with nursing care peripheral businesses and provide solutions overseas with the aim of achieving a medium- to longer-term target of JPY 100 billion.

In addition to the Nursing Care RDP, we will continue to provide objective evidence of our progress in other areas as well, and contribute to the resolution of social issues as the one-and-only Real Data Platform, while aiming to achieve our medium- to long-term target of being a globally well-known company in this space. We are aiming for JPY 500 billion in terms of size.

Nursing Care business is a challenge for the government. And there has been many policies and initiatives considered. Enhancing the service efficiency and the level of solution is necessary for an improvement in the Nursing Care business, and also to offer this abroad.

We believe Sampo can spearhead this kind of initiative, to be the role model in this market. And we decided on the capital allocation of JPY 600 billion as growth investment in the current Mid-Term Management Plan. And the capital will be spent to increase the

certainty of achieving management targets, and to further promote RDP. And we accept -- expect to use it actively.

We will definitely focus on discipline while investing with a firm eye on long-term future growth. The bottom left, it shows our investment performance to date. We have only made two relatively small overseas deals so far and we will continue to seek opportunities for overseas M&A to ensure that we achieve adjusted profit target of JPY 300 billion under the Mid-Term Management Plan.

We have a list of many opportunities that we are screening with discipline, including ones in the magnitude of a few hundred billions of yen.

In the digital domain, we have been investing to create new businesses. Our CDO, Mr. Narasaki, is well-versed in the Digital Business, obviously and is deeply embedded in the human work of the industry.

We are making progress and collaborating with our industries by leveraging our discernment in various digital fields including that of our CDO. And digital investment is intended to use the tech companies technology for our business.

But as you can see on bottom right, that the financial value of our investments is also expanding as the investors businesses grow. As a tech-oriented company and that is the goal, that we are aiming. In the recent Global Executive Committee, we had a thorough discussion on this topic.

Please turn to the next slide? On the left side of the page, the direction of risk by area during the Mid-Term Management Plan is shown.

Results for the first half of the fiscal year were in line with the sense of direction. At present we are communicating actively more than before between Holdings and Group companies to establish the optimal way of risk taking for the Group as a whole.

And in the middle of the slide, you could see that we are making steady progress in reducing domestic interest rate risk, and strategic shareholdings, which we disclose numerical targets on.

We will continue to improve the capital efficiency of the entire Group. And aim to achieve our target of 10% or more, adjusted consolidated ROE. Please turn to the next page.

As indicated in May Sompos shareholder return policy is to return 50% of adjusted consolidated profit as basic return, and to provide supplemental returns flexibly depending on circumstances.

This is the first time that Sampo has decided to buy back JPY 20 billion of its own shares as in supplemental return for the interim period.

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As shown in the center of the diagram, this amount will be added to the basic return to be determined in May next year, based on the current fiscal years financial results. The reason for the supplemental return is that, as indicated in the lower left frame, due to the partial sale of Palantir shares, the company's immediate capital surplus is expected to stably exceed the level at the time the plan was formulated.

We will continue to provide attractive returns to our shareholders, taking into account the business environment, and capital situation, while emphasizing capital efficiency. Please turn to the next page.

Regarding the new way we work, which is one of the three basic strategies of the Mid-Term Management Plan, we will like each and every employee in the Group to overlap their My Purpose with the Sompos Purpose. And this should lead to the realization of the overall purpose through engagement and overwhelmingly higher productivity.

One of the key initiatives to enable the overlapping of the Group's employees, My Purpose, and Sompos Purpose, is to hold town hall meetings with employees. Since the start of the meetings in September, we had seven of them. And I personally was a part of it, communicating with a total of about 10,000 people, viewing the communication I have had with the Group employees.

I felt firsthand that these efforts would build up to improve employee engagement. And this is something we learned from COVID-19, which was a new way of communication, and a new management tool. I was able to feel this firsthand. And I also felt this was the new normal. So going forward, I would like to continue on to use this tool in a proactive way.

In addition to this increased engagement, further growth for Sompō requires innovation in which diversity and inclusion is inevitable -- where inclusive diversity is inevitable. By accelerating D&I we will accelerate our efforts to achieve innovation and growth. And as a Real Data Platform we would like to ensure we are able to realize of this vision.

Please turn to the next page. Regarding SDGs and Business Management, we have established Materiality KPIs that are linked to our strategy for realizing the purpose and we are working on them.

And I am sure that our investors are already well aware of the contents but we have fundamentally revised the Annual Report this year, positioning it as an important information disclosure tool for communication to investors and other stakeholders. We hope you take a look.

We believe that the Annual Report is an important information disclosure tool to deepen understanding of Sompos unrealized financial value. The value to resolve social challenges will turn into cash through monetization eventually in the future.

That is what we believe in. And we would like to ensure that we are able to have people understand this in a deeper way. So we will continue to brush up the contents of the

Annual Report to make it more appealing to our investors. Please turn to the next page.

With regard to the change of the Overseas Insurance business from John Charman to James Shea, the transition was carried out with speed and without confusion based on the succession plan as of September the 1st.

In addition, we launched the Value Communication Team in August, called VCT. This goes back to improving our unrealized financial values. We will collaborate within the Group to improve the unrealized financial value through purpose-based management, and the promotion of sustainability.

We will engage to resolve social issues, and we would like to communicate which is our mission to engage with our stakeholders. So the VCT will partner with divisions internally in order to effectively communicate. With that they will work to enhance our brand value and corporate value with our multi-stakeholders.

That's it for the Group Strategy. I'll now explain Strategies by Business. For your reference, page 20, shows the progress of KPIs by business. Please turn now to page 21, where we talk about the Domestic P&C Insurance business.

The results of Earnings Structure Reform have been steadily reflected in the progress of business performance with particularly good progress in the measures against high losses, and the results have already exceeded the initial plan. Also so far the impact from natural disaster losses has been trending within our assumptions.

For top line we continue to make progress in our efforts to optimize premium rates. In addition, sales of packaged products for small- and medium-sized companies which cover various risks surrounding them have expanded contributing to steady growth.

Regarding Earnings Structure Reform, we are working on improving underwriting by utilizing Palantir, our Partner in technology and the effects of these efforts are steadily materializing. And we will continue to have good expectations going forward.

From the next page onwards, the progress -- please turn to page 24 next? In contrast to the Domestic business and the Overseas Insurance business it has been a year of major natural disasters ever since 2017, including major hurricane landfalls, and flooding, in Europe. Even in such an environment we expect to achieve that initial plan for our mainstay SI Commercial P&C business.

Although the pace is slowing down, the insurance market continues to harden against the backdrop of frequent natural disasters and the ultra-low interest rate environment. In SI Commercial, the (heart) market is proving as a tailwind and top line is growing strongly.

In addition by diversifying the policy portfolio and improving profitability, SI Commercial continues to generate profit growth as a growth engine for the Group.

The following thesis described SIs Commercials top line and profitability including a comparison with peers. I hope you could refer to the momentum that the business has. Please now turn to page 27, where we talk about the Domestic Life Insurance business.

Adjusted profit in the Domestic Life Insurance business is making steady progress here as well. In addition efforts to reduce interest rate risk which I mentioned earlier in the capital policy section are also progressing well.

Annualized new premiums appears to be lagging slightly against plan, as the plan had anticipated the start of sales of the new Cancer Insurance products in the second half. However on the other hand, compared to the level of pre-COVID-19, ANP is trending favorably. And even when compared to Q1 disclosure from peers, we have exceeded their results significantly.

In October, we made a good start by launching that new Insurer Health-Type Cancer Insurance product as planned. We are promoting initiatives to make it a catalyst for the second half of the year.

On the next page, we explain the progress of key indicators. Now please turn to page 29, where we talk about the Nursing Care and Seniors business. Due to the state of emergency declaration, there was a slight delay in the progress against numerical targets in the first half.

On the other hand, the environment is improving at present and we will accelerate our efforts in the second half of this fiscal year on the premise of the safety of our users, and employees.

Adjusted profit for fiscal 2021 is expected to reach the beginning-of-year plan. And one of our KPIs, occupancy rates are expected to exceed the beginning-of-year forecast of 90.8% by a wide margin due to greater sales activities.

For initiatives in the Nursing Care and Seniors business, apart from Nursing Care RDP, please refer to the next page for your reference. Now please turn to page 31.

For Digital, in the Digital business, established SOMPO LIGHT VORTEX as a core company. We have started to work on commercialization of digital solutions such as product development sales, et cetera, by collaborating with startups with cutting-edge technologies.

Also as a Group, we were selected as one of the (DX) companies to watch in 2021, jointly by the Ministry of Economy Trade and Industry, and the Tokyo Stock Exchange. We will continue to engage in dialogues with digital technology partners and actively promote the Group's digital transformation.

And like I mentioned earlier, we will strive to become a tech-oriented company by generating a track record. Finally please turn to page 33? Here is the link to the Nursing

Care RDP video which we showed earlier. The video was posted on Palantir's website. So I hope you can take a look.

The next page and following pages are reference materials, including various data and excerpts from the first half financial results disclosed on the 19th. This concludes my presentation. Now I'd like to take any questions you may have.

We will continue to do our utmost to achieve the management targets of the Mid-Term Management Plan and we will report our progress to investors and objective evidence-based manner. Thank you very much for your attention. Thank you.

Questions And Answers

A - Unidentified Company Representative

(through translator) Thank you very much, Mr. Sakurada. This will conclude the presentation from our side. Now we'd like to move on to the Q&A session.

Operator

(through translator) So the first question is from Mr. Watanabe from Daiwa Securities. This is what another from.

Q - Kazuki Watanabe {BIO 15948747 <GO>}

(through translator) I have two questions. The first one is on page 15, regarding your supplementary return. Your (ESR) is -- was within the target range. Why did you decide to do an additional return and was the proceeds of the Palantir sales -- did the (ESR) go up. Is that the reason or is the additional return due to an increase in cash balance?

And my next question, is on page 18, regarding the succession plan. So for the Overseas Insurance business you had a change in the CEO. And I think the market appreciates the strong leadership of Mr. Sakurada but do you have any comments of your own succession plan? Do you have any candidates to succeed your position?

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) This is Hamada, the CFO. Mr. Watanabe, thank you very much for your question? Let me respond to your first question.

So we decided to do an additional return of JPY 20 billion. So this is partially due to a partial sales of the Palantir stocks but we looked at the total capital base to decide on this return.

The key point was that there was some capital surplus and we had looked at the capital surplus position versus our JPY 600 billion investment plan.

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As to the relevant cash balance, we have looked at their capital base so with the Palantirs stock sales we gained the proceeds of JPY 50 billion -- over JPY 50 billion in cash and this was especially used to LIGHT VORTEX Company and the cash is reinvested for our next growth.

And with the capital surplus, we thought that if there is a room for us to return the capital to the shareholders we will do so and that was the basis of the current decision. And let me respond to your second question.

As you know, we have a committee-based governance structure so including the succession plan, and also the nomination of the CEO, and also the resignation of the CEO, will be decided by the Nomination Committee. They have the full authority for that.

And just to give you some facts, myself included, all of the leadership here today and also other business owners, both Overseas, Domestic P&C , Domestic Life business, and Nursing Care business, if we've got any candidates for our respective business owners or we have a list which has been submitted and discussion is taking place.

When, who, at what timing, I don't have the authority to share their information. And we don't have the Chairman of the Nominating Committee so we will not be able to offer you the answer. But we will appoint the right person at the right timing. So that is all I can say but to that date, I will try to fulfill my role. Thank you.

Q - Kazuki Watanabe {BIO 15948747 <GO>}

(through translator) The follow up on the first question. In that sense, even if the ES -- ESR is within the target range, there is a possibility for you to conduct a supplementary return. Is that right?

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) Yes. That is the right understanding.

Q - Kazuki Watanabe {BIO 15948747 <GO>}

(through translator) Thank you very much.

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) Thank you very much for your question, Mr. Watanabe.

Operator

(through translator) Next from SMBC Nikko Securities, we would like Mr. Muraki to ask a question.

Q - Masao Muraki {BIO 3318668 <GO>}

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(through translator) This is Muraki from SMBC Nikko Securities. Thank you for taking my question.

My first question is about page 13. You mentioned Palantir and as well as other investments into other digital areas. And you talked about capital. And my question is about how much capital you are considering on deploying.

Page 14, for non-insurance businesses, you said that capital allocation is going to happen at a certain degree. And one year ago for Palantir, from a risk management point of view, you started discussions on what you are going to do and one year after you sold about 20%.

Going forward on an on-going basis, are you going to continue to reduce risk? That's one question. And for other investments, I think you do have quite a lot of unrealized gains. So by recycling it are you going to move it towards new investments in your partnerships. Can you share with us your thinking around this? That's my first question.

And my second question, if I may move -- go on. My second question is about the International business. For page seven and top line, it seems the top line has exceeded your expectations quite substantially but so has the loss rate as well. It has been exceeding plan.

Since you formulated the mid-term plan not many years have passed yet, and for upward revisions for whether the top line for revisions of the combined ratio to lift it higher, do you think there will be a need to do so? That's my question.

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) Well this is Hamada. I will take your first question then. First of all, for page 13, and the 600 billion growth investment that you pointed out, by a certain degree, I will be investing into the insurance business as well as into the digital areas as well.

For Palantir and shares and the way we are going to treat it going forward, as one single stock name, the weight in our portfolio is quite heavy still so there is stock fluctuation risk therefore over the medium term, Palantir shares need to be reduced. That is our view.

However at this point in time to be honest, we don't have a plan to divest shares even more. And if we do share this with Palantir but in order to build RDP the unrealized gains if possible can be deployed. That's one of the options, so that we could use it for other digital investments.

So we will look at which areas we can invest in, as we decide to make further reductions of Palantir's shares. And as shown on page 13, financially we have been successful in other non-Palantir investments as well.

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We have established SOMPO LIGHT VORTEX for this reason actually, meaning that for digital investments, we would like to collaborate with new technologies for -- that is the aim of doing this.

But because we are able to benefit financially, we would like to circulate that so that we could deploy it for the next digital investment. And that is why we set up a SOMPO LIGHT VORTEX. Do you have anything to add, Mr. Narasaki?

A - Koichi Narasaki {BIO 20083913 <GO>}

(through translator) As Mr. -- I would like to make some follow-on comments to what Mr.

Hamada said.

Looking at the right-hand side of page 13 and at the bottom, there are some numbers available here, ex-Palantir we have been making total investments worth approximately JPY 30 billion in the past and that current equity value is approximately JPY 60 billion and it has been calculated in a conservative way. We do invest into startups as well as venture capitals as well.

The aim of our investments is strategic return that will contribute to RDP but for investees or venture capitals, I should withhold giving you the exact numbers but the return comes double to what we have initially invested.

And also for the start up investments some of the investees have already went to market and IPOed, and we joke, the other screen has -- went to market and now it's publicly traded. And there were other investees where an IPO exit is already visible so in a conservative way the startup part can also double our investments.

So to your point, as you rightly said we would like to recycle our investments so that we could reinvest into other areas, so we would like to recognize the gains while we invest in other areas so that we could pursue further strategic return. So at one time we are trying to achieve three things. That's all from me. Thank you.

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) And Mr. Muraki, for the overseas business, I would like to respond to your question. This is Okumura speaking. For top line, the rate-increase environment is favorable and we are trying to leverage that and we have been able to see so far our top line that exceeds our plan.

But for the combined ratio, it is relatively high compared to our plan as you said. And one reason is because of CAT losses. Compared to our expectations, it is exceeding by JPY 10 billion. That is what we're assuming.

For the Fourth Quarter we haven't been seeing that much yet so it might go below our expectations in the end. But the loss ratio has been going up due to this reason. So our

plans going forward, there are some positive factors and there are some factors that we need to watch out for.

So for the positive factor, as Mr. Sakurada, mentioned earlier, the rate increase environment, we were a little bit pessimistic about it but it's becoming tighter lately again so it should -- it is exceeding the level of lost cost.

One thing we need to be cautious about there, are two. One is CAT trends, natural disasters that is, especially hurricanes. We need to have a close watch on them. And we're not just going to estimate numbers in a conservative manner but we also need to revise our portfolio whether it be geography or line of business or attachment points, and increasing the attachment point. So we are taking various types of countermeasures.

And the other is inflation, as well as social inflation, and past-year underwriting and loss developments from past years. We need to strengthen our reserves, that may be the case. Or we may have to close it early by strengthening claims handling.

So inflation and social inflation might turn out to be negative factors but we believe the rate increases that are happening now as well as the margin improvements will be able to offset the negative factors.

So this year in May we did explain some numbers. And we do believe that there is a high probability of achieving them. Next year as well. Thank you very much.

Q - Masao Muraki {BIO 3318668 <GO>}

(through translator) Just wanted to confirm some numbers. It might be centered around Palantir but according to your calculation, ESR should go up if unrealized value -- unrealized gains are realized. It's hypothetical but how much should ESR go up if all the unrealized gains were recognized, is it going to be 10 points or is it going to be otherwise?

And you also talked about past underwritings and developments, if there were to be cost inflation. So when do you do reserve studies at SI, and when are those results reflected in your P&L?

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) For ESR, first of all, Palantir alone if the full amount were to be divested ESR should go up by 15%. And if you were to include other elements it would be within 20 points.

Q - Masao Muraki {BIO 3318668 <GO>}

(through translator) Okay. Thank you.

A - Mikio Okumura {BIO 15901852 <GO>}

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(through translator) For SI reserves, we do it by a quarter. Actuaries, the claims people, as well as our management, underwriting people, checks the data and we come up with our best estimate.

If that's the case for the revised plan and risks associated with it I guess it's not that significant for this year. The numbers that we have set forth at the interim period should not be that different from the final results. But Q4 hasn't yet closed so we would like to closely monitor the trends. Thank you very much.

(through translator) Thank you for the question, Mr. Muraki.

Operator

(through translator) Next is from Mitsubishi UFJ Morgan Stanley, Mr. Tsujino, please?

Q - Natsumu Tsujino {BIO 2234779 <GO>}

(through translator) You mentioned about JPY 600 billion for investment for growth. And you mentioned so much surplus on ESR. So I think at this time it was 255% and your target ranges from 200 to 270%, so whatever exceeds 200% is that the surplus?

I know you have JPY 770 million at present and vis-a-vis that, you have a buffer and you can still secure JPY 600 billion. Is that your thought process. Could I confirm that and if that is the case?

I think the -- because the sensitivity is on the interest rate because even if the equity price drops it does not have a material impact. So I guess that means that you do have a substantial room as surplus. But based on that, how much share buyback can you expect for the year. It seems like it's kind of your intuitive feeling to decide on that but can you elaborate on how you make the decision?

And Overseas that top line is growing substantially and I guess it's partially due to the rate hike and except for the net CAT loss, the combined ratio has not come down significantly.

So I guess you are taking new risks, so the risk amount is increasing. But with this kind of risk increase on a consolidated basis, even with the rapid growth, this risk increase will be offset by diversification. And is there going to be a need to allocate further capital to Sampo International going forward?

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) Yes. This is Hamada speaking. I will answer your first question. Also the rough calculation that you pointed out is correct. So we have the adjusted capital of a JPY 3.5 trillion and the risks but the JPY 4 trillion. So if we say 200% is minimum, then JPY 700 billion, there will be the capital surplus based on ESR.

But I think we explain just now, we change the target range and we are monitoring ESR so that we can avoid the rating agency to downgrade us.

And at this point in our view the capital surplus may be relatively small but the thinking behind the additional return this time is that originally we had allocated JPY 600 billion for growth investment and to maintain this every year we will have to look at the profit growth and the capital increase, and how the risk amount is increasing.

So we do the simulation every year and for this fiscal year the original simulation versus there is no simulation in the first six months of the year, we had the sales of the Palantir stocks, and also we had seen an increase in the unrealized gain substantially. So roughly speaking we had additional JPY 50 billion in the capital base versus our original plan.

So we could have returned all of that but the market price portion will be impacted if the equity market comes down. So based on that we decided to do an additional return of JPY 20 billion.

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) So this is Okumura speaking on the Overseas business. The top line is growing for sure. And the loss ratio is relatively high and this is because of the CAT loss and also their portfolio is shifting from Global CAT to Global Casualty. So that is why the loss ratio is slightly higher than expected.

Regarding the sufficiency of the capital base, and where we make the Mid-Term Management Plan and our own business plan for the next three to five years, we are using the internal rating calculation for ESR or the ECR based on the Bermuda calculation.

We will be exceeding 150% of our (EFR) a margin. So in terms of organic growth based on the current business, we thought that we do not need to ask for additional capital. But if we are going to do a bolt-on M&A or if we are going to accelerate the risk taking, the between the holdings and the businesses we may discuss every potential capital infusion.

Q - Natsumu Tsujino {BIO 2234779 <GO>}

(through translator) On a consolidated basis then, even if the Overseas business grows this much, the risk increase will be offset by diversification, is that right? And also, it means that we had the significant exposure to a natural catastrophe overseas and but you're trying to shift the portfolio, how much are you going to reduce the CAT exposure?

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) Well first on the Overseas Insurance business, in the real terms, yes. It is increasing. But in terms of percentage point, looking at a business portfolio the CAT risk rate is decreasing. For example, with the reinsurance global CAT, in 2017 when we acquired the business, the exposure was about 14% to 15% within the total portfolio. And now in 2025, that exposure is close to 5%.

And obviously Hurricane (Ida), when a similar net CAT was hit, in the comparing our net loss and the industry is loss, our net loss this time is much lower compared to the past. And this is due to the revised underwriting policy and also our reserving policy.

(In a sale), on a quarterly basis, we monitor if the portfolio structure is what we intended it to be. So we do not have a clear target or threshold but looking at the annual earnings, we want to make sure that the CAT loss will be within the annual earnings for our portfolio. (Does that address) your question, Mr. Tsujino?

Q - Natsumu Tsujino {BIO 2234779 <GO>}

(through translator) So the overseas risk is increasing but on a consolidated basis the risk amount for a consolidated basis will be offset by diversification. Is that right?

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) Yes. That is right.

Q - Natsumu Tsujino {BIO 2234779 <GO>}

(through translator) Okay. Thank you very much.

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) Thank you, Mr. Tsujino.

Operator

(through translator) Next person is Mr. Otsuka from JPMorgan Morgan Securities.

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) This is Otsuka from JP Morgan. Thank you for taking my question. If it's possible, I would like you to take one question at a time.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Yes. That's fine. Please go ahead?

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) Okay. My first question is about page 5. I'm looking at page 5, right now. For risk diversification ratio which you have started to quantify from this Mid-Term Management Plan, my question is about page 5. As you set forth here the improvement rate as well as the level, is what I would like to ask about.

Looking at what you're doing from the outside, you are saying you're making steady progress but in the next six months, are you going to be able to see one percentage (inaudible)? And would that mean that you're making steady progress? So I'm my question is about speed of improvement.

And whether you are already making improvements against the Fiscal Year 2020 actuals which is your goal for the final year. How high do you think you can go if there were high net CAT losses overseas or in Japan.

From the outside how can we feel assured that you are making up for it through other businesses. Can you give us some flavor on that? That's my first question.

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) Thank you, Mr. Otsuka for your question. For the risk diversification ratio, we're talking about scale and diversification which is one of our core strategies. As we set this as one of our core strategies we thought about how we can show how we have diversified so that is why we introduced this ratio.

Regarding the ultimate level we are going to go after, we actually haven't yet come up with an answer. So we would like to constantly be able to have a strong diversification in the business so that we could be a well-diversified Group. That's how far we have come so far.

Of course in 2023 according to our simulations we are able to see where we are going to reach but we are not sure yet if that's going to be the ultimate goal we want to reach. So this may not answer your question but we just want to say at least that we want to see the results be better compared to the previous year. And we are not able to quantify the final goal yet.

So for example, a diversification of business through large M&As or through RDP and value creation, and more contributions from that, theoretically speaking you should be able to see a higher risk diversification ratio right, yes, that is correct.

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) Okay. Thank you very much for that confirmation. My second question is about page 10. I'm looking at page 10.

Six months ago, at this kind of briefing, I think you discussed this as well. So you have five focus areas of RDP right now. And with respect to the speed of businesses, and the response you're feeling from your engagement is what I would like you to share with me.

For that nursing care area, I did get the impression that you are making good progress but for the other focus areas such as disaster prevention and mitigation, as well as mobility, how much response or progress are you making and for the speed you are seeing in each of the businesses, do you think the rate of how you're progressing is fine or do you think you need to accelerate your efforts?

A - Koichi Narasaki {BIO 20083913 <GO>}

(through translator) Thank you very much for your question. This is Narasaki, speaking. I will take the second question you asked. So we did explain a lot about Nursing Care RDP. And

you might be wondering if we're doing well on the other focus areas.

The feel we have is that -- I actually joined the company five years ago from the outside but when it comes to Sampo Japan Insurance or the P&C Business, and mobility resilience RDT, the business processes of Sampo Japan is extremely large in scale and I'm really feeling that firsthand.

What I mean by that, is RDP is a product. Before we develop it to sell it externally, we have Foundry, for internal digital transformation, and for better productivity.

We are utilizing a Foundry quite a lot and what we would like to do through this is we would like to ensure we have been seeing contributions the bottom line already. So we are working on that. And as we work on the developments to create it as a solution product, in the area of mobility and resilience.

So we are putting together a lot of creative triggers together with Sampo Japan. So we are trying to generate effects internally so that to outside customers and to outside markets we have started to gain visibility that the product has far more impact on the external markets and customers.

So whether it be Sampo Japan or Sampo International, in the area of agriculture, that we have a product called AgriSampo. And a new solution product that we can add on, is being developed right now.

For the details, we have been able to give you a specific examples at today's IR meeting but after Nursing Care RDP, we believe RDP products that are comparable to Nursing Care RDP or even better than Nursing Care RDP products, are currently in the works.

But we would like to ensure that we thoroughly use the products internally first to generate good results and then turn it into a solution product.

So it has taken a little bit longer time than the Nursing Care area, but that's how gravity it has. So that's all from me. Thank you.

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) If that's the case seems like the fuel [ph] you're getting is that compared to six months ago you were talking about monetization by selling it externally, and you were talking about the four phases that you would like to go through. The final phase are level three and level four, but I guess you are now prepared to leapfrog to level three or four?

A - Koichi Narasaki {BIO 20083913 <GO>}

(through translator) Yes. You could view it that way because we are already at the end of the Third Quarter. Now we are at a stage where the product can be shared as a product

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presumably next fiscal year than this fiscal year, but that's the rate at which we are working right now.

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) Okay so briefly one more question. In the area of mobility or disaster prevention and mitigation, when you look at other companies whether it be domestic or overseas, when it comes to data analysis I am sure that each and every company does that. So are you seeing a densification of competition or do you continue to have an upper hand if you can briefly take that question, too? Thank you.

A - Koichi Narasaki {BIO 20083913 <GO>}

Well some parts of it is confidential, so I am not able to give you the details of this, but personally I can say that we are one or two steps ahead of other competitors.

Q - Wataru Otsuka {BIO 16340098 <GO>}

(through translator) Understood. Thank you very much.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Thank you, Mr. Otsuka.

Operator

(through translator) And next Mr. Sato from Mizuho Securities, please.

Q - Koki Sato {BIO 19983862 <GO>}

(through translator) This is Sato from Mizuho Securities. Can you hear me?

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Yes.

Q - Koki Sato {BIO 19983862 <GO>}

(through translator) I have two questions. The first question is for the final year of the MTMP you are aiming for ¥300 billion for adjusted profit after six months? I think that the progress may imply that there could be some upside. Do you agree with that?

As I'm not done asking if this is going to be for higher than ¥300 billion, but I'd like to look at the situation closely to see in which part of the business you may be outpacing your plan. For example, on page 22 you talk about the profitability structure reform and you have personally repriced [ph] the guidance for this fiscal year.

So if this is; if this is not the loading [ph] the future impact I think I need to enjoy positive upside. And mostly overseas the rate hike environment is better than your optimistic [ph]

view, and I think you've been able to increase a topline for this fiscal year. So given that is that going to have some upside impacts on your final target for FY 23?

And my second question is on specific topic. With a revised plan looking at your Brazil business it seems that the loss expectation was lowered quite significantly. I think this is backed by manufacturers. I think are you planning to build up the reserves?

And in this way for the emerging markets in the retail business now it's under SI Holdings. What are the new challenges that you expect, and what kind of countermeasures do you need to deploy? So are there any business units outside of Brazil that seems to be challenging or where you have to take on some countermeasures?

A - Masahiro Hamada {BIO 20083917 <GO>}

(through translator) This is Hamada speaking. Thank you for the question. Let me address your first question. So your understanding is broadly right. So the biggest driver of our profit is the earnings structure reform and also growing little price [ph] overseas. In the previous six months that progress was better than expected, so I think that's a positive factor.

And for this fiscal year the net cat loss was very moderate, and that we cannot foresee how this will trend three years from now, but in the current situation intuitively [ph] the current accident rate. I know that today there is some info [ph] coming from COVID-19 and going forward with the resurgence of good travel [ph] the traffic may come back again.

But ultimately, I think of it the change is happening in a society. The loss ratio will not come back to the previous levels. So what we can expect three years from now I think this part will be a positive factor. So that will be the changing assumption for three years out.

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator) So on your second question regarding the revised guidance for Brazil and also, in fact, on retail business, this is Okumura speaking to address that question. So for our business in Brazil we had to revise down our guidance, but by the end of this fiscal year we will be cleaning up the balance sheet. So the resolve and revision of the accelerated and multi-vision depreciation will be completed.

And also in the retail companies shifting under SIH, and that what happened back in 2019. And after that the SIH function leaders like CFO and also internal audit person urgently [ph] communicating with the retail business.

And after the issue happened in Brazil obviously the results were audited for each of the businesses, but the issue that we saw in Brazil happen. So we are now doing an overall review for the whole business, and at this point we don't see anything like Brazil where we have to do the reserve for the prior year development.

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Q - Koki Sato {BIO 19983862 <GO>}

(through translator) Thank you very much. Thats very clear.

Operator

(through translator) Thank you very much, Mr. Sato. Next person is Mr. Niwa from Citigroup.

Q - Koichi Niwa {BIO 5032649 <GO>}

(through translator) This is Niwa from Citi. Thank you. I have a question about RDP, the Real Data Platform, as well as overseas retail which might be similar to the previous questions.

So first question is about page 12. On the left-hand side you show a diagram. In the CEOs comment you were saying several tens of billions of yen in fiscal 2022 as well. So my question is how much is the unit prices going to be, and how much of number of operators are you assuming? Is it going to be 4,800 [ph]? Is that the basis of your calculations?

If you have any numbers that you have for this fiscal year, I was just wondering how we should estimate the size of the business and how we should break it down? And six months ago at the briefing you were saying that you would like to make a comment at appropriate timing regarding profits.

So RDP for Nursing Care or for the overall RDP separate [ph] can you give me more commentary on it? Next is for overseas retail, which is overlapping with Mr. Satos question, but for the overseas retail segment can you once again walk us through the position of that?

You were saying that you are promoting earnings structure improvement, but for Brazil as well as for Turkey where there are an unsteady outlook in the geopolitical situation, are you; should we look at this business through the view of applying insurtech in sales force going forward? So please share with us your expectations.

A - Masahiro Hamada {BIO 20083917 <GO>}

Thank you, Mr. Niwa, for your questions. First of all on page 12, Mr. Sakurada was referring to we are going to launch Nursing Care RDP in fiscal 2022, and ultimately we would like to reach several tens of billions of yen not necessarily for fiscal 2022.

I think reaching several tens of billions of yen in fiscal 2022 is something we cant commit to. So regarding our assumptions for page 12 we did have internal discussions on our side, too, and of course we don't want to; we didnt want to put in numbers that were inappropriate.

And as Mr. Sakurada mentioned in his presentation by implementing this per facility how much cost can be reduced was what we tried to work out, and how much of pay are we

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able to receive and return. So we looked at that and also for the number of operators, we do know the total number of operators nationwide. And for digital devices or ICT we thought about are the operators who can actually go through the digital transformation.

So that is why our initial target is of 400 or so companies, so our calculations are based off this. So when you do the calculation it doesn't reach ¥10 billion; ¥100 billion yet but as we show under others in the non-RDP peripheral areas we are expecting to generate some income as well developing the business overseas and so forth.

A - Shinji Tsuji {BIO 16148256 <GO>}

(through translator) So if I may follow up on that, this is Mr. Tsuji. Thank you very much for your question, Mr. Niwa. As was just explained I would like to talk about the current state of the business.

For Nursing Care RDP we have a CDMO team who is engaged in marketing, and as Mr. Sakurada mentioned in his presentation currently there are eight operators to which we have been proposing plans.

We are having discussions with them. So the teams are starting from there individually. At the next step we would like to transform to pool [ph] type marketing, for example, Im having booths at exhibitions or doing digital marketing. So these are the things we are currently planning for. And thats the stage were in right now. So for the monetization schedule it is exactly as Mr. Hamada explained. Thank you.

A - Mikio Okumura {BIO 15901852 <GO>}

(through translator)

Q - Koichi Niwa {BIO 5032649 <GO>}

(through translator) So Mrs. Okamura [ph] I would like to take your question. As you know in the past we use to support Japanese corporations and going abroad. So that was one of the reasons why we were going overseas. But whether the developed our emerging markets or commercial and retail now their missions are to generate profits as well as to diversify risks and contribute to our performance.

Turkey is the most advance in their skills and culture. We are trying to develop that out to the other retail markets. But as you have pointed, there is geopolitical risks and there are; there is something like currency rate depreciation like what happened two days ago. And single company efforts are not able to control that kind of risk.

So thinking about what we can do, one is scale expansion as well as diversification when looking at the overall retail business. And in doing so what we are engaging in right now is new channels and new markets.

We are trying to advance into them together with Ensure Tech companies. So developing new channels as well as new markets is what were working on.

Whatever the case may be when it comes to currency rate depreciation which is a huge headwind and when you're doing business on a US denominated or Yen denominated way it is hard to see; figure out the growth prospects but overall we would like to think about risk diversification from the retail business as well. Thank you.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Thank you. Mr. Niwa [ph].

Operator

(through translator) Next Tatsuo Majima from Tokai Tokyo Research Center, please.

Q - Tatsuo Majima {BIO 15338044 <GO>}

(through translator) My first question is regarding the purpose driven management. The employees engagement is something that you like to enhance and I think a visualization [ph] of that is a key challenge for you. What kind of measures are you taking to visualize the employee engagement? (inaudible) has a motivation [ph] club linked motivation club [ph]. What are the measures you're taking?

My second question is regarding digital. Another player for digital will be AI, how are you going to utilize AI as part of your digital strategy?

In regards to the usage of AI, we may be slightly behind for the insurance business, for PNC claims handling AI is used to detect the fraud claims payment. But what is your thoughts on using AI.

And regarding Foundry, I think you put the priority on utilizing Foundry for the nursing care business. But in the second half of the year nursing care business is important. But with the COVID-19 situation I think analysis on the pandemic is something significant for the society.

The new cases have stabilized so I guess Foundry for COVID-19 analysis may not be needed, is that the case? So those are my two questions.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Regarding the first question and the need for engagement and also the purpose driven punishment [ph] within the board members, which are mostly outside directors, we had a very thorough discussion and my mission or three missions from the remuneration committee and the engagement is the key mission that was provided to me.

And regarding the measurement of engagement there was no particular instruction. And if we use our own KPI to measure the level of engagement it may not be significant as a data point. So we're using the Gallop [ph] data set and we are simply measuring the

engagement to share the level of engagement today. But what's important is the background which led to such results.

So for example, we're seeing the (inaudible) quarter the engagement index may be high but on site for digital or nursing care of the insurance business the on-site engagement if there is a slow down [ph] is going to be an issue. So that's the kind of discussion that is taking place.

So we are using the Gallop [ph] tool and the result that will be used I think is going to be the key for implementing the purpose [ph] driven management for different companies. And we will try not to be self-centered on that point. And on your second question I think Mr. Narasaki would like to answer your question.

A - Koichi Narasaki {BIO 20083913 <GO>}

(through translator) Taking a long time but I will try to simply answer that. So this is not a Narasaki speaking and I'm surprised that you said for AI initiatives we are behind because among the three mega insurance companies in Japan I think we are most advanced.

And to give you some very simple example, we are partnering with Abaja [ph] who is the (inaudible) company in deep learning globally. And with the largest shareholder for Abaja [ph] and we are using Abaja's [ph] AI and deep learning internally. I think other companies would also have some partnership but the relationship is not as deep as ours.

And on your second point, regarding the data analysis I hope not to be misleading but AI and data analysis is not two separate things. The data analysis not done by analysts it's done with AI and deep learning.

As (inaudible) Foundry is a type of AI in way. So for this; with the fear of COVID-19 and you mentioned (inaudible) on the spread of COVID-19 over Sampo Japan and Sampo Group as a whole, Foundry was introduced to kind a prefixer [ph] and this was used to analyze the COVID-19 situation in the prefixer [ph].

And we also have the government which is utilizing AI capabilities. So to the other municipalities this is penetrating as a service. So the data analysis not just on the COVID-19 situation but for other purposes is something that we are already providing.

Q - Tatsuo Majima {BIO 15338044 <GO>}

(through translator) Yes, that's very clear. Thank you for that response. Thank you very much.

A - Unidentified Company Representative

(through translator) Thank you, Mr. Majima. So we are drawing close to our given time so the next question will be the final question. It will be a question from Mr. Sasaki from BofA Securities. The question is through the chat box so I will read his question on his behalf.

For nursing care RDP, I felt that the path to profitability has become clearer. In order to accelerate your efforts to scale do you have any intention of receiving external capital or bringing it to market? Will that be part of your discussion especially if you're going to export it out to overseas you will probably need an overseas partner. So can you share us your views? Thank you.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Maybe I should take that question. Thank you very much for your question, Mr. Sasaki. It is exactly as you have just pointed out. So I'm not saying with who and I'm not going to say any company name but there are many inquiries that are being presented to us.

But what's important here is before we scale up that we have had this discussion thoroughly at our board. But we need to put priority on quality. And if we focus on quality we believe we'll be able to expand in quantity as well.

So for nursing care too, we believe we have now gained visibility around what nursing care RDP is all about. We still have a lot to do but ultimately we would like to export in the future and we would like to create a marketing and research team. And we do already have that kind of team available and I think it's going to happen mainly in Asia but we are working on it as we speak.

So there are many challenges we are facing. However there are a lot of opportunities. Compared to when we were just doing insurance, I can say we are getting quite a lot of inquiries these days although I am not going into detail right now. Thank you very much for that question.

A - Unidentified Company Representative

(through translator) Thank you very much Mr. Sasaki. So as time has come, we would like to bring the meeting to a close. If you have any additional questions please present your questions to our IR team. Thank you very much for participating today.

A - Kengo Sakurada {BIO 15149542 <GO>}

(through translator) Thank you.

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