



We extend our heartfelt condolences and pray for a quick recovery for all who have been affected by the earthquakes that struck Kumamoto, Japan, in April 2016. All companies in the Sompo Japan Nipponkoa Group have been working together to meet customer needs and pay out insurance claims as swiftly as possible. The expressions of relief and encouragement we have received from customers for being treated with com-

passion during this difficult time has been a profound reminder of our social mission to deliver peace of mind.

Earthquakes are among the many devastating natural disasters that are becoming increasingly common worldwide, compounding concerns over other social challenges such as poverty, human rights, and health issues. As all of these issues are closely tied to our business, we

Top Commitment

Pursuing a Sustainable Society and Group Growth through Solutions to Social Challenges

are working even diligently to offer solutions through our products and services.

FY2016 marked the start of the Group's new Mid-term Management Plan, which seeks to build a "theme park for the security, health, and wellbeing of customers."

We expanded into a wide range of businesses, including entering the nursing care and healthcare business in earnest, and worked to develop unique, attractive

businesses and services utilizing the latest digital technologies. Through these measures, we hope to achieve long-term business growth and contribute to a more sustainable society.



President & CEO
Sompo Japan Nipponkoa Holdings, Inc.



Taking on new challenges in VUCA world

Humanity faces a host of mounting social issues, including poverty, human rights, and health issues, as well as the growing frequency of natural disasters, and the risk of climate change. Indeed, we are said to be living in a VUCA world—one that is volatile, uncertain, complex and ambiguous.

Against this background, 2015 was a historic year for setting the international agenda on sustainability: the Sustainable Development Goals were adopted at the UN summit in September, and the Paris Agreement was adopted at COP21 in December. These agreements suggest a growing awareness in the international community of the necessity for societal transformation and stakeholder partnership in addressing complex, borderless issues—and for businesses to take an ever-larger role in this endeavor.

Corporations are expected to contribute to this transformation by transforming themselves, namely by placing sustainability at the heart of their business strategy, decision-making, and disclosure processes.

In FY2016 we launched a new Mid-term Management Plan covering the five years through FY2020. It will serve as our new growth strategy for realizing our Group Management Philosophy of “contributing to the security, health, and wellbeing of our customers and society as a whole by providing insurance and related services of the highest quality possible.” Guided by our Group Brand Slogan, “Innovation for Wellbeing,” we aim in this VUCA world to capitalize on the risk assessment expertise and other risk management strengths we have acquired through insurance and realize a

“theme park for the security, health, and wellbeing of customers,” including the nursing care and healthcare business. Moreover, by utilizing digital technologies we will seek to elevate our growing range of businesses and services into distinctive “attractions,” supporting and enriching our customers’ lives every step of the way. Under the new plan, social responsibility remains an integral part of our business foundation for sustainably raising our corporate value, and we will continue to pursue a sustainable society and Group growth by providing solutions to social challenges.

Expanding business for security, health, and wellbeing

FY2015 was a year that saw the Group work to develop a wide range of businesses to provide services that contribute to the security, health, and wellbeing of customers, in addition to developing and delivering products and services that harness cutting-edge technologies.

Digital technologies are being increasingly used in various business fields in step with technological advances. Against this backdrop, we began providing safe driving support services using telematics and big data analysis. We also started operating call centers that utilize AI (artificial intelligence) and other advanced technologies.

In FY2015, we entered the nursing care and healthcare business in earnest. In this business, we secured a leading position among publicly traded nursing care providers in terms of the number of residences for elderly people, and became second in the industry in terms of net sales.

By providing “safer and more reliable nursing care services” while simultaneously ensuring the “dignity and independence of the elderly,” we aim to realize “Japan, an affluent country that can boast to the world of a long and quality life.” To address rising medical costs caused by lifestyle-related diseases as well as the growing prevalence of mental health issues, in February 2016 we began offering health and productivity management support services. We are using these same services to promote health and productivity among our Group employees, recognizing that a vital and dynamic workforce is essential to providing top-quality services.

Five material issues and our three key strengths

Given these international developments and changes in our business environment in recent years, we redefined our CSR Material Issues set in 2012 with the aim of making further progress on sustainability and Group growth. This process involved consulting international goals and guidelines on social responsibility, and then prioritizing our material issues according to their impact on stakeholders and importance to the Group. Through discussions with corporate responsibility experts,

international groups, civil society and other stakeholders, we then reassessed the issues internally before deciding those that are most material to us.

We redefined the following Five Material Issues, our framework for achieving our CSR Vision to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing: 1) Providing solutions for disaster preparedness, 2) Contributing to health and welfare, 3) Promoting the manageability of global environmental issues, 4) Empowering community and society, and 5) Supporting diversity and inclusion in private and public life.

We have also defined Three Key Strengths to serve as approaches that will enable the Group to take full advantage of the capabilities it has developed to date, as it works to tackle the Five Material Issues. The Three Key Strengths are: 1) Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues, 2) Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society, and 3) Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture.

New expectations and business actions

When redefining our material issues, we envisioned our future business and set CSR key performance indicators (CSR-KPIs) with an awareness of the importance of addressing each issue and the potential for having a social impact.

In the area of providing solutions for disaster preparedness, for example, we will utilize our expertise in analyzing the enormous wealth of risk data we have accumulated and in quantifying risk to provide products and services that help to safeguard the world against large-scale disasters and emerging risks. We will also contribute to sustainable development by sharing, through partnership with civil society organizations and other stakeholders, our disaster preparedness and resilience know-how with developing economies, which are especially vulnerable to disasters and accidents.

When implementing these actions, we will use impact analysis and measurement to devise more effective solutions and drive innovation that effects social transformation.

Partnering for greater impact

Businesses alone cannot address volatile, complex social issues by themselves. To solve these challenges, businesses must join forces with each other and with other stakeholders, such as governments and civil society. The Group carries out collaborative projects with a wide variety of stakeholders, and

also participates in initiatives that promote inter-business and multi-stakeholder partnerships. For example, by joining the UN Global Compact, the largest such initiative, and the World Business Council for Sustainable Development (WBCSD), an association of the world's business leaders, and actively participating in discussions and standardization efforts related to sustainability, we contribute to more effective action throughout the private sector. These initiatives also promote collaboration across industries and between various stakeholders.

In an era of unprecedented change, the Group is committed to evolving into a “theme park for the security, health, and wellbeing of customers.” This “theme park” model will identify various social needs and provide a comprehensive range of support that contributes to the security, health, and wellbeing of our customers every day and in every life stage, thereby bringing happiness into their lives while constantly remaining by their side. By providing solutions to social issues in partnership with various stakeholders and with a focus on our redefined material issues, we remain steadfast in our pursuit of realizing a sustainable society and Group growth.

September 2016

