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## ○ Group Management Philosophy

We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive to contribute 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.

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## ○ Group Vision

Our goal is to always be the best customer service provider both at home and abroad.

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## ○ Group Basic Management Policies

### 1. Pursuit of Service Quality

We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.

### 2. Enhancement of Corporate Value through Sustained Growth

We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to enhance our earnings and corporate value.

### 3. Pursuit of Business Efficiency

We will maximize our strengths through group-wide collaboration in all areas in order to promote efficiency in our operations and stability in our operational base.

### 4. Highly Transparent Governance Systems

In acknowledgement of our social responsibility and obligations as an insurance and financial services business, we will base our operations on highly transparent governance, effective risk management, and compliance systems.

### 5. Fulfillment of Our Social Responsibilities

We use our corporate strengths to address social issues concerning the environment, health and medical care and, by engaging in constructive dialogue, strive to fulfill our social responsibilities and contribute to the realization of a social sustainability.

### 6. Creation of a Vibrant Workplace

We will strive to create a dynamic and open organizational environment wherein we as individuals and together as a corporate group may thrive and grow together.

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## ○ Group Action Guidelines

To provide the highest possible quality of service to our customers we will:

1. treat each and every customer with sincerity, and act in the knowledge that our every action as an individual shapes our entire reputation as a company;
  2. act with initiative, set ourselves the highest goals, and always learn from our actions;
  3. strive to be both prompt and clear in our dealings and activities; and,
  4. act with the utmost integrity.
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## ○ Group Personnel Vision

### Action and Achievement

- We value achievement, factual understanding and action in our work.
- We value prompt action in our people.

### Impartiality and Fairness

- We value workplaces wherein all people are treated fairly and impartially and wherein everyone may have the opportunity to realize their potential.
- We value people who demonstrate initiative and take challenges, not those who rest only on past achievements.

### Openness

- We value frank discussions and debate within transparent work environments based upon clear rules and procedures.

### Diversity

- We value all our people as individuals, regardless of their gender, nationality, previous careers or other characteristics.
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Our Group aims to achieve progress on social issues and growth for our business at the same time, positioning corporate responsibility as the cornerstone of our business.

### ○ Group CSR Vision

We, the Sompo Japan Nipponkoa Group will positively engage our stakeholders in forward looking dialogue, respect international standards and codes of conduct, address environmental issues of climate change, biodiversity, and social issues of human rights and diversity in the course of our business operations in a transparent, fair and open manner.

By constantly maintaining a long-term outlook, and by providing services and products that contribute to security, health, and wellbeing, we will strive as a solutions provider to promote the realization of a resilient and sustainable society.

## CSR Materiality

### 5 Material Issues

Sompo Holdings has redefined its Five CSR Material Issues, the Group's framework for achieving its CSR Vision to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing.

#### Our Key Strengths

- 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.
- 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.

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

5 Supporting Diversity and Inclusion in Private and Public Life

Resolve  
Social Issues

Sustainable Society  
Group Growth

### Brand Slogan

Express the width of our business domain not only insurance but also related services and our will to be the best customer service provider both at home and abroad.

## Innovation for Wellbeing

### Brand Statement

In this age of uncertainty, we strive to bring peace of mind to your tomorrow.

To achieve this we are constantly innovating.

From safety and security to health, we seek to promote wellbeing in every aspect of your life.

Supporting you in Japan and throughout the world.

Innovation for Wellbeing: SOMPO HOLDINGS

# Business Overview and the Group

In accordance with its “Innovation for Wellbeing” brand slogan, the Sompo Holdings Group has positioned the insurance business at its core while expanding business areas by developing the nursing care business, the home remodeling business, and so on. We will develop appealing, differentiated services and businesses by seeking new business opportunities, enhancing the quality of existing businesses, extending service areas, and realizing collaboration among businesses. At the same time, we will offer more services that employees can tailor to suit the needs of customers through personal interaction with them while taking advantage of digital technology to increase interfaces with customers.

## Domestic P&C Insurance Business

The domestic P&C insurance business meets a variety of customer needs through three companies. Sompo Japan Nipponkoa Insurance Inc. is the Group’s core business and sells insurance through agencies. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, is responsible for direct sales. Sonpo 24 Insurance Company Limited conducts direct sales to customers introduced by agencies. Further, Sompo Japan Nipponkoa DC Securities Inc. provides defined contribution pension fund management services.

- Sompo Japan Nipponkoa Insurance Inc.
- SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
- Sonpo 24 Insurance Company Limited
- Sompo Japan Nipponkoa DC Securities Inc.

## Domestic Life Insurance Business

The domestic life insurance business is one with particularly high growth potential among Group businesses, second to the domestic P&C insurance business. In this business, we will pursue exceptional levels of operational quality by having sales representatives provide new value as they respond to customers’ individual needs through the supply of innovative healthbased services as well as products that incorporate these services.

- Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

## Nursing Care & Healthcare Business

We began full-fledged forays into the nursing care field from December 2015. We will continue to provide nursing care services of impeccable quality as we strive to quickly foster a brand that is synonymous with security, health, and wellbeing.

In the healthcare field, we provide services to support corporate employee health initiatives, including the promotion of Health and Productivity Management. Through these services, we work to assist customers in their initiatives related to security, health, and wellbeing.

- Sompo Care Inc.
- Sompo Care Message Inc.
- Sompo Care Next Inc.
- Cedar Co., Ltd.
- Sompo Risk Management & Health Care Inc.

## Overseas Insurance Business

The Sompo Holdings Group operates its overseas insurance business in 211 cities situated in 32 countries and regions worldwide, and this business is producing an increasingly large amount of stable earnings. In developed countries, business is focused on the corporate sector, where we pursue growth in the Lloyd’s insurance market through Sompo Canopus. Meanwhile, we are expanding operations centered on the retail sector in Asia, the Middle East, South America, and other emerging countries. In FY2015, premiums written totaled 294.3 billion yen, and adjusted profit came to 19.3 billion yen.

- Overseas group companies \*SEE ► P.10 for details.

## Strategic Businesses

Our strategic businesses include assisting customers with building asset portfolios through the asset management business and providing policyholders with roadside assistance service through the assistance business. We are also advancing into the home remodeling and extended warranty business fields. Through these businesses, we pursue inter-business coordination that is intrinsically related to our domestic P&C insurance business and other main businesses.

- Sompo Japan Nipponkoa Asset Management Co., Ltd.
- Prime Assistance Inc.
- Product Warranty Japan Inc.
- FRESHHOUSE CO., LTD.

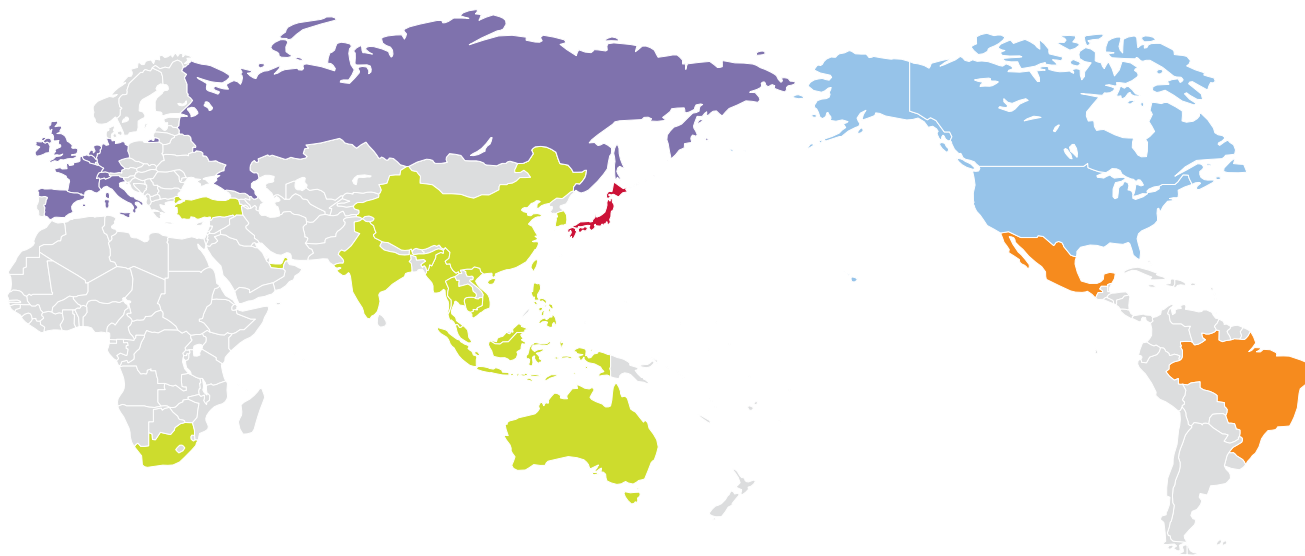
In addition, the name of the Group’s holding company will change to Sompo Holdings, Inc., on October 1, 2016. In the Group and on a global basis, we will further strengthen SOMPO as a brand synonymous with “security, health, and wellbeing.”



We began a new Mid-Term Management Plan on May 2016 as a new growth strategy to provide highest quality services that contributes to “safety, health, and wellbeing.” Please see our Annual Report 2016 (Integrated Report) for the details of the Mid-Term Management Plan.

[http://www.sompo-hd.com/~media/hd/en/files/doc/pdf/annualreports/2016/annualreport2016\\_all.pdf](http://www.sompo-hd.com/~media/hd/en/files/doc/pdf/annualreports/2016/annualreport2016_all.pdf)

**211 Cities in 32 Countries and Regions (As of March 31, 2016)**



**Europe**

**Main Operating Companies**  
As of July 1, 2016

- Sompco Canopus AG
- Canopus Managing Agents Limited
- Sompco Japan Canopus Reinsurance AG
- Sompco Japan Nipponkoa Insurance Company of Europe Limited

**Asia & Middle East**

**Main Operating Companies**  
As of July 1, 2016

- Sompco Japan Sigorta Anonim Şirketi
- Sompco Holdings (Asia) Pte. Ltd.
- Sompco Insurance Singapore Pte. Ltd.
- Berjaya Sompco Insurance Berhad
- Sompco Japan Nipponkoa Insurance (China) Co., Ltd.
- Sompco Japan Nipponkoa Insurance (Hong Kong) Company Limited
- Universal Sompco General Insurance Company Limited

**North America**

**Main Operating Companies**  
As of July 1, 2016

- Sompco America Holdings Inc.
- Sompco Japan Insurance Company of America

**Latin America**

**Main Operating Companies**  
As of July 1, 2016

- Sompco Seguros S.A.
- Sompco Saúde Seguros S.A.

**TOPICS**

**Establishment of SOMPO Digital Lab**

In the current era, which is characterized by volatility, uncertainty, complexity, and ambiguity (VUCA) world, digital disruption could occur. Recognizing this characteristic of the environment, we established two SOMPO digital labs in April 2016, one in Tokyo and the other in Silicon Valley, thereby installing the frameworks necessary for research and development to our digital strategy.

In addition, we are actively allocating management resources. For example, we appointed a Chief Digital Officer (CDO) in May 2016 and are also inviting professionals in various fields to serve as senior advisors.



SOMPO Digital Lab Tokyo

# Financial and Non-Financial Highlights

## Consolidated Indicators for Sampo Holdings

	(Millions of yen)					(Millions of U.S. dollars)	
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2015	
<b>Key Figures</b>							
Ordinary Income	2,790,555	2,843,226	3,008,339	3,282,343	<b>3,256,186</b>	<b>28,897</b>	
Net Premiums Written (P&C Insurance)	1,973,777	2,062,606	2,268,967	2,508,031	<b>2,552,193</b>	<b>22,649</b>	
Life Insurance Premiums	250,193	264,732	277,230	277,208	<b>297,696</b>	<b>2,641</b>	
Ordinary Profit (Loss)	(51,815)	104,783	112,391	208,309	<b>216,853</b>	<b>1,924</b>	
Net Income (Loss) Attributable to Shareholders of the Parent	(92,262)	43,618	44,169	54,276	<b>159,581</b>	<b>1,416</b>	
Comprehensive Income	(48,098)	319,047	149,965	469,485	<b>(116,689)</b>	<b>(1,035)</b>	
<b>Per Share Information (Yen, dollar)</b>							
Net Income (Loss)	(222.30)	105.10	106.98	132.85	<b>394.21</b>	<b>3.49</b>	
Dividends	80.0	60.0	60.0	70.0	<b>80.0</b>	<b>0.70</b>	
(Of which, Interim)	-	-	30.0	30.0	<b>40.0</b>	<b>0.35</b>	
Diluted Net Income	-	104.87	106.77	132.61	<b>393.66</b>	<b>3.49</b>	
<b>Financial Condition</b>							
Total Net Assets	1,000,577	1,283,488	1,390,153	1,829,852	<b>1,652,839</b>	<b>14,668</b>	
Total Assets	8,893,378	9,178,198	9,499,799	10,253,431	<b>10,186,746</b>	<b>90,404</b>	
Equity Ratio (%)	11.2	13.9	14.5	17.8	<b>16.1</b>	<b>16.1</b>	
Consolidated Solvency Margin Ratio (%)	549.8	688.3	783.1	803.4	<b>851.4</b>	<b>851.4</b>	
<b>Stock Information (Shares)</b>							
Number of Shares Outstanding (Excluding treasury stock)	414,825,205	414,726,157	411,284,208	408,037,848	<b>404,162,514</b>	<b>404,162,514</b>	
<b>Adjusted Financial Indicators</b>							
Adjusted Consolidated Profit (Billions of yen)	1.2	111.6	101.5	138.3	<b>215.5</b>	<b>1,912</b>	
Adjusted Consolidated ROE (%)	0.1	5.4	4.3	5.2	<b>7.8</b>	<b>7.8</b>	
<b>ESG Data</b>							
Greenhouse gas emissions (Scope 1-3) (t-CO <sub>2</sub> )* <sup>1</sup>	134,833	136,665	139,736	155,140	<b>151,704</b>	<b>151,704</b>	
Human Resources Development in Environmental Field (Persons)* <sup>2</sup>	2,776	9,479	7,412	7,394	<b>6,585</b>	<b>6,585</b>	
Ratio of Female Employees in Managerial Positions (%)	4.0	5.3	5.0	7.3	<b>12.9</b>	<b>12.9</b>	
Number of Employees Participating in Volunteer Activities (Persons)* <sup>3</sup>	38,291	33,236	29,632	42,752	<b>40,906</b>	<b>40,906</b>	
Percentage of Outside Directors (%)	50.0	50.0	25.0	33.3	<b>33.3</b>	<b>33.3</b>	
Attendance of Outside Directors at Meetings of the Board of Directors (%)	94.8	98.9	100.0	100.0	<b>98.3</b>	<b>98.3</b>	

Notes: 1. Sampo Holdings carried out a reverse split of stocks to combine common stocks at a ratio of four shares to one share on October 1, 2011. Number of shares, net income per share and dividends per share are calculated based on the assumption that the reverse split of stocks was executed at the beginning of FY2010.

2. Diluted net income per share for FY2011 is not shown due to net loss per share.

3. From the end of FY2011, consolidated solvency margin ratio as the standard of consolidated financial soundness is calculated in accordance with the related laws and regulations including the Ordinance for Enforcement of the Insurance Business Act, revised on March 31, 2011. In the consolidated solvency margin ratio presented above, the figures for FY2012 and before and the figures for FY2013 and after are calculated on a different basis, reflecting the law revision concerning the standards for the calculation of solvency margin ratio that was enforced at the end of FY2013.

4. Reflecting amendments to the "Accounting Standard for Business Combinations," etc., the presentation of "net income" was amended to "net income attributable to shareholders of the parent."

5. U.S. dollar amounts are translated from yen at the rate of ¥112.68=U.S. \$1.00, the approximate rate prevailing at March 31, 2016.

\* 1. Figures are the total of Scope 1 (direct emissions due to use of gasoline, etc.), Scope 2 (indirect emissions from electricity and other energy sources), and Scope 3 (indirect emissions across entire value chains, including transport and business trips). Since FY2012, the Group has been issued an Assurance Statement by a third-party certification organization annually. The coverage of the survey is as follows.

FY2011: Sampo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited; FY2012: Sampo Japan Insurance Inc. and NIPPONKOA Insurance Company, Limited (including consolidated subsidiaries); FY2013 and FY2014: Sampo Japan Insurance Inc. (including consolidated subsidiaries) and NIPPONKOA Insurance Company, Limited (including consolidated subsidiaries); FY2015: Main consolidated subsidiaries and operating companies of Sampo Japan Nipponkoa Holdings, Inc.

\* 2. Total number of people who participated in the SAVE JAPAN Project, a community-based biodiversity conservation program in all prefectures of Japan; Public Seminars on the Environment; and the CSO Learning Scholarship Program, which provides an internship program for university students in environmental Civil societies.

\* 3. Total number of employees who participated in volunteer activities and the number of employees who are members of the volunteer organization Sampo Chikyu (Earth) Club Social Contribution Fund