

# Build a “Theme Park for the Security, Health, and Wellbeing of Customers”

I would like to express my gratitude for the continued support of all our stakeholders.

Fiscal 2015, the year ended March 31, 2016, was the final year of the Sompo Holdings Group's previous Mid-Term Management Plan. Through a concerted effort, the Group realized initial targets.

Looking ahead, we have begun a new Mid-Term Management Plan covering the five years from fiscal 2016. Volatility, uncertainty, complexity, and ambiguity (VUCA) are features of the current era. Based on the new plan, we aim to evolve into a group that has the strength and agility to adapt to and win out in challenging business conditions characterized by discontinuous changes and uncertainty.

The new Mid-Term Management Plan sets out building a “theme park for the security, health, and wellbeing of customers” as an overriding goal. We set this goal to realize the Group Management Philosophy, which calls on us to “contribute to the security, health, and wellbeing of customers and society as a whole by providing insurance and related services of the highest quality possible.” We will develop appealing, differentiated services and businesses by advancing digital strategies, seeking new business opportunities, enhancing the quality of existing businesses, extending service areas, and realizing collaboration among businesses.

The domestic P&C insurance business will heighten quality and efficiency and remain the Group's core business and growth driver.

Positioning the period of the new Mid-Term Management Plan as a “second founding” phase, the domestic life insurance business aims to transcend the boundaries of life insurance and evolve into a health support enterprise that helps customers become healthy.

Further, we entered the nursing care and healthcare business in earnest in fiscal 2015. Among listed nursing care providers, we have the largest number of residential rooms for seniors in the industry and the second-highest sales. By simultaneously ensuring the dignity and independence of the elderly and providing safer and more reliable nursing care services, we will help realizing “Japan, an affluent country that can boast to the world of a long and quality life.”

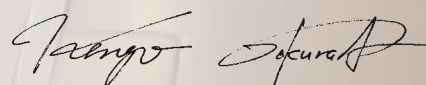
The overseas insurance business aims to maximize earnings in developed countries and emerging countries by further strengthening operations, growing organically, and implementing mergers and acquisitions (M&A) in a disciplined manner. These efforts will include Sompo Canopus, which became a subsidiary in 2014 and operates mainly in the United Kingdom—and entail strengthening operations in countries and regions where we already have foundations, such as Brazil, Turkey, and South Asia.

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.”

Continuing to evolve with a view to realizing a “theme park for the security, health, and wellbeing of customers,” the Group's employees will make a concerted effort to meet the expectations of stakeholders.

As we take on new challenges, we sincerely ask for your continued support and encouragement.

September 2016



**Kengo Sakurada**  
President & CEO  
Sompo Japan Nipponkoa Holdings, Inc.



## Our Vision

In accordance with its “Innovation for Wellbeing” brand slogan, the Sampo 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. With a view to sustaining growth amid business conditions that are likely to continue changing, we began a new Mid-Term Management Plan in fiscal 2016. Based on this plan, we aim to realize the Group Management Philosophy and evolve into a “theme park for the security, health, and wellbeing of customers” that brings happiness into their lives.

### Previous Mid-Term Management Plan

Established a foundation for sustainable growth by proactively shifting business resources to growth fields, beginning with improving its earnings capabilities in the domestic P&C insurance business.

April 2016~

### New Mid-Term Management Plan

Achieve a structural transformation into the best customer service provider based on the theme of “security, health, and wellbeing of customers,” in conjunction with steering a course to establish a position where we are able to compete effectively against global players.

**Our Vision**

**“Theme Park for the Security, Health, and Wellbeing of Customers”**

Based on the theme of “security, health, and wellbeing of customers,” we will endeavor to bring happiness to our customers’ lives by developing a wide range of businesses beyond the boundaries of insurance, harnessing digital technologies, and providing them with the highest-quality services to while constantly remaining by their side.

Nice Home

Challenge

Healthy Life

Happy Retirement

Preparation for Disasters

Realize the Group Management Philosophy

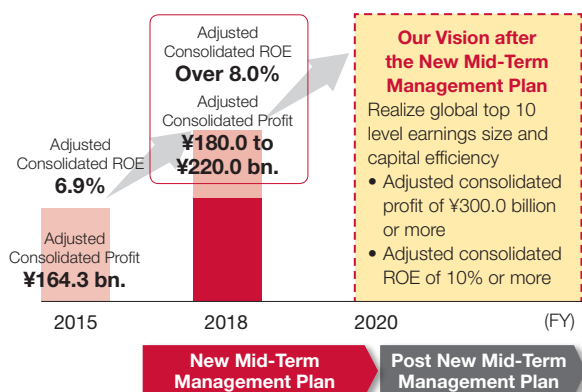
**Group Management Philosophy**

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.

## Our Initiatives

Under the new Mid-Term Management Plan, we will heighten the appeal of each business rigorously, expand and improve services, strengthen customer contact using advanced digital technologies, and create collaborations among businesses. Through initiatives to realize this vision, in the future, we aim to attain an earnings size and capital efficiency on par with the top 10 global publicly listed insurance companies.

We have established numerical management targets for fiscal 2018, the midway point of the new Mid-Term Management Plan. To achieve these targets, we will drive the growth of each business department as well as push ahead with M&A activity, the creation of new business models driven by digital strategies, collaboration among businesses, and alliances with outside players. These efforts will build a “theme park for the security, health, and wellbeing of customers.”



Note: For details about adjusted consolidated profit and adjusted consolidated ROE, please see page 50.

- Create new value for customers by establishing advanced systems and information platforms and conducting a sweeping review of business processes.
- Dramatically enhance the quality and convenience of customer interfaces by harnessing cutting-edge digital technologies and highly specialized human skills.
- Drive the creation of a “theme park for the security, health, and wellbeing of customers” through growth accompanied by quality and the Group’s largest customer base and corporate resources.
  - Provide “safer and more reliable nursing care services” while simultaneously ensuring the “dignity and independence of the elderly.”
  - Provide comprehensive at-home nursing care services, including nursing care, preclinical and preventive care, and medical collaboration, in an integrated manner.
  - Strengthen peripheral nursing care and healthcare business fields, including partnerships with other business sectors.

### Domestic P&C Insurance Business

Value-generating innovation

–Be the most highly evaluated P&C insurance company–

Plan for Adjusted Profit (FY2018):

**Over ¥117.0 bn.**

Digital strategy

### Nursing Care & Healthcare Business, etc.

Realize “Japan, an affluent country that can boast to the world of a long and quality life”

Plan for Adjusted Profit (FY2018):

**Over ¥8.0 bn.**

## Domestic Life Insurance Business

Evolve into a health support enterprise

–The second founding –

Plan for Adjusted Profit (FY2018):

**Over ¥32.0 bn.**

Total support through collaboration among businesses

Accelerate growth and explore new business opportunities through M&A activity

## Overseas Insurance Business

Accelerate growth by steady organic growth and disciplined M&A

Plan for Adjusted Profit (FY2018):

**Over ¥23.0 bn.**

Strategic enterprise risk management (ERM)

Diverse personnel

- Seek to go beyond life insurance and transform the Group into a “health support enterprise” that helps its customers to achieve good health.
- Connect with customers through digital technologies based on the theme of health, and deliver a diverse array of services that help to maintain and enhance the health of customers.
- Build a business model that provides new value to customers by seamlessly integrating the three elements of services, products, and sales channels.

- Utilize Sompo Canopus as a vehicle for growth in developed countries.
- Accelerate steady organic growth mainly in retail business development in emerging countries.
- Conduct well-balanced investments in both emerging countries to expect future growth and developed countries to acquire immediate profit.

**Aiming to build a  
“theme park for the  
security, health, and  
wellbeing of customers”  
that brings happiness  
into their lives**

**Kengo Sakurada**  
President & CEO



### Review of the Previous Mid-Term Management Plan

In fiscal 2015, the year ended March 31, 2016, and the final year of the previous Mid-Term Management Plan, the Sampo Holdings Group achieved its highest-ever earnings, reaching initial targets for adjusted consolidated profit and adjusted consolidated ROE.

Launched in fiscal 2012, the previous plan called on the Sampo Holdings Group to establish a cycle of sustained growth. To this end—with efforts to enhance the earning power of the domestic P&C insurance business as a base—we transferred management resources to growth areas, including the domestic life insurance business and the overseas insurance business. As a result of the success of these efforts, in fiscal 2015 we surpassed initial targets, posting adjusted consolidated profit of 215.5 billion yen and adjusted consolidated ROE of 7.8%.

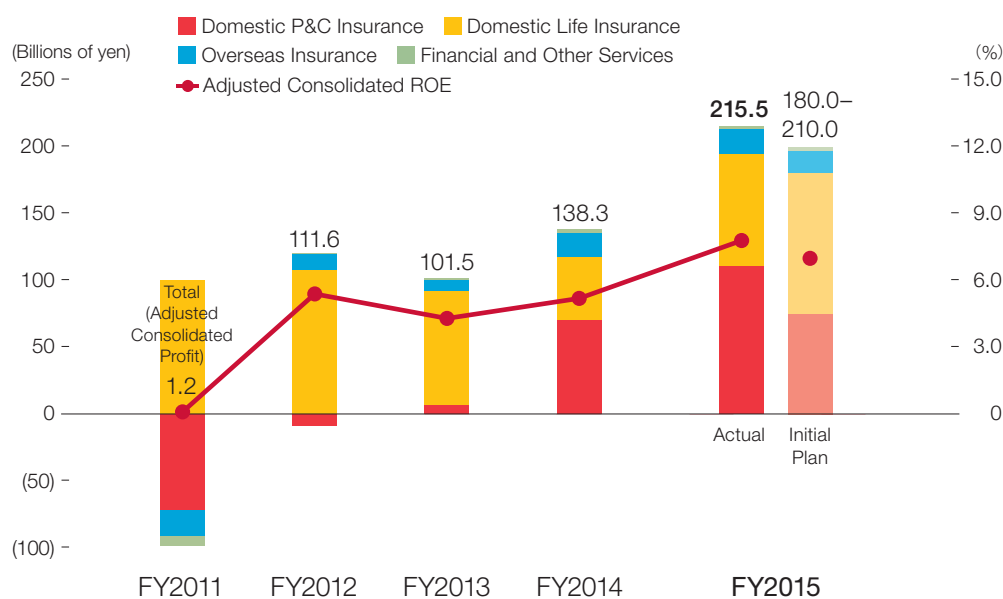
In the domestic P&C insurance business, Sampo Japan Insurance Inc. and NIPPONKOA Insurance Co., Ltd., merged as planned in September 2014, and we were able to realize synergy benefits thanks to the merger. Further, a significant contribution to the achievement of targets resulted from improving the earnings structures of our mainstay automobile insurance products.

The domestic life insurance business steadily grew corporate value by concentrating efforts on highly profitable protection-type products. In addition, the business launched forward-looking initiatives that included beginning Internet sales and using wearable devices.

As for the overseas insurance business, we are balancing investment between markets in developed countries and those in emerging countries. The business realized growth by implementing M&A in a disciplined manner and achieving organic growth above market levels mainly in emerging countries. Our initiatives included increasing our stake in Yasuda Maritima Seguros S.A. (currently Sampo Seguros S.A.), of Brazil, in 2013 and making Canopi Group Limited (currently Sampo Canopi AG), an insurance company operating in the Lloyd's insurance market in the United Kingdom, a subsidiary in 2014.

The financial and other services business has entered into new business areas beyond the limits of the insurance area. In 2015, we entered the home remodeling business by including FRESHHOUSE CO., LTD., as a subsidiary and the extended warranty business by including Product Warranty Japan Inc. as a subsidiary. Also, we entered the nursing care business in earnest through the inclusion as new subsidiaries of Watami no Kaigo Co., Ltd. (currently Sampo Care Next Inc.), in 2015 and Message Co., Ltd. (currently Sampo Care Message Inc.), in 2016.

### Progress under the Previous Mid-Term Management Plan



(Billions of yen)	Actual	Actual	Actual	Actual	Actual	Initial Plan
Domestic P&C Insurance	(71.3)	(8.9)	6.5	69.9	110.8	70.0-80.0
Domestic Life Insurance	100.0	107.8	85.7	47.4	83.4	100.0-110.0
Overseas Insurance	(19.7)	11.8	7.8	18.6	19.3	14.0-20.0
Financial and Other Services	(7.6)	0.7	1.5	2.3	1.8	2.0-3.0
Total (Adjusted Consolidated Profit)	1.2	111.6	101.5	138.3	215.5	180.0-210.0
Adjusted Consolidated ROE	0.1%	5.4%	4.3%	5.2%	7.8%	Over 7%

#### Notes:

- Adjusted profit is net of special factors, such as extraordinary losses arising from the merger of domestic P&C insurance companies and lower income taxes. The amounts of special factors after tax were 17.6 billion yen in fiscal 2012, 26.7 billion yen in fiscal 2013, 80.0 billion yen in fiscal 2014, and 12.3 billion yen in fiscal 2015.
- Saison Automobile & Fire Insurance and Sonpo 24 Insurance were classified as financial and other services in fiscal 2011.
- For details about adjusted consolidated profit and adjusted consolidated ROE, please see page 50.



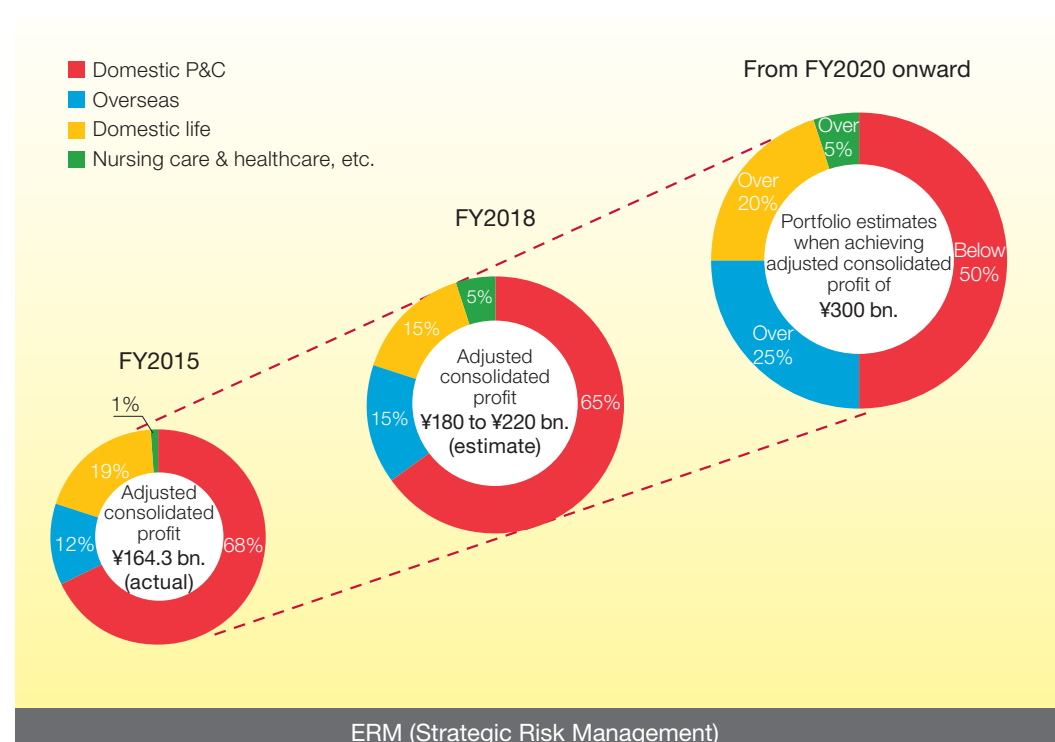
Business Conditions and Outlook

In response to the volatility, uncertainty, complexity, and ambiguity (VUCA) that characterizes current conditions, we will establish a business scale that gives us a global presence and build differentiated business models.

The Sampo Holdings Group is likely to see discontinuous, significant changes in business conditions due to population decline and society’s rapid aging in Japan, the normalization of large-scale natural disasters, and the exponential evolution of technology as well as changes in customer behavior in response to these factors. For example, in relation to mainstay automobile insurance products, agents of change include the introduction of self-driving cars and collision-free cars and a trend away from ownership toward sharing. In addition, we will have to take into account that customers who belong to the “digital native” generation and have new lifestyles will become the main consumers.

To sustain growth, the Sampo Holdings Group will need to identify such changes rapidly and respond to them flexibly and promptly. Rather than continuing development based on our existing business portfolio and business models, I believe we must establish a business scale that gives us a global presence and build differentiated business models.

Under the new Mid-Term Management Plan, we aim to build strong business foundations that sustain growth even amid the dramatic transformation of conditions that is expected and change course significantly, as we move toward the realization of the Group Management Philosophy. To these ends, based on enterprise risk management, we will implement advance investment to enhance the earning power of the domestic P&C insurance business and secure a source of continuous earnings. At the same time, we will diversify our business portfolio by shifting the deployment of management resources decisively toward such growth areas as the domestic life insurance business, the nursing care and healthcare business, and the overseas insurance business.



**The Group's Target Profile**

We will build a “theme park for the security, health, and wellbeing of customers” to realize our Group Management Philosophy.

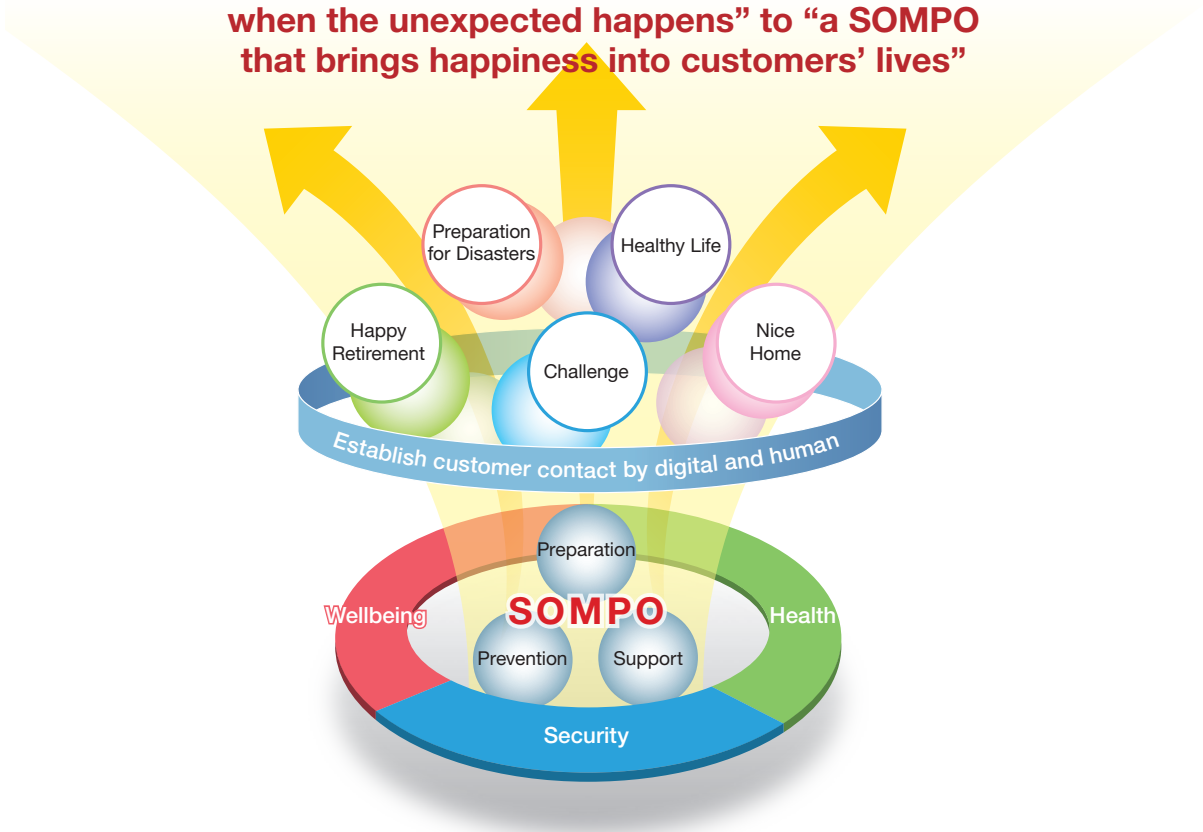


In accordance with its “Innovation for Wellbeing” brand slogan, the Sampo Holdings Group has positioned the insurance business at its core while expanding business areas by developing the nursing care business, the home remodeling business, and so on.

Based on the new Mid-Term Management Plan, 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.

Through these initiatives, the Sampo Holdings Group will provide comprehensive support for the security, health, and wellbeing of customers in a wide range of life stages and in day-to-day life. By evolving with a view to realizing a “theme park for the security, health, and wellbeing of customers” that brings customers happiness, we will realize our Group Management Philosophy, which calls on us 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.”

**Evolving from “a SOMPO that is helpful when the unexpected happens” to “a SOMPO that brings happiness into customers’ lives”**



**Strategy to Realize a “Theme Park for the Security, Health, and Wellbeing of Customers”**

We will offer comprehensive support that transcends the boundaries of the insurance business by strengthening the core competence of each business, providing high-quality, appealing services, realizing in-house collaborations, establishing tie-ups with major companies, and taking advantage of digital technology and other leading-edge technology.

Realizing a “theme park for the security, health, and wellbeing of customers” will require each business to heighten its appeal. Aiming to become the P&C insurance company with the strongest customer endorsement, the domestic P&C insurance business will tackle value-generating innovation and drive the growth of the entire Group. Positioning the period of the new Mid-Term Management Plan as a “second founding” phase, the domestic life insurance business aims to evolve into a health support enterprise. The nursing care and healthcare business will provide services that integrate nursing care, preclinical and preventive care, and medical collaboration to help Japan become an affluent country that can boast to the world of a long and quality life. Meanwhile, the overseas insurance business will step up the pace of growth through steady organic growth and disciplined M&A.

Moreover, we aim to create comprehensive support services that transcend the boundaries of the insurance business by forming collaborations among businesses and tie-ups with major companies that link nursing care and insurance, home remodeling and nursing care, and prevention and insurance.

Further, in conjunction with such initiatives in each business, we will introduce leading-edge digital technology laterally throughout the Group. For example, in April 2016 we established bases for research and development in the digital field. Jointly known as SOMPO Digital Lab, these bases are located in Tokyo and Silicon Valley, in the United States. Our goals are to remain in the vanguard of technology’s exponential evolution and cement the competitive advantages of the Group by strengthening its lateral functions. We will research and develop innovative business models that exploit digital technology to create interfaces with customers and market to the “digital native” generation.

Rather than viewing the “theme park for the security, health, and wellbeing of customers” as having an end point, we intend to continue evolving the concept in tandem with changes among customers and in society.



## Corporate Governance

The Group constantly pursues optimal corporate governance in accordance with the basic policies for overall governance structures and mechanisms that are clearly set out in the Corporate Governance Policy.

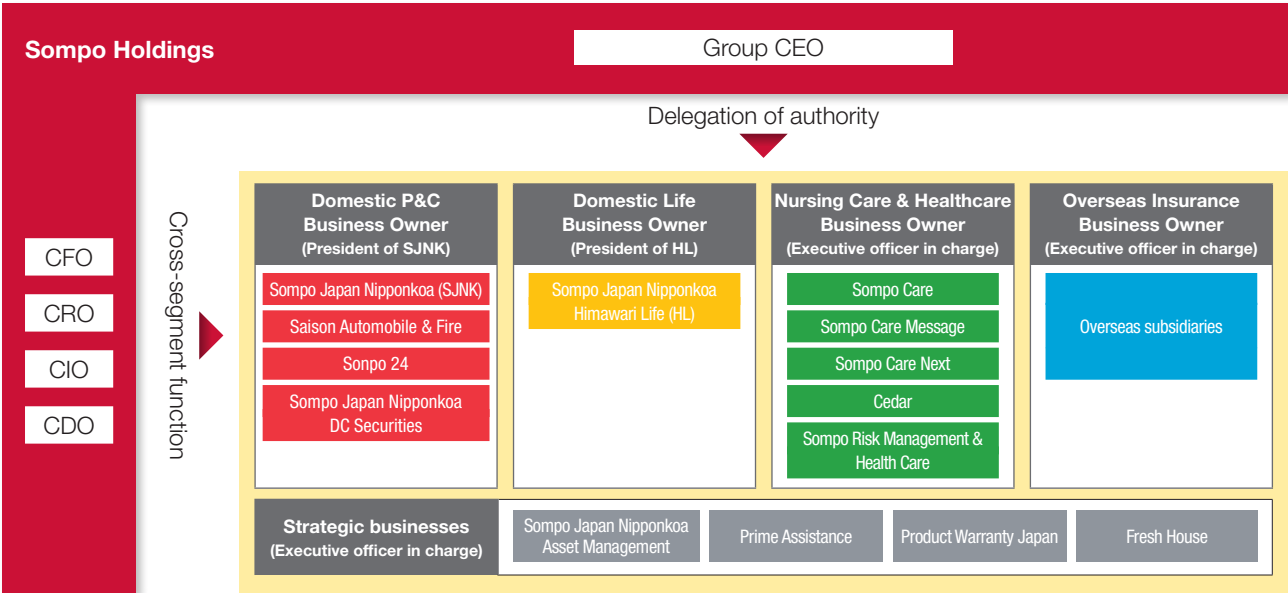
To maintain and enhance the effectiveness of supervisory and check-and-balance functions, we have elected to be a company with an audit & supervisory board, in which the Board of Directors is responsible for important management decisions and supervision of operations, while Audit & Supervisory Board members and the Audit & Supervisory Board are independent from the Board of Directors. In addition, we have introduced a business owner system and an executive officer system to expedite decision making and clarify authority and responsibility.

Also, to ensure that decisions on the appointment and compensation of directors and executive officers are transparent and fair, the Group has established as an advisory body to the Board of Directors—a Nomination and Compensation Committee, in which the chairperson and a majority of committee members are outside directors. Further, as a practical system to enable Audit & Supervisory Board members to check the appropriateness of operational implementation, they attend and provide opinions to committees that have various specific tasks. Thus, we have a hybrid governance model that heightens the effectiveness of governance. Although we are a company with auditors, we incorporate many of the advantages of having an institutional design of a company with committees.

As of June 30, 2016, the Board of Directors comprised 13 members, nine of whom are internal directors thoroughly familiar with business operations, and four of whom are outside directors. Furthermore, two of our outside directors are women, reflecting our emphasis on diversity.

Outside directors have expertise in management strategy, corporate law, information communication technologies, and a variety of other areas. They are responsible for supervising management and providing support for management strategies and efforts to address management issues based on their external, objective standpoints and a wealth of experience and knowledge. We believe outside directors contribute significantly to improving the effectiveness of corporate governance.

We explain important agenda items beforehand at briefings for outside directors and outside Audit & Supervisory Board members so that they can provide opinions in light of their diverse expertise and



contribute to constructive, substantial discussions at meetings of the Board of Directors. To enhance the effectiveness of the Board of Directors, opinions and questions from outside directors are shared with all directors in attendance.

Further, in fiscal 2016 we introduced a business owner system. Under this system, the leaders of each business—the domestic P&C insurance business, the domestic life insurance business, the nursing care and healthcare business, and the overseas insurance business—have become business owners to whom we have delegated the authority to prepare business strategies, make decisions, and deploy personnel. This new system will facilitate flexible, prompt decision making in businesses, enabling them to respond to significant changes in conditions and conduct operations in a manner that reflects customer needs more closely. As for the holding company, the Group’s president & CEO will exercise overall control. Meanwhile, chief officers—the Group’s Chief Financial Officer, Chief Risk Officer, Chief Information Officer, and Chief Digital Officer—will perform a greater role in cross-segment initiatives than before. As such, they will implement strategies, tackle important tasks, and deploy management resources on a Group-wide basis.

This new system will enhance the corporate value of the Group as a whole by establishing and strengthening core competence in each business area while enabling organic collaboration among businesses.

### Corporate Social Responsibility

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

Today, humanity faces a host of mounting global issues, including climate change, poverty, and human rights issues. We believe that addressing such global issues flexibly will sustain our corporate growth. In our new Mid-Term Management Plan, corporate social responsibility (CSR) is an integral part of sustainably raising our corporate value.

The year 2015 was a historic year for setting the international agenda on sustainability: the Sustainable Development Goals (SDGs) were adopted at the UN Summit in September, and the Paris

### CSR Materiality

#### Three Key Strengths

- 1 Developing and providing innovative products and services using financial expertise and digital technologies to offer innovative solutions for social issues.
- 2 Promoting the development of advanced skills by fostering partnerships with stakeholders representative of broad sectors of civil society.
- 3 Promoting quality of life and its enrichment by the application throughout all our operations of our expertise and resources in culture and the arts.

Resolve  
Social Issues

Sustainable Society  
Group Growth

#### Five Material Issues

- 1 Providing Solutions for Disaster Preparedness
- 2 Contributing to Health and Welfare
- 3 Promoting the Manageability of Global Environmental Issues
- 4 Empowering Communities and Society
- 5 Supporting Diversity and Inclusion in Private and Public Life



Agreement was adopted at the 21st Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (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 business 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.

Given these international developments and changes in our business environment in recent years, we redefined our CSR Material Issues with the aim of making further progress on sustainability and growth as a Group. As our framework for achieving our CSR Vision based on our Group Management Philosophy, we redefined our Five Material Issues. Through the utilization of our Three Key Strengths and the addressing of our redefined material issues, we are committed to realizing a resilient and sustainable society by providing products and services that contribute to the security, health, and wellbeing of stakeholders.

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 growth as a Group.

(Reference)

On May 26, 2016, we held a briefing for investors about the new Mid-Term Management Plan. An abridged video of the briefing can be viewed by using the QR code on the right.



# We will firmly support efforts to innovate the Sompo Holdings Group.



## Profiles

**Sawako Nohara**  
(Front, left)

President of IPSe Marketing, Inc.  
Project Professor of the Graduate  
School of Media and Governance,  
Keio University

**Isao Endo**  
(Back, left)

Chairman of  
Roland Berger Ltd.

**Tamami Murata**  
(Front, right)

Attorney at law

**Scott Trevor Davis**  
(Back, right)

Professor of the Department of  
Global Business, College of Business,  
Rikkyo University



## The Group has begun a new Mid-Term Management Plan. What are your assessments of the plan and the Group's governance?

**Nohara** | The Group is in the middle of efforts to realize a major transformation from a huge P&C insurance provider to a theme-park-type business that supports “security, health, and wellbeing.” The new Mid-Term Management Plan covers an important period during which the Group will attempt to achieve growth through this transformation.

In the process of preparing the plan, I listened to many explanations at meetings of the Board of Directors and on other occasions. I often participated in discussions that considered such issues as whether the plan's measures for domestic P&C insurance, domestic life insurance, overseas insurance, nursing care, and new service creation were realizable; whether the plan was in step with digitization trends; whether it reflected customers' viewpoints; and whether there were hidden issues that an outsider would best be able to find. As a result, I think the Group has done well and prepared a proactive, farsighted plan that takes into account systems and personnel in respective frontline operations.

Also, at meetings of the Board of Directors, outside directors actively participate in discussions on not only the new Mid-Term Management Plan but also a range of agenda items, and discussions are lively regardless of whether or not they include internal directors or outside directors. Rather than confining itself to the frameworks of legal systems and guidance, the Group focuses on building and implementing governance from the viewpoints of how best to evolve such systems and link them to sound corporate growth. I think this approach merits praise.

**Murata** | I think the new Mid-Term Management Plan successfully visualizes the Group's target profile and unique growth strategy, which entails introducing a business owner system based on four businesses: domestic P&C insurance, domestic life insurance, nursing care and healthcare, and overseas insurance.

In preparing the plan, I ensured that it modulated governance to reflect the needs of each business. In particular, I focused on providing new businesses with the Group's expertise in governance and compliance and thereby increasing corporate value. Also, I ensured that the plan was understandable after a single reading (visualization). At the plan implementation stage, interaction and speed are important. Of course, the new Mid-Term Management Plan should reach frontline operations and be implemented in day-to-day duties. At the same time, it is even more important

to collect from frontline operations that are responsible for day-to-day duties information about progress under the plan, the target achievement outlook, and opinions, and then quickly make any revisions or changes necessary.

**Endo** | The Sampo Holdings Group has set out a “theme park for security, health, and wellbeing” as its target profile and is dynamically changing and evolving its business model accordingly. During discussions about the plan, participants expressed a variety of opinions. The new Mid-Term Management Plan is the result of a series of high-quality discussions that led to a consensus among the management team. The plan is not simply based on a rational, hard-nosed analysis of changes in society but also reflects a strong commitment to and passion about taking on the challenge of innovation.

I have always thought that rationality, emotion, and passion are the three components of business management. If these three components are present, profit will follow naturally. The new Mid-Term Management Plan incorporates the three components.

Without implementation, however, plans are completely meaningless. In the process of implementing the plan, the Group is bound to come up against many difficulties and obstacles. I look forward to the Group becoming even more robust as a result of overcoming these challenges.

**Davis** | In my view, the new Mid-Term Management Plan positions the Sampo Holdings Group as the game changer in the insurance industry and as the pace-setter for life-quality innovation in a range of industries. The plan hinges upon the ability to shift from being a business that concentrates upon supplying a bundle of services designed to ameliorate the downside effects of accidents and calamities towards becoming the provider of a range of life-quality enhancing solutions that enable clients to benefit from opportunities they may not otherwise have been able to conceptualize and articulate on their own. At the same time, the success of the plan will rest upon the ability to realize the goal to develop new businesses outside of Japan that will have to reflect the same characteristics as a business while complementing the domestic undertakings as a balanced yet dynamic portfolio.

The foundations for these changes have already been set. Therefore, it is important to strengthen and improve initiatives.





### Q To realize its target profile, what should the Group do, and what are your expectations of the Group?

**Nohara** | Under the Mid-Term Management Plan, the Group aims to provide not only insurance services, which people only recall in emergencies, but also services that are embedded in day-to-day life—such as nursing care and healthcare-related data management services—and that establish a “theme park for security, health, and wellbeing.”

Because it will become a provider of support in a wide range of areas, from support in emergencies through to everyday support, the Group needs to become more familiar to customers. I would like to see it focus even more strongly on interfaces with customers and ensure that customers are always the first priority.

Meanwhile, providing a multifaceted range of high-quality, detailed services in a timely, rapid, and efficient manner actively utilizing such digital technology as AI (artificial intelligence), big data, the Internet of Things (IoT), and fintech (financial technology) is important, I think.

Therefore, I have high hopes for the SOMPO Digital Lab bases, which the Group established in Tokyo and Silicon Valley, in the United States, in April 2016 to research and develop digital strategies.

**Murata** | As a provider of services that support “security, health, and wellbeing,” the Group must become a common part of customers’ everyday lives while anticipating and catering to customers’ needs. In our day-to-day lives, we do not think of issues being A’s problem up to this point and B’s problem from this point. The Group should offer solutions that address additional problems that are behind or peripheral to central problems. Moreover, before specific problems occur, the Group should anticipate the tendencies and orientation of customers and provide beneficial and precisely customized information and services to them in a timely manner or in advance. Further, it is important to link the power of our imagination; the digital strategy of incorporating IT, including AI (artificial intelligence); the four businesses; and strategic businesses.



**Endo** | The Group is about to take on unprecedented initiatives. It aims to build a progressive, innovative management model through initiatives that include the introduction of a business owner system to move toward the realization of a “theme park for security, health, and wellbeing” and the advancement of a Group-wide digital strategy.

Doing the unprecedented means that you cannot imitate other companies. The Group’s officers and employees will have think for themselves, search by themselves, and arrive at their own answers.

There may be times when things do not go well. However, taking on new challenges and learning a great deal during the trial-and-error process is sure to foster outstanding personnel who will lead the next generation.

Midcareer and young employees will create the future. I would like the Group to entrust employees to achieve major initiatives with a view to producing numerous outstanding personnel and thereby earning a reputation for excellence.

**Davis** | For the future growth and development, three elements are important: governance, people, and innovation. “Business owners” have been appointed to take both authority and responsibility for each strategic operations field, and a “culture of governance” has been achieved based upon clearly shared expectations and rigorous yet constructive debate.

With respect to people, the Group must ensure that it becomes the “employer of choice” for talented, versatile, and motivated individuals from a wide range of fields. Progress has already been made in attaining a level of regional relativity in HRM (human resources management) and a level of sensitivity to the life stage needs and choices of individuals. Much, however, needs to be achieved in this area.

The transformative innovation required for reinvigorating existing businesses and developing new lifestyle enhancing solutions will depend upon the capacity of the Group to effectively share information and knowledge among its businesses both domestically and overseas.

Continued and balanced performance in each of these three functional areas is critical for the future growth and development of the Sompo Holdings Group. I look forward to seeing the Sompo Holdings Group grow further.