Corporate Governance



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Directors and Audit & Supervisory Board Members



Page 70 From left: Toshiyuki Takata,
Naoki Yanagida, Mikio Okumura,
Haruo Kasama, Masato Fujikura,
Scott Trevor Davis, Shigeru Ehara,
Sawako Nohara, Kengo Sakurada

Page 71 From left: Shinji Tsuji, Isao Endo, Shoji Ito, Tamami Murata, Koichi Yoshikawa, Chikami Tsubaki, Kejij Nishizawa, Kaoru Takahashi, Masaki Hanawa Group CEO Representative Director, President and Executive Officer Kengo Sakurada

Representative Director, Deputy President and Senior Managing Executive Officer Group CFO (Chief Financial Officer) Shinji Tsuji

Director, Senior Managing Executive Officer Overseas Insurance Business Owner (General Manager, China & East Asia Regional Headquarters) Shigeru Ehara Director, Managing Executive Officer Shoji Ito

Director, Managing Executive Officer Group CRO (Chief Risk Officer) Masato Fujikura

Director, Managing Executive Officer Koichi Yoshikawa



Director, Executive Officer Nursing Care & Healthcare Business Owner Mikio Okumura

Director

Domestic P&C Insurance
Business Owner

Keiji Nishizawa

Director

Domestic Life Insurance
Business Owner

Kaoru Takahashi

Outside Director Sawako Nohara

Outside Director Isao Endo

Outside Director

Tamami Murata

Outside Director

Scott Trevor Davis

Audit & Supervisory Board Member (Full-Time) Toshiyuki Takata

Audit & Supervisory Board Member (Full-Time) Masaki Hanawa Outside Audit & Supervisory Board Member

Chikami Tsubaki

Outside Audit & Supervisory Board Member

Haruo Kasama

Outside Audit & Supervisory Board Member Naoki Yanagida

Corporate Governance

Corporate Governance

The Group considers continually improving the transparency and fairness of its corporate governance and fulfilling its corporate social responsibility as essential to maintaining strong relations of trust with stakeholders.

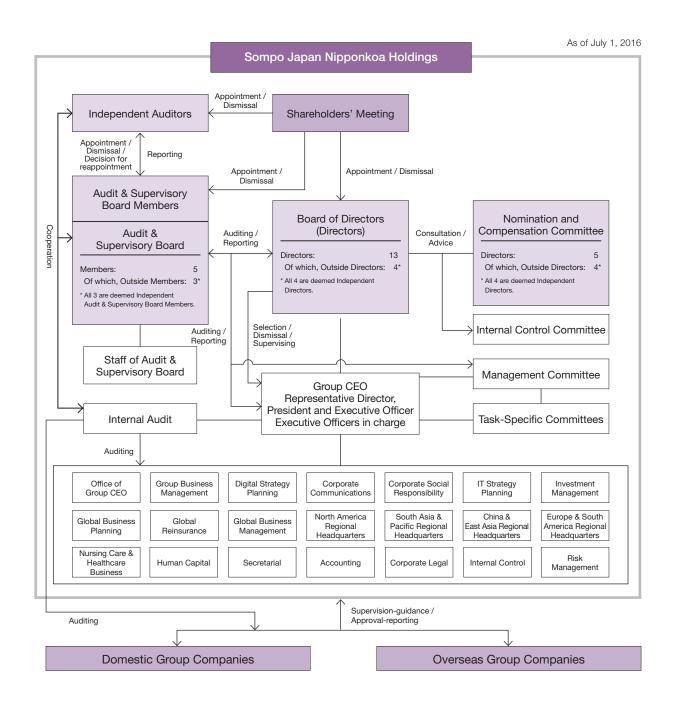
The Group formulated its Corporate Governance Policy (http://www.sompo-hd.com/en/company/governance/overview/policies/) to clarify basic policies regarding the formation of the overall vision for the governance structure and the governance framework. We continue to improve our corporate governance and aim to establish optimal systems.

Corporate Governance Overview

As of July 1, 2016

Organizational structure	Company with an Audit & Supervisory Board	
Chairman of the Board of Directors	Kengo Sakurada	
Number of directors	13, of which 4 are outside directors	
Number of Audit & Supervisory Board members	5, of which 3 are outside Audit & Supervisory Board members	
Board of Directors meetings	Held 15 times Attendance: 97.7% for directors, 100% for Audit & Supervisory Board members * Orientation meetings for outside directors are held in conjunction with Board of Directors meetings to ensure effective Board of Directors meeting operation. * Please refer to page 75 for details regarding directors and Board of Directors meetings. (Fiscal 2015 results)	
Audit & Supervisory Board meetings	Held 13 times Attendance: 100% *Please refer to page 76 for details regarding Audit & Supervisory Board members and Audit & Supervisory Board meetings. (Fiscal 2015 results)	
Voluntary committee equivalent to nominating committee and compensation committee	Nomination and Compensation Committee * Comprising 5 committee members (4 outside directors, 1 internal director) and chaired by an outside director * Please refer to page 76 for details regarding the Nomination and Compensation Committee.	
Appointment of directors and Audit & Supervisory Board members	Formulates policies for appointment of officers through the resolution of the Board of Directors in light of advice from the Nomination and Compensation Committee, which functions as an advisory body to the Board of Directors *Please refer to page 77 for details regarding policies for appointment of officers.	
Number of independent directors and independent Audit & Supervisory Board members	4 outside directors and 3 outside Audit & Supervisory Board members * All outside directors and Audit & Supervisory Board members are independent as defined by the Tokyo Stock Exchange. * Please refer to page 77 for standards regarding independence of outside directors and outside Audit & Supervisory Board members.	
Determination of compensation, etc.	Formulates policies on decisions pertaining to compensation for officers through the resolution of the Board of Directors in light of advice from the Nomination and Compensation Committee, which functions as an advisory body to the Board of Directors *Please refer to page 78 for details regarding policies on decisions pertaining to compensation for officers.	

Corporate Governance Structure



Management Structure of Corporate Governance

The Group has elected to adopt the Company with Board of Company Auditors system described in the Companies Act of Japan and maintains and promotes effective oversight and auditing functions using a system of corporate governance comprising the Board of Directors, which makes important management decisions and oversees business execution, and Audit & Supervisory Board members and an Audit & Supervisory Board that are independent from the Board of Directors.

The Group also utilizes the business owner system and the executive officer system to enable swift decision making and to ensure the clarity of authority and responsibility.

The Board of Directors has set the Basic Policy on Internal Controls, which serves as the foundation for the Basic Policy for Group Management. These policies provide the framework for a highly transparent governance structure for the Company and Group companies. To ensure transparency in the appointment and treatment of directors, the Nomination and Compensation Committee, which is chaired and membered by a majority of outside directors, has been set up as an advisory organ to the Board of Directors.

Selection of Company Organizational Structure

The Company has adopted a hybrid system that features some of the characteristics of a Company with Nominating Committee, etc., which has a nominating committee and a compensation committee and also actively utilizes outside officers and establishes support systems for them to optimize the functionality of the Board of Directors and the Audit & Supervisory Board.

Key Points for Our Initiatives for Realizing Effective Functionality

(Reference) Major prerequisites

Company with Board of Company with Nominating Company Committee, etc

Authority is Basically decisions extensively are made by the delegated to Board of Directors. executive officers.

> A nominating committee and a compensation committee are required.

Authority is Basically decisions extensively are made by the delegated to Board of Directors. executive officers.

Members of the

audit committee

do not need to be

Four of 13 directors are outside directors.

Our Initiatives

The Nomination and Compensation Committee chaired by an outside director was voluntarily established. (Four of five members are outside directors.)

Authority is extensively delegated to executive officers. (We thereby ensure speedy management decisions.)

Two of five Audit & Supervisory Board members are full time, and three Audit & Supervisory Board members are outside Audit & Supervisory Board members.

Audit & Supervisory Board members provide supervision and checks and balances from a position independent of management.

Audit & Supervisory Board members participate in various internal committees and are involved in decisions on the validity of business execution.

System to Realize Effective Functionality of Outside Directors

Diversity of outside directors People are assigned from different

nationalities, gender, and backgrounds. Materials sent in advance and

preliminary briefing sessions conducted to facilitate Board of Directors' operations

Constructive and effective deliberations are promoted by convening preliminary briefing sessions for outside directors.

Meetings between outside directors and Group CEO

Meetings enabling an open exchange of opinions between outside directors and the CEO are convened.

Support for Audit & Supervisory Board members' auditing

An office for the support staff of the Audit & Supervisory Board is established to enhance the effectiveness of Audit & Supervisory Board members' auditing.

Board of Directors

iit &	requirea.	full time.
Supervisory	Auditors are not members of the Board of Directors.	Members of the audit committee are members of the Board of Directors.
y Board	The scope of audits covers legality only.	The scope of audits covers legality and validit

At least one

full-time auditor is

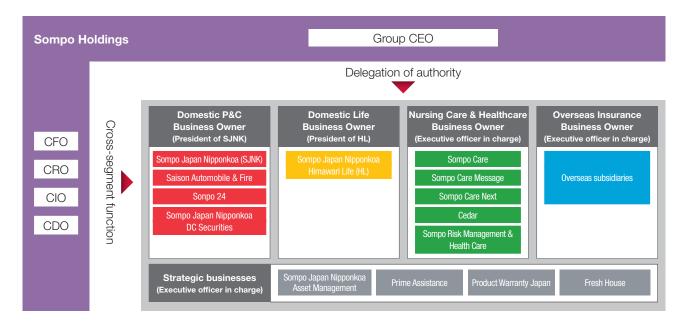
Business Owner System

The Group has adopted the business owner system to establish a Group management system that responds firmly and rapidly to disruptive changes in the environment.

Under the business owner system, the heads of each business segment (domestic P&C insurance, domestic life insurance, nursing care & healthcare, and overseas insurance) are delegated authority as business owners for business strategy planning, investment decisions, and talent deployment. This system enables the business segments, which are closer to customers, to cope with major environmental changes through swift and flexible decision making and business execution. The Group CEO is

responsible for oversight of the entire Group, while other chief officers (Group chief financial officer (CFO), Group chief risk officer (CRO), Group chief information officer (CIO), and Group chief digital officer (CDO)) provide cross-organizational management functions.

This system allows for the establishment and enhancement of core competencies in each business area and is conducive to a perspective that spreads beyond individual businesses or Group companies to focus on the provision of better services to customers on a Group-wide basis. By promoting organic, inter-business coordination in this manner, we will endeavor to improve the corporate value of the entire Group.



Directors and the Board of Directors

The Board of Directors performs its duties as stipulated by law, establishes important items for management, and serves a supervisory function overseeing the conditions of business execution.

Meetings of the Board of Directors, in principle, convene on a monthly basis and comprise an appropriate number of members to realize swift decision making.

Preliminary briefing sessions are held with outside directors to provide details about the discussion agenda with specific emphasis on the key agenda items. The integration of Board of Directors meetings and preliminary briefing sessions, which includes communicating the opinions, questions, and other comments expressed by the outside directors at the preliminary briefing sessions to all attending directors before the Board of Directors meeting, is intended to facilitate constructive deliberations at Board of Directors meetings and ensure the effectiveness of the

operation of the Board of Directors. Steps that include convening meetings of the outside directors and the Group CEO are implemented to facilitate an open exchange of opinions between the outside directors and the Group CEO.

The Company's Board of Directors comprises 13 members, four of whom are outside directors. Current members include 12 Japanese nationals and one non-Japanese person—11 men and two women.

The directors apply their accumulated knowledge and experience to key issues for the Company to realize the proper execution of fair and effective executive management.

To ensure full clarity of responsibility related to business matters in each fiscal year, a director's tenure ends at the close of the Ordinary General Meeting of Stockholders held within the latest fiscal year that is within one year of the appointment.

Audit & Supervisory Board Members and Audit & Supervisory Board

Audit & Supervisory Board members audit the work performance of the directors through such activities as auditing the construction and maintenance conditions of the Group's internal control systems and providing effective advice and recommendations to senior management that contribute to sustainable growth and increase the corporate value over the medium and long terms.

The Audit & Supervisory Board establishes the audit standards, basic policies on audits, and auditing programs to make the above auditing activities functional and effective and systematically conducts auditing operations.

The Audit & Supervisory Board sets an annual meeting schedule and endeavors to realize full participation of all members and coordinates activities. This endeavor includes distributing information materials before meetings to ensure members are fully prepared to conduct thorough reviews and deliberations.

The Company's Audit & Supervisory Board comprises five members, three of whom are outside directors. Current members include five Japanese nationals—four men and one woman. One

of the Audit & Supervisory Board members is a certified public accountant with extensive experience and an expert on finance, accounting, auditing, and international accounting standards. This individual provides an outstanding amount of knowledge on financial and auditing.

The Company has also established the Staff of Audit & Supervisory Board to enhance the effectiveness of the Audit & Supervisory Board members' audits and assigns dedicated staff with the supplemental knowledge and experience required by the Audit & Supervisory Board members to assist the Audit & Supervisory Board members in carrying out their duties.

The Audit & Supervisory Board additionally commissions an external legal expert that is independent from the execution of operations to serve as an advisor to protect the interests of the Company and shareholders. As stipulated in the Companies Act of Japan, an Audit & Supervisory Board member's tenure ends at the close of the Ordinary General Meeting of Stockholders held within the latest fiscal year that is within four years of the appointment.

Nomination and Compensation Committee

The Nomination and Compensation Committee is established as an advisory organ to the Board of Directors and intended to ensure transparency and fairness regarding director and executive officer nomination and compensation.

The committee sets director and executive officer appointment policy and appointment standards, determines individuals to propose as candidates, conducts director and executive officer evaluations and submits recommendations to the Board of Directors for director compensation amounts and the compensation structure, and contributes to the appointment and rewards of directors of Group companies based on the contents and scale of

the business of the company in question.

In addition, the committee conducts the Group CEO's performance evaluation to improve the transparency of corporate governance.

The committee comprises members appointed from the Company's directors with outside directors representing the majority of members in order to ensure the independence and neutrality of the members. The committee chairperson is an outside director elected by the committee members. At the time of the submission of this report, the committee comprised five members, including four outside directors and one internal director.

Policies for Appointment of Officers

The appointment of directors, executive officers, and Audit & Supervisory Board members is conducted in accordance with the following policies for the appointment of officers. Directors and executive officers are nominated by the Board of Directors based on discussions with the Nomination and Compensation Committee.

Furthermore, in the event that the Board of Directors' appointment of an Audit & Supervisory Board member is determined by resolution at the General Meeting of Stockholders, an opportunity will be provided in advance for the Board of Directors to discuss the candidate with the Audit & Supervisory Board to seek its approval.

(1) Policies for appointment of directors and Audit & Supervisory Board members

The Company supervises and guides its Group companies, formulating management strategies for Group companies engaged mainly in the P&C insurance business, as well as comprehensive management strategies for the entire Group. The Company is responsible for the execution and realization of these strategies.

From this perspective, the Board of Directors appoints directors based on familiarity with the Company's business, ensuring a balance between experience and achievements without bias for an area of specialization. To facilitate objective decision making with respect to management issues from a diverse and independent

focus and perspective, the Board of Directors includes multiple outside directors with a wide range of knowledge and experience, having backgrounds in corporate management, academia, and the legal profession.

The Audit & Supervisory Board consists of Audit & Supervisory Board members appointed on the basis of their solid knowledge of finance and accounting and in consideration of an overall balance of backgrounds such as those who have corporate management experience and specialized knowledge related to the legal profession, etc. Furthermore, the appointment of directors and Audit & Supervisory Board members is based on appointment criteria in consideration of the Comprehensive Guidelines for Supervision of Insurance Companies. The Group formulated outside director independence criteria as a standard for the appointment of outside directors and outside Audit & Supervisory Board members.

(2) Policies for appointment of executive officers

The Company formulated a "desired image for executive officers" and "policies for appointment of executive officers" to identify the basic skills and qualifications required and define the balance between experience and achievements when appointing executive officers. In compliance with the policies, executive officers are appointed.

Standards regarding the Independence of Outside Officers

The Company maintains a structure comprising nine internal directors involved in the execution of business and appoints an additional four outside directors. At present, the number of independent outside directors is more than 30% of the total.

The Company appoints outside directors with experience as corporate managers, academics, lawyers, and in other professions and with extensive knowledge in such areas as information and communications technology, overseas operations, compliance, CSR, and retail (practical experience) to provide active and meaningful guidance for the execution of the Group's management strategies.

The Company has established "Standards regarding Independence of Outside Directors / Audit & Supervisory Board Members" based on the recommendations of the Nomination and Compensation Committee and by resolution of the Board of Directors in accordance with the standards required for the Tokyo Stock Exchange.

The Company selects individuals with experience as corporate managers, academics, and lawyers and with extensive knowledge in a wide range of fields with the aim of enabling valuable discussion incorporating objective and multiple viewpoints and perspectives on the Group's management strategy and management issues. The outside directors that have been designated as independent directors contribute to frank, active, and constructive deliberations and discussions at meetings of the Board of Directors and meetings of the Nomination and Compensation Committee.

Outside Directors and Outside Audit & Supervisory Board Members

The Company's outside directors and outside Audit & Supervisory Board members consist of the following seven persons and are making their respective contributions to the Board of Directors and the Audit & Supervisory Board, ensuring that corporate governance is appropriately executed with transparency and fairness.

Outside Directors

Name	Attendance at Board of Directors meetings	Significant positions concurrently held	Reasons for appointment as an outside director
Sawako Nohara	All 15 Board of Directors meetings	President of IPSe Marketing, Inc. Project Professor of the Graduate School of Media and Governance, Keio University Member of the Board of Nissha Printing Co., Ltd. (Outside Director) Director of JAPAN POST BANK Co., Ltd. (Outside Director)	With her abundant experience as a company manager and broad knowledge related to the IT industry, she has provided appropriate advice on the management of the Company from diversified and professional perspectives. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company.
Isao Endo	Attended 14 times out of 15 Board of Directors meetings	Chairman of Roland Berger Ltd. Director of Ryohin Keikaku Co., Ltd. (Outside Director) Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (Outside Auditor) Director of Nisshin Steel Co., Ltd. (Outside Director)	With his broad knowledge as an erudite scholar and abundant experience as a company manager as well as at consulting firms, he has provided appropriate advice on the management of the Company, especially through his practical research on "field capabilities" at the university.
Tamami Murata	All 15 Board of Directors meetings	Attorney at law	With her abundant knowledge and experience as an attorney at law, she has provided appropriate advice on the management of the Company with her professional viewpoints based on her knowledge and experience. At the same time, she has provided valuable advice on the initiative on women's empowerment in the workplace, which is also one of the important strategies of the Company.
Scott Trevor Davis	All 15 Board of Directors meetings	Director of Seven & i Holdings Co., Ltd. (Outside Director) Professor of the Department of Global Business, College of Business, Rikkyo University Member of the Board of Bridgestone Corporation (Outside Director)	With his broad knowledge as an erudite scholar, he has provided appropriate advice on the management of the Company, especially through his research on strategic management and CSR at the university. Moreover, he has provided diversified advice from global perspectives.

Outside Audit & Supervisory Board Members

Name	Attendance at Board of Directors meetings	Significant positions concurrently held	Reasons for appointment as an outside Audit & Supervisory Board member
Chikami Tsubaki	Meetings of the Board of Directors: Attended all 15 meetings; all 13 Audit & Supervisory Board meetings	Certified Public Accountant Statutory Auditor of HEIWA REAL ESTATE CO., LTD. (Outside Auditor) Director (Outside Director), Audit & Supervisory Committee Member of Seiko Epson Corporation	With her experience and specialized knowledge as a certified public accountant, the Company determined she possesses an aptitude for duties as an outside Audit & Supervisory Board member.
Haruo Kasama	Meetings of the Board of Directors: Attended all 15 meetings; all 13 Audit & Supervisory Board meetings	Attorney at law Audit & Supervisory Board Member of SUMITOMO CORPORATION (Outside Auditor) Audit & Supervisory Board Member of Kewpie Corporation (Outside Auditor)	With his experience and specialized knowledge as an attorney at law, the Company determined that he possesses an aptitude for duties as an outside Audit & Supervisory Board member.
Naoki Yanagida	Meetings of the Board of Directors: Attended all 15 meetings; all 13 Audit & Supervisory Board meetings	Attorney at law Outside Director Audit and Supervisory committee of Alpine Electronics, Inc. Corporate Auditor of YKK CORPORATION (Outside Auditor)	With his experience and specialized knowledge as an attorney at law, the Company determined that he possesses an aptitude for duties as an outside Audit & Supervisory Board member.

Policies on Decisions Pertaining to Compensation of Officers

Compensation of directors, executive officers, and Audit & Supervisory Board members shall in the case of compensation of directors and executive officers be determined by the Board of Directors after consultation with the Nomination and Compensation Committee, and in the case of compensation of Audit & Supervisory Board members be determined through discussion between the

Audit & Supervisory Board members, in accordance with the policies on decisions pertaining to compensation for officers.

1. Basic Policy

Compensation of directors and executive officers shall be in the form of a compensation structure that gives them continuous

incentive toward improving the Company's performance and contributes to improving corporate value over the long term, and shall be a level of compensation that enables recruiting of superiors as indicated in items (2) and (3) below. Objectiveness and transparency will be achieved by determining the specific level after deliberation by the Nomination and Compensation Committee composed primarily by outside members.

In principle, the same structure shall be used for the structure of compensation of directors and executive officers of subsidiaries.

Compensation of Audit & Supervisory Board members shall be in the form of a compensation structure and level that is consistent with their duties and responsibilities, while taking into consideration their independence.

2. Compensation of Directors

Compensation of directors shall consist of basic compensation and stock compensation-type stock options.

Basic compensation shall consist of monthly compensation and performance-linked compensation. Monthly compensation shall be determined at a fixed amount depending on whether the person is an outside or internal director, or does or does not have authority to represent the Company.

Performance-linked compensation shall be determined in accordance with the performance of the Company, and shall be determined using the benchmarks of adjusted consolidated profit, net income for the period (consolidated), and the rate of increase or decrease in net assets per share.

Stock compensation-type stock options shall be awarded in order to increase the link between compensation and increases in corporate value over the long term.

Nevertheless, stock compensation-type stock options and

performance-linked compensation will not be paid to outside directors

Compensation as a director and compensation as an executive officer shall be totaled and paid together to those directors who are serving concurrently as executive officers.

3. Compensation of Executive Officers

Compensation of executive officers shall consist of basic compensation and stock compensation-type stock options.

Basic compensation shall consist of monthly compensation and performance-linked compensation. Monthly compensation shall be determined at a fixed amount based on the position of the executive officer. Performance-linked compensation shall be determined in accordance with corporate performance and individual performance. Corporate performance-linked compensation shall be determined using the benchmarks of adjusted consolidated profit, net income for the period (consolidated), and the rate of increase or decrease in net assets per share. Individual performance-linked compensation shall be determined in accordance with the performance evaluation of executive officers.

Stock compensation-type stock options shall be awarded in order to increase the link between compensation and increases in corporate value over the long term.

4. Compensation of Audit & Supervisory Board Members

Compensation of Audit & Supervisory Board members shall be determined at a fixed amount through discussion between the Audit & Supervisory Board members, depending on whether the Audit & Supervisory Board member is full-time or part-time.

Compensation Amounts of Directors and Audit & Supervisory Board Members

	Number of Officers	Total Amount per Type of Compen		pe of Compensation
Category	Number of Officers for Payment	Total Compensation, Etc.	Basic Compensation	Stock Compensation-Type Stock Options
Directors	13	¥323 million	¥273 million	¥49 million
Audit & Supervisory Board Members	5	¥102 million	¥102 million	_
Total	18	¥426 million	¥376 million	¥49 million

Notes: 1. The number of officers for payment includes one director who resigned as of March 31, 2015.

- 2. Total compensation, etc., and total amount per type of compensation, etc., include compensation, etc., of one director who resigned as of March 31, 2015.
- 3. The total amount of compensation, etc., of directors includes ¥217 million as compensation of executive officers for directors who are serving concurrently as executive officers (¥177 million in basic compensation and ¥39 million in stock compensation-type stock options). The compensation of executive officers is being paid to a total of eight persons.
- 4. Basic compensation of directors includes ¥46 million as performance-linked compensation based on the performance of the previous fiscal year
- 5. The amount of reserve for performance-linked compensation based on the performance of the current fiscal year is ¥39 million.6. Officers who receive compensation, etc., of ¥100 million or more in total from the Company and its consolidated subsidiaries are listed as follows

Name Officer Category		Company Category	Total Amo	Total Amount Per Type of Compensation	
		Company Category	Basic Compensation	Stock Compensation-Type Stock Options	Compensation, etc.
Manaya Eutomiya	Director	The Company	¥14 million	¥1 million	¥100 million
Masaya Futamiya Directo		Sompo Japan Nipponkoa Insurance Inc.	¥65 million	¥18 million	# TOO MIIIION
Kanaa Caluwada	Director	The Company	¥71 million	¥18 million	¥104 million
Kengo Sakurada	Director	Somno Janan Ninnonkoa Insurance Inc.	¥13 million	¥1 million	* 104 million

7. The maximum amounts of compensation determined by resolutions of the General Meeting of Stockholders are as set out below.

Category	Maximum Amount of Compensation
	Basic compensation No more than ¥400 million per year
	(of which the amount to outside directors shall be no more than ¥100 million per year)
Directors	Stock compensation-type stock options No more than ¥100 million per year
	In each case, the amount of compensation, etc., of directors does not include the portion paid as employee salary to directors serving
	concurrently as employees.
Audit & Supervisory Board Members	Basic compensation No more than ¥110 million per year

Policy on Cross-Shareholdings

The Company's subsidiary Sompo Japan Nipponkoa Insurance Inc. engages in cross-shareholdings for the purposes of receiving investment returns in the forms of dividend income and share price appreciation, fortifying relations with insurance sales channels and business partners, and maintaining and strengthening transactional relationships regarding insurance with corporate clients.

The Board of Directors annually examines the rationale for continuing to maintain major cross-shareholding accounts. These examinations consider the future value of the shares based on the cross-shareholding objectives, such as expanding insurance transactions and strengthening alliances, review the long-term

outlooks for unrealized gains from value appreciation and the share value, and set quantitative risk and return assessment benchmarks for the associated insurance transactions and share values.

As part of the Group's capital policy, the Company implements a management policy of allocating a portion of the capital buffer realized from the continuous selling of cross-shareholdings to growth business investment, such as overseas M&A, to support the maintenance of financial soundness and improve capital efficiency. These activities are conducted in accordance with the medium-term and annual retention and disposal plans for cross-shareholdings established by the Board of Directors.

Internal Controls

The Company's Basic Policy on Internal Controls is based on relevant laws and regulations as well as the Group Management Philosophy and was established for the purpose of ensuring that the Group's business operations are appropriately performed and that corporate governance is continually reinforced and qualitatively improved. This policy serves as the basis for the following nine systems. Based on this policy, the Company continuously seeks to monitor and verify the Group's control systems and works to improve related structures. In addition, the Internal Control Committee has been established as an advisory body to the Board of Directors. This committee inspects the status of the fulfillment of functions of the Group's internal control system based on events occurring both inside and outside of the Group, and otherwise works to strengthen internal control systems.

- 1. System for Ensuring Proper Conduct of Operations of the Group
- 2. System for Ensuring Execution of Duties of Directors, Executive Officers, and Employees in Compliance with Applicable Laws and the Company's Articles of Incorporation
- 3. Strategic Risk Management Frameworks
- 4. System to Ensure Effective and Accurate Execution of Duties
- 5. System for Ensuring the Financial Soundness and Adequacy of Financial Reporting
- 6. System for Ensuring Appropriate Information Disclosure
- 7. System for Retention and Management of Information Related to Directors and Executive Officers' Performance of Their Duties
- 8. System to Ensure Internal Audits' Effectiveness
- 9. System Related to Audit & Supervisory Board Members' Audits

Internal and External Audits and Inspections

Audits of the Company are carried out by Audit & Supervisory Board members, internal audit divisions, and external auditing firms.

Types of Internal and External Audits and Inspections

Internal audits include audits by Audit & Supervisory Board members mandated by the Companies Act, and internal audits by internal auditing divisions.

External audits include accounting based on the Companies Act and the Financial Instruments and Exchange Act as well as internal control audits based on the Financial Instruments and Exchange Act. Both of these audits are performed by an external auditing firm (Ernst & Young ShinNihon LLC).

In addition, the Company undergoes inspections by the Inspection Bureau of the Financial Services Agency as mandated by the Insurance Business Act.

Internal Audits

The Company has formulated the Sompo Japan Nipponkoa Group Basic Policy on Internal Audits. Based on this policy, the Company and domestic insurance Group companies establish internal audit divisions with sufficiently ensured independence. The internal audit divisions of each company construct internal audit plans and verify the appropriateness, effectiveness, and efficiency of their company's management activities. If any issues are uncovered, the divisions provide instructions or offer advice and conduct follow-up activities to monitor improvements. Reports based on these issues are also submitted to the respective company's board of directors. The Company's internal audit division makes reports to the Board of Directors with regard to any major issues that arose during internal audits at other Group companies.

Management Members

Directors			(As of July 1, 2016)
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Group CEO Representative Director, President and Executive Officer Kengo Sakurada (Feb. 11, 1956)	Apr. 1978 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Jul. 2005 Executive Officer, General Manager, Financial Institutions Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2007 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of the Company Jul. 2010 Director, Executive Officer of the Company Representative Director, President and Chief Executive Officer of Sompo Japan Jun. 2011 Director of the Company Apr. 2012 Representative Director, President and Executive Officer of the Company Sep. 2014 Representative Director, Chairman and Executive Officer of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Group CEO, Representative Director, President and Executive Officer of the Company Group CEO, Representative Director, Chairman of Sompo Japan Nipponkoa Director, Chairman of Sompo Japan Nipponkoa Director, Chairman of Sompo Japan Nipponkoa Director of Sompo Japan Nipponkoa	Overall management of the Group's operations (Chief Executive Officer)
	Representative Director, Deputy President and Senior Managing Executive Officer Group CFO (Chief Financial Officer) Shinji Tsuji (Dec. 10, 1956)	Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Customer Service Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2009 Managing Executive Officer of Sompo Japan Jun. 2011 Director, Managing Executive Officer of the Company Apr. 2012 Director, Senior Managing Executive Officer of the Company Apr. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (current position)	Investment Management Department, Accounting Department, Internal Audit Department (assistant)
	Director, Senior Managing Executive Officer Overseas Insurance Business Owner (General Manager, China & East Asia Regional Headquarters) Shigeru Ehara (Dec. 18, 1958)	 Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2011 Executive Officer, General Manager, Commercial Risk Solutions Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2013 Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Managing Executive Officer of NIPPONKOA Insurance Company, Limited ("NIPPONKOA") Jun. 2013 Director, Executive Officer of the Company Apr. 2014 Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Dec. 2014 Director, Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa Jan. 2016 Director, Managing Executive Officer, General Manager, Global Business Planning Department of the Company Director, Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company (current position) Director, Senior Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of the Company (current position) Director, Senior Managing Executive Officer, General Manager, China & East Asia Regional Headquarters of Sompo Japan Nipponkoa (current position) 	Global Business Planning Department, Global Reinsurance Department, China & East Asia Regional Headquarters
	Director, Managing Executive Officer Shoji Ito (Jan. 20, 1960)	Apr. 1984 Joined The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2013 Executive Officer, General Manager, Chiba Branch of Sompo Japan Insurance Inc. ("Sompo Japan") Executive Officer, Branch General Manager, Chiba Branch of NIPPONKOA Insurance Company, Limited Oct. 2013 Executive Officer, Branch General Manager, Chiba Branch of Sompo Japan Sep. 2014 Executive Officer, Branch General Manager, Chiba Branch of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Jun. 2015 Director, Managing Executive Officer of the Company (current position)	Assistant to the President

Directors			(As of July 1, 2016)
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Director, Managing Executive Officer Group CRO (Chief Risk Officer) Masato Fujikura (Sep. 26, 1958)	Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2012 Executive Officer, General Manager, Reinsurance Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2013 Executive Officer, General Manager, Reinsurance Department of NIPPONKOA Insurance Company, Limited ("NIPPONKOA") Apr. 2014 Managing Executive Officer, General Manager, The Americas Regional Headquarters of Sompo Japan Managing Executive Officer, General Manager, The Americas Regional Headquarters of NIPPONKOA Sep. 2014 Executive Officer, General Manager, The Americas Regional Headquarters of the Company Managing Executive Officer, General Manager, The Americas Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Managing Executive Officer, General Manager, The Americas Regional Headquarters of the Company Apr. 2016 Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Jun. 2016 Director, Managing Executive Officer of the Company (current position)	Global Business Management Department, Corporate Legal Department, Risk Management Department
	Director, Managing Executive Officer Koichi Yoshikawa (Feb. 23, 1963)	Apr. 1985 Joined Koa Fire & Marine Insurance Co., Ltd. Apr. 2014 Executive Officer, General Manager, Corporate Marketing Department VII of Sompo Japan Insurance Inc. ("Sompo Japan") Executive Officer, General Manager, Corporate Marketing Department VII of NIPPONKOA Insurance Company, Limited ("NIPPONKOA") Sep. 2014 Executive Officer, General Manager, Corporate Marketing Department VII of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2016 Managing Executive Officer of the Company Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Jun.2016 Director, Managing Executive Officer of the Company (current position)	Internal Control Department, Internal Audit Department
	Director, Executive Officer Nursing Care & Healthcare Business Owner Mikio Okumura (Nov. 23, 1965)	Apr. 1989 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2006 Joined FinTech Global Incorporated Dec. 2007 Member of the Board, Head of Investment Banking Division of FinTech Global Incorporated Apr. 2015 Executive Officer, General Manager, Corporate Planning Department of the Company Apr. 2016 Executive Officer of the Company Jun. 2016 Director, Executive Officer of the Company (current position) Jul. 2016 Representative Director and President of Sompo Care Inc. (current position)	Nursing Care & Healthcare Business Department
	Director Domestic P&C Insurance Business Owner Keiji Nishizawa (Feb. 11, 1958)	Apr. 1980 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Business Planning & Development Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2010 Managing Executive Officer of Sompo Japan Jun. 2010 Director, Managing Executive Officer of Sompo Japan Oct. 2011 Director, Managing Executive Officer, General Manager, Automobile Underwriting Department of Sompo Japan Nov. 2011 Director, Managing Executive Officer of Sompo Japan Jun. 2012 Director, Executive Officer of He Company Apr. 2013 Director, Senior Managing Executive Officer of Sompo Japan Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited Apr. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Sep. 2014 Representative Director, Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Director, Deputy President and Senior Managing Executive Officer of the Company Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Oct. 2015 Director, Deputy President and Senior Managing Executive Officer, General Manager, New Business Development Department of the Company Jan. 2016 Director, Deputy President and Senior Managing Executive Officer of the Company Papresentative Director, President and Senior Managing Executive Officer of the Company Jan. 2016 Director, Deputy President and Senior Managing Executive Officer of the Company Director, Deputy President and Senior Managing Executive Officer of the Company Director, Deputy President and Senior Managing Executive Officer of the Company Jon. 2016 Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director, Deputy President and Senior Managing Executive Officer of the Company Apr. 2016 Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa (current position)	Assistant to President

Directors			(As of July 1, 2016
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Director Domestic Life Insurance Business Owner Kaoru Takahashi (May 13, 1956)	Apr. 1979 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager, Human Resources Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2010 Managing Executive Officer of Sompo Japan Director, Managing Executive Officer of Sompo Japan Director of Sompo Japan Himawari Life Insurance Co., Ltd. Apr. 2012 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Apr. 2013 Deputy President and Senior Managing Executive Officer of NIPPONKOA Insurance Company, Limited Sep. 2014 Representative Director, Deputy President and Senior Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. Apr. 2015 Representative Director, President and Chief Executive Officer of Sompo Japan Nipponkoa Himawari Life Insurance, Inc. (current position) Jun. 2015 Director of the Company (current position) Mar. 2016 Director of Hulic Co., Ltd. (current position)	Assistant to President
	Outside Director Sawako Nohara (Jan. 16, 1958)	Dec. 1988 Joined LIFE SCIENCE LABORATORIES, LTD. Jul. 1995 Joined InfoCom Research, Inc. Apr. 1996 Senior Researcher of InfoCom Research, Inc. Jul. 1998 Head of the E-Commerce Business Development Group of InfoCom Research, Inc. Dec. 2000 Director of IPSe Marketing, Inc. Dec. 2001 President of IPSe Marketing, Inc. (current position) Jun. 2006 Member of the Board of NEC Corporation Nov. 2009 Project Professor of the Graduate School of Media and Governance, Keio University (current position) Jun. 2012 Audit & Supervisory Board Member of Sompo Japan Insurance Inc. Jun. 2013 Director of the Company (current position) Jun. 2014 Member of the Board of Nissha Printing Co., Ltd. (current position) Director of JAPAN POST BANK Co., Ltd. (current position)	
	Outside Director Isao Endo (May 8, 1956)	Apr. 1979 Jointed Mitsubishi Electric Corporation Oct. 1988 Jointed The Boston Consulting Group Inc. Oct. 1992 Jointed Andersen Consulting Oct. 1996 Partner of Andersen Consulting Sep. 1997 Partner and Director of Booz Allen Hamilton May 2000 Managing Partner of Roland Berger Ltd. Apr. 2006 Chairman of Roland Berger Ltd. (current position) Professor of the Graduate School of Commerce, Waseda University May 2011 Director of Ryohin Keikaku Co., Ltd. (current position) Mar. 2013 Audit & Supervisory Board Member of Yamaha Motor Co., Ltd. (current position) Director of Nisshin Steel Co., Ltd. (current position)	
	Outside Director Tamami Murata (Jan. 18, 1960)	Apr. 1988 Admitted to the Japanese Bar Aug. 2001 Attorney at law at Murata Law Office (current position) Apr. 2008 Executive Vice President of Daini Tokyo Bar Association Jun. 2014 Director of the Company (current position)	

Directors			(As of July 1, 2016)
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Outside Director Scott Trevor Davis (Dec. 26, 1960)	Apr. 2001 Professor of the International Business Administration Department, the International School of Economics and Business Administration of Reitaku University May 2004 Director of Ito-Yokado Co., Ltd. Sep. 2005 Director of Seven & i Holdings Co., Ltd. (current position) Mar. 2006 Audit & Supervisory Board Member of Nissen Co., Ltd. Apr. 2006 Professor of the Department of Global Business, College of Business, Rikkyo University (current position) Mar. 2011 Member of the Board of Bridgestone Corporation (current position) Jun. 2014 Director of the Company (current position)	

Note: Ms. Sawako Nohara, Mr. Isao Endo, Ms. Tamami Murata, and Mr. Scott Trevor Davis meet the requirements of an "independent director" which is specified by the Tokyo Stock Exchange, Inc., and are deemed as being unlikely to have any conflict of interest with general stockholders.

Executive Office	cers		(As of July 1, 201
Job Title Name		Summarized Resume	Responsibilities
Group CEO, Representative Director, President and Executive Officer		Please refer to the summarized resume in the "Directors" section.	
Kengo Sakurada			
Representative Director, Deputy President and Senior Managing Executive Officer Group CFO (Chief Financial Officer) Shinji Tsuji		Please refer to the summarized resume in the "Directors" section.	
Director, Senior Managing I Overseas Insurance Busine (General Manager, China & Headquarters) Shigeru Ehara	ess Owner	Please refer to the summarized resume in the "Directors" section.	
Director, Managing Executive Officer Shoji Ito		Please refer to the summarized resume in the "Directors" section.	
Director, Managing Executive Officer Group CRO (Chief Risk Officer) Masato Fujikura		Please refer to the summarized resume in the "Directors" section.	
Director, Managing Executi Koichi Yoshikawa	ve Officer	Please refer to the summarized resume in the "Directors" section.	
Director, Executive Officer Nursing Care & Healthcare Business Owner Mikio Okumura		Please refer to the summarized resume in the "Directors" section.	
	Managing Executive Officer (General Manager, Europe & South America Regional Headquarters) Junichi Tanaka (May 9, 1961)	Apr. 1984 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Executive Officer, General Manager, Global Business Planning Department of the Company General Manager, Global Business Planning Department of Sompo Japan Insurance Inc. General Manager, Global Business Planning Department of Nipponkoa Insurance Co., Ltd. Sep. 2014 Executive Officer, General Manager, Global Business Planning Department of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Dec. 2014 Executive Officer, General Manager, Global Business Planning Department and China & East Asia Regional Headquarters of the Company Executive Officer, General Manager, Global Business Planning Department and China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Oct. 2015 Executive Officer, General Manager, Global Business Planning Department, China & East Asia Regional Headquarters and Europe Regional Headquarters of the Company Executive Officer, General Manager, Global Business Planning Department, China & East Asia Regional Headquarters and Europe Regional Headquarters of Sompo Japan Nipponkoa Jan. 2016 Executive Officer, General Manager, Europe Regional Headquarters and China & East Asia Regional Headquarters of the Company Executive Officer, General Manager, Europe Regional Headquarters and China & East Asia Regional Headquarters of Sompo Japan Nipponkoa Apr. 2016 Managing Executive Officer, General Manager, Europe & South America Regional Headquarters of the Company (current position) Managing Executive Officer, General Manager, Europe & South America	Europe & South America Regional Headquarters

Executive Office	cers		(As of July 1, 201
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Managing Executive Officer (General Manager, South Asia & Pacific Regional Headquarters) Nobuhiro Kojima (Apr. 20, 1960)	Apr. 1985 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2014 Executive Officer, General Manager, Corporate Planning Department of the Company Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Insurance Inc. Executive Officer, General Manager, Corporate Planning Department of Nipponkoa Insurance Co., Ltd. Sep. 2014 Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Executive Officer, General Manager, South Asia & Pacific Regional Headquarters of the Company Executive Officer, General Manager, South Asia & Pacific Regional Headquarters of Sompo Japan Nipponkoa Apr. 2016 Managing Executive Officer, General Manager, South Asia & Pacific Regional Headquarters of the Company (current position) Managing Executive Officer, General Manager, South Asia & Pacific Regional Headquarters of Sompo Japan Nipponkoa (current position)	South Asia & Pacific Regional Headquarter
	Managing Executive Officer Yasuhiro Tamura (Oct. 24, 1958)	Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2011 Executive Officer, General Manager, Corporate Communications Department of Sompo Japan Insurance Inc. ("Sompo Japan") Apr. 2012 Managing Executive Officer, General Manager, Kanagawa Regional Headquarters of Sompo Japan Apr. 2013 Managing Executive Officer, General Manager, Kanagawa Regional Headquarters of Nipponkoa Insurance Co., Ltd. Apr. 2014 Managing Executive Officer, General Manager, Chubu Regional Headquarters of Sompo Japan Sep. 2014 Managing Executive Officer, General Manager, Chubu Regional Headquarters of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2015 Director, Managing Executive Officer of Sompo Japan Nipponkoa (current position) Managing Executive Officer of the Company (current position)	Corporate Communications Department, Corporate Social Responsibility Department
	Managing Executive Officer Group CIO (Chief Information Officer) Shinichi Urakawa (Apr. 28, 1961)	Apr. 1984 Joined IBM Japan, Ltd. Dec. 2013 Executive Officer of Sompo Japan Insurance Inc. (leave of absence)	IT Strategy Planning Department
	Executive Officer (General Manager, Human Capital Department) Satoshi Kasai (Dec. 22, 1962)	Apr. 1985 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2015 Executive Officer, General Manager, Human Capital Department of the Company (current position) Executive Officer, General Manager, Human Capital Department of Sompo Japan Nipponkoa Insurance Inc. (current position)	Human Capital Department, Secretarial Departmen
	Executive Officer Nigel Frudd (Oct. 4, 1958)	Nov. 1981 Admitted to the British Bar May 2014 Director of Canopius Group Limited (currently Sompo Canopius AG) (current position) Jun. 2015 Executive Officer of the Company (current position)	Overseas M&A

Executive Office	ers		(As of July 1, 2016)
	Job Title Name (Date of Birth)	Summarized Resume	Responsibilities
	Executive Officer (General Manager, Accounting Department) Hidenori Hanada (Aug. 15, 1958)	Apr. 1981 Joined The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2016 Executive Officer, General Manager, Accounting Department of the Company (current position) Executive Officer, General Manager, Accounting Department of Sompo Japan Nipponkoa Insurance Inc. (current position)	
	Executive Officer (General Manager, North America Regional Headquarters) Atsushi Mizuguchi (Apr. 2, 1962)	Apr. 1985 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2015 Executive Officer, General Manager, Energy Industry Department of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2016 Executive Officer, General Manager, North America Regional Headquarters of the Company (current position) Executive Officer, General Manager, North America Regional Headquarters of Sompo Japan Nipponkoa (current position)	North America Regional Headquarters
	Executive Officer (General Manager, Corporate Communications Department) Kiyoshi Aoki (Feb. 2, 1964)	Apr. 1987 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2016 Executive Officer, General Manager, Corporate Communications Department of the Company (current position) Executive Officer, General Manager, Corporate Communications Department of Sompo Japan Nipponkoa Insurance Inc. (current position)	
	Executive Officer (General Manager, Office of Group CEO) Masahiro Hamada (Dec. 18, 1964)	Apr. 1988 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2016 Executive Officer, General Manager, Office of Group CEO of the Company (current position)	Office of Group CEO Group Business Management Office
	Executive Officer Group CDO (Chief Digital Officer) Koichi Narasaki (Jan. 4, 1958)	Apr. 1981 Joined Mitsubishi Corporation Jul. 2000 Joined Lineo, Inc. (UT, U.S.A.) Dec. 2002 Joined ACCESS CO., LTD. ("ACCESS") Apr. 2005 Executive Officer of ACCESS Feb. 2007 CEO of IP Infusion, Inc. (CA, U.S.A) (on loan) Apr. 2009 Director of ACCESS Oct. 2011 Vice President, COO of ACCESS Jun. 2012 Chairman of IP Infusion, Inc. Oct. 2014 CEO of UBIP Oct. 2015 President & COO of Midokura Group May 2016 Executive Officer of the Company (current position) Executive Officer of Sompo Japan Nipponkoa Insurance Inc. (current position)	Digital Strategy Planning Department

Audit & Super	visory Board Me	embers (As of July 1, 2016)
	Job Title Name (Date of Birth)	Summarized Resume
	Audit & Supervisory Board Member (Full-Time) Toshiyuki Takata (Jul. 6, 1957)	Apr. 1980 Joined The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2010 Executive Officer, General Manager, Corporate Planning Department of the Company Apr. 2011 Director of SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD. Jun. 2012 Director, Managing Executive Officer of the Company Jun. 2014 Audit & Supervisory Board Member of the Company (current position)
	Audit & Supervisory Board Member (Full-Time) Masaki Hanawa (Feb. 16, 1958)	Apr. 1981 Joined The Yasuda Fire & Marine Insurance Co., Ltd. Apr. 2010 Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Insurance Inc. ("Sompo Japan") Jan. 2011 Executive Officer, General Manager, Corporate Planning Department & Service Quality Management and Enhancement Department of Sompo Japan Apr. 2011 Executive Officer, General Manager, Corporate Planning Department of Sompo Japan Apr. 2012 Managing Executive Officer of Sompo Japan Apr. 2013 Managing Executive Officer of NIPPONKOA Insurance Company, Limited Apr. 2014 Director, Managing Executive Officer of Sompo Japan Sep. 2014 Director, Managing Executive Officer of Sompo Japan Nipponkoa Insurance Inc. ("Sompo Japan Nipponkoa") Apr. 2016 Senior Advisor of Sompo Japan Nipponkoa Jun. 2016 Audit & Supervisory Board Member of the Company (current position)
	Outside Audit & Supervisory Board Member Chikami Tsubaki (Aug. 6, 1947)	Apr. 1970 Joined EBARA-Infilco Co., Ltd. May 1975 Joined Asahi & Co. Mar. 1979 Registered as Certified Public Accountant Jul. 1999 Managing Director of Asahi & Co. Jul. 2004 Chief Executive of the Japanese Institute of Certified Public Accountants Jun. 2013 Audit & Supervisory Board Member of the Company (current position) Jun. 2014 Statutory Auditor of HEIWA REAL ESTATE CO., LTD. (current position) Jun. 2016 Director, Audit & Supervisory Committee Member of Seiko Epson Corporation (current position)
	Outside Audit & Supervisory Board Member Haruo Kasama (Jan. 2, 1948)	Apr. 1974 Public Prosecutor, Tokyo District Public Prosecutors Office Sep. 1999 Manager of Special Investigation Team, Tokyo District Public Prosecutors Office Jun. 2001 Chief Public Prosecutor, Kofu District Public Prosecutors Office Oct. 2002 Deputy Chief Public Prosecutor of Tokyo District Public Prosecutors Office Jun. 2005 Deputy Chief Public Prosecutor, Tokyo High Public Prosecutors Office Jun. 2006 Director-General Criminal Affairs Department of Supreme Public Prosecutors Office Oct. 2007 Deputy Prosecutor-General of Supreme Public Prosecutors Office Jan. 2009 Superintendent Public Prosecutor of Hiroshima High Prosecutors Office Jun. 2010 Superintendent Public Prosecutor of Tokyo High Prosecutors Office Dec. 2010 Prosecutor-General Oct. 2012 Admitted to the Japanese Bar Attorney at law at Kasama Law Office (current position) Jun. 2013 Director of Japan Post Holdings Co., Ltd. Audit & Supervisory Board Member of SUMITOMO CORPORATION (current position) Feb. 2014 Audit & Supervisory Board Member of Kewpie Corporation (current position)
	Outside Audit & Supervisory Board Member Naoki Yanagida (Feb. 27, 1960)	Apr. 1987 Admitted to the Japanese Bar Attorney at law at The Law Offices of Yanagida & Nomura (currently Yanagida & Partners) (current position) Jun. 2004 Audit & Supervisory Board Member of Nippon Paper Industries Co., Ltd. Audit & Supervisory Board Member of Nippon Unipack Holdings Co., Ltd. Jun. 2014 Outside Audit & Supervisory Board Member of Alpine Electronics, Inc. Audit & Supervisory Board Member of the Company (current position) Jun. 2016 Outside Director, Audit and Supervisory committee of Alpine Electronics, Inc. (current position) Corporate Auditor of YKK CORPORATION (current position)

Note: Ms. Chikami Tsubaki, Mr. Haruo Kasama, and Mr. Naoki Yanagida meet the requirements of an "independent auditor" which is specified by the Tokyo Stock Exchange, Inc., and are deemed as being unlikely to have any conflict of interest with general stockholders.

Compliance

The Group aims to be a corporate group trusted by society by providing customers with the highest-quality services and absolute peace of mind. To this end, the Group conducts appropriate corporate activities in compliance with laws, other applicable rules, societal norms, and corporate ethics, based on a constant recognition of the public mission and social responsibility of insurance and financial services businesses.

Sompo Japan Nipponkoa Group's Commitment to Compliance

1. Compliance System

(1) Internal Control Department

Internal Control Department has been established to oversee the promotion of compliance, and the Group is advancing effective compliance measures through coordination among Sompo Japan Nipponkoa, Sompo Japan Himawari Life Insurance, and other Group companies.

(2) Compliance Committee

Compliance Committee has been established to improve the effectiveness of compliance systems by deliberating on and checking related matters, such as the development of systems and implementation of measures by Group companies.

Members of the committee include directors and department heads from the Company as well as compliance department heads from insurance companies in the Group. This committee works to improve the effectiveness of Group-wide compliance activities by sharing up-to-date information and extending effective initiatives undertaken by individual companies across the Group.

2. Group Compliance Promotion Measures(1) Formulation of Basic Policies and Code of Conduct

The Group has formulated the Sompo Japan Nipponkoa Group Basic Policy on Compliance (http://www.sompo-hd.com/en/company/compliance/approach/) and the Sompo Japan

Nipponkoa Group Compliance Code of Conduct (http://www.sompo-hd.com/en/company/compliance/approach/) as common Group policies. In line with these policies, all Group executives and employees now recognize compliance as a basic requirement for the administration of business operations, and they are working to implement effective compliance measures.

(2) Promotion of Compliance through Compliance Programs

Each of the insurance companies in the Group works to resolve issues by formulating compliance programs for each business year. The Company monitors initiatives through these companies, including the progress made, and gives instructions for improvement whenever necessary.

The Company also shares information about initiatives being undertaken by Group insurance companies with Group subsidiaries to facilitate the resolution of compliance issues to support the development of the best practices.

(3) Responding to Serious Breaches

A system has been established requiring any Group company affected by serious compliance-related problems, including serious breaches, to report the matter to the Company. In such cases, the entire Group will work together to implement countermeasures based on multiple perspectives and to maximize the effectiveness of customer-related actions and initiatives designed to prevent recurrences.

Sompo Japan Nipponkoa Group Basic Policy on Compliance

The Sompo Japan Nipponkoa Group Basic Policy on Compliance (http://www.sompo-hd.com/en/company/compliance/approach/) serves as the framework for the five policies described. The Company and Group companies shall establish a compliance system in accordance with these policies.

- Continually express a commitment to compliance-based management
- 2. Comply with all applicable laws and regulations and act in accordance with societal norms and corporate ethics
- 3. Establish systems to ensure the proper conduct of business
- 4. Identify problems promptly and resolve them organizationally
- 5. Disclose information proactively and impartially

Stance toward Organized Crime Forces

The Company seeks to continually earn the trust of society and maintain sound corporate management and has established the Sompo Japan Nipponkoa Group Basic Policy on Response to Organized Crime Forces, which stipulates maintaining an absolutely uncompromising stance on undue claims and other activities by organized crime forces that disrupt or threaten the safety of civil society, rejecting all overtures, and blocking all relations with organized crime forces.

- 1. Organized response
- 2. Preventing relations with organized crime forces
- 3. Prohibition of under-the-table transactions and the provision of funds
- 4. Cooperation with external specialist institutions
- 5. Civil and criminal legal response as needed

Management of Conflict-of-Interest Transactions

The Company has established the Sompo Japan Nipponkoa Group Basic Policy on Managing Conflict-of-Interest Transactions to furnish an appropriate and legally sound management system for preventing harm to customers' interests through transactions by Group financial institutions that have the potential to create conflicts of interest.

Protection of Customer Information

The Sompo Japan Nipponkoa Group Basic Policy on the Establishment and Maintenance of Customer Information Management System has been set forth to ensure appropriate management of customer information and in compliance with the Act on the Protection of Personal Information and other relevant legislation. Based on this policy, the Company and Group companies institute

customer information management systems and train employees. We have also formulated the Sompo Japan Nipponkoa Group Privacy Policy and the Sompo Japan Nipponkoa Group Declaration on the Protection of Customer Information, both of which have been made available on the Company's corporate website (available in Japanese only).

Information Disclosure

The Group has established a basic disclosure policy and strives to disclose information in an appropriate and timely manner to ensure that its various stakeholders, including customers, shareholders, and other investors, have a correct understanding of the Sompo Holdings Group's management and other initiatives.

Corporate Website

The Company's corporate website is a source of corporate data as well as information on Group businesses, topics of interest to shareholders and other investors, and CSR activities. We also post timely news releases on this website. The English version of the website provides a variety of information for people overseas.

Corporate website: http://www.sompo-hd.com/en/



Integrated Report

The Company publishes integrated reports (such as this report) that contain easy-to-understand explanations of the Sompo Holdings Group, management policies, and performance. We also

provide English-language annual reports. These integrated reports and annual reports are available in their entirety on our corporate website.

Regular Investor Briefings for Investors and Analysts

The Company holds regular investor briefings for investors and analysts. Presentation materials used in these briefings are made available for all interested parties on the Company's corporate website.

IR meetings are held twice annually with the Group CEO, the CFO, and other members of senior management in attendance, in principle, and include presentations and question and answer sessions.

The Company arranges for other members of senior management, including the Group CEO, to visit and engage in dialogue with overseas investors several times a year.

In Japan, the CFO and the executive officer of the Corporate Planning Department, who oversees IR activities, arrange for dialogue with shareholders as needed.

These dialogues enable the Company to explain its management policies and other topics in a timely manner while also allowing senior management to receive feedback on shareholder interests

and concerns, which contributes to forming management strategy and executing operations.



IR meeting held on May 26, 2016