

## **SOMPO HOLDINGS Subsidiaries Receive Minister of State for Space Policy Prize for Using Earth Observation Satellite Data in Weather Index Insurance for Myanmar**

Sompo Japan Nipponkoa Holdings, Inc. (President: Kengo Sakurada, hereinafter “SOMPO HOLDINGS”) subsidiaries Sompo Japan Nipponkoa Insurance Inc. (President: Masaya Futamiya, hereinafter “Sompo Japan Nipponkoa”) and Sompo Japan Nipponkoa Risk Management Inc. (President: Hidehiro Sumi) received the Minister of State for Space Policy Prize at the 2nd Space Development and Utilization Grand Prizes (\*1) for developing weather index insurance (\*2) for Myanmar using earth observation satellite data. SOMPO HOLDINGS is the first financial institution to be honored with the prize recognizing distinguished achievement in the advancement of space development and utilization.

### **\*1. Space Development and Utilization Grand Prizes**

The Space Development and Utilization Grand Prizes are presented by the Office of National Space Policy of the Cabinet Office of the Government of Japan to recognize pioneering initiatives that substantially contribute to the advancement of Japan’s space development and utilization and contribute to public awareness and understanding of Japan’s space policy.

### **\*2. Weather Index Insurance**

Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when weather indices—such as temperature, wind speed, rainfall, or hours of sunshine—exceed specified thresholds. The intensifying effects of climate change have been generating growing interest in weather index insurance in recent years as a climate change adaptation measure, particularly in developing countries with agricultural sectors susceptible to impact from climate change.

### **1. Weather index insurance using earth observation satellite data**

Sompo Japan Nipponkoa began developing weather index insurance for Myanmar following a seminar headed by SOMPO HOLDINGS Group CEO Sakurada on weather index insurance presented to the Myanmar Ministry of Agriculture and Irrigation, Ministry of Finance, and other government agencies conducted in February 2014. The government recognized the contribution that weather index insurance could provide to the development of Myanmar’s agricultural industry and engaged Sompo Japan Nipponkoa in joint development of the insurance.

An inadequate meteorological observation infrastructure and insufficient historical weather data were major obstacles to developing weather index insurance in Myanmar. Sompo Japan Nipponkoa overcame this by using rainfall data estimates from earth observation satellites provided by the Remote Sensing Technology Center of Japan, which led to the creation of Japan’s first weather index insurance using earth observation satellite data. The satellite data made weather index insurance possible for the first time in Myanmar. The insurance is helping farmers maintain financial stability when crop damage occurs due to extreme weather and is contributing to the stable development of the agricultural industry.

## **2. Moving Forward**

SOMPO HOLDINGS is enhancing its ability to create products and services using earth observation satellite data and leading-edge technology to strengthen the resilience of farmers in Southeast Asia susceptible to the impact of climate change. SOMPO HOLDINGS is dedicated to providing insurance solutions to people vulnerable to risk with the mutually beneficial objectives of realizing sustainability for society and our business growth.