

May 20, 2016

Sompo Japan Nipponkoa Holdings, Inc.

## **Establishment of Nursing Care Business Management Subsidiary Sompo Care Inc.**

Sompo Japan Nipponkoa Holdings, Inc. (Kengo Sakurada, Group CEO Representative Director, President and Executive Officer; hereinafter, "SOMPO HOLDINGS") hereby announces that it has decided to establish Sompo Care Inc., a subsidiary for managing the administration of the Group's nursing care businesses, on July 1, 2016. Going forward, the subsidiary will manage the administration and provide management guidance for the Group's nursing care business companies, including Sompo Care Next Inc. and Message Co., Ltd.

### **1. Background to the Establishment**

SOMPO HOLDINGS has positioned the nursing care and healthcare business as one of its main lines of business along with the domestic P&C insurance business, domestic life insurance business, and overseas insurance business. The Company intends to contribute to social solutions by bringing about innovation in the nursing care business and the myriad of issues this sector faces in modern society.

To date, SOMPO HOLDINGS has reinforced and accelerated its initiatives in the nursing care market through a broad range of investments. These include a 34% stake in Cedar Co., Ltd. acquired through an Investment LPS in September 2012, a capital and business alliance involving a 3.5% stake in Message Co., Ltd. in March 2015, the conversion of Watami no Kaigo Co., Ltd. (currently, Sompo Care Next Inc.) as a wholly-owned subsidiary in December 2015, and the conversion of Message Co., Ltd. into a subsidiary with a 94.63% stake in March 2016.

SOMPO HOLDINGS will work without delay to establish a brand representing security and wellbeing in the industry. The goal is to become the most trustworthy nursing care provider in Japan through the provision of nursing care services of the highest quality to facility residents and their families.

### **2. Purpose of Establishment**

Against this backdrop, SOMPO HOLDINGS decided to establish a highly specialized

management subsidiary to promptly establish an optimal structure for managing the administration of the Group’s nursing care businesses. Through this, the Company aims to accelerate the business development and quality enhancement of nursing care services, and quickly realize the Group’s vision in the nursing care business.

**3. Overview of the Company to Be Established**

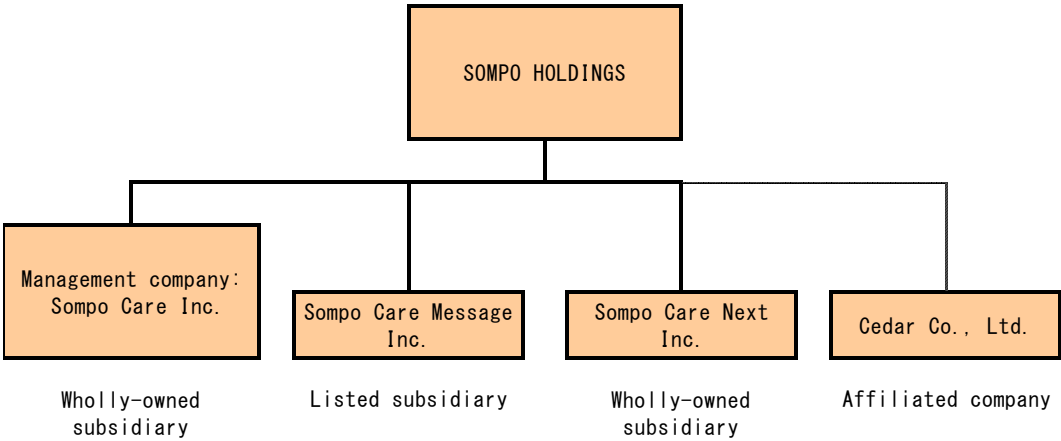
(1) Establishment date: July 1, 2016 (2) Name: Sompo Care Inc.

(3) Company Overview

1) Name	Sompo Care Inc.
2) Location	SHINAGAWA SEASIDE EAST TOWER, 12-8, Higashi Shinagawa 4-chome, Shinagawa-ku, Tokyo
3) Name and title of representative	Mikio Okumura, President *Please refer to the attachment 1 for a profile of Mr. Okumura.
4) Establishment	July 1, 2016
5) Business	Management and related administration of SOMPO HOLDINGS Group companies in the nursing care business.
6) Capital	¥35 million
7) Shareholder	Sompo Japan Nipponkoa Holdings, Inc. (100%)

(4) Status of the SOMPO HOLDINGS Group’s Nursing Care Business Structure and Companies

**Nursing Care Business Structure of SOMPO HOLDINGS (July 1, 2016 Onward)**



**Status of Group Nursing Care Companies\*1**

<b>SOMPO HOLDINGS</b>					
Established A new Nursing Care and Healthcare Division (April 1, 2016)					
Company name	<b>Sompo Care Message*2</b>	<b>Sompo Care Next</b>	<b>Two-Subsidiary Total</b>	<b>Cedar*3</b>	
No. of employees (consolidated)	17,872	7,164	<b>25,036</b>	1,675	
Net sales (consolidated)	¥78.9 billion	¥35.4 billion	<b>¥114.3 billion (Second highest sales in Japan)</b>	¥10.7 billion	
Main business	At-facility nursing care	No. of rooms for the elderly: Approx. 17,000 rooms Fee-based homes for the elderly: 183 facilities Rental housing for the elderly with living support service: 121 buildings	No. of rooms for the elderly: Approx. 8,000 rooms Fee-based homes for the elderly: 111 facilities	<b>No. of rooms for the elderly: Approx. 25,000 rooms (Largest number in Japan)</b>	No. of rooms for the elderly: Approx. 2,000 rooms Fee-based homes for the elderly: 37 facilities
	At-home nursing care	At-home services: Approx. 400 offices	Outpatient nursing care office: 10 offices		Outpatient nursing care office: 31 offices

\*1. The number of employees, net sales, and number of facilities and offices were as of March 31, 2015.

\*2. New company name planned for July 1, 2016    \*3. Investment in a 34% stake through an investment LPS in 2012.

Attachment 1

Profile of the Representative Director and President

Name Mikio Okumura

Birth November 23, 1965 (Age 50)

Education History

*March 1989* Graduated from the Department of Health, Physical Education and Sport Sciences, University of Tsukuba

Career History

*April 1989* Joined The Yasuda Fire & Marine Insurance Co., Ltd.

*April 2006* Joined FinTech Global Incorporated  
Head of Business Planning Department  
Head of Structured Finance Department 1

*April 2012* Member of the Board and Head of the Investment Banking Division  
General Manager (assigned to Sompo Japan do Brasil Ltda.) with the Americas Department, Sompo Japan Insurance Inc.

*September 2014* General Manager (assigned to Sompo Japan Nipponkoa do Brasil Ltda.) with the Americas Department, Sompo Japan Nipponkoa Insurance Inc. (name change due to merger)

*April 2015* Executive Officer and Group CDO of the Group CEO Office, Sompo Japan Nipponkoa Holdings, Inc.

*April 2016* Executive Officer, Sompo Japan Nipponkoa Holdings, Inc. \*

*July 2016* Representative Director and President of Sompo Care Inc. (appointment planned), and Executive Officer, Sompo Japan Nipponkoa Holdings, Inc.

\*Mr. Okumura is scheduled to be appointed a director and executive officer following a resolution by the 6th Ordinary Annual Shareholders' Meeting of Sompo Japan Nipponkoa Holdings, Inc., to be held on June 27, 2016.

## **[Reference] Initiatives of the Advisory Council on Nursing Care**

### **1. Overview**

SOMPO HOLDINGS established an advisory council on nursing care in April 2016. The council is comprised of experts with penetrating insights from academia and the industry and works to identify, deliberate, and resolve various issues in the nursing care business in Japan and provide SOMPO HOLDINGS with guidance to help it establish a proud place in the world for Japan as a prosperous nation with a long-lived population.

The council's first meeting was held on April 20, 2016, and chaired by Professor Emeritus Shigeru Tanaka of Keio University. Professor Tanaka is Japan's leading authority in the field of healthcare, nursing care, and comprehensive regional healthcare, and has served as the chairperson of the Ministry of Health, Labour, and Welfare's Council for Securing and Promoting Comprehensive Healthcare and Nursing Care, as well as a member of the Ministry's Advisory Council Social Security. SOMPO HOLDINGS' advisory council will discuss a broad range of issues over the next year.

At its first meeting, the advisory council held rigorous discussions to recognize the issues confronting the nursing care business of SOMPO HOLDINGS. In addition, to identify the discussion themes going forward, council members also shared their views on (1) nursing care from the perspective of promoting the independence of care recipients, (2) communication needed in nursing care, (3) the role of nursing care providers in local communities, (4) making use of diverse human resources, and (5) responding to care recipients with dementia.

In the year ahead, the advisory council will discuss themes such as essential care service quality, human resource development, and collaboration with local communities to provide the SOMPO HOLDINGS Group with insights on operating nursing care businesses.

Going forward, SOMPO HOLDINGS plans to position the council as an advisory body to Sampo Care Inc.

## 2. Members of the Advisory Council (Alphabetical order, \* Marks the Chairperson)

**Kazuto Handa**, President, Japanese Physical Therapy Association, and Trustee, Japan Association of Rehabilitation Hospitals and Institutions

**Yukiko Inoue**, Professor of Graduate School of Social Work Special Service Management, Japan College of Social Work

**Shuichi Nakamura**, Professor, International University of Health and Welfare Graduate School, and former Director General, Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare

**Jun Sasaki**, Chairman and Head of Clinical Department, Yushoukai Home Healthcare Clinic

**Yoshiko Shiotani**, Chairperson of the Board of Trustees, Japan College of Social Work, and former Governor of Kumamoto Prefecture

**Hiroko Takasuna**, Managing Trustee, The National Association for Home-Visit Nursing Care, and Administrator, Home-Visit Nursing Care Center, Minami-ku Medical Association of Yokohama

**Shigeru Tanaka\***, Professor Emeritus, Keio University, and Member, Advisory Council Social Security, Ministry of Health, Labour, and Welfare

## 3. Scheduled Meetings

Meeting	Theme (Planned)
Second meeting (June)	• Essential quality of nursing care services
Third meeting (September)	• Building organizations and nurturing human resources for providing high-quality nursing care services
Fourth meeting (November)	• Operating a nursing care business for realizing communal support
Fifth meeting (February)	• Formulation of an advisory proposal