

Creating Social Value by Building a “Theme Park for the Security, Health, and Wellbeing of Customers”



SUSTAINABLE DEVELOPMENT GOALS



The Group Management Philosophy 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.” In accordance with this philosophy, the Sampo Holdings Group is developing its mainstay insurance businesses while expanding a diverse range of other businesses.

We aim to realize a “theme park for the security, health, and wellbeing of customers” that enables them to lead fun, happy, and healthy lives. This approach will contribute to the achievement of several of the Sustainable Development Goals (SDGs) that the United Nations Sustainable Development Summit adopted in 2015. Specifically, we are particularly well qualified to contribute to goal 3: Ensure healthy lives and promote wellbeing for all at all ages; goal 11: Make cities inclusive, safe, resilient, and sustainable; and goal 17: Revitalize the global partnership for sustainable development. We benefit society not only by providing insurance services to individuals and companies when accidents occur or issues arise but also by suggesting preventive measures to reduce their frequency and by creating innovative “security and wellbeing” products and services that enrich daily life and transcend the boundaries of insurance.

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

2 Security and Wellbeing Stemming from Disaster Preparedness

3 Support for Healthy Lifestyles and Lives

1

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

Social Issues

The aging of society is one of the major issues that Japan faces today. In 2007, Japan became a “super-aging society” when, for the first time, those aged 65 or above accounted for more than 21% of the total population. By March 2018, more than half of senior citizens were aged 75 or above. As society ages, issues emerge. These include rising medical

and nursing care costs and other social welfare costs, increasing numbers of senior citizens with mild cognitive impairment or dementia, and shortages of nursing care personnel. To tackle such issues, the Sompō Holdings Group is leveraging the wide range of resources and digital technologies that it has developed.

Launch of the SOMPO Dementia Support Program

It is estimated that there were approximately 8.6 million senior citizens with mild cognitive impairment or dementia in Japan in 2012. By 2025, this figure is projected to reach 13.0 million. Viewing dementia as an important social issue that the whole Group should address and aiming to build a society that strives to prevent dementia and enables people to continue living long and happy lives with dignity as individuals, even after being diagnosed with dementia, we launched the SOMPO Dementia Support Program. We will advance the program by using feedback from nursing care personnel as well as advice from the National Center for Geriatrics and Gerontology, with which we concluded a comprehensive alliance agreement in September 2017, and from Alzheimer’s Association Japan, Japan’s largest group for those with dementia and their families.

As the first phase of the program, in October 2018 we will begin providing an online dementia support service, SOMPO Egao Club, which will help prevent cognitive decline. SOMPO Egao Club will be a common incidental service for two products that we will launch in October 2018. Specifically, Sompō Japan Nipponkoa Insurance Inc. will market an insurance product Oyako No Chikara that helps people avoid having to quit work to care for family members, while Sompō Japan Nipponkoa Himawari Life Insurance, Inc., will market an insurance product that provides a one-time payment if a

diagnosis of mild cognitive impairment or dementia is received, Linkx Egao Wo Mamoru Dementia Insurance.

With a view to developing and providing other solutions that cater to customers’ dementia-related needs, the Sompō Holdings Group will leverage the unique collective strengths that result from operating one of the largest insurance businesses in Japan as well as one of the country’s largest nursing care businesses. These initiatives will include joint research with the National Center for Geriatrics and Gerontology to clarify the relationship between the cognitive function of elderly drivers and automobile accidents and the distinctive causes of automobile accidents involving such drivers. Also, we will collaborate with other companies and organizations to develop products and services as well as conduct activities to support those affected by dementia and to help raise awareness of the condition.



A screenshot of the SOMPO Egao Club website service menu page

Human Resource Development— Establishment of SOMPO Care University and SOMPO Care FOOD LAB

In the nursing care industry, the development and retention of personnel have become issues. Aiming to address these issues and give all employees opportunities to gain a sense of growth as nursing care specialists, the Sompō Care Group opened SOMPO Care University in July 2017. In establishing the university, the Sompō Care Group has expanded the Sompō Care Next Step Center, which Sompō Care Next opened in April 2016, and positioned it as the training center for the entire Sompō Care Group. The revamped facility offers improved programs based on a high-quality training system. At the same time, through collaboration with a variety of research bodies, we are operating the facility as an open,

in-house university. At the university, we aim to create a general R&D center for nursing care that has the capabilities to research frontline issues and countermeasures and where not only personnel of the Sompō Care Group but also those in a variety of professions that support the nursing care business can study.

Further, in March 2018 the Sompō Care Group unveiled the SOMPO Care FOOD LAB as a general organization tasked with conducting personnel training as well as the planning and development of food products with respect to diet and nutrition. Through this new organization, the Sompō Care Group aims to realize its basic management policy of creating tasty

food and helping people gain vitality.

The goal of the SOMPO Care FOOD LAB is to become a general R&D center for food. As such, it will propose new or improved menus based on the opinions and requests of those who receive nursing care as well as develop menus for different levels of chewing and swallowing capability. In addition, the lab will provide food and hygiene technical training that covers knowledge and preparation methods and which is tailored to specific professions, such as dietitians.

VOICE



Eriko Umekawa

Sompō Care La vie Re Ayase
Sompō Care Inc.

In December 2017, I joined the company without any experience of nursing care. Subsequently, I undertook training for new employees at SOMPO Care University. I attended training seminars in my first, third, and sixth month after entering the company. The training did not just cover the basics of nursing care; it involved learning about a wide range of fields, including dementia and pharmaceuticals. Before joining the company, I had learned about nursing care basics through training for newly appointed nursing care instructors. At SOMPO Care University, however, I acquired more practical skills that are useful when providing on-site nursing care because we trained using the recreated living room of a nursing care facility. My goal is to pass on to junior coworkers the skills and knowledge I have garnered through this training.

Utilization of ICT and Digital Technologies

Taking On the Challenge of Using AI at Nursing Care Facilities

As part of measures to enhance the quality of nursing care, the Sompō Care Group has begun examining the feasibility of utilizing AI. Specifically, we are considering the use of AI to assist nursing care managers in the preparation of nursing care plans for clients as well as to analyze whether nursing care personnel are employing proper techniques and to show personnel the correct techniques.

Increasing Productivity through the Use of Robotic Process Automation

Nursing care providers carry out a lot of routine operations. Among these operations, some procedures only arise at certain periods, and employees have dealt with this by working overtime. Given that our introduction of robotic process automation for certain procedures has reduced work volumes, we plan to increase operational productivity further by using

robotic process automation for a wider range of tasks.

Linking Expertise at Nursing Care Facilities with the Latest Technology Development

We host a business contest for start-ups in Japan and the United States. Our aim is to discover or conduct joint proving tests with start-ups globally—but with a focus on the United States—and thereby build an ecosystem for start-ups engaged in childcare or nursing care fields. Also, we are concentrating efforts on the development of technologies that enrich the day-to-day lives of senior citizens in collaboration with SOMPO Digital Lab, which is located in Tokyo, Silicon Valley, and Israel and supports the digital technology R&D of the Sompō Holdings Group's businesses.



Business contest

Conversion of Japan's Issues into Opportunities

The Group will develop dementia-oriented products and services and strengthen its linkage with products that are focused on the senior citizen market by leveraging the expertise of external partners through industry-academia-government partnerships and by advancing collaboration among the Group's businesses. In addition, we will make maximum use of the know-how of the nursing care business as well as of feedback from more than 100,000 clients and personnel to roll out products and services in fields peripheral to the core nursing care business, including in the insurance field.



Joint research with the National Center for Geriatrics and Gerontology

VOICE



Atsuko Muraki

Outside Audit &
Supervisory Board Member

There is a tendency to view the aging of society as a tribulation. However, Lynda Gratton, coauthor of *The 100-Year Life: Living and Working in an Age of Longevity*, refers to it as a gift for Japan. To enable everyone to enjoy this gift, realizing healthy longevity, is indispensable.

In this regard, I have high expectations of the Sompo Holdings Group. I would like the Group to take advantage of the scale of its operations in the nursing care field to build model business schemes that provide high-quality, efficient care to those with dementia and which value nursing care personnel. Further, I want the Group as a whole to offer comprehensive "security, health, and wellbeing" for the elderly that encompasses insurance through to nursing care services and various types of healthcare services. Also, I would like the Group to accelerate the full-scale introduction of new technologies and to develop its businesses overseas.

I sincerely hope that the Group helps enrich the day-to-day lives of senior citizens in Japan, which has become a super-aging society, and in other countries with aging societies.

2

Security and Wellbeing Stemming from Disaster Preparedness

Telematics-Enabled Safe Driving Support Service and Safe Driving Discounts

To help customers drive safely and realize a safe, reliable motorized society, in March 2015 Sompo Japan Nipponkoa launched the insurance industry's first telematics-enabled safe driving support service for companies, Smiling Road. Using a telematics-based driving recorder, the system steadily enhances drivers' awareness of driving safety and helps managers provide guidance efficiently. Through the synergistic effects of the system's visualization of driving status and praise for good driving, the cumulative number of accidents at all companies using this service has decreased roughly 20%.

In January 2016, we introduced Portable Smiling Road, a safe driving car navigation app for individuals. The app provides free use of the advanced car navigation functions of NAVITIME JAPAN Co., Ltd., as well as of functions that we

are uniquely qualified to provide as an insurance company, such as safe driving assessments and one-touch accident notification. Already, more than a quarter of a million users have downloaded the app. In January 2018, we became Japan's first P&C insurance company to link driving assessments with discounted automobile insurance premiums. Mainly targeting customers enrolling in automobile insurance for the first time, we offer safe driving discounts of up to 20% based on assessments from Portable Smiling Road.



A Portable Smiling Road screenshot

Use of Driving Recorders to Support Accident Responses and Safe Driving

In January 2018, Sompo Japan Nipponkoa introduced a service for individuals that is based on telematics and driving recorders, DRIVING! Living with a Car, as a rider for automo-

bile insurance.

Initially, as part of our digital technology-enabled safe driving support services, we provided a service that was free

for a limited period and for a limited number of vehicles. However, we received feedback from many users to the effect that the service heightened their awareness of driving safety and they wanted to continue using the service even if it was no longer free. In response, we revamped the service to enhance its capabilities and began offering it as a rider for automobile insurance, and many customers now use the new service. Through safe driving support, the service gives drivers peace of mind when they are driving, and when they are off the road

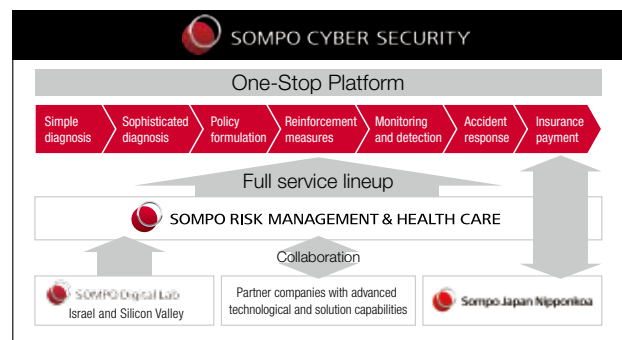
safe driving assessments and visual training enable them to maintain their driving skills. Also, if an accident occurs, the new service includes accident notification functions. Moreover, through a collaboration with SOHGO SECURITY SERVICES CO., LTD. (ALSOK), we are the first major P&C insurance company in Japan to offer accident-scene callout services. In this way, the new service provides all-around support that allows customers to drive safely and with peace of mind.

Launch of a Cybersecurity Business Offering a One-Stop Platform

January 2018 saw the Sompo Holdings Group's first foray into the cybersecurity business. With changes in society's infrastructure and technology, such as the spread of self-driving technology for automobiles and the Internet of Things (IoT), and the emergence of increasingly sophisticated cyberattacks, cyber risks have become a significant factor in corporate management.

Through the underwriting of cyber insurance, the Sompo Holdings Group has collected information on the issues that companies face in relation to cyber risks. Based on this insight, we have built a one-stop platform that provides services covering risk assessments and security-strengthening measures through to insurance payments if accidents or issues occur. In preparation for the launch of this new business, we established a new SOMPO Digital Lab in Israel in

November 2017. Employing leading-edge technology to deal with increasingly sophisticated cyberattacks, we will support customers by focusing on providing a comprehensive menu of services that encompasses the establishment of preventive systems and countermeasures for impact minimization.



3 Support for Healthy Lifestyles and Lives

Health Maintenance and Improvement Assistance through Linkx

With the aim of transforming into a health support enterprise, Sompo Japan Nipponkoa Himawari Life Insurance established the health service brand Linkx (pronounced "link cross") in September 2016. The concept of the brand is to help customers become healthier in enjoyable, relaxed environments. With this in mind, we are developing a business model that unites three components: innovative products, health-related services that utilize digital technologies, and sales channels. We have already launched a range of products and services under the brand, all of which have proven popular. Linkx coins (insurance covering advanced medical treatment with organ transplantation medical treatment benefits) is an online-only insurance product that focuses on covering conditions that place the greatest financial burden on the insured when undergoing treatment. Also, we offer services under the brand that are available to everyone, not just insurance policyholders. These include the Linkx siru health app, the Linkx aruku

walking app, and the Linkx reco dieting app.

In response to feedback from female employees, in March 2018 we brought to market a new service, Linkx Pink, and in the following month we launched a renewed family income insurance product. Specifically designed for women, Linkx Pink gives complete breast cancer-related support that covers the early detection of breast cancer through to measures upon developing the disease. As well as information, the product provides a screening search and reservation service. The renewed family income insurance is the first product in the domestic insurance industry to incorporate a "Get☆Healthy Challenge!" program. This program lowers the premiums of customers who quit smoking or get healthier and provides them with a Get Healthy Bonus, equivalent to a reimbursement of the difference between the former and reduced premiums dating back to the time of policy enrollment.