

December 18, 2015

Nursing Care Business Strategy by SOMPO HOLDINGS

Sompo Japan Nipponkoa Holdings, Inc. (Group CEO, Representative Director, President: Kengo Sakurada) hereby announces nursing care business strategy of the group on the assumption of the completion of tender offers with respect to Message Co., Ltd. (“Message”) as follows.

1. Background

Currently, in Japan, the elderly population is increasing at an accelerating pace, and in year 2025, when the “baby boom generation” will reach 75 years old, we will see the advent of a society in which approximately 22 million people, accounting for a little less than 20% of the entire population, will be over 75 years old. Further, due to a low birth rate and change of family structure, environment surrounding elderly people has drastically changed, e.g. elderly single and husband and wife households are increasing. As a result, life style that they hope after they come to require nursing care has been diversified. In such a situation, the government has been conducting various reviews and taking measures to establish a base corresponding to various nursing care needs for those who require nursing care and an environment where society as a whole supports them.

2. Significance of Entry into Nursing Care Business and Our Past Initiatives

We consider that the nursing care business is consistent with our management philosophy, which is to provide services that contribute to the “security, health and wellbeing” of our customers and that the nursing care business market, including peripheral businesses, is large and seems to warrant high growth towards the future. We have been strengthening and accelerating business initiatives in the nursing care sector, as illustrated by our 34% capital investment into Cedar Co., Ltd. (“Cedar”) through an investment LPS in September 2012, the capital and business alliance with Message in March 2015 (3.5% capital investment), and the completion of the acquisition of all of the shares in Watami no Kaigo Co, Ltd., which was renamed “Sompo Care Next Inc.” (“Sompo Care Next”), in December 2015.

We aim to place priority on the nursing care business as our “core business” equivalent to the P&C insurance business and the life insurance business and desire to reform the nursing care business, which has a variety of issues in the modern society, and thereby contribute to providing solutions to social challenges.

3. Our Nursing Care Business Companies

To meet diverse customer needs, we provide a full lineup of nursing care services to customers, combining strength of each company.

(1) Sompo Care Next

Sompo Care Next runs 113 pay nursing homes with long-term care mainly in the Tokyo metropolitan area under the “Rest Villa” and “Mizuki” brands. Going forward, it will provide facility-based services of the highest quality chosen by more people mainly in the metropolitan areas where population is aging fast in particular.

(2) Message

Mainly in metropolitan areas, Message runs 183 pay nursing homes with long-term care under the “Amille” brand, etc., and 125 serviced rental housings for the elderly under the “C Amille” brand, etc. It also provides

at-home services, such as home-visit care through approximately 400 offices. In February 2015, Message launched a new at-home service “Home-care Service Z Amille,” and plans to expand its range of services mainly in Tokyo metropolitan areas.

*“Home-care Service Z Amille”: Flat rate services combining nursing care services (periodic checks and home-visit care on an as needed basis) and other services not covered by the public nursing care insurance (such as delivery of meals and, living support) with the concept of providing services equivalent to pay nursing homes at the relevant person’s home.

Cedar, our affiliated company, runs pay nursing homes with long-term care “La Nassica”, and day service centers “Aozora-no-sato.” It provides nursing care services focusing on rehabilitation.

4. Initiatives to improve quality

To provide customers with nursing care services with ease, we will appropriately introduce our know-how of governance, compliance, and risk management, and provide services of the highest quality that contribute to the security, health, and wellbeing of our customers.

As for operation of nursing care business, we will introduce and utilize ICT (Information and Communication Technology) and digital technologies, such as information management systems, digital devices, or sensor technologies and sophisticate nursing care business by providing securer and more reliable services and mitigating workload of staffs.

In addition, to provide nursing care services, we will establish structure where we can systematically hire and cultivate human resources, and continue to provide high quality services by improving treatment of staffs.

5. Establishment of consulting committee

We will set a consulting committee, of which members will be appointed from among people with suitable background and knowledge representing both the academy and the business. The committee will provide advices about the direction and strategy for our nursing care business by analyzing various challenges facing the nursing care business in Japan and discussing how to solve them.

6. Future Vision in Nursing Care Business

Our group will aim to acquire a top class position in the nursing care sector by utilizing our management resource and know-how, both of which have accumulated through the wide network and various group activities. By providing nursing care services to customers in addition to the insurance that we have been provided thus far, We will strive to ensure “security, health, and wellbeing” for the duration of the lives of as many aging customers as possible.

In particular, we will widen the range of, and increase the function of, the business model of “Home-care Service Z Amille,” which Message plans to expand in Tokyo metropolitan areas, and develop services that provide medical and care services, as well as prevention and living support, in a comprehensive manner to elderly people at home, in order to allow elderly people to continue their lives as they wish in a community familiar to them even after they come to require nursing care.

We will further strengthen and accelerate our business initiatives in the nursing care sector and aim to realize “Japan, an affluent country that can boast to the world of a long and quality life” by providing the best quality nursing care services to as many elderly people and their families as possible.

End



SOMPO HOLDINGS is the abbreviation of Sompo Japan Nipponkoa Holdings, Inc. and our Group.