



November 28, 2019
Sompo Holdings, Inc.

Joint Venture Approval in Myanmar by MoPF

Sompo Holdings, Inc. (Group CEO & President: Kengo Sakurada; hereinafter "Sompo Holdings"), hereby announces that Sompo Japan Nipponkoa Insurance Inc. (President: Keiji Nishizawa; hereinafter "Sompo Japan Nipponkoa"), a wholly owned subsidiary of Sompo Holdings, and AYA Myanmar General Insurance Company Limited (hereinafter "AMGI"), a subsidiary of AYA Myanmar Insurance (Chairman: U Zaw Zaw) which is an affiliate of AYA Bank Ltd, the second largest bank in Myanmar, obtained an approval to form a joint venture from the Ministry of Planning and Finance, the Government of the Republic of the Union of Myanmar (hereinafter "MoPF") on November 28, 2019. In accordance with the approval, AMGI changed the company name to AYA SOMPO Insurance Company Limited (hereinafter "AYA SOMPO").

1. Our activities in Myanmar

Sompo Japan Nipponkoa was the first foreign insurance company to obtain a business license for the Thilawa Special Economic Zone in 2015, and has been providing insurance services in the zone. In December 2018, together with Myanma Insurance, and Myanma Agricultural Development Bank, which provides loans to farmers, Sompo Japan Nipponkoa launched a pilot project for the "Weather Index Insurance" for the farmers, one of the major industries in Myanmar.

2. Background of acquisition of approval to form a Joint Venture

Since Sompo Japan Nipponkoa signed a memorandum of understanding on business cooperation with AYA Myanmar Insurance, which is predecessor company of AMGI, in 2016, we have built a close relationship through deepening the interaction, holding training and providing technical advice. In response to the commencement of non-life insurance market liberalization process by MoPF in January 2019, Sompo Japan Nipponkoa and AMGI applied for approval of a joint venture with the following essential points: (1) subscription of newly issued shares of AMGI for 15% by Sompo Japan Nipponkoa at the first stage and contribution by active management participation including the selection and dispatch of multiple directors; (2) increasing shareholding of Sompo Japan Nipponkoa to 35% within 2 years of the first stage; (3) the bancassurance business through the network of AYA Bank, the second-largest commercial bank in Myanmar, as a main business of joint venture.

3. Future

Based on the progress of liberalization by the local authorities, we will integrate the direct insurance service in the Thilawa Special Economic Zone, and the direct insurance service through the national insurance company outside the Special Economic Zone into the direct insurance service, provided by AYA SOMPO to further improve customer convenience and services. By investing not only capital but also our group's advanced technologies and human resources in AYA SOMPO, we will strive to achieve sustainable growth in AYA SOMPO's business performance and improve its governance. In addition, we will contribute to the penetration of "insurance" and the development of the market in Myanmar.

4. Outline of AYA SOMPO

(1) Name of firm	AYA SOMPO Insurance Company Limited
(2) Address	No.23, Kan Yeik Thar Road, Tha Pyay Gone Ward, Mingalar Taung Nyunt Township, Yangon (East), Yangon, Myanmar
(3) Business description	Non-life insurance business
(4) Chairman	U Zaw Zaw
(5) Number of employees* ¹	533

*¹ As of the end of September, 2019