

Dec 22, 2022
Sompo Holdings, Inc.

Announcement regarding Acquisition of Shares in ND Software (and Conversion into Subsidiary)

Sompo Holdings Inc. (Chairman and Group CEO: Kengo Sakurada, hereinafter “Sompo”) hereby announces, on condition that the procedures of the relevant authorities are completed, that it has reached an agreement to acquire all of the shares in ND Software Co., Ltd., (hereinafter, “ND Software”), which provide planning, development, sales and operation support and maintenance services for welfare operations support software. The agreement was reached with Godo Kaisha JVA (hereinafter, “JVA”), a company operated and managed by J-Will Partners, K.K. (hereinafter, “JWP”)

1. Background and Purpose of the Share Acquisition

In Japan, seniors aged 65 or over currently account for about 30% of the population. In conjunction with the increase in the numbers of the elderly requiring nursing care, the gap between supply and demand is forecast*¹ to reach about 690,000 people by 2040 and there is a need to resolve serious social issues such as a shortage of financial resources for long-term care insurance and shortage of labor on nursing care front lines.

Sompo made a full-scale entry into the nursing care field in 2015, providing the highest quality nursing care services as a full-line operator, from home-care to facility, under the brand slogan of being “A Theme Park for Security, Health & Wellbeing” and to contribute to making “Japan an affluent country that can boast to the world of a long and quality life.” Moreover, Sompo is working on building a “Real Data Platform for Security, Health and Wellbeing (nursing care RDP*²)” as a new stage in the Nursing Care & Seniors Business. Through nursing care RDP (service name “egaku”), Sompo will create significant social value by accelerating the enhancement of service quality for a wide range of nursing care recipients and their families in Japan, improving nursing care front line efficiency, and raising nursing caregiver satisfaction.

ND Software, the company with the top share in the nursing care software industry, has focused on advanced product development, such as being among the earliest to support recording on tablet devices. In addition, a major strength is the nationwide scale of its sales and support structure.

Adding ND Software under the umbrella of Sompo enables accelerating further development of the nursing care RDP project. Under the nursing care RDP project, cooperation with the system company handling nursing care front line records is an important point from the perspective of digitalization support and data collaboration for the nursing care providers. By making maximum use of ND Software's products, channels, and customer base, and at the same time collaborating with its outstanding specialist human resources, Sompo aims to build a more efficient project promotion structure.

2. Outlook

The Sompo Holdings Group and ND Software integrate a full-line operator’s operation know-how and technologies with experience in development, deployment, and operation of welfare operational support software with a rich track record. Furthermore, Sompo will challenge to improve sustainability of the nursing care industry by promoting the nursing care industry’s digital transformation (DX) and providing new products and services through the nursing care RDP.

Going forward, Sompo will provide these new products and services to various nursing care providers, paying particular attention to data privacy, to rapidly advance the resolution of social issues and to make security, health, and wellbeing a reality in Japan.

*¹ Source: Ministry of Health, Labour and Welfare, “The number of long-term care workers necessary to implement the plan for the 8th Long- term Care Insurance Project,” (released July 9, 2021).

*² Nursing care RDP is to realize improved productivity and enhance the quality of nursing care through the effective use of data obtained from nursing care front lines with the goal of making nursing care in Japan sustainable.

3. Overview of the Subsidiary for Transfer (ND Software)

(1) Company name	ND Software Co., Ltd.
(2) Location	3369 Wada, Nanyo-shi, Yamagata Prefecture
(3) Name and title of representative	President and Representative Director Tomoyuki Tanji
(4) Nature of business	Planning, development, and sales of original welfare and medical-related software products, as well as software operational support and software maintenance services. Sales and operational support for its proprietary development Honobono welfare operational support software series.
(5) Capital	100,000 thousand yen (As of December 22, 2022)
(6) Date of establishment	December 20, 2018 (founded in September 1979)
(7) Affiliated companies	Nippon Care Communications Co., Ltd. Nippon Computer Systems Corporation ALPHA FOODS CO., LTD.

4. Overview of Company in Agreement for Share Acquisition

(1) Company name	Godo Kaisha JVA
(2) Location	1-4 Shimomiyabicho, Shinjuku-ku, Tokyo

5. Number of Shares to be Acquired, Acquisition Price, and Number of Shares Held Before and After Acquisition

(1) Number of shares held before the transfer	0 (Voting rights: 0%)
(2) Number of shares acquired	15,500,000 shares (Voting rights: 100%)
(3) Acquisition price	Undisclosed
(4) Number of shares to be held after the transfer	15,500,000 shares (Voting rights: 100%)

6. Timetable

(1) Signing date of share transfer agreement	December 21, 2022
(2) Scheduled date of share transfer	February 28, 2023 (planned)

<Reference>

ND Software

ND Software is a software company that provides provide planning, development, sales as well as operation support and maintenance services for welfare operations support software, and also has the top share of welfare systems for nursing care and people with disabilities.

For details, please refer to: <https://www.ndsoft.jp/> (only in Japanese)