

March 22, 2023

Sompo Holdings, Inc.

Announcement regarding Issuance of a Social Bond

Sompo Holdings, Inc. (Chairman and Group CEO: Kengo Sakurada; hereinafter, “Sompo Holdings”) hereby announces that it plans to issue a social bond, and today submitted a shelf registration statement and an amended shelf registration statement for a corporate bond to the Kanto Local Finance Bureau in preparation for the issuance. The issuance of a social bond is a first for Sompo Holdings, and will be the first issued by an insurance group company in Japan.

1. Background and Purpose of the Issuance

In Japan, in conjunction with the increase in the numbers of the elderly requiring nursing care, the gap between supply and demand of human resources who can handle nursing care is forecast to widen, 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 Holdings 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 care, 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.” Sompo Holdings is currently working on building a “Real Data Platform for Security, Health and Wellbeing (nursing care RDP)” as a new stage in the Nursing Care & Seniors Business.

Sompo Holdings has acquired all shares in ND Software Co., Ltd. (hereinafter, “ND Software”) and converted it into a complete subsidiary *. Now, it has decided to issue social bonds to be used as part of the funds for this acquisition. Through its partnership with ND Software, Sompo Holdings will further develop nursing care RDP (service name: “egaku”) and promote digital transformation (DX) of the nursing care industry, while helping to solve the social issues of resolving the supply and demand gap for care workers and maintaining and improving the QOL (Quality of Life) of people requiring care and their families.

* Announcement regarding Complete Conversion of ND Software Co., Ltd. into a Subsidiary and Change in Representative

2. Outline of the Issuance

Issuer	Sompo Holdings Inc.
Maturity	5 years (scheduled)
Use of proceeds	Funding the repayment of short-term borrowings (bridge loan) procured to acquire shares of ND Software
Third-party evaluation (Note 1)	Sompo Holdings has obtained third-party evaluation from Japan Credit Rating Agency Ltd. stating that the bond is aligned with the Social Bond Principles 2021 (SBP) (Note 2) of the International Capital Market Association (ICMA) and the Financial Service Agency' s Social Bond Guidelines 2021 Edition (Note 3), and that it can contribute to concrete measures for SDGs and government SDGs.
Lead managers	Mizuho Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Daiwa Securities Co. Ltd., Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., BofA Securities Japan Co., Ltd.
Structuring agent	Mizuho Securities Co., Ltd.

(Note 1) For details about the eligibility review of the framework, please refer to the Japan Credit Rating Agency' s website.

<https://www.jcr.co.jp/en/>

(Note 2) Social Bond Principles (SBP) 2021 are guidelines related to the issuance of social bonds which were formulated by the Green Bond Principles and Social Bond Principles Executive Committee, a private organization in which ICMA serves as Secretariat.

(Note 3) Social Bond Guidelines 2021 Edition are guidelines which were formulated and announced in by the Financial Services Agency in October 2021. They are intended to establish a balance between securing trust in the social outcome of social bonds and a reduction in the cost or operational burden of the issuer by demonstrating examples of concrete responses and explanations suited to the conditions of Japan, which is facing many issues typical of a so-called developed country, in order to serve as a reference when market players responsible for practical operations consider specific responses related to social bonds, while paying attention to compatibility with the Social Bond Principles.

3. Outlook

The Sompo Group is working to achieve SOMPO' s Purpose, which is expressed as follows: "With 'A Theme Park for Security, Health and Wellbeing,' create a society in which every person can live a healthy, prosperous and happy life in one' s own way." To fulfill this purpose, the Sompo Group will provide solutions for healthy and happy lives to its multi-stakeholders, while making contributions to a sustainable aging society.

(End)