



SOMPO
HOLDINGS

Innovation for Wellbeing

CSR Communication Report 2016 (Supplementary)

- Case Report -



Sompo Japan Nipponkoa Holdings, Inc.

Introduction

In April 2016, the Group redefined its CSR Material Issues to reflect recent international and business developments. The new Material Issues are now guiding PDCA-driven efforts to further increase performance in accordance with a new set of CSR Key Performance Indicators (CSR-KPIs).

Background of Redefining CSR Materiality

The year 2015 was an important year for setting a new international agenda on sustainability: In September 2015 a summit of UN leaders adopted the SDGs with a target date of 2030, and the following December, the COP21 adopted the Paris Agreement. Also, FY2016 marked the start of the Group’s new Medium-Term Management Plan, in which we set out to transform our business structure to provide services under a “security, health, and wellbeing.” Based on these international developments and organizational changes, we redefined our material issues with the objective of furthering both social sustainability and Group growth.

Based upon our Group CSR Vision, following Three Key Strengths are of critical importance for us.

Our Key Strengths

- 1 Developing and providing innovative products and services using financial expertise and digital technologies to provide innovative solutions for social issues.
- 2 Promoting the development of advanced human skills by fostering partnerships with stakeholders representative of broad sectors of civil society.
- 3 Promoting the quality of life and its enrichment by the application throughout all our operations of our expertise and resources in the arts and culture.

Sompo Holdings has redefined its Five CSR Material Issues, the Group’s framework for achieving its CSR Vision to realize a resilient and sustainable society by providing products and services that contribute to security, health, and wellbeing.



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Providing Solutions for Disaster Preparedness



Our Vision

Provide products and services to help improve disaster resilience, and collaborate with stakeholders on realizing a safer, more secure world.

Our Action

New and mounting risks such as natural disasters and traffic accidents can impact the Group’s ability to continue providing insurance sustainably, as they cause insurance payments to rise, and with them, insurance premiums. However, these risks can also be regarded as a business opportunity. As the Group dedicated to providing “security, health, and wellbeing,” one of our key missions is to offer various services designed to help prevent accidents, disasters, that inflict heavy losses on society as a whole. One way we do this is by analyzing big data—the enormous volume of accident data collected through our long history of business—and using it to deliver reliable insurance and to develop new products and services. We also utilize our expertise in quantifying risk to offer solutions that help to prevent and minimize losses from accidents and disasters. We will continue to contribute to realizing sustainable society by providing a wide range of services for averting and reducing emerging risks, and by sharing our disaster resilience and accident-prevention know-how with developing countries, which are especially vulnerable to such risks.

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1-1 Prevention of Road Traffic Accidents

1

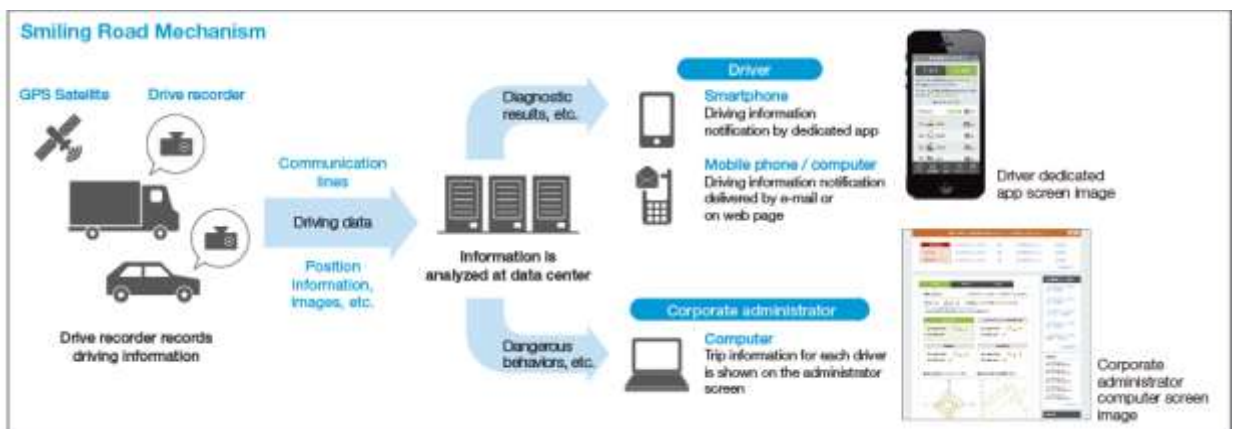
Supporting Safer Driving Using the Big Data and Telematics

Sompo Japan Nipponkoa Insurance, Inc.

Smiling Road that achieved ISO 39001 certification is a telematics service for businesses that helps corporate vehicle drivers drive safer. Using a vehicle-mounted drive recorder, driving data is collected and analyzed to provide three key features: visibility (of driving patterns), understanding (of actual driving situations by fleet managers), and feedback (to encourage drivers). A comparison of the number of accidents before and after customers introduced this service showed an approximately 20% reduction on average (as of October 31, 2015).

Smiling Road's success in reducing automobile accidents and realizing higher-quality accident response for businesses earned us the top prize in Nikkei Veritas Award category of the 2015 Nikkei Superior Products and Services Awards and an award for excellence (SPRING Award) in the 1st Nihon Service Award program.

To make the Smiling Road concept accessible to even more customers, we recently added high-performance car navigation and other functionality, provided through the new Portable Smiling Road smartphone app for individual users. This service represents our ongoing commitment to using advanced technologies such as big-data analysis, in addition to our expertise in accident response and risk consulting, to offer products and services that contribute to the security, health, and wellbeing of our customers.



Smiling Road Mechanism

2 Supported Automobile Accident Prevention in Asia

Sompo Risk Management & Health Care Inc.

Traffic accident fatalities are rising in Asia as the result of a growing automobile market, creating ever-increasing demand for accident prevention solutions. Sompo Risk Management & Health Care is leveraging its know-how developed in Japan to provide an accident prevention support service in countries across the region. The Web-based service, called "Driver Check," is currently offered in four languages (Japanese, English, Chinese, and Thai) and uses a questionnaire format to test drivers on their driving aptitude. By adding new content, supporting additional languages, increasing service penetration, and broadening the service area, we are looking to contribute to traffic accident prevention on a global level.



We start Driver Check.

Concerning following questions, please choose either "Yes" or "No" depending upon how you think. Please do not think too seriously.

- Please be sure to answer either "Yes" or "No" to all questions.
- Please answer honestly because computer cannot judge correctly if you answer trying to put on a front.

| Driver Check | | |
|--------------|---|-----------|
| 1 | When overtaken by a car smaller than yours, you are tempted to overtake the car. | Yes No |
| 2 | You simply cannot put up with a really troublesome job. | Yes No |
| 3 | You've never committed a traffic violation of any kind (including traffic violations that were not caught). | Yes No |
| 4 | You always stop whenever you saw pedestrians walking on the pedestrian crossings. | Yes No |
| 5 | There is no unpleasant person among your acquaintances. | Yes No |
| 6 | You drive a little rough, but you think your driving skills are good. | Yes No |
| 7 | You often forget appointments due to carelessness. | Yes No |
| 8 | You drive a little bit rough, but you think your driving skills are high. | Yes No |

Screenshot of Driver Check questions

3 Road Service and Other Assistance Business

Prime Assistance Inc.

Sompo Holdings established Prime Assistance in April 2012 as a joint venture with Prestige International, a leading company in the assistance industry in Japan. For its core road assistance business, the company provides consultation and arranges for towing and/or repair services in the event that a customer has a flat battery, is locked out of their vehicle, or experiences other vehicle-related issues. The service is available 24 hours a day, 365 days a year. Quick to arrive on the scene, our service partners can provide a variety of support to solve a wide range of problems. Prime Assistance has formed partnerships with approximately 8,000 towing service and repair businesses nationwide to build a service network.

Following the customer expansion, we have set a new center in Kagoshima prefecture in April 2014 in order to strengthen the system for continuous support and to provide high quality service.

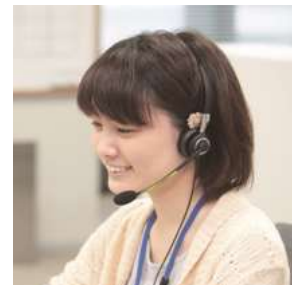
In FY2013, Prime Assistance began offering new services ranging from “Home Assistance*1” and “Home Equipment Warranty (extended warranty system)*2” to “Overseas Medical Care*3.” The company continues to provide customized services to client companies to ensure consumers benefit from the best possible solutions, thus enhancing customer satisfaction and encouraging the loyalty of our client companies.

*1) Homeowner support for urgent situations such as leaking pipes or lost house keys.

*2) A service that combines defect warranty insurance and assistance in event of malfunctioning household systems and appliances (ventilation fans, hot-water systems, air-conditioners, etc) after the expiration of the manufacturers’ warranty.

*3) For companies with international operations, we provide coverage for medical expenses for their employees of oversea offices. On behalf of the client company, we pay medical bills and submit reimbursement claims for health and overseas travel insurance, as well as providing information on local medical institutions.

Helping customers
solve problems



4

Acquisition of the ISO 39001 International Standard for Road Traffic Safety Management Systems and Customer Support for Certification

Sompo Japan Nipponkoa Inc.

Many fatal road traffic accidents and injuries occur around the world and majority of the accidents take place in developing countries. Industrialized countries including Japan, are expected to actively share their know-how and achievements in the prevention of road traffic accidents with the rest of the world. With this as a backdrop, the ISO 39001 international standard for road traffic safety management systems was discussed and developed at the international conferences of the International Organization for Standardization (ISO) before it was officially published in October 2012.

While Sompo Japan Nipponkoa have a major role in providing P&C insurance to cover road traffic accident damage, it is also an important mission for the company to offer services that will help prevent accidents. The company therefore collaborated with Sompo Risk Management & Health Care and participated in a pilot program implemented in the drafting stage of ISO 39001, and acquired the world's first-ever registration for the international standard in October 2012. The continuous initiatives of preventing accidents has been highly recognized by the certification organization after receiving the certification.

Sompo Risk Management & Health Care also offers various consulting services for companies seeking to acquire ISO 39001 certification.

While continuing to offer a wide range of customer support services for ISO 39001 acquisition, the Sompo Holdings Group will also actively help customers develop their systems to prevent accidents, among other efforts to improve road traffic safety.

Sompo Risk Management & Health Care Inc.

Official website: http://www.sjnk-rm.co.jp/english/company_overview.html



ISO 39001
management
meeting



ISO 39001
Certificate

5 Road Safety Project in Indonesia

Sompo Japan Nipponkoa Inc.
PT Sompo Insurance Indonesia

Road safety is an important social issue in Indonesia, where the number of child traffic fatalities is now the highest in Southeast Asia. Drawing on Japan's expertise in preventing traffic accidents, Sompo Japan Nipponkoa and PT. Asuransi Sompo Japan Nipponkoa Indonesia have teamed up with the civil society, Save the Children Japan to launch a road safety project in Bandung, West Java, with the aim of creating a safer environment for children. Over a four year period, we will provide traffic safety education for teachers and students at 30 elementary and middle schools, improve transportation infrastructure near the schools, and appeal to regional and national governments. 20,000 people have participated in this Project since 2014.



© Save the Children Indonesia

6 Yellow Badge Donation

Sompo Japan Nipponkoa Inc.

● Providing safety and security through “Yellow Badge Donation”: 63.3 Million badges distributed so far.

Every spring, we donate Yellow Traffic Safety Badges that also confer insurance protection against road traffic accidents to the nation’s first-grade students just entering elementary school. The aim is to raise student awareness of road traffic safety and enlist cooperation from car drivers and local residents to reduce road traffic accidents. Started in 1965 following a newspaper article featuring an appeal by a mother who lost her child in a road traffic accident, the campaign marked its 52th anniversary in 2016. This program has been conducted jointly with Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and The Dai-ichi Life Insurance Company. The total number of badges distributed so far reaches to approximately 63.3 million.



Road safety class is held after the yellow badge donation ceremony.



Yellow Traffic Safety Badge; the total number distributed so far is approximately 63.3 million

1-2 Supporting the Disaster Prevention and Our Measurements

1

Developing Insurance Industry's First Disaster Risk Reduction Service for Local Governments

Sompo Japan Nipponkoa Inc.

To prevent losses for citizens due to natural disasters, local governments need to take timely actions, such as issuing evacuation advisories. Meanwhile, costs may arise (such as costs to open shelters) even if a disaster does not unfold as anticipated, so local governments face challenges in issuing evacuation advisories or other guidance if they aim for the optimal timing to minimize losses for the community.

In this context, we have developed services to support local governments in creating rapid response systems, by providing insurance to compensate local governments for costs associated with the issuance of evacuation advisories and other guidance, and by providing weather and response information.

Disaster Risk Reduction Services for Local Governments



Disaster prevention/reduction insurance

- Construction costs for shelters
- Food distribution costs
- Compensation for workers' overtime pay

Supplementary services

- Provision of weather/disaster response information, etc.
(Provider: WEATHERNEWS INC.)

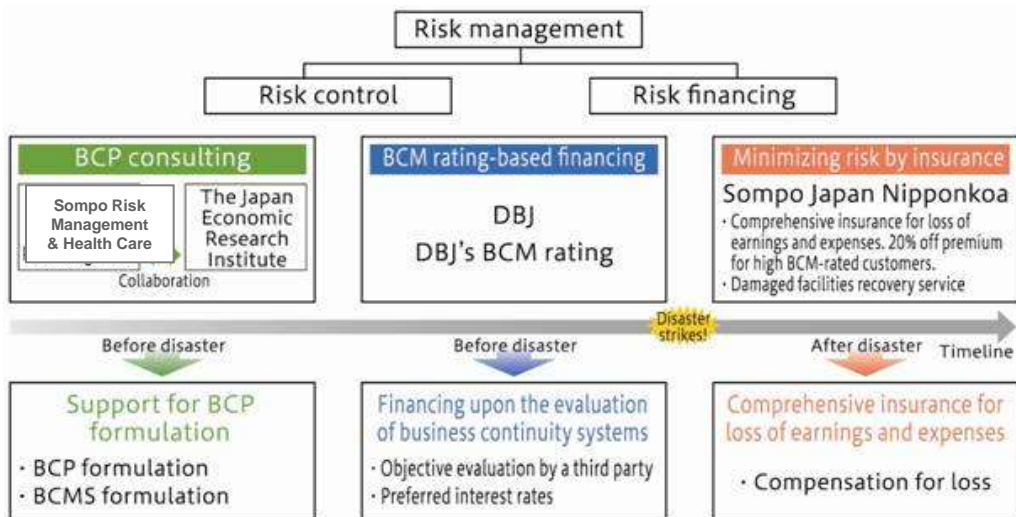
2

Collaboration with Development Bank of Japan (DBJ)

Sompo Japan Nipponkoa Inc.

Sompo Japan Nipponkoa works with the Development Bank of Japan (DBJ) to support the disaster protection and disaster prevention measures of corporate clients.

This comprehensive financial service draws upon both the DBJ's accurate rating capabilities and the Sompo Holdings Group's non-life insurance and risk management expertise. Sompo Japan Nipponkoa offers an insurance service that covers loss of earnings and expenses in the event of operational suspension due to a natural disaster. Companies evaluated by the DBJ as having a high Business Continuity Management (BCM) rating, so called DBJ BCM rating, can receive maximum discount rate of 20% on their premium. Sompo Risk Management & Health Care provides assistance service to DBJ clients who wish to bolster disaster-prevention countermeasures in developing their BCP plans. The Group will continue to provide total financial solution services by exploring further opportunities for high-synergy collaboration projects with external partners.



3

Volcanic Eruption Derivative and Related Estimating Method

Sompo Japan Nipponkoa Insurance, Inc.

Sompo Japan Nipponkoa and Sompo Risk Management & Health Care have developed the industry's first kind of weather derivative, "Mt. Fuji Eruption Derivative," along with a method for estimating the probability of a future eruption. The derivative indexes eruption-related information such as eruption warnings issued by the Japan Meteorological Agency, enabling business people to prepare for potential losses and costs in the event of an eruption.

Japan's beautiful countryside and hot springs, two of the nation's most unique and valuable tourist assets, have been created by volcanic activity. However, the eruption of Japan's second highest volcano, Mt. Ontake, in 2014 and numerous other eruptions across the country have not only resulted in material losses and falling profits for the tourist industry, but also adversely affected the country's reputation. Companies are concerned about the considerable damage to business management.

Our eruption derivatives are designed to help businesses alleviate eruption-related damage, from falling profits to volcanic ash. Our initial eruption derivative will cover Mt. Fuji, Japan's tallest volcano and UNESCO registered heritage site.

● Overview of Mt. Fuji eruption derivative

The derivative indexes volcanic eruption-related information such as eruption warning levels issued by the Japan Meteorological Agency. The Mt. Fuji eruption derivative would pay out a predetermined fixed sum if the Meteorological Agency has issued a level 3 eruption warning or above in its monthly report on Earthquakes and Volcanoes in Japan and the mountain actually erupts. Corporate customers can use the derivative effectively to protect against any adverse impact on profits or costs, even if they don't suffer direct material damage. Unlike general insurance products, there is no assessment of damage, so customers receive swift payment of the predetermined fixed sum. This means the derivative can be used as temporary working capital and effective tools for business continuity plans.

● Outline of method for estimating the probability of a future eruption

Sompo Risk Management & Health Care has developed a method for estimating the probability of an eruption by considering the time passed since a previous eruption. We conducted our own investigation of global eruption probability research, and referred to the exhaustive range of publicly disclosed information on past eruptions issued by the Japan Meteorological Agency and the Geological Survey of Japan (GSJ), Advanced Industrial Science and Technology (AIST).

Sompo Japan Nipponkoa intends to expand its volcanic eruption derivatives to other volcanoes.

4

Provided Risk Assessment and Consulting Services for Natural Disasters

Sompo Risk Management & Health Care Inc.

With large-scale natural hazards such as earthquakes, blizzards, and localized rainstorms growing more destructive in recent years, the need for disaster preparedness and resilience strategies is greater than ever. In Japan, spurred by the devastating March 2011 earthquake and tsunami, a law for national resilience was enacted in December 2013 that requires the national government, local governments, and businesses to cooperate on the development of a national infrastructural and socioeconomic system designed to improve the country's strength and resilience to natural disasters.

Sompo Risk Management & Health Care, drawing on its time-tested expertise in risk quantification and disaster preparedness consulting, provides customers with case-specific evaluation of potential damages from such events as earthquakes, tsunamis, volcanic eruptions, and storms, along with specific strategies for dealing with them.

These services cover both hard and soft strategies: Proprietary model-based risk quantification; evaluation of seismic resistance and soil liquefaction potential for buildings and facilities; support for minimizing the impacts of operational downtime through business continuity planning (BCP); and assistance with constructing a business continuity management system (ISO 22301).

In August 2015, the company also began offering a service that provides customers with easy access to risk-related information in map and list formats. The new service centrally manages and continually updates information from various sources, including hazard maps and the large quantity of damage prediction data released by national and local governments. The company is also actively supporting local government efforts to improve their disaster resilience.

Overview of natural disaster risk information service



5

Reinforced Support to Corporate and Municipal BCP and Disaster Prevention

Sompo Risk Management & Health Care Inc.

Five years have passed since the Great East Japan Earthquake and even companies with already established Business Continuity Plans (BCP) in place are having to review or to train.

To meet the customers' needs, Sompo Risk Management & Health Care Inc. has been continuously providing the training support programs to increase the level of their Business Continuity Management Systems (BCMS), especially focused on raising awareness of top management, training employees responsible for risk management and integrating initiatives of departments and offices.

Furthermore, we provide integrated consultations for establishing and improving the BCMS, as well as the support for ISO 22301 certification.

Local governments are undertaking various measurements including strengthening disaster prevention and crisis management, in order to prepare for outbreak of infection disease such as a new strain of influenza, storm and flood damage, huge and inland earthquake and tsunami such as the Great East Japan Earthquake. They also promote measures for effective management of evacuation centers, supports for vulnerable populations, medical and rescue services at disaster.

Sompo Risk Management & Health Care Inc. contributes to build a resilient society through offering supports for renewals of the Local Disaster Management Plans, establishment of BCPs, planning and training the measurements for stranded persons, making documents of disaster response and lessons learned, and planning and researching for the Urban Renaissance Safety Security Plans in which local governments, corporations and citizens' organizations work together.

6 Risk Management for Overseas Business Operations

Sompo Risk Management & Health Care Inc.

● Starting to Provide Overseas Risk Consulting Services

There are increasing number of Japanese companies who start to consider the business expansion in overseas given the severe price battle and shrink of the Japanese market due to the falling birth rate. It is expected that Japanese companies will further expand their businesses to not only Europe, emerging countries in Asia including China and ASEAN countries, but also Latin America and Africa.

Sompo Risk Management & Health Care has started to provide overseas risk consulting service from November 2013, that includes research on local security, risk and compliance training for overseas local staff, and support service for development of overseas risk management system that includes assessment of overseas offices' risks in order to support the risk management activities of the Japanese companies that expand their businesses to overseas bases.

Sompo Risk Management & Health Care strives to meet customer needs by providing various service menus for overseas risk management at one stop that covers the accidents as well as daily risk management.

7

Participating in International Cooperation Activities to Improve Natural Disaster Resiliency in the Philippines

Sompo Risk Management & Health Care Inc.

Commissioned by the Japan International Cooperation Agency (JICA), Sompo Risk Management & Health Care is working with Kokusai Kogyo Co., Ltd. and Associate Professor, Kazuyoshi Nishijima of the Disaster Prevention Research Institute (DPRI) at Kyoto University on a project in the Philippines. The project involves collecting and surveying information about risk insurance mechanisms to help incentivize the building of disaster-resilient public infrastructure in Metro Manila:

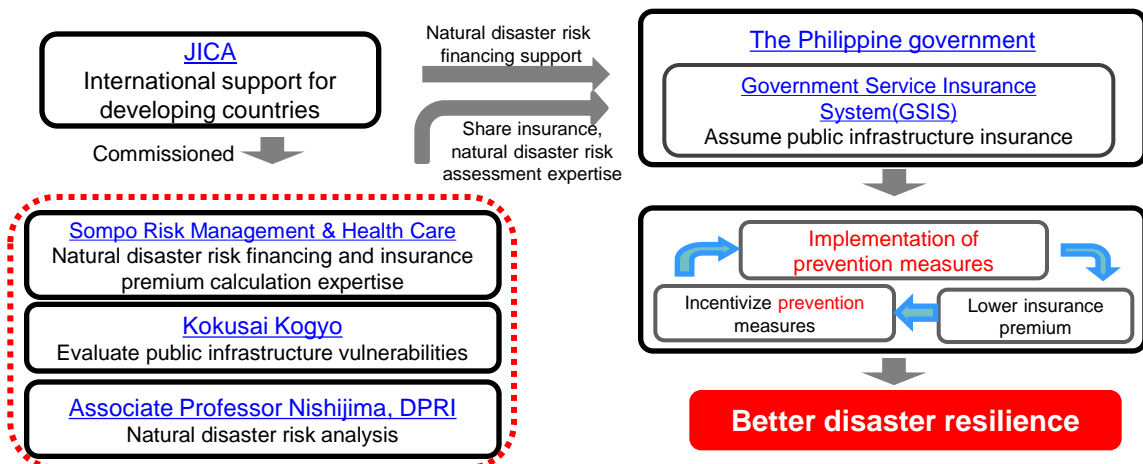
(April 28, 2016 “JICA, GSIS launch study on disaster risk insurance to boost PH resiliency” <http://www.jica.go.jp/philippine/english/office/topics/news/160428.html>)

The Philippines suffers one of the highest rates of natural disaster in southeast Asia. By law, central government and local authorities are obliged to take out general insurance on facilities they own or have a vested financial interest but, in practice, much public infrastructure is not insured. People are looking to Japan, as a country with a similarly high exposure to natural disaster as the Philippines, to help reduce the Philippines’ vulnerability to natural disaster.

● Project Outline

Through a risk evaluation models for various natural disasters on the transportation infrastructures and public schools in Metro Manila, this project reviews a) how to make the public infrastructure insurance more effective as a risk transfer mechanism, and b) the possibility to build in an incentive mechanism on insurance programs for the public facilities that enhance investment on disaster prevention for improving resiliency.

We will develop a risk-based insurance premium calculation tool and a concept of incentivizing disaster-prevention investment using Sompo Risk Management & Health Care’s quantitative evaluation expertise. Combined with Kokusai Kogyo’s evaluation of public infrastructure vulnerabilities and DPRI’s disaster risk analysis, we aim to promote disaster risk reduction measures through the insurance programs for public infrastructures in the Philippines.



8 Providing Cyber Insurance

Sompo Japan Nipponkoa Insurance Inc.

There has been an increase in insurance-related needs to deal with the risk of cyberattacks, along with a changing social environment, such as the launch of Japan's national identification number system for individuals, amendments to the Act on Protection of Personal Information, and increased sophistication of cyberattacks.

Businesses play a key role in the economy, and in order to support their cybersecurity measures, Sompo Japan Nipponkoa offers Cyber Insurance with expanded coverage, including compensation for losses from information leaks and for the cost of investigating the causes of leaks, as well as lost profits. In the event of an information leak or other incident, it is crucial to minimize losses, so urgent responses are increasingly important: rapid investigation of the source, and efforts to control the extent of losses. We have tied up with specialized businesses that provide this kind of support, and offer services to support smooth business recovery for all Cyber Insurance policy holders.

| | | |
|--|--|---|
| <p>Investigation/Emergency Support</p> <ul style="list-style-type: none"> ❑ Incident detection ❑ Support investigate cause/scope of impact ❑ Damage-control advice, etc. | <p>Emergency Communication Support</p> <ul style="list-style-type: none"> ❑ Support for media briefings ❑ Checking/advice for media releases ❑ Support for newspaper announcements, etc. ❑ Support for social media responses (via clients' official accounts) ❑ Web monitoring, urgent alerts (incident response), etc. | <p>Call Center Support</p> <ul style="list-style-type: none"> ❑ Call center set-up ❑ Call center operations ❑ Support to close call centers, etc. |
| <p>Confidence Restoration Support</p> <ul style="list-style-type: none"> ❑ Issuance of certificate on implementation of recurrence prevention steps ❑ Support to announce outcomes (as a rating agency), etc. | <p>Coordination</p> <ul style="list-style-type: none"> ❑ Coordination of critical support functions ❑ Law firm referrals to assist with legal responses, etc. | <p>Finance</p> <ul style="list-style-type: none"> ❑ Reporting on use of incident reception & emergency integrated support services ❑ Insurance payments <ul style="list-style-type: none"> ● Costs for public apology event, media announcement, statement writing ● Costs of condolence gifts, complaint responses ● Consulting costs |

Support Functions during Emergencies

9

Excercises/Training Services Offered for Cyberattacks

Sompo Risk Management & Health Care Inc.

In recent years a series of new and more sophisticated cyberattacks has occurred, resulting in frequent information security incidents with various organizations, including corporations and public institutions. This situation has led to a growing interest in information security risk, and efforts made to strengthen defenses against cyberattacks: the Basic Act on Cybersecurity was enacted in November 2014, and the Ministry of Economy, Trade and Industry of Japan (METI) enacted the Cybersecurity Management Guidelines with the Information-technology Promotion Agency, Japan (IPA) in December 2015. Some corporations have created a Computer Security Incident Response Team (CSIRT), and are also starting to hold trainings and develop manuals against cyberattacks.

Through a tie-up with LAC Co., a firm highly regarded for its information security solution services, Sompo Risk Management & Health Care offers services such as exercises and trainings to support capacity building to deal with cyberattacks, to help strengthen corporate information security systems. The role of responses to cyberattacks in a corporation or organization varies with the person's position and with the organization. These services involve exercises and training services appropriated for each role, and we have receiving positive feedback form our customers.

● Key Components of Excercises / Training Services for Hypothetical Cyberattacks

| Item | Description |
|---|---|
| (1) Tabletop excercises for cyberattacks | Tabletop exercises for top management, information security managers, and crisis management managers to check the sequence of responses to hypothetical scenarios of information security incidents. |
| (2) Computer excercises for cyberattack | Hands-on training in virtual (hypothetical) computer environment to identiFYthe source of a cyberattack within it, deal with containment, coordinate inside and outside the company, and consider business continuity measures. |
| (3) Training against a targeted e-mail attack | Employees receive e-mail messages designed for training purpose and are trained to immunize themselves to a targeted e-mail attack. |
| (4) Information security training courses | Multiple courses offered. |

10 Sampo Holdings Group's Crisis Management (Business Continuity System)

Sampo Holdings Group

Sampo Holdings Group has established the Group basic policy on the establishment of BCP (Business Continuity Programs) to ensure each Group company can fulfill its corporate social responsibilities even in the event of a major natural disaster or other incidents. In line with the policy, Group companies are developing business continuity systems that enable uninterrupted operations and prompt recovery by identifying critical operations and corresponding emergency actions as well as by regularly reviewing the plans.

Sampo Japan Nipponkoa have identified the following three tasks as critical in fulfilling their social responsibilities as P&C insurance firms: accepting insurance claims, paying insurance claims, and amending/renewing insurance contracts. Sampo Japan Nipponkoa have developed BCP intended to ensure resumption of these critical operations within 24 hours of a disaster.

We scale up our business continuity system whenever appropriate through voluntary inspections and external consultant evaluations. We also enhance the effectiveness of the BCP by conducting regular BCP drills.

Sampo Japan Nipponkoa have established a crisis management promotion headquarters, chaired by the President. The headquarters are responsible for developing and operating the business continuity system at all times in the event of a crisis, The crisis management promotion headquarters become the crisis center and takes the lead in managing the crisis situation.

Crisis Center Organization



1-3 To Provide the Highest Possible Quality of Service

1

Initiatives for Building “Theme Park for the Security, Health, and Wellbeing of Customers”

Sompo Holdings Group

The Sompo Holdings Group upholds the following Group Management Policy: “We will at all times carefully consider the interests of our customers when making decisions that shape our business. We will strive 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.”

The Group has also stipulated in its Group Basic Management Policies that: “We will constantly aim for the highest possible quality in all our business processes in order to become the best service provider for our customers.”

The Group Vision also stated that “Our goal is to always be the best customer service provider both at home and abroad.”

In line with these policies, we are implementing various initiatives to improve customer satisfaction by incorporating customer feedback into our products and services.

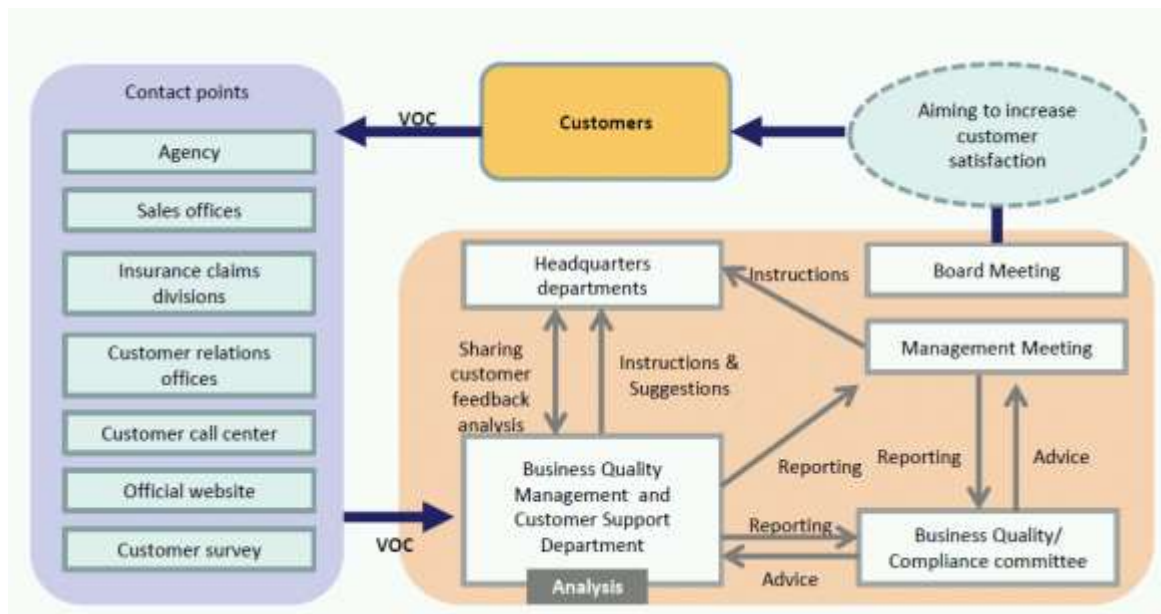
2 System to Utilize the Voice of Customer (VOC)

Sompo Japan Nipponkoa Inc.

Sompo Japan Nipponkoa receive appreciation, gratitude, inquiries, opinions, requests, complaints, and other types of customer feedback via our sales offices, agencies, insurance claims department, customer relations office and customer call centers. We value these feedback and respond with them promptly and appropriately.

We also analyze it to identify issues and needs, which we then address in order to improve our products, services, and operations.

To allow the “Voice of Customer (VOC) White Paper” to incorporate our management, we established a dedicated Business Quality Management Department. The Department is responsible for analyzing the background and causal factors of customer complaints. It then shares with relevant head office departments any information on customer complaints relating to insurance product development, sales, and claims payment. For particularly critical complaints, the department submits suggestions or instructions for preventive and/or quality improvement measures to the relevant head office departments. Furthermore, these initiatives and improvement are periodically reported to various management meetings including Business Quality / Compliance Committee to further discuss various issues.



3 Voice of Customer (VOC) White Paper

Sompo Japan Nipponkoa Insurance Inc.

Sompo Japan Nipponkoa has publishing Voice of Customer (VOC) White Paper from FY2007 to utilize every customer feedback including appreciation, gratitude, inquiries, opinions, requests, complaints, etc. The White Paper explains the initiatives to utilize the VOC into management and how we highly value these feedbacks. Our employees and agencies are accepting VOC with sincerity and will contribute to society through providing highest quality products and services to support “security, health, and wellbeing” of our customers.



4 Agency Services

Sompo Holdings Group

Insurance agencies of the Sompo Holdings Group serve as an intermediary between the customer and the insurance company and provide information on insurance product and service with support to conduct necessary procedures such as consulting services for a settlement in the event of an accident. The Group is working to upgrade agency service levels to ensure that agencies can provide appropriate advice and service to the full satisfaction of our customers. The Group offers various training opportunities where representatives can learn about the latest findings and information and develop skills in the areas of compliance, product knowledge, sales, insurance payments, and legal and tax affairs. We also provide agencies with management assistance.



Training session to enhance insurance service quality

5 Agency Support System

Sompo Holdings Group

● Training Program

While the Sompo Holdings Group provides regular Group education and training opportunities to improve the quality of agency work, branches and sales offices organize independent, high-quality training sessions that cater to the specific needs of individual agencies.

Each area has personnel specially assigned with skills to promote effective agency work and compliance who provide tailored consulting on agency management and operational supervision.

● Improvement of Consulting Capabilities

Sompo Japan Nipponkoa offers agencies a paperless system capable of executing the entire insurance transaction process, from policy explanations to the conclusion of contracts, without requiring even a signature or seal. This system can be run on personal computers as well as on tablet terminals to enhance customer convenience. In addition, the system's business management functionality helps agencies improve management efficiency.

● Agency Trainee System

The Group has implemented the agency trainee system to foster the development of insurance professionals. Under this system, an employee hired as a total life advisor is provided with various training programs on management and insurance canvassing. The Sompo Japan Nipponkoa Services provides more practical education programs, combining Group training and on-the-job training to target specific training needs.

● Assurance of Service Quality

The Sompo Japan Nipponkoa has stipulated action standards for agency reliability to specify basic action guidelines for agencies related to canvassing, managing policies, and processing insurance claims. The standards were developed based on our analysis of customer feedback and customer satisfaction survey results.

Tablet used to
introduce
products



6

Analysis Service of Customer Risk and Insurance Clause

Sompo Holdings Group

There are many customers who feels looming concern on the appropriate degree of insurance preparation of the daily life. To meet the customers' needs, Sompo Holdings Group provides free service of analyzing and explaining the customers' total insurance coverage and their risks in order to contribute to the wellbeing of our customers. The Group provides this service through tools such as booklet and tablet application for mobile phones.



Tools that introduced the customers' risk and insurance coverages (Japanese only)

7 Customer Satisfaction of Insurance Claims Service

Sompo Holdings Group

Sompo Japan Nipponkoa is undertaking a company-wide initiative to enable swift insurance claims payment by promoting the Quality of Service improvement campaign (QOS*1) launched in October 2009. The company also provides psychological support to customers involved in accidents through telephone at almost every contact point after the accident.

Sompo Japan Nipponkoa Insurance, meanwhile, is working to improve customer contact both in terms of quality and quantity at insurance claims department. The company defines mandatory and extra actions for each customer service milestone event or situation in order to implement the SC (Service Center) Credo*2 action guidelines stipulated in December 2011.

After FY2013, all employees of Sompo Japan Nipponkoa are determined to provide customized service for greater customer satisfaction. We are integrating and advancing both the SC Credo, which contains guiding principles for judgment calls, decision-making, action, and the QOS, which defines standard action guidelines.

For FY2016, we are also tightening our cooperative ties with agencies, which are closer to customers, in an effort to pursue even more customer-friendly services with speedy claim payment and easy-to-follow explanation.

*1 QOS: Stands for “Quickly, at Once within a Set period!” It aims to enhance Quality Of Service (operational quality) via the QOS initiative. QOS stipulates standard action guidelines to enable Sompo Japan Nipponkoa accident response personnel performing insurance claims department tasks to provide customers with the best outcomes.

*2 SC Credo: Targeting insurance claims department personnel, the SC Credo contains guiding principles for everyday judgment calls, decision-making, and action. It highlights the importance of putting customers as the first priority and providing sincere service to every single customer.



SC Credo Card carried by all personnel of the insurance claims department

8 24-hour Initial Response Service

Sompo Japan Nipponkoa Insurance, Inc.

Initial response service is also available for customers who are involved in a road traffic accident out of regular business hours. Specialist personnel are on hand to immediately contact the other involved party, an automobile repair shop, hospital, or tow truck operator, thus alleviating customer anxiety and providing relief.

9 Online service of "My Page"

Sompo Japan Nipponkoa Insurance, Inc.

In order to improve the user-friendliness for customers with regard to checking insurance products and various changing procedures, Sompo Japan Nipponkoa provides free online service of "My Page" that is 24 hours/365 days accessible from smartphone and PC. Through the registration of My Page membership, the customers are able to check their insurance agreements, current status of accident response for car insurance and accident insurance, and procedures of address change and insurance change for 24 hours/365 days. Furthermore, the mail delivery system is prepared for customers without insurance agreement.



My Page of Sompo Japan Nipponkoa (only in Japanese)

Contributing to Health and Welfare



Our Vision

Provide high-quality nursing care and healthcare services, and implement projects that promote health and welfare with the aim of creating a society where all people are able to lead a fulfilling life.

Our Action

With Japan progressing as a “super-aged” society, the Group aspires to become the most trusted long-term care provider in Japan. We will do this by providing healthcare services of the highest quality and building our “security, health, and wellbeing” brand with the goal of making Japan a prosperous aged society that sets an example for the world. As measures to extend healthy life expectancy, we will provide services that promote health and productivity management* while also addressing mental health issues and lifestyle-related diseases. We will also contribute to sustainability in developing economies and other parts of the world by implementing projects with civil society organizations and other stakeholders with the aim of addressing local issues using our health and welfare expertise.

* (pronounced “kenko - keiei”) means “health and productivity management,” and is a registered trademark of the organization Workshop for the Management of Health on Company and Employee.

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2-1 Contributing to Health Promotion

1 Improving the QOL of Cancer Patients

Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

- **Improving the QOL of Cancer Patients**

Sompo Japan Nipponkoa Himawari Life is contributing to the improvement of QOL of cancer patients not only by providing economic support through insurance products but also through promoting the diffusion of in-depth medical information to cancer patients and their families in collaboration with National Cancer Center Japan.

- **Improving Access to Educational Materials**

The National Cancer Center Japan has published various educational materials on cancer. Since QOL is often affected by the availability of information, Sompo Japan Nipponkoa Himawari Life is promoting the diffusion of cancer-related medical information by introducing these materials to those who need them. The brochure titled “Evidence-Based Cancer Prevention,” distributed through the company’s agencies, is especially helpful as it contains information on five common lifestyle habits based on research in Japan.



Cancer brochure “Evidence-based Cancer Prevention”(editing & publishing)
National Cancer Center Center for Cancer Control and Information Services
(Japanese only)

2 Health and Life Support Service

Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

The health and life support service aims not only to provide life insurance coverage but also to help customers lead healthy and fulfilling lives by preventing health risks. Available to policyholders, insured persons, and their family members, this extensive service includes the following 10-item menu: health and medical consultations, information on medical institutions, counseling service by doctors (reservation only), reservation and referral service for PET (Positron Emission Tomography) scans and complete medical checkups, referral service for postal examination, nursing care-related consultation service, homemaker referral service, life-related consultation service (reservation only), security support referral service. We strive to improve customer satisfaction and engage in closer dialogue with our customers through these services.

| | |
|--|---|
| Health and medical consultations | Telephone consultation service on health is available 24 hours |
| Information on medical institutions | Provides information on the nearest medical institutions, etc. |
| counseling service by doctors (reservation only) | Telephone counseling service provided by doctors |
| Reservation and referral service for PET scans | Provides reservation and referral service among partnering medical institutions nation-wide |
| Reservation and referral service for complete medical checkups | Provides reservation and referral service among partnering medical institutions nation-wide |
| Referral service for postal examination | Introducing home medical test kit including for cancer |
| Long-term care-related consultation service | Consultation service for long-term care-related issues |
| Homemaker referral service | Introduces homemaker service providers |
| Life related consultation service (reservation only) | Telephone consultation on public pension plan, tax related issues and legal issues |
| Security support referral service provided by ALSOK | Introduces security products including home security, management of vacant house, etc., and elderly support service provided by ALSOK |

3 Advance Payment Policy Clause for Long-term Care

Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

Sompo Japan Nipponkoa Himawari Life released an advanced payment policy option clause designed to cover long-term care expenses. Under this option, policyholders can receive a full or partial insurance payment if certified as needing level 4 or 5 care. This option can be added to the mainstay product *Isshō no Omamori* (which means a charm for a lifetime in Japanese) without additional cost or medical examination.

It is also helpful even to policyholders who now find no need for long-term care insurance coverage. When they do require long-term care at some point in their lives, benefits from the optional coverage enhancement can be used for home improvements or the self-pay portion of long-term care services. We offer this product based on the belief that insurance companies have an important role to play in relieving the concerns of customers by providing options to accommodate future unexpected incidents.

Corporate Health Promotion: Support Services for Health and Productivity Management

Sompo Risk Management & Health Care Inc.

Japan's emergence as a "super-aged" society has increased awareness of issues as its rapidly shrinking working population, rising healthcare costs due to lifestyle-related diseases, and the growing prevalence of mental health issues. As a result, health insurance societies (public bodies charged with providing health insurance) in Japan were asked to prepare and implement Data Health Plans*1 in FY2015, and since December 2015, companies are now required to conduct stress checks in offices that have 50 or more workers. In addition, under the government's Urgent Policies to Realize a Society in Which All Citizens are Dynamically Engaged announced in November 2015, companies are expected to play a key role in promoting collaboration with health insurance societies as well as health and productivity management.

Sompo Risk Management & Health Care provides comprehensive support for businesses and health insurance societies in implementing their health and work productivity management and Data Health Plans. We offer a Health Issues Analytics Service, in which we propose specific actions for health promotion based on an analysis of health-related data*2 and extraction of health issues through machine learning and other techniques, as well as a Framework-Building Service to support development of the foundations of practical health and work productivity management.

*1 The business plans designed to promote the health of policyholders after conducting analysis of various data including medical prescriptions.

*2 Medical checkup data, medical prescription data, stress checks, work productivity measurement data, work attendance data, etc.



5 Health Initiatives for our Group Employees

Sompo Holdings Group

To realize our Group Management Philosophy of providing products and services of the highest quality possible that contribute to security, health, and wellbeing, it is important that the providers (our employees) be in good health themselves.

Our Group companies analyze and identify employee health issues using the health and productivity management support services developed by Sompo Risk Management & Health Care to support employees' better health and boost productivity.

| [Examples of initiatives] | |
|---|--|
| Sompo Japan Nipponkoa | <ul style="list-style-type: none"> ● Work style innovation, management of working hours, encouraging employees to take vacation (also incorporated into evaluation systems) ● Periodic provision of health-related information on the in-house intranet ● Education on lifestyle-related disease prevention as part of new-hire training* |
| Sompo Japan Nipponkoa Himawari Life | <ul style="list-style-type: none"> ● Promotion of employee health support projects Vacation 5.5.4 (encouraging employees to take longer vacations, having flexible work rules) Health 1UP Challenge (distribution of wearable devices, lifestyle-related disease prevention, etc.)* |
| Sompo Japan Nipponkoa Insurance Services | <ul style="list-style-type: none"> ● Implementation of the 2013 Healthy Company Declaration holding motivational and health events ● Activities in three key areas: specific health checkups, specific health guidance, and use of generic drugs ● Effective use of telecommuting |

* These initiatives are based on analytical results from health and productivity management support services offered by Sompo Risk Management & Health Care.

6

New Health Support Products and Services Explored Using Wearable Devices

Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

Sompo Japan Nipponkoa Himawari Life has partnered with Fitbit, Inc. on an initiative to support the insurance company's customers in leading a healthy and active lifestyle.

As a first step, the company distributed Fitbit wearable devices to employees to monitor their heart rates, and then began analyzing the cause-and-effect relationships between the activity data made available by the wearable devices and illness.



Physical Healthcare Support to Help Prevent Lifestyle Diseases

Sompo Risk Management & Health Care Inc.

● Supporting Health Control including lifestyle diseases

In line with the increased morbidity of lifestyle diseases such as diabetes, myocardial infarction, and cerebral apoplexy, the associated medical costs are climbing at a disturbing rate. Meanwhile, from April 2008, public health insurance providers have been required for eight years now to provide metabolic syndrome checkups as well as follow-up advice for cases specified by the national government.

From FY2015, the measurements for health issues are becoming increasingly important for health insurance companies since they must produce and exercise Data Health Plan to promote health of the insurer based on the data including receipt.

With a nationwide network of health professionals made up of roughly 1,100 experienced health workers, nurses, and national registered dietitians, Sompo Risk Management & Health Care is Japan's largest provider of the specified follow-up advice service.

Sompo Risk Management & Health Care provides support to corporate employees mainly in the area of the specified follow-up advice. One study shows that approximately 39% of employees who received the follow-up advice from it improved to the point that they required no further guidance the following year.

In addition to the follow-up advice service, it also provides follow-up checkups in order to prevent the severe diseases for people on medication and non-obese people facing risks related to blood pressure, glucose, lipid levels, and smoking. It also offers health advice visits for people aged between 65–74 years aimed at lifestyle improvement and disease management. In all, it provides over 300,000 health support services annually to more than 500 health insurance associations and other organizations.

Sompo Risk Management & Health Care will continuously provide health support that matches each customers' needs on face to face bases, and provide original technical support on health to professionals nationwide in order to develop a framework that enables the provision of high quality services.

8

Employee Assistance Program Services Contributing to “Healthy Companies”

Sompo Risk Management & Health Care Inc.

Year after year there has been an increase in the number of workers experiencing significant anxiety, worry or stress due to work and the work environment. Mental disorders develop as a result of work stress, and more people are being certified for workers’ compensation each fiscal years (234 in 2009, 308 in 2010, 325 in 2011, 475 in 2012). As a result, efforts to prevent any decline in mental health are a crucial issue for corporate management.

In this context, a new Stress Check system was instituted based on the Act for Partial Amendment of the Industrial Safety and Health Act (promulgated on June 25, 2014).

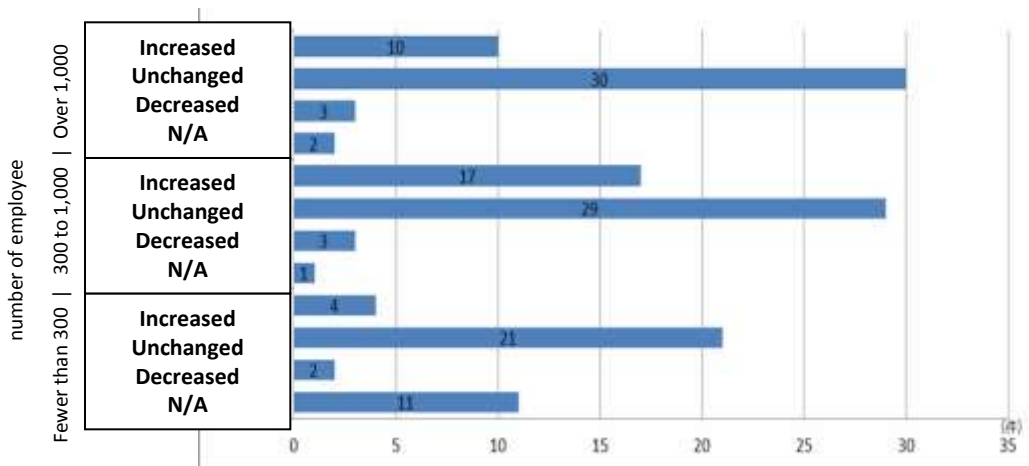
Sompo Risk Management & Health Care has since April 2007 offered services aimed at providing comprehensive solutions to corporate mental health challenges.

Stress Check has a solid track record of operations, using many of the “LLax seed” mental health care support services that employ “the Brief Job Stress Questionnaire” recommended by Japan’s Ministry of Health, Labour and Welfare.

Furthermore, besides counselling and other conventional mental health care services, we support the development of occupational health systems, and have achieved many examples of problem solving for clients in various sectors, while having close communications with the corporate management, human resources departments, and occupational physicians being the staff most responsible for occupational health.

Sompo Risk Management & Health Care proactively promote the activities of raising awareness among companies manager and employees of human resource department through the mental health seminars. It will continue to improve the service and strives to develop new services to contribute to the realization of “Healthy Companies” through its business.

Trends in number of persons with mental health problems (per company size)



Source : Survey by Sompo Risk Management & Healthcare Inc.

9 Offering Comprehensive Consulting Services for Food Risk to Secure Food Safety and Consumer Trust in Food

Sompo Risk Management & Health Care Inc.

To support food companies in their efforts to secure food safety, Sompo Risk Management & Health Care Inc. offers comprehensive consulting services for food risk. These services include assistance in addressing core risks (such as food safety control, sanitation management, food labeling, and food-related accident response (including SNS/WEB troubles)) and support for the development of halal business structure. Since FY2010, the company has also held seminars for food companies at 182 locations nationwide to secure consumer trust and build management systems with a subsidy from the Ministry of Agriculture, Forestry and Fisheries of Japan.

Material Issue
Contributing to Health and Welfare



Services overview (Japanese only)



Training



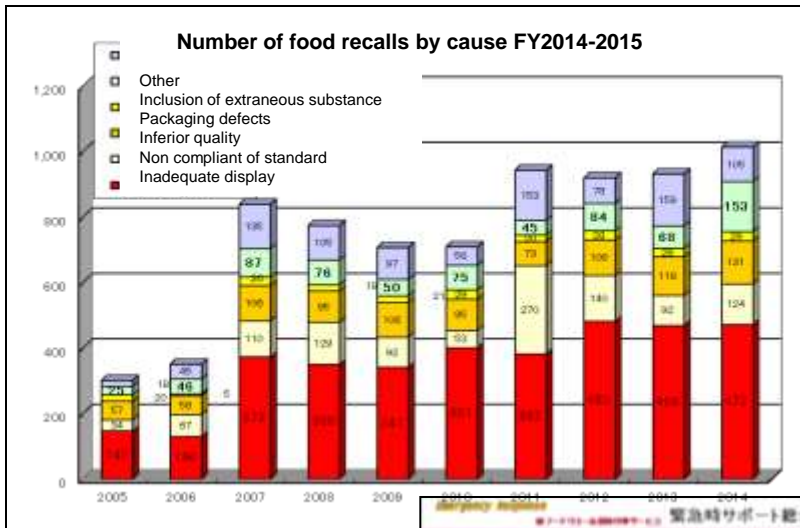
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Offering Emergency Food Risk Consulting Services to Secure Food Safety and Consumer Trust in Food

Sompo Risk Management & Health Care Inc.

While approximately 1,000 food recalls occur every year, many food companies express concern about whether they can carry out food recalls quickly and properly in the event of an emergency. In October 2011, Sompo Risk Management & Health Care started to offer one-stop comprehensive emergency support services for such food companies as services incidental to Sompo Japan Nipponkoa Insurance's food recall insurance. These services include publication of information, set-up of a call center, and recall operations

Material Issue
Contributing to Health and Welfare



Number of food recalls by cause



Service details available for customers (only in Japanese)

11 Maternal and Child Health Project in Myanmar

Sompo Japan Nipponkoa Insurance, inc

Mortality rates among mothers and children under the age of five are higher in Myanmar than in nearby Southeast Asian countries, with approximately 90% of these deaths concentrated in rural areas. In response, Sompo Japan Nipponkoa has partnered with Save the Children Japan to launch a project aimed at improving the health of mothers and their infants.

The project aims to reduce mortality risks facing childbearing women and their newborns by improving maternal and child health services, including providing health education to expecting women and training midwives and midwife assistants.



2-2 “Japan, an Affluent Country that Can Boast to the World of a Long and Quality Life”

1

Long-term care business: Supporting Japan as Global Pioneer in Healthy Longevity

Sompo Care Inc,
Sompo Care Message Inc.
Sompo Care Next Inc.
Cedar Co., Ltd.

The Sompo Holdings Group made a full-fledged entry into the long-term care business by acquiring Watami no Kaigo Co. (now Sompo Care Next Inc.) in December 2015 and Message Co. (now Sompo Care Message Inc.) in March 2016. We then founded Sompo Care Inc. in July 2016 to manage our growing long-term care business. By combining the unique business strengths offered by each company in the Group, we will seek to provide a range of healthcare services that meet the full spectrum of present and emerging needs.

- **Internal Management System Construction and Implementation**

Sompo Holdings is applying its governance, compliance, and risk management know-how to its nursing care operations to construct and implement internal management systems for providing nursing care services with impeccable quality that contribute to customer safety, health, and wellbeing.

| | | |
|------------------------------------|-----------------------------------|---|
| Sompo Care (Management Company) | | Tasked with the quick realization of our vision for our nursing care operations, Sompo Care is a highly specialized management company that provides guidance and oversight for all Group nursing care service companies. |
| Sompo Care Message | Facility Nursing Care Services | Sompo Care Message operates 185 fee-based economy to mid-range nursing homes under its Sompo Care <i>Sompo no ie S</i> brand. In addition, through its Sompo Care <i>Sompo no ie S</i> brand, this company manages 121 housing complexes for seniors that offer nursing care services to residents. |
| | At-Home Nursing Care Services | Sompo Care Message provides home-visit long-term care and other at-home nursing care services out of 412 offices across Japan. In February 2015, this company launched its new <i>Sompo Care Home-Care Service</i> . Sompo Care Message is currently expanding its service area throughout the Tokyo metropolitan area. |
| Sompo Care Next | Facility Nursing Care Services | Sompo Care Next operates 114 mid-range fee-based nursing homes in major cities under its Sompo Care <i>La vie Re</i> brand. |
| Cedar Co., Ltd.* | Facility Nursing Care Services | Cedar runs 38 <i>La Nassicca</i> brand economy and other fee-based nursing homes and provides services centered on rehabilitation. |
| | At-Home Nursing Care Services | This company also offers <i>Aozora-no-sato</i> brand day service centers and provides services centered on rehabilitation. |

*A 34% stake in Cedar Co., Ltd., was acquired in September 2012.

1

Long-term care business: Supporting Japan as Global Pioneer in Healthy Longevity

Sompo Care Inc,
Sompo Care Message Inc.
Sompo Care Next Inc.
Cedar Co., Ltd.

● Utilization of ICT and Digital Technologies

We are utilizing ICT and digital technologies for applications such as digitizing nursing records to improve efficiency with regard to record management and information-sharing procedures. In addition, we are examining means of using sensors to detect changes in residents' conditions in a timely manner, prevent accidents, and reduce the labor requirements for watching over residents. Going forward, we will muster the Group's collective strength to conduct ongoing investigations and research into cutting-edge ICT in order to realize industry-leading levels of service quality and productivity. In this manner, we will strive to reduce the burden placed on nursing care staff.

● Expansion of Nursing Care Staff

In addition to implementing systems to facilitate the systematic hiring of care providers to meet the staffing needs of nursing care services, we are establishing training centers with specialized equipment and otherwise devoting effort to education and training to enhance care provider skills. To address the issue of turnover among care providers, we are formulating measures for providing phased improvements to contract conditions to expand our staff of employees capable of providing high-quality service on an ongoing basis.

● Establishment of Sompo Care Next Step Center

The Sompo Care Next Step Center was established in April 2016 with the aim of contributing to the cultivation of professional care providers. Conducting training based on the themes of acquiring knowledge, refining techniques, and improving interpersonal skills, this center offers a wide range of training programs. These programs include those for gaining basic care-giving knowledge and practical courses that utilize spaces re-creating actual nursing-home rooms and facilities as well as programs for fostering the perspective and sense of ethics necessary for care providers.



Space re-creating nursing-home rooms with beds enabling trainees to learn various techniques such as how to help residents change position or get off the bed or how to give sponge baths



Bathing assistance training, in which trainees learn necessary bathing assistance techniques as well as how to use support equipment and basic rules of watching over residents

1 Advisory Council on Nursing Care

Sompo Care Inc,
Sompo Care Message Inc.
Sompo Care Next Inc.
Cedar Co., Ltd.

Aiming to realize an affluent Japan that can boast to the world about the long and quality lives of its people, Sompo Holdings formed an advisory council on nursing care in April 2016. The council comprises experts with exceptional insight from academia and the industry and works to identify, deliberate, and resolve various issues regarding nursing care in Japan while providing the Sompo Holdings Group with guidance on the direction of its nursing care operations.

Having already met twice, the council is chaired by Professor Emeritus Shigeru Tanaka of Keio University, one of Japan’s leading authorities in the field of healthcare, nursing care, and comprehensive regional healthcare. Sompo Holdings has positioned the council as an advisory body to Sompo Care, which was established in July 2016.



First meeting of advisory council on nursing care (April 2016)

Over a one-year period, the advisory council will discuss themes such as human resource development and collaboration with local communities to provide the Sompo Holdings Group with insights on operating nursing care businesses.

2

Integrated Service Product: Long-term Care Support Plan

Sompo Japan Nipponkoa Inc.
Sompo Risk Management & Health Care Inc.

A growing number of people need long-term care in Japan as the average age in this society continues to rise, and about 100,000 persons of working age leave work annually to provide long-term or nursing care for a parent, which is a growing social concern.

Sompo Japan Nipponkoa decided to begin selling the Long-term Care Support Plan that provides multi-faceted support to reduce the need for employees to leave work to provide long-term care for a relative. Beginning in September 2016, we offer a new Group health insurance product for company employees entitled *Oyakoko Ichijikin Shiharai Tokuyaku* (Parent-Child Relation Lump Sum Payment Rider) with expanded compensation coverage, and a service to introduce long-term care providers to clients, with preferential conditions for the care. In April 2016, Sompo Risk Management & Health Care started offering the “Balancing Work and Long-term Care” seminars for corporate clients, in order to provide support to address the challenges relating to long-term care.

● Overview of Long-term Care Support Plan

(1) Expanded compensation under new Group health insurance product *Oyakoko Ichijikin Shiharai Tokuyaku* (Parent-Child Relation Lump Sum Payment Rider)

With this rider, a lump-sum insurance payment will be made if a parent (the insured) develops the need for long-term care and that condition exceeds a certain length of time. In the event a parent develops the need for long-term care, the burden on the employee caring for the parent is reduced by expanding the scope of coverage. For example, for in-home long-term care, compensation is provided even for care needs levels 2 and 3, which involve a higher burden on the caregiver.

(2) Long-term care support services (referral service to introduce long-term care service providers)

In a growing number of cases, employees are facing difficulties balancing work and care-giving when an employee’s parent starts to require long-term care. To address this, we created a new service to make referrals, with preferential conditions, to long-term care providers, including companies in the Sompo Holdings Group. By having employees utilize services that can reduce the burdens of long-term care, we support balance between work and long-term care giving.

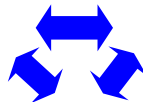
(3) Balancing Work and Long-term Care seminars

We provide information through seminars for employees experiencing anxiety regarding future long-term care, and for employees dealing with challenges in balancing work and long-term care.

Services for corporations

Balancing Work and Long-term Care seminars

We introduce seminars on balancing work and long-term care with the aim of preventing employees from having to leave work to provide long-term care.



Services for corporations & employees

Referral service to introduce long-term care service providers

We introduce long-term care providers affiliated with our Group for useful services to reduce the burden of providing long-term care.

Insurance

Rider: *Oyakoko Ichijikin Shiharai Tokuyaku* (Parent-Child Relation Lump Sum Payment Rider) (Insured: Parent)

A product that helps when a designated parent ends up requiring long-term care.

**Policyholder: Companies
Policy-holders: Employees**

3 “Wellbeing Support” Service for Elderly Customers

Sompo Japan Nipponkoa Insurance Services Inc.

Sompo Japan Nipponkoa Insurance Services has started offering “Wellbeing Support,” an unique service that allows elderly customers to use the company’s products with even greater wellbeing. With this service, the company contacts families or other relatives registered by elderly customers in advance in cases where elderly customers cannot be reached (for example, when they are out for a long period of time or in the case of disaster) in order to explain necessary information such as insurance expiry. This service prevents elderly customers’ insurance contracts from expiring and terminating during times they cannot be reached, thus bringing wellbeing to them as well as their families living apart. Since its commencement in September 2013, the service has attracted more than approximately 14,000 registered customers as of the end of March 2016. The company will work hard to improve its services continuously with the aim of becoming an “elderly-customer-friendly” insurance agency that meets the needs of a super-ageing society.

● How “Wellbeing Support” Service Works

*The service is available free-of-charge to the company’s policyholders. (Japanese only)



4

“Group-Wide Training Program for Volunteer Dementia Supporters”

Sompo Japan Nipponkoa Insurance Services Inc.

● Support for Customers with Dementia

To offer greater peace of mind to elderly customers, Sompo Japan Nipponkoa Insurance Services is engaging the entire company in “dementia supporter” education and activities to support communities.

Dementia supporters program was introduced by the Ministry of Health, Labour and Welfare in 2005 as a measure to address dementia. The number of dementia supporters reached 7.5 million by the end of March 2016, under the National Caravan-Mate Coordinating Committee as the parent organization.

Sompo Japan Nipponkoa Services advocates for an elderly-friendly and locally-rooted society, and sees this program as being closely aligned with the company, so has declared it as a priority CSR initiative. By the end of FY2015, our 125 Caravan-Mate* instructors nationwide had trained 1,585 dementia supporters, surpassing our target. We also designed and display posters about Guidelines for Serving Customers with Dementia, raise awareness by having employees wear pin badges, and participate in a variety of community activities.

As Japan's population continues to age, we will continue to train dementia supporters and strengthen ties with local communities in an effort to promote insurance agencies that fully meet the needs of our elderly customers.

● Our achievements and initiatives

| | |
|-------------------------------|--|
| Training of supporters | <ul style="list-style-type: none"> ■ Caravan-Mates*: 125 ■ Dementia Supporters: 1,585 |
| Creation/ use of tools | <ul style="list-style-type: none"> ■ Guidelines for Serving Customers with Dementia ■ In-branch display of posters showing dementia supporters present ■ All employees wear pin badges ■ Dementia supporter logo on business cards |
| Community involvement | <ul style="list-style-type: none"> ■ Participated in Chiba SSK Project (Chiba Prefecture) ■ Registered as Dementia Support Company (Saitama Prefecture) etc. |



*Caravan-Mates are certified lecturers of dementia supporter training seminars. To become a Caravan-Mate, one must go through the requisite training and registration process.

2-3 Contributing to Welfare

1

Supporting “Activities and Researches” for Social Welfare-Sompo Japan Nipponkoa Welfare Foundation-

Sompo Japan Nipponkoa Welfare Foundation

The Sompo Japan Nipponkoa Welfare Foundation, established in 1977, conducts various programs. These include providing financial assistance to civil society organizations in ASEAN countries and India; holding academic conferences and funding research on social welfare, social security, insurance, and gerontology; and awarding outstanding academic papers. Aware of rapid population aging, it also promotes solutions to increasingly complex social issues, including supporting families who provide home care to an elderly member with dementia or other condition, and providing scholarships to long-term care workers in training. Its programs are designed to meet contemporary needs through both research and practice.

- **Support for Purchase of Automobiles**

Since 1999, the foundation has financially supported organizations engaging in welfare activities for people with disabilities that need to purchase automobiles.

In FY2015, the foundation invited applications in Eastern Japan and selected ten organizations. Automobiles that these organizations purchased help them expand the geographical area and scope of their activities and have led to the increase in income of people with disabilities and in the number of users of their welfare services.



Car is useful for conveying meals

- **Support for Strengthening Organizational and Operational Foundation of NGOs/NPOs**

In 2004, the foundation started to provide financial support for strengthening the organizational and operational foundation of NGOs/NPOs that render welfare services to communities.

In FY2015, financial support was provided to 40 organizations in total through support programs for “strengthening organizational and operational business activities” and subsidized expenses required for organizations to “Approved Specified Nonprofit Corporation.”

The foundation thus upholds the development of high-quality, sustainable NPO corporations that play a key role in their respective communities.



Caring children at the park in the house

1

Supporting “Activities and Researches” for Social Welfare-Sompo Japan Nipponkoa Welfare Foundation-

Sompo Japan Nipponkoa Welfare Foundation

● Support for Overseas Welfare Activities

The foundation has supported NGOs/NPOs in the field of social welfare in ASEAN countries and India since 2010.

In FY2015, financial support was provided to six organizations in five countries, which are promoting respectively, support for HIV-positive patient and HIV career children in boarder area of Thailand and Laos, project to support independence of children with disability (Myanmar), hair-cut training program for supporting independence of children in poverty area or children's nursing home (Philippines), environmental improvement initiatives of market in rural areas for considering people with disabilities (Thailand).



Presentation ceremony in Thailand



Presentation ceremony in Myanmar

● Sompo Japan Nipponkoa Welfare Foundation Award

The foundation has awarded to outstanding academic literature in the field of social welfare since FY1999.

In FY2015, the award was given to a research, entitled “Community of disease – patient culture within sanatorium for Hansen's disease.” Annual symposium was organized in July 2015 in commemoration of the award and prize winning speech was given by a former award winner.



FY2015 Sompo Japan Nipponkoa Welfare Foundation Award



Symposium and prize winning speech on July 2015

1

Supporting “Activities and Researches” for Social Welfare-Sompo Japan Nipponkoa Welfare Foundation-

Sompo Japan Nipponkoa Welfare Foundation

● Support for Networking and Learning of Family Caregivers for the elderly

Sompo Japan Nipponkoa Welfare Foundation provides support to networking events and learning programs intended to help reduce the stress of family caregivers caring at home for elderly dementia patients, and improve their care-giving skills from 1991.

In FY2015, the foundation collaborated with Alzheimer’s Association Japan (AAJ) to provide financial support for networking events and learning programs held at AAJ’s 27 branch offices across the country. These events and programs attracted 751 participants.



Presentation on family care at home

● Scholarships for students who aim to become certified care workers

In order to support the development of human resources for care workers, the foundation offers scholarships to students who are studying to become certified care workers. During FY2015, the foundation has offered the scholarships to 20 students in total (10 first grade students and 10 second grade students).

24 years since began in 1992, the foundation has offered scholarships to 248 students and many of them are playing an active role as professionals of care welfare in the practical field.



Practical training of the students who aims to become certified care workers.

● Financial Support for Gerontology Research

The foundation provides financial support for creative and advanced research in the field of social science that relates to gerontology. The foundation also arranged study Group for Insurance Business Act, Welfare management, and gerontology. In FY2015, it published the study result as foundation’s research booklet and opened to public through libraries.



Study Group for human development on welfare management

Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School -Sompo Japan Nipponkoa Smile Kids Foundation -

Sompo Japan Nipponkoa Smile Kids Foundation

Sompo Japan Nipponkoa Smile Kids Foundation, established in 2011, operates a nursery school on the first floor of a building owned by the company in Bunkyo Ward, Tokyo.

The Sompo Japan Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School, which is accredited as meeting the government standards, accommodates 60 children up to the age of five, whose parents are residing in Bunkyo Ward and both working. The nursery school provides its charges with stimulating activities such as indoor fun and games. On sunny days, neighborhood walks through local green areas including big parks and long row of cherry blossom trees along a Kanda river. The children also enjoy snacks and lunches prepared by nutritionists and take parts in seasonal events including sports events and outings, etc.

The nursery school organized open events such as summer and fall festivals and a traditional New Year mochi (rice cake) pounding event with the collaboration of local neighborhood associations for not just its enrolled children but also for all families with young children in the community.

The nursery school also offered a variety of learning opportunities such as a program that allows children to learn “numbers” and “characters” while having fun, music classes, physical education, and a periodical session for reading English picture books to children. Efforts were also made to improve the working environment of childcare workers, and this led us to be recognized by the Tokyo Metropolitan Government as a company working earnestly to promote work-life balance.

Together with highly motivated childcare workers, the nursery school will continue striving to provide even better care for children, support childrearing of parents in the community, and gain the favor of local residents.



3 Exhibition by Children with Intellectual Disabilities

Sompo Japan Nipponkoa Insurance, Inc.

Every year since 2003 an exhibition of works by children with intellectual disabilities has been held in the headquarters building in Shinjuku, Tokyo that is home to the museum. The exhibition provides students with an opportunity to exhibit the paintings, embroidery, calligraphy, and handicrafts they have produced over the past year, while enabling visitors to gain a deeper understanding of the diversity of talents found among children. During the exhibition, we arrange to have the children visit the headquarters to view their works and also spend time with our employees, such as by having lunch together in our employee cafeteria.



Exhibition of works by children

4

Heart&Arts Program: Assistance for Art Activities by Persons with Disabilities

Sompo Chikyu (Earth) Club

Sompo Chikyu (Earth) Club is a volunteer organization comprised of Group company employees in Sompo Holdings Group. Together with the Public Resources Foundation, it is promoting the Heart & Arts Program, which provides funding for art-related activities by persons with disabilities. In FY2015, it provided a total of 4.68 million yen to ten organizations.

● Summary of Funding by Heart & Arts Program

The arts (including visual arts, music, and performing arts activities) have the power to bring out best in people.

This program—by funding art activities by persons with disabilities, as well as programs that support them, and promotion programs—aims to increase the opportunities for persons with disabilities to express themselves freely, and to contribute to creating society where anyone can live a fulfilling life. For applications for activities that target the following funding targets, 64 responses were received. The selection criteria are whether or not the applied activities will contribute to the future expansion of programs relating to art for persons with disabilities in the applicant organization.

Eligible Activities for Funding

- Art activities in which persons with disabilities will participate or be active (crafts, workshops, creations, etc.)
- Activities that support art activities of persons with disabilities (holding lectures, dispatch of lecturers, networking, etc.)
- Activities that promote art activities of persons with disabilities (events, publications, exhibitions, etc.)
- Creation of opportunities to present art activities of persons with disabilities (concerts, stage events, etc.)

Note: Art activities include visual arts, music, and performing arts activities.

Eligible Organizations

Non-profit organizations in Japan (non-profit associations, general incorporated associations, public interest corporations, voluntary organizations, and social welfare corporations, etc.)



Promoting the Manageability of Global Environmental Issues



Our Vision

Contribute to climate change adaptation and mitigation, biodiversity conservation, and other global environmental goals through value chain initiatives and provision of new solutions.

Our Action

The intensification of natural disasters by climate change can impact the Group's ability to continue providing insurance sustainably, as it causes insurance payments to rise, and with them, insurance premiums. However, the need for climate adaptation and mitigation can also be perceived in a positive light. By offering insurance products and consulting services that cover the risks of weather disasters and renewable energy businesses, for example, we have the potential to create and expand new markets.

We are striving to be leaders in reducing environmental impacts throughout the value chain in collaboration with stakeholders. We have also been working to develop products and services that help reduce the risks and impacts of climate change and disasters, build low-carbon economies, conserve biodiversity, and promote environmentally conscious behavior. Through continued efforts to provide innovative products and services and create partnerships that help reduce impacts, we will contribute to a more resilient and sustainable society.

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3-1 Adaptation to Climate Change

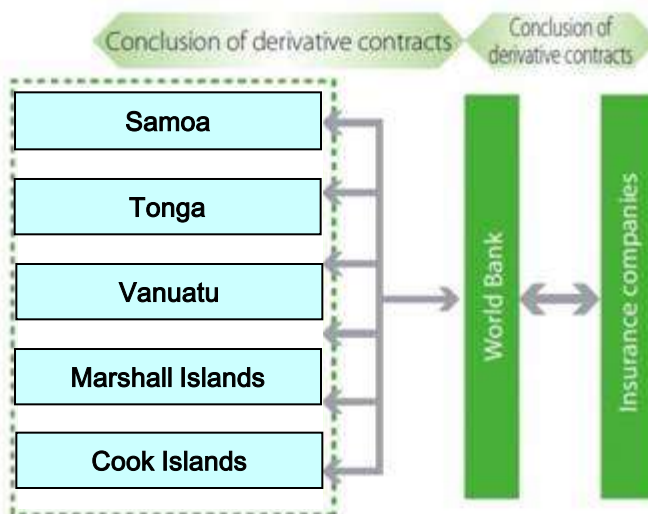
1 Pacific Catastrophe Risk Insurance Pilot Program

Sompo Japan Nipponkoa Insurance, Inc

Sompo Japan Nipponkoa has joined the Pacific Catastrophe Risk Insurance Pilot Program established by the World Bank and the Japanese government. Given large-scale natural disasters, including cyclones and tsunamis, are occurring with greater frequency due to global warming and climate change, support measures for Pacific Island countries, which are vulnerable to catastrophic damage resulting from these types of natural disasters, had been discussed under the leadership of the World Bank.

Meanwhile, to promote climate change adaptation, Sompo Japan Nipponkoa had underwritten derivative contracts in Japan and overseas and had striven to accumulate advanced financial technologies and know-how. In addition, Sompo Japan Nipponkoa had been proactively involved in the study project for the Pilot Program since its proposal at the PALM (Pacific Islands Leaders Meeting held in Hokkaido) in May 2009 with a view to its realization. Having led efforts to launch the Pilot Program, Sompo Japan Nipponkoa joined the program when it was established in January 2013.

● Structure of Pacific Catastrophe Risk Insurance Pilot Program



2

Providing the Weather Index Insurance in Southeast Asia

Sompo Holdings Group

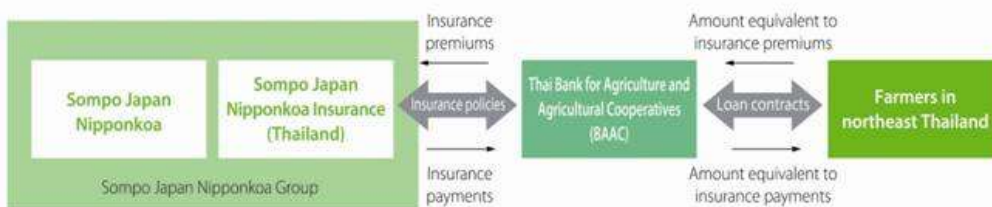
Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when a weather index – such as for temperature, wind speed, rainfall, or hours of sunshine – fulfills certain conditions.

In 2007, the Sompo Holdings Group began researching risk financing methods together with the Japan Bank for International Cooperation (JBIC) to address climate change and in 2010, started providing Weather Index Insurance in northeast Thailand. Northeast Thailand when their crops were damaged by drought.

Many farmers in Northeast Thailand employ drought-susceptible, rain-fed agricultural methods. Because they take out loans for their farming operations with the expectation of paying back the loans with money raised from the harvested crops, these farmers can face serious financial difficulties if drought or other weather conditions significantly reduce crop yields. In response to this issue, Sompo Holdings Group has developed a scheme in which Sompo Japan Nipponkoa (Thailand) offers the weather index insurance through Bank for Agriculture

and Agricultural Cooperatives (BAAC), which markets the product to farmers who maintain loan contracts with the bank. During development of the product, field surveys were repeatedly held along with hearings from farmers in order to design the product as simply as possible for farmers who were unaccustomed to insurance. The team also strove to prepare pamphlets that set forth the insurance product in simple terms, so that farmers can enter into the insurance with no concern.

When drought hit the region in 2012, insurance claims were promptly paid out to more than 80% of policyholders. This fact has served to popularize the product, allowing us to expand sales to currently every provinces in Northeast Thailand.



Explanation of products to Thai farmers



2

Providing the Weather Index Insurance in Southeast Asia

Sompo Holdings Group

In December 2014, we developed a weather index insurance that addresses drought risk for rice and sesame farmers in the central arid region of Myanmar. This insurance—the first Japanese insurance product of its kind—was jointly developed with the Remote Sensing Technology Center of Japan (RESTEC) based on a rainfall index using satellite observation data. One hurdle to developing weather index insurance in developing countries is the general lack of meteorological stations and weather data infrastructure needed to develop and manage insurance. However, the successful development of weather index insurance with RESTEC using satellite data opens the door to new development opportunities in other countries of Southeast Asia.

We also launched in 2014 Typhoon Guard Insurance, a type of weather index insurance, for agricultural producers in the Philippines. It is the first insurance product in Philippines that covers typhoon risk with the certain insurance payment made when the typhoon passes predetermined area.

And we are selling weather index insurance in Indonesia as well from FY 2015 with the support from JICA. These are important milestones toward our goal of providing weather index insurance to 30,000 farmers in Southeast Asia by 2025.

These weather index insurance provided by Sompo Holdings Group in Southeast Asia has been recognized as meeting the requirements for membership in the Business Call to Action (BCtA). The BCtA is a global initiative launched in 2008 by the United Nations Development Programme (UNDP) and five government institutions that challenges companies to develop business models with the potential to achieve both commercial success and sustainable development outcomes. This makes us the first financial institution in Japan, and the first property and casualty (P&C) insurance Group in the world, to be granted membership.

In 2016 we received Japan's Environment Minister's Award for demonstrating the Principles for Financial Action towards a Sustainable Society. For our initiative in Myanmar we received the Minister of State for Space Policy Prize, at the Second Space Development and Utilization Grand Prize presentation.

※Launched at the United Nations in 2008, the Business Call to Action (BCtA) aims to accelerate progress towards the SDGs by challenging companies to develop inclusive business models that offer the potential for both commercial success and development impact.

BCtA Website :
<http://www.businesscalltoaction.org/about/>



3

Offering Insurance Products that Encourage and Promote Renewable Energy

Sompo Japan Nipponkoa Insurance, Inc.

With Japan's Renewable Electric Energy Feed-In-Tariff system starting to operate in July 2012, and a growing number of companies and other entities have been participating in renewable energy projects. For entrants into renewable energy electricity market, Sompo Holdings Group offers insurance to cover emergencies as well as risk analysis services for the project facilities' site environments.

● Electricity Revenues Compensation Rider for Photovoltaic Power Generation Businesses

Sompo Japan Nipponkoa has developed an "Electricity Revenues Compensation Rider" to compensate for reduced business profits, considering the features of each project, based on situations associated with a reduction in electricity revenues—having calculated the projected revenues from electricity sales based on per-month and per-site data on hours of sunlight published by the New Energy and Industrial Technology Development Organization (NEDO). If a photovoltaic power generation system suffers damage due to a fire, natural disaster or other cause, the rider reduces the risk for the photovoltaic power generation business by compensating the owner for the reduction in business profits if the project's planned electricity generation is not achieved. In these ways, we are working to encourage and promote renewable energy businesses.

● Fire Insurance for Wind Power Companies: Special Clause Covers Costs to Prevent Recurrence of Accidents

Sompo Japan Nipponkoa offers property and casualty insurance for wind power companies with a rider that covers costs for actions to prevent accidents from recurring. For wind power companies, if accidents occur, the losses can tend to be expensive, and there is a tendency for similar accidents to recur. Thus, it is important for the management of wind power companies to identify the causes of an accident, and take measures to prevent recurrence. To respond to needs for issues like this, Sompo Risk Management & Health Care is supporting the stable management of wind power companies by developing this rider, which incorporates our accident recurrence prevention knowhow, and is providing insurance and risk management services.

● Property and Casualty Insurance for Offshore Wind Power Companies

For offshore wind power projects, in the past, insurance coverage was arranged separately for the construction process and project operations after completion. But from the perspective of preventing gaps in insurance coverage and to improve the efficiency of project management, many businesses were asking for unified insurance. In response, Sompo Japan Nipponkoa now offers insurance in the event of the occurrence of damage to offshore wind power facilities due to unforeseen or sudden accidents during construction of the offshore wind power facility and during operation of the wind power generation.

Also, Sompo Canopus has established a special in-house department and in Europe it is offering property and casualty insurance for offshore wind power generation companies. It is sharing within the our group its knowhow of the European market which has some of the world's leading underwriting techniques in the areas of property and casualty insurance for offshore wind power generation companies, and in Japan we will conduct insurance underwriting that more closely matches risk.

3

Offering Insurance Products that Encourage and Promote Renewable Energy

Sompo Risk Management & Health Care Inc.

● Risk Diagnosis Services for Renewable Energy

Since September 2012, Sompo Risk Management & Health Care has been offering risk diagnosis services for renewable energy. These services make use of knowledge accumulated through our risk analysis services relating to natural disasters such as earthquakes, flooding, and lightning strikes, as well as the development of risk maps. The services aim for a stable electricity supply from renewable energy, which have a low environmental impact, and involve analysis and diagnosis of site risks for renewable energy facilities such as photovoltaic and wind power electricity generation.

● Consulting on Fire and Crime Risk for Mega Solar Installations

Since March 2013 Sompo Risk Management & Health Care. has been offering risk consulting services relating to fire and crime prevention for mega solar power plants in partnership with Sohgo Security Services Co.

● Risk Diagnosis Services for Wind Power Businesses at the Planning Stage

Sompo Risk Management & Health Care analyzes and grades various types of risk during the operation of both land-based and offshore wind power operations when they are at the planning stage. These services are aimed at reducing the potential risk of projects, by encouraging businesses to take steps to reduce risk based on risk assessments, thereby reducing the amount of risk exposure before starting the projects.

● Risk Inspections and Diagnosis Services for Wind Power Facilities in Operation

Sompo Risk Management & Health Care selects turbines at power generation sites that have a high probability of major accidents or breakdowns, then conducts third-party inspections and diagnoses of business risk. These are considered to be detailed inspections of critical risks.

● Development of Risk Assessment Model for Wind Power Facilities

Sompo Risk Management & Health Care has developed a risk assessment model for wind power facilities. Visualizing the risk of accidents and breakdowns due to natural disasters and other factors using the risk assessment model, enables to quantitatively ascertain the risk of wind power projects and calculate the appropriate insurance premiums. Our aim is to further develop our services that use the risk assessment model and contribute to the spread of wind power.

4

Development of Flood Risk Assessment Methods for Japan and Asian Countries

Sompo Risk Management & Health Care Inc.

● To deal with flood risk, which can be affected by medium- and long-term climate change, Sompo Risk Management & Health Care. is engaged in research and development into flood risk assessment methods for Japan and Asian countries, with the aim of offering new insurance services and risk consulting services that support adaptation to climate change.

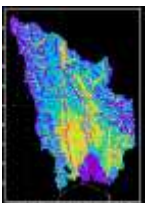
● In Japan, we are utilizing flood risk assessment system (*1), developed jointly with Kyoto University and Kobe University, to manage insurance risk and for natural disaster risk consulting.

● For Thailand, we are using a flood risk assessment system developed jointly with the Foundation of River & Basin Integrated Communications, Japan, to manage insurance risk and to develop insurance products. We have also developed new flood scenario risk assessment methods (*2) for major urban areas in Indonesia, the Philippines, Malaysia, Singapore, and Brazil. With these methods, we now have methods in place that permit us to assess flood scenario risks in seven countries in Asia (methods have already been developed for China, Vietnam, and Thailand), and one country in South America. We plan to steadily expand the area to which we can apply these flood risk assessment systems and assessment methods.

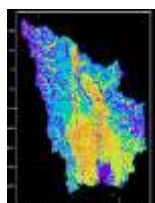
● In FY2015 we started new joint research together with the Disaster Prevention Research Institute at Kyoto University and the Research Center for Urban Safety and Security at Kobe University, with the aim of enhancing the precision of flood risk assessments in Japan and Asian countries. Going forward, we intend to actively apply this research in the management of insurance risk in Japan and other countries, the development of insurance and derivative products, and the risk consulting services, in order to propose concrete and practical solutions.

•*1. Flood risk assessment system: A system to assess flood damage stochastically over year, based on various assumed rainfall scenarios.

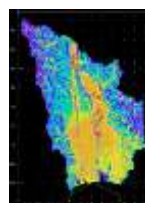
•*2. Flood scenario risk assessment method: A method to assess flood damage under certain pre-set rainfall scenarios, including past heavy rainfall that has been measured, and probable heavy rainfall (e.g., rainfall of a certain intensity with the likelihood of once in 100 years).



Flood scenario (once in 10 years)



Flood scenario (once in 100 years)



Flood scenario (once in 1,000 years)

Flood scenario maps incorporated into Thailand's flood risk assessment system, which models the damage and assesses flood risk, ranging from frequent disasters to rare and large-scale disasters.

3-2 Mitigation of Climate Change

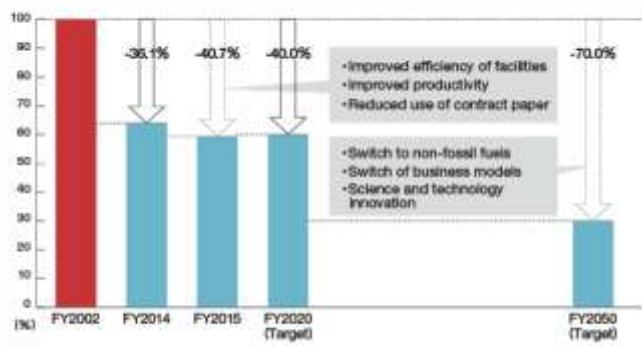
1

Our Environmental Impact throughout the Value Chain and Efforts for Environmental Conservation

Sompo Holdings Group

The Sompo Holdings Group has set Group wide CO₂ emission reduction targets for 2020 and 2050, and is currently striving to reduce its environmental impact throughout the value chain while vigorously promoting green procurement and energy conservation to meet these targets. These activities include not just emissions generated directly from the use of energy but also indirect CO₂ emissions (so-called “Scope 3” emissions) resulting from such business activities as sales, business trips, use of logistics, and disposal.

The Group's Mid- to Long-Term Targets for GHG Emissions Reduction



Overall Image of Environmental Impact throughout the Value Chain and the Sompo Japan Nipponkoa Group's Efforts for Environmental Conservation



Material Issue 3
Promoting the Manageability of Global Environmental Issues

2

Environmental and CSR Initiatives in Partnership with Business Partners

Sompo Japan Nipponkoa Insurance, Inc.

● Expanding Communication with Business Partners, Reaching Out to the Entire Value Chain

Sompo Japan Nipponkoa is working on environmental and corporate social responsibility efforts with the entire value chain, in collaboration with all of our business partners.

We communicate and ask for cooperation with our stances toward action by sharing the Group's CSR Vision and CSR Environmental Policy with business partners, including contractors that provide waste collection, transport and disposal, as well as printing, logistics, and food services. We also communicate to business partners about our efforts to consider the environment, including proper waste management and our ban on hazardous materials being brought into company buildings, as well as a ban on the use of products of international concern, such as products manufactured through child labor or forced labor, or the use of conflict materials.

Also, in the selection and purchasing of paper, we select suppliers from the perspective of promoting recycled paper, and have established green procurement routes.

3

Cooperation with Agencies to Reduce Environmental Impact

Sompo Japan Nipponkoa Insurance, Inc.

Cooperating with its agencies nationwide, Sompo Japan Nipponkoa is working to reduce environmental impacts throughout the entire value chain, making an effort for continuous awareness-raising and as an organization promoting environmental protection initiatives in local communities.

AIR Autoclub, the company's nationwide association of auto repair shop insurance agencies, provides support including assistance for the agencies to acquire ISO 14001 and Eco-Action 21 certifications by introducing environmental management systems, and offering a recycled parts search system to encourage the repair shops to use recycled parts.

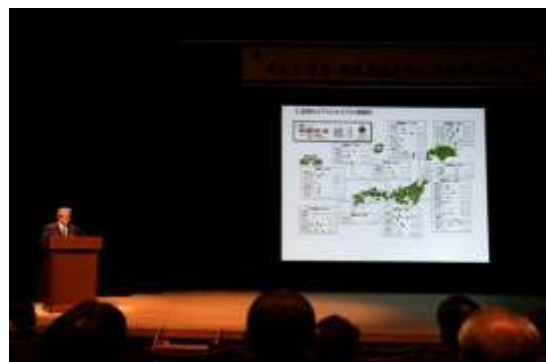
The voluntary chain Group, known as Air e-Shop 21, is making progress in reducing CO₂ emissions, and in FY2014 achieved a reduction of about 350 tons. These efforts were recognized by Japan's Ministry of the Environment with the FY2015 Environment Minister's Award for Global Warming Prevention Activities, in the category of practices and promotion of actions.

Meanwhile, the national pro agencies' organization, JSA Chukakukai, in partnership with the AIR Autoclub, is promoting green procurement using an Internet-based centralized purchasing system. The organizations have a combined membership of 4,500 registered members (as of March 2016).

Through social contribution activities rooted at the local level, the agency organizations are acting as points for information dissemination nationwide and spreading our efforts to customers and everyone at the local level.



Award ceremony for the FY2015 Environment Minister's Award for Global Warming Prevention Activities



4 ECO FIRST Commitment

Sompo Holdings Group

In November 2008, Sompo Holdings Group became the first company in the insurance business sector to be accredited by the Minister of the Environment, Japan as an “ECO FIRST Business.” Under the ECO FIRST program, the companies make an Eco-First commitment to the Japan’s Minister of the Environment about the initiatives they will take in fields such as countermeasures against global warming.



ECO FIRST Certificate (Japanese only)

5 CSR Management System ~ISO 14001~

Sompo Holdings Group

Sompo Holdings Group is operating an unique CSR Management System, based on the ISO 14001 international standard , which also covers CSR initiatives, as a foundation on which the company implements and promotes CSR through its core business. It is also working to continuously improve its CSR including environmental performance across its business domain.

● Policy

<http://www.sompo-hd.com/en/csr/system/>

● CSR Management System



● PDCA Cycle

Based on the CSR-Environmental Management System, each department develops the promotion plan for the CSR including environment (Plan) and undertaking various measures (Do). Also, by reviewing the achievement semi annually (Check), we are promoting further improvement (Action).

● Internal Auditing through Dialogue

Through conducting internal auditing, we are promoting CSR through dialogues. Internal audits were held among 55 head office including Sompo Japan Nipponkoa Insurance, Sompo Japan Nipponkoa Himawari Life, and Prime Assistance Inc. for FY2015.

6 Reducing the Use of Paper

Sompo Japan Nipponkoa Insurance, Inc
 Sompo Japan Nipponkoa Himawari Life Insurance, Inc.
 SAISON AUTOMOBILE & FIRE INSURANCE CO., LTD
 Sonpo24 Insurance Company Limited

● Sompo Japan Nipponkoa

The company promotes reduction of paper use based on the PDCA cycle management system and the reduction plan for use of paper. It developed management system that prevent the needless copies through the computerization and rationalization of insurance procedures. Also, it promotes the paperless through the introduction of tablet for viewing the paper during internal meeting.

● Sompo Japan Nipponkoa Himawari Life

To improve customer convenience and protect paper resources and the environment, Sompo Japan Nipponkoa Himawari Life has introduced CD-ROM versions of its policy documentation and guidance.

Provided in digital book format, these CD-ROMs let users: (1) search the entire text of the policy documentation and guidance, (2) create tags, (3) take notes, and (4) adjust the text size, among others. They also include a video that explains how to use these functions. These CD-ROMs help protect the environment by reducing paper use while enhancing customer convenience.

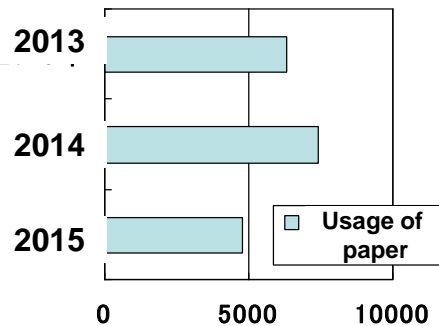
● Saison Automobile & Fire

Saison Automobile & Fire offers a discount for customers who apply online to encourage the reduction of paper use as well as help reduce CO2 emissions by eliminating the need for sales staff to drive to customers' homes. The proportion of discount-eligible contracts processed online out of the total number of applicable automobile insurance contracts sold during FY 2015 was 99.0%. The company has also introduced another discount for customers who opt out of receiving a paper copy of their insurance policy. Of the total number of applicable automobile insurance contracts sold during FY 2015, 66.9% had this discount attached.

● Sonpo24

The company promotes the reduction of paper use through eliminating the need for requiring application paper not only by website application but also by phone call application. Also, it offers a discount for customers who opt out of receiving paper copy of their insurance policy from July 2015. The total number of applicable insurance contracts sold during July 2015 to March 2016 was 40.5%.

Changes of the paper usage



※The usage of paper was increased during 2013-2014 due to the merger.

7 Utilization of Recycled Parts

Sompo Japan Nipponkoa Insurance, Inc.

As part of its efforts to reduce CO₂ emissions, Sompo Japan Nipponkoa encourages its customers in need of car repairs to fix rather than replace plastic bumpers and otherwise use recycled parts where possible, which also helps to reduce industrial waste. The company has introduced measures to encourage both customers and auto repair shops to actively use recycled parts, while also cooperating with relevant organizations to publicize the high quality and safety of recycled parts so as to help these eco-friendly options become more commonly practiced.

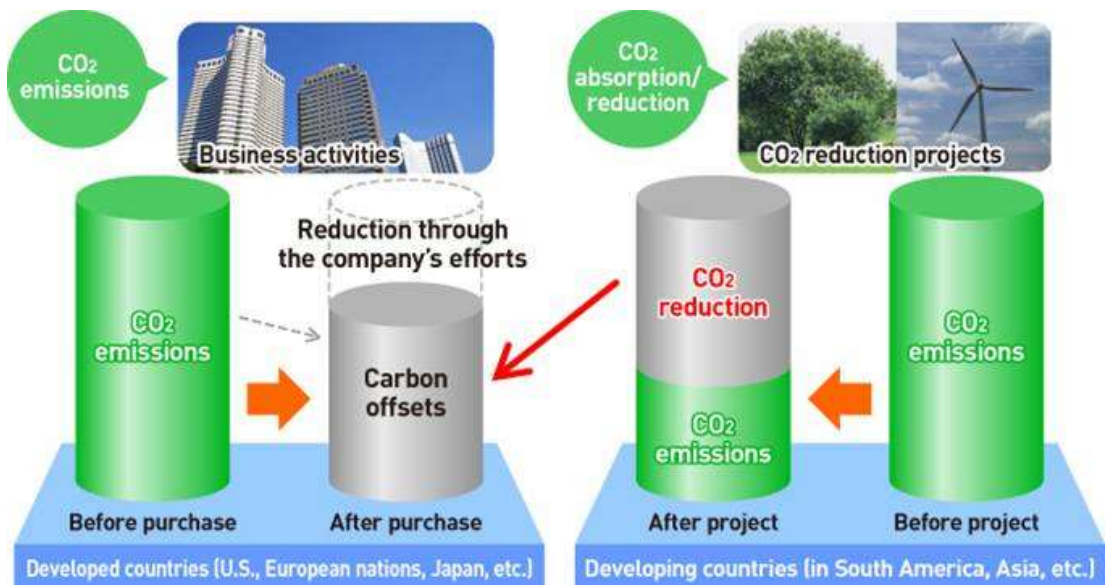


8 Carbon Neutral

Sompo Japan Nipponkoa Insurance, Inc.

Carbon neutral is a term used to describe the action of the company removing as much carbon dioxide from the atmosphere as it put in by buying carbon offsets for emissions that are difficult to eliminate through such action alone in order to achieve closer to net zero emissions. Funds allocated to carbon offsetting are invested in CO₂ emissions reduction and other projects in Japan and developing countries.

To fulfill its mission of providing insurance stably, Sompo Japan Nipponkoa issued a Carbon Neutrality Declaration in July 2008 while working efficiently to reduce its CO₂ emissions, and achieved carbon neutral status in FY2014 by offsetting all the emissions generated by the company.



9 Environmental Accounting

Sompo Holdings Group

The Sompo Holdings Group has set mid- to long-term goals of reducing GHG emissions to 40% compared to the FY2002 levels by 2020 and 70% by 2050. The Group will contribute to promote the realization of a resilient and sustainable society by addressing environmental issues in the course of its business operations and proactively engage its stakeholders in forward looking dialogue.

1. FY 2015 GHG reduction required investment

| | Investment required (JPY) | Annual monetary savings (JPY) | Estimated annual CO2e savings (mtCO2e) |
|---------------------|------------------------------|----------------------------------|---|
| Total Scope (1,2,3) | 1,902,356,289 | 642,562,042 | 265 |

Note: The amount of investment required is mainly the total construction and repair cost for energy-saving facilities for our office buildings. The amount of monetary savings is calculated mainly based on the reduction of gasoline usage (including business trips) and the reduction of electricity usage through the energy-saving construction for our office buildings. Above data are on single-year(FY2015) basis and therefore the effect of “Annual monetary savings” and “Estimated annual CO2 savings” will continue for longer period of time.

2. Environmental Performance

| | FY 2013 | FY 2014 | FY 2015 |
|---------------------------------|------------|------------|------------|
| GHG Scope1 (tCO2) | 21,631 | 19,244 | 18,558 |
| GHG Scope2 (tCO2) | 70,143 | 80,929 | 76,606 |
| GHG Scope3 (tCO2) | 59,094 | 64,082 | 56,540 |
| Usage of renewable energy (kWh) | 11,853,982 | 12,208,317 | 12,356,713 |
| Total waste generation (t) | 8,037 | 9,371 | 9,154 |
| Tap water consumption (kℓ) | 486,104 | 428,380 | 508,335 |
| Wastewater discharge (kℓ) | 448,911 | 405,403 | 429,821 |
| Total business trip (km) | 58,500,106 | 63,024,473 | 68,779,780 |
| Green purchasing rate(%) | 86.5% | 90.6% | 87.1% |

Note: Please see 2016 CSR report p16-17 for the coverage ratio of above environmental performance.
http://www.sompo-hd.com/~media/hd/en/files/csr/communications/pdf/2016/e_report2016.pdf

10

Support for the Quantification of GHG Emissions throughout the Value Chain and Emissions Reductions Achieved

Sompo Risk Management & Health Care Inc.

Global warming, chemical substances, soil pollution, waste disposal, and many other environmental issues are posing a threat to the sustainability of society. For companies, while addressing environmental risks has become an important factor that differentiates them from their competitors, soil pollution or other environmental accidents can affect their business severely, particularly if such accidents are caused by the companies themselves.

In particular, natural disasters that are considered to be caused by global warming, such as localized torrential rains, have become a great menace in recent years, making CO₂ and other GHG emissions reduction an important mission for companies to partake in.

Sompo Risk Management & Health Care Inc. supports companies in quantifying their CO₂ emissions throughout the value chain and establishing to what extent their low-carbon products and services contribute to reducing CO₂ emissions in society as a whole.

In addition to consulting services to support the calculation of CO₂ emissions across the value chain and CO₂ reductions achieved, the company also offers consulting services for companies that intend to acquire accreditation to the ISO 14001 environmental management system standard and the ISO 50001 energy management system standard.



Serving as a Registered Verification Agency to Calculate GHG Emissions in Tokyo and Saitama Prefecture and an Accredited Certification Agency for CASBEE

Sompo Risk Management & Health Care Inc.

The Tokyo Metropolitan government has introduced a cap-and-trade program that applies to large-scale facilities, with a recorded total energy consumption (fuel, heat, and electricity) of at least 1,500 kiloliters per year (crude oil equivalent) for three consecutive years.

The Saitama prefecture government has also adopted its own “Target-setting Emissions Trading Program,” and Sompo Risk Management & Health Care Inc. serves as a registered verification agency that undertakes third-party verification operations as required by the program, including the quantification of greenhouse gas emissions by each facility and the certification of the best practice facilities.

Given the increasing concerns about the environmental soundness of buildings in Japan, the company offers certification services under the Comprehensive Assessment System for Building Environmental Efficiency (CASBEE) to evaluate buildings on their environmental performance, such as energy and resource saving, recycling, interior comfort, and scenery considerations. In July 2017, the company was ranked “S,” the highest rank for the third consecutive year, following evaluation of registered verification agencies in the Tokyo cap-and-trade program.



3-3 Preservation of Biodiversity

1 Biodiversity Consulting Service

Sompo Risk Management & Health Care Inc.

Sompo Risk Management & Health Care launched a biodiversity consulting service in October 2010 in partnership with the BirdLife International Tokyo, an international environmental NGO. The service includes assessment of biodiversity conservation activities implemented by corporate clients and a wildlife habitat survey around their business operation sites. It thereby offers comprehensive support to help clients to integrate biodiversity conservation into their management system.

Material Issue 3 Promoting the Manageability of Global Environmental Issues

生物多様性コンサルティング

国連開発計画(UNEP)の主導で行われた「生物多様性と持続可能な開発」に関する報告書「生物多様性の損失と生態系サービスの低下」(2012年)によると、生態系サービスの損失は、世界のGDPの約10%に達すると推定されています。また、そのうち少なくとも25%は、生態系サービスの低下によるものです。

生態系サービスとは、自然が提供するさまざまな恵みであり、人間の生活や経済活動に不可欠なものです。生態系サービスの低下は、人間の健康や福祉に深刻な影響を及ぼす可能性があります。

本コンサルティングサービスは、企業の生態系サービスを評価し、その向上を支援することを目的としています。また、企業の生態系サービスを向上させるための具体的な施策を提案し、その実施をサポートいたします。

生態系サービス-自然の恵み

| | | |
|---------|--------|---|
| 生態系サービス | 供給サービス | 食料、淡水資源、原材料、遺伝子資源、薬用資源、観賞資源 |
| | 調整サービス | 大気調整、気候調整、洪水調節の緩和、水質調整、水質浄化、土壌保全の緩和、地力の維持、花粉媒介、生物学的防除 |
| | 文化サービス | 自然景観の保全、レクリエーションや観光の場の提供、文化芸術、デザインへのインスピレーション、精神的防衛、科学や教育に関する知識 |

出典: UNEP 報告書「生物多様性と持続可能な開発」(2012年) 第12章 p.3 (本邦に翻訳作成)

企業の事業活動から、供給サービスを中心とした生態系サービスを顕著に提供しています。一方で、それらのサービスの低下が生態系サービスに悪影響を及ぼしています。

持続可能な企業活動のために、生物多様性の保全と生態系サービスの持続可能な利用は、重要な課題の一つとして認識されています。また、そのうち少なくとも25%は、生態系サービスの低下によるものです。人類が持続可能な発展を遂げるためには、生態系サービスの向上が不可欠です。

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生物多様性コンサルティングの流れ

Phase I 企業活動評価

企業活動の進捗について、生物多様性の取組の進捗レベルを「取組状況」として評価し、内部での報告から評価

・生物多様性の保全につながる取り組みの推進、整理
・今後取り組むべき課題の抽出

・事業推進部との具体的な取組の抽出
・商品製造過程での生物多様性配慮を定量的に評価し、生物多様性配慮商品として評価結果を抽出

Phase II 個別評価 (事業別/商品別)

生物多様性(大口)を特定して、その影響を定量的に評価し、取組の進捗について個別の評価

● 事業別、部門別
● 商品ごと

・ビジネスリスクの把握
・ビジネス拡大、新規マーケットへの展開
・ステークホルダーからの信頼向上

Phase III マネジメント支援

生物多様性活動を戦略的に進めるための、経営戦略への組み入れ、作戦展開のマネジメントシステム運用支援

● 方針、戦略策定支援
● 評価結果の活用
● ステークホルダーとのコミュニケーション支援

利用の効用

企業価値の向上
生態系サービスの長期的享受
持続可能な企業経営
持続可能な社会への貢献

直接的効用

ビジネスリスクの軽減
ビジネス機会拡大
ステークホルダーからの信頼向上

商業パートナー

一社様ごとのパートナーとしてご活用いただけます。また、複数社様と連携してご活用いただけます。お問い合わせは、お問い合わせ先までお問い合わせください。

SOMPOリスクマネジメント株式会社

中央環境省
〒100-0073
東京都千代田区西千代1-24-1 エコテックビル
TEL: 03-6346-5571 FAX: 03-6346-4477
URL: http://www.sompo.or.jp

Booklet for the Biodiversity Consulting Service (Japanese only)

2 Quantifying the Social Value of SAVE JAPAN Project

Sompo Japan Nipponkoa Insurance, Inc.

Since its inception in FY2011, we continuously implement the SAVE JAPAN Project, which has donated to more than 100 civil society organizations with grassroots biodiversity conservation efforts across Japan. The donations are funded by costs saved when our auto insurance customers select the paperless option to receive their insurance clause or use recycled parts when repairing their vehicles. These partnerships provide opportunities for people to take a greater interest in the natural environment in their local communities and to work towards a sustainable society. As of March 31, 2016, some 30,982 people have participated in 628 events.

In FY2013 we began quantifying the social value of this project using SROI * 1 analysis, which drives collective impact of various stakeholders that strive for sustainable solutions, to improve and expand its programs. This initiative represents the first instance in Japan of using SROI analysis in the area of biodiversity conservation. The SROI of the project in FY2015 was 2.00, calculated from a social value (total benefit) of 148.83 million yen minus costs of 74.55 million yen. The SROI significantly exceeds the value of 1, indicating that the project is effective, and it has increased from 1.12 and 1.76 in FY2014, showing a ripple effect over the long term and increasing benefits of social investment. The project received the Judges' Panel Special Award of Encouragement at the 2015 Award for Companies Promoting Experience-based Learning Activities for the Youth, presented by the MEXT. * 2

* 1 Social Return on Investment (SROI) is a method of quantifying the effectiveness of a project, and is calculated by dividing the social value (total benefit) an initiative produces by the cost of implementing it.

* 2 Japan's Ministry of Education, Culture, Sports, Science and Technology.



SAVE JAPAN Project-
Social value for FY2015

3 Treaty with Local Governments to Preserve Forests

Sompo Japan Nipponkoa Insurance, Inc

Forests absorb CO₂, release oxygen, store water, and provide habitats for living creatures. Forests also help prevent landslides and floods and thus provide human life with a number of benefits.

Sompo Japan Nipponkoa has agreed on arrangements with various local governments to allow Sompo Holdings Group and agency employees and their families to work together on preserving forests and environmental education with the local community. Through these activities, we hope to broadly communicate and promote the value of biodiversity and appreciation to natural bounty in collaboration with local citizens.

| | |
|-----------------------------------|---|
| 1. Mt. Akagi, Gunma Prefecture | 4. Kotoura Town, Tottori Prefecture |
| 2. Fujimi Town, Nagano Prefecture | 5. Umaji Town, Kochi Prefecture |
| 3. Tsu City, Mie Prefecture | 6. Nishimera Village, Miyazaki Prefecture |

(as of April 2016)



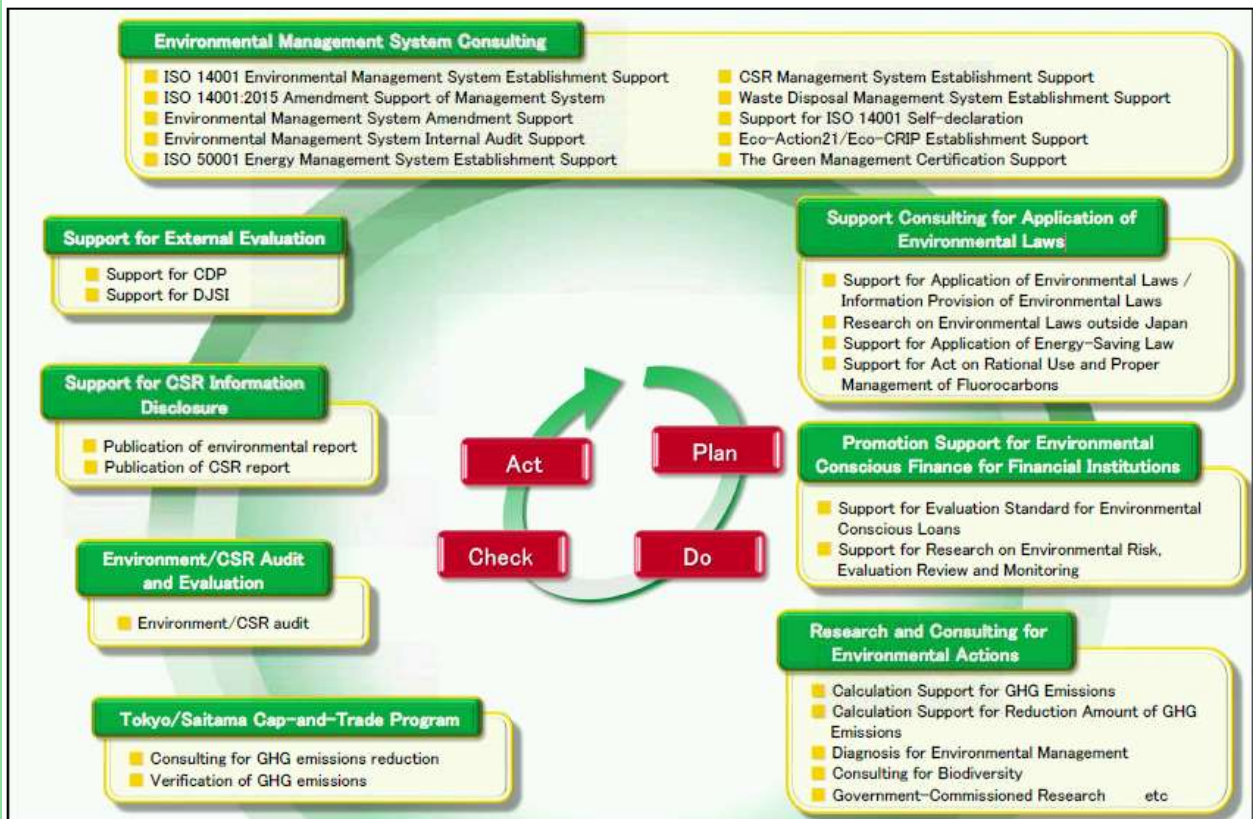
3-4 Contributing to the Solutions for Various Environmental Issues

1

Enhancing Consulting Services to Solve Environmental Issues

Sompo Risk Management & Health Care Inc.

Sompo Risk Management & Health Care provides customized consultant services to improve the sustainability of the corporate value while mitigating the risk of environmental issues.



Environmental Management System Menu

2 Promoting SRI Funds

Sompo Japan Nipponkoa Asset Management Co., Ltd.

Sompo Japan Nipponkoa Asset Management (SNAM) offers SRI funds for both individual and institutional investors.

<Individual Investors (public placement)>

● Sompo Japan Green Open

Leveraging the combination of Sompo Risk Management & Health Care Inc.'s expertise in environmental surveys and SNAM's original equity valuation methodology, Sompo Japan Green Open, an SRI fund launched in September 1999, has grown into one of the largest SRI funds in Japan, with a net asset value of approximately 20.3 billion yen as of May, 2016.

● Sompo Japan Eco Open (Dividend Focus Type)

This SRI fund selects stocks based on forecasted dividend yields as well as the results of environmental surveys and equity valuations. By investing in environmentally conscious corporations, the fund lets its investors contribute indirectly to environmental conservation.

● Sompo Japan SRI Open

Drawing on the combined know-how of ESG (Environment, Social, and Governance) assessment*1 and SNAM's equity valuations, the fund provides an opportunity to invest in companies actively striving to communicate with society and address social issues.

<Qualified Institutional Investors (private placement)>

● SNAM Sustainable Investment Fund

SNAM launched the SNAM Sustainable Investment Fund (Exclusive for Qualified Institutional Investors) in August 2012. This fund invests in corporations with high ESG performance on a broad basis and seeks a stable investment return over the long term.

● SJAM Green Fund

SNAM also operates an existing privately placed eco fund, SJAM Green Fund (Exclusive for Qualified Institutional Investors). With these offerings, SNAM can meet various investment needs of institutional investors.

Going forward, SNAM will continue working to expand the socially responsible investment market in Japan by launching new responsible funds and making proposals to pension funds and other institutional investors.

*1 ESG assessment: Standards for corporate value analysis that take into account ESG issues

3

Promoting CSR Communication and ESG Awareness through SRI Funds

Sompo Japan Nipponkoa Asset Management Co, Ltd.

Sompo Japan Nipponkoa Asset Management (SNAM) works on CSR communications through its activities relating to SRI funds. With regard to the Sompo Japan Green Open fund, SNAM surveys approximately 400 companies each year to evaluate their environmental management performance and after analyzing the results, it provides the respondents with feedback. Furthermore, the fund's monthly performance report for investors features portfolio companies' environmental efforts while the quarterly newsletter includes the latest environmental trends and updates. The specialized report summarizes all portfolio companies' environmental activities.

As described above, SNAM works to communicate environmental information as well as investment performance to Sompo Japan Green Open's investors and corporate stakeholders. SNAM also makes similar efforts regarding its other SRI funds. The monthly report of Sompo Japan SRI Open, for instance, introduces the ESG (Environment, Social, and Governance) efforts of portfolio companies. SNAM will continue to promote dialogues with investors and corporations to facilitate a better understanding of ESG investment and more active implementation of CSR financing.



Sompo Japan Green Open's quarterly newsletter (left) and Sompo Japan SRI Open's monthly report (right)

4

Analysis of Social Responsibility and the Environmental Soundness of Companies

Sompo Risk Management & Health Care Inc.

Sompo Risk Management & Health Care carries out corporate management analysis of each company's level of contribution to building a sustainable society for the investment decision among six SRI funds, the investment trust products provided by the Sompo Japan Nipponkoa Asset Management.

The company is also strives to promote environmental communication by proactively providing environmental information to investors. Good environmental practices of companies listed in the SRI funds are reported in weekly and monthly SRI fund reports, while quarterly publishing a bulletin providing the latest news on the environment.

Companies that have responded to the company's surveys are given a feedback report on the survey results as well as on the relative environmental position of each company within their respective industry with regard to each surveillance query—important reference data that can be used by the respondent companies to improve their environmental management.

Through above mentioned analysis on the social and environmental level of each company and proactively having dialogues and engagement with companies and investors, Sompo Risk Management & Health Care continuously promotes companies' future social and environmental measures.

ふなの森 環境アンケート



5

Integrating ESG into Investing and Financing Processes

Sompo Japan Nipponkoa Insurance, Inc

The Sompo Holdings Group proactively engages in investment and financing in fast-growing areas including infrastructure, such as roads, airports, electric power-generating facilities, water supply, sewerage systems, and, especially, environmentally conscious renewable energy projects. Since such projects are more resilient to economic change, we expect stable profit over the long term.

More than 80% of the total energy supply in Japan comes from fossil fuels, which includes oil, coal, and natural gas, most of which are dependent on foreign sources. Recently, the energy market has been destabilizing due to the high volatility of fossil fuel prices and rapid increase in energy demand of emerging countries. Additionally, the reduction of GHG emissions from fossil fuel combustion is becoming a pressing issue.

In order to support the expansion of renewable energy generation, the Group has started to make personal loans from FY2007 to business alliance with solar energy generation projects with a smaller ecological footprint and no risk of resource depletion.

From FY2014, the Group has been expanding its loans and investment destination and the project size, and has invested in and provided loans to photovoltaic and wind power generation for approximately 10.4 billion yen during FY2015.

Human Resources Development for Environmental Protection-Sompo Japan Nipponkoa Environment Foundation -

Sompo Japan Nipponkoa Environment Foundation

● Major Activities

Sompo Japan Nipponkoa Environment Foundation offers various human resources development programs under its slogan, fostering people who plant trees.

Sompo Japan Nipponkoa Environment Foundation: <http://www.sjef.org/> (Japanese only)

● CSO (Civil Society Organization) Learning Scholarship Program

Sompo Japan CSO Learning Scholarship Program was launched in 2000 with the aim of sending university and graduate students each year to civil society organizations (CSOs; organizations encompassing NGOs/NPOs), to provide young people with opportunities to work together with CSO staff during eight-month internships, think about environmental issues, form an ideal vision of civil society, and gain a broader perspective as a member of society.

Under this program, which is implemented in the Kanto and Kansai regions and Aichi and Miyagi prefectures, approximately 60 students participate in intern activities at around 30 CSOs for 200 hours in total each year. Participating students in each region/prefecture meet every month during internships to report their activities and discuss what they have learned from the program.

In order to support their active involvement in CSOs' initiatives, the intern students receive a scholarship of 800 yen per hour for their activities, as well as transportation expenses for commuting. A part of these funds is raised through the Sompo Chikyū (Earth) Club Social Contribution Fund, which is financed by our employees who have agreed that a certain amount of money (the amount of one unit of contribution is 100 yen) is deducted from their monthly salaries. These voluntary donations from individual employees serve as an important financial source for human resources development in the area of environmental protection.

The total number of students who completed the internships since the launch of the program exceeded 900 in FY2015. In recent years, a growing number of program alumni are choosing careers in environmental or social fields, such as environmental departments of national or local governmental organizations, environmental NGOs/NPOs, and food and agricultural corporations/organizations.



Training camp for nationwide participating students



Students working in a paddy field

Human Resources Development for Environmental Protection -Sompo Japan Nipponkoa Environment Foundation -

Sompo Japan Nipponkoa Environment Foundation

● Public Seminars on the Environment

Public Seminars on the Environment have been organized annually since 1993 in cooperation with the Japan Environmental Education Forum (JEEF) for the purpose of leading the general public to become aware of and understand environmental issues and encourage them to take action in their own ways to help solve those issues.

The program was a pioneering model of a partnership between an NGOs/NPOs and a corporation, and the unique seminars of the program attract a wide range of participants including company employees, staff from NGOs/NPOs, local government personnel, students, and homemakers. As of the end of FY2015, the total number of participants was approximately 18,500, while the total number of seminars held was 374. Wide range of topics were covered, including nature protection, climate change, biodiversity, dietary education, and environment education. In addition to classroom seminars, the program also offers more practical field seminars as opportunities to experience nature.



The Public Seminars on the Environment program



Field seminar: Nature experience through food tourism

Human Resources Development for Environmental Protection -Sompo Japan Nipponkoa Environment Foundation -

Sompo Japan Nipponkoa Environment Foundation

● Sompo Japan Nipponkoa Environment Foundation

The foundation published a book “How Should We Adapt to Climate Change Risks?”, a compilation of research results in the form of book through Kinzai Institute for Financial Affairs. The book introduces research findings and issues concerning the effects of climate change as well as theoretical approaches for promoting adaptation, while providing many case studies and proposing adaptation measures. The Foundation continuously undertakes further study on environmental issues and offers research results to society from the corporate foundation standpoint.

● Financial Support for Environmental Protection Activities

Each year the foundation financially supports approximately 10 environmental protection projects conducted by NGOs/NPOs in various communities.

● Financial Support for Research Projects

Each year the foundation financially supports approximately five PhD candidates in their research projects in the areas of the humanities and social sciences.



How Should We Adapt to Climate Change Risks? published by the foundation



Empowering Community and Society



Our Vision

Through community outreach and initiatives in culture and the arts, improve the lives of people in local communities and become their most trusted corporate citizen.

Our Action

The Group believes that companies and their employees have an important responsibility to help create stronger communities by staying abreast of social issues and addressing them through communication with all whom they impact. We are engaged in a variety of such social initiatives in partnership with civil society organizations and other stakeholders, while also supporting employee participation using the skills they develop through work.

Addressing community and social challenges in this way serves the dual purpose of realizing a more resilient and sustainable society while building a more deeply trusted and highly valued Group brand. Active involvement in addressing social issues also helps employees and agencies cultivate a deeper sensitivity, improving their skills on and off the job.

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4-1 Contributing Community Through Business

1

Providing Micro-Insurance in India -Contributing Independence of Economically Vulnerable Sections of Society

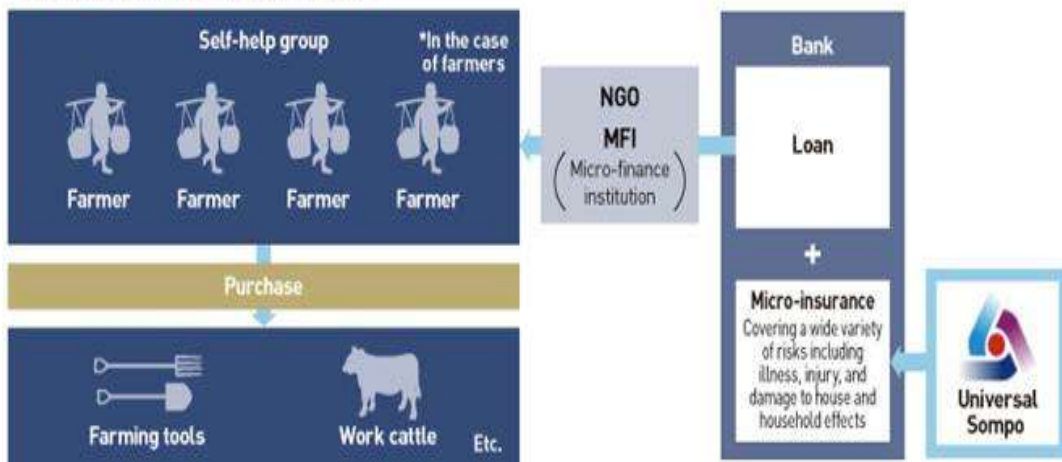
Sompo Japan Nipponkoa Insurance, Inc

In 2008, Universal Sompo General Insurance(USGI), Sompo Japan Nipponkoa 's subsidiary in India, started to offer micro-insurance services for the protection of low-income individuals who are vulnerable to health risks and have difficulties repaying their loans.

USGI's products include livestock insurance for economically marginalized farmers, package insurance and accident insurance for farmers, and medical insurance coupled with microfinance offered by banks and other financial institutions covering five major illnesses. These insurance product's premiums are set low.

In order to support independence, poverty reduction and the sustainable development of the country, USGI is thus striving to spread insurance as one of basic social security services among the economically vulnerable sections of society in India, where social divisions are large.

• Mechanism of Micro-insurance



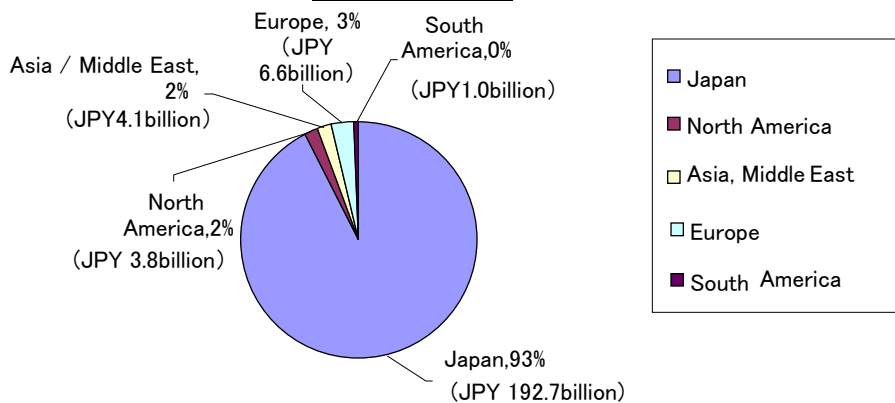
2 Global Business Expansion

Sompo Holdings Group

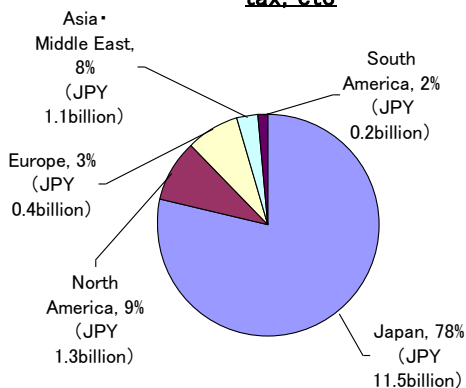
The Sompo Holdings Group pursue adequate profit and make taxpaying properly. The Sompo Holdings Group boasts a global business network encompassing 211 cities in 32 countries and regions, including Europe, the Middle East, North America, Central and South America, Asia, Oceania and Africa. Our employees are engaged in insurance underwriting, claim handling, risk engineering and other services. We aim at further expansion by organic growth and disciplined investments.

Furthermore, given that there is no incident of non-compliance with anti-corruption policies, there is no staff disciplined or dismissed due to such non-compliance nor paid the cost of fines, penalties or settlements in relation to corruption.

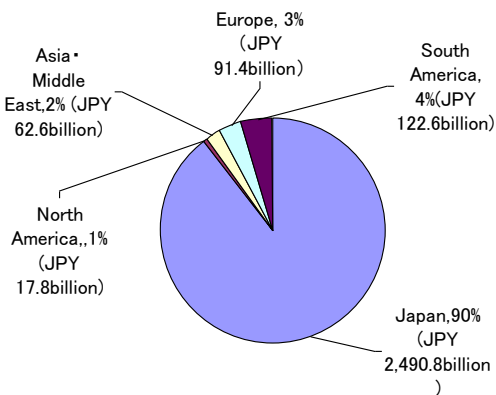
Ordinary income



Corporate tax and corporate inhabitant tax, etc



Underwriting income



(Note: Based on the publicly available information from the Sompo Holdings' consolidated financial statement. Underwriting income is the aggregate of net premiums written and life insurance premiums written.)

4-2 Engagement with Community

1 Sampo Holdings Volunteer Days

Sampo Holdings Group

We have been holding Sampo Holdings Volunteer Days annually since FY2011 for Group employees to get involved in volunteer activities. In FY2015, a variety of activities were held over the course of the month of December, with an emphasis on International Volunteer Day on December 5. Group employees participated in various activities, including training classes for dementia supporters, local cleanups, and blood donations.

● Main initiatives



Training classes for dementia supporters

1 Sompo Holdings Volunteer Days

Sompo Holdings Group

- Main initiatives



Charity event



Blood donation



Clean up event



Donation to caring house (Mexico)



Donation of clothes (China)



Repairing activity in Japanese school (South Africa)

2 Overview of Social Contribution Initiatives

Sompo Holdings Group

Sompo Japan Nipponkoa is proactively taking initiatives to contribute to social welfare as a corporate citizen while working to develop company culture and a system that encourage each employees to voluntarily take part in social contribution activities. We also emphasize collaboration with high expertise civil societies in their respective fields to promote social contribution activities.

● Overall Policy for Social Contribution

Under its Corporate Citizenship Policy, Sompo Japan Nipponkoa promotes social contribution from two perspectives: commitment as a corporate citizen and commitment by individual employees. As a corporate citizen, we promote social contribution activities for future generations mainly through our foundations with focus on the following three areas: fine arts, welfare, and the environment. We also support and encourage individual employees to proactively take part in social contribution activities mainly through the Sompo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members.

Programs to Support and Encourage Employees' Contributions to Society

● Sompo Chikyu (Earth) Club

The Sompo Chikyu (Earth) Club, a volunteer activity organization of which all employees are members, plays a pivotal role in conducting volunteer activities in cooperation with agencies on an ongoing basis throughout the country.

The Club is undertaking various activities including forest conservation; cleanups (cleaning and maintenance of wheelchairs in welfare facilities) and collection of second-hand books. Each project is tailored according to the needs and characteristics of each local communities.

● Sompo Chikyu (Earth) Club Social Contribution Fund

The Sompo Chikyu (Earth) Club Social Contribution Fund is financed by voluntary donations by employees — with the amount of one unit of contribution being 100 yen — taken out of their monthly salaries. The funds raised are used primarily for social contribution activities conducted by Sompo Chikyu (Earth) Club, such as the payment of expenses of volunteer activities performed across Japan, support for disaster relief and donations to civil societies and other organizations supported by the Fund members.

● Volunteer Work Leave

At Sompo Japan Nipponkoa Insurance, employees are entitled to take volunteer work leave (up to 10 days per year) and a leave of absence for volunteer work (from 6 to 18 months) in addition to annual leave. The employees who take these leaves participate in a variety of volunteer activities, including “Smile Caravan” puppet shows for the support of the recovery of earthquake-stricken areas and an interactive art appreciation project.

3 Global Social Contribution Initiatives

Sompo Holdings Group

We continuously participates in various social contribution activities as one of the civil society. Some of the examples are shown as below.

● Europe ~ Sompo Canopus

Sompo Canopus employees regularly participate in volunteer activities through the Global Community Day. FY2015 saw the third such event and the employees participated in various activities in schools, parks, and food distribution programmes located in five countries including the UK, Switzerland, Singapore, and Bermuda. Sompo Canopus is currently reviewing its CSR and charitable initiatives to decide how best to support the community and enable staff to support causes they are passionate about.



~Sompo Japan Nipponkoa Company of Europe

As part of our “helping the community” CSR objective, City Brokerage (a charity) used our Boardroom for one of their Working in the City Workshops. It was an opportunity for students to gain an insight into working in the City, especially within the Financial Services sector. Most of the afternoon was organized by the Brokerage, however there was an opportunity for students to interview “volunteers” from SJNKE.

Also, it supports the initiatives of BBC Children in Need, the BBC's UK corporate charity and Red Nose Day, the charity event that helps raise much needed funds for projects all over the world. It also participates in the donation of Genes for Jeans Day that donates funds to children who suffer genetic illness.

On July 2015, it decided to support the “Suited and Booted” organization that helps unemployed men create a positive first impression when seeking employment. Clients and volunteers work together to provide interview training and find the right accessories such as ties, cufflinks and shoes. Also, at the Office Christmas Party, it held a charity raffle and reception team asked their suppliers to donate presents to the raffle such as hampers, champagne, coffee machine, tablet, etc.

3 Global Social Contribution Initiatives

Sompo Holdings Group

● US

~Sompo Japan Insurance Company of America

The company partnered its volunteer efforts with a group called "Community Matters". It is a group of local insurance related companies and/or businesses that focus on assisting women by providing them with both food and shelter for them and their children. We allowed staff to wear summer shoes on Fridays if they made a donation. We also sold breakfast and afternoon ice cream as other ways to raise money for "Community Matters".

It had select and provide underprivileged children with holiday gifts and had an anonymous donor provide new school uniforms to local students. It had a group participate in the "Fire Bowl" student scholastic event that challenges elementary age children on their knowledge of both fire and first aid safety at school and their homes. Total of 175 staffs had participated in the various volunteer events.

● South Africa

~Johannesburg Office

The company made a donation to Japanese schools located in Johannesburg, South Africa in March 2015 in order to improve the school facilities and received letter of appreciation. The part of the donation was used to buy xylophone and metallophone so that the students can enjoy playing music.



3 Global Social Contribution Initiatives

Sompo Holdings Group

● Asia

China ~Sompo Japan Nipponkoa (China) NIPPONKOA Insurance Company(China)

In order to support the families living in poverty, the Canton government stated June 30th as support day for poverty in Canton. Employees in Canton office had been participating in annual donation activities from 2012 and donated 500RMB to village in poverty for 2015. Also, the company developed scholarship fund in 1999 with the collaboration of Dongbei University of Finance and Economics in order to provide financial support (3million yen) to talented teachers and students. The company hosted the presentation ceremony in June 2015 to give donations to 61 people including teachers and students.

Hong Kong ~Sompo Japan Nipponkoa (Hong Kong)

Sompo Japan Nipponkoa (Hong Kong) has been selected every year since 2009 as a Caring Company (awards by the Hong Kong Council of Social Services), which recognizes entities that conduct environmental and community initiatives. In 2015, the company was commended for its efforts to improve employee health, as well as its participation in various volunteer activities, such as charity runs and a farm-visit program for low-income residents.



Charity running

Myanmar~Yangon Office

Yangon Office in Myanmar and other 15 insurance companies including 3 Japanese companies had donated 7.55 million yen for the recovery support from flood occurred in July 2015 that caused economic damage to rice farmers and increase in health problems.



Presentation ceremony in Myanmar

4 Social Contribution Initiatives in Japan

Sompo Holdings Group

The branches across Japan conduct a diversity of social contribution activities in cooperation with agencies and citizens. Conducted projects include conserving forests, cleaning up local communities, providing computer skills training for people with disabilities, maintaining wheelchairs, and collecting and donating used stamps, prepaid cards, and other items.

● Activity Clips

<Sompo Japan Nipponkoa>

◆ Hokkaido and Tohoku Regions

On April, 2015, 26 employees of Sompo Japan Nipponkoa and business partners participated in a cleanup event at Asahikawa City.



◆ Tokai and Hokuriku Regions

On September, 2015, the cleanup event was held at the Nagoya Building, and over 40 employees participated in the event to dig up weeds. After that, 28 employees participated in plant 200 Viola in a garden.



◆ Kansai Region

On October 2015, 15 employees and the staffs from agencies participated in the clean-up and maintaining of 25 wheelchair at Hikone City Council of Social Welfare.



4 Social Contribution Initiatives in Japan

Sompo Holdings Group

● Chugoku and Shikoku Regions

On June 2015, 66 employees and their families participated in zero garbage clean walk at Hiroshima City.



● Kyushu and Okinawa Regions

On July 2015, 70 employees and their families including citizens participated in the event at Dazaifu, Fukuoka Prefecture hosted by Fukuoka NPO Center and Mahoroba nature school, to capture red swamp crawfish (*Procambarus clarkii*) that violates the lives of former living creatures and rare species.



<Sompo Risk Management & Health Care>

On December 2015, the company held event to sell charity chocolate of NPO AAR and sold out 100 chocolates.



<Prime Assistance>

The company cooperated in the operation of mobile libraries in the disaster-affected areas—a campaign conducted jointly by BOOKOFF Corporation, BOOKOFF Online Corporation, a company operating second-hand bookstores, and Shanti Volunteer Association (SVA). BOOKOFF corporation collected books and other items brought by our employees, and donated to SVA an amount of money equivalent to the purchase prices the company would have paid to our employees as well as 10% of the purchase prices. The donated funds were used to buy books requested by residents in the disaster-affected areas.



5 Everyone's Sunflowers Project

Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

Since FY2012, Sompo Japan Nipponkoa Himawari Life Insurance has been holding the Everyone's Sunflowers Project with the aim of strengthening communication with existing and potential customers. The project is an initiative to give substance to its corporate slogan, "Keeping You Smiling," by handing out the seeds of sunflowers—a symbol of happiness—to stakeholders free of charge. Through the process of raising the sunflowers from seed, stakeholders learn the value of life, the joy of nature, and the pleasure of working together. In FY2014, the company co-sponsored "Sunflower Plaza" as part of a major summer event hosted by Fuji Television Network, Inc. In this event, sunflower seeds from the disaster zone were planted in a common area in Tokyo's Odaiba commercial district—thus spreading the cycle of smiles.



6 Endowed Chair at University

Sompo Holdings Group

We have been providing endowed chairs at university through the career experience and networks of our employees. In FY2015, employees of Sompo Holdings Group taught classes on insurance practices as part of corporate-sponsored courses at various universities including Meiji University,

● **Main theme of the endowed chair**

| | |
|----------------------------------|--------------------------------------|
| Basic Knowledge of P&C Insurance | International Trend of P&C Insurance |
| Personal Insurance | Human Capital and Work Force |
| Corporate Insurance | Capital Investment |
| Selling System of P&C Insurance | Actuary and Actuarial Science |
| Insurance Claims Service | CSR and Environmental Management |



Endowed chair at university

4-3 Supporting Reconstruction After the Large-Scale Disaster

1

Milestones of Support for Victims of the Great East Japan Earthquake

Sompo Holdings Group

● Support in FY2011

To live up to social expectations for P&C insurance companies, the Sompo Holdings Group established the countermeasure headquarters shortly after the Great East Japan Earthquake, as well as the local task force in charge of collecting information about damage and paying insurance in disaster affected areas.

In the hope of paying insurance to customers as soon as possible, more than 3,000 Group employees from across Japan were sent to the affected areas to facilitate prompt insurance payments along with the service centers engaged in general insurance payment.

Besides support through its core business, the Group has launched a wide variety of activities to support disaster victims, such as donating 120 million yen from Group employees, providing emergency supplies and personnel contributions, which include sending volunteers for debris removal, and organizing events to promote and sell local specialties from the affected areas, which intended to support victims, particularly farmers suffering from harmful rumors.

The Group instituted the Sompo Holdings Volunteer Days to help Group employees continue their assistance activities, including collecting used books and CDs to donate the proceeds to NGOs/NPOs supporting disaster-hit areas. For initiatives in and after FY2012, see the next page and onward.



Events promoting local specialties



Development of New Products Arising from the Great East Japan Earthquake

Sompo Japan Nipponkoa Insurance, Inc

● Radioactive Decontamination Liability Insurance

The nuclear power plant accident that followed the March 11, 2011 earthquake is still affecting radioactivity levels in extensive surrounding areas. A number of municipalities are working to minimize the contamination. To support such operations, the Japanese government announced on April 1, 2012 a subsidy program that requires recipient municipalities to carry third party liability and physical damage insurance for the decontamination sites.

In response, Sompo Japan Nipponkoa released a new dedicated insurance product in May 2012. The new insurance, covering liabilities arising from accidents during decontamination operations, fully meets the qualification requirements for the national subsidy program. Sompo Japan Nipponkoa will continue to contribute to radioactive decontamination efforts, one of a pressing task in the wake of the Great East Japan Earthquake.

● Stranded Commuter Insurance for Local Governments

The Tokyo Metropolitan Government (TMG) on April 1, 2013 enacted an ordinance that specifies required actions to manage the estimated 5.17 million “stranded commuters” would be created in the incident of a devastating earthquake striking Tokyo. In this situation, such commuters may be tempted to try to walk home, resulting in a massive crowd, which not only poses a risk of personal injury due to collapsing buildings but could also potentially hinder access by emergency responders. To discourage this, the TMG established ordinance requires temporary shelters be made available for those who would otherwise be out on the streets. TMG has implemented additional measures to alleviate the financial burden on businesses called on to provide such temporary shelter facilities.

In response, Sompo Japan Nipponkoa in April 2013 launched the industry’s first insurance product that covers a local government’s subsidization of such temporary shelters for stranded commuters.

The company believes this product will help save lives and provide safety in the event of a catastrophic earthquake.

Shinjuku Station, Tokyo on the day
of the Great East Japan Earthquake



3

Continued Recovery Support for Victims of the Great East Japan Earthquake
Recovery Support Using Employees' Skills

Sompo Holdings Group

As the needs of the areas affected by the Great East Japan Earthquake have shifted from short-term volunteer relief activities to mid- to long-term recovery support, and the need for support from company personnel with superior management skills is increasing in the affected areas, we initiated a pro bono program in FY2012 to dispatch our employees to NGOs/NPOs working in the affected areas to support the recovery activities.

● **FY2012: Employee Dispatch Program Highlight (1)**

Ten employees were dispatched to “General Incorporated Association CANNUS Tohoku” during July to September 2012. CANNUS is a volunteer based organization specializing in nursery care, active in helping people affected by the earthquake living near Ishinomaki City, Miyagi Prefecture. The 10 self-appointed employees provided various skills and efforts while dispatched to CANNUS, such as analyzing data and establishing manuals to enhance activities and the quality of everyday operations. General Incorporated Association CANNUS Tohoku
official website :<http://cannus-saigai.jimdo.com/home-english/>



Meetings with local staff

● **Voice of Dispatched Employees**

“I felt the need to let other people in Japan know what the current situation of the disaster affected area is, how hard people are working for the recovery, and what issues need to be more aggressively addressed in the affected areas.”

“The environment was totally different from our usual working environment. But I believe we could offer our skills, such as 1) the ability to produce a solution based on the understanding of customer needs, which we have developed through sales operations; 2) an attitude of attending carefully to the voice of customers, which we have acquired in insurance claim services; 3) techniques to enhance operational efficiency through data management, which we have gained from administrative work; 4) skills to create tools with a quantitative effect evaluation; and 5) creativity to propose ideas for developing external public relations tools.

**Continued Recovery Support for Victims of the Great East Japan Earthquake
Recovery Support Using Employees' Skills**

Sompo Holdings Group

● FY2013: Employee Dispatch Program Highlight (2)

Nine self-appointed employees were dispatched from July to October 2013 to the Fukushima Recovery Minamisoma Solar Agripark in Minamisoma City, Fukushima Prefecture, a project designed to provide local children with opportunities to experience and learn renewable energy and agriculture in a photovoltaic power plant and an agricultural factory. The dispatched employees engaged in various missions, including developing a system that enables continuous improvement the quality of work sheets used by children to ensure more effective learning; preparing documents for grant application; proposing ideas on how to expand solar panel owners; cultivating and listening to opinions of local partners; and planning and taking part in local events.

Minamisoma Solar Agripark official website :
<http://minamisoma-solaragripark.com/english/>



Children leaning on site



Dispatched employees at work

● Voice of Dispatched Employees

When I went to the disaster affected areas to support insurance payments immediately after the Great East Japan Earthquake, I lost words at the sight of the tremendous damage caused by the disaster and felt that I should do something. This is why I decided to participate in the program.”

“I felt how difficult it is to find issues myself and make achievements in new assignments that are totally different from my ordinary duties. I also realized that speed and enthusiasm are the key to accomplishing something new.”

“It reconfirmed to me the importance of responding to the needs of each individual rather than just following customs and practices.”



Debriefing meeting of the Employee Dispatch Probono Program

Sompo Holdings Group

● **FY2014 - Third Employee Dispatch Program -**

Sompo Japan Nipponkoa dispatched four employees as a total to the CANNUS Tohoku (general incorporated association) in Ishinomaki City, Miyagi prefecture under its FY2014 Employee Dispatch Program where it also dispatched under the first Program in FY2012. The CANNUS is a volunteer organization of nurses in the field of medical, nursing care and elderly care and the dispatched employees undertook various tasks including creation of advertising catalog covering exhaustive activities and questionnaires to handout in the debrief meeting as well as data aggregation.

The dispatched employees expressed their satisfaction after completing the program, which, they explained, allowed them to broaden their view by having extraordinary valuable experience, and proved very beneficial for future career.



Members of CANNUS Tohoku and participants
of the Employee Dispatch Program

Ongoing Support for Reconstruction after 2011 Earthquake Recovery Support Using Employees' Skills

Sompo Holdings Group

● Employee Dispatch Program in FY2015 (Team No. 4)

A total of five employees were dispatched to work with Replus, an organization in Ishinomaki (Miyagi Prefecture), that is promoting integrated rehabilitation services with the philosophy of creating a society where people can continue to live a healthy life in the community, from children to the elderly, and regardless of whether they have any illnesses or disabilities. Our employees worked on the management structure and helped to prepare manuals the organization is working on to develop supporters to sustain a community led by citizen initiatives.

An example of comments from employees who participated was that that they would like to put into practice in the workplace the approach of dealing with issues as soon as they arise, rather than waiting for some future time, and that for each individual issue, to have a holistic perspective in the search for solutions.

The host organization also had positive comments, saying that our employees had helped in developing the organizational structure, “not just from step one to step two, but all the way from step one to step ten.”



Participants meeting with local staff

Sompo Japan Nipponkoa Insurance, Inc

● **Made in Sendai Preserved Flower Project**

The Made in Sendai Preserved Flower Project was launched in collaboration with Hibiya-Kadan, a Japanese florist, to help create a sense of community among victims of the Great East Japan Earthquake who live in temporary housing. Over the course of four seminars held between December 2012 and March 2013, residents at Okada Nishimachi Temporary Housing learned how to make preserved flowers under the instruction of a representative of Hibiya-Kadan. Sompo Japan Nipponkoa employees provided administrative support. After the seminars, the participants formed their own organization and made 300 preserved flower products for Mother's Day for sale at Hibiya-Kadan stores and within Sompo Japan Nipponkoa's office building.



Learning how to make preserved flowers



Preserved flower named "Magokoro"
(Sincerity in Japanese)

Sompo Japan Nipponkoa Insurance, Inc

● **Puppet Shows in Kamaishi, Iwate Prefecture**

Sompo Japan Nipponkoa has Himawari Hall puppet theater on the Sompo Japan Nipponkoa Nagoya Building and undertaking social contribution activities through the collaboration with local NPO, Aichi Puppetry Center.

On March 2012, after a year from the Great East Japan Earthquake, Sompo Japan Nipponkoa organized puppet shows in Unosumai-cho, one of the hardest-disaster hit areas of Kamaishi City, Iwate Prefecture. The events were held in collaboration with the Aichi Puppetry Center, an NGO that operates the Himawari Hall puppet theater in Aichi, which is sponsored by Sompo Japan Nipponkoa. With the aim of cheering up children across the affected region, the puppet shows were also performed nine times over a broader geographical area and performing venue from August 2014 to August 2015. Audience also received handmade fabric balls and message cards made by volunteer employees of Sompo Japan Nipponkoa.



Theater troupe Cinderella and children in child rearing support center in Kamaishi City



Handmade gifts made by employee volunteers

5

Continued Recovery Support for Victims of the Great East Japan Earthquake
Collaboration with Customers

Sompo Japan Nipponkoa Insurance, Inc

Our initiatives are based on the donation fund from the customer’s choice of using web based insurance clauses.

● **Tohoku Social Entrepreneur Support Fund**

We have launched a fund jointly with the Public Resource Foundation for entrepreneurs who start a socially beneficial business in disaster-hit areas by utilizing local human resource, technology, nature, local products. Out of 79 applicants, 11 recipients were selected based on an evaluation of their business model’s social benefits, viability, positive impact on local communities, and other criteria.

Over a year until December 2013, we provided support to ensure the launching of new social projects according to plan, through the provision of subsidies and consulting services.



First training seminar for fund recipients



Final presentation of the problem-solving workshop

● **“Learn to Create in Tohoku” Projects**

We organized a series of programs under the banner of the “Learn to Create in Tohoku (northeast area of Japan, disaster-hit area)” projects in cooperation with an NGO, Japan for Sustainability. These included: 1) Learning Journey in Tohoku, where young people from Japan and abroad visited disaster-affected areas and met with local people; 2) Youth Leadership Development for Disaster Recovery, a leadership program for young people who are working hard to rebuild Tohoku; and 3) Tohoku Kids’ Performance for the Future, a musical play performed in Setagaya, Tokyo by children from disaster-hit areas.



Learning Journey



Tohoku Kids’ Performance for the Future (photo by Mr. Joe Takano)

Continued Recovery Support for Victims of the Great East Japan Earthquake Supporting Rebuilding Efforts through Green Initiatives

Sompo Japan Nipponkoa Insurance, Inc

● Supporting Low-Carbon Reconstruction Projects

To support efforts for early reconstruction and eco-friendly community development in areas affected by the Great East Japan Earthquake, we utilized the J-VER(*) scheme and purchased Offset Credit units generated by projects organized in quake-struck areas. In collaboration with the Japanese Ministry of the Environment (MOE), a public nomination process was held to identify candidate projects chosen according to level of disaster-related damage, impact on job creation and local economic revitalization, and other predetermined criteria. The total amount of carbon emissions offset by the projects was 10,000t-CO₂, one of the largest offset amounts in Japan (as of end of August 2013).

(*) J-VER: Japan Verified Emission Reduction, Japan's carbon offset credit system, under which credits generated through the reduction or absorption of CO₂ by MOE-approved domestic projects are sold as offset credits.



J-VER projects signing ceremony

7

Supporting Reconstruction Efforts through Special Exhibition of Van Gogh's "Sunflowers"

Sompo Japan Nipponkoa Insurance, Inc

● Bring People a Joy Through Vibrant Van Gogh's "Sunflowers"

As part of the support efforts to recover from the Great East Japan Earthquake, we lend out Van Gogh's "Sunflowers" in Sompo Japan Nipponkoa Insurance's collection to the special exhibition held at The Miyagi Museum of Art from July 15 to August 31, 2014.

There are seven Vincent van Gogh's "Sunflowers" masterpieces dating to his Arles Period in the world and one of the work can only be seen in Japan at our Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art's permanent exhibition. As a general rule, this "Sunflower" masterpiece cannot be lend out to the other museums due to the difficulties in conservation management. However, as part of the reconstruction support, we decided to lend out our "Sun Flowers" for the first time to Tohoku district (north east side of Japan) with a hope to bring brightness and courage to the disaster affected area through the dynamic masterpiece of Van Gogh who sought bright colors in Arles, South France.



The opening ceremony



Van Gogh's "Sunflowers" Special Exhibition at The Miyagi Museum of Art

8

Recovery Support for Victims of the Kumamoto Earthquake in April 2016

Sompo Holdings Group

Earthquakes struck Kumamoto, Japan, in April 14 2016. We have been working together to meet Customer needs and pay out insurance claims as Swift as possible and also donated approximately 12million yen (as of end of June 2016) to Chuo Kyodo Bokin Kai.



【TOPICS】 Volunteer activity of Sompo Japan Nipponkoa Himawari Life

Approximately 100 employees and the agencies participated in the volunteer event hosted by MRT(*) at 11 hotels in Aso district in July 2016 and supported cleaning, conveyance etc in order to restart the business. More than 3 months has passed from the earthquake, but there are still many hotels that cannot restart their business, so we provided various support to meet the need of each hotels.
 (*)MDRT : International and independent organization constituted by the professionals from life insurance and financial services.



Conveying piano



pulling up the weeds



Cleaning up the stones in hotels



Broken walls due to the earthquake

4-4 Contributing to Community through Art and Culture

1

Sompo Japan Nipponkoa Fine Art Foundation (Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)

Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art

The Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art was opened on the 42nd floor of the Sompo Japan Nipponkoa Insurance's headquarters building in Nishi-Shinjuku area, Tokyo in 1976.

The museum is operated by the Sompo Japan Nipponkoa Fine Art Foundation, and in addition to hosting various exhibitions, it also supports budding artists and promotes art appreciation through dialogue of the museum as part of school education.

The museum is well-known as the only museum in Japan that has Van Gogh's Sunflowers, which was added to its permanent collection in 1987. Offering a spectacular view of central Tokyo from the 42nd floor as well as marvelous works of art, the museum welcomed its 5.43 millionth visitor in 2015, 39 years after its establishment.

The museum also collaborated with the production of "Case Closed," Detective Conan: Sunflowers of Inferno, a popular animation movie that has been shown since April 2015. The movie provides an opportunity to publicize works of art to a great number of people and use of the museum's name in the movie is helping us raise awareness of the group.



Permanent collections

1

Sompo Japan Nipponkoa Fine Art Foundation (Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art)

Seiji Togo Memorial Sompo Japan Nipponkoa Museum of Art

● Interactive guided tours of the museum for elementary and junior high schools

To promote opportunities to view art as part of school education, the foundation offers art appreciation through dialogues of the museum for elementary and junior high schools, mainly those in its local Shinjuku Ward of Tokyo. This program is in close coordination and cooperation among three parties. The foundation, and the Boards of Education of Shinjuku Ward, and the Shinjuku Foundation for Creation of Future work together. In FY2015, 29 elementary schools and 7 junior high schools participated in this program, which encouraged students to share their own thoughts and opinions with volunteer guides and thereby develops an appreciation of the artworks.

Currently, approximately 70 volunteer guides are undertaking activities. First they participate in the art classes of each schools to interact with students. Then, at the museum, they gather same group students who they had previously contact at school in order to hear their true voices. Furthermore, the museum hosts one day art programs for promoting communication with general public on one of the closed Mondays of the each exhibition.



Museum tour for children to develop their appreciation of art

2 The Puppet Theater “Himawari Hall”

Sompo Japan Nipponkoa Insurance, Inc

The Himawari Hall puppet theater has been jointly operated by the local NPO Aichi Puppetry Center and the Sompo Holdings Group since its opening in 1989. The theater has organized a wide variety of events that draw national attention, such as puppet performances, seminars, workshops, the children’s art festival, and script competition, P new face award (contest in order to discover new talent for future generation), in the area where puppet shows are very popular.



Puppet Theater “Himawari Hall”

4-5 The Evaluation of CSR Programs

1 The Evaluation of CSR Programs

Sompo Holdings Group

Sompo Holdings Group periodically evaluates its CSR programs based on the factors including “Contribution to business,” “Public interest,” “Uniqueness,” “Progressiveness,” “Expandability.” By making a choice through multilateral evaluation, we implement the PDCA cycle to priorities effective programs that contribute to the solution of today’s social issues.

<List of evaluation example of each program>

| | Program | public interest | uniqueness | progressive-ness | expandability | contribution to business | partnership | human development | contribution to business | required cost | final score | final rank |
|----|-----------|-----------------|------------|------------------|---------------|--------------------------|-------------|-------------------|--------------------------|---------------|-------------|------------|
| 1 | Program A | 3 | 4 | 4 | 4 | 3 | 3 | 4 | 3 | 5 | 342 | B |
| 2 | Program B | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 4 | 3 | 303 | B |
| 3 | Program C | 4 | 2 | 2 | 3 | 5 | 4 | 4 | 3 | 5 | 336 | B |
| 4 | Program D | 3 | 3 | 4 | 3 | 2 | 2 | 3 | 3 | 3 | 259 | C |
| 5 | Program E | 3 | 2 | 2 | 2 | 3 | 3 | 2 | 2 | 5 | 233 | C |
| 6 | Program F | 5 | 4 | 4 | 4 | 5 | 5 | 4 | 4 | 1 | 389 | B |
| 7 | Program G | 4 | 5 | 4 | 3 | 3 | 5 | 4 | 4 | 3 | 360 | B |
| 8 | Program H | 3 | 3 | 3 | 3 | 3 | 5 | 4 | 3 | | 330 | B |
| 9 | Program I | 4 | 5 | 4 | 3 | 3 | 5 | 4 | 4 | 3 | 360 | B |
| 10 | Program J | 3 | 4 | 4 | 4 | 5 | 4 | 4 | 4 | 5 | 400 | A |
| 11 | Program K | 4 | 4 | 3 | 4 | 5 | 4 | 4 | 4 | 5 | 403 | A |
| 12 | Program L | 4 | 5 | 4 | 3 | 5 | 5 | 3 | 4 | 5 | 412 | A |
| 13 | Program M | 4 | 2 | 2 | 2 | 3 | 3 | 4 | 2 | 5 | 269 | C |
| 14 | Program N | 4 | 3 | 3 | 3 | 3 | 5 | 5 | 4 | 5 | 379 | B |
| 15 | Program O | 5 | 4 | 3 | 3 | 4 | 4 | 3 | 4 | 3 | 362 | B |
| 16 | Program P | 4 | 4 | 3 | 3 | 4 | 4 | 5 | 4 | 5 | 394 | B |
| 17 | Program Q | 4 | 2 | 2 | 3 | 4 | 4 | 3 | 4 | 5 | 337 | B |
| 18 | Program R | 4 | 2 | 3 | 3 | 3 | 4 | 3 | 3 | 5 | 309 | B |
| 19 | Program S | 3 | 2 | 2 | 3 | 5 | 4 | 3 | 3 | 5 | 312 | B |
| 20 | Program T | 3 | 2 | 2 | 2 | 4 | 3 | 3 | 3 | 5 | 282 | C |
| 21 | Program U | 2 | 3 | 3 | 2 | 2 | 4 | 4 | 2 | 4 | 263 | C |
| 22 | Program V | 3 | 4 | 5 | 3 | 4 | 4 | 5 | 5 | 5 | 425 | A |
| 23 | Program W | 4 | 5 | 4 | 3 | 4 | 4 | 4 | 4 | 5 | 403 | A |
| 24 | Program X | 3 | 3 | 3 | 2 | 3 | 3 | 3 | 4 | 5 | 316 | B |
| 25 | Program Y | 4 | 3 | 3 | 4 | 4 | 3 | 3 | 5 | 5 | 383 | B |

Note: In principle, if the final rank of the project become C, we consider discontinue or revision of the program content.

| Cost (thousand yen) | Factor |
|---------------------|--------|
| 0~5,000 | 5 |
| 5,000~10,000 | 4 |
| 10,000~30,000 | 3 |
| 30,000~50,000 | 2 |
| 50,000~ | 1 |

Supporting Diversity and Inclusion in Private and Public Life



Our Vision

Respect the human rights and individuality of all stakeholders, supporting them in their pursuit of professional and personal development.

Our Action

We have been holding Sampo Holdings Volunteer Days annually since FY2011 for Group employees to get involved in volunteer activities. In FY2015, a variety of activities were held over the course of the month of December, with an emphasis on International Volunteer Day on December 5. Group employees participated in various activities, including training classes for dementia supporters, local cleanups, and blood donations.

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5-1 Building Resilient Organizations Through Human Resources Development

1 Global Human Resource Development

Sompo Holdings Group

We offer the Exchange Program for Group employees to develop new skills and leverage their diverse strengths for Group growth.

The program aims to build strong relations between Japanese and Group companies in and outside Japan through deeper mutual understanding and the sharing of skills and knowledge. In FY2015, 21 staff members from Group companies in nine countries outside Japan took up positions at 17 departments in Japan and underwent on-the-job training for a period of several months.



Exchange Program

2 Development of a Globally Competitive Workforce

Sompo Japan Nipponkoa Insurance, Inc.

The Sompo Holdings Group is confronted with increasingly challenging international competition in global markets, including in emerging economies. It is therefore essential that we develop globally competitive personnel with the ability and motivation to carry out missions in the global arena, to understand and accept different cultures, and to communicate effectively in a multicultural work environment.

Sompo Japan Nipponkoa positions the increase in both the quantity and quality of globally competitive personnel as a priority issue. As such, in FY2012, the company established the Global Human Resources Development Group for the purpose of developing workforce that can compete effectively on the global basis.

Major Actions

● Founding of SOMPO Global University

The SOMPO Global University is a program launched in FY2012 to develop future management personnel both in Japan and abroad. The program consists of customized training provided in cooperation with the National University of Singapore's Business School and on-the-job training at overseas Group companies. Through this program, trainees gain sophisticated management knowledge and have hands-on experiences to put it into practical use opportunities.

Total of 97 selected employees (including participants from outside Group companies) from 14 countries has participated in this program as of FY2016. The program produces globally competitive workforce with broad view and experience regardless of nationality.

● Improvement of Language Skills

Language skills are essential in an international work environment. To help employees improve their language skills, we encourage employees to take the TOEIC IP, an internal English language test, or the Test of Chinese Proficiency, as well as provide various general programs to help all employees with language learning. These programs include an English skills contest in which teams of employees compete against each other to show how much they have improved their English, as well as an overseas work program for employees with a certain level of language skills to gain cross-national and multi-cultural experience. We promote all employees to achieve 730 score of TOEIC.

3 Reinforcement of Human Resources

Sompo Japan Nipponkoa Insurance, Inc.

To create a strong team made up of capable, attractive personnel and establish ourselves among customers as the most highly evaluated P&C insurance company, Sompo Japan Nipponkoa is promoting development of human resources through the one cycle of “work, evaluation, remuneration, relocation/transfer, training” and provide employees various chances to perform full potential. Especially, the company promote human development based on their strength and foster the motivation of employees who can accommodate the environmental change.

Furthermore, the company enhances the system and company culture to develop globally competitive human resource that learn and think at their own initiatives and continuously create new values.

- **Skill development support**

With an aim to support self development of our management workforce, the Management Academy has started from FY2016. The academy program is available not only for employees in managerial position to refine their abilities but for employee with highly likely to become management members in future so they can achieve management skills in an early stage. The program consists of various trainings, such as “problem solving, strategic thinking,” “marketing,” “communication,” “management,” and “leadership.”

4 Training for Management

Sompo Japan Nipponkoa Insurance, Inc
Sompo Japan Nipponkoa Himawari Life Insurance, Inc.

Reinforcing the management capabilities of managers is essential if they are to reform the behaviors of their staff members and maximize their efficiency and productivity in order to lead them to new heights. We have various programs in place to strengthen our managers' abilities, particularly the ability to develop personnel, enhance workplace communication, and improve the work environment.

Major training programs of Sompo Japan Nipponkoa

- Training for newly appointed General Managers
- Support program for newly appointed Managers
- Training program for department management (continuous bilateral educational training among department)
- Management Academy (Online educational system)
- Management training
- 360-degree evaluation
- Support for promoting ideal managers by regional general managers who are in charge of human capital development

Sompo Japan Nipponkoa Himawari Life, our life insurance affiliate, sets its own mid-term management goals to improve its human resource capabilities. In FY 2014, Himawari Life provided all of its managers, who play a key role in human resource development, with training to enhance their management skills in order to improve their leadership communication and increase their necessary knowledge with regard to diversity promotion. The company also ensures that the improvement of human resource capabilities is included in managers' annual goals every year so that attention is paid to human resource development at all times as part of the company's corporate culture.

5

JAPAN-DA EXPO 2017—Support for Students Seeking Job Opportunities

Sompo Japan Nipponkoa Insurance, Inc.

As a project to support students seeking job opportunities with Sompo Japan Nipponkoa, the company organized a special three-day, “JAPAN-DA EXPO 2017,” in which students were able to receive information on their area of interest. The expo was organized into eight designated areas to meet students’ various needs: a U-turn Area where students could talk in detail about U-turn employment (jobs that placed them back in their home region after university) with regional recruitment staff; a Global Area where the company’s overseas business strategy was presented; a Session Area where students had a round-table talk with employees from various functions; and a Special Area where board of directors gave special lectures. The event attracted approximately 4,000 students over the three days.



“JAPAN-DA EXPO 2017”

6

SJNK Business Academy—Support for Students Seeking Job Opportunities

Sompo Japan Nipponkoa Insurance, Inc.

SJNK Business Academy was offered as a five-day internship program aimed at supporting students seeking job opportunities and assisting their career development.

Various courses were offered, including: a “General course” in which students received a comprehensive overview of the P&C insurance business and experienced various job areas such as sales promotion and insurance claim service; a “Preferred section course,” which provided interns with an opportunity to feel how rewarding work can be and to think about the meaning of work, and to utilize practical work experiences for their future growth; and an “International planning course” and “Overseas internship course” where globally minded students were able to improve their understanding of overseas business.

Many students expressed their satisfaction after completing the 5 days program, which, they explained, allowed them to experience actual work and gain many insights, and proved very beneficial for their future job hunting and career development.



“General course” at the SJNK Business Academy

7 JAPAN-DA Café—Support for Students Seeking Job Opportunities

Sompo Japan Nipponkoa Insurance, Inc.

The JAPAN-DA Café is a program where students have a round-table talk with employees from various functions. The program, based on the concept of having “casual conversation at a café,” was aimed at eliminating students’ concerns about their future career. Employees answered their various questions, offered advice on how to choose a company and look for a job, and painted a mental image of work in the P&C insurance business.

The program included a display of useful information for job hunting in various industries, including the filled out entry sheets and Q&As from job interviews provided by past prospective employees, which was well-received by students.



JAPAN-DA Café

5-2 Diversity and Inclusion

1

Building up the Most Motivated and Skilled Workforce in Japan

Sompo Holdings Group

The Sompo Holdings Group is striving to develop a working environment and personnel management programs that are instrumental in achieving our goal of building up the most motivated and skilled workforce based on the four principles of the Group Personnel Vision: Action and Achievement; Impartiality and Fairness; Openness; and Diversity.

● Working Environment

The Group respects the sense of values and working styles of employees, which may be as diverse as pursuing higher career goals, seeking a rewarding experience from work, or desiring to feel fulfilled in both work and private life; and is endeavoring to create a work environment that allows each employee to work energetically according to their style. To be more specific, we are offering a greater number of opportunities for both male and female employees to work on new challenges, and increasing support for childbirth, child rearing, and nursing care among many other measures, to enhance employee engagement and make the workplace more comfortable to work in.

With regard to employees satisfaction (ES), the Group checks the current situation and problems through several surveys and gives feedback to each work place. The each work place has meeting to discuss the countermeasures for next fiscal year given the result of the survey. We are also actively converting non-regular to regular employees as a way to further improve employee motivation and help stabilize employment.

● Personnel Management Programs

The Group's personnel system focuses on the employees ability only, regardless of their gender, nationality, age, to ensure that remuneration and promotion are based on the level of performance in each role.

Our personnel management programs include the in-house job posting program, which makes it easy for employees to apply for transfers to their desired different departments. With this program, it is possible even for general area staff (a position for an employee in which the location of residence in principle does not change because of a job transfer) to apply for temporary work outside their designated area. To support the self-directed and autonomous career development of each employee, we have also introduced the Dream Ticket Program, under which employees who meet certain criteria can apply for transfer to a position of their choice. These programs are aimed at encouraging employees to actively pursue their desired positions by fully leveraging the knowledge and skills acquired in the course of their work and self-improvement activities.

2

Establishment of Group Diversity Promotion Headquarters

Sompo Holdings Group

Sompo Holdings regards diversity as an important part of its management strategy, and established the Diversity Promotion Headquarters in October 2013. Sompo Japan Nipponkoa, the core P&C insurance company of the Sompo Holdings Group, established a dedicated unit to promote female employee engagement. By making diversity a Group wide issue through the establishment of the Group Diversity Promotion Headquarters, we will reflect the views of female employees and other diverse employees with regard to various services available from the Group in order to offer the highest possible quality products for the security, health and wellbeing of our customers to meet their wide-ranging needs.

Our slogan is “Diversity for Growth,” which expresses our intention to translate diversity into a drive for growth. Headquarters is promoting diversity across the Group with a main focus on (1) developing products and services, as well as implementing measures, that reflect women’s sensitivity;

(2) increasing the percentage of women in managerial positions in the Group to over 10% by the end of FY2015 and over 30% by the end of FY2020;

(3) introducing a mentoring system for female employees; and

(4) allocating non-Japanese employees to the suitable workplace and facilitate interaction.

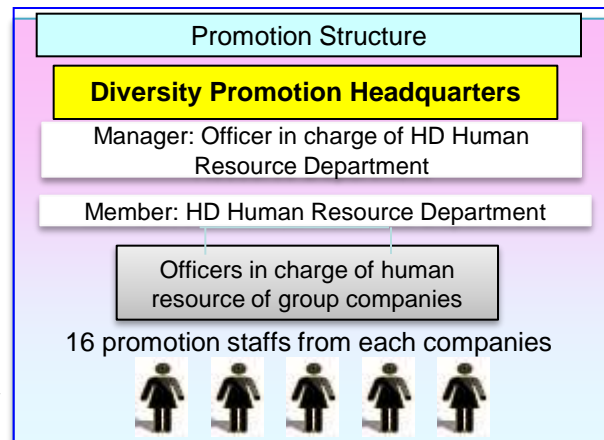
As a “bottom-up” approach in the promotion of diversity, a promotion representative is appointed by the headquarters of each Group company and takes charge of planning measures to renew female employees’ awareness and change the Group’s culture and systems.



“Diversity for Growth” logo



Members at the time of founding of the Diversity Promotion Headquarters



3 Female Employee Engagement

Sompo Holdings Group

【External Commitment】

The Sompo Holdings Group became a signatory to the Women's Empowerment Principles (WEPs) in June 2012. The WEPs are a set of international principles given in the form of seven steps for companies and other private sector organizations to follow in order to advance women in the workplace and empower women (promote self-reliance among women and support actions to help them achieve their goals). The Group supports the objectives and will continue to strive to create open and vibrant working environments and promote women's participation in business as well as draw broader public attention to the importance of diversity.

【Supporting Measurement】

● Appointment of Female Employees to Managerial Positions

The Sompo Holdings Group is striving to enhance female employee engagement by setting a goal of increasing the percentage of women in managerial positions to more than 10% (achieved 13.2% in whole Group base as of April 1, 2016) by the end of FY 2015 and more than 30% by the end of FY2020.

To develop a career pipeline for women, various training programs have been implemented for women in management, middle management, and junior level positions, including management class, preparatory management class, and career development training for General area staff (a position for an employee in which the location of residence in principle does not change because of a job transfer). The management class is a one-year program designed to provide motivation and necessary skills to female employees who are selected as candidates for department, office, or company management positions. Six employees of the "graduates" of the class have already been promoted to department or office managers as of April 1, 2016.

● Empowering women and rural areas through cross industrial association

In order to foster the career-up mind of women employees and networking, the Group aggressively hosting cross industrial association and training program in all over Japan. The Group entered into the partnership agreement with Hirosaki City in Aoyama Prefecture in January 2016 and promotes measurement based on the empowerment strategy of Hirosaki City. The Group is hosting cross industrial association among women employees within the City and supporting recruitment seminars for women university students.

Final presentation at the women's management class



4 Mentoring System

Sompo Holdings Group

Sompo Holdings introduced a mentoring system throughout the Group from October 2013. Under this system, a superior other than a reporting line is appointed as a mentor for each employee to regularly support in solving problems regarding mentee's career development on an on-going basis. In FY 2015, 46 executives and general managers became mentors to 46 female managers. Mentors support to create a culture that helps develop women's career growth and encourages to raise their aspirations to meet new challenges. The system has proved effective—not only in motivating mentees to pursue a career—but also for mentors in realizing what they need to manage female employees.

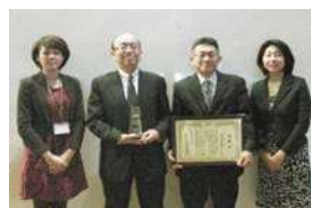
【Column】 External Recognition

On March 3, 2014, Sompo Japan Nipponkoa was selected as a winner of the Diversity Management Selection 100 awards sponsored by the Ministry of Economy, Trade and Industry, Japan. The company has been promoting diversity as an essential component of its management strategy as well as part of its efforts to establish its position among customers as the most highly evaluated service company. The company has been focusing on the following three main activities: renewing employee awareness continually using both top-down and bottom-up approaches; realizing work-life balance by allowing for diverse work styles, employment patterns, and work locations; and supporting employees' career development by creating an environment that allows employees to pursue their career goals and leverage their capabilities as well as by providing various support measures. Furthermore, the Group achieves awards every year as below.

- March 2015, Sompo Japan Nipponkoa received second award for the 2015 J-Win Diversity Award from the nonprofit organization, the Japan Women's Innovative Network (J-Win).
- February 2016, Sompo Japan Nipponkoa received Excellence Award for Women's Empowerment Grand Prize Award from Japan Productivity Center. Sompo Japan Nipponkoa will continue to actively promote diversity to further enhance its corporate value.



Award ceremony of the 2014 J-Win Diversity Awards



Award ceremony of Diversity Management Selection 100

5 Support for Non-Japanese Employees

Sompo Japan Nipponkoa Insurance, Inc.

To maintain successful global operations, it is important for the Sompo Holdings Group to support non-Japanese employees and create and foster an international corporate culture.

Sompo Japan Nipponkoa is developing an international work environment by actively hiring non-Japanese employees both in Japan and for its overseas operations. The number of international recruits is increasing, and they are working enthusiastically in their respective workplaces.

The company also organizes a Global Diversity Meeting every year for the purpose of helping to develop a global mindset among its employees. In FY 2015, “Unconscious Bias* Training” was held in two parts. In the first part, participants had a lecture to be aware of their “Prejudice & Bias”. In the second part, employees held discussions in small Groups with local staffs from overseas and shared their mind-set, behaviors, and values to deepen mutual understanding. Through these activities designed to nurture a global mindset among employees, we aim to make our Group even more globally competitive.

*“Unconscious Bias” is a biased view that one unconsciously holds and therefore critically important to understand in globalized world.



「Global Diversity Meeting」

6 Employment of People with Disabilities

Sompo Japan Nipponkoa Insurance, Inc.

Many companies as a matter of course are beginning to employ people with disabilities and value their individual contributions. Sompo Japan Nipponkoa also attaches great importance to creating a work environment that allows people with disabilities to reach their full potential, and organizes recruitment activities throughout Japan.

The company interviewed 31 supervisors who manage employees with disabilities on their team and reported their best practices in Diversity News, a monthly newsletter, to share information on how to work with physically challenged employees. The company has also prepared a manual for managers, while making sure that an assistant for employees with disabilities is appointed at each workplace to provide necessary support according to the degree of disability.

7

Accommodating the elderly and people with disabilities

Sompo Japan Nipponkoa Insurance, Inc.

The Act for Eliminating Discrimination Against Persons with Disabilities* took effect in Japan on April 1, 2016. Sompo Japan Nipponkoa had already been using brochures and application forms with a universal design, but the company launched a cross-divisional project team prior to the law to consider and spearhead Group-wide changes to better accommodate elderly people and those with disabilities, such as impaired cognition, vision, and hearing. These include changes to insurance application and claims payment processes; the physical environment at agencies; consultation services for customers; and internal training curricula. We will continue to develop products and services that support various customer needs.

* This law aims to promote inclusiveness toward people with disabilities by prohibiting unfair discrimination and requiring reasonable consideration of their circumstances.



Sign showing hearing disability assistance posted at one of several office building locations

8

Diversity advocates for LGBT persons

Sompo Japan Nipponkoa Insurance, Inc.
Sompo Japan Nipponkoa Himawari Life, Inc.

With lesbian, gay, bisexual, and trans-gendered (LGBT) people comprising approximately 7.6% of the Japanese population,* Japanese society has been moving quickly in favor of LGBT issues. The Sompo Holdings Group is working to support LGBT employees in reaching their full potential while delivering products and services that support LGBT customers.

Sompo Japan Nipponkoa amended its benefit programs to enable employees with a same-sex partner to take condolence leave, receive monetary benefits including condolence money, and make use of various welfare services. The company is also promoting understanding of LGBT issues through internal communications media and Group training. For example, in FY2015 the company added LGBT topics to its annual CSR training curriculum.

Sompo Japan Nipponkoa Himawari Life provides an abbreviated process for confirming the relationship between insured persons and their same-sex partners when their partners are designated as beneficiaries; the process includes submitting a copy of their certificate of partnership issued by Shibuya Ward, which recognizes same-sex partnerships.

We will continue our work to embrace LGBT and other values as we strive to realize society that gives everyone equal opportunity.

* Source: The 2015 LGBT Survey by Dentsu Diversity Lab.



LGBT Seminar

9 Work-Life Balance

Sompo Holdings Group

To improve the quality of employee output, it is essential to focus not only on skill development but also on the physical and mental health of each employee. Good physical and mental health and a fulfilling private life are the foundation of a dynamic workforce. A dynamic workforce means a vitalized company, which is why the Sompo Holdings Group attaches great importance to the realization of work-life balance.

● System Supporting Employees during Pregnancy, Post-childbirth and Childcare

We provide various types of leave and flexible work style options, such as maternity leave, childcare leave, and reduced working hours for parents in order to support employee efforts to balance their work and family life. Parents can take advantage of shorter working hours, for example, in several shift patterns until the child completes the third grade of elementary school. Short-term childcare leave has also been turned into a form of paid leave, and delayed the application deadline to the day before, making childcare leave easy to take for both male and female employees.

● Support for Employees on Childcare Leave

A forum is organized every year to support the smooth reinstatement of employees who have taken childcare leave in Tokyo, Nagoya, Osaka, and Fukuoka. In FY2015, the forum was attended by a total of 595 employees nationwide. In addition to employees who have taken a long leave of absence to raise their children, their supervisors and colleagues also attend the forum to deepen their understanding of reinstatement issues and assuage the concerns of those taking leave. It is also ensured that information regarding our important policies is communicated to employees on childcare leave.

● Support for Employees Engaging in Long-term Nursing Care

Long-term nursing care has become a common issue due to the rapid aging of Japan's population. To help employees balance their work and care responsibilities, we held "Seminar for balancing work and care responsibilities" that was attended by a total of 185 employees and expanded the option to offer long-term family care leave (up to 365 days in total), nursing leave, shift work for nursing care and reduced working hours.

● Telecommuting

A home-based telecommuting system is in place to increase productivity and efficiency of employees. In order to increase the usage of this system, additional company token was distributed for employees in long-term nursing care and childcare.

9 Work-Life Balance

Sompo Holdings Group

● Shift working

A home-based telecommuting system is in place to increase productivity and efficiency of employees.

● Work Style Innovation Contest

Work style innovation contest was held in order to enhance the work-style innovation of each workplace. There were award for organization and special award for individual, and introduced the specific measurement through internal network TV and the intranet.

● Career Transfer System

A system for general area staff (a position for an employee in which the location of residence in principle does not change because of a job transfer) to apply for a job in other area to continue work due to the personal reason such as job transfer of one's spouse.

● Planned Long Vacations and “No Overtime Days”

To increase productivity and efficiency of employees, employees are encouraged to both take planned long vacations and to leave work on time on company-wide “No Overtime Days.” Managers of each workplace are also requested to urge their staff to take holidays as well as to submit an annual plan for increasing the operational efficiency of their respective workplaces.

● Mental Health

A mental health industrial physician is stationed at the Head Office under a partnership agreement with Sompo Risk Management & Health Care Inc.. The physician works together with nurses and other dedicated staff to provide mental health checkups, counseling, and other services.

Stress self-tests have also been introduced to allow individual employees to discover any signs of psychological abnormalities at an early stage in order to prevent, alleviate, and treat them. There is also a line-care system that helps supervisors proactively improve the workplace environment and give advice to anyone on their staff who may have a mental health issue.

10 Work style innovation

Sompo Japan Nipponkoa Insurance, Inc.

In FY2015, Sompo Japan Nipponkoa embarked on a series of work style innovations in order to increase productivity and create a more flexible work environment that taps into the wide-ranging talents of its diverse workforce. Specifically, the company introduced a kind of flextime program that provides the choice of nine different periods in the day in which to work, helping employees with children or a family illness, or who communicate regularly with overseas stakeholders.

Leveraging improvements in its ICT infrastructure, the company also instituted a telecommuting work policy to provide even more flexibility and boost productivity. These work style innovations are also aimed at maximizing added value and making fundamental improvements to overwork conditions, with specific goals set by each workplace.



Office in the early morning

11

Thanks Day—A Day for Deepening Families' Understanding of the Workplace

Sompo Holdings Group

The Sompo Holdings Group implemented a Thanks Day event in July 2015 for the purpose of promoting understanding and communication between employees and their families and raising awareness of the need for work-life balance at each workplace. We have been implementing this annual event from 2007. Children of employees at each Group company were invited to visit their parent's workplace and perform simple work-related tasks such as sorting inter-office mail and receiving mock telephone calls. Other fun events such as exchanging business cards with the company President, children's meals in the employee cafeteria, and various booths offering games and exhibitions. These fun events made the day a memorable one for both employees and their families.



A child exchanging name cards with Chairman



Children exchanging name cards with an employee in a workplace



Sompo Japan Nipponkoa Orchestra performing for children

5-3 Respect for Humanity

1 Respecting Human Rights

Sompo Japan Nipponkoa Insurance, Inc.

As is evident from the inclusion of human rights as one of the seven core issues cited in the ISO 26000 international standards on social responsibility (published November 2010), corporate activities relating to human rights promotion have become the global norm.

Sompo Holdings Group established the Group's Policy for Human Dignity and Human Rights in April 2014. The policy pledges to respect the human rights of our stakeholders, including employees. While complying with the Universal Declaration of Human Rights and other international standards, we will uphold high ethical standards to achieve a sustainable society and strive for the universal principle of respect for human rights.

We have also established the Human Rights Promotion Headquarters. This allows us to involve management in prompt, centralized decision-making on various issues, including human rights training for employees. Through this organization, we deploy a cross-functional and systematic measures aimed at promoting basic code of conduct on human rights issues at each workplace.

We have also introduced an employee hot line as a contact point for employees in all offices and accept inquiries by telephone, e-mail, or by letter. CSR training (environment, social contribution, human right) is also planned and implemented for all employees and workplaces every year with the aim of promoting employees' understanding of human rights and creating a motivating, comfortable, and dynamic work environment.

- **Policy for Human Dignity and Human Rights**

<http://www.sompo-hd.com/en/csr/system/>

2 Doula Liability Insurance Program

Sompo Japan Nipponkoa Insurance, Inc.

In February 2013, Sompo Japan Nipponkoa started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The insurance program covers the cost of damages in the case where the insured doula (a professional who assists a woman before and after childbirth) incurs a liability for damages under law as a result of an accident occurring in the course of their work. The trend of delaying pregnancy and childbirth to a later age has meant that the grandparents are often quite advanced in age. Combined with the decrease in multi-generational households, it is often difficult for an expectant mother to rely on her own parents for support before and after giving birth. Sompo Japan Nipponkoa has developed this program based on input from its female employees, who themselves experienced such difficulties. The program is expected to support an increase in the number of doulas, demand is likely to grow in the future.



A meeting held for the development of the program

3

Supporting Children to Continue their Education (Insurance that compensates for tuition and other fees)

Sompo Japan Nipponkoa Insurance, Inc.

The number of parents are unable to enroll their children at private school or must switch them from private to public school due to their financial constraints has been increasing recently.

To support children who wish to remain at the same school until graduation, Sompo Japan Nipponkoa offers a school fees insurance product that covers tuition and other fees.

This program is offered through Private School Studentship Study Support Insurance Service, a company established principally by Nichinoken Kanto, Yotsuya Otsuka, and SKG Service to call for private elementary and junior and senior high schools to institute a scheme to reduce or eliminate tuition and other fees for students in financially challenging circumstances. Sompo Japan Nipponkoa provides insurance benefit payments to schools that do institute such a scheme to compensate them for the loss of tuition and other fees from which qualifying students have been made exempt.

4 Complying with the UK Modern Slavery Act

Sompo Japan Nipponkoa Company of Europe

On March 26, 2015, the Modern Slavery Act entered into force in the United Kingdom. The act, which aims to restrict the complicity of UK businesses in modern forms of slavery, which include human trafficking, forced labor, and sexual exploitation, applies to companies that carry on a business in the UK and have an annual global turnover of £36 million or more. It requires such companies to publish an annual slavery and human trafficking statement and report on the steps they have taken, if any, to ensure that slavery is not taking place in their business or supply chain. A contributing factor to these supply chain management requirements is the rising importance of human rights due diligence, the process of measuring, reporting, correcting, and addressing the adverse impacts of a company's business, including its entire supply chain, to proactively prevent human rights violations.

Sompo Japan Nipponkoa Insurance Company of Europe published an anti-slavery statement on its official website in September 2015. The company is taking various steps based on its published policies, including, as supplier due diligence, verifying supplier compliance using a check sheet, as well as holding training for employees and suppliers.

【Official website of Sompo Japan Nipponkoa Company of Europe】
URL : <http://www.sjnk.eu/modern-slavery-act/>