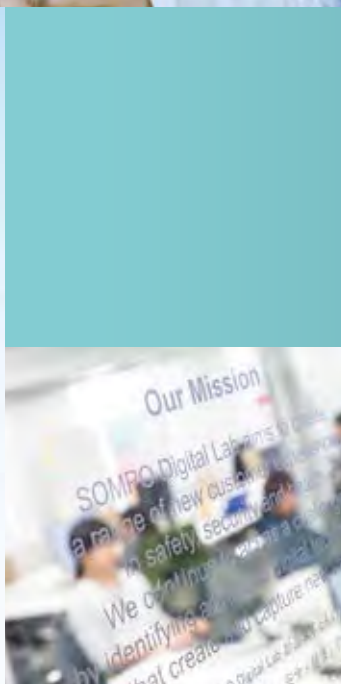




Business Strategy

Business Strategy



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Domestic P&C Insurance Business

As the Group's core business, the domestic P&C insurance business will at all times carefully consider the interests of customers when making decisions that shape the business. We will strive to support the security, health, and wellbeing of our customers and contribute to society as a whole through insurance and related services of the highest quality possible.



Keiji Nishizawa

CEO of Domestic P&C Insurance Business
Executive Officer

(President and Chief Executive Officer, Sampo Japan Nipponkoa Insurance Inc.)

Business Outline

The domestic P&C insurance business meets a variety of customer needs through its operations. Sampo Japan Nipponkoa Insurance Inc., which was established in 1888 as Japan's first fire insurance company, primarily sells insurance through agencies as the core company in this business. SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED, meanwhile, is responsible for direct sales.

Furthermore, Sampo Japan Nipponkoa DC Securities Inc. provides defined contribution pension fund management services, and Sampo Risk Management Inc. provides risk solution services, and the Group can deliver products and services of the highest quality that leverage the specialization of each Group company.

Business Environment and Basic Strategies

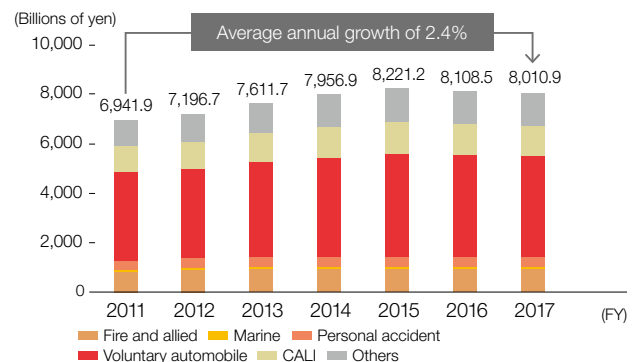
The Sampo Holdings Group boasts a roughly 30% share of the domestic P&C insurance market, which is showing steady growth in premiums despite the fact that Japan's society is approaching full-fledged population decline. However, the environment of this market is expected to undergo dramatic changes over the medium-to-long term. Factors behind this transformation will include demographic changes, the increasing frequency of large-scale natural disasters, and the dramatic evolution of digital technology and accompanying changes in customer needs and behavior.

Even in these changing times, we will support Japanese companies that have global operations and support Japanese people's safety, health, and wellbeing by providing the highest-quality products and services. We seek to become the most highly evaluated P&C insurance company by making decisions thoroughly from customers' perspectives and realizing sustained growth founded on with quality through massive improvements to business efficiency.

Business Environment

Trend in Premiums in the Japanese P&C Insurance Market

Stable trend in the domestic P&C insurance market



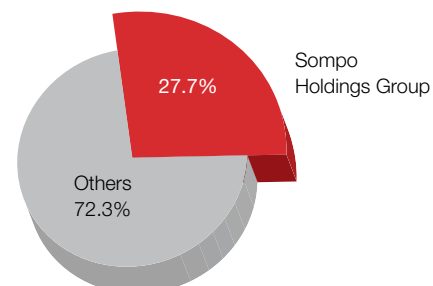
Source: Sigma Report, Swiss Re; Insurance, Hoken Kenkyujo

Notes: 1. Based on total of various types of premiums

2. Based on net premiums of P&C insurers in Japan excluding reinsurance companies

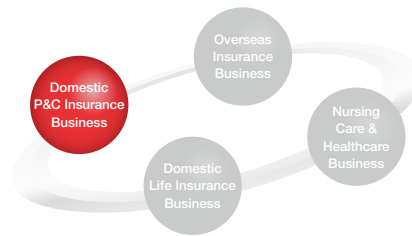
Share of Domestic P&C Insurance Market

One of the largest shares of the domestic market



Source: Insurance, Hoken Kenkyujo

Note: Based on net premiums of P&C insurers in Japan from fiscal 2017



Progress of the Mid-Term Management Plan

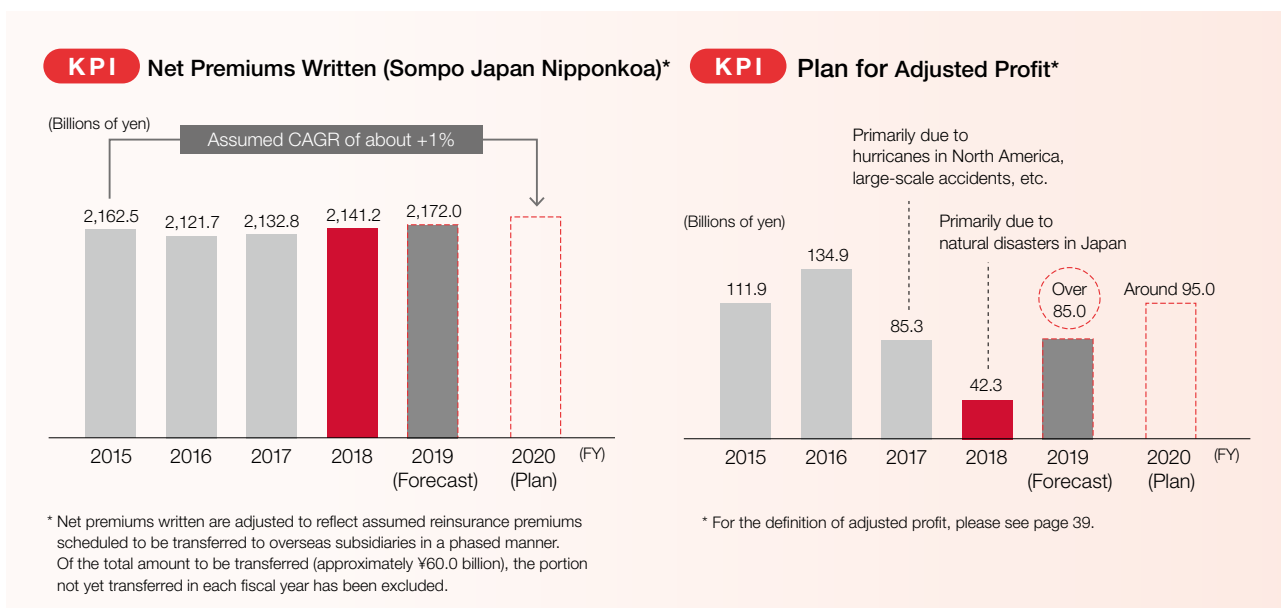
The domestic P&C insurance business is predicted to account for about 50% of the Group's adjusted profit (fiscal 2019 forecast). Going forward, we aim for this business, which is the largest business segment, to contribute further to the Group's growth.

In fiscal 2018, the third fiscal year of the Mid-Term Management Plan, adjusted profit was significantly below our target at the beginning of the fiscal year due to a series of natural disasters in Japan.

Looking to fiscal 2019, although such factors as a hike in consumption tax are likely to produce downside pressure, we

project that normal levels of natural disasters in Japan and reductions in business expenses will result in adjusted profit of at least ¥85.0 billion.

As the Group's largest business segment, the domestic P&C insurance business will increase profitability over the medium-to-long term not only by maintaining and growing existing businesses but also by pursuing new strategies that leverage IT and digital technology and creating new businesses through business partnerships with other progressive companies.



Main Future Initiatives

To realize sustained growth founded on quality, we will focus on the following initiatives.

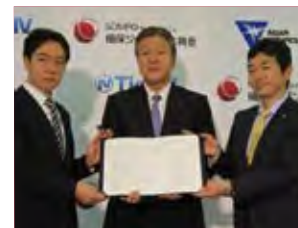
Ongoing Growth through Existing Business Models

In initiatives to achieve ongoing growth via existing business models, the Sompo Holdings Group will increase quality and productivity through customer-oriented reforms in sales and claims departments. Sales departments will develop systems that enable swifter, more finely tuned responses. Claims departments, meanwhile, will implement reforms aimed at providing better services to customers, enhancing specialized expertise, and more effectively utilizing digital technologies.

Further, we are taking advantage of rapidly evolving IT and digital technologies to improve productivity drastically. Specifically, we are applying AI and robotic process automation technologies and implementing the Future Innovation Project.



Participating in peer-to-peer vehicle sharing and the private car leasing businesses through the establishment of joint ventures with DeNA



Planning to offer autonomous car-related services through a business alliance with Tier IV and AISAN TECHNOLOGY

Creation of New Business Models

To create new business models and points of contact with customers and to offer differentiated insurance products and services, we will form business partnerships with platform developers and providers of sharing services. Further, with our sights set on changes in customers' values and lifestyles as technology evolves rapidly, we will combine digital technologies and marketing to create new business models. We will create new businesses that cater to security, health, and wellbeing needs arising from changes in industry structures that are being brought about by advanced science technologies.

Initiatives Aimed at Realizing “A Theme Park for Security, Health & Wellbeing”

From Claim to Payment in as Little as 30 Minutes via Smartphones

By using the LINE app, customers can now notify us of accidents covered by overseas travel, automobile, fire, and accident insurance 24 hours a day, 365 days a year.

The service enables customers to provide the information needed for a claim quickly and easily. Moreover, the service shortens the processing lead time from claims and investigations through to payments from two and three weeks to as little as 30 minutes.



A rendering of the chat screen independently developed by Sampo Japan Nipponkoa

Launch of LINE Insurance

Through its LINE app, Sampo Japan Nipponkoa Insurance Inc. has begun offering a service that allows customers to enroll in insurance at any time or location. Customers can complete all of the processes required for enrollment in a minimum of 60 seconds.

We offer a varied range of product plans, focusing on insurance products with selectable term periods starting from one day.

These plans include Okuru Hoken Jishin no Omamori, which allows customers to send insurance through the LINE app’s chat function. In this way, we offer customers the novel experience of expressing their desire to protect loved ones from accidents by sending them insurance products.



A rendering of the LINE Insurance home screen



A rendering of LINE Insurance's Okuru Hoken Jishin no Omamori screen

Opening of the Connected Support Center

With the aim of establishing an environment for the penetration of autonomous cars, Sampo Japan Nipponkoa has opened the Connected Support Center at a Group company. The center will conduct research on the provision of comprehensive support that includes remote surveillance of and steering intervention for unmanned autonomous cars as well as support for related traffic accidents and other incidents.

Anticipating the ubiquity of autonomous cars, we will capture a new market by fulfilling new roles as an insurance company that has shifted its pivot from insurance coverage to services.



An operator remotely surveilling a autonomous car

CSR Material Issue 1 Providing Solutions for Disaster Preparedness

Development of AI-Enabled Disaster Preparedness Systems

To help enhance the disaster prevention capabilities of local communities, Sampo Japan Nipponkoa has concluded an operational tie-up agreement with Silicon Valley-based disaster prevention start-up One Concern, Inc., and Weathernews Inc. Through this alliance, we have begun the joint development of disaster preparedness systems that leverage advanced AI technology.

In our first project for enhancing the disaster prevention capabilities of a local community in Japan, we have begun proving tests in the city of Kumamoto aimed at developing a disaster preparedness system unique to the country. By conducting advanced, elaborate simulations of damage caused by disasters, we will contribute to the development of towns with greater disaster resilience and support the security, health, and wellbeing of local residents.

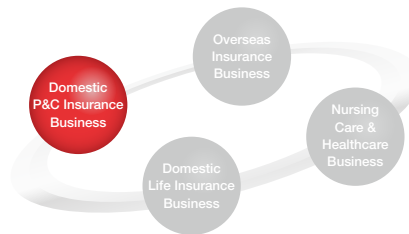


Flood damage projection screen



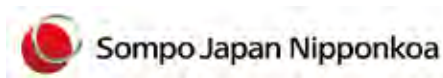
Earthquake damage projection screen

(For more details about the Five CSR Material Issues, please see page 69.)



Company Outline (As of March 31, 2019)

Sompo Japan Nipponkoa Insurance Inc.



As a core company in the Sompo Holdings Group, Sompo Japan Nipponkoa supplies a wide range of P&C insurance and other services to contribute to the security, health, and wellbeing of its approximately 2,000 customers across Japan. With the domestic P&C insurance business at its core, Sompo Japan Nipponkoa will realize growth in accordance with quality and thereby become the most highly evaluated P&C insurance company.

Topics

Change of Name to Sompo Japan Insurance Inc.

In light of feedback from customers, it has been decided to change the name of Sompo Japan Nipponkoa Insurance Inc. to Sompo Japan Insurance Inc. in April 2020, subject to approval by the relevant authorities. As the core company of the Sompo Holdings Group, we will continue benefiting society by using a rigorously customer-focused approach to create products and services that are of the highest quality and which support customers' security, health, and wellbeing.

SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED



We are the Sompo Holdings Group's direct marketing insurance company. Focusing on our mainstay product "Otona no Jidosha Hoken," we aim to be an insurance company that is understood and chosen by each customer. With respect to "Otona no Jidosha Hoken," through such features as setting insurance rates by age, we will continue to provide original, innovative products as well as optimal support when and in the form that it is needed.



Takefumi Umemoto
President

Sompo Japan Nipponkoa DC Securities Inc.



As the Sompo Holdings Group's defined contribution pension fund manager, we provide companies with bundled services covering everything related to the introduction through to the maintenance of defined contribution corporate pension plans, including supporting them in introducing systems and offering investment education and various types of information to participants (employees). We also provide individuals with comprehensive services pertaining to individual-type defined contribution pension plans (iDeCo) with the goal of being chosen by as many customers as possible.



Shuichi Kita
President & Chief
Executive Officer

Sompo Risk Management Inc.



To heighten specialization in both healthcare and risk management even further and to better reflect customer needs, we separated the healthcare business from Sompo Risk Management & Health Care Inc. and established Sompo Risk Management Inc. on October 1, 2018. We will support customers in their initiatives promoting security, health, and wellbeing by providing services and solutions such as company-wide enterprise risk management, business continuity management and planning, and cybersecurity measures.



Yasushi Fuse
President and Chief
Executive Officer

Mysurance Inc.



March 2019 saw the establishment of the small-amount, short-term insurance company Mysurance Inc. Through this company, we will create new value in insurance by marketing products and services that utilize digital technology to offer novel experiences and cater to customers' diverse needs.

The company name was coined based on the phrase "My Insurance" and expresses our desire to offer customers personalized insurance that always helps when they have a problem.



Fumito Kawakami
President and
Representative Director

Overseas Insurance Business



John R. Charman

CEO of Overseas Insurance and Reinsurance Business
Executive Officer
(Executive Chairman of the Board of Directors,
Sompo International Holdings Ltd.)

Whether providing market leading products and services or addressing global issues with significant local impacts, Sompo International is committed to working with our clients to better understand and manage their exposures.

Business Outline

Sompo International contributes to the security, health and wellbeing of our clients by offering a full range of tailored commercial and personal lines products and related services in markets around the world. Drawing on our deep underwriting

expertise, we deliver innovative solutions to address a broad range of known and emerging risks in today's rapidly changing environment.

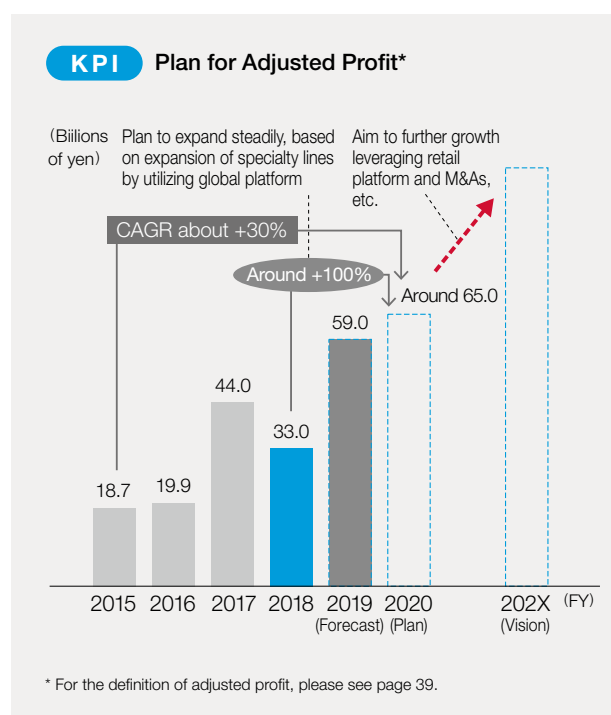
Progress of the Mid-Term Management Plan

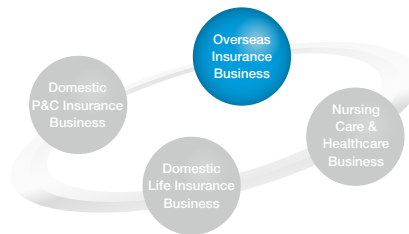
Under the current Mid-Term Management Plan, we expect to achieve an adjusted profit of around ¥65 billion due to steady organic growth centered on the expansion of specialty insurance for fiscal 2020.

After completing the formation of Sompo International in March 2017, the Company is working to build a truly integrated global platform, with the aim of further expanding the overseas insurance business contribution.

In fiscal 2018, the third year of the Mid-Term Management Plan, the adjusted income of overseas insurance business was ¥10.9 billion less than fiscal 2017 due to the effects of tax expense reductions associated with the reorganization of Sompo International in fiscal 2017 and the impact of overseas natural disasters. It decreased to ¥33.0 billion.

In fiscal 2019, we plan to achieve an adjusted profit of ¥59 billion or more by increasing income premiums while further promoting the use of the global platform in the corporate sector and building the platform in the retail sector. In the future, we will aim to achieve an adjusted profit of ¥100.0 billion by further expanding the use of retail platforms and M&As.





Initiatives Aimed at Realizing “A Theme Park for Security, Health & Wellbeing”

SomPro Global Platform Helps Clients Manage Cyber and Professional Lines Risks

Sompo International is a leading provider of cyber, financial, and professional lines of insurance and reinsurance, delivering innovative solutions to local, regional, and multinational companies of all sizes around the world.

In November 2018, we launched *SomPro*, a new global financial and professional lines platform delivering market leading underwriting, risk control, and claims services by sharing our extensive product expertise and distribution relationships across our specialty teams. With more than 100 dedicated underwriters and claims professionals in key insurance and reinsurance markets, *SomPro* utilizes the combined global licensing capabilities of Sompo

Holdings, Inc. and Sompo International to serve clients around the world.

Sompo International underwrites approximately \$1 billion in Gross Written Premiums globally across our *SomPro* teams. We will continue to look for additional opportunities to utilize *SomPro* to achieve significant scale and worldwide relevance in this important market.



CSR Material Issue 3 Promoting the Manageability of Global Environmental Issues

Partnership with South Africa’s Largest Non-Banking Financial Services Company: Setting the Stage to Address Environmental Challenges in Africa

Through our strategic partnership with Sanlam Group, Sompo is exploring opportunities to leverage its underwriting and technical expertise to help countries across the African continent respond to a broad range of environmental challenges.

Sanlam Group is South Africa’s largest non-banking financial services provider with a wide network across the African continent. Through its five business clusters—Sanlam Personal Finance, Sanlam Emerging Markets, Sanlam Investments, Sanlam Corporate and Santam—the Group provides financial solutions including life and general insurance, financial planning, retirement, investment, and wealth management across all market segments.

Since 2017, the strategic partnership has provided Sompo a significant distribution network for introducing new products across the African continent. In February 2019, representatives from both companies met at the Johannesburg office of Sompo Japan Nipponkoa Insurance Inc. to discuss collaborating to introduce Sompo international’s expertise and specialty insurance solutions for crop, energy, and weather risks in the region.

We also co-hosted the business seminar in Johannesburg. Session participants also included a number of Japanese clients with operations in Africa and a representative from the Japanese Embassy.

We will continue to work with Sanlam Group to expand our presence in Africa with a goal of becoming a leading provider of P&C insurance solutions for multinationals across the continent.



At the Sanlam—Sompo Corporate Client Business Seminar

(For more details about the Five CSR Material Issues, please see page 69.)

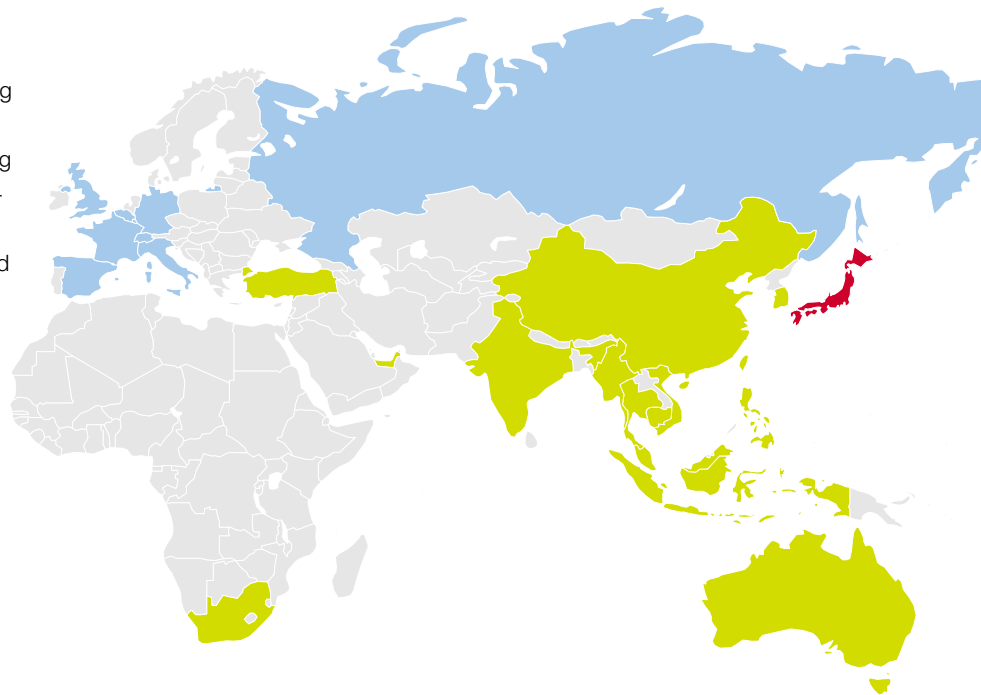
Global Expansion



Sompo Holdings (Asia) Pte. Ltd.

30 countries

Sompo Holdings (Asia) is the regional headquarters for Asia in charge of planning and implementing growth strategies and managing operations in 14 countries in Asia, including ASEAN countries, India, and China. By planning cross-regional measures, such as bancassurance sales at CIMB Group, a major banking group in the ASEAN region, we aim to expand our businesses in this fast-growing region.



SOMPO SIGORTA

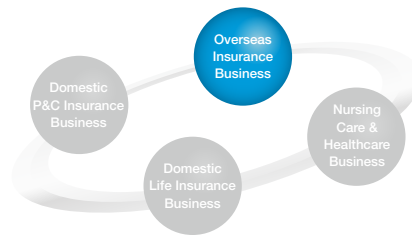
Sompo Sigorta is the only P&C insurance company in Turkey with a parent company from Asia. It recorded the sixth-largest sales (gross premiums) and the fourth-largest underwriting profit in the market in 2018.

Sompo Sigorta has steadily generated earnings with strategic management techniques, and we are utilizing its superior know-how to build a retail platform.



SOMPO SEGUROS

Established in 2014 through the merger of Maritima Seguros (incorporated in 1943) and Yasuda Seguros (in 1959), Sompo Seguros is an insurance company that provides both P&C and health insurance in Brazil. As a core base in the retail sector of our overseas insurance business, Sompo Seguros has a broad product lineup and a strong sales network. It has steadily expanded business scale, becoming the No. 1 marine insurer in Brazil (as of December 31, 2018).



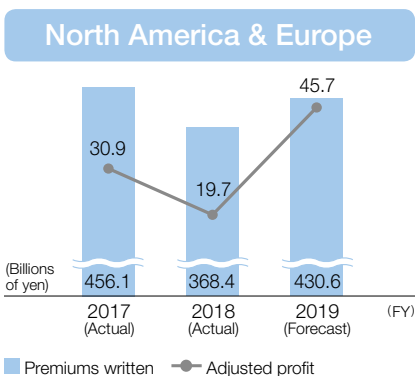
and regions (As of March 31, 2019)



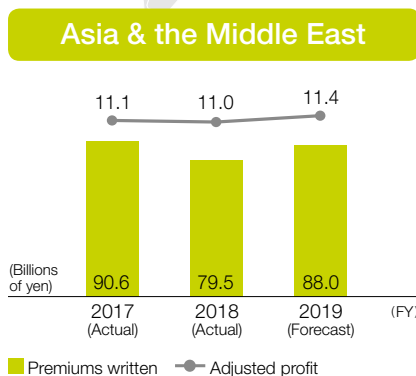
Sompo International is a group of insurance companies that offer global underwriting and reinsurance services. It currently manages all our commercial property, casualty, agricultural, and specialty products outside Japan. Sompo International is a core company in the overseas insurance business, even the retail field, having advanced the development of a truly integrated platform for retail insurance.



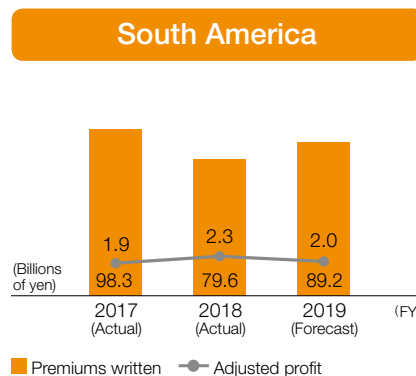
Premiums Written*1 and Adjusted Profit*2 by Region



- Main Operating Companies (based on head office location)**
- Endurance Specialty Insurance Ltd.
 - Sompo America Insurance Company
 - Endurance Worldwide Insurance Limited
 - SI Insurance (Europe), SA



- Main Operating Companies (based on head office location)**
- Sompo Japan Sigorta Anonim Sirketi*3
 - Sompo Insurance Singapore Pte. Ltd.
 - Berjaya Sompo Insurance Berhad
 - PT Sompo Insurance Indonesia
 - Sompo Insurance China Co., Ltd.
 - Sompo Insurance (Hong Kong) Company Limited
 - Universal Sompo General Insurance Company Limited



- Main Operating Companies (based on head office location)**
- Sompo Seguros S.A.
 - Sompo Saude Seguros S.A.

*1 Amounts for premiums written are calculated using figures that have been adjusted based on the Company's ownership of consolidated subsidiaries and affiliates and, therefore, may differ from the amounts in the consolidated financial statements. Further, the figures for operating company groups that conduct businesses in multiple regions have been included in the figures of the region that has the largest earnings.
 *2 For the definition of adjusted profit, please see page 39. Further, the figures for operating company groups that conduct businesses in multiple regions have been included in the figures of the region that has the largest earnings.
 *3 Sompo Japan Sigorta Anonim Sirketi was renamed Sompo Sigorta Anonim Sirketi on May 28, 2019.

Domestic Life Insurance Business



By offering new value and its existing insurance products, Sampo Japan Nipponkoa Himawari Life Insurance, Inc., is transforming into a health support enterprise that aids people in leading healthy lives. We aim to be an insurance company that is the first choice of customers and which helps them maintain and improve their health. To this end, we will provide Insurhealth®, which integrates traditional insurance functions and healthcare functions to offer new value.

Yasuhiro Oba

CEO of Domestic Life Insurance Business
Executive Officer
(President and Chief Executive Officer,
Sampo Japan Nipponkoa Himawari Life Insurance, Inc.)

Business Outline

In the Sampo Holdings Group, Sampo Japan Nipponkoa Himawari Life Insurance is responsible for the domestic life insurance business, which has strong growth potential. As one of the pillars of the Group's business strategy, since fiscal 2016 the company has been transforming into a health support enterprise that aids people in leading healthy lives.

Change of Name to Sampo Himawari Life Insurance Inc.

With the aim of being readily understandable to customers, Sampo Japan Nipponkoa Himawari Life Insurance, Inc., will change its name to Sampo Himawari Life Insurance Inc. on October 1, 2019, subject to approval by the relevant authorities. Going forward, we will continue to think outside the box and establish our brand as a front runner in security, health, and wellbeing.

Business Environment and Basic Strategies

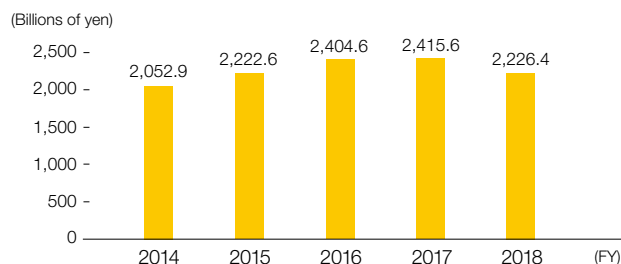
We expect Japan's life insurance market to contract steadily as its society ages. Competition is intensifying due to the digitalization and diversification of sales channels. In this environment, we believe that our mission is to help make the world a brighter place by protecting customers as much as we can from unhappiness and anxiety associated with the risk of death or illness.

Since launching the health service brand Linkx (pronounced "link cross") in September 2016, Sampo Japan Nipponkoa Himawari Life Insurance has been rolling out a varied selection of health services. In fiscal 2018, we launched four Insurhealth® products, which integrate traditional insurance functions and healthcare functions. The products' insurance functions will provide financial support, while healthcare functions will

Business Environment

Trend in Annualized Premiums from New Business in Japan

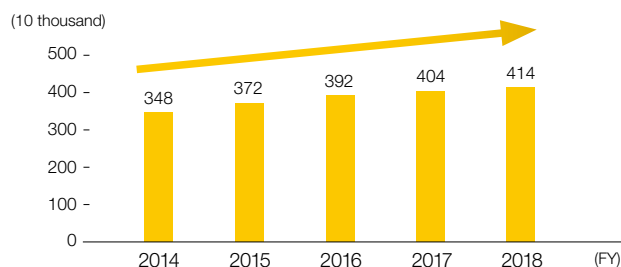
▶ Domestic life insurance market expected to contract



Note: Individual insurance only
Source: Trends in Life Insurance (fiscal 2018), the Life Insurance Association of Japan

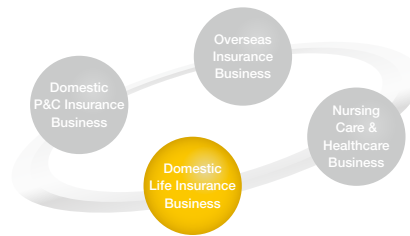
Sampo Japan Nipponkoa Himawari Life Insurance's Policies in Force

▶ Policies in force are increasing steadily



maintain and improve customers' health through prediction, prevention, and monitoring.

Based on the Policy on Customer-Oriented Business Operations, Sampo Japan Nipponkoa Himawari Life Insurance will continue providing new value that traditional insurers cannot emulate.



Progress of the Mid-Term Management Plan

We will seek to evolve into a health support enterprise by advancing our new growth strategy and rapidly improving productivity based on the concepts of breaking industry norms, adopting the customer's standpoint, and becoming a familiar and trusted presence for customers.

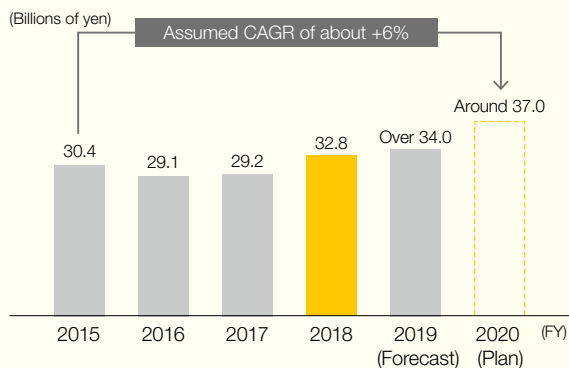
Advancing Our New Growth Strategy

All employees will work to build an integrated three-part business model. This model will incorporate ICT and enable sales representatives to offer new value in the form of novel services based on health and products that incorporate these services. Further, through ongoing improvements that closely reflect the needs of customers, we will continue providing them with new value.

Rapidly Improving Productivity

We will reform the fundamental elements of our operations, including operating rules, ICT, products and services, sales and marketing systems, and personnel development. By using new ideas to rapidly improve productivity and stepping up the pace of our efforts dramatically, we will realize our target profile.

KPI Adjusted Profit*



In fiscal 2018, due to steady growth in income from insurance premiums, adjusted profit was ¥32.8 billion, outperforming our target of ¥32.0 billion.

In fiscal 2019, targeting adjusted profit of at least ¥34.0 billion, we will realize one target of the Mid-Term Management Plan.

* For the definition of adjusted profit, please see page 39.

The Mid-Term Management Plan sets targets for adjusted profit of ¥34.0 billion for the end of fiscal 2019 and ¥37.0 billion for the end of fiscal 2020. At the end of fiscal 2018, adjusted profit was ¥32.8 billion, reflecting a favorable trend. Further, for policies in force we have set targets of 4.29 million for the end of fiscal 2019 and 4.45 million for the end of fiscal 2020.

At the end of fiscal 2018, there were 4.14 million policies in

force. Through the timely introduction of new products, we will achieve an increase in policies in force that is centered on high-margin products. Based on the two overriding strategies of achieving new growth and rapidly improving productivity, Sompo Japan Nipponkoa Himawari Life Insurance will expedite the evolution and improvement of its initiatives to realize the vision of the Mid-Term Management Plan.

Main Future Initiatives

Sompo Japan Nipponkoa Himawari Life Insurance will provide new added value by rolling out Insurhealth® products, which integrate insurance with services that maintain and improve customer health.

In fiscal 2018, we launched four Insurhealth® products, releasing a renewed family income insurance product in April, Linkx Pink in August, Linkx Egao Wo Mamoru Dementia Insurance in October 2018, and Linkx Nineguard in March 2019.

Focusing on Insurhealth®, we will continue accelerating the evolution of products, sales channels, and services. Further,

we will actively advance health and productivity management and enhance the capabilities of personnel with the aim of promoting the mental and physical health of employees and their families and creating an organization in which employees perform well and feel comfortable taking on challenges.

In this way and by leveraging the business model and business structures that we have built, we will transform from a traditional life insurer into a health support enterprise that aids people in leading healthy lives.

Initiatives Aimed at Realizing “A Theme Park for Security, Health & Wellbeing”

Developing an Integrated Three-Part Business Model

Sompo Japan Nipponkoa Himawari Life Insurance is advancing initiatives aimed at breaking out of its existing business model and establishing an integrated three-part business model that interlinks products, sales channels, and services to provide customers with new value. We outline this new business model in our Mid-Term Management Plan for the period from fiscal 2016 through fiscal 2020. In recognition of these initiatives, we became the first Japanese life insurer to win an award in the Legacy and Ecosystem Transformation category of the Model Insurer Awards 2019,* hosted by U.S. research and advisory company Celent.

Integrated Three-Part Business Model

Part	Details
Products	We are developing and marketing products that help customers maintain and improve their health.
Sales channels	We will conduct rigorous education to increase the number of highly knowledgeable sales representatives who are Himawari Life advisors that not only engage in consultative sales of insurance but also offer health-related advice.
Services	We are building the Linkx health service platform and developing and operating new services focused on health.



* These awards recognize insurers demonstrating best practice in the utilization of technology. The awards were launched in 2007, with this year marking the 13th holding of the annual event.

Business Alliance with U.S. Start-Up Neurotrack Technologies

In February 2019, Sompo Japan Nipponkoa Himawari Life Insurance, Sompo Holdings, Inc., and Sompo Health Support Inc., formed a business alliance with Neurotrack Technologies, Inc., a Silicon Valley start-up in the digital healthcare field. The alliance partners have begun verification tests with a view to the joint development of a Japanese memory health program, which will provide digital coaching services designed to prevent the impairment of cognitive functions. Through the proactive utilization of the latest digital technologies, we will provide Insurhealth®, integrating traditional insurance functions and healthcare functions to offer new value.

CSR Material Issue 2 Contributing to Health and Welfare

Advancement of Initiatives for Health and Productivity Management

In transforming into a health support enterprise, we believe that the self-motivated efforts of employees and their families to maintain and improve their health are indispensable. With this in mind, we are actively moving forward with initiatives for health and productivity management and work-style reform. Reflecting favorable evaluations of these initiatives, in 2019 Sompo Holdings was selected for the first time as a “Health & Productivity Stock,” while for the third consecutive year Sompo Japan Nipponkoa Himawari Life Insurance received certification as one of the “Outstanding Enterprises Engaging in Efforts for Health and Productivity Management” in the large enterprise category (White 500).

Utilization of wearable devices	We are helping all employees improve their health by loaning them Fitbit wearable devices, which can measure heart rates.
Introduction of no-smoking rule for all employees during working hours	In April 2019, we began prohibiting all employees from smoking during working hours. Employees visiting clinics for treatment to help them quit smoking receive financial assistance from health insurance associations.
Introduction of “premium Fridays”	In light of work situations or personal plans, employees can leave the office at 3:00 p.m. once a month in rotation.
Participation in <i>kurort</i> * programs * German for “health resort”	In collaboration with municipal authorities affiliated with the Japan Kurort Council, we enable all employees to participate in <i>kurort</i> programs. (These are health promotion programs that are created in collaboration with hot spring spa resorts and which feature walking events for health improvement and nutritionally balanced cuisine made using locally sourced ingredients.)



Participating in a *kurort* program

(For more details about the Five CSR Material Issues, please see page 69.)

Nursing Care & Healthcare Business

By delivering services of the highest quality to many senior citizens, we will cater to demand and help resolve the issues faced by society. In this way, we will assist in making “Japan an affluent country that can boast to the world of a long and quality life.”



Satoshi Kasai

CEO of Nursing Care & Healthcare Business
Executive Officer
(Chief Executive Officer, Sompo Care Inc.)

Business Outline

In catering to the diverse needs of numerous senior citizens and their families, Sompo Care Inc. offers a full lineup of nursing care services encompassing everything from at-home nursing care to facility-based nursing care.

Business Environment and Basic Strategies

As the numbers of those certified as requiring nursing care and senior citizens with dementia increase, demand for nursing care services is expected to grow. Meanwhile, as the working-age population decreases, the workforce is set to contract. Consequently, a shortage of about 370,000 nursing care professionals is anticipated by 2025. Thus, the supply–demand gap for nursing care professionals is widening. To help address the aforementioned social issues facing Japan’s super-aging society, as a provider of nursing care services, we will cater to growing demand by utilizing technologies and training nursing care professionals to realize nursing care services with high levels of productivity and quality. Moreover, we will offer our expertise in these areas to other nursing care providers as well as local communities and families that are involved in nursing care. Further, we will associate the SOMPO brand with outstanding dementia care capabilities by offering a varied range of dementia solutions that are based on enhanced services for the prevention and early detection of dementia and even better dementia care services.

Business Environment

Sales of Listed Nursing Care Service Providers (Fiscal 2018)

▶ Second highest sales in the industry

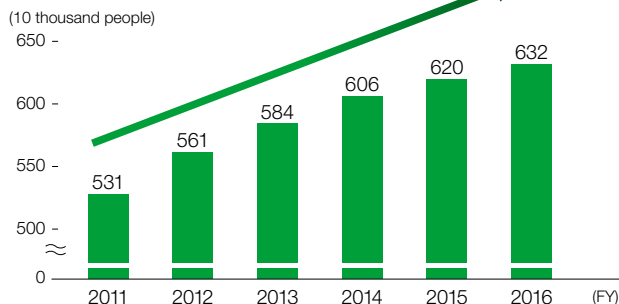
1	Company A	¥151.4 billion
2	Sompo Care	¥123.8 billion
3	Company B	¥116.9 billion
4	Company C	¥86.3 billion
5	Company D	¥47.6 billion
6	Company E	¥41.1 billion

Note: Prepared based on each company’s earnings presentation materials

While aiming to provide nursing care and healthcare services of the highest quality that support security, health, and wellbeing in daily life, the company will help make “Japan an affluent country that can boast to the world of a long and quality life.”

Demand Growth

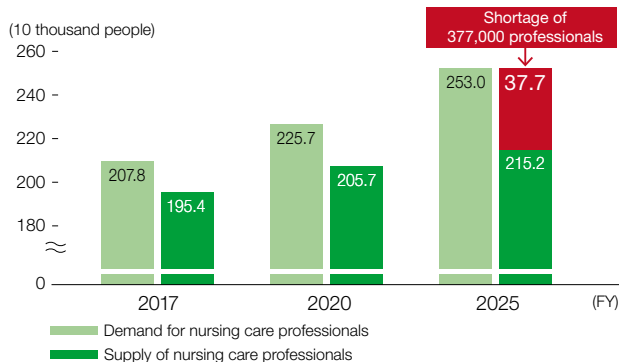
▶ Number of people certified as requiring nursing care (requiring support) increasing every year



Note: Prepared by the Company based on the Annual Report on the Status of the Long-term Care Insurance of Ministry of Health, Labour and Welfare

Nursing Care Professionals Supply–Demand Gap

▶ Shortage of 377,000 nursing care professionals forecast in fiscal 2025



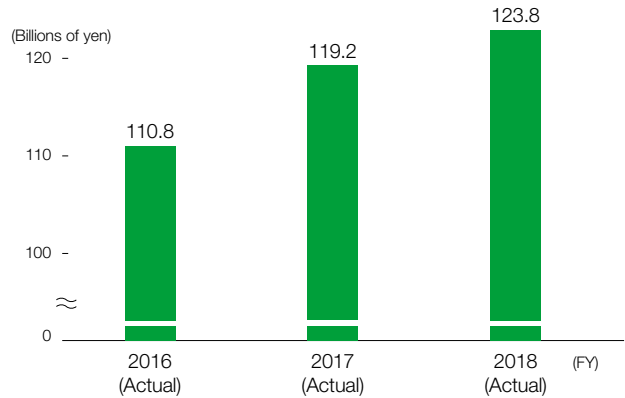
Note: Prepared by the Company based on Estimates of Supply and Demand of Nursing Care Professionals Toward 2025 of the Ministry of Health, Labour and Welfare

Progress of the Mid-Term Management Plan

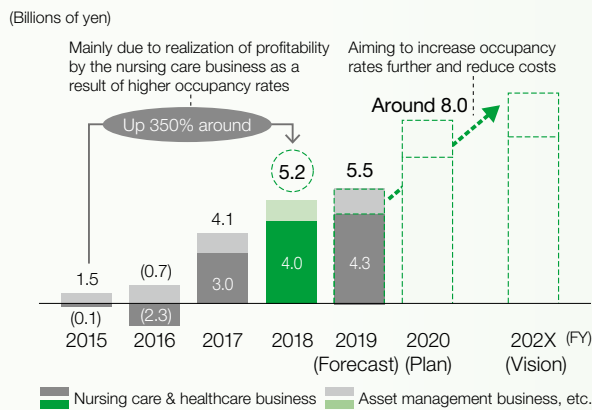
Since commencing full-fledged entry into the nursing care business in fiscal 2015, we have concentrated on developing systems. For example, we have strengthened our internal control systems and enhanced personnel training through the establishment of SOMPO Care University and other programs. In fiscal 2017, we integrated the head office functions of Sompco Care Message Inc. and Sompco Care Next Inc. In fiscal 2018, we strengthened our management foundations by introducing a Regional Headquarters System and merging four operating companies, including Sompco Care Message and Sompco Care Next.

As for business results, we began in the red in fiscal 2016. However, steadily recovering occupancy rates moved us into the black in fiscal 2017. In fiscal 2018, revenues and earnings were up year on year.

Sales of Sompco Care



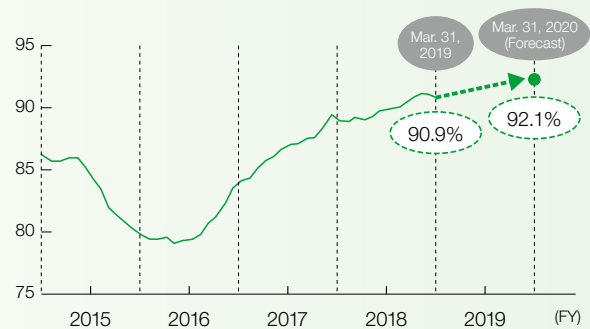
KPI Adjusted Profit*1 Results and Targets



*1 For the definition of adjusted profit, please see page 39.

*2 The benefits of enhanced governance, improved quality, and human resource development led to an upturn in occupancy rates that began in fiscal 2016 and continued thereafter. We anticipate that rates will keep improving in fiscal 2019.

KPI Occupancy Rate*2 Performance

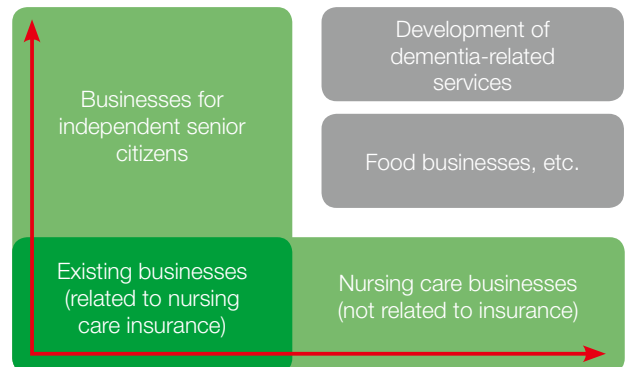


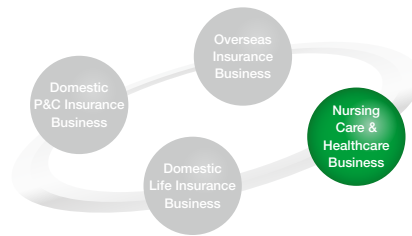
Main Future Initiatives

We will help address the supply–demand gap for nursing care professionals by effectively utilizing ICT and other leading-edge technologies and improving compensation. Also, we will fully leverage our know-how in relation to the provision of nursing care services with high levels of productivity and quality as well as feedback from customers and employees to develop new peripheral nursing care businesses and dementia-related services. Through these initiatives, we will help address the social issues that Japan faces as a super-aging society.

Future Direction (Vision)

Leveraging the existing nursing care business to expand into surrounding fields





Personnel Development

SOMPO Care University and SOMPO Care FOOD LAB

In the nursing care industry, personnel development and retention have become issues. Aiming to address these issues and give all employees opportunities to gain a sense of growth as nursing care specialists, the Sompco Care Group opened SOMPO Care University facilities in Tokyo in July 2017 and Osaka in April 2018.

The university supports the studies and growth of each employee, trains personnel so that they can provide high-quality nursing care services, and conducts practical education.

In fiscal 2018, we established an education and training system based on career paths and built education systems that develop personnel who are able to work flexibly in a variety of roles. The revamped facility offers improved programs based on a high-quality training system. At the same time, through collaboration with a variety of educational and research bodies, we operate the facility as an open, in-house university. Some 48,000 people have studied and trained at the university since it opened in July 2017. We want to make the university a place where a variety of people who support the nursing care business can study.



SOMPO Care University

Further, in March 2018 the Sompco Care Group unveiled the SOMPO Care FOOD LAB as a general organization tasked with conducting personnel training as well as the planning and development of food products with respect to diet and nutrition. Through this new organization, the Sompco Care Group aims to realize its basic management policy of creating tasty food and helping people gain vitality. SOMPO Care FOOD LAB will propose new or improved menus based on the opinions and requests of those who receive nursing care as well as develop menus for different levels of chewing and swallowing capability. In addition, the lab will provide food and hygiene technical training that covers knowledge and preparation methods and which is tailored to specific professions, such as dietitians.



SOMPO Care FOOD LAB

Internal Control

1. System

To earn the trust of those who use its products and services, Sompco Care is establishing systems for corporate governance and the management of service offices. Also, we have set up the Governance, Risk, and Compliance Committee as an advisory body to the Management Committee. As well as responding to serious incidents pertaining to risk management, the committee discusses internal audit results and other internal control-related matters. Further, the head office risk management division gathers information on accidents and ensures that everyone is fully informed about measures to prevent recurrence.

2. Compliance and Risk Management

Sompco Care cultivates and enhances the compliance awareness and knowledge of all its employees. For example, we conduct training at all service offices based on compliance programs.

Further, we have established help desks with a view to identifying and promptly addressing a range of different issues. These include a help desk for receiving whistleblower reports on illegal acts or misconduct in the workplace as well as inquiries regarding various other concerns, a help desk providing expert consultation on work issues, and a help desk that specializes in issues related to harassment.

Sompco Care's Whistleblowing System and Help Desks

Call about anything (help desk for whistleblower reports)	A help desk that performs a wide variety of consultative functions, such as receiving whistleblower reports on illegal acts or misconduct in the workplace and listening to accounts of workplace-related problems and concerns
On-site support help desk	A help desk at which expert counselors provide advice on work issues that are challenging to deal with adequately in on-site operations and respond to requests for support
Harassment help desk	A help desk providing consultations on sexual harassment, harassment by a superior, pregnancy discrimination, and other forms of harassment

Initiatives Aimed at Realizing “A Theme Park for Security, Health & Wellbeing”

Creating a New Form of Nursing Care

In February 2019, we launched Future Care Lab in Japan, a project tasked with creating a new form of nursing care based on the coexistence of people and technology. At the same time, we opened a research center that will conduct verification tests on the latest technologies from Japan and overseas.

In recent years, as the elderly population grows, the number of senior citizens requiring nursing care has been rising continuously. A survey* by generation on attitudes to the use of nursing care robots has revealed great expectations with respect to the use of technology for nursing care. On average, across all generations, 63% of respondents said that, whether they were providing or receiving care, they would be willing to use nursing care robots.

Given such expectations, Future Care Lab in Japan is jointly conducting R&D that combines the technologies of start-ups, major manufacturers, and research bodies with the Group’s operational know-how in relation to nursing care facilities. The aim of these efforts is to help close the supply–demand gap for nursing care professionals, build a sustainable nursing care business model, and contribute to the realization of a sustainable society in which senior citizens can live with peace of mind.

By verifying technologies and their safety through Future Care Lab in Japan and introducing effective technologies to facilities that provide nursing care services, we will increase the options of those who use nursing care services, help service users become independent, and enhance their quality of life. Moreover, we will gather data and evidence on the use of technologies in heightening the quality and productivity of nursing care. This data will then enable us to roll out proven technologies across the nursing care industry at large.

* 2015 White Paper on Information and Communications in Japan, the Ministry of Internal Affairs and Communications <http://www.soumu.go.jp/johotsusintokei/whitepaper/eng/WP2015/chapter-4.pdf>



The Resyone Plus robotic care bed, which helps users out of bed by enabling part of the bed to become a wheelchair



Conducting practical use verification tests on a self-driving wheelchair

Providing Work Opportunities for Elderly Residents

In response to feedback from residents at one of our serviced residential complexes for senior citizens, Sampo Care La vie Re Tamagawa, who said that they would like to work and be useful to society, we began a joint project that enables residents to make nursing care accessories. Our partner in this project is TOKIMEKU JAPAN inc., developer of the KISS MY LIFE nursing care fashion brand. Through this project, we are helping residents form new connections with the local community and live with a sense of happiness and fulfillment.



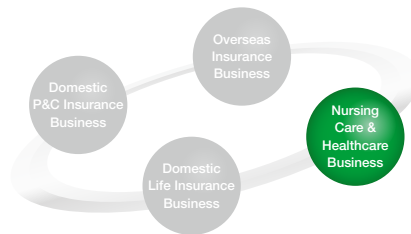
On each occasion that residents make accessories, they receive compensation equivalent to ¥500, which is usable within the residential complex.

Dementia Care Method Based on Communication Putting *Humanitude* into Practice

Originating from France, *humanitude* is a dementia care method based on comprehensive communication through perception, emotion, and language. Employees working at the Sampo no le Sumida Koen, Sampo Care La vie Re Machida Onoji, and Sampo Care La vie Re Kamimizo serviced residential complexes have received *humanitude* training, and the complexes have been certified as service offices that practice *humanitude* care. Through this initiative, we aim to alleviate the dementia-related behavior and psychological symptoms of residents as well as reduce the workload of nursing care personnel.



Yves Gineste, one of the creators of *humanitude*, with employees who have received *humanitude* training



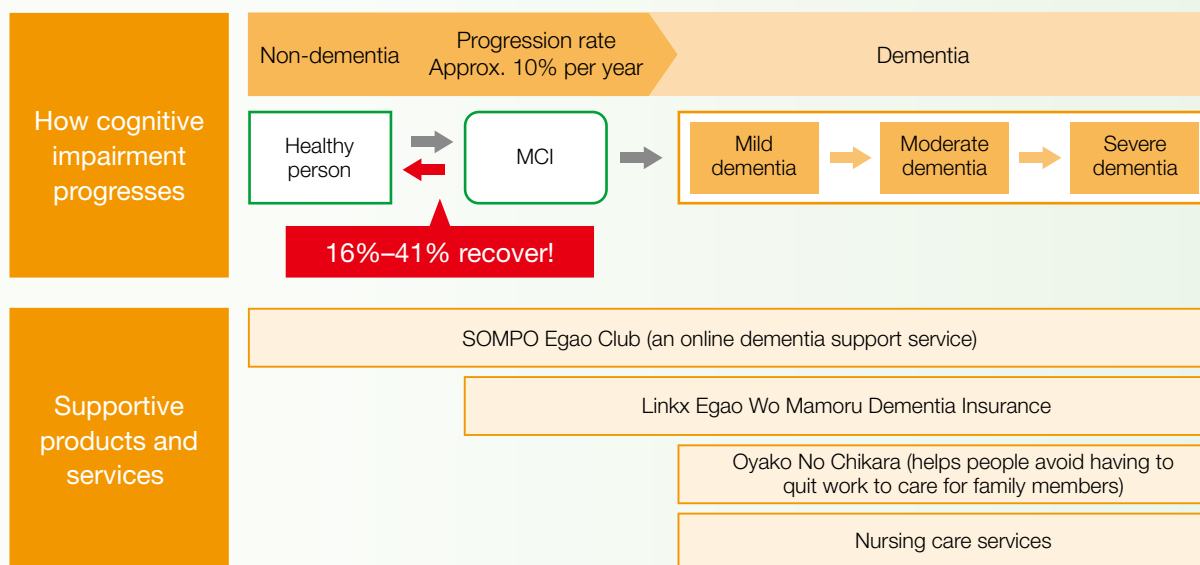
Initiatives on a Group-wide Basis

SOMPO Dementia Support Program

In Japan, 4.62 million people aged 65 or above had dementia as of 2012. In other words, roughly one in every seven senior citizens suffers from dementia. This is likely to increase to approximately one in three by 2060. Consequently, such social issues as an increase in the number of car accidents caused by the drivers with dementia, people leaving their jobs to take care of their family members, and shortages of nursing care professionals are likely to become more serious. On the other hand, it is becoming apparent that reversion is possible if appropriate steps are taken at the mild cognitive impairment (MCI) stage, prior to the onset of dementia. Despite the difficulties endured by those living with dementia, many people with the condition are able to live with dignity as individuals.

We view dementia as one of the important social issues that we should address on a Group-wide basis. Accordingly, we are conducting SOMPO Dementia Support Program with the aim of building a society that strives to prevent dementia and enables people, even if diagnosed with dementia, to continue living with dignity as individuals. We have been developing the program by using feedback from nursing care personnel as well as advice from the National Center for Geriatrics and Gerontology, with which we concluded a comprehensive alliance agreement in September 2017, and from Alzheimer's Association Japan, Japan's largest group for those with dementia and their families.

In October 2018, we began offering an online dementia support service, SOMPO Egao Club Dementia Support Service, which introduces information and services that help with taking measures to prevent cognitive impairment and providing appropriate care to those with dementia. The service is an ancillary service of two insurance products: Oyako No Chikara, which helps people avoid having to resign from work to care for family members and is offered by Sompo Japan Nipponkoa Insurance Inc., and Linkx Egao Wo Mamoru Dementia Insurance, which provides a one-time payment if a diagnosis of MCI or dementia is received and is offered by Sompo Japan Nipponkoa Himawari Life Insurance. Also, the Group will undertake multifaceted development of the online dementia support service so that as many people as possible benefit from it, regardless of whether they have links with the Group.



With a view to developing and providing other solutions that cater to customers' dementia-related needs, the Sompo Holdings Group is leveraging the unique collective strengths that result from operating one of the largest insurance businesses in Japan as well as one of the country's largest nursing care businesses. These initiatives include joint research with the National Center for Geriatrics and Gerontology, whose mission is to reduce cognitive impairment. Also, we are collaborating with other companies and organizations to develop products and services as well as conducting activities to support those affected by dementia and to help raise awareness of the condition.

Strategic Businesses

Our strategic businesses include assisting customers with building asset portfolios through the asset management business and providing policyholders with roadside assistance service through the assistance business. We are also advancing into the home remodeling, extended warranty, and comprehensive health support business fields. Through these businesses, we pursue inter-business coordination that is intrinsically related to our domestic P&C insurance business and other main businesses.

Company Outline (As of March 31, 2019)

Sompo Japan Nipponkoa Asset Management Co., Ltd.



Sompo Japan Nipponkoa Asset Management Co., Ltd., proposes and provides top-caliber products and asset management services to assist customers in building asset portfolios over the medium-to-long term, with the aim of being the most customer-oriented asset management company in Japan.



Nobuhiro Kojima
President and Chief
Executive Officer

Prime Assistance Inc.



Through its assistance business, which provides roadside and home assistance as well as assistance in solving problems and inconveniences overseas, the company offers services of the highest grade 24 hours a day, 365 days a year that support the security and wellbeing of customers in their daily lives.



Hiroyuki Tokuoka
President and Chief
Executive Officer

FRESHHOUSE CO., LTD.



As a general remodeling firm, the company aims to eliminate uneasiness, inconvenience, and discomfort through high-quality remodeling services, providing homes in which residents can live safely, comfortably, and with peace of mind.



Shuu Nakamura
President and Chief
Executive Officer

Sompo Warranty Inc.



As a professional extended warranty company, Sompo Warranty Inc. seeks to create a society in which consumers can use any product safely and with peace of mind. Based on lofty ethical standards, this company develops, provides, and operates reliable warranty programs in a wide variety of product categories.



Kyu Tamura
President and Chief
Executive Officer

Sompo Health Support Inc.



Sompo Health Support Inc. uses the latest technologies to provide companies, medical insurers, and other customers with comprehensive healthcare services, which cover individualized analysis of mental and physical health through to prevention and recurrence prevention.



Hidehiro Sumi
President and Chief
Executive Officer

Initiatives Aimed at Realizing "A Theme Park for Security, Health & Wellbeing"

Establishment of Sompo Health Support

In October 2018, Sompo Health Support was established as a company specializing in healthcare services. This company supports customers in achieving their health goals by developing and providing various services. Such services include the prevention of lifestyle-related ailments with the use of the latest research, data, and AI from industry-academia collaboration with venture firms from universities and other research institutions as well as online services and apps that offer health advice without regard to time or place, leveraging the latest ICT and digital technologies.

Provision of Eco Funds for 20 Years

Sompo Japan Nipponkoa Asset Management was presented with the Special Prize in the general category of the Minister of the Environment's Awards for the Sompo Japan Green Open Fund ("Buna no Mori"), an outstanding example of the Principles for Financial Action for the 21st Century. "Buna no Mori" is an eco-fund that, for the past 20 years, has shown exceptional management performance in investing in companies with a high degree of environmental awareness and that actively implement environmental initiatives. The fund is a long-term initiative, predating the attention currently being directed toward ESG and the SDGs, and has been highly rated for its pioneering activities.

