

**Questions and Answers from December 18, 2015 Telephone Conference Regarding  
“Determination of TOB for Message and Nursing Care Business Strategy”**

**Tender Offer (TOB) for Message**

Q: Since the First Tender Offer Price is lower than the Second Tender Offer Price, it is highly unlikely that shareholders would tender their shares in the First Tender Offer, except for the Prospective Tendering Shareholders (the founding shareholders) who have agreed to the First Tender Offer Price. Would I be correct in assuming that the founding shareholders will tender their shares in the First Tender Offer, and all other shareholders will tender their shares in the Second Tender Offer?

A: Yes. Your assumption would be correct.

Q: You have stated your intention to maintain the public listing of Message shares after the tender offers. The Second Tender Offer Price has been set at a large premium. Does this mean you expect to obtain ownership of nearly all of the shares of Message through the tender offers?

A: We expect a considerable number of shares to be tendered in the tender offers. Nonetheless, we intend to maintain Message’s listing.

**Nursing Care Business Strategy**

Q: How will you address issues such as maintaining quality in the nursing care business?

A: Message has adopted an outstanding business philosophy that it refers to as “normalization.” Under this philosophy, Message allows its nursing facility tenants to lead their daily lives normally as they see fit. However, we believe service providers need to be involved in ensuring the security and safety of nursing facility tenants to prevent their freely-chosen patterns of conduct from leading to hazards. We have already entered into talks with Message on these matters and are exploring countermeasures. Moreover, while Message is thoroughly focused on frontline execution, the company does have room to improve its head office functions such as information management and internal control. By participating in Message’s management, we will enhance those functions and examine effective measures to address various issues.

Q: How will you manage the nursing care business?

A: We intend to leverage the respective strengths of SOMPO Care Next and Message in nursing care operations. Concurrently, we will strengthen the internal control system. In addition, we will set up a consulting committee to obtain advice from nursing care experts about our nursing care business strategy and the nursing care market as a whole, as we work to shape an even better nursing care business.

Furthermore, we strongly admire Message's current management team, and believe jointly managing Message will be beneficial to SOMPO Holdings. Recognizing that we can contribute to Message in the areas of information management and internal control, we plan to send directors to Message.

Q: SOMPO Holdings has a competitive edge over other nursing care service providers in terms of its surplus capital. Are you considering plans to reduce prices or acquire other nursing care service providers?

A: For now, we do not plan to acquire any other major nursing care service providers. First, we will focus on solving the issues facing SOMPO Care Next and Message, giving top priority to delivering high-quality services that offer security to customers. In response to the crucial issue of aging that is facing Japanese society, we believe that the nursing care industry as a whole must enhance service quality further. Accordingly, we do not intend to engage in price competition.

Q: Isn't there a risk of a decline in the operating margin due to rising costs from strengthening the internal control system and implementing other related measures?

A: Although a certain amount of upfront investment is needed, we believe profitability can be maintained primarily by expanding business scale, capturing synergies with the insurance business, and harnessing digital technologies.

Q: SOMPO Care Next and Message are both developing nursing care businesses that target the medium-price range and below. What are your thoughts on expanding into the premium price range?

A: We take pride in the fact that we have been responsible for providing an integral part of social infrastructure as an insurance company. Accordingly, we believe we should embrace a strategy that targets the mass consumer market in the nursing care business. First, we will ensure quality and profitability in the low and medium-price

ranges, and then consider expanding into the premium price range.

Q: What measures will you take to increase occupancy rates at SOMPO Care Next?

A: Message has outstanding expertise as regards developing nursing care facilities and pricing. We will seek to enhance occupancy rates by introducing Message's system to SOMPO Care Next.

Q: Do you have any plans to unify the brands of Message and SOMPO Care Next?

A: We are considering integrating the brands into a unified one called "SOMPO Care."