

NKSJ
HOLDINGS

**CORPORATE
RESPONSIBILITY
COMMUNICATION**

2013

CSR Communication Report

NKSJ Holdings, Inc.



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Covered Organizations

This report covers NKSJ Holdings, its affiliated Group companies and foundations in Japan and overseas. It also features some activities by Group company agencies and their national organizations.

Reporting Period

This report relates mainly to initiatives in FY2012 (April 1, 2012 to March 31, 2013) but also contains some initiatives and policies in FY2013 to provide updated information.

Publication

Annually

Referenced Guidelines

- Sustainability Reporting Guidelines (Version 3.1), Global Reporting Initiative
- ISO26000: Guidance on Social Responsibility
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- ISO14064-1: Specification with guidance at the organization level for the quantification and reporting of greenhouse gas emissions and removals
- Environmental Reporting Guidelines (2012 Version), Ministry of the Environment, Japan
- Sustainability Reporting Guidelines—SPI Report Guide, Network for Sustainability Communication

Planning and Editing

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Disclaimer

CSR information presented in this report includes forward-looking statements based on the management policies and plans of the NKSJ Group. These statements were created based on information available at the time of compilation. Actual outcomes and results of activities may differ from such statements due to future changes in the business environment.

Editorial Policy

- This report is intended to serve as a tool to communicate with our stakeholders by reporting the NKSJ Group's CSR basic policies and top commitment along with specific plans and progress regarding the five CSR material issues we defined.
- This report contains information on the Group's financial conditions and the business performance. (See p. 63 of the Data section.) For detailed information, please refer to "NKSJ Holdings Annual report 2013."
- This report has been compiled by incorporating perspectives defined in the Environmental Reporting Guidelines of the Ministry of the Environment Japan as important factors: Hands-on involvement by Top Management; Addressing environmental issues as a strategic matter; Corporate organization and governance; Handling stakeholder concerns; and A value-chain-oriented business approach.
- In reporting our activities, specific quantitative values and data are provided to help readers understand the progress and outcomes with respect to each issue. This also facilitates continuous improvement through the PDCA cycle approach. Due consideration is also paid to fitness for purpose, representational faithfulness, comparability, verifiability, and timeliness.
- For third party comments, Ms. Carolyn Schmidt, Program Director of ECOLOGIA provided her view and advice on this report. (See p. 59)
- This report is available in PDF format from the official website of NKSJ Holdings, along with the eco-minded management review check sheet of the Environmental Reporting Guidelines.
URL: <http://www.nksj-hd.com/csr/>

Company Outline (as of March 31, 2013)

Company name: NKSJ Holdings, Inc.

Date of Establishment: April 1, 2010

Capital stock: ¥100 billion

Head office: 26-1 Nishi-Shinjuku 1-chome, Shinjuku-ku, Tokyo 160-8338

Representative Director,
Chairman and Executive Officer: Masaya Futamiya

Representative Director,
President and Executive Officer: Kengo Sakurada

Number of employees: 276

Nature of business: Management of P&C insurance companies, life insurance companies, and other companies controlled as subsidiaries pursuant to the Insurance Business Law, and other operations incidental thereto

Exchanges where shares to be listed: Tokyo Stock Exchange (First section)

URL: <http://www.nksj-hd.com/>

Materials for CSR Information Disclosure

NKSJ Holdings



- NKSJ Holdings Annual Report
Provides detailed information on the Group's business performance, management strategies, and business lineup, etc.

- NKSJ Holdings Corporate Responsibility Communication (this report)
Provides detailed information on the Group's CSR initiatives and quantitative information on ESG* issues.



- Official website
CSR reports and other CSR-related information of each Group company are made available on a timely basis.
<http://www.nksj-hd.com/en/csr/>

*ESG: Environment, Social, and Governance

Core Group Companies



- Official website
<http://www.sompo-japan.co.jp/english/about/csr/index.html>
- CSR Booklet
- Official Facebook page
- Sompo Japan Insurance (China) CSR report (Chinese only)
Sompo Japan Insurance (China) Co., Ltd. since 2011 has been publishing CSR reports (Chinese only) to provide information on CSR initiatives in China at:
<http://www.sompojapanchina.com/en/>



- Official website
<http://www.nipponkoa.co.jp/english/>
- Official Facebook page

Tool jointly developed by
Sompo Japan Insurance and
Nipponkoa Insurance Company

- CSR Quick Guide
- "Voice of the Customer White Paper" (Japanese only)
This booklet outlines customer feedback and complaints, as well as business activities and improvement examples based on such feedback.

NKSJ Himawari Life Insurance, Inc.



- Official website
<http://www.nksj-himawari.co.jp/company/csr/>
(Japanese only)

Sompo Japan Nipponkoa Asset Management Co., Ltd.



- Official website
<http://www.sjnk-am.com/>

NKSJ Group at a Glance

Group Management Philosophy

The NKSJ Group will contribute to society by extending the highest quality of service across a wide range of business activities building on its core business of insurance to provide security and peace of mind to its customers, always carefully considering the customer's perspective in our business actions.

Group Action Guidelines

To provide the highest quality of customer service, we commit ourselves to:

1. listening closely to our customers, aware that each employee represents the entire NKSJ Group;
2. always setting ambitious goals thinking for ourselves and continuously learning;
3. emphasizing speed, simplicity, and clarity; and,
4. acting with integrity and high ethical standards.

Group Vision

As part of our effort to build a globally competitive organization, we aim to establish our position among customers as the most highly evaluated service company.

Group Basic Management Policies

1. Pursuit of Service Quality

We aim to be the customers' number one choice by raising the quality of all our operational processes and providing the highest quality of service.

2. Enhancement of Corporate Value through Sustained Growth

We will endeavor to realize our Group Vision by strategically investing business resources in growth areas to bolster Group earnings and enhance corporate value.

3. Pursuit of Business Efficiency

By maximizing the Group's strengths through collaboration in all areas of our operations, we will enhance business efficiency and build a stable operating base.

4. Highly Transparent Governance Systems

Recognizing our social responsibilities and public mission in insurance and financial services, we will base the development of our business operations on highly transparent systems of governance, effective risk management, and compliance.

5. Fulfillment of Our Social Responsibilities

We will fulfill our corporate social responsibilities and help to build a sustainable society through active dialogue with stakeholders, utilizing the Group's core business strengths in areas of high social impact such as the environment, health, and medical care.

6. Creation of a Vibrant Workplace

We will actively strive to invigorate the Group's organization in order to create a vibrant and open organization that grows together with its employees.

Business Domains and Major Group Companies

Domestic P&C Insurance

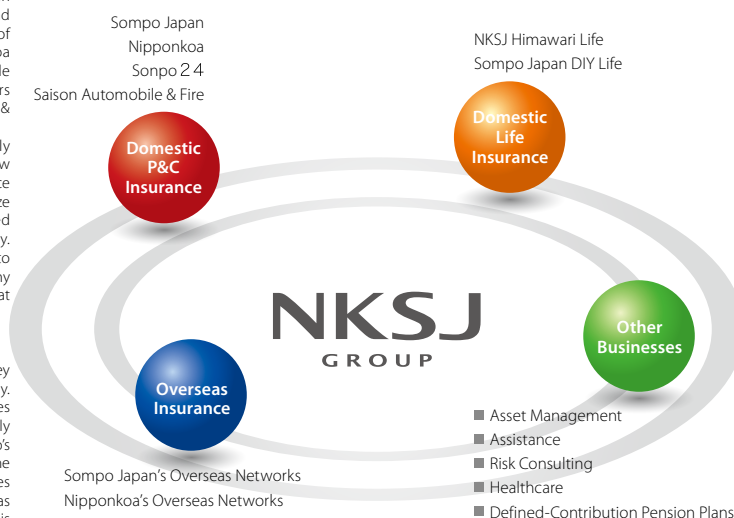
This is the NKSJ Group's core business, through which we provide high-quality products and services that ensure our customers' peace of mind and safety. Sompo Japan and Nipponkoa market through insurance agencies, while Sonpo 2.4 sells policies directly to customers marketed by agencies, and Saison Automobile & Fire sells directly to customers.

Sompo Japan and Nipponkoa will legally merge on September 1, 2014 to form a new company Sompo Japan Nipponkoa Insurance Inc. Going forward, we will strive to maximize our profitability by leveraging the strengthened operating base of the new company. Simultaneously, we will accelerate efforts to develop the full potential of the new company by combining the strengths accumulated at both companies.

Overseas Insurance

We position overseas insurance as a key business to bolster the Group's growth strategy. We concentrate our management resources on countries and regions that are strategically selected, thereby striving to increase the Group's earnings power. While continuing with the provision of high-quality insurance services for Japanese companies expanding overseas operations, which has constituted the core of this business segment, we are expanding into local markets abroad.

Sompo Japan and Nipponkoa have already begun integrating their overseas business network prior to the legal merger scheduled for September 2014 by combining bases of operations in regions across the world.



Domestic Life Insurance

We position domestic life insurance as a major business pillar second only to the domestic P&C insurance business. Boasting particularly high-growth potential, we are striving to spur its growth even further.

NKSJ Himawari Life markets its services mainly through P&C insurance agencies and promotes cross-sales of life insurance products targeted to P&C insurance policyholders, while Sompo Japan DIY Life engages mainly in direct marketing. Through these two Group members, we are providing attractive products and services that meet diverse customer needs.

Other Businesses

We are striving to expand our field of business beyond the traditional boundary of the insurance business. To this end, we are assisting customers with asset formation through the asset management and defined contribution pension businesses, providing policyholders with road assistance and other services through the assistance business, supporting customers with risk management through the risk consulting business, and helping them maintain and promote physical and mental health through the healthcare business.

Contributing as a Solution Provider to Achieve a Sustainable Society



Faced with complex and borderless global issues, more than ever, society is experiencing pressing needs for multilateral collaboration among governments, NGOs and corporations as well as strong leadership from global corporations to address, in particular, climate change, biodiversity loss, poverty, and respect for human rights. To meet such expectations, the NKSJ Group has stipulated in its Group Basic Management Policies that it shall help to build a sustainable and inclusive society while defining CSR as a significant foundation of its management. In line with this, we are working to fulfill our CSR through a wide range of businesses, such as P&C and life insurance, asset management, healthcare, and risk consulting.

The NKSJ Group was actively involved in the drafting process of the Principles for Sustainable Insurance (PSI) launched at the United Nations Conference on Sustainable Development (Rio+20) in June 2012 and the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century: PFA) formulated in Japan in October 2011.

Based on international and domestic principles, the NKSJ Group is integrating sustainability into our core business throughout our value chains by, for example, utilization of recycled parts for our automobile policyholders in the event of an accident and helping insurance agencies to enhance their green procurement efforts. We have also been actively involved in developing products and services that contribute to the resolution of social issues, such as insurance products to encourage the popularization of renewable energy, micro-insurance to increase disaster preparedness in vulnerable developing countries by enhancing their resilience towards climate change, and embedding ESG considerations in our SRI funds.

We firmly believe in the experience we have cultivated in exploiting the efficient use of resources, skills, and networks the Group has acquired through collaboration and partnership with various stakeholders ranging from NGOs and governments to other companies. We have conducted public environmental seminars in partnership with NGOs, engaged in raising road traffic safety awareness activities with other companies, and implemented community-involvement programs. Such know-how and networks have been utilized in our ongoing efforts to support areas affected by the Great East Japan Earthquake.

Given the importance of visualizing the progress of Group-wide CSR, we are establishing measurable metrics in the form of key performance indicators (KPI) in an attempt to steadily scale-up our efforts. In developing the KPI, we are placing value on the process by incorporating social expectations through stakeholder engagement and ensuring sufficient discussions to form a consensus within the Group.

Leveraging our extensive experience and know-how obtained in enhancing the safety and security of society over the past 120 years, the NKSJ Group will continue to contribute to the realization of a resilient and sustainable society by resolving various issues as a solutions provider.

We hope that this Corporate Responsibility Communication report will provide a deeper understanding of the many challenges the NKSJ Group faces and the future we are trying to bring forth. We are looking forward to and appreciate forthcoming candid opinions and suggestions from many readers regarding this report.

Kengo Sakurada

Representative Director
President and Executive Officer
NKSJ Holdings, Inc.
August 2013

Management Strategies and CSR

The NKSJ Group expresses its firm determination to “contribute to society” through “a wide range of business activities” in the Group Management Philosophy. In order to achieve this philosophy, the NKSJ Group formulated the Basic CSR Policy and the Medium-Term CSR Objectives, placing CSR at the center of its management strategies, and is implementing various initiatives to fulfill its corporate social responsibility.

Relationship between Management Strategies and CSR



Medium-Term CSR Objectives

To become a highly valued corporate group by creating new social value toward a safe, secure, and sustainable society. In particular, we will provide a variety of solutions designed to address social challenges in areas such as healthcare and the environment.

- (1) We will provide insurance and financial products and services, and make investment and loans, that meet the needs of society.
- (2) We will further enhance our corporate citizenship activities.

To seek to assume environmental leadership by tackling climate change, loss of biodiversity, and other environmental challenges.

- (1) We will minimize our environmental footprint through group-wide efforts to reduce greenhouse gas emissions.
- (2) We will remain focused on valuing biodiversity and actively engage in the creation of a recycling-based society and the protection of ecosystems.
- (3) We will provide environment-friendly products and services. Together with our stakeholders, we will promote Eco-Safe Driving as well as the utilization of recycled automobile parts, upgrade our green purchasing throughout our value chain, and enhance our environmental education initiatives.

To actively engage our stakeholders to share favorable outcomes and build trust.

- (1) We will maintain a high level of transparency and clarity in disclosure and engage in active dialogue with our stakeholders.
- (2) We will work in partnership with our stakeholders in an effort to resolve environmental and social issues to make the world a better place.

Five CSR Material Issues

1 Providing Safety and Security for the Society

We shall provide progressive services that furnish protection from various risks in society and support the safety and security of our customers.

2 Tackling Global Environmental Issues — Focusing on Climate Change

Besides addressing the risks of climate change by approaches combining adaptation and mitigation, we shall develop new solutions in partnership with our stakeholders.

3 Providing Sustainable and Responsible Financial Services

In addition to promoting responsible investment incorporating ESG issues, we shall work to develop products and services that contribute to the resolution of social issues by making the most of our financial and insurance capabilities.

4 Community Involvement and Development — Partnership with NGOs

Through collaboration with citizens, governments, NGOs, and other principals aimed at the resolution of issues in each region, we shall contribute to the building of sustainable communities.

5 Developing Human Resources and Promoting Diversity

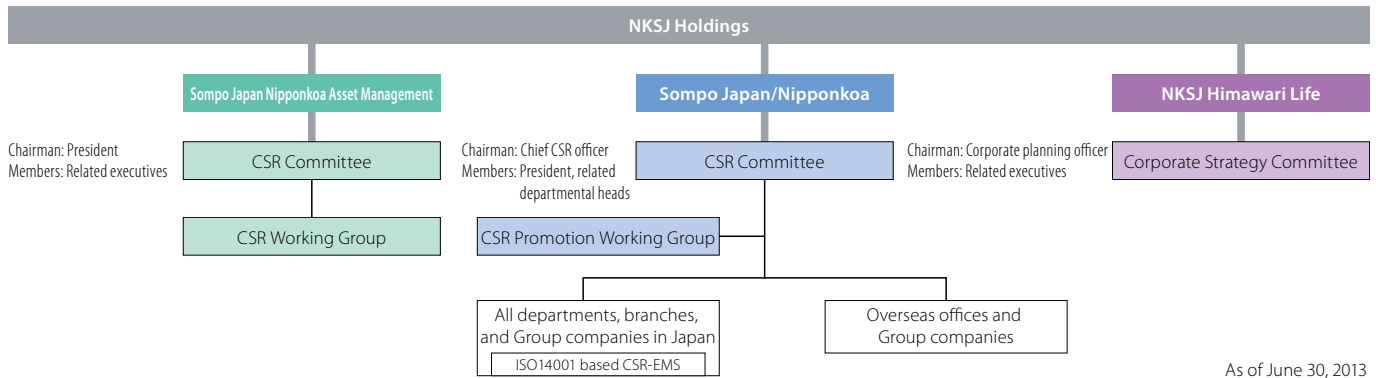
We shall accept diverse personnel and condition environments enabling spirited work and full exercise of talents by all employees. By so doing, we shall strive to develop human resources capable of positive contribution to society through our business.

Stakeholder Engagement

ISO26000, an international standard for social responsibility that was issued in November 2010, positions “identifying and engaging with stakeholders” as one of the fundamental practices of social responsibility by an organization. The NKSJ Group believes that maintaining close communication with all its various stakeholders is a key to recognizing social responsibility tasks, building trust and collaboration, and achieving even better results. Based on this belief, the Group is promoting CSR initiatives that place a considerable emphasis on stakeholder engagement.

CSR Management Framework

The NKSJ Group is structuring a CSR management framework under the CSR Basic Policy to comprehensively promote the five defined CSR material issues across the Group.



Our Diversity and Strengths in CSR

CSR Management Framework

The NKSJ Group, Sompo Japan, Nipponkoa, NKSJ Himawari Life, Sompo Japan Nipponkoa Asset Management, and many other Group companies strive to build their CSR promotion systems by drawing upon their respective strengths and experiences.

The Group's two major companies, Sompo Japan and Nipponkoa consolidated their CSR and environmental management systems into a new system, CSR-EMS, in April 2013. They are currently working to acquire accreditation for ISO14001, the internationally accepted standard for environmental management systems. In developing the CSR-EMS, the two companies focused on taking the best from the existing systems and incorporating not only environmental management of energy efficiency but also CSR management elements based on ISO26000 such as human rights and socially responsible issues. Other key features of the CSR-EMS includes: the expansion of the management scope to cover all business sites in Japan; the appointment of regional managing directors as regional CSR leaders as well as the establishment of regional CSR offices to promote and support self-driven CSR initiatives across the nation.

At Sompo Japan Nipponkoa Asset Management, the Corporate Strategy Committee chaired by the company President meets every quarter and the CSR Working Group consisting of representatives of related departments meets monthly to share information on the latest CSR topics and discuss

how best the company can fulfill its social responsibilities through business operations. (See page 39.) At NKSJ Himawari Life, CSR efforts are discussed and led by its Corporate Strategy Committee.

In fiscal 2013, the NKSJ Group is considering a group-wide CSR organization, to accelerate collective initiatives by promoting communication and collaboration across the Group.

Obtaining Group ESG Information

Recognizing the greater importance of quantitative evaluation, management, and disclosure of the performance of the entire NKSJ Group, the Group started to gather quantitative information on the ESG (Environment, Social, and Governance) performance of its Group companies world wide in 2010, when NKSJ Holdings was established. Keeping track of the ESG performance allows us to take carefully tailored actions for each Group company.

CSR Dialogue with Group and Overseas Companies

Meanwhile, we have also placed more emphasis on communication with Group and overseas companies to promote their organizational CSR efforts. In fiscal 2012, a CSR meeting was held for Group companies in Japan, where 15 representatives discussed their CSR initiatives. Another meeting was also organized for 30 overseas representatives to share their CSR initiatives and challenges.

Since fiscal 2010, Sompo Japan has also been visiting its overseas offices to hold CSR

meetings. In fiscal 2012, Brazil, the United States and India were visited. Such visits have facilitated sharing and reaffirmation of the meaning of CSR, corporate citizenship in the local community, future visions, which further advance the Group's CSR efforts.

Collaboration to Create Group Synergies

In October 2012, about 10,000 NKSJ Group employees participated in around 50 volunteer activities with various objectives ranging from disaster victim support to environmental conservation and support for culture and the arts during NKSJ Volunteer Days. (See pages 42-43.) The group-wide initiative launched in 2011 to promote employee engagement in volunteer activities helps boost the significance of volunteer and civic activities in society.



(Above) Sharing initiatives at ISNKSJ (Below) Masatoshi Sato, Sompo Japan Chairman, introducing NKSJ's CSR to local employees in India (Universal Sompo General Insurance)



Measures and Training to Ensure Penetration of CSR Efforts throughout Business Processes

The NKSJ Group strives to ensure the widespread adoption of CSR measures across the Group by introducing a CSR management system and implementing various CSR training programs.

Group-wide CSR Training

The NKSJ Group conducts training for employees of every rank to enhance their expected understanding of and ability to solve various social issues

Human Esteem Training

For the purpose of encouraging employees to gain a deeper understanding of CSR and promoting respect for human dignity, the NKSJ Group provides all its directors and employees with training by using its proprietary teaching materials based on ISO26000 and other resources. Training programs offer opportunities for participants to discuss and share ideas about how they should tackle specific issues regarding human rights, the environment, and other social issues when they arise at their workplaces. The program's focus is placed on enabling participants to regard social issues as relevant to their own lives.

CSR Training for Employees at All Levels

● CSR Training for Management

Sompo Japan and Nipponkoa provide CSR training to executive officers and newly appointed department and office directors to enhance their understanding of CSR. In fiscal 2012, Sompo Japan held a seminar on Rio+20 and Nipponkoa invited Ms. Junko Eda, Chief Executive of Japan for Sustainability (JFS), to give a lecture on the theme of "Resilience: Attaining New Heights in Management."

● CSR Training for New Graduates

For new graduates who joined the companies in April 2013, a lecture on CSR for the NKSJ Group was organized and a CSR dialogue meeting facilitated by Mr. Hideto Kawakita, CEO of the International Institute for Human, Organization and the Earth (IIHOE). The new graduates also visited the Seiji Togo Memorial Sompo Japan Museum of Art located in the Headquarters Building and took part in an exercise that simulated difficulties faced by people with hearing disabilities as part of a training program focusing on experience and awareness.



New graduates training (working in pairs, trying to communicate with each other using sign language)

Internal CSR Audit Base on Dialogue

Sompo Japan and Nipponkoa along with most of their subsidiaries integrated their CSR management systems in April 2013. Under the unified system, efforts are underway to acquire ISO14001 certification at all business sites. (For details, see page 6.)

In fiscal 2012, Sompo Japan, which was certified under ISO14001, conducted "dialogue-oriented" internal auditing of 21 departments to promote CSR in accordance with the features of each department. The management of Nipponkoa, meanwhile, meets with the company's ISO Secretariat to discuss priority issues prior to formulating auditing policy and implementing audits. In fiscal 2012, Nipponkoa audited all of its divisions (four at Head Office and 10 at the regional head offices). Furthermore, Nipponkoa provides environmental education using easy-to-understand video material. It also identifies the environmental issues that need to be addressed by each workplace and uses Eco Checksheets to confirm the progress in dealing with such issues. CO₂ emissions generated by each workplace are also visualized in graphical form and reflected in the overall performance evaluation of each workplace.

TOPICS Group Company CSR Dialogue

In January 2013, Group companies engaged mainly in direct marketing joined a CSR dialogue meeting to discuss how they can contribute to developing a sustainable society. The meeting started with lectures by two guest speakers, Mr. Tatsuya Kasai, manager of the Business Development Office, Felissimo Corporation, and Mr. Hideto Kawakita, CEO of IIHOE. Following this, the participants were divided into small discussion groups. The representatives of the various NKSJ Group companies exchanged opinions with each other and discussed how they can utilize their knowledge and skills to benefit society.



Group discussion

Measures and Training to Ensure Adoption of CSR Efforts into Business Processes

CSR Development Seminar

Sompo Japan holds CSR development seminars for employees of its Head Office and Group companies as a way to provide high level information on how to fulfill the company's CSR through its core business.

● Seminars held in FY2012

[First seminar in July 2012]

Subject: Seminar on Latest Trends from Rio+20 —20 years after the Earth Summit.

In this seminar, Masatoshi Sato, Chairman of Sompo Japan, and Masao Seki, then Associate Director, Chief CSR Officer, reported on the results of the United Nations Conference on Sustainable Development ("Rio+20") held in June 2012, in which they participated. About 120 employees from Sompo Japan, Nipponkoa, NKSJ Holdings, and other Group companies attended the seminar, which covered current global issues, the latest trends, and responsible roles of corporations.

[Second seminar in October 2012]

Subject: Debrief Session of Employee Dispatch "Probono" Program— How can corporate human resources contribute to the reconstruction of disaster affected areas?

In this seminar, reports were given by employees who were sent under the Employee Dispatch "Probono" Program to a nonprofit organization to support reconstruction activities for areas affected by the Great East Japan Earthquake. (For details of the program, see page 45.) About 90 people, including employees and Executive Officers of Sompo Japan as well as external stakeholders, attended the seminar and engaged in a lively discussion.

E-Koto CSR Point System

Sompo Japan introduced the E-Koto (good things for society and the environment in Japanese) CSR Point System in fiscal 2009 to enhance promotion of CSR initiatives. The system allows each employee to convert their actions on CSR into points online, whereby the company donates an equivalent amount of money to nonprofit organizations. In fiscal 2012, 15,696 employees and Executives of Sompo Japan took part in the program. As in the two previous years, the money raised (1,287,640 yen) was donated to four NGOs to support the reconstruction of areas affected by the Great East Japan Earthquake.

Furthermore, in August 2012 employees

took part in the activities undertaken by the same four NGOs as volunteers and later shared their experiences with other employees at a debriefing meeting. The meeting also provided an opportunity for participants to learn about the current situation and activities underway in the disaster-affected areas.

FOCUS

NKSJ Around the World— A Common Inner Communication Tool for Japanese and Overseas Offices

The NKSJ Group is actively sharing the latest CSR news with overseas offices through e-mail, the intranet, and other means.

"NKSJ Around the World," a common information tool for Japanese and overseas offices published bimonthly, also includes a CSR section to report the latest news and activities across the Group.



Report on the Employee Dispatch "Pro Bono" Program by employees who took part in the program and Mr. Haruo Miyagi, from NGO Entrepreneurial Training for Innovative Communities (ETIC).



Debriefing meeting held by volunteers who took part in disaster reconstruction to report on the current situation and their activities



CSR information "NKSJ Around the World"

COMMENT CSR Promotion in China through Dialogue with Stakeholders

Sompo Japan Insurance (China) Co., Ltd. (Sompo Japan China), Sompo Japan's local subsidiary in China, launched a project to develop a CSR Committee in July 2010 to meet the growing demand for CSR information disclosure in China. As part of this project, the subsidiary published a local CSR report in May 2011, making it the first Japanese financial institution operating in China to introduce its CSR initiatives.

In recent years, Sompo Japan China has been bolstering its CSR initiatives. In March 2012, for example, it held a CSR dialogue at the Shanghai Branch for approximately 30 Chinese and Japanese employees. At the meeting, a lecture was given by Ms. Weng Xiaoxue, a specialist at the ECOLOGIA Chinese CSR Program, and participants enthusiastically discussed how they can fulfill their CSR in China.

Sompo Japan China will continue to promote its CSR initiatives in China through dialogue with stakeholders.

Sompo Japan China was selected as a "Golden Bee CSR China Honor Roll Company" in January 2011.



(Center) JiaMing Tian, Director, Vice-president
(Right) Wen Gao, CSR Group member, Administration Department
(Left) YuXing Ma, Senior Executive and CSR Group leader, Administration Department



CSR Report published by Sompo Japan China

Stakeholder Dialogues to Deepen CSR

The NKSJ Group has promoted various types of dialogue and engagement with its stakeholders, including collaborations with NGOs, stakeholder dialogue meetings with the participation of external experts, and opinion exchange via our website and at international gatherings. Through these efforts, we are striving to enhance stakeholder trust and understanding of our CSR commitment as well as to further deepen our CSR.

Examples of Communication with Stakeholders

Timely and Interactive Communication via Our Website

In addition to providing stakeholders with updated information on our CSR efforts via our official website, in fiscal 2011 we also started to post a regular report regarding our involvement in international initiatives and other activities. In fiscal 2012, Sampo Japan, Nipponkoa, Sampo Japan DIY Life Insurance, and Saison Automobile & Fire Insurance also reported their latest CSR initiatives on their Facebook pages as part of their efforts to promote timely communication with stakeholders.



→ Facebook page of Sampo Japan
<http://www.facebook.com/sampojapan>
 (Japanese Only)



→ Facebook page of Nipponkoa
<http://www.facebook.com/ecoratta>
 (Japanese Only)

Communication with Shareholders and Investors

We make sure that financial information such as statements and stock prices that is necessary for assessing the value of the NKSJ Group is posted in a timely manner on our website as well as provided at various meetings and through statutory financial reports. It is also ensured that the latest news on our ESG (Environment, Social, and Governance) is provided along with those financial information.

Communication with Business Partners throughout the Value Chain

To inform business partners of their stance on CSR and win their cooperation, Sampo Japan and Nipponkoa have been conducting a CSR survey based on the Nippon Keidanren Charter of Corporate Behavior since 2005. In fiscal 2012, 45 companies were surveyed. Business partners are also requested to submit their CSR reports and other documents to us so that we can further enhance our cooperative relationship by understanding their activities.



Kabunushi Tsushin (shareholder newsletter) reports on the Group's latest CSR

Communication with CSR Research or Rating Organizations

We also attach importance to communication with CSR assessment and ESG rating organizations, actively seeking feedback from and exchanging opinions with these organizations to further strengthen our CSR performance. We had four such meetings during fiscal 2012.

Dialogue with External Experts

We are working to strengthen our CSR performance by holding CSR dialogue meetings joined by external experts. We met Ms. Junko Edahiro, Chief Executive of Japan for Sustainability (JFS) and Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth (IIHOE) to listen to their opinions regarding the selection of NKSJ Group's five CSR material issues in fiscal 2012 as well as regarding the identification of key performance indicators (KPIs), a task which we started in fiscal 2013. (See pages 11-12.)

NKSJ Himawari Life Insurance has also launched collaboration with the National Cancer Center to support the enhancement of the quality of life (QOL) of cancer patients and their families. (See page 25.)



Dialogue meeting with Swiss asset management advisor RobecoSAM

TOPICS Miracle Miracle—An International Website for Children Who Will Shape the Future

In collaboration with the NGO Japan for Sustainability, Nipponkoa operates a community website, "Miracle Miracle" aimed at providing children with sustainability education. One special feature of the site is that it is in both English and Japanese, and the English comments from users are translated into Japanese while the Japanese comments are translated into English. It is hoped that through the site we will be able to encourage children around the world to think about the global environment and other social issues, learn from each other, express their thoughts and take action.

→ <http://miracle-kids.net/ja/> (Japanese)

→ <http://miracle-kids.net/en/> (English)

The site was introduced to visitors to the Japan Pavilion built with private sector cooperation by the Ministry of Foreign Affairs, Japan and other government agencies at Rio+20 in June 2012.



Declarations to Society and Participation in CSR Initiatives

The NKSJ Group participates in a range of initiatives to help solve various CSR issues.

United Nations Global Compact (UN GC)

Advocated by then UN Secretary-General Kofi Annan in July 2000, the UN GC is a partnership initiative between the UN and business that motivates companies to enhance better corporate citizenship by voluntarily addressing the areas of human rights, labor, the environment, and anticorruption. Sompo Japan and Nipponkoa became UN GC signatories in 2006 and 2010, respectively, and in 2012, NKSJ Holdings became a signatory with the aim of involving the entire NKSJ Group in this initiative.



United Nations Environment Programme Finance Initiative (UNEP FI)

UNEP FI is an international financial sector network of approximately 200 financial institutions from 40 countries. Since its launch in 1992, the initiative has promoted the integration of environmental considerations into all aspects of the financial sector's operations and services in pursuit of sustainable development that is conducive to both economic progress and environmental protection. Sompo Japan became a signatory of this initiative in 1995 and Nipponkoa in 2002.



Principles for Responsible Investment (UN PRI)

UN PRI was formulated by the United Nations Environment Programme Finance Initiative (UNEP FI) as a declaration by financial institutions that they will take ESG issues into account when making investment decisions. In 2006, Sompo Japan became the first Japanese insurance company to become a signatory to these principles and Sompo Japan Nipponkoa Asset Management has also become a signatory in January 2012.



Principles for Sustainable Insurance (UN PSI)

UN PSI was formulated by the United Nations Environment Programme (UNEP FI) in June 2012, as a declaration by financial institutions that they will take ESG (Environment, Social, and Governance) issues into account through their business operations. Sompo Japan has participated in the development of the principles and became a signatory in June 2012.



CDP

The CDP is a collaborative initiative by the world's leading institutional investors. This international initiative encourages businesses worldwide to adopt climate change strategies and disclose their greenhouse gas emissions. Sompo Japan has been a member since 2005 as an institutional investor and joined its advisory board of Japan in 2007.



Women's Empowerment Principles (WEPs)

The WEPs are the product of collaboration between UN women and the UNGC to establish international principles aimed at encouraging women's empowerment by strengthening their independence and capabilities to live their lives according to their decisions. WEPs consists of seven steps designed for businesses and other private entities to help their efforts in promoting and empowering female workers. NKSJ Holdings became a signatory of WEPs in June 2012.

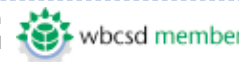


Carbon Neutral Declaration

Nipponkoa issued a Carbon Neutrality Declaration in July 2008, stating its intention to achieve net zero CO₂ emissions by fiscal 2012 by cutting its CO₂ emissions generated through the entire business operations by at least 20% (versus fiscal 2006) and purchasing carbon credits to offset unavoidable emissions. From fiscal 2012 onward, Nipponkoa is striving to maintain its status of net zero CO₂ emissions by such means as carbon offsetting.

World Business Council for Sustainable Development (WBCSD)

The WBCSD, established in 1995, is a CEO-led global association of companies.



Currently, approximately 200 company leaders from 35 countries are involved, providing industry leadership on the environment and sustainable development through lively debate, policy recommendations, and other activities. Sompo Japan is the only Japanese financial institution participating in the initiatives of the WBCSD.

Principles for Financial Action towards a Sustainable Society (PFA)

These principles were formulated in October 2011 as action principles for financial institutions to fulfill their roles and responsibilities to develop a sustainable society. Sompo Japan and Nipponkoa were actively involved in the formulation, participating as members of the drafting committee. In December 2011, Sompo Japan, Nipponkoa and other eight NKSJ Group members became signatories to these principles.

ECO FIRST Business

In November 2008 Sompo Japan and Nipponkoa became the first companies in the insurance business to be accredited by the Minister of the Environment, Japan as an "ECO FIRST Business." Under the ECO FIRST system companies make a commitment to the Minister of the Environment about the initiatives they will take in fields such as combating global warming.



Japan Business and Biodiversity Partnership

The Japan Business and Biodiversity Partnership was founded in October 2010 to coincide with the 10th meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10). The partnership was established by businesses, economic organizations, governments, NGOs, and other parties that endorse the Japan Business and Biodiversity Partnership Action Policy. Thirty-seven NKSJ Group companies signed up to the partnership when it was established.

TOPICS Participation in Rio+20, the United Nations Conference on Sustainable Development

In June 2012, the United Nations Conference on Sustainable Development (Rio+20) was held in Rio de Janeiro, Brazil. Around 45,000 participants ranging from national leaders, governmental officials, business community representatives, NGOs, civil society groups, and

others discussed a wide range of issues, such as climate change, biodiversity, population, and poverty. The conference was concluded with the adoption of the outcome document, "The Future We Want." From the NKSJ Group, Sompo Japan's Chairman Masatoshi Sato and Senior

Advisor on CSR, Masao Seki joined Rio+20 and signed the Principles for Sustainable Insurance announced during the conference. They also introduced the Group's related efforts through events organized by international initiatives that the Group participates in.

COMMENT

Raising Expectations of Business and Engagement with CSR Initiatives

At Rio+20, the UN Global Compact held an event that attracted about 2,700 participants to 120 sessions over the four days, at which a wide range of issues such as water and climate change were discussed. Expectations for businesses to scale up their role of contributing and solving global issues are rising.

Also at Rio+20, UNEP FI announced the Principles for Sustainable Insurance (PSI). Sompo Japan was an active contributor to drafting the PSI and became a founding signatory together with 27 other international insurance companies, pledging to integrate environmental, social, and governance considerations into business operations.

The NKSJ Group will continue its active involvement in worldwide initiatives that drive global sustainability to help solve social issues.

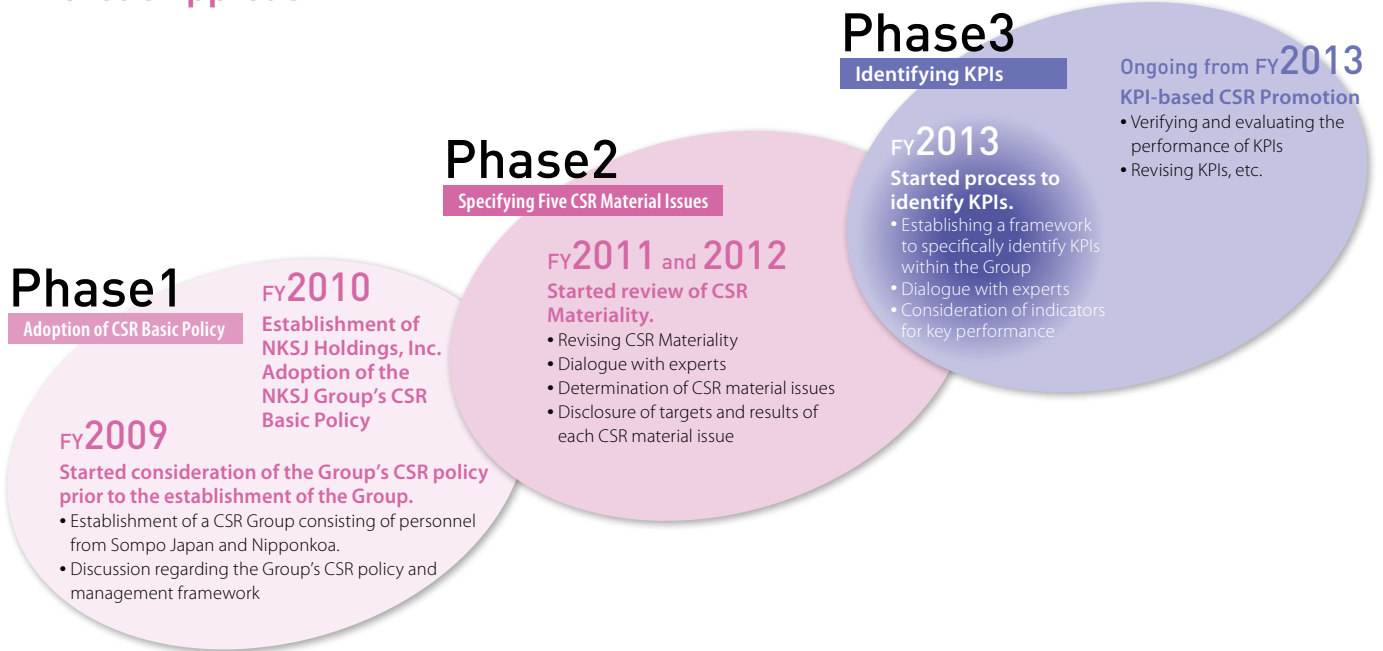


Masao Seki
Senior Advisor on CSR
Sompo Japan

NKSJ Group's CSR Promotion

Based on the CSR initiatives conducted by Sompo Japan and Nipponkoa, the NKSJ Group has been evolving its CSR since its establishment in April 2010, throughout all Group companies.

● Holistic Approach



2009

2013

Phase 1 Adoption of CSR Basic Policy

Sompo Japan and Nipponkoa integrated their management and established NKSJ Holdings, Inc. on April 1, 2010. Prior to the integration, in April 2009, the two companies organized 16 committees and groups, each working on a specific theme such as the administrative system, human resources management, and

compliance, as well as four information exchange meetings. This was done to pave the way for the establishment of the new corporate group. The main task of the CSR Group was to discuss how to improve communication between employees and agencies through CSR initiatives as well as the NKSJ Group's CSR basic policy and

management framework.

From these discussions, various new ideas for cooperation emerged based on the different experiences and know-how of the two companies. These ideas culminated in the NKSJ Group's CSR Basic Policy in April 2010. (See page 5 for the full text of the Policy)

Phase 2 Specifying the NKSJ Group's Five CSR Material Issues

In accordance with the CSR Basic Policy, the material issues faced separately by Sompo Japan and Nipponkoa were reviewed in fiscal 2011. Through the three steps of materiality analysis, dialogue with experts, and identification of the issues of highest priority, five new material issues concerning CSR were determined for the NKSJ Group as a whole.

In the first step of the materiality analysis, we asked an external researcher to conduct a questionnaire survey of more than 1,000 consumers in order to analyze general public expectations of the Group as well as the influence degree expected, based on the core subjects of ISO26000. In the second step, Ms. Junko Eda, Chief Executive of Japan for Sustainability (JFS),

and Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth (IIHOE), were invited to present their opinions on what we should take into consideration when specifying CSR material issues. The three key considerations pointed out by the experts are: ongoing dialogue with a wide range of stakeholders; setting issues with an eye on the future and from a broad and deep perspective; and creating new value to actively contribute to benefiting society.

Based on the results of these two steps, issues were mapped out on a grid, with the vertical axis representing the degree of expectation among the NKSJ Group's stakeholders and the horizontal axis

representing the importance to the NKSJ Group. Then, the issues of highest priority in terms of these two axes were selected as the five CSR material issues. (See page 5 for the five CSR material issues.)



Dialogue with experts to determine the five CSR material issues

Phase3 Identifying the NKSJ Group's Key Performance Indicators (KPIs)

In accordance with business expansion of the NKSJ Group, expectations from society are rising.

In 2013, the NKSJ Group started a process to identify the Groups KPIs. It is planned that the current goals set by Sampo Japan and Nipponkoa will be revised and developed as new targets for the entire NKSJ Group to take on various issues. The KPIs will allow us to evaluate the progress and impact of our actions and disclosure of the results will lead to enhancing trust among and promoting dialogue with stakeholders.

To identify the KPIs, not only discussions within the NKSJ Group but also a dialogue with two external experts, Ms. Junko Edahiro, Chief Executive of Japan for Sustainability (JFS), and Mr. Hideto Kawakita, CEO of International Institute for Human, Organization and the Earth

(IIHOE) were organized to get their opinions on what we should take into consideration when selecting KPIs as well as their expectations of the Group. Fourteen participants including officers of affiliate companies attended the dialogue and exchanged views.

The NKSJ Group's influence on society has been increasing in step with the expansion of its business. To ensure continuous growth, we need to promote CSR in a steady manner across the Group from a mid- to long-term perspective. We will continue the process of identifying our KPIs through stakeholder engagement and other means and will utilize those KPIs to promote, monitor, and evaluate our CSR

initiatives. Moreover, we will disclose the results externally so as to further improve our actions in accordance with the views of stakeholders. Through these efforts, we will contribute towards the realization of a sustainable society.



Dialogue with experts (May 17, 2013)

Stakeholder Dialogue

Opinions from Experts



Ms. Junko Edahiro
Environmental journalist
Chief Executive, Japan for Sustainability (JFS)

In my view, KPIs represent future outcomes that are desirable and that should be emphasized. The first key point for identifying your KPIs is to take a backcasting approach and define your ideal future. You don't need to pay attention to—or at least shouldn't be bound by—whether this is something that can be measured or openly disclosed. The second key point is to continue to elaborate the KPIs. You may not be able to get everything fully prepared at the beginning because you don't know how to obtain the data. But this is fine. All you need to do is to make sure that the KPIs will continue to evolve. The third key point is to run the PDCA cycle for the KPIs themselves. Rather than simply being content with your current KPIs, you need to be both resilient and flexible enough to make sure that they will continue to live up to the societal expectations of the day. KPIs are not goals but means. It is very important to always have in mind for whom and for what purpose you have set your KPIs. I hope that the integration of the two companies that have been leading Japan in the area of CSR will give you the momentum to further expand your actions.



Mr. Hideto Kawakita
CEO, International Institute for Human,
Organization and the Earth (IIHOE)

KPIs are milestones in a long-term roadmap and should be set in such a way that they can be used as annual goals over a period of about five to seven years. Not all the annual results have to be publicly disclosed, but you should be sure to check whether the management indicators set as goals have been followed and to determine how close you were to achieving the goals and by when the goals will be accomplished.

KPIs should be set high and determined by considering what impact you want to have on society through your CSR management policy. It is therefore important to set not just short-term goals but also mid- to long-term goals from a sufficiently broad and deep perspective.

Comments after the Dialogue



Takaya Isogai
Senior Managing Executive Officer
Sampo Japan Insurance Inc.,
Nipponkoa Insurance Co., Ltd.

Although the experts kindly mentioned that both Sampo Japan and Nipponkoa are in a leading position in terms of CSR commitments, there are still many issues that we need to tackle to further evolve as a leading company in CSR. Setting our KPIs and visualizing our performance will become the engine that drives such evolution. It became very clear to me how important it is to ensure that the KPIs are designed in such a way that they will lead to increased trust and dialogue with stakeholders.



Masao Seki
Senior Advisor on CSR
Sampo Japan Insurance Inc.

This dialogue with stakeholders is the first step toward identifying our KPIs. Consideration about KPIs means profound thoughts on the NKSJ Group's social responsibility. This makes it a starting point for the discussion on CSR aimed at exploring how we can maximize our positive impact on society and what goals we should set to achieve this maximization. We will advance our plan to realize the KPIs based on the advice of the two experts.

Comments from NKSJ Group Participants


- The opinions frankly mentioned by the external experts were meaningful and inspirational. At the same time, some of the comments were very hard on us, but were instructive nonetheless.
- It was impressive to hear opinions of experts regarding the concept of KPIs as we engage in efforts towards specifying the NKSJ Groups KPIs.

- It was a great opportunity to listen to the two experts on CSR and KPIs as well as to learn about multinational enterprises that closely links CSR with its business strategy.
- Mr. Kawakita's remarks that "Only selecting KPIs that can be disclosed is preposterous" and "It is most important to clearly envisage how society will change when your goals are achieved," left a deep impression.

CSR Milestones of the NKSJ Group

Continuous Evolution of the NKSJ Group's CSR

The NKSJ Group has continuously improved its CSR initiatives to meet evolving social needs. This section shows our major CSR milestones to date.

- 1965 ■ Started the "Yellow Badge Donation" program ●
- 1976 ■ Established the Yasuda Kasai Fine Art Foundation (now Sampo Japan Fine Art Foundation)
Opened the Seiji Togo Memorial Yasuda Kasai Museum of Art (now Seiji Togo Memorial Sampo Japan Museum of Art) ●
- 1977 ■ Established the Yasuda Fire & Marine Foundation (now Sampo Japan Foundation) ●
■ Started to publicly exhibit "Sunflowers" by Van Gogh
- 1989 ■ Opened Himawari Hall, a puppet theater, in Nagoya
- 1990 ■ Established the Environmental Risk Management Office
- 1991 ■ Established the Nipponkoa Welfare Foundation ●
- 1992 ◆ United Nations Conference on Environment and Development (Earth Summit) held in Rio de Janeiro


Participation in the Earth Summit
In this 1992 UN conference, which adopted the Framework Convention on Climate Change and the Convention on Biological Diversity, the then President of Yasuda Fire & Marine Insurance Company (now Sampo Japan) participated as head of the Nippon Keidanren delegation.
- 1993 ■ Started holding Public Seminars on the Environment ●
■ Established an employee volunteer organization
■ Introduced volunteer work leave
- 1995 ■ Signed the UNEP FI Statement of Environmental Commitment by the Insurance Industry
■ Became a Member of WBCSD as the only Japanese financial institution
- 1996 ■ Volunteer employees established a social contribution fund in the form of a matching gift program.
- 1997 ■ Acquired ISO14001 certification (the first Japanese financial institution to do so)
- 1998 ■ Started to publish an environmental report (the first Japanese financial institution to do so)
■ Launched consultation services for acquiring ISO14001 certification
■ Started a forest management program under an agreement with the Forestry Agency
- 1999 ■ Established the Yasuda Fire & Marine Environmental Foundation (now Sampo Japan Environmental Foundation)
■ Launched Sampo Japan Green Open ●
- 2000 ■ Started the Sampo Japan CSO Learning Scholarship Program ●
- 2002 ◆ World Summit on Sustainable Development held in Johannesburg
■ Signed the WBCSD Financial Sector Statement
■ Held the first stakeholder meeting
- 2004 ■ Launched Sampo Japan SRI Open
■ Started business continuity management (BCM) consultation services
- 2005 ■ Established Healthcare Frontier Japan Inc.
■ Joined the Carbon Disclosure Project (now CDP)
■ Started offering Foundational Support for NGOs
- 2006 ■ Joined the UN Global Compact
■ Signed the UN Principles for Responsible Investment (PRI)
■ Started endowing chairs at universities
- 2007 ■ Established Sampo Japan Healthcare Services Inc. (now Sampo Japan Nipponkoa Healthcare Services Inc.)
- 2008 ■ Started interactive guided tours at the Seiji Togo Memorial Sampo Japan Museum of Art
■ Announced the Carbon Neutral Declaration
■ Started the Eco-Safe Driving Contest
■ Certified as an "Eco First Company" by the Minister of the Environment

1965-



59.99 million badges
"Yellow Badge Donation" program



Each year we donate Yellow Badges that come with traffic accident insurance to students entering their first grade of elementary school in Japan. By April 2013, a total of 59.99 million students had received the badges.

1976-



5 million visitors
Seiji Togo Memorial Sampo Japan Museum of Art

The museum, which exhibits Van Gogh's "Sunflowers" as well as paintings by a number of post-impressionists such as Gauguin and Cezanne, welcomed its five-millionth visitor in December 2012.

1977-



1.26 billion yen
Financial support for welfare NGOs

Sampo Japan Foundation provides financial support for NGOs and other organizations engaged in social welfare activities. By the end of fiscal 2012, the foundation offered a total of 2,052 grants, or 1,269.78 million yen.

1991-



13,328 people
Support for family caregivers of senile dementia patients

Nipponkoa Welfare Foundation supports socializing and learning programs by Alzheimer's Association Japan to assist family caregivers of senile dementia patients. To date, it has provided 172.9 million yen to programs with a total of 13,328 participants.

1999-



18.74 billion yen
Sampo Japan Green Open

Sampo Japan Nipponkoa Asset Management's "Sampo Japan Green Open invests in environmentally friendly Japanese companies whose stocks are expected to be profitable. As of March 31, 2013, 18.74 billion yen is under management by the fund.

1993-



17,072 people
Public Seminars on the Environment

Over 17,000 people have participated in these environmental seminars, jointly held by the Japan Environmental Education Forum (JEEF), the Sampo Japan Environmental Foundation, and Sampo Japan with the aim of addressing environmental issues and taking concrete action.

2000-



726 students
Sampo Japan CSO Learning Scholarship Program

By the end of fiscal 2012, 726 university undergraduate and graduate students had participated in this internship program organized by the Sampo Japan Environmental Foundation and were provided with work experience at environmental NGOs.

CSR Milestones

Continuous Evolution of the NKSJ Group's CSR

2009 ■ Launched Weather Index Insurance in Thailand
 ■ Introduced web-based insurance policy access for automobile insurance products

2010 NKSJ Holdings, Inc. established

- Formulated the NKSJ Group's CSR Basic Policy
- Sompō Japan Foundation started to offer financial support to ASEAN countries
- Sompō Japan Nipponkoa Asset Management established as a result of the merger between Sompō Japan Asset Management and Zest Asset Management.
- ◇ 10th Conference of the Parties (COP10) to the Convention on Biological Diversity held in Nagoya
- 37 NKSJ Group companies participated in the Japan Business and Biodiversity Partnership.
- Started consultation services on biodiversity
- ◇ ISO26000 (international standard on social responsibility) published

2011 ◇ Great East Japan Earthquake occurred

- Started to collect ESG (Environment, Social, and Governance) information on the NKSJ Group
- Sompō Japan Insurance (China) published its first CSR report and held the Group's first overseas CSR dialogue event
- Started the Save Japan Project to conserve biodiversity
- Sompō Japan Environmental Foundation started research on climate change adaptation
- Established Nipponkoa Smile Kids Foundation
- Launched the "Miracle Miracle": A website for Global Kids to Create the Future
- NKSJ Himawari Life Insurance, Inc. established as a result of the merger between Sompō Japan Himawari Life Insurance and Nipponkoa Life Insurance
- Signed the Principles for Financial Action towards a Sustainable Society

2012 ■ Specified the Five CSR Material Issues of the NKSJ Group
 ■ Established Prime Assistance Inc. in order to enter the assistance services market
 ■ Signed the UN Women's Empowerment Principles (WEPs)

◇ United Nations Conference on Sustainable Development (Rio+20) held in Rio de Janeiro



Participation in Rio+20

Chairman Masatoshi Sato and then Associate Director Chief CSR Officer Masao Seki of Sompō Japan attended the UN conference, Rio+20, held also as the 20th anniversary of the 1992 Earth Summit, in order to sign the Principles for Sustainable Insurance (PSI) and introduce NKSJ Group's CSR initiatives.

- Signed the UNEP FI Principles for Sustainable Insurance (PSI)
- Purchase shares of Cedar Co., Ltd. as a Group company in order to enter the elderly care services market
- Acquired ISO39001 (international standard for road traffic safety management system) certification

2013 ■ Started environmental programs for community contribution
 ■ Achieved carbon neutrality
 ■ Started to consider promoting the NKSJ Group's CSR by measuring KPIs

2014 ■ Sompō Japan and Nipponkoa will legally merge on September 1, 2014 to form a new company, Sompō Japan Nipponkoa Insurance Inc., subject to approval from the relevant authorities



Sompō Japan
Nipponkoa

CSR highlights in recent years



15 million policies

Web-based automobile insurance policy

An option for policyholders to access their policy via the web was introduced in order to increase customer convenience and reduce our environmental footprint. More than 15 million customers have chosen web-based policies, forgoing the conventional paper-based format.

2010 April



Establishment of NKSJ Holdings

In April 2010, NKSJ Holdings, Inc. was established through the integration of Sompō Japan and Nipponkoa. Following the establishment of the holding company, CSR initiatives by the two companies were integrated and expanded to cover the entire Group.



3,000 employees

The Great East Japan Earthquake—continuous support for recovery

More than 3,000 NKSJ Group employees were sent to the areas affected by the Great East Japan Earthquake to facilitate prompt insurance payments. We are also providing continuous support through our core business and other activities to meet the evolving needs of disaster-hit areas.



11,000 participants

Save Japan Project

In 2011 and 2012, more than 11,000 people raised their environmental awareness by joining this community-based biodiversity conservation program implemented in all prefectures in Japan in collaboration with environmental and other NGOs.



1 million policies

Medical insurance (08)

By February 2013, more than one million people had purchased a lifelong medical insurance product (product number 08) provided by NKSJ Himawari Life since its release in August 2008. The popularity of the product is attributed to the simplicity of the basic coverage and the availability of a wide range of additional options.

NKSJ Group's Targets and Progress of Major CSR Issues

Stakeholder Engagement

FY 2012 Targets		FY 2012 Progress	Self-assessment of Progress	Page
Expand and enhance disclosure of CSR information	<ul style="list-style-type: none"> ● Strengthen CSR-related communication efforts ● Hold CSR dialogue meetings ● More active CSR communication by using various SNS media ● Expand the scope of ESG data collection and improve the accuracy of information disclosed 	<ul style="list-style-type: none"> ● Six newsletters were published by e-mail throughout the year and by other communication efforts, CSR updates were appropriately delivered to specific stakeholders. ● Actively communicated with SRI rating agencies and other organizations. Four dialogue meetings were held during the year. ● A CSR dialogue meeting targeting Group companies was held in FY 2012, which attracted about 30 participants. ● Sompo Japan, Nipponkoa, Sompo Japan DIY Life, and Saison Automobile & Fire posted CSR news on their Facebook pages. ● Conducted ESG survey across the Group (27 companies), and expanded the disclosed items 	○	<ul style="list-style-type: none"> •p. 6 •p. 7-8 •p. 9 •p. 63-67
Enhance internal communication to integrate CSR into business throughout Group companies	<ul style="list-style-type: none"> ● Promote CSR awareness and practices across the NKSJ Group worldwide ● Promote practical initiatives on ESG issues in each department and company of the Group ● Increase the awareness of the importance of social contribution among the employees of Group companies by continuously implementing NKSJ Volunteer Days 	<ul style="list-style-type: none"> ● NKSJ Holdings' Corporate Planning Department met with Group companies to provide feedback on the ESG survey and advice on future actions. The department also held a meeting of 15 Group companies in Japan to exchange CSR information. ● The department also visited three Group companies abroad to discuss CSR issues. It also exchanged CSR information and opinions with representatives from 30 overseas offices. ● Development of CSR-related products and services was accelerated, as typified by the launch of the SNAM Sustainable Investment Fund by SNAM. ● Conducted NKSJ Volunteer Days for the second consecutive year. About 10,000 employees participated in the one-month program in October (compared to 10,000 participants over three months in fiscal 2011). 	○	<ul style="list-style-type: none"> •p. 6 •p. 36 •p. 40 •p. 42-43
Contribution as a good corporate citizen through active participation in external activities	<ul style="list-style-type: none"> ● Contribute to building a sustainable society by actively participating in external activities, gathering information, and communicating the NKSJ Group's own initiatives. 	<ul style="list-style-type: none"> ● Actively involved in the drafting process of the UNEP FI's Principles for Sustainable Insurance (PSI), which was announced at Rio+20 in June 2012 ● Introduced the NKSJ Group's sustainability efforts on many occasions including symposiums on the UN Principles for Responsible Investment (PRI) and the Principles for Financial Action towards a Sustainable Society 	◎	<ul style="list-style-type: none"> •p. 10 •p. 37-38

Self-assessment

- ◎ Major progress was made towards the achievement of goals
- Progress was made towards the achievement of goals
- △ Initiatives were implemented but more progress is required
- × No initiative was implemented

For fiscal 2012 progress on the five CSR material issues please refer to the pages indicated below:

Material Issue 1 **Providing Safety and Security for the Society**
p. 17-26

Material Issue 4 **Community Involvement and Development—Partnership with NGOs**
p. 41-50

Material Issue 2 **Tackling Global Environmental Issues—Focusing on Climate Change**
p. 27-34

Material Issue 5 **Developing Human Resources and Promoting Diversity**
p. 51-58

Material Issue 3 **Providing Sustainable and Responsible Financial Services**
p. 35-40

For a list of the Group's insurance and financial products and services that contribute to development of a sustainable society, see pages 61-62.

For major ESG (Environment, Social, and Governance) data, see pages 63-67.

For financial data, see pages 68-70.

External Recognition

CSR initiatives by the NKSJ Group have won accolades from many research organizations and others all over the world.

Major CSR Awards and Recognition in Fiscal 2012

- Ranked No.18 among the top 500 companies (No. 2 among Japanese firms) in the Newsweek Green Rankings 2012.
- Listed in the East Asia 30 (30 CSR leaders in the region) for the 3rd consecutive year.
- NKSJ Volunteer Days received "Make a CHANGE Day Award" for the 2nd consecutive year (p. 42-43).
- Listed in the Bronze Class 2013 of the Robeco SAM Sustainability Award.
- Selected among the 2013 World's Most Ethical Companies by Ethisphere for the 3rd consecutive year.
- Sompo Japan China named a 2011 Golden Bee CSR China Honor Roll company (p. 8).
- Nipponkoa and Sompo Japan ranked 1st and 2nd, respectively, among financial institutions in Nikkei's Environmental Management survey.
- Sompo Japan and Nipponkoa ranked 2nd and 4th, respectively, among financial institutions in Toyo Keizai's CSR survey.
- Save Japan Project became the only private sector project certified by the UNDB-J (p. 33).
- Sompo Japan's agency associations, J-SA and AIR Japan, won the "Green Purchasing Award" (p. 32).
- Sompo Japan received the 2013 J-Win Diversity Basic Achievement Award (p. 55).
- Nipponkoa received an Eco-First Award at the Environmental Message Expo 2012.
- Nipponkoa's efforts to conserve forests in Japan were recognized by the Ministry of the Environment (MOE), Japan for the 2nd consecutive year.
- Nipponkoa was recognized by the MOE with its Carbon Offset Award.
- Nipponkoa received an environmental reporting award under MOE's Environmental Communication Awards.
- Sompo Japan Green Open and Sompo Japan SRI Open received category awards under the R&I Fund Award 2012.
- Sompo Japan Green Open received the Eco-Products Award Steering Committee Chairperson's Award (p. 40).
- HDI-Japan's Benchmarking In the non-life insurer support portal category, Sompo Japan received the highest three-star ranking for the 4th consecutive year while Nipponkoa and Saison Automobile & Fire were rated as two-star. In the non-life insurance customer support category, Nipponkoa was rated as three-star and Sompo Japan and Saison Automobile & Fire as two-star. In the life insurance support portal category and customer support category, Sompo Japan DIY Life was rated three-star for the 4th consecutive year and three-star for the 6th consecutive year, respectively (p. 19).
- Sompo Japan DIY Life received the first five-star certification under HDI-Japan's Five-Star Program.



Inclusion in Socially Responsible Investment (SRI) Indexes

NKSJ Holdings is included in the following SRI indexes and SRI funds (as of April 2013).

Dow Jones Sustainability Indexes

(DJSI World)

DJSI World is a



leading global SRI index of companies that are leaders in sustainability, as assessed from their approaches towards ESG (Environment, Social, and Governance) issues.

FTSE4Good Index Series

The FTSE4Good Index Series is a group of SRI indexes that



evaluate the performance of companies aimed at fulfilling their corporate responsibilities, including ESG issues such as aspects on environment and human rights.

Ethibel Pioneer and Excellence Investment Registers

The Ethibel Investment

Register is an investment universe that selects and includes companies which are highly recognized in terms of the performance in fulfilling their corporate social responsibility.



Morningstar Socially Responsible Investment Index

The Morningstar Socially Responsible Investment

Index was developed as Japan's first SRI index covering Japanese companies.



Received "Prime" Rating from Oekom Research AG

Oekom Research AG is

a global rating agency that evaluates corporate performance using unique standards which focus on the social and environmental perspectives. In January 2013, NKSJ Holdings received a "Prime" rating, a status awarded only to companies that are especially highly assessed.



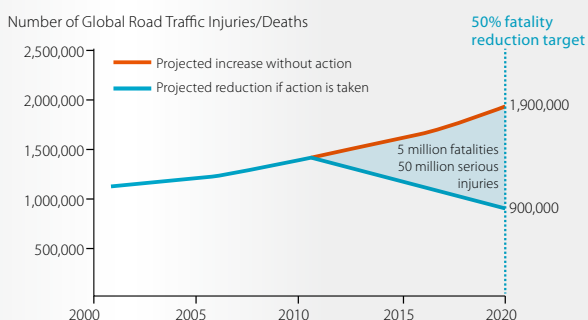
Material Issue

1

Providing Safety and Security for the Society

Fact

United Nations Decade of Action for Road Safety 2011-2020: saving millions of lives



Source: Guria, J (2009)
UN Decade of Action for Road Safety 2011-2020

About 1.3 million people around the world die from road traffic injuries every year. If no action is taken, it is projected that the number of road traffic deaths will surpass 1.9 million in 2020. In March 2010, the United Nations General Assembly proclaimed the period 2011 to 2020 as the "Decade of Action for Road Safety." The declaration calls for the reduction of fatalities and serious injuries by 5 million and 50 million, respectively, from the levels forecast for the decade from 2011 to 2020.

Our Action

The insurance business is a highly public communal business that supports the safety and security of individuals and the economic activities of corporations. In addition to providing insurance coverage, insurance companies have an important role to provide various services to help prevent accidents.

The NKSJ Group also works to prevent road traffic accidents and to mitigate damage by leveraging its vast amounts of accident data and risk quantifying know-how. One example of this is our road safety service. The number of road traffic accidents is decreasing in Japan. Yet, the number of road traffic accidents in developing countries accounts for more than 90% of global accidents. We believe that sharing the accident prevention know-how of Japanese insurance companies will facilitate the implementation and development of road safety measures on a global basis.

The Group continues to contribute to developing a sustainable society through offering a wide range of services that address diversifying complex risks.

2012 TOPICS

First in the World to Acquire ISO39001 Certification to Address Road Traffic Accidents Globally

ISO39001: First in the world to be certified and involved in its standardization.

Right across our nationwide network of sales offices, employees of both Sampo Japan and Nipponkoa use company cars for their day-to-day operations. It can therefore be said that many of our employees have significant concerns regarding safety of road traffic.

P&C insurance companies perform the socially beneficial task of protecting their customers from various risks. They do this by offering numerous insurance products that allow customers to respond to such risks. For the NKSJ Group, automobile insurance is a core business product that accounts for half of our insurance premium revenues. As well as covering road traffic accident damage with our insurance benefits, however, as a P&C insurance provider, we believe that we also have an important role to offer services that help prevent accidents.

When informed by Group company Sampo Japan Nipponkoa Risk Management that the ISO39001 international standard for road traffic safety management systems would soon be promulgated, Sampo Japan and Nipponkoa decided to participate in the ISO39001 pilot project in order to accumulate experience regarding road safety measures. Both companies also aspired to live up to external expectations by disseminating know-how on ISO39001 certification gained through the endeavor to other companies both within and outside the Group. In the end, both companies succeeded in being the first in the world to acquire certification.

PDCA cycle: Engagement into continuous commitment

Sampo Japan and Nipponkoa sought the advice of Sampo Japan Nipponkoa Risk Management in establishing and implementing a PDCA cycle for the ISO certification. Sampo Japan began analyzing past accidents involving company-owned vehicles with the cooperation of Sampo Japan Nipponkoa Risk Management. The General Affairs Department then produced an in-house newsletter featuring analysis to promote awareness and create a shared understanding of frequent accident patterns among employees.

Meanwhile, Nipponkoa installed driving



Takashi Miwa

Executive Officer
General Manager of General Affairs
Department
Sampo Japan Insurance, Inc.
Nipponkoa Insurance Co., Ltd.

analyzers on company-owned vehicles used by certain departments. These made it possible to collect information on driving behaviors such as harsh braking, sudden acceleration, and abrupt turns. The results are analyzed and fed back to the relevant departments, which in turn helps in the development of effective safe driving guidance. Because these kinds of efforts tend to be made only on a temporary basis, we have employed the PDCA cycle approach and reinforced the Check (inspection & evaluation) and Action (measure & improvement) processes in order to assure the continuity of traffic accident prevention efforts.

Sharing road traffic safety know-how with society

For both companies, ISO39001 was a standard that could be implemented as an extension of previous road traffic safety procedures. We



Audit for ISO39001

therefore believe that any company in any industry with existing road safety initiatives can follow our example. ISO39001 certification should not be a goal but rather should be regarded as a step toward establishing an effective accident prevention program through implementing the PDCA cycles.

Accident prevention must be addressed by all employees of both companies who drive company cars. Those employees who drive should also strive to accumulate know-how on road traffic safety and feed it back to customers in the form of products and services. In cooperation with Sampo Japan Nipponkoa Risk Management, Sampo Japan and Nipponkoa will continue to explore ways of encouraging more companies to get certified with ISO39001 and provide support services to more companies who take on the challenge.



ISO39001 certificate

Safety and Security through Insurance

The NKSJ Group strives to provide its customers with services and solutions of the highest quality. Through its core insurance business, the Group accomplishes this by collaborating with agencies at each stage of every process, such as concluding contracts and processing claims. In this way, the NKSJ Group achieves a high level of customer satisfaction while also contributing to the development of a safe and secure society.

Customer Satisfaction

The NKSJ Group upholds the following Group Management Policy: "The NKSJ Group will contribute to society by extending the highest quality service across a wide range of business activities building on its core business of insurance to provide security and peace of mind

to its customers, always carefully considering the customer's perspective in our business actions." The Group has also stipulated in its Group Basic Management Policies that: "We aim to be the customers' number one choice by raising the quality of all our operational processes and

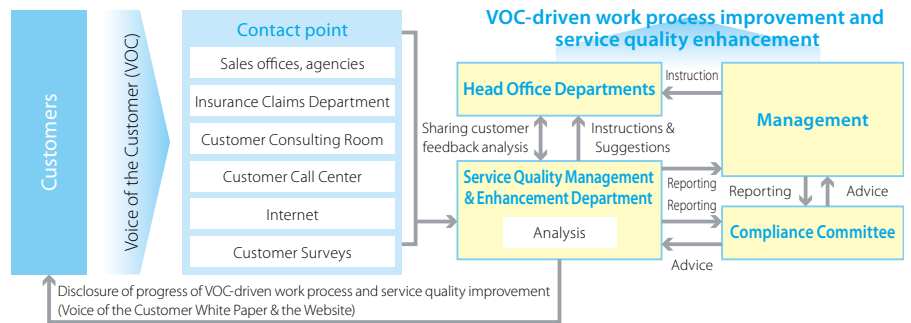
providing the highest quality of service." In line with these policies, we are implementing various initiatives to improve customer satisfaction by incorporating customer feedback into our products and services.

Voice of the Customer White Paper

Sompo Japan and Nipponkoa receive inquiries, opinions, requests, complaints, and other types of customer feedback via our sales offices, agencies, insurance claims departments and customer call centers. We value this feedback and deal with it 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 the Customer (VOC) White Paper" to inform our management, we established a dedicated Service Quality Management & Enhancement 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 product development, sales, and insurance claims payment. For

System to Incorporate Customer Feedback in Operations by Sompo Japan and Nipponkoa



particularly critical complaints, the department submits suggestions or instructions for preventive and/or quality improvement measures to the relevant Head Office departments.

Sompo Japan, Nipponkoa, and NKSJ Himawari Life have established a management system based on the ISO10002:2004 standard (Quality

management for customer satisfaction: Guidelines for complaints handling in organizations). The international standard stipulates basic principles of complaints handling and the necessary systems and processes for responding to complaints effectively. The three companies have already conformed to the standard.

TOPICS NKSJ Group Highly Rated in HDI-Japan's Customer Support Service Rating

To provide quality services to its customers, the NKSJ Group is continuously improving its official website and strengthening the performance of its call centers. Efforts by Group companies have been highly rated in the 2012 HDI Web Support Portal, Phone Support Quality & Performance Survey*1 organized by HDI-Japan*2, as shown in the table.

2012 HDI-Japan Web Support Portal, Phone Support Quality & Performance Survey Results

	Web Support Portal (Official Website)	Phone Support (Call Centers)
Sompo Japan	Three-Star (for the fourth consecutive year)	Two-Star
Nipponkoa	Two-Star	Three-Star
Saison Automobile & Fire	Two-Star	Two-Star
Sompo Japan DIY Life	Three-Star (for the fourth consecutive year)	Three-Star (for the sixth consecutive year)

(Survey conducted in September 2012; results announced in November.)

*1 HDI Web Support Portal, Phone Support Quality & Performance Survey: Consumer and professional judges evaluate the performance and quality of companies' web support portals and call centers from the customer's viewpoint and assign one of four ratings: No stars to three stars.

*2 HDI-Japan: The Japanese affiliate of the Help Desk Institute (HDI), an international IT support service organization established in 1989 that boasts the largest membership in the world.

In cooperation with agencies, the NKSJ Group strives to provide high-quality service to customers even prior to the conclusion of a contract.

Agency Services

Agencies of the NKSJ Group serve as an intermediary between the customer and the insurance company and provide service information together with support to conduct necessary procedures such as consulting services for a settlement in the event of an accident.

The NKSJ 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 agency service quality

Agency Support System

Training Program

While the 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 and Nipponkoa offer 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 NKSJ Group has implemented the Agency Trainee System to foster the development of insurance professionals. Under this system, an employee hired as an agency trainee is provided with various training programs on management and insurance canvassing. The Group's directly financed agencies charged with providing education and training conduct more practical education programs, combining group training and on-the-job training to target specific training needs.



Tablet used to introduce products

Assurance of Service Quality

The NKSJ Group 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.

The NKSJ Group is promoting various initiatives to provide prompt, high-quality service upon every contingency, while supporting customers in recovery and restoration processes as their dependable partner.

Customer Satisfaction of Insurance Claims Service

Sompo Japan is working to improve customer contact both in terms of quality and quantity at insurance payment departments. The company defines mandatory and extra actions for each customer service milestone event or situation in order to implement the SC (Service Center) Credo*1 action guidelines stipulated in December 2011.

Nipponkoa, meanwhile, is undertaking a company-wide initiative to enable swift insurance claims payment by promoting the Insurance Investigations Quality of Service Improvement Campaign (QOS*2) launched in October 2009. The company also provides psychological support to customers involved in accidents by operating telephone and face-to-face consultation at the most appropriate times.

For fiscal 2013, all employees of Sompo Japan and Nipponkoa are determined to provide customized service for greater customer satisfaction. To this end, the two companies are integrating and advancing both the SC Credo, which contains guiding principles for judgment calls, decision-making, and action, and the QOS, which defines standard action guidelines.

We are also tightening our cooperative ties with agencies, which are closer to customers, in an effort to pursue even more customer-friendly services.



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

*1 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.

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

24-hour Initial Response Service

The 24-hour initial response service is available for customers who are involved in a traffic accident outside regular business hours. Specialist personnel are on hand to immediately contact the other party, an automobile repair shop, hospital, or tow truck operator, thus alleviating customer anxiety and providing relief.

Road Service and Other Assistance Business

NKSJ Holdings established Prime Assistance Inc. in April 2012 as a joint venture with Prestige International Inc., a leading company in the assistance industry. In preparation for the launch of business in October 2012, Prime Assistance has formed partnerships with approximately 8,000 towing service and repair businesses nationwide to build a service network.

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 problems. 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 range of problems.

In fiscal 2013, 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, and the like) after the expiration of the manufacturers' warranty.



Helping customers solve problems

*3 For companies with international operations, we provide coverage for medical expenses for their employees stationed abroad. 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.

Support for Disaster Prevention

As the frequency of major earthquakes, floods, and other natural disasters increases, so does the importance of corporate disaster prevention capabilities. The NKSJ Group offers disaster prevention support services that draw upon its own risk management expertise. For the safety and security of our customers, we have also established a group-wide business continuity management (BCM) system in order to continuously provide services in the event of a disaster.

Reinforced Support to Corporate and Municipal BCP (Business Continuity Plan)

In recent years, there have been a number of significant natural disasters, such as the Great East Japan Earthquake and the flooding in Thailand, that have severely affected companies that make up global supply chains. This has resulted in disruptions in the supply of goods and services that had repercussions worldwide. In response, companies across supply chains have been seriously reviewing and reshaping their business

continuity strategies. It is noteworthy that even companies with already established business continuity plans in place are having to review or expand their scope to include other business segments and overseas firms.

Furthermore, the importance of drills to confirm the robustness of a BCP is growing. In May 2012, the International Organization for Standardization published the ISO22301, an

international standard for third-party certification of business continuity management systems (BCMS). It is expected that more companies in various industries will now seek ISO22301 certification. Sampo Japan Nipponkoa Risk Management is offering comprehensive business continuity support services, covering third-party certification consulting, BCP development, and the development of business continuity management systems.

Risk Preparedness for Overseas Operations

Overseas Flood Assistance

The flooding in Thailand forced numerous Japanese-affiliated companies to halt operations, highlighting the real risk of supply chain disruption. Since June 2012, Sampo Japan Nipponkoa Risk Management started offering services to support business continuity activities in the event of flooding for Japanese companies operating in Thailand and other Southeast Asian countries. These services are based on our expertise in risk assessment from typhoon and

flood damage, the development of BCP, and disaster drill operation.

Overseas Risk Management Seminars

Sampo Japan Nipponkoa Risk Management held a seminar in March 2013 entitled "Update on China and Risks in Emerging Economies." As well as providing firsthand, up-to-date information on China, the seminar included briefings on key points of business strategy for the Chinese market and specific countermeasures, and also

covered the risks involved in launching business in emerging economies. The seminar attracted approximately 180 participants, many of whom commented that the seminar helped them clarify the various country risks.



Overseas Risk Management Seminar

TOPICS NKSJ Group's Crisis Management (Business Continuity System)

The NKSJ Group has established the NKSJ Group basic policy on the establishment of 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 incident. 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 and 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. Both companies have developed BCP intended to ensure resumption of these critical operations within 24 hours of a disaster.

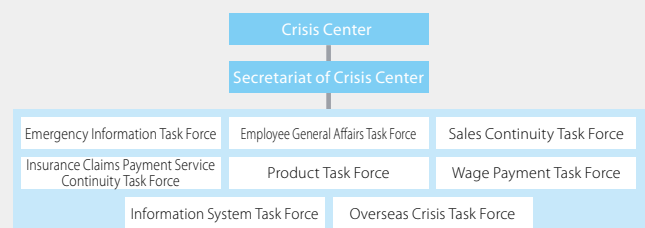
We upgrade our business continuity system whenever appropriate through voluntary inspections and external consultant evaluations. We also enhance the effectiveness of the BCP by conducting regular BCP drills.

Sampo Japan and Nipponkoa have established a joint crisis management promotion headquarters, chaired by the presidents of

both companies. 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.

In a first for the P&C insurance industry, Nipponkoa in June 2012 acquired certification for BS25999-2, the international standard for business continuity management systems, with regard to insurance claims payments in the event of an earthquake in the Tokyo metropolitan area. In May 2013, it further acquired ISO22301 certification.

● Crisis Center Organization of Sampo Japan and Nipponkoa



Prevention of Traffic Accidents

The NKSJ Group develops and provides a wide range of services that make the most of the accident data that we have cultivated over the years and our knowhow in quantifying risks. The Group also undertakes activities aimed at raising road safety awareness for drivers and children.

Traffic Accident Prevention Services for Companies

Vehicle Accidents Reduction Program

To establish a system to help prevent road traffic accidents, the NKSJ Group is implementing an accident reduction program together with other companies. This program is designed to reduce traffic accidents through implementing the PDCA cycle: developing a plan (Plan); implementing the plan (Do); and verifying its effectiveness (Check) analyzing and identifying the facts (Act). The NKSJ Group provides a broad range of support services at each stage of the cycle of corporate accident prevention activities.

Record of Main Services Provided

	FY2011	FY2012
Driving aptitude assessment	1,054	1,072
Road safety seminar	1,756	1,898
Accident prevention consulting	718	656

e-Driving School

The e-driving School is a service that enables company employees to learn about accident prevention in a fun way, over the Internet. It features risk detection and multiple response quizzes based on a driver's seat view using 3D movies, and a variety of question formats that ensure there will never be a dull moment for those taking the lesson.



e-Driving School screenshot

Providing Support for ISO39001 Certification

Sompo Japan and Nipponkoa, in cooperation with Sompo Japan Nipponkoa Risk Management, were the first in the world to acquire ISO39001 certification. (See page 18.) Based on the Group's experiences in obtaining accreditation, Sompo Japan Nipponkoa Risk Management provides a range of consulting services on the standards for companies that are considering acquiring ISO39001 accreditation. In January 2013, the three companies jointly hosted an event called the "Seminar on Road Traffic Safety Management System: Implications and Benefits of ISO39001 Accreditation" in Tokyo and Osaka with the attendance of 174 corporate participants.

The NKSJ Group is committed to offering a multitude of support services to corporate customers with respect to ISO39001 accreditation. At the same time, we participate in the joint public-private sector council for promoting transport safety management to support the development of a framework for traffic accident prevention. As the above examples illustrate, the Group contributes to road traffic safety in various ways.

COMMENT Expectation towards the NKSJ Group in Promoting ISO39001

Mr. Kazuo Yagi

Councilor, National Agency for Automotive Safety and Victim's Aid (NASVA)



NASVA has the dual mission of preventing motor vehicle accidents and providing aid to victims. We have been involved in the development of ISO39001 as the secretariat of Japan's National Mirror Committee since 2007. With the official publication of the standard on October 1, 2012, our country's road traffic safety initiative went forward in a modest yet decisive way. Over 10 entities have already acquired ISO39001 certification, indicating a great start for the standard. The NKSJ Group contributed greatly to the launch of ISO39001 by providing consulting services to many of the now-certified organizations.

However, in order for ISO39001 to prove effective in reducing road traffic deaths and serious injuries, the standard needs to win broad recognition across Japanese society and be incorporated into normal road safety practices by traffic-related companies and organizations. While the NASVA is determined to make utmost efforts to this end, the cooperation of a wide range of stakeholders is essential for the ISO standard to be incorporated and established. I am looking forward to seeing the NKSJ Group playing a leading role in this effort because I believe that the involvement of a group that already possesses a high degree of insight and breadth of experience will be a powerful driver.

Mr. Hiroyuki Ebato

Senior Manager, Transportation Safety Assessment Team, Assessment Center, Management System Sector, Japan Quality Assurance Organization



ISO39001 ultimately aims to eliminate road traffic deaths and serious injuries throughout the world. It is intended to be a tool to help corporations work on road traffic safety in a rational and systematic way. Among numerous other benefits, corporate endeavors for road traffic safety will lead to cost reductions through fewer accidents, lower insurance premiums, and the avoidance of opportunity losses resulting from accidents. These efforts therefore help corporations fulfill their social responsibilities.

ISO39001 is often regarded as a standard for transport operators such as bus, truck, and taxi operators. It is, however, designed to be used across a wide range of sectors. This is clear from its contents, which cover road design, related legislation and regulations, operation of facilities to create transport demand, automobile and parts manufacturing, and emergency medical services.

ISO39001 certainly meets the needs of society and leads directly to more business. Sompo Japan and Nipponkoa were among the first to recognize the benefits of the standard to acquire certification. I expect both these companies and other NKSJ Group companies to play a leading role in encouraging the widespread implementation of this standard.

“Safety Sight” Smartphone App to Reduce Traffic Accidents

In addition to the NKSJ Group’s previously mentioned accident prevention and disaster mitigation efforts, Sampo Japan and Nipponkoa in response to the recent increase in smartphone use have jointly developed a smartphone app called “Safety Sight” for car drivers. Intended to help reduce traffic accidents and protect NKSJ customers, the app was made available free of charge in August 2012. It has two original key features as industry firsts that both utilize the smartphone’s GPS and camera. Firstly, a forward vehicle approximation alert, notifies drivers with a sound and spoken warning when they get too close to the car ahead. Secondly, a forward vehicle startup alert, lets the driver know when a stationary car in front starts its engine.

Safety Sight also comes with a drive recorder and safe driving diagnostics. Using the smartphone’s in-built camera and acceleration

sensor, the drive recorder automatically makes a visual recording of each journey. In the event of an impact shock, it saves the footage from several dozen seconds before and after the incident. The safe driving diagnostic tool uses shakiness, positional information, forward image analysis, speed, sudden movements, inter-vehicle distance, and other data collected by the smartphone.

Safety Sight has been covered by and featured on a number of Television shows and magazines. It gained a favorable reputation and also ranked first in the App Store’s free downloads category (utilities) for four consecutive days immediately following its launch with over 100,000 downloads to date. The NKSJ Group, meanwhile, continues efforts to reduce traffic accidents and promote safety and security towards our policyholders and non-policyholders.

Eco-Safe Driving

The NKSJ Group is working to promote Eco-Safe Driving as a way of contributing to environmental protection and fuel cost saving as well as to help reduce traffic accidents. It has been proved that moderate driving, that is, slower depression of the accelerator and maintaining sufficient distance between cars, is effective not only in mitigating environmental impact (reducing CO₂ emissions), but also in preventing traffic accidents. Eco-Safe Driving is thus recommended by the General Insurance Association of Japan. Sampo Japan and Nipponkoa have been holding Eco-Safe Driving Contests (sponsored by Ministry of the Environment) since April 2010. Fiscal 2012 contests attracted over 200,000 vehicles from more than 6,000 companies. Both companies are also distributing Eco-Safe Driving brochures and car stickers.



Safety Sight screenshot



Eco-Safe Driving training

TOPICS Provision of Safety and Security through “Yellow Badge Donation”

Every spring, Sampo Japan donates yellow traffic safety badges that also confer insurance protection against road traffic injuries 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 traffic accidents. Started in 1965 following a newspaper article featuring an appeal by a mother who lost her child in a traffic accident, the campaign marked its 49th anniversary in 2013. This program has been conducted jointly with Mizuho Financial Group, Meiji Yasuda Life Insurance Company, and Dai-ichi Life Insurance Company. The total number of badges distributed so far comes to 59.99 million.



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



Yellow traffic safety badge

Services for Realization of Quality of Life (QOL)

Society has recently been undergoing a number of major shifts, including a declining birthrate and aging population, the higher prevalence of lifestyle diseases, and changes in the work environment. These changes have been accompanied by a growing need for new insurance products and services targeting mental and physical health as well as long-term care. To develop a society in which all people can live with no anxiety, the NKSJ Group offers various insurance products as well as health promotion and disease prevention services and long-term care services.

Improving the QOL of Cancer Patients in Cooperation with the National Cancer Center

On July 28, 2011, for the first time in the history of the Japanese insurance industry, NKSJ Himawari Life entered into an agreement with the National Cancer Center to form a collaborative alliance aimed at improving the quality of life (QOL) of cancer patients.

In addition to providing financial support through insurance products, the company does this by cooperating with the National Cancer Center to make information on cancer and its treatment available to patients and their families.



Nikkei Business (Nov. 26, 2012 issue) covered the discussion between the President of the National Cancer Center and then President of NKSJ Himawari Life Toshio Matsuzaki

In October 2012, the President of the Center and then President of NKSJ Himawari Life Toshio Matsuzaki discussed the improvement of QOL of working-age cancer patients and their families and explored ways to achieve this. The dialogue was covered by a business magazine, which highlighted the partnership between the Center and the company.

Guidance for People Diagnosed with Cancer

In March 2011, the Center published a booklet containing all the information needed for cancer patients. It was compiled based on extensive interviews the National Cancer Center conducted with healthcare professionals, cancer patients, and their families. Because QOL is often affected by the availability of information, NKSJ Himawari Life provides cancer-related information through its agencies by also distributing leaflets.

Promoting Consultation Support Centers for Cancer

In accordance with the Basic Plan to Promote Cancer Control Programs, the Center has instituted consultation support centers at designated cancer hospitals where cancer patients can consult with qualified staff. NKSJ Himawari Life, through its agencies, distributes booklets listing the consultation support centers to raise awareness and encourage utilization of the centers.

Promoting Cancer Treatment Information through Local Events

We participated in an event based on preventive medical health care hosted by Nagoya City on January 13, 2013 to disseminate information on cancer. We set up a booth and displayed a breast cancer palpation model and distributed leaflets to visitors.

Health and Life Support Service

The health and life support service aims to help customers lead healthy and fulfilling lives by preventing health risks from developing into emergent contingencies.

Available to policyholders, insured persons,

and their family members, this extensive service includes health and medical consultations, information on medical institutions, complete medical checkups, PET scans, and home testing.

Appointments for checkups and tests can also

be made through this service. In addition, the service offers consultations on long-term care and livelihood concerns and referrals of services for householders.

TOPICS Advance Payment Policy Clause for Long-term Care

NKSJ Himawari Life in December 2012 released an advanced payment policy option clause designed to cover long-term care expenses. Under this option, policyholders can receive a full or partial payment if certified as needing level 4 or 5 care. This option can be added to the mainstay product "Issho no Omamori" 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, however, 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.



Supporting Mental and Physical Healthcare

The NKSJ Group is contributing to the nation's health and towards a sustainable society through its business activities aimed at supporting both the mental and physical health of its corporate clients' employees.

Physical Healthcare Support to Help Prevent Lifestyle Diseases
Healthcare Frontier Japan Inc. (HFJ)

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, public health insurance providers have been required for five years now to provide metabolic syndrome checkups as well as follow-up advice for cases specified by the national government. With a nationwide network of health professionals made up of roughly 1,100 experienced health workers, nurses, and national registered dietitians,

HFJ is Japan's largest provider of the specified follow-up advice service. HFJ provides support to corporate employees mainly in the area of the specified follow-up advice. One example shows that around 39% of employees who received the follow-up advice from HFJ improved to the point that they required no further guidance the following year.

In addition to the follow-up advice service, HFJ also provides follow-up checkups 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, HFJ provides over 200,000 health support services annually to more than 450 health insurance associations and other organizations.

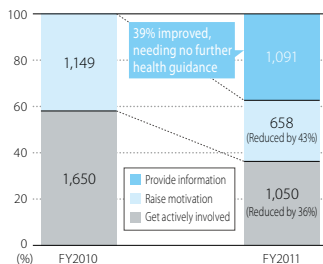
Mental Healthcare Support
Sompo Japan Nipponkoa Healthcare Services Inc. (SNHS)

According to a 2012 survey by the Japan Productivity Center, about 90% of listed companies reported that the number of employees suffering from mental health problems remained steady or increased over the preceding three years. Although previous findings showed that emotional disorders mainly affected employees in their 30s, in recent years sufferers can be found in all age groups. Companies are therefore required to adopt new approaches to mental healthcare.

Against this background, SNHS has since April 2007 offered services aimed at providing comprehensive solutions to corporate mental health challenges. Working in close cooperation with management, HR departments and occupational health professionals, it provides support to companies in establishing occupational health systems as well as regular mental healthcare services such as stress checkups and counseling.

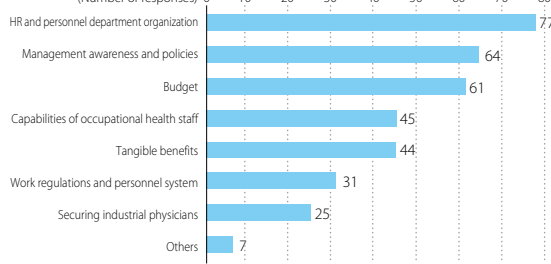
Improvement after Specific Health Guidance by HFJ

Based on classified data on HFJ program participants, furnished by some insurance providers (n=2,799)



Questionnaire Response from Mental Health Seminar Participants (July 2012) (n=155)

Specify problems and concerns in strategically implementing your mental health program. (Multiple answers allowed)



TOPICS Establishment of the Care Service Business

In September 2012, Sompo Japan decided to compete in the care services business when it purchased shares of Cedar Co., Ltd., a private-sector provider of long-term residential nursing care for the aged. Currently, the company provides on-site services at 83 facilities in 19 prefectures as well as offering home-based services such as day services and home-visit nursing care.

Previously a rehabilitation arm of a hospital group, Cedar Co., Ltd., has high levels of rehabilitation expertise, which gives it a real advantage. All of its fee-based nursing homes for the aged are equipped with training rooms and manned with physical and occupational therapists in order to help residents lead healthy and enjoyable lives.

The company also prioritizes human resources development. In-house personnel are provided with extensive opportunities for training and skill development, ranging from orientation training to specialized training for leaders and managers, as well as several preparation courses for the welfare caretaker qualification exam. Staff members also maintain a cheerful attitude, which is much appreciated by the residents and their families.



Rehabilitation activities to help improve movement of the elderly

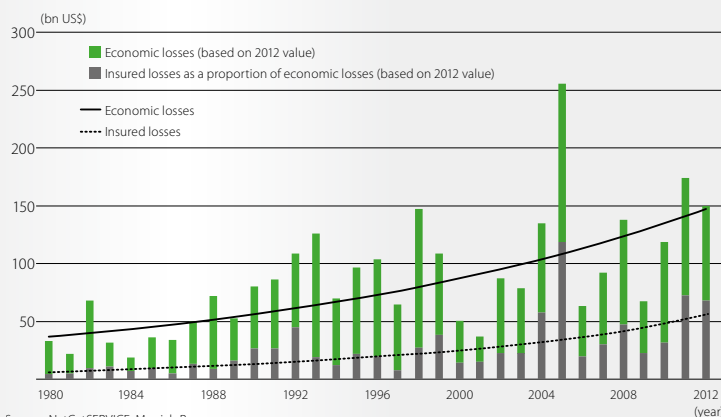


Material Issue
2

Tackling Global Environmental Issues —Focusing on Climate Change

Fact

Economic Losses and Insured Losses Caused by Weather-related Disasters since 1980



In 2005, Hurricane Katrina flooded the southeastern region of the United States, causing the most devastating meteorological damage ever experienced. This is in keeping with a more general increase in economic losses and insured losses caused by hurricanes, floods, droughts, heat waves, and other abnormal weather, such as the 2011 flooding in Thailand and Hurricane Sandy in 2012. It has been noted that many more destructive weather events will occur if global warming is not stopped.

Our Action

The increase in natural disasters caused by climate change and its impact on people's well-being, as well as biodiversity loss may result in an increase in insurance payments. This, in turn, would necessitate a rise in premiums on the part of insurers, making it difficult to ensure stability in the insurance domain. On the other hand, measures to adapt to and mitigate climate change may provide insurance companies with a growth opportunity as they may lead to the creation and expansion of new insurance markets. These might include policies to cover risks confronting renewable energy projects or plans that will prompt technological innovation to reduce carbon emissions.

The NKSJ Group therefore tries to view global environmental problems as opportunities for growth, rather than simply as risks. We collaborate with all stakeholders, both upstream and downstream, to proactively work to reduce our environmental impact throughout our value chain. At the same time, we are endeavoring to develop and offer products and services that will contribute to mitigating the impacts of climate change, developing a low-carbon economy, conserving biodiversity, and promoting environmentally considerate behaviors.

2012 TOPICS



Taking on Global Environmental Risks as Opportunities by Addressing Products and Services

Our role is to contribute to solving climate change and other issues facing society through our core business of offering insurance and other financial products and services. To mitigate climate change, we are promoting the use of recycled parts for automobile insurance claims, a web-based insurance clause to reduce paper use, and eco safe driving. Regarding the first two, we are collaborating with agencies and repair shops to call on customers to use recycled parts and access their policies online, and are having more success each year. We are also working to help realize a low-carbon economy by offering various products and services, including an insurance policy to promote the use of renewable energy and a risk diagnosis service for renewable energy projects. Regarding adaptation measures for climate change risks, we make it our mission to ensure a stable stream of insurance products to cover natural disasters and ensure the prompt payment of insurance benefits in the event that one occurs.

Unfortunately, island countries and developing nations, which are particularly vulnerable to climate change, do not yet have sufficient insurance coverage. The NKSJ Group has therefore joined the Pacific Catastrophe Risk Insurance Pilot program developed for five Pacific island countries and is actively offering insurance products, such as weather index insurance, toward regions that are likely to be affected by climate change.

Expanding the Boundaries of ISO14001 to All Offices

Sompo Japan and Nipponkoa, started operating a common environmental management system in April 2013. The plan is to acquire ISO14001 certification for all of their offices by autumn and for other Group company offices successively thereafter. The environmental management system adopted by both companies covers not only environmental measures but also CSR initiatives based on the international standard for social responsibility, ISO26000. This means all of the offices plan their environmental management initiatives involving CSR issues

Working Together with Stakeholders Closely to Pass on a Sustainable Society to Future Generations



Yukiteru Shimada

Corporate Planning Department
NKSJ Holdings, Inc.
Chief CSR Officer
Sompo Japan Insurance, Inc.
Nipponkoa Insurance Co., Ltd.

ahead of time and continuously improve them through the PDCA cycle. In order to keep the system running effectively, a CSR/eco officer is also appointed in every workplace to promote CSR initiatives, realizing a bottom-up approach that involves personnel at all levels. We make sure that CSR/eco officers are provided with all necessary information and that best practices are shared via the Group intranet.

We are also trying to encourage employees to be aware that conserving energy, reducing paper use, and other activities will lead not just to reducing our environmental impact but also to saving costs in each workplace. We consider it important that employees realize that their efforts to save energy and resources will benefit both the environment and their business.



A Save Japan Project activity

Promoting Stakeholder Inclusion in Environmental Conservation Initiatives

In order to help solve global environmental problems such as climate change and biodiversity loss and to contribute to creating a sustainable society, we need to cooperate with suppliers, agencies, repair shops, customers, local citizens, and NGOs/NPOs. One example of such cooperation is the Save Japan Project launched in fiscal 2011. The objective of the project is to create optimal conditions for biodiversity in collaboration with NGOs/NPOs and local citizens in all 47 prefectures of Japan. A total of more than 11,000 participants have so far taken part in the project, conducting various activities for the protection of biodiversity. In fiscal 2013, we also started a new project with the aim of conducting activities not only in the area of biodiversity but also in the areas of forests and education/life. We will continue to implement a wide variety of initiatives in partnership with the local community based on our belief that we have a duty to pass on a healthy environment to future generations,

Adaptation to Climate Change

For insurance companies, whose business is inextricably intertwined with natural disasters, the task of adapting to climate change is not only an important management agenda but also a business opportunity. Drawing on its insurance and financial capabilities, the NKSJ Group is directing its energies to the research and development of products and services that offer effective measures for adaptation to the risks of climate change.

Pacific Catastrophe Risk Insurance Pilot Program

Sompo Japan announced that the company has joined the Pacific Catastrophe Risk Insurance Pilot program established by the World Bank (President: Jim Yong Kim).

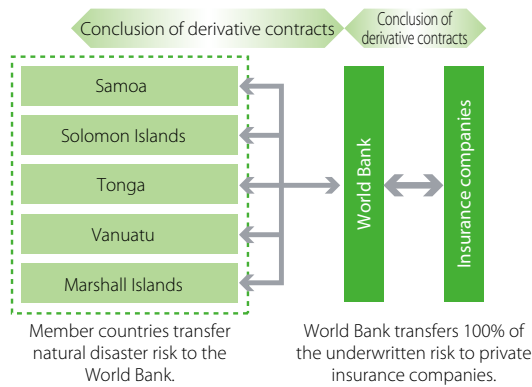
Major natural disasters, including cyclones and tsunamis, are occurring with greater frequency due to global warming and climate change. In this context, support measures for Pacific Island countries, which are vulnerable to catastrophic damage resulting from these types of natural disasters, had been discussed under the leadership of the World Bank.

Meanwhile, to promote climate change adaptation, Sompo Japan had underwritten derivative contracts in Japan and overseas and had striven to accumulate advanced financial technologies and know-how. In addition, Sompo

Japan had been involved in the study for the Pilot program since its proposal at the Pacific Islands Leaders Meeting (PALM) (held in Hokkaido) in May 2009 and had actively reviewed the program

with a view to its realization. Having led efforts to launch the Pilot program as a private insurance company, Sompo Japan joined the program when it was established in January 2013.

Structure of Pacific Catastrophe Risk Insurance Pilot Program



*** Program Outline**
Among the Pacific Island countries, five countries—Samoa, Solomon Islands, Tonga, Vanuatu, and the Marshall Islands—will conclude derivative contracts with the World Bank. The World Bank will establish a World Bank Trust Fund and make payouts to member countries whenever a natural disaster above a certain magnitude strikes.
The World Bank, for its part, will conclude derivative contracts with insurance companies and transfer the risk underwritten from the Pacific Island countries to private insurance companies.

Weather Index Insurance—Mitigating Damage from Climate Change in North East Thailand

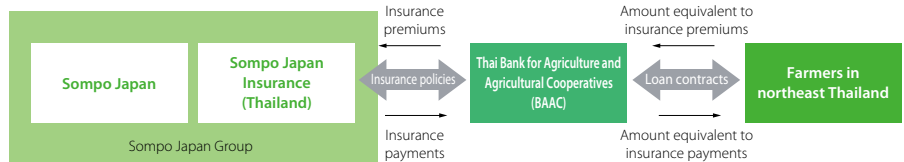
Among the risks inherent in the agricultural business are natural disasters such as storm and flood damage, typhoons, etc. as well as abnormal weather such as low temperatures and lack of sunlight. Insurance and other financial products constitute measures for adaptation to mitigate and avoid such risks, and their efficacy is the focus of high hopes worldwide.

Provision of Weather Index Insurance in Northeast Thailand

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

The purpose of this insurance is to mitigate damage due to drought among rice farmers in the region. The product is designed to provide compensation to farmers in case that the cumulative amount of rainfall announced by the Thai Meteorological Department falls below a predefined level. During development of the product, on-site surveys were repeatedly held along with public hearings to gather the views of farmers in order to design the product

Structure of Insurance Sales and Insurance Payments



as simply as possible for farmers who were unaccustomed to insurance. The team also strove to prepare pamphlets that set forth the insurance in simple terms, so farmers can apply the insurance with relief.

Sompo Japan Insurance (Thailand) has marketed through the Thai Bank for Agriculture and Agricultural Cooperatives (BAAC), to farmers who had contracted BAAC's loans. Sale of the product has expanded to cover nine provinces in northeast Thailand (one province in fiscal 2010 and

five provinces in fiscal 2011).
In fiscal 2012, the benefit of the insurance was proven when insured farmers received payments after a drought hit some areas of northeast Thailand. The Sompo Japan Group is considering various options for the future, including modification of the product contents, sales in other regions of Thailand, diversification of the crops covered by insurance, and sales even in other countries.



Explanation of products to Thai farmers



Supporting Renewable Energy through Products and Services

The launch of the Feed-in Tariff Scheme in Japan for Renewable Energy in July 2012 has prompted many companies to enter into the photovoltaic power generation sector, but these utilities have growing concerns about the risks surrounding the business. On the other hand, creating insurance products to compensate for lost income has been difficult, due to the challenges involved in projecting revenue from the sale of electricity in normal times. This is because changes in weather and amount of solar radiation lead to natural fluctuations in the amount of energy produced.

Taking this industry characteristic into account, Sampo Japan estimated revenue

from the sale of electric power based on the past performance per month of each location published by the New Energy and Industrial Technology Development Organization (NEDO). It then developed a new type of special policy conditions designed to compensate for lost operating income resulting from the decline in revenue from electricity sales. This new policy is expected to mitigate the risk of income loss that photovoltaic power plant operators will face in the event that power generation projections are not met due to plant damage by fire, natural disaster, or similar incidents. It is therefore also expected to help spur on the renewable energy industry.

Sampo Japan Nipponkoa Risk Management,

meanwhile, has been offering a renewable energy risk diagnostic service since September 2012, capitalizing on its extensive knowledge obtained through risk analysis and mapping of earthquakes, floods, lightning strikes, and other natural disasters. The objective of this service is to analyze the onsite environmental conditions for photovoltaic power, wind power, and other renewable power generation in order to secure stable supplies of renewable energy sources with less environmental impacts. In partnership with Sohgo Security Services Co., Ltd., the company also launched a risk consultation service for fire and crime prevention at large-scale photovoltaic power generation ("mega solar") facilities in March 2013.

Development of Flood Risk Evaluation Method with Kyoto University

In fiscal 2010, Sampo Japan Nipponkoa Risk Management launched a research and development project for a flood risk assessment that takes account of climate change with Disaster Prevention Research Institute of Kyoto University. The joint team is endeavoring to accumulate basic research data and knowledge to support adaptation to global climate change.

Following the fiscal 2011 development of a flood simulation model for the Kinki metropolitan area, the team developed flood models for the Tokyo and Chukyo metropolitan areas in fiscal 2012. These models can simulate the rainfall-runoff and the inland flood

inundation simultaneously. The models can be utilized for disaster prevention and mitigation, as well as for the development of insurance products and services against flood risk. The next step of this development project is to combine these flood models with a stochastic rainfall models to evaluate flood risks probabilistically in the Kinki, Chukyo and Tokyo metropolitan areas.

The team has also started a research on quantifying the impact of climate change on the flood risk using the flood simulation model, the rainfall model taking account of projected global warming and vulnerability model. The

team thinks that the flood control master plan and insurance services should be developed from a medium- to long-term perspective, because it is pointed out that the frequency of the heavy rainfall, which causes a flood, may be influenced by a medium- to long-term climate change such as the global warming. Therefore, the team is trying to estimate the impact of climate change on the flood loss comparing the inundation under the current and future climate. Sampo Japan Nipponkoa Risk Management will conscientiously continue this study in close cooperation with researchers.

TOPICS Research: Adaptation to Climate Change by Sampo Japan Environment Foundation

Focusing on Response to Risks of Natural Disaster

Since it was set up in 1993, the environmental research group has examined contemporary issues facing society and possible solutions.

The research subject adopted by the group since 2011 is "adaptation." Chaired by Dr. Shuzo Nishioka, Senior Research Advisor,

Institute for Global Environment Strategies (IGES), the group is made up of nine researchers and scholars from various disciplines along with experts representing the Sampo Japan Group. Researchers as well as guest experts from central and local governments and companies

are also invited to each meeting to share the latest activity results and discuss various issues and measures.

It is planned that the results of these discussions will be made publicly available through publication in the form of a book.

Symposium to Develop a Resilient Society

On November 6, 2012, a symposium for interim reporting was held by the research group on the environment at the Sampo Japan Head Office. Attendees from a wide range of fields numbering approximately 140 participated in the symposium and engaged in active discussions.

In the first part of the symposium, Prof. Nobuo Mimura, Assistant Vice President, Ibaraki University gave a lecture on adaptation

to global climate change, pointing out the importance of reflecting both scientific knowledge and the sense of those working on the ground when developing adaptation measures. In the second part, the national government, local governments, and private companies reported the latest research results and agreed on the importance of collaboration in tackling adaptation issues.

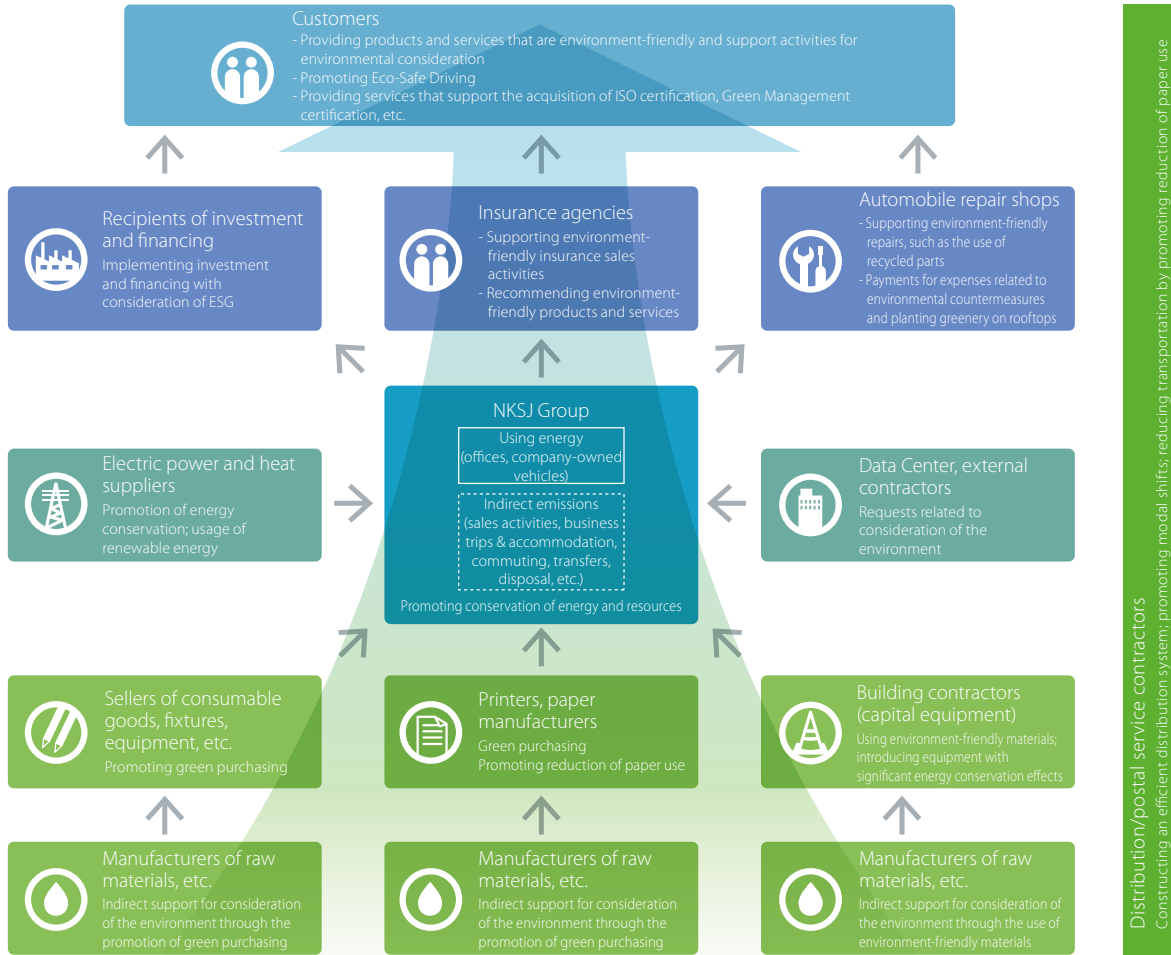


The symposium attracted a wide range of participants including corporate personnel, researchers, and students.

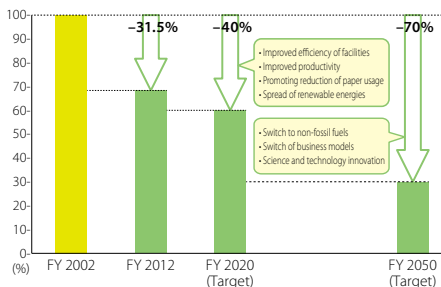
Mitigation of Climate Change

The NKSJ Group is taking various approaches to mitigate climate change. Sompo Japan and Nipponkoa have set targets for the reduction of CO₂ emissions by 2020 and 2050, and are pursuing such reductions from a long-term perspective. Besides environment-friendly procurement and energy-saving initiatives by the Group as a whole, the Group is making efforts for the alleviation of environmental burdens in cooperation with agencies, customers, and all other links in the value chain.

● Overall Image of Environmental Impact throughout the Value Chain and the NKSJ Group's Efforts for Environmental Conservation



● NKSJ Group's CO₂ emissions reduction performance and medium-term targets



With 2002 as the base year:
 By 2020: reduction of 40% or more
 By 2050: reduction of 70% or more
 *Scope consists of CO₂ emissions resulting from energy use such as electricity, gas and fuel for company vehicles

TOPICS Providing Comprehensive Support for the Calculation of CO₂ Emissions throughout the Value Chain

At large companies in particular, efforts to reduce CO₂ emissions, which are considered a cause of global warming, are expanding throughout the value chain (supply chain). However, the calculation of CO₂ emissions from the entire value chain requires considerable labor and time due to the broad scope of calculation and numerous calculation items. Sompo Japan Nipponkoa Risk Management provides comprehensive support for this calculation based on a database, tools and its own know-how as well as its experience as a registered verification agency under the Tokyo Cap-and-Trade Program. This support accords with the internationally accepted GHG Protocol Scope 3 Standard and the General Guidelines on Supply Chain GHG Emission Accounting formulated by the Japanese Ministry of the Environment and the Japanese Ministry of Economy, Trade and Industry.

Many companies are now attempting to quantify and report their CO₂ emissions reductions made through offering energy-saving and eco-friendly products and low-carbon services. To assure credibility, however, this quantification and reporting needs to be implemented on the basis of international guidelines and standards, such as ISO, rather than each company's own rules. Sompo Japan Nipponkoa Risk Management provides comprehensive support for this calculation to ensure it is aligned with international guidelines and standards.

Achievement of Carbon Neutral

Carbon neutral means being a state in which CO₂ emissions are reduced to zero. This necessitates taking action to reduce emissions as much as possible as well as buying carbon offsets for emissions that are difficult to eliminate through such action alone. 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 on a stable basis, Nipponkoa worked efficiently

to reduce its CO₂ emissions and achieved carbon neutral status in fiscal 2012. To ensure transparency, the company's carbon neutral status was certified by the carbon neutral certification committee instituted by the Ministry of the Environment, Japan.

Sompo Japan Nipponkoa, the new company created after the full merger in September 2014 will continuously strive to achieve Carbon Neutrality by enhancing ongoing efforts to reduce CO₂.

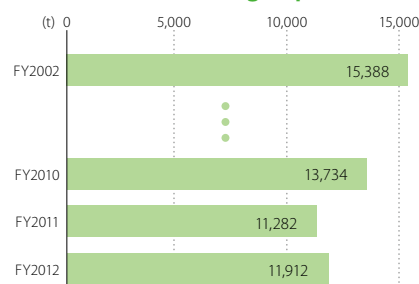
Scope (Organization)	Nipponkoa Insurance Co., Ltd.
Period	April 1, 2012 – March 31, 2013
Scope of activities	Scope 1: Emissions deriving from use of city gas, LP gas, kerosene, fuel oil, and company cars Scope 2: Emissions deriving from use of electricity and heat Scope 3: Emissions deriving from use of transportation means, lodging, paper/printed matter, physical distribution, and energy (outside the company or by consolidated firms, including those overseas)
Target of self-directed efforts	Reduction of at least 20% (relative to FY2006, the base year)
Expected emissions	About 46,964 t-CO ₂

Reducing the Use of Paper

Sompo Japan and Nipponkoa

Sompo Japan and Nipponkoa are working together to reduce paper usage through a "Paper Use Management Plan" based on the PDCA cycle. In fiscal 2012, the companies continued to encourage customers to check their policy documentation and guidance online, streamlined and computerized form preparation, and introduced tablet computers to eliminate the use of paper at internal meetings.

Process of Reducing Paper



In fiscal 2012, the quantity of paper used increased due to the revision of automobile insurance and other products.

NKSJ Himawari Life Insurance

To improve customer convenience and protect paper resources and the environment, NKSJ Himawari Life Insurance 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. The CD-ROMs help protect the environment by reducing paper use while enhancing customer convenience. Unlike other companies that put multiple products on one CD-ROM, NKSJ Himawari Life Insurance has created a dedicated CD-ROM for each product. This makes the media more user-friendly by not forcing users to wade through irrelevant material.

The CD-ROM versions of the policy documentation and guides allow us to reduce the use of paper by an average amount equivalent to 146 A4 pages per copy. This cuts our paper

usage by approximately 55% on average per copy. The CD-ROM versions also adopt optimum composition formats, character sizes, color schemes, and line spacing for easy readability.

Saison Automobile & Fire Insurance

Saison Automobile & Fire Insurance offers a discount (10,000 yen) 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 fiscal 2012 was 98.7%. The company has also introduced another discount (600 yen) 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 fiscal 2012, 40.5% had this discount attached.

Utilization of Recycled Parts

As part of their efforts to reduce CO₂ emissions, Sompo Japan and Nipponkoa encourage their 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 companies

have introduced measures to encourage both policyholders and auto repair shops to actively use recycled parts. They also cooperate 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. In order to raise consumer awareness surrounding recycled parts, the companies will continue to emphasize that recycled components garner a satisfaction rate of around 80% and that these parts come with a quality guarantee.

TOPICS Reduction of Environmental Impact throughout the Value Chain

Sompo Japan and Nipponkoa cooperate with their agencies to reduce environmental impacts throughout their value chains.

The companies' respective nationwide associations of auto repair shop insurance agencies call for their members to make utmost efforts for environmental protection and provide necessary support to facilitate the conduct of environmental conservation activities in their local communities. This support includes promoting green purchasing through the use of an online centralized purchase system, assisting the agencies to acquire ISO14001 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 companies' respective nationwide associations of their full-time career insurance agencies also promote paperless insurance processing and solicitation, web-based insurance clause and green purchasing.

As for Sompo Japan, the steady and continuous efforts made together with its agency association to increase green purchasing and foster "green consumers" through cooperation with local communities were recognized and it was awarded the grand prize for collaboration at the 14th Green Purchasing Awards.

Preservation of Biodiversity

The NKSJ Group cites preservation of biodiversity in its CSR Basic Policy and actively initiates in the tackling of biodiversity conservation. We are also supporting the efforts of industry associations to protect biodiversity, through participation in the Keidanren Committee on Nature Conservation.

Eco Project for Community

Sompo Japan and Nipponkoa started a New Eco Project in fiscal 2013 with the aim of supporting nature protection in Japan and abroad in partnership with customers. To be conducted in the three areas of forests, biodiversity, and education/life, the project is also intended to raise environmental awareness among the next generation and contribute to developing a sustainable society.

Under this project, the companies donate funds for environmental activities every time a

Eco Project for Community

Together with our customers, we will support nature protection in Japan and abroad and raise environmental awareness among the next generation as part of our efforts to contribute to developing a sustainable society.

Forest ● Carbon offset	Biodiversity ● Save Japan Project	Education/life ● Renewable energy ● Environmental education etc...
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customer selects a web-based insurance clause or when a customer decides to repair rather than

replace their plastic bumper or to use a recycled part following a traffic accident.

Biodiversity: Save Japan Project

Launched by Sompo Japan in fiscal 2011, the Save Japan Project supports biodiversity conservation activities by citizens across the country by making donations to environmental organizations (NGOs/NPOs) and other organizations. The donation amounts correspond with the number of customers who choose to select their insurance terms and conditions online. With collaboration from environmental NGOs/NPOs, local organizations, and the Japan NPO Center (JNPOC), the project provides opportunities for citizens to rethink their local natural environment and supports the creation of optimal conditions for biodiversity.

In fiscal 2012, the project expanded its scope to cover all 47 prefectures of Japan. Furthermore, the total number of activity participants over the

past two years has exceeded 10,000. The project has helped conserve around 80 rare species, including Japanese cranes in Hokkaido. The shift by many customers to web-based online policy terms and conditions has also resulted in saving approximately 740 tons of paper.

This effort has led to the Save Japan Project becoming the only private sector project included in the list of 10 partnership projects recommended by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J), which was published in September 2012.



"Exploration Adventure: Find Animals in the Snow" campaign in the town of Inawashiro in Fukushima Prefecture



UNDB-J logo

→ Website of the Save Japan Project: <http://savejapan-pj.net>

Forest: Support for Low-Carbon Reconstruction Projects

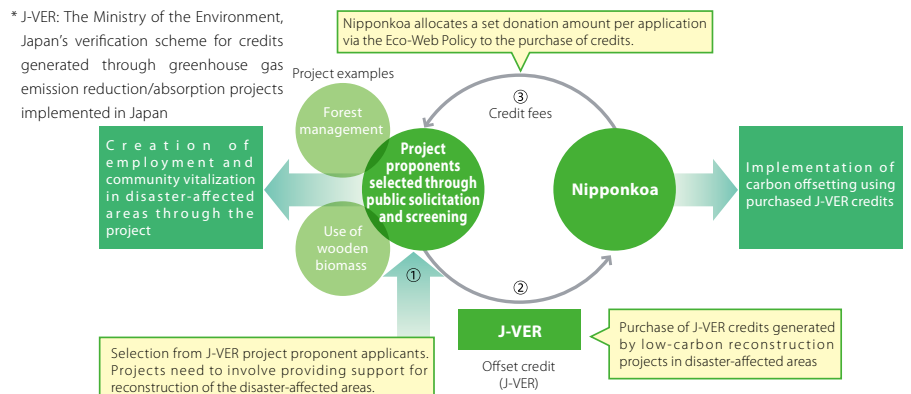
Nipponkoa procured offset credits (under J-VER*) from areas affected by the Great East Japan Earthquake with the aim of supporting effective reconstruction and the creation of eco-friendly communities in the disaster-stricken areas. The selection of supported projects was made in cooperation with the Ministry of the Environment, Japan. Selection criteria included the level of devastation suffered, effectiveness in

job creation and vitalization of local economies, and synergy effects other than greenhouse gas emission reduction/absorption, such as the conservation of biodiversity, public land, and

headwater forests. The total amount of carbon emissions offset through the J-VER scheme has reached 8,000 t-CO₂, the largest level ever recorded in Japan (as of April 30, 2013).



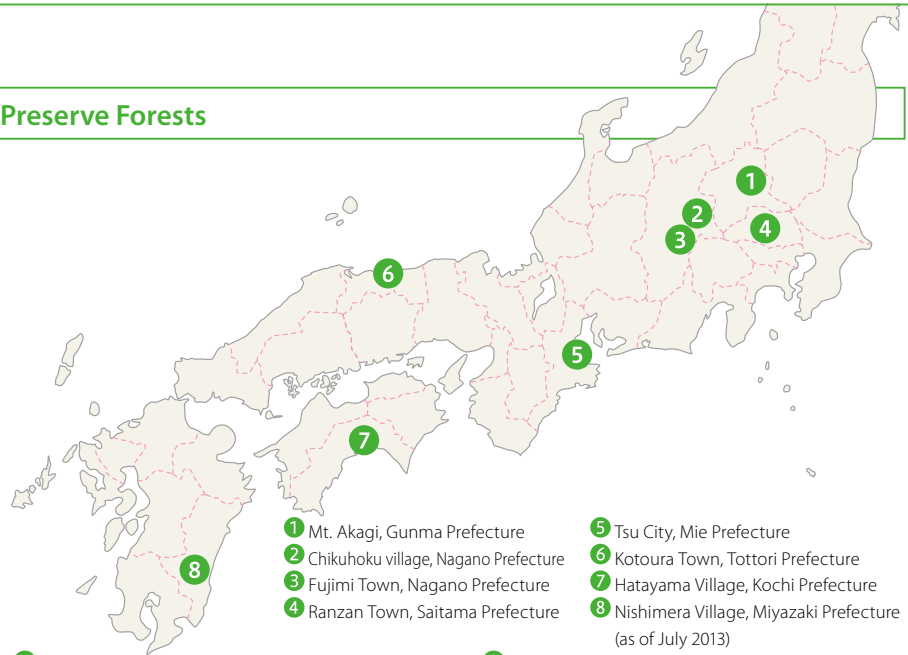
J-VER projects signing ceremony



Treaty with Local Governments to Preserve Forests

Forests absorb CO₂, release oxygen, store water, and provide habitats for fauna. They also help prevent landslides and floods. Forests thus provide humans with a number of benefits.

On behalf of the NKSJ Group, Sompō Japan and Nipponkoa have agreed on arrangements with various local governments to allow 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 benefits of natural ecosystem in collaboration with local citizens.



Biodiversity Consulting Service

Sompō Japan Nipponkoa Risk Management launched a biodiversity consulting service in October 2010 in partnership with the BirdLife International Asia Division, an international environmental NGO. The service includes evaluation 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.

Also, Sompō Japan Nipponkoa Risk Management published reports on the latest trends in corporate approaches to biodiversity conservation. In 2012, reports were issued regarding evaluation methods for corporate biodiversity conservation activities (Issue 73, August 3) as well as on the trend of business engagement in biodiversity conservation based on decisions made at the 11th meeting of the Conference of the Parties (COP11) to the Convention on Biological Diversity (Issue 74, December 6).



Brochure for biodiversity consulting service

TOPICS

Matasoshi Sato, Chairman of Sompō Japan attending COP11 as Chairman of Keidanren Committee on Nature Conservation

In May 2012, Masatoshi Sato, Chairman of Sompō Japan was appointed as Chairman of the Keidanren Committee on Nature Conservation. The Committee was founded in 1992, shortly after the Earth Summit held in Rio de Janeiro, Brazil.

In October 2012, the 11th Conference of the Parties (COP11) on the Convention on Biological Diversity (CBD) was held in Hyderabad, India. More than 9,000 participants from relevant organizations, civic groups, and others attended, representing 172 signatory countries. Masatoshi Sato, Chairman of Sompō Japan, took part in the conference as Chairman of the Keidanren Committee on Nature Conservation. He joined a high-level meeting organized by the CBD Secretariat as a panelist to discuss current and future government and private biodiversity initiatives with the Minister of Environment and Forests of India (Chair of COP11), the Director-General of the Department of Environmental Affairs and Tourism of South Africa, and representatives of the Indian business community. In February 2013, the committee sent a delegation to Laos and Malaysia to visit sites of overseas projects and communicate directly with local governments and residents.

The role of businesses in protecting the natural environment is becoming increasingly important. As a company chaired by the Chairman of the Keidanren Committee on Nature Conservation, Sompō Japan will continue to contribute to the conservation of biodiversity.



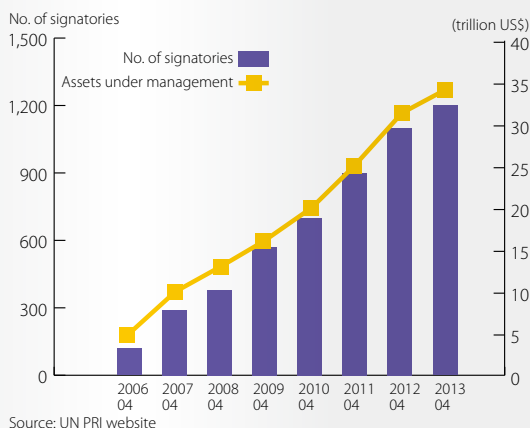
Inspection mission checks state of trees planted in Malaysian Borneo.

Material Issue 3

Providing Sustainable and Responsible Financial Services

Fact

Expansion of UN PRI Signatories



From its establishment in 2006 until 2012, the United Nations Principles for Responsible Investment (UN PRI) has seen steady growth of signatories to more than 1,000. The expansion of the UN PRI indicates that a growing number of financial institutions worldwide are incorporating ESG issues into their investment decisions.

Our Action

Developing a sustainable society requires a change in financial flow, the fundamental element of economic activities. Based on this understanding, the ability of the financial sector to play a greater role in solving global challenges was highlighted at the United Nations Conference on Sustainable Development (Rio+20) in 2012.

At the NKSJ Group, we promote “CSR Financing” supported by our core financial and insurance capabilities to make a positive difference in society. Specifically, we offer SRI funds, which invest in companies that are leaders in the areas of CSR, such as environmental conservation and provision of socially responsible products. We also integrate ESG (Environment, Social, and Governance) considerations into our financing and investment processes, in accordance with the UN PRI framework.



Contributing to the Development of a Sustainable Society by Providing Financial Products to Promote CSR-driven Companies

Sompo Japan Green Open—Pioneer of SRI funds

Sompo Japan Green Open has been offered to individual investors since 1999 as the second SRI fund launched in Japan. It is offered publicly to individual investors and incorporates eco-friendly companies into its investment activities. We are proud to announce that the fund is a pioneer in contributing to the area of SRI funds.

Sompo Japan Green Open was developed as one of the Group's advanced CSR initiatives together with the knowledge of making strong evaluations towards the environment and the capabilities of equity investment. In other words, the fund embodies the Group's various resources and corporate philosophy. The market now has expanded from initial individual investors to include financial institutions and other institutional investors as well as corporate defined contribution plans.

One of the largest SRI funds in Japan

Green Open invests in companies with excellent environmental and financial performance. Environmental performance is evaluated by Sompo Japan Nipponkoa Risk Management and financial performance by Sompo Japan Nipponkoa Asset Management (SNAM). While the ESG (Environment, Social, and Governance) evaluation of many SRI funds is performed by external firms, Sompo Japan Green Open is unique in that it is fully managed on an internal basis. Thanks to its stable investment performance over a long period, the availability of numerous disclosure materials released in cooperation with Sompo Japan Nipponkoa Risk Management, and active engagement with portfolio companies, the fund has become one of Japan's largest publicly offered SRI funds in terms of managed assets.

In April 2012, Rating and Investment Information, Inc. (R&I) honored the fund with its R&I Fund Award for the sixth consecutive year. In the following November, Sompo Japan Green Open won a Category Award at the 9th Eco-Products Awards, giving it a higher profile in the industry. Leveraging the cultivated expertise and needs identified by customers through the fund's operation, SNAM is working to expand the provision of new products and services. In August 2012, the SNAM Sustainable Investment Fund was added to the company's SRI product portfolio.

Anticipated growth of SRI market

The SRI fund market in Japan lags far behind



Shigeo Sugawara

Senior Investment Manager
Equity Investment Department
Sompo Japan Nipponkoa Asset
Management Co., Ltd.

its American and European counterparts. If Japan is to catch up with its advanced peers, it is essential that additional pension funds, financial institutions, and other institutional investors become more actively involved in this market. This situation notwithstanding, Japan's SRI sector is making slow but steady progress, as seen in the growing adoption of the UN PRI and the formulation of the Principles for Financial Action towards a Sustainable Society (PFA). ESG consideration, in fact, has become an integral part of the business operations of financial institutions, being directly linked to corporate value. ESG information, in addition to financial performance data, will also be increasingly incorporated into decision-making processes concerning equity investing.

In this way, the SRI market is expected to grow over the long-term, presenting tremendous business opportunities to SNAM, which has already gained a wealth of experience in serving individual and institutional investors in this field through Sompo Japan Green Open fund. Leveraging the strengths of the NKSJ Group as a whole, SNAM will continue working to offer attractive SRI products and build a stronger presence in the industry.

Through the promotion of SRI funds, which support ESG-conscious corporations, SNAM also aims to help develop a sustainable society and thereby meet social expectations, as well as satisfying economic needs through asset management.

● Sompo Japan Green Open: Outstanding Units and Net Assets



Sompo Japan Green Open's regular meeting

Contributing to a Sustainable Society through Financial Services

The NKSJ Group focuses on promoting CSR Financing to help solve social issues through its core business of financial and insurance services. We are also actively involved in accelerating efforts in order to meet growing public expectations with the financial industry to help develop a sustainable society.

Providing Sustainable and Responsible Financial Services

After the Earth Summit in 1992, the concept of sustainability as well as the relationships between financial services and the environment has been increasingly widely recognized. For the past 20 years, there has also been growing public opinion that the financial sector should contribute to sustainable development by actively investing in and financing environmental initiatives, promoting environmental risk management, enhancing governance, accountability, and information disclosure, and making other related efforts. These developments have created growing expectations for CSR Financing, which aims to help solve social issues by changing financial flow.

Leveraging its core financial capabilities,

the NKSJ Group has long offered financial and insurance products and services that help to solve environmental issues. In the early 1990s, we launched environmental contamination liability insurance. In 1999, we launched Sompo Japan Green Open, an eco fund that invests in environmentally-friendly companies, which has grown into one of the largest eco funds in Japan. We are currently working to make our eco funds included in more defined-contribution pension plans and to expand our product portfolio of SRI funds.

Recognizing the importance of employee awareness of ESG issues to promote socially responsible financial and insurance practices, the NKSJ Group launched the ESG Promotion Project

in January 2012. The project organized a series of study meetings with lectures by external speakers and group discussions.



ESG Promotion Project

For information on financial products and services of the NKSJ Group, see pages 61-62.

Active Involvement in Financial Initiatives

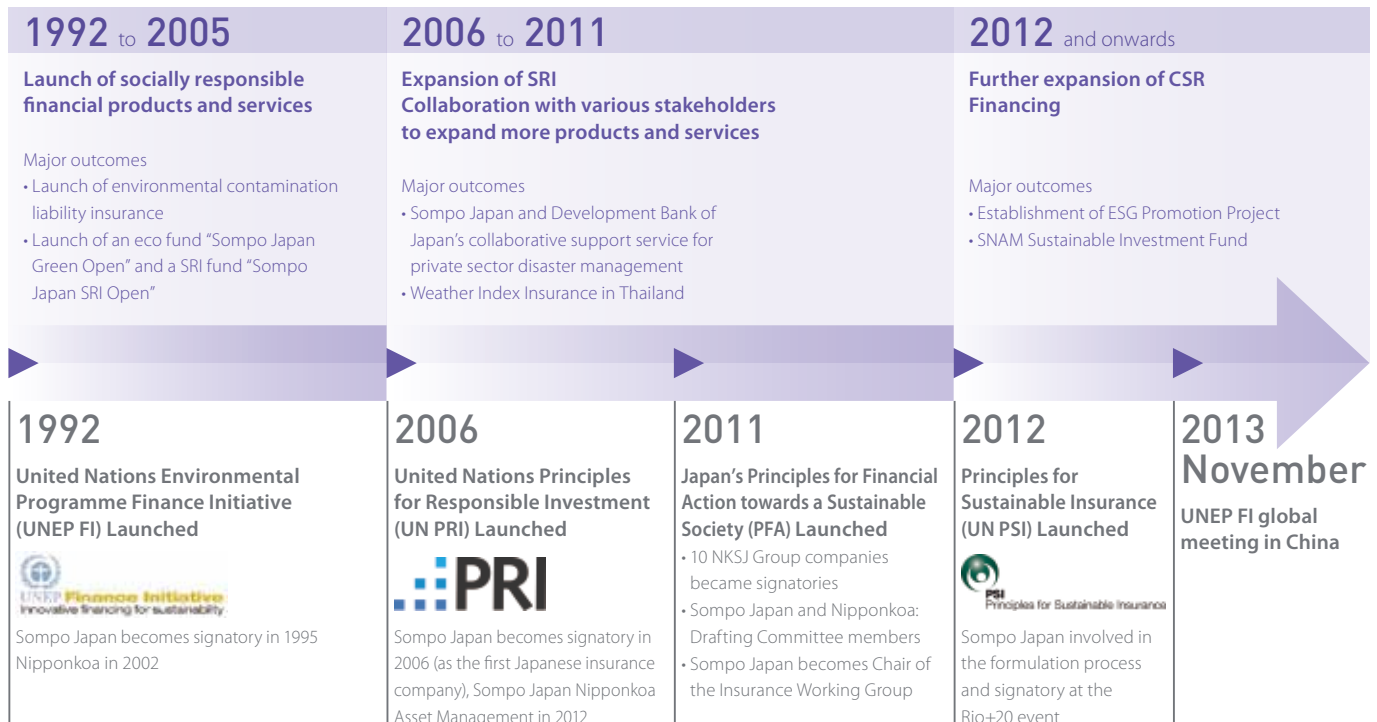
In 1992, a group of leading insurance and reinsurance companies, which shared a sense of crisis over exacerbating natural disasters and the resulting increase of insurance payments, commenced activities of the United Nations Environment Programme Finance Initiative (UNEP FI). We at the NKSJ Group have been actively involved in this initiative since its

establishment and have evolved our own activities through partnerships, collaboration, and active engagement with other member companies.

We also strive to become a part of the solutions to ESG issues through our participation in the CDP, the United Nations Principles for Responsible Investment (UN PRI), the Principles for Sustainable Insurance (UN PSI),

and Japan's Principles for Financial Action towards a Sustainable Society (PFA), as well as by joining the World Business Council for Sustainable Development (WBCSD) as the only member company from the Japanese financial service sector.

● CSR Financing at the NKSJ Group



See p. 10 for details of initiatives.

Active Participation in Initiatives (1)

Speech at UN PRI Symposium

In October 2012, the Principles for Responsible Investment (UN PRI) initiative held a symposium on responsible investment for institutional investors and business leaders. Together with overseas speakers from asset management companies and pension funds, Masatoshi Sato, Chairman of Sampo Japan, delivered a speech on behalf of the Group, which had been the first Japanese insurance company to sign the UN PRI

back in 2006. In front of an international audience, Sato explained the major financial industry initiatives in which Sampo Japan participates—UN PRI, the Principles for Sustainable Insurance (PSI), and Japan’s Principles for Financial Action towards a Sustainable Society (PFA)—as well as the NKSJ Group’s CSR related products and ESG Promotion Project.



Masatoshi Sato, Chairman of Sampo Japan at the PRI conference

Active Participation in Initiatives (2)

Active Involvement in Formulating the PFA

In their capacity as Drafting Committee members, Sampo Japan and Nipponkoa were deeply involved in the formulation process for the Principles for Financial Action towards a Sustainable Society (PFA). Masao Seki, Sampo Japan’s then Associate Director, Chief CSR Officer chairs the Insurance Working Group (IWG) of the PFA and strives to promote the insurance sector’s social responsibility efforts.

Our key PFA related initiatives in fiscal 2012 include the delivery of a speech at the IWG and participation in a panel discussion at the PFA’s March 2013 general assembly and symposium on finance for developing a sustainable and low-carbon society. Efforts by the signatory companies within the NKSJ Group also appeared in PFA’s case studies publication.



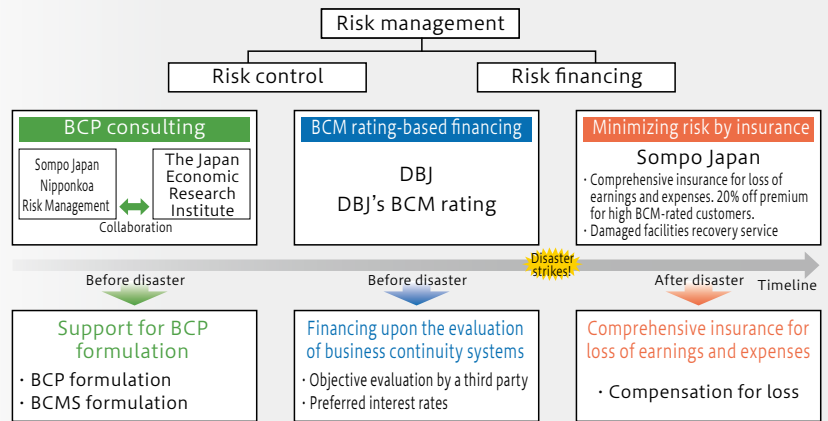
Sampo Japan’s Masao Seki at the PFA general assembly/symposium

TOPICS Collaborating with Development Bank of Japan

Sampo Japan works with the Development Bank of Japan (DBJ) to support the disaster preparedness and disaster management of corporate clients.

This comprehensive financial service draws upon both the DBJ’s accurate rating capabilities and the NKSJ Group’s non-life insurance and risk management expertise. Sampo Japan 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 can receive a 20% discount on their premium. DBJ clients can also ask Sampo Japan Nipponkoa Risk Management for assistance in developing their BCM plans.

Moving forward, the NKSJ Group will continue exploring further opportunities for high-synergy collaboration projects with external partners in order to aggressively expand its product portfolio.



COMMENT Cross-sector Collaboration in the Financial Industry is Key to a Sustainable Society

Rather than simply discussing conceptual frameworks, the financial industry is now expected to take specific actions to develop a sustainable society. While various activities are being implemented on a sector-by-sector basis (e.g., insurance, loans, and investment), the financial industry is under the most pressure to exploit its comprehensive adjustment functions toward that end. This requires collaboration among different financial sectors.

In achieving such collaboration, the insurance sector, given its traditional high sensitivity to social and environmental issues, is key. As a leader of CSR Financing (exemplified by its recent pioneering efforts related to climate change adaptation), the NKSJ Group is expected to play the central role. The partnership between the NKSJ Group and the DBJ in offering the business continuity management support service truly represents a new form of CSR Financing that brings insurance providers and lenders closer together. I look forward to seeing further development and expansion in this field.



Mr. Keisuke Takegahara
General Manager of Environmental Initiative & Corporate Social Responsibility-Support Department, Development Bank of Japan Inc. Chairperson of the working group on deposits, loans, and leasing business under the Principles for Financial Action towards a Sustainable Society

Building a Responsible Investing Framework

Aiming to help create a sustainable society, the NKSJ Group started early on to develop SRI (sustainable and responsible investment) funds, the screening process of which takes ESG (Environment, Social, and Governance) issues into account. We also incorporate ESG factors into our own investing and financing processes.

Establishing Basic Policy and Framework to Promote Responsible Investment

In fiscal 2012, Sampo Japan Nipponkoa Asset Management (SNAM), which became a UN PRI signatory in January 2012, stepped up its efforts to improve its internal system in order to promote responsible investment.

As the first step, the company formulated the Basic Policy for Responsible Investment Operations to declare its operational approach. The text of the policy is now available at the SNAM website (currently in Japanese only).

SNAM also established its own CSR Committee, which is chaired by the President and comprised of managing directors, executive officers, and the heads of related divisions. The committee discusses issues relating to the basic policy mentioned above, CSR promotion plans, SRI funds, and internal and external social contribution activities, as well as exploring how best these initiatives should be implemented and promoted within the company. NKSJ Holdings also joins the committee as an observer to ensure efficient and multifaceted CSR initiatives across the Group.

Other new initiatives at SNAM include the launch of a CSR section on its website. The section offers SNAM's specific CSR information, including its membership in UN PRI and other initiatives, a lineup of its SRI funds, and proxy voting history, as well as the NKSJ Group's

● SNAM Basic Policy for Responsible Investment Operations

Consistent with the NKSJ Group's Approach to CSR, our Basic Management Policy specifies that we, as a pioneer of SRI funds in Japan, will fulfill our corporate social responsibilities and help to build a sustainable society through responsible investment. Under this policy, we will promote responsible investment operations, primarily focusing on:

1. Development of responsible investment promotion systems;
2. Development and provision of financial products that meet economic and social needs in a harmonious way; and
3. Promotion of responsible investment through investors, investee companies, and various other related parties.

CSR policy and its five CSR material issues. To promote public understanding, the section also offers a glossary on CSR.



CSR section on the SNAM website

➔ <http://www.sjnk-am.co.jp/company/csr/about.html> (Japanese only)



The CSR Committee, chaired by the President, meets regularly



CSR working group by SNAM employees

Integrating ESG into Investing and Financing Processes

As a UN PRI signatory, the NKSJ Group incorporates ESG issues into its investing and financing processes. For instance, we evaluate the environmental performance of a target company and its inclusion into environmental-themed funds and indexes as part of our multifaceted evaluation process.

When using external asset managers, we periodically review their investment performance on ESG integration into investment

processes, policies, and mechanisms. As a number of private equity funds* are increasingly demanding more rigorous governance and environmentally responsible operations of their investee companies, these investment approaches are not only good for society but also good for the investee firms because they help reduce operational costs and create new business opportunities, thereby increasing their corporate value.

The NKSJ Group will continue encouraging external asset management firms to conduct responsible investment through our pre-investment assessment and follow-up monitoring processes.

*Private equity funds invest in unlisted companies and seek profitable exits through IPOs or sales. By acquiring a majority interest, they often have a deep involvement in the management of their investee companies.

Launch of New SRI Funds

SRI funds are a type of investment trust product that incorporates environmental, human rights, and other social issues as well as corporate governance levels into their evaluation criteria. Sampo Japan Nipponkoa Asset Management (SNAM) offers SRI funds for both individual and institutional investors.

● Sampo Japan Green Open

Leveraging the combination of Sampo Japan Nipponkoa Risk Management's expertise in environmental surveys and SNAM's original equity valuation methodology, Sampo Japan Green Open, an eco fund launched in September 1999, has grown into one of the largest SRI funds in Japan, with a net asset balance of 18.7 billion yen as of March 31, 2013.

● Sampo Japan Eco Open (Dividend Focus Type)

This eco 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.

● Sampo Japan SRI Open

The selection process of this SRI fund includes the results of social and governance surveys by a third-party organization*1 in addition to Sampo Japan Nipponkoa Risk Management's environmental survey results. Drawing on the combined know-how of ESG assessment*2 and SNAM's equity valuations, the fund provides an opportunity to invest in companies actively striving to communicate with society and address social issues.

For qualified institutional investors, 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. The company 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 A third-party organization: Integrex Inc.

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



Sampo Japan Green Open, one of the largest eco funds in Japan

Promoting CSR and ESG Awareness through SRI Funds

SNAM works on CSR communications through its activities relating to SRI funds. For example, for the Sampo Japan Green Open fund SNAM surveys about 400 companies each year to evaluate their environmental management performance. After analyzing the results, it provides the respondents with feedback. Furthermore, the fund's monthly performance report for institutional investors features portfolio companies' environmental efforts while the quarterly newsletter includes the latest environmental trends and updates. The annual performance report, meanwhile, summarizes all portfolio companies' environmental initiatives.

As described above, SNAM works to communicate environmental information as well as investment performance to Sampo Japan Green Open's investors and corporate stakeholders. The company also makes similar efforts regarding its other SRI funds. The monthly report of Sampo Japan SRI Open, for instance, introduces the ESG efforts of portfolio companies.

SNAM anticipates that its efforts to communicate with investors and corporations will facilitate a better understanding of ESG investment and more active implementation of CSR Financing.



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

TOPICS Sampo Japan Green Open Awarded at the 9th Eco-Products Awards

Sampo Japan Green Open received an Eco-Service Category award at the 9th Eco-Products Awards for its continued environmental initiatives.

The award signals recognition of the fund's status as the second oldest eco fund in Japan and one of the country's largest domestic equity SRI funds. The fund continues to be sold at a wide range of financial institutions.



The 9th Eco-Products Awards Ceremony

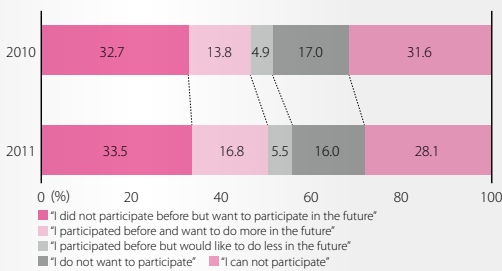


Material Issue
4

Community Involvement and Development—Partnership with NGOs

Fact

Survey result on “Participation in volunteer activities with NGOs/NPOs”



Source: The National Survey on Lifestyle Preferences Fiscal 2011 by the Cabinet Office of Japan

• Scope of volunteer/NGOs/NPOs/civic activities

- | | |
|------------------------------------|--|
| Education | Environment, global warming |
| Childcare | Disaster recovery, international cooperation |
| Community development | IT promotion |
| Security, disaster prevention | Occupational skills development |
| Elderly care, welfare | Consumer protection |
| Health promotion | Others |
| Art, sports, and culture promotion | |

NGOs/NPOs have been garnering attention for their role as new key players in solving various community challenges. This reflects the increasingly broad acknowledgment of the importance of building mechanisms for collaborative problem-solving efforts across different sectors, such as public administration, civic engagement, NGOs/NPOs, business and others, and to develop human resources toward this end. In Japan, public willingness to participate in volunteer, and civic activities to contribute to society is growing, particularly since the Great East Japan Earthquake.

Our Action

At the NKSJ Group, contributing to developing a better society constitutes an important part of our mission. Accordingly, we make various efforts at both the corporate and individual level together with our agents and specialized NGOs/NPOs. Examples of our corporate initiatives include offering art, welfare, environment, and youth development programs through our foundations.

We also have a support system in place to encourage employees to use their professional skills to participate in the problem-solving efforts of local communities. Moreover, we are supporting rebuilding efforts in areas affected by the Great East Japan Earthquake, adapting our responses to evolving local needs.

Such active engagement in solving local challenges also helps in the professional development of our human resources and agency staff members.

2012 TOPICS

**Contributing to society by doing what we can**

After the Great East Japan Earthquake, the NKSJ Group supported recovery efforts in a variety of ways, including through its core business, donations, and other activities. These experiences inspired many employees to continue to contribute to society by doing what they can.

To respond to this development, NKSJ Volunteer Days were instituted in fiscal 2011 to expand existing support activities and make a broader contribution to local communities. The program aims to encourage Group employees to work together to contribute to the communities in which they live and work.

Expanding and evolving program with around 10,000 participants worldwide

In fiscal 2011, roughly 10,000 employees worldwide joined volunteer activities over the three months of the NKSJ Volunteer Days program. To encourage them, the Group prepared a list of sample volunteer activities available to all Group employees worldwide, whether on a regional, company, business site, or individual basis.

The program evolved further in fiscal 2012. During the program period of one month, approximately 10,000 employees across the Group engaged in volunteer activities, including those featured on the list prepared by the administrative office as well as those fully planned and implemented by Group companies or departments independently. Some existing activities previously conducted by individual companies were implemented across the Group, making them even more effective.

Even now that the Volunteer Days program has finished, many employees have continued their volunteer activities and a growing number of employees at overseas offices are also starting to take action. The NKSJ Group will continue providing an environment that encourages employees to engage in such volunteer activities on an ongoing basis and contribute to solving social issues.



NKSJ Volunteer Days received an Honorable Mention Award at the Make a CHANGE Day Awards for the second consecutive year.

NKSJ Volunteer Days— Encouraging Employees' Individual Efforts

Case



Mai Kawakubo

Administrative Section
Chubu District Department
Sompo Japan Insurance, Inc.

United by Passion, Working Together for a Charity Bazaar

In October 2012, Sompo Japan and Nipponkoa offices in the Chubu region jointly held a charity bazaar. This annual event had previously been held in the Sompo Japan Nagoya Building during the Puppet Festival held at the building's puppet theater. After 28 years, however, little increase was being seen in proceeds due to fewer goods being donated by employees and others as well as a decrease in the number of visitors. In response, the 2012 event was repositioned as an initiative under the NKSJ Volunteer Days program and held jointly by Sompo Japan and Nipponkoa.

To make the bazaar a success, the project staff from the two companies worked closely together, holding numerous meetings and sharing ideas and information. Thanks to these united

efforts, the three-hour charity event was a great triumph. We collected about 2,200 items, which is about one and a half times as many donated items as the previous year, and a large number of NKSJ employees, agents, and others visited the bazaar. Furthermore, employees of the two companies enjoyed the close collaboration. The total proceeds of over 100,000 yen were all donated to the Chunichi Shimbun Welfare Foundation to enhance social welfare in the Chubu region.

Building upon this experience, Sompo Japan and Nipponkoa will continue bringing their respective strengths and expertise together to enhance existing activities and develop new ones to make even better contributions to the Chubu region. I, of course, intend to be actively involved in these processes.



Seventy-six employees attended the pre-bazaar get-together.



Lunch break was the bazaar's busiest time.

NKSJ Volunteer Days by World-Wide Group Members

In 2012, for the second consecutive year, the NKSJ Group designated all 31 days of October as “NKSJ Volunteer Days,” a period to promote group-wide community contribution by encouraging all employees to take part in volunteer activities.



<p>2011 Launch of NKSJ Volunteer Days</p> <p>Building a social contribution culture across the NKSJ Group</p> <p>Three months from Oct.–Dec. No. of activities: 60 No. of participants: Approx. 10,000</p> <p>Receiving the Make a CHANGE Day Award for two consecutive years</p>	<p>2012 Second year of NKSJ Volunteer Days</p> <p>Supporting and encouraging employee activities</p> <p>One month of October No. of activities: 50 No. of participants: Approx. 10,000</p>	<p>2013 Continuous implementation of NKSJ Volunteer Days</p> <p>Expanding the activities to Group companies world-wide. Continuing to create an ethos whereby employees will identify and solve challenges facing local communities on their own initiative.</p>
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Presentation in the 22nd IAVE World Volunteer Conference in U.K.

The 22nd IAVE (The International Association for Volunteer Effort) World Volunteer Conference was held from December 10th through 12th, 2012 in London with 400 participants from 70 countries.



Masao Seki, Associate Director, Chief CSR Officer made a presentation on “Sompo Japan’s Approach Towards a Resilient, Inclusive and Sustainable Society”.

→ <http://iave.org/content/volunteers-disaster-situations-day-2-22nd-iave-world-volunteer-conference>

Efforts in fiscal 2012 to improve quality of activities

- Information exchange meeting for Group companies to provide details of Volunteer Days program (⇒ See page 6)
- Offering a list of community contribution activities and activities organized in collaboration with NGOs/NPOs
- Adding Volunteer Days to the action plan items under the CSR-EMS (⇒ See page 6)
- Using funds from the Chikyu (Earth) Club Social Contribution Fund and the Nipponkoa Omoiyari Club to support volunteer activities

Major Activities Conducted throughout the NKSJ Volunteer Days

Collaboration with Local Government

● Dementia Support Seminar

We organized a Dementia Support Seminar for 100 employees from sales offices, insurance payment departments, and other customer-facing units. Participants learned about senile dementia and the roles of those who provide support to sufferers. Each participant received an orange ring that identifies the holder as a supporter of dementia awareness and as having completed the training course.



Participants in Dementia Support Seminar

Collaboration with NGOs/NPOs to Support Recovery from the Great East Japan Earthquake

● Donating Handmade Bags

To support those who lost their possessions in the earthquake, employees made 38 colorful tote bags that can be used for shopping, school, etc. and sent them, together with messages of support, to victims in Iwate, Miyagi, and Fukushima prefectures via NGO AAR Japan.

● Collecting Used Books and CDs

In support of a campaign by BOOKOFF, a second-hand book store, we collected and sold used books and CDs and donated the proceeds to NGOs/NPOs operating mobile libraries in quake-affected areas.



(1) 38 handmade tote bags
(2) Proceeds of some 210,000 yen from enough used goods to fill 101 cardboard boxes (BOOKOFF campaign figures only)

Joint Activities by Sompo Japan and Nipponkoa



- (1) Riverbank cleanup events on Oct. 27 in Osaka pref.: 54 participants
- (2) 196 employees of the two companies cleaned up the roads between their offices on Oct. 25
- (3) Attending disability support fund-raising sale and blood donation on Oct. 15–19: 70 participants

Activities by Group Companies

Sompo Japan, NKSJ Business Services, and NKSJ Systems, which are housed in the NKSJ Group’s Data Processing Center building, held a neighborhood cleanup and a market featuring goods made by students of Tanashi Special Needs High School in Tokyo and clients of Uno, a disability support NGO. About 430 employees joined these volunteer activities.

Sompo Japan Research Institute, Sompo Japan DIY Life, NKSJ Himawari Life, and other Group companies also joined the campaign by sending picture books to developing countries, collecting used books, and conducting other activities.



Selling handmade sweets

Social Contribution as a Corporate & Individual Employee

The NKSJ Group is working to provide an even better system to support employees' social contribution activities as well as efforts to become a better corporate citizen that contributes to society.

Programs to Support and Encourage Employees' Contributions to Society

Sompo Japan

Sompo Japan has conducted ongoing community contribution activities across Japan together with its employees, agencies, and other partners since 1993, when it first established the Chikyu (Earth) Club. In fiscal 2012, 415 volunteer activities addressing local needs were organized. Projects conducted include those aimed at supporting victims of the Great East Japan Earthquake, conserving forests, cleaning up local communities, providing computer skills training for people with disabilities, maintaining wheelchairs, and collecting and donating used books and unused items.

● Chikyu (Earth) Club Social Contribution Fund

The Chikyu (Earth) Club Social Contribution Fund is financed by voluntary donations by executives and employees (minimum unit from 100 yen) taken out of their monthly salaries. The donations raised are primarily put toward social contribution activities undertaken by the Chikyu (Earth) Club.

Chikyu (Earth) Club Social Contribution Fund in FY2012

No. of participants:
7,219
Total contributions:
18,801,100 yen
Monthly contribution per participant:
217 yen (as of March 2013)



Support to cover costs related to volunteer activities:

(e.g., purchases, transportation, instructor fees)
40 projects **516,315** yen

Donations to NGOs and other groups chosen by members:

37 groups **3.85** million yen

Support through Sompo Japan's foundations:

8.0 million yen

Support for victims of major natural disasters:

2.0 million yen

Nipponkoa

Social contribution activities at Nipponkoa are conducted on a workplace basis. They include cleanup activities, first-aid seminars, blood donations, and bake sales of products made by clients of disability support organization Nozomien. The company has also been a member of the Small Kindness Movement since 1993, whereby it collects used postage stamps, magnetic cards, and unsorted postcards and donates them to the Defense of Green Earth Foundation to support tree-planting activities in China and Tanzania.

● Nipponkoa Omoiyari Club (Matching Gift Program)

Nipponkoa Omoiyari Club was established in 1996 to conduct social contribution activities through close collaboration between member executives and employees and the company. Each month, the company matches the total amount of donations made by participating employees through their salary.

Nipponkoa Omoiyari Club in FY2012

No. of participants:
6,680

Total contributions under the matching gift program:

20,407,944 yen (as of March 2013)

Donations to organizations nominated by members

38 donations **3.80** million yen
Under Nipponkoa Omoiyari Program, support for NGOs (environment, education, and women's support activities):

6 organizations **3.0** million yen

In collaboration with Alzheimer's Association Japan, donations for adult daycare facilities:

8 facilities **400,000** yen

Volunteer Work Leave

At Sompo Japan and Nipponkoa, 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. In fiscal 2012, a total of 13 employees used the volunteer work leave system to participate in a range of volunteer activities, including the Save Japan Project, programs to support the recovery of earthquake-stricken areas, an interactive art appreciation project, and a sign language chorus.

Encouraging Employee Involvement in Social Contribution Activities

The NKSJ Group is providing employees with information on various volunteer activities through its intranet and other means with the aim of familiarizing them with and motivating them to take part in social contribution activities.



Sompo Japan: Intranet "CSR Forum Icon"



Nipponkoa: Intranet "Our CSR"



Activity report of the Chikyu (Earth) Club provided to all personnel



Nipponkoa Omoiyari club information on intranet

TOPICS

Endowed Chairs at Universities

Nipponkoa started to offer university courses for third- and fourth-year students in fiscal 2006. At Aoyama Gakuin University, Senshu University, Chuo University, Hosei University, Meiji University, and Rikkyo University, Nipponkoa employees teach classes on insurance practices as part of corporate-sponsored courses that constitute part of the universities' regular curriculums.

Participation in the Table for Two Program*

Every time our employees order a Table for Two menu item at the staff cafeterias at our Head Office, Data Processing Center and Kasumigaseki Building, a donation of 20 yen is made to support school lunch programs in developing countries. As of March 31, 2013, a total of 1,632,000 yen has been donated through the program.

Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School also implemented a Table for Two program for the small children who are looked after there.

* A Japan-based social contribution program aimed at simultaneously mitigating hunger in developing countries and obesity and other lifestyle diseases in Japan.



Continued Recovery Support for Victims of the Great East Japan Earthquake

To support victims of the devastating Great East Japan Earthquake of March 11, 2011, the NKSJ Group has been striving to provide insurance benefit payments as promptly as possible and taking various actions to meet evolving local needs.

2011

March 11, 2011 Great East Japan Earthquake occurs

- **3,000 employees** dispatched to affected areas to ensure prompt insurance payouts
- Group members & executives worldwide donate **¥120 million** to the Central Community Chest of Japan
- Sompoco Japan Chikyu (Earth) Club donates **¥5 million** to Japan Platform
- Nipponkoa Omoyari Club donates **¥6 million** to the Japanese Red Cross Society
- Save Japan Project donates **¥26 million** to the Japan Earthquake Local NPO Support Fund
- **¥104 million** raised through Eco-Net program donated to 5 organizations, including the Japan Committee for UNICEF, Ashinaga, etc.
- Publication of *"Key Points in Business Resumption after the Great East Japan Earthquake"* (Sompoco Japan Nipponkoa Risk Management)
- Information on post-disaster mental health management (Sompoco Japan Nipponkoa Healthcare Services)
- Solicitation of Twitter messages for quake victims
- **68 volunteer** employees join debris removal activities
- **12 events** held to promote local specialties from affected areas (2011 to 2012)
- Fund-raising sale of polo and T-shirts
¥1.9 million donated from the proceeds of **5,393 shirts**

2012

- Support for low-carbon rebuilding projects in the affected areas
- **9 puppet shows** organized in Kamaishi, Iwate Pref.
- **355 employees** join Smile Delivery Team volunteer activities
- **10 employees** sent to local volunteer organization in the Employee Dispatch "Pro Bono" Program.
- "Learn to Create in Tohoku" projects
- Tohoku Kids Musical Performance for the Future attracts **1,000 visitors**
- Assistance given to **11 entrepreneurs** through Tohoku Social Entrepreneur Support Fund
- **300 products** made under the "Made in Sendai Preserved Flower Project"
- Panel exhibition for supporting rebuilding efforts
- Offering menu items that raise funds for disaster-affected areas in staff cafeterias

2013 Ongoing

Efforts in Fiscal 2012

Recovery Support Using Employees' Skills

Employee Dispatch "Pro Bono*" Program

Sompoco Japan initiated a pro bono initiative by dispatching 10 employees to "CANNUS" 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. The collaboration of the embedded employees with their business skills and the organization's strong passion towards the reconstruction of the affected area were mutually beneficial for everyone sharing this experience.

* "Pro bono" is a term used to describe volunteer activities offered by specialists using their professional expertise.

Offering Care and Support in Affected Areas

Made in Sendai Preserved Flower Project

Sompoco Japan, Nipponkoa, and Hibiya-Kadan launched the Made in Sendai Preserved Flower Project to help create a sense of community among victims of the Great East Japan Earthquake. 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, a Japanese florist. Sompoco Japan and Nipponkoa employees provided administrative support.

After the seminars, the participants formed their own organization and made 300 preserved flower products for Mother's Day. Offered for sale at Hibiya-Kadan stores and through internal promotions held by Sompoco Japan and Nipponkoa, the flowers sold out quickly.



Learning how to make preserved flowers

Puppet Shows in Kamaishi, Iwate

On March 20, 2012, just after the first anniversary of the Great East Japan Earthquake, Sompoco Japan organized puppet shows in Unosumai-cho, one of the hardest-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 Sompoco Japan. With the aim of cheering up children across the affected region, the puppet shows were also performed over a broader geographical area in August 2012 and March 2013. Audience members also received handmade fabric balls and message cards made by volunteer employees of Sompoco Japan.



Puppet show at a kindergarten

Collaboration with Customers

Using funds raised by contributions linked to the number of customers who selected a web-based insurance policy

Tohoku Social Entrepreneur Support Fund

Nipponkoa and the Public Resource Foundation have launched a fund for entrepreneurs who start a socially beneficial business in disaster-struck areas. 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 the twelve months until December 2013, we will provide support to ensure that the new social projects go according to plan, through the provision of subsidies and consulting services.

“Learn to Create in Tohoku” Projects

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

Supporting Rebuilding Efforts through Green Initiatives

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, Nipponkoa through the J-VER* scheme 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, with selectees 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 8,000 tons, one of the largest offset amounts in Japan (as of April 2013).

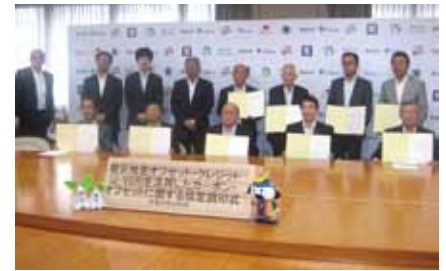
* J-VER: Japan Verified Emission Reduction, Japan's carbon offset credit system, under which credits generated through the reduction or absorption of CO₂ by MOE-approved domestic projects are sold as offset credits.



Training seminar for fund recipients



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



J-VER projects signing ceremony

TOPICS Development of New Products Arising from the Great East Japan Earthquake

Radioactive Decontamination Liability Insurance

The nuclear power plant accident that followed the March 11 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 on April 1, 2013 announced a subsidy program that requires recipient municipalities to carry third-party liability and physical damage insurance for the decontamination sites.

In response, Sompo Japan released a dedicated insurance product in May 2012.

The insurance, covering liabilities arising from accidents during decontamination operations, fully meets the qualification requirements for the national subsidy program. Sompo Japan will continue to contribute to radioactive decontamination efforts, 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” that 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 ordinance requires temporary shelters be made available for those who would otherwise be out on the streets. TMG has implemented and is considering additional measures to alleviate the financial burden on businesses called on to provide such temporary shelter facilities.

In response, Sompo Japan 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

Corporate Citizenship Activities around the World

As a corporate citizen of the communities in which we operate, the NKSJ Group conducts various activities around the world to make ongoing contributions to society. A selection of activities is highlighted below.

*Company names shown are those at the time the activities were conducted

America

North America: Sampo Japan Insurance Company of America

The company provided assistance for a fire safety education event for children that used quizzes to teach kids what to do in the event of a fire at home. Company employees also participate in a number of volunteer activities each year, such as blood donation, donation of Christmas presents for children in need, food donation, and donation of school supplies.



Fire safety education event

South America: Yasuda Seguros S.A.

Employees donated clothes, shoes, toys, and other items to PIVI, a children's institution. They held a party to present a Christmas present to each of the 95 child residents of PIVI.



Europe: Sampo Japan Insurance Company of Europe Limited

The London-based company supported a student workshop designed to give participants a glimpse of professional life in the financial sector. For the workshop, organized by The Brokerage Citylink charitable organization, the company offered to host the event in its boardroom and provided an opportunity for student participants to ask questions of Sampo Japan employees. The company also continued to participate in the donation drive led by BBC Children in Need, a charity event hosted by the British Broadcasting Corporation (BBC).

Europe



Participation in BBC Children in Need

Turkey: Sampo Japan Sigorta A.S.

The company marked December 19 as "Blood Donation Day" and 59 employees donated blood.



Poster to encourage blood donation

TOPICS Offering Pro Bono*1 Technical Assistance in Bhutan

In August 2012, Nipponkoa entered into a technical assistance agreement with Royal Insurance Corporation of Bhutan Limited (RICB). Based on this agreement, Nipponkoa sends employees and offers other programs to provide expertise in insurance underwriting, reinsurance schemes, insurance benefit payments, and other areas.

RICB is the largest insurance firm in Bhutan, a country that is experiencing high economic growth and is well-known for its Gross National Happiness (GNH)*2 measurement. Through this technical assistance, Nipponkoa aims to contribute to the greater penetration of non-life insurance and further development of the sector in Bhutan as well as the further economic growth of the country as a whole and friendlier ties with Japan. Nipponkoa and RICB will continue working to share knowledge and build a stronger relationship through programs on general insurance practices, CSR, GNH, and other areas.



Signing Ceremony with RICB

*1 "Pro bono" is a term used to describe volunteer activities offered by specialists using their professional expertise.

*2 Gross National Happiness (GNH) is a concept that calls for the rethinking of the economic-centric model of society and placing more attention to traditional community values, culture, civil engagement, the environment, etc.

Singapore:

Tenet Insurance Company Limited, Sompo Japan Insurance (Singapore) Pte. Ltd.

On June 23, Tenet Insurance held Make-A-Wish Flag Day, a fund-raising event for children battling difficult diseases. To help the children's wishes come true, 38 employees joined the event. On July 15, Tenet Insurance invited aspiring child musicians to attend a concert at Gardens by the Bay. Accompanied by the firm's employees and agents, the children got to enjoy the star musical performances up close and a great time was had by all. In August, the company collaborated with a support group for children in need to invite 24 kids to the Singapore Flyer.



Children at the concert

Hong Kong: Sompo Japan Insurance (Hong Kong) Company Limited,

Sompo Japan Reinsurance Company Limited, Nipponkoa Insurance Asia

Employee volunteers of the three companies visited a nursing home on June 15 and September 14 in order to gain an understanding of what life is like for the people living there, and interact with them through games, exercises and a shared lunch.



Indonesia: PT Sompo Japan Insurance Indonesia

The company organizes a blood donation campaign every year through sompo peduli.* The sixth annual event held on May 22 attracted 130 blood donors, including the company's employees and customers as well as employees of companies tenanted in the corporate building. After the event, undistributed snacks were donated to a local orphanage.

* Sompo peduli: A voluntary organization at PT Sompo Japan Insurance Indonesia established by employees to conduct CSR initiatives.



Asia

Vietnam:

United Insurance Company of Vietnam

The company visited a facility for underprivileged children and seniors to brighten their day.



Taiwan:

Sompo Japan Insurance (Taiwan) Broker Co., Ltd.

The company conducted a cleanup at the Mystery Coast in the Jin Shan district on October 27. Participants wearing matching T-shirts collected litter for about two and half hours.



Philippines:

PGA Sompo Japan Insurance Inc.

The company made donations to the Philippine Red Cross through Sompo Japan's Chikyu (Earth) Club to help victims of the Philippine flood disaster in August and typhoon disaster in December.

Japan: Collaboration with Our Agencies

AIR Japan,*1 J-SA,*2 and Sompo Japan offer wheelchair cleaning and maintenance services at welfare facilities. Members of AIR Japan, who boast automobile servicing skills, exercise their considerable mechanical expertise in providing the services. In fiscal 2012, the service was offered by all the offices nationwide (62 offices with 78 locations, compared to 53 offices with 76 locations in fiscal 2011).

*1 AIR Japan: A nationwide organization of automobile maintenance and repair shops that also act as insurance agents for Sompo Japan

*2 J-SA: A nationwide organization of qualified, dedicated agencies of Sompo Japan that offer both life and P&C insurance products



Japan: NKSJ Himawari Life

In 2012, NKSJ Himawari Life started a sunflower ("himawari" in Japanese) planting and growing project. Aiming to provide children with opportunities for new experiences, the Himawari Project gives them the chance to handle seeds and provide water to the growing plants. The project's aim of introducing new activities that will bring smiles to the faces of children and the adults around them is consistent with the company's slogan, "Protect Smiles." The project's dedicated website features progress reports of a kindergarten project as well as updates posted by other participants nationwide. The website is continuously updated and improved to provide better content and additional functions.



Social Contribution through Foundations

The five foundations of the NKSJ Group strive to contribute to society in collaboration with NGOs/NPOs, civil society organizations, government agencies, and a number of other stakeholders.

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

<http://www.sompo-japan.co.jp/museum/english/index.html>

Major Activities

Sompo Japan Fine Art Foundation, established in 1979, operates the Seiji Togo Memorial Sompo Japan Museum of Art, located on the 42nd floor of Sompo Japan's headquarters building. It also supports budding artists and promotes art appreciation in school education. The museum's collection includes one of Van Gogh's Sunflowers as well as paintings by Gauguin, Cezanne, Seiji Togo, and Grandma Moses. In addition to its permanent exhibits, the museum holds about six special exhibitions a year. During its 36th year, the museum welcomed its five-millionth visitor on December 4, 2012.

To promote opportunities to view art as part of school education, the foundation offers interactive guided tours of the museum for elementary and junior high schools, mainly those in its local Shinjuku Ward of Tokyo. In fiscal 2012, 29 elementary schools and six junior high schools

participated in this four-year-old program, which encourages students to share their own thoughts and opinions with volunteer tour guides and thereby develop an appreciation of the artworks.

Fiscal 2012 Highlights

● Launch of Sompo Japan Art Award FACE

In fiscal 2012, the foundation held the Sompo Japan Art Award FACE 2013. In line with the foundation's establishing principle of supporting emerging artists, this new award is open to all applicants.

The foundation previously operated two different long-running award programs: one for budding artists and the other for their more established peers. In April 2010, when the foundation was accredited as a "public interest incorporated foundation," the two existing programs were integrated to become the Sompo Japan Art Award FACE, which is run as an open



Museum tour for children to develop their appreciation of art

entry award program in order to better serve the interests of a broader category of artists.

In its first year, the new award program attracted 1,275 applicants aged 13 to 96 from all but one of Japan's prefectures. From those artworks submitted, 69 paintings, including the nine award-winners, were selected for exhibition at the museum.

Sompo Japan Environment Foundation

<http://www.sjef.org/>

Major Activities

Sompo Japan Environment Foundation, established in 1999, offers various human resources development programs under its slogan, "Fostering people who plant trees."

In the CSO (Civil Society Organization) Learning Scholarship Program launched in fiscal 2000, about 60 university and graduate school students each year learn about environmental issues and civil society during eight-month internships at NGOs/NPOs. Additionally, under its Public Seminars on the Environment program, the foundation has been collaborating with the Japan Environmental Education Forum (JEEF) and Sompo Japan since 1993 to hold about 12 environmental seminars for the general public each year. In addition, the foundation provides

financial support for natural environmental protection activities by NGOs/NPOs and for research projects by PhD candidates working in the humanities and social sciences.

Fiscal 2012 Highlights

● Expansion of CSO Learning Program

In fiscal 2012, the CSO Learning Program's 13th year, the total number of participants reached 720. Given that the first interns, now in their mid 30s, are working as core members of their respective organizations, the program is likely to generate tangible benefits in the near future.

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. At the program alumni's annual reunion, former interns who have been able to raise awareness about social issues as a result of their participation share updates and pledge to take on even greater challenges.



FY2012 Reunion of CSO Learning Program Alumni

Sompo Japan Foundation

<http://www.sj-foundation.org/>

Major Activities

Sompo Japan Foundation provides financial support for social welfare NGOs/NPOs in ASEAN nations. Such support is primarily used to help them strengthen their organizational foundation, purchase automobiles for people with disabilities, and implement activities in their home countries. To enhance the social welfare environment both at home and abroad, the foundation also recognizes promising young and mid-level academics working in the field of social welfare with its Sompo Japan Foundation Award.

Fiscal 2012 Highlights

● Support for Overseas NGOs

The foundation supported overseas NGOs addressing high-priority social challenges in their countries. In Myanmar, a first-time recipient, a program providing free medical services to the poor was selected. In Thailand, a leadership development program for girl victims of human trafficking was selected.

● Foundational Support for NGOs

The foundation expanded the target areas of its foundational support from providing support for people with disabilities to offering general welfare



February's overseas support event in Thailand

support so as to help NGOs that are striving to play key roles in their respective communities.

Nipponkoa Welfare Foundation

<http://www.nipponkoa-wf.or.jp/english.html>

Major Activities

Nipponkoa Welfare Foundation, established in 1991, supports socializing and learning programs by Alzheimer's Association Japan to help family caregivers of senile dementia patients reduce their stress and improve their caregiving skills. It also offers 10 scholarships each year to students who are studying to become certified care workers at two-year vocational schools.

The foundation also provides financial support for gerontology research, particularly in the social sciences. It also conducts its own research activities through its Institute for Social Gerontology and actively shares its findings at academic conferences as well as offering practical recommendations on post-retirement social activities, socially isolated seniors, and other

issues via press conferences and lecture events.

Fiscal 2012 Highlights

● Selection of FY2012 Recipients of Gerontology Research Fund

In fiscal 2012, 17 research projects were selected from numerous applicants nationwide, including universities, research institutes, and nursing homes. The selection takes place every two years. A summary of fiscal 2010 recipient project reports was also published and distributed for free to research organizations in Japan.

● Accolades from the Gerontology Research Community

In 2012, Keiko Katagiri, a principal researcher at the Institute for Social Gerontology published a book titled, "Retired Seniors and Social Engagement." The



Retired Seniors and Social Engagement

book, which discusses post-retirement life from a theoretical perspective, won accolades in the gerontology community and received awards from the Japanese Society of Social Psychology, the Japan Socio-Gerontological Society, and the Japan NPO Research Association.

Nipponkoa Smile Kids Foundation

Major Activities

Nipponkoa Smile Kids Foundation was established in 2011 to operate a children's daycare center in a vacant tenant space of a Tokyo building owned by Nipponkoa. Through its daycare center operations, Nipponkoa Smile Kids strives to bring smiles to the faces of children, parents, and local residents alike. It also aims to contribute to solving the daycare deficit, a contributing factor to Japan's declining birthrate. Nipponkoa Smile Kids Edogawabashi (Tokyo) Nursery School started with 40 children aged three or under. In fiscal 2013, the number of places expanded to accommodate 60 children up to the age of five.

The daycare center provides its charges with

stimulating activities such as indoor fun and games and, on sunny days, neighborhood walks through local green areas, of which there are many despite the center's urban location. The children also enjoy snacks and lunches prepared from scratch by nutritionists and take parts in sports events, outings, and seasonal and other events.

Fiscal 2012 Highlights

In fiscal 2012, the center took part in a number of local community events, such as summer and fall festivals and a traditional New Year *mochi* (rice cake) pounding event.

In addition, it holds a monthly food education program in collaboration with NGO Table for Two.



Celebrating Doll's Festival with handmade hina dolls

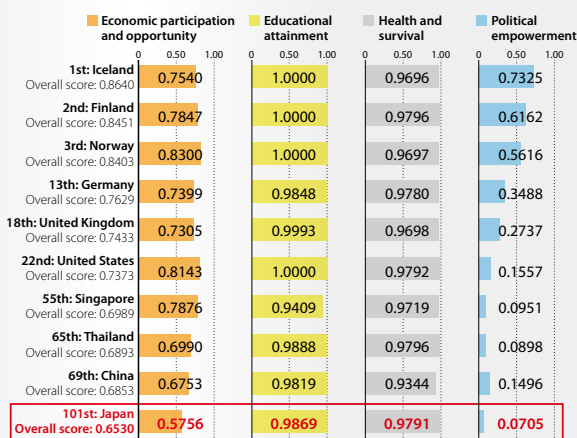
Integrating childcare, food education, and school lunch menus, the program aims to teach good dining manners and foster the children's interest in food and their appreciation of those who grow food and prepare meals.

Material Issue
5

Developing Human Resources and Promoting Diversity

Fact

Global Gender Gap Index Ranking by Country (2012)



Source: Prepared based on The Global Gender Gap Report 2012 by the World Economic Forum

Japan is ranked 101st among 135 countries surveyed. It was ranked 98th in the previous survey, so the gender gap has actually widened. The scores for political empowerment and economic participation and opportunity are particularly low, showing that women's political and economic participation lags behind the rest of the world.

Our Action

Insurance companies deal with intangible products. In order for us to achieve prolonged growth by continuing to appeal to customers, it is therefore important that we develop a workforce of capable individuals who can provide our customers with real value. Japan is expected to face a serious shortage of manpower in the near future due to the rapidly declining birthrate and shrinking working-age population. Furthermore, globally competitive personnel who feel comfortable with a broad range of values, customs, and business styles are becoming essential for companies that are increasing their presence in overseas markets in line with economic globalization.

As part of its efforts to enhance the capabilities of each employee, the NKSJ Group is actively promoting workplace diversity. This means encouraging mutual respect and motivation among employees to enable each to exercise their full potential. By developing a working environment where employees can work productively regardless of their gender, physical ability, nationality, age, or other characteristics, we will cultivate a workforce of globally competent professionals who can make meaningful contributions to society. This, in turn, is expected to help us maintain continuous growth as a globally competitive corporate group preferred by a wide range of customers.



2012 TOPICS

Inclusion of Diversity as a Corporate Strength. To Fully Expose the Potential of Each Individual

Group Personnel Vision—Our consistent, basic values for all personnel policies

As a group that provides services rather than tangible products, our human resources are our most important asset. Defining our standard of value regarding human resources was therefore considered to be as important as defining our Management Philosophy. Furthermore, for the upcoming merger of Sampo Japan and Nipponkoa, two major P&C Group companies, we needed consistent, basic values that could transcend any corporate cultural differences and channel the combined energies of all involved toward serving customers. For these reasons, we decided to create the Group Personnel Vision.

The Personnel Vision is based on four key pillars: personnel skills and talent, impartiality and fairness, openness, and diversity. For the first pillar, we pledge to value specific actions of personnel who take speedy action to enhance our reputation with customers as well as to focus on merit. For the second pillar, we promise to provide equal opportunities for all employees, and clarify our future-oriented stance by which we appraise personnel based on specific actions rather than on past performance and evaluations. For the third pillar, we acknowledge our accountability for systems, processes, and results by enhancing their transparency and fairness. For the fourth pillar, the NKSJ Group, whose motto is “diversity is a competitive advantage,” believes that diversity is effective only when it is turned into a corporate strength. Our goal is to identify and foster each individual’s unique hidden potential, rather than focus unhelpfully on surface attributes. The Group Personnel Vision is not just a slogan. It is the basis of all of our personnel policies.

● Group Personnel Vision

To provide the highest quality of customer service, the NKSJ Group will place great value on employees’ enthusiasm for new challenges and speed of action. As part of our efforts to create a globally competitive organization, we will form a highly attractive, professional workforce that contributes to local communities and society at large. This is outlined in the Group Personnel Vision below.

To develop highly attractive personnel:

- ◆ Regardless of background, we will place great value on **your skills, talent** and drive to contribute to our business.
- ◆ We will rigorously implement meritocratic personnel policies which are **impartial and fair**.
- ◆ We will manage with **openness** based on highly transparent processes and systems.
- ◆ We will promote **diversity, respect, and individuality**.



Yasuhiro Oba

General Manager, Human Capital and General Affairs Department
NKSJ Holdings, Inc.

Challenges taken on by Sampo Japan and Nipponkoa as the Group’s core companies

As part of our efforts to establish our position among customers as the most highly evaluated service company, the first project implemented to accelerate decision-making was the development of the “One Will” merger structure aimed at integrating the executive level and Head Office division heads of the two P&C insurance companies. As per the Personnel Vision, this integration process was made as transparent as possible. Decisions regarding the integration were made via a yearlong examination of each officer, taking into account not only their performance and character but also the opinions of their subordinates and the findings of an external research organization. All executives

were also given an opportunity to get together and express their respective visions for the Group’s management in the presence of external experts and the presidents of both companies for evaluation. Through these measures, we are focusing on selecting the right person for the right job, rather than trying to maintain a balance between the two companies.

We are reviewing and revising our current work systems and rules that tend to favor “lifelong” male employees and those on old managerial career tracks. For example, for the purpose of streamlining operations and even changing the basic foundation of sales offices and work styles in order to level the playing field for women, Sampo Japan in fiscal 2012 established 18 sales offices whose staffs are mostly composed of female employees. In fiscal 2013, we increased the number of such sales offices to 46 in total. We are also actively promoting women to senior and middle management roles in order to accelerate our shift toward a diverse workforce.

The NKSJ Group has also established a Council for Human Resource Strategy, which serves as a mechanism to strategically determine personnel assignments across the Group. We hope that the dynamic human resource management realized by this mechanism will generate a great number of opportunities for employees and motivate them to work productively, directly resulting in even better service for our customers.



A seminar for female management employees toward senior management

Developing Human Resources

While striving to raise employee awareness of the importance of professional development, the NKSJ Group puts a great deal of effort into developing personnel who are both willing to contribute to society and capable of addressing diverse customer needs. We do this by promoting structural reform, offering fresh perspectives, and providing well-thought-out training programs. Our ideal employee is an honest, self-driven, creative, energetic, and future-oriented individual who can play a leading role in our efforts to develop a sustainable society through the insurance and financial sectors.

Reinforcement of Human Resources

Sompo Japan and Nipponkoa have set as priority issues for fiscal 2013 change in work style, promotion of female employee engagement, and development of a core global and management human resources. In line with these goals, we are working to enhance the professionalism of each of our employees by helping them develop expertise, innovative thinking habits, and a global outlook.

Development of a Globally Competitive Workforce

We are 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 and Nipponkoa position the increase in both the quantity and quality of globally competitive personnel as a priority issue. As such, in fiscal 2012, the two companies established the Global Human Resources Development Group for the purpose of developing such a workforce.

HRD Education

We focus on developing employees who will proactively acquire needed knowledge and skills to enhance their ability to provide the highest-quality service in order to address a diverse range of customer needs in pursuit of becoming our customers' number one choice. Toward this end, we provide various training programs, including general programs for basic training and specialist programs for specific positions and duties.



New employees at a training session

Major Actions

Founding of NKSJ Global University

The NKSJ Global University is a program launched in fiscal 2012 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 practical opportunities to apply it.



NKSJ Global University

Improvement of Language Skills

Good language skills are essential in an international work environment. To help junior employees improve their language skills, a global human resource learning support course was introduced in fiscal 2010. In addition to this, we make efforts to encourage employees to take the TOEIC IP, an internal English language test, or the Test of Chinese Proficiency, as well as providing

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 cultural experience.

COMMENT My Experiences at the NKSJ Global University

I decided to apply for the NKSJ Global University program because I thought it would be a rare opportunity to achieve great personal growth.

The unique feature of the NKSJ Global University is the customized training jointly developed by the National University of Singapore's Business School and the NKSJ Group. In addition to attending lectures given by professors who have extensive experience in studying global companies in various countries, I engaged in discussions on global business management with the NKSJ Group's multinational employees and gave presentations on issues regarding new businesses.

For me, as I had no experience of being abroad for a long period, it was very exciting to attend classes that mainly consisted of English-language discussions with colleagues from around Asia. Through such classes and life in Singapore, a country with tremendous diversity in terms of cultures and personal values, I think I gained the ability to look at the Japanese economic environment and the insurance market more objectively.



Singapore National University professors and Junichi Moroyoshi (Second from right)

Junichi Moroyoshi

Deputy Section Manager
Corporate Planning Department
NKSJ Himawari Life Insurance

Training for Management

Reinforcing the management capabilities of managers is essential if they are to change the behavior and maximize the efficiency of their staff in order to reach 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.

In the case of Sompo Japan, such programs include training for newly appointed managers and follow-up training for managers in their second year. The company also conducts testing to ensure that all managers possess the basic necessary knowledge, are familiar with

the relevant rules, and engage in self-directed study to improve their management capabilities. District Management Training aimed at providing female employees with know-how on how to actively engage in their work has also been implemented regularly since its introduction in fiscal 2011.

At Nipponkoa, in addition to training to strengthen the capabilities of section managers, branch directors, and insurance claims department directors conducted since fiscal 2011, a curriculum focusing on leadership has been integrated into training for employees seeking promotion. A curriculum to promote better organizational management capabilities

has also been a part of the training for newly appointed section managers, branch directors, and insurance claims department directors since early on.

One of NKSJ Himawari Life Insurance's medium-term management goals is to improve its human resource capabilities. In fiscal 2012, the company provided training to all management leaders, who are responsible for the development of their staff, to remind the leaders of the need for systematic human resources development. The improvement of HR capabilities is also included in the management leaders' annual goals, and their level of achievement, as well as the process adopted, is evaluated.

Employment

Sompo Japan Nipponkoa, the new company to be established in September 2014, will need excellent employees who can embody the company's basic personnel policy and

vision and play a key role in its future growth. Toward this end, Sompo Japan and Nipponkoa have launched concerted efforts, establishing a common recruitment group to integrate

recruitment functions and know-how at an early stage in order to strengthen the new company's appeal as a potential future employer in the eyes of students.

Education and Training

Internship Program for University and Graduate Students

An internship program has been instituted to give university and graduate students an opportunity to work in the area of P&C insurance operations. In fiscal 2012, students gained experience in sales, insurance claims processing, and Head Office administration. It is hoped that performing these mostly customer-facing roles will encourage the interns to think about their future career and boost their personal growth.

NKSJ Himawari Life Insurance also implemented an internship program for the first time in fiscal 2012. The program focused mainly on providing hands-on experience by inviting students to perform tasks related to insurance agency sales and insurance benefit payments. Because it was a small program, the students and

employees that worked together were able to build a close relationship with each other.

Endowed Courses

Nipponkoa has offered endowed courses at universities since fiscal 2006. In 2012, it funded courses at several universities, including Meiji and Aoyama Gakuin Universities. With Nipponkoa

employees serving as instructors, these courses provide, in simple terms, information on insurance operations. Moreover, as part of its effort to contribute to the development of local communities, Nipponkoa has assigned an employee to a full-time teaching position at the Faculty of Economics, Oita University since 2006.



Internship program to provide hands-on work experience

● Topics of Example Endowed Courses

- Risk management
- Insurance for enterprises
- International trends of P&C insurance
- Actuarial science and actuaries
- CSR management

Diversity & Inclusion

Having a diverse workforce is more important than ever for companies striving for continued growth at a time when lifestyles are becoming more diverse as a result of the declining birth rate, aging population, and globalization. The NKSJ Group promotes diversity and inclusion in the workplace and respect for different views, values, and personal approaches.

Diverse Employees with High Potential

In order to develop an optimal work environment and optimal personnel management programs, the NKSJ Group has identified four priority issues for diversity promotion: female employee engagement, employment of people with disabilities, support for non-Japanese employees, and realization of work-life-balance.

Working Environment

The NKSJ Group is conditioning workplaces to enable full exercise of abilities by career-oriented and all other employees, each working in their own style.

It is also striving for higher levels of motivation and flexibility by giving employees equal

treatment and opportunities to take up challenges regardless of gender, and making arrangements to support employees in the aspects of childbirth and childcare.

Personnel Management Programs

Sompo Japan and Nipponkoa have abolished the managerial/non-managerial career track classifications, eliminated restrictions on roles and positions, and made it a rule to determine the treatment applied to each employee according to their ability and achievement level. The companies' personnel management programs include the In-house Job Posting program (Sompo Japan), which makes it easy for employees

to apply for transfers to different departments, and the Career Try Return Plan (Nipponkoa), which allows employees to move temporarily to another department (of their choice) in another location.

In order to support the self-directed and autonomous career development of each employee, Sompo Japan also introduced the Dream Ticket Program in 2002, under which employees meeting 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.

Female Employee Engagement

The NKSJ 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 NKSJ Group supports the objectives and will continue to exert efforts 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.

Appointment of Female Employees to Managerial Positions

As the new company, Sompo Japan Nipponkoa will begin operations in September 2014, both Sompo Japan and Nipponkoa are striving to

enhance female employee engagement by setting a goal of increasing the percentage of females in management positions to more than 10% of the entire workforce by the end of fiscal 2015. To increase the number of female senior and middle managers, they have jointly initiated women's management classes, which consist of a roughly 10-month training program for selected female employees considered candidates for departmental, office, or company management positions. In fiscal 2012, the companies also started preparatory management classes for women with a wider scope of eligibility.

Sales Offices Comprising Mainly Female Staff

In April 2012, Sompo Japan established 18 sections and affiliates with sales offices whose staff are mostly composed of female employees. Four of these sections consist entirely of women,

including those in managerial positions. Fiscal 2013 saw the addition of 28 such sections, bringing the total number to 46, of which 10 are managed by women. The 260-plus female employees currently assigned to these sales offices bring with them a unique skill set that allows them to successfully address diversified customer needs with qualities that include unique perspectives, ideas, and attention to detail.



Mainly female sales office
(Sompo Japan Kita Tokyo office)

TOPICS Sompo Japan Awarded J-Win Diversity Basic Achievement Award

Sompo Japan received the 2013 J-Win Diversity Basic Achievement Award from the nonprofit organization the Japan Women's Innovative Network (J-Win).

J-Win has presented Diversity Awards each year since 2008 to companies that are actively promoting diversity. The awards are given to companies making the greatest strides to promote the advancement of diversity, promote diversity and inclusion as part of their management strategy, drive female employee engagement as a priority issue, and take a proactive approach to continuously develop female leadership.

Sompo Japan will continue to actively promote diversity to further enhance its corporate value.



Awarding ceremony of the 2013 J-Win Diversity Awards

Employment of People with Disabilities

Many companies as a matter of course are beginning to employ people with disabilities and value their individual contributions. The NKSJ Group 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.

Sompo Japan interviewed 32 supervisors who have employees with disabilities on their team and reported their best practices in *Diversity News*, the company's monthly newsletter. A manual has also been prepared for managers. Nipponkoa invites candidates with disabilities

shortlisted for final screening to visit the workplace in order to give them an opportunity to confirm that proposed tasks and facilities meet their expectations. The NKSJ Group will continue its efforts to promote the engagement and retention of employees with disabilities.

Support for Non-Japanese Employees

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

Sompo Japan is developing an international work environment by actively hiring foreign nationals both in Japan and for its overseas

operations.

The company also organizes a Global Diversity Meeting as an opportunity for Japanese and non-Japanese employees to get together and exchange views. In fiscal 2012, a seminar was also held at the behest of non-Japanese and former expatriate employees, to which Japanese

staff were invited, along with a number of non-Japanese personnel. Through these activities, we aim to nurture a global outlook among employees so as to make our Group even more internationally competitive.

Work-life Balance

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 NKSJ Group attaches great importance to the realization of work-life balance. In fiscal 2013, as Sompo Japan and Nipponkoa move forward with their joint management system and the integration of sales and insurance claim processing departments, they are taking concrete steps to harmonize work-related rules such as working hour rules.

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. In fiscal 2013, we will turn short-term childcare leave into a form of paid leave and make childcare leave

available to both male and female employees.

Support for Employees on Childcare Leave

Sompo Japan holds a forum that supports the smooth reinstatement of employees who have taken childcare leave in Tokyo, Nagoya, Osaka, and Fukuoka. The forum has been attended by a total of 857 people so far. Supervisors and colleagues of parents who have taken a long leave of absence to raise their children also attend the forum to deepen their understanding of reinstatement issues and assuage concerns. Nipponkoa ensures that information regarding its important policies is communicated to employees on childcare leave and offers a correspondence training course that can be undertaken at home.

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 offer both leave (up to 365 days in total) and reduced working hours.

Telecommuting

A home-based telecommuting system is in

place to increase productivity and efficiency of employees.

Planned Long Vacations and "No Overtime Days"

To reduce their working hours, 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 and submit an annual plan.

Employee Mental Health

A mental health industrial physician is stationed at the Head Office under a partnership agreement with Sompo Japan Healthcare Services. 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 problem.

TOPICS Family Day—A Day for Deepening Families' Understanding of the Workplace

The NKSJ Group implemented a family day event in August 2012 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. 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 canteen, and various booths offering games and exhibitions, made the day a memorable one for both employees and their families.



Children exchanged name cards with the President, and commemorative photos were taken

Respect for Human Rights

In the 21st century, often referred to as the “century of human rights,” it is of vital importance to actively raise awareness of human rights at every opportunity in order to create a society in which civil liberties are universally respected. The NKSJ Group advocates respect for human rights in the “NKSJ Group’s Basic CSR Policy” and provides human rights training to all of its employees. In our core business, we also offer products and services that are instrumental in safeguarding human rights.

Human Rights

As is evident from the inclusion of human rights as one of the seven core issues cited in the ISO26000 international standards on social responsibility (published November 2010), corporate activities relating to human rights promotion have become the global norm.

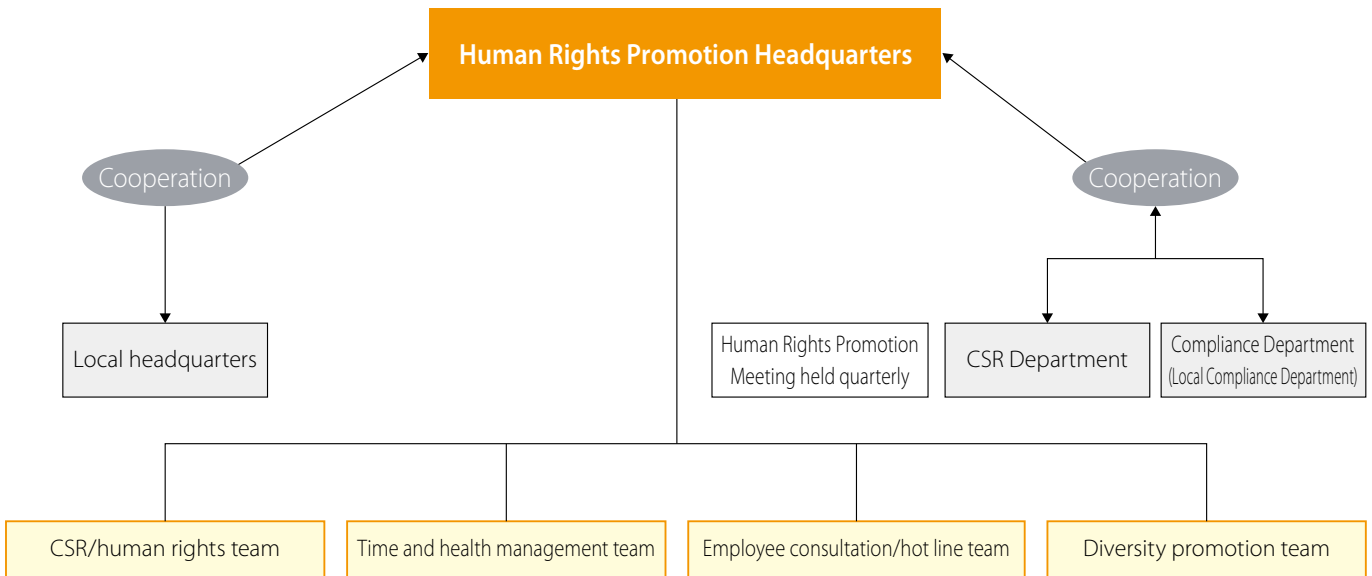
Sompo Japan and Nipponkoa, the core companies in the NKSJ Group, established their Policy for Human Dignity and Human Rights in April 2013. The policy pledges to respect the human rights of our stakeholders, including employees. While complying with the Universal Declaration of Human Rights and other

international standards, we will uphold high ethical standards to achieve a sustainable society and strive for the universal principle of respect for human rights.

Sompo Japan and Nipponkoa have also established a new Human Rights Promotion Headquarters. This allows us to involve management in fast, centralized decision-making on various issues, including human rights training for employees. Through this organization, we deploy a number of cross-functional and systematic measures aimed at promoting diversity and providing fulfilling

and meaningful work at each workplace. We have also introduced a human rights hot line and an employee consultation center as contact points for employees in all offices and accept inquiries by telephone, e-mail, or by postal letter. CSR and human rights promotion training 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.

Organization Chart of the Human Rights Promotion Headquarters



April 2013

Policy for Human Dignity and Human Rights (Sompo Japan and Nipponkoa)

Our company and its group companies pledge to respect the “fundamental human rights” of our all stakeholders, including the rights of our employees worldwide. We will respect the international norms of behavior*, and simultaneously act with the highest ethical standards towards an inclusive, resilient, equitable and sustainable society.

Based on the perspectives set out below, we will address the human rights impacts of our activities while communicating with our stakeholders, establish an effective company approach and act, and continuously improve our approach and disclose information. We respect human dignity as the foundation of universal human rights

* International norms of behavior include the Universal Declaration of Human Rights, ISO26000, United Nations Global Compact, OECD Guidelines for Multinational Enterprises, ILO International Labour Standards, United Nations Guiding Principles on Business and Human Rights, and International Covenants on Human Rights (International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights).

1. Human rights considerations for stakeholders

We will respect the human rights of all stakeholders associated with our business activities, including customers and suppliers.

We will avoid, prevent or mitigate indirect adverse impact on the human rights of our stakeholders.

Should there be any abuse of human rights, we will address it promptly and adequately.

2. Human rights considerations for employees

In all facets of labour practices, we will not discriminate on the basis of gender, nationality, religion, social status, place of registry, family origin, or any other status. We, as a company having a global perspective, will respect every employee’s personality, individuality and diversity, and ensure a dynamic working environment that will encourage the challenging spirit and motivation of our employees.

3. Human rights considerations in the global market

We will comply with the laws and regulations of the countries and regions where our business operations are based. At the same time, we will conduct our business by taking into consideration the local culture and customs, in accordance with the expectations of stakeholders, and take into account local human rights issues. We will contribute toward economic and social development of local communities.

Established on April 1, 2013

TOPICS Products and Services that are Instrumental in Safeguarding Human Rights

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

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

To support children who wish to remain at the same school until graduation, Sompo Japan since 2010 has been offering a school fees insurance product that covers tuition and other fees.

This program is offered through Private School Studentship Study Support Insurance Service Ltd., a company established principally by Nichinoken Kanto Co., Ltd. and Yotsuya Otsuka Inc. 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 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.

Doula Liability Insurance Program

In February 2013, Sompo Japan started to offer liability insurance for doulas in collaboration with the Japan Doula Association. The 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 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 of a soon-to-be-delivered child are often quite advanced in age. Combined with the decrease in multi-generational households, this means it is often difficult for an expectant mother to rely on her own parents for support before and after giving birth. Sompo Japan 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.



Chief Suzuki (right) meeting with Directors Ushida and Kuroki from the Japan Doula Association

August 12, 2013



Ms. Carolyn Schmidt

Program Director at ECOLOGIA since 2000
Member of ISO26000 Working Group on Social Responsibility, 2005-2010;
NGO Delegate to ISO26000 Post Publication Organization Stakeholder Advisory Group, 2010 - present
Graduate of University of Pennsylvania
Current volunteer work on municipal level in Vermont: Justice of the Peace; Solid Waste Management Board of Supervisors

NKSJ Holdings has made a significant step forward with this year's CSR Communication, by demonstrating that NKSJ Group's leadership is not only articulating and acting upon its commitment to CSR through its business practices and products, but is also using CSR as an important part of the increasing integration of the NKSJ Holdings component entities. The report emphasizes that a number of new CSR initiatives were created by discussion among representatives from the various departments of Sompo Japan and Nipponkoa. These include the common code on human rights (stakeholders, employees, global market), and the linking of ESG (Environment, Social, and Governance) aspects to Key Performance Indicators.

Because the report is organized around the Five CSR Material Issues (Providing safety and security for the society, Tackling global environmental issues—focusing on climate change, Providing sustainable and responsible financial services, Community involvement and development—partnership with NGOs, and Developing human resources and promoting diversity), it is easy to identify specific programs and activities that promote CSR in each category. Within each material issue, the report explains the CSR dimensions of various consumer products, staff training sessions, links to universities and research, applicability to overseas offices, and programs targeting specific areas for improvement. The well structured organization and format encourages the reader to delve into specifics, which enhances the credibility and usefulness of the report. This also shows respect to each aspect of the NKSJ Group's activities—from provision of home care services to the elderly, to expanding socially responsible investment offerings, to projecting flood patterns as part of planning to cope with climate change.

NKSJ Holdings is clearly using its formidable human and financial resources to drive sustainability-oriented changes throughout their activities and offices, including overseas. Some of the examples that struck this reader are:

- Having the resources, motivation and confidence to construct their own CSR training materials for in-house use, combining from many sources (UN Global Compact, ISO26000, UN Principles for Responsible Investment, etc.);
- Favoring (for investment decisions) companies with solid Business Continuity Management programs and CSR reports;
- Identifying and acting on areas in need of improvement within the NKSJ Group, that also reflect challenges that the larger Japanese society is undergoing. Especially noted are:
 - the strengthening of ties with NGOs/NPOs, in response to the earthquake of March 2011 and its aftermath
 - providing increased opportunities for women and, by creating multiple tracks for advancement and encouraging more work-life balance, making the workplace more open to creativity more generally
 - identifying "non-Japanese" as a group to value for diversity, thus committing to breaking down barriers of ethnic and cultural differences within the expanding NKSJ Group's community;
- Encouraging local governments to manage disasters with increased effectiveness, through providing insurance that covers
 - shelter for stranded commuters, and
 - expenses on radioactive decontamination.

Over five years into the world economic downturn triggered by the US financial crisis of 2008, political and economic forces in many nations have been turning inward. It is impressive and encouraging to see NKSJ Holdings continuing and accelerating its path toward international involvement and a deepened commitment to long-term global sustainability and respect for diversity. High visibility contributions by NKSJ Group's leaders at international meetings, such as the UN Environmental Summit Rio+20, and UN Principles for Responsible Investment Symposium, reflect the NKSJ Group's real world actions. These are evidenced by the increasing range, scope and depth of ESG documentation, reporting, analysis and goals for improvement, as documented in this year's CSR communication.

Credibility of Third Party Comments

This commentator has been reviewing CSR Communications for Sompo Japan and NKSJ since 2005. Many of the suggestions for improvement have been acted upon, notably last year's suggestions for inclusion of financial data in the CSR report, more coverage of organizational governance issues, and more information on the actions and stakeholder involvement of overseas personnel and offices. The CSR Communications (always professionally and seriously done) have steadily shown both more involvement in the global CSR movement, and more integration of CSR into core business activities and staff training.

Response to the Third Party Comments



Shinji Tsuji

Director, Senior Managing Executive Officer
NKSJ Holdings, Inc.

For the NKSJ Holdings, 2013 is the fourth year since the establishment and we have continuously received the third party comments on the entire NKSJ Group's CSR from Ms. Carolyn Schmidt, Program Director of ECOLOGIA. We would like to express our deepest appreciation for the comprehensive remarks made over the past years.

In the third party comments, it was mentioned that we have made a significant step forward by demonstrating that NKSJ Group's CSR is not only articulating and acting upon its commitment through its business practices and products but is also using it as an important part of the increasing integration of the NKSJ Holding's component entities. We believe that these forward-moving steps were achieved with our continuous improvements owing to the useful advice provided by Ms. Schmidt and external experts.

Sompo Japan and Nipponkoa, both of which have been proactively addressing CSR, are preparing for a merger as the NKSJ Group's core company in September 2014 and will strive to maximize synergy across the entire group. Also to contribute in resolving various social issues as a solution provider, the NKSJ Group will address the following points stated in the third party comments and make the most of enhancing disclosure of information with credibility and usefulness.

- 1) Integrating CSR into core business.
- 2) Fostering the next generation.
- 3) Linking ESG (Environment, Social, and Governance) aspects to Key Performance Indicators.

We at NKSJ Holdings accept the stated comments sincerely and would appreciate the continuous support from Ms. Schmidt to our ongoing challenges in strengthening the promotion of CSR across the entire group and further broaden dialogue with diverse stakeholders.

We will take global leadership in order to contribute continuously to build a resilient, inclusive and sustainable society.

UN Global Compact: Communication on Progress 2013

The Ten Principles		Pages
1.	Businesses should support and respect the protection of internationally proclaimed human rights.	5, 6, 10, 51-58
2.	Businesses should make sure they are not complicit in human rights abuses.	10, 51-58
3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	10, 51-58, 63-67
4.	Businesses should uphold the elimination of all forms of forced and compulsory labour.	58
5.	Businesses should uphold the effective abolition of child labour.	58
6.	Businesses should uphold the elimination of discrimination in respect of employment and occupation.	51-58
7.	Businesses should support a precautionary approach to environmental challenges.	5
8.	Businesses should undertake initiatives to promote greater environmental responsibility.	27-34
9.	Businesses should encourage the development and diffusion of environmentally friendly technologies.	61-62
10.	Businesses should work against corruption in all its forms, including extortion and bribery.	5, Annual Report 22

* ESG stands for Environment, Social, and Governance.

P&C Insurance					
Contribution to ESG		Products/Services and Description		Offered by	Report page
Automobile insurance products/services					
	S	A free smartphone app designed to support safe driving		Sompo Japan/Nipponkoa	p. 24
E	S	Web-based insurance policy and clause to promote reduce the use of paper. In line with the number of web-based insurance contracts issued environmental conservation activities are promoted.		Sompo Japan/Nipponkoa	p. 32, 33
E		Insurance premiums for eco-friendly cars that satisfy certain requirements such as hybrid and electric cars are reduced.		Sompo Japan/Nipponkoa/ Saison Automobile & Fire	
		Discount on premiums for customers who apply contracts online		Saison Automobile & Fire/ Sompo 2 4	p. 32
E	S	Promoting recycled automobile parts and second hand parts in an incident of a car accident.		Sompo Japan/Nipponkoa	p. 32
E		Special policy for when repair costs of an insured car exceed the actual cash value of the car damaged in an accident, the excess amount is covered to encourage car repairs and reducing waste.		Sompo Japan/Nipponkoa	
E		Special policy for when repair costs of a third party's car damaged by the insured car in an accident exceeds the actual cash value of the car damaged, the excess amount is covered to encourage car repairs and reducing waste		Sompo Japan/Nipponkoa	
E		Contract procedures that can be completed by online or phone to reduce use of paper		Saison Automobile & Fire/ Sompo 2 4	
Fire and new types of insurance products/services					
E	S	Buildings and machinery contaminated by smoke, soot, and other contaminants due to a fire, flood, or other disasters will be cleaned to enable them to be restored faster than if they were replaced with completely new ones.		Sompo Japan	
E	S	Insurance contributing to environmental protection through the use of web-based insurance policies, participation in the Eco-Action-Point scheme, and computerization of policy issuance, as well as offering consultation service regarding long-term care		Nipponkoa	
E		Insurance that covers rooftop greening and environmental protection costs for buildings		Nipponkoa	
	S	G	Insurance mainly for small and medium-sized enterprises that guarantees quick insurance payments and supports business continuity after a severe earthquake	Sompo Japan	
E	S	G	A special provision for photovoltaic power generation companies that covers a decrease in operating income caused by a disaster	Sompo Japan	p. 30
E	S		Insurance for damages caused by nuclear decontamination work conducted by local governments	Sompo Japan	p. 46
E	S		Insurance for damages caused by environmental pollution and decontamination costs, which are normally not covered by ordinary liability insurance	Sompo Japan	
E	S		Insurance specifically for service gas stations that covers risk of soil pollution and soil remediation costs	Sompo Japan	
E	S		Liability insurance for waste generators who are required by law to remove their industrial waste in the event that it is dumped illegally	Sompo Japan	
E	S		Liability insurance for medical institutions in the event that their waste is dumped illegally	Sompo Japan	
	S		Insurance for doulas—workers who assist women before, during, and after childbirth—that covers their legal liability for damages arising in the course of their work	Sompo Japan	p. 57
E	S		Insurance with a special provision that covers soil testing costs (costs of checking whether or not soil on the site premises is contaminated after the spill, overflow, or leak of a contaminant)	Nipponkoa	
	S		Insurance for local governments developed after the Tokyo Metropolitan Government enacted an ordinance regarding measures for disaster victims unable to return home aimed at facilitating smooth implementation of the measures by local governments	Sompo Japan	p. 46
E			Insurance that covers rooftop greening for buildings and environmental protection costs as well as a discount for customers who are certified under ISO14001 and/or other environmental standards	Nipponkoa	
E			Discount for customers who are certified under ISO14001 and/or other environmental standards	Nipponkoa	
	S		Free-of-charge telephone health counseling for workers, as well as consultation for human resource and labor department personnel, of companies purchasing our comprehensive workers' compensation insurance	Sompo Japan	
	S		Insurance that covers the risk of long-term absence from work due to mental health disorder and offers comprehensive services related to reducing mental health risks	Sompo Japan/Nipponkoa	
	S		Comprehensive service related to reducing mental health risks	Sompo Japan/Nipponkoa	
	S		Insurance with comprehensive services related to reducing mental health risks of expatriate employees appointed overseas	Sompo Japan	
	S		Insurance that covers injury and other risks confronting elderly people	Sompo Japan/Nipponkoa	
	S		Insurance that supports building self-managed retirement fund	Sompo Japan/Nipponkoa	
	S		Consultation service regarding long-term care and pension plans	Nipponkoa	
E			A part of the insurance payment to be donated to a greening project when a hole-in-one is achieved at a golf tournament.	Sompo Japan/Nipponkoa	
Other types of insurance products/services					
	S		Insurance for private schools that covers tuition and other fees exempted with the aim of supporting students at elementary, junior high and senior high schools to continue studying until graduation	Sompo Japan	p. 57
E	S		Weather index insurance, a product developed as part of climate change adaptation measures that is aimed at reducing drought damage suffered by rice farmers in Thailand	Sompo Japan Group	p. 29
E	S		A program formulated through cooperation between the World Bank and the Japanese government that is aimed at reducing the risk of natural disasters in island countries in the Pacific Ocean	Sompo Japan	p. 29
E			A financial product to reduce risks by covering a decrease in corporate revenues and increase in expenditures caused by changes in temperature, wind, precipitation, duration of sunshine, and other climatic conditions	Sompo Japan/Nipponkoa	
	S		In India, livestock insurance is provided in combination with accident and medical insurance while packaged insurance for farmers that includes fire, accident and medical insurance is sold in combination with microfinance.	Sompo Japan Group	

Life insurance products/services					
Contribution to ESG		Products/Services and Description		Offered by	Report page
	S		The costs to donors of bone marrow stem cell donation are covered without any additional premium.	NKSJ Himawari Life	p. 25
	S		The costs for treatment of a cancer are covered even when it does not involve hospitalization and requires only outpatient treatment.		
	S		A part or whole of the whole life insurance benefit is paid if the insured is certified under a public long-term care insurance system as care level 4 or 5.		
	S		A special provision that allows the insured to receive a part or whole of the whole life insurance benefit as pension benefits		
	S		Provision of information on medical care, lifestyle, physical and mental health, and others		
E			Policy documentation and guides offered in CD-ROM format		p. 25
E	S		Term insurance whose coverage can be revised according to customer needs every year; online insurance application service that does not require the use of paper application forms	Sompo Japan DIY Life	p. 32
	S		Free-of-charge telephone counseling service regarding medical care, lifestyle, and physical and mental health for One Year Structure Insurance policyholders, insured persons and their families		

Financial products					
Contribution to ESG		Products/Services and Description		Offered by	Report page
E			Eco-fund for investing in Japanese companies that excel in both environmental management and financial state	Sompo Japan Nipponkoa Asset Management	p. 40
E	S	G	SRI fund for investing in Japanese companies that are recognized as fulfilling high environmental, social, and corporate governance standards		
E			Japanese stock fund that attaches importance not only to high recognition in environmental management and financial state but also to high dividend yields		
E	S	G	SRI fund aimed at ensuring long-term, stable profitability and geared toward institutional investors that is designed to invest in Japanese companies that are recognized as fulfilling high environmental, social, and corporate governance standards		
E			Eco-fund geared toward institutional investors that is designed to invest in Japanese companies that are evaluated highly for their environmental management and financial state		
E	S		A loan program that offers a combination of favorable lending interest rates for eco-friendly house renovation and donations to an organization engaged in the restoration and conservation of biodiversity		

Other services					
Contribution to ESG		Products/Services and Description		Offered by	Report page
Assistance services					
	S		Arrangements for emergency services such as for a tow truck in response to various car troubles, including a flat battery or being locked out of the vehicle	Prime Assistance	p. 21
	S		Arrangements are made for an expert who can provide emergency and repair services related to plumbing, locks, electricity, fittings, and other parts of the house		
	S		A program that, under home warranty insurance, offers a combination of administrative services for repairing household equipment (ventilating fan, water heater, air conditioner, etc.) after the expiration of the manufacturer's warranty period and arrangements for home assistance services		
	S		A program developed for companies operating overseas that offers temporary payment of medical expenses to a local medical institution on behalf of expatriate employees; support for claims for health insurance/overseas travel insurance; and information on local medical institutions		
Physical healthcare services					
	S		A program used by health insurance societies and other medical insurers to prevent lifestyle diseases among the insured by providing specific health guidance and other services	Healthcare Frontier Japan Inc. (HFJ)	p. 26
	S		A health guidance program used by health insurance societies and other medical insurers to support the health improvement of, and reduce payments to, "young-old" people		
	S		A health support program for non-obese individuals, people on medication, and others who do not require specific health guidance		
Mental healthcare services					
	S		Human resource resilience level measurement tool (LLaxMRP)	Sompo Japan Nipponkoa Healthcare Services	p. 26
	S		• Mental health checkup/counseling (face-to-face/phone/online) (LLax counseling) • Mental stress check & counseling package service (LLax check & counseling) • Around-the-clock telephone counseling regarding health and long-term care		
	S		• Mental health promotion & disease prevention package (LLax seed, LLax seed α) • Labor productivity measurement program (LLax WLQ-J)		
	S		Case management program, reinstatement support program (LLax standard & come-back support)		
	S		Planning, operation, and implementation of mental healthcare training (LLax training)		
Long-term care services					
	S		• Private long-term care center (daily long-term care for residents of specified facilities) • Group home (communal daily long-term care for dementia patients) • Short stay (short-term admission for daily long-term care) • Multifunctional long-term care in a small group home	Cedar	p. 26
	S		Support for motor function improvement through rehabilitation (outpatient day long-term care)		
	S		• Home-visit nursing care • Home-visit long-term care • Care plan preparation service (in-home long-term care)		

Consulting Services					
Contribution to ESG		Products/Services and Description		Offered by	Report page
	S	G	Support for preparing a business continuity plan (BCP) to establish in advance necessary procedures and measures for early business restoration and production substitution in the event of an earthquake or other disaster	Sompo Japan Nipponkoa Risk Management	p. 22
	S	G	Support for training conducted to verify the effectiveness of the prepared BCP		
	S	G	Support for companies seeking to obtain certification under ISO22301, the international standard for business continuity management systems (BCMSs) issued in May 2012		
	S		Support for the development of business continuity measures against possible floods for Japanese companies operating in Southeast Asian countries		
	S	G	Support for companies seeking to obtain certification under ISO39001, the international standard for road traffic safety management systems (RTSMSs) issued in October 2012		
E			Analysis and diagnosis of potential geographic risks pertaining to the location of photovoltaic, wind, and other renewable energy power plants		p. 23
E			Diagnosis of fire and crime risk at mega solar power plants, conducted in partnership with Sohgo Security Services Co., Ltd.		p. 30
E			Support for the calculation of CO ₂ emissions throughout the corporate value chain in accordance with GHG Protocol Scope 3 Standard and the guidelines formulated by the Japanese Ministries of the Environment and Economy, Trade and Industry		p. 31
E			Evaluation of and support for corporate biodiversity conservation activities, provided through partnership with the BirdLife International Asia Division, an international environmental NGO		p. 34

For the outlines and details of other risk consulting services, visit the website of Sompo Japan Nipponkoa Risk Management Inc. <http://www.sjnk-rm.co.jp/english/index.html>

Major ESG Data

General Information Concerning the ESG Questionnaire

To identify our ESG-related issues, we have conducted ESG surveys targeting our Group companies and overseas offices since fiscal 2010. The tables below show our major ESG data, as obtained from the survey results. The survey is conducted on consolidated subsidiaries of NKSJ Holdings, Inc.

Organizations surveyed in FY 2012

Company names as of March 31, 2013

1	Sompo Japan Insurance Inc.	10	Healthcare Frontier Japan Inc.	19	Tenet Insurance Company Limited (Singapore)
2	Nipponkoa Insurance Co., Ltd.	11	Sompo Japan Nipponkoa Holdings (Americas) Inc. (United States)	20	Berjaya Sompo Insurance Berhad (Malaysia)
3	Sonpo 2 4 Insurance Co., Ltd.	12	Sompo Japan Insurance Company of America (United States)	21	Sompo Japan Insurance (China) Co., Ltd. (China)
4	Saison Automobile and Fire Insurance Co., Ltd.	13	Sompo Japan Insurance Company of Europe Limited (United Kingdom)	22	NIPPONKOA Insurance Company (China) Limited (China)
5	Japan Insurance Services Inc.*1	14	NIPPONKOA Insurance Company (Europe) Limited (United Kingdom)	23	Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited (China)
6	NKSJ Himawari Life Insurance, Inc.	15	NIPPONKOA Management Services (Europe) Limited (United Kingdom)	24	NIPPONKOA Insurance Company (Asia) Limited (China)
7	Sompo Japan DIY Life Insurance Co., Ltd.	16	Sompo Japan Sigorta Anonim Sirketi (Turkey)	25	Yasuda Seguros S.A. (Brazil)
8	Sompo Japan DC Securities Inc.	17	Sompo Japan Asia Holdings Pte. Ltd. (Singapore)	26	Maritima Seguros S.A.*2 (Brazil)
9	Sompo Japan Nipponkoa Asset Management Co., Ltd.	18	Tenet Sompo Insurance Pte. Ltd. (Singapore)	27	Maritima Saude Seguros S.A.*2 (Brazil)

*1 As a result of its increasing importance, Japan Insurance Inc. became a consolidated subsidiary of NKSJ Holdings, Inc. starting from fiscal 2013.

*2 Sompo Japan Insurance Inc. acquired an additional 37% of common shares and 21.8% of preferred shares of Maritima Seguros S.A. through Yasuda Seguros S.A. on June 11, 2013. Consequently, Maritima Seguros, as well as its subsidiary Maritima Saude Seguros S.A., has become our subsidiary.

Coverage ratio

$$\text{Coverage ratio (\%)} = \frac{\text{the total number of employees of NKSJ Group companies that responded to the corresponding question}}{\text{the total number of employees of NKSJ Group companies subject to the questionnaire}} \times 100$$

Here, employees mean full-time employees, re-hired employees, and part-time and temporary employees.

As shown on page 6, the number of data items collected via the questionnaire and disclosed is increasing each year. For this reason, coverage ratios and reporting companies differ accordingly each year.

Reporting period

Unless otherwise stated, data reported herein are those of fiscal 2012 (April 2012 to March 2013).

Additional Information Concerning Reporting of Greenhouse Gases (GHGs)

- Although maximum attention is paid to accuracy and validity, calculation methods that are considered to be reasonable and versatile are adopted for activities for which quantification is difficult.
- The scope of calculation is as indicated by the coverage ratio and the list of reporting companies for each data item.
- "Scope 1" emissions, as appearing in the data below, are direct GHG emissions from sources owned or controlled by the NKSJ Group, such as emissions from the use of gas and gasoline. "Scope 2" emissions are indirect GHG emissions resulting from the generation at power stations and other external sites of electricity and heat that are purchased by the NKSJ Group. "Scope 3" emissions are indirect GHG emissions other than "Scope 2" emissions that are generated in any part of the value chain of the NKSJ Group.
- The table below shows activity items subject to calculation.

Scope	Category	Activity items subject to calculation
Own company (Scope 1)	Direct emissions	City gas, LPG, kerosene, heavy fuel oil, gasoline
Own company (Scope 2)	Indirect emissions from energy sources	Electricity, heat
Upstream of value chain (Scope 3)	Purchased products and services	Office paper, printing, servers, water service
	Activities in connection with fuels and energy (other than Scopes 1 and 2)	Electricity
	Transportation/delivery (upstream)	Mail, home delivery, interoffice mail, office relocation, employee residence relocation
	Waste generated from business activities	Industrial waste, general waste
	Business trips	Domestic (sales, trips, new appointments, overnight or longer stays), international (trips, new appointments, overnight or longer stays)
Downstream of value chain (Scope 3)	Commuting of employees	Train, bus, ship, private car
	Transportation/delivery (downstream)	Mailing of insurance policies, etc.
	Other	Event (venue, traffic, overnight or longer stays)

Environmental Data

Environmental Policy (Sompo Japan and Nipponkoa)

<Basic Philosophy>

Our company and its group companies acknowledge environmental challenges such as climate change and biodiversity loss as the most important priority that must be resolved to inherit our irreplaceable earth for future generations. We will contribute to developing a resilient, inclusive and sustainable society by integrating environmental consideration into our core business operations and working proactively to resolve environmental issues through active dialogue and engagement with stakeholders.

<Action Guidelines>

1. Providing products and services towards a resilient society

We will strive to develop and provide products and services that contribute to mitigating the influence of climate change, build a low carbon society, conserve biodiversity and promote stakeholders' eco-friendliness. Also, we will secure products and services that increase preparedness against natural catastrophes.

2. Promoting resource conservation through the entire value chain

We will recognize the impact it has on the environment through the consumption of resources and energy, and the emission of waste, in the course of conducting business as well as by complying with environmental laws and regulations. We will integrate into the business process and work together throughout the entire value chain to promote resources and energy conservation, as well as recycling activities.

3. Encouraging awareness of environmental issues and corporate citizenship

We will make the greatest use of knowledge as an insurance company by issuing environment related information towards the entire society to raise concern for the environment and broadly convey the importance of preservation along with encouraging awareness of and education on the environment. Furthermore, we will also proactively contribute to support each of our employees' individual voluntary efforts as a global citizen to conserve the environment and involve the local community.

To enable continuous improvement, the above-mentioned activities will be subject to periodic review to reflect the current objectives and targets of Sompo Japan and Nipponkoa.

Established in April 1, 2013

Environmental Performance

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies*
Scope 1	t	-	-	20,280	91.8%	1,2,3,4,6,7,8,9,10,11,12,13,17,24,25
Scope 2	t	-	-	69,827	85.9%	1,2,3,4,7,8,9,10,13,14,15,16,21,22,24,25
Scope 3	t	-	-	47,932	80.4%	1,2,13
Electricity	kWh	167,230,889	150,412,590	139,905,955	85.9%	1,2,3,4,7,8,9,10,13,14,15,16,21,22,24,25
City gas	m ³ -N	2,367,479	1,897,283	1,706,000	92.7%	1,2,3,6,7,8,9,13,14,15,16,17,18,19,20,21,22,23,24,25
Heavy fuel oil A	kℓ	284	251	206	94.9%	1,2,3,4,6,7,8,9,10,13,14,15,16,17,18,19,20,21,22,23,24,25
Heat (steam)	MJ	120,496,000	109,437,574	84,762,251	94.7%	1,2,3,4,6,7,8,9,13,14,15,16,17,18,19,20,21,22,23,24,25
Fuel used for company cars	kℓ	6,444	6,790	6,570	91.8%	1,2,3,4,6,7,8,9,10,11,12,13,17,24,25
Total energy consumption	MWh	132,195	119,137	114,360	79.9%	1,2
Costs of GHG emissions reduction	Million yen	1,702	1,106	3,311	98.5%	1,2,3,4,6,7,8,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27
Renewable energy purchased through Renewable Energy Certificates	kWh	8,010	4,460	5,867	98.6%	1,2,3,4,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,24,25,26,27
Total waste generation	t	5,881	4,816	4,494	84.5%	1,2,3,4,8,13,21,24,25
Recycled waste	t	2,379	2,350	2,164	85.3%	1,2,3,4,7,8,9,10,13,21,23,24,25
Tap water consumption	kℓ	309,566	295,644	471,685	82.3%	1,2,3,13,21,24,25
Wastewater discharge	kℓ	299,505	288,020	443,476		
Paper consumption	t	12,709	10,707	11,229	86.2%	1,2,3,11,12,13,21,24,25,26,27

* Please refer to the table showing organizations surveyed in FY 2012 for details of the respondent company numbers (p. 63).

Social Performance Data

Employees

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies	
Total number of regular employees (subject to ESG questionnaires)	Male	persons	-	-	19,912	100%	All companies
	Female	persons	-	-	17,285		
	Total	persons	33,482	35,526	37,197		
Executive or higher	Male	persons	-	-	94	87.2%	1,2,6,9
	Female	persons	-	-	0		
	Total	persons	-	-	94		
Department manager level or higher but lower than executive	Male	persons	-	-	804	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	-	-	4		
	Total	persons	-	-	808		
Section manager level or higher but lower than department manager level	Male	persons	-	-	2,722	98.8%	1,2,3,4,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	-	-	82		
	Total	persons	-	-	2,804		
Subsection chief level or higher but lower than section manager level	Male	persons	-	-	5,528	98.5%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,24,25,26,27
	Female	persons	-	-	933		
	Total	persons	-	-	6,461		
Number of new graduates recruited	Male	persons	235	127	102	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	544	335	284		
	Total	persons	779	462	386		
Number of reemployed employees	Male	persons	-	284	317	98.8%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	-	13	37		
	Total	persons	-	297	354		
Number of non-regular employees	Male	persons	1,679	1,866	1,843	98.5%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,24,25,26,27
	Female	persons	6,252	6,971	6,793		
	Total	persons	7,931	8,837	8,636		
Average years of service	Male	years	14.0	14.2	13.0	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	years	8.5	8.9	8.6		
	Total	years	11.5	11.8	10.9		
Annual turnover	Male	%	3.14%	4.21%	4.60%	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	%	4.89%	6.76%	7.43%		
	Total	%	4.00%	5.46%	6.01%		
Union membership rate	%	97.9%	97.5%	95.0%	93.9%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,21,22,23,24,25	

Diversity & Inclusion

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies	
Ratio of female employees in managerial positions	%	3.46%	4.46%	5.67%	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27	
Ratio of employees with disabilities	%	2.10%	2.08%	2.17%	97.3%	1,2,3,4,5,6,7,8,9,10,11,12,13,17,21,22,24,25,26,27	
Number of employees who took maternity leave	persons	452	498	624	87.2%	1,2,6,9	
Number of employees who took paternity leave	persons	-	-	51	37.3%	2,6,9	
Number of employees who took childcare leave	Male	persons	53	52	63	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	789	981	1,072		
	Total	persons	842	1,033	1,135		
Number of employees who used childcare support system (Reduction of Working Hours for Childcare)	persons	294	398	498	87.2%	1,2,6,9	
Number of employees who used childcare support system (advancement/postponement of starting/finishing hours)	persons	-	-	128	37.3%	2,6,9	
Number of employees who took family care leave	Male	persons	0	6	2	98.7%	1,2,3,4,6,7,8,9,10,11,12,13,16,17,18,19,20,21,22,23,24,25,26,27
	Female	persons	11	17	15		
	Total	persons	11	23	17		

Social Performance Data

Diversity & Inclusion (Continued)

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies	
Frequency of occupational accidents	-	2.72	2.47	1.11	93.7%	1,2,3,4,6,8,9,10,11,12,13,16,18,19,21,22,23,24,25	
Ratio of overtime work	Male	%	8.25%	8.97%	9.26%	95.0%	1,2,3,4,6,8,9,10,11,12,13,16,18,19,20,21,22,24,25
	Female	%	6.71%	7.21%	7.49%		
	Total	%	7.38%	7.95%	8.25%		

Employee Satisfaction

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies
Employee satisfaction	%	78.0%	77.7%	78.1%	80.6%	1,2,3,13
Total number of respondents	persons	27,451	27,052	26,262		
Employees who answered "satisfied"	persons	21,409	21,011	20,512		

Respect for Human Rights

Please see page 58 for the Policy for Human Dignity and Human Rights of Sompo Japan and Nipponkoa.

Social Contribution

Corporate Citizenship Policy (Sompo Japan and Nipponkoa)

Our company and its group companies will make proactive contributions to society with the objective of resolving community and global social issues, while supporting individual employees' voluntary efforts.

1. Corporate citizenship activities

We will work proactively to realize a sustainable society for future generations in collaboration with various stakeholders, including NGOs, civil society organizations and government, by focusing on three areas: the environment, welfare and fine arts, in which we have accumulated expertise and achievements.

2. Support for individual employees' social contribution efforts

We will support and encourage employees' voluntary activities in contributing to society by developing human resources responsive to social issues.

Established on April 1, 2013

Volunteer Activities Support System

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies
Number of employees who took short volunteer work leave	persons	1	80	30	98.8%	1,2,3,4,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27
Number of employees who took long volunteer work leave	persons	0	0	2	98.1%	1,2,3,4,6,7,8,9,10,11,12,13,14,15,17,18,19,20,21,22,23,24,25,26,27

Efforts to respond to "Voice of Customers"

Please visit official websites of Sompo Japan and Nipponkoa for improvement examples based on customer feedback and complaints. (Japanese only)

Governance Data

Number of meetings held by the Board of Directors and the Board of Corporate Auditors as well as the participation status of the board members

Item	Unit	FY2010	FY2011	FY2012
Number of meetings held by the Board of Directors*	meetings	16	16	15
Number of board members	persons	12	12	12
(Of which, number of outside directors)	persons	6	6	6
Average attendance at meetings by outside directors	%	97.9%	94.8%	98.9%
Number of meetings held by the Board of Corporate Auditors	meetings	13	14	14
Number of board members	persons	5	5	5
(Of which, number of outside auditors)	persons	3	3	3
Average attendance at meetings by outside auditors	%	100%	100%	100%

* Excluding written resolutions

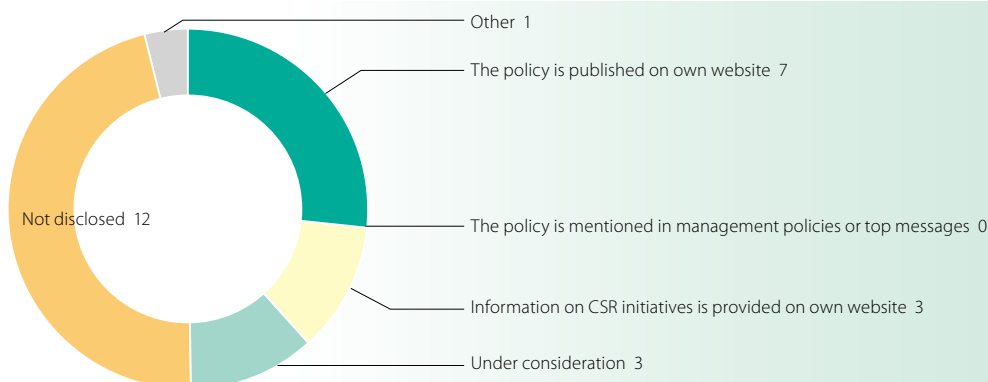
Training on compliance

Item	Unit	FY2010	FY2011	FY2012	Coverage ratio	Reporting companies
					Ratio of employees who received compliance training	%

Disclosure of CSR policy, CSR management framework, and selection criteria of suppliers

Coverage ratio	Reporting companies
98.8%	1,2,3,4,6,7,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,26,27

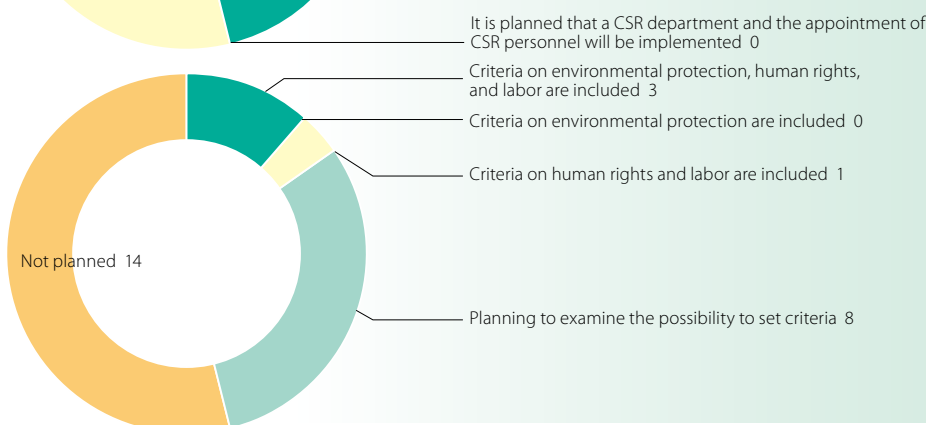
Disclosure of CSR policy



CSR management framework



Selection criteria of suppliers



Financial Data

This page details NKSJ Holdings' financial data.

Consolidated Balance Sheets

(Millions of yen)

Item	As of March 31, 2012		As of March 31, 2013		Increase (Decrease)
	Amount	Composition ratio	Amount	Composition ratio	
Assets:		%		%	
Cash and deposits	332,416	3.74	513,739	5.60	181,322
Call loans	76,300	0.86	66,700	0.73	(9,600)
Receivables under resale agreements	60,486	0.68	80,483	0.88	19,997
Monetary receivables bought	28,952	0.33	21,969	0.24	(6,983)
Money trusts	37,091	0.42	69,179	0.75	32,087
Securities	6,317,507	71.04	6,596,246	71.87	278,739
Loans	654,039	7.35	635,239	6.92	(18,799)
Tangible fixed assets:	358,530	4.03	355,792	3.88	(2,738)
Land	194,742		192,387		
Buildings	127,422		129,178		
Leased assets	6,337		6,146		
Construction in progress	4,993		2,562		
Other tangible fixed assets	25,034		25,519		
Intangible fixed assets:	55,311	0.62	56,896	0.62	1,585
Software	6,502		6,855		
Goodwill	47,740		49,311		
Other intangible fixed assets	1,067		729		
Other assets	716,711	8.06	643,596	7.01	(73,114)
Deferred tax assets	232,285	2.61	107,938	1.18	(124,347)
Customers' liabilities for acceptances and guarantees	29,370	0.33	35,200	0.38	5,830
Allowance for possible credit losses	(5,619)	(0.06)	(4,783)	(0.05)	835
Allowance for possible investment losses	(3)	(0.00)	—	—	3
Total assets	8,893,378	100.00	9,178,198	100.00	284,820
Liabilities:					
Underwriting funds:	7,144,799	80.34	7,081,082	77.15	(63,716)
Reserve for outstanding losses and claims	1,022,435		1,001,993		
Underwriting reserves	6,122,363		6,079,088		
Corporate bonds	128,000	1.44	261,560	2.85	133,560
Other liabilities	430,895	4.85	352,898	3.84	(77,996)
Reserve for retirement benefits	107,983	1.21	103,244	1.12	(4,738)
Reserve for retirement benefits to directors	67	0.00	53	0.00	(13)
Reserve for bonus payments	22,839	0.26	23,088	0.25	248
Reserve for bonus payments to directors	143	0.00	290	0.00	146
Reserves under the special laws:	27,658	0.31	35,519	0.39	7,861
Reserve for price fluctuation	27,658		35,519		
Deferred tax liabilities	1,043	0.01	1,772	0.02	729
Acceptances and guarantees	29,370	0.33	35,200	0.38	5,830
Total liabilities	7,892,801	88.75	7,894,710	86.02	1,909
Net assets:					
Shareholders' equity:					
Common stock	100,045	1.12	100,045	1.09	—
Capital surplus	438,562	4.93	438,567	4.78	5
Retained earnings	172,868	1.94	181,149	1.97	8,281
Treasury stock	(1,044)	(0.01)	(1,122)	(0.01)	(77)
Total shareholders' equity	710,431	7.99	718,640	7.83	8,208
Accumulated other comprehensive income:					
Unrealized gains and losses on securities available for sale	326,591	3.67	579,284	6.31	252,692
Deferred gains and losses on hedges	5,660	0.06	7,653	0.08	1,993
Foreign currency translation adjustments	(49,141)	(0.55)	(29,309)	(0.32)	19,832
Total accumulated other comprehensive income	283,111	3.18	557,628	6.08	274,517
Stock acquisition rights	2,409	0.03	2,027	0.02	(382)
Non-controlling interests	4,624	0.05	5,191	0.06	566
Total net assets	1,000,577	11.25	1,283,488	13.98	282,910
Total liabilities and net assets	8,893,378	100.00	9,178,198	100.00	284,820

Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

Consolidated accounting year Item	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)
	Amount	% of ordinary income	Amount	% of ordinary income	
Ordinary income:	2,790,555	100.00	2,843,226	100.00	52,670
Underwriting income:	2,628,200	94.18	2,605,798	91.65	(22,401)
Net premiums written	1,973,777		2,062,606		
Deposits of premiums by policyholders	164,628		146,309		
Interest and dividend income on deposits of premiums, etc.	55,932		51,359		
Life insurance premiums written	250,193		264,732		
Reversal of reserve for outstanding losses and claims	—		30,978		
Reversal of underwriting reserves	180,372		42,689		
Other underwriting income	3,294		7,122		
Investment income:	151,083	5.41	223,709	7.87	72,625
Interest and dividend income	152,090		154,789		
Investment gains on money trusts	333		1,700		
Investment gains on trading securities	—		334		
Gains on sales of securities	52,522		112,139		
Gains on redemption of securities	1,011		88		
Gains on derivatives	508		—		
Investment gains on special account	353		2,019		
Other investment income	196		3,998		
Transfer of interest and dividend income on deposits of premiums, etc.	(55,932)		(51,359)		
Other ordinary income:	11,271	0.40	13,717	0.48	2,446
Investment gains on the equity method	111		713		
Other ordinary income	11,160		13,004		
Ordinary expenses:	2,842,370	101.86	2,738,443	96.31	(103,927)
Underwriting expenses:	2,340,706	83.88	2,241,571	78.84	(99,134)
Net claims paid	1,472,664		1,336,201		
Loss adjustment expenses	136,324		138,019		
Net commissions and brokerage fees	366,545		376,994		
Maturity refunds to policyholders	291,534		322,292		
Dividends to policyholders	52		60		
Life insurance claims paid and other payments	60,357		63,521		
Provision for reserve for outstanding losses and claims	8,473		—		
Other underwriting expenses	4,754		4,481		
Investment expenses:	72,525	2.60	58,269	2.05	(14,255)
Investment losses on money trusts	364		54		
Investment losses on trading securities	37		—		
Losses on sales of securities	34,813		7,395		
Impairment losses on securities	17,980		37,755		
Losses on redemption of securities	2,289		1,133		
Losses on derivatives	—		8,315		
Other investment expenses	17,040		3,614		
Operating, general and administrative expenses	418,273	14.99	426,216	14.99	7,942
Other ordinary expenses:	10,864	0.39	12,385	0.44	1,520
Interest paid	7,566		7,563		
Provision for allowance for possible credit losses	31		—		
Losses on bad debt	8		9		
Provision for allowance for possible investment losses	3		—		
Other ordinary expenses	3,253		4,812		
Ordinary profit (loss)	(51,815)	(1.86)	104,783	3.69	156,598

Consolidated Statements of Income

(Millions of yen)

Item	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)		Increase (Decrease)
	Amount	% of ordinary income	Amount	% of ordinary income	
Extraordinary gains:	9,144	0.33	3,058	0.11	(6,085)
Gains on disposal of fixed assets	1,874		2,774		
Gains on negative goodwill	—		184		
Gains on step acquisitions	6,298		—		
Other extraordinary gains	970		99		
Extraordinary losses:	14,965	0.54	37,662	1.32	22,696
Losses on disposal of fixed assets	2,068		760		
Impairment losses	992		3,962		
Provision for reserves under the special laws:	137		7,861		
Provision for reserve for price fluctuation	137		7,861		
Other extraordinary losses	11,766		25,076		
Net income (loss) before income taxes and non-controlling interests	(57,636)	(2.07)	70,179	2.47	127,815
Income taxes	2,544		7,118		
Deferred income taxes	32,630		19,145		
Total income taxes	35,174	1.26	26,263	0.92	(8,911)
Net income (loss) before non-controlling interests	(92,810)	(3.33)	43,916	1.54	136,727
Income (loss) attributable to non-controlling interests	(548)	(0.02)	298	0.01	846
Net income (loss)	(92,262)	(3.31)	43,618	1.53	135,880

Consolidated Statements of Comprehensive Income

(Millions of yen)

Item	Fiscal year ended March 31, 2012 (April 1, 2011 to March 31, 2012)		Fiscal year ended March 31, 2013 (April 1, 2012 to March 31, 2013)	
	Amount	Amount	Amount	Amount
Net income (loss) before non-controlling interests	(92,810)		43,916	
Other comprehensive income:				
Unrealized gains and losses on securities available for sale	57,739		252,794	
Deferred gains and losses on hedges	2,117		1,993	
Foreign currency translation adjustments	(13,944)		20,104	
Share of other comprehensive income of affiliates accounted for under the equity method	(1,200)		239	
Total other comprehensive income	44,712		275,131	
Comprehensive income	(48,098)		319,047	
(Comprehensive income attributable to)				
Comprehensive income attributable to shareholders of the parent	(47,125)		318,126	
Comprehensive income attributable to non-controlling interests	(973)		921	