

Adaptation to and Mitigation of Climate Change



The question of how to adapt to climate change risk is an important management issue for insurance companies. At the same time, climate change must be taken as a new opportunity as well. Sompo Japan Group is putting effort into the development of new insurance and financial services, including the provision of risk finance to developing countries that are vulnerable to the effects of climate change. In cooperation with international organizations and the agencies that are a part of the group's value chain, Sompo Japan Group is also continuing to undertake mitigation efforts with the aim of creating a low-carbon society.

Phase 1

1990 – 2002

- Established the Environmental Risk Management Office
- Data Processing Center building was the first financial institution in Japan to obtain ISO 14001 certification
- Established the Yasuda Fire and Marine Global Environment Charter
- Established the Sompo Japan Environmental Policy
- Adopted the Environmental Management System nationwide
- Data Processing Center achieved “zero emissions”

Phase 2

2003 – 2008

- Established CO₂ reduction strategy (set long-term reduction targets)
- Expanded environmental initiatives to value chain, including agencies
- Strengthened cooperation with international organizations
- Taking climate change as both a risk and an opportunity, started to develop products and services that contribute to adaptation and mitigation
- Started up climate change risk management consulting

Phase 3

2009 –

- Integrate adaptation to and mitigation of climate change into corporate strategy

Highlight
01

Development of Weather Index Insurance for farmers in northeast Thailand

In recent years, large-scale disasters attributable to climate change have been occurring frequently all around the world, causing a major impact on the economies of developing countries which are vulnerable to climate change. Sampo Japan Group is developing a new Weather Index Insurance scheme for farmers in northeast Thailand as an option for adaptation against the effects of climate change.



Origin: Joint research with JBIC

Since 2007, Sampo Japan Risk Management (SJRJM) and the Japan Bank for International Cooperation (JBIC) have been jointly studying risk finance schemes that utilize insurance. This effort is a search for adaptation measures within the framework of a public-private partnership to offset damage caused by climate change in developing countries. The scheme deemed as effective is Weather Index Insurance. Starting in 2008, Sampo Japan has been working to create a product based on SJRM's research.

Weather Index Insurance is a financial product that pays out a pre-stipulated amount if certain conditions are met against indices for temperature, wind speed, precipitation, snow depth, or other weather-related indices. Compared to traditional insurance, no adjustment is required. This characteristic leads to immediate compensation for the loss of profit or expenses for preventing revenue decrease of the insured caused by meteorological conditions.

Most farmers in northeast Thailand, where there is a shortage of water resources, rely on rainfall. As a consequence, harvests can fluctuate greatly depending on the meteorological conditions. The region has experienced water shortages many times in the past. The development of weather index insurance requires highly reliable long-term meteorological data, and Khon Kaen Province has relatively precise meteorological weather stations compared to the rest of the northeast region. Accordingly, this area has been set as the target for product development.

Farmers need to pay the premium for their insurance coverage, but the penetration rate of insurance among Thai farmers, who are unfamiliar with insurance and who struggle to pay back loans taken for agricultural equipments and so on, is low. In response, Sampo Japan decided to develop a new scheme to sell an insurance product focusing on the principal crop of the region, rice, with loans from Thailand's Bank for Agriculture and Agricultural Cooperatives (BAAC) through a tie-up with BAAC.



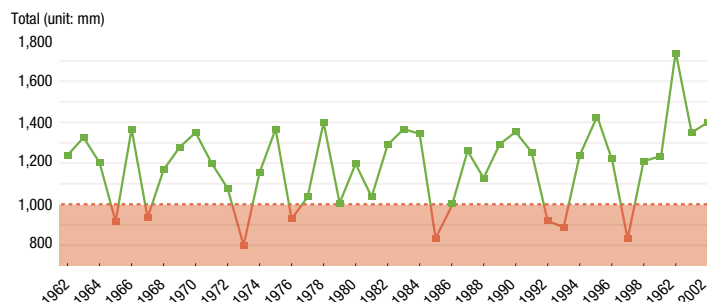
Explaining the trial product to local farmers

High expectations on the support offered to farmers

Between April and June 2008, Sampo Japan made a trial product based on an analysis of weather data for Khon Kaen Province, prepared fliers in Thai for the trial product, and conducted interviews with local farmers. The farmers praised the clearness of the fact that they would not have to repay a part of their loans in case of drought. Sampo Japan's partner, BAAC, expects the project to succeed, as it has significant meaning for the government as well in terms of the support for farmers. Sampo Japan also has noticed that the project has great significance in the way a Japanese non-life insurance company's know-how and product development capabilities are being used to help stabilize Thailand's agriculture and economy.

In May 2009, a simulation for full-scale product introduction has been started, and at present, Sampo Japan is preparing to launch the product in 2010.

Annual rainfall in Khon Kaen Province



For example: Sugarcane cultivation requires 1,000 mm of rainfall per year. During the 41 years shown, a water shortage occurred 8 times, or at a rate of about once every 5 years.

Source: Khon Kaen Province Meteorological Weather Station



Meteorological weather station in Khon Kaen Province, Thailand

Highlight 02

Reducing paper consumption through procedural reform

In step with a current company-wide New Retail Market Business Model Reform Project, Sompo Japan has implemented company-wide document management to strategically reduce its paper consumption. In April 2009, we established a Comprehensive Management Plan for Paper Use with a view toward reducing paper consumption.

Paper consumption in fiscal 2008 down 8.4% year-on-year

Strategically reducing the use of paper, which is essential in the series of processes from the introduction of insurance products through application procedures, to the issuance of insurance policies, has been a longstanding challenge. During the past two years, paper consumption continued to increase as a result of the making of tools used to explain insurance products, internal control trail management, and other reasons. But, the company started making new efforts to reduce paper consumption through greater use of IT. As a result, Sompo Japan reduced company-wide paper consumption in fiscal 2008 by 8.4% from the previous year to a total of 9,407 tons. The biggest factor behind the decrease was a printed material network introduced in October 2008. This system enables insurance product brochures and various other printed materials to be viewed, inventories checked, and delivery orders placed through a network connecting all Sompo Japan branches and agencies nationwide. The system also allows PDF files to be downloaded whenever needed, and negates the need

for interim inventories at local offices and branches, since agencies can order printed materials directly. For fiscal 2009, the company has set the target of reducing its paper consumption by about 10% from the previous year.

Aiming to reduce paper use by linking it to cost

The Comprehensive Management Plan for Paper Use that Sompo Japan announced in April 2009 calls for the company to manage paper use in terms of cost in parallel with the conventional management by weight. Linking paper use to cost enables the company-wide development of measures and systems for reducing paper consumption to be positioned and addressed as a management issue, which leads to the visualization of the effect of reduced paper consumption.

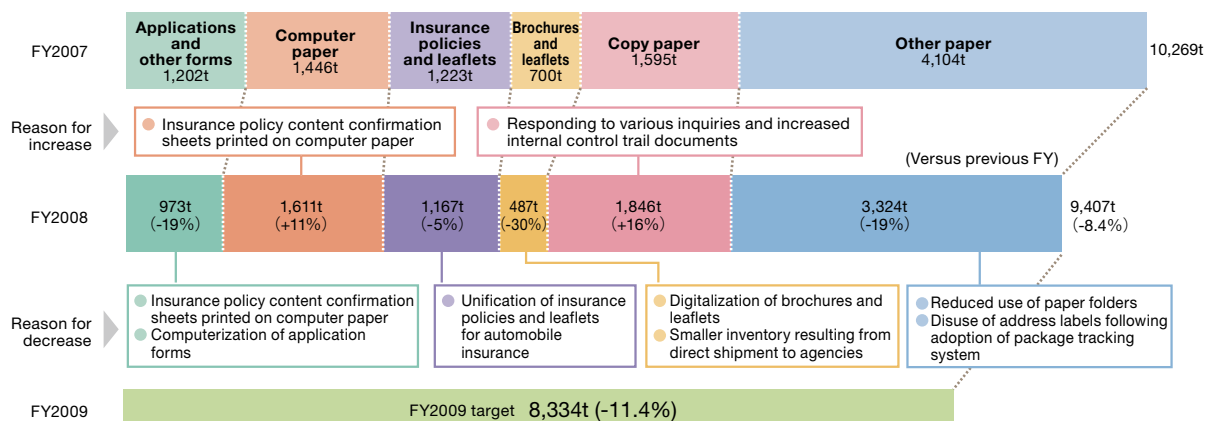
New Retail Market Business Model Reform Project

At present, Sompo Japan is carrying out a company-wide New Retail Business Model Reform Project together with its agencies. This project focuses on the use of IT to systematize procedures based on a

reconsideration of all business processes from the perspective of the customer, from insurance solicitation to the payment of claims. The original purpose of the project was to pursue improved service quality and greater customer satisfaction by reforming work procedures through a fundamental review of conventional business processes. The reform is being pursued from four angles: 1) the provision of easy-to-understand products, 2) the reconsideration of insurance explanations and contract procedures, 3) the expansion of points of contact between the insurance company/agencies and customers, and 4) enhanced service when handling claims. For instance, Sompo Japan is planning to move to a paperless system from fiscal 2010, starting with its core automobile insurance, for insurance applications, which will be completed on a computer screen while talking with a customer instead of using conventional paper-based procedures.

Going forward, Sompo Japan will continue establishing mechanisms for strategically reducing paper consumption by searching for new forms for its insurance business and pushing forward with system reforms while pursuing greater clarity for customers.

Paper consumption and target for FY2009



Highlight
03

Green purchasing expanded to our value chain

In July 2008, Sompo Japan, in cooperation with nationwide insurance agency organizations J-SA and AIR JAPAN, launched in earnest a green purchasing system using an internet-based central buying system.

Green purchasing system adopted throughout the value chain

Sompo Japan has been enthusiastically carrying out green purchasing, chiefly for office supplies and equipment, since its Data Processing Center was the first financial institution in Japan to obtain ISO 14001 certification in 1997. In an expansion of this initiative, the group is making an effort to expand green purchasing to include insurance agencies, which is within our sphere of influence, as an effective means of reducing negative environmental impact throughout its entire value chain.

Toward that end the group is promoting green purchasing together with J-SA, which is an organization of superior professional insurance agencies, and AIR JAPAN, which is an agency organization consisting mainly of automobile repair shops. Both organizations have established statements and action plans relating to the environment in recent years and have stepped up their environmental management efforts and community contribution activities.

When creating its green purchasing system, Sompo Japan decided to utilize the internet-based centralized buying system of Kaunet Co., Ltd., which is a company that sells office supplies. Starting in January 2008, AIR JAPAN members in the Hokuriku region participated in a trial of the system. With much endorsement of its purpose, a nationwide launch of the system was started in July 2008.

This is the first attempt within Japan's insurance industry to implement green purchasing through the adoption of the same system by the nationwide agency organizations. In recognition of their effort, Sompo Japan and the two organizations won a Jury's Encouragement Prize in the Fiscal 2008

Green Purchasing Awards operated by the Green Purchasing Network, which is an organization promoting the spread of green purchasing in Japan.

Expanding green purchasing to agencies nationwide and even to customers

Agencies that have registered in the green purchasing system have commented favorably, as the system allows them to reduce their expenses for office supplies through discounts for cooperative purchasing on top of reducing CO₂ emissions. What is more, when agencies put up posters that promote green purchasing, they play a role in raising the awareness of customers who visit them.

As of the end of March 2009, 20.2% of J-SA members (457 agencies) and 53.3% of AIR JAPAN members (1,784 agencies) have registered in the system.

Some 5,600 agencies that are members of J-SA and AIR JAPAN are dotted across Japan. The challenge from now is to promote more registrations and expand the embracement of green purchasing among members



Sompo Japan makes a monthly comic as an awareness-raising tool for encouraging green purchasing among agencies.

of the two organizations throughout Japan. Another aim is to communicate the significance of striving to reduce negative environmental impact and create a recycling-oriented society to the two organizations' nearly 5.9 million corporate and individual customers far and wide across the country.

Current and target number of agencies participating in green purchasing

J-SA members 2,264 (As of March 31, 2009)

	Members (%)	FY2009 target
Registered green purchasers	457 (20.2)	At least 50%
Actual purchasers	232	At least 50% of registered purchasers

AIR JAPAN members 3,347 (As of March 31, 2009)

	Members (%)	FY2009 target
Registered green purchasers	1,784 (53.3)	—
Actual purchasers	1,013	At least 50% of registered purchasers

Environmental Management System and activities

Sompo Japan Environmental Policy

<Basic Philosophy>

Sompo Japan Group acknowledges its corporate social responsibility to promote local and global environmental protection and to support socio-economic systems that are based on environmentally-sound material cycles. We, the entire Sompo Japan Group, will consistently and progressively tackle environmental issues, giving special attention to the concept of "eco-efficiency."

<Guiding Principles>

1. Provide New Products and Services

Sompo Japan Group strives to research, develop, and provide society with new products and services (relating to insurance, risk management, claims, and financial services, etc.) that will contribute to the solution of environmental problems. All corporate departments and affiliated companies will join in this effort. Sompo Japan Group will also investigate, analyze, and provide information on broader environmental issues for the benefit of society overall.

2. Promote Resource Conservation

Sompo Japan Group recognizes 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.

It will comply with environmental laws and regulations. The entire Group, including management and employees, will work together to promote resource and energy conservation and recycling activities.

3. Contribute to Society

Sompo Japan Group will actively work on corporate citizenship initiatives relating to the environment, such as nature conservation and environmental education. It will also promote and support the voluntary efforts of individual employees as "global citizens" and as "contributing members of families and communities" for the realization of sustainable society. To enable continuous improvement, the above-mentioned activities will be subject to periodic review, to reflect the current objectives and targets of Sompo Japan Group.

(Introduced July 1, 2002)

Environmental management system developed based on the PDCA cycle

Sompo Japan became the first Japanese financial institution to obtain ISO 14001 certification for environmental management systems when its Data Processing Center obtained certification in November 1997 followed by its Head Office building in October 1999. The two buildings received integrated certification in November 2006, and are striving to make continuous improvements to their environment management system (EMS) across all business activities.

Additionally, Sompo Japan developed an original EMS called the E-koto Project ("E-koto" is a play on the Japanese phrase "ii koto," which means "something good.") based on its ISO 14001 certification know-how and introduced the system at regional headquarters and branch/sub-branch office buildings. In line with the E-koto Project, these sites are leveraging the characteristics of their local areas to save energy and engage in social contribution activities.

Internal auditor training is provided to members of the CSR/Environment Committee at the Head Office building and Data Processing Center, and to persons in charge of the E-koto Project nationwide in order to check EMS operational status. The numbers of employees qualified as internal auditors for EMS are as follows.

Employees qualified as internal auditors for EMS (aggregate; as of June 30 each respective year)

	2007	2008	2009
Employees qualified as internal auditors	136	161	163
CEAR Environmental Auditors (total for lead auditors and provisional auditors)	10	9	9

Company-wide Environmental Performance Data

Sompo Japan has set medium- and long-term goals for the reduction of CO₂ emissions, and is making efforts to cut its environmental impact by reducing consumption of electricity, paper and energy.

Fiscal 2008 Main Environmental Performance Data

	FY2007	FY2008	CO ₂ -equivalent emissions (tons) *1		Main cause of change
			FY2007	FY2008	
Electricity use (million kwh) *2	84.1	82.9	46,685	46,024	<ul style="list-style-type: none"> Nationwide installation of high-efficiency lighting, elevators, and other equipment Energy savings through revised use of computers, lighting, and other equipment
Paper use (tons)	10,269	9,407	—	—	<ul style="list-style-type: none"> Digitization of pamphlets and flyers; reduced inventory of forms through printed material network Expanded computerization of application forms
Gas use (thousand m ³) *3	202.3	179.8	421	374	<ul style="list-style-type: none"> More stable outside temperatures than usual (i.e. cool summer and warm winter) Revised usage, including fewer hours of air-conditioning use accompanying encouragement of employees to leave work early
Other energy use (million MJ) *4	75.5	70.5	4,306	4,020	
Fuel consumption by company-owned vehicles (thousand liter) *5	3,608	3,417	8,754	8,290	<ul style="list-style-type: none"> Continued addition of eco-cars (fuel efficient vehicles) in the company fleet Efficient travel by ensuring employees drive ecologically and safely
Total			60,165	58,708	

*1 CO₂-equivalent emissions: Calculated using the coefficient designated in Japan's Act on Promotion of Global Warming Countermeasures.

*2 Electricity use: Calculated by dividing the charges for electricity consumed at all Sompo Japan buildings by the average price per kwh.

*3 Gas use: Combined consumption by Head Office and two other buildings with Global Warming Prevention Plans conforming to the Tokyo Metropolitan Government Ordinance on Environmental Preservation.

*4 Other energy use: Combined steam and chilled water supplied by energy companies to Head Office and Tachikawa buildings.

*5 Fuel consumption by company-owned vehicles: Calculated by dividing the company-wide fuel charges by the average of gasoline prices per liter (146 yen) from April 2008 to March 2009.

Encouraging service providers to take CSR and environmental initiatives

Since 2005, Sompo Japan has periodically given questionnaire surveys on environmental issues, compliance, and respect for human dignity to all companies providing services in its Head Office building.

Survey of service providers

	FY2007	FY2008	FY2009
Number of companies surveyed	47	No survey*	57

* Companies only asked to follow Sompo Japan's rules

Main questions

- What are you doing to reduce emissions of CO₂ and other greenhouse gases (GHGs)?
- What kind of action policy have you adopted regarding compliance with legal and social norms and relevant laws and ordinances?
- Have you established action policies regarding respect for human dignity, prohibition of child and forced labor, and elimination of discrimination?

Climate change risk management consulting started

In March 2009, Sompo Japan Risk Management (SJRM) started offering climate change risk management consulting to support the development of systems for managing climate change risks by ascertaining energy usage and planning energy conservation measures. SJRM has built up a wealth of know-how supporting the establishment of environmental management systems based on ISO 14001, supporting risk management for wind and flood disasters, and conducting energy saving diagnoses. Leveraging this know-how plus Sompo Japan Group's own experience with environmental initiatives, SJRM will provide comprehensive management services relating to climate change risks.

AIR e-Shop 21 Simultaneous acquisition of ISO 14001 certification

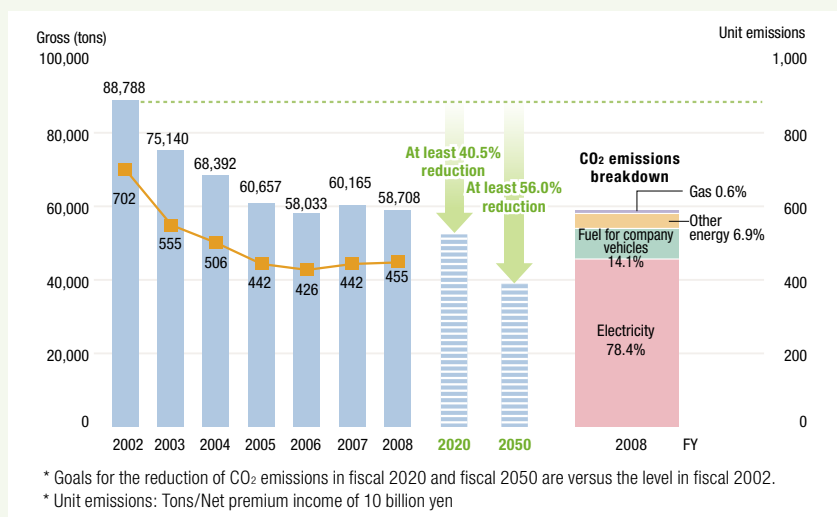
AIR e-Shop 21 is an EMS support system developed by Sompo Japan Agency Support Inc. for members of AIR JAPAN, a network of automobile maintenance and repair shops acting as agencies for Sompo Japan. Members have taken aggressive steps to reduce their environmental impact while aiming to provide environmentally friendly automobile maintenance and repair and to improve customer satisfaction.

In February 2009, the AIR e-Shop 21 Secretariat and 42 member shops were the first voluntary chain of non-life insurance-related automobile maintenance and repair shops in Japan to simultaneously obtain ISO 14001 certification, which is the international standard for environmental management systems.

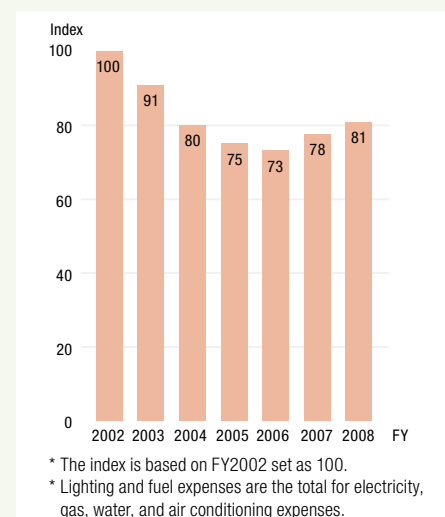
Going forward, Sompo Japan Group is aiming to achieve certification by around 100 companies in 2012. Toward that end it will strive to make continuous improvements through the PDCA cycle based on shared group-wide environmental policy.



CO₂ emissions and medium/long term goals



Lighting and fuel expenses



Risk Management for Safety and Security



One Management Philosophy of Sampo Japan Group is the provision of offering excellent risk solutions to individuals and corporations. The group will continue fulfilling CSR through its risk management, healthcare and other core businesses for the safety and security of society. This includes utilizing the vast accident data and risk quantification know-how that Sampo Japan Group has accumulated over many years to carry out accident prevention activities and formulate countermeasures against new strains of influenza and earthquakes.

Phase 1

2001 – 2005

- Focused on accident prevention activities
- Started BCM consulting
- Started health promotion and disease prevention service for corporate employees

Phase 2

2006 – 2008

- Improved expertise in the field of risk management
- Started providing support for corporate mental healthcare measures
- Strengthened system for integrated risk management consulting

Phase 3

2009 –

- Provide information for the safety and security of society and expand consulting areas

Highlight 01

Business continuity management against the threat of new strains of influenza

What kinds of countermeasures and action plans are needed today when there is fear of a worldwide outbreak (pandemic) of new strains of influenza? Below is an introduction to the initiatives Sampo Japan Risk Management (SJRM) is taking in this area.

Path toward measures against new strains of influenza

In 2006, SJRM started gathering information about new strains of influenza and realized that few Japanese companies have a strong sense of the danger influenza viruses pose. In 2007, SJRM held seminars for companies and developed its consulting business to help companies prepare business continuity plans (BCPs) against the risk of new strains of influenza. In fiscal 2008, the number of companies assisted by SJRM in this regard grew to nearly 100, and about 40 of the company's employees were contributing to this business.

Characteristics of BCPs for new strains of influenza

Japanese companies' concern regarding new strains of influenza rose all at once starting in July 2008, when the national government announced a revised draft of guidelines for businesses regarding new strains of influenza. However, many companies did

not know where to begin when drawing up measures against this risk. Actually, such measures differ greatly from a BCP against earthquakes or other disasters.

In an earthquake, the issue is how to reestablish operations as quickly as possible. In the case of a new strain of influenza, on the other hand, the question is which businesses to stop and which to keep going as the virus spreads. The highest priority in this event is the safety of the lives of employees and their families, of suppliers and customers, and so measures must be taken to prevent people from becoming infected. Another important issue is how to maintain social functions. It is imperative to carefully judge according to the business categories and status of the outbreak which services can be suspended or postponed, which services should be kept going in terms of management considerations, and which services should be kept going due to social needs, and to then respond accordingly.



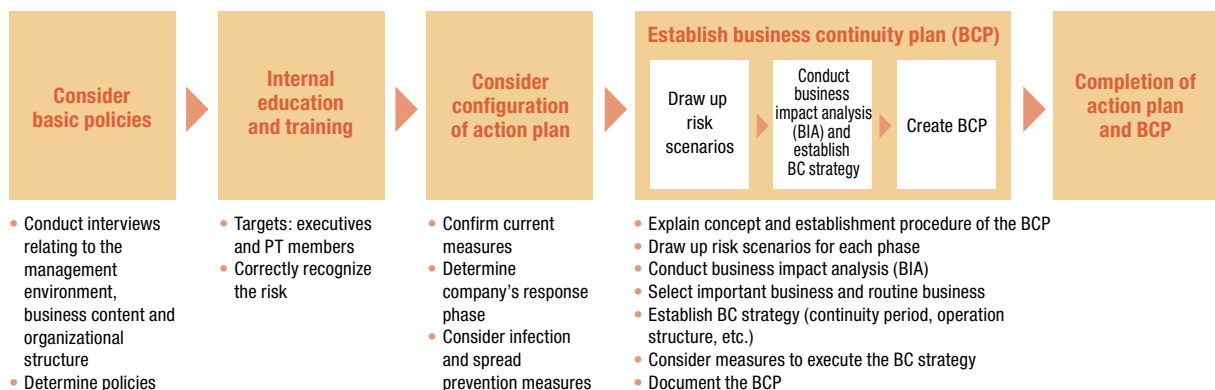
In 2008, SJRM published a handbook for measures against new strains of influenza.

Urgent preparation for a pandemic

At present, there is a worldwide outbreak of the new H1N1 strain of influenza that emerged from Mexico. The virus is said to be weak, but there is concern that it could mutate into a virulent form and cause a serious pandemic. Companies should be in a hurry to reconsider their measures in preparation for winter's flu season.

Leveraging the know-how it built up providing consulting relating to new strains of influenza, SJRM has developed a service to help companies draw up effective action plans (BCPs) in a short time, and plans to expand this service from here on.

Action plan and BCP formulation processes for new strains of influenza



Highlight
02

Addressing the creation of a healthy and vibrant society

Sompo Japan Group regards the resolution of health issues, including establishing mental healthcare measures for employees and preventing lifestyle-related diseases, as an important management challenge from the perspective of CSR as well. Accordingly, the group is developing physical and mental health promotion and disease prevention services nationwide.

■ Creating healthy companies where employees can work with enthusiasm

Total support: From stress checks to organizational improvement

Mental healthcare measures for employees have become an important management challenge for companies in terms of creating rewarding work environments and in terms of the company's work efficiency and productivity. In April 2007, Sompo Japan Group established Sompo Japan Healthcare Services, Inc., (SJHS), which has been making efforts to support companies' mental healthcare measures.

Mental health tends to be treated as an inner emotional problem of the individual. But, it is important to prevent its occurrence at a fundamental level by evaluating and analyzing latent problems in the work environment and human relationships from various angles.

SJHS provides companies with comprehensive support programs so that prevention, case management of persons with a mental health condition

and persons on leave, return-to-work support, and the development of mental healthcare systems all function as an organic whole. The Mimoza Seed package, for example, integrates six programs to support efforts to improve the work environment through the PDCA cycle. This includes an organizational diagnosis and workshops for workplace improvement, alongside stress checks for employees and individual advice.

Nurturing counselors with abundant industrial health experience

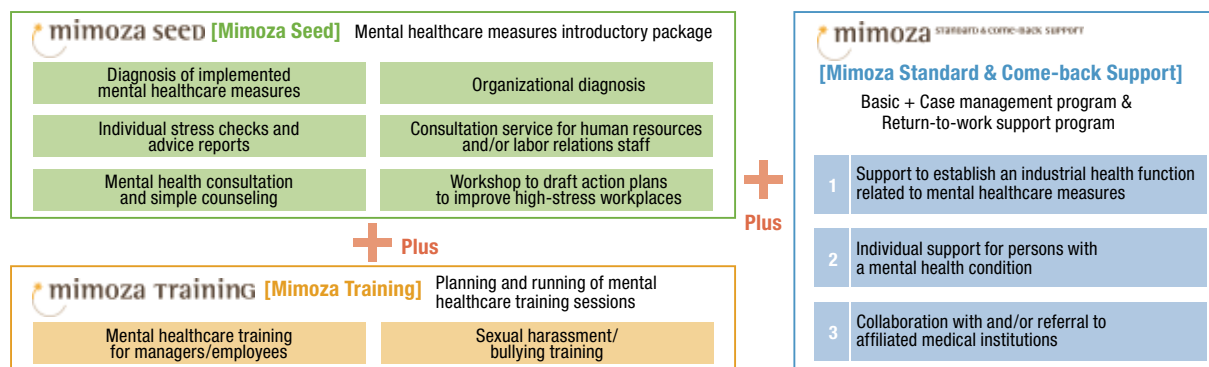
Another of SJHS's key features is its ability to provide appropriate consultation on mental health issues which human resources and/or labor relations managements have, suited to the organizational situation of each company. SJHS has medical doctors with rich experiences as industrial physicians, registered nurses, public health nurses

and other healthcare professionals with industrial health experience for this purpose. The company can also provide meticulous specialized support through a nationwide network of about 100 psychiatrists.

The number of SJHS's corporate clients has grown to about 100 companies over the two years since its establishment. There are some cases where companies that have subscribed to SJHS's service at their head offices on a trial basis are now extending services company-wide, enabling SJHS to deepen its relationships with clients. SJHS is making an effort to nurture counselors with abundant industrial health experience and greater knowledge of business practices, and is aspiring to make a positive contribution to the creation of as many healthy companies as possible.

Lineup of mental healthcare measures offered by Sompo Japan Healthcare Services

SJHS offers comprehensive solutions for mental healthcare measures that can integrate services for management and human resources, services for employees, and services to support supervisors and the industrial health specialists.





Mental Health Support Club (Membership-based courses and case study sessions for mental healthcare measures and labor-related practices)

■ Supporting the building up of employees' health: Prevention of lifestyle-related diseases

Health guidance system helping 100,000 people per year

In addition to mental healthcare measures, which focus on the management of employees' mental health, the prevention of metabolic syndrome—which is a trigger for lifestyle-related diseases such as cancer, heart disease, and diabetes—is an important healthcare issue for employees.

Revisions made to the government health care system have required since April 2008 Health Insurance Societies, Mutual Aid Associations, municipal governments that administer national health insurance, and other insurers to provide Specific Medical Checkups and Specified Health Guidance focused on metabolic syndrome to insured persons and their dependents aged between 40 and 74. This requirement has led to a swell in outsourcing to specialist companies with know-how and health guidance systems relating to Specified

Health Guidance.

In response, in January 2009 Sompo Japan acquired a 100% interest in Zenkoku Houmon Kenko Shido Kyoukai KK, which had a 10-year record of providing health guidance. On April 1, 2009, the company's business was integrated with the group company Healthcare Frontier Japan Inc. (HFJ).

The integration brought together the organizations and functions of the two companies in a complimentary manner, with Zenkoku Houmon Kenko Shido Kyoukai KK being strong in visitation face-to-face guidance and HFJ being strong in phone counseling. The company now has a structure that can support the health development of about 100,000 employees per year through a nationwide network of approximately 1,000 counselors, including public health nurses, registered nurses, and registered dietitians.

Committed to educating health counselors nationwide

When giving guidance to improve metabolic syndrome, it is important to try and raise people's willingness to make a positive change in their lifestyle habits by providing appropriate advice about nutrition and exercise while respecting each individual's values regarding health. In view of that, the company puts effort into the education of the health counselors who provide guidance to customers. In fiscal 2008, the company held more than 500 education sessions across Japan.

Going forward, the company will reinforce counselors in the Tokyo Metropolitan area, where demand is high, and will continue accumulating health management support know-how. It will also put more effort into standardizing the quality of guidance provided by each counselor by gathering health improvement data and other objective data for validating the effect of guidance provided.

Lineup of health support services offered by Healthcare Frontier Japan

The company has prepared a system offering a rich lineup of age- and target-specific services anywhere in Japan to insured persons and their dependents upon request from medical insurers.

Programs to support prevention of lifestyle-related diseases (Specified Health Guidance, etc.)

Specified Health Guidance

- Motivational support (office visitation course, home visitation course)
- Vigorous support (face-to-face support-centered course, phone support-centered course)

Other

- Health check-up rate boosting: Support to encourage health check-ups
- Health conditioning check



Plus

Visitation health guidance program for elder people aged 65-74

- Support program for elder people aged 65-74



Plus

Health guidance for pregnant and parturient women

- Support program for pregnant and parturient women

* In April 2009, Healthcare Frontier Japan Inc. merged with Zenkoku Houmon Kenko Shido Kyoukai KK.

Risk management related products and services that contribute to safety and security

Loss control service and web-based loss management system

Supplying risk management support including loss control to corporate customers who are acting globally is one of Sampo Japan Group's missions. Sampo Japan Group does not just make claims payments; the group analyzes trends in accumulated loss data and works with customers in the field to offer solutions that can prevent or reduce the occurrence of loss.

Furthermore, capacity building of experts are critical for expanding the introducing know-how of loss control to the group companies located in southeast asian countries and China. In August 2008, we established the specialized team for educating these expert in loss control services.

Sampo Japan Group's claims departments in and outside Japan provide advanced loss management system services (AEGIS, AE-BOARD, and Damage Plotting System (DPS)) that enable claims receipt, report preparation, insurance claims procedures, claim progress management, and data analysis to be completed online. At present, the system is set up in about 190 companies around the world. Sampo Japan Group has put effort into acquiring patent protection for its business models to ensure stable use worldwide. In May 2008, it obtained a European business model patent relating to its Damage Plotting System, which is an original damage analysis system developed in-house. Patents have also been obtained in both the US and Japan. In October 2008, a Singapore patent was approved for AEGIS.



Loss control training for staff in China

Medical care insurance covering for advanced medical procedures

In Japan, "advanced medical procedures" are specified medical techniques conducted at healthcare facilities approved by the Minister of Health, Labour and Welfare. These procedures can be quite costly, depending on the specific procedures involved, as they are not covered by health insurance. This

leaves some people unable to receive cutting-edge medical treatment because they cannot afford it.

In response, in August 2008 Sampo Japan Himawari Life Insurance Co., Ltd., launched a whole life medical care insurance product to which a rider can be attached to cover the costs for advanced medical procedures. In the eight months to March 2009, more than 150,000 new policies were taken out.

General awareness of advanced medical treatment is still far from adequate. In view of that, Sampo Japan Himawari Life Insurance held seminars for its insurance solicitors on advanced medical treatment at 40 locations across Japan during fiscal 2008 so that awareness of advanced medicine can be spread to as many people as possible through these solicitors.

Web-based service encouraging preventive medicine

Sampo Japan Himawari Life Insurance offers a free web-based health management service for persons covered under its insurance products. The service enables users to manage their health, with the aim of preventing lifestyle related diseases and metabolic syndrome, by inputting information such as weight, body fat percentage, and blood pressure.

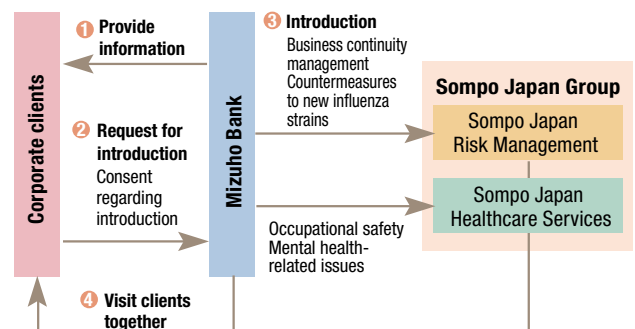
Supporting risk management for small and medium enterprises

In November 2008, Sampo Japan Risk Management, Inc., and Sampo Japan Healthcare Services, Inc., made a business alliance with Mizuho Bank, Ltd. in the risk management sector.

The purpose of the alliance is to support countermeasures to risks that Mizuho Bank's corporate clients are under pressure to take new action against. Specifically this means supporting business continuity management, so that companies can maintain stable production systems and supply chains, and can recover quickly in the face of earthquakes, disasters, and other situations that threaten business continuity. Sampo Japan also provides consulting regarding countermeasures to new influenza strains and employee mental health issues.

Sampo Japan Group believes that this collaboration will move risk management measures a step forward at small and medium enterprises where expert know-how is lacking.

Alliance with Mizuho Bank in the risk management sector



Efforts to prevent traffic accidents

The personal and material economic loss caused by traffic accidents is some 3.2225 trillion yen per year in Japan (according to a fiscal 2006 investigation by the General Insurance Association of Japan). The waste generated by accidents has a major impact on the global environment. With a view toward overcoming the social challenge of preventing traffic accidents, Sompo Japan supports automobile accident prevention among its corporate customers and carries out traffic safety awareness raising activities for general drivers and children.

■ Web-based accident prevention support service: Accident Prevention Club (October 2005~)

This service provides content useful to automobile insurance policyholders for promoting companies' automobile accident prevention activities.

■ Educational video on traffic safety for corporate drivers: Best Driver Declaration—Three Rules of the Road for Corporate Drivers (April 2006~)

Sompo Japan released an educational video on traffic safety that highlights safe driving points for corporate drivers in a clear way.

■ Traffic safety bus with visual performance diagnostic equipment: Safety Vision Bus (October 2006~)

A large touchscreen display and 3-D imaging system installed in the small bus can be used to diagnose visual performance, which is important for traffic safety, in a fun way as though it were a game. A second bus was added in July 2007.

■ Traffic safety website for individuals: The Car Safety Classroom (February 2008~)

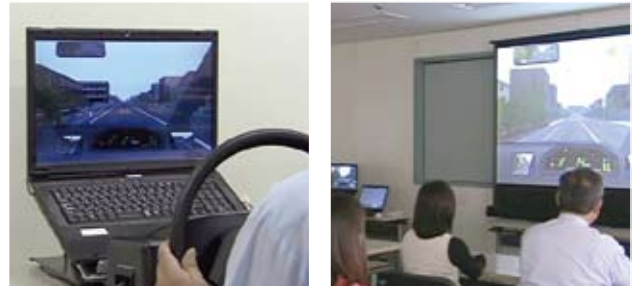
This service provides Internet-based content that enables anyone, from children to veteran drivers, to raise their awareness of traffic safety in a clear and fun way.



The Car Safety Classroom

■ Simulation-based safety education program: The Hazard Anticipation Safety Classroom (October 2009~)

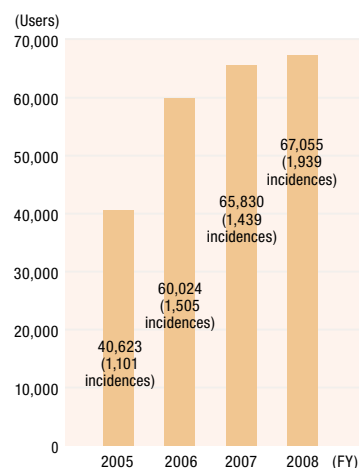
Sompo Japan has started providing a hands-on traffic safety education program using a simulator that takes advantage of the company's store of traffic safety education know-how.



■ Automobile accident prevention consulting by professionals

Sompo Japan has 30 traffic safety consultants—automobile accident prevention experts who assist the automobile accident prevention activities of companies nationwide through workshops and other accident prevention services. In fiscal 2008, these consultants provided automobile accident prevention services to a total of 67,055 people in 1,939 separate incidences.

Users of accident prevention services



CSR Financing



Making use of the financial and insurance functions of its core business, Sompo Japan Group promotes CSR Financing, which contributes to the sustainable development through the flow of money. Besides developing products and services that encourage companies' initiatives toward sustainability, the group is putting effort into spreading Sustainable and Responsible Investment and into the financing of companies that are working on social capital improvement and environment-related businesses.

Phase 1

1992 – 2005

- Developed Environmental Impairment Liability Insurance
- Developed the Sompo Japan Green Open fund and the Sompo Japan SRI Open fund

Phase 2

2006 – 2008

- Signed the Principles for Responsible Investment (PRI)
- Expanded base for SRI
- Expanded products and services that utilize insurance and financial functions to make a positive contribution to social issues

Phase 3

2009 –

- Expand and spread CSR Financing

Highlight 01

Heading to a broadened SRI fund base

The Somo Japan Green Open was developed in September 1999 and is the second eco fund in Japan. We are aiming to expand the SRI fund base in Japan, and, as of the end of fiscal 2008, the fund has been sold to customers through a total of 120 regional financial institutions and other companies throughout Japan.



Since inception, 13.74% higher return than the TOPIX benchmark

The Somo Japan Green Open has the concept of investing in Japanese stocks distinguished in the aspects of environmental management and finance, aiming to support the long-term and stable growth of trust assets. In order to select stocks for the fund, an environmental analyst team at Somo Japan Risk Management analyzes companies' degrees of environmental management and then Somo Japan Asset Management constructs portfolios with under-priced stocks.

In order to analyze the quality of environmental management, three perspectives are taken into account: 1) "environmental management" including acquiring ISO 14001 certification; 2) "environmental communication" including environmental disclosure; and 3) "environmental performance" including tackling climate change. In recent years, more emphasis has been put on analyzing countermeasures to global warming. One of our greatest strengths is our ability to conduct all of these operations ranging from analyzing the quality of environmental management to selecting actual stocks

within our group.

The Net Asset Value (NAV) of the Somo Japan Green Open at the end of March 2009 totaled 12.479 billion yen. Despite the global financial crisis and sluggish stock prices, this fund has outperformed the TOPIX benchmark by 13.74% since inception and by 3.59% during fiscal 2008. The fund has also received the first and second prizes in the categories of outstanding performance as well as the grand prize of the R&I Fund Award for three years in a row. The Somo Japan Green Open is praised for these achievements in outstanding performance and for having the second longest track record in Japan, and an increasing number of companies are adopting the fund as part of their defined contribution lineup.

Aiming to become a favored fund among institutional investors

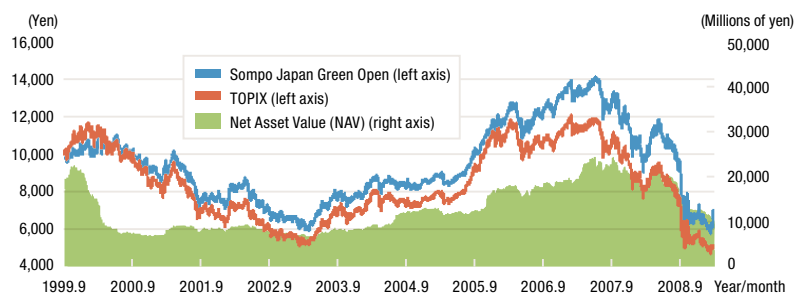
Awareness of eco-funds is still low in Japan and Somo Japan conducts various efforts in order to broaden their foundation. In April 2008, we developed a new product together with Aeon Bank of the Aeon Group, which is known as an environmentally advanced company, that

incorporated an eco-fund into 50% of investment assets, launching joint sales targeting housewives. We currently work with Aeon Bank in holding environment and investment seminars nationwide in such places as shopping malls in order to deepen awareness regarding eco-funds. In addition, we conduct joint promotional activities with distributors, including creating a DVD for enhancing the understanding of sales representatives of the Somo Japan Green Open at local and trust banks.

In addition to individual investors we developed an eco-fund in June 2006 for pension funds and in February 2007 for qualified institutional investors, thus making proposals for institutional investors such as corporate pensions and financial institutions to adopt an eco-fund.

Expanding awareness of the Somo Japan Green Open, a pioneer in Japanese eco-funds, will also raise the standard for all SRI funds in Japan. For that purpose as well, Somo Japan will enhance the performance of this fund by improving the accuracy of its environmental operations analysis and stock selection, making the Somo Japan Green Open more favored by institutional investors as well. Please see page 43 for other information.

Performance of the Somo Japan Green Open (compared to TOPIX)



*NAV per unit, calculated as the value obtained when reinvesting all dividends on the settlement date, is compared to TOPIX.

*NAV per unit and the TOPIX benchmark (not incl. dividends) is indexed as 10,000 on the date of inception.

Somo Japan Green Open evaluations

R&I Fund Award 2008

- Investment Trusts, Japanese SRI Fund Category
Received the Second Prize

R&I Fund Award 2009

- Investment Trusts, Japanese SRI Fund Category
Received the First Prize
- Defined Contribution Pension, Japanese Equity Category
Received the Second Prize

Somo Japan Green Open: Number of accounts and Net Asset Value

	FY2007	FY2008
Number of accounts	21.9 billion	23 billion (+5.5%)
Net Asset Value	¥17.6 billion	¥12.5 billion (-28.9%)

Highlight 02

New products supporting ecological housing improvement and biodiversity conservation

In January 2009, Sompo Japan and Sompo Japan Credit Inc. (SJC) commenced sales for the Green Reform Loan Plan, a financial product for individual customers that incorporates nationwide assistance for *satoyama* (areas where people can live in harmony with nature) revitalization and conservation activities into loans for housing improvements that make use of mitigation measures of climate change.

Products with further environmental consideration

The Green Reform Loan Plan was created in order to promote the Sompo Japan Group's CSR financing. It was a joint development project between Sompo Japan, which has aimed to create products that take traditional climate change countermeasures to the next level, and SJC, which has sought to develop loan products able to contribute to environmental measures. This is the first time the Sompo Japan Group has developed a product from the initial planning stage in coordination with NGOs.

A special feature of the Green Reform Loan Plan is that it integrates ecological reform with biodiversity conservation. The mechanism offers a 0.3% decrease on the normal applicable interest rates on loans for ecological reforms that increase the CO₂-reduction abilities of housing, such as by installing solar photovoltaics and Eco Cute hot water systems that heat water using heat from the air. The framework then donates a 0.3% financing amount to the Satoyama Donguri Charity Fund, which supports

revitalization and conservation activities for *satoyama* areas nationwide.

Pizza ovens presented to *satoyamas* nationwide via donations to the Satoyama Donguri Charity Fund

As this was the first financial product developed while incorporating the concept of biodiversity conservation, Sompo Japan called on the counsel of Ecology Online (EOL) environment NGO, who later became our development partner. During our many meetings we focused attention on the keyword "*satoyama*." *Satoyama* is a natural environment intrinsic to Japan. They are located between the mountains and cities that encompass "secondary" nature maintained by human activities, including rural settlements, wooded areas, farmland, and grassland. The work of people in *satoyama* areas has served to make these areas rich with life. However, *satoyama* areas in Japan are in jeopardy due to modernization and depopulation that have devastated forests. Revitalizing and conserving these areas is a pillar of Japan's national biodiversity strategy, and *satoyama* have been promoted from



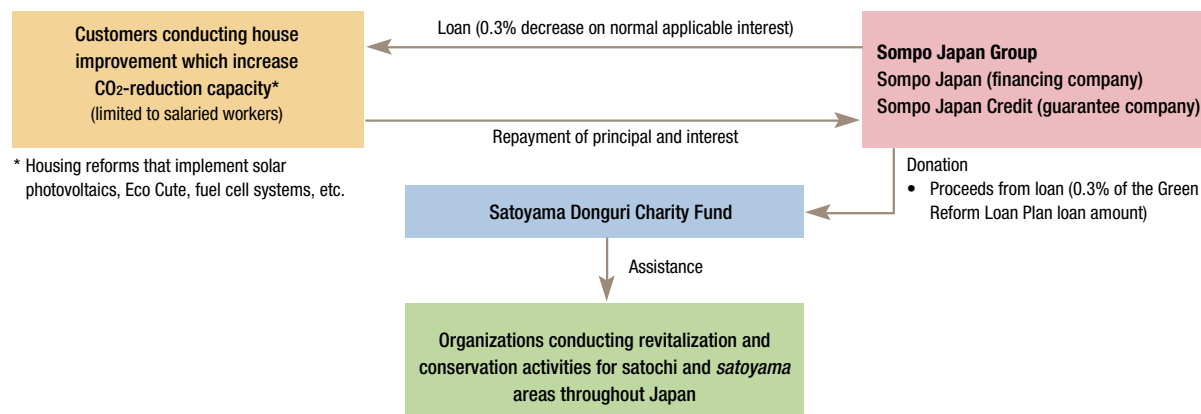
Landscape of Satoyama

Japan as models of society coexisting with nature in harmony toward the world (SATOYAMA Initiative).

Once the concept for the product was established, EOL launched the Satoyama Donguri Charity Fund and a portal site dedicated to expanding *satoyama* conservation activities in concert with the loan's launch. At the time, EOL was also considering a fundraiser to support organizations that conduct *satoyama* conservation activities so they quickly introduced proposals for such plans as using fundraising to donate pizza ovens.

Although only a small number of loans have been implemented, there has been significant inquiry from the housing reform industry directly following its release. It is the wish of all developers to make this product a lasting effort.

Product Scheme for the Green Reform Loan Plan



Highlight
03

Comprehensive service to support the liquidation of polluted land

Soil pollution caused by toxic chemical substances is preventing the effective use of land. Beginning in December 2008, Sompo Japan has worked together with companies possessing expertise in such areas as land pollution risk evaluations, combining soil maintenance operations and insurance based on a new risk evaluation scheme to offer a service that contributes to reducing the cost of pollution abatement measures.

Land left unused due to soil pollution totals approximately 10.8 trillion yen in property assets

According to estimates by the Japanese Ministry of the Environment, the property value of land that is left without being put to good use in Japan due to soil pollution (Brown fields) totals 10.8 trillion yen.* According to the business practices in Japan, if pollution is discovered on land that is for sale, then soil excavation (changing out the polluted soil) will be required, as buyers dislike the risk that accompanies pollution. However, it is said that a major reason for the existence of the Brown fields issue is the failure to sell land due to the sellers' inability to bear the high cost of soil excavation, resulting in a pattern where polluted land is abandoned as it is. The abandoned polluted lands lead to the risk of increased pollution, such as if toxic substances were to leak into groundwater. In addition, a large number of abandoned lands in major cities have been creating social loss.

* Ministry of the Environment, *Mid-Term Report on the Situation of the Brown Field Problem and Soil Pollution, 2007*

Risk assessment, measures, and maintenance packaged with liability compensation

Thereupon, Sompo Japan commenced a new service for effectively utilizing polluted land with Kokusai Environmental Solutions Co., Ltd. and Field-Partners Co., Ltd. The new service consists of quantitative risk assessments to prevent the spread of pollution by implementing proper countermeasures against pollution other than soil excavation. In addition, the service includes insurance to compensate liabilities in the event that pollution does spread after the proposal and implementation of said countermeasures and maintenance.

This allows for utilizing polluted land effectively at a relatively lower cost compared with complete purification through soil excavation. Currently, contracts for the new service have been concluded and the business is being advanced while contract carriers utilize the polluted lands as distribution centers.

Sompo Japan has worked to address the issue of soil pollution in the past, including the development of insurance related to cleaning polluted soil. The new



service is expected to promote liquidation by conducting risk management on and effectively utilizing polluted lands.

Situation of the Brown Field Problem and Soil Pollution

Classification	Description	Land asset value	Area	Cost of soil pollution measures
Land with soil pollution	Land highly likely to have soil pollution	¥43.1 trillion	113,000 ha	¥16.9 trillion
Potential Brown fields	Land difficult to sell due to high cost of pollution countermeasures	¥10.8 trillion	28,000 ha	¥4.2 trillion

Source: Ministry of the Environment Japan, *Mid-Term Report on the Situation of the Brown Field Problem and Soil Pollution, 2007*

Products and services to promote Sustainable Development

Automobile insurance-related products

Promoting automobile repairs

For automobile property damage liability insurance and car insurance, insurance coverage is normally only provided for the depreciated value of damage the automobile incurred from the accident or the insured value (policy amount). However, for cases where the repair costs exceed the depreciated value or insured value (policy amount), and the customer faces paying these expenses individually, contributions to promoting the automobile's repair will be made by providing compensation provided for these excess expenses based on certain conditions.*

■ Expanded coverage for collision repairs exceeding replacement cost (Offered since December 2002)

* The claim payment is limited to the amount obtained by multiplying the difference between the repair costs and the depreciated value by the customer's fault ratio or 500,000 yen, whichever is less.

Number of vehicles under expanded coverage

FY2006	FY2007	FY2008
6,746	6,950	7,201

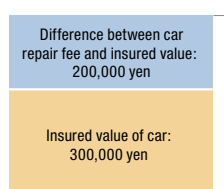
(Unit: thousands)

■ Expanded coverage for total loss repairs

(Offered since April 2008)

* Expanded coverage is limited to the insured value (policy amount) plus 500,000 yen.

Car repair fee (in the case fee is 500,000 yen)



Insured value: The value agreed to between Sompo Japan and the policyholder or the insured under car insurance (owner of the car for which the contract was made [covered vehicle]). The value is determined

based on the market-selling price of the covered vehicle at the time the insurance policy was signed.

Number of vehicles with expanded coverage contracts:
FY2008 121,000

Promoting the use of recycled auto parts

(Offered since 1991)

We encourage the use of reusable parts and other recyclable parts removed from used cars when automobile repairs are made working together with agencies, maintenance shops and service centers (SCs) that respond to customer claims. In cooperation with auto recycling contractors, we are making such efforts as providing the status of recycled parts inventories and information on sales prices to maintenance shops.

Number of uses of recycled parts

FY2006	FY2007	FY2008
55,596	45,113	44,490

Derivatives

Weather derivatives

(Offered since December 1999)

This is an order-made financial product to respond to profit drops and cost increases incurred by customers due to the change in the weather. The financial product alleviates the risk of revenue fluctuations caused by weather, determining compensation using indices based on meteorological data released by the Japan Meteorological Agency, including temperature, precipitation, snow depth, wind speed, and daylight hours. Product design examples include responding to revenue drops resulting from agricultural crops damaged by severe weather, and revenue drops for ski resorts that were unable to open facilities due to low snow levels.

Insurance products for green golfers

Golf Players Liability Insurance

(Offered since December 1992)

This expanded coverage insurance allows for environment-conscious golfers to donate a part of their insurance payment, received through such achievements as getting a hole in one, to the Greenery by Golfers Group, a greenery project promoted nationwide through the cooperation of golfers and golf courses.

Number of donors/donated amount

	FY2006	FY2007	FY2008
donors	129	146	138
donated amount (in millions of yen)	2.83	2.97	2.83

Environmental Management Support

ISO 14001 certification acquiring consulting service

(Offered since January 1998)

In November 1997, Sompo Japan became the first financial institution to acquire ISO 14001 certification (environmental management standards). Utilizing the know-how gained through acquiring this certification, Sompo Japan Risk Management (SJRM) has been providing a consulting service to corporations for acquiring the ISO 14001 certification since January 1998. By the end of fiscal 2008, SJRM had helped a total of 96 companies—mostly other financial institutions—acquire certification.

SRI Fund

Sompo Japan SRI Open fund

This is a SRI fund that has been available since March 2005. Sompo Japan Asset Management selects stocks for the fund from universe that makes up the Morningstar SRI Index after conducting an analysis of intrinsic investment values. As of the end of March 2009, Net Asset Value (NAV) per unit for the Sompo Japan SRI Open had outperformed the Tokyo Stock Price Index (TOPIX) by 9.81% since inception.

The Center for Public Resources Development, a non-profit think tank and consulting firm, makes a comprehensive evaluation for this fund in the following five categories: governance and accountability, market, employment, social contribution and environment.

Sompo Japan SRI Open evaluations

R&I Fund Award 2008

- Defined Contribution Pension Category (Japanese Equity Fund)
Received the First Prize

SRI Open fund accounts and Net Asset Value

	FY2007	FY2008
Number of accounts	1.39 billion	1.43 billion (+2.5%)
Net Asset Value	1.26 billion yen	847 million yen (-33.0%)

Financing for Social Capital Development and the Environment

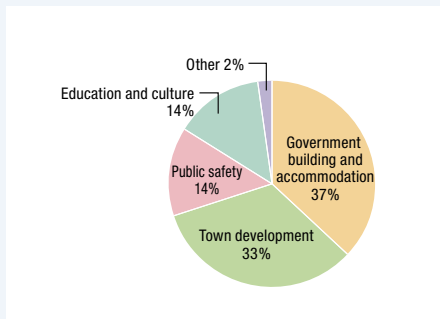
In December 2001, Sompo Japan became the first non-life insurance company to participate in the joint financing for a PFI project, the Project for the Construction, Maintenance, and Operation of Chowa Elementary School in Chofu City. Thereafter, we have continued efforts that contribute towards creating a better society through financing corporations which conduct projects that develop social capital and those that work to address environmental problems.

* PFI (Private Finance Initiative): A method that utilizes private funds and expertise to carry out the construction, maintenance and management, operations, etc. of public and other facilities. These initiatives aim to cut the project costs for national and local authorities and ensure the provision of higher-quality public services.

Defined Contribution (DC) Business

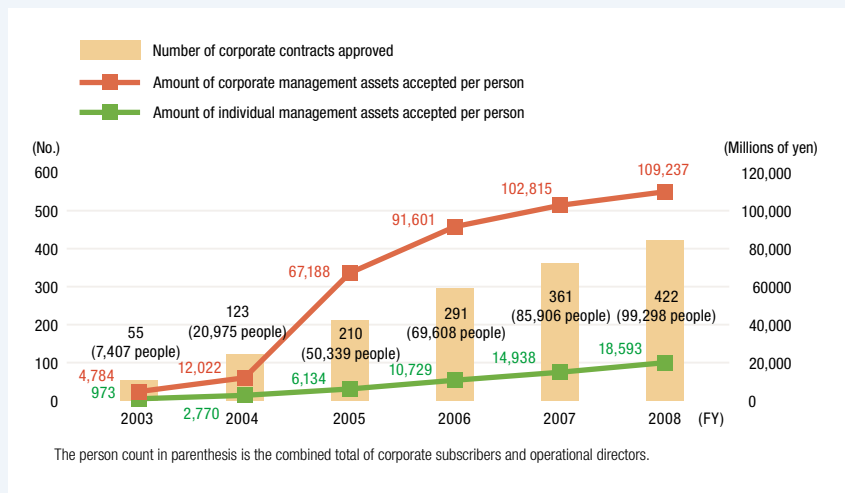
In response to social demand, Sompo Japan and Sompo Japan DC Securities have advanced the Defined Contribution Business as a retirement benefit scheme adapted to the new era. Under this business, support is provided for the asset management of company employees (subscribers) that join the system, and in fiscal 2008, efforts were made to improve investment reports for subscribers. In addition, there are plans to update the subscriber website and launch a mobile phone website service in fiscal 2009 in order to enrich communication with subscribers.

Sompo Japan PFI finance portfolio (FY2001-FY2008)



This pie graph shows the percentages of our PFI finance portfolio (based on funds committed) for various sectors from FY2001 and until the end of FY2008. Project categories were created according to those specified by the Cabinet Office's PFI Promotion Office.

Implementation of DCs by Sompo Japan DC Securities



Community Involvement



Sompo Japan Group and its employees and agencies work hand-in-hand with NGOs, governments and residents to solve community challenges. The group considers its social responsibility as including the duty of fostering employees who can think about social responsibility and sustainability on their own and put this into practice of their own accord, and to support the activities of these employees.

Phase 1

1993 – 2002

- Started the employee volunteer organization Chikyu (Earth) Club
- Established the Sompo Japan Corporate Citizenship Policy
- Started giving Public Seminars on the Environment
- Started cooperative activities with NGOs
- Started the Sompo Japan CSO* Learning Scholarship Program

*CSO: Civil Society Organization; a concept that includes NGOs and NPOs

Phase 2

2003 – 2008

- Started cooperative forest development projects
- Started the NGO strengthening grants project by Sompo Japan Foundation
- Started giving Public Seminars on the Environment in regional areas

Phase 3

2009 –

- Undertake and expand the base of initiatives that utilize the characteristics of different divisions and localities

Highlight 01

Forestation project in cooperation with communities

From fiscal 2006 until now, Sompo Japan has concluded “Forest Agreements” with five municipalities in Japan, providing assistance for building forests, which are important CO₂ sinks for Japan. These efforts are expected to fulfill the role of mitigating climate change, preserving biodiversity, contributing to developing land strongly resilient against disaster, and in the fields of community vitalization and environmental education.

Five Forest Agreements concluded nationwide

Sompo Japan has already signed Forest Agreements with Umaji Village in Kochi Prefecture, Shionoe Town Forest Union in Kagawa Prefecture, Kotoura Town in Tottori Prefecture, and Tsu City in Mie Prefecture. Also, in March 2009, we signed the Saitama Prefecture Forestation Agreement with Saitama Prefecture and Ranzan Town in Saitama, agreeing to advance forest development activities, including tree planting and thinning, as well as environmental education activities over the ensuing five years.

Employees, agencies, their families, and our customers participate in regular forest development activities. These participants share an interest in community forests, and participating in activities that cultivate nature as a member of these communities allows for deepening communication and carries with it the greater significance of joint forest development.

Nearly 240 members participated in tree-planting activities in Ranzan Town

On May 16, 2009, we conducted tree-planting activities at the Sompo Japan Tokyo Metropolitan Area Communication Forest, located in the corner of a forest owned by Ranzan Town. Ranzan Town is a region rich with nature and home to the great purple emperor butterfly, a species designated as nearly endangered.

Approximately 240 people participated in the activities, including Sompo Japan President Masatoshi Sato as well as company directors from the Tokyo Metropolitan area (mostly from Saitama Regional Headquarter), agencies, and their families. Ten people also joined from NIPPONKOA Insurance Co., Ltd, which plans to conduct a business merger in April 2009, including Executive Vice President Kazuo Hashimoto.

Sompo Japan President Sato gave a speech, noting that, “Recent climate change is causing changes in the actions of plants and animals as well as the balance of nature. Corporations as well must make efforts in order to

curb that threat.”

Following a commemorative tree planting, all participants joined together to plant nearly 330 broadleaf trees, including oaks and cherry trees. The Sompo Japan Group places importance on partnering with NGOs and other civil society organizations, and on this occasion members from the Forest Conservation and Environment Network Association, Shu participated and provided instruction.

In the afternoon, nature orienteering was held to have participants experience first-hand the richness of this *satoyama** area, where the cheering voices of children that had found various living creatures filled the forest. Sompo Japan plans to continue regular environmental education programs at the Communication Forest in the future. Our future challenge is finding ways to expand employee participation and ensuring that the program becomes a long-lasting effort.

* *Satoyama* is a natural environment intrinsic to Japan. They are located between the mountains and cities that encompass “secondary” nature maintained by human activities, including rural settlements, wooded areas, farmland, and grassland.



Commemorative tree planting. Kazuo Hashimoto, Representative Director and Executive Deputy President of NIPPONKOA Insurance Co., Ltd. (back row left), and Sompo Japan President Masatoshi Sato (back row center) (as of May 2009)



Finishing tree planting activities (as of May 2009)



Participants wrote tree names along with their own memories or dreams (as of May 2009)

Corporate Citizenship Policy and individual employees' contributions

In its Corporate Citizenship Policy introduced in October 2002, Sompo Japan formulated two perspectives and three focus areas for realization of social contribution, and made a straightforward declaration to actively implement initiatives that contribute to society and to support individual employees' voluntary efforts through awareness building and volunteer support systems.

Sompo Japan Corporate Citizenship Policy

Sompo Japan Group, as a good corporate citizen, actively implements initiatives that contribute to society, while supporting individual employees' voluntary efforts.

Two perspectives

1. Corporate Citizenship Activities

Sompo Japan Group will implement sound and consistent corporate citizenship activities that will bring benefits to society and a wide range of stakeholders, and that, at the same time, will contribute to the enhancement of group corporate value.

2. Individual Employees' Contributions

Sompo Japan Group will assist volunteer activities by individual employees through the "Sompo Japan Chikyu Club," while the company strives to establish systems, and raise the awareness of employees for voluntary participation and involvement in social activities.

Three focus areas

Sompo Japan's initiatives are focused on the following three areas, in which it has accumulated expertise and achievements:

Welfare

Fine arts

Environment

*No limitation of areas is set for Individual Employee Contributions

(Introduced October 22, 2002)

Corporate citizenship activities and individual employees' contribution

As a company, we promote a wide variety of corporate citizenship activities in the three major areas of welfare, fine arts, and environment with the cooperation of NGOs mainly through the Sompo Japan Foundation, the Sompo Japan Fine Arts Foundation, and the Sompo Japan Environment Foundation.

On the other hand, as the focal point for involvement of our employees for contributions to the community, the employee-managed organization for volunteer activities, Sompo Japan Chikyu (Earth) Club, established in 1993. All employees become members, and carry out volunteer activities appropriate to the needs of each region of the country.

Chikyu (Earth) Club Social Contribution Fund

We operate a fund to which employee volunteers can choose to donate 100 yen or more per month out of their salaries to help social contribution activities undertaken by the Chikyu Club. In fiscal 2008, there were 6,068 contributors making an average monthly contribution of 230 yen, bringing the fund's total amount up to approximately 22 million yen (including the amount left over from the previous fiscal year). Money in the fund was used to cover expenses for volunteer activities planned by each community, as disaster assistance, and as donations to NGOs supported by the fund's members. These activities spread all over Japan, and the number of these totaled approximately 250 in fiscal 2008. Total donations since the fund was established in 1999 have reached approximately 150 million yen.

Outline of Chikyu Club Social Contribution Fund

	FY2006	FY2007	FY2008
Number of participants	5,557	5,807	6,068
Average monthly contribution per person (yen)	240	230	230
Total amount contributed	11.81	12.58	14.67
Total amount to civil society organizations	11.20	12.08	14.17
(Amount donated to disaster-relief initiatives)	0	0.73	1
Amount given to support volunteer activities	0.61	0.5	0.5

(Unit: millions of yen)

Number of employees who used paid holidays

	FY2006	FY2007	FY2008
Paid holidays	7	16	6
Holidays given	10	16	6



Performed a demonstration with a service dog



Participated in the Awa Odori dance festival

☐ Chikyu Club Social Contribution Fund (Japanese) <http://www.sompo-japan.co.jp/about/csr/community/volunteer/>

Corporate citizenship activities at overseas offices

Sompo Japan Insurance Company of Europe Limited (London)	<ul style="list-style-type: none"> • Formulation of a strategic policy regarding CSR, and establishment of an internal CSR Committee in fiscal 2009 	
Sompo Japan Insurance Company of America (New York)	<ul style="list-style-type: none"> • Ongoing implementation of initiatives for trash separation with the participation of all employees of the New York office 	
SJA Insurance Agency, LLC (Charlotte)	<ul style="list-style-type: none"> • Participation in construction of housing for lower-income groups • Donation of toys to economically underprivileged children • Support to literacy activities and after-school programs at elementary schools 	
Sompo Japan Insurance de Mexico, S.A. de C.V. (Mexico City)	<ul style="list-style-type: none"> • Provision of feedback to employees on the environmental impact of paper use for office purposes 	
Yasuda Seguros, S.A. (Sao Paulo)	<ul style="list-style-type: none"> • Blood donation activities and registration in the national bone-marrow bank • Support to economically underprivileged senior citizens and donation of clothes, shoes and toys to children • Employment of economically underprivileged young people as interns 	
PT Sompo Japan Insurance Indonesia (Jakarta)	<ul style="list-style-type: none"> • The internal organization for promotion of CSR works as the focal point for the implementation of activities, which are financed through voluntary contributions that employees choose to donate from their salaries • Donation of blood • Invitation of children from orphanages to dinners after the end of the fast 	
Sompo Japan Insurance (Thailand) Co., Ltd. (Bangkok)	<ul style="list-style-type: none"> • Donation of blood to the Red Cross • Donations to Mahidol University • Donations for the purchase of teaching materials for the education of young people in remote areas 	
Sompo Japan Service (Thailand) Co., Ltd. (Bangkok)	<ul style="list-style-type: none"> • Donation of blood to the Red Cross 	
Sompo Japan Insurance Inc. Australia Branch (Sydney)	<ul style="list-style-type: none"> • Participation in Earth Hour, a global annual event that asks households and businesses to turn off their non-essential lights and other electrical appliances for one hour • Participation in the cleaning activities on Clean Up Australia Day 	
Sompo Japan Insurance (China) Co., Ltd. (Dalian)	<ul style="list-style-type: none"> • Commended as an Outstanding Socially Responsible Foreign Investment Enterprise of Liaoning Province by the Liaoning Province Association of Enterprises with Foreign Investment • Donations for disaster-relief initiatives after the Great Sichuan Earthquake • Provision of 3 million yen annually for a scholarship fund to Dongbei University of Finance and Economics School of Finance • Provision of subsidies to activities for introduction of insurance education at public elementary and junior high schools in Dalian City 	
Sompo Japan Insurance Inc. Hong Kong Branch (Hong Kong)	<ul style="list-style-type: none"> • Participation in charity golf events • Participation in the charity event Walks for Millions 	
Sompo Japan Consulting (Korea) Inc. (Seoul)	<ul style="list-style-type: none"> • Participation in activities to donate clothes, shoes, toys, etc. 	

Corporate citizenship activities through three foundations

The Sompo Japan Foundation

Established in 1977, the Sompo Japan Foundation provides support to welfare NGOs for persons with disabilities active on the front lines of social welfare, and assists scientific research in the fields of welfare and insurance.

■ Social welfare subsidy projects

- Total amount of subsidies for social welfare projects: 1.33 billion yen (as of the end of fiscal 2008)
- NGO start-up supporting grants: 784 organizations, 230 million yen (from fiscal 1999)
- Grants for automobile purchases*: 100 organizations, 100 million yen

* Grants provided to organizations, which, albeit of small-scale, have strong roots in local communities and diligently provide welfare services for persons with disabilities at home.

The Sompo Japan Foundation is working to create long-term partnerships with the recipients of such grants by providing them with welfare-related information, introducing positive case studies from all over Japan, and holding events to facilitate exchanges and networking.

■ Social welfare literature award project

The Sompo Japan Foundation Award, which is given to outstanding scientific papers and literary works in the field of social welfare, is widely recognized as a stepping-stone to success in social welfare science. Each year, the Sompo Japan Foundation organizes lecture meetings and symposiums attended by award winners from the previous fiscal year, and stimulates researchers' motivation.

- Total number of award winners: 22 (since fiscal 1999)

■ Scientific research support project in the fields of welfare and insurance

Ever since its establishment, the foundation has continuously organized seminars on the Insurance Business Law, and has exercised influence over past revisions of the law, thus contributing to the sound development of non-life insurance business in Japan.

Social welfare grant projects

Project name		FY2006	FY2007	FY2008
NGO start-up supporting grants	Number of organizations	55	50	45
	Amount of grants	16.5	15	13.5
NGO strengthening grants	Number of organizations	11	11	11
	Amount of grants	10	10.75	9.57
Grants for automobile purchases	Number of organizations	10	10	10
	Amount of grants	10	9.31	10
Grants for holding of meetings and for international exchanges	Number of organizations	2	3	6
	Amount of grants	2.5	3	4.5

(Unit: millions of yen for the amount of grants)

The Sompo Japan Fine Arts Foundation

Established in 1976, the Sompo Japan Fine Arts Foundation engages in activities to promote fine arts and culture and educate youths. Its main activity is to run the Seiji Togo Memorial Sompo Japan Museum of Art.

■ Project for education of young people

From 1998, all elementary and junior high school students are allowed into all exhibitions free of charge. Furthermore, the foundation prepares a variety of tools for the Special Exhibitions, such as booklets for elementary and junior high school students, that help deepen the interest and understanding of visitors with regard to the exhibited works of art and the artists, and implements workshops and gallery talks.

■ Project for interactive art appreciation

In fiscal 2008, the Sompo Japan Fine Arts Foundation together with the authorities of Shinjuku Ward in Tokyo implemented as a trial scheme the Project for Art Appreciation Education through Cooperation with Museum of Art in order to foster children through art and culture education. Also, the foundation organized interactive art appreciation classes for adults, parents, and children.

Implementation status of the project for interactive art appreciation in FY2008

<ul style="list-style-type: none"> • Exhibition of Vlaminck • Exhibition of Bauchant and Grandma Moses • Exhibition of Giotto • Exhibition of the Marubeni Collection • Grand Prix Exhibition "Sadamasa Motonaga" 	Support for art appreciation education to Shinjuku Ward elementary and junior high schools	10 schools (8 elementary, 2 junior high), 613 students
	Interactive art appreciation classes for adults and parents and children	Total: 190 participants



Museum appreciation through two-way communication



A Himawari field trip: a tour with explanations given by a curator (himawari means "sun flower")

☐ The Sompo Japan Foundation (Japanese) <http://www.sj-foundation.org/>

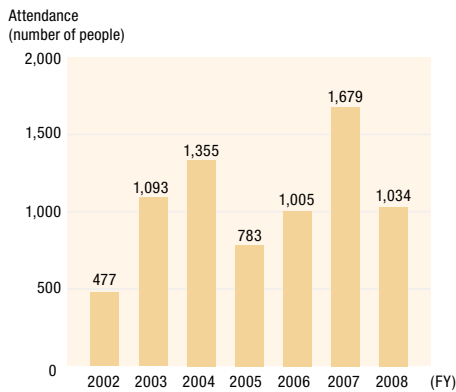
☐ The Sompo Japan Fine Arts Foundation <http://www.sompo-japan.co.jp/museum/english/info/index.html>

The Somo Japan Environment Foundation

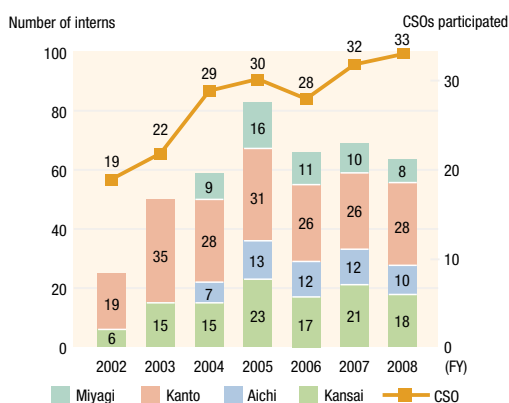
Established in 1999, the Somo Japan Environment Foundation works on a human resources development project that centers on a CSO* Learning Scholarship Program (see page 10), an awareness building campaign that sponsors Public Seminars on the Environment and other events with the objective of enhancing citizens' awareness regarding environmental issues and applying it in their everyday conduct, an environmental protection program that provides financial assistance for environmental projects, and an academic research assistance program, among other projects.

* CSO: Civil Society Organization (a collective term that includes civil society organizations, NGOs and NPOs)

Trends in attendance of Public Seminars on the Environment



Development of CSO Learning Scholarship Program



Environmental awareness raising

Public Seminars on the Environment	14 sessions
	268 sessions (cumulative since 1993)
	1,034 participants
	14,517 participants (cumulative since 1993)

Fine arts and cultural initiatives

Joint management with an NGO: puppet theater

In 1989, upon completion of our Nagoya building, the Himawari Hall puppet theater was opened on the top floor as part of our support for culture and the arts. The hall is co-managed with a local NGO, the Aichi Puppetry Center. It hosted performances on 104 days of fiscal 2008, welcoming approximately 8,000 persons in its audiences. By the end of the fiscal year it had welcomed a total of 201,061 persons.

Yellow safety badges

Every April since 1965, Somo Japan joins three other financial institutions in a program in which every child entering the first grade in elementary school is given a yellow traffic safety badge that also comes with insurance coverage for traffic-related injuries. This in not only raises the children's awareness about traffic safety, but by eliciting the cooperation of drivers and local citizens, it also contributes to the prevention of traffic accidents. In 2009, the number of such yellow badges will reach a total of 55.46 million.

Supporting a children's website award

Somo Japan also supports a contest that awards the All-Japan Elementary School Website Grand Prize (J-KIDS Grand Prize), initiated in 2003 with the intention of encouraging elementary schools that make a special effort to create good websites, as well as to promote information-technology education.

The Seiji Togo Memorial Somo Japan Museum of Art

The Seiji Togo Memorial Somo Japan Museum of Art, located on the forty-second floor of the Head Office building, hosts a collection comprised of 200 works of the late Seiji Togo, a celebrated Japanese modern artist, and approximately 450 works by Japanese and foreign artists. The museum's permanent exhibit features impressionist masterpieces such as Vincent van Gogh's *Sunflowers*, and paintings by Paul Cezanne and Paul Gauguin. In fiscal 2008, 200,000 people visited the museum, bringing the total number of visitors since the opening of the museum in 1976 until March 2009 to approximately 4.32 million people.

In addition to its administration of the museum, each year the Somo Japan Fine Art Foundation honors one outstanding artist, and sponsors their commemorative exhibition. Through such activities, the foundation contributes to the promotion of Japan's art and culture.

