

Merger of Saison Automobile & Fire Insurance Co., Ltd. and Sonpo 24 Insurance Company Limited

Saison Automobile & Fire Insurance Co., Ltd. (President: Takefumi Umemoto; hereinafter, Saison Automobile & Fire) and Sonpo 24 Insurance Company Limited (President: Hisayuki Nagano; hereinafter, Sonpo 24), both subsidiaries of Sompo Japan Nipponkoa Insurance Inc. (President: Keiji Nishizawa; hereinafter, Sompo Japan Nipponkoa), have agreed to a merger with a provisional date of July 2019, subject to the approval of the relevant authorities.

1. History and purpose of merger

To address the challenge of changes in the management environment surrounding the property and casualty (P&C) insurance industry, Sompo Japan Nipponkoa, Saison Automobile & Fire and Sonpo 24 carried out an extensive study and discussions with the aim of improving efficiency and profitability in the domestic P&C insurance business.

As a result, a decision was made to merge two online P&C insurance companies in the Group, with Saison Automobile & Fire, which has high competitiveness in the direct automobile insurance market, as the merging company.

2. Target image of new company

After the merger, the new company will provide high quality products and services, centering on the core product of "Otona no Jidosha Hoken (automobile insurance)," in accordance with the basic management policy, business strategy and business model of the merging company, Saison Automobile & Fire. As one online P&C insurance company in the SOMPO Holdings Group, the new company will make concerted efforts to ensure that customers feel "comfortable," with the aim of being the insurance company that customers choose.

3. Handling of Sonpo 24 policies

(1) Handling before merger

There will be no changes of any kind in the content of compensation, content of services, accident response system, etc. under policies purchased from Sonpo 24 before the existing policy reaches term.

(2) After merger

Policies already purchased from Sonpo 24 at the time of the merger will be assumed by Saison Automobile & Fire simultaneously with the merger. Customers who have already purchased policies will be informed concerning "Otona no Jidosha Hoken (automobile insurance)," which is offered by Saison Automobile & Fire, timed to the renewal date of the policy.

4. Preparations before merger

(1) System for preparations before merger

Integration Promotion Departments (tentative name) will be set up in Saison Automobile & Fire and Sonpo 24 in April 2018 to carry out preparations for the merger.

(2) Early integration

Efforts to implement common business practices and enhance business efficiency by a joint head office system, coexistence of offices, etc. will begin in April 2018, with the aim of achieving a smooth startup without waiting for the merger.

<Outline of companies involved in merger>

(Figures as of March 31, 2017)

Company name	Saison Automobile & Fire Insurance Co., Ltd.	Sonpo 24 Insurance Company Limited
Head office	Sunshine 60, 40 th Floor 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo	Sunshine 60, 44 th Floor 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo
Name and position of representative	Takefumi Umemoto President	Hisayuki Nagano President
Line of business	Property and casualty insurance	Property and casualty insurance
Capital	¥28.7 billion	¥19.0 billion
Total assets	¥51.6 billion	¥23.6 billion
Net premiums written	¥33.2 billion	¥13.3 billion
Establishment	September 1982	December 1999
Shares outstanding	4,030 thousand	380 thousand
Fiscal year	Year ending March 31	Year ending March 31
Number of employees	417	225
Major shareholder and ratio of shares outstanding	Sompo Japan Nipponkoa Insurance Inc. (99.7%)	Sompo Japan Nipponkoa Insurance Inc. (100%)