[English Translation]

May 20, 2016

Corporate Name:	Sompo Japan Nipponkoa Holdings, Inc.
Name of the Representative:	Kengo Sakurada, Group CEO Representative Director, President and Executive Officer
Securities Code:	8630 TSE, 1st Section

Sompo Japan Nipponkoa Holdings, Inc. announces its introduction of new remuneration system for its directors

At a board meeting held on May 20, 2016, Sompo Japan Nipponkoa Holdings, Inc. ("SOMPO Holdings") decided to introduce a new remuneration system for its directors (excluding external directors) and executive officers, as well as directors (excluding external directors) and executive officers of its major group companies (collectively referred to hereinafter as "the Company's Group Directors").

The Company decided to introduce the BBT (Board Benefit Trust, hereinafter referred to as "this plan"), a new performance-based, share-compensation plan, and intends to propose it as an agenda item at the 6th Ordinary General Meeting of Shareholders of the Company ("the shareholders meeting") to be held on June 27, 2016.

1. Background and objective of the introduction

The Company's board of directors decided to introduce this plan on officer remuneration, subject to shareholder approval, and planned to propose it as an agenda item at the shareholders meeting. This plan will be implemented for the purpose of further clarifying the link between compensation to the Company's Group Directors and the Company's business performance and value of its shares, and making the Company's Group Directors share not only the benefits of higher share prices but also the risks of lower share prices with shareholders, enabling us to improve medium- to long-term corporate performance, as well as increase corporate value.

Current remuneration for the Company's directors (excluding external directors) is comprised of basic salary and a stock option. We plan to abolish the stock option, and stock options will not be granted to the Company's directors, subject to our obtaining approval from shareholders. Also, this plan will be introduced to our major Group

companies subject to shareholder approval at the shareholders meeting.

2. Eligible persons of this plan

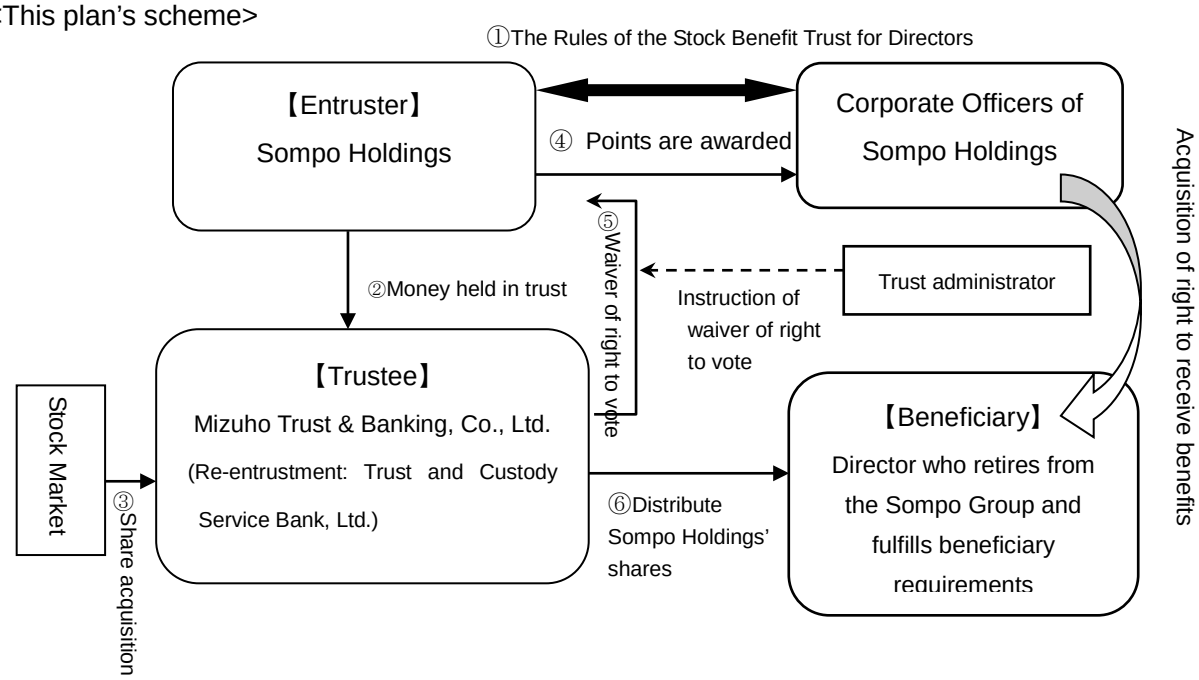
The eligible persons of this program are the Company's Group Directors.

2. Outline of this plan

(1) Outline of this plan

This plan is a performance-based, stock-compensation scheme whereby Sompo Holdings' shares, which are acquired through this trust scheme with money contributed by Sompo Holdings, and money equivalent in amount to the value of Sompo Holdings' shares converted at current market price of Sompo Holdings' shares (with such shares and money referred to as "Company shares, etc.") will be granted in accordance with "The Rules of the Stock Benefit Trust for Directors" stipulated by boards of directors of Sompo Holdings and its main Group companies. The Company's Group Directors will receive Company shares, etc. upon retirement, in principle.

<This plan's scheme>



① By a resolution on remuneration for corporate officers, the Sompo Group formulates “The Rules of the Stock Benefit Trust for Directors” within a framework approved by shareholders at the shareholders meeting.
② Sompo Holdings has money held in trust up to the amount approved by shareholders at the shareholders meeting described in (1) above.
③ This trust acquires Sompo Holdings’ shares through the stock exchange market with the money held in trust described in (2).
④ The Sompo Group awards points to the Company’s Group Directors based on “The Rules of the Stock Benefit Trust for Directors.”
⑤ This trust follows the instruction from the trust administrator, which is independent from Sompo Holdings, to not exercise voting rights for the Company’s shares held within the trust account.
⑥ This trust issues shares to a person among retired directors of the Sompo Group who fulfills the beneficiary requirements of “Rules of the Stock Benefit Trust for Directors” according to the points granted to the beneficiary. However, if such person of the Company’s Group Directors fulfills the requirements stipulated in “The Rules of the Stock Benefit Trust for Directors,” money equivalent to the value of shares at the time at a set points-conversion ratio will be provided instead of shares.

(2) Trust Period

The trust period shall be from August 2016 (planned) to the termination of this trust scheme. (Sompo Holdings has not decided on a specific ending date of this trust scheme, with the trust continuing as long as this plan continues. This plan will be terminated when the Company is delisted or “The Rules of the Stock Benefit Trust for Directors” are abolished.)

(3) Amount of money that Sompo Holdings contributes to this trust and number of shares that this trust acquires

On condition of obtaining approval from shareholders at the shareholders meeting, Sompo Holdings will introduce this plan for three fiscal years starting from the fiscal year ending March, 2016 to the fiscal year ending March 31, 2018 (the first three fiscal years and each period of three fiscal years starting after the first three fiscal years will be referred as “subject period”) and each subsequent subject period. The maximum amount of money that Sompo Holdings contributes to this trust scheme

during the initial subject period as funds required to acquire Sompo Holdings' shares for issuance to the Company's Group Directors based on this plan shall be limited to 3 million yen for the Company's directors (with such amount excluding the salaries of directors who concurrently act as an employee) and 20 million yen for all the Company's Group Directors (with such amount excluding the salaries of directors who concurrently act as an employee).

Sompo Holdings plans further funding to acquire the shares mentioned above during each subject period even after the initial subject period is over. The maximum amount of additional funding shall be limited to 3 million yen for the Company's directors (with such amount excluding the salaries of directors who concurrently act as an employee) and 20 million yen for all the Company's Group Directors (with such amount excluding the salaries of directors who concurrently act as an employee).

However, when Sompo Holdings performs additional funding, if Sompo Holdings' shares (excluding Sompo Holding shares equivalent to the points granted to the Company's Group Directors that have not been issued to the Company's Group Directors) and/or money (hereinafter referred to as "remaining shares, etc.") remain in the trust assets on the last day of the subject period immediately prior to the subject period for which Sompo Holdings performs additional funding, the total of the value of the remaining shares, etc. (with regard to the shares, the market value as of the last day of the immediately prior subject period) and additionally funded money shall be within the limit approved by shareholders at a shareholders meeting.

(4) Acquisition method of the Company's shares

Sompo Holdings' shares shall be acquired by this trust scheme through the stock exchange market with the contributed funds of (3) above. Up to 780,000 shares shall be acquired without delay for the initial subject period upon initiation of this trust scheme (planned in August 2016).

(5) Details about the Company shares, etc. granted to the Company's Group Directors

The Sompo Group will grant each fiscal year basic points to each of the Company's Group Directors according to individual roles and responsibilities, together with points calculated based on comparison between value of shares and consolidated performance with the market. Each point given to the Company's Group Directors will be converted to one common share of the Company when the Company shares, etc. are granted as described in (6) below.

The total points granted to the Company's Directors in a single fiscal year will be limited to 400,000 points for the Company's Directors (equivalent to 400,000 common shares) and to 260,000 points for all the Company's Group Directors (equivalent to 260,000 common shares).

Sompo Holdings believes that the amounts are reasonable as they were determined after a comprehensive review of current level of remuneration for the Company's Group Directors, level of stock price of Sompo Holdings, trend in the number of the Company's Group Directors, and future outlook.

However, when Sompo Holdings performs a stock split, allotment of shares without contribution, or combination of shares after approval by shareholders at a shareholder meeting, Sompo Holdings will make a rational adjustment to the conversion ratio of common shares per point based on the ratio resulting from such action.

(6) The time of issuance to the Company's Group Directors

When a Company's Group Director fulfills the beneficiary requirements stipulated in "The Rules of the Stock Benefit Trust for Directors" upon retirement, said Company's Group Director is eligible, in principle, for receiving shares from this trust scheme based on the number of granted points accumulated up to retirement time by carrying out predetermined beneficiary-determination procedures. However, if the Company's Group Director fulfills the requirements stipulated in "The Rules of the Stock Benefit Trust for Directors," he or she may receive money calculated based on current value instead of the shares.

Sompo Holdings may sell shares through this trust scheme in order to provide the money.

(7) Right to vote

Sompo Holdings will not exercise the right to vote its shares held within this trust account, in accordance with instruction by the trust administrator. Through this means, Sompo Holdings intends to ensure neutrality of its management with regard to exercise of the right to vote the shares held within the account of this trust scheme.

(8) Dividends

This trust scheme will receive dividends for Sompo's shares held within the trust account for allocation to acquisition of Sompo Holdings' shares and compensation paid to the trustee. When this trust scheme is discontinued, dividends remaining in

the trust account shall be provided to the Company's Group Directors who are in service at that time, in accordance with "The Rules of the Stock Benefit Trust for Directors."

(9) Procedures at the end of the trust scheme

This trust scheme will be terminated if an event such as delisting or termination of "The Rules of the Stock Benefit Trust for Directors" occurs.

Sompo Holdings plans to cancel shares by a resolution of the Board of Directors after free acquisition of all shares within the remaining asses at the end of this trust scheme. Of the remaining assets of this trust scheme at the time of termination, the money remaining after deduction of what is provided to the Company's Group Directors described in (8) above shall be paid to Sompo Holdings.

【Outline of this trust scheme】

①Name: Board Benefit Trust (BBT)

②Entruster: Sompo Japan Nipponkoa Holdings, Inc.

③Trustee: Mizuho Trust & Banking, Co., Ltd.
(Re-entrustment: Trust and Custody Service Bank, Ltd.)

④Beneficiaries: Directors who retire from Sompo Group and fulfill the requirements of the beneficiary

⑤Trust administrator: a third party with no conflict of interests with Sompo Holdings

⑥Type of trust: Money held in trust other than money trusts (Third-Party-Benefit Trust)

⑦Date of execution of this trust scheme: August 2016 (planned)

⑧Initial day of holding money in trust: August 2016 (planned)

⑨Trust period: From August 2016 (planned) to the end of this trust scheme.
(Specific ending date is not determined, and this trust scheme will continue as long as this plan continues.)

【Companies of Sompo Group's Directors who will be covered by this plan
(as of May 2016, including companies to which this plan is scheduled to be introduced】

・Sompo Japan Nipponkoa Holdings, Inc.
・Sompo Japan Nipponkoa Insurance Inc.
・Sompo Japan Nipponkoa Himawari Life Insurance, inc.
・SOMPO JAPAN NIPPONKOA ASSET MANAGEMENT CO., LTD.
・Prime Assistance Inc.
・FRESHHOUSE Co., Ltd.

・Sompo Risk Management & Health Care Inc.
・Sompo Care Next Inc.
・Message Co., Ltd.
・SAISON AUTOMOBILE AND FIRE INSURANCE COMPANY, LIMITED
・Sonpo 24 Insurance Company Limited
・Sompo Japan Nipponkoa DC Securities Inc.