March 27, 2018

To Whom It May Concern

Company Name: Sompo Holdings, Inc.
Name of Representative: Kengo Sakurada, Group CEO,
Representative Director,
President and Executive Officer
(Stock Code: 8630, TSE 1st Section)

Merger of Sompo Group Nursing Care Operating Companies

Sompo Holdings, Inc. (hereinafter "Sompo Holdings") hereby announces its decision to conduct a merger of four Sompo Group nursing care operating companies, specifically Sompo Care Message Inc. (hereinafter "Sompo Care Message"), Sompo Care Next Inc. (hereinafter "Sompo Care Next"), Japan Care Service Corporation (hereinafter "Japan Care Service") and Planning Care Corporation (hereinafter "Planning Care"), on July 1, 2018, subject to the approval of the relevant authorities.

1. Purpose of the reorganization of the nursing care operating companies

Sompo Holdings has positioned the nursing care and healthcare business as one of the Sompo Group's main businesses. In order to help make "Japan an affluent country that can boast to the world of a long and quality life," Sompo Holdings has been working to strengthen and accelerate initiatives in the nursing care business. By further unifying the Group's nursing care business through this reorganization, Sompo Holdings aims to provide customers in the communities it serves with a full line of nursing care services of the highest quality possible, ranging from at-home services to facility-based services. With this goal in mind, Sompo Holdings has decided to conduct the merger of four Sompo Group nursing care operating companies.

In advance of the merger, Sompo Care Message will change its trade name to Sompo Care Inc. (hereinafter "Sompo Care") on April 1, 2018.

2. Outline of the new company after the reorganization (surviving company in the absorption-type merger)

(1) Company name	Sompo Care Inc.
(2) Location	12-8, Higashishinagawa 4-chome, Shinagawa-ku, Tokyo
(3) Name and title of representative	Ken Endo, Representative Director, President

(4) Main business lines	Nursing homes with long-term care, serviced residential complexes for the elderly, care management services, home-visit care (home assistance services), visiting nursing care, day service, small-scale multifunctional care, group homes
(5) Capital	¥3,925 million (planned)
(6) Fiscal year-end	March 31
(7) Major shareholder and shareholding ratio	Sompo Holdings, Inc. 100%

3. Main points of the merger

(1) Method of the merger

The method of the merger will be an absorption-type merger in which Sompo Care will be the surviving company and Sompo Care Next, Japan Care Service and Planning Care will be dissolved.

(2) Schedule leading up to the merger

Date of signing of merger agreement by the four companies May 30, 2018 (planned)

Date of merger July 1, 2018 (planned)

* In accordance with laws, regulations and other rules, the implementation of the merger will be conditional upon approval by resolutions of the boards of directors of each company and approval by resolutions of the general meetings of shareholders of each company, as well as the completion of various procedures by the relevant authorities.

(3) Overview of the companies involved in the merger

Surviving company in the absorption-type merger (As of March 31, 2017)

(1) Name (trade name)	Sompo Care Message Inc.
(2) Location	12-8, Higashishinagawa 4-chome, Shinagawa-ku, Tokyo
(3) Name and title of representative	Ken Endo, Representative Director, President
(4) Main business lines	Nursing homes with long-term care, serviced residential complexes for the elderly, care management services, home-visit care (home assistance services), visiting nursing care, small-scale multifunctional care, group homes
(5) Capital	¥3,925 million
(6) Total assets	¥43,982 million
(7) Net assets	¥23,209 million
(8) Date of establishment	May 26, 1997
(9) Number of issued shares	20,079,745 shares
(10) Fiscal year-end	March 31

(11) Number of employees	7,131
(12) Major shareholder and shareholding ratio	Sompo Holdings, Inc. 100%
(13) Financial performance for the most recent fiscal year (Year ended March 2017)	
Net sales	¥46,367 million
Operating income (loss)	¥(1,066) million
Ordinary profit (loss)	¥(1,390) million
Net income (loss)	¥(1,590) million

Companies to be dissolved in the absorption-type merger

(1) Name (trade name)	Sompo Care Next Inc.	Japan Care Service Corporation	Planning Care Corporation
(2) Location	12-8, Higashishinagawa 4-chome, Shinagawa-ku, Tokyo	12-8, Higashishinagawa 4-chome, Shinagawa-ku, Tokyo	16-9, Kishiwada 2-chome, Kadoma-shi, Osaka Prefecture
(3) Name and title of representative	Ken Endo, Representative Director and President	Tetsuya Kikui, Representative Director and President	Sekino Kokichi, Representative Director and President
(4) Main business lines	Nursing homes with long-term care, serviced residential complexes for the elderly, care management services, home-visit care (home assistance services), visiting nursing care, day service	Care management services, home-visit care (home assistance services), visiting nursing care, day service, small-scale multifunctional care, group homes	Care management services, home-visit care (home assistance services), periodic visit, home-visit care and nursing care on an as needed basis, group homes
(5) Capital	¥5,095 million	¥50 million	¥10 million
(6) Total assets	¥83,732 million	¥7,792 million	¥869 million
(7) Net assets	¥6,897million	¥1,218million	¥437million
(8) Date of establishment	November 11, 1992	August 31, 2007	March 12, 2004
(9) Number of issued shares	95,109 shares	1,001 shares	1,000 shares
(10) Fiscal year-end	March 31	March 31	March 31
(11) Number of employees	7,235	5,474	219

(12) Major shareholder and shareholding ratio	Sompo Holdings, Inc. 100%	Sompo Care Message Inc. 100%	Japan Care Service Corporation 100%
(13) Financial performance for the most recent fiscal year (Year ended March 2017)			
Net sales	¥37,472 million	¥18,611 million	¥1,087 million
Operating income	¥1,863 million	¥541 million	¥63 million
Ordinary profit (loss)	¥(496) million	¥533 million	¥56 million
Net income (loss)	¥(835) million	¥201 million	¥25 million

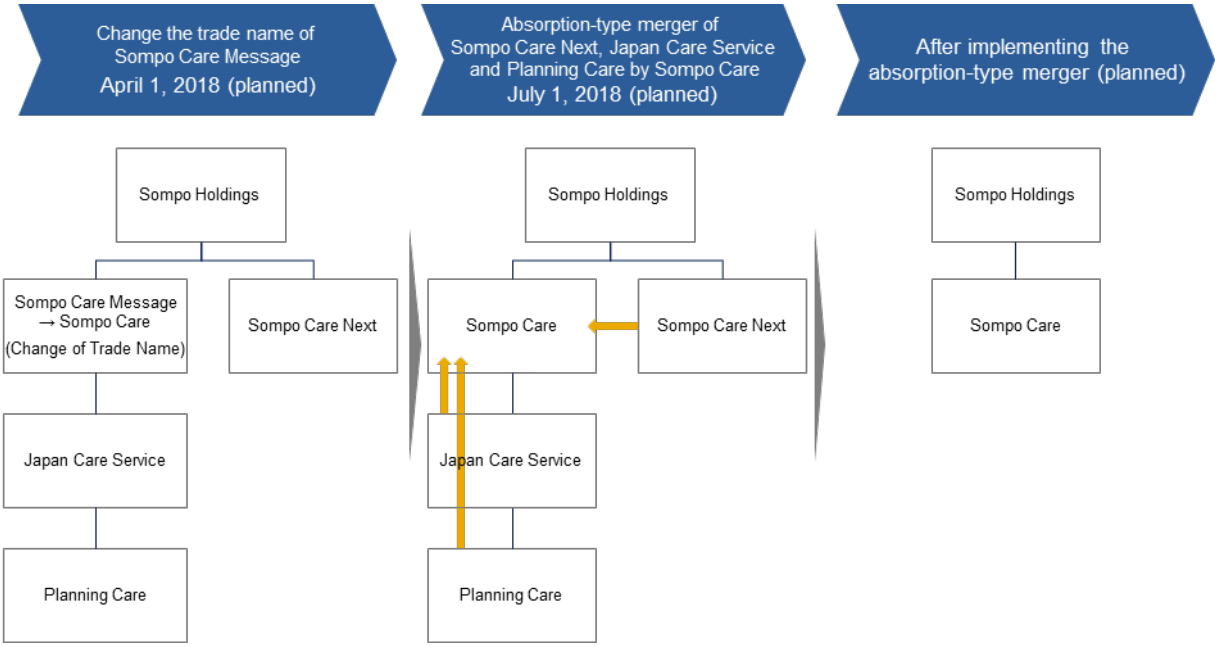
(4) Impact on financial results

The merger will have a negligible impact on consolidated financial results as it is a merger between wholly owned subsidiaries.

4. Introduction of the Regional Headquarters System

From April 2018, nursing care business of Sompo Holdings will introduce a new Regional Headquarters System that will divide Japan into four headquarters (East Japan Headquarters, Tokyo Headquarters, Tokyo Metropolitan Area Headquarters, and West Japan Headquarters). The purpose of the new system is to provide optimal services by speedily addressing conditions and changes in each region, thereby contributing to regional society. Efforts will be made to flexibly utilize human resources and effectively harness the Group’s business resources through the merger, with the aim of making services even more useful and convenient for customers.

<Reference>


Change the trade name of Sompo Care Message
April 1, 2018 (planned)
Absorption-type merger of Sompo Care Next, Japan Care Service and Planning Care by Sompo Care
July 1, 2018 (planned)
After implementing the absorption-type merger (planned)
Sompo Holdings
Sompo Care Message → Sompo Care (Change of Trade Name)
Sompo Care Next
Japan Care Service
Planning Care
Sompo Holdings
Sompo Care
Sompo Care Next
Japan Care Service
Planning Care
Sompo Holdings
Sompo Care