

## MESSAGE FROM THE PRESIDENT



Chairman:  
Yoshihiko Murase

President:  
Makoto Sugimachi

My name is Makoto Sugimachi. I became President on June 30, 2016.

Let me begin by expressing my sincere gratitude to all our stakeholders for their continued support.

I would also like to extend my condolences for the victims of the 2016 Kumamoto Earthquakes and their families, and pray that the souls of the victims may rest in peace. I offer my heartfelt sympathy to all those in the disaster-hit areas and hope for a swift recovery.

Japan is one of the most active seismic and volcanic areas in the world. The country has been repeatedly hit by earthquakes, volcanic eruptions, and tsunamis.

Earthquake insurance was established in 1966 to stabilize the livelihoods of those affected by such natural disasters. An earthquake reinsurance scheme consists of three players: the government, private non-life insurance companies and Japan Earthquake Reinsurance Co., Ltd. (JER), with the public and private sectors working together to ensure that earthquake insurance claims are paid promptly and reliably.

JER was founded with the launch of the earthquake insurance system as the only company in Japan permitted to exclusively handle reinsurance for earthquake insurance covering dwelling risks and, on May 30 this year, we marked the momentous occasion of the 50<sup>th</sup> anniversary of our founding. I would like to express my gratitude to all those involved in the earthquake insurance system and our shareholders and other stakeholders for their understanding and support, without which this would not have been possible.

JER has always sought to make earthquake reinsurance payouts promptly and reliably and has consistently paid close attention to managing and operating assets for future earthquake reinsurance payouts, focusing primarily on asset liquidity and safety.

In fiscal 2015, we launched our fourth medium-term business plan "Strengthening Arrangements for Earthquake Reinsurance Payouts". This fiscal year is the second year under the plan.

Thus far, we have worked to develop a business continuity plan (BCP) and related systems to prepare for feared large-scale earthquakes. We will now further strengthen the effectiveness of our business continuity management (BCM) in anticipation of an inland earthquake in the Tokyo Metropolitan area, in a bid to ensure our readiness for earthquake reinsurance payouts, which is our most important mission under the plan.

We will also enhance our asset management capabilities and increase our capacity to deal with financial market fluctuations, amid the continuing tough management situation globally, including negative interest rates. At the same time, we will advance integrated risk management.

Further, as management base-related measures, we will further strengthen the IT governance system and corporate governance system. We will also seek to develop and hire human resources to support the enhancement of corporate value and aim to create a rewarding and vibrant workplace.

Recognizing our social mission, we will continue striving to contribute to the development of the earthquake insurance system and, understanding our role and responsibilities, we will step up efforts to execute our duties reliably, aiming to become a company that is completely trusted by our stakeholders.

We hope that we can rely on your continued support.

July 2016

Makoto Sugimachi  
President  
Japan Earthquake Reinsurance Co., Ltd.