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Financial Figures for the Consolidated Fiscal Period Ended March 31, 2006

May 24, 2006

**Sompo Japan Insurance Inc.**

## Consolidated Balance Sheet

(Millions of yen)

Books closed Item	End of previous consolidated fiscal period (at March 31, 2005)		End of this consolidated fiscal period (at March 31, 2006)		Increase (decrease)
	Amount	% of total	Amount	% of total	
<b>Assets:</b>					
Cash and deposits	221,284	3.77	241,823	3.57	20,538
Call loans	4,000	0.07	55,000	0.81	51,000
Receivables under resale agreements	4,999	0.09	19,998	0.30	14,999
Monetary receivables bought	11,957	0.20	18,005	0.27	6,047
Money in trust	27,237	0.46	33,278	0.49	6,041
Securities	4,464,644	76.00	5,262,320	77.67	797,675
Loans	471,245	8.02	458,164	6.76	(13,080)
Property and equipment	239,695	4.08	230,409	3.40	(9,286)
Other assets	422,228	7.19	442,174	6.53	19,946
Deferred tax assets	1,313	0.02	5,832	0.09	4,519
Consolidation goodwill	30,585	0.52	28,713	0.42	(1,872)
Allowance for possible loan losses	(24,183)	(0.41)	(20,903)	(0.31)	3,280
Allowance for possible losses on investment securities	(149)	(0.00)	(4)	(0.00)	145
<b>Total assets</b>	<b>5,874,858</b>	<b>100.00</b>	<b>6,774,812</b>	<b>100.00</b>	<b>899,953</b>
<b>Liabilities:</b>					
Underwriting reserves:	4,620,254	78.64	4,798,495	70.83	178,240
Reserve for outstanding losses and claims	644,501		695,167		
Liability reserves	3,975,753		4,103,327		
Other liabilities	224,971	3.83	232,963	3.44	7,992
Accrued severance benefits	84,931	1.45	91,089	1.34	6,157
Reserve for bonus payments	12,557	0.21	12,650	0.19	92
Price fluctuation reserve	17,582	0.30	24,057	0.36	6,474
Deferred tax liabilities	11,870	0.20	253,503	3.74	241,633
<b>Total liabilities</b>	<b>4,972,168</b>	<b>84.63</b>	<b>5,412,760</b>	<b>79.90</b>	<b>440,592</b>
Minority interests	396	0.01	469	0.01	73
<b>Shareholders' equity:</b>					
Common stock	70,000	1.19	70,000	1.03	-
Additional paid-in capital	24,229	0.41	24,229	0.36	-
Retained earnings	254,744	4.34	313,357	4.63	58,613
After-tax unrealized gains on securities available for sale	563,708	9.60	959,485	14.16	395,777
Foreign currency conversion adjustments	(7,666)	(0.13)	(2,633)	(0.04)	5,033
Treasury stock	(2,722)	(0.05)	(2,857)	(0.04)	(135)
<b>Total shareholders' equity</b>	<b>902,294</b>	<b>15.36</b>	<b>1,361,582</b>	<b>20.10</b>	<b>459,288</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>5,874,858</b>	<b>100.00</b>	<b>6,774,812</b>	<b>100.00</b>	<b>899,953</b>

## Consolidated Statement of Income

(Millions of yen)

Item	Term	Previous consolidated fiscal period (April 1, 2004 to March 31, 2005)		This consolidated fiscal period (April 1, 2005 to March 31, 2006)		Increase (decrease)
		Amount	% of total	Amount	% of total	
Ordinary income and losses	Ordinary income:	1,899,801	100.00	1,931,473	100.00	31,672
	Underwriting income:	1,792,712	94.36	1,802,073	93.30	9,361
	Net premiums written	1,376,232		1,394,783		
	Deposits of premiums by policyholders	192,801		157,477		
	Interest and dividend income on deposits of premiums, etc.	46,294		45,685		
	Life insurance premiums written	174,625		196,508		
	Other underwriting income	2,757		7,619		
	Investment income:	93,837	4.94	116,518	6.03	22,681
	Interest and dividend income	94,511		110,321		
	Investment gains on money held in trust	1,701		2,808		
	Realized gain on sales of securities	42,046		41,511		
	Gain on redemption of securities	994		313		
	Investment gains on special account	334		2,340		
	Other investment income	543		4,908		
	Transfer of interest and dividend income on deposits of premiums, etc.	(46,294)		(45,685)		
	Other ordinary income:	13,251	0.70	12,881	0.67	(370)
	Investment gains on the equity method	-		302		
	Other ordinary income	13,251		12,578		
	Ordinary expenses:	1,830,556	96.36	1,816,600	94.05	(13,956)
	Underwriting expenses:	1,553,618	81.78	1,559,857	80.76	6,239
	Net loss paid	828,493		791,268		
	Loss adjustment expenses	63,770		64,986		
	Net commissions and brokerage fees	245,444		253,748		
	Maturity refunds to policyholders	272,878		235,317		
	Dividends to policyholders	61		44		
	Life insurance claims paid	33,427		36,898		
	Provision of reserve for outstanding losses and claims	50,183		46,827		
	Provision of liability reserves	57,017		128,213		
	Other underwriting expenses	2,341		2,551		
	Investment expenses:	20,552	1.08	7,465	0.39	(13,087)
	Loss on money in trust	258		-		
	Investment loss on securities for trading purposes	83		74		
	Realized loss on sales of securities	4,896		617		
	Devaluation loss on securities	1,608		317		
Loss on redemption of securities	1,123		318			
Loss on derivative products	9,759		4,556			
Other investment expenses	2,822		1,580			
Operating, general and administrative expenses	254,975	13.42	246,465	12.76	(8,509)	
Other ordinary expenses:	1,410	0.07	2,811	0.15	1,401	
Interest paid	206		207			
Loss from bad debt	141		1,055			
Investment loss on the equity method	422		-			
Other ordinary expenses	639		1,548			
Ordinary profit	69,244	3.64	114,873	5.95	45,628	
Special gains and losses	Special gain:	53,547	2.82	12,817	0.66	(40,730)
	Gain on sale of property and equipment	37,344		1,319		
	Other special gain	16,203		11,497		
	Special loss:	31,830	1.68	10,094	0.52	(21,736)
	Loss on sale of property and equipment	5,407		1,466		
	Impairment losses	15,671		233		
	Provision for price fluctuation reserve	6,289		6,474		
	Loss on reduction of property and equipment	0		-		
	Unrealized loss on property	2,260		108		
Other special loss	2,201		1,810			
Income before income taxes and minority interests	90,961	4.79	117,596	6.09	26,635	
Income taxes (corporate income tax, inhabitant tax, etc.)	3,389	0.18	21,462	1.11	18,072	
Deferred income taxes	35,768	1.88	28,691	1.49	(7,076)	
Gain on minority interests	38	0.00	65	0.00	27	
Net income	51,765	2.72	67,377	3.49	15,611	

Note) Amounts less than the minimum unit are rounded down, whereas percentages are rounded to the nearest whole number.