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SOMPO JAPAN INSURANCE INC.**Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2009**

Company Name: SOMPO JAPAN INSURANCE INC. ("SJI")

Listed on the Tokyo(First Section), Osaka(First Section), Nagoya(First Section), Fukuoka, and Sapporo Stock Exchange
Stock Code Number: 8755(URL <http://www.sompo-japan.co.jp/>)

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Date of filing Quarterly Financial Report: August 14, 2008

Note) Any amount less than the minimum unit on each table is disregarded, whereas percentages are rounded to the nearest whole number.

1.Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2009

(3 months results from April 1 to June 30, 2008)

(1)Consolidated Results of Operations

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
1st quarter of this fiscal year (April 1 to June 30, 2008)	465,928	—	11,020	—	7,292	—
1st quarter of previous fiscal year (April 1 to June 30, 2007)	489,372	—	28,475	—	18,256	—

Note) The percentages are changes from corresponding period of previous fiscal year.

	Net income per share	Diluted net income per share
	yen	yen
1st quarter of this fiscal year (April 1 to June 30, 2008)	7.40	7.40
1st quarter of previous fiscal year (April 1 to June 30, 2007)	18.54	18.53

(2)Consolidated Financial Conditions

	Total assets	Total net assets	Equity ratio	Total net assets per share
	millions of yen	millions of yen	%	yen
1st quarter of this fiscal year (As of June 30, 2008)	6,556,170	1,145,332	17.5	1,162.20
Previous fiscal year (As of March 31, 2008)	6,450,734	1,071,176	16.6	1,086.86

Reference) Equity capital: As of June 30, 2008: 1,144,234 million yen

As of March 31, 2008: 1,070,072 million yen

2.Dividends

	Dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
	yen	yen	yen	yen	yen
Previous fiscal year (April 1, 2007 to March 31, 2008)	-	-	-	20.00	20.00
This fiscal year (April 1, 2008 to March 31, 2009)	-	—	—	—	—
This fiscal year (April 1, 2008 to March 31, 2009) (Forecast)	—	-	-	20.00	20.00

Note) Revision of forecasts for dividends during the 1st quarter : None

3.Consolidated Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Ordinary income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
6 months results from April 1 to September 30, 2008	926,000	(3.5)	19,000	(76.5)	12,000	(77.0)	12.18
This fiscal year (April 1, 2008 to March 31, 2009)	1,840,000	(2.9)	88,000	(6.4)	54,000	(9.5)	54.84

Notes) 1. Revision of forecasts for the fiscal year during the 1st quarter : None
 2. The percentages are changes from corresponding period of previous fiscal year.

4.Others

(1)Changes in significant subsidiaries during this period : No

(2)Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements : Yes

Note) Please refer to "4. Others" in Qualitative information and financial statements on page 3 for details.

(3)Changes in accounting policies, procedures and presentation rules during this period

Changes due to revisions of accounting standards : Yes

Changes due to other reasons : Yes

Note) Please refer to "4. Others" in Qualitative information and financial statements on page 3 for details.

(4)Number of common shares

Total outstanding shares including treasury stock

As of June 30, 2008: 987,733,424 shares As of March 31, 2008: 987,733,424 shares

Treasury stock

As of June 30, 2008: 3,195,586 shares As of March 31, 2008: 3,181,995 shares

Average outstanding shares

1st quarter of this fiscal year: 984,550,226 shares 1st quarter of previous fiscal year: 984,461,503 shares

(Notes for using forecasted information etc.)

The forecast on this document is based on information available as of the date of publication of this document or practical premise, the actual result may considerably differ due to various factors.

Qualitative Information and Financial Statements

1. Qualitative Information related to the Consolidated Results of Operations

Underwriting income was 428.4 billion yen, investment income was 35.2 billion yen and other ordinary income was 2.2 billion yen. In total, ordinary income was 465.9 billion yen.

Underwriting expenses were 370.7 billion yen, investment expenses were 9.5 billion yen, operating, general and administrative expenses were 74.5 billion yen and other ordinary expenses were 0.1 billion yen. In total, ordinary expenses were 454.9 billion yen.

As a result, ordinary profit was 11.0 billion yen and net income for the 1st quarter of this fiscal year was 7.2 billion yen.

2. Qualitative Information related to the Consolidated Financial Conditions

Total assets increased by 105.4 billion yen from March 31, 2008 to 6,556.1 billion yen on June 30, 2008, mainly due to the increase in domestic stocks.

Total net assets increased by 74.1 billion yen from March 31, 2008 to 1,145.3 billion yen on June 30, 2008, due to the increase in unrealized gains on domestic stocks.

3. Qualitative Information related to the Consolidated Forecasts

There is no change on the forecasts at present as disclosed on May 21, 2008.

4. Others

(1) Changes in significant subsidiaries during this period

None.

(2) Adoption of simplified accounting methods or accounting methods used specifically for quarterly consolidated financial statements

Income taxes are calculated by a reasonably estimated effective tax rate. The estimated effective tax rate is determined by estimating the effective tax rate after applying tax effect accounting for the fiscal year, including the 1st quarter of this fiscal year.

(3) Changes in accounting policies, procedures and presentation rules during this period

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements)
SJI has applied "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No.18, May 17, 2006) from this fiscal year.

This accounting change has no material impact on ordinary profit and income before income taxes and minority interests for the 1st quarter of this fiscal year.

(Accounting Standard for Lease Transactions)

No-transfer ownership finance leases had been accounted for using the same method as for operating leases. However, "Accounting Standard for Lease Transactions" (ASBJ Statement No.13, March 30, 2007) and "Implementation Guidance for Accounting Standard for Lease Transactions" (ASBJ Guidance No.16, March 30, 2007) became effective from the fiscal year beginning on and after April 1, 2008. Accordingly, SJI has applied them from this fiscal year.

No-transfer ownership finance leases beginning on and after April 1, 2008 are accounted for as normal sales transactions. The lease assets of no-transfer ownership finance leases are depreciated using the straight-line method.

No-transfer ownership finance leases beginning before April 1, 2008 are accounted for using the same method as for operating leases.

This accounting change has no material impact on ordinary profit and income before income taxes and minority interests for the 1st quarter of this fiscal year.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Millions of yen)	
	End of the 1st quarter of this fiscal year (as of June 30, 2008)	End of previous fiscal year (as of March 31, 2008)
Assets:		
Cash and deposits	100,573	172,252
Call loans	100,600	108,800
Receivables under resale agreements	81,391	47,947
Monetary receivables bought	57,195	47,037
Money in trust	41,922	39,429
Securities	4,995,211	4,846,949
Loans	519,818	519,618
Tangible fixed assets	219,579	220,536
Intangible fixed assets	25,988	26,428
Other assets	418,252	428,091
Deferred tax assets	12,090	10,907
Allowance for possible loan losses	(16,453)	(17,264)
Total assets	6,556,170	6,450,734
Liabilities:		
Underwriting funds:	5,006,880	4,969,818
Reserve for outstanding losses and claims	752,982	748,552
Underwriting reserves	4,253,897	4,221,266
Other liabilities	196,046	245,444
Reserve for retirement benefits	97,551	96,516
Reserve for retirement benefits to directors	2,454	2,502
Reserve for bonus payments	4,444	14,126
Reserve for price fluctuation	38,204	37,908
Deferred tax liabilities	65,256	13,239
Total liabilities	5,410,838	5,379,557
Net assets:		
Shareholders' equity:		
Common stock	70,000	70,000
Additional paid-in capital	24,239	24,241
Retained earnings	394,656	407,051
Treasury stock	(2,864)	(2,842)
Total shareholders' equity	486,031	498,449
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	669,022	571,377
Foreign currency translation adjustments	(10,818)	245
Total valuation and translation adjustments	658,203	571,622
Stock acquisition rights	557	557
Minority interests	539	546
Total net assets	1,145,332	1,071,176
Total liabilities and net assets	6,556,170	6,450,734

(2) Consolidated Statement of Income

	(Millions of yen)
	1st quarter of this fiscal year (April 1 to June 30, 2008)
Ordinary income:	465,928
Underwriting income:	428,471
Net premiums written	354,341
Deposits of premiums by policyholders	27,758
Interest and dividend income on deposits of premiums, etc.	11,614
Life insurance premiums written	31,899
Investment income:	35,232
Interest and dividend income	37,725
Investment gain on money in trust	2
Investment gain on trading securities	135
Realized gain on sales of securities	5,954
Transfer of interest and dividend income on deposits of premiums, etc.	(11,614)
Other ordinary income	2,224
Ordinary expenses:	454,908
Underwriting expenses:	370,727
Net claims paid	196,441
Loss adjustment expenses	19,172
Net commissions and brokerage fees	61,509
Maturity refunds to policyholders	38,882
Life insurance claims paid	9,174
Provision for reserve for outstanding losses and claims	10,899
Provision for underwriting reserves	34,471
Investment expenses:	9,531
Investment loss on money in trust	628
Realized loss on sales of securities	337
Devaluation loss on securities	1,685
Operating, general and administrative expenses	74,513
Other ordinary expenses:	135
Interest paid	16
Ordinary profit	11,020
Special gains	10
Special losses:	528
Provision for price fluctuation reserve	296
Other special losses	232
Income before income taxes and minority interests	10,502
Income taxes and deferred income taxes	3,207
Gain on minority interests	3
Net income	7,292

SJI has applied "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No.12) and "Implementation Guidance for Accounting Standard for Quarterly Financial Statements" (ASBJ Guidance No.14) from this fiscal year.

SJI prepares its quarterly financial statements in accordance with "Regulations concerning the Terminology, Forms and Preparation Methods of the Quarterly Consolidated Financial Statements" and "Enforcement Ordinance of the Insurance Law."

(3) Notes on Going-Concern Assumption

1st quarter of this fiscal year (April 1 to June 30, 2008)

None.

(4) Notes for Material Changes in Shareholders' Equity

1st quarter of this fiscal year (April 1 to June 30, 2008)

None.

【Reference】 Consolidated Statement of Income

(Millions of yen)

Term	1st quarter of previous fiscal year (April 1 to June 30, 2007)
Item	Amount
Ordinary income:	489,372
Underwriting income:	439,277
Net premiums written	357,499
Deposits of premiums by policyholders	28,513
Interest and dividend income on deposits of premiums, etc.	11,479
Life insurance premiums written	39,099
Investment income:	47,633
Interest and dividend income	42,553
Investment gain on money in trust	2,071
Investment gain on trading securities	8
Realized gain on sales of securities	9,594
Transfer of interest and dividend income on deposits of premiums, etc.	(11,479)
Other ordinary income	2,460
Ordinary expenses:	460,896
Underwriting expenses:	386,006
Net claims paid	192,309
Loss adjustment expenses	18,929
Net commissions and brokerage fees	61,697
Maturity refunds to policyholders	41,547
Life insurance claims paid	9,039
Provision for reserve for outstanding losses and claims	17,952
Provision for underwriting reserves	44,341
Investment expenses:	5,773
Realized loss on sales of securities	44
Devaluation loss on securities	483
Operating, general and administrative expenses	68,892
Other ordinary expenses:	223
Interest paid	33
Ordinary profit	28,475
Special gains	781
Special losses:	1,861
Provision for price fluctuation reserve	1,675
Other special losses	185
Income before income taxes and minority interests	27,396
Income taxes and deferred income taxes	9,119
Gain on minority interests	20
Net income	18,256

Notes on Going-Concern Assumption

1st quarter of previous fiscal year (April 1 to June 30, 2007)

None.

6. Other Information

Consolidated and Non-consolidated Major Figures

(Millions of yen)

	1st quarter of previous fiscal year (3 months from April 1 to June 30, 2007)					1st quarter of this fiscal year (3 months from April 1 to June 30, 2008)				
	Consolidated		Non-consolidated		Consolidated/ Non-consolidated balance	Consolidated		Non-consolidated		Consolidated/ Non-consolidated balance
	Amount	% increase (decrease)	Amount	% increase (decrease)		Amount	% increase (decrease)	Amount	% increase (decrease)	
Ordinary income	489,372	-	437,690	-	51,681	465,928	(4.8)	419,390	(4.2)	46,538
Net premiums written	357,499	0.8	351,332	1.0	6,167	354,341	(0.9)	348,144	(0.9)	6,196
Ordinary profit	28,475	-	23,098	-	5,377	11,020	(61.3)	7,719	(66.6)	3,301
Net income	18,256	-	14,515	-	3,740	7,292	(60.1)	4,805	(66.9)	2,486
Consolidated/ Non-consolidated ratio					1.26					1.52

Note) "Consolidated/Non-consolidated balance" represents the difference between consolidated amounts and non-consolidated amounts.

"Consolidated/Non-consolidated ratio" represents the proportion of consolidated amounts to non-consolidated amounts.

(Consolidated) Summary of Results of Operations

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2007)	1st quarter of this fiscal year (April 1 to June 30, 2008)	Increase (decrease)	% increase (decrease)
Ordinary income and expenses:				%
Underwriting income:	439,277	428,471	(10,806)	(2.5)
Net premiums written	357,499	354,341	(3,158)	(0.9)
Deposits of premiums by policyholders	28,513	27,758	(754)	(2.6)
Life insurance premiums written	39,099	31,899	(7,200)	(18.4)
Underwriting expenses:	386,006	370,727	(15,279)	(4.0)
Net claims paid	192,309	196,441	4,131	2.1
Loss adjustment expenses	18,929	19,172	242	1.3
Net commissions and brokerage fees	61,697	61,509	(188)	(0.3)
Maturity refunds to policyholders	41,547	38,882	(2,664)	(6.4)
Life insurance claims paid	9,039	9,174	134	1.5
Investment income:	47,633	35,232	(12,400)	(26.0)
Interest and dividend income	42,553	37,725	(4,827)	(11.3)
Realized gain on sales of securities	9,594	5,954	(3,639)	(37.9)
Investment expenses:	5,773	9,531	3,757	65.1
Realized loss on sales of securities	44	337	293	657.2
Devaluation loss on securities	483	1,685	1,201	248.5
Operating, general and administrative expenses	68,892	74,513	5,620	8.2
Other ordinary income and expenses	2,237	2,088	(148)	(6.7)
Ordinary profit	28,475	11,020	(17,455)	(61.3)
Special gains and losses:				
Special gains	781	10	(771)	(98.6)
Special losses	1,861	528	(1,332)	(71.6)
Special gains and losses	(1,079)	(517)	561	-
Income before income taxes and minority interests	27,396	10,502	(16,893)	(61.7)
Income taxes and deferred income taxes	9,119	3,207	(5,912)	(64.8)
Gain on minority interests	20	3	(17)	(83.7)
Net income	18,256	7,292	(10,964)	(60.1)

(Consolidated) Premiums Written and Claims Paid by Line of Business

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	56,829	13.6	(1.1)	55,408	13.3	(2.5)
Marine insurance	12,021	2.9	6.2	12,110	2.9	0.7
Personal accident insurance	56,485	13.5	(5.3)	56,435	13.6	(0.1)
Voluntary automobile insurance	172,105	41.2	(1.3)	172,559	41.4	0.3
Compulsory automobile liability insurance	62,776	15.0	(0.6)	62,832	15.1	0.1
Others	57,692	13.8	6.2	57,136	13.7	(1.0)
Total:	417,910	100.0	(0.5)	416,483	100.0	(0.3)
Deposits of premiums by policyholders	28,513	6.8	(10.4)	27,758	6.7	(2.6)

Net premiums written

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	35,408	9.9	4.4	35,581	10.0	0.5
Marine insurance	9,530	2.7	15.6	9,381	2.6	(1.6)
Personal accident insurance	35,806	10.0	0.0	35,632	10.1	(0.5)
Voluntary automobile insurance	171,552	48.0	(1.2)	171,720	48.5	0.1
Compulsory automobile liability insurance	52,509	14.7	(1.1)	49,954	14.1	(4.9)
Others	52,692	14.7	5.2	52,070	14.7	(1.2)
Total	357,499	100.0	0.8	354,341	100.0	(0.9)

Net claims paid

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	12,708	6.6	(26.3)	13,828	7.0	8.8
Marine insurance	4,412	2.3	19.6	3,816	1.9	(13.5)
Personal accident insurance	13,715	7.1	11.1	16,025	8.2	16.8
Voluntary automobile insurance	98,261	51.1	3.6	100,964	51.4	2.8
Compulsory automobile liability insurance	38,935	20.2	(0.8)	39,832	20.3	2.3
Others	24,276	12.6	6.6	21,973	11.2	(9.5)
Total	192,309	100.0	1.1	196,441	100.0	2.1

Note common for the above three tables:

The above figures represent amounts after offsetting internal transactions among consolidated segments.

(Consolidated) Life Insurance Business

Life insurance premiums

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2007)		1st quarter of this fiscal year (April 1 to June 30, 2008)	
	Amount	% increase (decrease)	Amount	% increase (decrease)
Life insurance premiums	39,099	% (12.7)	31,899	% (18.4)

Note) The above figures represent amounts after offsetting internal transactions among consolidated segments.

Total amount of policies in force

(Millions of yen)

	End of the 1st quarter of this fiscal year (as of June 30, 2008)		End of previous fiscal year (as of March 31, 2008)
	Amount	% increase (decrease)	Amount
Individual insurance	9,893,138	% 0.9	9,805,207
Individual annuities	82,920	(0.4)	83,224
Group insurance	2,004,116	(0.1)	2,006,395
Group annuities	-	-	-

Notes)

1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. Amount of "Individual Annuities" represents the sum of annuity fund at the beginning of annuity payment of contract before the beginning of annuity payment and underwriting reserves of contract after the beginning of annuity payment.

Total amount of new policies

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Net increase by new policies and conversion	New policies	Net increase by conversion	Net increase by new policies and conversion	New policies	Net increase by conversion
Individual insurance	383,627	383,627	-	379,934	379,934	-
Individual annuities	626	626	-	561	561	-
Group insurance	8,764	8,764	-	1,418	1,418	-
Group annuities	-	-	-	-	-	-

Notes)

1. The above figures represent amounts before offsetting internal transactions among consolidated segments.
2. Amount of "Net increase by new policies and conversion" for "Individual Annuities." represents annuity fund at the beginning of annuity payment.

Annualized new business premiums (individual insurance and individual annuities)

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2007)		1st quarter of this fiscal year (April 1 to June 30, 2008)	
	Amount	% increase (decrease)	Amount	% increase (decrease)
Annualized new business premiums	4,389	% (57.8)	4,088	% (6.9)

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

(Consolidated) Securities

1. Marketable bonds held to maturity

(Millions of yen)

Item	End of the 1st quarter of this fiscal year (as of June 30, 2008)			End of previous fiscal year (as of March 31, 2008)		
	Amount on balance sheet	Market value	Unrealized gain (loss)	Amount on balance sheet	Market value	Unrealized gain (loss)
Domestic bonds	711,200	711,730	529	662,840	676,655	13,814
Foreign securities	101,004	100,452	(552)	101,105	100,820	(284)
Total	812,205	812,182	(23)	763,945	777,475	13,529

2. Marketable securities available for sale

(Millions of yen)

Item	End of the 1st quarter of this fiscal year (as of June 30, 2008)			End of previous fiscal year (as of March 31, 2008)		
	Historical cost	Amount on balance sheet	Unrealized gain (loss)	Historical cost	Amount on balance sheet	Unrealized gain (loss)
Domestic bonds	1,545,032	1,550,041	5,009	1,566,320	1,593,106	26,785
Domestic stocks	598,589	1,523,788	925,198	602,416	1,381,077	778,660
Foreign securities	757,011	853,058	96,047	752,481	828,079	75,598
Others	108,592	118,757	10,164	111,145	120,390	9,244
Total	3,009,226	4,045,645	1,036,419	3,032,364	3,922,654	890,289

Notes)

End of the 1st quarter of this fiscal year (as of June 30, 2008)	End of previous fiscal year (as of March 31, 2008)
1. Beneficiary claims on the loan trust, which are classified as "Monetary receivables bought" on the consolidated balance sheet, are included in "Others."	1. Beneficiary claims on the housing loan trust, which are classified as "Monetary receivables bought" on the consolidated balance sheet, are included in "Others."
2. Impairment losses on marketable securities available for sale amount to 1,685 million yen. Impairment losses on marketable securities available for sale are recognized if market value is declined by more than 30% of their historical cost at the end of the 1st quarter.	2. Impairment losses on marketable securities available for sale amount to 7,173 million yen. Impairment losses on marketable securities available for sale are recognized if market value is declined by more than 30% of their historical cost at the end of the fiscal year.

(Consolidated) Derivatives

Contract amount, market value and appraisal gains and losses of derivative transactions

(Millions of yen)

Type	Transaction	End of the 1st quarter of this fiscal year (as of June 30, 2008)			End of previous fiscal year (as of March 31, 2008)		
		Contract amount	Market value	Appraisal gain (loss)	Contract amount	Market value	Appraisal gain (loss)
Currency derivatives	Forward foreign exchange:						
	Short	103,158	104,140	(982)	105,639	101,554	4,085
	Long	53,276	54,471	1,195	54,600	53,644	(956)
	Currency option:						
	Short						
	Call	10,934 60*	22	37	5,350 50*	-	50
Long							
Put	10,470 60*	81	21	5,250 50*	263	213	
Bond derivatives	Bond future:						
	Long	31,735	31,950	214	16,532	17,163	631
	Bond forward:						
Long	-	-	-	3,351	3,396	45	
Others	Credit derivatives:						
	Long	6,064 373*	398	24	4,500 97*	162	64
	Weather derivatives:						
	Short	296 10*	6	4	369 8*	15	(7)
	Long	61 -*	-	-	170 -*	-	-
	Earthquake derivatives:						
	Short	3,690 99*	-	99	3,660 98*	0	98
	Long	3,321 291*	213	(77)	3,285 288*	213	(75)
	Other forward:						
	Long	950	954	4	-	-	-
Total				540			4,149

Notes)

1. Derivative transactions to which hedge accounting methods are applied are excluded from this table.
2. Amounts with an asterisk (*) represent the option premiums booked on the consolidated balance sheet.

(Non-consolidated) Summary of Results of Operations

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2007)	1st quarter of this fiscal year (April 1 to June 30, 2008)	Increase (decrease)	% increase (decrease)
				%
Direct premiums written (including deposits of premiums by policyholders)	405,510	404,555	(954)	(0.2)
Direct premiums written	376,996	376,796	(199)	(0.1)
Ordinary income and expenses:				
Underwriting income:	394,002	390,424	(3,578)	(0.9)
Net premiums written	351,332	348,144	(3,187)	(0.9)
Deposits of premiums by policyholders	28,513	27,758	(754)	(2.6)
Underwriting expenses:	349,538	339,524	(10,014)	(2.9)
Net claims paid	189,392	193,665	4,273	2.3
Loss adjustment expenses	18,756	18,944	188	1.0
Net commissions and brokerage fees	58,089	57,757	(331)	(0.6)
Maturity refunds to policyholders	41,547	38,882	(2,664)	(6.4)
Investment income:	41,712	27,621	(14,090)	(33.8)
Interest and dividend income	37,583	32,504	(5,079)	(13.5)
Realized gain on sales of securities	9,588	5,511	(4,077)	(42.5)
Investment expenses:	5,725	9,363	3,638	63.5
Realized loss on sales of securities	31	221	190	609.9
Devaluation loss on securities	483	1,685	1,201	248.5
Operating, general and administrative expenses	58,766	62,366	3,599	6.1
Operating, general and administrative expenses related to underwriting insurance	53,356	57,288	3,932	7.4
Other ordinary income and expenses	1,413	927	(485)	(34.4)
Ordinary profit	23,098	7,719	(15,378)	(66.6)
Underwriting profit	(11,463)	(8,390)	3,072	-
Special gains and losses:				
Special gains	581	10	(570)	(98.1)
Special losses	1,814	500	(1,313)	(72.4)
Special gains and losses	(1,233)	(489)	743	-
Income before income taxes	21,864	7,229	(14,635)	(66.9)
Income taxes and deferred income taxes	7,348	2,424	(4,924)	(67.0)
Net income	14,515	4,805	(9,710)	(66.9)
Ratios:				
Loss ratio	59.2 %	61.1 %	1.8 %	
Expense ratio	31.7	33.0	1.3	
Underwriting balance ratio	9.0	5.9	(3.1)	

Notes)

1. Loss ratio=(Net claims paid+Loss adjustment expenses)/Net premiums written

2. Expense ratio=(Net commissions and brokerage fees

+Operating, general and administrative expenses related to underwriting insurance)/Net premiums written

3. Underwriting balance ratio=(Net premiums written-Net claims paid-Loss adjustment expenses-Operating expenses)
/Net premiums written

(Non-consolidated) Premiums Written and Claims Paid by Line of Business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	44,186	11.7	(1.7)	43,569	11.6	(1.4)
Marine insurance	9,225	2.4	7.1	9,284	2.5	0.6
Personal accident insurance	35,990	9.5	(0.1)	35,780	9.5	(0.6)
Voluntary automobile insurance	170,578	45.2	(1.1)	171,125	45.4	0.3
Compulsory automobile liability insurance	62,776	16.7	(0.6)	62,832	16.7	0.1
Others	54,238	14.4	6.1	54,204	14.4	(0.1)
Total:	376,996	100.0	0.2	376,796	100.0	(0.1)
Deposits of premiums by policyholders	28,513	-	(10.4)	27,758	-	(2.6)

Net premiums written

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	34,302	9.8	4.2	34,218	9.8	(0.2)
Marine insurance	7,766	2.2	19.9	7,628	2.2	(1.8)
Personal accident insurance	35,742	10.2	0.1	35,532	10.2	(0.6)
Voluntary automobile insurance	170,153	48.4	(1.0)	170,388	48.9	0.1
Compulsory automobile liability insurance	52,509	14.9	(1.1)	49,954	14.3	(4.9)
Others	50,857	14.5	6.1	50,421	14.5	(0.9)
Total	351,332	100.0	1.0	348,144	100.0	(0.9)

Net claims paid

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2007)			1st quarter of this fiscal year (April 1 to June 30, 2008)		
	Amount	% increase (decrease)	Loss ratio	Amount	% increase (decrease)	Loss ratio
Fire and allied insurance	12,522	(26.3)	38.4	13,248	5.8	40.3
Marine insurance	3,622	22.7	50.0	3,348	(7.6)	47.0
Personal accident insurance	13,678	11.0	42.1	15,968	16.7	48.6
Voluntary automobile insurance	97,434	3.9	64.0	100,176	2.8	65.8
Compulsory automobile liability insurance	38,935	(0.8)	80.6	39,832	2.3	86.5
Others	23,199	9.0	48.8	21,091	(9.1)	44.8
Total	189,392	1.5	59.2	193,665	2.3	61.1

Note) Loss ratio=(Net claims paid+Loss adjustment expenses)/Net premiums written

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*Information contained in this material other than past facts are opinions or estimates at the time of publicizing the material.

*These opinions or estimates of future performance are not guaranteed by Sompo Japan, and they may end up differing from future facts significantly due to various uncertain factors.

【Reference】

(Non-consolidated)

Structured finance exposure in investment portfolio, exposure to U.S. housing government-sponsored enterprises and financial guarantee insurance related to U.S. subprime loans

1. Structured finance exposure in investment portfolio

Structured finance exposure decreased by 1.3bil.JPY from March 31, 2008 to 86.5bil.JPY on June 30, 2008.

Gains/losses on structured finance were less than 0.1bil.JPY losses in FY2008 1Q.

Structured finance exposure related to U.S. subprime loans was 0.7bil.JPY.

(Unit: billions of JPY, USD/JPY=106.42, same conversion rate applied throughout this report)

Categories		Outstanding Balance	Gains/Losses in FY2008 1Q		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	Corporate CDOs *1	0.0	-	(0.0)	(0.0)
	ABS CDOs *2	0.0	(0.0)	-	(0.0)
	CDOs Total	0.1	(0.0)	(0.0)	(0.0)
ABS	RMBS *3	52.9	-	(0.2)	(0.2)
	U.S. subprime loans related	0.7	-	0.0	0.0
	Global RMBS (excl. U.S. subprime loans related)	17.4	-	(0.1)	(0.1)
	Domestic RMBS	34.8	-	(0.0)	(0.0)
	CMBS *4	25.9	-	(0.2)	(0.2)
	Global CMBS	3.1	-	(0.0)	(0.0)
	Domestic CMBS	22.7	-	(0.1)	(0.1)
	Other ABS	3.2	-	0.3	0.3
	Global ABS	2.9	-	0.3	0.3
	Domestic ABS	0.3	-	(0.0)	(0.0)
ABS Total	82.2	-	(0.0)	(0.0)	
Investment in SIV		-	-	-	-
Leveraged Finance *5 <small>*Domestic only</small>		4.2	-	-	-
Total		86.5	(0.0)	(0.0)	(0.0)

Notes)

*1 Corporate CDOs: CDOs (Collateralized Debt Obligations) where underlying assets are corporate debt such as corporate bonds or credit derivatives (Excluding public finance CLO).

*2 ABS CDOs: CDOs where underlying assets are ABS (Asset Backed Securities).

*3 RMBS: Asset Backed Securities where underlying assets are residential mortgage loans (Excluding RMBS issued by government sponsored enterprises).

*4 CMBS: Asset Backed Securities where underlying assets are commercial mortgage loans.

*5 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies.

2. Exposure to U.S. housing government-sponsored enterprises

Exposure to U.S. housing government-sponsored enterprises was 75.0bil.JPY on June 30, 2008, excluding the above 1.

Unrealized losses related to exposure to U.S. housing government-sponsored enterprises were 2.0bil.JPY, mainly due to the fluctuation of exchange rate.

3. Financial guarantee insurance related to U.S. subprime loans

Total insured amount related to U.S. subprime loans increased by 8.7bil.JPY from March 31, 2008 to 194.8bil.JPY on June 30, 2008, mainly due to the depreciation of yen.

Losses on financial guarantee insurance related to U.S. subprime loans were less than 0.1bil.JPY in FY2008 1Q.

0.5bil.JPY loss reserve was increased for CDO which was booked for 30.0bil.JPY loss reserve in FY2007, due to the fluctuation of exchange rate.

< Insured amount related to U.S. subprime loans >

(Unit: billions of JPY)

	Insured Amount			Losses/Reserves in FY2008 1Q
	Direct Insurance	Treaty Reinsurance	Total	
ABS CDOs	189.5	-	189.5	(0.5)
RMBS	-	5.2	5.2	(0.0)
Total	189.5	5.2	194.8	(0.5)

Note) ABS CDOs and RMBS that include any (even a part thereof) U.S. subprime loans.

(Excluding ABS CDO which is booked for loss reserve)

Supplements)

1. Facultative reinsurance policies are included under "Direct Insurance."
2. "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by the original insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed between the original insurer and reinsurer.
3. Financial Guarantee insurance is not supposed to book mark-to-market unrealized gains/losses as it is an insurance policy.
4. "Losses/Reserves in FY2008 1Q" is total amount of payment loss and increased loss reserve in FY2008 1Q. (Including gains/losses of exchange hedge transactions)