

**Supplementary Information about Financial Results for the fiscal year ended March 31, 2010**

## 1. Key figures

(Yen in hundred millions)

	Year ended March 31, 2009	Six months ended September 30, 2009	Year ended March 31, 2010	Increase (decrease)	Increase (decrease)
	(A)	(B)	(C)	(C) - (A)	(C) - (B)
(1) Net premiums written	12,904	6,416	12,588	(315)	—
Rate of change	(4.1%)	(4.9%)	(2.4%)	1.6%	2.5%
(2) Total assets	48,564	50,086	50,292	1,727	205
(3) Net loss ratio	70.3%	74.7%	73.9%	3.5%	(0.8%)
(4) Net expense ratio	34.5%	34.2%	34.1%	(0.5%)	(0.1%)
(5) Combined ratio	104.9%	108.8%	107.9%	3.1%	(0.9%)
Underwriting result ratio	(4.9%)	(8.8%)	(7.9%)	(3.1%)	0.9%
(6) Voluntary automobile					
• Net premiums written	6,540	3,226	6,402	(137)	—
Rate of change	(0.3%)	(2.1%)	(2.1%)	(1.8%)	(0.0%)
• Underwriting result ratio	(4.0%)	(2.2%)	(4.8%)	(0.8%)	(2.6%)
• Net loss ratio	70.0%	67.6%	70.6%	0.6%	3.0%
• Net expense ratio	34.0%	34.7%	34.3%	0.2%	(0.4%)
(7) Fire					
• Net premiums written	1,449	676	1,441	(8)	—
Rate of change	(0.7%)	(3.2%)	(0.6%)	0.1%	2.6%
• Underwriting result ratio	16.6%	12.4%	13.0%	(3.6%)	0.6%
• Net loss ratio	40.3%	44.5%	44.2%	3.9%	(0.3%)
• Net expense ratio	43.1%	43.1%	42.8%	(0.3%)	(0.3%)
(8) Number of employees	17,042	17,481	17,294	252	(187)
(9) Number of agencies	49,430	47,336	46,294	(3,136)	(1,042)

## &lt;Reference&gt; Consolidated figures

(Yen in hundred millions)

	Year ended March 31, 2009	Six months ended September 30, 2009	Year ended March 31, 2010	Increase (decrease)	Increase (decrease)
	(A)	(B)	(C)	(C) - (A)	(C) - (B)
(1) Ordinary income	17,679	9,187	18,077	398	—
(2) Net premiums written	13,081	6,569	12,909	(172)	—
Rate of change	(4.4%)	(4.7%)	(1.3%)	3.1%	3.4%
(3) Life insurance premiums written	1,240	587	1,318	78	—
Rate of change	(26.1%)	(12.4%)	6.3%	32.4%	18.7%
(4) Ordinary profit	(1,440)	318	488	1,928	—
(5) Net income	(667)	293	393	1,060	—

## Notes)

1. Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written × 100
2. Net expense ratio = (Net commissions and brokerage fees + Operating, general and administrative expenses related to underwriting) / Net premiums written × 100
3. Combined ratio = Net loss ratio + Net expense ratio
4. Underwriting result ratio = 100 - Combined ratio
5. Items with % within "Increase (decrease)" represent change from the year ended March 31, 2009 and the six months ended September 30, 2009, respectively.

## 2. Other figures

## (1) Non-performing loans

## Risk-monitored loans

(Yen in hundred millions)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Loans to borrowers in bankruptcy	4	8	8
Overdue loans	24	22	20
Loans overdue for three months or more	–	–	–
Restructured loans	4	7	11
Total	34	38	40
Percent of total loans	0.7%	0.8%	0.9%

(Reference) Total loans	5,020	4,823	4,761
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## Results of self-assessment

(Yen in hundred millions)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
No category	45,666	47,938	48,472
Category II	533	587	616
Category III	121	99	97
Category IV	896	171	148
Subtotal (Category II-IV)	1,552	857	862
Total	47,218	48,796	49,334

Note)

The above figures represent amounts before recognition of impairment losses. Impairment losses on securities are included in "Category IV."

## (2) Impairment losses on securities

(Yen in hundred millions)

	Year ended March 31, 2009	Six months ended September 30, 2009	Year ended March 31, 2010
Domestic bonds	–	–	–
Domestic stocks	675	39	25
Foreign securities	73	1	3
Others	37	0	0
Total	787	41	28

Notes)

1. Impairment losses on monetary receivables bought which are classified as other investment expenses in the statement of income are included in "Others."

2. Besides the above, impairment losses on trust assets in money trust, which are included in "investment losses on money trusts" in the statement of income, amount to 0.2 billion yen for the year ended March 31, 2009.

## Impairment rules applied

Impairment losses on securities which have readily determinable fair value are recognized if fair value declines by 30% or more of their cost (historical cost or amortized cost).

## (3) Conditions of losses on structured finance related to the U.S. subprime loans

Losses on overall financial guarantee insurance (loss payment, provision of loss reserves, and losses of foreign exchange hedge transaction for loss reserves) amount to 8.0 billion yen for the year ended March 31, 2010, mainly due to the provision of loss reserves for some CDO guarantees related to the U.S. residential mortgages.

Losses on investment in structured finance amount to 0.0 billion yen for the year ended March 31, 2010, mainly due to the decline in fair value caused by the turmoil in global market.

Please refer to appendix for conditions of structured finance exposure in Sompo Japan's investment portfolio.

## (4) Impairment losses on fixed assets

(Yen in hundred millions)

	Year ended March 31, 2009	Six months ended September 30, 2009	Year ended March 31, 2010
Land	—	—	3
Buildings	—	—	0
Others	—	—	—
Total	—	—	3

## (5) Unrealized gains and losses on securities

(Yen in hundred millions)

	As of March 31, 2009	As of September 30, 2009	As of March 31, 2010
Domestic bonds	269	361	320
Domestic stocks	3,382	5,041	5,800
Foreign securities	(447)	(369)	(198)
Others	2	30	40
Total	3,207	5,064	5,963

Notes)

1. Unrealized gains and losses on monetary receivables bought are included in "Others."
2. Besides the above, unrealized gains and losses on trust assets in money trust other than trading purposes or held to maturity amount to (1.9) billion yen for the year ended March 31, 2009, 0.0 billion yen for the six months ended September 30, 2009, and 0.0 billion yen for the year ended March 31, 2010.

## (6) Underwriting of third-sector insurance products

(Number)

	Year ended March 31, 2010		Breakdown of number	
	Number	Increase (decrease)	Sompo Japan Insurance Inc.	Subsidiaries
Number of policies	1,021,057	159,429	800,435	220,622

Notes)

1. This table represents total and respective number of policies of Sompo Japan Insurance Inc. and its subsidiaries from April 1, 2009 to March 31, 2010.
2. The above numbers represent the cumulative sales of policies of medical insurance and cancer insurance.

## (7) Claims by natural disasters

(Yen in hundred millions)

	Year ended March 31, 2009	Six months ended September 30, 2009	Year ended March 31, 2010
Direct claims paid a	86	32	130
Net claims paid b	61	25	116
Unpaid claims c	2	4	15
Net incurred loss b + c	64	30	132

Notes)

1. This table represents paid and unpaid claims related to natural disasters which occurred in the period.
2. Amounts of unpaid claims are calculated by deducting reinsurance recoverable on unpaid loss from direct insurance reserve for outstanding losses and claims.

## (8) Catastrophic loss reserve

(Yen in hundred millions, %)

Line of business	Year ended March 31, 2009			Six months ended September 30, 2009			Year ended March 31, 2010		
	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision	Balance	Balance ratio	Provision
Fire and allied insurance	1,295	91.2	191	1,389	105.1	93	1,485	105.4	189
Marine insurance	253	84.8	11	257	106.0	4	262	110.5	8
Personal accident insurance	876	69.4	39	896	66.4	21	845	67.5	39
Voluntary automobile insurance	475	7.3	475	331	5.1	196	386	6.0	386
Others	877	56.5	109	926	51.8	60	967	60.2	108
Total	3,777	34.1	826	3,801	34.1	376	3,946	36.2	732

Notes)

1. Balance ratio = Balance of catastrophic loss reserve / Net premiums written (excluding Household earthquake and compulsory automobile liability insurance) × 100  
As for the six months ended September 30, 2009, net premiums written are doubled for the calculation of balance ratio.
2. Provision represents gross amounts before excluding reversal.

## (9) Reinsurance assumed

(Yen in hundred millions)

Line of business	Year ended March 31, 2009		Year ended March 31, 2010	
	Reinsurance premiums assumed	Reinsurance claims assumed	Reinsurance premiums assumed	Reinsurance claims assumed
Fire and allied insurance	188	91	177	85
Marine insurance	100	49	71	50
Personal accident insurance	13	7	10	6
Voluntary automobile insurance	4	5	35	18
Compulsory automobile liability insurance	1,192	1,604	1,085	1,543
Others	110	75	129	201
Total	1,610	1,833	1,510	1,906

## (10) Reinsurance ceded

(Yen in hundred millions)

Line of business	Year ended March 31, 2009		Year ended March 31, 2010	
	Reinsurance premiums ceded	Reinsurance claims ceded	Reinsurance premiums ceded	Reinsurance claims ceded
Fire and allied insurance	574	101	588	78
Marine insurance	153	68	122	68
Personal accident insurance	28	19	24	17
Voluntary automobile insurance	24	17	33	19
Compulsory automobile liability insurance	1,298	1,776	1,205	1,725
Others	215	65	251	113
Total	2,293	2,050	2,227	2,023