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SOMPO JAPAN INSURANCE INC.

Consolidated Financial Results for the 2nd 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), Sapporo, and Fukuoka Stock Exchange

Stock Code Number: 8755

(URL <http://www.sompo-japan.co.jp/>)

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Date of filing Quarterly Financial Report: November 28, 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 2nd Quarter (1st Half) of the Fiscal Year Ending March 31, 2009

(6 months results from April 1 to September 30, 2008)

(1) Consolidated Results of Operations

	Ordinary income		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
This interim fiscal year (April 1 to September 30, 2008)	917,808	(4.3)	37,064	(54.2)	22,735	(56.3)
Previous interim fiscal year (April 1 to September 30, 2007)	959,146	0.2	80,891	40.3	52,079	84.6

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

	Net income per share	Diluted net income per share
	yen	yen
This interim fiscal year (April 1 to September 30, 2008)	23.09	23.08
Previous interim fiscal year (April 1 to September 30, 2007)	52.89	52.86

(2) Consolidated Financial Conditions

	Total assets	Total net assets	Equity ratio	Total net assets per share
	millions of yen	millions of yen	%	yen
This interim fiscal year (As of September 30, 2008)	6,300,640	916,425	14.5	928.70
Previous fiscal year (As of March 31, 2008)	6,450,734	1,071,176	16.6	1,086.86

Reference) Equity capital: As of September 30, 2008: 914,325 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 2nd 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
This fiscal year (April 1, 2008 to March 31, 2009)	1,790,000	(5.5)	(79,000)		(52,000)		(52.81)

Notes) 1. Revision of forecasts for the fiscal year during the 2nd quarter : Yes

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

4.Others

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

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

Changes due to revisions of accounting standards : Yes

Changes due to other reasons : No

(3)Number of common shares

Total outstanding shares including treasury stock

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

Treasury stock

As of September 30, 2008: 3,213,379 shares As of March 31, 2008: 3,181,995 shares

Average outstanding shares

This interim fiscal year: 984,545,000 shares Previous interim fiscal year: 984,500,699 shares

Summary of Non-consolidated Financial Results

1.Non-consolidated Financial Results for the 2nd Quarter (1st Half) of the Fiscal Year Ending March 31, 2009
(6 months results from April 1 to September 30, 2008)

(1)Non-consolidated Results of Operations

	Net premiums written		Ordinary profit		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%
This interim fiscal year (April 1 to September 30, 2008)	674,871	(2.0)	29,327	(57.0)	17,205	(60.2)
Previous interim fiscal year (April 1 to September 30, 2007)	688,479	(0.9)	68,255	39.2	43,273	89.4

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

	Net income per share
	yen
This interim fiscal year (April 1 to September 30, 2008)	17.47
Previous interim fiscal year (April 1 to September 30, 2007)	43.95

(2)Non-consolidated Financial Conditions

	Total assets	Total net assets	Equity ratio	Total net assets per share
	millions of yen	millions of yen	%	yen
This interim fiscal year (As of September 30, 2008)	5,214,112	919,156	17.6	932.59
Previous fiscal year (As of March 31, 2008)	5,388,567	1,074,490	19.9	1,090.78

Reference) Equity capital: As of September 30, 2008: 918,154 million yen As of March 31, 2008: 1,073,932 million yen

2.Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

	Net premiums written		Ordinary profit		Net income		Net income per share
	millions of yen		millions of yen		millions of yen		yen
This fiscal year (April 1, 2008 to March 31, 2009)	1,312,000	(2.5)	(87,000)		(57,000)		(57.89)

(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.

Please refer to "Forecasts for the Fiscal Year Ending March 31, 2009" on page 24 for major premises and related matters of the above forecast.

Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Millions of yen)

	End of this interim fiscal year (as of September 30, 2008)	End of previous fiscal year (as of March 31, 2008)
Assets:		
Cash and deposits	156,458	172,252
Call loans	75,700	108,800
Receivables under resale agreements	90,379	47,947
Monetary receivables bought	49,028	47,037
Money in trust	33,008	39,429
Securities	4,631,761	4,846,949
Loans	525,413	519,618
Tangible fixed assets	219,093	220,536
Intangible fixed assets	25,825	26,428
Other assets	408,343	428,091
Deferred tax assets	101,947	10,907
Allowance for possible loan losses	(16,317)	(17,264)
Total assets	6,300,640	6,450,734
Liabilities:		
Underwriting funds:	5,017,050	4,969,818
Reserve for outstanding losses and claims	748,313	748,552
Underwriting reserves	4,268,736	4,221,266
Other liabilities	208,626	245,444
Reserve for retirement benefits	98,664	96,516
Reserve for retirement benefits to directors	2,453	2,502
Reserve for bonus payments	16,910	14,126
Reserve for price fluctuation	40,144	37,908
Deferred tax liabilities	365	13,239
Total liabilities	5,384,214	5,379,557
Net assets:		
Shareholders' equity:		
Common stock	70,000	70,000
Capital surplus	24,244	24,241
Retained earnings	409,837	407,051
Treasury stock	(2,890)	(2,842)
Total shareholders' equity	501,191	498,449
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	417,638	571,377
Foreign currency translation adjustments	(4,505)	245
Total valuation and translation adjustments	413,133	571,622
Stock acquisition rights	1,001	557
Minority interests	1,099	546
Total net assets	916,425	1,071,176
Total liabilities and net assets	6,300,640	6,450,734

(2) Consolidated Statement of Income

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Ordinary income:	959,146	917,808
Underwriting income:	868,232	854,803
Net premiums written	702,518	689,217
Deposits of premiums by policyholders	61,167	73,950
Interest and dividend income on deposits of premiums, etc.	22,901	23,105
Life insurance premiums written	81,408	67,029
Investment income:	86,181	58,126
Interest and dividend income	81,536	66,915
Investment gain on money in trust	2,808	
Investment gain on trading securities	181	309
Realized gain on sales of securities	21,248	12,793
Transfer of interest and dividend income on deposits of premiums, etc.	(22,901)	(23,105)
Other ordinary income	4,732	4,878
Ordinary expenses:	878,255	880,743
Underwriting expenses:	727,952	711,954
Net claims paid	389,346	397,195
Loss adjustment expenses	35,938	38,531
Net commissions and brokerage fees	119,252	118,829
Maturity refunds to policyholders	89,929	85,723
Life insurance claims paid	18,007	18,954
Provision for reserve for outstanding losses and claims	2,070	2,666
Provision for underwriting reserves	73,017	49,144
Investment expenses:	6,433	18,807
Investment loss on money in trust		2,746
Realized loss on sales of securities	626	691
Devaluation loss on securities	3,839	8,289
Operating, general and administrative expenses	141,950	149,306
Other ordinary expenses:	1,918	675
Interest paid	92	78
Ordinary profit	80,891	37,064
Special gains	1,060	425
Special losses:	3,640	2,717
Provision for price fluctuation reserve	3,255	2,235
Other special losses	384	481
Income before income taxes and minority interests	78,311	34,772
Income taxes-current	41,825	28,928
Income taxes-deferred	(15,638)	(16,890)
Gain and loss on minority interests	45	(0)
Net income	52,079	22,735

(3) Interim Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Shareholders' equity		
Common stock		
Balance at the beginning of the period	70,000	70,000
Balance at the end of the period	70,000	70,000
Capital surplus		
Balance at the beginning of the period	24,229	24,241
Changes during the period		
Disposal of treasury stock	3	3
Total changes during the period	3	3
Balance at the end of the period	24,233	24,244
Retained earnings		
Balance at the beginning of the period	362,683	407,051
Decrease due to unification of accounting policies applied to foreign subsidiaries		(257)
Changes during the period		
Dividends	(15,751)	(19,691)
Net income	52,079	22,735
Increase related to foreign accounting standards	169	
Decrease related to foreign accounting standards	(169)	
Total changes during the period	36,327	3,044
Balance at the end of the period	399,011	409,837
Treasury stock		
Balance at the beginning of the period	(2,832)	(2,842)
Changes during the period		
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	151	111
Total changes during the period	(13)	(47)
Balance at the end of the period	(2,846)	(2,890)
Total shareholders' equity		
Balance at the beginning of the period	454,080	498,449
Decrease due to unification of accounting policies applied to foreign subsidiaries		(257)
Changes during the period		
Dividends	(15,751)	(19,691)
Net income	52,079	22,735
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	155	115
Increase related to foreign accounting standards	169	
Decrease related to foreign accounting standards	(169)	
Total changes during the period	36,317	3,000
Balance at the end of the period	490,398	501,191

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Valuation and translation adjustments		
Unrealized gains on securities available for sale, net of tax		
Balance at the beginning of the period	998,702	571,377
Changes during the period		
Net changes in items other than shareholders' equity	(40,058)	(153,738)
Total changes during the period	(40,058)	(153,738)
Balance at the end of the period	958,644	417,638
Foreign currency translation adjustments		
Balance at the beginning of the period	1,091	245
Changes during the period		
Net changes in items other than shareholders' equity	4,916	(4,750)
Total changes during the period	4,916	(4,750)
Balance at the end of the period	6,008	(4,505)
Total valuation and translation adjustments		
Balance at the beginning of the period	999,793	571,622
Changes during the period		
Net changes in items other than shareholders' equity	(35,141)	(158,489)
Total changes during the period	(35,141)	(158,489)
Balance at the end of the period	964,652	413,133
Stock acquisition rights		
Balance at the beginning of the period	315	557
Changes during the period		
Net changes in items other than shareholders' equity	152	443
Total changes during the period	152	443
Balance at the end of the period	467	1,001
Minority interests		
Balance at the beginning of the period	554	546
Changes during the period		
Net changes in items other than shareholders' equity	(34)	553
Total changes during the period	(34)	553
Balance at the end of the period	520	1,099
Total net assets		
Balance at the beginning of the period	1,454,744	1,071,176
Decrease due to unification of accounting policies applied to foreign subsidiaries		(257)
Changes during the period		
Dividends	(15,751)	(19,691)
Net income	52,079	22,735
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	155	115
Increase related to foreign accounting standards	169	
Decrease related to foreign accounting standards	(169)	
Net changes in items other than shareholders' equity	(35,023)	(157,492)
Total changes during the period	1,294	(154,492)
Balance at the end of the period	1,456,038	916,425

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Cash flows from operating activities:		
Income before income taxes	78,311	34,772
Depreciation	5,283	5,197
Amortization of goodwill	936	936
Increase(decrease) in outstanding losses and claims	2,070	2,646
Increase(decrease) in underwriting reserves	71,492	47,836
Increase(decrease) in allowance for possible loan losses	(303)	(254)
Increase(decrease) in reserve for retirement benefits	1,482	2,158
Increase(decrease) in reserve for retirement benefits to directors	2,439	(49)
Increase(decrease) in reserve for bonus payments	2,779	2,783
Increase(decrease) in reserve for price fluctuation	3,255	2,235
Interest and dividend income	(81,536)	(66,915)
Losses(gains) on investment in securities	(17,055)	(3,814)
Interest expenses	92	78
Foreign exchange losses(gains)	(2,663)	(290)
Losses(gains) related to tangible fixed assets	(476)	187
Losses(gains) related to loans	68	37
Investment losses(gains) on the equity method	(187)	(689)
Decrease(increase) in other assets	3,360	19,521
Increase(decrease) in other liabilities	(20,795)	(35,150)
Others	(1,241)	13,403
Subtotal	47,314	24,632
Interest and dividend received	76,892	67,584
Interest paid	(87)	(81)
Income taxes paid	(22,546)	(42,655)
Cash flows from operating activities	101,572	49,479
Cash flows from investing activities:		
Net decrease(increase) in deposits	1,216	2,851
Purchase of monetary receivables bought	(12,200)	(5,686)
Proceeds from sales and redemption of monetary receivables bought	2,244	3,245
Increase in money in trust	(5,000)	
Decrease in money in trust		6,000
Purchase of securities	(281,662)	(347,265)
Proceeds from sales and redemption of securities	325,421	324,471
Loans made	(98,294)	(79,877)
Collection of loans	80,896	68,010
Others	107	(2,531)
Total asset management activities	12,728	(30,783)
Sum of operating activities and asset management activities	114,300	18,696
Acquisition of tangible fixed assets	(3,492)	(3,721)
Proceeds from sales of tangible fixed assets	1,650	653
Cash flows from investing activities	10,887	(33,850)
Cash flows from financing activities:		
Proceeds from issuance of stock		568
Proceeds from sales of treasury stock	155	115
Acquisition of treasury stock	(165)	(158)
Dividends paid	(15,716)	(19,911)
Dividends paid to minority shareholders	(85)	(4)
Others	(46)	(127)
Cash flows from financing activities	(15,858)	(19,519)
Effect of exchange rate changes on cash and cash equivalents	2,102	(745)
Net Increase(decrease) in cash and cash equivalents	98,702	(4,636)
Cash and cash equivalents at the beginning of the period	282,108	319,998
Cash and cash equivalents at the end of the period	380,811	315,362

(5) Notes on Going-Concern Assumption

Previous interim fiscal year (April 1 to September 30, 2007)

None.

This interim fiscal year (April 1 to September 30, 2008)

None.

(6) Segment Information

1. Segment information by lines of business

Previous interim fiscal year (April 1 to September 30, 2007)

(Millions of yen)

	Property and casualty	Life	Total	Elimination	Consolidated
Ordinary income and ordinary profit/loss					
Ordinary income					
(1) Ordinary income from transactions with external customers	869,851	89,295	959,146		959,146
(2) Ordinary income arising from internal segment	1,791	8	1,800	(1,800)	
Total	871,643	89,303	960,947	(1,800)	959,146
Ordinary expenses	798,654	81,401	880,055	(1,800)	878,255
Ordinary profit	72,989	7,902	80,891		80,891

Notes)

1. The segments are classified based on the conditions of operation of SJI and its consolidated subsidiaries.

2. Major operations of each segment are as follows:

(1)Property and casualty: Underwriting property and casualty insurance and related investment activities

(2)Life: Underwriting life insurance and related investment activities

This interim fiscal year (April 1 to September 30, 2008)

(Millions of yen)

	Property and casualty	Life	Total	Elimination	Consolidated
Ordinary income and ordinary profit/loss					
Ordinary income					
(1) Ordinary income from transactions with external customers	841,866	75,942	917,808		917,808
(2) Ordinary income arising from internal segment	1,355	8	1,363	(1,363)	
Total	843,221	75,950	919,172	(1,363)	917,808
Ordinary expenses	810,644	71,462	882,107	(1,363)	880,743
Ordinary profit	32,577	4,487	37,064		37,064

Notes)

1. The segments are classified based on the conditions of operation of SJI and its consolidated subsidiaries.

2. Major operations of each segment are as follows:

(1)Property and casualty: Underwriting property and casualty insurance and related investment activities

(2)Life: Underwriting life insurance and related investment activities

2. Segment information by location

Previous interim fiscal year (April 1 to September 30, 2007)

Segment information by location is omitted because the amount of overseas sales was immaterial.

This interim fiscal year (April 1 to September 30, 2008)

Segment information by location is omitted because the amount of overseas sales was immaterial.

3. Segment information on overseas sales

Previous interim fiscal year (April 1 to September 30, 2007)

Segment information on overseas sales is omitted because the amount of overseas sales was immaterial.

This interim fiscal year (April 1 to September 30, 2008)

Segment information on overseas sales is omitted because the amount of overseas sales was immaterial.

Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Millions of yen)

	End of this interim fiscal year (as of September 30, 2008)	End of previous fiscal year (as of March 31, 2008)
Assets:		
Cash and deposits	111,310	118,764
Call loans	75,700	108,800
Receivables under resale agreements	90,379	47,947
Monetary receivables bought	49,028	47,037
Money in trust	32,976	39,398
Securities	3,692,356	3,937,921
Loans	510,683	506,053
Tangible fixed assets	215,801	217,747
Intangible fixed assets	758	758
Other assets	368,736	386,988
Deferred tax assets	89,278	
Allowance for possible loan losses	(16,163)	(16,402)
Allowance for possible losses on investment securities	(6,734)	(6,447)
Total assets	5,214,112	5,388,567
Liabilities:		
Underwriting funds:		
Underwriting funds:	3,953,691	3,930,005
Reserve for outstanding losses and claims	676,248	676,066
Underwriting reserves	3,277,443	3,253,939
Other liabilities:		
Income tax payable	185,962	222,923
Lease obligation	27,305	39,512
Other liabilities	325	
Reserve for retirement benefits	158,331	183,410
Reserve for retirement benefits to directors	97,790	95,654
Reserve for bonus payments	2,433	2,484
Reserve for price fluctuation	15,873	13,311
Deferred tax liabilities	39,206	36,971
		12,725
Total liabilities	4,294,956	4,314,077
Net assets:		
Shareholders' equity:		
Common stock	70,000	70,000
Capital surplus:		
Additional paid-in capital	24,229	24,229
Other capital surplus	15	11
Total capital surplus	24,244	24,241
Retained earnings:		
Legal reserve	36,088	32,150
Other retained earnings:		
Reserve for advanced depreciation	373,402	379,826
Reserve for advanced depreciation special account	869	891
General reserve	276	276
Retained earnings carried forward	331,300	315,300
Total retained earnings	40,957	63,358
Total retained earnings	409,491	411,976
Treasury stock	(2,890)	(2,842)
Total shareholders' equity	500,845	503,374
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	417,309	570,558
Total valuation and translation adjustments	417,309	570,558
Stock acquisition rights	1,001	557
Total net assets	919,156	1,074,490
Total liabilities and net assets	5,214,112	5,388,567

(2) Non-consolidated Statement of Income

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Ordinary income:	851,731	822,350
Underwriting income:	772,789	773,418
Net premiums written	688,479	674,871
Deposits of premiums by policyholders	61,167	73,950
Interest and dividend income on deposits of premiums, etc.	22,901	23,105
Investment income:	75,111	45,576
Interest and dividend income	70,630	55,934
Investment gain on money in trust	2,808	
Investment gain on trading securities	181	69
Realized gain on sales of securities	21,242	12,350
Transfer of interest and dividend income on deposits of premiums, etc.	(22,901)	(23,105)
Other ordinary income	3,831	3,355
Ordinary expenses:	783,476	793,023
Underwriting expenses:	655,290	650,036
Net claims paid	382,773	390,725
Loss adjustment expenses	35,501	37,995
Net commissions and brokerage fees	111,799	111,035
Maturity refunds to policyholders	89,929	85,723
Provision for reserve for outstanding losses and claims	1,943	181
Provision for underwriting reserves	32,955	23,503
Investment expenses:	6,188	18,089
Investment loss on money in trust		2,746
Realized loss on sales of securities	419	574
Devaluation loss on securities	3,839	8,275
Operating, general and administrative expenses	119,791	123,999
Other ordinary expenses:	2,206	897
Interest paid	18	23
Ordinary profit	68,255	29,327
Special gains	851	273
Special losses:	3,584	2,688
Provision for price fluctuation reserve	3,207	2,234
Other special losses	376	453
Income before income taxes	65,521	26,912
Income taxes-current	37,383	25,630
Income taxes-deferred	(15,135)	(15,923)
Net income	43,273	17,205

(3) Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Shareholders' equity		
Common stock		
Balance at the beginning of the period	70,000	70,000
Balance at the end of the period	70,000	70,000
Capital surplus		
Additional paid-in capital		
Balance at the beginning of the period	24,229	24,229
Balance at end of the period	24,229	24,229
Other capital surplus		
Balance at the beginning of the period	—	11
Changes during the period		
Disposal of treasury stock	3	3
Total changes during the period	3	3
Balance at the end of the period	3	15
Retained earnings		
Legal reserve		
Balance at the beginning of the period	29,000	32,150
Changes during the period		
Dividends	3,150	3,938
Total changes during the period	3,150	3,938
Balance at the end of the period	32,150	36,088
Other retained earnings		
Reserve for advanced depreciation		
Balance at the beginning of the period	527	891
Changes during the period		
Reversal of reserve for advanced depreciation	(12)	(21)
Total changes during the period	(12)	(21)
Balance at the end of the period	515	869
Reserve for advanced depreciation special account		
Balance at the beginning of the period	407	276
Balance at the end of the period	407	276
General reserve		
Balance at the beginning of the period	289,000	315,300
Changes during the period		
Amount set aside for contingent reserve	26,300	16,000
Total changes during the period	26,300	16,000
Balance at the end of the period	315,300	331,300
Retained earnings carried forward		
Balance at the beginning of the period	64,125	63,358
Changes during the period		
Reversal of reserve for advanced depreciation	12	21
Amount set aside for contingent reserve	(26,300)	(16,000)
Dividends	(18,901)	(23,629)
Net income	43,273	17,205
Total changes during the period	(1,915)	(22,401)
Balance at the end of the period	62,209	40,957

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)
Treasury stock		
Balance at the beginning of the period	(2,832)	(2,842)
Changes during the period		
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	151	111
Total changes during the period	(13)	(47)
Balance at the end of the period	(2,846)	(2,890)
Total shareholders' equity		
Balance at the beginning of the period	474,457	503,374
Changes during the period		
Dividends	(15,751)	(19,691)
Net income	43,273	17,205
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	155	115
Total changes during the period	27,512	(2,528)
Balance at the end of the period	501,969	500,845
Valuation and translation adjustments		
Unrealized gains on securities available for sale, net of tax		
Balance at the beginning of the period	999,268	570,558
Changes during the period		
Net changes in items other than shareholders' equity	(39,944)	(153,248)
Total changes during the period	(39,944)	(153,248)
Balance at the end of the period	959,323	417,309
Total valuation and translation adjustments		
Balance at the beginning of the period	999,268	570,558
Changes during the period		
Net changes in items other than shareholders' equity	(39,944)	(153,248)
Total changes during the period	(39,944)	(153,248)
Balance at the end of the period	959,323	417,309
Stock acquisition rights		
Balance at the beginning of the period	315	557
Changes during the period		
Net changes in items other than shareholders' equity	152	443
Total changes during the period	152	443
Balance at the end of the period	467	1,001
Total net assets		
Balance at the beginning of the period	1,474,041	1,074,490
Changes during the period		
Dividends	(15,751)	(19,691)
Net income	43,273	17,205
Acquisition of treasury stock	(165)	(158)
Disposal of treasury stock	155	115
Net changes in items other than shareholders' equity	(39,792)	(152,805)
Total changes during the period	(12,280)	(155,334)
Balance at the end of the period	1,461,760	919,156

(4) Notes on Going-Concern Assumption

Previous interim fiscal year (April 1 to September 30, 2007)

None.

This interim fiscal year (April 1 to September 30, 2008)

None.

Other Information

Consolidated and Non-consolidated Major Figures

(Millions of yen)

	Previous interim fiscal year (6 months from April 1 to September 30, 2007)					This interim fiscal year (6 months from April 1 to September 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	959,146	0.2	851,731	0.8	107,414	917,808	(4.3)	822,350	(3.4)	95,457
Net premiums written	702,518	(0.7)	688,479	(0.9)	14,038	689,217	(1.9)	674,871	(2.0)	14,346
Ordinary profit	80,891	40.3	68,255	39.2	12,635	37,064	(54.2)	29,327	(57.0)	7,736
Net income	52,079	84.6	43,273	89.4	8,805	22,735	(56.3)	17,205	(60.2)	5,529
Consolidated/ Non-consolidated ratio					1.20					1.32

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)

	Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)	Increase (decrease)	% increase (decrease)
				%
Ordinary income and expenses:				
Underwriting income:	868,232	854,803	(13,429)	(1.5)
Net premiums written	702,518	689,217	(13,300)	(1.9)
Deposits of premiums by policyholders	61,167	73,950	12,783	20.9
Life insurance premiums written	81,408	67,029	(14,379)	(17.7)
Underwriting expenses:	727,952	711,954	(15,998)	(2.2)
Net claims paid	389,346	397,195	7,848	2.0
Loss adjustment expenses	35,938	38,531	2,592	7.2
Net commissions and brokerage fees	119,252	118,829	(422)	(0.4)
Maturity refunds to policyholders	89,929	85,723	(4,205)	(4.7)
Life insurance claims paid	18,007	18,954	947	5.3
Investment income:	86,181	58,126	(28,054)	(32.6)
Interest and dividend income	81,536	66,915	(14,620)	(17.9)
Realized gain on sales of securities	21,248	12,793	(8,455)	(39.8)
Investment expenses:	6,433	18,807	12,373	192.3
Realized loss on sales of securities	626	691	65	10.4
Devaluation loss on securities	3,839	8,289	4,449	115.9
Operating, general and administrative expenses	141,950	149,306	7,355	5.2
Other ordinary income and expenses	2,814	4,203	1,388	49.3
Ordinary profit	80,891	37,064	(43,826)	(54.2)
Special gains and losses:				
Special gains	1,060	425	(635)	(59.9)
Special losses	3,640	2,717	(922)	(25.3)
Special gains and losses	(2,579)	(2,291)	287	
Income before income taxes and minority interests	78,311	34,772	(43,539)	(55.6)
Income taxes-current	41,825	28,928	(12,896)	(30.8)
Income taxes-deferred	(15,638)	(16,890)	(1,251)	
Gain and loss on minority interests	45	(0)	(46)	(101.9)
Net income	52,079	22,735	(29,344)	(56.3)

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

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Business line	Term	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
		Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance		109,096	13.5%	(2.7)%	111,049	13.8%	1.8%
Marine insurance		24,276	3.0	6.2	25,791	3.2	6.2
Personal accident insurance		114,416	14.2	(6.6)	128,668	15.9	12.5
Voluntary automobile insurance		334,560	41.5	(1.2)	334,158	41.4	(0.1)
Compulsory automobile liability insurance		122,307	15.2	0.2	105,917	13.1	(13.4)
Others		101,809	12.6	3.6	101,412	12.6	(0.4)
Total:		806,466	100.0	(1.2)	806,998	100.0	0.1
Deposits of premiums by policyholders		61,167	7.6	(11.5)	73,950	9.2	20.9

Net premiums written

(Millions of yen)

Business line	Term	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
		Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance		69,787	9.9%	(2.1)%	72,736	10.6%	4.2%
Marine insurance		19,765	2.8	5.1	20,546	3.0	3.9
Personal accident insurance		68,915	9.8	0.1	68,740	10.0	(0.3)
Voluntary automobile insurance		333,436	47.5	(1.2)	332,773	48.3	(0.2)
Compulsory automobile liability insurance		116,716	16.6	(1.4)	100,811	14.6	(13.6)
Others		93,896	13.4	1.7	93,609	13.6	(0.3)
Total		702,518	100.0	(0.7)	689,217	100.0	(1.9)

Net claims paid

(Millions of yen)

Business line	Term	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
		Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance		28,281	7.3%	(13.4)%	29,686	7.5%	5.0%
Marine insurance		9,009	2.3	10.6	8,295	2.1	(7.9)
Personal accident insurance		28,376	7.3	10.4	33,231	8.4	17.1
Voluntary automobile insurance		196,206	50.4	2.0	200,330	50.4	2.1
Compulsory automobile liability insurance		79,973	20.5	(1.6)	81,540	20.5	2.0
Others		47,498	12.2	(2.5)	44,111	11.1	(7.1)
Total		389,346	100.0	0.1	397,195	100.0	2.0

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)

	Previous interim fiscal year (April 1 to September 30, 2007)		This interim fiscal year (April 1 to September 30, 2008)	
	Amount	% increase (decrease)	Amount	% increase (decrease)
Life insurance premiums	81,408	% (11.2)	67,029	% (17.7)

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

Total amount of policies in force

(Millions of yen)

	End of this interim fiscal year (as of September 30, 2008)		End of previous fiscal year (as of March 31, 2008)
	Amount	% increase (decrease)	Amount
Individual insurance	10,046,928	% 2.5	9,805,207
Individual annuities	82,340	(1.1)	83,224
Group insurance	2,021,802	0.8	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)

	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 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	794,039	794,039	-	817,812	817,812	-
Individual annuities	1,188	1,188	-	1,004	1,004	-
Group insurance	24,802	24,802	-	5,629	5,629	-
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)

	Previous interim fiscal year (April 1 to September 30, 2007)		This interim fiscal year (April 1 to September 30, 2008)	
	Amount	% increase (decrease)	Amount	% increase (decrease)
Annualized new business premiums	8,713	% (58.1)	10,123	% 16.2

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 this interim fiscal year (as of September 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	725,619	732,115	6,495	662,840	676,655	13,814
Foreign securities	98,410	96,575	(1,835)	101,105	100,820	(284)
Total	824,030	828,690	4,660	763,945	777,475	13,529

2. Marketable bonds earmarked for policy reserve

None.

3. Marketable securities available for sale

(Millions of yen)

Item	End of this interim fiscal year (as of September 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	1,541,920	1,554,983	13,062	1,566,320	1,593,106	26,785
Domestic stocks	591,524	1,206,171	614,647	602,416	1,381,077	778,660
Foreign securities	764,513	785,020	20,506	752,481	828,079	75,598
Others	112,409	114,907	2,498	111,145	120,390	9,244
Total	3,010,367	3,661,083	650,715	3,032,364	3,922,654	890,289

Notes)

End of this interim fiscal year (as of September 30, 2008)	End of previous fiscal year (as of March 31, 2008)
<p>1. Beneficiary claims on the loan trust, which are classified as "Monetary receivables bought" on the interim consolidated balance sheet, are included in "Others."</p> <p>2. Impairment losses on marketable securities available for sale amount to 8,212 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 interim fiscal year.</p>	<p>1. Beneficiary claims on the housing loan trust, which are classified as "Monetary receivables bought" on the consolidated balance sheet, are included in "Others."</p> <p>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.</p>

4. Details and amounts on the balance sheet of major securities which are not valued at fair value

End of this interim fiscal year (as of September 30, 2008)	End of previous fiscal year (as of March 31, 2008)
(1) Bonds held to maturity None.	(1) Bonds held to maturity None.
(2) Securities available for sale	(2) Securities available for sale
(Millions of yen)	(Millions of yen)
Domestic bonds 1,001	Domestic bonds 1,004
Domestic stocks 56,631	Domestic stocks 44,760
Foreign securities 46,242	Foreign securities 103,378
Others 8,795	Others 10,784

Notes)

End of this interim fiscal year (as of September 30, 2008)	End of previous fiscal year (as of March 31, 2008)
Commercial paper, which is classified as "Monetary receivables bought" on the interim consolidated balance sheet, is included in "Others" of "(2) Securities available for sale."	Commercial paper, which is classified as "Monetary receivables bought" on the consolidated balance sheet, is included in "Others" of "(2) Securities available for sale."

(Consolidated) Derivatives

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

(Millions of yen)

Type	Transaction	End of this interim fiscal year (as of September 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	126,853	122,139	4,713	105,639	101,554	4,085
	Long	48,324	46,027	(2,297)	54,600	53,644	(956)
	Currency option:						
	Short						
	Call	-	-	-	5,350	-	50
Long	-*	-	-	50*	-	50	
Put	-	-	-	5,250	263	213	
Long	-*	-	-	50*	263	213	
Bond derivatives	Bond future:						
	Long	40,760	40,576	(184)	16,532	17,163	631
	Bond forward:						
Long	-	-	-	3,351	3,396	45	
Others	Credit derivatives:						
	Long	6,035			4,500		
		373*	593	219	97*	162	64
	Weather derivatives:						
	Short	239			369		
		10*	5	4	8*	15	(7)
	Long	-			170		
		-*	-	-	-*	-	-
	Earthquake derivatives:						
	Short	4,940			3,660		
	140*	21	118	98*	0	98	
Long	3,501			3,285			
	355*	236	(118)	288*	213	(75)	
Other forward:							
Long	950	960	10	-	-	-	
Total				2,465			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)

		Previous interim fiscal year (April 1 to September 30, 2007)	This interim fiscal year (April 1 to September 30, 2008)	Increase (decrease)	% increase (decrease)
					%
Direct premiums written (including deposits of premiums by policyholders)	(1)	779,189	780,832	1,642	0.2
Direct premiums written	(2)	718,022	706,881	(11,140)	(1.6)
Ordinary income and expenses:					
Net premiums written	() (3)	688,479	674,871	(13,608)	(2.0)
Net claims paid	() (4)	382,773	390,725	7,952	2.1
Loss adjustment expenses	() (5)	35,501	37,995	2,493	7.0
Net commissions and brokerage fees	() (6)	111,799	111,035	(764)	(0.7)
Deposits of premiums by policyholders	() (7)	61,167	73,950	12,783	20.9
Interest and dividend income on deposits of premiums, etc.	() (8)	22,901	23,105	203	0.9
Maturity refunds and dividends to policyholders	() (9)	89,938	85,736	(4,202)	(4.7)
Provision for reserve for outstanding losses and claims	() (10)	1,943	181	(1,761)	(90.6)
Provision for underwriting reserves	() (11)	32,955	23,503	(9,452)	(28.7)
Other underwriting income and expenses	() (12)	(138)	632	770	
Gross underwriting margin	(13)	117,498	123,381	5,883	5.0
Operating, general and administrative expenses related to underwriting insurance	(14)	110,945	116,866	5,920	5.3
Other income and expenses	(15)	(2,754)	(2,220)	533	
Underwriting profit	(16)	3,797	4,294	496	13.1
Interest and dividend income	() (17)	70,630	55,934	(14,696)	(20.8)
Investment gain and loss on money in trust	() (18)	2,808	(2,746)	(5,555)	(197.8)
Realized gain and loss on sales of securities	() (19)	20,822	11,775	(9,047)	(43.4)
Devaluation loss on securities	() (20)	3,839	8,275	4,435	115.5
Interest and dividend income on deposits of premiums, etc.	() (21)	(22,901)	(23,105)	(203)	
Other investment income and expenses	() (22)	1,401	(6,094)	(7,496)	(534.9)
Operating, general and administrative expenses	() (23)	119,791	123,999	4,208	3.5
Other ordinary income and expenses	() (24)	1,625	2,458	832	51.2
Allowance and loss on bad debt	(25)	141	(187)	(328)	(232.1)
Ordinary profit	(26)	68,255	29,327	(38,927)	(57.0)
Special gains and losses:					
Special gains	() (27)	851	273	(578)	(67.9)
Special losses	() (28)	3,584	2,688	(896)	(25.0)
Special gains and losses	(29)	(2,733)	(2,415)	318	
Income before income taxes	(30)	65,521	26,912	(38,609)	(58.9)
Income taxes-current	() (31)	37,383	25,630	(11,752)	(31.4)
Income taxes-deferred	() (32)	(15,135)	(15,923)	(788)	
Net income	(33)	43,273	17,205	(26,067)	(60.2)
Underwriting balance:					
Net premiums written	() (34)	688,479	674,871	(13,608)	(2.0)
Net claims paid	() (35)	382,773	390,725	7,952	2.1
Loss adjustment expenses	() (36)	35,501	37,995	2,493	7.0
Operating expenses:	() (37)	222,745	227,901	5,156	2.3
Net commissions and brokerage fees	(38)	111,799	111,035	(764)	(0.7)
Operating, general and administrative expenses related to underwriting insurance	(39)	110,945	116,866	5,920	5.3
Underwriting balance	(40)	47,459	18,248	(29,211)	(61.5)
Ratios:					
Loss ratio	() (41)	60.8	63.5	2.8	
Expense ratio	() (42)	32.4	33.8	1.4	
Underwriting balance ratio	() (43)	6.9	2.7	(4.2)	

(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	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	83,601	11.6	(5.3)	87,076	12.3	4.2
Marine insurance	18,307	2.5	3.4	19,773	2.8	8.0
Personal accident insurance	69,226	9.6	(0.2)	69,056	9.8	(0.2)
Voluntary automobile insurance	331,168	46.1	(1.3)	330,711	46.8	(0.1)
Compulsory automobile liability insurance	122,307	17.0	0.2	105,917	15.0	(13.4)
Others	93,410	13.0	2.7	94,345	13.3	1.0
Total:	718,022	100.0	(0.8)	706,881	100.0	(1.6)
Deposits of premiums by policyholders	61,167		(11.5)	73,950		20.9

Net premiums written

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
	Amount	% of total amount	% increase (decrease)	Amount	% of total amount	% increase (decrease)
Fire and allied insurance	67,442	9.8	(3.1)	69,934	10.4	3.7
Marine insurance	16,112	2.3	2.8	16,772	2.5	4.1
Personal accident insurance	68,773	10.0	0.1	68,548	10.2	(0.3)
Voluntary automobile insurance	330,201	48.0	(1.3)	329,487	48.8	(0.2)
Compulsory automobile liability insurance	116,716	17.0	(1.4)	100,811	14.9	(13.6)
Others	89,233	13.0	1.5	89,317	13.2	0.1
Total	688,479	100.0	(0.9)	674,871	100.0	(2.0)

Net claims paid

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2007)			This interim fiscal year (April 1 to September 30, 2008)		
	Amount	% increase (decrease)	Loss ratio	Amount	% increase (decrease)	Loss ratio
Fire and allied insurance	27,800	(13.5)	43.0	28,539	2.7	42.5
Marine insurance	7,453	9.7	49.2	7,231	(3.0)	46.3
Personal accident insurance	28,298	10.2	44.8	33,133	17.1	52.8
Voluntary automobile insurance	194,189	2.0	65.5	198,259	2.1	67.5
Compulsory automobile liability insurance	79,973	(1.6)	74.0	81,540	2.0	87.0
Others	45,057	(2.3)	53.6	42,021	(6.7)	50.3
Total	382,773	0.1	60.8	390,725	2.1	63.5

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

(Non-consolidated) Claims Paid by Natural Disasters (Natural disasters occurred in the period)

(Millions of yen)

	Previous interim fiscal year			This interim fiscal year			Previous fiscal year		
	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss	Net claims paid	Reserve for outstanding losses and claims	Net incurred loss
Fire	2,227	1,778	4,005	1,422	1,119	2,542	5,475	853	6,328
Voluntary automobile	308	126	434	1,632	663	2,295	499	9	508
Others	40	66	106	57	133	190	158	43	201
Total	2,576	1,971	4,547	3,112	1,916	5,028	6,132	906	7,039

(Non-consolidated) Breakdown of Operating, General and Administrative Expenses and Loss Adjustment Expenses

(Millions of yen)

	Previous interim fiscal year		This interim fiscal year		Previous fiscal year	
	Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Personnel expenses	80,590	3,048	84,413	3,823	158,402	4,760
Non-personnel expenses	66,446	10,484	69,393	2,946	140,239	22,330
Others	8,256	(202)	8,188	(68)	13,607	(357)
Total	155,292	13,331	161,994	6,702	312,249	26,732

(Non-consolidated) Reserve for Outstanding Losses and Claims

(Millions of yen)

	Previous interim fiscal year		This interim fiscal year		Previous fiscal year	
	Amount	Change	Amount	Change	Amount	Change
Fire	33,215	797	30,467	(119)	30,586	(1,830)
Marine	11,222	(220)	12,033	1,032	11,000	(442)
Personal accident	34,523	243	40,504	(4,454)	44,959	10,679
Voluntary automobile	281,275	4,245	315,937	1,368	314,569	37,538
CALI	56,635	(2,360)	56,727	(1,923)	58,651	(344)
Others	212,312	(762)	220,576	4,277	216,299	3,224
Total	629,184	1,943	676,248	181	676,066	48,825

(Non-consolidated) Catastrophic Loss Reserve

(Millions of yen)

	Previous interim fiscal year		This interim fiscal year		Previous fiscal year	
	Amount	Change	Amount	Change	Amount	Change
Fire	103,558	6,802	117,060	6,691	110,369	13,612
Marine	23,622	608	24,838	632	24,206	1,191
Personal accident	87,252	2,136	91,225	2,132	89,092	3,976
Voluntary automobile	112,881	(1,353)	74,210	(9,811)	84,022	(30,213)
Others	73,169	8,153	88,688	8,460	80,227	15,211
Total	400,485	16,347	396,023	8,105	387,918	3,779

Solvency Margin Ratio

(Millions of yen)

	End of previous interim fiscal year (As of September 30, 2007)	End of this interim fiscal year (As of September 30, 2008)	End of previous fiscal year (As of March 31, 2008)
(A) Total Solvency Margin	2,520,425	1,797,126	1,946,854
Capital and funds, etc.	502,437	501,846	484,241
Reserve for price fluctuation	33,806	39,206	36,971
Contingency reserve	51	927	611
Catastrophic loss reserve	464,080	462,755	452,843
General allowance for possible loan losses	640	878	812
Unrealized gains on securities (before tax effect deductions)	1,339,824	580,188	795,584
Net unrealized gains/losses on real estate	39,091	63,846	38,209
Excess amount of reserve for maturity refunds			
Subordinated debt, etc.			
Deductions	73,208	70,722	70,976
Others	213,700	218,199	208,556
(B) Total Risks			
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	482,547	444,208	438,486
General insurance risk R_1	79,648	79,629	79,653
Third-sector insurance risk R_2			
Assumed interest risk R_3	5,920	5,738	5,759
Asset management risk R_4	270,648	203,894	222,162
Business administration risk R_5	10,803	9,984	9,894
Catastrophic risk R_6	183,935	209,975	187,153
(C) Solvency Margin Ratio [(A) / {(B) × 1/2 }] × 100	1,044.6%	809.1%	887.9%

Notes

1. The above figures are calculated based on Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Law and the provisions of Notification 50 of the Ministry of Finance for 1996.

"Capital and funds, etc." is the amount of total net assets minus planned outflows, valuation and translation adjustments and deferred assets.

2. Calculation of solvency margin ratios has changed from previous fiscal year due to revision in the Ordinance for Enforcement of the Insurance Business Law. Consequently, figures in "As of March 31, 2008" and "As of September 30, 2008" are calculated on the different basis from the basis of "As of September 30, 2007".

< Solvency Margin Ratio >

- In addition to reserves to cover claims payments and payments for maturity refunds of saving type insurance policies, etc., it is necessary for insurance companies to maintain sufficient solvency in order to cover against risks which may exceed their usual estimates, i.e. the occurrence of major disasters, a big decline in value of assets held by insurance companies, etc.

- The solvency margin ratio (C), which is calculated in accordance with the Insurance Business Law, is the ratio of "solvency margin of insurance companies by means of their capital, reserves, etc." (total solvency margin: (A)) to "risks which will exceed their usual estimates" (total risks: (B)).

- "Risks which will exceed their usual estimates" (total risks: (B)) is composed of risks described below.

<1> General insurance risk, third-sector insurance risk: Risks of occurrence of insurance claims in excess of normal expectations (excluding risks relating to major disasters).

<2> Assumed interest risk: Risks of invested assets failing to yield assumed interest rates due to the aggravation of investment conditions than expected.

<3> Asset management risk: Risks of retained securities and other assets fluctuating in prices in excess of expectations.

<4> Business administration risk: Risks beyond normal expectations arising from business management. (That does not fall under other categories.)

<5> Catastrophic risk: Risks of the occurrence of major catastrophic losses in excess of normal expectations. (risks such as the Great Kanto Earthquake or Isewan typhoon)

- "Solvency margin of insurance companies by means of their capital, reserves, etc." (Total solvency margin: (A)) is total net assets (excluding planned outflows), certain reserves (reserve for price fluctuation and catastrophic loss reserve, etc.) and parts of net unrealized gains/losses on real estate.

- The solvency margin ratio is one of the indicators for the regulatory authorities to supervise insurance companies. A ratio exceeding 200% indicates adequate ability to meet payments of insurance claims.

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

(Billions of yen)

	Previous fiscal year (Results) (April 1, 2007 to March 31, 2008)		This fiscal year (Forecast) (April 1, 2008 to March 31, 2009)	
		% increase (decrease)		% increase (decrease)
Consolidated				
Ordinary income	1,894.1	(0.4)	1,790.0	(5.5)
Ordinary profit	94.0	(14.9)	(79.0)	(184.0)
Net income	59.6	(3.7)	(52.0)	(187.2)
Non-consolidated				
Net premiums written	1,345.0	(1.3)	1,312.0	(2.5)
Loss ratio	65.1	0.8	67.8	2.7
Expense ratio	32.9	2.0	35.0	2.1
Underwriting balance ratio	2.0	(2.8)	(2.9)	(4.9)
Underwriting profit	(42.5)	(520.4)	(70.0)	
Ordinary profit	73.3	(20.1)	(87.0)	(218.7)
Net income	44.6	(7.3)	(57.0)	(227.6)

Notes)

1. The above forecast 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.

Major premises are as follows:

- Net premiums written and net claims paid are based on SJI's calculation reflected actual results and premium rating changes.
- Net incurred losses by natural disasters are estimated at 8.0 billion yen (fire: 5.0 billion yen/ others: 3.0 billion yen) for the fiscal year ending March 31, 2009.
- Due to the turbulence in the global financial markets after October 2008 and the prolonged and worsened of U.S. subprime crisis, the possibility of the occurrence of insured event on some of financial guarantee insurance policies in this fiscal year is increasing and SJI estimates additional loss reserve could be 70.0 billion yen.
- Investment forecast is estimated with interest rates, exchange rates and stock prices of the end of October, 2008.

Interest and dividend income, realized gain and loss on sales of securities and devaluation loss on securities are estimated at 104.0 billion yen, 17.0 billion yen and 73.0 billion yen respectively.

2. "% increase (decrease)" of loss ratio, expense ratio and underwriting balance ratio represents the difference between previous fiscal year and this fiscal year.

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