

## SOMPO JAPAN INSURANCE INC.

### Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2010

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

Listed on the Tokyo, Osaka, Nagoya, 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: August 14, 2009

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, 2010

(3 months results from April 1 to June 30, 2009)

##### (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, 2009)	434,338	(6.8)	(5,216)	—	(3,824)	—
1st quarter of previous fiscal year (April 1 to June 30, 2008)	465,928	—	11,020	—	7,292	—

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, 2009)	(3.88)	—
1st quarter of previous fiscal year (April 1 to June 30, 2008)	7.40	7.40

##### (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, 2009)	6,159,734	709,255	11.5	718.47
Previous fiscal year (As of March 31, 2009)	5,913,379	594,946	10.0	602.30

Reference) Equity capital: As of June 30, 2009: 707,461 million yen As of March 31, 2009: 593,000 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, 2008 to March 31, 2009)	—	—	—	20.00	20.00
This fiscal year (April 1, 2009 to March 31, 2010)	—	—	—	—	—
This fiscal year (April 1, 2009 to March 31, 2010) (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, 2010 (April 1, 2009 to March 31, 2010)

	Ordinary income		Ordinary profit		Net income		Net income per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
Interim forecast (April 1 to September 30, 2009)	931,000	1.4	13,000	(64.9)	6,000	(73.6)	6.09
Full-year forecast (April 1, 2009 to March 31, 2010)	1,798,000	1.7	59,000	—	32,000	—	32.50

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

① Changes due to revisions of accounting standards : No

② Changes due to other reasons : No

(4) Number of common shares

① Total outstanding shares including treasury stock

As of June 30, 2009: 987,733,424 shares As of March 31, 2009: 987,733,424 shares

② Treasury stock

As of June 30, 2009: 3,060,425 shares As of March 31, 2009: 3,188,703 shares

③ Average outstanding shares

3 months ended June 30, 2009: 984,610,614 shares

3 months ended June 30, 2008: 984,550,226 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 405.4 billion yen, investment income was 26.9 billion yen and other ordinary income was 1.9 billion yen. In total, ordinary income was 434.3 billion yen.

Underwriting expenses were 356.3 billion yen, investment expenses were 7.3 billion yen, operating, general and administrative expenses were 73.1 billion yen and other ordinary expenses were 2.7 billion yen. In total, ordinary expenses were 439.5 billion yen.

As a result, ordinary loss was 5.2 billion yen and net loss for the 1st quarter of this fiscal year was 3.8 billion yen.

### 2. Qualitative Information related to the Consolidated Financial Conditions

Total assets increased by 246.3 billion yen from March 31, 2009 to 6,159.7 billion yen on June 30, 2009, due to the increase in domestic stocks and the issue of subordinated debt.

Total net assets increased by 114.3 billion yen from March 31, 2009 to 709.2 billion yen on June 30, 2009, 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 20, 2009.

### 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. When it is remarkably unreasonable to adopt this accounting method, income taxes are calculated by the statutory effective tax rate.

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

None.

## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheet

	(Millions of yen)	
	End of the 1st quarter of this fiscal year (as of June 30, 2009)	End of previous fiscal year (as of March 31, 2009)
<b>Assets:</b>		
Cash and deposits	115,184	151,781
Call loans	105,000	73,600
Receivables under resale agreements	213,438	81,978
Monetary receivables bought	40,692	40,160
Money trusts	9,426	9,715
Securities	4,332,832	4,125,568
Loans	511,555	517,894
Tangible fixed assets	217,979	219,047
Intangible fixed assets	25,988	26,456
Other assets	425,771	434,189
Deferred tax assets	178,348	249,507
Allowance for possible loan losses	(16,484)	(16,520)
<b>Total assets</b>	<b>6,159,734</b>	<b>5,913,379</b>
<b>Liabilities:</b>		
Underwriting funds:	5,016,193	4,998,577
Reserve for outstanding losses and claims	814,206	818,052
Underwriting reserves	4,201,987	4,180,524
Bonds	128,000	-
Other liabilities	193,753	199,019
Reserve for retirement benefits	100,512	99,342
Reserve for retirement benefits to directors	33	31
Reserve for bonus payments	4,414	14,679
Reserve for price fluctuation	7,246	6,487
Deferred tax liabilities	324	295
<b>Total liabilities</b>	<b>5,450,478</b>	<b>5,318,432</b>
<b>Net assets:</b>		
Shareholders' equity:		
Common stock	70,000	70,000
Capital surplus	24,236	24,229
Retained earnings	295,362	320,381
Treasury stock	(2,717)	(2,839)
<b>Total shareholders' equity</b>	<b>386,881</b>	<b>411,771</b>
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	340,925	207,503
Foreign currency translation adjustments	(20,346)	(26,274)
<b>Total valuation and translation adjustments</b>	<b>320,579</b>	<b>181,228</b>
Stock acquisition rights	837	984
Minority interests	957	962
<b>Total net assets</b>	<b>709,255</b>	<b>594,946</b>
<b>Total liabilities and net assets</b>	<b>6,159,734</b>	<b>5,913,379</b>

## (2) Consolidated Statement of Income

(Millions of yen)

	1st quarter of previous fiscal year (April 1 to June 30, 2008)	1st quarter of this fiscal year (April 1 to June 30, 2009)
Ordinary income:	465,928	434,338
Underwriting income:	428,471	405,437
Net premiums written	354,341	336,465
Deposits of premiums by policyholders	27,758	24,989
Interest and dividend income on deposits of premiums, etc.	11,614	10,747
Life insurance premiums written	31,899	26,493
Reversal of reserve for outstanding losses and claims	-	6,508
Investment income:	35,232	26,963
Interest and dividend income	37,725	32,879
Investment gain on money trusts	2	109
Investment gain on trading securities	135	-
Realized gain on sales of securities	5,954	3,328
Transfer of interest and dividend income on deposits of premiums, etc.	(11,614)	(10,747)
Other ordinary income	2,224	1,938
Ordinary expenses:	454,908	439,554
Underwriting expenses:	370,727	356,352
Net claims paid	196,441	207,518
Loss adjustment expenses	19,172	19,239
Net commissions and brokerage fees	61,509	61,174
Maturity refunds to policyholders	38,882	33,231
Life insurance claims paid	9,174	10,448
Provision for reserve for outstanding losses and claims	10,899	-
Provision for underwriting reserves	34,471	21,393
Investment expenses:	9,531	7,332
Investment loss on money trusts	628	-
Investment loss on trading securities	-	260
Realized loss on sales of securities	337	1,969
Devaluation loss on securities	1,685	856
Operating, general and administrative expenses	74,513	73,150
Other ordinary expenses:	135	2,718
Interest paid	16	697
Ordinary profit (loss)	11,020	(5,216)
Special gains	10	98
Special losses:	528	847
Provision for price fluctuation reserve	296	758
Other special losses	232	89
Income (loss) before income taxes and minority interests	10,502	(5,965)
Income taxes and deferred income taxes	3,207	(2,066)
Gain (loss) on minority interests	3	(74)
Net income (loss)	7,292	(3,824)

(3) Notes on Going-Concern Assumption  
None.

(4) Notes for Material Changes in Shareholders' Equity  
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, 2008)					1st quarter of this fiscal year (3 months from April 1 to June 30, 2009)				
	Consolidated		Non-consolidated		Consolidated/ Non-consolidated balance	Consolidated		Non-consolidated		Consolidated/ Non-consolidated balance
	Amount	Rate of change	Amount	Rate of change		Amount	Rate of change	Amount	Rate of change	
Ordinary income	465,928	(4.8)	419,390	(4.2)	46,538	434,338	(6.8)	395,567	(5.7)	38,770
Net premiums written	354,341	(0.9)	348,144	(0.9)	6,196	336,465	(5.0)	330,758	(5.0)	5,707
Ordinary profit	11,020	(61.3)	7,719	(66.6)	3,301	(5,216)	(147.3)	(3,139)	(140.7)	(2,076)
Net income	7,292	(60.1)	4,805	(66.9)	2,486	(3,824)	(152.5)	(1,408)	(129.3)	(2,416)
Consolidated/ Non-consolidated ratio					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, 2008)	1st quarter of this fiscal year (April 1 to June 30, 2009)	Difference	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	428,471	405,437	(23,034)	(5.4)
Net premiums written	354,341	336,465	(17,875)	(5.0)
Deposits of premiums by policyholders	27,758	24,989	(2,768)	(10.0)
Life insurance premiums written	31,899	26,493	(5,406)	(16.9)
Underwriting expenses:	370,727	356,352	(14,374)	(3.9)
Net claims paid	196,441	207,518	11,077	5.6
Loss adjustment expenses	19,172	19,239	67	0.3
Net commissions and brokerage fees	61,509	61,174	(334)	(0.5)
Maturity refunds to policyholders	38,882	33,231	(5,650)	(14.5)
Life insurance claims paid	9,174	10,448	1,274	13.9
Investment income:	35,232	26,963	(8,269)	(23.5)
Interest and dividend income	37,725	32,879	(4,845)	(12.8)
Realized gain on sales of securities	5,954	3,328	(2,626)	(44.1)
Investment expenses:	9,531	7,332	(2,198)	(23.1)
Realized loss on sales of securities	337	1,969	1,631	482.9
Devaluation loss on securities	1,685	856	(828)	(49.2)
Operating, general and administrative expenses	74,513	73,150	(1,362)	(1.8)
Other ordinary income and expenses	2,088	(780)	(2,869)	(137.3)
Ordinary profit (loss)	11,020	(5,216)	(16,236)	(147.3)
Special gains and losses:				
Special gains	10	98	87	813.9
Special losses	528	847	319	60.4
Special gains and losses	(517)	(749)	(231)	-
Income (loss) before income taxes and minority inte	10,502	(5,965)	(16,468)	(156.8)
Income taxes and deferred income taxes	3,207	(2,066)	(5,273)	(164.4)
Gain (loss) on minority interests	3	(74)	(78)	(2,304.9)
Net income (loss)	7,292	(3,824)	(11,116)	(152.5)

## (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, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	55,408	13.3	(2.5)	54,510	14.1	(1.6)
Marine insurance	12,110	2.9	0.7	9,397	2.4	(22.4)
Personal accident insurance	56,435	13.6	(0.1)	53,615	13.8	(5.0)
Voluntary automobile insurance	172,559	41.4	0.3	167,615	43.3	(2.9)
Compulsory automobile liability insurance	62,832	15.1	0.1	45,231	11.7	(28.0)
Others	57,136	13.7	(1.0)	57,008	14.7	(0.2)
<b>Total:</b>	<b>416,483</b>	<b>100.0</b>	<b>(0.3)</b>	<b>387,379</b>	<b>100.0</b>	<b>(7.0)</b>
Deposits of premiums by policyholders	27,758	6.7	(2.6)	24,989	6.5	(10.0)

Net premiums written

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	35,581	10.0	0.5	34,723	10.3	(2.4)
Marine insurance	9,381	2.6	(1.6)	7,327	2.2	(21.9)
Personal accident insurance	35,632	10.1	(0.5)	35,183	10.5	(1.3)
Voluntary automobile insurance	171,720	48.5	0.1	168,634	50.1	(1.8)
Compulsory automobile liability insurance	49,954	14.1	(4.9)	37,420	11.1	(25.1)
Others	52,070	14.7	(1.2)	53,176	15.8	2.1
<b>Total</b>	<b>354,341</b>	<b>100.0</b>	<b>(0.9)</b>	<b>336,465</b>	<b>100.0</b>	<b>(5.0)</b>

Net claims paid

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	13,828	7.0	8.8	14,369	6.9	3.9
Marine insurance	3,816	1.9	(13.5)	3,880	1.9	1.7
Personal accident insurance	16,025	8.2	16.8	16,539	8.0	3.2
Voluntary automobile insurance	100,964	51.4	2.8	96,607	46.6	(4.3)
Compulsory automobile liability insurance	39,832	20.3	2.3	38,798	18.7	(2.6)
Others	21,973	11.2	(9.5)	37,322	18.0	69.9
<b>Total</b>	<b>196,441</b>	<b>100.0</b>	<b>2.1</b>	<b>207,518</b>	<b>100.0</b>	<b>5.6</b>

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, 2008)		1st quarter of this fiscal year (April 1 to June 30, 2009)	
	Amount	Rate of change %	Amount	Rate of change %
Life insurance premiums	31,899	(18.4)	26,493	(16.9)

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, 2009)		End of previous fiscal year (as of March 31, 2009)
	Amount	Rate of change %	Amount
Individual insurance	10,399,596	1.4	10,254,286
Individual annuities	81,185	(0.3)	81,435
Group insurance	2,050,266	0.8	2,033,965
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, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	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	379,934	379,934	-	480,428	480,428	-
Individual annuities	561	561	-	549	549	-
Group insurance	1,418	1,418	-	10,129	10,129	-
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, 2008)		1st quarter of this fiscal year (April 1 to June 30, 2009)	
	Amount	Rate of change %	Amount	Rate of change %
Annualized new business premiums	4,088	(6.9)	5,855	43.2

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 the 1st quarter of this fiscal year (as of June 30, 2009)			End of previous fiscal year (as of March 31, 2009)		
	Amount on balance sheet	Market value	Unrealized gain (loss)	Amount on balance sheet	Market value	Unrealized gain (loss)
Domestic bonds	747,043	765,173	18,130	737,681	755,445	17,764
Foreign securities	100,091	97,805	(2,286)	96,266	92,599	(3,666)
Total	847,134	862,978	15,844	833,948	848,045	14,097

### 2. Marketable securities available for sale

(Millions of yen)

Item	End of the 1st quarter of this fiscal year (as of June 30, 2009)			End of previous fiscal year (as of March 31, 2009)		
	Historical cost	Amount on balance sheet	Unrealized gain (loss)	Historical cost	Amount on balance sheet	Unrealized gain (loss)
Domestic bonds	1,527,863	1,558,397	30,533	1,522,020	1,548,938	26,917
Domestic stocks	527,032	1,048,708	521,675	532,137	871,127	338,990
Foreign securities	702,644	677,883	(24,760)	695,264	654,768	(40,495)
Others	75,327	77,810	2,482	79,708	79,991	282
Total	2,832,867	3,362,799	529,932	2,829,131	3,154,825	325,694

Notes)

End of the 1st quarter of this fiscal year (as of June 30, 2009)	End of previous fiscal year (as of March 31, 2009)
<p>1. Beneficiary claims on the 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 886 million yen. Devaluation losses on beneficiary claims on the loan trust, which are classified as "Other investment expenses" on the consolidated statement of income, are included. 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.</p>	<p>1. Beneficiary claims on the 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 71,487 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>

## (Consolidated) Derivatives

(Millions of yen)

Type	Transaction	End of the 1st quarter of this fiscal year (as of June 30, 2009)			End of previous fiscal year (as of March 31, 2009)		
		Contract amount	Market value	Appraisal gain (loss)	Contract amount	Market value	Appraisal gain (loss)
Currency derivatives	Forward foreign exchange:						
	Short	151,346	152,226	(879)	144,452	154,584	(10,131)
	Long	98,639	98,317	(321)	46,949	48,395	1,445
Others	Credit derivatives:						
	Long	5,000			5,000		
		235*	541	305	235*	785	550
	Weather derivatives:						
	Short	318			308		
		15*	5	9	14*	17	(3)
	Long	12			30		
		-*	-	-	-*	-	-
	Earthquake derivatives:						
	Short	4,410			4,150		
	150*	21	128	129*	0	129	
Long	3,699			3,726			
	386*	235	(151)	388*	238	(149)	
Other forward:							
Long	519	537	17	742	765	22	
	Total			(891)			(8,137)

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, 2008)	1st quarter of this fiscal year (April 1 to June 30, 2009)	Difference	Rate of change
				%
Direct premiums written (including deposits of premiums by policyholders)	404,555	376,384	(28,170)	(7.0)
Direct premiums written	376,796	351,394	(25,401)	(6.7)
Ordinary income and expenses:				
Underwriting income:	390,424	374,436	(15,988)	(4.1)
Net premiums written	348,144	330,758	(17,386)	(5.0)
Deposits of premiums by policyholders	27,758	24,989	(2,768)	(10.0)
Underwriting expenses:	339,524	329,542	(9,981)	(2.9)
Net claims paid	193,665	204,602	10,936	5.6
Loss adjustment expenses	18,944	19,036	91	0.5
Net commissions and brokerage fees	57,757	55,986	(1,770)	(3.1)
Maturity refunds to policyholders	38,882	33,231	(5,650)	(14.5)
Investment income:	27,621	19,999	(7,622)	(27.6)
Interest and dividend income	32,504	27,496	(5,008)	(15.4)
Realized gain on sales of securities	5,511	2,968	(2,543)	(46.1)
Investment expenses:	9,363	6,981	(2,381)	(25.4)
Realized loss on sales of securities	221	1,969	1,748	788.7
Devaluation loss on securities	1,685	856	(828)	(49.2)
Operating, general and administrative expenses	62,366	59,828	(2,538)	(4.1)
Operating, general and administrative expenses related to underwriting insurance	57,288	55,805	(1,483)	(2.6)
Other ordinary income and expenses	927	(1,222)	(2,150)	(231.7)
Ordinary profit (loss)	7,719	(3,139)	(10,858)	(140.7)
Underwriting profit (loss)	(8,390)	(12,378)	(3,987)	-
Special gains and losses:				
Special gains	10	97	87	809.4
Special losses	500	771	270	54.1
Special gains and losses	(489)	(673)	(183)	-
Income (loss) before income taxes	7,229	(3,812)	(11,042)	(152.7)
Income taxes and deferred income taxes	2,424	(2,403)	(4,828)	(199.2)
Net income (loss)	4,805	(1,408)	(6,214)	(129.3)
Ratios:				
Loss ratio	61.1 %	67.6 %	6.5 %	
Expense ratio	33.0	33.8	0.8	
Underwriting balance ratio	5.9	(1.4)	(7.3)	

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, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	43,569	11.6	(1.4)	43,084	12.3	(1.1)
Marine insurance	9,284	2.5	0.6	7,119	2.0	(23.3)
Personal accident insurance	35,780	9.5	(0.6)	35,396	10.1	(1.1)
Voluntary automobile insurance	171,125	45.4	0.3	166,185	47.3	(2.9)
Compulsory automobile liability insurance	62,832	16.7	0.1	45,231	12.9	(28.0)
Others	54,204	14.4	(0.1)	54,377	15.5	0.3
Total:	376,796	100.0	(0.1)	351,394	100.0	(6.7)
Deposits of premiums by policyholders	27,758	-	(2.6)	24,989	-	(10.0)

### Net premiums written

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	34,218	9.8	(0.2)	33,438	10.1	(2.3)
Marine insurance	7,628	2.2	(1.8)	5,893	1.8	(22.7)
Personal accident insurance	35,532	10.2	(0.6)	35,111	10.6	(1.2)
Voluntary automobile insurance	170,388	48.9	0.1	167,204	50.6	(1.9)
Compulsory automobile liability insurance	49,954	14.3	(4.9)	37,420	11.3	(25.1)
Others	50,421	14.5	(0.9)	51,689	15.6	2.5
Total	348,144	100.0	(0.9)	330,758	100.0	(5.0)

### Net claims paid

(Millions of yen)

Term Business line	1st quarter of previous fiscal year (April 1 to June 30, 2008)			1st quarter of this fiscal year (April 1 to June 30, 2009)		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
Fire and allied insurance	13,248	5.8	40.3	13,771	4.0	42.8
Marine insurance	3,348	(7.6)	47.0	3,241	(3.2)	60.0
Personal accident insurance	15,968	16.7	48.6	16,524	3.5	51.3
Voluntary automobile insurance	100,176	2.8	65.8	95,834	(4.3)	64.5
Compulsory automobile liability insurance	39,832	2.3	86.5	38,798	(2.6)	112.0
Others	21,091	(9.1)	44.8	36,431	72.7	73.4
Total	193,665	2.3	61.1	204,602	5.6	67.6

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

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**【Reference】**

**(Non-consolidated) Solvency Margin Ratio**

(Millions of yen)

	End of the 1st quarter of this fiscal year (As of June 30, 2009)	End of previous fiscal year (As of March 31, 2009)
(A) Total Solvency Margin	1,592,611	1,274,786
Capital and funds, etc.	389,587	391,013
Reserve for price fluctuation	6,463	5,779
Contingency reserve	611	611
Catastrophic loss reserve	454,261	446,019
General allowance for possible loan losses	877	899
Unrealized gains on securities (before tax effect deductions)	468,435	285,244
Net unrealized gains/losses on real estate	63,346	63,450
Excess amount of reserve for maturity refunds	—	—
Subordinated debt, etc.	128,000	—
Deductions	71,480	71,480
Others	152,509	153,248
(B) Total Risks $\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	426,861	405,628
General insurance risk ( $R_1$ )	86,286	86,313
Third-sector insurance risk ( $R_2$ )	—	—
Assumed interest risk ( $R_3$ )	5,572	5,572
Asset management risk ( $R_4$ )	178,989	162,558
Business administration risk ( $R_5$ )	14,387	13,720
Catastrophic risk ( $R_6$ )	208,737	202,915
(C) Solvency Margin Ratio [ (A) / { (B) × 1/2 } ] × 100	746.1%	628.5%

Note)

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. The figures at the end of the 1st quarter of this fiscal year are partly calculated on the simplified method.

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