

SOMPO JAPAN INSURANCE INC.

Consolidated Financial Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2010

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/>)

Representative Director: Masatoshi Sato, President & CEO

Contact: Hiroyuki Akiho, Manager, Accounting Department

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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, 2010 (6 months results from April 1 to September 30, 2009)

(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, 2009)	918,791	0.1	31,877	(14.0)	29,345	29.1
Previous interim fiscal year (April 1 to September 30, 2008)	917,808	(4.3)	37,064	(54.2)	22,735	(56.3)

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, 2009)	29.80	29.78
Previous interim fiscal year (April 1 to September 30, 2008)	23.09	23.08

(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, 2009)	6,115,686	732,942	11.9	740.84
Previous fiscal year (As of March 31, 2009)	5,913,379	594,946	10.0	602.30

Reference) Equity capital: As of September 30, 2009: 729,454 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 2nd 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
This fiscal year (April 1, 2009 to March 31, 2010)	1,820,000	2.9	46,000	—	32,000	—	32.49

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
- ① Changes due to revisions of accounting standards : No
- ② Changes due to other reasons : No
- (3) Number of common shares
- ① Total outstanding shares including treasury stock
As of September 30, 2009: 987,733,424 shares As of March 31, 2009: 987,733,424 shares
- ② Treasury stock
As of September 30, 2009: 3,108,089 shares As of March 31, 2009: 3,188,703 shares
- ③ Average outstanding shares
6 months ended September 30, 2009: 984,630,495 shares
6 months ended September 30, 2008: 984,545,000 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, 2010 (6 months results from April 1 to September 30, 2009)

(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, 2009)	641,665	(4.9)	32,138	9.6	30,715	78.5
Previous interim fiscal year (April 1 to September 30, 2008)	674,871	(2.0)	29,327	(57.0)	17,205	(60.2)

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, 2009)	31.19
Previous interim fiscal year (April 1 to September 30, 2008)	17.47

(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, 2009)	5,008,651	748,032	14.9	758.38
Previous fiscal year (As of March 31, 2009)	4,856,435	615,721	12.7	624.38

Reference) Equity capital: As of September 30, 2009: 746,729 million yen As of March 31, 2009: 614,737 million yen

2. Non-consolidated Forecasts for the Fiscal Year Ending March 31, 2010 (April 1, 2009 to March 31, 2010)

	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, 2009 to March 31, 2010)	1,250,000	(3.1)	45,000	—	33,000	—	33.51

(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, 2010" on page 34 for major premises and related matters of the above forecast.

【Qualitative Information and Financial Statements】

1. Qualitative Information related to Consolidated Results of Operations

During the six months ended September 30, 2009, the Japanese economy stabilized out of deterioration and has begun to recover. Public investment remained firm and exports and production have begun to recover. Business fixed investment continued to decrease, reflecting corporate earnings recession. The employment and income situation also continued to deteriorate. The purchase of consumer durables has begun to recover by the effects of economic stimulus measures, but personal consumption was weak on the whole.

As for property and casualty insurance industry, revenues followed a declining trend, due to low sales of new cars and progression of good-driver discounts for voluntary automobile insurance, a decrease in the number of housing construction for fire and allied insurance and a decrease in shipping volumes and the appreciation of yen for marine insurance.

Under these circumstances, consolidated financial results for the six months ended September 30, 2009 were as follows.

(1) Ordinary income

Ordinary income for the six months ended September 30, 2009 increased by 0.9 billion yen to 918.7 billion yen, compared with the same period in 2008.

Results by lines of business were as follows.

In property and casualty insurance business, net premiums written for the six months ended September 30, 2009 decreased by 32.2 billion yen to 656.9 billion yen*, compared with the same period in 2008, mainly due to a decrease in revenue from compulsory automobile liability insurance caused by premium rating changes in April, 2008 and voluntary automobile insurance. Ordinary income for the six months ended September 30, 2009 increased by 8.4 billion yen to 851.6 billion yen, compared with the same period in 2008, mainly due to an increase in reversal of reserve for outstanding losses and claims.

In life insurance business, ordinary income for the six months ended September 30, 2009 decreased by 7.9 billion yen to 67.9 billion yen, compared with the same period in 2008, due to a decrease in life insurance premiums written by Sompo Japan Himawari Life Insurance Co., Ltd.

* This figure represents amount before offsetting internal transactions among consolidated segments.

(2) Ordinary expenses

Ordinary expenses for the six months ended September 30, 2009 increased by 6.1 billion yen to 886.9 billion yen, compared with the same period in 2008.

Results by lines of business were as follows.

In property and casualty insurance business, ordinary expenses for the six months ended September 30, 2009 increased by 8.7 billion yen to 819.4 billion yen, compared with the same period in 2008, mainly due to an increase in net claims paid, despite a decrease in provision for underwriting reserves.

In life insurance business, ordinary expenses for the six months ended September 30, 2009 decreased by 3.1 billion yen to 68.3 billion yen, compared with the same period in 2008, due to a decrease in provision for underwriting reserves of Sompo Japan Himawari Life Insurance Co., Ltd.

(3) Ordinary profit and net income

Ordinary profit for the six months ended September 30, 2009 decreased by 5.1 billion yen to 31.8 billion yen, compared with the same period in 2008. In property and casualty insurance business, ordinary profit was 32.2 billion yen. In life insurance business, ordinary loss was 0.3 billion yen.

As a result, net income for the six months ended September 30, 2009 increased by 6.6 billion yen to 29.3 billion yen, compared with the same period in 2008.

2. Qualitative Information related to Consolidated Financial Conditions

(1) Total assets

Total assets as of September 30, 2009 increased by 202.3 billion yen from March 31, 2009 to 6,115.6 billion yen, mainly due to an increase in stocks.

(2) Total net assets

Total net assets as of September 30, 2009 increased by 137.9 billion yen from March 31, 2009 to 732.9 billion yen, due to an increase in unrealized gains on securities available for sale caused mainly by a rise of domestic stock prices.

(3) Cash flows and liquidity

Cash flows from operating activities for the six months ended September 30, 2009 decreased by 32.9 billion yen to 16.5 billion yen, compared with the same period in 2008, mainly due to a decrease in premiums revenue.

Cash flows from investing activities for the six months ended September 30, 2009 decreased by 57.9 billion yen to (91.7) billion yen, compared with the same period in 2008, mainly due to a decrease in proceeds from sales and redemption of securities.

Cash flows from financing activities for the six months ended September 30, 2009 increased by 125.2 billion yen to 105.7 billion yen, compared with the same period in 2008, mainly due to issuance of bonds.

As a result, cash and cash equivalents as of September 30, 2009 increased by 33.8 billion yen from March 31, 2009 to 333.3 billion yen.

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments* which can be cashed easily. They are fully saved for an unexpected fluctuation of daily necessary money.

In addition, sufficient liquid assets based on the expected cash outflow are saved for risks of liquidity problem, for example huge claim payments involved with the occurrence of major disasters.

*short-term investments: time deposit etc. with original maturities or redemption of three months or less and few risks of fluctuation in value

3. Qualitative Information related to Consolidated Forecasts

In property and casualty insurance business, which is Sompo Japan Group's core business, the non-consolidated forecast for the fiscal year ending March 31, 2010 is 1,250.0 billion yen in net premiums written, 45.0 billion yen in ordinary profit and 33.0 billion yen in net income.

The above forecast is premised on the underwriting forecast, which is based on SJI's calculation reflecting historical results and premium rating changes. Net incurred losses by natural disasters are estimated at 8.0 billion yen in fire and 4.0 billion yen in others.

The forecast of investment is estimated with interest rates, exchange rates and stock prices of the end of September, 2009. Interest and dividend income, realized gain and loss on sales of securities and devaluation loss on securities are estimated at 84.7 billion yen, 31.7 billion yen and 6.3 billion yen respectively.

In life insurance business, Sompo Japan Himawari Life Insurance Co., Ltd. is a core company, and this company is expected to roll out its business smoothly. The forecast for the fiscal year ending March 31, 2010 is expected to decrease in earnings, due to an increase in operating expenses.

As a result, the consolidated forecast for the fiscal year ending March 31, 2010 is 1,820.0 billion yen in ordinary income, 46.0 billion yen in ordinary profit and 32.0 billion yen in net income.

4. Others

(1) Changes in significant subsidiaries during this period
None.

(2) 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 this interim fiscal year	End of previous fiscal year
	(as of September 30, 2009)	(as of March 31, 2009)
Assets:		
Cash and deposits	157,431	151,781
Call loans	57,100	73,600
Receivables under resale agreements	150,957	81,978
Monetary receivables bought	36,575	40,160
Money trusts	12,348	9,715
Securities	4,394,190	4,125,568
Loans	498,278	517,894
Tangible fixed assets	216,772	219,047
Intangible fixed assets	26,959	26,456
Other assets	411,204	434,189
Deferred tax assets	170,398	249,507
Allowance for possible loan losses	(16,530)	(16,520)
Total assets	6,115,686	5,913,379
Liabilities:		
Underwriting funds:	4,957,271	4,998,577
Reserve for outstanding losses and claims	755,414	818,052
Underwriting reserves	4,201,857	4,180,524
Bonds	128,000	—
Other liabilities	192,535	199,019
Reserve for retirement benefits	77,658	99,342
Reserve for retirement benefits to directors	68	31
Reserve for bonus payments	17,234	14,679
Reserve for price fluctuation	9,445	6,487
Deferred tax liabilities	528	295
Total liabilities	5,382,744	5,318,432
Net assets:		
Shareholders' equity:		
Common stock	70,000	70,000
Capital surplus	24,232	24,229
Retained earnings	328,533	320,381
Treasury stock	(2,743)	(2,839)
Total shareholders' equity	420,022	411,771
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	328,631	207,503
Foreign currency translation adjustments	(19,198)	(26,274)
Total valuation and translation adjustments	309,432	181,228
Stock acquisition rights	1,302	984
Minority interests	2,184	962
Total net assets	732,942	594,946
Total liabilities and net assets	6,115,686	5,913,379

(2) Consolidated Statement of Income

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Ordinary income:	917,808	918,791
Underwriting income:	854,803	862,680
Net premiums written	689,217	656,909
Deposits of premiums by policyholders	73,950	54,407
Interest and dividend income on deposits of premiums, etc.	23,105	21,163
Life insurance premiums written	67,029	58,730
Reversal of reserve for outstanding losses and claims	—	70,926
Investment income:	58,126	50,730
Interest and dividend income	66,915	57,255
Investment gain on money trusts	—	0
Investment gain on trading securities	309	115
Realized gain on sales of securities	12,793	5,517
Transfer of interest and dividend income on deposits of premiums, etc.	(23,105)	(21,163)
Other ordinary income	4,878	5,380
Ordinary expenses:	880,743	886,913
Underwriting expenses:	711,954	716,291
Net claims paid	397,195	449,013
Loss adjustment expenses	38,531	39,023
Net commissions and brokerage fees	118,829	117,824
Maturity refunds to policyholders	85,723	74,877
Life insurance claims paid	18,954	20,697
Provision for reserve for outstanding losses and claims	2,666	—
Provision for underwriting reserves	49,144	7,148
Investment expenses:	18,807	19,013
Investment loss on money trusts	2,746	1,263
Realized loss on sales of securities	691	3,432
Devaluation loss on securities	8,289	4,864
Operating, general and administrative expenses	149,306	146,240
Other ordinary expenses:	675	5,368
Interest paid	78	2,519
Ordinary profit	37,064	31,877
Special gains	425	15,207
Special losses:	2,717	3,246
Provision for price fluctuation reserve	2,235	2,951
Others	481	295
Income before income taxes and minority interests	34,772	43,837
Income taxes-current	28,928	2,279
Refunded income taxes	—	(735)
Income taxes-deferred	(16,890)	13,039
Total income taxes	12,038	14,583
Gain (loss) on minority interests	(0)	(91)
Net income	22,735	29,345

(3) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Shareholders' equity		
Common stock		
Balance at the beginning of the period	70,000	70,000
Balance at the end of the period	<u>70,000</u>	<u>70,000</u>
Capital surplus		
Balance at the beginning of the period	24,241	24,229
Changes during the period		
Disposal of treasury stock	3	2
Total changes during the period	<u>3</u>	<u>2</u>
Balance at the end of the period	<u>24,244</u>	<u>24,232</u>
Retained earnings		
Balance at the beginning of the period	407,051	320,381
Increase(decrease) due to changes in accounting policies applied to foreign subsidiaries	(257)	—
Changes during the period		
Dividends	(19,691)	(19,690)
Net income	22,735	29,345
Changes in the scope of consolidation	—	(1,503)
Total changes during the period	<u>3,044</u>	<u>8,151</u>
Balance at the end of the period	<u>409,837</u>	<u>328,533</u>
Treasury stock		
Balance at the beginning of the period	(2,842)	(2,839)
Changes during the period		
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	111	154
Total changes during the period	<u>(47)</u>	<u>96</u>
Balance at the end of the period	<u>(2,890)</u>	<u>(2,743)</u>
Total shareholders' equity		
Balance at the beginning of the period	498,449	411,771
Increase(decrease) due to changes in accounting policies applied to foreign subsidiaries	(257)	—
Changes during the period		
Dividends	(19,691)	(19,690)
Net income	22,735	29,345
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	115	157
Changes in the scope of consolidation	—	(1,503)
Total changes during the period	<u>3,000</u>	<u>8,250</u>
Balance at the end of the period	<u>501,191</u>	<u>420,022</u>

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Valuation and translation adjustments		
Unrealized gains on securities available for sale, net of tax		
Balance at the beginning of the period	571,377	207,503
Changes during the period		
Net changes in items other than shareholders' equity	(153,738)	121,127
Total changes during the period	(153,738)	121,127
Balance at the end of the period	417,638	328,631
Foreign currency translation adjustments		
Balance at the beginning of the period	245	(26,274)
Changes during the period		
Net changes in items other than shareholders' equity	(4,750)	7,075
Total changes during the period	(4,750)	7,075
Balance at the end of the period	(4,505)	(19,198)
Total valuation and translation adjustments		
Balance at the beginning of the period	571,622	181,228
Changes during the period		
Net changes in items other than shareholders' equity	(158,489)	128,203
Total changes during the period	(158,489)	128,203
Balance at the end of the period	413,133	309,432
Stock acquisition rights		
Balance at the beginning of the period	557	984
Changes during the period		
Net changes in items other than shareholders' equity	443	318
Total changes during the period	443	318
Balance at the end of the period	1,001	1,302
Minority interests		
Balance at the beginning of the period	546	962
Changes during the period		
Net changes in items other than shareholders' equity	553	1,222
Total changes during the period	553	1,222
Balance at the end of the period	1,099	2,184
Total net assets		
Balance at the beginning of the period	1,071,176	594,946
Increase(decrease) due to changes in accounting policies applied to foreign subsidiaries	(257)	—
Changes during the period		
Dividends	(19,691)	(19,690)
Net income	22,735	29,345
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	115	157
Changes in the scope of consolidation	—	(1,503)
Net changes in items other than shareholders' equity	(157,492)	129,745
Total changes during the period	(154,492)	137,996
Balance at the end of the period	916,425	732,942

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Cash flows from operating activities:		
Income before income taxes	34,772	43,837
Depreciation	5,197	5,619
Amortization of goodwill	936	1,565
Increase(decrease) in outstanding losses and claims	2,646	(72,749)
Increase(decrease) in underwriting reserves	47,836	6,094
Increase(decrease) in allowance for possible loan losses	(254)	2
Increase(decrease) in reserve for retirement benefits	2,158	(22,399)
Increase(decrease) in reserve for retirement benefits to directors	(49)	8
Increase(decrease) in reserve for bonus payments	2,783	2,441
Increase(decrease) in reserve for price fluctuation	2,235	2,951
Interest and dividend income	(66,915)	(57,255)
Losses(gains) on investment in securities	(3,814)	3,655
Interest expenses	78	2,519
Foreign exchange losses(gains)	(290)	2,777
Losses(gains) related to tangible fixed assets	187	102
Losses(gains) related to loans	37	—
Investment losses(gains) on the equity method	(689)	157
Decrease(increase) in other assets	19,521	23,421
Increase(decrease) in other liabilities	(35,150)	(18,629)
Others	13,403	12,825
Subtotal	24,632	(63,052)
Interest and dividend received	67,584	57,781
Interest paid	(81)	(69)
Income taxes paid	(42,655)	21,920
Cash flows from operating activities	49,479	16,578
Cash flows from investing activities:		
Net decrease(increase) in deposits	2,851	(19,531)
Purchase of monetary receivables bought	(5,686)	(1,129)
Proceeds from sales and redemption of monetary receivables bought	3,245	2,780
Increase in money trusts	—	(164)
Decrease in money trusts	6,000	1,002
Purchase of securities	(347,265)	(368,290)
Proceeds from sales and redemption of securities	324,471	294,285
Loans made	(79,877)	(71,300)
Collection of loans	68,010	87,019
Others	(2,531)	(14,815)
Total asset management activities	(30,783)	(90,145)
Sum of operating activities and asset management activities	18,696	(73,566)
Acquisition of tangible fixed assets	(3,721)	(2,164)
Proceeds from sales of tangible fixed assets	653	490
Proceeds related to acquisition of stocks of subsidiaries due to changes in the scope of consolidation	—	64
Cash flows from investing activities	(33,850)	(91,755)
Cash flows from financing activities:		
Proceeds from issuance of bonds	—	128,000
Proceeds from issuance of stock	568	—
Proceeds from sales of treasury stock	115	157
Acquisition of treasury stock	(158)	(58)
Dividends paid	(19,911)	(19,783)
Dividends paid to minority shareholders	(4)	—
Others	(127)	(2,585)
Cash flows from financing activities	(19,519)	105,730
Effect of exchange rate changes on cash and cash equivalents	(745)	2,864
Net Increase(decrease) in cash and cash equivalents	(4,636)	33,418
Cash and cash equivalents at the beginning of the period	319,998	299,497
Net increase in cash and cash equivalents due to newly consolidated subsidiaries	—	467
Cash and cash equivalents at the end of the period	315,362	333,383

(5) Notes on Going-Concern Assumption

None.

(6) Segment Information

1. Segment information by lines of business

Previous 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

This interim fiscal year (April 1 to September 30, 2009)

(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	850,844	67,946	918,791	—	918,791
(2) Ordinary income arising from internal segment	825	9	835	(835)	—
Total	851,670	67,956	919,626	(835)	918,791
Ordinary expenses	819,430	68,318	887,749	(835)	886,913
Ordinary profit (loss)	32,239	(362)	31,877	—	31,877

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, 2008)

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

This interim fiscal year (April 1 to September 30, 2009)

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, 2008)

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

This interim fiscal year (April 1 to September 30, 2009)

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

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Millions of yen)

	End of this interim fiscal year (as of September 30, 2009)	End of previous fiscal year (as of March 31, 2009)
Assets:		
Cash and deposits	108,664	95,589
Call loans	57,100	73,600
Receivables under resale agreements	150,957	81,978
Monetary receivables bought	36,575	40,160
Money trusts	11,019	9,684
Securities	3,443,717	3,225,496
Loans	482,305	502,025
Tangible fixed assets	213,996	216,864
Intangible fixed assets	758	758
Other assets	370,327	396,647
Deferred tax assets	157,157	237,293
Allowance for possible loan losses	(16,364)	(16,374)
Allowance for possible losses on investment securities	(7,564)	(7,287)
Total assets	5,008,651	4,856,435
Liabilities:		
Underwriting funds:	3,858,333	3,941,412
Reserve for outstanding losses and claims	686,240	758,538
Underwriting reserves	3,172,093	3,182,874
Bonds	128,000	—
Other liabilities:	173,724	181,214
Income tax payable	3,213	4,320
Lease obligation	2,263	1,937
Other liabilities	168,247	174,956
Reserve for retirement benefits	76,210	98,711
Reserve for bonus payments	15,702	13,595
Reserve for price fluctuation	8,648	5,779
Total liabilities	4,260,618	4,240,713
Net assets:		
Shareholders' equity:		
Common stock	70,000	70,000
Capital surplus:		
Additional paid-in capital	24,229	24,229
Other capital surplus	2	—
Total capital surplus	24,232	24,229
Retained earnings:		
Legal reserve	40,026	36,088
Other retained earnings:	289,328	282,242
Reserve for advanced depreciation	1,100	1,123
General reserve	233,300	331,300
Retained earnings carried forward	54,928	(50,181)
Total retained earnings	329,355	318,330
Treasury stock	(2,743)	(2,839)
Total shareholders' equity	420,844	409,720
Valuation and translation adjustments:		
Unrealized gains on securities available for sale, net of tax	325,885	205,017
Total valuation and translation adjustments	325,885	205,017
Stock acquisition rights	1,302	984
Total net assets	748,032	615,721
Total liabilities and net assets	5,008,651	4,856,435

(2) Non-consolidated Statement of Income

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Ordinary income:	822,350	841,828
Underwriting income:	773,418	800,641
Net premiums written	674,871	641,665
Deposits of premiums by policyholders	73,950	54,227
Interest and dividend income on deposits of premiums, etc.	23,105	21,141
Reversal of reserve for outstanding losses and claims	—	72,297
Reversal of underwriting reserves	—	10,780
Investment income:	45,576	37,523
Interest and dividend income	55,934	46,319
Investment gain on money trusts	—	0
Investment gain on trading securities	69	77
Realized gain on sales of securities	12,350	4,622
Transfer of interest and dividend income on deposits of premiums, etc.	(23,105)	(21,141)
Other ordinary income	3,355	3,663
Ordinary expenses:	793,023	809,690
Underwriting expenses:	650,036	668,807
Net claims paid	390,725	440,894
Loss adjustment expenses	37,995	38,347
Net commissions and brokerage fees	111,035	107,227
Maturity refunds to policyholders	85,723	74,646
Provision for reserve for outstanding losses and claims	181	—
Provision for underwriting reserves	23,503	—
Investment expenses:	18,089	18,277
Investment loss on money trusts	2,746	1,262
Realized loss on sales of securities	574	3,406
Devaluation loss on securities	8,275	4,148
Operating, general and administrative expenses	123,999	118,006
Other ordinary expenses:	897	4,598
Interest paid	23	2,492
Ordinary profit	29,327	32,138
Special gains	273	15,205
Special losses:	2,688	3,156
Provision for price fluctuation reserve	2,234	2,868
Others	453	287
Income before income taxes	26,912	44,188
Income taxes-current	25,630	257
Refunded income taxes	—	(733)
Income taxes-deferred	(15,923)	13,948
Total income taxes	9,706	13,472
Net income	17,205	30,715

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

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
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	2
Changes during the period	3	2
Balance at the end of the period	15	2
Retained earnings		
Legal reserve		
Balance at the beginning of the period	32,150	36,088
Changes during the period		
Dividends	3,938	3,938
Total changes during the period	3,938	3,938
Balance at the end of the period	36,088	40,026
Other retained earnings		
Reserve for advanced depreciation		
Balance at the beginning of the period	891	1,123
Changes during the period		
Reversal of reserve for advanced depreciation	(21)	(22)
Total changes during the period	(21)	(22)
Balance at the end of the period	869	1,100
Reserve for advanced depreciation special account		
Balance at the beginning of the period	276	—
Balance at the end of the period	276	—
General reserve		
Balance at the beginning of the period	315,300	331,300
Changes during the period		
Provision for general reserve	16,000	—
Reversal of general reserve	—	(98,000)
Total changes during the period	16,000	(98,000)
Balance at the end of the period	331,300	233,300
Retained earnings carried forward		
Balance at the beginning of the period	63,358	(50,181)
Changes during the period		
Reversal of reserve for advanced depreciation	21	22
Provision for general reserve	(16,000)	—
Reversal of general reserve	—	98,000
Dividends	(23,629)	(23,629)
Net income	17,205	30,715
Total changes during the period	(22,401)	105,109
Balance at the end of the period	40,957	54,928

(Millions of yen)

	Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
Treasury stock		
Balance at the beginning of the period	(2,842)	(2,839)
Changes during the period		
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	111	154
Total changes during the period	(47)	96
Balance at the end of the period	(2,890)	(2,743)
Total shareholders' equity		
Balance at the beginning of the period	503,374	409,720
Changes during the period		
Dividends	(19,691)	(19,690)
Net income	17,205	30,715
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	115	157
Total changes during the period	(2,528)	11,123
Balance at the end of the period	500,845	420,844
Valuation and translation adjustments		
Unrealized gains on securities available for sale, net of tax		
Balance at the beginning of the period	570,558	205,017
Changes during the period		
Net changes in items other than shareholders' equity	(153,248)	120,868
Total changes during the period	(153,248)	120,868
Balance at the end of the period	417,309	325,885
Total valuation and translation adjustments		
Balance at the beginning of the period	570,558	205,017
Changes during the period		
Net changes in items other than shareholders' equity	(153,248)	120,868
Total changes during the period	(153,248)	120,868
Balance at the end of the period	417,309	325,885
Stock acquisition rights		
Balance at the beginning of the period	557	984
Changes during the period		
Net changes in items other than shareholders' equity	443	318
Total changes during the period	443	318
Balance at the end of the period	1,001	1,302
Total net assets		
Balance at the beginning of the period	1,074,490	615,721
Changes during the period		
Dividends	(19,691)	(19,690)
Net income	17,205	30,715
Acquisition of treasury stock	(158)	(58)
Disposal of treasury stock	115	157
Net changes in items other than shareholders' equity	(152,805)	121,186
Total changes during the period	(155,334)	132,310
Balance at the end of the period	919,156	748,032

(4) Notes on Going-Concern Assumption

None.

7. Other Information

Consolidated and Non-consolidated Major Figures

(Millions of yen)

	Previous interim fiscal year (6 months from April 1 to September 30, 2008)					This interim fiscal year (6 months from April 1 to September 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	917,808	(4.3)	822,350	(3.4)	95,457	918,791	0.1	841,828	2.4	76,962
Net premiums written	689,217	(1.9)	674,871	(2.0)	14,346	656,909	(4.7)	641,665	(4.9)	15,243
Ordinary profit	37,064	(54.2)	29,327	(57.0)	7,736	31,877	(14.0)	32,138	9.6	(261)
Net income	22,735	(56.3)	17,205	(60.2)	5,529	29,345	29.1	30,715	78.5	(1,369)
Consolidated/ Non-consolidated ratio					1.32					0.96

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, 2008)	This interim fiscal year (April 1 to September 30, 2009)	Difference	Rate of change
				%
Ordinary income and expenses:				
Underwriting income:	854,803	862,680	7,877	0.9
Net premiums written	689,217	656,909	(32,308)	(4.7)
Deposits of premiums by policyholders	73,950	54,407	(19,543)	(26.4)
Life insurance premiums written	67,029	58,730	(8,298)	(12.4)
Underwriting expenses:	711,954	716,291	4,336	0.6
Net claims paid	397,195	449,013	51,818	13.0
Loss adjustment expenses	38,531	39,023	491	1.3
Net commissions and brokerage fees	118,829	117,824	(1,005)	(0.8)
Maturity refunds to policyholders	85,723	74,877	(10,846)	(12.7)
Life insurance claims paid	18,954	20,697	1,742	9.2
Investment income:	58,126	50,730	(7,395)	(12.7)
Interest and dividend income	66,915	57,255	(9,659)	(14.4)
Realized gain on sales of securities	12,793	5,517	(7,275)	(56.9)
Investment expenses:	18,807	19,013	206	1.1
Realized loss on sales of securities	691	3,432	2,741	396.6
Devaluation loss on securities	8,289	4,864	(3,424)	(41.3)
Operating, general and administrative expenses	149,306	146,240	(3,065)	(2.1)
Other ordinary income and expenses	4,203	11	(4,191)	(99.7)
Ordinary profit	37,064	31,877	(5,187)	(14.0)
Special gains and losses:				
Special gains	425	15,207	14,781	3,473.7
Special losses	2,717	3,246	529	19.5
Special gains and losses	(2,291)	11,960	14,252	—
Income before income taxes and minority interests	34,772	43,837	9,064	26.1
Income taxes-current	28,928	2,279	(26,649)	(92.1)
Refunded income taxes	—	(735)	(735)	—
Income taxes-deferred	(16,890)	13,039	29,930	—
Total income taxes	12,038	14,583	2,544	21.1
Gain (loss) on minority interests	(0)	(91)	(90)	—
Net income	22,735	29,345	6,610	29.1

Significant accounting policies applied in the preparation of the interim consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 12 companies

Sompo Japan Himawari Life Insurance Co., Ltd.
Sompo Japan DC Securities Co., Ltd.
Sompo Japan DIY Life Insurance Co., Ltd.
Healthcare Frontier Japan Inc.
Sompo Japan Asset Management Co., Ltd.
Saison Automobile and Fire Insurance Company, Limited
Sompo Japan Insurance Company of America
Sompo Japan Insurance Company of Europe Limited
Sompo Japan Asia Holdings Pte. Ltd.
Sompo Japan Insurance (Singapore) Pte. Ltd.
Sompo Japan Insurance (China) Co., Ltd.
Yasuda Seguros S.A.

Healthcare Frontier Japan Inc. is included in the consolidation from this interim fiscal year due to the increase in materiality.

Saison Automobile and Fire Insurance Company, Limited is included in the consolidation from this interim fiscal year as it became a subsidiary through additional acquisition of shares. Its gains and losses for the second quarter of this fiscal year are consolidated, while its gains and losses for the first quarter of this fiscal year are accounted for under the equity method as the date of the additional acquisition of shares is deemed at the beginning of the second quarter of this fiscal year.

(2) Non-consolidated subsidiaries

Principal companies
Ark Re Limited
Sompo Japan Insurance (Hong Kong) Company Limited

As the non-consolidated subsidiaries do not have a material impact on reasonable judgement about the Group's financial conditions and results of operations in terms of total assets, ordinary income, net income or loss and retained earnings, they are excluded from the consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for under the equity method: 6 companies

Yasuda Enterprise Development Co., Ltd.
Hitachi Capital Insurance Corporation
Berjaya Sompo Insurance Berhad
Universal Sompo General Insurance Company Limited
Maritima Seguros S.A.
Maritima Saude Seguros S.A.

Maritima Seguros S.A. and Maritima Saude Seguros S.A. are accounted for under the equity method from this interim fiscal year as they became affiliates through the acquisition of shares.

(2) Non-consolidated subsidiaries and affiliates not accounted for under the equity method

Principal companies

Ark Re Limited

Sompo Japan Insurance (Hong Kong) Company Limited

The non-consolidated subsidiaries and affiliates are not accounted for under the equity method as each company has a minor impact on the consolidated net income or loss and retained earnings and they also do not have a material impact as a whole.

3. The interim balance sheet dates of consolidated subsidiaries

The interim balance sheet dates of the foreign consolidated subsidiaries are June 30. As the differences in the interim balance sheet dates do not exceed three months, the financial statements as of June 30 are used for the preparation of the interim consolidated financial statements.

Necessary adjustments are made for the significant transactions during the periods from the interim balance sheet dates of the subsidiaries to the interim consolidated balance sheet date.

4. Accounting policies

(1) Valuation policies and methods for securities

Valuation policies and methods for securities held by SJI and its domestic consolidated subsidiaries are as follows.

(a) Trading securities are carried at fair value.

Cost of sale is calculated under the moving-average method.

(b) Bonds held to maturity are carried at amortized cost based on the moving-average method.

(c) Stocks of unconsolidated subsidiaries and affiliates that are not accounted for under the equity method are carried at cost based on the moving-average method.

(d) Securities available for sale for which fair value is available are carried at fair value based on the market price on the interim balance sheet date.

Changes in unrealized gains or losses, net of applicable income taxes, are directly included in net assets, and cost of sale is calculated under the moving-average method.

(e) Securities available for sale for which fair value is not available are carried at cost or amortized cost based on the moving-average method.

(f) Securities managed as trust assets in money trust for trading purposes are carried at fair value.

(g) Securities managed as trust assets in money trust which are neither held for trading purposes nor held to maturity are carried on the same basis as that of securities available for sale.

Securities held by the foreign consolidated subsidiaries are carried mainly at fair value.

(2) Valuation policies and methods for derivative financial instruments

Derivative financial instruments of SJI and its domestic consolidated subsidiaries are carried at fair value.

(3) Depreciation methods of significant assets

(a) Tangible fixed assets (excluding lease assets)

Depreciation of tangible fixed assets held by SJI and its domestic consolidated subsidiaries is computed using the declining-balance method, except for buildings (excluding fixtures) acquired on or after April 1, 1998 on which depreciation is computed using the straight-line method.

Depreciation of tangible fixed assets held by the foreign consolidated subsidiaries is computed using the straight-line method.

(b) Intangible fixed assets

Capitalized software for internal use held by the consolidated subsidiaries is amortized using the straight-line method based on the estimated useful life.

(4) Accounting policies for significant reserves

(a) Allowance for possible loan losses

In order to provide for losses from defaults, SJI and its domestic consolidated insurance subsidiaries establish allowance for possible loan losses in accordance with the internal standards for self-assessment of assets and the policy of write-off and provision.

For claims on debtors that have legally, formally or substantially entered into bankruptcy, special liquidation or whose notes have been under suspension at clearing houses, allowances are provided based on the amount remaining after deduction of the estimated recoverable amounts from the disposal of collateral and from guarantees.

For claims on debtors that are deemed to have a high possibility of becoming bankrupt in the future, allowances are provided based on the amount remaining after deduction of the estimated recoverable amounts from the disposal of collateral and from guarantees, considering the debtor's overall solvency assessment.

For claims other than those described above, allowances are provided based on the amount of claims multiplied by the expected default rate, which is computed based on historical loan loss experience.

The departments which are responsible for respective assets assess all claims in accordance with the internal standards for self-assessment of assets. The independent asset auditing departments review the results of assessment. Allowances are provided based on the results of assessment.

As for other consolidated subsidiaries, allowances are provided based on the individual assessments of the possibility of collection.

(b) Reserve for retirement benefits

In order to provide for employees' retirement benefits, SJI and its domestic consolidated subsidiaries record the amount deemed accrued at the end of the interim fiscal year based on the projected retirement benefit obligation and the estimated plan assets at the end of the fiscal year.

Prior service costs are amortized using the straight-line method over certain years within the average remaining service years of employees.

Actuarial gains and losses are amortized using the straight-line method over certain years within the average remaining service years of the employees from the subsequent consolidated fiscal year.

SJI contributed 25,276 million yen of stocks that SJI holds to the retirement benefits trust and recorded a special gain of 15,013 million yen for contribution to the retirement benefits trust for this interim fiscal year.

(c) Reserve for retirement benefits to directors

In order to provide for retirement benefits to directors, the domestic consolidated subsidiaries record the amount deemed accrued at the end of the interim fiscal year based on internal regulations.

(d) Reserve for bonus payments

In order to provide for employees' bonus payments, SJI and its consolidated subsidiaries record the estimated amounts to be paid at the end of the interim fiscal year.

(e) Reserve for price fluctuation

In order to provide for possible losses arising from price fluctuation of stock etc, SJI and its domestic consolidated insurance subsidiaries set aside reserves under Article 115 of the Insurance Business Law.

(5) Translation of significant foreign currency assets and liabilities

Foreign currency assets and liabilities are translated into Japanese yen at the exchange rate prevailing as of the interim consolidated balance sheet date, and translation differences are recognized as gains or losses.

Foreign currency assets, liabilities, income and expenses of the foreign consolidated subsidiaries are translated into Japanese yen at the exchange rate prevailing as of their respective interim balance sheet dates, and translation differences are included in foreign currency translation adjustments and minority interests.

(6) Significant hedge accounting

SJI applies fair value hedge accounting to equity swap transactions for hedging the future stock price fluctuation risks.

The exceptional method of Interest rate swap is applied to interest rate swap transactions for hedging the future interest rate fluctuation risks when these transactions meet requirements. Fair value hedge accounting is applied to forward foreign exchange transactions and currency swap transactions for hedging the future exchange rate fluctuation risks of foreign currency bonds as a rule and matching treatment is applied when these transactions meet requirements.

Hedge effectiveness is assessed periodically by comparing the fair value fluctuation of hedged items and hedging instruments during the periods from the start dates of the hedges to the assessment dates as a rule. When hedged items and hedging instruments are highly interrelated, when interest rate swap transactions meet requirements for applying the exceptional method or when forward foreign exchange transactions and currency swap transactions meet requirements for applying matching treatment, assessment of hedge effectiveness is not performed.

(7) Accounting for consumption taxes

SJI and its domestic consolidated subsidiaries account for national and local consumption taxes using the tax-excluded method, except for SJI's expenses such as loss adjustment expenses, net commissions and brokerage fees and operating, general and administrative expenses for which SJI accounts using the tax-included method.

Non-deductible consumption taxes relating to assets are included in other assets (as suspense payments) and amortized in equal installments over five years.

(8) Accounting standards of the foreign consolidated subsidiaries

The foreign consolidated subsidiaries apply their local accounting standards. Necessary adjustments are made in the preparation of the Interim consolidated financial statements.

5. Cash and cash equivalents in the interim consolidated statement of cash flows

Cash and cash equivalents in the interim consolidated statement of cash flows consist of cash on hand, demand deposits and short-term investments with original maturities or redemption of three months or less, which can be cashed easily and have few risks of fluctuation in value.

Notes to the interim consolidated financial statements

(Notes to the interim consolidated balance sheet)

End of this interim fiscal year (as of September 30, 2009)	End of previous fiscal year (as of March 31, 2009)
<p>1. Accumulated depreciation of tangible fixed assets amounted to 240,137 million yen.</p> <p>2. (1) Loans to borrowers in bankruptcy and overdue loans amounted to 851 million yen and 2,289 million yen, respectively. Loans to borrowers in bankruptcy represent those loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because repayments of principal or interest were overdue for considerable periods and they are regarded uncollectible and which were defined in Article 96-1-3 (the maximum amount transferable to allowance for possible loan losses) and 4 of the Corporate Income Tax Law Enforcement Regulation (Article 97 of 1965 Cabinet Order). Hereafter, those loans are referred to as "Non-accrual loans." Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.</p> <p>(2) Loans overdue for three months or more amounted to 0 million yen. Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.</p> <p>(3) Restructured loans amounted to 712 million yen. Restructured loans represent, among loans which are not included in any of the above categories, loans which have granted favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts in order to assist or facilitate the restructuring of borrowers in financial difficulties.</p> <p>(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amounted to 3,853 million yen.</p>	<p>1. Accumulated depreciation of tangible fixed assets amounted to 236,040 million yen.</p> <p>2. (1) Loans to borrowers in bankruptcy and overdue loans amounted to 491 million yen and 2,474 million yen, respectively. Loans to borrowers in bankruptcy represent those loans (excluding the portion of the loans that were written off), on which accrued interest receivable is not recognized because repayments of principal or interest were overdue for considerable periods and they are regarded uncollectible and which were defined in Article 96-1-3 (the maximum amount transferable to allowance for possible loan losses) and 4 of the Corporate Income Tax Law Enforcement Regulation (Article 97 of 1965 Cabinet Order). Hereafter, those loans are referred to as "Non-accrual loans." Overdue loans represent non-accrual loans other than (a) loans to borrowers in bankruptcy or (b) loans on which payments of interest are deferred in order to assist or facilitate the restructuring of borrowers in financial difficulties.</p> <p>(2) Loans overdue for three months or more amounted to 4 million yen. Loans overdue for three months or more represent, among loans which are not included in loans to borrowers in bankruptcy or overdue loans, loans on which the payment of principal or interest has been delayed for three months or more from the date following the due date.</p> <p>(3) Restructured loans amounted to 451 million yen. Restructured loans represent, among loans which are not included in any of the above categories, loans which have granted favorable terms for the benefit of borrowers such as interest exemption or reduction, grace on interest payments, grace on principal repayments or forgiveness of debts in order to assist or facilitate the restructuring of borrowers in financial difficulties.</p> <p>(4) The total of loans to borrowers in bankruptcy, overdue loans, loans overdue for three months or more and restructured loans amounted to 3,421 million yen.</p>

End of this interim fiscal year (as of September 30, 2009)	End of previous fiscal year (as of March 31, 2009)
<p>3. 67,805 million yen of securities and 7,103 million yen of cash and deposits are pledged as collateral for the borrowings of 456 millions yen included in other liabilities and for other purposes such as issuance of letter of credit. SJI pledges 3,465 million yen of securities as collateral through special purpose company established for guarantee on SJI's obligation under reinsurance contracts.</p> <p>4. Securities include 77,379 million yen of securities that are lent under loan agreements.</p> <p>5. The amount of the unused portion of commitment line contracts on loans is 20,972 million yen.</p>	<p>3. 76,681 million yen of securities and 7,534 million yen of cash and deposits are pledged as collateral for the borrowings of 512 millions yen included in other liabilities and for other purposes such as issuance of letter of credit. SJI pledges 8,530 million yen of securities as collateral through special purpose company established for guarantee on SJI's obligation under reinsurance contracts.</p> <p>4. Securities include 73,964 million yen of securities that are lent under loan agreements.</p> <p>5. The amount of the unused portion of commitment line contracts on loans is 24,308 million yen.</p>

(Notes to the interim consolidated statement of income)

Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)
<p>1. Major components of operating expenses</p> <p>Agency commissions, etc. 118,550 Million yen</p> <p>Salaries 59,319 Million yen</p> <p>Operating expenses represent the total amount of loss adjustment expenses, net commissions and brokerage fees and operating, general and administrative expenses included in the interim consolidated statement of income.</p> <p>2. The components of special gains are 294 million yen of gain on sale of fixed assets of SJI and its consolidated subsidiaries and 131 million yen of gain on changes in interests in the consolidated subsidiaries.</p> <p>3. The components of others in special losses are 368 million yen of loss on sale of fixed assets of SJI and its consolidated subsidiaries and 113 million yen of unrealized loss on property of SJI.</p>	<p>1. Major components of operating expenses</p> <p>Agency commissions, etc. 117,279 Million yen</p> <p>Salaries 58,516 Million yen</p> <p>Operating expenses represent the total amount of loss adjustment expenses, net commissions and brokerage fees and operating, general and administrative expenses included in the interim consolidated statement of income.</p> <p>2. The components of special gains are 15,013 million yen of gain on contribution to the retirement benefits trust of SJI and 193 million yen of gain on sale of fixed assets of SJI and its consolidated subsidiaries.</p> <p>3. The component of others in special losses is 295 million yen of loss on sale of fixed assets of SJI and its consolidated subsidiaries.</p>

(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	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	111,049	13.8	1.8	109,203	14.5	(1.7)
Marine insurance	25,791	3.2	6.2	19,476	2.6	(24.5)
Personal accident insurance	128,668	15.9	12.5	109,126	14.5	(15.2)
Voluntary automobile insurance	334,158	41.4	(0.1)	327,045	43.4	(2.1)
Compulsory automobile liability insurance	105,917	13.1	(13.4)	88,550	11.8	(16.4)
Others	101,412	12.6	(0.4)	100,174	13.3	(1.2)
Total:	806,998	100.0	0.1	753,575	100.0	(6.6)
Deposits of premiums by policyholders	73,950	9.2	20.9	54,407	7.2	(26.4)

Net premiums written

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	72,736	10.6	4.2	70,439	10.7	(3.2)
Marine insurance	20,546	3.0	3.9	15,196	2.3	(26.0)
Personal accident insurance	68,740	10.0	(0.3)	68,245	10.4	(0.7)
Voluntary automobile insurance	332,773	48.3	(0.2)	327,750	49.9	(1.5)
Compulsory automobile liability insurance	100,811	14.6	(13.6)	82,435	12.5	(18.2)
Others	93,609	13.6	(0.3)	92,841	14.1	(0.8)
Total	689,217	100.0	(1.9)	656,909	100.0	(4.7)

Net claims paid

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	29,686	7.5	5.0	30,143	6.7	1.5
Marine insurance	8,295	2.1	(7.9)	7,597	1.7	(8.4)
Personal accident insurance	33,231	8.4	17.1	33,569	7.5	1.0
Voluntary automobile insurance	200,330	50.4	2.1	197,514	44.0	(1.4)
Compulsory automobile liability insurance	81,540	20.5	2.0	77,843	17.3	(4.5)
Others	44,111	11.1	(7.1)	102,345	22.8	132.0
Total	397,195	100.0	2.0	449,013	100.0	13.0

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, 2008)		This interim fiscal year (April 1 to September 30, 2009)	
	Amount	Rate of change	Amount	Rate of change
Life insurance premiums	67,029	% (17.7)	58,730	% (12.4)

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

Total amount of policies in force

(Millions of yen)

	End of this interim fiscal year (as of September 30, 2009)		End of previous fiscal year (as of March 31, 2009)
	Amount	Rate of change	Amount
Individual insurance	10,692,175	% 4.3	10,254,286
Individual annuities	80,750	(0.8)	81,435
Group insurance	1,833,473	(9.9)	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)

	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 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	817,812	817,812	—	1,093,676	1,093,676	—
Individual annuities	1,004	1,004	—	976	976	—
Group insurance	5,629	5,629	—	33,599	33,599	—
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, 2008)		This interim fiscal year (April 1 to September 30, 2009)	
	Amount	Rate of change	Amount	Rate of change
Annualized new business premiums	10,123	% 16.2	12,470	% 23.2

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, 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	753,549	774,925	21,375	737,681	755,445	17,764
Foreign securities	98,264	97,125	(1,139)	96,266	92,599	(3,666)
Total	851,814	872,050	20,235	833,948	848,045	14,097

2. Marketable securities available for sale

(Millions of yen)

Item	End of this interim fiscal year (as of September 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	1,581,396	1,619,216	37,820	1,522,020	1,548,938	26,917
Domestic stocks	513,535	1,018,399	504,863	532,137	871,127	338,990
Foreign securities	720,672	686,808	(33,863)	695,264	654,768	(40,495)
Others	74,684	77,709	3,025	79,708	79,991	282
Total	2,890,288	3,402,134	511,845	2,829,131	3,154,825	325,694

Notes)

End of this interim fiscal year (as of September 30, 2009)	End of previous fiscal year (as of March 31, 2009)
1. Beneficiary claims on the loan trust, which are classified as "Monetary receivables bought" on the interim consolidated balance sheet, are included in "Others."	1. Beneficiary claims on the 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 4,674 million yen. Devaluation losses on beneficiary claims on the loan trust, which are classified as "Other investment expenses" on the interim consolidated statement of income, amount to 29 million yen and are included in impairment losses on marketable securities available for sale. 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.	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.

3. 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, 2009)		End of previous fiscal year (as of March 31, 2009)	
(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	1,000	Domestic bonds	0
Domestic stocks	55,318	Domestic stocks	46,888
Foreign securities	46,699	Foreign securities	60,270
Others	4,365	Others	5,849

Notes)

End of this interim fiscal year (as of September 30, 2009)	End of previous fiscal year (as of March 31, 2009)
Certificate of deposit, which is classified as "Cash and deposits" 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

(Millions of yen)

Type	Transaction	End of this interim fiscal year (as of September 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	174,735	169,589	5,146	144,452	154,584	(10,131)
	Long	59,488	57,779	(1,709)	46,949	48,395	1,445
Equity derivatives	Equity index futures:						
	Short	15,432	15,165	267	—	—	—
Others	Credit derivatives:						
	Long	5,000			5,000		
		235*	567	332	235*	785	550
	Weather derivatives:						
	Short	653			308		
		38*	23	15	14*	17	(3)
	Long	223			30		
		0*	—	(0)	—*	—	—
	Earthquake derivatives:						
	Short	5,040			4,150		
	147*	22	125	129*	0	129	
Long	3,591			3,726			
	380*	191	(188)	388*	238	(149)	
Other forward:							
Long	519	538	18	742	765	22	
Total				4,006			(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)

		Previous interim fiscal year (April 1 to September 30, 2008)	This interim fiscal year (April 1 to September 30, 2009)	Difference	Rate of change
					%
Direct premiums written (including deposits of premiums by policyholders)	(1)	780,832	727,313	(53,518)	(6.9)
Direct premiums written	(2)	706,881	673,086	(33,795)	(4.8)
Ordinary income and expenses:					
Net premiums written	(+)(3)	674,871	641,665	(33,205)	(4.9)
Net claims paid	(-)(4)	390,725	440,894	50,168	12.8
Loss adjustment expenses	(-)(5)	37,995	38,347	352	0.9
Net commissions and brokerage fees	(-)(6)	111,035	107,227	(3,808)	(3.4)
Deposits of premiums by policyholders	(+)(7)	73,950	54,227	(19,723)	(26.7)
Interest and dividend income on deposits of premiums, etc.	(+)(8)	23,105	21,141	(1,963)	(8.5)
Maturity refunds and dividends to policyholders	(-)(9)	85,736	74,707	(11,028)	(12.9)
Provision for reserve for outstanding losses and claims	(-)(10)	181	(72,297)	(72,479)	(39,845.1)
Provision for underwriting reserves	(-)(11)	23,503	(10,780)	(34,284)	(145.9)
Other underwriting income and expenses	(+)(12)	632	(7,102)	(7,735)	(1,223.2)
Gross underwriting margin	(13)	123,381	131,834	8,453	6.9
Operating, general and administrative expenses related to underwriting insurance	(14)	116,866	111,925	(4,940)	(4.2)
Other income and expenses	(15)	(2,220)	(1,701)	519	-
Underwriting profit	(16)	4,294	18,207	13,913	324.0
Interest and dividend income	(+)(17)	55,934	46,319	(9,614)	(17.2)
Investment gain and loss on money trusts	(+)(18)	(2,746)	(1,262)	1,483	-
Realized gain and loss on sales of securities	(+)(19)	11,775	1,216	(10,559)	(89.7)
Devaluation loss on securities	(-)(20)	8,275	4,148	(4,126)	(49.9)
Transfer of interest and dividend income on deposits of premiums, etc.	(+)(21)	(23,105)	(21,141)	1,963	-
Other investment income and expenses	(+)(22)	(6,094)	(1,736)	4,358	-
Operating, general and administrative expenses	(-)(23)	123,999	118,006	(5,993)	(4.8)
Other ordinary income and expenses	(+)(24)	2,458	(934)	(3,393)	(138.0)
Allowance and loss on bad debt	(25)	(187)	(31)	155	-
Ordinary profit	(26)	29,327	32,138	2,811	9.6
Special gains and losses:					
Special gains	(+)(27)	273	15,205	14,932	5,464.2
Special losses	(-)(28)	2,688	3,156	467	17.4
Special gains and losses	(29)	(2,415)	12,049	14,464	-
Income before income taxes	(30)	26,912	44,188	17,275	64.2
Income taxes-current	(-)(31)	25,630	257	(25,372)	(99.0)
Refunded income taxes	(-)(32)	-	(733)	(733)	-
Income taxes-deferred	(-)(33)	(15,923)	13,948	29,872	-
Total income taxes	(34)	9,706	13,472	3,765	38.8
Net income	(35)	17,205	30,715	13,509	78.5
Underwriting balance:					
Net premiums written	(+)(36)	674,871	641,665	(33,205)	(4.9)
Net claims paid	(-)(37)	390,725	440,894	50,168	12.8
Loss adjustment expenses	(-)(38)	37,995	38,347	352	0.9
Operating expenses:	(-)(39)	227,901	219,152	(8,749)	(3.8)
Net commissions and brokerage fees	(40)	111,035	107,227	(3,808)	(3.4)
Operating, general and administrative expenses related to underwriting insurance	(41)	116,866	111,925	(4,940)	(4.2)
Underwriting balance	(42)	18,248	(56,728)	(74,976)	(410.9)
Ratios:					
Loss ratio	(%) (43)	63.5	74.7	11.2	/
Expense ratio	(%) (44)	33.8	34.2	0.4	/
Underwriting balance ratio	(%) (45)	2.7	(8.8)	(11.5)	/

Note)

Underwriting profit = Gross underwriting margin

- Operating, general and administrative expenses related to underwriting insurance + Other income and expenses

Other income and expenses represent the amount corresponding to income taxes related to compulsory automobile liability insurance.

(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, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	87,076	12.3	4.2	85,962	12.8	(1.3)
Marine insurance	19,773	2.8	8.0	14,498	2.2	(26.7)
Personal accident insurance	69,056	9.8	(0.2)	68,055	10.1	(1.5)
Voluntary automobile insurance	330,711	46.8	(0.1)	321,841	47.8	(2.7)
Compulsory automobile liability insurance	105,917	15.0	(13.4)	88,480	13.1	(16.5)
Others	94,345	13.3	1.0	94,248	14.0	(0.1)
Total:	706,881	100.0	(1.6)	673,086	100.0	(4.8)
Deposits of premiums by policyholders	73,950	—	20.9	54,227	—	(26.7)

Net premiums written

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	% of total amount	Rate of change	Amount	% of total amount	Rate of change
Fire and allied insurance	69,934	10.4	3.7	67,676	10.5	(3.2)
Marine insurance	16,772	2.5	4.1	12,167	1.9	(27.5)
Personal accident insurance	68,548	10.2	(0.3)	67,482	10.5	(1.6)
Voluntary automobile insurance	329,487	48.8	(0.2)	322,609	50.3	(2.1)
Compulsory automobile liability insurance	100,811	14.9	(13.6)	82,320	12.8	(18.3)
Others	89,317	13.2	0.1	89,407	13.9	0.1
Total	674,871	100.0	(2.0)	641,665	100.0	(4.9)

Net claims paid

(Millions of yen)

Term Business line	Previous interim fiscal year (April 1 to September 30, 2008)			This interim fiscal year (April 1 to September 30, 2009)		
	Amount	Rate of change	Loss ratio	Amount	Rate of change	Loss ratio
Fire and allied insurance	28,539	2.7	42.5	28,980	1.5	44.5
Marine insurance	7,231	(3.0)	46.3	6,320	(12.6)	56.5
Personal accident insurance	33,133	17.1	52.8	33,179	0.1	54.3
Voluntary automobile insurance	198,259	2.1	67.5	194,223	(2.0)	67.6
Compulsory automobile liability insurance	81,540	2.0	87.0	77,744	(4.7)	101.8
Others	42,021	(6.7)	50.3	100,444	139.0	116.1
Total	390,725	2.1	63.5	440,894	12.8	74.7

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)

	Fiscal year 2008 interim			Fiscal year 2009 interim			Fiscal year 2008		
	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	1,422	1,119	2,542	1,210	300	1,511	3,402	179	3,582
Voluntary automobile	1,632	663	2,295	1,252	130	1,383	2,408	20	2,429
Others	57	133	190	66	44	110	382	99	482
Total	3,112	1,916	5,028	2,529	475	3,005	6,194	299	6,494

Notes)

1. This table represents net claims paid and reserve for outstanding losses and claims related to natural disasters occurred in the period.

2. Net incurred loss = Net claims paid + Reserve for outstanding losses and claims

"Reserve for outstanding losses and claims" represents amounts deducting reinsurance recoverable on unpaid loss from direct insurance reserve for outstanding losses and claims.

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

(Millions of yen)

	Fiscal year 2008 interim		Fiscal year 2009 interim		Fiscal year 2008	
	Amount	Increase (decrease)	Amount	Increase (decrease)	Amount	Increase (decrease)
Personnel expenses	84,413	3,823	82,420	(1,993)	165,397	6,994
Non-personnel expenses	69,393	2,946	66,181	(3,211)	140,080	(158)
Others	8,188	(68)	7,751	(436)	13,549	(58)
Total	161,994	6,702	156,353	(5,641)	319,027	6,777

(Non-consolidated) Reserve for Outstanding Losses and Claims

(Millions of yen)

	Fiscal year 2008 interim		Fiscal year 2009 interim		Fiscal year 2008	
	Amount	Change	Amount	Change	Amount	Change
Fire	30,467	(119)	25,641	(6,962)	32,604	2,018
Marine	12,033	1,032	12,244	(407)	12,651	1,651
Personal accident	40,504	(4,454)	49,219	(1,417)	50,636	5,677
Voluntary automobile	315,937	1,368	298,650	4,073	294,577	(19,991)
CALI	56,727	(1,923)	55,775	(1,543)	57,319	(1,332)
Others	220,576	4,277	244,708	(66,040)	310,749	94,449
Total	676,248	181	686,240	(72,297)	758,538	82,472

Notes)

1. "Amount" of financial guarantee insurance is included in "Others."

Fiscal year 2008 interim: 31,420 million yen

Fiscal year 2008: 140,183 million yen

Fiscal year 2009 interim: 75,127 million yen

2. "Change" of financial guarantee insurance is included in "Others."

Fiscal year 2008 interim: 1,232 million yen

Fiscal year 2008: 109,995 million yen

Fiscal year 2009 interim: (65,055) million yen

(Non-consolidated) Catastrophic Loss Reserve

(Millions of yen)

	Fiscal year 2008 interim		Fiscal year 2009 interim		Fiscal year 2008	
	Amount	Change	Amount	Change	Amount	Change
Fire	117,060	6,691	138,939	9,388	129,551	19,181
Marine	24,838	632	25,795	454	25,341	1,135
Personal accident	91,225	2,132	89,638	1,953	87,685	(1,407)
Voluntary automobile	74,210	(9,811)	33,182	(14,327)	47,509	(36,512)
Others	88,688	8,460	92,605	4,904	87,701	7,473
Total	396,023	8,105	380,162	2,373	377,788	(10,129)

(Non-consolidated) Solvency Margin Ratio

(Millions of yen)

	End of previous interim fiscal year (As of September 30, 2008)	End of this interim fiscal year (As of September 30, 2009)	End of previous fiscal year (As of March 31, 2009)
(A) Total Solvency Margin	1,787,126	1,596,345	1,264,786
Capital and funds, etc.	501,846	422,147	391,013
Reserve for price fluctuation	39,206	8,648	5,779
Contingency reserve	927	611	611
Catastrophic loss reserve	462,755	450,304	446,019
General allowance for possible loan losses	878	1,117	899
Unrealized gains on securities (before tax effect deductions)	580,188	453,594	285,244
Net unrealized gains/losses on real estate	63,846	53,130	63,450
Excess amount of reserve for maturity refunds	—	—	—
Subordinated debt, etc.	—	128,000	—
Deductions	80,722	91,768	81,480
Others	218,199	170,560	153,248
(B) Total Risks			
$\sqrt{(R_1 + R_2)^2 + (R_3 + R_4)^2} + R_5 + R_6$	443,444	411,983	404,892
General insurance risk (R_1)	79,629	86,235	86,313
Third-sector insurance risk (R_2)	—	—	—
Assumed interest risk (R_3)	5,738	5,545	5,572
Asset management risk (R_4)	203,094	175,042	161,758
Business administration risk (R_5)	9,968	9,386	13,696
Catastrophic risk (R_6)	209,975	202,475	202,915
(C) Solvency Margin Ratio [(A) / { (B) × 1/2 }] × 100	806.0%	774.9%	624.7%

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.

< 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, 2010 (April 1, 2009 to March 31, 2010)

(Billions of yen)

	Fiscal year 2008 (Results) (April 1, 2008 to March 31, 2009)		Fiscal year 2009 (Forecast) (April 1, 2009 to March 31, 2010)	
		Rate of change		Rate of change
Consolidated				
Ordinary income	1,767.9	(6.7%)	1,820.0	2.9%
Ordinary profit	(144.0)	(253.1%)	46.0	—
Net income	(66.7)	(211.9%)	32.0	—
Non-consolidated				
Net premiums written	1,290.4	(4.1%)	1,250.0	(3.1%)
Loss ratio	70.3%	5.2%	75.9%	5.6%
Expense ratio	34.5%	1.6%	34.9%	0.4%
Underwriting balance ratio	(4.9%)	(6.9%)	(10.8%)	(5.9%)
Underwriting profit	(92.2)	—	(5.0)	—
Ordinary profit	(153.8)	(309.9%)	45.0	—
Net income	(73.9)	(265.5%)	33.0	—

Notes)

- 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 reflecting historical results and premium rating changes.
- Net incurred losses by natural disasters (Non-consolidated basis)
Total: 12.0 billion yen (Fire: 8.0 billion yen, Others: 4.0 billion yen)
- The forecast of investment is estimated with interest rates, exchange rates and stock prices of the end of September, 2009.

Major gain and loss on investment (Non-consolidated basis)

Interest and dividend income:	84.7 billion yen
Realized gain and loss on sales of securities:	31.7 billion yen
Devaluation loss on securities:	6.3 billion yen

- "Rate of change" of loss ratio, expense ratio and underwriting balance ratio is change from corresponding period of previous fiscal year.

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