

Annual Meeting for Fiscal Year 2006 Results

May 28, 2007

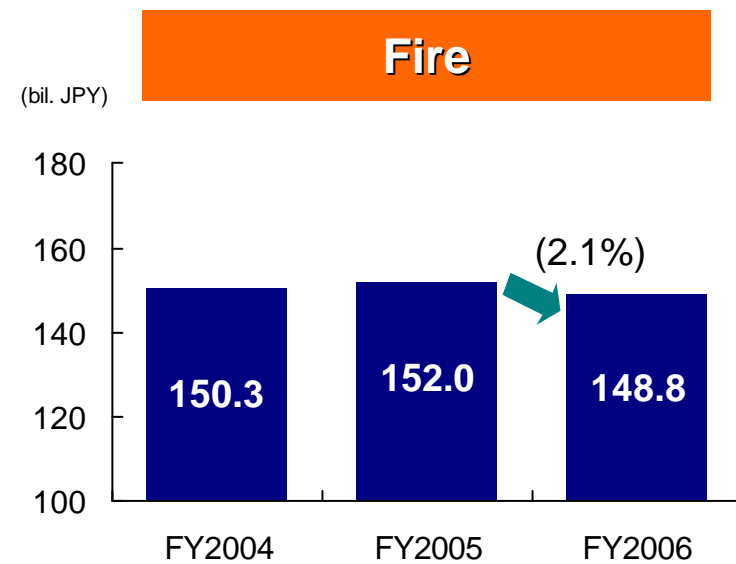
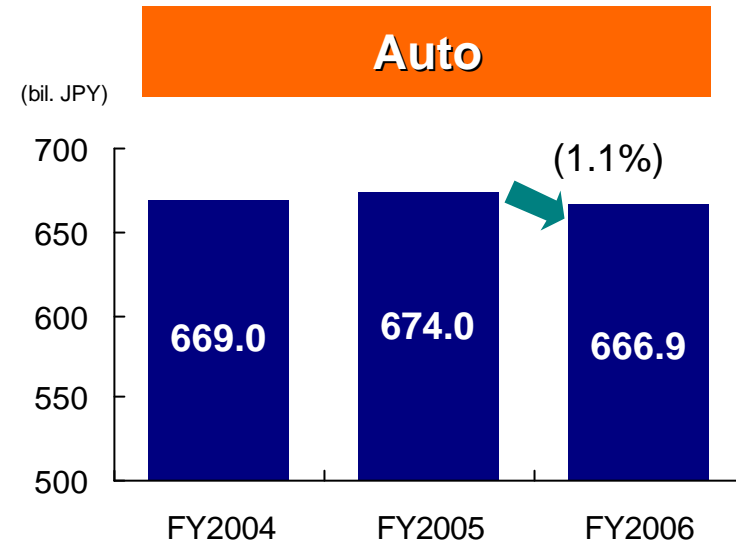
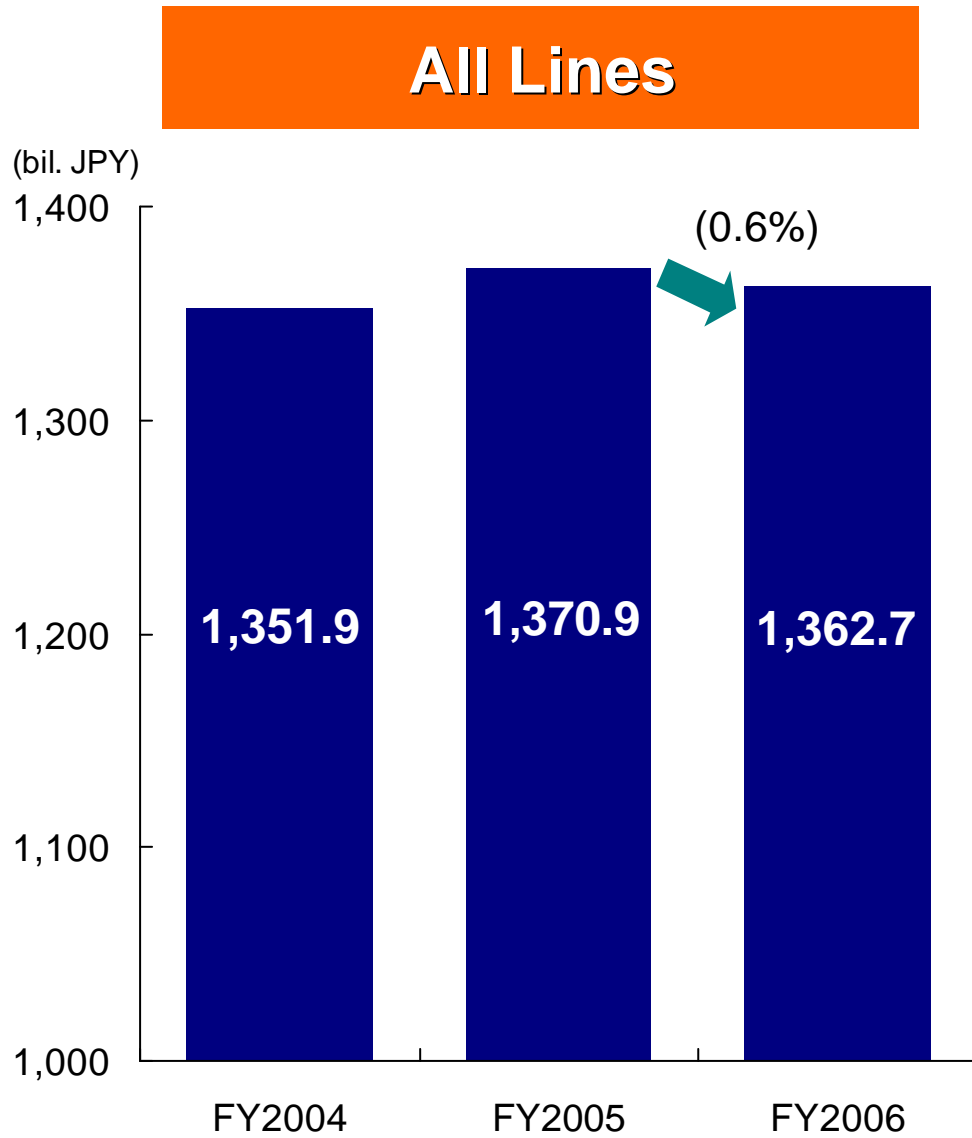
SOMPO JAPAN INSURANCE INC.



1. Fiscal Year 2006 Results

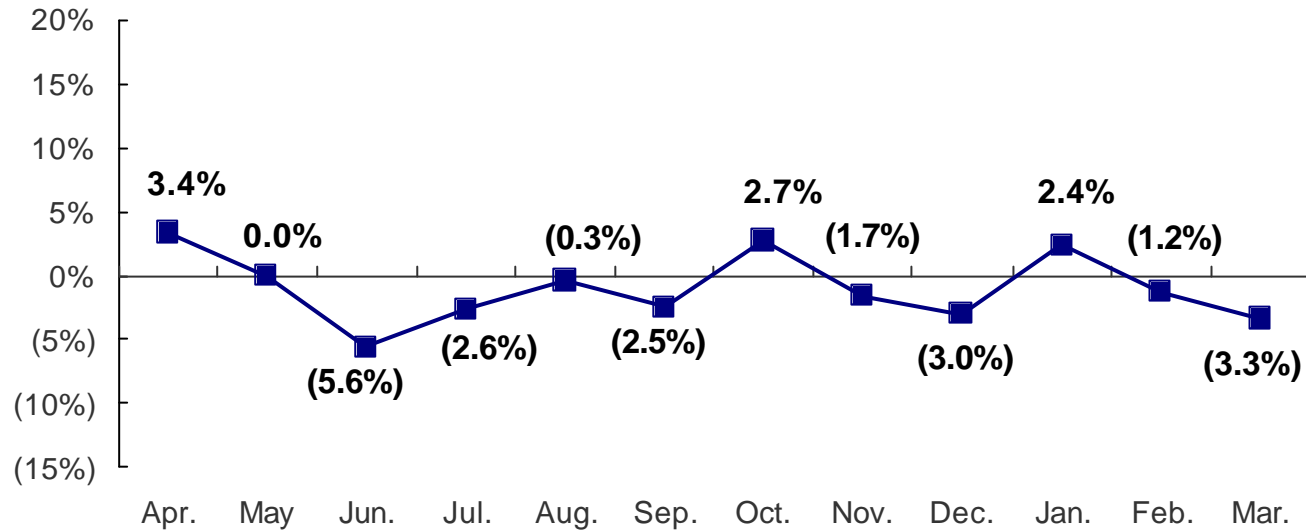
2. Fiscal Year 2007 Business Plan

Net Premiums Written

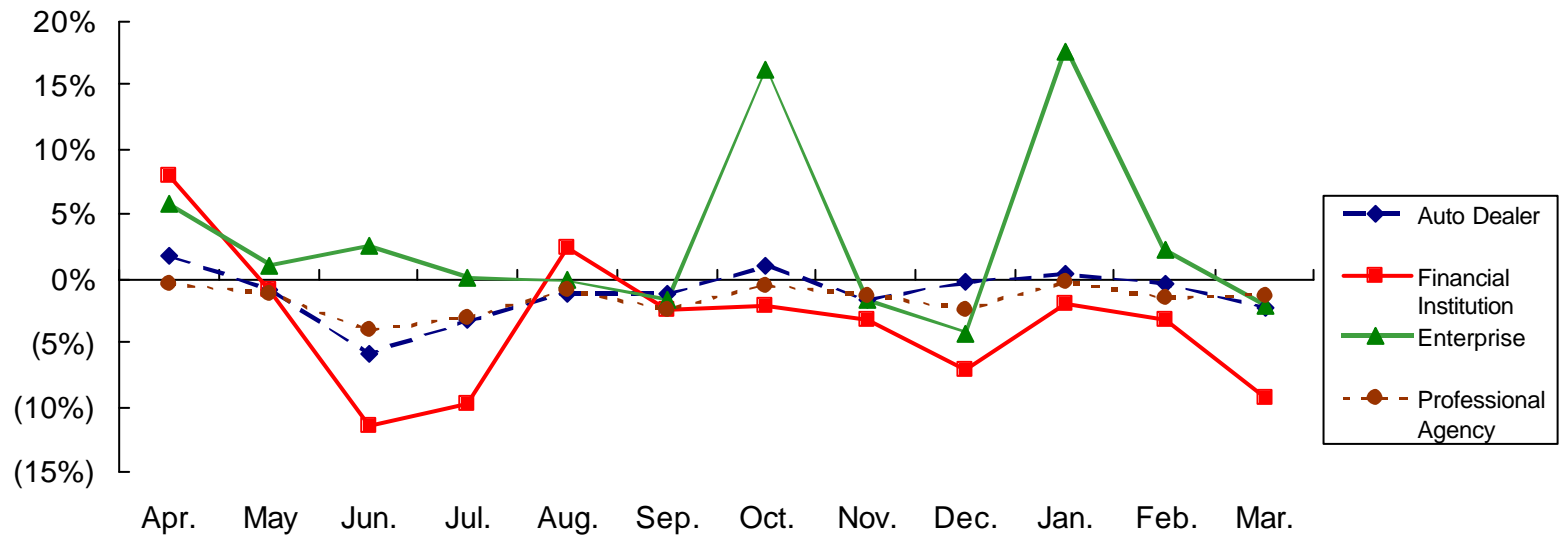


Month to Month Growth Rate of Sales Premium

All Channels

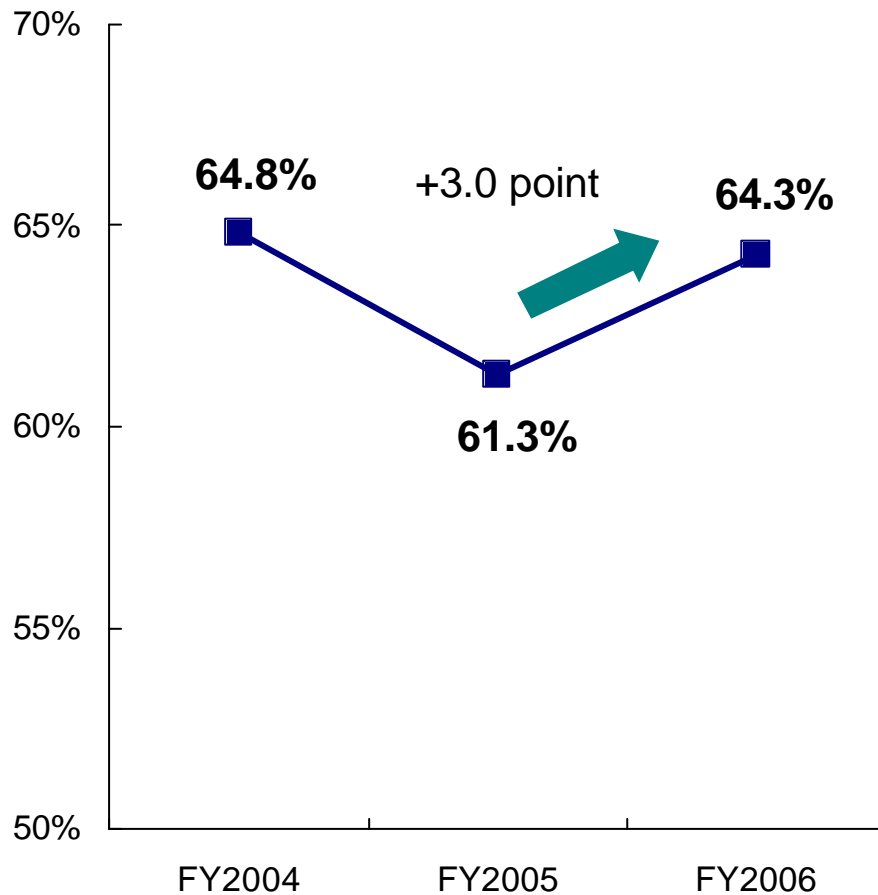


Breakdown by Channel

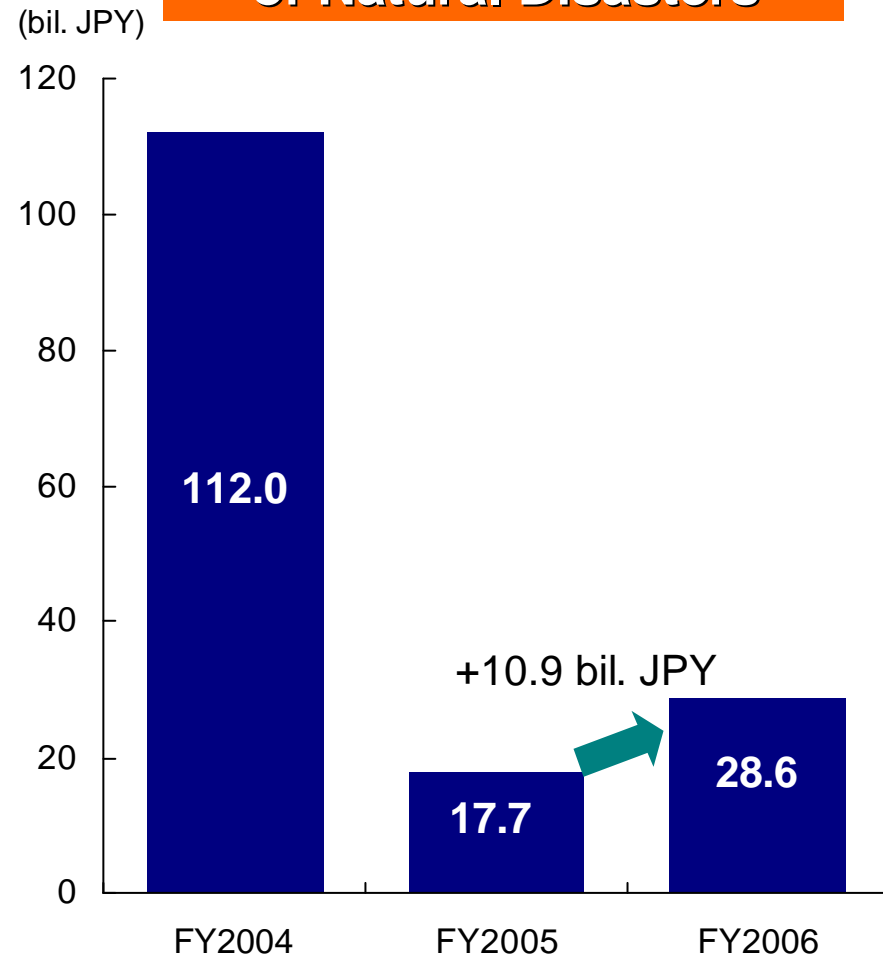


Loss Ratio / Natural Disasters

Loss Ratio

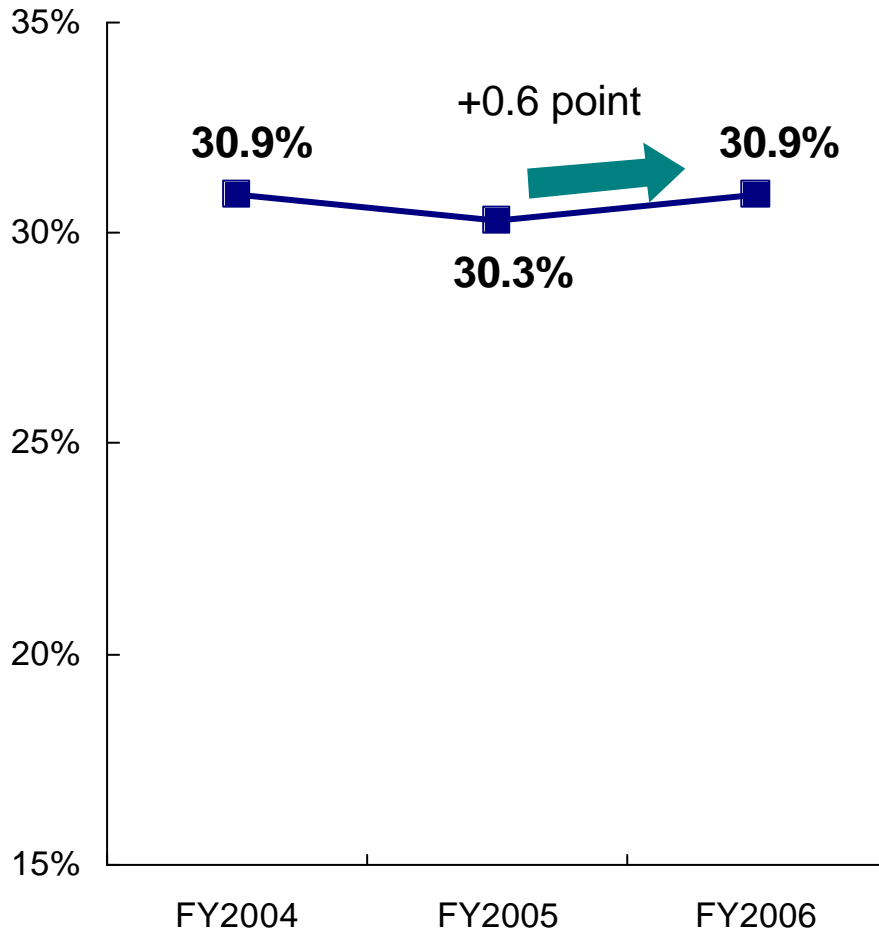


Net Incurred Loss of Natural Disasters

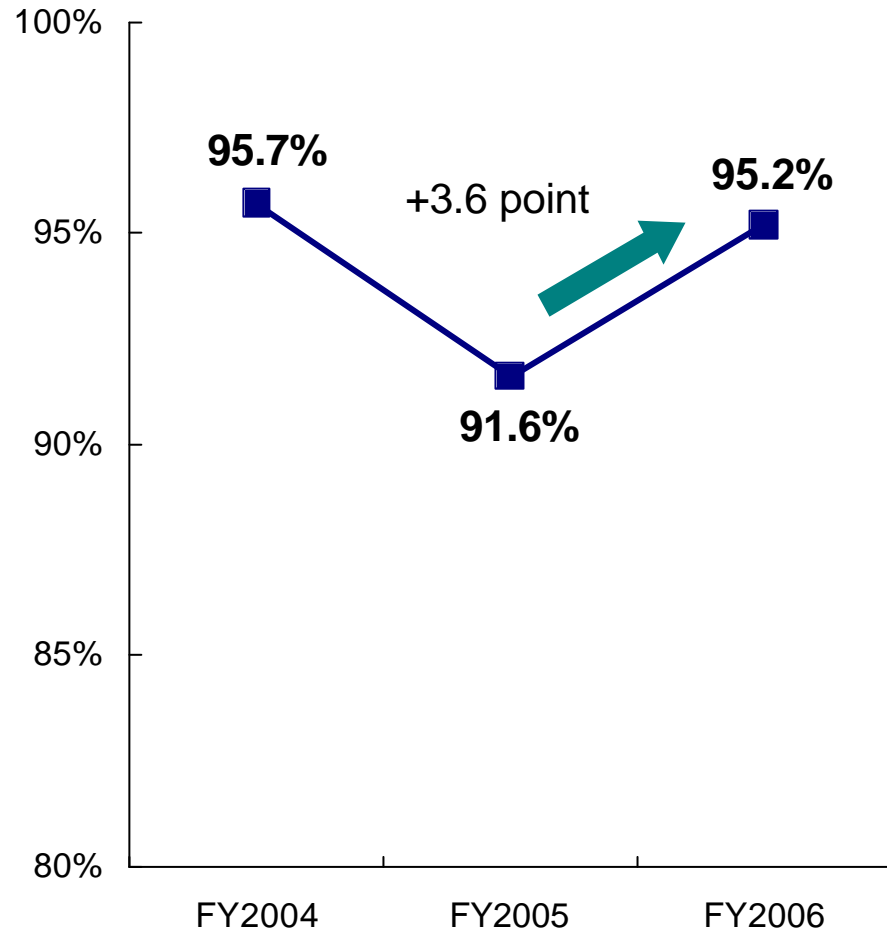


Expense Ratio / Combined Ratio

Expense Ratio

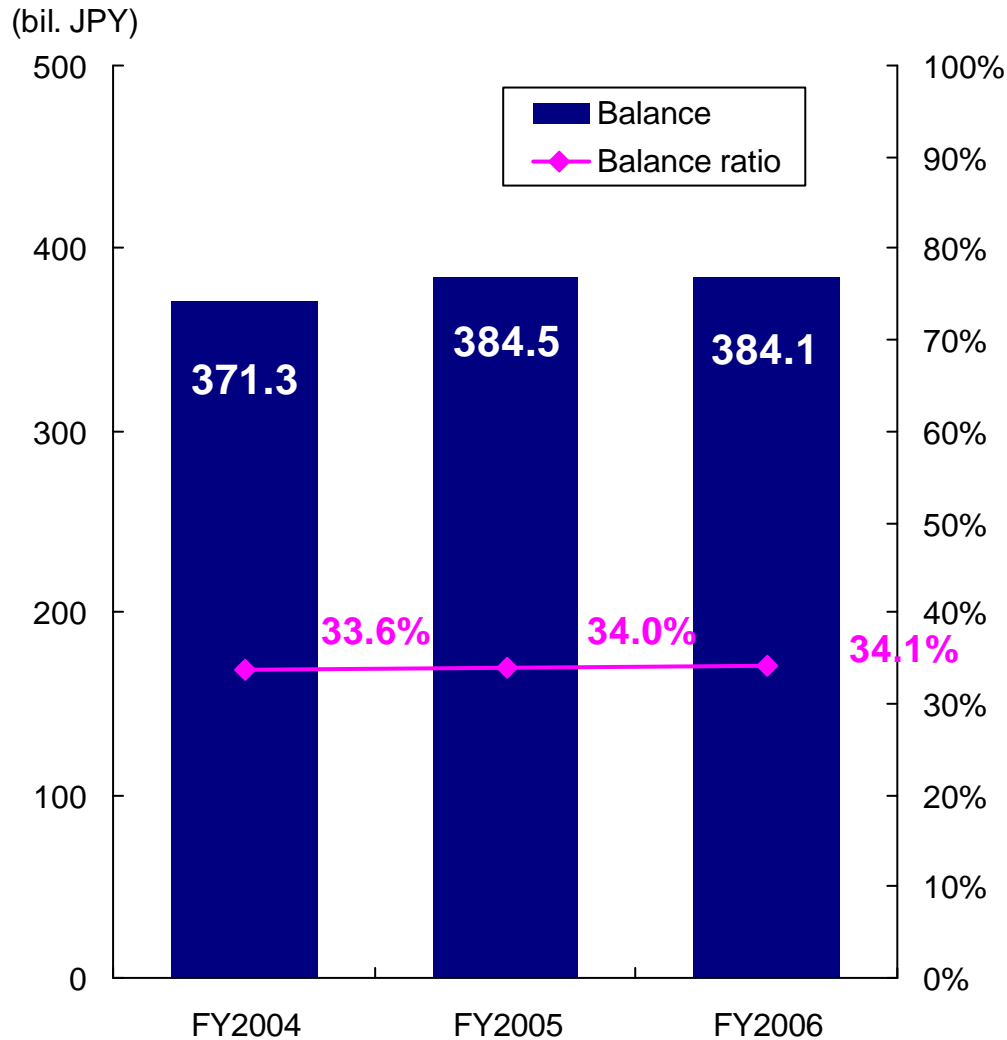


Combined Ratio

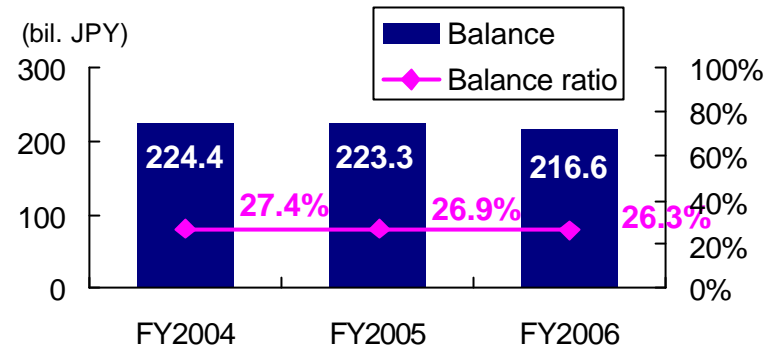


Catastrophic Loss Reserve

Total

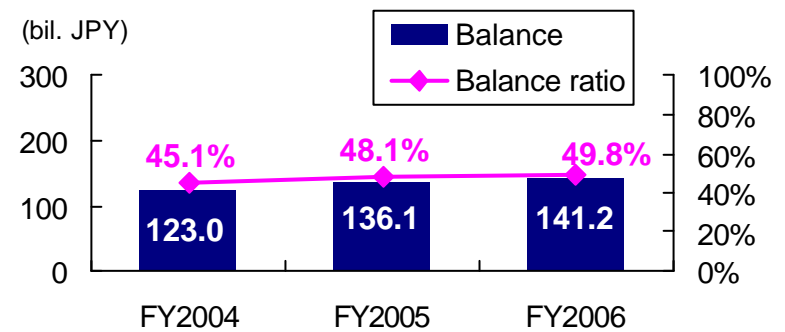


Auto Group



	FY2004	FY2005	FY2006
Reserve rate	5.5%	5.5%	6.5%

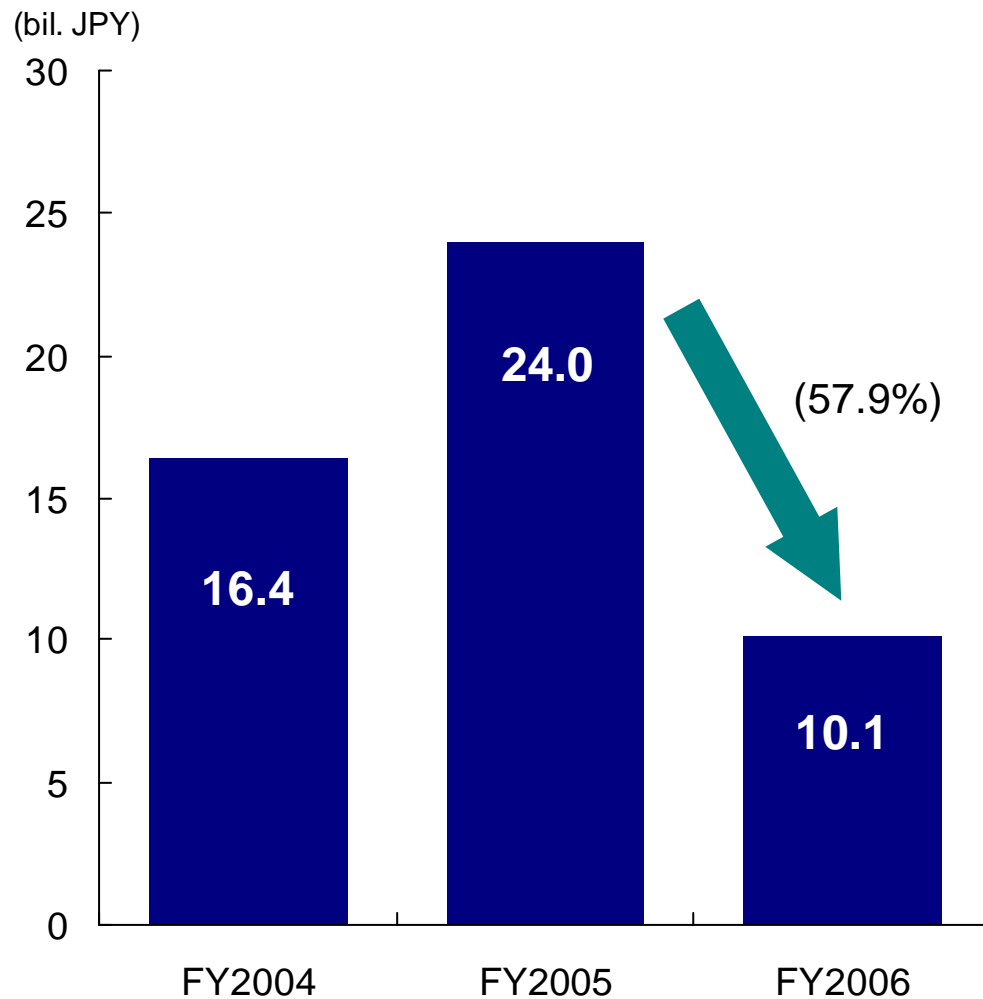
Fire Group



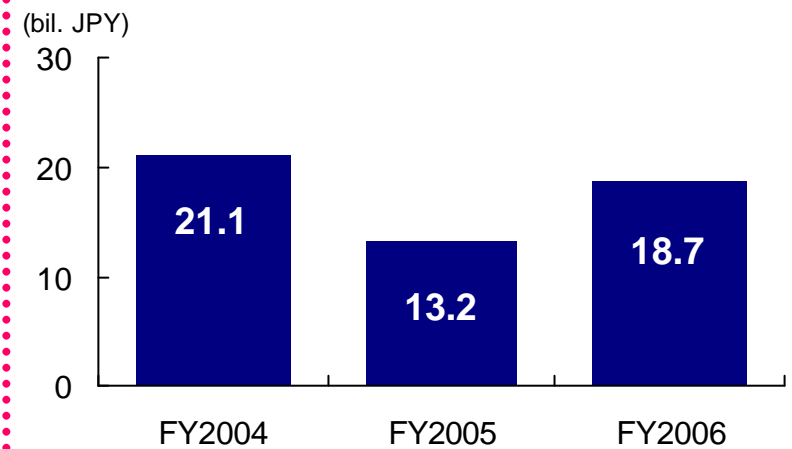
	FY2004	FY2005	FY2006
Reserve rate	7.5%	7.5%	10.0%

Underwriting Profit / Statistical IBNR

Underwriting Profit



Increase of Statistical IBNR

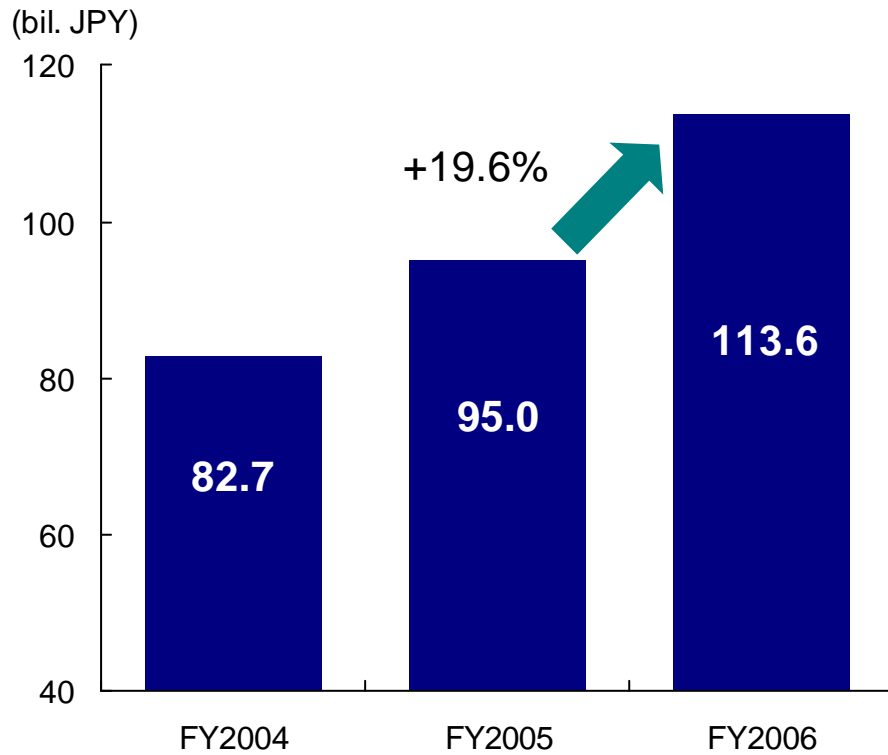


(bil. JPY)

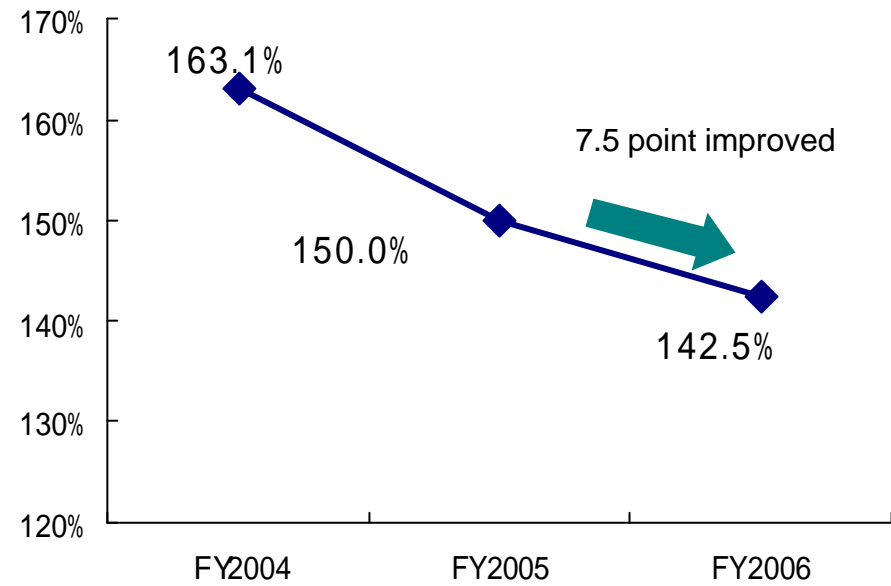
Line	Increase of Statistical IBNR		
	FY2004	FY2005	FY2006
Voluntary automobile	-	7.6	19.4
Worker's Compensation	-	0.1	0.8
General Liability	21.1	5.4	(1.5)
Total	21.1	13.2	18.7

Investment

Gross Interest and Dividend Income



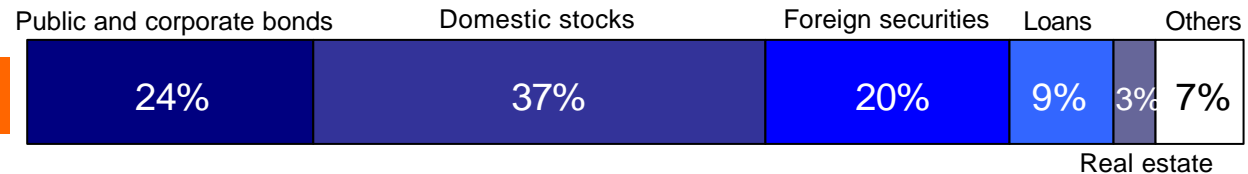
Market Value of Holding Stocks to Net Asset



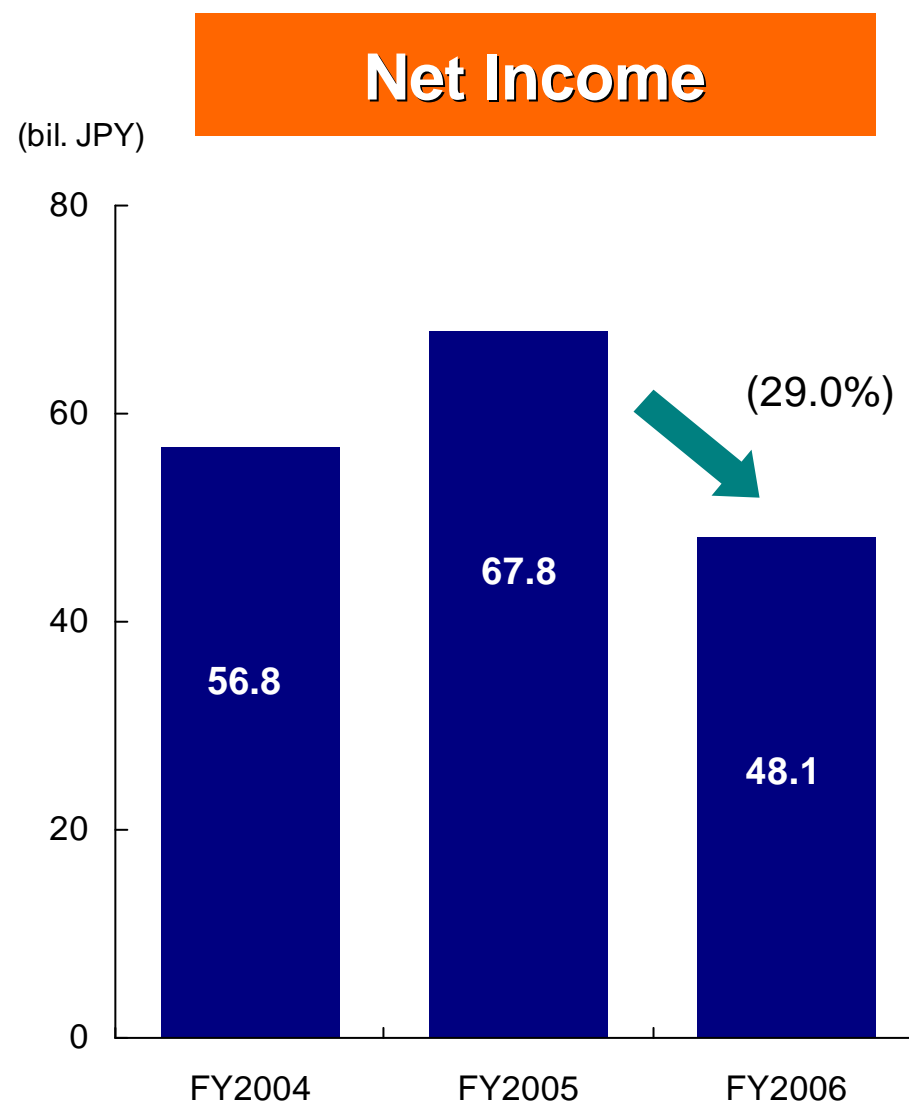
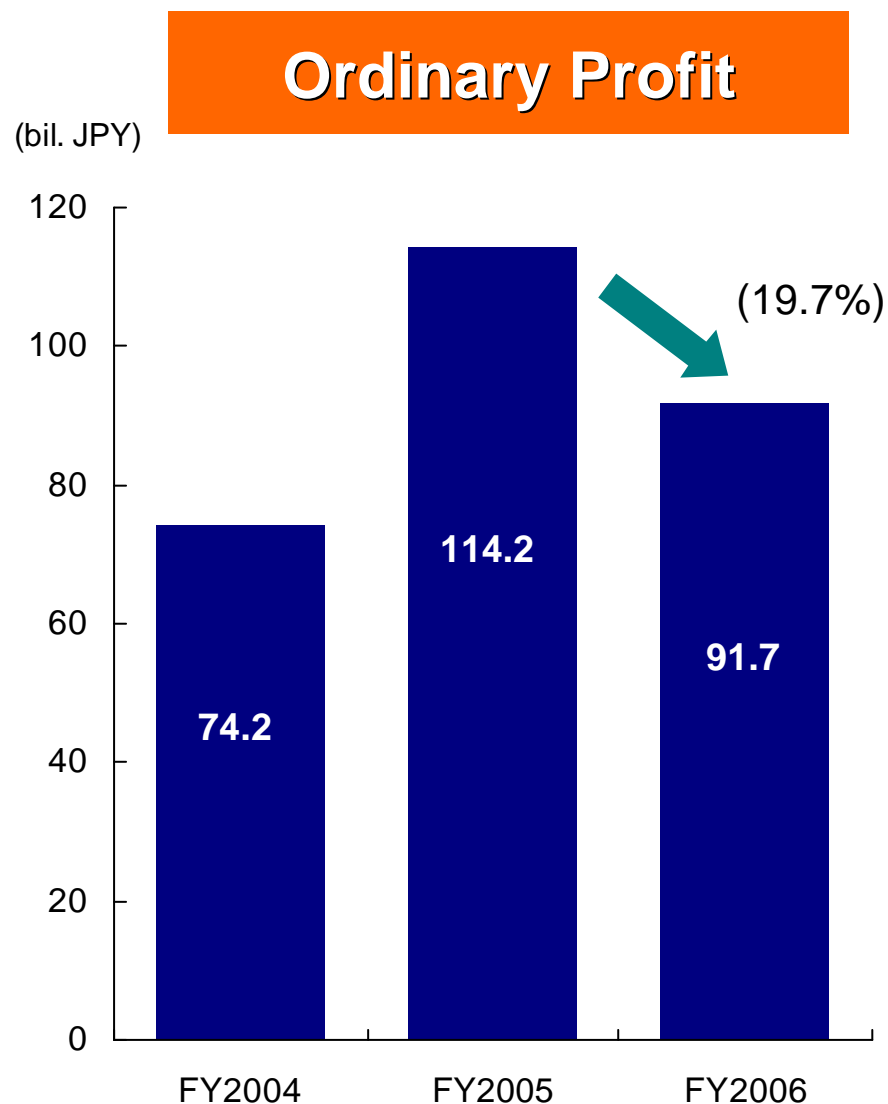
Sales of Stock (FY2006) : 27.7 bil. JPY

Asset Allocation

Total: 5.6 tri. JPY

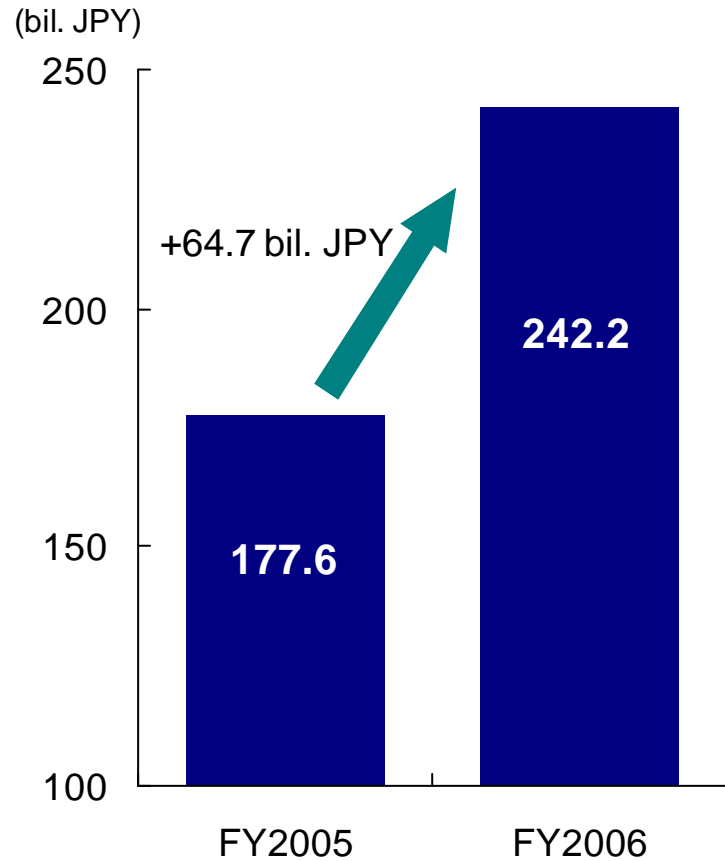


Ordinary Profit / Net Income



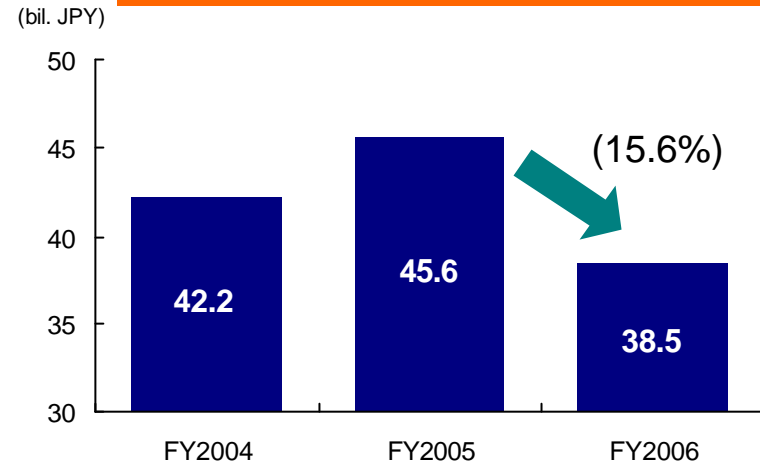
Life Insurance Business: Sampo Japan Himawari Life

Embedded Value

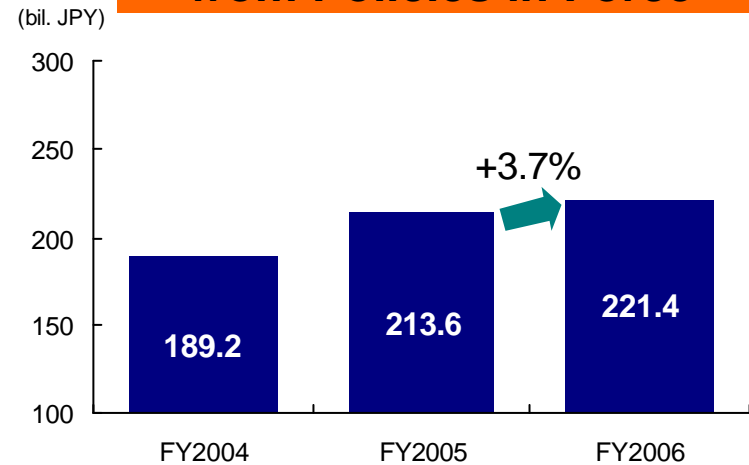


Ordinary profit 14.6 bil. JPY
Contributed to consolidated basis

Annualized Premiums from New Policies

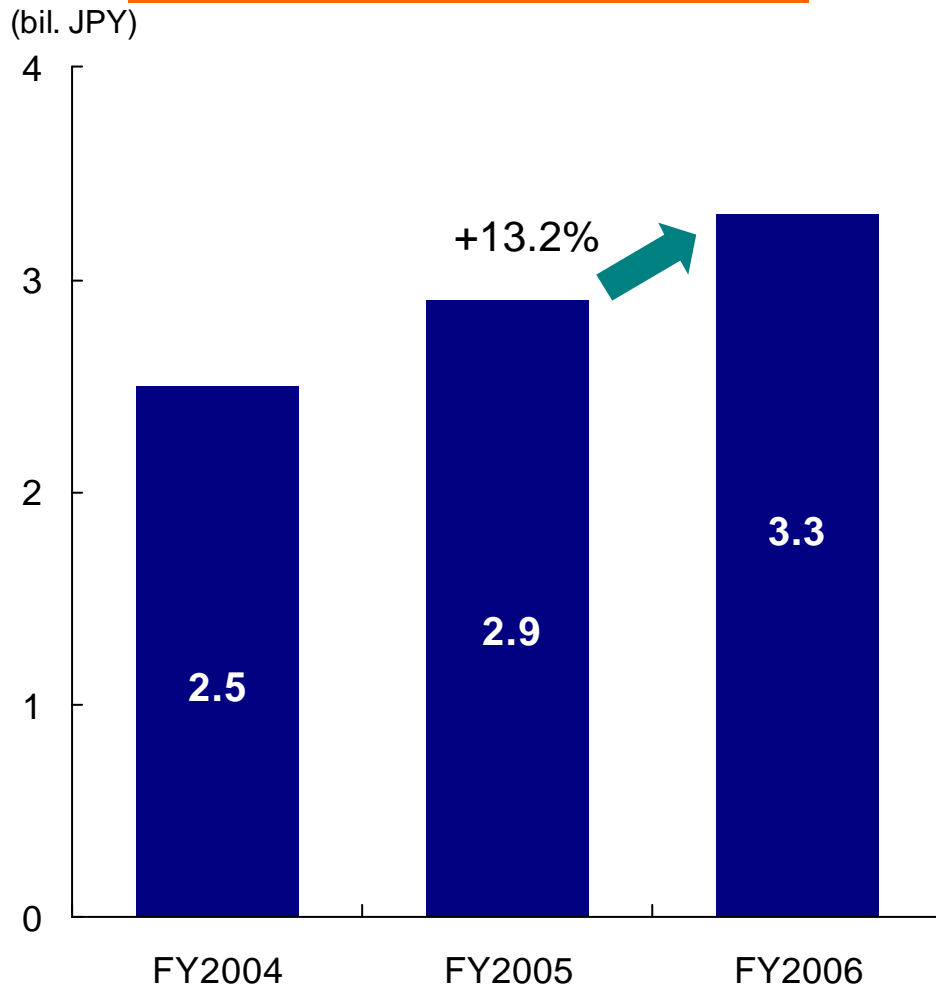


Annualized Premiums from Policies in Force

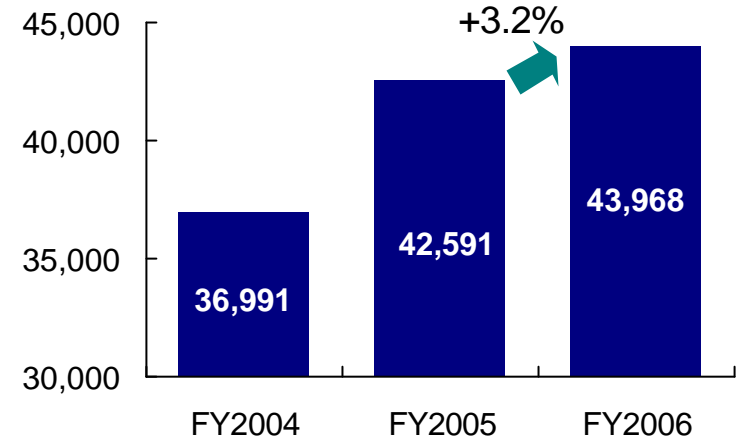


Life Insurance Business: Sampo Japan DIY Life

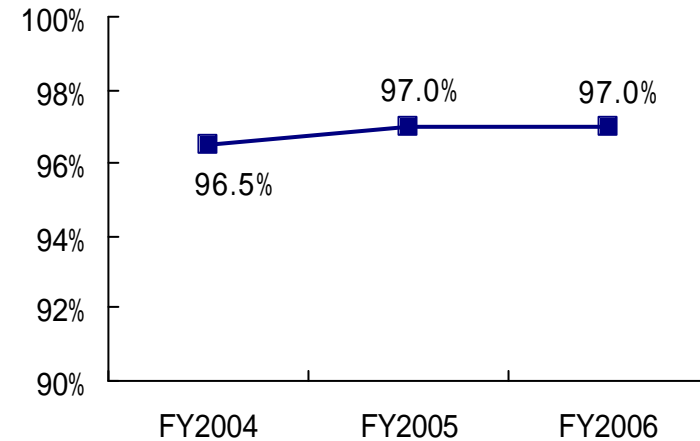
Premiums



Number of Policies in Force



Renewal Rate



Defined Contribution Pension Plan Business / Asset Management Business

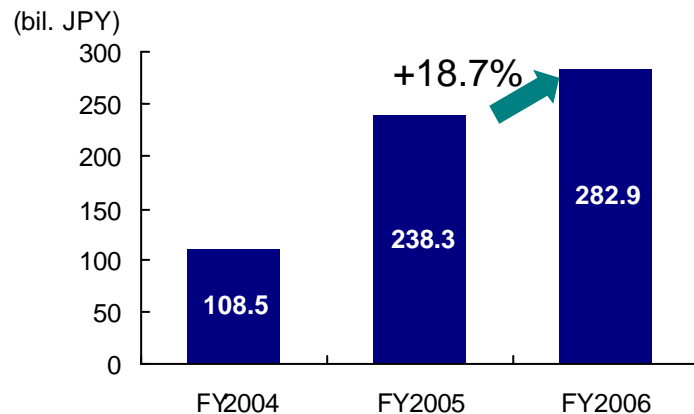
Sompo Japan DC Securities

Personal Type : Ranked top with market share 22.0% (our estimate)

Commercial Type : Ranked 2nd with market share 12.6% (our estimate)

Sompo Japan Asset Management

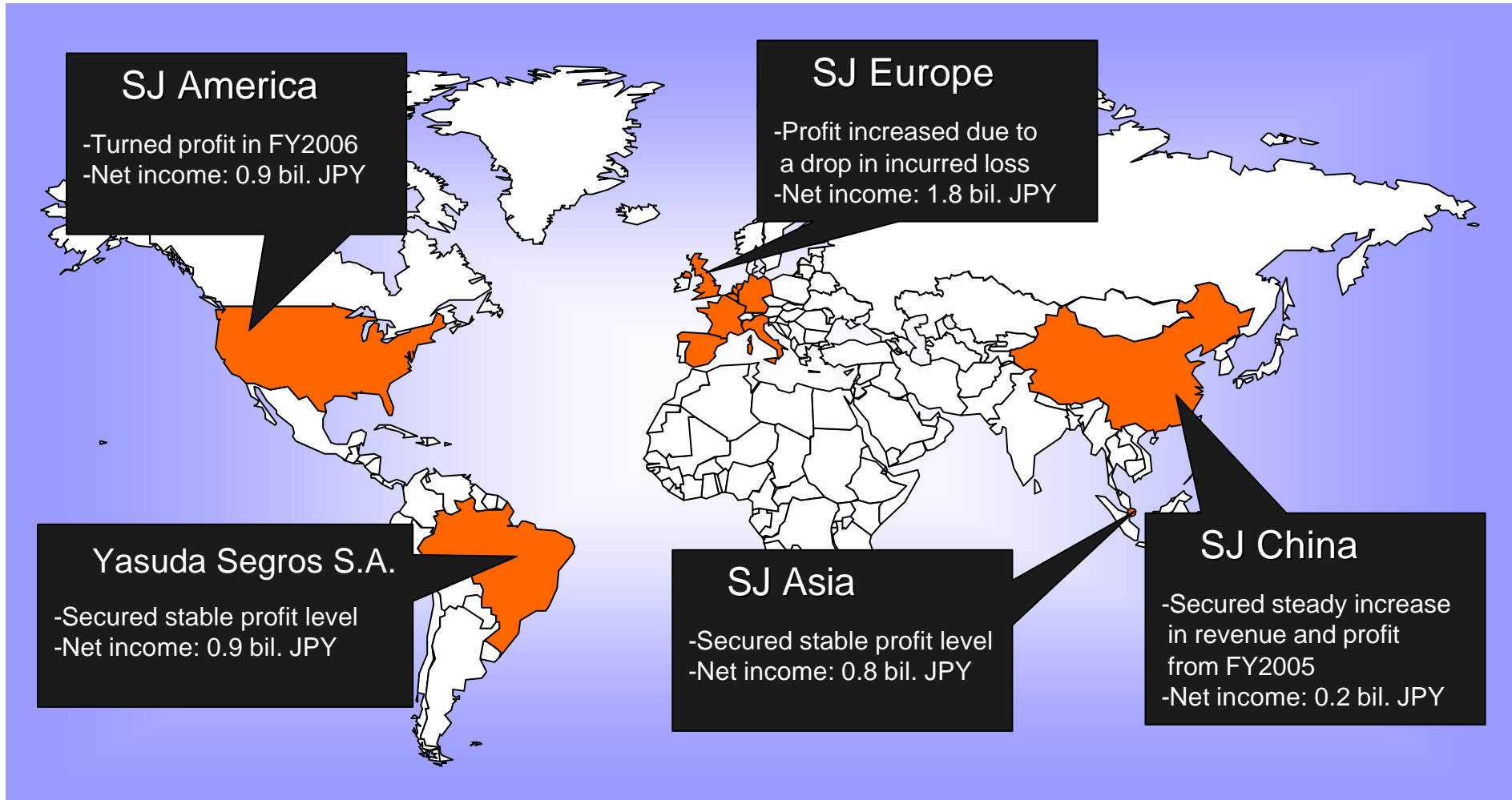
< Net asset under management of investment trust >



< Topic >

The product of Sompo Japan Asset Management was ranked top in performance among investment trust of domestic stocks according to Nikkei QUICK

Overseas Business



Overview of Consolidated Results

(Unit: bil. JPY)

	Ordinary Profit	Net Income	Net Income after Consolidation Adjustments
Sompo Japan	91.7	48.1	
Sompo Japan Himawari Life	14.6	7.7	4.7
Sompo Japan DIY Life	(0.6)	(0.6)	0.0
Sompo Japan DC Securities	(0.7)	(0.7)	(0.7)
Sompo Japan Asset Management	0.3	0.3	0.2
Sompo Japan America	0.9	0.9	0.9
Sompo Japan Europe	1.7	1.8	1.8
Sompo Japan China	0.3	0.2	0.2
Sompo Japan Asia	0.9	0.8	0.8
Yasuda Segros S.A. (Brazil)	1.2	0.9	0.9
Total	110.5	61.9	

Risk and Capital (As of March, 2007)



[Risk Amount] Underwriting risk, Investment risk, Operational risk
Quantified by Tail-VaR method with 99% reliance interval

[Minimum Capital] Required capital to maintain Solvency Margin Ratio of 200%

[Total Net Asset] Total present value of existing policies' future cash flow, net asset after necessary adjustments, quasi-capital reserves and unrealized gains on real estate

Approx. 1 tri. JPY surplus, stems primarily from increased unrealized gains on securities.

Sompo Japan seeks to increase dividend payments steadily to reward for shareholders.
Dividend on Equity (DOE) is used as an indicator with long-term target 2%.

Surplus is earmarked for capital allocation to risk-taking toward higher investment return and expansion of profit in existing and new businesses.

< Reference > Profit / Loss of Reinsurance Contracts Handled by FR

No policy was effective after January 2005 and no new accident incurred.

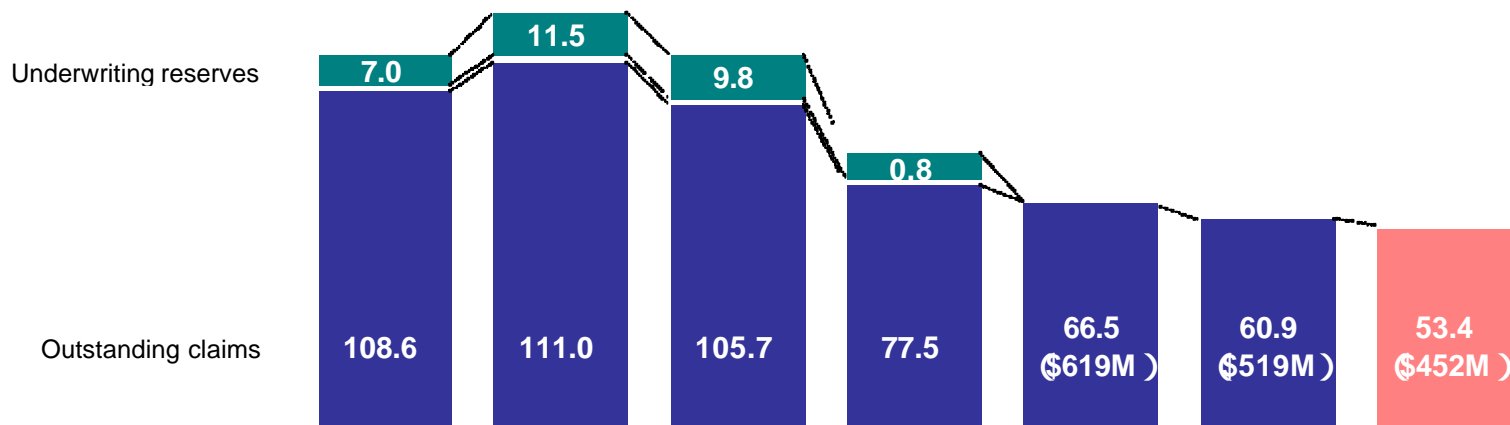
	FY2002.3	FY2002.6	FY2003.3	FY2004.3	FY2005.3	FY2006.3	FY2007.3	Total as of the end of Mar. 2007
Premiums	-	(5.9)	+6.5	+5.4	+1.0	+2.2	+2.4	+11.6
Claims	-	(1.0)	(10.5)	(25.5)	(11.1)	(7.8)	(8.4)	(64.3)
Comissions	-	(0.1)	(1.1)	(0.4)	(0.1)	(0.1)	(0.0)	(1.8)
Outstanding claims	(108.6)	(2.4)	+5.3	+28.2	+11.0	+5.6	+7.6	(53.3)
Underwriting reserves	(7.0)	(3.0)	+1.6	+9.0	+0.8	-	-	+1.4
Others	-	(19.4)	+1.5	(10.2)	+5.2	+17.6	+2.3	(3.0)
Total	(115.6)	(31.8)	+3.3	+6.5	+7.0	+17.5	+3.9	(109.2)
							Sompo Japan : Total	+38.2

(Unit: bil. JPY)

(Outstanding claims and Underwriting reserves : "+" represent reversal and "(" represent provision.)

<Trend of outstanding claims and underwriting reserves>

(Unit: bil. JPY)



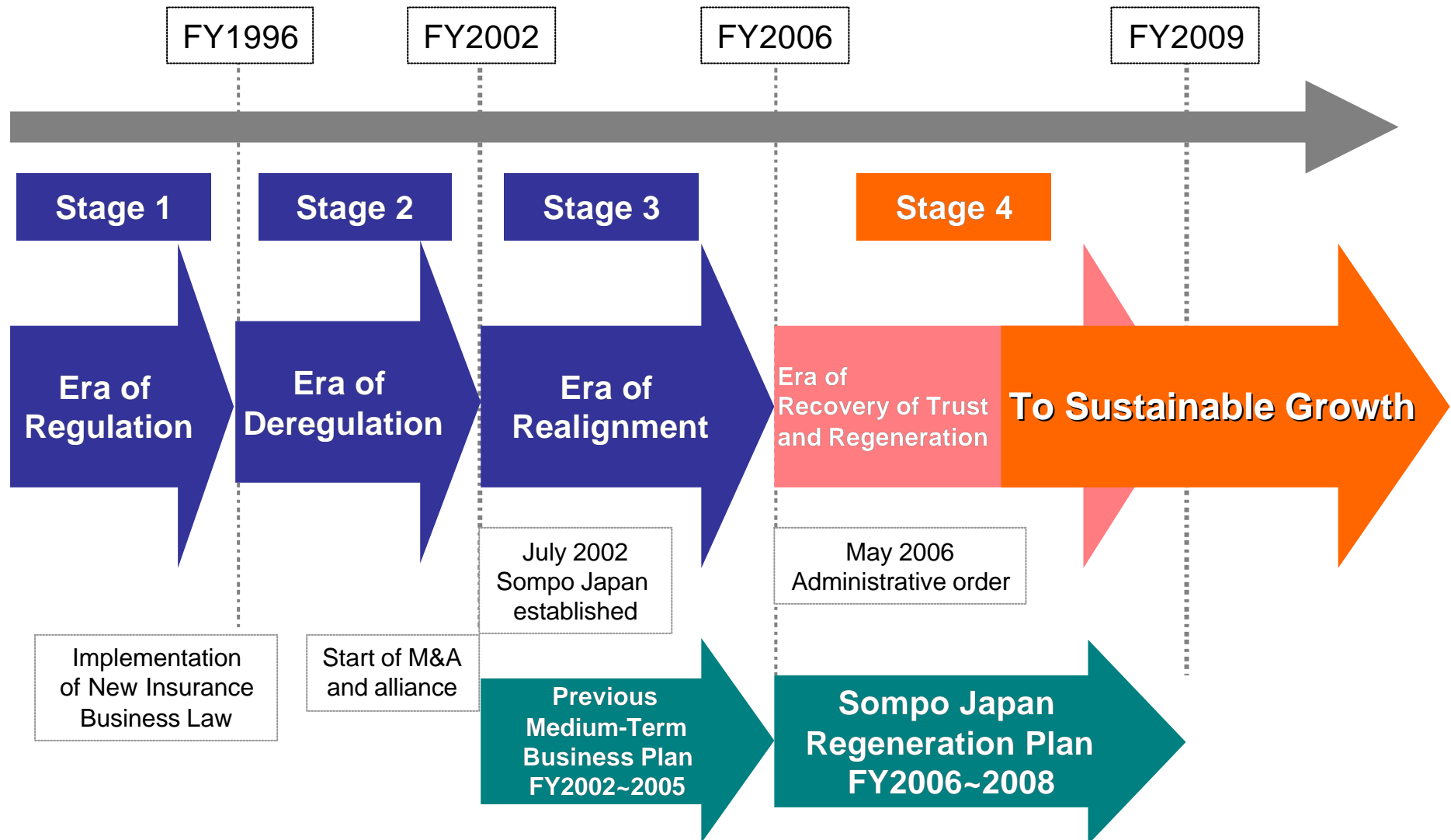
Note) Underwriting reserves include unearned premium and merger profit at legacy Nissan Fire.



1. Fiscal Year 2006 Results

2. Fiscal Year 2007 Business Plan

From Recovery of Trust to Sustainable Growth



Sompo Japan Regeneration Plan

Sompo Japan Regeneration Plan

Growth Strategy

Medium-Term Business Plan
Five core concepts

Enhancement of group profits,
mainly growth of domestic business

Implementation of Customer-First Policy

Providing excellent solutions for risks and asset management

Reinforcement of business infrastructure
to implement customer-first policy

Coexistence with insurance agencies
(Enhancement of agencies' operational basis)

Major Premises of Business Development

Enhancement of corporate governance,
risk management and compliance
"Business Base Enhancement Initiative"

Establishment of framework to foster
transparent corporate culture
"Employee Activation Initiative"


Most
important

Implementation of Business Improvement Plan

Progress of Regeneration Plan in FY2006

Growth Strategy		Achievements in FY2006
1	Identifying domestic business as core business domain	-Worked on implementation of business improvement plan, investigation of unpaid claim and reinforcement of business base as top priority issues
2	Improving front-line productivity to enhance pro-active sales infrastructure	-Established of call centers in Saga and Sapporo as basis for strategic call center
3	Creating new business model in retail market	-Sompo Japan Himawari Life fully funded liability reserves and made 10 bil. JPY of pre-tax basis.
4	Reinforcing life insurance business and defined contribution pension plan business	-Sompo Japan DC Securities established top level presence in both commercial and personal types.
5	Contributing to profits through overseas profitable business	-Sompo Japan Asset Management demonstrated strong performance in investment trust sales via banks. -Implemented aggressive business developments in India and Malaysia

Basic Management Policy in FY2007

	Growth Strategy	Basic Management Policy in FY2007
1	Identifying domestic business as core business domain	Established growth base, by accomplishment of Business Improvement Plan, resolution of issues of unpaid claim and incorrect premiums, and implementation of recurrence prevention measures
2	Improving front-line productivity to enhance pro-active sales infrastructure	
3	Creating new business model in retail market	
4	Reinforcing life insurance business and defined contribution pension plan business	
5	Contributing to profits through overseas profitable business	
		Move into the stage of realizing sustainable growth, by transition to implementation of growth strategy

Efforts for Strengthening business base

Co-existence with Agencies

Enhancement of agency business base and improvement of quality of agency management

- Increase of high quality agencies for whom Sompo Japan is main partner by establishing new agencies and strengthening sales capabilities
- Upgrading agency education and system infrastructure for agencies

Reinforcement of Service Center (SC)

Improvement of quality of Claims Handling Department (SC) through allocating management resources with priority

- Enable appropriate and timely claim payments, which is the precondition of business growth
- Improvement of effectiveness of employee and agency education, pursue higher skills as experts, and effective utilization of outside views

Channel Strategy

Bank OTC

Bank OTC is to be fully liberalized in December 2007

- Sompo Japan's strength is alliance with a number of financial institutions, particularly with regional banks and credit unions
- Sompo Japan plans to establish competitive edge by offering customer friendly and relatively simpler products, packaged with back-office functions, and so on

Privatization of Japan Post

Sompo Japan's business chance is to be expanded by privatization of Japan Post

- Reinforcement of sales proposals of life and P&C insurance products
- Automobile insurance product which is offered by seven companies including Sompo Japan is to be distributed via Japan Post

Products Strategy

Automobile Insurance

Plan to renew products completely at around fourth quarter, FY2007

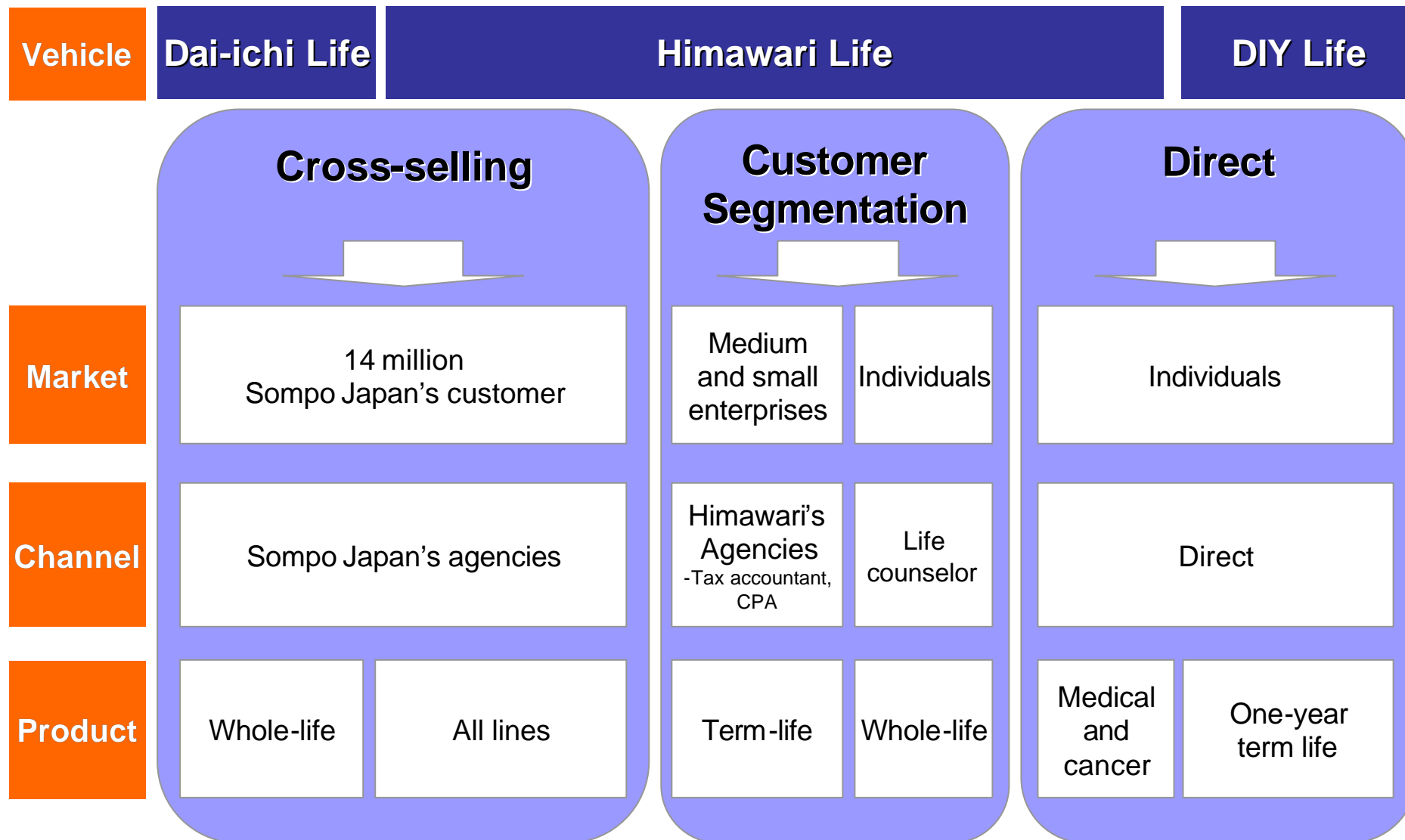
- Simplification of products and special clause, from five products to two, and reduce the number of special clause to half
- Unification in product provisions and premium collection methods

Fire Insurance

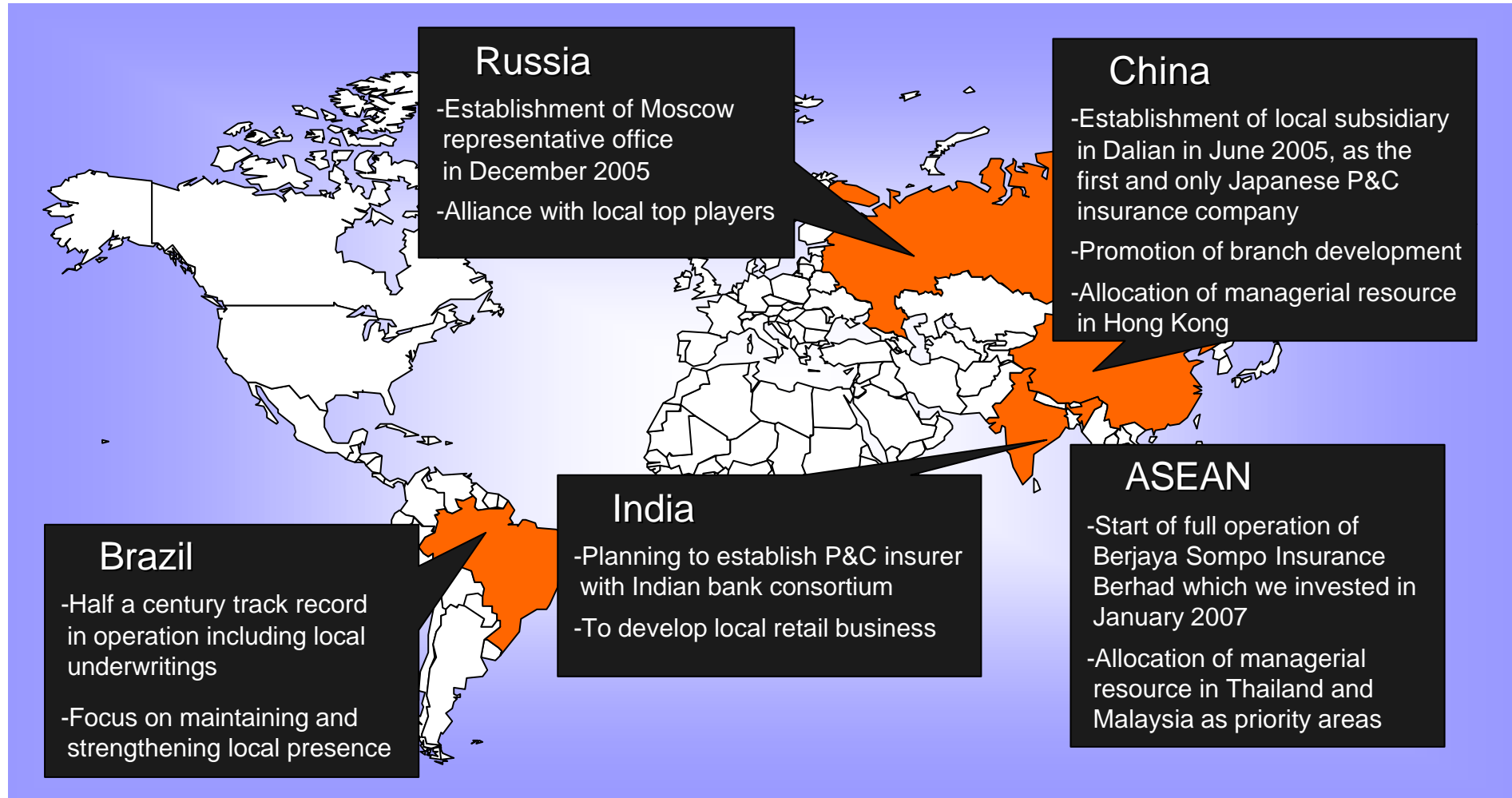
Plan to streamline product lineup in the same way as that for automobile insurance

- Streamline contract and unify / simplify provisions
- Plan to reorganize products within FY2008

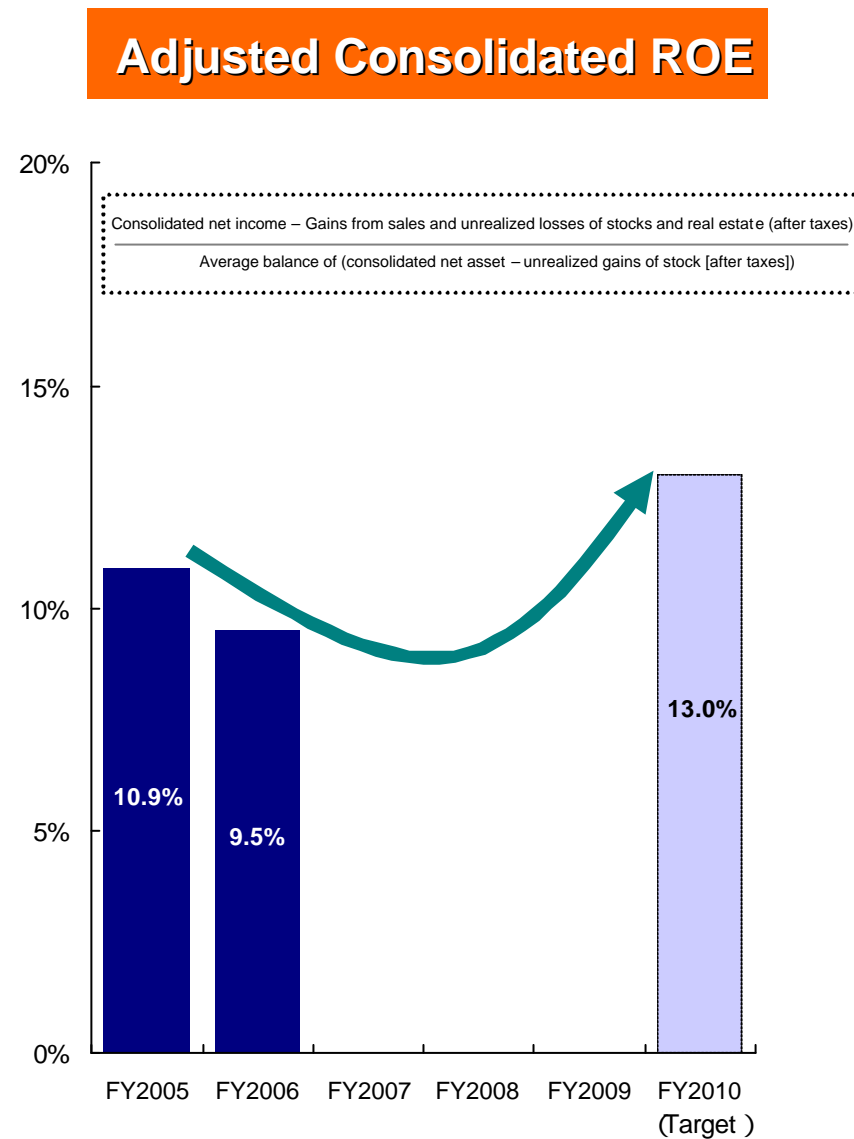
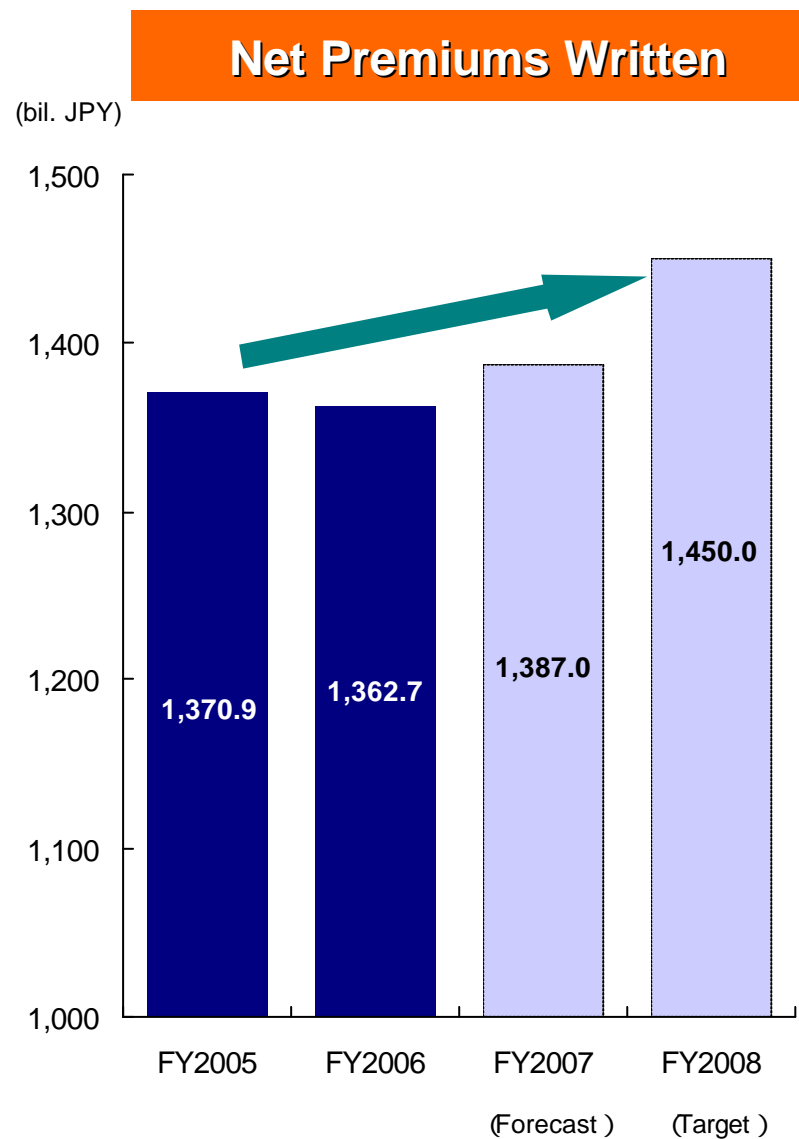
Life Insurance Business



Overseas Business

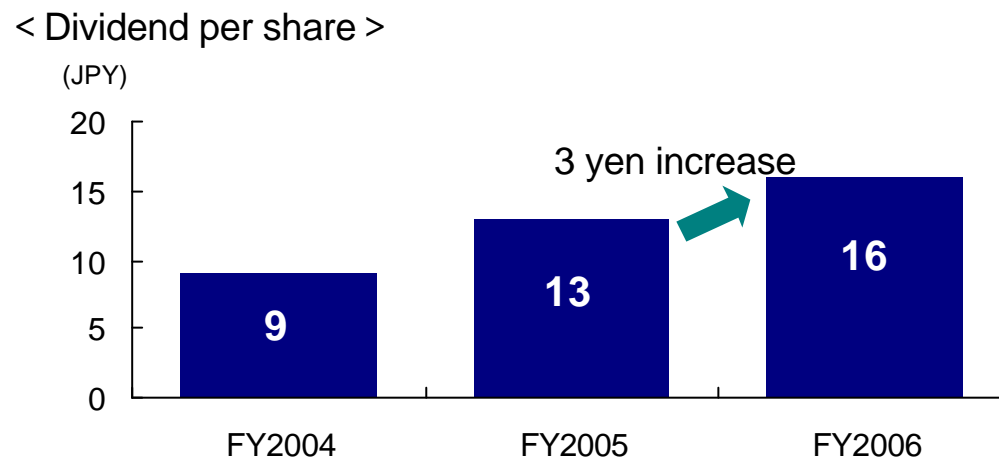


Management Target

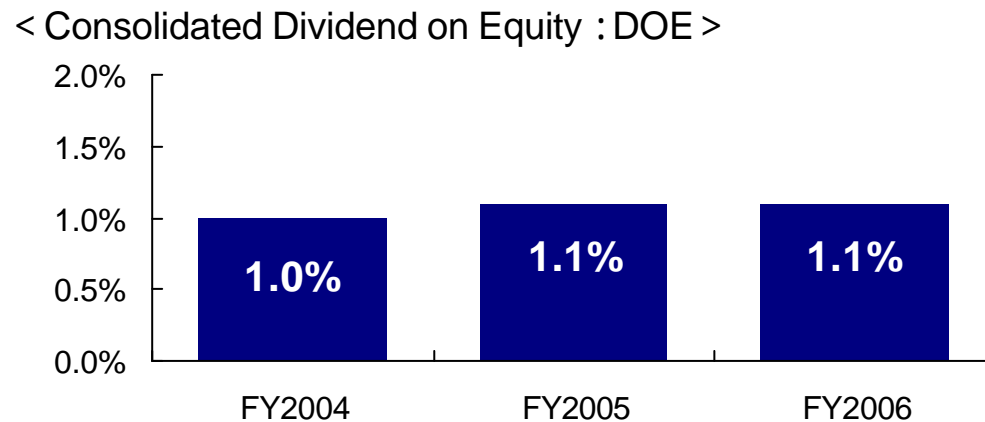


Increase of Shareholder Value

Seeking steady increase in dividend payments



Target : Consolidated “Dividend on Equity” (DOE) 2%



Non-consolidated Forecast for FY2007

(Unit: bil. JPY)

	FY2006		FY2007	
	Results	YOY change	Forecast	YOY change
Net premiums written	1,362.7	(0.6%)	1,387.0	+1.8%
Loss ratio	64.3%	+3.0%	65.0%	+0.8%
Expense ratio	30.9%	+0.6%	32.1%	+1.1%
Combined ratio	95.2%	+3.6%	97.1%	+1.9%
Underwriting profit	10.1	(13.9)	9.0	(1.1)
Interest and dividend income	113.6	18.5	99.0	(14.6)
Ordinary profit	91.7	(22.5)	80.0	(11.7)
Net income	48.1	(19.6)	49.0	0.8

< Net Premiums Written >

(Unit: bil. JPY)

	FY2006		FY2007	
	Results	Growth	Forecast	Growth
Fire	148.8	(2.1%)	157.0	+5.5%
Marine	31.0	+9.5%	31.5	+1.5%
Personal Accident	127.7	+0.1%	133.7	+4.7%
Voluntary Automobile	666.9	(1.1%)	671.0	+0.6%
CALI	232.7	(2.2%)	235.8	+1.3%
Others	155.5	+3.1%	158.0	+1.6%
Total	1,362.7	(0.6%)	1,387.0	+1.8%

< Net Claims Paid >

(Unit: bil. JPY)

	FY2006		FY2007	
	Results	L/R	Forecast	L/R
Fire	84.0	58.1%	77.5	51.9%
Marine	13.6	47.0%	15.5	52.4%
Personal Accident	53.5	45.8%	55.3	45.5%
Voluntary Automobile	397.8	66.0%	407.1	67.1%
CALI	160.8	74.4%	165.0	76.0%
Others	96.9	66.2%	107.6	72.2%
Total	806.8	64.3%	828.0	65.0%


CALI = Compulsory Automobile Liability Insurance

L/R = Loss Ratio

Consolidated Forecast for FY2007

(Unit: bil. JPY)

	Ordinary Profit	Net Income	Net Income after Consolidation Adjustment
Sompo Japan	80.0	49.0	
Sompo Japan Himawari Life	12.9	8.3	5.6
Sompo Japan DIY Life	0.0	0.0	0.0
Sompo Japan DC Securities	(0.6)	(0.6)	(0.6)
Sompo Japan Asset Management	0.4	0.2	0.1
Sompo Japan America	2.5	2.5	2.5
Sompo Japan Europe	0.9	0.7	0.7
Sompo Japan China	0.1	0.1	0.1
Sompo Japan Asia	0.7	0.6	0.6
Yasuda Segros S.A. (Brazil)	1.0	0.7	0.7
Total	95.0	59.0	



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