

Corporate Presentation

January, 2009

SOMPO JAPAN INSURANCE INC.

1. Forecast for Fiscal Year 2008

2. Sompo Japan's Business Strategy

3. Fiscal Year 2008 1st Half Results

Full-Year Forecast for Fiscal 2008 (Key Points)

Loss expected but impact limited
No change in our growth strategy

1. Loss projection under the turmoil of global financial market

1) Loss reserves for financial guarantee insurance: 70 bil. JPY

Estimated loss is calculated by our assumption based on the current credit market environment over the entire guarantee period of insurance policies which have high possibility of the occurrence of claims.

2) Impairment losses on securities: 73 bil. JPY

Assumption: the market situation as of the end of October 2008 (Nikkei225: 8,576 JPY)

Break-even-point of Nikkei225: Approx. 4,900 JPY

(as of the end of October 2008, after considering impairment losses of 73 bil. JPY)

2. Upward trend of domestic P&C insurance premiums

Projecting higher premiums from all types of insurance excluding CALI

As for automobile insurance, the number of policies increased in the 1st half and the trend will continue in the 2nd half

3. Strong top line for life insurance

As for Himawari Life, top line growth will continue in the 2nd half

Profits are expected to decline on higher sales expense and the liability reserves for new policies

4. Steady performance of overseas business

Steady profits are expected in overseas subsidiaries

Summary of Exposure to Structured Finance (as of October 31, 2008)

Structured finance exposure in investment portfolio

- **Total exposure as of the end of FY2008 1st half:**
86.3 bil. JPY -Decreased by 0.2bil.JPY since June 30, 2008
0.5 bil. JPY related to U.S. subprime loans -Decreased by 0.2 bil. JPY since June 30, 2008
- **Gains/Losses in FY2008 1st half:**
0.6 bil. JPY losses (Impairment losses: 0.1 bil. JPY, Unrealized losses: 0.5 bil. JPY)

Exposure to U.S. housing government-sponsored enterprises (GSEs)

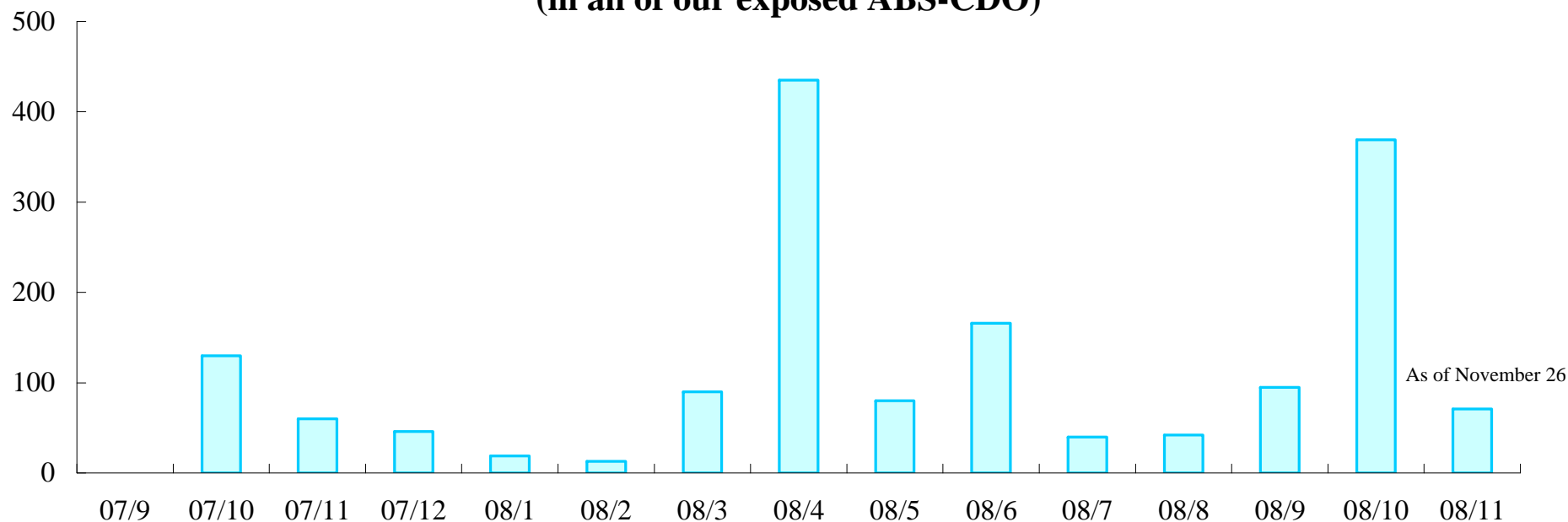
- **Total exposure as of the end of FY2008 1st half:**
74.7 bil. JPY (RMBS: 70.4 bil. JPY, Agency Bonds: 4.2 bil. JPY)
 *Fannie Mae: 47.4 bil. JPY, Freddie Mac: 26.4 bil. JPY, FHLB: 0.9 bil. JPY
- **Gains/Losses in FY2008 1st half:**
4.7 bil. JPY losses (unrealized losses, due mainly to the fluctuation of exchange rate)

Financial guarantee insurance (New business suspended)

- **Total insured amount as of the end of FY2008 1st half:**
1,081.5 bil. JPY -Decreased by 70.4 bil. JPY since June 30, 2008, due to the appreciation of yen and redemption of some transactions
189.2 bil. JPY related to U.S. subprime loans (CDOs: 184.2 bil. JPY, RMBS: 4.9 bil. JPY)
 -Decreased by 5.6 bil. JPY since June 30, 2008, mainly due to the appreciation of yen
- **Additional Losses/Reserves in FY2008 1st half:**
0.3 bil. JPY losses (Payment loss and increased loss reserve for treaty reinsurance)
 *Other than the above, 0.1bil.JPY loss reserve is increased for CDO which is booked for 30.0bil.JPY loss reserve in FY2007, due to the fluctuation of exchange rate.
- **Loss Projection for FY2008:** (Refer to the press release titled "Revision of earnings projections for fiscal year 2008" as of November 19, 2008)
 Since the possibility of the occurrence of claims is increasing under the turmoil situation in the global financial markets after October 2008, we forecast to book additional loss reserves of 70 billion yen.
 Estimated loss is calculated by our assumption based on the current credit market environment over the entire guarantee period of insurance policies which have high possibility of the occurrence of claims.

Risk Recognition and Disclosure of Financial Guarantee Insurance

Downgrade action on underlying assets by month
(in all of our exposed ABS-CDO)



Disclosure	November 27, 2007 Risk recognition of the occurrence of claims	January 11, 2008 Booking loss reserve of 34 bil. JPY	May 27, 2008 List of guarantee for ABS-CDO	August 11, 2008 Update of exposure to structured finance	November 19, 2008 Loss projection of 70 bil. JPY for FY2008
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List of Guarantee for ABS CDOs (Excl. Treaty Reinsurance)

(As of October 31, 2008, Unit: billions of JPY)

Policy No. *1	Issue Rating *2	Fiscal Year Issued	Insured Amount *3	Subordina tion Ratio *4	Distribution of underlying assets rating (as of October 31, 2008)						Ratio of subprime RMBS
					AAA	AA	A	BBB	Below BBB	*5 Default	
Guarantee for CDO①	AAA	2003	10.3	14%	44%	20%	16%	9%	11%	0.0%	0%
Guarantee for CDO② *6	AAA	2004	28.7	18%	90%	6%	2%	1%	1%	1.1%	1%
	AAA	2004	10.0	10%							
Guarantee for CDO③	AA	2004	12.4	11%	27%	48%	12%	2%	11%	2.8%	12%
Guarantee for CDO④ *7	A	2004	12.9	12%	32%	36%	14%	3%	15%	0.9%	9%
Guarantee for CDO⑤ *7	BB	2005	12.4	13%	6%	39%	19%	12%	24%	0.0%	15%
Guarantee for CDO⑥	CC	2006	15.5	12%	35%	9%	13%	5%	38%	2.5%	2%
Guarantee for CDO⑦	A	2006	20.7	8%	13%	66%	8%	8%	5%	0.0%	31%
Guarantee for CDO⑧	CC	2006	30.0	11%	20%	15%	6%	4%	55%	4.8%	10%
Guarantee for CDO⑨	B	2006	31.0	19%	18%	5%	4%	7%	65%	12.7%	11%
Subtotal of U.S. subprime loans related CDOs			184.2	12.3%	28%	29%	10%	6%	26%	2.8%	12.1%
Guarantee for CDO⑩	AAA	2004	31.0	16%	53%	28%	1%	6%	12%	1.5%	-
Guarantee for CDO⑪	BB	2007	30.3	42%	0%	0%	0%	11%	89%	5.3%	-
Subtotal of other ABS CDOs			61.3	28.6%	19%	10%	0%	9%	62%	3.9%	-
Total of ABS CDOs			245.6	16.3%	27%	27%	9%	7%	30%	2.9%	-

<Reference> The U.S. subprime loans related CDO loss reserve has been allocated

Guarantee for CDO⑬ *7	-	2006	*8 30.1	9%	15%	12%	4%	3%	66%	10.0%	15%
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*1 CDO⑩, insured amount of which as of June 30, 2008 was 0.5bil. JPY, has been terminated due to the full redemption of our guaranteeing tranche.

*2 Issue ratings are Moody's ratings as of November 11, 2008. CDO③, ④ and ⑤ are facultative reinsurance policies, and the issue ratings of which are the ratings for the ceding company's tranche including senior class to our tranche.

*3 Insured amount is principal insured amount, and some policies do not insure interest payments. If a principal/interest shortfall exceeds subordinate portion, Sompo Japan will be liable for the guarantee obligation.

*4 Subordination Ratio is a ratio of portions subordinated to our guaranteed tranche. Redemption of Senior tranche results in an increase of Subordination Ratio.

*5 Deterioration ratio of underlying assets are described in the "Default". Default of underlying assets is determined by the default definition of each transaction through detail checking and the default amount is adjusted by recovery. If the Default ratio exceed the Subordination Ratio, Sompo Japan will become liable for the guarantee obligation.

*6 Guarantee for CDO② insures different two classes of the same CDO.

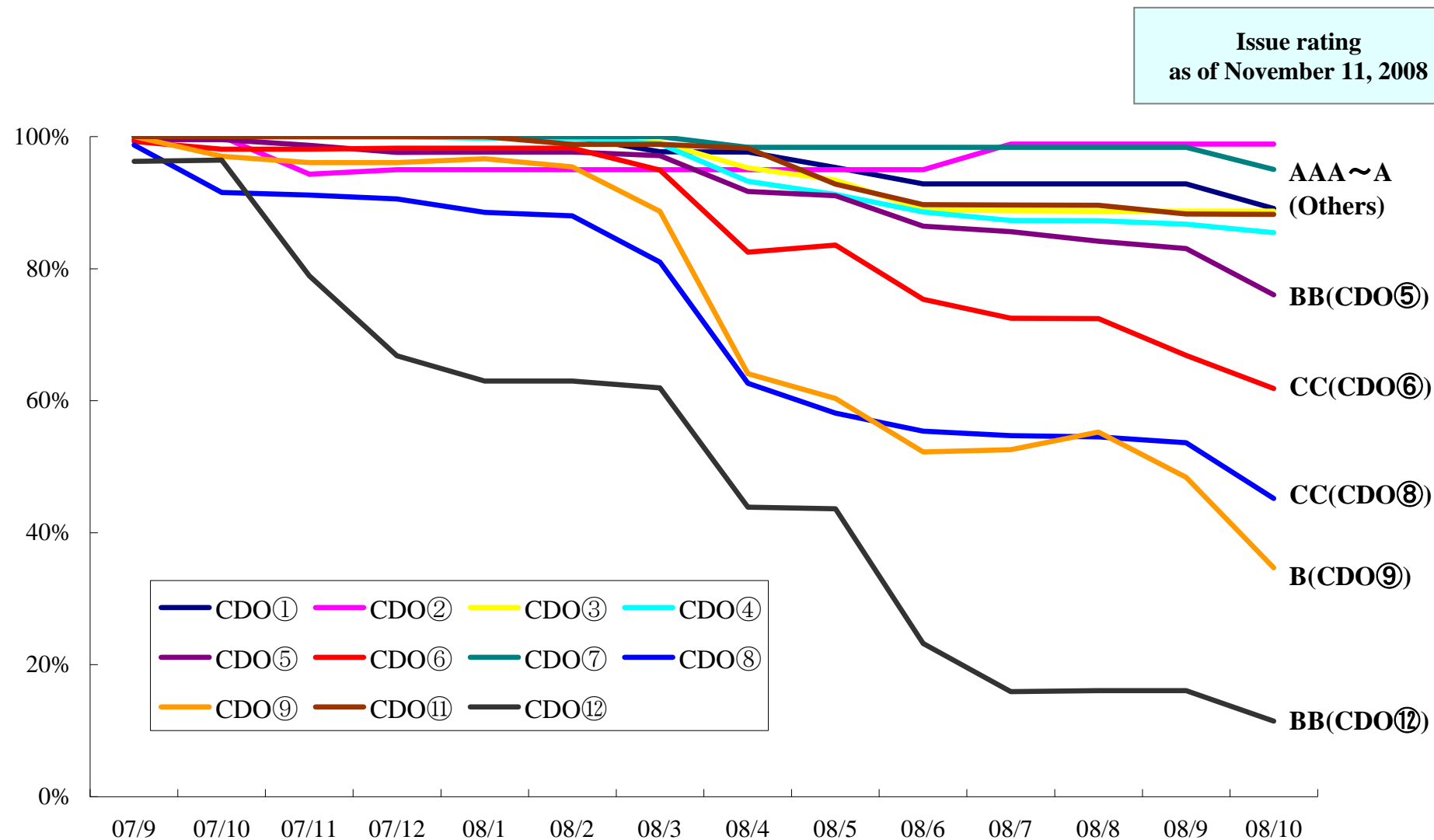
*7 CDO④, ⑤ and ⑬ are the CDOs with early liquidation structure as CDO investors have option to sell all underlying assets to the third party for the purpose of diminishing their loss in case the aggregate outstanding par amount of underlying assets after the calculation of rating-based par haircuts falls below a particular level.

CDO④, ⑤: Due to the increasing downgrade of underlying assets, possibility of hitting the trigger level is increasing. However, Possibility of early liquidation of CDO⑤ has been eliminated because it is confirmed that investors will not choose this option.

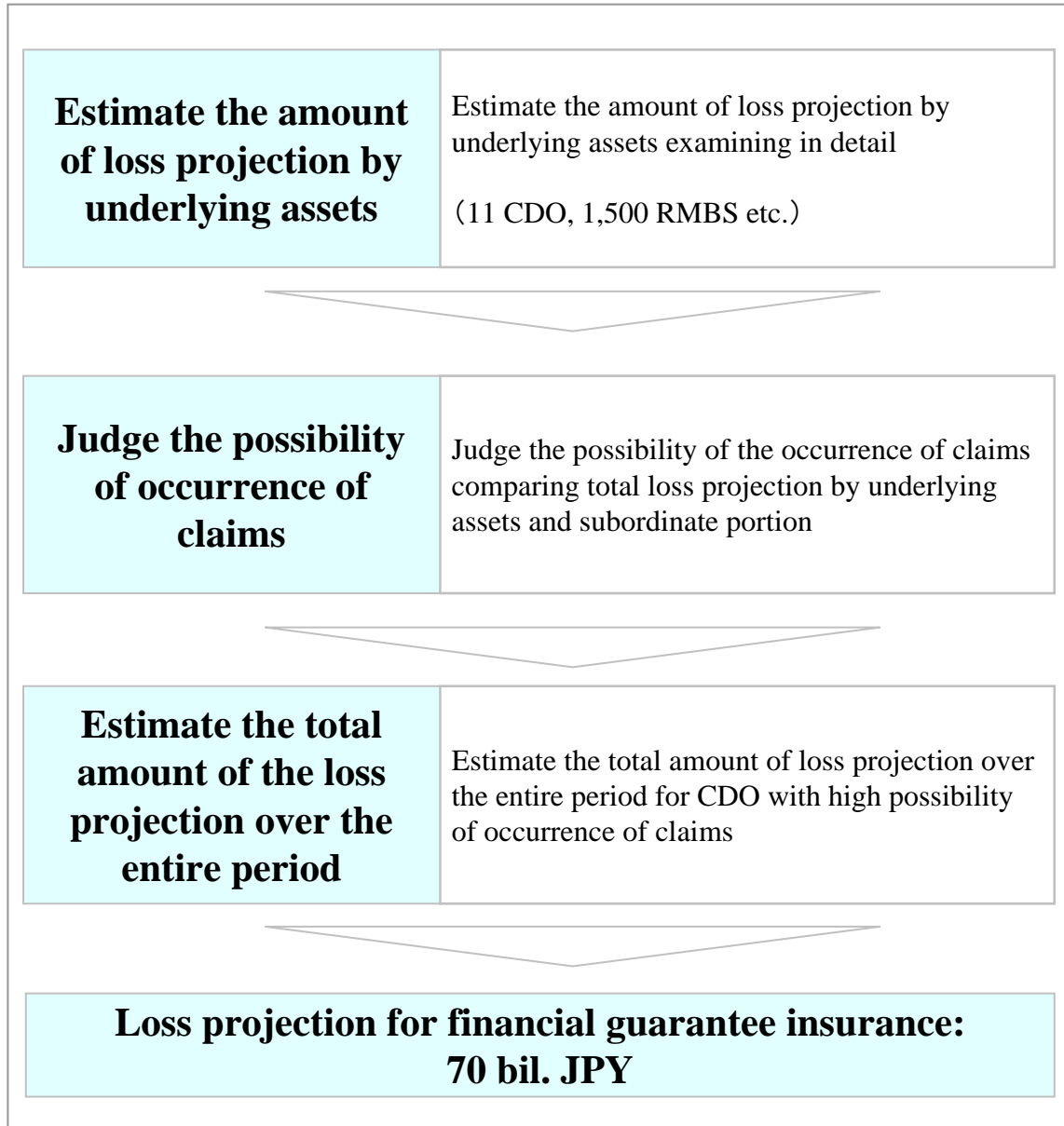
CDO⑬: Loss reserve has been booked according to recognition of possibility of early liquidation of the CDO and occurrence of possible payment of the claim of said insurance policy. (Refer to the press release titled "Booking of loss reserve for financial guarantee insurance and revision of earnings projections for fiscal year 2007" as of January 11, 2008)

*8 Insured Amount of CDO⑬ includes gains/losses of exchange hedge transactions.

Proportion of Investment Grade (above BBB) of Underlying Assets in ABS-CDO



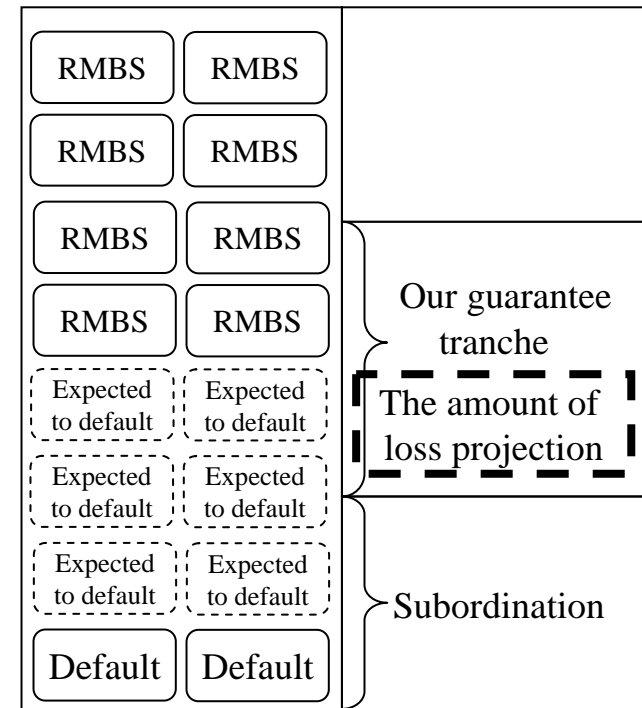
Estimation Method of Loss Projection for ABS-CDO Guarantee



Assumption

- Conservative scenario under the current credit market
- Estimate the amount of loss projection considering the shortfall of individual mortgage

Estimation of losses of CDO guarantee (image)



Structured Finance Exposure in Investment Portfolio

(As of September 30, 2008, Unit: billions of JPY, USD/JPY=103.63, same conversion rate applied throughout this report)

Categories		Outstanding Balance	Gains/Losses in FY2008 1H		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	Corporate CDOs *1	0.0	0.0	-	0.0
	ABS CDOs *2	0.0	0.0	-	0.0
	CDOs Total	0.0	(0.1)	-	(0.1)
ABS	RMBS *3				
	U.S. subprime loans related	0.5	-	0.0	0.0
	Global RMBS (excl. U.S. subprime loans related) *4	14.7	-	(0.5)	(0.5)
	Domestic RMBS	37.1	-	0.2	0.2
	RMBS Total	52.3	-	(0.3)	(0.3)
	CMBS *5				
	Global CMBS	2.9	-	(0.2)	(0.2)
	Domestic CMBS	23.5	-	(0.1)	(0.1)
	CMBS Total	26.5	-	(0.3)	(0.3)
	Other ABS				
	Global ABS	2.6	-	0.1	0.1
Domestic ABS	0.3	-	0.0	0.0	
Other ABS Total	2.9	-	0.1	0.1	
ABS Total	81.8	-	(0.5)	(0.5)	
Investment in SIV		-	-	-	-
Leveraged Finance *6		4.4	-	-	-
Total		86.3	(0.1)	(0.5)	(0.6)
Reference: Hedge funds (U.S. subprime loans related exposure)		0.5	Net of the long position and the short position		

*1 Corporate CDOs: CDOs (Collateralized Debt Obligations) where underlying assets are corporate debt such as corporate bonds or credit derivatives (Excluding public finance CLO).

Global only (Equity, No ratings).

*2 ABS CDOs: CDOs where underlying assets are ABS (Asset Backed Securities). Global only (Below BBB).

*3 RMBS: Asset Backed Securities where underlying assets are residential mortgage loans (Excluding RMBS issued by government sponsored enterprises).

All RMBS are investment grade (BBB or above), and 99% are rated AAA.

*4 55mil.JPY of Global RMBS are U.S. monoline guaranteed notes. Exposure to U.S. monoline insurers other than structured finance assets is 0.1bil.JPY.

*5 CMBS: Asset Backed Securities where underlying assets are commercial mortgage loans.

*6 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies. Domestic only.

Financial Guarantee Insurance Exposure

(As of September 30, 2008, Unit: billions of JPY)

Categories		Insured Amount			Losses/ Reserves in FY2008 1H *4	Notes
		Direct Insurance *2	Treaty Reinsurance*3	Total		
CDOs	Corporate CDOs	388.8	10.7	399.6	-	99% of direct insurance policies are rated AAA
	ABS CDOs					
	U.S. subprime loans related *1	184.2	-	184.2	(0.1)*5	
	Others (excl. U.S. subprime loans related)	61.3	1.0	62.4	-	Such as prime RMBS, CMBS
	ABS CDOs Total	245.6	1.0	246.7	(0.1)	
	CDOs Total	634.4	11.8	646.3	(0.1)	
ABS	RMBS					
	U.S. subprime loans related	-	4.9	4.9	(0.0)	
	Global RMBS (excl. U.S. subprime loans related)	1.1	13.5	14.6	(0.3)	Almost all RMBS are investment grade (BBB or above), and 77% are rated AAA
	Domestic RMBS	47.9	-	47.9	-	
	RMBS Total	49.0	18.5	67.5	(0.3)	
	CMBS	-	-	-	-	No exposure
	Other ABS					
	Global ABS	5.1	48.6	53.7	(0.0)	10% of Global ABS are U.S. consumer loan-related ABS, while others are mainly related to corporate credit (e.g., leasing receivables)
Domestic ABS	20.2	2.0	22.2	-		
Other ABS Total	25.3	50.7	76.0	(0.0)		
	ABS Total	74.3	69.2	143.6	(0.3)	
Public Finance		-	291.6	291.6	0.0	
Total		708.8	372.7	1,081.5	(0.4)	

*1 CDOs that include any (even a part thereof) U.S. subprime loans. (Excluding CDO which is booked for loss reserve)

*2 Facultative reinsurance policies are included under "Direct Insurance". 12.8bil.JPY of Direct Insurance are U.S. monoline guaranteed notes.

*3 "Treaty Reinsurance" is a portfolio-based reinsurance where certain parts of policies underwritten by the original insurer are ceded automatically to the reinsurer, Sompo Japan, in accordance with the conditions agreed between the original insurer and reinsurer.

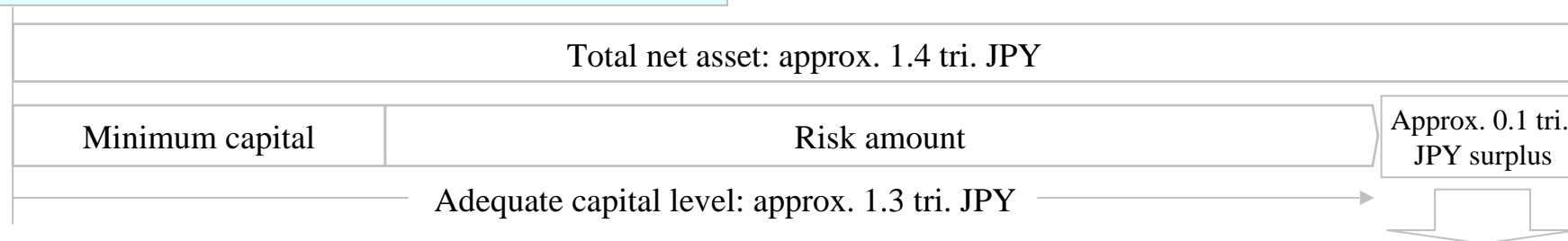
*4 Total amount of payment loss and increased loss reserve in FY2008 1H. (Financial Guarantee insurance is not supposed to book mark-to-market unrealized gains/losses as it is an insurance policy.)

*5 Increased loss reserve for CDO which is booked for loss reserve in FY2007, due to the fluctuation of exchange rate. (Including gains/losses of exchange hedge transactions)

Impact by Financial Crisis

Limited impact on capital and AA class credit ratings maintained

Risk and capital (as of the end of October, 2008)



Approx. 0.35 tri. JPY surplus calculated by globally general method, such as VaR and correlation between underwriting and investment

*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

Credit ratings

S&P	Moody's	R&I	JCR
AA-	Aa3	AA	AA+

New investment

- Effective use of capital toward further capital efficiency
 - Overseas: M&A and alliance
 - Domestic P&C insurance: IT investment

<Reference: Non-consolidated balance sheet>
-as of September 30, 2008

Assets: 5,214 bil. JPY

Liabilities: 4,294 bil. JPY

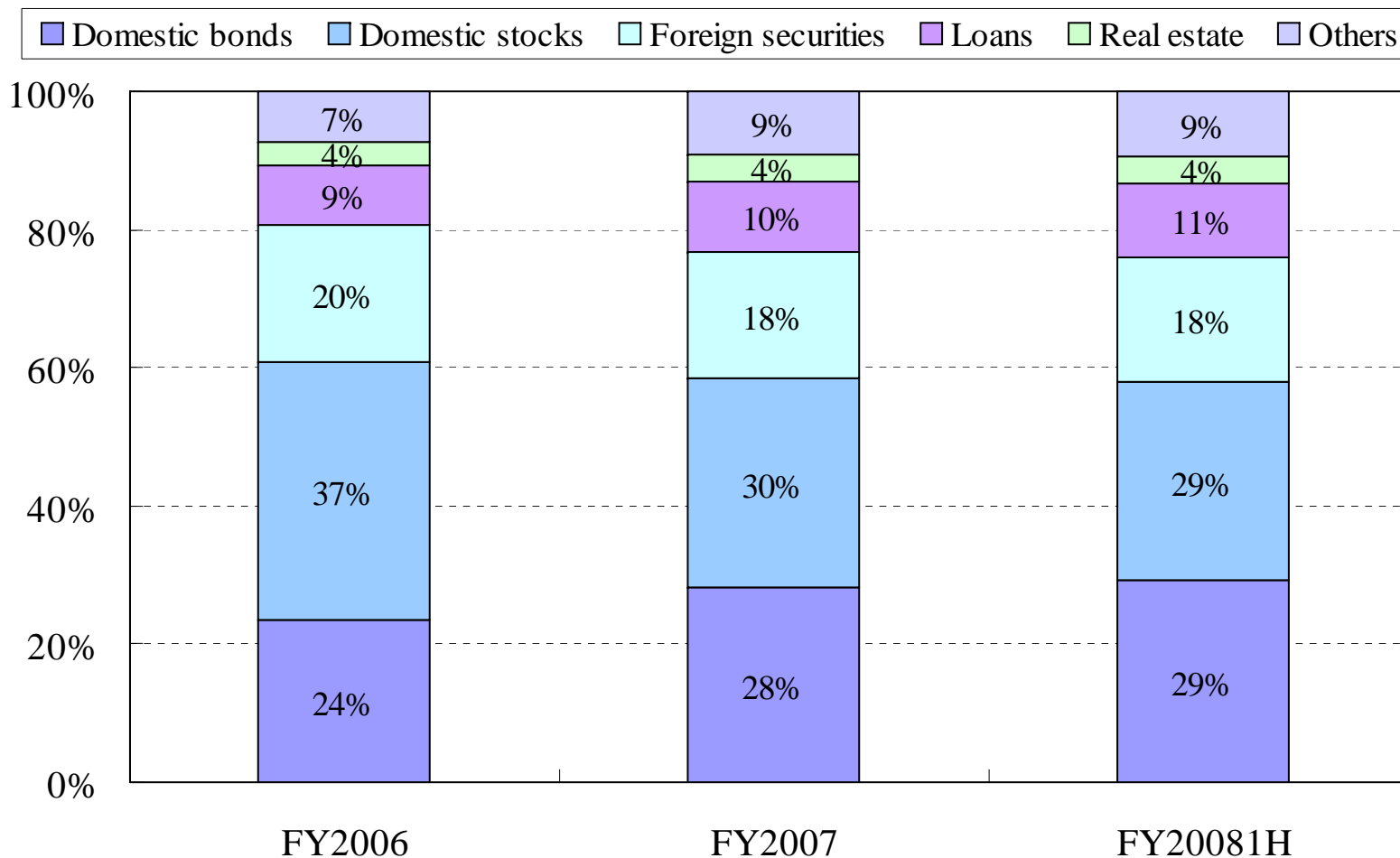
Net assets: 919 bil. JPY

(Shareholder's equity: 500 bil. JPY)

(Unrealized gains on securities: 417 bil. JPY)

Investment Portfolio

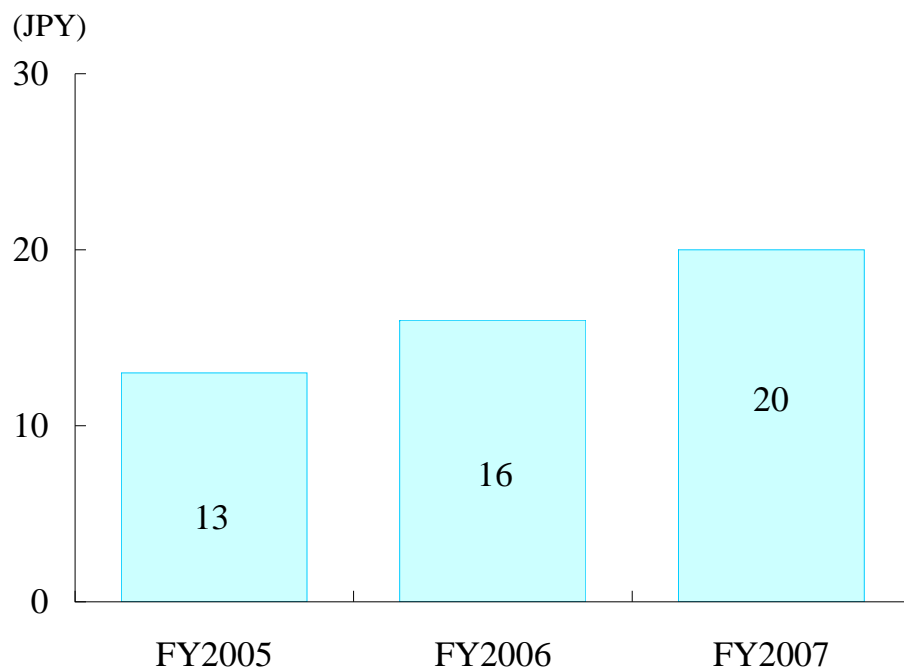
Continue to reduce strategic stocks considering market situation



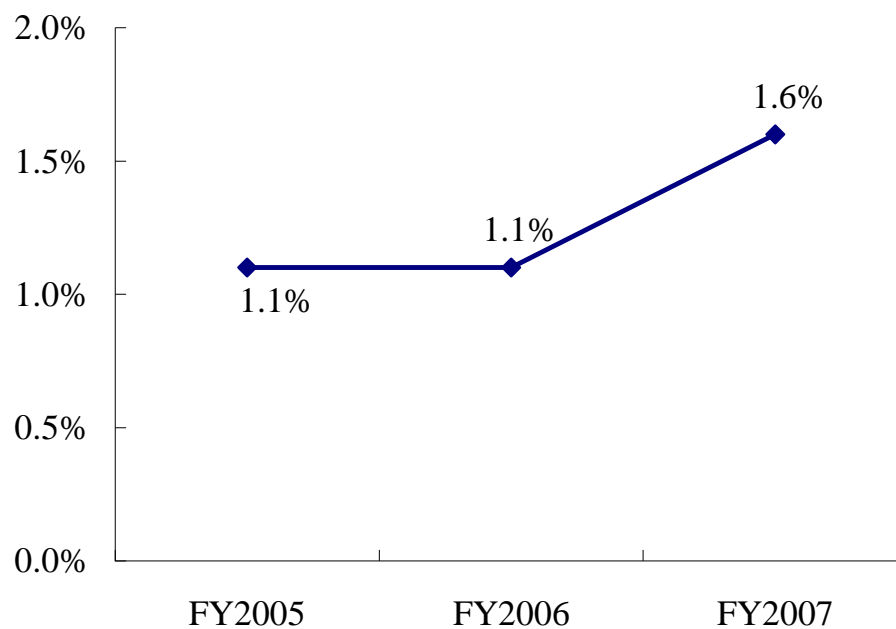
Dividend Policy

Seeking steady increase in dividend payments toward enhancement of shareholders value

Dividend per share



DOE: target 2%



Forecast for Fiscal Year 2008 (Consolidated)

(Unit: bil. JPY)

	FY2007 (Results)			FY2008 (Forecast)		
	Ordinary profit	Net income	Net income after consolidation adjustments	Ordinary profit	Net income	Net income after consolidation adjustments
Sompo Japan	73.3	44.6		(87.0)	(57.0)	
Sompo Japan Himawari Life	17.4	10.5	7.8	7.5	4.8	2.5
Sompo Japan DIY Life	(0.6)	(0.6)	0.0	(1.2)	(1.2)	(1.2)
Sompo Japan DC Securities	(0.5)	(0.6)	(0.6)	(0.5)	(0.5)	(0.5)
Sompo Japan Asset Management	0.3	0.2	0.1	(0.1)	(0.2)	(0.1)
Sompo Japan America	3.3	3.3	4.1	2.4	2.4	2.4
Sompo Japan Europe	2.4	2.5	2.5	0.3	0.4	0.4
Sompo Japan China	0.1	0.0	0.0	(0.4)	(0.4)	(0.4)
Sompo Japan Singapore	0.9	0.7	0.7	0.6	0.5	0.5
Yasuda Seguros S.A.	1.4	1.0	1.0	0.7	0.4	0.4
Consolidated	94.0	59.6		(79.0)	(52.0)	

Forecast for Fiscal Year 2008 (Non-Consolidated)

	FY2007		FY2008	
	Results	Change	Forecast	Change
Net premiums written	1,345.0	(1.3%)	1,312.0	(2.5%)
(Excl. CALI)	1,116.5	(1.2%)	1,132.0	1.4%
Loss ratio	65.1%	0.8%	67.8%	2.7%
Expense ratio	32.9%	2.0%	35.0%	2.1%
Combined ratio	98.0%	2.8%	102.9%	4.9%
Underwriting profit	(42.5)	(52.7)	(70.0)	(27.4)
(Excl. financial guarantee)	(12.5)	(22.7)	0.0	12.5
Gross investment margin	124.9	33.6	(12.0)	(136.9)
Ordinary profit	73.3	(18.4)	(87.0)	(160.3)
Net income	44.6	(3.4)	(57.0)	(101.6)

(Unit: bil. JPY)

Net premiums written

(Unit: bil. JPY)

	FY2007		FY2008	
	Results	Growth	Forecast	Growth
Fire	145.9	(1.9%)	150.4	3.0%
Marine	31.3	1.1%	32.0	2.0%
Personal accident	128.5	0.6%	128.9	0.3%
Automobile	655.7	(1.7%)	661.5	0.9%
CALI	228.5	(1.8%)	180.0	(21.2%)
Others	154.8	(0.4%)	159.2	2.8%
Total	1,345.0	(1.3%)	1,312.0	(2.5%)

Net claims paid

(Unit: bil. JPY)

	FY2007		FY2008	
	Results	Loss ratio	Results	Loss ratio
Fire	58.7	41.7%	61.0	42.1%
Marine	13.8	47.1%	14.8	49.4%
Personal accident	58.7	49.5%	66.5	56.5%
Automobile	405.9	68.8%	417.4	70.5%
CALI	161.3	76.2%	159.5	95.0%
Others	105.4	71.7%	94.8	63.3%
Total	804.1	65.1%	814.0	67.8%

*CALI = Compulsory Automobile Liability Insurance

1. Forecast for Fiscal Year 2008

2. Sompo Japan's Business Strategy

3. Fiscal Year 2008 1st Half Results

Sompo Japan's Business Strategy

Implementation of strategies aiming at enhancing corporate value

➤ Pursue growth and profitability in Japanese P&C insurance market

- Achieve growth in line with stable economic growth and by expanding market share
- Further growth by medical insurance and liability insurance
- Cost reduction through dissolution of duplicated sales structure of internal branch and external agency (Utilization of call center, etc.)



Core strategy: “ Retail market business model reform project” PT-R

➤ Expand profit source through diversification

- Diversification of business lines
Life insurance, DC, Asset management and Healthcare
- Geographical diversification
Overseas business in countries with potential for economic development, such as BRICs and ASEAN

Sompo Japan's Business Strategy

Optimal allocation of management resources

**Domestic P&C
insurance business**

Extreme improvements in efficiency and profitability
through the implementation of PT-R

Human resources generated
by efficiency enhancements

Profits generated
by profitability improvements

**Allocation of management resources
to growing areas**

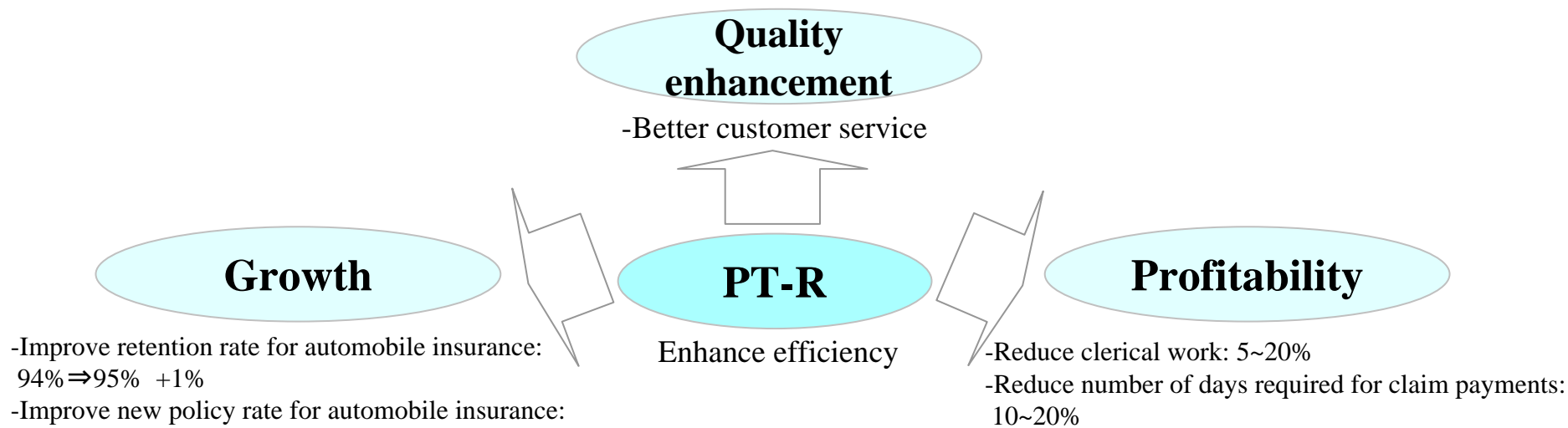
**Life insurance business
Third sector**

Overseas business

**Higher corporate value
(growth of consolidated profit)**

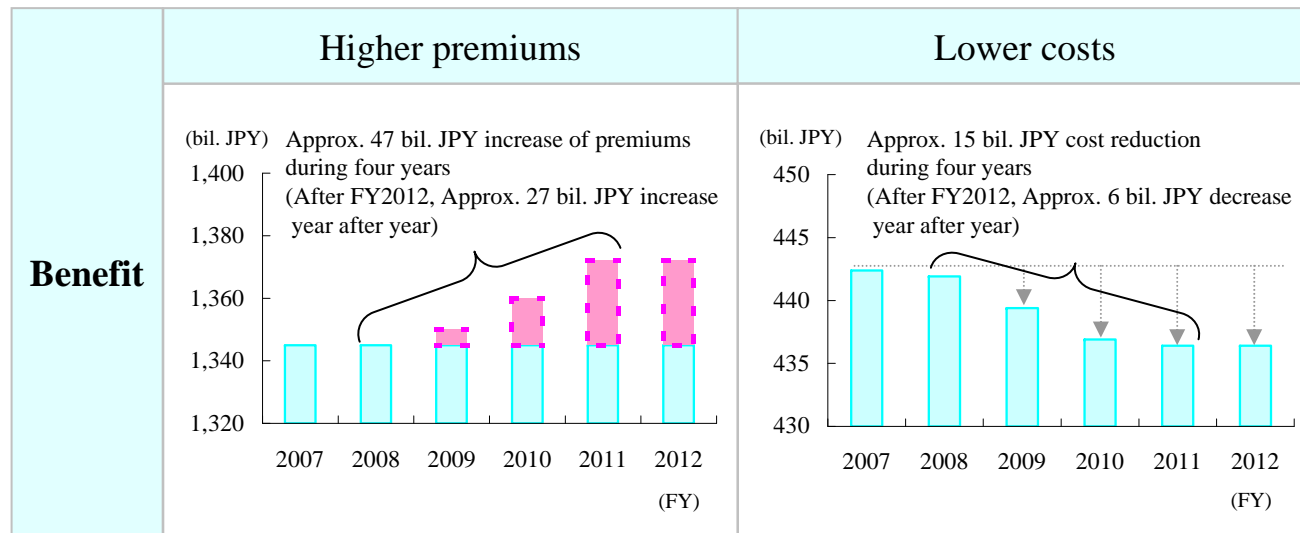
Retail Market Business Model Reform Project (PT-R)

Core strategy "Retail market business model reform project" PT-R



Note) new policy rate = number of new policies / number of new policies in force last fiscal year

Cost
IT system development: approx. 30 bil. JPY (total for FY2008~2010)



Retail Market Business Model Reform Project (PT-R)

Maximum utilization of IT to pursue growth and profitability

Growth

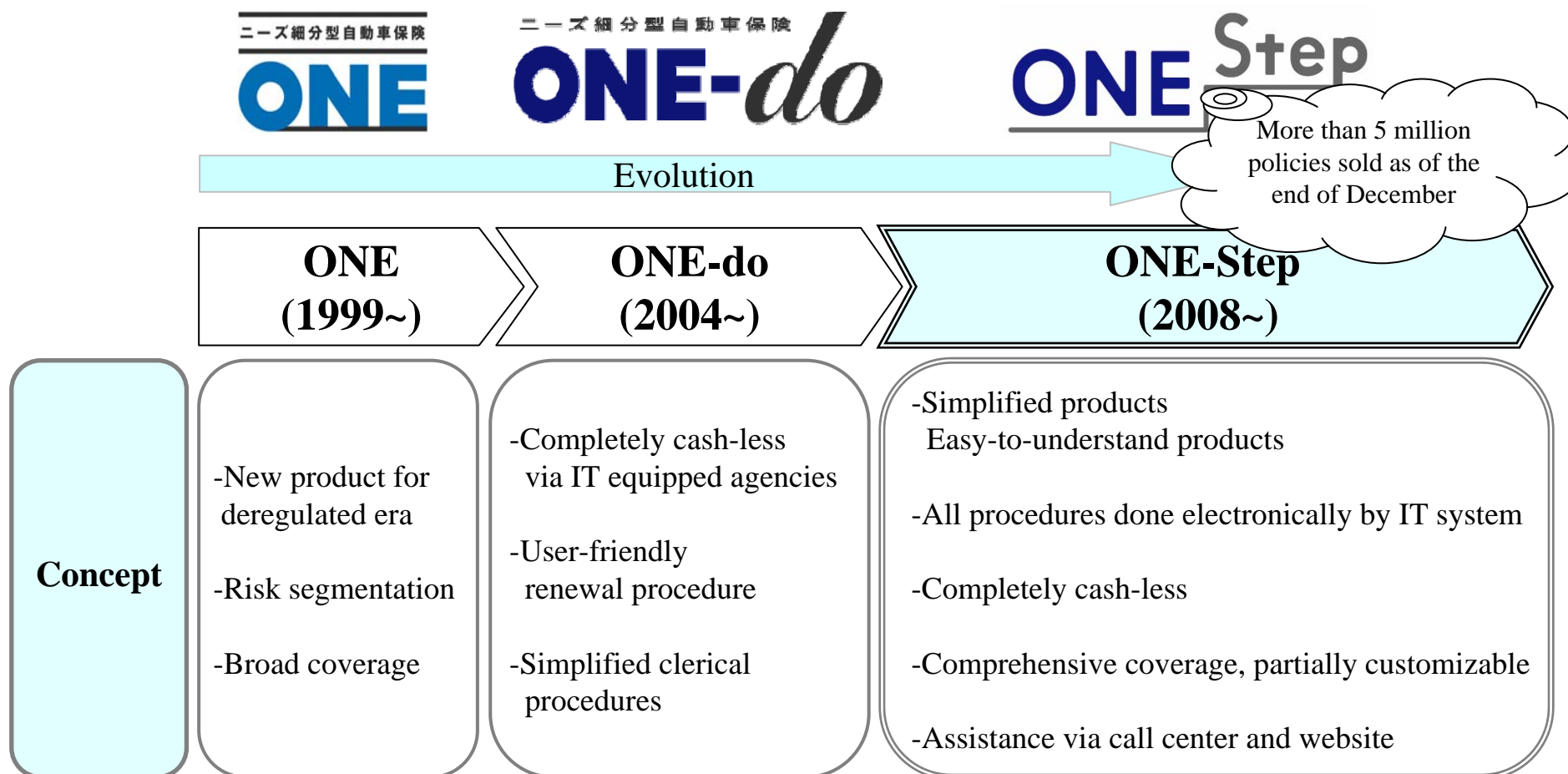
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Profitability

IT	Sales process innovation	<ul style="list-style-type: none"> ➤ All procedures to be completed through agency IT system, paperless and personal-seal free procedures ➤ Enable customers to complete procedures directly using My Page (Website) and mobile phone QR codes ➤ Diversify methods available for paying insurance premiums, by allowing payment by credit card, payment after billing, etc.
	Product innovation	<ul style="list-style-type: none"> ➤ Easy-to-understand products (simplified products and special clauses) ➤ Visual materials, such as website, DVD, etc.
	Customer contact innovation	<ul style="list-style-type: none"> ➤ Multi-access (enable customers to complete procedures using methods that suit their needs and lifestyles) ➤ Agencies offering a high level of service quality ➤ Improve website (for PC and mobile phones) and call centers
	Claims payment innovation	<ul style="list-style-type: none"> ➤ Establish centralized call center for insurance claims 24 hours a day, 365 days a year ➤ Speedy payment for claims (for accidents that do not require meetings and negotiations) ➤ Improve claims handling menu on agency IT system

Sompo Japan's Product Innovation Capabilities

Developing innovative automobile insurance product named "ONE-series"



Note) Revised premium rate by 3% in April 2008

Sompo Japan's Product Innovation Capabilities

Developing and simplifying products from the customers' standpoint as "ONE-Step"

Fire insurance

- Launch new product (in autumn 2009 or after)
 - Wholly and drastically revised product from the standpoint of customers and agency
 - "Easy-to-understand product," "product reflected customers' intention" and "fair claims payment with customers convinced"
- Implementation of measures relating to the long-term current value policies (in December 2008)
 - Establish special clause of indemnification of replacement-cost for individuals (without additional premiums)

Medical insurance

- Launched new product "Kenko no Omamori" by Himawari Life in August 2008
 - Simplified product line
 - Satisfy the latest customers' needs regarding medical coverage (covering the cost of advanced medical technologies)
 - Top class competitive premiums in the industry
- The product reflects customers' needs
- Approx. 100,000 policies sold during five months (from August to December)

Advantage of Distribution Channels

Alliances with a number of blue-chip players

Bank OTC

	Number of banks	Sompo Japan's agencies	Proportion
Mega/Trust bank	21	8	38.1%
Regional bank	109	93	85.3%
Credit union	282	280	99.3%
Credit cooperative	168	72	42.9%
Labor bank	13	13	100.0%
Total	593	466	78.6%

Dai-ichi Life

- Sales of P&C insurance products by 40,000 sales force of Dai-ichi Life
Sales of Life insurance products by our agencies
⇒ Cross-selling of life and P&C products
- Comprehensive business alliance since 2000
Further strengthening the partnership in 2008 by reciprocal investment in each other's subsidiaries
(Sompo Japan DIY Life, Dai-ichi Frontier Life)

- Call-center and website assistance
- Maximum utilization of IT

Expand Profit Source through Diversification

Diversification by utilizing our strength

**Diversification
of
business lines**

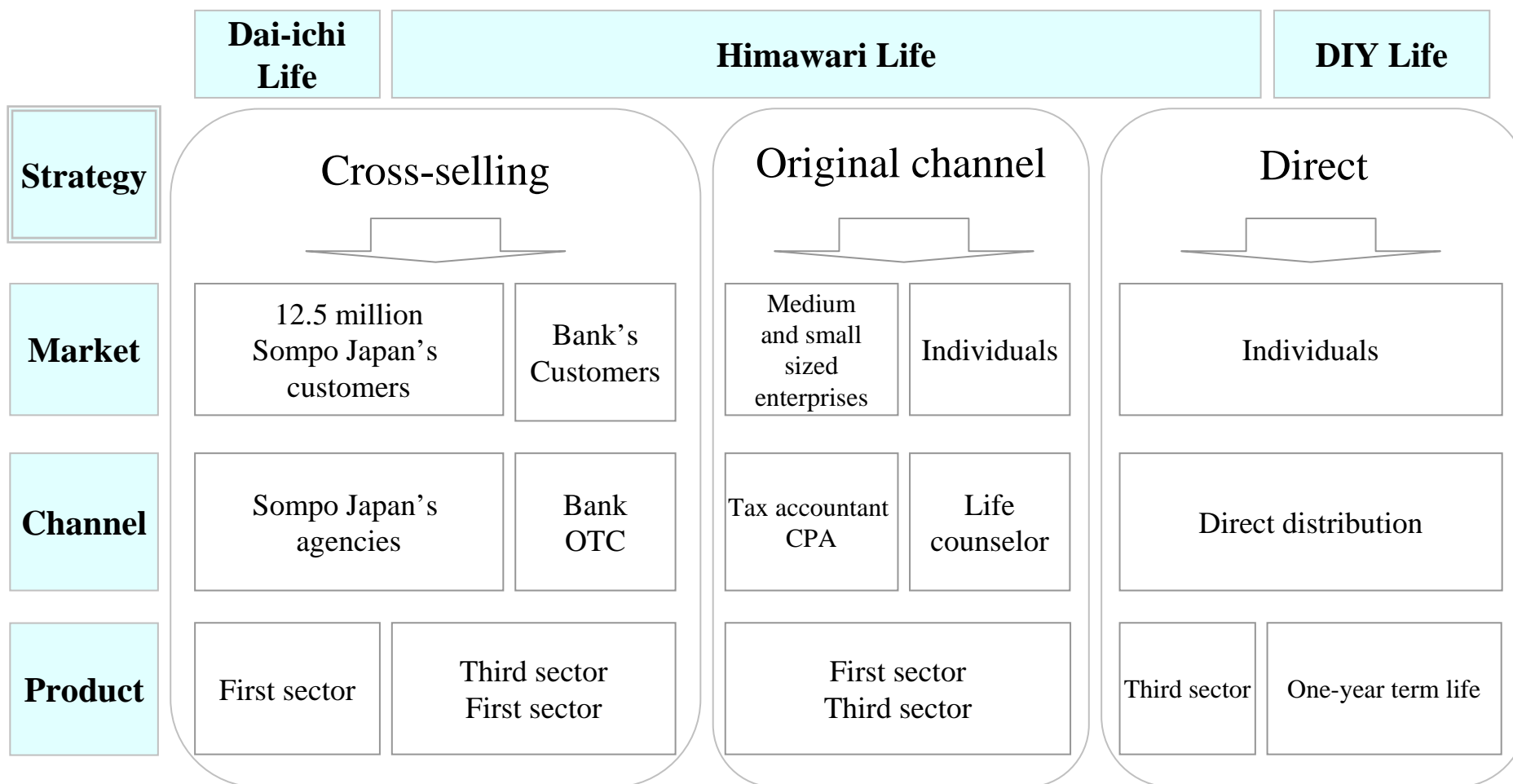
- **Life insurance**
Sompo Japan Himawari Life
Sompo Japan DIY Life
- **DC, Asset management**
Sompo Japan DC Securities
Sompo Japan Asset Management
- **Healthcare**
Healthcare Frontier Japan
Sompo Japan Healthcare Service

**Geographical
diversification**

- **BRICs and ASEAN:** Local underwriting business through Alliance and M&A
Sompo Japan Singapore, Sompo Japan China
Yasuda Seguros S.A., Universal Sompo General Insurance
Berjaya Sompo Insurance Berhad
- **US and Europe:** Underwriting of Japanese global firms
Sompo Japan America, Sompo Japan Europe

Life Insurance Business

Strategy segmented by market, distribution channel and product
Sompo Japan Himawari Life is the second profit source



DC, Asset management and Healthcare

**Further diversification of business lines to generate profit in the future
Leveraging our strength in the retail market to expand cross-selling**

<p>DC</p>	<ul style="list-style-type: none"> ➤ Sompo Japan DC Securities <ul style="list-style-type: none"> -Opportunity: the abolition of tax-qualified pension plans in March 2012 -Position: top-class-ranked in both corporate and personal type -Advantage: low-price bundle service, bilingual services, etc.
<p>Asset management</p>	<ul style="list-style-type: none"> ➤ Sompo Japan Asset Management <ul style="list-style-type: none"> -Asset under management: over 1 trillion JPY, fully third party assets including DC -Products: two SRI funds received merit awards
<p>Healthcare</p>	<ul style="list-style-type: none"> ➤ Healthcare Frontier Japan (since October 2005) <ul style="list-style-type: none"> -Fee business offering disease prevention services to health insurance association ➤ Sompo Japan Healthcare Service (since April 2007) <ul style="list-style-type: none"> -Offers mental healthcare service to corporate

Overseas Business

Maximum utilization of P&C insurance expertise in fast-growing regions

BRICs

➤ China



Sompo Japan China, established in 2005 in Dalian, set up a branch in Shanghai in 2007 and received permission to set up a new branch in Guangzhou in 2008. The first Japanese P&C insurer to operate three branches in China.

➤ India



Established Universal Sompo, joint venture with two Indian national banks and one private bank, in Mumbai in 2007. Started bank OTC in November 2008

(2,267 branches of one bank as of November ⇒ 4,500 branches of three banks as of the end of FY2008)

Gross premiums of the first fiscal year is expected to be 0.3 bil. JPY.

Planning to sell insurance products through auto dealers.

➤ Brazil



Yasuda Seguros S.A. has a track record of over 50 years in operation, including local underwriting.

Expertise of P&C insurance business

Product
development

Underwriting

Distribution
channels

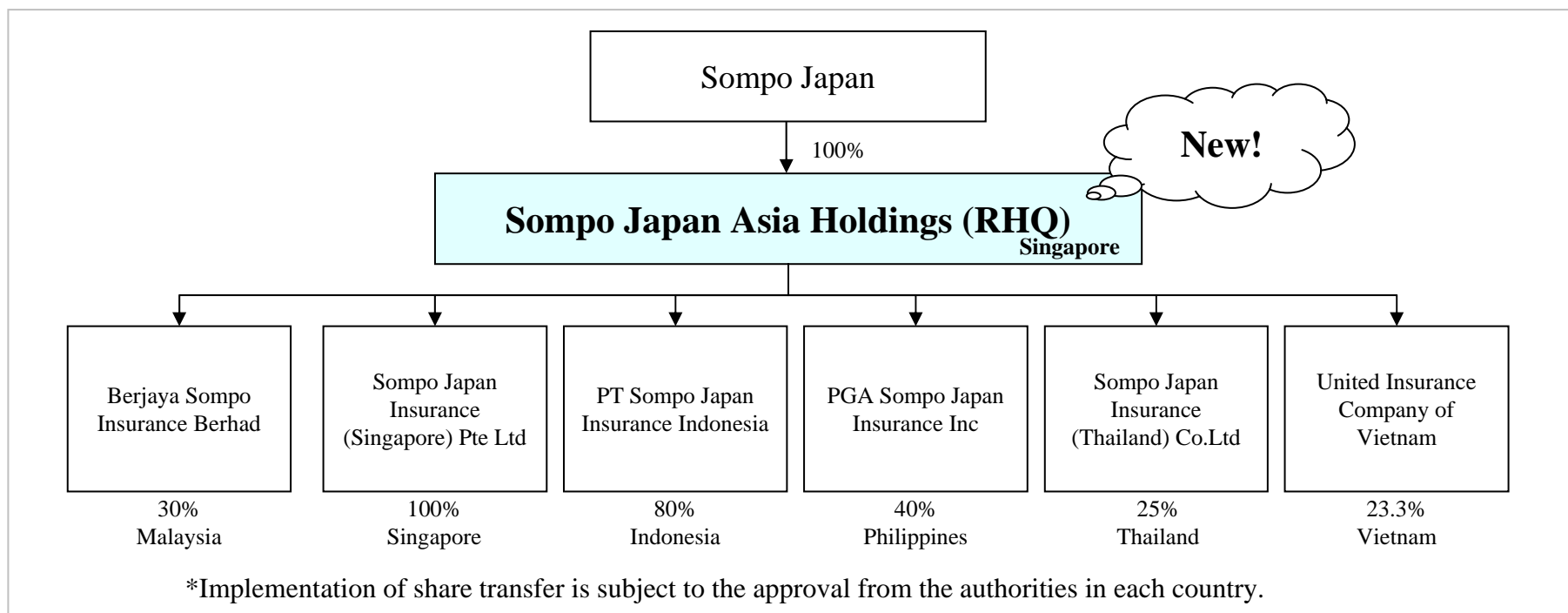
Claims handling
network

IT system
development

Risk management

Overseas Business

Reinforce our presence in Southeast Asia, particularly in ASEAN



- Established “Sompo Japan Asia Holdings Pte Ltd” as an Asian Regional Headquarters (RHQ) in Singapore
- Subsidiaries and affiliated companies in Southeast Asia put under its umbrella for enhancement of supports to strategic and dynamic projects and management controls from the area-wide viewpoint

Corporate Governance and CSR

Realizing highly substantial and transparent corporate governance CSR management toward enhancing corporate value

Corporate governance

- Outside independent directors
Two outside independent directors were appointed to the board at the regular shareholders' meeting on June 25, 2008.
- Introduction of performance-linked remuneration for management
Introducing stock-remuneration-type stock options and abolition of the directors' retirement bonus system

CSR

- Acclaim from domestic and international SRI funds and SRI indexes
Dow Jones Sustainability Indexes (for eight straight years since 2000)
FTSE4Good Index series
Ethibel Sustainability Index
Morningstar Socially Responsible Investment Index etc.
- SAM sustainability survey of companies
Only Japanese financial institution as Silver Reward in February 2008

1. Forecast for Fiscal Year 2008

2. Sompo Japan's Business Strategy

3. Fiscal Year 2008 1st Half Results

Summary

P&C

- Net premiums written (excluding CALI) increased by 0.4% due to a focus on marketing efforts
- Sales premiums of automobile insurance increased due to the revision of premiums and the increase of the number of policies

- Loss ratio 63.5%, with net incurred losses from natural disasters lower than initial forecast
- Expense ratio 33.8%, in line with initial forecast

- As for investment, gross investment margin declined by lower returns from investment funds denominated in foreign currency
- Impairment losses on securities were 8.2 bil. JPY under the turmoil of global financial markets

Life

- As for Himawari Life, annualized premiums from new policies increased by 16.5%, the shift to the sale of protection-based products has been successful
- New medical insurance products launched in August sold well with 56,000 new policies

Overseas

- Profits from overseas subsidiaries were stable, particularly in Europe and US
- Approximately 11% of the consolidated net income is generated by the five overseas subsidiaries

Consolidated Highlights

**Consolidated net income was 1.32 times non-consolidated,
with Himawari Life and overseas subsidiaries making a significant contribution**

(Unit: bil. JPY)

	Ordinary profit	Net income	Net income after consolidation adjustments
Sompo Japan	29.3	17.2	
Sompo Japan Himawari Life	5.9	3.6	2.4
Sompo Japan DIY Life	(0.4)	(0.4)	(0.1)
Sompo Japan DC Securities	(0.2)	(0.2)	(0.2)
Sompo Japan Asset Management	(0.0)	(0.0)	(0.0)
Sompo Japan America	1.5	1.5	1.4
Sompo Japan Europe	0.7	0.6	0.5
Sompo Japan China	(0.2)	(0.2)	(0.2)
Sompo Japan Singapore	0.2	0.2	0.2
Yasuda Seguros S.A.	0.4	0.3	0.3
Consolidated	37.0	22.7	

Non-Consolidated Highlights

**Underwriting profit increased,
net income declined due to the decrease of investment profit**

(Unit: bil. JPY)

	FY2007 1 st half	FY2008 1 st half	Change
Net premiums written	688.4	674.8	(2.0%)
(excluding CALI)	571.7	574.0	0.4%
Loss ratio	60.8%	63.5%	2.8%
Expense ration	32.4%	33.8%	1.4%
Combined ratio	93.1%	97.3%	4.2%
Underwriting profit	3.7	4.2	0.4
Gross investment margin	68.9	27.4	(41.4)
Ordinary profit	68.2	29.3	(38.9)
Net income	43.2	17.2	(26.0)

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