

Corporate Presentation

September 2009

SOMPO JAPAN INSURANCE INC.

Thank you for giving up some of your valuable time today.

Now, I would like to start my presentation with this handout
and we would like to move on to the Q&A session afterwards.

(Or would it be rather convenient for you to have only the Q&A session?)

In the Q&A session I will communicate through an interpreter.

Please open the cover sheet.

Agenda for Discussion

➤ Japanese P&C insurance industry

- Growth potential
- Profitability

➤ Sompo Japan

- How and where to grow
- Synergies by business integration with Nipponkoa
- Investment value
 - Financial soundness, ABS-CDO guarantee loss, Dividend, Valuation

This is today's agenda for discussion.

Firstly, I would like to talk about the growth potential and profitability of the Japanese P&C insurance industry.

Subsequently, I will talk about our business strategies including the business integration with Nipponkoa.

Please turn to page 2.

Japanese P&C Insurance Industry

➤ **Japanese P&C insurance market to grow**

- Steady growth in line with economic growth
- Defensive in economic downturn
- Growth potential for liability insurance and medical insurance

➤ **Structurally stable profitability**

- Underwriting balance ratio has been always positive
- Advisory rating system as a profit stabilizer

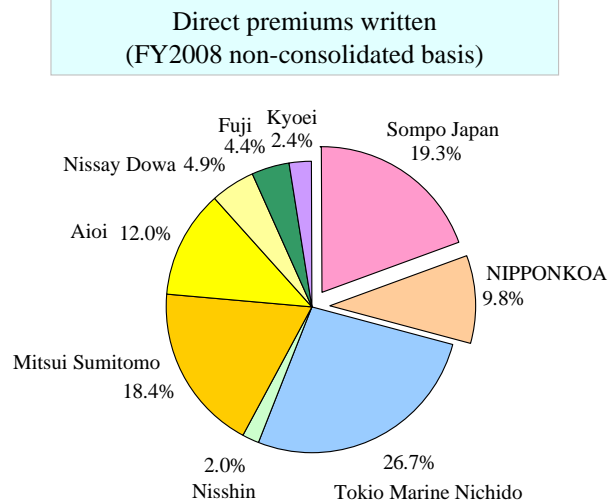
I would like to emphasize that the Japanese P&C insurance industry is attractive.

Points are shown on this page.

For detail, please turn to page 3.

Sompo Japan's Position in Japanese P&C Insurance Industry

Sompo Japan and NIPPONKOA occupy approximately 30% market share in Japanese P&C insurance market



This slide shows a market share of the players in Japan.

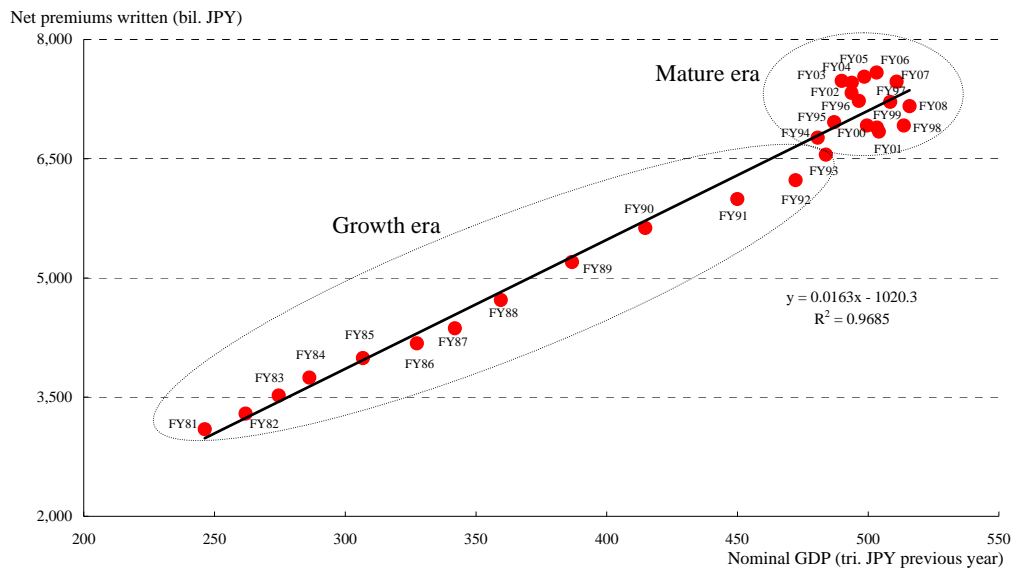
We are the second biggest company in Japan with a market share of approximately 20%.

And around 30% would be occupied by the Joint Holding Company to be formed with Nipponkoa.

Please turn to page 4.

Growth and Defensiveness of P&C Insurance Business

**P&C insurance business grows in line with economic growth (FY1981~1993)
and is stable in mature economy (FY1994~2008)**



We would like to point to the growth and defensiveness of the P&C insurance business.

The P&C insurance business has the characteristics of growing in line with economic growth.

We can observe the characteristics of high correlation between GDP and net premiums written from 1981 to 1993.

Currently, Japan's economy is mature, so it is difficult to expect high growth for the P&C insurance.

But the market will not necessarily shrink in a mature situation or recession. The defensiveness is the strength of the P&C insurance business.

Please turn to page 5.

Premiums by Lines

**Intangible insurance is expected to grow faster than GDP
while tangible insurance is expected to grow in line with GDP**

Japan (2007)			U.S. (2007)	
Others 15.0%	Intangible insurance - Growth faster than GDP	-	Others 17.6%	Tangible insurance - Growth in line with GDP
Personal Accident 8.9%			Worker's Compensation 9.3%	
Fire 14.1%			Liability 11.8%	
CALI* 15.0%			Fire 22.4%	
Voluntary Automobile 47.0%			Voluntary Automobile 38.9%	

*CALI = Compulsory Automobile Liability Insurance

This is a comparison of the breakdown of insurance coverage in Japan and the US.

We have two growth drivers in our market.

One is tangible insurance like Fire or Auto, in which we expect an increase of premium income in proportion to GDP growth. The other is intangible insurance like Personal Accident or Liability, in which we expect development of the market exceeding GDP growth.

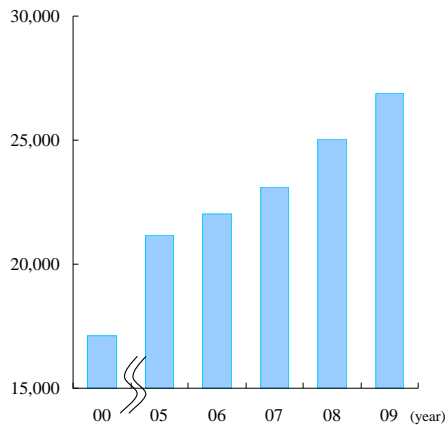
Especially in the intangible area, more expansion can be expected because the market is relatively less penetrated than its counterpart in the US.

Please turn to page 6.

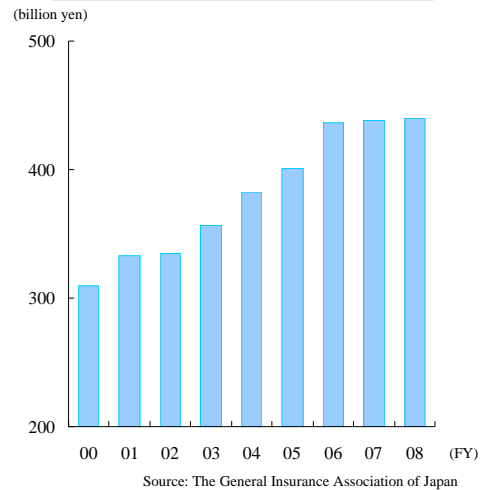
Potential for Liability Insurance

**With the number of lawyers and lawsuits increasing,
demand for liability insurance is rising.**

The number of lawyers in Japan



Direct premiums written of
liability insurance in Japan



Among the intangible insurance, one example is liability insurance.

The left-hand chart shows the number of lawyers in Japan.

The increase in the number of lawyers shows a change in the social and legal environment.

It's becoming more important to be prepared for legal claims in Japan.

Under these circumstances there is rising demand for liability insurance cover.

Liability insurance premiums have already shown significant increase, and we expect such trend to continue.

Please turn to page 7.

Potential for Medical Insurance

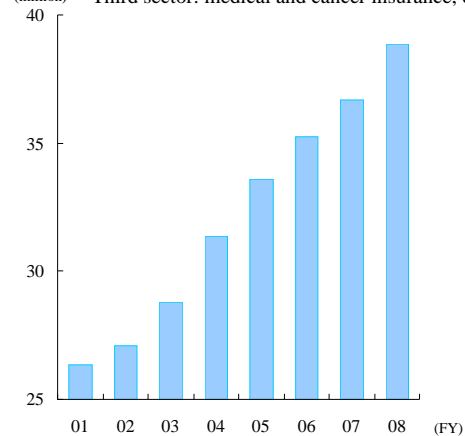
**With the medical expense burden increasing,
demand for medical insurance is rising.**

Public system

- Public medical insurance system revised
 - Medical burden on elderly people increasing
- Anxiety about the government-run pension system
 - Delay and decrease of pension payments

The number of third sector* policies in Japan

(million) *Third sector: medical and cancer insurance, etc.



Source : The Life Insurance Association of Japan

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Another field is Medical insurance

A large proportion of medical costs have been covered through the public insurance system.

But this is gradually changing.

A certain portion of medical costs has to be paid by the individuals, and the portion is getting larger and larger due to the deterioration of the public medical insurance system.

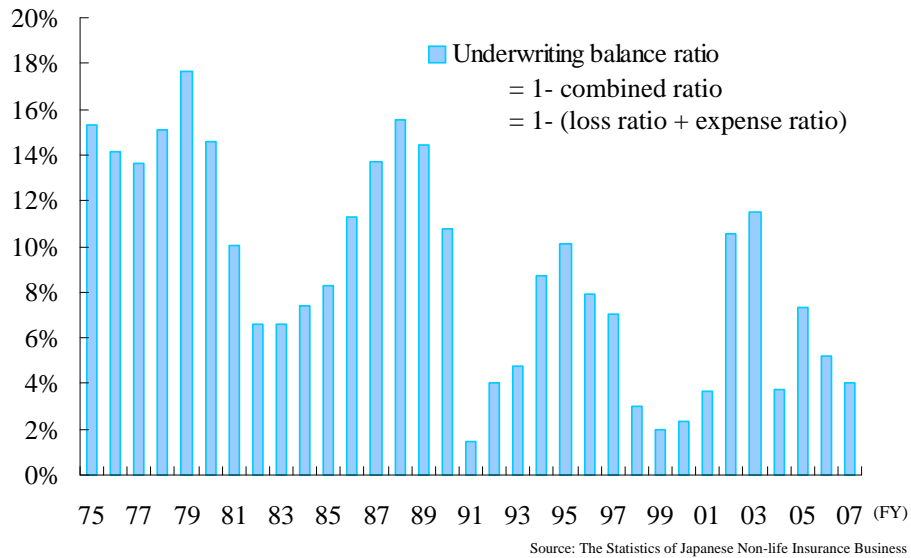
People are losing confidence in the public medical insurance system, and this is an opportunity for us as a private medical insurance provider.

Medical insurance has shown fast growth and we expect the trend to continue, as the demand will continue to increase as the public system weakens.

Please turn to page 8.

Profitability of Japanese P&C Insurance Industry

Underwriting balance ratio has always been positive even after deregulation in 1996.



We have to think about profitability as well as the top line growth.

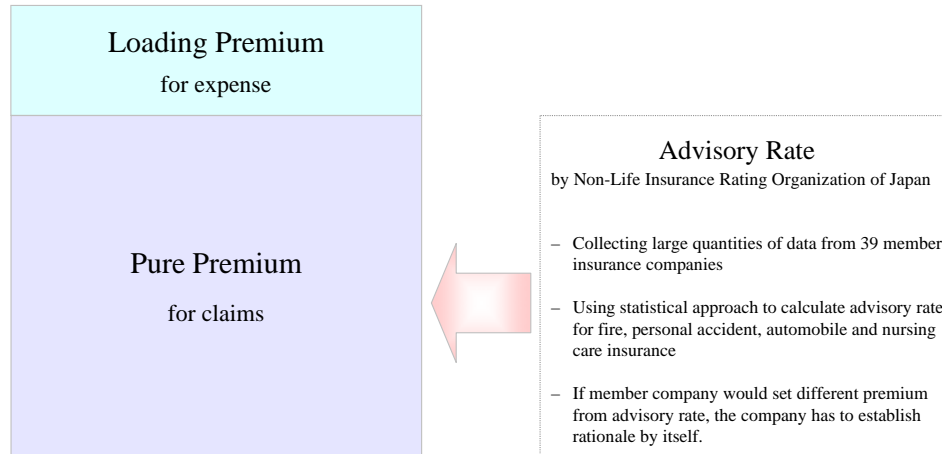
This chart shows the underwriting balance ratio in our market.
It has always been positive even after deregulation in 1996.

Please turn to page 9.

Profitability of Japanese P&C Insurance Industry

SOMPO JAPAN INSURANCE INC.

The advisory rating system functions as a profit stabilizer



➤ **In July 2009, an increase of the advisory rate for automobile insurance by 5.7% was announced.**

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The Advisory Rating System contributes to the stable profitability.

Pure premium is decided in accordance with the trend of the loss ratio based on the data collected from P&C insurance companies in Japan.

If the loss ratio is getting worse, premium rates can be raised.

In July 2009, an increase of the advisory rate for automobile insurance by 5.7% was announced.

Following the raise of the advisory rate, we are considering raising our rate.

Please turn to page 10.

Sompo Japan's Strategy

➤ **Growth on a profit basis**

Pursue “Retail business model reform project (PT-R)”

⇒ Enhance quality and profitability in domestic P&C insurance business

➤ **Group management**

Streamline domestic P&C insurance business operation and reallocate corporate resources to growth areas

⇒ Establish highly stable and well-balanced business portfolio

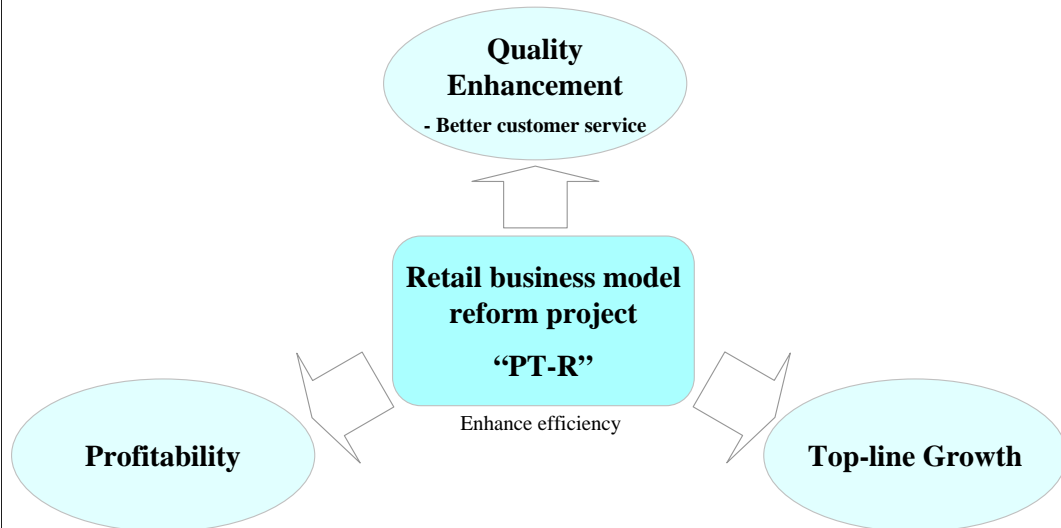
Now, I would like to talk about our strategy.

We are focusing on “Growth on a profit basis” and “Group management.”

Points are shown on this page.

For detail, please turn to page 11.

Optimal balance among Quality enhancement, Profitability and Top-line growth through “PT-R”



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This is an overview of “retail business model reform project” or “PT-R.”

We are trying to improve our business quality for better customer service. At the same time, we are pursuing profitability and top-line growth by enhancing efficiency.

Please turn to page 12.

Retail Business Model Reform Project (PT-R)



Make maximum use of IT to pursue growth and profitability

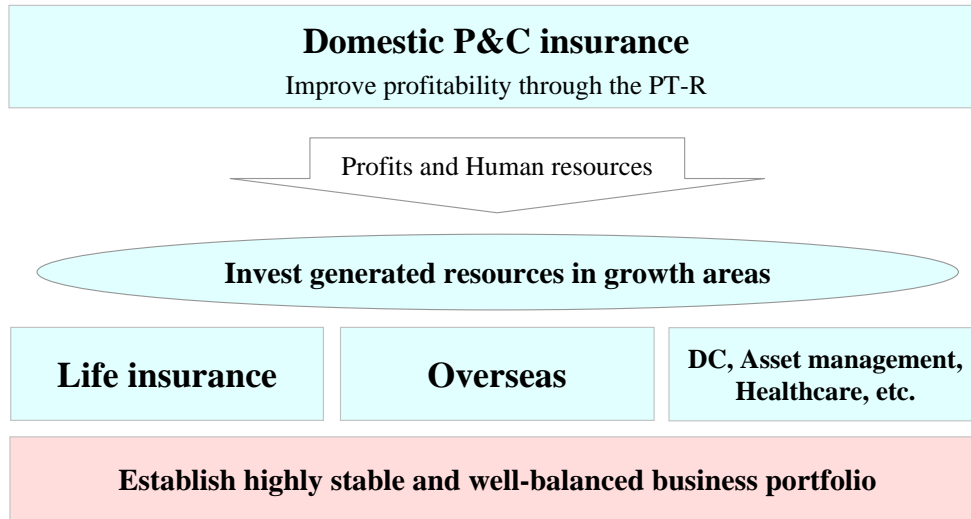
IT	Sales process innovation	<ul style="list-style-type: none"> – All procedures to be completed through agency IT system, paperless and personal-seal free procedures – Enable customers to complete procedures directly using My Page (Website) and mobile phone QR codes – Diversify methods available for 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) – 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-quality service – Improve website (for PC and mobile phones) and call centers
	Claims payment innovation	<ul style="list-style-type: none"> – Establish centralized service 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

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Maximum use of IT is a major focus of “PT-R.”

We will realize innovation in four areas,
sales process, product, customer contact and claims payment.

Please turn to page 13.



This is a big picture of allocation of management resources.

We are trying to improve profitability
by executing “PT-R” in the domestic P&C insurance business.

We will shift profits and human resources generated
towards our growth areas such as life insurance and overseas.

By accelerating the shift,
we can establish highly stable and well-balanced business portfolio.

Please turn to page 14.

Life Insurance (Sompo Japan Himawari Life)



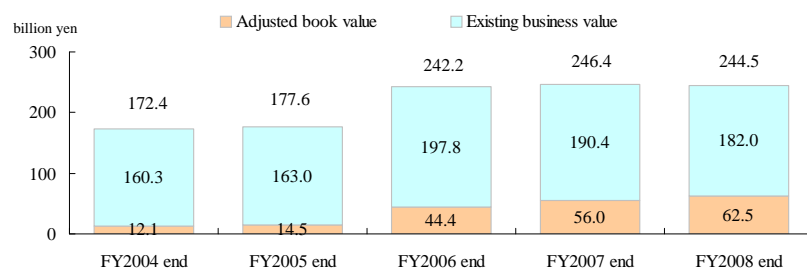
- ✓ Concentrate resource allocation to life insurance business
- ✓ Shift to protection-type product has been successful

Sales

-Sales of a new medical insurance product, *Kenko no Omamori* or Charm for Healthy Life in English, have been especially strong (230,000 new policies sold from August 2008 to July 2009)

-Renewed income guarantee insurance *Kazoku no Omamori* or Charm for Family Life in May 2009

Embedded Value (EV)



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Next, I will discuss the life insurance business, to which we are concentrating resource allocation.

Sompo Japan Himawari Life has been shifting to a stronger focus on sales of protection-type products.




Especially, a new medical insurance product, *Kenko no Omamori* or Charm for Healthy Life in English, has been sold well, recording 230 thousand policy sales from last August to this July.

We expect embedded value to gradually increase going forward.

Please turn to page 15.

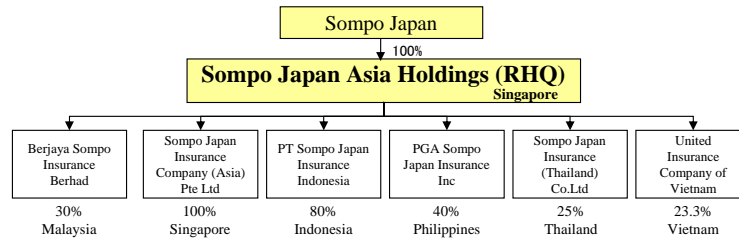
Export our P&C insurance expertise to profitable areas

BRICs

- China  Sompo Japan China, established in 2005 in Dalian, set up a branch in Shanghai in 2007 and opened a new branch in Guangzhou in March 2009. 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 (at 4,755 branches of three banks)
- Brazil  Yasuda Seguros S.A. has a track record of over 50 years in operation, including local underwriting. Acquired shares of Brazilian insurance company Maritima Seguros in July 2009.

Southeast Asia (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 support to strategic and dynamic projects and management controls



We are now actively developing our overseas business.

We are confident that in countries with accelerating economic growth, we can use our P&C insurance expertise.

The key factor is profitability.

We plan to expand our business in these countries

only where we can expect profit manageable by short tail business.

We are regarding two points as important.

First, tying up with the best partner

with knowledge about the market and a well-known brand.

Second, using our P&C insurance expertise in the market.

Please turn to page 16.

DC, Asset Management and Healthcare

- ✓ Diversify business lines for future profits
- ✓ Expand cross-selling, leveraging our strength in the retail market

➤ **Defined Contribution Pension Plan (DC)**

- Sompo Japan DC Securities

➤ **Asset management**

- Sompo Japan Asset Management
(mainly managing third party's assets)

➤ **Healthcare**

- Healthcare Frontier Japan
(providing disease prevention service)
- Sompo Japan Healthcare Service
(providing mental healthcare service)

In our domestic business, DC, asset management and healthcare are our next profit source following the P&C and life insurance business.

These are the retail market businesses where we have advantages, such as cross-selling products in these areas to our P&C insurance customers.

Please turn to page 17.

Business Integration with NIPPONKOA

➤ **Purpose of business integration**

- Maintain our solid position in the industry
- Accelerate current strategies to enhance profitability

➤ **Two companies will coexist under the umbrella of a Joint Holding Company**

➤ **Anticipated synergies by the Business Integration (pretax)
About 30 billion yen**

➤ **Additional synergies
in life insurance and asset management businesses**

We have decided to pursue business integration with Nipponkoa.

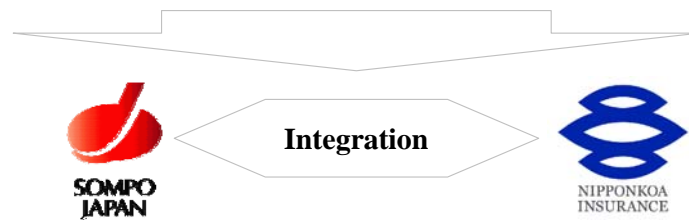
I would like to talk about the details from the next page.

Please turn to page 18.

Purpose of Business Integration

- ✓ Maintain our solid position in the industry
- ✓ Accelerate current strategies to enhance profitability

Perspective	Depopulating society, with birthrate declining and aging
	Increased risks associated with deteriorating global climate change
	Diversified consumer demands amidst the individuals' lifestyle changes



This is the purpose of the business integration.

To maintain our solid position in the industry and to accelerate our current strategies to enhance profitability, we have concluded that business integration with Nipponkoa is the best choice.

Please turn to page 19.

The New Group's Position and Strengths

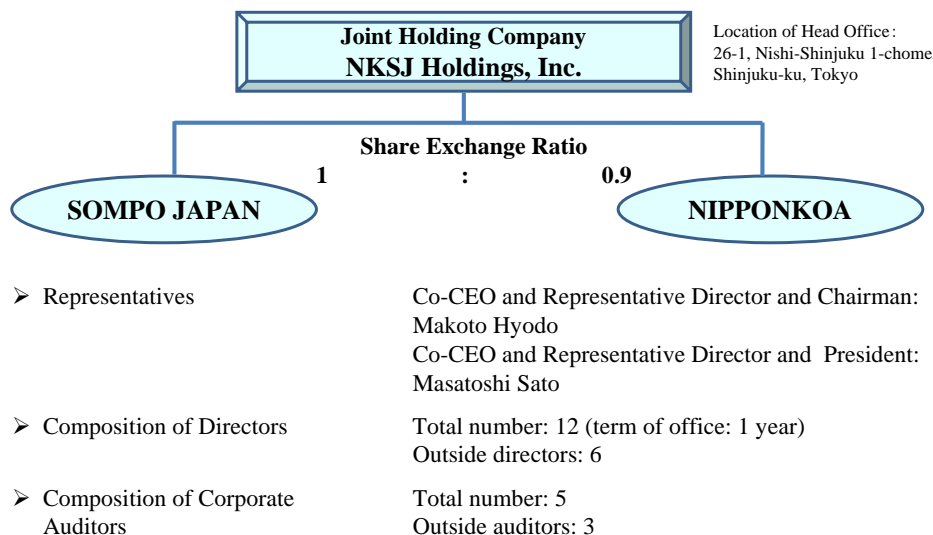
- **Top-level P&C insurance market share in approximately half of the prefectures in Japan**
- **Strong sales supported by exclusive, specialized professional agents**
- **Competitive edge based on agents related to financial institutions, primarily regional banks**

This slide shows the New Group's position and strength.

The New Group will make use of its post-integration position and strengths and seek to quickly maximize integration synergy.

Please turn to page 20.

To achieve business integration quickly,
two companies will coexist under the umbrella of a Joint Holding Company



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Under the business integration, we have chosen an arrangement for business integration in which the parties will coexist under the umbrella of a Joint Holding Company.

At the time of the incorporation of the Joint Holding Company, Mr. Hyodo, the current President of Nipponkoa, will be the co-CEO and Chairman, and I will be the co-CEO and President.

The total number of directors will be 12, half of which will be outside directors. The total number of corporate auditors will be 5, including 3 outside auditors.

Please turn to page 21.

Business Integration Synergies

Anticipated synergies by the Business Integration (pretax, per annum) About 30 billion yen

Breakdown

Cost reduction by sharing of products, back office operations and IT systems
About 12.5 billion yen

Cost reduction by joint use of infrastructure and joint placement of orders
About 5 billion yen

Effects of profit improvement by sharing and improving know-how
About 10.5 billion yen

Other synergies
About 2 billion yen

- ✓ We are discussing further synergy effects.
- ✓ We intend to announce a business plan with an additional amount of synergies prior to extraordinary shareholders' meeting.

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We anticipate synergy effects resulting from the business integration to be about 30 billion yen.

The specific breakdown is cost reduction of about 12.5 billion yen by streamlining the business process and lowering business expenses through sharing products, back office operations and IT systems.

We anticipate about 5 billion yen of cost reduction through the joint use of the parties' infrastructure and joint placement of orders. A profit improvement effect of about 10.5 billion yen is expected by sharing and improving our know-how.

Now we are discussing further synergy effects and plan to make another announcement on a business plan which may make possible additional amount of synergies prior to the extraordinary shareholders' meeting.

Please turn to page 22.

Life Insurance and Asset Management Strategies

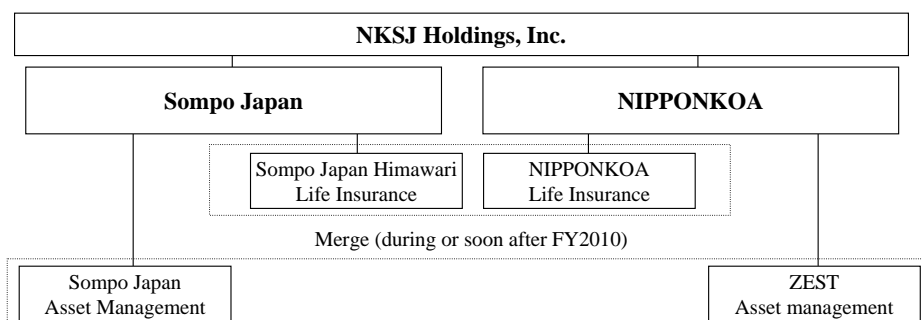
Consider merging each other's subsidiaries

Life insurance

- Strategic allocation of management resources of the New Group
- Expected increase of EV per annum by 50 billion yen

Asset management

- Enhance risk/return profile of the asset portfolio by
 - reinforcing appraisal of “strategic-holding stocks” from a viewpoint of “investment value”
 - reducing strategic holdings



This slide shows our life insurance and asset management strategies.

In the life insurance business, we are considering a merger of each other's subsidiaries and strategically allocate the New Group's management resources and aim to increase EV by 50 billion yen.

With respect to the asset management business,

we are considering merging each other's subsidiaries.

Furthermore, the New Group will seek to improve investment profits by rebuilding its asset portfolio through such measures as reduction of “strategic-holding stocks.”

Please turn to page 23.

Schedule of Share Exchange

March 13, 2009	Execution of the Memorandum of Understanding for Business Integration
July 29, 2009	Execution of the Agreement for Business Integration
By the End of October 2009 (tentative)	Preparation of Share Exchange Plan
Late December 2009 (tentative)	Extraordinary Shareholders' Meeting to Approve the Share Exchange Plan
April 1, 2010 (tentative)	Date of Incorporation and Registration of the Joint Holding Company (Effective Date)

※The schedule may be changed through mutual consultation between the Parties if any unavoidable circumstances arise in the course of the procedures relating to the Share Exchange.

This is the tentative schedule going forward.

By the end of October, we seek to prepare a share exchange plan and make an announcement regarding such plan.

Subsequently, each company plans to hold an extraordinary shareholders' meeting in late December.

After obtaining shareholder approvals and subject to regulatory approvals, the Joint Holding Company is scheduled to be established on April 1, 2010.

Please turn to page 24.

Investment Value

- **Financial soundness**
 - Sufficient net asset with AA credit ratings
- **Minimized risk of further loss on ABS-CDO guarantee**
- **Upturn of underwriting profit**
- **Enhancing shareholder returns**
- **Undervalued vs. NAV**

Lastly, I will talk about the investment value of Sompo Japan.

Points are shown on this page.

For detail, please turn to page 25.

Financial Soundness

Sufficient net assets with AA credit ratings

Risk and capital (as of June 30, 2009)



- <Risk amount> Total of underwriting risk, investment risk and operational risk (considering diversification effect)
⇒ Quantified using the VaR method (99.95% reliance level, one year retention)
- <Net asset> Total of present value of existing policies' future cash flow, net assets 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+

Currently, we have sufficient net assets compared to the risk amount.

Our capital policy aims to achieve an increase in corporate value while keeping a balance between financial soundness and capital efficiency.

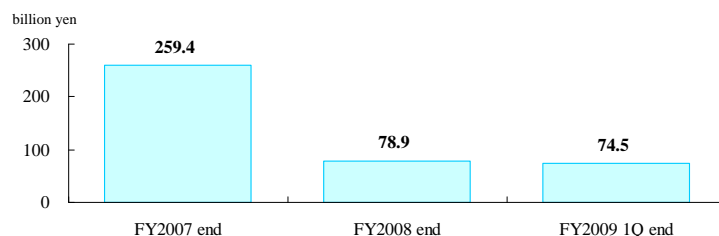
Credit ratings are also maintained at the AA range by major rating agencies.

Please turn to page 26.

Minimized Risk of Further Loss on ABS-CDO Guarantee

Provided sufficient loss reserves

Net exposure for ABS-CDO guarantee



	billion yen		
	FY2007 end	FY2008 end	FY2009 1Q end
Total of insured amount	289.4	218.0	197.6
Loss Reserves	30.0	139.0	123.0
Net exposure	259.4	78.9	74.5
	billion yen		
	FY2007	FY2008	FY2009 1Q
Net claims paid	-	-	(15.7)
Commutation	-	(37.6)	-
Provision/reversal for loss reserves	(30.0)	(109.0)	15.9
Others	-	0.0	(1.9)
Losses/Profits	(30.0)	(146.6)	(1.7)

Regarding ABS-CDO guarantee,
we can say that the risk of further loss is minimized.

In FY2008, we provided sufficient loss reserves
for the entire duration of the guarantee based on the assessment
of the severe conditions of the credit market.

We have been also striving to terminate guarantee contracts
with guarantee counterparties.

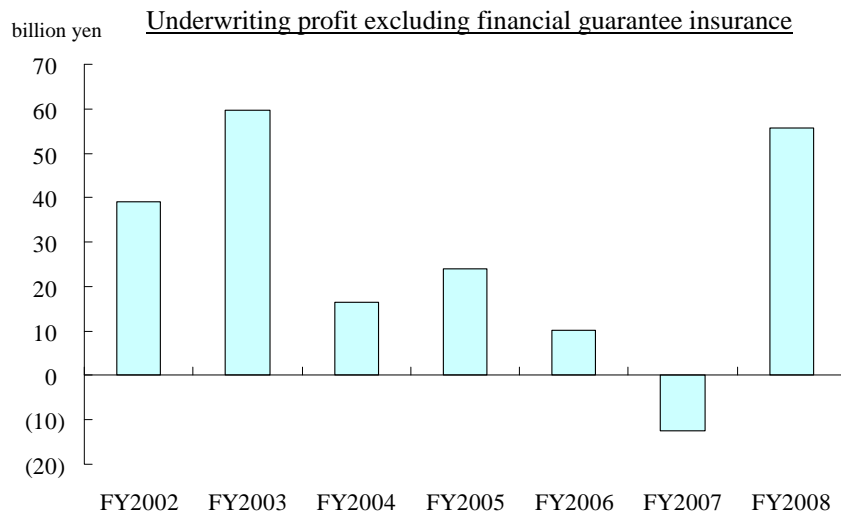
In FY2008, such terminations, also called commutations,
have been performed for two contracts.

As a result, our net exposure has decreased to 74.5 billion yen.

Please turn to page 27.

Upturn of Underwriting Profit

Underwriting profit bottomed out

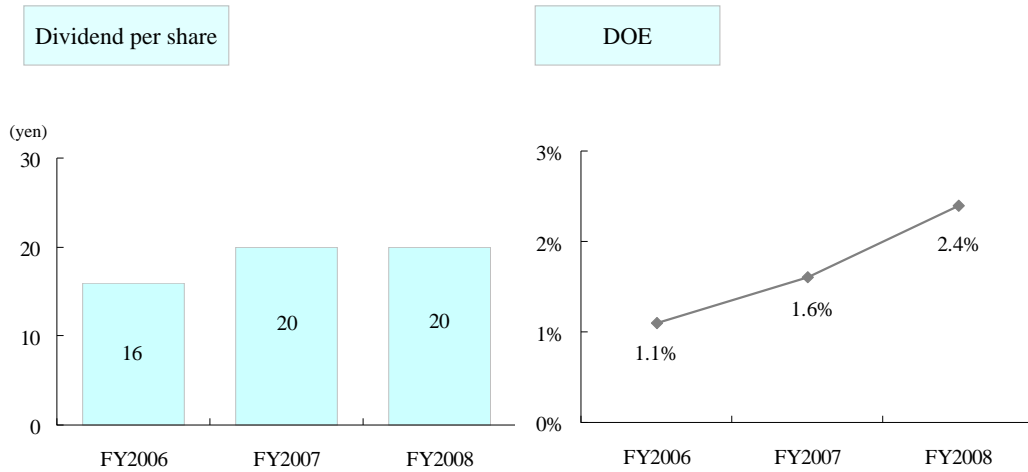


As for P&C insurance underwriting, FY2007 was a tough year due to the deterioration of top-line and loss ratio. However, underwriting profit excluding financial guarantee insurance bottomed out in FY2008 and has recently shown a positive trend.

Please turn to page 28.

Enhancing Shareholder Returns

Record of stable increases in dividend to enhance returns to shareholders



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I will now discuss shareholder returns.

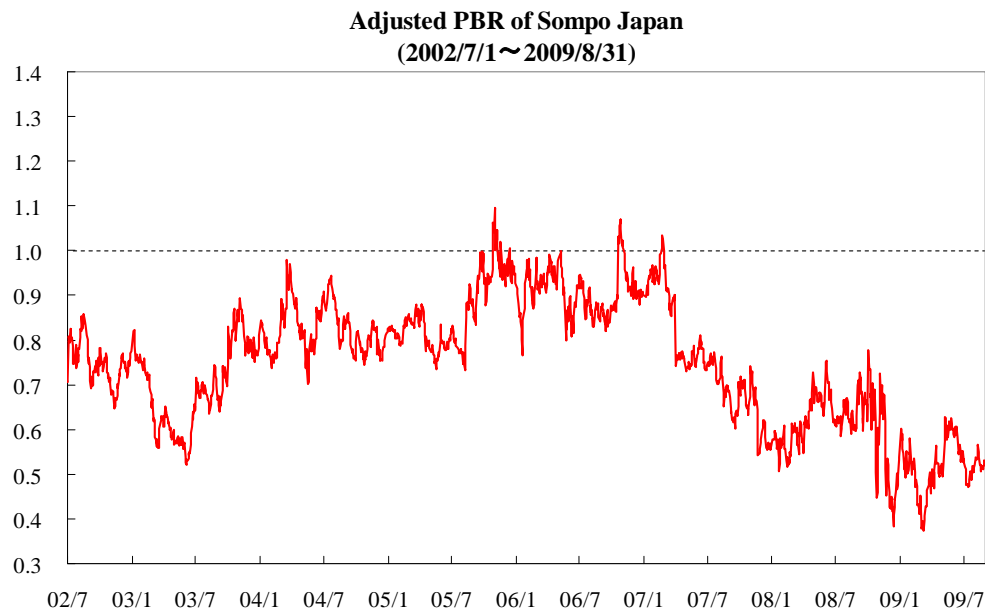
Sompo Japan's basic policy has been to stably increase dividends and DOE.

Up until now, we have stably raised both our dividends and DOE.

Although our financial results for FY2008 declined, we kept the dividend at 20 yen per share, resulting in a DOE of 2.4%.

Please turn to page 29.

Share Price - Undervalued vs. NAV



At the end of my presentation, I would like to show you our share price.

Currently, our share price has been undervalued versus NAV for over two years.

I would expect that the gap can be filled

by implementing the business strategies I mentioned today.

Thank you for your attention and we will move on to the Q&A session.

SOMPO JAPAN INSURANCE INC. (“SOMPO JAPAN”) and NIPPONKOA Insurance Co., Ltd. (“NIPPONKOA”) may file a registration statement on Form F-4 (“Form F-4”) with the U.S. Securities and Exchange Commission (the “SEC”) in connection with their proposed business combination. The Form F-4 (if filed) will contain a prospectus and other documents. If a Form F-4 is filed and declared effective, the prospectus contained in the Form F-4 will be mailed to U.S. shareholders of SOMPO JAPAN and NIPPONKOA prior to their respective shareholders’ meetings at which the proposed business combination will be voted upon. The Form F-4 and prospectus (if the Form F-4 is filed) will contain important information about SOMPO JAPAN and NIPPONKOA, the proposed business combination and related matters. U.S. shareholders of SOMPO JAPAN and NIPPONKOA are urged to read the Form F-4, the prospectus and other documents that may be filed with the SEC in connection with the proposed business combination carefully before they make any decision at the respective shareholders’ meeting with respect to the proposed business combination. Any documents filed with the SEC in connection with the proposed business combination will be made available when filed, free of charge, on the SEC’s web site at www.sec.gov. In addition, upon request, the documents can be distributed for free of charge. To make a request, please refer to the following contact information.

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Note Regarding Forward-looking Statements

This document includes “forward-looking statements” that reflect the plans and expectations of SOMPO JAPAN and NIPPONKOA in relation to, and the benefits resulting from, their proposed business combination and business alliance described above. To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of SOMPO JAPAN and NIPPONKOA in light of the information currently available to them, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of SOMPO JAPAN and NIPPONKOA (or the post-business combination group) to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. SOMPO JAPAN and NIPPONKOA undertake no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by SOMPO JAPAN and NIPPONKOA (or the post-business combination group) in their subsequent domestic filings in Japan and filings with the SEC. The risks, uncertainties and other factors referred to above include, but are not limited to:

- (1) economic and business conditions in and outside Japan;
- (2) the regulatory outlook of the Japanese insurance industry;
- (3) occurrence of losses the type or magnitude of which could not be foreseen at the time of writing the insurance policies covering such losses;
- (4) the price and availability of reinsurance;
- (5) the performance of the two companies’ (or the post-business combination group’s) investments;
- (6) the two companies’ being unable to reach a mutually satisfactory agreement on the detailed terms of the proposed business combination or otherwise unable to complete it; and
- (7) difficulties in realizing the synergies and benefits of the post-business combination group.

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