



Informational Meeting for Interim Fiscal Year 2005 Results

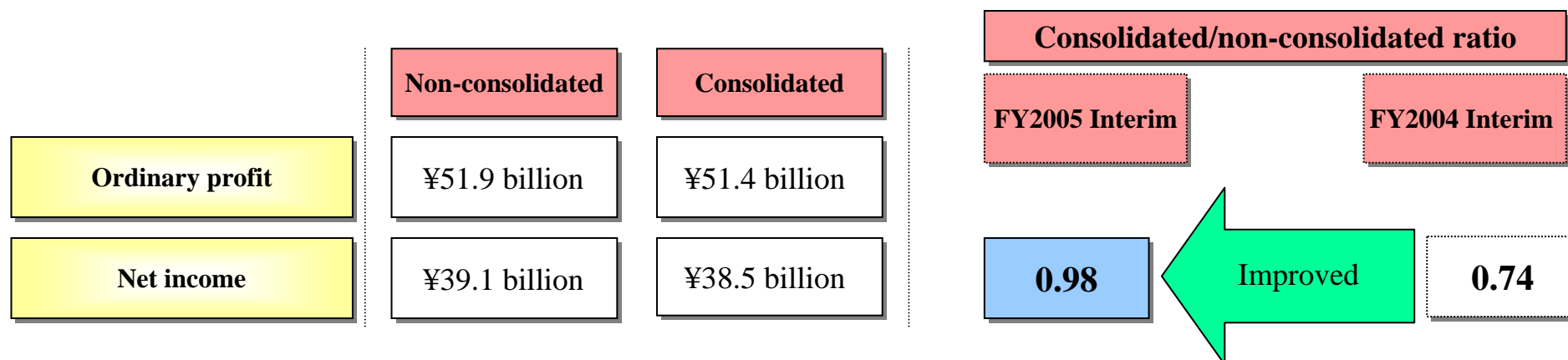
November 28, 2005

SOMPO JAPAN INSURANCE INC.

Overview of FY2005 Interim Business Results (Non-consolidated)

	FY2004 Interim	FY2005 Interim																		
Excluding the impact of the abolition of government reinsurance program for Compulsory Automobile Liability Insurance (CALI) and the impact of reinsurance contracts handled by Fortress Re.	Net premiums written	¥630.3 billion	¥640.7 billion (growth: +1.6%)	Grew by 1.6% due to the contributions of automobile, personal accident and marine insurance																
	Loss ratio (including Loss Adjustments)	55.4%	56.1%	Stable on written basis; declined from 68.3% to 60.1% on E/I basis due to the diminished impact of natural disasters.																
	Expense ratio	33.5%	33.1%	<table border="1"> <thead> <tr> <th><Natural Disaster Losses></th> <th>FY2004 Interim</th> <th>FY2005 Interim</th> <th>Changes</th> </tr> </thead> <tbody> <tr> <td>Paid Losses</td> <td>¥15.1 billion</td> <td>¥3.2 billion</td> <td>¥(11.8) billion</td> </tr> <tr> <td>O/S reserve</td> <td>¥55.2billion</td> <td>¥5.3 billion</td> <td>¥(49.9) billion</td> </tr> <tr> <td>Incurred Losses</td> <td>¥70.3 billion</td> <td>¥8.5 billion</td> <td>¥(61.8) billion</td> </tr> </tbody> </table>	<Natural Disaster Losses>	FY2004 Interim	FY2005 Interim	Changes	Paid Losses	¥15.1 billion	¥3.2 billion	¥(11.8) billion	O/S reserve	¥55.2billion	¥5.3 billion	¥(49.9) billion	Incurred Losses	¥70.3 billion	¥8.5 billion	¥(61.8) billion
	<Natural Disaster Losses>	FY2004 Interim	FY2005 Interim	Changes																
	Paid Losses	¥15.1 billion	¥3.2 billion	¥(11.8) billion																
	O/S reserve	¥55.2billion	¥5.3 billion	¥(49.9) billion																
Incurred Losses	¥70.3 billion	¥8.5 billion	¥(61.8) billion																	
Combined ratio	88.9%	89.2%	Dropped steadily toward FY2005 target of 33.0%																	
Underwriting balance	¥70.1 billion	¥69.0 billion																		
Underwriting profit	¥(33.1) billion	¥7.1 billion	¥15.5 billion IBNR reserve was booked to cut off overseas run-off portfolio which included liability risks in U.S.																	
Investment profit	¥22.9 billion	¥32.5 billion	Increased interest and dividend income contributed. Net capital gain on securities was ¥16.8 billion.																	
Ordinary profit	¥(10.1) billion	¥51.9 billion																		
Net income	¥10.5 billion	¥39.1 billion	Settlement of ¥11.4 billion received from Fortress Re. etc. was included in special gains.																	

Overview of FY2005 Interim Business Results (Consolidated)



(Unit : billions of yen)

<Principal consolidated subsidiaries>	Ordinary profit	Net income	Net income after consolidated adjustment
Sompo Japan Europe	0.6	0.6	0.6
Yasuda Seguros S.A.	0.9	0.6	0.6
Sompo Japan Asia	0.4	0.4	0.4
Sompo Japan America	(0.0)	0.0	0.0
Sompo Japan DIY Life Insurance	(0.6)	(0.6)	(0.2)
Sompo Japan DC Securities	(0.5)	(0.5)	(0.5)
Sompo Japan Himawari Life Insurance	0.0	0.0	(1.6)

P&C Insurance Business: Product Development Strategy

Auto Insurance

Premiums growth, with Net premiums written +0.7% and Sales premium +1.1%

Number of policies: +1.2%, Unit price: (0.1%)

- 1 percent point improvement in renewal rate due to progress by user-friendly renewal program in “ONE-do”, equivalent to ¥ 5.4 billion of sales premium on an annual basis
- Unit price bottoming out

New long-term medical insurance

“Dr. Japan”


Number of policies: 190,000

Net premiums written: ¥5.1 billion

Sales premium: ¥2.0 billion

Steady uptrend in net premiums written

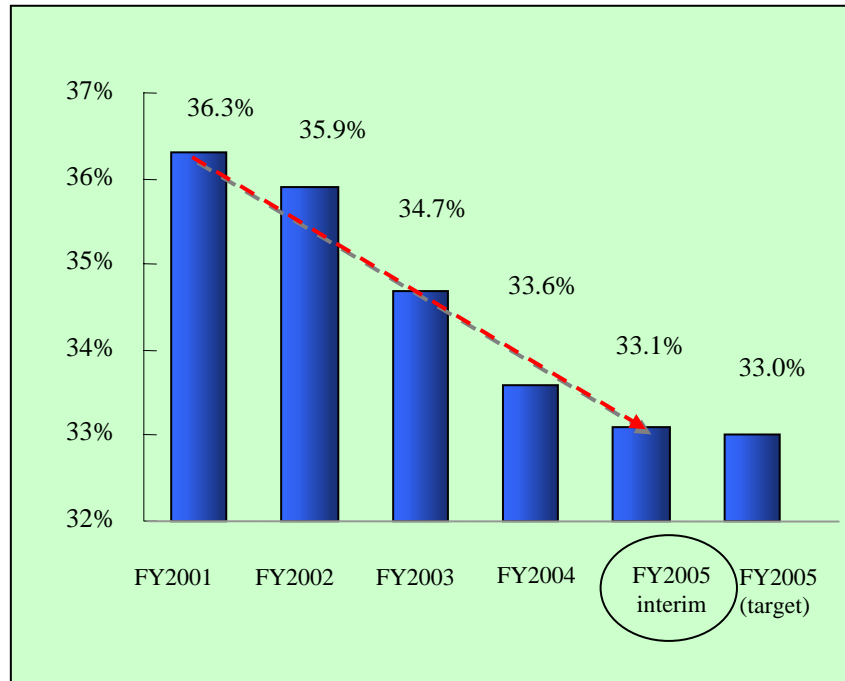
P&C Insurance Business: Distribution Channels

	FY2005 Interim Sales premium	Overview
	(*The bottom figures in parentheses exclude CALI.)	
Auto dealer	¥126.7 billion + 9.3% (¥73.9 billion +5.0%)	- Boosted by positive new car sales.
Dai-ichi Life	¥17.2 billion +10.9% (total for all lines)	<ul style="list-style-type: none"> - Contributed to increased sales premium through life and P&C insurance cross-selling. - High growth rate has continued since the start of a comprehensive alliance in August 2000.
Enterprise	¥125.4 billion +3.2% (¥118.8 billion +2.9%)	- Sales premium has increased because of a backdrop of expanded cargo business and recovering corporate profits.
Over-the-counter Sales by banks	¥8.0 billion +9.8%	- Improving due to increased housing loans
Professional agents	¥192.8 billion +1.3% (¥186.6 billion +1.2%)	- Revenues have turned upward
Total	¥704.8 billion +3.9% (¥588.3 billion +2.6%)	

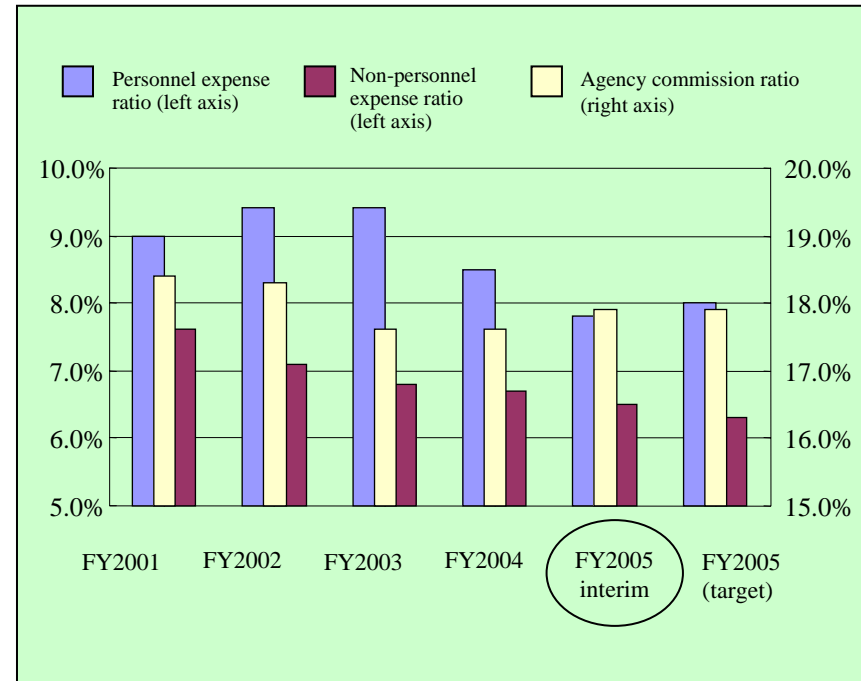
P&C Insurance Business: Accomplishment for low cost operation

Expense ratio steadily dropping toward FY2005 year-end target of 33.0%

Improvement of expense ratio



Breakdowns of expense ratio



Note)
 Excluding impact of abolition of government reinsurance program for CALI and impact of reinsurance contracts handled by
 Fortress Re.

Life Insurance Business: Sompo Japan Himawari Life / Sompo Japan DIY Life

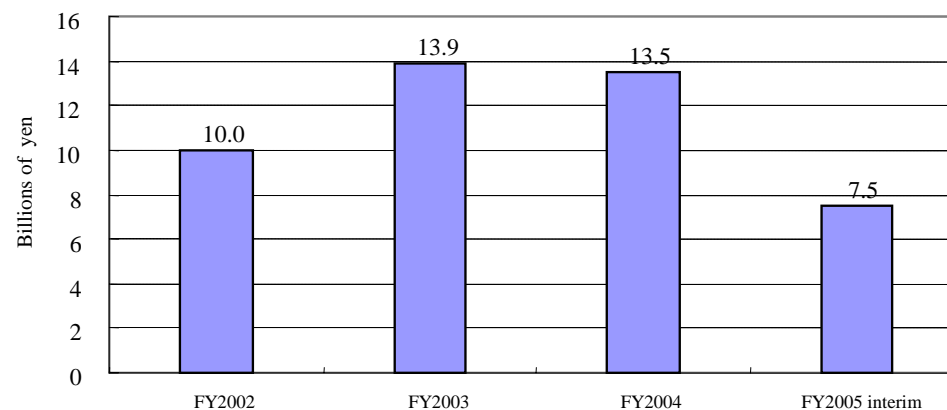
Sompo Japan Himawari Life

FY2005 Interim: Annualized New Premiums (ANP)

[Total of 1st and 3rd sector] ¥22.6 billion (growth: 42.4%)

- First sector ¥13.4 billion (growth: 20.2%)
- Third sector ¥ 9.1 billion (growth: 94.9%)

Basic revenues (before increase in liability reserves)



Sompo Japan DIY Life

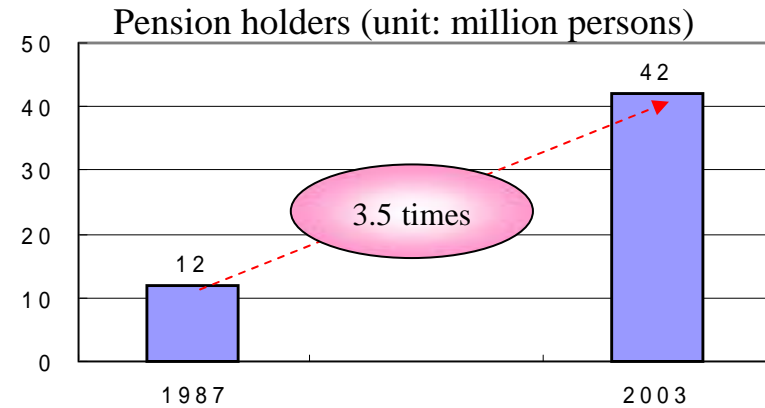
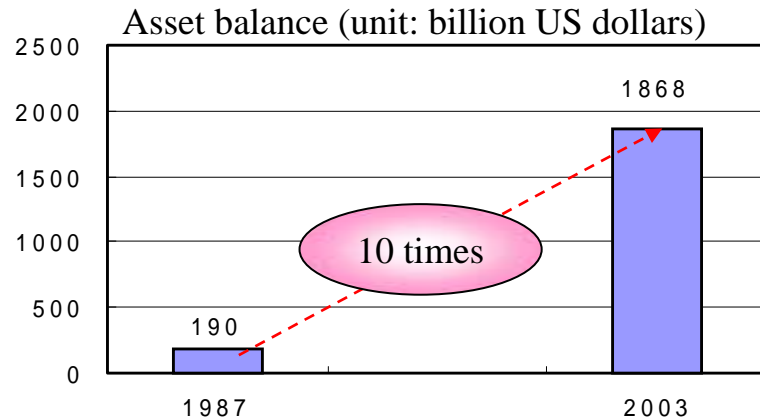
FY2005 Interim

- Annualized new premiums: ¥300 million, policies in force at the end of Sep.2005: 40,160
- Renewal rate: 97.2%

Defined Contribution Pension Plan Business

Saturation of US 401(k) Plan

401(k) plans have been remarkably saturated in the U.S.



Market Trend	Steady expansion of markets is anticipated because of changing circumstances surrounding corporate pension system
Results as of the end of August 2005	<p>Commercial type : 2nd place , market share: 10.3%</p> <p>Personal type : 1st place , market share: 29.7%</p> <p>“High flexibility and convenience,” “low cost,” “advanced system design and consulting capabilities,” and “bilingual service” provided as a bundle model</p>

Investment

Total return

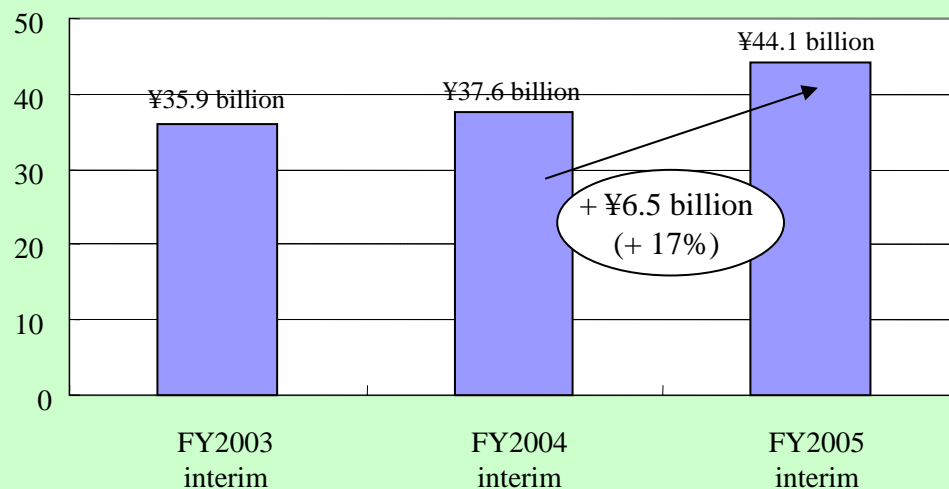
~ Returns continued to be high

FY2003	FY2004	FY2005
11.83%	4.48%	6.81%

(Note) FY2005 result is for first half of FY2005

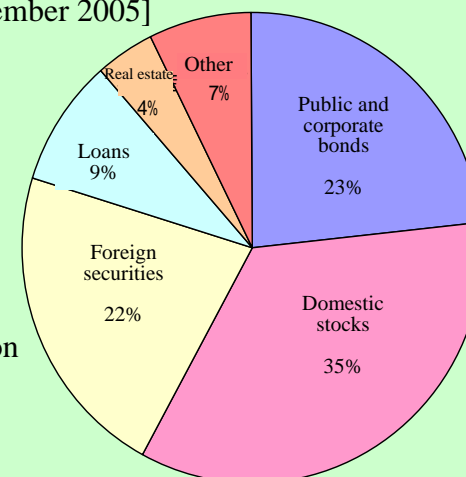
Increased interest and dividend income

~ Greater interest/dividends on foreign-denominated assets and higher dividends on domestic stocks contributed to the increase in interest and dividend income.



Investment asset allocation

[Breakdown of investment assets at end of September 2005]



[Principal investment measures]

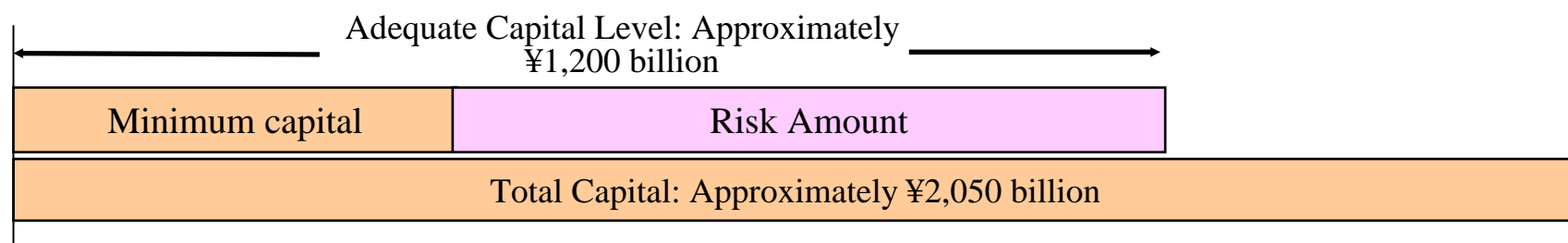
- Continue sale of domestic stocks. ¥17.6 billion market value of stock sold
- Investment in foreign and domestic bonds
- Continue investments in Asian equities

Overseas Business

Focusing on long-term profitability in respective market.

<p>BRICs</p>	<p>China -Dalian branch already bore net profit in FY2004, its second year of business, with no cumulative loss. -First Japanese non-life insurer permitted to establish local subsidiary. -Alliance with the leading companies in each business field. ex. Establishment of JV broker with PICC P&C, alliance with Ping An Life.</p> <p>Brazil -Local subsidiary has established high presence in the country and been generating profit constantly.</p> <p>India -Probing profitability and potential of the market with possibility of establishment of local subsidiary.</p> <p>Russia -Moscow office will be established by the end of this year to probe potential of the market.</p>
<p>Southeastern Asia and Oceania</p>	<p>5 local subsidiaries in Southeastern Asia and one branch in Australia.</p> <p>Singapore, Philippine, Thailand, Vietnam and Australia recorded historical high net income in FY2004. Their financial results in 1st half of FY2005 went well also.</p>
<p>Europe and North America</p>	<p>Subsidiaries in both Europe and the US are enjoying a solid turnabout in their financial results; European subsidiary is expected to become profitable from FY2005 and US subsidiary from FY2006.</p> <p>Focusing on support for Japanese companies with high quality service.</p>

Balance of Risk and Capital (as of the end of Sep.2005)



[Risk Amount] Underwriting Risk, Market Risk, Credit Risk, Real Estate Risk, ALM Risk, Operational risk
Quantified by VaR method with 99% reliance interval

[Minimum Capital] Capital to maintain Solvency Margin Ratio of 200%
after the occurrence of losses equal to total risk amount

[Total Capital] Total of present value of existing policies' future cash flow etc., shareholders' equity after
necessary adjustments, quasi-capital reserves, and unrealized gains on real estate

A nearly ¥850 billion surplus due mainly to an increase in unrealized gains on securities.

This surplus is to be utilized for:

- Capital allocation to achieve higher investment returns
- Additional risk-taking in existing and new businesses
- Reinforcement of financial base in anticipation of natural disasters, etc.

Share buyback is not considered at this moment.

Forecast for FY2005 results

		FY 2005 Forecasts	FY 2005 Mid term targets		
Non-consolidated	Excluding the impact of the abolition of government reinsurance program for Compulsory Automobile Liability Insurance (CALI) and the impact of reinsurance contracts handled by Fortress Re.	Net Premiums Written	¥1,262.4 billion	¥1,275.0 billion	<p>The forecasted net premiums written fall below the target figure due to the reduction in subsidies of CALI from FY2005.</p> <p>The expense ratio is expected to be on target.</p> <p>Both ordinary profit and net income are expected to exceed Mid term targets.</p> <p>Adjusted Consolidated ROE, the most important indicator for Sompo Japan, is expected to reach initial target.</p>
		Loss Ratio (including loss adjustments)	59.3%	57.0%	
		Expense Ratio	33.0%	33.0%	
		Combined Ratio	92.3%	90.0%	
		Underwriting Balance	¥96.7 billion	¥127.5 billion	
		Underwriting Profit	¥47.1 billion	¥54.0 billion	
		Ordinary Profit	¥109.0 billion	¥104.0 billion	
		Net Income	¥65.0 billion	¥60.0 billion	
Consolidated		Net Income	¥61.0 billion		
		Adjusted Consolidated ROE*		15.0%	

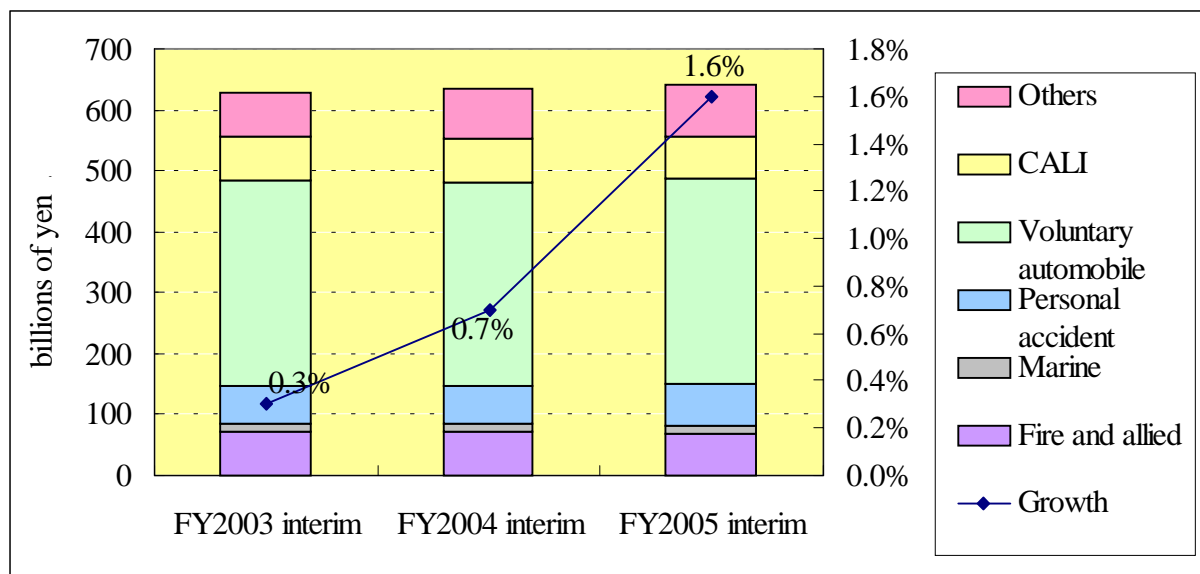
* ROE excluding after-tax unrealized gains in securities from shareholder's equity as the denominator

Fiscal Year 2005 Interim Results



Trend of net premiums written (ex. special factors)

Net premiums written increased by 1.6%.



(Unit: billions of yen)

Line	FY2003 interim		FY2004 interim		FY2005 interim	
	Amount	Growth(%)	Amount	Growth(%)	Amount	Growth(%)
Fire and allied	72.7	(5.9%)	70.9	(2.4%)	69.3	(2.3%)
Marine	12.2	(2.3%)	12.6	2.9%	14.0	10.7%
Personal accident	60.9	(1.5%)	63.8	4.9%	67.8	6.2%
Voluntary automobile	337.7	(0.3%)	334.1	(1.1%)	336.6	0.7%
CALI	71.4	10.4%	72.5	1.6%	67.8	(2.2%)
Others	73.8	2.3%	79.2	7.3%	85.0	7.3%
Total	628.9	0.3%	633.5	0.7%	640.7	1.6%

Note) For FY05 interim, CALI figure is after deduction of postdated policies within the fiscal year.

<Comments for each product line>

Fire and allied:

Mortgage related products and earthquake insurance showed a positive growth in gross premiums, however, the growth of net premiums turned to negative because of reinsurance arrangement.

Personal accident:

Positive growth of “Dr. Japan”, group medical insurance.

Voluntary automobile:

Number of contracts increased and positive effect of “ONE-do” was realized.

CALI:

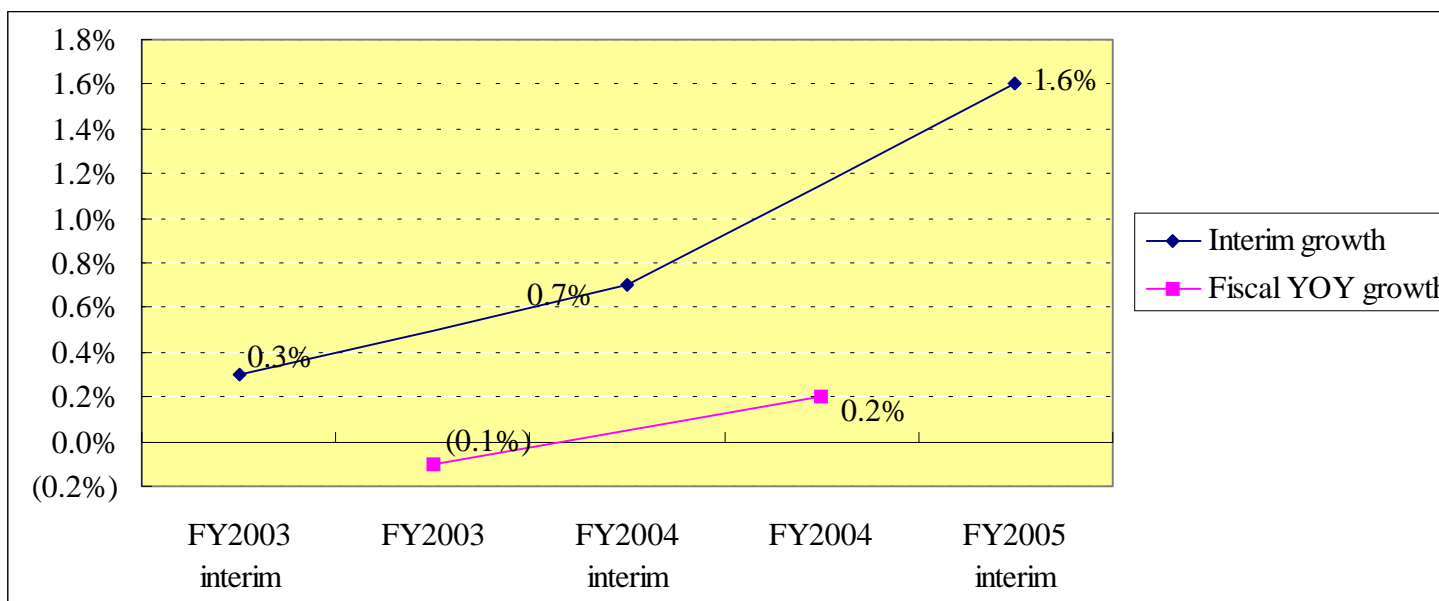
Negative growth due to the change of scheme to reduce the government subsidy.

Others:

Revision of premium rate for liability insurance etc.

Trend of net premiums written growth (ex. special factors)

Positive growth trend continued.



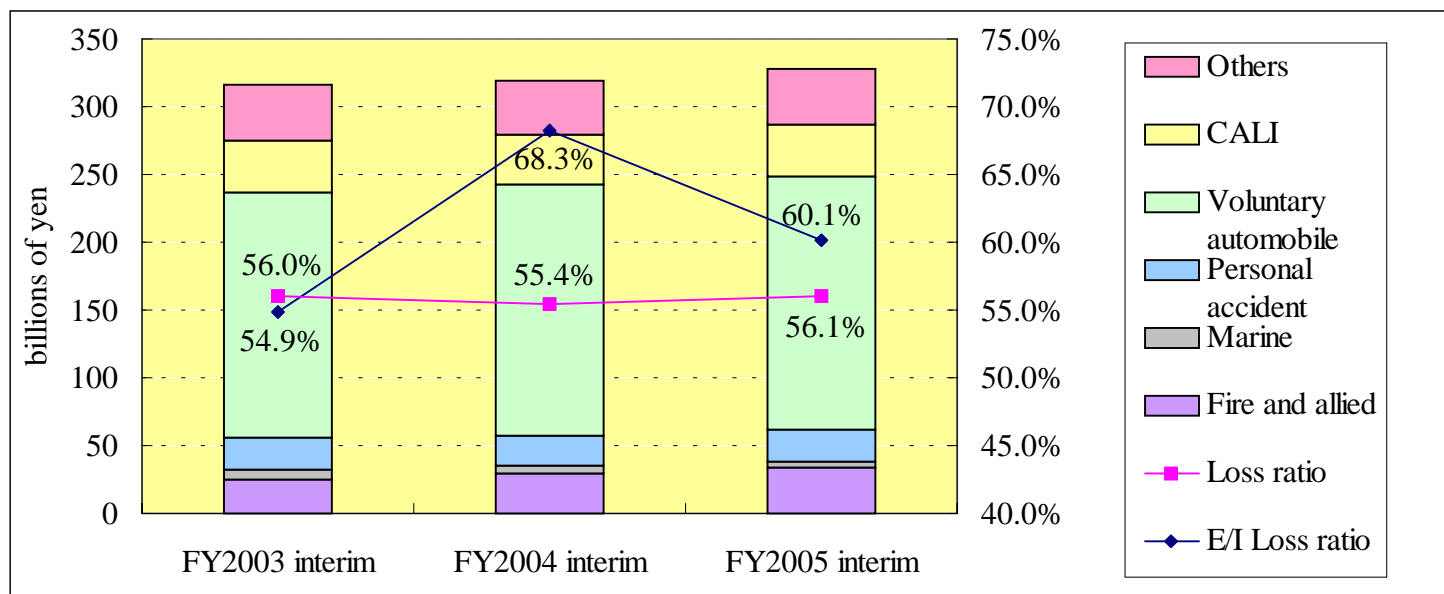
(Unit: billions of yen)

		FY2003	FY2004	FY2005
Interim	Net Premiums written	628.9	633.5	640.7
	Growth	0.3%	0.7%	1.6%
Fiscal year	Net Premiums written	1,241.5	1,243.3	
	Growth	(0.1%)	0.2%	

Note) For FY05 interim, CALI figure is after deduction of postdated policies within the fiscal year.

Trend of net claims paid (ex. special factors)

Following last fiscal year, loss ratio was stable.



(Unit: billions of yen)

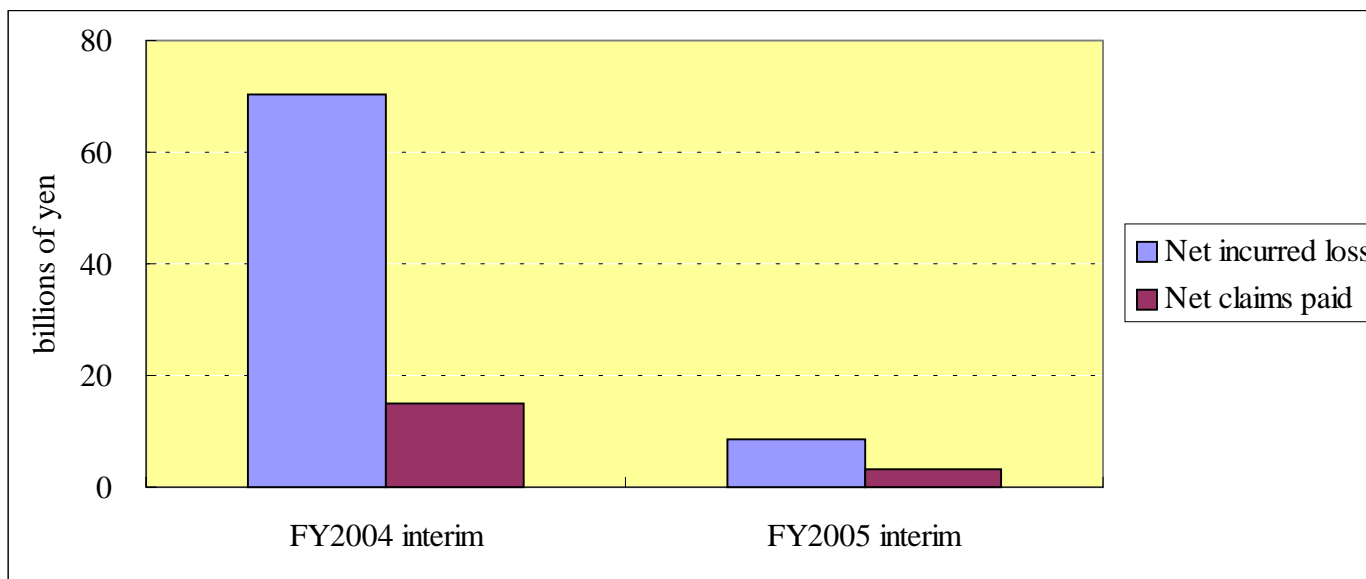
Line	FY2003 interim		FY2004 interim		FY2005 interim	
	Amount	L/R(%)	Amount	L/R(%)	Amount	L/R(%)
Fire and allied	25.5	36.7%	29.9	43.5%	33.2	49.3%
Marine	7.4	67.0%	5.6	49.4%	5.4	43.0%
Personal accident	23.4	43.5%	21.8	37.9%	22.8	37.1%
Voluntary automobile	181.1	59.1%	185.4	60.7%	187.8	60.7%
CALI	38.0	63.7%	37.2	61.2%	37.0	65.3%
Others	40.5	61.4%	39.0	53.4%	42.2	53.5%
Total	316.1	56.0%	319.1	55.4%	328.7	56.1%
E/I Loss ratio		54.9%		68.3%		60.1%

Note 1) "L/R" = (Net claims paid + Loss adjustment) / Net premiums written

2) "E/I Loss ratio" = (Net incurred loss + Loss adjustment) / Earned premiums : ex. Household earthquake and CALI

Trend of natural disasters

Losses by natural disasters were small compared with the last fiscal year.

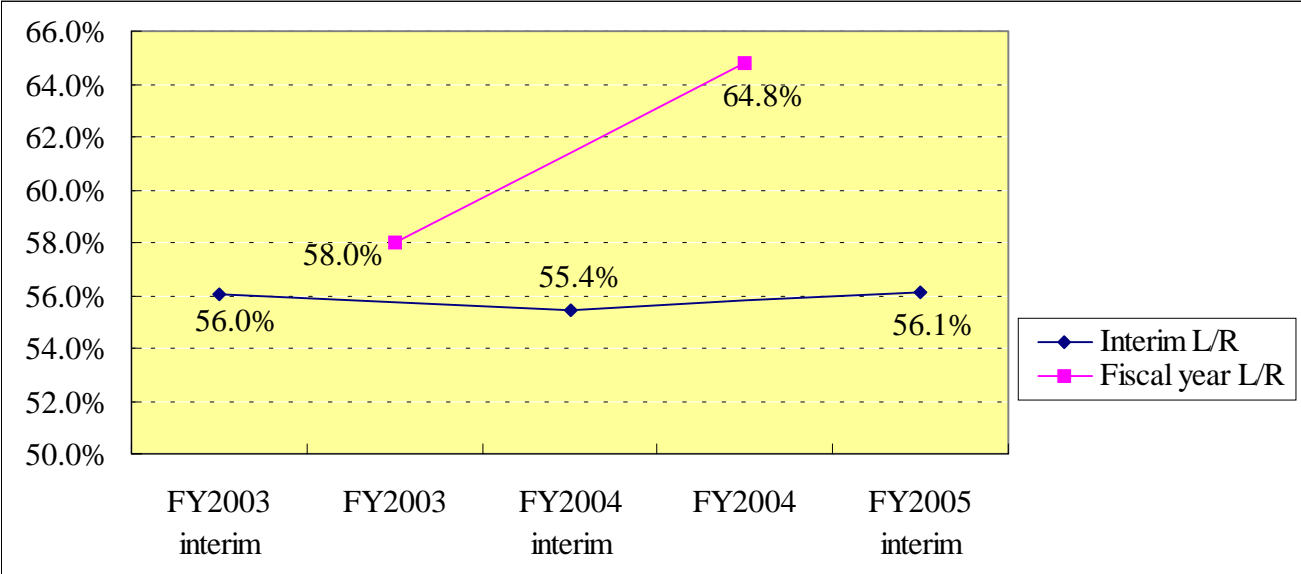


(Unit: billions of yen)

Line	FY2004 interim		FY2005 interim	
	Net incurred loss	Net claims paid	Net incurred loss	Net claims paid
Fire and allied	57.0	9.1	6.6	2.2
Voluntary automobile	11.2	5.5	1.5	0.9
Others	2.0	0.3	0.3	0.0
Total	70.3	15.1	8.5	3.2

Trend of loss ratio (ex. special factors)

Stable loss ratio continued.

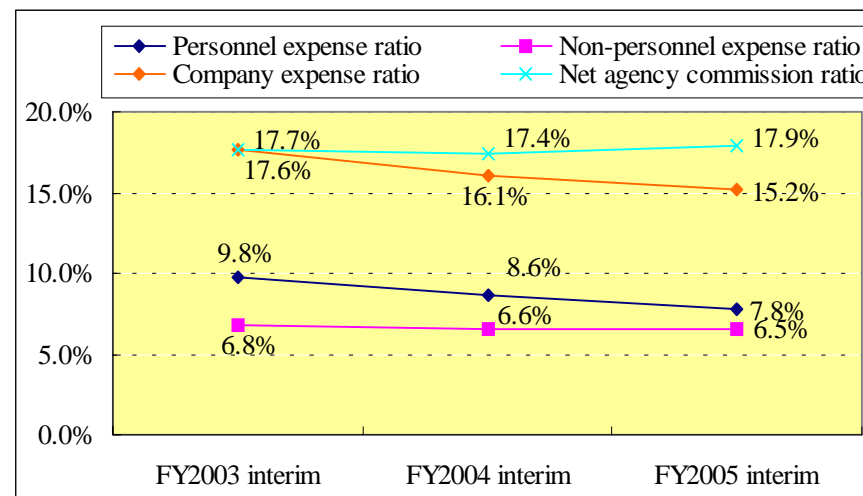
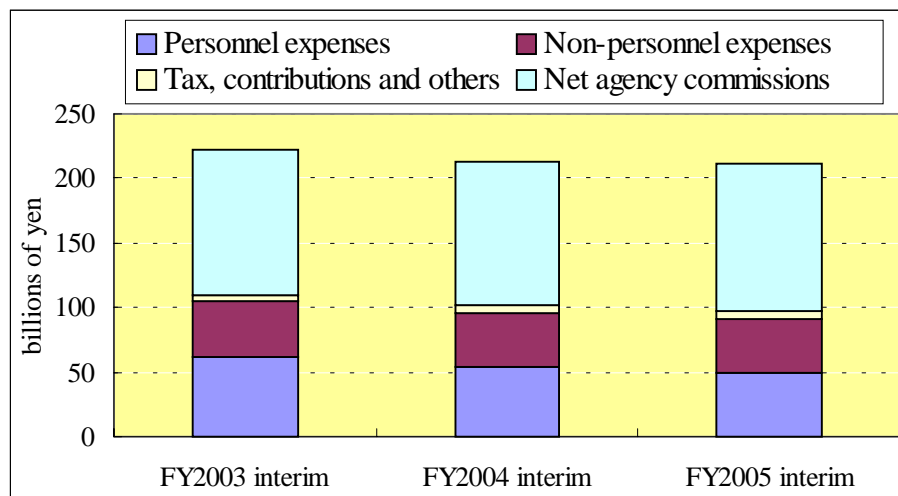


(Unit: billions of yen)

		FY2003	FY2004	FY2005
Interim	Net claims paid	316.1	319.1	328.7
	Loss ratio	56.0%	55.4%	56.1%
Fiscal year	Net claims paid	651.4	743.2	
	Loss ratio	58.0%	64.8%	

Trend of expense ratio with breakdowns (ex. special factors)

Total expense ratio decreased because additional commissions due to the long-term medical product was absorbed by the reduction of personnel expenses.



(Unit: billions of yen)

Item
Personnel expenses
Non-personnel expenses
Tax, contributions and others
Total company expenses
Net agency commissions (ex. FR)
Total operating expenses

FY2003 interim		FY2004 interim		FY2005 interim	
Amount	Change	Amount	Change	Amount	Change
61.5	1.7	54.6	(6.9)	50.1	(4.4)
42.7	(0.9)	41.7	(1.0)	41.5	(0.1)
6.1	(0.6)	5.8	(0.2)	5.8	(0.0)
110.5	0.1	102.2	(8.3)	97.5	(4.6)
111.2	(4.8)	110.2	(0.9)	114.6	4.3
221.7	(4.7)	212.4	(9.3)	212.1	(0.3)

FY2003 interim		FY2004 interim		FY2005 interim	
Expense ratio	Change	Expense ratio	Change	Expense ratio	Change
9.8%	0.3%	8.6%	(1.2%)	7.8%	(0.8%)
6.8%	(0.2%)	6.6%	(0.2%)	6.5%	(0.1%)
1.0%	(0.1%)	0.9%	(0.1%)	0.9%	(0.0%)
17.6%	0.0%	16.1%	(1.4%)	15.2%	(0.9%)
17.7%	(0.8%)	17.4%	(0.3%)	17.9%	0.5%
35.3%	(0.8%)	33.5%	(1.7%)	33.1%	(0.4%)

<Reference>

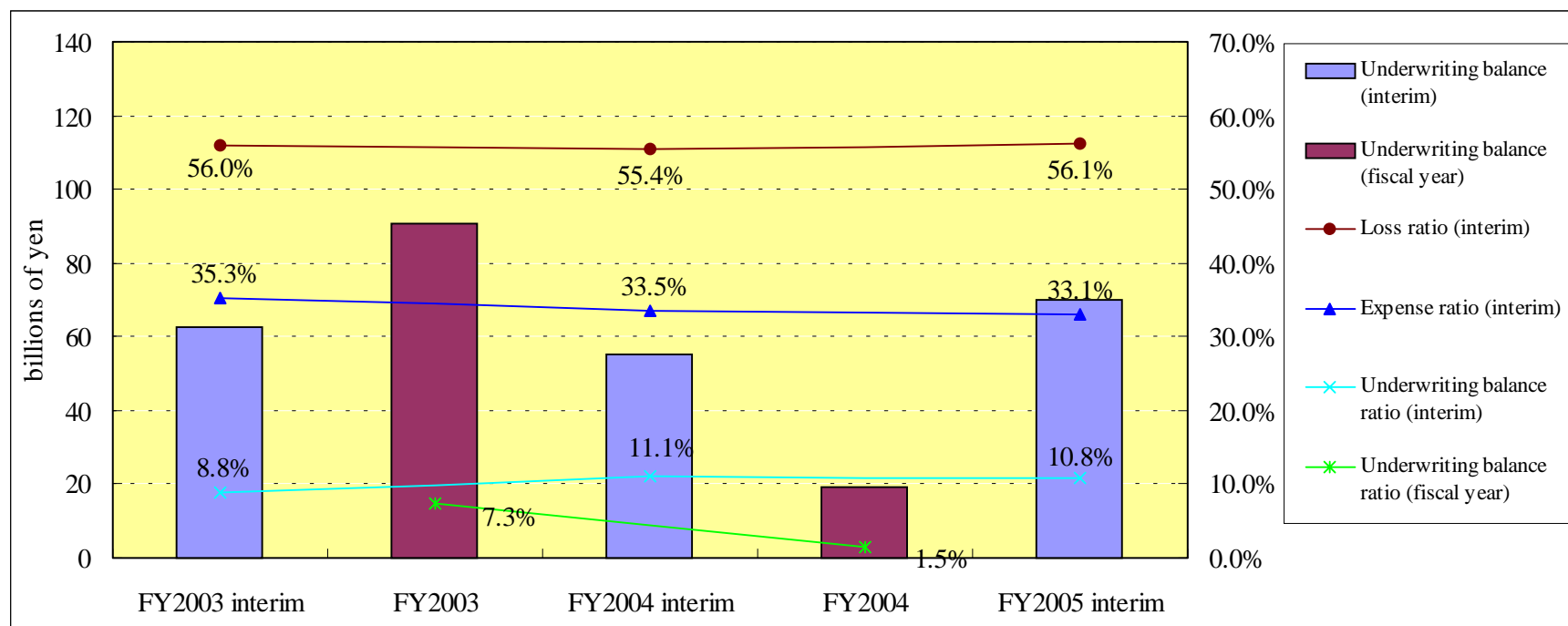
Net premiums written (ex. special factors)
628.9

FY2003 interim		FY2004 interim		FY2005 interim	
Amount	Change	Amount	Change	Amount	Change
628.9	1.6	633.5	4.5	640.7	7.2

Note) Figures above are operating expenses regarding underwriting business.

Trend of underwriting balance/balance ratio (ex. special factors)

Steady improvement was realized in both underwriting balance and ratio.



(Unit: billions of yen)

		FY2003	FY2004	FY2005
Interim	Loss ratio	56.0%	55.4%	56.1%
	Expense ratio	35.3%	33.5%	33.1%
	Underwriting balance ratio	8.8%	11.1%	10.8%
	Underwriting balance	55.2	70.1	69.0
Fiscal year	Underwriting balance ratio	7.3%	1.5%	
	Underwriting balance	90.6	19.1	

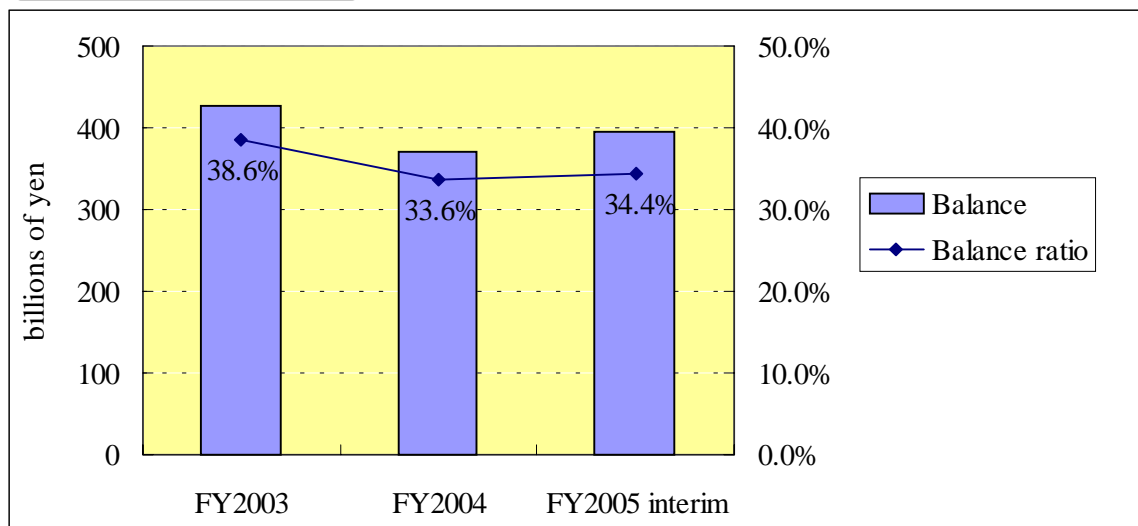
Loss ratio was stable and expense ratio improved steadily. Thus, higher profitability is achieved.

Note) Loss adjustments are included in the "Loss ratio"

Preparations for catastrophic loss

**Balance and ratio of catastrophic loss reserve increased/rose with little reversal.
Solvency margin ratio was maintained at sufficient level.**

Total



<Reference> Solvency Margin Ratio

(Unit: millions of yen)

	FY2005 interim
Total of Solvency Margin	2,057,800
Total of Risks	393,278
Ordinary Insurance Risks	72,958
Assumed Interest Risks	3,650
Asset Management Risks	236,558
Business Management Risks	8,929
Major Catastrophe Risks	133,304
Solvency Margin Ratio	1,046.5%

(Unit: billions of yen)

	FY2003	FY2004	FY2005 interim
Balance	427.5	371.3	394.1
Change	25.6	(56.2)	22.7
Balance ratio	38.6%	33.6%	34.4%

Provision	64.5	66.6	34.9
Reversal	38.8	122.9	12.2

Notes) -"Balance ratio" = Catastrophic loss reserve balance / Net premiums written
(ex. CALI, Household earthquake)

-"Balance" and "Balance ratio" other than FY2005 interim figures are for the full fiscal year

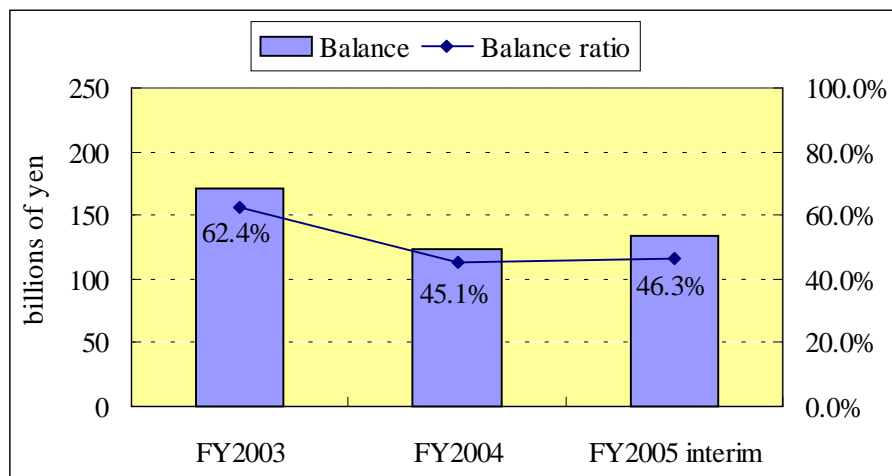
-Net premiums written as the denominator to calculate FY2005 interim "Balance ratio" is the doubled figures of the 1st half result

For Fire group, the balance is expected to increase steadily, following the plan to compensate the major reversal made during the last fiscal year.

Preparations for catastrophic loss (catastrophic loss reserve: Fire/Auto Group)

Both balance and ratio increased/rose in Fire Group and Automobile Group.

Fire Group



(Unit: billions of yen)

	FY2003	FY2004	FY2005 interim
Balance	171.3	123.0	133.9
Balance ratio	62.4%	45.1%	46.3%

Provision	17.8	20.6	10.9
Reversal	-	68.9	-

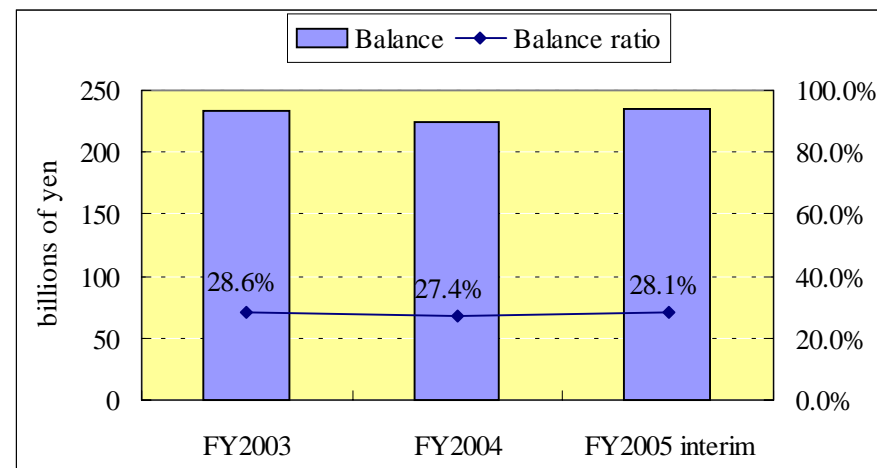
Fire Group:

Fire (ex. Household earthquake), Cargo, Liability, Transit, Constructions' all risk,
Movables' all risk, Windstorm & Flood

Note) Net premiums written as the denominator to calculate FY2005 interim

"Balance ratio" is the doubled figures of the 1st half result

Automobile Group



(Unit: billions of yen)

	FY2003	FY2004	FY2005 interim
Balance	233.0	224.4	235.5
Balance ratio	28.6%	27.4%	28.1%

Provision	44.7	44.8	23.0
Reversal	36.8	53.5	11.9

Automobile Group:

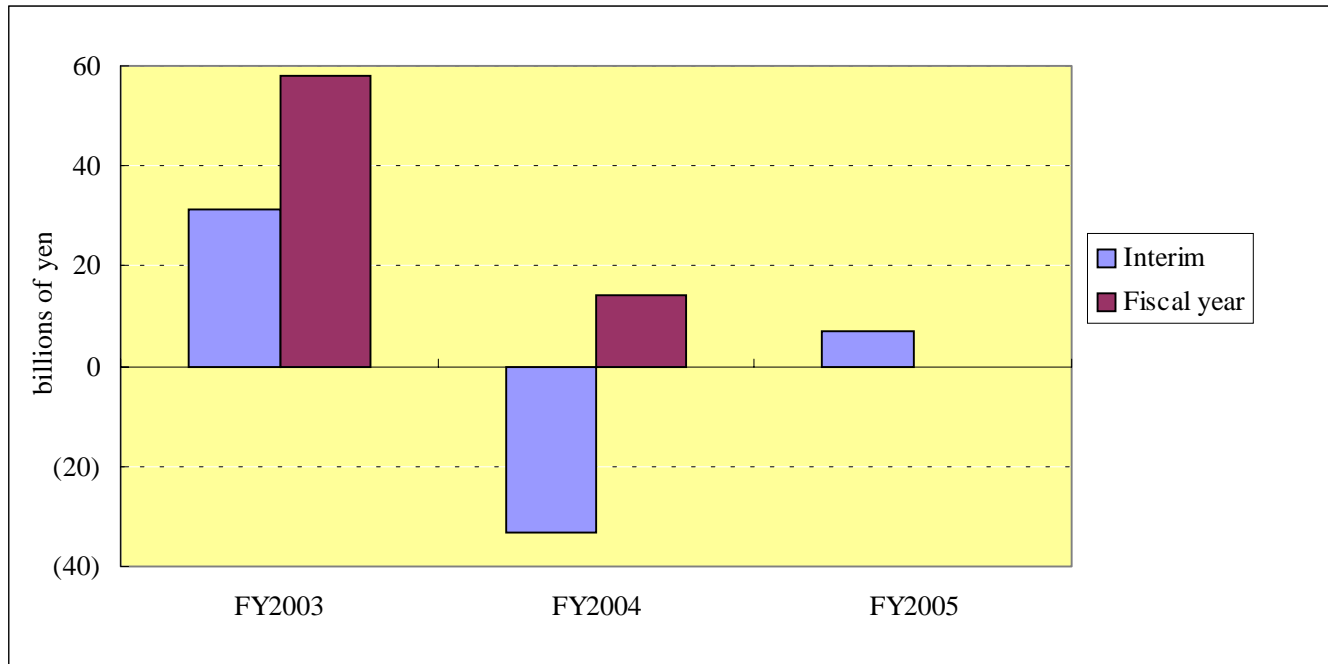
Voluntary automobile, Personal accident, Ship passenger liability,
Fidelity & Credit, Guarantee, Glass, Machinery, Burglary, Animal,
Workers' compensation, Boiler, Business interruption (ex. Nursing care expense)

Note) Net premiums written as the denominator to calculate FY2005 interim

"Balance ratio" is the doubled figures of the 1st half result

Trend of underwriting profit (ex. special factors)

Underwriting profit turned into positive due to less natural disasters compared with the last fiscal year.



(Unit: billions of yen)

	FY2003	FY2004	FY2005
Interim	31.3	(33.1)	7.1
Fiscal year	57.9	14.1	

Trend of investment profit

**Net interest and dividend income increased steadily
due to increased dividend and active allocation to non-yen assets.**

(Unit: millions of yen)

		FY2003 interim	FY2003	FY2004 interim	FY2004	FY2005 interim (Compared with FY2004 interim)	
Net interest and dividend income	(+)	13,258	29,390	15,365	36,411	22,324	6,958
Interest and dividend income		35,926	75,114	37,636	82,705	44,154	6,517
Assumed interest for policyholders, etc.		(22,668)	(45,723)	(22,271)	(46,294)	(21,829)	441
Gains on Money in trust	(+)	5,653	4,730	1,085	1,442	1,066	(18)
Gains on Trading securities	(+)	1,759	1,670	(63)	(83)	(28)	34
Realized gains on securities	(+)	20,013	54,732	19,475	36,401	16,845	(2,629)
Redemption gains on securities	(+)	83	503	464	31	(14)	(478)
Devaluation losses on securities	(-)	2,829	5,521	1,106	1,626	1,570	464
Gains on derivatives*	(+)	3,503	5,983	(10,708)	(9,225)	(1,286)	9,421
Gains on foreign exchange transactions*	(+)	(296)	(1,677)	(45)	(2,069)	(972)	(927)
Other investment balance	(+)	(512)	(1,841)	(244)	(650)	(467)	(223)
Gross investment margin (excluding activities other than investments)		40,632	87,970	24,221	60,631	35,895	11,673
Investment expenses	(-)	5,408	9,924	4,359	8,203	3,970	(389)
Allowances and losses for bad debts*	(-)	(313)	(5,477)	(3,142)	(5,969)	(635)	2,507
Written-off expense and devaluation allowances for equities and bonds	(-)	71	64	46	72	(18)	(65)
Investment profit		35,466	83,459	22,958	58,324	32,578	9,620

* Excluding gains and/or losses as below

- Gains/losses on derivatives other than asset management purpose
- Gains/losses due to foreign exchange fluctuation on credits to foreign agencies, etc. incurred not by investment divisions
- Allowances and losses for bad debts which are held not for the investment purpose

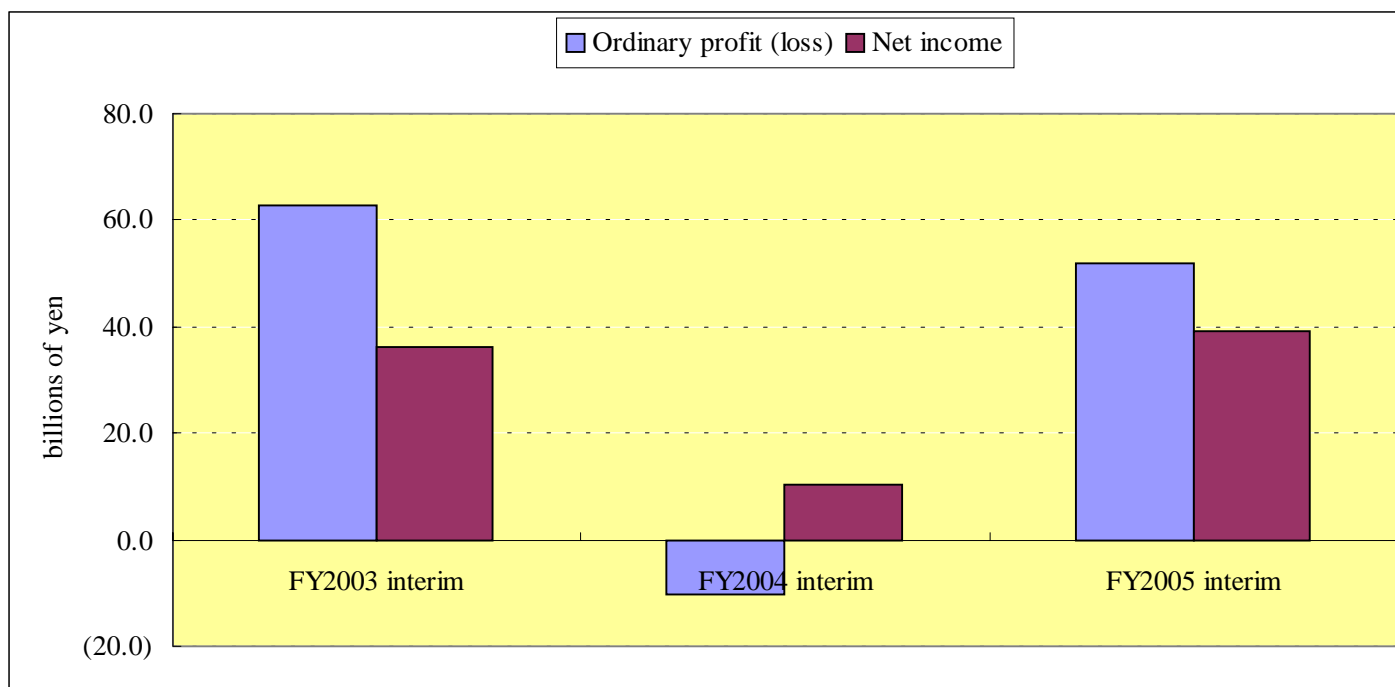
<Reference>

Unrealized gains in securities at the end of Sep. 2005: 1,148.4 bil. yen (+267.5 bil. yen from the end of Mar. 2005)

Trend of ordinary profit/net income

Both Ordinary profit and Net income showed a considerable recovery.

Ordinary profit · Net income



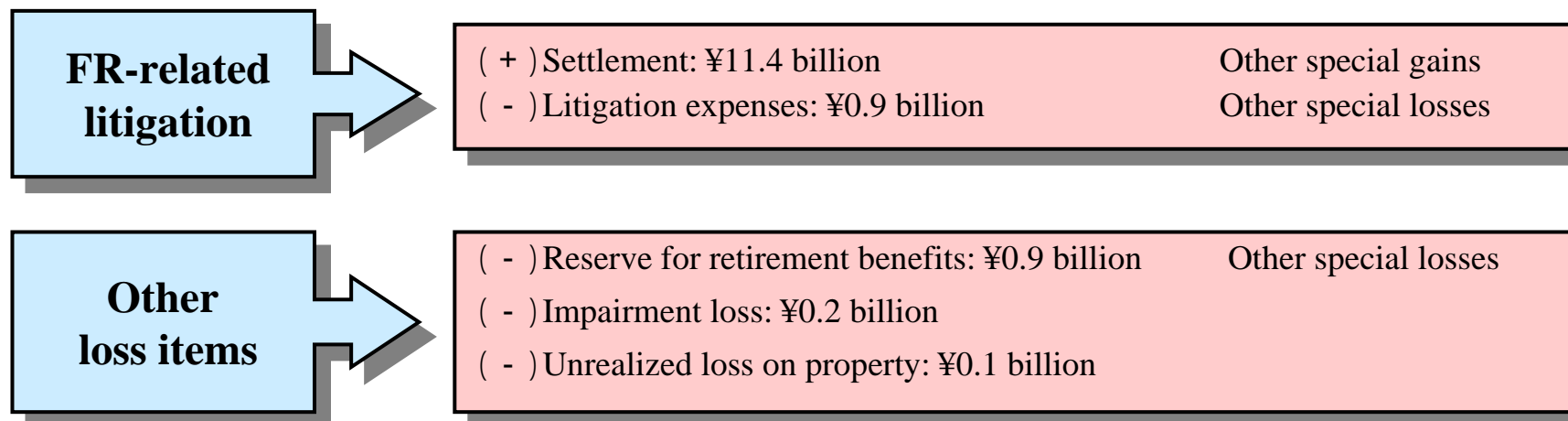
(Unit: billions of yen)

	FY2003 interim	FY2004 interim	FY2005 interim
Ordinary profit (loss)	62.8	(10.1)	51.9
Net income	36.3	10.5	39.1

Major items in special gains and losses

Major items were FR-related litigation, reserve for retirement benefits, etc.

Special gains of ¥12.2 billion, special losses of ¥5.9 billion



Self-assessment of assets (as of the end of Sep. 2005)

Categorized assets, mainly loans, decreased owing to the improvement of debtors' financial performance.

(Unit: millions of yen)

Item	Asset balance as of the end of Sep. 2005			Non-categorization Category	Categorization			
	Total	Non assessment target	Assessment target		Category	Category	Category	Total
Normal obligors			420,179	420,179				
Watch obligors			15,659	3,674	11,985			11,985
Special attention obligors			3,179	144	3,034			3,034
Intensive control obligors			5,512	297	1,379	3,835		5,215
Substantially bankrupt obligors			1,806	2	902	374	527	1,804
Bankrupt obligors			33	9	-	-	24	24
			(30)	(7)	(23)	-	-	(23)
Loans total	455,770	12,577	443,192	424,164	14,267	4,209	551	19,028
	(7,355)	(441)	(6,914)	3,801	(10,882)	19	147	(10,715)
Securities	4,185,927	-	4,185,927	4,159,413	24,805	133	1,575	26,514
	318,264	-	318,264	319,255	(1,532)	(19)	561	(990)
Others total	914,414	105,746	808,668	774,273	19,212	5,759	9,423	34,395
	61,726	15,956	45,770	51,271	(2,979)	356	(2,878)	(5,500)
Grand total	5,556,112	118,323	5,437,788	5,357,850	58,285	10,101	11,551	79,938
	372,636	15,514	357,121	374,328	(15,394)	356	(2,168)	(17,206)

Upper line: as of the end of Sep. 2005

Lower line: change against the end of Mar. 2005

Notes)

- Figures above for the end of Sep. 2005 are the balances before devaluation by self-assessment.

Securities are shown at marked-to-market and before impairment. Write-off assets such as property and equipment are shown after depreciation.

Foreign currency denominated assets are shown in yen term according to the accounting standard for foreign denominated transactions.

- "Others total" are assets other than loans and securities. It consists mainly of property and equipment, cash and deposits, monetary receivables bought and money in trust.

- Asset balance in "Non assessment target" includes;

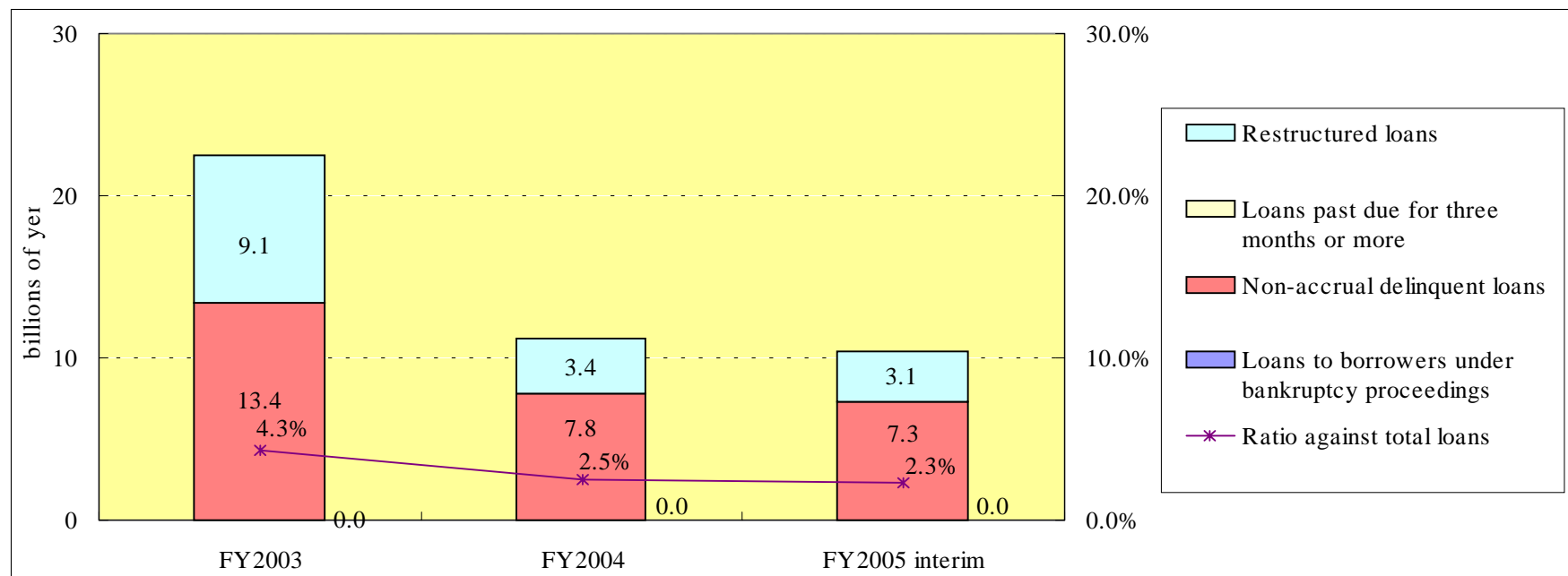
1. Policy conditions loan in "Loans" section

2. Cash, postal transfer, earthquake insurance deposit, suspense payment to be expended, voluntary/compulsory automobile's temporary bulk payment, deposit paid for future transaction, net account for future transaction, differed tax assets and contribution to the Financial Stabilization Fund

- Loan secondary in "Loans" is shown at the cost before amortization.

Trend of risk-monitored loans

Risk-monitored loans decreased and its ratio against total loans also improved.



(Unit: billions of yen)

	FY2003	FY2004	FY2005 interim	Change from FY2004
Loans to borrowers under bankruptcy proceedings	0.0	0.0	0.0	(0.0)
Non-accrual delinquent loans	13.4	7.8	7.3	(0.5)
Loans past due for three months or more	-	-	-	-
Restructured loans	9.1	3.4	3.1	(0.2)
Risk-monitored loans total (A)	22.5	11.4	10.5	(0.8)
Total of loans (B)	521.7	463.1	455.7	(7.3)
Ratio against total loans(A/B)	4.3%	2.5%	2.3%	

Cross sectional comparison of non-performing loans (as of the end of Sep. 2005)

Relationship among “Self-assessment (Loans)”, “Risk-monitored Loans” and “Claims under obligor classification”(required to disclose by Insurance Business Law).

(Unit: billions of yen)

Self-assessment: Loans					Risk-monitored Loans : Loans	Claims under obligor classification	
Obligor	Category	Category	Category	Category		Loans	Others
1) Bankrupt obligors 0.0 <0.0>	0.0 <0.0>	- <0.0>	- <->	0.0 <0.0>	1. Loans to Bankrupt obligors 0.0 <0.0>	Claims against bankrupt and substantially bankrupt obligors 1.8 <1.5>	- <->
2) Substantially bankrupt obligors 1.8 <1.5>	0.0 <0.0>	0.9 <0.8>	0.3 <0.2>	0.5 <0.3>	2. Non-accrual delinquent loans 7.3 <7.8>	Total 1.8 <1.5>	- <->
3) Intensive control obligors 5.5 <6.3>	0.2 <0.1>	1.3 <2.3>	3.8 <3.9>	98.1%	3. Loans past due for 3 months or more - <->	Claims with collection risk 5.5 <6.3>	- <->
4) Watch obligors 15.6 <25.0>	0.1 <0.1>	3.0 <3.3>	Reserve based on estimated credit losses ratio: 11.94% <30.61% >		4. Restructured loans 3.1 <3.4>	Claims for special attention 3.1 <3.4>	- <->
	Other watch obligors 12.4 <21.6>	3.5 <3.0>	8.9 <18.6>	Reserve based on estimated credit losses ratio: 2.30% <1.43% >			
5) Normal obligors 420.1 <417.0>	420.1 <417.0>	Reserve based on estimated credit losses ratio: 0.03% <0.05% >				Normal obligors 445.2 <451.7>	101.3 <82.1>
						Total 546.5 <533.8>	
Total 443.1 <450.1>	Category 424.1 <420.3>	Category 14.2 <25.1>	Category 4.2 <4.1>	Category 0.5 <0.4>		Total 455.7 <463.1>	Total 101.3 <82.1>
		Categorized loans 19.0 <29.7>				557.0 <545.2>	
Policy conditions loan (Non-categorized) 12.5 <13.0>							
Total (including "Policy conditions loan") 455.7 <463.1>					Total 10.5 <11.4>	Total (ex. "Normal obligors") 10.5 <11.4>	Total (ex. "Normal obligors") - <->
						10.5 <11.4>	

*Note 1) <>: figures as of the end of FY2004

Note 2) Figures for "Risk-monitored loans" are only for loans. Figures for "Claims under obligor classification" includes loans and lending securities under contract for consumption (excluding repurchase agreement etc.). A amount of accrued interest receivable and customers' liabilities for acceptances and guarantees regarding those of the aforementioned ("Others" in the above table) are also included.

Note 3) For "Bankrupt obligors" and "Substantially bankrupt obligors", expected amount 1) from disposal of collateral and 2) collectible by guarantee are deducted from the credit and the balance ("Category" and "Category" in the above table) is reserved. And for "Intensive control obligors", amount assumed to be necessary based on the comprehensive condition of the obligors' solvency are reserved from the aforementioned balance ("Category" in the above table).

For "Watch obligors" and "Normal obligors", estimated credit loss ratio calculated based on the past performance for certain period is multiplied to the total credit amount. Thus, the forecast of the future losses for the certain period is calculated and reserved.

Forecast for Fiscal Year 2005



Forecast for FY2005 results

(Figures other than ordinary profit and net income exclude the effect of special factors)

Positive growth in net premiums written and recovery from losses by natural disasters in the last fiscal year are expected. FY2005 ordinary profit and net income are in line with the forecast made in May 2005.

(Unit: billions of yen)

Include the effect resulting from special factors

	FY2004			FY2005 interim			FY2005 forecasts		
		YOY change	Growth(%)		YOY change	Growth(%)		YOY change	Growth(%)
Net premiums written	1,243.3	1.8	0.2%	640.7	7.2	1.6%	1,262.4	19.0	1.5%
Net claims paid	743.2	91.8	14.1%	328.7	9.6	3.0%	686.5	(56.7)	(7.6%)
Loss ratio (Including loss adjustments)	64.8%			56.1%			59.3%		
Expense	418.0	(13.3)		212.1	(0.3)		417.1	(0.9)	
Expense ratio	33.6%		(1.1%)	33.1%		(0.4%)	33.0%		(0.6%)
Underwriting balance	19.1	(71.4)	(78.8%)	69.0	(1.0)	(1.6%)	96.7	77.5	404.4%
Underwriting balance ratio	1.5%			10.8%			7.7%		
Underwriting profit	14.1	(43.8)	(75.6%)	7.1	40.2	-	47.1	32.9	233.5%
Interest and dividend income	82.7	7.5	10.1%	44.1	6.5	17.3%	78.7	(4.0)	(4.8%)
Ordinary profit	74.2	(60.1)	(44.8%)	51.9	62.0	-	109.0	34.7	46.8%
Net income	56.8	(7.2)	(11.3%)	39.1	28.5	270.4%	65.0	8.1	14.2%

<Reference>

Savings premium income	192.8	21.0	12.2%	77.2	(20.4)	(20.9%)	218.2	25.3	13.2%
Maturity refunds	272.9	(40.8)	(13.0%)	118.2	(9.0)	(7.1%)	238.5	(34.4)	(12.6%)

Note) Dividends to policyholders are included in the "Maturity refunds"

Forecast for FY2005 results by business line (ex. special factors)

1.5% growth of net premiums written and decrease of loss ratio is forecasted.

Net premiums written							Net claims paid						
(Unit: billions of yen)							(Unit: billions of yen)						
	FY2004		FY2005 interim		FY2005 forecasts			FY2004		FY2005 interim		FY2005 forecasts	
	Amount	Growth	Amount	Growth	Amount	Growth		Amount	L/R	Amount	L/R	Amount	L/R
Fire and allied	150.3	(4.5%)	69.3	(2.3%)	152.5	1.5%	Fire and allied	126.8	86.3%	33.2	49.3%	72.5	49.3%
Marine	25.1	1.4%	14.0	10.7%	26.8	6.8%	Marine	12.9	55.2%	5.4	43.0%	14.4	58.4%
Personal accident	120.7	5.2%	67.8	6.2%	129.6	7.4%	Personal accident	44.5	40.5%	22.8	37.1%	47.5	39.6%
Voluntary automobile	669.0	(0.7%)	336.6	0.7%	673.8	0.7%	Voluntary automobile	395.8	64.2%	187.8	60.7%	392.9	63.4%
CALI	136.6	0.6%	67.8	(2.2%)	131.0	(4.1%)	CALI	74.4	65.2%	37.0	65.3%	73.2	66.8%
Others	141.2	4.7%	85.0	7.3%	148.7	5.3%	Others	88.5	67.1%	42.2	53.5%	86.0	61.8%
Total	1,243.3	0.2%	640.7	1.6%	1,262.4	1.5%	Total	743.2	64.8%	328.7	56.1%	686.5	59.3%

Note) Loss adjustments are included in L/R (Loss Ratio)

-1.5% growth in net premiums written is expected, owing to good sales result of the third sector products such as “Dr. Japan” or expansion of “ONE-do” in voluntary automobile insurance.
 -Loss ratio is forecasted to decrease to 59.3% because the losses incurred by the natural disasters were less than expected during this interim period.

Forecast for FY2005 results (Consolidated)

FY2005	Non-consolidated	Consolidated	Consolidated/non-consolidated ratio	
Ordinary profit	¥109.0 billion	¥105.0 billion	FY2005	FY2004
Net income	¥65.0 billion	¥61.0 billion	0.94	0.91

Improved ←

< Principal consolidated subsidiaries >

(Unit: billions of yen)

	Ordinary profit	Net income after Consolidated adjustment
Sompo Japan Europe	0.4	0.2
Yasuda Segros S.A.	1.6	1.1
Sompo Japan Asia	0.6	0.5
Sompo Japan America	(0.3)	(0.3)
Sompo Japan DIY Life Insurance	(0.3)	(0.3)
Sompo Japan DC Securities	(1.2)	(1.2)
Sompo Japan Himawari Life Insurance	(3.6)	(3.1)

<Appendix> Profit/loss of reinsurance contracts handled by FR

**No policy is effective as of January 2005 and no new accident is incurred.
FR related impacts on underwriting profit are minimal.**

-Legacy Nissan Fire	FY2002.3	(115.6) bil. yen	
-Legacy Nissan Fire	FY2002.6	(21.0) bil. yen	*1: Underwriting loss
	ditto	(10.7) bil. yen	*2: Special loss
Sub total: Total amount incurred before the merger		(147.4) bil. yen	
-Sompo Japan	FY2003.3	3.3 bil. yen	*3: Underwriting profit
	FY2004.3	1.8 bil. yen	the same after this period
	FY2005.3	2.3 bil. yen	
	FY2005.9	9.5 bil. yen	
Total as of the end of Sep. 2005		(130.5) bil. yen	

<Outline>

- *1: Provision to IBNR and liability reserve on a more conservative standard to prevent new losses after merger**
- *2: Commutation expenses for financial reinsurance contract, write-off cost of foreign reinsurance loans and etc.**
- *3: Profit realized due to the revaluation of the liability**

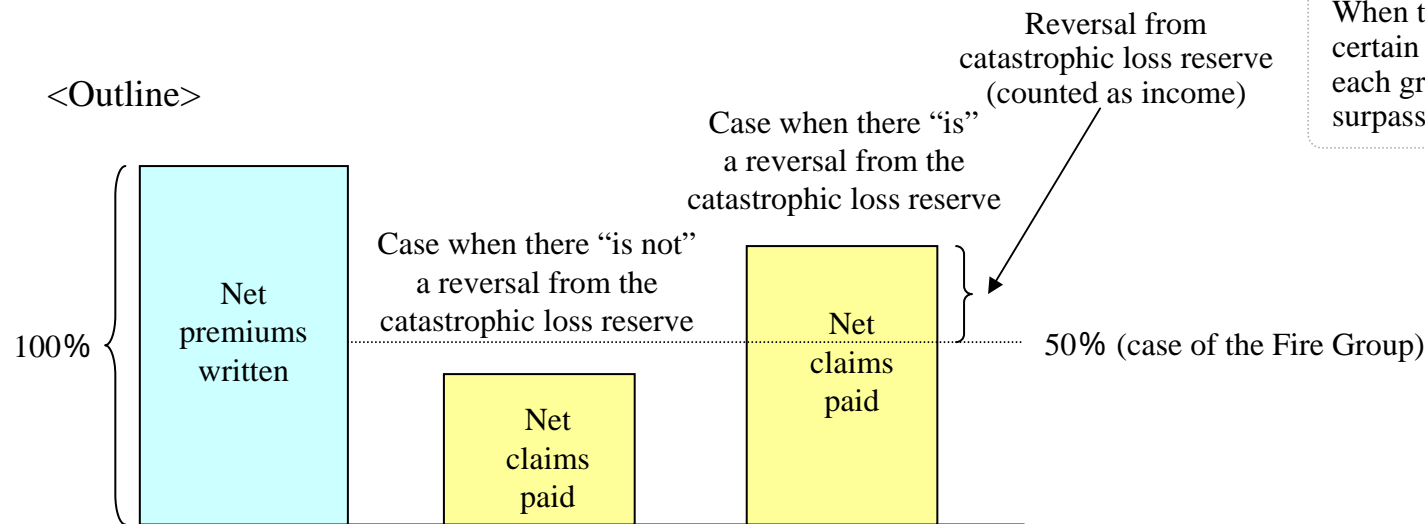
Other than above, settlement receipt following the arbitration and expenses for lawsuit regarding FR are included in special gains/losses for FY2004.3 and thereafter.

<Appendix> Mechanism of catastrophic loss reserve

What is catastrophic loss reserve?

- Reserve to prepare for losses by typhoon or catastrophic disaster etc. in which Law of Large Numbers does not work.
- Certain portion of the premiums income is reserved as a liability.
- When the loss ratio (percentage of net claims paid to net premiums written) exceeds certain level, reversal from the reserve is counted as income.
- One of mechanism to level the profit (loss) and cover the solvency of insurance companies.

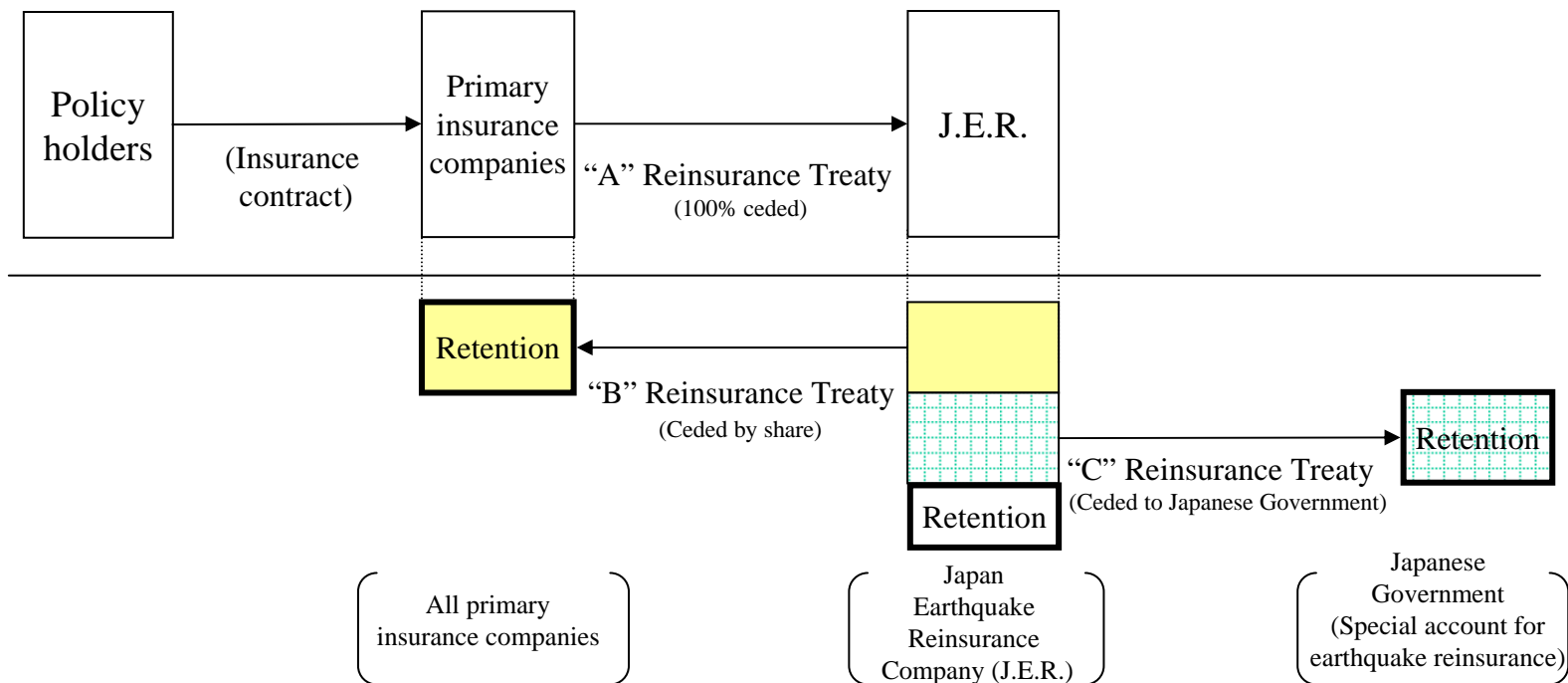
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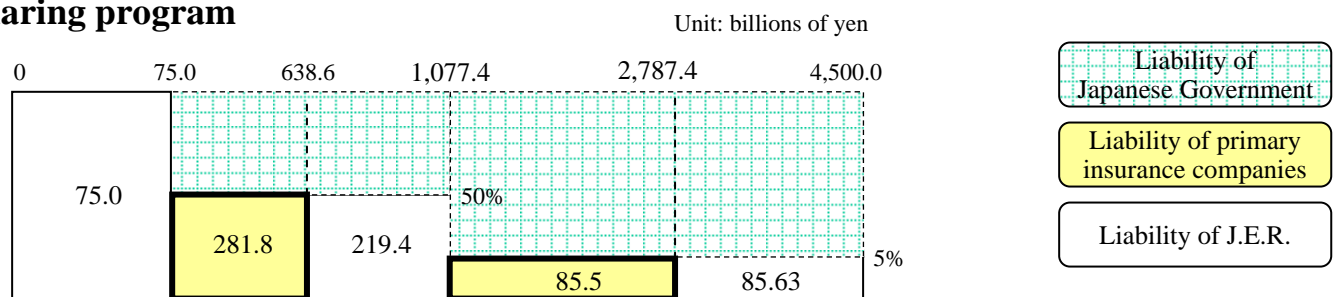
■ Only net claims paid are considered to calculate the amount of reversal. Reserves for outstanding claims are not accounted for the loss ratio.

<Appendix> Mechanism of reinsurance program for household earthquake

1. Mechanism of the reinsurance program

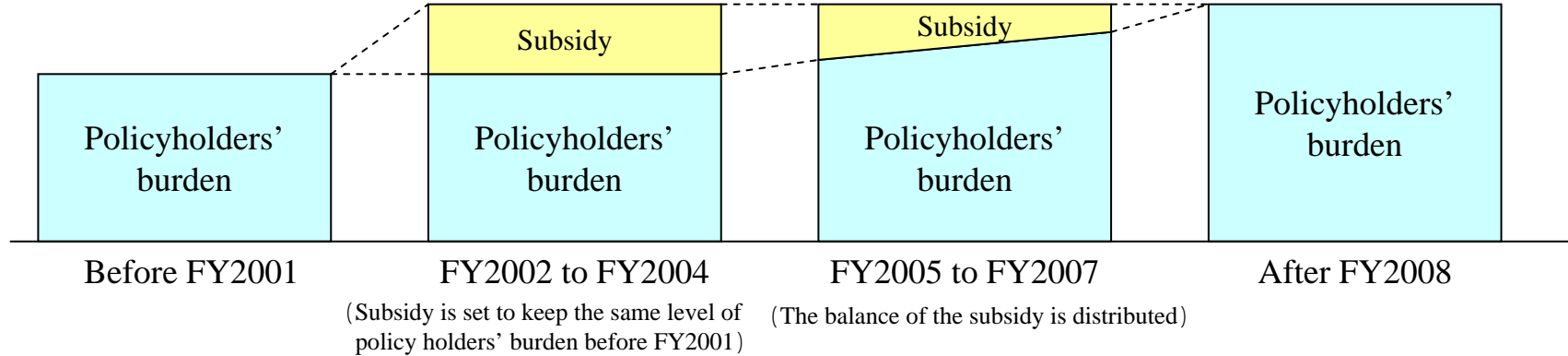


2. Liability sharing program



<Appendix> Overview of revised CALI program effective April 1, 2005

1. Trend of policyholders' burden

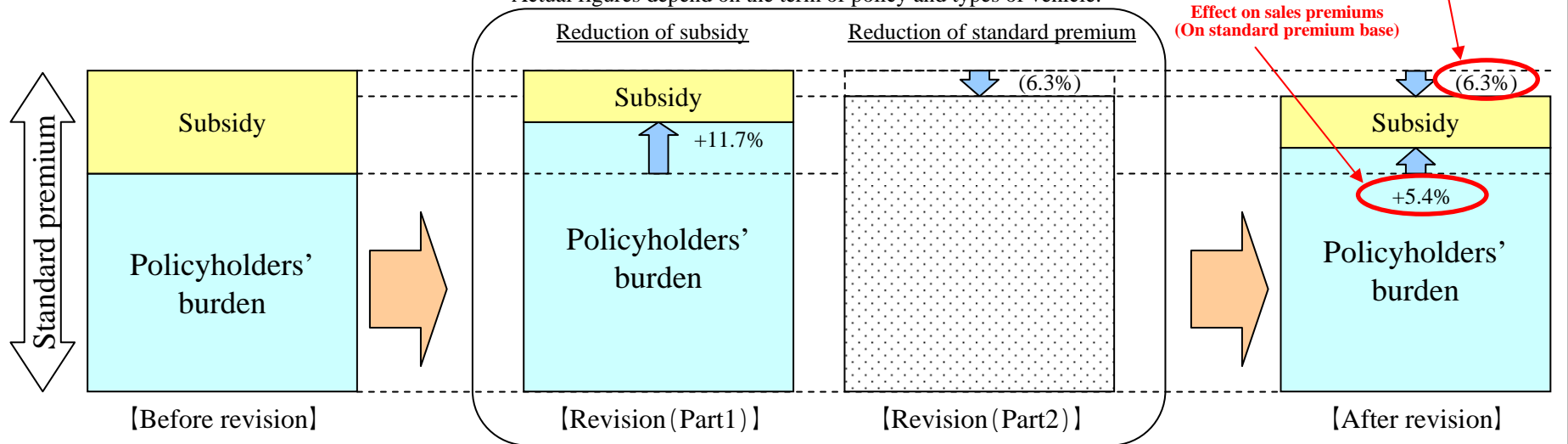



Subsidy applied to premium etc. :

It was decided in FY2002 that the accumulated investment gains would be returned to policyholders over six years (FY2002 to FY2007).

2. Revision effective April 1, 2005

The ratios below are based on the average of annual policy for all types of vehicles.
Actual figures depend on the term of policy and types of vehicle.



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