

Annual Meeting for Fiscal Year 2007 Results

May 27, 2008

SOMPO JAPAN INSURANCE INC.

1. Fiscal Year 2007 Summary

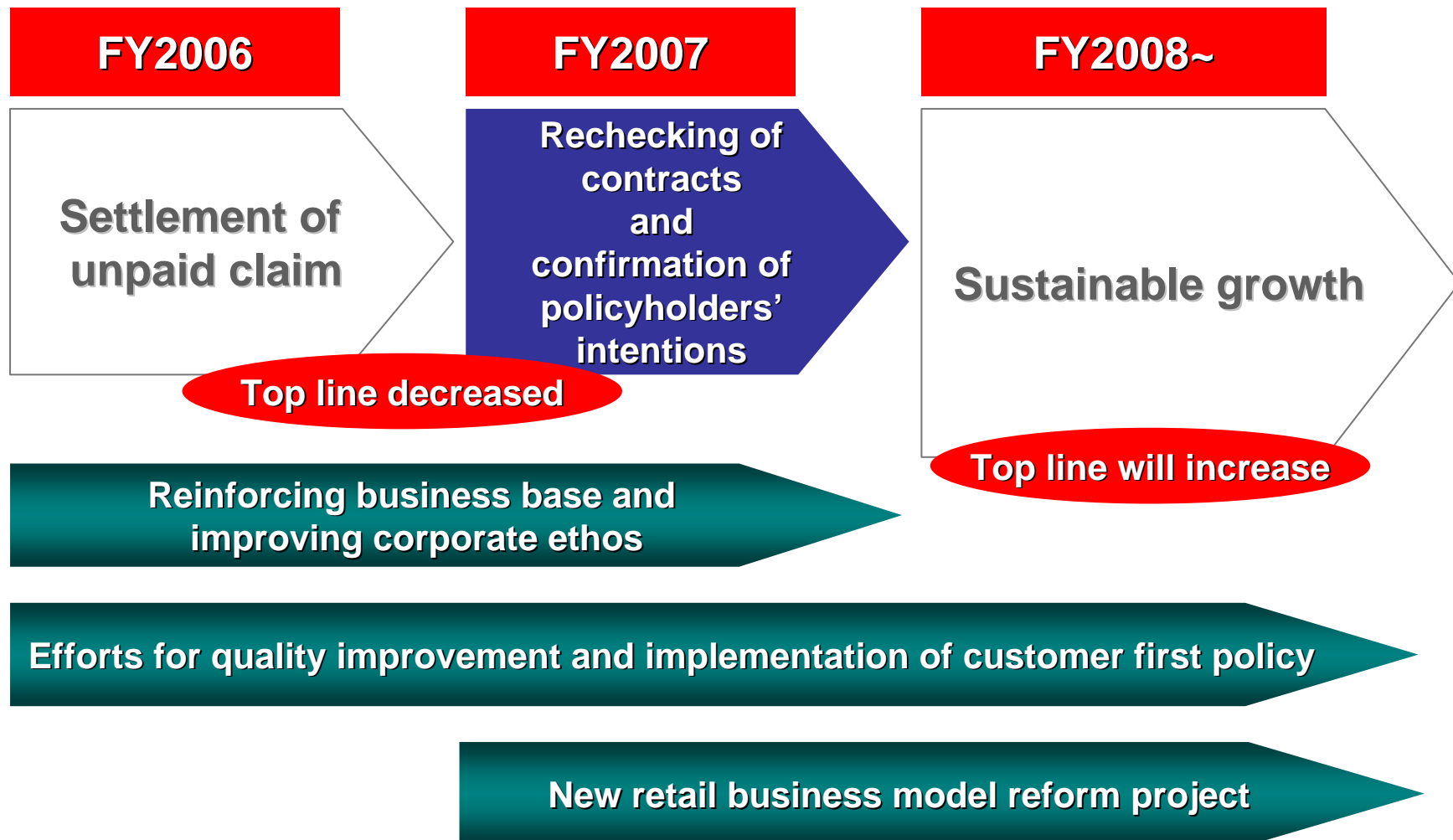
2. Fiscal Year 2008 Strategy

3. Fiscal Year 2007 Results

4. Subprime Loan Related Exposure

Summary of FY2007 ~Efforts Concentrated on “Reinforcement of the Business Base”

In FY2007, our efforts were concentrated on “reinforcing business base” with the aim of increasing net premiums written in and after FY2008



Domestic P&C Insurance Business -Net Premiums Written

Net premiums written

(Unit: bil. JPY)

	Amount	Growth	W/T
Fire	145.9	(1.9%)	10.9%
Marine	31.3	+1.1%	2.3%
Personal accident	128.5	+0.6%	9.6%
Voluntary automobile	655.7	(1.7%)	48.8%
CALI	228.5	(1.8%)	17.0%
Others	154.8	(0.4%)	11.5%
Total	1,345.0	(1.3%)	100.0%

※CALI = Compulsory Automobile Liability Insurance

Voluntary automobile insurance
Number of policies and unit price by sales premium
(Excluding extraordinary impact)

	Number	Unit
Non-Fleet	(0.2%)	(1.6%)
Fleet	+1.1%	(0.5%)
Total	+0.0%	(1.5%)

-As for fire insurance, net premiums written decreased by 2.8 bil. JPY due to reimbursement of premiums resulting from rechecking of contracts and decrease in premiums related to mortgage loans, etc.

-As for personal accident insurance, net premiums written increased by 0.7 bil. JPY due to good performance of group medical insurance and long-term medical insurance for corporate employees.

-As for voluntary automobile insurance, net premiums written decreased by 11.1 bil. JPY due to an increase of reduced premium rates for no claim merit, decline of new car sales and increase of smaller car sales shifting from standard size car sales, etc.

-As for others, net premiums written of FR* decreased by 1.7 bil. JPY. Except for FR, net premiums written increased by 1.0 bil. JPY due to growth of liability insurance for corporations, etc.

*Reinsurance contracts handled by Fortress Re

Domestic P&C Insurance Business -Loss Ratio and Expense Ratio

(Unit: bil. JPY)

Loss ratio	Losses Paid	Loss ratio	Change
Fire	58.7	41.7%	(16.4%)
Marine	13.8	47.1%	+0.1%
Personal accident	58.7	49.5%	+3.7%
Voluntary automobile	405.9	68.8%	+2.8%
CALI	161.3	76.2%	+1.8%
Others	105.4	71.7%	+5.5%
Total	804.1	65.1%	+0.8%

-As for voluntary automobile insurance, net claims paid increased by 8.2 bil. JPY for bodily injury liability coverage, and 2.3 bil. JPY for physical damage coverage.
 -As for personal accident insurance, net claims paid increased by 3.6 bil. JPY for general injury coverage.

-As for subprime related financial guarantee insurance, reserve for outstanding claim in the amount of 30 bil. JPY was booked. However, this did not influence the loss ratio as no insurance payments was made.
 No new loss incurred.

(Unit: bil. JPY)

Net incurred loss of natural disasters	FY2006	FY2007
Net claims paid	27.1	6.1
Ordinary reserves for outstanding losses and claims	1.4	0.9
Net incurred loss	28.6	7.0

(Unit: bil. JPY)

Expense ratio	Expense	Expense ratio	Change
Personnel expense	100,4	7.5%	+0.3%
Non-personnel expense	113,5	8.4%	+1.8%
Tax, etc.	9.5	0.7%	(0.0%)
Commission	218.8	16.3%	(0.1%)
Total	442.4	32.9%	+2.0%

-Personnel expense for underwriting increased by 2.1 bil. JPY. due to an increase in the number of employees.

-Non-personnel expense for underwriting increased by 22.9 bil. JPY. due mainly to the following.
 IT system; 7.6 bil. JPY,
 Confirmation of Policyholders' intention; 3.8 bil. JPY
 Call center; 1.5 bil. JPY, Offices; 2.2 bil. JPY, etc.

Investment -Profit

Gross investment margin

(Unit: bil. JPY)

	FY2006	FY2007	Change
Interest and dividend income	113.6	135.6	+21.9
Assumed interest for policyholders', etc.	(45.8)	(46.6)	(0.7)
Net interest and dividend income	67.7	88.9	+21.1
Realized gains on securities	29.5	40.0	+10.5
Realized gains on stocks	18.8	21.5	+2.6
Realized gains on foreign bonds	10.0	18.0	① +8.0
Devaluation losses on securities	(3.6)	(8.2)	(4.6)
Losses on derivatives	(7.9)	13.7	③ +21.7
Others	5.5	(9.5)	(15.1)
Total	91.3	124.9	+33.6

Gross interest and dividend income

(Unit: bil. JPY)

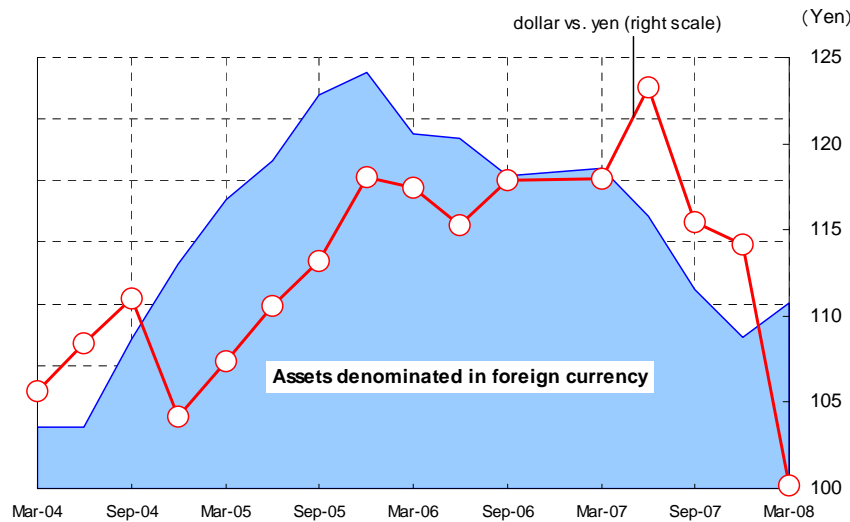
	FY2006	FY2007	Change
Public and corporate bonds	17.1	18.4	+1.3
Domestic stocks	26.3	29.9	+3.6
Other securities	53.0	69.1	+16.0
Foreign bonds	21.1	17.0	(4.0)
Investment trusts, etc.	29.8	50.2	② +20.3
Others	2.0	1.8	(0.1)
Loans	7.8	8.7	+0.8
Real estate	5.3	5.3	+0.0
Others	3.9	3.9	+0.0
Total	113.6	135.6	+21.9

-Gross investment margin increased 33.6 bil. JPY due to the following.

- ① Increase of realized gains by selling foreign bonds in anticipation of strong yen
(Please refer to the left chart on the following page.)
- ② Increase of gains on termination of investment trusts and funds denominated in foreign currencies as the dividend, including overpriced Chinese stocks (Please refer to the right chart on the following page.)
- ③ Increase of hedging gains due to appreciation of yen

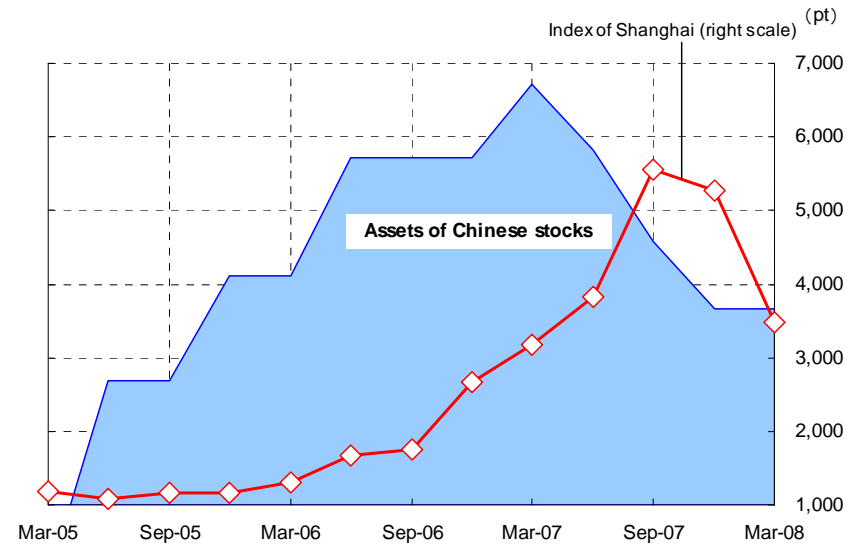
Investment -Asset

Assets denominated in foreign currency (acquisition cost) and exchange rate



-From FY2004 to 2005, assets denominated in foreign currency increased based on the anticipation of weaker yen due to wide spread of interest rate between Japan and U.S.
 -In FY2007, assets denominated in foreign currency decreased based on the anticipation of higher yen due to the slowdown of U.S. economy.

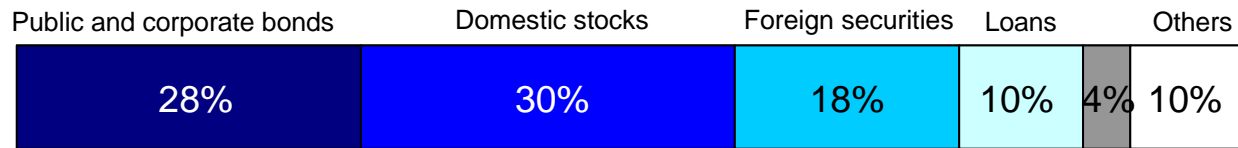
Assets of Chinese stocks (acquisition cost)



-Assets of Asian stocks increased.
 we mainly invested in Chinese stocks with high growth potential.
 -In FY2007 1Q, we sold Asian stocks with higher market price and gained profit.

Asset allocation

Total: 5.0 tri. JPY



Real estate

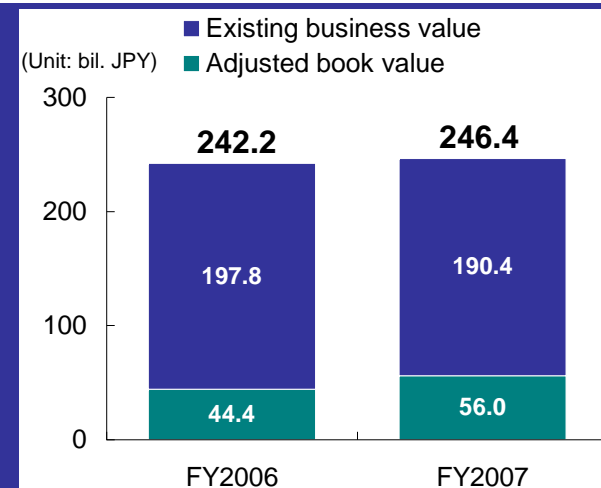
Domestic Life Insurance Business -Himawari Life

Premiums/ Results

- Annualized premium from new policies : 18.0 bil. JPY (53.2%)
- Annualized premium from policies in force : 210.6 bil. JPY (4.9%)
- Insured amount of new policies : 1,614.8 bil. JPY +16.7%
- Insured amount of policies in force : 9,099.0 bil. JPY +7.3%
- We are making efforts to solidify the business base by increasing sales of protection-based life insurance products with the aim of improving net premiums written in and after FY2008.
- Net premiums written for increasing term life insurance decreased as a result of suspension of sales for the period from April 2007 to February 2008

EV (Embedded Value)

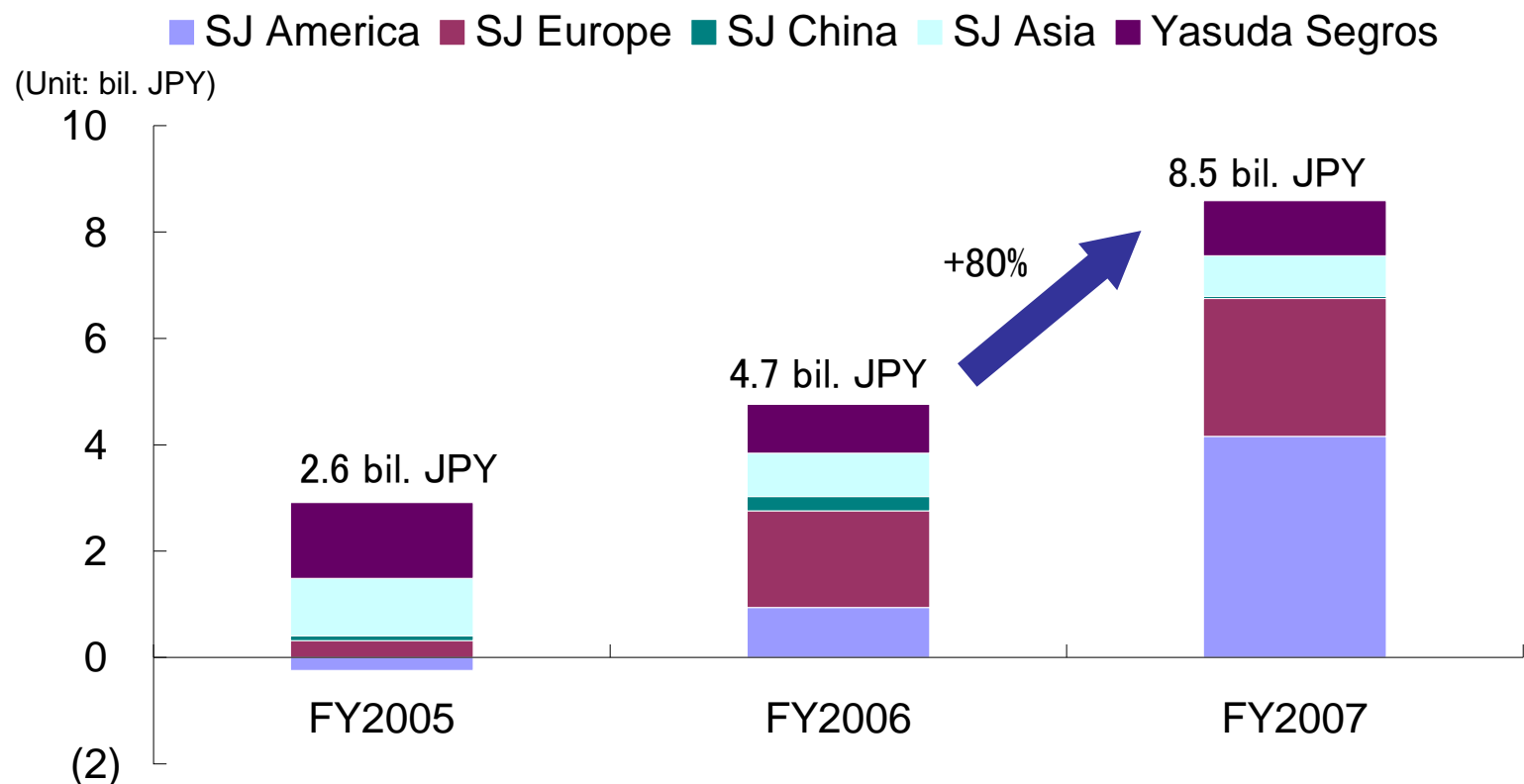
- As of the end of FY2007: 246.4 bil. JPY (increased 4.2 bil. JPY)
- New business value: 2.2 bil. JPY
- Increased 9.8 bil. JPY excluding the impact of 5.6 bil. JPY decrease by the change of investment assumption



Overseas Business

- Approximately 14% of the consolidated net income was generated by the five overseas subsidiaries.
- Profitability of overseas business further improved due to profitable business base in Europe and U.S. and steady business expansion in Asia and Brazil, etc.

Net income of overseas consolidated subsidiaries



Summary of Consolidated Results

Consolidated net income is 1.34 times as much as non-consolidated basis and contributed largely by Sompo Japan Himawari Life and overseas subsidiaries.

(Unit: bil. JPY)

	Ordinary profit	Net income	Net income after consolidation adjustments
Sompo Japan	73.3	44.6	
Sompo Japan Himawari Life	17.4	10.5	7.8
Sompo Japan DIY Life	(0.6)	(0.6)	0.0
Sompo Japan DC Securities	(0.5)	(0.6)	(0.6)
Sompo Japan Asset Management	0.3	0.2	0.1
Sompo Japan America	3.3	3.3	4.1
Sompo Japan Europe	2.4	2.5	2.5
Sompo Japan China	0.1	0.0	0.0
Sompo Japan Asia	0.9	0.7	0.7
Yasuda Segros S.A. (Brazil)	1.4	1.0	1.0
Consolidated	94.0	59.6	

Adjusted consolidated ROE (FY2007) : 8.6%

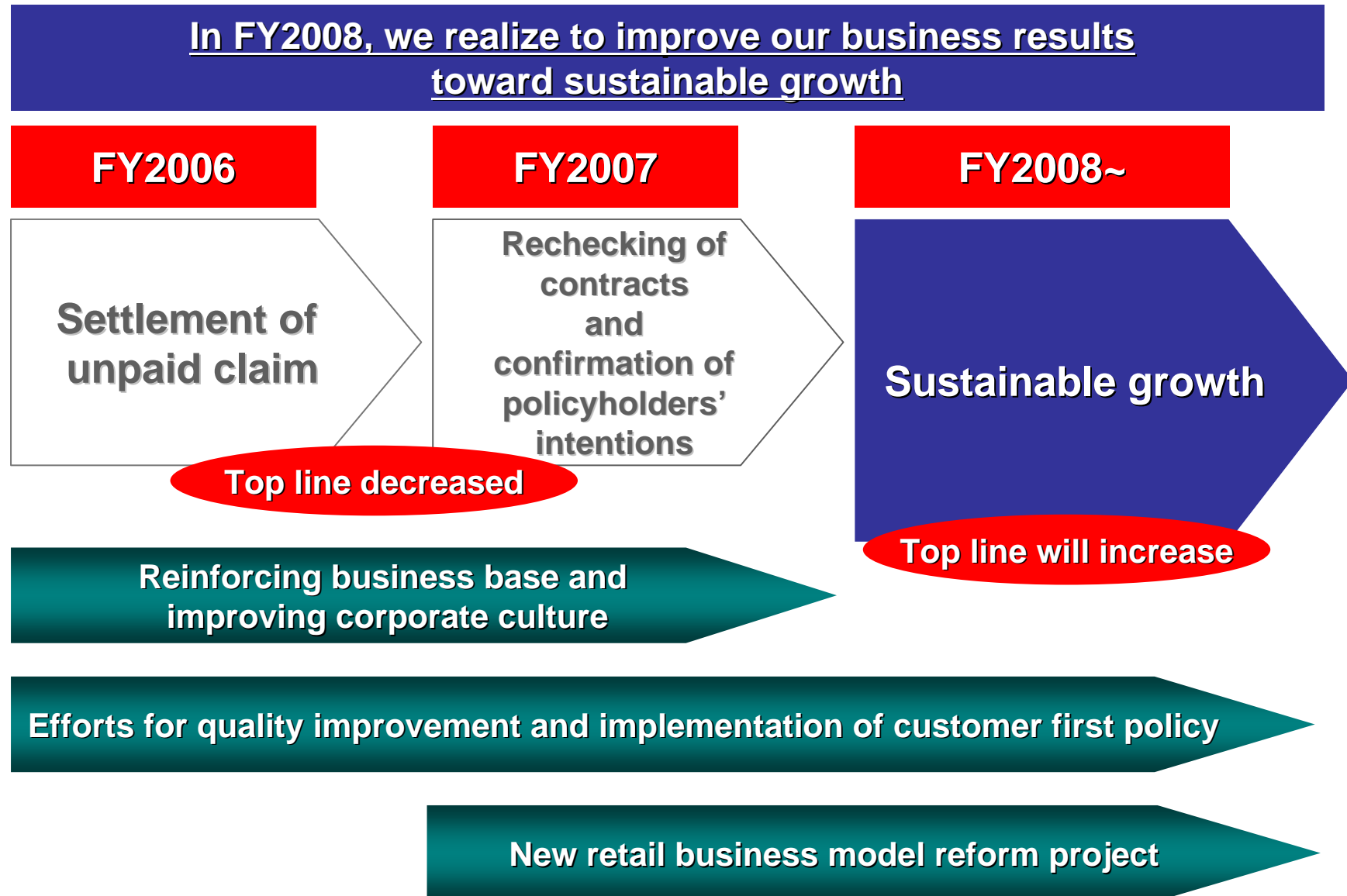
1. Fiscal Year 2007 Summary

2. Fiscal Year 2008 Strategy

3. Fiscal Year 2007 Results

4. Subprime Loan Related Exposure

Positioning of FY2008 ~From “Reinforcement of the Business Base” to “Growth”



Environment

Laws and regulations

Deregulation

Economy and markets

Matured domestic market
Acceleration of globalization

Society

Customers independence
Aging society with declining birthrate

Technology

IT innovation

Our opportunities in these environmental changes

-We will realize sustainable growth of the Sompo Japan group through IT-based business for domestic P&C insurance business, diversification of business (including life insurance business, DC business, etc.) and globalization (expansion of overseas business).

Growth Strategy

Growth strategy under Medium-Term Business Plan (FY2006 through FY2008)

**Establish a new retail business model
in domestic P&C insurance business**

**Expand domestic life insurance and DC/ asset management business
Startup of healthcare business**

Generate profit by overseas business

**Further
business development**

Domestic P&C Insurance Business -Measures to Achieve Medium-Term Business Target

Target for FY2008

Growth rate of net premiums written: 2% (excluding CALI)

(Excluding CALI : 1,139 bil. JPY +22.5 bil. JPY
Including CALI : 1,319 bil. JPY (26.0) bil. JPY)

Measures

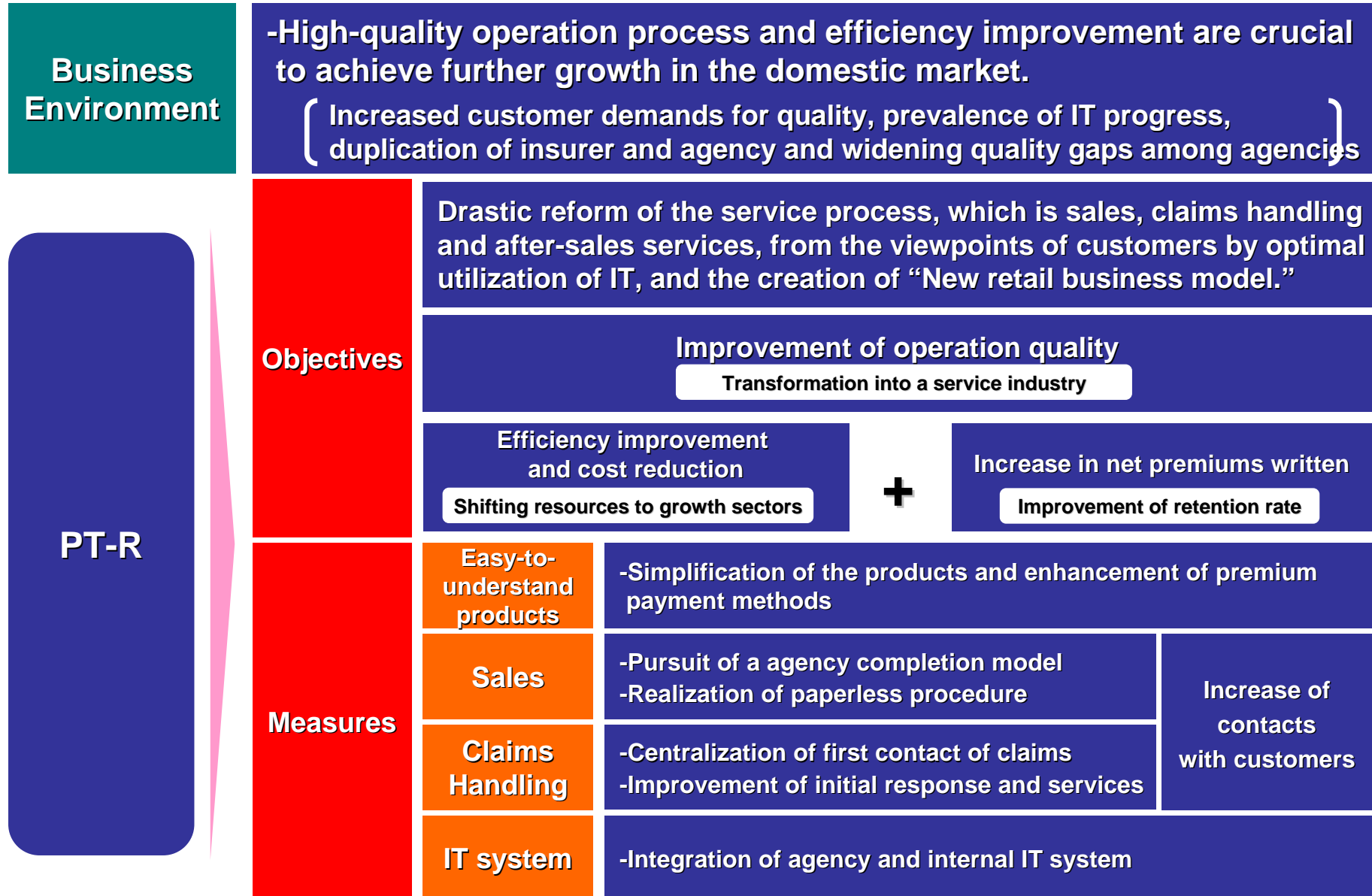
-Products

- Introduction of new automobile insurance product “ONE-Step”
- Enhancement of sales support for third sector products

-Distribution Channels

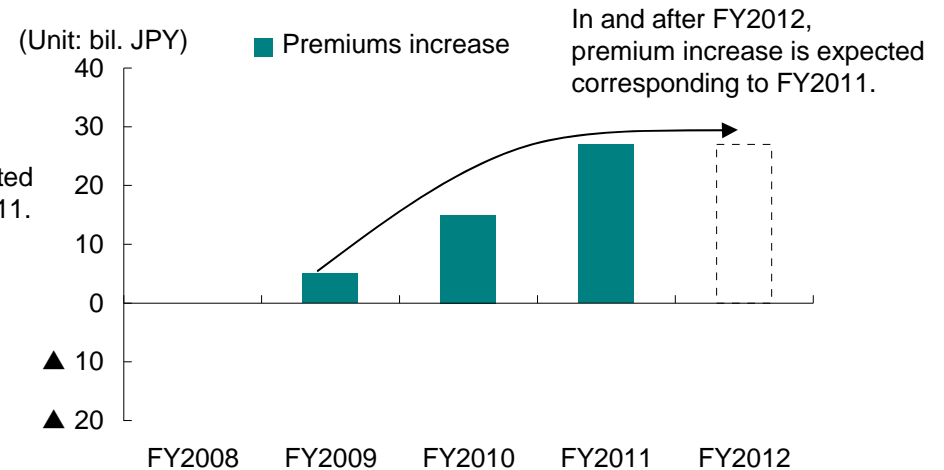
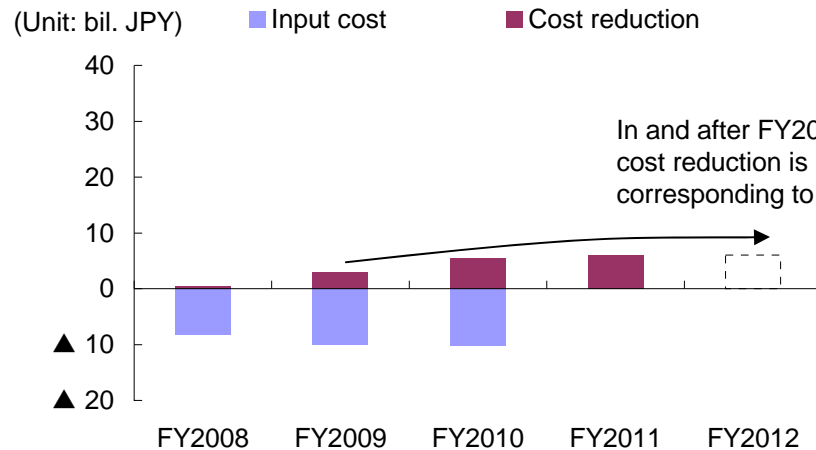
- Reinforcement of sales of Bank OTC
- Enhancement of efforts for mutual-aid market
- Development of medium and small sized enterprise market by utilizing corporate database
- Activation of agency trainee recruitment

Domestic P&C Insurance Business –New Retail Market Business Reform Project “PT-R”



Domestic P&C Insurance Business –New Retail Market Business Reform Project “PT-R”

Cost and effects of PT-R (Forecast as of May 2008)



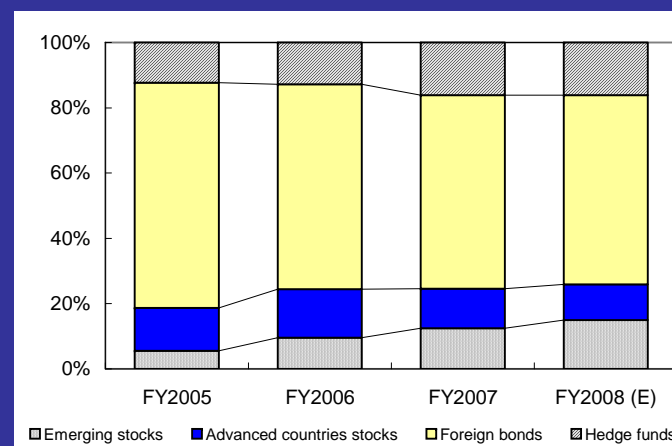
Input cost (FY2008~FY2010)		-The input cost, including IT system development cost, is expected to amount to approximately 30 bil. JPY over the next three years.
Effects	Efficiency improvement and cost reduction (FY2008~FY2011)	<ul style="list-style-type: none"> -Business volume of agencies and employees: reduce by 5~20% -Number of days needed for claim payment: reduce by 4~6 days (10~20%) -Personnel and non-personnel expenses: reduce by 15 bil. JPY over four years (reduction by 6 bil. JPY per year in and after 2012) <p style="text-align: right;">Shifting resources to growth sectors</p>
	Increase of premiums (FY2008~FY2011)	<ul style="list-style-type: none"> -The retention rate of automobile insurance will increase by 1%, and net premiums written will increase by 26 bil. JPY over the next four years. -New automobile insurance contracts acquired by professional agencies will improve by 1.5% and net premiums written will increase by 21 bil. JPY over the next four years. -Cross-selling ratio of P&C insurance products will increase by 1.1% or cross-selling ratio of P&C and life insurance products will increase by 2% <p style="text-align: center;">Increase number of connections with customers, Improvement of retention rate</p>

Investment

The investment strategy for FY2008 is as follows.

Foreign currency assets

- Stocks
Allocation shift from stocks of advanced countries market to those in emerging countries market (refer to the right chart)
- Bonds
Allocation shift from sovereign bonds to bonds with high credit rating that are under-priced due to sharp price fall, by paying due attention to their credit rating and name



Strategic stockholdings

- Continue liquidation of strategic holding stocks with the aim of capital efficiency
 ※Liquidated strategic holding stocks in FY2007: 31.8 bil. JPY (11.8 bil. JPY exceeding the original plan)

Yen interest assets

- Advance ALM by paying attention to characteristics of assets and liabilities
 ⇒Investing mainly in yen fixed income assets
- Continue to invest in products that bear comparatively favorable spreads

Domestic Life Insurance Business -Measures by Himawari Life

Measures

- Make active efforts to increase the number of policyholders by exploiting the company's strengths, namely its 26-year history and the accounting advantage of making profit
- Integrate functions to instruct agencies to Himawari Life and reinforce the company's specialized functions mainly in metropolitan areas
- Strengthen competitive advantage of protection-based life insurance products by utilizing product development know-how
- Implement PT-SEED which is like PT-R of Sompo Japan, reform of clerical work and re-establishment of basic IT system toward improving customer services

Agency

- Professional agencies for P&C insurance: Increase the number of agencies that are capable to sell protection-based life insurance
- Competing channels: Sales support for new channels, professional agencies for life insurance, tax accountants, CPAs and bank OTC

Cooperation

LC (Life counselor)

- Expansion of offices, 14 branch network, has been completed mainly in metropolitan areas
- Reinforcement of 300 life counselors (230 life counselors as of May 1)

DM (Direct marketing)

- Sales of medical insurance for women, and other products
- Expand alliances with distribution channels, such as financial institutions, etc.

Domestic Life Insurance Business -Reinforcement of Alliance with Dai-ichi Life

- Cross-selling of insurance products since the inception of the comprehensive business alliance in 2000
- Further enhance the alliance through mutual investments in subsidiaries of both parties

Objectives

- Expansion of sales of life insurance through financial institutions

Agreements

1. Dai-ichi Frontier Life Insurance
 - Dai-ichi Frontier Life entrusts to Sompo Japan with its marketing support, etc. for agencies
 - Equity investment in Dai-ichi Frontier Life by Sompo Japan (scheduled up to 10%)
2. Sompo Japan DIY Life
 - Equity investment in DIY Life by Dai-ichi Life (scheduled up to 10%)

DC/ Asset Management Business, Healthcare Business

<p>DC</p>	<p>Sompo Japan DC Securities</p> <ul style="list-style-type: none"> -Taking the abolition of tax-qualified pension plans in March 2012 as a good opportunity, efforts will be enhanced to develop new business. -Maintaining a top class market share and position in DC market through offering low-priced bundle services, bilingual services, etc. -Asset under management of DC exceeded 110 bil. JPY and accumulated total number of accounts exceeded 0.1 million.
<p>Asset Management</p>	<p>Sompo Japan Asset Management</p> <ul style="list-style-type: none"> -Investment trust sales through bank OTC will be continued in the future, and efforts will be made to expand channels of regional banks. -In the “R&I Fund Award 2008” of Rating and Investment Information, Inc., two products of investment trust managed by Sompo Japan Asset Management are selected for merit awards.
<p>Healthcare</p>	<p>Healthcare Frontier Japan (Incorporated in October 2005)</p> <ul style="list-style-type: none"> -Provision of “disease prevention services” by taking the aging society and reforms of the medical insurance system as a good business opportunity, and successful conclusion of contracts with more than 100 healthcare insurance associations <p>Sompo Japan Healthcare Service (Incorporated in April 2007)</p> <ul style="list-style-type: none"> -Provision of “mental healthcare services” in view of the fact that companies are increasingly placing a priority on mental healthcare

Overseas Business –Further Business Development

- Acceleration of business development in overseas market where high economic growth is expected
- Utilization of accumulated know-how in domestic P&C insurance business for overseas business

Strategy

- More allocation of group business resources to overseas business (Corporate Planning Department is directly in charge of overseas strategy)
- Active business development mainly in BRICs and Asia where high economic growth is expected in due consideration of profitability and risks of potential business
- M&A and alliances
- To prepare for providing Japanese global companies with insurance programs

Target

Expansion of contribution by overseas business in the group business portfolio

Overseas Business –China and India in Progress

China

- Sompo Japan China, established in Dalian in 2005 has set up a branch in Shanghai in October 2007
- The company aims to set up its branches in regions, such as Guangzhou and Suzhou, where many Japanese companies are located.
- The target of net premiums written by China operation including Hong Kong in FY2010 is 10 bil. JPY.

India

- Universal Sompo General Insurance was jointly established with local bank groups, including two local state banks. The company began insurance underwriting in February 2008.
- Regional headquarters will be established not only at Mumbai head office, but also in Delhi, Calcutta and Chennai. The company plans to set up a branch in 13 other main cities in India.
- The company plans to promote bancassurance through a partners' networks of 4,400 branches.
- The company is aiming to develop not only for the market of Japanese companies but also for that of local retail sector.

Risk and Capital (As of the end of March, 2008)



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

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

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

-Approx. 0.55 tri. JPY surplus, stems primarily from unrealized gains on securities.

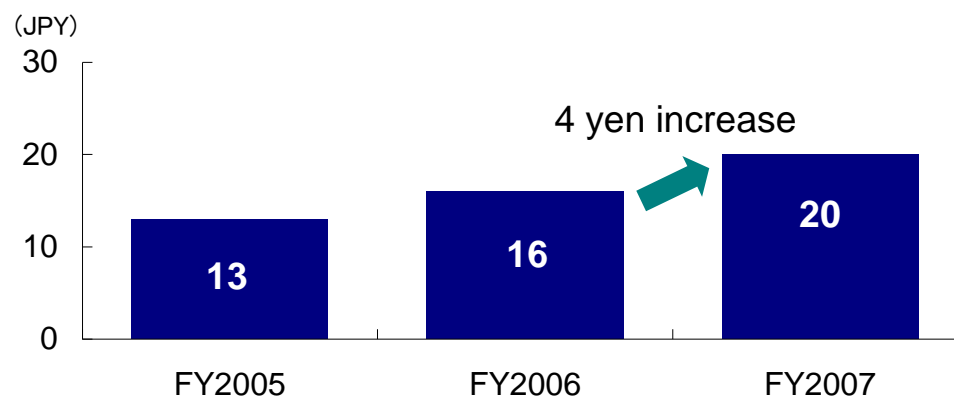
-Surplus is earmarked for taking risks related to asset management, existing business new business, including overseas business.

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

Increase of Stockholders Value

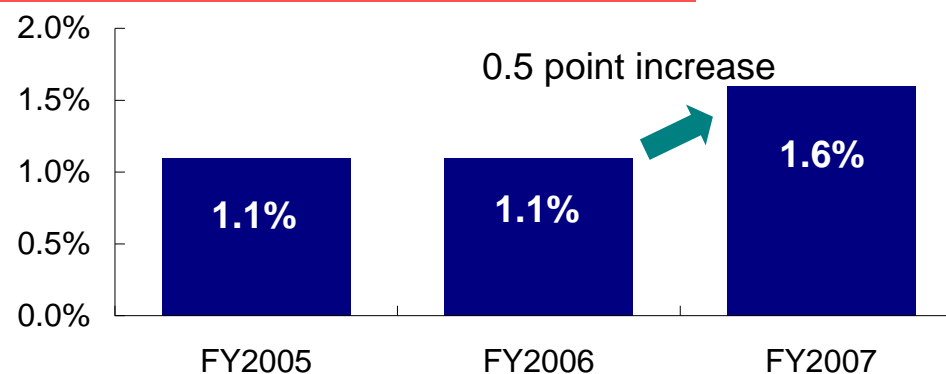
Seeking steadily increase in dividend payments

Dividend per share



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

Consolidated Dividend on Equity: DOE



1. Fiscal Year 2007 Summary

2. Fiscal Year 2008 Strategy

3. Fiscal Year 2007 Results

4. Subprime Loan Related Exposure

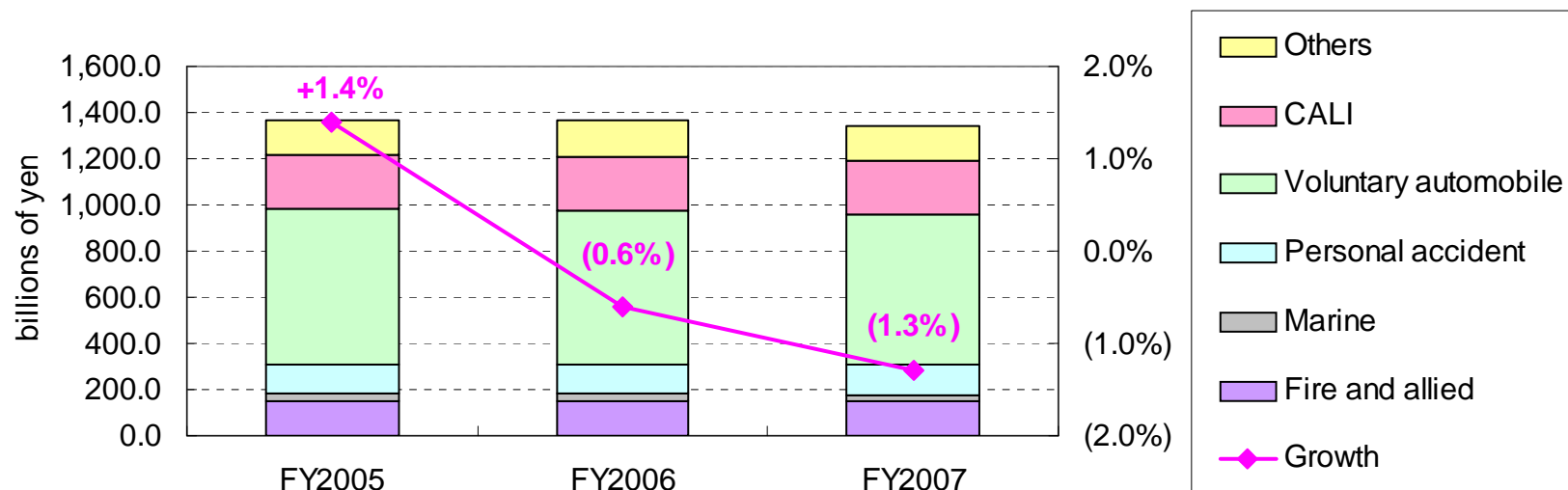
Summary of FY2007 Results

(Unit: bil. JPY)

	FY2005		FY2006		FY2007	
	Amount	Change	Amount	Change	Amount	Change
Net premiums written	1,370.9	+19.0	1,362.7	(8.1)	1,345.0	(17.7)
Growth	+1.4%	+1.5%	(0.6%)	(2.0%)	(1.3%)	(0.7%)
Loss ratio	61.3%	(3.5%)	64.3%	+3.0%	65.1%	+0.8%
Expense ratio	30.3%	(0.6%)	30.9%	+0.6%	32.9%	+2.0%
Combined ratio	91.6%	(4.1%)	95.2%	+3.6%	98.0%	+2.8%
Underwriting profit	24.0	+7.5	10.1	(13.9)	(42.5)	(52.7)
Gross investment margin	91.4	+30.8	91.3	(0.1)	124.9	+33.6
Ordinary profit	114.2	+40.0	91.7	(22.5)	73.3	(18.4)
Net income	67.8	+10.9	48.1	(19.6)	44.6	(3.4)
Solvency margin ratio	1,130.9%		1,010.3%		887.9%	

Net Premiums Written

Net premiums written decreased by 1.3%.

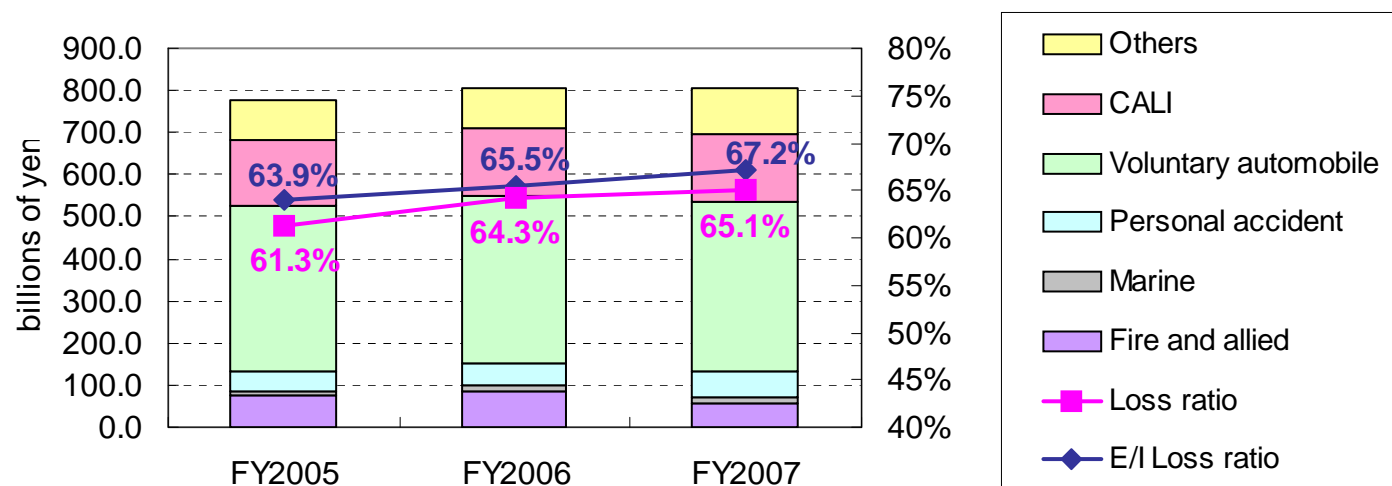


(Unit: bil. JPY)

	FY2005		FY2006		FY2007	
	Amount	Growth	Amount	Growth	Amount	Growth
Fire and allied	152.0	+1.1%	148.8	(2.1%)	145.9	(1.9%)
Marine	28.3	+12.5%	31.0	+9.5%	31.3	+1.1%
Personal accident	127.6	+5.7%	127.7	+0.1%	128.5	+0.6%
Voluntary automobile	674.0	+0.7%	666.9	(1.1%)	655.7	(1.7%)
CALI	237.9	(2.6%)	232.7	(2.2%)	228.5	(1.8%)
Others	150.8	+6.0%	155.5	+3.1%	154.8	(0.4%)
Total	1,370.9	+1.4%	1,362.7	(0.6%)	1,345.0	(1.3%)

Net Claims Paid

Both written paid loss ratio and earned incurred loss ratio rose.



(Unit: bil. JPY)

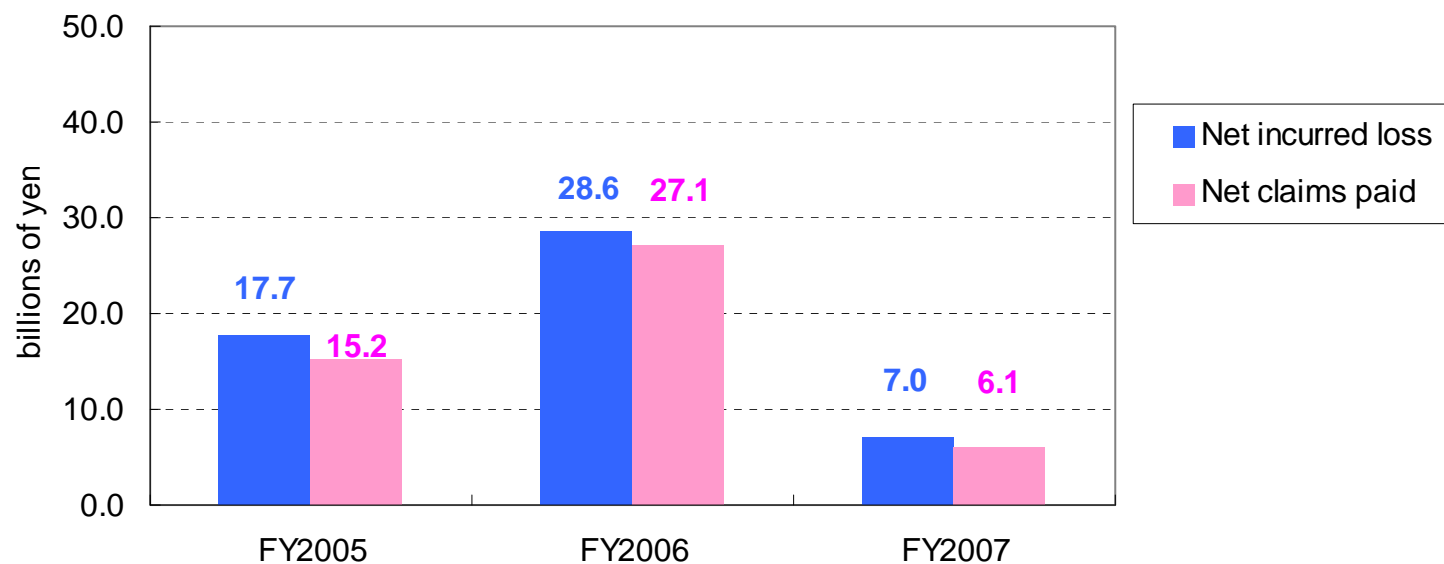
	FY2005		FY2006		FY2007	
	Amount	Loss ratio	Amount	Loss ratio	Amount	Loss ratio
Fire and allied	74.0	50.5%	84.0	58.1%	58.7	41.7%
Marine	12.4	47.5%	13.6	47.0%	13.8	47.1%
Personal accident	48.0	41.3%	53.5	45.8%	58.7	49.5%
Voluntary automobile	393.7	63.6%	397.8	66.0%	405.9	68.8%
CALI	155.3	71.2%	160.8	74.4%	161.3	76.2%
Others	92.4	65.6%	96.9	66.2%	105.4	71.7%
Total	776.0	61.3%	806.8	64.3%	804.1	65.1%
E/I Loss ratio		63.9%		65.5%		67.2%

Notes)

- "Loss ratio" = (Net claims paid + Loss adjustment) / Net premiums written
- "E/I Loss ratio" = (Net incurred loss + Loss adjustment) / Earned premiums : ex. Household earthquake, CALI

Natural Disasters

Losses by natural disasters were small compared with FY2006.



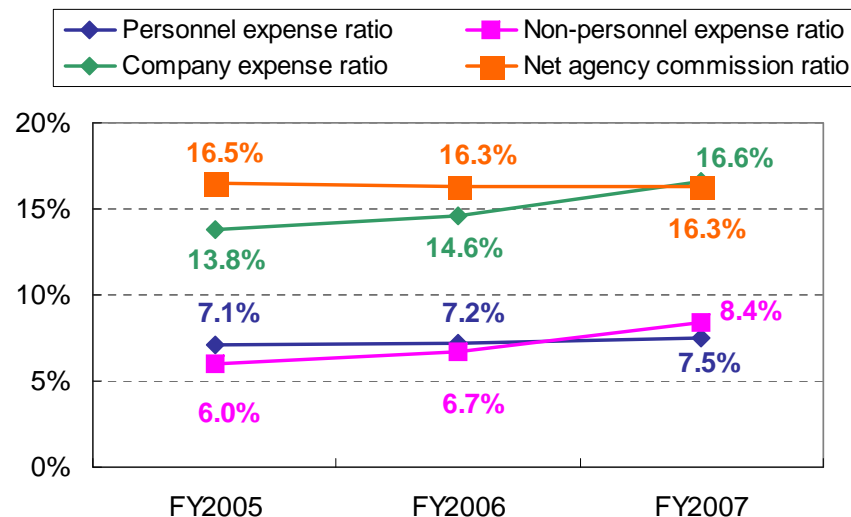
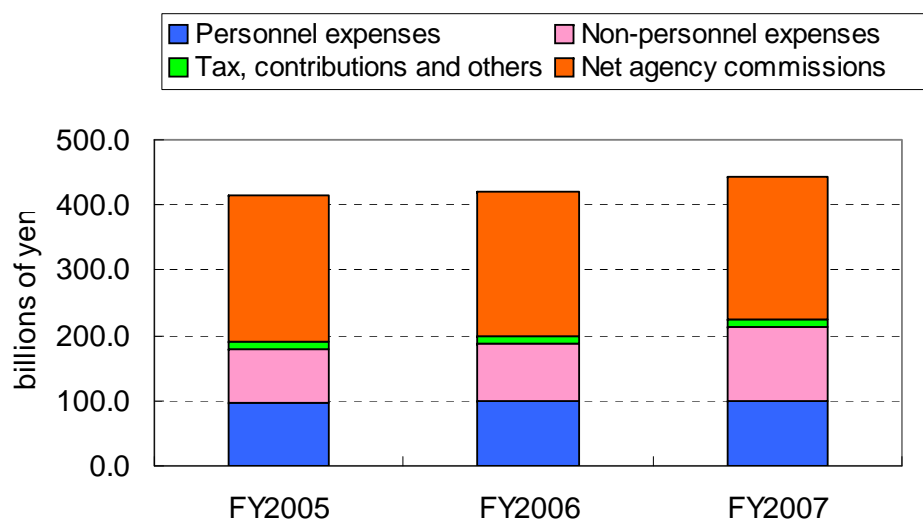
(Unit: bil. JPY)

	Net incurred loss			Net claims paid		
	FY2005	FY2006	FY2007	FY2005	FY2006	FY2007
Fire and allied	14.9	24.3	6.3	12.8	23.0	5.4
Voluntary automobile	1.6	3.7	0.5	1.6	3.6	0.4
Others	1.1	0.5	0.2	0.7	0.4	0.1
Total	17.7	28.6	7.0	15.2	27.1	6.1

Note) The above figures include the loss and claims paid related to the natural disasters incurred in each fiscal year and do not include those incurred in previous years.

Expense Ratio

Both personal expense and non-personal expense rose due to the increase of personnel and IT system cost.



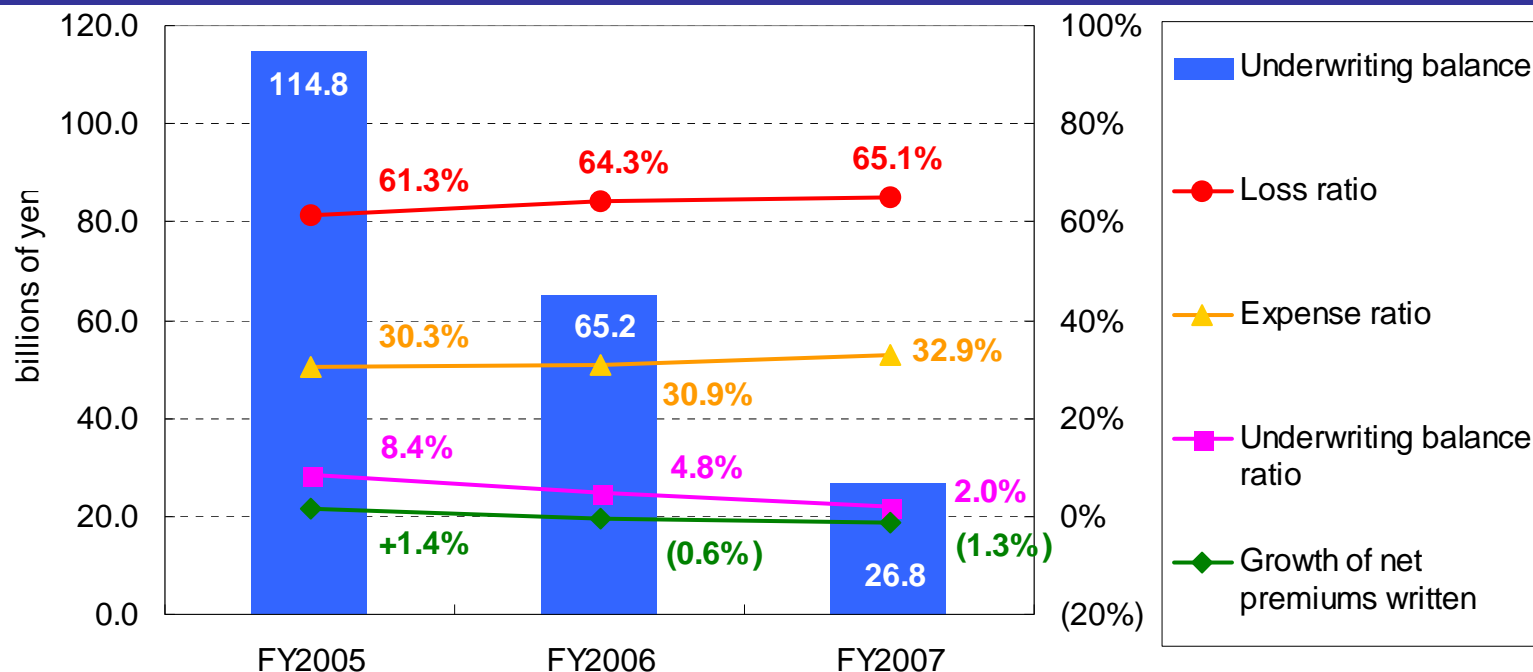
(Unit: bil. JPY)

	FY2005		FY2006		FY2007		FY2005		FY2006		FY2007	
	Amount	Change	Amount	Change	Amount	Change	Expense ratio	Change	Expense ratio	Change	Expense ratio	Change
Personnel expenses	97.0	(9.0)	98.3	+1.2	100.4	+2.1	7.1%	(0.8%)	7.2%	+0.1%	7.5%	+0.3%
Non-personnel expenses	82.9	+0.2	90.6	+7.7	113.5	+22.9	6.0%	(0.1%)	6.7%	+0.6%	8.4%	+1.8%
Tax, contributions and others	9.8	(0.9)	9.9	+0.0	9.5	(0.3)	0.7%	(0.1%)	0.7%	+0.0%	0.7%	(0.0%)
Total company expenses	189.8	(9.7)	198.8	+9.0	223.5	+24.6	13.8%	(0.9%)	14.6%	+0.7%	16.6%	+2.0%
Net agency commissions	226.1	+7.6	222.7	(3.4)	218.8	(3.8)	16.5%	+0.3%	16.3%	(0.2%)	16.3%	(0.1%)
Total operating expenses	416.0	(2.0)	421.6	+5.6	442.4	+20.7	30.3%	(0.6%)	30.9%	+0.6%	32.9%	+2.0%
Net premiums written	1,370.9	+19.0	1,362.7	(8.1)	1,345.0	(17.7)						

Note) Figures above are operating expenses regarding underwriting business.

Underwriting Balance Ratio

Underwriting balance ratio declined due to the rise of both loss ratio and expense ratio.



(Unit: bil. JPY)

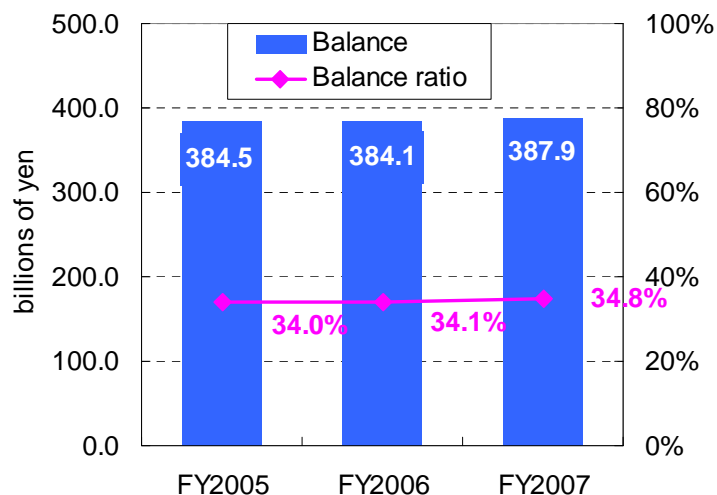
	FY2005	FY2006	FY2007
Loss ratio	61.3%	64.3%	65.1%
Expense ratio	30.3%	30.9%	32.9%
Underwriting balance ratio	8.4%	4.8%	2.0%
Underwriting balance	114.8	65.2	26.8
Growth of net premiums written	+1.4%	(0.6%)	(1.3%)

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

Catastrophic Loss Reserve

Both balance and ratio of catastrophic loss reserve slightly increased with provision and reversal as the same level compared to FY2006.

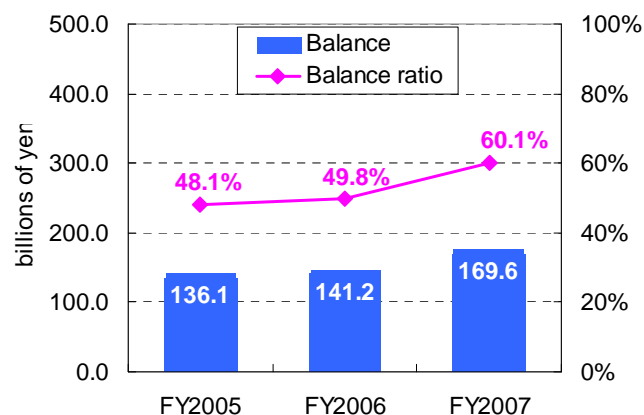
Total



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Balance	384.5	384.1	387.9
Balance ratio	34.0%	34.1%	34.8%
Change	13.2	(0.4)	3.7
Provision	68.5	83.3	82.9
Reversal	55.2	83.8	79.1

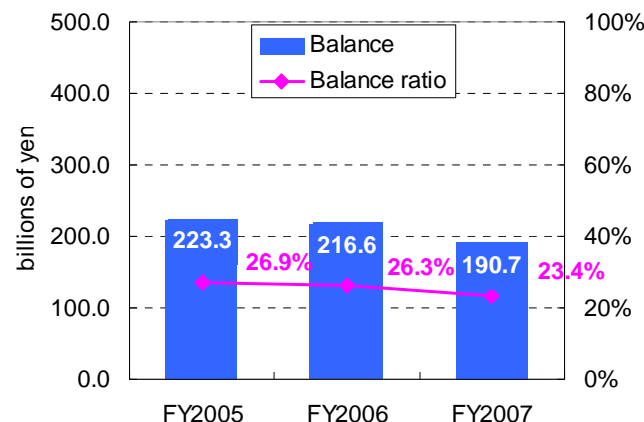
Fire group



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Reserve rate	7.5%	10.0%	10.0%
Balance	136.1	141.2	169.6
Balance ratio	48.1%	49.8%	60.1%
Provision	21.3	28.3	28.4
Reversal	8.2	23.2	-

Auto Group



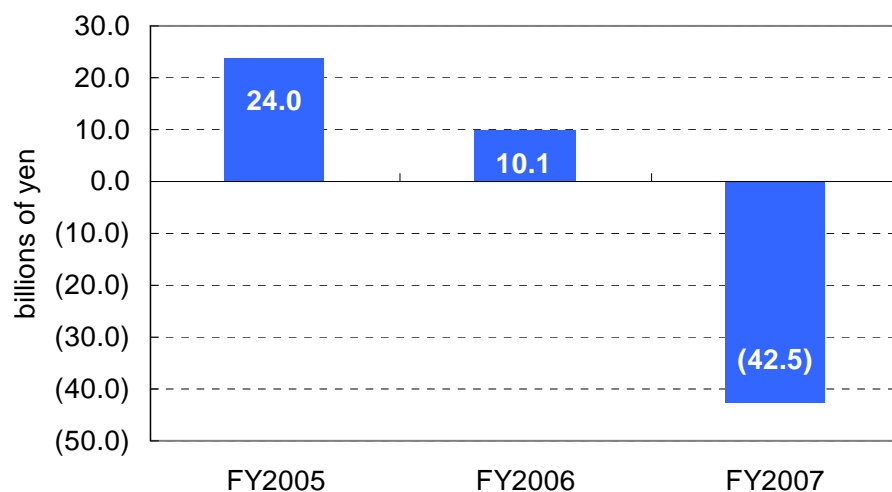
(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Reserve rate	5.5%	6.5%	6.5%
Balance	223.3	216.6	190.7
Balance ratio	26.9%	26.3%	23.4%
Provision	45.5	53.4	52.8
Reversal	46.6	60.1	78.7

Underwriting Profit

Reserve for outstanding losses and claims increased due to the increase of statistical IBNR and the reserve for financial guarantee insurance.

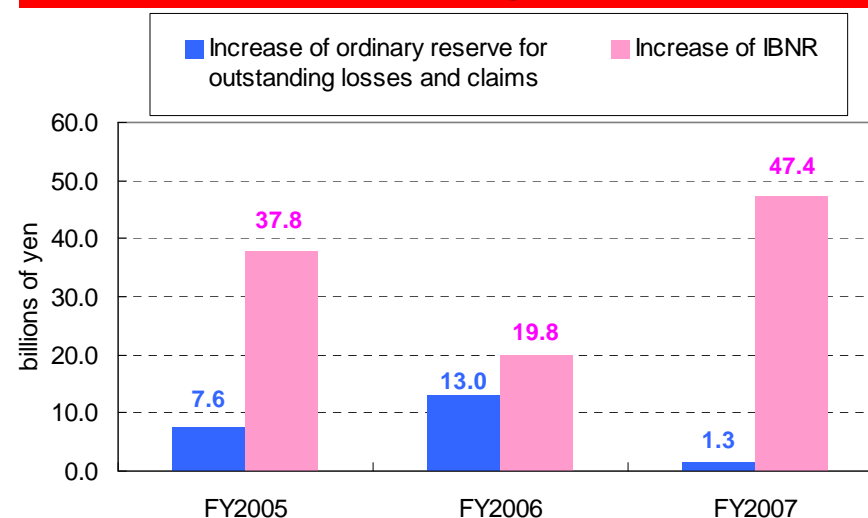
Underwriting profit



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Underwriting profit	24.0	10.1	(42.5)

Increase of outstanding losses and claims



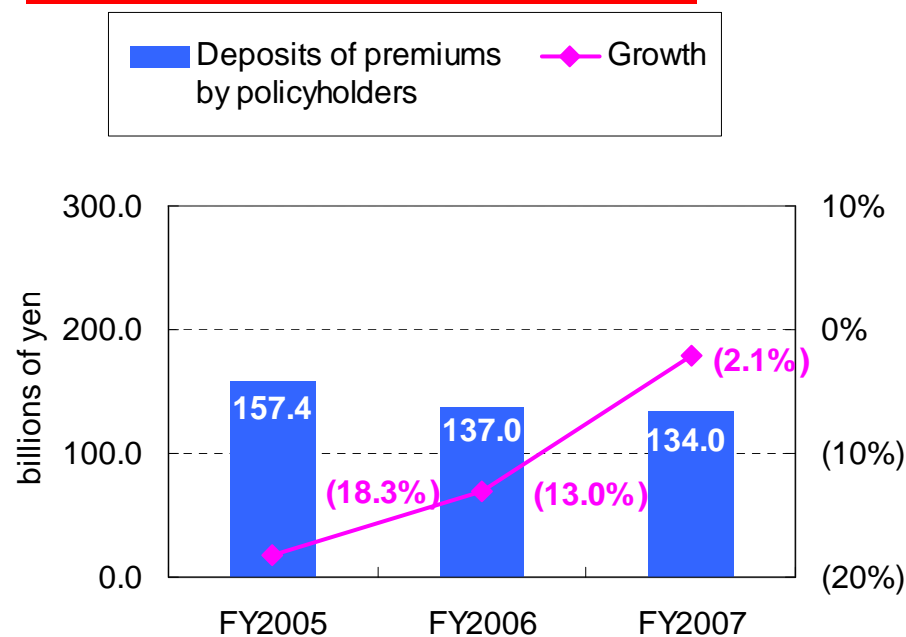
(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Increase of ordinary reserve for outstanding losses and claims	7.6	13.0	1.3
Increase of IBNR	37.8	19.8	47.4
Statistical IBNR	13.2	18.7	24.2
Personal accident	-	-	7.6
Voluntary automobile	7.6	19.4	15.6
Worker's Compensation	0.1	0.8	(0.2)
General Liability	5.4	(1.5)	1.2
Guarantee	-	-	30.0
Others	24.5	1.0	(6.8)
Total	45.4	32.8	48.8

Saving Premiums Income / Maturity Refunds

Saving premiums income decreased and maturity refunds increased.

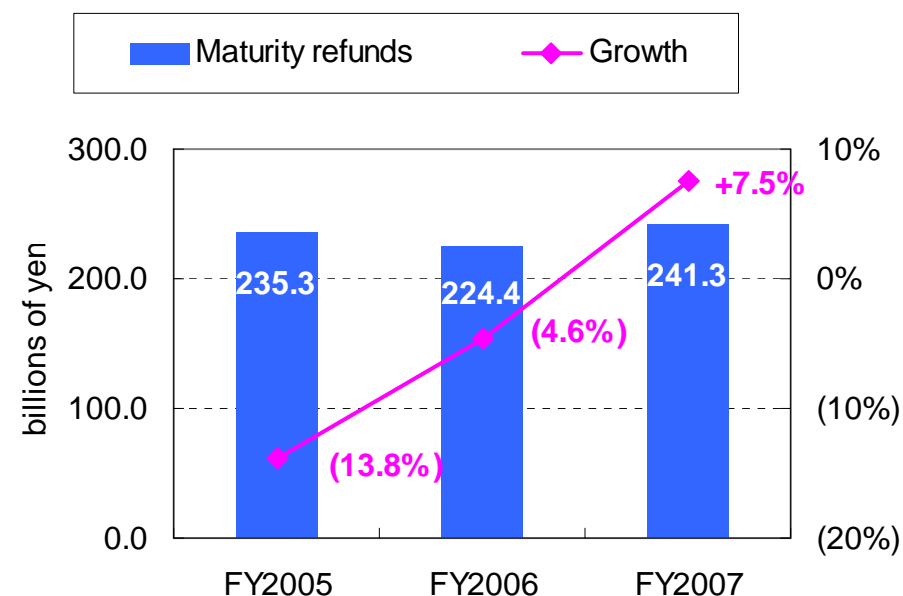
Saving premiums income



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Deposits of premiums by policyholders	157.4	137.0	134.0
Growth	(18.3%)	(13.0%)	(2.1%)

Maturity refunds



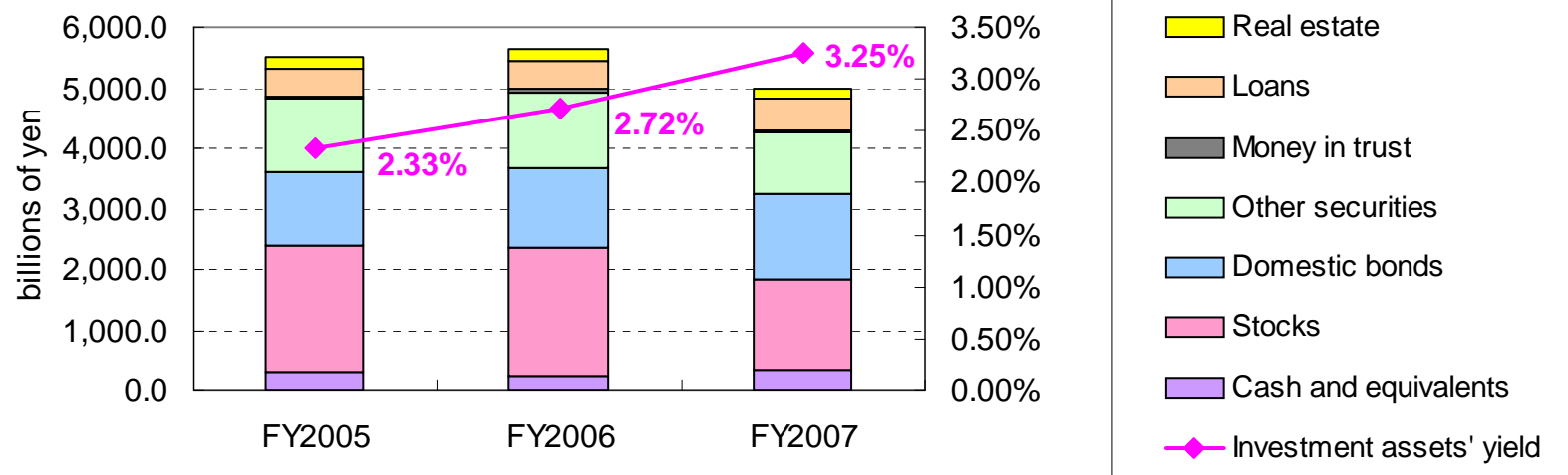
(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Maturity refunds	235.3	224.4	241.3
Growth	(13.8%)	(4.6%)	+7.5%

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

Investment Asset Portfolio

Investment asset decreased due to the decrease of unrealized gains on domestic stocks.



(Unit: bil. JPY)

	FY2005		FY2006		FY2007	
	Balance	Yield	Balance	Yield	Balance	Yield
Deposits	196.1	0.15%	129.0	0.32%	118.7	0.47%
Call loans	55.0	0.05%	69.0	0.30%	108.8	0.57%
Receivables under resale agreements	19.9	0.01%	28.9	0.27%	47.9	0.60%
Monetary receivables bought	18.0	0.89%	18.9	0.97%	47.0	1.39%
Money in trust	33.2	1.84%	47.9	1.76%	39.3	1.68%
Securities	4,546.2	2.64%	4,673.7	3.11%	3,937.9	3.83%
Domestic bonds	1,229.0	1.31%	1,330.6	1.32%	1,405.3	1.37%
Stocks	2,099.9	2.81%	2,099.9	3.53%	1,522.9	3.98%
Foreign securities	1,111.7	3.97%	1,129.0	5.03%	914.9	6.81%
Other securities	105.5	3.65%	114.1	4.88%	94.6	10.96%
Loans	448.5	1.66%	483.4	1.67%	506.0	1.77%
Real estate	206.2	2.47%	198.9	2.58%	194.3	2.68%
Total	5,523.3	2.33%	5,650.0	2.72%	5,000.2	3.25%

Investment Profit

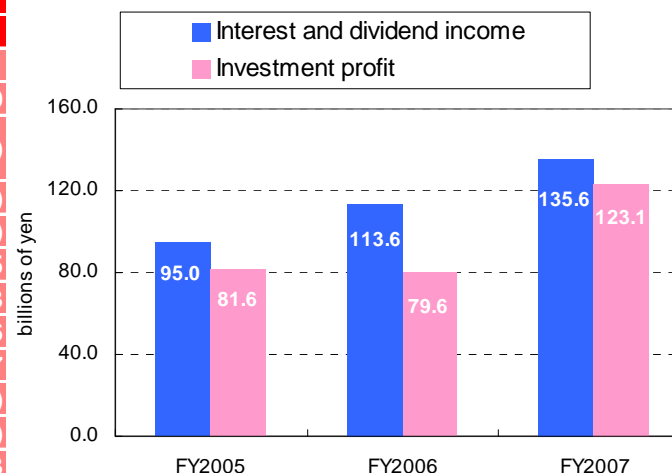
Investment profit increased by 43.5 bil. JPY due to the large increase of interest and dividend income by foreign currency assets.

(Unit: bil. JPY)

		FY2005	FY2006	FY2007	Change
Net interest and dividend income (+)		49.3	67.7	88.9	+21.1
Interest and dividend income		95.0	113.6	135.6	+21.9
Transfer of interest and dividend income on deposits of premiums, etc.		(45.6)	(45.8)	(46.6)	(0.7)
Investment gain on money in trust (+)		2.8	4.2	(2.3)	(6.5)
Investment gain on trading securities (+)		(0.0)	0.1	0.1	(0.0)
Realized gain on sales of securities (+)		40.8	29.5	40.0	+10.5
Gain on redemption of securities (+)		0.1	(0.0)	0.2	+0.3
Devaluation loss on securities (-)		0.3	3.6	8.2	+4.6
Gain on derivative products* (+)		(4.6)	(8.0)	13.6	+21.7
Gain on foreign exchange transactions* (+)		0.0	1.4	0.7	(0.6)
Other investment income expenses (+)		(1.1)	(0.9)	(3.5)	(2.6)
Gross investment margin		87.0	90.4	129.7	+39.3
Investment expenses (-)		7.1	6.1	6.1	+0.0
Allowances and losses for bad debts* (-)		(1.6)	(1.0)	(0.2)	+0.8
Written-off expense and devaluation allowances for equities and bonds		(0.1)	5.7	0.6	(5.0)
Investment profit		81.6	79.6	123.1	+43.5

*Excluding gains and/or losses below

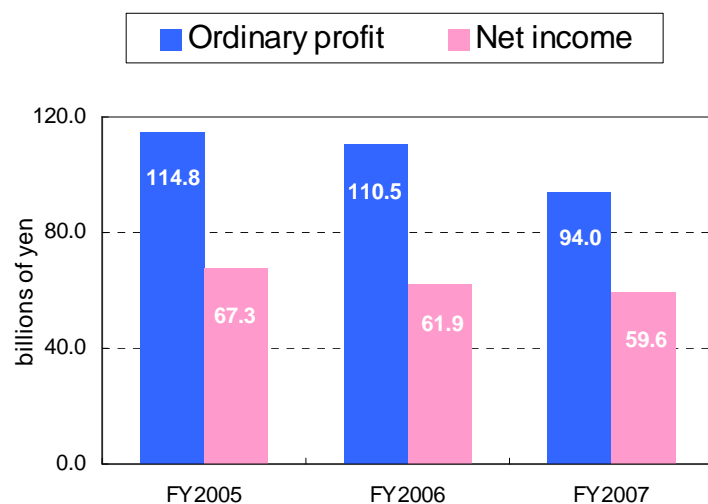
- Gains/losses on derivatives other than asset management purpose
- Gains/losses due to foreign exchange fluctuation on credits to foreign agencies, etc. incurred not by investment divisions
- Allowances and losses for bad debts which are held not for the investment purpose



Ordinary Profit / Net Income

Both ordinary profit and net income decreased due to the decrease of underwriting profit.

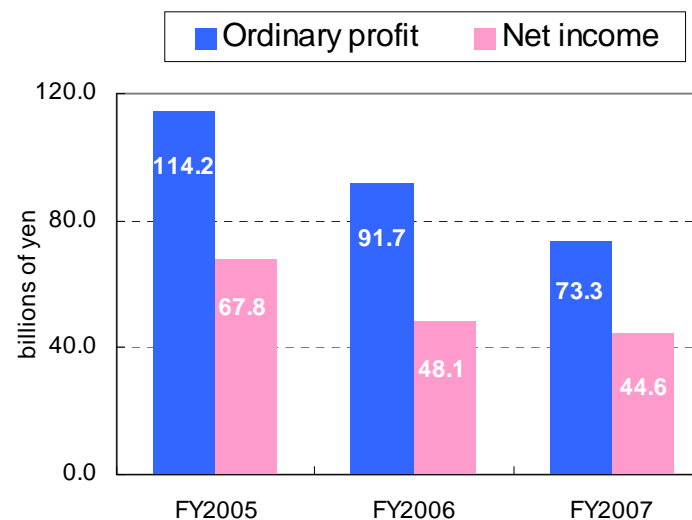
Consolidated



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Ordinary profit	114.8	110.5	94.0
Net income	67.3	61.9	59.6

Non-consolidated



(Unit: bil. JPY)

	FY2005	FY2006	FY2007
Ordinary profit	114.2	91.7	73.3
Net income	67.8	48.1	44.6

<Reference> Profit / Loss Reinsurance Contracts Handled by FR

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

	FY2002.3	FY2002.6	FY2003.3	FY2004.3	FY2005.3	FY2006.3	FY2007.3	FY2008.3	Total as of the end of Mar. 2008
Premiums	—	(5.9)	+6.5	+5.4	+1.0	+2.2	+2.4	+0.6	+12.2
Claims	—	(1.0)	(10.5)	(25.5)	(11.1)	(7.8)	(8.4)	(16.4)	(80.7)
Comissions	—	(0.1)	(1.1)	(0.4)	(0.1)	(0.1)	(0.0)	(0.0)	(1.8)
Outstanding claims	(108.6)	(2.4)	+5.3	+28.2	+11.0	+5.6	+7.6	+24.8	(28.5)
Underwriting reserves	(7.0)	(3.0)	+1.6	+9.0	+0.8	—	—	—	+1.4
Others	—	(19.4)	+1.5	(10.2)	+5.2	+17.6	+2.3	(1.8)	(4.8)
Total	(115.6)	(31.8)	+3.3	+6.5	+7.0	+17.5	+3.9	+7.1	(102.1)
								Sompo Japan : Total ⇒ +45.3	

(Unit: bil. JPY)

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

<Trend of outstanding claims and underwriting reserves>



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

Non-consolidated Forecast for FY2008

(Unit: bil. JPY)

	FY2007		FY2008	
	Results	Change	Forecast	Change
Net premiums written	1,345.0	(1.3%)	1,319.0	(1.9%)
(Excluding CALI)	1,116.5	(1.2%)	1,139.0	+2.0%
Loss ratio	65.1%	+0.8%	68.8%	+3.7%
Expense ratio	32.9%	+2.0%	35.3%	+2.4%
Combined ratio	98.0%	+2.8%	104.0%	+6.0%
Underwriting profit	(42.5)	(52.7)	(23.0)	+19.5
Interest and dividend income	135.6	+21.9	111.0	(24.6)
Ordinary profit	73.3	(18.4)	79.0	+5.6
Net income	44.6	(3.4)	48.0	+3.3

Net premiums written	(Unit: bil. JPY)			
	FY2007		FY2008	
	Results	Growth	Forecast	Growth
Fire	145.9	(1.9%)	152.0	+4.1%
Marine	31.3	+1.1%	32.0	+2.0%
Personal accident	128.5	+0.6%	131.5	+2.3%
Voluntary automobile	655.7	(1.7%)	664.0	+1.3%
CALI	228.5	(1.8%)	180.0	(21.2%)
Others	154.8	(0.4%)	159.5	+3.0%
Total	1,345.0	(1.3%)	1,319.0	(1.9%)

Net claims paid	(Unit: bil. JPY)			
	FY2007		FY2008	
	Results	L/R	Forecast	L/R
Fire	58.7	41.7%	75.7	51.4%
Marine	13.8	47.1%	14.6	48.8%
Personal accident	58.7	49.5%	62.0	51.3%
Voluntary automobile	405.9	68.8%	419.0	70.3%
CALI	161.3	76.2%	159.5	95.8%
Others	105.4	71.7%	100.2	66.6%
Total	804.1	65.1%	831.0	68.8%

※CALI = Compulsory Automobile Liability Insurance

※L/R = Loss Ratio

Consolidated Forecast for FY2008

(Unit: bil. JPY)

	Ordinary profit	Net income	Net income after consolidation adjustments
Sompo Japan	79.0	48.0	
Sompo Japan Himawari Life	7.7	4.9	2.6
Sompo Japan DIY Life	(1.2)	(1.2)	(1.1)
Sompo Japan DC Securities	(0.5)	(0.5)	(0.5)
Sompo Japan Asset Management	0.1	0.0	0.0
Sompo Japan America	2.1	2.1	2.1
Sompo Japan Europe	0.7	0.6	0.6
Sompo Japan China	(0.0)	(0.0)	(0.0)
Sompo Japan Asia	0.8	0.7	0.7
Yasuda Segros S.A. (Brazil)	1.0	1.0	1.0
Consolidated	88.0	54.0	

1. Fiscal Year 2007 Summary

2. Fiscal Year 2008 Strategy

3. Fiscal Year 2007 Results

4. Subprime Loan Related Exposure

Structured Finance Exposure in Our Investment Portfolio

- Total structured finance exposure in our investment portfolio is 87.8bil.JPY:
CDOs: 0.8bil.JPY, ABS: 82.7bil.JPY, Leveraged Finance: 4.3bil.JPY
- Less than 1% of this structured finance exposure, 0.7bil.JPY, consists of RMBS with U.S. subprime exposure.
(Excluding net short position via hedge funds investments.)
- FY2007 results includes 0.1bil.JPY impairment losses and 0.1bil.JPY unrealized losses from structured finance portfolio.

(As of March 31, 2008, Unit: billions of JPY, USD/JPY=100.20, same conversion rate applied throughout this report)

Categories		Outstanding Balance	Gains/Losses in FY2007		
			Gains/Losses Charged to P/L	Unrealized Gains/Losses	Total
CDOs	Corporate CDOs *1	0.8	(0.1)	(0.0)	(0.1)
	ABS CDOs *2	-	-	-	-
	CDOs Total	0.8	(0.1)	(0.0)	(0.1)
ABS	RMBS *3				
	U.S. subprime loans related	0.7	-	(0.0)	(0.0)
	Global RMBS (excl. U.S. subprime loans related)	14.6	-	(0.7)	(0.7)
	Domestic RMBS	33.8	-	0.6	0.6
	RMBS Total	49.2	-	(0.1)	(0.1)
	CMBS *4				
	Global CMBS	3.6	-	(0.2)	(0.2)
	Domestic CMBS	27.1	-	(0.0)	(0.0)
	CMBS Total	30.7	-	(0.2)	(0.2)
	Other ABS				
	Global ABS	2.3	-	0.2	0.2
	Domestic ABS	0.3	-	(0.0)	(0.0)
Other ABS Total	2.6	-	0.2	0.2	
ABS Total	82.7	-	(0.1)	(0.1)	
Investment in SIV		-	-	-	-
Leveraged Finance *5		4.3	-	-	-
Total		87.8	(0.1)	(0.1)	(0.2)
Reference: Hedge funds (U.S. subprime loans related exposure)		(1.3)	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.

Global: 0.1bil.JPY (Equity, No ratings), Domestic: By redemption, Domestic exposure as of April 30, 2008 is 0.1bil.JPY (Senior, AAA)

*2 ABS CDOs: CDOs where underlying assets are ABS (Asset Backed Securities).

*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 and above), and 99% are rated AAA.

*4 CMBS: Asset Backed Securities where underlying assets are commercial mortgage loans. CMBS exposure as of the end of the previous fiscal year was 28.7bil.JPY.

*5 Leveraged Finance: Finance where funding are provided for corporate mergers and acquisitions, mainly based on cash flows of acquired companies. Domestic only. Leveraged Finance exposure as of the end of the previous fiscal year was 6.0bil.JPY.

Financial Guarantee Insurance Exposure

- Total insured amount with U.S. subprime exposure is 186.1bil.JPY:
CDOs: 181.0bil.JPY, RMBS: 5.1bil.JPY
- In FY2007, 30.0bil.JPY is booked for loss reserve regarding a particular insurance policy guaranteeing a portion of an ABS CDO with some U.S. subprime exposure.

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

Categories		Insured Amount			Losses/ Reserves in FY2007 *4	Notes
		Direct Insurance *2	Treaty Reinsurance*3	Total		
CDOs	Corporate CDOs	416.1	11.2	427.3	-	All direct insurance policies are rated AAA
	ABS CDOs					
	U.S. subprime loans related *1	181.0	-	181.0	(30.0)	Refer to Supplement 1
	Others (excl. U.S. subprime loans related)	60.7	1.2	61.9	-	Such as prime RMBS, CMBS
	ABS CDOs Total	241.7	1.2	242.9	(30.0)	
	CDOs Total	657.8	12.4	670.3	(30.0)	
ABS	RMBS					
	U.S. subprime loans related	-	5.1	5.1	-	Almost all RMBS are investment grade (BBB and above), and 78% are rated AAA
	Global RMBS (excl. U.S. subprime loans related)	1.7	14.7	16.4	(0.0)	
	Domestic RMBS	51.7	-	51.7	-	
	RMBS Total	53.4	19.8	73.3	(0.0)	
	CMBS	-	-	-	-	No exposure
	Other ABS					12% of Global ABS are U.S. consumer-loan related ABS, while others are mainly related to corporate credit (e.g., leasing receivables)
	Global ABS	5.4	53.3	58.8	(0.0)	
Domestic ABS	25.7	2.1	27.8	-		
	Other ABS Total	31.1	55.5	86.6	(0.0)	
	ABS Total	84.5	75.4	159.9	(0.0)	
Public Finance		-	325.6	325.6	0.1	Domestic only
Total		742.4	413.5	1,155.9	(29.9)	

*1 CDOs that include any (even a part thereof) U.S. subprime loans. (Excluding CDO which is booked for loss reserve for FY2007)

*2 Facultative reinsurance policies are included under "Direct Insurance."

*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 FY2007. (Financial Guarantee insurance is not supposed to book mark-to-market unrealized gains/losses as it is an insurance policy.)

Supplement 1. Financial Guarantee for U.S. Subprime Related CDOs

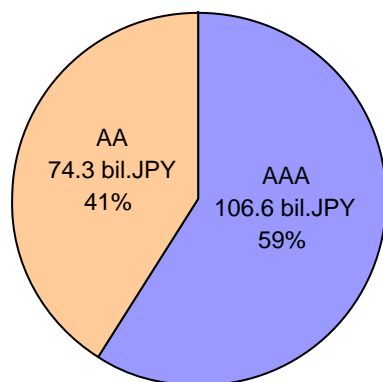
- Of the U.S. subprime loan-related CDOs (181.0bil.JPY), 106.6bil.JPY (59%) are rated AAA and 74.3bil.JPY (41%) are rated AA.
- 90% of the total underlying assets are rated A or above.
- The ratio of subprime loans-related RMBS is 11.7% of the total underlying assets.
- The ratio of portions subordinated to Sompo Japan's guaranteed tranche is 11.9% of the total underlying assets.

Reference: CDOs with early liquidation structure based on average rating of underlying asset

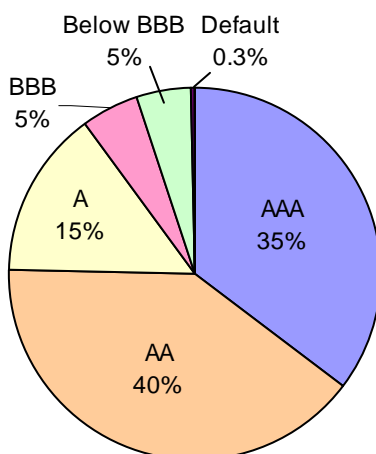
- Three guarantee insurance policies are issued for CDOs with such early liquidation structure as CDO investors have option to sell all underlying assets to the third party for the purpose of diminishing their loss in case the aggregate outstanding par amount of underlying assets after the calculation of rating-based par haircuts falls below a particular level.
- Loss reserve has been booked for one of these guarantee policies, 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 news release "Booking of loss reserve for financial guarantee insurance and revision of earnings projections for fiscal year 2007" dated Jan. 11, 2008. The loss reserve amount as of the end of March 2008 is 30.0bil.JPY)
- The portion of CDOs guaranteed by other two policies are both rated AAA, and the guaranteed amount is 24.5bil.JPY. Most of the underlying assets of these CDOs were issued in 2005 or earlier when the subprime impact was relatively small, therefore the decline of rating-based par haircuts are limited (Refer to chart below)

Note: Rating-based reference is calculated based on each underlying assets ratings, and the calculation rule and trigger level of each issue differ from each other.

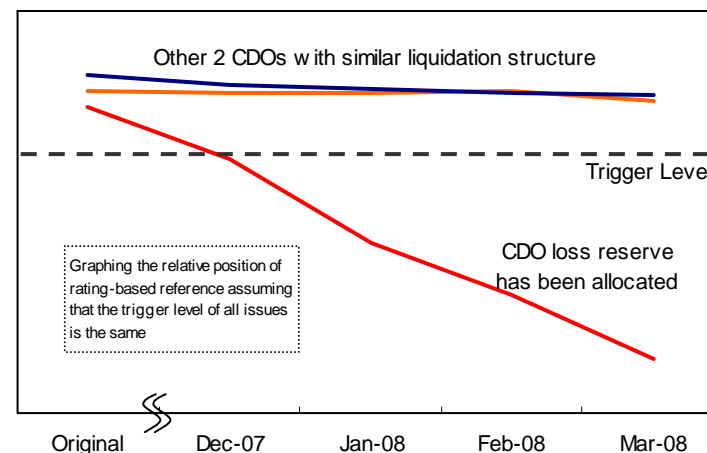
Distribution of issue rating



Distribution of all underlying assets rating



Change in the rating-based reference



Supplement 2. List of Guarantee for ABS CDOs

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

Policy No.	Issue Rating *1	Fiscal Year Issued	Insured Amount	Subordination Ratio *2	Distribution of underlying assets rating						Ratio of subprime RMBS
					AAA	AA	A	BBB	Below BBB	Default	
Guarantee for CDO①	AAA	2003	10.0	14%	53%	17%	14%	14%	2%	0.0%	0%
Guarantee for CDO② *3	AAA	2004	29.9	17%	94%	0%	1%	0%	5%	0.0%	1%
	AAA	2004	10.0	10%							
Guarantee for CDO③	AAA	2004	12.0	10%	35%	46%	13%	5%	1%	0.0%	11%
Guarantee for CDO④ *4	AAA	2004	12.5	11%	45%	51%	2%	0%	1%	0.0%	10%
Guarantee for CDO⑤ *4	AAA	2005	12.0	13%	6%	55%	31%	5%	3%	0.0%	14%
Guarantee for CDO⑥	AA	2006	15.0	12%	50%	13%	17%	15%	5%	0.6%	3%
Guarantee for CDO⑦	AAA	2006	20.0	8%	14%	86%	0%	0%	0%	0.0%	30%
Guarantee for CDO⑧	AA	2006	29.2	10%	24%	28%	19%	10%	19%	0.5%	11%
Guarantee for CDO⑨	AA	2006	30.0	19%	27%	23%	33%	5%	11%	1.5%	10%
Subtotal of U.S. subprime loans related CDOs			181.0	11.9%	35%	40%	15%	5%	5%	0.3%	11.7%
Guarantee for CDO⑩	AAA	2002	0.9	83%	76%	0%	0%	7%	18%	0.0%	-
Guarantee for CDO⑪	AAA	2004	30.0	16%	68%	30%	0%	1%	1%	0.0%	-
Guarantee for CDO⑫	AAA	2007	29.7	40%	0%	1%	5%	56%	38%	1.1%	-
Subtotal of other ABS CDOs			60.7	28.8%	30%	9%	3%	34%	25%	0.6%	-
Total of ABS CDOs			241.7	16.1%	35%	36%	13%	9%	7%	0.3%	-

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

Guarantee for CDO⑬ *4	-	2006	30.0	9%	23%	22%	16%	14%	25%	2.5%	14%
-----------------------	---	------	------	----	-----	-----	-----	-----	-----	------	-----

*1 Issue ratings are as of the end of April 2008.

*2 Subordination Ratio is a ratio of portions subordinated to our guaranteed tranche.

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

*4 Guarantee for CDO④, ⑤ and ⑬ are the three CDOs with early liquidation structure. (Refer to the Supplement 1)

Supplement 3. Loss Projection for FY2008 Related to U.S. Subprime Loans

- Forecast for FY2008 includes approximately 1.4bil.JPY possible loss related to U.S. subprime loans based on our due diligence on U.S. subprime loans-related CDOs and RMBS.
(The forecast of underwriting profit of total financial guarantee insurance netting this possible loss is +0.0bil.JPY)

Due diligence procedure

Classify the underlying assets of each CDO by some profile such as category (RMBS, ABS, CDO), rating, vintage, etc.

Estimate loss of each underlying asset.
(The loss of RMBS is estimated based on the status of delinquency of the underlying mortgage loans.)

Estimate the possible payment of the claim of each CDO by comparing the estimated total loss of underlying assets with the subordination amount below Insured Portion.

Sompo Japan estimates that the possible loss amount related to U.S. subprime loans in FY2008 could be 1.4bil.JPY.
Note: Additional increased loss reserve and payment loss.

Projection of the insured amount of structured finance instruments

- Underwriting new financial guarantees has been currently suspended.
- The current total insured amount of structured finance assets (Guarantee for CDOs and ABS), 830bil.JPY, is expected to decrease to around 100bil.JPY in 10 years.

Note: Estimated by the exchange rate as of the end of March 2008. This projection is liable to change depending on particular conditions relating to each issue and the macro-environment, such as the broader economic situation or interest-rate movements.

Exposure to U.S. Monoline Insurers

- 10mil.JPY stocks of monoline insurers and 0.2bil.JPY notes guaranteed by monoline insurers through investing funds.
- The total insured amount of U.S. monoline guaranteed notes is 19.2bil.JPY. For these guarantees, Sompo Japan will only become liable for claim payment or suffer losses in case of default of both the underlying notes and the monoline that has guaranteed those notes.

Note: Sompo Japan's exposure to corporate CDOs where numbers of corporate entities are referred as reference entities and, additionally, one or multiple monoline insurers are contained as reference entities is considered to be nil because there are sufficient subordinate tranches below the Sompo Japan's guaranteed tranches.

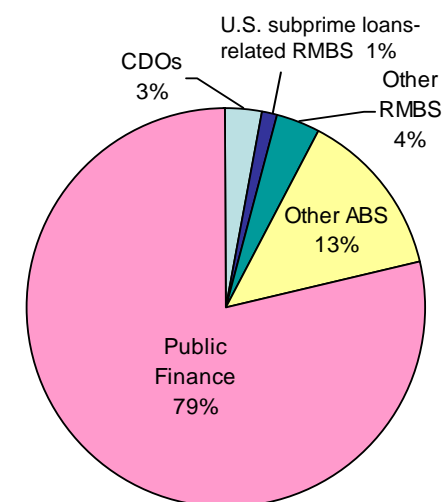
Reference: Financial Guarantee Treaty Reinsurance

- This Treaty Reinsurance is a quota-share reinsurance contract under which a particular portion of original insurance policies is ceded to us.
- Treaty Reinsurance is not considered as exposure to U.S. monoline insurers, because Sompo Japan will become liable for claim payment or suffer losses only when the underlying issues default.

Summary of Financial Guarantee Treaty Reinsurance

- The total insured amount assumed from U.S. monoline insurers is 413.5 bil. JPY. No reinsurance ceded to them.
- 79% of Treaty Reinsurance are classified as public finance including general obligations of U.S. municipals and 98% are investment grade (BBB and above).
- For U.S. subprime loans-related RMBS, the total amount of the guarantee is 5.1bil.JPY, or 1% of total Treaty Reinsurance, which is the only exposure related to U.S. subprime loans in Treaty Reinsurance and therefore potential loss will be limited.

Distribution of Treaty Reinsurance



-This presentation is prepared for information only and is not a solicitation, or offer, to buy or sell the securities of Sompo Japan.
-Information contained in this presentation other than past facts are opinions or estimates at the time preparing the issue.
-These opinions or estimates of future performance are not guaranteed by Sompo Japan, and a large differentiation from described opinions or estimates may occur due to various uncertain factors.