SOMPO JAPAN INSURANCE INC.

Information Meeting for Fiscal Year 2008 Results

May 26, 2009

SOMPO JAPAN INSURANCE INC.

SOMPO JAPAN INSURANCE INC.

Fiscal Year 2008 Results (Key Points)

Domestic P&C Insurance	**Financial guarantee insurance**	-147.9 billion yen in losses on financial guarantee insurance (146.6 billion yen on U.S. mortgage-related CDOs etc., 1.3 billion yen on treaty reinsurance) -As a result of posting significant losses, net guarantee exposure to U.S. mortgage related CDOs etc. as of March 31, 2009 is 78.9 billion yen (73% decline versus March 31, 2008)
	Investment	-Posting 78.7 billion yen in devaluation losses on securities due to ongoing turmoil in global financial markets (67.5 billion yen on domestic stocks) The Nikkei225 break-even point where unrealized gains for domestic stocks disappears is 4,900 yen -Redeemed foreign currency-denominated funds (mainly foreign stocks) based on economic and market outlook and to reduce risk (20.7 billion yen losses by the redemption)
	Underwriting	-Significant improvement in underwriting profit excluding financial guarantee insurance (FY2007: loss of 12.5 billion yen ⇒ FY2008: profit of 55.7 billion yen) -Large decrease of E/I loss ratio on voluntary automobile insurance (FY2007: 74.0% ⇒ FY2008: 66.8%) -Expense ratio rose because we increased headcount with a view to executing our growth strategy
Domestic Life Insurance	-Sompo Japan Himawari Life's success in a shifting to sales of protection-type products led to 20.6% increase in annualized premiums from new policies -Strong sales of *Kenko no Omamori*, a new medical insurance product launched in August 2008, 170,000 new medical insurance policies	
Overseas	-5.0 billion yen in net income (after consolidated adjustments) from overseas subsidiaries and equity-method affiliates, a stable contribution to profits	

Overview of Consolidated Results

Sompo Japan Himawari Life and overseas subsidiaries contributed to consolidated profits

(Unit: billions of yen)

	Ordinary profit	Net income	Net income after consolidated adjustments
Domestic P&C insurance	(153.8)	(73.9)	
Domestic life insurance	8.3	4.8	3.2
Overseas business	4.0	3.6	5.0
Other businesses	(0.7)	(0.8)	(0.7)
Consolidated	(144.0)	(66.7)	

※Other businesses include DC, asset management, healthcare business, etc.

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Overview of Non-Consolidated Results

Posted net loss due to losses on financial guarantee insurance and investment.
Significant improvement in underwriting profit excluding financial guarantee insurance.

(Unit: billions of yen)

		FY2007	FY2008	Change
Net premiums written		1,345.0	1,290.4	(4.1%)
	(Excl. CALI)	1,116.5	1,110.4	(0.5%)
Loss ratio		65.1%	70.3%	5.2pt
	(Excl. CALI and FG)	62.8%	62.8%	(0.0pt)
Expense ratio		32.9%	34.5%	1.6pt
	(Excl. CALI)	35.8%	35.8%	0.1pt
Combined ratio		98.0%	104.9%	6.9pt
	(Excl. CALI and FG)	98.6%	98.7%	0.1pt
Underwriting profit		(42.5)	(92.2)	(49.6)
	(Excl. FG)	(12.5)	55.7	68.2
Gross investment margin		124.9	(54.7)	(179.7)
Ordinary profit		73.3	(153.8)	(227.2)
Net income		44.6	(73.9)	(118.6)

※CALI = Compulsory Automobile Liability Insurance　FG = Financial Guarantee Insurance
※ “Excl. FG” means that claims payment and increases in loss reserves related to financial guarantee insurance are deducted

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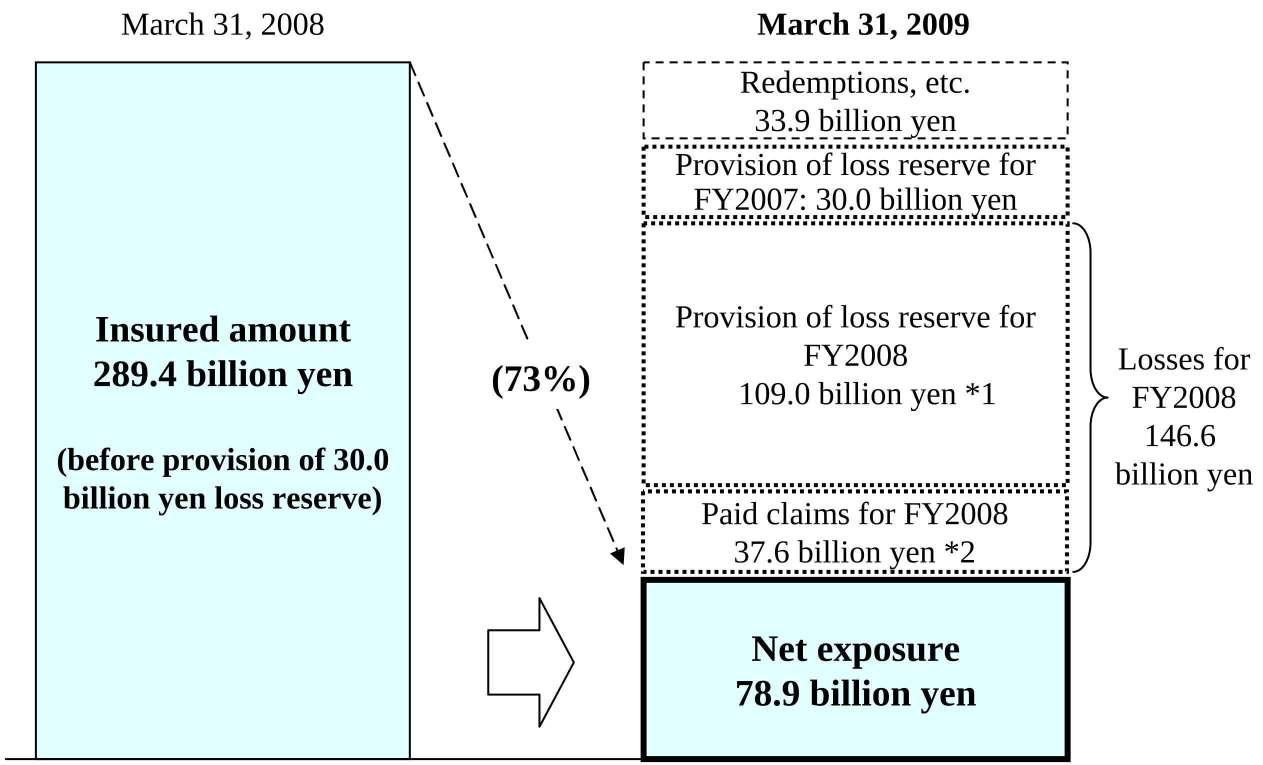
Non-Consolidated Results: FY2008 Losses on Financial Guarantee Insurance

U.S. mortgage-related CDO losses of 146.6 billion yen, net exposure of 78.9 billion yen

U.S. mortgage-related exposure



*1
Provision of loss reserves for FY2008 (109.0 billion yen) for U.S. mortgage-related guarantees for which insured event has occurred (among all financial guarantee insurance) have been posted for the entire duration of the guarantee based on the assessment of the current credit market conditions.

*2
Paid claims for FY2008 (37.6 billion yen) involve two transactions for which an insured event is deemed to have occurred. Termination of the guarantee agreements were worked out with guarantee counterparties based on the expected amount of provision of reserves for outstanding loses and claims, and a lump sum payment has been already made.

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Non-Consolidated Results: Investment

Posted devaluation losses on securities (mainly on domestic stocks), in conjunction with financial market turmoil.
Redeemed foreign currency-denominated funds to reduce risk.

Gross investment margin

(Unit: billions of yen)

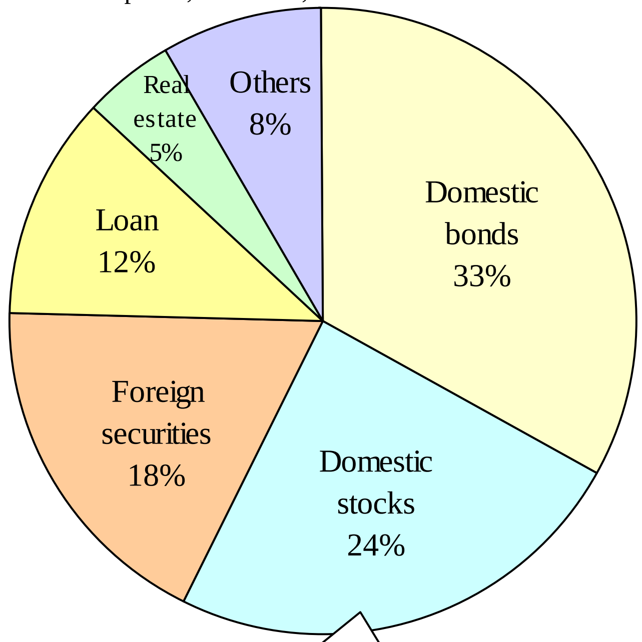
	FY2007	FY2008	Change
Interest and dividend income	135.6	102.5	(33.0)
Assumed interest for policyholders, etc.	(46.6)	(43.0)	3.5
Net interest and dividend income	88.9	59.4	(29.5)
Realized gains on securities	40.0	16.4	(23.6)
Realized gains on domestic stocks	21.5	13.7	(7.7)
Devaluation losses on securities	(8.2)	(78.7)	(70.5)
Devaluation losses on domestic stocks	(6.6)	(67.5)	(60.9)
Gains/losses on derivatives	13.6	(0.0)	(13.7)
Other	(9.5)	(52.0)	(42.5)
Total	124.9	(54.7)	(179.7)

※Of the above, gains/losses on foreign currency-denominated funds are as follows
FY2007: +23.2 billion yen (interest and dividend income: +24.4 billion yen, other: -1.2 billion yen)
FY2008: -20.7 billion yen (interest and dividend income: +10.3 billion yen, other: -31.0 billion yen)

Asset allocation

As of March 31,2009
Total: 4.2 trillion yen

※Others consists mainly of deposits, call loans, etc.



Non-Consolidated Results: Net Premiums Written

Despite the difficult economic environment, net premiums written (excluding CALI) only declined 0.5%

Net premiums written

(Unit: billions of yen)

	Amount	Growth	W/T
Fire	144.9	(0.7%)	11.2%
Marine	29.8	(4.8%)	2.3%
Personal accident	126.3	(1.7%)	9.8%
Voluntary automobile	654.0	(0.3%)	50.7%
CALI	179.9	(21.2%)	13.9%
Others	155.2	0.2%	12.0%
Total	1,290.4	(4.1%)	100.0%
Total (Excl. CALI)		(0.5%)	

※CALI = Compulsory Automobile Liability Insurance

Voluntary automobile insurance
Number of policies, unit price and sales premium

	Number	Unit	Premium
Non-Fleet	(0.7%)	0.2%	(0.5%)
Fleet	(2.5%)	1.7%	(0.9%)
Total	(1.0%)	0.4%	(0.6%)

-Fire: Net premiums written declined 1.0 billion yen as fire insurance for mortgage lenders fell due to a slump in housing starts

-Marine: Net premiums written declined by 1.5 billion yen, impacted by a drop in distribution and appreciation of yen during 2H

-Personal accident: Net premiums written declined 2.1 billion yen as the increase from third-sector products such as medical insurance was more than offset by lower premiums from other areas

-Voluntary automobile: Net premiums written declined by only 1.7 billion yen despite the drop in car sales, because we raised premium rates before competitors which lifted unit price

-CALI: Net premiums written declined 48.5 billion yen due to the impact of reduced premium rates

-Others: Net premiums written decreased because we stopped underwriting new financial guarantee insurance, but the increase in revenues from liability insurance resulted in growth of 0.3 billion yen

Non-Consolidated Results: Loss Ratio/Expense Ratio

Loss ratio increased due to payments related to financial guarantee insurance, while voluntary automobile insurance saw a significant improve in loss ratio on E/I basis. Expense ratio rose because we increased headcount with a view to executing our growth strategy.

(Unit: billions of yen)

Loss ratio	Losses paid	Loss ratio	Change
Fire	56.1	40.3%	(1.4pt)
Marine	14.9	54.0%	6.9pt
Personal accident	66.8	57.4%	7.9pt
Voluntary automobile	409.8	70.0%	1.2pt
CALI	160.4	95.7%	19.5pt
Others	124.5	84.1%	12.5pt
Others (Excl. FG)		59.7%	(12.1pt)
Total	832.7	70.3%	5.2pt
Total (Excl. CALI and FG)		62.8%	(0.0pt)

-Loss ratio for voluntary automobile increased as we paid claims and loss reserves. On E/I basis, significant improvement due to reversal of loss reserves. (Voluntary automobile E/I loss ratio; FY2007: 74.0% ⇒ FY2008: 66.8%)
-Loss ratio for personal accident increased due to rise in payments for aftereffects and increase in claims payments in conjunction with more medical policies.
-Loss ratio for other insurance rose due to the impact of increased claims payment on financial guarantee insurance.
-Loss adjustment expense increased as claims payment staff increased.

Net incurred loss from natural disasters

(Unit: billions of yen)

	FY2007	FY2008
Net claims paid	6.1	6.1
Ordinary reserves for outstanding losses and claims	0.9	0.2
Net incurred loss	7.0	6.4

(Unit: billions of yen)

Expense ratio	Expense	Expense ratio	Change	Expense ratio (Excl. CALI)	Change (Excl. CALI)
Commission	215.6	16.7%	0.4pt	18.1%	(0.3pt)
Personnel expense	104.9	8.1%	0.7pt	7.4%	0.2pt
Non-personnel expense	115.1	8.9%	0.5pt	9.6%	0.2pt
Tax, etc.	9.5	0.7%	0.0pt	0.8%	(0.0pt)
Total	445.3	34.5%	1.6pt	35.8%	0.1pt

-The increase in personnel expense reflects an increase in headcount with a view to executing our growth strategy.
-Non-personnel expense including activities not related to underwriting declined slightly.
The increase in non-personnel expense related to underwriting was the result of the launch of a new voluntary automobile product.

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Domestic Life Insurance Business (Sompo Japan Himawari Life)

Ongoing shift to sales of protection-type was successful
Strong sales of new medical insurance product

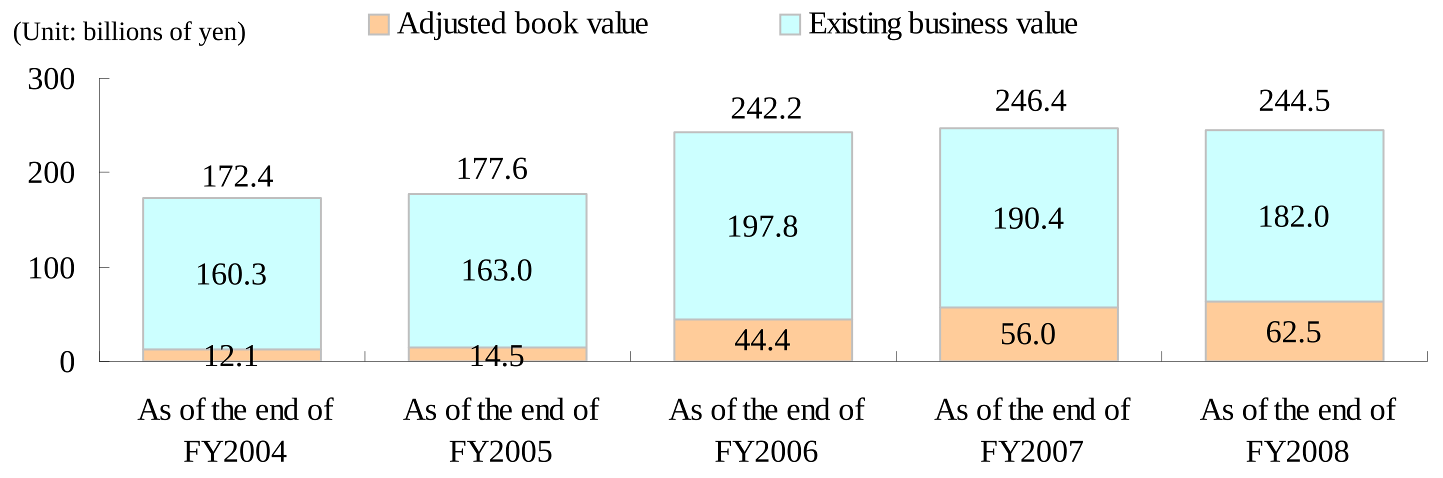
FY2008 results

-Annualized premiums from new policies : 21.7 billion yen 20.6%
-Annualized premiums from policies in force : 199.8 billion yen (5.1%)

-Annualized premiums from new policies increased due to proactive marketing.
Sales of *Kenko no Omamori*, a new medical insurance product launched in August 2008 were especially strong
(170,000 new medical insurance policies, growth rate of the number of new policies 278.4%)

-The decline in annualized premiums from policies in force was mainly due to the surrender of increasing-term life insurance

Embedded value (EV)



Overseas Business

Net income (after consolidated adjustments) at overseas subsidiaries and equity-method affiliates totaled 5.0 billion yen. Stable contribution to profits.

SJ America	-Achieved record-high profits due to improvement of loss ratio -Net profit (after consolidated adjustments) of 4.2 billion yen
SJ Europe	-Decrease in investment profit due to financial market turmoil -Net loss (after consolidated adjustments) of 0.4 billion yen
SJ China	-Significant increase in gross premiums, rise in personnel expense in conjunction with opening of Shanghai Branch -Commenced operations at Guangdong Branch in March 2009, first Japanese P&C insurer to establish 3 offices in China
SJ Singapore	-Posted stable profits -Placed under the umbrella of Sompo Japan Asia Holdings, an Asian regional headquarters
Yasuda Seguros S.A.	-Gross premiums increased, posted stable profits -Agreed to acquire 50% stake in Brazilian insurer Maritima Seguros
Berjaya Sompo (Malaysia)	-Acquired 30% stake in January 2007, changed company name to current name -Posting stable profits
Universal Sompo (India)	-Joint venture with Indian state-run banks, etc. (current ownership ratio is 26%) -Started Bank OTC in November 2008 (at 4,755 branches of 3 banks)

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Forecast for FY2009 (Consolidated)

(Unit: billions of yen)

<table>
<tr><th></th><th>Ordinary profit</th><th>Net income</th><th>Net income after consolidated adjustments</th></tr>
<tr><td>Domestic P&C insurance</td><td>55.0</td><td colspan="2">30.0</td></tr>
<tr><td>Domestic life insurance</td><td>3.0</td><td>2.0</td><td>0.0</td></tr>
<tr><td>Overseas business</td><td>4.0</td><td>3.0</td><td>3.0</td></tr>
<tr><td>Other businesses</td><td>(1.0)</td><td>(1.0)</td><td>(1.0)</td></tr>
<tr><td>Consolidated</td><td>59.0</td><td colspan="2">32.0</td></tr>
</table>

※Other businesses include DC, asset management, healthcare business, etc.

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Forecast for FY2009 (Non-Consolidated)

(Unit: billions of yen)

	FY2008		FY2009	
	Results	Change	Forecast	Change
Net premiums written	1,290.4	(4.1%)	1,275.0	(1.2%)
(Excluding CALI)	1,110.4	(0.5%)	1,115.0	0.4%
Loss ratio	70.3%	5.2%	73.1%	2.8%
Expense ratio	34.5%	1.6%	35.1%	0.5%
Combined ratio	104.9%	6.9%	108.2%	3.3%
Underwriting profit	(92.2)	(49.6)	(20.0)	72.2
Gross investment margin	(54.7)	(179.7)	87.0	141.7
Ordinary profit	(153.8)	(227.2)	55.0	208.8
Net income	(73.9)	(118.6)	30.0	103.9

Net premiums written

(Unit: billions of yen)

	FY2008		FY2009	
	Results	Growth	Forecast	Growth
Fire	144.9	(0.7%)	143.7	(0.9%)
Marine	29.8	(4.8%)	26.8	(10.3%)
Personal accident	126.3	(1.7%)	127.7	1.0%
Automobile	654.0	(0.3%)	656.8	0.4%
CALI	179.9	(21.2%)	160.0	(11.1%)
Others	155.2	0.2%	160.0	3.1%
Total	1,290.4	(4.1%)	1,275.0	(1.2%)

Net claims paid

(Unit: billions of yen)

	FY2008		FY2009	
	Results	Loss ratio	Forecast	Loss ratio
Fire	56.1	40.3%	71.0	51.1%
Marine	14.9	54.0%	14.1	56.7%
Personal accident	66.8	57.4%	68.7	58.3%
Automobile	409.8	70.0%	403.6	68.5%
CALI	160.4	95.7%	154.9	103.9%
Others	124.5	84.1%	146.7	95.3%
Total	832.7	70.3%	859.0	73.1%

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Summary of Previous Medium-Term Business Plan (FY2006~2008)

Quantitative overview	Targets	FY2008 results	Implication going forward
Net premiums written(※1)	1,139.0 billion yen (+2.0%)	1,110.4 billion yen (-0.5%)	-Difficult business environment for domestic P&C insurance business -Shift focus from top line to bottom line -Reallocate corporate resources in a way that will help profitability and spur growth
Adjusted consolidated ROE(※2)	13%(※3)	–	

(※1) Accounting for impact of revised CALI premiums from April 2008 (excluding CALI)

(※2) Adjusted Consolidated ROE = $\frac{\text{Consolidated net income – gains and losses on sale/unrealized losses on stocks and real estate (after taxes)}}{\text{Average balance of (consolidated shareholders' equity – unrealized gains on stocks [after taxes])}}$

(※3) Medium-term adjusted consolidated ROE target is for FY2010; it cannot be calculated for FY2008 since consolidated net income was negative

Qualitative overview	Achievements	Implication going forward
Enhancement of business quality and innovation in the domestic retail P&C insurance business	-Enhanced efforts to improve quality of claims handling, sales process and agency operations -Launched "Retail business model reform project (PT-R)"	-Raise customer satisfaction and profitability by further enhancing quality and shifting to the PT-R business model
Focus on life insurance, DC, asset management business Start healthcare business	-Life insurance: Transitioned to new sales structure, expanded sales of medical insurance -DC: Establish position in market -Asset management: Highly evaluated for investment trusts -Healthcare: Acquired all shares of *Zenkoku Homon Kenko Shido Kyokai*	-Life Insurance: Improve quality, expand sales of protection-type products, cross-sell -DC: Accelerate marketing toward abolishment of qualified pension plans -Asset Management: Further strengthen investment capabilities -Healthcare: Expand scope of operations under holding company
Generate profit by overseas business	-Established regional headquarters in Singapore -Built up business foundation in China and India -Invested in Maritima Seguros in Brazil	-Emphasize profitability and execute additional overseas M&As -Transfer expertise and know-how cultivated in Japan to overseas operations

Sompo Japan's Business Strategy

Focusing on "Growth on a profit basis" and "Group management"

Enhance profitability by thoroughly streamlining operations
"Growth on a profit basis"

-Transition to full execution phase for "Retail business model reform project (PT-R),"
and use IT to build an efficient business model
-Use underwriting profit as an indicator to evaluate sales department performance and promote appropriate underwriting, cost reductions, and business innovation

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

Accelerate investment for growth by reallocating corporate resources
"Group management"

-Streamline domestic P&C insurance business operations and reallocate corporate resources

⇒Establish highly stable well-balanced business portfolio

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Overview of Sompo Japan's Business Strategy

Enhance profitability by thoroughly streamlining operations
"Growth on a profit basis"

Domestic P&C insurance

Quality enhancement

"Retail business model reform project (PT-R)"

Growth

Profitability

Accelerate investment for growth by reallocating corporate resources
"Group management"

Human resources by increased efficiency

Profits generated by increased profitability

Invest corporate resources in growth areas

Life insurance (including third sector)

DC, Asset management, Healthcare, etc.

Overseas

Increase corporate value (consolidated profit growth)

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Sophisticating Integrated Risk Management Method

-Background

-Due to the financial crisis that started in the U.S., the decline in global stock prices and the yen's appreciation have accelerated; volatility and correlation have also increased
⇒Sophisticated risk management is required more than ever

-Talk has progressed about criteria for a global standard of risk management in the insurance industry. Such debate includes the EU's Solvency II and in Japan an economic value-based solvency margin system
⇒Need for a risk management method that is in line with the global standard

-Details of changes

-Shift to an integrated risk management method based on a target rating (AA) that matches the global standard
-Set a warning point to maintain the target rating, clarify the actions to initiate when warning point is reached

<Old method>

-Risk indicator
Tail-VaR (Retention period: one year)

-Reliance level
99%

-Minimum capital
Capital necessary to maintain solvency margin ratio of 200%

-Did not take into account the diversification effect of underwriting risk and investment risk

<New method>

-Risk indicator
VaR (Retention period: one year)

-Reliance level
99.95% (equivalent to AA rating)

-Minimum capital
Not specified

-Diversification effect of underwriting risk and investment risk will be rationally estimated and reflected in calculations

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Risk and Capital (as of March 31, 2009)

Aim to increase corporate value while keeping a balance between financial soundness, higher capital efficiency and enhancing shareholder returns

Approx. 250 billion yen surplus

Risk amount: approx. 1.05 trillion yen

Net asset: approx. 1.3 trillion yen

<Risk amount> The amount found by deducting the diversification effect among risks from the total of underwriting risk, investment risk and operational risk

⇒ 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

Further enhancement of financial position with issuance of subordinated debt

-Characteristics of subordinated debt (Hybrid securities)

Major credit rating agencies recognize equity characteristics of this subordinated debt, so it has characteristics of equity financing in addition to characteristics of debt financing

(In contrast to equity financing (e.g. issuance of additional shares at market price), this type of financing allows the company to raise its substantial capital and bolster its financial position without diluting equity)

-Overview

Issue amount: 128 billion yen

Issue date: May 27, 2009

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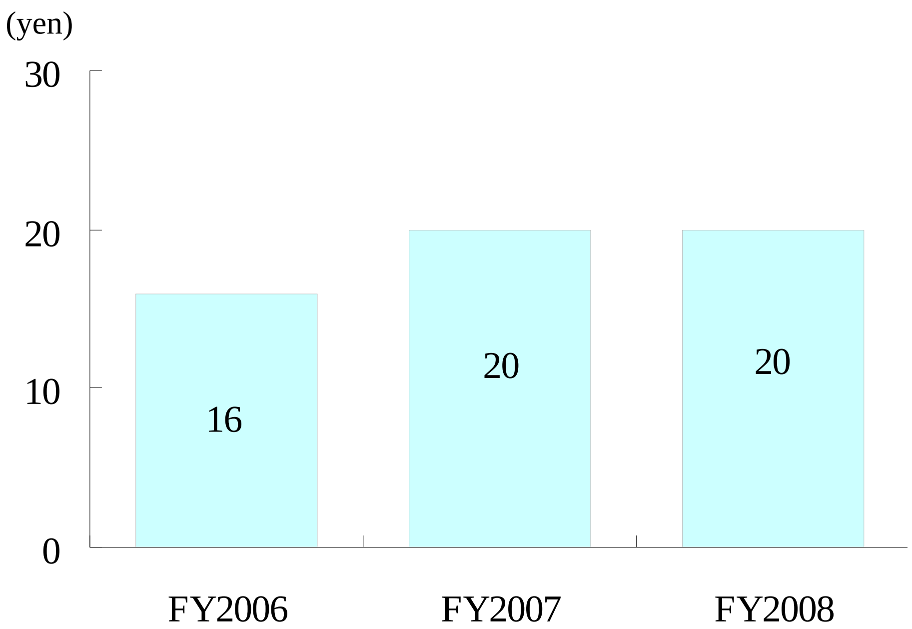
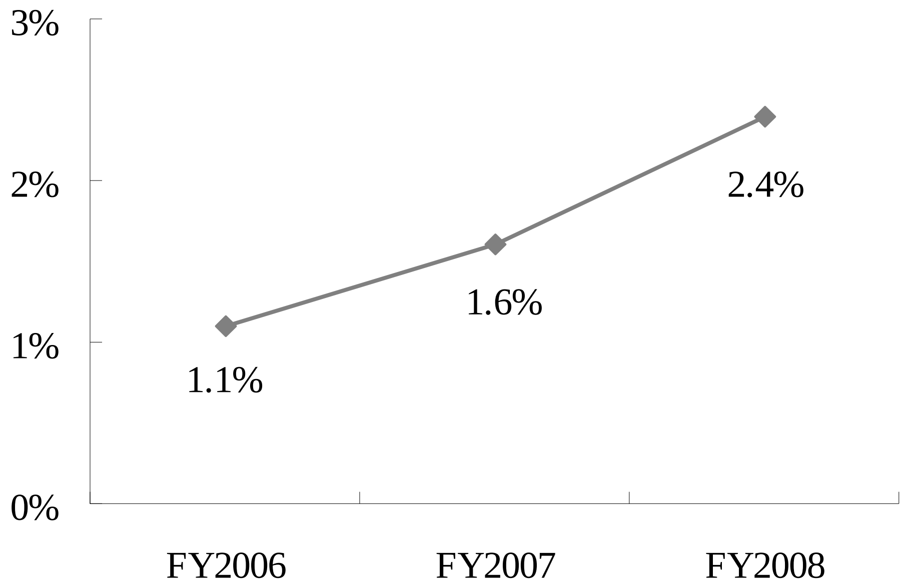
Shareholder Returns

Plan for stable increases in dividend to enhance returns to shareholders

Dividend per share



DOE: target 2%



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Background and objectives of business integration

Establishing a "new solution service group which provides customers with security and service of the highest quality and contribute to social welfare"

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

Companies are urged to take proper actions and contribute to social safety and to customers' sense of security

SOMPO JAPAN Integration **NIPPONKOA**

Sharing the strengths nurtured through 120 years of respective history as a unitary group

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Management’ s vision and the New Group’s Aspirations

“Making all value judgments from the perspective of customers, providing customers with security and service of the highest-quality and contributing to social welfare”

1	The group which seeks to provide the highest-quality security and service
2	The group with focus on its business in Japan
3	The group which provides a broad range of solutions friendly to the society and the environment
4	The group which seeks to maximize the shareholder value
5	The group with a free, vigorous, open and energetic corporate culture
6	The group independent from the influence of any corporate or financial group

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Effects of business integration

Further pursuing the revenue growth and efficiency by maximizing synergy effects quickly

Position and strengths of New Group	Top-level non-life insurance market share in approx. half the number of the prefectures in Japan		
	Strong distribution channel supported by exclusive and specialized professional agents		
	Overwhelming strengths in financial institution-related agents, especially regional banks		
Effects of business integration	Perspective of customers	Convenience	①Sharing claims services and various call centers ②Multi-access ③Improvement of "services provided at the level of agents"
		Easy to understand	④Joint development of non-life insurance products which are "easy to understand" and "dependable" ⑤Streamlining of the products, back office operations and IT systems
	Contribution to social welfare	Using the know-how and the business infrastructures developed by both companies, such as healthcare business and risk consulting business Acceleration of the contemplated scheme to establish a new business for security and safety beyond the conventional framework of insurance business	
		Proactive involvement with the global environmental problems Joint development and provision of "products and services which would help mitigate the global warming problems"	
	Enhancement of corporate value	Consolidate the overall operational system with a goal to enhance life insurance business	
		Enhance profitability by jointly expanding overseas business and review of existing overseas sales network	
		Improve group management efficiency through consideration and integration or reorganization in businesses associated	
		Increase insurance profits by a joint risk management system and by sharing the know-how of underwriting	
		Improve expense ratio by standardizing and sharing the business base such as profit management by business unit	
		Reduction of procurement cost by making an effective use of real estates, reforming supply chain and promoting shared services	
		Improve capital efficiency and financial base through enhanced sophistication of internal model and through cautious inspection and due diligence review of investment returns of stock holdings	
		Jointly improve and streamline operational platforms and management and risk controls	

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Outline of the Memorandum of Understanding

Agreed to establish a Joint Holding Company through joint stock transfer

Basic principle of business integration	1. Perspective of customers
	2. Emphasis speed
	3. Independent group from any corporate or financial group
	4. Equal spirit
	5. Enhancement of corporate value
Overview of business integration	1. Schedule of integration -Aim to complete business integration in April 2010
	2. Method of integration -Establish a Joint Holding Company through joint stock transfer
	3. Name of a Joint Holding Company -Appropriate new name for the New Group
	4. Management system -Explore and adopt the most suitable management structure -Co-CEOs
	5. Stock transfer ratio -Planned to be publicly announced by the end of July 2009, subject to a condition that the required processes pursuant to the Securities Act will run smoothly

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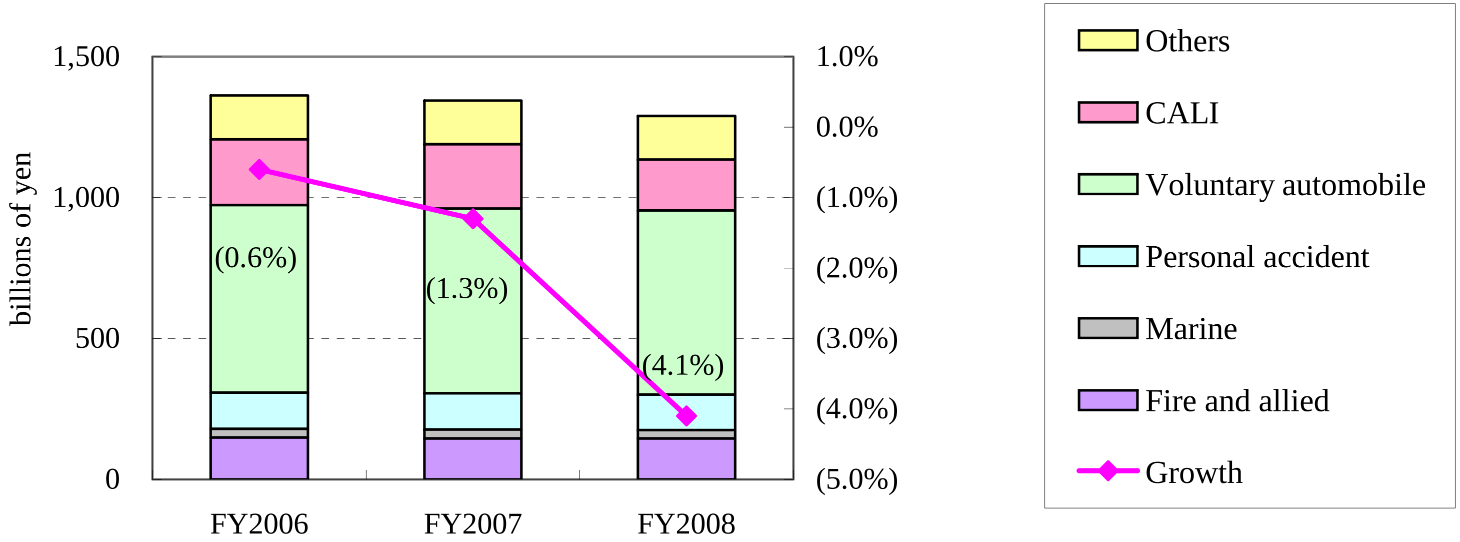
Net Premiums Written



(billions of yen)

	FY2006		FY2007		FY2008	
	Amount	**Growth**	**Amount**	**Growth**	**Amount**	**Growth**
Fire and allied	148.8	(2.1%)	145.9	(1.9%)	144.9	(0.7%)
Marine	31.0	9.5%	31.3	1.1%	29.8	(4.8%)
Personal accident	127.7	0.1%	128.5	0.6%	126.3	(1.7%)
Voluntary automobile	666.9	(1.1%)	655.7	(1.7%)	654.0	(0.3%)
CALI	232.7	(2.2%)	228.5	(1.8%)	179.9	(21.2%)
Others	155.5	3.1%	154.8	(0.4%)	155.2	0.2%
Total	1,362.7	(0.6%)	1,345.0	(1.3%)	1,290.4	(4.1%)

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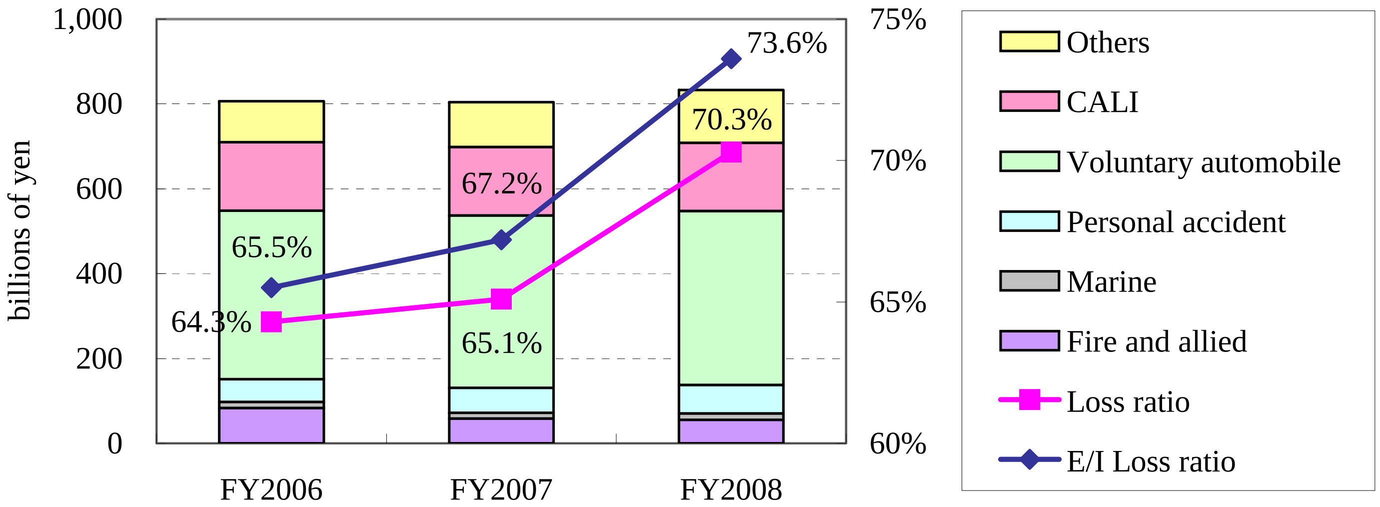
Net Claims Paid



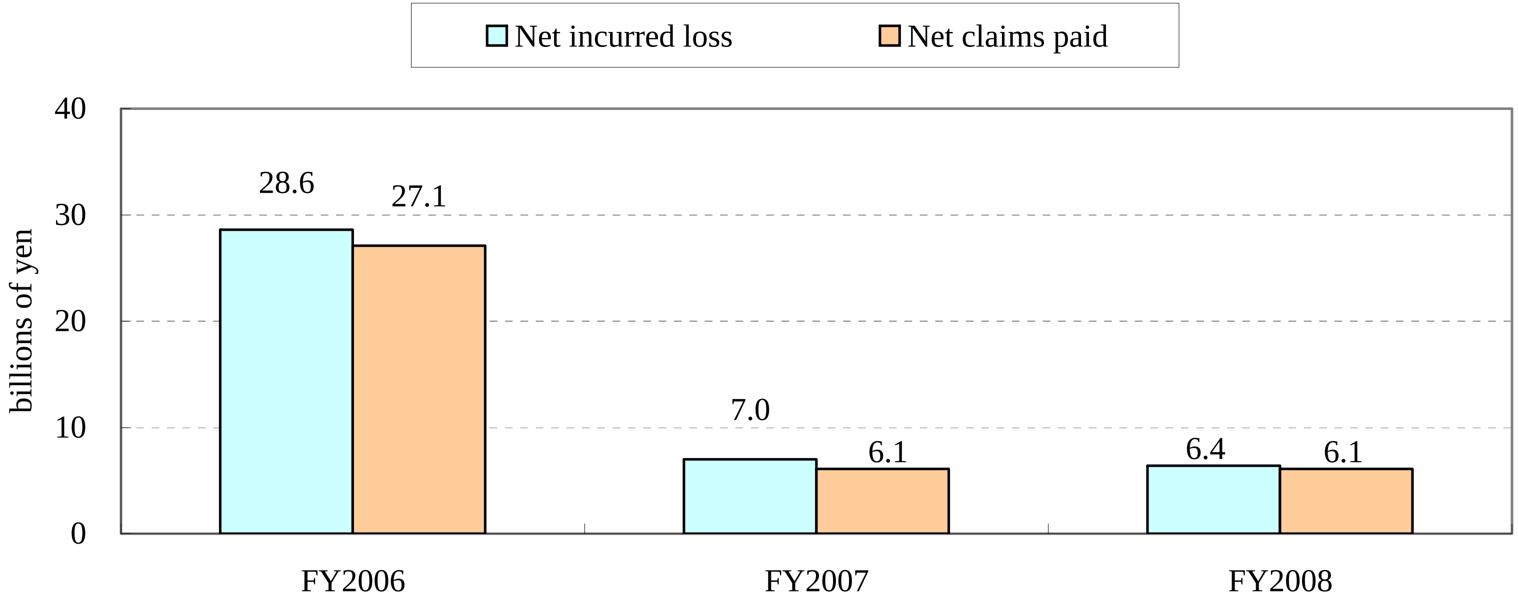
(billions of yen)

	FY2006		FY2007		FY2008	
	Amount	**Loss ratio**	**Amount**	**Loss ratio**	**Amount**	**Loss ratio**
Fire and allied	84.0	58.1%	58.7	41.7%	56.1	40.3%
Marine	13.6	47.0%	13.8	47.1%	14.9	54.0%
Personal accident	53.5	45.8%	58.7	49.5%	66.8	57.4%
Voluntary automobile	397.8	66.0%	405.9	68.8%	409.8	70.0%
CALI	160.8	74.4%	161.3	76.2%	160.4	95.7%
Others	96.9	66.2%	105.4	71.7%	124.5	84.1%
Total	806.8	64.3%	804.1	65.1%	832.7	70.3%
E/I Loss ratio		65.5%		67.2%		73.6%

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

SOMPO JAPAN INSURANCE INC.

Natural Disasters



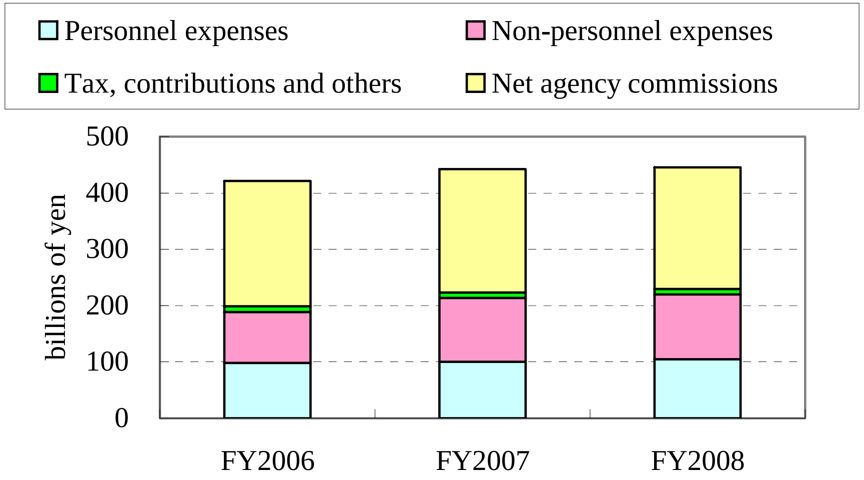
(billions of yen)

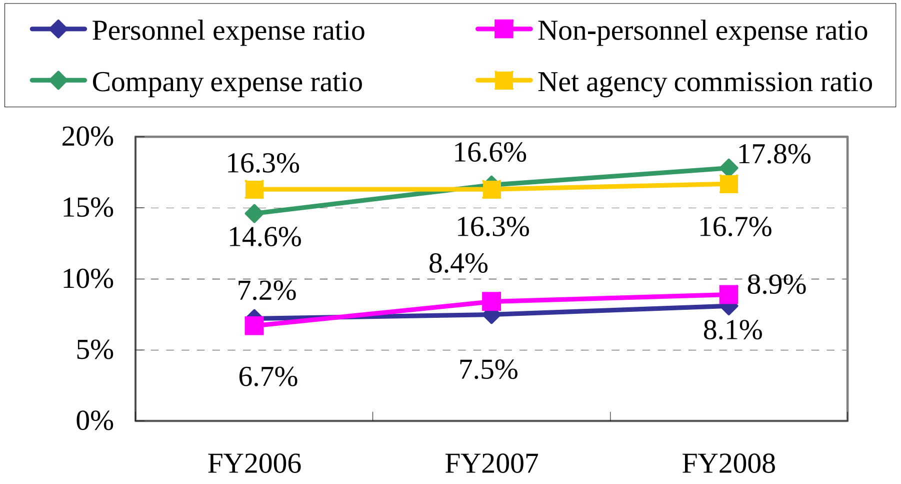
	Net incurred loss			Net claims paid		
	FY2006	FY2007	FY2008	FY2006	FY2007	FY2008
Fire and allied	24.3	6.3	3.5	23	5.4	3.4
Voluntary automobile	3.7	0.5	2.4	3.6	0.4	2.4
Others	0.5	0.1	0.4	0.4	0.1	0.3
Total	28.6	7.0	6.4	27.1	6.1	6.1

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.

SOMPO JAPAN INSURANCE INC.

Expense Ratio





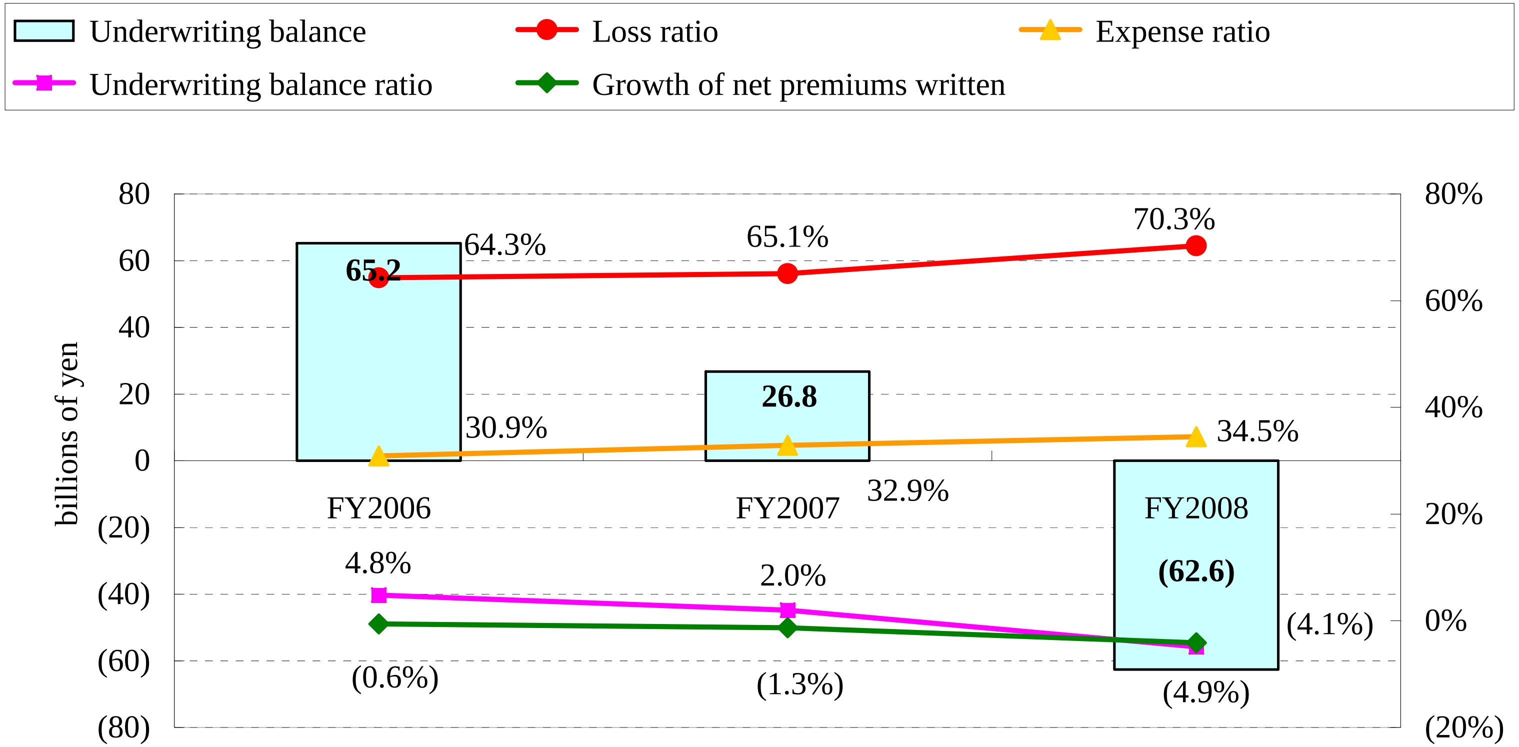
(billions of yen)

	FY2006		FY2007		FY2008		FY2006		FY2007		FY2008	
	Amount	**Change**	**Amount**	**Change**	**Amount**	**Change**	**Expense ratio**	**Change**	**Expense ratio**	**Change**	**Expense ratio**	**Change**
Personnel expenses	98.3	1.2	100.4	2.1	104.9	4.5	7.2%	0.1%	7.5%	0.3%	8.1%	0.7%
Non-personnel expenses	90.6	7.7	113.5	22.9	115.1	1.6	6.7%	0.6%	8.4%	1.8%	8.9%	0.5%
Tax, contributions and others	9.9	0.0	9.5	(0.3)	9.5	(0.0)	0.7%	0.0%	0.7%	(0.0%)	0.7%	0.0%
Total company expenses	198.8	9.0	223.5	24.6	229.6	6.1	14.6%	0.7%	16.6%	2.0%	17.8%	1.2%
Net agency commissions	222.7	(3.4)	218.8	(3.8)	215.6	(3.1)	16.3%	(0.2%)	16.3%	(0.1%)	16.7%	0.4%
Total operating expenses	421.6	5.6	442.4	20.7	445.3	2.9	30.9%	0.6%	32.9%	2.0%	34.5%	1.6%
Net premiums written	1,362.7	(8.1)	1,345.0	(17.7)	1,290.4	(54.5)						

Note) Figures above are operating expenses regarding underwriting business.

SOMPO JAPAN INSURANCE INC.

Underwriting Balance Ratio



(billions of yen)

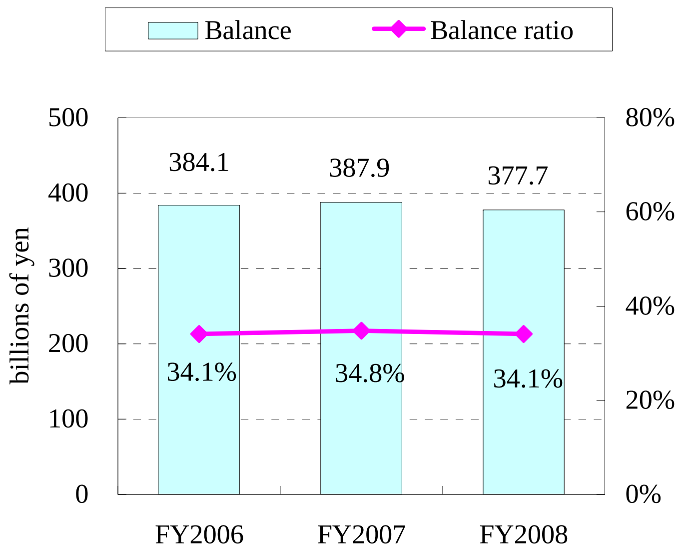
	FY2006	FY2007	FY2008
Loss ratio	64.3%	65.1%	70.3%
Expense ratio	30.9%	32.9%	34.5%
Underwriting balance ratio	4.8%	2.0%	(4.9%)
Underwriting balance	65.2	26.8	(62.6)
Growth of net premiums written	(0.6%)	(1.3%)	(4.1%)

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

SOMPO JAPAN INSURANCE INC.

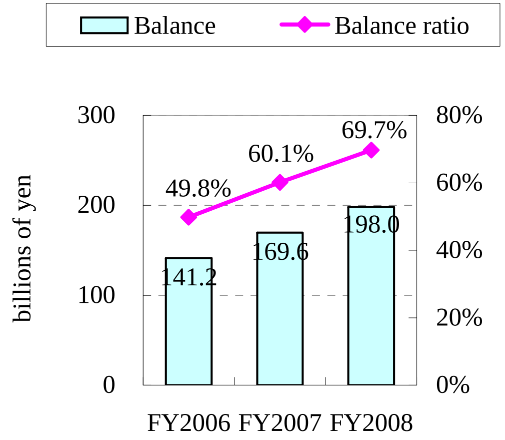
Catastrophic Loss Reserve

Total



	FY2006	FY2007	FY2008
Balance	384.1	387.9	377.7
Balance ratio	34.1%	34.8%	34.1%
Change	(0.4)	3.7	(10.1)
Provision	83.3	82.9	82.6
Reversal	83.8	79.1	92.8

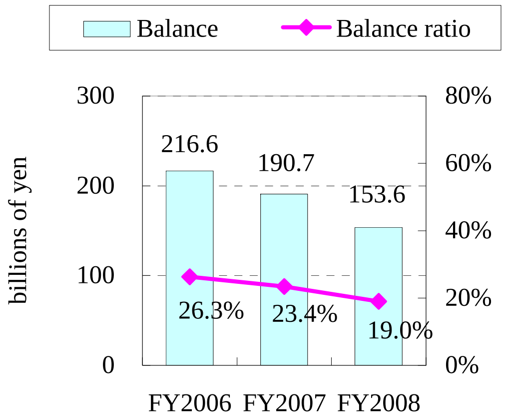
Fire group



(billions of yen)

	FY2006	FY2007	FY2008
Reserve rate	10.0%	10.0%	10.0%
Balance	141.2	169.6	198.0
Balance ratio	49.8%	60.1%	69.7%
Provision	28.3	28.4	28.4
Reversal	23.2	-	0.0

Auto Group

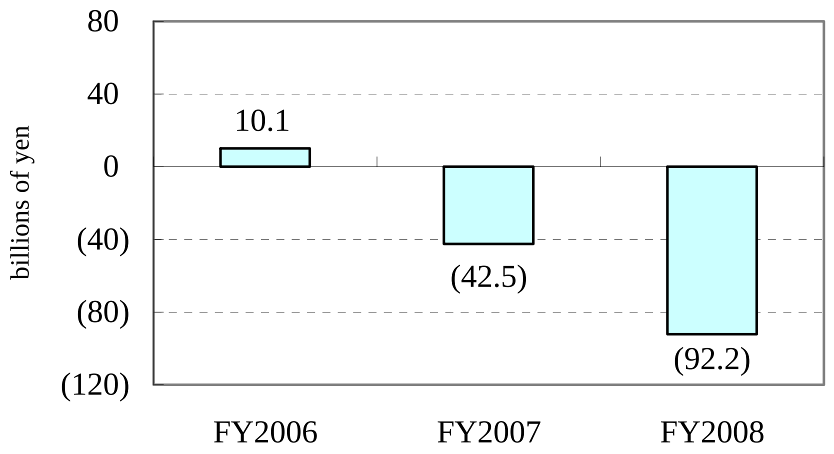


(billions of yen)

	FY2006	FY2007	FY2008
Reserve rate	6.5%	6.5%	6.5%
Balance	216.6	190.7	153.6
Balance ratio	26.3%	23.4%	19.0%
Provision	53.4	52.8	52.6
Reversal	60.1	78.7	89.7

Underwriting Profit

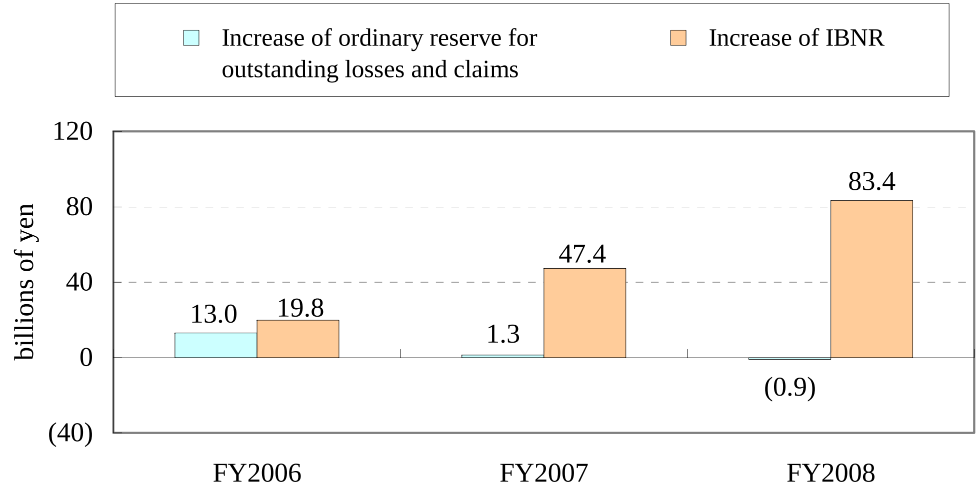
Underwriting Profit



(billions of yen)

	FY2006	FY2007	FY2008
Fiscal year	10.1	(42.5)	(92.2)

Loss Reserve



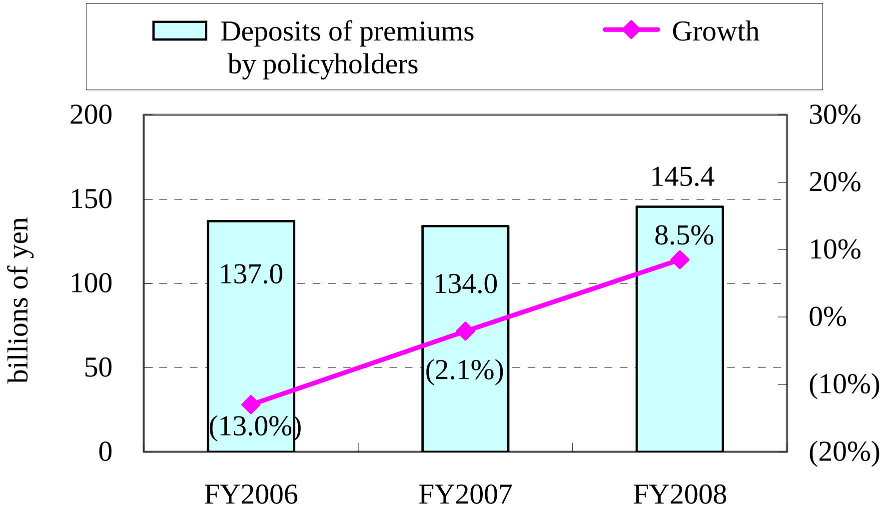
(billions of yen)

	FY2006	FY2007	FY2008
Increase of ordinary reserve for outstanding losses and claims	**13.0**	**1.3**	**(0.9)**
Increase of IBNR	**19.8**	**47.4**	**83.4**
Statistical IBNR	**18.7**	**24.2**	**(10.6)**
Personal accident	**-**	**7.6**	**4.7**
Voluntary automobile	**19.4**	**15.6**	**(8.4)**
Worker's Compensation	**0.8**	**(0.2)**	**(0.1)**
General Liability	**(1.5)**	**1.2**	**(6.7)**
Guarantee	**-**	**30.0**	**94.6**
Others	**1.0**	**(6.8)**	**(0.5)**
Total	**32.8**	**48.8**	**82.4**

SOMPO JAPAN INSURANCE INC.

Deposits of Premiums by Policyholders / Maturity Refunds

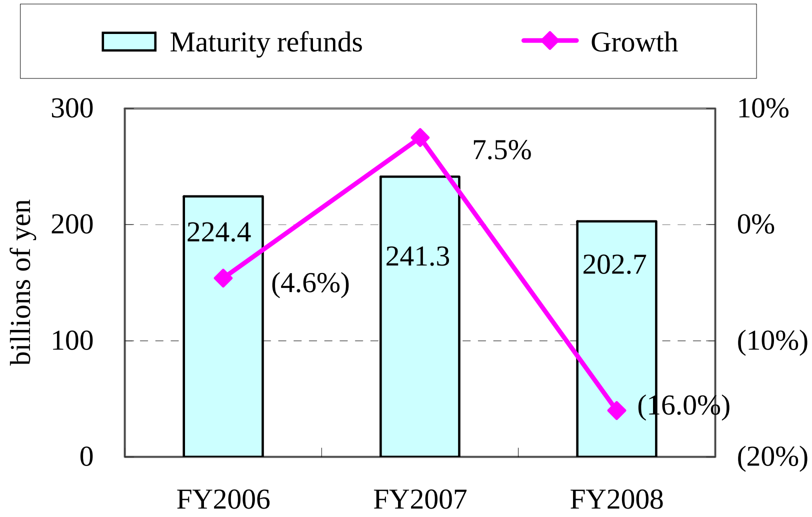
Deposits of premiums by policyholders



(billions of yen)

	FY2006	FY2007	FY2008
Deposits of premiums by policyholders	137.0	134.0	145.4
Growth	(13.0%)	(2.1%)	8.5%

Maturity Refunds



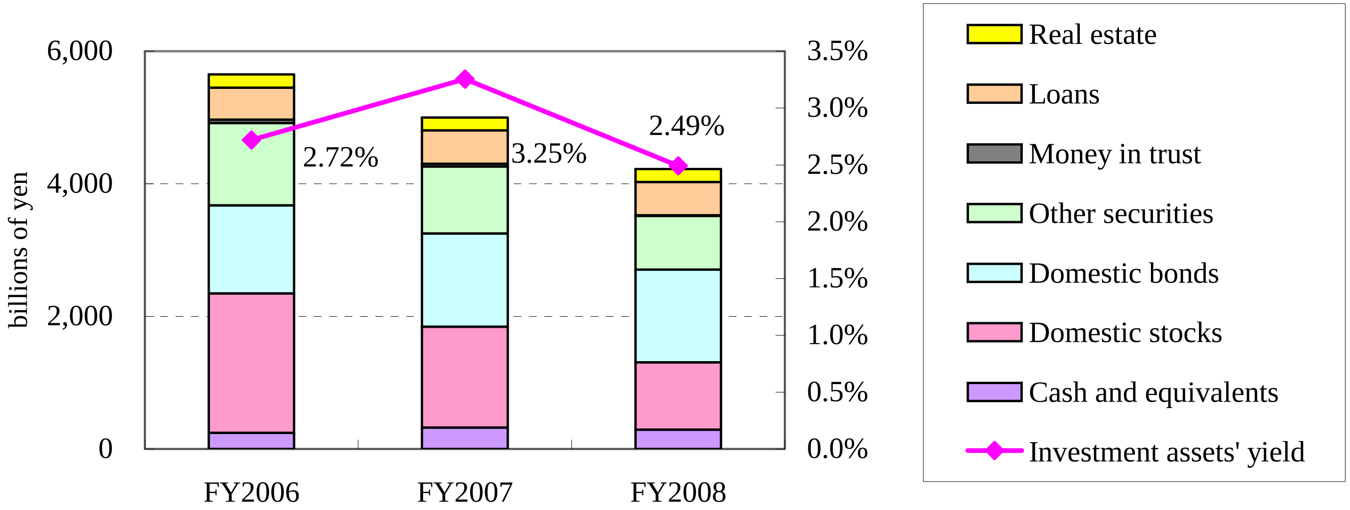
(billions of yen)

	FY2006	FY2007	FY2008
Maturity refunds	224.4	241.3	202.7
Growth	(4.6%)	7.5%	(16.0%)

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

SOMPO JAPAN INSURANCE INC.

Investment Asset Portfolio



（billions of yen）

	FY2006		FY2007		FY2008	
	Balance	**Yield**	**Balance**	**Yield**	**Balance**	**Yield**
Deposits	129.0	0.32%	118.7	0.47%	95.5	0.22%
Call loans	69.0	0.30%	108.8	0.57%	73.6	0.42%
Receivables under resal agreements	28.9	0.27%	47.9	0.60%	81.9	0.48%
Monetary receivables bought	18.9	0.97%	47.0	1.39%	40.1	1.79%
Money in trust	47.9	1.76%	39.3	1.68%	9.6	1.76%
Securities	4,673.7	3.11%	3,937.9	3.83%	3,225.4	2.80%
Domestic bonds	1,330.6	1.32%	1,405.3	1.37%	1,396.3	1.45%
Domestic stocks	2,099.9	3.53%	1,522.9	3.98%	1,019.3	4.04%
Foreign securities	1,129.0	5.03%	914.9	6.81%	756.7	3.77%
Other securities	114.1	4.88%	94.6	10.96%	53.1	4.40%
Loans	483.4	1.67%	506.0	1.77%	502.0	1.75%
Real estate	198.9	2.58%	194.3	2.68%	192.6	2.79%
Total	5,650.0	2.72%	5,000.2	3.25%	4,221.2	2.49%

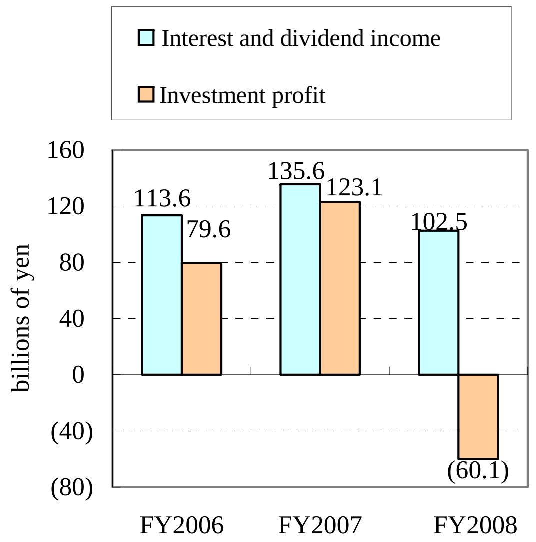
SOMPO JAPAN INSURANCE INC.

Investment Profit

(billions of yen)

		FY2006	FY2007	FY2008	Change
Net interest and dividend income	(+)	67.7	88.9	59.4	(29.5)
Interest and dividend income		113.6	135.6	102.5	(33.0)
Transfer of interest and dividend income on deposits of premiums, etc.		(45.8)	(46.6)	(43.0)	3.5
Investment gain on money in trust	(+)	4.2	(2.3)	(12.7)	(10.4)
Investment gain on trading securities	(+)	0.1	0.1	0.1	0.0
Realized gain on sales of securities	(+)	29.5	40.0	16.4	(23.6)
Gain on redemption of securities	(+)	(0.0)	0.2	(0.1)	(0.4)
Devaluation loss on securities	(−)	3.6	8.2	78.7	70.5
Gain on derivative products*	(+)	(8.0)	13.6	(0.0)	(13.7)
Gain on foreign exchange transactions*	(+)	1.4	0.7	(10.2)	(10.9)
Other investment income expenses	(+)	(0.9)	(3.5)	(26.3)	(22.8)
Gross investment margin		90.4	129.7	(52.2)	(182.0)
Investment expenses	(−)	6.1	6.1	6.3	0.1
Allowances and losses for bad debts*	(−)	(1.0)	(0.2)	0.7	0.9
Written-off expense and devaluation allowances for equities and bonds	(−)	5.7	0.6	0.8	0.1
Investment profit		79.6	123.1	(60.1)	(183.3)

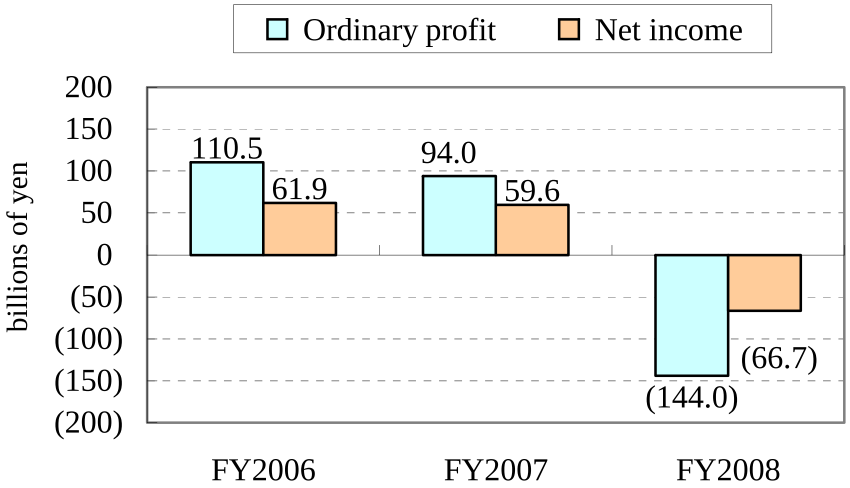
*Excluding gains and/or losses below
-Gains/losses on derivatives other than asset management purpose
-Gains/losses due to foreign exchange fluctuation on credits to foreign agencies, etc. incurred not by investment divisions
-Allowances and losses for bad debts which are held not for the investment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



SOMPO JAPAN INSURANCE INC.

Ordinary Profit / Net Income

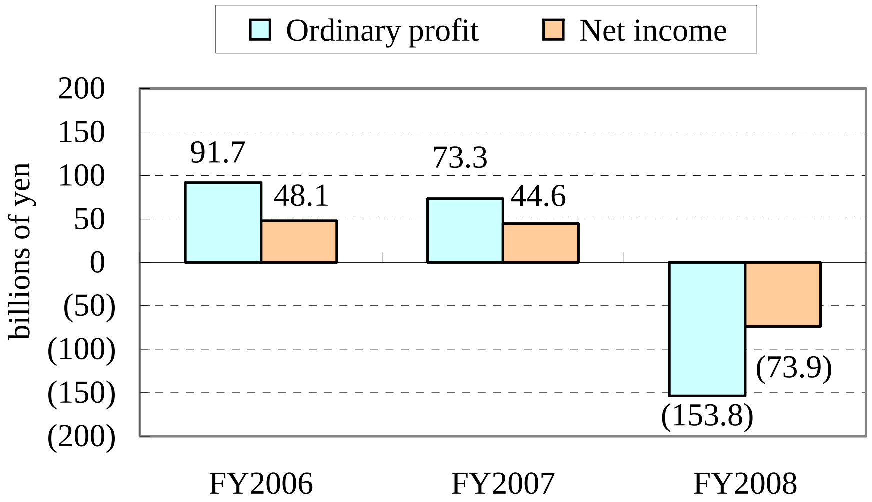
Consolidated



(billions of yen)

	FY2006	FY2007	FY2008
Ordinary profit	110.5	94.0	(144.0)
Net income	61.9	59.6	(66.7)

Non-consolidated



(billions of yen)

	FY2006	FY2007	FY2008
Ordinary profit	91.7	73.3	(153.8)
Net income	48.1	44.6	(73.9)

SOMPO JAPAN INSURANCE INC.

Consolidated Highlights

(Unit: billions of yen)

	FY2008 (Result)			FY2009 (Forecast)		
	Ordinary profit	Net income	Net income after consolidated adjustments	Ordinary profit	Net income	Net income after consolidated adjustments
Sompo Japan	(153.8)	(73.9)		55.0	30.0	
Sompo Japan Himawari Life	9.3	5.8	3.5	3.3	2.1	0.0
Sompo Japan DIY Life	(1.0)	(1.0)	(0.3)	(0.4)	(0.4)	(0.4)
Sompo Japan DC Securities	(0.5)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)
Sompo Japan Asset Management	(0.2)	(0.3)	(0.2)	(0.4)	(0.9)	(0.6)
Sompo Japan America	3.4	3.2	4.2	2.6	1.7	1.7
Sompo Japan Europe	(0.4)	(0.4)	(0.4)	0.2	0.1	0.1
Sompo Japan China	0.0	0.0	0.0	0.1	0.0	0.0
Sompo Japan Singapore	0.5	0.4	0.4	0.5	0.4	0.4
Yasuda Seguros S.A.	0.4	0.4	0.1	0.7	0.5	0.5
合　計	(144.0)	(66.7)		59.0	32.0	

<Reference> Profit/Loss Reinsurance Contracts Handled by FR

(Unit: billions of yen)

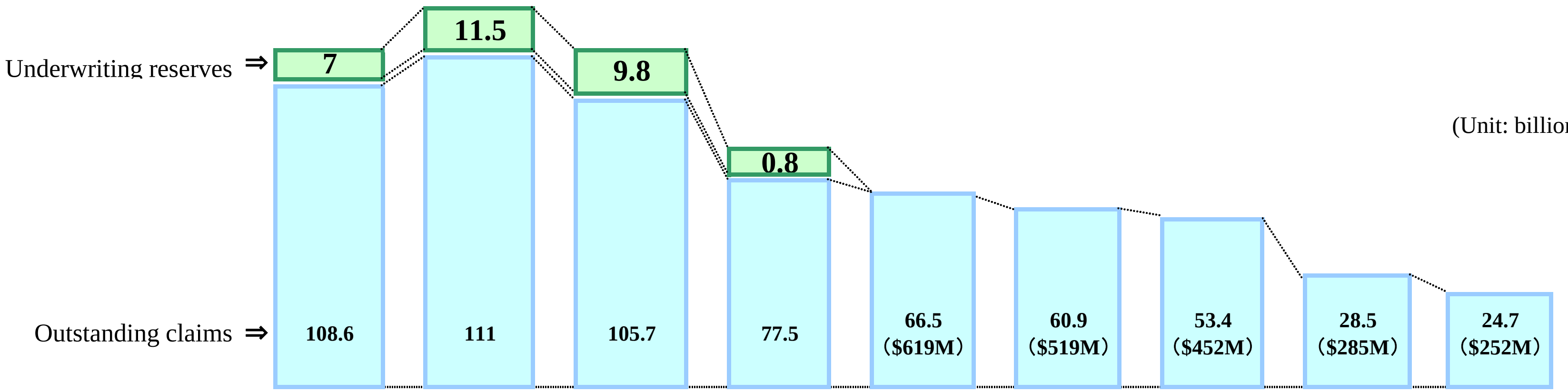
	FY02.3	FY02.6	FY03.3	FY04.3	FY05.3	FY06.3	FY07.3	FY08.3	FY09.3	Total as of the end of Mar. 2008
Premiums	—	(5.9)	+6.5	+5.4	+1.0	+2.2	+2.4	+0.6	+0.8	+13.0
Claims	—	(1.0)	(10.5)	(25.5)	(11.1)	(7.8)	(8.4)	(16.4)	(3.1)	(83.8)
Comissions	—	(0.1)	(1.1)	(0.4)	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	(1.8)
Outstanding claims	(108.6)	(2.4)	+5.3	+28.2	+11.0	+5.6	+7.6	+24.8	+3.7	(24.8)
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)	+2.1	(2.7)
Total	(115.6)	(31.8)	+3.3	+6.5	+7.0	+17.5	+3.9	+7.1	+3.5	(98.6)

Sompo Japan : Total ⇒ +48.8

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

<Trend of outstanding claims and underwriting reserves>

(Unit: billions of yen)



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

1. Fiscal Year 2008 Results Overview

2. Business Integration with NIPPONKOA

<Reference> Fiscal Year 2008 Results -Key Indicators

<Reference> Financial Guarantee Insurance Data

Financial Guarantee Insurance Exposure (as of March 31, 2009)

(As of March 31, 2009, Unit: billions of yen, USD/JPY=98.26)

Categories		Insured Amount: Direct Insurance (*4)	Insured Amount: Treaty Reinsurance(*5)	Insured Amount: Total	Outstanding Loss Reserve	Net Exposure	Losses/ Reserves in FY2008 (*7) (4/1/08-3/31/09)
CDOs	ABS CDOs (backed by pools of asset backed securities) (*1)	187.8	0.7	188.6	(*6) 109.6	78.9	146.6
	Corporate CDOs (backed by pools of single corporate credits)	289.3	5.4	294.7	-	294.7	-
	CDOs Total	477.2	6.1	483.4	109.6	373.7	146.6
ABS	RMBS (*2)						
	Global RMBS	0.4	14.9	15.3	0.5	14.8	0.8
	Domestic RMBS	44.5	-	44.5	-	44.5	-
	RMBS Total	45.0	14.9	59.9	0.5	59.4	0.8
	CMBS	-	-	-	-	-	-
	Other ABS						
	Global ABS (*3)	4.5	39.8	44.3	0.4	43.9	0.4
	Domestic ABS	12.9	1.9	14.8	-	14.8	-
	Other ABS Total	17.4	41.7	59.2	0.4	58.8	0.4
	ABS Total	62.5	56.6	119.1	0.9	118.2	1.3
Public Finance		-	224.9	224.9	0.1	224.8	0.0
Total		**539.7**	**287.8**	**827.5**	**110.7**	**716.7**	**147.9**

*1 Based on the risk profile of collateral, CDOs are segmented into two categories, ABS CDOs and Corporate CDOs. ABS CDOs include 1) CDOs backed by U.S. mortgage backed securities (outstanding insured amount of 172.8 billion yen) and 2) A CDO backed by CLOs backed by loans to small and medium-sized enterprises (outstanding insured amount of 15.7 billion yen), which has been expired by claims payment on April 20, 2009. A CDO for which loss reserve was provided in FY2007 is excluded.

*2 Almost all RMBS have investment grade (BBB or above) including AAA ratings of 80%.

*3 10% of global ABS are U.S. consumer loan-related ABS, while others are mainly related to corporate credit (e.g., leasing receivables).

*4 “Direct Insurance” includes facultative reinsurance policies. 11.6 billion yen of Direct Insurance are U.S. monoline guaranteed notes.

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

*6 Provision of loss reserve for FY2008 was 109.0 billion yen by deducting 0.6 billion yen (reversal of loss reserve which had been provided in FY2007) from 109.6 billion yen (outstanding loss reserve as of the end of FY2008).

*7 Total amount of the loss payment and the increased loss reserve in FY2008 (April 1, 2008 to March 31, 2009).

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

Updated List of ABS-CDOs (as of April 30, 2009)

(As of April 30, 2009, Unit: billions of yen, USD/JPY=97.76)

Policy No. (*1)	Issue Rating (*2) (S&P/MDY)	Fiscal Year Issued	Insured Amount (*3)	Sub-ordination Ratio (*4)	Distribution of underlying assets rating						Ratio of subprime RMBS
					AAA	AA	A	BBB	Below BBB	Default (*5)	
Guarantee for CDO①	AAA/Ba2	2003	9.7	15%	32%	12%	4%	16%	35%	5.2%	0%
Guarantee for CDO② (*6)	AAA/B2	2004	9.3	40%	62%	12%	0%	7%	19%	4.7%	0%
	AAA/B2	2004	10.0	23%							
Guarantee for CDO③	A/Caa1	2004	11.7	12%	15%	40%	9%	8%	28%	4.3%	12%
Guarantee for CDO④ (*7)	AA-/B3	2004	12.2	13%	12%	27%	9%	7%	45%	2.5%	9%
Guarantee for CDO⑤ (*7)	BB+/Caa2	2005	11.7	14%	2%	24%	9%	7%	58%	1.2%	15%
Guarantee for CDO⑦	A-/C	2006	19.5	8%	5%	20%	28%	12%	35%	0.0%	31%
Guarantee for CDO⑧	B-/Ca	2006	28.1	11%	4%	8%	4%	1%	83%	12.3%	10%
Guarantee for CDO⑨	-/Ca	2006	29.3	20%	6%	4%	5%	4%	81%	18.3%	10%
Guarantee for CDO⑪	AAA/Caa1	2004	29.3	16%	16%	19%	17%	10%	39%	1.6%	-
Total of ABS CDOs			171.1	15%	12%	19%	11%	7%	51%	5.5%	-

Net Exposure (*8)	77.4

*1 Previously listed Guarantee for CDO ⑥ and ⑫ have been terminated due to the commutation. Guarantee for CDO⑩ has been terminated due to the full redemption of our guaranteeing tranche. A CDO for which loss reserve was provided in FY2007 is excluded.

*2 Issue ratings are as of May 18, 2009. CDO③, ④ and ⑤ are facultative reinsurance policies, and the issue ratings of which are the ratings for the ceding company's tranche including senior class to our tranche.

*3 Insured amount is amount of principal insured, and some policies also insure interest payments. If a principal/interest shortfall occurs, Sompo Japan will become liable for the guarantee obligation.

*4 Subordination Ratio is a ratio of portions subordinated to our guaranteed tranche. A redemption of senior tranche results in an increase of Subordination Ratio.

*5 Default of underlying assets is determined by the default definition of each transaction through detailed checking and the default amount is adjusted by recovery.

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

*7 CDO④, ⑤ are the CDOs with early liquidation structure as CDO investors have option to sell all underlying assets to the third party for the purpose of diminishing their loss in case the aggregate outstanding par amount of underlying assets after the calculation of rating-based par haircuts falls below a particular level. However, possibility of early liquidation of CDO⑤ has been eliminated.

*8 Difference of Net Exposure between as of April 30, 2009 and March 31, 2009 is mainly due to the exchange rate fluctuation and redemption of some transactions.

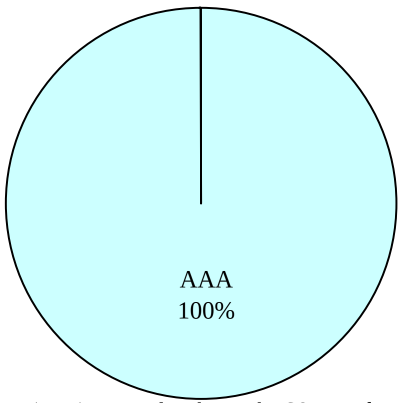
SOMPO JAPAN INSURANCE INC.

Updated Summary of Corporate CDOs (as of April 30, 2009)

- The total outstanding of insured corporate CDO (direct underwriting) amounted to 287.4 billion yen as of April 30,2009 which is decreased by 112.1billion yen since March 31, 2008. As a result of overall scrutiny of the individual contracts, there are no losses expected at this point.
- Average residual period of all direct underwriting corporate CDO is approximately 2.5 years. Approximately 37% of our exposure or 108.0 billion yen is to be redeemed by the end of FY2009 and 86% or 249.0 billion yen by the end of FY2012.
- Regarding the rating distribution, AAA by S&P comprise 100% of the direct underwriting exposure while Aaa by Moody’s comprise 69% and Aa level by Moody’s comprise remained 31%.
- Each corporate CDO is well diversified with approximately 150 reference corporations. No concentration to particular sector or corporation. For example, exposures to financial institutions and U.S. automakers (including auto-parts makers) accounts for around 13% and 2%, respectively.

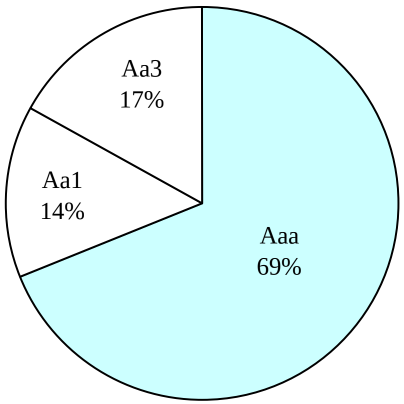
Issue rating

S&P Rating



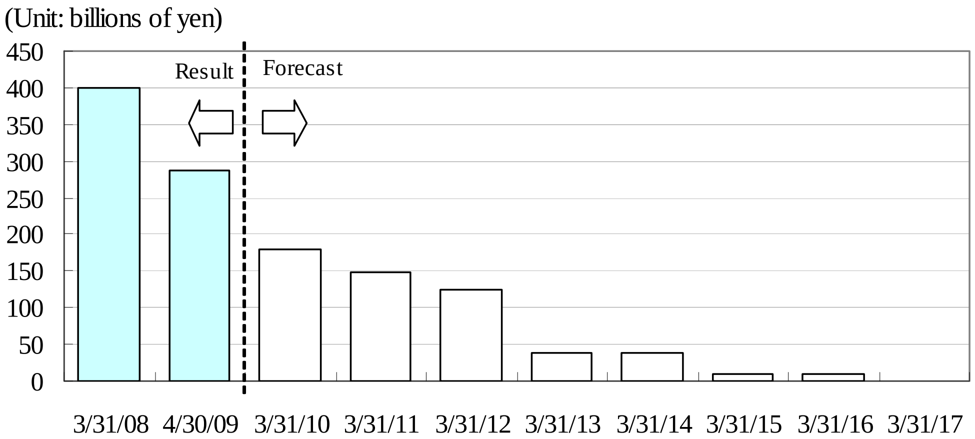
(Note) Rating distribution by S&P as of May 18, 2009. For transactions without S&P rating, we applied Moody’s rating instead.

Moody’s Rating



(Note) Rating distribution by Moody’s as of May 18, 2009. For transactions without Moody’s rating, we applied S&P rating instead.

Run off exposure (direct underwriting)



(Note) Estimated by the exchange rate as of March 31, 2009

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 have been or 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. Such documents may also be obtained free of charge by directing a request to:

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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 document 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.

Contacts

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