

Corporate Presentation

September, 2007

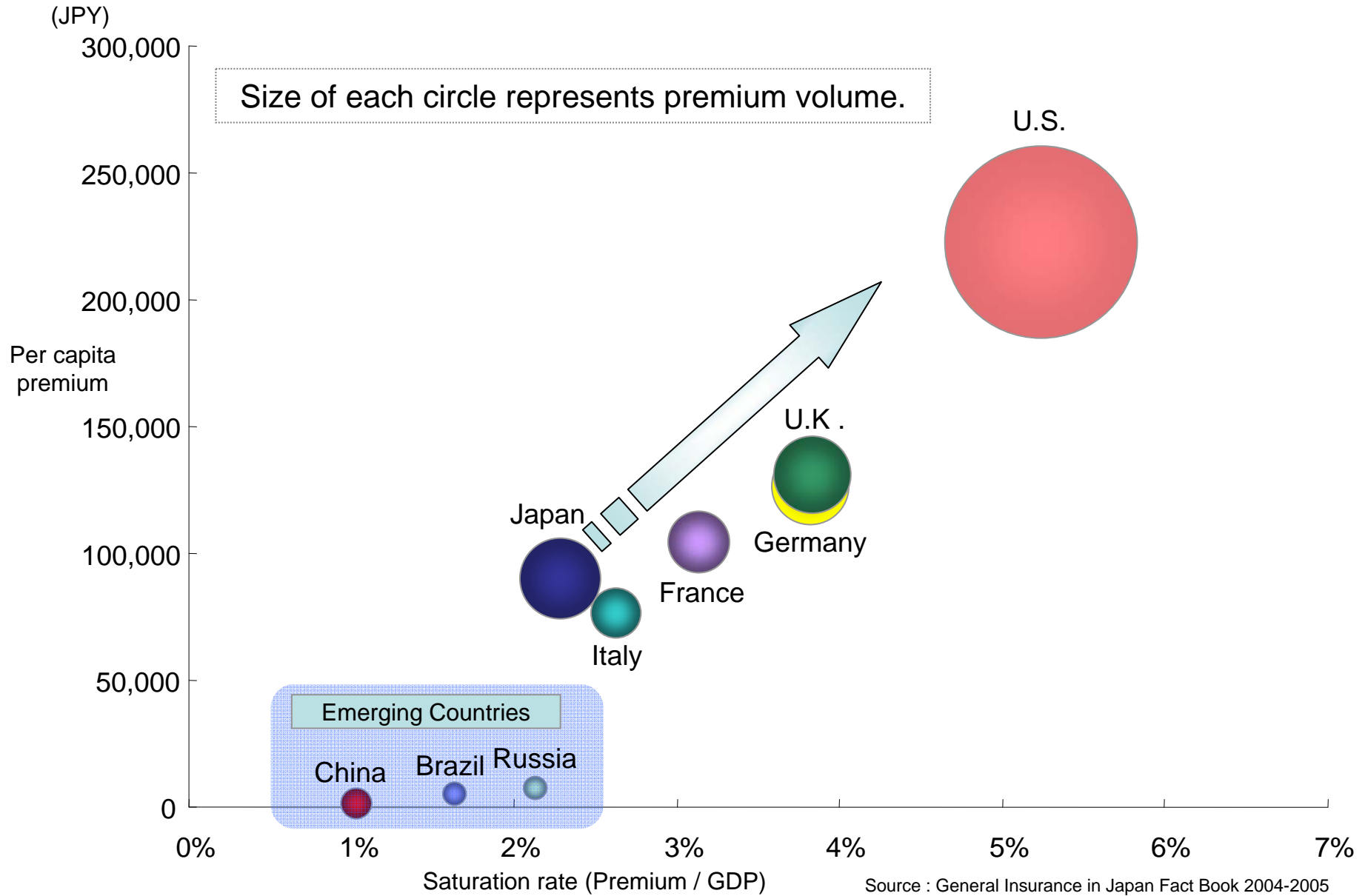
SOMPO JAPAN INSURANCE INC.

1. Potential of Japanese P&C Insurance

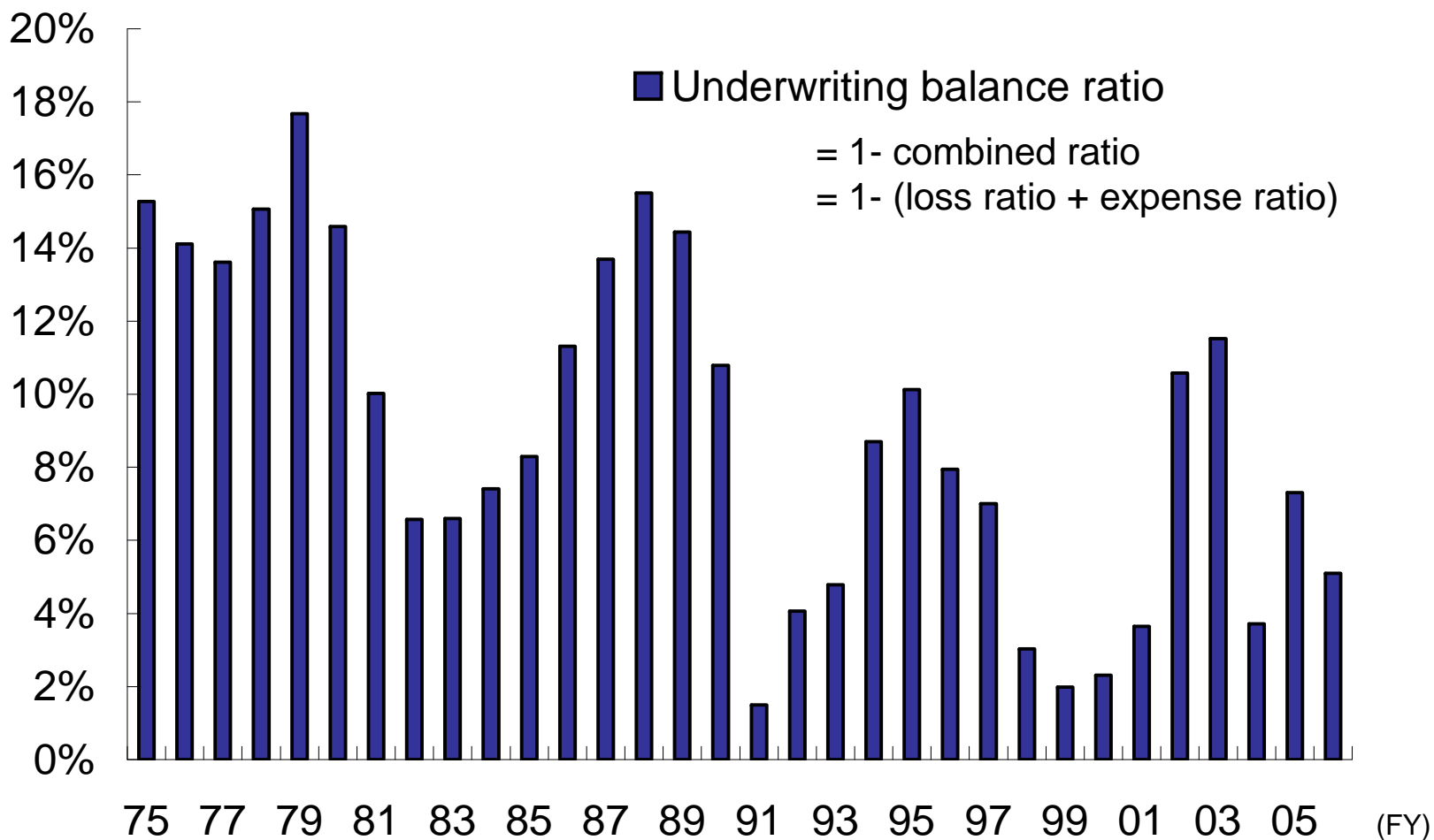
2. Sompo Japan's Business Strategy

3. Appendix

Saturation Rate of P&C Insurance

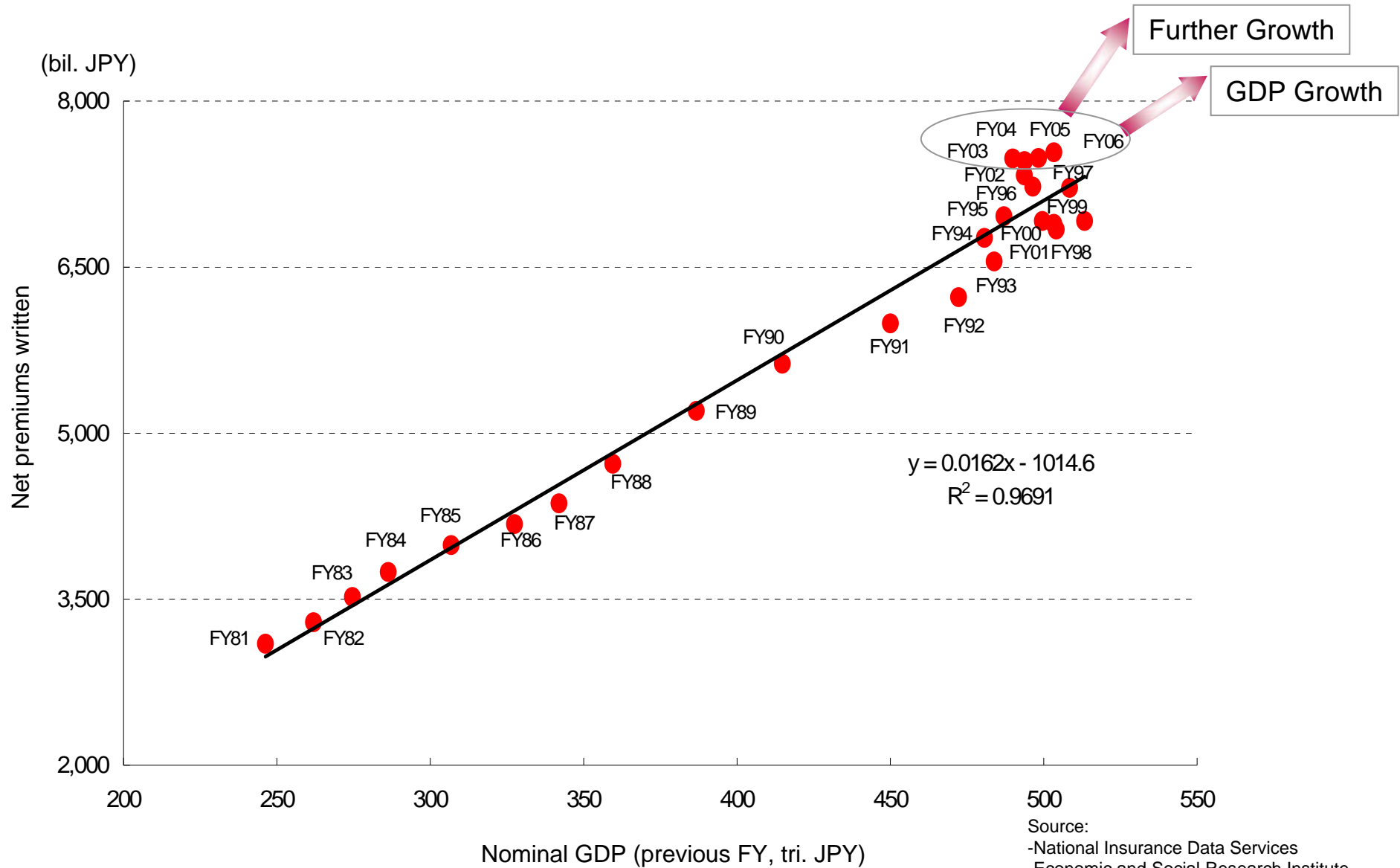


Profitability of Japanese P&C Insurance Market



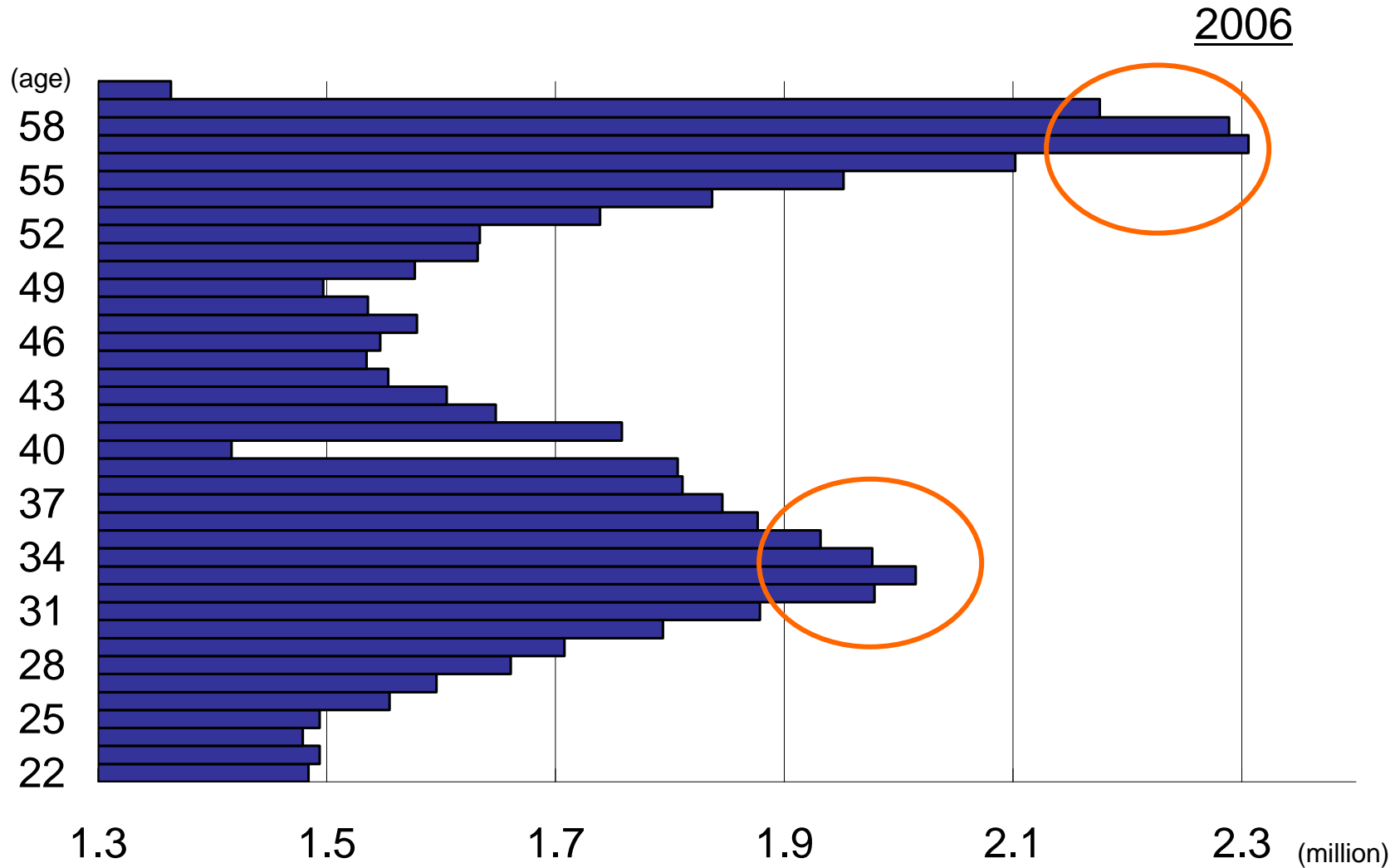
Source: The Statistics of Japanese Non-life Insurance Business

P&C Premium and Nominal GDP



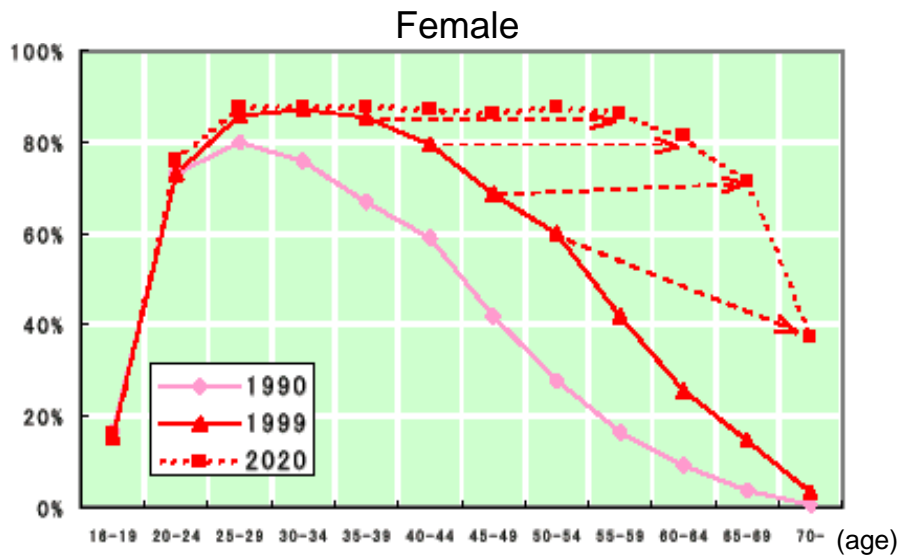
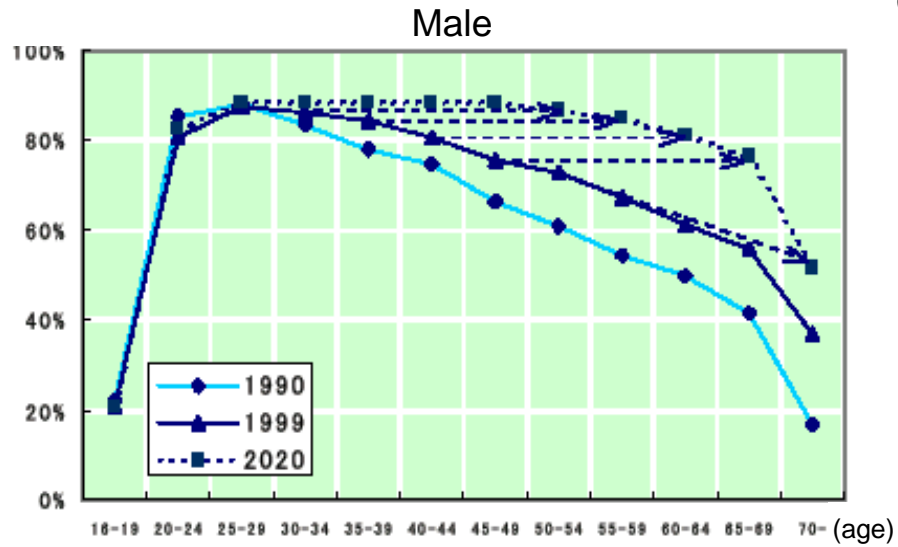
Source:
 -National Insurance Data Services
 -Economic and Social Research Institute,
 Cabinet Office, Government of Japan

Demographics

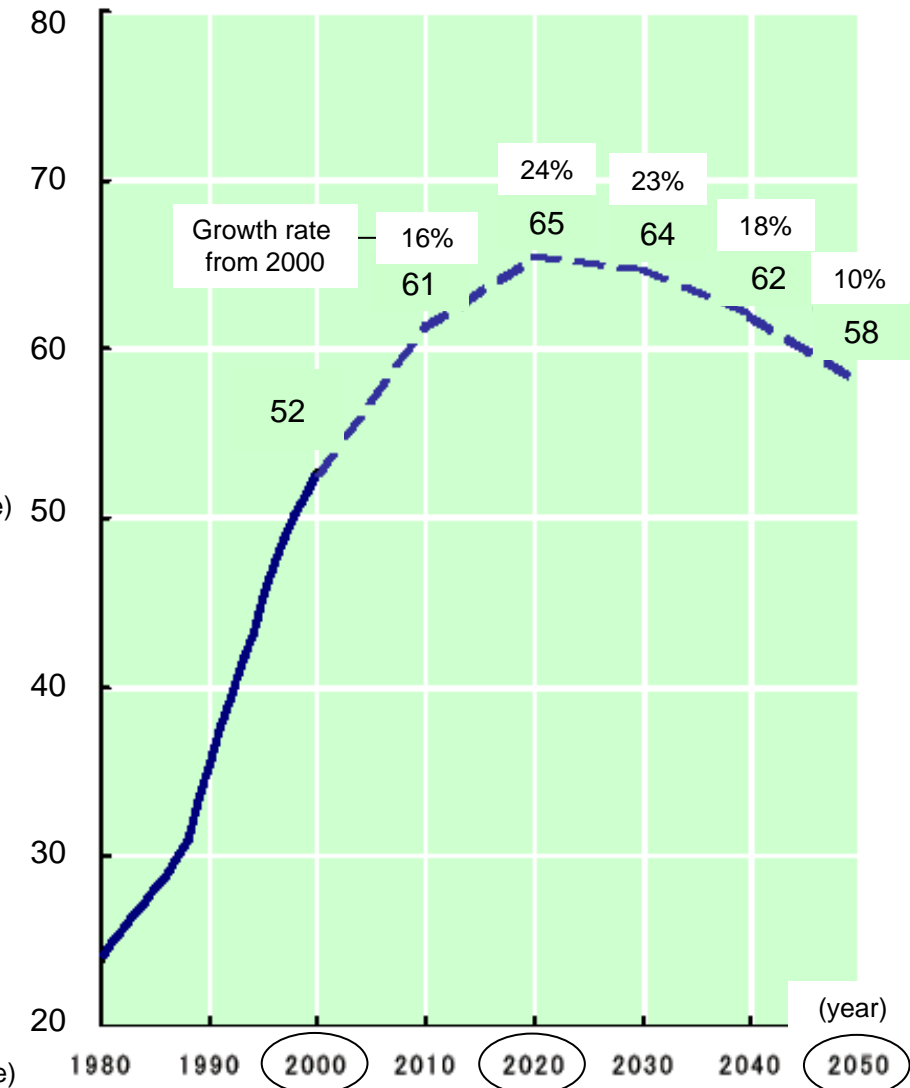


Automobile Ownership

Possession of Driver's License Forecast

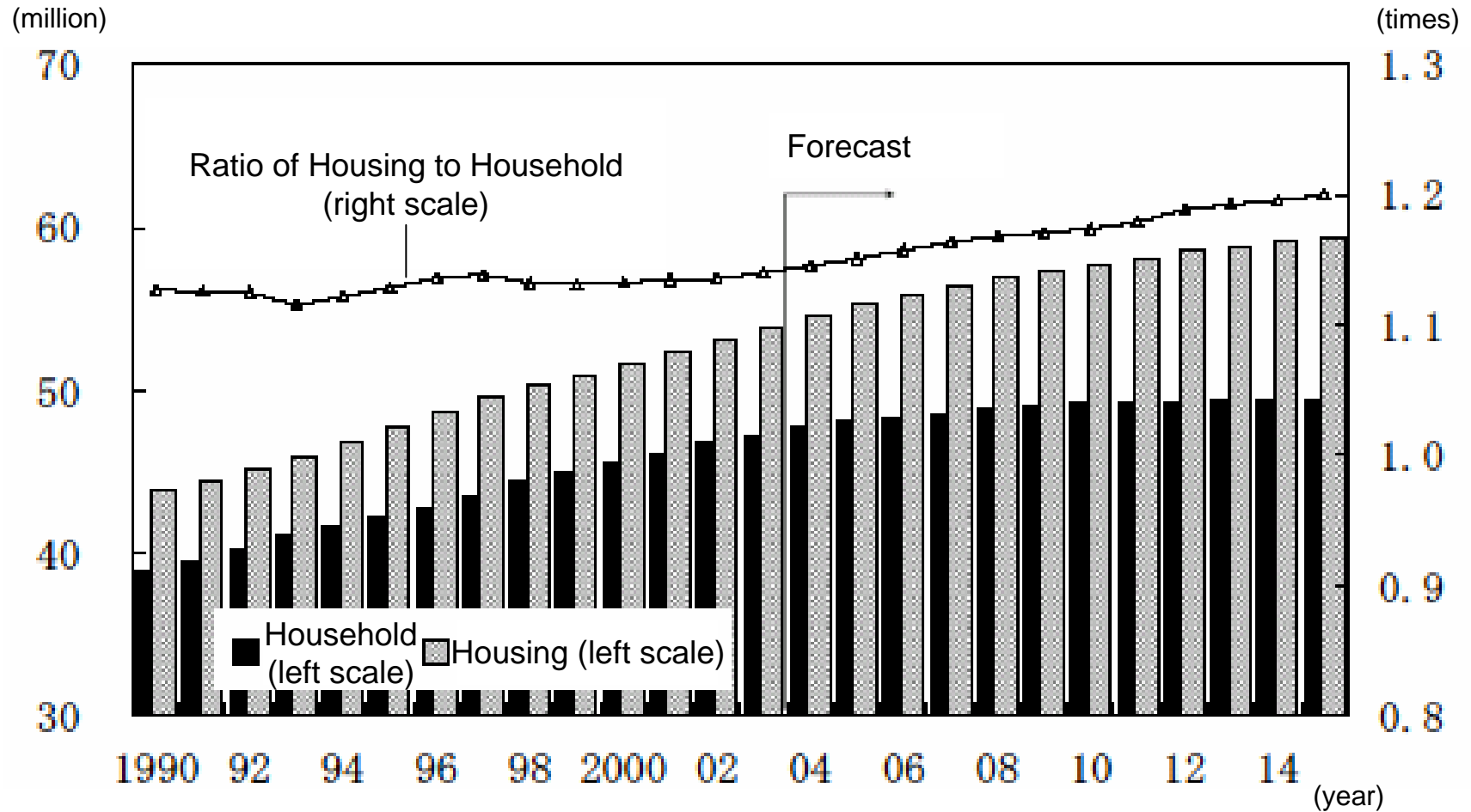


(million) Automobile Ownership Forecast



Source: Ministry of Land Infrastructure and Transport

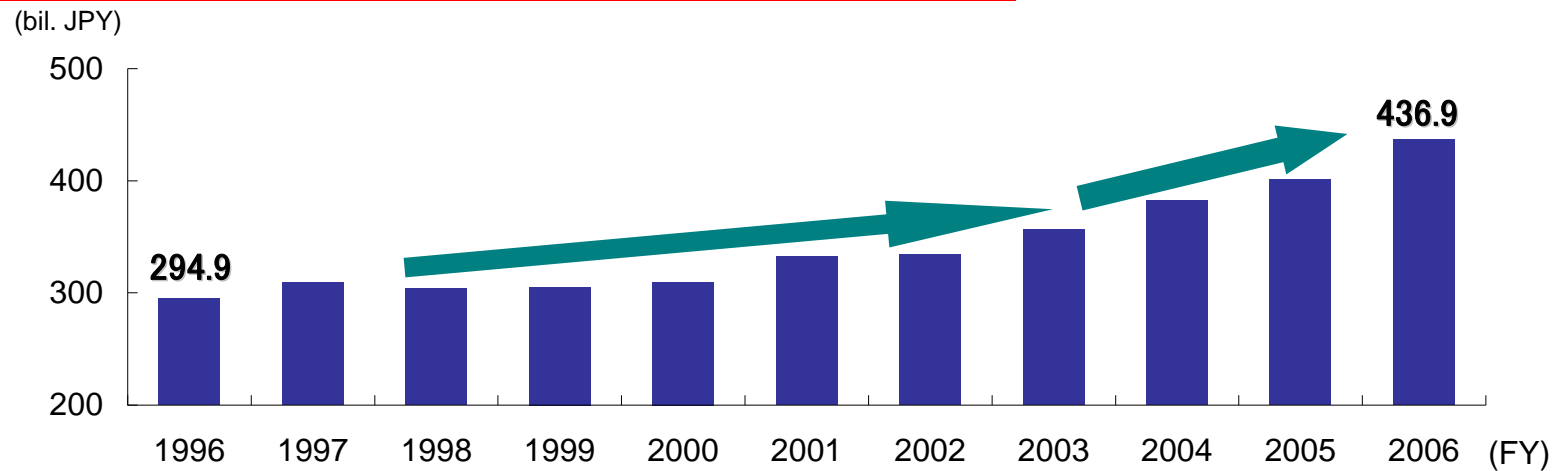
Number of Household and Housing



Source : Japan Center for Economic Research
 "The Challenges for Japanese Revitalization of the Economy"

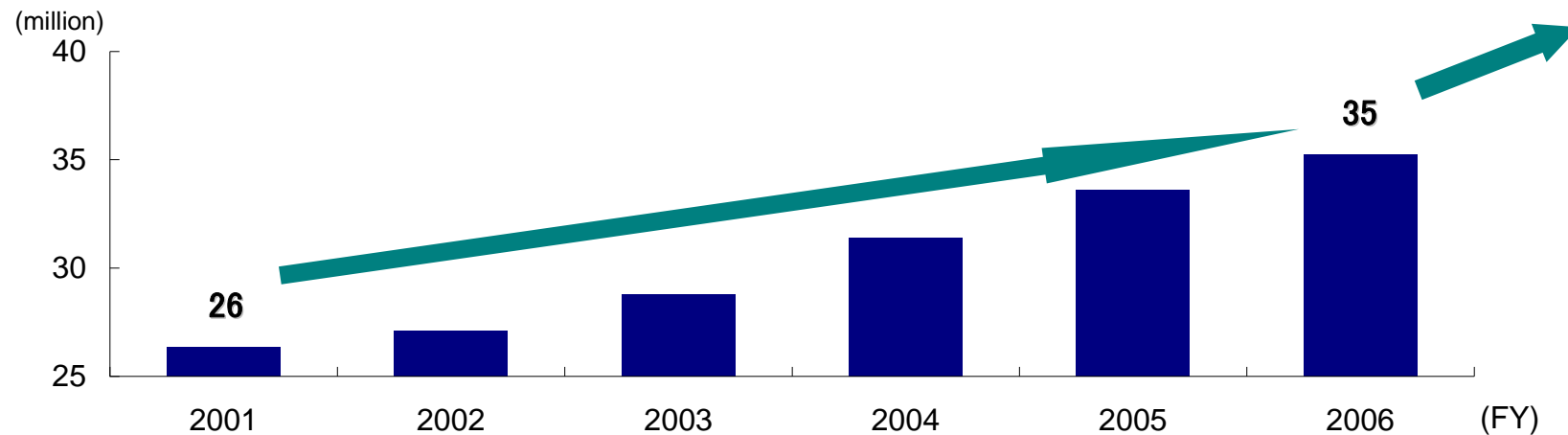
Potential of New Sector

Direct Premiums Written of Liability Insurance



Source : The General Insurance Association of Japan

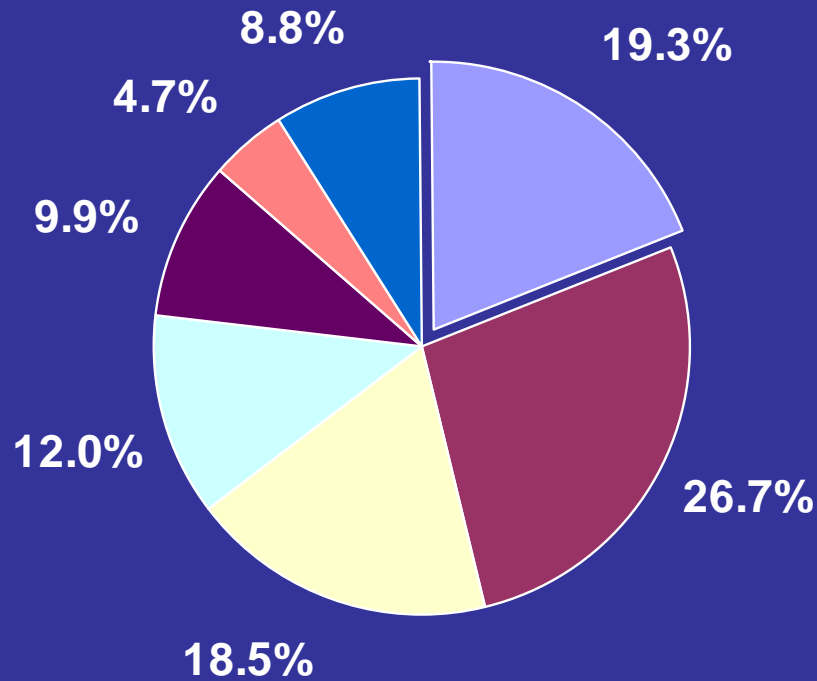
Number of Third Sector Policies in Force



Source : The Life Insurance Association of Japan

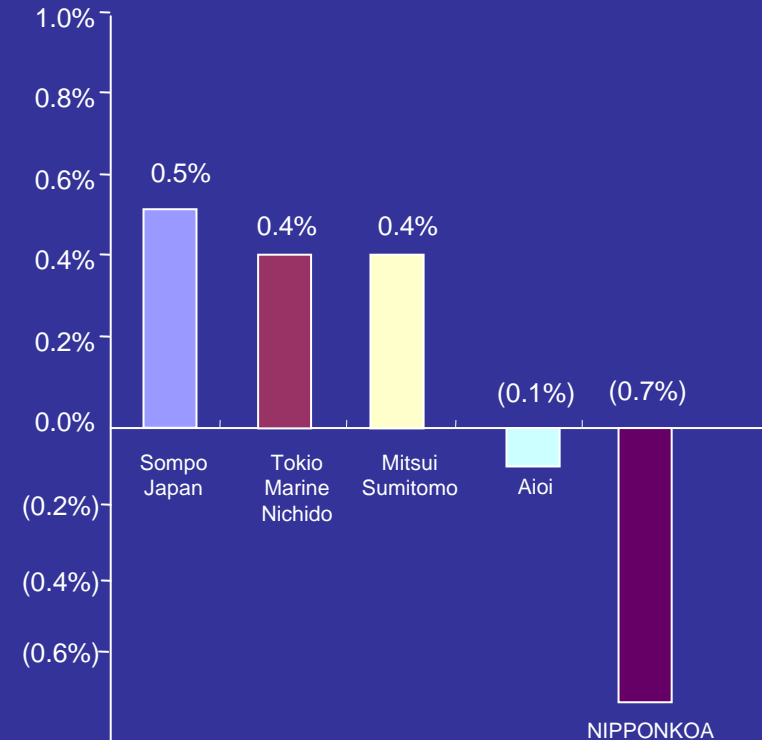
Market Share in Japanese P&C Industry

**Direct Premiums Written
FY2006 Non-Consolidated Basis**



■ Sompo Japan
 ■ Tokio Marine Nichido
 ■ Mitsui Sumitomo
 ■ Aioi
■ NIPPONKOA
 ■ Nissay Dowa
 ■ Others

**Change in Market Share
FY2000 vs. FY2006**



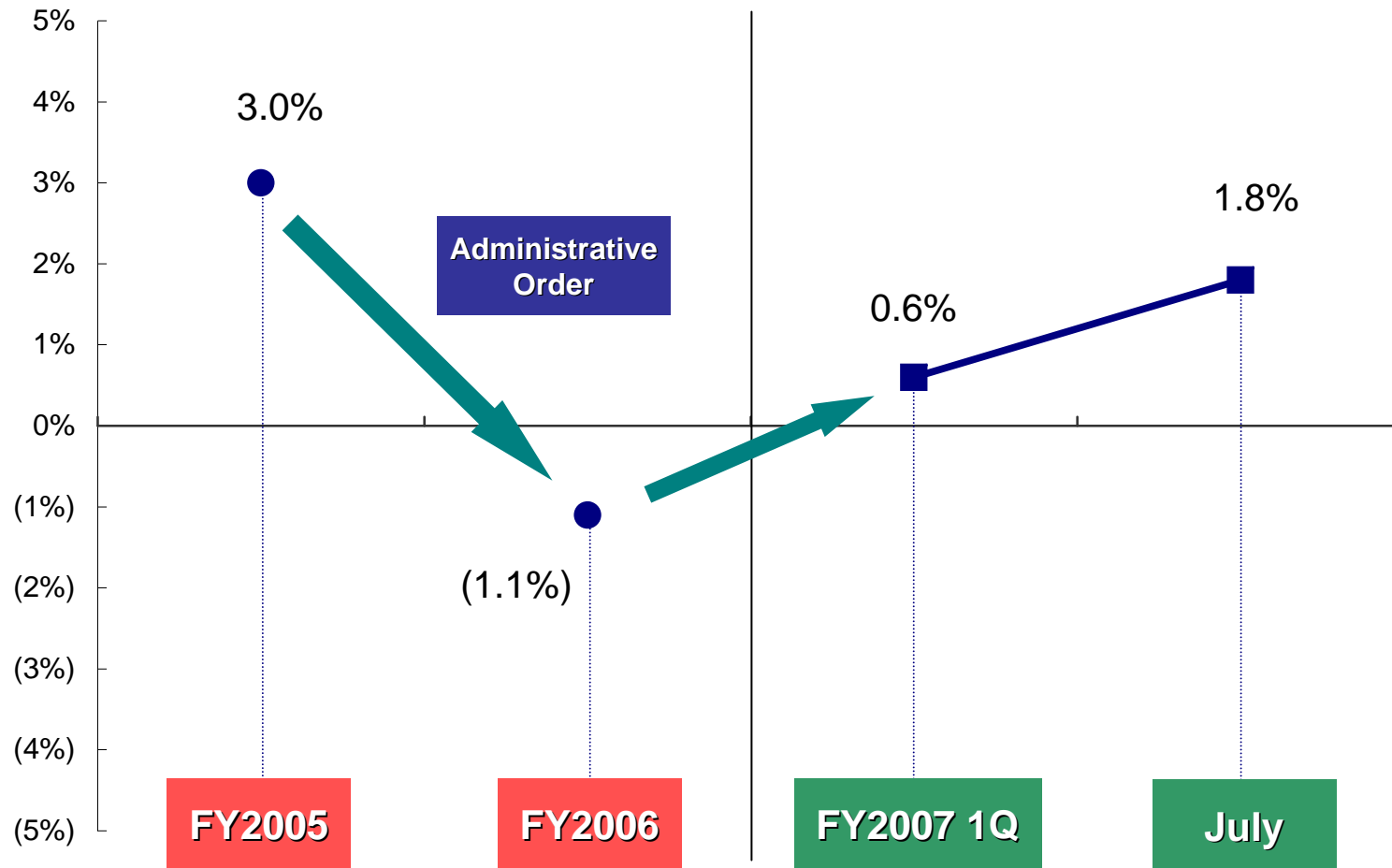
1. Potential of Japanese P&C Insurance

2. Sompo Japan's Business Strategy

3. Appendix

From Restoration of Customers' Confidence to Sustainable Growth

Growth Rate of Sales Premium



FY2007 1st Quarter Non-Consolidated Results

(Unit: bil. JPY)

Net Premiums Written	FY2006		FY2007	
	Results	Growth	Results	Growth
Fire	32.9	(7.7%)	34.3	+4.2%
Marine	6.4	+4.7%	7.7	+19.9%
Personal Accident	35.7	(1.7%)	35.7	+0.1%
Voluntary Automobile	171.8	(0.1%)	170.1	(1.0%)
CALI	53.0	(4.4%)	52.5	(1.1%)
Others	47.9	+0.5%	50.8	+6.1%
Total	348.0	(1.5%)	351.3	+1.0%

※CALI = Compulsory Automobile Liability Insurance

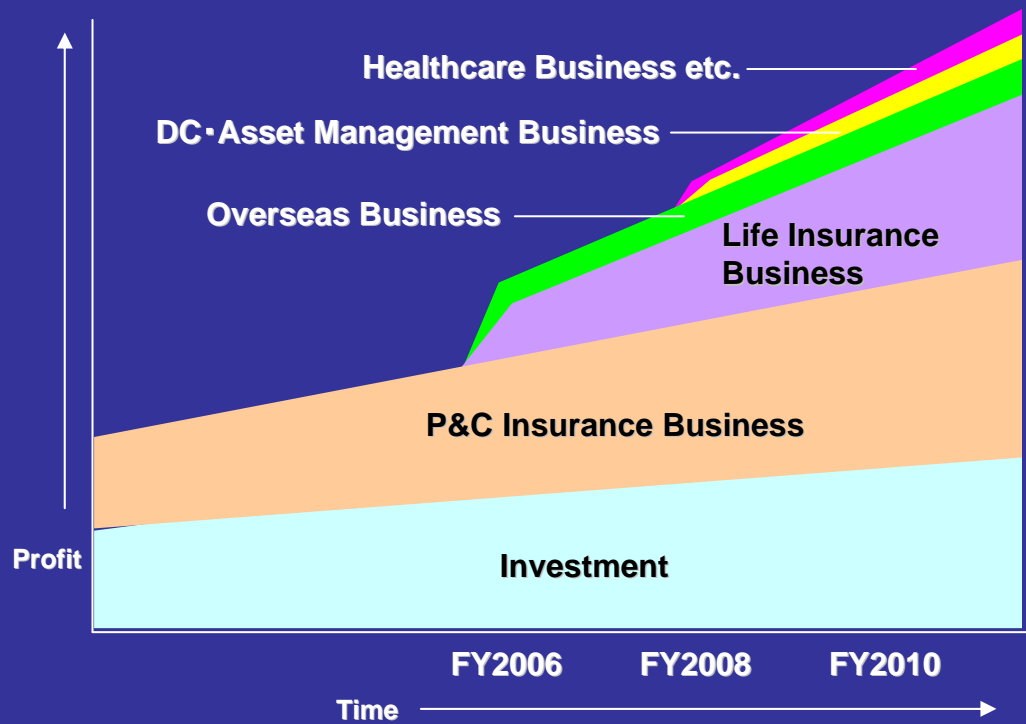
(Unit: bil. JPY)

Net Claims Paid	FY2006		FY2007	
	Results	L/R	Results	L/R
Fire	17.0	Undisclosed	12.5	38.4%
Marine	2.9		3.6	50.0%
Personal Accident	12.3		13.6	42.1%
Voluntary Automobile	93.8		97.4	64.0%
CALI	39.2		38.9	80.6%
Others	21.2		23.1	48.8%
Total	186.6		189.3	59.2%

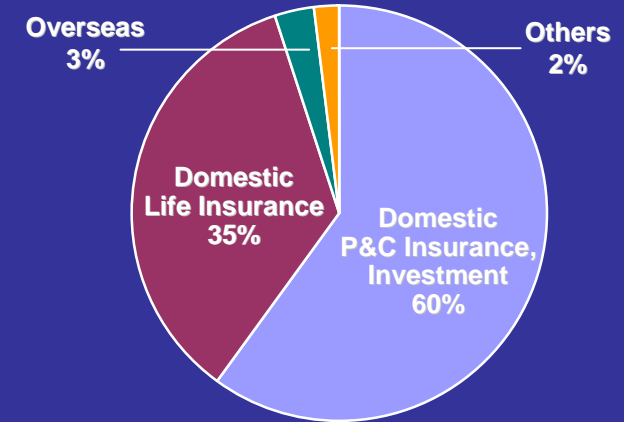
※L/R = Loss Ratio

Medium-Term Corporate Vision

Business Portfolio of Profit Basis



FY2010



Himawari Life uses adjusted EV increases. (Note)
 Others use current net income.
 (Note) The impacts of (1) interest rate fluctuations
 (2) discount rate fluctuations
 (3) capital increases and shareholder dividends
 are deducted from the EV increase.

Sompo Japan's Growth Strategy

Growth Strategy

1

Further reinforcement of domestic retail business

2

Enhancement of infrastructure

3

Expansion of life insurance and defined contribution pension plan business

4

Contributing to profits through overseas profitable business

Alliance Strategy

Auto Dealer

◆ Expansion of auto insurance sales in alliance with auto makers

- Auto insurance sales through affiliated auto dealers
- Reinforcement of product, IT system and call-center

Dai-ichi Life

◆ Comprehensive insurance group of supreme quality and strength through the alliance

- Cross-selling to each customer base
- Cross-offering of each product

Bank

◆ Further strengthening of advantage in bank channel

- Full liberalization of Bank OTC in December 2007
- Offering back-office functions

Japan Post

◆ Exploit privatization of Japan Post

- Thorough sales proposals of life and P&C insurance products
- Auto insurance product is to be distributed via Japan Post in October 2007


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Advantage in Bank Channel

Proportion of Bank OTC Business Partners

	Number of Banks	Sompo Japan's Agency	Proportion
Mega/ Trust Bank	16	6	37.5%
Regional Bank	110	94	85.5%
Credit Union	290	287	99.0%
Credit Cooperative	169	75	44.4%
Labor Union	13	13	100.0%
Total	598	475	79.4%

Banks Perception Based on Survey by Newspaper

	Surveyed Bank	Nominated Sompo Japan as main partner	Proportion
Regional Bank	59	15	25.4%
Second-Tier Regional Bank	43	10	23.3%
Credit Union	84	32	38.1%
Total	186	57	30.6%

Source: Nikkin

- ◆ Full liberalization of Bank OTC in December 2007
- ◆ Alliance with a number of banks, particularly with regional banks and credit unions
- ◆ Offering distinctive products including third sector and life insurance
- ◆ Investment trust of Sompo Japan Asset Management sold by 94 financial institutions

Forecast of Expense

Actual amount will increase temporarily to reinforce business basis, but ratio will decrease by the growth of top line thereafter.

Personnel Expense

◆9.5 bil. JPY increase expected in FY2007

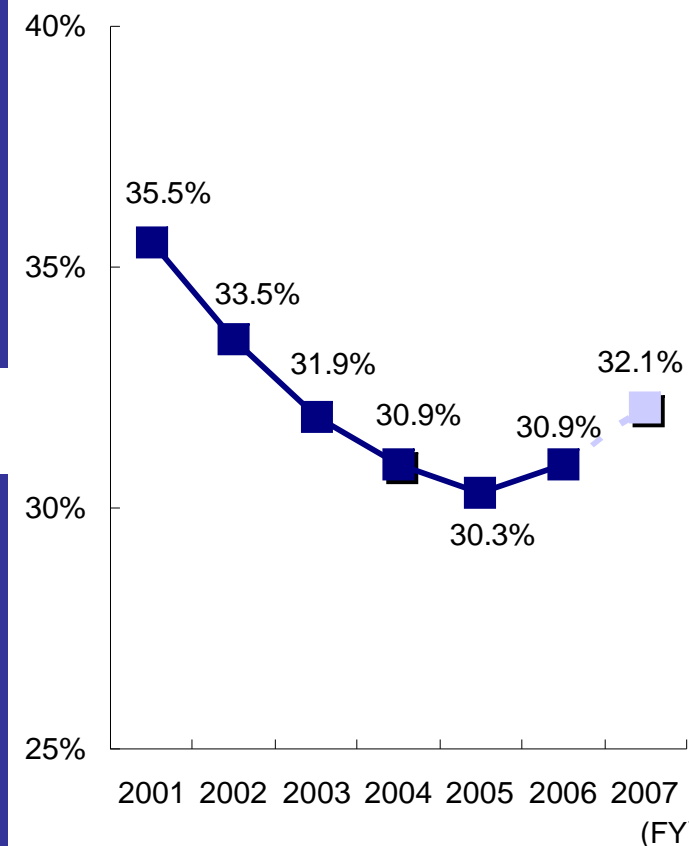
- Reinforcement of quality of claim handling
- Increase employment to implement growth strategy
- ⇒Expect to increase until FY2008

Non-Personnel Expense

◆15.9 bil. JPY increase expected in FY2007

- Investment in IT system and call-center toward sustainable growth
- ⇒Expect to decrease in FY2008

Trend of Expense Ratio



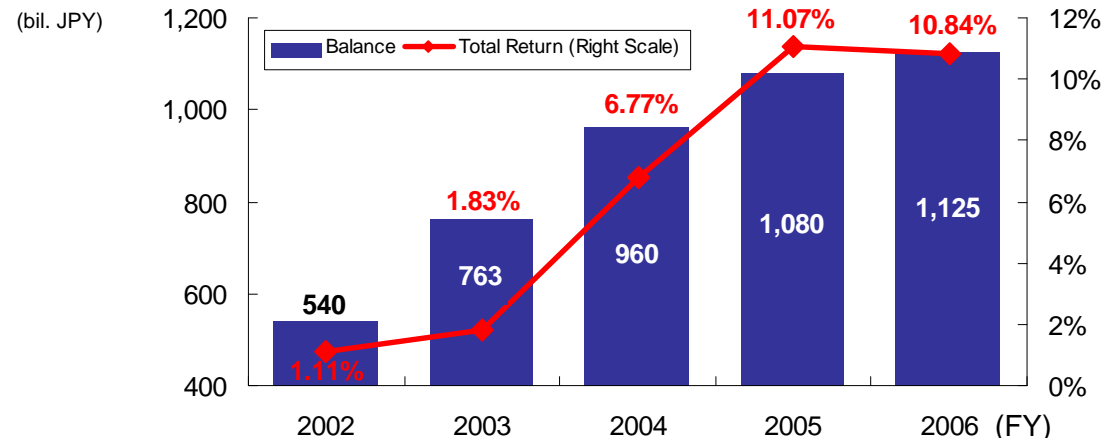
Basic Investment Policy

Basic Policy

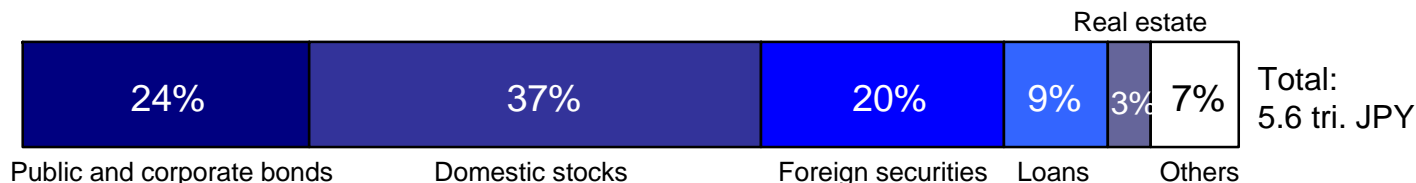
◆ Maximization of total return under allocated risk

- Promotion of diversified investment in yen interest assets and foreign securities
- Increasing domestic bonds with high credit rating in conjunction with interest rate increase trend (Regarding ALM, see next page)
- Further investment in foreign securities such as Asian stocks to gain high return
- Continue liquidation of “strategic” shareholding to increase “pure” investment
- Reinforcement of currency hedge control for increased currency risk

Market Value Balance of Foreign Asset and Total Return



Asset Allocation (as of the end of March 2007)



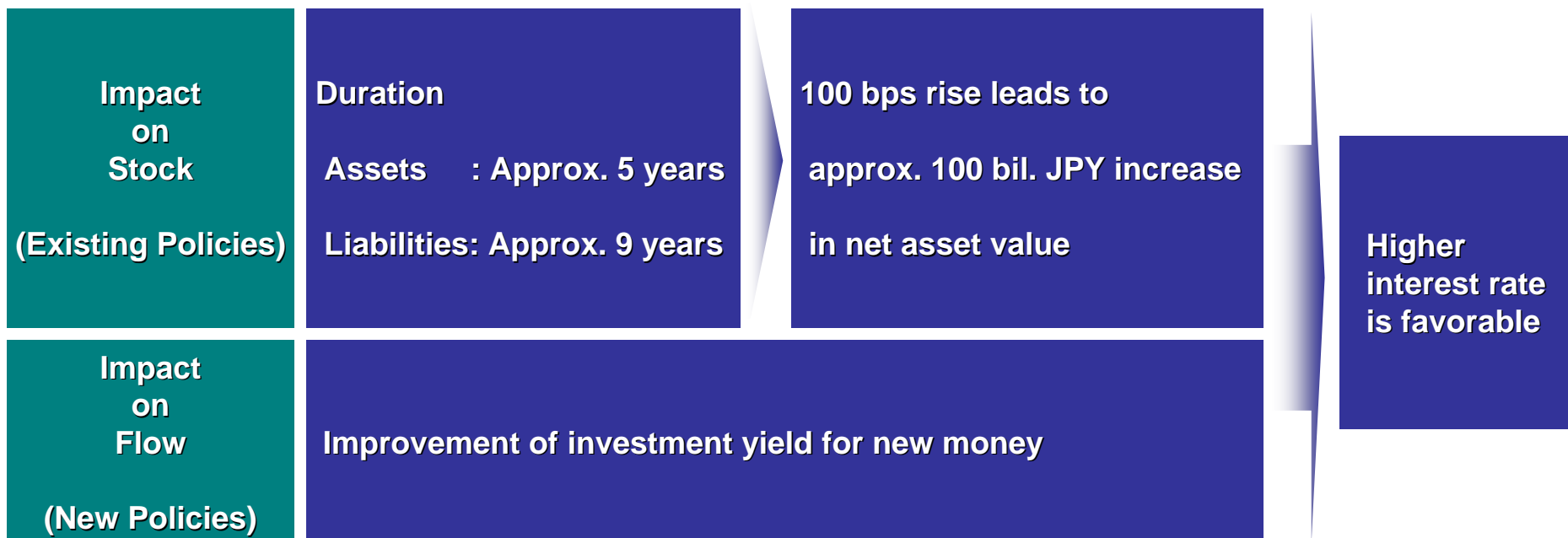
Reference: No exposure related to sub-prime loan including credit derivatives

ALM

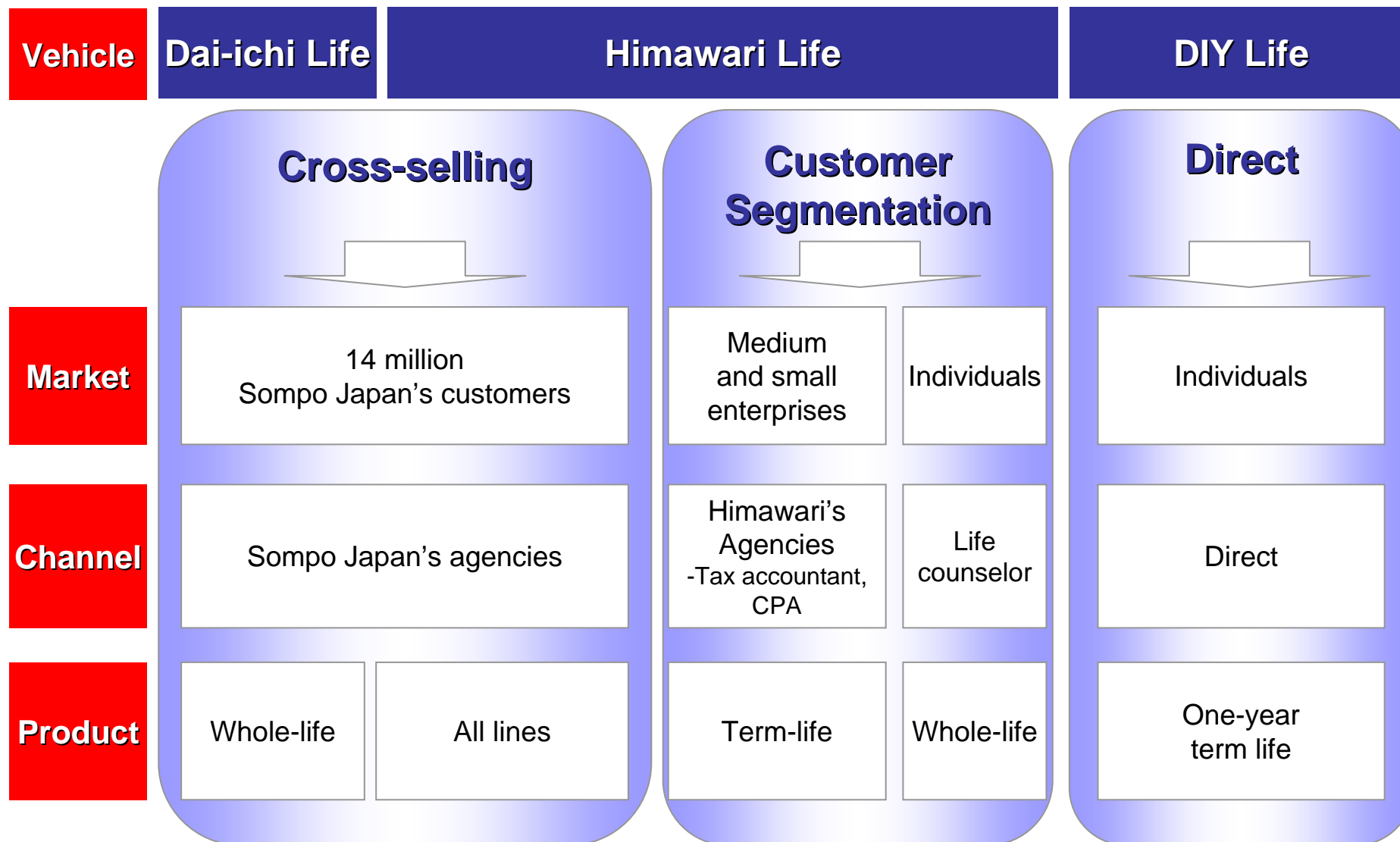
Basic ALM Policy

Investment mainly in yen interest assets corresponding to characteristics of liabilities

Impact of Higher Interest Rate



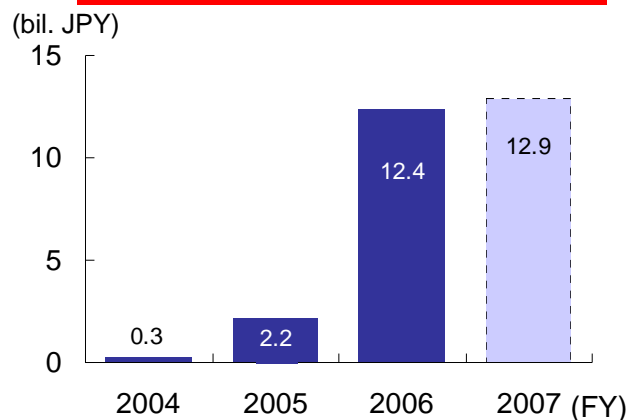
Life Insurance Business



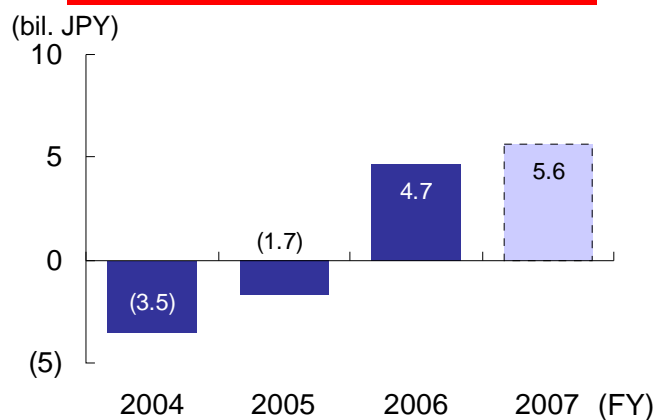
Contribution to Consolidated Profit by Himawari Life

Himawari Life has grown up to make steady profits on consolidated basis.

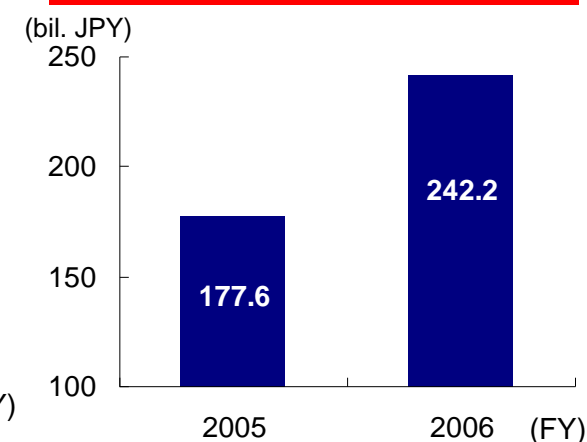
Ordinary Profit



Net Income after Consolidation Adjustment



Embedded Value



Fostering professional agencies who can sell life insurance

Increase number of bank agencies toward full liberalization of Bank OTC

Expand number of customers and per customer premium

Increase corporate value (Embedded value)

Defined Contribution Pension Plan Business / Asset Management Business

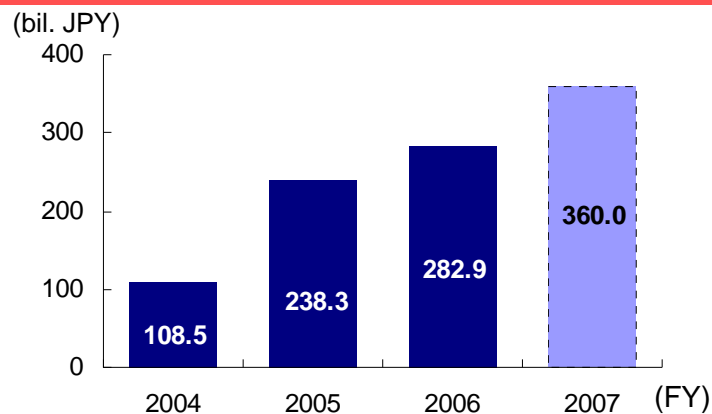
Sompo Japan DC Securities

Personal Type : Ranked top with market share 22.0% (our estimate)

Commercial Type : Ranked 2nd with market share 12.6% (our estimate)

Sompo Japan Asset Management

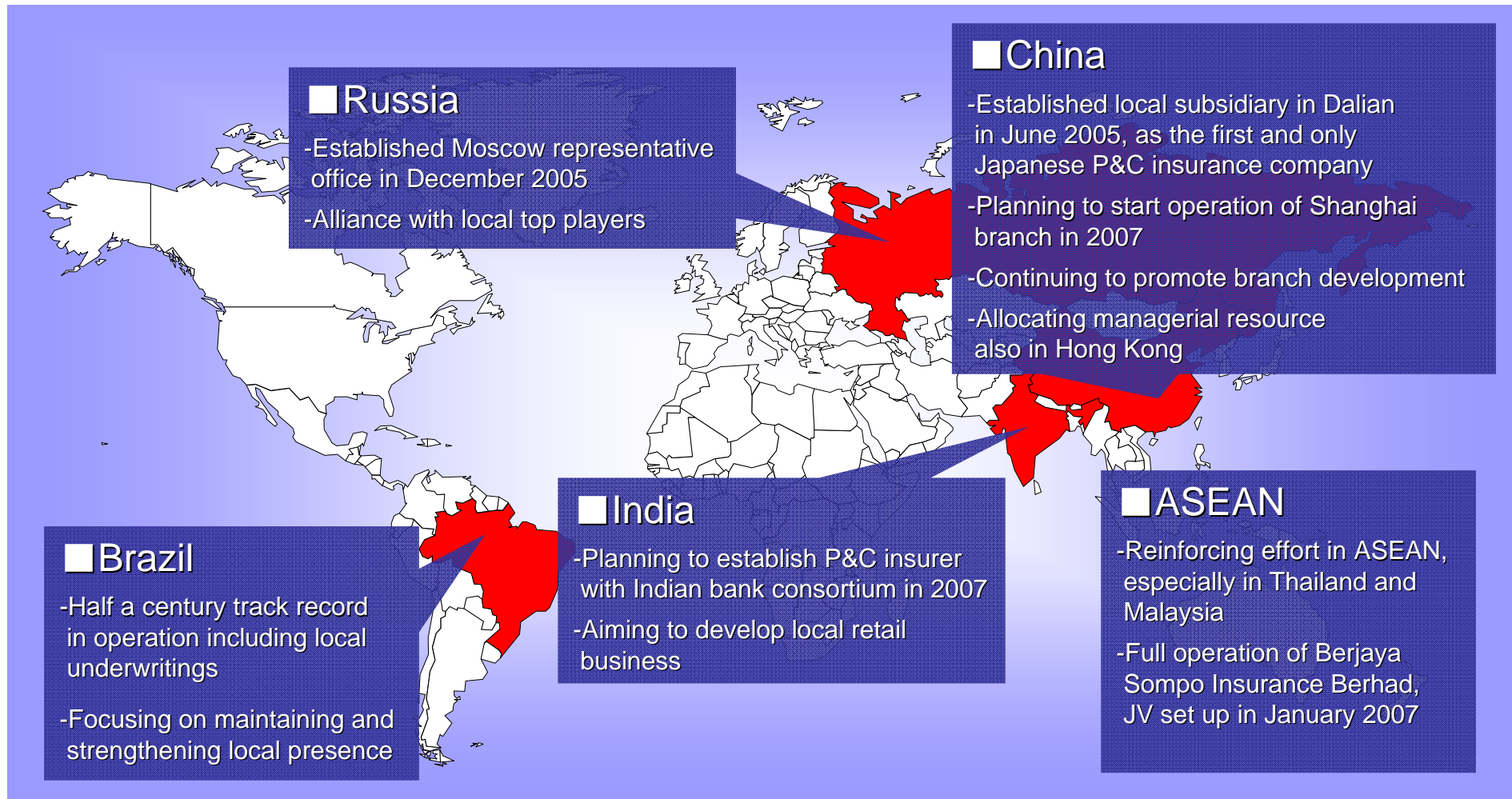
Net asset under management of investment trust



Topic

One Sompo Japan Asset Management product was ranked top in FY2006 among investment trusts of domestic stocks according to Nikkei QUICK

Overseas Business



Aggressive Development in China and India

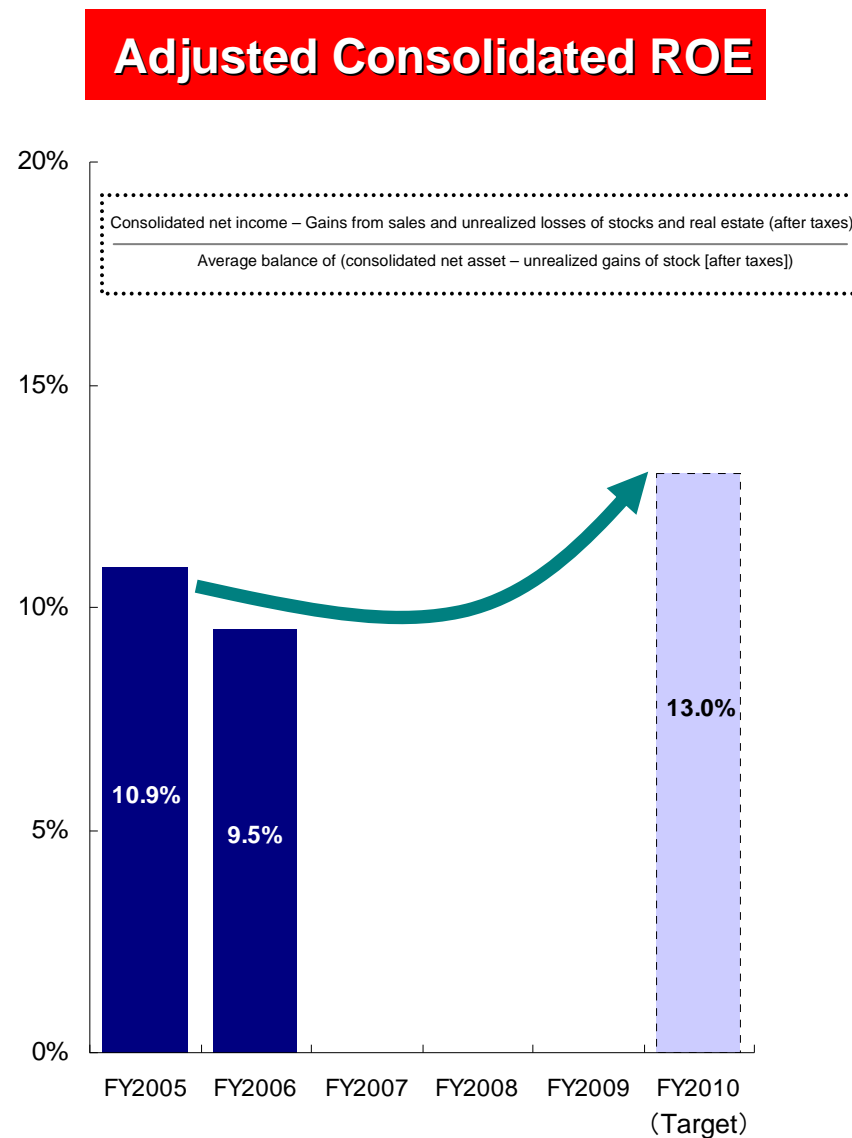
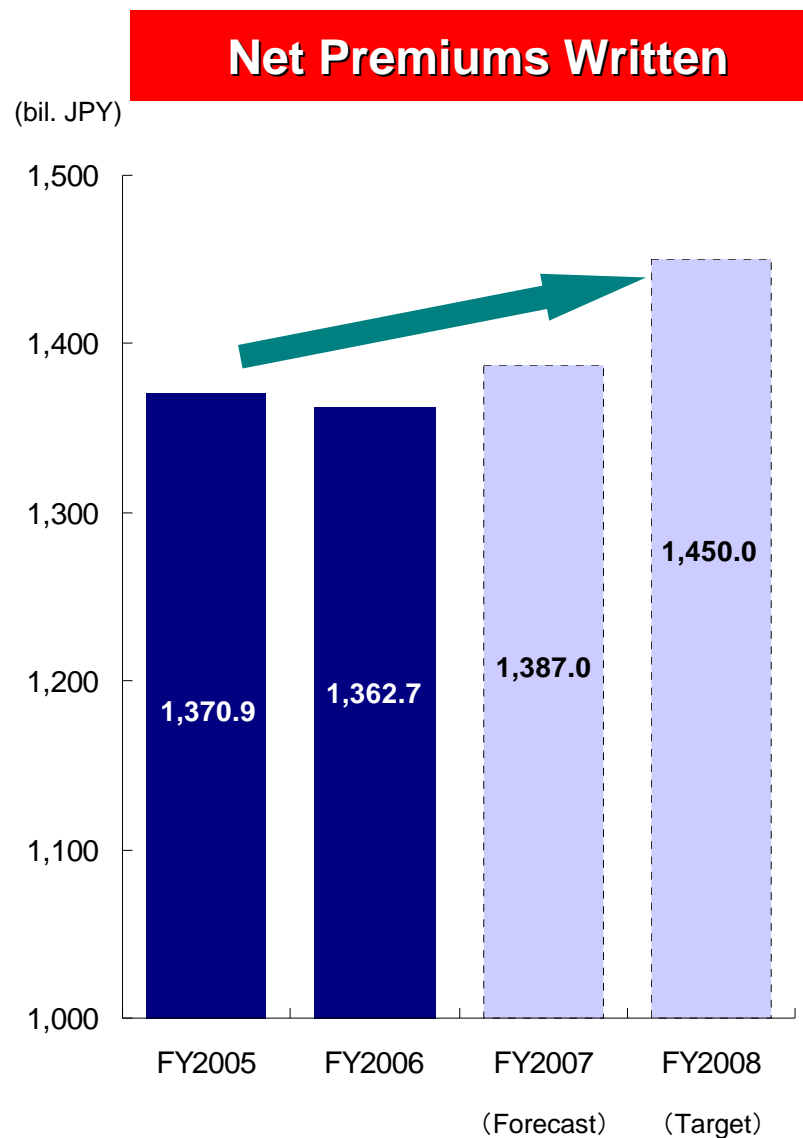
China

- ◆ Sompo Japan China founded in Dalian in 2005, with the approval in June 2007 to establish Shanghai branch
- Also aiming to establish Beijing, Guangzhou and Suzhou branch
- In FY2010, Sompo Japan China's target of net premiums written is 4 bil. JPY. (The proportion of Shanghai branch is 40%.)

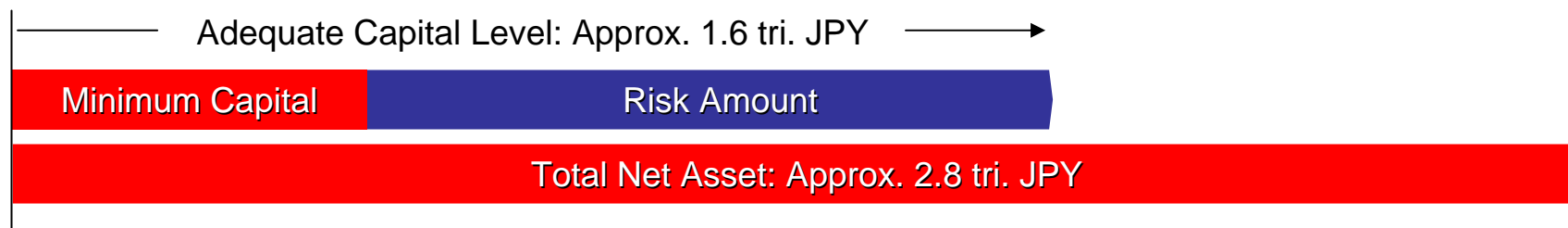
India

- ◆ Expanding Indian P&C business by JV company to be established with Indian bank consortium
- Planning to develop local retail business with 3,700 branches of these banks

Management Target



Risk and Capital (As of June, 2007)



- ◆ 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. 1.2 tri. JPY surplus.
- The amount of this surplus can be affected by fluctuation of securities market, as it mainly stems from unrealized gains on securities as strategic holding shares.
- Sompo Japan seeks to increase dividend payments steadily to reward for shareholders. Dividend on Equity (DOE) is used as an indicator with long-term target of 2%.
- Surplus is earmarked for capital allocation to risk-taking toward higher investment return and expansion of profit in existing and new businesses.

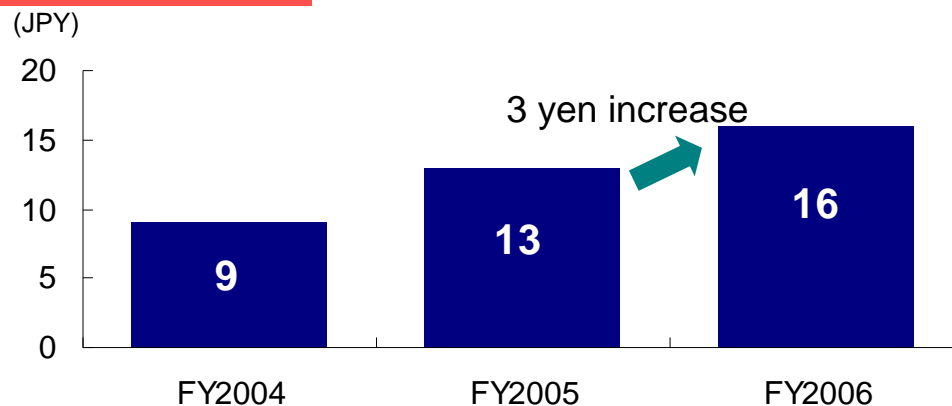
Track Record of New Business

P&C Insurance	2000	Establishment of Yasuda Kasai Financial Guarantee Insurance
	2003	Participation in Saison Automobile and Fire Insurance
	2004	Participation in Hitachi Capital Insurance
Life Insurance	1993	Participation in INA Life Insurance (Sompo Japan Himawari Life Insurance)
	1999	Establishment of DIY Life Insurance (Sompo Japan DIY Life Insurance)
	2001	100% acquisition of Yasuda Kasai Himawari Life Insurance (Sompo Japan Himawari Life Insurance)
Overseas	1997	Establishment of United Insurance Company of Vietnam
	1997	Establishment of Thai-Yasuda Insurance (Sompo Japan Thailand)
	2004	Participation in joint insurance broker established by PICC
	2005	Establishment of Sompo Japan China
	2007	Participation in Berjaya Sompo Insurance Berhad
Others	1996	Establishment of Yasuda Kasai Venture Capital (Yasuda Enterprise Development)
	1997	Establishment of Yasuda Risk Engineering (Sompo Japan Risk Management)
	1999	Establishment of Yasuda Kasai CIGNA Securities (Sompo Japan DC Securities)
	2005	Establishment of Healthcare Frontier Japan
	2007	Establishment of Sompo Japan Healthcare Services

Increase of Shareholder Value

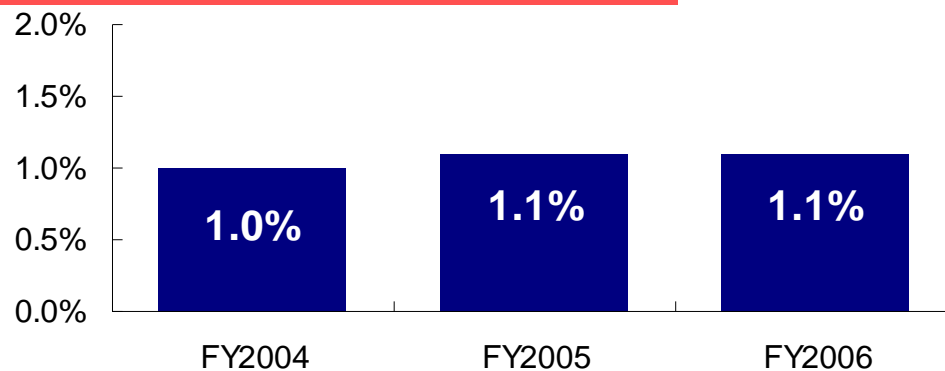
■ Seeking steady increase in dividend payments

Dividend per share



■ Target: Consolidated "Dividend on Equity" (DOE) 2%

Consolidated Dividend on Equity: DOE



1. Potential of Japanese P&C Insurance

2. Sompo Japan's Business Strategy

3. Appendix

<Reference> Non-Consolidated Overview of FY2006 & Forecast for FY2007

(Unit: bil. JPY)

	FY2006		FY2007	
	Results	YOY change	Forecast	YOY change
Net premiums written	1,362.7	(0.6%)	1,387.0	+1.8%
Loss ratio	64.3%	+3.0%	65.0%	+0.8%
Expense ratio	30.9%	+0.6%	32.1%	+1.1%
Combined ratio	95.2%	+3.6%	97.1%	+1.9%
Underwriting profit	10.1	(13.9)	9.0	(1.1)
Interest and dividend income	113.6	+18.5	99.0	(14.6)
Ordinary profit	91.7	(22.5)	80.0	(11.7)
Net income	48.1	(19.6)	49.0	+0.8

(Unit: bil. JPY)

(Unit: bil. JPY)

Net Premiums Written	FY2006		FY2007		Net Claims Paid	FY2006		FY2007	
	Results	Growth	Forecast	Growth		Results	L/R	Forecast	L/R
Fire	148.8	(2.1%)	157.0	+5.5%	Fire	84.0	58.1%	77.5	51.9%
Marine	31.0	+9.5%	31.5	+1.5%	Marine	13.6	47.0%	15.5	52.4%
Personal Accident	127.7	+0.1%	133.7	+4.7%	Personal Accident	53.5	45.8%	55.3	45.5%
Voluntary Automobile	666.9	(1.1%)	671.0	+0.6%	Voluntary Automobile	397.8	66.0%	407.1	67.1%
CALI	232.7	(2.2%)	235.8	+1.3%	CALI	160.8	74.4%	165.0	76.0%
Others	155.5	+3.1%	158.0	+1.6%	Others	96.9	66.2%	107.6	72.2%
Total	1,362.7	(0.6%)	1,387.0	+1.8%	Total	806.8	64.3%	828.0	65.0%

※CALI = Compulsory Automobile Liability Insurance

※L/R = Loss Ratio

<Reference> Consolidated Overview of FY2006

(Unit: bil. JPY)

	Ordinary Profit	Net Income	Net Income after Consolidation Adjustment
Sompo Japan	91.7	48.1	
Sompo Japan Himawari Life	14.6	7.7	4.7
Sompo Japan DIY Life	(0.6)	(0.6)	0.0
Sompo Japan DC Securities	(0.7)	(0.7)	(0.7)
Sompo Japan Asset Management	0.3	0.3	0.2
Sompo Japan America	0.9	0.9	0.9
Sompo Japan Europe	1.7	1.8	1.8
Sompo Japan China	0.3	0.2	0.2
Sompo Japan Asia	0.9	0.8	0.8
Yasuda Segros S.A. (Brazil)	1.2	0.9	0.9
Consolidated	110.5	61.9	

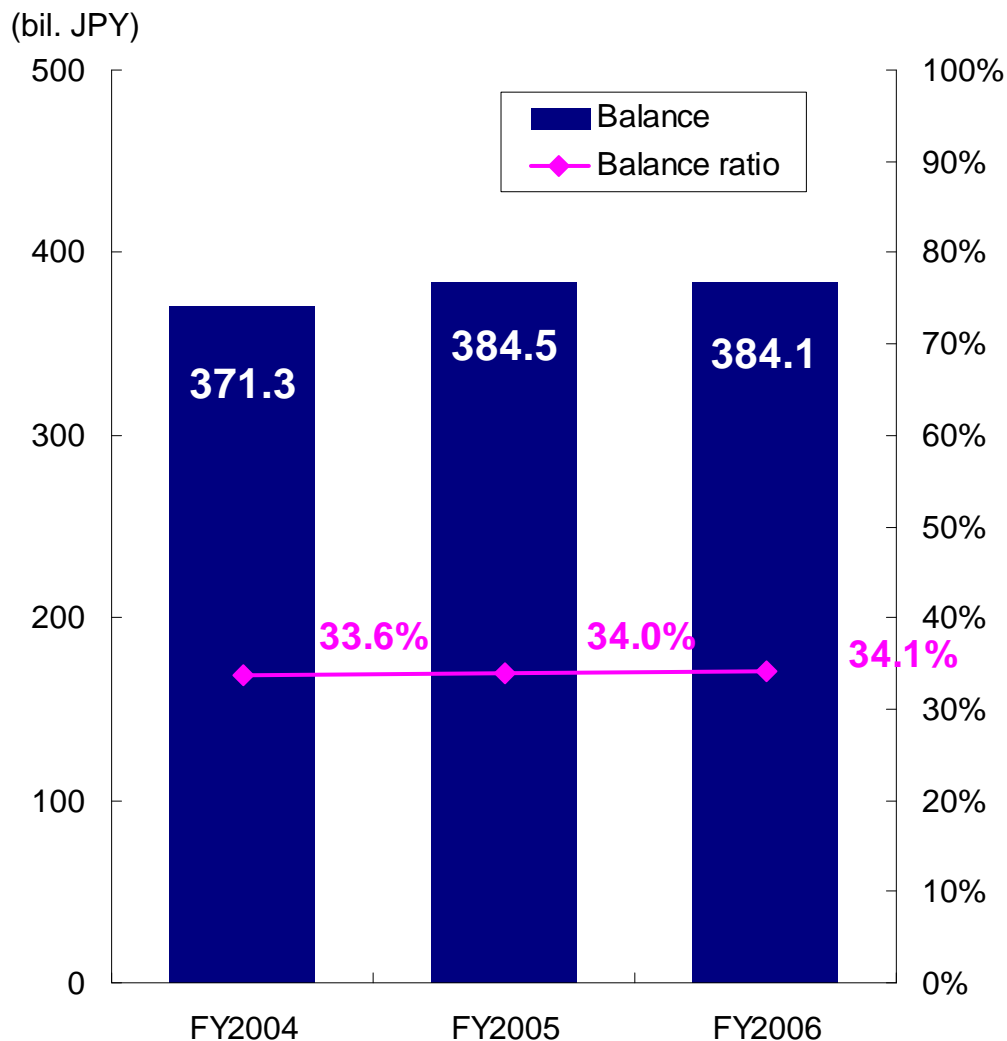
<Reference> Consolidated Forecast for FY2007

(Unit: bil. JPY)

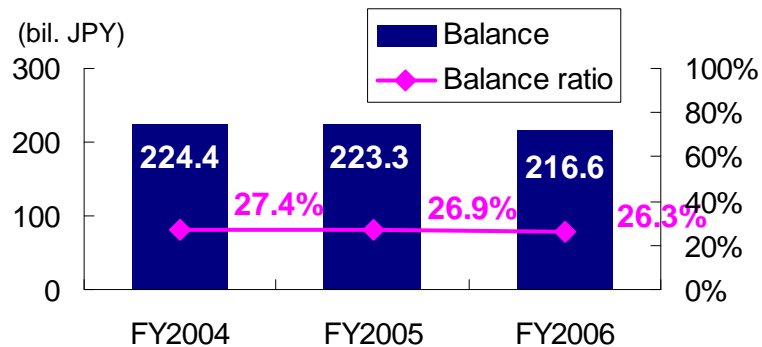
	Ordinary Profit	Net Income	Net Income after Consolidation Adjustment
Sompo Japan	80.0	49.0	
Sompo Japan Himawari Life	12.9	8.3	5.6
Sompo Japan DIY Life	0.0	0.0	0.0
Sompo Japan DC Securities	(0.6)	(0.6)	(0.6)
Sompo Japan Asset Management	0.4	0.2	0.1
Sompo Japan America	2.5	2.5	2.5
Sompo Japan Europe	0.9	0.7	0.7
Sompo Japan China	0.2	0.2	0.2
Sompo Japan Asia	0.7	0.6	0.6
Yasuda Segros S.A. (Brazil)	1.0	0.7	0.7
Consolidated	95.0	59.0	

<Reference> Catastrophic Loss Reserve

Total

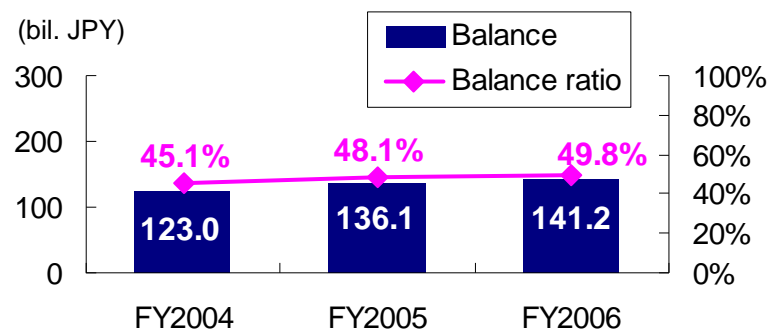


Auto Group



	FY2004	FY2005	FY2006
Reserve rate	5.5%	5.5%	6.5%

Fire Group



	FY2004	FY2005	FY2006
Reserve rate	7.5%	7.5%	10.0%

<Reference> Profit / Loss of Reinsurance Contracts Handled by FR

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

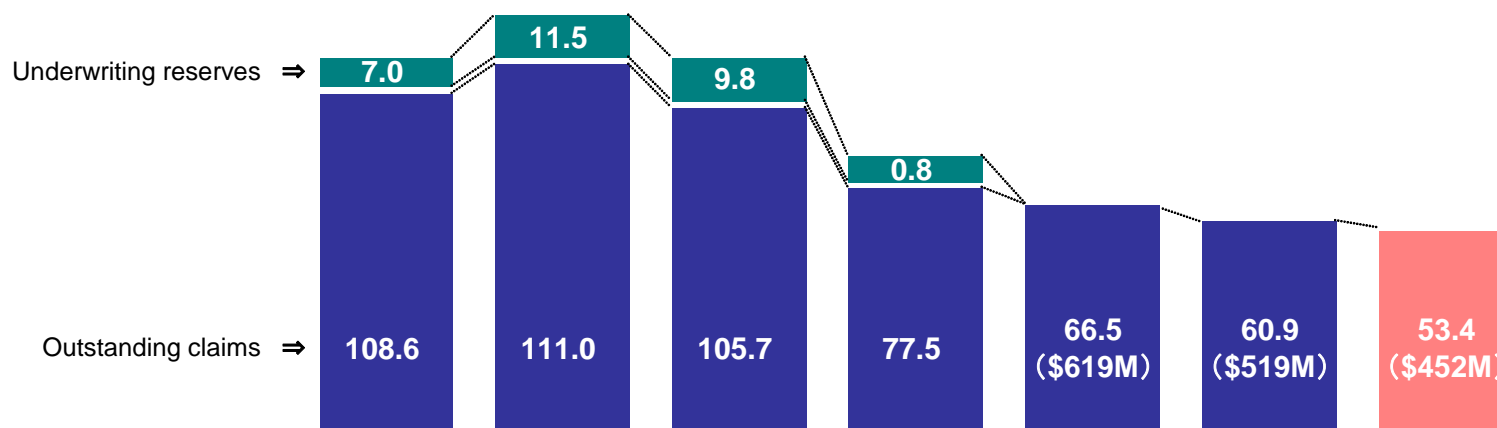
	FY2002.3	FY2002.6	FY2003.3	FY2004.3	FY2005.3	FY2006.3	FY2007.3	Total as of the end of Mar. 2007
Premiums	—	(5.9)	+6.5	+5.4	+1.0	+2.2	+2.4	+11.6
Claims	—	(1.0)	(10.5)	(25.5)	(11.1)	(7.8)	(8.4)	(64.3)
Comissions	—	(0.1)	(1.1)	(0.4)	(0.1)	(0.1)	(0.0)	(1.8)
Outstanding claims	(108.6)	(2.4)	+5.3	+28.2	+11.0	+5.6	+7.6	(53.3)
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	(3.0)
Total	(115.6)	(31.8)	+3.3	+6.5	+7.0	+17.5	+3.9	(109.2)
							Sompo Japan : Total	+38.2

(Unit: bil. JPY)

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

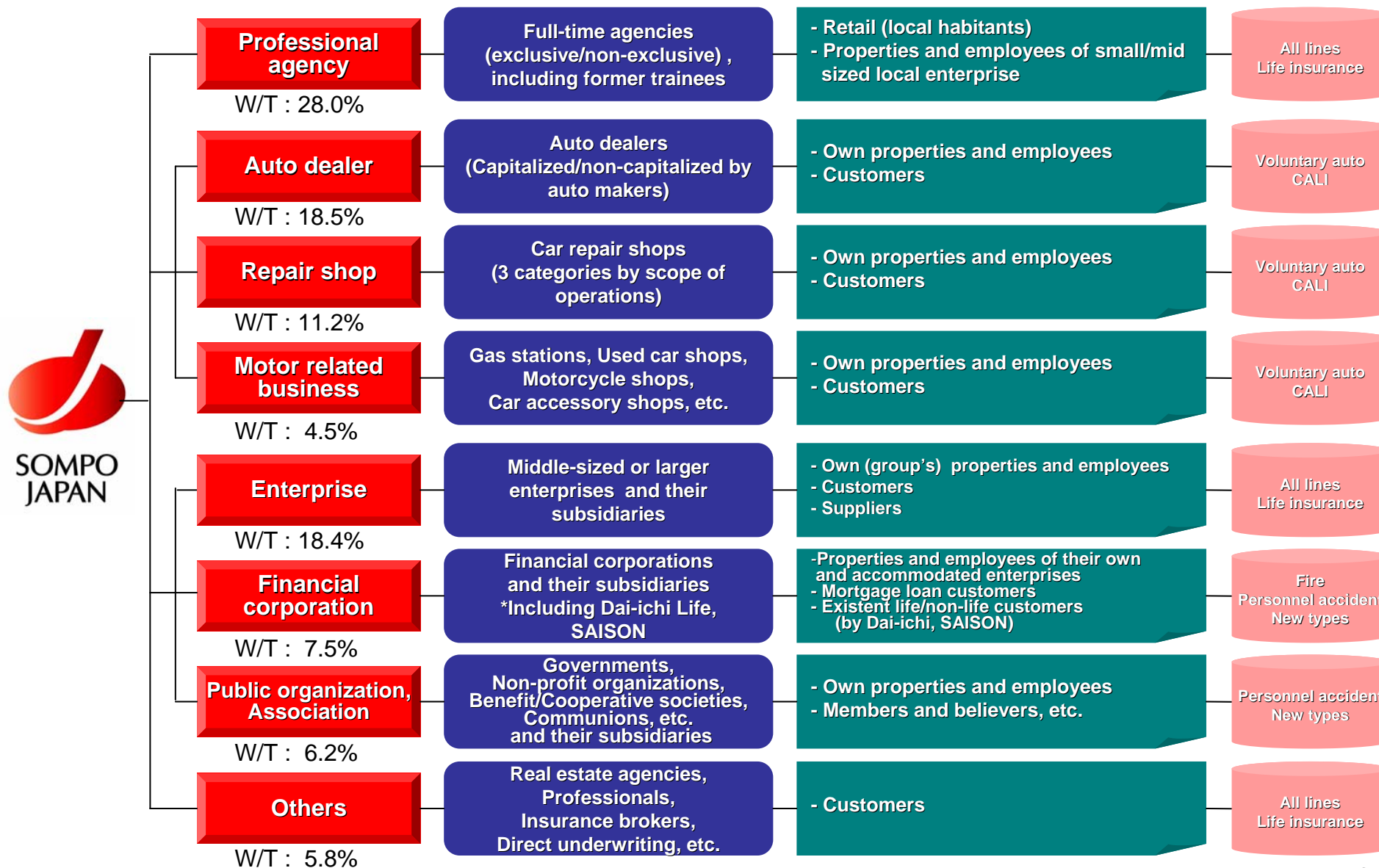
<Trend of outstanding claims and underwriting reserves>

(Unit: bil. JPY)



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

<Reference> Distribution Channels of Sompo Japan

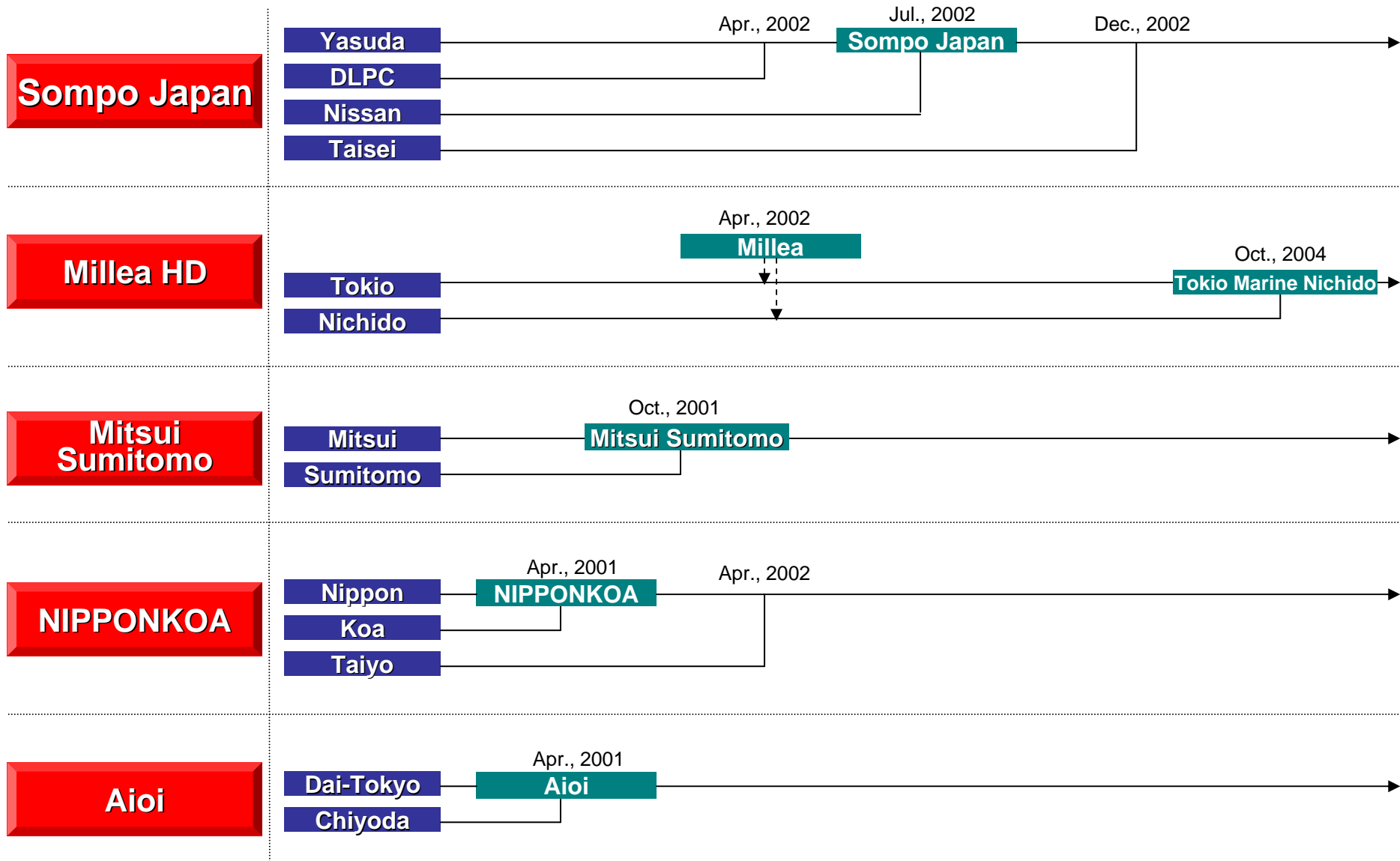


W/T : Proportion of each channel's sales premium in FY2006

<Reference> Deregulation in Japanese P&C Insurance Industry

Apr. 1996	New Insurance Business Law enforced
Oct. 1996	Reciprocal entry of life and P&C insurance companies by their subsidiaries
Nov. 1996	Japanese Financial System Reform Plan (Japanese “Big Bang”) put forward
Dec. 1996	The Japan-US Insurance Talks concluded
Sep. 1997	Approval of risk-segmented automobile insurance
Jul. 1998	P&C Insurance Rating Organization System reformed
Dec. 1998	Reciprocal entry of financial companies by their subsidiaries / holding companies (partially)
Jan. 2001	Subsidiaries of life and P&C insurance companies allowed to sell third sector products
Apr. 2001	Insurance sales by banks partially permitted
Jul. 2001	Reciprocal entry of life and P&C insurance companies into third sector in their own right

<Reference> Consolidation in Japanese P&C Insurance Industry



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