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SOMPO JAPAN INSURANCE INC.

Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2006 (Consolidated, unaudited)

Listed on the Tokyo, Osaka, Nagoya, Fukuoka, and Sapporo Stock Exchange

Stock code number: 8755

(URL <http://www.sompo-japan.co.jp/>)

Representative Director: Hiroshi Hirano, President & CEO

Contact: Eiji Watanabe, Manager, Accounting Department

1. Premises

- (1) Amount of "Net premiums written" of each quarter below is not measured in the same way as in interim or year-end statements in that, for example, premiums of reinsurance contracts are recognized on the transaction occurrence basis.
- (2) Any amount less than the minimum unit on each table is disregarded, whereas percentages are rounded to the nearest whole number.

2. Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2006 (April 1 to June 30, 2005)

(1) Net Premiums Written

	Millions of yen	%
1 st quarter of this fiscal period (April 1 to June 30, 2005)	359,283	2.2
1 st quarter of the previous fiscal period (April 1 to June 30, 2004)	354,670	(0.0)
[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)	1,376,232	(0.1)

Notes)

1. The percentages are the rates of increase (decrease) compared to the 1st quarter of the previous fiscal year.
2. In the 1st quarter of this fiscal period, premiums for Compulsory automobile liability insurance were adjusted to the amounts excluding policies whose effective date were after July 1. The percentage of increase (decrease) represent the change over the premiums of the previous year adjusted to the same basis. The "Net Premiums Written" in the 1st quarter of the previous fiscal period was 351,565 million yen.

The net premiums written in the 1st quarter of this fiscal period was 359,283 million yen, 2.2% increase over the previous period on consolidated basis, due to the favorable sales of new long-term medical insurance "Dr. Japan".

(2) Significant events which affected financial conditions or operating results of the corporate group in this quarter

None.

3. Forecasts for the Fiscal Year ending March 31, 2006 (April 1, 2005 to March 31, 2006)

There is no change on the forecasts at the present point.

Premiums Written and Claims Paid by line of business

Direct premiums written (including deposits of premiums by policyholders)

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	54,568	(4.3)	12.6	59,660	9.3	13.8	244,121	(1.9)	14.7
Marine insurance	10,196	(4.1)	2.3	10,397	2.0	2.4	41,262	2.2	2.5
Personal accident insurance	65,495	16.6	15.1	66,470	1.5	15.4	271,502	12.9	16.4
Voluntary automobile insurance	173,391	(1.3)	40.0	174,023	0.4	40.4	678,380	(0.9)	40.9
Compulsory automobile liability insurance	80,754	0.1	18.6	67,852	1.0	15.8	262,107	(1.1)	15.8
Others	49,610	6.3	11.4	52,372	5.6	12.2	162,207	5.1	9.8
Total:	434,016	1.7	100.0	430,776	2.5	100.0	1,659,581	1.6	100.0
Total excluding Deposits of premiums by Policyholders	393,335	(0.1)	90.6	390,987	3.0	90.8	1,466,779	0.3	88.4
Deposits of premium s by Policyholders	40,681	22.4	9.4	39,788	(2.2)	9.2	192,801	12.2	11.6

Net premiums written

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	35,995	(5.7)	10.1	36,504	1.4	10.2	152,579	(4.2)	11.1
Marine insurance	7,232	(3.3)	2.0	7,548	4.4	2.1	31,388	0.9	2.3
Personal accident insurance	33,853	2.4	9.5	36,396	7.5	10.1	121,091	5.3	8.8
Voluntary automobile insurance	172,561	(1.3)	48.7	173,401	0.5	48.3	675,570	(0.8)	49.1
Compulsory automobile liability insurance	58,544	4.6	16.5	55,543	0.2	15.5	244,156	1.0	17.7
Others	46,483	2.5	13.1	49,888	7.3	13.9	151,446	1.0	11.0
Total	354,670	(0.0)	100.0	359,283	2.2	100.0	1,376,232	(0.1)	100.0

Net claims paid

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	11,660	(12.4)	7.0	19,298	65.5	10.1	127,858	119.5	15.4
Marine insurance	3,541	(24.7)	2.1	3,479	(1.8)	1.8	15,794	(15.3)	1.9
Personal accident insurance	10,843	(10.3)	6.5	11,090	2.3	5.8	44,808	(5.1)	5.4
Voluntary automobile insurance	89,437	(2.8)	53.3	94,630	5.8	49.7	401,794	5.3	48.5
Compulsory automobile liability insurance	29,511	40.2	17.6	37,285	26.3	19.6	133,211	36.1	16.1
Others	22,770	(19.2)	13.6	24,791	8.9	13.0	105,025	(8.0)	12.7
Total	167,765	(2.1)	100.0	190,574	13.6	100.0	828,493	15.4	100.0

Notes common for the above three tables:

- The above figures represent amounts after offsetting internal transactions among consolidated segments.
- In the 1st quarter of this fiscal period, premiums for Compulsory automobile liability insurance were adjusted to the amounts excluding policies whose effective date were after July 1. The percentage of increase (decrease) represent the change over the premiums of the previous year adjusted to the same basis. The "Net Premiums Written" in the 1st quarter of the previous fiscal period was 351,565 million yen.

Life Insurance Business

Life Insurance Premiums

(Millions of yen)

1 st quarter of the previous fiscal period (April 1 to June 30, 2004)		1 st quarter of this fiscal period (April 1 to June 30, 2005)		[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)	
Amount	% increase (decrease)	Amount	% increase (decrease)	Amount	% increase (decrease)
35,670	13.8	42,121	18.1	174,625	13.2

Note) The above figures represent amounts after offsetting internal transactions among consolidated segments.

Total Amount of Policies in Force (Individual Insurance and Individual Annuities)

(Millions of yen)

End of the 1 st quarter of previous fiscal period (as of June 30, 2004)		End of the 1 st quarter of this fiscal period (as of June 30, 2005)		[Reference] End of previous fiscal period (as of March 31, 2005)	
Amount	% increase (decrease)	Amount	% increase (decrease)	Amount	% increase (decrease)
6,946,139	13.8	7,765,770	11.8	7,582,849	11.5

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

Total Amount of New Policies (Individual Insurance and Individual Annuities)

(Millions of yen)

1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
Net increase by new policies and conversion	New policies	Net increase by conversion	Net increase by new policies and conversion	New policies	Net increase by conversion	Net increase by new policies and conversion	New policies	Net increase by conversion
321,010	321,010	-	380,060	380,060	-	1,509,634	1,509,634	-

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

Annualized New Business Premiums (Individual Insurance and Individual Annuities)

(Millions of yen)

1 st quarter of previous fiscal period (April 1 to June 30, 2004)		1 st quarter of this fiscal period (April 1 to June 30, 2005)		[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)	
Amount	% increase (decrease)	Amount	% increase (decrease)	Amount	% increase (decrease)
7,135	-	10,543	47.8	42,827	15.8

Note) The above figures represent amounts before offsetting internal transactions among consolidated segments.

Marketable Securities

1. Securities for Held-to-Maturity

(Millions of yen)

Item	End of the 1 st quarter of previous fiscal period (as of June 30, 2004)			End of the 1 st quarter of this fiscal period (as of June 30, 2005)			[Reference] End of the previous fiscal period (as of March 31, 2005)		
	Historical cost	Market value	Unrealized gain (loss)	Historical cost	Market value	Unrealized gain (loss)	Historical cost	Market value	Unrealized gain (loss)
Domestic bonds	381,864	375,098	(6,766)	467,350	480,768	13,418	450,260	458,401	8,141
Foreign securities	181,389	182,435	1,046	148,651	154,654	6,003	154,867	160,055	5,188
Total	563,253	557,534	(5,719)	616,002	635,423	19,421	605,127	618,456	13,329

Notes)

- For the Company and domestic consolidated subsidiaries, "Historical cost" as of the end of each 1st quarter represents amounts before amortization and impairment. "Historical cost" as of the end of the previous fiscal period represents amounts after amortization and impairment.
- "Market value" represents market value as of the end of each quarter.

2. Other Securities

(Millions of yen)

Item	End of the 1 st quarter of previous fiscal period (as of June 30, 2004)			End of the 1 st quarter of this fiscal period (as of June 30, 2005)			[Reference] End of the previous fiscal period (as of March 31, 2005)		
	Historical cost	Market value	Unrealized gain (loss)	Historical cost	Market value	Unrealized gain (loss)	Historical cost	Market value	Unrealized gain (loss)
Domestic bonds	1,058,360	1,065,550	7,190	1,202,624	1,236,744	34,120	1,189,097	1,217,258	28,160
Domestic stocks	619,537	1,401,358	781,821	610,016	1,402,020	792,004	610,017	1,405,329	795,311
Foreign securities	854,776	869,009	14,232	944,438	1,014,390	69,952	938,328	986,889	48,560
Others	84,367	91,828	7,460	99,653	110,355	10,702	91,868	101,665	9,796
Total	2,617,042	3,427,746	810,703	2,856,732	3,763,511	906,779	2,829,313	3,711,141	881,828

Notes)

- For the Company and domestic consolidated subsidiaries, "Historical cost" as of the end of each 1st quarter represents amounts before amortization and impairment. "Historical cost" as of the end of the previous fiscal period represents amounts after amortization and impairment.
- "Market value" represents market value as of the end of each quarter.
- Beneficiary claims on the loan trust, which are classified as "Monetary receivables bought" on the balance sheet, are included in "Others".

Derivatives

(Millions of yen)

Type	Transaction	End of the 1 st quarter of previous fiscal period (as of June 30, 2004)			End of the 1 st quarter of this fiscal period (as of June 30, 2005)			[Reference] End of the previous fiscal period (as of March 31, 2005)		
		Contract amount	Market value	Appraisal gain (loss)	Contract amount	Market value	Appraisal gain (loss)	Contract amount	Market value	Appraisal gain (loss)
Currency derivatives	Forward foreign exchange:									
	Short	213,577	211,437	2,140	99,601	103,239	(3,638)	108,432	112,539	(4,106)
	Long	114,182	112,357	(1,824)	148,673	153,704	5,030	118,309	121,648	3,339
	Currency option:									
	Short	28,444			-			-		
	Long	245*	1	244	-*	-	-	-*	-	-
	Long	33,190			-			5,961		
	Currency swap	466*	598	132	-*	-	-	220*	151	(68)
		4,000	42	42	-	-	-	4,000	9	9
Interest rate derivatives	Interest rate swap	1,000	64	64	1,000	32	32	1,000	27	27
Others	Credit derivatives:									
	Short	106,740			13,936			89,930		
	Long	926*	856	69	57*	54	3	725*	570	154
	Weather derivatives:									
	Short	2,900			-			2,900		
	Long	15*	9	(6)	-*	-	-	15*	11	(3)
	Short	2,461			777			859		
	Long	75*	53	21	53*	53	(0)	50*	51	(0)
	Earthquake derivatives:									
	Short	1,546			-			50		
Long	-*	-	-	-*	-	-	-*	-	-	
	Short	1,160			1,390			1,320		
	Long	53*	34	18	60*	20	39	59*	20	38
	Long	1,160			1,390			1,320		
		47*	31	(15)	53*	18	(35)	52*	18	(34)
	Total			887			1,432			(643)

Notes)

- Derivative transactions to which hedge accounting methods are applied are excluded from this table.
- “Contract amount” represents amount of outstanding contracts or amount equivalent to the principal provided in the contract as of the end of each quarter or fiscal period. Amounts with an asterisk (*) represent the option premiums stated on the balance sheet.

Premiums Written and Claims Paid by line of business

Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	43,790	(3.1)	11.3	45,928	4.9	12.1	193,671	(0.7)	13.5
Marine insurance	8,183	(0.5)	2.1	8,229	0.6	2.2	32,807	1.3	2.3
Personal accident insurance	34,160	2.6	8.9	36,820	7.8	9.7	122,520	5.2	8.5
Voluntary automobile insurance	171,761	(1.0)	44.5	172,606	0.5	45.3	671,187	(0.8)	46.8
Compulsory automobile liability insurance	80,754	0.1	20.9	67,852	1.0	17.8	262,107	(1.1)	18.3
Others	47,213	7.7	12.2	49,509	4.9	13.0	150,861	4.1	10.5
Total:	385,862	0.3	100.0	380,946	2.3	100.0	1,433,155	0.2	100.0
Deposits of premiums by Policyholders	40,681	22.4	10.5	39,788	(2.2)	10.4	192,801	12.2	13.5

Net premiums written

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	35,620	(4.3)	10.2	35,654	0.1	10.1	150,367	(4.5)	11.1
Marine insurance	5,855	3.3	1.7	6,184	5.6	1.7	25,199	1.4	1.9
Personal accident insurance	33,784	2.4	9.7	36,326	7.5	10.3	120,794	5.2	8.9
Voluntary automobile insurance	171,123	(1.0)	49.0	172,041	0.5	48.7	669,097	(0.7)	49.5
Compulsory automobile liability insurance	58,544	4.6	16.8	55,543	0.2	15.7	244,156	1.0	18.1
Others	44,514	4.7	12.7	47,695	7.1	13.5	142,300	1.4	10.5
Total	349,443	0.6	100.0	353,446	2.1	100.0	1,351,915	(0.1)	100.0
Total (excluding the influence of CALI)	326,146	0.4	/	330,270	2.2	/	1,244,408	(0.2)	/
Total (excluding the influence of CALI and FR)	325,769	0.9	/	328,846	1.9	/	1,243,395	0.2	/

Net claims paid

(Millions of yen)

Term Business line	1 st quarter of the previous fiscal period (April 1 to June 30, 2004)			1 st quarter of this fiscal period (April 1 to June 30, 2005)			[Reference] Previous fiscal period (April 1, 2004 to March 31, 2005)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	11,435	(9.6)	7.0	19,077	66.8	10.2	126,893	128.2	15.6
Marine insurance	2,780	(27.0)	1.7	2,727	(1.9)	1.5	12,986	(15.6)	1.6
Personal accident insurance	10,771	(9.9)	6.6	11,054	2.6	5.9	44,534	(4.8)	5.5
Voluntary automobile insurance	88,027	(2.8)	53.7	93,352	6.0	49.9	395,819	5.4	48.7
Compulsory automobile liability insurance	29,511	40.2	18.0	37,285	26.3	19.9	133,211	36.1	16.4
Others	21,456	(19.7)	13.1	23,651	10.2	12.6	99,651	(8.3)	12.3
Total	163,982	(1.7)	100.0	187,148	14.1	100.0	813,096	16.2	100.0
Total (excluding the influence of CALI)	152,726	(7.1)	/	168,280	10.2	/	754,332	11.4	/
Total (excluding the influence of CALI and FR)	149,690	(6.1)	/	164,390	9.8	/	743,266	14.1	/

Notes common for the above three tables:

1. "Total (excluding the influence of CALI)" represents the total amounts excluding any influence of the abolition of the government reinsurance program for compulsory automobile liability insurance (CALI). "Total (excluding the influence of CALI and FR)" represents the total amounts excluding the same and any additional influences of reinsurance contracts made through the agent Fortress Re Inc.
2. In the 1st quarter of this fiscal period, premiums for Compulsory automobile liability insurance were adjusted to the amounts excluding policies whose effective date were after July 1. The percentage of increase (decrease) represent the change over the premiums of the previous year adjusted to the same basis. The "Net Premiums Written" in the 1st quarter of the previous fiscal period was 351,565 million yen.

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