

UNOFFICIAL TRANSLATION

The formal press release document is in Japanese.

November 8, 2006

**New Agreement to Establish Non-Life Insurance Company in India
— Laying the Foundations for a New Insurance Business across India —**

Sompo Japan Insurance Inc. (hereinafter “Sompo Japan”; President Masatoshi Sato) today signed a joint venture agreement to establish a non-life insurance company with state-owned banks, Allahabad Bank and the Indian Overseas Bank, as well as the privately owned Karnataka Bank and the Dabur Investment Corporation in New Delhi, India.

This is going to be the first joint venture of state-owned (Public Sector) Banks in the Non-Life Insurance sector in India. However, fifty one percent of the share collectively being owned by the private sectors, the new company will belong to one of the private sector insurance companies.

Amid India’s continued economic growth, Sompo Japan will provide a range of first-class insurance products and services to consumers nationwide.

1. Outline of the Joint Venture Agreement

(1) Investors and percentage of shares owned

Allahabad Bank (state-owned)	30%
Indian Overseas Bank (state-owned)	19%
Karnataka Bank (private bank)	15%
Dabur Investment *	10%
Sompo Japan	26%

* Dabur Investment is a subsidiary of Dabur India Ltd, a major manufacturer and seller of general consumer goods.

(2) Business of the joint company: non-life insurance

(3) Name of the joint company: Universal Sompo General Insurance

(4) Paid-in capital: Rs 1.5 billion (approximately 3.9 billion yen)

(5) Head office: Mumbai

2. Purpose of Establishing the Joint Company

Recent years have seen India’s non-life insurance market undergo rapid expansion in line with the favorable domestic economy. Total direct premiums in the last fiscal year exceeded 500 billion yen, with further high growth expected to continue into the future.

Combined, the three banks with which Sompo Japan has concluded the joint venture boast an estimated 3,700 branches nationwide, each with a strong customer base, and have experience in over-the-counter sales of insurance products. The banks will provide the joint venture with an overarching national sales network while Sompo Japan will contribute its extensive know-how and management expertise gathered over many years in the insurance industry. The new company will focus on developing the local retail business while at the same time promoting sales to Japanese-based firms operating in the country to provide high-quality insurance services in the expanding Indian market.

3. Future Development

The signatories will first apply to the Indian insurance authority for the appropriate license. Subject to that being granted, the new company will be established, with operations slated to begin in the first half of 2007.

END

For further details, please contact : publicrelations@sompo-japan.co.jp

- This material 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 material other than past facts are opinions or estimates at the time of publicizing the material. These opinions or estimates of future performance are not guaranteed by Sompo Japan, and they may end up differing from future facts significantly due to various uncertain factors.