

June 6, 2007

Approval Obtained for Establishment of Shanghai Branch of Local Firm in China  
- First Japanese non-life insurance company to have license in two cities-

Sompo Japan Insurance (China) Co.,Ltd. (“Sompo Japan China”: President & CEO: Masami Takahashi), established in 2005, wholly owned by Sompo Japan Insurance Inc. (“Sompo Japan”; President & CEO: Masatoshi Sato), obtained permission from the China Insurance Regulatory Commission (CIRC) on June 5, 2007 to establish Shanghai branch.

Sompo Japan China immediately will start preparation works for opening of Shanghai branch, including IT system setup and staff recruitment, and plans to open the branch as soon as possible.

Accordingly, **Sompo Japan will become the first Japanese non-life insurance company permitted to have license in two cities in China, i.e. Dalian and Shanghai.**

### **1. Background to Approval of License**

Sompo Japan established Sompo Japan China, headquartered in Dalian, Liaoning Province in June 2005, as the first subsidiary company of Japanese non-life insurance company in China. Since then, Sompo Japan China has been expanding its business, making Liaoning Province as its base marketing area.

Sompo Japan China has also been trying to expand its branch network in the regions where Japanese affiliated firms are increasingly moving into, and seeking CIRC for the permission to establish Shanghai branch.

### **2. Outline of Shanghai Branch (planned)**

Name: Sompo Japan Insurance (China) Co., Ltd. Shanghai Branch

Address: 39F, The Center, 989 Changle Road 200031 Shanghai

Personnel: Japanese staff: 15, Chinese staff: 60

### **3. Future Developments**

#### **(1) Business Bases Development**

Future plans call for establishing further bases in areas such as Beijing, Guangzhou and Suzhou, where an increasing number of Japanese companies are setting up operations. Further branch expansion will enable Sompo Japan to run its own direct writing system, which is an essential element of its core non-life insurance business, and establish a business base that directly provides customers with high-quality and high-added-value products and services.

#### **(2) Alliance Strategy**

Rather than concentrate on developing operations exclusively within its own branches, Sompo

Japan will continue to focus on building alliances with excellent partners in various fields as it strives to provide highly satisfying products and services to mainly Japanese companies throughout China.

(Reference)

#### **Outline of Local Subsidiary**

Company Name: Sompo Japan Insurance (China) Co., Ltd

Legal Address: 10<sup>th</sup> Floor, Dalian Senmao Building, 147 Zhongshan Road, Xigang District, Dalian,  
Liaoning, People's Republic of China

Date of Foundation: June 1, 2005

Paid-in Capital: RMB 500 million

#### **Sompo Japan's Operation network in China:**

Representative Offices: Beijing, Suzhou, Guangzhou, Shenzhen, and Chongqing

(Reference)

#### **Key Developments in Sompo Japan's China Operations since the Establishment of the Dalian Branch Office**

Jul 2003	Established Dalian Branch Office and commenced operations
Sep 2003	Concluded business tie-ups with two South Korean non-life insurance companies covering China and other regions of Asia
Oct 2003	Started 24-hour Japanese/Chinese language claim response service in China
Feb 2004	Opened Suzhou Representative Office
Mar 2004	Opened Guangzhou Representative Office
Apr 2004	Improved and expanded the network of locations that respond to loss/damage claims in China through comprehensive business tie-ups with major Chinese adjuster companies, and put into full-scale operation 24-hour claim response service
	Began offering a logistics risk assessment service in both Japanese and Chinese
	Started handling claims in Chinese through the internet-based "AEGIS" Accident Information Management/Analysis System
Oct 2004	Tie-up with Ping An Life Insurance Company of China, Ltd.
Dec 2004	Concluded equity and management participation of China Insurance Brokers Co., Ltd. with PICC Holding Company
Jun 2005	Establishment of Sompo Japan China (upgrade of Dalian Branch Office).
Jun 2005	Tie-up with China Pacific Property Insurance Company in the field of risk management
Jan 2006	Offering of service for evaluation of logistics' risks "China Cargo Program" for medium and small-sized companies in China and Japan trade
Jan 2006	Tie-up with Sunshine Property and Casualty Insurance Company Limited
Sep 2006	Tie-up with Bohai Property Insurance Company Limited

Apr 2007 Started transporters' quality report service to our customers through business tie-up with China Federation of Logistics & Purchasing(CFLP)

END

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