

UNOFFICIAL TRANSLATION

The formal press release document is in Japanese.

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## **Establishment of Regional Headquarters in Asia**

Sompo Japan Insurance Inc. (hereinafter referred to as “Sompo Japan”: President Masatoshi Sato) establishes a new company, Sompo Japan Asia Holdings Pte Ltd (the name of the company being provisional), in Singapore around this September to strengthen the group management systems in Asian region (in Southeast Asian region centering on the ASEAN countries).

By setting up the regional headquarters that puts our southeast subsidiaries and affiliated companies under its umbrella, we will be able to enhance supports to strategic projects and management controls within the whole region in the view, and will aim at more business expansion and internal control reinforcement.

### **1. Background of the establishment of the regional headquarters**

Sompo Japan has regarded overseas insurance operations as an important part of the growth strategy of the group. We have taken our utmost efforts in a positive manner for entry especially in markets centering on the ASEAN and BRICs (Brazil, Russia, India and China) countries in which expansion of insurance market is expected in medium and long term.

In Southeast Asia we have concentrated our efforts for the development of our business with the establishment of subsidiaries and affiliated companies in Singapore, Thailand, Malaysia, the Philippines, Vietnam and Indonesia. Thanks to the economic growth in those areas, each company has achieved increase in profit up to the present. From now on we consider it important for us to expand our business activities and enhance the governance of our group through mutual cooperation among the companies within the region.

Under the above-mentioned strategy we have decided to build the regional headquarters that has a “hub” function in the development of insurance operations in Southeast Asian region, for further enhancement of the management system of the group.

### **2. Systems after the Establishment**

The regional headquarters will be established in Singapore. The shares of the companies in Singapore, Thailand, Malaysia, the Philippines, Vietnam and Indonesia which are now retained by Sompo Japan will be transferred to the new

company after obtaining the approval etc. from respective authorities concerned.

The capital of the new company will be decided later after giving our careful attention over the situation of the transfers of the shares.

### **3. Purposes of the Establishment**

(1) Support for Strategic Planning from the Wider Viewpoint Overlooking Whole Southeast Asia and Acceleration of Decision Making

Through the regional headquarters, we will support for planning projects that put the whole Southeast Asia in view, providing insurance underwriting know-how, and introducing successful cases, which will be of much assistance for the future development of insurance operations.

Further, the regional headquarters will perform management and business execution independently and will make decisions and responsive actions taking into consideration the situation specific to these areas.

(2) Reinforcement of Capacity to Collect and Analyze Information

Currently, each country in Southeast Asia is promoting modernization of financial and insurance industries rapidly in keeping pace with the economic growth. There are also activated moves to promote the soundness of insurance industries by making standards rigidly for compliance and solvency margin. By establishing the regional headquarters, we will strengthen the system of catching such market environmental changes appropriately, collecting and analyzing related information quickly, and utilize it for more aggressive business expansion.

(3) Reinforcement of Governance System

In the course of smooth expansion of the business of each local company, necessity to reinforce the governance system of each company from a more geographically approximate place is increasing. The regional headquarters which executes the management administrative function in a unified manner strengthens the systems for compliance and internal controls.

(4) Reinforcement of Human Resources development

Securing and developing experienced human resources is indispensable for executing overseas business strategy. By utilizing this regional headquarters as a career development platform of the regional staff including a temporary worker from Japan, we will plan for reinforcement of human resources development.

**[The Outlines of the new company]**

|  |   |
|--|---|
| Name (Provisional)                     | Sompo Japan Asia Holdings Pte Ltd   |
| Location of the Head Office            | 50 Raffles Place #03-03, Singapore Land Tower, Singapore 048623   |
| Lines of Business                      | 1. Management control and support service of affiliated companies in the region<br>2. Management control and support service of companies in the region<br>3. human resources development<br>4. Other related business and collection of information etc. |
| Representative                         | Tadashi Baba, Representative Director and President<br>(Executive Officer of Sompo Japan)   |
| Number of Employees                    | 20 employees<br>(Of which 10 persons are Japanese dispatched)   |
| Capital                                | Singapore \$ 1 (thereafter increase in capital by transfer of shares etc. are scheduled.)   |
| Shareholder                            | Sompo Japan 100%  |
| Establishment Date (Registration Date) | Scheduled to be established in September 2008   |

**[The Outlines of Main Subsidiaries and Affiliated companies in Southeast Asia]**

**(As of April 1, 2008)**

| Name   | Country         | Year of Establishment (Participation) | Share of Sompo Japan | Capital                      |
|--|-----------------|---------------------------------------|----------------------|------------------------------|
| Sompo Japan Insurance Company (Asia) Pte Ltd | Singapore       | 1989                                  | 100%                 | Singapore \$34,600,000       |
| Sompo Japan Insurance (Thailand) Co., Ltd.   | Thailand        | 1997                                  | 25%                  | Baht 300,000,000             |
| PT Sompo Japan Insurance Indonesia           | Indonesia       | 1978                                  | 80%                  | Rp. 15,000,000,000           |
| PGA Sompo Japan Insurance Inc.               | The Philippines | 1991                                  | 40%                  | Peso 100,000,000             |
| Berjaya Sompo Insurance Berhad               | Malaysia        | 2007                                  | 30%                  | Malaysia Ringgit 118,000,000 |
| United Insurance Company of Vietnam          | Vietnam         | 1997                                  | 23.3%                | US\$5,000,000                |

**[Personal History of the Representative of the new company]**

Name: Tadashi Baba

Born: August 7, 1953

History of Career in Company:

Entered Sompo Japan Insurance Inc. (formerly The Yasuda Fire and Marine Insurance Co., Ltd.) on April 1, 1977

Appointed the General Manager of the Marine Coordination Department on November 1, 1999

Appointed the General Manager of Second Corporate Account Production Department on June 1, 2001

Appointed the President of Sompo Japan Insurance Company of Europe Limited on April 1, 2004

Appointed the General Manager of the Corporate Legal Department on April 1, 2007

Appointed the Executive Officer, General Manager of the Global Strategy on July 1, 2008

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