

May 20, 2009

## Notice of Acquisition of Shares of Brazilian Insurance Company Marítima Seguros

Sompo Japan Insurance Inc. (“Sompo Japan ”; Masatoshi SATO, President) passed a resolution at today’s meeting of the Board of Directors to acquire 50% of the ordinary shares of the Brazilian insurance firm Marítima Seguros S.A. (“Marítima”) through its subsidiary Yasuda Seguros, S.A. (“Yasuda Seguros”), subject to agreement by Marítima and Marítima’s principal shareholders. Marítima ranks 10<sup>th</sup> among Brazilian insurance companies in premium income. The anticipated acquisition price for these shares will be up to 336 million reais (approx. 14,400 million yen), making this the Sompo Japan Group’s largest-ever investment in an overseas insurance company.

The Sompo Japan Group is seeking to further expand its business by investing in Marítima, which has a well-established brand in Brazil and a robust sales network of brokers and banks.

### **1. Background to share acquisition**

Sompo Japan has adopted as one of its management strategies the assertive development of its overseas business, particularly in the BRIC, ASEAN and other countries expected to see expansion in their insurance markets. Brazil has been a focus of Company efforts for approximately 50 years since Yasuda Seguros was established in 1958, and has become a priority location within Sompo Japan’s overseas operations for the accumulation of know-how and the growth of premium income.

As Brazil enjoys sustained economic growth, the country’s insurance market saw an approximately 16% year-on-year rise in original premium in FY2008 due to an increase in population over the medium to long term and a rise in the insurance penetration rate, and this market is expected to undergo continued growth.

Marítima has been in business for 65 years and, as one of Brazil’s few independently capitalized insurance companies, it has robust sales channels that include a 13,000-strong network of brokers as well as over-the-counter sales at banks. Sompo Japan thus determined that, by acquiring shares of Marítima through Yasuda Seguros, it could utilize both Marítima and Yasuda Seguros to dramatically enhance the Sompo Japan Group’s insurance business in Brazil.

This investment has garnered the approval of both parties because of a convergence of needs between Marítima, which requires capital reinforcement to achieve stable business expansion, and Sompo Japan, which had been considering investment in a local insurance company with a well-established brand and solid sales performance in order to substantially expand its business in Brazil.

### **2. Profiles of Marítima and Yasuda Seguros**

#### (1) Marítima

- 1) CEO: Francisco Caiuby Vidigal
- 2) Head office: Sao Paolo, State of Sao Paolo, Brazil
- 3) Year established: 1943
- 4) Employees: approx. 1,300 (including those at subsidiaries)

5) Key financial data (consolidated) as of term ended December 2008

Total assets: 1,039 million reals (approx. 44,400 million yen)

Original gross premium: 1,097 million reals (approx. 46,900 million yen)

After-tax profit: 13 million reals (approx. 500 million yen)

(2) Yasuda Seguros

1) CEO: Tatsujiro YONEKURA

2) Head office: Sao Paolo City, Sao Paolo State, Brazil

3) Year established: 1958 (start of business: 1959)

4) Employees: approx. 340

5) Key financial data (as of term ended December 2008)

Total assets: 389 million reals (approx. 16,600 million yen)

Original gross premium: 214 million reals (approx. 9,200 million yen)

After-tax profit: 11 million reals (approx. 500 million yen)

### 3. Summary of share acquisition

Yasuda Seguros will acquire 50% of the ordinary shares of Marítima and some of its nonvoting preferred shares. The price of this share acquisition is expected to be a maximum of 336 million reals (approx. 14,400 million yen; increase in capital: 200 million reals (approx. 8,500 million yen), transfer of shares: 136 million reals (approx. 5,800 million yen)).

The shares in Marítima acquired by Yasuda Seguros will then be allocated to the Sompo Japan for 349 million reals (approx. 14,900 million yen).

The acquisition of Marítima shares is expected to be completed by July 2009<sup>1</sup>.

\* The Japanese yen exchange rate used here is that effective on March 31, 2009 (1 real = 42.72 yen).

<sup>1</sup> Presuming authorization from the financial authorities in Japan and Brazil

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