

# UNOFFICIAL TRANSLATION

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February 9, 2004

## SOMPO JAPAN INSURANCE INC.

### Financial Results for the 3<sup>rd</sup> Quarter of the Fiscal Year Ending March 31, 2004 ( Non-consolidated, unaudited )

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

Stock code number: 8755

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

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#### 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 3<sup>rd</sup> Quarter of the Fiscal Year Ending March 31, 2004 (April 1 to December 31, 2003)

##### (1) Net Premiums Written

	Millions of yen	%
3 <sup>rd</sup> quarter of this fiscal period (April 1 to December 31, 2003)	1,020,174	3.8
3 <sup>rd</sup> quarter of the previous fiscal period (April 1 to December 31, 2002)	982,834	-
[Reference] Previous fiscal period (April 1, 2002 to March 31, 2003)	1,318,471	9.8

Note: The percentages are the rates of increase compared to the 3<sup>rd</sup> quarter of the previous fiscal year.

The net premiums written in the 3<sup>rd</sup> quarter of this fiscal period was 1,020,174 million yen, 3.8% increase over the previous period, mainly due to the influence of the abolishment of the government reinsurance program for compulsory automobile liability insurance (CALI). The net premiums written excluding aforementioned influence regarding CALI was 941,166 million yen, 0.7% increase over the previous period.

##### (2) Significant events which affected financial conditions or operating results in this quarter

None.

#### 3. Forecasts for the Fiscal Year ending March 31, 2004 (April 1, 2003 to March 31, 2004)

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

## Premiums Written and Claims Paid by line of business

### Direct premiums written (excluding deposits of premiums by policyholders)

(Millions of yen)

Term Business line	3 <sup>rd</sup> quarter of the previous fiscal period (April 1 to December 31, 2002)			3 <sup>rd</sup> quarter of this fiscal period (April 1 to December 31, 2003)			[Reference] Previous fiscal period (April 1, 2002 to March 31, 2003)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	146,732	-	13.4	144,336	(1.6)	13.2	197,038	3.1	13.8
Marine insurance	24,138	-	2.2	24,417	1.2	2.2	32,139	2.2	2.2
Personal accident insurance	91,528	-	8.4	89,635	(2.1)	8.2	118,773	2.0	8.3
Voluntary automobile insurance	511,401	-	46.9	510,695	(0.1)	46.9	678,603	2.1	47.4
Compulsory automobile liability insurance	206,725	-	18.9	209,026	1.1	19.2	260,208	26.3	18.2
Others	110,946	-	10.2	111,489	0.5	10.2	143,811	1.0	10.1
<b>Total:</b>	<b>1,091,472</b>	<b>-</b>	<b>100.0</b>	<b>1,089,600</b>	<b>(0.2)</b>	<b>100.0</b>	<b>1,430,574</b>	<b>5.8</b>	<b>100.0</b>
Deposits of premiums by Policyholders	158,502	-	14.5	128,223	(19.1)	11.8	202,736	5.3	14.2

### Net premiums written

(Millions of yen)

Term Business line	3 <sup>rd</sup> quarter of the previous fiscal period (April 1 to December 31, 2002)			3 <sup>rd</sup> quarter of this fiscal period (April 1 to December 31, 2003)			[Reference] Previous fiscal period (April 1, 2002 to March 31, 2003)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	122,613	-	12.5	117,009	(4.6)	11.5	162,910	3.4	12.4
Marine insurance	16,888	-	1.7	18,054	6.9	1.8	24,739	(7.3)	1.9
Personal accident insurance	90,363	-	9.2	88,328	(2.3)	8.7	117,376	1.6	8.9
Voluntary automobile insurance	510,469	-	51.9	508,801	(0.3)	49.9	677,211	2.2	51.4
Compulsory automobile liability insurance	145,349	-	14.8	182,355	25.5	17.9	202,216	78.1	15.3
Others	97,150	-	9.9	105,625	8.7	10.4	134,016	7.4	10.2
<b>Total</b>	<b>982,834</b>	<b>-</b>	<b>100.0</b>	<b>1,020,174</b>	<b>3.8</b>	<b>100.0</b>	<b>1,318,471</b>	<b>9.8</b>	<b>100.0</b>
Total (excluding the influence of CALI)	934,268	-	/	941,166	0.7	/	1,243,557	3.6	/
Total (excluding the influence of CALI and FR)	939,717	-	/	938,823	(0.1)	/	1,242,990	3.0	/

### Net losses paid

(Millions of yen)

Term Business line	3 <sup>rd</sup> quarter of the previous fiscal period (April 1 to December 31, 2002)			3 <sup>rd</sup> quarter of this fiscal period (April 1 to December 31, 2003)			[Reference] Previous fiscal period (April 1, 2002 to March 31, 2003)		
	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount	Amount	% increase (decrease)	% of total amount
Fire and allied insurance	42,023	1.9	8.7	38,955	(7.3)	7.6	55,553	4.4	8.4
Marine insurance	10,569	(14.5)	2.2	11,244	6.4	2.2	14,074	(15.6)	2.1
Personal accident insurance	34,569	(5.3)	7.1	35,157	1.7	6.8	46,701	(4.9)	7.0
Voluntary automobile insurance	277,989	0.8	57.4	274,965	(1.1)	53.4	379,889	2.6	57.3
Compulsory automobile liability insurance	54,753	7.1	11.3	70,972	29.6	13.8	73,667	7.0	11.1
Others	64,014	(4.7)	13.2	83,983	31.2	16.3	93,269	4.5	14.1
<b>Total</b>	<b>483,919</b>	<b>(0.0)</b>	<b>100.0</b>	<b>515,277</b>	<b>6.5</b>	<b>100.0</b>	<b>663,155</b>	<b>2.4</b>	<b>100.0</b>
Total (excluding the influence of CALI)	483,815	(0.1)	/	501,193	3.6	/	662,241	2.3	/
Total (excluding the influence of CALI and FR)	478,949	(1.1)	/	478,743	(0.0)	/	650,758	0.5	/

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. "3<sup>rd</sup> quarter of the previous fiscal period (April 1 to December 31, 2002)" represents the total amounts and percentages of Sompo Japan Insurance for the three quarters ended December 31, 2002 and Nissan Fire & Marine Insurance for the quarter ended June 30, 2002.  
 "[Reference] Previous fiscal period (April 1, 2002 to March 31, 2003)" represents the total amounts and percentages of Sompo Japan Insurance for the fiscal year ended March 31, 2003 and Nissan Fire & Marine Insurance for the quarter ended June 30, 2002.

## Marketable Securities

(Millions of yen)

Item	End of the 3 <sup>rd</sup> quarter of this fiscal period (as of December 31 <sup>st</sup> , 2003)			[Reference]End of the previous fiscal period (as of March 31 <sup>st</sup> , 2003)		
	Historical cost	Market value	Unrealized gain (loss)	Historical cost	Market value	Unrealized gain (loss)
Domestic bonds	959,458	978,185	18,726	927,583	968,664	41,081
Domestic stocks	635,807	1,258,232	622,424	666,398	1,004,819	338,421
Foreign securities	712,861	728,253	15,392	525,443	555,816	30,373
Others	90,182	96,809	6,626	100,580	105,723	5,142
<b>Total</b>	<b>2,398,310</b>	<b>3,061,480</b>	<b>663,170</b>	<b>2,220,005</b>	<b>2,635,024</b>	<b>415,019</b>

Notes:

- The above table represents the amounts of “Other marketable securities”, which are not classified as “Securities for trading purposes” or “Securities for held-to-maturity”.
- “Historical cost” as of the end of the 3<sup>rd</sup> quarter represents amounts before amortization and impairment with amortization and impairment applied at the interim period not reflected. “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 housing 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 3 <sup>rd</sup> quarter of this fiscal period (as of December 31 <sup>st</sup> , 2003)			[Reference]End of the previous fiscal period (as of March 31 <sup>st</sup> , 2003)		
		Contract amount	Market value	Appraisal profit (loss)	Contract amount	Market value	Appraisal profit (loss)
Currency Derivatives	Forward foreign exchange:						
	Short	145,550	143,342	2,207	66,118	66,521	(403)
	Long	111,525	109,943	(1,582)	156,003	158,604	2,600
	Currency option:						
	Short	39,945			103,662		
	Long	244*	356	(111)	351*	354	(2)
	Long	37,179			96,825		
	Long	244*	36	(208)	351*	39	(311)
	Currency swap	4,000	93	93	4,000	79	79
Interest rate derivatives	Interest rate swap	2,000	99	99	2,000	125	125
Equity derivatives	Stock price index future:						
	Long	1,628	1,698	69	-	-	-
Bond derivatives	Bond future:						
	Short	22,368	22,459	(91)	15,238	15,249	(10)
	Long	10,662	10,783	120	11,969	11,946	(23)
Others	Credit derivative:						
	Short	107,614			125,042		
		975*	886	88	1,005*	1,791	(785)
	Weather derivative						
	Short	1,600			312		
		150*	170	(20)	32*	26	5
	Long	204			-		
		31*	25	(5)	-*	-	-
	Earthquake derivative						
	Short	1,060			60		
	48*	31	16	3*	2	0	
Long	1,060			50			
	43*	28	(14)	2*	2	(0)	
<b>Total</b>				<b>661</b>			<b>1,274</b>

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 principle 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.

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