

UNOFFICIAL TRANSLATION

The formal disclosure document is in Japanese.

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To whom it may concern:

Sompo Japan Insurance Inc.
Representative Director: Hiroshi Hirano, President & CEO
(Stock code number: 8755)
(Listed on the Tokyo, Osaka, Nagoya, Fukuoka and Sapporo Stock Exchange)

Revision of earnings projections for the interim fiscal year 2004

We hereby revise the earnings projections for the interim fiscal year 2004, which we announced in May 2004 on the non-consolidated and consolidated basis.

1. Revision of earnings projections for the interim fiscal year 2004 (non-consolidated basis)

(Unit: billions of yen)

	Net premiums written	Ordinary profit	Interim net income
Previous projections as of May 2004 (A)	687.0	33.0	39.0
Revised projections (B)	688.2	(10.1)	10.5
Change in amount (B-A)	+1.2	(43.1)	(28.5)
Change in ratio (B-A)/A	+0.2%	(130.6%)	(73.1%)
(Reference) Corresponding interim fiscal year results (from April 1, 2003 to September 30, 2003)	682.7	62.8	36.3

(Grounds of revision)

Net premiums written, which corresponds to the sales amount, is expected to be better than the projection and the expense ratio is also likely to improve accordingly. Meanwhile, the addition of reserve for outstanding losses and claims increased because of frequent natural disasters in this interim period. As a result, the underwriting profits are expected to decrease and the projections for the interim fiscal year 2004 are to be revised.

The claim payments for the natural disasters occurred in this interim period are expected to amount JPY83.6 billion on gross basis and JPY70.5 billion (the projection as of May 2004: JPY16.5 billion) on net basis after recovery from reinsurance contracts.

We do not revise the earnings projections for the fiscal year 2004 (non-consolidated basis) announced in May 2004. We assume that most of the additional reserve for outstanding losses and claims will turn into the paid losses by the end of the fiscal year and will be offset by the reversal of the catastrophic loss reserve.

Reference: Earnings projections for the fiscal year 2004 (non-consolidated basis) announced in May 2004

(Unit: billions of yen)

	Net premiums written	Ordinary profit	Net income
Fiscal year 2004 ending March 31, 2005	1,360.0	78.0	60.0

2. Revision of earnings projections for the interim fiscal year 2004 (consolidated basis)

(Unit: billions of yen)

	Ordinary income	Ordinary profit	Interim net income
Previous projections as of May 2004 (A)	920.0	30.0	36.0
Revised projections (B)	950.0	(13.0)	7.5
Change in amount (B-A)	+30.0	(43.0)	(28.5)
Change in ratio (B-A)/A	+3.3%	(143.3%)	(79.2%)
(Reference) Corresponding interim fiscal year results (from April 1, 2003 to September 30, 2003)	936.8	58.0	31.6

(Grounds of revision)

The revision is mainly due to the revision of non-consolidated earnings projections.

We do not revise the earnings projections for the fiscal year 2004 (consolidated basis) announced in May 2004 as well as those of non-consolidated basis.

Reference: Earnings projections for the fiscal year 2004 (consolidated basis) announced in May 2004

(Unit: billions of yen)

	Ordinary income	Ordinary profit	Net income
Fiscal year 2004 ending March 31, 2005	1,870.0	72.0	54.0

End.

<Reference>

Main Indicators (non-consolidated basis)

Underwriting Operations

(Unit: billions of yen)

	Interim period ending September 30, 2003			Interim period ending September 30, 2004		
	Results			Projections		
		ex. CALI factor	ex. CALI and FR factors		ex. CALI factor	ex. CALI and FR factors
Net premiums written	682.7	629.5	628.9	688.2	633.5	633.5
Growth of net premiums written	5.9%	1.3%	0.3%	0.8%	0.6%	0.7%
Loss ratio	54.8%	58.3%	56.0%	55.5%	56.3%	55.4%
Expense ratio	32.5%	35.3%	35.3%	30.9%	33.5%	33.5%
Combined ratio	87.3%	93.5%	91.2%	86.4%	89.9%	88.9%
Underwriting balance ratio	12.7%	6.5%	8.8%	13.6%	10.1%	11.1%
Underwriting balance	86.7	40.6	55.2	93.5	64.0	70.1

The figures and ratios under "ex. CALI factor" are excluding the effects resulting from the abolition of government reinsurance program in Compulsory Automobile Liability Insurance (CALI).

The figures and ratios under "ex. CALI and FR factors" are excluding the effects from overseas reinsurance contracts handled by Fortress Re, in addition to those from CALI mentioned above.

The definitions of indicators are as follows;

Loss ratio = (Net losses paid + Loss adjustments) ÷ Net premiums written

Expense ratio = (Operating, general and administrative expenses related to underwriting + Commissions and brokerage fees) ÷ Net premiums written

Combined ratio = Loss ratio + Expense ratio

Underwriting balance ratio = 1 - Combined ratio (= Loss ratio + Expense ratio)
= Underwriting balance ÷ Net premiums written

Underwriting balance = Net premiums written - Net losses paid - Loss adjustments
- Operating, general and administrative expenses related to underwriting - Commissions and brokerage fees

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