

December 12, 2006

**Agreement Signed on Investment in Malaysian Non-life Insurance Company
— Move aimed at expanding Sompo Japan’s insurance business throughout Malaysia —**

Sompo Japan Insurance Inc. (“Sompo Japan”; Masatoshi Sato, President) on December 11 signed an agreement in Kuala Lumpur, Malaysia, on acquiring a 30% share in the Malaysian non-life insurance company, Berjaya General Insurance Berhad (“Berjaya”) with its holding company, Berjaya Capital Berhad.

Since establishing a representative office in Malaysia in 1972, Sompo Japan has collaborated with local non-life insurance companies to provide insurance services. In becoming involved in the management of Berjaya, Sompo Japan is seeking to further enhance its presence in Malaysia, a country enjoying steady economic growth, and to provide even more sophisticated customer services.

1. Company profile after Sompo Japan investment

(1) Company name	Berjaya Sompo Insurance Berhad (*) (* subject to Malaysian insurance authority’s approval)
(2) Shareholder composition	Berjaya Capital: 70%; Sompo Japan: 30%
(3) Nature of business	Non-life insurance
(4) Capital	118 million Malaysian Ringgit (approx. ¥3.78 billion)
(5) Location of head office	Kuala Lumpur, Malaysia

2. Aims of investment

The non-life insurance market in Malaysia has continued to expand in recent years, supported by a stable domestic economy. Total direct premium for last year was about ¥340 billion, 1.5 times greater than five years ago, and sustained growth is expected in future.

The Berjaya Group, to which Sompo’s new partner Berjaya belongs, has a total of 130 Group companies with a total workforce of 17,000 involved in a wide range of businesses, making it one of the most powerful corporate groups in Malaysia. Berjaya itself has 15 branch offices across Malaysia and has developed strengthened distribution and claim assesment networks throughout the country, especially in the retail sector.

Thus far Sompo Japan has been providing service in Malaysia principally to Japanese companies, and it is aiming to expand its operations into the local sector through participation in the management of Berjaya. Sompo Japan will provide Berjaya with know-how on new product development, insurance services and various other operations. It will also endeavor through Berjaya to provide high-quality insurance services to the expanding Malaysian market and to boost its presence among both Japanese companies operating in Malaysia and companies in the local market.

3. Future Development

Sompo Japan plans to begin participating in the management of Berjaya in February 2007. Along with better meeting the needs of Japanese companies in Malaysia, Sompo Japan will also undertake active development of new business in the local market.

Profile of Berjaya General Insurance Berhad

Company name:	Berjaya General Insurance Berhad
Establishment:	November 1980 (changed to present company name in 1991)
Capital:	118 million Malaysia Ringgit (approximately ¥3.78 billion)
Shareholder:	Berjaya Capital Berhad: 100%
CEO:	Mr. Patrick Loh Lye Ngok
Head office:	Kuala Lumpur
Branch offices:	15 branch offices throughout Malaysia

Key financial statement data (for term ended April 2006)

Total assets:	476 million Rnggit (approx. ¥15.2 billion)
Total direct premium:	251 million Ringgit (approx. ¥8.0 billion)
After-tax income:	26 million Ringgit (approx. ¥830 million)

Profile of Berjaya Group

Overview: A corporate group built around Berjaya Corporation Berhad engaged in a broad spectrum of businesses, including manufacturing, distribution, real estate, leisure, and finance.

Berjaya Capital, the parent company of Berjaya General Insurance, is the Group's financial company and is listed on the Bursa Malaysia (formerly the Kuala Lumpur Stock Exchange).

Number of companies:	more than 130 (major companies only)
CEO:	Tan Sri Dato' Seri Vincent Tan Chee Yioun
Employees:	approx. 17,000
Total sales:	approx. ¥94.0 billion
After-tax income:	approx. ¥5.0 billion

END

For further details, please contact : publicrelations@sompo-japan.co.jp

- This material is prepared for information only and is not a solicitation, or offer, to buy or sell the securities of Sompo Japan.
- Information contained in this material other than past facts are opinions or estimates at the time of publicizing the material. These opinions or estimates of future performance are not guaranteed by Sompo Japan, and they may end up differing from future facts significantly due to various uncertain factors.