

November 20, 2007

Revision of a management target in Sompo Japan Regeneration Plan

Sompo Japan Insurance Inc. (hereinafter, “Sompo Japan;” President: Masatoshi Sato) revises one of its management targets for growth rate of net premiums written under the three years medium-term business plan from FY2006 to FY2008, Sompo Japan Regeneration Plan (hereinafter, “Regeneration Plan”), announced on November 22, 2006.

Since last year, Sompo Japan has made every effort to reinforce basic business infrastructure and improve business quality, with execution of business improvement plan, resolution of troubles on unpaid insurance claims and miss-priced insurance premiums, prevention of recurrence, and so on. The revision was made due to partial delay in processing the growth strategy under the Regeneration Plan and deterioration of market conditions including sluggish car sales and weak new housing construction.

Sompo Japan continues placing the highest priority on achieving the goals of “recovery of trust,” “contribution to society” and “customer-first policy”, based on the Regeneration Plan, and will do its utmost to enhance the effectiveness of measures being introduced to improve corporate governance, risk management and compliance and in order to establish systems meant to foster a more transparent corporate culture. Allocating the business resources in areas related to the growth strategy, focusing mainly on establishing business infrastructure for front-line business operations, Sompo Japan is also endeavoring to strengthen its business base in line with two major goals set for the future—accelerated expansion of business scale and reinforcement of earnings power.

Revision of a management target in Regeneration Plan

Out of its two management targets, the growth rate for net premiums written as an indicator of expansion of scale, and the adjusted consolidated ROE as an indicator of improved profitability in Regeneration Plan, the growth rate for net premiums written was revised as follows.

• Net premiums written (non-consolidated basis)

	Net premiums written (FY2008)	Growth rate year on year (Note 1)
Previous target (Released on November 22, 2006)	1.450 trillion yen	2.8%
Revised target	1.379 trillion yen	2.0%

(Note 1) Previous target is two-year average growth rate of FY2007 and FY2008.

Revised target is one year growth rate of FY2008.

• (Reference) Adjusted consolidated ROE (Note 2)

FY2010: 13%

(Note 2) Adjusted consolidated ROE

$$= \frac{\text{Consolidated net income} - \text{gains from sales of stocks/real estate as well as unrealized losses [after taxes]}}{\text{Average balance of (consolidated net asset} - \text{unrealized gains of stock [after taxes])}}$$

End.