March 15, 2010

Local System Development Subsidiary Established in Dalian, China
− First System Development Site Established by a Japanese Non-life Insurance Company in China −

SOMPO JAPAN SYSTEM SOLUTIONS INC. ("SJS") (President: Masamichi Yokoyama), a group company of SOMPO JAPAN INSURANCE INC. ("Sompo Japan") (President and CEO: Masatoshi Sato), has set up a local subsidiary, SOMPO JAPAN SYSTEM SOLUTIONS DALIAN CO., LTD. ("SJSD") (President: Masamichi Yokoyama), in Dalian, China to develop software systems at the Development System Center that opened in that city in November 2008 ("Local Site"). SJSD launched operations today, with a business license obtained from the Dalian Industrial and Commercial Administration Bureau on February 1, 2010.

SJS has been outsourcing its software system development to system development companies in China ("Chinese Vendors") at the Local Site. With the establishment of SJSD at this time, the company will expand the system development services offered by the NKSJ Group in China, and aims to thereby make a greater contribution to the strengthening of local system development capabilities as well as reducing and curbing the Group's system-related costs.

1. Objective of establishing SJSD

SJSD will create a system development team based in Dalian, China primarily consisting of local staff to engage in system development. Furthermore, SJSD will directly manage outsourcing to the Chinese Vendors locally, a task that was previously carried out by SJS through a Japanese system development company. With these changes, SJSD aims to enhance system-related functions in the following ways:

 - By directly hiring and training Chinese system engineers who are well versed in the insurance industry, SJSD will ensure that skills and expertise are kept within the group and will make greater contributions to enhancing the system development capabilities of the NKSJ Group.

 - Strengthening the local business management structure will pave the way for further scaling up of system development in China without any sacrifice of quality or security, and will enable the provision to the NKSJ Group of system services comparable with those provided in Japan at a low cost.

Hitachi, Ltd. ("Hitachi") (Chairman, President and CEO: Takashi Kawamura) has also made an investment in SJSD. SJSD will incorporate Hitachi's expertise in several areas, including human resources and quality management, into its system development business in China and aim to achieve a "Full China-based Development" business model in which the entire process from system design to testing will be conducted locally in China.

2. Outline of the Local Chinese Entity

Name:Sompo Japan System Solutions (Dalian) Co., Ltd.
Paid in capital: JPY 100 million (SJS: JPY 70 million, Hitachi: JPY 30 million)
President: Masamichi Yokoyama

Address: Room 302A, Building 17, Software Park, NO.267 Wuyi Rd.
         Shahekou District, Dalian, 116023, China

Scope of business:
         (1) Development and sales of software
         (2) Provision of information processing services
         (3) All other business related to the above
These services to be provided mainly to the NKSJ Group

Number of employees (at the time of establishment): 20
                      * 110 staff at local partner companies (Chinese Vendors)
Start of business: March 2010

   [Reference]
Outline of Sompo Japan System Solutions Inc.

Location: Sompo Japan Tachikawa Building
                           2-41-19 Akebonocho, Tachikawa City, Tokyo 190-0012, Japan
Date of incorporation: April 1984
Paid in capital: JPY 70 million
Number of employees: 596 (as of April 2009)
Business activities: Development, maintenance and sales of software

- End -

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