

Fiscal 2008 First Information Meeting

May 29, 2008



Mitsui Sumitomo Insurance Group Holdings

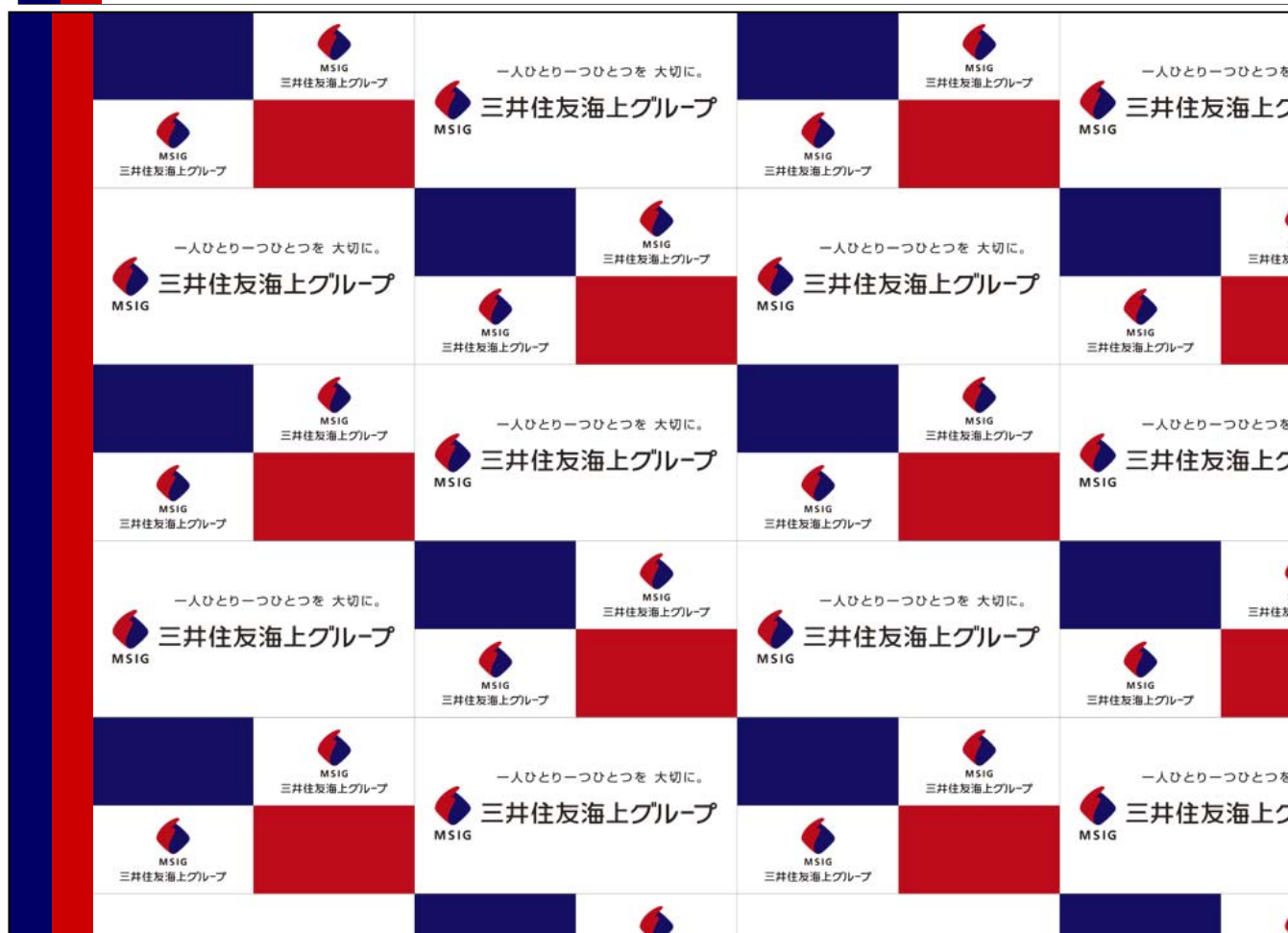


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To make Full Use of the Group's Combined Strengths

Shift to a Holding Company Structure



Summary of the Holding Company Structure

Shift to a holding company structure as part of reinforcement of the base of business administration to ensure implementation of the Group's strategies

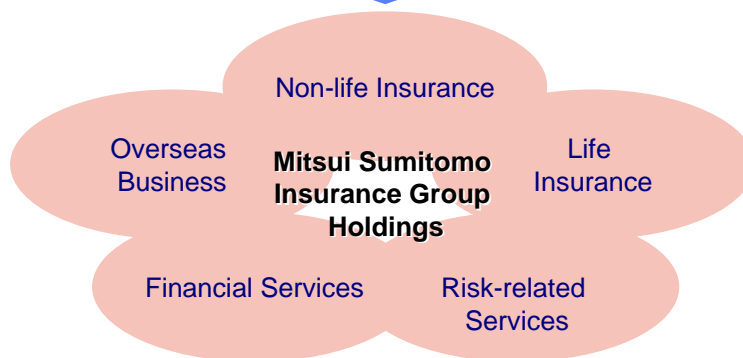
Holding Company

Overall control (development of strategies, allocation of managerial resources, supervision of group companies, etc)

Group Companies

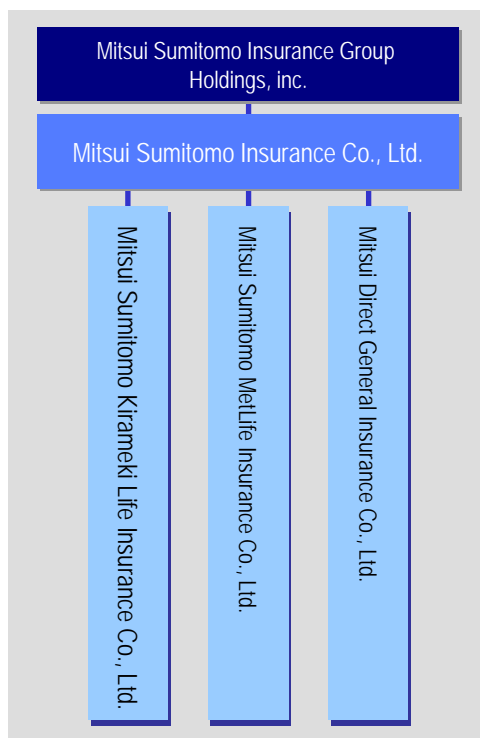
Concentrate on conduct of business in each business domain

To accelerate the growth of each of 5 major businesses

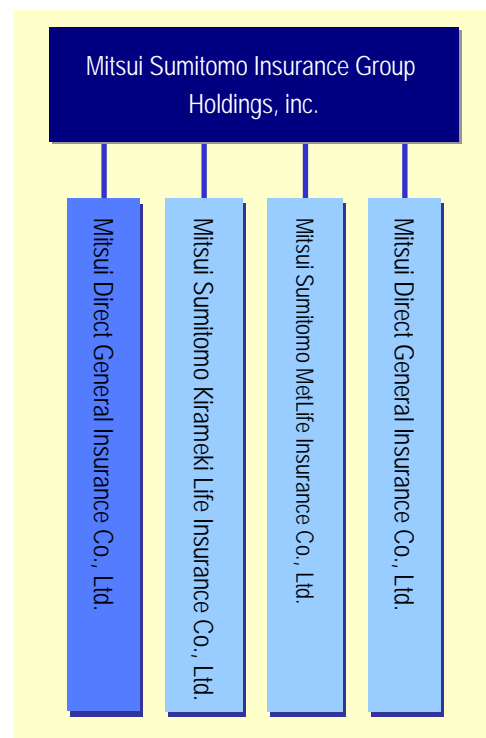


We have shifted to a holding company structure as of April 1, 2008, and the three group companies will be placed directly under the holding company in July.

<As of April 1, 2008>



<As of July 1, 2008 (planned)>



Purpose of the Shift to a Holding Company Structure

Reinforcement of Business Administration Structure and Pursuit of Group Synergies

- To establish a group corporate governance structure wherein the holding company plays a central role
- From the perspective of optimization of the group as a whole, to develop approaches across group companies and to redistribute managerial resources in a flexible manner

Flexible Response to Market Changes

- To clarify strategic roles and responsibilities and to delegate authority to group companies
- Accurate understanding of changes in the business environment by group companies and realization of flexible responses to market changes through group companies' prompt decision-making

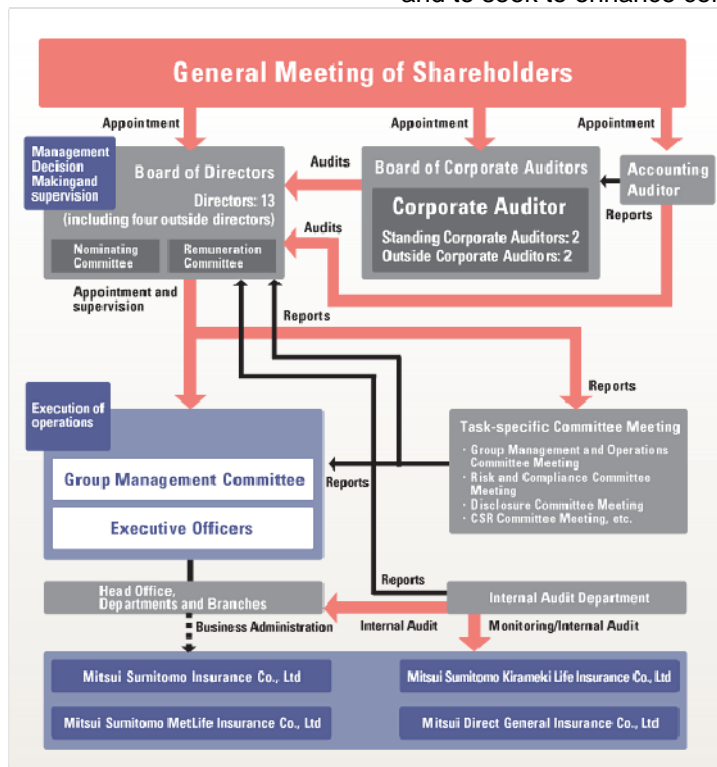
Development of Human Resources through Diversified Business Structures and Personnel Management Systems

- To introduce managerial and organizational structures and a personnel management system tailored to meet the needs of a business domain of each of the group companies
→ To broaden the areas of activities of the officers and employees and bring their potential into full play
- To exchange human resources among the group companies

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Corporate Governance

To establish a management structure with transparency and checks-and-balances functions and to seek to enhance corporate value



To incorporate perspectives of outside people who are independent of the management in order to reinforce monitoring/auditing functions

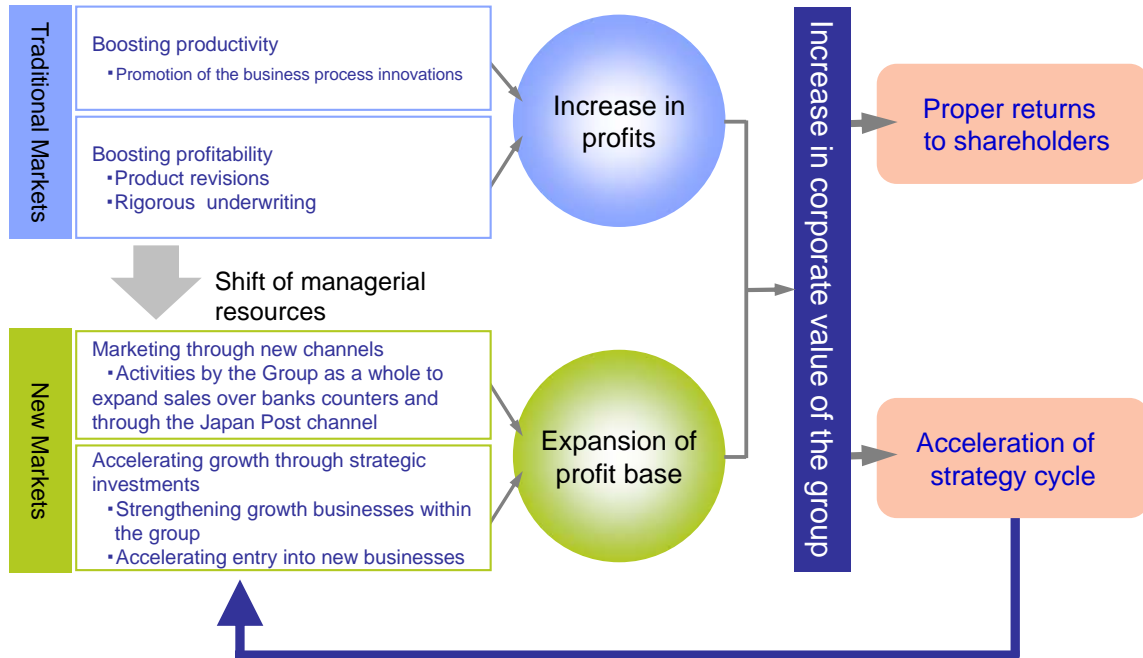
- Appointing People from Outside the Group
 - 4 out of 13 directors
 - 2 out of 4 corporate auditors
- For internal committees of the Board, majority of the members/Chairman are appointed from outside directors

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Overview of Group Strategies

Bringing the holding company's functions into play

- Redistribution of managerial resources based on the environment
- Exertion of Group companies' competitiveness
- Flexible response to markets



Mitsui Sumitomo Insurance Co., Ltd.

Outline of the Financial Results for FY2007



Mitsui Sumitomo Insurance Group Holdings

FY2007: Consolidated Net Premiums Written and Net Income

Net Premiums Written (excluding "Modo-rich" funds*)

(bil. yen)

	FY2006	FY2007	
		Change	Growth rate
Consolidated basis	1,492.2	1,536.5	44.3 3.0%
MSI (non-consolidated)	1,324.4	1,306.8	-17.5 -1.3%
Subsidiaries	167.7	229.6	61.8 36.9%

* "Modo-rich" funds here and below refers to the GRR premiums of the automobile insurance product "Modo-rich," which contains a special clause for premium adjustment and refund at maturity.

Net Income

(bil. yen)

	FY2006	FY2007	
		Change	
Consolidated basis	60.7	40.0	-20.7
MSI (non-consolidated)	55.3	38.3	-16.9
Subsidiaries	10.9	6.8	-4.0
Domestic Life business	-3.0	-6.1	-3.0
Domestic Non-Life business	-	-1.7	-1.7
Overseas Non-life business	13.3	13.6	0.2
Financial Services business	0.6	1.2	0.5
Consolidation adjustment	-5.4	-5.2	0.2

* Profit amounts of subsidiaries are computed based on MSI share.

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<Net Premiums Written>

- ▼ Consolidated net premiums written increased by Y44.3 bn or 3.0% from the previous year to Y1,536.5 bn.
- ▼ Although net premiums written for MSI continued to decline, the subsidiaries saw a significant increase in them.
- ▼ Major factors of the increase in net premiums written for the subsidiaries and the contributions to the consolidated increase (+3.0%) are as follows:
 - Increase of net premiums written resulting from the inclusion of Mitsui Direct General Insurance in consolidation: Y26.4 bn (+1.8% in the growth rate)
 - Increase in net premiums written for the overseas subsidiaries, especially those in Europe: Y35.4 bn (+2.4% in the growth rate)
 (Ref.) MSI (non-consolidated), whose net premiums written declined by Y17.5 bn, lowered the growth rate by 1.2%.

<Net Income>

- ▼ Consolidated net income declined by Y20.7 bn from the previous year to Y40.0 bn.
- ▼ While net income of MSI (non-consolidated) fell by Y16.9 bn year-on-year, the subsidiaries also saw a Y4.0 bn decrease in net income as the domestic subsidiaries suffered larger net losses than the previous year. Note that net income of the overseas subsidiaries was almost on a par with the previous year.

Outline of FY2007 (Non-consolidated)

Key Financial Data (excluding "Modo-rich" funds)

(bil. yen)

	FY2006	FY2007	
			Change
Net premiums written	1,324.4	1,306.8	-17.5
Growth rate	-1.0%	-1.3%	-0.3pt
Net loss ratio	63.1%	65.1%	2.0pt
Net expense ratio	30.8%	31.8%	1.0pt
Combined ratio	93.9%	96.9%	3.0pt
Incurred losses	828.5	770.2	-58.3
Underwriting profit	-34.7	-19.6	15.0
Net interest and dividend income	93.9	95.7	1.8
Net sales gains on securities, etc.	30.9	21.8	-9.0
Net losses on derivatives transactions	-0.6	-23.2	-22.5
Net investment income	116.4	77.7	-38.6
Ordinary profit	80.1	55.0	-25.1
Extraordinary income	-4.1	-4.8	-0.6
Net income	55.3	38.3	-16.9

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- ▼ The net growth rate was -1.3%, with premium revenues dropped in all the lines except marine.
- ▼ The net loss ratio rose by 2.0 points from the previous year on account of decreased premium revenues in addition to increased claim payouts and adjustment expenses.
- ▼ The net expense ratio rose by 1.0 point from the previous year.
While the net commission ratio (16.1%) stayed on the previous year level, the underwriting expense ratio rose by 1.0 point partly because of the expansion of company expenses for corporate quality improvement.
- ▼ The combined ratio rose by 3.0 points from the previous year to 96.9%.
- ▼ Net underwriting income increased ¥15.0 bn from the previous year.
 - While net premiums written declined (-¥17.5 bn) and net operating expenses increased (+¥15.8 bn), the significant decline in incurred losses (-¥58.3 bn) contributed to the increase in net underwriting income.
 - The significant decline in incurred losses resulted from fewer natural disasters, smaller outstanding claims balance due to the strong yen, and the rebound from the full-scale introduction of statistical IBNR in the previous year.
- ▼ With regard to investment management, net investment income declined by ¥38.6 bn from the previous year as net losses on derivative transactions increased by as much as ¥22.5 bn with the fall of mark-to-market value of credit derivatives at the end of the period although net interest and dividend income increased by ¥1.8 bn.
- ▼ As a result, ordinary profit declined by ¥25.1 bn from the previous year to ¥55.0 bn.
- ▼ Extraordinary losses were ¥4.8 bn, almost on a par with the previous year.
Net income fell by ¥16.9 bn from the previous year to ¥38.3 bn.

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FY2007: Growth Rate, Loss Ratio and Expense Ratio (Non-consolidated)

Growth Rate and Loss Ratio

(bil. yen)

	Net premiums written			Loss ratio	
		Change	Growth rate		Change
Fire	176.2	-2.6	-1.5%	47.1%	-2.4pt
Marine	72.7	2.5	3.6%	50.6%	3.6pt
Personal accident	130.7	-3.0	-2.3%	58.1%	7.8pt
Voluntary Auto	551.3	-11.6	-2.1%	71.4%	1.9pt
CALI	191.0	-1.0	-0.6%	77.2%	1.2pt
Others	184.6	-1.7	-0.9%	62.0%	2.9pt
Total	1,306.8	-17.5	-1.3%	65.1%	2.0pt

Operating Expenses and Expense Ratio

(bil. yen)

	Total operating expenses		Expenses for underwriting		Expense ratio	
		Change		Change		Change
Commissions	209.9	-3.1	209.9	-3.1	16.1%	0.0pt
Total company expenses	291.7	18.8	205.0	10.3	15.7%	1.0pt
Personnel	148.3	1.1	101.2	-1.6	7.7%	-0.1pt
Non-personnel	128.8	17.8	93.3	12.3	7.1%	1.0pt
Tax and contribution	14.5	-0.1	10.3	-0.3	0.8%	0.0pt
Total operating expenses	501.6	15.7	415.0	7.2	31.8%	1.0pt

CALI: Compulsory Automobile Liability Insurance

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▼ Net premiums written

- Fire: The number of new policies written declined, especially those for residential fire insurance products, resulting in a 1.5% decrease in net premiums written from the previous year.
- Marine: Soaring material costs and brisk cargo movements contributed to a 3.6% increase from the previous year.
- Personal accident: The decline in net premiums written for third-sector and saving-type products led to a 2.3% decrease for the whole personal accident insurance.
- Automobile: Fewer new policies written due to smaller domestic car sales caused a 2.1% decline from the previous year.

▼ Loss ratio

- Fire: The year-on-year decrease in claim payouts for natural disasters (-Y9.8 bn) resulted in a 2.4-point fall in the loss ratio from the previous year.
- Marine: Increased claim payouts for large-scale accidents led to a 3.6-point increase from the previous year.
- Personal accident: Increased claim payouts especially for general and family personal insurance products and decreased net premiums written resulted in a 7.8-point increase from the previous year.
- Automobile: Although claim payouts declined by Y1.5 bn, the loss ratio rose by 1.9 points from the previous year due to the decline in net premiums written.
- Others: The increase in claim payouts for large-scale accidents that took place in the past periods led to a 2.9-point rise from the previous year.

▼ Operating expenses

- Commissions declined by Y3.1 bn from the previous year due to decreased net premiums written (with the net commission ratio on a par with the previous year).
- Increased expenses for corporate quality improvement contributed to the Y10.3 bn increase in underwriting company expenses from the previous year (with the underwriting company expense ratio up 1.0 point).
- The operating expense ratio rose by 1.0 point due to the increase in the underwriting company expense ratio.

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FY2007: Outline of Investment Management (Non-consolidated)

Outline of Investment Income

(bil. yen)

	FY2006	FY2007	
			Change
Gross interest and dividend income	151.2	154.5	3.2
Transfer to investment income on deposits by policyholders, etc.	57.3	58.7	1.3
Net interest and dividend income	93.9	95.7	1.8
Net sales gains on securities	27.3	33.6	6.2
Devaluation losses on securities	- 4.1	- 14.7	- 10.6
Redemption gains on securities	7.7	3.0	- 4.7
Net losses on derivative transactions	- 0.6	- 23.2	- 22.5
Others	- 7.7	- 16.7	- 8.9
Net Investment income	116.4	77.7	- 38.6

Sources of Gross Income

(bil. yen)

	FY2006	FY2007	
			Change
Bonds	28.9	29.8	0.8
Stocks	36.3	44.1	7.8
Foreign securities	47.8	46.3	-1.4
Other securities	11.1	5.1	-6.0
Loans	13.4	14.7	1.2
Real estates	7.1	6.6	-0.4
Others	6.2	7.5	1.2
Total	151.2	154.5	3.2

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- ▼ Gross interest and dividend income increased by Y3.2 bn from the previous year thanks to increased dividends from domestic stocks.
- ▼ The Y1.3 bn year-on-year increase in transfer to investment income on deposits by policy holders, etc. resulted in a Y1.8 bn increase in net interest and dividend income from the previous year.
- ▼ Net sales gains on securities increased by Y6.2 bn from the previous year.
- ▼ As the stock prices fell at the end of the period, devaluation losses on securities expanded by Y10.6 bn from the previous year.
- ▼ Net losses on derivative transactions increased by Y22.5 bn from the previous year, due to the rapid fall in mark-to-marked value on credit derivatives (-Y26.1 bn) at the end of the period owing to the turmoil in the credit market.
- ▼ As a result of the above, net investment income declined by Y38.6 bn from the previous year to Y77.7 bn.

FY2007: Outline of Non-Life Insurance Subsidiaries

Net Premiums Written

(bil. yen)

	FY2006	FY2007	
		Change	Growth rate
Subsidiaries Total	167.7	229.6	61.8 36.9%
Japan (Mitsui Direct General)	-	26.4	26.4 -
Asia	64.5	71.5	6.9 10.8%
Europe	57.5	81.6	24.0 41.9%
The Americas	26.0	23.9	-2.1 -8.3%
Reinsurance	19.6	26.1	6.5 33.2%

Net Income

(bil. yen)

	FY2006	FY2007	
		Change	
Subsidiaries	13.3	11.8	-1.5
Japan (Mitsui Direct General)	-	-1.7	-1.7
Asia	7.0	8.9	1.8
Europe	2.9	-3.7	-6.7
The Americas	-1.7	1.7	3.4
Reinsurance	5.0	6.7	1.7

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<Net Premiums Written>

- ▼ Net premiums written for the subsidiaries rose by as much as Y61.8 bn or 36.9% from the previous year to Y229.6 bn.
- ▼ A major contribution to the increase came from the inclusion of net premiums written for Mitsui Direct General Insurance in consolidation.
- ▼ Net premiums written for the overseas subsidiaries also consistently increased. Europe (where the number of new policies written particularly for Lloyd's business continued to grow) and reinsurance recorded high growth rate.

■ Growth rate after adjusting the effects of foreign exchange

	Nominal growth rate	After adjusting the effects of foreign exchange
Asia	10.8%	5.4%
Europe	41.9%	29.6%
The Americas	-8.3%	-12.0%
Reinsurance	33.2%	24.1%
Total	21.1%	13.2%

<Net Income>

- ▼ Net income declined by Y1.5 bn from the previous year to Y11.8 bn.
- ▼ The major cause of the decline is the large-scale losses of Y5.6 bn from a historic flood disaster in Europe (Britain).
- ▼ Mitsui Direct General Insurance posted net loss of Y1.7 bn, not yet getting into black.
- ▼ Note that the effects of foreign exchange on total net income of the subsidiaries were small.

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FY2007: Outline of Life Insurance Subsidiaries

Mitsui Sumitomo Kirameki Life Insurance

(bil. yen)

	FY2006	FY2007	
			Growth rate / Change
New policies written	1,194.0	1,505.7	26.1%
Amount in force	8,164.2	8,616.4	5.5%
Premiums	223.8	221.8	-0.9%
Net income	0.02	0.05	0.03
Net income (Pro forma)*	6.9	4.3	-2.5

* Net income before provision of standard underwriting reserve as defined in the calculation of Group Core Profit

Mitsui Sumitomo MetLife Insurance

(bil. yen)

	FY2006	FY2007	
			Growth rate / Change
New policies written	641.7	592.4	-7.7%
Amount in force	2,311.9	2,527.8	9.3%
Premiums	693.2	644.6	-7.0%
Net income (our share)	-3.1	-6.2	-3.1
Net income (our share, US-GAAP)*	4.4	5.1	0.6

* Net income under the US-GAAP as defined in the calculation of Group Core Profit (Figures for 2007 is tentative.)

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<Mitsui Sumitomo Kirameki Life Insurance>

- ▼ New policies written increased by 26.1% after the decline in the previous year.
- ▼ Amount in force steadily rose, increasing by 5.5% from the previous year.
- ▼ The discontinuation of sales of increasing-term life insurance products due to the tax practice revision and the decline in sales of consumer group credit insurance caused premiums to fall by 0.9% from the previous year.
- ▼ Net income was ¥50 mn, significantly reduced with provision for the underwriting reserve increased (¥6.7 bn) in an effort to achieve the standard underwriting reserve.
- ▼ Pro forma net income declined by ¥2.5 bn from ¥6.9 bn in the previous year to ¥4.3 bn. As the premium rates were revised in April 2007, part of the underwriting reserve provision method changed, expanding provision for the underwriting reserve and lowering pro forma net profit. (Without the change in the underwriting reserve provision method, pro forma net income would have increased ¥0.6 bn from the previous year to ¥7.5 bn.)

<Mitsui Sumitomo MetLife Insurance>

- ▼ New policies written declined by 7.7% from the previous year due to the effects of the enforcement of Financial Instruments and Exchange Law and the weak investment environment.
- ▼ Net loss increased as deferral of the provision of operating expenses under Section 113 of Insurance Business Law is not applied for FY2007, which had been applied for five years after foundation.
- ▼ Net income under the US GAAP, which is used in the computation of Group Core Profit (tentative), is expected to grow by ¥0.6 bn from the previous year to ¥5.1 bn thanks to favorable performance. (Commissions are deferred to be reported on an accrual basis under the US GAAP.)

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Mitsui Sumitomo Insurance Group Holdings, Inc.

Result Forecast for FY2008



Mitsui Sumitomo Insurance Group Holdings

Result Forecast for FY2008: MSIG (Consolidated)

Key Financial Data (excluding "Modo-rich" funds)

(bil. yen)

	FY2007	FY2008 (Est.)		
			Change	Growth rate
Net premiums written	1,536.5	1,495.0	-41.5	-2.7%
Life insurance premiums	156.5	164.4	7.8	5.0%
Ordinary profit	60.8	80.0	19.1	
Net income	40.0	52.0	12.0	

Sources of Net Premiums Written

(bil. yen)

Sources of Net Income

(bil. yen)

	FY2007	FY2008 (Est.)			FY2007	FY2008 (Est.)	
			Change				Change
MSI (non-consolidated)	1,306.8	1,270.0	-36.8	MSI (non-consolidated)	38.3	50.0	11.6
Overseas subsidiaries	177.0	170.8	-6.3	Overseas subsidiaries	6.8	11.4	4.5
Asia	71.5	72.6	1.0	Asia	8.9	7.2	-1.7
Europe	81.6	73.2	-8.4	Europe	-3.7	2.0	5.7
The Americas	23.9	25.1	1.1	The Americas	1.7	2.2	0.5
Reinsurance subsidiaries	26.1	25.1	-1.0	Reinsurance subsidiaries	6.7	5.4	-1.4
Mitsui Direct General	26.4	29.1	2.7	Financial services	1.2	0.9	-0.4
				Mitsui Sumitomo Kirameki Life	0.05	0.02	-0.04
				Mitsui Sumitomo Met Life	-6.2	-4.5	1.7
				Mitsui Direct General	-1.7	-0.8	1.0
				Consolidation adjustment, etc.	-5.2	-10.3	-5.1

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Assumptions underlying the forecast

(Upper: Period end; Lower: Average during the period)

	Mar. 31, 2007	For FY2008
Foreign exchange rate (JPY / USD)	100.19 yen (115.29 yen)	100.00 yen (100.00 yen)
Interest rate (10-year JGB)	1.28%	1.50%
Stock price (Nikkei Average)	12,526 yen (15,955 yen)	13,500 yen (13,013 yen)

Consolidated net premiums written are expected to decline by Y41.5 bn or 2.7% from FY2007 to Y1,495.0 bn.

Consolidated net income is expected to increase by Y12.0 bn from FY2007 to Y52.0 bn.

Sources of consolidated net premiums written:

- MSI (non-consolidated) is expected to see net premiums written decline by Y36.8 bn from FY2007 to Y1,270.0 bn due to the CALI premium rate revision.
- Although the overseas subsidiaries are expected to see an increase in net premiums written on a foreign currency basis, they are to see a decrease of Y6.3 bn on a yen basis. Note that the strong yen is estimated to reduce net premiums written by Y20.0 bn.
- Mitsui Direct General Insurance is expected to see net premiums written increase by Y2.7 bn from FY2007 to Y29.1 bn.

Sources of net income

- MSI (non-consolidated) is expected to see net income increase by Y11.6 bn from FY2007 to Y50.0 bn.
- The overseas subsidiaries are expected to see net income increase by Y4.5 bn from FY2007 to Y11.4 thanks to the rebound from the flood losses in Europe in FY2007 and other factors.
- Reinsurance subsidiaries are expected to see net income decline by Y1.4 bn from FY2007 to Y5.4 bn assuming increased natural disasters after few occurred in FY2007.
- Mitsui Sumitomo Kirameki Life Insurance will continue to make provision for the standard underwriting reserve.
- While Mitsui Sumitomo MetLife Insurance is expected to enjoy steady growth, net loss is likely to be Y4.5 bn as a result of the large commission burden for initial sales imposed by the Japanese accounting standard.
- Mitsui Direct General Insurance is expected to see net loss reduce from FY2007 to Y0.8 bn.

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Result Forecast for FY2008: MSI (Non-consolidated)

Key Financial Data (excluding "Modo-rich" funds)

(bil. yen)

	FY2007	FY2008 (Est.)	
			Change
Net premiums written	1,306.8	1,270.0	-36.8
Growth rate	-1.3%	-2.8%	-1.5pt
Growth rate (excluding CALI)	-1.5%	0.3%	1.8pt
Net loss ratio	65.1%	67.6%	2.5pt
Net operating expense ratio	31.8%	33.6%	1.8pt
Combined ratio	96.9%	101.2%	4.3pt
Combined ratio (excluding CALI)	97.4%	98.2%	0.8pt
Incurred losses	770.2	795.9	25.6
Underwriting profit	-19.6	-37.0	-17.4
Net interest and dividend income	95.7	82.4	-13.4
Income yield	2.97%	2.68%	-0.29pt
Net sales gains on securities, etc.	21.8	31.0	9.1
Net gains on derivatives	-23.2	8.6	31.8
Net investment income	77.7	112.5	34.7
Ordinary profit	55.0	72.0	17.0
Extraordinary income	-4.8	-4.9	0.0
Net income	38.3	50.0	11.6

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- ▼ Net premiums written are expected to decline by Y36.8 bn mainly due to the effects of the CALI premium rate revision. Note that the growth rate excluding CALI I is estimated at 0.3%. We assume the strong yen will reduce net premiums written by Y7.0 bn.
- ▼ Although the lower premium rates after revision of no-loss / no-profit CALI do not affect profit, they cause various ratios such as the net loss ratio to rise.
- ▼ The net loss ratio is expected to rise by 2.5 points from FY2007 to 67.6% due to an increase in natural disasters, a decrease in premiums caused by the lower CALI premium rates after revision and other factors.
- ▼ The net operating expense ratio is expected to rise by 1.8 points from FY2007 to 33.6%, reflecting an influence caused by the CALI premium rate revision and an increase in underwriting company expenses such as non-personnel expenses.
- ▼ The combined ratio and the combined ratio excluding CALI are expected to rise by 4.3 and 0.8 points, respectively.
- ▼ Underwriting losses are expected to expand by Y17.4 bn from FY2007 to Y 37.0 bn as incurred losses are expected to increase due to increased natural disasters and the input of managerial resources is continued for quality improvement.
- ▼ In consideration of the strong yen and the overseas and domestic stock market environments, net interest and dividend income are expected to decline by Y13.4 bn from FY2007 to Y82.4 bn, reflecting a decline in investment trust income and other factors.
- ▼ Net investment income is expected to increase by Y34.7 bn partly because of the rebound from devaluation losses on credit derivatives.
- ▼ Ordinary profit is expected to increase by Y17.0 bn from FY2007 to Y72.0 bn.
- ▼ Net income is expected to increase by Y11.6 bn from FY2007 to Y50.0 bn.

Result Forecast for FY2008: Premiums Written and Loss Ratio by Product Line

Net Premiums Written

(bil. yen)

	FY2007	FY2008 (Est.)	
			Growth rate
Fire	176.2	181.6	3.0%
Marine	72.7	69.3	-4.8%
Personal accident	130.7	127.6	-2.5%
Voluntary automobile	551.3	551.8	0.1%
CALI	191.0	150.5	-21.2%
Others	184.6	189.3	2.5%
Total	1,306.8	1,270.0	-2.8%
Total except CALI	1,115.8	1,119.5	0.3%

Net Loss Ratio

	FY2007	FY2008 (Est.)	
			Change
Fire	47.1%	49.4%	2.3pt
Marine	50.6%	49.3%	-1.3pt
Personal accident	58.1%	59.3%	1.2pt
Voluntary automobile	71.4%	71.8%	0.4pt
CALI	77.2%	100.8%	23.6pt
Others	62.0%	58.6%	-3.4pt
Total	65.1%	67.6%	2.5pt
Total except CALI	63.1%	63.1%	0.0pt

Incurred Losses

(bil. yen)

	FY2007	FY2008 (Est.)	
			Change
Incurred losses (except loss adjustment expenses)	770.2	795.9	25.6
Natural disasters	8.2	20.0	11.7
Others	761.9	775.9	13.9
Others excluding CALI	625.3	633.9	8.5

* Incurred losses = Net claims paid + Provision for outstanding claims including IBNR

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- ▼ Net premiums written are expected to increase by 0.3% when CALI, significantly affected by the premium rate revision, is excluded.
 - "Fire" and "Others" are expected to contribute to the increase in total net premiums written with the efforts in the wholesale market intensified.
 - "Marine" is likely to reduce total net premiums written partly due to the effects of the strong yen.
 - "Personal accident" is likely to reduce total net premiums written mainly as a result of smaller net premiums written from the long-term product lines.
 - "Voluntary automobile" is likely to record a slight increase in net premiums written with the effects of the release of new products considered.
 - "CALI" is likely to reduce total net premiums written as a result of the effects of the premium rate revision.
- ▼ The net loss ratio excluding CALI is estimated at 63.1%, on a par with FY2007.
- ▼ The net loss ratio excluding natural disasters is as follows:

Fire	:	40.7% (-3.0pt from FY2007)
Marine	:	49.3% (-1.2pt)
Personal accident	:	59.3% (+1.2pt)
Voluntary automobile	:	71.2% (-0.1pt)
CALI	:	100.8% (+23.6pt)
Others	:	57.9% (-3.8pt)

- ▼ Incurred losses from natural disasters are estimated at ¥20.0 bn.
 - Fire: ¥15.7 bn; Voluntary automobile: ¥3.0 bn; Others: ¥1.3 bn
- ▼ Incurred losses excluding natural disasters are expected to increase by ¥13.9 bn partly due to temporary factors such as the rebound from the decline in the outstanding claims balance in FY2007 resulting from the strong yen. (The increase is estimated at ¥8.5 bn when CALI is excluded.)

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Result Forecast for FY2008: Company Expenses and Operating Expense Ratio

Company Expenses and Operating Expense Ratio

(bil. yen)

	FY2007	FY2008 (Est.)	
			Change
Underwriting company expenses	205.0	216.5	11.5
Loss adjustment expenses	74.0	78.2	4.2
Others	12.6	12.9	0.2
Total company expenses	291.7	307.6	15.9
Personnel expenses	148.3	153.1	4.8
Non-personnel expenses	128.8	139.3	10.5
Tax and contribution	14.5	15.1	0.6

	FY2007	FY2008 (Est.)	
			Change
Net loss ratio	65.1%	67.6%	2.5pt
Net operating expense ratio	31.8%	33.6%	1.8pt
Combined ratio	96.9%	101.2%	4.3pt
<Excluding CALI>			
Net loss ratio	63.1%	63.1%	0.0pt
Net operating expense ratio	34.3%	35.1%	0.8pt
Combined ratio	97.4%	98.2%	0.8pt

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- ▼ Total company expenses are expected to increase by ¥15.9 bn from FY2007 to ¥307.6 bn as the active input of managerial resources is continued.
- ▼ The net operating expense ratio is expected to rise by 1.8 points from FY2007 to 33.6%.
 - Net commission rate: 16.6% (+0.5pt from FY2007)
 - Underwriting company expense ratio: 17.0% (+1.3pt from FY2007)
- ▼ The net operating expense ratio excluding CALI is expected to rise by 0.8 points from FY2007 to 35.1%.
 - Net commission rate: 17.9% (-0.1pt from FY2007)
 - Underwriting company expense ratio: 17.3% (+1.0pt from FY2007)
- ▼ The combined ratio excluding CALI is expected to rise by 0.8 points to 98.2% due to the increase in the underwriting company expense ratio.

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Medium-term Management Plan New Challenge 10



Aiming to become a world's top-level insurance and financial group pursuing sustainable development with corporate quality as the main source of competitiveness

Three Strategies

Basic

Group Strategy

Through **quality** improvement originated from customers' viewpoint, **trust**, and **growth** towards CSR-oriented management

Quality Improvement Strategy

A step of quality improvement, a step for professionalism

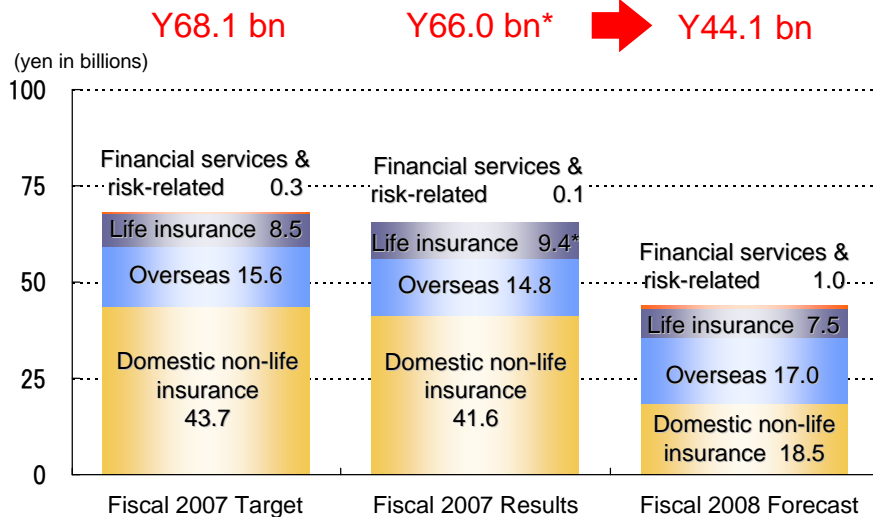
Group Business Strategy

Most valuable services to customers with employing total power of the Group

Progress in “New Challenge 10” : FY2007 and FY2008

- Group Core Profit for Fiscal 2007 was JPY66 billion, more or less in line with our target
- In Fiscal 2008, Group Core Profit is expected to decline to JPY44.1 billion

Transition of Group Core Profit



*For fiscal 2007, Group Core Profit for and Core Profit of life insurance business are provisional.

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Change in Core Profit by Business for Fiscal 2008

Domestic non-life insurance	▲Y23.1 bn
Life insurance	▲Y1.9 bn
Overseas	+Y2.2 bn
Financial services, Risk-related	+Y0.9 bn
(Total)	▲Y21.9 bn

Key Factors in Decline in Core Profit from Domestic Non-Life Insurance Business

Underwriting profit
▲Y11.2 bn

- Increases in incurred losses from natural disasters ▲Y7.5 bn
- Increase in operating expenses toward quality improvement, etc. ▲Y3.7 bn

Investment income
▲11.6 bn

- Decrease in general dividend income ▲Y8.6 bn
- Decrease in capital gains ▲Y2.9 bn (excluding stocks held for customer relationship purposes)

(Note) Figures for factors are approximations after tax.

*Definition of Group Core Profit (GCP)

$$\begin{aligned}
 &= \text{Consol. Net income} - \text{Net capital gain on stock portfolio} - \text{Net evaluation gain on credit derivatives} - \text{Other incidental factors} - \text{Consol. Net income attributable to life subsidiaries} \\
 &+ \text{MS Kirameki income before provision of standard u/w policy reserves} + \text{MSI MetLife equity in earnings under US GAAP} \\
 &+ \text{Others}
 \end{aligned}$$

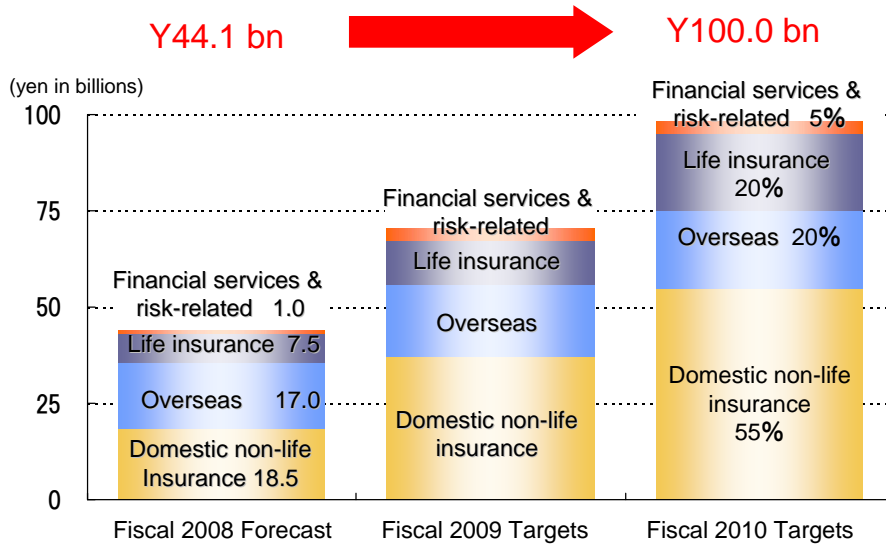
*Definition of GCP-adjusted ROE

$$= \text{Group Core Profit} \div \text{Consolidated Shareholders' Equity (average of starting and ending amounts)}$$

Measures for Meeting Group Core Profit Targets in FY2010

Significantly increasing profit in each business significantly and achieving or exceeding the Group Core Profit target of JPY100 billion in fiscal 2010

Transition of Group Core Profit



Partial Revision of Target Figures for Fiscal 2010

Downward revision of the consolidated/
non-consolidated net premium targets

	<Before Revision>	<After Revision>
Group core profit	Y100 bn or more	Y100 bn or more (No change)
ROE based on Group core profit	5.0% or higher	5.0% or higher (No change)
Consolidated net premiums written	Y1,650 bn or more	Y1,560 bn or more
Non-consolidated net premiums written	Y1,370 bn or more	Y1,300 bn or more
Combined ratio	95.0% or lower	95.0% or lower (excluding CALI)

Background of Partial Revision of Target Figures

- The targets of net premiums written have been revised, in light of changes in the business environment after the launch of the "New Challenge 10", such as the reduction in premium rates for CALI.
- The target of combined ratio, which has been influenced by the reduction in premium rates for CALI, is set on excluding CALI basis.

Assumptions for Planning

	Fiscal 2007 Results		Fiscal 2008 Forecast	Fiscal 2010 Target	Incurred losses from natural disasters Fiscal 2008-2010 Forecast (for Each Fiscal Year)
	Average during the Year	Year-end	Year-end	Year-end	
Foreign exchange rate (JPY/USD)	Y115.29	Y100.09	Y100	Y100	Y20.0 bn
Interest rate (10-yr JGB)	1.58%	1.28%	1.50%	1.80%	
Stock price (Nikkei Average)	Y15,955	12,526	13,500	14,500	

Domestic Non-life Insurance Business

Measures to Expand Core Profit

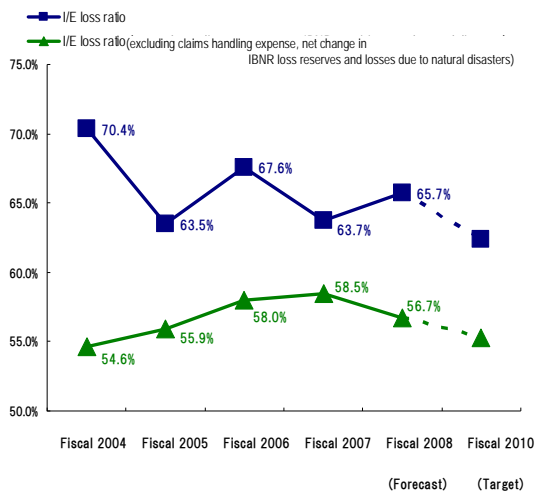
The following measures are being implemented to increase Core Profit of JPY18.5 billion (forecast) in fiscal 2008 to JPY55 billion level in fiscal 2010

Category	Main Measures	
Improvement in underwriting profit approx. JPY28 billion	Improvement in I/E loss ratio approx. JPY20 billion	<ul style="list-style-type: none"> Measures to secure better balance of revenues and losses and revision of automobile insurance rates Increase in net changes in IBNR loss reserves as a result of improved loss ratio
	Reduction of company expenses approx. JPY 8 billion	<ul style="list-style-type: none"> Reduction in resources for "quality improvement"
Others approx. JPY8.5 billion	Increase in investment income approx. JPY 8 billion	<ul style="list-style-type: none"> Improvement in profitability through rearrangement and reallocation of assets

※The amounts of profit increase by factor are after-tax estimates

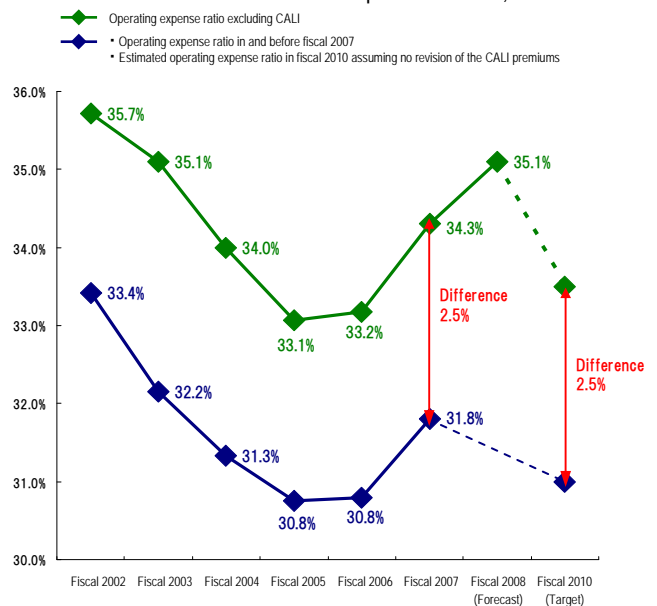
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Earned-Incurred Loss Ratio



Net Operating Expense Ratio

※In fiscal 2008, the operating expense ratio should increase from the level of fiscal 2007 because: 1) the cost for "quality improvement" will reach the peak, and 2) the net premiums will decrease due to revision of the CALI premium rates, etc.



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Measures to Balance Revenues and Expenses Better in Auto Line

Revision of products/ insurance rates

- For the new products (for policies taking effect from July 2008 or later), premium levels are raised, and coverage and premium discounts/additions are revised

More efforts to acquire non-fleet policies with more favorable loss ratios

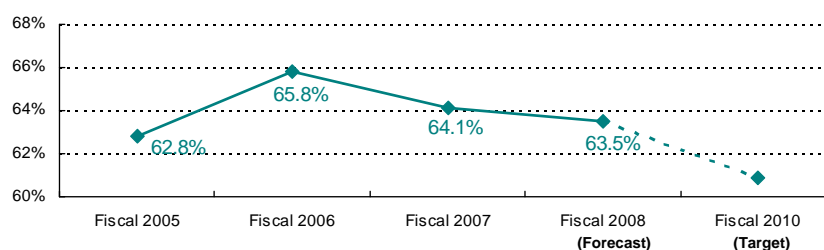
- Creation/expansion of discounts for “policyholders with good long-term safety records” and for customer segments of younger people with favorable loss ratios
- Promoting more acquisition of policies by joint efforts of production departments/branches and agents through campaigns for the new products

Continuation/strengthening of the measures in fiscal 2007

- Consulting for agent/fleet policyholders with high loss ratios
- Promotion of appropriate underwriting by setting detailed underwriting standards
- Activities to enhance policyholders’ awareness of accident prevention measures

Transition of Earned-Incurred Loss Ratio

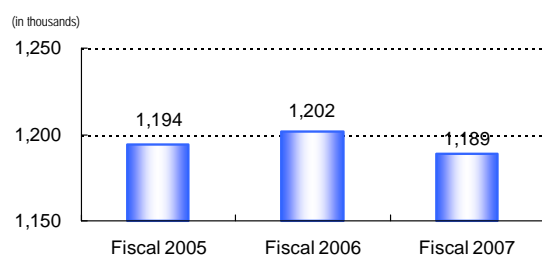
※Excluding claims handling expense, net change in IBNR loss reserves and losses due to natural disasters



Details of Measures in Fiscal 2007 to Balance Revenues and Expenses Better

- Consulting services for agent/fleet policyholders with high loss ratios**
 - Development of plans for analysis/improvement of the factors causing higher loss ratios
 - Meetings and consultations (progress management using dedicated systems)
- Promotion of appropriate underwriting by setting detailed underwriting standards**
 - Detailed underwriting standards that take account of local conditions and market characteristics of each production department/branch
 - Introduction of a support system to reduce inadequate application of the underwriting standards
- Activities to enhance policyholders’ awareness of accident prevention measures**
 - Promotion of the “I Stop (stop/check) campaign”
 - Opened a page dedicated to safety driving, “Gateway to Traffic Safety” on the Company’s official website

Number of Accidents (Excluding Natural Disasters)

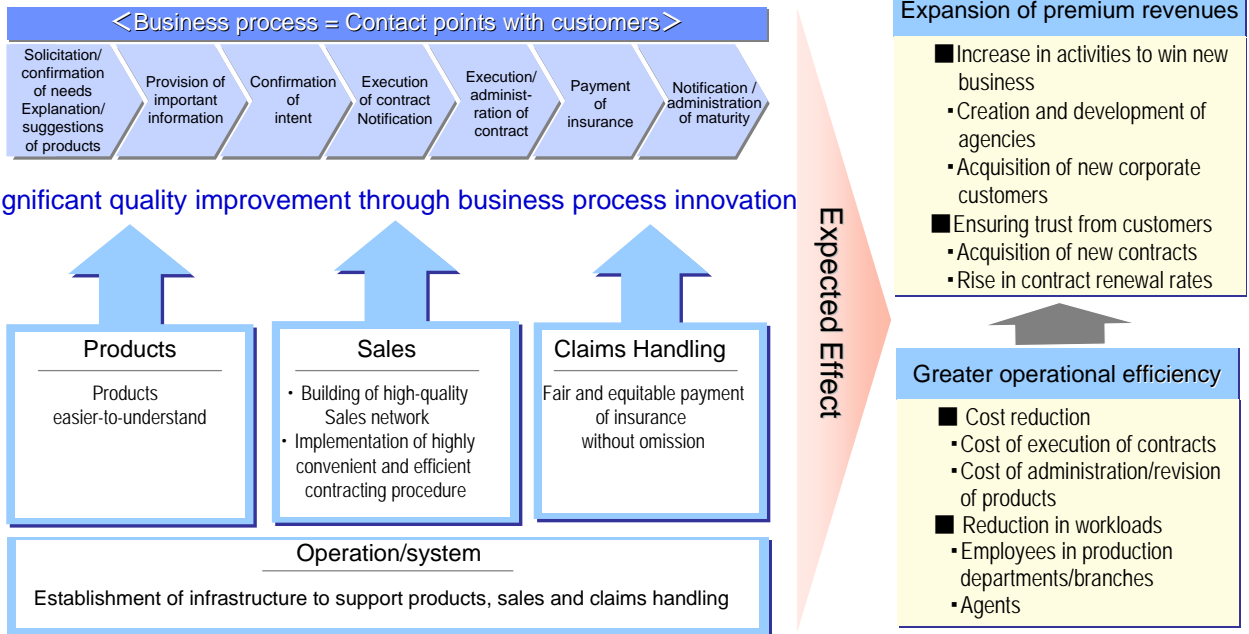


Situation of Agents/Fleet Policies with High Loss Ratios

As a result of measures implemented in fiscal 2007 to balance revenues and expenses better for agents/fleet policies with loss ratios exceeding a certain level, the incurred loss decreased by JPY6.7 billion while earned premiums increased.

Measures for Quality Improvement: Business Process Innovation

Significant improvement in quality at “contact points with customers” resulting in greater operational efficiency and expansion of premium revenues through “business process innovation”



Summary of Innovations

Product Innovation	Sales Innovation	Claims Handling Innovation
<ul style="list-style-type: none"> • Development of products easier-to-understand • Streamlining of product lineup (reduction in the number of products/ riders) • Development of branded products for individuals customers • Simplification/standardization of expressions/terms used in the contracts • Unification/standardization of rules for execution of contracts • Establishment of a computer system for consolidated administration of products • Expansion of Web services for customers 	<ul style="list-style-type: none"> ■ Establishment of high quality sales network which can achieve accountability <ul style="list-style-type: none"> • Agent education • making agents larger • Consolidation of agents and termination of contract with agents ■ Implementation of highly convenient and efficient contracting procedure <ul style="list-style-type: none"> • Cashless payments • “Shikkari Keizoku” (more careful procedure for policy renewal) • Electronic posting 	<ul style="list-style-type: none"> ■ Establishment of a business process to achieve fair/equitable claims payment without omissions <ul style="list-style-type: none"> • Team approach to customer communication • Construction of a process management system for equalization/improvement of quality • Establishment of a “knowledge center”

Domestic Non-Life Insurance Business
Product Innovation

Realization of easier-to-understand of products and product quality improvement

Easier-to-understand products

1. Development of easier-to-understand products
2. Development of branded products for individuals
3. Simplification of expressions/terms used in policy clauses

Quality improvement

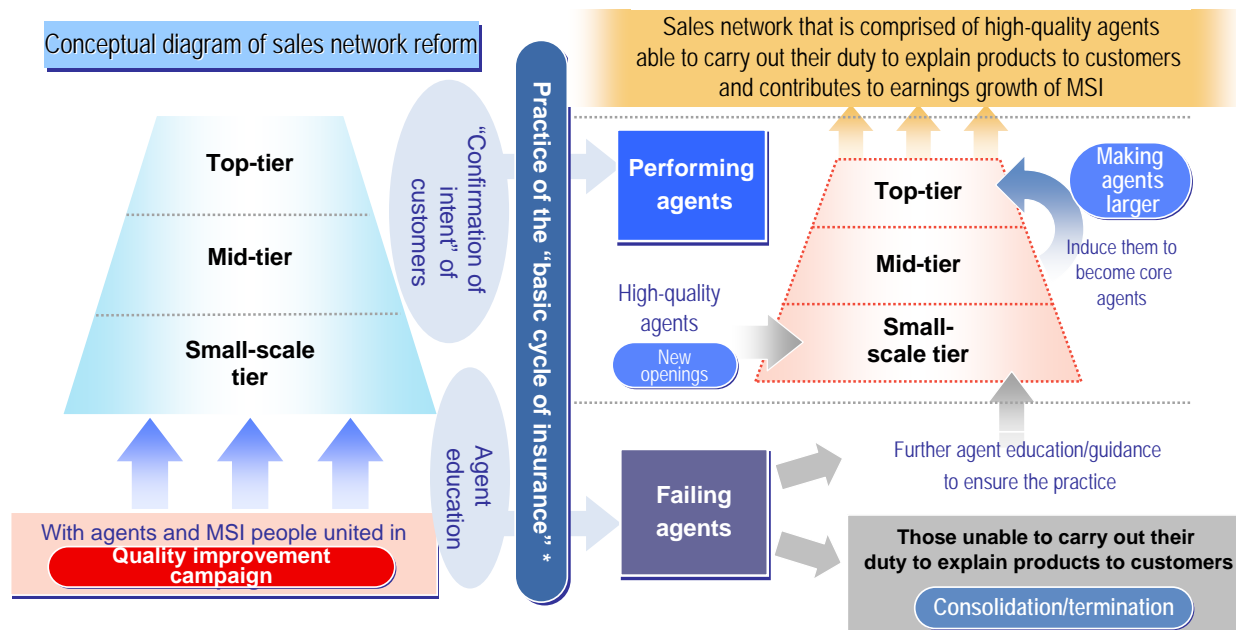
1. Consolidated administration of product information
2. Expansion of Web-based services



Themes		Measures in focus	Goals
Ease of understanding	Development of easier-to-understand products	<ul style="list-style-type: none"> Development of easier-to-understand products, and streamlining of product lineup ex) • Consideration of new products (automobile, fire, casualty, etc.) • The following measures are ongoing: <ul style="list-style-type: none"> - Discontinuation of products (12 out of 68 products) - Discontinuation of riders (208 out of approx. 1,400riders) Review of products and riders will continue in the future 	New automobile insurance products to be released in July 2008
	Development of branded products for individuals	<ul style="list-style-type: none"> Creation of the new "GK" brand for key products for individuals ex) • Creation of images that evoke reliability and friendliness • The "GK" brand will apply also to automobile, fire, life and casualty insurance products 	Starting with "GK Insurance for Cars" (new automobile insurance products)
	Simplification of expressions/terms used in the contracts	<ul style="list-style-type: none"> Unification of differences in terms across products and standardization of expressions ex) • Pamphlets with plain wording • Unification of terms that differ between personal liability insurance and personal effects insurance • Policy clauses in which explanations for insurance terms and charts are utilized 	Continued revision by stages in fiscal 2008
Quality improvement	Consolidated administration of product information	<ul style="list-style-type: none"> Development of a computer system for product administration ex) • Use of a computer system for product-related quality control • Efficiency of related operations such as system specifications are to be improved by 20%. 	Operation started in April 2008
	Expansion of Web-based services	<ul style="list-style-type: none"> Expansion of Web-based services for customers Ex) • Administrative procedures and inquiries about policies via mobile phones/PCs • Reduction in expenses for policy amendments (more than approx. y500 per amendment) etc. 	Expansion of services to roll-out gradually from May 2008

Sales Innovation (1): Sales Network Reform

Establishment of high-quality sales network
which contributes to MSI's growth and achieves accountability



(*) "Basic cycle of insurance"...a series of activities required to be performed for customers (Explanation/suggestions of products, provision of important information, confirmation of intent, execution of contract and notification, maintenance/administration of contract, notification/administration of maturity)

Number of agents – newly opened, terminated and total

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Newly opened	2,740	1,583	1,074
Terminated	7,637	6,563	7,337
Total at term end	57,639	52,659	46,396
Annual change	Δ 4,897	Δ 4,980	Δ 6,263
Agents using intranet	36,917	35,000	34,126
Percentage	64.0%	66.5%	69.1%

* Excluding convenience store agents

* Share of intranet-using agents in total premiums = 84.8%

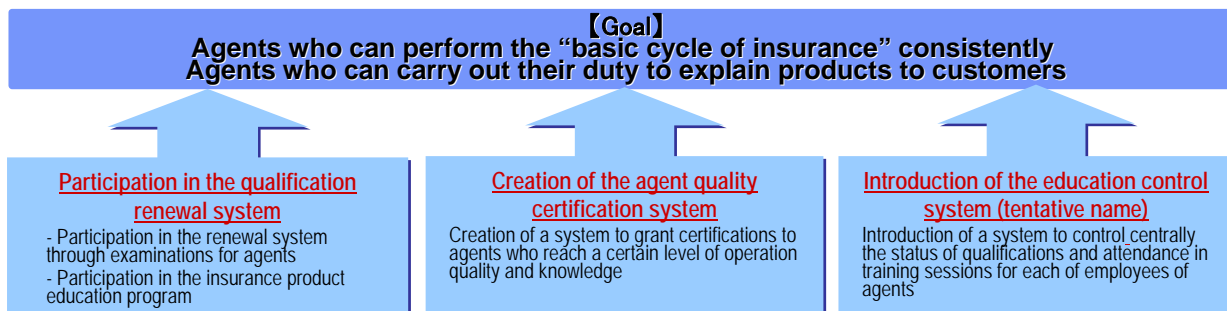
(= premiums for general lines earned by the intranet-using agents / total premiums for general lines earned by all the agents)

Share of large-scale agents in premiums

	Share in premiums of general lines of MSI
Agents within top 10% in number	73.9%
Agents within top 30% in number	91.4%

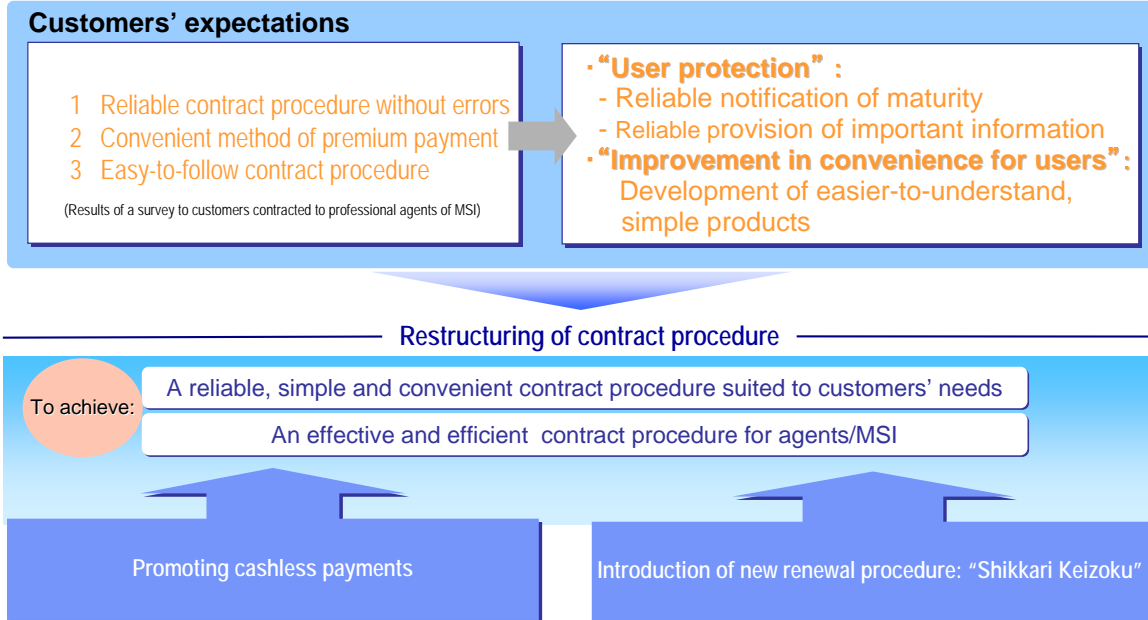
As of end of fiscal 2007

Reinforcement of agent education

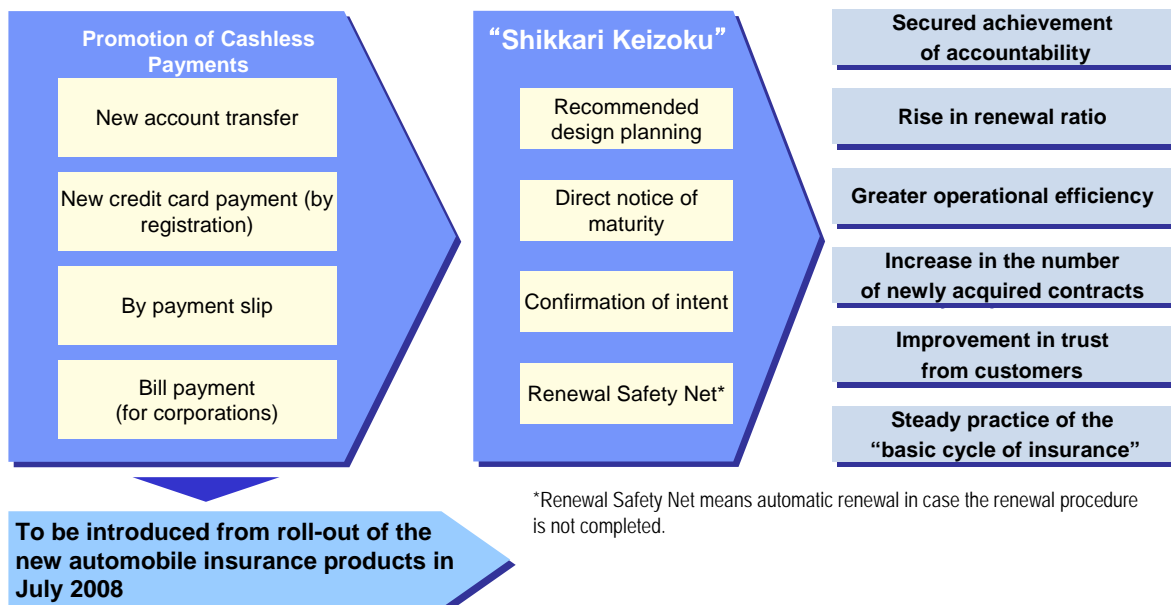


Sales Innovation (2): Restructuring of Contract Procedure

Realization of reliable and convenient contract procedure and premium payment method



Overview and Advantages of the New Contract Procedure



Mitsui Direct General Insurance

Business Model

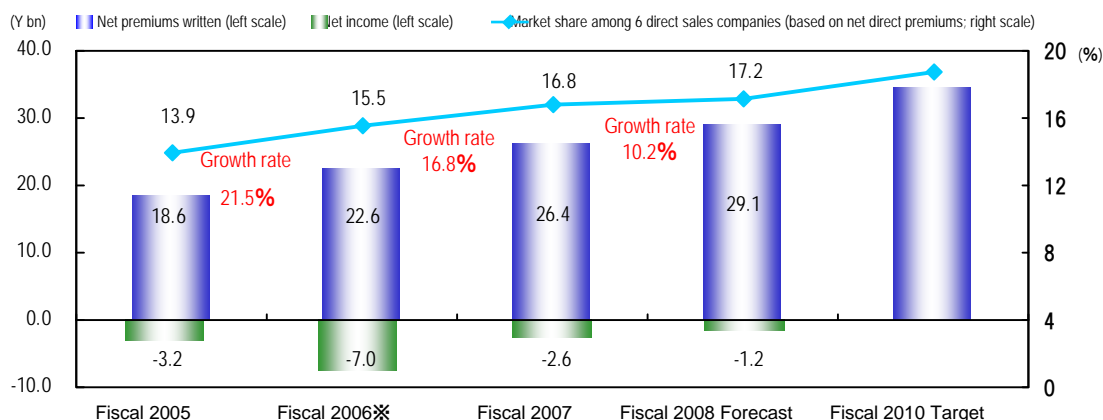
Through a unique business model focused on the Internet, Mitsui Direct General Insurance has achieved growth significantly higher than the average for direct sales automobile insurance companies

Target customers	Sales method	Products
<ul style="list-style-type: none"> Focusing on the internet users 	<ul style="list-style-type: none"> Highly convenient contract process that can be completed on the internet (The internet is used also for claims handling) 	<ul style="list-style-type: none"> Simple and easily understandable coverage terms and conditions Reasonable pricing reflecting lower cost of contract administration

Leveraged by early establishment of "Mitsui Direct Brand, No.1 Internet non-life insurance company," it aims to sustain high growth and to emerge from red ink on a single-year basis in fiscal 2010

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Performance for the last 3 years, forecasts for fiscal 2008 and targets for fiscal 2010



<For reference> Net direct premiums of 6 direct sales companies

	Fiscal 2005	Fiscal 2006	Fiscal 2007 (Forecast)	Fiscal 2008 (Target)
Net direct premiums (Y bn)	132.6	144.5	156.4	167.0
Growth rate	11.3%	8.9%	8.2%	6.8%

<Long-term management policy>

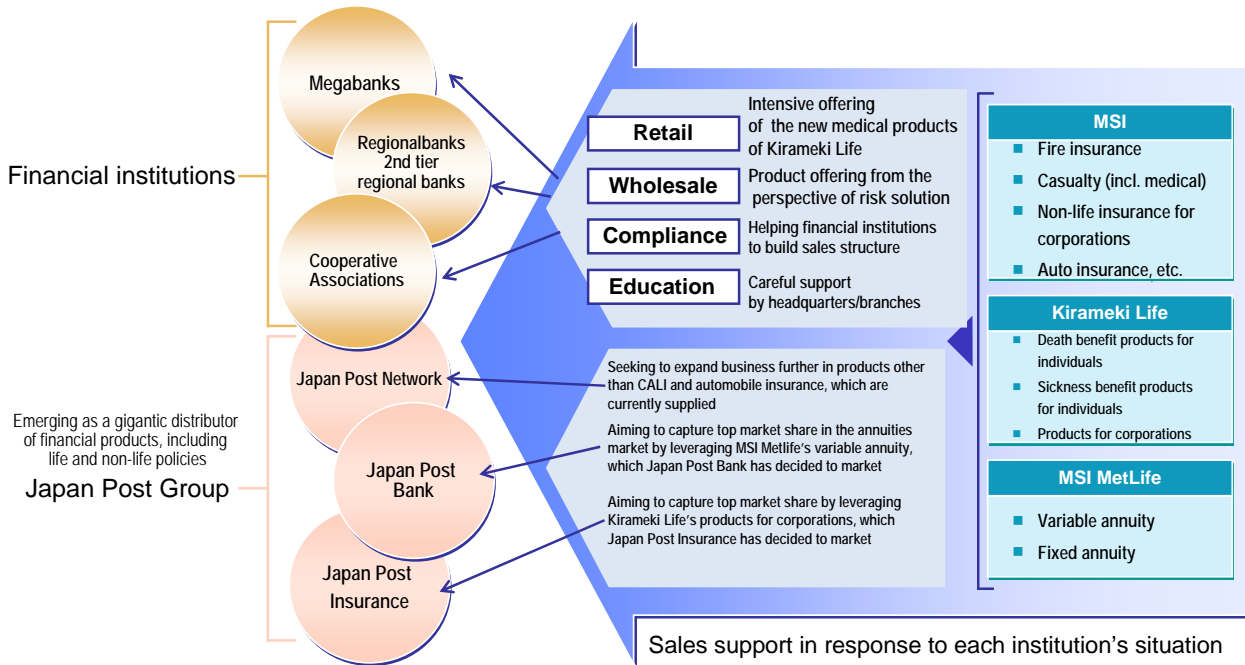
Aim to establish "Mitsui Direct Brand, No.1 Internet non-life insurance company" early and to strengthen profitability further

- Strategic targets are "customers on the Internet" ⇒ development/offering of products/services focused on customers with Internet access, and improvement in convenience for customers
- Establishment of a unique business model ⇒ proactive IT investment to pursue "operational reforms" and "greater operational efficiency" thoroughly
- Soundness of operations ⇒ promote compliance/risk management based on the business characteristics/development

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Sales over Bank Counters and through the Japan Post Channel

By integrating the capabilities of the group companies, we are working to develop the new sales channels with high growth potential



Proposals of Sales Models for Financial Institutions

Retail	Sale of life insurance products to housing loan customers Sale of insurance products to retirees Mass sales of insurance products of "the third sector"	Income guarantee insurance etc. Fully prepaid medical care/single premium nursing care insurance Kirameki's new medical/cancer insurance
Wholesale	Insurance as risk solution instruments	Insurance products for corporatins
Compliance / educational support	Support for establishment of the compliance system / sales structure	Program supporting compliance in sales over bank counter Sopprting activities by the headquarters/branches

Long-term fire policies to protect residential mortgages, sold through financial institutions

	Fiscal 2005	Fiscal 2006	Fiscal 2007
Long-term fire policies sold by banks or their affiliated agents	Y11.7 bn (89.3% of fiscal 2004)	Y8.5 bn (72.6% of fiscal 2005)	Y7.11 bn (83.7% of fiscal 2006)

Life Insurance Business

Increase in Policy Amount/Core Profit

Aiming to achieve 20% of Group Core Profit in fiscal 2010

Basic Strategy

Reinforcement of Sales Capabilities

- Stronger drive for sales over bank counters and in the Japan Post market
- Enhancement of education / training for agents and careful sales support
- Promotion of cross-selling

Enhancement of Product Lines

- Development/offering of products and services to satisfy customers' needs

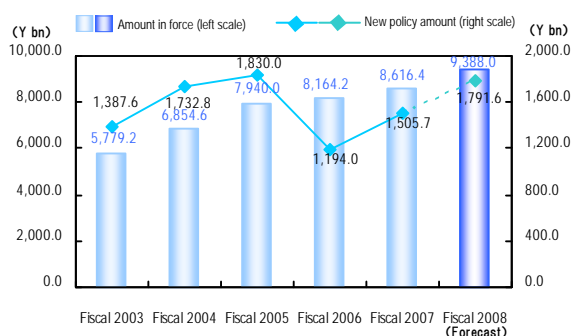
Improvement in Corporate Quality

- Restructuring and systematization of the operational process
- Improvement in customer satisfaction

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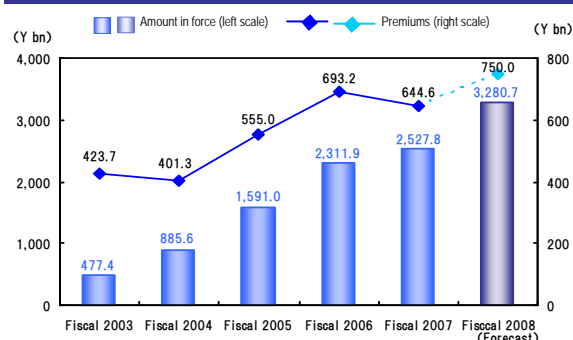
Mitsui Sumitomo Kirameki Life Insurance Co., Ltd

Transition of policy amount in force/new policy amount (Individual policies + individual annuity)

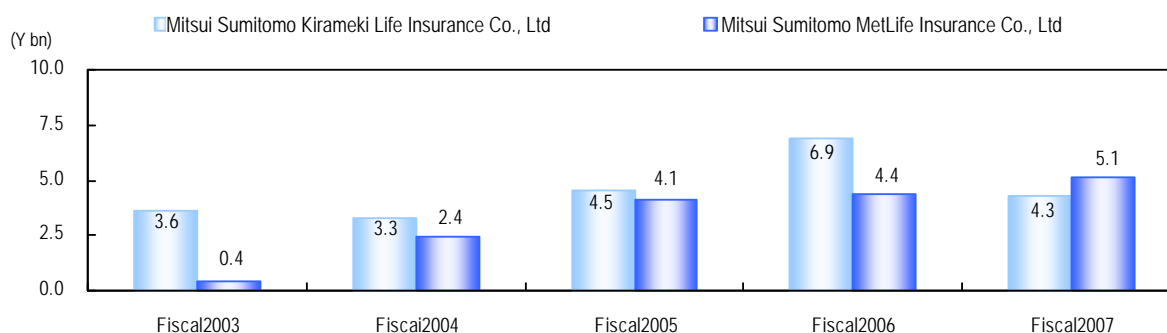


Mitsui Sumitomo MetLife Insurance Co., Ltd

Transition of policy amount in force/premiums



Transition of Core Profit



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Mitsui Sumitomo Kirameki Life Insurance

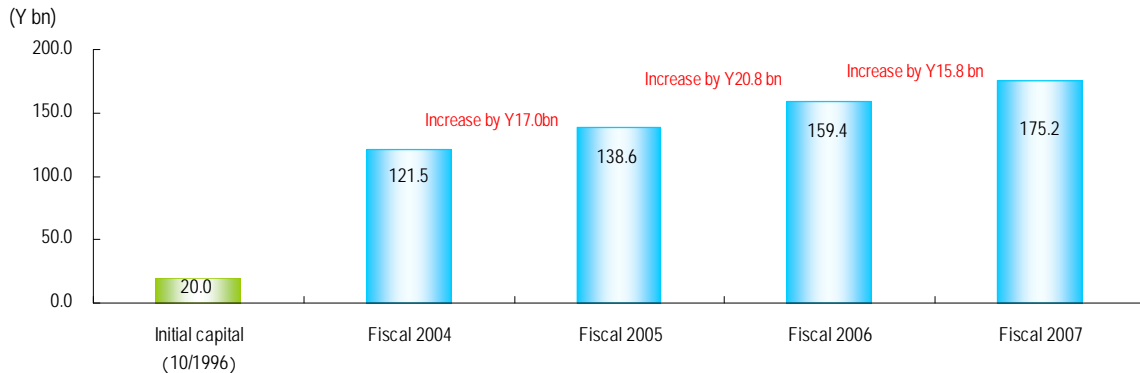
Offering products/services most suitable for customers through high-quality sales activities and realizing further growth

Sales strategies	Product strategies	Improvement in corporate quality
<ul style="list-style-type: none"> Promotion of cross-sales by the MSI's professional agents and "insurance consultants" Strategic approach to over-the-counter sales by financial institutions Promotion of the FC* business 	<ul style="list-style-type: none"> Sales centered on products for individual customers, with installment payment and for death benefits Promotion of sales of medical products Proper handling of products for corporate customers 	<ul style="list-style-type: none"> Business process innovation <ul style="list-style-type: none"> Proper product suggestion/explanation Easy-to-understand sales tools Improvement in convenience of contract procedure Improvement in service for direct handling of contracts Establishment of organizational structure for accurate, proper and quick payment of insurance benefits, etc

* "FC" is an abbreviation of the financial consultants, who are hired by Mitsui Sumitomo Kirameki Life and are specialized in consulting sales based on customers' life plans.

Increasing contribution to Group Core Profit by further cultivation of the markets held by MSI and development of markets in new growth segments

Transition of Mitsui Sumitomo Kirameki Life Insurance's Embedded Value (from end-2004 to end-2007)



Breakdown of Increase in Fiscal 2007 (Y bn)

Factor	Amount of Increase/Decrease
Value of new contracts	+5.3
Expected earnings from EV as of the end of the previous year	+7.7
Difference between estimation and actual results	+7.8
Changes in interest rates, etc	-5.0
Total	+15.8

EV's Sensitivity (Y bn)

		Change
Yield	0.25% lower	-8.0
Incidence rate of insured event	10% worse	-9.9
Cancellation ratio	10% worse	-3.3
Solvency margin ratio	800%→600%	+0.2
Discount rate	7%→6%	+10.7
Discount rate	7%→8%	-9.1

Life Insurance Business Mitsui Sumitomo MetLife Insurance

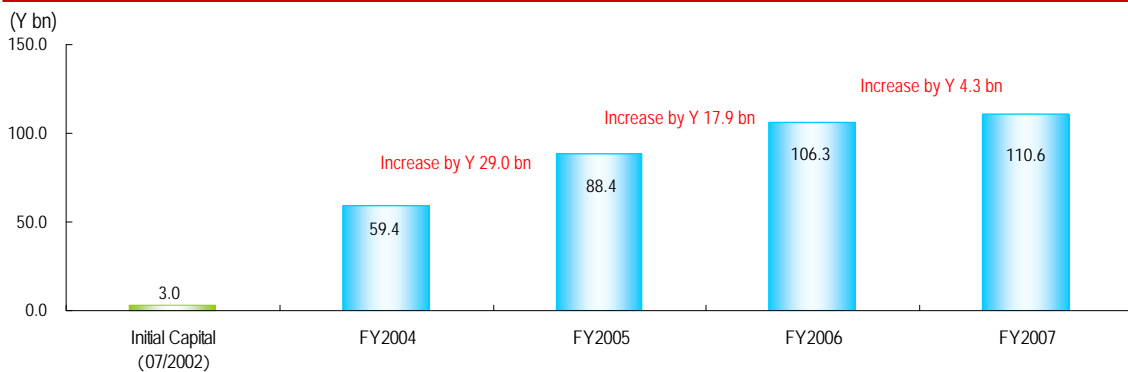


Achieving a significant growth as one of the largest insurance companies specialized in individual annuity in Japan through a hybrid business model that exploits the combined strengths of the Mitsui Sumitomo Insurance Group and Metlife, one of the United States' largest life insurance companies

Sales strategies	Product strategies	Improvement in corporate quality
<ul style="list-style-type: none"> ■ Seeking the dominant share in the Japan Post's market ■ Stronger collaboration with financial institutions <ul style="list-style-type: none"> • Focusing on West Japan • All prefectures should be covered ■ Enhancement of education/training <ul style="list-style-type: none"> • Open a training center in Osaka after Tokyo 	<ul style="list-style-type: none"> ■ Continuing selling early payment lifetime annuity plan as a major product ■ Development of new products using the know-how from the US market 	<ul style="list-style-type: none"> ■ Improvement in customer satisfaction <ul style="list-style-type: none"> • Reinforcement of functions of the call center • Reinforcement of the administration structure for payment of annuities/insurance benefit ■ Enhancement of the administration structure for customer protection and other aspects

As a leader in the variable individual annuity market, MSI Metlife Insurance aims to achieve:
 FY2010: Net income JPY20 billion (US-GAAP)/JPY10 billion (equity interest)
 FY2011: Surplus (J-GAAP) for the single fiscal year,
 FY2014: Clearing out of accumulations (J-GAAP)

Transition of Mitsui Sumitomo MetLife Insurance's Embedded Value (from end-2004 to end-2007)



Breakdown of Increase in FY2007

(Y bn)

Fator	Amount of Increase / Decrease
Capital injection	+5.1
Value of new contracts	+11.0
Expected earnings from EV as of the end of the previous year	+9.5
Difference between estimation and actual results	-21.3
Total	+4.3

EV's Sensitivity

(Y bn)

		Change
Yield	0.5% lower	-2.3
Death rate	10% worse	-0.7
Cancellation ratio	10% worse	-0.7
Solvency margin ratio	600%→500%	±0.0
Discount rate	7%→6%	+7.7
Discount rate	7%→8%	-7.0

Overseas Business Achievement of Business Plan under a 3 Regional Holding Company Framework

Target Core Profit of over JPY20 billion in FY2010

Key Strategies

Increase size and enhance profitability of existing business

- Regional business managed by 3 Regional Holding Companies based in Asia, Europe and Americas
 - Localized regional management.
 - Development of Intra-regional business strategies.
 - Pursue capital efficiency on a unified basis.
- Locally based regional business strategies and effective business measures facilitated by speedy and flexible decision-making.

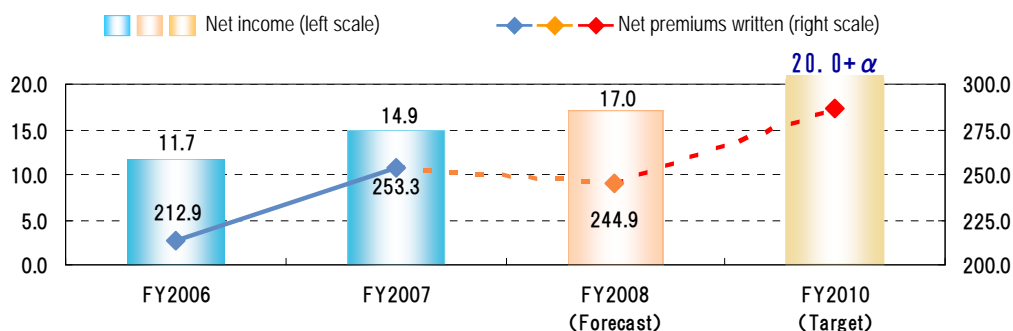
Active investment in new business (e.g., M&A)

- Selective and focused investment in key strategic regions and business areas (mainly focusing on life and non-life insurance business in Asia)
- A dedicated department established within Mitsui Sumitomo Insurance Group Holdings for new business investment.

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Net premiums written, Net Income (Overseas total)

(Y bn)



<Summary of estimates for FY2008>

- Net premium written is projected to decrease due to the appreciation of the yen.
- Despite the effect of the strong yen, net income is expected to increase by approx. 14% due to recovery of European business after the 2007 flood disaster.
- Due to revised accounting standards from 2008, above projection covers an additional cost of JPY1.5Bil for consolidated adjustment relating to past M&A's, reducing the net income by the same amount compared to 2007.

Overseas business investments and the return

(Y bn)

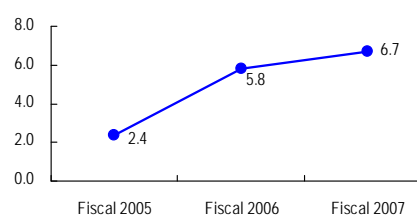
Region	Investment	Fiscal 2007 net income	ROI(%)	Region	Investment	Fiscal 2007 net income	ROI(%)
ASEAN	57.1	7.2	12.6	Americas	44.6	1.2	2.8
East Asia	61.8	3.5	5.7	Reinsurance	45.5	6.7	14.8
Europe	23.6	-2.6	-11.0	Total	242.8	16.3	6.7

※ Total overseas figures includes those of Oceania, Middle East, India, etc., which are not included in any above-stated geo-segments.

* Total overseas figures is before amortization of consolidation adjustments.

ROI

(%)

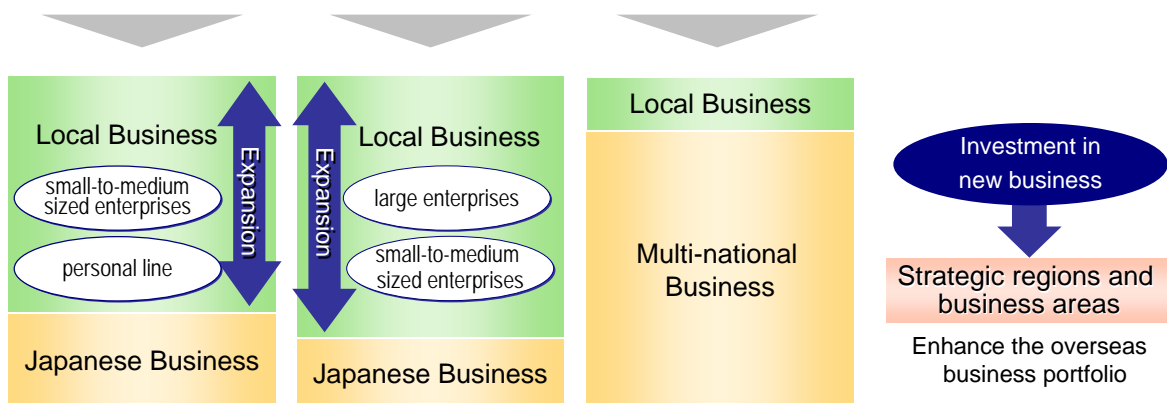


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Business Strategies for Overseas Operations

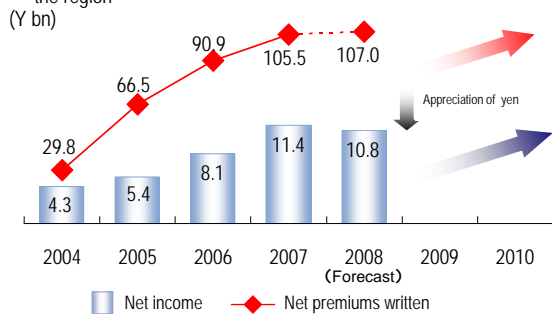
Expand our business by further promoting regional business strategies

Asia	Europe	Americas	Reinsurance
Further advance as an Asian insurance company with strongly-established local business platform	Further expand local commercial line business, mainly at Lloyd's and in Germany	Focus on underwriting quality multi-national business	Build a global underwriting portfolio and pursue profitability



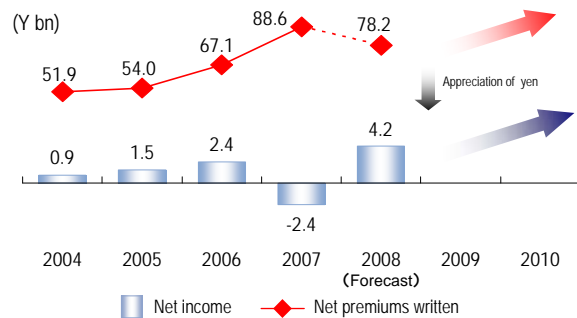
Asia

- Strengthen existing business and actively invest in new business
- Establish a dominant business platform in Asia
- Pursue business growth leveraging on the economic growth in the region



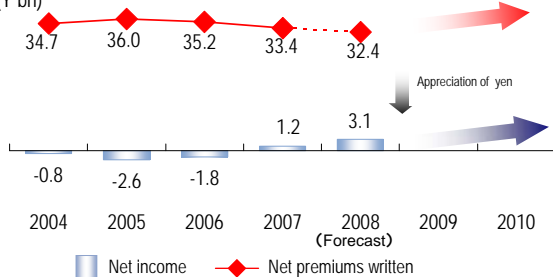
Europe

- Cultivate local commercial line business
- Increase the line of businesses underwritten at current operations and seek opportunities to enter new areas/regions



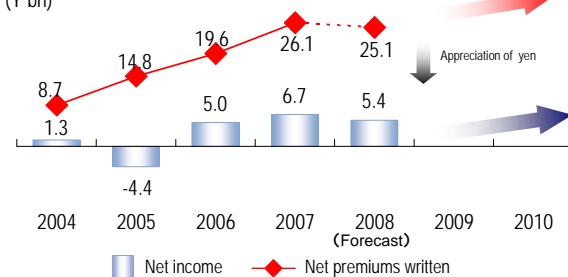
Americas

- Recover profitability and further pursue stability



Reinsurance

- Increase profitability through prudent underwriting



Note: net current income of the region does not include the Head Office adjustments which are not allocated to each region nor other consolidated adjustments associated with M&As.

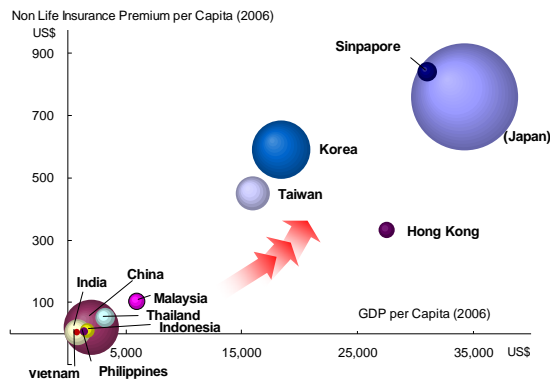
Overseas business
Strategies for Asian Region

Further expand business leveraged by the high economic growth in Asia

"GDP per capita" and "non-life insurance premium (market size)"

Graph: GDP per capita vs. non-life insurance premiums - 2006

Circle: Total non-life insurance premium per country / region (market size) - 2006



※Source : prepared by the Company based on data from Swiss Re Sigma Report and IMF World Economic Outlook, April 2008.

Total non-life insurance premiums and expected GDP growth per country / region

Country/Region	2006	Expected GDP Growth (%)						
		2007	2008	2009	2010	2011	2012	2013
China	25,713	11	9.3	9.5	11	10	10	10
Hong Kong	2,361	6.3	4.3	4.8	5	5	5	5
Taiwan	10,318	5.7	3.4	4.1	4.6	4.7	5	5
Korea	28,881	5	4.2	4.4	4.8	4.8	4.7	4.6
India	5,812	9.2	7.9	8	8	8	7.9	8
Indonesia	3,695	6.3	6.1	6.3	6.5	6.7	6.7	6.7
Malaysia	2,656	6.3	5	5.3	6	6	6	6
Philippines	641	7.3	5.8	5.8	6	6.1	6.2	6.2
Singapore	3,695	7.7	4	4.5	5.7	5.7	5.5	5.5
Thailand	3,241	4.8	5.3	5.6	5.9	6	6	6
Vietnam	419	8.5	7.3	7.3	7.8	7.9	8	8
Total	87,432							
Japan	97,495							

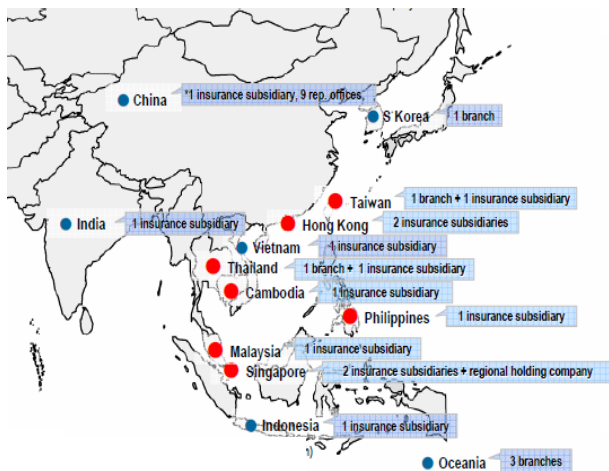
※ Source: Swiss Re Sigma Report, IMF World Economic Outlook, April 2008

- Non-life insurance premium per capita is expected to increase with the GDP growth.

- The Company's current network in Asia is one of the largest in the region with more than 260 offices.
- The Company will further strengthen the business platform to capture growth opportunities in Asia.

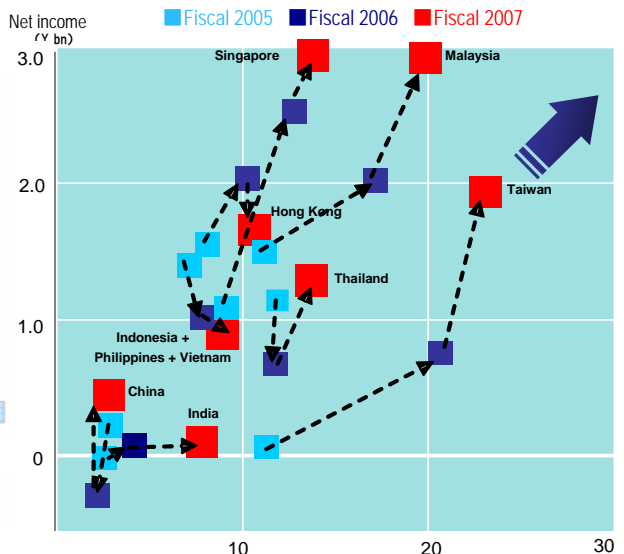
The Company's network in Asia

● ranked among top 5 ● others



<Note> MSIG's ranking is based on consolidated figures of MSIG subsidiaries and branches in each country or region calculated by the company.

The Company's Business Performance in Asia



Build up “added-value” to expand net asset value

Basic policy of investment

- (1) Implementation of risk control focusing on ALM
- (2) Completion of the “Basic Portfolio” by FY2010

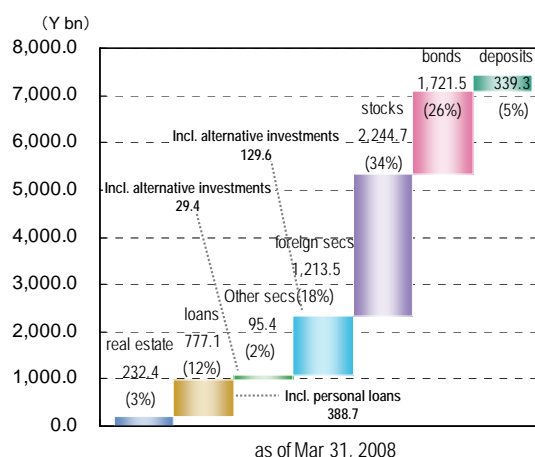
—Direction toward completion of the “Basic Portfolio”—

- Yen-denominated assets** (bonds, loans, etc.)
Shift for longer-term assets (Neutralization of the interest rate risk, along with interest rate swaps)
- Stocks**
Continued reduction toward “sale of stockholding worth JPY500 billion in aggregate by 2010”
- Foreign Bonds / Stocks**
Unchanged or slightly decreased
- Alternative Investment**
To be further increased

What is the “added value”?

- “Returns” less “all costs”
- “All costs” includes funding cost, capital cost and expenses
- Established as a measure to ensure stable increase of net asset

Balance of investment per asset category



Investment management policy

Basic portfolio management

- Assuming the return, risk and correlation expected both for assets and liabilities over the medium term, the most efficient asset allocation under certain restrictions shall be the “Basic Portfolio”, which MSI aims to achieve over the medium term (by the end of FY2010).
- For every fiscal year, as a process for convergence to Basic Portfolio, an “Annual Portfolio” is established in prospect of certain conditions of the year (cash position, market outlook for the fiscal year, etc.) for steady steps for Basic Portfolio.

+

Active management

- Aim to expand “added value” by partly conducting active investment.

Macro-economic impacts on balance sheets

changes of:	Estimation of impacts
Interest rate	If the yen interest rate rises by 1% : • Fluctuations in the fair value (net of assets/liabilities): +Y18.1 bn • Fluctuations in int. and dividend (net of receipts/payment): +Y2.5 bn
Forex	• Y3.8 bn decline in fair value of non-yen assets per 1 yen rise of JPY against USD • Y1.1 bn decline in fair value of non-yen assets per 1 yen rise of JPY against EUR • Y0.3 bn decrease of int. and dividend received from non-yen assets per 1 yen rise of JPY against both USD and EUR, staying at the level a year
Stock price	• Y164.1 bn decline in market value of stockholding per Y1,000 drop of Nikkei Average

[Exposure to the US-subprime] (investment)

The exposure to the US subprime loans which was JPY 30 million as of the end-September 2007, declined to **zero** as of the end-March 2008.

Approaches to building the fiscal 2008 Annual Portfolio

Fiscal 2008 investment policy

- Longer average life of yen-denominated assets
- Reduction of interest rate risk exposure with swaps
- Reduction of domestic stock price fluctuation risk by selling part of stockholding
- Promotion of credit risk investment such as personal loans
- Promotion of alternative investment

Market outlook to be considered

< Interest Rate Risk >

In general, interest rates are expected to rise mildly

< Currency Risk >

For the time being, concerns over appreciation of yen cannot be wiped out

< Stock Price Risk >

Slower growth of companies' business performance; stock prices are not expected to increase significantly

< Credit Risk >

It should take some time before turbulence in the credit markets triggered by US-subprime is fully calmed down.

Measures for FY2008

Reduction of interest rate / stock price risk

- Gradual increase of longer-term yen-denominated bonds
- Continued control over the interest rate risk by using the interest rate swaps
- Steady reduction of stockholding while assessing the investment efficiency by issuer

Promotion in credit risk taking

~Seek to accumulate quality assets with high spreads with proper attention to the areas ~

- Promoting loans in tie-ups with housing manufacturers and credit companies (e.g. apartment-house loans, auto loans).
- Continued investments in corporate bonds based on the companies' fundamentals

Alternative investments

~Increase assets with low correlation with traditional asset classes~

- Increasing investments in hedge funds, mostly through fund-of-funds
- Promoting private equity investments, mostly buy-out transactions in Japan and overseas

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Disposition of stocks held

(Y bn)

	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007	aggregate from Fiscal 2004 onward
stocks sold	86.9	58.8	32.3	33.2	211.2

- MSI is selling the stockholding in order to decrease stock price fluctuation risk.
- When selecting the stocks to hold or to sell, total investment efficiency is also taken into consideration individually for each stock including such factors as contribution to profits from insurance underwriting, as well as the growth potentiality and stability of the issuer company.

Personal loans

(Y bn)

	Mar-05	Mar-06	Mar-07	Mar-08
outstanding balance	327	347.1	367.8	388.7

Alternative investments

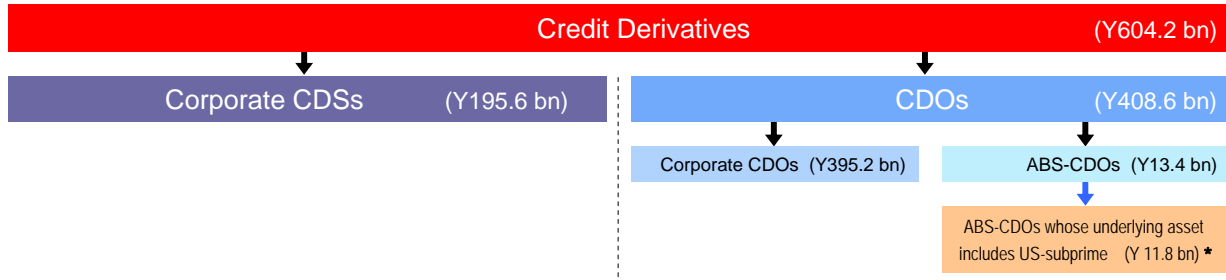
(Y bn)

	Mar-05	Mar-06	Mar-07	Mar-08
outstanding balance	77.8	106.4	142.7	159.1
hedge funds	51.7	78.6	102.8	111.8
buy-out funds	8.8	11.4	16.2	25.0
venture funds	6.5	6.9	8.3	9.4
real estate funds	7.9	6.1	9.7	6.3
others	3.0	3.5	5.5	6.5

- "Hedge funds" are diversified into more than 30 funds, and approx. 80% thereof are funds of funds (Total number of funds exceeding 400).
- One REIT investment accounts for all outstanding investment in "real estate funds".

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< Breakdown of Notional Amount (as of March-end 2008) >



* However, exposure to US-subprime is virtually zero: See the note below.

Corporate CDSs

- We have underwritten the credit risk of 73 domestic and 24 overseas companies.
- Exposure to companies of "A" rating or higher account for 97% of the portfolio, forming a high level of credit.

CDO tranches

- We have underwritten 14 tranches of pools consisting of credit risk of domestic companies, and 16 tranches of pools consisting mainly of credit risk of overseas companies ("Corporate CDOs")
- There are 2 tranches of CDOs of pools consisting of ABSs, accounting for 3% of all CDOs in terms of the notional amount ("ABS-CDOs")
- All tranches are remain at "AAA" rating or higher.

- For FY2007, MSI booked mark-to-market unrealized loss on credit derivatives of JPY26.1 billion (JPY3.3 billion for corporate CDSs, JPY22.9 billion for CDOs and JPY -0.1 billion for gain on long contracts), due to the turbulence in the credit derivative market as a whole (guarantee rates surged).
- The underlying credit ratings of companies/tranches in our portfolio are high, and we expect no loss to be realized.

Corporate CDSs

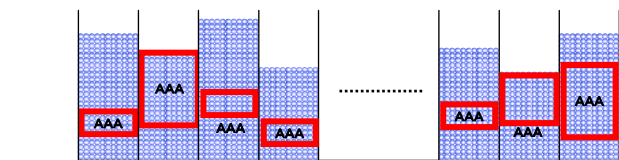
Outstanding Balance by Rating

(Y bn)

Rating	Notional Amount (Percentage Distribution)		
		Domestic companies	Overseas companies
AAA	18.0 (9.2%)	8.0 (5.5%)	10.0 (19.7%)
AA	108.2 (55.4%)	87.5 (60.5%)	20.7 (40.8%)
A	63.2 (32.4%)	47.2 (32.6%)	16.0 (31.6%)
BBB	6.0 (3.1%)	2.0 (1.4%)	4.0 (7.9%)
BB or lower	- (-)	- (-)	- (-)
Total	195.6 (100%)	144.7 (100%)	50.8 (100%)

Underwriting of CDO tranches

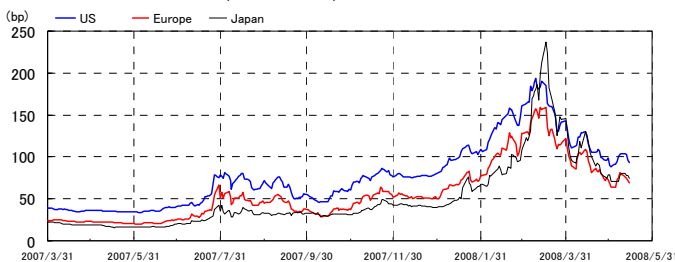
Conceptual Diagram of Underwritten Tranche



Note: The portion enclosed in red represents the tranche underwritten. Each "dot" represents a company, etc.

- In general, the degree of safety of the CDO tranche is measured by factors including: (i) rating of the companies, etc. making up the CDO pool, (ii) degree of diversity; and (iii) size of the subordinated tranche(s).
- All of the tranches that MSI has underwritten are those with "AAA" or above.
- There is no tranche with a trigger option for early liquidation, e.g. downgrading trigger.

【Historical development of credit spreads of the credit derivatives market】



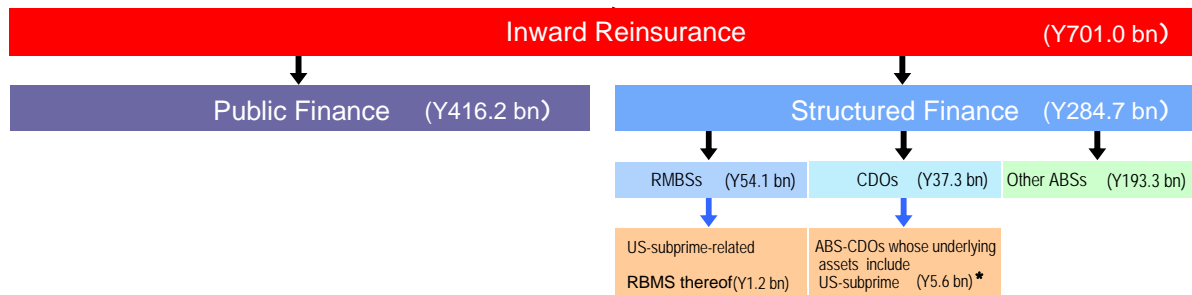
(Prepared by the Company based on Bloomberg's data).

[Exposure to US-Subprime] (Credit Derivatives)

Part of the underlying ABSs include the RMBS composed of US subprime loans (JPY9.8 billion). However, given that the subordinated tranche (JPY11.8 billion) in excess of that amount exists, even if the RMBS becomes a total loss, it does not, per se, cause MSI to make payment. Therefore, we assume that the exposure is zero.

Financial Services (2) Reinsurance Ceded from US Monolines

< Breakdown of Outstanding Guaranteed Balance (as of end-March 2008)



*However, the US-subprime exposure is virtually JPY0.9 billion. See the note below.

- We underwrite, mainly under the treaties (proportional re-insurance treaties) with US monolines (primary insurers), part of the credit risks underwritten by them, i.e. municipal bonds, ABSs, etc.
- Out of the ceded balance, 73% is rated “A” or higher, and 98% “BBB” or higher, maintaining a strong level.

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Outstanding Balance by Rating (Y bn)

Rating	Balance Underwritten (Percentage Distribution)
AAA	130.8 (18.7%)
AA	173.9 (24.8%)
A	209.1 (29.8%)
BBB	176.6 (25.2%)
BB or lower	10.3 (1.5%)
Total	701.0 (100%)

※Represents the rating of original credit irrespective of guarantee by monolines.

[Rating of Monolines and Quality of Ceded Portfolio]

- It is not the credit risk of monolines that we have underwritten through inward re-insurance but the credit risk of municipal bonds, ABSs and the like which the monolines have underwritten.
- Therefore, even if the monolines (primary reinsurer) should be downgraded, the nature and quality of the risk underwritten by MSI will suffer no adverse effects.

[Exposure to the US Subprime Loans] (Reinsurance Ceded)

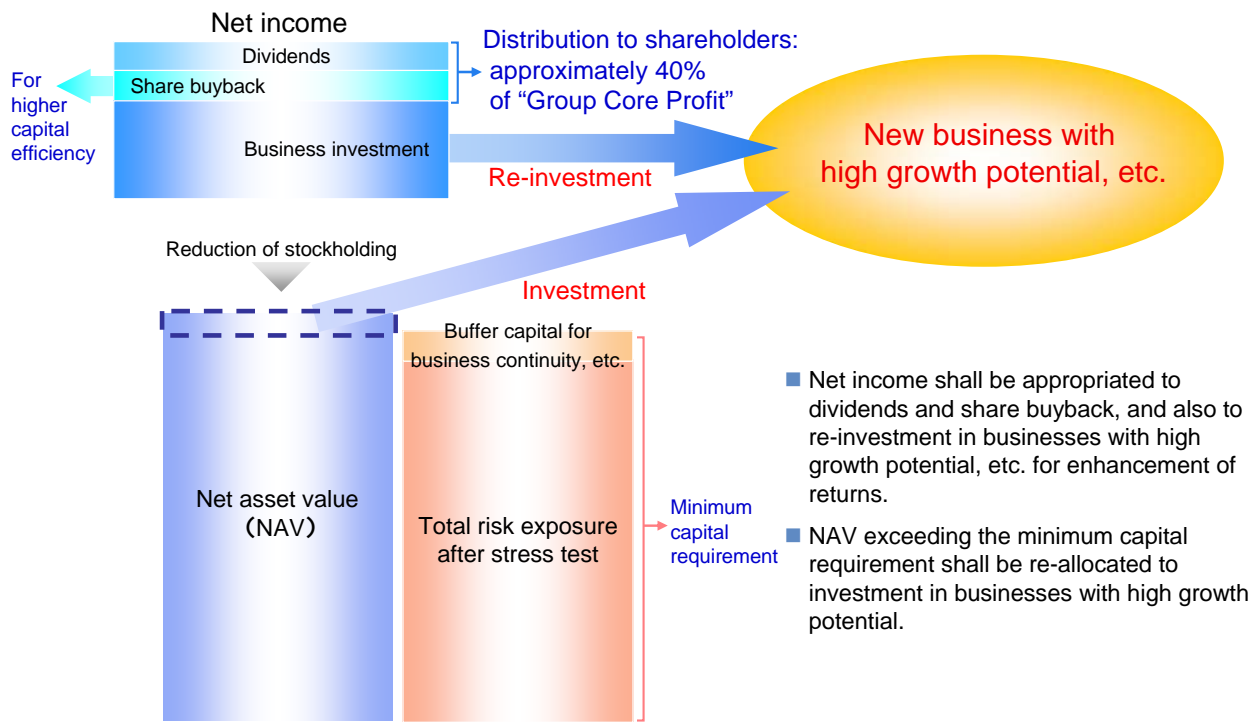
- There are RMBSs consisting of subprime loans (JPY1.2 billion) and ABS-CDOs which include RMBSs consisting of US subprime loans in the underlying assets (JPY5.6 billion)
- However, for ABS-CDOs, we understand that the real exposure is the amount of payment liability in excess of the subordinated amount (JPY 0.9 billion) in the event of a total loss of the RMBSs consisting of US subprime loans.
- Relating to said ABS-CDOs, JPY 0.1 billion loss incurred including loss reserve in FY2007.

Credit Exposure to Monolines

- There is a credit derivative (notional amount: JPY3 billion) for which the single reference company is a monoline.
- In addition, we have JPY10.5 billion for guarantees/underwriting in relation to bonds guaranteed by monolines and JPY13.2 investments in bonds guaranteed by monolines.
- Note that, regarding the guarantees/underwriting (JPY10.5 billion) and the investments (JPY13.2 billion) in bonds guaranteed by monolines, it is only when both the “underlying bond” and the “guaranteeing monoline” go into default that we are liable to pay.

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Capitalization Policy (1) Net Asset Value and Capital Deployment



Investment Segments Expected in Future

Existing Businesses	New Businesses
<p>~To assess the actual results and growth potential and accelerate development of business~</p> <p>For example:</p> <ul style="list-style-type: none"> ■ Lloyds business, commercial line business in Germany ■ Non-life insurance in Asia ■ Reinsurance 	<p>~To benefit from the market's growth potential~</p> <p>For example:</p> <ul style="list-style-type: none"> ■ Life insurance in Asia ■ New domestic businesses

Investment by domains

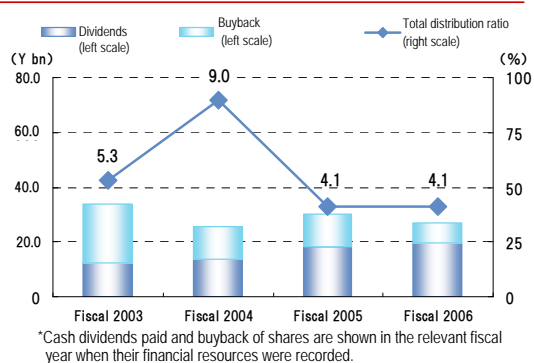
	Accumulation from Fiscal 2002 through 2007
Domestic non-life	Y10.3 bn
Overseas	Y173.2 bn
Life insurance	Y47.8 bn
Financial services	Y1.5 bn
Risk-related	Y 0.6 bn
Total	Y233.4 bn

Capitalization Policy (2) Distribution Policy and Track Record

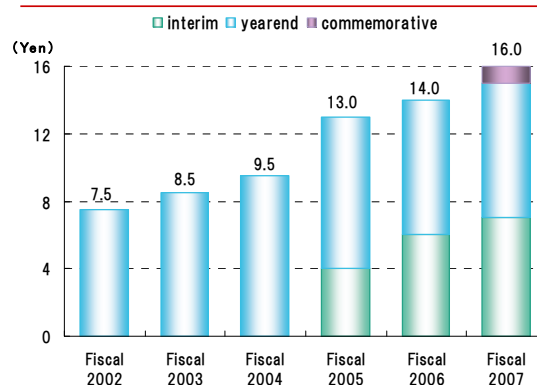
Distribution Policy

- Distribute to shareholders, through dividend and share buyback, approximately 40% of “Group Core Profit” (GCP) earned for the year.
 - Firmly maintain stable dividend payments and continue increasing trend of dividends-per-share over a medium- and long-term
- No change in this policy

Distribution to shareholders (MSI)



Dividends per share (MSI)



- Total distribution ratio was 53% (FY2003), 90%(FY2004), 41%(FY2005) and 41%(FY2006).
- In FY2007, we increased the annual dividends by JPY1 per share and implemented commemorative dividends (JPY1 per share).
- In Feb – Mar 2008, we bought back the own shares (JPY7 billion in total) and cancelled treasury shares.

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Group Core Profit and distribution made to shareholders

(Y bn)

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006
Group Core Profit (“GCP”)	64.0	28.6	73.9	64.9
Dividends paid	12.4	13.6	18.5	19.8
Shares bought back	21.5	12.0	11.5	7.0
Dividends+Buyback (Distribution)	33.9	25.6	30.0	26.8
Distribution / GCP	53%	90%	41%	41%

Track record of share buyback

※Fully cancelled as of the end of March 2008.

Period of time	Shares bought back (thousands shares)	Amount paid for them (Y mn)
March - December 2002	25,895	14,570
October - December 2003	29,381	25,999
August - October 2004	23,073	21,485
September 2005	10,000	11,992
February - March 2007	7,846	11,499
February - March 2008	6,402	6,998
Total	102,597	92,543

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$$\text{ROE based on Group Core Profit} = \frac{\text{Group Core Profit}}{\text{Consolidated shareholders' equity (average of starting and ending amounts)}}$$

- “ROE based on Group Core Profit” is to be calculated with “Group Core Profit” (GCP)* as the numerator which is a target benchmark to indicate ordinary profitability of the whole Group.
- While consolidated shareholders' equity, the denominator of the formula, includes net unrealized gains/losses on stocks held, etc., GCP, the numerator, is not supposed to include not only net unrealized gains/losses but also net realized gains/losses on stocks held.
- If we made a test calculation on “ROE based on Group Core Profit” counting the expected medium-term yield of the shares held in accordance with the “comprehensive income” approach, which is currently on agenda at the International Accounting Standards Board (“IASB”), “ROE based on Group Core Profit” would rise by more than 3 %.

$$\begin{aligned} \text{*Group Core Profit} &= \text{Consol. Net income} - \text{Net capital gain on stock portfolio} \\ &\quad - \text{Net revaluation gain on credit derivatives} - \text{Other incidental factors} \\ &\quad - \text{Consol. Net income attributable to life subsidiaries} \\ &\quad + \text{MSI MetLife's equity in earnings under US GAAP} \\ &\quad + \text{MS Kirameki's income before provision of standard u/w policy reserves} + \text{Others} \end{aligned}$$

Introduction of the Company's Website: "Investor Relations"

<http://www.msig.com/ir/index.html>



Mitsui Sumitomo Insurance Group Holdings

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6/9 13:43 TSE

4,180 (-130)

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May.21, 2008 [PDF](#) [MSIG Revised certain Numeric Goals of Mid-term Management Plan\(PDF file 36KB/1 pages\)](#)

May.21, 2008 [PDF](#) [Acquisition of Shares of Subsidiaries\(PDF file 26KB/2pages\)](#)

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Included in this website are plans, strategies, and performance forecasts related to the future of the business. Please beware the actual performance may differ widely from these forecasts

Personal information of shareholders

We may use personal information of shareholders to enforce rights or fulfill obligations in accordance with the Corporation Law, and for purposes stipulated hereunder.

(1) To provide miscellaneous accommodations to shareholders as an issuer of shares.

(2) To implement policies aimed to attain amicable relationship between the company and shareholders from the perspective of the two parties respectively being the corporate aggregate and its constituents.

(3) For management duties such as creation of shareholder database in compliance with the standards stipulated in pertinent regulations.



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MSI (Consol.) Major Financial Indicators

▼ Fundamentals		Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Fiscal 2007
Net premiums written	(Ybn)	1,379.1	1,407.3	1,464.1	1,492.8	1,541.0
Net income	(Ybn)	77.8	65.7	71.7	60.8	40.0
Net assets	(Ybn)	1,401.9	1,461.6	2,027.5	2,182.9	1,671.5
Total assets	(Ybn)	7,127.0	7,402.3	8,592.9	9,011.7	8,397.7
Return on shareholders' equity【ROE】	(%)	6.4	4.6	4.1	2.9	2.1
<ref.>ROE under the US GAAP	(%)	7.1	2.1	5.3	4.1	—
Equity ratio	(%)	19.7	19.7	23.6	24.1	19.7
Group Core Profit	(Y bn)	-	-	73.9	64.9	66.0
ROE based on Group Core Profit	(%)	-	-	4.2	3.1	3.4
▼ Per-share data						
Earnings per share【EPS】	(%)	53.94	45.51	50.27	42.82	28.37
Net assets per share	(yen)	963.5	1,021.1	1,427.2	1,536.7	1,178.5
Dividend per share(annual)	(yen)	8.5	9.5	13.0	14.0	16.0
▼ Stock price and its related data						
Total shares issued (as of end-March)	(thousand)	1,454,923	1,431,265	1,420,621	1,411,202	1,404,402
Stock price(closing, end-March)	(yen)	1,108	983	1,601	1,479	1,007
Price earnings ratio【PER】	(times)	20.5	21.6	31.8	34.5	35.5
Price book-value ratio【PBR】	(times)	1.15	0.96	1.12	0.96	0.85
<ref.>【adjusted PBR】※	(times)	0.95	0.81	0.98	0.84	0.71
Payout ratio	(%)	15.8	20.9	25.9	32.7	56.4

※Adjusted PBR formula: adjusted PBR = market capitalization / [net assets + (catastrophe loss reserve + reserves for price fluctuation) × (1 - tax rate of 36%)]

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1-① Details of Premium reserve

(Unit: Billion yen)

		Mar. 2008				
		Total premium reserve	Underwriting reserve	Reserve for "GRR, Maturity refunds and dividends to policyholders"	Catastrophe loss reserve	Reserve against interest rate risks and for third-sector products
Fire	Amount	1,052	549	318	185	0
	(Change)	(15)	(25)	(-25)	(15)	(0)
Marine	Amount	90	32	-	57	-
	(Change)	(7)	(5)	(-)	(2)	(-)
Personal Accident	Amount	1,886	92	1,708	84	0
	(Change)	(-41)	(6)	(-48)	(0)	(0)
Auto	Amount	232	170	15	46	0
	(Change)	(0)	(-3)	(4)	(0)	(0)
CALI	Amount	359	359	-	-	-
	(Change)	(22)	(22)	(-)	(-)	(-)
Others	Amount	444	234	91	117	0
	(Change)	(0)	(-3)	(-3)	(7)	(0)
Total	Amount	4,066	1,439	2,133	492	0
	(Change)	(4)	(51)	(-72)	(25)	(0)
	For deposit-type insurance *2		-	2,116	-	-

*1 "Premium reserve" regarding earthquake and CALI are included Underwriting reserve for fire and CALI respectively.

*2 "For deposit-type insurance" is the total balance of reserve for "GRR, Maturity refunds and dividends to policyholders" of saving type's policies

*3 "Change" in Underwriting Reserve and Premium Reserve does not accord with the balance of respective reserves, as a certain balance of Premium Reserve has been transferred to ex-Shanghai Branch on its incorporation.

1-② Change in Catastrophe loss reserve (Provision/Reversal)

(Unit: Billion yen)

	Mar. 2007				Mar. 2008			
	Reversal	Provision	Balance	Ratio*1	Reversal	Provision	Balance	Ratio*1
Fire	-	15	169	96.5	-	15	185	107.2
Marine	-	2	54	78.1	-	2	57	79.3
Personal Acc.	-	4	84	63.2	4	3	84	64.6
Auto	52	47	47	8.5	47	46	46	8.5
Others	2	9	110	59.2	1	9	117	63.8
Total	54	80	466	41.4	53	79	492	44.3

*1 Ratio = Balance of catastrophe loss reserve / net premiums written*2

*2 This premium excludes that of earthquake, CALI and Modo-rich fund.

2-① Details of Loss Reserve

(Unit: Billion yen)

	Mar. 2007			Mar. 2008		
	Balance	Change	IBNR	Balance	Change*	
					IBNR	IBNR
Fire	53	3	3	48	-4	-5
Marine	33	7	2	29	-3	-2
Personal Acc.	43	6	4	47	3	2
Auto	264	24	4	274	9	7
CALI	49	0	—	49	0	—
Others	153	15	12	141	-11	-16
Total	599	57	27	590	-7	-15

* "Change " does not accord with the change of Loss Reserve balances, as a certain balance of Loss Reserve has been transferred to ex-Shanghai Branch on its incorporation.

2-② Incurred Loss Amount and Earned-Incurred Loss Ratio

(Unit: Billion yen)

F Y Class	Mar. 2007		Mar. 2008			
	Incurred Loss Amount	Earned-Incurred Loss Ratio*	Incurred Loss Amount	Change	Earned-Incurred Loss Ratio*	Change
Fire	91	60.5 %	78	-13	51.8 %	-8.7 %
Marine	40	59.1	32	-7	45.4	-13.7
Personal Acc.	73	57.7	79	5	64.0	6.3
Auto	415	73.5	403	-12	72.7	-0.8
Others	125	65.3	102	-23	53.6	-11.7
Total	747	67.6	696	-50	63.7	-3.9

* Excluding Earthquake, CALI and Modo-rich fund.

Incurred loss = (net paid loss + loss adjustment expense + provision of outstanding loss reserve)

Earned-Incurred Loss Ratio = Incurred Loss/ Earned premium

3-① Interest and dividend income and yield

(Unit: Billion yen)

Type of asset	Mar. 2007		Mar. 2008	
	Interest and dividend income	Income yield (%)	Interest and dividend income	Income yield (%)
Deposits, Short-term assets	5	2.02	6	2.70
Money trusts	1	2.01	1	2.23
Securities	124	3.20	125	3.19
Bonds	28	1.63	29	1.72
Stocks	36	3.97	44	4.73
Foreign securities	47	4.38	46	3.98
Other securities	11	10.59	5	5.04
Loans	13	1.77	14	1.93
Land and Buildings	7	3.28	6	3.13
Total Investment Assets	151	2.92	155	2.97

* "Interest and dividend income" includes those income equivalent to gain/loss on money trust

3-② Gain/Loss on sale of securities

Mar. 2008

(Unit: Billion yen)

	Gain	Loss	Total
Bonds	3	0	2
Equities	24	0	24
Foreign securities	7	0	6
Other securities	-	-	-
Total	35	1	33

Gain/loss on Money trusts

(Unit: Billion yen)

	Gain	Loss	Total
Money trusts	0	0	0

4-① Devaluation of securities

Mar. 2008

(Unit: Billion yen,)

Securities	Total	Securities that have fair value (Rate of fair value below cost)	Securities that have no fair value
Bonds	-	-	-
Equities	10	8	1
Foreign securities	2	2	0
Other securities	1	1	0
Total	14	12	1

* Accounting policy for impairment of equities
 ・ More than 30% : basically impaired

4-② Self Assessment of Assets

Mar. 2008

(Unit: Billion yen,)

	Non-categorized (Normal)	Categorized asset				Total (Balance before write off)
		Category II (Close watch)	Category III (High risk)	Category IV (Bankrupt)	Categorized asset total	
Loans	768	8	0	0	8	777
Securities	5,166	108	-	14	123	5,290
Other assets	907	8	0	2	12	920
Total* ¹	6,843	125	0	17	143	6,987

*1 Include the balance written off the assets*². 3 billion yen.

*2 Include devaluation of securities, impairment of fixed assets.

5-① Investment assets

(Unit: Billion yen)

	Mar. 2007		Mar. 2008	
	Balance	Percentage	Balance	Percentage
Deposits, others	347	4.7%	339	5.1%
Securities	6,098	82.4%	5,275	79.7%
Bonds	1,780	24.1%	1,721	26.0%
Stocks	3,010	40.7%	2,244	33.9%
Foreign securities	1,194	16.1%	1,213	18.3%
Other securities	113	1.5%	95	1.5%
Loans	746	10.1%	777	11.7%
Land and Buildings	210	2.8%	232	3.5%
Total Investment assets	7,401	100.0%	6,624	100.0%

5-② Domestic bonds

(Unit: Billion yen)

	Mar. 2007		Mar. 2008	
	Balance	Percentage	Balance	Percentage
Government bonds	276	15.5%	305	17.8%
Municipal bonds	142	8.0%	150	8.7%
Corporate bonds	1,361	76.5%	1,265	73.5%
Public sector	461	26.0%	404	23.5%
Financial Institutions	0	0.0%	0	0.0%
Corporations	899	50.5%	860	50.0%
Total Domestic bonds	1,780	100.0%	1,721	100.0%

5-③ Stock holdings by Industry

(Unit: Billion yen)

	Mar. 2007		Mar. 2008	
	Market value	Percentage	Market value	Percentage
Transportation Equipments	847	28.2%	574	25.6%
Wholesale, Retail Trade	316	10.5%	237	10.6%
Banks, Insurance, Other Fin. Business	328	10.9%	284	12.7%
Chemicals, Pharmaceutical	289	9.6%	205	9.2%
Electric Appliances	292	9.7%	227	10.1%
Marine Transportation	94	3.1%	87	3.9%
Other Manufacturing	97	3.2%	94	4.2%
Land, Air Transportation	118	4.0%	99	4.4%
Machinery	83	2.8%	77	3.4%
Iron and Steel	75	2.5%	51	2.3%
Others	467	15.5%	305	13.6%
Total	3,010	100.0%	2,244	100.0%

Mitsui Sumitomo Insurance (Non-consolidated)

6 Buy-back of Own Shares

Mitsui Sumitomo Insurance Co., Ltd. has cancelled all of its treasury shares on March 31, 2008. Buy-back of own shares until the cancellation (March 31, 2008) is as follows:

	Period	Number of shares (thousand shares)	Amount bought (million yen)
Mitsui Marine	Aug-Sep 99	8,000 (1.02% of shares in issue: 787,216)	4,774
	Aug 00	22,000 (2.82% of shares in issue: 779,216)	12,247
Sumitomo Marine	Aug 00	11,999 (1.78% of shares in issue: 674,999)	7,859
Mitsui Sumitomo Insurance	Mar 02	18,895 (1.28% of shares in issue: 1,479,886)	10,962
Mitsui Sumitomo Insurance	Dec 02	7,000 (0.47% of shares in issue: 1,479,894)	3,607
Mitsui Sumitomo Insurance	Oct-Dec 03	29,381 (1.99% of shares in issue: 1,479,907)	25,999
Mitsui Sumitomo Insurance	Jul-Oct 04	23,073 (1.52% of shares in issue: 1,513,184)	21,485
Mitsui Sumitomo Insurance	Aug-Sep 05	10,000 (0.66% of shares in issue: 1,513,184)	11,992
Mitsui Sumitomo Insurance	Feb-Mar 07	7,846 (0.51% of shares in issue: 1,513,184)	11,499
Mitsui Sumitomo Insurance	Feb-Mar 08	6,402 (0.42% of shares in issue: 1,513,184)	6,998

*The simple sum of buy-backs until the cancellation (March 31, 2008) is approximately 144 million shares, 117.4 billion yen.

Mitsui Sumitomo Insurance (Non-consolidated)

* All amounts and rates on this page are shown by the base of excluding Good Result Return premiums of the Company's unique Automobile Insurance product "Modo-rich".

7—① Forecast for FY 2008

(Unit: Billion yen)

	FY 2007	FY 2008 forecast
Direct premiums written*	1,347	1,330
Change	-1.5%	-1.3%
Net premiums written	1,306	1,270
Change	-1.3%	-2.8%
Loss ratio	65.1%	67.6%
Expense ratio	31.8%	33.6%
Combined ratio	96.9%	101.2%
Underwriting profit	-19	-37
Net interest and dividend income	95	82
Ordinary profit	55	72
Net income	38	50

(FYI: Excluding CALI)

	FY 2007	FY 2008 forecast
Change in Net premiums written	-1.5%	0.3%
Loss ratio	63.1%	63.1%
Expense ratio	34.3%	35.1%
Combined ratio	97.4%	98.2%

7—② Forecast for FY 2008 by lines

(Unit: Billion yen)

	Net premiums written		Loss ratio	
		Change		Difference
Fire	181	3.0%	49.4%	2.3%
Marine	69	-4.8%	49.3%	-1.3%
Personal Accident	127	-2.5%	59.3%	1.2%
Voluntary Automobile	551	0.1%	71.8%	0.4%
Compulsory Automobile Liability	150	-21.2%	100.8%	23.6%
Other	189	2.5%	58.6%	-3.4%
Total	1,270	-2.8%	67.6%	2.5%