

# *Highlights of the financial results for FY2002 and results forecast for FY2003*

**May 30, 2003**



**Mitsui Sumitomo Insurance Co.,Ltd.**

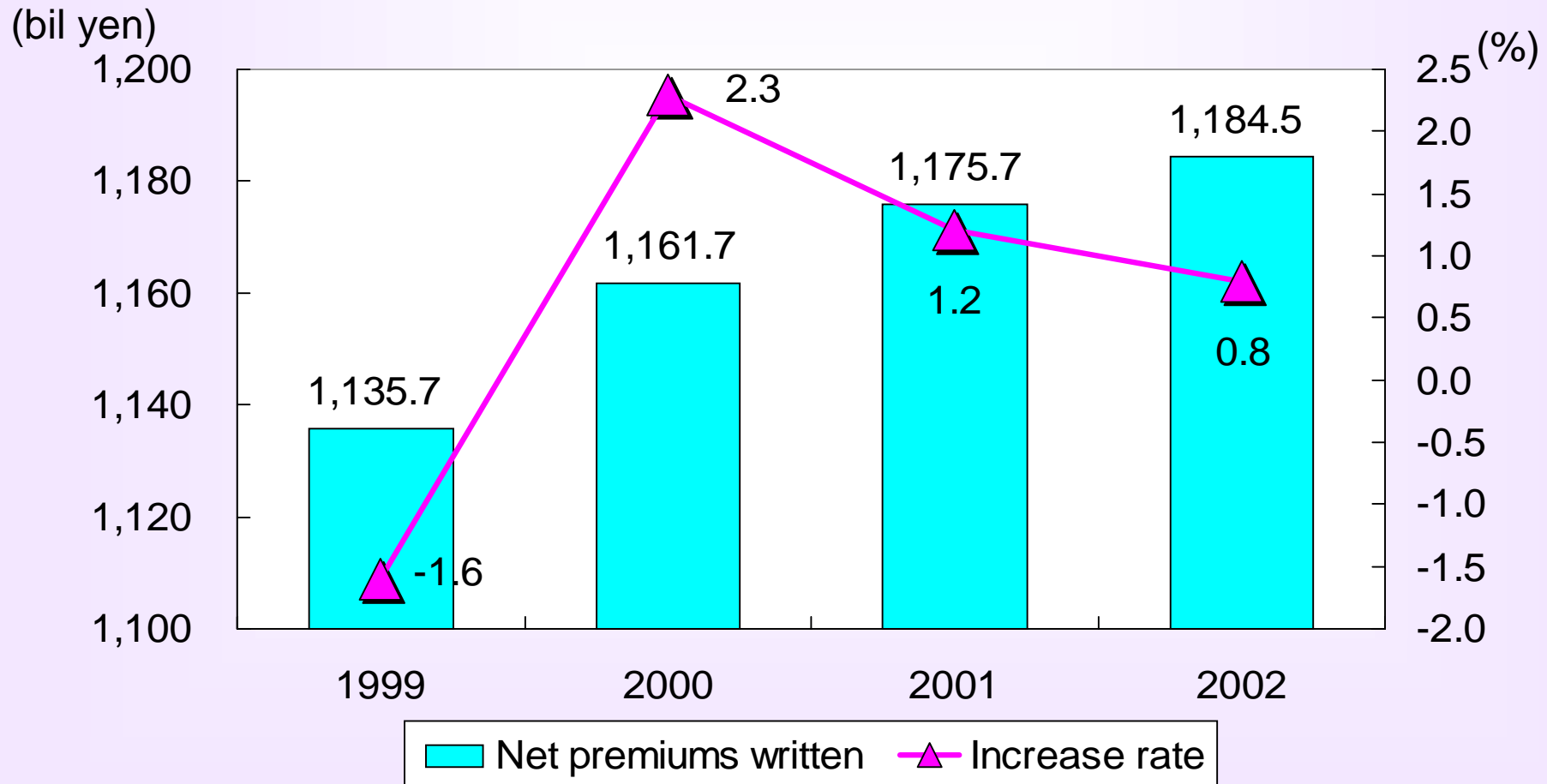
- Amounts shown herein are basically rounded off.
- Amounts related to FY2001 are the total of Sumitomo Marine's 1st half and Mitsui Sumitomo's full year.
- Amounts related to FY2000 and before are the total of Sumitomo Marine and Mitsui Marine.
- Amounts are shown after excluding refundable premium of our original automobile insurance "Modo-rich."

# Net premiums written

(excluding the effect of abolition of reinsurance to government related to CALI\*)

\*CALI=Compulsory Automobile Liability Insurance

*Secured 0.8% rise despite of the negative effect (Yen -6.1bil = -0.5%) resulting from transformation of U.S. branch into U.S. subsidiary.*

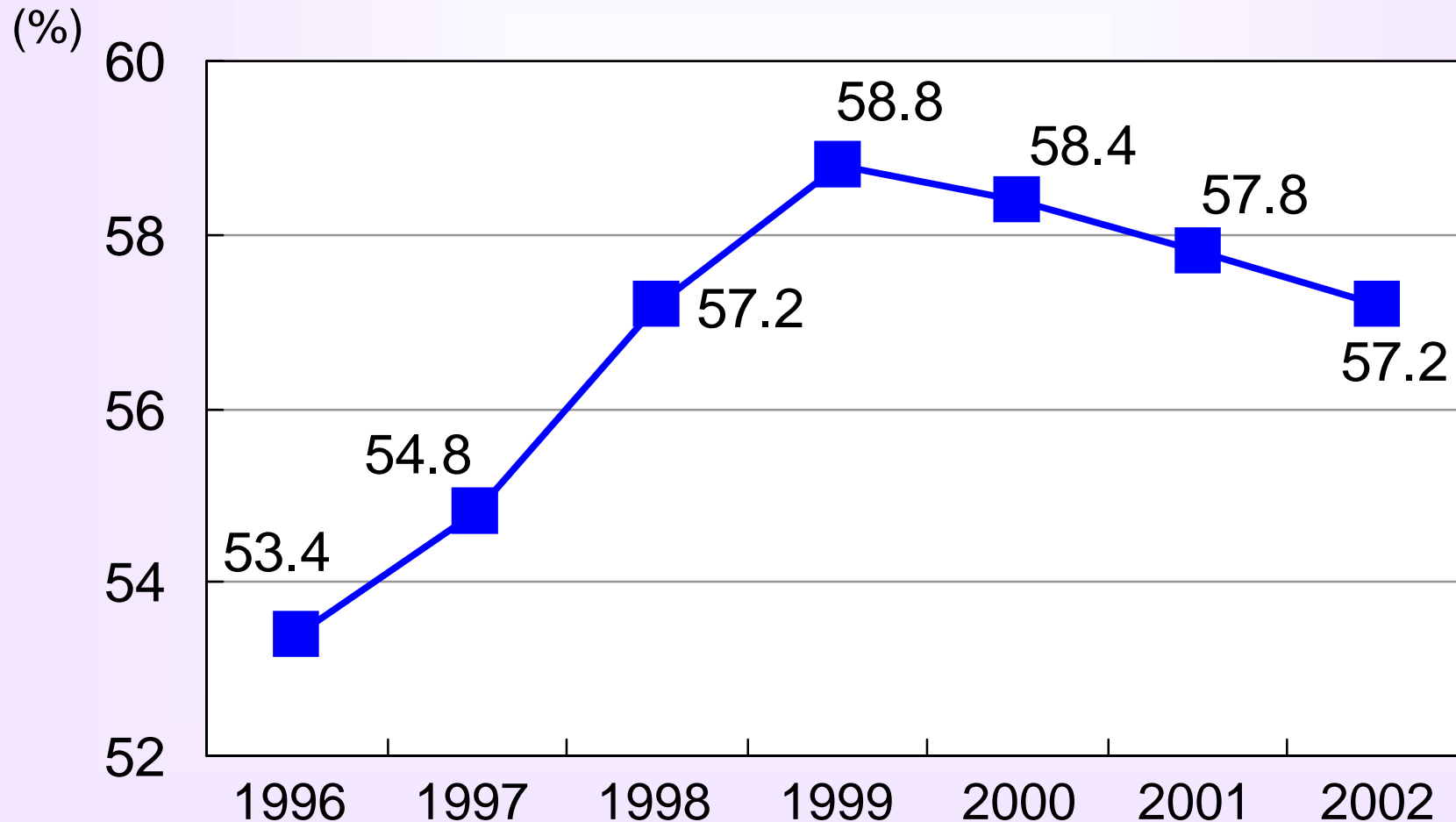


# Net loss ratio\*

(excluding the effect of abolition of reinsurance to government related to CALI)

*Improved by 0.6pt from previous year, mainly due to improvement of loss results for Automobile insurance.*

\*Net loss ratio=(Net claims paid+Loss adjustment expenses)/Net premiums written

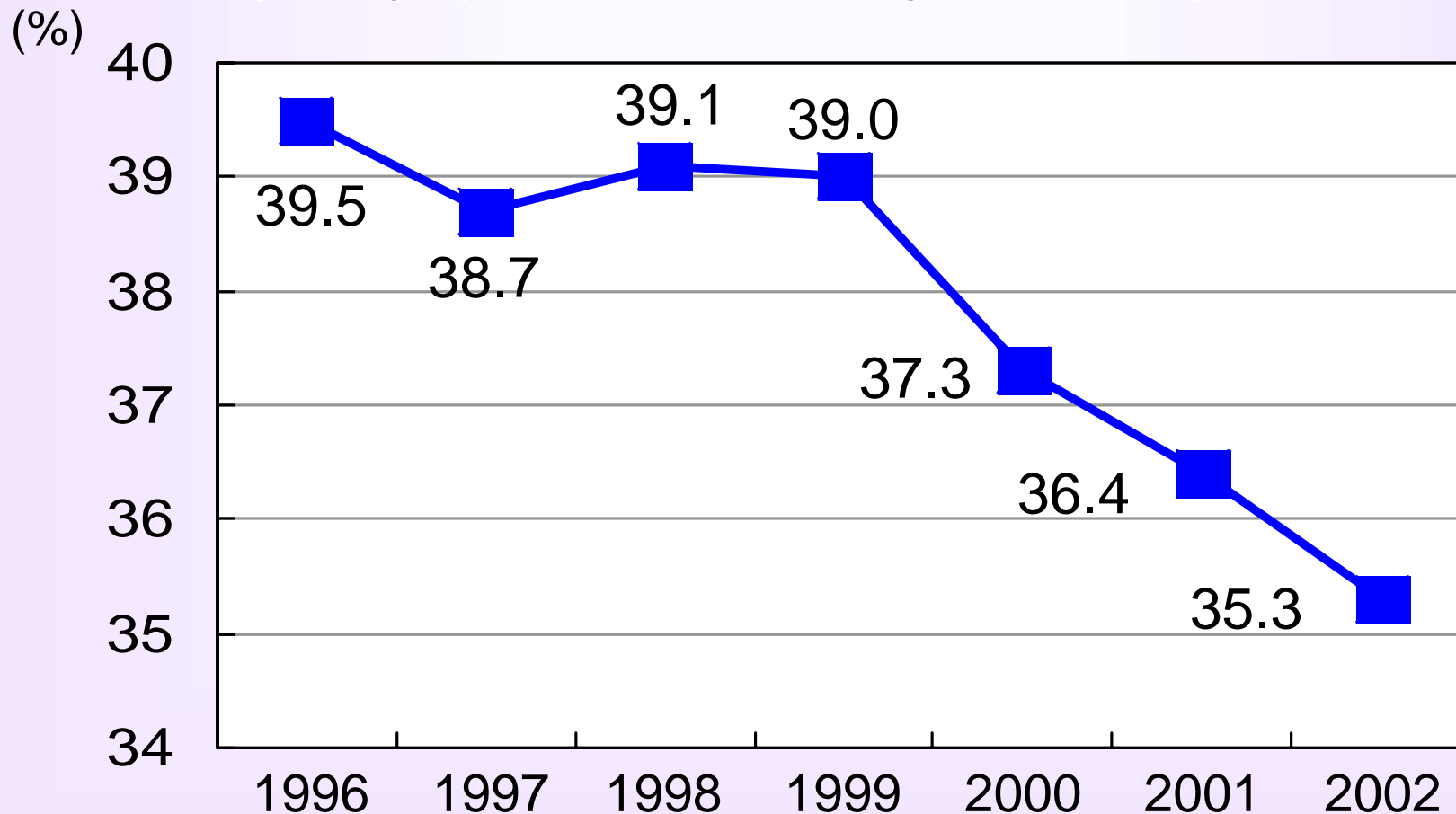


# Net operating expense ratio\*

(excluding the effect of abolition of reinsurance to government related to CALI)

*Drastically improved by 1.1pt from previous year due to reduction in personnel and non-personnel expenses.*

\*Net operating expense ratio=Underwriting expenses/Net premiums written

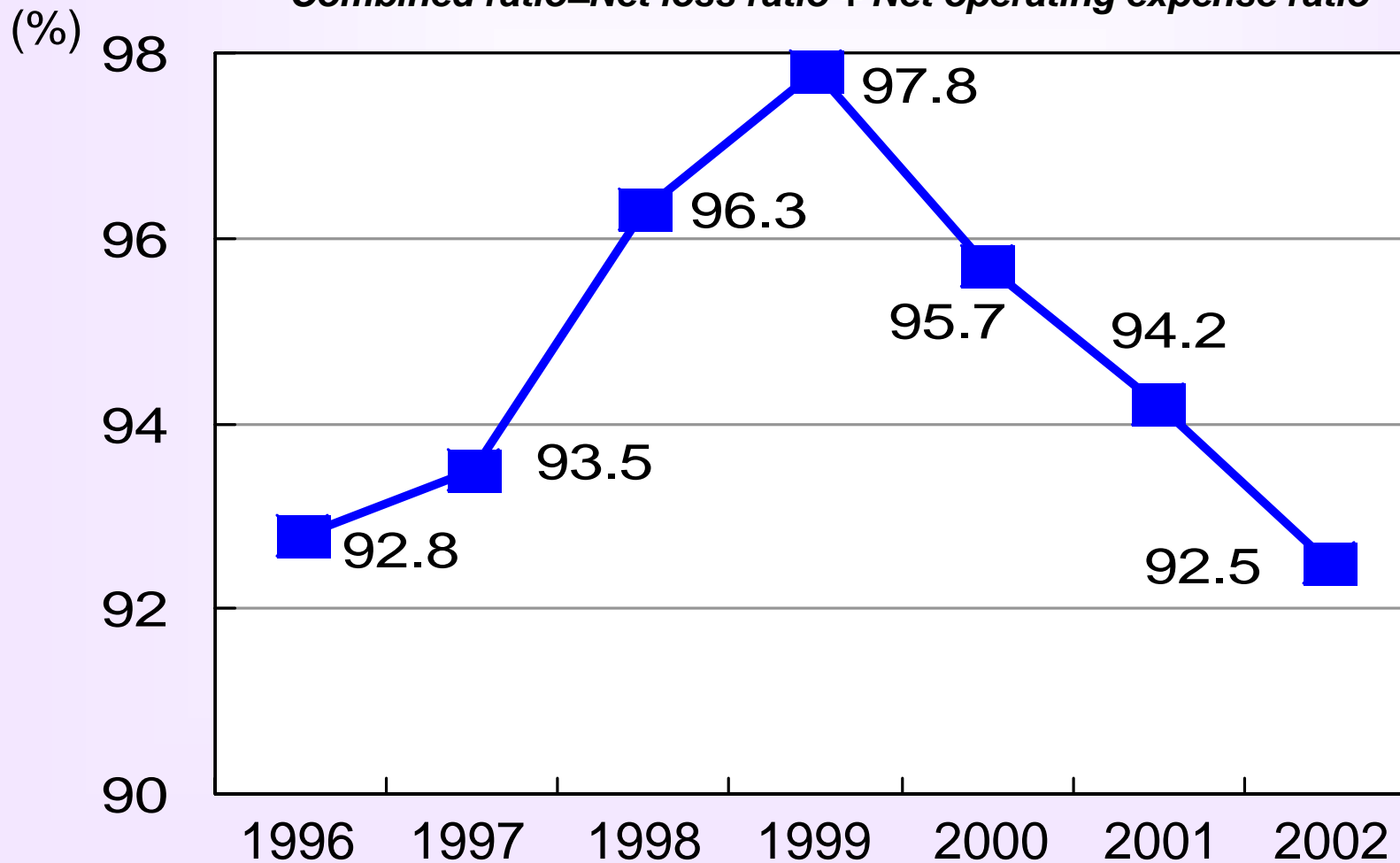


# Combined ratio\*

(excluding the effect of abolition of reinsurance to government related to CALI)

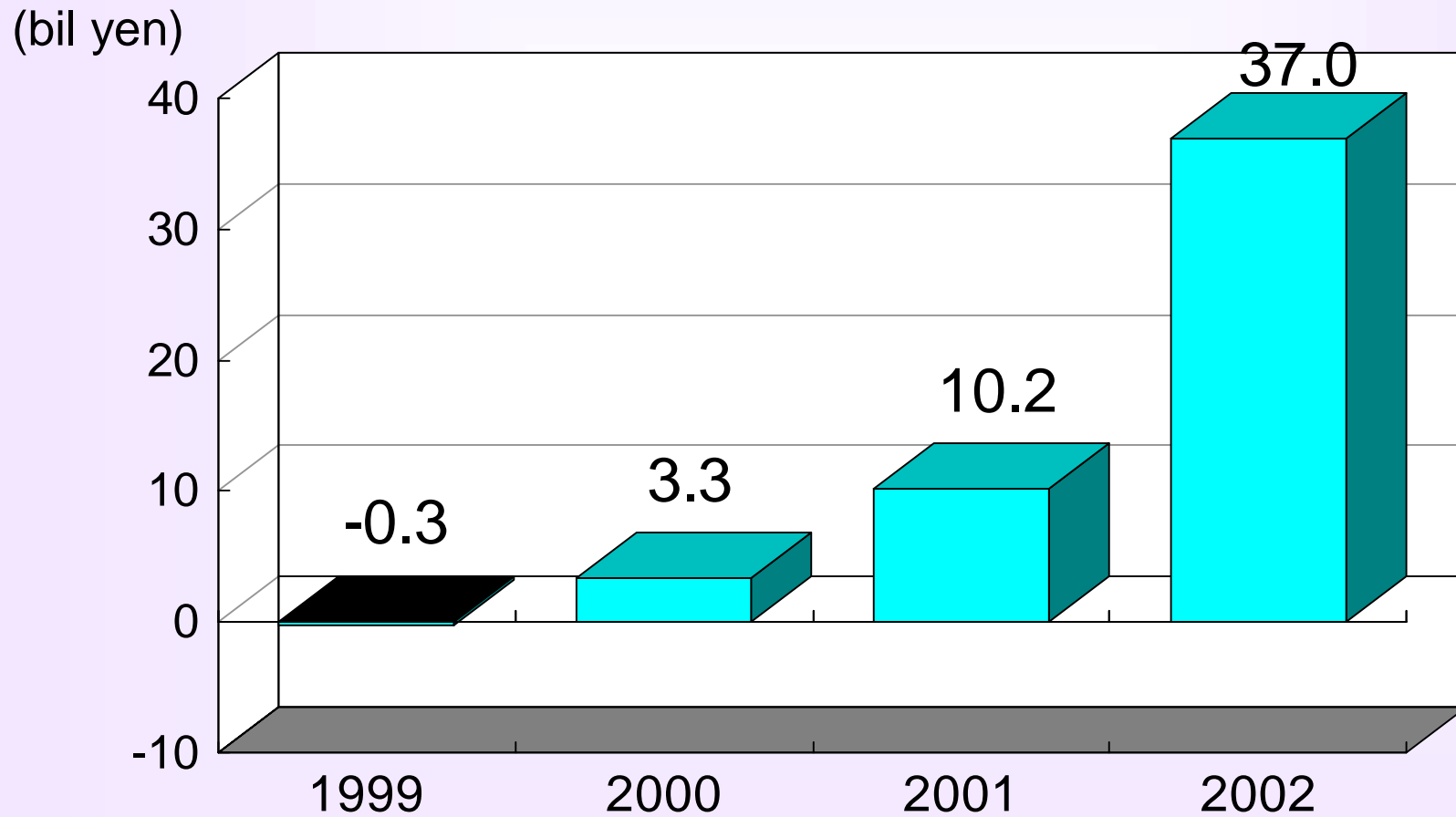
*Improved by 1.7 pt from previous year, due to improvement of net loss ratio and net operating expense ratio.*

\*Combined ratio=Net loss ratio + Net operating expense ratio



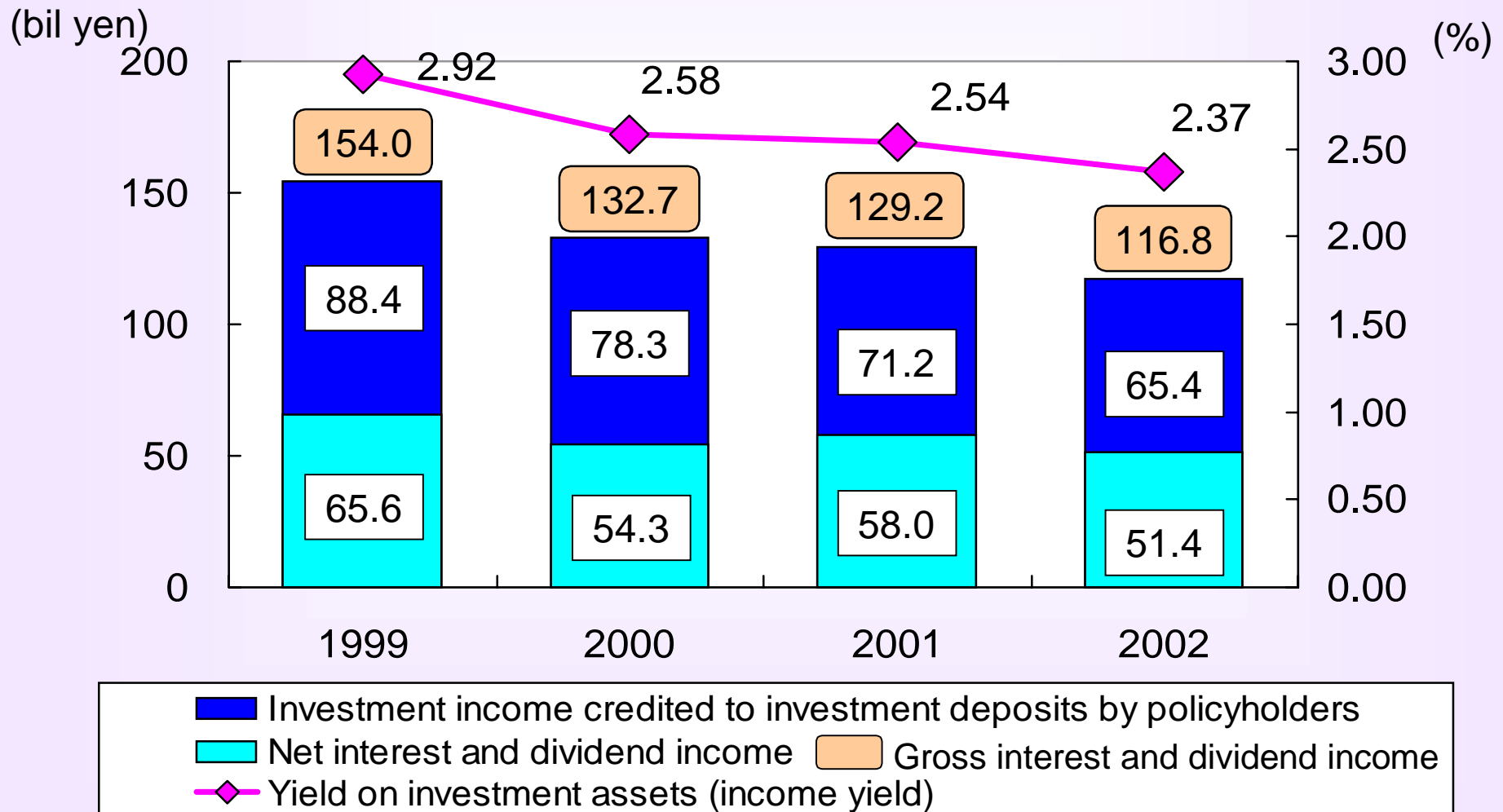
## Underwriting profit

*Sharp increase to Yen 37.0bil mainly due to improvement of net loss ratio and net operating expense ratio.*



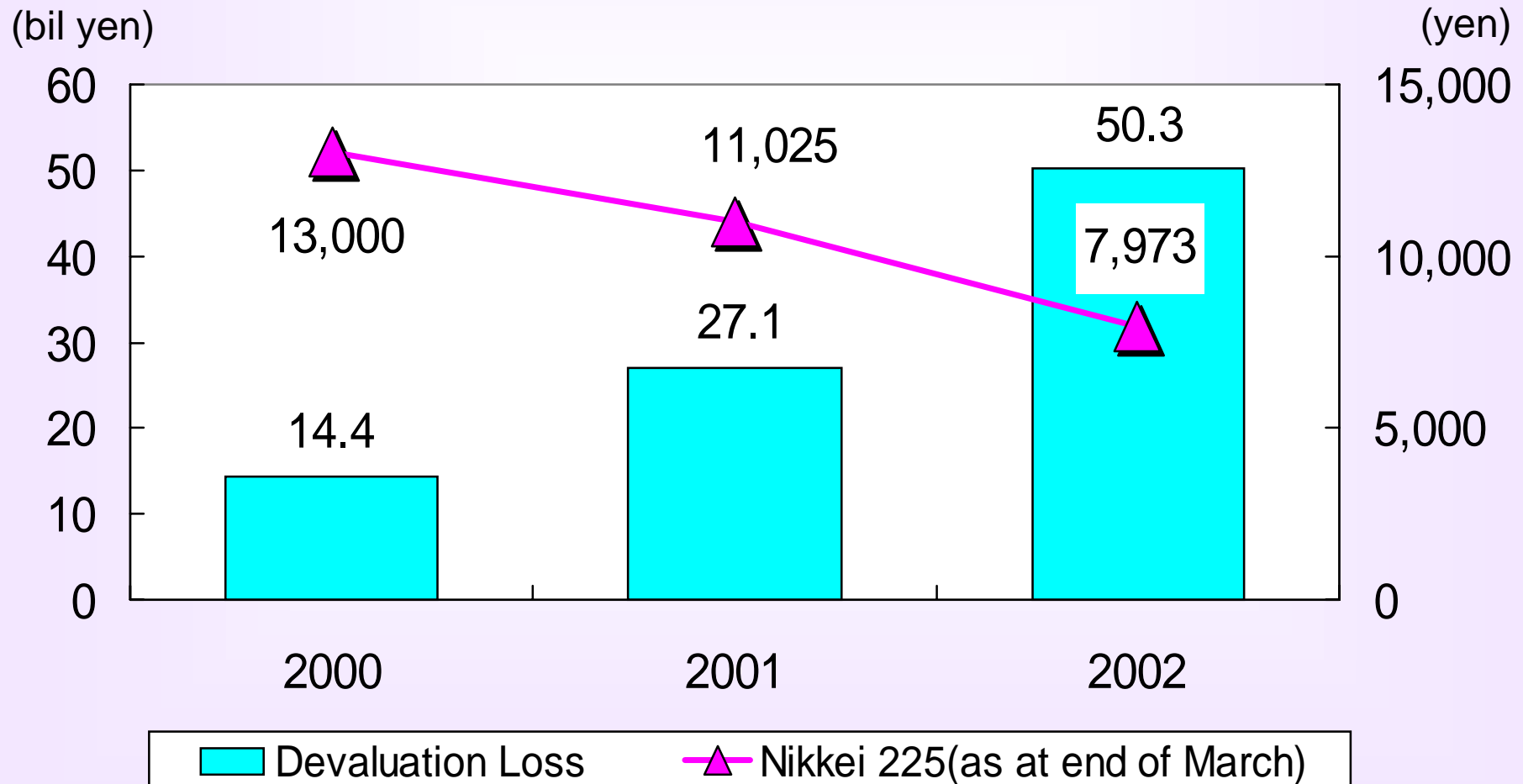
# Interest and dividend income

*Gross interest and dividend income decreased by Yen 12.4bil.  
Net interest and dividend income also decreased by Yen 6.6bil.*



# Devaluation loss of securities

*Sharp increase to Yen 50.3bil from previous year's Yen 27.1 bil.  
Yen 7.3bil evaluation loss of credit derivatives.*



## Extraordinary income / losses

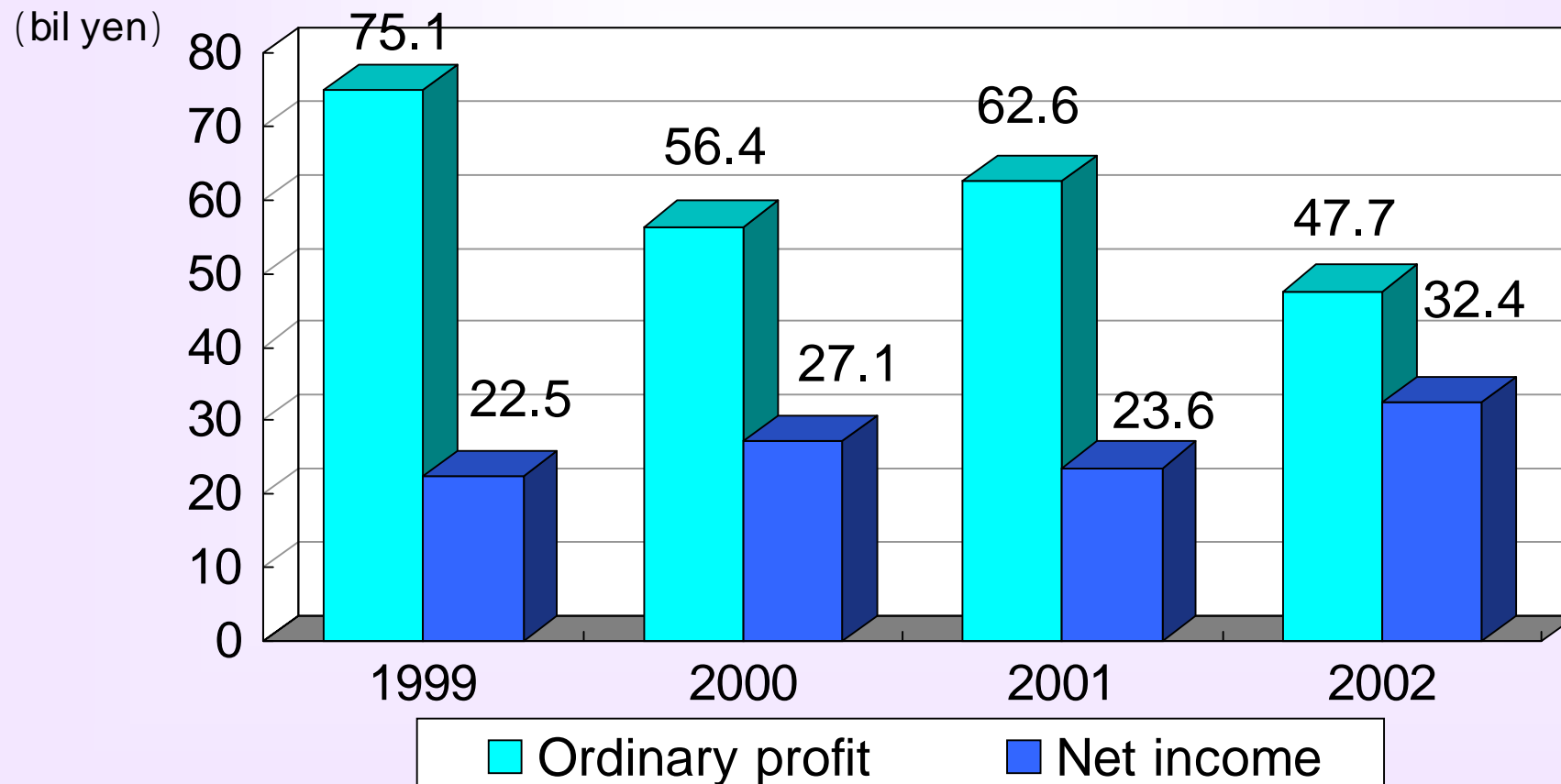
*Turned to plus due to reversal of price fluctuation reserves and decrease of expenses for integration*

	FY2001	FY2002
Reversal / Provision Price fluctuation reserves	Yen -0.9 bil	Yen 13.9 bil
Expenses for integration	Yen -30.5 bil	Yen -7.6 bil
Others	Yen 0.9 bil	Yen -0.1 bil
Extraordinary income / losses total	Yen -30.4 bil	Yen 6.3 bil

## Ordinary profit • Net income

*Ordinary profit decreased to Yen 47.7bil, 23.9% minus from previous year due to devaluation loss.*

*Net income increased to Yen 32.4bil due to reversal of price fluctuation reserves and decrease of expenses for integration.*



# Mitsui Sumitomo Kirameki Life Insurance

*Amount of new business recovered to 30.4% increase from previous year.  
Proforma net income (\*) also increased by Yen 0.7bil to Yen 1.6bil.*

	FY2002	Change from the previous year(%)
Amount of new business	Yen 1,122.5bil	30.4%
Amount of in-force business	Yen 5,037.1bil	13.6%
( The above is total sum of individual insurance and individual annuity )		
Premiums income	Yen 150.7bil	7.9%
Net income	Yen 0.09bil	Previous year result : Yen 0.5bil
Proforma net income*	Yen 1.6bil	Previous year result : Yen 0.8bil

\* Hypothetical net income before extra reserve for Net level premium method of valuation provided.

# Mitsui Sumitomo Citilnsurance Life

*Business launched on Oct.1st,2002.*

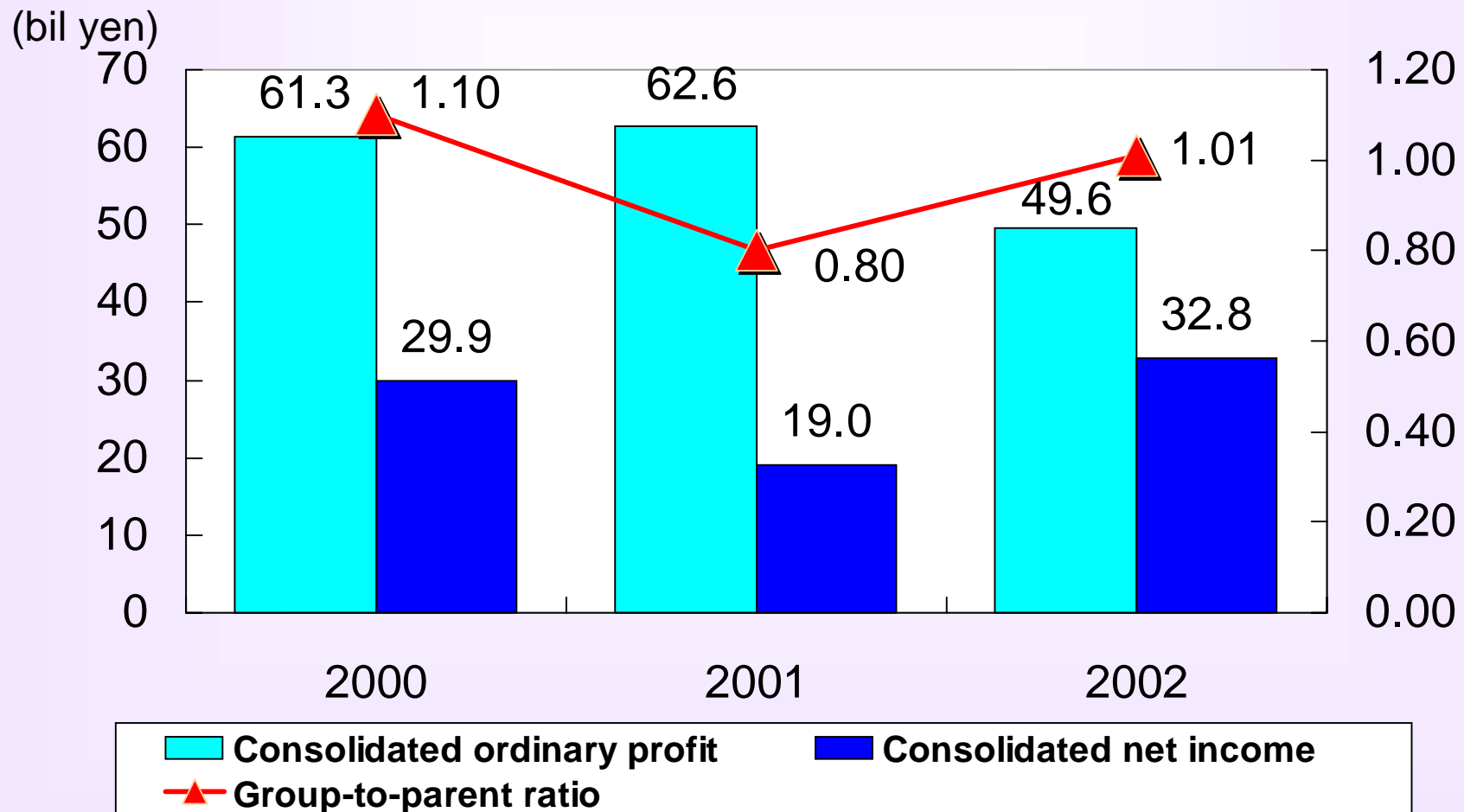
*Half year's amount of in-force business : Yen 39.2bil,*

*Premiums : Yen 42.1bil.*

	FY2002
Amount of new business	Yen 37.9bil
Amount of in-force business	Yen 39.2bil
( The above is individual annuity )	
Premiums	Yen 42.1bil
Net loss	Yen -0.9bil

## Consolidated settlement

*Consolidated ordinary profit decreased by 20.8% to Yen 49.6bil.  
Consolidated net income increased by 72.8% to Yen 32.8bil.*



## Results forecast by the end of FY2003 Precondition

	<b>FY2002</b>	<b>FY2003 (est.)</b>
Exchange rate (Yen / USD)	<b>Yen 120.2</b>	<b>Yen 120.0</b>
Interest rate ( 10 years JGB )	<b>1.12%</b>	<b>1.00%</b>
Stock price ( Nikkei 225 )	<b>Yen 7,973</b>	<b>Yen 8,500</b>

Exchange rate, Stock price : As at March 31, 2003 and 2004.

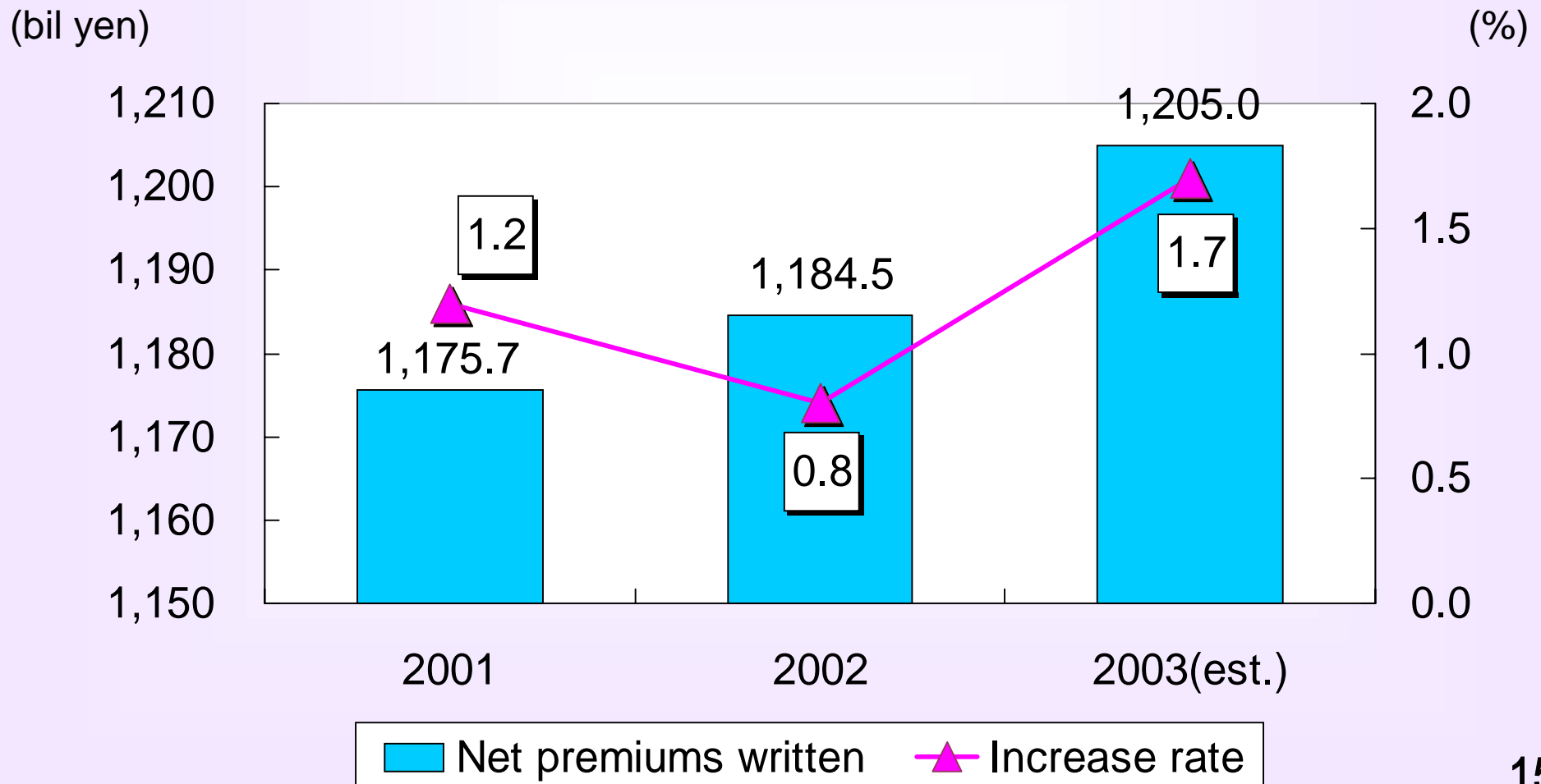
Interest rate : Average during each term.

# Results forecast by the end of FY2003

## Net premiums written

(excluding the effect of abolition of reinsurance to government related to CALI)

*Forecast 1.7% rise, growing for 4 consecutive years.*

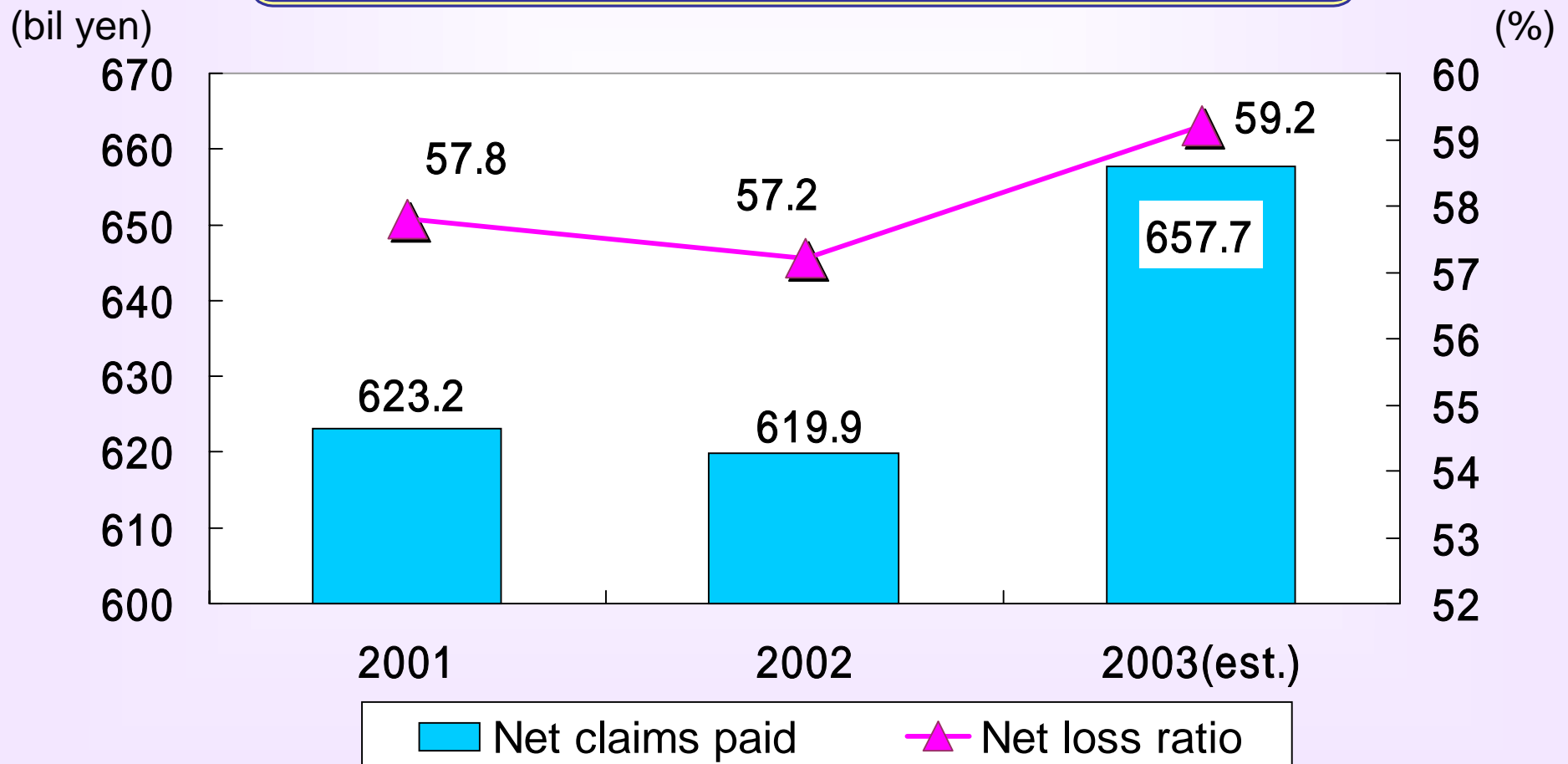


# Results forecast by the end of FY2003

## Net loss ratio

(excluding the effect of abolition of reinsurance to government related to CALI)

*Forecast 2.0pt rise to 59.2%.*  
*1.0pt rise, even if excluding natural disasters.*

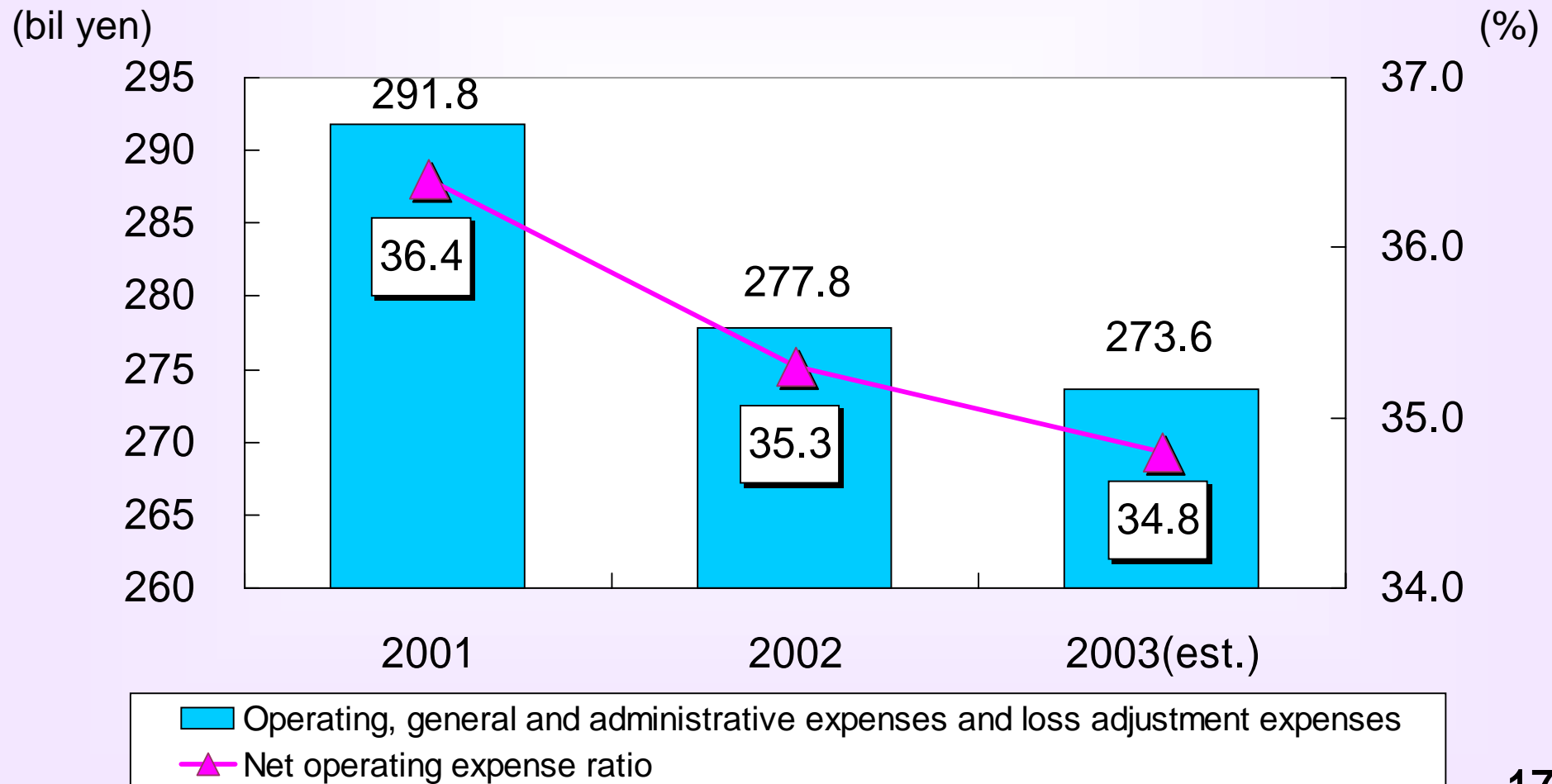


# Results forecast by the end of FY2003

## Net operating expense ratio

(excluding the effect of abolition of reinsurance to government related to CALI)

*Forecast 0.5pt improvement*

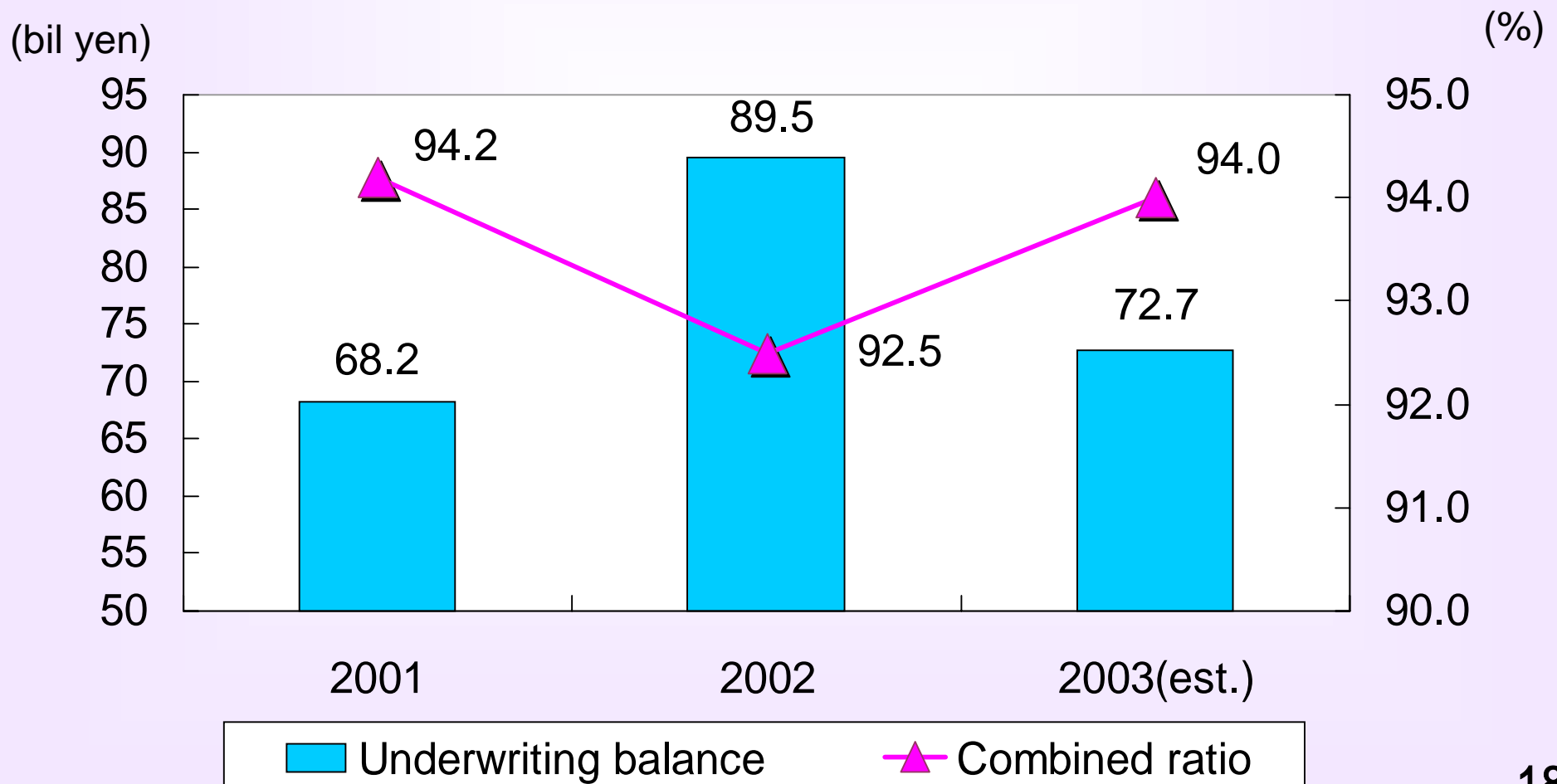


# Results forecast by the end of FY2003

## Combined ratio

(excluding the effect of abolition of reinsurance to government related to CALI)

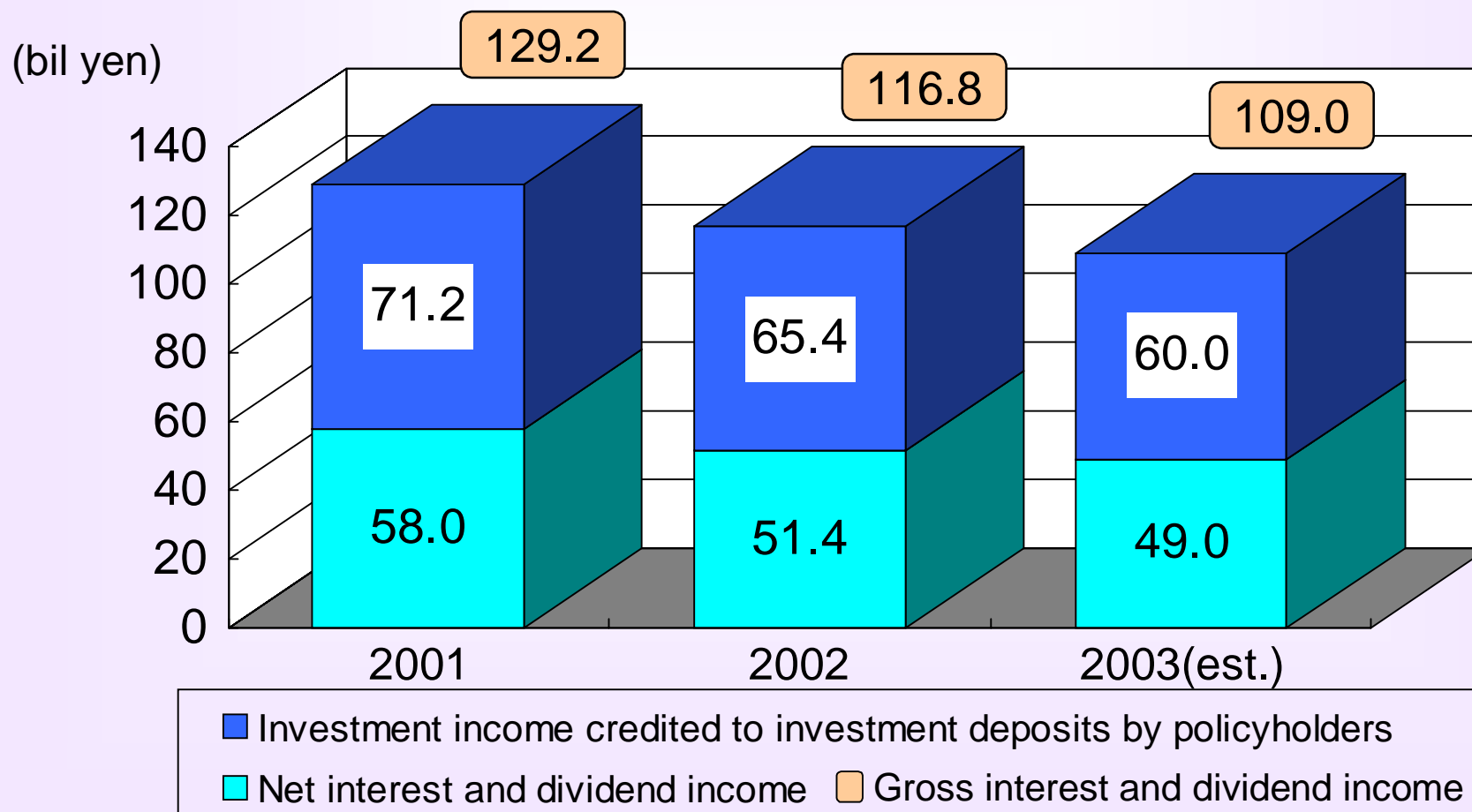
*Forecast 1.5pt rise due to rise of net loss ratio*



## Results forecast by the end of FY2003 Interest and dividend income

*Forecast Yen 7.8bil decrease of gross interest and dividend income due to lowered interest rate, etc.*

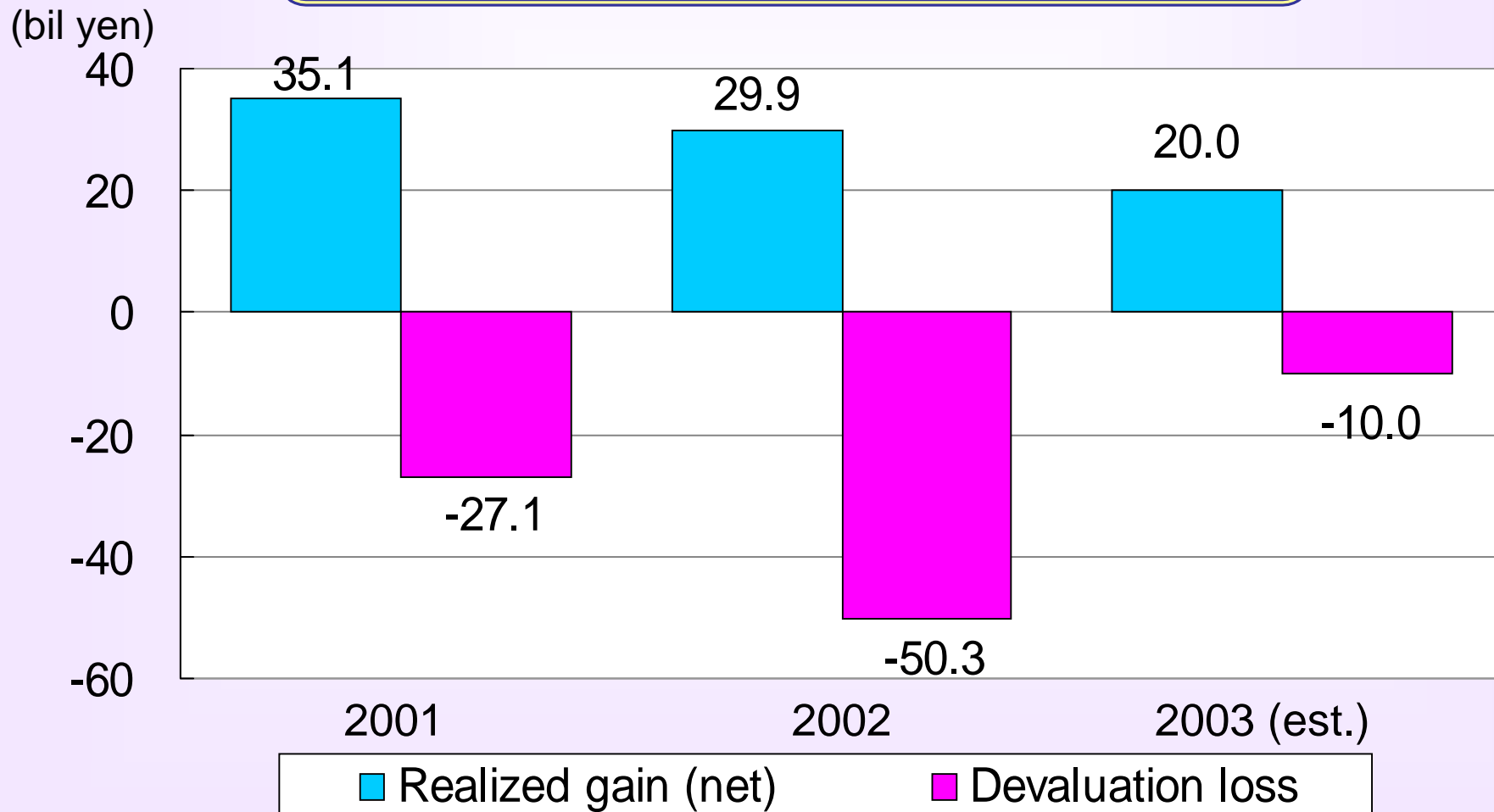
*Forecast small decrease of Yen 2.4bil of net interest and dividend income.*



# Results forecast by the end of FY2003

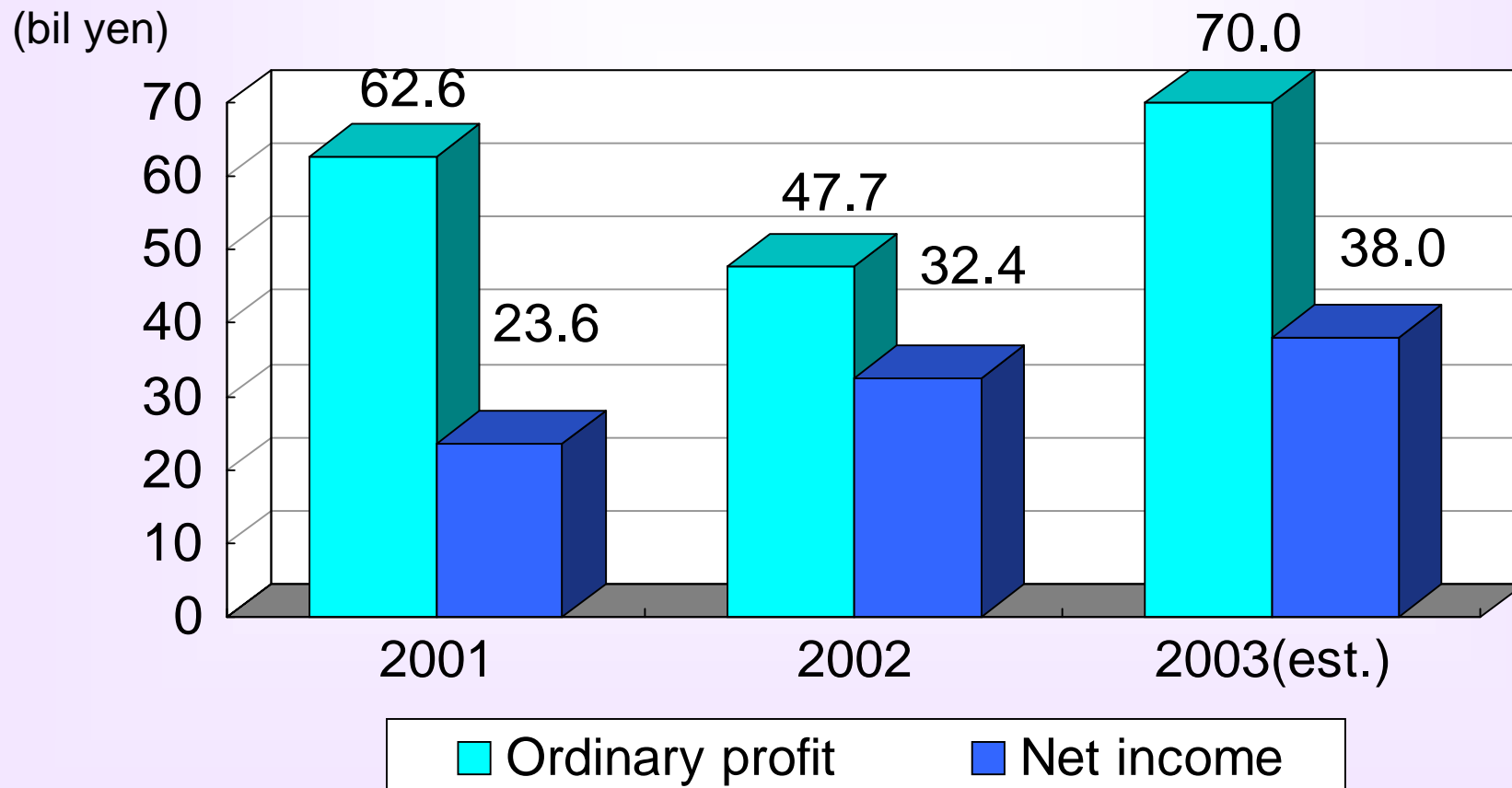
## Realized gain (net) · Devaluation loss of securities

*Forecast Yen 20bil realized gain (net),  
Yen 10bil devaluation loss of securities.*



## Results forecast by the end of FY2003 Ordinary profit • Net income

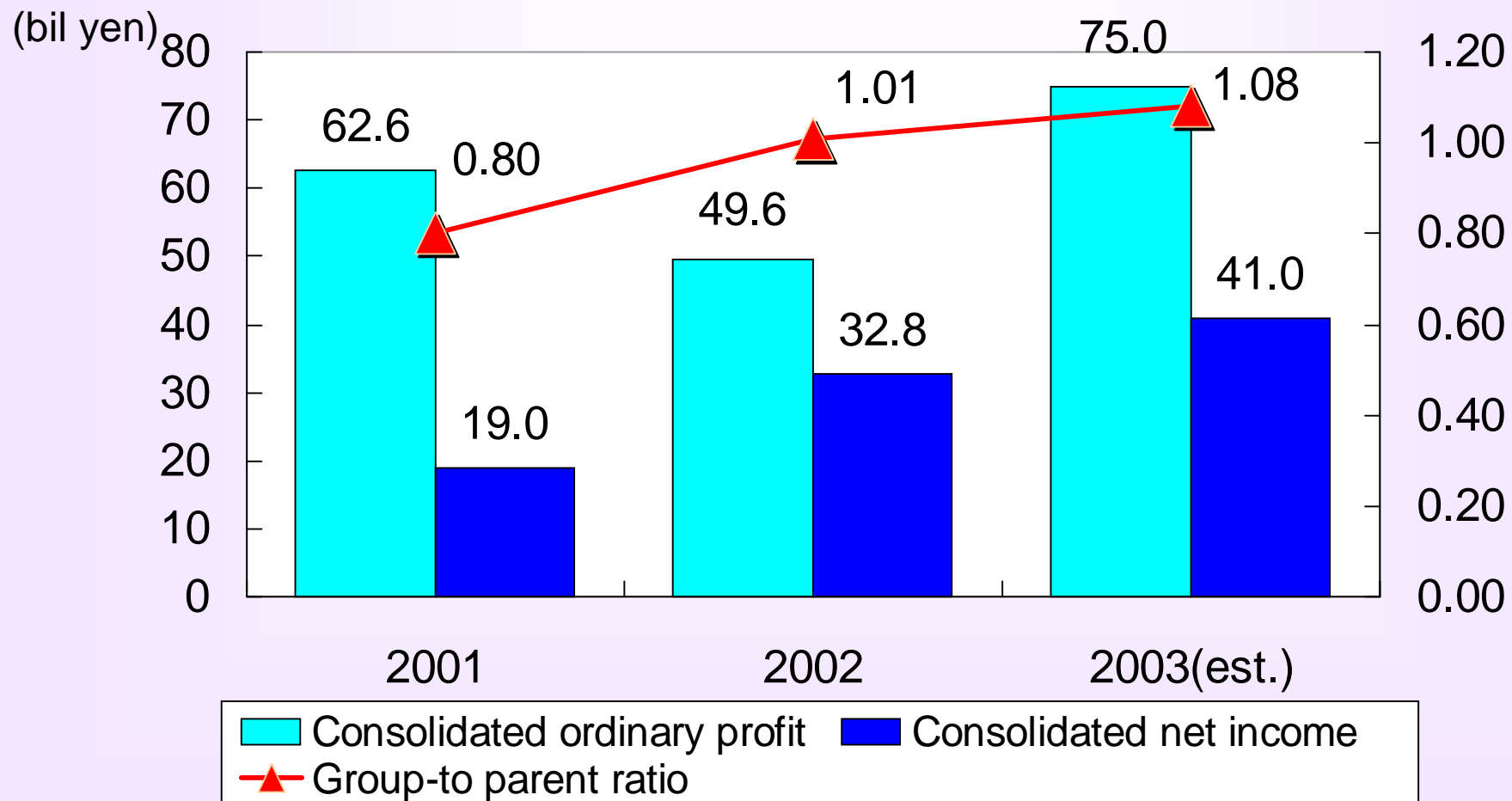
*Forecast 47% increase of ordinary profit, 17% increase of net income.*



## Results forecast by the end of FY2003

### Consolidated results forecast

*Consolidated net income : Forecast 25% increase to Yen 41bil.  
Group-to-parent ratio : Forecast improvement to 1.08.*





**Mitsui Sumitomo Insurance**

**【Cautionary Statement】**

**Any statements about Mitsui Sumitomo Insurance Co., Ltd.'s future plans, strategies, and performance contained in this material that are not historical facts are meant as, or should be considered as, forward-looking statements. These forward-looking statements are based on the Company's assumptions and opinions in the light of the information currently available to it. The Company wishes to caution readers that a number of uncertain factors could cause actual results to differ materially from those discussed in the forward-looking statements. Such factors include, but are not limited to, (1) general economic conditions in the Company's markets, (2) competitive conditions in the insurance business, (3) fluctuations of foreign exchange rates, and (4) government regulations, including changes in the tax rates.**