

January 16, 2009

Mitsui Sumitomo Insurance Group Holdings, Inc.

## MSIG Quarterly News (3rd Quarter, 2008)

Mitsui Sumitomo Insurance Group Holdings, Inc. ("MSIG") hereby issues a quarterly newsletter containing a summary of the topics for the third quarter, fiscal 2008, from October through December 2008 as set forth below.

### 1. Sales performance at MSI alone, the core group business

(preliminary for the quarter from October through December 2008, with long-term medical insurance included in Personal Accident and Total accounts)

At Mitsui Sumitomo Insurance Co., Ltd. ("MSI"), the automobile line saw premiums decreased 1.9 percent on a year-on-year basis for the quarter ended December 31, 2008 mainly by the effects of the ongoing financial crisis. Total premium revenue also dropped 4.1 percent from a year ago.

(premiums in million yen)

Lines of insurance	Q3 (Oct to Dec 2008)		Year to date (Apr to Dec 2008)	
	Premiums	Growth rate (%)	Premiums	Growth rate (%)
Voluntary Automobile	137,086	- 1.9	407,384	- 2.0
CALI*	29,924	-30.1	92,917	-27.4
Fire	52,642	2.3	152,752	-0.0
Personal Accident	28,802	1.1	91,081	-0.6
Miscellaneous	40,724	4.9	129,303	-2.9
Cargo and Transit	16,520	-10.8	52,813	-2.2
Hull	5,211	16.6	24,135	5.4
<b>Total</b>	<b>310,909</b>	<b>-4.1</b>	<b>950,384</b>	<b>-4.8</b>

\*CALI: Compulsory Automobile Liability Insurance

## 2. Selected News Releases (Oct – December 2008)

announcement date in parenthesis

### **(1) Business Improvement Plan**

#### **\* Status of Business Improvement Plan reported (Oct 21)**

MSI submitted the 17th report on the progress of the Business Improvement Plan to the Financial Services Agency of Japan. The report dealt with the specific actions to improve the systems of corporate governance and claims handling in addition to the steps forward in protecting policyholders' interests, increasing their convenience and enforcing legal compliance and others.

### **(2) Domestic non-life insurance business**

#### **\* MSI set up an online conference network nationwide first in the industry (Nov 10)**

MSI introduced an electronic meeting system which enables participants to attend a paperless conference or a web conference televised online through their personal computers from their desks for the purpose of making the office environment optimal in the way it facilitates more productive, efficient and creative works. This conference system covers all the offices in Japan, and is scheduled to be released for real use on January 31, 2009. Taking easiness to work and ecological consideration into account, MSI is always seeking to better customer services.

#### **\* MSI developed "MS College," a new e-learning system (Dec 17)**

In addition to the existing e-learning program, MSI established "MS College" for all about one million salespersons working for MSI and Mitsui Sumitomo Kirameki Life Insurance Company, Limited ("MS Kirameki") to raise the level of business knowledge. This next generation computer-aided learning system opened the educational programs in December, consisting of (1) various training classes, (2) qualification courses and (3) renewal and update guidance.

### **(3) Overseas business**

#### **\* MSI to open its Qatar office to be the first Japanese non-life insurer there (Dec 22)**

Mitsui Sumitomo Insurance Company (Europe), Limited, one of MSI's subsidiaries in Europe, obtained a permission dated December 17, 2008 to establish its branch in Doha, the capital city of the State of Qatar. MSIG will be the first Japanese non-life insurer that opens an office there. MSI has its representative offices in Dubai and Abu Dhabi, United Arab Emirates and Al Khobar, the Kingdom of Saudi Arabia. The Qatar branch to be opened is expected to increase the capacity of MSIG's service network that covers the rapidly growing Middle East region.

#### **(4) Life insurance business**

##### **\* MS Kirameki promoting its GK-branded life policy (Oct 1)**

MS Kirameki is promoting its flagship personal policy, advertising it with a copy phrase, "GK wants to be your goal keeper," under MSIG's group-wide strategy of a common product brand. Within the group, product brands used to be designed individually by the policy lines for their products, for example, by the automobile, fire, personal accident and life policy lines, respectively. Now the "GK" brand is MSIG's family brand to be used commonly for the product groups of personal policies across the MSIG group, including the life policy line, and this brand marketing strategy is the first implementation of the family branding across product groups in the insurance industry in Japan.

#### **(5) Financial services and risk-related businesses**

##### **\* MSI offering "Smart Driving CD Package" free of charge (Dec 11)**

Since December 12, 2008, MSI is offering "Smart Driving CD Package," a support tool created to permeate smart driving among company car drivers. More companies are interested in smart driving because of its significant effects of improving fuel efficiency and reducing car accidents. However, not a small number of them hesitate, wondering if such training is feasible for them to make it effective enough or of it is sustainable for them even though they once dared to embark on it, as they admit that they do not have competent knowledge enough to show their drivers or that it is very hard to prepare the necessary tools by themselves. MSI is offering the CD package free of charge not limited to its corporate clients but to whichever company needs it, in the belief that it helps them in preventing car accidents pretty well and in the hope that more companies adopt smart driving.

#### **(6) Environmental and social contribution activities**

##### **\* MSI sponsored a pro-biodiversity symposium in sight of COP 10 (Oct 2)**

MSI held a symposium, aiming to deepen understanding of pro-biodiversity corporate activities in preparation for the COP 10, the Tenth Conference of the Parties to the Convention on Biological Diversity, which is scheduled to be assembled in Nagoya, Japan in 2010. MSI takes part in eco-preservation activities, including JBIB, Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), an organization of dozens of Japanese private companies concerned for biodiversity. This symposium was undertaken as part of MSI's activities in this field.

##### **\* Donation sent to Japan's flood-hit cities of Okazaki and Nagoya (Oct 7)**

For the purpose of extending support to the people and communities devastated by the flood, a donation of about 1.7 million yen was gathered from employees within the MSI group. Combined with an addition that was an equal amount of money funded via the matching gift program by MSI, about 3.4 million yen was altogether donated to the cities of

Okazaki and Nagoya in Aichi prefecture. Mitsui Direct General Insurance Company, Limited and its employees also joined in this gathering for the first time since this new subsidiary had established a matching gift program.

< Source of donation >

Employees of the MSI group:	approx 1,700,000 yen
<u>Matching gift program:</u>	<u>approx 1,700,000</u>
Total:	approx 3,400,000 yen

**\* MSIG issued “CSR Report 2008” (Oct 29)**

MSIG issued “CSR Report 2008” to publicize its social responsible activities. This report summarizes the responsible measures taken by MSIG as well as the facing challenges and the future vision. While MSI had issued the report every year since fiscal 2004, MSIG took over the responsibility for the report, effective from the production of this particular issue, following the shift to the holding company system in April 2008. It also focuses on specific activities in the fields of preservation global environment and safety driving in addition to the business quality improvement movement ongoing from the previous fiscal year.

**\* MSI Foundation to subsidize 40 studies and award the prize for a treatise (Nov 17)**

Mitsui Sumitomo Insurance Welfare Foundation resolved to subsidize 40 applicants for their researches for fiscal 2008, and held a presentation ceremony on November 20, 2008. On this occasion, Mitsui Sumitomo Insurance Welfare Foundation Prize was also conferred on the winning author for his/her treatise out of those candidates who wrote an excellent work, whether academic or practical. Collectively, 38.3 million yen was subsidized to the 40 successful researches consisting of 13 from the traffic safety category and 27 from the elderly care one. Including the foundation prize and the overseas subsidies, the total sum of the prize and subsidies mounts 42.6 million yen for 48 successful candidates.

**\* MSIG CM aired in the ASEAN region won the bronze in the Phoenix Awards (Nov 21)**

A television commercial message, which was produced for MSIG Holdings (Asia) Pte Ltd. and is air in the southeaster Asia region, was honored with the Bronze prize in the ceremony held for the Asia Film, Video and Digital Media Awards 2008, known as the “Phoenix Awards” in Singapore. It was creativity and production technology of this TVCM that was highly appreciated. MSIG was the first Japanese non-life insurer that has ever received a prize in the awards.

### **Fund raised for children overseas in trouble by children's picture cards (Dec 1)**

Based on the "kids-helping-kids" concept, Smile Heart Club, a social contributory body of MSI volunteers, and Kids Earth Fund, a specified non-political organization, raise funds every year by selling picture post cards and contributing some of the revenues in order to open the art workshops in areas afflicted by war or natural disaster. The art workshops give art therapy to children there suffering mentally by allowing them draw pictures. Out of the pictures drawn so there, some are chosen to be printed as picture post cards for sale in the next year. Following the previous year, the art workshops worked last year in Croatia, and in Kashmir, Pakistan devastated by the earthquake, and produced picture post cards.

### **MSI led other non-life insurers in filing for the domestic emission trading (Dec 24)**

MSI was the first Japanese non-life insurer that resolved to participate in the "Experimental Introduction of an Integrated Domestic Market for Emissions Trading," or the so-called "domestic emission trading program." After MSI had challenged in reducing energy consumption of the buildings and facilities it owns for years, in fiscal 2007, its Shinkawa headquarters building came to consume electric power 19.3 percent less than fiscal 2000. By this achievement, MSI reached the target level agreed among the participants in the voluntary initiative within the General Insurance Association of Japan, and then decided to step forward and set a new target as high as "the headquarters should consume electric power 22.0 percent less than fiscal 2000 in fiscal 2012" for further reduction of CO<sub>2</sub> emission. Taking this opportunity, we at MSIG reaffirmed the commitment to be an eco-friendly corporate group.

## **3. Amateur Sports**

### **Women's judo**

#### **\* 2008 Kodokan Cup All Japan Judo Championship (Nov 15-16)**

Sending its powerful eight-woman team to the games, MSI captured the championship title in four classes of the seven classes in the championship games, as Ms Emi Yamagishi (48kg class), Ms Misato Nakamura (52kg class), Ms Hitomi Tokuhisa (57 kg class) and Ms Yosie Ueno (63kg class) won the gold medals in their classes, respectively.

#### **\* Jigoro Kano Cup Tokyo Int'l Championship (2008 World Grand Prix) (Dec 12-14)**

All the four judo wrestlers from MSI got the medals as Ms Emi Yamagishi (48kg class), Ms Misato Nakamura (52kg class), Ms Yosie Ueno (63kg class) won the silvers while Ms Hitomi Tokuhisa (57 kg class) received the bronze.

## **Women's Marathon and Track**

### **\* Eastern Japan Corporate Team Ekiden Relay Championship (Nov 3)**

The MSI team achieved the ninth straight victory for the first time ever in this ekiden race history with a time of 2h 15m 20s. The runners were as follows;

Leg1: Ms Ikuyo Yamashita,                      Leg 2: Ms Rie Takayoshi,   Leg 3: Ms Yoko Shibui,  
Leg4: Ms Yukako Etoh,                      Leg 5: Ms Miki Ohira, and   Leg 6: Ms Chiaki Ohsaki.

### **\* 28th All Japan Corporate Team Ekiden Relay Championship (Dec 14)**

The MSI team won the silver medal with a time of 2h 14m 53s. The runners were as follows;

Leg1: Ms Ikuyo Yamashita,                      Leg 2: Ms Rie Takayoshi,   Leg 3: Ms Yoko Shibui,  
Leg4: Ms Yukako Etoh,                      Leg 5: Ms Miki Ohira, and   Leg 6: Ms Chiaki Ohsaki.