

July 18, 2008

Mitsui Sumitomo Insurance Group Holdings, Inc.

## MSIG Quarterly News (1st Quarter, 2008)

Mitsui Sumitomo Insurance Group Holdings, Inc. (“MSIG”) hereby issues a quarterly newsletter containing a summary of the topics for the first quarter, fiscal 2008, from April through June 2008 as set forth below.

### 1. Sales Performance

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

Total premium revenues fell 4.6 percent at Mitsui Sumitomo Insurance Co., Ltd. (“MSI”) alone on a year-on-year basis in the ended quarter, mainly due to the effects of revised CALI\* premium rates.

Lines of insurance	Premiums (in million yen)	Premiums growth rate (%)
Voluntary Automobile	144,245	-2.1
CALI*	30,998	-26.5
Fire	50,872	-1.8
Personal Accident	28,685	-3.0
Miscellaneous	52,677	-1.4
Cargo and Transit	18,673	1.9
Hull	10,965	1.5
Total	337,115	-4.6

\*CALI:Compulsory Automobile Liability Insurance

### 2. Selected News Releases (April – June 2008)

announcement date in parenthesis

#### (1) Business Improvement Plan

\* **Status of Business Improvement Plan reported** (Apr 21)

MSI submitted the 15th 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 and strengthen the corporate governance and the claims handling systems in addition to the enhancement steps in compliance education to employees and agents and the assembly of the Council on Promotion of Customers' Viewpoint.

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

### **\* Mitsui Direct provides new web-based services (Apr 25)**

Mitsui Direct General Insurance Company, Limited (“Mitsui Direct”), the MSI’s subsidiary, started two new services, offering from its website effective May 22.

One is “e-Aptitude Test for Drivers” for a visitor to the site to easily check his/her aptitude to drive a car by him/herself. The clinic program tests him/her in driving abilities such as “to read the situation,” “to memorize,” and “to respond” that are required from moment to moment during driving so that it should help the driver become aware of his/her weakness identified by it and prevent a traffic accident.

The other is “Designated Garage e-Map,” which indicates garages retrieved by a visitor’s keyword out of the designated garages of Mitsui Direct on a map shown on the screen. A database of Mitsui Direct’s some 550 garages across Japan is available for searching some in his/her neighborhood by a keyword of such as address, zip code and garage name.

## **(3) Life insurance business**

### **\* MSI MetLife opened Kansai branch (Apr 25)**

Mitsui Sumitomo MetLife Insurance Co., Ltd. (“MSI MetLife”), one of MSIG’s subsidiaries, opened its Kansai branch at Yodoya-bashi Mitsui Building located in Chuo-ku, Osaka on May 7, following the move of its headquarters to Yaesu First Financial Building located in Chuo-ward, Tokyo on May 1. An agent training center is also established within the property of the Kansai branch. It is intended to seek enhancement in agent education and training by offering programs from this center in addition to the existing Tokyo one.

### **\* Postal service providers handle MSI MetLife’s variable annuity product (May 13)**

Japan Post Bank Co., Ltd. and Japan Post Network Co., Ltd. have take up “*Shiawase Teiki-bin* (periodical pieces of fortune)” from MSI MetLife as one of their four line-up items of variable annuity insurance that they began offering on May 29. With the initial annuity payment starting earlier than conventional ones and continuing regularly for a longer period, this product is classified as an “early repayment type” of variable annuity insurance. It made a successful start by gaining customers at 161 agents, consisting of 82 branches of Japan Post Bank and 79 offices of Japan Post Network. These privatized postal service providers that have entered into the variable annuity market would increase recognition and depth of the whole market.

### **\* MSI MetLife increased policies and in-force amount for ended fiscal year (May 21)**

MSI MetLife underperformed in fiscal 2007 ended March 2008 as the market decreased return on investment assets as a whole, compared to the previous year, mainly due to the negative effects of the investment circumstances deteriorating worldwide on the bank OTC

market. Even in such market conditions, the joint venture increased premium revenues to 644.6 billion yen or an annual surge of 93 percent and the number of new contracts to 275,611 policies, or 26.6 percent, from a year ago. As a result, amount in force rose to 2,527.8 billion yen or a 9.3 percent hike from the previous year.

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

##### **\* Inter-Risk Research held BCM Conference 2008 (Apr 10)**

Inter-Risk Research Institute & Consulting Inc. ("IRR"), MSIG's risk management consultation arm, opened Business Continuity Management Conference 2008, one of the largest assemblies of business continuity management (BCM) in Japan, jointly with IDG Japan, Inc. on April 22. Amid BCM certification by a third party being pervaded across the world, it is essential for the Japan's industrial community to understand the recent developments of BCM. With 20 corporate participants in its seminar, this conference gave explanations and suggestions regarding various issues of the recent global developments of BCM.

##### **\* IRR offers consultation for obtaining third party's BCM certificate (Apr 24)**

IRR, one of the MSIG group members, commenced consultation to corporate clients to acquire a third party's certificate on their BCM system on May 1. This service is intended to respond to increasing needs for BCM certificates. As being the only one Japanese firm that sends examiners to the certification company, IRR utilizes its expertise and offer this service mainly to globally operating companies.

##### **\* IRR offers car accident consultation package based on drive recorder (May 16)**

IRR, one of the MSIG group members, added "Drive Recorder Package," a new consultation to the menu of car accident prevention consultations. This new menu item employs multi-functional drive recorders with camera and a personal computer for analyzing the data. Using these rental devices, a fleet customer could instruct its drivers more precisely and convincingly based on their respective driving data during the routine course of management and thereby more effectively prevent them from being involved in an accident. This consultation service is available, charging 300,000 yen for a basic package regardless of scale and line of business.

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

##### **\* MSI accepted children's pictures to apply for charity card contest for 2008 (Apr 10)**

The charity card campaign has launched for this year in order to support children in certain areas of the world devastated by warfare or a natural disaster. It invites public participation of children in a charity card contest who apply for it with their pictures. The selected pictures are printed as cards and sold to raise funds out of the revenues from them. The

“Smile Heart Club,” a social contribution body of MSI volunteers, and Kids Earth Fund, a specified non-profit organization, have undertaken this campaign every year since 1992. As part of the campaign particular to this year, a children’s drawing corner was opened for to-be applicants in the Tokyo Midtown building from April 18 through 24 to celebrate the 20<sup>th</sup> anniversary of the NPO. Thus these two volunteer groups co-operatively make efforts to realize thier concept of “kids helping kids.”

**\* Donations made to cyclone-hit Myanmar and quake-devastated China (May 23)**

The MSI group gathered donations not only from MSI employees working inside and outside Japan but its group companies in the Asian and other regions for the purpose of raising funds to help suffering people and communities in the areas attacked by these natural disasters. The donation totaled some 23 million yen, including an amount equal to the employees’ contributions funded from a matching gift program by MSI, and was divided and donated through Japanese and other supporting organs to these nations.

< Source of donations >

Employees of the MSI group:	approx. 10 million yen
Matching gift program:	10
<u>Overseas subsidiaries:</u>	<u>3</u>
Total:	approx. 23 million yen

**\* MSI joins TABLE FOR TWO program by offering special cafeteria menu (Jun 16)**

MSI has participated in the TABLE FOR TWO program by offering a menu of healthy dishes at the company cafeteria in its Suruga-dai Building located in Kanda Suruga-dai, Chiyoda-ward, Tokyo. Part of revenues from the meals will be contributed to providing school lunches in the developing nations. Hunger and poor nutrition are a socially critical problem in the developing nations, so overweight is in the developed countries. The TABLE FOR TWO program advocates that we should eat low-calorie food for lunch to be in good health and simultaneously could make some contribution out of the lunch revenues to providing school lunches in the developing countries. This combination of easily achievable health control and social contribution will be ingrained there and spread out to other company cafeterias.

**\* Donation made to quake-hit northern east Japan (Jun 24)**

For the purpose of extending support to the people and communities suffering from the Iwate-Miyagi Inland Earthquake, a donation of 3.25 million yen was gathered from employees of the MSI group. Together with an addition funded via the matching gift program by MSI, 6.5 million yen was donated through supporting organizations to the Prefectures of Iwate and Miyagi. Besides, on the very day of the earthquake, MSI promptly arranged towels and drinking water and distributed them to the residents there on the next day and

thereafter.

< Source of donations >

Employees of the MSI group: 3.25 million yen

Matching gift program: 3.25

Total: 6.50 million yen

## **(6) Other topics**

### **\* TVCMs of MSI agents and new product brand on air (Apr 14)**

MSI launched two TVCM campaigns; while one depicted an MSI agent, the other was designed for the new brand of "GK." The agent CM featured Mr. Seiji Honda, a soccer goalkeeper of a J2 club team, playing as an enthusiastic insurance expert. It focused on hardly perceived parts of agent activity to reveal his never-ceasing professional efforts. In the new brand CM, Miss Maki Horikita acted as a goalkeeper as a symbol of powerful protection of the GK series from risks surrounding policyholders.

### **\* TVCMs of GK Car Insurance on air (May 15)**

A TVCM of "GK Car Insurance," which is a new automobile insurance released in May as the first step of promoting the "GK" brand, the brand common to the products for individuals, was aired nationwide. Like in the preceding brand CM, Miss Maki Horikita played as a goalkeeper. She jumped and flew in the sky and over the highway with no difficulty from this end to that end, guarding the people from the ball of risk, and impressed TV audience with this reliable product for their car lives.

### **\* MSI established lump-sum retirement benefit program for part-timers (Jun 5)**

MSI has introduced a lump-sum retirement benefit program for "job partners," meaning part-timers in the MSI language. On the side of job partners, he/she who hopes to have his/her payroll within a limit of tax deduction eligible for a dependent family member can continue as he/she has worked under the introduced program, instead of having the hours shortened upon raising hourly pay. On the company side, capable and motivated job partners can be retained.

This program, in addition to the program enabling conversion of job partner to permanent employee adopted in October 2007, facilitates that job partners may have a chance to choose career path flexibly according to their life style. This is another step in improving working conditions for some 3,600 job partners.

## **3. Amateur Sports**

### **\* Supporting company agreement concluded with Japan Football Association (May 2)**

MSI agreed on supporting the Japanese national team with Japan Football Association.

Together with their fans, MSI is delighted to support the national team, looking forward to enthusiasm they will give us.

## **Women's judo**

### **\* All-Japan Women's Invitational Weight Class Championship 2008 (Apr 4-5)**

Ms Yoshie Ueno in 63 kg class, Ms Emi Yamagishi in 48 kg class and Ms Misato Nakamura won the gold medal in this championship for the fourth time, the second time and first time, respectively while Ms. Yuki Yokozawa in 52 kg class gained the silver medal.

Based on the results of this championship, Yoshie Ueno and Misato Nakamura were elected as a candidate and a national delegate to the Beijing Olympic Games.

### **\* Asian Championships 2008 (Apr 26-27)**

Ms. Masae Ueno and Ms Emi Yamagishi won the championship in 70 kg class and 48 kg class, respectively. Masae Ueno was elected officially as a national delegate to Beijing as a result.

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

### **\* 92th Japan Athletics Championships (Jun 26-29)**

Ms. Yoko Shibui won the women's 10,000 meter race with a new record of the championship. Shibui was elected as a national delegate to the women's 10000 meter race at the Beijing Olympic Games, being MSI's fourth national delegate to Beijing, following Masae Ueno and Miasato Nakamura in Judo and Reiko Tosa in marathon.