



Mitsui Sumitomo Insurance Group

The Second

Informational Meeting

for Fiscal 2005

December 2, 2005

Mitsui Sumitomo Insurance Co.,Ltd.

Changing Environment and Responsive Actions



Larger disasters

Higher U/W capacity /

Underwriting skill R&D

Corporate globalization

Network risk solution

Asian markets

Localization / Earning growth

Accident, life and medical

Chances increasing group-wide

High net worth market

Product / services differentiation

Growing OTC market

Intense inter-channel competition

escalating to total competition

Deregulation of expense loading rate

Simplifying examination process of product development and revision /

Discretion increasing in standardization of premium rates



Increased unrealized gain



Capital injection to subsidiaries,
new investments, ALM adjustment

Advantages of the MSI Group

Highest growth rate

Highest growth rate in net premiums written in Japan's industry

Solid customer base

Retains excellent clientele both in corporate and retail markets

Consolidation orientation

Broadest overseas network in Japan's industry /

Focusing on 2 life operation subsidiaries

CSR-based management

Core business first in responsibility fulfillment / Creating values to be shared group-wide

CSR-based Management

Backbone of the group management

Embedding CSR into everyone at every group unit as common value of management policies

CSR strategy

Aiming at sustainable relation building and mutual development in financial, environmental, social aspects

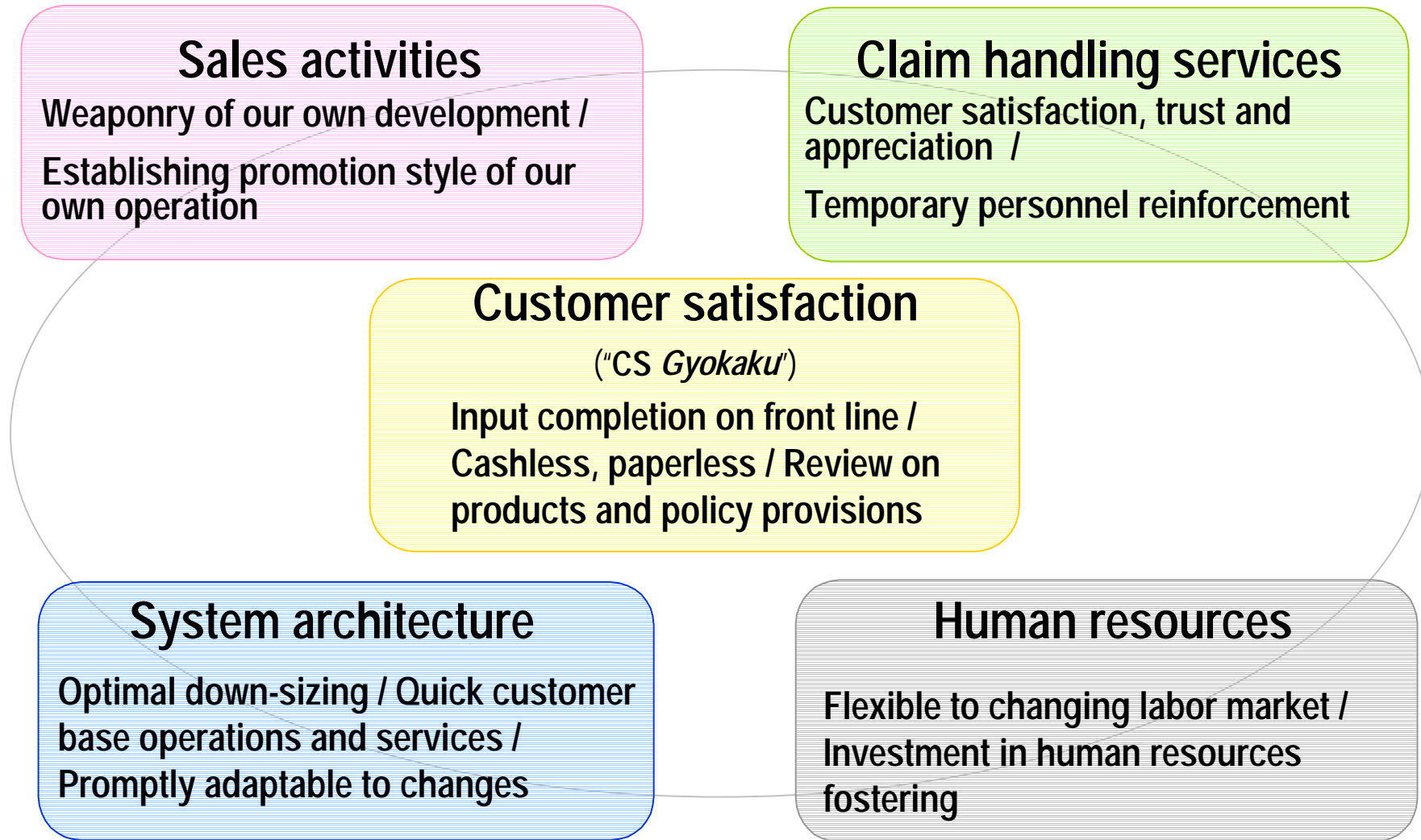
< CSR initiatives >

Domestic group units	Overseas group units
✓ CSR network of all employees' participation	✓ Locally modified MSI Group Charter on Professional Conduct
✓ Charter on Professional Conduct Meeting	✓ National representative training (in Tokyo and their places)
✓ Evaluation of CSR performance (MSI CSR Management Score and CSR accounting)	✓ Intranet information exchange

UN Global Compact

Mgt explicitly embraces human rights, labor standard, environment, anti-corruption

Stage I : 5 Cross-sectional Reforms in Place



Stage I : Progress Status (1)



Non-consolidation

Fiscal 2006 target

Results for H1, 05

FY 05 revised forecast

Net premiums written	Y1,340.0 bn	Y674.2 bn	Y1,336.0 bn
vs. same period in FY04	+2.3%	+2.5%	+2.0%
Automobile line	Y570.7 bn	Y286.3 bn	Y568.9 bn
vs. same period in FY04	+0.5%	+0.3%	+0.1%

Net income	Y68.5 bn	Y34.9 bn	Y64.0 bn
------------	----------	----------	----------

Consolidation

Net premiums written	Y1,484.0 bn	Y738.5 bn	Y1,461.0 bn
vs. same period in FY04	+5.8%	+3.6%	+4.1%

*The numbers exclude those from Modorich fund, and include the effect of abolished mandatory governmental reinsurance of CALI (compulsory automobile liability insurance).

Stage I : Progress Status (2)



Group Core Profit	Fiscal 2006 target	Results for H1, 05
Domestic non-life	Y59.7 bn	Y32.3 bn
Overseas	Y10.0 bn	Y2.3 bn
Life	Y12.5 bn	Y3.8 bn
Financial services	Y1.7 bn	Y1.2 bn
Risk-related	Y0.1 bn	Y0.0 bn
Total	Y84.0 bn	Y39.6 bn
Group ROE	5.6%	

- ✓ **O'seas Core Pprofit** = Non-consolidated segment profit + Equity in earnings of group companies in the segment
- ✓ **Life Core Profit** = MS Kirameki's profit before provision of net level premium reserves + Equity in earnings of MS MetLife (former MS Citi) by the US GAAP
- ✓ **Financial services Core Profit** = Non-consolidated segment profit + Equity in earnings of the group companies in the segment
- ✓ **Risk-related Core Profit** = equity in earnings of group companies in the segment

Domestic Non-life : Recent Top Line Trend by Line



Growth rate of net premiums written by product line

	Results for FY04	Results for H1, FY05	Forecast for FY05
Fire	1.6%	7.3%	4.8%
Marine	7.2%	7.9%	4.8%
Personal accident	5.6%	6.3%	5.1%
Automobile	-1.0%	0.3%	0.1%
CALI	0.9%	-1.4%	-1.4%
Others	4.3%	4.4%	5.4%
Total	1.3%	2.5%	2.0%

*The numbers exclude those from Modorich fund, and include the effect of abolished mandatory governmental reinsurance of CALI (compulsory automobile liability insurance).

Domestic Non-life: High Top Line Performance <Products>



Auto	MOST Modo-rich NEW	Premium-refundable, unique product
	MOST First Class	Coverage of highest grade
Fire	Home Pika-ichi	Best household seller
	Shin Business Pika-ichi	Insured-friendly provisions revamped for broader coverage
	Living FIT	Full auto-cashless procedures developed
Accident	ViV Shushin	Whole life medical insurance
Marine	Eco Cruise	Cover total loss and disposal expense for a pleasure boat accident Earned world-top premiums in the marine area on an estimated basis

Domestic Non-life: High Top Line Performance <Channels (1)>



Full-scale sale network reform in the 2nd year

of agents and results of approaches

66,380 agents as of Mar. 31, 2004 (excl. convenience store chains)



60,106 agents as of Sep. 30, 2005 (excl. convenience store chains)

<< Sales network reform approaches >>

New agents

→ For sustainable premium growth (1,417 agents with 210 staff added)

Larger size

→ Upgrading upper tier agents (premiums increased at 67% of this tier) / Business quality improvement by qualification program of new extra professional grade (138 agents recognized)

Integration

→ More effective thru closing staggering small agents (3,847 closed)



Towards building a network of 50,000 powerful agents as of March 31, 2008

Domestic Non-life: High Top Line Performance <Channels (2)>



◆ Fostering agents of high business quality

Anshin Otodoke-bin

Better client communication tool
(introduced at about 3,000 agents as of Sep. 05)

Mobile MS1

Data input-efficient (introduced at about
1,800 agents as of Sep. 05)

Agency Service Co., Ltd.

Specialized in agent support (156
staff in place as of Sep. 05)

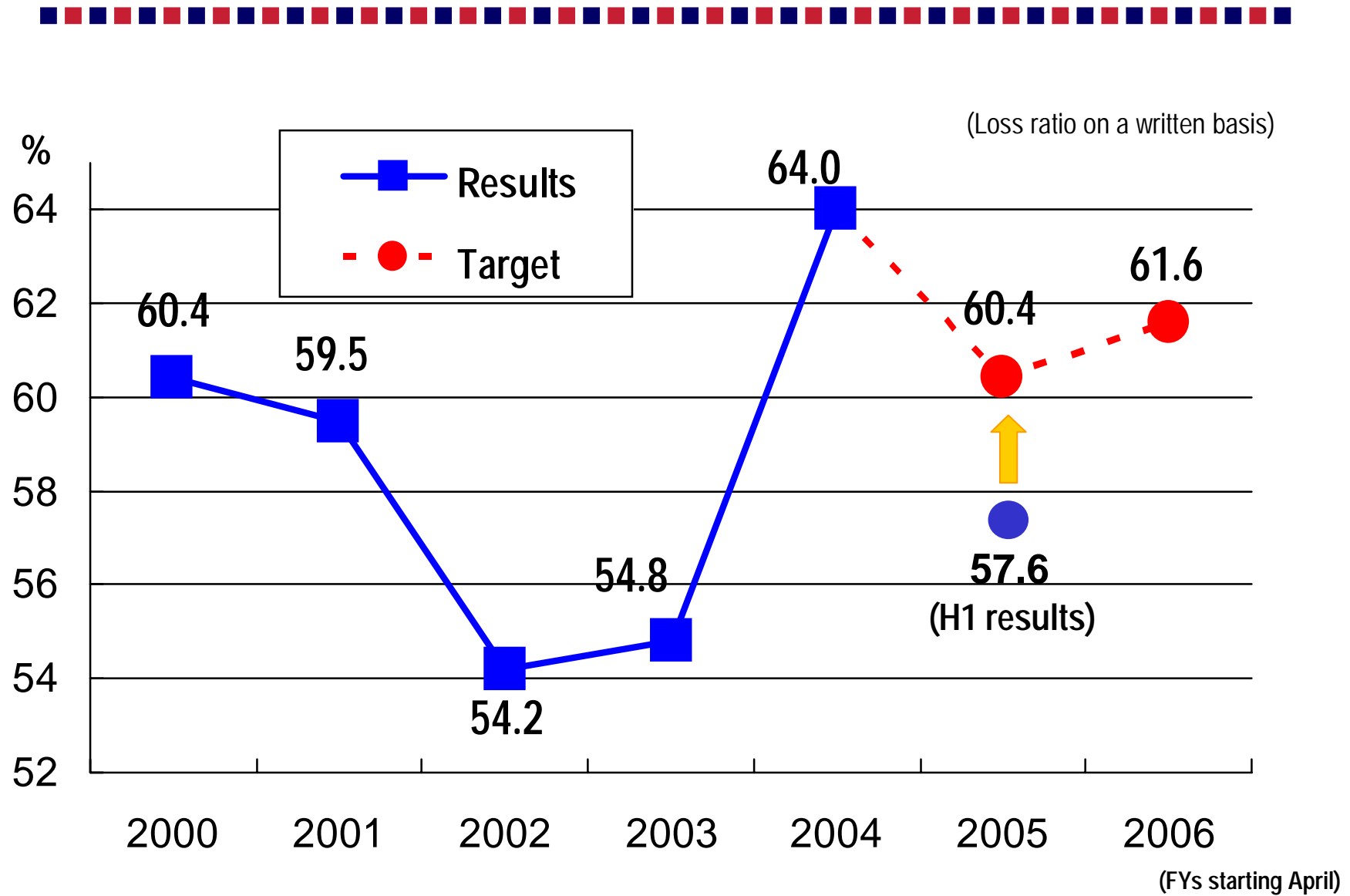
◆ Approaching bank OTC channels

Full product lineup from **MSI, MS Kirameki and MS MetLife /**

Promotion by differentiation with **product and system** of our
own development /

Providing **better OTC support**

Domestic Non-life : Loss Ratio Trend

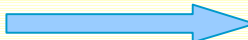


*The numbers exclude those from Modorich fund, and include the effect of abolished mandatory governmental reinsurance of CALI (compulsory automobile liability insurance).

Domestic Non-life : Initiatives for Better Auto Loss Ratio (1)



1. Underwriting incentive

Agency commission table  Loss ratio-linked

2. Product sales and Accident preventive measures

Most Modo-rich sales campaign

Premium rates revised in August

Industry-broadest preventive service lineup

3. Claim handling service reform

“WITH” system in work



Quicker payout, more precise adjustment value

More medical adjuster staff



More precise medical expense adjustment

Domestic Non-life : Initiatives for Better Auto Loss Ratio (2)

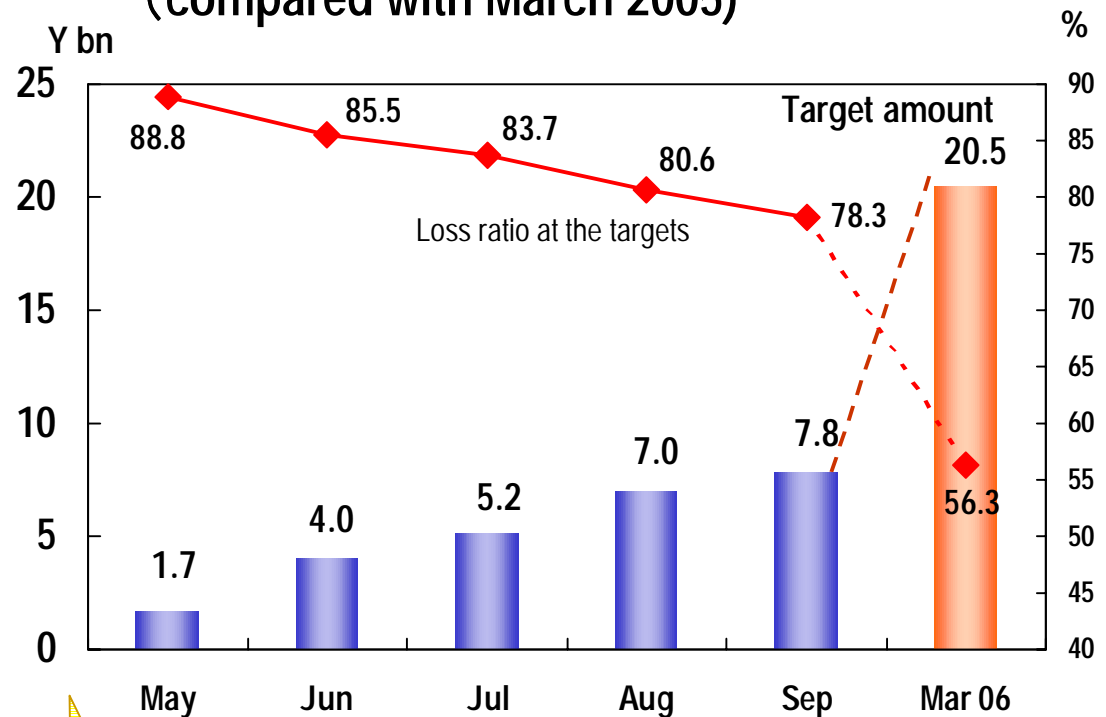
Company-wide initiative for high loss ratio agents and high accident fleet clients

1,750 target agents and fleet clients designated

What support to be given discussed by the sales-, claim handlings- and U/W staff at the Loss Reduction (or LK) Conference

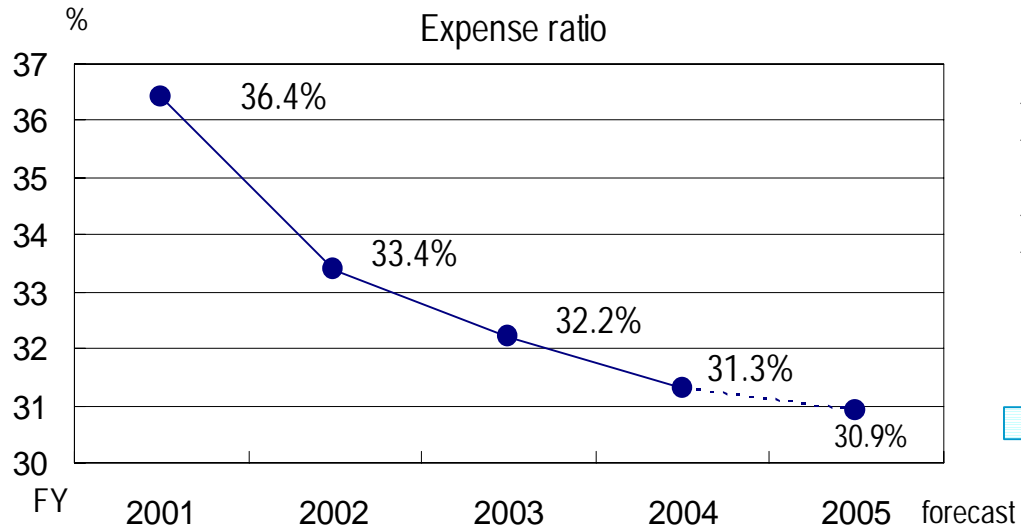
U/W improvement instruction and risk management services given

Auto payout fall via reduced accidents (compared with March 2005)



Reduce accidents at the target agents and clients, and thereby lower loss ratio

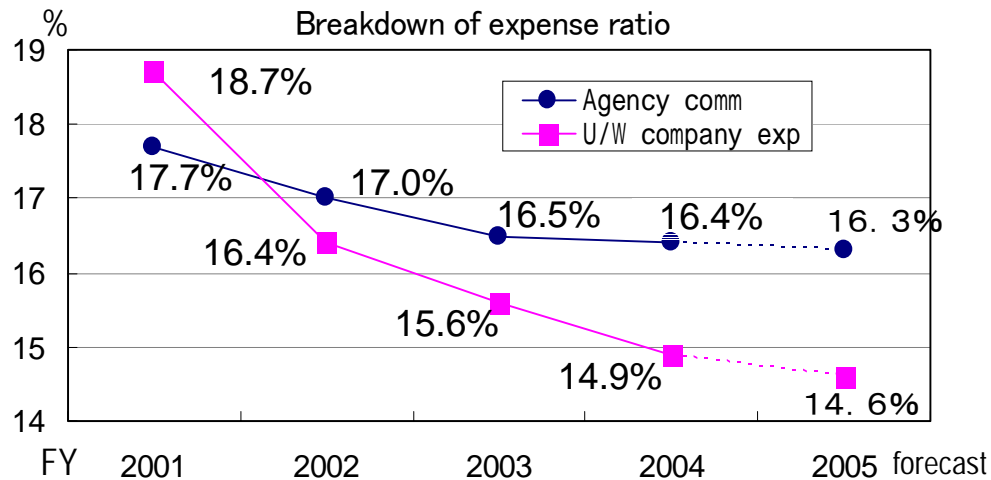
Domestic Non-life : Lowering Expense Ratio



- Expense ratio keeps falling for years
- U/W company expense selectively allocated

➔

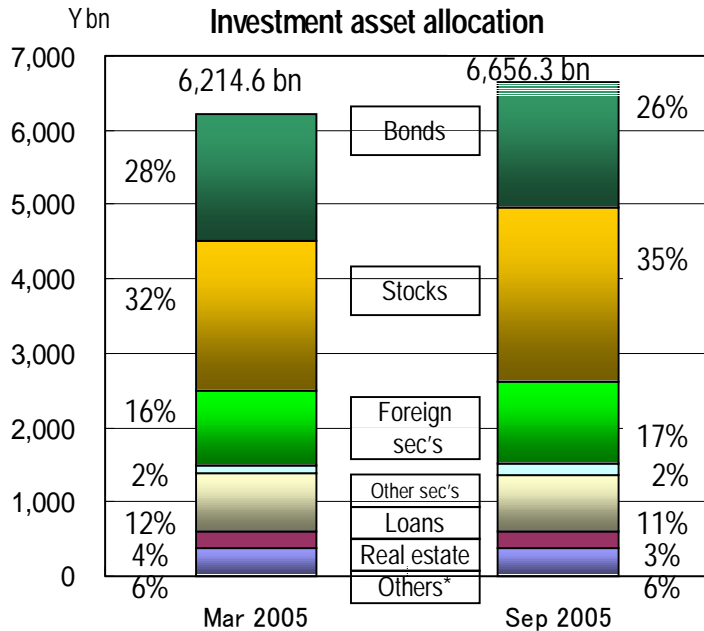
- ✓ Sales activities reform
- ✓ Claim handling services reform
- ✓ Customer satisfaction reform
- ✓ System architecture reform
- ✓ Human resources reform



- Agency commissions will be rationalized through sales network reform

*The numbers exclude those from Modorich fund, and include the effect of abolished mandatory governmental reinsurance of CALI (compulsory automobile liability insurance).

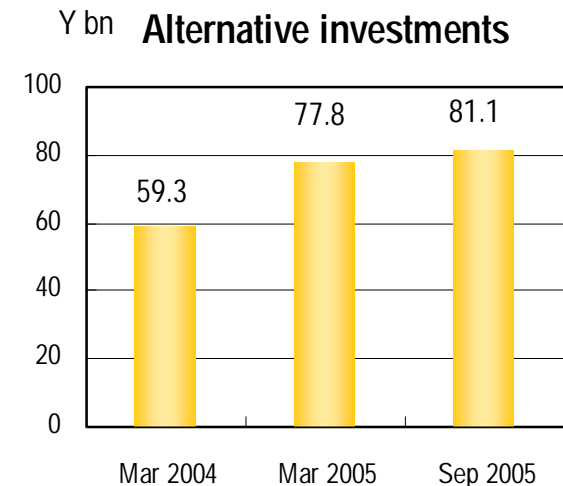
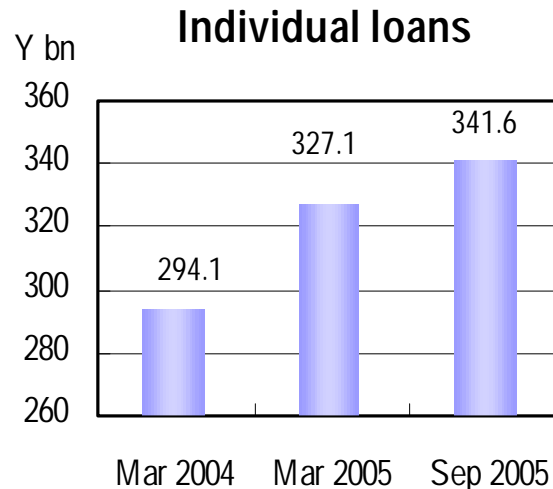
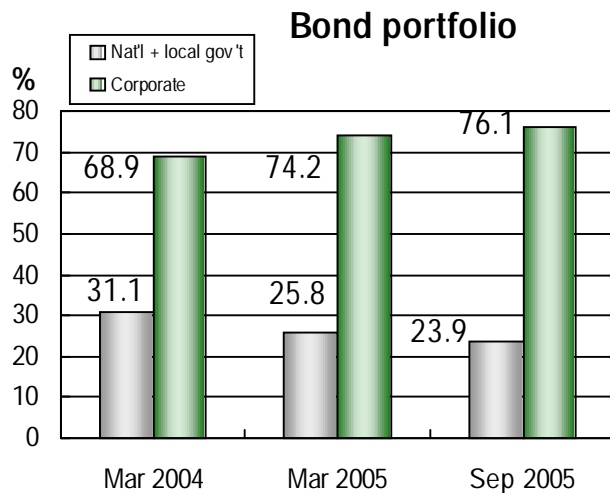
Domestic Non-life : Portfolio Investment Policy



< Investment policy for next terms >

1. More credit risk position such as individual loans
2. More alternative investments
3. Constantly reduce equity holdings
4. Reduce interest rate risk by purchasing ultra-long assets carrying yen coupons

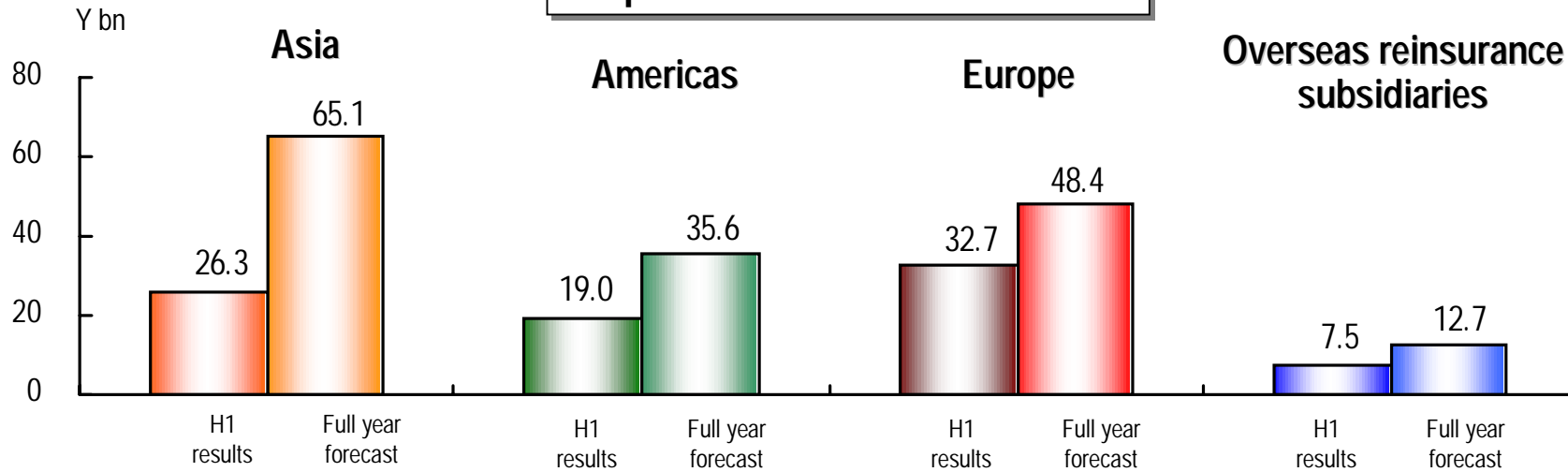
*Others : cash and deposits, call loans, financial claims bought, monetary trust



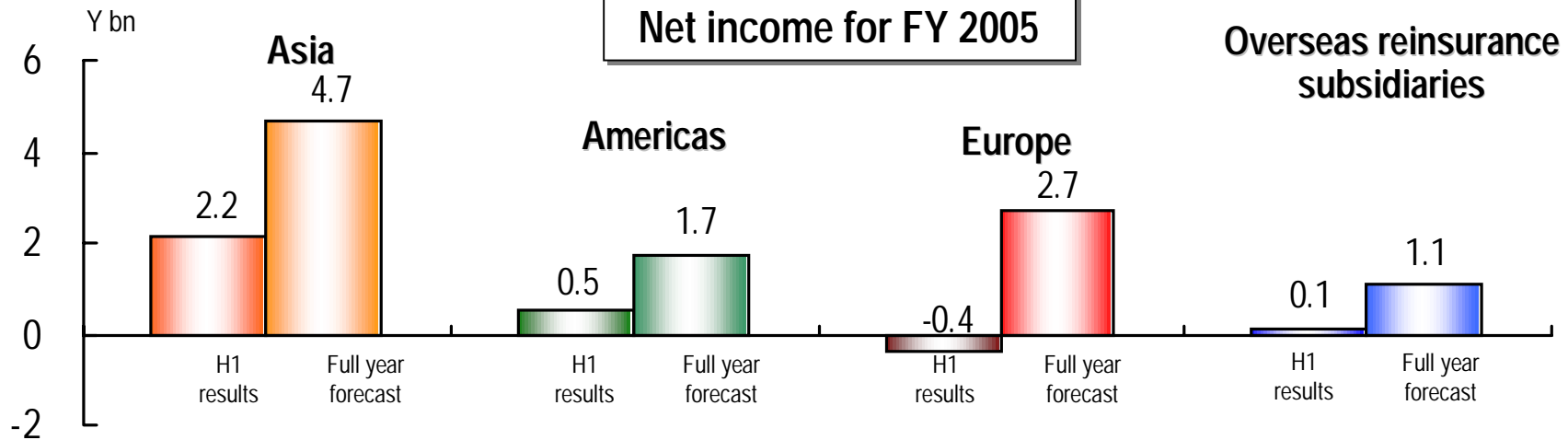
Group Businesses : Overseas Performance



Net premiums written for FY 2005



Net income for FY 2005



*Consolidation adjustment associated with M&As is excluded

Group Businesses : Future Overseas Development



Local market status and gross premiums earned

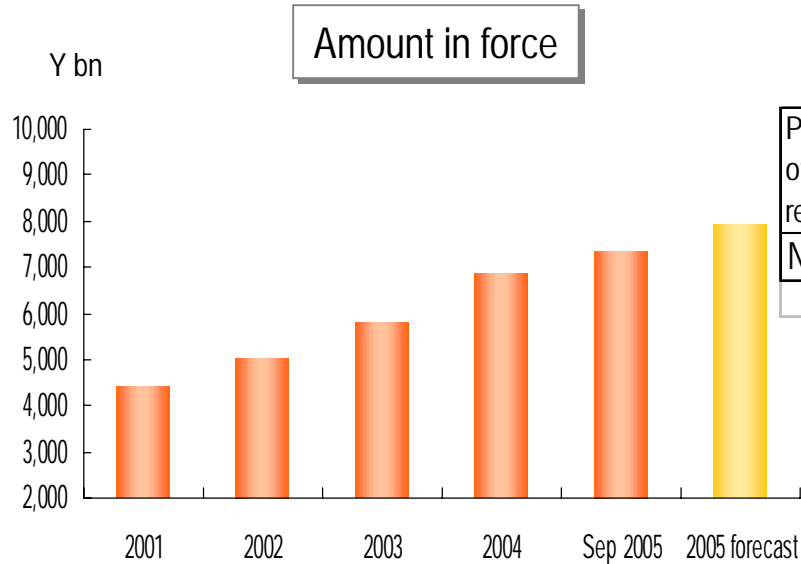
(Gross premiums for FY 2004, incl. Aviva + Mingtai)

Country / territory	Gross premiums (Y bn)	Ranking
Taiwan	39.6	2
Malaysia	17.4	2
Singapore	13.8	3
Philippines	4.5	3
Thailand	13.8	4
Hong Kong	10.7	5
Indonesia	7.4	7
India	4.3	11
China	2.0	3*

*among foreign affiliates

Country / territory	Current policy
Brazil	Increase profitability at subsidiaries
Russia	Opened 2 rep offices Jul 2005 / U/W at local partner / High business potentiality
China	Shanghai Br transforming into a subsidiary to build an office network / Provide services through China Pacific's network
India	Foster an insurance subsidiary in size and quality / Make use of an equally owned risk management joint venture
Americas	Raise profitability, focusing on Japanese-related risks
Europe	Watching closely market premium rate trend, secure profit mainly from Lloyd's of London U/W
Reinsurance subsidiaries	Continuously select better quality risks, taking chances on hardening market pricing

Group Businesses : MS Kirameki Life Insurance



< Pro forma profit growth >

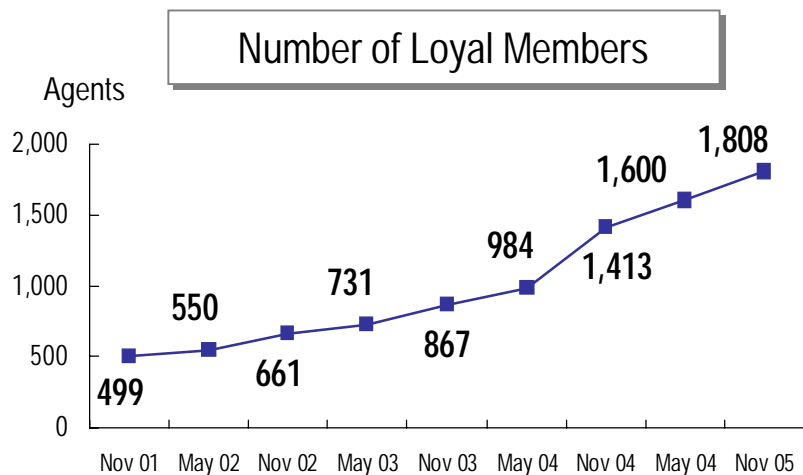
(Y bn)

Profit before provision of net level premium reserves	0.8	1.5	3.6	3.3	2.1	Forecast 4.3
Net income	0.04	0.09	0.02	0.04	0.04	0.04

➤ Steady growth in pro forma profit



➤ Contributes to earning Group Core Profit



< Reinforce sales force >

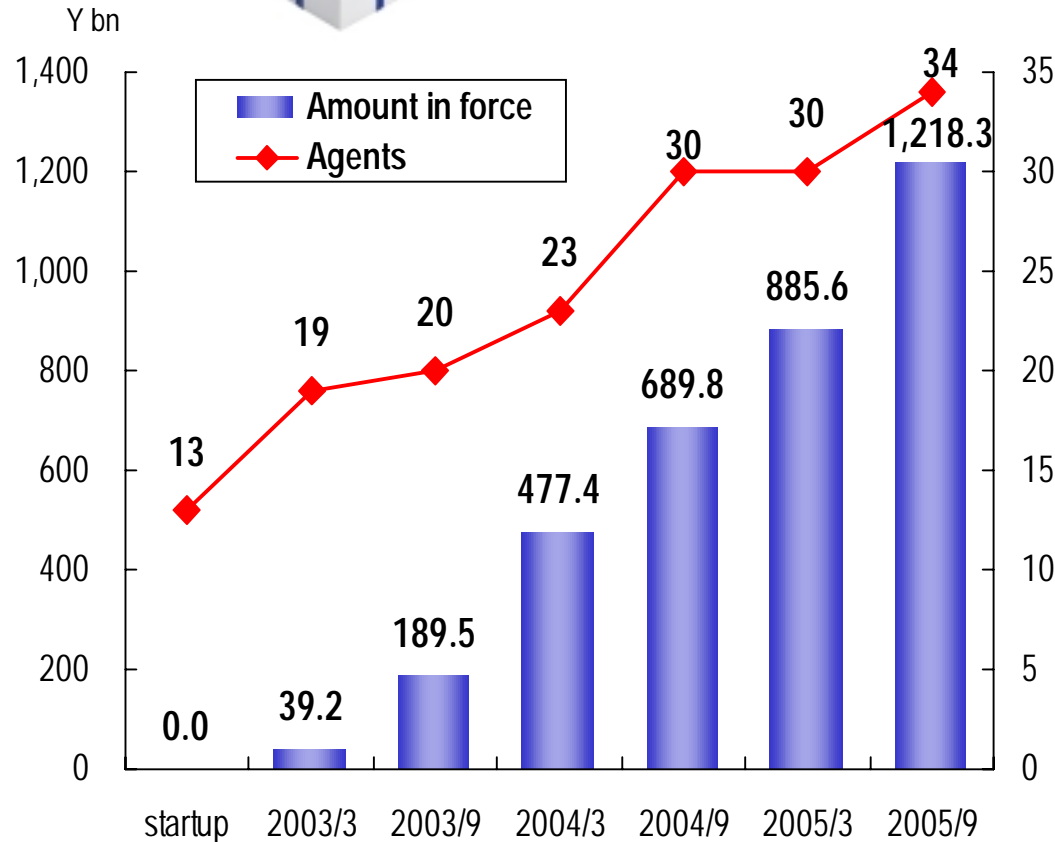
- ✓ Increase Loyal Member agents
(1,808 agents recognized as of Nov 2005)
- ✓ Deploy Life Playing Leaders nation-wide
- ✓ Direct marketing started
(at 6 offices with 82 staff across Japan)

Group Businesses : Mitsui Sumitomo MetLife



個人年金は、未来への贈りもの。

三井住友海上メットライフ生命
Mitsui Sumitomo MetLife



Growing successfully

Amount in force : Y1,218.3 bn (as of Sep 30, 05)

of agents : 34 agents (as of Sep 30, 05)

New variable annuity insurance (with floor of total annuity) sells well

- ✓ Newly written : 9,080 policies
- ✓ OTC banks: 10 banks
- ✓ Gross premiums: Y70.4 bn

(results as of Sep 30,05)

With the new name of Mitsui Sumitomo MetLife Insurance Co., Ltd., logo mark, brand slogan and communication symbol, it continues promoting its business aggressively.

Capitalization Policy (1) : Basic Principles and Return to Shareholders



< Increase Group Core Profit to raise group ROE >
i.e. Optimally maximize corporate value

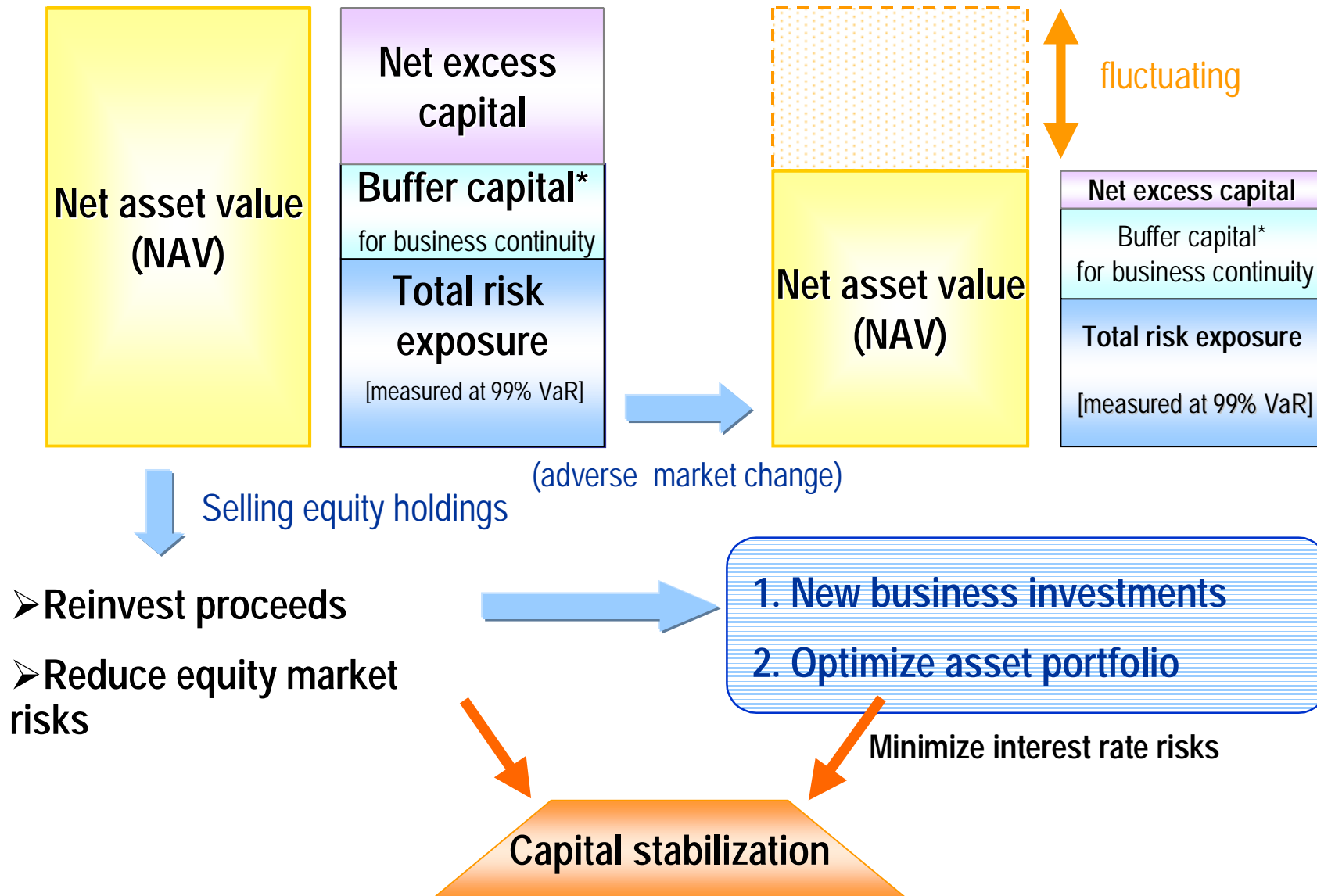
Return to Shareholders: about 40% of annual Group Core Profit
[through dividends + stock buy-back]

- Dividends : basically continue to **increase**
- Stock buy-back : (1) **10%** of shares outstanding as of the merger on Oct. 1, 01 **to be repurchased** by Mar. 2011 (already reduced from 1,480 mn shares on the merger to 1,420 mn shares as of Sep. 30, 05)
(2) Agilely buy back dependent on supply-demand conditions and share prices

Reduce equity holdings : to ¼ of the current level by Mar. 2011

- Execution based on a global consideration, including profitability of disposal.

Capitalization Policy (2) : Utilization of Excess Capital



***Buffer capital:** Minimum capital to be reserved for business continuity even after an event of incurring a damage equivalent to total risk amounts

The MSI Group : Financial Plan of Stage I

(Non-consolidation)

	FY 2004 results (*1)
Net premiums written (*1)	1,310.2bn
Net loss ratio	64.0%
Net expense ratio	31.3%
Combined ratio	95.3%
Net interest and dividend income	51.9bn
Net income	60.7bn

Amount in yen

H1, FY 2005 results	FY 2005 revised forecast	FY 2006 plan
674.2bn	1,336.0bn	1,340.0bn
57.6%	60.4%	61.6%
30.5%	30.9%	30.2%
88.1%	91.3%	91.8%
26.6bn	64.4bn	52.0bn
34.9bn	64.0bn	68.5bn

(Consolidated financial targets)

Net premiums written (*1)	1,403.2bn
Group Core Profit	28.6bn
ROE (Group Core Profit)	2.0%

738.5bn	1,461.0bn	1,484.0bn
39.6bn	78.3bn	84.0bn
--	5.0%	5.6%

(Core Profit by business segment)

Domestic non-life	16.3bn
Overseas	5.1bn
Life (*2)	5.7bn
Financial services	1.6bn
Risk-related	-0.0bn
Total	28.6bn

32.3bn	66.6bn	59.7bn
2.3bn	2.8bn	10.0bn
3.8bn	7.3bn	12.5bn
1.2bn	1.7bn	1.7bn
0.0bn	-0.1bn	0.1bn
39.6bn	78.3bn	84.0bn

*1. Net premiums written exclude those from Modorich fund and includes effect of abolished mandatory governmental reinsurance of compulsory automobile liability insurance.

*2. Core Profit of the life insurance segment is a sum of Kirameki's profit before provision of net level premium reserves and equity in earnings of MS MetLife (former MS Cit) by the US GAAP.



Mitsui Sumitomo Insurance

Cautionary Statements

Any statements about Mitsui Sumitomo Insurance Co., Ltd.'s future plans, strategies, and performance contained in this brochure 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 not limited to, (1) general economic conditions in the Company's markets, (2) competitive conditions in the insurance business, (3) fluctuations of foreign currency exchange rates, and (4) government regulations, including changes in the tax rates.