The Second

Informational Meeting

for Fiscal 2005

December 2, 2005

Mitsui Sumitomo Insurance Co., Ltd.
Changing Environment and Responsive Actions

**Corporate globalization**
- Larger disasters
  - Higher U/W capacity /
  - Underwriting skill R&D
- 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
- CSR network of all employees’ participation
- Charter on Professional Conduct Meeting
- Evaluation of CSR performance
  (MSI CSR Management Score and CSR accounting)

Overseas group units
- Locally modified MSI Group Charter on Professional Conduct
- National representative training (in Tokyo and their places)
- Intranet information exchange

UN Global Compact
Mgt explicitly embraces human rights, labor standard, environment, anti-corruption
Stage I: 5 Cross-sectional Reforms in Place

- **Sales activities**
  - Weaponry of our own development /
  - Establishing promotion style of our own operation

- **Claim handling services**
  - Customer satisfaction, trust and appreciation /
  - Temporary personnel reinforcement

- **Customer satisfaction**
  - ("CS Gyokaku")
  - Input completion on front line /
  - Cashless, paperless / Review on products and policy provisions

- **System architecture**
  - Optimal down-sizing / Quick customer base operations and services /
  - Promptly adaptable to changes

- **Human resources**
  - Flexible to changing labor market /
  - Investment in human resources fostering
### Stage I: Progress Status (1)

<table>
<thead>
<tr>
<th>Non-consolidation</th>
<th>Fiscal 2006 target</th>
<th>Results for H1, 05</th>
<th>FY 05 revised forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premiums written</td>
<td>Y1,340.0 bn</td>
<td>Y674.2 bn</td>
<td>Y1,336.0 bn</td>
</tr>
<tr>
<td>vs. same period in FY04</td>
<td>+2.3%</td>
<td>+2.5%</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Automobile line</td>
<td>Y570.7 bn</td>
<td>Y286.3 bn</td>
<td>Y568.9 bn</td>
</tr>
<tr>
<td>vs. same period in FY04</td>
<td>+0.5%</td>
<td>+0.3%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Net income</td>
<td>Y68.5 bn</td>
<td>Y34.9 bn</td>
<td>Y64.0 bn</td>
</tr>
</tbody>
</table>

### Consolidation

<table>
<thead>
<tr>
<th>Net premiums written</th>
<th>Fiscal 2006 target</th>
<th>Results for H1, 05</th>
<th>FY 05 revised forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>vs. same period in FY04</td>
<td>+5.8%</td>
<td>+3.6%</td>
<td>+4.1%</td>
</tr>
</tbody>
</table>

*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)

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

✓ **O’seas Core Profit** = 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

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Results for FY04</th>
<th>Results for H1, FY05</th>
<th>Forecast for FY05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire</td>
<td>1.6%</td>
<td>7.3%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Marine</td>
<td>7.2%</td>
<td>7.9%</td>
<td>4.8%</td>
</tr>
<tr>
<td>Personal accident</td>
<td>5.6%</td>
<td>6.3%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Automobile</td>
<td>-1.0%</td>
<td>0.3%</td>
<td>0.1%</td>
</tr>
<tr>
<td>CALI</td>
<td>0.9%</td>
<td>-1.4%</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Others</td>
<td>4.3%</td>
<td>4.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.3%</strong></td>
<td><strong>2.5%</strong></td>
<td><strong>2.0%</strong></td>
</tr>
</tbody>
</table>

*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>

<table>
<thead>
<tr>
<th>Category</th>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto</td>
<td>MOST Modo-rich NEW</td>
<td>Premium-refundable, unique product</td>
</tr>
<tr>
<td></td>
<td>MOST First Class</td>
<td>Coverage of highest grade</td>
</tr>
<tr>
<td>Fire</td>
<td>Home Pika-ichi</td>
<td>Best household seller</td>
</tr>
<tr>
<td></td>
<td>Shin Business Pika-ichi</td>
<td>Insured-friendly provisions revamped for broader coverage</td>
</tr>
<tr>
<td></td>
<td>Living FIT</td>
<td>Full auto-cashless procedures developed</td>
</tr>
<tr>
<td>Accident</td>
<td>ViV Shushin</td>
<td>Whole life medical insurance</td>
</tr>
<tr>
<td>Marine</td>
<td>Eco Cruise</td>
<td>Cover total loss and disposal expense for a pleasure boat accident</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Earned world-top premiums in the marine area on an estimated basis</td>
</tr>
</tbody>
</table>
Domestic Non-life: High Top Line Performance <Channels (1)>

Full-scale sale network reform in the 2\textsuperscript{nd} 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)>

 ром Fostering agents of high business quality

- Anshin Otodoke-bin
- Mobile MS1
- Agency Service Co., Ltd.

Better client communication tool (introduced at about 3,000 agents as of Sep. 05)
Data input-efficient (introduced at about 1,800 agents as of Sep. 05)
Specialized in agent support (156 staff in place as of Sep. 05)

 ром 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

(Loss ratio on a written basis)

- Results
- Target

Loss ratio on a written basis:
- H1 results: 57.6%
- FYs starting April:
  - 2000: 60.4%
  - 2001: 59.5%
  - 2002: 54.2%
  - 2003: 54.8%
  - 2004: 64.0%
  - 2005: 60.4%
  - 2006: 61.6%

*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 linked to Loss ratio

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
   - More medical adjuster staff
   - Quicker payout, more precise adjustment value
   - 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 handleings- 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

![Chart showing investment asset allocation]

- **Bonds**: 26%
- **Stocks**: 35%
- **Foreign sec's**: 17%
- **Other sec's**: 2%
- **Other sec's**: 11%
- **Real estate**: 3%
- **Others**: 6%

![Chart showing bond portfolio]

- **Nat'l + local gov't**: 68.9%
- **Corporate**: 74.2%
- **Corporate**: 76.1%

![Chart showing individual loans]

- **Mar 2004**: 31.1%
- **Mar 2005**: 25.8%
- **Sep 2005**: 23.9%

- **Mar 2004**: 294.1
- **Mar 2005**: 327.1
- **Sep 2005**: 341.6

![Chart showing alternative investments]

- **Mar 2004**: 59.3
- **Mar 2005**: 77.8
- **Sep 2005**: 81.1

*Others : cash and deposits, call loans, financial claims bought, monetary trust*
Group Businesses: Overseas Performance

### Net premiums written for FY 2005

- **Asia**
  - H1 results: 26.3
  - Full year forecast: 65.1

- **Americas**
  - H1 results: 19.0
  - Full year forecast: 35.6

- **Europe**
  - H1 results: 32.7
  - Full year forecast: 48.4

- **Overseas reinsurance subsidiaries**
  - H1 results: 7.5
  - Full year forecast: 12.7

### Net income for FY 2005

- **Asia**
  - H1 results: 2.2
  - Full year forecast: 4.7

- **Americas**
  - H1 results: 0.5
  - Full year forecast: 1.7

- **Europe**
  - H1 results: -0.4
  - Full year forecast: 2.7

- **Overseas reinsurance subsidiaries**
  - H1 results: 0.1
  - Full year forecast: 1.1

*Consolidation adjustment associated with M&As is excluded*
Group Businesses: Future Overseas Development

Local market status and gross premiums earned

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

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

*among foreign affiliates
Group Businesses: MS Kirameki Life Insurance

< Pro forma profit growth >

<table>
<thead>
<tr>
<th></th>
<th>Profit before provision of net level premium reserves</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.8</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>0.04</td>
<td>0.09</td>
</tr>
</tbody>
</table>

- 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

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

(amounts as of Sep 30, 05)

Growing successfully

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

# of agents: 34 agents (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

- Net asset value (NAV)
- Net excess capital
  - Buffer capital* for business continuity
  - Total risk exposure [measured at 99% VaR]

Total risk exposure
Buffer capital* for business continuity
Net excess capital [measured at 99% VaR]

Selling equity holdings
- Reinvest proceeds
- Reduce equity market risks

Capital stabilization

- fluctuating
- (adverse market change)

1. New business investments
2. Optimize asset portfolio

Minimize interest rate risks

*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)

<table>
<thead>
<tr>
<th></th>
<th>FY 2004 results (*1)</th>
<th>H1, FY 2005 results</th>
<th>FY 2005 revised forecast</th>
<th>FY 2006 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premiums written (*1)</td>
<td>1,310.2bn</td>
<td>674.2bn</td>
<td>1,336.0bn</td>
<td>1,340.0bn</td>
</tr>
<tr>
<td>Net loss ratio</td>
<td>64.0%</td>
<td>57.6%</td>
<td>60.4%</td>
<td>61.6%</td>
</tr>
<tr>
<td>Net expense ratio</td>
<td>31.3%</td>
<td>30.5%</td>
<td>30.9%</td>
<td>30.2%</td>
</tr>
<tr>
<td>Combined ratio</td>
<td>95.3%</td>
<td>88.1%</td>
<td>91.3%</td>
<td>91.8%</td>
</tr>
<tr>
<td>Net interest and dividend income</td>
<td>51.9bn</td>
<td>26.6bn</td>
<td>64.4bn</td>
<td>52.0bn</td>
</tr>
<tr>
<td>Net income</td>
<td>60.7bn</td>
<td>34.9bn</td>
<td>64.0bn</td>
<td>68.5bn</td>
</tr>
</tbody>
</table>

(Consolidated financial targets)

<table>
<thead>
<tr>
<th></th>
<th>FY 2004 results (*1)</th>
<th>H1, FY 2005 results</th>
<th>FY 2005 revised forecast</th>
<th>FY 2006 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premiums written (*1)</td>
<td>1,403.2bn</td>
<td>738.5bn</td>
<td>1,461.0bn</td>
<td>1,484.0bn</td>
</tr>
<tr>
<td>Group Core Profit</td>
<td>28.6bn</td>
<td>39.6bn</td>
<td>78.3bn</td>
<td>84.0bn</td>
</tr>
<tr>
<td>ROE (Group Core Profit)</td>
<td>2.0%</td>
<td>--</td>
<td>5.0%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

(Core Profit by business segment)

<table>
<thead>
<tr>
<th></th>
<th>FY 2004 results (*1)</th>
<th>FY 2005 revised forecast</th>
<th>FY 2006 plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic non-life</td>
<td>16.3bn</td>
<td>32.3bn</td>
<td>66.6bn</td>
</tr>
<tr>
<td>Overseas</td>
<td>5.1bn</td>
<td>2.3bn</td>
<td>2.8bn</td>
</tr>
<tr>
<td>Life (*2)</td>
<td>5.7bn</td>
<td>3.8bn</td>
<td>7.3bn</td>
</tr>
<tr>
<td>Financial services</td>
<td>1.6bn</td>
<td>1.2bn</td>
<td>1.7bn</td>
</tr>
<tr>
<td>Risk-related</td>
<td>-0.0bn</td>
<td>0.0bn</td>
<td>-0.1bn</td>
</tr>
<tr>
<td>Total</td>
<td>28.6bn</td>
<td>39.6bn</td>
<td>78.3bn</td>
</tr>
</tbody>
</table>

*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.
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.