The Second

**Informational Meeting**

in Fiscal 2003

on December 2, 2003

Mitsui Sumitomo Insurance Co., Ltd.
Operations in the 1st Half, 2003 (1)
the 1st year of MS WAVE

Indices to measure

No.1 in Growth

- **No.1** in growth rate of net premiums written from domestic non-life insurance
  - 2.5% increase posted by parent only
  - **Best** among the major non-life insurers

- **No.2** in consolidated net premiums written from overall non-life insurance underwriting
  - 657.3 bil yen in consolidated net premiums written (+5.0%)
  - **No.2 position** due to a high growth in overseas (+45.2%)

- **No.2** in the amount of life insurance in-force among subsidiaries of non-life insurers
  - 5,390 bil yen in-force at Kirameki Life
  - 120 bil yen closer to the 2nd (from 550 bil yen at Mar., 2003 to 430 bil yen at Sep., 2003)
Operations in the 1st Half, 2003 (2)  
the 1st year of MS WAVE  

Indices to measure

No.1 in Profitability

- **No.1 position** for combined ratio  
  (94.0% planned originally)

- **No.1** in the rate of investment return

- **89.2%** marked in combined ratio  
  - **Best** among the major non-life insurers  
  Lower than the plan, and the efforts will never be relaxed

- **2.24%** scored in income yield  
  steady on the road to **V9**
MSI Group and the Features of Management Strategy

Corporate group strength

- Consolidation oriented management
- Focus on life insurance, variable annuity, third sector insurance
- Proactive overseas expansion
- Vital importance of investment income

Management environment recognition
MSI Corporate Group Strength

Mitsui group
Sumitomo group

Excellent clientele base
70% out of top 30 companies in major 27 industries
“Mitsui & Sumitomo” brand

Financial strength

Rich net worth of 1.2 trillion yen
Top investment performer

Overseas foundations

Network of 56 bases in 36 countries
Strong bases in Asia, Lloyds
Future Business Portfolio of the Group

< Fiscal 2003, planned >

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share in Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic non-life insurance</td>
<td>91.4%</td>
</tr>
<tr>
<td>Others</td>
<td>8.6%</td>
</tr>
</tbody>
</table>

< Group Project in fiscal 2010 >

<table>
<thead>
<tr>
<th>Segment</th>
<th>Share in Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic non-life insurance</td>
<td>60%</td>
</tr>
<tr>
<td>Domestic life insurance and variable annuity</td>
<td>20%</td>
</tr>
<tr>
<td>Overseas</td>
<td>15%</td>
</tr>
<tr>
<td>Financial service, Risk management</td>
<td>5%</td>
</tr>
</tbody>
</table>
Strategy for No.1 in Growth & Profitability
Domestic operation Top-line Initiatives (1)

Automobile Insurance to be revised
Jan 2004

➢ Releasing differentiated products
  ➢ microsegmented age-based rate □ set up new age-based rate for drivers of age 35 and older
  ➢ discount for brand-new car owner □ applicable to liability and injury in addition to physical damage
  ➢ discount for gold license holder □ to increase from 10% up to 12 %
  ➢ payout for legal fees □ not only for traffic accident but also for unforeseen accidents in daily life
Domestic operation  Top-line Initiatives (2)

New Product released  Nov 2003

ViV Shushin (whole life accident and medical insurance)

Mainstay product in the 3rd sector

- MSI’s original “Non-accident Mileage System”
  - wider range of customers including the young.
    - discount up to 30%.

- Life time / whole life policy
  - great earner contributing to net premiums written

- “Attack MV Promotion,” packaged sale of MOST and ViV Shushin
Non-life operation transferred from MML to MSI
gross premiums 12 bil yen
A powerful large retail agent 4% growth in sales
10,000-person sales force
Enter the 4th year of tie-up, performing steadily
gross premium for 1st half, 2003 5.6% up to 4.5 bil yen
Co-developing corporate market 89 new auto fleets signed
Giant bankassurance retailer OTC of credit long-term fire insurance
Bonanza of wealthy stratum market Variable annuity insurance
Domestic operation Expenses / Productivity

“Business Process Restructuring (BPR) for Greater Customer Satisfaction”

**BPR initiatives**

- Contract data input
- Premium receiving
- Materials delivery

Goal set for fiscal 04

- Front completion: 60% processed at agents
- Cashless: 80% processed cashless
- Paperless: 50% printings reduced

Fiscal 2005 and after

- Next generation agent system driving BPR for greater CS

**CS effects through BPRs**

- Policy issue period halving to 5 days
- Halving recording/receiving process
- Great saving at operation centers by integration from 3 to 2 centers

Greater customer satisfaction

Higher operational productivity

More competitive pricing through rationalization
Domestic operation  Loss Reduction

Automobile claims handling system  “W IIH” - quick & proper payouts -

Claims outstanding

Payout per claim

New claims handling system for fire, personal accident, and miscellaneous insurances

“HEARTS” started Nov 03
Asia

Growing fast

Gross premiums (bil yen)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30.7</td>
<td>37.1</td>
<td>41.1</td>
<td>43.7</td>
<td>50.7</td>
</tr>
</tbody>
</table>

High profitability

- **Combined ratio**
  - Fiscal 2002: 88.8%
  - Fiscal 2003: 85.5% (est.)

- **ROE**
  - Fiscal 2002: 13.3%
  - Fiscal 2003: 13.4% (est.)

Assets growing accordingly

Net worth (bil yen)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>24.0</td>
<td>26.3</td>
<td>31.6</td>
<td>33.6</td>
<td>36.8</td>
</tr>
</tbody>
</table>
Overseas Operation

Asia

Locally rooted operations under 2 HQs
Asia Division 1st for Far Easter Asia
Asia Division 2nd for Southeastern Asia

➢ China & India

Expanding business in rapidly growing markets by broadening the office network in China and employing the JV started up in India

➢ ASEAN nations

Exploring local clientele of good risk and aiming at a higher market position in each area

➢ M&As

Entering life insurance business and expanding non-life insurance business further in local markets
Overseas operation  US, Europe / Reinsurance

**U/W in the US**

**Profits coming back sharply**

Strictly controlled U/Ws and premium rates pulled up

<table>
<thead>
<tr>
<th>Fiscal</th>
<th>2002</th>
<th>Sep 30, 2003</th>
<th>2003 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premiums</td>
<td>21.5</td>
<td>18.3</td>
<td>30.2</td>
</tr>
<tr>
<td>Combined ratio</td>
<td>134%</td>
<td>100%</td>
<td>110%</td>
</tr>
<tr>
<td>Income after tax</td>
<td>- 3.8</td>
<td>0.1</td>
<td>- 0.2</td>
</tr>
</tbody>
</table>

**U/W in Europe**

**Steady in the Lloyd’s market**

Net premiums written planned to increase 63% up to 46.5 bil yen for fiscal 2003

**Reinsurance subsidiaries**

**Solid presence with high credit rating in the market, leading to more business chances**

Net premiums written planned to increase 40% up to 5.3 bil yen for fiscal 2003

**Raising retention ceiling**

to employ capital effectively for more profits
Life insurance  MS Kirameki Life Insurance (1)
(compensation oriented insurance)

**Reinforcing channels**

OLife insurance playing leaders (“PL”)
ODirect operation main branch
OLoyal agents

**Tripod promotional bases**

...life insurance experts increasing from 45 to 70 at the parent’s branches
...opening in Tokyo and Osaka
...867 core agents recognized

**Differentiated mainstays**

**MS Shushin** (whole life insurance with market-sensitive interest rate)

73 bil yen amount in-force as of Sep. 2003, since the release in Feb. 2003

**Income protection insurance**

858 bil yen amount in-force up 20% YoY as of Sep. 2003
Life insurance  MS Kirameki Life Insurance(2)

(Embedded Value (“EV”) )

<table>
<thead>
<tr>
<th>EV</th>
<th>Mar 2002</th>
<th>Mar 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAV</td>
<td>26.1</td>
<td>27.2</td>
</tr>
<tr>
<td>value of in-force business</td>
<td>18.5</td>
<td>22.1</td>
</tr>
<tr>
<td>total</td>
<td>44.6</td>
<td>49.3</td>
</tr>
<tr>
<td>change</td>
<td>-</td>
<td>10.5%</td>
</tr>
</tbody>
</table>

EV decreased 2.8 bil yen due to interest rate factors (or due to changes in the market rate and the discount rates applied to PV calculation)

Increased 7.5 bil yen 16.8% up before interest factor adjustments

<Break-down of change for fiscal 2002> bil yen

<table>
<thead>
<tr>
<th>break-down item</th>
<th>change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected return on previous EV</td>
<td>+2.8</td>
</tr>
<tr>
<td>New contracts in-force</td>
<td>+3.7</td>
</tr>
<tr>
<td>Difference between projected and actual performance</td>
<td>+1.0</td>
</tr>
<tr>
<td>subtotal</td>
<td>+7.5</td>
</tr>
<tr>
<td>Change in discount rate from 7 to 6%</td>
<td>+2.0</td>
</tr>
<tr>
<td>Market rate fell from 1.4 to 1.13%</td>
<td>-4.8</td>
</tr>
<tr>
<td>total</td>
<td>+4.7</td>
</tr>
</tbody>
</table>
Specialized in variable annuity products for OTC sale of banks and securities houses.

Amount in-force surged up by Principal guaranteed type product.
Investments Vital importance of Investment Income

- Net interest and dividend income is a sound footing for adverse situational change
- High net interest and dividend income gained from our high yielding portfolio

<table>
<thead>
<tr>
<th>Fiscal 2002</th>
<th>Net premiums written</th>
<th>Net interest &amp; dividend</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>S</td>
<td>I</td>
</tr>
<tr>
<td>MSI</td>
<td>1,184.5</td>
<td>(100)</td>
</tr>
<tr>
<td>Tokio Marine</td>
<td>1,383.6</td>
<td>(117)</td>
</tr>
<tr>
<td>Sompo Japan</td>
<td>1,243.5</td>
<td>(105)</td>
</tr>
</tbody>
</table>

Notes:
1) Net premiums written are after excluding the effect of abolition of reinsurance to government related to CALI.
2) A figure in parenthesis is an index where MSI = 100.
Investments  Strength in Investment (1)

Competitive income yield continuously maintained

Competitive gap (left) and income yield on investment (right)

<table>
<thead>
<tr>
<th>Fiscal</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSI</td>
<td>gap 2.58%</td>
<td>gap 2.54%</td>
<td>gap 2.37%</td>
</tr>
<tr>
<td>Tokio Marine</td>
<td>(-0.31%) 2.27%</td>
<td>(-0.30%) 2.24%</td>
<td>(-0.59%) 1.78%</td>
</tr>
<tr>
<td>Sompo Japan</td>
<td>(-0.35%) 2.23%</td>
<td>(-0.50%) 2.04%</td>
<td>(-0.47%) 1.90%</td>
</tr>
</tbody>
</table>

Net interest and dividend (bil yen)

<table>
<thead>
<tr>
<th>Fiscal</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSI</td>
<td>132.6</td>
<td>129.2</td>
<td>116.8</td>
</tr>
<tr>
<td>Tokio Marine</td>
<td>134.5</td>
<td>136.2</td>
<td>116.2</td>
</tr>
<tr>
<td>Sompo Japan</td>
<td>93.2</td>
<td>81.6</td>
<td>72.3</td>
</tr>
</tbody>
</table>

A figure in parenthesis is an index where MSI = 100

Higher yield achieved in 3 core categories of Japanese bonds, foreign securities and loans

Income yield by investment category for fiscal 2002

<table>
<thead>
<tr>
<th></th>
<th>JPN bonds</th>
<th>foreign sec</th>
<th>loans</th>
<th>equities</th>
<th>real estate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSI</td>
<td>2.02%</td>
<td>4.55%</td>
<td>2.30%</td>
<td>1.85%</td>
<td>3.10%</td>
</tr>
<tr>
<td>Tokio Marine</td>
<td>1.45%</td>
<td>2.56%</td>
<td>2.15%</td>
<td>2.34%</td>
<td>4.68%</td>
</tr>
<tr>
<td>Sompo Japan</td>
<td>1.75%</td>
<td>3.07%</td>
<td>2.17%</td>
<td>1.63%</td>
<td>2.85%</td>
</tr>
</tbody>
</table>

Source: “Disclosure” and “Kessan Tanshin” reports
Investments  Strength in Investment (2)

Strict credit control

Japanese & Foreign Bonds … rated “A” or better account for 97% loans … Impaired loans account for 4.2% as of Sep 2003

<table>
<thead>
<tr>
<th>Impaired loans</th>
<th>Fiscal</th>
<th>2001</th>
<th>2002</th>
<th>Sep 30, 2003</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>S</td>
<td>I</td>
<td></td>
</tr>
<tr>
<td>MSI</td>
<td>33.9</td>
<td>(4.5)</td>
<td>32.1</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Tokio Marine</td>
<td>47.2</td>
<td>(7.2)</td>
<td>54.6</td>
<td>(8.4)</td>
</tr>
<tr>
<td>Sompo Japan</td>
<td>31.7</td>
<td>(4.5)</td>
<td>36.9</td>
<td>(6.0)</td>
</tr>
</tbody>
</table>

A figure in parenthesis represents a ratio of impaired loans to total loans in percentage.

Alternative investments

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>balance</td>
<td>46 bil yen</td>
<td>56 bil yen</td>
<td>60 bil yen</td>
</tr>
</tbody>
</table>

Source: “Disclosure” and “Kessan Tanshin” reports
Effects of Interest Rate Hike

Higher interest rate would affect positive overall

**positive**
- Interest received increase
- Fair value of liabilities for investment deposits by policyholders decrease

**negative**
- Decline in market-value of bonds though recoverable on maturity

Consistent investment policy

- Strict ALM control
- Retain high quality bonds until maturity
- Steady building of individual loans
Capital strategy

**Proper capital adequacy**
- Total risks measured as VaR at 99% probability

**Excess capital**

**Net asset value by mark-to-market (NAV)**

**Utilizable funds created by selling equities held**

**Investment in focused areas**
- Optimal business portfolio

**Buy back shares**
- Financially slim down

**ROE improving**
1 **Basic policy on dividends**

Dividend: Return out of core profit for a period

Core profit: underwriting profit, net interest and dividend

Raising profit level

Reasonable increase of dividend

Dividend planned to increase 1 yen per share as of March 31, 2004

2 **Basic policy on buy back shares**

Repurchase of our own shares out of utilizable funds for benefit of shareholders
Corporate Social Responsibility ("CSR")
CSR mission in action

Sustainable growth
High corporate value

Co-development with society

Medium-term management plan
MS WAVE
No.1 in Corporate Quality
CSR Committee established

CSR awareness and commitment
Today’s MD&A Summary to Investors

**Expansion into promising businesses for greater profits**
* diversified revenue sources, firm growth in life insurance and overseas business and consolidated strength of the group
* consolidated net income planned 57.0 bil yen for fiscal 2004, up from 32.8 bil yen for fiscal 2002

**Leader’s position and trustworthiness in the non-life insurance industry**
* the 2nd leading company in both size and profit/efficiency in the industry
* solid financial position and high creditability rated “Aa3” and “AA-” by Moody’s and S&P, respectively

**Management policy for shareholders**
* maximizing shareholder value as management mission; visibly reflected on consolidated ROE and implementation of share repurchase and dividend increase
* transparent management by open disclosure; through proactive IR activities and US GAAP-based reporting
Through our insurance and financial services businesses, **Mitsui Sumitomo Insurance Group** commits itself to the following:

- Bringing security and safety to people and business around the world,

- Providing the finest products and services, and realizing customer satisfaction,

- Continuously improving our business, thereby meeting our shareholders’ expectation and earning their trust.

December 2, 2003   Mitsui Sumitomo Insurance Co.,Ltd.
## Medium-Term Outlook of Business

### (Non-consolidated results / targets)

<table>
<thead>
<tr>
<th></th>
<th>FY2000</th>
<th>FY2001</th>
<th>FY2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net premiums written</td>
<td>[bil yen]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1,161.7</td>
<td>1,175.7</td>
<td>1,184.5</td>
</tr>
<tr>
<td>Net loss ratio</td>
<td>58.4%</td>
<td>57.8%</td>
<td>57.2%</td>
</tr>
<tr>
<td>Net expense ratio</td>
<td>37.3%</td>
<td>36.4%</td>
<td>35.3%</td>
</tr>
<tr>
<td>Combined ratio</td>
<td>95.7%</td>
<td>94.2%</td>
<td>92.5%</td>
</tr>
<tr>
<td>Net interest and dividend income</td>
<td>[bil yen]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>54.3</td>
<td>58.0</td>
<td>51.4</td>
</tr>
<tr>
<td>Net income</td>
<td>[bil yen]</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>27.1</td>
<td>23.6</td>
<td>32.4</td>
</tr>
<tr>
<td>R O E</td>
<td>1.7%</td>
<td>1.7%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

### (Consolidated results / targets)

<table>
<thead>
<tr>
<th></th>
<th>FY2003 (initial estimation)</th>
<th>FY2003 (revised estimation)</th>
<th>FY2004 (target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated net premiums written</td>
<td>[bil yen]</td>
<td>1,185.7</td>
<td>1,223.3</td>
</tr>
<tr>
<td>Consolidated net income</td>
<td>[bil yen]</td>
<td>29.9</td>
<td>19.0</td>
</tr>
<tr>
<td>Consolidated R O E</td>
<td>1.9%</td>
<td>1.4%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

### (Net income from business other than domestic non-life insurance)

<table>
<thead>
<tr>
<th></th>
<th>FY2003 (initial estimation)</th>
<th>FY2003 (revised estimation)</th>
<th>FY2004 (target)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life insurance business (Proforma net income)</td>
<td>[bil yen]</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Overseas business</td>
<td>[bil yen]</td>
<td>-0.9</td>
<td>-4.8</td>
</tr>
<tr>
<td>Financial services business</td>
<td>[bil yen]</td>
<td>0.5</td>
<td>-0.9</td>
</tr>
<tr>
<td>Risk-related business</td>
<td>[bil yen]</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Total</td>
<td>[bil yen]</td>
<td>-0.0</td>
<td>-5.1</td>
</tr>
</tbody>
</table>

* Amounts are shown after excluding refundable premium of our original automobile insurance “Modo-rich” and the effect of abolition of reinsurance to government related to CALI. (CALI = Compulsory Automobile Liability Insurance)

* Part of “Net income from business other than domestic non-life insurance” is included in the non-consolidated “Net income”.
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 numbers 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.