Fiscal 2009 First
Information Meeting

June 10, 2009

Mitsui Sumitomo Insurance Group Holdings, Inc.

MSIG

Fiscal 2009 First Informational Meeting

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Extreme Environmental Changes Originating from Financial Crisis: MSIG's Response

Mitsui Sumitomo Insurance Group Holdings

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Response to extreme changes in business environment set in motion by September 2008 financial meltdown

Stepping up risk management and crisis management in light of financial crisis

Balance sheet reforms

Though sufficiently capitalized to maintain sound business operations, MSIG is stepping up risk management and crisis management in this time of extreme economic instability.

- Reviewing investment management policy
- Minimizing risk of share price fluctuation (Downsizing of strategic stock-holdings in the medium term in light of financial environment)
- Verifying financial soundness (Stepping up monitoring)

Consolidating structure for leap forward = business model reform

Domestic Non-Life Insurance Business	■ Concentrating on sales channels with high growth potential …strengthening alliance with Sumitomo Life Insurance ■ Improving productivity…sales and product innovations ■ Improving the voluntary automobile insurance loss ratio
Life Insurance Business	■ MSI Kirameki Life: • New sales structure (increase in sales facilities and personnel) • Change in product sales strategy (emphasis on both death benefit products and medical care products for individuals) ■ MSI MetLife: Shift of emphasis from variable annuities to fixed annuities in response to customers' needs
Overseas Business	■ Concentrating on local business in Asia and Europe ■ Orienting towards growth and risk leveling driven by business portfolio combining non-life insurance and life insurance
Group as a Whole	■ Slimming personnel in the domestic non-life insurance business (effects of sales and product innovations) and reallocating human resources to growth areas, thereby facilitating business model reform

Environmental Changes

	FY2007 Actual	FY2008 Initial Forecast	FY2008 Actual
Nikkei average stock price (at year end)	¥12,526	¥13,500	¥8,109
Yen-dollar exchange rate (at year end)	¥110.19	¥100	¥98.23
Yen-euro exchange rate (at year end)	¥158.19	¥160	¥129.84
10 year-JGB yield (at year end)	1.28%	1.50%	1.35%
Real GDP growth rate	1.8%	N.A.	-3.5%(Full-year) -15.2%(Q4)
Number of new automobiles sold (YoY Growth rate)	<Q4> 1,610 thousand	N.A.	<Q4> 1,230 thousand (-23.7%)
Housing construction starts (YoY Growth rate)	<Q4> 254 thousand	N.A.	<Q4> 200 thousand (-21.4%)

Mitsui Sumitomo Insurance Group Holdings, Inc.

Results for FY2008

Mitsui Sumitomo Insurance Group Holdings
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Fiscal 2008 was the first accounting term since the establishment of the Company, so consolidated figures for the previous term refer to MSI (on a consolidated basis).

In the presentation, the following abbreviations are used for company names

- MSI (= Mitsui Sumitomo Insurance Co., Ltd.)
- Mitsui Direct General (= Mitsui Direct General Insurance Co., Ltd.)
- MSI Kirameki Life (= Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.)
- MSI MetLife (= Mitsui Sumitomo MetLife Insurance Co., Ltd.)

Forward-looking statement

This presentation contains future plans, strategies and earnings forecasts for MSI Group Holdings and Group companies. They are based on information available to the Group at the present time. Investors are advised that actual results may differ substantially from our forecasts, for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition within the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

MSIG (Consolidated)

Key financial data

(¥ bn)

	FY2007	FY2008	Change	Growth
Net premiums written	1,536.5	1,451.0	-85.5	-5.6%
Ordinary profit/loss	60.8	-13.0	-73.9	-121.4%
Net income	40.0	8.1	-31.8	-79.5%

* Figures here and below are presented exclusive of the GRR premiums of the automobile insurance "ModoRich", which contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2007	FY2008	Change	Growth
MSI (non-consolidated)	1,306.8	1,239.3	-67.4	-5.2%
Overseas subsidiaries	203.2	181.9	-21.2	-10.4%
Mitsui Direct General	26.4	29.6	3.1	12.1%

Breakdown of net income

(¥ bn)

	FY2007	FY2008	Change
MSI (non-consolidated)	38.3	46.5	8.2
Overseas subsidiaries	13.6	-22.9	-36.6
Mitsui Direct General	-1.7	-1.5	0.2
MSI Kirameki Life	0	0	0
MSI MetLife	-6.2	-4.4	1.7
Other	1.2	0.2	-0.9
Consolidation adjustment, etc.	-5.2	-9.6	-4.4

* Net income of subsidiaries is based on equity in earnings.

<Net premiums written>

- On a consolidated basis, net premiums written totaled ¥1,451 billion, down ¥85.5 billion or 5.6% YoY.
- Breakdown of consolidated net premiums written
  - At MSI (non-consolidated), net premiums written decreased ¥67.4 billion YoY to ¥1,239.3 billion, due chiefly to the impact of lowered CALI premium rates.
  - Net premiums written at overseas subsidiaries totaled ¥181.9 billion, down ¥21.2 billion YoY, due to the strong yen. Negative currency impact totaled ¥27.7 billion.
  - Net premiums written at Mitsui Direct General expanded steadily to ¥29.6 billion, posting double-digit growth (12.1%) during the term.

<Net income>

- Net income for the fiscal year was ¥8.1 billion, down ¥31.8 billion, due to the significant impact of the financial crisis on Group companies around the world.
- Breakdown of net income
  - At MSI (non-consolidated), net income increased ¥8.2 billion YoY to ¥46.5 billion, due to improved underwriting profit.
  - Overseas subsidiaries posted a net loss of ¥22.9 billion, decreasing ¥36.6 billion from a profit in the previous term, due chiefly to major credit insurance losses amid the bankruptcy of financial institutions in the United States and Europe.
  - Mitsui Direct General posted a net loss of ¥1.5 billion, a ¥0.2 billion improvement with the previous year's loss reduced.
  - MSI Kirameki Life is continuing to build up its standard underwriting reserve.
  - MSI MetLife posted a net loss of ¥4.4 billion, a ¥1.7 billion improvement compared with the loss of the previous year. Net investment losses increased due to the weakening investment environment but were compensated for by reversal of catastrophe loss reserves.

MSI (Non-consolidated)

Key financial data

(¥ bn)

	FY2007	FY2008	Change
Net premiums written	1,306.8	**1,239.3**	**-67.4**
Growth rate	-1.3%	**-5.2%**	**-3.9pt**
Net loss ratio	65.1%	**69.5%**	**4.4pt**
Net expense ratio	31.8%	**34.0%**	**2.2pt**
Combined ratio	96.9%	**103.5%**	**6.6pt**
Incurred losses	770.2	**754.3**	**-15.9**
Underwriting profit/loss	-19.6	**32.4**	**52.1**
Net investment income/loss	77.7	**-1.9**	**-79.7**
Ordinary profit/loss	55.0	**25.5**	**-29.4**
Extraordinary gain/loss	-4.8	**23.6**	**28.4**
Net income	38.3	**46.5**	**8.2**
(Excluding CALI)			
Net premiums, growth rate	-1.5%	**-2.2%**	**-0.7pt**
Net loss ratio	63.1%	**65.3%**	**2.2pt**
Net expense ratio	34.3%	**35.5%**	**1.2pt**
Combined ratio	97.4%	**100.8%**	**3.4pt**

* CALI : Compulsory Automobile Liability Insurance

- Net premiums written decreased 5.2%. In addition to the impact of lowered CALI premium rates, all lines were affected by the economic slowdown and the slump in car sales in Japan. (Excluding CALI, the decrease would have been 2.2%).
- The net loss ratio increased 4.4 percentage points YoY, due to increased insurance and loss adjustment expenses and a decrease in premiums. (Excluding CALI, the increase would only have been 2.2 percentage points).
- The net expense ratio increased 2.2 percentage points YoY, reflecting increased company expense and decreased premium income.
- The combined ratio increased 6.6 percentage points YoY to 103.5%. (Excluding CALI, the increase would have been 3.4 percentage points).
- Underwriting profit improved ¥52.1 billion YoY to ¥32.4 billion. The main reasons were as follows:
  - A ¥15.9 billion drop in incurred losses YoY due partly to a fall in accident occurrence affecting the automobile line. (Incurred losses in the automobile line decreased ¥25.9 billion).
  - In line with the change to a statutory 3.2% provision ratio for the catastrophe loss reserves for automobile insurance, provision to these reserves decreased ¥35.6 billion YoY.

    (The impact of the change in the provision ratio for catastrophe loss reserves for automobile insurance was ¥28.7 billion)
- A net investment loss of ¥1.9 billion was posted, a ¥79.7 billion decrease from a previous-year profit, due chiefly to increased devaluation losses on securities amid the financial crisis. (For more details please see page 7).
- As a result of the above, ordinary profit decreased ¥29.4 billion YoY to ¥25.5 billion.
- Net extraordinary gains increased ¥28.4 billion after last year's loss to ¥23.6 billion, due to reversal of the price fluctuation reserve.
- Net income for the year increased ¥8.2 billion to ¥46.5 billion.

MSI (Non-consolidated): Premiums and loss ratios by product line

Net premiums written

(¥ bn)

	FY2007	FY2008	Growth
Fire	176.2	176.1	-0.1%
Marine	72.7	64.1	-11.8%
Personal accident	130.7	128.9	-1.4%
Voluntary auto	551.3	541.1	-1.9%
CALI	191.0	148.2	-22.4%
Others	184.6	180.6	-2.1%
Total	1,306.8	1,239.3	-5.2%
(Excluding CALI)	1,115.8	1,091.1	-2.2%

Loss ratio

	FY2007	FY2008	Change
Fire	47.1%	42.6%	-4.5pt
Marine	50.6%	51.5%	0.9pt
Personal accident	58.1%	60.4%	2.3pt
Voluntary auto	71.4%	73.2%	1.8pt
CALI	77.2%	99.8%	22.6pt
Others	62.0%	72.3%	10.3pt
Total	65.1%	69.5%	4.4pt
(Excluding CALI)	63.1%	65.3%	2.2pt

Incurred losses

(¥ bn)

	FY2007	FY2008	Change
Incurred losses (excluding loss adjustment)	770.2	754.3	-15.9
Natural disasters	8.2	6.0	-2.2
Other	761.9	748.2	-13.6
Incurred losses for voluntary auto (excluding loss adjustment expenses)	363.0	337.0	-25.9

* Incurred losses: Net claims paid + provision for outstanding claims including IBNR

▼ Net premiums written

- Marine: Net premiums written posted a 11.8% decrease YoY due to weak logistics activity amid the economic slowdown and the strong yen.
- Personal accident: Net premiums written were down 1.4% YoY due to declines in saving-type and third-sector (long-term medical) products.
- Automobile: Net premiums written decreased 1.9% YoY due to a decrease in new policies written amid slumping vehicle sales in Japan.

▼ Net loss ratio

- Fire: The net loss ratio improved 4.5 percentage points YoY due partly to a decrease in total payout for natural disasters (a drop of ¥5.9 billion YoY, including payouts for events occurred before the previous year).
- Personal accident: The net loss ratio rose 2.3 percentage points YoY due to an increase in total payout mainly for general personal accident insurance and decreased premiums.
- Voluntary automobile: Despite a decrease in total payout, net loss ratio increased 1.8 percentage point YoY due partly to a decrease in premium revenues.
- Other lines: The net loss ratio increased 10.3 percentage points YoY due to an increase in insurance payouts on major accidents.

<Major natural disasters during the year> (¥ bn)

	FY07			FY08		
	Net premiums	Outstanding claims	Total	Net premiums	Outstanding claims	Total
Fire	5.9	1.0	6.9	2.6	0.3	2.9
Marine	0	0	0	0	0	0
Auto	0.3	0	0.3	2.5	0	2.5
Other	0.5	0.3	0.8	0.3	0.1	0.5
Total	6.8	1.4	8.2	5.5	0.5	6.0

MSI (Non-consolidated): Company expenses and expense ratio

Company expenses

(¥ bn)

	FY2007	FY2008	
			Change
Underwriting company expense	205.0	**213.1**	**8.0**
Loss adjustment expense	74.0	**76.1**	**2.1**
Other	12.6	**12.8**	**0.2**
Total company expense	291.7	**302.1**	**10.4**
Personnel	148.3	**152.6**	**4.2**
Non personnel	128.8	**135.2**	**6.4**
Taxes and contribitions	14.5	**14.2**	**-0.2**

Expense ratios

(¥ bn)

	FY2007	FY2008	
			Change
Net commission rate	16.1%	**16.8%**	**0.7pt**
Net company expense ratio	15.7%	**17.2%**	**1.5pt**
Net expense ratio	31.8%	**34.0%**	**2.2pt**
Net expense ratio (excluding CALI)	34.3%	**35.5%**	**1.2pt**

▼ Company expense increased ¥10.4 billion YoY to ¥302.1 billion.

▼ Personnel costs increased ¥4.2 billion YoY due to an increase in staff hires, etc., while non personnel costs rose ¥6.4 billion due to increased system costs and depreciation costs.

▼ The net expense ratio increased 2.2 percentage points YoY to 34.0%.

- The net commission ratio was 16.8% (an increase of 0.7 percentage point YoY).
- The net company expense ratio was 17.2% (up 1.5 percentage point YoY).

▼ Excluding CALI, the net expense ratio rose 1.2 percentage points YoY to 35.5%.

MSI (Non-consolidated): Investment performance

Mitsui Sumitomo Insurance Group Holdings

Net investment income/loss

(¥ bn)

	FY2007	FY2008	
			YoY change
Interest and dividends received	154.5	137.8	-16.6
Transfer of investment income on deposit premiums	58.7	52.8	-5.8
Net interest and dividend income	95.7	85.0	-10.7
Net gains/losses on sale of securities	33.6	60.2	26.6
Losses on devaluation of securities	-14.7	-109.5	-94.7
Net Gains/losses on redemption of securities	3.0	-5.7	-8.7
Gains/losses on derivative transactions	-23.2	-0.7	22.4
Other	-16.7	-31.2	-14.5
Net investment income/loss	77.7	-1.9	-79.7

Sources of interest and dividends received

(¥ bn)

	FY2007	FY2008	
			YoY change
Bonds	29.8	29.6	-0.2
Stocks	44.1	46.6	2.5
Foreign securities	46.3	29.6	-16.7
Other securities	5.1	2.0	-3.0
Loans	14.7	15.4	0.7
Real estate	6.6	7.1	0.4
Other	7.5	7.1	-0.3
Total	154.5	137.8	-16.6

- Interest and dividend received decreased ¥16.6 billion YoY due chiefly to a decrease in dividends from overseas investment trusts.
- Net interest and dividend income decreased ¥10.7 billion YoY, due to a ¥5.8 billion YoY decrease in transfer of investment income on deposit premiums.

- Net gains/losses on sale of securities increased ¥26.6 billion YoY.
- Losses on devaluation of securities expanded by ¥94.7 billion YoY to ¥109.5 billion, due chiefly to financial crisis.

(¥ bn)

	FY2007	FY2008	
			Change
Bonds	—	2.0	2.0
Stocks	10.6	35.7	25.1
Foreign securities	2.7	47.5	44.7
Other	1.3	24.2	22.8
Total	14.7	109.5	94.7

- Gains/losses on derivative transactions posted a loss of ¥700 million, a ¥22.4 billion improvement from the previous year's loss of ¥23.2 billion. This reflects the booking of ¥26.1 billion in credit derivative losses in the previous year.

- As a result of the above, a net investment loss of ¥1.9 billion was posted, a decrease of ¥79.7 billion from the previous year's profit.

MSI's overseas subsidiaries

Net premiums written

(¥ bn)

	FY2007	FY2008		
			Change	Growth
Subsidiaries total	203.2	**181.9**	**-21.2**	**-10.4%**
Asia	71.5	**70.7**	**-0.8**	**-1.1%**
Europe	81.6	**61.7**	**-19.8**	**-24.3%**
Americas (incl. Brazil)	23.9	**23.9**	**0**	**-0.1%**
Reinsurance	26.1	**25.5**	**-0.5**	**-2.2%**

Net income

(¥ bn)

	FY2007	FY2008	
			Change
Subsidiaries total	13.6	**-22.9**	**-36.6**
Asia	8.9	**2.9**	**-5.9**
Europe	-3.7	**-31.3**	**-27.5**
Americas (incl. Brazil)	1.7	**1.1**	**-0.5**
Reinsurance	6.7	**4.1**	**-2.5**

<Net premiums written>

▼ At overseas subsidiaries, net premiums written decreased ¥21.2 billion or 10.4% YoY to ¥181.9 billion, due to the significant negative impact of the strong yen.

- The impact of the yen appreciation was ¥27.7 billion.
- In Europe, in addition to the ¥14.7 billion yen impact of yen appreciation, termination of underwriting of credit insurance and other factors had a ¥5.5 billion impact.

<Change in net premiums written by region and business, excluding currency impact>

Asia	＋ 9.8%
Europe	- 6.2%
Americas	＋ 13.1%
Reinsurance	＋ 6.5%

<Net income>

▼ Overseas subsidiaries posted a net loss of ¥22.9 billion, a ¥36.6 billion decrease from the previous year's profit.

- The major reason for the setback was steep credit insurance losses ($350 million, ¥36.0 billion) in European operations.
- Due to the global financial crisis, net investment income at overseas subsidiaries decreased ¥10.0 billion YoY.

Life insurance subsidiaries

MSI Kirameki Life

(¥ bn)

	FY2007	FY2008	Growth/Change
Amount of new policies	1,505.7	1,653.9	9.8%
Amount of in-force policies	8,616.4	9,030.8	4.8%
Premiums	221.8	220.1	-0.8%
Net income	0.0	0.0	0.0
Net income (pro forma) *	4.3	2.4	-1.8

* Net income (pro forma) is before provision of standard underwriting reserve as defined in the calculation of Group Core Profit.

MSI MetLife

(¥ bn)

	FY2007	FY2008	Growth/Change
Amount of new policies	592.4	592.9	0.1%
Amount of in-force policies	2,527.8	2,478.7	-1.9%
Premiums	644.6	619.2	-3.9%
Net income (our share)	-6.2	-4.4	1.7
Net income (our share, US-GAAP)*	5.1	0.6	-4.5

* Net income under US-GAAP as defined in the calculation of Group Core Profit.

<MSI Kirameki Life>

- Amount of new policies showed steady growth of 9.8% YoY.
- Amount of in-force policies showed steady growth of 4.8% YoY despite some contract cancellations.
- Premiums decreased 0.8% YoY, due to a slump in corporate contracts.
- Net income came in at ¥44 million, reflecting the need to make provisions to meet the standard underwriting reserve requirement as long as net income remains below ¥100 million (¥3.8 billion was added to the reserve during the period).
- Net income (pro forma) decreased ¥1.8 billion YoY to ¥2.4 billion. Negative factors were the need to add to the underwriting reserve due to high growth in the amount of new policies, and increased general expenses due to marketing initiatives through new channels such as banks, as well as suspension of sales of increasing-term life insurance in the previous year.

<MSI MetLife>

- The total amount of new policies increased 0.1% YoY. Number of policies increased, but premiums per policy decreased.
- Amount of in-force decreased 1.9% YoY, due mainly to the tough investment environment.
- Premiums decreased 3.9% YoY due to financial instability that spread globally, and a rapidly worsening economy.
- The net loss improved by ¥1.7 billion YoY to ¥4.4 billion. Net investment losses increased due to the deteriorating investment environment but were compensated for by reversal of catastrophe loss reserves.
- Net income under the US -GAAP as defined in the calculation of Group Core Profit decreased ¥4.5 billion YoY. The main reason was investment losses and a decrease in related revenues in line with the decrease in the total amount in force.

Mitsui Sumitomo Insurance Group Holdings, Inc.

Full-Year Results Forecast for FY2009

Mitsui Sumitomo Insurance Group Holdings

MS&AD

MSIG (Consolidated)

Key financial data

(¥ bn)

	FY2008	FY2009 (forecast)		
			Change	Growth
Net premiums written	1,451.0	1,410.0	-41.0	-2.8%
Ordinary profit/loss	-13.0	30.0	43.0	
Net income	8.1	22.0	13.8	

Breakdown of net premiums written

(¥ bn)

	FY2008	FY2009 (forecast)		
			Change	Growth
MSI (non-consolidated)	1,239.3	1,215.0	-24.4	-2.0%
Overseas subsidiaries	181.9	163.3	-18.7	-10.3%
Mitsui Direct General	29.6	31.7	2.1	7.1%

Breakdown of net income

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
MSI (non-consolidated)	46.5	20.0	-26.6
Overseas subsidiaries	-22.9	14.6	37.6
Mitsui Direct General	-1.5	-0.9	0.7
MSI Kirameki Life	0.0	0.0	—
MSI MetLife	-4.4	1.1	5.6
Other	0.2	0.2	-0.1
Consolidation adjustment, etc.	-9.6	-12.9	-3.3

※Net income of subsidiaries is represented based on equity stake.

▼ Business forecasts: End of FY assumptions

	End of FY08	Our forecast
Yen/dollar exchange rate	¥98.23	¥95.00
Interest rate on 10-year JGB	1.35%	1.50%
Stock prices (Nikkei average)	¥8,109	¥9,000

▼ On a consolidated basis, we expect net premiums written to fall ¥41.0 billion or 2.8% YoY to ¥1,410 billion.

▼ We forecast consolidated net income to increase ¥13.8 billion YoY to ¥22.0 billion.

▼ Breakdown of net premiums written (consolidated)

- We expect MSI (non-consolidated) to suffer a ¥24.4 billion drop in net premiums written to ¥1,215 billion, due to the lingering impact of the CALI rate revision in the previous year, and impact of the economic slowdown.
- Overseas subsidiaries are likely to suffer a ¥18.7 billion decrease in net premiums written to ¥163.3 billion.
- We expect Mitsui Direct General to post a ¥2.1 billion increase in net premiums written to ¥31.7 billion.

▼ Breakdown of net income

- We see net income at MSI (non-consolidated) declining by ¥26.6 billion YoY to ¥20.0 billion.
- For overseas subsidiaries, we forecast a ¥37.6 billion YoY increase to ¥14.6 billion, as business performance at European subsidiaries recovers.
- At Mitsui Direct General, we expect to post a net loss of ¥900 million, which would be a reduction in red ink.
- MSI Kirameki Life will continue to build up its standard underwriting reserve.
- MSI MetLife is expected to reduce its sales commission costs and post a net income of ¥1.1 billion.

MSI (Non-consolidated)

Key financial data

(¥ bn)

	FY2008	FY2009 (forecast)	Change
Net premiums written	1,239.3	**1,215.0**	**-24.4**
Growth rate	-5.2%	**-2.0%**	**3.2pt**
Net loss ratio	69.5%	**68.7%**	**-0.8pt**
Net expense ratio	34.0%	**34.5%**	**0.5pt**
Combined ratio	103.5%	**103.2%**	**-0.3pt**
Incurred losses	754.3	**756.7**	**2.4**
Underwriting profit	32.4	**-12.0**	**-44.5**
Net investment income/loss	-1.9	**39.1**	**41.1**
Ordinary profit/loss	25.5	**23.0**	**-2.5**
Extraordinary gain/loss	23.6	**-1.2**	**-24.9**
Net income	46.5	**20.0**	**-26.6**
(Excluding CALI)			
Net premiums, growth rate	-2.2%	**-0.9%**	**1.3pt**
Net loss ratio	65.3%	**63.4%**	**-1.9pt**
Net expense ratio	35.5%	**35.8%**	**0.3pt**
Combined ratio	100.8%	**99.2%**	**-1.6pt**

- We expect net premiums written to decline by ¥24.4 billion or 2.0% YoY. Excluding CALI, we see the decline at 0.9%.

- The loss ratio is likely to decrease by 0.8 percentage points to 68.7% YoY. Excluding CALI, the decrease is likely to be 1.9 percentage point, to 63.4%.
- We expect the net expense ratio to increase 0.5 percentage points YoY to 34.5%.
- The combined ratio is seen decreasing 0.3 percentage points YoY to 103.2%. Excluding CALI, the decrease is likely to be 1.6 percentage points.
- We expect an underwriting loss of ¥12.0 billion.

  This would be a ¥44.5 billion decrease YoY, due to the temporary impact of revision of the statutory catastrophe loss reserve ratio for automobile insurance in the previous term, as well as an expected increase in occurrence of natural disasters during the current term.

- We expect net interest and dividends received to decline by ¥23.5 billion YoY to ¥61.5 billion, on lower dividend income due to deteriorating corporate earnings performance.
- Net investment income is likely to grow ¥41.4 billion YoY to ¥39.1 billion, with a significant decrease in appraisal loss on securities outweighing a decrease in gains from sale of securities.

- We see ordinary profit decreasing ¥2.5 billion YoY to ¥23.0 billion.
- We expect an extraordinary loss of ¥1.2 billion, a ¥24.9 billion decline from the gain of the previous term, when reversals of the price fluctuation reserve were booked.
- Net income is set to decline ¥26.6 billion to ¥20.0 billion.

MSI (Non-consolidated): Premiums and loss ratios by product line

Mitsui Sumitomo Insurance Group Holdings

Net premiums written

(¥ bn)

	FY2008	FY2009 (forecast)	
			Growth
Fire	176.1	**174.4**	**-1.0%**
Marine	64.1	**57.4**	**-10.6%**
Personal accident	128.9	**128.8**	**-0.1%**
Voluntary auto	541.1	**538.7**	**-0.4%**
CALI	148.2	**134.1**	**-9.6%**
Other	180.6	**181.6**	**0.5%**
Total	1,239.3	**1,215.0**	**-2.0%**
(Excluding CALI)	1,091.1	**1,080.9**	**-0.9%**

Net loss ratio

	FY2008	FY2009 (forecast)	
			Change
Fire	42.6%	**46.7%**	**4.1pt**
Marine	51.5%	**47.7%**	**-3.8pt**
Personal accident	60.4%	**61.1%**	**0.7pt**
Voluntary auto	73.2%	**71.7%**	**-1.5pt**
CALI	99.8%	**111.1%**	**11.3pt**
Others	72.3%	**61.2%**	**-11.1pt**
Total	69.5%	**68.7%**	**-0.8pt**
(Excluding CALI)	65.3%	**63.4%**	**-1.9pt**

Incurred losses

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Incurred losses (excluding loss adjustment expenses)	754.3	**756.7**	**2.4**
Natural disasters	6.0	**15.0**	**9.0**
Others	748.2	**741.7**	**-6.6**
Voluntary auto (excluding loss adjustment expenses)	33.7	**331.9**	**-5.2**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR.

- We expect net premiums written to decline 2.0%, due to lingering impact of revision of CALI premium rates, the lower level of facilities investment and logistics activity due to the economic slowdown, and the slump in new car sales. (The impact of the CALI rate revision in the previous term was approximately ¥15.0 billion).

- We forecast net loss ratio to decline 0.8 percentage points to 68.7%.
- Excluding natural disasters, our forecasts for net loss ratio are as follows:

Fire	:	40.1% (down 1.0 percentage point YoY)
Marine	:	47.7% (down 3.8 percentage points YoY)
Personal accident	:	61.1% (up 0.7 percentage points YoY)
Voluntary auto	:	71.3% (down 1.5 percentage points YoY)
CALI	:	111.1% (up 11.3 percentage points YoY)
Others	:	60.6% (down 11.5 percentage points YoY)
Total	:	67.4% (down 1.6 percentage points YoY)

- We have factored in natural disaster losses of ¥15.0 billion (up ¥9.0 billion YoY)
  Fire: ¥11.5 billion, Automobile: ¥2.5 billion, and Others: ¥1.0 billion.

- We expect incurred losses in the automobile line to decrease by ¥5.2 billion YoY.

MSI (Non-consolidated): Company expenses and expense ratio

Mitsui Sumitomo Insurance Group Holdings

Company expenses

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Underwriting company expense	213.1	**211.8**	**-1.4**
Loss adjustment expenses	76.1	**76.1**	**-0.1**
Other	12.8	**10.9**	**-1.9**
Total company expense	302.1	**298.8**	**-3.4**

Personnel	152.6	**158.9**	**6.3**
Non personnel	135.2	**126.4**	**-8.8**
Tax and contributions	14.2	**13.4**	**-0.9**

Expense ratio

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Net commission rate	16.8%	**17.0%**	**0.2pt**
Net company expense ratio	17.2%	**17.4%**	**0.2pt**
Net expense ratio	34.0%	**34.5%**	**0.5pt**
Net expense ratio (excluding CALI)	35.5%	**35.8%**	**0.3pt**

- We expect total company expense to fall ¥3.4 billion YoY to ¥298.8 billion, on planned cost cuts chiefly in non personnel items.

- We expect expense ratio to increase 0.5 percentage points to 34.5%.
  - ・Net commission rate: 17.0% (up 0.2 percentage points YoY)
  - ・Company expense ratio: 17.4% (up 0.2 percentage points YoY)

- We expect expense ratio excluding CALI to rise 0.3 percentage points YoY to 35.8%.
  - ・Net commission rate: up 0.2 percentage points YoY to 18.3%
  - ・Company expense ratio: up 0.1 percentage points YoY to 17.5%

MSI (Non-consolidated): Investment performance

Mitsui Sumitomo Insurance Group Holdings

Outline of investment performance

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Interest and dividends received	137.8	**114.4**	**-23.5**
Transfer of investment income on deposit premiums	52.8	**52.9**	**0.0**
Net interest and dividend income	85.0	**61.5**	**-23.5**
Net gains/losses on sale of securities	60.2	**-2.5**	**-62.7**
Losses on devaluation of securities	-109.5	**-7.2**	**102.3**
Net gains/losses on redemption of securities	-5.7	**-2.6**	**3.1**
Gains/losses on derivative transactions	-0.7	**7.9**	**8.6**
Other	-31.2	**-18.0**	**13.2**
Net investment income/loss	-1.9	**39.1**	**41.1**

Sources of interest and dividends received

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Bonds	29.6	**27.8**	**-1.9**
Stocks	46.6	**30.0**	**-16.7**
Foreign securities	29.6	**27.8**	**-1.8**
Other securities	2.0	**1.8**	**-0.3**
Loans	15.4	**15.0**	**-0.5**
Real estate	7.1	**7.2**	**0.0**
Other	7.1	**4.8**	**-2.4**
Total	137.8	**114.4**	**-23.5**

- We expect interest and dividends received to decline ¥23.5 billion YoY to ¥114.4 billion, on an expected fall in dividend revenues due to deteriorating corporate earnings performance.
- Net interest and dividend income are expected to decline ¥23.5 billion YoY to ¥61.5 billion.
- We expect net losses on sales of securities of ¥2.5 billion, a decline of ¥62.7 billion YoY.
- We expect losses on devaluation of securities of ¥7.2 billion, an improvement of ¥102.3 billion YoY.
- We see gains on derivative transactions increasing by ¥8.6 billion to ¥7.9 billion YoY, due chiefly to recovery in the prices of credit derivatives.

MSI's overseas subsidiaries

Net premiums written

(¥ bn)

	FY2008	FY2009 (forecast)		
			Change	Growth
Overseas subsidiaries total	181.9	163.3	-18.7	-10.3%
Asia	70.7	68.9	-1.9	-2.6%
Europe	61.7	46.5	-15.3	-24.8%
Americas (incl. Brazil)	23.9	24.7	0.8	3.5%
Reinsurance	25.5	23.2	-2.4	-9.3%

Net income

(¥ bn)

	FY2008	FY2009 (forecast)	
			Change
Overseas subsidiaries total	-22.9	14.6	37.6
Asia	2.9	5.4	2.4
Europe	-31.3	1.5	32.9
Americas (incl. Brazil)	1.1	1.9	0.7
Reinsurance	4.1	5.7	1.6

<Net premiums written>

▼ Net premiums written at overseas subsidiaries are expected to decline ¥18.7 billion to ¥163.3 billion.

・We expect negative impact of approximately ¥30 billion from the strength of the Japanese yen against Asian and European currencies, but increases in net premiums written are expected on a local currency basis.

<Net income>

▼ Net income at overseas subsidiaries is expected to increase ¥37.6 billion YoY to ¥14.6 billion.

・We expect net income of ¥1.5 billion (up ¥32.9 billion YoY) in European operations, which were hit in the previous term by major credit insurance losses.

・We forecast reinsurance companies to see net income increase ¥1.6 billion YoY to ¥5.7 billion, due to improvement in incurred losses.

Life insurance subsidiaries

MSI Kirameki Life

(¥ bn)

	FY2008	FY2009 (forecast)	
			Growth/Change
Amount of new policies	1,635.9	**1,930.0**	**16.7%**
Amount of in-force policies	9,030.8	**9,890.0**	**9.5%**
Premiums	220.1	**222.0**	**0.8%**
Net income	0.0	**0.0**	**—**
Net income (pro forma) *	2.4	**1.1**	**-1.3**

* Net income (pro forma) is before provision of standard underwriting reserve as defined in the calculation of Group Core Profit.

MSI MetLife

(¥ bn)

	FY2008	FY2009 (forecast)	
			Growth/Change
Amount of new policies	592.9	**193.2**	**-67.4%**
Amount of in-force policies	2,478.7	**2,459.9**	**-0.8%**
Premiums	619.2	**200.0**	**-67.7%**
Net income (our share)	-4.4	**1.1**	**5.6**
Net income (our share, US-GAAP)*	0.6	**0.7**	**0.1**

* Net income under US-GAAP as defined in the calculation of Group Core Profit.

<MSI Kirameki Life>

- We expect a 16.7% increase YoY in amount of new policies, on steady growth through established and new marketing channels, based on “New Sales Structure for Life Products” and “Vision for 2010 Distribution Channel”. We also see high growth in the third-sector products.
- Amount of in-force policies is likely to increase 9.5% YoY.
- We expect premiums to rise 0.8% YoY. We have focused on individual policies and third-sector products, and expect weak growth in corporate policies.
- As a result of making provisions to meet standard underwriting reserve targets to the level at which net income goes down below ¥100 million, we expect net income to be below ¥100 million. (We expect to make a ¥1.7 billion provision to the underwriting reserve.)
- We expect net income (pro forma) to decrease ¥1.3 billion YoY to ¥1.1 billion, due to increased general expenses to build “New Sales Structure for Life Products”, and an increase in underwriting reserve provisions in line with high growth in new policies.

<MSI MetLife>

- We expect a major fall in premiums YoY due to the decline in over-the-counter sales at financial institutions.
- We forecast net income of ¥1.1 billion, a ¥5.6 billion YoY earnings improvement, due to lower sales commission expenses following a fall in premiums.
- We expect net income under US-GAAP, as defined in the calculation of Group Core Profit, to increase ¥0.1 billion YoY to ¥0.7 billion.

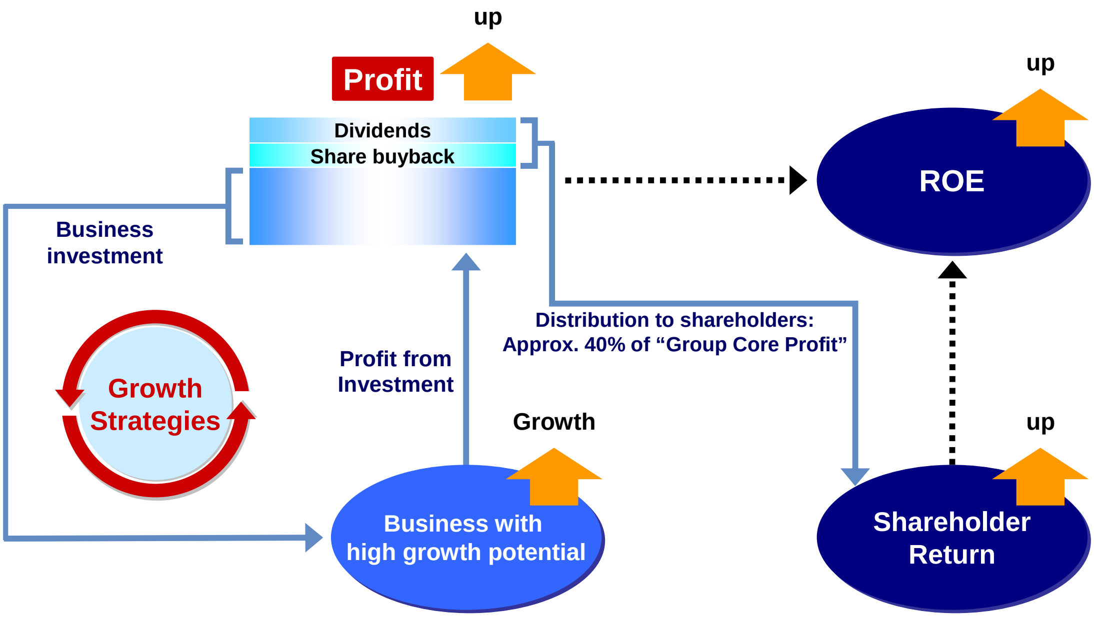
Mitsui Sumitomo Insurance Group Holdings, Inc.

Strategies for FY2009

Improvement of Corporate/Shareholder Value via Growth Strategy

Mitsui Sumitomo Insurance Group Holdings

- Increasing profit size in the medium term in line with business growth
- Distribution to shareholders increasing in size, together with the size of the profit
- Redistributing the capital through business investment for the improvement of ROE

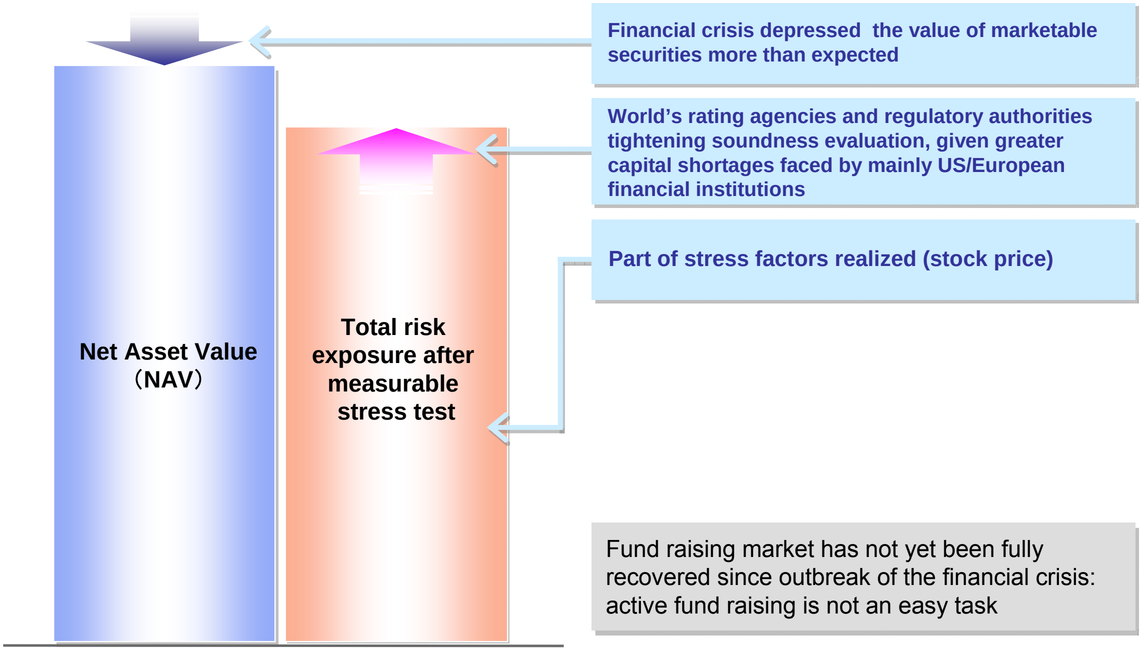


- MSIG's basic capital management policy includes; (a) implementing further investment for potential growth area as well as (b) ensuring sound financial position. Both based on the management concept that maximizing profitability through business expansion should deliver more corporate/shareholder value, as a result.

- MSIG's basic policy of distribution to shareholders is; (a) returning approximately 40% of "Group Core Profit" (the group's in-house profitability benchmark) to shareholders via dividends and share buyback, as well as (b) aiming to maintain stable dividend payment and increasing trend of dividends-per-share over the medium term. It is crucial to maintain a sound balance into the medium-term between investment and shareholder returns, while ensuring financial soundness.

Capital Position

- **Despite extremely challenging economic circumstances, the capital position of the Group is strong enough to carry out sound operation for ongoing business**
- **Still, the company will accelerate its efforts for integrated risk control/management policy**



- Amid the following circumstances, it's becoming more and more important as an insurance company to build financial soundness worth receiving appropriate evaluation from the market as well as customers.
  - The financial crisis has brought an adverse effect to assets held by the company, which in turn depressed overall capital level.
  - World's rating agencies and regulatory authorities have tightened soundness evaluation, given greater capital shortages faced by mainly US/European financial institutions (conducting additional various stress tests, etc.).
  - As fund raising market has not yet been fully recovered since outbreak of the financial crisis, active fund raising is not an easy task.
- The basic capital management policy includes ensuring sound financial position as well as implementing further investment for potential growth area. Both based on the management concept that maximizing profitability through business expansion should deliver more corporate/shareholder value.
- MSIG aims to allocate appropriate capital level by taking decisive actions for comprehensive risk management system to meet uncertainty of the business, from the viewpoint of strong ongoing business activities combined with the development of business investment.

Approach to Shareholder Return and Share Buyback

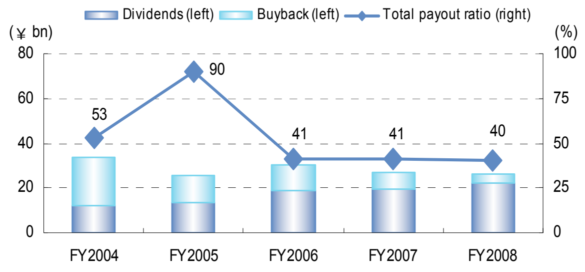
Mitsui Sumitomo Insurance Group Holdings

Shareholder Return Policy

- **Returning approx. 40% of "Group Core Profit" to shareholders through dividends and share buyback**
- **Aiming to maintain stable dividend payments and increasing trend of dividends-per-share over mid-to-long term**

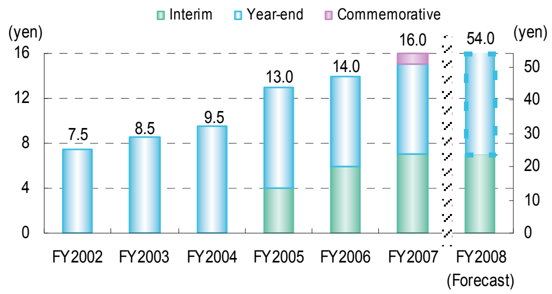
Shareholder Return Track Record

Shareholder return (MSI)



* Dividends and buybacks are shown in the fiscal years in which they were paid/completed.
(The financial resources were recorded in the preceding fiscal years.)

Dividends per share



* Left axis is for data from FY2002 to FY2007, and right axis for data for FY2008.
* Data from FY2002 to FY2007 is on MSI basis.
FY2008 (Forecast) represents the forecast dividends of MSIG.
The FY2008 dividend per share of ¥54 is equivalent to ¥16.2 on an MSI basis (prior to the establishment of the holding company)

Share Buyback

- **Aim for a 10% reduction in the number of shares outstanding at the time of establishment of MSI in October 2001, to improve capital efficiency.**

Group Core Profit and shareholder return

(¥ bn)

	FY2004	FY2005	FY2006	FY2007	FY2008
Group Core Profit (GCP)	64.0	28.6	73.9	64.9	66.0
Dividends paid	12.4	13.6	18.5	19.8	22.5
Shares bought back	21.5	12.0	11.5	7.0	4.0
Dividends + Buyback (Payout)	33.9	25.6	30.0	26.8	26.5
Payout/GCP	53%	90%	41%	41%	40%

* Dividends and buybacks are shown in the fiscal years in which they were paid/completed.
(The financial resources (GCP) were recorded in the preceding fiscal years.)

Track record of share buyback

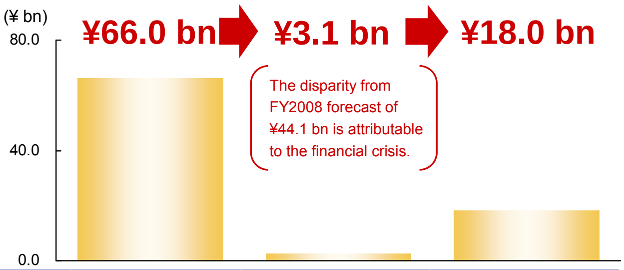
Period of time	Shares bought back (thousand shares)	Amount paid for them (¥ mn)
MSI		
March - December 2002	25,895	14,570
October - December 2003	29,381	25,999
August - October 2004	23,073	21,485
September 2005	10,000	11,992
February - March 2007	7,846	11,499
February - March 2008	6,402	6,998
Total	**102,597**	**92,543**
MSIG		
February - March 2009	1,851 *	3,999

* Equivalent to 6,171 thousand shares of MSI before share transfer

Medium-Term Management Plan “New Challenge 10” and Targets

- **Group core profit for FY2008 declined sharply, to ¥3.1 bn.**
  ⇒ The disparity from FY2008 forecast of ¥44.1 bn is attributable to the financial crisis.
- **Strengthen the ability to respond to a financial crisis and base FY2009 strategy on “New Challenge 10.”**
- **Financial crisis has changed environments drastically.**
  ⇒ Strategy and targets from FY2010 are to be announced based on the discussions towards business combination of the three companies in light of new environments.

Transition of Group Core Profit



	FY2007 (results)	FY2008 (results)		FY2009 (forecast)	
			YoY change		YoY change
Domestic non-life insurance business	41.6	32.8	-8.9	4.3	-28.4
Life insurance business	9.4	3.1	-6.4	1.8	-1.3
Overseas business	14.8	-29.4	-44.3	12.3	+41.8
Financial services and risk-related businesses	0.1	-3.3	-3.3	-0.4	+2.9
Group core profit (total)	66.0	3.1	-62.9	18.0	+14.9

- The FY2008 profit decline is largely attributable to a fall in net investment income and losses in overseas business
- Group Core Profit for FY2009 is expected to rise to ¥18.0bn.
  - Profit in the domestic non-life insurance business is expected to decrease with a reduction in underwriting profit.
  - Profit in the overseas business is expected to recover to pre-crisis levels at ¥12.3 bn.

Figures Assumed for Planning

		FY2008 (end of FY)	FY2009 (end of FY)
Exchange rates	Against U.S. dollar	¥98.23	¥95
	Against euro	¥129.84	¥125
Stock prices	Nikkei average	¥8,109	¥9,000
	NY Dow Jones	7,608	8,000
Interest rate	10-year JGB	1.35%	1.50%

Definition of Group Core Profit

- Group Core Profit

= Consolidated net income
− Net capital gain on stock portfolio
− Net evaluation gain/loss on credit derivatives
− Other incidental factors
− Consolidated net income attributable to life insurance subsidiaries
+ MSI Kirameki Life’s net income before provision for standard underwriting reserves
+ MSI MetLife’s equity in earnings based on US GAAP
+ Other income

- ROE based on Group Core Profit

= Group core profit ÷ Consolidated shareholders’ equity (average of starting and ending amounts)

Domestic Non-Life Insurance Business (MSI)

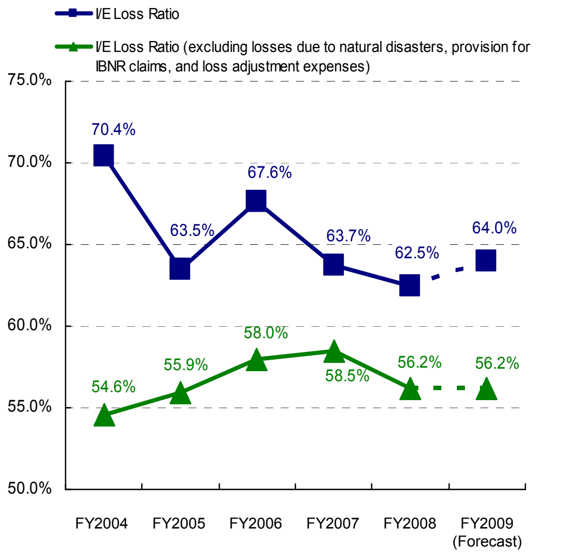
Loss and Expense Ratios

Mitsui Sumitomo Insurance Group Holdings

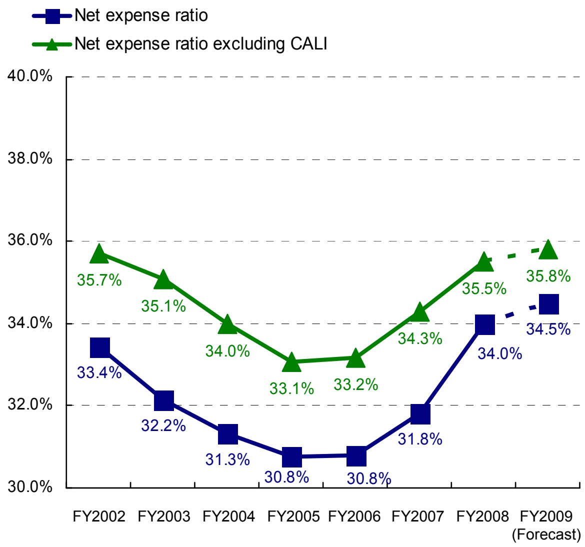
- Earned-Incurred Loss Ratio (excluding losses due to natural disasters, etc.): Down 2.3 points year on year, to 56.2% in FY2008, and expected to remain at the same level in FY2009.
- Expense Ratio: Up 2.2 points year on year, to 34.0% in FY2008, and is expected to edge up 0.5 points, to 34.5% in FY2009.

Changes in Earned-Incurred Loss Ratio

* Earthquake and CALI are excluded from the following items.



Changes in Net Expense Ratio



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Explanation of Changes in Earned-Incurred Loss Ratio

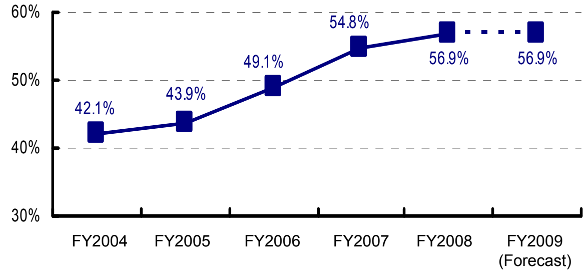
- Earned-incurred (I/E) loss ratio for FY2008 (excluding losses due to natural disasters, provision for IBNR claims, and loss adjustment expenses, the same definition in this section) fell 2.3 points year on year, to 56.2%, because of a fall in I/E loss ratio for voluntary automobile insurance.
- The I/E loss ratio for FY2009 is expected to remain at the same level of 56.2% as for FY 2008.

Explanation of Changes in Expense Ratio

- The expense ratio for FY2008 rose 2.2 points year on year, to 34.0%, as net premiums written decreased and expenses increased due to the following factors. The expense ratio is relatively low compared with other companies in the Japanese non-life insurance industry.
  - Personnel expenses: Increase in the number of personnel
  - Non personnel expenses: Increase in system related expense and depreciation expense
- The expense ratio for FY2009 is expected to edge up 0.5%, to 34.5% as a result of decreased net premiums written. However, expenses are expected to decrease by ¥3.2 bn.

I/E Loss Ratio for Personal Accident Insurance

(Excluding losses due to natural disasters, provision for IBNR claims, and loss adjustment expenses)



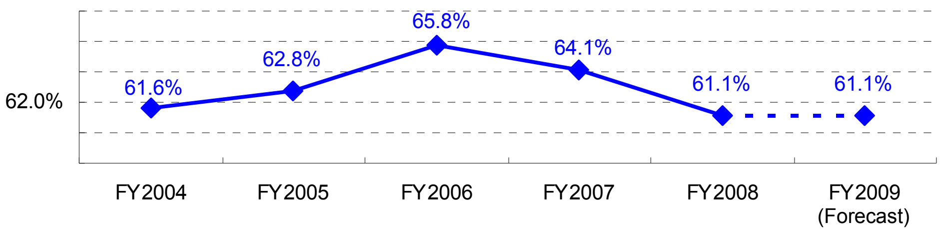
- I/E loss ratio for personal accident insurance for FY2008 rose for another year due to an increase in incurred losses for general personal accident insurance.
- While we will continue with the underwriting steps already taken (improvement for policies with consistently high loss ratio), the I/E loss ratio for FY2009 is expected to remain at the same level of 56.9% as for FY2008. We will study actions involving insurance rates in the future in light of trends associated with a revision of reference rates.

Improving the Voluntary Automobile Insurance Loss Ratio

- The voluntary automobile insurance loss ratio for FY2008 fell 3.0 points year on year, to 61.1%, and reached the target level for FY2010 established in the previous fiscal year, owing to the effects of measures and the decreased number of accidents covered.
- Keep the loss ratio at the FY2008 level in FY2009 by continuing the following measures.

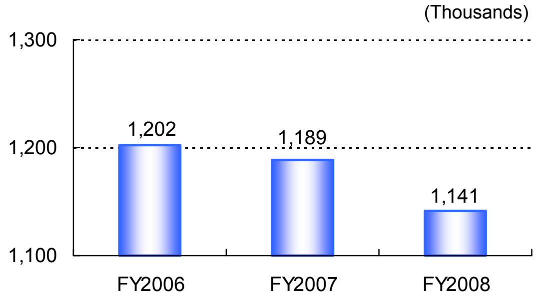
Effects of Product Revision in July 2008	Premium levels were raised, coverages with high loss ratios were reviewed, and discounts that had produced negative effects on loss ratios were discontinued.
Appropriate Underwriting	• Establish detailed underwriting standards that reflect regional and market characteristics • Provide underwriting support and consulting services to agents with high loss ratios
Initiatives for Preventing Accidents	• For fleet policyholders: initiatives for preventing accidents involving new fleet policyholders and fleet policyholders with high loss ratios • For individual policyholders: initiatives for raising awareness of the importance of safe driving

Changes in the I/E Loss Ratio (excluding loss adjustment expenses, provision for IBNR claims, and losses due to natural disasters)

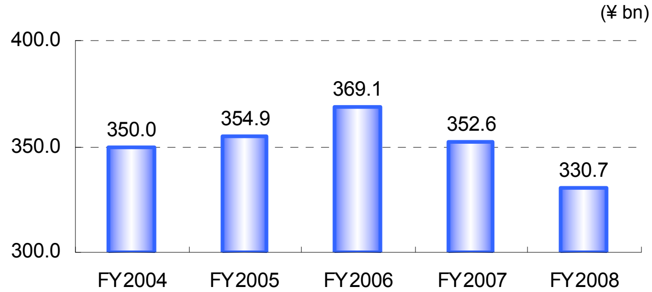


The numbers of accidents covered and incurred losses in FY2008 fell 4.0% year on year and 6.2% year on year, respectively.

Changes in the Number of Accidents Covered (Excluding Natural Disasters)



Changes in Incurred Losses (Domestic Losses, Excluding Those Due to Natural Disasters)



Supplementary Explanations of Measures for Improving Loss Ratios

Underwriting support for agents with high loss ratios

- Analyze factors behind high loss ratios, and establish plans for improving the ratios
- Use underwriting education tools effectively

Initiatives for preventing accidents involving fleet policyholders

- Propose automobile risk management initiatives based on accident circumstances and the characteristics of each fleet policyholder (including consulting services using drive recorders and the Ecological and Safe Driving campaign)

Development of Life Promoters' Channel

Mitsui Sumitomo Insurance Group Holdings

Focusing on the life promoters' channel as a critical growth area in the domestic non-life insurance business

Bolstered alliance with Sumitomo Life Insurance

Entered into the basic agreement for bolstered alliance in Sept 2008

1. Sumitomo Life Insurance to commence sales of MSI's products	Sumitomo Life Insurance will market MSI's non-life insurance products beginning Oct 2009, as our agent No. of life promoters of Sumitomo Life Insurance: 30,000
2. Switching policies held by Sumi-Sei General Insurance to MSI	【Switching period】 Auto insurance ： Oct 2009 ～ Other insurance ： Jan 2010 ～
3. Building sales structure and operational infrastructure for business expansion	In cooperation with Sumitomo Life Insurance, building sales structure and operational infrastructure for anticipated expansion of sales of non-life insurance products

Business Effect

- **Premium growth**
  - Switching policies held by Sumi-Sei General Insurance to MSI
  - Acquiring new policies

  ↓

  *Expected increase in premiums of approximately Y12.0 bn in FY09
- **New business model**
  - Establish/develop the new business model of life promoters' channel

*After end of switching period (Dec 2010), comprehensive transfer of insurance contracts is scheduled on Jan 2011 subject to the approval by the regulatory authority.

New Sales Structure and Operational Infrastructure (Business Model)

Sumitomo Life Ins.

- Ordinary training: Enhancement of education for insurance solicitation
- Establish the inquiry center: Reply to inquiries by life promoters concerning products and operations
- Sales of non-life products using all-in-one type portable terminal (for life/non-life) for life promoters

MSI

- Centralized processing structure: Centralized processing of insurance policies at the headquarter (as a general rule)
- Handling of administrative procedures relating to contracts by a call center
- Utilization of accident report reception center
- Establish a dedicated division for the promotion of the alliance and planning for education

Sumi-Sei Genral Insurance Co. (¥ bn)

Common stock		30.0
Total assets *		90.5
Net premiums written*		30.1
	Voluntary auto	15.7
	Fire	6.7
	Personal accident	4.8
	Others	2.7
Net income*		0.1

*FY2008

Domestic Non-Life Insurance Business (MSI)

Improvement of Productivity through Sales Innovation and Product Innovation

Mitsui Sumitomo Insurance Group Holdings MSIG

Greater Operational Efficiency

- Alleviation of workload among agents and sales employees
- Reduction in costs for execution of contracts and product management and modification

Improvement of Productivity

Increase in activities to win new business (establishing and developing new agents and acquiring new corporate customers)
→Expansion of premium revenues

Slimming personnel in the domestic non-life insurance business
→Accelerating growth by reallocation of human resources to growth areas

Sales Innovation: Initiatives for FY2009

Sales network reforms

Developing sales networks and a sales platform that achieve accountability and support growth

- Establish new agents
- Finish amalgamating and canceling agents
- Increase the scale of agents

Sales process reforms

Establishing new sales processes based on paperless and cashless writing

Action reforms involving sales employees and agents

Achieving customer satisfaction, efficiency and growth with action reforms involving sales employees and agents

Quality improvement campaign

Bolstered training for agents

Product Innovation : Initiatives for FY2009

Improving product simplicity

- Slimming the product lineup
  Reduce the number of products and special clauses by around 40% by the end of fiscal 2010
- Developing the "GK"* brand for products for individuals
- Simplifying policy clauses and terms
  During FY2009, "GK Housing Insurance" (fire insurance) and "GK Injury Insurance" (personal accident) will be launched.

Improving product quality

- Integrating product information management
  Considering reduction in the number of printed pamphlets and development of electronic pamphlets by the product management system
- Stepping up web services

* "GK" of the GK brand embodies the MSIG wish to "serve as the goalkeeper of security." The brand emphasizes reliability and approachability.

Sales Innovations: Achievements by FY2008

Structural sales network reforms

Over the two years, FY2007 and FY2008, the number of agents decreased by 21% and the ratio of net premiums written by large agents (agents handling premiums totaling ¥50 million or more) increased by 4.7 points.

	FY2006	FY2007	FY2008
No. of established agents	1,583	1,074	1,099
No. of cancelled agents	6,563	7,337	5,977
No. of agents at the end of the year	52,659	46,396	41,518
Increase or decrease from the end of the previous year	-4,980	-6,263	-4,878
Ratio of net premiums written by large agents	70.4%	73.2%	75.1%

New sales processes based on paperless and cashless writing

	April 2008		March 2009
• Cashless writing ratio	67.4%	⇒	81.6% (up 14.2 points)
• Electronic writing ratio*	2.3%	⇒	12.6% (up 10.3 points)

* "Electronic writing" refers to a system for completing contractual procedures for voluntary automobile insurance, which have been performed using a print form, on a notebook PC.
The system enables agents to streamline operations ranging from advance preparations to contract conclusion and writing and substantially shortens the time required for such operations.

Product Innovations: Achievements by FY2008

Improving product simplicity

The first "GK" product, "GK Automobile Insurance" released in July 2008

- Reduced the number of special clauses on insurance coverage from 70 to 44, or by 37%,
- Realized easy-to-understand pamphlets and policy clauses with plain terms.

Improving product quality

- Integrating product information management
  - Developed a product management system, which we launched into operation in April 2008
    →Reduced product management operations by approx. 20%
  - Developed a master for integrated management of product information across insurance categories
  - Systematized product quality management and shared the system throughout the organization to prevent administrative errors
- Stepping up web services
  - "Web services for customers"… Services that enable customers to check insurance contract details and perform administrative procedures relating to contracts (including those for changing their address) on the Internet
  - Made these services for "GK automobile insurance" policyholders available to mobile phone users, as well as to personal computer users

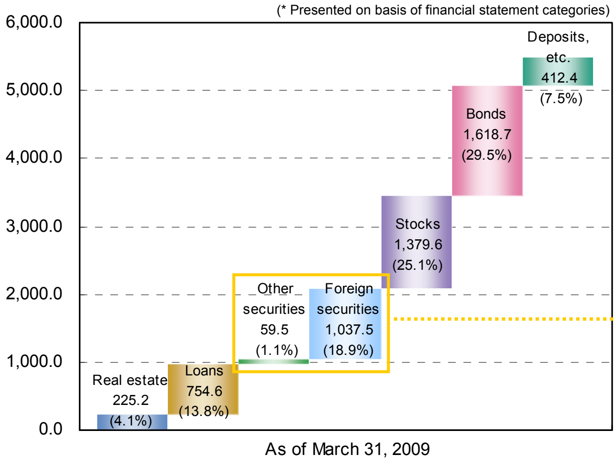
Domestic Non-Life Insurance Business (MSI)

Status of AUM

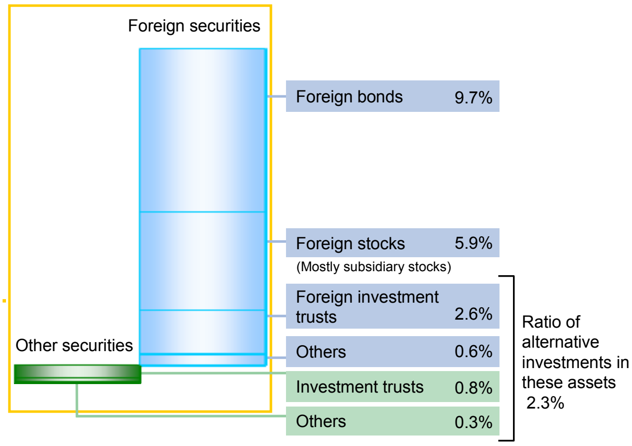
Mitsui Sumitomo Insurance Group Holdings

AUM balance and component ratios by asset (¥ bn)

(* Presented on basis of financial statement categories)



(Percentages indicate ratios to total AUM.)



Devaluation losses for FY2008

- **¥35.7 bn for stocks**
- **¥26.3 bn for foreign bonds (¥9.5 bn for Lehman Brothers Group)**
- **¥24.2 bn for investment trusts**
- **¥21.1 bn for foreign investment trusts**
- **¥2.0 bn for bonds**

Impairment criteria for marketable securities (stocks) : In principle, losses are impaired for stocks whose prices fell 30% or more against their acquisition value. The carrying value of Lehman Brothers Group bonds is impaired down to their memorandum value and the bonds are recorded as non-marketable securities in response to the Lehman bankruptcy.

Transition of AUM balance by asset (¥ bn)

	Mar. 31, 2006	Ratio	Mar. 31, 2007	Ratio	Mar. 31, 2008	Ratio	Mar. 31, 2009	Ratio
Deposits, etc.	372.4	5.2%	347.0	4.7%	339.3	5.1%	412.4	7.5%
Bonds	1,744.1	24.2%	1,780.2	24.1%	1,721.5	26.0%	1,618.7	29.5%
Stocks	2,851.3	39.6%	3,010.0	40.7%	2,244.7	33.9%	1,379.6	25.1%
Foreign securities	1,133.8	15.7%	1,194.6	16.1%	1,213.5	18.3%	1,037.5	18.9%
Other securities	124.0	1.7%	113.6	1.5%	95.4	1.4%	59.5	1.1%
Loans	756.0	10.5%	746.1	10.1%	777.1	11.7%	754.6	13.8%
Real estate	218.1	3.0%	210.0	2.8%	232.4	3.5%	225.2	4.1%
Total	7,200.0	100.0%	7,401.8	100.0%	6,624.1	100.0%	5,487.6	100.0%

Bond balance by rating

	Domestic issuers	Overseas issuers	
			Financial institutions
AAA	38.3%	32.0%	25.2%
AA	35.5%	31.0%	22.5%
A	24.9%	29.0%	52.2%
BBB	0.7%	2.0%	-
BB or lower	0.6%	6.0%	-
Total	100.0%	100.0%	100.0%

Impact of microeconomic changes on assets and liabilities

Microeconomic changes	Estimated impact
Interest fluctuations	When yen interest rate rises 1%: • Market value fluctuations (net assets and liabilities): up ¥3.8 bn • Interest and dividend income fluctuations: up ¥1.5 bn
Exchange fluctuations	• When JPY appreciates 1 yen against USD: ⇒ Market value of foreign currency assets: down ¥1.8 bn • When JPY appreciates 1 yen against EUR: ⇒ Market value of foreign currency assets: down ¥0.6 bn • When JPY stays 1 yen higher against USD and EUR for one year: ⇒ Interest and dividend income from foreign currency assets: down ¥0.4 bn
Stock price fluctuations	• When Nikkei average declines ¥1,000: ⇒ Market value fluctuations for portfolio stocks: down ¥169.4 bn

Basic Policy of Investment/Risk Management

Mitsui Sumitomo Insurance Group Holdings

- **Portfolio realignment given impact from financial crisis to asset management industry and MSI's portfolio**
- **Risk management upgraded with newly introduced initiatives based on lessons from financial crisis, along with existing framework**

Outbreak of financial investment

Risks in limited region or investment area will spread more extensively and drastically than usual

【Domino effect of impact to financial institutions, funds, etc】

- Sharp decline of credit capabilities of US/European financial institutions triggered by the subprime issue → Domino effect at the global financial institution / Deterioration of asset quality
  ↓
- Spread of major concern relating to the credit capabilities
  ↓
- Shrinkage of credit market → Materialization of Liquidity risk
  ↓
- Part of fund raising market become dysfunction → Drastic sell-off of assets by highly leveraged financial institutions/hedge funds

【Domino effect of impact to companies】

- Decline of fund raising capability /increase of fund raising cost across all industries → Escalation of funding difficulties
  ↓
- Lower credit capability, drop in stocks/corporate bond value → Expansion of credit risk across all industries

Impact on asset management market

- Domino effect at the global financial institution
  Deterioration of asset quality
- Materialization of
  Liquidity risk
- Drastic sell-off of assets by highly leveraged financial institutions/hedge funds
- Escalation of funding difficulties
- Expansion of credit risk across all industries

Review of MSI portfolio management

Strengthen risk management system given lessons from financial crisis, along with existing framework

- **Enhancement of exposure control system for individual credit (US/European financial institutions) across products**
- **Diversification of monitoring parameter for early recognition of a sign of possible risk**
- **Reduction of limit amount to forex risk and hedge funds, etc.**

Vision for Investment Portfolio Alignment: FY2009

- **Aiming to build up the portfolio incorporating various risk factors learned from financial crisis (Example of the asset class is as follows)**

Yen denominated assets (bonds, loans, etc)	→	Continue to shift for longer term assets Neutralize interest rate risk, using interest rate swap, etc
Of which, government bonds	↗	Increase outstanding balance considering overall liquidity, etc
Of which, corporate bonds/foreign corporate bonds	→	Review of outstanding balance/investment period per issuer to avoid/reduce concentration risk on single issuer (group) Recognize a sign of possible risk at early stage by diversifying parameters for daily monitoring
Stocks	↘	Facilitate downsizing strategy by focusing intently on the market condition
Bonds (foreign currency)	↘	Decrease of the outstanding balance to reduce forex risk
Hedge funds	↘	Overall reduction of the positions, taking highly selective approach for the existing funds

Overseas Business

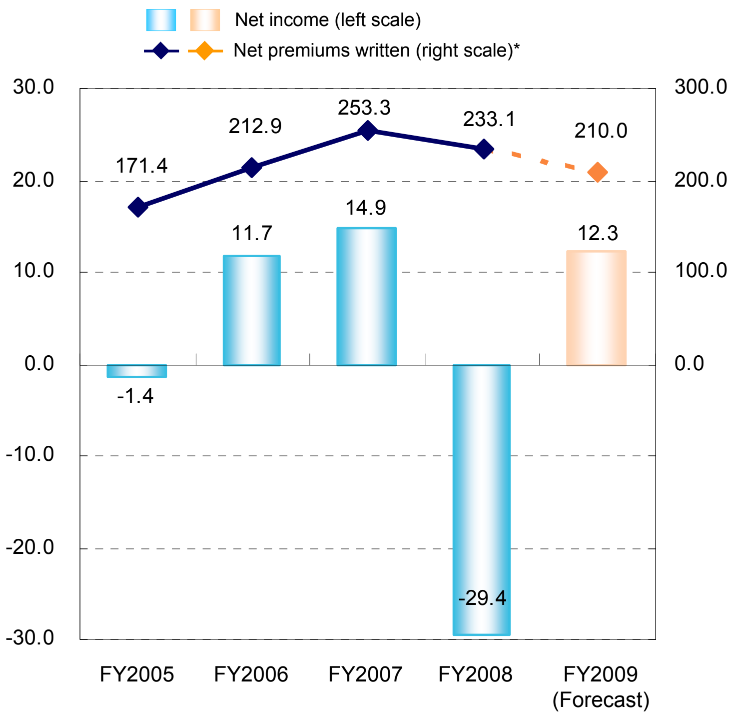
Review of FY2008 & Forecast for FY2009

Mitsui Sumitomo Insurance Group Holdings

		FY 2008	FY2009 Forecast
Existing Business		Concentrating on strategic regions (Asia and Eurpoe), recovering profits and returning to a growth track	
	Net premiums written	¥233.1 bn (- 8.0%) **+ 4.4% y/y on local currency basis**	¥210.0 bn (-10.0%) **+ 4.5% y/y on local currency basis**
	Net income	Net loss of ¥29.4 bn Due mainly to ・Losses incurred for credit insurance in Europe affected by the financial crisis ・Decline in investment income	**Profit of Y12.3 bn Recovery to FY2006～FY2007 level** The credit insurance policies in Europe were canceled. Further ceased underwriting such policies.
Investment in strategic regions and business areas		• **Promoting continuous efforts of business investment including M&A of life and non-life insurance business with view to establishing and accelerating an overwhelming business platform in Asia** →Orienting towards more growth and leveling of fluctuation risks of revenues and profits by combining life insurance to our non-life insurance business portfolio • **Thorough efforts to enhance ROI post M&As**	

Changes in Net Premiums Written and Net Income

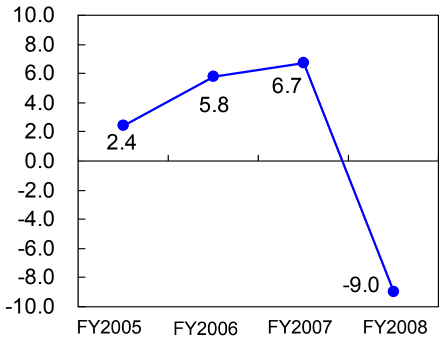
(¥ bn)



*Net premiums written include those written by non-consolidated subsidiaries, which consolidated net premiums written by Mitsui Sumitomo insurance Group Holdings, Inc. do not include.

Changes in ROI

(%)



Return on Investment in Overseas Business

(¥ bn)

Region	Cumulative Investment	FY2008 Net Income	ROI(%)
ASEAN	58.1	2.8	4.9
East Asia	64.8	-0.6	-1.0
Europe	62.4	-33.9	-54.3
Americas	49.8	1.7	3.5
Reinsurance	45.5	4.0	8.8
Total	288.8	-26.0	-9.0

※ "Total" includes those of Oceania, Middle East, and India, etc., which are not included in any of above-stated geo-segments.
Amortization of goodwill is not included.

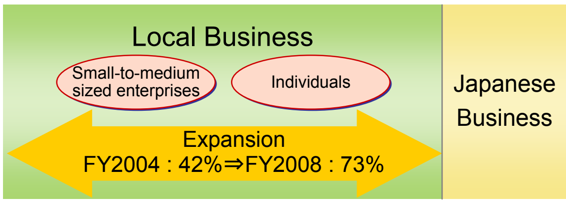
Building Business Portfolio Supporting Growth

Asia

- The local markets in ASEAN countries are expanding in line with the economic growth in the region. Combined ratios are also favorable.

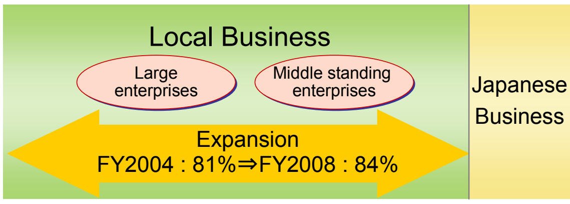
→ Grasping the growth opportunities of these markets by building an overwhelming business platform, thereby expanding revenues and profits

- India and China, realizing premiums growth through expansion of local network



Europe

- Adopting our successful business model at Lloyd's to other countries such as Germany and France (by forming a team of competent, highly experienced local underwriters)



Americas

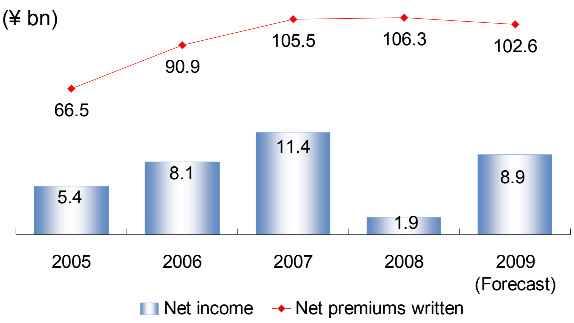
- To boost profitability of existing business by further attracting favorable policies mainly from Multi-national corporations as well as pursuing overall efficiency

Reinsurance

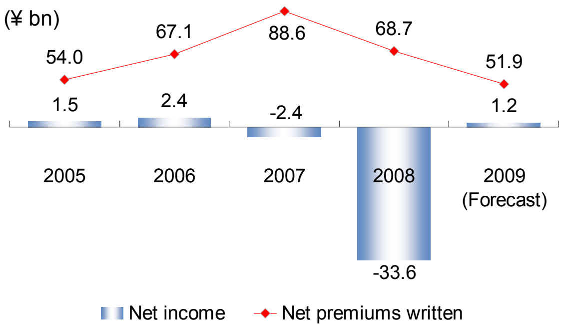
- To underwrite risks (high layers) of world's natural disasters in a well diversified manner
- To underwrite favorable short-tale policies of property, cargo and etc. mainly from locally based small-to-mid sized insurance firms in Asia and Europe

Business Performance of Each Region and Reinsurance

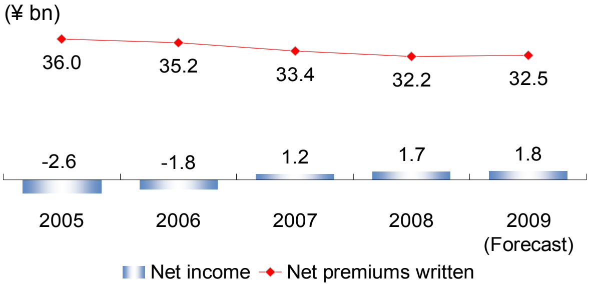
Asia



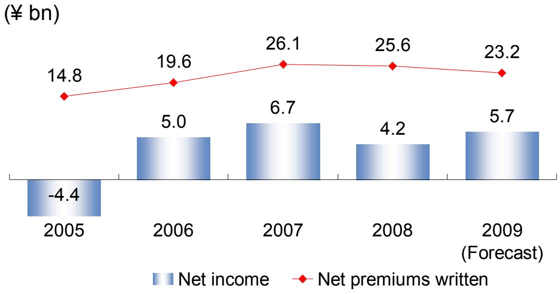
Europe



Americas



Reinsurance



Note: Net income of region does not include Head Office adjustment which are not allocated to each regional operation nor other consolidated adjustments associated with M&As.

Major Initiatives for FY2009: Strategic Regions

Mitsui Sumitomo Insurance Group Holdings

Asia

Major ASEAN countries and Hong Kong

- Accelerating extensive channel diversification
To expand bancassurance and auto dealer network in addition to agent/broker network

China, India and Other Asia

China ： Expansion of direct underwriting through Beijing Branch (planning to open) in addition to Shanghai Head Quarter and Guangdong Branch of the local subsidiary
➔Substantial premium growth deriving from mostly Japanese business

India ： Reinforcement of distribution network (current 114 facilities) of the local subsidiary (Chola MS)
Increasing revenues and profits by expansion mainly of corporate property insurance and medical insurance from local business

Taiwan ： Strengthening development of both new and existing business of Taiwanese blue chips (ICs/Semiconductors) propelled by the integration of the branch office and the local subsidiary

Europe

Expansion of Lloyd's Business

Further focusing on underwriting property/marine insurance mainly in UK commercial line, as primary member of Lloyd's

Local Commercial Business in Germany and Development into Other Countries

Actively underwriting risks of major German enterprises by a team consisting of competent and highly experienced German underwriters
⇒Adopting the same approach in Scandinavia, Slovakia and France

Developing New Markets

Actively grow business by underwriting corporate risks in Middle East/Gulf countries, Eastern European countries and Russia

Additional Information (Asia)

Profitability

Our average combined ratio for past 5 years (FY2004～FY2008) was about 90%, maintaining favorable level

（Combined ratio)

FY04	FY05	FY06	FY07	FY08	FY09 (Forecast)
80%	93%	91%	90%	93%	89%

(*CR rose in FY08 due to large property claims, including those from natural disasters)

Developing new markets

- Feb 09: Established local subsidiary in Viet Nam.
- Apr 09: Agreement for JV in Laos.

Pioneer as a Japanese non-life insurance company in new markets, expanding business by mainly underwriting commercial risks of Japanese corporations.

China and India

(China)

Dec 07 : Shanghai Branch of MSI was converted to a 100% owned subsidiary

Result of FY08 : NPW Y3.8 bn, N/I Y250 mn

(India)

Apr 03 : Start-up operation by establishing JV (26%) with an Indian based conglomerate

Result of FY08 : NPW Y9.3 bn, N/I Y240 mn

*NPW=Net Premiums Written , N/I=Net Income

Additional Information (Europe)

Lloyd's business

- CY2000: Launched its business as the first Japanese non-life insurance company, building underwriting expertise through its nearly 9 year experience and rich human resources (total 50 underwriters)
- Underwriting for FY08: Ranked 16th among 75 syndicates, mainly underwriting property (approx.40%), liability and marine insurance

Local business in Germany

- Steadily growing its business, since its launching in Sept 07.
- May 08: Commenced underwriting marine hull insurance in Norway.
- Mar 09: An Office was opened in Slovakia to underwrite local business.

Developing new markets

- Jan 09: Opened Qatar office aiming to underwrite large local risks, enhancing our business base in the growing Gulf region, in addition to our existing offices (Dubai, Abu Dhabi, Al-Khobar) supporting the underwriting of Japanese Business

Mitsui Sumitomo Kirameki Life Insurance

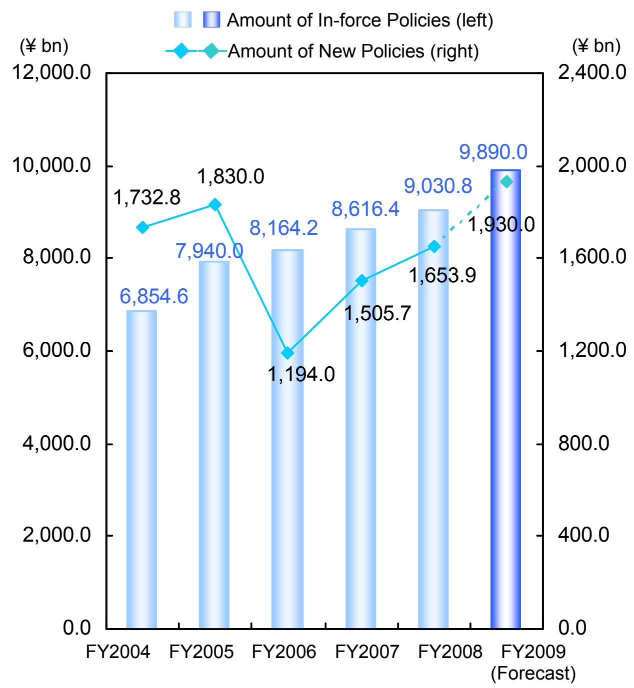
Mitsui Sumitomo Insurance Group Holdings MSIG

Expanding earnings results by high quality sales activities under the new sales structure (increased sales facilities and personnel) with emphasis on both death benefit products and medical care products for individual customers

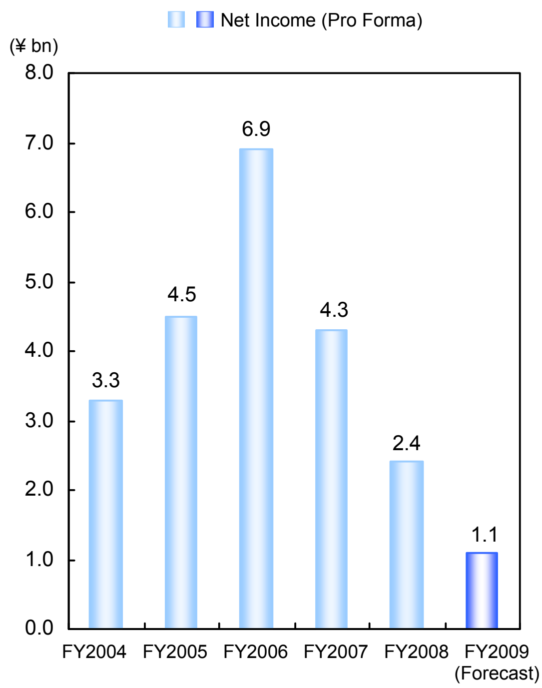
"Vision for 2010 Distribution Channel"	Sales Strategy	"New Sales Structure for Life Products"
■ Strengthen approach to the existing non-life insurance customers ・Thorough cross-selling by non-life agents ・Introduce "new cross-selling" ■ Focus on over-the-counter sales at financial institutions ■ Reinforce promotion to professional agents specializing in life insurance and tax accountants ■ Promotion of the FC (Financial Consultant) business	■ Sales with principal emphasis on death benefit products for individual customers ■ Strengthen sales of medical care products ■ Sales promotion of products for corporate customers in response to their needs for insurance coverage	■ Maximize the effect by reinforcing Intra-group alliance ・Increase in sales facilities (by approx. 30 offices) ・Strengthen supervision to agents by employees of MSI Kirameki Life

Aggressive cultivation of the existing market of MSIG along with acquisition of policies in new growing markets

Amount of In-force Policies and New Policies



Net Income (Pro Forma) (Core profit)



Life Insurance Business

Mitsui Sumitomo MetLife Insurance

- **Hybrid business model leveraged by strengths of both MSIG and US Metlife**
- **Securing revenues and profits by product strategies in response to environmental changes resulting from financial crisis**

Business Environment

- In the short-term, individual annuity insurance market is expected to slow down due mainly to the negative impact of financial crisis, and customers' needs has shifted from valuable annuities to fixed annuities.
- In the mid-to-longer term, however, it is expected to expand supported by increasing demand for individual annuity insurance with developing aging society

Sales Strategies

- Enhancement of strategic alliance with financial institutions by providing competitive products/services (104 institutions as of the end of FY2008)
- Expanding sales by enhancement of training/education structure

Product Strategies

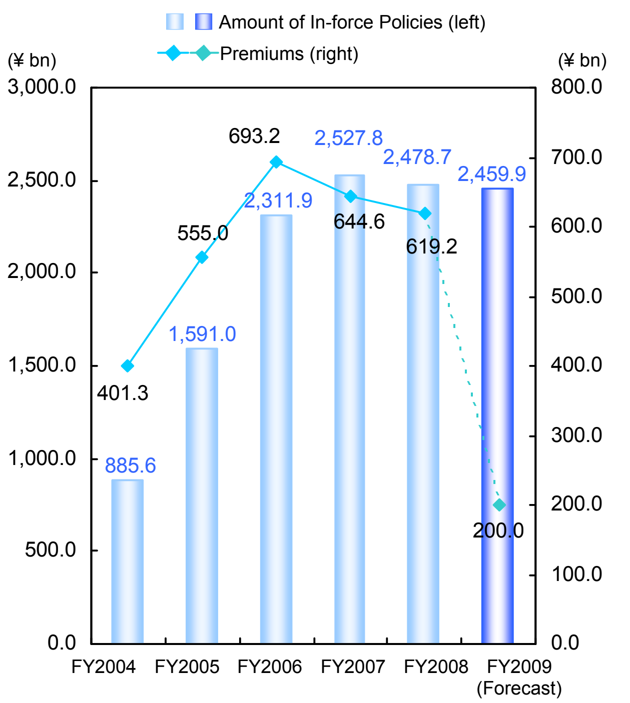
- Expanding sales of fixed annuities in response to customers' needs
- Revision of fixed annuities: more attractiveness by addition of euro-based product and control of risks under business environment after financial crisis

Improvement in Corporate Quality

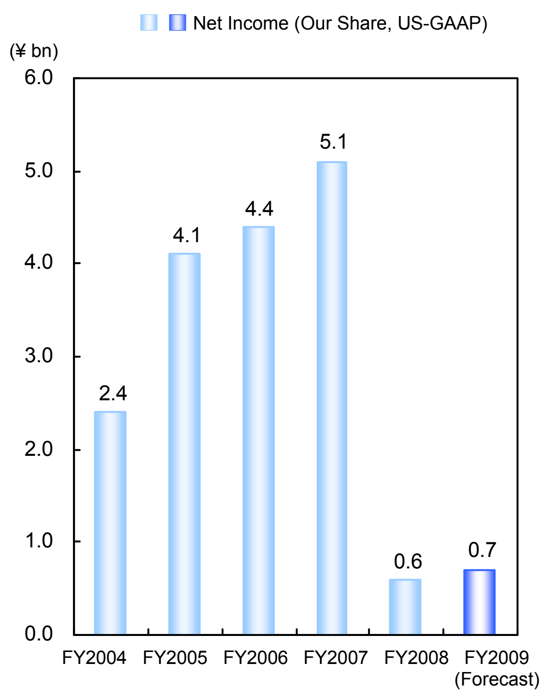
- Improvement of customer satisfaction (reinforcement of call center functions and improvement of sales promotion tools)
- Further reinforcement of risk management (mainly for investment management)

While driving the industry as the leading company in the individual annuity insurance industry, pursuing the "No.1 Company chosen by the customer"

Amount of In-force Policies and Premiums

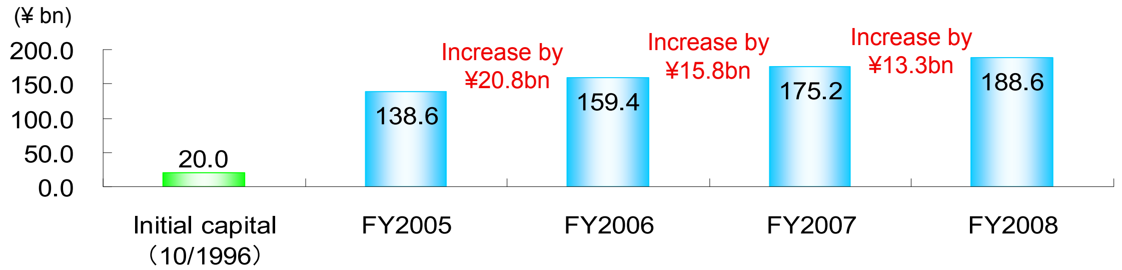


Net Income (Our Share, US-GAAP) (Core Profit)



Embedded Value

Mitsui Sumitomo Kirameki Life Insurance (End of FY2005 to End of FY2008)



Movement analysis of EV for FY2008 (¥ bn)

Factor	Amount of Increase (Decrease)
Value of new contracts	+ 5.8
Expected earnings from EV as of end of FY2007	+ 8.3
Difference between assumption and actual results	+ 2.8
Changes in interest rate,etc	▲ 3.6
Total	+ 13.3

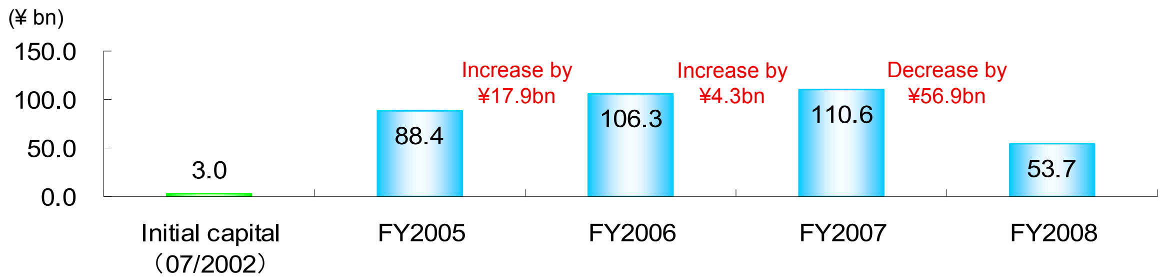
EV's Sensitivity (¥ bn)

		Amount of Increase (Decrease)
Yield	-0.25%	▲ 7.4
Incidence ratio of insured event	+10%	▲ 10.0
Cancellation ratio	+10%	▲ 3.0
Solvency margin ratio	800%→600%	+0.0
Discount rate	7%→6%	+11.7
Discount rate	7%→8%	▲ 10.0

Mitsui Sumitomo MetLife Insurance (End of FY2005 to End of FY2008)

<Main factor for the decrease in embedded value in FY 2008>

We expect an decrease in revenues related to administration of insurance contracts in the future, because of a decrease in the balance of special account due to drastic deterioration of investment environment.



Movement analysis of EV for FY2008 (¥ bn)

Factor	Amount of Increase (Decrease)
Capital injection	+ 20.4
Value of new contracts	+ 5.6
Expected earnings from EV as of end of FY2007	+ 10.3
Difference between assumption and actual results	▲ 100.4
Changes in assumptions	+ 7.1
Total	▲ 56.9

EV's Sensitivity (¥ bn)

		Change
Yield	-0.5%	▲ 10.3
Death rate	+10%	▲ 2.6
Cancellation rate	+10%	+ 0.4
Solvency margin ratio	600%→500%	+ 0.1
Discount rate	7 %→6 %	+ 3.2
Discount rate	7 %→8 %	▲ 3.0

Mitsui Direct General Insurance

Mitsui Sumitomo Insurance Group Holdings MSIG

To realize dynamic growth driven by its unique business model "Focusing on the Internet"

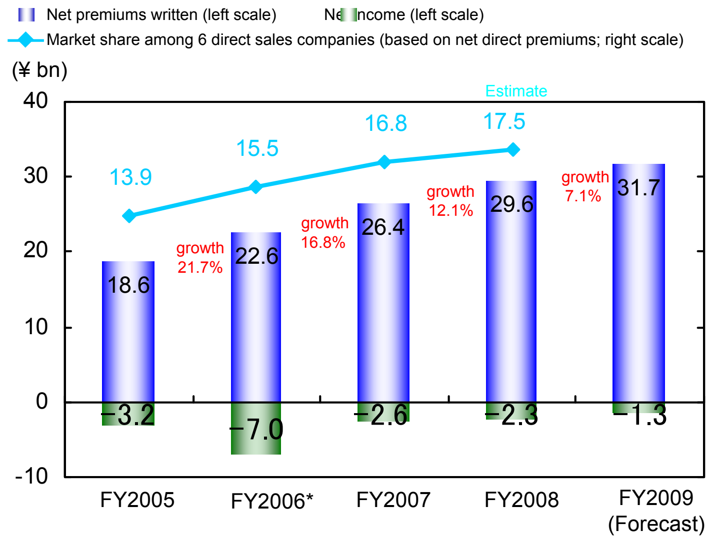
Target Customers	Sales Method	Products
■ Focusing on the Internet users	■ To acquire new contracts in the comparative web site ■ Highly convenient contract process completed on the Internet	■ Simple and easily understandable coverage terms and conditions ■ Reasonable pricing reflecting lower cost of contract administration

Aiming to turn a single year profit for FY2010
by establishing solid reputation/record as "No.1 Internet non-life insurance company"

Measures taken in FY 2009 towards a single year profit

- **Improvement of loss ratio and rise of unit price of premiums by grasping customers' detailed needs and setting strategic prices**
- **Improvement of operational efficiency in claims adjustment and call centers**
- **Aggressive company wide cost-cutting**

Net Premiums Written, Net Income and Market Share

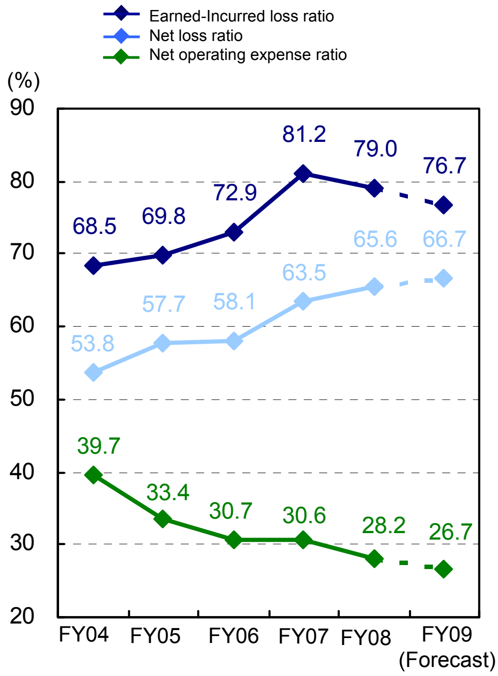


*One time depreciation expense of ¥3.59 bn related to the deferred assets was recorded under the Insurance Business Law (article 113).

(Ref.) Net direct premiums of 6 direct sales companies (¥ bn)

	FY2005	FY2006	FY2007	FY2008 (Estimate)
Net direct premiums	132.6	144.5	156.3	168.2
Growth rate	11.3%	8.9%	8.2%	7.6%

Loss Ratio & Operating Expense Ratio



Financial Services Business (MSI)

Credit Derivatives

Breakdown of Gross Notionals as of March 31, 2009

Credit Derivatives (¥548.2 bn)

- **Corporate CDSs (¥158.6 bn)**
- **CDOs (¥389.6 bn)**
  - Corporate CDOs (¥388.4 bn)
  - ABS-CDO (¥1.1 bn) *

* Containing no U.S. subprime

Underwriting for corporate CDSs

- The number of companies (domestic and oversesa) whose corporate risk is underwritten is 69 and 15, respectively.
- Companies rated A or above account for 94% of portfolio, keeping credit quality at a high level.

Underwriting for CDO tranches

- The number of CDO tranches underwritten for domestic and overseas companies' corporate risk ("Corporate CDOs") is 14 and 14, respectively.
- CDO consisting of pools of ABS ("ABS-CDO") is one tranche, accounting for 0.3% of all CDOs (on a notional amount basis).
- AAA or higher ratings are maintained for 91% of tranches (on a notional amount basis).

Portfolio remains at favorable credit levels

CDSs

Balance by rating (¥ bn)

Ratings	Notional Amount (ratios)		Companies in Japan		Companies overseas		Financial institutions
AAA	4.9	(3.1%)	3.9	(3.1%)	0.9	(3.3%)	-
AA	86.5	(54.6%)	76.4	(59.4%)	10.1	(33.8%)	-
A	58.2	(36.7%)	46.2	(35.9%)	12.0	(40.1%)	-
BBB	8.8	(5.6%)	2.0	(1.6%)	6.8	(22.9%)	3.9
BB or lower	-	(-)	-	(-)	-	(-)	-
Total	158.6	(100%)	128.5	(100%)	30.0	(100%)	3.9

CDOs

Balance by rating (¥ bn)

Ratings	Notional amount (ratios)	
AAA	353.0	(90.6%)
AA	21.8	(5.6%)
A	4.9	(1.3%)
BBB	4.9	(1.3%)
BB or lower	4.9	(1.3%)
Total	389.6	(100%)

Average subordination ratio is kept at 18%.

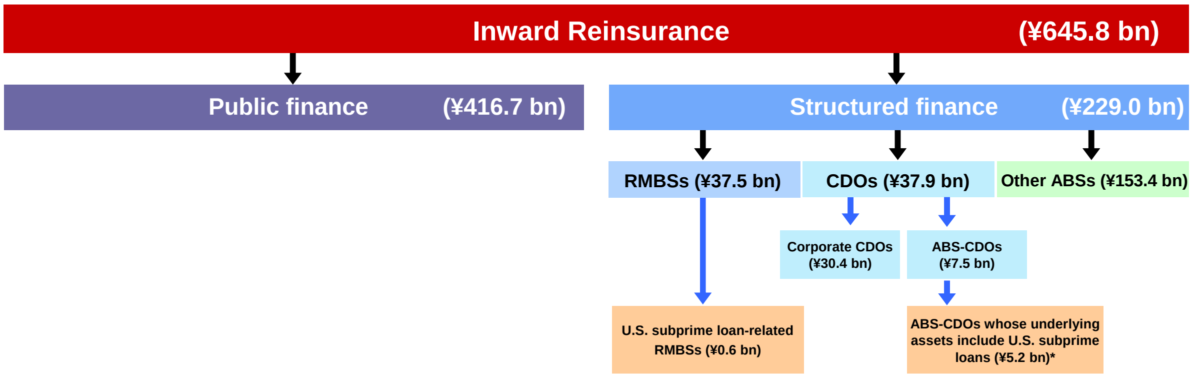
Unrealized gains/losses on credit derivatives for the fiscal year ended March 31, 2009

MSI reported unrealized losses on credit derivatives of ¥6.7 bn (- ¥4.7 bn for CDSs, - ¥2.1 bn for Corporate CDOs and +¥0.1 bn for ABS-CDO) for FY2008.

Reinsurance Ceded from U.S. Monolines

Mitsui Sumitomo Insurance Group Holdings

Breakdown of Outstanding Guaranteed Balance as of March 31, 2009



* Material exposure to U.S. subprime loans is ¥0.5 bn

- **MSI has underwritten part of credit risks (for municipal bonds, ABSs and the like) underwritten by primary insurers mainly under reinsurance treaties (proportional reinsurance treaties) established with U.S. monolines (primary insurers).**
- **73% of the portfolio underwritten is rated "A" or above, and 97% is rated "BBB" or above, keeping the portfolio at a favorable level.**

Balance by rating

(¥ bn)

Ratings	Balance underwritten (ratios)	
AAA	89.8	(13.9%)
AA	165.5	(25.6%)
A	217.8	(33.7%)
BBB	150.1	(23.2%)
BB or lower	22.3	(3.5%)
Total	645.8	(100%)

* Ratings for original credits underwritten by monolines are used.

Ratings for monolines and quality of ceded portfolio

- Risks ceded are credit risks for municipal bonds, ABSs and the like underwritten by monolines, instead of such risks for monolines.
- For this reason, the contents and the quality of risks ceded to MSI receive no impact even when ratings for primary insurers decline.

Realized losses

- Realized losses* related to "reinsurance ceded from U.S. monolines" totaled ¥3.9 bn in FY2008.

* Sum of claims paid and outstanding claims

Credit Exposure to Monolines (reference)

- Notional amount for credit derivatives where a monoline is a single reference entity is ¥2.9 bn.
- In addition, guarantees, underwriting and the like in connection with monoline-guaranteed bonds and investments in such bonds amount to ¥9.8 bn and ¥1 bn, respectively.
- MSI will be liable to pay for guarantees, underwriting and the like in connection with monoline-guaranteed bonds (¥9.8 bn) and investments in such bonds (¥1 bn) (or losses will actualize) only when both "original bonds" and "monolines that guarantee such bonds" become default.

Business Combination under Discussion

Mitsui Sumitomo Insurance Group Holdings

MS&AD

Objectives of Business Combination and Vision of Business Group

Mitsui Sumitomo Insurance Group Holdings

Our goal is to create through the business combination of the three companies a world leading insurance and finance group with global operations.

3 companies' strength

Aioi Insurance Company, Limited, Nissay Dowa General Insurance Co., Limited, and Mitsui Sumitomo Insurance Group announced on January 23, 2009 that the three companies had agreed to commence discussions towards a business combination.

AIOI

- The strong operational base of the Toyota group
- A high level of profitability from automobile insurance centering on the Toyota market
- Ability to develop retail market on local basis and high quality claim services

NISSAY DOWA

- The strong operational base of the Nippon Life Insurance group
- Growth ability that is among the top in the industry through the cultivation of business with individuals and small & medium-sized companies through Nippon Life Insurance Company's sales staff, as well as through development of business with large companies, financial institutions, and government agencies through collaboration with Nippon Life Insurance Company.

MSIG Mitsui Sumitomo Insurance Group Holdings

- The strong operational base centered on the Mitsui Group and the Sumitomo Group
- Wide-ranging domestic and overseas businesses centering on the domestic non-life insurance business (life insurance, overseas, financial services, risk-related businesses, etc.)
- A business foundation that leverages the overall capabilities of the Group

Target image of the corporate group

Continuous Growth Cycle

Pursue High Quality Products and Services and Best Practices

Maximization of Support from Stakeholders

- Improvement in the level of customer and agency satisfaction
- Improvement in employee motivation
- Increase of shareholder returns
- Contribution to the social and global environment

Expansion of Investment Capacity | **Improvement in Profitability**

Strategic Investment of Resources

- Investment of resources toward the improvement of products & services
- Investment toward improvements in the expansion of the sales network and sales capability
- Active business investment in growth areas

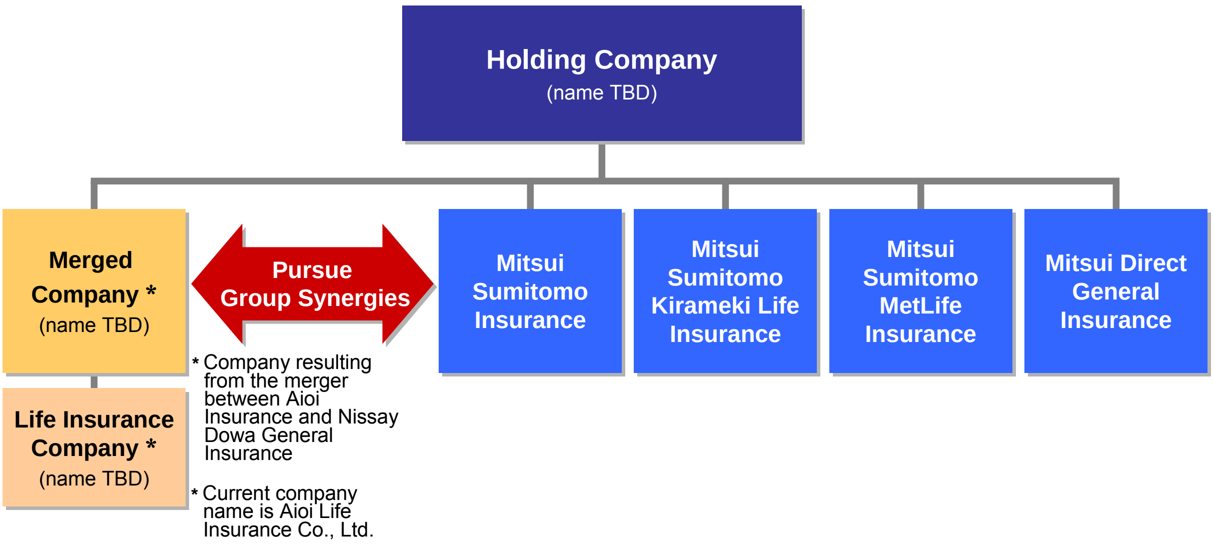
Establish Business Combination

- Optimization of Synergies
- Exercise of Economies of Scale

Image of Business Combination

- The three companies aim to implement the business combination in April 2010 by way of a holding company structure.
- The three companies also aim to implement the merger between Aioi Insurance and Nissay Dowa General Insurance on the same day as the business combination.

Diagram of the planned business combination



Progress of Business Alliance

The three companies aim to establish business alliances in the following areas in the near future in pursuit of group synergies.

- **Jointly establish and expand global businesses and new areas of business**

  Aim to expand and enhance the overseas business network through the alliance and the integration of the Group's offices, and provide products and services globally to the customers of the three companies.

- **Share various critical systems and server systems**

  Aim to achieve a fundamental reorganization of the current systems and begin contemplating the joint construction of a new system that will be aiming the top in the industry.

- **Joint use of the risk consulting subsidiaries**

  We are in the process of considering the joint hosting of seminars and mutual use of paid consulting services provided by risk consulting subsidiaries.

- **Joint use of subsidiaries that provide claims handling services**

  We are in the process of considering the joint use of claims handling services to complement claims handling capacity of each company in various regions.

In addition to the areas mentioned above, we aim to move forward with promotion and expansion of business alliances which are expected to have synergy effects.

Fundamental Indicators

▼Fundamentals		FY2004	FY2005	FY2006	FY2007	FY2008
Net premiums written	(¥ bn)	1,470.3	1,464.1	1,492.8	1,541.0	1,445.6
Net income	(¥ bn)	65.7	71.7	60.8	40.0	8.1
Net assets	(¥ bn)	1,461.6	2,027.5	2,182.9	1,671.5	1,023.0
Total assets	(¥ bn)	7,402.3	8,592.9	9,011.7	8,397.7	7,440.7
ROE	(%)	4.6	4.1	2.9	2.1	0.6
Equity ratio	(%)	19.7	23.6	24.1	19.7	13.6
Group Core Profit (GCP)	(¥ bn)	-	73.9	64.9	66.0	3.1
ROE based on GCP	(%)	-	4.2	3.1	3.4	0.2
▼Per-share data						
Earnings per share【EPS】	(%)	45.51	50.27	42.82	28.37	19.45
Net assets per share	(yen)	1,021.1	1,472.2	1,536.7	1,178.5	2,411.7
Dividend per share (annual)	(yen)	9.5	13.0	14.0	16.0	54.0
▼Stock price and its related data						
Total shares issued (end of FY)	(thousand)	1,431,265	1,420,621	1,411,202	1,404,402	421,320
Stock price (end of FY, closing)	(yen)	983	1,601	1,479	1,007	2,275
Price earnings ratio【PER】	(times)	21.6	31.8	34.5	35.5	117.0
Price book-value ratio【PBR】	(times)	0.96	1.12	0.96	0.85	0.94
Payout ratio	(%)	20.9	25.9	32.7	56.4	277.6

※Data for FY2007 and before are figures of MSI (consolidated): Data for FY2008 are figures of MSIG (consolidated).

Inquiries

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Mitsui Sumitomo Insurance Group Holdings, Inc. (“MSIGH”) may file a registration statement on Form F-4 (“Form F-4”) with the U.S. Securities and Exchange Commission (the “SEC”) in connection with the proposed business combination among Aioi Insurance Co., Ltd. (“AIOI”), Nissay Dowa General Insurance Company, Limited (“NDGI”) and MSIGH. The Form F-4 (if filed) will contain a prospectus and other documents. If a Form F-4 is filed and declared effective, the prospectus contained in the Form F-4 will be mailed to U.S. shareholders of AIOI prior to the shareholders’ meetings at which the proposed business combination will be voted upon. The Form F-4 and prospectus (if the Form F-4 is filed) will contain important information about AIOI, NDGI, MSIGH, the proposed business combination and related matters. U.S. shareholders of AIOI are urged to read the Form F-4, the prospectus and other documents that may be filed with the SEC in connection with the proposed business combination carefully before they make any decision at the shareholders’ meeting with respect to the proposed business combination. Any documents filed with the SEC in connection with the proposed business combination will be made available when filed, free of charge, on the SEC’s web site at www.sec.gov. Such documents may also be obtained free of charge by directing a request to the company as described in the "Inquiries" section of the previous page.

Note Regarding Forward-looking Statements

This document includes “forward-looking statements” that reflect the plans and expectations of AIOI, NDGI and MSIGH in relation to, and the benefits resulting from, their proposed business combination and business alliance described above. To the extent that statements in this press release do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of AIOI, NDGI and MSIGH in light of the information currently available to them, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of AIOI, NDGI and MSIGH (or the post-business combination group) to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. AIOI, NDGI and MSIGH undertake no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by AIOI, NDGI and MSIGH (or the post-business combination group) in their subsequent domestic filings in Japan and filings with the U.S. Securities and Exchange Commission.

The risks, uncertainties and other factors referred to above include, but are not limited to: (1) economic conditions in Japan, the United States, Europe and China; (2) the extent of competition faced by AIOI, NDGI and MSIGH (or the post-business combination group) from Japan’s other major non-life insurance companies and new entrants in the Japanese non-life insurance market; (3) the extent of further deregulation of the Japanese insurance industry; (4) occurrence of natural disasters in Japan and elsewhere; (5) occurrence of losses the type or magnitude of which could not be foreseen at the time of writing the insurance policies covering such losses; (6) the price and availability of reinsurance; (7) the performance of their (or the post-business combination group’s) investments; (8) the parties being unable to reach a mutually satisfactory agreement on the detailed terms of the proposed business combination or otherwise unable to complete the transaction; and (9) difficulties in realizing the synergies and benefits of the post-business combination group.