



Mitsui Sumitomo Insurance Group

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Fiscal 2007 Second Informational Meeting

November 30, 2007

Mitsui Sumitomo Insurance Co.,Ltd.

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Outline of the interim 2007 settlement and Full-year Forecast for 2007

Consolidated Net Premiums Written and Net Income

Net premiums written (excluding those on Modorich fund) (Y bn)				
	Interim 2006	Interim 2007		
			vs interim 2006	growth ratio
Consolidation	762.7	795.2	32.5	4.3%
MSI alone	666.2	666.5	0.2	0.0%
Subsidiaries	96.4	128.7	32.2	33.5%

Net income (Y bn)			
	Interim 2006	Interim 2007	
			vs interim 2006
Consolidation	34.7	30.5	- 4.2
MSI alone	33.8	28.0	- 5.7
Subsidiaries	4.9	6.0	1.0
Domestic life	- 1.4	- 2.5	- 1.1
Domestic non-life	—	- 0.6	- 0.6
Overseas non-life	6.1	8.4	2.3
Financial services	0.2	0.7	0.4
Consolidation adjustment	- 3.9	- 3.5	0.4

*Net income at subsidiaries: based on equity in earnings

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- Consolidated net premiums written increased 4.3% or by Y32.5 bn from a year earlier to Y795.2 bn.
- MSI reported premium revenues even with a year earlier.
- The subsidiaries collectively increased premium revenues 33.5% or by Y32.2bn. Mitsui Direct General, which became a subsidiary fiscal 2006, made its first contribution to this growth in addition to the overseas subsidiaries firmly increasing business.
- Consolidated net income decreased by Y4.2 bn to Y30.5 bn.
- MSI decreased net income by Y5.7 bn mainly due to invest management resources in the corporate quality measures.
- The subsidiaries collectively increased net income by Y1 bn, due to brisk business at the Asian and reinsurance subsidiaries.
- Amortization of consolidation adjustment associated with the Asian operations acquired from Aviva, Mingtai and Mitsui Direct General was as follows;

interim 2005	Y0.1 bn
interim 2006	Y0.9 bn
interim 2007	Y1.3 bn

Non-consolidated Performance Overview

Key earnings items (excluding Modorich fund)			(Y bn)
	Interim 2006	Interim 2007	vs interim 2006
Net premiums written	666.2	666.5	0.2
Growth ratio	-1.2%	0.0%	
Loss ratio	60.4%	62.5%	2.1pt
Expense ratio	30.6%	30.8%	0.2pt
Combined ratio	91.0%	93.3%	2.3pt
Underwriting profit	3.8	-1.3	-5.2
Net interests + dividends	37.0	41.6	4.5
Net capital gain (on sale of securities, etc.)	13.7	8.0	-5.6
Ordinary profit	49.0	41.0	-8.0
Extraordinary losses	-2.0	-2.4	-0.3
Net income	33.8	28.0	-5.7

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- Net premiums written increased slightly by Y0.2 bn or 0.0% because premiums decreased from the installment premium policies in force due to their setback in the previous year.
- Loss ratio rose by 2.1 pt from interim 2006 due to payouts for large-scale accident in the miscellaneous line and loss adjustment expenses increased.
- Expense ratio increased by 0.2 pt from interim 2006. Although commission ratio fell by 0.2 pt, underwriting expense ratio climbed by 0.4 pt.
- Combined ratio rose by 2.3 pt from interim 2006 to 93.3%.
- Underwriting profit fell by Y5.2 bn from interim 2006 mainly due to corporate quality improvement investments.
- Net interests and dividends received increased by Y4.5 bn due to increased dividends on Japanese stocks.
- Net capital gain, incl. gains on securities sold, fell by Y5.6 bn from interim 2006.
- Summing up, ordinary profit declined by Y8.0 bn from interim 2006 to Y41.0 bn.
- Extraordinary losses stayed at Y2.4 bn, roughly even with interim 2006.
- Net income fell by Y5.7 bn from interim 2006 to Y28.0 bn.

Breakdown of extraordinary profit (losses)			(Y bn)
	interim 2006	interim 2007	vs interim 2006
Net gain on tangibles disposed	0.2	- 0.8	- 1.0
Impairment loss	- 0.4	- 0.1	0.3
Prov for price fluctuation reserve	- 1.4	- 1.5	0.0
Reverseal of bad debt reserve	1.8	0.0	- 1.7
Costs rel to business suspension	- 2.1	—	2.1
Extraordinary losses	- 2.0	- 2.4	- 0.3

Interim 2007 results

Non-consolidated Premium Growth, Loss and Expense Ratios

Premium growth ratio and loss ratio					(Y bn)	
	Net premiums written			Loss ratio		
		change	growth ratio		vs interim 2006	
Fire	88.4	3.2	3.9%	45.5%	2.3pt	
Marine	36.8	2.6	7.8%	51.4%	6.5pt	
Personal accident	68.5	-3.3	-4.7%	51.8%	7.7pt	
Voluntary auto	277.9	-4.8	-1.7%	68.8%	1.0pt	
CALI	97.1	-0.2	-0.3%	75.1%	-0.5pt	
Others	97.6	2.8	3.0%	59.2%	3.1pt	
Total	666.5	0.2	0.0%	62.5%	2.1pt	

Operating expense and expense ratio					(Y bn)	
	Total operating expense		U/W expense in operating exps		Expense ratio	
		vs interim 2006		vs interim 2006		vs interim 2006
Commission	106.7	-1.1	106.7	-1.1	16.0%	-0.2pt
Total company expense	139.8	6.9	98.3	2.4	14.8%	0.4pt
Personnel	73.8	-0.6	50.5	-2.4	7.6%	-0.4pt
Non-personnel	57.0	7.5	41.6	5.0	6.3%	0.8pt
Taxes, contribtns, etc	8.8	0.0	6.0	-0.1	0.9%	0.0pt
Total operating expense	246.5	5.7	205.0	1.2	30.8%	0.2pt

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■ Net premiums written

- **Fire:** Made up the setback associated with last year's administrative disposition, and even increased in the corporate market.
- **Marine:** Fared well owing to new customers and brisk foreign trades.
- **Personal accident:** Particularly decreased in the third-sector products due to the business suspension not only imposed but also voluntarily determined
- **Auto:** New customer sales slowed down in the sluggish market because of car sales decreased, etc.
- **Others:** General liability policies performed well.

■ Loss ratio

- **Fire:** Rose because of increased claim payouts associated with national disasters, including those incurred in the prior years, and large-scale accidents increased.
- **Marine:** Rose due to increased claim payouts for accidents incurred in the prior years.
- **Personal accident:** Rose due to premiums declined and loss adjustment expenses exceeded in addition to payouts increased in personal accident products.
- **Auto:** Rose because premiums declined negatively affected more than payouts decreased.
- **Others:** Rose due to increased claim payouts for accidents incurred in the prior years.

■ Expense ratio

- Company operating expense rose by Y6.9 bn from interim 2006, including loss adjustment expense. The corporate quality improvement cost Y7.2 bn, including system development to support the claims handling systems better, preparation of a program and procedures for confirming policy clauses are properly written, etc.
- Underwriting company expense rose by Y2.4 bn from interim 2006. Although personnel expense fell by Y2.4 bn, non-personnel expense climbed by Y5.0 bn from a year earlier. Expense ratio rose by 0.2pt from last year.

Interim 2007 results

Factors of Non-consolidated Underwriting Profit Declined

Factors of underwriting profit declined (Y bn)			
	Interim 2006	Interim 2007	vs interim 2006
Underwriting profit	3.8	-1.3	-5.2
Incurred losses (excl adjustmt expns)	407.0	397.3	-9.6
Natural disasters	17.3	5.9	-11.4
Others	389.6	391.4	1.7
Provision for policy reserve	20.6	31.1	10.4
Operating expense (incl adjustmt expns)	233.8	240.0	6.1

Natural disasters incurred fiscal 2007 (excl. snowfall) (Y bn)						
	Interim 2006			Interim 2007		
	Payouts	Prov reserve	Total	Payouts	Prov reserve	Total
Fire	0.8	14.6	15.5	2.2	2.8	5.1
Marine	0.0	0.0	0.0	0.0	0.0	0.0
Voluntary Auto	0.4	0.9	1.3	0.1	0.1	0.3
Others	0.0	0.3	0.3	0.0	0.2	0.3
Total	1.3	15.9	17.3	2.5	3.3	5.9

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- Underwriting profit declined by Y5.2 bn from interim 2006.
It is because operating expense increased by Y6.1 bn, including loss adjustment expense, due to more company operating expense invested by the management decision.
While incurred losses declined by Y9.6 bn from a year earlier as natural disasters decreased, provision for underwriting reserve rose by Y10.4 bn.
- Incurred loss associated with natural disasters declined by Y11.4 bn from interim 2006.
Paid loss, including those incurred in the prior years, rose by Y3.1 bn from interim 2006.
fiscal 2006: Y3.0 bn (fire: Y2.1 bn, marine: Y0.0 bn, automobile: Y0.4 bn, and others: Y0.4 bn)
fiscal 2007: Y6.1 bn (fire: Y5.4 bn, marine: Y0.2 bn, automobile: Y0.2 bn, and others: Y0.2 bn)
- Incurred losses other than the above-stated rose by Y1.7 bn from interim 2006 due to large-scale accidents occurred.
- Provision for policy reserve increased (and premiums earned decreased), compared with interim 2006, partly because reversal for the ended interim decreased as premium revenues had fallen interim 2006.
- Operating expense, including loss adjustment expense, rose sharply due to company expense used positively for the corporate quality improvement measures.

Breakdown of loss reserve by policy line (Y bn)									
	Interim 2006			Interim 2007			Change		
	Case rsv	IBNR	Total	Case rsv	IBNR	Total	Case rsv	IBNR	Total
Fire	38.6	15.0	53.6	43.7	13.0	56.7	5.0	-1.9	3.1
Marine	23.4	10.4	33.8	24.1	9.0	33.2	0.7	-1.3	-0.5
Personal accident	26.0	17.5	43.5	26.9	18.1	45.0	0.9	0.5	1.5
Voluntary Auto	233.3	31.5	264.8	239.6	37.1	276.8	6.2	5.6	11.9
CALI	49.5	—	49.5	47.8	—	47.8	-1.7	—	-1.7
Others	87.4	66.2	153.6	93.4	61.6	155.0	5.9	-4.6	1.3
Total	458.4	140.7	599.1	475.7	139.0	614.7	17.2	-1.6	15.5

Non-consolidated Investment Management

Outline of return on investment management

(Y bn)

	Interim 2006	Interim 2007	
			vs interim 2006
Gross interests and dividends received	65	70	5
Transfer to investmt income on deposits by policyholders, etc.	- 28	- 29	- 0
Net interests and dividends received	37	42	5
Net gain on securities sold	11	10	- 1
Revaluation loss of securities	- 2	- 4	- 2
Net gain on securities redeemed	5	2	- 3
Net gain on financial derivatives	- 0	- 1	- 1
Others	0	- 1	- 1
Total retrun on investmt mgmt	51	48	- 3

Major sources of gross interests and dividends received

(Y bn)

	Interim 2006	Interim 2007	
			vs interim 2006
Bonds	14	15	1
Stocks	20	24	4
Foreign securities	17	17	- 0
Other securities	1	0	- 1
Loans	7	7	1
Real estate	4	3	- 0
Others	3	4	1
Total	65	70	5

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Breakdown of investment management portfolio

(Y bn)

	Interim 2006		Interim 2007		change
		composition		composition	
Bonds	1,795	25.3%	1,757	23.7%	-38
Stocks	2,722	38.4%	3,002	40.4%	280
Foreign securities	1,168	16.5%	1,241	16.7%	73
Other securities	116	1.6%	115	1.6%	-1
Loans	770	10.8%	773	10.4%	3
Real estate	214	3.0%	206	2.8%	-7
Others	310	4.4%	330	4.4%	21
Total	7,095	100%	7,425	100%	330

- Gross interests and dividends received increased by Y4.9bn from interim 2006 mainly due to increased dividends on Japanese stocks.
Net interests and dividends received rose by Y4.5 bn from interim 2006 as a result of a 0.3 bn increase of transfer to net income on deposits by policyholders, etc., compared with interim 2006.
- As to net capital gain on securities, net gain on securities sold decreased by Y1.2 bn, revaluation loss on securities increased by Y1.5 bn, and net gain on securities redeemed decreased by Y2.8 bn from interim 2006.
We have been selling stocks held to reduce risk assets. However, capital gain on stocks sold was relatively low for the ended interim because stock sales planned for the year are allocated more for the second half.
- Net revaluation gain/loss on financial derivative instruments fell by Y0.8 bn from interim 2006 partly because fair value of credit derivatives dropped.
- Taking them all, investment management income fell by 2.5 bn from interim 2006 to Y48.1 bn.

Interim 2007 results: Overview of Non-life Subsidiaries

Net premiums written (Y bn)				
	Interim 2006	Interim 2007		
			vs interim 2006	growth rate
Subsidiaries in total	96.4	128.7	32.2	33.5%
Japan	—	12.6	12.6	—
Asia	33.1	38.2	5.1	15.5%
Europe	36.4	49.8	13.4	37.0%
Americas (incl. Brazil)	16.8	13.4	-3.3	-20.1%
Reinsurance	10.0	14.4	4.4	44.1%

Net income (Y bn)			
	Interim 2006	Interim 2007	
			vs interim 2006
Subsidiaries in total	6.1	7.8	1.7
Japan	—	- 0.6	- 0.6
Asia	4.0	5.2	1.1
Europe	0.4	- 0.6	- 1.1
Americas (incl. Brazil)	- 0.3	0.5	0.8
Reinsurance	1.9	3.3	1.4

*net income at subsidiaries: based on equity in earnings

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■ Net premiums written

- Net premiums written at the subsidiaries rose 33.5% or by Y32.2 bn from interim 2006.
- Except the U.S. market where we are cautiously acting because of relatively risky local business, all the regional operations increased premium revenues.
- "Japan" represents premiums reported by Mitsui Direct General, which came under consolidation in the ended interim. It has been marking an over-10% growth in premium revenues for years, and it again reported an 18.5% growth for the ended interim.
- All the Asian units increased premium revenues, particularly in Malaysia and Taiwan.
- The revenue increase in Europe because subsidiaries' retention increased, instead of ceding them to MSI as before, after their capacities had been reinforced due to recent steady growth in new contracts.
- The two reinsurance subsidiaries collectively increased net premiums written as significantly as 44.1%.

■ Net income

- Net income rose by Y1.7 bn from interim 2006 to Y7.8 bn in total at the subsidiaries.
- The Asian units increased business and their profitability has stabilized. The underwriting operation was strengthened in the Americas in order to improve the balance, and the reinsurance subsidiaries underwent less large-scale natural disasters. These contributed to the increase in net income at the subsidiaries in total.

Interim 2007 results: Overview of Life Insurance Business

Mitsui Sumitomo Kirameki Life Insurance Company, Limited (Y bn)

	Interim 2006	Interim 2007	
			Change, growth rate
New policies	660.7	755.5	14.3%
Amount in force	8,099.6	8,443.8	4.2%
Premiums	106.3	107.1	0.7%
Net income	0.00	0.01	0.0
Proforma earnings*	3.5	2.1	- 1.3

*Proforma earnings : net income before provision of standard underwriting reserves as defined in the calculation of group core profit.

Mitsui Sumitomo MetLife Insurance Co., Ltd. (Y bn)

	Interim 2006	Interim 2007	
			Change, growth rate
New policies	301.9	314.0	4.0%
Amount in force	1,891.7	2,617.7	38.4%
Premiums	319.2	347.3	8.8%
Net income (equity in earnings)	-2.9	-2.5	- 1.1
Net income under US GAAP* (equity in earnings)	2.0	2.6	0.5

*net income under USGAAP: net income under the US GAAP as defined in the calculation of group core profit

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■ MS Kirameki Life

- New policies rebounded from downtrend in interim 2006, 14.3% higher than a year earlier.
- Amount in force and premium revenues steadily rose 4.2% and 0.7%, respectively, from interim 2006.
- Net income was Y16 mn after provision for standard underwriting reserves of Y3.4 bn as a step towards providing the reserves to the full amount.
- Proforma earnings declined by Y1.3 bn from Y3.5 bn interim 2006 to Y2.1 bn interim 2007.
It was because provision increased due to change in the providing method.

■ MSI MetLife

- New policies rose 4.0% from interim 2006, running well.
- Amount in force increased 38.4% from interim 2006.
- Net income (equity in earnings) was minus Y2.5 bn because negative gap made through paying selling commissions in advance to receiving premiums widened due to rising sales.
- Fared well with net income under the US GAAP, which is used in calculation of group core profit, risen by Y0.5 bn from interim 2006 to Y2.6 bn. (Under the US GAAP, selling commissions paid are deferred on an accrual basis.)

Consolidation Performance Outlook

Key earnings item (excluding Modorich fund)

(Y bn)

	Fiscal 2006 results	Fiscal 2007 forecast	
		vs fiscal 2006	Growth rate
Net premiums written	1,492.2	1,550.0	57.8 3.9%
MSI	1,324.4	1,320.0	-4.4 - 0.3%
Subsidiaries	167.7	230.0	62.2 37.1%
Ordinary profit	91.6	83.5	-8.2
Net income	60.7	52.0	-8.8
MSI	55.3	50.5	-4.9
Subsidiaries	10.9	6.4	-4.6
Consolidation adjustment	-5.4	-4.9	0.6

Consolidated subsidiaries by business segment

(Y bn)

Net premiums written	Fiscal 2006 results	Fiscal 2007 forecast		Subsidiaries' net income	Fiscal 2006 results	Fiscal 2007 forecast	
		vs fiscal 2006				vs fiscal 2006	
Domestic non-life	—	26.6	26.6	Domestic non-life	—	- 1.2	- 1.2
Overseas operation	148.1	176.8	28.6	Overseas operation	8.3	7.0	- 1.3
Asia	64.5	73.1	8.6	Asia	7.0	7.0	- 0.1
Europe	57.5	79.4	21.9	Europe	2.9	- 1.5	- 4.5
Americas (incl Brazil)	26.0	24.2	- 1.9	Americas (incl Brazil)	- 1.7	1.5	3.3
Overseas reinsurance	19.6	26.6	7.0	Overseas reinsurance	5.0	5.6	0.5
				Domestic life	- 3.0	- 6.0	- 3.0
				Financial services	0.6	1.0	0.4

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- Consolidated net premiums written is expected Y1,550 bn, increasing 3.9%.
- MSI alone expects net premium written will fall 0.3% to Y1,320 bn.
- Aggregate net premiums written at subsidiaries will increase by Y62.2 bn to Y230 bn due to contribution by Mitsui Direct General, a new consolidated subsidiary, in addition to firm growth at the overseas subsidiaries.
- Consolidated net income is expected Y52.0 bn, Y8.8 bn lower than fiscal 2006. Non consolidated net income is expected Y50.5 bn, Y4.9 bn lower than fiscal 2006. Among the subsidiaries, MSI MetLife will decrease net income due to more selling commissions resulting from rising sales, and the overseas subsidiaries expect lower net income due to losses from natural disasters.
- Net premiums written by overseas regional segment
 - The Asian region expect net premiums Y8.6 bn higher than fiscal 2006 due to business firmly increasing, particularly at the Asian operation acquired from Aviva and Mingtai Fire and Marine.
 - The European region expect net premiums Y21.9 bn higher than fiscal 2006, mainly due to robust Lloyd's business.
 - The reinsurance subsidiaries expect premium revenues Y7.0 bn yen higher than fiscal 2006 due to increasing underwriting capacities.
- Subsidiaries' net income (equity in earnings)

Domestic non-life	Mitsui Direct General expect net loss of Y1.2 bn
Over-seas	Asia
	Y7.0 bn, roughly even with fiscal 2006
	Europe
	Net loss of Y1.5 bn, Y4.5 bn lower than fiscal 2006 due to the floods in the UK
	Americas
	Back to profit of Y1.5 bn, Y3.3 higher than fiscal 2006, with N America and Brazil improving
Reinsurance	Y5.6 bn, Y0.5 bn higher than fiscal 2006, as a result of increasing underwriting capacities
Life insurance	MSI MetLife, enjoying sales growth, expects net loss of Y6.1 bn under the Japanese GAAP, by which selling commissions are reported at the front end when charged. MS Kirameki will provide for standard underwriting reserves.
Financial services	Sumitomo Mitsui Asset Management and MSI Venture Capital collectively expect net income of Y1 bn.

Non-consolidation Performance Outlook

Key earnings items (excluding Modorich fund) (Y bn)			
	Fiscal 2006 results	Fiscal 2007 forecast	
		vs fiscal 2006	
Direct premiums written (excl deposit premiums)	1,367.4	1,375.0	7.5
Growth ratio	-1.0%	0.5%	1.5pt
Net premiums written	1,324.4	1,320.0	-4.4
Growth ratio	-1.0%	-0.3%	0.7pt
Loss ratio	63.1%	64.5%	1.4pt
Expense ratio	30.8%	31.9%	1.1pt
Combined ratio	93.9%	96.4%	2.5pt
Underwriting profit	-34.7	-32.3	2.4
Net interests and dividends received	93.9	95.1	1.2
Investment return (income)	2.92%	2.93%	0.01pt
Net capital gains (net capital gains on securities sold, etc.)	30.9	30.1	-0.8
Ordinary profit	80.1	78.0	-2.2
Extraordinary profit	-4.1	-8.7	-4.5
Net income	55.3	50.5	-4.9

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Assumptions

	March 31, 2006	Assumption
JPY/USD	Y118.05/\$	Y115.00/\$
10-year JGB yield	1.65%	1.80%
Nikkei Average	17,288 yen	17,000 yen

- Direct premiums written, excluding deposit premiums, expect to increase 0.5% with checking policies properly written and sales network reform under way.
- Net premiums written will fall 0.3% to Y1,320 bn partly due to decreasing reinsurance premiums from subsidiaries.
- Loss ratio will rise 1.4pt from fiscal 2006 to 64.5% because prior years' claims will be paid for, reversing the reserves and increasing claim payouts.
- Expense ratio will rise by 1.1pt from fiscal 2006 to 31.9% due to corporate quality improvement investments.
- Underwriting loss will decrease by Y2.4 bn to Y32.3 bn as we expect lower losses in spite of increasing company expenses.
- Net interests and dividends received expect to increase by Y1.2 bn from fiscal 2006 to Y95.1 bn mostly due to increasing dividends on Japanese stocks.
- Ordinary profit will fall by Y2.2 bn from fiscal 2006 to Y78.0 bn. (Net loss on financial derivative instruments are expected Y1.9 bn, Y1.2 bn larger than fiscal 2006.)
- Net income will drop by Y4.9 bn from fiscal 2006 to Y50.5 bn after extraordinary items, including certain expense related to real estate.

Premiums and Loss Ratio by Line of Policy

Net premiums written (Y bn)				Loss ratio			
	Fiscal 2006	Fiscal 2007 forecast	Growth rate		Fiscal 2006	Fiscal 2007 forecast	vs fiscal 2006
Fire	178.9	179.8	0.5%	Fire	49.5%	47.2%	-2.3pt
Marine	70.2	72.9	3.9%	Marine	47.0%	50.9%	3.9pt
Personal accident	133.8	129.3	-3.4%	Personal accident	50.3%	57.1%	6.8pt
Voluntary auto	563.0	557.6	-1.0%	Voluntary auto	69.5%	70.4%	0.9pt
CALI	192.0	191.9	-0.1%	CALI	76.0%	76.4%	0.4pt
Others	186.3	188.4	1.1%	Others	59.1%	61.6%	2.5pt
Total	1,324.4	1,320.0	-0.3%	Total	63.1%	64.5%	1.4pt
excl CALI	1,132.3	1,128.1	-0.4%	excl CALI	61.0%	62.4%	1.4pt

Incurred losses (Y bn)			
	Fiscal 2006	Fiscal 2007 forecast	vs fiscal 2006
Incurred losses (excl LAE)	828.5	803.4	-25.2
Natural disaster	24.6	9.0	-15.6
Others	803.9	794.4	-9.5

*Incurred losses = net claims paid + additional loss reserves + additional IBNR reserves

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■ Net premiums written

- The lines of fire, marine and others expect robust sales in the corporate market.
- The automobile line expects the market remains sluggish due to slow new car sales, etc.
- The personal accident line expects lower premium revenues partly because of remaining negative effect of the sales suspension of medical policies in the previous year.
- The Compulsory Auto Liability Insurance (CALI) line expect premiums roughly even with fiscal 2006.

*A setback in installment premiums associated with decreased office premiums in the previous year amounts about Y7 bn.

■ Loss ratio (excluding natural disaster)

- Loss ratio will rise, as the prior years' loss reserves are reversed to be paid

■ Loss ratio (excluding natural disaster)

Fire	: 42.8% (+3.2pt from fiscal 2006)
Marine	: 50.9% (+3.9pt from fiscal 2006)
Personal acc.	: 57.1% (+6.8pt from fiscal 2006)
Voluntary auto	: 70.3% (+1.2pt from fiscal 2006)
CALI	: 76.4% (+0.4pt from fiscal 2006)
Others	: 61.3% (+2.7pt from fiscal 2006)
Total	: 63.8% (+2.2pt from fiscal 2006)

■ Natural disaster forecast is Y9 bn.

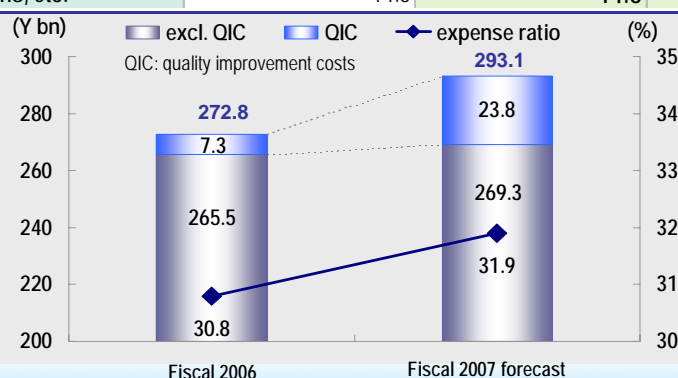
Fire: Y7.8 bn, auto: Y0.6 bn, and others: Y0.6 bn

- Incurred losses expect to decline by Y9.5 bn from fiscal 2006 to Y794.4 bn, excluding natural disaster.

Company Expense and Expense Ratio

Company operating expense and expense ratio (Y bn)

	Fiscal 2006	Fiscal 2007 forecast	
			vs fiscal 2006
Underwriting expenses	194.6	208.8	14.1
Loss adjustment expenses	65.3	71.6	6.3
Others	12.7	12.7	-0.1
Total company expense	272.8	293.1	20.3
(incl. quality improvement costs)	(7.3)	(23.8)	(16.5)
Personal expenses	147.2	149.3	2.1
Non-personal expenses	110.9	129.0	18.0
Taxes, contributions, etc.	14.6	14.8	0.2



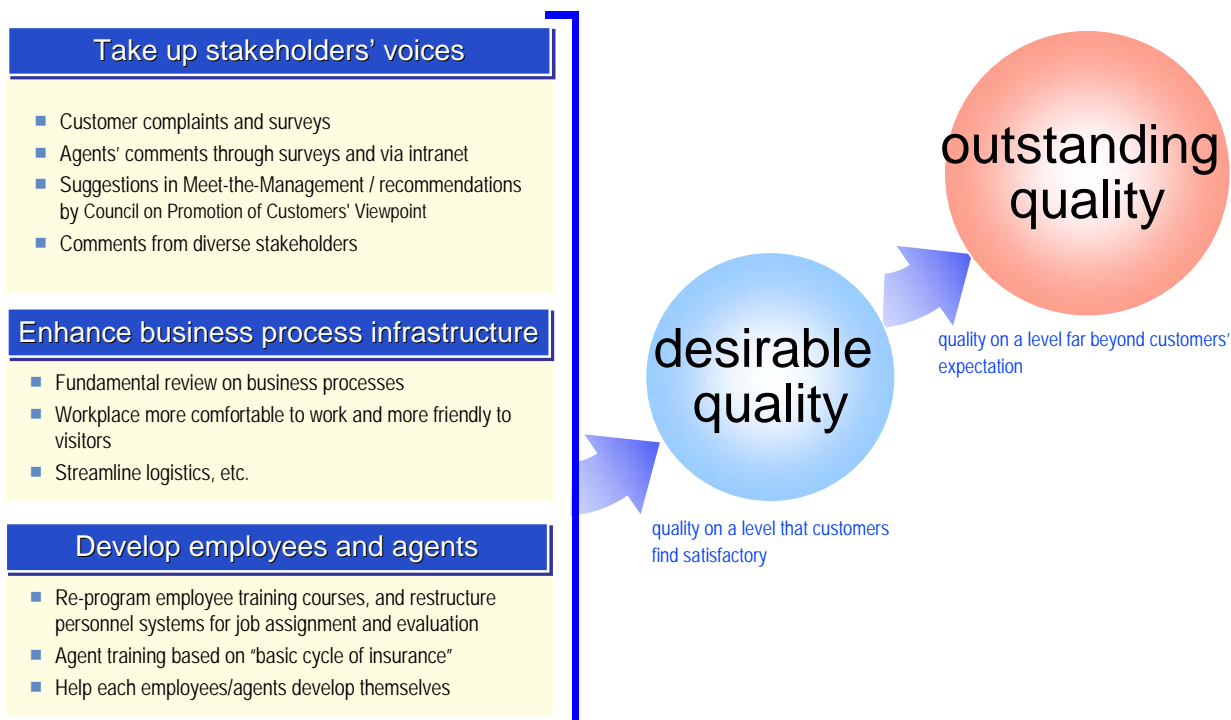
14

- Total company operating expense expects to increase by Y20.3 bn from fiscal 2006 to Y293.1 bn, including active investments in the corporate quality improvement measures.
- Company operating expenses associated with the quality improvement measures are estimated Y23.8bn, consisting mostly of non-personnel expenses.
- Expense ratio expects to rise by 1.1pt from fiscal 2006 to 31.9% mainly due to increasing company expenses.
 - Commission ratio : 16.0% (-0.1pt from fiscal 2006)
 - Company operating expense ratio : 15.9% (+1.2pt from fiscal 2006)
- Combined ratio expects to rise by 2.5pt from fiscal 2006 to 96.4%.
 - Loss ratio : 64.5% (+1.4pt from fiscal 2006)
 - Expense ratio : 31.9% (+1.1pt from fiscal 2006)



New Challenge 10

Mid-term management plan: Quality Improvement

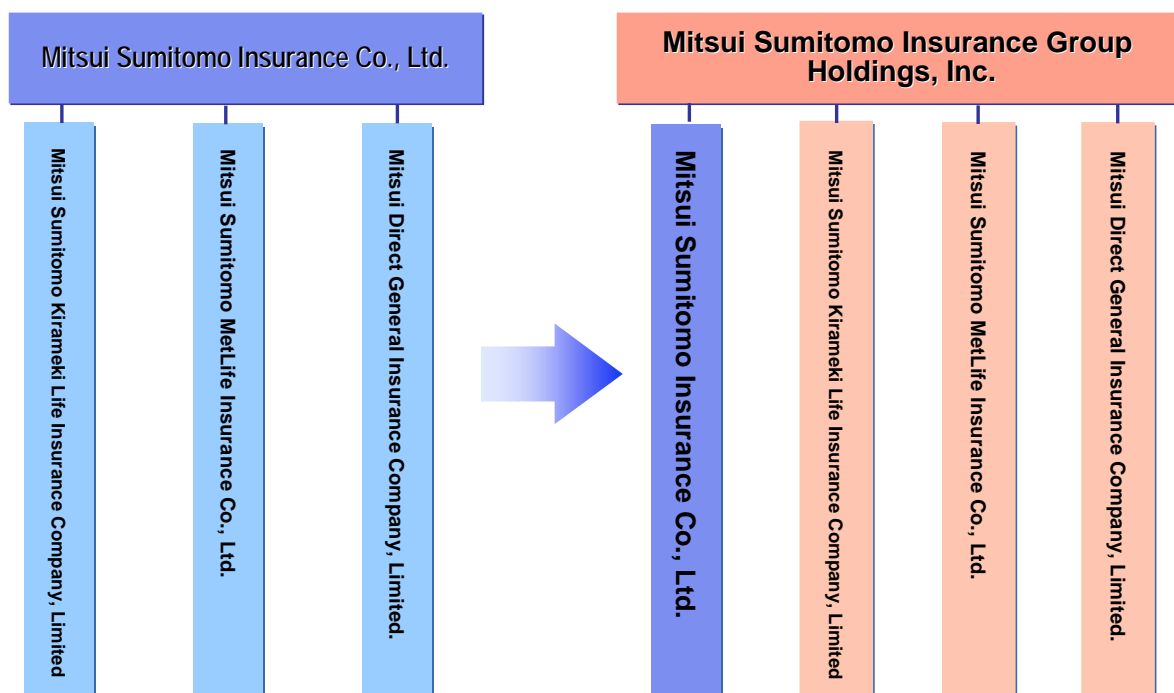


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Specific measures in the quality improvement strategy

Take up stakeholders' voices
<ul style="list-style-type: none"> Customer Service Department centralizes customer complaints handling and has opened Claims Handling Consulting Section within it. Council on Promotion of Customers' Viewpoint submits recommendations to the BoD based on its complaint analysis Gather suggestions and proposals posted on the intranet bulletin board within the Group Mail a survey sheet to new / roll-over policyholders enclosed with the policy, and hear policyholders upon claim payout CEO, Chairman and top managers exchange views with employees from various tiers
Enhance business process infrastructure
<ul style="list-style-type: none"> A model service center implements the totally renewed business process in the claims handling as a pilot Examine more paperless and cashless operation in the new contract process Streamline logistics, improve time-efficiency in book entries and premium collections
Develop capabilities of employees and agents
<ul style="list-style-type: none"> Give new training to the line managers of all the offices New job assignment principle requiring starting employees to work in sales and claims handlings within their first 7 years Strengthen training programs for agents

Establish Holding Company thru Share Transfer



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Registered name	Mitsui Sumitomo Insurance Group Holdings, Inc. ("MSIGH")
Share allotment upon transfer	Allot shares of MSIGH in exchange for MSI shares at the rate of 0.3 MSIGH share per MSI share to the registered holders of MSI shares as of the immediately preceding day of the establishment date of MSIGH
Common stock	Common stock : 100,000,000,000 yen
Establishment date	Scheduled April 1, 2008, subject to approval of the shareholders' meeting and permits from the competent authorities
Stock exchange listings	Scheduled to list on the Tokyo, Osaka and Nagoya exchanges
Number of shares per tradable unit	100 shares per unit (currently 1,000 shares per unit as to MSI shares)

New Challenge 10 < Numeric Targets >

Business portfolio as at Mar 2011

Fiscal 2006 results	
Group core profit	Y64.7 bn

Financial services	3%
Risk-related	
Life insurance	17%
Overseas	18%
Domestic non-life	62%

Earnings growth

- Quality improvement
- Business expansion
- Strategic investment

Fiscal 2010 goals	
Group core profit (GCP)	Y100 bn or more

Financial services	5%
Risk-related	
Life insurance	20%
Overseas	20%
Domestic non-life	55%

Targets as at Mar 2011

Group core profit ("GCP")	Y100 bn or more
GCP-adjusted ROE	5.0% or higher
Consolidated net premiums written	Y1,650 bn or more
Stand-alone net premiums written	Y1,370 bn or more
Combined ratio	95.0% or lower

Assumptions	
Nikkei Average	Y19,000
JPY/USD rate	Y115/\$
10-yr JGB yield	2.2%

Targets	Critical benchmarks for business development are set in absolute figures, not by the relative ranking in comparison with Japanese peers.
Return to shareholders / Reduction of stocks held	Return fund roughly equivalent to 40% of GCP via cash dividends and own share buyback, basically continue to step up dividend per share, and reduce the stocks held to the pre-set level by the end of fiscal 2010

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Definition of Group Core Profit

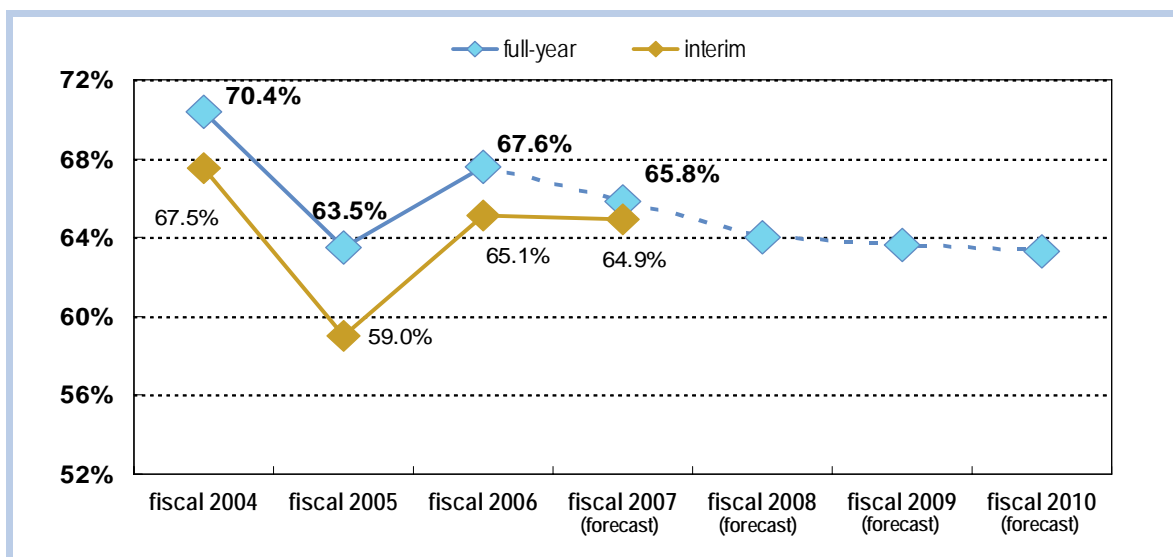
- Consol. net income — Net capital gain on stock portfolio
- Net revaluation gain on credit derivatives — Other incidental factors
- Consol. net income attributable to life subsidiaries
- + MS Kirameki's income before provision of standard u/w policy reserves
- + MSI MetLife's equity in earnings under US GAAP
- + others

Definition of GCP-adjusted ROE

$$\text{GCP-adjusted ROE} = \frac{\text{Group Core Profit}}{\text{Consolidated Shareholders' Equity}} \\ \text{(average of starting and ending amounts)}$$

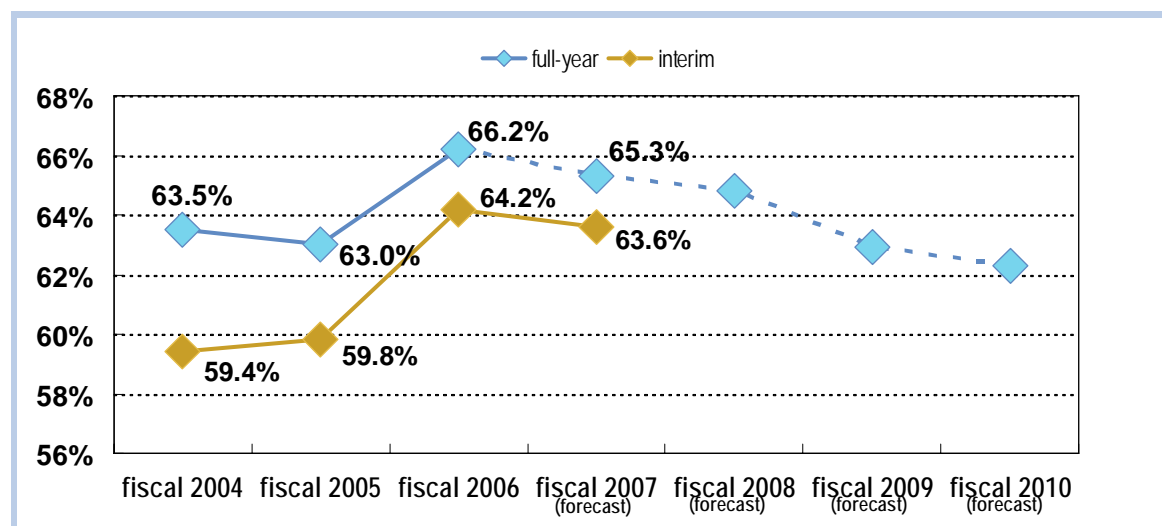
Domestic non-life insurance Earned-Incurred Loss Ratio

Earned-Incurred loss ratio for all lines (%)



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Auto Earned-Incurred loss ratio for fiscal 2007 (except loss adjustment expense and IBNR provisions) (%)



Year-on-year change in auto line's Earned-Incurred loss ratio (from interim 2006)

Major reason for change	Change in percentage points
Tighter underwriting control and decreased accidents	- 0.5%
Revised rate table and policy terms and conditions	- 0.5%
Higher per-claim payout for bodily injury accidents	+ 0.7%
Effects of natural disasters	- 0.3%
Total	- 0.6%

Issue of domestic non-life insurance

Premium-cost Balance Normalization in Auto Line

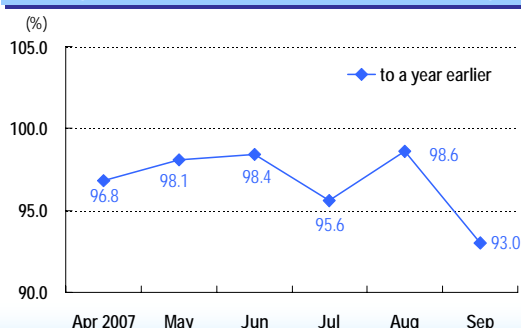
Measures in the approach to new customers

- Select good risks by proper underwriting practices
- Distinguish undesirable risk through better-segmented underwriting standards
- Find more non-fleet customers experiencing relatively low losses

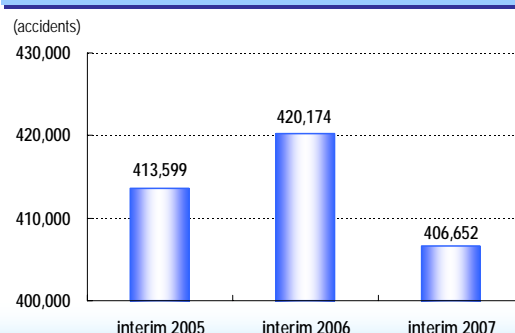
Measures to the existing customers

- Give loss prevention advices to the agents and fleet customers making relatively high loss ratio
- Conduct activities for policyholders to raise their awareness of accident prevention

Monthly number of accidents comparison to last year



Annual number of accidents



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Measures to the agents and fleet customers marking relatively high loss ratio

Payouts/premiums at them	Fiscal 2006 results	Oct 2006 - Sep 2007	Fiscal 2007 forecast
Incurred claims	Y38.3 bn	Y35.1 bn	Y31.6 bn
Earned premiums	Y58.0 bn	Y59.1 bn	Y59.1 bn

Balance normalization approaches

Select good risks by proper underwriting practices

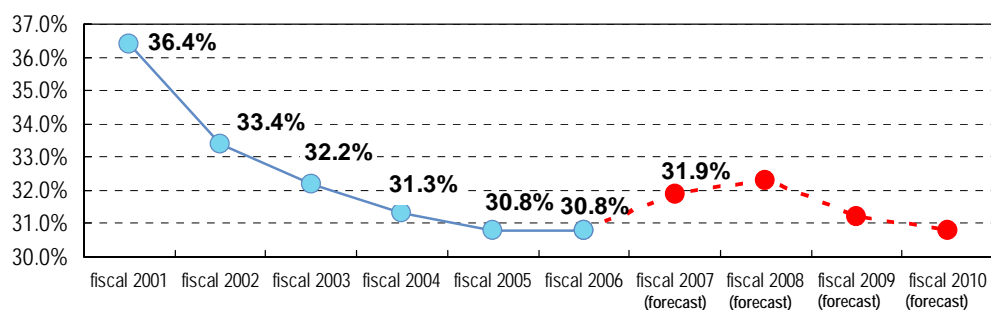
- Develop better-segmented underwriting standards individually at departments and branches
 - Standards fitting conditions of the local market in which a department / branch is located
 - Develop computer system to support the uniform application of the underwriting standards
- Acquire more non-fleet contracts
 - Promote management of car-owner household accounts and best solution proposal activity by linking the measures taken in the Safety Car Life / Safety Plus campaign with the policy clause re-confirmation activity

Profitability-focused management on the levels of division, department and branch

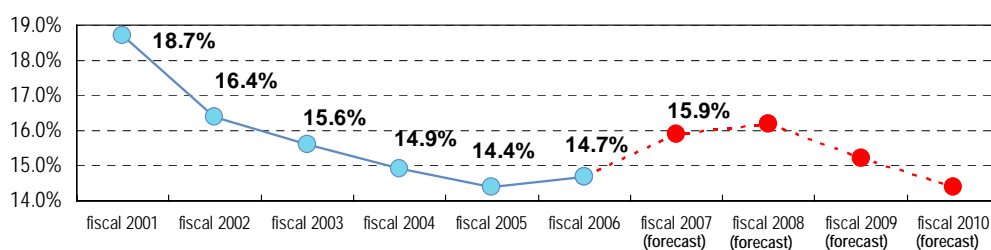
- Factor analyses on and consultation to the agents and fleet customers marking high loss ratio
 - Make a remedy based on the analysis, meet such an agent / customer and give it with consultation
 - Develop a computer program dedicated for the remedy planning and the scheduling of meetings and consultations
- Campaigns for traffic accident prevention
 - "I Stop campaign" reminding drivers of stopping and looking both sides where and when appropriate.
 - Gateway to Traffic Safety page opened at the corporate website, providing various info and tools for safe driving

Domestic non-life insurance : Expenses

Net expense ratio

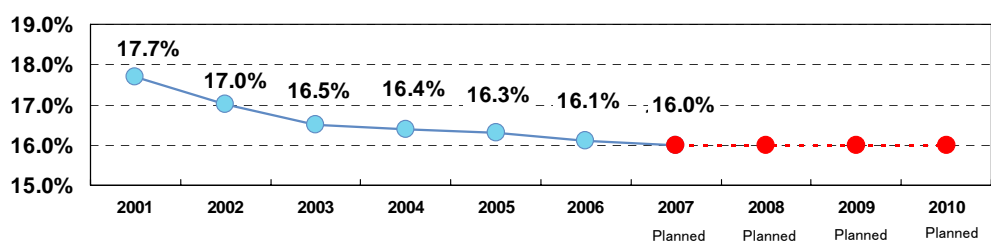


Company operating expense ratio

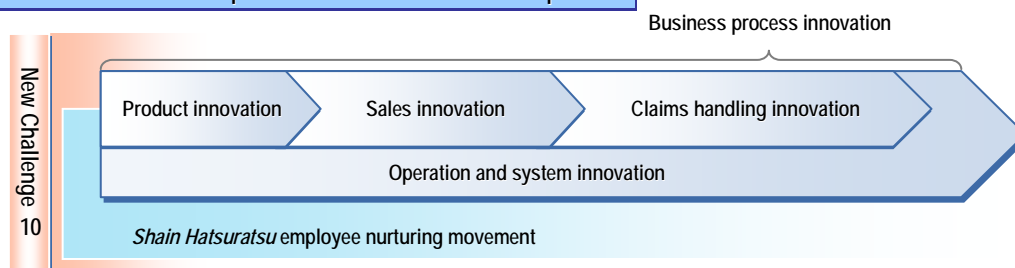


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Agent commission ratio (%)



Measures which require advance investment of expense



* These innovations and Shain Hatsuratsu under New Challenge 10 are estimated to cost ¥24 bn additionally in fiscal 2007.

Domestic non-life insurance : Product Innovation

Objectives (1) Products yet easier to understand (2) Better product quality and service control

Revise products

1. Streamline the lineup
2. Paraphrase technical terms
3. Uniformed standard clauses

Improve product quality

1. Build a product control system
2. Broader web-based services



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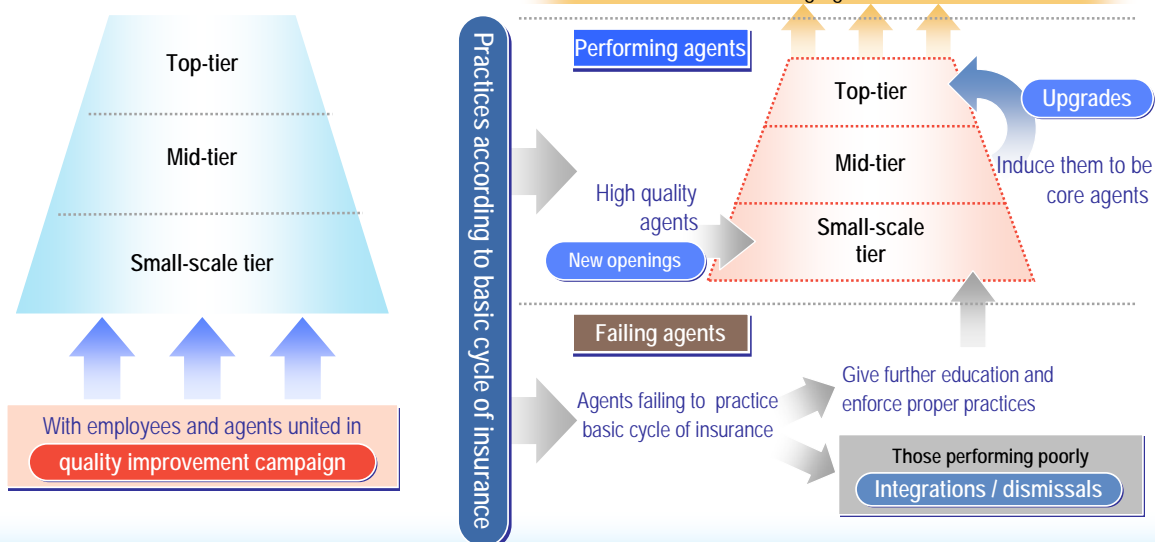
Themes		Measures in focus	Goals
Yet easier to understand	Review on product designing	<ul style="list-style-type: none"> Develop policies easy to understand, and streamline the lineup ex) • develop new auto and fire policies / 6 personal Acc. policies and 111 extra riders abolished in interim 2007 	New product to launch Interim 2008
	Technical terms into plain wording	<ul style="list-style-type: none"> Paraphrase 65 technical terms into plain wording on all materials ex) • "endorsement of policy clause" ⇒ "change of policy clause" • "to indemnify" ⇒ "to pay for (loss, etc.)" 	To complete fiscal 2008
	Uniformed and standard policy clauses	<ul style="list-style-type: none"> Standardize wording in a cross-line uniformity ex) • auto and fire policy clauses yet easier to understand / common clauses regarding personal protection and belongings to be covered / visualized explanatory literature 	To apply individually when available, at earliest interim 2008
Quality improvement	Build a product control system	<ul style="list-style-type: none"> Centralize product-base data control ex) • Systematize product info necessary for sales and claims handling • Process supplementary product info into database 	To work interim 2008
	Broader web-based services	<ul style="list-style-type: none"> Make more net-services available to customers ex) • to individuals: inquiry, registry and claims handling monitor by mobile phone and personal computer • to corporations: managing auto unit data or individual insured data of overseas travel accident open policies 	Available interim 2008

Sales innovation: Sales Network Reform

Sales
network
reform

Build a network of high quality agents which perform duty to explain to customers and contribute themselves to our earnings growth

Conceptual diagram of sale network reform



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Number of agents – newly opened, dismissed and total

	Fiscal 2003	Fiscal 2004	Fiscal 2005	Fiscal 2006	Interim 2007
Newly opened	3,195	3,049	2,740	1,583	569
Dismissed	6,609	6,893	7,637	6,563	3,827
Total at term end	66,380	62,536	57,639	52,659	49,401
Annual change	-3,414	-3,844	-4,897	-4,980	-3,258
Agents using intranet	38,455	37,389	36,917	35,000	34,414
Intranet-agents to total	57.9%	59.8%	64.0%	66.5%	69.7%

■ Share of the intranet using agent in total premiums earned = 83.4%
(= premiums of general policy lines earned by the intranet agents / total premiums of general policy lines earned by all the agents)

* Excluding those earned by the agency channels of convenience stores

Share of large-scale agents in premiums earned

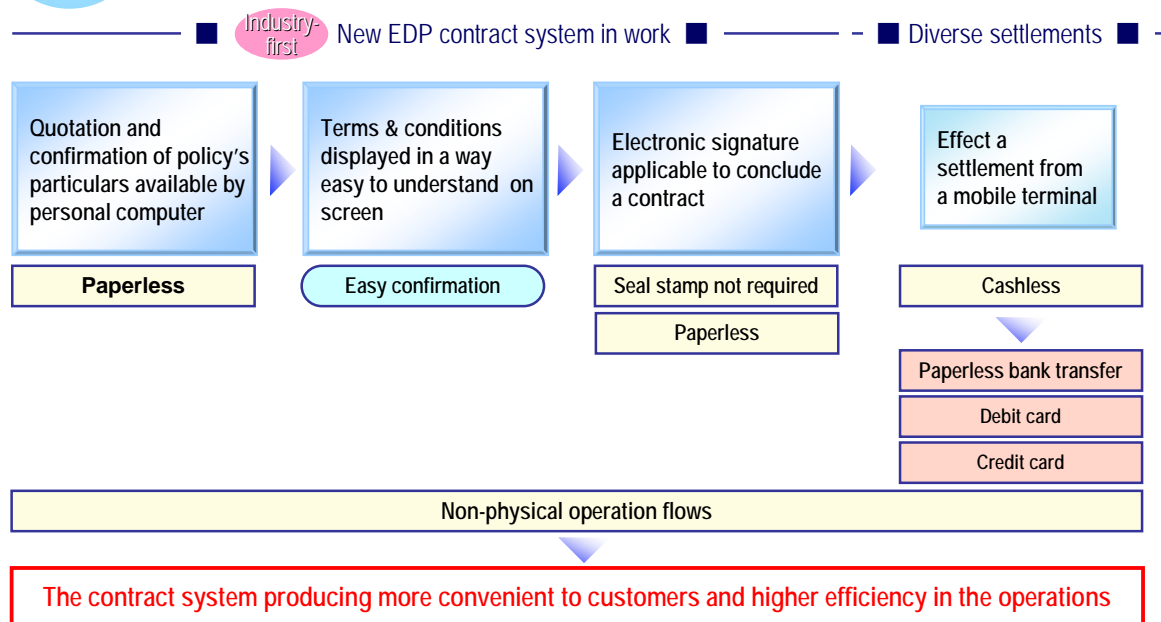
(as of Sep. 2007)

Results	earned premiums of general policy lines
Agents within top 10% in number	74%
Agents within top 30% in number	91%

Operation/system innovation: New EDP contract & settlement system

New system introduced

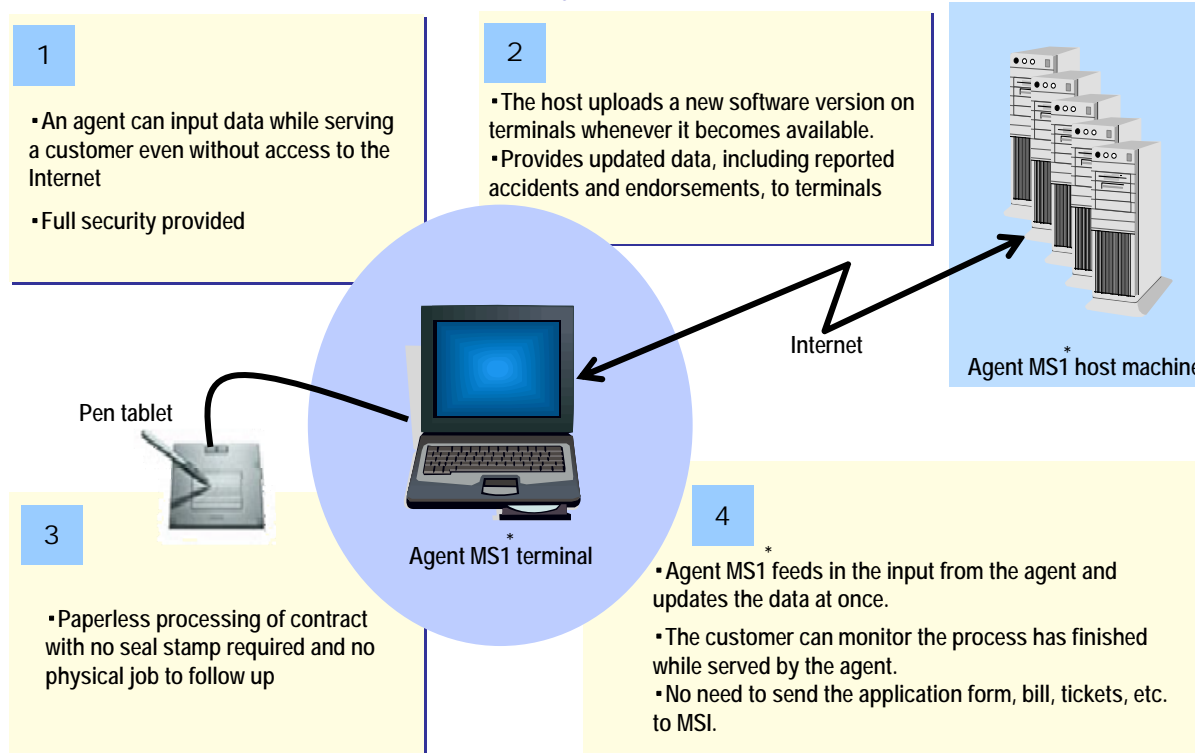
Epoch-making contract data processing realized



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Features of new EDP contract system

Launched Oct 2007 with free rental pen tablets to agents



* Agent MS1 = Intranet base agent-company network system

Business process innovation: Overview of Grand Design

Blanket
designing

Create synergy for "quality improvement" and "growth potentials"

Restructure the contract process

To fit customers' needs better and yet in a steadier but simpler way

To be more efficient and effective for agents and MSI

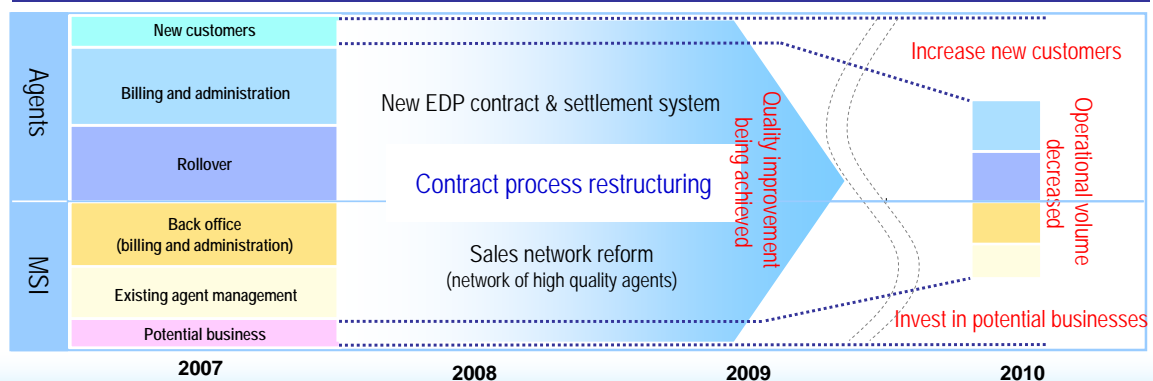
Realization

Cashless job flows

Simplified rollover process

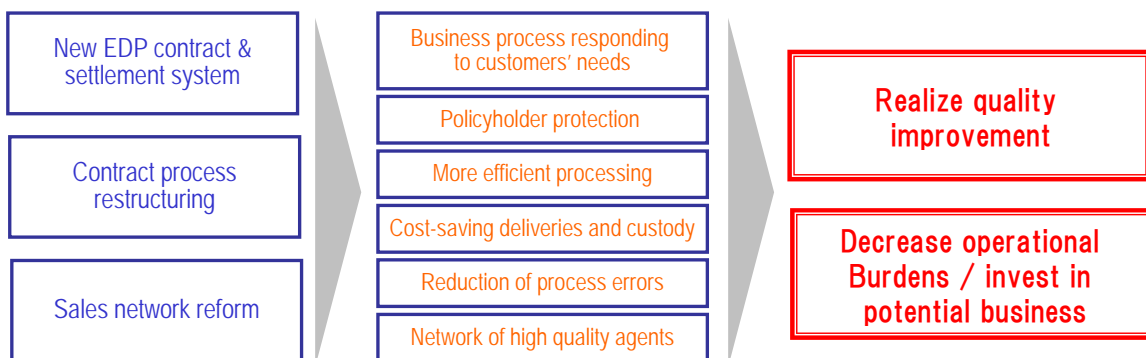
Uniform, standard operations

Contract process restructuring : actions and effects in planning horizon



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Expected effects from the actions taken



Needs customers expect most to be met in the contract process restructuring

rank	customers' expectation	response	rank	customers' expectation	response
1	Accurate with no mistake	87%	6	Reference to accident desk and what to do next	79%
2	Convenient in paying premiums	85%	7	Explanation of material and cautionary matters	78%
3	Simple procedures	85%	8	Advice in choosing best fitting policy upon purchase	77%
4	Indemnity explanation easy to understand	81%	9	Explanation of incidental services	71%
5	Variety in product lineup	80%	10	Policy something new and more advantageous than rivals	58%

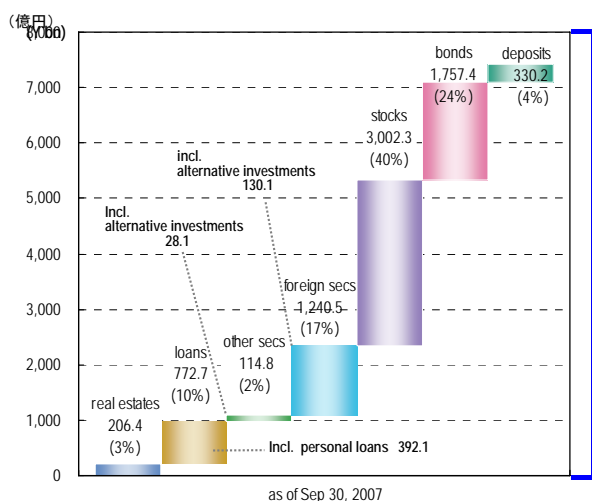
*Survey made to MSI's contracted professional agents by mail in April 2006, resulting in 1,425 valid responses to the questionnaire to which multiple answers are allowed

→ Contract process restructuring meeting the upper ranked customers' needs

Investment management (1) : Portfolio and Strategy

~ Increase net asset value by way of "basic portfolio management" ~

Balance of investment per asset category



Basic policy of investment

Increase net asset value in pursuit of profits from risks taken, with all costs taken into consideration, by the following approaches

	Basic portfolio mgmt	Active mgmt
Assets corresponding to savings-type liabilities (currently about Y2 tn)	Investment mostly in yen-denominated assets to offset interest rate risk exposure on the liability side	Active investment, taking mainly credit risks
Assets other than the above-stated (currently about Y5 tn)	Investment in yen-denominated assets, domestic and foreign stocks, hedge funds, etc., for well-balanced portfolio in itself	Active investment, taking both credit and market risks

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Investment management policy

Basic portfolio management

- MSI aims to have built an asset allocation ("basic portfolio") as of the end of fiscal 2010, where index investment is directed, and expected return, risk and correlation among assets are considered in terms of both assets and liabilities.
- In the course of tuning up to the basic portfolio, the "annual portfolio" is established based on the year's assumptions such as annual cash flow and market outlook.
- Asset allocation for the basic portfolio has been carried out steadily.

Active management

- MIS also aims at return rewarding risks taken by extending active investment in addition to index investment.

Portfolio goal

- 【Assets corresponding to savings-type liabilities】
Portfolio with interest rate fluctuation risk neutralized (composed mostly of yen-denominated assets)
- 【Assets other than the above-stated】
Portfolio with return rewarding risks taken (well balanced in yen-denominated assets, domestic and foreign stocks, hedge funds, etc.)

"return rewarding risks taken" means;

- The return where the "value added" (i.e. return net of all costs) is positive;
- where "all costs" means funding cost, capital cost, and operating costs.

Macro-economic impacts on balance sheets

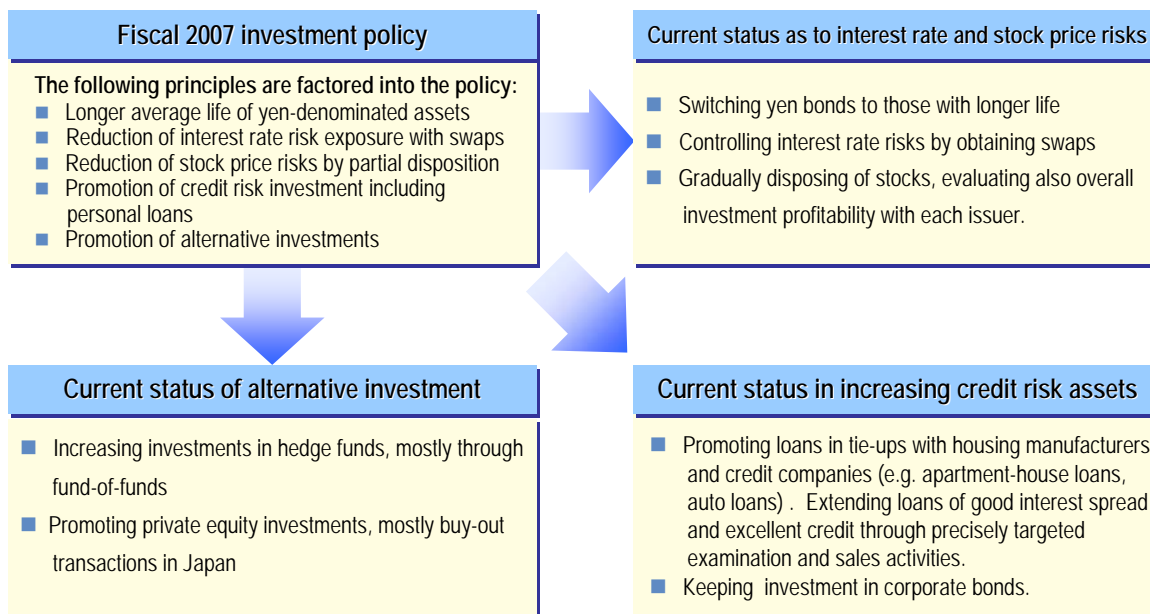
changes of:	Estimation of impacts
Interest rate	<ul style="list-style-type: none"> +Y39.8 bn in net fair value of assets/liabilities per 100bp rise of yen interest rate +Y0.3 bn in net dividends and interests received per 100bp rise of yen interest rate staying at the level 6 months
Forex	<ul style="list-style-type: none"> -Y3.9 bn in fair value of non-yen assets per 1 yen rise of JPY vs. USD -Y1.1 bn in fair value of non-yen assets per 1 yen rise of JPY vs. EUR -Y0.6 bn in dividends and interests received from non-yen assets per 1 yen rise of JPY vs. both USD and EUR, staying at the level 6 months
Stock price	<ul style="list-style-type: none"> -Y179.0 bn in fair value of stocks held per Y1,000 drop of Nikkei Average

< ref. > investment assets to total assets (Y bn)

	Mar-06	Mar-07	Sep-07	% share
total assets	7,537	7,745	7,782	100.0%
investments	7,200	7,402	7,425	95.4%
others	337	343	357	4.6%

Investment management (2) : Strategy for Annual Portfolio

~ Approaches to building the fiscal 2007 annual portfolio ~



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Disposition of stocks held ~ policy unchanged for Y500 bn reduction by the end of fiscal 2010

(Y bn)

	fiscal 2004	fiscal 2005	fiscal 2006	interim 2007	aggregate from fiscal 2004 onward
stocks sold	86.9	58.8	32.3	6.9	184.9

- Keep on disposing of stocks held to reduce exposure to stock price fluctuation risk.
- Generally, overall investment efficiency of each stock held for a customer relation purpose is high. For, examination is made from the perspective not only of growth potentiality and earnings stability of the issuer but also of profitability of insurance business including insurance transactions.
- Continued gradual disposition of stocks, evaluating also overall investment profitability with each issuer.

Personal loans

(Y bn)

	Mar-05	Mar-06	Mar-07	Sep-07
outstanding balance	327.0	347.1	367.8	392.1

Alternative investments

(Y bn)

	Mar-05	Mar-06	Mar-07	Sep-07
outstanding balance	77.8	106.4	142.7	158.2
hedge funds	51.7	78.6	102.8	116.3
buy-out funds	8.8	11.4	16.2	18.6
venture funds	6.5	6.9	8.3	9.0
real estate funds	7.9	6.1	9.7	8.3
others	3.0	3.5	5.5	5.8

Investment management (3) : US Sub-Prime Credit Issues

— Most recent status of exposure to the US sub-prime mortgage risks —

Exposure at MSI to risks associated with US sub-prime loans is limited.

The following is what MSI has as its exposure to risks associated with US sub-prime mortgages;

<Investment to Hedge Funds>

- Among “fund-of-funds investments”, are certain funds that have exposure to US sub-prime mortgages.
- However, the total exposure is no more than Yen 30 mn.
- Therefore, it will hardly affect the performance of the funds.

<CDOs>

- Among the ABS-CDOs (that is, CDOs the collateral of which is ABSs) are some ABS-CDOs which have RMBSs as their collateral, part of the underlying asset of which is US sub-prime mortgages.
- However, there are tranches in the ABS-CDOs subordinate to MSI tranches, which exceed such US sub-prime RMBSs.
- Therefore, the exposure to risks associated with US sub-prime mortgages is nil, as a matter of structure.
 ※Most of the CDOs that MSI has any exposure are CDOs the collateral of which is corporate pool; the CDOs with ABSs as underlying assets (i.e. ABS-CDOs) are small in amount.

<RMBSs>

- Among the risks ceded from US monolines are RMBSs with US sub-prime mortgages as their underlying assets.
- However, the exposure amount is no more than Yen 1,100 mn.
- Moreover, AAA rating is assigned to most of such US sub-prime RMBSs.

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Most recent exposure

Category	Exposure to so-called “direct securitization”	Exposure to so-called “indirect securitization”
Hedge fund investment	[Fund-of-funds investments] ■ Certain funds-of-funds* are exposed to risks associated US sub-prime mortgages. ■ The exposure amount is no more than Y30 mn and hardly affects performance of the funds.	
Credit derivatives	—	[ABS-CDOs]** ■ Among the ABSs*** as collaterals of an ABS-CDO, are RMBSs**** whose underlying assets are US sub-prime mortgages. ■ The tranche of the ABS-CDO that MSI holds is an upper tranche (so-called “super senior” tranche) , and the notional amount is Y12.2 bn. ■ The amount of the US sub-prime RMBS is Y10.2 bn. ■ However, there is a tranche of Y12.2 bn subordinated to MSI tranche, which exceeds the amount of such US sub-prime RMBS. ■ Therefore, there will arise no liability on MSI even in case of total loss of US sub-prime RMBS. ■ As a whole, <u>the exposure at MSI is nil.</u>
Reinsurance ceded	[RMBSs] ■ Among the risks ceded from US monolines are RMBSs with US sub-prime mortgages as their underlying assets. However, the exposure amount is no more than Yen 1,100 mn. ■ Moreover, AAA rating has been assigned to most of such US sub-prime RMBSs.	[ABS-CDOs] ■ Among the risks ceded from US monolines, are ABS-CDOs (Y3.1.bn of notional amount in total) where part of the collaterals are RMBSs whose underlying assets are US sub-prime mortgages. ■ However, <u>the exposure at MSI is nil</u> for the reason similar to the above-stated.

* fund-of-funds: fund investing in two or more funds, including hedge funds

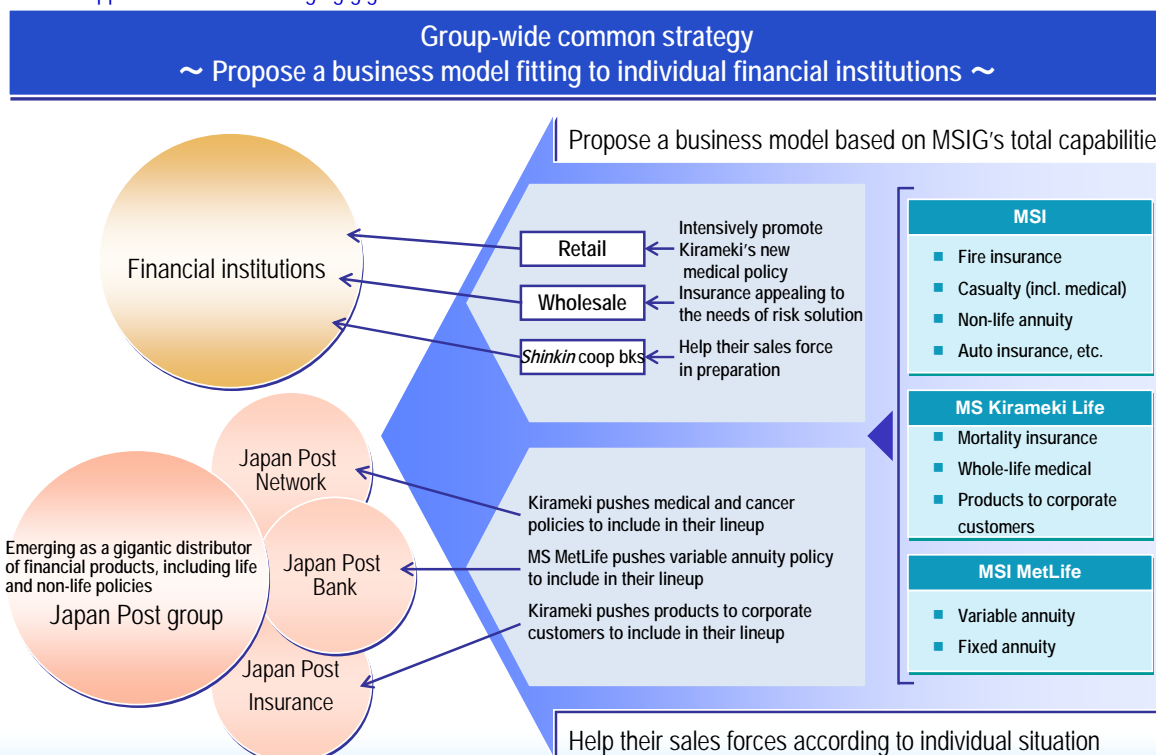
**ABS-CDO: A transaction where the underwriter becomes liable to indemnify the balance between the aggregate losses and the amount of the subordinated tranche(s), if and when the former exceeds the latter due to default or other insolvency events of collateral pool comprised of many ABSs. CDO stands for “collateralized debt obligation”.

*** ABS (Asset-Backed Securities): A bond issued with pool of claims as its underlying asset, comprised of well diversified claims such as loan or leasing, and with such credit enhancement structure as segregation of such claims from the originator or cash reserve.

**** RMBS (Residential Mortgage-Backed Securities): a kind of ABS, backed by residential mortgages.

Group businesses : Bank OTC and Japan Post Privatization

Approaches to the emerging gigantic channels



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Long-term fire policies protecting residential mortgage, sold through financial institutions

	fiscal 2005	fiscal 2006	fiscal 2007
Long-term fire policies sold at banks and their field forces	Y11.7 bn (89.3% to fiscal 2004)	Y8.5 bn (72.6% to fiscal 2005)	Y3.67 bn (88.7% to interim 2006)

* Overall sales of the long-term fire line increased for interim 2007, due to sales boosted through housing companies.

Contracted financial institutions

	MSI	MS Kirameki Life	MSI MetLife
Contracted financial institutions	402	162	70

Sales models to propose to financial institutions

target segment	sales model and proposal	product and service
retail	Life insurance to residential mortgagers Life insurance to retirees Third-sector policies for mass sale	Income protection, etc. Lump-sum medical / care insurance Kirameki's new medical insurance
wholesale	Insurance as risk solution instruments	Insurances to corporate customers
shinkin cooperative banks	Assistance to their sales forces in preparation	Business model meeting Life / non-life sales trainig

Group businesses : Mitsui Direct General Insurance Co., Ltd.

Characteristics of the business model

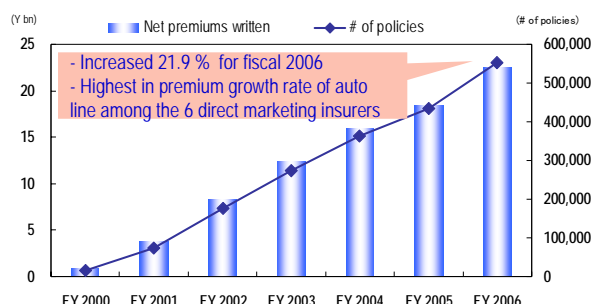
Reasonable premium rates

- Simple and plain protection scheme
- Efficiency-oriented low cost operation
- Web-only marketing
 - Nov 2006: medical insurance
 - Jun 2007: drivers' insurance

Totally web-based operation

- accessible on the Internet to report an accident, too

Net premiums written and number of policies



In-force policies exceeded 600,000 as of Oct. 31, 2007

Interim 2007 results and fiscal 2007 forecast

< interim 2007 results >
 Net premiums written : Y12.6 bn
 18.6% higher than a year earlier

< fiscal 2007 forecast >
 Net premiums written : Y26.6 bn
 17.2% higher than a year earlier

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Long-term management policy

Sooner establish Mitsui Direct (MD) brand as the biggest web-based non-life insurer and increase profitability

- ① Focus on net users as strategic target, and accelerates the specific measures to develop and offer products specialized for them and to improve their convenience.
- ② Proactively invest in the computer systems and implement company-wide operational reform for raising efficiency in a bid to establish a MD-only business model.
- ③ The whole company acts in line toward surfacing to show an annual profit sooner, according to the corporate values of the ever active MD.
- ④ Maintains sound operations under the compliance and risk controls which fit the operational attributes specific to the company and keep pace with its business development.

Fiscal 2007 forecast

Net premiums written	I/E loss ratio	expense ratio	net income (loss)
Y26.6 bn	66.3%	35.7%	-Y1.8 bn

* planned to show an annual profit in fiscal 2009

* "net income" in the table is on an "equity in earnings" basis

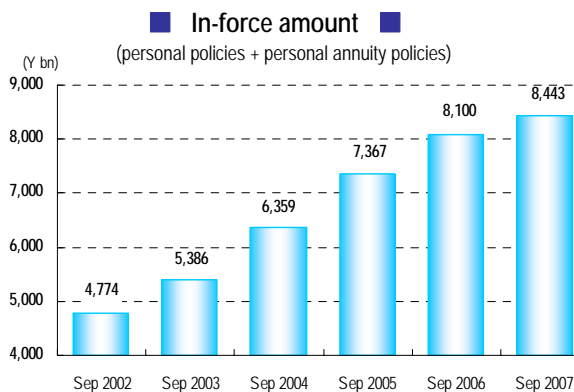
Market environment

- ① The 6 direct marketing insurers collectively hold about 6.9% share in the personal auto insurance market estimated Y2.1 tn in size.
- ② Assuming the current growth rate of these direct marketers, their share will increased to about 9.5%, or about Y200 bn in size in fiscal 2015, from Y144.5 bn in fiscal 2006.

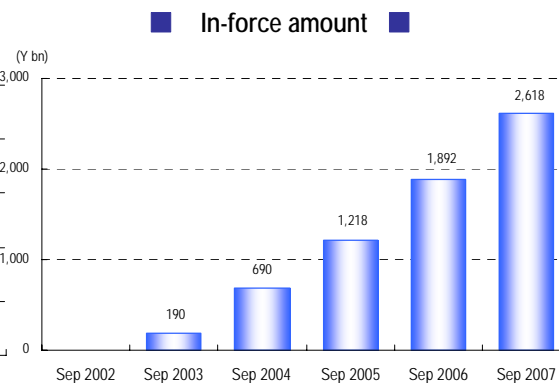
* MD's market share among the 6 direct marketers is expected to be 19.4% for fiscal 2009.

Group businesses : Results of Two Life Subsidiaries

Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.



Mitsui Sumitomo MetLife Insurance Co., Ltd.



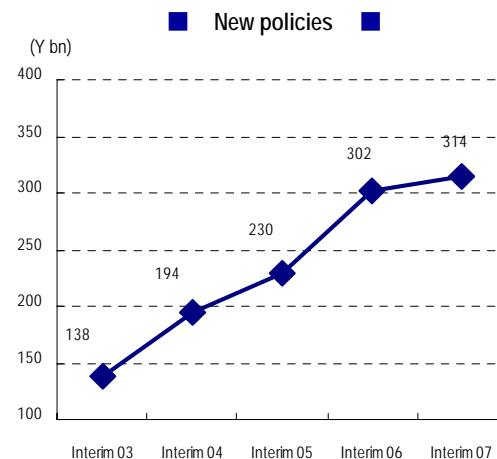
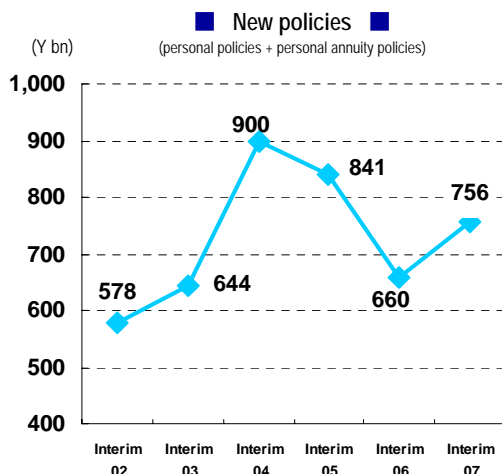
Interim 2007 results / fiscal 2007 forecast

	interim 2007 results	fiscal 2007 forecast
amount in force	Y8,443.8 bn 104.2% to Sep 2006	Y8,691.3 bn 106.5% to Mar 2007
new policies	Y755.5 bn 114.3% to interim 2006	Y1,594.4 bn 133.5% to fiscal 2007

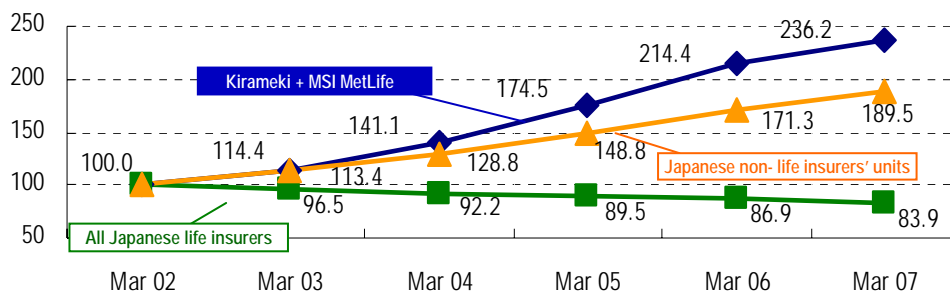
Interim 2007 results / fiscal 2007 forecast

	interim 2007 results	fiscal 2007 forecast
amount in force	Y2,617.7 bn 138.3% to Sep 2006	Y2,869.7 bn 124.1% to Mar 2007
new policies	Y314.0 bn 104.0% to interim 2006	Y671.2 bn 90.4% to fiscal 2007

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Total in-force amount of the 2 life subsidiaries (Mar 2001 = 100)



*1 : Each in-force amount is indicated in an index being its percentage rate to that at the relevant insurer category as of Mar 2002.

The data covers 38 life insurers handling life insurance or annuity insurance.

*2 : The in-force amount indicated above represents a sum of personal policies and personal annuity policies at the relevant insurer category.

Group businesses : Mitsui Sumitomo Kirameki Life

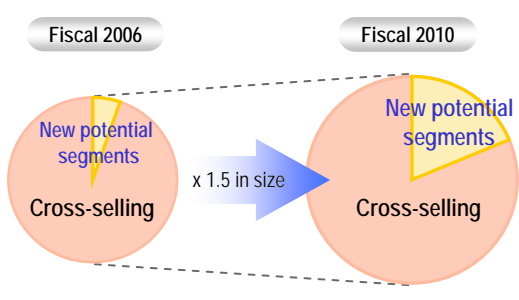
Strategic design of Kirameki Next 10 (Kirameki's mid-term management plan set for the period from fiscal 2007 through 2010)

			Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008
Promote cross-selling within the group markets	Cross-selling Promotion Program to strengthen its professional agents for higher selling power (about 1,400 agents registered)	<ul style="list-style-type: none"> Raise agents to self-sustainable operation Increase Loyal Members, qualified agents with high output Push personal policies, premiums in variety of lump-sum / installment, payment, and death protection 				<ul style="list-style-type: none"> Program embarked Apr 2007 Sales pitch training + monthly campaign series
Increase life business in the potential market segments	Approach to Bank OTC deregulation	<ul style="list-style-type: none"> Dedicated department and staff Life-nonlife Package proposals Strengthen education and training 			<ul style="list-style-type: none"> Package proposals 	<ul style="list-style-type: none"> Deregulation effective Dec 2007 Dept set up for Bank OTC only Jul 2007
	Direct marketing of financial consultant (FC) business	<ul style="list-style-type: none"> Well-selected consultants for high productivity Tie-up with non-life agents 			<ul style="list-style-type: none"> Business embarked Oct 2005 	
	Large-scale life-only agents	<ul style="list-style-type: none"> Reinforce the department directly responsible for agents Life staff support program 				<ul style="list-style-type: none"> Life staff support program revised Apr 2007 Dept responsible reinforced Apr 2007
	New business models for web-marketing, sales outlet, etc.	<ul style="list-style-type: none"> Develop and pilot new business models 			<ul style="list-style-type: none"> Develop business models 	<ul style="list-style-type: none"> Pilot the business models

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Sales system to sustain strategy execution	【Cross-selling】 Increase and station Life Playing Leaders nationwide	<ul style="list-style-type: none"> Strengthen sales training to the employees and agents, and improve corporate quality and compliance practices
	【Bank OTC】 <ul style="list-style-type: none"> Set up dedicated department Deploy dedicated personnel 	<ul style="list-style-type: none"> Following sales Design Promotion dept established April 2007, the department dedicated for bank OTC was set up Jul 2007 with staff assigned for the task only

【Growth measured in 3 benchmarks】 # of policyholders, in-force amount, annualized premiums from retention

	Fiscal 2006	Fiscal 2010		fiscal 2006 results	Interim 2007 results	(ref.) plan 2008
			# of policyholders (# of policies)	9.17 bn policies 104.7% to FY 2005	9.52 bn policies 107.4% to H1 2006	10.7 bn policies —
			in-force amount	Y8,164.2 bn 103.1% to FY 2005	Y8,443.8 bn 104.2% to H1 2006	Y9,550.0 bn —
			annualized premiums from retention	Y195.0 bn 112.0% to FY 2005	Y198.4 bn 106.4% to H1 2006	Y220.0 bn —

Products and services fitting customers best

Products and services designed based on the key concepts of personal use, lump-sum / installment variety and death protection in order to fit customers best

- More competitive personal death protection products
- New cancer policy launched Apr 2007
- Premium waiver rider launched Jul 2007

Business Process Innovation

Increase customers' convenience with better services

- Introduction of a remote diagnostic interview program (via TV phone)
- Development of a diagnosis system program for underwriting, using disease name to run

Strengthen the claims handling system

- Fundamental review of the claims handling computer system

Group businesses : Mitsui Sumitomo MetLife

【Goals set as of Mar 2011】 (1) Show annual profit by Japanese GAAP
(2) Y20 bn in net income by US GAAP (or Y10 bn in equity in earnings)

Specific measures for fiscal 2007

Products

More competitive products - 3 new products released -

- 2 whole life annuity plans with early benefit
- 1 annuity plan with total benefit guaranteed and return automatically secured

Customers

Increase customer satisfaction

- New telephone center now in work

Channels

Strengthen and increase distribution channels

- Boost its share in the Bank OTC market as well as increase bank agents
- Use effectively the training center

Compliance

Strengthen the customer protection control

- Get the organization in compliance with the newly enforced Financial Instruments and Exchange Law
- Adjust the operation and computer system

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Specific measures to achieve the goals

■ New products released ■

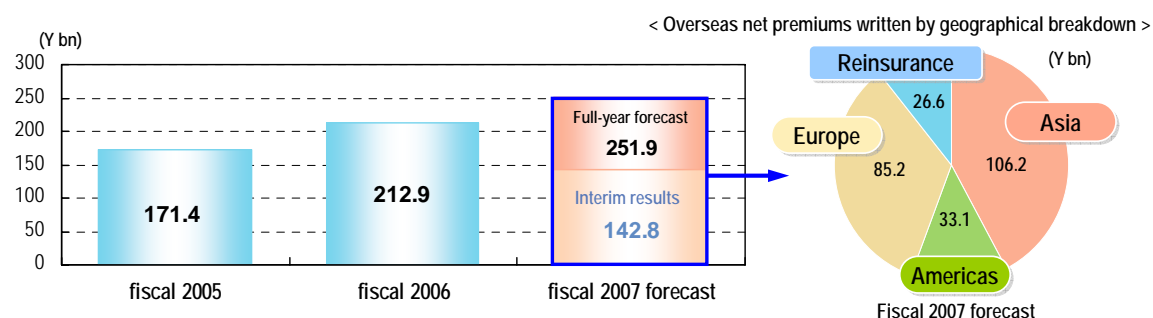
product	characteristics
Age-bracket benefit type whole-life annuity plan of early benefit	Annual benefit is set to step up from 3.2% to 4.45% to fit an annuitant better, unlike conventionally fixed at 3.0%, in the way that, the older he/she becomes, the more should be paid.
Annually refixing rate type whole-life plan of early benefit	Committed rate is to set refixed annually according to the investment results, instead of the conventional 5-year refixing, to better hedge inflation risk.
Annuity plan with total benefit guaranteed and return automatically secured	Future accumulated amount and benefit is set to vary according to investment results of the segregated a/c. When the accumulated amount reaches the pre-determined goal during the accumulation period from 3rd year or later but before 10th year, such accumulated return should be secured.

■ Strengthen and increase distribution channels ■

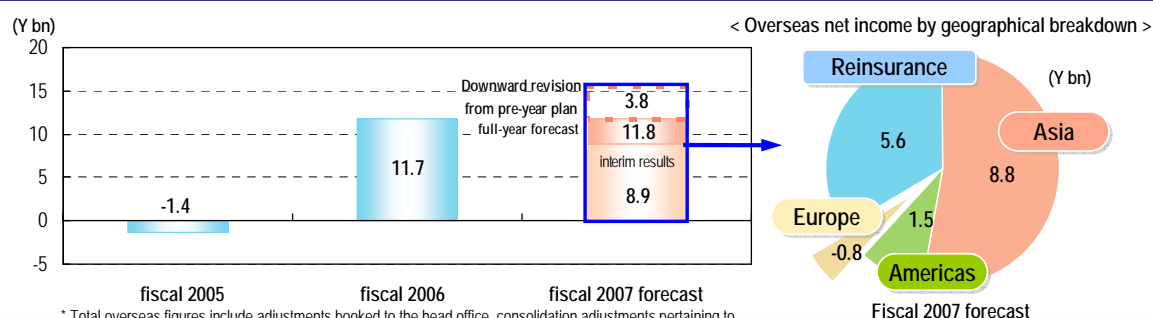
- ① Boost its share in the Bank OTC market as well as increase bank agents
 - An industry-best and most advanced education and training program to salespersons
 - The training center enjoying high reputation among the bank agents
 - Launch competitive new products
- ② Proactively respond to Japan Post's privatization

Overseas business (1): Overseas Earnings

Net premiums written (total overseas)



Net income (total overseas)



* Total overseas figures include adjustments booked to the head office, consolidation adjustments pertaining to mergers and acquisitions, and others for the period which cannot be allocated to any particular geo-segment.
 * Net loss for fiscal 2005 is mainly due to net claims payment of ¥7.3 bn in total associated with Hurricane Katrina.

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The overseas business saw both its net premiums written and net income for the ended 2007 interim slightly exceed its pre-year plan. Forecast for 2007 full-year net income is ¥3.8 bn lower than the pre-year plan mainly due to impact of the U.K. Flood in June and July 2007, which associated an estimated total net claims payment of around ¥6.0 bn.

Net premiums written (Y bn)			
geo-segment	fiscal 2006	interim 2007	forecast 2007
Asia	90.9	55.7	106.2
Americas	35.2	18.7	33.1
Europe	67.1	53.9	85.2
Reinsurance	19.6	14.4	26.6
Total	212.9	142.8	251.9

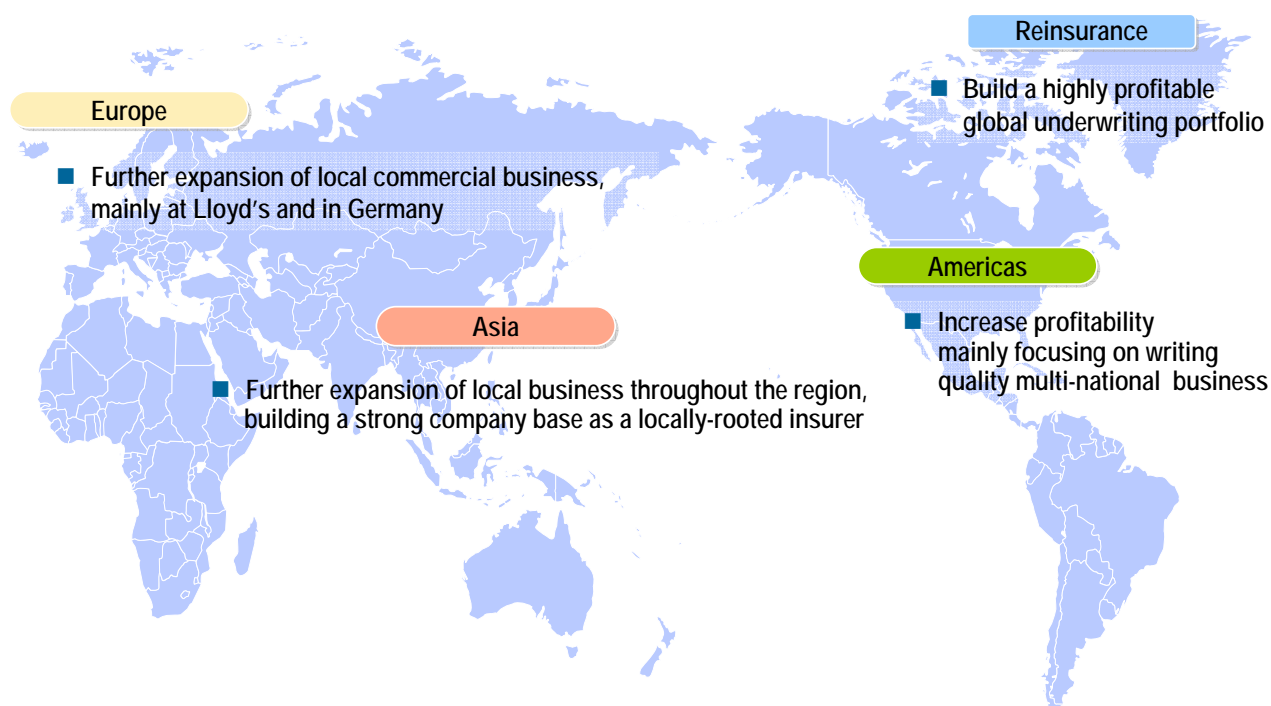
Net income (Y bn)			
geo-segment	fiscal 2006	Interim 2007	forecast 2007
Asia	8.1	5.8	8.8
Americas	△ 1.8	△ 0.1	1.5
Europe	2.4	0.9	△ 0.8
Reinsurance	5.0	3.4	5.6
Total	11.7	8.9	11.8

* Total overseas figures include adjustments booked to the head office, consolidation adjustments pertaining to mergers and acquisitions, and others for the period which cannot be allocated to any particular geo-segment.

Overseas business investments and the return (Y bn, %)							
region	investment	fiscal 2007 net income forecast	ROI(%)	region	investment	fiscal 2007 net income forecast	ROI(%)
ASEAN	57.4	5.4	9.4	Americas	42.5	1.5	3.5
East Asia	61.4	3.1	5.0	Reinsurance	45.5	5.6	12.3
Europe	22.9	-1.0	-4.4	Total	241.8	13.9	5.8

* Total overseas figures includes those of Oceania, Middle East, India, etc., which are not included in any above-stated geo-segments, and is before amortization of consolidation adjustments.

Overseas business (2): Business Expansion



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Key business measures by geographic segments

Asia

< ASEAN >

- Further enhance our strong network of multi-channel distribution (bancassurance etc.).
- Secure competitive advantage by entrenching high quality service and business excellence, along with further promotion of the MSIG brand.
- Contribute to the sound development of the insurance industry in Asia by providing expertise to the market, and harvesting local knowledge and experience.

< China >

- Incorporate the Shanghai branch into a wholly-owned subsidiary and seek future expansion of its business base by opening branch offices in key major cities throughout the country.

< India >

- Expand and strengthen the business base of Cholamandalam MS, also providing customers distinguished value added service in cooperation with its risk management subsidiary.

< New business investments >

- Proactively seek further opportunities for business investments in Asia (including entry into local life insurance markets).

Europe

- Build a strong and highly profitable business base while minimizing volatility at the Lloyd's operation by diversifying and increasing the syndicate's line of business.
- Expand the Continental European business base by pursuing new operations such as in Germany.

Americas

- N. America: Increase profitability mainly focusing on writing quality multi-national business.
- C&S. America: Concentrate on Increasing profitability of current business.

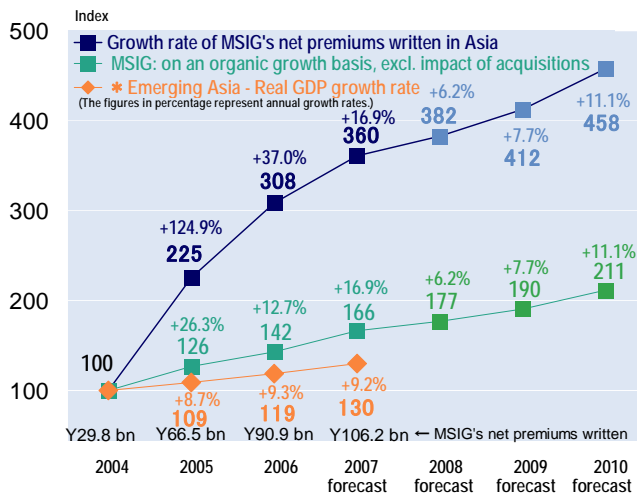
Reinsurance

- Proactively write quality business, and contribute to the group in earnings and risk diversification.

Overseas business (3): Business Expansion in Asia

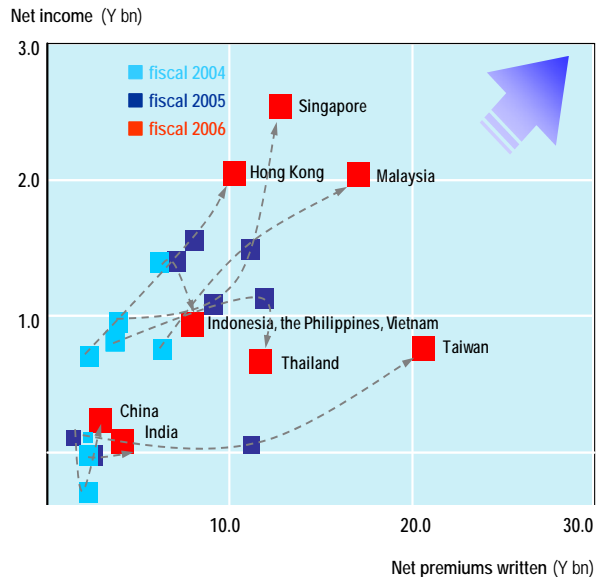
Aim to be a market leader in the non-life insurance industry in Asia

Growth rate of MSIG's net premiums written and GDP in Asia



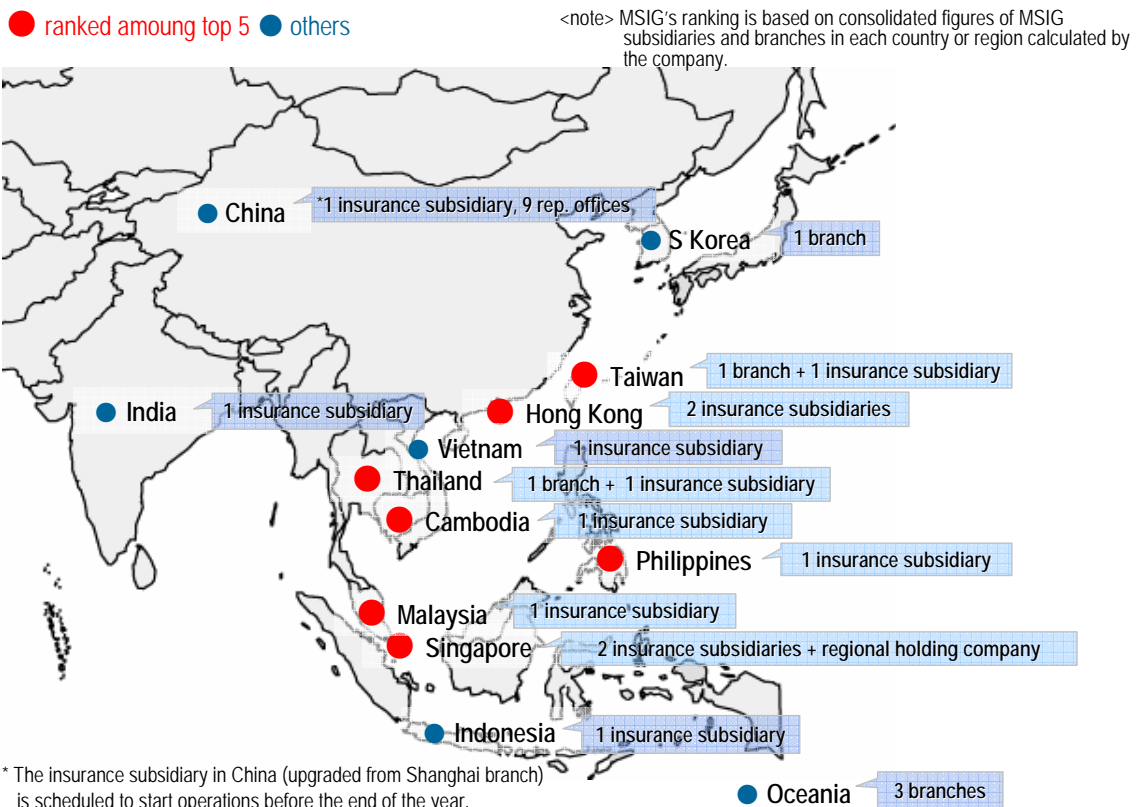
* Emerging Asia: Real GDP growth rate is a composite of those of China, India, Pakistan, Bangladesh, Indonesia, Thailand, Philippines, Malaysia, Korea, Taiwan, Hong Kong SAR, and Singapore (source: IMF-World Economic Outlook, October 2007)

Earnings by Asian country / territory

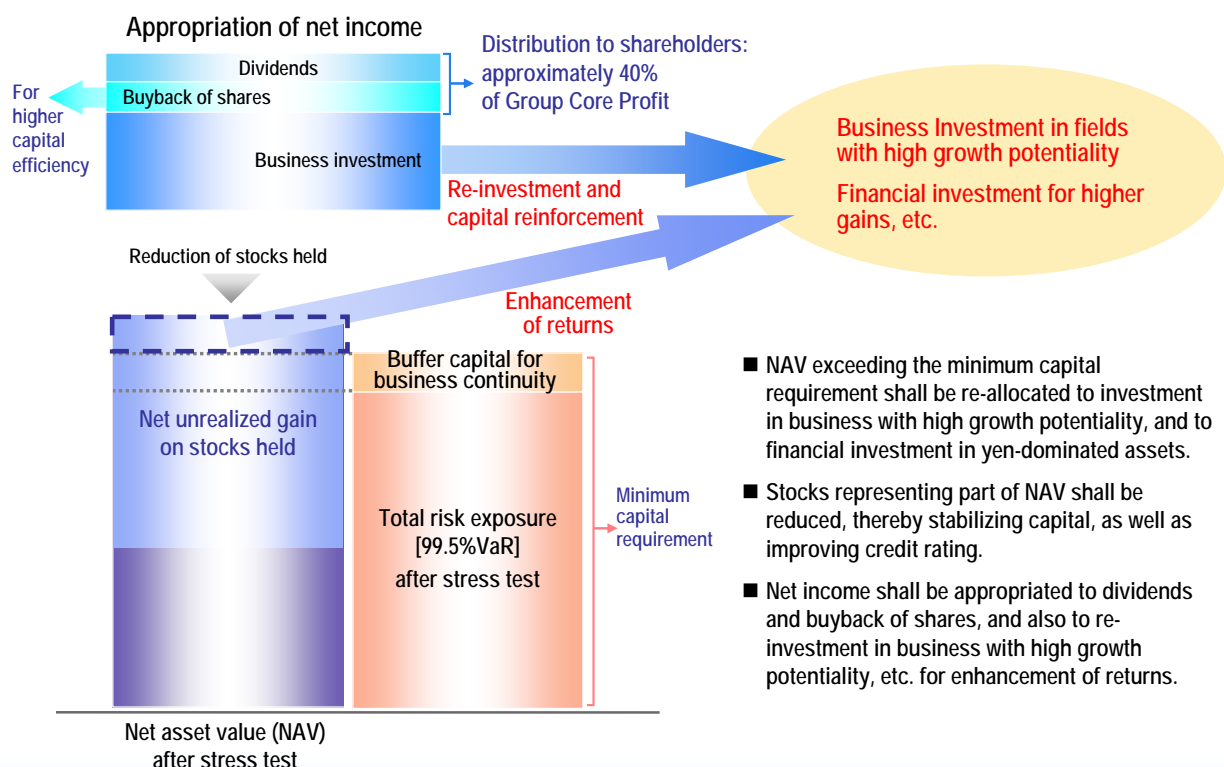


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MSIG's dominant office network in Asia



Capitalization policy (1): Net Asset Value, Use of Capital



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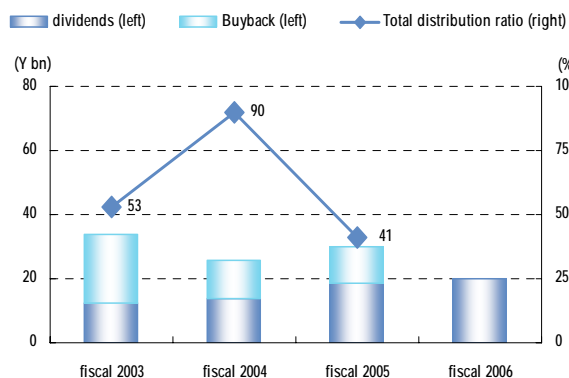
Investment by domains (accumulation from fiscal 2002 through 2006)

■ Domestic non-life	Y10.3 bn
■ Overseas	Y163.2 bn
■ Life insurance	Y45.2 bn
■ Financial services	Y1.5 bn
■ Risk-related	Y0.6 bn
Total	Y220.8 bn

* A sum of the equities invested in and capital injections, including those denominated in foreign currency at historical yen cost

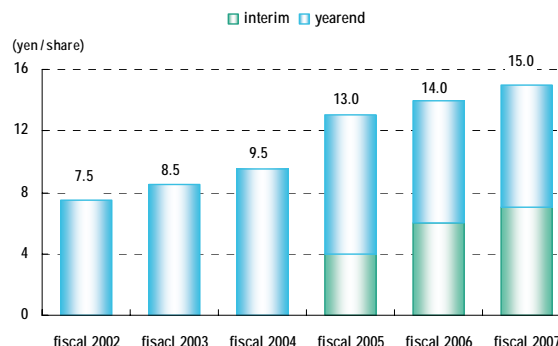
Capitalization policy (2): Distributions Made to Shareholders

Distribution made to shareholders



* Cash dividends paid and buyback of shares are shown in a relevant fiscal year when their financial resources are earned.

Dividends per share



* The figure for fiscal 2007 includes the anticipated year-end dividend.

Distribution policy

- Distribute to shareholders, through dividend payment and buyback of MSI's own share, approximately 40 % of "Group Core Profit" (GCP) earned for the year
- Keep the increasing trend of dividend-per-share.

→ No change in this policy.

Total distribution rate against GCP of each year floated at;

53% (fiscal 2003), 90% (fiscal 2004), 41% (fiscal 2005), each hovering above 40%

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Track record of share buyback

period of time	shares bought back (thousand shares)	amount paid for them (Y mn)
Mar to Dec 2002	25,895	14,570
Oct to Dec 2003	29,381	25,999
Aug to Oct 2004	23,073	21,485
Sep 2005	10,000	11,992
Feb to Mar 2007	7,846	11,499
Total	96,195	85,545

Group Core Profit and distribution made to shareholders

(Y bn)

	fiscal 2003	fiscal 2004	fiscal 2005
Group Core Profit ("GCP")	64.0	28.6	73.9
Dividends paid	12.4	13.6	18.5
Shares bought back	21.5	12.0	11.5
Dividends + Buyback (= Distribution)	33.9	25.6	30.0
Distribution / GCP	53%	90%	41%

ref.

Concept of “ROE based on Group Core Profit”

“ROE based on Group Core Profit” as defined in New Challenge 10

$$\text{ROE based on Group Core Profit} = \frac{\text{Group Core Profit}}{\text{Consolidated shareholders' equity (average of starting and ending amounts)}}$$

- “ROE based on Group Core Profit” is to be calculated with “Group Core Profit” (GCP)* as the numerator, which is a target benchmark to indicate ordinary profitability of the whole Group.
- While consolidated shareholders’ equity, the denominator of the formula, includes net unrealized gains on stocks held, etc., GCP, the numerator, is not supposed to include not only net unrealized gains but also net realized gains on stocks held.
- When we make a test calculation on “ROE based on Group Core Profit” counting net revaluation gains on stocks held, in accordance with the “comprehensive income” approach, which is currently on agenda at the International Accounting Standards Board (“IASB”), “ROE based on Group Core Profit” is calculated to be about 3.2 percentage points higher.

$$\begin{aligned} \text{* Group Core Profit} &= \text{Consol. net income} - \text{Net capital gain on stock portfolio} \\ &- \text{Net revaluation gain on credit derivatives} - \text{Other incidental factors} \\ &- \text{Consol. net income attributable to life subsidiaries} \\ &+ \text{MSI MetLife's equity in earnings under US GAAP} \\ &+ \text{MS Kiremei's income before provision of standard ulw policy reserves} + \text{Others} \end{aligned}$$

MSI Major Financial Indicators

▼ Fundamentals		fiscal 2002	fiscal 2003	fiscal 2004	fiscal 2005	fiscal 2006年度
Common stock	(Y bn)	12,848	13,960	13,960	13,960	13,960
Total shares issued (as of Mar 31)	(thousand)	1,451,592	1,454,923	1,431,265	1,420,621	1,411,202
Net assets	(Y bn)	102,651	140,007	145,264	200,642	212,788
Total assets	(Y bn)	590,074	645,717	658,069	753,744	774,478
Net income	(Y bn)	3,236	7,296	6,077	6,484	5,535
Return on shareholders' equity [ROE] (consol.)	(%)	2.8	6.4	4.6	4.1	2.9
< ref. > ROE under the US GAAP	(%)	2.3	7.1	2.1	5.3	—
Equity ratio	(%)	17.4	21.7	22.1	26.6	27.5

▼ Per-share data						
Earnings per share [EPS]	(%)	22.15	50.59	42.08	45.49	38.98
Net assets per share	(yen)	707.1	962.3	1,014.9	1,412.4	1,507.9
Dividend per share (annual)	(yen)	7.5	8.5	9.5	13.0	14.0

▼ Stock price and its related data						
Stock price (closing, Mar 31)	(yen)	508	1,108	983	1,601	1,479
Price earnings ratio [PER]	(times)	22.93	21.90	23.36	35.19	37.94
Price book-value ratio [PBR]	(times)	0.72	1.15	0.97	1.13	0.98
< ref. > [adjusted PBR]	(times)	0.57	0.95	0.82	0.99	0.85
Payout ratio	(%)	33.9	16.8	22.6	28.6	35.9
< ref. > GCP-based payout ratio	(%)	—	—	47.4	25.0	30.6

*all figures stated on a non-consolidated basis unless otherwise noted

adjusted PBR formula: adjusted PBR = market capitalization / {net assets + (catastrophe loss reserves + reserves for price fluctuation) x (1 - tax rate of 36%)}

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Balance Sheets as of Sep 30, 2007

(as of September 30, 2007)

(million yen)

< Assets >		< Liabilities >	
Cash, deposits and savings	164,962	Underwriting funds	4,695,272
Call loans	21,500	Bonds issued	99,999
Monetary claims bought	85,328	Other liabilities	217,165
Money trusts	58,954	Reserve for pension and retirement benefits	77,480
Investments in securities	6,115,243	Reserve for officers' retirement benefits	2,832
Loans	772,719	Accrued bonuses for employees	8,179
Property and equipment	241,447	Reserve for price fluctuation	27,291
Intangible assets	3,548	Deferred tax liabilities	508,187
Other assets	314,215	Liabilities under acceptances and guarantees	9,251
Customers' liabilities under acceptances and guarantees	9,251		
Bad debt reserve	△ 5,177	Total Liabilities	5,645,659
		< Net assets >	
		Shareholders' equity	753,188
		Common stock	139,595
		Capital surplus	93,149
		Retained earnings	611,968
		Less - treasury stock	△ 91,524
		Valuation and transaction adjustments	1,383,145
		Unrealized gains on investments	1,388,139
		Deferred losses on derivatives by hedge accounting	△ 4,994
		Total Net Assets	2,136,334
Total Assets	7,781,993	Total Liabilities and Net Assets	7,781,993

1 — ① Details of Premium reserve

(Unit: Billion yen)

		Sept. 2007				
		Total premium reserve	Underwriting reserve	Reserve for "GRR, Maturity refunds and dividends to policyholders"	Catastrophe loss reserve	Reserve against interest rate risks and for third-sector products
Fire	Amount	1,041	533	330	177	0
	(Change)	(4)	(8)	(-13)	(7)	(0)
Marine	Amount	85	29	-	56	-
	(Change)	(3)	(1)	(-)	(1)	(-)
Personal Accident	Amount	1,930	92	1,751	86	0
	(Change)	(3)	(6)	(-5)	(2)	(0)
Auto	Amount	221	172	12	36	0
	(Change)	(-11)	(-2)	(2)	(-11)	(0)
CALI	Amount	352	352	-	-	-
	(Change)	(15)	(15)	(-)	(-)	(-)
Others	Amount	448	239	93	115	0
	(Change)	(3)	(0)	(-1)	(4)	(0)
Total	Amount	4,080	1,419	2,188	471	0
	(Change)	(18)	(31)	(-18)	(5)	(0)
	For deposit-type insurance *2	-	-	2,173	-	-

*1 "Premium reserve" regarding earthquake and CALI are included Underwriting reserve for fire and CALI respectively.

*2 "For deposit-type insurance" is the total balance of reserve for "GRR, Maturity refunds and dividends to policyholders" of saving type's policies

1 — ② Change in Catastrophe loss reserve (Provision/Reversal)

(Unit: Billion yen)

	Sept. 2006				Sept. 2007			
	Reversal	Provision	Balance	Ratio*1	Reversal	Provision	Balance	Ratio*1
Fire	-	7	161	96.5	-	7	177	102.3
Marine	-	1	53	78.1	-	1	56	76.3
Personal Acc.	-	2	82	57.5	-	2	86	63.2
Auto	33	24	43	7.7	34	23	36	6.6
Others	1	4	106	56.2	0	5	115	58.9
Total	34	40	447	39.4	35	40	471	41.6

*1 Ratio = Balance of catastrophe loss reserve / net premiums written*2

*2 This premium excludes that earthquake, CALI and Modo-rich fund.

2-① Details of Loss Reserve

(Unit: Billion yen)

	Sept. 2006			Sept. 2007		
	Balance	Change		Balance	Change	
			IBNR			IBNR
Fire	62	12	2	56	3	- 1
Marine	31	4	1	33	- 0	- 1
Personal Acc.	40	3	2	45	1	0
Auto	253	13	4	276	11	5
CALI	47	- 1	—	47	- 1	—
Others	140	2	3	155	1	- 4
Total	576	34	14	614	15	- 1

2-② Incurred Loss Amount and Earned-Incurred Loss Ratio

(Unit: Billion yen)

F Y Class	Sept. 2006		Sept. 2007			
	Incurred Loss Amount	Earned-Incurred Loss Ratio*	Incurred Loss Amount	Change	Earned-Incurred Loss Ratio*	Change
Fire	49	63.9 %	43	- 5	54.4 %	-9.5 %
Marine	20	58.4	18	- 1	49.4	-9.0
Personal Acc.	34	53.7	36	2	59.8	6.1
Auto	204	71.8	203	- 1	72.5	0.7
Others	55	56.7	59	3	60.4	3.7
Total	364	65.1	361	- 3	64.9	-0.2

* Excluding Earthquake, CALI

Incurred loss = (net paid loss + loss adjustment expense + provision of outstanding loss reserve)

Earned-Incurred Loss Ratio = Incurred Loss/ Earned premium

3-① Interest and dividend income and yield

(Unit: Billion yen)

Type of asset	Sept. 2006	FY 2006		Sept. 2007
	Interest and dividend income	Interest and dividend income	Income yield (%)	Interest and dividend income
Deposits, Short-term assets	2	5	2.02	3
Money trusts	0	1	2.01	0
Securities	52	124	3.20	56
Bonds	14	28	1.63	14
Stocks	20	36	3.97	24
Foreign securities	16	47	4.38	16
Other securities	0	11	10.59	0
Loans	6	13	1.77	7
Land and Buildings	3	7	3.28	3
Total Investment Assets	65	151	2.92	70

* "Interest and dividend income" includes those income equivalent to gain/loss on money trust

3-② Gain/Loss on sale of securities

Sept. 2007

(Unit: Billion yen)

	Gain	Loss	Total
Bonds	0	0	- 0
Equities	5	0	5
Foreign securities	5	0	4
Other securities	-	-	-
Total	10	0	9

Gain/loss on Money trusts

(Unit: Billion yen)

	Gain	Loss	Total
Money trusts	0	0	0

4—① Devaluation of securities

Sept. 2007

(Unit:Billion yen,)

Securities	Total	Securities that have fair value (Rate of fair value below cost)	Securities that have no fair value
Bonds	—	—	—
Equities	3	1	1
Foreign securities	—	—	—
Other securities	0	—	0
Total	3	1	1

* Accounting policy for impairment of equities
 ・ More than 30% : basically impaired

4—② Self Assessment of Assets

Sept. 2007

(Unit:Billion yen,)

	Non-categorized (Normal)	Categorized asset				Total (Balance before write off)
		Category II (Close watch)	Category III (High risk)	Category IV (Bankrupt)	Categorized asset total	
Loans	758	13	0	0	14	772
Securities	6,027	87	—	3	91	6,118
Other assets	880	9	0	2	13	894
Total*1	7,666	111	0	6	119	7,785

*1 Include the balance written off the assets*2. 3 billion yen.

*2 Include devaluation of securities, impairment of fixed assets.

5 —① Investment assets

(Unit: Billion yen.)

	FY 2006		Sept. 2007	
	Balance	Consistency	Balance	Consistency
Deposits, others	347	4.7%	330	4.4%
Securities	6,098	82.4%	6,115	82.4%
Bonds	1,780	24.1%	1,757	23.7%
Stocks	3,010	40.7%	3,002	40.4%
Foreign securities	1,194	16.1%	1,240	16.7%
Other securities	113	1.5%	114	1.6%
Loans	746	10.1%	772	10.4%
Land and Buildings	210	2.8%	206	2.8%
Total Investment assets	7,401	100.0%	7,424	100.0%

5 —② Domestic bonds

(Unit: Billion yen.)

	FY 2006		Sept. 2007	
	Balance	Consistency	Balance	Consistency
Government bonds	276	15.5%	299	17.0%
Municipal bonds	142	8.0%	140	8.0%
Corporate bonds	1,361	76.5%	1,317	75.0%
Public sector	461	26.0%	442	25.2%
Financial Institutions	0	0.0%	0	0.0%
Corporations	899	50.5%	874	49.8%
Total Domestic bonds	1,780	100.0%	1,757	100.0%

5 —③ Stock holdings by Industry

(Unit: Billion yen.)

	FY 2006		Sept. 2007	
	Market value	Consistency	Market value	Consistency
Transportation Equipments	847	28.2%	786	26.2%
Wholesale, Retail Trade	316	10.5%	331	11.1%
Banks, Insurance, Other Fin. Business	328	10.9%	309	10.3%
Chemicals, Pharmaceutical	289	9.6%	294	9.8%
Electric Appliances	292	9.7%	282	9.4%
Marine Transportation	94	3.1%	144	4.8%
Other Manufacturing	97	3.2%	113	3.8%
Land, Air Transportation	118	4.0%	112	3.7%
Machinery	83	2.8%	103	3.5%
Iron and Steel	75	2.5%	85	2.8%
Others	467	15.5%	438	14.6%
Total	3,010	100.0%	3,002	100.0%

6 Buy-back of Own Shares

Buy-back of Own Shares until Sept. 2007

	Period	Number of shares (thousand shares)	Amount bought (million yen)
Mitsui Marine	Aug-Sep 99	8,000 (1.02% of shares in issue: 787,216,000)	4,774
	Aug 00	22,000 (2.82% of shares in issue: 779,216,000)	12,247
Sumitomo Marine	Aug 00	11,999 (1.78% of shares in issue: 674,999,000)	7,859
Mitsui Sumitomo Insurance	Mar 02	18,895 (1.28% of shares in issue: 1,479,886,000)	10,962
Mitsui Sumitomo Insurance	Dec 02	7,000 (0.47% of shares in issue: 1,479,894,000)	3,607
Mitsui Sumitomo Insurance	Oct-Dec 03	29,381 (1.99% of shares in issue: 1,479,907,000)	25,999
Mitsui Sumitomo Insurance	Jul-Oct 04	23,073 (1.52% of shares in issue: 1,513,184,000)	21,485
Mitsui Sumitomo Insurance	Aug-Sep 05	10,000 (0.66% of shares in issue: 1,513,184,000)	11,992
Mitsui Sumitomo Insurance	Feb-Mar 07	7,846 (0.51% of shares in issue: 1,513,184,000)	11,499

* Total Buy-back until Sept. 07 are 138 million shares, 110.4 billion yen.

* All amounts and rates on this page are shown by the base of excluding Good Result Return premiums of the Company's unique Automobile Insurance product "Modo-rich"

7-① Result forecast for FY 2007

< Consolidated >

(Unit: Billion yen)

	FY 2006 result	FY 2007 forecast
Net premiums written	1,492	1,550
Change	1.5%	3.9%
Ordinary profit	91	83
Net income	60	52

< Non Consolidated >

(Unit: Billion yen)

	FY 2006 result	FY 2007 forecast
Direct premiums written*	1,367	1,375
Change	-1.0%	0.5%
Net premiums written	1,324	1,320
Change	-1.0%	-0.3%
Loss ratio	63.1%	64.5%
Expense ratio	30.8%	31.9%
Combined ratio	93.9%	96.4%
Underwriting profit	-34	-32
Net interest and dividend income	93	95
Ordinary profit	80	78
Net income	55	50

* Excluding Deposit premiums from policyholders

7-② FY 2007 forecast by lines

< Non Consolidated >

(Unit: Billion yen)

	Net premiums written		Loss ratio	
		Change		Difference
Fire	180	0.5%	47.2%	-2.3%
Marine	73	3.9%	50.9%	3.9%
Personal Acc.	129	-3.4%	57.1%	6.8%
Auto	558	-1.0%	70.4%	0.9%
CALI	192	-0.1%	76.4%	0.4%
Others	188	1.1%	61.6%	2.5%
Total	1,320	-0.3%	64.5%	1.4%

(FYI: Excluding CALI)

Total	1,128	-0.4%	62.4%	1.4%
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MSIG Financial Highlight

▼ fundamentals

	fiscal 2006 results	interim 2007 results	fiscal 2007 forecast
Net premiums written*	Y1324.4 bn	Y666.5 bn	Y1,320.0 bn
Loss ratio	63.1%	62.5%	64.5%
Expense ratio	30.8%	30.8%	31.9%
Combined ratio	93.9%	93.3%	96.4%
Dividends and interests received	Y93.9 bn	Y41.6 bn	Y95.1 bn
Net income	Y55.3 bn	Y28.0 bn	Y50.5 bn

▼ consolidated figures

Net premiums written	Y1,492.2 bn	Y795.2 bn	Y1,550.0 bn
Group Core Profit ("GCP")	Y64.9 bn	Y39.1 bn	Y59.1 bn
ROE based on Group Core Profit	3.1%	—	2.7%

▼ Core profit by business segment

Domestic non-life insurance	Y40.1 bn	Y24.6 bn	Y39.0 bn
Overseas	Y11.7 bn	Y8.8 bn	Y11.8 bn
Life insurance**	Y11.4 bn	Y4.8 bn	Y7.7 bn
Financial services	Y1.7 bn	Y1.7 bn	Y2.4 bn
Risk-related	-Y0.0 bn	-Y1.0 bn	-Y1.9 bn
Total	Y64.9 bn	Y39.1 bn	Y59.1 bn

* "Net premiums written" exclude those of *Modorich fund* but include the effect caused by the abolished governmental reinsurance of the compulsory automobile liability insurance ("CALI").

** The figure of "Life insurance" represents a sum of MSI Kiremeiki's net income before NLP reserves and MS MetLife's equity in earnings by the US GAAP.

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