

[Translation]

**SUMMARY OF FINANCIAL STATEMENTS**  
**FOR THE FIRST QUARTER ENDED JUNE 30, 2008**

August 11, 2008

Name of Listed Company: **Mitsui Sumitomo Insurance Group Holdings, Inc.**  
 Securities Code No.: 8725  
 Stock Exchanges: Tokyo, Osaka, Nagoya  
 URL: <http://www.msig.com>  
 Representative: Toshiaki Egashira, President  
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 Telephone : (03)-3297-6168  
 Date of filing of Quarterly Financial Report: August 14, 2008

(Note) Amounts are truncated.

**1.Consolidated Business Results for the first quarter (April 1, 2008 to June 30, 2008)**

(1) Results of Consolidated Operations (Yen in millions)

	Ordinary income	Ordinary profit	Net income
Three months ended June 30, 2008	527,461 - %	33,182 - %	23,513 - %

Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.

(Yen)

	Net income per share	Net income per share -Diluted
Three months ended June 30, 2008	55.81	-

(2) Consolidated Financial Conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets	Net assets less minority interests per share (Yen)
As of June 30, 2008	8,483,701	1,754,190	20.5 %	4,134.99

(Note) Net assets less minority interests: As of June 30, 2008: ¥1,741,653 million

**2.Dividends**

(Record Date)	Dividend per share (Yen)				Annual
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year- end	
Year ending March 31, 2009	-	-	-	-	54.00
Year ending March 31, 2009 (Forecast)	-	27.00	-	27.00	

(Note) Changes in the dividend per share forecast for the fiscal year ending March 31, 2009, during the first quarter : None

**3.Forecast for the current period (April 1, 2008 to March 31, 2009)-Consolidated** (Yen in millions)

	Ordinary income	Ordinary profit	Net income	Net income per share(Yen)
Six months ending September 30, 2008	1,050,000 - %	37,000 - %	24,000 - %	56.98
Year ending March 31, 2009	2,060,000 - %	80,000 - %	52,000 - %	123.45

Percent figures represent changes in comparison with the corresponding period of preceding fiscal year.

(Note) Changes in the forecast for the fiscal year ending March 31, 2009, during the first quarter : None

#### 4. Other information

- (1) Significant changes in scope of consolidation during the period : None
- (2) Application of simplified accounting method and accounting procedure specific to the preparation of quarterly consolidated financial statements : Yes
- (3) Changes in accounting principle, procedure and presentation preparing the quarterly consolidated financial statements
1. Changes due to revision of accounting standard: Yes
  2. Changes due to other than above : None
- (4) The number of shares outstanding (Common stock)
1. The number of shares outstanding (including treasury stock)  
As of June 30, 2008: 421,320,739 shares
  2. The number of treasury stock  
As of June 30, 2008: 122,748 shares
  3. The average number of shares outstanding  
For the three months ended June 30, 2008: 421,262,140 shares

#### \*Notification

- (1) The financial forecasts were based upon currently available information and contain many elements of uncertainty. Actual results may differ from the forecasts due to changes in the business environment.
- (2) "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No.12) and "Implementation Guidance for Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No.14) have been applied from this fiscal year. Also, the quarterly consolidated financial statements of the Company have been prepared in accordance with "Regulations for the Quarterly Consolidated Financial Statements".
- (3) There are no figures for the preceding fiscal year since the Company was incorporated on April 1, 2008.

## Consolidated Balance Sheets

(Yen in millions)

Items	As of June 30, 2008
	Amount
(Assets)	
Cash deposits and savings	301,230
Call loans	34,600
Securities bought under resale agreements	11,989
Monetary claims bought	92,176
Money trusts	48,866
Investments in securities	6,406,333
Loans	806,313
Tangible fixed assets	268,275
Intangible fixed assets	81,074
Other assets	430,060
Deferred tax assets	8,501
Bad debts reserve	(5,721)
<b>Total assets</b>	<b>8,483,701</b>
(Liabilities)	
Underwriting funds:	5,971,143
Outstanding claims	838,127
Underwriting reserve	5,133,016
Bonds	99,992
Other liabilities	278,493
Reserve for pension and retirement benefits	79,285
Reserve for pension and retirement benefits for officers and operating officers	2,604
Accrued bonuses for employees	1,058
Reserve under the special law:	30,778
Reserve for price fluctuation	30,778
Deferred tax liabilities	266,154
<b>Total liabilities</b>	<b>6,729,510</b>
(Net assets)	
Shareholders' equity:	
Common stock	100,000
Capital surplus	646,414
Retained earnings	40,560
Treasury stock	(508)
Total shareholders' equity	786,466
Valuation and translation adjustments:	
Unrealized gains on investments, net of tax	974,226
Deferred hedge gains(losses), net of tax	(4,664)
Foreign currency translation adjustments	(14,374)
Total valuation and translation adjustments	955,187
Minority interests	12,537
<b>Total net assets</b>	<b>1,754,190</b>
<b>Total liabilities and net assets</b>	<b>8,483,701</b>

## Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2008
	Amount
<b>Ordinary income and expenses:</b>	
<b>Ordinary income:</b>	<b>527,461</b>
<b>Underwriting income:</b>	<b>473,756</b>
Net premiums written	380,841
Deposit premiums from policyholders	43,075
Investment income on deposit premiums from policyholders	14,930
Life insurance premiums	34,095
<b>Investment income:</b>	<b>52,603</b>
Interest and dividends received	55,462
Investment gains on money trusts	604
Gains on sale of securities	4,113
Gains on derivative transactions	4,745
Transfer of investment income on deposit premiums from policyholders	(14,930)
<b>Other ordinary income</b>	<b>1,102</b>
<b>Ordinary expenses:</b>	<b>494,279</b>
<b>Underwriting expenses:</b>	<b>411,207</b>
Net claims paid	214,098
Loss adjustment expenses	20,187
Commission and collection expenses	65,294
Maturity refunds to policyholders	66,207
Life insurance claims	7,446
Provision for outstanding claims	17,018
Provision for underwriting reserve	20,410
<b>Investment expenses:</b>	<b>5,873</b>
Investment losses on money trusts	806
Losses on sale of securities	1,195
Losses on devaluation of securities	1,231
<b>Operating expenses and general and     administrative expenses</b>	<b>74,844</b>
<b>Other ordinary expenses:</b>	<b>2,354</b>
Interest paid	348
<b>Ordinary profit</b>	<b>33,182</b>
<b>Extraordinary income and losses:</b>	
<b>Extraordinary income:</b>	<b>849</b>
<b>Extraordinary losses:</b>	<b>2,219</b>
Provision for reserve under the special law	816
Provision for price fluctuation reserve	816
Other extraordinary losses	1,402
Income before income taxes	31,811
Income taxes	8,033
Minority Interests	264
<b>Net income</b>	<b>23,513</b>

## Other Information

In the following tables, figures for the preceding fiscal year are presented on the same basis as the current fiscal year for the purpose of easy comparison with the result for the current fiscal year. Also, since the Company was incorporated on April 1, 2008, figures for the preceding fiscal year represent those of Mitsui Sumitomo Insurance Company, Limited (Consolidated), one of consolidated subsidiaries of the Company.

## Summary of Consolidated Results of Operations

(Yen in millions)

Items	Three months ended June 30, 2007	Three months ended June 30, 2008	Change	Change Ratio(%)
<b>Ordinary Income and Expenses:</b>				
<b>Underwriting income:</b>	<b>497,592</b>	<b>473,756</b>	<b>(23,835)</b>	<b>(4.8)</b>
Net premiums written	399,170	380,841	(18,328)	(4.6)
Deposit premiums from policyholders	45,448	43,075	(2,372)	(5.2)
Life insurance premiums	37,487	34,095	(3,392)	(9.0)
<b>Underwriting expenses:</b>	<b>442,582</b>	<b>411,207</b>	<b>(31,374)</b>	<b>(7.1)</b>
Net claims paid	210,310	214,098	3,788	1.8
Loss adjustment expenses	18,933	20,187	1,254	6.6
Commission and collection expenses	65,205	65,294	88	0.1
Maturity refunds to policyholders	70,330	66,207	(4,122)	(5.9)
Life insurance claims	7,167	7,446	279	3.9
<b>Investment income:</b>	<b>49,312</b>	<b>52,603</b>	<b>3,290</b>	<b>6.7</b>
Interest and dividends received	53,838	55,462	1,623	3.0
Gains on sale of securities	5,601	4,113	(1,487)	(26.6)
<b>Investment expenses:</b>	<b>2,353</b>	<b>5,873</b>	<b>3,520</b>	<b>149.6</b>
Losses on sale of securities	554	1,195	641	115.7
Losses on devaluation of securities	825	1,231	405	49.1
<b>Operating expenses and general and administrative expenses</b>	<b>70,158</b>	<b>74,844</b>	<b>4,686</b>	<b>6.7</b>
<b>Other ordinary income and expenses</b>	<b>(16)</b>	<b>(1,251)</b>	<b>(1,234)</b>	<b>-</b>
<b>Ordinary profit</b>	<b>31,794</b>	<b>33,182</b>	<b>1,387</b>	<b>4.4</b>
<b>Extraordinary Income and Losses:</b>				
Extraordinary income	243	849	605	249.0
Extraordinary losses	1,311	2,219	908	69.3
<b>Extraordinary income and losses</b>	<b>(1,067)</b>	<b>(1,370)</b>	<b>(302)</b>	<b>-</b>
<b>Income before income taxes</b>	<b>30,727</b>	<b>31,811</b>	<b>1,084</b>	<b>3.5</b>
<b>Income taxes</b>	<b>7,044</b>	<b>8,033</b>	<b>989</b>	<b>14.0</b>
<b>Minority interests</b>	<b>225</b>	<b>264</b>	<b>39</b>	<b>17.3</b>
<b>Net income</b>	<b>23,457</b>	<b>23,513</b>	<b>56</b>	<b>0.2</b>

<Excluding the Good Result Return (GRR) premiums of the automobile insurance "ModoRich.">

Net premiums written	398,344	381,341	(17,003)	(4.3)
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**Direct Premiums Written by Lines of Insurance**  
(including Deposit premiums from policyholders)

Consolidated

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2007			Three months ended June 30, 2008		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire	84,673	17.8	3.3	79,116	17.0	(6.6)
Marine	33,399	7.0	15.4	32,808	7.1	(1.8)
Personal Accident	72,841	15.3	(24.5)	71,023	15.3	(2.5)
Voluntary Automobile	164,609	34.6	4.2	160,788	34.6	(2.3)
Compulsory Automobile Liability	45,911	9.6	(1.3)	44,785	9.7	(2.5)
Other	74,614	15.7	4.1	75,686	16.3	1.4
<b>Total</b>	<b>476,050</b>	<b>100.0</b>	<b>(1.5)</b>	<b>464,209</b>	<b>100.0</b>	<b>(2.5)</b>
Deposit premiums from policyholders	61,150	12.8	(9.4)	43,075	9.3	(29.6)

<Excluding the GRR premiums of the automobile insurance "ModoRich.">

Voluntary Automobile	163,784	/	3.2	161,289	/	(1.5)
<b>Total</b>	<b>475,225</b>	/	<b>(1.9)</b>	<b>464,709</b>	/	<b>(2.2)</b>

**Net Premiums by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2007			Three months ended June 30, 2008		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire	62,250	15.6	6.1	51,105	13.4	(17.9)
Marine	28,319	7.1	21.1	26,672	7.0	(5.8)
Personal Accident	36,936	9.3	(5.7)	37,120	9.8	0.5
Voluntary Automobile	161,721	40.5	4.2	158,167	41.5	(2.2)
Compulsory Automobile Liability	43,233	10.8	0.0	40,533	10.6	(6.2)
Other	66,709	16.7	2.9	67,241	17.7	0.8
<b>Total</b>	<b>399,170</b>	<b>100.0</b>	<b>3.8</b>	<b>380,841</b>	<b>100.0</b>	<b>(4.6)</b>

<Excluding the GRR premiums of the automobile insurance "ModoRich.">

Voluntary Automobile	160,896	/	3.2	158,668	/	(1.4)
<b>Total</b>	<b>398,344</b>	/	<b>3.4</b>	<b>381,341</b>	/	<b>(4.3)</b>

**Net Claims Paid by Lines of Insurance**

(Yen in millions)

Lines of Insurance	Three months ended June 30, 2007			Three months ended June 30, 2008		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire	26,131	12.4	1.9	23,382	10.9	(10.5)
Marine	11,507	5.5	29.9	9,084	4.2	(21.1)
Personal Accident	16,932	8.0	14.1	17,815	8.3	5.2
Voluntary Automobile	95,400	45.4	3.9	94,000	43.9	(1.5)
Compulsory Automobile Liability	32,822	15.6	(0.4)	33,941	15.9	3.4
Other	27,515	13.1	(8.0)	35,874	16.8	30.4
<b>Total</b>	<b>210,310</b>	<b>100.0</b>	<b>3.1</b>	<b>214,098</b>	<b>100.0</b>	<b>1.8</b>

Note: Any figures are amounts before the off-set of intersegment transactions.

## Securities

(Yen in millions )

Items	As of June 30, 2008		
	Cost (Amortized cost)	Fair value	Difference
Domestic Bonds	2,184,280	2,195,638	11,357
Domestic Stocks	756,804	2,242,597	1,485,792
Foreign Securities	1,219,328	1,250,197	30,869
Others	160,524	156,220	(4,304)
<b>Total</b>	<b>4,320,938</b>	<b>5,844,653</b>	<b>1,523,715</b>

### Note

1. The table set above is a summary of marketable securities available for sale.
2. Others include beneficiary claims on loan trust represented as monetary claims bought in the consolidated balance sheet.
3. Impairment losses of marketable securities available for sale for the three months ended June 30, 2008 amount to 674 million yen.  
The Company and its domestic consolidated subsidiaries in principle recognize impairment losses on marketable securities if the fair value is declined by more than 30% of their cost or amortized cost.

**Non-consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2007	Three months ended June 30, 2008
	Amount	Amount
<b>Ordinary income:</b>	<b>436,286</b>	<b>435,040</b>
<b>Underwriting income:</b>	<b>396,032</b>	<b>388,331</b>
Net premiums written	335,243	325,024
Deposit premiums from policyholders	45,448	43,075
Investment income on deposit premiums from policyholders	14,481	14,930
Reversal of underwriting reserve	-	4,644
<b>Investment income:</b>	<b>38,801</b>	<b>45,281</b>
Interest and dividends received	44,943	48,473
Investment gains on money trusts	301	604
Gains on sale of securities	4,236	3,410
Transfer of investment income on deposit premiums from policyholders	(14,481)	(14,930)
<b>Other ordinary income</b>	<b>1,452</b>	<b>1,427</b>
<b>Ordinary expenses:</b>	<b>406,552</b>	<b>403,313</b>
<b>Underwriting expenses:</b>	<b>350,731</b>	<b>341,432</b>
Net claims paid	187,314	187,858
Loss adjustment expenses	17,447	18,736
Commission and collection expenses	55,092	55,616
Maturity refunds to policyholders	70,330	66,207
Provision for outstanding claims	13,185	12,903
Provision for underwriting reserve	7,279	-
<b>Investment expenses:</b>	<b>1,509</b>	<b>3,507</b>
Investment losses on money trusts	230	806
Losses on sale of securities	212	372
Losses on devaluation of securities	553	1,059
<b>Operating expenses and general and   administrative expenses</b>	<b>53,775</b>	<b>57,064</b>
<b>Other ordinary expenses:</b>	<b>536</b>	<b>1,308</b>
Interest paid	219	352
<b>Ordinary profit</b>	<b>29,733</b>	<b>31,726</b>
<b>Extraordinary income:</b>	<b>238</b>	<b>842</b>
<b>Extraordinary losses:</b>	<b>1,256</b>	<b>2,162</b>
Income before income taxes	28,715	30,406
Income taxes	6,408	7,022
<b>Net income</b>	<b>22,307</b>	<b>23,384</b>



**Non-consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2007	Three months ended June 30, 2008
	Amount	Amount
<b>Ordinary income:</b>	<b>6,386</b>	<b>7,108</b>
<b>Underwriting income:</b>	<b>6,343</b>	<b>7,061</b>
Net premiums written	6,341	7,061
Deposit premiums from policyholders	-	-
Investment income on deposit premiums from policyholders	2	-
<b>Investment income:</b>	<b>41</b>	<b>46</b>
Interest and dividends received	44	46
Investment gains on money trusts	-	-
Gains on sale of securities	-	-
Transfer of investment income on deposit premiums from policyholders	(2)	-
<b>Other ordinary income</b>	<b>1</b>	<b>0</b>
<b>Ordinary expenses:</b>	<b>6,418</b>	<b>7,058</b>
<b>Underwriting expenses:</b>	<b>4,616</b>	<b>5,027</b>
Net claims paid	3,317	3,933
Loss adjustment expenses	425	494
Commission and collection expenses	53	62
Maturity refunds to policyholders	-	-
Provision for outstanding claims	146	319
Provision for underwriting reserve	673	216
<b>Investment expenses:</b>	<b>-</b>	<b>-</b>
Investment losses on money trusts	-	-
Losses on sale of securities	-	-
Losses on devaluation of securities	-	-
<b>Operating expenses and general and   administrative expenses</b>	<b>1,796</b>	<b>2,023</b>
<b>Other ordinary expenses:</b>	<b>6</b>	<b>7</b>
Interest paid	-	-
<b>Ordinary profit</b>	<b>(32)</b>	<b>50</b>
<b>Extraordinary income:</b>	<b>-</b>	<b>-</b>
<b>Extraordinary losses:</b>	<b>3</b>	<b>1</b>
Income before income taxes	(35)	48
Income taxes - current	11	4
Income taxes - deferred	-	-
<b>Net income</b>	<b>(46)</b>	<b>44</b>

**Non-consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2007	Three months ended June 30, 2008
	Amount	Amount
<b>Ordinary income:</b>	<b>56,032</b>	<b>57,199</b>
<b>Insurance premiums and other:</b>	<b>51,592</b>	<b>52,732</b>
Insurance premiums	51,582	52,669
<b>Investment income:</b>	<b>3,982</b>	<b>4,402</b>
Interest and dividends received	3,911	4,396
Gains on sale of securities	70	5
<b>Other ordinary income</b>	<b>457</b>	<b>64</b>
<b>Ordinary expenses:</b>	<b>54,966</b>	<b>56,152</b>
<b>Insurance claims and other:</b>	<b>21,272</b>	<b>26,084</b>
Insurance claims	5,752	5,962
Annuity payments	233	338
Benefits	1,191	1,208
Surrender benefits	13,719	18,124
Other refunds	230	310
<b>Provision for underwriting reserve and other:</b>	<b>25,571</b>	<b>21,083</b>
Provision for outstanding claims	-	261
Provision for underwriting reserve	25,571	20,822
Provision of interest portion of reserve for dividends to policyholders	0	0
<b>Investment expenses:</b>	<b>3</b>	<b>0</b>
Interest paid	3	0
<b>Operating expenses:</b>	<b>7,586</b>	<b>8,361</b>
<b>Other ordinary expenses:</b>	<b>532</b>	<b>622</b>
<b>Ordinary profit</b>	<b>1,066</b>	<b>1,046</b>
<b>Extraordinary income:</b>	<b>5</b>	<b>-</b>
<b>Extraordinary losses:</b>	<b>46</b>	<b>54</b>
Provision for reserve for dividends to policyholders	936	903
Income before income taxes	88	88
Income taxes - current	(78)	(66)
Income taxes - deferred	146	146
<b>Net income</b>	<b>19</b>	<b>8</b>

**Non-consolidated Statements of Income**

(Yen in millions)

Items	Three months ended June 30, 2007	Three months ended June 30, 2008
	Amount	Amount
<b>Ordinary income:</b>	<b>248,475</b>	<b>251,541</b>
<b>Insurance premiums and other:</b>	<b>151,291</b>	<b>148,203</b>
Insurance premiums	151,283	147,780
<b>Investment income:</b>	<b>96,042</b>	<b>101,244</b>
Interest and dividends received	5	8
Investment gains on money trusts	7,207	14,742
Gains on separate accounts	88,808	86,400
<b>Other ordinary income</b>	<b>1,141</b>	<b>2,093</b>
<b>Ordinary expenses:</b>	<b>250,765</b>	<b>252,151</b>
<b>Insurance claims and other:</b>	<b>26,075</b>	<b>31,346</b>
Insurance claims	4,440	7,058
Annuity payments	1,201	3,668
Benefits	126	3,919
Surrender benefits	16,467	11,641
Other refunds	382	509
<b>Provision for underwriting reserve and other:</b>	<b>210,567</b>	<b>205,847</b>
Provision for outstanding claims	1,656	-
Provision for underwriting reserve	208,910	205,847
<b>Investment expenses:</b>	<b>40</b>	<b>75</b>
Interest paid	15	19
<b>Operating expenses:</b>	<b>11,407</b>	<b>12,208</b>
<b>Other ordinary expenses:</b>	<b>2,675</b>	<b>2,674</b>
Amortization of deferred assets under Article 113 of Insurance Business Law	2,123	2,123
<b>Ordinary losses</b>	<b>2,290</b>	<b>610</b>
<b>Extraordinary losses:</b>	<b>58</b>	<b>362</b>
Losses before income taxes	2,348	973
Income taxes - current	0	0
Income taxes - deferred	(1,036)	(414)
<b>Net losses</b>	<b>1,312</b>	<b>560</b>

**(Reference) Investment Conditions of Securitized Instruments and Our Exposure to the US Subprime Loan Losses**

**1. Investment Conditions of Specific Securitized Instruments**

Note: Information contained in this paragraph is in essence based on guidelines published by the Financial Stability Forum (FSF).

(Units: 100 mil yen)

Category	As of June 30, 2008		As of March 31, 2008	
	Amount of investments and loans Notes 1 (Amount in Consolidated Balance Sheet)	Valuation Difference Note 2 (Unrealized loss/gain)	Amount of investments and loans Notes 1 (Amount in Consolidated Balance Sheet)	Valuation Difference Note 2 (Unrealized loss/gain)
(1)RMBS Note 3	1,422	△ 6	1,417	26
Japan	1,387	△ 6	1,389	26
Overseas	34	0	28	△ 0
(2)ABS-CDO Note 4	3	△ 0	4	△ 0
AAA	—	—	—	—
AA	3	△ 0	4	△ 0
A	—	—	—	—
BBB or below	—	—	—	—
(3)CDO Note 4	147	△ 3	158	△ 2
CLO	146	△ 2	152	△ 1
AAA	146	△ 2	152	△ 1
AA	—	—	—	—
A	—	—	—	—
BBB or below	—	—	—	—
CBO	0	0	4	△ 0
AAA	—	—	2	△ 0
AA	—	—	1	△ 0
A	—	—	—	—
BBB or below	0	0	0	△ 0
Synthetic CDO	1	△ 0	1	△ 0
AAA	—	—	—	—
AA	1	△ 0	1	△ 0
A	—	—	—	—
BBB or below	—	—	—	—
(4)CMBS	178	△ 3	187	△ 1
Japan	178	△ 3	187	△ 1
Overseas	—	—	—	—
(5)ABCP	73	—	83	—
Portion composed by Mitsui Sumitomo Insurance Group	—	—	—	—
(6)SIV instruments	—	—	—	—
Portion composed by Mitsui Sumitomo Insurance Group	—	—	—	—
(7)LBO Loan	122	Note 5 —	114	Note 5 —
Japan	122	—	114	—
Overseas	—	—	—	—

(Note 1) The above investments appear in the consolidated balance sheet as monetary claims bought, marketable securities, and loans.

There are no US subprime loan instruments in the Investments/loans amount.

(Note 2) There are no items in the investments/loans above that were handled as impairment (a write off) for the period.

(Note 3) The entire amount of RMBS backed investments for both Japan and overseas are rated AAA.

(Note 4) There are no hedge transactions in ABS-CDO and CDO instruments.

(Note 5) Loans are recognized at the book values, so for the LBO loans the valuation differences are not shown.

(Note 6) The figures of Mitsui Sumitomo MetLife Insurance Co., Ltd., accounted for under the equity method, are not included in the above table.

[Glossary]

- ◆Synthetic CDO: Synthetic Collateralized Debt Obligations
- ◆ABCP: Asset-Backed Commercial Paper
- ◆ABS: Asset-Backed Securities
- ◆ABS-CDO: CDOs backed by asset-backed securities
- ◆CBO: Collateralized Bond Obligation
- ◆CDO: Collateralized Debt Obligation
- ◆CLO: Collateralized Loan Obligation
- ◆CMBS: Commercial Mortgage-Backed Securities
- ◆LBO Loan: Leveraged Buyout Loan
- ◆RMBS: Residential Mortgage-Backed Securities
- ◆SIV: Structured Investment Vehicle

## 2. Exposure to U.S. Subprime Loans

Breakdown of U.S. Subprime related exposure:

		As of June 30, 2008		As of March 31, 2008	
		Outstanding (Notional) Par Amount	Exposure to U.S. Subprime Loans	Outstanding (Notional) Par Amount	Exposure to U.S. Subprime Loans
Credit derivatives	ABS-CDO	12.6 billion yen	— <sup>Note 1</sup>	11.8 billion yen	—
Financial guarantee	ABS-CDO	5.9 billion yen	0.8 billion yen <sup>Note 2</sup>	5.6 billion yen	0.9 billion yen
reinsurance	RMBS	1.2 billion yen	1.2 billion yen	1.2 billion yen	1.2 billion yen
Total			2.1 billion yen		2.1 billion yen

(Note 1) ABS CDO referred here partially contains RMBSs backed by U.S. subprime loans (SPL-RMBS:8.4 billion yen) in its underlying assets (pool of ABS). Even if all the SPL-RMBSs defaulted with no recovery (i.e., 100% loss), we would not be obligated to pay claim because there is a subordinated tranche (deductible) of 12.6 billion yen below the tranche we have underwritten, which exceeds outstanding par amount of the SPL-RMBSs (8.4 billion yen). Therefore our exposure to U.S. Subprime Loans is zero as described in the precedent table.

(Note 2) Likewise, outstanding par amount of all the SPL-RMBSs contained in underlying assets of ABS CDOs referred here in excess of the amount of subordination (deductible), which is the amount we would be obligated to pay in the event all the SPL-RMBSs defaulted with no recovery, is 0.8 billion yen.