

[Translation]

**CONSOLIDATED FINANCIAL RESULTS**  
FOR THE THIRD QUARTER ENDED DECEMBER 31, 2007



February 22, 2008

Name of Listed Company: **Mitsui Sumitomo Insurance Company, Limited**  
Securities Code No.: 8752  
Stock Exchanges: Tokyo, Osaka, Nagoya  
URL: <http://www.ms-ins.com>  
Representative: Toshiaki Egashira, President  
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(Note) Amounts are truncated, and ratios are rounded.

**1. Consolidated Financial Results for the third quarter ended December 31, 2007 (From April 1, 2007 to December 31, 2007)**

(1) Results of Operations

(Yen in millions)

	Ordinary income	Ordinary profit	Net income
For the third quarter ended December 31, 2007	1,608,105	77,389	47,758
For the year ended March 31, 2007	2,117,072	91,684	60,796

(Yen)

	Net income per share	Net income per share -Diluted
For the third quarter ended December 31, 2007	33.84	-
For the year ended March 31, 2007	42.82	-

(Note) It is started to disclose quarterly financial results from this fiscal year.

(2) Financial Conditions

(Yen in millions)

	Total assets	Net assets	Equity ratio	Net assets per share (Yen)
As of December 31, 2007	8,875,947	2,021,184	22.6 %	1,422.46
As of March 31, 2007	9,011,652	2,182,877	24.1 %	1,536.71

(Note) It is started to disclose quarterly financial results from this fiscal year.

**2.Dividends**

There are no dividends for the current third quarter as well as the corresponding quarter of preceding fiscal year. There is no change to the dividend per share forecast for the fiscal year ending March 31, 2008, previously disclosed on January 15, 2008.

**3.Forecast of the current period (From April 1, 2007 to March 31, 2008)-Consolidated**

There is no change to the forecast for the fiscal year ending March 31, 2008, previously disclosed on November 20, 2007.

**4.Other information**

(1) Significant changes in scope of consolidation during the period: None

(2) Adoption of simplified accounting methods: Yes

(3) Changes in accounting methods during the period: Yes

(Note) For further details, please refer to "Qualitative Information and Financial Statements / 3. Other Information" on page 3.

## Qualitative Information and Financial Statements

### 1. Results of operations

Ordinary income was ¥1,608.1 billion, which was composed of underwriting income ¥1,475.8 billion (including net premiums written ¥1,166.5 billion), investment income ¥127.8 billion and other ordinary income ¥4.4 billion. On the other hand, ordinary expenses were ¥1,530.7 billion, which were composed of underwriting expenses ¥1,294.4 billion (including net claims paid ¥655.2 billion), investment expenses ¥18.8 billion, operating expenses and general and administrative expenses ¥211.4 billion, and other ordinary expenses ¥5.9 billion.

Net premiums written increased ¥38.3 billion (3.4%) compared with the same period of the previous fiscal year. The major reason of this increase was the performance of Mitsui Direct General Insurance Company, Limited, being newly included in the consolidation, and the business expansion of the subsidiaries in Europe and Asia and reinsurance subsidiaries. In addition, net premiums written excluding the GRR premiums of the automobile insurance "ModoRich" increased ¥34.8 billion (3.1%) compared with the same period of the previous fiscal year.

Net claims paid increased ¥13.5 billion (2.1%) compared with the same period of the previous fiscal year. The major reason of this increase was the amount in connection with Mitsui Direct General Insurance Company, Limited, which was newly included in the consolidation.

As a result, ordinary profit was ¥77.3 billion, and net income after taxes and deduction of minority interests was ¥47.7 billion.

### 2. Financial condition

Total assets as of December 31, 2007 decreased ¥135.7 billion to ¥8,875.9 billion, because investments in securities decreased ¥196.6 billion to ¥6,752.9 billion mainly due to a decline in the stock market.

Total net assets decreased ¥161.6 billion to ¥2,021.1 billion mainly due to decrease of unrealized gains on investments.

### 3. Other information

#### 3-1. Significant changes in consolidated subsidiaries:

None

#### 3-2. Adoption of simplified accounting methods:

Simplified method is used for calculating the tax expense.

### 3-3. Change in accounting methods:

In accordance with the amendment of the corporate tax law, the Company and its domestic consolidated subsidiaries have changed the depreciation method in terms of tangible assets acquired after April 1, 2007. As a result, in comparison with the previous method, ordinary profit and income before income taxes decreased ¥262 million respectively.

On the other hand, the Company and its domestic consolidated subsidiaries have changed the depreciation method in terms of tangible assets acquired before March 31, 2007 in accordance with the amendment of the corporate tax law. These assets were depreciated by the previous method, and their residual value were depreciated by straight line method over next five years. As a result, in comparison with the previous method, ordinary profit and income before income taxes decreased ¥347 million respectively.

### 3-4. Subsequent events:

Pursuant to Article 156 of the Companies Act of Japan as modified by Article 165, Paragraph 3, of the Act, the Company has resolved at the meeting of the board of directors held on January 31, 2008, to repurchase its own shares as follows:

Reason for repurchase: To improve capital efficiency and to promote return of profits to shareholders

Type of shares to be repurchased: Shares of common stock of the Company

Total number of shares to be repurchased: 8,000,000 shares (Maximum)

Aggregate amount of the repurchase cost: ¥7 billion (Maximum)

Period of repurchase: From February 1, 2008, to March 24, 2008

Pursuant to Article 178 of the Companies Act of Japan the Company has resolved at the meeting of the board of directors held on January 31, 2008, to cancel the Company's treasury shares.

Type of shares to be canceled: Shares of common stock of the Company

Date of cancellation: March 31, 2008

Number of shares to be canceled: All treasury shares held as of March 31, 2008

#### 4. Consolidated Financial Statements

##### Summary of Consolidated Results of Operations

(Yen in millions)

Items	For the nine months ended December 31, 2007	(Reference) For the year ended March 31, 2007
<b>Ordinary Income and Expenses:</b>		
<b>Underwriting income:</b>	<b>1,475,814</b>	<b>1,947,162</b>
Net premiums written	1,166,530	1,492,808
Deposit premiums from policyholders	153,305	224,676
Life insurance premiums	111,837	165,363
<b>Underwriting expenses:</b>	<b>1,294,476</b>	<b>1,738,755</b>
Net claims paid	655,228	846,445
Loss adjustment expenses	57,994	69,968
Commission and collection expenses	188,299	257,658
Maturity refunds to policyholders	233,010	340,660
Life insurance claims	23,217	24,849
<b>Investment income :</b>	<b>127,853</b>	<b>165,224</b>
Interest and dividends received	140,502	179,081
Gains on sale of securities	25,608	32,815
<b>Investment expenses :</b>	<b>18,826</b>	<b>16,692</b>
Losses on sale of securities	2,513	6,018
Losses on devaluation of securities	6,762	6,038
<b>Operating expenses and general and administrative expenses</b>	<b>211,452</b>	<b>262,989</b>
<b>Other ordinary income and expenses</b>	<b>(1,523)</b>	<b>(2,265)</b>
<b>Ordinary profit</b>	<b>77,389</b>	<b>91,684</b>
<b>Extraordinary Income and Losses:</b>		
Extraordinary income	1,714	4,303
Extraordinary losses	12,349	8,074
<b>Extraordinary income and losses</b>	<b>(10,635)</b>	<b>(3,770)</b>
Income before income taxes	66,754	87,913
Income taxes - current	18,479	43,664
Income taxes - deferred	-	(17,529)
Minority interests	516	983
<b>Net income</b>	<b>47,758</b>	<b>60,796</b>

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

* Net premiums written	1,163,191	1,492,229
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\* For the purpose of easy comparison with other non-life insurance companies, "Net premiums written" as shown excludes Good Result Return premiums ("GRR premiums") of the Company's unique Automobile Insurance product "ModoRich", which contains a special clause of premium adjustment and refund at maturity.

Note:1. It is started to disclose quarterly financial results from this fiscal year.

2. Since a simplified method is used for calculating the tax expense for this quarter, the amount of deferred income tax expense is included in "Income taxes-current".

**Direct Premiums Written by Lines of Insurance**  
(including Deposit premiums from policyholders)

**Consolidated**

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Share %	Amount	Change %	Share %	Amount	Change %	Share %
Fire	245,674	1.8	17.7	239,168	(2.6)	17.2	301,692	(0.8)	16.7
Marine	84,489	13.8	6.1	93,386	10.5	6.7	113,005	11.4	6.3
Personal Accident	263,353	(2.5)	19.0	229,091	(13.0)	16.4	327,518	(4.1)	18.1
Voluntary Automobile	460,903	3.4	33.2	478,269	3.8	34.3	611,148	2.6	33.8
Compulsory Automobile Liability	132,829	(2.4)	9.6	134,898	1.6	9.7	176,826	(2.7)	9.8
Other	199,442	4.7	14.4	219,372	10.0	15.7	276,517	2.7	15.3
<b>Total</b>	<b>1,386,693</b>	<b>2.1</b>	<b>100.0</b>	<b>1,394,186</b>	<b>0.5</b>	<b>100.0</b>	<b>1,806,708</b>	<b>0.7</b>	<b>100.0</b>
Deposit premiums from policyholders	187,002	(8.6)	13.5	153,305	(18.0)	11.0	224,676	(10.0)	12.4

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

Voluntary Automobile	461,063	2.4		474,930	3.0		610,568	1.5	
<b>Total</b>	<b>1,386,853</b>	<b>1.8</b>		<b>1,390,847</b>	<b>0.3</b>		<b>1,806,129</b>	<b>0.4</b>	

**Net Premiums by Lines of Insurance**

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Share %	Amount	Change %	Share %	Amount	Change %	Share %
Fire	172,262	2.5	15.3	169,593	(1.5)	14.5	208,951	1.2	14.0
Marine	70,718	14.0	6.3	80,773	14.2	6.9	95,486	12.6	6.4
Personal Accident	107,289	0.2	9.5	103,944	(3.1)	8.9	139,531	(2.6)	9.3
Voluntary Automobile	453,456	2.4	40.2	470,844	3.8	40.4	601,353	1.9	40.3
Compulsory Automobile Liability	144,446	(0.6)	12.8	144,224	(0.2)	12.4	192,087	(0.7)	12.9
Other	180,036	3.5	15.9	197,150	9.5	16.9	255,398	3.9	17.1
<b>Total</b>	<b>1,128,211</b>	<b>2.6</b>	<b>100.0</b>	<b>1,166,530</b>	<b>3.4</b>	<b>100.0</b>	<b>1,492,808</b>	<b>2.0</b>	<b>100.0</b>

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

Voluntary Automobile	453,616	1.5		467,505	3.1		600,774	0.8	
<b>Total</b>	<b>1,128,370</b>	<b>2.3</b>		<b>1,163,191</b>	<b>3.1</b>		<b>1,492,229</b>	<b>1.5</b>	

**Net Claims Paid by Lines of Insurance**

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Share %	Amount	Change %	Share %	Amount	Change %	Share %
Fire	88,337	19.0	13.8	77,592	(12.2)	11.8	100,229	13.6	11.9
Marine	27,450	11.4	4.3	32,461	18.3	5.0	38,684	10.0	4.6
Personal Accident	47,883	14.9	7.5	51,993	8.6	7.9	62,908	12.2	7.4
Voluntary Automobile	283,866	5.4	44.2	292,643	3.1	44.7	375,298	3.0	44.3
Compulsory Automobile Liability	102,717	4.3	16.0	102,581	(0.1)	15.7	134,908	3.4	15.9
Other	91,386	8.5	14.2	97,956	7.2	14.9	134,415	13.2	15.9
<b>Total</b>	<b>641,641</b>	<b>8.3</b>	<b>100.0</b>	<b>655,228</b>	<b>2.1</b>	<b>100.0</b>	<b>846,445</b>	<b>6.7</b>	<b>100.0</b>

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

## Consolidated Balance Sheets

(Yen in millions)

Items	(Reference)	
	As of December 31, 2007	As of March 31, 2007
	Amount	Amount
(Assets)		
Cash deposits and savings	352,044	345,330
Call loans	33,500	41,600
Futures bought	999	-
Monetary claims bought	109,752	84,349
Money trusts	50,663	57,138
Investments in securities	6,752,941	6,949,578
Loans	796,137	768,084
Tangible fixed assets	253,401	261,267
Intangible fixed assets	90,887	87,955
Other assets	437,534	418,167
Deferred tax assets	3,311	4,802
Customers' liabilities under acceptances and guarantees	1,282	1,237
Bad debts reserve	(6,508)	(7,859)
<b>Total assets</b>	<b>8,875,947</b>	<b>9,011,652</b>
(Liabilities)		
Underwriting funds:	5,962,596	5,815,878
Outstanding claims	859,865	820,714
Underwriting reserve	5,102,731	4,995,163
Bonds issued	99,991	99,998
Other liabilities	264,129	271,795
Reserve for employees' retirement and severance benefits	80,336	81,540
Reserve for pension and retirement benefits for officers and operating officers	2,838	-
Accrued bonuses for employees	1,276	13,468
Reserve under the special law:	29,140	26,707
Reserve for price fluctuation	29,140	26,707
Deferred tax liabilities	413,171	518,149
Liabilities under acceptances and guarantees	1,282	1,237
<b>Total liabilities</b>	<b>6,854,763</b>	<b>6,828,775</b>
(Net assets)		
Shareholders' equity:		
Common stock	139,595	139,595
Capital surplus	93,151	93,138
Retained earnings	640,242	613,352
Treasury stock	(91,603)	(91,142)
Total shareholders' equity	781,386	754,943
Valuation and translation adjustments:		
Unrealized gains on investments, net of tax	1,217,472	1,402,879
Deferred hedge gains(losses), net of tax	(4,422)	(4,577)
Foreign currency translation adjustments	12,522	15,368
Total valuation and translation adjustments	1,225,572	1,413,671
Minority interests	14,225	14,261
<b>Total net assets</b>	<b>2,021,184</b>	<b>2,182,877</b>
<b>Total liabilities and net assets</b>	<b>8,875,947</b>	<b>9,011,652</b>

Note : It is started to disclose quarterly financial results from this fiscal year.

## Consolidated Statements of Income

(Yen in millions)

Items	For the nine months ended December 31, 2007	(Reference) For the year ended March 31,2007
	Amount	Amount
<b>Ordinary income and expenses:</b>		
<b>Ordinary income:</b>	<b>1,608,105</b>	<b>2,117,072</b>
<b>Underwriting income:</b>	<b>1,475,814</b>	<b>1,947,162</b>
Net premiums written	1,166,530	1,492,808
Deposit premiums from policyholders	153,305	224,676
Investment income on deposit premiums from policyholders	43,363	57,322
Life insurance premiums	111,837	165,363
<b>Investment income:</b>	<b>127,853</b>	<b>165,224</b>
Interest and dividends received	140,502	179,081
Investment gains on money trusts	804	952
Gains on sale of securities	25,608	32,815
Transfer of investment income on deposit premiums from policyholders	(43,363)	(57,322)
<b>Other ordinary income</b>	<b>4,437</b>	<b>4,685</b>
<b>Ordinary expenses:</b>	<b>1,530,716</b>	<b>2,025,388</b>
<b>Underwriting expenses:</b>	<b>1,294,476</b>	<b>1,738,755</b>
Net claims paid	655,228	846,445
Loss adjustment expenses	57,994	69,968
Commission and collection expenses	188,299	257,658
Maturity refunds to policyholders	233,010	340,660
Life insurance claims	23,217	24,849
Provision for outstanding claims	40,334	75,783
Provision for underwriting reserve	95,337	121,044
<b>Investment expenses:</b>	<b>18,826</b>	<b>16,692</b>
Investment losses on money trusts	65	-
Losses on sale of securities	2,513	6,018
Losses on devaluation of securities	6,762	6,038
Losses on derivative transactions	5,829	652
<b>Operating expenses and general and   administrative expenses</b>	<b>211,452</b>	<b>262,989</b>
<b>Other ordinary expenses:</b>	<b>5,960</b>	<b>6,951</b>
Interest paid	729	829
<b>Ordinary profit</b>	<b>77,389</b>	<b>91,684</b>
<b>Extraordinary income and losses:</b>		
<b>Extraordinary income:</b>	<b>1,714</b>	<b>4,303</b>
<b>Extraordinary losses:</b>	<b>12,349</b>	<b>8,074</b>
Provision for reserve under the special law	2,433	3,167
Provision for price fluctuation reserve	2,433	3,167
Other extraordinary losses	9,916	4,907
Income before income taxes	66,754	87,913
Income taxes - current	18,479	43,664
Income taxes - deferred	-	(17,529)
Minority Interests	516	983
<b>Net income</b>	<b>47,758</b>	<b>60,796</b>

Note:1. It is started to disclose quarterly financial results from this fiscal year.

2. Since a simplified method is used for calculating the tax expense for this quarter, the amount of deferred income tax expense is included in "Income taxes-current".

3. Other extraordinary losses include losses on sale of fixed assets 6,269 million yen and impairment loss on fixed assets 3,646 million yen, mainly incurred by rebuilding of real estate.



## Securities

(Yen in Millions)

Items	As of December 31, 2006			As of December 31, 2007			(Reference) As of March 31, 2007		
	Acquisition cost	Fair value	Difference	Acquisition cost	Fair value	Difference	Acquisition cost	Fair value	Difference
Domestic Bonds	2,232,032	2,239,064	7,032	2,187,311	2,218,685	31,374	2,221,350	2,236,076	14,726
Domestic Stocks	750,010	2,773,967	2,023,956	754,501	2,524,934	1,770,433	754,670	2,834,713	2,080,042
Foreign Securities	1,118,833	1,217,037	98,204	1,220,031	1,312,888	92,857	1,134,902	1,218,396	83,493
Others	84,874	96,065	11,190	156,889	163,482	6,593	147,686	159,720	12,034
Total	4,185,750	6,326,134	2,140,383	4,318,733	6,219,990	1,901,257	4,258,609	6,448,906	2,190,296

### Note

1. The table set above is a summary of the marketable "available-for-sale securities", which are not classified as "trading securities", "held-to-maturity securities" nor "stocks of subsidiaries and affiliates".
2. The acquisition costs as of December 31, 2006 are after amortization/accumulation and before impairment, whereas those as of December 31, 2007 and March 31, 2007 are after such adjustments have been made.
3. Fair values of securities are market prices quoted on the end of each accounting period, or otherwise assumed similarly based on the market and other relevant conditions at that point.
4. The table set above includes beneficiary claims on loan trust classified as "Monetary claims bought", in addition to "Investments in securities" stated in the consolidated balance sheet.

## Summary of Non-consolidated Results of Operations

(Yen in millions)

Items	For the nine months ended December 31, 2007	(Reference) For the year ended March 31, 2007
<b>Direct premiums written (including Deposit premiums from policyholders)</b>	<b>1,186,964</b>	<b>1,592,753</b>
Direct premiums written	1,033,659	1,368,077
<b>Ordinary income and expenses:</b>		
<b>Underwriting income</b>	<b>1,188,046</b>	<b>1,607,507</b>
Net premiums written	990,503	1,325,011
Deposit premiums from policyholders	153,305	224,676
<b>Underwriting expenses</b>	<b>1,039,705</b>	<b>1,447,997</b>
Net claims paid	582,930	771,012
Loss adjustment expenses	53,483	65,363
Commission and collection expenses	158,766	213,074
Maturity refunds to policyholders	233,010	340,660
<b>Investment income</b>	<b>97,933</b>	<b>134,707</b>
Interest and dividends received	115,687	151,243
Gains on sale of securities	21,743	30,893
<b>Investment expenses</b>	<b>16,959</b>	<b>10,589</b>
Losses on sale of securities	1,360	3,559
Losses on devaluation of securities	6,744	4,131
<b>Operating expenses and general and administrative expenses</b>	<b>158,329</b>	<b>207,479</b>
Those related to underwriting insurance	148,955	194,696
<b>Other ordinary income and expenses</b>	<b>2,165</b>	<b>4,009</b>
<b>Ordinary Profit</b>	<b>73,150</b>	<b>80,158</b>
Underwriting profit(loss)	506	(34,723)
<b>Extraordinary income and losses:</b>		
Extraordinary income	1,846	3,689
Extraordinary losses	12,178	7,873
<b>Extraordinary income and losses</b>	<b>(10,332)</b>	<b>(4,184)</b>
Income before income taxes	62,818	75,974
Income taxes-current	16,132	37,786
Income taxes-deferred	—	(17,165)
<b>Net income</b>	<b>46,686</b>	<b>55,352</b>
<b>Ratios:</b>		
Net loss ratio	64.3%	63.1%
Net expense ratio	31.1%	30.8%

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

<b>Direct premiums written (including Deposit premiums from policyholders)</b>	<b>1,183,626</b>	<b>1,592,174</b>
Direct premiums written	1,030,320	1,367,498
Net premiums written	987,164	1,324,432
Net loss ratio	64.5%	63.1%
Net expense ratio	31.2%	30.8%

Note: 1. Underwriting profit(loss) = Underwriting income - (Underwriting expenses + Operating expenses and general administrative expenses related to underwriting insurance) ± other income and expenses

Other income and expenses consist mainly of Income Taxes of Compulsory Automobile Liability.

2. Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written x 100

3. Net expense ratio = (Commission and collection expenses + Operating expenses and general and administrative expenses related to underwriting insurance) / Net premiums written x 100

4. It is started to disclose quarterly financial results from this fiscal year.

5. Since a simplified method is used for calculating the tax expense for this quarter, the amount of deferred income tax expense is included in "Income taxes-current."

**Direct Premiums Written by Lines of Insurance**  
(excluding Deposit premiums from policyholders)

Non-consolidated

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Share %	Amount	Change %	Share %	Amount	Change %	Share %
Fire	162,183	(1.2)	15.7	162,589	0.3	15.7	217,070	(1.8)	15.9
Marine	59,836	9.1	5.8	64,939	8.5	6.3	80,570	8.2	5.9
Personal Accident	107,111	(0.9)	10.4	102,220	(4.6)	9.9	139,550	(3.2)	10.2
Voluntary Automobile	425,431	(0.3)	41.2	420,318	(1.2)	40.7	563,893	(0.2)	41.2
Compulsory Automobile Liability	132,829	(2.4)	12.9	134,898	1.6	13.0	176,826	(2.7)	12.9
Other	144,792	1.1	14.0	148,693	2.7	14.4	190,166	0.3	13.9
<b>Total</b>	<b>1,032,185</b>	<b>(0.1)</b>	<b>100.0</b>	<b>1,033,659</b>	<b>0.1</b>	<b>100.0</b>	<b>1,368,077</b>	<b>(0.6)</b>	<b>100.0</b>
(Deposit premiums from policyholders)	187,002	(8.6)		153,305	(18.0)		224,676	(10.0)	

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

Voluntary Automobile	425,591	(1.2)		416,979	(2.0)		563,314	(1.3)	
<b>Total</b>	<b>1,032,345</b>	<b>(0.5)</b>		<b>1,030,320</b>	<b>(0.2)</b>		<b>1,367,498</b>	<b>(1.0)</b>	

**Net Premiums by Lines of Insurance**

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Share %	Amount	Change %	Share %	Amount	Change %	Share %
Fire	130,317	(3.8)	13.1	129,804	(0.4)	13.1	178,919	(2.3)	13.5
Marine	51,325	7.5	5.2	55,503	8.1	5.6	70,217	6.3	5.3
Personal Accident	102,886	(1.3)	10.3	98,215	(4.5)	9.9	133,847	(3.5)	10.1
Voluntary Automobile	425,093	(0.3)	42.7	419,597	(1.3)	42.4	563,606	(0.2)	42.5
Compulsory Automobile Liability	144,446	(0.6)	14.5	144,041	(0.3)	14.5	192,087	(0.7)	14.5
Other	141,274	(0.6)	14.2	143,340	1.5	14.5	186,334	(0.0)	14.1
<b>Total</b>	<b>995,343</b>	<b>(0.6)</b>	<b>100.0</b>	<b>990,503</b>	<b>(0.5)</b>	<b>100.0</b>	<b>1,325,011</b>	<b>(0.6)</b>	<b>100.0</b>

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

Voluntary Automobile	425,253	(1.2)		416,258	(2.1)		563,026	(1.3)	
<b>Total</b>	<b>995,503</b>	<b>(1.0)</b>		<b>987,164</b>	<b>(0.8)</b>		<b>1,324,432</b>	<b>(1.0)</b>	

**Net Claims Paid by Lines of Insurance**

(Yen in millions)

Lines of Insurance	For the nine months ended December 31, 2006			For the nine months ended December 31, 2007			(Reference) For the year ended March 31, 2007		
	Amount	Change %	Net Loss Ratio %	Amount	Change %	Net Loss Ratio %	Amount	Change %	Net Loss Ratio %
Fire	67,108	11.8	—	60,024	(10.6)	48.7	84,848	7.9	49.5
Marine	22,165	4.7	—	26,056	17.6	49.7	31,367	3.4	47.0
Personal Accident	45,918	14.5	—	49,765	8.4	56.9	60,749	12.3	50.3
Voluntary Automobile	268,154	3.1	—	263,932	(1.6)	69.9	354,941	1.4	69.4
Compulsory Automobile Liability	102,717	4.3	—	102,466	(0.2)	77.0	134,908	3.4	76.0
Other	76,140	2.3	—	80,686	6.0	59.7	104,196	8.2	59.1
<b>Total</b>	<b>582,205</b>	<b>5.0</b>	<b>—</b>	<b>582,930</b>	<b>0.1</b>	<b>64.3</b>	<b>771,012</b>	<b>4.2</b>	<b>63.1</b>

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

Voluntary Automobile	268,154	3.1	—	263,932	(1.6)	70.5	354,941	1.4	69.5
<b>Total</b>	<b>582,205</b>	<b>5.0</b>	<b>—</b>	<b>582,930</b>	<b>0.1</b>	<b>64.5</b>	<b>771,012</b>	<b>4.2</b>	<b>63.1</b>

Note : 1. Net Loss Ratio = (net claims paid + loss adjustment expenses)/net premiums written × 100

2. It is started to disclose quarterly Net Loss Ratio from this fiscal year

[Translation]

**Reference Material: Mitsui Sumitomo Insurance's Exposure to U.S. Subprime Loans and U.S. Monolines**

1. Exposure of Mitsui Sumitomo Insurance Co., Ltd. (the "Company") to U.S. Subprime Loans (as at the end of December 2007)

The Company's exposure to U.S. subprime loans was JPY 1.2 billion, broken down as follows:

Breakdown of the transactions related to the subprime loans that the Company has underwritten and in force.

		Amount underwritten by the Company as protection seller or reinsurer	The Company's Exposure to subprime loans(*)
Credit Default Swap	ABS-CDO	JPY 12.4 billion	-- (**)
Financial Guarantee Reinsurance	ABS-CDO	JPY 3 billion	-- (**)
	RMBS	JPY 1.2 billion	JPY 1.2 billion
Hedge Funds			JPY 0 billion
Total			JPY 1.2 billion

(\*) Regarding the use of the term "exposure":

Due to the structural features of securitized instruments like Asset-Backed Securities, in some cases the Company's liability to pay claim will not occur even if any defaults occurred in the underlying portfolio of each transaction. After taking into consideration the structure of such securitized instruments, "exposure" is defined in this document as the probable maximum amount the Company would be liable to pay, if there occurred a total loss of all the subprime loans within the portfolio.

(\*\*) Regarding the Company's "exposure" in ABS-CDOs:

Regarding ABS-CDOs, the Company underwrites a part of the entire portfolio of each transaction, which is known as the term "tranche", meaning a slice being cut out of the entire portfolio and categorized as "senior", "mezzanine", "subordinated" and so on according to degrees of default risk. As for all the ABS-CDOs the Company has underwritten to date, the Company has underwritten the

senior tranche that retains beneath it sufficient subordinated tranche (which has similar effect as “deductible”, known in the property and casualty insurance market) that exceeds total amount of the subprime loans contained in each portfolio. Therefore, even if a total loss of the subprime loans occurs, the amount of such loss will not exceed the amount of such subordinate tranches and, as a result, the Company’s exposure to ABS-CDOs was nil.

Mark-to-market unrealized losses on the above ABS-CDOs underwritten through credit default swap were JPY 43 million as at the end of December 2007 (this mark-to-market unrealized losses were according to prices presented by the counterparty). Please note that there were no mark-to-market unrealized gains or losses to the Company on the ABS-CDOs underwritten through financial guarantee reinsurance, as they were underwritten by insurance agreements.

## 2. The Company’s Exposure to U.S. Monolines (as at the end of December 2007)

The notional principal amount of credit default swap held by the Company as protection seller, where an U.S. monoline (meaning U.S. domiciled insurance companies specializing in financial guarantees) was a sole reference entity, was JPY 3.4 billion. (Please note that the Company’s exposure to credit default swap where numbers of corporate entities were referred as reference entities and also one or multiple monolines were contained as reference entities was considered to be nil, because there were sufficient subordinate tranches below the tranche the Company has underwritten.)

In addition, the Company has guaranteed JPY 2.7 billion monoline guaranteed notes and invested JPY 13.2 billion in monoline guaranteed notes. For these guarantees and investments, the Company will only become liable for claim payment or suffer losses if both the “underlying note” and the “monoline that has guaranteed those notes” default.

End.