

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006
(Consolidated)



May 24, 2006

Name of Listed Company: Mitsui Sumitomo Insurance Company, Limited (the "Company")

Securities Code No.: 8752

Stock Exchanges: Tokyo, Osaka, Nagoya

Headquarters: Tokyo (URL <http://www.ms-ins.com>)

Representative: Hiroyuki Uemura, President

Any inquiry relating hereto:

Hiroyuki Hata, Assistant General Manager, Financial Accounting Section, Accounting Department

Telephone Number: (03)-3297-6648

Direction of Resolution of the Board of Directors

to approve Annual General Settlement of Accounts: May 24, 2006

Adoption of the U.S. generally accepted accounting standard: Yes or (No)

1. Business results for the year ended March 31, 2006 (from April 1, 2005 to March 31, 2006)

(1) Results of Operations*

*The amounts which respectively represent less than the relevant unit are truncated, and the ratios are rounded to the nearest one-tenth, with five one-hundredths or more considered to be a full tenth. The same applies hereunder.

(Yen in millions)

	Ordinary income		Ordinary profit		Net income	
For the year ended March 31, 2006	2,106,874	4.2%	127,710	45.8%	71,660	9.0%
For the year ended March 31, 2005	2,021,917	-2.2%	87,577	-49.9%	65,725	-15.5%

(Yen)

	Net income per share	Net income per share -Diluted	Return on equity	Ordinary profit as a percentage of total assets	Ordinary profit as a percentage of net sales
For the Year ended March 31, 2006	50.27	-	4.1%	1.6%	6.1%
For the Year ended March 31, 2005	45.51	-	4.6%	1.2%	4.3%

- (Notes)
1. Equity in earnings (losses) of affiliates:
For the year ended March 31, 2006: -2,060 million For the year ended March 31, 2005: -736 million
 2. The average number of shares in issue during the year (consolidated):
For the year ended March 31, 2006: 1,425,418,647 shares
For the year ended March 31, 2005: 1,442,627,030 shares
 3. Change in accounting method: Yes or No
 4. Percent figures of "Ordinary income", "Ordinary Profit" and "Net Income" represent increase or decrease in comparison with the settlement of account for the preceding business term.

(2) Financial Conditions

(Yen in millions)

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share (Yen)
As of March 31, 2006	8,592,873	2,027,469	23.6%	1,427.17
As of March 31, 2005	7,402,311	1,461,575	19.7%	1,021.13

(Note) The number of shares issued (consolidated) :
As of March 31, 2006: 1,420,621,161 shares As of March 31, 2005: 1,431,265,107 shares

(3) Conditions of Consolidated Cash Flows

(Yen in millions)

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of year
For the year ended March 31, 2006	313,007	-264,352	-33,580	386,179
For the year ended March 31, 2005	160,695	-222,940	63,622	365,815

(4) Scope of consolidation

Number of consolidated subsidiaries: 35
Number of non-consolidated subsidiaries accounted for by the equity method: 0
Number of affiliates accounted for by the equity method: 2

(5) Changes in the scope of consolidation

Number of newly consolidated subsidiaries: 4
Number of consolidated subsidiaries excluded from consolidation: 0
Number of non-consolidated subsidiaries and affiliates newly accounted for by the equity method: 0
Number of non-consolidated subsidiaries and affiliates ceased to be accounted for by the equity method: 0

2. Forecast of the current period (from April 1, 2006 to March 31, 2007)

(Yen in millions)

	Ordinary Income	Ordinary profit	Net income
For the six months ending September 30, 2006	1,069,000	62,000	37,000
For the year ending March 31, 2007	2,115,000	124,500	75,000

(Reference) Net income per share expected for the year ending March 31, 2007 : Yen 52.79

< Operating Results Forecast for the year ending March 31, 2007 >

Major prerequisites of the business outlook for the current period shall be as follows:

- Net premiums written is estimated based on the development of past business results.
- With regard to net claims paid, payment due to natural disasters is estimated to be ¥20.0 billion, predicting from the past business results.
- As for the prospects for asset management, it is assumed that there will be no substantial fluctuation in market interest rates, foreign exchange rates or stock prices as of March 31, 2006.

FY2005 Summary of Income Statement

(Yen in millions)

Item	FY2004	FY2005	Change	Change Ratio(%)
Ordinary Income and Expenses:				
Underwriting income:	1,881,195	1,938,445	57,249	3.0
Net premiums written	1,407,328	1,464,107	56,779	4.0
Deposit premiums from policyholders	272,692	249,760	-22,932	-8.4
Life insurance premiums	141,785	162,225	20,439	14.4
Underwriting expenses:	1,672,117	1,710,618	38,500	2.3
Net claims paid	811,183	792,941	-18,242	-2.2
Loss adjustment expenses	58,707	63,097	4,389	7.5
Commission and collection expenses	243,778	257,671	13,892	5.7
Maturity refunds to policyholders	400,319	363,976	-36,343	-9.1
Life insurance claims	17,549	20,911	3,361	19.2
Investment income :	137,006	159,857	22,850	16.7
Interest and dividends received	127,581	160,055	32,474	25.5
Gain on sales of securities	61,055	49,510	-11,545	-18.9
Investment expenses :	17,278	15,484	-1,794	-10.4
Loss on sales of securities	8,371	3,859	-4,511	-53.9
Loss on valuation of securities	4,892	3,812	-1,079	-22.1
Operating expenses and general and administrative expenses	237,967	247,345	9,377	3.9
Other ordinary income and expenses	-3,260	2,855	6,115	-
Ordinary profit	87,577	127,710	40,132	45.8
Extraordinary Income and Losses:				
Extraordinary income	49,664	8,625	-41,038	-82.6
Extraordinary losses	30,592	31,407	814	2.7
Extraordinary income and losses	19,071	-22,782	-41,853	-219.5
Income before income taxes	106,648	104,927	-1,721	-1.6
Income taxes - current	14,203	36,023	21,819	153.6
Income taxes - deferred	25,961	-4,197	-30,159	-116.2
Minority interests	758	1,441	683	90.2
Net income	65,725	71,660	5,935	9.0

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

(Yen in millions)

Lines of Insurance	FY2004			FY2005		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	281,783	-2.7	16.1	304,176	7.9	17.0
Marine	84,935	11.2	4.8	101,461	19.5	5.7
Personal Accident	354,488	-1.3	20.3	341,536	-3.7	19.0
Voluntary Automobile	586,241	0.1	33.5	595,744	1.6	33.2
Compulsory Automobile Liability	187,180	1.8	10.7	181,757	-2.9	10.1
Other	254,651	1.3	14.6	269,307	5.8	15.0
Total	1,749,279	0.2	100.0	1,793,984	2.6	100.0
(Deposit premiums from policyholders)	(272,692)	(-9.4)	(15.6)	(249,760)	(-8.4)	(13.9)

Net Premiums by Lines of Insurance

(Yen in millions)

Lines of Insurance	FY2004			FY2005		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	188,856	0.9	13.4	206,373	9.3	14.1
Marine	71,828	11.1	5.1	84,788	18.0	5.8
Personal Accident	131,900	5.6	9.4	143,316	8.7	9.8
Voluntary Automobile	584,728	0.2	41.6	590,422	1.0	40.3
Compulsory Automobile Liability	195,741	0.9	13.9	193,402	-1.2	13.2
Other	234,272	4.3	16.6	245,805	4.9	16.8
Total	1,407,328	2.0	100.0	1,464,107	4.0	100.0

Net Claims Paid by Lines of Insurance

(Yen in millions)

Lines of Insurance	FY2004			FY2005		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	139,884	131.1	17.2	88,202	-36.9	11.1
Marine	27,788	-2.3	3.4	35,175	26.6	4.4
Personal Accident	53,231	3.4	6.6	56,049	5.3	7.1
Voluntary Automobile	354,257	3.8	43.7	364,207	2.8	45.9
Compulsory Automobile Liability	113,048	37.6	13.9	130,517	15.5	16.5
Other	122,973	5.6	15.2	118,787	-3.4	15.0
Total	811,183	19.2	100.0	792,941	-2.2	100.0

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

Balance Sheets

(Yen in millions,%)

Item	FY2004		FY2005		Change
	Amount	Share	Amount	Share	
(Assets)					
Cash deposits and savings	321,686	4.35	375,874	4.37	54,188
Call loans	36,000	0.49	18,000	0.21	-18,000
Monetary claims bought	63,039	0.85	71,570	0.83	8,531
Money trusts	57,421	0.78	53,064	0.62	-4,356
Investments in securities	5,454,198	73.68	6,576,008	76.53	1,121,810
Loans	787,345	10.64	777,659	9.05	-9,685
Property and equipment	252,278	3.41	257,693	3.00	5,415
Other assets	433,282	5.85	428,084	4.98	-5,198
Deffered tax assets	308	0.00	6,633	0.08	6,325
Consolidated goodwill	5,372	0.07	38,925	0.45	33,553
Customers' liabilities under acceptances and guarantees	10,295	0.14	1,414	0.02	-8,880
Reserve for bad debts	-18,915	-0.26	-12,055	-0.14	6,859
Total assets	7,402,311	100.00	8,592,873	100.00	1,190,562
(Liabilities)					
Underwriting funds:	5,301,902	71.62	5,579,937	64.94	278,034
Outstanding claims	(625,547)		(726,003)		(100,456)
Underwriting reserves	(4,676,355)		(4,853,933)		(177,578)
Deventures	100,000	1.35	100,000	1.16	-
Other liabilities	215,480	2.91	279,392	3.25	63,912
Reserve for employees' retirement and severance benefits	84,884	1.15	82,457	0.96	-2,426
Accrued bonuses for employees	14,046	0.19	13,526	0.16	-519
Reserve for EXPO 2005 Aichi	140	0.00	-	-	-140
Reserve under the special law:	20,461	0.28	23,537	0.27	3,075
Reserve for price fluctuation	(20,461)		(23,537)		(3,075)
Deffered tax liabilities	187,859	2.54	477,915	5.56	290,056
Liabilities under acceptances and guarantees	10,295	0.14	1,414	0.02	-8,880
Total liabilities	5,935,070	80.18	6,558,183	76.32	623,112
(Minority interests)					
Minority interests	5,665	0.08	7,221	0.08	1,556
(Shareholders' equity)					
Common stock	139,595	1.88	139,595	1.62	-
Capital surplus	93,118	1.26	93,127	1.08	8
Retained earnings	524,708	7.09	577,028	6.72	52,320
Unrealized gains on investments, net of tax	779,842	10.53	1,291,051	15.03	511,208
Foreign currency translation adjustments	-11,177	-0.15	3,988	0.05	15,166
Treasury stock	-64,511	-0.87	-77,321	-0.90	-12,810
Total shareholders' equity	1,461,575	19.74	2,027,469	23.60	565,893
Total liabilities, minority interests and shareholders' equity	7,402,311	100.00	8,592,873	100.00	1,190,562

Income Statements

(Yen in millions,%)

Item	FY2004		FY2005		Change
	Amount	Share	Amount	Share	
Ordinary income and expenses:					
Ordinary income:	2,021,917	100.00	2,106,874	100.00	84,956
Underwriting income:	1,881,195	93.04	1,938,445	92.00	57,249
Net premiums written	(1,407,328)		(1,464,107)		(56,779)
Deposit premiums from policyholders	(272,692)		(249,760)		(-22,932)
Investment income on deposits by policyholders ,etc	(58,549)		(57,758)		(-790)
Life insurance premiums	(141,785)		(162,225)		(20,439)
Other underwriting income	(838)		(4,592)		(3,753)
Investment income:	137,006	6.78	159,857	7.59	22,850
Interest and dividends received	(127,581)		(160,055)		(32,474)
Investment gain on money trusts	(1,209)		(539)		(-669)
Gain on sales of securities	(61,055)		(49,510)		(-11,545)
Gain on redemption of securities	(3,014)		(5,257)		(2,243)
Gain on derivative transactions	(1,903)		(-)		(-1,903)
Other investment income	(791)		(2,253)		(1,461)
Transfer to investment income on deposits by policyholders ,etc	(-58,549)		(-57,758)		(790)
Other ordinary income	3,715	0.18	8,571	0.41	4,856
Ordinary expenses:	1,934,339	95.67	1,979,164	93.94	44,824
Underwriting expenses:	1,672,117	82.70	1,710,618	81.19	38,500
Net claims paid	(811,183)		(792,941)		(-18,242)
Loss adjustment expenses	(58,707)		(63,097)		(4,389)
Commission and collection expenses	(243,778)		(257,671)		(13,892)
Maturity refunds to policyholders	(400,319)		(363,976)		(-36,343)
Dividends to policyholders	(184)		(113)		(-71)
Life insurance claims	(17,549)		(20,911)		(3,361)
Provision for outstanding claims	(92,708)		(79,825)		(-12,882)
Provision for underwriting reserves	(46,273)		(131,042)		(84,768)
Other underwriting expenses	(1,412)		(1,039)		(-372)
Investment expenses:	17,278	0.85	15,484	0.74	-1,794
Investment loss on money trusts	(299)		(646)		(347)
Loss on sales of securities	(8,371)		(3,859)		(-4,511)
Loss on valuation of securities	(4,892)		(3,812)		(-1,079)
Loss on redemption of securities	(330)		(227)		(-102)
Loss on derivative transactions	(-)		(2,244)		(2,244)
Other investment expenses	(3,385)		(4,692)		(1,306)
Operating expenses and general and administrative expenses	237,967	11.77	247,345	11.74	9,377
Other ordinary expenses:	6,975	0.35	5,716	0.27	-1,259
Interest paid	(469)		(753)		(284)
Loss on bad debts	(177)		(75)		(-101)
Amortization of deferred assets under Article 113 of the Insurance Business Law	(396)		(396)		(-0)
Equity in losses of affiliates	(736)		(2,060)		(1,324)
Other ordinary expenses	(5,195)		(2,429)		(-2,765)
Ordinary profit	87,577	4.33	127,710	6.06	40,132
Extraordinary income and losses:					
Extraordinary income:	49,664	2.45	8,625	0.41	-41,038
Gain on sales of property and equipment	(4,338)		(2,220)		(-2,117)
Other extraordinary income	(45,325)		(6,404)		(-38,920)
Extraordinary losses:	30,592	1.51	31,407	1.49	814
Loss on sales of property and equipment	(2,360)		(3,931)		(1,570)
Impairment of long-lived assets	(16,460)		(909)		(-15,551)
Provision for reserve under the special law	(7,024)		(3,075)		(-3,948)
Provision for price fluctuation reserve	((7,024))		((3,075))		((-3,948))
Other extraordinary losses	(4,747)		(23,491)		(18,744)
Income before income taxes	106,648	5.27	104,927	4.98	-1,721
Income taxes - current	14,203	0.70	36,023	1.71	21,819
Income taxes - deferred	25,961	1.28	-4,197	-0.20	-30,159
Minority Interests	758	0.04	1,441	0.07	683
Net income	65,725	3.25	71,660	3.40	5,935

Consolidated Statement of Retained Earnings

(Yen in millions)

Item	FY2004	FY2005	Change
(Capital surplus)			
Balance of capital surplus at beginning of year	93,110	93,118	8
Increase in capital surplus	8	8	0
Gain on sales of treasury stock	(8)	(8)	(0)
Balance of capital surplus at end of year	93,118	93,127	8
(Retained earnings)			
Balance of retained earnings at beginning of year	471,421	524,708	53,287
Increase in retained earnings	65,725	71,660	5,935
Net income	(65,725)	(71,660)	(5,935)
Decrease in retained earnings	12,437	19,339	6,901
Cash dividends	(12,366)	(19,280)	(6,913)
Bonuses to directors	(71)	(59)	(-12)
Balance of retained earnings at end of year	524,708	577,028	52,320

Consolidated Statements of Cash Flows

(Yen in millions)

Item	FY2004	FY2005	Change
Cash flows from operating activities:			
Income before income taxes	106,648	104,927	-1,721
Depreciation	17,483	16,290	-1,192
Impairment of long-lived assets	16,460	909	-15,551
Amortization of excess of cost of investment over underlying net assets	485	1,444	958
Increase in outstanding claims	90,755	79,825	-10,929
Increase in underwriting reserve	46,197	152,555	106,357
Increase in reserve for bad debts	-5,184	-7,445	-2,260
Increase in reserve for employees' retirement and severance benefits	-51,501	-5,102	46,398
Increase in accrued bonuses for employees	707	-935	-1,642
Increase in reserve for losses on valuation of real estate	-1,220	-	1,220
Increase in reserve for EXPO 2005 Aichi	70	-140	-210
Increase in reserve for price fluctuation	7,024	3,075	-3,948
Interest and dividend income	-127,581	-160,055	-32,474
Gain on investment in securities	-50,546	-47,366	3,180
Interest expenses	469	753	284
Foreign exchange gain	76	-546	-622
Gains and losses on disposal of property and equipment	-1,979	1,114	3,093
Equity in losses of affiliates	736	2,060	1,324
Proceeds from property and equipment as subrogation of paid claim	20,555	898	-19,656
Decrease in other assets	-11,406	21,137	32,543
Increase in other liabilities	6,369	-8,561	-14,931
Others	-189	7,719	7,909
Subtotal	64,431	162,558	98,127
Interest and dividends received	132,215	160,058	27,843
Interest paid	-157	-810	-652
Income tax paid	-35,793	-14,876	20,916
Income tax refunded	-	6,076	6,076
Net cash provided by operating activities	160,695	313,007	152,311
Cash flows from investing activities:			
Net increase in deposit at banks	-183	-3,347	-3,163
Purchase of monetary claims bought	-20,653	-26,511	-5,858
Proceeds from sales and redemption of monetary claims bought	3,078	7,254	4,176
Purchase of money trusts	-30,142	-5,000	25,142
Proceeds from sales of money trusts	-	7,938	7,938
Purchase of securities	-1,106,855	-1,178,588	-71,733
Proceeds from sales and redemption of securities	1,021,450	933,941	-87,508
Investment in loans	-257,843	-278,085	-20,242
Collection of loans	226,404	283,026	56,622
Increase in cash received under securities lending transactions	-20,458	26,175	46,634
Others	-2,820	-6,487	-3,667
II Subtotal	-188,024	-239,683	-51,659
(I + II)	(-27,328)	(73,323)	(100,651)
Acquisition of property and equipment	-12,894	-19,259	-6,364
Proceeds from sales of property and equipment	7,833	5,397	-2,435
Cash paid on acquisition, net of cash and cash equivalents acquired	-29,855	-10,807	19,048
Net cash provided by (used in) investing activities	-222,940	-264,352	-41,411
Cash flows from financing activities:			
Proceeds from issuance of debentures	99,994	-	-99,994
Acquisition of treasury stock	-22,098	-12,831	9,266
Cash dividends paid	-12,366	-19,280	-6,913
Cash dividends paid to minority stockholders	-124	-483	-358
Others	-1,782	-985	796
Net cash used in financing activities	63,622	-33,580	-97,202
Effect of exchange rate changes on cash and cash equivalents	1,426	5,289	3,863
Net change in cash and cash equivalents	2,803	20,364	17,560
Cash and cash equivalents at beginning of the year	363,011	365,815	2,803
Cash and cash equivalents at end of the year	365,815	386,179	20,364