

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2005
(Consolidated)

May 23, 2005

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 & Chief Executive Officer

Any inquiry relating hereto:

Hiroyuki Hata, Manager of Financial Accounting Group, Accounting Department

Telephone Number: (03)-3297-6648

Direction of Resolution of the Board of Directors

to approve Annual General Settlement of Accounts: May 23, 2005

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

1. Business Results for the year ended March 31, 2005 (from April 1, 2004 to March 31, 2005)

(1) Results of Operations*

*The amounts which respectively represent less than the relevant unit are discarded, 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, 2005	2,021,917	-2.2%	87,577	-49.9%	65,725	-15.5%
For the year ended March 31, 2004	2,066,500	7.6%	174,943	253.0%	77,787	137.1%

(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, 2005	45.51	-	4.6%	1.2%	4.3%
For the Year ended March 31, 2004	53.94	52.78	6.4%	2.6%	8.5%

- (Notes)
1. Equity in earnings (losses) of affiliates:
For the year ended March 31, 2005: -736 million For the year ended March 31, 2004: -1,708 million
 2. The average number of shares in issue during the year (consolidated):
For the year ended March 31, 2005: 1,442,627,030 shares
For the year ended March 31, 2004: 1,440,547,759 shares
 3. Change of 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 at March 31, 2005	7,402,311	1,461,575	19.7%	1,021.13
As at March 31, 2004	7,126,961	1,401,911	19.7%	963.51

- (Note) The number of shares issued (consolidated) :
As at March 31, 2005: 1,431,265,107 shares As at March 31, 2004: 1,454,923,183 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, 2005	160,695	-222,940	63,622	365,815
For the year ended March 31, 2004	181,584	-155,321	-37,727	363,011

(4) Scope of consolidation

- Number of consolidated subsidiaries: 31
 Number of nonconsolidated 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: 7
 Number of consolidated subsidiaries excluded from consolidation: 0
 Number of nonconsolidated subsidiaries and affiliates newly accounted for by the equity method: 0
 Number of nonconsolidated subsidiaries and affiliates ceased to be accounted for by the equity method: 0

2. Forecast of this Business Year (from April 1, 2005 to March 31, 2006)

(Yen in millions)

	Ordinary Income	Ordinary profit	Net income
For the six months ending September 30, 2005	1,030,000	51,000	32,500
For the business year ending March 31, 2006	2,020,000	114,000	70,000

(Reference) Net income per share expected for the business year ending March 31, 2006 : Yen 48.90

< Operating Results Forecast for the year ending March 31, 2006 >

Major prerequisites of the business outlook for the following business year shall be as follows:

- Net premiums written is estimated based on the development of past business results.
- With regard to net claims paid, payment by the Company due to natural disaster is estimated to be ¥20 billion, predicting from the past results.
- With regard to prospects for investment income and expenses, it is assumed that there will be no substantial fluctuation in the market interest rates, the foreign exchange rates or the stock prices as of March 31, 2005.

FY2004 Summary of statement of operations

(Yen in millions)

	FY2003	FY2004	Change	Change Ratio(%)
Ordinary Income and Expenses:				
Underwriting income:	1,868,160	1,881,195	13,034	0.7
Net premiums written	1,379,119	1,407,328	28,209	2.0
Deposit premiums from policyholders	300,819	272,692	-28,127	-9.4
Life insurance premiums	128,104	141,785	13,681	10.7
Underwriting expenses:	1,588,600	1,672,117	83,517	5.3
Net claims paid	680,271	811,183	130,911	19.2
Loss adjustment expenses	58,965	58,707	-258	-0.4
Commission and collection expenses	237,994	243,778	5,784	2.4
Maturity refunds to policyholders	461,718	400,319	-61,398	-13.3
Life insurance claims	17,951	17,549	-401	-2.2
Investment income :	193,451	137,006	-56,444	-29.2
Interest and dividends received	128,710	127,581	-1,129	-0.9
Gain on sales of securities	110,708	61,055	-49,652	-44.9
Investment expenses :	42,195	17,278	-24,916	-59.1
Loss on sales of securities	34,728	8,371	-26,356	-75.9
Loss on valuation of securities	2,522	4,892	2,370	94.0
Operating expenses and general and administrative expenses	245,554	237,967	-7,586	-3.1
Other ordinary income and expenses	-10,319	-3,260	7,059	-
Ordinary profit	174,943	87,577	-87,365	-49.9
Extraordinary Income and Losses:				
Extraordinary income	3,753	49,664	45,910	1,223.1
Extraordinary losses	61,199	30,592	-30,607	-50.0
Extraordinary income and losses	-57,446	19,071	76,517	-
Income before income taxes	117,496	106,648	-10,848	-9.2
Income taxes - current	37,771	14,203	-23,567	-62.4
Income taxes - deferred	1,362	25,961	24,599	1,805.8
Minority interests	576	758	182	31.6
Net income	77,787	65,725	-12,062	-15.5

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

(Yen in millions)

Lines of Insurance	FY2003			FY2004		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	289,469	5.9	16.6	281,783	-2.7	16.1
Marine	76,346	9.5	4.4	84,935	11.2	4.8
Personal Accident	359,217	2.0	20.6	354,488	-1.3	20.3
Voluntary Automobile	585,856	1.2	33.5	586,241	0.1	33.5
Compulsory Automobile Liability	183,855	1.3	10.5	187,180	1.8	10.7
Other	251,407	8.9	14.4	254,651	1.3	14.6
Total	1,746,152	3.5	100.0	1,749,279	0.2	100.0
(Deposit premiums from policyholders)	(300,819)	(-1.9)	(17.2)	(272,692)	(-9.4)	(15.6)

Net Premiums by Lines of Insurance

(Yen in millions)

Lines of Insurance	FY2003			FY2004		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	187,209	9.6	13.6	188,856	0.9	13.4
Marine	64,671	12.5	4.7	71,828	11.1	5.1
Personal Accident	124,917	1.3	9.0	131,900	5.6	9.4
Voluntary Automobile	583,654	1.0	42.3	584,728	0.2	41.6
Compulsory Automobile Liability	194,018	17.6	14.1	195,741	0.9	13.9
Other	224,647	7.3	16.3	234,272	4.3	16.6
Total	1,379,119	5.8	100.0	1,407,328	2.0	100.0

Net Claims Paid by Lines of Insurance

(Yen in millions)

Lines of Insurance	FY2003			FY2004		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	60,519	6.1	8.9	139,884	131.1	17.2
Marine	28,450	10.0	4.2	27,788	-2.3	3.4
Personal Accident	51,486	1.7	7.6	53,231	3.4	6.6
Voluntary Automobile	341,168	0.8	50.1	354,257	3.8	43.7
Compulsory Automobile Liability	82,146	34.8	12.1	113,048	37.6	13.9
Other	116,499	2.7	17.1	122,973	5.6	15.2
Total	680,271	5.2	100.0	811,183	19.2	100.0

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

Balance Sheets

(Yen in millions,%)

Item	FY2003		FY2004		Change
	Amount	Share	Amount	Share	
(Assets)					
Cash deposits and savings	287,588	4.03	321,686	4.35	34,097
Call loans	64,000	0.90	36,000	0.49	-28,000
Futures bought	3,999	0.06	-	-	-3,999
Monetary claims bought	42,834	0.60	63,039	0.85	20,204
Money trusts	28,045	0.39	57,421	0.78	29,376
Investments in securities	5,253,715	73.72	5,454,198	73.68	200,482
Loans	757,917	10.63	787,345	10.64	29,427
Property and equipment	298,041	4.18	252,278	3.41	-45,763
Other assets	403,900	5.67	433,282	5.85	29,382
Deffered tax assets	439	0.01	308	0.00	-131
Consolidated goodwill	-	-	5,372	0.07	5,372
Customers' liabilities under acceptances and guarantees	10,470	0.15	10,295	0.14	-174
Reserve for bad debts	-23,990	-0.34	-18,915	-0.26	5,074
Total assets	7,126,961	100.00	7,402,311	100.00	275,349
(Liabilities)					
Underwriting funds:	5,156,421	72.35	5,301,902	71.62	145,481
Outstanding claims	(533,042)		(625,547)		(92,504)
Underwriting reserves	(4,623,379)		(4,676,355)		(52,976)
Deventures	-	-	100,000	1.35	100,000
Other liabilities	244,637	3.43	215,480	2.91	-29,156
Reserve for employees' retirement and severance benefits	136,037	1.91	84,884	1.15	-51,153
Accured bonuses for employees	13,174	0.18	14,046	0.19	871
Reserve for loss on valuation of real estate	1,220	0.02	-	-	-1,220
Reserve for EXPO 2005 Aichi	70	0.00	140	0.00	70
Reserve under the special law:	13,437	0.19	20,461	0.28	7,024
Reserve for price fluctuation	(13,437)		(20,461)		(7,024)
Deffered tax liabilities	145,218	2.04	187,859	2.54	42,641
Liabilities under acceptances and guarantees	10,470	0.15	10,295	0.14	-174
Total liabilities	5,720,687	80.27	5,935,070	80.18	214,382
(Minority interests)					
Minority interests	4,362	0.06	5,665	0.08	1,303
(Shareholders' equity)					
Common stock	139,595	1.96	139,595	1.88	-
Capital surplus	93,110	1.31	93,118	1.26	8
Retained earnings	471,421	6.61	524,708	7.09	53,287
Unrealized gains on investments, net of tax	751,571	10.55	779,842	10.53	28,271
Foreign currency translation adjustments	-11,335	-0.16	-11,177	-0.15	157
Treasury stock	-42,451	-0.60	-64,511	-0.87	-22,059
Total shareholders' equity	1,401,911	19.67	1,461,575	19.74	59,663
Total liabilities, minority interests and shareholders' equity	7,126,961	100.00	7,402,311	100.00	275,349

Income Statements

(Yen in millions,%)

	FY2003		FY2004		Change
	Amount	Share	Amount	Share	
Ordinary income and expenses:					
Ordinary income:	2,066,500	100.00	2,021,917	100.00	-44,583
Underwriting income:	1,868,160	90.40	1,881,195	93.04	13,034
Net premiums written	(1,379,119)		(1,407,328)		(28,209)
Deposit premiums from policyholders	(300,819)		(272,692)		(-28,127)
Investment income on deposits by policyholders ,etc	(59,812)		(58,549)		(-1,262)
Life insurance premiums	(128,104)		(141,785)		(13,681)
Other underwriting income	(304)		(838)		(533)
Investment income:	193,451	9.36	137,006	6.78	-56,444
Interest and dividends received	(128,710)		(127,581)		(-1,129)
Investment gain on money trusts	(4,406)		(1,209)		(-3,196)
Gain on sales of securities	(110,708)		(61,055)		(-49,652)
Gain on redemption of securities	(1,515)		(3,014)		(1,498)
Gain on derivative transactions	(7,121)		(1,903)		(-5,218)
Other investment income	(801)		(791)		(-9)
Transfer to investment income on deposits by policyholders ,etc	(-59,812)		(-58,549)		(1,262)
Other ordinary income	4,888	0.24	3,715	0.18	-1,173
Ordinary expenses:	1,891,557	91.53	1,934,339	95.67	42,782
Underwriting expenses:	1,588,600	76.87	1,672,117	82.70	83,517
Net claims paid	(680,271)		(811,183)		(130,911)
Loss adjustment expenses	(58,965)		(58,707)		(-258)
Commission and collection expenses	(237,994)		(243,778)		(5,784)
Maturity refunds to policyholders	(461,718)		(400,319)		(-61,398)
Dividends to policyholders	(145)		(184)		(39)
Life insurance claims	(17,951)		(17,549)		(-401)
Provision for outstanding claims	(30,463)		(92,708)		(62,244)
Provision for underwriting reserves	(99,509)		(46,273)		(-53,235)
Other underwriting expenses	(1,579)		(1,412)		(-167)
Investment expenses:	42,195	2.04	17,278	0.85	-24,916
Investment loss on money trusts	(34)		(299)		(265)
Loss on sales of securities	(34,728)		(8,371)		(-26,356)
Loss on valuation of securities	(2,522)		(4,892)		(2,370)
Loss on redemption of securities	(44)		(330)		(285)
Other investment expenses	(4,866)		(3,385)		(-1,480)
Operating expenses and general and administrative expenses	245,554	11.88	237,967	11.77	-7,586
Other ordinary expenses:	15,207	0.74	6,975	0.35	-8,232
Interest paid	(95)		(469)		(374)
Provision for bad debts	(4,505)		(-)		(-4,505)
Loss on bad debts	(32)		(177)		(144)
Amortization of deferred assets under Article 113 of the Insurance Business Law	(396)		(396)		(-)
Equity in losses of affiliates	(1,708)		(736)		(-972)
Other ordinary expenses	(8,469)		(5,195)		(-3,273)
Ordinary profit	174,943	8.47	87,577	4.33	-87,365
Extraordinary income and losses:					
Extraordinary income:	3,753	0.18	49,664	2.45	45,910
Gain on sales of property and equipment	(3,741)		(4,338)		(597)
Other extraordinary income	(12)		(45,325)		(45,313)
Extraordinary losses:	61,199	2.96	30,592	1.51	-30,607
Loss on sales of property and equipment	(6,208)		(2,360)		(-3,847)
Impairment of long-lived assets	(-)		(16,460)		(16,460)
Provision for reserve under the special law	(6,607)		(7,024)		(417)
Provision for price fluctuation reserve	((6,607))		((7,024))		((417))
Other extraordinary losses	(48,384)		(4,747)		(-43,637)
Income before income taxes	117,496	5.69	106,648	5.27	-10,848
Income taxes - current	37,771	1.83	14,203	0.70	-23,567
Income taxes - deferred	1,362	0.07	25,961	1.28	24,599
Minority Interests	576	0.03	758	0.04	182
Net income	77,787	3.76	65,725	3.25	-12,062

Consolidated Statement of Retained Earnings

(Yen in millions)

	FY2003	FY2004	Change
(Capital surplus)			
Balance of capital surplus at beginning of year	81,991	93,110	11,118
Increase in capital surplus	11,118	8	-11,110
Conversion of convertible debentures	(11,115)	(-)	(-11,115)
Gain on sales of treasury stock	(2)	(8)	(5)
Balance of capital surplus at end of year	93,110	93,118	8
(Retained earnings)			
Balance of retained earnings at beginning of year	404,279	471,421	67,141
Increase in retained earnings	78,108	65,725	-12,383
Net income	(77,787)	(65,725)	(-12,062)
Adjustment due to change of investment in subsidiaries	(321)	(-)	(-321)
Decrease in retained earnings	10,966	12,437	1,470
Cash dividends	(10,886)	(12,366)	(1,479)
Bonuses to directors	(80)	(71)	(-9)
Balance of retained earnings at end of year	471,421	524,708	53,287

Consolidated Statements of Cash Flows

(Yen in millions)

	FY2003	FY2004	Change
Cash flows from operating activities:			
Income before income taxes	117,496	106,648	-10,848
Depreciation	19,307	17,483	-1,824
Impairment of long-lived assets	-	16,460	16,460
Amortization of excess of cost of investment over underlying net assets	9	485	476
Increase in outstanding claims	30,463	90,755	60,291
Increase in underwriting reserve	139,054	46,197	-92,856
Increase in reserve for bad debts	3,971	-5,184	-9,155
Increase in reserve for losses on investments	-12	-	12
Increase in reserve for employees' retirement and severance benefits	-16,164	-51,501	-35,336
Increase in accrued bonuses for employees	1,177	707	-470
Increase in reserve for losses on valuation of real estate	-	-1,220	-1,220
Increase in reserve for EXPO 2005 Aichi	70	70	-
Increase in reserve for price fluctuation	6,607	7,024	417
Interest and dividend income	-128,710	-127,581	1,129
Gain on investment in securities	-75,110	-50,546	24,564
Interest expenses	95	469	374
Foreign exchange gain	-1,717	76	1,793
Loss on disposal of property and equipment	5,217	-1,979	-7,196
Equity in losses of affiliates	1,708	736	-972
Acquisition of property and equipment for return of losses	-	20,555	20,555
Decrease in other assets	-7,426	-11,406	-3,979
Increase in other liabilities	-1,844	6,369	8,213
Others	-8,079	-189	7,890
Subtotal	86,113	64,431	-21,682
Interest and dividends received	134,993	132,215	-2,777
Interest paid	-96	-157	-61
Income tax paid	-39,425	-35,793	3,632
Net cash provided by operating activities	181,584	160,695	-20,888
Cash flows from investing activities:			
Net increase in deposit at banks	310	-183	-494
Purchase of monetary claims bought	-6,700	-20,653	-13,953
Proceeds from sales and redemption of monetary claims bought	2,848	3,078	229
Purchase of money trusts	-	-30,142	-30,142
Proceeds from sales of money trusts	3,836	-	-3,836
Purchase of securities	-1,563,483	-1,106,855	456,628
Proceeds from sales and redemption of securities	1,397,047	1,021,450	-375,597
Investment in loans	-234,993	-257,843	-22,849
Collection of loans	193,489	226,404	32,914
Increase in cash received under securities lending transactions	43,988	-20,458	-64,447
Others	5,778	-2,820	-8,598
II ① Subtotal	-157,877	-188,024	-30,146
(I + II ①)	(23,707)	(-27,328)	(-51,035)
Acquisition of property and equipment	-11,689	-12,894	-1,205
Proceeds from sales of property and equipment	13,897	7,833	-6,063
Cash paid on acquisition, net of cash and cash equivalents acquired	-	-29,855	-29,855
Others	347	-	-347
Net cash provided by (used in) investing activities	-155,321	-222,940	-67,618
Cash flows from financing activities:			
Redemption of Convertible bonds	-15	-	15
Proceeds from issuance of debentures	-	99,994	99,994
Acquisition of treasury stock	-26,498	-22,098	4,400
Cash dividends paid	-10,886	-12,366	-1,479
Cash dividends paid to minority stockholders	-88	-124	-35
Others	-237	-1,782	-1,544
Net cash used in financing activities	-37,727	63,622	101,349
Effect of exchange rate changes on cash and cash equivalents	903	1,426	523
Net change in cash and cash equivalents	-10,561	2,803	13,365
Cash and cash equivalents at beginning of the year	370,775	363,011	-7,763
Increase in cash and cash equivalents related to a collective transfer of insurance portfolio	2,988	-	-2,988
Decrease in cash and cash equivalents related to changes of investment in subsidiaries	-190	-	190
Cash and cash equivalents at end of the year	363,011	365,815	2,803