

[Translation]

**SUMMARY OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2004**  
**(Non-consolidated)**

May 21, 2004

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

Securities Code No.: 8752

Stock Exchange(s) Where the Company's Shares are Listed (Section):

The Company's shares are listed on the First Section of each of Tokyo Stock Exchange, Osaka Securities Exchange, and Nagoya Stock Exchange

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

Representative: Hiroyuki Uemura, President & Director

Any inquiry relating hereto (Name and position of the person in charge):

Mr. 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 21, 2004

Date of Ordinary General Meeting of Shareholders: June 29, 2004

Interim Dividends : Yes or  No

Unit share system :  Yes or No (Unit of shares for one vote : 1,000 shares)

1. Business Results for the year ended March 31, 2004 (from April 1, 2003 to March 31, 2004)

(1) Results of Operations\*

\*The amount 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.

\* The Company has been merged on October 1, 2001. Results for Fiscal 2002 are compared with the total figure of former The Sumitomo Marine and Fire Insurance Co., Ltd.'s six months ended September 30, 2001 and Mitsui Sumitomo Insurance Co., Ltd.'s year ended March 31, 2002. The same applies to hereunder.

(Million Yen)

	Net Premiums Written		Ordinary Profit		Net Income	
For the year ended March 31, 2004	*(1,293,063) 1,289,665	*(3.4%) 4.4%	166,584	249.4%	72,955	125.4 %
For the year ended March 31, 2003	*(1,250,521) 1,235,313	*(6.4%) 4.1%	47,679	-23.9%	32,362	37.1 %

(Yen)

	Net Income per Share	Net Income per Share – Diluted	Return on Equity	Net Loss Ratio	Net Operating Expense Ratio
For the Year ended March 31, 2004	50.59	49.50	6.0%	*(54.8%) 55.0%	*(32.2%) 32.2%
For the Year ended March 31, 2003	22.15	21.07	2.8%	*(54.2%) 54.9%	*(33.4%) 33.8%

(Notes)

1. The average number of shares in issue during the year:

For the year ended March 31, 2004: 1,440,547,760 shares

For the year ended March 31, 2003: 1,457,297,148 shares

2. Change of accounting method: Yes or No

3. Percent figures of "Net Premiums Written", "Ordinary Profit" and "Net Income" represent increase or decrease in comparison with the settlement of account for the preceding business term.

• Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written

• Net operating expense ratio = (Commissions and collection expenses + Operating expenses and general administrative expenses) / Net premiums written

\* For the purpose of easy comparison with other non-life insurance companies, "Net premiums written", "Net loss ratio", and "Net operating expenses ratio" in parenthesis exclude 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. Since GRR premiums are included in the provision for Underwriting Reserve, the amount of "Ordinary profit" and "Net income" remain unchanged.

## (2) Dividends

(Yen)

	Annual Aggregate Dividend per Share		Total Dividends (Annual) (Million Yen)	Dividend Pay-out Ratio	Ratio of Dividends to Shareholders' Equity
	Interim	Year-end			
For the year ended March 31, 2004	8.50	---	12,366	16.8%	0.9%
For the year ended March 31, 2003	7.50	---	10,886	33.9%	1.1%

## (3) Financial Conditions

(Million Yen)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity to Total Assets	Shareholders' Equity per Share (Yen)
As at March 31, 2004	6,457,173	1,400,074	21.7%	962.25
As at March 31, 2003	5,900,738	1,026,508	17.4%	707.10

(Note)

The number of shares issued.

As at March 31, 2004: 1,454,923,183 shares

As at March 31, 2003: 1,451,592,169 shares

The number of treasury stock

As at March 31, 2004: 58,261,697 shares

As at March 31, 2003: 28,301,836 shares

2. Forecast of this Business Year (from April 1, 2004 to March 31, 2005)

(Million Yen)

	Net premiums written	Ordinary profit	Net income	Annual Aggregate Dividend Per Share		
				Interim	Year-end (Yen)	(Yen)
For the six months ending September 30, 2004	*(653,000) 654,000	40,000	47,000	---	---	---
For the business Year ending March 31, 2005	*(1,300,000) 1,303,000	83,000	63,000	---	8.50	8.50

(Reference) Net income per share expected for the business year ending March 31, 2005 : Yen 43.25

\*For the purpose of easy comparison with other non-life insurance companies, "Net premiums written" in parentheses exclude Good Results Return premiums ("GRR premiums") of Sumitomo Marine's unique Automobile Insurance product "ModoRich" which the post-merger company will continue to sell. ("ModoRich" is a two or three year-policy providing a refund at maturity depending on the number of accidents in which customers were involved.)

Since GRR premiums are included in the provision of Underwriting Reserve, the amount of "Ordinary Profit" and "Net Income" remain unchanged.

<Operating Results Forecast for the year ending March 31, 2005>

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 due to natural calamity is estimated to be Yen18.5 billion, predicting from the past business results.
- With regard to outlook for asset management, it is assumed that there will be no substantial fluctuation in market interest rate, foreign exchange rate or stock prices on and after March 31, 2004.

## FY2003 Summary of statement of operations

\*Including the GRR premiums of the automobile insurance "ModoRich."

(Million Yen)

	FY2002	FY2003	Change	Change Ratio(%)
<b>Direct premiums written (including Deposit premiums from policyholders)</b>	<b>1,602,982</b>	<b>1,625,872</b>	<b>22,890</b>	<b>1.4</b>
Direct premiums written	1,296,224	1,325,053	28,828	2.2
<b>Ordinary income and expenses:</b>				
<b>Underwriting income</b>	<b>1,687,038</b>	<b>1,650,339</b>	<b>-36,698</b>	<b>-2.2</b>
Net premiums written	1,235,313	1,289,665	54,351	4.4
Deposit premiums from policyholders	306,757	300,819	-5,938	-1.9
<b>Underwriting expenses</b>	<b>1,443,941</b>	<b>1,402,240</b>	<b>-41,701</b>	<b>-2.9</b>
Net claims paid	620,679	653,503	32,823	5.3
Loss adjustment expenses	57,286	55,630	-1,655	-2.9
Commission and collection expenses	212,260	213,947	1,687	0.8
Maturity refunds to policyholders	538,281	461,718	-76,563	-14.2
<b>Investment income</b>	<b>100,493</b>	<b>176,551</b>	<b>76,058</b>	<b>75.7</b>
Interest and dividends received	116,816	114,322	-2,494	-2.1
Gain on sales of securities	44,879	108,720	63,841	142.3
<b>Investment expenses</b>	<b>76,135</b>	<b>39,385</b>	<b>-36,750</b>	<b>-48.3</b>
Loss on sales of securities	14,943	34,147	19,203	128.5
Loss on valuation of securities	50,265	1,511	-48,754	-97.0
<b>Operating expenses and general and administrative expenses</b>	<b>220,524</b>	<b>215,842</b>	<b>-4,681</b>	<b>-2.1</b>
Those related to underwriting insurance	205,623	201,878	-3,745	-1.8
<b>Other ordinary income and expenses</b>	<b>748</b>	<b>-2,839</b>	<b>-3,587</b>	<b>-479.3</b>
<b>Ordinary Profit</b>	<b>47,679</b>	<b>166,584</b>	<b>118,905</b>	<b>249.4</b>
Underwriting profit	36,976	45,342	8,366	22.6
<b>Extraordinary income and losses:</b>				
Extraordinary income	22,056	3,646	-18,410	-83.5
Extraordinary losses	15,801	61,068	45,267	286.5
<b>Extraordinary income and losses</b>	<b>6,254</b>	<b>-57,422</b>	<b>-63,677</b>	<b>-1018.0</b>
Income before income taxes	53,934	109,162	55,227	102.4
Income taxes-current	33,681	33,521	-159	-0.5
Income taxes-deferred	-12,109	2,685	14,795	-
<b>Net income</b>	<b>32,362</b>	<b>72,955</b>	<b>40,592</b>	<b>125.4</b>
<b>Ratios:</b>				
Net loss ratio	54.9%	55.0%	-	-
Net operating expense ratio	33.8%	32.2%	-	-
Yield on investment asset (income yield)	2.37%	2.33%	-	-
Yield on asset management (realized yield)	1.82%	4.01%	-	-

(Reference) (Yield on total return based on the market value:

-5.18% for the business year ended March 31, 2003, 12.42% for the business year ended March 31, 2004)

Note: Underwriting profit = 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 |

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

Including the GRR premiums of the automobile insurance "ModoRich."

(Million Yen)

Lines of Insurance	FY2002			FY2003		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	261,883	2.4	16.4	265,930	1.5	16.4
Marine	59,166	1.1	3.7	62,013	4.8	3.8
Personal Accident	351,398	3.3	21.9	358,274	2.0	22.0
Voluntary Automobile	566,432	-4.7	35.3	572,198	1.0	35.2
Compulsory Automobile Liability	181,560	21.1	11.3	183,855	1.3	11.3
Other	182,541	-4.8	11.4	183,599	0.6	11.3
<b>Total</b>	<b>1,602,982</b>	<b>0.8</b>	<b>100.0</b>	<b>1,625,872</b>	<b>1.4</b>	<b>100.0</b>
(Deposit premiums from policyholders)	<b>( 306,757)</b>	<b>( 3.4)</b>	<b>( 19.1)</b>	<b>( 300,819)</b>	<b>( -1.9)</b>	<b>( 18.5)</b>

**Net Premiums by Lines of Insurance**

(Million Yen)

Lines of Insurance	FY2002			FY2003		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	166,317	2.9	13.5	173,633	4.4	13.5
Marine	52,506	5.4	4.2	56,331	7.3	4.4
Personal Accident	122,726	-1.2	9.9	124,159	1.2	9.6
Voluntary Automobile	564,282	-4.6	45.7	570,405	1.1	44.2
Compulsory Automobile Liability	165,034	82.3	13.4	194,018	17.6	15.0
Other	164,445	-2.9	13.3	171,115	4.1	13.3
<b>Total</b>	<b>1,235,313</b>	<b>4.1</b>	<b>100.0</b>	<b>1,289,665</b>	<b>4.4</b>	<b>100.0</b>

**Net Claims Paid by Lines of Insurance**

(Million Yen)

Lines of Insurance	FY2002			FY2003			
	Amount	Change (%)	Net Loss Ratio (%)	Amount	Change (%)	Net Loss Ratio (%)	Change in L/R (%)
Fire	53,094	7.4	34.0	56,873	7.1	34.2	0.2
Marine	23,901	-15.5	48.4	26,574	11.2	49.5	1.1
Personal Accident	50,308	-2.0	44.5	51,133	1.6	44.7	0.2
Voluntary Automobile	330,411	-1.3	64.4	332,515	0.6	64.0	-0.4
Compulsory Automobile Liability	60,948	7.9	42.7	82,146	34.8	47.4	4.7
Other	102,015	-0.8	65.4	104,259	2.2	63.9	-1.5
<b>Total</b>	<b>620,679</b>	<b>-0.4</b>	<b>54.9</b>	<b>653,503</b>	<b>5.3</b>	<b>55.0</b>	<b>0.1</b>

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

Balance Sheet

(Million Yen, %)

Item	FY2002		FY2003		Change
	Amount	Share	Amount	Share	
(Assets)					
<b>Cash deposits and savings:</b>	<b>294,698</b>	<b>5.00</b>	<b>227,304</b>	<b>3.52</b>	<b>-67,393</b>
Cash on hand	( 1,153 )		( 964 )		
Deposits in banks	( 293,544 )		( 226,339 )		
<b>Call loans</b>	<b>5,000</b>	<b>0.09</b>	<b>64,000</b>	<b>0.99</b>	<b>59,000</b>
<b>Futures bought</b>	<b>1,999</b>	<b>0.03</b>	<b>3,999</b>	<b>0.06</b>	<b>2,000</b>
<b>Monetary claims bought</b>	<b>38,574</b>	<b>0.65</b>	<b>42,834</b>	<b>0.66</b>	<b>4,260</b>
<b>Money trusts</b>	<b>26,758</b>	<b>0.45</b>	<b>27,721</b>	<b>0.43</b>	<b>962</b>
<b>Investments in securities:</b>	<b>4,097,594</b>	<b>69.44</b>	<b>4,721,452</b>	<b>73.12</b>	<b>623,857</b>
Government bonds	( 106,936 )		( 177,434 )		
Municipal bonds	( 461,118 )		( 378,877 )		
Corporate bonds	( 1,200,641 )		( 1,234,747 )		
Stocks	( 1,436,260 )		( 1,944,010 )		
Foreign securities	( 821,127 )		( 898,731 )		
Other securities	( 71,508 )		( 87,650 )		
<b>Loans:</b>	<b>716,542</b>	<b>12.14</b>	<b>745,334</b>	<b>11.54</b>	<b>28,791</b>
Policy loans	( 22,441 )		( 19,749 )		
General loans	( 694,101 )		( 725,584 )		
<b>Property and equipment:</b>	<b>321,206</b>	<b>5.44</b>	<b>293,808</b>	<b>4.55</b>	<b>-27,398</b>
Land	( 107,709 )		( 98,617 )		
Buildings	( 187,467 )		( 172,685 )		
Equipment	( 25,250 )		( 21,638 )		
Construction in progress	( 778 )		( 866 )		
<b>Other assets:</b>	<b>337,325</b>	<b>5.72</b>	<b>329,771</b>	<b>5.11</b>	<b>-7,554</b>
Premiums receivable	( 2,387 )		( 2,306 )		
Due to agents	( 74,572 )		( 69,232 )		
Due to foreign agents	( 3,308 )		( 1,613 )		
Co-insurance business receivable	( 6,988 )		( 7,749 )		
Reinsurance business receivable	( 62,732 )		( 61,156 )		
Foreign reinsurance business receivable	( 24,246 )		( 17,369 )		
Agent business receivable	( 533 )		( 571 )		
Other receivable	( 24,928 )		( 27,022 )		
Accrued income	( 19,551 )		( 18,672 )		
Guarantee deposit	( 28,651 )		( 27,214 )		
Deposits with the Japan Earthquake Reinsurance Company	( 50,829 )		( 53,993 )		
Suspense payments	( 32,702 )		( 33,376 )		
Assets related to derivative transactions	( 3,634 )		( 6,653 )		
Deferred losses on hedge accounting for derivatives	( 1,569 )		( 2,147 )		
Other assets	( 690 )		( 690 )		
<b>Deferred tax assets</b>	<b>34,885</b>	<b>0.59</b>	<b>-</b>	<b>-</b>	<b>-34,885</b>
<b>Customers' liabilities under acceptances and guarantees</b>	<b>45,771</b>	<b>0.78</b>	<b>24,264</b>	<b>0.38</b>	<b>-21,507</b>
<b>Bad debts reserve</b>	<b>-19,606</b>	<b>-0.33</b>	<b>-23,317</b>	<b>-0.36</b>	<b>-3,710</b>
<b>Reserve for loss on investments</b>	<b>-12</b>	<b>-0.00</b>	<b>-</b>	<b>-</b>	<b>12</b>
<b>Total assets</b>	<b>5,900,738</b>	<b>100.00</b>	<b>6,457,173</b>	<b>100.00</b>	<b>556,435</b>

Balance Sheet

(Million Yen, %)

Item	FY2002		FY2003		Change
	Amount	Share	Amount	Share	
(Liabilities)					
<b>Underwriting funds:</b>	<b>4,448,076</b>	<b>75.38</b>	<b>4,511,848</b>	<b>69.87</b>	<b>63,772</b>
Outstanding claims	( 420,063 )		( 432,167 )		
Underwriting reserve	( 4,028,012 )		( 4,079,681 )		
<b>Convertible bonds</b>	<b>22,250</b>	<b>0.38</b>	<b>-</b>	<b>-</b>	<b>-22,250</b>
<b>Other liabilities:</b>	<b>186,800</b>	<b>3.16</b>	<b>213,261</b>	<b>3.30</b>	<b>26,461</b>
Co-insurance business payable	( 8,714 )		( 8,849 )		
Reinsurance business payable	( 50,453 )		( 54,060 )		
Foreign reinsurance business payable	( 23,186 )		( 22,731 )		
Agent business payable	( 241 )		( 135 )		
Payable under securities lending transaction	( - )		( 43,988 )		
Income taxes payable	( 25,924 )		( 18,777 )		
Guarantee money	( 17,689 )		( 8,110 )		
Advance received	( 426 )		( 380 )		
Other payable	( 30,767 )		( 24,457 )		
Suspense receipts	( 15,117 )		( 22,034 )		
Liabilities related to derivative transactions	( 11,520 )		( 5,040 )		
Deferred profit on hedge accounting for derivatives	( 1,177 )		( 3,515 )		
Other liabilities	( 1,581 )		( 1,179 )		
<b>Reserve for employees' retirement and severance benefits</b>	<b>152,095</b>	<b>2.58</b>	<b>135,943</b>	<b>2.11</b>	<b>-16,152</b>
<b>Accrued bonuses for employees</b>	<b>11,507</b>	<b>0.19</b>	<b>11,271</b>	<b>0.18</b>	<b>-236</b>
<b>Reserve for loss on valuation of real estate</b>	<b>1,220</b>	<b>0.02</b>	<b>1,220</b>	<b>0.02</b>	<b>-</b>
<b>Reserve for EXPO 2005 Aichi</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>0.00</b>	<b>70</b>
<b>Reserve for price fluctuation</b>	<b>6,507</b>	<b>0.11</b>	<b>12,998</b>	<b>0.20</b>	<b>6,491</b>
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>146,220</b>	<b>2.26</b>	<b>146,220</b>
<b>Liabilities under acceptances and guarantees</b>	<b>45,771</b>	<b>0.78</b>	<b>24,264</b>	<b>0.38</b>	<b>-21,507</b>
<b>Total Liabilities</b>	<b>4,874,229</b>	<b>82.60</b>	<b>5,057,098</b>	<b>78.32</b>	<b>182,869</b>
(Shareholders' Equity)					
<b>Common stock</b>	<b>128,476</b>	<b>2.18</b>	<b>139,595</b>	<b>2.16</b>	<b>11,119</b>
<b>Capital surplus</b>	<b>81,991</b>	<b>1.39</b>	<b>93,110</b>	<b>1.44</b>	<b>11,118</b>
Additional paid-in capital	( 81,991 )		( 93,107 )		
Other capital surplus	( - )		( 2 )		
(Gain on disposal of treasury stock)	( - )		( 2 )		
<b>Retained earnings</b>	<b>405,306</b>	<b>6.87</b>	<b>467,295</b>	<b>7.24</b>	<b>61,988</b>
Legal earned reserve	( 38,340 )		( 40,540 )		
Appropriated retained earnings	( 312,775 )		( 322,535 )		
(Special reserve)	( 93,400 )		( 98,400 )		
(Reserve for dividend)	( 67,200 )		( 68,200 )		
(Reserve for officers' retirement benefit)	( 1,400 )		( 1,400 )		
(Special reserve for policyholders)	( 148,900 )		( 152,900 )		
(Reserve for overseas investment loss)	( 6 )		( 6 )		
(Reserve for special depreciation)	( 1,182 )		( 950 )		
(Reserve for advanced depreciation)	( 686 )		( 677 )		
Unappropriated retained earnings	( 54,190 )		( 104,219 )		
(Net income for the year)	( 32,362 )		( 72,955 )		
<b>Unrealized gains on investments, net of tax</b>	<b>426,705</b>	<b>7.23</b>	<b>742,524</b>	<b>11.50</b>	<b>315,819</b>
<b>Treasury stock</b>	<b>-15,971</b>	<b>-0.27</b>	<b>-42,451</b>	<b>-0.66</b>	<b>-26,479</b>
<b>Total stockholders' equity</b>	<b>1,026,508</b>	<b>17.40</b>	<b>1,400,074</b>	<b>21.68</b>	<b>373,565</b>
<b>Total liabilities and stockholders' equity</b>	<b>5,900,738</b>	<b>100.00</b>	<b>6,457,173</b>	<b>100.00</b>	<b>556,435</b>

Income Statement

(Million Yen)

	FY2002	FY2003	Change
<b>Ordinary income and expenses:</b>			
<b>Ordinary income:</b>	<b>1,791,223</b>	<b>1,832,309</b>	<b>41,085</b>
<b>Underwriting income:</b>	<b>1,687,038</b>	<b>1,650,339</b>	<b>-36,698</b>
Net premiums written	( 1,235,313 )	( 1,289,665 )	( 54,351 )
Deposit premiums from policyholders	( 306,757 )	( 300,819 )	( -5,938 )
Investment income on deposits by policyholders, etc	( 65,442 )	( 59,812 )	( -5,629 )
Reversal of underwriting reserve	( 79,453 )	( - )	( -79,453 )
Foreign exchange gain	( - )	( - )	( 0 )
Other underwriting income	( 71 )	( 42 )	( -28 )
<b>Investment income:</b>	<b>100,493</b>	<b>176,551</b>	<b>76,058</b>
Interest and dividends received	( 116,816 )	( 114,322 )	( -2,494 )
Investment gain on money trusts	( 1,375 )	( 4,406 )	( 3,030 )
Investment gain on trading securities	( 467 )	( - )	( -467 )
Gain on sales of securities	( 44,879 )	( 108,720 )	( 63,841 )
Gain on redemption of securities	( 1,991 )	( 1,499 )	( -492 )
Gain on derivative transactions	( - )	( 7,121 )	( 7,121 )
Foreign exchange gains	( - )	( - )	( 0 )
Other investment income	( 404 )	( 293 )	( -110 )
Transfer to investment income on deposits by policyholders, etc	( -65,442 )	( -59,812 )	( 5,629 )
<b>Other ordinary income</b>	<b>3,691</b>	<b>5,418</b>	<b>1,726</b>
<b>Ordinary expenses:</b>	<b>1,743,544</b>	<b>1,665,725</b>	<b>-77,819</b>
<b>Underwriting expenses:</b>	<b>1,443,941</b>	<b>1,402,240</b>	<b>-41,701</b>
Net claims paid	( 620,679 )	( 653,503 )	( 32,823 )
Loss adjustment expenses	( 57,286 )	( 55,630 )	( -1,655 )
Commission and collection expenses	( 212,260 )	( 213,947 )	( 1,687 )
Maturity refunds to policyholders	( 538,281 )	( 461,718 )	( -76,563 )
Dividends to policyholders	( 79 )	( 145 )	( 66 )
Provision for outstanding claims	( 14,600 )	( 10,890 )	( -3,709 )
Provision for underwriting reserve	( - )	( 4,983 )	( 4,983 )
Foreign exchange losses	( 451 )	( 1,091 )	( 639 )
Other underwriting expenses	( 303 )	( 329 )	( 26 )
<b>Investment expenses:</b>	<b>76,135</b>	<b>39,385</b>	<b>-36,750</b>
Investment loss on money trusts	( 3,851 )	( 34 )	( -3,817 )
Loss on sales of securities	( 14,943 )	( 34,147 )	( 19,203 )
Loss on valuation of securities	( 50,265 )	( 1,511 )	( -48,754 )
Loss on redemption of securities	( 12 )	( 8 )	( -4 )
Loss on derivative transactions	( 3,025 )	( - )	( -3,025 )
Foreign exchange loss	( 3,063 )	( 2,244 )	( -818 )
Provision for losses on investments	( 3 )	( - )	( -3 )
Other investment expenses	( 968 )	( 1,439 )	( 471 )
<b>Operating expenses and general and administrative expenses</b>	<b>220,524</b>	<b>215,842</b>	<b>-4,681</b>
<b>Other ordinary expenses:</b>	<b>2,943</b>	<b>8,257</b>	<b>5,313</b>
Interest paid	( 853 )	( 39 )	( -814 )
Provision for bad debts	( - )	( 4,189 )	( 4,189 )
Loss on bad debts	( 38 )	( 29 )	( -9 )
Other ordinary expenses	( 2,050 )	( 3,999 )	( 1,948 )
<b>Ordinary profit</b>	<b>47,679</b>	<b>166,584</b>	<b>( 118,905 )</b>
<b>Extraordinary income and losses:</b>			
<b>Extraordinary income:</b>	<b>22,056</b>	<b>3,646</b>	<b>-18,410</b>
Gain on sales of real estate	( 4,405 )	( 3,633 )	( -771 )
Reversal of price fluctuation reserve	( 13,922 )	( - )	( -13,922 )
Other extraordinary income	( 3,728 )	( 12 )	( -3,716 )
<b>Extraordinary losses:</b>	<b>15,801</b>	<b>( 61,068 )</b>	<b>45,267</b>
Loss on sales of real estate	( 2,487 )	( 6,193 )	( 3,706 )
Provision for price fluctuation reserve	( - )	( 6,491 )	( 6,491 )
Other extraordinary losses	( 13,314 )	( 48,384 )	( 35,070 )
<b>Income before income taxes</b>	<b>53,934</b>	<b>109,162</b>	<b>55,227</b>
Income taxes-current	33,681	33,521	-159
Income taxes-deferred	-12,109	2,685	14,795
<b>Net income</b>	<b>32,362</b>	<b>72,955</b>	<b>40,592</b>



## FY2003 Summary of statement of operations

\*Excluding the GRR premiums of the automobile insurance "ModoRich."

(Million Yen)

	FY2002	FY2003	Change	Change Ratio(%)
<b>Direct premiums written (including Deposit premiums from policyholders)</b>	<b>1,618,190</b>	<b>1,629,270</b>	<b>11,079</b>	<b>0.7</b>
Direct premiums written	1,311,432	1,328,451	17,018	1.3
<b>Ordinary income and expenses:</b>				
<b>Underwriting income</b>	<b>1,687,038</b>	<b>1,653,737</b>	<b>-33,300</b>	<b>-2.0</b>
Net premiums written	1,250,521	1,293,063	42,541	3.4
Deposit premiums from policyholders	306,757	300,819	-5,938	-1.9
<b>Underwriting expenses</b>	<b>1,443,941</b>	<b>1,405,638</b>	<b>-38,303</b>	<b>-2.7</b>
Net claims paid	620,679	653,503	32,823	5.3
Loss adjustment expenses	57,286	55,630	-1,655	-2.9
Commission and collection expenses	212,260	213,947	1,687	0.8
Maturity refunds to policyholders	538,281	461,718	-76,563	-14.2
<b>Investment income</b>	<b>100,493</b>	<b>176,551</b>	<b>76,058</b>	<b>75.7</b>
Interest and dividends received	116,816	114,322	-2,494	-2.1
Gain on sales of securities	44,879	108,720	63,841	142.3
<b>Investment expenses</b>	<b>76,135</b>	<b>39,385</b>	<b>-36,750</b>	<b>-48.3</b>
Loss on sales of securities	14,943	34,147	19,203	128.5
Loss on valuation of securities	50,265	1,511	-48,754	-97.0
<b>Operating expenses and general and administrative expenses</b>	<b>220,524</b>	<b>215,842</b>	<b>-4,681</b>	<b>-2.1</b>
Those related to underwriting insurance	205,623	201,878	-3,745	-1.8
<b>Other ordinary income and expenses</b>	<b>748</b>	<b>-2,839</b>	<b>-3,587</b>	<b>-479.3</b>
<b>Ordinary Profit</b>	<b>47,679</b>	<b>166,584</b>	<b>118,905</b>	<b>249.4</b>
Underwriting profit	36,976	45,342	8,366	22.6
<b>Extraordinary income and losses:</b>				
Extraordinary income	22,056	3,646	-18,410	-83.5
Extraordinary losses	15,801	61,068	45,267	286.5
<b>Extraordinary income and losses</b>	<b>6,254</b>	<b>-57,422</b>	<b>-63,677</b>	<b>-1018.0</b>
Income before income taxes	53,934	109,162	55,227	102.4
Income taxes-current	33,681	33,521	-159	-0.5
Income taxes-deferred	-12,109	2,685	14,795	-
<b>Net income</b>	<b>32,362</b>	<b>72,955</b>	<b>40,592</b>	<b>125.4</b>
<b>Ratios:</b>				
Net loss ratio	54.2%	54.8%	-	-
Net operating expense ratio	33.4%	32.2%	-	-
Yield on investment asset (income yield)	2.37%	2.33%	-	-
Yield on asset management (realized yield)	1.82%	4.01%	-	-

(Reference) (Yield on total return based on the market value:

-5.18% for the business year ended March 31, 2003, 12.42% for the business year ended March 31, 2004)

Note: Underwriting profit = 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.

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

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

(Million Yen)

Lines of Insurance	FY2002			FY2003		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	261,883	2.4	16.2	265,930	1.5	16.3
Marine	59,166	1.1	3.7	62,013	4.8	3.8
Personal Accident	351,398	3.3	21.7	358,274	2.0	22.0
Voluntary Automobile	581,640	-0.2	35.9	575,596	-1.0	35.3
Compulsory Automobile Liability	181,560	21.1	11.2	183,855	1.3	11.3
Other	182,541	-4.8	11.3	183,599	0.6	11.3
<b>Total</b>	<b>1,618,190</b>	<b>2.5</b>	<b>100.0</b>	<b>1,629,270</b>	<b>0.7</b>	<b>100.0</b>
(Deposit premiums from policyholders)	<b>( 306,757)</b>	<b>( 3.4)</b>	<b>( 19.0)</b>	<b>( 300,819)</b>	<b>( -1.9)</b>	<b>( 18.5)</b>

**Net Premiums by Lines of Insurance**

(Million Yen)

Lines of Insurance	FY2002			FY2003		
	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
Fire	166,317	2.9	13.3	173,633	4.4	13.4
Marine	52,506	5.4	4.2	56,331	7.3	4.4
Personal Accident	122,726	-1.2	9.8	124,159	1.2	9.6
Voluntary Automobile	579,490	-0.1	46.3	573,803	-1.0	44.4
Compulsory Automobile Liability	165,034	82.3	13.2	194,018	17.6	15.0
Other	164,445	-2.9	13.2	171,115	4.1	13.2
<b>Total</b>	<b>1,250,521</b>	<b>6.4</b>	<b>100.0</b>	<b>1,293,063</b>	<b>3.4</b>	<b>100.0</b>

**Net Claims Paid by Lines of Insurance**

(Million Yen)

Lines of Insurance	FY2002			FY2003			
	Amount	Change (%)	Net Loss Ratio (%)	Amount	Change (%)	Net Loss Ratio (%)	Change in L/R (%)
Fire	53,094	7.4	34.0	56,873	7.1	34.2	0.2
Marine	23,901	-15.5	48.4	26,574	11.2	49.5	1.1
Personal Accident	50,308	-2.0	44.5	51,133	1.6	44.7	0.2
Voluntary Automobile	330,411	-1.3	62.7	332,515	0.6	63.6	0.9
Compulsory Automobile Liability	60,948	7.9	42.7	82,146	34.8	47.4	4.7
Other	102,015	-0.8	65.4	104,259	2.2	63.9	-1.5
<b>Total</b>	<b>620,679</b>	<b>-0.4</b>	<b>54.2</b>	<b>653,503</b>	<b>5.3</b>	<b>54.8</b>	<b>0.6</b>

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

## FY2003 Summary of statement of operations

\*Excluding the GRR premiums of the automobile insurance "ModoRich" and the effect of abolition of reinsurance to government related to "CALI (Compulsory Automobile Liability Insurance)."

( Millions of Yen)

	FY2002	FY2003	Change	Change Ratio(%)
<b>Direct premiums written (including Deposit premiums from policyholders)</b>	<b>1,618,190</b>	<b>1,629,270</b>	<b>11,079</b>	<b>0.7</b>
Direct premiums written	1,311,432	1,328,451	17,018	1.3
<b>Ordinary income and expenses:</b>				
<b>Underwriting income</b>	<b>1,683,019</b>	<b>1,613,722</b>	<b>-69,297</b>	<b>-4.1</b>
Net premiums written	1,184,547	1,202,607	18,059	1.5
Deposit premiums from policyholders	306,757	300,819	-5,938	-1.9
Reversal of outstanding claims	-	1,078	1,078	-
Reversal of underwriting reserve	126,200	49,361	-76,839	-60.9
<b>Underwriting expenses</b>	<b>1,439,922</b>	<b>1,365,622</b>	<b>-74,300</b>	<b>-5.2</b>
Net claims paid	619,855	632,759	12,903	2.1
Loss adjustment expenses	57,286	55,630	-1,655	-2.9
Commission and collection expenses	212,260	213,947	1,687	0.8
Maturity refunds to policyholders	538,281	461,718	-76,563	-14.2
Provision for outstanding claims	11,405	-	-11,405	-100.0
<b>Investment income</b>	<b>100,493</b>	<b>176,551</b>	<b>76,058</b>	<b>75.7</b>
Interest and dividends received	116,816	114,322	-2,494	-2.1
Gain on sales of securities	44,879	108,720	63,841	142.3
<b>Investment expenses</b>	<b>76,135</b>	<b>39,385</b>	<b>-36,750</b>	<b>-48.3</b>
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Net operating expense ratio	35.3%	34.6%	-	-
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(Million Yen)

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Other	182,541	-4.8	11.3	183,599	0.6	11.3
<b>Total</b>	<b>1,618,190</b>	<b>2.5</b>	<b>100.0</b>	<b>1,629,270</b>	<b>0.7</b>	<b>100.0</b>
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**Net Premiums by Lines of Insurance**

(Million Yen)

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	Amount	Change (%)	Share (%)	Amount	Change (%)	Share (%)
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Personal Accident	122,726	-1.2	10.4	124,159	1.2	10.3
Voluntary Automobile	579,490	-0.1	48.9	573,803	-1.0	47.7
Compulsory Automobile Liability	99,060	9.4	8.4	103,563	4.5	8.6
Other	164,445	-2.9	13.9	171,115	4.1	14.2
<b>Total</b>	<b>1,184,547</b>	<b>0.8</b>	<b>100.0</b>	<b>1,202,607</b>	<b>1.5</b>	<b>100.0</b>

**Net Claims Paid by Lines of Insurance**

(Million Yen)

Lines of Insurance	FY2002			FY2003			
	Amount	Change (%)	Net Loss Ratio (%)	Amount	Change (%)	Net Loss Ratio (%)	Change in L/R (%)
Fire	53,094	7.4	34.0	56,873	7.1	34.2	0.2
Marine	23,901	-15.5	48.4	26,574	11.2	49.5	1.1
Personal Accident	50,308	-2.0	44.5	51,133	1.6	44.7	0.2
Voluntary Automobile	330,411	-1.3	62.7	332,515	0.6	63.6	0.9
Compulsory Automobile Liability	60,124	6.5	70.4	61,403	2.1	68.8	-1.6
Other	102,015	-0.8	65.4	104,259	2.2	63.9	-1.5
<b>Total</b>	<b>619,855</b>	<b>-0.5</b>	<b>57.2</b>	<b>632,759</b>	<b>2.1</b>	<b>57.2</b>	<b>0.0</b>

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