

July 17, 2009

Mitsui Sumitomo Insurance Group Holdings, Inc.

## **MSIG Quarterly News (1st quarter, fiscal 2009)**

Mitsui Sumitomo Insurance Group Holdings, Inc. ("MSIG") hereby issues a quarterly newsletter containing a summary of the topics for the first quarter, fiscal 2009, from April through June 2009 as set forth below.

### **1. Sales performance at MSI alone, the core group business**

(preliminary for the quarter from April through June 2009, with long-term medical insurance included in Personal Accident and Total accounts)

Following the second half of the previous fiscal year, the automobile line saw premiums decreased 2.3 percent on a year-on-year basis for the first quarter at Mitsui Sumitomo Insurance Co., Ltd. ("MSI"), significantly affected by the protracted economic slump. Total premium revenue also dropped 2.7 percent from a year ago.

(premiums in million yen)

Lines of insurance	Q1 (April to June 2009)	
	Premiums	Growth rate (%)
Voluntary Automobile	140,703	-2.3
CALI*	30,546	-1.2
Fire	50,637	-0.1
Personal Accident	27,509	-2.4
Miscellaneous	52,688	0.5
Cargo and Transit	13,150	-29.6
Hull	11,458	4.5
<b>Total</b>	<b>326,691</b>	<b>-2.7</b>

\*CALI: Compulsory Automobile Liability Insurance

### **2. Selected News Releases (Apr – Jun 2009)**

announcement date in parenthesis

#### **(1) Business Improvement Plan**

\* **Status of Business Improvement Plan reported** (Apr 21)

MSI submitted the 19th report on the progress of the Business Improvement Plan to the

Financial Services Agency of Japan. The report dealt with the specific actions to improve the systems of corporate governance and claims handling as well as the steps taken forward for protecting policyholders' interests, increasing their convenience and enforcing legal compliance and others.

## **(2) Domestic non-life insurance business**

### **\* SME-targeted insurances added to the foreign PL and D&O lineups (Apr 23)**

MSI launched foreign PL insurance covering risks of product liability in association with goods produced abroad and D&O (directors and officers) liability insurance particularly for small- and medium-size enterprises ("SMEs"). These industry-first type policies are developed to target SMEs, as modifications of the conventional ones, which are sold mainly to large corporate customers.

Based on their product concept of being reasonable for customers, they both will meet SME customers' needs with the minimum premiums lowered, much shorter quotation periods and other benefits available.

MSI will offer these policies in the market of SMEs as they are exposed increasingly to the risks of liability claims of foreign products and of lawsuits filed overseas against directors and executives.

### **\* Cost simulation software "Mosimo" developed for mental health disorder (June 19)**

MSI developed jointly with Hokendojinsha Inc. "Mosimo\*," a simulation model of losses and costs for a company to incur if one of its employees has to take leave because of mental health disorder. This new software program was uploaded to the corporate website of Hokendojinsha on June 15th, and is now open to public, free of charge.

Recently, mental health care of employees has become focused on as one of corporate issues in the personnel management and managerial risk control, and companies have to be faced squarely with it.

MSI and Hokendoujinsha Inc. will help companies take measures for their employees' mental health with this software program.

[ corporate website of Hokendoujinsha Inc.: <http://www.healthy-hotline.com/mosimo/> ]

\* "Mosimo" is an abbreviation of **M**ental health-cost **O**riginal **S**imulation **M**odel.

## **(3) Overseas business**

### **\* MSI to open an office in Slovakia as the first Japanese nonlife insurer (Apr 9)**

Mitsui Sumitomo Insurance Company (Europe), Limited ("MSI Europe"), one of MSI's subsidiaries in the European region, on March 26th obtained a permission to open its

branch in Bratislava, the capital city of the Slovakia Republic. MSI Europe will be the first Japanese nonlife insurer that has a branch there.

By opening this branch in the Slovakia Republic in addition to its sales office in the Czech Republic, MSI Europe will weave its service network closely to cover the middle- and eastern European area. MSI seeks to further expand its insurance business to corporate clients across the European region.

**\* MSI and the Lao treasury signed to set up a joint venture (Apr 24)**

MSI and the treasury ministry of the Lao People's Democratic Republic concluded an agreement that the two parties should establish an insurance joint venture in that country ("the JV Agreement"). In accordance with the JV Agreement, MSI, through the account of Mitsui Sumitomo Insurance Holdings (Asia) Pte. Ltd., one of MSI's subsidiaries, and the Lao treasury ministry will contribute 51 percent and 49 percent of equity, respectively. The joint venture will have a capital of two million U.S. dollars and be based in Vientiane, the capital of the republic. From now on, papers will be prepared for the procedures required to start up the subsidiary and for the applications to the associated authorities for the necessary permissions in order to steadily pave the road to a commencement day of operation.

**\* Preliminary permission granted to China subsidiary for Beijing branch (May 26)**

Mitsui Sumitomo Insurance (China) Company Limited ("MSI China"), MSI's wholly owned subsidiary in China, received a preliminary permission to open its Beijing branch from the China Insurance Regulatory Commission. Subject to the final approval duly granted from the competent authorities, the operation is expected to start this autumn.

MSI China, which had been established in December 2007 by transforming MSI's Shanghai branch to a wholly owned subsidiary and then opened its branch in Guangdong in October 2008, has enhanced its capacity, seeking to provide best risk solutions to clients who are running the businesses in China. Its Beijing branch will be the first sales office in Beijing that is operated by a Japanese insurance group, and allowed to directly serve customers wherever they are within the Chinese capital city. The opening of this branch will extend the office network of MSI China so that it will cover the eastern, southern and northern parts of China with its head office in Shanghai and branches in Guangdong and Beijing, respectively. MSI will continue to upgrade its services by gaining local permissions for sales activities in the cities where it now has representative offices.

#### **(4) Life insurance business**

**\* MS Kirameki reinforced sales staff for better services to customers (Apr 1)**

Mitsui Sumitomo Kirameki Life Insurance Company, Limited (“MS Kirameki”) is going to open 29 sales offices in the fiscal year started April 1st with some seventy new staff in order to attain the targets of the life insurance business as set in the “New Challenge 10,” MSIG’s mid-term management plan and simultaneously to pursue sustainable growth of the life insurance business within the group.

Taking these measures, MS Kirameki will make continued efforts to improve customer services and promote legal compliance performance, aiming thereby to contribute itself to output maximization of the sales forces in the not only life but non-life business of MSIG.

**\* MS Kirameki created “Most Advanced Medical Tools” (Apr 8)**

MS Kirameki compiled “Most Advanced Medical Tools” under the general editorship of Doctor Takao Saruta, a professor emeritus at Keio University and Chairperson of the Conference of Experts in State-of-the-art Medicine summoned by the Ministry of Health, Labor and Welfare of Japan. This is a guide to basic knowledge and information of top-running medical technologies and now available to its customers via three sorts of media, i.e. dedicated website, booklets and image products (DVDs). By picking up technologies of state-of-the-art treatments yet unknown among the general public into a guide, the life insurance subsidiary intends to increase their reach among its policyholders. At the same time it will use the guide to help them understand necessity of compensation for most advanced medical services, which can be covered by riders for such medical expenses to basic coverage of the new medical insurance and the new cancer insurance from MS Kirameki.

**(5) Financial services and risk-related businesses**

**\* IRR provides service of business continuity solution based on teleworking (Apr 17)**

Inter-Risk Research Institute & Consulting Inc. (“IRR”), MSIG’s risk management consultation arm, started consultation for business continuity solution to a pandemic of the new influenza, which is designed based on telecommunications to allow employees of a corporate client work at home, in cooperation with KDDI Corporation on April 20th.

In the midst of concerns mounting across the world over a possible pandemic of the new influenza, companies are more aware of importance of business continuity planning (“BCP”), and teleworking at home is drawing attention as one of effective measures for protection of employees from the new influenza and implementation of BCP. This service facilitates identification of what jobs are to what extent important for business continuity and speedy and effective implementation of employees’ work at home.

## **(6) Environmental and social contribution activities**

### **\* “Table for Two” menu raised a 634,000-yen donation at MSI cafeterias (May 11)**

MSI employees and the Company have carried out the social contribution activity of “Table for Two” at all of MSI cafeterias since June 2008, and donated 634,000 yen for fiscal 2008 to assist in providing school lunches to starving children in Africa.

Under the program, TFT program menu consisting of low-calorie and healthy dishes is served at MSI’s four cafeterias, and for every one of these dishes, ten yen goes out of the sales to the account of the donation fund. MSI also makes a contribution of an equal amount to the sum from the corporate account of matching gift program to the fund. The program earns a good perception among participant employees as it is a social contribution activity easy to join in, simply by “eating lunch during the course of everyday life.”

The program continues to offer any officers and employees chances to participate in the social contribution activity closest to them and thereby support starving children in developing countries.

### **\* IRR offers a quick test on greenery for biodiversity (Jun 17)**

IRR, MSIG’s risk management consultation arm, developed the industry-first instrument named “Simplified Diagnosis Tool on Biodiverse Greenery” for corporate clients by drawing on expertise accumulated in its consultation services of land use for the purpose of preserving biodiversity in the greenery. This instrument, which targets companies that plan to take actions for biodiversity, quickly measures to what extent the company’s greenery currently contributes to biodiversity and is available, free of charge since July 18th.

## **(7) Others**

### **\* New job system offers clerks\* chances to promote to managers (Apr 7)**

MSI has amended the system of job titles, positions and qualifications and created the employee categories of “geographically unspecified type” and “geographically specified type” by introducing to the system another classification criterion of whether or not an employee accepts a transfer that causes a change of residence. Furthermore, the geographically specified category is subdivided and the “geographically unspecified type II” is provided for those who hope to develop their careers by increasing expertise, and a path is open to them, who are supposed engaged mostly in internal desk works, to take a position of “section manager” and “deputy section manager.” This amendment provides a platform that enables a clerk to promote to a manager without converting his/her employee type.

MSI continuously and proactively makes efforts to adopt such new systems and provide such good working environments as they encourage employees to work for sense of

fulfillment and this would result in operations and customer services of better quality.

\* "Clerical position" is changed its category name as "geographically specified type II" effective April 2009.

### 3. Amateur Sports

#### **Women's judo**

\* **All-Japan Women's Invitational Weight Class Championship 2009** (Apr 4-5)

All-Japan Women's Invitational Weight Class Championship 2009 was held at the Fukuoka Kokusai Center located in the city of Fukuoka on April 4th and 5th. MSI sent a delegate of five players, and Yoshie Ueno won the gold medal in the 63 kg class for the fifth time in this championship while Misato Nakamura and Emi Yamagishi earned the silver medals in the 52 kg class and the 48 kg class, respectively. After the championship, Yoshie Ueno and Misato Nakamura were selected as Japanese delegates to the world championship to be held in the Netherlands from August 26th to 30th.

\* **2009 Grand Slam Moscow (international games in Russia)** (May 30)

MSI sent two players as national delegates to in the games of 2009 Grand Slam Moscow opened in Moscow of Russia. Misato Nakamura won the championship title in the 52 kg class and Yoshie Ueno gained the silver medal in the 63 kg class.