

March 20, 2007

To whom it may concern:

Mitsui Sumitomo Insurance Co., Ltd.

Current Status of Business Improvement Plan Implemented

Mitsui Sumitomo Insurance Co., Ltd. (“the Company”) (President & CEO Toshiaki Egashira) today submitted the eighth report on the current status of implementation of the business improvement plan (“the Plan”). The Company had submitted the Plan to the Financial Services Agency (“the FSA”) of Japan on July 21, 2006, and has been taking specific measures thereunder since then.

The internal systems programmed as remedial measures under the Plan are now in place and well functioning. The business suspension order in respect of contract conclusion and solicitation of third-sector insurance policies and application for approval of a new product was lifted effective February 23, 2007. Nonetheless, we at the Company will continue to improve and strengthen its management, claims payment administration and other systems and to firmly embed the operations that are customer-protection-oriented.

1. Effective internal administration

1-1 Monitoring by the Audit Committee

The Audit Committee was established for the purpose of monitoring the propriety of routine operations and making recommendations to the Board of Directors. The Committee has met seven times so far and has been functioning effectively with its external viewpoint such as in confirming the progress under the Plan and reviewing the measures taken to restore confidence. The Committee also helped clarify the items for the Corporate Quality Control Department (“the CQCD”) to examine before resuming the sales of third-sector insurance policies.

1-2 Monitoring of operations by the CQCD

The CQCD was established for the purpose of monitoring the propriety of various routine operations and developing any necessary solutions. The CQCD does monitor actual operations with potential customer contact, especially those in connection with sales and claim payment, and helps make customer explanation yet easier to understand.

1-3 Monitoring the propriety of claims payment

With respect to claims payment, the Company operates on a multi-leveled check system with regard to initial determinations in order to prevent failure to pay or inappropriate denial of a claim. To this end, the Company has improved computerized check system, monitors the propriety of claims payment operations with the newly established Claims Handling Examination Department, and examines the propriety of determination of claims as ineligible with the Claims Payment Examination Council consisting mainly of external experts.

1-4 Use of customer complaints for operation improvement

With respect to customer complaints, the Customer Service Department analyzes their causes and uses the findings for improving the operations. The Council on Promotion of Customers' Viewpoint met for the third time on March 6, 2007, and raised recommendations on customer explanations of important matters to make them easier to understand and on contract conclusion that would better fit customer needs.

2. Re-starting sales of third-sector products and preparation

2-1 Preparation for re-starting sales

Before resuming the sales of third-sector insurance policies, the Company now conducts "disease insurance training" for agents and confirms the completion of the training as a prerequisite for re-engaging in sales. Starting March 1, 2007, sales departments and branches will each re-start offering those third-sector products in which the Company has years-long experience, such as income protection, medical expense and group casualty and disease, as they have satisfied the prerequisites.

For whole-life medical insurance, the Company plans to introduce a qualification system for sales agents. The specifications of the line of products are also under review. The Company expects the sales to re-start during fiscal 2007 once the Company has confirmed the sales system to be ready.

2-2 Monitoring by the CQCD

Before re-starting the sales, the Company has revised personal insurance pamphlets of income protection, medical expense and other products, and the CQCD has examined whether they are easy enough for customers to understand. Likewise, claim-related forms are to go under review by the CQCD and revision if necessary before coming into actual use.

Also, the Company plans to reconsider the specifications of whole-life medical insurance. The Company will reflect customer suggestions and other comments both from inside and outside the Company, while the CQCD monitors the propriety of product development process calling for cooperative involvement of relevant divisions.

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Attachment

New Group Vision, “New Challenge 10”

Mitsui Sumitomo Insurance Co., Ltd. (“the Company”) (President & CEO Toshiaki Egashira) has been formulating a new group vision in the course of carrying out the efforts for business improvement so that the Company make a re-start with the first priority on the customers’ viewpoint and toward a new and innovative insurance business model. To this end, multi-level discussions have been made across the organization and for eight months, such as at each workplace, between top management and front-line employees and among top management, involving every single employee. As a result of these discussions, more than 1,500 proposals have been raised from inside. Also, the Company received many requests, complaints and encouragement from customers and agents, reviewed each of them seriously and sincerely and reflected the ideas in formulating the new group vision to the greatest extent possible.

“New Challenge 10,” the new group vision, puts the first priority on improving the corporate quality as a driver for competitiveness. The Company expects to finalize the new group vision within this month and to announce the details in April 2007. The outline is as set forth below.

1. Name of new group vision (medium-term management plan)

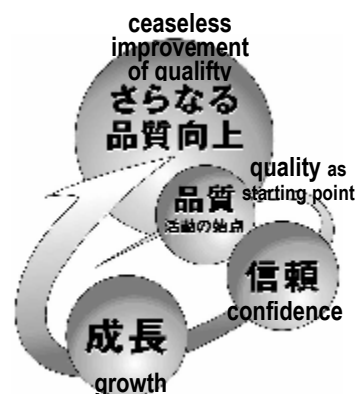
New Challenge 10

2. Period covered

Since April 2007 to March 2011 (4 years)

3. Group's basic strategy

The basic strategy under New Challenge 10 is that the Company put the first priority on improving the corporate quality, thus winning customer confidence and facilitating business growth. Through this virtuous spiral of “quality,” “confidence” and “growth”, we aim to become a “world's top-level insurance and financial group seeking sustainable development with corporate quality as the source of competitiveness.”



4. Targeted business portfolio

The Mitsui Sumitomo Insurance group identifies its business domain as covering domestic non-life insurance, overseas, life insurance, financial services and risk-related businesses. For the coming years through fiscal 2010, the Company will dynamically conduct these five major businesses in the pursuit of yet higher quality and resulting growth of returns, ultimately seeking a well-balanced business portfolio under optimal risk diversification.

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