

[Translation]

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2010 (NON-CONSOLIDATED)

May 20, 2010

Name of Listed Company: **MS & AD Insurance Group Holdings, Inc.**
(On Behalf of Nissay Dowa General Insurance Co., Ltd.)

Securities Code No.: 8725

Stock Exchanges: Tokyo, Osaka, Nagoya

URL: <http://www.ms-ad-hd.com>

Representative: Ichiro Tateyama, President of Nissay Dowa General Insurance Co., Ltd.

Contact: Kazuhiko Saga, Manager, Accounting Department
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Date of filing of Financial Report: June 30, 2010

Date of starting payment of year-end dividends: June 30, 2010

(Note) Amounts are truncated.

1. Non-Consolidated Business Results for the year ended March 31, 2010 (April 1, 2009 to March 31, 2010)

(1) Results of Operations

(Yen in millions)

	Net premiums written		Ordinary profit		Net income	
Year ended March 31, 2010	312,666	0.6 %	10,059	- %	3,060	- %
Year ended March 31, 2009	310,918	(2.3) %	(16,841)	(234.9) %	(6,738)	(204.5) %

Percent figures represent changes in comparison with the preceding fiscal year.

(Yen)

	Net income per share	Net income per share -Diluted	Return on equity	Net loss ratio	Net expense ratio
Year ended March 31, 2010	8.06	-	1.6 %	68.8 %	33.8 %
Year ended March 31, 2009	(17.74)	-	(2.9) %	67.4 %	34.6 %

(Reference) Equity in net gains(losses) of affiliates: None

(2) Financial Conditions

(Yen in millions)

	Total assets	Net assets	Net assets ratio	Net assets per share (Yen)
As of March 31, 2010	1,106,262	204,422	18.5 %	538.60
As of March 31, 2009	1,100,172	184,364	16.8 %	485.73

(Reference) Net assets: As of March 31, 2010: ¥204,422 million

As of March 31, 2009: ¥184,364 million

(3) Cash Flows

(Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Year ended March 31, 2010	(22,546)	15,586	(3,052)	46,193
Year ended March 31, 2009	(8,651)	(10,038)	(3,202)	56,208

2. Dividends

	Dividend per share (Yen)					Total annual dividends (Yen in millions)	Dividend pay-out ratio	Dividends on net assets
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual			
Year ended March 31, 2009				8.00	8.00	3,036	- %	1.3 %
Year ended March 31, 2010				8.00	8.00	3,036	99.3 %	1.6 %

3.Other information

(1)Changes in accounting principle, procedure and presentation preparing the non-consolidated financial statements

1.Changes due to revision of accounting standard: Yes

2.Changes due to other than above: None

(2)The number of shares outstanding (Common stock)

1.The number of shares outstanding (including treasury stock)

As of March 31, 2010: 390,055,814 shares

As of March 31, 2009: 390,055,814 shares

2.The number of treasury stock

As of March 31, 2010: 10,517,808 shares

As of March 31, 2009: 10,495,796 shares

Non-Consolidated Balance Sheets

(Yen in millions)

Items	As of March 31, 2009	As of March 31, 2010
	Amount	Amount
(Assets)		
Cash deposits and savings:	32,803	28,378
Cash	83	64
Deposits and savings	32,720	28,314
Call loans	24,300	17,900
Investments in securities:	810,817	836,761
Government bonds	99,768	105,528
Municipal bonds	11,653	7,624
Corporate bonds	234,225	187,753
Stocks	270,479	302,905
Foreign securities	180,283	222,526
Other securities	14,405	10,423
Loans:	40,785	36,621
Policy loans	2,118	2,169
General loans	38,667	34,452
Tangible fixed assets:	56,778	56,945
Land	24,713	24,633
Buildings	25,960	24,249
Construction in progress	2,688	5,179
Other tangible fixed assets	3,416	2,882
Intangible fixed assets:	236	234
Other intangible fixed assets	236	234
Other assets:	78,144	83,480
Accrued premiums	113	289
Agency accounts receivable	15,272	17,345
Foreign agency accounts receivable	2	10
Coinsurance accounts receivable	2,936	1,506
Reinsurance accounts receivable	11,504	14,050
Foreign reinsurance accounts receivable	5,819	3,119
Proxy service receivable	0	-
Accounts receivable	6,678	5,083
Accrued income	3,871	3,632
Cash segregated as deposits	3,838	3,969
Deposits for earth quake insurance	19,143	20,282
Suspense payments	8,301	8,803
Initial margins of futures markets	176	1,499
Derivatives other than for trading	240	1,060
Rest of the other assets	243	2,828
Deferred tax assets	57,153	46,850
Bad debts reserve	(844)	(907)
Investment loss reserve	(2)	(2)
Total assets	1,100,172	1,106,262

(Yen in millions)

Items	As of March 31, 2009	As of March 31, 2010
	Amount	Amount
(Liabilities)		
Underwriting funds:	884,604	870,632
Outstanding claims	125,808	127,557
Underwriting reserves	758,795	743,074
Other liabilities:	29,678	28,965
Coinsurance accounts payable	546	524
Reinsurance accounts payable	8,333	12,561
Foreign reinsurance accounts payable	2,259	1,509
Borrowings	6	-
Income taxes payable	780	928
Deposits received	698	553
Unearned revenue	4	0
Accounts payable-other	5,803	6,026
Suspense receipt	5,167	5,084
Variation margins of futures markets	-	96
Derivatives other than for trading	6,079	1,681
Rest of the other liabilities	0	0
Reserve for pension and retirement benefits	337	416
Accrued bonuses for employees	580	579
Reserve under the special law:	607	1,246
Reserve for price fluctuation	607	1,246
Total liabilities	915,808	901,840
(Net assets)		
Shareholders' equity:		
Common stock	47,328	47,328
Capital surplus:		
Legal capital surplus	40,303	40,303
Other capital surplus	3	3
Total capital surplus	40,307	40,307
Retained earnings:		
Reserve for dividends	7,492	7,492
Other retained earnings:	66,288	66,312
Reserve for advanced depreciation of fixed assets	1,116	1,093
General reserve	68,000	58,000
Retained earnings brought forward	(2,827)	7,218
Total retained earnings	73,781	73,805
Treasury stock	(4,938)	(4,948)
Total shareholders' equity	156,479	156,493
Valuation and translation adjustments:		
Unrealized gains on investments, net of tax	27,885	47,929
Total valuation and translation adjustments	27,885	47,929
Total net assets	184,364	204,422
Total liabilities and net assets	1,100,172	1,106,262

Non-Consolidated Statements of Income

(Yen in millions)

Items	Year ended March 31, 2009	Year ended March 31, 2010
	Amount	Amount
Ordinary income and expenses:		
Ordinary income:	383,649	392,708
Underwriting income:	351,256	349,803
Net premiums written	310,918	312,666
Deposit premiums from policyholders	15,229	13,663
Investment income on deposit premiums from policyholders	8,340	7,729
Reversal of underwriting reserves	16,767	15,721
Other underwriting income	-	21
Investment income:	31,586	42,046
Interest and dividends received	23,897	21,144
Gains on sale of securities	16,014	28,129
Gains on redemption of securities	9	307
Foreign exchange gains	-	191
Other investment income	4	2
Transfer of investment income on deposit premiums from policyholders	(8,340)	(7,729)
Other ordinary income	807	859
Ordinary expenses:	400,491	382,649
Underwriting expenses:	306,025	308,694
Net claims paid	191,808	196,965
Loss adjustment expenses	17,623	18,051
Commission and collection expenses	53,311	54,146
Maturity refunds to policyholders	40,743	37,537
Dividends to policyholders	1	3
Provision for outstanding claims	1,877	1,749
Foreign exchange losses	555	131
Other underwriting expenses	104	108
Investment expenses:	34,997	17,746
Losses on sale of securities	10,254	10,203
Losses on devaluation of securities	19,017	5,153
Losses on redemption of securities	1,522	1,985
Losses on derivative transactions	3,144	332
Foreign exchange losses	645	-
Other investment expenses	413	70
Operating expenses and general and administrative expenses	58,410	55,374
Other ordinary expenses:	1,057	834
Interest paid	0	0
Provision for bad debts reserve	21	84
Loss on bad debts	0	3
Other ordinary expenses	1,035	746
Ordinary profit (loss)	(16,841)	10,059
Extraordinary income and losses:		
Extraordinary income:	6,677	241
Gains on sale of fixed assets	234	241
Reversal of reserve under the special law:	6,443	-
Reversal of reserve for price fluctuation	6,443	-
Extraordinary losses:	556	6,707
Losses on sale of fixed assets	544	183
Impairment losses on fixed assets	12	-
Provision for reserve under the special law:	-	638
Provision for price fluctuation reserve	-	638
Loss on reduction of fixed assets	-	98
Other extraordinary losses	-	5,788
Income (loss) before income taxes	(10,720)	3,592
Income taxes - current	51	1,578
Income taxes - deferred	(4,034)	(1,045)
Total income taxes	(3,982)	532
Net income (loss)	(6,738)	3,060

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

Non-Consolidated

(Yen in millions)

Lines of Insurance	Year ended March 31, 2009			Year ended March 31, 2010		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	64,203	18.5	6.4	69,723	19.3	8.6
Marine	6,861	2.0	(0.3)	5,679	1.6	(17.2)
Personal Accident	29,949	8.6	(2.1)	29,282	8.1	(2.2)
Voluntary Automobile	158,946	45.9	(0.6)	160,843	44.6	1.2
Compulsory Automobile Liability	29,497	8.5	(15.2)	28,044	7.8	(4.9)
Other	56,842	16.4	19.4	67,014	18.6	17.9
Total	346,301	100.0	1.8	360,587	100.0	4.1
Including Deposit premiums from policyholders	361,530		0.4	374,251		3.5

Net Premiums by Lines of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2009			Year ended March 31, 2010		
	Amount	Share %	Change %	Amount	Share %	Change %
Fire and Allied	47,075	15.1	6.5	51,158	16.4	8.7
Marine	5,407	1.7	(1.3)	4,529	1.4	(16.2)
Personal Accident	29,116	9.4	(2.7)	28,331	9.1	(2.7)
Voluntary Automobile	158,832	51.1	(0.7)	160,625	51.4	1.1
Compulsory Automobile Liability	30,507	9.8	(21.0)	28,123	9.0	(7.8)
Other	39,978	12.9	(0.3)	39,898	12.8	(0.2)
Total	310,918	100.0	(2.3)	312,666	100.0	0.6

Net Claims Paid by Lines of Insurance

(Yen in millions)

Lines of Insurance	Year ended March 31, 2009			Year ended March 31, 2010		
	Amount	Change %	Net loss ratio %	Amount	Change %	Net loss ratio %
Fire and Allied	17,593	2.4	39.0	19,010	8.1	38.7
Marine	2,988	14.1	57.7	3,168	6.0	72.9
Personal Accident	15,374	(7.1)	58.2	16,084	4.6	61.9
Voluntary Automobile	104,764	(3.9)	73.2	108,933	4.0	75.1
Compulsory Automobile Liability	27,761	(0.9)	99.9	26,764	(3.6)	105.9
Other	23,326	9.1	60.6	23,003	(1.4)	60.0
Total	191,808	(1.5)	67.4	196,965	2.7	68.8

(Note) Net loss ratio = (Net claims paid + Loss adjustment expenses) / Net premiums written * 100

Investment Conditions of Securitized Instruments

<Investment Conditions>

1. Special Purpose Entities (SPEs) - General
Not applicable.
2. Collateralized Debt Obligation (CDO)
Not applicable.
3. Other Subprime and Alt-A Exposure
Not applicable.
4. Commercial Mortgage-Backed Securities (CMBS)
Not applicable.
5. Leveraged Finance
Not applicable.
6. Asset-Backed Securities (ABS)
Not applicable.

7. Collateralized Bond Obligation (CBO) (100 Millions of yen)

	Fair value	Unrealized profit and loss	Realized profit and loss
CBO	4	(0)	-
Senior	4	(0)	-
Mezzanine	-	-	-
Equity	-	-	-

(Note) Pledged assets are domestic.

8. Other (100 Millions of yen)

	Fair value	Unrealized profit and loss	Realized profit and loss
Other	1	(0)	(0)
Floating Rate Notes	-	-	-
Hedge Funds	1	(0)	(0)