

April 30, 2010

MS&AD Insurance Group Holdings, Inc.

## MS&AD Quarterly News (4th Quarter, 2009)

Here are selected topics for the fiscal 2009 fourth quarter (from January to March 2010) as set forth below.

### 1. Sales performance at Mitsui Sumitomo Insurance alone

(preliminary for the quarter from January through March 2010, with long-term medical insurance included in Personal Accident and Total accounts, respectively.)

At Mitsui Sumitomo Insurance Co., Ltd. ("MSI"), total revenues rose 3.6 percent from the same period a year earlier. In March, all the policy lines scored their revenue increase for the third consecutive month, including the automobile policies, its flagship line, which has been enjoying robust sales.

(premiums in million yen)

Lines of insurance	Q4 (Jan to Mar 2010)		FY 2010 (Apr 2009 to Mar 2010)	
	Premiums	Growth rate (%)	Premiums	Growth rate (%)
Voluntary Automobile	133,279	3.4	537,416	0.2
CALI*	35,448	5.0	129,686	2.4
Fire	51,237	3.4	208,123	2.8
Personal Accident	32,543	4.7	124,274	1.9
Miscellaneous	35,703	2.8	163,330	-0.3
Cargo and Transit	13,303	4.2	51,809	-21.0
Hull	4,648	-0.8	27,655	-4.0
<b>Total</b>	<b>306,160</b>	<b>3.6</b>	<b>1,242,293</b>	<b>-0.3</b>

\*CALI: Compulsory Automobile Liability Insurance

### 2. Selected News Releases (Jan – Mar 2010)

announcement date in parenthesis

#### (1) Domestic non-life insurance business

**“Apa-rich Jiro,” a new personal loan developed for apartment builders** (Jan 26)

MSI developed jointly with PanaHome Corporation a type of loan product for individuals to construct an apartment building (and named it “Apa-rich Jiro”).

This loan is new and unique in the form of loan agreement and the credit standards in order to better meet financial needs of apartment building owners, and MSI is the first Japanese financial institution to adopt the scheme. Distribution will be made initially through PanaHome’s channel in January, and later via other house-building partners.

**Help line opening for policyholders traveling in South Africa** (Jan 26)

MSI is going to open “South Africa Service Line,” free-call line only for policyholders of overseas travel insurance calling from the Republic of South Africa. This service will be available in Japanese language 24 hours a day over the period of the FIFA 2010 World Cup, which is scheduled to start June.

The services will not be limited to extending assistances to policyholders who would happen to be involved in an accident but include providing information about the World Cup and sightseeing in the country to policyholders visiting there.

**New solicitation system of fire policies developed for home purchasers** (Mar 17)

MSI and Daiwa House Industry Co., Ltd. jointly developed a fire insurance solicitation system of solely for purchasers of houses built by Daiwa House and launched it in use in April 2010.

This new system enables applicants to finalize the whole procedure of policy application by a personal computer, including explanation of indemnity and the optional riders of the policy to an operating applicant. By directly connecting the computer systems of the two companies online, it also automatically makes the data required for the fire policies available between them.

**New system of claim payment installed at all the branches** (Mar 24)

The Support Process Management System (or “SPM System), a new system of claim payment developed jointly by MSI and NEC Corporation has been installed at all the 232 claim payment centers across Japan.

This computer program systematically handles the whole of job flows from receiving an accident report to honoring the policy, and is the industry-first system (patent pending) that automatically checks any due notice to the clamant has been missed or delayed during his/her claim handling process.

## **(2) Overseas business**

### **Beijing branch of MSI's Chinese subsidiary opened** (Jan 22)

Mitsui Sumitomo Insurance (China) Company Ltd., a wholly owned subsidiary of MSI, opened its Beijing branch January 22. After a preparatory work made since the May-2009 preliminary approval for opening the branch, the subsidiary had obtained an official permit to commence its operation on January 8.

The MSI group is the first Japanese insurer to have a sales office in Beijing, which enables it to offer services directly from this office to customers within the capital city of China.

### **MSI merging its subsidiaries in Singapore** (Jan 22)

MSI is going to integrate two subsidiaries in Singapore, MSIG Insurance (Singapore) Pte. Ltd. and Mitsui Sumitomo Insurance (Singapore) Pte Ltd. on May 1, 2010 subject to permission from the insurance authorities and approval from the High Court of Singapore. This merger will create a third largest non-life insurer in the county (in terms of gross premiums earned in 2008)

## **(3) Life insurance business**

### **MS Kirameki introduced a newly developed customer service system** (Jan 12)

Mitsui Sumitomo Kirameki Life Insurance Company, Limited ("MS Kirameki") developed a payment system of claims and benefits and put it in operation January 12. This system helps claims handling services improve as it explains claiming procedures to claimants in a way easy to understand and oversees the recorded claims in progress and adjustment.

### **MS Kirameki adopts CD-ROM version of policy terms for policyholders** (Jan 12)

Packaging "Policyholder's Leaflet" and "Terms and Conditions of Your Policy" in a single CD-ROM, MS Kirameki has started delivering to policyholders booklets of policy terms in a CD-ROM version for all the types of its insurance policy. This is the industry-first CD-ROM version of policy terms that has been provided to policyholders.

MS Kirameki also has applied the "color universal design" for policyholders' better understanding to the parts of "Outline of Your Policy" and "Cautionary Information" in the materials which are to be given to them.

### **"New Medical Insurance *Alpha*" and "New Cancer Insurance *Alpha*" released** (Feb 3)

On March 2, MS Kirameki launched "New Medical Insurance *Alpha*" and "New Cancer Insurance *Alpha*" as products of the personal insurance series under the "GK Life Insurance" brand. In response to customers' voices wanting something for "plus-*alpha*'

protection,” optional riders are added for such as increased coverage on cerebral stroke or reimbursement of hotel expenses necessary to spend for receiving advanced medical treatment.

#### **(4) Risk-related business**

##### **MSI and IRR held a seminar on business continuity management system (Jan 8)**

On February 2, MSI and its risk management consultation arm, Inter-Risk Research Institute & Consulting Inc. (“IRR”), held a seminar on business continuity management system (“BCMS”) under the title of “Trans-Atlantic Development towards BCM Global Standardization.” In recent years, more BCMSs have been documented in Japan to cope with various risks and hazards such as the new type influenza or a large-scale earthquake. Citing cases in the UK and the US, this seminar gave information on the latest development in BCM, and then explained the system of third-party verification for BCMS in Japan.

##### **MSIGW awarded prize of “Best Dealer in Asia” by Environmental Finance (Feb 19)**

MSI GuaranteedWeather, LLC (“MSIGW”), one of MSI’s subsidiaries in the US, was awarded the prize of “Best Dealer in Asia” for the most excellent Asian dealer in the weather derivatives category by Environmental Finance, a British monthly magazine. Being honored fourth time, MSIGW is the only one from a Japanese non-life insurance group that has ever won the prize. MSI and MSIGW will grow the business further and remain as one of the leaders in the Asian and North American markets.

##### **Business integration agreed for affiliates of the MS&AD members (March 19)**

Aioi Insurance Company, Limited (“Aioi”), Nissay Dowa General Insurance Company, Limited (“Nissay Dowa”) and MSI reached a final agreement on integration of their affiliates operating in each of four domains (i.e. risk consulting, loans and guarantees, researches and studies, and temporary staff services), and these operations were integrated in the respective domains effective April 1. They are now seeking to create synergies as collective advantages of the MS&AD group and thereby improve customer services.

##### **MSI leading peers in setting up a risk management unit in Shanghai (March 23)**

MSI will establish its risk management (“RM”) subsidiary in Shanghai, China jointly with IRR, its another subsidiary, planning to open for operation in May. This is the first RM subsidiary in China that a Japanese non-life insurer has set up.

This subsidiary in Shanghai will be the fourth RM business foothold of the office network in the Asian region.

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

### **MS&AD holding a memorial concert of its integration (Jan 7)**

Aioi, Nissay Dowa and MSI jointly sponsored a memorial concert by the orchestra of “Master Players, Wien” at the Tokyo Opera City Concert Hall (located in Shinjuku-ward, Tokyo) on Sunday, April 4 to celebrate the April-1 formation of MS&AD Insurance Group Holdings, Inc. (“MS&AD”)

### **MSIG and its employees donated for Haiti relief from the earthquake disaster (Jan 28)**

Mitsui Sumitomo Insurance Group Holdings, Inc. (“MSIG,” by the commercial name registered as of that date) promote voluntary donations among its group people to relieve the victims and communities in Haiti from the earthquake disaster taken place there in January. As a result, some eight million yen was donated in total via the charity entity channeling to the country. In addition to the sum of about four million yen gathered from the employees, MSIG offered the same amount of donation through its matching gift program for disasters for its corporate account.

### **Brand logo determined for the MS&AG group (Feb 4)**

Aioi, Nissay Dowa and MSI finalized the brand logo of MS&AD Insurance Group Holdings, Inc. which would be formed effective April 1. While the blue-hued, deep green color of the background represents the new group’s promise to the people across the world for its integrity and high quality, the logotype in the neatly cut out letters symbolizes “collective professionalism” of the largest non-life insurance group in Japan.

### **\*11th lecture of Citizens’ Environmental Course on ecology (February 5)**

MSI held the eleventh lecture of the Citizens’ Environmental Course open to public, particularly residents in the neighborhood of the MSI Surugadai Building and people interested in urban greenery and environmental activities.

Mr. Kojiro Iwamoto at the Tama forest research center of the Forestry and Forest Product Research Institute, was invited and delivered a lecture associated with cherry trees, whose bloom is a typically familiar symbol of spring in Japan, for the audience to deepen their knowledge about the trees loved most by Japanese and enjoy learning the profound mysteries of the nature.

## **3. Amateur Sports**

### **Women’s judo**

**2010 Paris Grand Slam** (Feb 6-7)

The MSI club sent three women to the 2010 Paris Grand Slam held in France. Ms. Emi Yamagishi (48 kg class) and Ms Misato Nakamura (52 kg class) were the gold medalists in their classes while Ms Yoshie Ueno (63 kg class) won the bronze medal.

**Judo 2010 World Masters Suwon** (Jan 16-17)

Judo 2010 World Masters Suwon was opened in Suwon, South Korea. This championship games are known as the top of the grand prix games in Judo, participants in which are limited to the world-best 16 Judo wrestlers only in each category.

Ms Yoshie Ueno (63 kg class) won the championship and Ms Hitomi Tokuhisa (57 kg class) was the bronze medalist.

Ms. Emi Yamagishi (48 kg class) ended up with the fifth while Ms. Tomoe Ueno (70kg class) lost in the first round.