Fiscal 2010 Second Information Meeting

December 3, 2010

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

Contents

MS&AD INSURANCE GROUP

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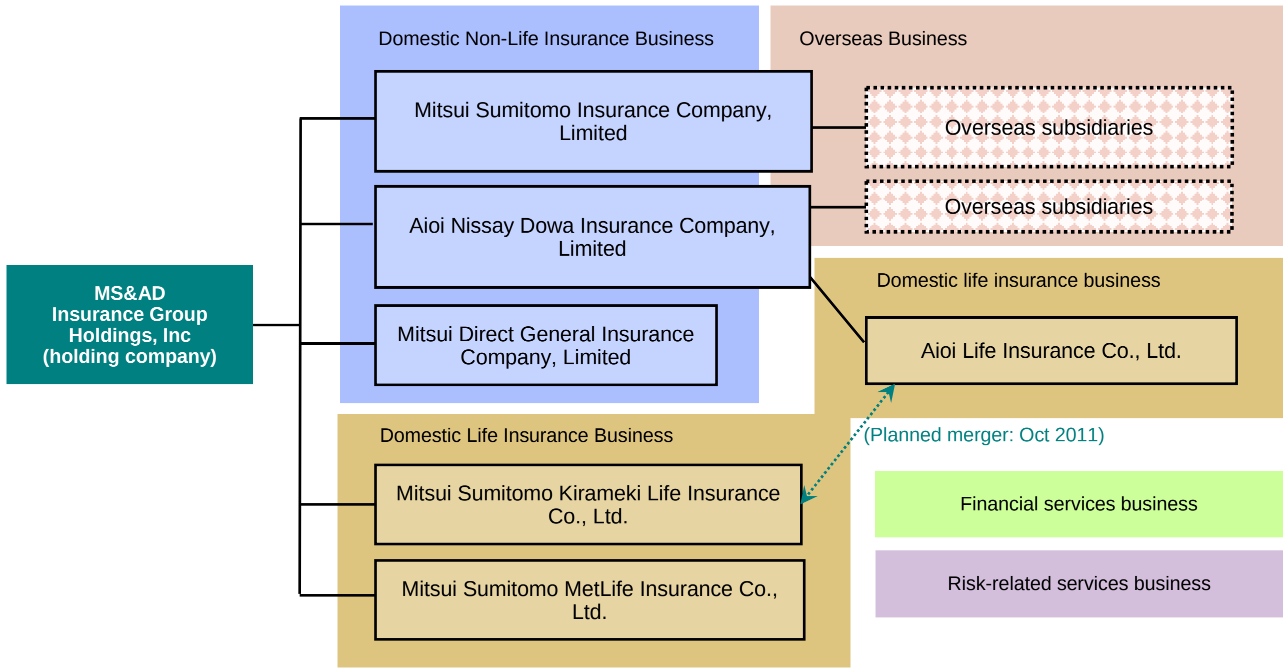
Outline of the Group



In the presentation, the following abbreviations are used for company names.

• **MS&AD Holdings**	**MS&AD Insurance Group Holdings, Inc,**
• **MSIG**	**Mitsui Sumitomo Insurance Group Holdings, Inc**
• **MSI**	**Mitsui Sumitomo Insurance Co., Ltd.**
• **Aioi**	**Aioi Insurance Co., Ltd.**
• **NDI**	**Nissay Dowa General Insurance Co., Ltd.**
• **ADI**	**Aioi Nissay Dowa Insurance Co., Ltd.**
• **Mitsui Direct General**	**Mitsui Direct General Insurance Co., Ltd.**
• **MSI Kirameki Life**	**Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.**
• **Aioi Life**	**Aioi Life Insurance Co., Ltd.**
• **MSI MetLife**	**Mitsui Sumitomo MetLife Insurance Co., Ltd.**

Forward-looking statement

This presentation contains future plans, strategies and earnings forecasts for MS&AD Insurance Group Holdings and Group companies. They are based on information available to the Group at the present time. Investors are advised that actual results may differ substantially from our forecasts for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition within the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

Financial Results for First Half of FY2010 and Projected Financial Results for FY2010 (Full Year)

MS&AD Insurance Group Holdings, Inc.

Financial Results for First Half of FY2010 (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009 H1	FY2010 H1	Change	Growth
Net premiums written	1,275.1	**1,300.5**	**25.4**	**2.0%**
Ordinary profit/loss	116.3	**70.5**	**-45.7**	**-39.4%**
Net income	77.5	**40.0**	**-37.4**	**-48.3%**

* Simple aggregate results of Mitsui Sumitomo Insurance Group Holdings (consolidated), Aioi (consolidated) and NDI (non-consolidated) for FY2009 H1. Figures here and below are presented exclusive of the GRR premiums of the automobile insurance "ModoRich," which contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	Change	Growth
MSI (non-consolidated)	608.2	**623.4**	**15.2**	**2.5%**
Aioi (non-consolidated)	397.8	**407.3**	**9.4**	**2.4%**
NDI (non-consolidated)	154.9	**150.9**	**-3.9**	**-2.6%**
Mitsui Direct General	15.7	**16.2**	**0.4**	**3.0%**
Overseas subsidiaries	98.1	**102.5**	**4.3**	**4.4%**

* Before consolidation adjustment

Breakdown of net income

(¥ bn)

	FY2009 H1	FY2010 H1	Change
MSI (non-consolidated)	49.0	**27.3**	**-21.6**
Aioi (non-consolidated)	16.8	**7.0**	**-9.8**
NDI (non-consolidated)	3.5	**-1.3**	**-4.8**
Mitsui Direct General	-0.4	**0.1**	**0.6**
MSI Kirameki Life	0.0	**0.0**	**0.0**
Aioi Life Insurance	1.1	**0.7**	**-0.3**
MSI MetLife	6.4	**4.5**	**-1.8**
Overseas subsidiaries	9.8	**0.7**	**-9.0**
Other	0.9	**0.1**	**-0.7**
Consolidation adjustment, etc.	-9.8	**0.4**	**10.2**

* Net income of subsidiaries is on an equity stake basis.

MS&AD Insurance Group Holdings, Inc.

<Net premiums written>

- Consolidated net premiums written of the Group totaled ¥1,300.5 billion, an increase of ¥25.4 billion, or 2.0% year-on-year .
- Breakdown of consolidated net premiums written
  - At MSI and Aioi, net premiums written increased by mid 2% range, while at NDI, net premiums written declined.
  - Net premiums written of overseas subsidiaries increased by 4.4% due partly to growth in Asia and the effect of the new consolidation.

<Net income>

- Net income totaled ¥40 billion, a year-on-year decline of ¥37.4 billion.
  - Due mainly to the deterioration in underwriting profit/loss of domestic and overseas non-life insurance, ordinary profit fell by ¥45.7 billion year-on-year.
  - We recorded ¥23.5 billion in temporary expenses as extraordinary losses associated with the 3-way business integration.
- Breakdown of net income
  - MSI experienced a ¥24.2 billion decline in ordinary profit. As extraordinary profit/loss fell, interim net income underperformed FY2009 levels by ¥21.6 billion.
  - Aioi experienced a ¥3.5 billion decline in ordinary profit, while NDI enjoyed a ¥100 million increase in ordinary profit.

    Due to business-integration-related expenses, interim net income for Aioi and NDI fell by ¥9.8 billion and ¥4.8 billion year-on-year, respectively.
  - Due mainly to the deterioration in income in Europe, interim net income of overseas subsidiaries underperformed FY2009 levels by ¥9 billion.
  - Consolidation adjustment, etc. includes income of ¥13.5 billion on the generation of negative goodwill and ¥7.6 billion in the adjustment for differences from purchase-method associated with the accounting treatment of business integration.

Projected Financial Results for FY2010(Full Year) (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009	FY2010 (forecast)	Change	Growth
Net premiums written	2,519.0	**2,580.0**	**61.0**	**2.4%**
Ordinary profit/loss	99.1	**71.0**	**-28.1**	**- 28.4%**
Net income	57.3	**40.0**	**-17.3**	**- 30.2%**

Breakdown of net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)	Change	Growth
MSI (non-consolidated)	1,203.7	**1,231.0**	**27.3**	**2.3%**
Aioi Nissay Dowa Insurance (non-consolidated)	1,106.7	**1,131.0**	**24.3**	**2.2%**
Mitsui Direct General	32.4	**34.5**	**2.1**	**6.4%**
Overseas subsidiaries	176.1	**183.5**	**7.4**	**4.2%**

* Before consolidation adjustment
* FY2009 figures for Aioi Nissay Dowa Insurance are a simple aggregate of the results (non-consolidated) for NDI and Aioi.

Net income

(¥ bn)

	FY2009	FY2010 (forecast)	Change
MSI (non-consolidated)	25.4	**33.0**	**7.5**
Aioi Nissay Dowa Insurance (non-consolidated)	21.2	**2.0**	**-19.2**
Mitsui Direct General	-0.6	**0.0**	**0.7**
MSI Kirameki Life	0.0	**-5.1**	**-5.1**
Aioi Life Insurance	1.3	**-1.0**	**-2.3**
MSI MetLife	4.4	**6.2**	**1.8**
Overseas subsidiaries	17.2	**7.4**	**-9.8**
Other	0.6	**0.3**	**-0.3**
Consolidation adjustment, etc.	-12.3	**-2.9**	**9.4**

* Net income of subsidiaries is on an equity stake basis

<Net premiums written>

- We forecast that net premiums written (consolidated) for the Group will amount to ¥2,580 billion, an increase of ¥61 billion, or 2.4% year-on-year.
- Breakdown of premiums written (consolidated)
  - MSI is expected to enjoy a ¥27.3 billion rise in net premiums written year-on-year, which are forecast to total ¥1,231 billion.
  - Aioi Nissay Dowa Insurance is expected to enjoy a ¥24.3 billion rise in net premiums written, which are forecast to total ¥1,131 billion.
  - Mitsui Direct is expected to enjoy a ¥2.1 billion (6.4%) rise in net premiums written, which are forecast to total ¥34.5 billion.
  - Overseas subsidiaries are expected to enjoy a ¥7.4 billion increase in net premiums written, which are forecast to total ¥183.5 billion.

<Net income>

- Net income is expected to fall by ¥17.3 billion year-on-year to ¥40 billion, due partly to business-integration-related expenses.
- Breakdown of net income
  - At MSI, both underwriting profit and net investment income are expected to outperform FY2009 levels, with net income totaling ¥33 billion (an increase of ¥7.5 billion).
  - At Aioi Nissay Dowa Insurance, net income is expected to fall by ¥19.2 billion year-on-year to ¥2.0 billion, due partly to business-integration-related expenses.
  - At Mitsui Direct General, net income is expected to increase by ¥700 million, bringing it into the black.
  - At MSI Kirameki Life, in addition to plans to set aside a lump sum provision for standard underwriting reserves, business-integration-related expenses are expected to be incurred towards the merger in the foregoing period. Therefore, net income is forecast to fall to -¥5.1 billion, a decrease of ¥5.1 billion year-on-year.
  - Aioi Life is also expected to incur business-integration-related expenses, with net income forecast to fall by ¥2.3 billion year-on-year to total -¥1 billion.
  - MSI MetLife is expected to enjoy a net income increase of ¥1.8 billion year-on-year, with net income forecast to total ¥6.2 billion.
  - Overseas subsidiaries are expected to experience a ¥9.8 billion decline in net income, with net income forecast to total ¥7.4 billion.
  - Consolidation adjustment, etc. is expected to include incur income of ¥13.5 billion on the generation of negative goodwill and a loss of ¥10.7 billion in the adjustment for differences from purchase-method associated with the accounting treatment of business integration.

MS&AD Insurance Group / Group Strategies

MS&AD Insurance Group Holdings, Inc.

The Quest to Achieve our Medium-Term Targets

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"Medium-term targets" = numerical targets outlined in the MS&AD Group medium-term management plan “MS&AD New Frontier 2013,” (announced: April, 2010)

FY2009 (pre-business integration) figures are an aggregate of the results for MSI Group, Aioi and NDI

	FY2009 (actual, full year)	FY2010 (full year, forecast)	FY2011 (target)	FY2013 [target]
Consolidated net premiums written (Non-Life)	¥2,519.0 billion	¥2,578.8 billion	approx. ¥2,600.0 billion	¥2,700.0 billion
Annualized premium in force (Life) *1	¥268.1 billion	¥274.4 billion	approx. ¥290.0 billion	¥330.0 billion

	FY2009 (actual, full year)	FY2010 (full year, forecast)	FY2011 (target)	FY2013 [target]	FY2013 (ratio)
Group Core Profit *2	¥33.8 billion	¥50.7 billion	approx. ¥80.0	¥150.0 billion	(100%)
Domestic non-life insurance business	¥19.9 billion	¥40.7 billion	approx. ¥50.0	¥100.0 billion	(67%)
Domestic life insurance business	¥5.8 billion	¥2.4 billion	approx. ¥8.0 billion	¥15.0 billion	(10%)
Overseas business	¥13.1 billion	¥6.4 billion	approx. ¥17.0 billion	¥30.0 billion	(20%)
Financial services business /Risk related services business	-¥5.1 billion	¥1.2 billion	approx. ¥2.0 billion	¥5.0 billion	(3%)
ROE based on Group Core Profit *3	2.0%	2.9%	Approx 4%	7%	

*1: Total of Annualized premium in force of MSI Kirameki Life and Aioi Life (excluding group insurance)
*2: Group Core Profit = consolidated net income – net capital gains/losses on stock portfolio (gains/losses from sale, etc.) – net evaluation gains/losses on credit derivatives – other incidental factors + equity in earnings of the non-consolidated group companies
*3: " ROE based on Group Core Profit " = Group Core Profit ÷ consolidated shareholders’ equity (excluding minority interest; average of starting and ending amounts)

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Status of "Group Core Profit"

- Group core profit results for the first half of FY2010 are as follows:

	FY2010 H1
Group Core Profit	¥52.4 billion
Domestic non-life insurance business	¥43.8 billion
Domestic life insurance business	¥5.5 billion
Overseas business	¥2.6 billion
Financial services business / Risk related services business	¥0.7 billion

- Due partly to the lower profit at overseas business domain mainly due to the setback in revenue in Europe, full year projection has been somewhat lowered from the forecast at the beginning of the year, from ¥53.0 billion to ¥50.7 billion.
  - Revised projections are displayed in a table in the slide above as “FY2010 (full year, forecast)“
- Core profit for the "domestic life insurance business" in " FY2010 (full year, forecast)" reflects the factor that MSI Kirameki Life will book ¥7.9 billion as a standard underwriting reserve in FY2010)

The quest to achieve our medium-term targets

- In the quest to achieve our medium-term targets, we consider that the improvement of underwriting profit in the domestic non-life insurance is a key issue, as well as capitalizing on merger synergies and cost reduction. We will implement various actions to resolve these issues.

Projected Integration Costs and Synergistic Effects (including life insurance domain)

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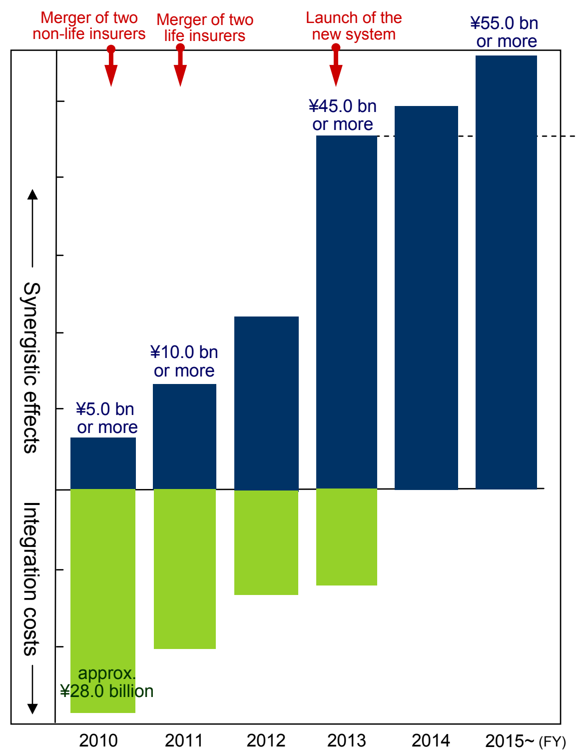
Representation of integration costs and synergistic effects (including life insurance domain)



Synergistic effects: (annual, vs. FY2008)

■ Projected synergistic effects (including the effects of merger of two life insurers) during FY2013

■ Projected synergistic effects (annual) from FY2015 onwards

		¥45.0 billion or more, per year	¥55.0 billion or more, per year
Cost reduction effects	● Streaming costs for system development and operation contributed by system integration	¥13.0 billion	Cost efficiencies in system development/operation ¥21.0 billion
	● Integrating sales and claims handling facilities; using real estate effectively ● Streamlining printing/distribution costs	¥11.0 billion	¥11.0 billion
	● Operations, structural revisions will enhance the cost efficiency of subcontracting, activities and HR	¥15.0 billion	¥15.0 billion
Synergistic effects	● Prioritizing the allocation of management resources into growth markets and cultivating a friendly client market ● Improving the loss ratio through the underwriting and loss-prevention expertise of each company; utilizing mutual global networks	¥7.0 billion	¥8.0 billion

Integration costs

Expected temporary costs of systems integration (cumulative):

Non-life insurance domain: ¥70 billion

Life insurance domain : ¥15 billion

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■ Integration costs (temporary costs associated with the integration of systems and bases):

- In the non-life insurance domain, we expect to incur cumulative costs of ¥70.0 billion
- In the life insurance domain, we expect to incur cumulative costs of ¥15.0 billion
  - ⇒ We expect to incur total cumulative costs of approx. ¥85.0 billion by FY2013 for life and non-life combined.
- In FY2010, we expect to incur the costs of approx. ¥23.0 billion associated with the integration of the two non-life insurers and the new system, and approx. ¥5.0 billion associated with the merger of the two life insurers.

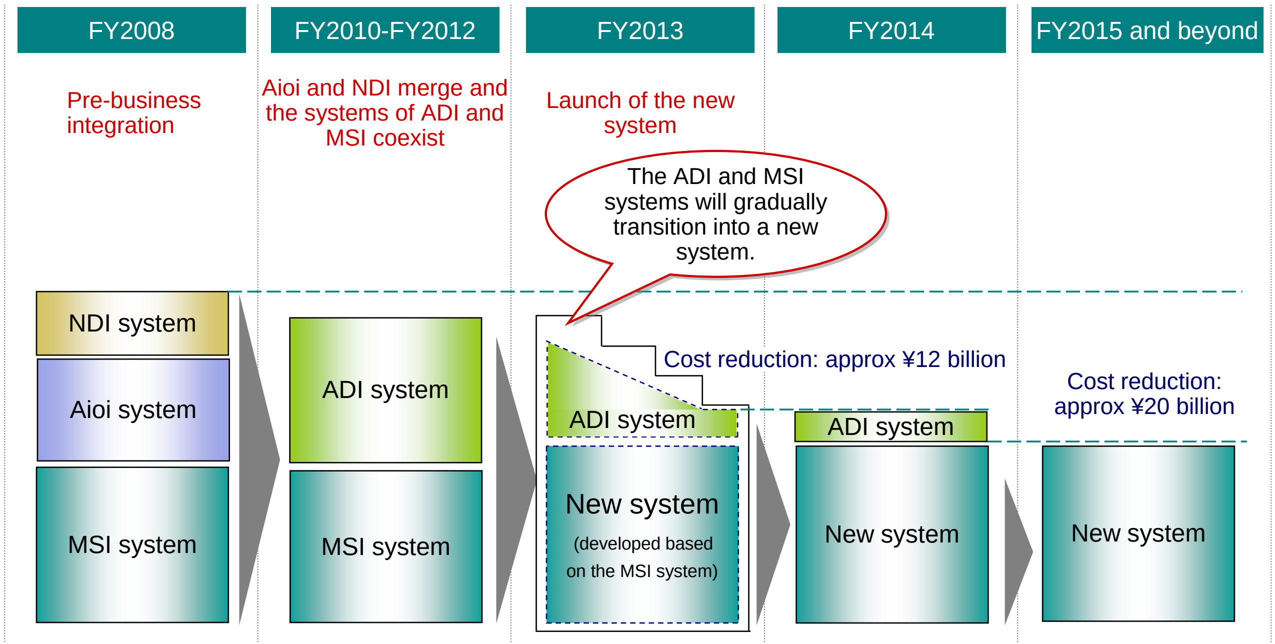
■ Synergistic effects

- In FY2010, by reducing the business expenses that will accompany the merger of the two non-life insurers (reducing system operating expenses and enhancing efficiency through the integration of bases), we expect ¥5.0 billion or more synergistic effects.
- In FY2011, in addition to the effects contributed by the merger of non-life insurers during the year, we will aim to realize synergistic effects of ¥10.0 billion or more group-wide by promoting joint endeavors in which MSI will be a participant.
- In FY2013, we will strive to enhance efficiency through the system integration and realize group-wide (including life insurance) synergistic effects of ¥45 billion or more.

Even if the integration costs and synergistic effects of the merger of the two life insurers is taken into account, our projection that synergistic effects (cumulative) would exceed integration costs (cumulative) by FY2013 at the latest would remain unchanged.

System Integration Schedule

System integration schedule (Non-Life)



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■ Concept of the new integrated system in the non-life insurance domain

To build a joint infrastructure (with MSI system based) that leverages the strengths of both MSI and ADI.

- ✓ A common platform will be developed and work processes will become shared and standardized.
- ✓ Efficiency and quality will be enhanced through sharing and standardization of administration.
- ✓ The information of the company and its agencies will be integrated and used to strengthen customer service.

Reduction in cost, accelerating development and streamlining work processes

■ Cost-reduction effect of integrating non-life insurance systems (compared to FY2008)

FY2013	:	approx. ¥12 billion (projected)
FY2015 and beyond	:	approx. ¥20 billion (projected)

Integration of Affiliates

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Affiliates

By October 2010, 14 companies will become 5

■ April, 2010

<Risk Consulting Area> — Completed
- InterRisk Research Institute & Consulting
- Aioi Risk Consulting
- Phoenix Risk Research Institute

The 3 companies merge

InterRisk Research Institute & Consulting, Inc.

<Investigation and Research Area> — Completed
- MSK Research Institute
- Aioi Research Institute

The 2 companies merge

MS&AD Research Institute Co., Ltd.

<Temporary Staffing Area> — Completed
- Mitsui Sumitomo Insurance Staffing Service
- Aioi Hoken Sogo Service
- NDI Career Services

The 3 companies merge

MS&AD Staff Service Co., Ltd.

<Financial and Guaranty Area> — Completed
- MSI Loan Services
- Aioi Insurance Finance

The 2 companies merge

MS&AD Loan Services Co., Ltd.

■ October, 2010

<<General Services and Real Estate Area>> — Completed
- MSK Building Services
- Aioi Hoken Sogo Service
- MSK
- NDI Building Management
- NDI Business Services

5 companies merge

MS&AD Business Support Co., Ltd.

■ October, 2011 (planned)

<<Road Assistance Services Area>>
- InterPartner Assistance Japan ,Ltd.
- Anshin Dial Co., Ltd. (affiliated company)

Negotiations are underway with a view to merge the 2 companies

We also plan to integrate the affiliates in each of the back-office processing area and systems area.

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- In April, 2010, in addition to the launching of MS&AD Insurance Group, 10 companies in 4 areas were merged into 4 companies.

- In October, 2010, for the purpose of sharing works in the general services and real estate area, 5 companies were merged into 1 company.

- Future Plans
  Discussions are currently underway with a view to back office services becoming shared.
  - Back-office processing area : In April, 2011, 3 companies will merge into 1 company.
  - Systems area: In October, 2011, 3 companies will merge into 1 company.

- Road Assistance Service Area: Discussions are underway with a view to merging 2 companies in October, 2011.

⇒ We are aiming to significantly streamline affiliate operations

- In our overseas businesses domain, integration of bases and functions are in progress.
  - Indonesia: The local overseas subsidiary of MSI merged with the local overseas subsidiary of Aioi.
  - Malaysia: Overlapping bases were reorganized
  - China: Overlapping bases were reorganized (Shanghai, Tianjin)
  - New Zealand: Claim management handlers were integrated

Growth Strategy (Aioi Nissay Dowa Insurance)

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Enhancing efficiency

Effects of enhancing efficiency in FY2013 (vs. FY2008) — **over ¥20 billion**

- Cost efficiencies in system development/operation contributed by system integration
- Integration in areas of products and services will enhance the cost efficiency of printing, subcontracting etc.
- Cost efficiencies by integration of 2 companies' local offices (sales and claims handling facilities) and developing work operations
- Other efficiency enhancements

\+

Generation of additional human resources through the merger

Shift to key priority areas

Growth strategies

- **Developing channel networks**
  We are developing a retail market network by linking professional insurance agents with various agents
- **Toyota market**
  Supporting the expansion of insurance handled by dealers and strengthening our alliance with Toyota Group companies
- **Nissay market**
  Evolving cross-sales of life and non-life products using sales staff channels and developing the small-to-medium commercial market by cooperating with professional insurance agents
- **Corporate and financial market**
  In cooperation with Nippon Life Insurance, cultivating customers beyond the boundaries of the affiliate group
- **New markets**
  Strengthening businesses in new markets such as small-amount short-term insurance, fraternal insurance, nursing-care/health insurance and the mobile area
- **Overseas business**
  Leveraging the Group's extensive overseas networks and strengthening our alliances with Toyota and Nippon Life Insurance

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- We will strive to create cost efficiencies and generate additional human resources through the merger as soon as possible, while placing top priority on achieving smooth operations in the new company.
- With the merger in October, 2010, we consolidated our domestic sales and claims handling bases, reducing their number by 179.

Pre-merger (End FY2009)	Two-company total	**1,007**	bases
	(Aioi Insurance	664	bases)
	(Nissay Dowa General Insurance	343	bases)
Post-merger (October, 2010)	Aioi Nissay Dowa Insurance	**828**	bases

- Business resources created by the merger will be shifted into key strategic areas and we will strive to increase our top line, expand business areas and provide high-quality services.
- Thus, we will achieve sustainable growth that hinges on a corporate culture of balanced expansion, profitability and financial soundness.

Toyota Market Strategy (Aioi Nissay Dowa Insurance)

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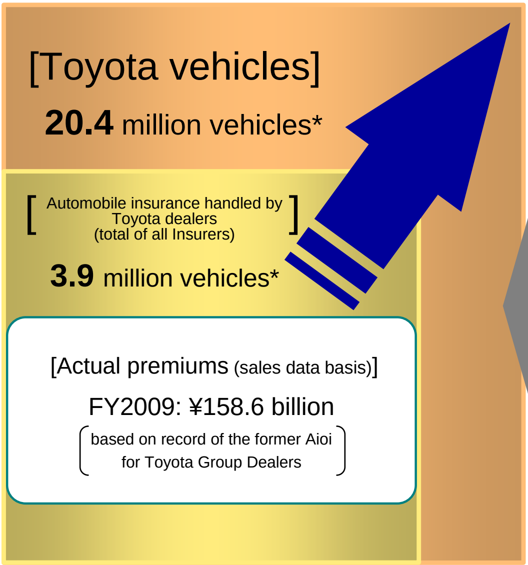
In our quest to ongoing growth, we will achieve increase the amount of insurance business handled by Toyota dealers by accelerating the expansion of insurance transactions with Toyota vehicle users, a market that still has plenty of room to grow, as well as selling insurance to new Toyota users.

Toyota dealer market



* Figures are company estimates

Initiatives underway at the new company

■ New users

- **Strengthening activities for promoting insurance when vehicles are sold**
  Insurance quotation functions have been installed in Toyota dealer systems for promoting insurance to all of the new users

■ Users who already own an automobile

- **Activities for promoting automobile insurance at the time when vehicles are serviced**
  Developing insurance promotional activities that will capitalize on vehicle maintenance opportunities
- **Dealers' corporate customers**
  Promoting the cultivation of fleet and *mini-fleet* customers

- The Toyota market is a huge market with over 20 million automobiles. At Aioi Nissay Dowa Insurance, revenues from actual premiums* for Toyota Group dealers in FY2009 totaled ¥158.6 billion, an increase of 3.0 percentage points year-on-year.
  (* Actual premiums is based on sales data of the former Aioi insurance)

- The actual premiums* for the first half of FY2010 totaled ¥79.5 billion, an increase of 3.6 percentage points year-on-year, as ongoing growth was sustained.

- In our quest to increase the amount of insurance business handled by Toyota dealers, we will support dealers by…
  - Strengthening activities for promoting insurance to new users when vehicles are sold
  - Taking advantage of opportunities when vehicles are in depot storage by strengthening activities for promoting insurance to users who already own a vehicle, particularly activities for promoting fleet and *mini-fleet* insurance to corporate customers.

- We will leverage expanded response capabilities on-the-ground which was brought about by the merger in an effort to increase the amount of insurance business handled by Toyota dealers.

Nissay Market Strategy (Aioi Nissay Dowa Insurance)

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We will strengthen our handling of organization/systems-related and product/services-related aspects with a view to selling non-life insurance to Nippon Life Insurance customers, whom we can anticipate will grow in number in the future. In this way, we will achieve continuous growth.

Nippon Life Insurance's policyholder market

- Individual customers: approx. 10 million
- Corporate customers: approx. 230,000

Cooperation in the wholesale segment

Development of the Nippon Life Insurance market

FY2009: approx. ¥148.4 billion

(Record of premiums written by the former Nissay Dowa Insurance)

Cooperation with the TS sales staff channel＋professional agents

Accelerating the development and deepening of growth markets

Nissay market-related matters that must be strengthened with the launching of the new company

■ Organization/systems-related aspects

- Establishing a new internal organization that will specialize in handling Nippon Life Insurance-related business
- Strengthening systems by boosting staff numbers

■ Product/services-related aspects

- Introducing a voluntary automobile insurance plan for TS sales staff*
- Enhancing the quality of claims servicing
- Expanding and strengthening infrastructure for providing information

*TS sales staff: Nippon Life Insurance sales staff with non-life insurance qualifications

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■ The Nissay market is one that we can anticipate will experience further growth going forward; through the evolution and development of the current business model, we will accelerate the development and deepening of growth markets.

<Organization/systems-related aspects>

- Establishing a new internal organization that will specialize in handling Nippon Life Insurance-related business
  - In the headquarters, "Nissay Business Development Department" is responsible for summarized contact functions with the various departments of Nippon Life Insurance;
    new organizations specialize in handling Nippon Life Insurance-related business/policies in inner-city areas where Nippon Life Insurance bases are concentrated.
  - "TS General Affairs Departments" maintain and enhance the quality of administrative affairs.
- Strengthening systems by boosting staff numbers
  - We increased the number of staff who resides in Nippon Life Insurance branches, and strengthened systems for cultivating major corporate customers.
  - We will expand the number of professional agents who will cooperate with the Group to cultivate corporate customers of Nippon Life Insurance (Nissay Agent Partners), and strengthen their functions.

<Product/service-related aspects>

- Introducing a voluntary automobile insurance plan for TS sales staff
  - We introduced a special product and increase and enhance our promotional sales tools.
- Enhancing the quality claims servicing
  - We established a dedicated accident hotline for customers of TS sales staff.
- Expanding and strengthening infrastructure for providing information
  - We launched a dedicated mobile website for customers of TS sales staff.

Business Alliances with Life Insurance Companies (MSI)

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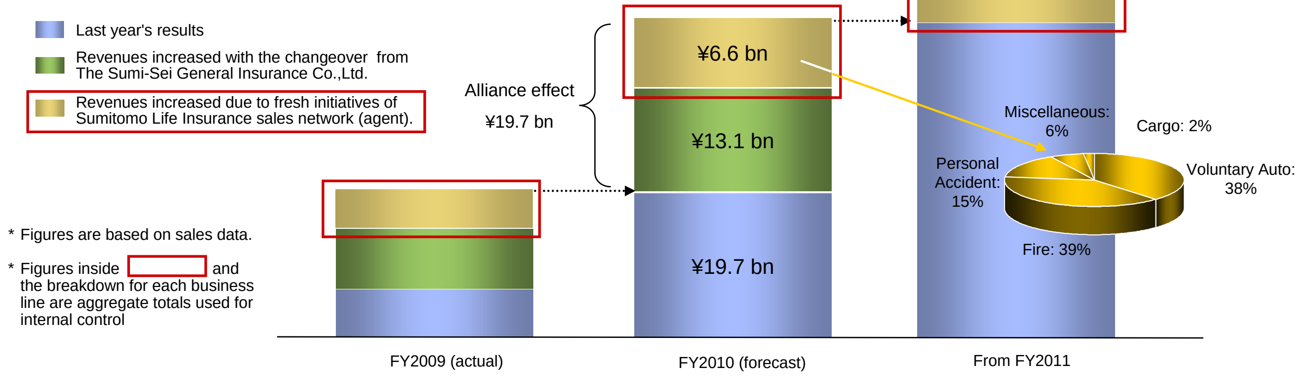
Alliance with Sumitomo Life Insurance Company

- Revenues are steadily increasing contributed from new marketing activity.
- Based on net premiums written, the increased revenue effect in the first half of FY2010 was ¥11.5 billion.



Alliance with Mitsui Life Insurance Company

- Mitsui Life Insurance company is continuing to bolster non-life insurance agency business, regarding it as "the second primary business: core business".

Results for the first half of FY2010	Total for major insurance classes	Voluntary Auto	Fire	Personal Accident	Miscellaneous
Premiums (based on sales data)	¥5.1 bn	¥3.6 billion	¥1.0 billion	¥0.3 billion	¥0.1 billion
Growth rate	1.6%	0.7%	5.9%	0.4%	0.9%

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Alliance with Sumitomo Life Insurance Company

- Based on net premiums written, the increased revenue effect of Sumitomo Life Insurance (agent) in the first half of FY2010 was ¥11.5 billion.

- Although the changeover of policies from The Sumi-Sei General Insurance Co.,Ltd. is nearly complete, it is planned that the strong sales system that we developed between approx. 30,000 of its sales staff at 2000 sales branches of Sumitomo Life Insurance, and MSI branch offices located nationwide will continue contributing to revenues.

End of Sep, 2010:	Changeover of voluntary automobile insurance will be complete.
End of Dec, 2010:	Changeover of all product lines other than voluntary automobile insurance will be complete.
Jan 2011:	All remaining policies, such as long-term policies, will change hands

* Even in October, when the voluntary automobile insurance changeover had run its course, the growth rate remained high at 8.2%.

Efforts to Improve Underwriting Results

MSI (Excluding CALI)

	FY2009	FY2010 (forecast)		FY2010 H1	
			Change		Year-on-year Change
Net premiums, growth rate	-2.0%	2.5%	4.5pt	2.4%	5.7pt
Combined ratio	101.5%	99.8%	-1.7pt	96.7%	-0.3pt
Net loss ratio	65.7%	64.2%	-1.5pt	62.3%	-0.2pt
(EI loss ratio (excluding loss adjustment expenses))	58.5%	57.3%	-1.2pt	57.0%	3.6pt
Net expense ratio	35.8%	35.6%	-0.2pt	34.4%	-0.1pt
Net commission ratio	18.5%	18.8%	0.3pt	18.7%	0.4pt
Net company expense ratio	17.3%	16.8%	-0.6pt	15.7%	-0.5pt

ADI (Excluding CALI)

	FY2009 *	FY2010 (forecast)		FY2010 H1 *	
			Change		Year-on-year Change
Net premiums, growth rate	-0.9%	2.4%	3.3pt	0.7%	1.8pt
Combined ratio	99.1%	98.8%	-0.3pt	98.2%	1.3pt
Net loss ratio	63.3%	62.3%	-1.0pt	62.3%	1.0pt
(EI loss ratio (excluding loss adjustment expenses))	61.4%	59.3%	-2.1pt	59.0%	2.8pt
Net expense ratio	35.8%	36.5%	0.7pt	35.9%	0.3pt
Net commission ratio	18.8%	19.1%	0.3pt	19.2%	0.4pt
Net company expense ratio	17.0%	17.4%	0.4pt	16.7%	-0.1pt

* Figures for FY2009 and FY2010 H1 are on a two-company combined basis

MSI

< Overview of the First Half of the Fiscal Year >

- Premiums increase contributed to a.0.2 percentage point fall in the net loss ratio, but the earned-incurred loss ratio deteriorated by 3.6 percentage points, mainly owing to rising incurred losses in voluntary automobile insurance.
- Although the commission ratio increased, net business expenses fell by 0.1 percentage point mainly due to a decline in systems-related expenses.

<Improvement Initiatives>

- Loss ratio: We will seek to improve profits from voluntary automobile and personal accident insurance by raising the premium rates in line with revisions to the "Reference Loss Cost Rates." Meanwhile, we will reduce loss cost by tightening front-office underwriting, and effectively counteracting high loss ratios of individual policyholders and agents through interdivisional cooperation between the sales department and the loss adjustment department.
- Expense ratios: As well as anticipating integration synergies (mainly around system costs) we revised the commission system (which will be applied from FY2011) with the aim of bringing down expense ratios in the mid-to-long term.

Aioi Nissay Dowa Insurance

< Overview of the First Half of the Fiscal Year >

- Although loss adjustment expenses fell, claims paid increased, lifting up the net loss ratio by 1.0 percentage point year-on-year. The earned-incurred loss ratio rose by 2.8 percentage points, mainly owing to an increase in incurred losses for voluntary automobile insurance.
- The net expense ratio increased by 0.3 percentage point due to a rise in the net commission ratio.

<Improvement Initiatives>

- Loss ratio: We revised the voluntary automobile and personal accident insurance premium rates and systems in light of the revised "Reference Loss Cost Rates" at the time of the merger. We will also implement measures to strengthen underwriting discipline.
- Expense ratios: Although costs will temporarily increase due to the merger, we will seek to achieve merger synergies and enhance efficiency.

Initiatives to Improve Voluntary Automobile Insurance Underwriting Results (MSI)

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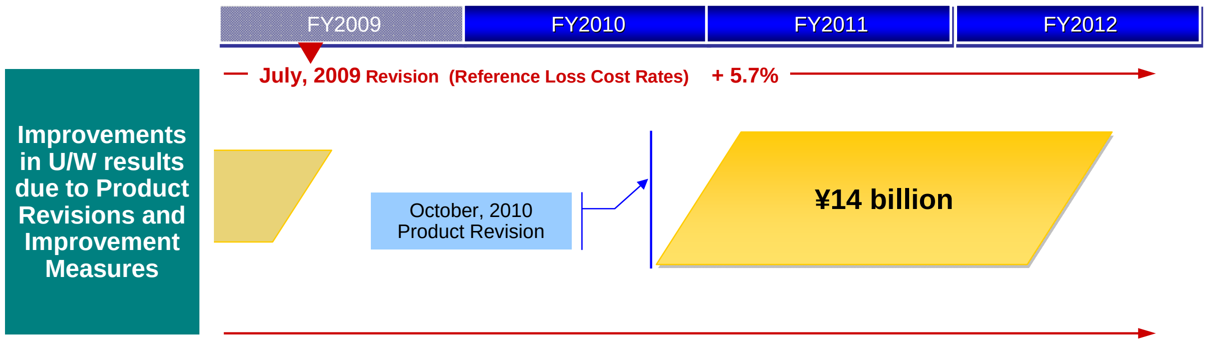
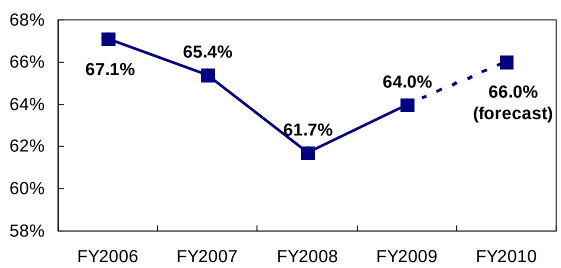
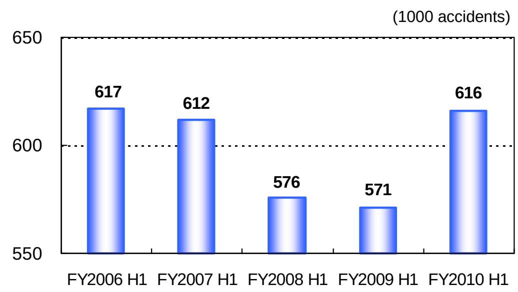
Product Revisions and Measures for Improving Underwriting results, and their Outcomes



EI Loss Ratio Trends (excluding loss adjustment expenses)



Trends in the Number of Accidents (excluding natural disasters)



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Underwriting Results

- At the end of September 2010, the EI loss ratio had deteriorated by 5.0 percentage points year-on-year to 66.7%.
- This was likely a result of the sudden increase in the frequency of claims (especially collision damage and property indemnity coverage) due to a recovery in traffic volume; the number of accidents also increased sharply, up 107.8% year-on-year (excluding natural disasters).

Efforts to Improve Underwriting Results

- The premium rate was revised in October, 2010 to reflect the July, 2009 “Reference Loss Cost Rates*” revision (+5.7%)

<Main Recent Premium Rate Revisions>

July, 2008	The premium rate was revised with the reduction/abolition of provisions and discounts.
October, 2009	In light four-wheeled passenger vehicles for private use, the premium rate was revised along with the introduction of a new car discount.
October 2010	The premium rate was revised to reflect the “Reference Loss Cost Rates” revision.

- Enhancement of consulting activities to agents and fleet policyholders with high loss ratios
- As a result of the above, we anticipate a ¥14 billion profit improvement.

Reference Loss Cost Rates*: Non-Life Insurance Rating Organization of Japan collects large quantities of data from member insurance companies and calculate Reference Loss Cost Rates (advisory pure risk premium rates) for automobile insurance,

Initiatives to Improve Voluntary Automobile Insurance Underwriting Results (ADI)

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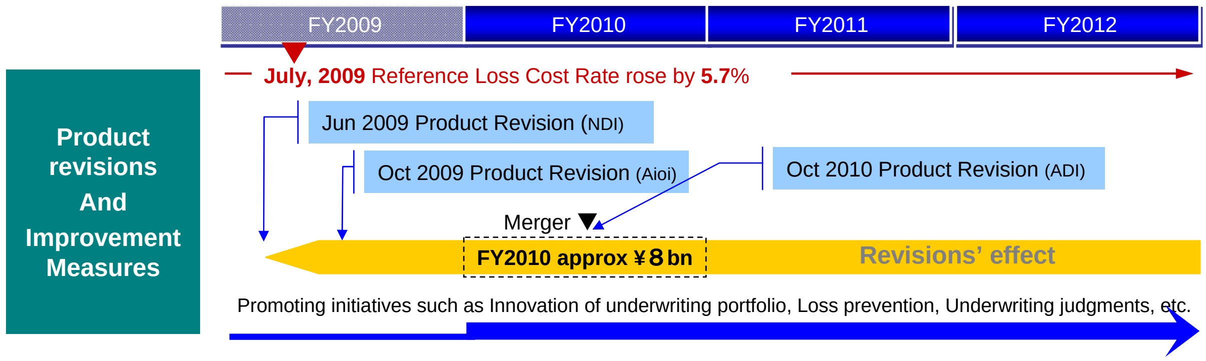
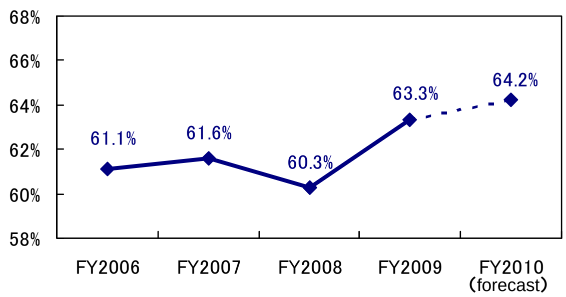
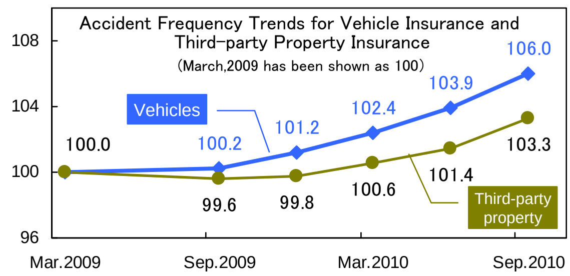
Product revisions and measures for improving underwriting results



EI Loss Ratio Trends (on a 2-company combined basis, excluding loss adjustment expenses)



Accident Frequency Trends (on a 2-company combined basis)



MS&AD Insurance Group Holdings, Inc.

Underwriting Results

- At the end of September, 2010, EI loss ratios (on a two-company combined basis, excluding loss adjustment expenses) had risen by 65.8%, a deterioration of 5.6 percentage points year-on-year.
- The main reason was an increase in the frequency of vehicular accidents and property damage caused by automobiles due to a recovery in traffic volume, etc.

Efforts to Improve Underwriting Results

- In FY2009, both companies began revising premium rates in view of the deteriorating situation around income and expenditures. Furthermore, with the launch of the new company (October, 2010), the new product “Tough Car Insurance” was launched onto the market and the “Reference Loss Cost Rates” were also partly reflected.

  ⇒ The year-long outcome of these revisions for FY2010 was approximately ¥8.0 billion (including FY2009 revisions)
- Trough promoting initiatives such as switching to risk-segmented products and revising insurance coverage, we will achieve Innovation of underwriting portfolio, that strikes a good balance between customers’ needs and improving underwriting results.
- Strengthening initiatives such as detailed underwriting judgments for sections, branches, agents and dealers and activities to propose accident-prevention measures for fleet policyholders.
- Fully complying with underwriting policies, the cornerstone of revenues, based on impartiality and fairness.

Status of AUM (simple aggregate for MSI, Aioi and NDI)

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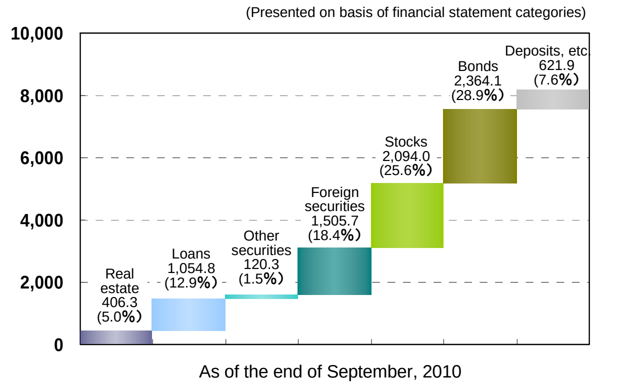
AUM balance and composition ratios by asset (¥ bn)



Bond balance by rating (¥ bn)

Rating Level	Domestic Issuers		Overseas Issuers	
	Balance	(Ratios)	Balance	(Ratios)
AAA	1,245.6	(52.7%)	507.9	(60.0%)
AA	744.1	(31.5%)	156.3	(18.5%)
A	326.2	(13.8%)	166.2	(19.7%)
BBB	41.2	(1.7%)	11.8	(1.4%)
BB & low er	6.8	(0.3%)	3.7	(0.4%)
Total	2,364.1	(100.0%)	846.0	(100.0%)

Simple aggregates of figures allocated by internal ratings rendered to the bonds by respective bondholders; MSI, Aioi and NDI.

Pursuing sustainable NAV growth while conducting proper risk control

Risk management/ALM

- Enhancing the precision of credit exposure control for each obligor
- Enhancing the precision of integrated risk management
- Implementing ALM

Investment strategies

- Enhancing investment capabilities by leveraging the scale merit of a larger asset base and sharing the know-how of Group companies
- Selling strategic equity holdings .

Infrastructure

- Reassessing the functions of back, middle and front offices from the perspective of further enhancing investment efficiency.

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- 98% of the balance of bond holdings (simple aggregate of MSI, Aioi and NDI) are in the A-ratings or higher range. Furthermore, the ratio of “risk-monitored loans” (as defined by insurance and banking laws) is as low as 1%.

For more information about the asset management portfolio of each company, please refer to page 1-(1),(2) of the appendix.

- Under the framework of the Group’s “integrated risk management,” we continually monitor credit risk through Group-wide “internal ratings” and “exposure limit to same entity” (limit of our exposure to one group after all accounts held by the same group have been aggregated) etc. systems that we have developed.
- We will enhance the precision of management methods, including ALM and cross-sectional credit exposure management

Domestic Life Insurance Business (1) MSI Kirameki Life

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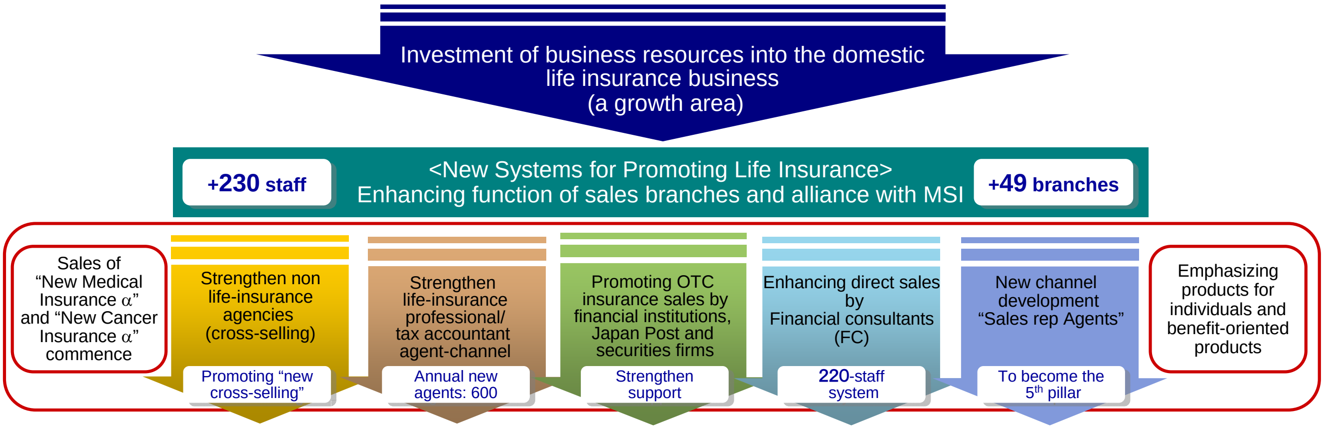

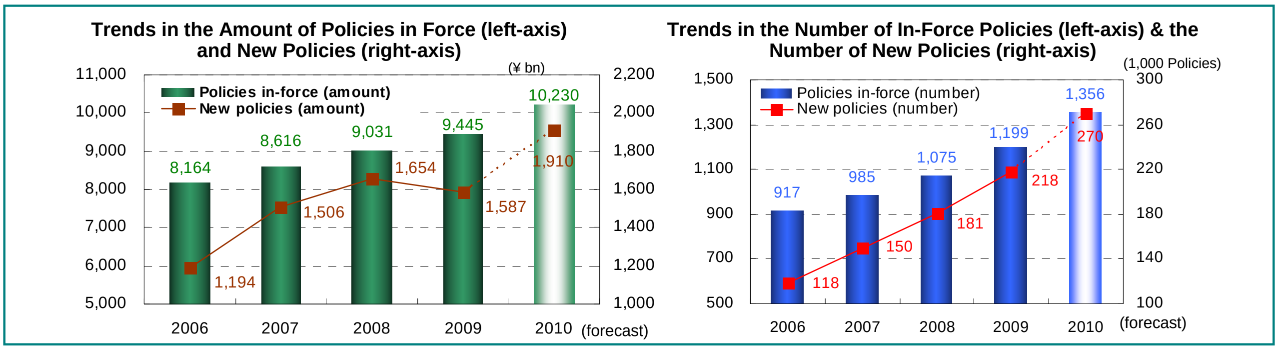

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MSI Kirameki Life

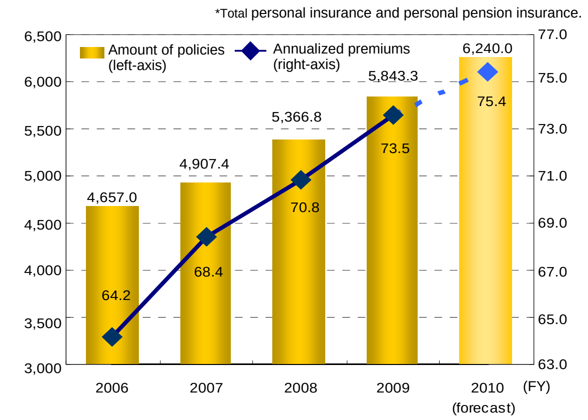
- Starting from FY2009, life insurance sales outlets have been increased (49 branches), the number of staff has been increased (230) and “new systems for promoting life insurance” in coordination with MSI has been established.
- In addition to cross-selling, where agents sell life insurance to their existing non-life insurance customers, we will strive to maximize life insurance sales through links with FC (direct sales staff) and life insurance professional agents (new cross-selling).
- We will endeavor to install and manage life insurance professional agents and tax accountants (agents) at 600 outlets per year.
- In terms of insurance sales by banks, we will strive to further expand and reinforce “Kirameki’s forte”, training and support system.
  * Sales rankings (reference: our investigations):
  over-the-counter sales of financial institutions in Japan (as of the end of September):
  The 1st sector risks (life insurance): No. 3, The 3rd sector risks (medical insurance): No. 2
- The number of currently employed FCs (direct sales staff) will be expanded into a 220-staff by the end of fiscal year 2010.
- Newly employed “sales rep agents” have been expanded until they account for approximately 5% of all premiums of the company at the end of September, 2010; we will continue to strengthen and expand these agents as the 5th pillar of our sales network.
  * We employed and integrated into our organization as agents 300 external employees from MassMutual (from January, 2010 onwards)
- New products “New Medical Insurance α” and “New Cancer Insurance α”: sales commenced in March, 2010. These products have been a big hit, with over 70,000 sales as of the end of September.
- Fiscal year-end forecast: the amount of policies in force is expected to reach ¥10 trillion and the number of policies in force is forecast to exceed 1.3 million

Domestic Life Insurance Business (2) Aioi Life

Pillars of our Business Strategy

Strengthening our sales platforms	Strengthening our earnings foundation
• Expanding cross-sales • Developing new markets	Expanding sales of income security insurance

The amount of policies and annualized premiums [Policies in Force] (¥bn)



Strengthening our sales platforms

- Cultivating agents (A-rank* and above) → Target: 1,000 agents
  *Amount of policies for A-rank agents: ¥300 million or more
- Selling in cooperation with dealers such as Toyota Group automobile dealerships
- Accelerating the commissioning of agents (mainly former NDI agents) → New agent target: 1,500 agents
- Developing new markets in cooperation with insurance agents that handle walk-in sales

Strengthening our earnings foundation

- Expanding sales of income security insurance by cultivating agents' ability of consultative sales

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- We will strengthen our sales platforms (mainly through Aioi Nissay Dowa Insurance agent cross-sales) and expand our earnings foundation by increasing sales of income security insurance.

  = Strengthening our Sales Platforms =

  - Promoting the growth of agents' revenues:
    1) Strengthening sales, mainly by supervising the sales of professional insurance agents, who will form the pillar of our cross-sales
    2) Promoting dealer channel selling in cooperation with dealers (mainly Toyota Group dealers) and strengthening initiatives for promoting products for dealers.
       - Dealers will form the second pillar of cross-sales, after professional agents -
  - Strengthening and enhancing sales capabilities:
    We will accelerate the commissioning of agents (mainly former NDI agents)
  - Developing new markets:
    We will capitalize on the know-how of the walk-in sales type insurance agents, which is one of our strengths, and develop new markets in cooperation with those agents.

  = Strengthening our earnings foundation =

  - Through training, we will strengthen the consultative capabilities of agents as life planners and strive to improve our product portfolio (with an emphasis on profitability) by promoting the expansion of income security insurance sales.

- Policies in force at the end of FY2010 (forecast):
  ¥6,240.0 billion (an increase of 6.8% year-on-year)
  FY2010 annualized premiums in-force (forecast):
  ¥75.4 billion (an increase of 2.5% year-on-year)

For an outline of the merger of MSI Kirameki Life and Aioi Life, please refer to page 3-(1),(2) of the appendix.

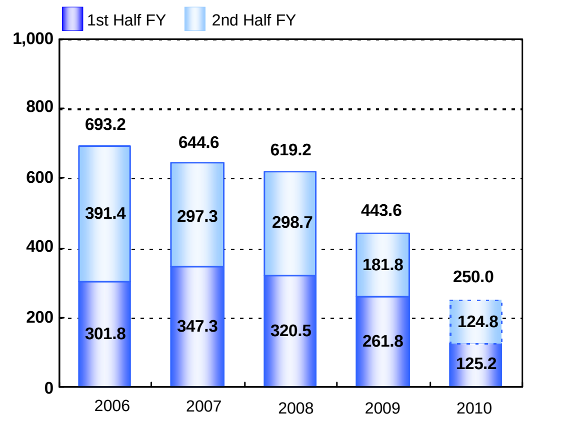
Domestic Life Insurance Business (3) MSI MetLife

MSI MetLife is a market leader in personal pension insurance, and the Group will be further strengthened by taking this company under its umbrella as a wholly-owned subsidiary.

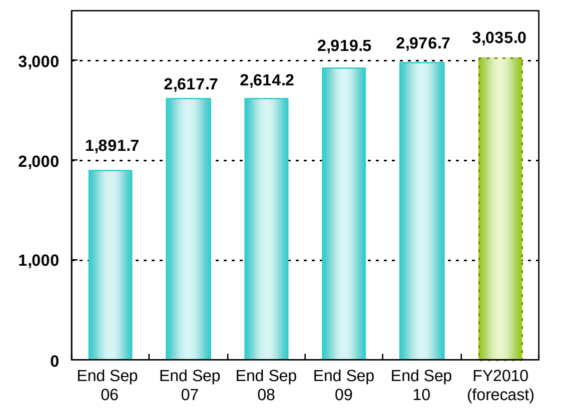
H1 Performance

- The stagnant variable annuities market and instability in the investment environment drove down premiums revenue.
- The amount of in-force policies also recorded modest growth of only ¥57.2 billion due to the stagnant investment environment.
- Net income posted a profit of ¥9.1 billion (¥4.5 billion on an equity stake basis)

Premiums Revenue (¥ bn)



Amount of In-force Policies (¥ bn)



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Making MSI MetLife a Wholly-owned Subsidiary

<Outline>

Stock acquisition date:	April 1, 2011
Acquisition value:	approx. ¥22.5 billion (residual equity acquisition: 50%)

<Position within the Group strategy>

- Ongoing growth is forecast for the personal pension insurance market in the mid-long term, as uncertainty about the future of social security system is strong, given the dual phenomena of an aging of society with a declining birthrate, and the deflationary economy.
- As a core company of the Group, the business operations of MSI MetLife will increasingly become more responsive, flexible and make an even greater contribution to Group revenues.

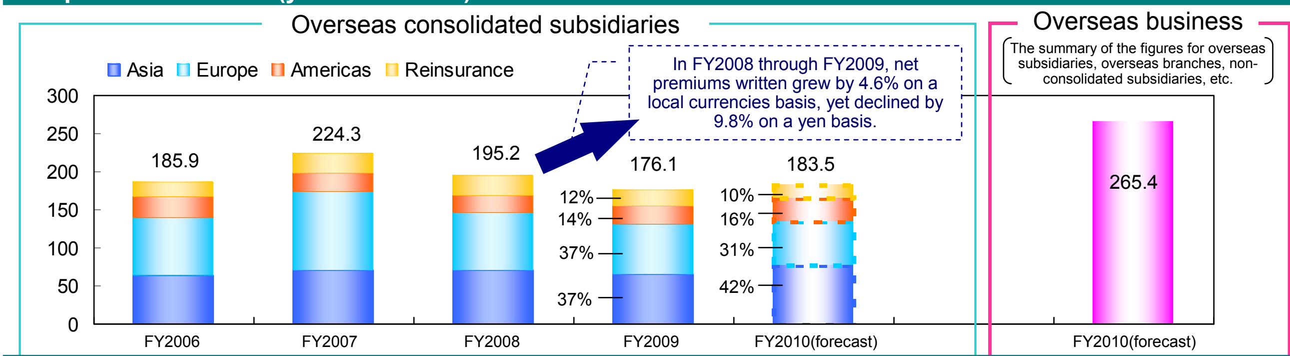
MSI Metlife Business Model

- MSI MetLife will specialize in sales of personal pension insurance products (mainly through over-the-counter sales at financial institutions).
- Using reinsurance to control minimum guaranty risk, the company will simultaneously strive to increase revenues and profits by achieving stable growth in the amount of in-force policies.
- In order to cope with changes in the market environment and respond to increasingly diverse customer needs, the company will leverage its new product development capabilities as an industry pioneer in order to achieve stable sales of variable and fixed annuities.

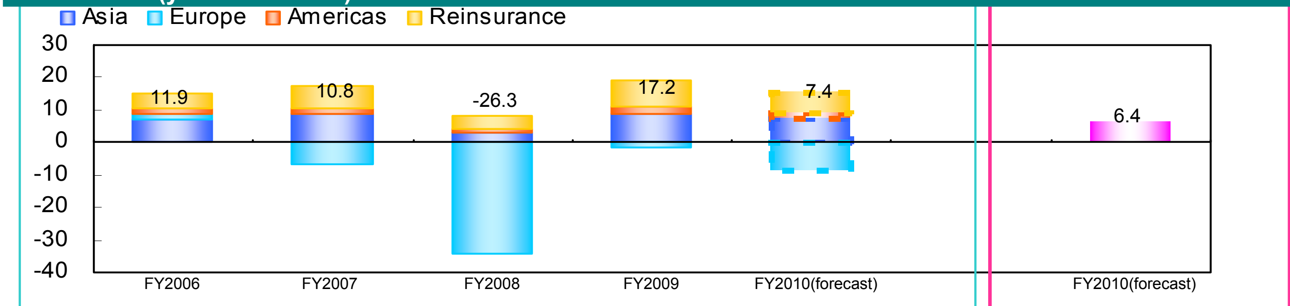
Overseas Business (1) Overseas underwriting portfolio and transition of results

※ In order to exhibit the available data with the geographical breakdown consecutively, the figures on the left graph are the sum of overseas consolidated subsidiaries of MSI and Aioi. The figures with “Overseas business” base of FY 2010 (forecast) are shown on the right graph.

Net premiums written (yen basis: ¥ bn)



Net income (yen basis: ¥ bn)



* Figures for FY2006 through FY2009 are the sum of the results for the overseas consolidated subsidiaries of MSI and Aioi.

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- Forming an underwriting portfolio that is well-balanced in terms of geographical region. (Even though yen appreciation dampened revenue growth on a yen basis, on a local currencies basis, the Group is currently experiencing an ongoing upward trend.)
- We established a Lloyd’s underwriting syndicate in FY2000 (the first underwriting syndicate to be 100% owned by a Japanese non-life insurer) and conducted M&As in Asia in FY2004 through FY2005. Thus, we have been growing by expanding our business.
- We will continue to invest resources in high-growth, highly profitable areas and regions.

  Reflecting the extent of our penetration in the markets of each region, the ratio of local business in terms of premium volume have risen, as follows:

  (All figures are FY2009 results for the MSI Group overseas business)

  - **Europe: 83.8%**
  - **Asia: 74.1%**
  - **Americas: 42.0%**

- By investing in our overseas business, we will expand and strengthen our local customer base and also leverage our overseas synergies (through integrated initiatives aimed at further cultivating customers' needs using the extensive networks we have developed as a Group) to expand our base of Japanese customers.

For more information about results and forecast for the “Overseas Business” domain, please refer to page Appendix 4-① of the reference materials.

Overseas Business (2) Seeking to grow further by capitalizing on our operational bases in Asia

The MS&AD Group presence in Asia (as of the end of FY2009)

In pursuit of top-tier operational bases and a competitive edge in Asia, a region that is ever expanding

Countries and Regions	Economic scale (*1)	Non-life market (*1)		MS&AD Overseas non-life (*2)	
	GDP per capita (USD)	Market scale (Mil USD)	Historic 3-year growth rate (ave.)	Direct insurance reveneus (Mil JPY)	Ranking
China	3,519	53,872	36.5%	8,713	(foreign owned: 2)
South Korea	18,111	34,527	4.6%	1,683	13
Taiwan	16,407	11,443	3.6%	30,295	4
Hongkon	30,143	2,931	8.4%	10,065	9
India	1,048	7,970	12.9%	16,721	12
ASEAN Countries					
Singapore	37,660	5,188	16.8%	18,707	2
Thailand	3,894	4,248	10.4%	18,457	5
Malaysia	7,236	3,158	5.9%	21,384	4
Indonesia	2,352	2,219	3.2%	8,380	6
Philippines	1,750	835	10.1%	5,696	3
Viet Nam	1,044	769	27.8%	622	11
Japan	40,086	106,856			

(*1) Source: Both the economic scale and non-life market data were prepared by MS&AD Holdings based on the data of Swiss Re Sigma.

(*2) Figures for overseas direct insurance revenues (Non-Life) are the sum of the results of overseas consolidated and non-consolidated subsidiaries and overseas branches of MSI and Aioi.

Rankings indicate direct insurance revenues rankings in the countries and regions where MSI has business operations.

Continuous profitability through activities that are deeply rooted in the regions

FY	FY2005	FY2006	FY2007	FY2008	FY2009
Combined ratios	93.2%	90.6%	89.7%	93.1%	90.0%

Figures are combined ratios of MSI for the Asian region in FY2005-FY2009

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The quest to further expand our business platform in Asia

- Projected growth of an insurance market underpinned by Asian economic growth

  Insurance markets in Asian countries are expected to experience ongoing expansion. Through the provision of expertise, we anticipate increasing our profits in parallel with insurance market expansion in foreign countries and regions.
- Business platform underpinned by economic growth

  With the advantage of our early entry into Asia, we have engaged in numerous activities that are deeply rooted in the region. These activities harmonized with the expansion of our business platform though the acquisition of Asian non-life insurance operations of AVIVA and Mingtai and, we achieve brand penetration.
  We maintain the business platform and advantages as the top-tier foreign owned companies in Asian countries and regions.
- Future Development

  While enhancing our growth potential through lateral expansion that leverages our competitive edge, particularly in the main ASEAN countries, we continue to seek opportunities for investing in new life and non-life insurance businesses for an even greater leap forward.

* MSI's combined ratios for the period FY2005 through FY2009 marked favorable figures approximately 90%.

An example of an initiative in Asia / Hong Leong (Malaysia) (MSI)

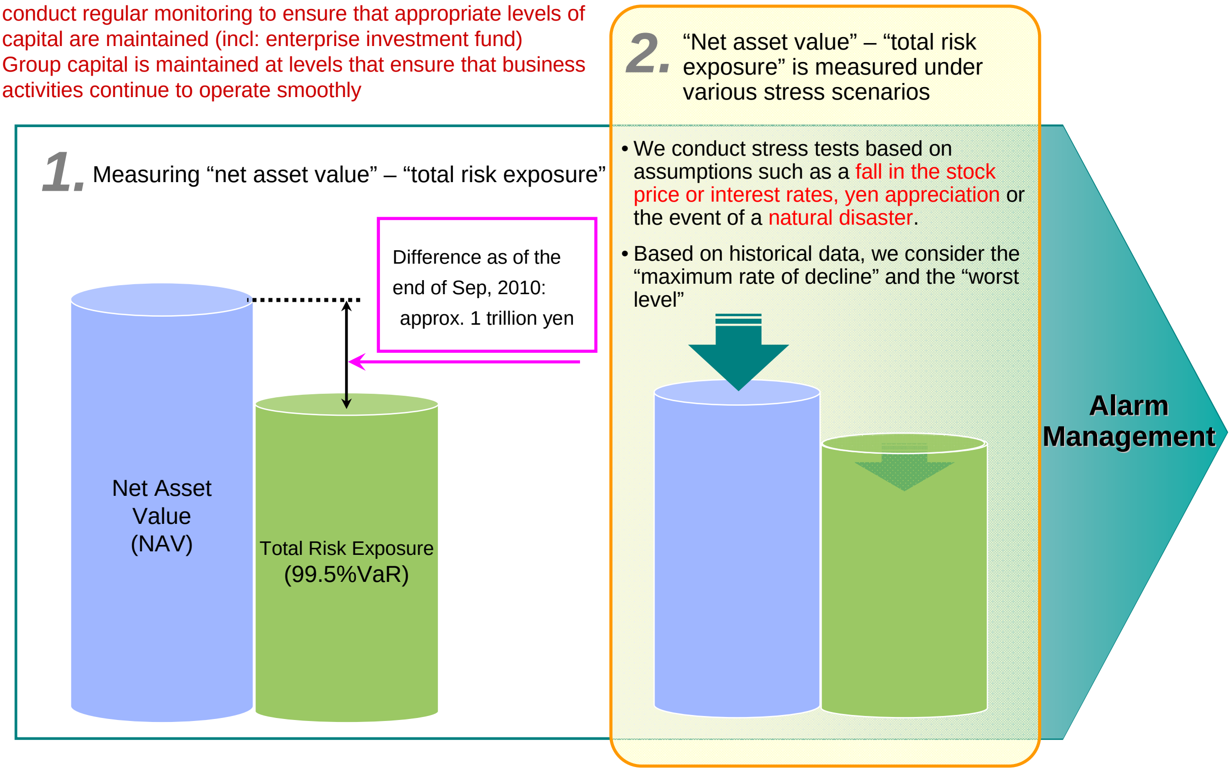
- In June, 2010, MSI concluded a basic agreement with Hong Leong Group (*) for a strategic alliance that extended across our entire life and non-life insurance business.

  (*) An iconic Malaysian conglomerate whose business is oriented on finance and insurance, etc.
- Operations were launched in October under a new system. One director and four staff members from MSI sent on loan to the life insurance operation in Malaysia.
- This business tie-up simultaneously made us the second largest non-life insurer (MSI stake: 70%, Hong Leong stake: 30%) and sixth largest life insurer in Malaysia (MSI stake: 30%, Hong Leong stake: 70%)

⇒ We are striving to bolster over-the-counter sales at banks and seeking to cultivate markets in the regions where Japanese firms do business

Framework of Risk/Capital Management

- Within our “Integrated Risk Management” framework, we conduct regular monitoring to ensure that appropriate levels of capital are maintained (incl: enterprise investment fund)
- Group capital is maintained at levels that ensure that business activities continue to operate smoothly



- In addition to calculating the solvency margin ratio pursuant to regulations, Japanese non-life insurers conduct internal risk management by quantitatively assessing net assets and overall risk in accordance with their own methods and standards. Using internal models, the Group regularly assesses and monitors its "net asset value" and "total risk exposure" * via the following framework.

  1. Measuring the difference between "net asset value" and "total risk exposure"
     → If the difference decreases, stricter management and corrective actions are applied under our “alarm management”

  2. Monitoring the difference between "net asset value" and "total risk exposure" under stress scenarios
     → If the stress test results reveal any weaknesses in the Group’s portfolio, we devise and implement corrective measures

  * We calculate “total risk exposure” by combining, on a uniform standard, various types of risks measured based on a VaR confidence interval of 99.5%.
  The 99.5% VaR is the same confidence level that is slated to be adopted by the pending European "Solvency II" criteria.

- The arithmetic difference between “net asset value” and “total risk exposure” was approximately 1 trillion yen as of the end of September, 2010
  ⇒ the Group has adequate capital

- We will continue to refine the methodology of quantitative assessment, keeping a keen eye on environments, such as global regulatory trends or change of volatility.

Plans to Sell Strategic Equity Holdings

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- We will continue to sell strategic equity holdings (*seisaku kabushiki*)
- From FY2011 through FY2013, we plan to sell a total of ¥300 billion of the Group's strategic equity holdings
- In light of market fluctuations and the medium-term regulatory environment, we aim to put the Group on an even stronger financial footing.

Actual sales of strategic equity holdings (aggregate results of MSI, Aioi and NDI) and the planned sales

Actual Sales							Planned Sales
FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011-FY2013 (Group total)
179.1	100.9	46.6	47.9	41.8	54.5	46.0	300.0
Total for FY2004-FY2010: approx. ¥520 billion							

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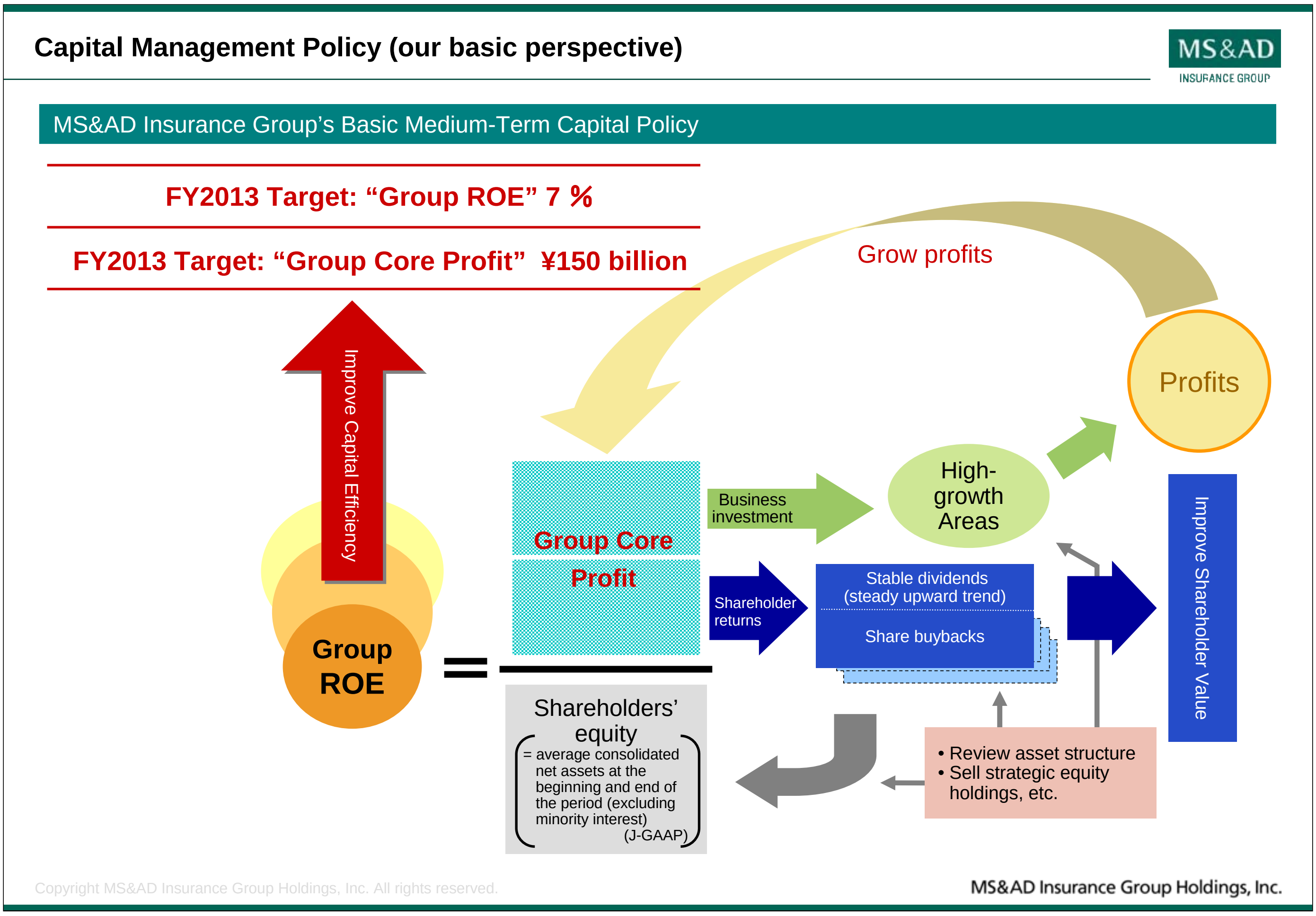
- Value of equity holdings (as of the end of September, 2010): approx. ¥2.1 trillion (aggregate of MSI, Aioi and NDI)
- We consider it a high priority to reduce our equity holdings to further strengthen our financial condition, in light of stock price fluctuations and the medium-term regulatory environment.
- We will continue to sell so-called strategic equity holdings (*seisaku kabushiki*) with a view to reducing our stock volatility risk.
- From FY2004 through FY2010, we expect that the 3 companies will have sold, on a cumulative basis, ¥520 billion worth of strategic equity holdings.
- We plan to sell a total of ¥300 billion of the Group's strategic equity holdings over the three years through FY2013.



■ Based on our basic capital policy, we will continuously implement the following measures:

- Return profits to shareholders based on "Group Core Profit," while create a virtuous growth cycle through investment in businesses with substantial growth potential
- Aim to achieve "Group ROE" of 7% for FY2013 through growth in "Group Core Profit" and adroit capital management.

"Group Core Profit" = consolidated net income
- net capital gains/losses on stock portfolio (gains/losses from stock sales etc.)
- net evaluation gains/losses on credit derivatives
- other incidental factors
+ equity in earnings of non-consolidated group companies

"Group ROE" = "Group Core Profit"
÷ consolidated shareholders' equity
(average of starting and ending of the period: based on J-GAAP)
(excluding minority interest)

Approach to shareholder returns

[Dividends]

- **We aim to maintain stable dividends and steadily increase dividends by strengthening our earnings power.**

[Share Buybacks]

- **We will buy back shares opportunistically and continuously, taking capital adequacy and profits into account.**

[Shareholder Return Ratio]

- **Through "dividends" and "share buybacks," we will return approximately 50% of "Group Core Profit" to shareholders.**

(Ref.) Track Record of Shareholder Returns

* FY2004-FY2007 figures are actual results for MSI. FY2008 figures are actual results for MSIG.

(Year when Group Core Profit was posted→)	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009 *2
Shareholder Return Ratio *1	90%	41%	41%	40%	1,057%	127% *3

*1 Calculated using the following method (Eg. "FY2008")

$$\frac{\text{Dividends associated with FY2008 (Dec 2008, June 2009)} + \text{share buybacks conducted during FY2009}}{\text{"Group Core Profit" for FY2008}}$$

- There is a minor difference between the definition of "Group Core Profit" before FY2008 and the current definition at MS&AD Holdings.
- **Until FY2008, the shareholder-return-ratio aimed was 40% (of the Group Core Profit at that time).**

*2 The FY2009 "Group Core Profit" and "dividend amount" figures are aggregate results for "MSIG," "Aioi" and "NDI."

*3 Figures as of the end of November, 2010

For more information about actual shareholder returns, please refer to page 4-(2) of the appendix

【Appendix Data】

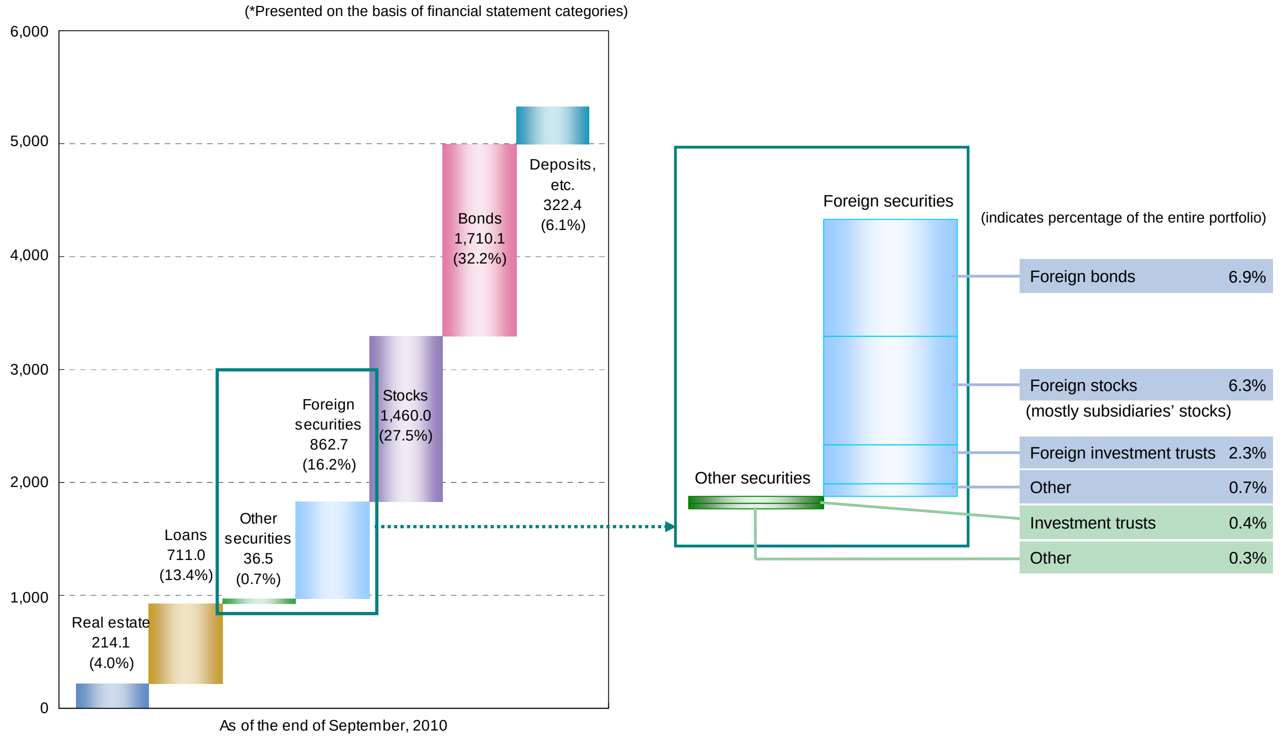
MS&AD Insurance Group Holdings, Inc.

[Appendix Data] Status of AUM (MSI)

MS&AD INSURANCE GROUP

AUM balance and composition ratio (by asset)

(¥ bn)

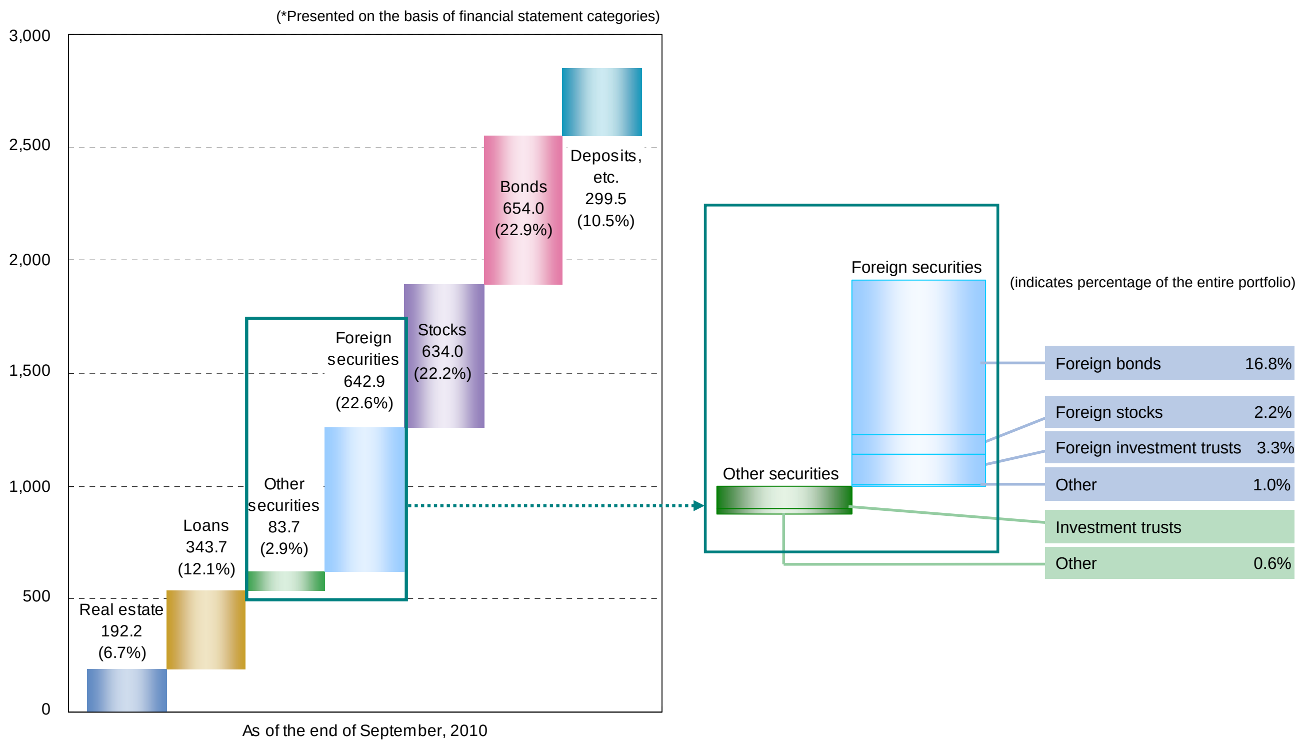


[Appendix Data] Status of AUM (Figures are simple aggregates for Aioi and NDI)

MS&AD INSURANCE GROUP

AUM balance and composition ratio (by asset)

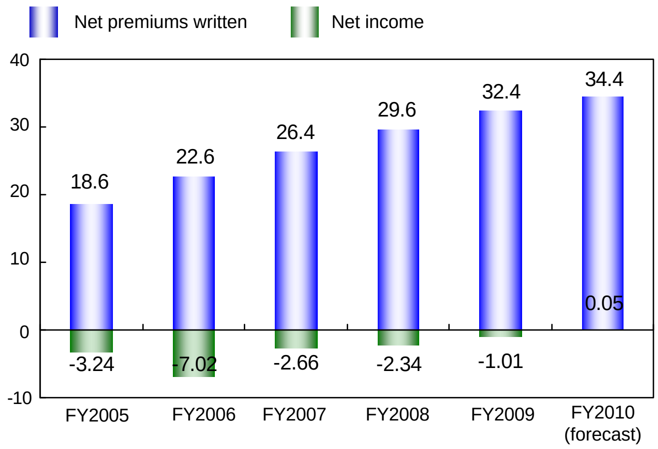
(¥ bn)



[Appendix Data] Mitsui Direct General

Net premiums written and net income

(¥ bn)

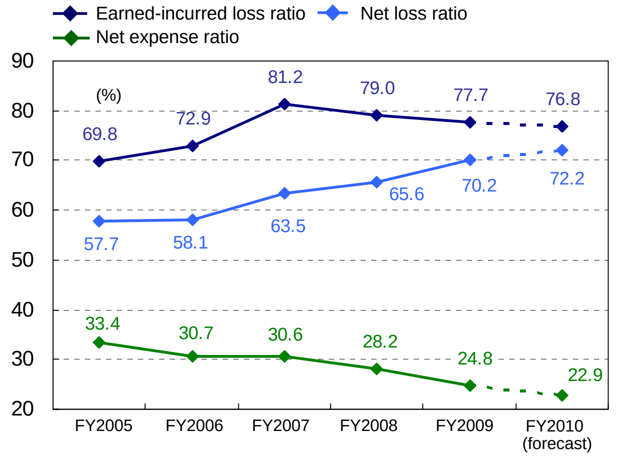


<Ref>
Net direct premiums (voluntary auto) of direct insurers in Japan (¥ bn)

	FY2005	FY2006	FY2007	FY2008	FY2009
Net direct premiums	132.6	144.5	156.3	168.5	183.5
Growth rate	11.3%	8.9%	8.2%	7.8%	8.0%

Loss and expense ratios

(%)



Direct insurers sales rankings

(Based on net direct premiums of voluntary automobile insurance in FY2009)

	Ranking	Net direct premiums of automobile insurance
Sony	1	59.8
Mitsui Direct	2	32.0
AXA	3	30.6
Zurich	4	27.9
American Home	5	17.3

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Profile of the New Company

- **Merged** — **October 1, 2011**
- **Trade Name** — **Mitsui Sumitomo Aioi Life Insurance Company, Limited.**
- **Location of Headquarters** — **Nihonbashi, Chuo-ku, Tokyo**

Basic Strategies of the New Company

1. By leveraging the scale benefits and know-how of both companies through the merger, we will maximize synergistic effects and continue to provide products and services that meet the various needs of our customers.

2. By mutually supplementing and expanding our sales foundations, we will provide our customers with satisfaction and peace of mind through various channels and, based on the dependability of our financial footing, support them throughout their lives.

3. Through the development of state-of-the-art administrative systems that capitalize on both companies' know how, we will provide high-quality services by establishing an accurate, fast and easy-to-understand administrative workflow that ensures high customer convenience in the areas of policy underwriting, maintenance, and claim payments.

4. In areas where synergistic effects can be demonstrated, we will strategically allocate human resources and develop staff training programs for enhancing skills and capabilities in order to create a corporate culture of human development.

Business Indicators of the New Company (simple aggregates for the 2 companies *)

※#1 to #6 below :Aggregate results for individual insurance and private pension insurance.

( ) = compared to the same period last year [ ] = compared to last year-end

1. Number of new policies	0.17 million (114.7%)
2. Number of policies in force	1.87 million [106.0%]
3. Amount of new policies	¥1,324.8 billion (99.1%)
4. Amount of policies in force	¥15,804.2 billion [103.4%]
5. Yearly insurance premiums of new policies	¥19.9 billion (107.4%)
6. Yearly insurance premiums in-force	¥272.3 billion [101.6%]
7. Premiums	¥167.6 billion (107.1%)
8. Net income	¥0.7 billion (69.2%)
9. Total assets	¥1,725.2 billion [106.7%]

*The figures shown are the simple aggregate results of both companies for each index at the end of September, 2009.

[Appendix Data] Overseas Business (MS&AD Insurance Group)

MS&AD INSURANCE GROUP

Net premiums written and net income*

* Figures for overseas branches and non-consolidated subsidiaries have been combined with the results for overseas subsidiaries

	FY 2009 Results			FY 2010 1st half results			FY 2010 Forecast		
	MSI	Aioi&NDI	Total	MSI	Aioi&NDI	Total	MSI	ADI	Total
Net premiums written (¥ bn)	206.2	40.0	246.2	120.1	25.5	145.6	215.7	49.8	265.4
Asia	98.4	14.2	112.6	59.7	11.2	70.9	115.8	21.6	137.6
Europe	53.3	21.9	75.2	26.7	11.7	38.4	47.1	21.3	68.4
Americas	33.6	8.4	42.0	19.3	4.1	23.4	34.4	8.7	43.1
Reinsurance	20.9	—	20.9	14.4	—	14.4	18.9	—	18.9

	MSI	Aioi&NDI	Total	MSI	Aioi&NDI	Total	MSI	ADI	Total
Net income (¥ bn)	15.1	-5.2	9.9	3.8	-1.2	2.6	9.3	-2.8	6.4
Asia	10.9	-0.4	10.5	5.4	-0.4	5.0	9.6	0.7	10.3
Europe	-0.9	-2.7	-3.6	-6.9	-0.8	-7.7	-7.4	1.5	-8.9
Americas	0.9	-0.4	0.5	2.3	0.3	2.6	2.2	0.7	2.9
Reinsurance	8.1	—	8.1	3.5	—	3.5	6.2	—	6.2

Figures at “Total” for “Net premiums written” and “Net income” represent the headquarters adjustments.

[Appendix Data] Track Record of Shareholder Return

MS&AD INSURANCE GROUP

(Ref.) Group Core Profit Trends and Shareholder Returns

(¥ bn)

* Figures for fiscal years 2004 through 2007 are actual results for MSI. FY2008 figures are actual results for MSIG

(Group Core Profits by FY)		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009 *3
Group core profit *1	(a)	28.6	73.9	64.9	66.0	3.1	33.8
Total dividend (annual)	(b)	13.6	18.5	19.8	22.5	22.6	32.9
(b) / (a)		48%	25%	31%	34%	729%	97%
Share buyback (conducted in FY following GCP recording)	(c)	12.0	11.5	7.0	4.0	10.0	10.0
Total shareholder returns ((b) + (c))	(d)	25.6	30.0	26.8	26.5	32.6	*4 42.9
Shareholder return ratio ((d) / (a)) *2		90%	41%	41%	40%	1,057%	127%

*1 Until FY2008, "group core profit" was defined as follows:
There is a minor difference between this definition and the current definition at MS&AD Holdings)
= Consolidated net income
- Net capital gains/losses on stock portfolio
- net evaluation gains/losses on credit derivatives
- Consolidated income of life insurance subsidiaries
+ MSI Kirameki Life’s net income before provision for standard underwriting reserves
+ MSI MetLife’s equity in earnings based on US-GAAP
+ Other

<u>Until FY2008, the shareholder-return-ratio aimed was 40% (of the Group Core Profit at that time).</u>

*2 Calculated using the following method <Eg: “FY2008”>

$$\frac{\text{Dividends associated with FY2008 (Dec 2008, June 2009)} + \text{share buybacks conducted during FY2009}}{\text{"Group Core Profit" for FY2008}}$$

*3 FY2009 “group core profit” and “total dividend” are aggregate results for “MSIG,” “Aioi” and “NDI.”

*4 Figures as of the end of November, 2010.

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Fiscal 2010 Second Information Meeting

Reference Materials

December 3, 2010

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

In the presentation, the following abbreviations are used for company names.

• **MS&AD Holdings**	**MS&AD Insurance Group Holdings, Inc,**
• **MSIG**	**Mitsui Sumitomo Insurance Group Holdings, Inc**
• **MSI**	**Mitsui Sumitomo Insurance Co., Ltd.**
• **Aioi**	**Aioi Insurance Co., Ltd.**
• **NDI**	**Nissay Dowa General Insurance Co., Ltd.**
• **ADI**	**Aioi Nissay Dowa Insurance Co., Ltd.**
• **Mitsui Direct General**	**Mitsui Direct General Insurance Co., Ltd.**
• **MSI Kirameki Life**	**Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.**
• **Aioi Life**	**Aioi Life Insurance Co., Ltd.**
• **MSI MetLife**	**Mitsui Sumitomo MetLife Insurance Co., Ltd.**

Forward-looking statement

【Reference Materials】

Financial Results for First Half of FY2010 and Projected Financial Results for FY2010 (Full Year)

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

Financial Results for First Half of FY2010 (MS&AD Holdings, Consolidated)

Key financial data

(¥ bn)

	FY2009 H1	FY2010 H1	Change	Growth
Net premiums written	1,275.1	**1,300.5**	**25.4**	**2.0%**
Ordinary profit/loss	116.3	**70.5**	**-45.7**	**-39.4%**
Net income	77.5	**40.0**	**-37.4**	**-48.3%**

* Simple aggregate results of Mitsui Sumitomo Insurance Group Holdings (consolidated), Aioi (consolidated) and NDI (non-consolidated) for FY2009 H1. Figures here and below are presented exclusive of the GRR premiums of the automobile insurance "ModoRich," which contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	Change	Growth
MSI (non-consolidated)	608.2	**623.4**	**15.2**	**2.5%**
Aioi (non-consolidated)	397.8	**407.3**	**9.4**	**2.4%**
NDI (non-consolidated)	154.9	**150.9**	**-3.9**	**-2.6%**
Mitsui Direct General	15.7	**16.2**	**0.4**	**3.0%**
Overseas subsidiaries	98.1	**102.5**	**4.3**	**4.4%**

* Before consolidation adjustment

Breakdown of net income

(¥ bn)

	FY2009 H1	FY2010 H1	Change
MSI (non-consolidated)	49.0	**27.3**	**-21.6**
Aioi (non-consolidated)	16.8	**7.0**	**-9.8**
NDI (non-consolidated)	3.5	**-1.3**	**-4.8**
Mitsui Direct General	-0.4	**0.1**	**0.6**
MSI Kirameki Life	0.0	**0.0**	**0.0**
Aioi Life Insurance	1.1	**0.7**	**-0.3**
MSI MetLife	6.4	**4.5**	**-1.8**
Overseas subsidiaries	9.8	**0.7**	**-9.0**
Other	0.9	**0.1**	**-0.7**
Consolidation adjustment, etc.	-9.8	**0.4**	**10.2**

* Net income of subsidiaries is on an equity stake basis.

<Net premiums written>

- Consolidated net premiums written of the Group totaled ¥1,300.5 billion, an increase of ¥25.4 billion, or 2.0% year-on-year .
- Breakdown of consolidated net premiums written
  - At MSI and Aioi, net premiums written increased by approximately middle of 2%, while at NDI, net premiums written declined.
  - Net premiums written of overseas subsidiaries increased by 4.4% due partly to growth in Asia and the effect of the new consolidation.

<Net income>

- Net income totaled ¥40 billion, a year-on-year decline of ¥37.4 billion.
  - Due mainly to the deterioration in underwriting profit/loss of domestic and overseas non-life insurance, ordinary profit fell by ¥45.7 billion year-on-year.
  - We recorded ¥23.5 billion in temporary expenses as extraordinary losses associated with business integration.
- Breakdown of net income
  - MSI experienced a ¥24.2 billion decline in ordinary profit. As extraordinary profit/loss fell, interim net income underperformed FY2009 levels by ¥21.6 billion.
  - Aioi experienced a ¥3.5 billion decline in ordinary profit, while NDI enjoyed a ¥100 million increase in ordinary profit.

    Due to business-integration-related expenses, interim net income for Aioi and NDI fell by ¥9.8 billion and ¥4.8 billion year-on-year, respectively.
  - Due mainly to the deterioration in income in Europe, interim net income of overseas subsidiaries underperformed FY2009 levels by ¥9 billion.
  - Consolidation adjustment, etc. includes income of ¥13.5 billion on the generation of negative goodwill and ¥7.6 billion in the adjustment for differences from purchase-method associated with the accounting treatment of business integration.

Projected Financial Results for FY2010 (Full Year)(MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009	FY2010 (forecast)	Change	Growth
Net premiums written	2,519.0	**2,580.0**	**61.0**	**2.4%**
Ordinary profit/loss	99.1	**71.0**	**-28.1**	**- 28.4%**
Net income	57.3	**40.0**	**-17.3**	**- 30.2%**

Breakdown of net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)	Change	Growth
MSI (non-consolidated)	1,203.7	**1,231.0**	**27.3**	**2.3%**
Aioi Nissay Dowa Insurance (non-consolidated)	1,106.7	**1,131.0**	**24.3**	**2.2%**
Mitsui Direct General	32.4	**34.5**	**2.1**	**6.4%**
Overseas subsidiaries	176.1	**183.5**	**7.4**	**4.2%**

* Before consolidation adjustment
* FY2009 figures for Aioi Nissay Dowa Insurance are a simple aggregate of the results (non-consolidated) for NDI and Aioi.

Net income

(¥ bn)

	FY2009	FY2010 (forecast)	Change
MSI (non-consolidated)	25.4	**33.0**	**7.5**
Aioi Nissay Dowa Insurance (non-consolidated)	21.2	**2.0**	**-19.2**
Mitsui Direct General	-0.6	**0.0**	**0.7**
MSI Kirameki Life	0.0	**-5.1**	**-5.1**
Aioi Life Insurance	1.3	**-1.0**	**-2.3**
MSI MetLife	4.4	**6.2**	**1.8**
Overseas subsidiaries	17.2	**7.4**	**-9.8**
Other	0.6	**0.3**	**-0.3**
Consolidation adjustment, etc.	-12.3	**-2.9**	**9.4**

* Net income of subsidiaries is on an equity stake basis

<Net premiums written>

- We forecast that net premiums written (consolidated) for the Group will amount to ¥2,580 billion, an increase of ¥61.0 billion, or 2.4% year-on-year.
- Breakdown of premiums written (consolidated)
  - MSI is expected to enjoy a ¥27.3 billion rise in net premiums written year-on-year, which are forecast to total ¥1,231 billion.
  - Aioi Nissay Dowa Insurance is expected to enjoy a ¥24.3 billion rise in net premiums written, which are forecast to total ¥1,131 billion.
  - Mitsui Direct is expected to enjoy a ¥2.1 billion (6.4%) rise in net premiums written, which are forecast to total ¥34.5 billion.
  - Overseas subsidiaries are expected to enjoy a ¥7.4 billion increase in net premiums written, which are forecast to total ¥183.5 billion.

<Net income>

- Net income is expected to fall by ¥17.3 billion year-on-year to ¥40 billion, due partly to business-integration-related expenses.
- Breakdown of net income
  - At MSI, both underwriting profit and net investment income are expected to outperform FY2009 levels, with net income totaling ¥33 billion (an increase of ¥7.5 billion).
  - At Aioi Nissay Dowa Insurance, net income is expected to fall by ¥19.2 billion year-on-year to ¥2.0 billion, due partly to business-integration-related expenses.
  - At Mitsui Direct General, net income is expected to increase by ¥700 million, bringing it into the black.
  - At MSI Kirameki Life, in addition to plans to set aside a lump sum provision for standard underwriting reserves, business-integration-related expenses are expected to be incurred towards the merger in the foregoing period. Therefore, net income is forecast to fall to -¥5.1 billion, a decrease of ¥5.1 billion year-on-year.
  - Aioi Life is also expected to incur business-integration-related expenses, with net income forecast to fall by ¥2.3 billion year-on-year to total -¥1 billion.
  - MSI MetLife is expected to enjoy a net income increase of ¥1.8 billion year-on-year, with net income forecast to total ¥6.2 billion.
  - Overseas subsidiaries are expected to experience a ¥9.8 billion decline in net income, with net income forecast to total ¥7.4 billion.
  - Consolidation adjustment, etc. is expected to include incur income of ¥13.5 billion on the generation of negative goodwill and a loss of ¥10.7 billion in the adjustment for differences from purchase-method associated with the accounting treatment of business integration.

【Reference Materials】

Financial Results for First Half of FY2010

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

MSI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2009 H1	FY2010 H2	Change
Net premiums written	608.2	**623.4**	**15.2**
Net premiums, growth rate	-5.3%	**2.5%**	**7.8pt**
Net loss ratio	67.5%	**67.1%**	**-0.4pt**
Net expense ratio	33.3%	**33.1%**	**-0.2pt**
Combined ratio	100.8%	**100.2%**	**-0.6pt**
Incurred losses	354.0	**375.7**	**21.6**
Underwriting profit/loss	36.8	**7.0**	**-29.8**
Net investment income/loss	38.6	**40.6**	**2.0**
Ordinary profit	70.9	**46.6**	**-24.2**
Extraordinary income/loss	0.9	**-10.0**	**-10.9**
Net income	49.0	**27.3**	**-21.6**
<Excluding CALI>			
Net premiums, growth rate	-3.3%	**2.4%**	**5.7pt**
Net loss ratio	62.5%	**62.3%**	**-0.2pt**
Net expense ratio	34.5%	**34.4%**	**-0.1pt**
Combined ratio	97.0%	**96.7%**	**-0.3pt**

* "Net loss ratio" is on a "written-to-paid" basis.

* CALI: Compulsory Automobile Liability Insurance

- Net premiums written increased 2.5%.
  Revenue increased in voluntary automobile and personal accident insurances due to efforts to bolster life insurance channels through business tie-ups with Sumitomo Life. Also, marine insurance revenue rose as transport increased as the economy recovered.
- The net loss ratio declined by 0.4 percentage point year-on-year due to increased premium income despite increased loss payments and loss adjustment expenses.
- The net expense ratio declined by 0.2 percentage point to 33.1%.
- The combined ratio declined by 0.6 percentage point to 100.2%.
  (Excluding CALI, the combined ratio was 96.7%.)
- Underwriting profit was ¥7.0 billion. This was a decline of ¥29.8 billion and due mainly to incurred losses rising by ¥21.6 billion year-on-year.
- Net investment income was ¥40.6 billion, an increase of ¥2.0 billion year-on-year.
- As a result of the above, ordinary profit fell by ¥24.2 billion year-on-year to ¥46.6 billion.
- We posted a net extraordinary loss of ¥10.0 billion, a ¥10.9 billion decline year-on-year. The price fluctuation reserve was reversed the previous year and funded this year (a ¥2.8 billion bigger obligation over last year) and business-integration-related-expenses of ¥1.4 billion arose.
- Net income declined by ¥21.6 billion year-on-year, to ¥27.3 billion..

MSI (Non-Consolidated) : Premiums and Loss Ratios by Product Line

Net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	
			Growth
Fire	87.6	**89.5**	**2.1%**
Marine	26.6	**27.8**	**4.5%**
Personal accident	67.4	**69.5**	**3.1%**
Voluntary auto	266.3	**275.9**	**3.6%**
CALI	67.4	**69.4**	**2.9%**
Other	92.6	**91.1**	**-1.7%**
Total	608.2	**623.4**	**2.5%**
(Excluding CALI)	540.8	**554.0**	**2.4%**

Net loss ratios

	FY2009 H1	FY2010 H1	
			Change
Fire	39.2%	**40.5%**	**1.3pt**
Marine	57.4%	**50.2%**	**-7.2pt**
Personal accident	57.6%	**59.3%**	**1.7pt**
Voluntary auto	71.4%	**73.7%**	**2.3pt**
CALI	107.5%	**105.1%**	**-2.4pt**
Other	64.1%	**55.1%**	**-9.0pt**
Total	67.5%	**67.1%**	**-0.4pt**
(Excluding CALI)	62.5%	**62.3%**	**-0.2pt**

Incurred losses

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Incurred losses (excluding loss adjustment expenses)	354.0	**375.7**	**21.6**
Natural disasters	3.5	**1.3**	**-2.1**
Other	350.5	**374.3**	**23.8**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR.

▼ Net premiums written

- "Marine" increased by 4.5% year-on-year as transport increased as the economy recovered.
- "Personal accident" rose by 3.1% year-on-year due to efforts to boost business tie-ups with Sumitomo Life Insurance Company and strong demand for overseas travel insurance.
- "Voluntary automobile" rose by 3.6% year-on-year, boosted by efforts to bolster channels with life insurance companies and a higher renewal-persistency rate

▼ Net loss ratios

- "Personal accident" increased by 1.7 percentage points year-on-year due to an increase in total payouts, mainly for general personal accident insurance.
- "Voluntary automobile" increased by 2.3 percentage points year-on-year due to increased total payouts from an increase in number of accidents.
- "Others" improved by 9.0 percentage point year-on-year because insurance payouts from major accidents declined.

<Major natural disasters during the year> (¥ bn)

	FY2009 H1			FY2010 H1		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	1.2	0.9	2.1	**0.4**	**0.4**	**0.9**
Marine	0.0	0.0	0.0	**0.0**	**0.0**	**0.0**
Voluntary auto	1.0	0.0	1.0	**0.2**	**0.0**	**0.3**
Others	0.1	0.1	0.3	**0.0**	**0.1**	**0.1**
Total	2.4	1.1	3.5	**0.7**	**0.6**	**1.3**

MSI (Non-Consolidated: Company Expenses and Expense Ratios)

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Underwriting company expense	99.0	**98.1**	**-0.8**
Loss adjustment expense	36.1	**36.5**	**0.4**
Other	5.5	**5.1**	**-0.3**
Total company expense	140.6	**139.9**	**-0.7**
Personnel	77.3	**79.9**	**2.6**
Non personnel	56.5	**53.1**	**-3.4**
Taxes and contributions	6.8	**6.8**	**0.0**

Expense ratios

	FY2009 H1	FY2010 H1	
			Change
Net commission ratio	17.0%	**17.4%**	**0.4pt**
Net company expense ratio	16.3%	**15.7%**	**-0.6pt**
Net expense ratio	33.3%	**33.1%**	**-0.2pt**
Net expense ratio (excluding CALI)	34.5%	**34.4%**	**-0.1pt**

- Total Company expenses decreased by ¥700 million year-on-year to ¥139.9 billion.
- Personnel costs rose by ¥2.6 billion year-on-year as salaries increased with the change of status of temporary workers to direct employees.
  Non-personnel costs fell by ¥3.4 billion year-on-year as temporary worker hiring costs declined with the change of status to direct employees and lower system-related costs.
- Net expense ratio fell by 0.2 percentage point year-on-year to 33.1%.
  - The net commission ratio was 17.4% (an increase of 0.4 percentage point year-on-year)
  - The net company expense ratio was 15.7% (down 0.6 percentage point year-on-year)

MSI (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Interest and dividends received	63.9	**61.2**	**-2.6**
Transfer of investment income on deposit premiums	27.7	**25.9**	**-1.8**
Net interest and dividend income	36.1	**35.3**	**-0.8**
Net gains/losses on sale of securities	0.1	**14.7**	**14.5**
Losses on devaluation of securities	-8.0	**-7.6**	**0.4**
Net gains/losses on redemption of securities	-0.5	**0.1**	**0.6**
Gains/losses on derivative transactions	19.1	**5.4**	**-13.7**
Other	-8.2	**-7.4**	**0.8**
Net investment income/loss	38.6	**40.6**	**2.0**

Sources of interest and dividends received

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Bonds	14.7	**14.7**	**-0.0**
Stocks	16.4	**15.7**	**-0.6**
Foreign securities	16.7	**16.6**	**-0.1**
Other securities	2.1	**1.7**	**-0.3**
Loans	7.3	**6.6**	**-0.7**
Real estate	3.7	**3.5**	**-0.2**
Others	2.7	**2.2**	**-0.4**
Total	63.9	**61.2**	**-2.6**

MS&AD Insurance Group Holdings, Inc. 8

- Interest and dividends received fell by ¥2.6 billion year-on-year due primarily to a decrease in dividends from stocks. Net interest and dividend income decreased by ¥800 million year-on-year.
- Net gains/losses on the sale of securities rose by ¥14.5 billion year-on-year with the sale of stocks.
- Losses on the devaluation of securities remained roughly the same from the corresponding period of previous year.

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Bonds	—	**—**	**—**
Stocks	2.3	**6.8**	**4.4**
Foreign securities	5.3	**0.8**	**-4.5**
Other	0.3	**—**	**-0.3**
Total	8.0	**7.6**	**-0.4**

- Gains/losses on derivative transactions decreased by ¥13.7 billion year-on-year. This was in reaction to a significant profit following higher market value of credit derivatives the prior year.
- As a result of the above, net investment income totaled ¥40.6 billion, an increase of ¥2.0 billion year-on-year.

<Reference:Investment assets>

(¥ bn)

	FY2009	FY2010 H1	
			Change
Deposits and savings	345.3	**322.4**	**-22.8**
Marketable securities	4,327.3	**4,069.5**	**-257.7**
Bonds	1,656.8	**1,710.1**	**53.3**
Stocks	1,723.9	**1,460.0**	**-263.8**
Foreign securities	900.4	**862.7**	**-37.7**
Other marketable securities	46.1	**36.5**	**-9.5**
Loans	718.5	**711.0**	**-7.4**
Land, buildings	217.7	**214.1**	**-3.5**
Total	5,608.9	**5,317.2**	**-291.7**

Aioi Insurance (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Net premiums written	397.8	**407.3**	**9.4**
Net premiums, growth rate	-4.8%	**2.4%**	**7.2pt**
Net loss ratio	65.7%	**65.1%**	**-0.6pt**
Net expense ratio	35.5%	**35.3%**	**-0.2pt**
Combined ratio	101.2%	**100.4%**	**-0.8pt**
Incurred losses	229.8	**240.8**	**11.0**
Underwriting profit/loss	9.4	**11.4**	**2.0**
Net investment income/loss	17.0	**12.5**	**-4.5**
Ordinary profit	27.6	**24.1**	**-3.5**
Extraordinary income/loss	-1.7	**-13.7**	**-12.0**
Net income	16.8	**7.0**	**-9.8**
<Excluding CALI>			
Net premiums, growth rate	-2.2%	**2.2%**	**4.4pt**
Net loss ratio	60.4%	**60.4%**	**0.0pt**
Net expense ratio	36.3%	**36.0%**	**-0.3pt**
Combined ratio	96.7%	**96.4%**	**-0.3pt**

※"Net loss ratio" is on a "written-to-paid" basis.

- Net premiums written rose by 2.4%.
  Net premiums written rose in total, with main driver "Voluntary automobile" insurance growing strongly both in Japan and abroad.
- The net loss ratio declined by 0.6 percentage point year-on-year because, despite a rise in net claims paid, loss adjustment expenses fell and net premiums rose.
- Net expense ratio declined by 0.2 percentage point year-on-year due to an increase in net premiums.
- The combined ratio declined by 0.8 percentage point year-on-year to 100.4%.
- Underwriting profit rose by ¥2.0 billion year-on-year to ¥11.4 billion because, though incurred losses rose, catastrophe loss provisions reversed increased and loss adjustment expenses declined.
- We recorded net investment income of ¥12.5 billion, a decline of ¥4.5 billion year-on-year due primarily to an increase in losses from devaluation of securities.
- As a result of the above, ordinary profit fell by ¥3.5 billion year-on-year to ¥24.1 billion.
- Net extraordinary losses increased by ¥12.0 billion year-on-year to -¥13.7 billion due primarily to business-integration-related-expenses (¥11.8 billion) rising (+¥10.0 billion).
- Net income declined by ¥9.8 billion year-on-year to ¥7.0 billion.

Aioi Insurance (Non-Consolidated) : Premiums and Loss Ratios by Product Line

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	Growth
Fire	48.0	**50.7**	**5.6%**
Marine	1.7	**1.8**	**8.2%**
Personal accident	23.1	**23.0**	**-0.2%**
Voluntary auto	232.7	**239.8**	**3.0%**
CALI	54.7	**56.7**	**3.6%**
Other	37.4	**35.0**	**-6.4%**
Total	397.8	**407.3**	**2.4%**
(Excluding CALI)	343.1	**350.6**	**2.2%**

Net loss ratios

	FY2009 H1	FY2010 H1	Change
Fire	35.3%	**37.6%**	**2.3pt**
Marine	63.4%	**54.3%**	**-9.1pt**
Personal accident	51.4%	**49.5%**	**-1.9pt**
Voluntary auto	65.9%	**65.7%**	**-0.2pt**
CALI	98.8%	**94.5%**	**-4.3pt**
Other	63.9%	**64.3%**	**0.4pt**
Total	65.7%	**65.1%**	**-0.6pt**
(Excluding CALI)	60.4%	**60.4%**	**0.0pt**

Incurred losses

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Incurred losses (excluding loss adjustment expenses)	229.8	**240.8**	**11.0**
Natural disasters	1.0	**0.4**	**-0.5**
Other	228.7	**240.3**	**11.6**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR.

- Net premiums written
  - “Fire” rose by 5.6% year-on-year due to bolstered efforts with insurance company tie-ups domestically.
  - “ Voluntary automobile” rose by 3.0% year-on-year due to bolstered efforts with insurance company tie-ups domestically as well as expanded insurance sales following collaboration with Toyota overseas.

- Net loss ratios
  - “Fire” rose by 2.3 percentage points year-on-year as total claims paid increased (+¥2.2 billion year-on-year).
  - “Voluntary automobile” declined by 0.2 percentage point year-on-year because of lower loss adjustment expenses despite higher total payouts (+¥8.1 billion year-on-year)
  - Net loss ratio was 60.4%, or +0.0 percentage points year-on-year, excluding CALI.

<Major natural disasters during the year> (¥ bn)

	FY2009 H1			FY2010 H1		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	0.3	0.3	0.6	**0.1**	**0.0**	**0.2**
Marine	0.3	0.0	0.3	**0.1**	**0.0**	**0.1**
Other	0.0	0.0	0.0	**0.0**	**0.1**	**0.1**
Total	0.6	0.3	1.0	**0.2**	**0.2**	**0.4**

Aioi Insurance : Company Expenses and Expense Ratios

Company expenses

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Underwriting company expense	70.7	**70.1**	**-0.5**
Loss adjustment expense	24.4	**18.7**	**-5.7**
Other	4.0	**3.7**	**-0.2**
Total company expense	99.2	**92.6**	**-6.6**
Personnel	47.8	**47.7**	**-0.1**
Non personnel	45.8	**40.2**	**-5.5**
Taxes and contributions	5.5	**4.5**	**-0.9**

Expense ratios

	FY2009 H1	FY2010 H1	
			Change
Net commission ratio	17.7%	**18.0%**	**0.3pt**
Net company expense ratio	17.8%	**17.2%**	**-0.6pt**
Net expense ratio	35.5%	**35.3%**	**-0.2pt**
Net expense ratio (excluding CALI)	36.3%	**36.0%**	**-0.3pt**

- Company expenses declined by ¥6.6 billion year-on-year to ¥92.6 billion due to decrease of development costs of claims adjustment software.
- Non-personnel costs declined by ¥5.5 billion year-on-year due to a decrease in software development costs.
- The net expense ratio was 35.3%, down by 0.2 percentage point year-on-year.
  - The net commission ratio was 18.0% (up by 0.3 percentage point year-on-year).
  - The net company expense ratio was 17.2% (down by 0.6 percentage point year-on-year).
- Excluding CALI, the net expense ratio declined by 0.3 percentage point year-on-year to 36.0%

Aioi Insurance (Non-Consolidated) : Investment Performance

Net investment income/loss

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Interest and dividends received	24.8	**23.0**	**-1.8**
Transfer of investment income on deposit premiums	-9.4	**-8.5**	**0.8**
Net interest and dividend income	15.4	**14.4**	**-0.9**
Net gains/losses on sale of securities	1.6	**8.6**	**6.9**
Losses on devaluation of securities	-3.3	**-6.7**	**-3.4**
Net gains/losses on derivative transactions	7.1	**1.2**	**-5.9**
Other	-3.8	**-4.9**	**-1.1**
Net investment income/loss	17.0	**12.5**	**-4.5**

Sources of interest and dividends received

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Bonds	4.1	**3.3**	**-0.7**
Stocks	3.5	**3.9**	**0.3**
Foreign securities	5.3	**7.5**	**2.1**
Other securities	5.2	**2.2**	**-2.9**
Loans	3.3	**2.9**	**-0.4**
Real estate	2.5	**2.5**	**-0.0**
Other	0.5	**0.4**	**-0.1**
Total	24.8	**23.0**	**-1.8**

- Interest and dividends received declined by ¥1.8 billion year-on-year mainly due to a decline in interest and dividends from other securities, despite an increase in interest and dividends from foreign securities. Transfer of investment income on deposit premiums fell by ¥800 million year-on-year, and net interest and dividend income declined by ¥900 million to ¥14.4 billion.
- Net gains/losses on the sale of securities rose by ¥6.9 billion year-on-year.
- Losses on devaluation of securities increased by ¥3.4 billion year-on-year to ¥6.7 billion.

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Bonds	-	**-**	**-**
Stocks	3.0	**6.7**	**3.7**
Foreign stocks	0.3	**-**	**-0.3**
Other	-	**0.0**	**0.0**
Total	3.3	**6.7**	**3.4**

- Net gains on derivatives transactions were ¥1.2 billion, a decline of ¥5.9 billion year-on-year.
- As a result of the above, net investment income totaled ¥12.5 billion, a decrease of ¥4.5 billion year-on-year.

<Reference:Investment performance> (¥ bn)

	FY2009	FY2010 H1	Change
Deposits and savings	195.2	**259.3**	**64.0**
Marketable securities	1,386.2	**1,226.8**	**-159.4**
Bonds	439.1	**366.5**	**-72.6**
Stocks	414.7	**368.0**	**-46.6**
Foreign securities	452.2	**418.7**	**-33.5**
Other marketable securities	80.0	**73.4**	**-6.6**
Loans	324.1	**307.9**	**-16.2**
Land, buildings	138.6	**137.5**	**-1.1**
Total	2,044.3	**1,931.7**	**-112.6**

Nissay Dowa General Insurance (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009 H1	FY2010 H1	
			Change
Net premiums written	154.9	**150.9**	**-3.9**
Net premiums, growth rate	-0.5%	**-2.6%**	**-2.1pt**
Net loss ratio	66.9%	**70.5%**	**3.6pt**
Net expense ratio	33.2%	**35.0%**	**1.8pt**
Combined ratio	100.1%	**105.5%**	**5.4pt**
Incurred losses	94.8	**102.8**	**7.9**
Underwriting profit/loss	-0.8	**-3.3**	**-2.5**
Net investment income/loss	8.6	**12.2**	**3.6**
Ordinary profit	6.3	**6.5**	**0.1**
Extraordinary income/loss	-1.2	**-9.3**	**-8.1**
Net income	3.5	**-1.3**	**-4.8**
<Excluding CALI>			
Net premiums, growth rate	1.6%	**-3.1%**	**-4.7pt**
Net loss ratio	63.4%	**67.2%**	**3.8pt**
Net expense ratio	33.9%	**35.8%**	**1.9pt**
Combined ratio	97.3%	**103.0%**	**5.7pt**

* "Net loss ratio" is on a "written-to-paid" basis.

- Net premiums written declined by 2.6%. The decline was in reaction to last year's strong growth in "Fire."
- Net loss ratio rose by 3.6 percentage points year-on-year (excluding CALI, 3.8 percentage points year-on-year) due to an increase in automobile accidents covered by "Voluntary automobile" insurance.
- Net expense ratio increased temporarily due to the merger, up by 1.8 percentage points year-on-year (+1.9 percentage points year-on-year, excluding CALI)
- The combined ratio was 105.5%, up by 5.4 percentage points year-on-year (excluding CALI, the combined ratio rose by 5.7 percentage points).
- The underwriting loss was ¥3.3 billion, increased by ¥2.5 billion year-on-year. The main factors were:
  - Payments for claims incurred on voluntary automobile insurance increased.
    (Incurred losses for voluntary automobile insurance rose by ¥10.3 billion year-on-year)
  - Provisions for standard underwriting reserves for fire insurance declined.
- Net investment income was ¥12.2 billion, up by ¥3.6 billion year-on-year, due to increased gains on the sale of securities.
- As a result of the above, ordinary profit was ¥6.5 billion, an increase of ¥100 million year-on-year.
- Extraordinary losses were ¥9.3 billion, increased by ¥ 8.1 billion year-on-year, due to ¥8.7 billion booked as business-integration-related expenses.
- There was an interim net loss of ¥1.3 billion, down ¥4.8 billion year-on-year.

Nissay Dowa General Insurance (Non-Consolidated) : Premiums and Loss Ratios by Product Line

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	Growth
Fire	23.3	**18.7**	**-19.7%**
Marine	2.0	**2.2**	**12.1%**
Personal accident	14.6	**14.3**	**-2.0%**
Voluntary auto	80.2	**81.7**	**1.8%**
CALI	14.5	**14.9**	**2.3%**
Other	20.0	**18.9**	**-5.5%**
Total	154.9	**150.9**	**-2.6%**
(Excluding CALI)	140.3	**136.0**	**-3.1%**

Net loss ratios

	FY2009 H1	FY2010 H1	Change
Fire	37.7%	**46.8%**	**9.1pt**
Marine	83.0%	**77.0%**	**-6.0pt**
Personal accident	60.8%	**60.1%**	**-0.7pt**
Voluntary auto	72.2%	**75.5%**	**3.3pt**
CALI	100.5%	**100.1%**	**-0.4pt**
Other	58.0%	**56.2%**	**-1.8pt**
Total	66.9%	**70.5%**	**3.6pt**
(Excluding CALI)	63.4%	**67.2%**	**3.8pt**

Incurred losses

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Incurred losses (excl loss adjustment expenses)	94.8	**102.8**	**7.9**
Natural disasters	1.5	**0.0**	**-1.4**
Other	93.3	**102.8**	**9.4**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR.

- Net premiums written
  - "Fire" declined by19.7% year-on-year as long-term contracts decreased.
  - "Marine" rose by 12.1% year-on-year as cargo shipments recovered.
  - "Voluntary automobile" rose by 1.8% year-on-year as the unit prices of premiums rose following the premium rate revision (upward) in June.

- Net loss ratio
  - "Personal accident" insurance net loss ratio declined by 0.7 percentage point year-on-year as claims paid for fatal accidents declined.
  - "Voluntary automobile" net loss ratio rose by 3.3 percentage points year-on-year with increased total claims paid as the number of accidents rose.

< Major natural disasters during the period > (¥ bn)

	FY2009 H1			FY2010 H1		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	0.5	0.3	0.9	**0.0**	**0.0**	**0.0**
Marine	0.0	-	0.0	**-**	**-**	**-**
Automobile	0.3	0.0	0.3	**-**	**-**	**-**
Other	0.0	0.1	0.1	**-**	**-**	**-**
Total	0.9	0.5	1.5	**0.0**	**0.0**	**0.0**

Nissay Dowa General Insurance (Non-Consolidated): Company Expenses and Expense Ratios

Company expenses

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Underwriting company expense	24.7	**26.5**	**1.8**
Loss adjustment expense	9.1	**9.1**	**-0.0**
Other	1.8	**1.8**	**-0.0**
Total company expense	35.6	**37.5**	**1.8**
Personnel	16.7	**18.3**	**1.5**
Non-personnel	17.0	**17.3**	**0.2**
Taxes and contributions	1.8	**1.8**	**-0.0**

Expense ratios

	FY2009 H1	FY2010 H1	Change
Net commission ratio	17.2%	**17.4%**	**0.2pt**
Net company expense ratio	15.9%	**17.6%**	**1.7pt**
Net expense ratio	33.2%	**35.0%**	**1.8pt**
Net expense ratio (excluding CALI)	33.9%	**35.8%**	**1.9pt**

- Company expenses rose by ¥1.8 billion year-on-year to ¥37.5 billion.
- Personnel expenses rose by ¥1.5 billion year-on-year due to an increase in salaries and retirement payments. Non-personnel expenses rose by ¥200 million year-on-year due to temporary costs related to the merger.
- The net expense ratio was 35.0%, up by 1.8 percentage points year-on-year.
  - The net commission ratio was 17.4% (up by 0.2 percentage point year-on-year).
  - The net company expense ratio was 17.6% (up by 1.7 percentage points year-on-year).
- Excluding CALI, the net expense ratio was 35.8%, up by 1.9 percentage points year-on-year.

Nissay Dowa General Insurance (Non-Consolidated) : Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Interest and dividends received	10.5	**10.1**	**-0.4**
Transfer of investment income on deposit premiums	4.0	**3.6**	**-0.3**
Net interest and dividend income	6.4	**6.4**	**- 0.0**
Net gains/losses on sale of securities	6.7	**10.8**	**4.1**
Losses on devaluation of securities	-3.4	**-3.1**	**0.2**
Net gains/losses on redemption of securities	0.0	**-0.1**	**-0.2**
Gains/losses on derivative transactions	-0.5	**-0.8**	**-0.3**
Other	-0.6	**-0.7**	**-0.1**
Net investment income/loss	8.6	**12.2**	**3.6**

Sources of interest and dividends received

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Bonds	2.3	**1.8**	**-0.4**
Stocks	3.3	**3.3**	**- 0.0**
Foreign securities	3.8	**3.9**	**0.0**
Other securities	0.0	**0.1**	**0.0**
Loans	0.4	**0.3**	**- 0.0**
Real estate	0.4	**0.4**	**- 0.0**
Other	0.1	**0.1**	**- 0.0**
Total	10.5	**10.1**	**-4.0**

- Interest and dividends received declined by ¥400 million year-on-year, while transfer of investment income on deposit premiums fell by ¥300 million year-on-year. Thus, net interest and dividend income was flat year-on-year.
- Net gains on the sale of securities rose by ¥4.1 billion year-on-year, while losses on devaluation of securities were ¥3.1 billion (decreased by ¥0.2 billion).
- As a result, net investment income was ¥12.2 billion, an increase of ¥3.6 billion year-on-year.

<Reference:Investment performance>

(¥ bn)

	FY2009	FY2010 H1	Change
Deposits	46.2	**40.1**	**-6.0**
Marketable securities	836.7	**787.8**	**-44.8**
Bonds	300.9	**287.4**	**-13.4**
Stocks	302.9	**265.9**	**-36.9**
Foreign securities	222.5	**224.2**	**1.6**
Other marketable securities	10.4	**10.3**	**-0.1**
Loans	36.6	**35.8**	**-0.7**
Land, property	48.8	**54.7**	**5.8**
Total	968.4	**918.6**	**-49.8**

MSI Kirameki Life

(¥ bn)

	FY2009 H1	FY2010 H1	Year-on-year change (or compared to beginning of year)	
Amount of new policies *1	807.2	**831.6**		**3.0%**
Amount of in-force policies *1	9,232.1	**9,746.3**	**(compared to beginning of year)**	**3.2%**
Annualized premiums in-force *1	193.7	**197.4**	**(compared to beginning of year)**	**1.5%**
Net income	0.0	**0.0**		**0.0**
Real Net income *2	1.4	**0.9**		**-0.5**

*1 Sum of personal insurance and personal annuity insurance.

*2 Net income before provision for underwriting reserve.

- The amount of new policies increased by 3.0% year-on-year.
- The amount of in-force policies continued to grow strongly, up 3.2% compared to the beginning of the year.
- Annualized premiums in-force increased by 1.5% compared to the beginning of the year, and premiums in the third-sector products also exhibited strong growth of 9.2%.
- In order to meet the standard underwriting reserve requirement, provision for the underwriting reserve was made until net profit was brought below ¥100 million. As a result, net income amounted to ¥34 million (provision for the underwriting reserve: ¥1.4 billion)
- Net income before the underwriting reserve provision fell by ¥500 million due to incurred expenses that were associated with the business-integration-related expenses.

Aioi Life Insurance

(¥ bn)

	FY2009 H1	FY2010 H1	Year-on-year change (or compared to beginning of year)
Amount of new policies *1	529.0	**493.1**	**-6.8%**
Amount of in-force policies *1	5,603.6	**6,057.8**	**(compared to beginning of year) 3.7%**
Annualized premiums in-force *1	72.0	**74.9**	**(compared to beginning of year) 1.9%**
Real net income *2	1.1	**0.7**	**-0.3**

*1 Sum of personal insurance and personal annuity insurance.

*2 Net income before provision for underwriting reserve.

- The amount of new policies fell by 6.8% year-on-year due to a decline in income protection insurance.
- The amount of in-force policies grew steadily, increasing by 3.7% compared to the beginning of the year.
- Annualized premiums in-force increased by 1.9% compared to the beginning of the year due to an expansion in variable universal life insurance.
- Net income fell by ¥300 million yen year-on-year due primarily to the facts that the burden of provision for underwriting reserves increased (-¥900 million) because the amount of new variable universal life insurance policies was higher than planned, and that the special factors associated with reinsurance in the previous interim term disappeared and net income leveled out.

MSI MetLife

MSI MetLife

(¥ bn)

	FY2009 H1	FY2010 H1	Year-on-year change (or compared to the beginning of year)
Amount of new policies	240.7	**129.4**	**- 46.2%**
Amount of in-force policies	2,919.5	**2,976.7**	**(compared to beginning of year) - 5.1%**
Premiums	261.8	**125.2**	**- 52.2%**
Net income (our share)	6.4	**4.5**	**-1.8**

- The amount of new policies decreased by 46.2% year-on-year due to a decline in the number of policies and premiums per policy.
- The amount of in-force policies fell by 5.1% compared to the beginning of the year with an decrease in assets under management of variable annuities reflecting the deterioration in the investment environment.
- Premiums fell by 52. 2% year-on year due to the contraction of the variable annuities market.
- Despite the deterioration in the investment environment, business expenses decreased and so interim net income (our share) was a profit of ¥4.5 billion, although down by ¥1.8 billion year-on-year.

Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2009 H1	FY2010 H1	Change	Growth
Overseas subsidiaries total	98.1	**102.5**	**4.3**	**4.4%**
Asia	33.5	**40.0**	**6.4**	**19.3%**
Europe	38.2	**32.1**	**-6.0**	**- 15.8%**
Americas	13.6	**15.8**	**2.2**	**16.3%**
Reinsurance	12.7	**14.4**	**1.6**	**13.1%**

Net income

(¥ bn)

	FY2009 H1	FY2010 H1	Change
Overses subsidiaries total	9.8	**0.7**	**-9.0**
Asia	4.8	**4.2**	**-0.5**
Europe	-0.5	**-8.2**	**-7.7**
Americas	1.2	**1.1**	**-0.0**
Reinsurance	4.2	**3.5**	**-0.7**

- Despite the adverse effects of yen appreciation, net premiums written of overseas subsidiaries totaled ¥102.5 billion, a year-on-year increase of ¥4.3 billion (4.4%) due to automobile insurance growth and the recovery in cargo insurance in Asia overall, and the merger of two Aioi subsidiaries in the US.

  The negative impact of the yen's appreciation was ¥2.9 billion (estimate), while net premiums written on a local currencies basis rose by 7.4%.

- Interim net income of overseas subsidiaries totaled ¥700 million, a ¥9 billion decline year-on-year.
  - In Asia, compared to the previous year, when there were fewer major claim incidents, the underwriting profit/loss lowered, causing interim net income to fall by ¥500 million.
  - In Europe, in addition to an increase in incurred losses due to major claim incidents, the maintenance of strict underwriting standards amidst economic stagnation and the soft market contributed to a 7.7 billion decline in interim net income.
  - In the Americas, interim net income fell by ¥100 million in North America and rose by ¥100 million in Brazil.
  - Reinsurance income/loss performed strongly as there were no major losses due to natural disasters. Exchange rate losses that affected investments caused interim net income to fall by ¥700 million.

【Reference Materials】

Projected Financial Results for FY2010 (Full Year)

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

MSI (Non-Consolidated)

Key financial Data

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Met premiums written	1,203.7	**1,231.0**	**27.3**
Net premiums, growth rate	-2.9%	**2.3%**	**5.2pt**
Net loss ratio	70.3%	**69.0%**	**-1.3pt**
Net expense ratio	34.5%	**34.3%**	**-0.2pt**
Combined ratio	104.8%	**103.3%**	**-1.5pt**
Incurred losses	752.6	**751.4**	**-1.3**
Underwriting profit/loss	-15.9	**-12.0**	**3.9**
Net investment income/loss	57.7	**63.0**	**5.3**
Ordinary profit	35.7	**49.0**	**13.2**
Extraordinary income/loss	-2.6	**-6.0**	**-3.3**
Net income	25.4	**33.0**	**7.5**

(Excluding CALI)

Net premiums, growth rate	-2.0%	**2.5%**	**4.5pt**
Net loss ratio	65.7%	**64.2%**	**-1.5pt**
Net expense ratio	35.8%	**35.6%**	**-0.2pt**
Combined ratio	101.5%	**99.8%**	**-1.7pt**

* "Net loss ratio" is on a "written-to-paid" basis.

- Net premiums written are forecast to increase by ¥27.3 billion year-on-year, or 2.3%, to ¥1,231 billion.
- The net loss ratio is forecast to decline by 1.3 percentage points year-on-year to 69.0%.
  Excluding CALI, the forecast is for a decline of 1.5 percentage points to 64.2%.
- The net expense ratio is forecast to decline by 0.2 percentage point year-on-year to 34.3%.
- The combined ratio is forecast to decline by 1.5 percentage points year-on-year to 103.3%. Excluding CALI, the ratio is forecast to be 99.8%.
- We forecast an underwriting loss of ¥12 billion, a fall of ¥3.9 billion year-on-year.
- Net investment income is forecast to increase by ¥5.3 billion year-on-year to total ¥63 billion.
- As a result of the improvement in underwriting loss and the growth in net investment income, ordinary profit is expected to outperform last year's result by ¥13.2 billion, to total ¥49 billion.
- We forecast an extraordinary loss of ¥6 billion, a year-on-year decline of ¥3.3 billion.
  We expect to incur temporary expenses that will include business-integration-related expenses and real-estate related expenses.
- We forecast net income to come in at ¥33 billion, or ¥7.5 billion above last year's result.

MSI (Non-Consolidated) : Premiums and Loss Ratios by Product Line

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)	
			Growth
Fire	179.4	**182.7**	**1.8%**
Marine	51.9	**54.1**	**4.2%**
Personal Accident	129.4	**133.2**	**2.9%**
Voluntary Auto	536.7	**553.1**	**3.0%**
CALI	134.6	**135.3**	**0.5%**
Other	171.5	**172.6**	**0.6%**
Total	1203.7	**1,231.0**	**2.3%**
Excluding CALI	1069.0	**1,095.7**	**2.5%**

Net loss ratios

	FY2009	FY2010 (forecast)	
			Change
Fire	43.3%	**43.5%**	**0.2pt**
Marine	61.7%	**55.3%**	**-6.4pt**
Personal Accident	62.9%	**62.4%**	**-0.5pt**
Voluntary Auto	73.4%	**75.1%**	**1.7pt**
CALI	107.3%	**108.1%**	**0.8pt**
Other	68.2%	**55.5%**	**-12.7pt**
Total	70.3%	**69.0%**	**-1.3pt**
Excluding CALI	65.7%	**64.2%**	**-1.5pt**

Incurred losses

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Incurred Losses (excluding loss adjustment expenses)	752.6	**751.4**	**-1.3**
Natural disasters	15.6	**4.0**	**-11.7**
Other	737.0	**747.4**	**-10.4**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR

- Net premiums written are expected to increase across all product lines, partly due to the strengthened alliance with Sumitomo Life.
- Net loss ratios are forecast to fall by 1.3 percentage points to 69.0%.
- Excluding natural disasters, our forecasts for our net loss ratio are as follows:

Fire	:	42.1% (up 4.4 percentage points year-on-year)
Marine	:	55.3% (down 6.3 percentage points year-on-year)
Personal Accident	:	62.4% (down 0.5 percentage point year-on-year)
Voluntary Auto	:	74.9% (up 1.9 percentage points year-on-year)
CALI	:	108.1% (up 0.8 percentage point year-on-year)
Other	:	55.3% (down 12.3 percentage points year-on-year)
Total	:	68.7% (down 0.5 percentage points year-on-year)

- We have factored in natural disaster losses of ¥4 billion, a fall of ¥11.7 billion year-on-year.
  Fire: ¥2.7 billion, Voluntary Auto: ¥1 billion, Other: 300 million
- We expect incurred losses to decrease by ¥1.3 billion year-on-year.

MSI (Non-Consolidated) : Company Expenses and Expense Ratios

Company expenses

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Underwriting company expense	207.8	**206.2**	**-1.7**
Loss adjustment expense	74.4	**75.2**	**0.7**
Other	11.0	**9.9**	**-1.2**
Total company expense	293.4	**291.2**	**-2.2**
Personnel	156.5	**159.3**	**2.8**
Non personnel	123.0	**118.5**	**-4.6**
Taxes and contributions	13.7	**13.4**	**-0.4**

Expense ratios

	FY2009	FY2010 (forecast)	
			Change
Net commission ratio	17.2%	**17.5%**	**0.3pt**
Net company expense ratio	17.3%	**16.7%**	**-0.6pt**
Net expense ratio	34.5%	**34.3%**	**-0.2pt**
Net expense ratio (excluding CALI)	35.8%	**35.6%**	**-0.2pt**

- We forecast that total company expenses will decrease by ¥2.2 billion year-on-year to ¥291.2 billion.
- We forecast that net expense ratios will improve by 0.2 percentage point to total 34.3%
  - We expect that the net commission ratio will increase by 0.3 percentage point to 17.5%.
  - We expect that the net company expense ratio will decrease by 0.6 percentage point year-on-year to total 16.7%.
- Excluding CALI, we forecast that the net expense ratio will improve by 0.2 percentage point to total 35.6%.
  - We expect that the net commission ratio will come to 18.8% (up 0.3 percentage point year-on-year)
  - We expect that the net company expense ratio will come to 16.8% (down 0.6 percentage point year-on-year)

MSI (Non-Consolidated) : Investment Performance

Net investment income/loss

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Interest and dividends received	117.4	**107.6**	**-9.9**
Transfer of investment income of deposit premiums	54.0	**49.9**	**-4.2**
Net interest and dividend income	63.4	**57.7**	**-5.7**
Net gains/losses on sale of securities	0.2	**19.6**	**19.4**
Losses on devaluation of securities	-4.8	**-4.7**	**0.1**
Net gains/losses on redemption of securities	-2.1	**-0.8**	**1.3**
Gains/losses on derivative transactions	25.2	**6.4**	**-18.8**
Other	-24.1	**-15.2**	**8.9**
Net investment income/loss	57.7	**63.0**	**5.3**

Sources of interest and dividends received

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Bonds	29.4	**29.5**	**0.0**
Stocks	27.3	**28.1**	**0.7**
Foreign securities	29.1	**23.8**	**-5.3**
Other securities	4.4	**23.0**	**-2.1**
Loans	14.3	**12.8**	**-1.6**
Real estate	7.4	**6.7**	**-0.8**
Other	5.3	**4.5**	**-0.8**
Total	117.4	**107.6**	**-9.9**

- We expect interest and dividends received to fall in foreign securities and decline by ¥9.9 billion year-on-year, to ¥107.6 billion.
- Net interest and dividend income is expected to decline by ¥5.7 billion year-on-year to 57.7 billion.
- We expect gains on the sale of securities to increase by ¥19.4 billion to ¥19.6 billion.
- We expect losses on devaluation of securities of ¥4.7 billion, an increase of 100 million year-on-year.
- We see gains on derivative transactions decreasing by ¥18.8 billion year-on-year to ¥6.4 billion, due chiefly to a fall in mark to market gains of credit derivatives.
- We expect other gains to increase by ¥8.9 billion year-on-year, due to a reduction in losses on the redemption of investment trusts.

Aioi Nissay Dowa Insurance (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Net premiums written	1,106.7	**1,131.0**	**24.3**
Net premiums, growth rate	-1.9%	**2.2%**	**4.1pt**
Net loss ratio	67.7%	**66.9%**	**-0.8pt**
Net expense ratio	35.0%	**35.4%**	**0.4pt**
Combined ratio	102.7%	**102.3%**	**-0.4pt**
Incurred losses	698.7	**693.7**	**-5.0**
Underwriting profit/loss	-14.3	**-10.0**	**4.3**
Net investment income/loss	61.5	**42.5**	**-19.0**
Ordinary profit	47.4	**31.0**	**-16.4**
Extraordinary profit/loss	-16.8	**-30.2**	**-13.4**
Net income	21.2	**2.0**	**-19.2**

(Excluding CALI)

	FY2009 (2 companies combined)	FY2010 (forecast)	Change
Net premiums, growth rate	-0.9%	**2.4%**	**3.3pt**
Net loss ratio	63.3%	**62.3%**	**-1.0pt**
Net expense ratio	35.8%	**36.5%**	**0.7pt**
Combined ratio	99.1%	**98.8%**	**-0.3pt**

FY2010 forecast assumptions:
FY2009 Financial Results are a simple aggregate of the results of Aioi Insurance Company, Limited and Nissay Dowa General Insurance Company, Limited.
FY2010 projections consist of a simple aggregate of Nissay Dowa General Insurance Company, Limited's first-half actual earnings and the full-year non-consolidated earnings forecast for Aioi Nissay Dowa Insurance Company, Limited.

- Net premiums written is forecast to increase to ¥1.131 trillion, by ¥24.3 billion year-on-year or 2.2%.
- Net loss ratio is forecast to decline to 66.9%, by 0.8 percentage point year-on-year. Excluding CALI, the ratio is forecast at 62.3%.
- Net expense ratio is forecasted to increase to 35.4%, by 0.4 percentage point year-on-year. Excluding CALI, the ratio is forecast at 36.5%.
- Combined ratio is forecast to decline by 0.4 percentage point to 102.3%. Excluding CALI, the combined ratio is forecast at 98.8%.
- Underwriting profit is forecast to increase by ¥4.3 billion to a ¥10.0 billion loss due to a decline in incurred losses primarily because of a lower assumption for natural disasters than last year.
- Net investment income is forecast at ¥42.5 billion, down by ¥19.0 billion year-on-year, because of anticipated declines in interest and dividends and capital gains.
- As a result, operating profit is forecast to at ¥31.0 billion, down by ¥16.4 billion year-on-year.
- Extraordinary losses are forecast at ¥30.2 billion due to expenses related to the merger.
- Net income is forecast at ¥2.0 billion, down by ¥19.2 billion year-on-year.

Aioi Nissay Dowa Insurance (Non-Consolidated) : Premiums and Loss Ratios by Product Line

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	(2 companies combined)		Growth
Fire	153.2	**158.1**	**3.1%**
Marine	8.2	**8.2**	**-0.8%**
Personal accident	73.3	**75.2**	**2.6%**
Voluntary auto	626.4	**645.0**	**3.0%**
CALI	137.7	**138.6**	**0.6%**
Other	107.6	**105.9**	**-1.7%**
Total	1,106.7	**1,131.0**	**2.2%**
(Excluding CALI)	969.0	**992.4**	**2.4%**

Net loss ratios

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Fire	38.7%	**36.0%**	**-2.7pt**
Marine	73.1%	**70.8%**	**-2.3pt**
Personal accident	56.3%	**52.2%**	**-4.1pt**
Voluntary auto	69.1%	**67.7%**	**-1.4pt**
CALI	99.1%	**100.0%**	**0.9pt**
Other	68.2%	**75.3%**	**7.1pt**
Total	67.7%	**66.9%**	**-0.8pt**
(Excluding CALI)	63.3%	**62.3%**	**-1.0pt**

Incurred losses

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Incurred losses (excluding loss adjustment expenses)	698.7	**693.7**	**-5.0**
Natural disasters	11.5	**3.0**	**-8.5**
Other	687.2	**690.7**	**3.5**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR.

- Net premiums written are projected to increase by 2.2% year-on-year primarily in the Voluntary auto insurance and Fire insurance segments expanded sales from bolstered efforts through insurance company tie-ups domestically and collaboration with Toyota overseas.

  - Fire insurance is forecast to rise by 3.1% year-on-year.
  - Voluntary auto insurance is projected to rise 3.0% year-on-year.

- Net loss ratio is projected to decline 0.8 percentage point year-on-year to 66.9%.
  Excluding CALI, net loss ratio projected is as follows:

Fire	:	35.3% (down 3.4 percentage points year-on-year)
Marine	:	70.8% (down 2.3 percentage points year-on-year)
Personal accident	:	52.2% (down 4.1 percentage points year-on-year)
Voluntary auto	:	67.4% (down 1.7 down percentage points year-on-year)
CALI	:	100.0% (up 0.9 percentage point year-on-year)
Other	:	75.3% (up 7.1 percentage points year-on-year)
Total	:	66.7% (down 1.0 percentage point year-on-year)

- We forecast ¥3.0 billion in incurred losses on natural disasters.
  Fire: ¥1.0 billion; Voluntary automobile: ¥2.0 billion

- We expect incurred losses to decline by ¥5.0 billion year-on-year.

Aioi Nissay Dowa Insurance (Non-Consolidated) : Company Expenses and Expense Ratios

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Underwriting company expense	193.2	**198.7**	**5.5**
Loss adjustment expense	61.8	**58.1**	**-3.7**
Other	11.4	**9.4**	**-2.0**
Total company expense	266.4	**266.2**	**-0.2**
Personnel	131.5	**135.5**	**4.0**
Non personnel	122.4	**117.7**	**-4.7**
Taxes and contributions	12.5	**13.0**	**0.5**

Expense ratios

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Net commission ratio	17.5%	**17.8%**	**0.3pt**
Net company expense ratio	17.5%	**17.6%**	**0.1pt**
Net expense ratio	35.0%	**35.4%**	**0.4pt**
Net expense ratio (excluding CALI)	35.8%	**36.5%**	**0.7pt**

- Company expenses are projected to decline by ¥200 million year-on-year to ¥266.2 billion.
- Net expense ratio is expected to rise by 0.4 percentage point year-on-year to 35.4%.
  - Net commission ratio is projected to increase by 0.3 percentage point year-on-year to 17.8%.
  - Net company expense ratio is forecast to increase by 0.1 percentage point year-on-year to 17.6%.
- Net expense ratio excluding CALI is projected to rise by 0.7 percentage point year-on-year to 36.5%.

Aioi Nissay Dowa Insurance (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Interest and dividends received	69.8	**60.2**	**-9.6**
Transfer of investment income on deposit premiums	-26.1	**-25.6**	**0.5**
Net interest and dividend income	43.7	**34.6**	**-9.1**
Net gains/losses on sale of securities	31.0	**28.1**	**-2.9**
Losses on devaluation of securities	-8.1	**-7.1**	**1.0**
Net gains/losses on redemption of securities	-2.5	**-1.8**	**0.7**
Gains/losses on derivative transactions	7.7	**-0.1**	**-7.8**
Other	-10.4	**-11.2**	**-0.8**
Net investment income/loss	61.5	**42.5**	**-19.0**

Sources of interest and dividends received

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Bonds	12.4	**10.3**	**-2.1**
Stocks	14.7	**12.7**	**-2.0**
Foreign securities	22.2	**21.8**	**-0.4**
Other securities	5.9	**2.6**	**-3.3**
Loans	7.3	**6.3**	**-1.0**
Real estate	5.8	**5.5**	**-0.3**
Other securities	1.3	**1.0**	**-0.3**
Total	69.8	**60.2**	**-9.6**

- Interest and dividends received are projected to decline by ¥9.6 billion year-on-year to ¥60.2 billion.
- Net interest and dividend income is projected to decline by ¥9.1 billion year-on-year to ¥34.6 billion.

MSI Kirameki Life

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Amount of new policies*[1]	1,587.2	**1,910.0**	**20.3%**
Amount of in-force policies*[1]	9,444.7	**10,230.0**	**8.3%**
Annualized premiums in-force*[1]	194.5	**199.0**	**2.3%**
Net income	0.0	**-5.1**	**-5.1**
Real net income*[2]	2.8	**1.1**	**-1.7**

*1 Sum of personal insurance and personal annuity insurance.

*2 Net income before provision for underwriting reserve.

- The amount of new policies is expected to grow by 20% year-on-year, to ¥1.9 trillion. We expect the amount of new policies to grow due to further strengthening of new systems for promoting life insurance and product revisions.
- The amount of in-force policies is forecast to reach the over ¥10 trillion level, due to year-on-year growth of 8.3%.
- Annualized premiums in-force are forecast to increase by 2.3%, or ¥4.5 billion year-on-year.
- We forecast a ¥5.1 billion deficit in net income due to the lump sum provision that will be made to meet the standard underwriting reserve requirement during this period.
- Net income before underwriting reserve provision is forecast to fall by ¥1.7 billion year-on-year, due to incurred business-integration-related expenses.

Aioi Life Insurance

Aioi Life Insurance

(¥ bn)

	FY2009	FY2010 (forecast)	Change
Amount of new policies*	1,059.4	**972.0**	**-8.3%**
Amount of in-force policies*	5,843.3	**6,240.0**	**6.8%**
Annualized premiums in force*	73.5	**75.4**	**2.5%**
Net income	1.3	**-1.0**	**-2.3**

* Sum of personal insurance and personal annuity insurance

- In view of the fact that handling of the 10-year payment term for variable universal life insurance (the profitability of which had declined significantly due to changes in the external business environment such as the fall in interest rates) was terminated, we forecast that the amount of new policies will be slightly below the ¥1 trillion level.
- We forecast that the amount of in-force policies will grow by 6.8% year-on-year due to an improvement in the ratio of surrenders and lapses.
- Annualized premiums in-force are expected to grow by 2.5% year-on-year.
- Net income is expected to fall by ¥1 billion after factoring in the impacts of business-integration-related expenses.

MSI MetLife

(¥ bn)

	FY2009	FY2010 (forecast)	Change
Amount of new policies	408.1	**254.3**	**-37.7%**
Amount of in-force policies	3,137.5	**3,035.0**	**-3.3%**
Premiums	443.6	**250.0**	**-43.6%**
Net income (our share)	4.4	**6.2**	**1.7**

- The amount of new policies is expected to fall to ¥254.3 billion, a decrease of 37.7% year-on-year.
- Due to the deterioration in the investment environment, the amount of in-force policies is expected to fall to ¥3,035 billion, a decrease of 3.3% year-on-year.
- Premiums are expected to fall to ¥250 billion, a decrease of 43.6% year-on-year.
- Mainly due to the improvement in business expenses, net income (our share) is expected to increase to ¥6.2 billion, an increase of ¥1.7 billion year-on-year.

Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)		
			Change	Growth
Overseas subsidiaries total	176.1	**183.5**	**7.4**	**4.2%**
Asia	65.5	**77.4**	**11.8**	**18.0%**
Europe	64.7	**57.4**	**-7.4**	**- 11.4%**
Americas	24.9	**29.9**	**4.9**	**19.8%**
Reinsurance	20.8	**18.9**	**-2.0**	**- 9.6%**

Net income

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Overseas subsidiaries total	17.2	**7.4**	**-9.8**
Asia	9.0	**7.4**	**-1.6**
Europe	-1.8	**-8.5**	**-6.7**
Americas	1.9	**2.2**	**0.3**
Reinsurance	8.0	**6.2**	**-1.9**

- Despite the adverse effects of yen appreciation, net premiums written at overseas subsidiaries are expected to increase by ¥7.4 billion year-on-year to ¥183.5 billion, due to business growth in Asia and other areas.
- Net income (full year) at overseas subsidiaries is expected to decline by ¥9.8 billion year-on-year to ¥7.4 billion, due partly to the effect of the ongoing slump in the income-expenditure balance in Europe the interim term.