Fiscal 2010 First Information Meeting

June 1, 2010

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

Contents

MS&AD INSURANCE GROUP

Results for FY2009 and
Full-year Results Forecast for FY2010

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 Co., Ltd.**
MSIG	**Mitsui Sumitomo Insurance Group Holdings Co., Ltd.**
MSI	**Mitsui Sumitomo Insurance Co., Ltd.**
Aioi	**Aioi Insurance Co., Ltd.**
NDI	**Nissay Dowa General 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.**

The new company which will be formed on Oct 1, 2010 with merge between Aioi Insurance Co., Ltd., and Nissay Dowa General Insurance Co., Ltd., is abbreviated as "Aioi Nissay Dowa Insurance" in the presentation.

Forward-looking statement

Results for FY2009 (Simple sum of MS&AD Insurance Group)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2008	FY2009	Change	Growth
Net premiums written	2,591.0	**2,519.0**	**-72.0**	**-2.8%**
Ordinary profit/loss	-52.9	**99.1**	**152.0**	**-**
Net income	-9.4	**57.3**	**66.8**	**-**

* Simple sum of Mitsui Sumitomo Insurance Group Holdings (consolidated), Aioi (consolidated) and NDI (non-consolidated).
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)

	FY2008	FY2009	Change	Growth
MSI (non-consolidated)	1,239.3	**1,203.7**	**-35.6**	**-2.9%**
Overseas subsidiaries	181.9	**158.7**	**-23.2**	**-12.8%**
Aioi (non-consolidated)	816.6	**794.0**	**-22.6**	**-2.8%**
Overseas subsidiaries	13.4	**17.4**	**3.9**	**29.2%**
NDI (non-consolidated)	310.9	**312.6**	**1.7**	**0.6%**
Mitsui Direct General	29.6	**32.4**	**2.7**	**9.3%**

* Before consolidation adjustment

Breakdown of net income

(¥ bn)

	FY2008	FY2009	Change
MSI (non-consolidated)	46.5	**25.4**	**-21.1**
Overseas subsidiaries	-22.9	**20.2**	**43.2**
Aioi (non-consolidated)	-9.5	**18.1**	**27.7**
Overseas subsidiaries	-3.1	**-2.9**	**0.2**
NDI (non-consolidated)	-6.7	**3.0**	**9.7**
Mitsui Direct General	-1.5	**-0.6**	**0.8**
MSI Kirameki Life	0.0	**0.0**	**-0.0**
Aioi Life Insurance	0.8	**1.3**	**0.5**
MSI MetLife	-4.4	**4.4**	**8.9**
Other	-0.9	**0.6**	**1.6**
Consolidation adjustment, etc.	-7.4	**-12.3**	**-4.8**

* Net income of subsidiaries is represented based on equity stake.

Full-Year Results Forecast for FY2010 (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009	FY2010	Change	Growth
Net premiums written	2,519.0	**2,580.0**	**61.0**	**2.4%**
Ordinary profit/loss	99.1	**86.0**	**-13.1**	**- 13.2%**
Net income	57.3	**51.0**	**-6.3**	**- 11.1%**

* "Year-on-year change" is a comparison with the simple sum of the three Group companies on the previous page.

Breakdown of net premiums written

(¥ bn)

	FY2009	FY2010	Change	Growth
MSI (non-consolidated)	1,203.7	**1,228.0**	**24.3**	**2.0%**
Overseas subsidiaries	158.7	**170.0**	**11.2**	**7.1%**
Aioi Nissay Dowa Insurance (non-consolidated)	1,106.7	**1,123.0**	**16.3**	**1.5%**
Overseas subsidiaries	17.4	**24.6**	**7.2**	**41.2%**
Mitsui Direct General	32.4	**34.5**	**2.1**	**6.5%**

* Aioi Insurance and Nissay Dowa General Insurance are scheduled to merge on October 1, 2010. Forecast figures (non-consolidated) for Aioi Nissay Dowa Insurance are simple sums of first-half results forecasts (non-consolidated) for Nissay Dowa General Insurance and full-year results forecasts (non-consolidated) for Aioi Nissay Dowa Insurance.

Breakdown of net income

(¥ bn)

	FY2009	FY2010	Change
MSI (non-consolidated)	25.4	**26.0**	**0.5**
Overseas subsidiaries	20.2	**16.4**	**-3.8**
Aioi Nissay Dowa Insurance (non-consolidated)	21.2	**2.0**	**-19.2**
Overseas subsidiaries	-2.9	**-1.4**	**1.5**
Mitsui Direct General	-0.6	**0.0**	**0.7**
MSI Kirameki Life	0.0	**-2.8**	**-2.8**
Aioi Life Insurance	1.3	**0.5**	**-0.8**
MSI MetLife	4.4	**3.5**	**-0.9**
Other	0.6	**0.3**	**-0.3**
Consolidation adjustment, etc.	-12.3	**6.4**	**18.8**

* Net income of subsidiaries is represented based on equity stake.

MS&AD Insurance Group
Group Strategies for FY2010

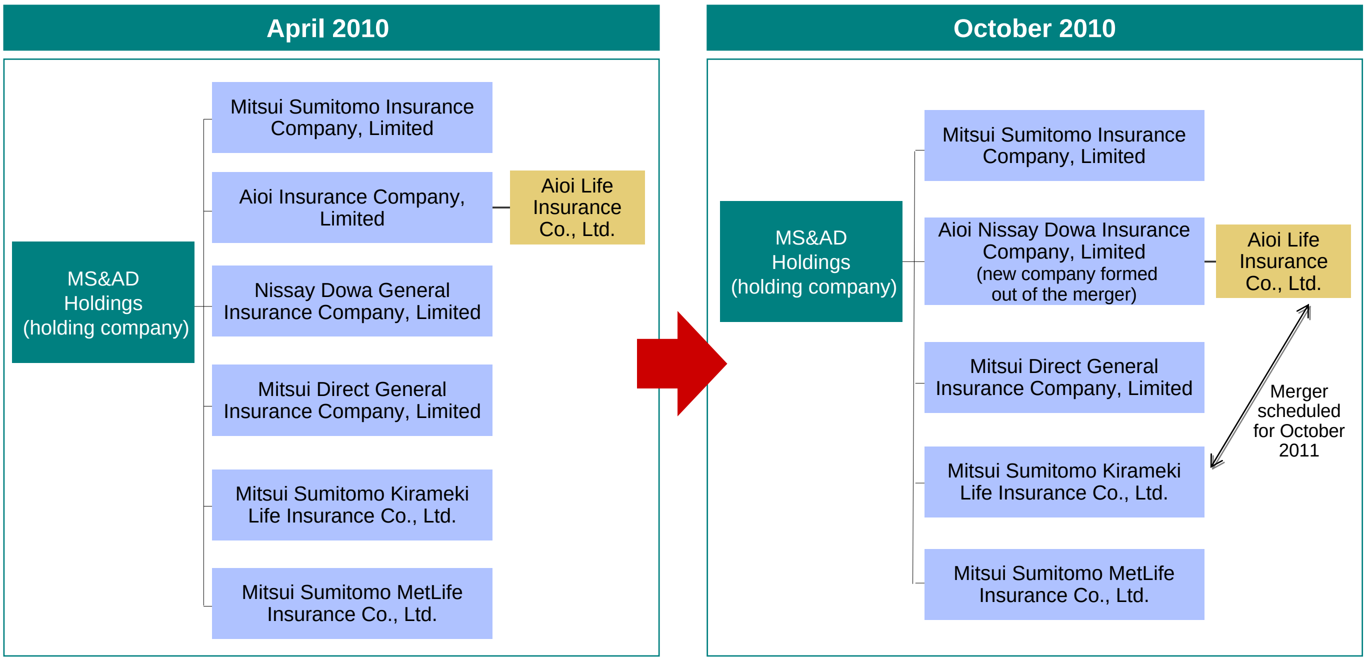
MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group
Its structure, corporate governance and positions

MS&AD Insurance Group Holdings, Inc.

Group Structure

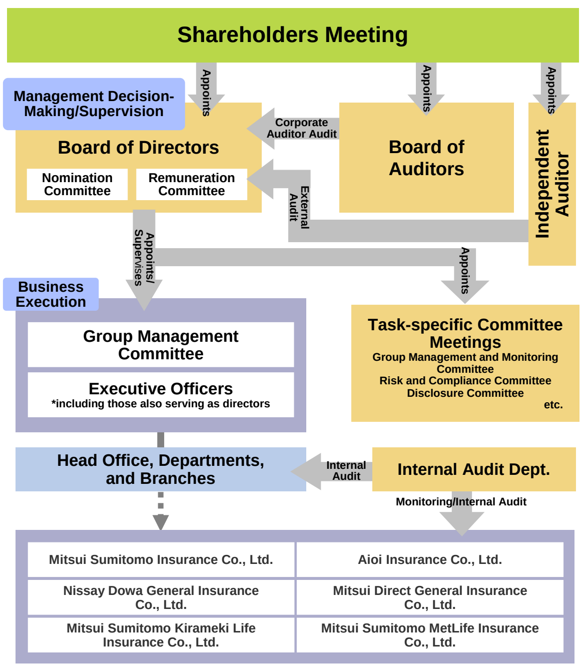
- Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. scheduled to merge in October 2010
- Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. scheduled to merge in October 2011.
- As to further reorganization of the Domestic Non-life Insurance Business, the Group are considering all manner of options, including restructuring by function/segment and/or merger of MSI and Aioi Nissay Dowa insurance, in order to increase growth potential/profitability as a group.



Corporate Governance

- Work to improve group-wide corporate value based on transparency and control functions within group management structure

Corporate Governance Structure



- Adopt an executive officer system; clarify roles of "directors (board)" (responsible for management decision-making and supervision) and "executive officers" (responsible for business execution).
- Four of 13 directors are external; three of five corporate auditors are external:
  All are "independent directors" as defined by the Tokyo, Nagoya, and Osaka Stock Exchanges.
- Outside directors include one law scholar, one corporate ethics academician, and two lawyers. Outside corporate auditors include one certified public accountant and two lawyers:
  All accomplish their governance functions supported by a wealth of personal knowledge, expertise and experience.
  * Twelve board of directors' meetings were held during FY 2009; all outside directors (four at the time) were present at 10 or more of these meetings.
- Established Nomination Committee and Remuneration Committee as internal board of directors' committees:
  Majority of committee members and committee chairs selected from among outside directors.

Global / Domestic Position

■ **MS&AD Insurance Group was created out of the integration of three companies in April 2010. One of the 10 largest companies in the world (No. 7 in terms of FY 2009 P&C premium), MS&AD boasts the top premium income in the domestic industry.**
Each company in the group also enjoys a high rating.

Global Position

[Non-Life Insurance Company Rankings by Premium Income]

1. Allianz (Germany)	4.76 trillion yen
2. State Farm (U.S.)	4.57 trillion yen
3. AXA (France)	3.31 trillion yen
4. AIG (U.S.)	2.86 trillion yen
5. Zurich (Switzerland)	2.72 trillion yen
6. Liberty Mutual (U.S.)	2.64 trillion yen
7. MS&AD Insurance Group	2.52 trillion yen

*Consolidated Net Premiums Written for the most recent fiscal year, converted according to exchange rates as of March 31, 2010.
Source: Respective company financial statements

Domestic Position in Non-Life Insurance Industry

[Six Largest Firms by Net Premiums Written (FY2009)]
* Consolidated basis. Nissay Dowa figure is non-consolidated.

1. Tokio Marine Holdings	2,292.9 billion yen
2. MSI	1,394.9 billion yen
3. Sompo Japan	1,290.9 billion yen
4. Aioi	811.4 billion yen
5. Nipponkoa	645.0 billion yen
6. Nissay Dowa	312.6 billion yen

1. MS&AD	2,519.0 billion yen
2. Tokio Marine Holdings	2,292.9 billion yen
3. NKSJ	1,935.9 billion yen

Group Company Ratings

Credit-Rating Firm	Categories	MSI	Aioi	NDI	MSI Kirameki Life	Aioi Life	MSI MetLife
S&P	Insurer Financial Strength Rating	AA –	AA –	AA –	AA –		AA –
Moody's	Insurance Financial Strength Rating	Aa3	A1				
A.M. Best	Financial Health Rating	A +	A				
Japan Credit Rating Agency (JCR)	Long-term Senior Debt Rating	AAA		AA +			
Rating and Investment Information (R&I)	Issuer Rating	AA	AA				
	Insurance Claims Payment Ability Rating				AA	AA	AA
Fitch Ratings	Insurer Financial Strength Rating			A			

* As of June 1, 2010

【Medium term management plan】**MS&AD New Frontier 2013**

Group Strategies / Overall

MS&AD Insurance Group Holdings, Inc.

To Achieve Medium-Term Targets Numerical Targets

The numbers at FY 2013 column are from "MS&AD New Frontier 2013".
The numbers at 2009 column are the sum of Mitsui Sumitomo, Aioi Insurance and Nissay Dowa General Insurance Co., Ltd.

Target Business Portfolio (unit: billion yen)

	FY 2009 [Results]	FY 2010 [Estimate] ※2	FY 2011 [Goal]	FY 2013 [Goal]	FY 2013 [share]
Profit Indicators for the group ※1	33.8	53	80	150	-
Domestic non-life insurance	19.9	38	50	100	67%
Domestic life insurance	5.8	0 ※3	8	15	10%
Overseas business	13.1	14	17	30	20%
Financial services / Risk related service business	-5.1	1	2	5	3%

※1: Group's 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
※2: The numbers at FY 2010 [Estimate] are rounded off to the billion yen.
※3: Mitsui Sumitomo Kirameki Life Insurance Co., Ltd will book 4.2 billion yen as standard underwriting reserve in FY 2010.

Numerical Targets (unit: billion yen)

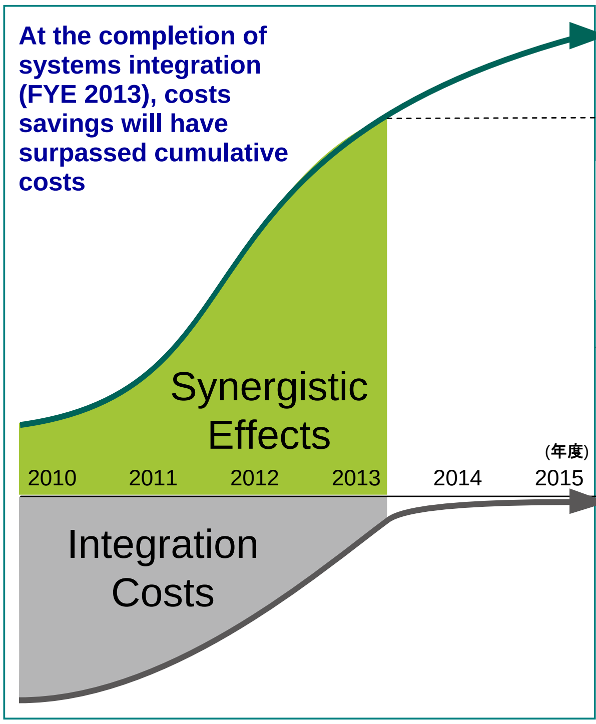
	FY 2009 [Results]	FY 2010 [Estimate]	FY 2011 [Goal]	FY 2013 [Goal]
Non-life consolidated net premiums written	2,519.0	2,580.0	2,600.0	2,700.0
Life annualized premiums in force ※4	268.1	275.0	290.0	330.0
ROE based on Group Core Profit ※5	2.0%	2.8%	4%	7%

※4: Total of Annualized premium in force of Aioi Life and that of Mitsui Sumitomo Kirameki Life (excluding group insurance)
※5: ROE based on Group Core Profit=Group Core Profit ÷ Consolidated shareholders' equity (excluding minority interest; average of starting and ending amounts)
ROE for FY 2008 is not indicated due to negative number.

Projection of Integration Costs and Synergistic Benefits

Integration Synergistic Effects (vs. FY 2008 results)

FY 2013 : in excess of ¥40 billion expected
FY 2015 and beyond : in excess of ¥50 billion expected



FY2013 Annual Synergistic Effects (vs. FY 2008)

	in excess of ¥40 billion	
Cost reduction Effects	● Streamlining costs for system development and operations by integrating the computer systems of MSI, Aioi, and NDI.	¥12bn
Cost reduction Effects	● Integrate sales and claims handling facilities; effective use of real estate ● Streamlining printing/distribution costs	¥10bn
Cost reduction Effects	● Operations, structural revisions to result in subcontracting costs, activities costs, HR cost efficiencies	¥15bn
Synergistic Effects	● Priority allocation of management resources in growth markets and cultivate the friendly client market ● Improve loss ratio through the underwriting and loss-prevention expertise of each company; utilize major global networks	¥5bn

FY2015 Annual Synergistic Effects (vs. FY 2008)

¥50 billion
Cost efficiencies in system development/operation contributed by system integration ¥20bn

Integration Costs

Temporary costs of systems integration:
Approx. ¥70 billion (cumulative)

Status of Major Joint Initiatives (1)

■Joint initiatives announced in September 2009 are progressing favorably in each area

Joint Initiatives			Started	Status
Area	Contents	From		
Overseas Business	Provide products and services through mutual utilization of insurance underwriting facilities within the Group	October 2009	○	Start conversion of local affiliated direct insurance companies to Mitsui Sumitomo Insurance direct insurance (April 2010 in Vietnam; May 2010 in Malaysia)
	Promote personnel exchange such as secondments among overseas subsidiaries and affiliates within the Group	October 2009	○	One executive to China in November 2009 (NDI → MSI) One executive to Malaysia in April 2010 (Aioi → MSI)
Operational processes and systems	Joint establishment of new systems that will place the Group at the forefront of the industry	April 2013		New integrated system under joint development (scheduled for April 2013 implementation) in parallel with operation of merged company system (scheduled for roll-out October 2010)
	Integrate operational processes through creating new systems	April 2013		Considering standardized operational processes in parallel with specific designs for new system
	Share contact centers and system bases	January 2012		Creating structure assuming the joint use of systems in contact centers (customer support desks)
Agency education, systems, and tools	Joint use of agent training management system	January 2010	○	Held joint seminars in three locations (Sapporo, Hiroshima, Fukuoka) prior to certification exam (January 2010)
	Standardized tools for agent training	April 2010	○	Create a standardized "Compliance Guide for Agents" among the three companies (June 2010 distribution)
	Joint use of agent training management system	October 2010		Presently looking into joint usage of certain portions of content
Products and services	Shared use of the service programs at Group risk consulting companies	October 2009	○	Held cooperative seminar (May 2010) among Mitsui Sumitomo Insurance, Aioi, Nissay Dowa, InterRisk Research Institute
	Jointly create tools for training employees and agents related to the new Japanese Insurance Law; use these tools in training	July 2009	○	Created a joint employee/agent reference tool for the Revised Japanese Insurance Law to use in training
International accounting standards and accounting operations	Prepare for future mutual adoption of international accounting standards	October 2009	○	Group deliberations and research into holding company implementation/ status of international accounting standards beginning October 2009
	Use the Group's "Global Management Information System" (consolidated financial accounting system)	April 2010	○	Implement consolidated financial accounting utilizing "Global Management Information System" beginning Q1, FY 2010
	Create a standardized system for recording expenses	April 2011		Presently considering joint use based on Mitsui Sumitomo Insurance's new accounting system

Status of Major Joint Initiatives (2)

■Joint initiatives announced in September 2009 are progressing favorably in each area

Joint Initiatives			Started	Status
Area	Contents	From		
Shared services	Develop shared back office operations among the Group companies, including the integration of companies in the Group that perform identical roles (general affairs, real estate related matters, accident report, administrative operations, systems, etc.)	October 2010		• General affairs, real-estate companies: Preparing for October 2010 mergers • Claim servicing companies, administration/systems companies: Preparing for FY 2011 mergers
	Create a shared group physical distribution system, and jointly produce and deliver printed materials	October 2010		• Physical distribution companies: Researching consolidation of distribution unit prices, intra-Tokyo metro mail • Printed materials/ordering: Structuring a shared framework among three firms
Miscellaneous	Mutually utilize claims handling subsidiaries within the Group	October 2009	○	Begin mutual insourcing claims handling services in three locations (Sendai, Hiroshima, Tokyo West) in October 2009
	Integrate affiliates that conduct risk consulting, survey/research, and financing/bonding services	April 2010	○	Integrate affiliated companies in the four segments of risk consulting, survey/research, financing/bonding, and staffing services in April 2010
	Utilize a common asset management risk measurement system in order to promote integrated management of assets and liabilities	April 2010	○	In April 2010, begin sharing risk assessment technologies through asset management risk measurement systems/ measurement methods
	Form a marketing alliance and jointly develop new products in ART (Alternative Risk Transfer) business	April 2010	○	In April 2010, begin mutual use of Mitsui Sumitomo Insurance's U.S. subsidiary for weather derivatives operations
	Share expertise through personnel exchange, promote female participation, and implement other collaborative programs	October 2010	○	• Human resources interchange: Start Women's Career Advancement seminars (December 2009) • Start consolidated new-hire training among three companies (April 2010)
	Jointly address environmental measures by introducing online delivery of the terms and conditions of the insurance policies	January 2010	○	To be implemented by Mitsui Sumitomo Insurance in January 2010; by Aioi and Nissay Dowa in October 2010 at the time of merger
	Establish cooperative framework in case of a major disaster	April 2010	○	Establish rules based on Group risk management system; structure cooperative system for use during major disasters (April 2010)
	Work on the environmental friendly initiatives such as CO_2 reduction in daily business activities in accordance with ISO14001, and support activities to preserve biodiversity	April 2010	○	Start creation of long- to mid-term plan for CO_2 reduction Also determine implementation of preservation activities based on Ramsar Convention on Wetlands

Systems Integration / Advantages of Current Systems (1)

MS&AD INSURANCE GROUP

■ **Present systems in the non-life insurance field facilitate quality improvement at sales and claims service offices / agencies; operational efficiencies improving steadily**

Factors contributing to higher quality, operational efficiencies at agents and production offices.

Electronic writing system and online policies result in paperless administration [Mitsui Sumitomo Insurance]

What is an electronic writing system?
Offline software allowing agents to use portable PCs at client locations.
Agent loads client contract data, etc. into the PC before the visit.
Agent explains the contract details to the client in person, calculates premiums, confirms client's intent to sign the agreement, and accomplishes other contract procedures.
Client provides an electronic signature. = Simplification of procedures

☆ Client Benefits
⇒ Simplified contract procedures
⇒ Paperless insurance certificate filing

☆ Insurance Company/Agent Benefits
⇒ Operational efficiencies
⇒ Reduced printing/mailing costs

Systems integration/ Advantages of Current Systems (2)

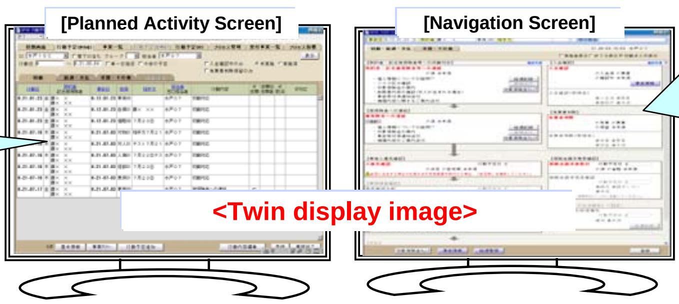
MS&AD INSURANCE GROUP

Factors contributing to higher quality, operational efficiencies at claims servicing offices.

SPM
Support Process Management
[Mitsui Sumitomo Insurance]

- **The first system in the industry to manage workflow from accident report through insurance benefit payment, ensuring all customer communications are tracked and preventing delays. Distributed to 232 offices throughout Japan (patent pending).**
- **Navigate through all workflow processes, from initial claim through insurance benefit payment. Claim handler can respond in a timely and accurate, comprehensive manner.**

Display all matters for action on a given day.



Display next actions, action dates, talking points/scripts.

- **In addition to utilization of SPM, improved claim response through one-accident/one team structure; facilitated customer-focused service.**
- **Uses "visibility" to promote information-sharing within the Group**

Ensemble
[Aioi Insurance Co., Ltd.]
Beginning Oct. 2010
[Aioi Nissay Dowa Insurance Co., Ltd.]

- **CTI system (Computer Telephony Integration) unifies accident response system and telephony functions (first in the non-life insurance industry).**
- **When a call is received from a client, the system automatically references the accident and the client based on caller ID, displaying the information on the claim handler's PC, facilitating smooth client interaction.**
- **When the handler for the client is not available to take the call, other handlers can easily step in to keep the accident response process moving forward.**

New System Framework and Goals

MS&AD INSURANCE GROUP

- **Create a leading-edge system providing total support for next-generation products and services, covering all stages of service from product development to contract procedures to benefit payments. The system improves quality and productivity in all business processes.**
- **Overall 20% reduction in development/operation costs in areas addressed by the system**

New System Features

Current System

- System designed for each business line

New System

- Drastic review of structure and functions of the current systems to pursue best suitability
- Mutualized system and database throughout the business lines
- Create standardization and higher efficiencies in developing new products, marketing, risk related services and internal control

New System Framework and Goals

- An easy-to-use, convenient system that aids in offering high-quality products and services to clients
- An agent system offering comprehensive support in all phases of agent tasks
- Create a system that optimizes work flow; a system that standardizes work, generates efficiencies, and improves quality
- A system that maximizes Group synergies and reduces IT costs

Benefits of the New System

Contributes to top-line revenues

Facilitates strategic personnel allocation (to strategic areas)

Facilitates office consolidation

Contributes to the bottom line

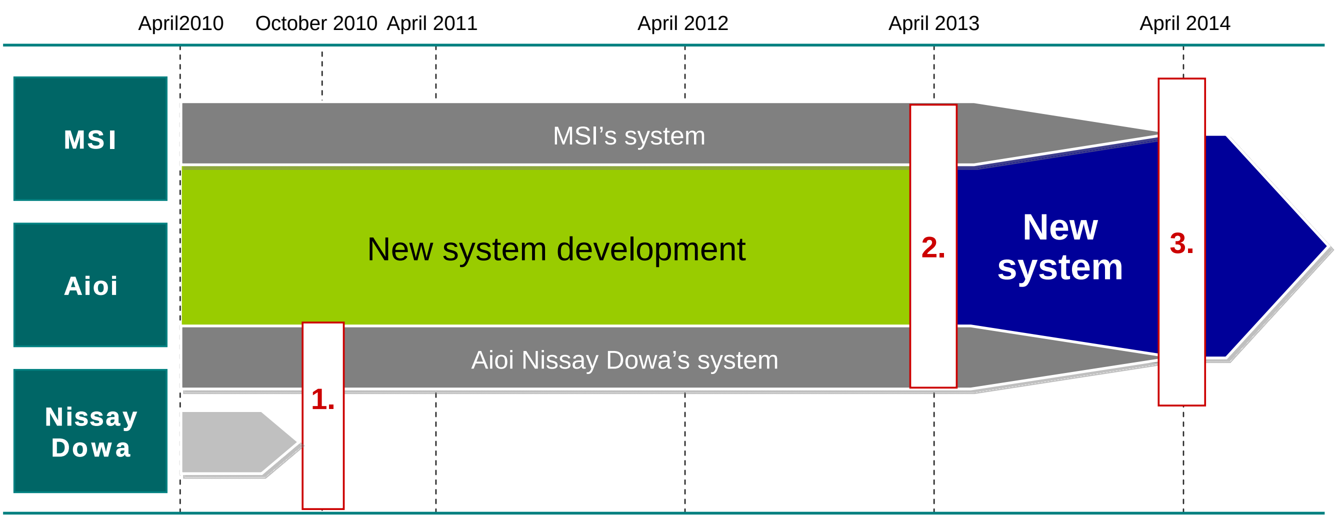
The work process restructuring currently under way will be accelerated by the new system structure, resulting in the creation of a virtuous cycle

System Integration Schedule

MS&AD INSURANCE GROUP

New system implementation schedule (Non-Life)

Three companies are developing systems toward launch of the new system in April 2013.



1. October 2010 : Launch of integrated system for newly merged companies (Aioi Nissay Dowa)
2. April 2013 : New system launch
3. April 2014 : Completion of system integration

【Medium term management plan】**MS&AD New Frontier 2013**

Group Strategies
/ Domestic Non-life Insurance Business

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

Basic Strategies for Domestic Non-Life Business

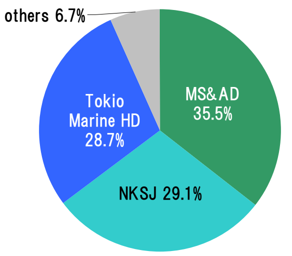
Steps to increase revenues and profit

1.	**Products/services**	To develop and provide attractive products and services suitable for the various operational bases and customer bases.
2.	**Sales capability**	To enhance sales capabilities by developing business models that can satisfy customers' needs in each market, and by concentrating resources in growing areas.
3.	**Improvement in quality of business process**	To improve quality of business processes and to create best practices by utilizing know-hows and infrastructures of MSI, Aioi, and NDI.
4.	**Synergies**	To reduce business expenses significantly and to improve efficiency by integrating operational processes and by consolidating offices for sales and claims handling.
5.	**Response to new markets**	To ensure profitability while simultaneously expanding business in the high-growth direct sales market.

Our position in market of Domestic Non-Life Business

Market share (market share among top 9 non-life insurance companies)

[Based on net premiums written in FY2009]



Source: Prepared by MS&AD Holdings based on results materials of the companies

Rankings on a line-by-line of insurance

[Based on net premiums written in FY2009] (¥bn)

	Total	Fire and allied	Marine	Personal accident	Voluntary Automobile	CALi *	Others
No.1	MS&AD 2,310.4	MS&AD 332.6	MS&AD 60.1	MS&AD 202.8	MS&AD 1,163.1	MS&AD 272.3	MS&AD 279.2
No.2	NKSJ 1,892.2	Tokio Marine HD 253.3	Tokio Marine HD 55.5	NKSJ 175.8	NKSJ 959.0	NKSJ 238.9	Tokio Marine HD 256.0
No.3	Tokio Marine HD 1,867.9	NKSJ 240.7	NKSJ 37.2	Tokio Marine HD 154.5	Tokio Marine HD 919.6	Tokio Marine HD 228.7	NKSJ 240.5

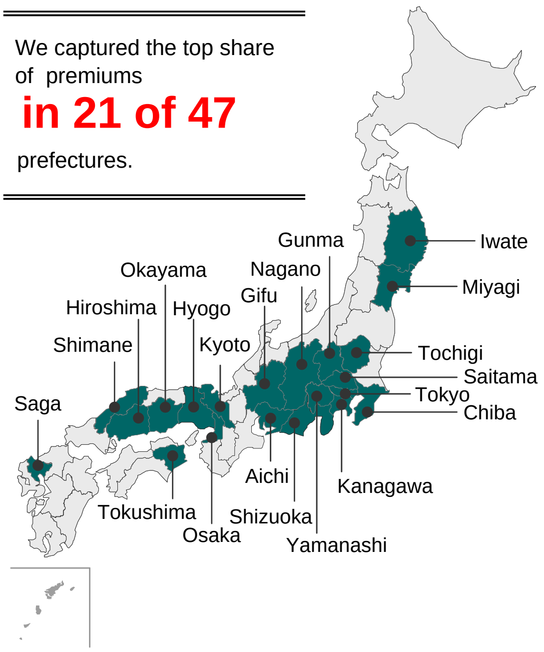
*CALi: Compulsory Automobile Liability insurance
Source: Prepared by MS&AD Holdings based on results materials of the companies

- MS&AD: Simple sum of Mitsui Sumitomo Insurance, Aioi Insurance and Nissay Dowa General Insurance
- Tokio Marine HD: Simple sum of Tokio Marine & Nichido and Nisshin Fire
- NKSJ: Simple sum of Sompo Japan and Nipponkoa Insurance

Rankings on a prefecture-by-prefecture basis

[Based on gross direct premiums in FY2008]

We captured the top share of premiums **in 21 of 47** prefectures.



Source:
Prepared by MS&AD Holdings based on "Songaihoken Hakusyo 2008"

Strengths of MS&AD Insurance Group

Operating base

Capable of pursuing economies of scale, benefiting from Japan's largest operating base and customer base

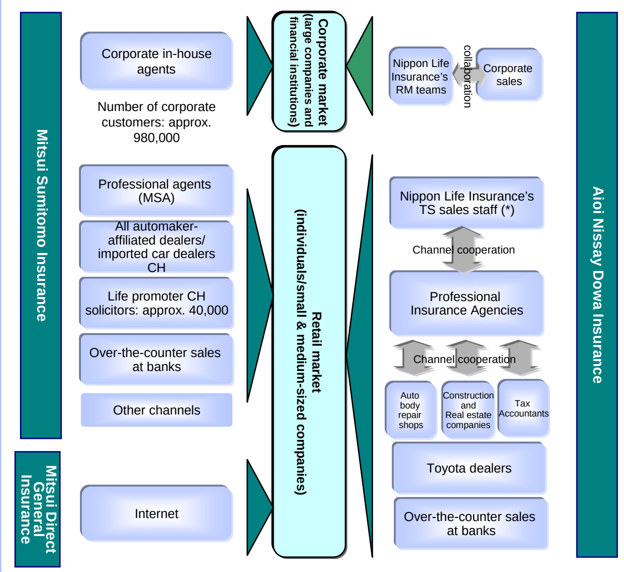
[Operational and customer bases of the MD&AD Insurance Group]

- Wide-ranging domestic and overseas operations (life insurance, overseas, financial services, risk-related businesses, etc.), centering on the domestic non-life insurance business
- An overwhelming presence in the retail market and the ability to develop markets on local basis
- Solid operational base in the large corporation market including the Mitsui Group, the Sumitomo Group and the Toyota Group
- Markets for corporate customers, financial institutions, government agencies through business of Nippon Life Insurance Group, and for individuals and small & medium enterprises through life promoters of Nippon Life Insurance
- The non-life insurance selling system of life promoters of Sumitomo Life Insurance and Mitsui Life Insurance
- Automobile insurance market of all automaker-affiliated and imported car dealers

Sales network

Sales network with an overwhelming presence in the retail and corporate markets

[Sales network of MS&AD Insurance Group]



* MSA: Nationwide organization primarily for career agents of MSI

* TS sales staff: Sales staff with non-life insurance qualification

Strategies to Increase Revenue and Profit
(Development of Toyota Motor and Nippon Life Insurance Markets)

Aioi Nissay Dowa Insurance

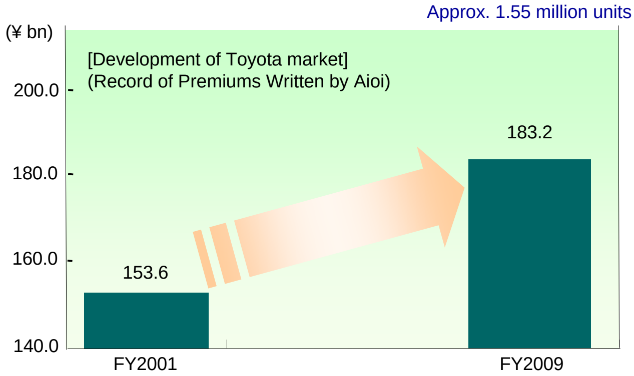
- **Accelerating the development and deepening of close-relationship markets of Toyota Motor and Nippon Life Insurance as specified bases by enhancing the Group's response capability**
- **Achieving high growth in the corporate market by entering into a wide-ranging alliance with financial institutions and corporate customers, going beyond business affiliations**

Toyota Group's domestic dealer market

[Toyota Group]

Customers managed by dealers (in volume terms): Approx. 13.5 million units

Customers with automobile insurance (in volume terms): Approx. 1.55 million units



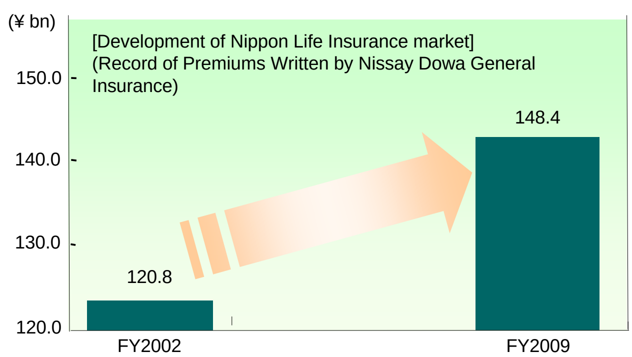
- Offering characteristic products in collaboration with Toyota Motor
- Improving the penetration ratio by proposing insurance products through use of car sales system
- Enhancing support measures for dealers, such as "insurance business improvement activity"

Nippon Life Insurance's policyholder market

[Nippon Life Insurance Company]

Number of life insurance customers: Approx. 10 million customers

Number of corporate customers: Approx. 230,000 companies



* Results related to Nippon Life Insurance:
TS sales staff channel + Cooperation with professional agents + Cooperation in the wholesale segment

- Evolving cross-selling of life and non-life products by 45,000 TS sales staff
- Extending the development of small & medium commercial market by strengthening professional agents working in cooperation with TS sales staff
- Promoting the development of corporate market and strengthening solution sales in cooperation with the wholesale organizations of Nippon Life Insurance

Strategies to Increase Revenue and Profit
(Strengthening and Further Invigoration of Life Promoters' Channel)

Mitsui Sumitomo Insurance

Alliance with Sumitomo Life Insurance to establish an income generation model

- In the first year of the alliance, the switchover began in October 2009 and made a significant contribution to revenues

FY2009*	Total of major class of insurance (¥ bn)
Premiums	19.7
Alliance effect	11.5

*Based on sales data from October 2009 to March 2010

A model for increasing revenue established by developing a sales structure and operational infrastructure with 30,000 life promoters of Sumitomo Life Insurance

- Handling inquiries en bloc at the product and operation support desk
- Using an all-in-one portable terminal (for life/non-life)
- Responding to accidents and policy modifications reported by customers at the dedicated contact center in a focused manner
- Establishing a centralized processing structure

- Aiming to evolve into a more sustainable revenue increase model in FY2010

FY2010 (Forecast)	Total of major class of insurance (¥ bn)	Premiums expected to increase through means other than switchover
Premiums	38.0	
Alliance effect	18.3	5.2

*Based on sales data

Establishing a model to consistently increase revenues in light of the characteristics of life promoters

- Non-life insurance promotion, centralizing on Sumitomo Life sales branches
- Utilizing sales measures of non-life insurance of Sumitomo Life Insurance Sumitomo Life Insurance
- Bolstering the alliance between branch offices of Sumitomo Life Insurance and MSI

Alliance with Mitsui Life Insurance

- The alliance with Mitsui Life Insurance, which began in 2002, made steady progress, with the total of the major class of insurance reaching ¥10.37 billion in FY2009 (up 2.6%)
- Mitsui Life Insurance is continuing to bolster non-life insurance agency business, regarding it as "the second primary business: core business."

Strategies to Increase Revenue and Profit
(Initiatives for Sales Innovation)

Mitsui Sumitomo Insurance

Initiatives until FY2009

Creation of high quality sales network

- Increasing number of high-quality and high-growth agents
- Integrating and canceling non-efficient agents
- Cultivating agents and increasing their scale

	FY2006	FY2007	FY2008	FY2009
No. of cancelled agents	-6,563	-7,337	-5,977	-3,721
No. of newly contracted agents	1,583	1,074	1,099	2,129
No. of agents at the end of the year	52,659	46,396	41,518	39,926
Compared with FY2005	-4,980	-11,243	-16,121	-17,713

Initiatives for improving quality of agents

- Creating an agent quality approval system
- Rolling out a quality improvement campaign
- Strengthening trainings for agents

Establishment of reliable and convenient contract procedures

Establishing a new sales process based on paperless and cashless writing

New payment method, electric recording, etc.

	April 2008	March 2010
Cashless writing ratio	67.4%	88.7% (up 21.3pt)
Electronic writing ratio	2.3%	25.4% (up 23.1pt)

Note: Data are on a single month basis

Points of initiatives for FY2010

Bolstering of sales network

Establishing a high quality sales network and operating base that achieves accountability and helps the Company to grow

- Increasing number of and cultivating high quality agents
- Promoting integration based on the maintenance and expansion of premiums written
- Cultivating high quality large-scale agents

Action reforms of agents

Achieving growth of agents by improving their operational quality and efficiency

- Promoting cashless, paperless and seamless operations
- Supervising agents for achievement of their "goals"
- Bolstering contact points with customers

Action reforms of sales employees

Achieving "customer satisfaction," "higher efficiency" and "growth" by reviewing the roles and approach of each sales organization

- Enhancing activities to win new business (new establishment and cultivation of agents and development of corporate customers)

Practice of sales innovations

Strategies to Increase Revenue and Profit
(Direct Sales Market)

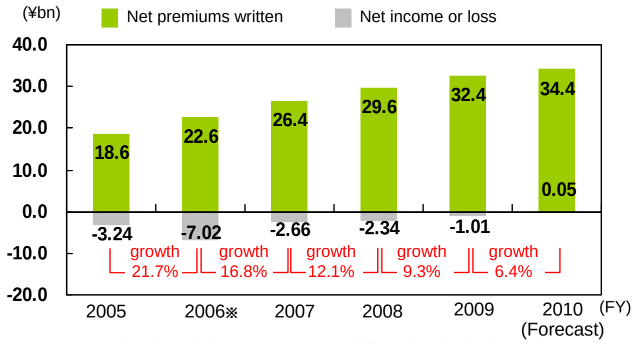
Mitsui Direct General Insurance

MS&AD INSURANCE GROUP

■ Increasing profitability in the growing direct sales market, while maintaining high growth capabilities

Current status of Mitsui Direct General Insurance

[Net Premiums Written and Net Income]



* One time depreciation expense of ¥3.59 billion related to the deferred assets was recorded in FY2006 under the Insurance Business Law (Article 113)

[Ranking of top 6 non-life insurance companies in direct sales]

(¥bn)

Ranking		Net direct premiums of automobile insurance
1	Sony	53.8
2	Mitsui Direct	29.4
3	AXA	29.3
4	Zurich	28.7
5	American Home	18.7
6	Sompo 24	8.6

(Based on net direct premiums of automobile insurance in FY2008)

Strategies for the future

■High market growth and growth outperforming the market

■ Net direct premiums of eight direct sales companies and the market share of Mitsui Direct

(¥bn)

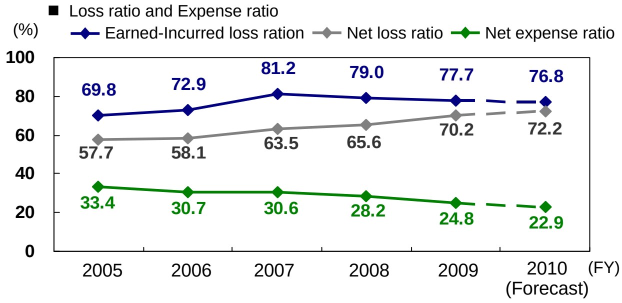
Total of eight direct sales companies	FY2005	FY2006	FY2007	FY2008
Net direct premiums	132.6	144.5	156.3	170.1
Growth rate	11.3%	8.9%	8.2%	8.8%

■ Growth rate and market share of Mitsui Direct General Insurance

Growth rate	16.1%	21.9%	16.6%	12.2%
market share among the above	13.9%	15.5%	16.8%	17.3%

■Aiming to turn a single year profit for FY2010

■ Loss ratio and Expense ratio



Status of Loss Ratios and Operating Expense Ratios

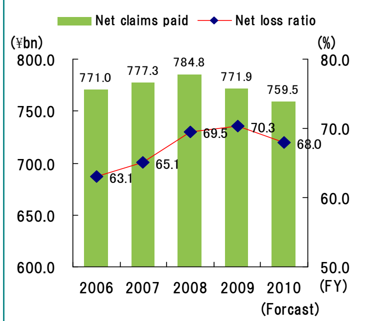
MS&AD INSURANCE GROUP

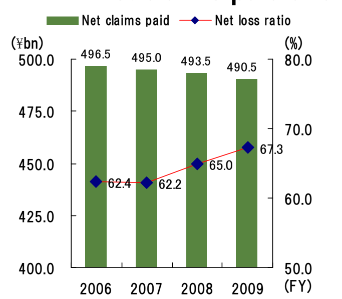
■MSI: Net claims paid down ¥12.9bn, Net expense down ¥6.1bn year on year in FY2009

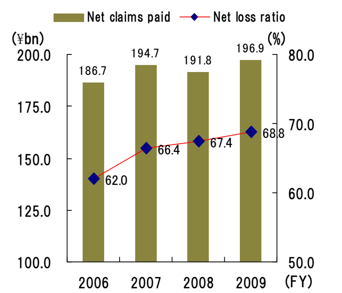
■Aioi and NDI: Net claims paid ¥2.1bn up, Net expense down ¥2.7bn year on year in FY2009 (simple sum basis)

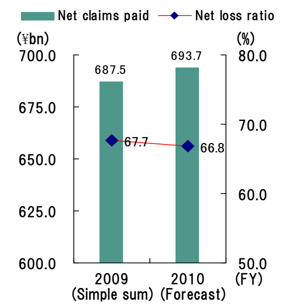
MSI	Aioi	NDI	Aioi Nissay Dowa Ins.

Net claims paid and net loss ratios

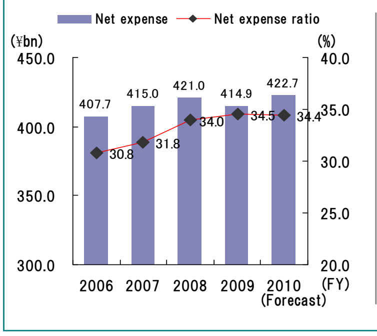


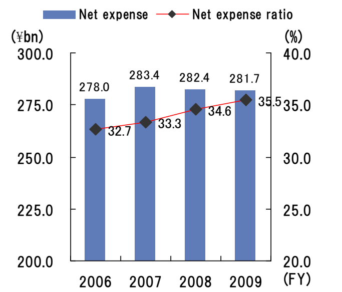


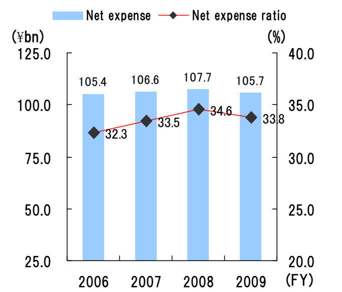


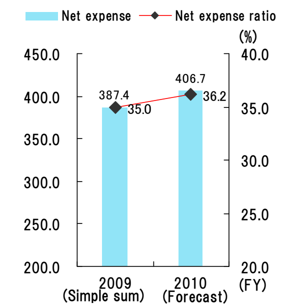


Net expense and net expense ratios









Strategies to Improve the Loss Ratio of Auto Insurance (1)

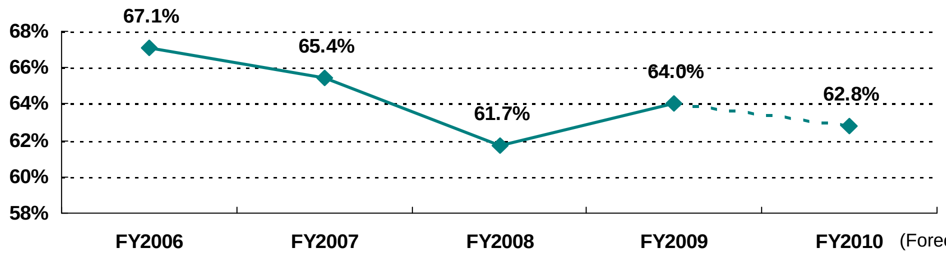
MS&AD INSURANCE GROUP

Mitsui Sumitomo Insurance

- **The earned-incurred loss ratio of automobile insurance (excluding loss adjustment expenses) rose 2.3 points year on year in FY2009, reflecting a decline in premiums following a fall in the unit price of premiums and a rise in accident frequency associated with higher traffic volumes.**
- **The earned-incurred loss ratio (excluding loss adjustment expenses) is expected to be 62.8% in FY2010, given the effects below and the continuation of initiatives.**

Effect of Production Revision (to be implemented in October 2010)	- Reviewing premium rates, coefficients by nonfleet class, and the discount system in light of the revision of "Reference Loss Cost Rates" and recent loss ratios and changes in the social environment
Appropriate Underwriting	- Promoting underwriting judgment based on regional characteristics and the underwriting capability of agents by setting detailed underwriting standards by division, branch and agent
Initiatives to Prevent Accidents	- For fleet policyholders: initiatives to prevent accidents involving new fleet policyholders and fleet policyholders with high loss ratios - For individual policyholders: initiatives to raise awareness of the importance of safe driving

Changes in Earned-Incurred Loss Ratio (excluding loss adjustment expenses)



Strategies to Improve the Loss Ratio of Auto Insurance (2)

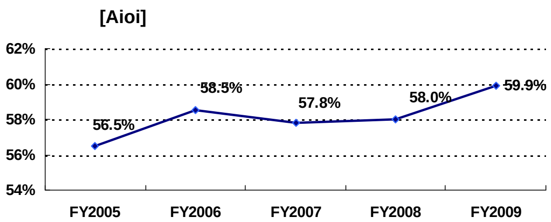
MS&AD INSURANCE GROUP

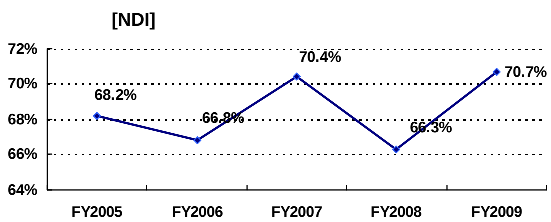
Aioi Nissay Dowa Insurance

- **Earned-incurred loss ratio (excluding loss adjustment expenses) rose 1.9 points in Aioi and 4.4 points in NDI in FY2009, due to a fall of premium unit reflecting such as the rising percentage of mini-vehicles , an increase in various discounts, and a rise in accident frequency due to falling gasoline prices, longer travel distances associated with fixed expressway tolls**
- **Earned-incurred loss ratio (excluding loss adjustment expenses) is expected to be 61.4% in FY2010 on a two-company combined basis, through the promotion of initiatives below.**

Policy Structure Innovations	- Concurrently realizing measures to achieve customer satisfaction and improving revenues and loss ratios by shifting to "risk-fragmented products" and promoting "coverage review"
Individual Measures against High Loss Ratios	- Strengthening initiatives such as detailed underwriting judgments for sections, branches, agents and dealers and activities to propose accident-prevention measures to fleet policyholders
Appropriate Underwriting	- Fully complying with underwriting policies, the basis for management on the axis of revenues, based on impartiality and fairness

Changes in Earned-Incurred Loss Ratio (excluding loss adjustment expenses)



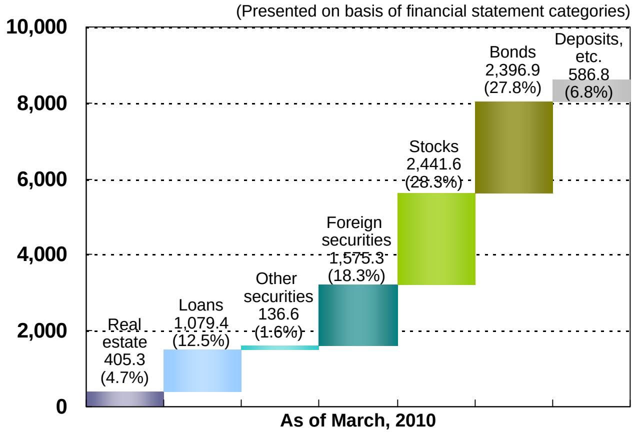


Status of AUM (Arithmetic Sum of MSI, Aioi and NDI)

MS&AD INSURANCE GROUP

AUM balance and component ratios by asset (¥bn)

(Presented on basis of financial statement categories)



As of March, 2010

Bond balance by rating (¥bn)

Level of rating	Domestic issuers		Overseas issuers	
	Balance	(Ratios)	Balance	(Ratios)
AAA	1,157.9	(48.3%)	521.1	(56.2%)
AA	742.8	(31.0%)	190.5	(20.6%)
A	439.1	(18.3%)	199.9	(21.6%)
BBB	42.7	(1.8%)	11.5	(1.2%)
BB & lower	14.3	(0.6%)	3.4	(0.4%)
Total	2,396.9	(100.0%)	926.5	(100.0%)

(Arithmetic sum of figures allocated by internal ratings rendered to the bonds by respective bondholders; MSI, Aioi and Nissay Dowa)

Pursuing sustainable NAV growth under proper risk control

Investment strategies

- Enhancing investment capability through scale merit of larger asset base and exchange of know-hows among group companies.
- Restraining residual strategic stockholdings to improve capital efficiency.

Risk managements/ALM

- Elaborating credit exposure control for each creditor.
- Elaborating integrated risk management.
- Implementing ALM.

Infrastructure

- Reassessing functions of Back, Middle and Front offices in light of further efficient investment operations.

【Medium term management plan】**MS&AD New Frontier 2013**

Group Strategies / Domestic Life Insurance Business

MS&AD Insurance Group Holdings, Inc.

Environment and Strategies for Domestic Life Insurance Business

MS&AD INSURANCE GROUP

Business environment

- Domestic life insurance market is maturing, and the industry-wide policies-in-force are declining.
- However, demand for life insurance that meets the needs of customers is increasing more than ever, as uncertainty about the future of social security system is strong, given the aging of society with the declining birthrate, the deflationary economy, and the recognition among customers that they need to rely on their own efforts.

Business strategies

Taking advantage of an expanded base of operations, accelerating growth by providing customers with attractive products and services through financial institutions, professional life insurance agents and direct sales channels, centering on cross-sales to existing non-life customers

MS&AD Mitsui Sumitomo Kirameki Life Insurance

あいおい生命
AIOI LIFE
Aioi Life Insurance

In individual annuity insurance, establishing a position as a leading insurance company by offering products tailored to customer needs and strengthening sales capability

個人年金は、未来への贈りもの。
三井住友海上メットライフ生命
Mitsui Sumitomo MetLife

Merger of Mitsui Sumitomo Kirameki Life Insurance and Aioi Life Insurance

MS&AD INSURANCE GROUP

- **The companies will merge in October 2011 to enhance the operating presence of domestic life insurance business and accelerate growth**

Aiming corporate image

- We provide security and achieve customer satisfaction and thus win trust of customers and society.
- We achieve sustainable growth as a core company of the Group's domestic life insurance business.
- We realize the most effective business model among life insurance subsidiaries of non-life insurers and provide customers products and service of the finest quality.
- We become a vibrant company where our employees each have a vision and pride and find their job meaningful.

Outline of the new company

Figures at the end of March 2010

	Kirameki Life Insurance	Aioi Life Insurance	Simple sum
Number of new policies (*1)	0.21 million	0.09 million	0.31 million
Number of policies in force (*1)	1.19 million	0.57 million	1.77 million
Amount of new policies (*1)	1,587.2 billion yen	1,059.4 billion yen	2,646.6 billion yen
Amount of in-force policies (*1)	9,444.7 billion yen	5,843.3 billion yen	15,288.0 billion yen
Yearly insurance premiums of new policies (*1)	27.5 billion yen	9.7 billion yen	37.2 billion yen
Yearly insurance premiums in-force (*1)	194.5 billion yen	73.5 billion yen	268.1 billion yen
Net income	(*2)0.0 billion yen	1.3 billion yen	1.3 billion yen
Embedded Value	199.9 billion yen	103.1 billion yen	-
Total assets	1,148.3 billion yen	467.9 billion yen	1,616.3 billion yen
Solvency margin ratio	2129.7%	1994.3%	-

(*1)Total amounts for personal insurance and personal pension insurance.
(*2)Net income before the increased provision is 2.8 billion yen

Position (amount of new policies in FY2008)

Ranking	Company name	Unit: billion yen
1	Nippon Life Insurance	7,347.0
2	Dai-ichi Life Insurance	7,170.0
3	Sumitomo Life Insurance	6,146.2
4	Japan Post Insurance	6,053.7
5	Sony Life Insurance	3,873.7
6	Daido Life Insurance	3,761.6
7	Alico Japan	3,066.6
8	Meiji Yasuda Life Insurance	3,055.3
9	Prudential Life Insurance	2,804.3
	Kirameki + Aioi Life*	2,697.6
10	Tokio Marine & Nichido Life	2,450.0
	Himawari + Nipponkoa Life Ins	2,172.1
⋮		
14	Mitsui Sumitomo Kirameki Life	1,653.9
15	Sompo Japan Himawari Life In	1,570.4
⋮		
18	Aioi Life Insurance	1,043.7
⋮		
24	Nipponkoa Life Insurance	601.7
⋮		
45		

Source: Prepared by MS&AD Holdings based on results materials of the companies
* Simple sum of the two companies

Basic Strategies of the New Merged Life Insurance Company

- **Creating the finest business model among the life insurance subsidiaries of non-life insurers through sustainable growth and strengthened profitability by reinforcing the lineup of products and services, enhancing the business foundations and improving quality, employing yet "improved human resources to help enhance corporate value"**

Reinforcing the line of products and services

- Offering products appropriate to Japan's top non-life insurance group
- Developing distinctive and featured products that accurately respond to changes in the sales environment and market needs
- Providing a diverse product lineup to meet all kinds of customer needs, including death benefit, medical care, and saving-type products
- Providing services that meet customers' needs, including direct services

Enhancing business foundation

- Bolstering cross-sales to existing non-life customers, taking advantage of the largest operational base in the domestic non-life insurance business
- Bringing safety and satisfaction to customers through diverse channels based on sales platforms complemented and enhanced by the merger
- Over-the-counter sales of the highest level at financial institutions
- Enhancing professional life insurance agents
- Actively promoting the direct sales channel

Improving quality

- Speeding up the processing of contract arrangement operations and visualizing the process by introducing an image workflow system (processing of application documents using image data)
- Establishing a workflow that is both convenient for customers and accurate, swift and plain in each of maintenance and claims payment operations.
- Acquiring customers reliability through continuous improvement of operational quality.

Cultivating human resources to help enhance corporate value

Achieving synergies of the merger

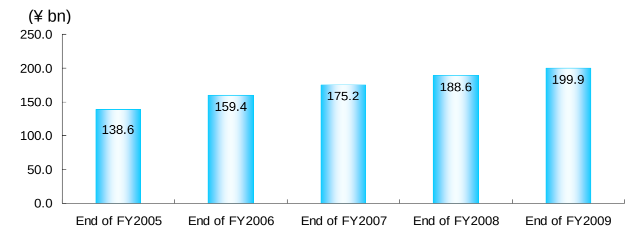
- Making optimal use of economies of scale through the merger and complementary products, sales platforms and know-how
- Increasing the EV of new policies through system investment, improved operations, and strategic allocation of employees to strengthen the sales structure
- Achieving synergies through the optimum allocation of human resources and human resources development program to develop the abilities and skills of employees

Target Value for FY2013 (sum total of the domestic life insurance business)
Achieving Group Core Profit of ¥15 billion,
and Life annualized premiums in force of ¥330 billion (excluding group policy premiums)

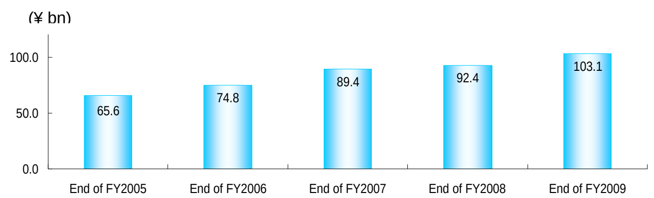
Embedded Value

Mitsui Sumitomo Kirameki Life Insurance and Aioi Life Insurance

Mitsui Sumitomo Kirameki Life Insurance (End of FY2005 to End of FY2009)



Aioi Life Insurance (End of FY2005 to End of FY2009)



Mitsui Sumitomo Kirameki Life Insurance — Movement analysis of EV for FY2009 (¥ bn)

Factor	Amount of Increase (Decrease)
Value of new contracts	+5.0
Expected earnings from EV as of the end of FY2008	+9.2
Difference between assumptions and actual results for FY2009	+0.1
Impact of changes in interest rates, etc.	-0.3
Impact of changes in other assumptions	-2.6
Total	+11.3

Mitsui Sumitomo Kirameki Life Insurance — EV's sensitivity (¥ bn)

		Amount of Increase (Decrease)
New investment returns	down 0.25%	-7.4
Incidence ratio of insured event	deteriorated 10%	-9.9
Cancellation/lapse rate	deteriorated 10%	-2.7
Solvency margin ratio	800%→900%	-0.1
Discount rate	7%→6%	+12.6
Discount rate	7%→8%	-10.8

Aioi Life Insurance — Movement analysis of EV for FY2009 (¥ bn)

Factor	Amount of Increase (Decrease)
Value of new contracts	+0.9
Expected earnings from EV as of the end of FY2008	+5.3
Difference between assumptions and actual results for FY2009	+1.4
Impact of changes in interest rates, etc.	+3.1
Impact of changes in other assumptions	-1.2
Impact of model change	+1.1
Total	+10.6

Aioi Life Insurance — EV's sensitivity (¥ bn)

		Amount of Increase (Decrease)
New investment returns	down 0.25%	-2.0
Incidence ratio of insured event	deteriorated 10%	-3.6
Cancellation/lapse rate	deteriorated 10%	-0.4
Solvency margin ratio	1000%→1100%	-1.7
Discount rate	8%→7%	+5.5
Discount rate	8%→9%	-4.8

* Embedded value at the end of FY2009 is calculated using the same method as at the end of FY2008 of each company from the standpoint of continuity.

Mitsui Sumitomo MetLife Insurance

- Ensuring a position as a leading company in the individual annuity insurance market in Japan by offering products that meet customer needs and by bolstering sales capabilities.
- Net income (based on equity stake) in FY2009 was ¥4.4 billion. Continuing to aim for a reliable and profitable operation.

Business environment

- In the medium and long term, the individual annuity insurance market is expected to enjoy stable growth, given the advance of the aging society with low birthrate.
- The trend of selecting insurance companies based on credit strength and long-term stability is expected to be stronger.

Product strategies

- Selling both variable annuities and fixed annuities to respond flexibly to customer needs (In FY2009, we developed new fixed annuities in response to the shift of customers' needs to fixed annuities)
- Reliably offering life annuities focusing on the pension function

Sales strategies

- Expanding alliances with financial institutions by strengthening the relationship, leveraging the following strengths:
  (Number of commissioned agents at the end of March 2010: 177)
  - Advanced credit standing
  - Reliable product offering
  - Excellent training/education structure

Risk management

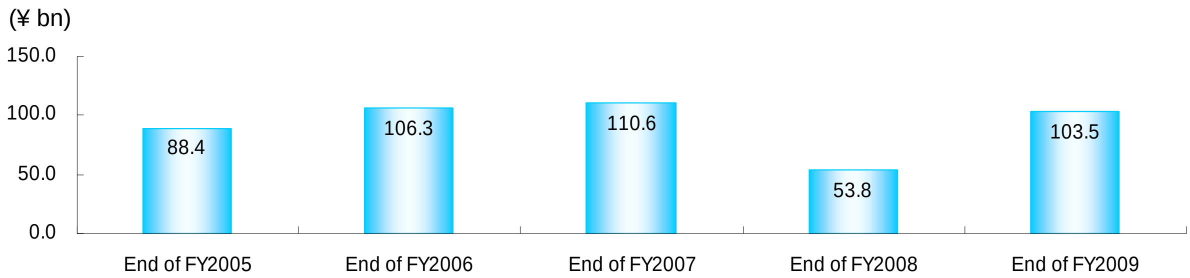
- The risk management system was strengthened after the financial crisis.
- Developing products that reduce the impact of market volatility

Target Value for FY2013 (sum total of the domestic life insurance business)
Achieving Group Core Profit of ¥15 billion

Embedded Value

Mitsui Sumitomo MetLife Insurance (end of FY2005 to end of FY2009)

- **Embedded value declined substantially in FY2008, given the sharp deterioration in the investment environment attributable to the financial crisis, but climbed significantly in FY2009 thanks to the market recovery and an increase in net asset value.**



Movement analysis of EV for FY2009 (¥ bn)

Factor	Amount of Increase
Value of new contracts	+1.1
Expected earnings from EV as of the end of FY2008	+14.4
Difference between assumptions and actual results for FY2009	+39.0
Impact of changes in other assumptions	-4.9
Total	+49.7

EV's sensitivity (¥ bn)

		Amount of Increase (Decrease)
Return on assets in special account	down 0.5%	-4.1
Incidence ratio of insured event	deteriorated 10%	-2.1
Cancellation/lapse rate	deteriorated 10%	+0.0
Solvency margin ratio	600% → 700%	-0.4
Discount rate	7 % → 6 %	+4.1
Discount rate	7 % → 8 %	-3.8

【Medium term management plan】**MS&AD New Frontier 2013**

Group Strategies / Overseas Business

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

Operating Results

Net Premium Written

(unit: billion yen)

In FY2009 net premium income declined approximately 12% effected by the strong yen.
The Group experienced 5.2% year-on-year growth in terms of local currency, and continues to grow.

<MSIG> ← | → <MS&AD Insurance Group>

Net Premium Income						
Region	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	(YoY change)	FY 2010 Plan
Asia	90.9	105.5	106.3	98.4	-7.9	112.4
Americas	35.2	33.4	32.2	33.6	1.4	42.4
Europe	67.1	88.6	68.7	53.3	-15.4	71.5
Reinsurance	19.6	26.1	25.6	20.9	-4.7	20.6
Overseas Total	212.9	253.3	233.1	206.2	-26.9	246.9

Net Income

(unit: billion yen)

Recovery of pre-financial crisis levels during FY 2009

<MSIG> ← | → <MS&AD Insurance Group>

Net Income						
Region	FY 2006 Results	FY 2007 Results	FY 2008 Results	FY 2009 Results	(YoY change)	FY 2010 Plan
Asia	8.1	11.4	1.9	10.9	9.0	9.4
Americas	-1.8	1.2	1.7	0.9	-0.8	3.0
Europe	2.4	-2.4	-33.6	-9.0	32.7	-0.2
Reinsurance	5.0	6.7	4.2	8.1	3.9	5.8
Overseas Total	11.7	14.9	-29.4	15.1	44.5	18.0

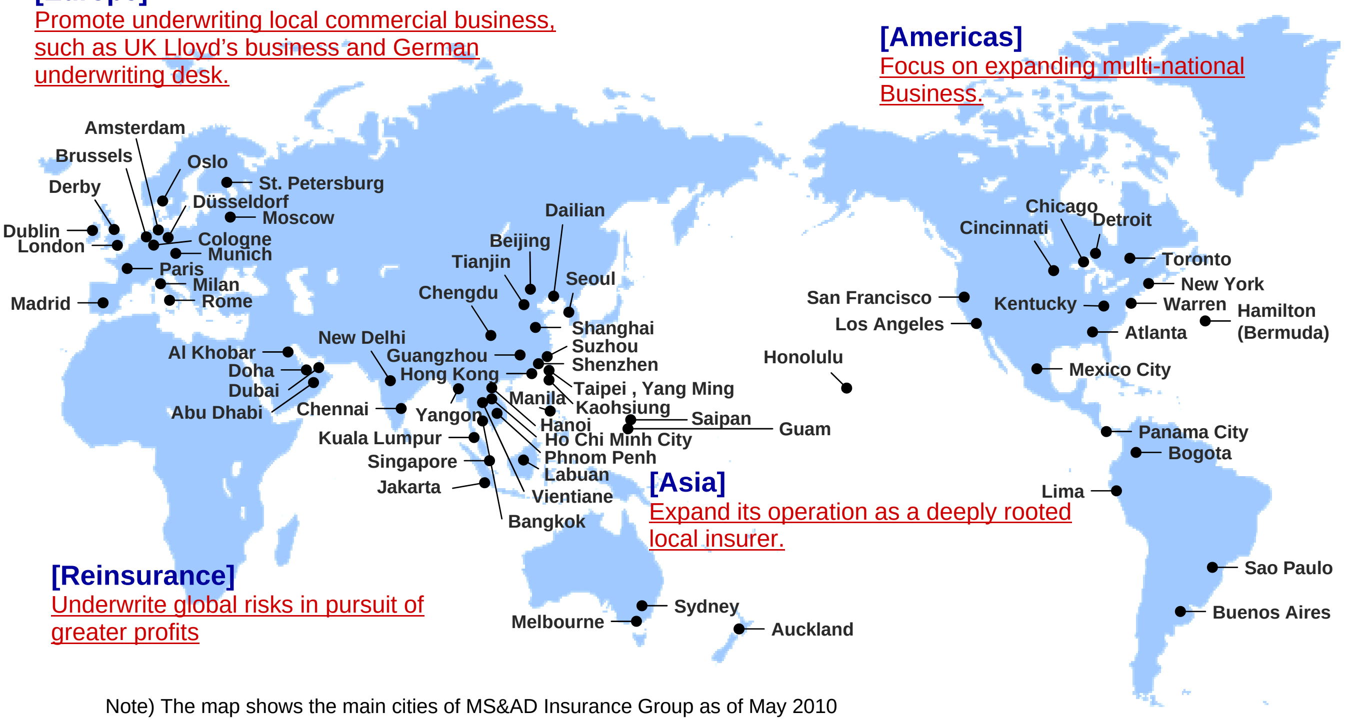
(Note 1) Figures for fiscal years 2006 through 2009 represent Mitsui Sumitomo Insurance Group overseas results (including non-consolidated subsidiaries)
(Note 2) FY 2010 figures represent MS&AD Insurance Group overseas business plan (Aioi Nissay Dowa = Asia/Americas/Europe plan)
(Note 3) "Net Income" figure at "Overseas Total" for FYs 2006 through 2009 represents the headquarters/consolidation adjustments.

MS&AD Insurance Group's Overseas Network

MS&AD Insurance Group's Overseas Network expanding to 325 locations in 42 countries and regions

[Europe]
Promote underwriting local commercial business, such as UK Lloyd's business and German underwriting desk.

[Americas]
Focus on expanding multi-national Business.



[Asia]
Expand its operation as a deeply rooted local insurer.

[Reinsurance]
Underwrite global risks in pursuit of greater profits

Note) The map shows the main cities of MS&AD Insurance Group as of May 2010

Further Development of Growth Model

MS&AD INSURANCE GROUP

Growth Model 1

Make an early entry into countries/regions where economic growth is expected.

※	
1934	Thailand
1957	Hong Kong
1958	Singapore
1962	Malaysia
1969	Indonesia
1974	Brazil
1977	Philippines
1997	Vietnam
1999	Taiwan
2001	China (Shanghai Branch)
2003	India
2004	Russia
2005	Cambodia
2010	Laos

※Years when MSIG companies were licensed

Growth Model 2

Expand into Market that generates added value.

2000	**Established a syndicate in UK Lloyd's, which was the first 100% ownership by Japanese non-life insurer.**
2000	**Entered local personal automobile insurance business through automobile dealers entity channels**
2007	**Entered non-Japanese markets in the European continent (Germany, France, etc.)**

Growth Model 3

Engage in M&A with companies/businesses expected to provide synergistic benefits

2004	**Acquired Asian non-life insurance operations of AVIVA (U.K.)**
2005	**Acquired Mingtai Insurance (Taiwan)**

MS&AD Insurance Group will make a united group-wide effort to further promote growth with its Japanese client business and local client business.

- **Asia: Expand business actively through the Group's extensive operational bases and superiority.**
- **Europe: Pursue expansion and profits by enhancing the Group's services structure.**
- **Americas: Ensure solid profitability.**

Capitalize on Top-class Business Platform/Competitive Edge in Asia for Further Growth

MS&AD INSURANCE GROUP

Our rankings in Asia (FY 2008)

Singapore No.2, Malaysia No. 3

Thailand No. 4, Philippines No 3, Taiwan No. 2

No. 2 among foreign insurance companies in China (in 2009)

Other: Indonesia (No. 7), Hong Kong (No. 9), Vietnam/India (No. 11)

⇒ We are the largest foreign non-life insurer in Asia.

Source) The ranking was prepared by MS&AD Holdings, based on data (e.g. direct insurance revenues) obtained from local insurance authorities.

High Profitability in the Asian Non-Life Insurance Market

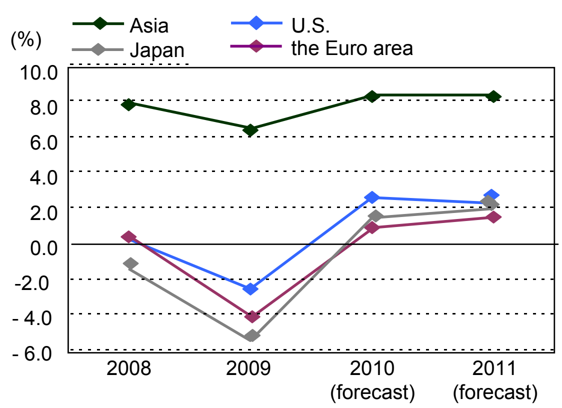
Combined Ratios (underwriting profit ratio) in Asia

FY2005	FY2006	FY2007	FY2008	FY2009
93.2%	90.6%	89.7%	93.1%	90.0%

⇒ Contributing to constant profit growth

Economic Growth by Region

[Real GDP Growth Rate]



Source) IMF "World Economic Outlook" (January 2010)

Proactively seek investment in business domains with high growth

(life insurance in Asia, non-life insurance in ASEAN, etc.)

【Medium term management plan】**MS&AD New Frontier 2013**

Capital Management

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

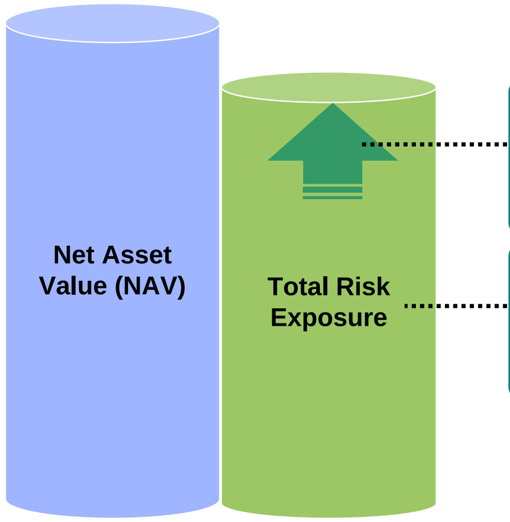
Framework for Risk / Capital Management

- **Estimate overall risk using 99.5% VaR based risk calculation**
- **Periodic monitoring of appropriate capitalization status (including fund for business investment)**

1. Establish a more elaborate risk management framework, assuming a trend toward more strict solvency regulations

2. Restrain residual strategic stock holdings with a careful eye on the market

At present, our capital is at a level that easily supports sound business activities; we see no need to raise capital.



Trend toward more strict health assessments based on past experience in connection with undercapitalization of financial institutions in the U.S. and Europe
(ratings companies, supervisory agencies, etc.)

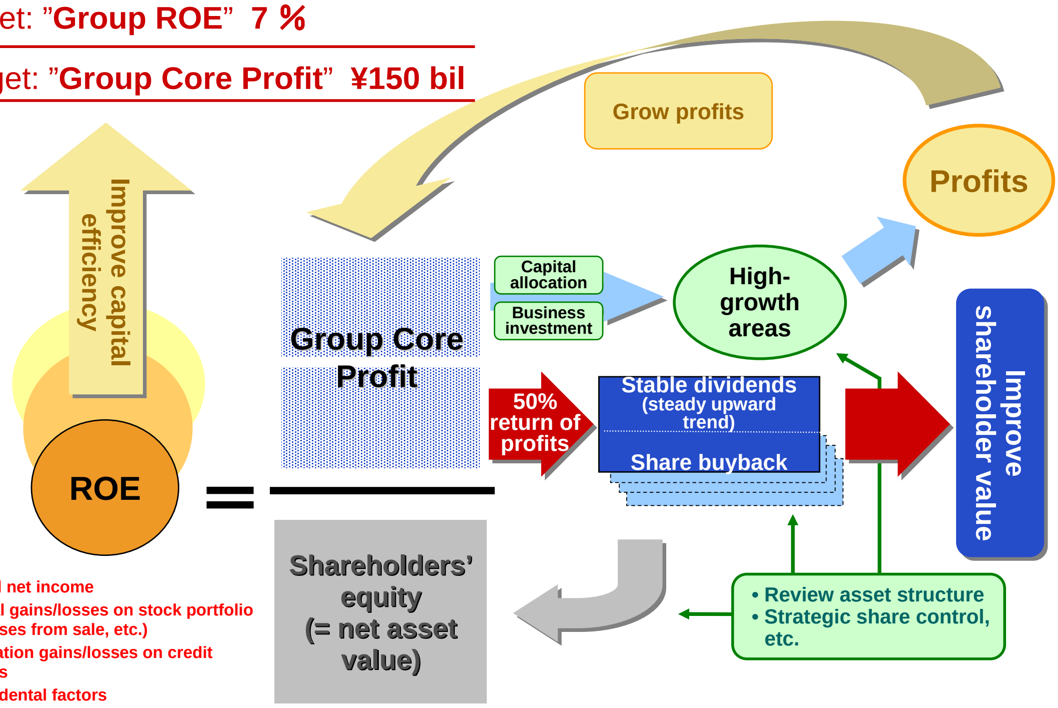
Quantitative approach through metrics
+
Qualitative approach assessing risk/uncertainties that are not subject to metrics

Capital Management Policy and Return to Shareholders (1)

MS&AD Insurance Group's Basic Medium-Term Policy

FY2013 Target: "**Group ROE**" **7 %**

FY2013 Target: "**Group Core Profit**" **¥150 bil**



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

Capital Management Policy and Return to Shareholders (2)

MS&AD INSURANCE GROUP

Approach to Capital Management Policies

■ **Return profits to shareholders based on "Group Core Profit" and invest capital in high-growth areas to create a growth cycle.**

■ **Continue to improve capital efficiency to achieve ROE target of 7%* in FY 2013.**

* Group medium-term management plan "MS&AD New Frontier 2013"
Group ROE = Group Core Profit ÷ Consolidated shareholders' equity (excluding minority interest; average of starting and ending amounts)

■ **Profit growth and accurate capital management are important factors for achieving ROE targets.**

- Profit Growth:
  Take advantage of integration synergies and growth strategies to reach 150 billion yen Group Core Profit in FY2013.
- Accurate Capital Management:
  Utilize capital to return profits to shareholders and invest in high-growth areas. Restrain residual stockholdings to improve capital efficiency.

■ **Aim to maintain stable per-share dividends; target is to continue an increasing trend of dividends through improved ability to generate profits over the medium term.**

■ **We will continue to buy back shares, so that the total payout ratio together with dividends will be approximately 50%. Share-buybacks to be executed opportunistically and continuously, keeping a close watch on capital and profits.**

Capital Management Policy and Return to Shareholders (3)

MS&AD INSURANCE GROUP

Group Core Profit Trends and Profit Return History (reference: Mitsui Sumitomo Insurance, Mitsui Sumitomo Insurance Holdings)

(billion yen)

(Group Core Profits by FY→)	FY04	FY05	FY06	FY07	FY08
Group Core Profit (GCP) *1	28.6	73.9	64.9	66.0	3.1
Dividends	13.6	18.5	19.8	22.5	22.6
Dividends per share (annual)	9.5 yen	13 yen	14 yen	*2 16 yen	54.0 yen
Share buyback (conducted in FY following GCP recording)	12.0	11.5	7.0	4.0	10.0
Dividend + Share buyback (Profit Return)	25.6	30.0	26.8	26.5	32.6
Profit Return/ Group Core Profit	90%	41%	41%	40%	1057%

*1 The following defines "Group Core Profits" for fiscal years through 2008:
Group Core Profit
= Consolidated net income
– Net capital gains/losses on stock portfolio
– Net evaluation gains/losses on credit derivatives
– Consolidated net 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

*2 Mitsui Sumitomo Insurance results through FY 2007. FY 2007 per-share dividend was 16 yen, an equivalent of 53.3 yen per share when recalculated under FY 2008 basis.

Share buyback history (reference)

Dates		Shares purchased (thousands)	Amount Paid (million yen)
MSI			
FY 2004	(August - October 2004)	23,073	21,485
FY 2005	(September 2005)	10,000	11,992
FY 2006	(February - March 2007)	7,846	11,499
FY 2007	(February - March 2008)	6,402	6,998
MSIG			
FY 2008	(February - March 2009)	1,851	3,999
FY 2009	(February - March 2010)	4,329	9,999

Reference

【Medium term management plan】

MS&AD New Frontier 2013

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group

MS&AD Insurance Group Medium-Term Management Plan

MS&AD New Frontier 2013

－ To become a world-class insurance and financial group－

April 1, 2010

In this "Management Plan"
"Aioi" represents Aioi Insurance Company, Limited
"NDGI" represents Nissay Dowa General Insurance Company, Limited
"Aioi Nissay Dowa" represents Aioi Nissay Dowa Insurance Company, Limited
"MSIG" represents Mitsui Sumitomo Insurance Group
"MSIGH" represents Mitsui Sumitomo Insurance Group Holdings, Inc
"MSI" represents Mitsui Sumitomo Insurance Company, Limited

Aspirations for MS&AD Insurance Group

To achieve sustainable growth and to enhance enterprise value through the creation of a globally operating and world-leading insurance and financial services group by rapidly and significantly improving the quality and expanding the quantity of operational bases and corporate resources.

Aspirations for MS&AD Insurance Group

Our Mission	Indicates the significance of MS&AD Insurance Group	To contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business.	
Our Vision	Indicates aspirations for MS&AD Insurance Group	To create a world-leading insurance and financial services group that continues to seek sustainable growth and to enhance enterprise value.	
Our Values	Indicates our values which we respect in our daily business	CUSTOMER FOCUSED	We continuously strive to provide security and achieve customer satisfaction.
		INTEGRITY	We are sincere, kind, fair and just in all our dealings with everyone.
		TEAMWORK	We achieve mutual growth by respecting one another's individuality and opinions, and by sharing knowledge and ideas.
		INNOVATION	We listen to our stakeholders and continuously seek ways to improve our work and business.
		PROFESSIONALISM	We make continuous efforts to improve our skills and proficiency to provide high quality services.

Basic Strategy (1)

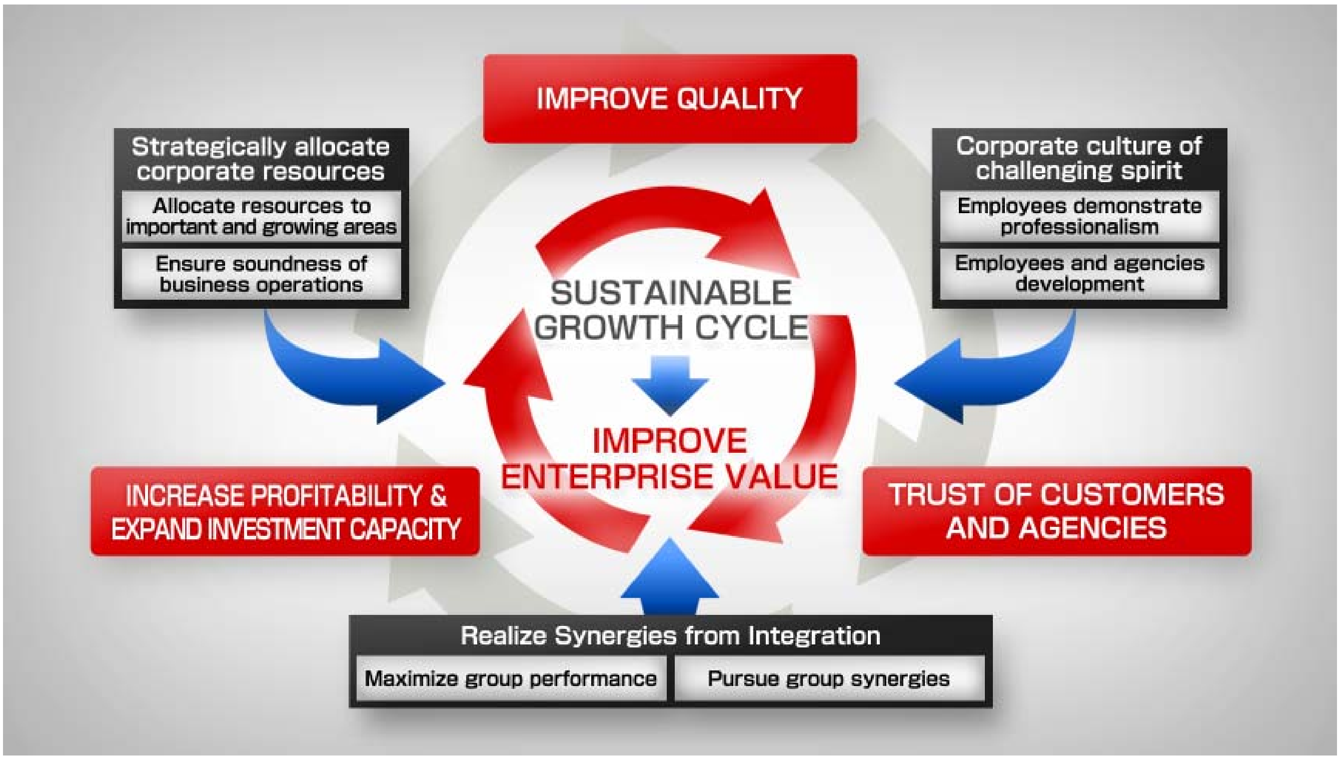
- **Win customers' trust and realize growth through quality improvement.**
  - Make every operation customer focused and deliver to all variety of customers products and services of the highest quality.
  - Establish virtuous cycles and realize sustainable growth by injecting profits obtained from growth back into quality improvement.

- **Integrate all the power of the Group and pursue group synergies to enhance profitability even further.**
  - Aim to enhance efficiencies and increase group profitability by pursuing synergies within the Group.
  - Revise all of the Group's operations from the perspective of maximizing performance of the Group, utilizing integration of operational processes and computer systems and development of shared services, and capitalize on economies of scale.

- **Allocate resources strategically to selected and focused areas, as well as secure soundness of business operations.**
  - Allocate expanded corporate resources into important and growing areas and aim to make an efficient use of resources and to accelerate growth of the Group.
  - Secure the soundness of the entire Group, by conducting business operations in each group company with the soundness required in the insurance and financial service businesses and by establishing a Group-wide corporate governance structure with the core of the holding company.

- **Foster a corporate culture of challenging spirit as professionals and grow with employees and agencies.**
  - Foster a corporate culture under which every single employee tackle challenges as a professional.
  - Create a group that its members are proud of and want to work for and in which employees and agencies can grow with the Group.

Basic Strategy (2) —To Improve Enterprise Value



Group Corporate Governance

MS&AD MS&AD Insurance Group

Establish a group corporate governance structure under the holding company, thereby promote group management strategies from the perspective of strengthening growth and profitability of the entire Group, while enable the group operating companies to focus on their businesses and to respond swiftly to their markets.

The Holding Company's Function

- Formulate and promote group strategies
- Group risks management
- Capital policies
- Promote integration
- Promote shared services
- Support development of businesses of group companies
- Management and administration of group companies

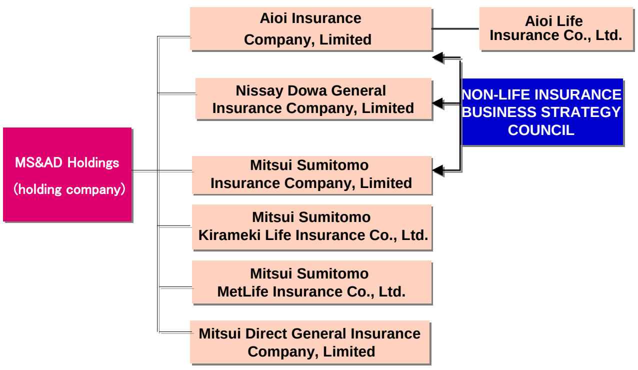
The Group Operating Companies' Function

- Formulation of strategies and execution of operation within its business area.
- Management and administration of itself as an individual company.

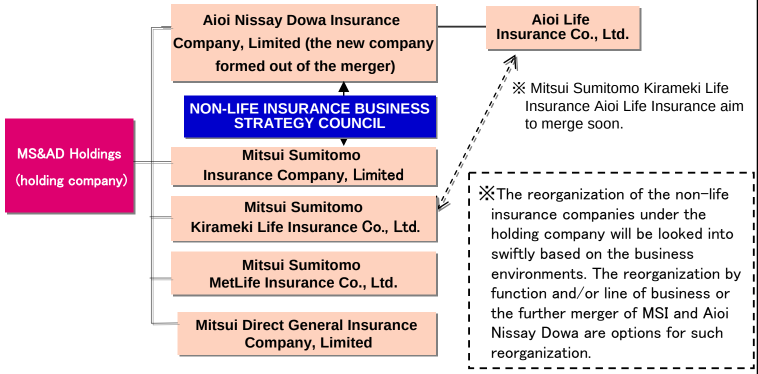
※For areas where it is necessary to adjust strategies as between MSI and Aioi Nissay Dowa (MSI, Aioi, and NDGI before the merger) with respect to such aspects of business as sales promotion, product strategies, and claims handling strategies, the Non-life Insurance Business Strategy Council will be established and will formulate strategies to maximize the group's performance.

※MSI and Aioi Nissay Dowa will conduct their business operations while maintaining the maximum degree of autonomy from each other.

【The parties as at April 2010】



【The parties as at October 2010】



Business Domain and Individual Strategies

MS&AD MS&AD Insurance Group

To grow as a group with business domains of domestic non-life insurance, domestic life insurance, overseas business, financial services, and risk-related services by expanding each of these businesses.

Domestic Non-life Insurance Business ・Mitsui Sumitomo Insurance ・Aioi Nissay Dowa Insurance ・Mitsui Direct General Insurance	● To develop and provide attractive products and services suitable for the various operational bases and customer bases. ● To enhance sales capabilities by developing business models that can satisfy customers' needs in each market, and by concentrating resources in growing areas. ● To improve quality of business processes and to create best practices by utilizing know-hows and infrastructures of MSI, Aioi, and NDGI. ● To reduce business expenses significantly and to improve efficiency by integrating operational processes and by consolidating offices for sales and claims handling. ● To ensure profitability while simultaneously expanding business in the high-growth direct sales market.
Domestic Life Insurance Business ・Mitsui Sumitomo Kirameki Life Insurance ・Aioi Life Insurance ・Mitsui Sumitomo MetLife Insurance	● To accelerate growth by providing customers with attractive products and services mainly through cross-selling as well as through other sales channels such as financial institutions, life insurance agencies, and direct sales on expanded operational bases. ● To establish the Group's position as a leading company in the area of individual annuities business by providing products that meet customers' needs and by enhancing sales capabilities.
Overseas Business	● To expand business actively in the Asian region through the Group's extensive operational bases and superiority. ● To pursue expansion and profits in Europe by enhancing the Group's services structure, and to ensure solid profits in the Americas. ● Active investment in new business in selected and focused strategic regions and areas. ● To expand overseas reinsurance business.
Financial Services Business	● To expand asset management business by enhancing the salability of products and sales capabilities. ● To restructure a financial guarantee business in response to the structural changes in the financial market. ● To actively promote 401k business that responds to both corporate and individual needs. ● To expand ART (Alternative Risk Transfer) business, personal loan related business, and venture capital business.
Risk Related Services Business	● To provide services other than insurance services, that contribute to customers' risk solutions. (Risk management business, nursing care business, asset valuation and appraisal business, and assistance business) ● To promote new businesses in light of changes in the business environment.

Medium-Term Targets (Numerical Targets)

■ Target Business Portfolio (unit: billion yen)

	Fiscal year 2008 (Actual)	Fiscal year 2013 (Target)
Profit Indicators for the group*	(27. 1)	150
Domestic non-life insurance	7. 6	100 [67%]
Domestic life insurance	(3. 6)	15 [10%]
Overseas business	(28. 6)	30 [20%]
Financial services/Risk related service business	(2. 4)	5 [3%]

■ Numerical Targets (unit: billion yen)

	Fiscal year 2008 (Actual)	Fiscal year 2013 (Target)
Non-life consolidated net premiums written	2, 591. 1	2, 700
Life annualized premium in force ※1	265. 2	330
ROE based on Group Core Profit ※2	—	7%

※1 : Total of Annualized premium in force of Aioi Life and that of Mitsui Sumitomo Kirameki Life (excluding group insurance)

※2 : ROE based on Group Core Profit=Group Core Profit ÷ Consolidated shareholders' equity (excluding minority interest; average of starting and ending amounts) ROE for FY 2008 is not indicated due to negative number.

※Profit Indicators for the group
Group's 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

Medium-Term Targets (Synergies from the Integration)

- To expand our customer base through quality improvement of services for customers by utilizing the strengths of the group companies, to enhance efficiencies through integration and standardization in the areas of no competition including operational processes and computer systems, and to realize quality improvements of business.
- We anticipates that the Group will be able to realize synergies from the business integration to the scale of more than 40 billion yen for FY2013, and, ultimately, approximately 50 billion yen [per annum] (compared with FY 2008 results).

【Estimated Results of the Integration for FY 2013 (compared with FY 2008 results) 】

Streamlining of systems development and operations costs by integrating the computer systems of MSI, Aioi, and NDGI. (More than 20 billion yen from FY 2015)	▲12 billion yen
Integration of sales and claims handling facilities, effective use of real property, and streamlining of printing and distribution costs	▲10 billion yen
Streamlining expenses such as expenses to outside vendors, daily activity costs, and personnel expenses, through reconstruction of business processes and structures, etc.	▲15 billion yen
Concentrated allocation of corporate resources into growing markets, further cultivation of close customer markets, improvements in the loss ratio of the Group by sharing the each company's know-how on underwriting and loss prevention, and mutual use of overseas networks, etc.	▲5 billion yen

Synergies from the Integration

More than 40 billion yen per annum in FY 2013 (compared with FY2008)

Approximately 50 billion yen per annum from FY 2015 (compared with FY2008)

Cumulative non-recurring costs such as of system integration costs are estimated at approximately 70 billion yen

Capital Management Policy

■ **To allocate resources to high-growth areas both in Japan and overseas, aiming to become a global insurance and financial services group, while seeking to enhance the growth and business diversification of the Group.**

- To actively invest in high-growth areas such as life insurance business in Asia, non-life insurance business in ASEAN, business in Europe thereby extending insurance and financial service operations globally, while continuing investment for quality improvement both in Japan and overseas.

■ **To enhance the risk/capital management structure to secure financial soundness of the Group, while going on with further reduction of risk-weighted assets and good use of capital, with a view to improving the capital efficiency of the Group .**

- To retain credit ratings of "AA" classification over the mid-to-long term.
- To enhance the risk/capital management structure Group wide, where risk and capital be managed within the Group's unified framework.
- To further reduce risk-weighted assets and maintain the solid financial structure to be well-prepared for deteriorated financial market circumstances, while making good use of capital.
- To manage the strategic stockholdings under an integrated controlling method, where the efficiency of stockholdings and risks/returns are integrally measured on the total Group basis, thereby restraining the balance in the view of the market conditions.

■ **To return to shareholders approximately 50% of Group Core Profit over the medium-term through dividends and share buyback.**

- To aim to increase profit through realizing integration effects and promoting growth strategies, thereby providing the shareholders with increased returns.
- To aim to maintain an increasing trend of dividends by enhancing profitability over the medium term, while maintaining a stable level of dividend per share.
- The timing and amount of share buyback to be determined from time to time taking into consideration the Group's capital position as one perspective.

System Integration Policy in the Area of Non-life Insurance

- To construct a cutting-edge system to provide full support for next-generation products and services at all the various stages, from development of those products and services, to the execution of a contract and the claims payment in respect of those products and services, thus improving the quality and productivity of all business processes.
- To cut a total of 20% or more of the entire development and operational costs in systems.

Method and Timing of the Integration

- To jointly construct a new infrastructure which will come into operation in April 2013.
- To integrate the systems of Aioi and those of NDGI by October 2010, as the first step of the integration, in order to facilitate the business operations of the new company formed out of the merger. To start migration to the jointly-established infrastructure in April, 2013, aiming to complete in April 2014.
- To establish the System Integration Committee to oversee the progress of the system integration and the risks involved in the system integration, as far as the completion of the construction.

Outline of the System Integration Committee

Purpose	• The System Integration Committee will be organized to oversee the progress and the risks that may accompany the system integration.
Roles	• Consultation on important issues concerning the system integration. • Oversight of the progress of projects. • Decision-making on system migration.
Structure	• Composed mainly of executive officers in charge of the system divisions of the holding company, MSI, Aioi and NDI as well as general managers of such divisions. • To meet, in principle, once a month.
Third Party Evaluation	• A third party firm to be assigned to evaluate the framework of the risk management accompanying the overall business integration, including the system integration.

Specific Measures for Realize the Effects of Integration

MS&AD MS&AD Insurance Group

Quality improvement

Quality improvement	• To make continuous efforts for quality improvement of all business processes and win customer trust. To that end, the Group will provide products and services that are easy for customers to understand, establish a sales network trusted by customers, make adequate claims payments, and respond to customer needs promptly and politely. • To promote the development of operational processes and systems that help to improve quality improvement of the Group's products and services.
Ensuring soundness	• To promote improved risk management, with a view to improving the enterprise value of the Group continuously, and maintaining and improving a soundness of financial condition of the Group.

Growth

Domestic non-life insurance	• To increase the Group's market share by concentrating corporate resources in high-growth markets. • To promote further cultivation of close customer markets.
Domestic life insurance	• To realize group synergies and to accelerate growth by sales promotion that is appropriate for each sales channel. • To promote sales of life insurance and individual annuity products through financial institutions.
Overseas	• To utilize the Group's overseas network, which is one of the most extensive among Japanese non-life insurers, to develop and cultivate markets home and abroad. • To focus the companies' respective know-how, products, and corporate resources in regions and areas with potential growth and profit in order to further expand business.
Financial services and risk-related services	• To endeavor to meet customer needs by utilizing expanded operational bases.
Business expansion	• To proactively consider expanding business in areas of strength for the Group and entering into those areas, including opportunities for business alliance or M&As. • To expand, in particular, life and non-life insurance business overseas by utilizing expanded capital base and human resources.

Profitability

Streamlining operations	• To cut a total of around 45 billion yen in operational costs for domestic non-life insurance business in FY2015 including system and others.
Operational processes and systems	• To jointly establish new systems by Aioi Nissay Dowa and MSI by April, 2013, with more than 20% reduction in system development and operation costs. • To realize further lower cost operations by improving efficiency through the business processes reform and the jointly developed system.
Offices	• To reduce property costs by efficiently utilize the real estate of the three companies' and by approximately 20% of sales offices and claims handling offices of two of the merged companies'.
Sales network	• To establish a high-quality agency network that is suitable for a world-leading insurance and financial services group that is trusted by customers.
Policies on retention and reinsurance	• To contribute to maximize the Group's profitability by promoting retention within the Group, expanding the Group's reinsurance capacity, and enhancing overseas reinsurance business. • To pursue the stabilization of insurance profit by diversifying the Group's global underwriting portfolio.
Asset management	• To aim to stabilize the earnings from investment by utilizing the expanded managed assets and know-hows of the Group. • To control the balance of strategic stockholdings, particularly in light of efficiency.
Overseas Business	• To facilitate the integration of offices and local subsidiaries to streamline business. • To increase the Group's premium income and fees by effectively utilizing its overseas network of 41 countries and regions.
Domestic life insurance	• For Mitsui Sumitomo Kirameki Life Insurance and Aioi Life Insurance to aim to merge at an early stage after the three companies' business integration.
Human resources	• To promote optimal allocation of human resources to improve productivity by shifting personnel to growing areas and optimizing the roles of all employees, etc.

Main Joint Efforts

MS&AD MS&AD Insurance Group

Area	Specific efforts	Timing
Overseas business	• To provide products and services through mutual utilization of insurance underwriting facilities within the Group. • To promote personnel exchange such as secondment among overseas subsidiaries and affiliates within the Group.	• From October 2009 • From October 2009
Operational processes and systems	• To jointly establish new systems that will place the Group at the forefront of the industry. • To integrate operational processes through creating new systems. • To share contact centers and system bases.	• April 2013 • From April 2013 • From January 2012
Agency education, systems, and tools	• To jointly implement advance education as a part of the agent education system. • To use common tools for agent education. • To share the same agent education management system.	• From January 2010 • From April 2010 • From October 2010
Products and services	• To share the service programs of the risk consulting companies of the Group (to jointly hold seminars, etc.). • To jointly create tools for training employees and agents regarding the new Japanese Insurance Law and to utilize these tools in the training.	• From October 2009 • From July 2009
International accounting standards and accounting operations	• To jointly prepare for future adoption of the international accounting standards. • To utilize "Global Management Information System", the Group's consolidated financial system. • To create a common system for the appropriation of expenses.	• From October 2009 • From April 2010 • From April 2011
Shared services	• To develop shared back office operations among the Group companies by such as integrating companies in the Group with common roles (general affairs, real estate related matters, accident report, administrative operations, systems, etc.). • To create a shared group physical distribution system, and to jointly produce and deliver printed matters.	• From October 2010 • From October 2010
Miscellaneous	• To mutually utilize the claims handling subsidiaries within the Group. • To integrate affiliates that conduct risk consulting service, research, and loan and guarantee business. • To utilize a common asset management risk measurement system in order to promote integrated management of assets and liabilities. • To form a marketing alliance products and to jointly develop new products in ART (Alternative Risk Transfer) business. • To share know-how through personnel exchange, promote female participation, and implement other collaborative programs. • To jointly address environmental measures by introducing online delivery of the terms and conditions of the insurance policies. • To cooperate in case of a major disaster. • To work on the environmental friendly initiatives such as CO2 reduction in daily business activities in accordance with ISO 14001, and to support activities to preserve biodiversity.	• From October 2009 • April 2010 • From April 2010 • From April 2010 • From October 2009 • From January 2010 • From April 2010 • From April 2010

Fiscal 2010 First Information Meeting

Reference Materials

MS&AD Insurance Group Holdings, Inc.

MS&AD MS&AD Insurance Group Holdings, Inc.

[Reference Materials]

Result for FY2009 and Full-year Results Forecast for FY2010

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

Results for FY2009 (Simple sum of MS&AD Insurance Group)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2008	FY2009		
			Change	Growth
Net premiums written	2,591.0	**2,519.0**	**-72.0**	**-2.8%**
Ordinary profit/loss	-52.9	**99.1**	**152.0**	**-**
Net income	-9.4	**57.3**	**66.8**	**-**

* Simple sum of Mitsui Sumitomo Insurance Group Holdings (consolidated), Aioi (consolidated) and NDI (non-consolidated). 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)

	FY2008	FY2009		
			Change	Growth
MSI (non-consolidated)	1,239.3	**1,203.7**	**-35.6**	**-2.9%**
Overseas subsidiaries	181.9	**158.7**	**-23.2**	**-12.8%**
Aioi (non-consolidated)	816.6	**794.0**	**-22.6**	**-2.8%**
Overseas subsidiaries	13.4	**17.4**	**3.9**	**29.2%**
NDI (non-consolidated)	310.9	**312.6**	**1.7**	**0.6%**
Mitsui Direct General	29.6	**32.4**	**2.7**	**9.3%**

* Before consolidation adjustment

Breakdown of net income

(¥ bn)

	FY2008	FY2009	
			Change
MSI (non-consolidated)	46.5	**25.4**	**-21.1**
Overseas subsidiaries	-22.9	**20.2**	**43.2**
Aioi (non-consolidated)	-9.5	**18.1**	**27.7**
Overseas subsidiaries	-3.1	**-2.9**	**0.2**
NDI (non-consolidated)	-6.7	**3.0**	**9.7**
Mitsui Direct General	-1.5	**-0.6**	**0.8**
MSI Kirameki Life	0.0	**0.0**	**-0.0**
Aioi Life Insurance	0.8	**1.3**	**0.5**
MSI MetLife	-4.4	**4.4**	**8.9**
Other	-0.9	**0.6**	**1.6**
Consolidation adjustment, etc.	-7.4	**-12.3**	**-4.8**

* Net income of subsidiaries is represented based on equity stake.

<Net premiums written>

▼ Consolidated net premiums written (simple sum) of MS&AD Insurance Group totaled ¥2,519 billion (the industry's largest)

▼ Breakdown of consolidated net premiums written

- At MSI (non-consolidated) and Aioi (non-consolidated), net premiums written decreased, while at NDI, net premiums written increased 0.6%.
  Total net premiums written of three companies (non-consolidated) decreased 2.4% (¥56.5 billion), of which those of CALI declined ¥26.1 billion.
- Net premiums written of overseas subsidiaries of MSI decreased 12.8% YoY due mainly to the strong yen (during the period) as in the previous year.
- Net premiums written at Mitsui Direct General expanded steadily, posting an increase of 9.3%.

<Net income>

▼ Net income for the fiscal year (simple sum) was ¥57.3 billion, up ¥66.8 billion YoY, due chiefly to a significant improvement in net investment income compared with the previous year when the financial crisis had a strong negative impact.

▼ Breakdown of net income

- At MSI (non-consolidated), net income decreased ¥21.1 billion YoY, although ordinary profit increased.
- Overseas subsidiaries of MSI posted an increase of ¥43.2 billion in net income due mainly to rebound from major losses in the previous year.
- Both Aioi (non-consolidated) and NDI (non-consolidated) returned to profit, posting an increase of ¥37.5 billion on a combined basis.
- MSI MetLife achieved profit for the first time, with share of MS&AD Holdings increasing ¥8.9 billion.

Full-Year Results Forecast for FY2010 (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009	FY2010		
			Change	Growth
Net premiums written	2,519.0	**2,580.0**	**61.0**	**2.4%**
Ordinary profit/loss	99.1	**86.0**	**-13.1**	**- 13.2%**
Net income	57.3	**51.0**	**-6.3**	**- 11.1%**

* "Year-on-year change" is a comparison with the simple sum of the three Group companies on the previous page.

Breakdown of net premiums written

(¥ bn)

	FY2009	FY2010		
			Change	Growth
MSI (non-consolidated)	1,203.7	**1,228.0**	**24.3**	**2.0%**
Overseas subsidiaries	158.7	**170.0**	**11.2**	**7.1%**
Aioi Nissay Dowa Insurance (non-consolidated)	1,106.7	**1,123.0**	**16.3**	**1.5%**
Overseas subsidiaries	17.4	**24.6**	**7.2**	**41.2%**
Mitsui Direct General	32.4	**34.5**	**2.1**	**6.5%**

* Aioi and NDI are scheduled to merge on October 1, 2010. Forecast figures (non-consolidated) for Aioi Nissay Dowa Insurance are simple sums of first-half results forecasts (non-consolidated) for NDI and full-year results forecasts (non-consolidated) for Aioi Nissay Dowa Insurance.

* Net income of subsidiaries is represented based on equity stake.

Breakdown of net income

(¥ bn)

	FY2009	FY2010	
			Change
MSI (non-consolidated)	25.4	**26.0**	**0.5**
Overseas subsidiaries	20.2	**16.4**	**-3.8**
Aioi Nissay Dowa Insurance (non-consolidated)	21.2	**2.0**	**-19.2**
Overseas subsidiaries	-2.9	**-1.4**	**1.5**
Mitsui Direct General	-0.6	**0.0**	**0.7**
MSI Kirameki Life	0.0	**-2.8**	**-2.8**
Aioi Life Insurance	1.3	**0.5**	**-0.8**
MSI MetLife	4.4	**3.5**	**-0.9**
Other	0.6	**0.3**	**-0.3**
Consolidation adjustment, etc.	-12.3	**6.4**	**18.8**

<Net premiums written>

- On a consolidated basis, we expect net premiums written to increase ¥61 billion or 2.4% YoY to ¥2,580 billion.
- Breakdown of net premiums written (consolidated)
  - We expect MSI (non-consolidated) to enjoy a ¥24.3 billion increase in net premiums written, to ¥1,228 billion.
  - The sum of net premiums written at Aioi and Nissay Dowa General Insurance is likely to increase ¥16.3 billion to ¥1,123 billion.
  - At overseas subsidiaries, the sum of net premiums written at subsidiaries of MSI and Aioi Nissay Dowa Insurance is likely to increase ¥18.4 billion to ¥194.5 billion in.
  - We expect Mitsui Direct General to post a ¥2.1 billion or 6.5% increase in net premiums written to ¥34.5 billion.

<Net income>

- We anticipate that consolidated net income will decrease ¥6.3 billion YoY to ¥51 billion due partly to expected business-integration-related costs of ¥35 billion yen in the entire Group.
- Breakdown of net income
  - We expect net income at MSI to increase ¥0.5 billion to ¥26 billion, given temporary expenses such as business-integration-related costs as extraordinary losses, although ordinary profit is expected to increase approximately ¥10 billion.
  - Aioi Nissay Dowa Insurance is likely to see net income of ¥2.0 billion, down ¥19.2 billion, reflecting expected business-integration-related costs of approximately ¥30 billion associated with the merge in October.
  - At overseas subsidiaries, the sum of net income at subsidiaries of MSI and Aioi Nissay Dowa Insurance is likely to fall ¥2.3 billion to ¥15 billion.
  - At Mitsui Direct General, we expect net income to increase ¥0.7 billion to turn in the black.
  - MSI Kirameki Life is expected to record a net loss of ¥2.8 billion, given the provision of a standard underwriting reserve en bloc in FY2010.
  - MSI MetLife is likely to see net income decline ¥0.9 billion to ¥3.5 billion.
  - Consolidation adjustment, etc. includes an expected income of ¥14 billion on the generation of negative goodwill.

[Reference Materials]
Result for FY2009

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

MSI (Non-consolidated)

Key financial data

(¥ bn)

	FY2008	FY2009	
			Change
Net premiums written	1,239.3	1,203.7	-35.6
Net premiums, growth rate	-5.2%	-2.9%	2.3pt
Net loss ratio	69.5%	70.3%	0.8pt
Net expense ratio	34.0%	34.5%	0.5pt
Combined ratio	103.5%	104.8%	1.3pt
Incurred losses	754.3	752.6	-1.6
Underwriting profit/loss	32.4	-15.9	-48.4
Net investment income/loss	-1.9	57.7	59.7
Ordinary profit	25.5	35.7	10.2
Extraordinary income/loss	23.6	-2.6	-26.3
Net income	46.5	25.4	-21.1
(Excluding CALI)			
Net premiums, growth rate	-2.2%	-2.0%	0.2pt
Net loss ratio	65.3%	65.7%	0.4pt
Net expense ratio	35.5%	35.8%	0.3pt
Combined ratio	100.8%	101.5%	0.7pt

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

* CALI: Compulsory Automobile Liability Insurance

- Net premiums written declined 2.9% YoY. (Excluding CALI, the decline was 2.0%). Net premiums written fell in marine insurance due to weak logistics activity amid the economic slowdown, and also declined in CALI reflecting the remaining impact of the premium rates reduction in April 2008.
- The net loss ratio increased 0.8 percentage points YoY due to a fall in premium income despite decreases in loss payment and loss adjustment expenses. (Excluding CALI, the increase was 0.4 percentage points).
- The net expense ratio increased 0.5 percentage points YoY, to 34.5%. (Excluding CALI, the increase was 0.3 percentage points)
- The combined ratio increased 1.3 percentage points YoY, to 104.8%. (Excluding CALI, the increase was 0.7 percentage points).
- Underwriting profit decreased ¥48.4 billion YoY, to a loss of ¥15.9 billion. The main reason was an increase of ¥27.1 billion YoY in provision for catastrophe loss reserves.
- Net investment income was ¥57.7 billion, a ¥59.7 billion increase from a net investment loss of ¥1.9 billion in the previous year when the financial crisis had an adverse impact.
- As a result of the above, ordinary profit increased ¥10.2 billion YoY, to ¥35.7 billion.
- Net extraordinary losses of ¥2.6 billion were posted, a ¥26.3 billion decrease from the previous year when a large reversal of the price fluctuation reserve (¥25.9 billion, net of provision and reversal) was posted.
- Net income for the year declined ¥21.1 billion YoY, to ¥25.4 billion.

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

Net premiums written

(¥ bn)

	FY2008	FY2009	
			Growth
Fire	176.1	**179.4**	**1.8%**
Marine	64.1	**51.9**	**-19.1%**
Personal accident	128.9	**129.4**	**0.4%**
Voluntary auto	541.1	**536.7**	**-0.8%**
CALI	148.2	**134.6**	**-9.2%**
Others	180.6	**171.5**	**-5.0%**
Total	1,239.3	**1,203.7**	**-2.9%**
(Excluding CALI)	1,091.1	**1,069.0**	**-2.0%**

Net loss ratios

	FY2008	FY2009	
			Change
Fire	42.6%	**43.3%**	**0.7pt**
Marine	51.5%	**61.7%**	**10.2pt**
Personal accident	60.4%	**62.9%**	**2.5pt**
Voluntary auto	73.2%	**73.4%**	**0.2pt**
CALI	99.8%	**107.3%**	**7.5pt**
Others	72.3%	**68.2%**	**-4.1pt**
Total	69.5%	**70.3%**	**0.8pt**
(Excluding CALI)	65.3%	**65.7%**	**0.4pt**

Incurred losses

(¥ bn)

	FY2008	FY2009	
			Change
Incurred losses (excluding loss adjustment expenses)	754.3	**752.6**	**-1.6**
Natural disasters	6.0	**15.6**	**9.6**
Other	748.2	**737.0**	**-11.2**

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

- Net premiums written
  - Fire: Net premiums written increased 1.8% YoY, due partly to the effect of the alliance with Sumitomo Life.
  - Marine: Net premiums written were down 19.1 YoY, reflecting the effects of weak logistics activity amid the economic downturn and the stronger yen.
  - Automobile: Net premiums written decreased 0.8% YoY, chiefly because of weak vehicle sales in Japan in the first half FY.

- Net loss ratios
  - Fire: The net loss ratio rose 0.7 percentage points YoY because of an increase in total payout for natural disasters.
  - Personal accident: The net loss ratio increased 2.5 percentage points YoY with an increase in total payout, mainly for general personal accident insurance.
  - Voluntary automobile: Despite a decrease in total payment, the net loss ratio rose 0.2 percentage points YoY following a decrease in premium revenues.
  - Other lines: The net loss ratio improved 4.1 percentage points YoY, due mainly to a decrease in insurance payouts on major accidents.

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

	FY2008			FY2009		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	2.6	0.3	2.9	**9.9**	**1.7**	**11.7**
Marine	0.0	0.0	0.0	**0.0**	**0.0**	**0.1**
Voluntary auto	2.5	0.0	2.5	**2.0**	**0.0**	**2.1**
Others	0.3	0.1	0.5	**1.0**	**0.5**	**1.5**
Total	5.5	0.5	6.0	**13.1**	**2.4**	**15.6**

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2008	FY2009	
			Change
Underwriting company expense	213.1	**207.8**	**-5.2**
Loss adjustment expense	76.1	**74.4**	**-1.6**
Other	12.8	**11.0**	**-1.7**
Total company expense	302.1	**293.4**	**-8.7**
Personnel	152.6	**156.5**	**3.8**
Non personnel	135.2	**123.0**	**-12.1**
Taxes and contribitions	14.2	**13.7**	**-0.4**

Expenses ratios

	FY2008	FY2009	
			Change
Net commission ratio	16.8%	**17.2%**	**0.4pt**
Net company expense ratio	17.2%	**17.3%**	**0.1pt**
Net expense ratio	34.0%	**34.5%**	**0.5pt**
Net expense ratio (excluding CALI)	35.5%	**35.8%**	**0.3pt**

- Company expense decreased ¥8.7 billion YoY, to ¥293.4 billion.
- Personnel costs increased ¥3.8 billion YoY due to an increase in retirement benefit expenses.
  Non personnel costs declined ¥12.1 billion YoY with the reduction in recurring expenses because of improved business efficiency and the capitalizing of certain system costs (approximately ¥5 billion)
- The net expense ratio increased 0.5 percentage points YoY to 34.5%.
  - The net commission ratio was 17.2% (an increase of 0.4 percentage point YoY).
  - The net company expense ratio was 17.3% (up 0.1 percentage point YoY).
- Excluding CALI, the net expense ratio rose 0.3 percentage points YoY to 35.8%.

MSI (Non-consolidated) : Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2008	FY2009	
			Change
Interest and dividends received	137.8	**117.4**	**-20.3**
Transfer of investment income on deposit premiums	52.8	**54.0**	**1.2**
Net interest and dividend income	85.0	**63.4**	**-21.6**
Net gains/losses on sale of securities	60.2	**0.2**	**-60.0**
Losses on devaluation of securities	-109.5	**-4.8**	**104.6**
Net gains/losses on redemption of securities	-5.7	**-2.1**	**3.6**
Gains/losses on derivative transactions	-0.7	**25.2**	**26.0**
Other	-31.2	**-24.1**	**7.0**
Net investment income/loss	-1.9	**57.7**	**59.7**

Sources of interest and dividends received

(¥ bn)

	FY2008	FY2009	
			Change
Bonds	29.6	**29.4**	**-0.1**
Stocks	46.6	**27.3**	**-19.3**
Foreign securities	29.6	**29.1**	**-0.4**
Other securities	2.0	**4.4**	**2.3**
Loans	15.4	**14.3**	**-1.1**
Real estate	7.1	**7.4**	**0.2**
Other	7.1	**5.3**	**-1.8**
Total	137.8	**117.4**	**-20.3**

AUM* balance and component ratios by asset

(¥ bn)

	as of March 31, 2010	
		% of total
Bonds	**1,656.8**	**29.5%**
Stocks	**1,723.9**	**30.7%**
Foreign securities	**900.4**	**16.1%**
Other securities	**461.0**	**0.8%**
Loans	**718.5**	**12.8%**
Real estate	**217.7**	**3.9%**
Other	**345.3**	**6.2%**
Total	**5,608.9**	**100.0%**

* AUM: Assets under Management

- Interest and dividend received fell ¥20.3 billion YoY, due chiefly to a decrease in dividends from domestic stocks.
  Net interest and dividend income decreased ¥21.6 billion YoY.

- Net gains/losses on the sale of securities decreased ¥60 billion YoY.

- Losses on the devaluation of securities decreased significantly from the previous year, when losses on devaluation expanded to ¥109.5 billion due to financial crisis.

(¥ bn)

	FY2008	FY2009	
			Change
Bonds	2.0	**-**	**-2.0**
Stocks	35.7	**2.9**	**-32.8**
Foreign securities	47.5	**1.4**	**-46.0**
Other	24.2	**0.5**	**-23.7**
Total	109.5	**4.8**	**-104.6**

- Gains/losses on derivative transactions were a gain of ¥25.2 billion, a ¥26 billion increase from the previous year because of the recovery in the market value of credit derivatives.

- As a result of the above, net investment income of ¥57.7 billion was posted, an increase of ¥59.7 billion from the previous year's loss.

MSI's Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2008	FY2009		
			Change	Growth
Overseas subsidiaries total	181.9	**158.7**	**-23.2**	**-12.8%**
Asia	70.7	**65.2**	**-5.5**	**-7.8%**
Europe	61.7	**47.7**	**-14.0**	**-22.8%**
Americas	23.9	**24.9**	**1.0**	**4.4%**
Reinsurance	25.5	**20.8**	**-4.6**	**-18.4%**

Net income

(¥ bn)

	FY2008	FY2009	
			Change
Overses subsidiaries total	-22.9	**20.2**	**43.2**
Asia	2.9	**9.1**	**6.1**
Europe	-31.3	**1.0**	**32.3**
Americas	1.1	**1.9**	**0.7**
Reinsurance	4.1	**8.0**	**3.9**

<Net premiums written>

- At overseas subsidiaries, net premiums written decreased ¥23.2 billion YoY, or 12.8%, to ¥158.7 billion, as a result of the negative impact of the strong yen during the period.
- The negative impact of the yen appreciation was ¥29.8 billion (estimate), while net premiums written on a local currencies basis was up 3.6%.

<Net income>

- Overseas subsidiaries posted net income of ¥20.2 billion, a ¥43.2 billion increase from the previous year's loss.
  - Net income rebounded substantially in Europe in reaction to major losses in European operations in the previous year.
  - Net income also increased YoY in Asia, Americas and reinsurance due to a decrease in incurred losses (including losses due to natural disasters) and an improvement in net investment income.

MSI Kirameki Life and MSI MetLife

MSI Kirameki Life

(¥ bn)

	FY2008	FY2009	Change
Amount of new policies	1,653.9	**1,587.2**	**-4.0%**
Amount of in-force policies	9,030.8	**9,444.7**	**4.6%**
Annualized premiums in-force	194.3	**194.5**	**0.1%**
Net income	0.0	**0.0**	**-0.0**
Net income (pro forma)*	2.4	**2.8**	**0.3**

* Net income (pro forma) is before provision of standard underwriting reserve as defined in the calculation of Group Core Profit (as former definition)

MSI MetLife

(¥ bn)

	FY2008	FY2009	Change
Amount of new policies	592.9	**408.1**	**-31.2%**
Amount of in-force policies	2,478.7	**3,137.5**	**26.6%**
Premiums	619.2	**443.6**	**-28.4%**
Net income (our share)	-4.4	**4.4**	**8.9**
Net income (our share, US-GAAP)*	0.6	**3.6**	**3.0**

* Net income under US-GAAP as defined in the calculation of Group Core Profit (as former definition).

<MSI Kirameki Life>

- The amount of new policies decreased 4.0% YoY due to a fall in premiums per policy and a decline in corporate contracts.
- The amount of policies-in-force maintained steady growth of 4.6% YoY.
- Annualized premiums in-force remained virtually flat, increasing 0.1% YoY, and premiums in third-sector products showed high growth of 17.1% (¥4.9 billion).
- Net income was ¥37 million, reflecting the need to make provisions to meet the standard underwriting reserve requirement as long as net income remains below ¥100 million (¥4.4 billion was added to the reserve during the period).
- Net income (pro forma) increased ¥0.3 billion YoY to ¥2.8 billion.

<MSI MetLife>

- The total amount of new policies decreased 31.2% YoY due to falls in the number of policies and premiums per policy.
- The in-force amount increased 26.6% YoY with an increase in assets under management of variable annuities, reflecting the improved investment environment.
- Premiums decreased 28.4% YoY, due mainly to the termination of sales of certain variable annuities and product revisions.
- Net income (our share) was a profit of ¥4.4 billion, an increase of ¥8.9 billion from the previous year's loss, reflecting an increase in net investment income associated with the improved investment environment and a decrease in business expenses.
- Net income under US-GAAP (our share), used to calculate Group Core Profit, rose ¥3 billion YoY. The main reasons were an increase in related revenues in line with the increase in the total in-force amount and a rise in investment income.

[Reference Materials]
Result for FY2009

MS&AD Insurance Group Holdings, Inc.

Aioi Insurance (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2008	FY2009	
			Change
Net premiums written	816.6	**794.0**	**-22.6**
Net premiums, growth rate	-4.1%	**-2.8%**	**1.3pt**
Net loss ratio	65.0%	**67.3%**	**2.3pt**
Net expense ratio	34.6%	**35.5%**	**0.9pt**
Combined ratio	99.6%	**102.8%**	**3.2pt**
Incurred losses	482.5	**499.9**	**17.4**
Underwriting profit/loss	18.5	**-4.0**	**-22.6**
Net investment income/loss	-41.0	**38.7**	**79.7**
Ordinary profit	-20.3	**37.3**	**57.7**
Extraordinary income/loss	6.6	**-10.3**	**-17.0**
Net income	-9.5	**18.1**	**27.7**
(Excluding CALI)			
Net premiums, growth rate	-0.8%	**-1.8%**	**-1.0pt**
Net loss ratio	60.6%	**62.5%**	**1.9pt**
Net expense ratio	35.5%	**36.3%**	**0.8pt**
Combined ratio	96.1%	**98.8%**	**2.7pt**

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

- Net premiums written decreased by 2.8%.
  In addition to a sharp decline in premiums written for CALI on the impact of reduced premium rates, the economic slowdown, and a slump in domestic automobile sales also had an effect, leading to a decline in all categories (excluding CALI, the decline was 1.8%).

- The net loss ratio rose by 2.3 points year-on-year (excluding CALI, the increase shrank to 1.9 points). Along with an increase in loss adjustment expenses, premiums decreased.

- The net expense ratio rose by 0.9 point year-on-year due to an increase in company expenses and a decrease in premiums.

- The combined ratio was 102.8%, an increase of 3.2 points year-on-year (excluding CALI, the increase was 2.7 points).

- We recorded an underwriting loss of 4 billion yen, a fall of 22.6 billion yen year-on-year, which was primarily the result of increased claim payments related to natural disasters, and increased loss adjustment expenses.

- We recorded net investment income of 38.7 billion yen, an increase of 79.7 billion yen year-on-year, with a decrease in losses on the devaluation of securities and an increase in gains on derivative transactions as the driving factors.

- As a result of the foregoing, we recorded ordinary profit of 37.3 billion yen, an increase of 57.7 billion yen from the previous fiscal year.

- We recorded an extraordinary loss of 10.3 billion yen, a fall of 17.0 billion yen year-on-year, with an increase in price fluctuation reserves (up 7.2 billion yen year-on-year) and business integration-related expenses (8.2 billion yen) as the primary reasons.

- Net income came to 18.1 billion yen, an increase of 27.7 billion yen year-on-year.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2008	FY2009	
			Growth
Fire	102.7	**102.0**	**-0.6%**
Marine	5.5	**3.7**	**-33.2%**
Personal accident	46.0	**45.0**	**-2.2%**
Voluntary auto	466.8	**465.8**	**-0.2%**
CALI	119.7	**109.5**	**-8.5%**
Others	75.7	**67.7**	**-10.6%**
Total	816.6	**794.0**	**-2.8%**
(Excluding CALI)	696.9	**684.4**	**-1.8%**

Net loss ratios

	FY2008	FY2009	
			Change
Fire	35.9%	**38.7%**	**2.8pt**
Marine	64.3%	**73.3%**	**9.0pt**
Personal accident	50.0%	**52.8%**	**2.8pt**
Voluntary auto	64.8%	**67.0%**	**2.2pt**
CALI	90.2%	**97.3%**	**7.1pt**
Others	74.7%	**73.0%**	**-1.7pt**
Total	65.0%	**67.3%**	**2.3pt**
(Excluding CALI)	60.6%	**62.5%**	**1.9pt**

Incurred losses

(¥ bn)

	FY2008	FY2009	
			Change
Incurred losses (excluding loss adjustment expenses)	482.5	**499.9**	**17.4**
Natural disasters	2.9	**6.3**	**3.4**
Other	479.6	**493.6**	**14.0**

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

- Net premiums written
  - “Fire” declined 0.6% year-on-year, affected by the impact of weak housing starts.
  - “Marine” decreased by 33.2% year-on-year due to slumping cargo movement, etc., caused by the economic slump.
  - “Voluntary automobile” declined by 0.2% year-on-year due to factors such as the accident-free incentive class and the trend toward smaller vehicle size.

- Net loss ratios
  - “Fire” rose by 2.8 points year-on-year, in part because of increased claim payments related to natural disasters (up 3.5 billion yen year-on-year).
  - “Marine” rose by 9.0 points year-on-year. Although claims paid declined, there was a steep decrease in premium income.
  - “Personal accident” rose by 2.8 points year-on-year. In addition to increased claim payments, premium income declined.
  - “Voluntary automobile” rose by 2.2 points year-on-year due to the effects of increases in claims paid and loss adjustment expenses, along with a decline in premium income.

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

	FY2008			FY2009		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	0.7	0.0	0.8	**4.2**	**0.6**	**4.8**
Voluntary auto	1.8	0.0	1.8	**1.0**	**0.0**	**1.0**
Others	0.2	0.0	0.3	**0.3**	**0.1**	**0.4**
Total	2.8	0.1	2.9	**5.6**	**0.7**	**6.3**

Aioi Insurance (Non-consolidated) : Company Expenses and Expense Ratios

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2008	FY2009	
			Change
Underwriting company expense	138.3	**141.6**	**3.3**
Loss adjustment expense	37.0	**43.7**	**6.7**
Other	8.1	**7.5**	**-0.5**
Total company expense	183.4	**193.0**	**9.5**
Personnel	91.6	**95.8**	**4.2**
Non personnel	82.1	**88.1**	**5.9**
Taxes and contribitions	9.6	**8.9**	**-0.6**

Expense ratios

	FY2008	FY2009	
			Change
Net commission ratio	17.6%	**17.6%**	**0.0pt**
Net company expense ratio	16.9%	**17.8%**	**0.9pt**
Net expense ratio	34.6%	**35.5%**	**0.9pt**
Net expense ratio (excluding CALI)	35.5%	**36.3%**	**0.8pt**

- Company expense was 193 billion yen increased by 9.5 billion yen year-on-year, mainly due to increase in loss adjustment system-related expenses.

- Personnel costs rose by 4.2 billion yen year-on-year due to an increase in the amortization of actuarial differences, etc., while non-personnel costs rose by 5.9 billion yen year-on-year, due to an increase in systems-related expenses, etc.

- The net expense ratio was 35.5%, a rise of 0.9 point year-on-year.
  - The net commission ratio was 17.6% (up 0 point year-on-year, or unchanged)
  - The net company expense ratio was 17.8% (up 0.9 point year-on-year)

- Excluding CALI, the net expense ratio was 36.3%, up 0.8 point year-on-year.

Aioi Insurance (Non-Consolidated) : Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2008	FY2009	
			Change
Interest and dividends received	42.9	**48.7**	**5.7**
Transfer of investment income on deposit premiums	20.2	**18.3**	**-1.8**
Net interest and dividend income	22.7	**30.3**	**7.5**
Net gains/losses on sale of securities	43.9	**13.1**	**-30.8**
Losses on devaluation of securities	-62.4	**-2.9**	**59.4**
Gains/losses on derivative transactions	-11.8	**8.1**	**19.9**
Other	-33.5	**-9.9**	**23.6**
Net investment income/loss	-41.0	**38.7**	**79.7**

Sources of interest and dividends received

(¥ bn)

	FY2008	FY2009	
			Change
Bonds	10.2	**7.9**	**-2.3**
Stocks	9.4	**7.8**	**-1.5**
Foreign securities	9.1	**14.3**	**5.2**
Other securities	0.7	**5.8**	**5.0**
Loans	6.7	**6.5**	**-0.2**
Real estate	5.2	**5.0**	**-0.1**
Other	1.3	**1.0**	**-0.2**
Total	42.9	**48.7**	**5.7**

AUM balance and component ratios by asset

(¥ bn)

	as of March 31, 2010	
		% of total
Bonds	**439.1**	**21.5%**
Stocks	**414.7**	**20.3%**
Foreign securities	**452.2**	**22.1%**
Other securities	**80.0**	**3.9%**
Loans	**324.1**	**15.9%**
Real estate	**138.6**	**6.8%**
Other	**195.2**	**9.5%**
Total	**2,044.3**	**100.0%**

- Interest and dividends received rose by 5.7 billion yen, primarily on increased dividends from foreign and other securities.
  Transfer of investment income on deposit premiums fell 1.8 billion yen short of last fiscal year's result, while net interest and dividend income increased by 7.5 billion yen year-on-year to 30.3 billion yen.

- Net gains on the sale of securities decreased by 30.8 billion yen compared to a year earlier.

- Losses on the devaluation of securities (2.9 billion yen) were 59.4 billion yen smaller compared to a year earlier thanks to the effects of improved market conditions.

(¥ bn)

	FY2008	FY2009	
			Change
Bonds	0.4	**-**	**-0.4**
Stocks	25.4	**1.5**	**-23.9**
Foreign securities	24.8	**0.4**	**-24.4**
Other securities	11.6	**0.9**	**-10.6**
Total	62.4	**2.9**	**-59.4**

- Gains on derivative transactions came to 8.1 billion yen, an improvement of 19.9 billion yen compared to a year earlier.

- As a result of the foregoing, we recorded net investment income of 38.7 billion yen, an increase of 79.7 billion yen from the previous fiscal year.

Aioi Insurance Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2008	FY2009		
			Change	Growth
Overseas subsidiaries total	13.4	**17.4**	**4.0**	**29.2%**
Asia	-	**0.3**	**0.3**	**–**
Europe	13.4	**17.0**	**3.5**	**26.5%**

Net income

(¥ bn)

	FY2008	FY2009	
			Change
Overseas subsidiaries total	-3.1	**-2.9**	**0.2**
Asia	-	**-0.1**	**-0.1**
Europe	-3.1	**-2.8**	**0.3**

* Above figures for consolidated subsidiary companies

<Net premiums written>

- Net premiums written by our overseas subsidiaries totaled 17.4 billion yen, up 4.0 billion yen year-on-year, for an increase of 29.2%.
  - Our UK subsidiary, Aioi Motor & General Insurance Company of Europe Ltd., recorded a year-on-year increase of 3.5 billion yen, or 26.5%, on solid growth in automobile insurance in Europe.

    Our subsidiary in China became a local corporation in fiscal 2009, and thanks to an expansion of its operations and other factors, premium income came to 300 million yen.

<Net income>

- We recorded a net loss of 2.9 billion yen for our overseas subsidiaries, a 200 million yen improvement from the previous fiscal year.
  - Our UK subsidiary, Aioi Motor & General Insurance Company of Europe Ltd., recorded an improvement of 300 million yen.
  - As our Chinese subsidiary just recently began operations, business expenses took precedence.

Aioi Life Insurance

Aioi Life Insurance

(¥ bn)

	FY2008	FY2009	
			Change
Amount of new policies (excluding group insurance)	1,043.7	**1,059.4**	**1.5%**
Amount of in-force policies	7,471.1	**8,165.7**	**9.3%**
Annualized premiums in-force	70.8	**73.5**	**3.8%**
Net income	0.8	**1.3**	**0.5**

- The amount of new policies rose 1.5% year-on-year.
- The amount of in-force policies rose 9.3% for a solid increase.
- Annualized premiums in-force increased by 3.8% year-on-year, on the sales effect of new products and an expansion of personal insurance policies.
- Net income increased by 500 million yen from the previous fiscal year for a profit of 1.3 billion yen as new policies and policies in force both expanded steadily.

[Reference Materials]
Result for FY2009

MS&AD Insurance Group Holdings, Inc.

Nissay Dowa General Insurance (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2008	FY2009	Change
Net premiums written	310.9	**312.6**	**1.7**
Net premiums, growth rate	-2.3%	**0.6%**	**2.9pt**
Net loss ratio	67.4%	**68.8%**	**1.4pt**
Net expense ratio	34.6%	**33.8%**	**-0.8pt**
Combined ratio	102.0%	**102.6%**	**0.6pt**
Incurred losses	193.6	**198.7**	**5.0**
Underwriting profit/loss	-8.7	**-10.2**	**-1.5**
Net investment income/loss	-5.1	**22.8**	**27.9**
Ordinary profit	-16.8	**10.0**	**26.9**
Extraordinary income/loss	6.1	**-6.4**	**-12.5**
Net income	-6.7	**3.0**	**9.7**
<Excluding CALI>			
Net premiums, growth rate	0.3%	**1.5%**	**1.2pt**
Net loss ratio	63.8%	**65.1%**	**1.3pt**
Net expense ratio	35.8%	**34.5%**	**-1.3pt**
Combined ratio	99.6%	**99.6%**	**0.0pt**

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

- Net premiums written increased by 0.6% (excluding CALI, growth was 1.5%). Amid an industry trend of declining revenues, we were able to secure growth thanks to voluntary automobile insurance and fire insurance, our flagship products.
- The net loss ratio rose by 1.4 points year-on-year (excluding CALI, the rise was 1.3 points). This was due to an increase in the number of accident reports for voluntary automobile insurance, while in fire insurance, claim payments for natural disasters resulting from typhoons, etc. increased.
- We are continuing investments toward improving our operational quality; however, as a result of efforts to improve spending efficiency, the net expense ratio fell by 0.8 point year-on-year (excluding CALI, the decline was 1.3 points).
- The combined ratio was 102.6%, for a year-on-year rise of 0.6 point (excluding CALI, the combined ratio was unchanged from the previous year).
- We recorded an underwriting loss of 10.2 billion yen, an expansion of 1.5 billion yen year-on-year. The main factors are as follows:

  - Payments for claims incurred on voluntary automobile insurance increased.

    (Incurred losses for voluntary automobile insurance rose by 7.4 billion yen year-on-year)

  - Provisions for standard underwriting reserves for fire insurance increased.
- Net investment income came to 22.8 billion yen. With a decline in losses on the devaluation of securities as the main factor, the year-on-year increase was 27.9 billion yen.
- As a result of the foregoing, we recorded ordinary profit of 10 billion yen, an increase of 26.9 billion yen from the previous fiscal year.
- We recorded an extraordinary loss of 6.4 billion yen, a decline of 12.5 billion yen year-on-year, as our price fluctuation reserves turned from a reversal last fiscal year (6.4 billion yen) to a provision (600 million yen), and we recorded 5.7 billion yen in expenses related to business integration.
- Net income came to 3 billion yen, up 9.7 billion yen from the previous fiscal year.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2008	FY2009	
			Growth
Fire	47.0	**51.1**	**8.7%**
Marine	5.4	**4.5**	**-16.2%**
Personal accident	29.1	**28.3**	**-2.7%**
Voluntary auto	158.8	**160.6**	**1.1%**
CALI	30.5	**28.1**	**-7.8%**
Others	39.9	**39.8**	**-0.2%**
Total	310.9	**312.6**	**0.6%**
Excluding CALI	280.4	**284.5**	**1.5%**

Net loss ratios

	FY2008	FY2009	
			Change
Fire	39.0%	**38.7%**	**-0.3pt**
Marine	57.7%	**72.9%**	**15.2pt**
Personal accident	58.2%	**61.9%**	**3.7pt**
Voluntary auto	73.2%	**75.1%**	**1.9pt**
CALI	99.9%	**105.9%**	**6.0pt**
Others	60.6%	**60.0%**	**-0.6pt**
Total	67.4%	**68.8%**	**1.4pt**
Excluding CALI	63.8%	**65.1%**	**1.3pt**

Incurred losses

(¥ bn)

	FY2008	FY2009	Change
Incurred losses (excluding loss adjustment expenses)	193.6	**198.7**	**5.0**
Natural disasters	2.5	**5.2**	**2.6**
Non-natural disasters	191.1	**193.5**	**2.3**

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

▼ Net premiums written

- "Fire" rose 8.7% year-on-year due to an increase in the number of long-term contracts, etc.
- "Marine" declined 16.2% year-on-year as cargo insurance decreased due to a slowdown in cargo movement caused by the stagnant economy.
- "Personal accident" declined 2.7% year-on-year. Although group long-term disability and group medical contracts increased, other areas of personal insurance decreased.
- "Voluntary automobile" increased 1.1% year-on-year amid an increase in the number of contracts and a revision (increase) in premium rates in June 2009, which resulted in flat growth in the unit prices of premiums.
- "CALI" declined 7.8% year-on-year due to the impact of a revision (decrease) in premium rates in April 2008.

▼ Net loss ratios

- We recorded a 0.3 point decline in the loss ratio for "Fire." Although premiums increased sharply, payments due to typhoons and other natural disasters also rose.
- For "Personal accident" increased by 3.7 points year-on-year due to an increase in claims paid as a result of a rise in claim payments for fatal and other accidents and also a decrease in premiums.
- "Voluntary automobile" rose 1.9 points year-on-year as claims paid increased as a result of growth in the number of accident reports, etc.

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

	FY08			FY09		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	**1.4**	**0.2**	**1.7**	**3.6**	**0.6**	**4.2**
Marine	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Voluntary auto	**0.5**	**0.0**	**0.5**	**0.5**	**0.0**	**0.5**
Others	**0.1**	**0.0**	**0.2**	**0.2**	**0.2**	**0.4**
Total	**2.1**	**0.3**	**2.5**	**4.3**	**0.8**	**5.2**

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2008	FY2009	
			Change
Underwriting company expense	54.3	**51.5**	**-2.8**
Loss adjustment expense	17.6	**18.0**	**0.4**
Other	4.0	**3.7**	**-0.2**
Total company expense	76.0	**73.4**	**-2.6**

Personnel costs	36.0	**35.6**	**-0.3**
Non-personnel costs	36.4	**34.2**	**-2.1**
Taxes and contributions	3.5	**3.5**	**0.0**

Expenses Ratios

	FY2008	FY2009	
			Change
Net commission ratio	17.1%	**17.3%**	**0.2pt**
Net company expense ratio	17.5%	**16.5%**	**-1.0pt**
Net expense ratio	34.6%	**33.8%**	**-0.8pt**
Net expense ratio (excluding CALI)	35.8%	**34.5%**	**-1.3pt**

- Total company expenses fell by 2.6 billion yen from a year earlier to 73.4 billion yen.
- We are continuing investments to improve our operational quality. However, as a result of efforts to improve spending efficiency, personnel costs fell by 300 million yen, and non-personnel costs fell by 2.1 billion yen.
- We recorded a net expense ratio of 33.8%, a decline of 0.8 point year-on-year.
  - The net commission ratio was 17.3% (an increase of 0.2 point year-on-year)
    (The commission ratio increased as a result of a decrease in premium rates for CALI)
  - The net company expense ratio was 16.5% (a decline of 1.0 point year-on-year)
- Excluding CALI, the net expense ratio was 34.5%, down 1.3 points year-on-year.

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

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2008	FY2009	
			Change
Interest and dividend received	23.8	**21.1**	**-2.7**
Transfer of investment income on deposit premiums	8.3	**7.7**	**-0.6**
Net interest and dividend income	15.5	**13.4**	**-2.1**
Net gains/losses on sale of securities	5.7	**17.9**	**12.1**
Losses on devaluation of securities	-19.0	**-5.1**	**13.8**
Net gains/losses on redemption of securities	-1.5	**-1.6**	**-0.1**
Gains/losses on derivative transactions	-3.1	**-0.3**	**2.8**
Other	-2.7	**-1.3**	**1.3**
Net investment income/loss	-5.1	**22.8**	**27.9**

Sources of interest and dividends received

(¥ bn)

	FY2008	FY2009	
			Change
Bonds	4.7	**4.4**	**-0.2**
Stocks	7.3	**6.8**	**-0.4**
Foreign securities	8.7	**7.8**	**-0.9**
Other securities	0.4	**0.0**	**-0.3**
Loans	0.8	**0.7**	**-0.0**
Real estate	0.8	**0.7**	**-0.0**
Others	0.9	**0.2**	**-0.6**
Total	23.8	**21.1**	**-2.7**

AUM balance and component ratios by asset

(¥ bn)

	as of March 31, 2010	
		% of total
Bonds	300.9	31.1%
Stocks	302.9	31.3%
Foreign securities	222.5	23.0%
Other securities	10.4	1.1%
Loans	36.6	3.8%
Real estate	48.8	5.0%
Others	46.2	4.8%
Total	968.4	100.0%

- Interest and dividends received decreased by 2.7 billion yen year-on-year, primarily due to a decline in interest received on overseas bonds and dividends received on equities.
  A 600 million yen decrease in transfer of investment income on deposit premiums resulted in a 2.1 billion yen year-on-year decrease in net interest and dividend income.

- As for capital profit and loss, losses on the devaluation of securities shrank by 13.8 billion yen year-on-year.

- Net gains on the sale of securities increased by 12.1 billion yen year-on-year.

- As a result of the foregoing, we recorded net investment income of 22.8 billion yen, an increase of 27.9 billion yen year-on-year.

[Reference Materials]
Full-Year Result Forecast for FY 2010

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

MSI (Non-consolidated)

Key financial data

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Net premiums written	1,203.7	**1,228.0**	**24.3**
Net premiums, growth rate	-2.9%	**2.0%**	**4.9pt**
Net loss ratio	70.3%	**68.0%**	**-2.3pt**
Net expense ratio	34.5%	**34.4%**	**-0.1pt**
Combined ratio	104.8%	**102.4%**	**-2.4pt**
Incurred losses	752.6	**740.7**	**-12.0**
Underwriting profit/loss	-15.9	**-9.0**	**6.9**
Net investment income/loss	57.7	**59.9**	**2.2**
Ordinary profit	35.7	**47.0**	**11.2**
Extraordinary gain/loss	-2.6	**-13.4**	**-10.7**
Net income	25.4	**26.0**	**0.5**
(Excluding CALI)			
Net premiums, growth rate	-2.0%	**2.1%**	**4.1pt**
Net loss ratio	65.7%	**63.2%**	**-2.5pt**
Net expense ratio	35.8%	**35.8%**	**0.0pt**
Combined ratio	101.5%	**99.0%**	**-2.5pt**

* “Net loss ratio” is on a “written paid” basis.

- We expect net premiums written to increase ¥24.3 billion YoY or 2.0% to ¥1,228 billion.
- The net loss ratio is likely to decrease 2.3 percentage points YoY to 68.0%. Excluding CALI, the decrease is likely to be 2.5 percentage points to 63.2%.
- We expect the net expense ratio to fall 0.1 percentage points YoY to 34.4%.
- The combined ratio is expected to decrease 2.4 percentage points YoY to 102.4%. Excluding CALI, the decrease is likely to be 99.0%.
- We expect underwriting profit to increase ¥6.9 billion YoY to an underwriting loss of ¥9 billion.
- Net investment income is expected to increase ¥2.2 billion YoY to ¥59.9 billion.
- We see ordinary profit increasing ¥11.2 billion YoY to ¥47 billion, due to an improvement in underwriting profit and the increase in net investment income.
- We expect an extraordinary loss of ¥13.4 billion.

  We anticipate temporary expenses such as business-integration-related costs and real-estate-related costs.
- Net income is expected to increase ¥0.5 billion to ¥26 billion.

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	**185.8**	**3.5%**
Marine	51.9	**52.3**	**0.8%**
Personal accident	129.4	**132.4**	**2.3%**
Voluntary auto	536.7	**544.5**	**1.4%**
CALI	134.6	**136.0**	**1.0%**
Others	171.5	**177.0**	**3.2%**
Total	1,203.7	**1,228.0**	**2.0%**
(Excluding CALI)	1,069.0	**1,092.0**	**2.1%**

Net loss ratios

	FY2009	FY2010 (forecast)	
			Change
Fire	43.3%	**46.1%**	**2.8pt**
Marine	61.7%	**54.4%**	**-7.3pt**
Personal accident	62.9%	**60.9%**	**-2.0pt**
Voluntary auto	73.4%	**72.9%**	**-0.5pt**
CALI	107.3%	**106.7%**	**-0.6pt**
Others	68.2%	**55.3%**	**-12.9pt**
Total	70.3%	**68.0%**	**-2.3pt**
(Excluding CALI)	65.7%	**63.2%**	**-2.5pt**

Incurred losses

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Incurred losses (excluding loss adjustmentexpenses)	752.6	**740.7**	**-12.0**
Natural disasters	15.6	**15.0**	**-0.7**
Other	737.0	**725.7**	**-11.3**

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

- We expect net premiums written to increase in all products, thanks to the moderate recovery in economy and an increase in premium revenues due to the alliance with Sumitomo Life Insurance.
- We forecast net loss ratio to decline 2.3 percentage points to 68.0%.
- Excluding natural disasters, our forecasts for net loss ratio are as follows:

Fire	:	39.9 % (up 2.2 percentage points YoY)
Marine	:	54.4 % (down 7.2 percentage points YoY)
Personal accident	:	60.9% (down 2.0 percentage points YoY)
Voluntary auto	:	72.5% (down 0.5 percentage points YoY)
CALI	:	106.7% (down 0.6 percentage points YoY)
Others	:	54.7% (down 12.9 percentage points YoY)
Total	:	66.8% (down 2.4 percentage points YoY)

- We have factored in natural disaster losses of ¥15.0 billion (down ¥0.7 billion YoY)
  Fire: ¥11.5 billion, Automobile: ¥2.5 billion, and Others: ¥1.0 billion.
- We expect incurred losses to decrease by ¥12.0 billion YoY.

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Underwriting company expense	207.8	**207.5**	**-0.4**
Loss adjustment expense	74.4	**75.4**	**0.9**
Other	11.0	**9.8**	**-1.3**
Total company expense	293.4	**292.7**	**-0.7**
Personnel	156.5	**158.8**	**2.2**
Non personnel	123.0	**120.4**	**-2.7**
Taxes and contribitions	13.7	**13.5**	**-0.3**

Expenses ratios

	FY2009	FY2010 (forecast)	
			Change
Net commission ratio	17.2%	**17.5%**	**0.3pt**
Net company expense ratio	17.3%	**16.9%**	**-0.4pt**
Net expenses ratio	34.5%	**34.4%**	**-0.1pt**
Net expenses ratio (excluding CALI	35.8%	**35.8%**	**0.0pt**

- We expect total company expense to fall ¥0.7 billion to ¥292.7 billion.
- We expect expense ratio to increase 0.1 percentage points to 34.4%.
  - Net commission ratio: 17.5% (up 0.3 percentage points YoY)
  - Company expense ratio: 16.9% (down 0.4 percentage points YoY)
- We expect expense ratio excluding CALI to remain at the same level of 35.8% as for FY 2009.
  - Net commission ratio: up 0.3 percentage points YoY to 18.8%
  - Company expense ratio: down 0.4 percentage points YoY to 17.0%

MSI (Non-consolidated) : Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2009	FY2010 (forecast)	Change
Interest and dividends received	117.4	**106.2**	**-11.2**
Transfer of investment income on deposit premiums	54.0	**49.2**	**-4.8**
Net interest and dividend income	63.4	**57.0**	**-6.4**
Net gains/losses on sale of securities	0.2	**16.0**	**15.8**
Losses on devaluation of securities	-4.8	**-2.5**	**2.4**
Net gains/losses on redemption of securities	-2.1	**-0.8**	**1.3**
Gains/losses on derivative transactions	25.2	**3.1**	**-22.1**
Other	-24.1	**-12.9**	**11.2**
Net investment income/loss	57.7	**59.9**	**2.2**

Sources of interest and dividends received

(¥ bn)

	FY2009	FY2010 (forecast)	Change
Bonds	29.4	**28.7**	**-0.7**
Stocks	27.3	**28.2**	**0.8**
Foreign securities	29.1	**21.6**	**-7.5**
Other securities	4.4	**3.9**	**-0.6**
Loans	14.3	**12.8**	**-1.6**
Real estate	7.4	**7.0**	**-0.5**
Other	5.3	**4.2**	**-1.1**
Total	117.4	**106.2**	**-11.2**

- We expect interest and dividends received to fall in foreign securities and loans and decline ¥11.2 billion YoY, to ¥106.2 billion.
- Net interest and dividend income are expected to decline ¥6.4 billion YoY to ¥57.0 billion
- We expect gains on sale of securities to increase ¥15.8 billion, to ¥16 billion.
- We expect losses on devaluation of securities of ¥2.5 billion, an improvement of ¥2.4 billion YoY.
- We see gains on derivative transactions decreasing ¥22.1 billion YoY to ¥3.1 billion, due chiefly to a fall in mark to market gains of credit derivatives.
- Other gains is likely to increase ¥11.2 billion YoY, due to a fall in losses on redemption of investment trusts.

MSI's Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)		
			Change	Growth
Subsidiaries total	158.7	**170.0**	**11.2**	**7.1%**
Asia	65.2	**73.3**	**8.1**	**12.4%**
Europe	47.7	**48.2**	**0.5**	**1.0%**
Americas	24.9	**27.9**	**2.9**	**11.7%**
Reinsurance	20.8	**20.6**	**-0.3**	**- 1.5%**

Net income

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Subsidiaries total	20.2	**16.4**	**-3.8**
Asia	9.1	**7.0**	**-2.2**
Europe	1.0	**1.4**	**0.4**
Americas	1.9	**2.2**	**0.3**
Reinsurance	8.0	**5.8**	**-2.3**

<Net premiums written>

- Net premiums written at overseas subsidiaries are expected to increase ¥11.2 billion YoY, to ¥170 billion, due chiefly to business growth in Asia and other areas.

<Net income>

- Net income at overseas subsidiaries is expected to decline ¥3.8 billion YoY, to ¥16.4 billion, given expected losses of a certain level at reinsurance subsidiaries which recorded minimal losses associated with natural disasters in the previous year.

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	**1,123.0**	**16.3**
Net premiums, growth rate	-1.9%	**1.5%**	**3.4pt**
Net loss ratio	67.7%	**66.8%**	**-0.9pt**
Net expense ratio	35.0%	**36.2%**	**1.2pt**
Combined ratio	102.7%	**103.0%**	**0.3pt**
Incurred losses	699.2	**692.0**	**-7.2**
Underwriting profit/loss	-14.3	**-18.0**	**-3.6**
Net investment income/loss	61.5	**42.3**	**-19.2**
Ordinary profit	47.4	**26.0**	**-21.4**
Extraordinary income/loss	-16.8	**-24.8**	**-8.0**
Net income	21.2	**2.0**	**-19.2**
(Excluding CALI)			
Net premiums, growth rate	-0.9%	**1.7%**	**2.6pt**
Net loss ratio	63.3%	**62.5%**	**-0.8pt**
Net expense ratio	35.8%	**37.3%**	**1.5pt**
Combined ratio	99.1%	**99.8%**	**0.7pt**

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

Fiscal 2010 forecast assumptions:

Results for fiscal 2009 are a simple aggregate of the results of Aioi Insurance Company, Limited and Nissay Dowa General Insurance Company, Limited.

Fiscal 2010 forecasts consist of a simple aggregate of Nissay Dowa General Insurance Company, Limited's first-half earnings forecast and the full-year non-consolidated earnings forecast for Aioi Nissay Dowa Insurance Company, Limited (merger scheduled for October 1, 2010).

- Net premiums written are forecast to increase by 16.3 billion yen year-on-year, or 1.5%, to 1,123 billion yen.
- The net loss ratio is forecast to improve by 0.9 point year-on-year to 66.8%. Excluding CALI, the forecast is for a decline of 0.8 point to 62.5%.
- The net expense ratio is forecast to rise by 1.2 points year-on-year to 36.2%.
- The combined ratio is forecast to rise by 0.3 point year-on-year to 103.0%. Excluding CALI, the ratio is forecast to be 99.8%.
- We forecast an underwriting loss of 18 billion yen, a fall of 3.6 billion yen year-on-year, on such factors as an increase in the assumption for natural disasters compared to the previous fiscal year, and increased business expenses related to the merger.
- Net investment income is forecast at 42.3 billion yen, a decline of 19.2 billion yen year-on-year, due to the anticipated impact of a decreased dividends and capital gains.
- As a result of the foregoing, the forecast for ordinary profit is 26.0 billion yen, or 21.4 billion yen below the fiscal 2009 result.
- We forecast an extraordinary loss of 24.8 billion yen due to expenses related to the merger, etc.
- We forecast net income to come in at 2.0 billion yen, or 19.2 billion yen below the fiscal 2009 result.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Growth
Fire	153.2	**160.6**	**4.8%**
Marine	8.2	**7.6**	**-8.0%**
Personal accident	73.3	**73.9**	**0.8%**
Voluntary auto	626.4	**639.1**	**2.0%**
CALI	137.7	**137.4**	**-0.2%**
Others	107.6	**104.4**	**-3.1%**
Total	1,106.7	**1,123.0**	**1.5%**
(Excluding CALI)	969.0	**985.6**	**1.7%**

Net loss ratios

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Fire	38.7%	**39.4%**	**0.7pt**
Marine	73.1%	**65.2%**	**-7.9pt**
Personal accident	56.3%	**51.9%**	**-4.4pt**
Voluntary auto	69.1%	**67.1%**	**-2.0pt**
CALI	99.1%	**98.2%**	**-0.8pt**
Others	68.2%	**76.7%**	**8.5pt**
Total	67.7%	**66.8%**	**-0.9pt**
(Excluding CALI)	63.3%	**62.5%**	**-0.8pt**

Incurred losses

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	
			Change
Incurred losses (excluding loss adjustment expenses)	699.2	**692.0**	**-7.2**
Natural disasters	11.5	**13.0**	**1.5**
Other	687.7	**679.0**	**-8.7**

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

▼ Net premiums written are forecast to increase by 1.5%, led by automobile insurance and fire insurance, on the effects of premium rate revisions implemented in fiscal 2009.

- "Fire" is forecast to increase 4.8% year-on-year
- "Marine" is forecast to decrease 8.0% year-on-year
- "Personal accident" is forecast to increase 0.8% year-on-year
- "Voluntary automobile" is forecast to increase 2.0% year-on-year
- A decline of 3.1% is forecast for "Other" products

▼ The net loss ratio is forecast to fall by 0.9 point year-on-year to 66.8%.

Excluding natural disasters, the net loss ratio is forecast as follows:

- Fire : 34.4% (up 1.7 points year-on-year)
- Marine : 65.2% (down 7.9 points year-on-year)
- Personal accident : 51.9% (down 4.4 points year-on-year)
- Voluntary auto : 66.3% (down 2.5 points year-on-year)
- CALI : 98.2% (down 0.8 point year-on-year)
- Others : 76.7% (up 9.3 points year-on-year)
- Total : 65.7% (down 1.0 point year-on-year)

▼ We forecast 13.0 billion yen in incurred losses on natural disasters.
Fire: 8.0 billion yen; Voluntary automobile: 5.0 billion yen

▼ We forecast that our incurred losses will decline by 7.2 billion yen 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	**205.0**	**11.8**
Loss adjustment expense	61.8	**56.9**	**-4.9**
Other	11.4	**9.6**	**-1.8**
Total company expense	266.4	**271.5**	**5.1**

Personnel	131.5	**136.7**	**5.2**
Non personnel	122.4	**121.3**	**-1.1**
Taxes and contribitions	12.5	**13.4**	**0.9**

Expense ratios

	FY2009 (2 companies combined)	FY2010 (forecast)	Change
Net commission ratio	17.5%	**18.0%**	**0.5pt**
Net company expense ratio	17.5%	**18.2%**	**0.7pt**
Net expenses ratio	35.0%	**36.2%**	**1.2pt**
Net expenses ratio (excluding CALI)	35.8%	**37.3%**	**1.5pt**

▼Company expenses are projected to increase by 5.1 billion yen compared to the previous fiscal year to 271.5 billion yen.

▼ We forecast a net expense ratio of 36.2%, a year-on-year rise of 1.2 points.

- The net commission ratio is forecast at 18.0%, a year-on-year rise of 0.5 point.
- The net company expense ratio is forecast at 18.2%, a year-on-year rise of 0.7 point.

▼Excluding CALI, we forecast that the net expense ratio will rise by 1.5 points year-on-year to 37.3%.

- Net commission ratio: 19.3% (up 0.4 point year-on-year)
- Net company expense ratio: 18.1% (up 1.1 points year-on-year)

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

Net investment income/loss

(¥ bn)

	FY2009 (2 companies combined)	FY2010 (forecast)	Change
Interest and dividends received	69.8	**63.5**	**-6.4**
Transfer of investment income on deposit premiums	26.1	**25.5**	**-0.6**
Net interest and dividend income	43.7	**38.0**	**-5.8**
Other capital income/loss etc.	17.8	**4.3**	**-13.5**
Net investment income/loss	61.5	**42.3**	**-19.2**

- Interest and dividends received are forecast to decline by 6.4 billion yen year-on-year to 63.5 billion yen, due to factors such as decreased dividends on equities.
- Net interest and dividend income is forecast to decline by 5.8 billion yen year-on-year to 38.0 billion yen.
- We forecast non-interest and dividend income of 4.3 billion yen.

Aioi Nissay Dowa Insurance Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2009	FY2010 (forecast)		
			Change	Growth
Overseas subsidiaries total	17.4	**24.6**	**7.2**	**41.2%**
Asia	0.3	**2.1**	**1.7**	**466.8%**
Europe	17.0	**17.1**	**0.0**	**0.2%**
Americas	-	**5.4**	**5.4**	**–**

Net Income

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Overseas subsidiaries total	-2.9	**-1.4**	**1.5**
Asia	-0.1	**-0.2**	**-0.1**
Europe	-2.8	**-1.6**	**1.2**
Americas	-	**0.3**	**0.3**

* Above figures are consolidated subsidiary company figures.

<Net premiums written>

▼ We forecast that net premiums written for our overseas subsidiaries will increase by 7.2 billion yen year-on-year to 24.6 billion yen, as a result of an expansion of operations in Asia by our Chinese subsidiary, and the integration of our U.S. subsidiary as a consolidated subsidiary.

<Net income>

▼ We forecast that the net loss for our overseas subsidiaries will improve by 1.5 billion yen to a loss of 1.4 billion yen, as we strive for improved income and expenditures through a strengthening of our underwriting and rating and our claims service management .

MSI Kirameki Life

MSI Kirameki Life

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Amount of new policies	1,587.2	**2,020.0**	**27.3%**
Amount of in-force policies	9,444.7	**10,280.0**	**8.8%**
Annualized premiums in-force	194.5	**200.0**	**2.8%**
Net income	0.0	**-2.8**	**-2.8**
Net income (pro forma)*	2.8	**3.3**	**0.5**

* Net income before provision of standard underwriting reserve

- We expect a 27% increase YoY in amount of new policies to over ¥2 trillion, given a further bolstering of “New Sales Structure for Life Products” and product revisions.
- Policies-in-force are likely to increase 8.8% YoY and reach the ¥10 trillion level.
- Annualized premiums in force are expected to increase ¥5.5 billion or 2.8% YoY.
- We anticipate a net loss of ¥2.8 billion, due to the lump-sum provision of the residual amount to be made to complete the standard underwriting reserve requirement.

Aioi Life Insurance

Aioi Life Insurance

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Amount of new policies (excluding group insurance)	1,059.4	**1,026.0**	**-3.2%**
Amount of in-force policies	8,165.7	**8,800.0**	**7.8%**
Annualized premiums in-force	73.5	**75.0**	**2.0%**
Net income	1.3	**0.5**	**-0.8**

- The amount of new policies is forecast to continue at a level in excess of 1 trillion yen on expectations of enhanced sales resulting from cross sales through our non-life channels and the use of professional insurance agencies with multi-store development.

- Amount of in-force policies is projected to increase by 7.8% year-on-year due to an improvement in the ratio of surrenders and lapses.

- We forecast a 2.0% year-on-year increase in annualized premiums in-force.

- We forecast net income of 500 million yen as a result of excluding specific factors such as alternation of reinsurance arrangement applied to previous fiscal year

MSI MetLife

MSI MetLife

(¥ bn)

	FY2009	FY2010 (forecast)	
			Change
Amount of new policies	408.1	**408.8**	**0.2%**
Amount of in-force policies	3,137.5	**3,390.0**	**8.0%**
Premiums	443.6	**450.0**	**1.4%**
Net income (our share)	4.4	**3.5**	**-0.9**

- We expect the amount of new policies to increase 0.2% YoY.
- Policies-in-force are likely to increase 8.0% YoY.
- We expect premiums to rise ¥6.4 billion YoY to ¥450 billion, on an expected increase in premiums due to the launch of fixed life annuities in a difficult environment, with the market contracting following the financial crisis.
- We expect net income (our share) to decrease ¥0.9 billion YoY to ¥3.5 billion, reflecting the rebound from gains on revaluation of fixed annuities in the previous year.

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