Fiscal 2011 Second Information Meeting

December 1, 2011

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

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MS&AD Insurance Group Holdings, Inc. (holding company)

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■Overseas

- Overseas subsidiaries

■Domestic Life

- Mitsui Sumitomo Aioi Life Insurance*
- Mitsui Sumitomo Primary Life Insurance

Financial Services

Risk Related Services

* In October 2011, MSI Kirameki Life and Aioi Life have merged 100% and renamed it Mitsui Sumitomo Aioi Life Co., Ltd.

Abbreviations of company names used in this presentation.

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

Caution About Forward-looking Statements

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

Financial Results for First Half of FY2011 (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2010 H1	FY2011 H1	Change	Growth
Net premiums written	1,300.5	**1,305.2**	**4.6**	**0.4%**
Ordinary profit/loss	70.5	**9.2**	**-61.3**	**-86.9%**
Net income	40.0	**7.1**	**-32.9**	**-82.2%**

* Figures here and below are presented exclusive of the "good-result-return" (GRR) premiums of the automobile insurance product "ModoRich," which contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1	Change	Growth
MSI (non-consolidated)	623.4	**643.6**	**20.1**	**3.2%**
ADI (non-consolidated)	558.3	**543.1**	**-15.2**	**-2.7%**
Mitsui Direct General	16.2	**16.8**	**0.6**	**3.9%**
Overseas subsidiaries	102.5	**101.7**	**-0.7**	**-0.8%**

* Before consolidation adjustment
* FY2010 interim figures for "Aioi Nissay Dowa Insurance" are the simple sum of the non-consolidated results for Aioi Insurance and Nissay Dowa General Insurance; the same applies hereafter.

Breakdown of net income

(¥ bn)

	FY2010 H1	FY2011 H1	Change
MSI (non-consolidated)	27.3	**5.3**	**-22.0**
ADI (non-consolidated)	5.7	**14.8**	**9.1**
Mitsui Direct General	0.1	**0.3**	**0.1**
MSI Kirameki Life	0.0	**-0.5**	**-0.5**
Aioi Life	0.7	**-2.4**	**-3.2**
MSI Primary Life	4.5	**4.4**	**-0.1**
Overseas subsidiaries	0.7	**7.5**	**6.8**
Other	0.1	**-0.0**	**-0.2**
Consolidation adjustment, etc.	0.4	**-22.4**	**-22.8**

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

MS&AD Insurance Group Holdings, Inc.

< Net premiums written >

- Consolidated net premiums written of the Group totaled ¥1,305.2 billion, an increase of ¥4.6 billion, or 0.4% year-on-year.
- Breakdown of net premiums written (consolidated)
  - At MSI, net premiums written increased by 3.2%, while at ADI, net premiums written declined by 2.7%.
  - Net premiums written of overseas subsidiaries decreased by ¥4.7 billion or 0.8%, reflecting the effect of the yen's appreciation (On a local currency basis, operations in Asia expanded steadily, and net premiums written increased +3.8%).

< Net income >

- Net income totaled ¥7.1 billion, a year-on-year decline of ¥32.9 billion.
  - Ordinary profit fell by ¥61.3 billion year-on-year, which mainly reflected losses on devaluation of securities of ¥53.9 billion (including adjustment associated with purchase-method of ¥31.4 billion), which was mainly the result of the stock market slump, and incurred losses for natural disasters including typhoons (¥39.3 billion for our two main non-life insurance companies).
  - Because we recorded ¥23.5 billion in the year-ago period in temporary expenses associated with the business integration of three companies, net extraordinary losses improved by ¥18.8 billion year-on-year to ¥2.2 billion.
- Breakdown of net income
  - MSI experienced a ¥38.4 billion decline in ordinary profit (incurred losses for natural disasters: ¥23.5 billion). Net income declined ¥22.0 billion a year-on-year.
  - ADI experienced a ¥12.5 billion decline in ordinary profit year-on-year (incurred losses for natural disasters: ¥15.8 billion).
    Net income increased ¥9.1 billion year-on-year to ¥14.8 billion, boosted by the absence of business integration-related expenses, which in the same period of the prior year amounted to ¥20.6 billion.
  - After the major claim incidents in Europe that lowered their bottom lines last year, overseas subsidiaries increased their net income by ¥6.8 billion year-on-year to ¥7.5 billion.
  - Consolidation adjustment, etc. includes adjustment losses associated with purchase-method of ¥16.9 billion and goodwill amortization expense of ¥3.6 billion.

Projected Financial Results for FY2011 (Full Year) (MS&AD Holdings, Consolidated)

Key financial data

(¥ bn)

	FY2010	FY2011 (Forecast)		
			Change	Growth
Net premiums written	2,541.4	**2,562.0**	**20.6**	**0.8%**
Ordinary profit/loss	21.0	**24.0**	**2.9**	**14.3%**
Net income	5.4	**6.0**	**0.5**	**10.7%**

Breakdown of net premiums written

(¥ bn)

	FY2010	FY2011 (Forecast)		
			Change	Growth
MSI (non-consolidated)	1,230.5	**1,259.0**	**28.4**	**2.3%**
ADI (non-consolidated)	1,097.3	**1,084.0**	**-13.3**	**-1.2%**
Mitsui Direct General	33.1	**33.8**	**0.7**	**2.2%**
Overseas subsidiaries	180.6	**184.6**	**3.9**	**2.2%**
Other	—	**0.6**	**0.6**	**—**

* Before consolidation adjustment
* The non-consolidated H1 results for NDI are added to the FY2010 figures for ADI (non-consolidated) ; the same applies below.

Breakdown of net income

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
MSI (non-consolidated)	22.8	**18.0**	**-4.8**
ADI (non-consolidated)	-11.4	**12.0**	**23.4**
Mitsui Direct General	0.2	**0.1**	**-0.1**
MSI Aioi Life	-7.1	**-9.0**	**-1.8**
MSI Primary Life	9.3	**6.8**	**-2.5**
Overseas subsidiaries	4.5	**3.0**	**-1.5**
Other	-0.0	**-0.1**	**-0.0**
Consolidation adjustment, etc.	-12.9	**-24.9**	**-12.0**

* Net income of subsidiaries is on an equity stake basis.
* The figures for MSI Aioi Life are the simple sum of the results for MSI Kirameki Life and Aioi Life.

MS&AD Insurance Group Holdings, Inc.

< Net premiums written >

- We forecast that consolidated net premiums written for the Group will amount to ¥2,562.0 billion, an increase of ¥20.6 billion, or 0.8% year-on-year.
- Breakdown of consolidated net premiums written forecast
  - MSI is projected to generate a ¥28.4 billion rise year-on-year to a total of ¥1,259.0 billion.
  - ADI is expected to see a ¥13.3 billion drop year-on-year to total ¥1,084.0 billion.
  - Mitsui Direct General is expected to enjoy a ¥0.7 billion rise year-on-year to total ¥33.8 billion.
  - Overseas subsidiaries are expected to achieve a ¥3.9 billion increase year-on-year to total ¥184.6 billion.

< Net income >

- Net income is expected to be ¥6.0 billion, nearly unchanged from the prior period, as the result of factors such as a higher number of natural disasters and major losses domestically and overseas, including typhoons in Japan and the flooding in Thailand, and lower returns on assets under management due to deterioration of the softening investment environment.
- Breakdown of net income
  - At MSI, although underwriting profit is expected to improve, net income is projected to slip by ¥4.8 billion to ¥18.0 billion mainly due to lower net investment income.
  - At ADI, net income is expected to increase by ¥23.4 billion year-on-year to ¥12.0 billion, due to the improvement in underwriting profit and lower business-integration-related expenses.
  - Mitsui Direct General is expected to achieve net income of ¥0.1 billion.
  - At MSI Aioi Life, despite the fact the lump sum provision for standard underwriting reserves will be reduced, business-integration-related expenses are expected to grow and the company is forecast to see its net loss widen by ¥1.8 billion year-on-year to ¥9.0 billion.
  - For MSI Primary Life, despite becoming a wholly owned subsidiary, net income is expected to decline by ¥2.5 billion to ¥6.8 billion on an equity stake basis due to poor investment environment.
  - Overseas subsidiaries are expected to see net income decrease ¥1.5 billion year-on-year, to ¥3.0 billion.
  - Consolidation adjustment, etc. is forecast to widen by negative ¥12.0 billion year-on-year because of factors such as less generation of negative goodwill.

Medium-Term Management Plan

MS&AD INSURANCE GROUP

Although impacted by natural disasters, we will continue to implement initiatives to achieve our profit targets.

"Medium-term targets" are numerical targets from the MS&AD Group medium-term management plan "MS&AD New Frontier 2013" (announced April 2010)

(¥ bn)

	FY2010 actual	FY2011 forecast *2	FY2012 projection	FY2013 target
Consolidated net premiums written (non-life)	2,541.4	2,562.0	2,680.0	2,700.0
Annualized premium in force (life) *1	279.0	296.0	310.0	330.0

	FY2010 actual	FY2011 forecast*2	FY2012 projection	FY2013 target
Group Core Profit	14.5	35.0	100.0	150.0
Domestic non-life insurance business	6.5	47.0	60.0	100.0
Domestic life insurance business	4.1	3.5	12.0	15.0
Overseas business	1.8	-17.0	25.0	30.0
Financial services business/ Risk related services business	1.9	1.5	3.0	5.0
ROE based on Group Core Profit	0.8%	2.3%	5.7%	7%

*1 Figures are the total annualized premiums in force of MSI Kirameki Life and Aioi Life (excluding group insurance); figures do not include MSI Primary Life
*2 Revised approximate forecasts from the revised FY2011 consolidated earnings forecasts (released November 18, 2011)

MS&AD Insurance Group Holdings, Inc.

Results for First Half of FY2011 and Projected results for FY2011 full year

	FY2011 H1
Group Core Profit	¥39.4bn
Domestic non-life insurance business	¥30.1bn
Domestic life insurance business	¥3.5bn
Overseas business	¥5.0bn
Financial services business/Risk related services business	¥0.6bn

- Group core profit of FY2011 H1 totaled ¥39.4 billion. Upside is improvement of automobile underwriting profit, downside is high typhoon losses.
- FY2011 projected results were revised mainly due to losses caused by natural disasters at home and abroad including Thai flood losses.

Definition of Group Core Profit and Group ROE

Group Core Profit

= Consolidated net income
− Net capital gains/losses on stock portfolio (gains/losses on sales etc.)
− Net evaluation gains/losses on credit derivatives
− Other one-time factors
+ Equity in earnings of the non-consolidated group companies

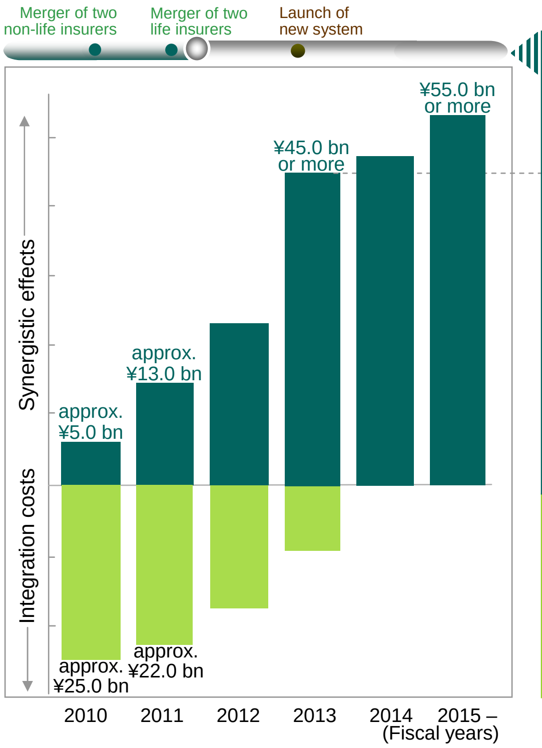
ROE based on Group Core Profit

= Group Core Profit / Consolidated total net assets excluding minority interests (average of beginning and ending amount of B/S)

Integration Costs and Synergies

No change in initial forecast of cumulative synergies in excess of cumulative integration costs by FY2013

Integration costs and synergies (including life insurance domain)



■ Synergies: (annual, vs. FY2008)

■ FY2013 (single-year basis, life + non-life)

■ FY2015 onward

		FY2013: ¥45.0 bn or more per year	FY2015 onward: ¥55.0 bn or more per year
Cost reduction effects	IT system related	¥13.0 bn	¥21.0 bn
Cost reduction effects	Cost savings from consolidation of business units and improvement in logistic and printing cost-efficiency	¥11.0bn	¥11.0 bn
Cost reduction effects	Improvement in cost efficiency vis-à-vis outsourcing expenses, activity expenses, personnel expenses, etc.	¥15.0 bn	¥15.0 bn
Synergistic effects	Top-line effects and benefits of sharing of know-how, realized through prioritized allocation of resources and joint network utilization	¥7.0 bn	¥8.0 bn

■ Integration costs

Projected one-time costs (cumulative total) for IT system integration, etc.:

Non-life insurance domain:	¥70.0 billion
Life insurance domain:	¥15.0 billion

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<Integration costs>

- We expect integration costs of around ¥22.0 billion for FY2011, including development costs for the new IT system and expenses related to the merger of the two life insurers.
- Integration costs peaked in FY2010, after which we expect them to decline gradually.

<Synergistic effects>

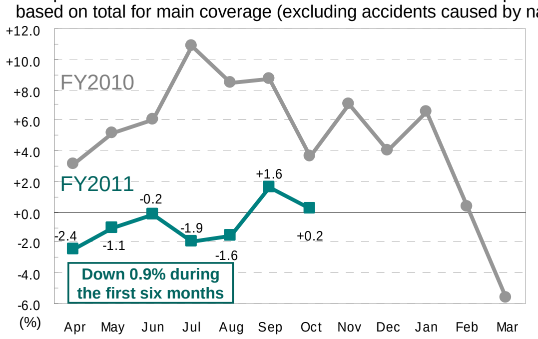
- We expect synergies of around ¥13.0 billion for FY2011, including the effects of the merger of two non-life insurers (Aioi and NDI) in October 2010 to be realized over the full year, and efficiency gains achieved through joint efforts by MSI and ADI.
- We expect system development costs and operating costs to decline even further from FY2013, after the new IT system goes live.

Domestic Non-Life : Improvement in Earnings of Voluntary Auto Insurance

MSI

YoY change in daily accident numbers

* Comparison of accident numbers with those of same month in previous year based on total for main coverage (excluding accidents caused by natural disaster)



Premiums, Payouts, Earned-Incurred (EI) Loss Ratio

<Based on domestic sales>	Premium per vehicle	No. of vehicles insured	Premiums
Premium change factor	+1.6%	+1.8%	+3.5%

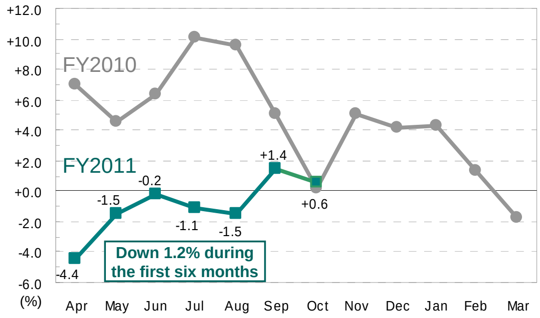
<Domestic>	Bodily injury liab.	Property damage liab.	Insured's vehicle (excl. natural disaster)
Change in average payout per claim	-4.0%	+1.2%	+0.5%

<Excl. loss adjustment expenses>	Sept. 2009	Sept. 2010	Sept. 2011
EI loss ratio	61.7%	66.7%	63.7%

ADI

YoY change in daily accident numbers

* Accidents caused by natural disaster are excluded from FY2011 comparison.



Premiums, Payouts, Earned Incurred (EI) Loss Ratio

<Based on domestic sales>	Premium per vehicle	No. of vehicles insured	Premiums
Premium change factor	+0.7%	-1.4%	-0.8%

<Domestic>	Bodily injury liab.	Property damage liab.	Insured's vehicle (excl. natural disaster)
Change in average payout per claim	-2.0%	+0.8%	-1.6%

<Excl. loss adjustment expenses>	Sept. 2009	Sept. 2010	Sept. 2011
EI loss ratio	60.2%	65.8%	61.1%

* Figures for premium change factor are YoY comparison based on sales results (April to Sept.)
* Change in average payout per claim is change in average payout per claim over one-year period ended Sept. 30, 2011 compared with average payout per claim in one-year period ended Sept. 30, 2010.
* EI loss ratio is calculated after exclusion of survey expenses over period from April to Sept. each year (For figures of ADI prior to FY2010, simple aggregate of results for Aioi and NDI is used.

▶MSI

- Accidents fell 0.9% year on year during the first six months of FY2011, reflecting a reduction in traffic volume due to the Great East Japan Earthquake. Accidents returned to the pre-earthquake level from September, as economic activity returned to normal later in the year.
- In its sales activities, MSI continued to focus on benefiting from the October 2010 premium rate revision, thanks to high renewal persistency rate. Increase of average premium per vehicle was generally as expected (up 1.6% year on year).
- MSI also maintained efforts to rationalize earnings by, for example, applying deductibles for vehicle collision coverage, and the EI loss ratio (excluding loss adjustment expenses) fell 3 percentage points year on year to 63.7%.
  * 62.5% excluding natural disaster (down 4.1 percentage points)
- Accidents are expected to return to the pre-earthquake level in the second half. Given the effect of the increased premium rate and enhanced measures to rationalize earnings, we project an EI loss ratio (excluding loss adjustment expenses) of 62.7% for fiscal 2011 (down 4.0 percentage points year on year).

▶ADI

- Accident claims fell 1.2% year on year during the first six months of FY2011, mainly because of a decline in logistics volume due to the earthquake, economic slowdown and rising gasoline prices.
- The average premium per insured vehicle rose 0.7%, owing to “Kaizen of underwriting portfolio” and the October 2010 premium rate revision (the average premium per insured vehicle for non-fleet renewed policies climbed 1.3%).
- As a result, the EI loss ratio (excluding loss adjustment expenses) dropped 4.7 percentage points year on year to 61.1%.
  * 60.4% excluding natural disaster (down 5.4 percentage points)
- We predict an EI loss ratio (excluding loss adjustment expenses) of 62.4% for FY2011 (down 4.6 percentage points year on year), reflecting further work on various improvement measures during the second half.

Domestic Non-Life :
Revisions of rates and Discount/loading rate table of Voluntary Auto Insurance

Earnings look set to improve given the previous rate revisions and the planned revision of non-fleet “bonus-malus” grade table

Outline and effect of non-fleet discount/loading rate table revision

- Subdivide its discount/loading rate table into tables for policyholders who are accident free and for policyholders who are not accident-free, and revise discount/ loading rate to reflect actual risks for all grades.
- With respect to accidents previously handled as “no penalized accidents” such as vehicle theft, stone chips and graffiti, start downgrading by one grade.
- Apply low discount rate table to policyholders who are not accident free for three years in the event of an accident and for one year in the event of vehicle theft, stone chip, graffiti or similar accident.

<Example of discount/loading rate over three years after accident based on grade 18>

➢ **Before revision of the system (grade, discount/loading rate)**

Downgrade

1st grade	2nd grade	3rd grade	13th grade	14th grade	15th grade	16th grade	17th grade	18th grade	19th grade	20th grade
+52%	+26%	+10%	-47%	-50%	-52%	-55%	-57%	-59%	-61%	-63%

➢ **After revision of the system (grade, discount/loading rate)**

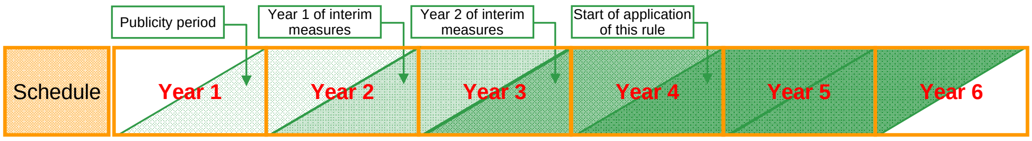
Downgrade

1st grade	2nd grade	3rd grade	13th grade	14th grade	15th grade	16th grade	17th grade	18th grade	19th grade	20th grade	
+64%	+28%	+12%	-49%	-50%	-51%	-52%	-53%	-54%	-55%	-63%	Grade if accident free
			-29%	-31%	-33%	-36%	-38%	-40%	-42%	-44%	Grade if not accident free

<Above is taken from explanatory material of Non-Life Insurance Rating Organization of Japan>

<Figurative diagram of effect of system reform>

- Following a publicity period of one year, each policy will gradually be switched over to the new system upon expiry. Following a gradual revision (interim measures) over two years, the full effect will be apparent from Year 4.



- The revision is expected to resolve problem of natural decline in earnings (annual decline of around 1%) caused by existing system.
- We will further improve earnings by making these revisions alongside future premium rate revisions and loss control measures.

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October 2011 premium rate revision (MSI)

- Average premium increase of 1.9%
- Revision of driver age conditions ("30 and over" class abolished) and introduction of premium rate classes based on age of named insured
- Revision of discount system (“long-term good driver discount” and “gold license discount” diminished)

<Effect of past two revisions in improving insurance underwriting profit>

MSI	FY2011	FY2012	Total
October 2010 revision October 2011 revision Total	Approx. ¥12.0 bn	Approx. ¥16.0 bn	Approx. ¥29.0 bn

October 2011 premium rate revision (ADI)

- Average premium increase of approximately 1%
- A subsequent premium rate revision made after the October 2010 revision, to improve earnings in view of the increase in the senior group.

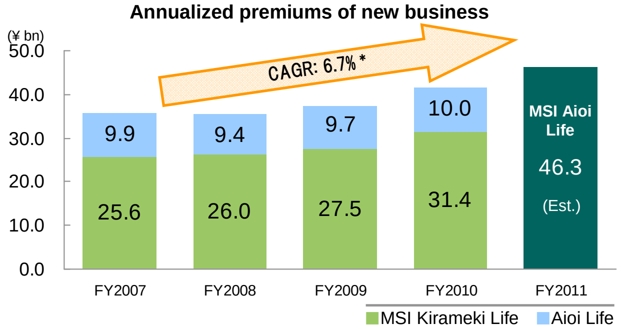
<Effect of past two revisions in improving insurance underwriting profit>

ADI	FY2011	FY2012	Total
October 2010 revision October 2011 revision Total	Approx. ¥12.0 bn	Approx. ¥19.0 bn	Approx. ¥31.0 bn

Domestic Life: MSI Aioi Life

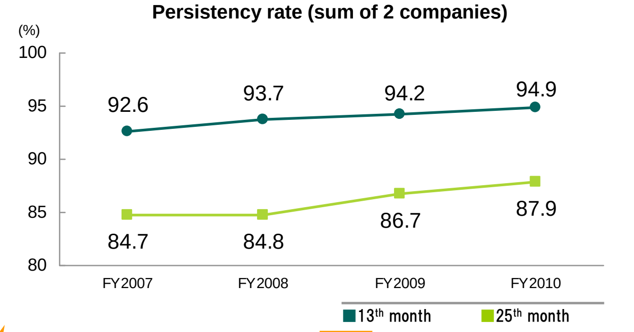
Achieving both high and stable growth in embedded value

High growth in new business

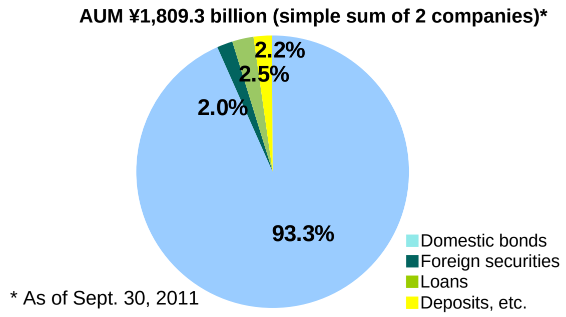


* Growth rate based on estimation for FY2011

Steady improvement in persistency rate

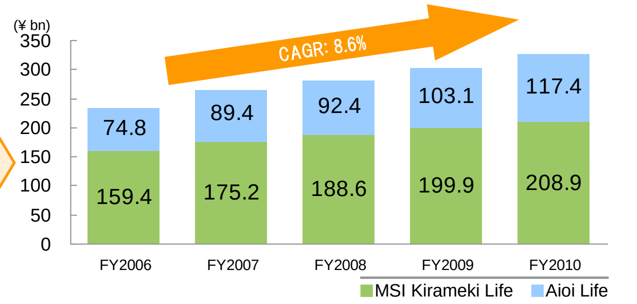


Low risk investment portfolio



* As of Sept. 30, 2011

Continued stable growth in embedded value



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Enhancement of sales base and strong emphasis on persistence of policy

- Achieving high growth in new business by enhanced sales network
- Steadily improving persistency rate through training and evaluation of agents focussed on persistence of policy

Extension in new business and steady growth of policies in force

Asset management stand on control of risk

- Using ALM method to control interest rate risk at appropriate level
- Equity holdings account for less than 0.1% of total assets
  ⇒The risk of stock price fluctuations is very small.
- Holdings of foreign currency-denominated assets account for 2.0% of total assets
  ⇒The foreign currency risk is limited.
- 95% of bond holdings are AA rating or above
  ⇒Credit risk is limited.
- Practicing portfolio management which also takes liquidity risk and regulatory risk into account

(* Figures above are as of the end of Sept. 2011)

Securing stable expansion of value of policies in force

FY2010 Ranking by New Business

New business*		(¥ bn)	(Share)
1	Nippon Life	7,829.4	11.2%
2	Dai-ichi Life	7,260.1	10.4%
3	Japan Post Insurance	6,728.7	9.6%
4	Meiji Yasuda Life	4,887.8	7.0%
5	Sumitomo Life	4,412.8	6.3%
10 equiv.	MSI Aioi Life (Combined total of the two companies)	2,843.1	4.1%

* Amount of new business + net increase from conversions (individual insurance and individual annuities insurance)

Source: Prepared by MS&AD Holdings based on each company's financial reporting.

Contributing to expansion of Group corporate value through stable growth in embedded value

Domestic Life: Mitsui Sumitomo Primary Life

MS&AD INSURANCE GROUP

As a leading company in the individual annuities sector, MSI Primary Life meets changing market needs with its diverse line-up of products. Its share contribution to Group earnings is expected to rise, with its conversion into a wholly owned subsidiary in April 2011.

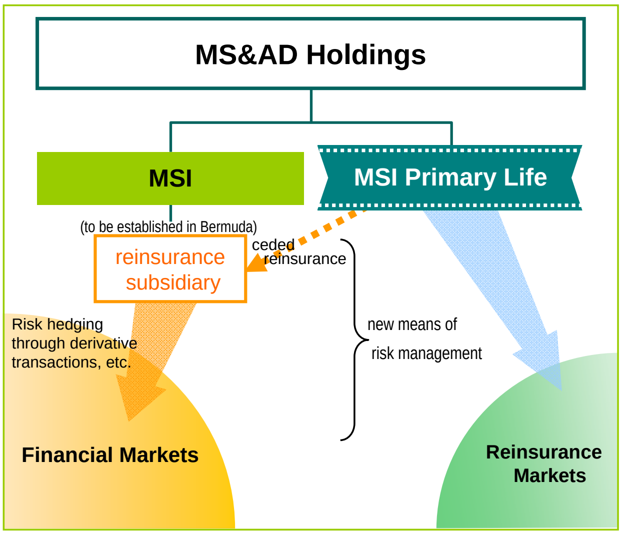
A leader in the individual annuities sector

Rankings by individual annuity sales through the bank channel (October 2002 – March 2011)

◆ Variable annuities		(¥ bn)
1	Hartford Life Insurance	3,426.3
2	**MSI Primary Life**	**2,800.5**
3	Tokyo Marine & Nichido Financial	2,664.8
◆ Foreign currency-denominated fixed annuities		(¥ bn)
1	MetLife Alico	3,364.7
2	**MSI Primary Life**	**576.8**
3	AIG Edison Life Insurance	355.3

Source: *The Hoken Mainichi Shinbun* newspaper

A new solution for transferring the minimum guarantee risk



The reinsurance subsidiary (MS Financial Reinsurance Limited) will be established in Bermuda subject to approval by the relevant authorities.

Business is slated to start on January 1, 2012.

MS&AD Insurance Group Holdings, Inc.

▶A leading company in the individual annuities sector

- MSI Primary Life has consistently maintained its position as a leading player in the ever expanding individual annuities sector.

▶Minimum guarantee risk associated with sale of variable annuities

- MSI Primary Life has, to date, properly controlled the minimum guarantee risk associated with the sale of variable annuities by transferring out the risk to the reinsurance market (i.e. ceding reinsurance).
- It has developed a new structure for transferring the risk out of the Group through a reinsurance company to be established in Bermuda as a subsidiary of MSI.
- With this structure, MSI Primary Life aims to promote the sales of variable annuities without assuming minimum guarantee risk, as it has been successfully doing.

▶Product portfolio strikes good balance between variable and fixed products

- With diversified means of risk control, MSI Primary Life aims to constantly provide variable annuity products.
- Overall, MSI Primary Life means to continually offer customers a well-balanced line-up of products; variable annuities and fixed annuities.

▶Strong sales channel

- MSI Primary Life has 171 counterparties as sales agents as of September 30, 2011.
- Financial institutions account for some two thirds of the whole agents. Among them, 5 out of 6 “city banks” (*toshi ginkou*) are MSI Primary’s agents. As for regional banks, 75 out of 105 regional banks (*chihou ginkou*) countrywide are its agents. MSI Primary Life provides Japan Post Bank and Japan Post Network, both its agents, with products specially designed for them.
- The wide-ranging sales agents, with their offices and branches spreading countrywide, underpins the stable supply of products.

<Regional banks as MSI Primary’s agents (in terms of presence by district)>

	Hokkaido /Tohoku	Kanto	Koshin-etsu	Hokuriku /Tokai	Kinki	Chugoku /Shikoku	Kyushu /Okinawa	<Total>
Number of agents	12	15	3	11	7	13	14	75
out of existing	17	16	7	18	10	17	20	105

Prepared by MS&AD based on data separately disclosed by *Regional Banks Association of Japan* and *The Second Association of Regional Banks* regarding the location of the regional banks as of June 30, 2011.

Overseas Business: FY2011 H1 Results and Full Year Forecasts

MS&AD INSURANCE GROUP

We forecast large reduction in net income for FY2011 due to the losses from floods in Thailand and other natural disasters.

Net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1		FY2011 Full Year Forecasts		
		Actual	YoY change		YoY change	Vs. initial forecasts
Overseas Business total*1	145.6	**145.9**	**0.3**	**268.4**	**4.1**	**-21.8**
Asia	70.9	**78.5**	**7.6**	**153.1**	**13.9**	**-3.6**
Europe	38.4	**33.3**	**-5.1**	**58.8**	**-6.4**	**-10.8**
Americas	23.4	**22.8**	**-0.6**	**42.2**	**-0.7**	**-5.2**
Reinsurance	14.4	**12.7**	**-1.6**	**16.5**	**-2.3**	**-1.6**

Net income*2

(¥ bn)

	FY2010 H1	FY2011 H1		FY2011 Full Year Forecasts		
		Actual	YoY change		YoY change	Vs. initial forecasts
Overseas Business total*1	2.6	**5.1**	**2.5**	**-16.8**	**-18.6**	**-33.8**
Asia	5.0	**5.6**	**-0.5**	**-1.2**	**-9.8**	**-16.2**
Europe	-7.7	**-0.6**	**7.1**	**-12.3**	**0.2**	**-11.2**
Americas	2.6	**1.9**	**-0.7**	**2.6**	**0.5**	**-0.9**
Reinsurance	3.5	**0.2**	**-3.3**	**0.1**	**-6.4**	**-5.0**

Overseas Business: Aggregate of consolidated overseas subsidiaries, non-life insurers' overseas branches, and overseas non-consolidated affiliates' results

*1 Figures in the "total" rows include head office adjustments etc.
*2 **"**Group Core Profit" basis

MS&AD Insurance Group Holdings, Inc.

▶FY2011 H1 results

■ **Net Premiums Written**

Overseas businesses in aggregate wrote ¥145.9 billion, a year-on-year increase of ¥0.3 billion (up 4.1% on a local currency basis). In Asia, net premiums written continued to grow briskly, up ¥7.6 billion or 10.7% year-on-year due to large gains in Malaysia, China and Singapore.

In Europe, however, net premiums fell ¥5.1 billion year-on-year, largely because we maintained stringent underwriting standards in a continuing soft market.

■ **Net Income**

Overseas businesses in aggregate earned net income of ¥5.1 billion, rising ¥2.5 billion year-on-year. In Europe, net income showed substantial improvement following major casualty losses (¥6.8 billion) in the previous fiscal year. However, reinsurance subsidiaries reported year-on-year profit decline of ¥3.3 billion, mainly due to the impact of the earthquake in New Zealand (losses of ¥3.9 billion).

▶FY2011 full year forecasts

■ **Net Premiums Written**

Overseas businesses' aggregate net premiums written is forecast to grow ¥4.1 billion (1.5%) year-on-year, to ¥268.4 billion, led by growth in Asia.
In Asia, we project an increase of ¥13.9 billion (9.9%) year-on-year, driven largely by major growth in China and Malaysia.
In Europe, we predict that net premiums written will fall ¥6.4 billion year-on-year, to ¥58.8 billion due to the maintenance of stringent underwriting process. (a decrease from "initial forecast" reflects the unfavorable impact of foreign currency fluctuations)

Reinsurance subsidiaries are expected to show a year-on-year decrease in net premiums written of ¥2.3 billion, reflecting the unfavorable impact of foreign currency fluctuations.

■ **Net Income**

Overseas businesses' aggregate net income is forecast to decrease ¥18.6 billion year-on-year.
In Asia, we project a ¥9.8 billion decline due to flood damages in Thailand. (a ¥5.2 billion increase except Thai floods impact)

In Europe, we project a loss comparable to that of the previous year, reflecting large losses from property insurance, etc. in addition to a sharp fall in premium income . In reinsurance business, we predict that income will drop ¥6.4 billion year on year, taking into consideration the impact of natural disasters such as the New Zealand earthquake in June.

■ **Impact of Thailand floods**

Net payouts: ¥130 billion (negative impact on net income after reversal of catastrophe reserves: ¥15 billion)

(Calculated on the basis of certain assumptions from available information. We started onsite survey of the damages of the insured in the industrial estates where accessible)

Overseas Business: Life Insurance Business in Asia, Accelerating for Take Off

MS&AD INSURANCE GROUP

Our life insurance business in Asia launched smoothly. In our Asian business, we aim our life insurance business to work cooperatively with our non-life insurance business which has solid foundation.

Investments in Asian life insurance business

China Population: Around 1.3 billion

April 2010, MSI acquired an equity stake in Sinatay Life Insurance Co., Ltd. (equal to ¥3.1 billion aggregate)

10% growth in premium income over period from January to June 2011 (YoY, local currency basis)

Using advantage of holding national license to expand network

Malaysia Population: Around 28 million

October 2010, MSI acquired a 30% equity stake in Malaysia's sixth largest life insurer Hong Leong Assurance (equal to ¥25.4 billion)

29% growth in premium income over period from January to June 2011 (YoY, local currency basis)

Utilizing expertise of MSI to expand bank counter sales channel in addition to sales agent channel

Indonesia Population: Around 240 million (fourth largest in world)

July 2011, MSI subscribed to new shares of Sinarmas Life, the second largest life insurer in Indonesia, private placement. Equity stake 50% (equal to ¥67.2 billion)

61% growth in premium income over period from January to June 2011 (YoY, local currency basis)

Plans to take middle-class into its customer base through enhancement of product portfolio and diversification of channels

MS&AD Group is actively branching into overseas insurance business focussing on the Asia region with its potential for high growth.

MS&AD Insurance Group Holdings, Inc.

▶Life insurance businesses in China, Malaysia and Indonesia run favorably.

(YoY growth in premium income are local currency basis.)

■ China : **Sinatay Life Insurance**
- Premium income: ¥16.1 bn in period January to June 2011. Grew 10% year-on-year.

■ Malaysia : **Hong Leong Assurance**
- Premium income: ¥18.0 bn in period January to June 2011. Grew 29% year-on-year.

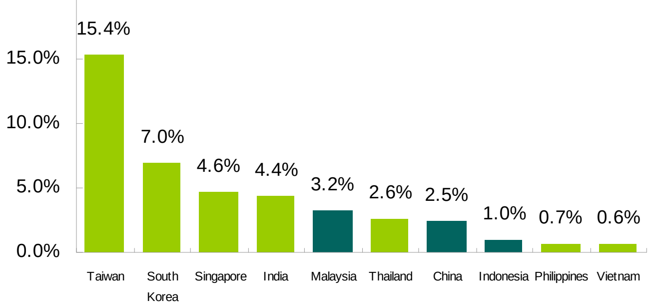
■ Indonesia : **Sinarmas MSIG Life**
- Premium income: ¥60.5 bn in period January to June 2011. Grew 61% year-on-year.

▶Growth potential for life insurance market in Asia

The countries in which the Group has entered the life insurance market (China, Malaysia and Indonesia) have potential growth for life insurance market as their economy grow, since they have low life insurance penetration rates.

① Low life insurance penetration rates

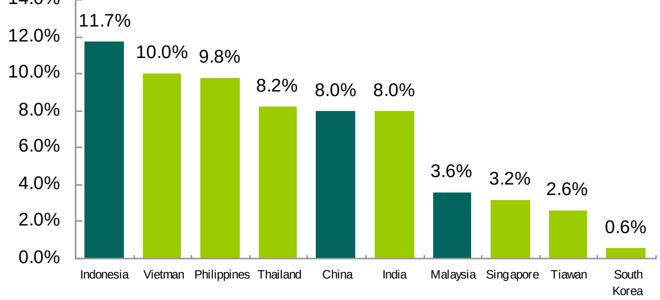
< Life insurance penetration rate >
(Ratio of life insurance premiums to GDP)



Source: Produced by MS&AD Holdings based on Swiss Re Sigma "World Insurance in 2010"

② Growth forecast for life insurance market

< Estimated annual average growth rate of life insurance premium income from 2010 to 2015 >



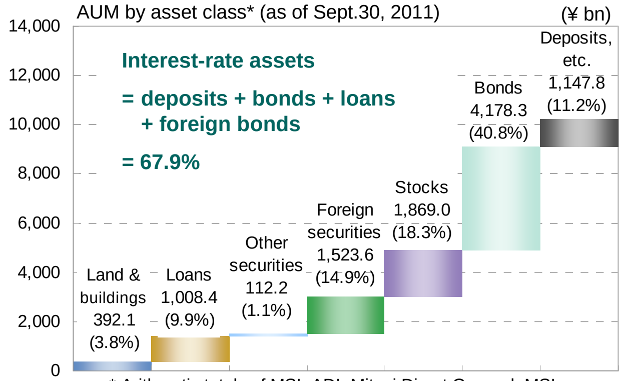
Source: Produced by MS&AD Holdings based on Business Monitor International

Asset Management

Realizing stable asset management through ALM and an asset mix heavily weighted toward high-grade interest-rate assets

Asset mix heavily weighted toward interest-rate assets

AUM by asset class* (as of Sept.30, 2011) (¥ bn)



* Arithmetic totals of MSI, ADI, Mitsui Direct General, MSI Kirameki Life, Aioi Life, and MSI Primary Life's (general accounts) asset holdings as itemized in their financial statements

Safety-first bond portfolio

Bonds holdings by rating* (as of Sept.30, 2011) (¥ bn)

Rating	Domestic issuers		Overseas issuers	
	Balance	% of total	Balance	% of total
AAA	2,748.5	65.8%	485.9	62.7%
AA	1,016.6	24.3%	150.1	19.4%
A	377.4	9.0%	117.5	15.2%
BBB	29.1	0.7%	16.9	2.2%
BB & lower	5.9	0.1%	4.2	0.5%
Total	4,178.0	100.0%	774.5	100.0%

* Simple aggregate of MSI, ADI, Mitsui Direct General, MSI Kirameki Life, Aioi Life and MSI Primary Life's (general accounts) bond holdings broken down based on their respective internal credit ratings.

We manage interest-rate sensitivity

	MS&AD Group total	Total for domestic non-life insurers	Total for domestic life insurers
Change in asset and liability values (surplus) in the event of a 100bp rise in yen interest rates	+¥40.7bn	+¥46.8bn	-¥6.1bn

MS&AD Insurance Group Holdings, Inc.

Asset Management

- Controlling interest-rate sensitivity
  - We manage portfolios by calculating assets and liabilities' respective interest-rate sensitivities based on their monetary value, not duration, and monitoring interest-rate movements' impact on the surplus of assets over liabilities **(surplus ALM)**.
  - As of September 30, 2011, we calculate that a hypothetical across-the-board rise in interest rates of 100bp would have a positive effect on the surplus, increasing it by ¥40.7 billion for the Group as a whole.
- Well-balanced portfolio predominantly comprising fixed-income assets
  - The Group's overall investment portfolio is approximately 70% invested in fixed-income assets, mainly bonds and loans, and generates stable interest and dividend income.

  *In the slide above, assets include equity investments in subsidiaries and affiliates (which account for approx. ¥64 billion of equity holdings and ¥453 billion of foreign securities holdings).

  *MSI Primary Life Insurance's (general account) bond portfolio of approximately ¥557 billion is classified as deposits because it is held in the form of money trusts.

See Appendices for more information on MSI and ADI's asset portfolios.

- High-grade bond portfolio
  - Roughly 99% of our bond portfolio, which predominantly comprises fixed-income assets, is rated single-A or above.
  - Our holdings of the government bonds of five European countries (as of September 30, 2011) are as follows:

(¥ bn)

Issuing country	Ireland	Italy	Greece	Spain	Portugal	Total
Holding	0.0	11.0	0.0	4.1	0.0	**15.1**

Plans to Sell Strategic Equity Holdings

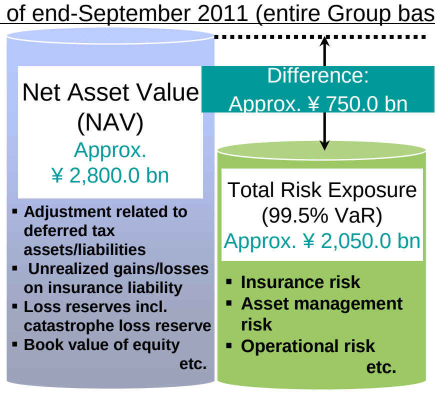
- Over FY2011–13, we plan to sell ¥300 billion of the Group's strategic equity holdings.

Net Asset Value and Total Risk Exposure

We regularly monitor capital position within the framework of “integrated risk management”. Group capital is being maintained at a level that presents no problems to maintaining robust business activities even taking into consideration unstable financial conditions and the incidence of natural disasters.

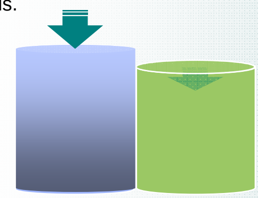
1. Measuring net asset value – total risk exposure

As of end-September 2011 (entire Group basis)



2. Net asset value – total risk exposure measured under various stress scenarios

- We conduct stress tests based on assumptions such as declines in stock prices and interest rates, yen appreciation, and the event of natural disasters.
- Based on historical data, we factor in maximum rates of decline and worst-case levels.



Alarm management

Confidence interval used for the various types of risk: 99.5% VaR (same as that slated for adoption under the Solvency II criteria)

Issues factored into capital management

- Whether each of the components of net asset value may be counted as capital
- Rating agencies’ stance toward asset/capital soundness
- Medium-term trends in Japanese and overseas solvency requirements
- Financial results forecast, progress of business plan, etc.

MS&AD Insurance Group Holdings, Inc.

▶ Risk management framework of the Group and the impact of natural disasters

- The Group confirms capital soundness (adequacy) by comparing capital (net asset value) with total risk exposure measured by VaR on a group consolidated basis.

- Along with the stress tests, we examine whether weaknesses exist in the risk portfolio, where mechanisms are built in for linking these to the formulation of remedial measures.

- When we underwrite natural disaster risks, we calculate the “probable maximum loss” for the year on the basis of modeling results and after taking into consideration the balance of the catastrophe reserve, we assess policies in force and reinsurance.

  In terms of capital adequacy, furthermore, we set an “alarm point” * on top of “99.5% VaR risk exposure” management framework, where a stress buffer equivalent to the “alarm point” be secured over the “99.5% VaR risk exposure” .

  * The alarm point is an indicator established by Group management that takes into consideration (i) risk that cannot be fully ascertained through measurement of VaR (for example, recurrence of a financial crisis), (ii) model risk such as natural disaster model risk (limit of probabilistic risk measurement when there are limitations in areas such as data, etc.), and (iii) the successive occurrence of natural disasters, etc.

- We intend to devote further efforts to upgrading risk management of natural disaster risk, including refinement of data covered and improvement of calibration method to mitigate any “model risk”.

Capital Management Policy and Shareholder Return Policy

*Figures for FY2004 through FY2007 are actual results for MSI. FY2008 figures are actual results for MSIG. (¥ bn)

FY in which Group Core Profit was recorded→		FY2004	FY2005	FY2006	FY2007	FY2008	FY2009 *3	FY2010
Group Core Profit*1	(a)	**28.6**	**73.9**	**64.9**	**66.0**	**3.1**	**33.8**	**14.5**
Total dividend (annual)	(b)	13.6	18.5	19.8	22.5	22.6	32.9	33.5
	(b) / (a)	48%	25%	31%	34%	729%	97%	231%
Share buybacks (buybacks in the FY following recording of GCP)	(c)	12.0	11.5	7.0	4.0	10.0	10.0	
Total shareholder returns ((b) + (c))	(d)	25.6	30.0	26.8	26.5	32.6	42.9	
Shareholder return ratio ((d) / (a))*2		90%	41%	41%	40%	1,057%	127%	

*1 Until FY2008, Group Core Profit was defined as follows:
(The definition differs slightly from that currently used by MS&AD Holdings.
For the current definition of Group Core Profit, please see Page 3.)

Group Core Profit
= Consolidated net income
– Net capital gains/losses on stock portfolio
– Net evaluation gains/losses on credit derivatives
– Consolidated income of life insurance subsidiaries
+ MSI Kirameki Life's net income before provisioning to standard underwriting reserves
+ MSI MetLife's equity in earnings based on US-GAAP
+ Other items

* 2 The shareholder return ratio is calculated as follows (example based on FY2008)

$$\frac{\text{FY2008 dividends (December 2008 and June 2009)} + \text{Value of share buybacks conducted in FY2009}}{\text{FY2008 Group Core Profit}}$$

*3 FY2009 "Group Core Profit" and "total dividend" are the aggregate of figures for MSIG, Aioi, and NDI.

Until FY2008, MSIG aimed to provide shareholder returns equivalent to 40% of Group Core Profit.

MS&AD Insurance Group Holdings, Inc. 19

▶Capital Management Policy

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

▶Shareholder Return Policy

- Shareholder returns
We will return approximately 50% of "Group Core Profit" to shareholders through dividends and share buybacks.

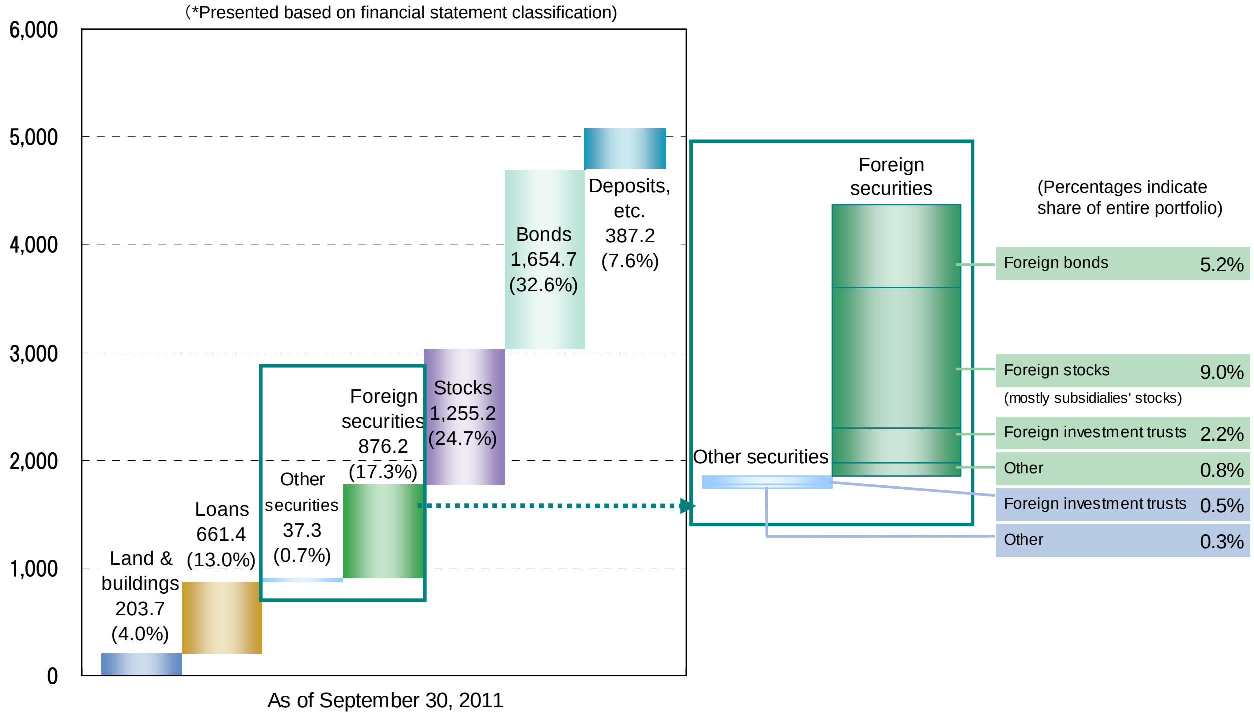
- Dividends
We aim to maintain stable dividends and steadily increase dividends by strengthening our earnings power.
* The midterm dividend for FY2011 is ¥27 per share.

- Share buybacks
We will buy back shares opportunistically and continuously, taking capital position and profits into account.

【Appendices】 Asset Under Management (MSI)

AUM and percentage allocations by asset class

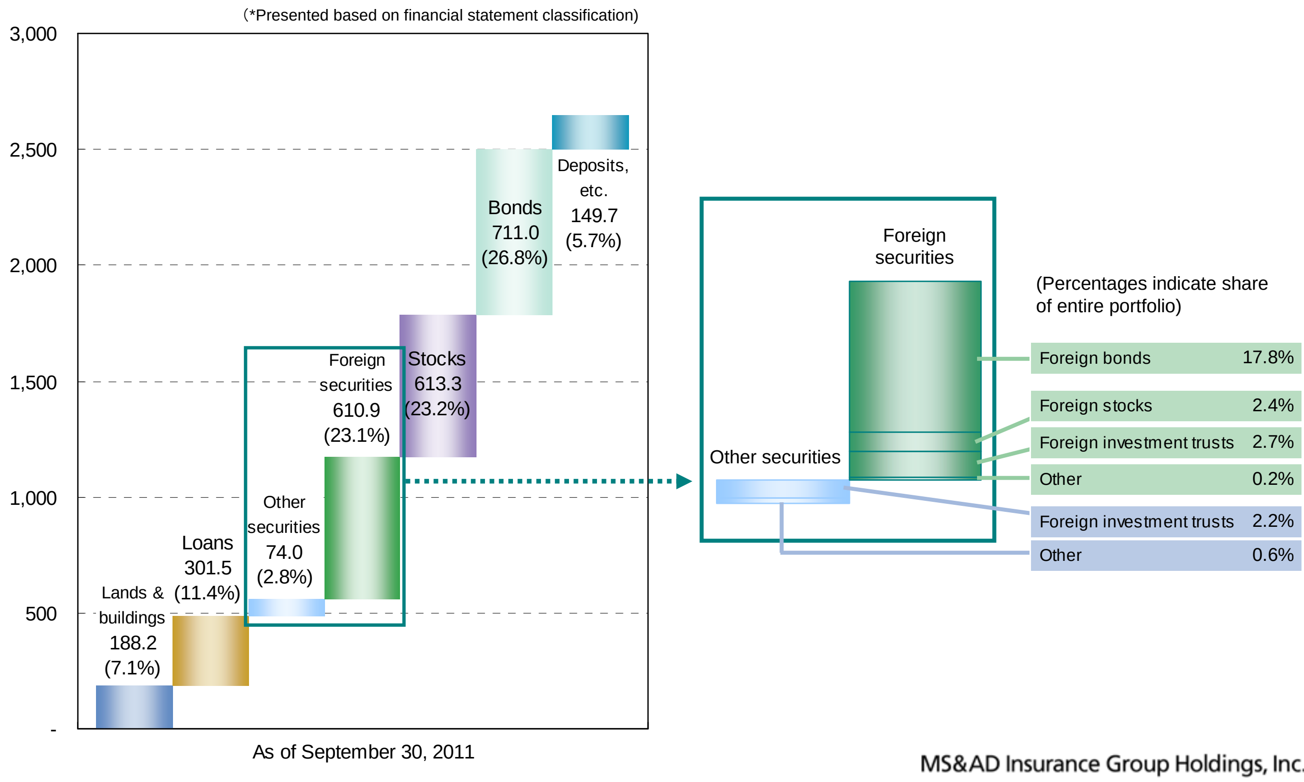
(¥ bn)



【Appendices】 Asset Under Management (ADI)

AUM and percentage allocations by asset class

(¥ bn)



MS&AD
INSURANCE GROUP

【Reference Materials】

MS&AD Insurance Group Holdings, Inc.

Financial Results for FY2011 interim and Projected Financial Results for FY2011

MS&AD Insurance Group Holdings, Inc.

Financial Results for First Half of FY2011 (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2010 H1	FY2011 H1		
			Change	Growth
Net premiums written	1,300.5	**1,305.2**	**4.6**	**0.4%**
Ordinary profit/loss	70.5	**9.2**	**-61.3**	**-86.9%**
Net income	40.0	**7.1**	**-32.9**	**-82.2%**

* Figures here and below are presented exclusive of the "good-result-return" (GRR) premiums of the automobile insurance product "ModoRich," which contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1		
			Change	Growth
MSI (non-consolidated)	623.4	**643.6**	**20.1**	**3.2%**
ADI (non-consolidated)	558.3	**543.1**	**-15.2**	**-2.7%**
Mitsui Direct General	16.2	**16.8**	**0.6**	**3.9%**
Overseas subsidiaries	102.5	**101.7**	**-0.7**	**-0.8%**

* Before consolidation adjustment
* FY2010 interim figures for "Aioi Nissay Dowa Insurance" are the simple sum of the non-consolidated results for Aioi Insurance and Nissay Dowa General Insurance; the same applies hereafter.

Breakdown of net income

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
MSI (non-consolidated)	27.3	**5.3**	**-22.0**
ADI (non-consolidated)	5.7	**14.8**	**9.1**
Mitsui Direct General	0.1	**0.3**	**0.1**
MSI Kirameki Life	0.0	**-0.5**	**-0.5**
Aioi Life	0.7	**-2.4**	**-3.2**
MSI Primary Life	4.5	**4.4**	**-0.1**
Overseas subsidiaries	0.7	**7.5**	**6.8**
Other	0.1	**-0.0**	**-0.2**
Consolidation adjustment, etc.	0.4	**-22.4**	**-22.8**

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

MS&AD Insurance Group Holdings, Inc.

< Net premiums written >

- Consolidated net premiums written of the Group totaled ¥1,305.2 billion, an increase of ¥4.6 billion, or 0.4% year-on-year.
- Breakdown of net premiums written (consolidated)
  - At MSI, net premiums written increased by 3.2%, while at ADI, net premiums written declined by 2.7%.
  - Net premiums written of overseas subsidiaries decreased by ¥4.7 billion or 0.8%, reflecting the effect of the yen's appreciation (On a local currency basis, operations in Asia expanded steadily, and net premiums written increased +3.8%).

< Net income >

- Net income totaled ¥7.1 billion, a year-on-year decline of ¥32.9 billion.
  - Ordinary profit fell by ¥61.3 billion year-on-year, which mainly reflected losses on devaluation of securities of ¥53.9 billion (including adjustment associated with purchase-method of ¥31.4 billion), which was mainly the result of the stock market slump, and incurred losses for natural disasters including typhoons (¥39.3 billion for our two main non-life insurance companies).
  - Because we recorded ¥23.5 billion in the year-ago period in temporary expenses associated with the business integration of three companies, net extraordinary losses improved by ¥18.8 billion year-on-year to ¥2.2 billion.
- Breakdown of net income
  - MSI experienced a ¥38.4 billion decline in ordinary profit (incurred losses for natural disasters: ¥23.5 billion). Net income declined ¥22.0 billion a year-on-year.
  - ADI experienced a ¥12.5 billion decline in ordinary profit year-on-year (incurred losses for natural disasters: ¥15.8 billion).
    Net income increased ¥9.1 billion year-on-year to ¥14.8 billion, boosted by the absence of business integration-related expenses, which in the same period of the prior year amounted to ¥20.6 billion.
  - After the major claim incidents in Europe that lowered their bottom lines last year, overseas subsidiaries increased their net income by ¥6.8 billion year-on-year to ¥7.5 billion.
  - Consolidation adjustment, etc. includes adjustment losses associated with purchase-method of ¥16.9 billion and goodwill amortization expense of ¥3.6 billion.

Projected Financial Results for FY2011 (Full Year) (MS&AD Holdings, Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2010	FY2011 (Forecast)		
			Change	Growth
Net premiums written	2,541.4	**2,562.0**	**20.6**	**0.8%**
Ordinary profit/loss	21.0	**24.0**	**2.9**	**14.3%**
Net income	5.4	**6.0**	**0.5**	**10.7%**

Breakdown of net premiums written

(¥ bn)

	FY2010	FY2011 (Forecast)		
			Change	Growth
MSI (non-consolidated)	1,230.5	**1,259.0**	**28.4**	**2.3%**
ADI (non-consolidated)	1,097.3	**1,084.0**	**-13.3**	**-1.2%**
Mitsui Direct General	33.1	**33.8**	**0.7**	**2.2%**
Overseas subsidiaries	180.6	**184.6**	**3.9**	**2.2%**
Other	—	**0.6**	**0.6**	**—**

* Before consolidation adjustment
* The non-consolidated H1 results for NDI are added to the FY2010 figures for ADI (non-consolidated) ; the same applies below.

Breakdown of net income

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
MSI (non-consolidated)	22.8	**18.0**	**-4.8**
ADI (non-consolidated)	-11.4	**12.0**	**23.4**
Mitsui Direct General	0.2	**0.1**	**-0.1**
MSI Aioi Life	-7.1	**-9.0**	**-1.8**
MSI Primary Life	9.3	**6.8**	**-2.5**
Overseas subsidiaries	4.5	**3.0**	**-1.5**
Other	-0.0	**-0.1**	**-0.0**
Consolidation adjustment, etc.	-12.9	**-24.9**	**-12.0**

* Net income of subsidiaries is on an equity stake basis.
* The figures for MSI Aioi Life are the simple sum of the results for MSI Kirameki Life and Aioi Life.

MS&AD Insurance Group Holdings, Inc.

< Net premiums written >

- We forecast that consolidated net premiums written for the Group will amount to ¥2,562.0 billion, an increase of ¥20.6 billion, or 0.8% year-on-year.
- Breakdown of consolidated net premiums written forecast
  - MSI is projected to generate a ¥28.4 billion rise year-on-year to a total of ¥1,259.0 billion.
  - ADI is expected to see a ¥13.3 billion drop year-on-year to total ¥1,084.0 billion.
  - Mitsui Direct General is expected to enjoy a ¥0.7 billion rise year-on-year to total ¥33.8 billion.
  - Overseas subsidiaries are expected to achieve a ¥3.9 billion increase year-on-year to total ¥184.6 billion.

< Net income >

- Net income is expected to be ¥6.0 billion, nearly unchanged from the prior period, as the result of factors such as a higher number of natural disasters and major losses domestically and overseas, including typhoons in Japan and the flooding in Thailand, and lower returns on assets under management due to deterioration of the softening investment environment.
- Breakdown of net income
  - At MSI, although underwriting profit is expected to improve, net income is projected to slip by ¥4.8 billion to ¥18.0 billion mainly due to lower net investment income.
  - At ADI, net income is expected to increase by ¥23.4 billion year-on-year to ¥12.0 billion, due to the improvement in underwriting profit and lower business-integration-related expenses.
  - Mitsui Direct General is expected to achieve net income of ¥0.1 billion.
  - At MSI Aioi Life, despite the fact the lump sum provision for standard underwriting reserves will be reduced, business-integration-related expenses are expected to grow and the company is forecast to see its net loss widen by ¥1.8 billion year-on-year to ¥9.0 billion.
  - For MSI Primary Life, despite becoming a wholly owned subsidiary, net income is expected to decline by ¥2.5 billion to ¥6.8 billion on an equity stake basis due to poor investment environment.
  - Overseas subsidiaries are expected to see net income decrease ¥1.5 billion year-on-year, to ¥3.0 billion.
  - Consolidation adjustment, etc. is forecast to widen by negative ¥12.0 billion year-on-year because of factors such as less generation of negative goodwill

Financial Results for First Half of FY2011

MS&AD Insurance Group Holdings, Inc.

MSI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Net premiums written	623.4	**643.6**	**20.1**
Net premiums, growth rate	2.5%	**3.2%**	**0.7pt**
Net loss ratio	67.1%	**78.6%**	**11.5pt**
Net expense ratio	33.1%	**32.6%**	**-0.5pt**
Combined ratio	100.2%	**111.2%**	**11.0pt**
Incurred losses	375.7	**474.9**	**99.1**
Underwriting profit/loss	7.0	**-20.2**	**-27.2**
Net investment income/loss	40.6	**30.2**	**-10.4**
Ordinary profit/loss	46.6	**8.2**	**-38.4**
Extraordinary income/loss	-10.0	**-3.9**	**6.1**
Net income	27.3	**5.3**	**-22.0**
<Excluding CALI>			
Net premiums, growth rate	2.4%	**3.4%**	**1.0pt**
Net loss ratio	62.3%	**75.5%**	**13.2pt**
Net expense ratio	34.4%	**33.9%**	**-0.5pt**
Combined ratio	96.7%	**109.4%**	**12.7pt**

* "Net loss ratio" is on a "written-to-paid" basis. * **CALI:** Compulsory Automobile Liability Insurance

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 3.2%.
  In terms of business lines, net premiums written increased both in voluntary automobile and personal accident because of premium rate hike in October 2010; premiums for fire insurance increased both in comercial and personal lines.

- The net loss ratio increased by 11.5 percentage points year-on-year, due to payouts on residential earthquake insurance policies arising from the Great East Japan Earthquake.

- The net expense ratio declined by 0.5 percentage point year-on-year to 32.6%.

- The combined ratio rose by 11.0 percentage points year-on-year to 111.2%.

- Incurred losses increased by ¥99.1 billion year-on-year.
  (Excluding the influence of residential earthquake insurance and CALI, the increase was ¥29.5 billion.)
  The increase was due to such factors as domestic natural disasters (typhoons No. 15 and No. 12, etc.), overseas natural disasters (New Zealand earthquake, etc.), and other major claim incidents that occurred more than in ordinary years.

- Underwriting profit decreased by ¥27.2 billion year-on-year to a loss of ¥20.2 billion, due primarily to an increase in incurred losses.

- Net investment income decreased by ¥10.4 billion year-on-year to ¥30.2 billion, due primarily to a decrease in interest and dividends received.

- Ordinary profit decreased by ¥38.4 billion year-on-year to ¥8.2 billion.

- Extraordinary losses of ¥3.9 billion were due partly to an impairment loss of ¥2.5 billion in real estate and a transfer of ¥1.3 billion to the price fluctuation reserve.

- As a result of the above, the net income decreased by ¥22.0 billion year-on-year to ¥5.3 billion.

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

Net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1	
			Growth
Fire	89.5	**94.6**	**5.7%**
Marine	27.8	**27.9**	**0.1%**
Personal accident	69.5	**72.5**	**4.3%**
Voluntary auto	275.9	**283.9**	**2.9%**
CALI	69.4	**70.5**	**1.6%**
Other	91.1	**93.9**	**3.1%**
Total	623.4	**643.6**	**3.2%**
Excluding CALI	554.0	**573.0**	**3.4%**

Net loss ratio

	FY2010 H1	FY2011 H1	
			Change
Fire	40.5%	**132.7%**	**92.2pt**
Marine	50.2%	**54.8%**	**4.6pt**
Personal accident	59.3%	**57.5%**	**-1.8pt**
Voluntary auto	73.7%	**72.0%**	**-1.7pt**
CALI	105.1%	**103.2%**	**-1.9pt**
Other	55.1%	**48.6%**	**-6.5pt**
Total	67.1%	**78.6%**	**11.5pt**
Excluding CALI	62.3%	**75.5%**	**13.2pt**

Incurred losses

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Incurred losses (Excluding loss adjustment expenses)	375.7	**474.9**	**99.1**
Natural disasters	1.3	**88.0**	**86.6**
Other	374.3	**386.8**	**12.5**

* Incurred losses = Net claims paid + provision for ordinary reserves + provision for IBNR reserve
"Natural disasters" for FY2011 H1 include ¥64.5 billion (including ¥71.1 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake (March 2011).

< Net premiums written >

- Fire insurance increased by 5.7% year-on-year, mainly due to strong growth in personal line and a large volume of long-term policy renewals during the period in commercial line.
- Personal accident insurance rose by 4.3% year-on-year, mainly reflecting the effect of the October 2010 premium rate revisions.
- Voluntary automobile insurance rose by 2.9% year-on-year because of the effect of the October 2010 premium rate revisions and a high renewal persistency rate.

< Net loss ratio >

- Fire insurance increased by 92.2 percentage points year-on-year, and marine insurance rose by 4.6 percentage points year-on-year, primarily because of an increase in loss payments related to the Great East Japan Earthquake.
- Voluntary automobile insurance improved by 1.7 percentage points year-on-year due to premium increase even though loss payments increased due to the Great East Japan Earthquake and other natural disasters.

< Incurred losses related to natural disasters during the period >

(¥ bn)

	FY2010 H1			FY2011 H1		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	0.4	0.4	0.9	**2.4**	**16.2**	**18.7**
Marine	0.0	0.0	0.0	**0.0**	**0.3**	**0.3**
Voluntary auto	0.2	0.0	0.3	**1.4**	**1.8**	**3.3**
Other	0.0	0.1	0.1	**0.1**	**0.9**	**1.0**
Total	0.7	0.6	1.3	**4.0**	**19.4**	**23.5**

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

Company expenses

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Underwriting company expense	98.1	**97.3**	**-0.7**
Loss adjustment expense	36.5	**36.9**	**0.3**
Other	5.1	**4.7**	**-0.4**
Total company expense	139.9	**139.1**	**-0.8**
Personnel	79.9	**79.7**	**-0.2**
Non personnel	53.1	**52.8**	**-0.2**
Taxes and contributions	6.8	**6.5**	**-0.3**

Expense ratios

	FY2010 H1	FY2011 H1	Change
Net commission ratio	17.4%	**17.5%**	**0.1pt**
Net company expense ratio	15.7%	**15.1%**	**-0.6pt**
Net expense ratio	33.1%	**32.6%**	**-0.5pt**
Net expense ratio (excluding CALI)	34.4%	**33.9%**	**-0.5pt**

- Total company expenses decreased by ¥0.8 billion year-on-year to ¥139.1 billion.
- Personnel costs and non personnel costs both fell by ¥0.2 billion year-on-year.
- The net expense ratio fell by 0.5 percentage point year-on-year to 32.6%.
  - Net commission ratio 17.5% (up 0.1 percentage point year-on-year).
  - Net company expense ratio 15.1% (down 0.6 percentage point year-on-year)

MSI (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Interest and dividends received	61.2	**54.0**	**-7.2**
Transfer of investment income on deposit premiums	-25.9	**-24.0**	**1.8**
Net interest and dividend income	35.3	**29.9**	**-5.4**
Net gains/losses on sale of securities	14.7	**17.9**	**3.1**
Losses on devaluation of securities	-7.6	**-8.1**	**-0.4**
Net gains/losses on redemption of securities	0.1	**0.0**	**-0.1**
Gains/losses on derivative transactions	5.4	**0.6**	**-4.8**
Other	-7.4	**-10.1**	**-2.6**
Net investment income/loss	40.6	**30.2**	**-10.4**

Sources of interest and dividends received

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Bonds	14.7	**14.2**	**-0.4**
Stocks	15.7	**16.9**	**1.1**
Foreign securities	16.6	**11.2**	**-5.4**
Other securities	1.7	**0.1**	**-1.5**
Loans	6.6	**6.0**	**-0.5**
Land and buildings	3.5	**3.0**	**-0.4**
Other	2.2	**2.3**	**0.1**
Total	61.2	**54.0**	**-7.2**

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends received fell by ¥7.2 billion year-on-year due primarily to a decrease in interest and dividends received from foreign securities.
  Net interest and dividend income decreased by ¥5.4 billion year-on-year.
- Net gains on the sale of securities rose by ¥3.1 billion year-on-year.
- Losses on the devaluation of securities rose by ¥0.4 billion year-on-year. (a breakdown is provided below)

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Bonds	–	**1.0**	**1.0**
Stocks	6.8	**5.5**	**-1.2**
Foreign Securities	0.8	**1.5**	**0.7**
Other	–	**—**	**—**
Total	7.6	**8.1**	**0.4**

- Gains on derivative transactions decreased by ¥4.8 billion year-on-year, mainly from the effect of a drop in fair value of credit derivatives caused by the financial turmoil in Europe.
- As a result of the above, net investment income totaled ¥30.2 billion, a decrease of ¥10.4 billion year-on-year.

< Reference: Invested assets >

(¥ bn)

	FY2010	FY2011 H1	Change
Deposits and savings	352.8	**387.2**	**34.4**
Securities	4,100.3	**3,823.6**	**- 276.7**
Bonds	1,697.5	**1,654.7**	**- 42.7**
Stocks	1,509.7	**1,255.2**	**- 254.4**
Foreign securities	852.8	**876.2**	**23.3**
Other securities	40.2	**37.3**	**- 2.9**
Loans	687.2	**661.4**	**- 25.8**
Land and buildings	209.3	**203.7**	**- 5.6**
Total	5,349.8	**5,076.0**	**- 273.8**

ADI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Net premiums written	558.3	**543.1**	**-15.2**
Net premiums, growth rate	1.0%	**-2.7%**	**-3.7pt**
Net loss ratio	66.6%	**81.4%**	**14.8pt**
Net expense ratio	35.2%	**35.1%**	**-0.1pt**
Combined ratio	101.8%	**116.5%**	**14.7pt**
Incurred losses	343.6	**399.1**	**55.4**
Underwriting profit/loss	8.1	**19.9**	**11.8**
Net investment income/loss	24.8	**-0.5**	**-25.3**
Ordinary profit/loss	30.6	**18.1**	**-12.5**
Extraordinary income/loss	-23.1	**3.4**	**26.6**
Net income	5.7	**14.8**	**9.1**
< Excluding CALI >			
Net premiums, growth rate	0.7%	**-2.9%**	**-3.6pt**
Net loss ratio	62.3%	**79.2%**	**16.9pt**
Net expense ratio	35.9%	**36.1%**	**0.2pt**
Combined ratio	98.2%	**115.3%**	**17.1pt**

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

* **CALI:** Compulsory Automobile Liability Insurance

MS&AD Insurance Group Holdings, Inc.

- Net premiums written decreased by ¥15.2 billion (2.7%) year-on-year, due mainly to a decrease in fire insurance and voluntary automobile insurance.
- The net loss ratio rose by 14.8 percentage points year-on-year, due to an increase in payouts, including payments arising from the Great East Japan Earthquake.
- The net expense ratio declined by 0.1 percentage point year-on-year due to decreases in commission and collection expenses, as well as in operating expenses and general administrative expenses associated with underwriting.
- The combined ratio rose by 14.7 percentage points year-on-year to 116.5%.
- Underwriting profit was ¥19.9 billion, up ¥11.8 billion year-on-year. The increase was due primarily to positive factors including a decrease in incurred losses on voluntary automobile insurance because of fewer accidents and lower business expenses, which surpassed such a negative factor as an increase in incurred losses arising from natural disasters including typhoons No. 12 and No. 15.
- Net investment income decreased by ¥25.3 billion year-on-year to a loss of ¥0.5 billion. The decrease was due to higher losses on devaluation of securities, in addition to a decrease in net gains/losses on sale of securities, which accompanied the deterioration of the investment environment.
- As a result of the above, ordinary profit decreased by ¥12.5 billion year-on-year to ¥18.1 billion
- Extraordinary income was ¥3.4 billion, reflecting a reversal of the price fluctuation reserve. The increase of ¥26.6 billion year-on-year includes a rebound from the same period of the prior fiscal year, when ADI reported integration-related expenses of ¥20.6 billion.
- Net income increased by ¥9.1 billion year-on-year to ¥14.8 billion.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1	
			Growth
Fire	69.5	**61.6**	**-11.3%**
Marine	4.1	**4.4**	**7.4%**
Personal accident	37.4	**37.3**	**-0.3%**
Voluntary auto	321.5	**316.6**	**-1.5%**
CALI	71.6	**70.6**	**-1.4%**
Other	53.9	**52.3**	**-3.0%**
Total	558.3	**543.1**	**-2.7%**
Excluding CALI	486.6	**472.4**	**-2.9%**

Net loss ratio

	FY2010 H1	FY2011 H1	
			Change
Fire	40.0%	**169.8%**	**129.8pt**
Marine	66.6%	**60.4%**	**-6.2pt**
Personal accident	53.6%	**51.5%**	**-2.1pt**
Voluntary auto	68.2%	**67.2%**	**-1.0pt**
CALI	95.7%	**96.2%**	**0.5pt**
Other	61.5%	**66.1%**	**4.6pt**
Total	66.6%	**81.4%**	**14.8pt**
Excluding CALI	62.3%	**79.2%**	**16.9pt**

Incurred losses

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Incurred losses (Excluding loss adjustment expenses)	343.6	**399.1**	**55.4**
Natural disasters	0.5	**72.1**	**71.6**
Other	343.1	**327.0**	**-16.1**

* Incurred losses = Net claims paid + provision for ordinary reserves + provision for IBNR reserve
"Natural disasters" for FY2011 H1 include ¥56.2 billion (including ¥56.6 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake (March 2011).

MS&AD Insurance Group Holdings, Inc.

< Net premiums written >

- Fire insurance decreased 11.3% year-on-year as reinsurance ceded increased.
- Voluntary automobile insurance decreased by 1.5% year-on-year, as both direct and reinsurance income declined.

< Net loss ratio >

- The net loss ratio for all lines was 81.4%, an increase of 14.8 percentage points year-on-year, due to an increase in net claims paid, including loss payments arising from the Great East Japan Earthquake.
- The net loss ratio excluding CALI was 79.2%, up 16.9 percentage points year-on-year.

< Incurred losses related to natural disasters during the period >

(¥ bn)

	FY2010 H1			FY2011 H1		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	0.1	0.0	0.2	**1.3**	**11.9**	**13.3**
Voluntary auto	0.1	0.0	0.1	**0.7**	**1.3**	**2.1**
Other	0.0	0.1	0.1	**0.0**	**0.3**	**0.3**
Total	0.2	0.2	0.5	**2.1**	**13.7**	**15.8**

ADI (Non-Consolidated): Company Expenses and Expense Ratio

Company expenses

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Underwriting company expense	96.7	**94.2**	**-2.4**
Loss adjustment expense	27.8	**25.5**	**-2.2**
Other	5.5	**4.1**	**-1.4**
Total company expense	130.1	**123.9**	**-6.1**
Personnel	66.1	**63.1**	**-2.9**
Non personnel	57.6	**54.9**	**-2.6**
Taxes and contributions	6.4	**5.9**	**-0.4**

Expense ratios

	FY2010 H1	FY2011 H1	Change
Net commission ratio	17.9%	**17.8%**	**-0.1pt**
Net company expense ratio	17.3%	**17.4%**	**0.1pt**
Net expense ratio	35.2%	**35.1%**	**-0.1pt**
Net expense ratio (excluding CALI)	35.9%	**36.1%**	**0.2pt**

- Total company expenses declined by ¥6.1 billion year-on-year to ¥123.9 billion because of lower personnel costs and non personnel reflecting the merger effect.

- The net expense ratio fell by 0.1 percentage point year-on-year to 35.1%.
  - Net commission ratio 17.8% (down 0.1 percentage point year-on-year)
  - Net company expense ratio 17.4% (up 0.1 percentage point year-on-year)

- Excluding CALI, the net expense ratio was 36.1%, up 0.2 percentage point year-on-year.
  - Net commission ratio 19.2% (up 0.0 percentage point year-on-year)
  - Net company expense ratio 16.9% (up 0.2 percentage point year-on-year)

ADI (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Interest and dividends received	33.1	29.8	-3.2
Transfer of investment income on deposit premiums	-12.2	-11.1	1.0
Net interest and dividend income	20.8	18.6	-2.1
Net gains/losses on sale of securities	19.4	2.8	-16.6
Losses on devaluation of securities	-9.8	-14.1	-4.2
Net gains/losses on redemption of securities	-0.3	-0.3	0.0
Gains/losses on derivative transactions	0.3	-0.8	-1.2
Other	-5.5	-6.6	-1.0
Net investment income/loss	24.8	-0.5	-25.3

Sources of interest and dividends received

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Bonds	5.2	5.1	-0.1
Stocks	7.2	7.8	0.6
Foreign securities	11.4	9.5	-1.8
Other securities	2.3	1.1	-1.2
Loans	3.2	2.8	-0.4
Land and buildings	2.9	2.6	-0.2
Other	0.5	0.5	0.0
Total	33.1	29.8	-3.2

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends received fell by ¥3.2 billion year-on-year, due primarily to a decrease in interest and dividends received from foreign securities.
- Transfer of investment income on deposit premiums was ¥1.0 billion less than in the year-ago period, net interest and dividend income fell by ¥2.1 billion to ¥18.6 billion.
- Net gains on the sale of securities decreased by ¥16.6 billion year-on-year.
- Losses on devaluation of securities rose ¥4.2 billion year-on-year, to ¥14.1 billion.

(¥ bn)

	FY2010 H1	FY2011 H1	
			Change
Bonds	0.0	—	-0.0
Stocks	9.8	12.6	2.7
Foreign Securities	—	1.5	1.5
Other	0.0	—	-0.0
Total	9.8	14.1	4.2

- As a result of the above, net investment income declined by ¥25.3 billion year-on-year to a loss of ¥0.5 billion.

< Reference: Invested assets >

(¥ bn)

	FY2010	FY2011 H1	
			Change
Deposits and savings	251.5	149.7	-101.7
Securities	2,033.2	2,009.4	-23.8
Bonds	650.9	711.0	60.0
Stocks	662.6	613.3	-49.2
Foreign securities	635.2	610.9	-24.2
Other securities	84.5	74.0	-10.4
Loans	325.1	301.5	-23.6
Land and buildings	189.4	188.2	-1.2
Total	2,799.4	2,648.9	-150.4

Mitsui Direct General

Key financial data

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Net premiums written	16.2	**16.8**	**0.6**
Net premiums, growth rate	3.0%	**3.9%**	**0.9pt**
Net loss ratio	77.4%	**74.1%**	**-3.3pt**
Net expense ratio	22.7%	**21.9%**	**-0.8pt**
Combined ratio	100.1%	**96.0%**	**-4.1pt**
Incurred losses	12.0	**12.1**	**0.0**
Underwriting profit/loss	0.1	**0.3**	**0.2**
Net investment income/loss	0.1	**0.0**	**-0.0**
Ordinary profit/loss	0.2	**0.4**	**0.2**
Extraordinary income/loss	-0.0	**-0.0**	**-0.0**
Net income (our share)	0.1	**0.3**	**0.1**

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

Incurred losses

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Incurred losses (Excluding loss adjustment expenses)	12.0	**12.1**	**0.0**
Natural disasters	0.0	**0.1**	**0.1**
Other	12.0	**11.9**	**-0.0**

* Incurred losses ＝Net claims paid + provision for ordinary reserves + provision for IBNR reserve

MS&AD Insurance Group Holdings, Inc.

- Net premiums written, including the effect of the premium rate revisions in July, increased 3.9% year-on-year.
- The net loss ratio was 74.1%, down 3.3 percentage points year-on-year, including the decline in the accident rate immediately after the earthquake.
- The net expense ratio declined by 0.8 percentage point year-on-year, to 21.9%.
- The combined ratio declined by 4.1 percentage points year-on-year, to 96.0%.
- Underwriting profit rose ¥0.2 billion year-on-year, to ¥0.3 billion.
- Net income (equity interest) was ¥0.3 billion, an increase of ¥0.1 billion year-on-year.

MSI Kirameki Life

MSI Kirameki Life

(¥ bn)

	FY2010 H1	FY2011 H1	Year-on-year change (or compared to beginning of year)
Amount of new business *1	831.6	**982.3**	**18.1%**
Amount of policies in-force *1	9,746.3	**10,600.2**	**(compared to beginning of year) 4.6%**
Annualized premiums of new business *1	15.1	**16.4**	**8.1%**
Annualized premiums of policies in-force *1	197.4	**208.0**	**(compared to beginning of year) 2.8%**
Net income	0.0	**-0.5**	**-0.5**

*1 Sum of personal insurance and personal annuity insurance.

- The amount of new business experienced high growth, increasing by 18.1% year-on-year.
  The amount of policies in-force also continued to grow steadily, up 4.6% compared to beginning of year.
- Annualized premiums of new business increased by 8.1% year-on-year.
  Annualized premiums of policies in-force increased by 2.8% compared to beginning of year.
- Net loss was ¥0.5 billion, decreasing ¥0.5 billion year-on-year.
  * Net income was ¥0.8 billion except for integration cost.

Aioi Life

Aioi Life

(¥ bn)

	FY2010 H1	FY2011 H1	Year-on-year change (or compared to beginning of year)	
Amount of new business *	493.1	**642.9**		**30.4%**
Amount of policies in-force *	6,057.8	**6,646.1**	**(compared to beginning of year)**	**5.6%**
Annualized premiums of new business *	4.8	**7.3**		**52.4%**
Annualized premiums of policies in-force *	74.9	**80.4**	**(compared to beginning of year)**	**4.9%**
Net income	0.7	**-2.4**		**-3.2**

* Sum of personal insurance and personal annuity insurance.

- The amount of new business experienced high growth, increasing by 30.4% year-on-year
  The amount of policies in-force also continued to grow steadily, up 5.6% compared to beginning of year
- Annualized premiums of new business increased strongly by 52.4% year-on-year
  Annualized premiums of policies in-force increased by 4.9% compared to beginning of year
- Net loss was ¥2.4 billion, decreasing ¥3.2 billion year-on-year
  * Net loss was ¥1.1 billion, except for integration cost

MSI Primary Life

MSI Primary Life

(¥ bn)

	FY2010 H1	FY2011 H1		
			Year-on-year change (or compared to beginning of year)	
Amount of new business	129.4	**117.8**		**-9.0%**
Amount of policies in-force	2,976.7	**2,844.7**	**(compared to beginning of year)**	**-7.7%**
Premiums	125.2	**114.5**		**-8.5%**
Net income (our share)	4.5	**4.4**		**-0.1**

MS&AD Insurance Group Holdings, Inc.

- The volume of new policies decreased by 9.0% year-on-year because of a decline in the number of policies.
- The amount of in-force policies fell by 7.7% compared to beginning of the year, under the impact of the deterioration in the investment environment and the strong yen.
- Premiums fell by 8.5% year-on year due to the slump in the variable annuities market.
- Net income fell ¥4.6 billion year-on-year to ¥4.4 billion, mostly due to the deterioration in net investment income that resulted from the weak investment environment. Because MSI Primary Life was made a wholly owned subsidiary during this period (in prior periods MSI MetLife was accounted for under the equity method (equity in earnings 50%), the decrease in net income on a consolidated basis was about ¥0.1 billion.

Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2010 H1	FY2011 H1	Change	Growth
Overseas subsidiaries total	102.5	**101.7**	**-0.7**	**- 0.8%**
Asia	40.0	**46.9**	**6.8**	**17.2%**
Europe	32.1	**26.7**	**-5.4**	**-16.9%**
Americas	15.8	**15.3**	**-0.5**	**-3.5%**
Reinsurance	14.4	**12.7**	**-1.6**	**-11.7%**

Net income

(¥ bn)

	FY2010 H1	FY2011 H1	Change
Overseas subsidiaries total	0.7	**7.5**	**6.8**
Asia	4.2	**4.8**	**0.6**
Europe	-8.2	**1.7**	**10.0**
Americas	1.1	**0.7**	**-0.4**
Reinsurance	3.5	**0.1**	**-3.3**

MS&AD Insurance Group Holdings, Inc.

- Net premiums written of overseas subsidiaries decreased 0.8% year-on-year as a whole, affected by a ¥4.7 billion decline that was caused by the yen appreciation, but rose 3.8% year-on-year on a local currency basis
  - On a regional basis, in Asia, net premiums written increased and rose sharply by 21.0% year-on-year on a local currency basis.
  - In Europe, net premiums written declined by 16.9%, reflecting our stringent underwriting aimed at improving profitability in the soft market conditions (on a local currency basis, the decline was 13.2%).

- Net income of overseas subsidiaries totaled ¥7.5 billion, a ¥6.8 billion increase year-on-year.
  - In Asia, although net investment income including net gains/losses on sale of securities decreased, net income rose by ¥0.6 billion boosted by favorable underwriting result.
  - In Europe, which was negatively affected by major claim incidents last year, this was not the case during the first half of this year and net income rose ¥10.0 billion year-on-year.
  - In reinsurance, net income of ¥0.1 billion was secured although it fell by ¥3.3 billion year-on-year due to a ¥3.9 billion loss resulting from the earthquake in New Zealand, etc..

Projected Financial Results for FY2011（Full Year）

MS&AD Insurance Group Holdings, Inc.

MSI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Net premiums written	1,230.5	**1,259.0**	**28.4**
Net premiums, growth rate	2.2%	**2.3%**	**0.1pt**
Net loss ratio	68.4%	**85.7%**	**17.3pt**
Net expense ratio	33.9%	**33.7%**	**-0.2pt**
Combined ratio	102.3%	**119.4%**	**17.1pt**
Incurred losses	806.6	**962.9**	**156.2**
Underwriting profit/loss	-50.3	**-17.0**	**33.4**
Net investment income/loss	83.9	**48.1**	**-35.9**
Ordinary profit/loss	31.7	**28.0**	**-3.7**
Extraordinary income/loss	-5.5	**-6.1**	**-0.6**
Net income	22.8	**18.0**	**-4.8**
<Excluding CALI>			
Net premiums, growth rate	2.4%	**1.8%**	**-0.6pt**
Net loss ratio	63.5%	**83.7%**	**20.2pt**
Net expense ratio	35.2%	**35.4%**	**0.2pt**
Combined ratio	98.7%	**119.1%**	**20.4pt**

* "Net loss ratio" is on a "written-to-paid" basis.   * **CALI:** Compulsory Automobile Liability Insurance

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by ¥28.4 billion year-on-year, or 2.3%, to ¥1,259.0 billion.
- The net loss ratio is forecast to rise by 17.3 percentage points year-on-year to 85.7%, due to payouts associated with the Great East Japan Earthquake and the flooding in Thailand.
- The net expense ratio is forecast to decline by 0.2 percentage point year-on-year to 33.7%.
- The combined ratio is forecast to rise by 17.1 percentage points year-on-year to 119.4%.
- The underwriting loss is forecast to be ¥17.0 billion, with a ¥33.4 billion improvement year-on-year.
- Net investment income is forecast to decrease by ¥35.9 billion year-on-year to ¥48.1 billion.
- With the underwriting loss being forecast to improve on one hand, and with the investment income to decrease on the other, the ordinary profit is expected to decrease by ¥3.7 billion year-on-year to ¥28.0 billion.
- The extraordinary profit/loss is forecast to be almost on the same level as the last year's result; a loss of ¥6.1 billion.
- Net income is forecast to decrease by ¥4.8 billion year-on-year to ¥18.0 billion.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Growth
Fire	180.3	**184.0**	**2.0%**
Marine	54.3	**53.1**	**-2.3%**
Personal accident	133.1	**137.8**	**3.5%**
Voluntary auto	555.4	**567.2**	**2.1%**
CALI	135.3	**144.3**	**6.6%**
Other	171.9	**172.6**	**0.4%**
Total	1,230.5	**1,259.0**	**2.3%**
Excluding CALI	1,095.2	**1,114.7**	**1.8%**

Net loss ratio

	FY2010	FY2011 (Forecast)	
			Change
Fire	40.2%	**165.2%**	**125.0pt**
Marine	50.7%	**60.8%**	**10.1pt**
Personal accident	61.9%	**60.7%**	**-1.2pt**
Voluntary auto	74.8%	**73.6%**	**-1.2pt**
CALI	107.7%	**100.8%**	**-6.9pt**
Other	56.9%	**55.4%**	**-1.5pt**
Total	68.4%	**85.7%**	**17.3pt**
Excluding CALI/ residential earthquake insurance	63.7%	**76.6%**	**12.9pt**

Incurred losses

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Incurred losses (Excluding loss adjustment expenses)	806.6	**962.9**	**156.2**
Domestic natural disasters/Thailand floods	55.6	**209.6**	**154.0**
Other	751.0	**753.3**	**2.2**

* Incurred losses = Net claims paid + provision for ordinary reserves + provision for IBNR reserve
* FY2010 domestic natural disasters include ¥53.3 billion (including ¥10.1 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake.
* FY2011 domestic natural disasters include ¥64.6 billion (including ¥71.1 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake and ¥120.0 billion of incurred losses arising from floods in Thailand.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase for all categories other than marine insurance, driven by the effect of premium rate revisions for voluntary automobile insurance and CALI and by earthquake insurance in high demand.
- The net loss ratio is forecast to increase by 17.3 percentage points year-on-year to 85.7%.
- Excluding natural disasters, our forecasts for our net loss ratio are as follows;

Fire	:	43.9% (up 4.4 percentage points year-on-year)
Marine	:	51.7% (up 1.0 percentage point year-on-year)
Personal accident	:	60.4% (down 1.5 percentage points year-on-year)
Voluntary auto	:	72.6% (down 2.1 percentage points year-on-year)
CALI	:	100.8% (down 6.9 percentage points year-on-year)
Other	:	53.5% (down 3.4 percentage points year-on-year)
Total	:	66.8% (down 1.4 percentage points year-on-year)

- Natural disaster losses of ¥25.0 billion (excluding marine insurance) have been factored in the forecast. Fire: ¥20.5 billion, Voluntary auto: ¥3.5 billion, Other: ¥1.0 billion
- Incurred losses arising from Thai flood are forecast to be ¥120.0 billion.
- Incurred losses other than natural disasters are roughly at the same level as in the prior fiscal year.

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Underwriting company expense	202.5	**205.8**	**3.2**
Loss adjustment expense	75.5	**76.3**	**0.7**
Other	10.3	**10.1**	**-0.3**
Total company expense	288.4	**292.2**	**3.7**
Personnel	159.3	**159.6**	**0.3**
Non personnel	115.6	**119.3**	**3.6**
Taxes and contributions	13.5	**13.3**	**-0.3**

Expense ratios

	FY2010	FY2011 (Forecast)	
			Change
Net commission ratio	17.5%	**17.4%**	**-0.1pt**
Net company expense ratio	16.5%	**16.3%**	**-0.2pt**
Net expense ratio	33.9%	**33.7%**	**-0.2pt**
Net expense ratio (excluding CALI)	35.2%	**35.4%**	**0.2pt**

MS&AD Insurance Group Holdings, Inc.

- We forecast that total company expenses will increase by ¥3.7 billion year-on-year to ¥292.2 billion.
- The net expense ratio is forecast to improve by 0.2 percentage point year-on-year to 33.7%.
  - Net commission ratio 17.4% (down 0.1 percentage point year-on-year)
  - Net company expense ratio 16.3% (down 0.2 percentage point year-on year)
- Excluding CALI, the net expense ratio is projected to rise by 0.2 percentage point year-on-year to 35.4%.
  - Net commission ratio 18.8% (up 0.1 percentage point year-on-year)
  - Net company expense ratio 16.7% (up 0.2 percentage point year-on-year)

MSI (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Interest and dividends received	111.8	**98.1**	**-13.8**
Transfer of investment income on deposit premiums	-51.1	**-47.1**	**4.1**
Net interest and dividend income	60.6	**51.0**	**-9.7**
Net gains/losses on sale of securities	38.3	**17.3**	**-21.1**
Losses on devaluation of securities	-7.5	**-6.6**	**1.0**
Net gains/losses on redemption of securities	-0.6	**-0.0**	**0.6**
Gains/losses on derivative transactions	8.7	**1.9**	**-6.9**
Other	-15.5	**-15.4**	**0.2**
Net investment income/loss	83.9	**48.1**	**-35.9**

Sources of interest and dividends received

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Bonds	29.1	**28.4**	**-0.7**
Stocks	28.7	**29.6**	**0.9**
Foreign securities	25.8	**16.7**	**-9.2**
Other securities	3.7	**1.8**	**-1.9**
Loans	12.9	**11.4**	**-1.5**
Land and buildings	6.7	**5.6**	**-1.1**
Other	4.8	**4.5**	**-0.4**
Total	111.8	**98.1**	**-13.8**

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends received are projected to fall by ¥13.8 billion year-on-year to ¥98.1 billion, due primarily to a decrease in interest and dividends received from foreign securities
- Net interest and dividend income is expected to decline by ¥9.7 billion year-on-year to ¥51.0 billion
- We forecast gains on the sale of securities to decline by ¥21.1 billion to ¥17.3 billion
- We expect losses on devaluation of securities of ¥6.6 billion, an improvement of ¥1.0 billion year-on-year
- We forecast gains on derivative transactions to decrease by ¥6.9 billion year-on-year to ¥1.9 billion, due primarily to a fall in mark-to-market gains on credit derivatives

ADI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010	FY2011 (Forecast)	Change
Net premiums written	1,097.3	**1,084.0**	**-13.3**
Net premiums, growth rate	-0.8%	**-1.2%**	**-0.4pt**
Net loss ratio	68.2%	**78.5%**	**10.3pt**
Net expense ratio	35.6%	**35.5%**	**-0.1pt**
Combined ratio	103.8%	**114.0%**	**10.2pt**
Incurred losses	735.4	**753.1**	**17.6**
Underwriting profit/loss	-33.3	**0.0**	**33.3**
Net investment income/loss	51.4	**12.0**	**-39.4**
Ordinary profit/loss	16.0	**11.0**	**-5.0**
Extraordinary income/loss	-35.0	**6.0**	**41.0**
Net income	-11.4	**12.0**	**23.4**
<Excluding CALI>			
Net premiums, growth rate	-1.0%	**-2.1%**	**-1.1pt**
Net loss ratio	63.8%	**76.2%**	**12.4pt**
Net expense ratio	36.5%	**37.3%**	**0.8pt**
Combined ratio	100.3%	**113.5%**	**13.2pt**

* "Net loss ratio" is on a "written-to-paid" basis. * **CALI:** Compulsory Automobile Liability Insurance

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to decrease by ¥13.3 billion or 1.2% year-on-year to ¥1,084.0 billion.
- The net loss ratio is forecast to rise by 10.3 percentage points year-on-year to 78.5%. Excluding CALI, the ratio is forecast to be 76.2%.
- The net expense ratio is forecast to decline by 0.1 percentage point year-on-year to 35.5%. Excluding CALI, the ratio is forecast to be 37.3%.
- The combined ratio is forecast to rise by 10.2 percentage points to 114.0%. Excluding CALI, the ratio is forecast to be 113.5%.
- The incurred losses are forecast to increase by ¥17.6 billion year-on-year due to such factors as residential earthquake insurance for the Great East Japan Earthquake and natural disasters including typhoons and flooding in Thailand. However, after factoring in the expected reversal of underwriting reserve for earthquake and catastrophe loss reserves, ADI forecasts the underwriting profit/loss to improve by ¥33.3 billion year-on-year.
- Net investment income is forecast to be ¥12.0 billion, down by ¥39.4 billion year-on-year, due primarily to anticipated decline in interest/dividends received as well as capital gains.
- As a result of the above, ordinary profit is forecast to decrease by ¥5.0 billion year-on-year to ¥11.0 billion.
- Extraordinary income is forecast to be ¥6.0 billion, a turnaround of ¥41.0 billion from the extraordinary loss one year earlier when ADI reported business integration-related expenses.
- Net income is forecast to be ¥12.0 billion, exceeding the performance in the prior year by ¥23.4 billion.

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

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Growth
Fire	137.9	**126.7**	**-8.2%**
Marine	8.6	**9.9**	**14.5%**
Personal accident	73.0	**70.5**	**-3.5%**
Voluntary auto	637.8	**636.5**	**-0.2%**
CALI	138.1	**145.1**	**5.0%**
Other	101.6	**95.3**	**-6.2%**
Total	1,097.3	**1,084.0**	**-1.2%**
Excluding CALI	959.1	**938.9**	**-2.1%**

Net loss ratio

	FY2010	FY2011 (Forecast)	
			Change
Fire	40.6%	**122.2%**	**81.6pt**
Marine	55.6%	**69.7%**	**14.1pt**
Personal accident	54.1%	**54.2%**	**0.1pt**
Voluntary auto	69.0%	**69.4%**	**0.4pt**
CALI	98.5%	**93.5%**	**-5.0pt**
Other	70.7%	**77.9%**	**7.2pt**
Total	68.2%	**78.5%**	**10.3pt**
Excluding CALI/ residential earthquake insurance	64.0%	**69.3%**	**5.3pt**

Incurred losses

(¥ bn)

	FY2010	FY2011	
			Change
Incurred losses (Excluding loss adjustment expenses)	735.4	**753.1**	**17.6**
Domestic Natural disasters/Thai flood	28.5	**84.2**	**55.6**
Other	706.8	**668.8**	**-38.0**

* Incurred losses = Net claims paid + provision for ordinary reserves + provision for IBNR reserve
* FY2010 domestic natural disasters include ¥27.5 billion (including ¥8.0 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake.
* FY2011 domestic natural disasters include ¥56.6 billion (including ¥56.2 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake and ¥10.0 billion of incurred losses arising from floods in Thailand.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are expected to decrease 1.2% year-on-year because of the decrease in fire insurance as a result of an increase in ceded insurance for intensifying risk transfer, even though the revision of compulsory automobile liability insurance premium rates and other factors will increase premium.
- The net loss ratio is projected to increase by 10.3 percentage points year-on-year to 78.5%, mainly due to loss payments for natural disasters, including the Great East Japan Earthquake
- Excluding natural disasters, net loss ratios are projected as follows

Fire	:	43.4% (up 3.0 percentage points year-on-year)
Marine	:	66.0% (up 10.4 percentage points year-on-year)
Personal accident	:	53.6% (down 0.5 percentage point year-on-year)
Voluntary auto	:	68.8% (down 0.2 percentage point year-on-year)
CALI	:	93.5% (down 5.0 percentage points year-on-year)
Other	:	75.2% (up 4.7 percentage points year-on-year)
Total	:	68.7% (up 0.6 percentage point year-on-year)

- Incurred losses of ¥18.0 billion for natural disasters have been factored in the forecast.
  Fire: ¥14.3 billion, Voluntary auto: ¥3.3 billion, Other: ¥0.4 billion
- Incurred losses arising from Thai flood are forecast to be ¥10.0 billion.
- We expect incurred losses apart from those arising from natural disasters to decrease ¥38.0 billion year-on-year

ADI (Non-Consolidated): Company Expenses and Expense Ratio

Company expenses

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Underwriting company expense	195.5	**195.0**	**-0.5**
Loss adjustment expense	55.5	**53.4**	**-2.1**
Other	10.0	**8.5**	**-1.5**
Total company expense	261.1	**256.9**	**-4.2**
Personnel	134.4	**130.3**	**-4.1**
Non personnel	114.0	**114.6**	**0.5**
Taxes and contributions	12.5	**12.0**	**-0.5**

Expense ratios

	FY2010	FY2011 (Forecast)	
			Change
Net commission ratio	17.8%	**17.6%**	**-0.2pt**
Net company expense ratio	17.8%	**18.0%**	**0.2pt**
Net expense ratio	35.6%	**35.5%**	**-0.1pt**
Net expense ratio (excluding CALI)	36.5%	**37.3%**	**0.8pt**

MS&AD Insurance Group Holdings, Inc.

- Total company expenses are projected to decline by ¥4.2 billion year-on-year to ¥256.9 billion.
- The net expense ratio is expected to decline by 0.1 percentage point year-on-year to 35.5%.
  - Net commission ratio 17.6% (down 0.2 percentage point year-on-year)
  - Net company expense ratio 18.0% (up 0.2 percentage point year-on-year)
- The net expense ratio excluding CALI is projected to rise by 0.8 percentage point year-on-year to 37.3%.
  - Net commission ratio 19.1% (down 0.1 percentage point year-on-year)
  - Net company expense ratio 18.2% (up 0.8 percentage point year-on-year)

ADI (Non-Consolidated): Investment Performance

MS&AD INSURANCE GROUP

Net investment income/loss

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Interest and dividends received	67.4	**57.2**	**-10.2**
Transfer of investment income on deposit premiums	-24.5	**-22.2**	**2.3**
Net interest and dividend income	42.8	**35.0**	**-7.8**
Net gains/losses on sale of securities	33.6	**5.9**	**-27.7**
Losses on devaluation of securities	-13.3	**-15.6**	**-2.2**
Net gains/losses on redemption of securities	-1.2	**-1.0**	**0.2**
Gains/losses on derivative transactions	-0.5	**-1.6**	**-1.0**
Other	-10.0	**-10.7**	**-0.6**
Net investment income/loss	51.4	**12.0**	**-39.4**

Sources of interest and dividends received

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Bonds	10.1	**10.1**	**-0.0**
Stocks	13.3	**14.4**	**1.0**
Foreign securities	26.6	**19.9**	**-6.7**
Other securities	3.9	**1.2**	**-2.7**
Loans	6.2	**5.3**	**-0.9**
Land and buildings	5.6	**5.2**	**-0.4**
Other	1.2	**1.1**	**-0.1**
Total	67.4	**57.2**	**-10.2**

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends received are projected to fall by ¥10.2 billion year-on-year to ¥57.2 billion, due primarily to a decrease in interest and dividends received from foreign securities.
- Net interest and dividend income is expected to decline by ¥7.8 billion year-on-year to ¥35.0 billion.
- We forecast gains on the sale of securities to decline by ¥27.7 billion year-on-year to ¥5.9 billion.
- We expect losses on devaluation of securities to increase by ¥2.2 billion year-on-year to ¥15.6 billion.

Mitsui Direct General

Key financial data

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Net premiums written	33.1	**33.8**	**0.7**
Net premiums, growth rate	2.1%	**2.2%**	**0.1pt**
Ordinary profit/loss	0.3	**0.2**	**-0.1**
Net income (our share)	0.2	**0.1**	**-0.1**

- Net premiums written are expected to increase by 2.2% year-on-year.
- Ordinary profit is forecast to drop by ¥0.1 billion year-on-year to ¥0.2 billion due to an increase in business expenses.
- Net income (our share) is forecast to decline by ¥0.1 billion year-on-year, to ¥0.1 billion.

MSI Aioi Life

MSI Aioi Life

(¥ bn)

	FY2010 *1	FY2011 (Forecast) *2	
			Change
Amount of new business *3	2,843.1	**3,530.0**	**24.2%**
Amount of policies in-force *3	16,432.9	**18,180.0**	**10.6%**
Annualized premiums of new business *3	41.4	**46.3**	**11.8%**
Annualized premiums of policies in-force *3	279.0	**296.3**	**6.1%**
Net income	-7.1	**-9.0**	**-1.8**

*1 FY2010 is a simple sum of MSI Kirameki Life and Aioi Life.
*2 The FY2011 forecast is a simple sum of MSI Kirameki Life H1, Aioi Life H1 and MSI Aioi Life H2.
*3 Sum of personal insurance and personal annuity insurance.

- Because MSI Kirameki Life will merge with Aioi Life in October to form Mitsui Sumitomo Aioi Life Insurance Co., Ltd., their business results forecast is based on the new company formed out of the merger (two-company total)
- Amount of new business is expected to grow by 24.2% year-on-year to ¥3.5 trillion, mainly because of synergetic effect of sales force. The amount of policies in-force is forecast to increase by 10.6% year-on-year. Annualized premiums of policies in-force are forecast to increase by 6.1% year-on-year.
- Because we expect to incur ¥10.5 billion in extraordinary losses as merger-related expenses, net income is forecast to be a deficit (net loss) of ¥9.0 billion.

MSI Primary Life

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Amount of new business	253.7	**221.1**	**-12.9%**
Amount of policies in-force	3,083.0	**2,912.2**	**-5.5%**
Premiums	243.7	**215.0**	**-11.8%**
Net income (our share)	9.3	**6.8**	**-2.5**

- We forecast that the amount of new business will decrease by 12.9% year-on-year to ¥221.1 billion.
- The amount of policies in-force is projected to fall by 5.5% year-on-year, to ¥2,912.2 billion.
- We see premiums decreasing by 11.8% year-on-year to ¥215.0 billion.
- Net income is expected to decline by ¥11.9 billion year-on-year to ¥6.8 billion, mainly due to the deterioration of net investment income because of the depressed investment environment.
  As a result of the above, although our share of net income will increase to 100% from FY2011 onwards, net income (our share) is expected to fall by ¥2.5 billion year-on-year.

Overseas Subsidiaries

MS&AD INSURANCE GROUP

Net premiums written

(¥ bn)

	FY2010	FY2011 (Forecast)		
			Change	Growth
Overseas subsidiaries total	180.6	**184.6**	**3.9**	**2.2%**
Asia	77.5	**90.9**	**13.3**	**17.2%**
Europe	54.6	**48.2**	**-6.4**	**-11.7%**
Americas	29.5	**28.9**	**-0.6**	**-2.0%**
Reinsurance	18.8	**16.5**	**-2.4**	**-12.7%**

Net income

(¥ bn)

	FY2010	FY2011 (Forecast)	
			Change
Overseas subsidiaries total	4.5	**3.0**	**-1.5**
Asia	8.4	**11.3**	**2.9**
Europe	-12.5	**-10.4**	**2.2**
Americas	2.1	**2.0**	**-0.1**
Reinsurance	6.5	**0.1**	**-6.5**

- Net premiums written at overseas subsidiaries, while reflecting the negative effect on income from appreciation of the yen, are expected to increase by ¥3.9 billion year-on-year, or by 2.2%, to ¥184.6 billion, boosted by the growth in Asia.
- Net income at overseas subsidiaries, although forecast to increase in Asia and Europe, is expected to decrease by ¥1.5 billion year-on-year to ¥3.0 billion, mainly because of lower net income at reinsurance subsidiaries.

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INSURANCE GROUP

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