Fiscal 2011 First Information Meeting

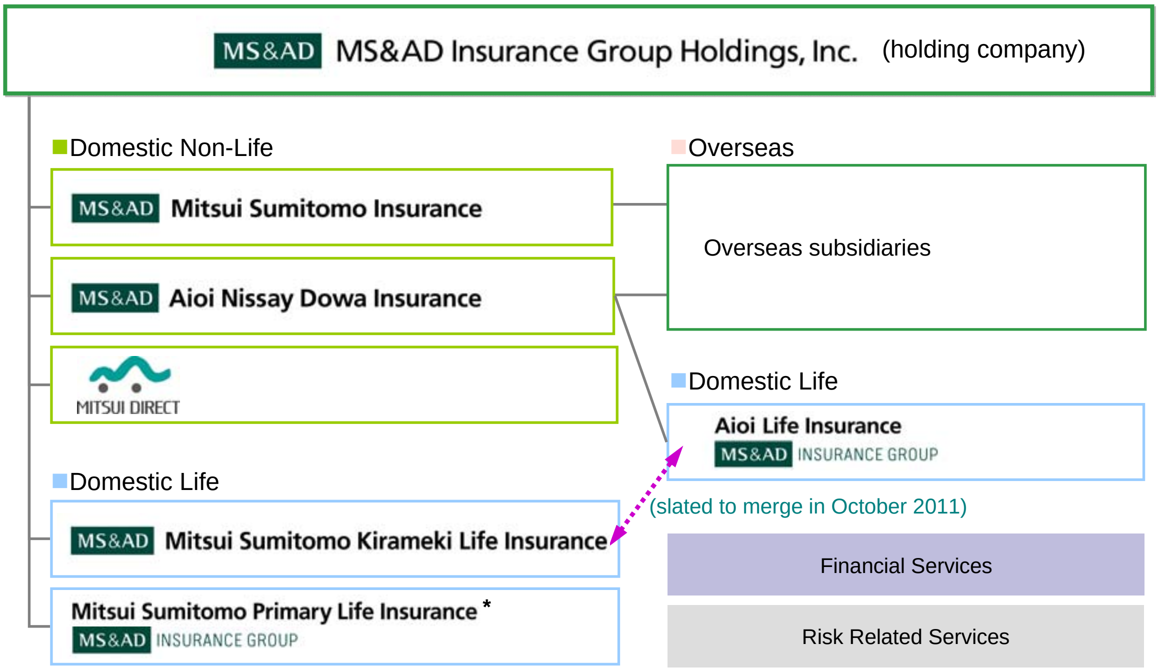
June 3, 2011

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

Contents

MS&AD Group Overview



* In April 2011, MS&AD Holdings acquired 100% stake in Mitsui Sumitomo MetLife Insurance Co., Ltd. and renamed it Mitsui Sumitomo Primary Life Insurance 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 FY2010 (MS&AD Holdings, Consolidated)

Weak results in the wake of the Great East Japan Earthquake, despite growth in net premiums written

Key financial data

(¥ bn)

	FY2009	FY2010	Change	Growth
Net premiums written	2,519.0	**2,541.4**	**22.3**	**0.9%**
Ordinary profit/loss	99.1	**21.0**	**-78.1**	**-78.8%**
Net income	57.3	**5.4**	**-51.9**	**-90.5%**

* FY2009 figures are the simple aggregate of those for MSIG (consolidated), Aioi (consolidated), and NDI (non-consolidated).
* Figures here and below are presented exclusive of "good-result-return" (GRR) premiums on automobile insurance product ModoRich, an MSI product that contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written (¥ bn)

	FY2009	FY2010	Change	Growth
MSI (non-consolidated)	1,203.7	**1,230.5**	**26.8**	**2.2%**
ADI (non-consolidated)	1,106.7	**1,097.3**	**-9.3**	**-0.8%**
Mitsui Direct General	32.4	**33.1**	**0.6**	**2.1%**
Overseas subsidiaries	176.1	**180.6**	**4.5**	**2.6%**

* Before consolidation adjustment
* FY2009 figures for ADI are the simple aggregate of the (non-consolidated) results for Aioi and NDI; same hereafter.
* FY2010 figures for ADI include by simple aggregation the (non-consolidated) H1 results for NDI; same hereafter.

Breakdown of net income

(¥ bn)

	FY2009	FY2010	Change
MSI (non-consolidated)	25.4	**22.8**	**-2.5**
ADI (non-consolidated)	21.2	**-11.4**	**-32.6**
Mitsui Direct General	-0.6	**0.2**	**0.9**
MSI Kirameki Life	0.0	**-5.3**	**-5.3**
Aioi Life	1.3	**-1.8**	**-3.1**
MSI MetLife	4.4	**9.3**	**4.9**
Overseas subsidiaries	17.2	**4.5**	**-12.7**
Other	0.6	**-0.0**	**-0.6**
Consolidation adjustments etc.	-12.3	**-12.9**	**-0.5**

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

MS&AD Insurance Group Holdings, Inc. 1

< Net premiums written >

- The Group's consolidated net premiums written totaled ¥2,541.4 billion, an increase of ¥22.3 billion, or 0.9% year on year.
- Breakdown of consolidated net premiums written
  - MSI's net premiums written were up 2.2%, while ADI's were down 0.8%.
  - Overseas subsidiaries' net premiums written increased 2.6%, buoyed by increases in Asia and the addition of consolidated subsidiaries.

< Net income >

- Net income totaled ¥5.4 billion, a year-on-year decline of ¥51.9 billion.
  - Ordinary profit was down ¥78.1 billion year on year, mainly due to widening of underwriting loss in domestic non-life insurance in the wake of the Great East Japan Earthquake (claims incurred: ¥62.7 billion *****)

    ***** Excludes residential earthquake insurance. Additionally, ¥2.0 billion incurred in domestic life insurance.
  - We booked one-time expenses of ¥39.7 billion under extraordinary losses associated with the three-way business integration.
- Breakdown of net income
  - MSI's ordinary profit declined by ¥4.0 billion (claims incurred due to the Great East Japan Earthquake (excluding residential earthquake insurance): ¥43.2 billion). MSI's net income declined by ¥2.5 billion.
  - ADI's ordinary profit declined by ¥31.3 billion (claims incurred due to the Great East Japan Earthquake (excluding residential earthquake insurance): ¥19.4 billion).
    Additionally, with integration-related expenses up ¥16.4 billion to ¥30.4 billion, ADI's net income fell ¥32.6 billion.
  - Overseas subsidiaries' net income declined by ¥12.7 billion, mainly due to deterioration in underwriting profit/loss in Europe.
  - Consolidation adjustment etc. include a ¥13.5 billion gain on negative goodwill and a negative ¥19.9 billion purchase-method adjustment related to accounting treatment of the business integration.

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

MS&AD INSURANCE GROUP

Expect second straight increase in net premiums written. Net income at ¥67.0 bn；above pre-earthquake FY2009 level

Key financial data

(¥ bn)

	FY2010	FY2010 (forecast)		
			Change	Growth
Net premiums written	2,541.4	**2,590.0**	**48.6**	**1.9%**
Ordinary profit	21.0	**116.0**	**94.9**	**452.2%**
Net income	5.4	**67.0**	**61.5**	**1,136.1%**

Breakdown of net premiums written

(¥ bn)

	FY2010	FY2011 (forecast)		
			Change	Growth
MSI (non-consolidated)	1,230.5	**1,255.0**	**24.4**	**2.0%**
ADI (non-consolidated)	1,097.3	**1,100.0**	**2.7**	**0.2%**
Mitsui Direct General	33.1	**33.8**	**0.7**	**2.0%**
Overseas subsidiaries	180.6	**200.6**	**19.9**	**11.0%**
Other	-	**0.6**	**0.6**	**-**

* Before consolidation adjustment
* FY2010 figures for ADI include by simple aggregation the (non-consolidated) H1 results for NDI; same hereafter.

Breakdown of net income

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
MSI (non-consolidated)	22.8	**40.0**	**17.1**
ADI (non-consolidated)	-11.4	**20.0**	**31.4**
Mitsui Direct General	0.2	**0.1**	**-0.1**
MSI Aioi Life	-7.1	**-5.7**	**1.5**
MSI Primary Life	9.3	**9.1**	**-0.3**
Overseas subsidiaries	4.5	**16.4**	**11.8**
Other	-0.0	**0.1**	**0.2**
Consolidation adjustment, etc.	-12.9	**-13.0**	**-0.0**

* Net income of subsidiaries is on an equity-stake basis
* The FY2010 figure for Mitsui Sumitomo Aioi is the simple aggregate of those for MSI Kirameki Life and Aioi Life, which are slated to merge in October 2011.

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< Net premiums written >

- We forecast the Group's consolidated net premiums written at ¥2,590.0 billion, a year-on-year increase of ¥48.6 billion or 1.9%
- Breakdown of net premiums written forecast (consolidated)
  - MSI: ¥1,255.0 billion, up ¥24.4 billion
  - ADI: ¥1,100.0 billion, up ¥2.7 billion
  - Mitsui Direct General: ¥33.8 billion, up ¥700 million
  - Overseas subsidiaries: ¥200.6 billion, up ¥19.9 billion or 11.0%

< Net income >

- We forecast net income of ¥67.0 billion, a year-on-year increase of ¥61.5 billion, reflecting factors such as non-recurrence of FY2010's losses related to the Great East Japan Earthquake and a decrease in integration-related expenses.
- Breakdown of net income forecast
  - We expect MSI's net income to increase ¥17.1 billion to ¥40.0 billion, reflecting an improvement in underwriting profit and despite a decline in net investment income.
  - We expect ADI's net income to increase ¥31.4 billion to ¥20.0 billion, reflecting an improvement in underwriting profit and decrease in integration-related expenses.
  - We expect positive net income of ¥100 million at Mitsui Direct General.
  - We expect MSI Aioi Life's net loss to narrow by ¥1.5 billion to ¥5.7 billion, reflecting an anticipated increase in business-integration-related expenses and despite a decrease in lump-sum provisioning for standard underwriting reserves.
  - We expect MSI Primary Life's net income to decline year on year due to an increase in fees paid owing to an increase in premium income. On an equity-stake basis, we expect its net income to decline by ¥300 million due to the increase in our equity stake to make it a wholly owned subsidiary.
  - For overseas subsidiaries, we expect net income to increase by ¥11.8 billion to ¥16.4 billion.
  - We expect consolidation adjustment, etc. to be largely the same as in FY2010 at negative ¥13.0 billion. This includes a purchase-method adjustment of negative ¥4.4 billion.

Impact of the Great East Japan Earthquake

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Estimated net insurance claims payable

■Residential earthquake insurance* (*Risks assumed under joint government-private earthquake insurance program.)

MS&AD's share of liability, assuming total residential earthquake insurance claims of ¥1trillion: **approx. ¥130.0 billion**

→ Zero impact on earnings because losses will be offset by the reversal of earthquake underwriting reserves.

■Other than residential earthquake insurance (non-life + life): **¥64.7 billion**

Breakdown Non-life insurance (FY2010 amounts net of reinsurance recoverables, etc.) (¥ bn)

	MSI			ADI			Total (MSI + ADI)
	Claims incurred	Claims paid	Outstanding claims	Claims incurred	Claims paid	Outstanding claims	Claims incurred
Non-marine	39.1	0.0	39.0	19.0	0.0	19.0	58.1
Fire	28.7	0.0	28.7	16.5	0.0	16.5	45.3
Non-fire	10.3	0.0	10.2	2.4	0.0	2.4	12.7
Marine	4.1	0.0	4.0	0.4	0.0	0.4	4.5
Total	43.2	0.0	43.1	19.4	0.0	19.4	62.7

*No nuclear power insurance claims are payable as a result of the recent earthquake.
*Mitsui Direct General Insurance's estimated claims payable are zero.

Life insurance (FY2010) (¥ bn)

	MSI Kirameki Life	Aioi Life	MSI MetLife*	Life insurance total
Projected claim payments	1.5	0.5	0.0	2.0

*MSI MetLife was renamed Mitsui Sumitomo Primary Life Insurance effective April 2011.

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▶Residential earthquake insurance

■ MS&AD Insurance Group's estimated share of insurance claims payable is approximately ¥130 billion, assuming total residential earthquake insurance claims of ¥1 trillion.

(approx. ¥1 trillion*1 - ¥115 billion*2) × 50% × approx. 29%*3 = approx. ¥130 billion

*1 The Japanese government estimated total residential earthquake insurance claims payable at approximately ¥970 billion in formulating its first FY2011 supplemental budget.
*2 Japan Earthquake Reinsurance Co.'s share of liability under the residential earthquake insurance reinsurance scheme.
*3 MS&AD Insurance Group's share of liability pursuant to residential earthquake insurance retrocession agreement (Rider B) (MSI and ADI's aggregate liability)

■ However, the above liability will be offset by reversal of underwriting reserve for earthquake insurance. Earthquake insurance claims will consequently have no impact on reported earnings.

Residential earthquake insurance accounting treatment:

Residential earthquake insurance premiums net of expenses are fully reserved as underwriting reserves. Consequently, no profit is recognized at the time of underwriting. When policyholders suffer losses due to an earthquake, these reserves are drawn down in an amount equivalent to claims payable. Consequently, no loss is incurred.

(So-called "no loss, no profit")

■ In response to a large anticipated reversal non-life insurers' underwriting reserves as a result of the recent earthquake, the government revised its earthquake insurance reinsurance scheme by increasing its share of liability.

For more information on the residential earthquake insurance program and the revised reinsurance scheme, see Appendix 1.

▶Other than residential earthquake insurance

■ Estimated net insurance claims payable are limited to ¥64.7 billion as a result of following:

1. Prudent underwriting based on management of aggregate earthquake exposure across all lines of business.
2. Adequate management of reinsurance scheme.

■ Estimated impact from the reversal of catastrophe reserves due to the Great East Japan Earthquake in FY 2011

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Total of all lines	approx. ¥10.0 billion	approx. ¥12.0 billion
Of which: Fire group	¥ 7.0 billion	¥11.0 billion

Impact of Great East Japan Earthquake: Summary

- The MS&AD Insurance Group continues to have adequate capital after taking the impact of the earthquake into account. There is no need to raise additional capital at this time.

- Pre-existing capital and shareholder returns policies remain unchanged.

Note: For more information on capital policy, see page 19.

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Medium-Term Management Plan: Roadmap to Achieving Profit Targets

MS&AD INSURANCE GROUP

Although impacted by the earthquake, 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			FY2011 forecast	FY2012 projection	FY2013 target
	Forecast*4	Actual	vs. forecast			
Consolidated net premiums written (non-life)	2,578.8	2,541.4	–37.4	2,590.0	2,680.0	2,700.0
Annualized premium in force (life) *1	274.4	279.0	4.6	294.0	310.0	330.0

	FY2010			FY2011 forecast	FY2012 projection	FY2013 target
	Forecast*4	Actual	vs. forecast			
Group Core Profit *2	50.7	14.5	–36.2	73.0	100.0	150.0
Domestic non-life insurance business	40.7	6.5	–34.2	45.0	60.0	100.0
Domestic life insurance business	2.4	4.1	1.7	9.0	12.0	15.0
Overseas business	6.4	1.8	–4.7	17.0	25.0	30.0
Financial services business / Risk related services business	1.2	1.9	0.7	2.0	3.0	5.0
ROE based on Group Core Profit *3	2.9%	0.8%	–2.1pt	4.4%	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 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
*3 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)
*4 Revised forecasts announced at previous Information Meeting (December 2010)

▶FY2010 review

- Group core profit fell temporarily in FY2010 in the wake of the Great East Japan Earthquake.
- However, we made definite progress on initiatives to achieve our profit targets, including the merger of Aioi and NDI, the acquisition of a 100% stake in MSI Primary Life, investment in the life insurance businesses in China and Malaysia, and commencement of the new integrated system's development.

▶In pursuit of targets

The business environment remains adverse, but we will work toward achieving our FY2013 profit targets by steadily undertaking the initiatives laid out for each of our businesses.

- Domestic non-life insurance business
  - Further improve underwriting results by stepping up measures mainly in the voluntary auto insurance business.
  - Harnessing integration synergies to reduce expenses and realizing interactive effects
  - Various initiatives to boost revenues, including life insurance alliances

- Domestic life insurance business
  - Increased contribution to earnings driven by early realization of synergistic effects (MSI Aioi Life)
  - Sustain growth by offering products that accurately address pension needs (MSI Primary Life)

- Overseas business
  - Organic profit growth utilizing our operating foundation in the lucrative Asian insurance market
  - Additionally, we aim to raise earnings through business investment (e.g., M&A), primarily in Asia and Europe

Integration Costs and Synergies: FY2010 Results and Forecast

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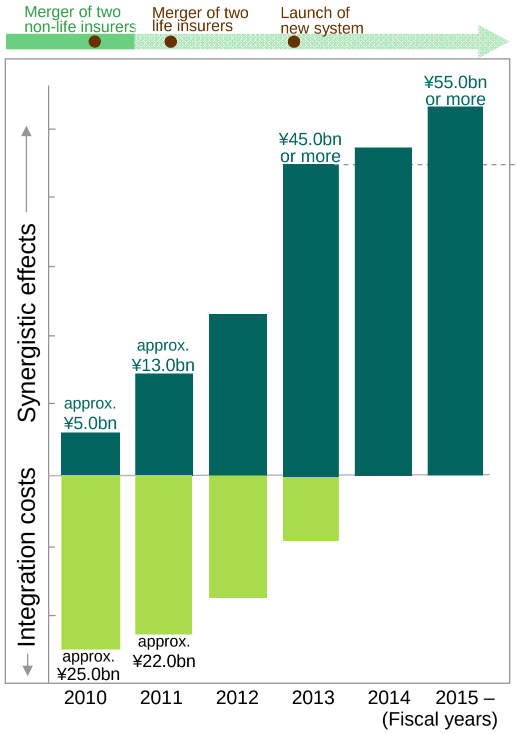
No change in initial forecast of cumulative synergies in excess of cumulative integration costs by FY2013

Integration costs and synergies (including life insurance domain)



Synergistic effects: (annual, vs. FY2008)

FY2013 (single-year basis, life + non-life) — **¥45.0bn or more per year**

FY2015 onward — **¥55.0bn or more per year**

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

Integration costs

Projected one-time costs (cumulative total) for IT system integration, etc.:
Non-Life insurance domain: ¥70 billion
Life insurance domain: ¥15 billion

▶Integration costs and synergies: FY2010 results

Integration costs: (one-time costs from system and office integrations)

- Integration costs incurred in both the non-life and life domains are as follows.
  - Total of expenses related to the merger of Aioi and NDI (October 2010) and development costs for the new system: around ¥20.0 billion
  - Costs (including system development costs) related to the merger of MSI Kirameki Life and Aioi Life (slated for October 2011): around ¥5.0 billion

Synergistic effects (cost reduction effects and synergies derived from integration, versus FY2008)

- Generated around ¥5.0 billion in synergistic effects, mainly in the non-life domain

▶Outlook for FY2011 and beyond

Integration costs

- Integration costs stemming from the merger of Aioi and NDI ended in FY2010
- We expect integration costs of around ¥22.0 billion in FY2011, including development costs for the new 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 synergistic effects of around ¥13.0 billion in FY2011, including effects of the two non-life insurers' merger realized over the full year and efficiency gains achieved through joint efforts including MSI
- We expect system development costs and operating costs to decline even further from FY2013 after the new system goes live

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

Domestic Non-Life Insurance Business: FY2010 Results and FY2011 Forecasts

MS&AD INSURANCE GROUP

In addition to a strong top line in FY2011, efforts to improve underwriting results should begin to yield real benefits.

MSI, non-consolidated*1

(¥ bn)

	FY2010			FY2011	
	Forecast*2	Actual	vs. forecast	Forecast	YoY change
Net premiums written	1,231.0	1,230.5	-0.5	1,255.0	(3) 24.4
Net premiums, growth rate	2.3%	(1) 2.2%	-0.1pt	2.0%	-0.2pt
Net loss ratio	69.0%	68.4%	-0.6pt	76.5%	8.1pt
Net expense ratio	34.3%	33.9%	-0.4pt	33.8%	-0.1pt
Combined ratio	103.3%	102.3%	-1.0pt	110.3%	8.0pt
Incurred losses*3	747.4	(2) 751.0	3.6	737.5	(4) -13.6
Underwriting profit/loss	-12.0	-50.3	-38.3	5.0	(5) 55.4
Net investment income/loss	63.0	83.9	20.9	59.1	-24.8
Ordinary profit	49.0	31.7	-17.3	61.0	29.2
Extraordinary income/loss	-6.0	-5.5	0.5	-5.8	-0.3
Net income	33.0	22.8	-10.2	40.0	17.1
Excluding CALI					
Net premiums, growth rate	2.5%	2.4%	-0.1pt	1.9%	-0.5pt
Net loss ratio	64.2%	63.5%	-0.7pt	73.1%	9.6pt
Net expense ratio	35.6%	35.2%	-0.4pt	35.1%	-0.1pt
Combined ratio	99.8%	98.7%	-1.1pt	108.2%	9.5pt

*1 Non-consolidated MSI figures include overseas branches.
*2 Forecasts from the revised FY2010 consolidated earnings forecast released on November 19, 2010.
*3 Incurred losses = Net claims paid + provision for outstanding claims including IBNR. Figures exclude those arising from (domestic) natural disasters and the Great East Japan Earthquake.

▶Review of FY2010 results

(1) Net premiums written were largely on par with our revised forecast, up 2.2% or ¥26.8 billion, with increased premium revenue in all product lines.

(2) Total incurred losses across all product lines (excluding from natural disasters and the Great East Japan Earthquake*) overshot our revised forecast by ¥3.6 billion.

■In voluntary automobile insurance, the rise in accident numbers came to an end. Accident numbers showed some improvement toward the end of the fiscal year, so comparing incurred losses for the first and second fiscal halves also reveals reduction. First-half incurred losses were ¥16.5 billion versus the second-half figure of ¥7.0 billion.

▶FY2011 results forecast

(3) We forecast a ¥24.4 billion increase in net premiums written, reflecting factors such as the full effect of the October 2010 premium rate revision (voluntary auto, personal accident), the April 2011 CALI premium rate revision, partial contribution from the October 2011 voluntary auto premium rate revision, and various ongoing initiatives.

(4) We expect incurred losses (excluding from natural disasters*) to decline by ¥13.6 billion year on year (we assume that automobile accident frequency will remain flat year on year), mainly reflecting non-recurrence of losses at overseas branches in FY2010 (around ¥6.5 billion from flooding and earthquakes in Australia and New Zealand, etc.) and a decline in IBNR reserves for voluntary automobile insurance.

(5) We expect the impact (upward effect on underwriting profit) of catastrophe loss provision reversals related to the Great East Japan Earthquake to be around ¥10.0 billion (around ¥7.0billion for the fire group).

*Excluding natural disasters: figures do not include the effect of natural disasters in Japan.

Domestic Non-Life Insurance Business: FY2010 Results and FY2011 Forecasts

MS&AD INSURANCE GROUP

To improve the bottom line in FY2011, ADI will intensify its focus on profitable business operations

ADI, non-consolidated*1

(¥ bn)

	FY2010			FY2011 (forecast)	
	Forecast*2	Actual	vs. forecast	Forecast	YoY change
Net premiums written	1,131.0	(1) 1,097.3	-338.0	(3) 1,100.0	2.7
Net premiums, growth rate	2.2%	-0.8%	-3.0pt	0.2%	1.0pt
Net loss ratio	66.9%	68.2%	1.3pt	75.8%	7.6pt
Net expense ratio	35.4%	35.6%	0.2pt	35.5%	-0.1pt
Combined ratio	102.3%	103.8%	(2) 1.5pt	111.3%	7.5pt
Incurred losses*3	690.7	706.8	16.1	678.1	(4) -28.7
Underwriting profit/loss	-10.0	-33.3	-23.2	-8.0	(5) -25.3
Net investment income/loss	42.5	51.4	8.9	35.9	-15.5
Ordinary profit	31.0	16.0	-15.0	30.0	13.9
Extraordinary income/loss	-30.2	-35.0	-4.8	-0.6	34.4
Net income	2.0	-11.4	-13.4	20.0	(6) 31.4
Excluding CALI					
Net premiums, growth rate	2.4%	-1.0%	-3.4pt	-0.5%	0.5pt
Net loss ratio	62.3%	63.8%	1.5pt	72.8%	9.0pt
Net expense ratio	36.5%	36.5%	0.0pt	37.1%	0.6pt
Combined ratio	98.8%	100.3%	1.5pt	109.9%	9.6pt

*1. Non-consolidated ADI figures include overseas branches.
*2. Revised forecasts from the revised FY2010 consolidated earnings forecast released on November 19, 2010.
*3. Incurred losses = Net claims paid + provision for outstanding claims including IBNR. Figures exclude those arising from (domestic) natural disasters and the Great East Japan Earthquake.

MS&AD Insurance Group Holdings, Inc.

▶Review of FY2010 results

(1) Net premiums written totaled ¥1,097.3 billion, down 0.8% year on year due to a decline in fire insurance revenue and despite an increase in revenue from mainstay voluntary automobile insurance.

(2) Incurred losses (excluding from natural disasters and the Great East Japan Earthquake) were up over the full year, mainly due to increased the number of accidents covered by voluntary automobile insurance (voluntary auto incurred losses were up ¥30.5 billion year on year; 1H: up ¥20.9 billion, 2H: up ¥9.6 billion)

▶FY2011 results forecast

(3) We forecast a 0.2% increase in net premiums written to ¥1,100.0 billion, reflecting increased revenue owing to factors such as the voluntary auto premium rate revision (slated for October) and the CALI premium rate revision (April).

(4) We expect incurred losses (excluding from natural disasters*) to decline by ¥28.7 billion year on year mainly owing to measures to improve underwriting results in the voluntary auto insurance business.

(5) We expect the impact (upward effect on underwriting profit) of catastrophe loss provision reversals related to the Great East Japan Earthquake to be around ¥12.0 billion (around ¥11.0 billion for the fire group).

(6) We forecast net income of ¥31.4 billion year on year, reflecting non-recurrence of integration related expenses (¥30.4 billion in FY2010) in addition to the above factors, and despite the detracting effect of a net investment loss.

*Excluding from natural disasters: Figures do not include the effect of natural disasters in Japan.

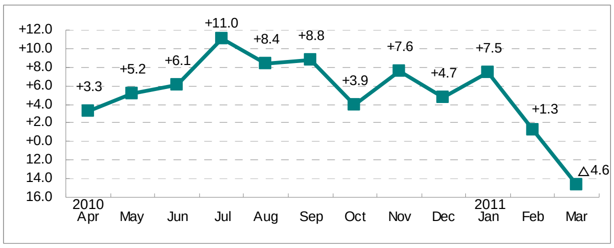
Domestic Non-Life Insurance Business: In Pursuit of Earnings Growth
(1) Voluntary Auto Insurance

MS&AD INSURANCE GROUP

With the increase in accidents easing off, we project an improvement in loss ratios reflecting the full impact of increased premium rate.

*Figures are for MSI

YoY change in daily accident numbers (%)



YoY change in average payout per claim

	FY2009	FY2010
Bodily injury liab.	-8.0%	-1.5%
Property damage liab.	+1.1%	+1.1%
Insured's' veicle(excl. natural disaster	+0.8%	+0.4%

YoY changes in no. vehicles insured and average premium (sales-data basis)

(excluding Sumi-Sei General Insurance)

FY2010 H1	No. of vehicles insured	Avg. premium	Premiums
Nonfleet	+1.0%	-0.2%	+0.8%
Fleet	+1.9%	-1.1%	+0.8%
Total	+1.2%	-0.2%	+1.0%

FY2010 H1	No. of vehicles insured	Avg. premium	Premiums
Nonfleet	+0.8%	+0.9%	+1.7%
Fleet	+1.4%	+0.4%	+1.9%
Total	+0.9%	*1 +0.9%	*2 +1.8%

*1 In the fiscal second half, average premium per insured vehicle increased 2.1% year on year, mainly due to a premium rate revision in October 2010.
*2 Including growth in premium revenues derived from the transfer of policies from Sumi-Sei General Insurance, the full-year premium revenue growth rate was +3.5%.

Determinants of underwriting results

$$\frac{\text{Number of Accidents} \times \text{Average Claim Amount}}{\text{Number of Vehicles Insured} \uparrow \times \text{Average Premium} \uparrow} = \frac{\text{Amount of Claims Incurred}}{\text{Earned Premiums}} = \text{Loss Ratio} \downarrow$$

▶Analysis of FY2010 underwriting results

- Accident claims remained high through 3Q but decreased slightly in 4Q, partly due to the earthquake's impact.
- Average payout per claim continued to increase slightly, up 1.1% for property damage liability claims and 0.4% for insured's vehicle damage claims.
- Average premium per insured vehicle turned upward in response to the October 2010 premium rate revision, rising 0.9% (in the fiscal second half, it increased 2.1% year on year on a cumulative basis).

Figures are for MSI. See Appendix 2 for analysis of ADI's underwriting figures.

▶Approach to improving underwriting results

(1) Average premium per insured vehicle

- October 2010 premium rate revision will contribute fully to growth on a net premium basis
- Planned premium rate revision in October 2011 will contribute partially to FY2011 net premium growth.

(2) Number of accidents

- After increasing as a result of reduction of expressway tolls, accidents will possibly decrease due to the earthquake's impact and discontinuation of a ¥1,000 daily maximum on expressway tolls on weekends and holidays.

(3) Number of vehicles insured

- We project continued growth in insured vehicles, driven by various measures.

(4) Average claim amount

- We will ensure expeditious and fair payment of claims by continually updating our claims adjustment process.

Domestic Non-Life Insurance Business: In Pursuit of Earnings Growth
(2) Voluntary Auto Insurance and Other Insurance Lines

MS&AD INSURANCE GROUP

We project improvement in the voluntary auto insurance loss ratio by virtue of premium rate revisions' full-year contribution and easing off of the accident increase.

Voluntary Auto Insurance: improvement in underwriting loss from premium rate revision and measures to improve underwriting results

	FY2011	FY2012
MSI	approx.12.0bn yen	approx.16.0bn yen
ADI	approx.12.0bn yen	approx.19.0bn yen
Total	approx.24.0bn yen	approx.35.0bn yen

＜MSI＞

- October 2010 premium rate revision: Renewal persistency-rate remained high even after the rate increase, enhancing the increase effect on revenues. Average premium per insured vehicle turned upward in the fiscal second half, rising 2.1% year on year (revenue basis).
- October 2011 premium rate revision: Introduction of premium rate classes based on the insured's age. Average premium increase of 1.9%.

＜ADI＞

- October 2010 premium rate revision: Maintains approximately 1% increase in nonfleet average premium when combined with the former Aioi's October 2009 rate revision and the former NDI's June 2009 rate revision.
- October 2011 premium rate revision: Maintain upward trend in average premium through increases (averaging around 1%) focused on groups with high loss ratios.

▶Initiatives targeting other insurance lines

- **Personal accident insurance**

  We expect the following net loss ratios in FY2011, as a result of the October 2010 premium rate revision (increase) and implementation of case-by-case underwriting measures (Figures below include loss adjustment expenses; excludes impact of natural disasters and the Great East Japan Earthquake).

  MSI : Down 1.9 points year on year (improvement)
  ADI : Down 2.4 points year on year (improvement)

- **CALI**

  Projected increase in net premiums written owing to April 2011 premium rate revision (versus FY2010)

  MSI : approx. ¥9.0bn in FY2011, ¥12.0bn in FY2012
  ADI : approx. ¥12.0bn in FY2011, ¥16.0bn in FY2012

Domestic Life Insurance Business: FY2010 Results and FY2011 Forecasts

Laying the groundwork for attaining medium-term targets by pursuing merger synergies and expanding new business

MSI Kirameki Life + Aioi Life

(¥ bn)

	FY2010			FY2011	
	Forecast*1	Actual	vs. forecast	Forecast*2	YoY change
New business*3	2,882.0	**2,843.1**	**-38.9**	**3,560.0**	**25.2%**
Policies in-force*3	16,470.0	**16,432.9**	**-37.1**	**17,980.0**	**9.4%**
Annualized premiums in-force*3	274.4	**279.0**	**4.6**	**294.0**	**5.3%**
Net income	-6.1	**-7.1**	**-1.0**	**-5.7**	**1.4**

*1 FY2010 forecast: Forecasts from the revised FY2010 consolidated earnings forecast released on November 19, 2010.
*2 FY2011 forecast: MSI Kirameki Life 1H + Aioi Life 1H + MSI Aioi Life 2H
*3 Total of individual insurance and individual annuities.

MSI Primary Life*1

(¥ bn)

	FY2010			FY2011	
	Forecast*2	Actual	vs. forecast	Forecast	YoY change
New business	254.3	**253.7**	**-0.5**	**346.9**	**36.7%**
Policies in-force	3,035.0	**3,083.0**	**48.0**	**3,264.8**	**5.9%**
Premiums revenue	250.0	**243.7**	**-6.2**	**350.0**	**43.6%**
Net income*3	12.5	**18.7**	**6.2**	**9.1**	**-9.7**

*1 MSI MetLife was renamed Mitsui Sumitomo Primary Life Insurance effective from April 2011.
*2 FY2010 forecast: Forecasts from the revised FY2010 consolidated earnings forecast released on November 19, 2010.
*3 Net income is on a 100% basis. The impact on our consolidated FY2010 is commensurate with our equity stake (50%).

▶Review of FY2010 results

■ MSI Kirameki Life
New business increased 13.3% year on year to ¥1,798.6 billion.
Annualized premiums in-force increased 4.0% year on year (third-sector products up 17.3%) to ¥202.4 billion.
In addition to ¥1.5 billion in outstanding claims booked in conjunction with the Great East Japan Earthquake, MSI Kirameki Life booked advanced provisions of ¥11.1 billion to standard underwriting reserves and booked ¥2.4 billion in integration-related expenses. This resulted in a net loss of ¥5.3 billion (¥200 million wider than forecast).

■ Aioi Life
New business declined 1.4% year on year to ¥1,044.5 billion, reflecting a decrease in income-protection products.
In addition to ¥500 million in outstanding claims booked in conjunction with the Great East Japan Earthquake, death and other claims increased (up ¥1.9 billion year on year) and Aioi Life booked ¥2.3 billion in integration-related expenses. This resulted in a net loss of ¥1.8 billion (¥800 million wider than forecast).

■ MSI Primary
New business was limited to ¥253.7 billion, reflecting individual annuity market contraction due to adverse asset management conditions.
Owing to a decline in agent fees due to the drop in amount of new policies, net income came to ¥18.7 billion (¥9.3 billion on an equity-stake basis).

▶FY2011 results forecast

■ MSI Kirameki Life + Aioi Life
With the impact of efforts to strengthen sales operations and other factors, we expect ¥3,560.0 billion in new business (up 25.2% year on year).
However, we also anticipate ¥10.9 billion of one-time expenses relating to the merger (extraordinary loss), resulting in a net loss of ¥5.7 billion.

■ MSI Primary
Striking a good balance between sales of variable and fixed products, we forecast a 36.7% increase in new business. New business expenses will grow at the same time, however, so we forecast net income of ¥9.1 billion, down ¥9.7 billion year on year.

Domestic Life Insurance Business: MSI Kirameki Life and Aioi Life

Contributing to Group value by writing new third-sector and protection-type product

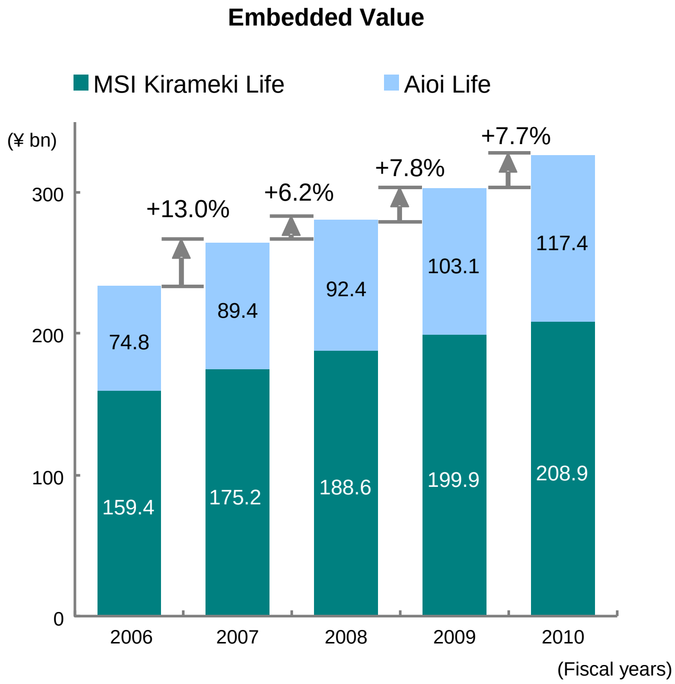
Increase in scale from merger

Ranking by new business (among 47 insurers; FY2010)
Amount of new business + net increase from conversions (individual insurance and individual annuities)

Rank	Name	New business (¥bn)	Share (%)
1	Nissay	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 Kirameki Life + Aioi Life**	**2,843.1**	**4.1%**
14	MSI Kirameki Life	1,798.6	2.6%
18	Aioi Life	1,044.5	1.5%

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

Steady growth in embedded value



▶Growth potential of the Group's domestic life insurance business

- MSI Aioi Life is to be formed through the planned merger of MSI Kirameki Life and Aioi Life in October 2011. MSI Aioi Life will have adequate scale as an independent life insurer and secure the foundation needed for efficient company operation.
- Both companies have demonstrated strong growth capacity since inception, and since FY2007 their EV have achieved annual growth in excess of 7% on a combined basis.
  - Since going into business in October 1996, MSI Kirameki Life has increased in value by an average of 12.4% per annum based on cumulative capital invested of ¥55.0 billion.
  - Similarly since going into business in October 1996, Aioi Life has increased in value by an average of 9.3% per annum based on cumulative capital invested of ¥42.5 billion.
- As of end-March 2011, the simple aggregate of both companies' EV had reached ¥326.3 billion. With this strong growth capacity, they will continue contributing greatly to increases in the Group's corporate value.

See Appendix 3-(1) for both companies' EV data

▶Pursuing merger synergies

- The increase in scale and strategic personnel allocations enabled by the merger will facilitate enhancements to the product lineup and expansion of education and training programs for employees and agents.
- While engaging primarily in cross-selling utilizing the Group's domestic non-life sales base, the company will also strengthen new growth channels, such as the financial institutions channel, walk-in stores, and the direct-sales channel, and step up efforts to enter new markets.
- The company will generate synergies by such means as streamlining back-office operations, such as head office functions, and reducing non-personnel expenses.

Domestic Life Insurance Business: Mitsui Sumitomo Primary Life

Strategic importance and contribution to earnings will rise further as the Group's individual annuities specialist after becoming a wholly owned subsidiary

Leader in the individual annuities sector

Rankings by individual annuity sales through the bank channel
(October 2002 – October 2010)

◆ Variable annuities

Rank	Name	Amount sold (¥bn)
1	Hartford Life	3,426.2
2	**MSI Primary Life**	**2,765.7**
3	Tokyo Marine Financial Life	2,661.1

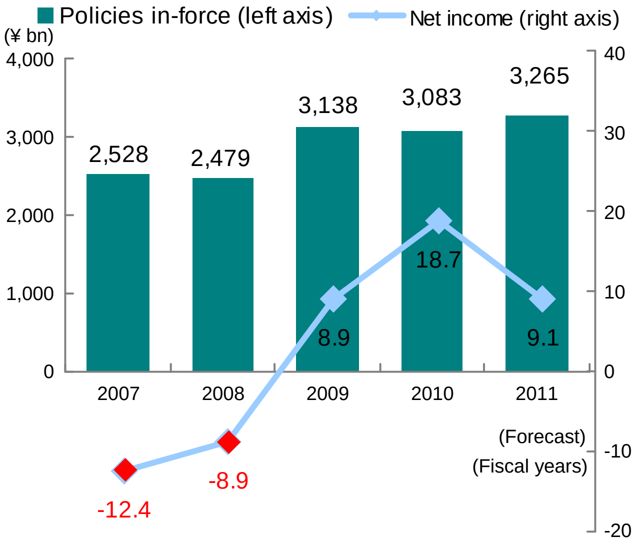
◆ Foreign currency-denominated fixed annuities

Rank	Name	Amount sold (¥bn)
1	Alico Japan	3,245.3
2	**MSI Primary Life**	**508.5**
3	AIG Edison Life	352.1

Source: Prepared by MS&AD Holdings based on data compiled by *Hoken Mainichi Shimbun*

Policies in-force firm, positive earnings continue

Policies In-force and Net Income



▶About MSI Primary Life

- As a leader in the individual annuities sector, MSI Primary Life specializes in individual annuities and provides products that meet post-retirement savings needs and wealth building needs, which are becoming increasingly prominent amid societal aging and a declining birthrate.
- The company sells primarily through financial institutions utilizing its strong sales support andpersonnel education capabilities.
- It has steadily grown policies in-force, which exceed ¥3 trillion as of end-March 2011.
- The company' s business model is to use reinsurance to control minimum guarantee risk while expanding its earnings base by growing policies in-force.
- Net income has remained positive since FY2009.

See Appendix 3-(2), For MSI Primary Life's EV data

▶MSI Primary Life's product strategy and sales strategy

- Strengthening sales capabilities through close ties with local communities and intra-Group collaboration
  - Established an office in Sendai, adding to offices in Osaka and Fukuoka, and bolstering fine-grained support capabilities for each region
  - Stepping up collaboration within the MS&AD Group to expand alliances with financial institutions
- Actively engaged with the Japan Post Group
  - Bolstering competitive position in the Japan Post Group on the back of solid sales support capabilities and stable product supply.
- Diversifying reinsurers
  - Maintaining a stable business model by using a diverse range of reinsurers for variable annuity.
- Stable inflow of new business
  - Focused on developing and selling products that are attractive to customers while maintaining profitability; for example, launched sales of a new variable annuity product (risk control-oriented) in April.

Overseas Business: FY2010 Results and FY2011 Forecasts

MS&AD INSURANCE GROUP

Underwriting results deteriorated in FY2010, but we anticipate a significant recovery in FY2011

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

Net premiums written

(¥ bn)

	FY2010			FY2011 (forecast)	
	Forecast*1	Actual	vs. forecast		YoY change
Overseas Business total*2	265.4	(1) 264.3	–1.1	290.2	(3) 25.9
Asia	137.6	139.2	1.6	156.7	17.5
Europe	68.4	65.2	–3.2	69.6	4.4
Americas	43.1	42.9	–0.2	47.4	4.5
Reinsurance	18.8	18.8	0.0	18.1	–0.7

Net income*3

(¥ bn)

	FY2010			FY2011 (forecast)	
	Forecast*1	Actual	vs. forecast		YoY change
Overseas Business total*2	6.4	(2) 1.8	–4.6	17.0	(4) 15.2
Asia	10.3	8.6	–1.7	15.0	6.4
Europe	–8.9	–12.5	–3.6	–1.1	11.4
Americas	2.9	2.1	–0.8	3.5	1.4
Reinsurance	6.2	6.5	0.3	5.1	–1.4

*1 Forecasts from the revised FY2010 consolidated earnings forecast released on November 19, 2010.
*2 Figures in the "total" rows include head office adjustments etc.
*3 Group Core Profit basis

Review of FY2010 results

< Net premiums written >

(1) Overseas businesses in aggregate wrote net premiums of ¥264.3 billion, a year-on-year increase of ¥17.9 billion or 7.3% (11.7% in local currency terms).

In Asia, net premiums written continued to grow briskly, up ¥26.6 billion year on year by virtue of double-digit growth in almost every country we operate.

In Europe, however, net premiums written fell ¥10.0 billion from FY2009, largely because we maintained stringent underwriting standards in a soft market.

< Net income >

(2) Overseas businesses in aggregate earned net income of ¥1.8 billion, an ¥11.4 billion decrease from FY2009. The large year-on-year decrease in net income was attributable to decline in premium revenue and to major casualty losses (¥6.8 billion) in Europe in the fiscal first half, the earthquake in New Zealand (¥4.7 billion in claims), and flooding in Australia (¥2.2 billion in claims).

FY2011 results forecast

< Net premiums written >

(3) We project that overseas businesses' aggregate net premiums written will grow 9.8% (¥25.9 billion) from FY2010, led by growth in Asia.
In Asia, we project an increase in net premiums written of ¥17.5 billion driven largely by major growth in China and India in addition to integration of Hong Leong non-life insurance operations in Malaysia.

In Europe, we project an increase in net premiums written of ¥4.4 billion driven by expansion of non-Japanese commercial business.

In the Americas, we project an increase of ¥4.5 billion derived from premium revenue growth in Brazil.

< Net income >

(4) We project that overseas businesses' aggregate net income will increase a hefty ¥15.2 billion from FY2010.

In Europe, we project an ¥11.4 billion year-on-year improvement in net income, largely as a result of non-recurrence of FY2010's large casualty losses.

In Asia, we project net income growth of ¥6.4 billion stemming from major growth in premium revenues.
In the Americas, we project a ¥1.4 billion increase in net income from FY2010.

See Appendix 4-(1) for net premiums written and net income on an overseas business basis

Overseas Businesses: Organic Growth in Asia

MS&AD

Overseas business driven by strong growth coupled with strong profitability in Asia, where we have a solid foundation

Increase in premiums and good underwriting results

(MSI's operations in Asia)

Based on MSI's "overseas operations"*
(*consolidated subsidiaries + overseas branches + non-consolidated affiliates)

	FY2008	FY2009	FY2010	FY2011 (Forecast)
Growth in net premiums written (local currency basis)	14.6%	6.7%	20.9%	15.2%
Combined ratio	93.1%	90.0%	97.0%	89.5%

FY2010 net premiums written in Asia (MS&AD total) **¥139.2 billion**

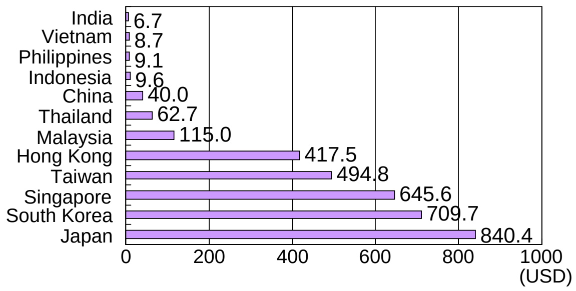
Major Asian business units' ROE

(MSI's major Asian units, %)

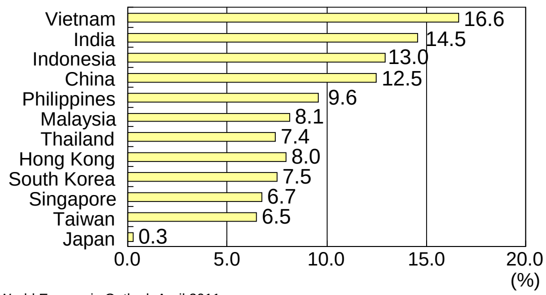
Country/region	FY2008	FY2009	FY2010
Indonesia	28.0	17.4	25.1
Malaysia	19.0	25.4	19.4
Philippines	14.2	14.8	17.7
Thailand	16.3	22.7	15.7
Singapore	4.6	13.7	15.1
Hong Kong	6.1	13.1	12.9
Taiwan	-0.7	4.7	4.2
China	4.0	5.6	2.3
Indonesia	4.8	1.1	-8.6

Asian insurance market has favorable prospects for further growth

Non-life insurance premiums per capita (2009)



Nominal GDP growth forecasts (2011–13, annualized)



Source: Prepared by MS&AD Holdings based on Swiss Re Sigma, IMF World Economic Outlook April 2011

▶Solid foundation in Asia

- Strong presence in major Asian countries and regions based on total premiums (Ranked 2nd in Malaysia, 2nd in Singapore, 3rd in the Philippines, 4th in Taiwan, 5th in Thailand, 6th in Indonesia) (*MSI's rank, based on MS&AD's research)
- With ¥139.2 billion in net premiums written within Asia in FY2010, the MS&AD Group is one of the top foreign non-life insurance groups in the region, particularly in the ASEAN bloc (MS&AD Group in aggregate)
- In China, the group now has eight business units, giving it the largest non-life insurance sales network of any Japanese insurance group (MS&AD Group in aggregate).
(January 2011: MSI Jiangsu Branch opened, MSI Guangdong Branch obtained a license to open a Shenzhen Sales and Service Office, and ADI Zhejiang Branch obtained a license to operate)

▶Non-life insurance business's growth potential

- Maintained growth in net premiums written of 10–20% even over the most recent three years excluding 2009, when impacted by the financial crisis.
- Asia has strong medium- to long-term economic growth prospects.
- Non-life insurance premiums per capita are still low compared with Japan. As non-life insurance's penetration rate increases, market expansion may outpace economic growth.

▶High profitability

- MSI maintained good underwriting results, with a combined ratio of around 90%, over the past three years.
(In FY2010, profitability was affected by New Zealand earthquake and Australian floods.)
- ROE* of 10–30% in major ASEAN countries. (*Based on internal management figures)
(In India, all insurers' incurred losses in FY2010 increased due to a revision of claims reserves for the Motor Pool, an Indian commercial auto insurance pool.)

MS&AD Insurance Group will dramatically increase its earnings through organic growth in Asia, where we have already built a solid operational foundation.

See Appendix 4-(2) for individual Asian business units' revenue growth rates, combined ratios, and ROE

Overseas Business: Strategic Capital Alliances

- Since 2010, we have formed a series of capital alliances with local companies in Asian markets with promising growth prospects. We have also branched into the life insurance business overseas to gain a new earnings base.
- We aim to further expand our earnings base by realizing synergies through reciprocal leveraging of strengths and know-how.

Strategic capital alliance 1

China April 2010

- MSI acquired an equity stake in Sinatay Life Insurance Co., Ltd.

Strategic capital alliance 2

Malaysia October 2010

- MSI acquired a 30% equity stake in a life insurer in the Hong Leong Group.
- The Hong Leong Group became a 30% shareholder in MSIG Malaysia.

◇ Also invested in a Takaful (Islamic insurance) company within the Hong Leong Group (April 2011)

Strategic capital alliance 3

Indonesia Announced May 2011

- Capital alliance with the Sinar Mas Group, a major conglomerate

◇ MSI will acquire an equity interest in PT Asuransi Jiwa Sinarmas (Sinarmas Life), the Sinar Mas Group's life insurance subsidiary.
(MSI is scheduled to acquire the interest in July through a third-party allotment of newly issued shares.)
◇ Acquisition price of 50% interest: equivalent of approx. ¥67.2 billion
◇ After MSI acquires its stake, Sinarmas Life is slated to be renamed PT Asuransi Jiwa Sinarmas MSIG.

▶We will continue to geographically diversify our growth model.
▶Priority regions: Asia and Europe

▶Strategic capital alliance with Sinar Mas Group

Overview of Sinarmas Life

- Sinarmas Life is a life insurer owned by the Sinar Mas Group, a conglomerate that operates a diverse range of businesses in Indonesia, including in the paper and pulp, agriculture, food, and financial services industries.

- Ranked 3rd in the Indonesian life insurance market by premium revenues (FY2009)
- Sells insurance products mainly to high-net-worth customers through multiple channels, including banks and agencies.
- Plans to expand its customer base into the rapidly growing middle-class in addition to increasing sales of protection-type products to existing customers.

Key management metrics

(¥ bn)

	FY2009	FY2010
Income statement		
Life insurance premiums	68.3	89.1
Growth		30.6%
Net income	2.2	5.2
Balance sheet		
Shareholders' equity	8.8	14.4
Total assets	75.3	109.9
Key ratio		
ROE	25.4%	36.1%

*Converted to yen at an exchange rate of ¥0.0096 per Indonesian rupiah

Indonesia's life insurance market has favorable prospects for rapid growth

- World's fourth-largest population (230 million)
- Ratio of life insurance premiums to GDP is less than 2% (vs. 7.2% Japan)
- High GDP growth rate
- Middle-class accounts for some 40% of population

Pursuing synergies by combining strengths

- Co-management as equal partners
- Secondment of directors and key staff to Sinarmas Life
- Expertise in product development, cross-selling, sales force training, etc.
- MSIG brand's appeal in Asia

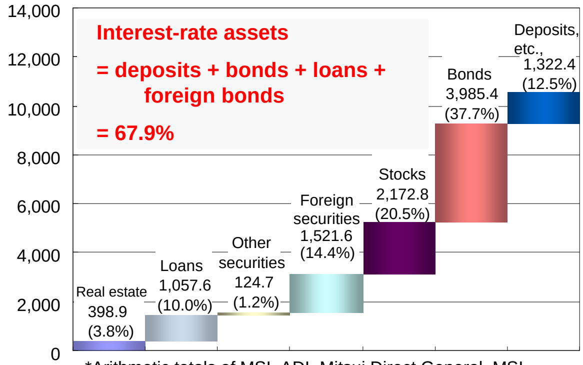
Pursuing further expansion of earnings base

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 and percentage allocations by asset class* (end-March 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

Bond holdings by rating* (¥ bn)

Rating	Domestic issuers		Overseas issuers	
	Balance	% of total	Balance	% of total
AAA	2,420.4	60.7%	501.5	61.4%
AA	1,146.7	28.8%	166.0	20.3%
A	369.9	9.3%	134.1	19.7%
BBB	44.7	1.1%	11.5	1.4%
BB & lower	3.4	0.1%	3.9	0.5%
Total	3,985.4	100.0%	817.2	100.0%

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

We manage interest-rate sensitivity through a surplus ALM approach

	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	+¥55.7bn	+¥47.1bn	+¥8.6bn

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 March 31, 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 ¥55.7 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 ¥373 billion of foreign securities holdings).

***Mitsui Sumitomo Primary Life Insurance's (general account) bond portfolio of approximately ¥625 billion is classified as deposits because it is held in the form of money trusts.

See Appendix 5 for more information on MSI and ADI's asset portfolios.

■ High-grade bond portfolio

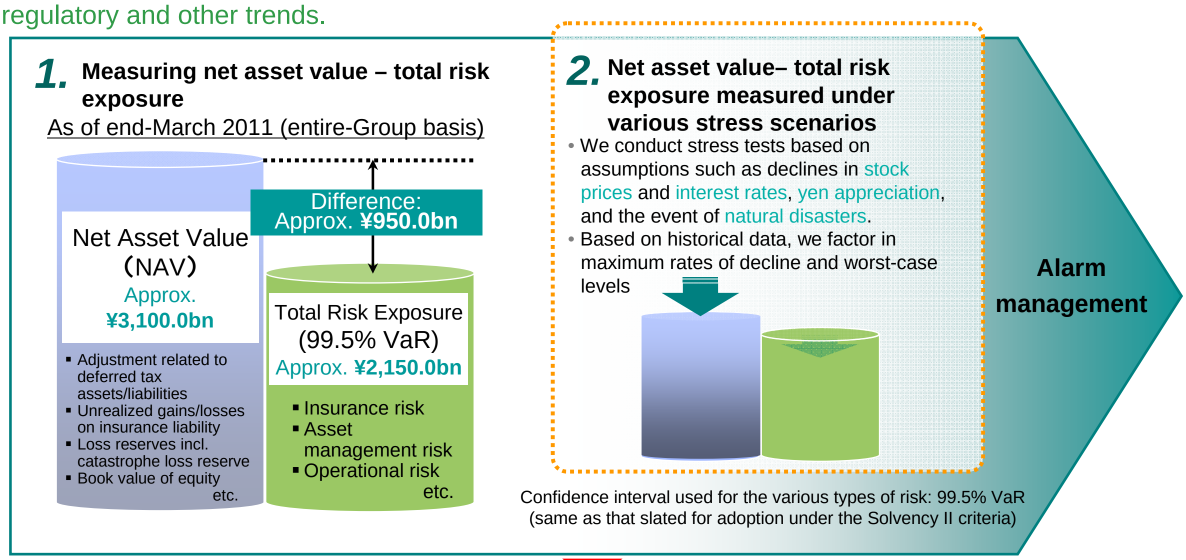
- Roughly 99% of our bond portfolio, which predominantly comprises fixed-income assets, is rated single-A or above.

Plans to Sell Strategic Equity Holdings

■ Over FY2011–13, we plan to sell ¥300.0 billion of the Group's strategic equity holdings.

Net Asset Value and Total Risk Exposure

- Using internal models, we regularly assess and monitor the Group's net asset value and total risk exposure.
- We will continue to refine and improve the effectiveness of our monitoring framework in light of regulatory and other trends.



Issues to be 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

. . . and so on

MS&AD Insurance Group Holdings, Inc. 18

Although the Great East Japan Earthquake did have an impact, our capital remains at a level that ensures continuity of sound business operations. Whenever a major loss event occurs, we reassess our risk management, including model back-testing. We will further upgrade our risk management by comprehensively assessing the earthquake's multifarious impact.

▶ Changes in NAV and total risk exposure before and after the Great East Japan Earthquake

- Our capital position before and after the earthquake was as follows.

	End-Sept. 2010	End-March 2011
NAV	approx. ¥3,200.0bn	approx. ¥3,100.0bn
Total risk exposure	approx. ¥2,200.0bn	approx. ¥2,150.0bn
Difference	approx. ¥1,000.0bn	approx. ¥950.0bn

▶ Risk management

- Whenever a major loss event occurs, we reassess our risk management, including model back-testing. We plan to conduct a comprehensive assessment of the recent earthquake while continuing to monitor its aftermath for a while.
- From the standpoint of operational risk and business continuity planning, the recent earthquake encompassed multiple factors in combination (e.g., earthquake and tsunami, wide-ranging supply chain disruptions, long-term reconstruction, rolling power outages). After assessing the Great East Japan Earthquake's various impacts, we will further upgrade our risk management.

Capital Management Policy and Shareholder Return Policy

MS&AD INSURANCE GROUP

*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 *4
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:
(this definition differs only slightly from that currently used by MS&AD Holdings.
For the current definition of Group Core Profit, please see Page 5.)
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.

*4 The FY2010 total dividend (annual) is the intended dividend.

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

▶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.

  *In June 2011, we plan to pay a fiscal-year-end dividend of ¥27 per share (bringing total FY2010 dividends to ¥54 per share).

- Share buybacks

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

【Appendices】

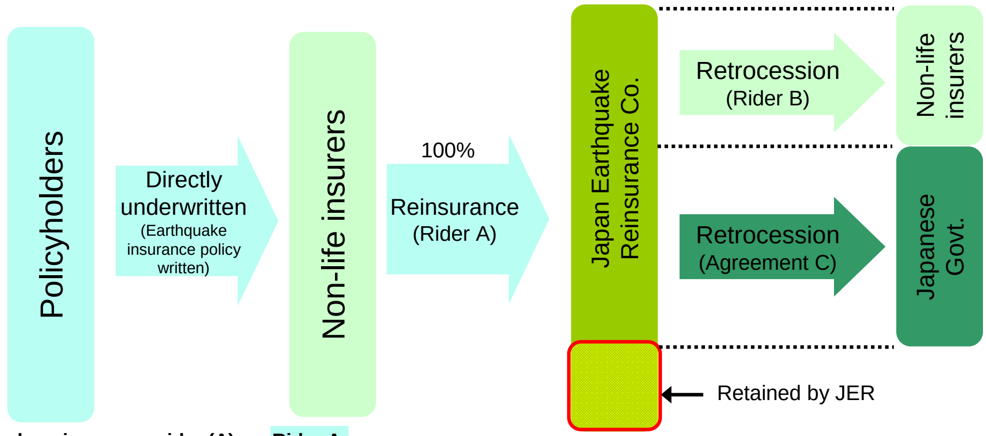
MS&AD Insurance Group Holdings, Inc.

【Appendices】Residential Earthquake Insurance in Japan

Residential earthquake insurance scheme

Operated as a public-private partnership

Japan established a residential earthquake insurance program pursuant to the Earthquake Insurance Act, which was enacted in May 1966



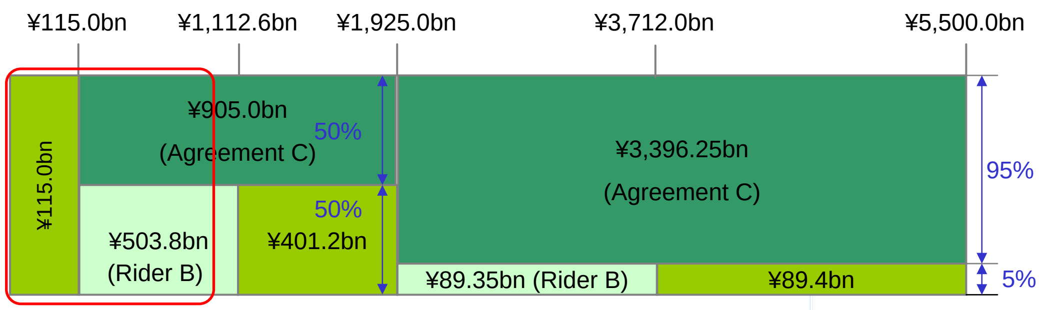
Earthquake reinsurance rider (A) . . . Rider A
Non-life insurers operating within Japan cede to Japan Earthquake Reinsurance Co. (JER) all of their insurance liabilities stemming from earthquake insurance policies underwritten pursuant to the Earthquake Insurance Act.

Earthquake reinsurance rider (B) . . . Rider B
JER enters into separate reinsurance rider agreements with non-life insurers and retrocedes to the non-life insurers a portion of the insurance liability reinsured pursuant to Rider A. The percentage of insurance liability retroceded to individual non-life insurers is determined based largely on the insurers' earthquake insurance contingency reserve balances.

Earthquake insurance excess loss reinsurance agreement . . . Agreement C
JER enters into an earthquake insurance excess loss reinsurance agreement with the government and retrocedes to the government a portion of the insurance liability reinsured pursuant to Rider A in an amount equivalent to the liability limit set by the National Diet.

Residential Earthquake Insurance: Government, JER and Private Non-life Insurers' Shares of Liability (1)

March 2011, when the Great East Japan Earthquake occurred



Maximum shares of liability

Non-life insurers (Rider B)	Japan Earthquake Reinsurance Co.	Japanese Government (Agreement C)
¥593.15bn	¥605.6bn	¥4,301.25bn

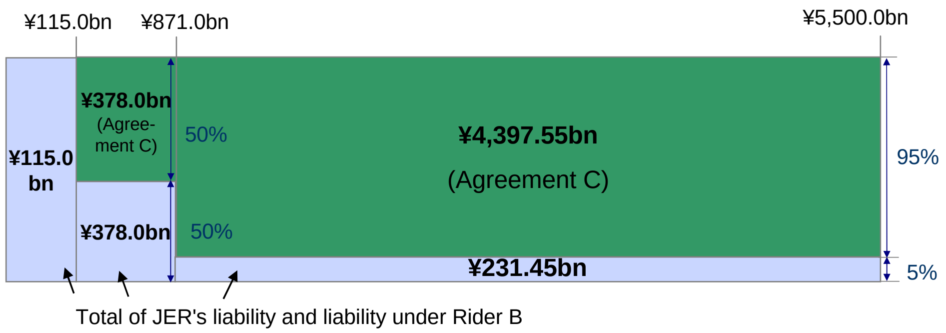
- The red box gives a rough idea of total insurance claims payable as a result of the Great East Japan Earthquake.
- Non-life insurers will draw down their earthquake contingency reserves in an amount equivalent to claims incurred, resulting in no impact on their reported earnings. ("No-loss, no-profit")

【Appendices】Japan's Residential Earthquake Insurance Scheme

MS&AD INSURANCE GROUP

Residential earthquake insurance: government, JER, and private non-life insurers' shares of liability (2)

May 2011 – end-March 2012



Maximum shares of liability

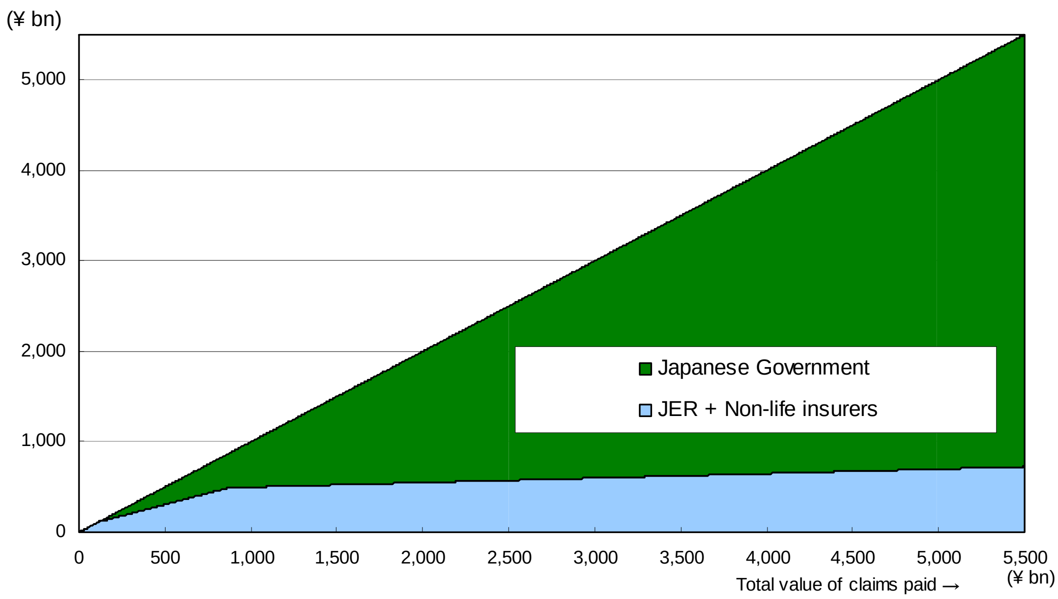
JER + Non-life insurers (Rider B)	Japanese Government (Agreement C)
¥724.45bn	¥4,775.55bn

- The first FY2011 supplemental budget increased the government's share of liability.
- Private non-life insurers will draw down their earthquake contingency reserves in an amount equivalent to their respective shares of liability, resulting in no impact on their reported earnings.

MS&AD INSURANCE GROUP

Total Insurance Claims Payable and Shares of Liability

May 2011 – end-March 2012

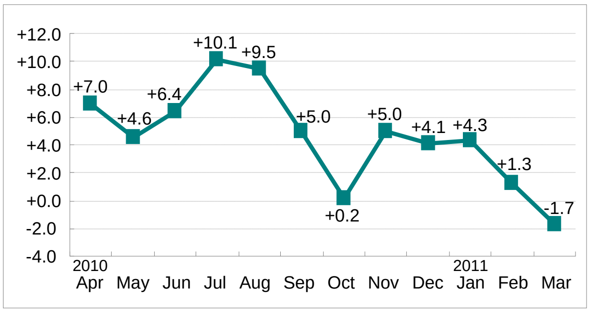


*Source: Prepared by MS&AD Holdings based on the Cabinet Order Amending the Order for Enforcement of the Act on Earthquake Insurance, May 2, 2011

【Appendices】Voluntary Auto Underwriting Results (ADI)

MS&AD INSURANCE GROUP

YoY change in daily accident numbers (%)



Determinants of underwriting results

$$\frac{\text{Number of Accidents} \times \text{Average Claim Amount}}{\text{Number of Vehicles Insured}\uparrow \times \text{Average Premium}\uparrow} = \frac{\text{Amount of Claims Incurred}}{\text{Earned Premiums}} = \text{Loss Ratio}\downarrow$$

YoY change in average payout per claim

	FY2009	FY2010
Personal	-8.3%	+4.6%
Property	-0.4%	+1.2%
Vehicle (excl. natural disasters)	-0.4%	-1.2%

YoY change in no. of vehicles insured and average premium (sales-data basis)

FY2010 1H	No. of vehicles insured	Avg. premium	Premiums
Nonfleet	+0.3%	+1.0%	+1.3%
Fleet	-1.4%	-1.9%	-3.2%
Total	+0.1%	+0.8%	+0.9%

FY2010 full year	No. of vehicles insured	Avg. premium	Premiums
Nonfleet	-0.7%	+0.9%	+0.3%
Fleet	-1.6%	-0.8%	-2.3%
Total	-0.8%	+0.8%	0.0%

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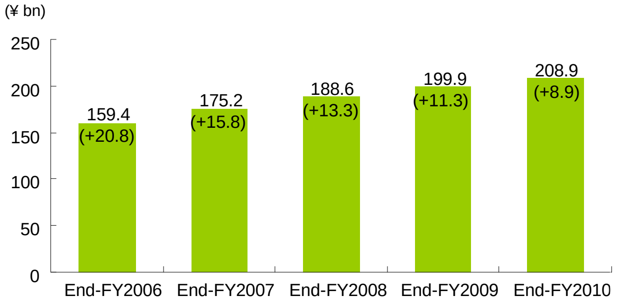
【Appendices】Embedded Value (End-FY2006 – End-FY2010)

MS&AD INSURANCE GROUP

MSI Kirameki Life



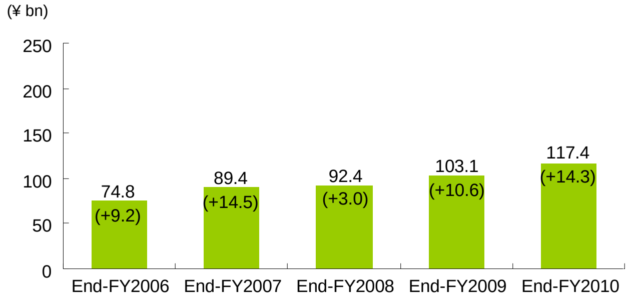
FY2010 breakdown of changes (¥ bn)

Factor	Change
Value of new business	+ 5.0
Expected earnings from EV as of end-FY2009	+ 10.4
Difference between assumptions and actual results for FY2010	- 3.0
Impact of changes in interest rates etc.	- 3.2
Impact of changes in other assumptions	- 0.2
Total	+ 8.9

EV sensitivity at end-FY2010 (¥ bn)

Change in assumptions		Change
New investment returns	down 0.25%	- 8.3
Insured event incidence rate	up 10%	- 10.8
Cancellation/ lapse rate	up 10%	- 2.3
Solvency margin ratio	800%→900%	- 0.0
Discount rate	7%→6%	+13.6
Discount rate	7%→8%	- 11.6

Aioi Life*



FY2010 breakdown of changes (¥ bn)

Factor	Change
Value of new business	+ 1.6
Expected earnings from EV as of end-FY2009	+ 6.0
Difference between assumptions and actual results for FY2010	- 1.7
Impact of changes in interest rates etc.	- 3.1
Impact of change in solvency margin ratio*	+ 3.3
Impact of change in discount rate*	+ 4.8
Impact of changes in other assumptions	+ 2.9
Impact of model changes	+ 0.4
Total	+ 14.3

EV sensitivity at end-FY2010 (¥ bn)

Change in assumptions		Change
New investment returns	down 0.25%	- 2.3
Insured event incidence rate	up 10%	- 3.9
Cancellation/ lapse rate	up 10%	- 0.4
Solvency margin ratio	800%→900%	- 1.4
Discount rate	7%→6%	+6.2
Discount rate	7%→8%	- 5.5

*Of assumptions underlying FY2010 embedded value, Aioi Life has changed its assumptions relating to solvency margin ratio and discount rate.

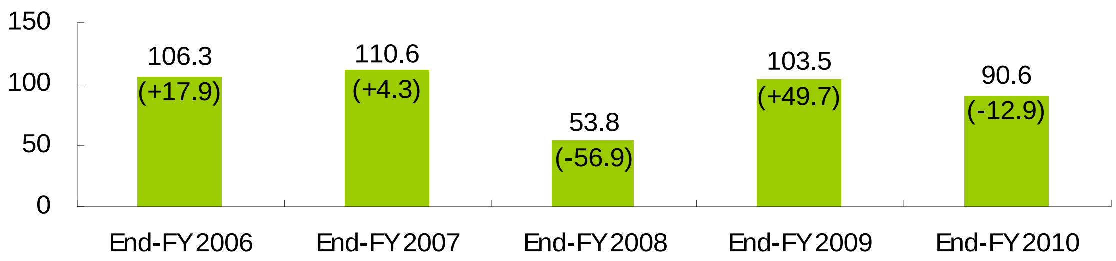
【Appendices】 Embedded Value (End-FY2006 – End-FY2010)

MS&AD INSURANCE GROUP

MSI Primary Life

At FY2010-end, embedded value was ¥90.6 billion, a ¥12.9 billion decrease from FY2009-end

The decrease was largely attributable to a projected decrease in future insurance-related revenues in proportion to a decrease in the special account balance in conjunction with deterioration in the investment environment.



FY2010 breakdown of changes (¥ bn)

Factor	Change
Value of new business	4.3
Expected earnings from EV as of end-FY2009	15.8
Difference between assumptions and actual results for FY2010	-31.3
Impact of changes in other assumptions	-1.7
Total	-12.9

EV sensitivity at End-FY2010 (¥ bn)

Changes in assumptions		Change
Return on assets in special account	down 0.5%	-4.4
Insured event incidence rate	up 10%	-2.2
Cancellation/lapse rate	up 10%	1.5
Solvency margin ratio	600%→700%	-1.0
Discount rate	7% → 6%	2.0
Discount rate	7% → 8%	-1.8

【Appendices】MS&AD Group's Overseas Business

MS&AD INSURANCE GROUP

Net premiums written and net income (Overseas Business basis*1)

(¥ bn)

	FY2009 Actual			FY2010 Actual			FY2011 Forecast		
	MSI	Aioi & NDI	Total	MSI	ADI	Total	MSI	ADI	Total
Net premiums written	**206.4**	**40.0**	**246.4**	**215.5**	**48.8**	**264.3**	**239.7**	**50.5**	**290.2**
Asia	98.4	14.2	**112.6**	117.0	22.2	**139.2**	134.7	22.0	**156.7**
Europe	53.3	21.9	**75.2**	45.0	20.2	**65.2**	48.6	21.0	**69.6**
Americas	33.6	8.4	**42.0**	34.5	8.4	**42.9**	38.2	9.2	**47.4**
Reinsurance	20.9	—	**20.9**	18.8	—	**18.8**	18.1	—	**18.1**

	MSI	Aioi & NDI	Total	MSI	ADI	Total	MSI	ADI	Total
Net income	**18.4**	**-5.2**	**13.2**	**5.2**	**-3.3**	**1.8**	**18.5**	**-1.5**	**17.0**
Asia	10.9	-0.4	**10.5**	7.1	1.5	**8.6**	13.4	1.6	**15.0**
Europe	-0.9	-2.7	**-3.6**	-10.4	-2.0	**-12.5**	-0.5	-0.6	**-1.1**
Americas	1.0	-0.3	**0.7**	2.6	-0.5	**2.1**	3.2	0.3	**3.5**
Reinsurance	8.1	—	**8.1**	6.5	—	**6.5**	5.1	—	**5.1**

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

*2 Figures in the "total" columns for net premiums written and net income include head office adjustments etc.

【Appendices】 MS&AD Group's Major Asian Business Units' Key Indices

MS&AD INSURANCE GROUP

Major Asian Business Units' Premium Growth, Combined Ratio, and ROE

- Overseas Business Basis: Aggregate of consolidated overseas subsidiaries', non-life insurers overseas branches', and overseas non-consolidated affiliates' results
- Premium growth is on a local currency basis
- Premium growth, combined ratio, and ROE are figures for MSI's business units

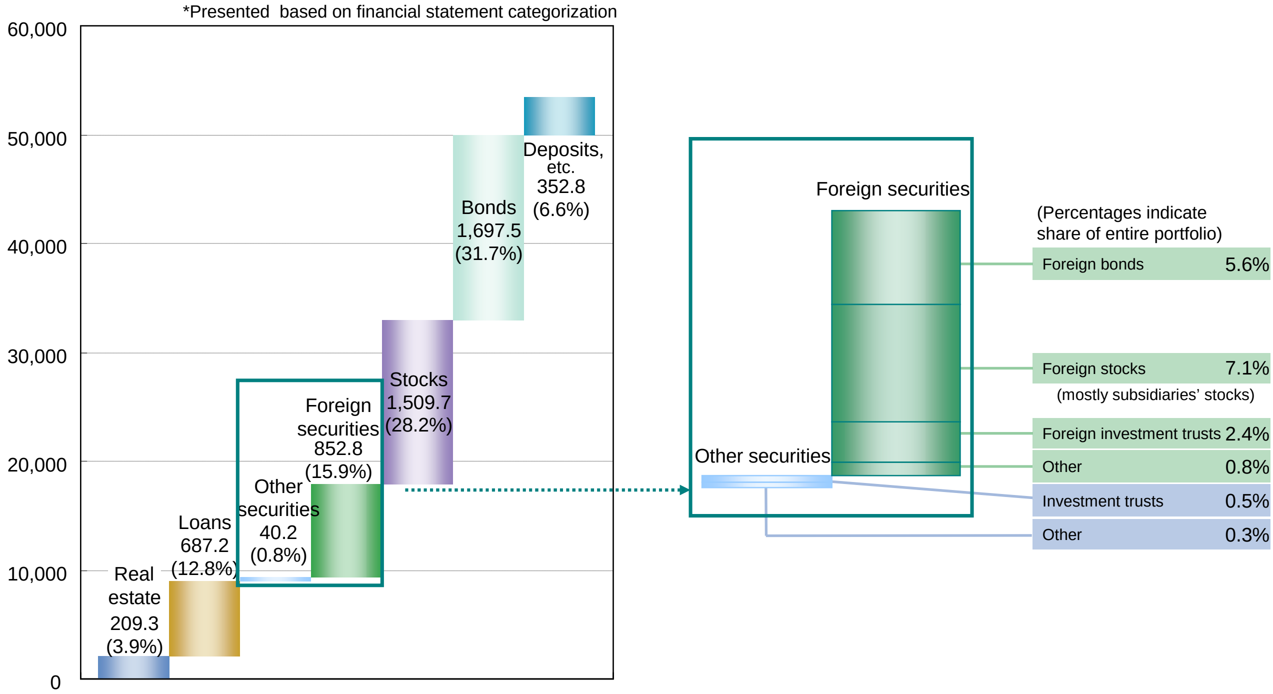
	FY2008			FY2009			FY2010			
	Premium growth (%)	Combined ratio (%)	ROE (%)	Premium growth (%)	Combined ratio (%)	ROE (%)	Premium growth (%)	Combined ratio (%)	ROE (%)	Net premiums written (¥mn)
Malaysia	11.2	78.8	19.0	3.0	79.8	25.4	24.6	85.2	19.4	21,334
Taiwan	-2.1	87.8	-0.7	3.2	95.0	4.7	15.2	99.9	4.2	19,527
Thailand	5.9	83.7	16.3	1.8	80.9	22.7	20.0	87.1	15.7	19,024
Singapore	13.2	78.9	4.6	11.7	82.9	13.7	13.3	78.4	15.1	14,370
India	60.3	107.9	4.8	18.5	106.8	1.1	41.2	107.3	-8.6	14,101
China	18,520.6	100.3	4.0	21.9	102.7	5.6	46.5	103.6	2.3	13,575
Hong Kong	3.6	97.0	6.1	-0.8	83.9	13.1	8.1	90.1	12.9	8,190
Indonesia	2.9	59.4	28.0	-3.6	83.5	17.4	15.6	60.0	25.1	3,192
Philippines	1.8	132.8	14.2	8.6	70.5	14.8	20.9	75.3	17.7	2,861

【Appendices】Assets Under Management (MSI)

AUM and percentage allocations by asset class

(¥ bn)

*Presented based on financial statement categorization



As of end-March 2011

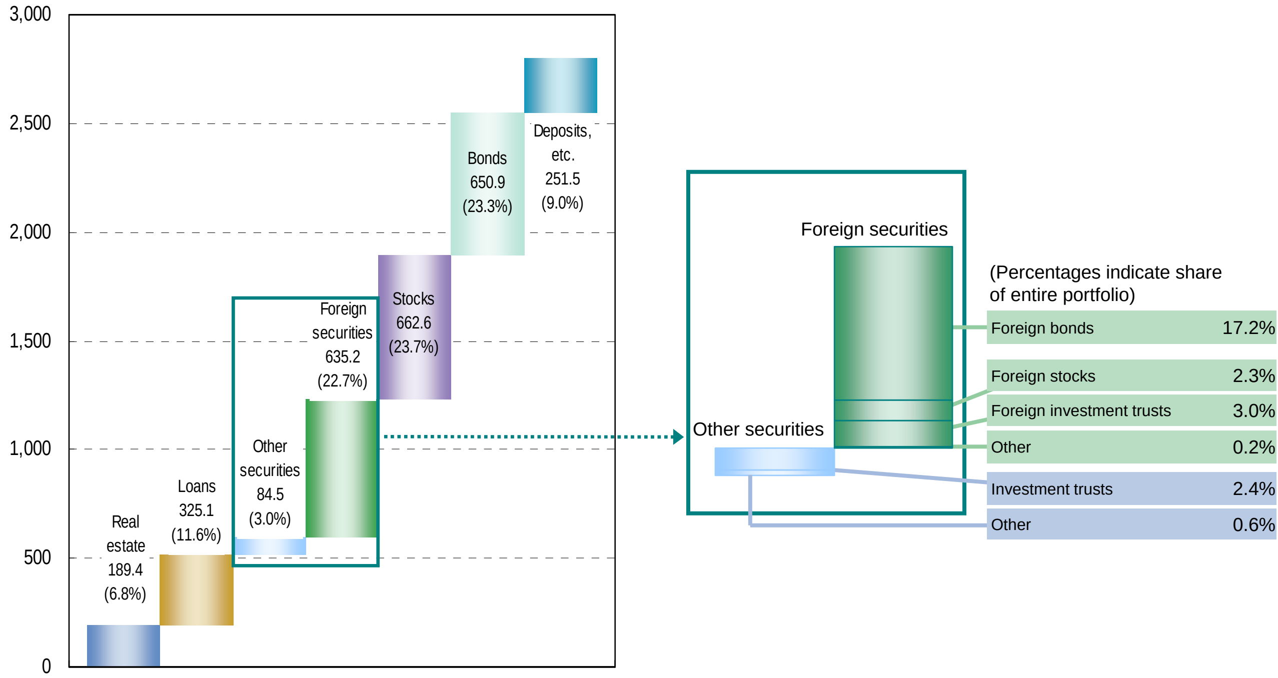
Appendix 5–(1)

【Appendices】 Assets Under Management (ADI)

AUM and percentage allocations by asset class

(¥ bn)

*Presented based on financial statement categorization



As of end-March 2011

MS&AD Insurance Group Holdings, Inc.

Appendix 5–(2)

Inquiries

Corporate Communications and Investor Relations Dept.

MS&AD Insurance Group Holdings, Inc.

Phone: +81-3-6202-5268 Fax: +81-3-6202-6882

e-mail: ms_ad_ir@ms-ad-hd.com

http://www.ms-ad-hd.com/ir/index.html

Fiscal 2011 First Information Meeting
Reference Materials

June 3, 2011

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

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

【Reference Materials】

Financial Results for FY2010 and Projected Financial Results for FY2011 (MS&AD Holdings, Consolidated)

MS&AD Insurance Group Holdings, Inc.

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

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009	FY2010	Change	Growth
Net premiums written	2,519.0	**2,541.4**	**22.3**	**0.9%**
Ordinary profit/loss	99.1	**21.0**	**-78.1**	**-78.8%**
Net income	57.3	**5.4**	**-51.9**	**-90.5%**

* FY2009 figures are the simple aggregate of those for MSIG (consolidated), Aioi (consolidated), and NDI (non-consolidated).
* Figures here and below are presented exclusive of "good-result-return" (GRR) premiums on automobile insurance product ModoRich, an MSI product that contains a special clause for premium adjustment and refund at maturity.

Breakdown of net premiums written

(¥ bn)

	FY2009	FY2010	Change	Growth
MSI (non-consolidated)	1,203.7	**1,230.5**	**26.8**	**2.2%**
ADI (non-consolidated)	1,106.7	**1,097.3**	**-9.3**	**-0.8%**
Mitsui Direct General	32.4	**33.1**	**0.6**	**2.1%**
Overseas subsidiaries	176.1	**180.6**	**4.5**	**2.6%**

* Before consolidation adjustment
* FY2009 figures for ADI are the simple aggregate of the (non-consolidated) results for Aioi and NDI; same hereafter.
* FY2010 figures for ADI include by simple aggregation the (non-consolidated) H1 results for NDI; same hereafter.

Breakdown of net income

(¥ bn)

	FY2009	FY2010	Change
MSI (non-consolidated)	25.4	**22.8**	**-2.5**
ADI (non-consolidated)	21.2	**-11.4**	**-32.6**
Mitsui Direct General	-0.6	**0.2**	**0.9**
MSI Kirameki Life	0.0	**-5.3**	**-5.3**
Aioi Life	1.3	**-1.8**	**-3.1**
MSI MetLife	4.4	**9.3**	**4.9**
Overseas subsidiaries	17.2	**4.5**	**-12.7**
Other	0.6	**-0.0**	**-0.6**
Consolidation adjustments etc.	-12.3	**-12.9**	**-0.5**

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

< Net premiums written >

- The Group's consolidated net premiums written totaled ¥2,541.4 billion, an increase of ¥22.3 billion, or 0.9% year on year.
- Breakdown of consolidated net premiums written
  - MSI's net premiums written were up 2.2%, while ADI's were down 0.8%.
  - Overseas subsidiaries' net premiums written increased 2.6%, buoyed by increases in Asia and the addition of consolidated subsidiaries.

< Net income >

- Net income totaled ¥5.4 billion, a year-on-year decline of ¥51.9 billion.
  - Ordinary profit was down ¥78.1 billion year on year, mainly due to widening of underwriting loss in domestic non-life insurance in the wake of the Great East Japan Earthquake (claims incurred: ¥62.7 billion *)

    * Excludes residential earthquake insurance. Additionally, ¥2.0 billion incurred in domestic life insurance.
  - We booked one-time expenses of ¥39.7 billion under extraordinary losses associated with the three-way business integration.
- Breakdown of net income
  - MSI's ordinary profit declined by ¥4.0 billion (claims incurred due to the Great East Japan Earthquake (excluding residential earthquake insurance): ¥43.2 billion). MSI's net income declined by ¥2.5 billion.
  - ADI's ordinary profit declined by ¥31.3 billion (claims incurred due to the Great East Japan Earthquake (excluding residential earthquake insurance): ¥19.4 billion).
    Additionally, with integration-related expenses up ¥16.4 billion to ¥30.4 billion, ADI's net income fell ¥32.6 billion.
  - Overseas subsidiaries' net income declined by ¥12.7 billion, mainly due to deterioration in underwriting profit/loss in Europe.
  - Consolidation adjustment etc. include a ¥13.5 billion gain on negative goodwill and a negative ¥19.9 billion purchase-method adjustment related to accounting treatment of the business integration.

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

Key financial data

(¥ bn)

	FY2010	FY2010 (forecast)	Change	Growth
Net premiums written	2,541.4	**2,590.0**	**48.6**	**1.9%**
Ordinary profit	21.0	**116.0**	**94.9**	**452.2%**
Net income	5.4	**67.0**	**61.5**	**1,136.1%**

Breakdown of net premiums written

(¥ bn)

	FY2010	FY2011 (forecast)	Change	Growth
MSI (non-consolidated)	1,230.5	**1,255.0**	**24.4**	**2.0%**
ADI (non-consolidated)	1,097.3	**1,100.0**	**2.7**	**0.2%**
Mitsui Direct General	33.1	**33.8**	**0.7**	**2.0%**
Overseas subsidiaries	180.6	**200.6**	**19.9**	**11.0%**
Other	-	**0.6**	**0.6**	**-**

* Before consolidation adjustment
* FY2010 figures for ADI include by simple aggregation the (non-consolidated) H1 results for NDI; same hereafter.

Breakdown of net income

(¥ bn)

	FY2010	FY2011 (forecast)	Change
MSI (non-consolidated)	22.8	**40.0**	**17.1**
ADI (non-consolidated)	-11.4	**20.0**	**31.4**
Mitsui Direct General	0.2	**0.1**	**-0.1**
MSI Aioi Life	-7.1	**-5.7**	**1.5**
MSI Primary Life	9.3	**9.1**	**-0.3**
Overseas subsidiaries	4.5	**16.4**	**11.8**
Other	-0.0	**0.1**	**0.2**
Consolidation adjustment, etc.	-12.9	**-13.0**	**-0.0**

* Net income of subsidiaries is on an equity-stake basis
* The FY2010 figure for Mitsui Sumitomo Aioi is the simple aggregate of those for MSI Kirameki Life and Aioi Life, which are slated to merge in October 2011.

< Net premiums written >

- We forecast the Group's consolidated net premiums written at ¥2,590.0 billion, a year-on-year increase of ¥48.6 billion or 1.9%
- Breakdown of net premiums written forecast (consolidated)
  - MSI: ¥1,255.0 billion, up ¥24.4 billion
  - ADI: ¥1,100.0 billion, up ¥2.7 billion
  - Mitsui Direct General: ¥33.8 billion, up ¥700 million
  - Overseas subsidiaries: ¥200.6 billion, up ¥19.9 billion or 11.0%

< Net income >

- We forecast net income of ¥67.0 billion, a year-on-year increase of ¥61.5 billion, reflecting factors such as non-recurrence of FY2010's losses related to the Great East Japan Earthquake and a decrease in integration-related expenses.
- Breakdown of net income forecast
  - We expect MSI's net income to increase ¥17.1 billion to ¥40.0 billion, reflecting an improvement in underwriting profit and despite a decline in net investment income.
  - We expect ADI's net income to increase ¥31.4 billion to ¥20.0 billion, reflecting an improvement in underwriting profit and decrease in integration-related expenses.
  - We expect positive net income of ¥100 million at Mitsui Direct General.
  - We expect MSI Aioi Life's net loss to narrow by ¥1.5 billion to ¥5.7 billion, reflecting an anticipated increase in business-integration-related expenses and despite a decrease in lump-sum provisioning for standard underwriting reserves.
  - We expect MSI Primary Life's net income to decline year on year due to an increase in fees paid owing to an increase in premium income. On an equity-stake basis, we expect its net income to decline by ¥300 million due to the increase in our equity stake to make it a wholly owned subsidiary.
  - For overseas subsidiaries, we expect net income to increase by ¥11.8 billion to ¥16.4 billion.
  - We expect consolidation adjustment, etc. to be largely the same as in FY2010 at negative ¥13.0 billion. This includes a purchase-method adjustment of negative ¥4.4 billion.

【Reference Materials】

Financial Results for FY2010

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

MSI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2009	FY2010	Change
Net premiums written	1,203.7	**1,230.5**	**26.8**
Net premiums, growth rate	-2.9%	**2.2%**	**5.1pt**
Net loss ratio	70.3%	**68.4%**	**-1.9pt**
Net expense ratio	34.5%	**33.9%**	**-0.6pt**
Combined ratio	104.8%	**102.3%**	**-2.5pt**
Incurred losses	752.6	**806.6**	**53.9**
Underwriting profit/loss	-15.9	**-50.3**	**-34.4**
Net investment income/loss	57.7	**83.9**	**26.1**
Ordinary profit	35.7	**31.7**	**-4.0**
Extraordinary income/loss	-2.6	**-5.5**	**-2.8**
Net income	25.4	**22.8**	**-2.5**
< Excluding CALI >			
Net premiums, growth rate	-2.0%	**2.4%**	**4.4pt**
Net loss ratio	65.7%	**63.5%**	**-2.2pt**
Net expense ratio	35.8%	**35.2%**	**-0.6pt**
Combined ratio	101.5%	**98.7%**	**-2.8pt**

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

- Net premiums written increased by 2.2%.
  Revenue increased in voluntary automobile and personal accident insurances due to efforts to bolster life insurance channels through business tie-ups with Sumitomo Life. Also, marine insurance revenue rose as transport increased as the economy recovered.
- The net loss ratio fell by 1.9 percentage points year on year due to increased premium income in addition to reduced loss payments (on the other hand, incurred losses rose due to the provision recorded for payments arising from the Great East Japan Earthquake.
- The net expense ratio declined by 0.6 percentage point to 33.9%.
- The combined ratio declined by 2.5 percentage points to 102.3%.
  (Excluding CALI, the combined ratio was 98.7%)
- Underwriting profit was a loss of ¥50.3 billion. This was a decline of ¥34.4 billion and due mainly to incurred losses rising by ¥53.9 billion year on year as a result of the Great East Japan Earthquake.
- Net investment income was ¥83.9 billion. Due to an increase in sales of securities, net investment income increased by ¥26.1 billion year on year.
- As a result of the above, ordinary profit fell by ¥4.0 billion year on year to ¥31.7 billion.
- We posted a net extraordinary loss of ¥5.5 billion. Although we recorded a gain of ¥8.2 billion on the sale of fixed assets, business-integration expenses and impairments on real estate totaled ¥4.0 billion and ¥3.3 billion respectively, and we recorded a price fluctuation reserve of ¥2.7 billion. These factors caused net extraordinary losses to decline by ¥2.8 billion year on year.
- As a result of the above, net income declined by ¥2.5 billion year on year, to ¥22.8 billion.

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

MS&AD

Net premiums written

(¥ bn)

	FY2009	FY2010	Growth
Fire	179.4	**180.3**	**0.5%**
Marine	51.9	**54.3**	**4.7%**
Personal accident	129.4	**133.1**	**2.8%**
Voluntary auto	536.7	**555.4**	**3.5%**
CALI	134.6	**135.3**	**0.5%**
Other	171.5	**171.9**	**0.2%**
Total	1,203.7	**1,230.5**	**2.2%**
Excluding CALI	1,069.0	**1,095.2**	**2.4%**

Net loss ratios

(¥ bn)

	FY2009	FY2010	Change
Fire	43.3%	**40.2%**	**-3.1pt**
Marine	61.7%	**50.7%**	**-11.0pt**
Personal accident	62.9%	**61.9%**	**-1.0pt**
Voluntary auto	73.4%	**74.8%**	**1.4pt**
CALI	107.3%	**107.7%**	**0.4pt**
Other	68.2%	**56.9%**	**-11.3pt**
Total	70.3%	**68.4%**	**-1.9pt**
Excluding CAL	65.7%	**63.5%**	**-2.2pt**

Incurred losses

(¥ bn)

	FY2009	FY2010	Change
Incurred losses (excluding loss adjustment expenses)	752.6	**806.6**	**53.9**
Natural disasters	15.6	**55.6**	**39.9**
Other	737.0	**751.0**	**14.0**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR
Natural disaster losses for FY2010 include ¥ 53.3 billion (incl. ¥ 10.1 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake.

< Net premiums written >

- "Marine" increased by 4.7% year on year as transport increased with the economic recovery.
- "Personal accident " rose by 2.8% year on year, boosted by efforts to bolster channels with life insurance companies and strong demand for overseas travel insurance.
- "Voluntary automobile" rose by 3.5% year on year, boosted by efforts to bolster channels with life insurance companies and a higher renewal-persistency rate

< Net loss ratios >

- "Fire" improved by 3.1 percentage points year on year due mainly to reduced loss payments for natural disasters (on the other hand, incurred losses rose due to the provision recorded for payments arising from the Great East Japan Earthquake.)
- "Marine" improved by 11.0 percentage points as major losses were lower.
- "Voluntary automobile" increased by 1.4 percentage points year on year due to increased loss payments arising from an increased number of accidents.
- "Other" improved by 11.3 percentage points year on year because loss payments arising from major accidents were lower.

< Natural disasters during the year >

(¥ bn)

	FY2009			FY2010		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire*	9.9	1.7	11.7	**1.2**	**39.1**	**40.4**
Marine	0.0	0.0	0.1	**0.0**	**3.3**	**3.3**
Voluntary auto	2.0	0.0	2.1	**0.5**	**2.2**	**2.8**
Other	1.0	0.5	1.5	**0.1**	**8.8**	**8.9**
Total	13.1	2.4	15.6	**1.9**	**53.6**	**55.6**

* Includes residential earthquake insurance

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

Company expenses

(¥ bn)

	FY2009	FY2010	
			Change
Underwriting company expense	207.8	**202.5**	**-5.2**
Loss adjustment expense	74.4	**75.5**	**1.0**
Other	11.0	**10.3**	**-0.7**
Total company expense	293.4	**288.4**	**-4.9**
Personnel	156.5	**159.3**	**2.7**
Non personnel	123.0	**115.6**	**-7.4**
Taxes and contributions	13.7	**13.5**	**-0.2**

Expense ratios

(¥ bn)

	FY2009	FY2010	
			Change
Net commission ratio	17.2%	**17.5%**	**0.3pt**
Net company expense ratio	17.3%	**16.5%**	**-0.8pt**
Net expense ratio	34.5%	**33.9%**	**-0.6pt**
Net expense ratio (excluding CALI)	35.8%	**35.2%**	**-0.6pt**

- Total company expenses decreased by ¥4.9 billion year on year to ¥288.4 billion.

- Personnel costs rose by ¥2.7 billion year on year as salaries increased with the change of status of temporary workers to direct employees. Non-personnel costs fell by ¥7.4 billion year on year as temporary worker hiring costs declined with the change of status to direct employees and lower system-related costs.

- The net expense ratio fell by 0.6 percentage point year on year to 33.9%.
  - The net commission ratio was 17.5% (up 0.3 percentage point year on year)
  - The net company expense ratio was 16.5% (down 0.8 percentage point year on year)

MSI (Non-Consolidated): Investment Performance

MS&AD

Net investment income/loss

(¥ bn)

	FY2009	FY2010	Change
Interest and dividends received	117.4	111.8	-5.6
Transfer of investment income on deposit premiums	-54.0	-51.1	2.8
Net interest and dividend income	63.4	60.6	-2.7
Net gains/losses on sale of securities	0.2	38.3	38.1
Losses on devaluation of securities	-4.8	-7.5	-2.7
Net gains/losses on redemption of securities	-2.1	-0.6	1.4
Gains/losses on derivative transactions	25.2	8.7	-16.4
Other	-24.1	-15.5	8.5
Net investment income/loss	57.7	83.9	26.1

Sources of interest and dividends received

(¥ bn)

	FY2009	FY2010	Change
Bonds	29.4	29.1	-0.3
Stocks	27.3	28.7	1.3
Foreign securities	29.1	25.8	-3.2
Other securities	4.4	3.7	-0.7
Loans	14.3	12.9	-1.4
Land and buildings	7.4	6.7	-0.7
Other	5.3	4.8	-0.4
Total	117.4	111.8	-5.6

- Interest and dividends received fell by ¥5.6 billion year on year due primarily to a decrease in interest and dividends received from foreign securities.
  Net interest and dividend income decreased by ¥2.7 billion year on year.
- Net gains/losses on the sale of securities rose by ¥38.1 billion year on year with the sale of stocks.
- Losses on the devaluation of securities rose by ¥2.7 billion year on year.

(¥ bn)

	FY2009	FY2010	Change
Bonds	–	0.4	0.4
Stocks	2.9	6.9	4.0
Foreign securities	1.4	0.1	-1.2
Other	0.5	0.0	-0.5
Total	4.8	7.5	2.7

- Gains/losses on derivative transactions decreased by ¥16.4 billion year on year.
  This was in reaction to a significant valuation gain following the recovery in the market value of credit derivatives the prior year.
- As a result of the above, net investment income totaled ¥83.9 billion, an increase of ¥26.1 billion year on year.

< Reference: Invested assets >

(¥ bn)

	FY2009	FY2010	Change
Deposits and savings	345.3	352.8	7.5
Securities	4,327.3	4,100.3	-226.9
Bonds	1,656.8	1,697.5	40.7
Stocks	1,723.9	1,509.7	-214.2
Foreign securities	900.4	852.8	-47.5
Other securities	46.1	40.2	-5.8
Loans	718.5	687.2	-31.3
Land and buildings	217.7	209.3	-8.3
Total	5,608.9	5,349.8	-259.1

ADI (Non-Consolidated)

MS&AD INSURANCE GROUP

Key financial data

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Net premiums written	1,106.7	**1,097.3**	**-9.3**
Net premiums, growth rate	-1.9%	**-0.8%**	**1.1pt**
Net loss ratio	67.7%	**68.2%**	**0.5pt**
Net expense ratio	35.0%	**35.6%**	**0.6pt**
Combined ratio	102.7%	**103.8%**	**1.1pt**
Incurred losses	698.6	**735.4**	**36.7**
Underwriting profit/loss	-14.3	**-33.3**	**-18.9**
Net investment income/loss	61.5	**51.4**	**-10.0**
Ordinary profit	47.4	**16.0**	**-31.3**
Extraordinary income/loss	-16.8	**-35.0**	**-18.2**
Net income	21.2	**-11.4**	**-32.6**
< Excluding CALI >			
Net premiums, growth rate	-0.9%	**-1.0%**	**-0.1pt**
Net loss ratio	63.3%	**63.8%**	**0.5pt**
Net expense ratio	35.8%	**36.5%**	**0.7pt**
Combined ratio	99.1%	**100.3%**	**1.2pt**

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

- Net premiums written declined by 0.8%.
  The main revenue reducing factor was fire insurance.
  On the other hand, the main driver, voluntary automobile insurance, performed strongly, growing both in Japan and abroad.

- The net loss ratio increased by 0.5 percentage point year on year because, despite a decrease in loss adjustment expenses, net claims paid rose and premiums declined.

- The net expense ratio increased by 0.6 percentage point year on year due to an increase in operating expenses and general administrative expenses associated with underwriting and commission and collection expenses increased.

- The combined ratio rose by 1.1 percentage points year on year to 103.8%.

- Underwriting profit declined by ¥18.9 billion year on year to ¥33.3 billion due to the incurred losses excluding residential earthquake insurance from the Great East Japan Earthquake (¥19.4 billion).

- We recorded net investment income of ¥51.4 billion, a decline of ¥10.0 billion year on year due primarily to an increase in losses from devaluation of securities.

- As a result of the above, ordinary profit fell by ¥31.3 billion year on year to ¥16.0 billion.

- Net extraordinary losses declined by ¥18.2 billion year on year to ¥35.0 billion due primarily to business-integration-related-expenses (¥30.4 billion) rising by ¥16.4 billion.

- Net income was a net loss of ¥11.4 billion, after falling by ¥ 32.6 billion year on year.

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

Net premiums written

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Growth
Fire	153.2	**137.9**	**-10.0%**
Marine	8.2	**8.6**	**4.6%**
Personal accident	73.3	**73.0**	**-0.4%**
Voluntary auto	626.4	**637.8**	**1.8%**
CALI	137.7	**138.1**	**0.3%**
Other	107.6	**101.6**	**-5.6%**
Total	1,106.7	**1,097.3**	**-0.8%**
Excluding CALI	969.0	**959.1**	**-1.0%**

Net loss ratios

	FY2009 (two-company combined basis)	FY2010	Change
Fire	38.7%	**40.6%**	**1.9pt**
Marine	73.1%	**55.6%**	**-17.5pt**
Personal accident	56.3%	**54.1%**	**-2.2pt**
Voluntary auto	69.1%	**69.0%**	**-0.1pt**
CALI	99.1%	**98.5%**	**-0.6pt**
Other	68.2%	**70.7%**	**2.5pt**
Total	67.7%	**68.2%**	**0.5pt**
Excluding CALI	63.3%	**63.8%**	**0.5pt**

Incurred losses

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Incurred losses (excluding loss adjustment expenses)	698.6	**735.4**	**36.7**
Natural disasters	8.9	**28.5**	**19.5**
Other	689.7	**706.8**	**17.1**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR
* Natural disaster losses for FY2010 include ¥ 27.5 billion (incl. ¥ 8.0 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake

- Net premiums written
  - "Fire" declined by 10.0% year on year in response to increased long-term contracts domestically in FY2009.
  - "Voluntary automobile" rose by 1.8% year on year due to bolstered efforts with insurance company tie-ups domestically as well as expanded insurance sales following collaboration with Toyota overseas.
- Net loss ratios
  - "Fire" rose by 1.9 percentage points year on year due to the effects of reduced net premiums written.
  - Despite higher net claims paid, "Voluntary automobile" declined by 0.1 percentage point year on year due to lower loss adjustment expenses and higher net premiums written.
  - The net loss ratio was 63.8%, or +0.5 percentage point year on year, excluding CALI.

< Natural disasters during the year >

(¥ bn)

	FY2009 (two-company combined basis)			FY2010		
	Net claims paid	Outstanding claims	Total	Net claims paid	Outstanding claims	Total
Fire	6.3	0.8	7.2	**0.2**	**24.8**	**25.1**
Voluntary auto	1.2	0.0	1.2	**0.2**	**0.1**	**0.4**
Other	0.3	0.1	0.5	**0.2**	**2.7**	**3.0**
Total	7.9	1.0	8.9	**0.7**	**27.8**	**28.5**

* Includes residential earthquake insurance

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Underwriting company expense	193.2	**195.5**	**2.2**
Loss adjustment expense	61.8	**55.5**	**-6.2**
Other	11.3	**10.0**	**-1.3**
Total company expense	266.4	**261.1**	**-5.2**
Personnel	131.5	**134.4**	**2.9**
Non personnel	122.3	**114.0**	**-8.2**
Taxes and contributions	12.5	**12.5**	**0.0**

Expense ratios

	FY2009 (two-company combined basis)	FY2010	Change
Net commission ratio	17.5%	**17.8%**	**0.3pt**
Net company expense ratio	17.5%	**17.8%**	**0.3pt**
Net expense ratio	35.0%	**35.6%**	**0.6pt**
Net expense ratio (excluding CALI)	35.8%	**36.5%**	**0.7pt**

- Company expenses declined by ¥5.2 billion year on year to ¥261.1 billion due to a decrease in software development costs.
- Non-personnel costs declined by ¥8.2 billion year on year due to a decrease in software development costs.
- The net expense ratio was 35.6%, up by 0.6 percentage point year on year.
  - The net commission ratio was 17.8% (up 0.3 percentage point year on year).
  - The net company expense ratio was 17.8% (down 0.3 percentage point year on year).
- Excluding CALI, the net expense ratio rose by 0.7 percentage point year on year to 36.5%
  - The net commission ratio was 19.2% (up 0.4 percentage point year on year).
  - The net company expense ratio was 17.4% (down 0.4 percentage point year on year).

ADI (Non-Consolidated): Investment Performance

MS&AD

Net investment income/loss

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Interest and dividends received	69.8	**67.4**	**-2.4**
Transfer of investment income on deposit premiums	-26.1	**-24.5**	**1.5**
Net interest and dividend income	43.7	**42.8**	**-0.8**
Net gains/losses on sale of securities	31.0	**33.6**	**2.5**
Losses on devaluation of securities	-8.1	**-13.3**	**-5.1**
Net gains/losses on redemption of securities	-2.5	**-1.2**	**1.3**
Gains/losses on derivative transactions	7.7	**-0.5**	**-8.2**
Other	-10.4	**-10.0**	**0.3**
Net investment income/loss	61.5	**51.4**	**-10.0**

Sources of interest and dividends received

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Bonds	12.4	**10.1**	**-2.2**
Stocks	14.7	**13.3**	**-1.3**
Foreign securities	22.2	**26.6**	**4.4**
Other securities	5.9	**3.9**	**-1.9**
Loans	7.3	**6.2**	**-1.0**
Land and buildings	5.8	**5.6**	**-0.1**
Other	1.3	**1.2**	**-0.1**
Total	69.8	**67.4**	**-2.4**

- Interest and dividends received declined by ¥2.4 billion year on year mainly due to a decline in interest and dividends from bonds and other securities, despite an increase in interest and dividends from foreign securities.
- Despite transfer of investment income on deposit premiums fell by ¥1.5 billion year on year, net interest and dividend income fell by ¥800 million to ¥42.8 billion.
- Net gains on the sale of securities rose by ¥2.5 billion year on year.
- Losses on devaluation of securities (¥13.3 billion) increased by ¥5.1 billion year on year.

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Bonds	—	**0.0**	**0.0**
Stocks	6.5	**13.3**	**6.7**
Foreign securities	0.5	**—**	**-0.5**
Other	0.9	**0.0**	**-0.9**
Total	8.1	**13.3**	**5.1**

- Net gains on derivatives transactions were ¥ 500 million, a decline of ¥8.2 billion year on year.
- As a result of the above, net investment income totaled ¥51.4 billion, a decrease of ¥10.0 billion year on year.

<Reference: Invested assets>

(¥ bn)

	FY2009 (two-company combined basis)	FY2010	Change
Deposits and savings	241.5	**251.5**	**9.9**
Securities	2,223.0	**2,033.2**	**-189.7**
Bonds	740.0	**650.9**	**-89.1**
Stocks	717.6	**662.6**	**-55.0**
Foreign securities	674.8	**635.2**	**-39.6**
Other securities	90.4	**84.5**	**-5.9**
Loans	360.7	**325.1**	**-35.6**
Land and buildings	187.5	**189.4**	**1.9**
Total	3,012.8	**2,799.4**	**-213.4**

Mitsui Direct General

Key financial data

(¥ bn)

	FY2009	FY2010	Change
Net premiums written	32.4	**33.1**	**0.6**
Net premiums, growth rate	9.3%	**2.1%**	**-7.2pt**
Net loss ratio	70.2%	**76.6%**	**6.4pt**
Net expense ratio	24.8%	**21.9%**	**-2.9pt**
Combined ratio	95.0%	**98.5%**	**3.5pt**
Incurred losses	22.5	**23.5**	**0.9**
Underwriting profit/loss	-1.1	**0.1**	**1.2**
Net investment income	0.1	**0.2**	**0.0**
Ordinary profit	-0.9	**0.3**	**1.3**
Extraordinary income/loss	-0.0	**-0.0**	**0.0**
Net income (our share)	-0.6	**0.2**	**0.9**

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

Incurred losses

(¥ bn)

	FY2009	FY2010	Change
Incurred losses (excluding loss adjustment expenses)	22.5	**23.5**	**0.9**
Natural disasters	0.1	**0.0**	**0.0**
Other	22.4	**23.4**	**1.0**

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

- Net premiums written increased by 2.1% year on year.
- The net loss ratio rose by 6.4 percentage points to 76.6% as a result of strengthened efforts to promote payments in addition to an increase in the vehicle accident rate.
- The net expense ratio improved by 2.9 percentage points year on year to 21.9%
- The combined ratio was 98.5%, rose by 3.5 percentage points year on year.
  (The combined ratio on EI basis was 99.6%, improved by 3.9 percentage points year on year.)
- Underwriting profit improved by ¥ 1.2 billion year on year to ¥ 0.1 billion.
- Net income (our share) with underwriting profit adjusted for net investment income/loss totaled ¥ 0.2 billion (up ¥ 0.9 billion year on year), achieving an annual profit.

MS&AD

MSI Kirameki Life

(¥ bn)

	FY2009	FY2010	
			Change
New business *1	1,587.2	**1,798.6**	**13.3%**
Policies in-force *1	9,444.7	**10,138.1**	**7.3%**
Annualized premiums in-force *1	194.5	**202.4**	**4.0%**
Net income	0.0	**- 5.3**	**-5.3**
Real Net income *2	2.8	**1.8**	**-1.0**

*1 Sum of personal insurance and personal annuity insurance.
*2 Net income if the provision for meeting the standard underwriting reserve was not increased

- New business experienced double-digit growth, increasing by 13.3% year on year.
  Policies in-force also continued to grow strongly, up 7.3% year on year, rising above ¥10 trillion.

- Annualized premiums in-force increased by 4.0% year on year, rising above ¥200.0 billion.
  Premiums in third-sector products also rose by 17.3% to ¥39.6 billion.

- Due to the lump sum provision that was made to meet the standard underwriting reserve requirement (¥11.1 billion), business-integration-related expenses (¥2.4 billion) and an increase in the provision for outstanding claims (¥1.5 billion) arising from the Great East Japan Earthquake, net income amounted to a net loss of ¥5.3 billion.

- If the lump sum provision had not been made to meet the standard underwriting reserve requirement, real net income would have amounted to ¥1.8 billion.

Aioi Life

Aioi Life

(¥ bn)

	FY2009	FY2010	Change
New business *	1,059.4	**1,044.5**	**- 1.4%**
Policies in-force *	5,843.3	**6,294.7**	**7.7%**
Annualized premiums in-force *	73.5	**76.6**	**4.3%**
Net income	1.3	**- 1.8**	**-3.1**

* Sum of personal insurance and personal annuity insurance

- New business was significantly impacted by the decline in income protection insurance (main policy and special clauses), falling by 1.4% year on year.
- Policies in-force increased by 7.7% year on year due primarily to an expansion in variable universal life insurance.
- As with policies in-force, annualized premiums in-force also increased steadily by 4.3% year on year.
- Net income/loss fell sharply (after tax: -¥3.1 billion, before tax: -¥5.1 billion)
  The major factors behind this (pre-tax) decline were:
  - Effect of Business-integration-related expenses: -¥2.3 billion (extraordinary loss)
  - Effect of the Great East Japan Earthquake: -¥500 million
  - Effect of the increase in fatal accidents: -¥1.3 billion
  - Effect of increased agent commissions associated with growth in premiums written: -¥1.1 billion

MSI MetLife

MSI MetLife

(¥ bn)

	FY2009	FY2010	Change
New business	408.1	**253.7**	**-37.8%**
Policies in-force	3,137.5	**3,083.0**	**-1.7%**
Premiums	443.6	**243.7**	**-45.1%**
Net income (our share)	4.4	**9.3**	**4.9**

- New business decreased by 37.8% year on year due to a decline in the number of policies and premiums per policy.
- Policies in-force fell by 1.7% compared to the beginning of the year with a decrease in assets under management of variable annuities reflecting the deterioration in the investment environment.
- Premiums fell by 45.1% year on year due primarily to the contraction of the variable annuities market.
- Net income (our share) increased by ¥4.9 billion year on year, reflecting factors such as non-recurrence of lump-sum depreciation of deferred assets pursuant to article 113 in FY2009 and a decrease in expense of agent commission due to declined new business.

Overseas Subsidiaries

Net premiums written

(¥ bn)

	FY2009	FY2010	Change	Growth
Overseas subsidiaries total	176.1	**180.6**	**4.5**	**2.6%**
Asia	65.5	**77.5**	**12.0**	**18.3%**
Europe	64.7	**54.6**	**- 10.0**	**- 15.6%**
Americas	24.9	**29.5**	**4.5**	**18.4%**
Reinsurance	20.8	**18.8**	**- 1.9**	**- 9.5%**

Net income

(¥ bn)

	FY2009	FY2010	Change
Overseas subsidiaries total	17.2	**4.5**	**- 12.7**
Asia	9.0	**8.4**	**- 0.6**
Europe	- 1.8	**- 12.5**	**- 10.7**
Americas	1.9	**2.1**	**0.1**
Reinsurance	8.0	**6.5**	**- 1.5**

- Despite the adverse effects of yen appreciation, net premiums written of overseas subsidiaries totaled ¥180.6 billion, a year on year increase of ¥4.5 billion (2.6%) due to automobile and cargo insurance growth in Asia overall, and the consolidation of the financial results of two Aioi Nissay Dowa Insurance subsidiaries in the US.
  The negative impact of yen appreciation was -¥8.5 billion (estimate), while net premiums written on a local currencies basis rose by 7.4%.

- Net income of overseas subsidiaries totaled ¥4.5 billion, a ¥12.7 billion decline year on year.
  - In Asia, although net income declined by ¥600 million due to growth in incurred losses resulting from increased business, a profit of ¥8.4 billion was secured.
  - In Europe, in addition to an increase in incurred losses due to major claim incidents, the maintenance of strict underwriting standards amidst economic stagnation and the soft market, net income fell by ¥10.7 billion.
  - In the Americas, net income fell by ¥300 million in North America and rose by ¥500 million in Brazil.
  - Although reinsurance income/loss performed strongly as there were no major losses due to natural disasters, net income fell by ¥1.5 billion year on year due partly to the effects of yen appreciation.

【Reference Materials】

Projected Financial Results for FY2011

MS&AD Insurance Group Holdings, Inc.

MS&AD INSURANCE GROUP

MSI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Net premiums written	1,230.5	**1,255.0**	**24.4**
Net premiums, growth rate	2.2%	**2.0%**	**-0.2pt**
Net loss ratio	68.4%	**76.5%**	**8.1pt**
Net expense ratio	33.9%	**33.8%**	**-0.1pt**
Combined ratio	102.3%	**110.3%**	**8.0pt**
Incurred losses	806.6	**813.8**	**7.1**
Underwriting profit/loss	-50.3	**5.0**	**55.4**
Net investment income/loss	83.9	**59.1**	**-24.8**
Ordinary profit	31.7	**61.0**	**29.2**
Extraordinary income/loss	-5.5	**-5.8**	**-0.3**
Net income	22.8	**40.0**	**17.1**
< Excluding CALI >			
Net premiums, growth rate	2.4%	**1.9%**	**-0.5pt**
Net loss ratio	63.5%	**73.1%**	**9.6pt**
Net expense ratio	35.2%	**35.1%**	**-0.1pt**
Combined ratio	98.7%	**108.2%**	**9.5pt**

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

- Net premiums written are forecast to increase by ¥24.4 billion year on year, or 2.0%, to ¥1,255.0 billion.
- The net loss ratio is forecast to increase by 8.1 percentage points year on year to 76.5%, due to increased loss payments arising from the Great East Japan Earthquake.
- The net expense ratio is forecast to decline by 0.1 percentage point year on year to 33.8%.
- The combined ratio is forecast to increase by 8.0 percentage points year on year to 110.3%.
- We forecast an underwriting profit of ¥5.0 billion, an increase of ¥55.4 billion year-on-year.
- Net investment income is forecast to decline by ¥24.8 billion year on year to total ¥59.1 billion.
- Despite the decline in net investment income, ordinary profit is expected to outperform last year's result by ¥29.2 billion to total ¥61.0 billion due to the improvement in underwriting profit.
- We forecast an extraordinary loss of ¥5.8 billion, which is roughly the same level as last year's result.
- We forecast net income to come in at ¥40.0 billion, or ¥17.1 billion above last year's result.

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

Net premiums written

(¥ bn)

	FY2010	FY2011 (forecast)	
			Growth
Fire	180.3	**184.9**	**2.5%**
Marine	54.3	**53.3**	**-1.9%**
Personal accident	133.1	**137.1**	**3.0%**
Voluntary auto	555.4	**567.3**	**2.1%**
CALI	135.3	**139.4**	**3.0%**
Other	171.9	**173.0**	**0.6%**
Total	1,230.5	**1,255.0**	**2.0%**
Excluding CALI	1,095.2	**1,115.6**	**1.9%**

Net loss ratios

	FY2010	FY2011 (forecast)	
			Change
Fire	40.2%	**96.8%**	**56.6pt**
Marine	50.7%	**60.1%**	**9.4pt**
Personal accident	61.9%	**61.2%**	**-0.7pt**
Voluntary auto	74.8%	**74.7%**	**-0.1pt**
CALI	107.7%	**103.7%**	**-4.0pt**
Other	56.9%	**55.7%**	**-1.2pt**
Total	68.4%	**76.5%**	**8.1pt**
Excluding CALI/residential earthquake insurance	63.7%	**66.9%**	**3.2pt**

Incurred losses

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Incurred losses (excluding loss adjustment expenses)	806.6	**813.8**	**7.1**
Natural disasters	55.6	**76.3**	**20.7**
Other	751.0	**737.5**	**-13.6**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR
* Natural disaster losses for FY2010 include ¥53.3 billion (incl. ¥10.1 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake.
* Natural disaster losses for FY2011 include ¥61.3 billion of incurred losses of residential earthquake insurance arising from the Great East Japan Earthquake.

- Net premiums written are expected to increase across all product lines except for marine insurance, due to the effect of revising the premium rate last fiscal year (voluntary automobile and personal accident insurance) and various actions which will include the revision of the premium rate (voluntary automobile and CALI) in the current fiscal year.

- The net loss ratio is forecast to increase by 8.1 percentage points year on year to 76.5%, due to increased loss payments arising from the Great East Japan Earthquake.

- Excluding natural disasters, our forecasts for our net loss ratio are as follows:

Fire	:	38.1% (down 1.4 percentage points year on year)
Marine	:	54.3% (up 3.6 percentage points year on year)
Personal accident	:	60.0% (down 1.9 percentage points year on year)
Voluntary auto	:	73.9% (down 0.8 percentage point year on year)
CALI	:	103.7% (down 4.0 percentage points year on year)
Other	:	51.3% (down 5.6 percentage points year on year)
Total	:	66.5% (down 1.7 percentage points year on year)

- We have factored in natural disaster losses of ¥15.0 billion.
  Fire: ¥11.5 billion, Voluntary auto: ¥2.5 billion, Other: ¥1.0 billion

- We expect incurred losses (excluding residential earthquake insurance) apart from those arising from natural disasters to decrease by ¥13.6 billion year on year.

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

MS&AD

Company expenses

(¥ bn)

	FY2010	FY2011 (forecast)	Change
Underwriting company expense	202.5	**205.5**	**2.9**
Loss adjustment expense	75.5	**76.4**	**0.8**
Other	10.3	**10.3**	**-0.1**
Total company expense	288.4	**292.2**	**3.7**
Personnel	159.3	**159.8**	**0.5**
Non personnel	115.6	**119.1**	**3.4**
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%	**16.4%**	**-0.1pt**
Net expense ratio	33.9%	**33.8%**	**-0.1pt**
Net expense ratio (excluding CALI)	35.2%	**35.1%**	**-0.1pt**

- We forecast that total company expenses will increase by ¥3.7 billion year on year to ¥292.2 billion.

- We forecast that net expense ratio will improve by 0.1 percentage point to total 33.8%
  - Net commission ratio 17.4% (down 0.1 percentage point year on year)
  - Net company expense ratio 16.4% (down 0.1 percentage point year on year)

- Excluding CALI, we forecast that the net expense ratio will improve by 0.1 percentage point to total 35.1%.
  - Net commission ratio 18.7% (up 0.0 percentage point year on year)
  - Net company expense ratio 16.4% (down 0.1 percentage point year on year)

MSI (Non-Consolidated): Investment Performance

MS&AD

Net investment income/loss

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Interest and dividends received	111.8	**97.8**	**- 14.0**
Transfer of investment income on deposit premiums	- 51.1	**- 45.8**	**5.4**
Net interest and dividend income	60.6	**52.0**	**- 8.7**
Net gains/losses on sale of securities	38.3	**16.9**	**- 21.5**
Losses on devaluation of securities	- 7.5	**- 1.5**	**6.1**
Net gains/losses on redemption of securities	- 0.6	**- 0.1**	**0.6**
Gains/losses on derivative transactions	8.7	**3.7**	**- 5.1**
Other	- 15.5	**- 11.9**	**3.7**
Net investment income/loss	83.9	**59.1**	**- 24.8**

Sources of interest and dividends received

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Bonds	29.1	**28.0**	**- 1.1**
Stocks	28.7	**28.0**	**- 0.7**
Foreign securities	25.8	**18.5**	**- 7.4**
Other securities	3.7	**2.0**	**- 1.7**
Loans	12.9	**11.5**	**- 1.4**
Land and buildings	6.7	**5.6**	**- 1.1**
Other	4.8	**4.2**	**- 0.6**
Total	111.8	**97.8**	**- 14.0**

- We expect interest and dividends received to fall in foreign securities and decline by ¥14.0 billion, to ¥ 97.8 billion.
- Net interest and dividend income is expected to decline by ¥8.7 billion year on year to ¥52.0 billion.
- We expect gains on the sale of securities to decline by ¥21.5 billion to ¥16.9 billion.
- We expect losses on devaluation of securities of ¥1.5 billion, an increase of ¥6.1 billion year on year.
- We see gains on derivative transactions decreasing by ¥5.1 billion year on year to ¥3.7 billion, due chiefly to a fall in mark to market gains of credit derivatives.
- We expect other gains to increase by ¥3.7 billion year on year, due to a reduction in losses on the redemption of investment trusts.

ADI (Non-Consolidated)

Key financial data

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Net premiums written	1,097.3	**1,100.0**	**2.7**
Net premiums, growth rate	-0.8%	**0.2%**	**1.0pt**
Net loss ratio	68.2%	**75.8%**	**7.6pt**
Net expense ratio	35.6%	**35.5%**	**-0.1pt**
Combined ratio	103.8%	**111.3%**	**7.5pt**
Incurred losses	735.4	**736.8**	**1.3**
Underwriting profit/loss	-33.3	**-8.0**	**25.3**
Net investment income/loss	51.4	**35.9**	**-15.5**
Ordinary profit	16.0	**30.0**	**13.9**
Extraordinary income/loss	-35.0	**-0.6**	**34.4**
Net income	-11.4	**20.0**	**31.4**
< Excluding CALI >			
Net premiums, growth rate	-1.0%	**-0.5%**	**0.5pt**
Net loss ratio	63.8%	**72.8%**	**9.0pt**
Net expense ratio	36.5%	**37.1%**	**0.6pt**
Combined ratio	100.3%	**109.9%**	**9.6pt**

- Net premiums written is forecast to increase to ¥1.1 trillion, by ¥2.7 billion or 0.2% year on year.
- The net loss ratio is forecast to increase by 7.6 percentage points year on year to 75.8%. Excluding CALI, the ratio is forecast at 72.8%.
- 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 at 37.1%.
- The combined ratio is forecast to increase by 7.5 percentage points to 111.3%. Excluding CALI, the combined ratio is forecast at 109.9%.
- Underwriting profit is forecast to increase by ¥25.3 billion to an ¥8.0 billion loss, as we expect incurred losses, which include those arising from the Great East Japan Earthquake, to fall.
- Net investment income is forecast at ¥35.9 billion, down by ¥15.5 billion year on year, primarily due to anticipated declines in interest and dividends and capital gains.
- As a result, ordinary profit is forecast at ¥30.0 billion, up by ¥13.9 billion year on year.
- Extraordinary losses are forecast to decrease by ¥34.4 billion to ¥600 million due mainly to a reduction in business-integration-related expenses.
- Net income is forecast at ¥20.0 billion, up by ¥31.4 billion year on year.

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

Net premiums written

(¥ bn)

	FY2010	FY2011 (forecast)	
			Growth
Fire	137.9	**133.4**	**-3.3%**
Marine	8.6	**9.6**	**11.1%**
Personal accident	73.0	**72.5**	**-0.8%**
Voluntary auto	637.8	**643.0**	**0.8%**
CALI	138.1	**145.5**	**5.3%**
Other	101.6	**96.0**	**-5.6%**
Total	1,097.3	**1,100.0**	**0.2%**
Excluding CALI	959.1	**954.5**	**-0.5%**

Net loss ratios

	FY2010	FY2011 (forecast)	
			Change
Fire	40.6%	**98.4%**	**57.8pt**
Marine	55.6%	**72.0%**	**16.4pt**
Personal accident	54.1%	**52.3%**	**-1.8pt**
Voluntary auto	69.0%	**68.4%**	**-0.6pt**
CALI	98.5%	**95.9%**	**-2.6pt**
Other	70.7%	**81.7%**	**11.0pt**
Total	68.2%	**75.8%**	**7.6pt**
Excluding CALI/residential earthquake insurance	64.0%	**67.0%**	**3.0pt**

Incurred losses

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Incurred losses (excluding loss adjustment expenses)	735.4	**736.8**	**1.3**
Natural disasters	28.5	**58.7**	**30.1**
Other	706.8	**678.1**	**-28.7**

* Incurred losses = Net claims paid + provision for outstanding claims including IBNR
* Natural disaster losses for FY2010 include ¥ 27.5 billion (incl. ¥ 8.0 billion of residential earthquake insurance) of incurred losses arising from the Great East Japan Earthquake
* Natural disaster losses for FY2011 include ¥ 48.7 billion of incurred losses of residential earthquake insurance arising from the Great East Japan Earthquake

- Net premiums written are projected to increase by 0.2% year on year. Although we forecast net premiums written will rise due to the revision of the premium rate for voluntary auto insurance and CALI, bolstered efforts to improve underwriting results and reduce risk should, among other factors, have a revenue reducing effect.
  - Fire insurance is forecast to fall by 3.3% year on year
  - Voluntary auto insurance is projected to rise 0.8% year on year.
  - CALI is projected to rise 5.3% year on year.

- The net loss ratio is projected to increase by 7.6 percentage points year on year to 75.8% due to payouts for natural disasters, including the Great East Japan Earthquake.
  Excluding natural disasters, net loss ratio projected is as follows:

Fire	:	38.7% (down 1.7 percentage points year on year)
Marine	:	68.3% (up 12.8 percentage points year on year)
Personal accident	:	51.7% (down 2.4 percentage points year on year)
Voluntary auto	:	67.8% (down 1.2 percentage points year on year)
CALI	:	95.9% (down 2.7 percentage points year on year)
Other	:	79.6% (up 9.2 percentage points year on year)
Total	:	67.9% (down 0.2 percentage points year on year)

- Apart from the Great East Japan Earthquake, we have factored in natural disaster losses of ¥10.0 billion.
  Fire: ¥6.0 billion; Voluntary automobile: ¥4.0 billion

- We expect incurred losses apart from those arising from natural disaster to decrease by ¥28.7 billion year on year.

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

MS&AD INSURANCE GROUP

Company expenses

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Underwriting company expense	195.5	**196.4**	**0.9**
Loss adjustment expense	55.5	**55.5**	**0.0**
Other	10.0	**8.9**	**-1.1**
Total company expense	261.1	**260.9**	**-0.2**
Personnel	134.4	**132.0**	**-2.4**
Non personnel	114.0	**116.2**	**2.1**
Taxes and contributions	12.5	**12.5**	**0.0**

Expense ratios

	FY2010	FY2011 (forecast)	
			Change
Net commission ratio	17.8%	**17.7%**	**-0.1pt**
Net company expense ratio	17.8%	**17.9%**	**0.1pt**
Net expense ratio	35.6%	**35.5%**	**-0.1pt**
Net expense ratio (excluding CALI)	36.5%	**37.1%**	**0.6pt**

- Company expenses are projected to decline by ¥200 million year on year to ¥260.9 billion.

- The net expense ratio is expected to decline by 0.1 percentage point year on year to 35.5%.
  - Net commission ratio 17.7% (down 0.1 percentage point year on year)
  - Net company expense ratio 17.9% (up 0.1 percentage point year on year)

- The net expense ratio excluding CALI is projected to rise by 0.6 percentage point year on year to 37.1%.
  - Net commission ratio 19.2% (up 0.0 percentage point year on year)
  - Net company expense ratio 17.9% (up 0.5 percentage point year on year)

ADI (Non-Consolidated): Investment Performance

Net investment income/loss

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Interest and dividends received	67.4	**57.8**	**-9.6**
Transfer of investment income on deposit premiums	-24.5	**-22.9**	**1.6**
Net interest and dividend income	42.8	**34.9**	**-8.0**
Net gains/losses on sale of securities	33.6	**13.9**	**-19.7**
Losses on devaluation of securities	-13.3	**—**	**13.3**
Net gains/losses on redemption of securities	-1.2	**-2.6**	**-1.3**
Gains/losses on derivative transactions	-0.5	**-1.6**	**-1.1**
Other	-10.0	**-8.8**	**1.3**
Net investment income/loss	51.4	**35.9**	**-15.5**

Sources of interest and dividends received

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Bonds	10.1	**10.3**	**0.2**
Stocks	13.3	**13.2**	**- 0.2**
Foreign securities	26.6	**21.9**	**- 4.8**
Other securities	3.9	**0.7**	**- 3.3**
Loans	6.2	**5.6**	**- 0.6**
Land and buildings	5.6	**4.9**	**- 0.8**
Other	1.2	**1.2**	**- 0.1**
Total	67.4	**57.8**	**- 9.6**

- Interest and dividends received are projected to decline by ¥9.6 billion year on year to ¥57.8 billion.
- Net interest and dividend income is expected to decline by ¥8.0 billion year on year to ¥34.9 billion.

Mitsui Direct General

MS&AD

Key financial data

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
Net premiums written	33.1	**33.7**	**0.7**
Net premiums, growth rate	2.1%	**2.0%**	**-0.1pt**
Ordinary profit	0.3	**0.2**	**-0.1**
Net income (our share)	0.2	**0.1**	**-0.1**

- Net premiums written increased by 2.0% year on year.
- Ordinary profit declined by ¥100 million year on year to ¥200 million, due to increase of advertising expense and increase in natural disaster losses.
- Net income (our share) fell by ¥100 million year on year, to ¥100 million.

MSI Aioi Life

MSI Aioi Life

(¥ bn)

	FY2010 (two-company combined basis)	FY2011 (two-company combined basis) *2	Change
New business *1	2,843.1	**3,560.0**	**25.2%**
Policies in-force *1	16,432.9	**17,980.0**	**9.4%**
Annualized premiums in-force *1	279.0	**294.0**	**5.3%**
Net income	- 7.1	**- 5.7**	**1.5**

*1 Sum of personal insurance and personal annuity insurance.
*2 Kirameki Life H1 + Aioi Life H1 + MSI Aioi Life H2

- In October 2011, MSI Kirameki Life will merge with Aioi Life Insurance to form " Mitsui Sumitomo Aioi Life Insurance Company, Limited." Consequently, forecasts are based on the new company formed out of the merger (two-company total).
- New business is expected to grow by 25.2% year on year to ¥3.5 trillion, mainly because we will reap the benefits of strengthening systems for selling insurance.
- Policies in-force is forecast to increase by 9.4% year on year due to strong growth in new business.
- Annualized premiums in-force are forecast to increase by 5.3%, or ¥15.0 billion year on year.
- Because we expect to incur ¥10.9 billion in extraordinary losses as merger-related expenses, net income is forecast at a deficit (net loss) of ¥5.7 billion.

MSI Primary Life

MSI Primary Life

(¥ bn)

	FY2010	FY2011 (forecast)	
			Change
New business	253.7	**346.9**	**36.7%**
Policies in-force	3,083.0	**3,264.8**	**5.9%**
Premiums	243.7	**350.0**	**43.6%**
Net income (our share)	9.3	**9.1**	**-0.3**

- We forecast that new business will increase by 36.7% year on year to ¥346.9 billion.
- We forecast that policies in-force will grow by 5.9% year on year to ¥3,264.8 billion.
- We forecast that premiums will increase by 43.6% year on year to ¥350.0 billion.
- We forecast that net income will decrease by ¥9.7 billion to ¥9.1billion due to an increase of agent commission associated with increase in premium. Consequently, net income is expected to fall by ¥300 million although our share of net income will increase to 100% from FY2011 onwards.

Overseas Subsidiaries

MS&AD

Net premiums written

(¥ bn)

	FY2010	FY2011 (forecast)	Change	Growth
Overseas subsidiaries total	180.6	**200.6**	**19.9**	**11.0%**
Asia	77.5	**90.8**	**13.2**	**17.0%**
Europe	54.6	**58.1**	**3.5**	**6.4%**
Americas	29.5	**33.5**	**4.0**	**13.6%**
Reinsurance	18.8	**18.1**	**- 0.7**	**- 3.9%**

Net income

(¥ bn)

	FY2010	FY2011 (forecast)	Change
Overseas subsidiaries total	4.5	**16.4**	**11.8**
Asia	8.4	**10.5**	**2.1**
Europe	- 12.5	**- 1.9**	**10.7**
Americas	2.1	**2.6**	**0.5**
Reinsurance	6.5	**5.1**	**- 1.5**

- Net premiums written at overseas subsidiaries are expected to increase by ¥19.9 billion or 11.0% year on year to ¥200.6 billion, due to business growth in Asia, Europe and the Americas.
- Net income at overseas subsidiaries is expected to increase by ¥11.8 billion year on year to ¥16.4 billion due to our entry into local life insurance markets in Asia and the effect of the recovery in major losses that were incurred in Europe in the preceding year.