

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2012

August 10, 2012

Name of Listed Company: **MS & AD Insurance Group Holdings, Inc.**
 Securities Code No.: 8725
 Stock Exchanges: Tokyo, Osaka, Nagoya
 URL: <http://www.ms-ad-hd.com>
 Representative: Toshiaki Egashira, President
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 Date of filing of Quarterly Financial Report: August 13, 2012
 Date of starting payment of dividends: -

(Note) Amounts are truncated.

1. Consolidated Business Results for the Three Months Ended June 30, 2012 (April 1, 2012 to June 30, 2012)

(1) Results of consolidated operations (Yen in millions)

	Ordinary income		Ordinary profit		Net income	
Three months ended June 30, 2012	1,117,953	9.2 %	19,175	(64.0) %	11,263	(70.5) %
Three months ended June 30, 2011	1,023,939	19.6 %	53,307	12.9 %	38,119	(7.9) %

Percent figures represent changes in comparison with the corresponding period of the preceding fiscal year.

(Note) Comprehensive Income: ¥ (67,595) million for the three months ended June 30, 2012 -%
 ¥ 47,906 million for the three months ended June 30, 2011 -%

(Yen)

	Net income per share	Net income per share -Diluted
Three months ended June 30, 2012	18.11	-
Three months ended June 30, 2011	61.29	-

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets
As of June 30, 2012	14,236,459	1,427,091	9.9 %
As of March 31, 2012	14,537,204	1,512,134	10.3 %

(Reference) Net assets less minority interests: As of June 30, 2012: ¥1,406,382 million
 As of March 31, 2012: ¥1,492,866 million

2. Dividends

	Dividend per share (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year- end	Annual
Year ended March 31, 2012	-	27.00	-	27.00	54.00
Year ending March 31, 2013	-	/	/	/	/
Year ending March 31, 2013 (Forecast)	/	27.00	-	27.00	54.00

(Note) Revision of the latest announced dividend per share forecast: None

3. Forecast for the Current Period (April 1, 2012 to March 31, 2013)-Consolidated (Yen in millions)

	Ordinary profit		Net income		Net income per share (Yen)
Year ending March 31, 2013	125,000	- %	80,000	- %	128.63

Percent figures represent changes in comparison with the preceding fiscal year.

(Note) Revision of the latest announced forecast: None

4. Other Information

(1) Significant changes in scope of consolidation during the period: None

Increase 0

Decrease 0

(2) Application of accounting procedure specific to the preparation of the quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting estimates/restatements

1. Changes in accounting policies due to revisions of accounting standards: Yes

2. Changes in accounting policies other than above: None

3. Changes in accounting estimates: Yes

4. Restatements: None

(4) The number of shares outstanding (Common stock)

1. The number of shares outstanding (including treasury stock)

As of June 30, 2012: 633,291,754 shares

As of March 31, 2012: 633,291,754 shares

2. The number of treasury stock

As of June 30, 2012: 11,391,056 shares

As of March 31, 2012: 11,389,363 shares

3. The average number of shares outstanding

For the three months ended June 30, 2012: 621,901,027 shares

For the three months ended June 30, 2011: 621,910,911 shares

*Disclosure regarding the execution of the quarterly review process

This report is outside the scope of the external auditor's quarterly review procedure which is required by "Financial Instruments and Exchange Act". However, the quarterly review process has been completed as of the disclosure of this report.

*Notification

The financial forecasts were based upon currently available information and contain many elements of uncertainty. Actual results may differ from the forecasts due to changes in the business environment.

Forecasts of ordinary income and consolidated interim business results, which are subject to the timing of occurrence of natural disaster and market environment, are not presented due to the difficulty in estimating reasonable amounts.

Consolidated Balance Sheets

(Yen in millions)

Items	As of March 31, 2012	As of June 30, 2012
	Amount	Amount
(Assets)		
Cash, deposits and savings	649,505	599,177
Call loans	27,223	51,529
Receivables under resale agreements	41,680	67,992
Receivables under security borrowing transactions	178,679	183,679
Monetary claims bought	86,814	84,672
Money trusts	658,634	671,834
Investments in securities	10,220,605	9,917,489
Loans	945,149	930,645
Tangible fixed assets	501,209	499,019
Intangible fixed assets	138,789	143,732
Other assets	825,797	788,555
Deferred tax assets	265,892	301,325
Customers' liabilities for acceptances and guarantees	5,500	5,500
Bad debts reserve	(8,276)	(8,696)
Total assets	14,537,204	14,236,459
(Liabilities)		
Underwriting funds:	11,998,690	11,803,801
Outstanding claims	1,415,449	1,403,618
Underwriting reserves	10,583,240	10,400,183
Debentures	271,165	271,168
Other liabilities	609,472	604,048
Reserve for pension and retirement benefits	106,151	109,058
Reserve for pension and retirement benefits for officers and operating officers	1,525	1,441
Accrued bonuses for employees	19,440	1,500
Reserve under the special law:	9,334	6,270
Reserve for price fluctuation	9,334	6,270
Deferred tax liabilities	3,789	6,577
Acceptances and guarantees	5,500	5,500
Total liabilities	13,025,069	12,809,367
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,753	682,753
Retained earnings	303,464	297,936
Treasury stock	(24,801)	(24,803)
Total shareholders' equity	1,061,416	1,055,885
Accumulated other comprehensive income:		
Unrealized gains on investments, net of tax	495,851	384,671
Deferred hedge gains (losses), net of tax	16,384	22,889
Foreign currency translation adjustments	(80,786)	(57,063)
Total accumulated other comprehensive income	431,450	350,496
Minority interests	19,268	20,709
Total net assets	1,512,134	1,427,091
Total liabilities and net assets	14,537,204	14,236,459

Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2011	Three months ended June 30, 2012
	Amount	Amount
Ordinary income and expenses:		
Ordinary income:	1,023,939	1,117,953
Underwriting income:	956,139	1,060,944
Net premiums written	648,658	657,677
Deposit premiums from policyholders	48,122	42,093
Investment income on deposit premiums from policyholders	15,228	14,555
Life insurance premiums	92,136	128,274
Reversal of outstanding claims	-	27,925
Reversal of underwriting reserves	149,699	189,198
Investment income:	65,966	54,914
Interest and dividends received	60,190	56,658
Investment gains on money trusts	13,304	351
Gains on sale of securities	4,798	8,751
Gains on derivative transactions	1,737	3,034
Transfer of investment income on deposit premiums from policyholders	(15,228)	(14,555)
Other ordinary income:	1,832	2,094
Ordinary expenses:	970,632	1,098,778
Underwriting expenses:	801,902	756,652
Net claims paid	418,325	440,379
Loss adjustment expenses	33,552	33,520
Commission and collection expenses	124,239	126,033
Maturity refunds to policyholders	88,701	100,125
Life insurance claims	41,778	48,488
Provision for outstanding claims	92,418	-
Investment expenses:	37,738	214,830
Investment losses on money trusts	629	18,657
Losses on sale of securities	3,122	1,631
Losses on devaluation of securities	10,927	54,880
Losses on investment in separate accounts	21,780	127,080
Operating expenses and general and administrative expenses	127,841	124,372
Other ordinary expenses:	3,340	3,051
Interest paid	555	1,899
Deferred expenses under Article 113 of the Insurance Business Act	(190)	(128)
Ordinary profit	53,307	19,175
Extraordinary income and losses:		
Extraordinary income:	7,366	3,592
Gains on sale of fixed assets	573	528
Gain on negative goodwill	3,311	-
Reversal of reserve under the special law:	3,481	3,063
Reversal of reserve for price fluctuation	3,481	3,063
Extraordinary losses:	6,104	1,212
Losses on sale of fixed assets	586	753
Impairment losses on fixed assets	2,283	458
Other extraordinary losses	3,233	-
Income before income taxes	54,569	21,555
Income taxes	15,967	9,653
Income before minority interests	38,602	11,901
Minority interests	482	637
Net income	38,119	11,263