

[Translation]

**SUMMARY OF FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2012**

May 18, 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  
 Contact: Noriyuki Horie, Manager, Consolidated Accounting Section, Accounting Department  
 Telephone : (03)-6202-5273  
 Date of Ordinary General Meeting of Shareholders: June 26, 2012  
 Date of filing of Financial Report: June 26, 2012  
 Date of starting payment of year-end dividends: June 27, 2012

(Note) Amounts are truncated.

**1.Consolidated Business Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)**

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

	Ordinary income		Ordinary profit		Net income	
	Amount	Percent	Amount	Percent	Amount	Percent
Year ended March 31, 2012	3,764,986	10.6 %	(96,211)	- %	(169,469)	- %
Year ended March 31, 2011	3,404,942	73.5 %	21,005	(60.1) %	5,420	(85.6) %

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

(Note) Comprehensive income: ¥ (88,136) million for the year ended March 31, 2012 -%  
 ¥ (189,373) million for the year ended March 31, 2011 -%

(Yen)

	Net income per share	Net income per share -Diluted	Return on equity	Ordinary profit to Total assets	Ordinary profit to Ordinary income
Year ended March 31, 2012	(272.49)	-	(10.9) %	(0.7) %	(2.6) %
Year ended March 31, 2011	8.68	-	0.4 %	0.2 %	0.6 %

(Reference) Equity in earnings of affiliates: ¥ 655 million for the year ended March 31, 2012  
 ¥ 9,628 million for the year ended March 31, 2011

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets	Net assets less minority interests per share (Yen)
As of March 31, 2012	14,537,204	1,512,134	10.3 %	2,400.48
As of March 31, 2011	11,445,003	1,633,381	14.1 %	2,597.19

(Reference) Net assets less minority interests: As of March 31, 2012: ¥1,492,866 million  
 As of March 31, 2011: ¥1,615,228 million

(3) Consolidated cash flows (Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of fiscal year
Year ended March 31, 2012	(205,272)	149,960	65,442	711,710
Year ended March 31, 2011	(59,339)	89,783	19,893	687,267

**2.Dividends**

	Dividend per share (Yen)					Total annual dividends (Yen in millions)	Dividend pay-out ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Annual			
Year ended March 31, 2011	-	27.00	-	27.00	54.00	33,583	622.1 %	1.9 %
Year ended March 31, 2012	-	27.00	-	27.00	54.00	33,582	- %	2.2 %
Year ending March 31, 2013 (Forecast)	-	27.00	-	27.00	54.00		42.0 %	

**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.

#### 4. Other Information

(1) Significant changes in scope of consolidation during the period: Yes  
Increase 1 (Mitsui Sumitomo Primary Life Insurance Company, Limited)  
Decrease 1 (Aioi Life Insurance Company, Limited)

(2) Changes in accounting policies and accounting estimates/restatements  
1. Changes in accounting policies due to revisions of accounting standards: None  
2. Changes in accounting policies other than above: None  
3. Changes in accounting estimates: None  
4. Restatements: None

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

1. The number of shares outstanding (including treasury stock)  
As of March 31, 2012: 633,291,754 shares  
As of March 31, 2011: 633,291,754 shares

2. The number of treasury stock  
As of March 31, 2012: 11,389,363 shares  
As of March 31, 2011: 11,379,824 shares

3. The average number of shares outstanding  
For the year ended March 31, 2012: 621,907,398 shares  
For the year ended March 31, 2011: 624,048,275 shares

#### (Reference) Summary of Non-Consolidated Financial Results

##### Non-Consolidated Business Results for the Year Ended March 31, 2012 (April 1, 2011 to March 31, 2012)

(1) Results of operations

	Operating income		Operating profit		Ordinary profit		Net income	
Year ended March 31, 2012	29,225	(57.7) %	25,406	(61.3) %	25,449	(61.3) %	25,445	(61.0) %
Year ended March 31, 2011	69,143	72.8 %	65,710	75.7 %	65,716	77.5 %	65,202	76.1 %

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

	(Yen)	
	Net income per share	Net income per share -Diluted
Year ended March 31, 2012	40.91	-
Year ended March 31, 2011	104.48	-

(2) Financial conditions

	(Yen in millions)			
	Total assets	Net assets	Net assets ratio	Net assets per share (Yen)
As of March 31, 2012	1,338,986	1,338,434	100.0 %	2,152.16
As of March 31, 2011	1,347,051	1,346,589	100.0 %	2,165.24

(Reference) Net assets: As of March 31, 2012: ¥1,338,434 million  
As of March 31, 2011: ¥1,346,589 million

#### \*Disclosure regarding the execution of the audit process

This report is outside the scope of the audit procedure which is required by "Financial Instruments and Exchange Act". Therefore, the audit process has not 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, 2011	As of March 31, 2012
	Amount	Amount
(Assets)		
Cash, deposits and savings	623,606	649,505
Call loans	52,554	27,223
Receivables under resale agreements	23,094	41,680
Receivables under security borrowing transactions	26,535	178,679
Monetary claims bought	117,169	86,814
Money trusts	11,580	658,634
Investments in securities	7,818,573	10,220,605
Loans	1,056,523	945,149
Tangible fixed assets:	498,926	501,209
Land	259,295	252,793
Buildings	195,414	217,515
Lease assets	604	1,871
Construction in progress	12,985	685
Other tangible fixed assets	30,627	28,343
Intangible fixed assets:	124,553	138,789
Software	18,426	19,497
Goodwill	100,678	92,795
Lease assets	12	147
Other intangible fixed assets	5,435	26,349
Other assets	804,828	825,797
Deferred tax assets	294,397	265,892
Customers' liabilities for acceptances and guarantees	2,500	5,500
Bad debts reserve	(9,839)	(8,276)
<b>Total assets</b>	<b>11,445,003</b>	<b>14,537,204</b>
(Liabilities)		
Underwriting funds:	9,114,317	11,998,690
Outstanding claims	1,287,132	1,415,449
Underwriting reserves	7,827,184	10,583,240
Debentures	164,963	271,165
Other liabilities	386,298	609,472
Reserve for pension and retirement benefits	103,817	106,151
Reserve for pension and retirement benefits for officers and operating officers	1,801	1,525
Accrued bonuses for employees	20,075	19,440
Reserve under the special law:	13,952	9,334
Reserve for price fluctuation	13,952	9,334
Deferred tax liabilities	3,896	3,789
Acceptances and guarantees	2,500	5,500
<b>Total liabilities</b>	<b>9,811,622</b>	<b>13,025,069</b>
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,754	682,753
Retained earnings	506,696	303,464
Treasury stock	(24,785)	(24,801)
Total shareholders' equity	1,264,664	1,061,416
Accumulated other comprehensive income:		
Unrealized gains on investments, net of tax	409,337	495,851
Deferred hedge gains (losses), net of tax	6,234	16,384
Foreign currency translation adjustments	(65,007)	(80,786)
Total accumulated other comprehensive income	350,564	431,450
Minority interests	18,152	19,268
<b>Total net assets</b>	<b>1,633,381</b>	<b>1,512,134</b>
<b>Total liabilities and net assets</b>	<b>11,445,003</b>	<b>14,537,204</b>

## Consolidated Statements of Income

(Yen in millions)

Items	FY2010	FY2011
	Amount	Amount
<b>Ordinary income and expenses:</b>		
<b>Ordinary income:</b>	<b>3,404,942</b>	<b>3,764,986</b>
<b>Underwriting income:</b>	<b>3,165,888</b>	<b>3,453,293</b>
Net premiums written	2,543,786	2,555,551
Deposit premiums from policyholders	196,070	172,021
Investment income on deposit premiums from policyholders	66,386	60,861
Life insurance premiums	244,533	425,619
Reversal of underwriting reserves	106,361	229,721
Other underwriting income	8,750	9,518
<b>Investment income:</b>	<b>219,106</b>	<b>301,689</b>
Interest and dividends received	205,508	196,186
Investment gains on money trusts	54	51,188
Gains on sale of securities	66,295	57,146
Gains on redemption of securities	2,078	611
Gains on derivative transactions	8,409	2,347
Gains on investment in separate accounts	-	44,338
Other investment income	3,148	10,731
Transfer of investment income on deposit premiums from policyholders	(66,386)	(60,861)
<b>Other ordinary income:</b>	<b>19,947</b>	<b>10,003</b>
Equity in gains of affiliates	9,628	655
Other ordinary income	10,318	9,348
<b>Ordinary expenses:</b>	<b>3,383,936</b>	<b>3,861,198</b>
<b>Underwriting expenses:</b>	<b>2,806,869</b>	<b>3,265,396</b>
Net claims paid	1,586,128	1,941,371
Loss adjustment expenses	137,944	135,274
Commission and collection expenses	465,069	479,425
Maturity refunds to policyholders	447,288	376,943
Dividends to policyholders	1,506	1,494
Life insurance claims	60,722	192,069
Provision for outstanding claims	98,510	133,832
Other underwriting expenses	9,699	4,985
<b>Investment expenses:</b>	<b>60,996</b>	<b>72,892</b>
Investment losses on money trusts	136	68
Losses on trading securities	4	-
Losses on sale of securities	23,960	31,083
Losses on devaluation of securities	20,322	29,630
Losses on redemption of securities	3,182	1,337
Other investment expenses	13,389	10,771
<b>Operating expenses and general and administrative expenses</b>	<b>508,641</b>	<b>515,270</b>
<b>Other ordinary expenses:</b>	<b>7,429</b>	<b>8,399</b>
Interest paid	1,813	2,564
Provision for bad debts reserve	2,245	-
Loss on bad debts	104	182
Amortization of deferred assets under Article 113 of the Insurance Business Act	-	93
Other ordinary expenses	3,265	5,557
<b>Deferred expenses under Article 113 of the Insurance Business Act</b>	<b>-</b>	<b>(760)</b>
<b>Ordinary profit (loss)</b>	<b>21,005</b>	<b>(96,211)</b>
<b>Extraordinary income and losses:</b>		
<b>Extraordinary income:</b>	<b>25,573</b>	<b>12,002</b>
Gains on sale of fixed assets	10,390	2,811
Gain on negative goodwill	13,543	3,311
Reversal of reserve under the special law:	-	5,878
Reversal of reserve for price fluctuation	-	5,878
Other extraordinary income	1,639	-
<b>Extraordinary losses:</b>	<b>57,235</b>	<b>26,739</b>
Losses on sale of fixed assets	2,813	4,024
Impairment losses on fixed assets	4,911	3,589
Provision for reserve under the special law:	5,303	-
Provision for reserve for price fluctuation	5,303	-
Losses on reduction of real estate	44	-
Other extraordinary losses	44,162	19,125
<b>Loss before income taxes</b>	<b>(10,656)</b>	<b>(110,948)</b>
<b>Income taxes - current</b>	<b>9,640</b>	<b>16,064</b>
<b>Income taxes - deferred</b>	<b>(26,510)</b>	<b>40,995</b>
<b>Total income taxes</b>	<b>(16,869)</b>	<b>57,060</b>
<b>Income (loss) before minority interests</b>	<b>6,212</b>	<b>(168,008)</b>
<b>Minority interests</b>	<b>792</b>	<b>1,460</b>
<b>Net income (loss)</b>	<b>5,420</b>	<b>(169,469)</b>

## Securities available for sale

(Yen in millions)

Items		As of March 31, 2011			As of March 31, 2012		
		Fair value	Acquisition cost	Difference	Fair value	Acquisition cost	Difference
In case fair values exceed cost or amortized cost	Domestic Bonds	2,683,324	2,609,839	73,485	3,445,015	3,314,685	130,329
	Domestic Stocks	1,417,050	731,582	685,468	1,374,250	721,292	652,957
	Foreign Securities	599,176	567,089	32,086	678,098	636,202	41,896
	Others	86,799	82,330	4,468	84,769	79,238	5,531
	Sub Total	4,786,350	3,990,842	795,508	5,582,134	4,751,419	830,714
In case fair values do not exceed cost or amortized cost	Domestic Bonds	413,180	420,756	(7,575)	236,958	244,172	(7,213)
	Domestic Stocks	576,858	649,691	(72,833)	543,094	603,999	(60,904)
	Foreign Securities	821,005	880,671	(59,666)	561,641	596,630	(34,988)
	Others	150,070	156,798	(6,728)	105,093	110,563	(5,469)
	Sub Total	1,961,114	2,107,917	(146,803)	1,446,788	1,555,365	(108,576)
Total		6,747,465	6,098,760	648,704	7,028,923	6,306,785	722,137

As of March 31, 2011	As of March 31, 2012
<p>1. Others include certificate of deposit represented as Cash, deposits and savings, commercial papers and beneficiary claims on loan trusts etc. represented as Monetary claims bought in the consolidated balance sheets.</p> <p>2. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p>	<p>1. Others include certificate of deposit represented as Cash, deposits and savings, commercial papers and beneficiary claims on loan trusts etc. represented as Monetary claims bought in the consolidated balance sheets.</p> <p>2. Securities (available for sale) for which are deemed to be extremely difficult to determine the fair value are not included in the above table.</p>