

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2011

August 10, 2011

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 12, 2011
 Date of starting payment of dividends: -

(Note) Amounts are truncated.

1.Consolidated Business Results for the Three Months Ended June 30, 2011 (April 1, 2011 to June 30, 2011)

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

	Ordinary income		Ordinary profit		Net income	
Three months ended June 30, 2011	1,023,939	19.6 %	53,307	12.9 %	38,119	(7.9) %
Three months ended June 30, 2010	856,213	59.9 %	47,206	2.3 %	41,381	28.6 %

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

(Note) Comprehensive Income: ¥ 47,906 million for the three months ended June 30, 2011 -%
¥ (141,190) million for the three months ended June 30, 2010 -%

(Yen)

	Net income per share	Net income per share -Diluted
Three months ended June 30, 2011	61.29	-
Three months ended June 30, 2010	66.00	-

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Net assets less minority interests to Total assets
As of June 30, 2011	14,659,730	1,665,189	11.2 %
As of March 31, 2011	11,445,003	1,633,381	14.1 %

(Reference) Net assets less minority interests: As of June 30, 2011: ¥1,644,993 million
As of March 31, 2011: ¥1,615,228 million

2.Dividends

	Dividend per share (Yen)				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Year- end	Annual
Year ended March 31, 2011	-	27.00	-	27.00	54.00
Year ending March 31, 2012	-				
Year ending March 31, 2012 (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, 2011 to March 31, 2012)-Consolidated (Yen in millions)

	Ordinary income		Ordinary profit		Net income		Net income per share (Yen)
Six months ending September 30, 2011	1,850,000	7.5 %	55,000	(22.0) %	30,000	(25.1) %	48.23
Year ending March 31, 2012	3,750,000	10.1 %	116,000	452.2 %	67,000	- %	107.73

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

(Note) Revision of the latest announced forecast: None

4. Other Information

(1) Significant changes in scope of consolidation during the period: Yes

Increase 1 (Mitsui Sumitomo Primary Life Insurance Company, Limited)

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: None

2. Changes in accounting policies other than above: None

3. Changes in accounting estimates: None

4. Restatements: None

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

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

As of June 30, 2011: 633,291,754 shares

As of March 31, 2011: 633,291,754 shares

2. The number of treasury stock

As of June 30, 2011: 11,381,232 shares

As of March 31, 2011: 11,379,824 shares

3. The average number of shares outstanding

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

For the Three months ended June 30, 2010: 626,908,911 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". Therefore, the quarterly review 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.

Consolidated Balance Sheets

(Yen in millions)

Items	As of March 31, 2011	As of June 30, 2011
	Amount	Amount
(Assets)		
Cash deposits and savings	623,606	475,262
Call loans	52,554	36,525
Securities bought under resale agreements	23,094	41,288
Receivables under security borrowing transactions	26,535	23,755
Monetary claims bought	117,169	139,287
Money trusts	11,580	597,287
Investments in securities	7,818,573	10,256,088
Loans	1,056,523	1,037,196
Tangible fixed assets	498,926	499,731
Intangible fixed assets	124,553	127,976
Other assets	804,828	1,131,756
Deferred tax assets	294,397	302,851
Customers' liabilities for acceptances and guarantees	2,500	2,500
Bad debts reserve	(9,839)	(11,777)
Total assets	11,445,003	14,659,730
(Liabilities)		
Underwriting funds:	9,114,317	12,072,441
Outstanding claims	1,287,132	1,395,316
Underwriting reserves	7,827,184	10,677,125
Debentures	164,963	164,966
Other liabilities	386,298	629,193
Reserve for pension and retirement benefits	103,817	106,638
Reserve for pension and retirement benefits for officers and operating officers	1,801	1,685
Accrued bonuses for employees	20,075	1,407
Reserve under the special law:	13,952	11,731
Reserve for price fluctuation	13,952	11,731
Deferred tax liabilities	3,896	3,975
Liabilities under acceptances and guarantees	2,500	2,500
Total liabilities	9,811,622	12,994,541
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	682,754	682,754
Retained earnings	506,696	527,842
Treasury stock	(24,785)	(24,788)
Total shareholders' equity	1,264,664	1,285,808
Accumulated other comprehensive income:		
Unrealized gains on investments, net of tax	409,337	404,734
Deferred hedge gains (losses), net of tax	6,234	10,911
Foreign currency translation adjustments	(65,007)	(56,461)
Total accumulated other comprehensive income	350,564	359,185
Minority interests	18,152	20,195
Total net assets	1,633,381	1,665,189
Total liabilities and net assets	11,445,003	14,659,730

Consolidated Statements of Income

(Yen in millions)

Items	Three months ended June 30, 2010	Three months ended June 30, 2011
	Amount	Amount
Ordinary income and expenses:		
Ordinary income:	856,213	1,023,939
Underwriting income:	796,673	956,139
Net premiums written	653,841	648,658
Deposit premiums from policyholders	60,036	48,122
Investment income on deposit premiums from policyholders	16,815	15,228
Life insurance premiums	53,710	92,136
Reversal of outstanding claims	5,887	-
Reversal of underwriting reserves	4,793	149,699
Investment income:	55,085	65,966
Interest and dividends received	60,067	60,190
Investment gains on money trusts	16	13,304
Gains on sale of securities	7,362	4,798
Gains on derivative transactions	2,834	1,737
Transfer of investment income on deposit premiums from policyholders	(16,815)	(15,228)
Other ordinary income	4,454	1,832
Ordinary expenses:	809,007	970,632
Underwriting expenses:	667,096	801,902
Net claims paid	390,571	418,325
Loss adjustment expenses	33,007	33,552
Commission and collection expenses	120,185	124,239
Maturity refunds to policyholders	105,143	88,701
Life insurance claims	13,353	41,778
Provision for outstanding claims	-	92,418
Investment expenses:	15,309	37,738
Investment losses on money trusts	227	629
Losses on trading securities	1	-
Losses on sale of securities	882	3,122
Losses on devaluation of securities	9,049	10,927
Losses on investment in separate accounts	-	21,780
Operating expenses and general and administrative expenses	125,671	127,841
Other ordinary expenses:	929	3,340
Interest paid	330	555
Deferred expenses under Article 113 of the Insurance Business Act	-	(190)
Ordinary profit	47,206	53,307
Extraordinary income and losses:		
Extraordinary income:	17,618	7,366
Gains on sale of fixed assets	85	573
Gain on negative goodwill	13,543	3,311
Reversal of reserve under the special law:	3,989	3,481
Reversal of reserve for price fluctuation	3,989	3,481
Extraordinary losses:	15,162	6,104
Losses on sale of fixed assets	296	586
Impairment losses on fixed assets	361	2,283
Losses on reduction of real estate	6	-
Other extraordinary losses	14,496	3,233
Income before income taxes	49,663	54,569
Income taxes	7,905	15,967
Income before minority interests	41,758	38,602
Minority interests	376	482
Net income	41,381	38,119