

[Translation]

SUMMARY OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2011

May 19, 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
 Contact: Noriyuki Horie, Manager, Consolidated Accounting Section, Accounting Department
 Telephone : (03)-6202-5273
 Date of Ordinary General Meeting of Shareholders: June 29, 2011
 Date of filing of Financial Report: June 29, 2011
 Date of starting payment of year-end dividends: June 30, 2011

(Note) Amounts are truncated.

1.Consolidated Business Results for the Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

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

	Ordinary income		Ordinary profit		Net income	
Year ended March 31, 2011	3,404,942	73.5 %	21,005	(60.1) %	5,420	(85.6) %
Year ended March 31, 2010	1,962,689	(3.8) %	52,695	- %	37,640	359.5 %

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

(Note) Comprehensive income: ¥ (189,373) million for the year ended March 31, 2011 (157.8%)
 ¥ 327,417 million for the year ended March 31, 2010 -%

(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, 2011	8.68	-	0.4 %	0.2 %	0.6 %
Year ended March 31, 2010	89.84	-	3.3 %	0.7 %	2.7 %

(Reference) Equity in net gains of affiliates: ¥ 9,628 million for the year ended March 31, 2011
 ¥ 4,878 million for the year ended March 31, 2010

(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, 2011	11,445,003	1,633,381	14.1 %	2,597.19
As of March 31, 2010	7,519,625	1,311,082	17.3 %	3,143.32

(Reference) Net assets less minority interests: As of March 31, 2011: ¥1,615,228 million
 As of March 31, 2010: ¥1,304,332 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, 2011	(59,339)	89,783	19,893	687,267
Year ended March 31, 2010	(33,930)	52,741	(104,320)	377,158

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, 2010	-	27.00	-	27.00	54.00	22,524	60.1 %	1.9 %
Year ended March 31, 2011	-	27.00	-	27.00	54.00	33,583	622.1 %	1.9 %
Year ending March 31, 2012 (Forecast)	-	27.00	-	27.00	54.00		50.1 %	

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.

4. Other Information

- (1) Significant changes in scope of consolidation during the period : Yes
 Increase 4 (Aioi Insurance Company, Limited (currently Aioi Nissay Dowa Insurance Company, Limited), Nissay Dowa General Insurance Company, Limited, Aioi Life Insurance Company, Limited, Aioi Motor and General Insurance Company of Europe Limited (currently Aioi Nissay Dowa Insurance Company of Europe Limited))
 Decrease 1 (Nissay Dowa General Insurance Company, Limited)
- (2) Changes in accounting principle, procedure and presentation preparing the consolidated financial statements
 1.Changes due to revision of accounting standard: Yes
 2.Changes due to other than above: None
- (3) The number of shares outstanding (Common stock)
 1.The number of shares outstanding (including treasury stock)
 As of March 31, 2011: 633,291,754 shares
 As of March 31, 2010: 421,320,739 shares
 2.The number of treasury stock
 As of March 31, 2011: 11,379,824 shares
 As of March 31, 2010: 6,367,110 shares
 3.The average number of shares outstanding
 For the year ended March 31, 2011: 624,048,275 shares
 For the year ended March 31, 2010: 418,960,749 shares

(Reference) Summary of Non-Consolidated Financial Results

Non-Consolidated Business Results for the Year Ended March 31, 2011 (April 1, 2010 to March 31, 2011)

(1) Results of operations

(Yen in millions)

	Operating income		Operating profit		Ordinary profit		Net income	
		%		%		%		%
Year ended March 31, 2011	69,143	72.8 %	65,710	75.7 %	65,716	77.5 %	65,202	76.1 %
Year ended March 31, 2010	40,018	5.1 %	37,401	5.3 %	37,027	6.7 %	37,026	6.7 %

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, 2011	104.48	-
Year ended March 31, 2010	88.37	-

(2) Financial conditions

(Yen in millions)

	Total assets	Net assets	Net assets ratio	Net assets per share (Yen)
As of March 31, 2011	1,347,051	1,346,589	100.0 %	2,165.24
As of March 31, 2010	769,963	769,415	99.9 %	1,854.22

(Reference) Net assets: As of March 31, 2011: ¥1,346,589 million
 As of March 31, 2010: ¥769,415 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.

Consolidated Balance Sheets

(Yen in millions)

Items	As of March 31, 2010	As of March 31, 2011
	Amount	Amount
(Assets)		
Cash deposits and savings	313,389	623,606
Call loans	33,700	52,554
Securities bought under resale agreements	15,998	23,094
Receivables under security borrowing transactions	-	26,535
Monetary claims bought	108,158	117,169
Money trusts	10,592	11,580
Investments in securities	5,497,537	7,818,573
Loans	749,524	1,056,523
Tangible fixed assets:	255,039	498,926
Land	100,852	259,295
Buildings	129,358	195,414
Lease asset	-	604
Construction in progress	4,427	12,985
Other tangible fixed assets	20,400	30,627
Intangible fixed assets:	78,967	124,553
Software	11,927	18,426
Goodwill	63,004	100,678
Lease asset	-	12
Other intangible fixed assets	4,035	5,435
Other assets	459,454	804,828
Deferred tax assets	6,411	294,397
Customers' liabilities for acceptances and guarantees	-	2,500
Bad debts reserve	(9,149)	(9,839)
Total assets	7,519,625	11,445,003
(Liabilities)		
Underwriting funds:	5,781,233	9,114,317
Outstanding claims	753,784	1,287,132
Underwriting reserves	5,027,448	7,827,184
Debentures	94,969	164,963
Other liabilities	198,587	386,298
Reserve for pension and retirement benefits	82,424	103,817
Reserve for pension and retirement benefits for officers and operating officers	2,092	1,801
Accrued bonuses for employees	12,713	20,075
Reserve under the special law:	4,302	13,952
Reserve for price fluctuation	4,302	13,952
Deferred tax liabilities	32,221	3,896
Liabilities under acceptances and guarantees	-	2,500
Total liabilities	6,208,542	9,811,622
(Net assets)		
Shareholders' equity:		
Common stock	100,000	100,000
Capital surplus	132,690	682,754
Retained earnings	541,520	506,696
Treasury stock	(14,687)	(24,785)
Total shareholders' equity	759,522	1,264,664
Accumulated other comprehensive income:		
Unrealized gains on investments, net of tax	582,980	409,337
Deferred hedge gains (losses), net of tax	2,138	6,234
Foreign currency translation adjustments	(40,309)	(65,007)
Total accumulated other comprehensive income	544,809	350,564
Minority interests	6,750	18,152
Total net assets	1,311,082	1,633,381
Total liabilities and net assets	7,519,625	11,445,003

Consolidated Statements of Income

(Yen in millions)

Items	FY 2009	FY 2010
	Amount	Amount
Ordinary income and expenses:		
Ordinary income:	1,962,689	3,404,942
Underwriting income:	1,812,669	3,165,888
Net premiums written	1,394,164	2,543,786
Deposit premiums from policyholders	145,026	196,070
Investment income on deposit premiums from policyholders	54,075	66,386
Life insurance premiums	135,165	244,533
Reversal of outstanding claims	49,876	-
Reversal of underwriting reserves	31,417	106,361
Other underwriting income	2,942	8,750
Investment income:	139,902	219,106
Interest and dividends received	143,896	205,508
Investment gains on money trusts	675	54
Gains on sale of securities	19,695	66,295
Gains on redemption of securities	1,727	2,078
Gains on derivative transactions	24,777	8,409
Other investment income	3,206	3,148
Transfer of investment income on deposit premiums from policyholders	(54,075)	(66,386)
Other ordinary income:	10,118	19,947
Equity in gains of affiliates	4,878	9,628
Other ordinary income	5,239	10,318
Ordinary expenses:	1,909,994	3,383,936
Underwriting expenses:	1,561,117	2,806,869
Net claims paid	914,691	1,586,128
Loss adjustment expenses	80,547	137,944
Commission and collection expenses	243,136	465,069
Maturity refunds to policyholders	278,423	447,288
Dividends to policyholders	1,062	1,506
Life insurance claims	41,716	60,722
Provision for outstanding claims	-	98,510
Other underwriting expenses	1,538	9,699
Investment expenses:	47,021	60,996
Investment losses on money trusts	21	136
Losses on trading securities	-	4
Losses on sale of securities	17,419	23,960
Losses on devaluation of securities	6,065	20,322
Losses on redemption of securities	4,435	3,182
Other investment expenses	19,079	13,389
Operating expenses and general and administrative expenses	294,960	508,641
Other ordinary expenses:	6,894	7,429
Interest paid	2,254	1,813
Provision for bad debts reserve	2,044	2,245
Loss on bad debts	131	104
Other ordinary expenses	2,463	3,265
Ordinary profit	52,695	21,005
Extraordinary income and losses:		
Extraordinary income:	3,592	25,573
Gains on sale of fixed assets	3,592	10,390
Gain on negative goodwill	-	13,543
Other extraordinary income	-	1,639
Extraordinary losses:	6,048	57,235
Losses on sale of fixed assets	2,555	2,813
Impairment losses on fixed assets	3,431	4,911
Provision for reserve under the special law	61	5,303
Provision for price fluctuation reserve	61	5,303
Losses on reduction of real estate	-	44
Other extraordinary losses	-	44,162
Income (loss) before income taxes	50,238	(10,656)
Income taxes - current	18,778	9,640
Refund of income taxes for prior periods	(13,950)	-
Income taxes - deferred	7,330	(26,510)
Total income taxes	12,158	(16,869)
Income before minority interests	—	6,212
Minority Interests	439	792
Net income	37,640	5,420

Securities (Marketable securities available for sale)

(Yen in millions)

Items		As of March 31, 2010			As of March 31, 2011		
		Acquisition cost	Fair value	Difference	Acquisition cost	Fair value	Difference
In case fair values exceed cost or amortized cost	Domestic Bonds	1,950,543	1,894,888	55,655	2,683,324	2,609,839	73,485
	Domestic Stocks	1,530,878	671,579	859,299	1,417,050	731,582	685,468
	Foreign Securities	458,945	417,955	40,989	599,176	567,089	32,086
	Others	78,351	71,809	6,542	86,799	82,330	4,468
	Sub Total	4,018,718	3,056,232	962,486	4,786,350	3,990,842	795,508
In case fair values do not exceed cost or amortized cost	Domestic Bonds	282,827	286,440	(3,613)	413,180	420,756	(7,575)
	Domestic Stocks	90,696	103,283	(12,587)	576,858	649,691	(72,833)
	Foreign Securities	464,408	492,762	(28,353)	821,005	880,671	(59,666)
	Others	26,487	27,128	(640)	150,070	156,798	(6,728)
	Sub Total	864,419	909,614	(45,194)	1,961,114	2,107,917	(146,803)
Total		4,883,138	3,965,846	917,291	6,747,465	6,098,760	648,704

As of March 31, 2010	As of March 31, 2011
<p>1. Others include beneficiary claims on loan trusts represented as monetary claims bought in consolidated balance sheets.</p> <p>2. Securities available for sale for which no fair value is obtainable 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 represented as monetary claims bought in the consolidated balance sheets.</p> <p>2. Securities available for sale for which no fair value is obtainable are not included in the above table.</p>