

January 27, 2012

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.  
 Name of Representative: Toshiaki Egashira, President  
 (Securities Code No.: 8725, Tokyo, Osaka and Nagoya)  
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**Notice Regarding Devaluation Losses on Securities for the Third Fiscal Quarter  
 Ended December 31, 2011**

MS&AD Insurance Group Holdings, Inc. (the “Company”) hereby announces that the amount of devaluation losses on securities for the 3<sup>rd</sup> fiscal quarter ended December 31, 2011, is estimated as set forth below.

**1. Devaluation losses on securities for the 3<sup>rd</sup> fiscal quarter ended December 31, 2011**

(yen in billions)

	MS&AD Insurance Group Holdings, Inc. (consolidated)	(subsidiary) Mitsui Sumitomo Insurance Co., Ltd. (non- consolidated)	(subsidiary) Aioi Nissay Dowa Insurance Co., Ltd. (non- consolidated) (*3)
(A) Amount of devaluation losses for the 3 <sup>rd</sup> quarter of FY 2011, i.e., from October 1 through December 31, 2011 (= (a) – (b))	21.0	7.5	8.3
(a) Amount of devaluation losses for the 3 <sup>rd</sup> cumulative quarter of FY 2011, i.e., from April 1 through December 31, 2011	75.0	15.7	22.4
(b) Amount of devaluation losses for the 2 <sup>nd</sup> cumulative quarter of FY 2011, i.e., from April 1 through September 30, 2011	53.9	8.1	14.1

Notes:

(\*1) The Company adopts reversal method for the quarterly valuation of securities.

(\*2) The Company’s full fiscal year ends on March 31.

(\*3) The devaluation losses on securities represented as Aioi Nissay Dowa Insurance Co., Ltd. (non-consolidated) above does not include the adjustment amount (\*) under purchase method, which is inherent in consolidated accounting. The adjustment amount for period (a) (the fiscal 3<sup>rd</sup> cumulative quarter of FY 2011) is 33.6 billion yen.

(\*) Under the consolidated accounting, the book value of the securities owned by Aioi Insurance Co. Ltd. and Nissay Dowa General Insurance Co., Ltd. as at business integration was adjusted to the market value of the securities at that time, which has driven up the book value of the whole securities in the consolidated balance sheet. For that reason, the delvaluation losses on securities are greater in the consolidated than in the non-consolidated result.

Ratios to net assests, ordinary profit and net income

	Consolidated
(B) Net Assets as of March 31, 2011	1,633.3 billion yen
(A / B X 100)	1.3 %
((a) / B X 100)	4.6 %
(C) 2 % of sales amount for FY 2010 (*)	68.0 billion yen
(A / C X 100)	31.0 %
((a) / C X 100)	110.3 %
(D) 1 % of sales amount for FY 2010 (*)	34.0 billion yen
(A / D X 100)	61.9 %
((a) / D X 100)	220.5 %

(\*) The special exception under the disclosure criteria is adapted, as ordinary profit was below 2% of sales amount (ordinary income) and net income was below 1% of sales amount (ordinary income) in the fiscal year ended March 31, 2011.

## 2. Outlook

The Company is now reviewing the consolidated business outlook for FY 2011 (ending March 31, 2012) announced on November 18, 2011. Should any revision become necessary, the Company will promptly announce it.

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