

November 18, 2011

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
Name of Representative: Toshiaki Egashira, President
(Securities Code No.: 8725, First Section of Tokyo, Osaka and
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Notice Regarding Revision of Consolidated Earnings Forecasts for FY2011 (Fiscal Year Ending March 31, 2012)

MS&AD Insurance Group Holdings, Inc. (“the Company”) hereby revises its consolidated earnings forecast for FY2011 announced on May 19, 2011.

1. Revision of consolidated earnings forecasts for FY2011 (from April 1, 2011 through March 31, 2012)

(Yen in billions)

	Ordinary income	Ordinary profit	Net income
Forecasts previously announced (A)	3,750.0	116.0	67.0
Forecasts as revised (B)	3,900.0	24.0	6.0
Difference (B – A)	150.0	(92.0)	(61.0)
Ratio of difference	4.0%	(79.3)%	(91.0)%
(Ref.) Results for the previous year	3,404.9	21.0	5.4

2. Reasons for revising earnings forecasts

Net investment income¹ is expected to fall below initial forecasts as a result of valuation losses on securities (approximately 45.0 billion yen, including an adjustment amount of about 20.0 billion yen relating to application of the purchase method) due to ongoing weak stock prices and a deterioration of conditions in the market environment. In addition, incurred loss is expected to increase due mainly to multiple natural disasters in Japan and overseas, including a large-scale flood in Thailand². Due mainly to these factors, forecasts for ordinary profit and net income have been revised downwards from previously announced forecasts.

Notes:

1. Net investment income of primary subsidiaries Mitsui Sumitomo Insurance Company, Limited and Aioi Nissay Dowa Insurance Company, Limited is expected to be approximately 35.0 billion yen (in aggregate) less than initial forecasts. On a consolidated basis, net investment income of the two subsidiaries is expected to be approximately 50.0 billion yen less than initial forecasts including the negative impact of an adjustment relating to application of the purchase method, inherent in consolidated accounting.
2. An amount of approximately 130.0 billion yen has been factored in as the incurred loss for floods in Thailand. This is based on certain assumptions since confirmation of the actual extent of damages through onsite inspections is not yet feasible. Owing to reversal of the catastrophe reserve by non-life insurance subsidiaries in Japan, its negative impact on ordinary profit and net income is expected to be approximately 22.0 billion yen and 15.0 billion yen respectively.

Reference: Earnings forecasts for the (full) year FY2011 of subsidiaries

Mitsui Sumitomo Insurance Company, Limited on a non-consolidated basis

(Yen in billions)

	Net premiums written	Ordinary profit	Net income
Forecasts previously announced (A)	1,255.0	61.0	40.0
Forecasts as revised (B)	1,259.0	28.0	18.0
Difference (B – A)	4.0	(33.0)	(22.0)
Ratio of difference	0.3%	(54.1)%	(55.0)%
(Ref.) Results for the previous year	1,230.5	31.7	22.8

Note: Figures for net premiums above exclude Good Results Return premiums for Mitsui Sumitomo Insurance's proprietary auto insurance product "Modo-Rich" (a policy with a special clause providing for premium adjustment and refund at maturity).

Aioi Nissay Dowa Insurance Company, Limited on a non-consolidated basis

(Yen in billions)

	Net premiums written	Ordinary profit	Net income
Forecasts previously announced (A)	1,100.0	30.0	20.0
Forecasts as revised (B)	1,084.0	11.0	12.0
Difference (B – A)	(16.0)	(19.0)	(8.0)
Ratio of difference	(1.5)%	(63.3)%	(40.0)%
(Ref.) Results for the previous year	1,097.3	16.0	(11.4)

Notes: FY 2010 earnings forecasts represent a simple aggregate of Aioi Nissay Dowa Insurance Company, Limited's full year earnings (non-consolidated) and Nissay Dowa General Insurance Company, Limited's first-half earnings (non-consolidated).

While the purchase method is applied to the consolidated accounting of the Company in including the results of Aioi Nissay Dowa Insurance Company, Limited, the non-consolidated figures presented above are figures before adjustment of the purchase method.

The forecasts shown above are prepared on the basis of information available to the Company as of the date of this document. Actual results may differ materially from forecasts due to a variety of factors.

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