

MS&AD Quarterly News (1st Quarter, 2011)

Selected topics for the fiscal 2011 first quarter (from April to June, 2011) are set forth below.

1. Summary of Financial Statements for the Year Ended March 31, 2011

On May 19, the Company issued its financial statements for the year ended March 31, 2011. In fiscal 2010, net premiums written increased by 0.9% year-on-year, to 2,541.4 billion yen. This was largely attributable to the fact that at MSI, the business alliance with Sumitomo Life progressed smoothly, and at Aioi Nissay Dowa Insurance, revenues from the core driver, voluntary automobile insurance, increased. On the other hand, underwriting profit for domestic non-life insurers have been driven down by the effects of the Great East Japan Earthquake, and additionally, net profit has fallen by 51.9 billion yen, mainly owing to temporary expenses incurred due to the business integration.

(Billions of yen)

	* (Ref) Aggregate results for MSIG Holdings, Aioi and NDI March, 2010	March, 2011	Change	Growth (%)
Net premiums written	2,519.0	2,541.4	22.3	0.9%
Ordinary profit	99.1	21.0	-78.1	-78.8%
Net income	57.3	5.4	-51.9	-90.5%

2. Summary of sales (simple aggregate) for MSI and Aioi Nissay Dowa Insurance for the fiscal 2011 first quarter (April to June, 2011)

* Health insurance sales are included in total sales of personal accident insurance and major insurance classes (preliminary results basis)

In the first quarter, revenues for all lines of insurance, including voluntary automobile insurance, the core driver, increased by 2.2% in total.

(Millions of yen)

Lines of insurance	Q1 (Apr to Jun 2011)	
	Premiums	Growth rate
Voluntary Automobile	312,049	0.3%
CALI	73,523	6.2%
Fire	98,174	5.9%
Personal Accident	50,775	5.3%
Miscellaneous	89,049	0.3%
Cargo and Transit	30,134	2.0%
Total	653,706	2.2%

3. Selected Press Releases (Apr to Jun 2011) * announcement dates are shown in parentheses

(1) MS&AD Holdings

Donations to Aid the Great East Japan Earthquake Relief Efforts (April 28)

MS&AD Insurance Group Holdings, Inc. has raised over 90 million yen in donations from Group company employees to support all of the regions and people affected by the earthquake. Together with the contribution granted under the "Matching Gift Program for Donation in the Event of Disasters," Group companies contributed a total of 150 million yen. We have also raised donations from the overseas subsidiaries and branches of Group companies, which separately contributed approximately 32.25 million yen. The company is also striving to support the recovery through our insurance business, by contributing funds to earthquake affected regions in amounts corresponding with the number of online policies, etc.

(2) Group companies

1) Domestic business

Corporate name changes to Mitsui Sumitomo Primary Life Insurance Company, Limited (April 1)

On April 1, Mitsui Sumitomo Primary Life Insurance Company, Limited became a wholly owned subsidiary of the Company, and the corporate name changed from Mitsui Sumitomo MetLife Insurance Co., Ltd. to Mitsui Sumitomo Primary Life Insurance Company, Limited. The word “primary” in the corporate name embodies our determination to be faithful to the “basics” and always adhere to our core principles of being “customer focused” and putting the “customer first.”

Launch of the non-life insurance industry’s first official smartphone website (April 14)

In view of the rapid proliferation of smartphones, Aioi Nissay Dowa Insurance Company has launched the non-life insurance industry’s first official smartphone website. By designing official website content normally displayed on PCs and cell phones especially for smartphones, Aioi Nissay Dowa Insurance Company will provide smartphone user customers with a more readable, easy-to-operate environment.

Revision of Voluntary Automobile Insurance (April 25, May 30)

Mitsui Direct General Insurance Company has revised its voluntary automobile insurance products for policies taking effect from July 1, 2011 onwards. By revising the premium levels, coverage and premium discounts/additions based on the recent number of accidents and other factors, the company has made its products even more secure for customers. Furthermore, MSI will revise its voluntary automobile insurance products for policies taking effect from October 1 onwards. In view of recent earnings and expenditure, the company will revise premiums by introducing “aged-based premium categories for insured persons.” At the same time, the company will also revise coverage by, among other things, expanding the “coverage options,” so that customers can revise policy conditions to their satisfaction. Additionally, the company will enhance communication tools that provide useful peripheral information regarding accidents and insurance.

Integration of Aioi Nissay Dowa Insurance and Adlick Insurance Company (May 25)

On June 1, 2011 Aioi Nissay Dowa Insurance and Adlick Insurance Company obtained permission to merge from the Financial Services Agency and merged.

Commercial name: Aioi Nissay Dowa Insurance Company, Limited

Headquarters: 1-28-1 Ebisu, Shibuya-ku, Tokyo

2) Overseas business

Strategic alliance with a leading life insurer in Indonesia (May 2)

MSI has reached an agreement to form a strategic alliance with PT Asuransi Jiwa Sinarmas (“Sinarmas Life”), a leading Indonesian life insurer under one of the largest Indonesian business groups, Sinar Mas. The company subscribed to new shares issued by Sinarmas Life in a third-party allotment and entered into the life insurance business in the Indonesian market as a 50% shareholder of Sinarmas Life.

Strategic alliance with MAPFRE (May 24)

MSI has concluded a basic agreement with MAPFRE S.A. (“MAPFRE”), the largest insurer in Spain and Central/South America, to form a comprehensive alliance for insurance operations. Although the company and MAPFRE already have an alliance relationship in Mexico and Spain, the purpose of this agreement is for the companies to strengthen their competitiveness and service capabilities through comprehensive link-ups in a broad range of areas such as distribution, risk consulting and reinsurance, by capitalizing on one another’s networks.

For MSI in particular, this will lead to the realization of broadly strengthened and expanded business operations in the South American region, which is tipped to growth strongly in the future.