

October 16, 2009

Mitsui Sumitomo Insurance Group Holdings, Inc.

MSIG Quarterly News (2nd Quarter, 2009)

Mitsui Sumitomo Insurance Group Holdings, Inc. ("MSIG") hereby issues a quarterly newsletter containing a summary of the topics for the second quarter, fiscal 2009, from July through September 2009 as set forth below.

1. Sales performance at MSI alone, the core group business

(preliminary for the quarter from July through September 2009, with long-term medical insurance included in Personal Accident and Total accounts)

At Mitsui Sumitomo Insurance Co., Ltd. ("MSI"), the cargo and transit line and the hull line saw premiums dropped significantly on a year-on-year basis for the quarter ended September 30, 2009 mainly by the effects of the continued staggering economy. Although the rest of the lines turned around in August or September, total premium revenue also decreased 0.4 percent from a year ago.

(premiums in million yen)

Lines of insurance	Q2 (Jul to Sep 2009)		Year to date (Apr to Sep 2009)	
	Premiums	Growth rate (%)	Premiums	Growth rate (%)
Voluntary Automobile	124,561	- 1.4	265,119	- 1.9
CALI*	32,562	1.5	63,098	0.2
Fire	52,319	5.9	102,901	2.8
Personal Accident	34,811	3.2	62,143	0.4
Miscellaneous	38,061	5.3	90,641	2.3
Cargo and Transit	12,607	-28.4	25,759	-29.0
Hull	7,081	-11.0	18,539	-2.0
Total	302,002	-0.4	628,200	-1.7

*CALI: Compulsory Automobile Liability Insurance

2. Selected News Releases (Jul – Sep 2009)

announcement date in parenthesis

(1) Business Improvement Plan

*** Status of Business Improvement Plan reported (Jul 21)**

MSI submitted the 20th report on the progress of the Business Improvement Plan to the Financial Services Agency of Japan. The report dealt with the specific actions to improve the systems of corporate governance and claims handling in addition to the steps forward in protecting policyholders' interests, increasing their convenience and enforcing legal compliance and others.

(2) Business integration

*** Aioi, Nissay Dowa and MSI group reached a basic agreement (Sep 30)**

- on business integration to become a world-class insurance and financial group -
Aioi Insurance Co., Ltd. ("Aioi"), Nissay Dowa General Insurance Co., Ltd. ("NDGI") and Mitsui Sumitomo Insurance Group Holdings, Inc. ("MSIGH") reached a comprehensive agreement, subject to approvals of their shareholders meeting and permission from the competent authorities, to the effect as follows: While these three entered into a share exchange agreement, Aioi and NDGI concluded a merger agreement. The new group would be formed by the business integration in accordance with the holding company method effective April 1, 2010. The name of the holding company is MS&AD Insurance Group Holding, Inc. Aioi and NDGI would merge effective October 1, 2010 into Aioi Nissay Dowa Insurance Company, Limited.

(3) Financial services and risk-related businesses

*** MSI provides "Flat Desks" dedicated to "Flat 35" mortgage applicants (Jul 6)**

MSI launched a new action in July 2009 in order to increase "Flat 35 intermediary business," providing a "Flat Desk" in each of Tokyo Chuo, Shinjuku and Shibuya branches in downtown Tokyo. It is the industry-first service to set a dedicated booth in a branch office and receive individuals face to face who are going to apply to the Japan Housing Finance Agency for its "Flat 35" non-recourse mortgage loan. MSI had commenced the Flat 35 business October 2003, and it has grown steadily in both transaction amount and profit since then. By increasing applicants' convenience, the Flat Desk aims to boost not only the Flat 35 business but sale of fire and other policies simultaneously.

*** IRR launched a nation-wide campaign of anti-new-flu consulting to schools (Aug 17)**

Inter-Risk Research Institute & Consulting Inc. ("IRR"), MSIG's risk management consultation arm, produced a packaged service of consulting regarding planning epidemic

prevention measures, emergency action and class continuity management which schools should prepare against pandemic influenza, and released it for sale. A school had been identified as one of the epidemic sources of the new influenza prevailing now in Japan, and the Ministry of Health, Labour and Welfare then instructed schools to take proper preventive measures respectively according to their local situations. As such, schools are expected to do it by parents and others as well, and it is regarded as more critical than ever. IRR is offering anti-flu services modified for schools, based on its accumulated experiences of anti-new-flu consultation,

*** IRR offers a packaged service to support anti-new-flu actions (Aug 17)**

IRR, MSIG's risk management consultation arm, developed jointly with Security Support Inc. and Nihon Unisys Learning Co. a packaged service to support companies in preparing countermeasures against new flu pandemic, and is offering it for sale. It facilitates "setting up a preventive system within the organization of a company" and "well informing the employees of it and making them thoroughly understand and get ready for it" within only a month. There has never been such a fast-working prevention scheme in Japan.

*** MSI and IRR held an anti-flu-pandemic forum in Osaka (Aug 17)**

MSI and IRR, MSIG's risk management consultation arm, sponsored and held the "Anti-Flu-Pandemic Forum 2009" together with Fuji Sankei Business i and the Sankei Shimbun in Osaka on September 10. Citing some of the recent epidemic cases of the new influenza and the counteractions implemented by companies, this forum drew lessons from them and presented to the audience of business people what measures for a company to take in light of epidemic prevention and business continuity. Following this forum, a similar seminar was opened in Tokyo on October 8.

*** MSI and IRR opened a comprehensive food safety seminar (Aug 25)**

MSI, IRR, MSIG's risk management consultation arm, and EMS Japan held a seminar on the theme of significance of food safety security and traceability, and the ISO 22000 standard on September 15. There have taken place food incidents one after another in Japan for the recent years, making people increasingly uneasy and skeptical about food safety. Against this backdrop, the seminar delivered an explanation together with some suggestions about comprehensive risk management associated with food. It included safeguards against crimes and terrorism of intentional food contamination with foreign matter, showing how they work and some cases in which they are actually adopted. It also focused on the ISO 22000 certification regarding prevention of food poisoning and

contamination, giving some real examples.

*** IRR conducted the third survey on public companies' anti-flu plans** (Sep 9)

IRR, MSIG's risk management consultation arm, carried out "Survey of Countermeasures against New Influenza" to all the 3,807 public companies in Japan and summarized the returns. According to the results, as of August 2009, 63.1 percent of them have put the preventive plans against the new flu in action, upsurged about by 30 percentage points from the Feb-2009 result at 30.0 percent. By adding those companies which "are currently making or will make an action plan" to this, the sum rose to 90.6 percent, by 23.2 percentage points since the previous survey.

(4) Environmental and social contribution activities

*** 10th lecture of Citizens' Environmental Course held** (August 7)

MSI held the tenth lecture of the Citizens' Environmental Course open to public, particularly residents in the neighborhood of the MSI Surugadai Building and people interested in urban environmental issues. Mr. Toshihiro Horiguchi of the National Institute for Environmental Studies, Research Center for Environmental Risk was invited as the speaker. He studies biology of fish and shellfish and delivered a speech about current biological status of fish and shellfish within the Tokyo Bay as well as its historical changes.

*** Donation sent to storm-hit areas in western Japan** (Aug 26)

For the purpose of extending support to the people and communities devastated by the storm, a donation of about three million yen was gathered from employees across the MSI group. Combined with an addition that was an equal amount of money funded via MSI's matching gift program, some six million yen was donated in total through the charity channels of such as Yamaguchi and Fukuoka prefectures.

< Source of donation >

Employees of the MSI group: approx 3 million yen

Matching gift program: approx 3

Total: approx 6 million yen

*** MSIG issued "CSR Report 2009"** (Aug 26)

MSIG issued "CSR Report 2009" to publicize its social responsible activities. This report summarizes MSIG's responsible policies and specific approaches as well as activity performance. In this year's version, the actions taken and their results or current status and

what actions to take next and their objectives are put on the headline of the pages, respectively.

*** 1.6 million yen donated to eco-NPOs via cash-paying eco program (Sep 29)**

“MSIG Eco-smile” is a campaign to encourage employees within the group to individually volunteer in an eco-friendly or social contribution activity, and has been promoted since July 2008. A sum of 1.6 million yen, in cash equivalent to total as-if payment for these voluntary works of employees for the past twelve months, was donated to twelve eco-related NPOs by this program. It counted 29,105 participants in gross total for the period, and is looking forward to involving more employees, getting our people in accord for environment preservation and raising their individual awareness of these issues.

3. Amateur Sports

Women’s judo

2009 IJF Grand Slam Rio de Janeiro (Jul 4-5)

Emi Yamagishi (48kg class) participated in the 2009 IJF Grand Slam Rio de Janeiro as the Japanese delegate and won silver.

2009 World Championships Rotterdam (Aug 27-28)

Misato Nakamura (52kg class) and Yoshie Ueno (63kg class) won the championships, respectively, at the World Championships in Rotterdam, Netherlands. For Ueno, this was the first time that she won the World Championship title.

The 39th All Japan Corporate Individual Judo Championships (Aug 29)

MSI team sent three judo athletes to the 39th All Japan Corporate Individual Judo Championships held at the Memorial Park General Gymnasium of Amagasaki-City in Japan. Chihiro Takahashi (78kg class) and Kana Abe (63kg class) gained the silver and bronze medals, respectively.