

MS&AD Quarterly News (2nd Quarter, 2010)

Here are selected topics for the fiscal 2010 second quarter (from July to September 2010) as set forth below.

1. Sales performance at MSI, Aioi and Nissay Dowa (as an arithmetic sum)

*Preliminary for the quarter period from July to September 2010, with long-term medical insurance included in Personal Accident and Total accounts, respectively.

Total revenue grew three straight months in Q2 as automobile policies, the core driver, enjoyed robust sales.

(amount in million yen)

Lines of insurance	Q2 (Jul to Sept 2010)		Fiscal year-to-date (Apr to Sept 2010)	
	Premiums	Growth rate (%)	Premiums	Growth rate (%)
Voluntary Automobile	278,675	2.6	588,295	2.0
CALI	69,973	0.6	139,211	1.8
Fire	93,002	-3.9	185,982	-2.6
Personal Accident	55,856	4.8	104,494	4.2
Miscellaneous	69,066	-1.0	157,676	-1.4
Cargo and Transit	24,026	2.9	53,582	2.1
Total	590,599	1.0	1,229,240	1.0

*CALI: Compulsory Automobile Liability Insurance

2. Selected News Releases (Jul – Sept 2010)

*announcement date in parentheses

(1) Domestic non-life insurance business

Unified Product Brand “TOUGH” (July 29)

When Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged to form Aioi Nissay Dowa Insurance Co., Ltd. on October 1, the two companies reintroduced their main products under the new product brand “TOUGH.” The “TOUGH” brand is an integrated product brand offering automobile insurance, fire insurance, and medical insurance. The new company adopted the brand name “TOUGH” because it wants to convey the message that its products can offer tough security against its customers’ varied risks. The product series is comprised of 14 products, seven products for individual customers under the “TOUGH” name, and seven for corporate customers “TOUGH BIZ.”

New Claims Handling Facility and Facilitating Services (August 2)

Mitsui Direct General Insurance Co., Ltd. opened a new claims handling facility in July, Security Center Tokyo Number 5, in response to the growing number of automobile insurance customers and accidents. The company now has 13 facilities in its accident service system, and has bolstered its service structure. The company is also promoting Segment Response, which assigns an overseeing facility in accordance with the type of accident. This is intended to speed up service.

Aioi Insurance, Nissay Dowa Merger Approved (September 28)

Aioi Insurance Co. and Nissay Dowa General Insurance Co. received approval to merge from the Financial Supervisory Agency on September 27. The new company, Aioi Nissay Dowa Insurance Co., Ltd. was launched on October 1. Aioi Nissay Dowa Insurance Co., Ltd. is one of the core non-life insurance companies of the MS&AD Insurance Group, and is intended to boost Group corporate value.

(2) Overseas business**China Overseas Office Receives Permission to Establish Jiangsu Branch (July 16)**

Mitsui Sumitomo Insurance (China) Company, Ltd., a wholly-owned subsidiary of Mitsui Sumitomo Insurance, received permission from the China Insurance Regulatory Commission on July 7 to prepare for the establishment of a branch office in Jiangsu Province. The company plans to establish the Jiangsu branch office in the city of Wuxi soon, under the supervision of overseeing authorities. The branch is located in the Yangtze River Delta Economic Zone, where many manufacturing companies have their Jiangsu Province operating bases, and will become a cornerstone for the company as it becomes one of China's leading foreign-affiliated company and the number one Japanese casualty insurer.

(3) Life insurance business**New Medical Insurance Alpha Sales Hit 46,000 (August 9)**

Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. has sold 46,000 New Medical Insurance *Alpha* contracts within five months after the product was launched (as of the end of July 2010). The details of two new products have been favorably received, Stroke Treatment Support Special Agreement *Alpha* (the industry's first insurance geared toward cerebral strokes) and Advanced Treatment Special Agreement (which also covers lodging fees in addition to technical costs and transportation costs). Sales are strong, at nearly double the sales of New Medical Insurance at the time of launch.

*As of end-September, sales have exceeded 64,000 contracts.

(4) Risk-related business**Risk Management Service for New Executives Introduced (July 22)**

Inter-Risk Research Institute & Consulting, Inc. (IRR) introduced Risk Management Service, a support service for risk management of newly-appointed directors, on July 23. As the responsibilities of executives grow and become more complex, executives face a number of risks, most of all huge shareholder lawsuits. IRR offers five consulting services primarily for newly-appointed executives and can offer services meeting their needs. The new service supports executives in carrying out their business duties and accountability.

First User Group Highlighting BCMS in Japan (September 7)

IRR and Itochu Techno-Solutions Corp. established a Business Continuity Management System (BCMS) User Group on September 10, with the collaboration of 28 institutions and companies. This is the first BCMS group in Japan and highlights and advances the use of BCMS. The user group provides a forum for sharing and exchanging information on building and operating BCMS, and by promoting overseas tie-ups and exchanges through academic, industrial, and governmental collaboration, is intended to contribute to the strong growth of Japan's industrial sector.

Conducting BCM Field Survey for Japanese Listed Companies (September 27)

IRR conducted a field survey of BCM (Business Continuity Management) usage among 3,733 publicly-listed companies in Japan. This was the fourth survey since it was first introduced in 2005. The survey reported that more companies wish to introduce Business Continuity Planning (BCP) measures, but have not been practicing assessing and confirming effectiveness. Issues for the future, such as the lack of structures to re-assess effectiveness, are becoming clearer.

(5) Environmental and social contribution activities

Heart Life Project FY09 Results (July 1)

Aioi Life Insurance is collecting contributions through the number of new premiums of its core products Premium W, Just One W, and women's product Luna Medical as part of its social contribution program Heart Life Project. In FY 2009, Aioi Life Insurance contributed 513,000 yen to specified nonprofit corporation Cancer Ribbons to support beauty services for women undergoing treatment for cancer. The company has also contributed vaccines for 98,000 persons to the "Japan Committee Vaccines for the World's Children."

Received Green Energy Partnership Certification Award for Excellence (August 5)

Mitsui Sumitomo Insurance was awarded the Fiscal Year 2010 Green Energy Partnership Certificate, sponsored by the Green Energy Partnership, a group to promote green energy. The award recognized the company's efforts to reduce CO₂ emissions through use of green power at its Surugadai Building in Tokyo's Chiyoda Ward. A total of seven awards were

awarded this fiscal year, and an awards ceremony was held at Yurakucho Asahi Hall on July 28.

Twelfth Citizens' Environmental Course Held (August 5)

Mitsui Sumitomo Insurance held the 12th Citizens' Environmental Course for residents near its Surugadai Building (Tokyo's Chiyoda Ward) and those with an interest in the natural environment. This year's theme was Healing the Spirit with a Walk in the Woods, and Forestry and Forest Products Research Institute Environmental Planning Office Head Takahide Kagawa spoke on scientific studies of the effects of walks in the woods.

Donations to Victims of July's Heavy Rain Damage (August 31)

MS&AD collected donations from employees of its Group companies to aid the victims of July's heavy rains in Western Japan. Approximately 2 million yen was collected from 2,025 employees. The company has a matching gift policy for disaster contributions, and it met employees' contributions with contributions of the same amount. The total contribution 4 million yen was contributed through an account for victims of the disaster.

Contributions to Victims of Flooding in NW Pakistan and China Gansu Province (September 27)

MS&AD collected financial contributions from Group company employees to assist victims of flooding in Pakistan's Northwest Region and Gansu Province in China. A total of approximately 2.3 million yen was collected for the two disasters. The company has a matching gift policy for disaster contributions, and it met employees' contributions with contributions of the same amount. The total contribution 4.6 million yen was contributed through an account for victims of the disaster.

(6) Others

Collaboration with Movie "Karigurashi no Arrietty" with Studio Ghibli (July 1)

MS&AD marked its special collaboration on the movie "Karigurashi no Arrietty" ("Arrietty Borrows Everything for her Daily Life") by introducing a TV commercial. By sponsoring a work by world-famous animated movie production company Studio Ghibli, MS&AD is promoting its brand as Japan's top non-life group, delivering a message that it will help customers protect their livelihoods and take on challenges in markets around the world.

Nissay Dowa General Insurance Nihonbashi Headquarters Building Completed (July 9)

Construction of the Nissay Dowa General Insurance Company Nihonbashi Building, begun in August 2008, has been completed, and a ceremony was held on Tuesday, July 6. The building faces the intersection of Yaesu Dori (the entrance to Tokyo) and Chuo Dori, and has 12 stories above ground with two stories below ground. Its stately exterior, with natural

stone and glass, is built with the latest environmentally-friendly functions and is very durable. Following the merger with Aioi Insurance Co. in October, the corporate management departments of the new company will occupy the property, and the building will function as one of the headquarter buildings.

Aioi Nissay Dowa Insurance Company TV Commercial (August 27)

With the launch of the new company, Aioi Nissay Dowa Insurance Co. introduced new TV commercials to promote its new product brand "TOUGH" and the new company name. The commercial features warm, cute content and parent and child bears, the product mascots. The first commercial ("Doorway") was introduced August 27, while the second ("Tough Papa") was first broadcast October 1.

3. Amateur Sports

Women's judo

Grand Slam Moscow (July 3-4)

Emi Yamagishi (women's 48kg class) of Mitsui Sumitomo Insurance represented Japan at the 2010 Grand Slam Moscow, and won.

40th All-Japan Businessgroup Judo Individual Championships (Aug 29 – 30)

Seven Mitsui Sumitomo Insurance Co. athletes participated in the 40th All-Japan Businessgroup Judo Individual Championships (Aug 29 – 30) held at Amagasaki Municipal Memorial Park General Gymnasium. Emi Yamagishi (women's 48 kg) and Kana Abe (women's 63 kg) won in their weight classes.

World Judo Championships (September 9-13)

The 2010 World Judo Championships held at the Yoyogi National Stadium First Gymnasium featured Yoshie Ueno and Misato Nakamura from Mitsui Sumitomo Insurance Co. representing Japan. Ueno captured a gold medal in her class, while Nakamura won silver in hers.

All-Japan Junior Judo Weight Class Championships (September 18-19)

Riho Kamimura from Mitsui Sumitomo Insurance Co. participated in and won her event at the All-Japan Junior Judo Weight Class Championships, held at the Saitama Kenritsu Budokan.