

# Materials for FY2014 2Q Results Briefing - Conference Call

Nov. 19, 2014 (Wed)



MS&AD Insurance Group Holdings, Inc.

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Unless otherwise noted, numbers shown as 2Q figures in this document are cumulative values for the six-month period from April 1 to September 30 of each fiscal year.

## Abbreviations of Company Names Used in this Presentation

• MS&AD Holdings	MS&AD Insurance Group Holdings, Inc.
• Mitsui Sumitomo Insurance, MSI	Mitsui Sumitomo Insurance Co., Ltd.
• Aioi Nissay Dowa Insurance, ADI	Aioi Nissay Dowa Insurance Co., Ltd.
• Mitsui Direct General Insurance, Mitsui Direct General	Mitsui Direct General Insurance Co., Ltd.
• MSI Aioi Life	Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
• MSI Primary Life	Mitsui Sumitomo Primary Life Insurance Co., Ltd.

## Definition of “Group Core Profit” and “Group ROE”

Group Core Profit	=	Consolidated net income - Net capital gains/losses on stock portfolio (gains/losses on sales etc.) - Net evaluation gains/losses on credit derivatives - Other incidental factors + Equity in earnings of the non-consolidated group companies
Group ROE	=	Group Core Profit ÷ Consolidated total net assets excluding minority interests (average of beginning and ending amounts of B/S)

## Summary of FY 2014 2Q Results

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## 1. Consolidated Earnings for FY 2014 2Q (1) - Overview (i)

- Net premiums written rose by 4.4% due to solid performance by both domestic non-life insurance companies and overseas subsidiaries.
- Life insurance premiums rose by a substantial 171.9% due to significant sales growth at MSI Primary Life along with increased sales at MSI Aioi Life.

(¥bn)

	FY2013 2Q	FY2014 2Q		
	Results	Results	YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	1,556.1	<b>1,614.4</b>	58.2	3.7%
Net premiums written*	1,424.1	<b>1,486.3</b>	62.1	4.4%
Mitsui Sumitomo Insurance*	700.7	<b>729.1</b>	28.4	4.1%
Aioi Nissay Dowa Insurance	577.5	<b>583.6</b>	6.1	1.1%
Mitsui Direct General Insurance	17.5	<b>17.1</b>	- 0.3	-2.1%
Overseas subsidiaries	126.5	<b>153.4</b>	26.9	21.3%
Life insurance premiums	182.7	<b>496.8</b>	314.1	171.9%

\*Direct premiums written and net premiums written exclude Good Result Return premiums of the "ModoRich" auto insurance product, which contains a special clause related to premium adjustment and refund at maturity, same hereafter.

<Reference: Gross life insurance premiums>

	FY2013 2Q	FY2014 2Q		
	Results	Results	YoY Change	Growth
MSI Aioi Life	202.4	<b>215.3</b>	12.8	6.4%
MSI Primary Life	316.2	<b>498.0</b>	181.8	57.5%

## 2. Consolidated Earnings for FY 2014 2Q (1) - Overview (ii)

- While Aioi Nissay Dowa Insurance saw increased profits, primarily due to an improvement in automobile insurance incurred losses, ordinary profit declined by 5.0 billion yen to 158.0 billion yen, due to lower net investment income at Mitsui Sumitomo Insurance and a drop in profit at MSI Primary Life due to the impact of falling overseas interest rates.
- At the same time, interim net income reached 109.6 billion yen, the highest since the founding of the Group.
- Group core profit increased by 8.1 billion yen, to 108.4 billion yen.

(¥bn)

	FY2013 2Q	FY2014 2Q		
	Results	Results	YoY Change	Change Ratio
Ordinary profit* <sup>1</sup>	163.0	<b>158.0</b>	- 5.0	- 3.1%
Mitsui Sumitomo Insurance	87.3	<b>71.2</b>	- 16.1	- 18.4%
Aioi Nissay Dowa Insurance	40.0	<b>57.3</b>	17.2	43.1%
Mitsui Direct General Insurance	0.7	<b>- 0.6</b>	- 1.4	- 188.5%
MSI Aioi Life	8.0	<b>7.8</b>	- 0.1	- 1.9%
MSI Primary Life	22.4	<b>10.7</b>	- 11.7	- 52.2%
Overseas subsidiaries	21.5	<b>21.5</b>	0.0	0.0%
Consolidation adjustments, etc.	- 17.1	<b>- 9.9</b>	7.1	-
Net income* <sup>1</sup>	109.5	<b>109.6</b>	0.1	0.1%
Mitsui Sumitomo Insurance	60.3	<b>50.5</b>	- 9.8	- 16.3%
Aioi Nissay Dowa Insurance	28.3	<b>46.5</b>	18.2	64.3%
Mitsui Direct General Insurance	0.5	<b>- 0.5</b>	- 1.1	- 198.2%
MSI Aioi Life	3.2	<b>3.4</b>	0.1	4.3%
MSI Primary Life	14.5	<b>8.1</b>	- 6.3	- 43.6%
Overseas subsidiaries	17.0	<b>17.0</b>	- 0.0	- 0.3%
Consolidation adjustments, etc.	- 14.6	<b>- 15.5</b>	- 0.9	-
Group Core Profit* <sup>2</sup>	100.3	<b>108.4</b>	8.1	8.1%

\*1 Ordinary profit and net income of subsidiaries are on equity stake basis, same hereafter. \*2 For the definition of Group Core Profit, please refer to the beginning page.

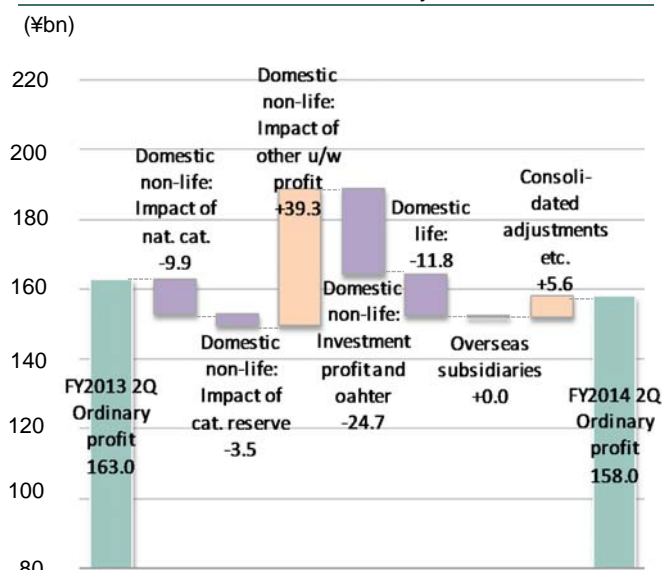
### 3. Consolidated Earnings for FY 2014 2Q (2) - YoY Results Comparisons

- Underwriting profit at domestic non-life insurance companies, excluding the impact of natural disaster and catastrophe reserves, boosted profit by 39.3 billion yen.
- Net investment profit and other in domestic non-life insurance companies fell by 24.7 billion yen, while the impact of natural catastrophe reduced profit by 9.9 billion yen.
- Domestic life insurance business reduced profit by 11.8 billion yen.

#### Factors in YoY Changes in Consolidated Ordinary Profit

	FY2013 2Q (a)	FY2014 2Q (b)	Differ- ence (b)-(a)
Consolidated ordinary profit	163.0	158.0	-5.0
Domestic non-life insurance companies <sup>1</sup>			
Impact of natural catastrophe <sup>2</sup>	-7.4	-17.3	-9.9
Domestic non-life insurance companies <sup>1</sup>			
Impact of cat. reserve	6.7	3.2	-3.5
Domestic non-life insurance companies <sup>1</sup>			
Impact of other underwriting profit	42.5	81.9	39.3
Domestic non-life insurance companies*			
Investment profit and other	85.5	60.7	-24.7
Domestic life insurance companies			
	30.4	18.5	-11.8
Overseas subsidiaries			
	21.5	21.5	0
Consolidation adjustments, etc.			
	-16.3	-10.6	5.6

#### Consolidated Ordinary Profit



\*1 Figures for domestic non-life insurance are the sum of figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

\*2 "Impact of natural catastrophes" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

### 4. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 2Q (i)

- Automobile, CALI<sup>2</sup> and new types of insurance contributed to an increase in net premiums written of 2.7%, or 34.5 billion yen, for the simple sum of MSI and ADI.
- Underwriting profit increased by 25.9 billion yen for the simple sum of MSI and ADI, an effect of the increase in premiums and a reduction in incurred losses.

(¥bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		<Reference> Simple Sum		
		YoY Change		YoY Change		YoY Change	
Net premiums written	729.1	28.4	583.6	6.1	1,312.8	34.5	
Growth rate of net premiums written	4.1%	-0.9pt	1.1%	-2.8pt	2.7%	-1.8pt	
Net claims paid	(-)	405.9	-2.6	342.8	5.3	748.7	2.6
<Incurred losses> (Excluding loss adjustment expenses)	(-)	389.3	-1.0	324.2	-22.6	713.5	-23.6
Commissions and collection expenses	(-)	128.0	6.6	108.3	5.1	236.3	11.8
Operating expenses and general and administrative expenses (underwriting)	(-)	101.5	4.5	95.4	3.6	196.9	8.1
Provision for ordinary underwriting reserve	(-)	36.8	11.0	6.5	1.6	43.3	12.6
Underwriting profit before catastrophe reserve		37.6	9.7	26.9	19.6	64.5	29.4
Reversal of catastrophe reserve		-9.1	-12.3	12.3	8.7	3.2	-3.5
<b>Underwriting profit</b>		<b>28.5</b>	<b>-2.5</b>	<b>39.2</b>	<b>28.4</b>	<b>67.8</b>	<b>25.9</b>
<b>Ratios</b>							
Net loss ratio <sup>1</sup>		61.5%	-2.4pt	63.4%	0.6pt	62.3%	-1.1pt
Net expense ratio		31.5%	0.3pt	34.9%	1.1pt	33.0%	0.7pt
<b>Combined ratio</b>		<b>93.0%</b>	<b>-2.1pt</b>	<b>98.3%</b>	<b>1.7pt</b>	<b>95.3%</b>	<b>-0.4pt</b>
<Reference: Ratios excluding residential earthquake insurance and CALI <sup>2</sup> >							
Net loss ratio <sup>1</sup>		58.6%	-2.1pt	60.6%	1.3pt	59.5%	-0.6pt
Net expense ratio		33.6%	0.6pt	37.2%	1.6pt	35.2%	1.1pt
<b>Combined ratio</b>		<b>92.2%</b>	<b>-1.5pt</b>	<b>97.8%</b>	<b>2.9pt</b>	<b>94.7%</b>	<b>0.5pt</b>

\*1 Net loss ratio is on a "written-to-paid" basis, same hereafter. \*2 CALI stands for Compulsory Automobile Liability Insurance, same hereafter.

## 5. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 2Q (ii)

- Net investment profit and other ordinary profit decreased by 24.7 billion yen for the simple sum of MSI and ADI, due to reductions in gains on sales of securities, and interest and dividend income.
- Interim net income was up 8.3 billion yen, to 97.1 billion yen for the simple sum of MSI and ADI.

	(¥bn)					
	MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit</b>	28.5	-2.5	39.2	28.4	67.8	25.9
Net interest and dividends income	36.8	-2.6	19.5	-5.3	56.3	-7.9
Gains on sales of securities	9.5	-16.7	2.0	-7.7	11.6	-24.5
Impairment losses on securities (-)	3.6	2.5	0.8	-2.2	4.5	0.3
<b>Investment profit and other ordinary profit</b>	42.7	-13.5	18.0	-11.1	60.7	-24.7
<b>Ordinary profit</b>	71.2	-16.1	57.3	17.2	128.6	1.1
<b>Extraordinary income</b>	-0.2	2.6	7.6	8.3	7.4	10.9
<b>Income before income taxes</b>	71.0	-13.4	64.9	25.5	136.0	12.1
<b>Net income</b>	50.5	-9.8	46.5	18.2	97.1	8.3

## 6. Domestic Non-life Insurance Companies (2) - Impact of Natural Catastrophes - FY 2014 2Q

- Claims payment related to natural catastrophes increased by 37.4 billion yen year-on-year to 68.1 billion yen, as payments relating to heavy snowfall in Japan in February progressed smoothly.
- While incurred losses relating to natural catastrophes in Japan fell as there were fewer natural catastrophes this fiscal year, total incurred losses rose by 9.8 billion yen year-on-year, to 17.1 billion yen, a rebound from the negative incurred losses generated by flooding in Thailand in the previous fiscal year.

### Impact of natural catastrophes in Japan, heavy snowfalls in Feb and floods in Thailand (¥bn)

	Net Claims Paid		Provision for O/S*		Incurred Losses		Balance of O/S* as of Sep. 30, 2014
		YoY Change		YoY Change		YoY Change	
<b>Nat Cat in Japan (Occurred in FY2014)</b>	<b>5.9</b>	<b>0.7</b>	<b>9.2</b>	<b>-8.7</b>	<b>15.1</b>	<b>-7.9</b>	<b>9.2</b>
Mitsui Sumitomo Insurance	3.6	0.8	6.0	-5.0	9.6	-4.2	6.0
Aioi Nissay Dowa Insurance	2.2	-0.0	3.2	-3.6	5.4	-3.6	3.2
<b>Heavy snowfalls in Japan (Occurred in Feb. 2014)</b>	<b>58.8</b>	<b>58.8</b>	<b>-56.5</b>	<b>-56.5</b>	<b>2.2</b>	<b>2.2</b>	<b>7.1</b>
Mitsui Sumitomo Insurance	34.9	34.9	-33.5	-33.5	1.3	1.3	3.2
Aioi Nissay Dowa Insurance	23.8	23.8	-23.0	-23.0	0.8	0.8	3.9
<b>Floods in Thailand (Occurred in FY2011)</b>	<b>3.3</b>	<b>-22.1</b>	<b>-3.6</b>	<b>37.7</b>	<b>-0.2</b>	<b>15.5</b>	<b>17.8</b>
Mitsui Sumitomo Insurance	2.8	-18.7	-2.8	32.7	0.0	13.9	16.2
Aioi Nissay Dowa Insurance	0.0	-2.4	-0.1	4.1	-0.0	1.6	0.7
Overseas subsidiaries	0.4	-0.9	-0.5	0.8	-0.1	-0.0	0.9
<b>Total</b>	<b>68.1</b>	<b>37.4</b>	<b>-50.9</b>	<b>-27.5</b>	<b>17.1</b>	<b>9.8</b>	<b>34.3</b>

\* "O/S" stands for outstanding claims, same hereafter.

## 7. Domestic Non-life Insurance Companies (3) - Catastrophe Reserve - FY 2014 2Q

- At Mitsui Sumitomo Insurance, the reversal of the catastrophe reserve fell by 11.2 billion yen due to an improvement in the loss ratio for automobile insurance.
- At Aioi Nissay Dowa Insurance, the reversal of the catastrophe reserve increased by 8.7 billion yen due to steady progress in the payment of claims relating to heavy snowfall in February.
- The net change for the two companies combined was an excess reversal of 3.2 billion yen, with net reversals decreasing by 3.5 billion yen year-on-year overall.

### Catastrophe reserve

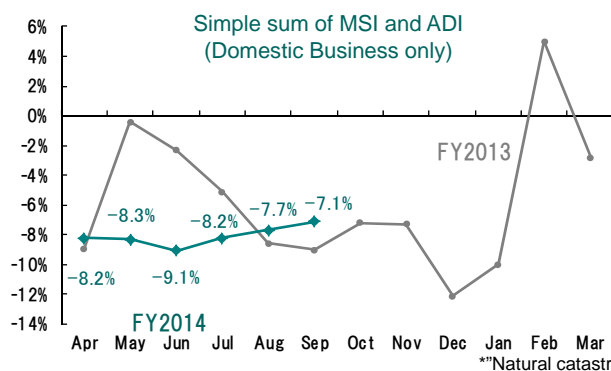
(¥bn)

	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	Reversal	Provision	Change	Balance as of Sep. 30, 2014	Reversal	Provision	Change	Balance as of Sep. 30, 2014
Fire and allied	17.6	9.6	-8.0	92.4	17.9	5.3	-12.6	91.9
Marine	-	1.4	1.4	70.8	-	0.2	0.2	14.0
Personal accident	0.3	2.4	2.1	64.2	-	1.1	1.1	60.1
Voluntary automobile	2.2	10.0	7.8	27.3	14.2	10.7	-3.4	17.7
Other	0.3	6.0	5.7	152.7	0.5	2.9	2.3	52.9
<b>Total</b>	<b>20.5</b>	<b>29.6</b>	<b>9.1</b>	<b>407.6</b>	<b>32.7</b>	<b>20.3</b>	<b>-12.3</b>	<b>236.8</b>
YoY Change	-11.2	1.0	12.3		8.7	-0.0	-8.7	

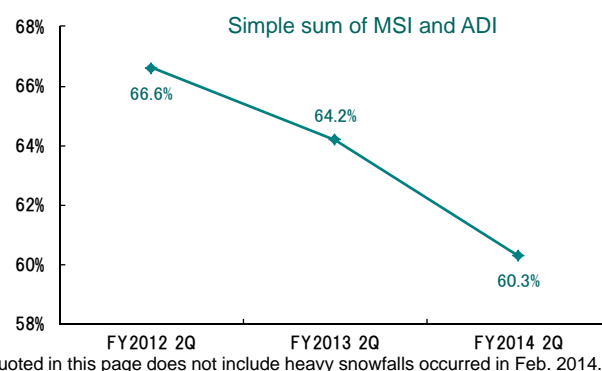
## 8. Domestic Non-life Insurance Companies (4) - Voluntary Auto Insurance - FY2014 2Q

- The Earned to Incurred loss ratio continued to improve as the number of accidents remained at a low level and insurance premium revenue grew.
- Average payout per claim continued to rise with the impact of the increase in the consumption tax rate.

Trend in the Number of Accidents (Per day, %YOY, excluding the number of accidents caused by natural catastrophes)



EI Loss Ratio (Including loss adjustment expenses)



### Insurance Premiums and Claims Payment

#### Mitsui Sumitomo Insurance

<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	+0.4%	+3.1%	+3.5%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+1.6%	+4.7%	

#### Aioi Nissay Dowa Insurance

<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	-0.9%	+2.2%	+1.3%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+3.2%	+4.0%	

\* Figures for "Factors of increase/decrease in insurance premiums" are the % YoY change, based on sales results from Apr. to Sep.

\* "Change in average payout per claim" means the change in average payout per claim over the one-year period ended Sep. 30, 2014 compared with the average pay out per claim in the one-year period ended Mar. 31, 2014.

\* EI loss ratio is 6 months results from Apr. to Sept. of each year.

## 9. Domestic Life Insurance Companies - MSI Aioi Life - Results for FY 2014 2Q

- The amount of new policies decreased by 7.7%, due to a drop in income security insurance and other factors.
- Annualized premiums of new policies increased by 15.6% due to strong third-sector product sales.
- Interim net income was level year-on-year at 3.4 billion yen.

### MSI Aioi Life

(¥bn)

	FY 2013 2Q		FY 2014 2Q	
	Results	Results	Change	Change Ratio
Amount of new policies <sup>*1</sup>	1,373.8	<b>1,267.5</b>	- 106.3	-7.7%
Amount of policies in force <sup>*1</sup>	(At the beginning of the FY) 21,105.0	<b>21,534.1</b>	(Change from the beginning of the FY) 429.0	2.0%
Annualized premiums of new policies <sup>*1</sup>	20.4	<b>23.5</b>	3.1	15.6%
of which, third sector insurance	3.8	<b>7.2</b>	3.3	87.2%
Annualized premiums of policies in force <sup>*1</sup>	(At the beginning of the FY) 335.8	<b>346.0</b>	(Change from the beginning of the FY) 10.1	3.0%
of which, third sector insurance	(At the beginning of the FY) 61.1	<b>65.8</b>	(Change from the beginning of the FY) 4.6	7.7%
Gross premium income	202.4	<b>215.3</b>	12.8	6.4%
Ordinary profit	8.0	<b>7.8</b>	- 0.1	-1.9%
Net Income	3.2	<b>3.4</b>	0.1	4.3%
Core profit	6.4	<b>8.4</b>	2.0	31.0%
EEV (Provisional) <sup>*2</sup>	(At the beginning of the FY) 588.1	<b>626.8</b>	(Change from the beginning of the FY) 38.6	

\*1 Figures are the sum of personal insurance and personal annuity insurance.

\*2 2Q EEV is a pro forma figure based in part on a simple calculation. The figures have not been verified by an independent third party.

## 10. Domestic Life Insurance Companies - MSI Primary Life - Results for FY 2014 2Q

- Gross premium income increased by 57.5% to 498.0 billion yen, due to steady growth in sales of fixed and variable whole life insurance.
- Interim net income decreased by 6.3 billion yen to 8.1 billion yen due to an increase in the burden of policy reserves for foreign-denominated insurance products, reflecting a drop in Australian dollar interest rates.

### MSI Primary Life

(¥bn)

	FY 2013 2Q		FY 2014 2Q	
	Results	Results	Change	Change Ratio
Amount of new policies*	302.2	<b>484.6</b>	182.3	60.3%
Amount of policies in force*	(At the beginning of the FY) 4,024.3	<b>4,366.0</b>	(Change from the beginning of the FY) 341.6	8.5%
Gross premium income	316.2	<b>498.0</b>	181.8	57.5%
Ordinary profit	22.4	<b>10.7</b>	- 11.7	- 52.2%
Net Income	14.5	<b>8.1</b>	- 6.3	- 43.6%
Core profit	30.1	<b>7.4</b>	- 22.7	- 75.4%

\* Figures are the sum of personal insurance and personal annuity insurance.

## 11. Overseas Subsidiaries - Results for FY 2014 2Q

- Net premiums written increased in all regions and reinsurance business on a local currency basis. Owing partly to the impact of exchange rates (+9.4 billion yen) and new consolidations, (+6.6 billion yen) net premiums written increased by 21.3%.
- Interim net income was level year-on-year at 17.0 billion yen.

### Overseas Subsidiaries

(¥bn)

	FY2013 2Q Results	Results	FY2014 2Q	
			YoY Change	Change ratio
Net premiums written	<b>126.5</b>	<b>153.4</b>	<b>26.9</b>	<b>21.3%</b>
Asia	60.4	74.0	13.6	22.5%
Europe	35.3	44.7	9.3	26.5%
Americas	18.3	21.0	2.6	14.3%
Reinsurance	12.3	13.7	1.3	11.1%
Net income	<b>17.0</b>	<b>17.0</b>	<b>-0.0</b>	<b>-0.3%</b>
Asia	7.2	9.6	2.4	33.7%
Europe	3.4	2.5	-0.8	-24.7%
Americas	0.9	0.5	-0.4	-40.9%
Reinsurance	5.4	4.1	-1.2	-22.6%

\*ADI's Australian subsidiary has been included as a consolidated subsidiary under "Asia" since FY2014.

## FY 2014 2Q Results Data

Mitsui Sumitomo Insurance (Non-consolidated)

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Aioi Nissay Dowa Insurance (Non-consolidated)

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## 12. Results for FY 2014 2Q - Mitsui Sumitomo Insurance (Non-consolidated) (i)

(¥bn)

	FY2013 2Q Results	FY2014 2Q	
		Results	YoY Change
Net premiums written	700.7	729.1	28.4
Growth rate of net premiums written	5.0%	4.1%	-0.9 pt
Net loss ratio	63.9%	61.5%	-2.4 pt
Net expense ratio	31.2%	31.5%	0.3 pt
Combined ratio	95.1%	93.0%	-2.1 pt
Incurred losses (Excl. loss adjustment expenses)	390.3	389.3	-1.0
Underwriting profit	31.0	28.5	-2.5
Net interest and dividends income	39.4	36.8	-2.6
Gains on sales of securities	26.3	9.5	-16.7
Impairment losses on securities	-1.0	-3.6	-2.5
Investment profit	66.4	44.3	-22.1
Ordinary profit	87.3	71.2	-16.1
Extraordinary income	-2.8	-0.2	2.6
Net income	60.3	50.5	-9.8
<b>&lt;Rate and ratios, excluding residential earthquake insurance and CALI&gt;</b>			
Growth rate of net premiums written	4.8%	3.6%	-1.2 pt
Net loss ratio	60.7%	58.6%	-2.1 pt
Net expense ratio	33.0%	33.6%	0.6 pt
Combined ratio	93.7%	92.2%	-1.5 pt

## 13. Results for FY 2014 2Q - Mitsui Sumitomo Insurance (Non-consolidated) (ii)

### Net premiums written

(¥bn)

	FY2013 2Q Results	FY2014 2Q	
		Results	Growth
Fire and allied	105.3	<b>106.9</b>	1.5%
Marine	28.9	<b>31.9</b>	10.2%
Personal accident	75.9	<b>78.3</b>	3.2%
Voluntary automobile	304.7	<b>313.9</b>	3.0%
CALI	84.5	<b>90.6</b>	7.3%
Other	101.1	<b>107.2</b>	6.0%
Total	700.7	<b>729.1</b>	4.1%
Total excl. residential EQ insurance and CALI	615.7	<b>638.1</b>	3.6%

### Net loss ratio

	FY2013 2Q Results	FY2014 2Q	
		Results	Change
Fire and allied	70.5%	<b>79.2%</b>	8.7pt
Marine	63.0%	<b>49.4%</b>	-13.6pt
Personal accident	58.5%	<b>55.9%</b>	-2.6pt
Voluntary automobile	62.9%	<b>59.2%</b>	-3.7pt
CALI	87.4%	<b>81.6%</b>	-5.8pt
Other	44.8%	<b>41.0%</b>	-3.8pt
Total	63.9%	<b>61.5%</b>	-2.4pt
Total excl. residential EQ insurance and CALI	60.7%	<b>58.6%</b>	-2.1pt

## 14. Results for FY 2014 2Q - Mitsui Sumitomo Insurance (Non-consolidated) (iii)

### Incurred losses\*1 and EI loss ratio (including loss adjustment expenses)

(¥bn)

	FY 2013 2Q					FY 2014 2Q					
	Incurred Losses*1 (a)	EI Loss Ratio	Nat Cat Impact*2 (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses*1 (c)	EI Loss Ratio	Nat Cat Impact*2 (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	47.5	49.5%	-2.6	50.1	52.2%	59.4	<b>60.1%</b>	9.1	50.3	<b>50.8%</b>	-1.4pt
Marine	18.6	64.9%	0.0	18.6	64.7%	12.2	<b>40.8%</b>	0.0	12.2	<b>40.7%</b>	-24.0pt
Personal accident	45.0	65.1%	-0.0	45.0	65.1%	42.6	<b>59.5%</b>	0.1	42.5	<b>59.3%</b>	-5.8pt
Voluntary automobile	192.6	64.1%	1.5	191.0	63.6%	188.4	<b>60.6%</b>	0.6	187.8	<b>60.4%</b>	-3.2pt
Other	51.0	57.3%	1.0	50.0	56.2%	54.9	<b>58.5%</b>	1.1	53.8	<b>57.3%</b>	1.1pt
Total*3 (A)	354.8	60.8%	-0.0	354.9	60.8%	357.8	<b>59.1%</b>	11.0	346.7	<b>57.2%</b>	-3.6pt
Residential earthquake insurance (B)	—	—	—	—	—	—	—	—	—	—	—
CALI (C)	74.6	—	—	74.6	—	73.5	—	—	73.5	—	—
Total (A)+(B)+(C)	429.5	—	-0.0	429.5	—	431.4	—	11.0	420.3	—	—

\*1 Incurred losses = net claims paid + loss adjustment expenses + provision for outstanding claims

\*2 "Nat Cat (Natural Catastrophe) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

\*3 Total (A) excludes residential earthquake insurance and CALI.

\* Earned premium, which is the denominator of the EI loss ratio, is calculated by adjusting unearned premium (excluding natural catastrophe reserves) and premium reserve.

## 15. Results for FY 2014 2Q - Aioi Nissay Dowa Insurance (Non-consolidated) (i)

(¥bn)

	FY2013 2Q	FY2014 2Q	
	Results	Results	YoY Change
Net premiums written	577.5	583.6	6.1
Growth rate of net premiums written	3.9%	1.1%	-2.8 pt
Net loss ratio	62.8%	63.4%	0.6 pt
Net expense ratio	33.8%	34.9%	1.1 pt
Combined ratio	96.6%	98.3%	1.7 pt
Incurred losses (Excl. loss adjustment expenses)	346.9	324.2	-22.6
Underwriting profit	10.8	39.2	28.4
Net interest and dividends income	24.9	19.5	-5.3
Gains on sales of securities	9.8	2.0	-7.7
Impairment losses on securities	-3.1	-0.8	2.2
Investment profit	27.6	16.9	-10.6
Ordinary profit	40.0	57.3	17.2
Extraordinary income	-0.6	7.6	8.3
Net income	28.3	46.5	18.2
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	3.9%	0.4%	-3.5 pt
Net loss ratio	59.3%	60.6%	1.3 pt
Net expense ratio	35.6%	37.2%	1.6 pt
Combined ratio	94.9%	97.8%	2.9 pt

## 16. Results for FY 2014 2Q - Aioi Nissay Dowa Insurance (Non-consolidated) (ii)

### Net premiums written

	FY2013 2Q Results	FY2014 2Q	
		Results	Growth
Fire and allied	67.2	<b>66.1</b>	-1.6%
Marine	5.6	<b>5.1</b>	-9.0%
Personal accident	38.1	<b>36.8</b>	-3.5%
Voluntary automobile	331.8	<b>333.7</b>	0.6%
CALI	80.4	<b>84.7</b>	5.3%
Other	54.1	<b>56.9</b>	5.2%
Total	577.5	<b>583.6</b>	1.1%
Total excl. residential EQ insurance and CALI	496.7	<b>498.6</b>	0.4%

### Net loss ratio

	FY2013 2Q Results	FY2014 2Q	
		Results	Change
Fire and allied	58.6%	<b>83.3%</b>	24.7pt
Marine	61.0%	<b>51.0%</b>	-10.0pt
Personal accident	47.6%	<b>48.0%</b>	0.4pt
Voluntary automobile	62.0%	<b>59.3%</b>	-2.7pt
CALI	84.7%	<b>79.6%</b>	-5.1pt
Other	51.5%	<b>51.0%</b>	-0.5pt
Total	62.8%	<b>63.4%</b>	0.6pt
Total excl. residential EQ insurance and CALI	59.3%	<b>60.6%</b>	1.3pt

## 17. Results for FY 2014 2Q - Aioi Nissay Dowa Insurance (Non-consolidated) (iii)

### Incurred losses\*<sup>1</sup> and EI loss ratio (including loss adjustment expenses)

	FY 2013 2Q					FY 2014 2Q					
	Incurred Losses* <sup>1</sup> (a)	EI Loss Ratio	Nat Cat Impact* <sup>2</sup> (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* <sup>1</sup> (c)	EI Loss Ratio	Nat Cat Impact* <sup>2</sup> (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	40.7	57.0%	5.7	34.9	48.9%	36.8	<b>49.9%</b>	4.8	32.0	<b>43.4%</b>	-5.5pt
Marine	2.9	58.6%	—	2.9	58.6%	2.6	<b>49.6%</b>	—	2.6	<b>49.6%</b>	-9.0pt
Personal accident	18.4	54.6%	0.0	18.4	54.6%	16.5	<b>49.5%</b>	0.0	16.5	<b>49.4%</b>	-5.2pt
Voluntary automobile	209.2	64.3%	1.4	207.8	63.9%	197.5	<b>60.0%</b>	1.0	196.5	<b>59.6%</b>	-4.3pt
Other	32.4	64.5%	0.2	32.2	64.0%	30.8	<b>58.2%</b>	0.3	30.4	<b>57.5%</b>	-6.5pt
Total* <sup>3</sup> (A)	303.8	62.5%	7.4	296.3	61.0%	284.5	<b>57.4%</b>	6.2	278.2	<b>56.2%</b>	-4.8pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	68.5	/	—	68.5	/	66.7	/	—	66.7	/	/
Total (A)+(B)+(C)	372.3	/	7.4	364.9	/	351.2	/	6.2	344.9	/	/

\*1 Incurred losses = net claims paid + loss adjustment expenses + provision for outstanding claims

\*2 "Nat Cat (Natural Catastrophe) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

\*3 Total (A) excludes residential earthquake insurance and CALI.

\* Earned premium, the denominator of the EI loss ratio, is calculated by adjusting unearned premium and premium reserve.

## Projected Financial Results for FY2014 (Revised)

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Simple Sum of MSI and ADI (Non-consolidated)	Page 27-28

### 18. Consolidated Earnings Forecasts for FY 2014 (1)

- Net premiums written are expected to rise by 125.4 billion yen year-on-year, a growth rate of 4.5%, to 2,935.0 billion yen. This represents an upward revision of 10.0 billion yen over the fiscal year initial forecast.
- In domestic non-life insurance, net premiums written will rise as growth strategies are achieved. The Group expects to continue expanding its business volume overseas.

(¥bn)

	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts			
			(Revised)	YoY Change	Change Ratio	Change from the previous
Net premiums written*	2,809.5	2,925.0	<b>2,935.0</b>	125.4	4.5%	10.0
Mitsui Sumitomo Insurance	1,384.5	1,433.0	<b>1,442.0</b>	57.4	4.2%	9.0
Aioi Nissay Dowa Insurance	1,144.6	1,156.0	<b>1,156.0</b>	11.3	1.0%	-
Mitsui Direct General Insurance	35.5	36.2	<b>35.6</b>	0.0	0.0%	- 0.6
Overseas subsidiaries	240.6	294.0	<b>294.0</b>	53.3	22.2%	-
Life insurance premiums	678.9	631.0	<b>906.0</b>	227.0	33.4%	275.0

\*Net premiums written exclude Good Result Return premiums of the "ModoRich" auto insurance product, which contains a special clause related to premium adjustment and refund at maturity, same hereafter.

<Reference: Gross life insurance premiums>

	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts			
			(Revised)	YoY Change	Change Ratio	Change from the previous
MSI Aioi Life	416.7	445.3	<b>439.6</b>	22.8	5.5%	- 5.7
MSI Primary Life	826.4	500.0	<b>850.0</b>	23.5	2.9%	350.0

## 19. Consolidated Earnings Forecasts for FY 2014 (2)

- The fiscal year initial forecast for ordinary profit is being revised upward by 80.0 billion yen, to 230.0 billion yen.
- The fiscal year initial forecast for net income is being revised upward by 20.0 billion yen, to 120.0 billion yen.
- MSI and ADI will work to strengthen their financial positions by achieving unrealized gains on equities and adding to provisions for price fluctuation reserves.

(¥bn)

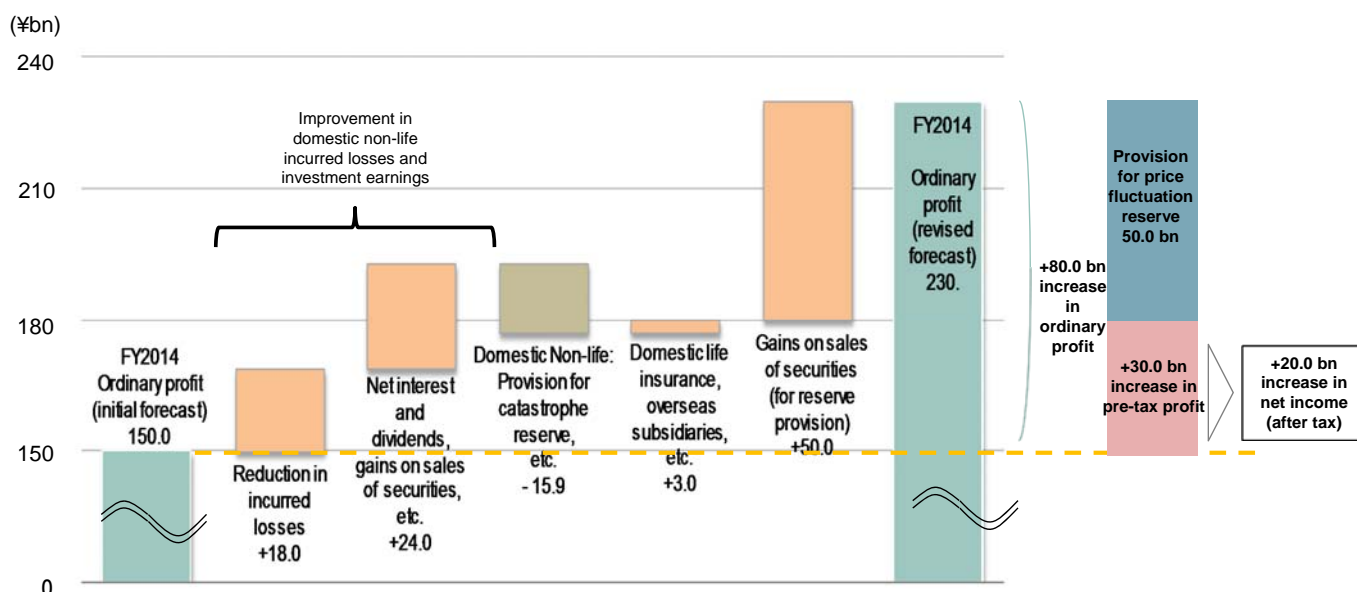
	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts		
			(Revised)	YoY Change	Change from the previous
Ordinary profit	190.2	150.0	<b>230.0</b>	<b>39.7</b>	80.0
Mitsui Sumitomo Insurance	101.9	79.0	<b>130.0</b>	<b>28.0</b>	51.0
Aioi Nissay Dowa Insurance	27.8	27.0	<b>53.0</b>	<b>25.1</b>	26.0
Net income*	93.4	100.0	<b>120.0</b>	<b>26.5</b>	20.0
Mitsui Sumitomo Insurance	58.0	62.0	<b>78.0</b>	<b>19.9</b>	16.0
Aioi Nissay Dowa Insurance	13.1	34.0	<b>39.0</b>	<b>25.8</b>	5.0
Mitsui Direct General Insurance	0.1	0.1	<b>- 1.2</b>	<b>- 1.3</b>	- 1.3
MSI Aioi Life	6.6	1.0	<b>2.0</b>	<b>- 4.6</b>	1.0
MSI Primary Life	17.9	12.0	<b>12.0</b>	<b>- 5.9</b>	-
Overseas subsidiaries	19.9	24.0	<b>28.0</b>	<b>8.0</b>	4.0
Consolidation adjustments, etc.	- 22.4	- 33.1	<b>- 37.8</b>	<b>- 15.4</b>	- 4.7

\* Net income of subsidiaries is on an equity stake basis, same hereafter.

## 20. Consolidated Earnings Forecasts for FY 2014 (3) – Revised Forecasts

- MSI and ADI will see increased profits through a drop in incurred losses and strong investment earnings.
- A gain of 50.0 billion yen from sales of securities, separate from the plan for sales of strategic equity holdings, is secured to include additional provision of 50.0 billion yen for price fluctuation reserves.

### Factors behind change in initial forecast for consolidated ordinary profit



\* Figures for domestic non-life insurance are the simple sum of figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

## 21. Consolidated Earnings Forecasts for FY 2014 (4)

- Based on the current forecast, Group core profit for FY2014 is expected to increase by 20.0 billion yen over the initial forecast, to 120.0 billion yen, while Group ROE is forecast to reach 5.2%.
- The increase in EV for MSI Aioi Life is expected to rise by 22.0 billion yen over the initial forecast, to 65.0 billion yen.

(¥bn)

	FY2013 Results	FY2014 Forecasts (Previous)	(Revised)	FY2014 Forecasts	
				YoY Change	Change from the previous
Group Core Profit*	94.8	100.0	<b>120.0</b>	<b>25.1</b>	<b>20.0</b>
Domestic non-life insurance	47.8	61.0	<b>76.0</b>	<b>28.1</b>	<b>15.0</b>
Domestic life insurance	24.4	13.0	<b>14.0</b>	<b>-10.4</b>	<b>1.0</b>
Overseas	18.0	22.0	<b>25.0</b>	<b>6.9</b>	<b>3.0</b>
Financial services/ Risk-related services	4.4	4.0	<b>5.0</b>	<b>0.5</b>	<b>1.0</b>
Financial targets					
Combined ratio (Domestic non-life insurance)	98.2%	100.0%	<b>98.1%</b>	<b>- 0.1pt</b>	<b>Δ 1.9pt</b>
Increase in EV of MSI Aioi Life	91.6	43.0	<b>65.0</b>	<b>-26.7</b>	<b>22.0</b>
Group ROE*	4.5%	4.5%	<b>5.2%</b>	<b>0.7pt</b>	<b>0.7pt</b>

\* For the definition of Group Core Profit and Group ROE, please refer to the beginning page.

## 22. Earnings Forecasts for FY 2014 - Major Assumptions

- Based on the interim results for FY2014, the Group will work to ensure its financial soundness, while maintaining growth and improving profitability.
- MSI and ADI plan to add 50.0 billion yen to their provision for price fluctuation reserves.

### Major assumptions about consolidated earnings forecasts

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	<b>Assumes the level at the end of Sep. 2014</b> (Note) As of the end of Sep. 2014 Nikkei stock average: ¥16,173.52 US\$: ¥109.45 Euro: ¥138.87	
Incurred losses related to domestic natural catastrophes occurring in FY 2014* <sup>1</sup>	<b>23.0</b>	<b>15.0</b>
Heavy snowfalls occurred in Feb. 2014    Net claims paid	<b>37.9</b>	<b>25.7</b>
Floods in Thailand occurred in Nov. 2011    Net claims paid	<b>11.5</b>	<b>0.6</b>
Catastrophe reserve (For fire insurance)    Provision rate	<b>9.0%</b>	<b>8.0%</b>
	Additional provision	<b>10.0</b>
Price fluctuation reserve    Additional provision	<b>30.0</b>	<b>20.0</b>
	Expected balance as of Mar. 31, 2015	<b>53.5</b>
Extraordinary income (Transfer consideration relating to reorganization by function)* <sup>2</sup>	<b>1.8</b>	<b>24.8</b>
Corporate tax rate (Effective tax rate)* <sup>3</sup>	<b>30.7%</b>	

\*<sup>1</sup> Figures incorporate 18 (Phanfone) and 19 (Vongfong).

\*<sup>2</sup> Extra ordinary income caused by transfer consideration related to reorganization by function is group's internal transaction, and will not affect on group's earnings.

\*<sup>3</sup> Corporate tax rate does not incorporate the reduction in the corporate tax.

\* Other than listed above, we are projecting an additional provision of ¥6 billion for the price fluctuation reserve at MSI Primary Life.

## 23. Earnings Forecasts for FY 2014 - Mitsui Sumitomo Insurance (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts (Revised)	FY2014	
				YoY Change	Change from the previous
Net premiums written	1,384.5	<b>1,433.0</b>	<b>1,442.0</b>	<b>57.4</b>	9.0
Growth rate of net premiums written	5.3%	<b>3.5%</b>	<b>4.2%</b>	<b>-1.2 pt</b>	0.7 pt
Net loss ratio	65.1%	<b>65.7%</b>	<b>63.8%</b>	<b>-1.3 pt</b>	-1.9 pt
Net expense ratio	32.0%	<b>32.2%</b>	<b>32.1%</b>	<b>0.1 pt</b>	-0.1 pt
Combined ratio	97.1%	<b>97.9%</b>	<b>95.9%</b>	<b>-1.2 pt</b>	-2.0 pt
Incurred losses (Excl. loss adjustment expenses)	832.1	<b>813.8</b>	<b>808.8</b>	<b>-23.2</b>	-5.0
Underwriting profit	-7.3	<b>11.0</b>	<b>6.0</b>	<b>13.3</b>	-5.0
Net interest and dividends income	70.9	<b>61.1</b>	<b>67.0</b>	<b>-3.9</b>	5.9
Gains on sales of securities	54.8	<b>18.7</b>	<b>69.1</b>	<b>14.2</b>	50.4
Impairment losses on securities	-3.3	<b>-3.0</b>	<b>-6.1</b>	<b>-2.7</b>	-3.1
Investment profit	125.1	<b>73.8</b>	<b>129.2</b>	<b>4.0</b>	55.4
Ordinary profit	101.9	<b>79.0</b>	<b>130.0</b>	<b>28.0</b>	51.0
Extraordinary income	-17.4	<b>1.7</b>	<b>-28.8</b>	<b>-11.3</b>	-30.4
Net income	58.0	<b>62.0</b>	<b>78.0</b>	<b>19.9</b>	16.0
<Rate and ratios, excluding residential earthquake insurance and CALI>					
Growth rate of net premiums written	4.7%	<b>3.4%</b>	<b>4.3%</b>	<b>-0.4 pt</b>	0.9 pt
Net loss ratio	62.2%	<b>63.3%</b>	<b>61.1%</b>	<b>-1.1 pt</b>	-2.2 pt
Net expense ratio	34.1%	<b>34.4%</b>	<b>34.2%</b>	<b>0.1 pt</b>	-0.2 pt
Combined ratio	96.3%	<b>97.7%</b>	<b>95.3%</b>	<b>-1.0 pt</b>	-2.4 pt

## 24. Earnings Forecasts for FY 2014 - Mitsui Sumitomo Insurance (Non-consolidated) (2)

### Net premiums written

(¥bn)

	FY2013 Results	FY2014	
		Forecasts	Growth
Fire and allied	212.2	<b>221.7</b>	4.4%
Marine	56.7	<b>63.3</b>	11.6%
Personal accident	144.6	<b>148.6</b>	2.7%
Voluntary automobile	608.3	<b>626.6</b>	3.0%
CALI	173.4	<b>179.1</b>	3.2%
Other	188.9	<b>202.7</b>	7.2%
Total	1,384.5	<b>1,442.0</b>	4.2%
Total excl. residential EQ insurance and CALI	1,210.3	<b>1,262.1</b>	4.3%

### Net loss ratio

	FY2013 Results	FY2014	
		Forecasts	YoY Change
Fire and allied	70.9%	<b>72.3%</b>	1.4pt
Marine	59.6%	<b>50.4%</b>	-9.2pt
Personal accident	60.4%	<b>59.1%</b>	-1.3pt
Voluntary automobile	63.5%	<b>62.2%</b>	-1.3pt
CALI	85.4%	<b>83.2%</b>	-2.2pt
Other	50.2%	<b>49.6%</b>	-0.6pt
Total	65.1%	<b>63.8%</b>	-1.3pt
Total excl. residential EQ insurance and CALI	62.2%	<b>61.1%</b>	-1.1pt

### Incurred losses\*1

(¥bn)

	FY2013 Results	FY2014	
		Forecasts	YoY Change
Incurred losses (Excluding loss adjustment expenses)*1	832.1	<b>808.8</b>	-23.2
Natural catastrophes*2	46.9	<b>24.6</b>	-22.3
Other than natural catastrophes	785.1	<b>784.2</b>	-0.9

\*1 Incurred losses = net claims paid + provision for outstanding claims

\*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

"Natural Catastrophes" include incurred losses from flooding in Thailand (FY2013 -20.3 billion yen; FY2014 0.0 billion yen) and incurred losses stemming from heavy snowfalls in Japan in February 2014 (FY2013 45.4 billion yen; FY2014 1.6 billion yen)

## 25. Earnings Forecasts for FY 2014 - Aoi Nissay Dowa Insurance (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts		
			(Revised)	YoY Change	Change from the previous
Net premiums written	1,144.6	1,156.0	<b>1,156.0</b>	<b>11.3</b>	-
Growth rate of net premiums written	3.8%	1.0%	<b>1.0%</b>	<b>-2.8 pt</b>	-
Net loss ratio	65.0%	66.7%	<b>65.4%</b>	<b>0.4 pt</b>	-1.3 pt
Net expense ratio	34.5%	35.8%	<b>35.4%</b>	<b>0.9 pt</b>	-0.4 pt
Combined ratio	99.5%	102.5%	<b>100.8%</b>	<b>1.3 pt</b>	-1.7 pt
Incurred losses (Excl. loss adjustment expenses)	728.9	698.8	<b>684.9</b>	<b>-44.0</b>	-13.9
Underwriting profit	-28.8	10.0	<b>18.0</b>	<b>46.8</b>	8.0
Net interest and dividends income	45.9	31.3	<b>34.5</b>	<b>-11.4</b>	3.2
Gains on sales of securities	19.5	2.9	<b>13.3</b>	<b>-6.2</b>	10.4
Impairment losses on securities	-3.6	-5.0	<b>-5.0</b>	<b>-1.3</b>	-
Investment profit	53.0	17.0	<b>34.6</b>	<b>-18.4</b>	17.6
Ordinary profit	27.8	27.0	<b>53.0</b>	<b>25.1</b>	26.0
Extraordinary income	-5.6	21.0	<b>0.8</b>	<b>6.4</b>	-20.2
Net income	13.1	34.0	<b>39.0</b>	<b>25.8</b>	5.0
<Rate and ratios, excluding residential earthquake insurance and CALI>					
Growth rate of net premiums written	3.2%	0.8%	<b>0.9%</b>	<b>-2.3 pt</b>	0.1 pt
Net loss ratio	62.0%	64.4%	<b>62.8%</b>	<b>0.8 pt</b>	-1.6 pt
Net expense ratio	36.5%	38.1%	<b>37.6%</b>	<b>1.1 pt</b>	-0.5 pt
Combined ratio	98.5%	102.5%	<b>100.4%</b>	<b>1.9 pt</b>	-2.1 pt

## 26. Earnings Forecasts for FY 2014 - Aoi Nissay Dowa Insurance (Non-consolidated) (2)

### Net premiums written

(¥bn)

	FY2013 Results	FY2014 Forecasts	
		Forecasts	Growth
Fire and allied	135.7	<b>136.1</b>	0.3%
Marine	11.2	<b>7.4</b>	-34.1%
Personal accident	72.6	<b>71.1</b>	-2.1%
Voluntary automobile	658.9	<b>670.2</b>	1.7%
CALI	164.2	<b>166.6</b>	1.4%
Other	101.7	<b>104.6</b>	2.8%
Total	1,144.6	<b>1,156.0</b>	1.0%
Total excl. residential EQ insurance and CALI	979.8	<b>988.9</b>	0.9%

### Net loss ratio

	FY2013 Results	FY2014 Forecasts	
		Forecasts	YoY Change
Fire and allied	64.8%	<b>74.4%</b>	9.6pt
Marine	52.4%	<b>58.1%</b>	5.7pt
Personal accident	50.3%	<b>48.9%</b>	-1.4pt
Voluntary automobile	63.2%	<b>62.2%</b>	-1.0pt
CALI	83.0%	<b>81.6%</b>	-1.4pt
Other	59.3%	<b>60.6%</b>	1.3pt
Total	65.0%	<b>65.4%</b>	0.4pt
Total excl. residential EQ insurance and CALI	62.0%	<b>62.8%</b>	0.8pt

### Incurred losses\*1

(¥bn)

	FY2013 Results	FY2014 Forecasts	
		Forecasts	YoY Change
Incurred losses (Excluding loss adjustment expenses)*1	728.9	<b>684.9</b>	-44.0
Natural catastrophes*2	49.3	<b>15.6</b>	-33.6
Other than natural catastrophes	679.6	<b>669.2</b>	-10.4

\*1 Incurred losses = net claims paid + provision for outstanding claims

\*2 "Natural catastrophes" mean domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

"Natural Catastrophes" include incurred losses from flooding in Thailand (FY2013 -2.6 billion yen; FY2014 -100 million yen) and incurred losses stemming from heavy snowfalls in Japan in February 2014 (FY2013 36.7 billion yen; FY2014 800 million yen)



## 27. Earnings Forecasts for FY 2014 - Simple Sum of MSI & ADI (Non-consolidated) (1)

(¥bn)

	FY2012	FY2013		FY2014	
	Results	Results	YoY Change	Forecasts	YoY Change
Net premiums written	2,417.4	2,529.1	111.6	2,598.0	68.8
Growth rate of net premiums written	3.1%	4.6%	1.5pt	2.7%	-1.9pt
Net loss ratio	72.0%	65.0%	-7.0pt	64.5%	-0.5pt
Net expense ratio	33.2%	33.2%	0.0pt	33.6%	0.4pt
Combined ratio	105.2%	98.2%	-7.0pt	98.1%	-0.1pt
Incurred losses (Excl. loss adjustment expenses)	1,550.1	1,561.1	10.9	1,493.7	-67.3
Underwriting profit	-3.0	-36.1	-33.1	24.0	60.1
Net interest and dividends income	98.0	116.8	18.8	101.5	-15.3
Gains on sales of securities	60.4	74.3	13.9	82.4	8.0
Impairment losses on securities	-38.1	-7.0	31.1	-11.1	-4.1
Investment profit	102.2	178.1	75.9	163.8	-14.3
Ordinary profit	91.2	129.8	38.6	183.0	53.1
Extraordinary income	-3.9	-23.1	-19.1	-28.0	-4.8
Net income	61.5	71.1	9.6	117.0	45.8
<b>&lt;Rate and ratios, excluding residential earthquake insurance and CALI&gt;</b>					
Growth rate of net premiums written	2.8%	4.0%	1.2pt	2.8%	-1.2pt
Net loss ratio	69.1%	62.1%	-7.0pt	61.8%	-0.3pt
Net expense ratio	34.8%	35.2%	0.4pt	35.7%	0.5pt
Combined ratio	103.9%	97.3%	-6.6pt	97.5%	0.2pt

## 28. Earnings Forecasts for FY 2014 - Simple Sum of MSI & ADI (Non-consolidated) (2)

### Net premiums written

(¥bn)

	FY2012	FY2013		FY2014	
	Results	Results	Growth	Forecasts	Growth
Fire and allied	314.2	348.0	10.7%	<b>357.8</b>	2.8%
Marine	63.3	67.9	7.3%	<b>70.7</b>	4.1%
Personal accident	214.9	217.3	1.1%	<b>219.7</b>	1.1%
Voluntary automobile	1,235.4	1,267.2	2.6%	<b>1,296.8</b>	2.3%
CALI	310.0	337.7	8.9%	<b>345.7</b>	2.4%
Other	279.4	290.7	4.1%	<b>307.3</b>	5.7%
Total	2,417.4	2,529.1	4.6%	<b>2,598.0</b>	2.7%
Total excl. residential EQ insurance and CALI	2,105.6	2,190.1	4.0%	<b>2,251.0</b>	2.8%

### Net loss ratio

	FY2012	FY2013		FY2014	
	Results	Results	YoY change	Forecasts	YoY change
Fire and allied	96.7%	68.5%	-28.2pt	73.1%	4.6pt
Marine	51.7%	58.4%	6.7pt	51.2%	-7.2pt
Personal accident	56.8%	57.0%	0.2pt	55.8%	-1.2pt
Voluntary automobile	67.9%	63.4%	-4.5pt	62.2%	-1.2pt
CALI	92.4%	84.2%	-8.2pt	82.4%	-1.8pt
Other	56.3%	53.4%	-2.9pt	53.4%	0.0pt
Total	72.0%	65.0%	-7.0pt	64.5%	-0.5pt
Total excl. residential EQ insurance and CALI	69.1%	62.1%	-7.0pt	61.8%	-0.3pt

### Incurred losses\*1

(¥bn)

	FY2012	FY2013		FY2014	
	Results	Results	YoY Change	Forecasts	YoY Change
Incurred losses (Excl. loss adjustment expenses)*1	1,550.1	<b>1,561.1</b>	10.9	<b>1,493.7</b>	-67.3
Natural catastrophes*2	53.8	<b>96.3</b>	42.5	<b>40.2</b>	-56.0
Other than natural catastrophes	1,496.2	<b>1,464.7</b>	-31.5	<b>1,453.4</b>	-11.3

\*1 Incurred losses = net claims paid + provision for outstanding claims

\*2 "Natural catastrophes" mean domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

"Natural Catastrophes" include incurred losses from flooding in Thailand (FY2012 600 million yen; FY2013 -23.0 billion yen; FY2014 -100 million yen) and incurred losses stemming from heavy snowfalls in Japan in February 2014 (FY2013 82.1 billion yen; FY2014 2.4 billion yen)

## Caution About Forward-looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

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