

Materials for FY2014 3Q Results Briefing - Conference Call

Feb. 13, 2015 (Fri)



MS&AD Insurance Group Holdings, Inc.

I am Masataka Kitagawa of MS&AD Holdings.
Thank you for taking the time to participate in our earnings conference call today.

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FY 2014 3Q Results Data

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Reference: Projected Financial Results for FY 2014 (Announced on Nov. 19)

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Unless otherwise noted, numbers shown as 3Q figures in this document are cumulative values for the nine-month period from April 1 to December 31 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
 \div Consolidated total net assets excluding minority interests
 (average of beginning and ending amounts of B/S)

Summary of FY 2014 3Q Results

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1. Consolidated Earnings for FY 2014 3Q (1) - Overview (i)

- Net premiums written rose by 4.5% due to solid performance by both domestic non-life insurance companies and overseas subsidiaries.
- Life insurance premiums rose by a substantial 34.3% due to significant sales growth at MSI Primary Life along with increased sales at MSI Aioi Life.

(¥bn)

	FY2013 3Q Results	FY2014 3Q		
		Results	YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	2,309.3	2,406.7	97.3	4.2%
Net premiums written*	2,104.0	2,198.2	94.2	4.5%
Mitsui Sumitomo Insurance*	1,030.9	1,078.8	47.8	4.6%
Aioi Nissay Dowa Insurance	861.9	870.2	8.2	1.0%
Mitsui Direct General Insurance	25.9	25.4	- 0.5	-2.0%
Overseas subsidiaries	182.5	219.5	37.0	20.3%
Life insurance premiums	408.0	547.8	139.8	34.3%

*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 3Q Results	FY2014 3Q		
		Results	YoY Change	Growth
MSI Aioi Life	303.8	321.5	17.6	5.8%
MSI Primary Life	569.4	763.7	194.3	34.1%

Moving on, my explanation today will follow the materials we have prepared in slide format, titled Materials for FY2014 3Q Results Briefing – Conference Call. Please turn to the first page of the slides, Slide 1.

I will begin by explaining the Group's top line. Thanks to contributions from increased premiums of domestic non-life insurance companies and steady increases in premiums of overseas subsidiaries, net premiums written continued their steady increase, rising by 94.2 billion yen, or 4.5% year-on-year.

Meanwhile, life insurance premiums increased significantly by 139.8 billion yen, or 34.3% due to sales by MSI Primary Life remaining strong while the premiums also increased at MSI Aioi Life.

2. Consolidated Earnings for FY 2014 3Q (1) - Overview (ii)

- Ordinary profit increased by 56.9 billion yen to 294.0 billion yen, due to improved performance of Aioi Nissay Dowa Insurance, Mitsui Sumitomo Insurance and overseas subsidiaries.
- At the same time, net income increased by 47.0 billion yen to 206.6 billion yen.
- Group Core Profit increased by 27.3 billion yen to 171.8 billion yen.

(¥bn)

	FY2013 3Q Results	Results	FY2014 3Q	
			YoY Change	Change Ratio
Ordinary profit* ¹	237.1	294.0	56.9	24.0%
Mitsui Sumitomo Insurance	124.2	153.6	29.4	23.7%
Aioi Nissay Dowa Insurance	59.8	92.2	32.3	54.0%
Mitsui Direct General Insurance	0.1	- 1.3	- 1.5	- 815.1%
MSI Aioi Life	12.7	12.2	- 0.5	- 4.1%
MSI Primary Life	35.4	20.3	- 15.0	- 42.6%
Overseas subsidiaries	25.1	31.8	6.6	26.5%
Consolidation adjustments, etc.	- 20.6	- 14.9	5.6	-
Net income* ¹	159.5	206.6	47.0	29.5%
Mitsui Sumitomo Insurance	87.8	111.2	23.3	26.6%
Aioi Nissay Dowa Insurance	41.3	82.1	40.7	98.6%
Mitsui Direct General Insurance	0.1	- 1.0	- 1.1	- 1007.3%
MSI Aioi Life	5.4	5.2	- 0.1	- 3.0%
MSI Primary Life	22.8	15.6	- 7.1	- 31.5%
Overseas subsidiaries	19.3	24.9	5.6	29.4%
Consolidation adjustments, etc.	- 17.2	- 31.5	- 14.2	-
Group Core Profit* ²	144.5	171.8	27.3	18.9%

*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.

Next, please look at Slide 2.

I will now explain the Group consolidated ordinary profit shown in the top section of the table.

The Group consolidated ordinary profit increased by 56.9 billion yen year-on-year, to 294.0 billion yen.

The main factors that brought this about were increased investment profit at Mitsui Sumitomo Insurance contributing to a 29.4 billion yen increase, and the decrease in incurred losses centered on automobile insurance at Aioi Nissay Dowa Insurance contributing to a 32.3 billion yen increase in underwriting profit.

The Group consolidated net income increased by 47.0 billion yen year-on-year, to 206.6 billion yen.

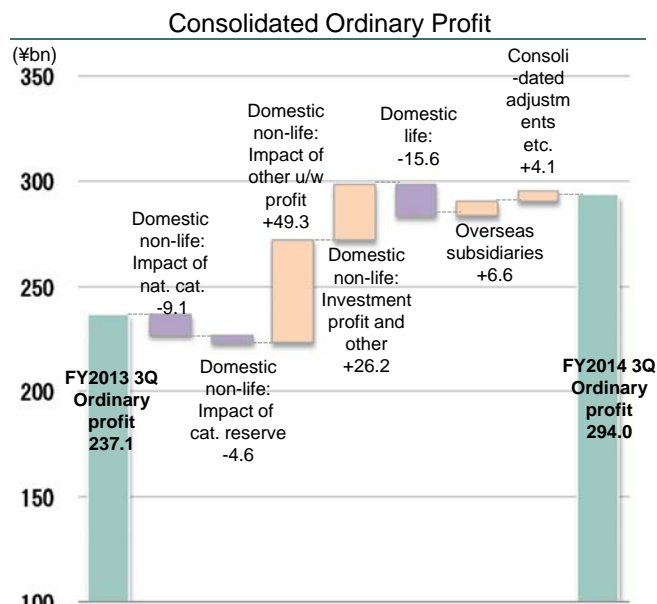
Group core profit increased by 27.3 billion yen year-on-year, to 171.8 billion yen. This is comprised of 117.4 billion yen in the domestic non-life insurance business, 20.7 billion yen in the domestic life insurance business, 31.2 billion yen in the overseas business and 2.3 billion yen in the financial services business and risk-related services business.

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

- Underwriting profit at domestic non-life insurance companies, excluding the impact of natural disaster and catastrophe reserves, boosted profit by 49.3 billion yen.
- Net investment profit and other in domestic non-life insurance companies increased by 26.2 billion yen.
- Domestic life insurance business decreased profit by 15.6 billion yen, and overseas subsidiaries increased profit by 6.6 billion yen.

Factors in YoY Changes in Consolidated Ordinary Profit

	FY2013 3Q (a)	FY2014 3Q (b)	Difference (b)-(a)
Consolidated ordinary profit	237.1	294.0	56.9
Domestic non-life insurance companies ^{*1} Impact of natural catastrophes ^{*2}	-19.2	-28.3	-9.1
Domestic non-life insurance companies ^{*1} Impact of cat. reserve	9.9	5.2	-4.6
Domestic non-life insurance companies ^{*1} Impact of other underwriting profit	60.7	110.0	49.3
Domestic non-life insurance companies ^{*1} Investment profit and other	132.7	158.9	26.2
Domestic life insurance companies	48.2	32.5	-15.6
Overseas subsidiaries	25.1	31.8	6.6
Consolidation adjustments, etc.	-20.4	-16.2	4.1



*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.

Next, please look at Slide 3.

I will explain the year-on-year changes in the breakdown of consolidated ordinary profit.

As shown in the graph on the right, consolidated ordinary profit was bolstered by a 49.3 billion yen improvement in underwriting profit of domestic non-life insurance companies, excluding the impact of natural catastrophes and catastrophe reserves, and a 26.2 billion yen improvement in investment profit and other.

Overseas subsidiaries also made a positive contribution of 6.6 billion yen.

Meanwhile, negative factors at domestic non-life insurance companies include the impact of natural catastrophes, accounting for declines of 9.1 billion yen, including the floods in Thailand in 2011 and the heavy snowfalls in Japan in February last year, and the impact of the catastrophe reserves, accounting for declines of 4.6 billion yen.

Domestic life insurance subsidiaries also made a negative contribution of 15.6 billion yen.

4. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 3Q (i)

- Automobile, fire and allied and casualties of insurance contributed to an increase in net premiums written of 3.0%, or 56.1 billion yen, for the simple sum of MSI and ADI.
- Underwriting profit increased by 35.5 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	1,078.8	47.8	870.2	8.2	1,949.0	56.1
Growth rate of net premiums written	4.6%	- 0.6pt	1.0%	- 2.9pt	3.0%	- 1.6pt
Net claims paid	(-) 608.3	- 9.7	513.5	-2.9	1,121.9	-12.7
<Incurred losses> (Excluding loss adjustment expenses)	(-) 606.0	2.2	496.4	-24.0	1,102.5	-21.8
Commissions and collection expenses	(-) 189.6	11.1	162.6	7.3	352.3	18.5
Operating expenses and general and administrative expenses (underwriting)	(-) 152.9	4.1	142.0	2.4	294.9	6.5
Provision for ordinary underwriting reserve	(-) 31.4	16.5	2.5	1.9	34.0	18.5
Underwriting profit before catastrophe reserve	47.7	18.3	33.9	21.7	81.6	40.1
Reversal of catastrophe reserve	- 9.0	- 16.8	14.2	12.1	5.2	-4.6
Underwriting profit	38.6	1.5	48.2	33.9	86.9	35.5
Ratios						
Net loss ratio ^{*1}	62.1%	- 3.6pt	63.8%	- 0.7pt	62.9%	- 2.3pt
Net expense ratio	31.8%	0.0pt	35.0%	0.8pt	33.2%	0.3pt
Combined ratio	93.9%	- 3.6pt	98.8%	0.1pt	96.1%	- 2.0pt
<Reference: Ratios excluding residential earthquake insurance and CALI ^{*2} >						
Net loss ratio ^{*1}	59.1%	- 3.6pt	60.8%	- 0.3pt	59.8%	- 2.2pt
Net expense ratio	33.8%	0.1pt	37.0%	0.9pt	35.2%	0.4pt
Combined ratio	92.9%	- 3.5pt	97.8%	0.6pt	95.0%	- 1.8pt

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

Next, I will provide an overview of the simple-sum performance of the two core domestic non-life insurance companies.
Please look at Slide 4.

First of all, net premiums written for the two companies increased by 56.1 billion yen or 3.0% year-on-year, due to increased premiums in automobile insurance and compulsory automobile liability insurance in both companies stemming from the effect of a revision in premiums, as well as strong growth in fire insurance and casualty insurance.

Also, incurred losses for the simple sum of the two companies primarily in automobile insurance, decreased 21.8 billion yen year-on-year.

The combined underwriting profit for the two companies showed significant improvement, increasing by 35.5 billion yen year-on-year, to 86.9 billion yen.

5. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 3Q (ii)

- Net investment profit and other ordinary profit increased by 26.2 billion yen for the simple sum of MSI and ADI, primarily due to increase in gains on sales of securities.
- Net income increased by 64.1 billion yen to 193.3 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
Underwriting profit	38.6	1.5	48.2	33.9	86.9	35.5
Net interest and dividends income	59.5	0.3	31.0	-5.0	90.5	-4.7
Gains on sales of securities	54.3	20.7	18.0	2.1	72.4	22.9
Impairment losses on securities (-)	3.6	2.1	0.1	-2.0	3.8	0.1
Investment profit and other ordinary profit	115.0	27.9	43.9	-1.6	158.9	26.2
Ordinary profit	153.6	29.4	92.2	32.3	245.9	61.7
Extraordinary income	0.2	2.8	22.7	23.8	23.0	26.6
Income before income taxes	153.9	32.2	114.9	56.1	268.9	88.4
Net income	111.2	23.3	82.1	40.7	193.3	64.1

Next, please look at Slide 5.

With regard to investment profit, the sum of investment profit and other ordinary profit improved by 26.2 billion yen year-on-year to 158.9 billion yen, primarily due to an increase in gains on sales of securities.

The two companies sold a total of 62.0 billion yen in strategic equity holdings.

As a result, ordinary profit for the two core domestic non-life insurance companies increased by 61.7 billion yen year-on-year, to 245.9 billion yen, and net income increased by 64.1 billion yen year-on-year, to 193.3 billion yen.

The combined extraordinary income of the two companies amounting to 23 billion yen includes 27.4 billion yen in extraordinary income associated with the Group's reorganization by function, but this portion was eliminated on a consolidated basis due to consolidation adjustments, as they are internal Group transactions.

6. Domestic Non-life Insurance Companies (2) - Impact of Natural Catastrophes - FY 2014 3Q

- Claims payment related to natural catastrophes increased by 31.8 billion yen to 89.7 billion yen, as payments relating to heavy snowfall in Japan in February 2014 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 9.1 billion yen to 28.1 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. 2014 and floods in Thailand (¥bn)

	Net Claims Paid		Provision for O/S*		Incurred Losses		Balance of O/S* as of Dec. 31, 2014
		YoY Change		YoY Change		YoY Change	
Nat Cat in Japan (Occurred in FY2014)	20.9	- 4.9	7.2	- 2.8	28.1	- 7.7	7.2
Mitsui Sumitomo Insurance	12.4	- 2.1	4.7	- 2.6	17.2	- 4.7	4.7
Aioi Nissay Dowa Insurance	8.4	- 2.8	2.4	- 0.1	10.9	- 2.9	2.4
Heavy snowfalls in Japan (Occurred in Feb. 2014)	62.2	62.2	- 59.4	- 59.4	2.7	2.7	4.3
Mitsui Sumitomo Insurance	37.1	37.1	- 35.5	- 35.5	1.6	1.6	1.2
Aioi Nissay Dowa Insurance	25.0	25.0	- 23.8	- 23.8	1.1	1.1	3.0
Floods in Thailand (Occurred in FY2011)	6.5	- 25.4	- 9.3	39.6	- 2.7	14.1	12.1
Mitsui Sumitomo Insurance	6.0	- 21.0	- 8.5	33.5	- 2.4	12.4	10.5
Aioi Nissay Dowa Insurance	0.1	- 3.0	- 0.2	4.7	- 0.1	1.6	0.6
Overseas subsidiaries	0.3	- 1.3	- 0.6	1.3	- 0.2	- 0.0	0.8
Total	89.7	31.8	- 61.5	- 22.6	28.1	9.1	23.6

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

Next I will explain the impact of natural catastrophes. Please look at Slide 6.

Including natural catastrophes that occurred in Japan in the current fiscal year, the heavy snowfalls that occurred in February 2014, and the floods in Thailand that occurred in FY 2011, total claims paid related to the impact of natural catastrophes increased by 31.8 billion yen year-to-year, to 89.7 billion yen as shown in the bottom row.

The main factor was the steady progress in payments for claims pertaining to the heavy snowfalls in February.

Furthermore, the total incurred loss related to natural catastrophes increased by 9.1 billion yen. As we mentioned in Slide 4, this was largely because the negative incurred losses arising as a result of progress in loss adjustments of the floods in Thailand in the previous fiscal year were eliminated for the most part, despite a year-on-year decrease in incurred loss of natural catastrophes in Japan occurred during the current fiscal year.

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

- The net change for the two companies combined was an excess reversal of 5.2 billion yen, with net reversals increasing by 4.6 billion yen year-on-year overall.
- At Mitsui Sumitomo Insurance, the change of the catastrophe reserve increased by 16.8 billion year-on-year to 9.0 billion yen, due to an improvement in the loss ratio and an increase of premium income.
- At Aioi Nissay Dowa Insurance, the change of the catastrophe reserve decreased by 12.1 billion yen year-on-year to -14.2 billion yen, primarily due to the payment of claims relating to heavy snowfall in February 2014.

		Reversal	Provision	Change		Balance as of Dec. 31, 2014
				YoY		
Mitsui Sumitomo Insurance	Fire and allied	20.8	14.7	-6.1	1.2	94.3
	Marine	-	2.1	2.1	0.2	71.5
	Personal accident	4.3	3.4	-0.8	3.0	61.2
	Voluntary auto	9.3	15.0	5.6	9.9	25.1
	Other	0.2	8.4	8.1	2.3	155.1
	Total		34.8	43.8	9.0	16.8
Aioi Nissay Dowa Insurance	Fire and allied	22.1	8.3	-13.8	-11.9	90.6
	Marine	0.1	0.0	-0.0	-0.4	13.7
	Personal accident	-	1.6	1.6	-0.0	60.6
	Voluntary auto	21.2	16.1	-5.1	-0.3	16.1
	Other	1.0	4.1	3.1	0.7	53.6
	Total		44.5	30.3	-14.2	-12.1
Simple Sum of MSI and ADI	Fire and allied	43.0	23.0	-20.0	-10.6	185.0
	Marine	0.1	2.2	2.1	-0.2	85.3
	Personal accident	4.3	5.1	0.8	2.9	121.9
	Voluntary auto	30.6	31.1	0.5	9.5	41.2
	Other	1.3	12.5	11.2	3.0	208.8
	Total		79.4	74.1	-5.2	4.6

Next, please look at Slide 7. I will now discuss the situation concerning the catastrophe reserve.

In the combined net change of the catastrophe reserve for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance across all lines of business, there was a reversal of 5.2 billion yen, indicating a decrease of 4.6 billion yen year-on-year as shown on the bottom line.

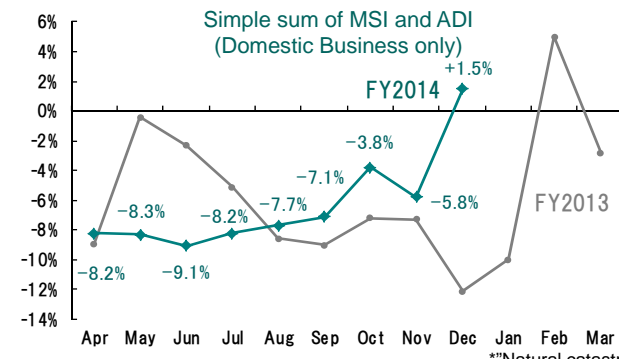
By company, the net change was an increase of 16.8 billion yen year-on-year in Mitsui Sumitomo Insurance due to the effect of increased net premiums written, in addition to reversals decreasing primarily in automobile insurance resulting from an improved loss ratio .

Meanwhile, the net change in Aioi Nissay Dowa Insurance was a negative 12.1 billion yen year-on-year due to an increase in reversals centered on fire insurance stemming from payment of claims related to the heavy snowfalls last February.

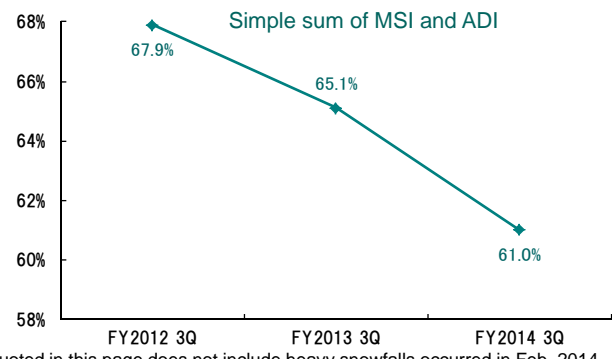
8. Domestic Non-life Insurance Companies (4) - Voluntary Auto Insurance - FY2014 3Q

- The Earned to Incurred loss ratio continued to improve as the number of accidents remained at a low level in general 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	+0.3%	+3.2%	+3.6%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+1.6%	+6.2%	

Aioi Nissay Dowa Insurance

<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	- 1.0%	+2.8%	+1.7%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+4.2%	+4.7%	

- * Figures for "Factors of increase/decrease in insurance premiums" are the % YoY change, based on sales results from Apr. to Dec.
- * "Change in average payout per claim" means the change in average payout per claim over the one-year period ended Dec. 31, 2014 compared with the average pay out per claim in the one-year period ended Mar. 31, 2014.
- * EI loss ratio is 9 months results from Apr. to Dec. of each year.

Next, please look at Slide 8. I will now discuss the situation concerning voluntary automobile insurance.

The line graph at the top left shows the change in the number of accidents.

The year-on-year decrease rate in the number of accidents has been in gradual decline, and December was slightly higher than the previous December. We believe this can be attributed to the revisions to the non-fleet grade system enacted in October 2012 almost running their course, and the impact of snowfalls last December (2014).

Next, please take a look at the "Factors of increase/decrease in insurance premiums" in the tables at the bottom.

Insurance premium unit prices rose 3.2% at Mitsui Sumitomo Insurance and 2.8% at Aioi Nissay Dowa Insurance, indicating the continuing effect of product revisions, including rate revisions previously implemented.

Under these circumstances, the earned-incurred loss ratio, shown by the graph on the upper right, has continued to steadily improve.

At the same time, as is shown at the bottom of this slide, the average payout per claim for property damage liability and vehicle damage continues to trend upward with the additional impact of the hike in the consumption tax rate in April last year and the ongoing rise in repair costs, and this is something we will continue to keep an eye on.

9. Domestic Life Insurance Companies - MSI Aioi Life - Results for FY 2014 3Q

- The amount of new policies decreased by 9.1%, due to a drop in income security insurance and other factors.
- Annualized premiums of new policies increased by 10.1% due to strong third-sector product sales.
- Net income was level year-on-year at 5.2 billion yen.

MSI Aioi Life

(¥bn)

	FY 2013 3Q Results	Results	FY 2014 3Q	
			YoY Change	Change Ratio
Amount of new policies [*]	2,012.0	1,829.3	- 182.7	-9.1%
Annualized premiums of new policies [*]	30.5	33.5	3.0	10.1%
of which, third sector insurance	7.0	10.8	3.7	53.4%
Amount of policies in force [*]	(At the beginning of the FY) 21,105.0	21,671.6	(Change from the beginning of the FY) 566.6	2.7%
Annualized premiums of policies in force [*]	(At the beginning of the FY) 335.8	349.8	(Change from the beginning of the FY) 13.9	4.2%
of which, third sector insurance	(At the beginning of the FY) 61.1	68.1	(Change from the beginning of the FY) 6.9	11.3%
Gross premium income	303.8	321.5	17.6	5.8%
Ordinary profit	12.7	12.2	- 0.5	-4.1%
Net Income	5.4	5.2	- 0.1	-3.0%
Fundamental profit	11.6	12.8	1.2	10.7%

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

Next, let's take a look at MSI Aioi Life. Please turn to Slide 9.

The amount of new policies decreased 9.1% year-on-year due to a drop in income guarantee insurance and other factors, but the annualized premiums of new policies increased by 10.1% year-on-year due to strong sales of the third sector product "New Medical Insurance A (Ace)."

The amount of policies in force increased by 2.7% from the beginning of the fiscal year, while annualized premiums of policies in force also rose by 4.2%, showing steady growth.

Net income was almost level year-on-year at 5.2 billion yen due to increases in provisions for the policy reserve and agency commissions accompanying increases in gross premiums income.

10. Domestic Life Insurance Companies - MSI Primary Life - Results for FY 2014 3Q

- Gross premium income increased by 34.1% to 763.7 billion yen, due to steady growth in sales of fixed and variable whole life insurance.
- Net income decreased by 7.1 billion yen to 15.6 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 3Q		FY 2014 3Q	
	Results	Results	YoY Change	Change Ratio
Amount of new policies*	548.5	744.6	196.1	35.8%
Amount of policies in force*	(At the beginning of the FY) 4,024.3	4,457.8	(Change from the beginning of the FY) 433.4	10.8%
Gross premium income	569.4	763.7	194.3	34.1%
Ordinary profit	35.4	20.3	- 15.0	- 42.6%
Net Income	22.8	15.6	- 7.1	- 31.5%
Fundamental profit	47.1	- 6.7	- 53.8	- 114.3%

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

Continuing on, we'll go over the results for MSI Primary Life. Please look at Slide 10.

Boosted by continued strong sales of foreign currency-denominated fixed whole life insurance and favorable sales of the variable whole life insurance launched last year, gross premiums income at MSI Primary Life rose by 34.1% to 763.7 billion yen.

Despite an increase in cancellations in foreign currency-denominated fixed insurance products as a result of the impact of the weak yen, the amount of policies in force rose by 10.8% from the beginning of the fiscal year to 4,457.8 billion yen, reflecting strong sales mentioned earlier and a generally favorable market environment.

At the same time, net income declined by 7.1 billion yen, to 15.6 billion yen, owing to an increase in the provision for the policy reserve, reflecting a drop in Australian dollar interest rates.

11. Overseas Subsidiaries - Results for FY 2014 3Q

- Net premiums written increased in all regions and reinsurance business on a local currency basis. Owing partly to the impact of exchange rates (+14.4 billion yen) and new consolidations (+9.6 billion yen), net premiums written increased by 20.3%.
- Net income was increased by 5.6 billion yen to 24.9 billion yen.

Overseas Subsidiaries

(¥bn)

	FY2013 3Q Results	Results	FY2014 3Q	
			YoY Change	Change ratio
Net premiums written	182.5	219.5	37.0	20.3%
Asia*	89.2	110.5	21.3	23.9%
Europe	50.8	60.6	9.7	19.2%
Americas	27.0	31.0	3.9	14.8%
Reinsurance	15.3	17.3	1.9	12.6%
Net income	19.3	24.9	5.6	29.4%
Asia*	7.6	13.5	5.8	75.8%
Europe	4.0	3.7	-0.2	-6.9%
Americas	1.2	0.8	-0.4	-34.8%
Reinsurance	6.3	6.9	0.5	8.5%

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

Next, I will explain the condition of overseas subsidiaries. Please turn to Slide 11.

Net premiums written increased by 20.3% overall, to 219.5 billion yen.

This includes the 14.4 billion yen impact of exchange rates and the 9.6 billion yen effect of new consolidation, but even if these are excluded, there was an increase in net premiums written on a local currency basis in all regions.

Net income increased by 5.6 billion yen year-on-year to 24.9 billion yen, with increased income in Asia making a contribution.

12. FY 2014 3Q Results and Projected Financial Results for FY2014

	FY2014 2Q		FY2014 3Q		FY2014 Forecasts ^{*1}	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,486.3	62.1	2,198.2	94.2	2,935.0	125.4
Underwriting profit						
Mitsui Sumitomo Insurance	28.5	-2.5	38.6	1.5	6.0	13.3
Aioi Nissay Dowa Insurance	39.2	28.4	48.2	33.9	18.0	46.8
Investment profit						
Mitsui Sumitomo Insurance	44.3	-22.1	117.5	18.8	129.2	4.0
Aioi Nissay Dowa Insurance	16.9	-10.6	43.1	-0.4	34.6	-18.4
Ordinary profit	158.0	-5.0	294.0	56.9	230.0	39.7
Mitsui Sumitomo Insurance	71.2	-16.1	153.6	29.4	130.0	28.0
Aioi Nissay Dowa Insurance	57.3	17.2	92.2	32.3	53.0	25.1
Net income	109.6	0.1	206.6	47.0	^{*2} 120.0	26.5
Mitsui Sumitomo Insurance	50.5	-9.8	111.2	23.3	78.0	19.9
Aioi Nissay Dowa Insurance	46.5	18.2	82.1	40.7	39.0	25.8

*1 There is no change on projected financial results for FY2014 from our announcement on November 19, 2014.

*2 Projected net income does not include the impact caused by the decrease of corporate tax rate.

Next, I would like to explain the results for the nine months ended December 31, 2014 and the full-year projected results for FY 2014. Please turn to Slide 12.

We have not revised our full-year forecast, but I will explain some considerations factored into calculations for January through March, and the overall direction.

Net premiums written are steadily increasing as shown, and we believe that they are in line with our forecasts.

Underwriting profit is based on trend of past fourth quarters with comparatively high expenses and incurred losses, in addition to plans to incorporate an additional provision of 30.0 billion yen in the catastrophe reserve at the end of the fiscal year. It is our view that incurred losses are trending within the expected range.

Regarding investment profit, our plan was to secure gains on sales equivalent to the additional provision for the price fluctuation reserve, and it has been completed for the most part at the end of the third quarter. Furthermore, other gains on sales have been strong as stock markets exceeded expectations.

Our projections for net income factor in the impact of the change in the corporate tax rate at the end of the fiscal year as a negative impact of 27.0 billion yen to income at our current estimate, but we have not revised our forecast because we believe a substantial portion of this will be covered, considering favorable incurred losses and sound investment profit.

FY 2014 3Q Results Data

Mitsui Sumitomo Insurance (Non-consolidated)	Page 13-15
Aioi Nissay Dowa Insurance (Non-consolidated)	Page 16-18

In the following pages from Slide 13 to 18, you will find the non-consolidated results of both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for the nine-month period from April 1 to December 31, 2014. Please refer to them later.

In addition, from Slide 19 onwards, we have provided data on the projected results for FY2014 announced on November 19 last year, details concerning the non-consolidated earnings forecasts for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, and the simple-sum for the two companies on a non-consolidated basis. No changes have been made to these figures.

This concludes my presentation.

13. Results for FY 2014 3Q - Mitsui Sumitomo Insurance (Non-consolidated) (i)

(¥bn)

	FY2013 3Q Results	FY2014 3Q	
		Results	YoY Change
Net premiums written	1,030.9	1,078.8	47.8
Growth rate of net premiums written	5.2%	4.6%	-0.6 pt
Net loss ratio	65.7%	62.1%	-3.6 pt
Net expense ratio	31.8%	31.8%	0.0 pt
Combined ratio	97.5%	93.9%	-3.6 pt
Incurred losses (Excl. loss adjustment expenses)	603.8	606.0	2.2
Underwriting profit	37.1	38.6	1.5
Net interest and dividends income	59.2	59.5	0.3
Gains on sales of securities	33.5	54.3	20.7
Impairment losses on securities	-1.5	-3.6	-2.1
Investment profit	98.6	117.5	18.8
Ordinary profit	124.2	153.6	29.4
Extraordinary income	-2.5	0.2	2.8
Net income	87.8	111.2	23.3
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	4.7%	4.7%	0.0 pt
Net loss ratio	62.7%	59.1%	-3.6 pt
Net expense ratio	33.7%	33.8%	0.1 pt
Combined ratio	96.4%	92.9%	-3.5 pt

14. Results for FY 2014 3Q - Mitsui Sumitomo Insurance (Non-consolidated) (ii)

Net premiums written

(¥bn)

	FY2013 3Q Results	FY2014 3Q	
		Results	Growth
Fire and allied	151.8	162.0	6.7%
Marine	43.1	48.6	12.6%
Personal accident	106.8	110.2	3.2%
Voluntary automobile	456.1	469.8	3.0%
CALI	128.9	134.3	4.2%
Other	143.9	153.7	6.8%
Total	1,030.9	1,078.8	4.6%
Total excl. residential EQ insurance and CALI	901.4	943.9	4.7%

Net loss ratio

	FY2013 3Q Results	FY2014 3Q	
		Results	Change
Fire and allied	73.2%	73.9%	0.7pt
Marine	58.8%	46.9%	-11.9pt
Personal accident	62.7%	59.7%	-3.0pt
Voluntary automobile	64.0%	59.6%	-4.4pt
CALI	87.0%	83.6%	-3.4pt
Other	48.4%	45.3%	-3.1pt
Total	65.7%	62.1%	-3.6pt
Total excl. residential EQ insurance and CALI	62.7%	59.1%	-3.6pt

15. Results for FY 2014 3Q - Mitsui Sumitomo Insurance (Non-consolidated) (iii)

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

(¥bn)

	FY 2013 3Q					FY 2014 3Q					
	Incurred Losses*1 (a)	EI Loss Ratio*2	Nat Cat Impact*3 (b)	(a)-(b)	EI Loss Ratio*2 (Excluding Nat Cat Impact)	Incurred Losses*1 (c)	EI Loss Ratio*2	Nat Cat Impact*3 (d)	(c)-(d)	EI Loss Ratio*2 (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	78.3	54.6%	1.9	76.3	53.2%	93.2	62.6%	13.0	80.1	53.9%	0.7pt
Marine	28.3	64.7%	0.3	27.9	63.9%	23.2	49.4%	0.1	23.1	49.1%	-14.8pt
Personal accident	67.7	64.4%	-0.0	67.7	64.4%	65.3	59.8%	0.1	65.2	59.7%	-4.7pt
Voluntary automobile	295.9	65.6%	2.7	293.1	65.0%	288.1	61.7%	1.2	286.8	61.4%	-3.6pt
Other	79.9	58.0%	2.0	77.9	56.6%	86.2	59.4%	1.9	84.2	58.0%	1.4pt
Total*4 (A)	550.2	62.4%	7.1	543.1	61.6%	556.2	60.6%	16.4	539.7	58.8%	-2.8pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	112.9	/	—	112.9	/	111.9	/	—	111.9	/	/
Total (A)+(B)+(C)	663.2	/	7.1	656.1	/	668.1	/	16.4	651.6	/	/

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

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

*3 "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.

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

16. Results for FY 2014 3Q - Aioi Nissay Dowa Insurance (Non-consolidated) (i)

(¥bn)

	FY2013 3Q	FY2014 3Q	
	Results	Results	YoY Change
Net premiums written	861.9	870.2	8.2
Growth rate of net premiums written	3.9%	1.0%	-2.9 pt
Net loss ratio	64.5%	63.8%	-0.7 pt
Net expense ratio	34.2%	35.0%	0.8 pt
Combined ratio	98.7%	98.8%	0.1 pt
Incurred losses (Excl. loss adjustment expenses)	520.5	496.4	-24.0
Underwriting profit	14.2	48.2	33.9
Net interest and dividends income	36.0	31.0	-5.0
Gains on sales of securities	15.9	18.0	2.1
Impairment losses on securities	-2.2	-0.1	2.0
Investment profit	43.6	43.1	-0.4
Ordinary profit	59.8	92.2	32.3
Extraordinary income	-1.0	22.7	23.8
Net income	41.3	82.1	40.7
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	3.5%	0.7%	-2.8 pt
Net loss ratio	61.1%	60.8%	-0.3 pt
Net expense ratio	36.1%	37.0%	0.9 pt
Combined ratio	97.2%	97.8%	0.6 pt

17. Results for FY 2014 3Q - Aioi Nissay Dowa Insurance (Non-consolidated) (ii)

Net premiums written

(¥bn)

	FY2013 3Q	FY2014 3Q	
	Results	Results	Growth
Fire and allied	99.7	103.0	3.3%
Marine	8.3	6.3	-23.4%
Personal accident	56.1	53.3	-5.0%
Voluntary automobile	496.8	500.8	0.8%
CALI	122.2	125.3	2.5%
Other	78.6	81.3	3.4%
Total	861.9	870.2	1.0%
Total excl. residential EQ insurance and CALI	739.2	744.5	0.7%

Net loss ratio

	FY2013 3Q	FY2014 3Q	
	Results	Results	Change
Fire and allied	63.1%	75.7%	12.6pt
Marine	53.6%	59.8%	6.2pt
Personal accident	48.9%	49.6%	0.7pt
Voluntary automobile	63.0%	60.0%	-3.0pt
CALI	85.3%	82.1%	-3.2pt
Other	55.7%	53.8%	-1.9pt
Total	64.5%	63.8%	-0.7pt
Total excl. residential EQ insurance and CALI	61.1%	60.8%	-0.3pt

18. Results for FY 2014 3Q - Aioi Nissay Dowa Insurance (Non-consolidated) (iii)

Incurred losses^{*1} and EI loss ratio (including loss adjustment expenses)

(¥bn)

	FY 2013 3Q					FY 2014 3Q					
	Incurred Losses ^{*1} (a)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (b)	(a)-(b)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	Incurred Losses ^{*1} (c)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (d)	(c)-(d)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	57.8	54.7%	8.5	49.3	46.6%	59.0	54.4%	9.4	49.6	45.7%	-0.9pt
Marine	4.3	54.8%	—	4.3	54.8%	3.7	48.0%	—	3.7	48.0%	-6.8pt
Personal accident	27.3	53.5%	0.0	27.3	53.5%	25.1	49.7%	0.0	25.0	49.7%	-3.8pt
Voluntary automobile	316.3	64.7%	2.7	313.5	64.1%	298.9	60.4%	1.4	297.5	60.1%	-4.0pt
Other	49.3	65.6%	0.7	48.5	64.6%	49.2	61.9%	1.0	48.2	60.7%	-3.9pt
Total ^{*4} (A)	455.3	62.4%	12.1	443.1	60.8%	436.1	58.8%	11.9	424.1	57.2%	-3.6pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	104.6	/	—	104.6	/	102.1	/	—	102.1	/	/
Total (A)+(B)+(C)	559.9	/	12.1	547.8	/	538.2	/	11.9	526.3	/	/

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

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

*3 "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.

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

The following slides provide information about the Projected Financial Results for FY2014 announced on Nov. 19, 2014 for your reference.

Reference: Projected Financial Results for FY2014 (Announced on Nov. 19)

Consolidated Earnings Forecasts for FY 2014	Page 19-21
Major Assumptions	Page 22
Mitsui Sumitomo Insurance (MSI) (Non-consolidated)	Page 23-24
Aioi Nissay Dowa Insurance (ADI) (Non-consolidated)	Page 25-26
Simple Sum of MSI and ADI (Non-consolidated)	Page 27-28

19. Consolidated Earnings Forecasts for FY 2014 (1)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

(¥bn)

	FY2013 Results	FY2014 Forecasts (Previous)	FY2014 Forecasts			
			(Current)	YoY Change	Change Ratio	Change from the previous
Net premiums written*	2,809.5	2,925.0	2,935.0	125.4	4.5%	10.0
Mitsui Sumitomo Insurance	1,384.5	1,433.0	1,442.0	57.4	4.2%	9.0
Aioi Nissay Dowa Insurance	1,144.6	1,156.0	1,156.0	11.3	1.0%	-
Mitsui Direct General Insurance	35.5	36.2	35.6	0.0	0.0%	- 0.6
Overseas subsidiaries	240.6	294.0	294.0	53.3	22.2%	-
Life insurance premiums	678.9	631.0	906.0	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			
			(Current)	YoY Change	Change Ratio	Change from the previous
MSI Aioi Life	416.7	445.3	439.6	22.8	5.5%	- 5.7
MSI Primary Life	826.4	500.0	850.0	23.5	2.9%	350.0

20. Consolidated Earnings Forecasts for FY 2014 (2)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

(¥bn)

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

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

21. Consolidated Earnings Forecasts for FY 2014 (3)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

(¥bn)

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

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

22. Earnings Forecasts for FY 2014 - Major Assumptions

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

Major assumptions about consolidated earnings forecasts

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance	
Assumptions concerning the asset management environment	Assumes the level at the end of Sep. 2014 (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 ^{*1}	23.0	15.0	
Heavy snowfalls occurred in Feb. 2014 Net claims paid	37.9	25.7	
Floods in Thailand occurred in Nov. 2011 Net claims paid	11.5	0.6	
Catastrophe reserve (For fire insurance)	Provision rate	9.0%	8.0%
	Additional provision	20.0	10.0
Price fluctuation reserve	Additional provision	30.0	20.0
	Expected balance as of Mar. 31, 2015	53.5	24.8
Extraordinary income (Transfer consideration relating to reorganization by function) ^{*2}	1.8	24.8	
Corporate tax rate (Effective tax rate) ^{*3}	30.7%		

*1 Figures incorporate 18 (Phanfone) and 19 (Vongfong).

*2 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.

*3 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)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

(¥bn)

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

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

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

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

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

Incurred losses*1 (¥bn)			
	FY2013	FY2014	
	Results	Forecasts	YoY Change
Incurred losses (Excluding loss adjustment expenses)*1	832.1	808.8	-23.2
Natural catastrophes*2	46.9	24.6	-22.3
Other than natural catastrophes	785.1	784.2	-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 - Aioi Nissay Dowa Insurance (Non-consolidated) (1)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

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

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

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

Net premiums written				Net loss ratio			
	FY2013	FY2014			FY2013	FY2014	
	Results	Forecasts	Growth		Results	Forecasts	YoY Change
Fire and allied	135.7	136.1	0.3%	Fire and allied	64.8%	74.4%	9.6pt
Marine	11.2	7.4	-34.1%	Marine	52.4%	58.1%	5.7pt
Personal accident	72.6	71.1	-2.1%	Personal accident	50.3%	48.9%	-1.4pt
Voluntary automobile	658.9	670.2	1.7%	Voluntary automobile	63.2%	62.2%	-1.0pt
CALI	164.2	166.6	1.4%	CALI	83.0%	81.6%	-1.4pt
Other	101.7	104.6	2.8%	Other	59.3%	60.6%	1.3pt
Total	1,144.6	1,156.0	1.0%	Total	65.0%	65.4%	0.4pt
Total excl. residential EQ insurance and CALI	979.8	988.9	0.9%	Total excl. residential EQ insurance and CALI	62.0%	62.8%	0.8pt

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

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

	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
<Rate and ratios, excluding residential earthquake insurance and CALI>					
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)

Projected Financial Results for FY2014
(Announced on Nov. 19, 2014)

Net premiums written						Net loss ratio							
	FY2012		FY2013		FY2014			FY2012		FY2013		FY2014	
	Results		Results	Growth	Forecasts	Growth		Results		Results	YoY change	Forecasts	YoY change
Fire and allied	314.2		348.0	10.7%	357.8	2.8%	Fire and allied	96.7%		68.5%	-28.2pt	73.1%	4.6pt
Marine	63.3		67.9	7.3%	70.7	4.1%	Marine	51.7%		58.4%	6.7pt	51.2%	-7.2pt
Personal accident	214.9		217.3	1.1%	219.7	1.1%	Personal accident	56.8%		57.0%	0.2pt	55.8%	-1.2pt
Voluntary automobile	1,235.4		1,267.2	2.6%	1,296.8	2.3%	Voluntary automobile	67.9%		63.4%	-4.5pt	62.2%	-1.2pt
CALI	310.0		337.7	8.9%	345.7	2.4%	CALI	92.4%		84.2%	-8.2pt	82.4%	-1.8pt
Other	279.4		290.7	4.1%	307.3	5.7%	Other	56.3%		53.4%	-2.9pt	53.4%	0.0pt
Total	2,417.4		2,529.1	4.6%	2,598.0	2.7%	Total	72.0%		65.0%	-7.0pt	64.5%	-0.5pt
Total excl. residential EQ insurance and CALI	2,105.6		2,190.1	4.0%	2,251.0	2.8%	Total excl. residential EQ insurance and CALI	69.1%		62.1%	-7.0pt	61.8%	-0.3pt

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