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INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

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MS&AD



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Reference Materials

Holding company

MS&AD MS&AD Insurance Group Holdings, Inc.

Domestic Non-Life

MS&AD Mitsui Sumitomo Insurance MS&AD Aioi Nissay Dowa Insurance MS&AD Mitsui Direct General Insurance 

International

Overseas subsidiaries

Domestic Life

MS&AD Mitsui Sumitomo Aioi Life Insurance MS&AD Mitsui Sumitomo Primary Life Insurance 

Financial Services

Risk Related Services

MS&AD Insurance Group Holdings, Inc.

Abbreviations of company names used in this presentation.

- MS&AD Holdings : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- MSIG : Mitsui Sumitomo Insurance Group Holdings, Inc.
- MSI : Mitsui Sumitomo Insurance Co., Ltd.
- Aioi : Aioi Insurance Co., Ltd.
- NDI : Nissay Dowa General Insurance Co., Ltd.
- ADI : Aioi Nissay Dowa Insurance Co., Ltd.
- Mitsui Direct General : Mitsui Direct General Insurance Co., Ltd.
- MSI Kirameki Life : Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.
- Aioi Life : Aioi Life Insurance Co., Ltd.
- MSI Aioi Life : Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSI Primary Life : Mitsui Sumitomo Primary Life Insurance Co., Ltd.

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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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This presentation is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the proposed offer (the "Offer") by Mitsui Sumitomo Insurance Company, Limited (the "Company"), a subsidiary of MS&AD Insurance Group Holdings, Inc. (the "MS&AD Holdings", together with the Company collectively called "MS&AD") for the entire issued and to be issued share capital of Amlin or otherwise. It is intended that the Offer will be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 and communicated to Amlin shareholders by way of a scheme document, which will contain the full terms and conditions of the Offer (including details as to how to vote in respect of the Offer). Any vote in respect of or other response to the Offer should be made solely on the basis of the information contained in the scheme document. Amlin shareholders are advised to read the scheme document and other formal documentation in relation to the Offer carefully once it has been dispatched.

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Forward looking statements

This presentation contains statements that are or may be forward-looking statements. Without limitation, all statements preceded or followed by or that include the following words "target", "believe", "expect", "anticipate", "intend", "plan", "estimate", "aim", "will", "may", "forecast", "project" and similar expressions (or their negative) are forward-looking statements. Forward-looking statements include statements relating to the following: statements relating to the expected benefits of the Offer for MS&AD, background to and reasons for the Offer, information on the prospects of MS&AD or Amlin and future capital expenditures, expenses, revenues, earnings, synergies, economic performance, and future prospects. Forward-looking statements involve inherent risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements, including risks relating to the successful integration of Amlin with the Company; higher than anticipated costs relating to the integration of Amlin; investment required in Amlin to realise expected benefits; and facts relating to Amlin that may impact the timing or amount of benefit realised from the Offer that are unknown to the Company. MS&AD expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in Amlin's expectations with regards thereto or any change in events, conditions or circumstances on which any statement is based after the date of this presentation or to keep any other information contained in this presentation up to date. Accordingly, undue reliance should not be placed on the forward-looking statements, which speak only of the date of this presentation.

Group Management Strategies

Basic Strategy: To achieve sustainable growth and soundness, and improve profitability and capital efficiency.

- Continually improve profitability of domestic nonlife insurance business.
- Improve capital efficiency by reducing risk weight of domestic equity holdings and allocating capital to growth areas.

Status of initiatives

- (1) Initiatives to continuously improve earnings of domestic non-life insurance business
 - Achieve both growth and profitability through product and channel strategies.
 - Continuously review the cost structure and improve the expense ratio.
- (2) Reduction of Strategic Equity Holdings
 - Clarified policy on reducing strategic equity holdings.
 - Set target level of holdings: Risk weight of around 30%, around 10% of total assets
 - Raised selling target over period of the Medium-Term Management Plan: ¥300 billion⇒¥500 billion
 - Accelerated sale of strategic equity holdings to increase ESR to around 200% in FY2017
- (3) International Business Investment
 - Though acquisition of Amlin, MS&AD establishes the platform of "a world-leading global insurance and financial service group."
 - Maintained cycle of investment in future growth while achieving organic growth and stable management base.

Outlook

- (1) FY2017 Numerical Management Targets
 - Forecast consolidated net premiums written of ¥3.23 trillion (+ Amlin) and Group core profit of ¥200 billion (+ Amlin) in FY2017.
 - Aiming for Group ROE of 7% or more
- (2) Shareholder Returns
 - MS&AD will continue to distribute shareholder returns according to the current shareholder return policy.
 - Decided to buyback 10 billion yen (maximum) of own shares and interim dividend of 35 yen
 - Forecast dividends for FY 2015 of 70 yen, increase of 5 yen as initially forecast.

I. Progress of Next Challenge 2017

Recognition of ERM-Related Issues and Risk Appetite Statement MS&AD

- MS&AD continues to strive to enhance profitability of the domestic nonlife insurance business.
- MS&AD seeks to improve capital efficiency by reducing the risk weight of domestic equity holdings and diversifying business risks through allocating capital to growth areas.

Sustainable Profitability

Result of Stage 1

Significantly enhanced “profitability” by initiatives to improve earnings power in domestic nonlife insurance business.



Future Direction

Continuously maintain improvement in earnings

- Achieve both growth and profitability through product and channel strategies.
- Continuously review the cost structure and improve the expense ratio.

Improvement of financial soundness and capital efficiency

Investment risks

Continuously reduce strategic equity holdings to reduce risk assets, improve profitability and acquire funds for business investment.

Insurance underwriting risks

Actively take risks with appropriate underwriting and risk management

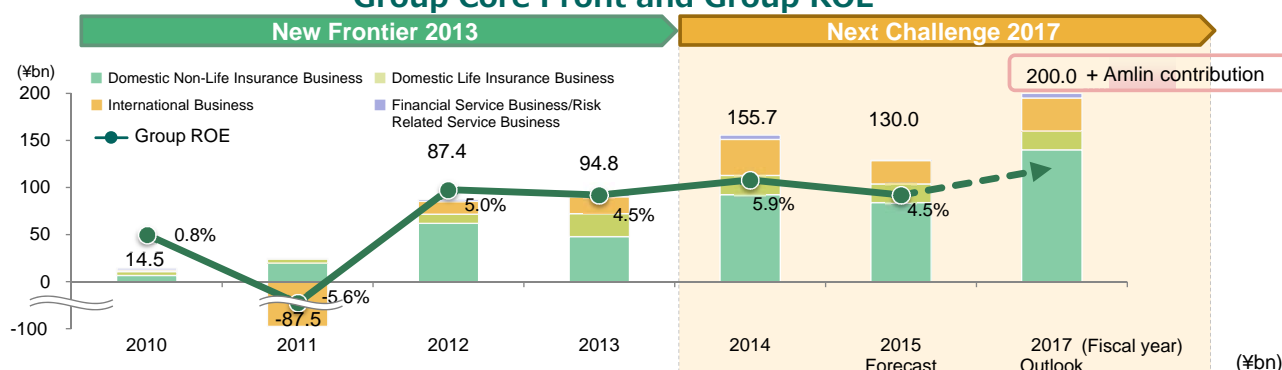
International Business

- Expand the scale by adopting growth strategies, including allocation of resources to growth areas through M&A strategy, etc.
- Contribute to diversification of the business risk and geopolitical insurance risk that are reliant and concentrated on domestic market

Progress toward Numerical Management Targets (excluding effect of Amlin acquisition)

- The Group Core Profit for FY2017 is projected to be ¥200 billion in the existing business plus contribution of Amlin.
- MS&AD aims to achieve a Group ROE of at least 7% in FY2017*.

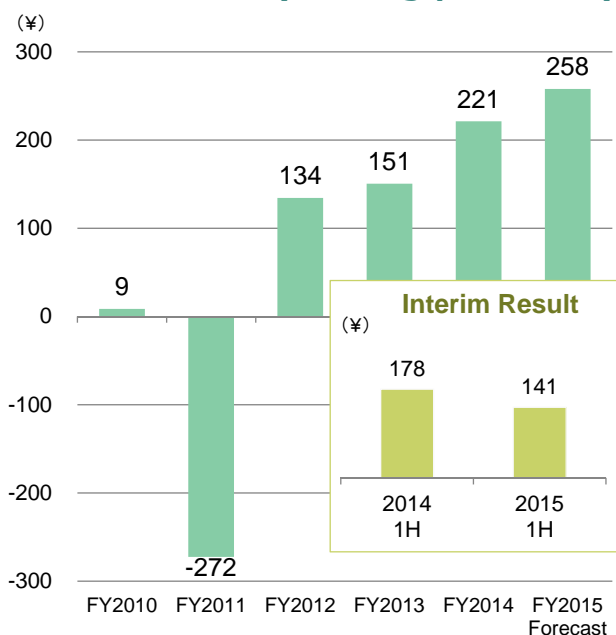
Group Core Profit and Group ROE



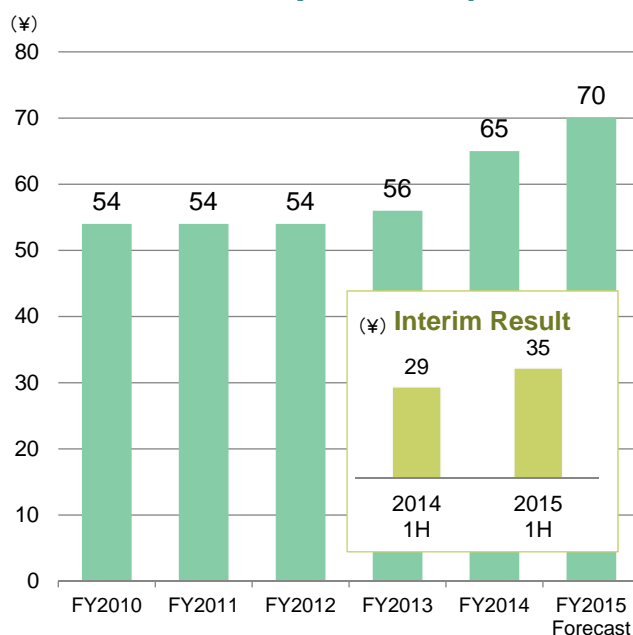
	FY2014	FY2015		FY2017*		FY2014	FY2015
		Forecast	Change from forecast at beginning of year	Outlook	(Initial Target)	Interim Period	Interim Period
Domestic Non-Life Insurance Business	92.4	84.0	-21.0	140.0	100.0	73.9	30.6
Domestic Life Insurance Business	20.4	20.0	5.0	20.0	16.0	11.4	26.1
International Business	38.2	25.0	-1.0	35.0	39.0	20.2	16.4
Financial Service Business/Risk Related Service Business	4.6	1.0	-4.0	5.0	5.0	2.7	-2.0
Group Core Profit	155.7	130.0	-21.0	200.0	160.0	108.4	71.1
Group ROE	5.9%	4.5%	-0.5pt	*	7.0%	-	-
Increase in EV of MSI Aioi Life	59.7	75.0	20.0	54.0	Over 45.0	38.6	63.4
Consolidated Net Premiums Written	2,940.7	3,095.0	29.0	3,230.0	3,100.0	1,486.3	1,620.0
Combined Ratio (Domestic Non-Life)	96.0%	92.7%	-0.9pt	95% or less	95% or less	95.4%	85.5%

- In FY2015, EPS is expected to grow by 17% to ¥258.
- Showing upward trends, DPS is expected to be ¥70 in FY2015.

Trends in EPS (earning per share)



Trends in DPS (dividend per share)

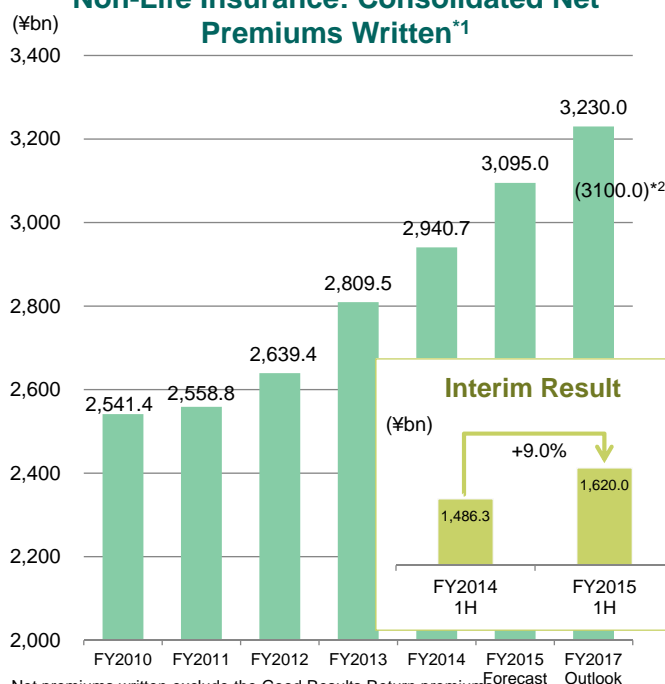


Trends in Premium Income

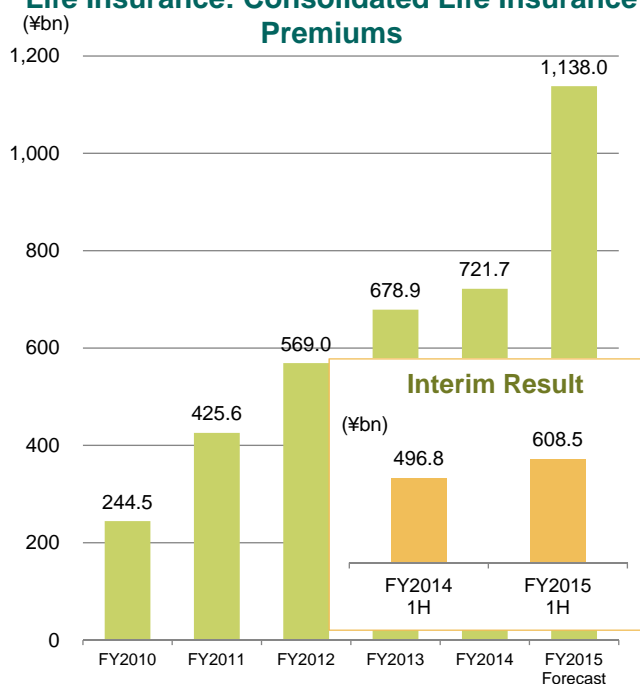
Non-Life Insurance Business (domestic and international): The Group forecasts revenue growth of 5.2% for FY2015 full-year. It has also raised its outlook for FY2017 to ¥3,230 billion.

Domestic Life Insurance Business: Given the steady expansion of sales base at MSI Primary Life, the Group has raised its full-year forecast for consolidated life insurance premiums in FY2015 to ¥1,138 billion.

Non-Life Insurance: Consolidated Net Premiums Written^{*1}



Life Insurance: Consolidated Life Insurance Premiums



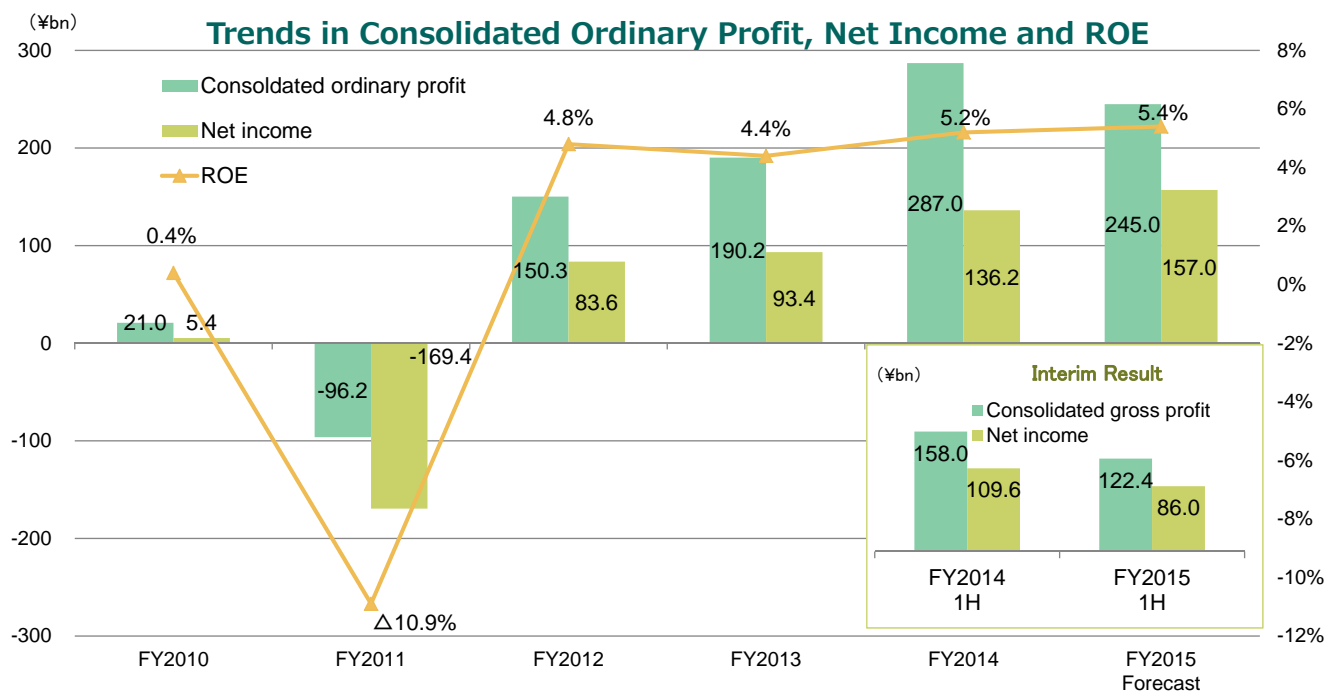
^{*1} Net premiums written exclude the Good Results Return premiums of the "ModoRich" auto insurance product (same hereafter).

^{*2} The figure in the parentheses is a target for FY2017

Trends in Bottom Line and ROE (on a Financial Accounting Basis)

MS&AD

- Net income has increased steadily since FY2012, largely due to improvements in underwriting profit.
- ROE will remain at the 5% level for the time being, reflecting the expansion of unrealized gains resulted from an increase in share prices. The Group will continue to improve capital efficiency based on ERM.



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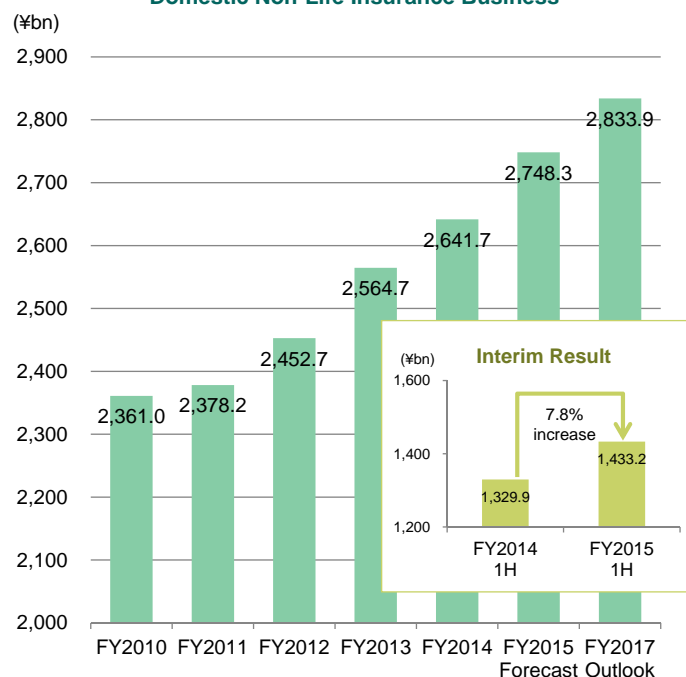
II. Situation by Business Segment

Domestic Non-Life Insurance Business: Net Premiums Written and Combined Ratio

MS&AD

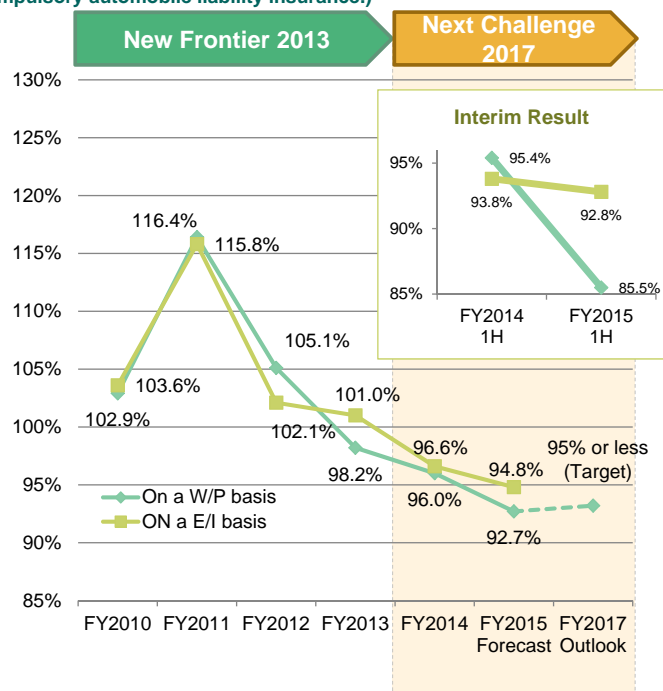
- Net premiums written for the interim period soared 7.8% from the previous year.
- The EI combined ratio declined 1.0 point from the previous year, showing steady progress toward the year-end.

Trends in Net Premiums Written of Domestic Non-Life Insurance Business



* Simple sums of non-consolidated figures for MSI, ADI and Mitsui Direct General
The figure for FY2010 is a simple sum of non-consolidated figures for MSI, Aioi, NDI and Mitsui Direct General.

Trends in Combined Ratio of Domestic Non-Life Insurance Business (W/P : all lines, E/I : excludes residential earthquake insurance and compulsory automobile liability insurance.)

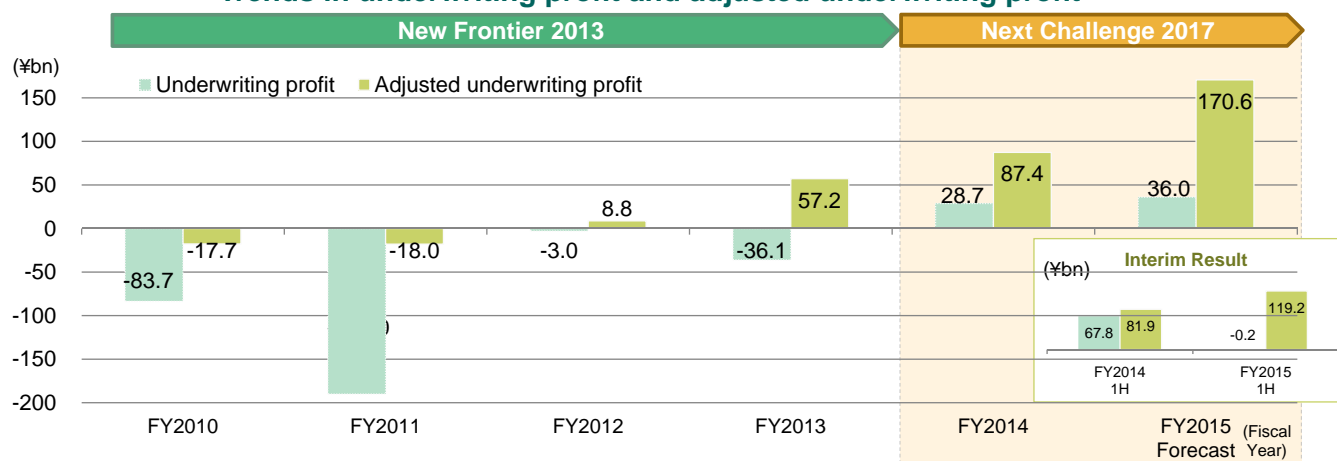


Domestic Non-Life Insurance Business: Trends in Underwriting Profit/Loss

MS&AD

- The adjusted underwriting profit increased ¥37.3 billion year-on-year, excluding impact of natural catastrophes and catastrophe reserves.

Trends in underwriting profit and adjusted underwriting profit*1



* Simple sums of non-consolidated figures for MSI and ADI. The figure for FY2010 is a simple sum of non-consolidated figures for MSI, Aioi, and NDI.

*1 Adjusted underwriting profit: Underwriting profit before provision of catastrophe reserves less the effects of natural catastrophes etc. (The table below shows amounts that are excluded.)

Excluded Item / Fiscal Year	FY2010 Result	FY2011 Result	FY2012 Result	FY2013 Result	FY2014 Interim Period Result	FY2014 Result	FY2015 Interim Period Result	FY2015 Forecast
Net provision for catastrophe reserves	0.0	- 139.5	- 41.9	- 3.0	- 3.2	31.3	56.9	60.4
The Great East Japan Earthquake	62.7	- 7.7	1.3	-	-	-	-	-
Thai flooding in 2011	-	264.3	0.6	- 23.0	-0.0	- 5.1	- 1.0	-1.3
Heavy snowfalls in 2014	-	-	-	82.1	2.2	2.2	0.1	0.5
Other catastrophe reserves	3.2	54.9	53.2	37.1	15.1	30.1	63.3	75.0

Domestic Non-Life Insurance Business: Channel Strategies and Product Strategies

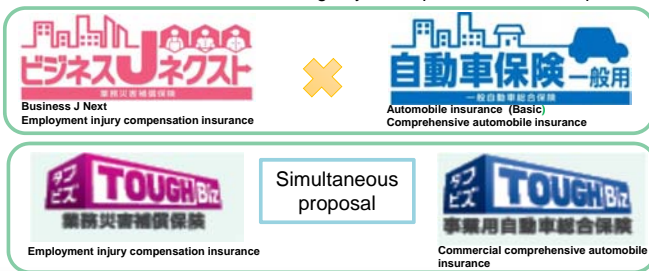
- The Group implemented product and channel strategies to increase the number of insured vehicles and the number of policies by leveraging the respective strengths of MSI and ADI.
- The Group promoted products that rapidly address the need for growing industries and new risk areas.

Channel Strategies

- Establishing and operating new channels to be sure of capturing growth areas and markets in the future and strengthening cooperation with companies, local financial institutions and local governments.
- Developing infrastructure and implementing ICT strategies to provide high quality services to customers regardless of channel characteristics.
- Achieving further growth and improvement in quality through greater reorganization by function (MSI and ADI sharing their strengths and facilities, examining integration of operations in the non-life claims handling, etc.).
- Developing structure of professional agents and further enhancing quality of operations, in preparation for enactment of amended Insurance Business Act.

Initiative to cross-sell Employment Injury Compensation insurance and automobile insurance

- We can leverage the respective features of the two commercial business products while making proposals that make sense to customers, such as eliminating any overlap between the two products.



Product Strategies

- Further strengthening structure for joint development of products by MSI and ADI.
- Establishing product development structure that can swiftly respond to the needs of new risk areas.
- Developing insurance to cover new needs arising from changes in social environment such as the aging society.
- Developing structure to assimilate overseas experience and expertise in the area of telematics through acquisition in UK
- Setting premiums at more appropriate level that reflects risks.

Product co-developed by MSI and ADI launched on October 1, 2015

- Fire insurance for SMEs

**MSI: Business Keeper
ADI: Tough Biz Business Activity
Comprehensive Insurance**

<Features>

- 1 Enables flexible insurance design
- 2 Discount according to actual risk
- 3 Packaging of cover
- 4 Emergency measure services provided by specialist company also available

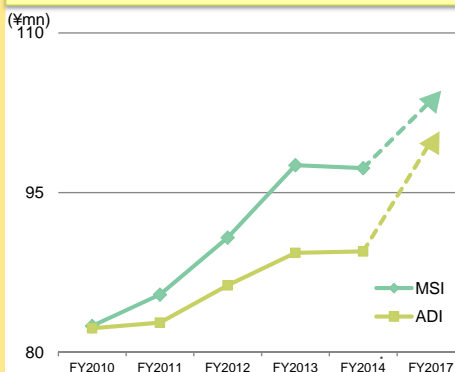
Domestic Non-Life Insurance Business: Initiatives to Improve Productivity

- Building on the results of reorganization by function promoted through Next Challenge 2017, the Group seeks to achieve sustainable growth and improved profitability through further enhancing the roles/operations performed by individual employees.

Initiatives to improve productivity

We will achieve improvement in productivity through initiatives such as improvement in business efficiency as a result of more widespread use of the new integrated information system, enhancement of the role of personnel, business reforms and organizational reforms.

Net premiums written per employee

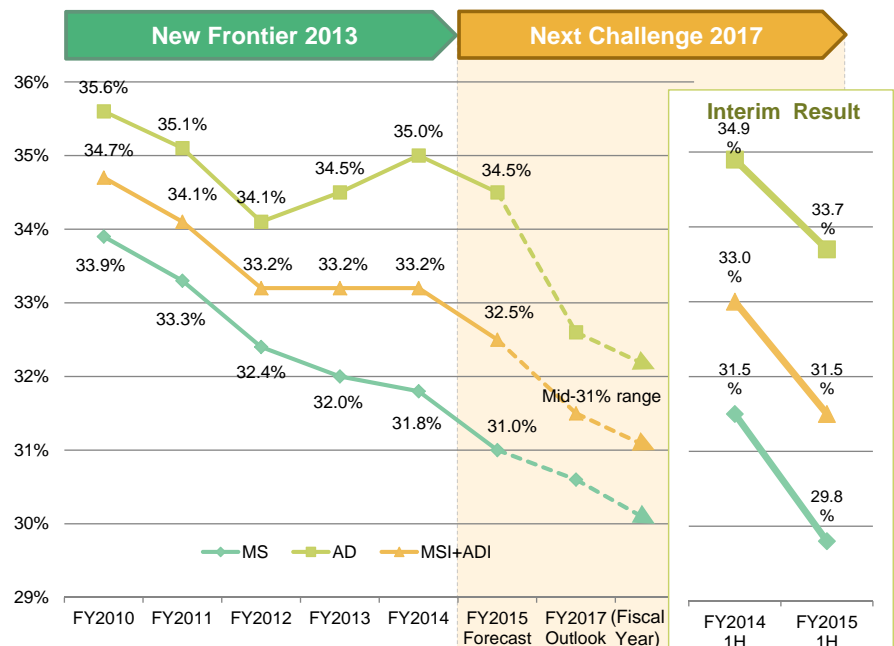


* Data for MSI reflects impact of increase in number of employees by around 1,000 in FY2014 due to merger of a claim handling subsidiary.

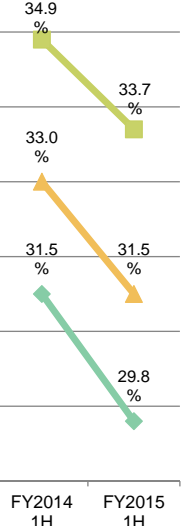
Impact of "career transition assistance measures"

One-time cost (FY2015 extraordinary loss) Approx. ¥12 bn
Effect of reducing total corporate expenses (each fiscal year from FY2016) Decrease of approx. ¥4 bn

Trends in expense ratio



Interim Result

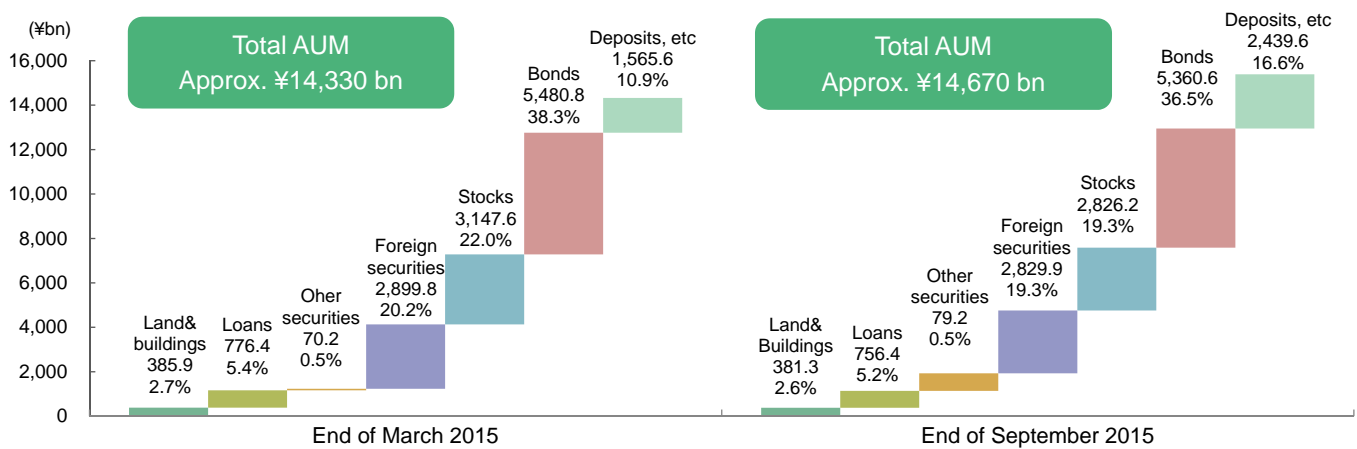


Domestic Non-Life Insurance Business: Assets under Management by Asset Class (MS&AD Insurance Group)

MS&AD

- The Group aims to establish a portfolio that reflects debt characteristics to secure stable returns on investment.
- From the perspective of risk reduction, the Group continues to decrease its strategic equity holdings.
- To improve profitability, the Group will make investments gradually in foreign bonds, foreign shares and alternatives et al. while diversifying risks.

Assets under management (MS&AD Insurance Group) *1



Interest rate sensitivity (as of end-Sept 2015)

(¥bn)

	MS&AD Group total	Total for domestic non-life insurers	Total for domestic life insurers
Change in difference between asset and liability values (surplus) in the event of a 100 bp rise in yen interest rates	+82.1	+33.1	+49.0

Total interest-rate assets*2 at the end of Sept 2015 : ¥10,6tn or 72.2% of AUM

*1 Arithmetic totals of MSI, ADI, Mitsui Direct General, MSI Aioi Life, and MSI Primary Life's (general accounts) asset holdings as based on financial statement categorization

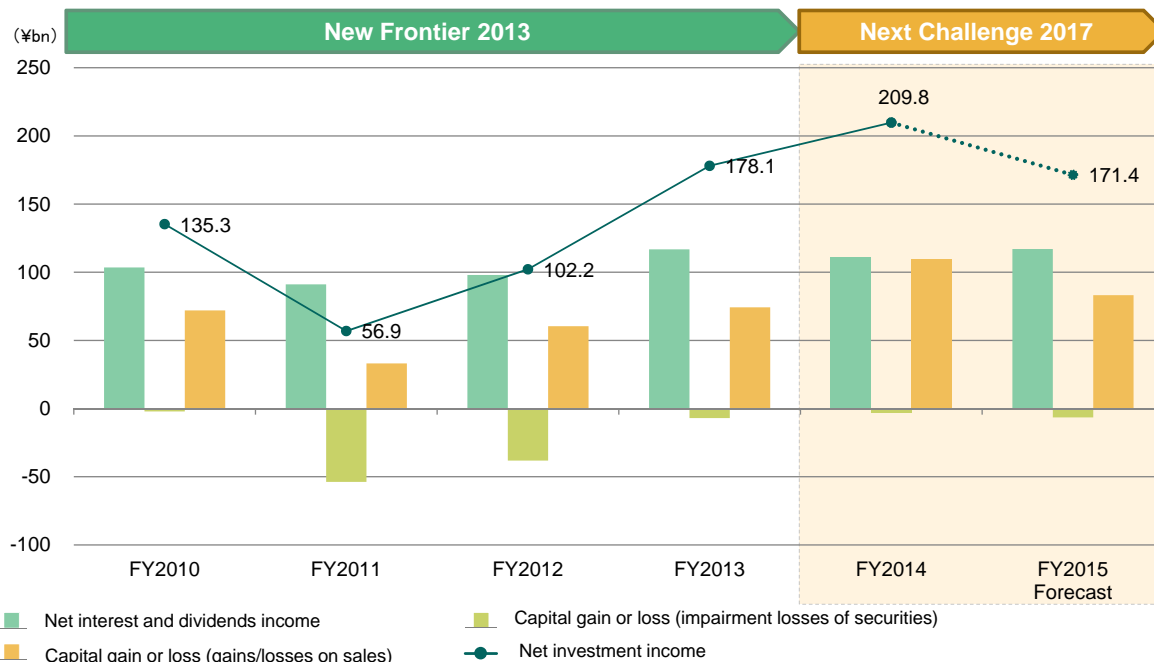
*2 Total of deposits, bonds, loans and foreign bonds

Domestic Non-Life Insurance Business: Net Investment Income

MS&AD

- The Group expects capital gains on sales of securities of ¥83.2 billion in FY2015 through the accelerated selling of strategic equity holdings.
- The Group expects to achieve net investment income of ¥171.4 billion yen in FY2015.

Transition of net investment income

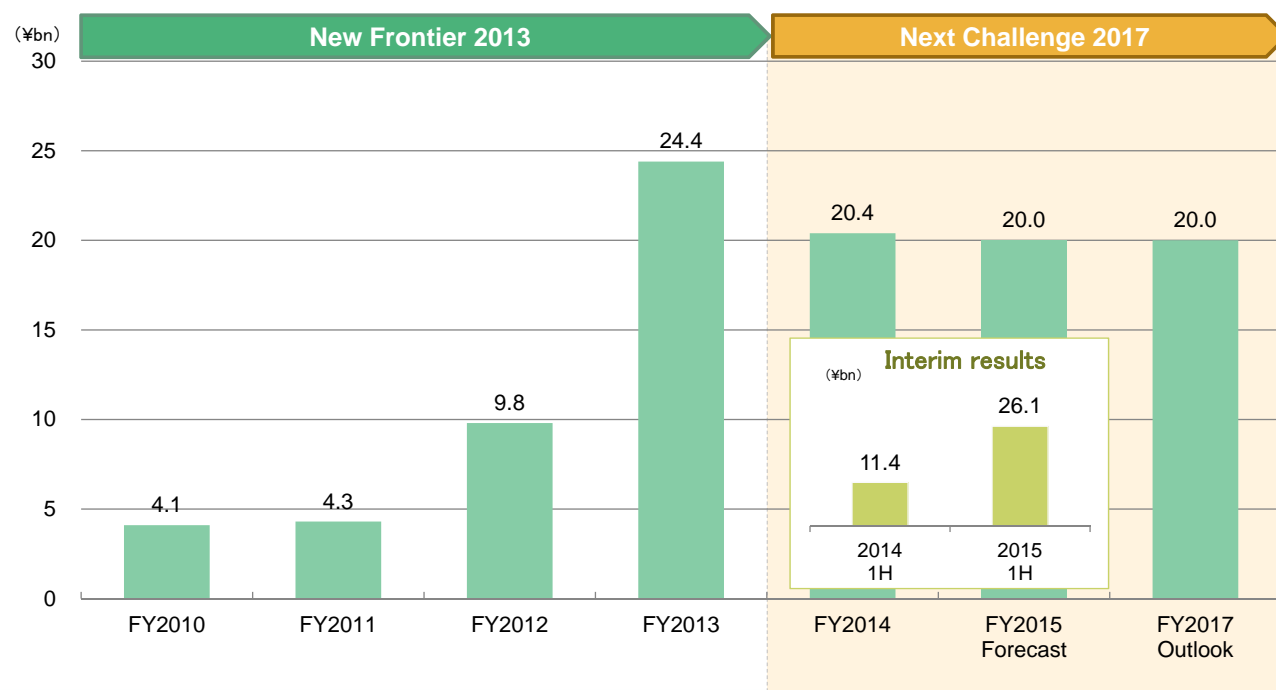


* Simple aggregate of MSI (non-consolidated) and ADI (non-consolidated)

* In 2014 capital gain or loss (gains/losses on sales of securities) includes ¥63bn of gains for additional provision for price fluctuation reserve

- MSI Primary Life: The company secured profit of ¥21.1 billion due to strong performance in fixed amount whole life insurance as well as in foreign currency-denominated variable insurance that it started to sell in May.
- MSI Aioi Life: The company secured profit of ¥5.1 billion, largely due to steady growth in individual policies and an increase in income from asset investments.

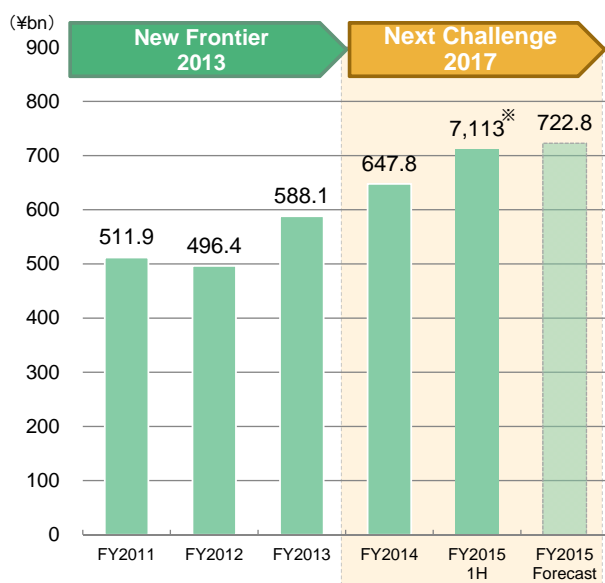
Trends in Gross Core Profit



Domestic Life Insurance Business: MSI Aioi Life

- The embedded value rose ¥63.4 billion yen from the end of March 2015 due to strong sales results and the effect of up-dating the assumptions for calculation.
- Annualized premiums of policies in force in interim period of 2015 rose ¥11.5 billion to ¥367.5 billion from the end of March 2015

Embedded Value (EEV)

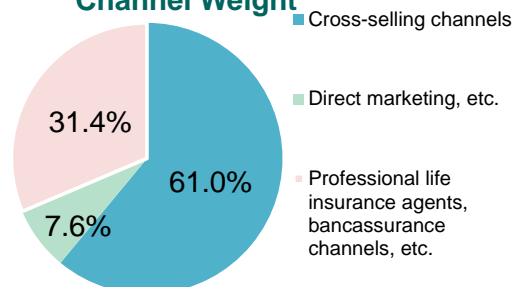


* EEV of Interim 2015 is a pro forma figure based in part on a simplified calculation. The figures have not been verified by an independent third party.

Channel Strategies

- Outlook remains increased revenues via diverse channels, especially through cross-selling as a life insurance company affiliated with a non-life insurance company.
- Pursuing further development of the booming corporate market through cross-selling.

Channel Weight



Product strategies

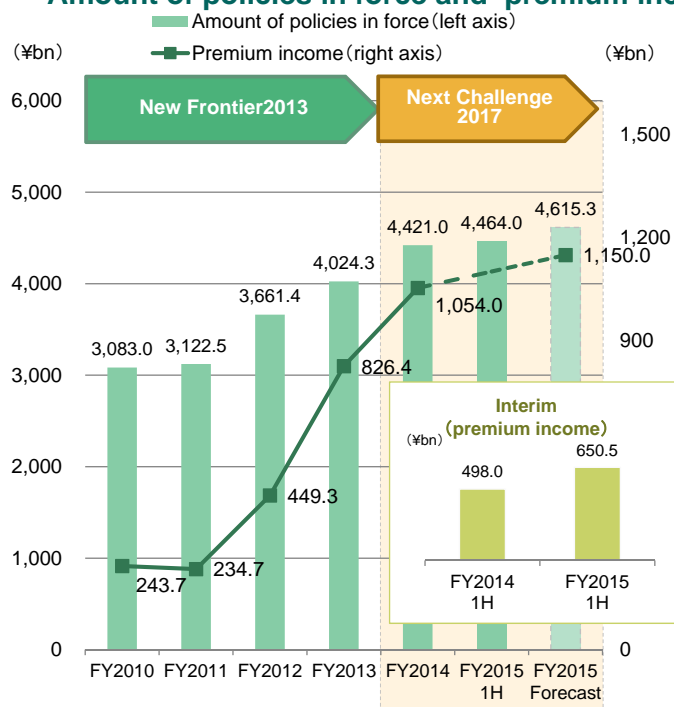
- Policy of attaching importance to security-oriented, instalment payment-type products
- More specifically, the company positions Comprehensive Income Security Insurance and New Medical Insurance Ace as strategic products.

Domestic Life Insurance Business: MSI Primary Life (Premium Income, Amount of Policies in Force, and Net Income)

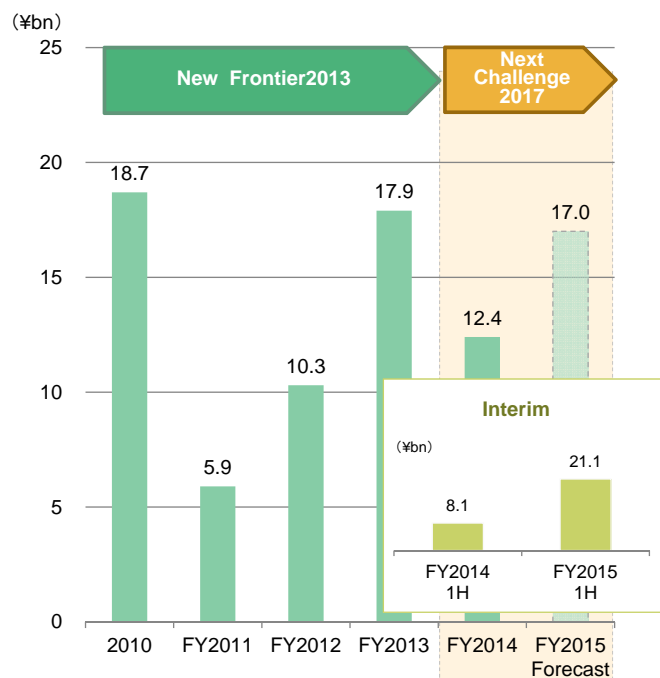
MS&AD

- Premium income exceeded ¥600 billion in the first half, and is expected to amount to ¥1,150 billion in FY2015. The amount of policies in force also continued to expand steadily.
- Net income has remained stable at a level exceeding ¥10 billion per year, and is expected to be ¥17 billion in FY2015.

Amount of policies in force and premium income



Net income



Domestic Non-Life Insurance Business: MSI Primary Life (Product and Sales Strategies)

MS&AD

- The company actively introduced products to develop new markets, focusing on variable and foreign currency-denominated insurance products.
- The company achieved growth with a well-balanced portfolio, dramatically increasing the revenues of variable products, while maintaining strong sales of fixed products.
- The company secured increased revenues for all sales channels by strengthening relations with agents.

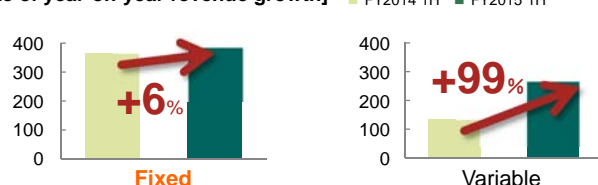
Enhancement of product line-up and its effect

[Key products launched in FY2015]
Fixed Variable

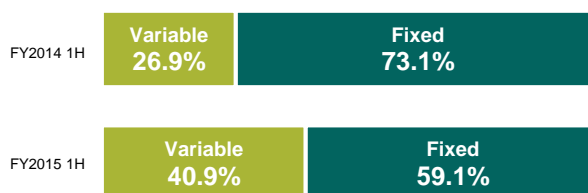
Whole life insurance	Foreign currency-denominated fixed whole life insurance しあわせ、ずっとNZ Shiawase Zutto NZ	Foreign currency-denominated variable whole life insurance えがお、ひろがる Egao Hirogaru プライムチャンス Prime Chance ラップギフト Wrap Gift Variable whole life insurance かがやき、つづく2 Kagayaki Tudoku 2
	Currency option-type individual variable annuity pension みらい、そだてる Mirai Sodateru NZ dollars: Additional accumulation period	Individual variable annuity insurance 届く しあわせ Todoku Shiawase

* Source: MSI Primary Life

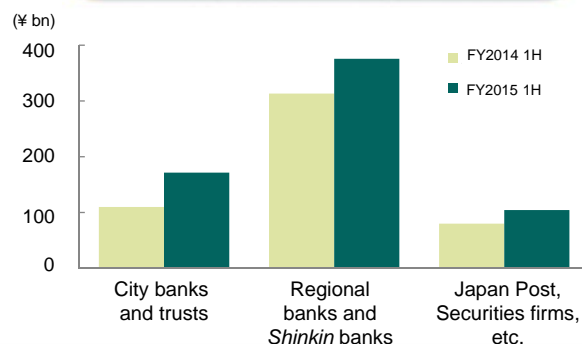
[Rate of year-on-year revenue growth]



Well-balanced sales portfolio



Establishment of sales base through increased revenues via all channels

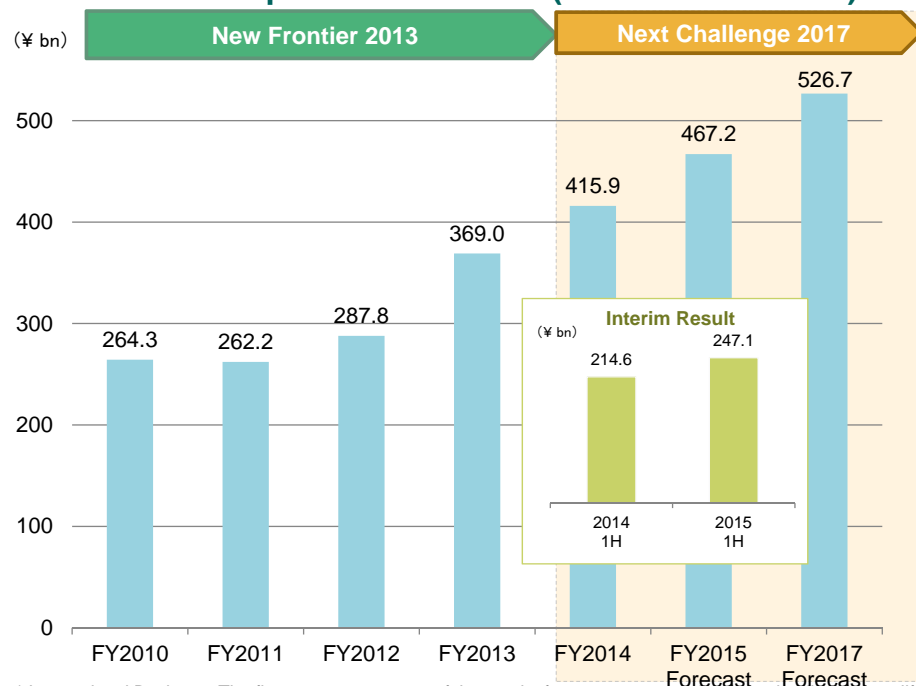


International Business: Net Premiums Written

MS&AD

- Net premiums written for FY2015 1H soared ¥32.4 billion year-on-year (includes ¥15 billion recognized as a positive impact of foreign exchange rates), reflecting growth in all business areas.
- Net premiums written are expected to reach ¥467.2 billion (up ¥51.2 billion from the previous year) on a full-year basis in FY2015.

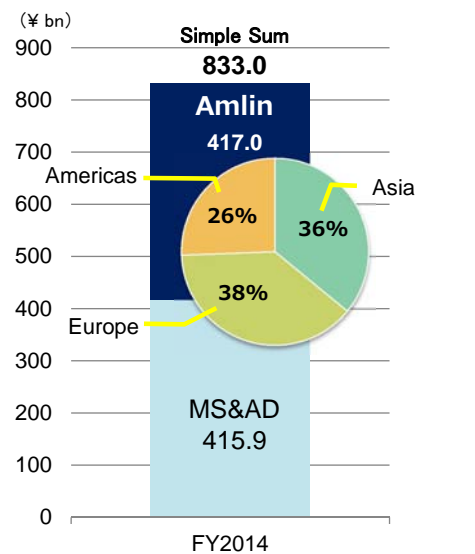
Trends in net premiums written (non-life insurance)



* International Business: The figures are aggregate of the results for overseas consolidated subsidiaries, non-life insurance companies' overseas branches and overseas non-consolidated affiliates.

MS&AD Insurance Group Holdings, Inc.

MS&AD + Amlin (FY2014)



Source for Amlin's figures: Amlin plc. 2014 Annual Report

*1 Sum of the FY2014 results of MS&AD and Amlin (The figures for Amlin 1£=¥183)

*2 Amlin's figures are net written premium pro-rated by gross written premium by region (other region are categorized into Asia)

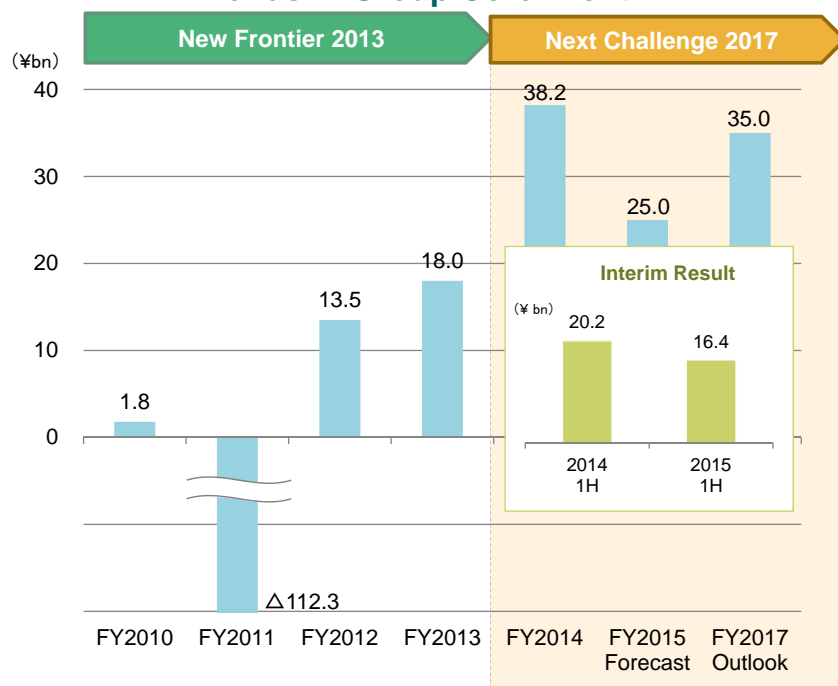
17

International Business: Group Core Profit

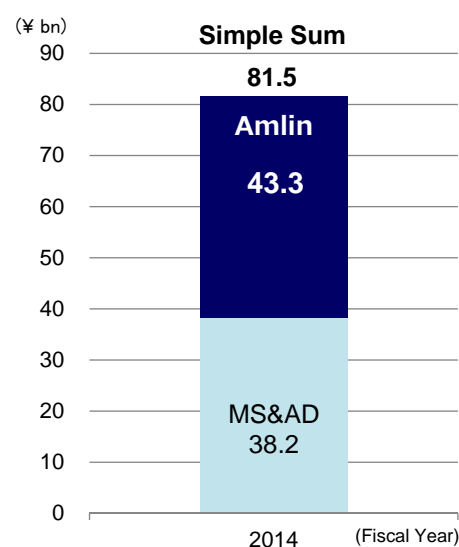
MS&AD

- The Group Core Profit is expected to be ¥16.4 billion (down ¥3.8 billion year-on-year), reflecting the impact of Europe (initial cost for BIG, etc.) for the interim period, and to decline ¥1.0 billion from the initial forecast (down ¥3.8 billion year on year) to ¥25.0 billion on a full-year basis.
- In FY2017, profit is expected to be ¥35 billion (excluding Amlin), factoring in the impact of fluctuations of Asian currencies etc.

Trends in Group Core Profit



MS&AD + Amlin (2014)



*1 Simple sum of FY2014 Group Core Profit of MS&AD's International Business and Amlin's FY2014 Profit for the year (1£=¥183).

Source for Amlin's figure: Amlin plc 2014 Annual Report

MS&AD Insurance Group Holdings, Inc.

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International Business: Strategies (Four Synergies from the Acquisition of Amlin) MS&AD

- Establishment of the platform of the world's top class insurance and financial group with the acquisition of Amlin, as well as existing businesses.
- Creation of synergies in top lines by converging Amlin's capabilities for underwriting and product development with existing networks.

Lloyd's Business

- Further strengthen the leading influence at Lloyd's by merging existing Lloyd's businesses

Reinsurance Business

- Strengthen risk management and our presence in the reinsurance market by integrating reinsurance businesses

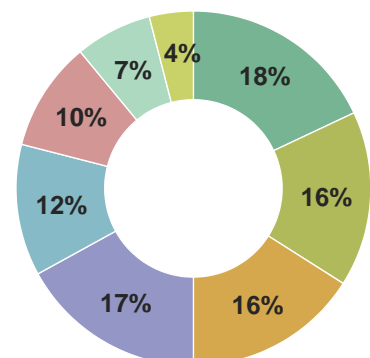
The Asia and U.S. Business

- Provide high quality products and services globally by utilizing the product development power and underwriting techniques in specialty lines that Amlin has, together with the ASEAN-wide network and the U.S.-wide underwriting licenses of MS&AD group.

The European Continental Business

- Aim to enhance our presence by complementing each portfolio through cross-selling, etc.

Amlin's insurance portfolio by class (Gross written premium by class)



- Property catastrophe reinsurance
- Marine insurance
- Property insurance
- Classes <4%
- Other property reinsurance
- Motor insurance
- Casualty insurance
- Special risks reinsurance

Resource: Amlin plc 2014 Annual Report

International Business: Strategies (International General Insurance Business) MS&AD

- Based on the newly established platform, the Group aims to stabilize its operating base by increasing businesses in existing areas, and achieve sustainable growth by maintaining a virtuous cycle of investments toward future growth.

Asia Business Strategies

Securing advantageous position to ensure profitability and growth in the future

- Only the Ggroup has direct insurance entities in all 10 ASEAN countries and No.1 premium volume in ASEAN*

- Promoting initiatives in emerging and developing markets



Myanmar

Acquired insurance underwriting licence in Special Economic Zone and began operations



Sri Lanka

Invested in the Sri Lankan Ceylinco Group

- First Japanese insurance company to enter the Sri Lankan market

- Partnerships and joint ventures with local conglomerates

- Gaining strong market position in Malaysia, the Philippines, Indonesia and other Asian countries.

- Increasing trust and brand power in each country.

*source: Our calculation based on publicized documents(FY2013)

Expanding business bases and enhancing services



Republic of South Africa

Established office in Johannesburg

- South Africa accounts for 43% of the African insurance market, and the average annual growth rate for nonlife insurance in the Sub-Saharan region is 5.8%.



Mexico

Established special division for Japanese companies in Querétaro

- Third base after Mexico City and Irapuato



Colombia

Dispatched representative for the first time

- Strengthening insurance service structure in Latin America

Contribution to local communities overseas

- Donated a total of ¥11.23 million to 5 organizations, including the Japanese Red Cross, in response to the Central Nepal Earthquake.
- Every year, MSI Thailand Branch conducts initiatives that help prevent traffic accidents and contribute to the local community. In FY2014, the branch held a traffic image contest for high school students and university students throughout Thailand.

International Business: Strategies (International General Insurance Business: Toyota Retail & BIG Businesses)

MS&AD

- Net premiums written and net income before taxes for the interim period from the Toyota Retail business (excluding BIG business) amounted to ¥34.2 billion (up 9% year-on-year) and ¥0.7 billion (up 17% year-on-year), reflecting the solid performance of the mainstay business in Europe, as well as the expansion of business in China on the back of strong sales of new vehicles.
- As for BIG^{*1}, an MGA of UK telematics auto insurance acquired at the end of March, ADE^{*2} a subsidiary of ADI in the UK commenced underwriting in June. The business of BIG is projected to be in the black on a single-year basis in 2018.

Toyota Retail Business

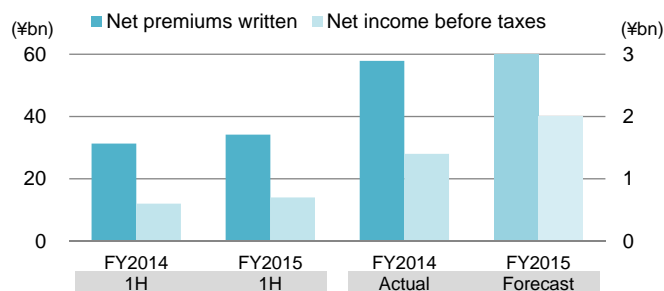
Business Strategies

Stabilization of earnings through expansion in business scale and improvement in efficiency of business operations

Expansion into new countries

Began Toyota insurance sales in Russia and Kazakhstan in September 2015 and planning to expand throughout Russia before the end of the year.

Net premiums written and net income before taxes



*1 Box Innovation Group Limited *2 Aioi Nissay Dowa Insurance Company of Europe Limited *3 Core company operating as Managing General Agent (MGA) under holding company BIG.

ITB^{*3} Brand Value

Pioneer of telematics insurance in UK

Commanded a share of around 35% of the UK retail telematics insurance market in 2014.

Has acquired more than 3 billion miles worth of driving data.

Utilization of telematics technology and know-how to expansion of the Toyota retail business in Europe.

Business model for BIG business

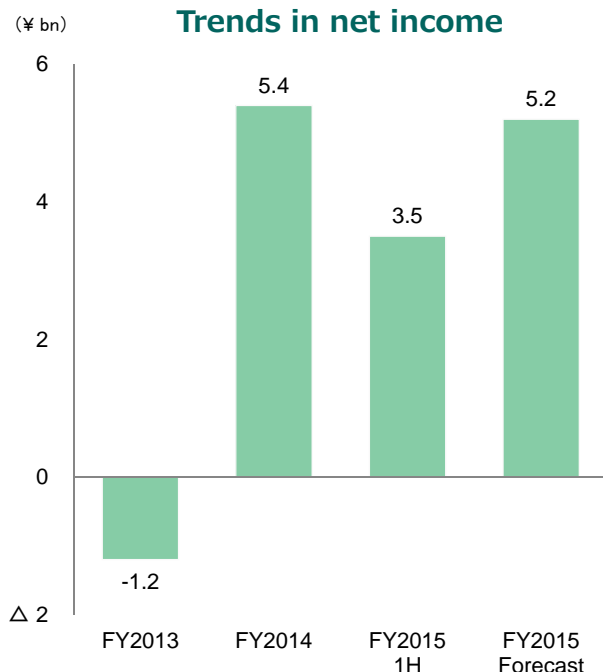
- Expansion of new policies through strengthening its brand and channels.
- Securing preferred renewal customers through telematics technology
- Loss improvement by leveraging know-how of ADE
- Expansion of fee business through alliance strategy

International Business: Strategies (Asian Life Insurance Business)

MS&AD

- Asian Life Insurance Business posted net profit of 3.5 billion yen in the first half of FY2015, almost as planned, securing stable profit.
- Net profit is expected to be slightly lower than the plan in FY2015 on a full-year basis, due in part to the weak yen and a decline in share prices.

Trends in net income



Initiatives to improve growth and profitability

Sharing expertise with domestic life insurance companies in the Group

- Introducing a bancassurance wholesaler system (support of bancassurance by staff of life insurance companies)
- Introducing training programs
- Introducing consulting as a sales technique

Expanding sales channels

- Acquiring new bancassurance channels
- Helping make proposals to existing customers, especially to Japanese companies

Strengthening business administration and risk management systems

- Strengthening investment management systems
- Optimizing risks to secure returns commensurate with risks and expanding earnings (including improving product portfolios)

Considering new investments

- Considering new investments in businesses where capital efficiency is high and which have growth potential.

III. Strengthening Systems for Enterprise Value Creation

MS&AD Insurance Group Holdings, Inc.

Promotion of ERM: Initiatives and Issues in Stage 1

MS&AD

- Financial soundness: Despite the impact of M&A, the ESR is expected to reach 200%, a level equivalent to the AA rating, by the end of FY2017.
- Capital efficiency: MS&AD aims for improvements through accelerated sales of strategic equity holdings and reinvestments in the growth areas.

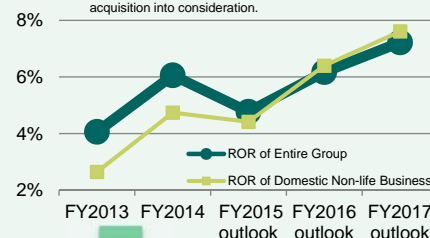
Stage 1 Initiatives

- (1) Continued reduction of “strategic equity risk”
- (2) Introduction of new internal model, and sophistication of cat risk measurement
- (3) Sophistication of capital allocation system (confirmation of planned levels for ROR^{*1} and VA^{*2} at time of setting capital allocation amounts)
- (4) Monitoring of ROR^{*1} and VA^{*2}

Results

- ⊙ Improvement of ROR especially in Domestic Non-Life Insurance Business
- ⊙ Attainment of ESR of 200%.

* Outlook is estimate which does not take the effect of Amlin acquisition into consideration.



Issues

Utilization of capital, improvement of profitability and capital efficiency

- At the end of FY2014, ESR reached 201%, the Group achieved financial soundness commensurate with the level equivalent to the AA rating, and soundness improved significantly.
- MS&AD needs to use the capital buffer effectively to improve “profitability” and “capital efficiency.”

Countermeasure 1

Investment to International Business

- Agreement to commence procedures to acquire Amlin

Countermeasure 2

Reduction in strategic equity holdings

- Accelerate initiatives to reduce strategic equity holdings, improve “quality of capital”.

^{*1} ROR (Return of Risk) = Group Core Profit ÷ Amount of Risk

^{*2} VA (Value Added) = Group Core Profit – Amount of Risk × Capital Cost Ratio

Promotion of ERM: Clarification of Policy of Reducing Strategic Equity Holdings

- MS&AD revised its policy on strategic equity holdings described in the Corporate Governance Report, and clarified its stance on reducing strategic equity holdings.
- The Group set a medium-to-long term target for the risk weight of strategic equities in accordance with Risk Appetite policy.

Approach to strategic equity holdings

What are strategic equity holdings?

The strategic equity holdings are shares held under the assumption of long-term holding for the purpose of long-term increase of asset value and maintaining and strengthening comprehensive business relationships with issuers.

Policy on strategic equity holdings

Policy on holdings	Reduce the aggregate amount of our strategic equity holdings, aiming to build a solid financial base less affected by fluctuations in stock prices and to improve the capital efficiency.
Management of holdings	Verification of economic rationale (growth potential, profitability, etc.)
	Medium-to-long-term considerations such as strengthening business relationships
	Based on the assumption that the understanding of the issuer is obtained; <ul style="list-style-type: none"> - If holdings are not deemed valid: The Group will proceed with sale. - If holdings are deemed valid: The Group may sell depending on factors such as the market environment and the Company's management and financial strategies

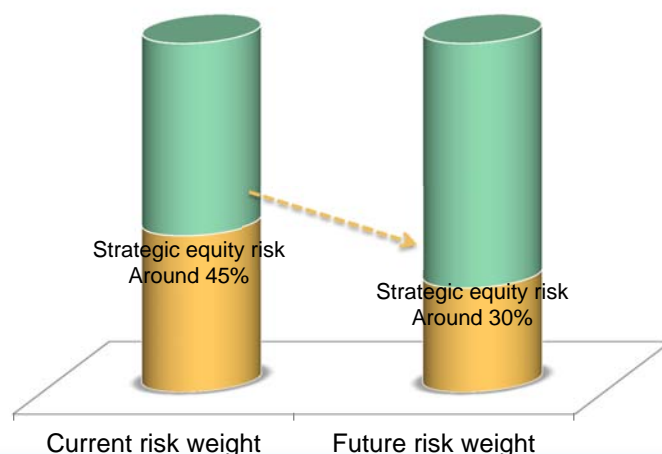
Medium-to-long Term Target

Risk weight of MS&AD's strategic equity holdings	Around 30%
Market value weight in MS&AD's consolidated total assets	Around 10%

(Reference) Weight at the end of March 2015

- Risk weight of MS&AD's strategic equity holdings: Around 45%
- Market value weight in MS&AD's consolidated total assets: 16.3%

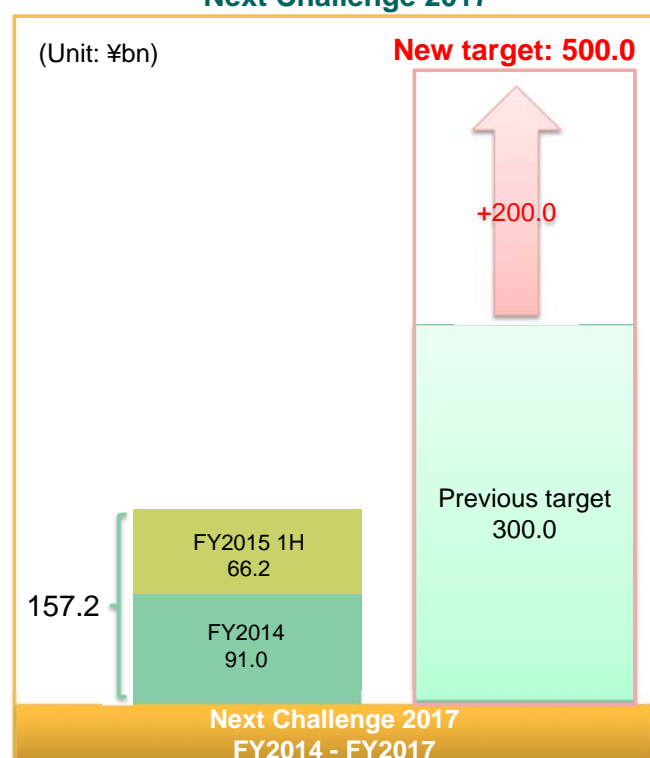
Weight in Group Risk



Promotion of ERM: Acceleration of Sales of Strategic Equity Holdings

- MS&AD raised the target of sales to achieve the desired group risk portfolio.

Raising of sales target in Next Challenge 2017



Actual sales

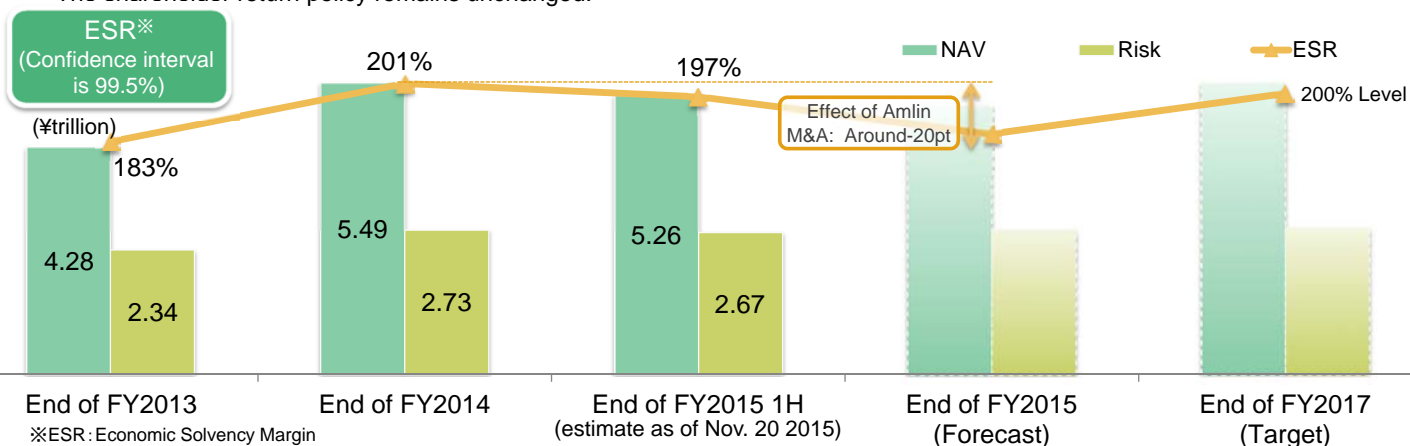
		FY2003	329.8	(¥bn)
Before business integration		FY2004	179.1	
		FY2005	100.9	
		FY2006	46.6	
		FY2007	47.9	
		FY2008	41.8	(Subtotal)
		FY2009	54.5	800.7
MS & AD	New Frontier 2013	FY2010	57.4	
		FY2011	88.7	
		FY2012	114.1	
		FY2013	173.5	
	Next Challenge 2017	FY2014	91.0	(Subtotal)
		(First half of FY2015)	(66.2)	590.9
Total				1,391.6

* The figures for FY2003 to FY2009 are simple sum of results for MSI, Aioi, and NDI. (The past sales before FY2013 will not be disclosed, since it is difficult to collect data in the same criteria from the entities before merger.)

Promotion of ERM: ESR

MS&AD

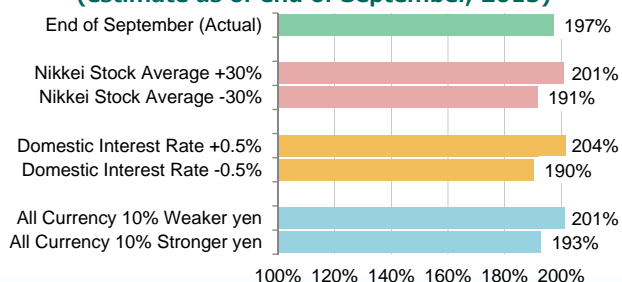
- Due to the impact of M&A, the ESR will decline, but is expected to reach 200%, a level equivalent to the AA rating, by the end of FY2017.
- The shareholder return policy remains unchanged.



(Assumption) Nikkei Average

As of the end of FY2013 (actual)	¥ 14,828
As of the end of FY2014 (actual)	¥ 19,207
As of the end of FY2015 1H (actual)	¥ 17,388
As of the end of FY2015 (forecast)	Approx. ¥ 17,000
As of the end of FY2017 (target)	

Effects on ESR of fluctuation in market prices (estimate as of end of September, 2015)



MS&AD

INSURANCE GROUP

IV. Shareholder Return

• MS&AD will continue to distribute shareholder returns according to the current shareholder return policy.

Shareholder Return Policy

- We will **return approximately 50% of Group Core Profit to shareholders** in the medium run.
(Dividends) The basic policy is maintaining stability. We aim to increase our earnings power and dividends in the medium run.
(Share buybacks) We will repurchase our own shares flexibly, and as opportunities arise, with due consideration to market conditions and the state of our capital.

Shareholder returns and shareholder return plan

Share buybacks

FY2014: Around ¥30 billion

FY2015: **Decided to buyback ¥10 bn (maximum) of own shares at the meeting of Board of Directors held on November 18, 2015.**
(The buy back period: November 18, 2015 – March 18, 2016)

Dividends

FY2014: Paid annual dividend of ¥65 (an increase of ¥9 from the previous fiscal year on an annual basis).

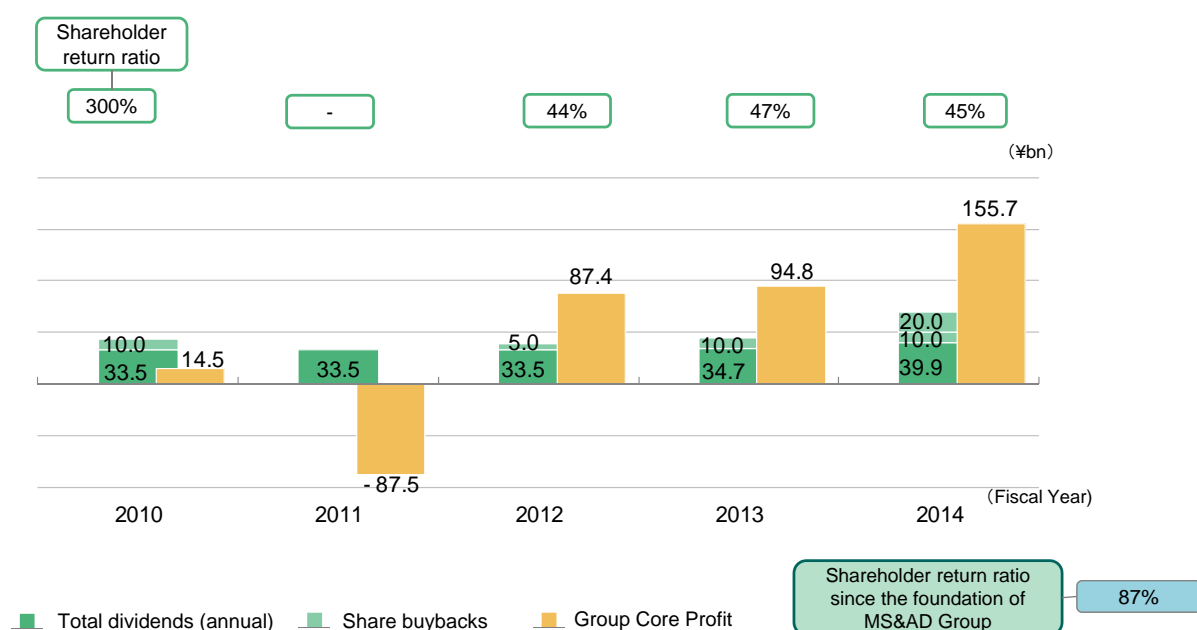
FY2015: Annual dividend forecast of ¥70 (interim dividend forecast of ¥35)

* Increase of ¥5 in annual dividend, in accordance with initial forecast.

* Please refer to the Appendix Data for the method of calculating Group Core Profit and the shareholder return ratio.

Shareholder Return: Past Shareholder Returns

Trends in total shareholder returns (as of November 18, 2015)



* Please refer to the Appendix Data for the method of calculating Group Core Profit and the single-year shareholder return ratio.

Appendix Data

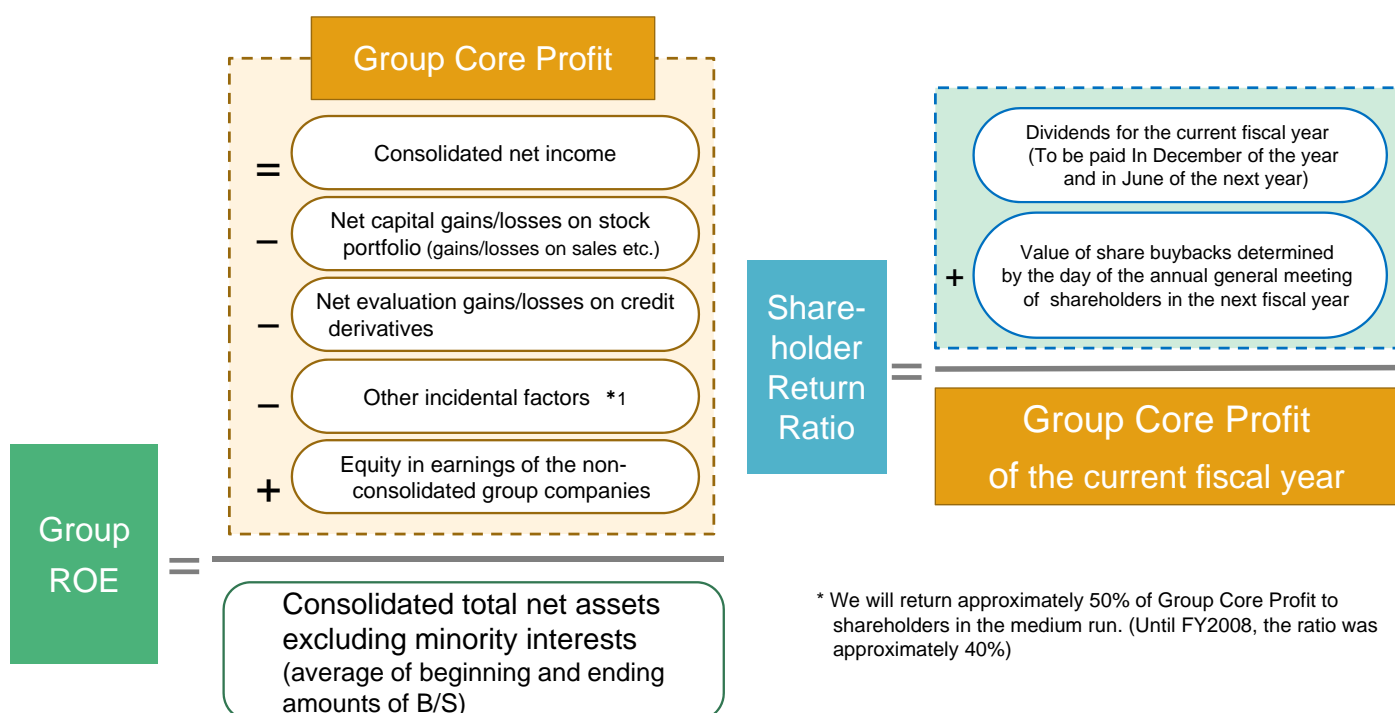
MS&AD Insurance Group Holdings, Inc.

Calculation Methods for
“Group Core Profit” “Group ROE” and “Shareholder Return Ratio”

MS&AD

“Group Core Profit” and “Group ROE”

“Single-year Shareholder Return Ratio”



* We will return approximately 50% of Group Core Profit to shareholders in the medium run. (Until FY2008, the ratio was approximately 40%)

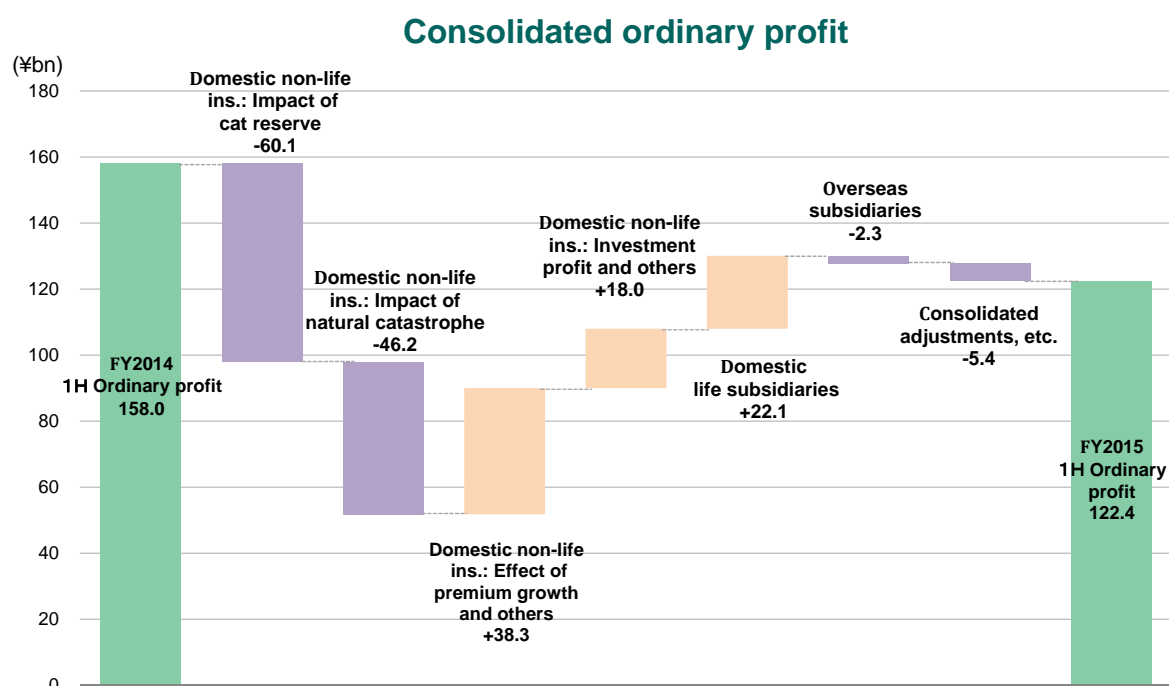
Major Assumptions for Revised Earnings Forecasts for FY 2015 MS&AD

(¥bn)

		Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management enviroment		Assumes the level as of the end of Sep. 2015 (note) at the end of Sep. 2015 Nikkei average : ￥17,388 US\$: ￥120 Euro : ￥135	
Domestic natural catastrophes occurring in FY 2015		43.0 (+18.0)	32.0 (+17.0)
Catastrophe reserves (For fire insurance)	Provision	22.8 (+2.6)	13.6 (+1.2)
	Reversal	0.0 (0.0)	6.9 (+3.5)
	Change	22.8 (+2.6)	6.7 (-2.3)
Catastrophe reserves (For voluntary automobile insurance)	Provision	20.7 (0.0)	21.6 (-0.1)
	Reversal	7.1 (-7.5)	21.3 (0.0)
	Change	13.6 (+7.5)	0.3 (0.0)
Corporate tax rate (Effective tax rate)		28.8%	

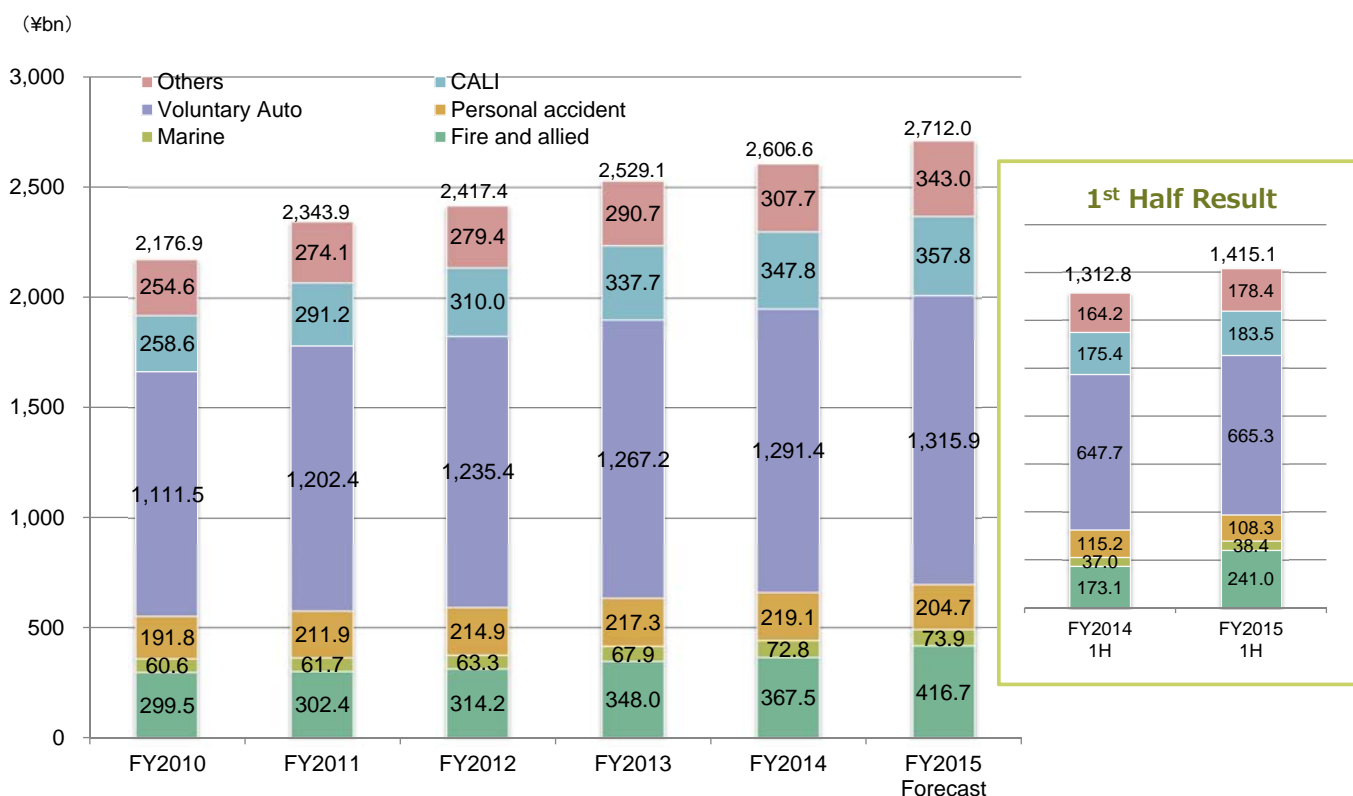
* Figures in parentheses shows the change from the initial.

Factors in YoY Changes in Consolidated Ordinary Profit FY 2015 (1st Half) MS&AD



* Figures for domestic non-life insurance are the sum of figures for MSI and ADI.

* Effect of premium growth and others means underwriting profit excluding impact of cat reserve and impact of natural catastrophes.



※The figures in the graph are the simple sum of non-consolidated figures for MSI and ADI., but only the figures for 2010 is the simple sum of non-consolidated figures for MSI, Aioi and NDI.

Impact of Natural Catastrophes for FY 2015 (1st Half)

Impact of natural catastrophes in Japan and heavy snowfalls in Feb. 2014

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S*		Balance of O/S* as of Sep. 30, 2015
		YoY Change		YoY Change		YoY Change	
Nat. Cat. In Japan (Occured in FY2015)	63.3	48.2	10.7	4.8	52.6	43.3	52.6
Mitsui Sumitomo Insurance	35.1	25.4	5.7	2.0	29.4	23.4	29.4
Aioi Nissay Dowa Insurance	28.2	22.7	4.9	2.7	23.2	19.9	23.2
Heavy snowfalls in Japan (Occured in Feb. 2014)	0.1	-2.0	1.0	-57.8	-0.8	55.7	1.1
Mitsui Sumitomo Insurance	0.1	-1.2	0.4	-34.4	-0.3	33.2	0.2
Aioi Nissay Dowa Insurance	0.0	-0.7	0.5	-23.3	-0.4	22.5	0.8
Total	63.5	46.1	11.7	-52.9	51.8	99.1	53.7

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

Catastrophe reserve

(¥bn)

		Reversal	Provision	Change		Balance as of Sep. 30, 2015
					YoY	
Mistui Sumitomo Insurance	Fire and allied	-	13.9	13.9	21.9	132.0
	Marine	-	1.6	1.6	0.1	73.9
	Personal accident	-	2.3	2.3	0.2	64.6
	Voluntary auto	-	10.4	10.4	2.5	32.2
	Other	0.0	6.6	6.6	0.9	162.0
	Total	0.0	34.9	34.9	25.8	464.9
Aioi Nissay Dowa Insurance	Fire and allied	-	7.2	7.2	19.8	105.7
	Marine	-	0.0	0.0	- 0.1	13.8
	Personal accident	-	1.0	1.0	- 0.0	62.2
	Voluntary auto	-	10.9	10.9	14.3	32.2
	Other	0.2	3.0	2.7	0.3	57.0
	Total	0.2	22.2	21.9	34.3	271.0
Simple Sum of MSI and ADI	Fire and allied	-	21.1	21.1	41.7	237.7
	Marine	-	1.6	1.6	- 0.0	87.7
	Personal accident	-	3.4	3.4	0.1	126.9
	Voluntary auto	-	21.3	21.3	16.9	64.5
	Other	0.2	9.6	9.3	1.2	219.0
	Total	0.2	57.1	56.9	60.1	735.9

Catastrophe Reserves (Projection for FY 2015)

Catastrophe reserve

(¥bn)

		FY 2015 (Projection)					
		Reversal	Provision		Change		Balance as of Mar. 31, 2016
					YoY Change	Change from Initial	
Mistui Sumitomo Insurance	Fire and allied	-	22.8	22.8	5.1	2.6	140.9
	Marine	-	3.1	3.1	0.1	- 0.2	75.4
	Personal accident	4.5	4.4	- 0.1	- 0.2	2.4	62.2
	Voluntary auto	7.1	20.7	13.6	11.3	7.5	35.4
	Other	2.4	12.3	10.0	1.5	- 1.5	165.4
	Total	13.9	63.3	49.4	17.9	10.9	479.4
Aioi Nissay Dowa Insurance	Fire and allied	6.9	13.6	6.7	12.7	- 2.3	105.1
	Marine	0.1	0.1	-	0.0	0.1	13.7
	Personal accident	-	2.0	2.0	- 0.2	- 0.0	63.1
	Voluntary auto	21.3	21.6	0.3	0.1	-	21.6
	Other	3.7	5.7	2.0	- 1.7	- 0.2	56.2
	Total	32.0	43.0	11.0	11.0	- 2.4	260.0
Simple Sum of MSI and ADI	Fire and allied	6.9	36.4	29.5	17.9	0.3	246.1
	Marine	0.1	3.2	3.1	0.1	- 0.0	89.2
	Personal accident	4.5	6.4	1.9	- 0.4	2.4	125.4
	Voluntary auto	28.4	42.3	13.9	11.5	7.4	57.1
	Other	6.1	18.0	12.0	- 0.1	- 1.6	221.7
	Total	45.9	106.3	60.4	29.0	8.5	739.5

Incurred losses and EI loss ratio (MSI) – Results for FY 2015 (1st Half)

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

(¥bn)

	FY 2014 1H					FY 2015 1H					
	Incurred Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	59.4	60.1%	9.1	50.3	50.8%	69.7	66.3%	31.4	38.3	36.4%	-14.4pt
Marine	12.2	40.8%	0.0	12.2	40.7%	23.6	69.2%	0.1	23.5	68.9%	28.2pt
Personal accident	42.6	59.5%	0.1	42.5	59.3%	38.9	55.5%	0.0	38.9	55.5%	-3.8pt
Voluntary automobile	188.4	60.6%	0.6	187.8	60.4%	192.8	60.1%	2.2	190.5	59.4%	-1.0pt
Other	54.9	58.5%	1.1	53.8	57.3%	52.9	52.4%	1.4	51.4	50.9%	-6.4pt
Total (A)* ⁴	357.8	59.1%	11.0	346.7	57.2%	378.1	59.9%	35.2	342.8	54.3%	-2.9pt
Residential earthquake insurance (B)	-		-	-		-		-	-		
CALI (C)	73.5		-	73.5		73.9		-	73.9		
Total (A)+(B)+(C)	431.4		11.0	420.3		452.1		35.2	416.8		

*1 Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

*2 Earned premium, 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. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small.(The impact for FY2014 1H: 0 billion yen)

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

Incurred losses and EI loss ratio (ADI) – Results for FY 2015 (1st Half)

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

(¥bn)

	FY 2014 1H					FY 2015 1H					
	Incurred Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	36.8	49.9%	4.8	32.0	43.4%	54.9	70.8%	24.8	30.1	38.8%	-4.6pt
Marine	2.6	49.6%	-	2.6	49.6%	1.3	53.1%	-	1.3	53.1%	3.5pt
Personal accident	16.5	49.5%	0.0	16.5	49.4%	15.7	47.4%	0.0	15.7	47.4%	-2.0pt
Voluntary automobile	197.5	60.0%	1.0	196.5	59.6%	189.6	56.2%	2.5	187.1	55.5%	-4.1pt
Other	30.8	58.2%	0.3	30.4	57.5%	32.7	60.4%	0.9	31.8	58.6%	1.1pt
Total (A)* ⁴	284.5	57.4%	6.2	278.2	56.2%	294.4	58.3%	28.3	266.1	52.7%	-3.5pt
Residential earthquake insurance (B)	-		-	-		-		-	-		
CALI (C)	66.7		-	66.7		66.4		-	66.4		
Total (A)+(B)+(C)	351.2		6.2	344.9		360.9		28.3	332.6		

*1 Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

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

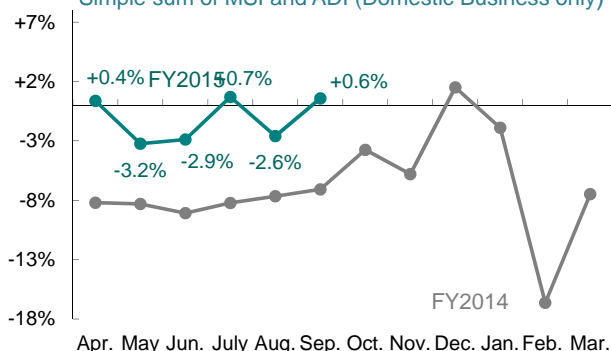
*3 "Nat Cat (Natural Catastrophe) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small.(The impact for FY2014 1H : 0 billion yen)

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

Trend in the Number of Accidents

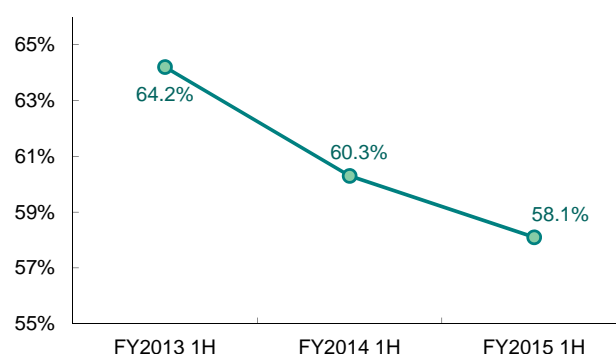
(per day, %YOY, including heavy snowfalls in Feb 2014, excl. the number of accidents caused by natural catastrophes)

Simple sum of MSI and ADI (Domestic Business only)



EI Loss Ratio (incl. loss adjustment expenses)

Simple sum of MSI and ADI



Insurance Premiums and Claims Payment

Mitsui Sumitomo Insurance			
< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	+0.2%	+3.7%	+3.9%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.6%	+0.7%	

Aioi Nissay Dowa Insurance			
< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	-1.0%	+3.7%	+2.6%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.5%	-0.2%	

* Changes in average payout per claim" means change in average payout per claim over the one-year period ended Sep. 30, 2015 compared with average payout per claim in one-year period ended Mar. 31, 2015.

* All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr. - Sep.), %YoY

* Figures for " Vehicle Damage (excluding natural catastrophes) " includes the impact caused by heavy snowfalls in Feb. 2014.

* EI loss ratio is calculated based on the figures from Apr. to Sep. for each year.

Assets Under Management (MSI/ADI) as of the end of Sep. 2015

(¥bn)

	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	FY2014		As of Sep. 30, 2015		FY2014		As of Sep. 30, 2015	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	6,320.8	100.0%	6,489.1	100.0%	3,103.4	100.0%	3,032.0	100.0%
Deposits, etc.	400.2	6.3%	1,079.8	16.6%	135.6	4.4%	144.5	4.8%
Bonds	2,037.8	32.2%	1,812.8	27.9%	940.2	30.3%	947.6	31.3%
Foreign securities	896.8	14.2%	883.8	13.6%	691.0	22.3%	681.4	22.5%
Foreign bonds	281.7	4.5%	271.1	4.2%	511.5	16.5%	500.3	16.5%
Foreign stocks	438.8	6.9%	437.7	6.7%	96.1	3.1%	94.7	3.1%
Foreign investment trusts	176.0	2.8%	174.9	2.7%	83.4	2.7%	86.3	2.8%
Stocks	2,247.7	35.6%	1,999.4	30.8%	898.3	28.9%	825.2	27.2%
Other securities	22.9	0.4%	25.8	0.4%	43.3	1.4%	44.6	1.5%
Loans	498.6	7.9%	471.9	7.3%	226.2	7.3%	223.3	7.4%
Land & buildings	216.5	3.4%	215.2	3.3%	168.5	5.4%	165.0	5.4%

*Based on financial statement categorization

Assets Under Management (MSI Aioi Life / MSI Primary Life) as of the end of Sep. 2015

MS&AD

(¥bn)

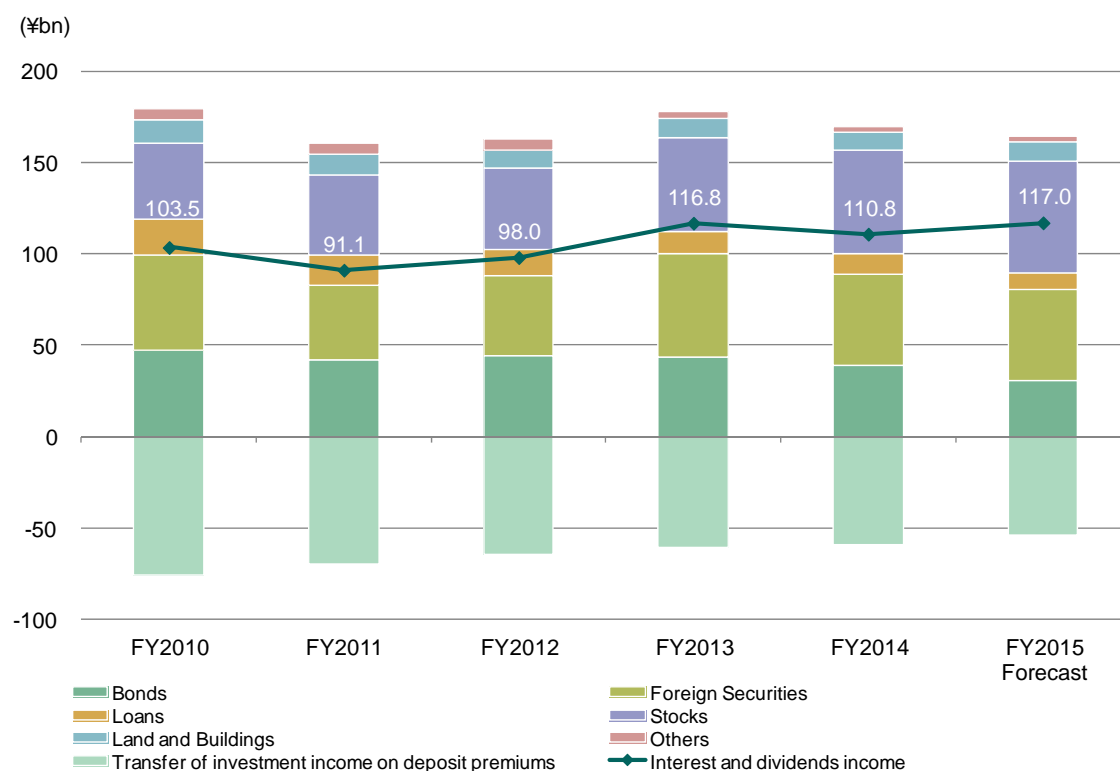
	MSI Aioi Life				MSI Primary Life (General account)			
	FY2014		As of Sep. 30, 2015		FY2014		As of Sep. 30, 2015	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	2,951.6	100.0%	3,015.6	100.0%	1,913.4	100.0%	2,092.9	100.0%
Deposits, etc.	350.8	11.9%	301.9	10.0%	676.0	35.3%	※ 909.7	43.5%
Bonds	2,358.1	79.9%	2,438.0	80.8%	109.5	5.7%	121.9	5.8%
Foreign securities	184.9	6.3%	217.4	7.2%	1,127.1	58.9%	1,047.2	50.0%
Stocks	1.6	0.1%	1.5	0.1%	-	-	-	-
Other securities	4.0	0.1%	3.6	0.1%	0.0	0.0%	5.0	0.2%
Loans	51.2	1.7%	52.2	1.7%	0.4	0.0%	8.8	0.4%
Land & buildings	0.6	0.0%	0.6	0.0%	0.3	0.0%	0.2	0.0%

* Deposits, etc. of ¥909.7 billion includes Money Trusts ¥700.4 billion

*Based on financial statement categorization

Domestic Non-life : Breakdown for Interest and Dividends Income

MS&AD



* Simple sum of non consolidated figures for MSI and ADI, only for FY2010 simple sum of non consolidated figures for MSI, Aioi and NDI

Progress of Reorganization by Function

MS&AD

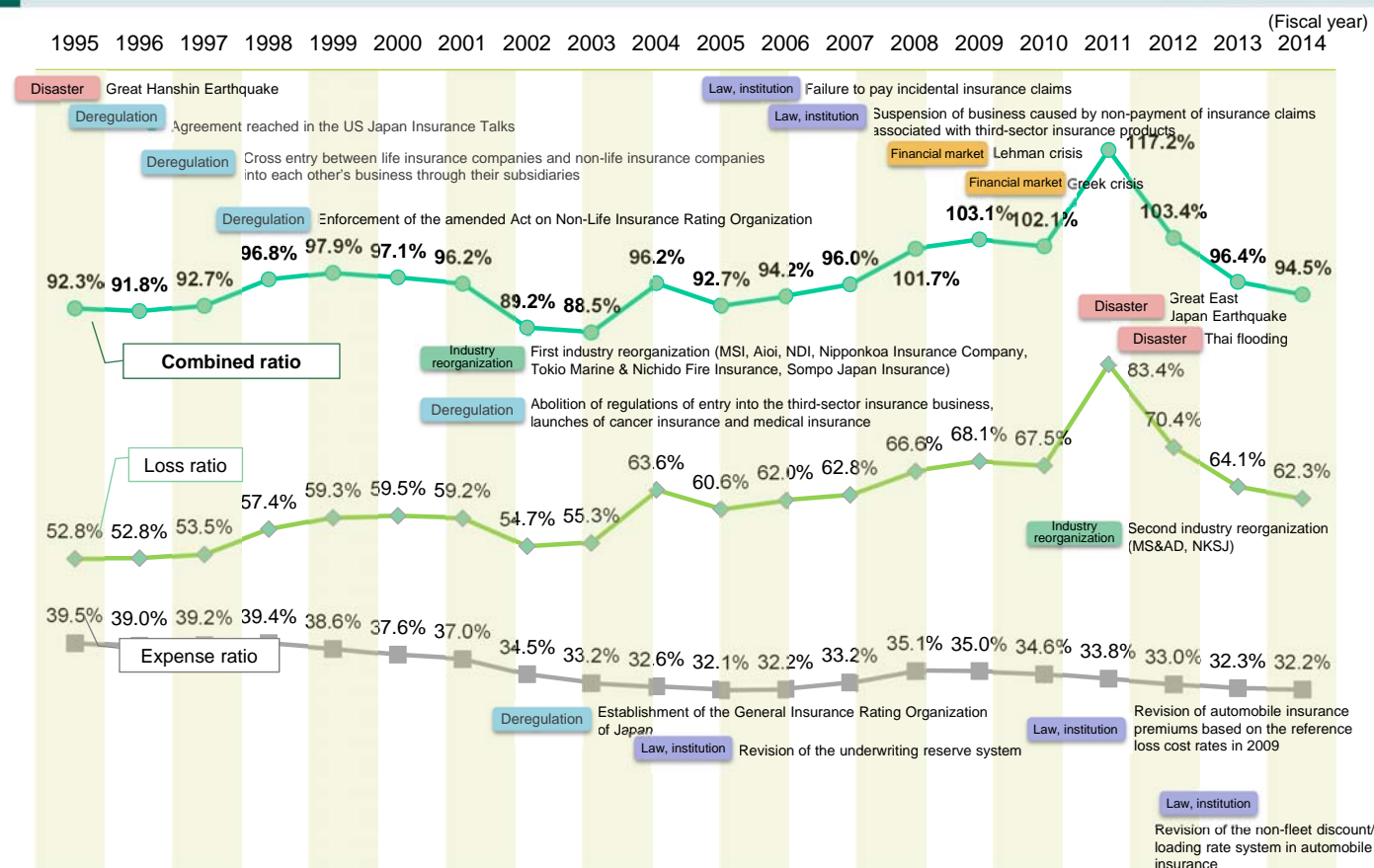
Progress in Stage 1 of "Next Challenge 2017"

- Actions planned in each area of reorganization were mostly completed in Stage1, with the exception of "Transfer of third-sector long-term contracts held," which is due to be implemented in FY2019
- In Stage 2, the Group will aim for further demonstration of synergies and further advances in reorganization by function.

		Schedule	Progress
Reorganization of business / sales channels	Migration of hull , aviation and aerospace insurance	Apr. 1, 2014 – Mar. 31, 2015	- Completed migration of contracts
	Migration of cargo and transportation insurance	Oct. 1, 2014- Sept. 30, 2015	
	Migration of insurance contracts handled by MSI motor channel agencies, which have ADI as a main business partner	Oct. 1, 2014 -	- Completed actions with respect to more than 90% of agencies that handle contracts to be migrated.
Consolidation of local sales networks and bases, and joint use of basis	Consolidation of sales networks and bases	Apr. 1, 2015- (Oct. 1, 2014 - in a certain region)	- Achieved joint use, consolidation and integration at around 70 bases as of the end of September 2015, and plan to continue phasing this in in the future.
	Joint use of bases	Oct. 1, 2013-	
Transfer of third-sector long-term contracts	Centralization of new contracts	Apr. 1, 2014 -	- In FY2014, which was the first fiscal year of transfer, premium income (AAP) related to life insurance long-term medical care increased around 40% year on year.
	Entrustment of services related contracts held	Jan. 1, 2015-	- Began entrustment of services as planned and implemented service operations smoothly.
	Transfer of contracts held	Apr. 1, 2019-	- Formulated general execution plan, and started computer system development.
Reorganization of international business		Apr. 1, 2014 -	- Gradually implemented migration of contracts for Japanese corporate clients in the Americas, Europe, Russia, Australia and other regions.
Reorganization of headquarters' functions and enhancing governance of the Holding Company		Oct. 1, 2013 -	- Consolidated human resources/general affairs, risk management, audit, international supervisory, compliance and asset management administration functions.

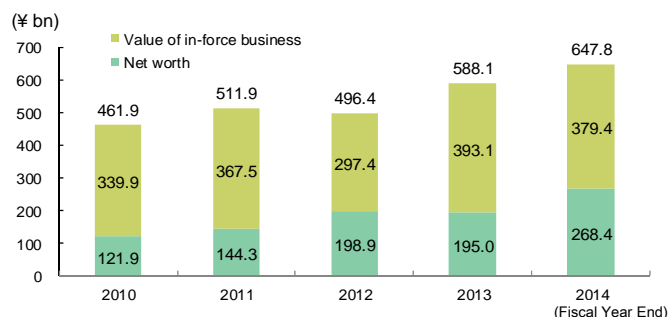
Trends in Combined Ratio (W/P) in the Domestic Non-life Insurance Industry

MS&AD

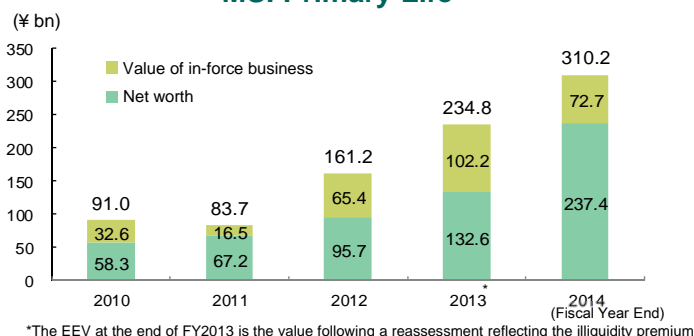


Trends in Embedded Value (from end of FY2010 to end of FY2014) MS&AD

MSI Aioi Life



MSI Primary Life



*The EEV at the end of FY2013 is the value following a reassessment reflecting the illiquidity premium

Changes in FY2014 (¥ bn)

Factor	Change
Value of new business in FY2014	+50.4
Projected earnings (risk-free rate)	+8.1
Projected earnings (extra earnings)	+0.6
Difference between assumptions (non-economic) and results	-0.9
Changes in assumptions (non-economic)	+8.0
Difference between assumptions (economic) and results	-17.5
Other changes relating to business	-1.9
Other changes not relating to business	+12.9
Total	+59.7

* Figures prior to FY2011 is the simple sum of those for MSI Kiremeki Life and Aioi Life.

EEV Sensitivity at End of FY2014 (¥ bn)

Assumption	Change
Risk-free rate Up 50 bp	+34.2
Risk-free rate Down 50 bp	-34.0
Value of stocks and real estate Down 10%	-0.3
Expense rate (maintenance cost) Down 10%	+17.2
Termination and lapse ratio Down 10%	+2.5
Frequency of insured events (death insurance) Down 5%	+25.4
Frequency of insured events (annuity insurance) Down 5%	-0.0
Implied volatility of stocks and real estate Up 25%	+0.0
Implied volatility of interest rate swaptions Up 25%	-24.1
Capital requirement changed to the legal minimum level	+6.4

Changes in FY2014 (¥ bn)

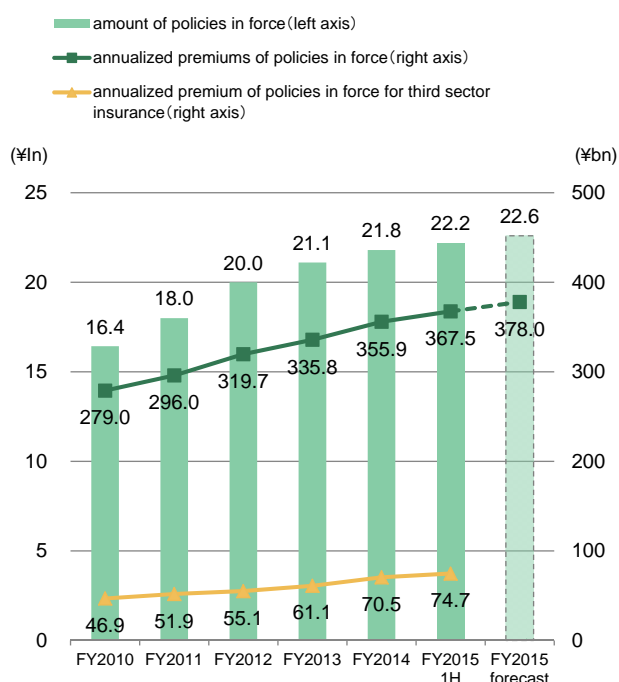
Factor	Change
Reassessment after reflection of the illiquidity premium	+1.8
Adjustment for EEV as of end of FY2013	-1.9
Value of new business in FY2014	+26.2
Projected earnings (reference rate)	+7.6
Projected earnings (extra earnings)	+4.7
Difference between assumptions (non-economic) and results	-6.6
Changes in assumptions (non-economic)	+6.2
Difference between assumptions (economic) and results	+35.8
Other changes relating to business	-
Other changes not relating to business	+3.2
Total	+75.3

EEV Sensitivity at End of FY2014 (¥ bn)

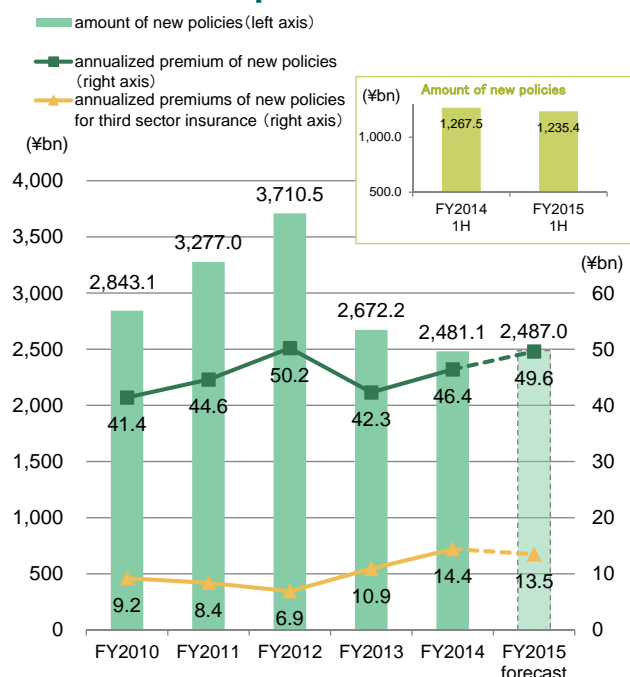
Assumption	Change
Risk-free rate Up 50 bp	-1.2
Risk-free rate Down 50 bp	+2.4
Value of stocks and real estate Down 10%	-4.9
Expense rate (maintenance cost) Down 10%	+4.4
Termination and lapse ratio Down 10%	-0.1
Frequency of insured events (death insurance) Down 5%	+0.2
Frequency of insured events (annuity insurance) Down 5%	+0.1
Implied volatility of stocks and real estate Up 25%	-3.3
Implied volatility of interest rate swaptions Up 25%	-1.9
Capital requirement changed to the legal minimum level	+3.3
The illiquidity premium is not reflected	-3.4

Trends in Amount of Policies and Annualized Premiums (MSI Aioi Life) MS&AD

Amount of policies in force and annualized premium in force



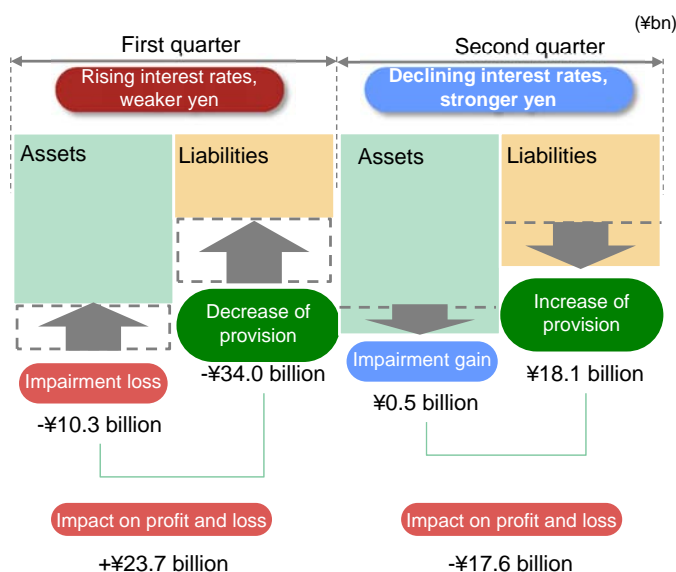
Amount of new policies and annualized premiums of new policies



Impact of Interest Rates and Foreign Exchange Rate (MSI Primary Life)

- Revenues from MSI Primary Life's foreign currency-denominated fixed products of also fluctuates according to fluctuations in interest rate and foreign exchange rates.
- In the first half of FY2015, interest rates in Australia, which account for a large proportion of contracts, rose from the end of last fiscal year, leading to a profit of ¥22.4 billion, mainly due to a decrease in the provision for underwriting reserves, etc.
- On the other hand, stronger yen against Australian dollar caused ¥16.3 billion loss, mainly due to impairment loss on the assets.

	¥bn		
	1Q	2Q	Total at end of 2Q
Impact of interest rates	25.8	-3.4	22.4
Inc. cost of underwriting reserves (Impact on profit and loss)	36.2	-13.3	22.9
Inc. impairment gain/loss on the securities	-10.4	9.9	-0.5
Impact of foreign exchange rates	-2.1	-14.2	-16.3
Inc. cost of underwriting reserves (Impact on profit and loss)	-2.2	-4.8	-7.0
Inc. impairment gain/loss on the securities	0.1	-9.4	-9.3
Total	23.7	-17.6	6.1
Inc. cost of underwriting reserves (Impact on profit and loss)	34.0	-18.1	15.9
Inc. impairment gain/loss on the securities	-10.3	0.5	-9.8



Summary of International Business

Net premiums written (non-life insurance)

(¥bn)

	FY2014 1H	FY2015 1H		FY2015 Full Year (Forecast)		
			YoY change		Change	Change form. initial
Overseas Business Total *1	214.6	247.1	32.4	467.2	51.2	- 11.3
Asia	116.7	133.6	16.9	259.6	22.4	- 13.5
Europe	56.3	65.6	9.3	123.1	23.5	1.8
Americas	31.1	36.2	5.0	70.9	4.6	- 0.1
Reinsurance	13.7	14.3	0.5	19.6	0.5	- 1.7

Net income/(loss) *2

(¥bn)

	FY2014 1H	FY 2015 1H		FY2015 Full Year (Forecast)		
			YoY change		Change	Change from initial
International Business Total *1	20.2	16.4	- 3.8	25.0	- 13.2	- 1.0
Asia	13.2	7.9	- 5.2	15.0	- 11.0	- 2.4
Europe	2.7	- 4.9	- 7.7	- 3.6	- 9.3	- 1.7
Americas	- 1.1	7.0	8.2	4.7	12.6	1.0
Reinsurance	4.1	5.7	1.5	10.1	- 1.0	2.8
Asian Life Insurance Business *3	2.7	3.5	0.7	5.2	- 0.2	- 0.8

* International Business: The figures are aggregates of the results for overseas consolidated subsidiaries, non-life insurance companies' overseas branches and overseas non-consolidated affiliates.

*1 Figures in the "total" rows include head office adjustments etc. and are not equal to the sum of figures for each segment and each region.

*2 Group Core Profit basis *3 Including Takaful business

(%)

	FY2011			FY2012			FY2013			FY2014			Net premium written (¥bh)
	Growth rate	Combined ratio	ROE	Growth rate	Combined ratio	ROE	Growth rate	Combined ratio	ROE	Growth rate	Combined ratio	ROE	
Malaysia	27.7	87.6	21.9	3.4	86.2	21.8	7.9	82.7	20.4	7.5	80.9	19.3	40.9
Thailand	3.3	1,473.3	- 3,060.8	35.6	- 17.9	139.8	18.7	15.1	66.5	- 10.3	91.7	20.2	32.0
Taiwan	4.2	88.8	5.1	5.1	93.9	5.3	1.6	95.6	8.1	3.7	90.9	10.2	31.2
China	39.7	94.1	2.1	18.2	115.2	- 2.4	9.1	114.5	- 4.9	80.0	100.5	0.8	29.4
India	36.3	105.0	6.6	34.3	106.9	15.8	15.0	109.7	13.8	1.2	105.5	21.1	29.3
Singapore	11.5	88.4	12.2	2.3	88.9	18.2	4.9	85.8	13.4	1.8	81.8	13.3	24.4
Hong Kong	14.3	91.8	15.3	6.6	107.4	- 8.7	3.8	97.9	10.9	5.1	93.3	12.1	13.9
Philippines	10.8	74.4	21.9	7.3	77.8	25.0	9.2	91.1	26.5	11.6	71.0	21.7	7.8
Indonesia	17.4	72.4	26.7	- 0.0	76.4	31.7	13.8	106.2	31.7	20.1	68.9	27.1	7.5
Vietnam	36.7	78.9	11.4	10.6	125.4	4.8	3.5	383.1	10.8	22.2	101.2	6.9	1.7

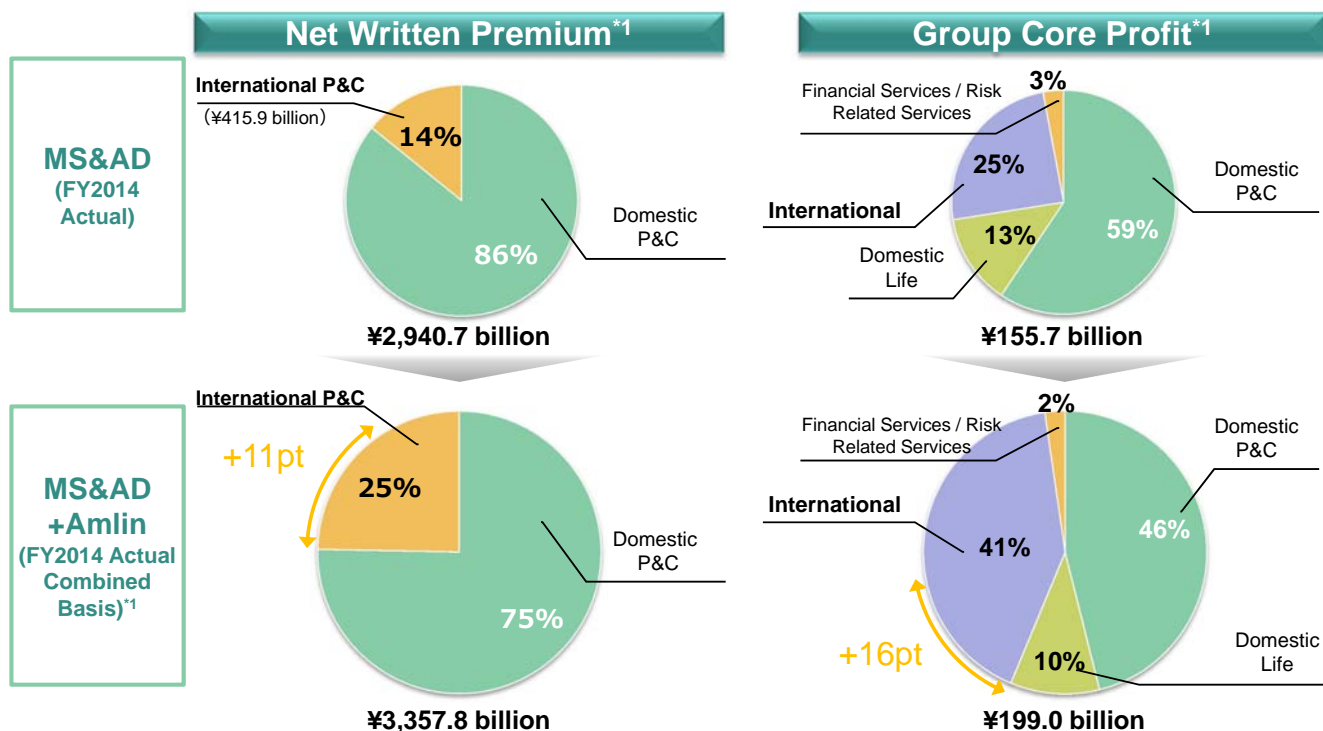
- * International Business: The figures are aggregates of the results for overseas consolidated subsidiaries, non-life insurance companies' overseas branches and overseas non-consolidated affiliates.
- * Growth rates are calculated in local currencies.
- * Growth rate, combined ratio, and ROE for each region are calculated using the sum of figures for the bases of MSI and overseas consolidated subsidiaries and affiliates of ADI.
- The effect of reinstatement premiums of reinsurance due to the flooding is excluded in the calculation of the growth rate and net premiums written for Thailand.
- ROE for Taiwan is adjusted to local Accounting basis (ROE in FY2013, 7.3% on the handouts of the last Information Meeting is amended to 8.1%)

Overview of the Proposed Amlin Transaction (announced on Sep. 8, 2015)

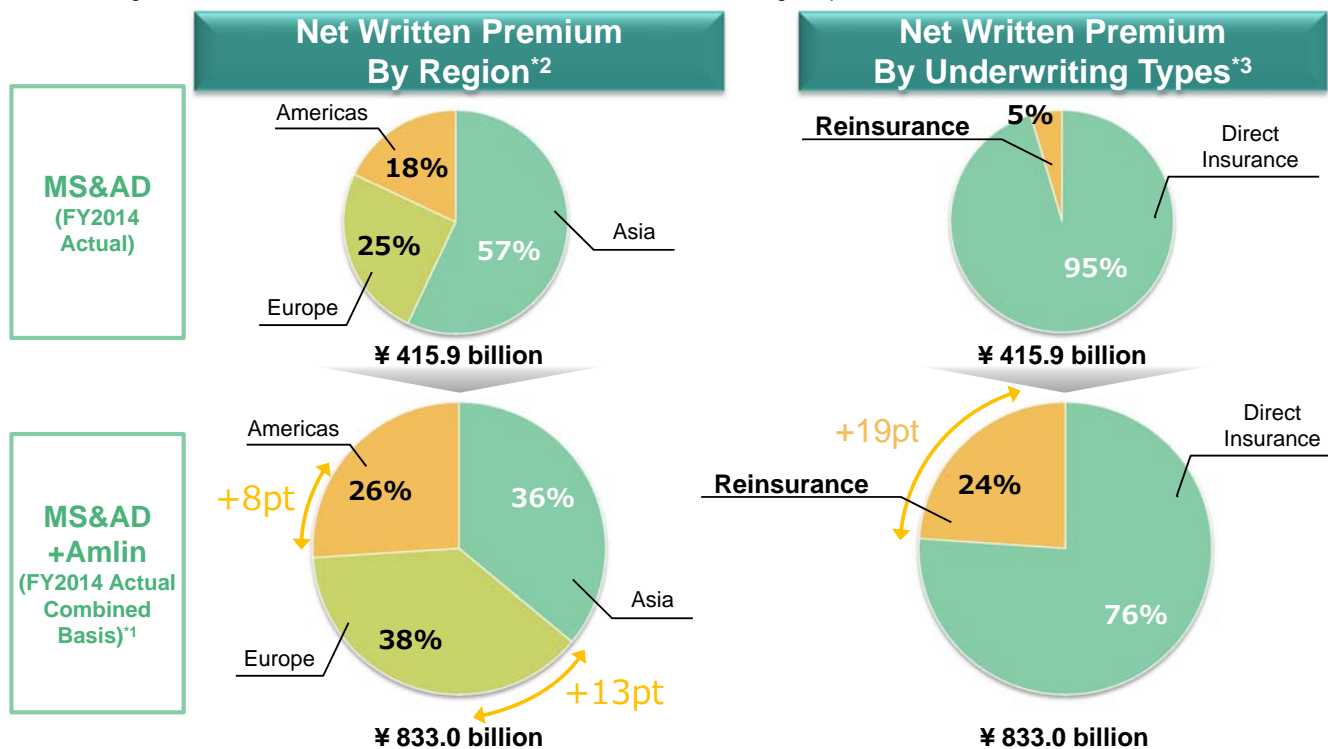
Proposed Transaction	MSI to acquire 100% of Amlin's issued share capital in cash (To be implemented by way of "scheme of arrangement" under English law)
Purchase Price Per Share / Aggregate Purchase Price	670 pence per Amlin share Equity value of approximately £ 3,468 million (¥ 635 billion)** (Amlin's shareholders entitled to receive dividend of 8.4 pence declared on August 24 th 2015)
Multiple	2.4x to Amlin's tangible assets as of end of 2Q FY2015
Premium	36.0% over the closing share price of 492.5 pence on 7 th September 2015 32.9 % to the volume weighted average share price(504.2 pence) for the 1 month up to and including 7 th September 2015
Impact on Goodwill	Approximately ¥ 374 billion (Aggregate Purchase Price – Net Tangible Assets of Amlin (2Q 2015))**
Sources of Funds	Cash on hand and external funding * No plan for equity financing
Next Steps	Approval from Amlin shareholders' meeting (Held and approved on 3 Nov. 2015**) Approval from regulatory authorities
Expected Timing of Closing	In 4Q FY2015 (January - March 2016)

* 1£=¥183 ** Announced on 4 Nov 2015

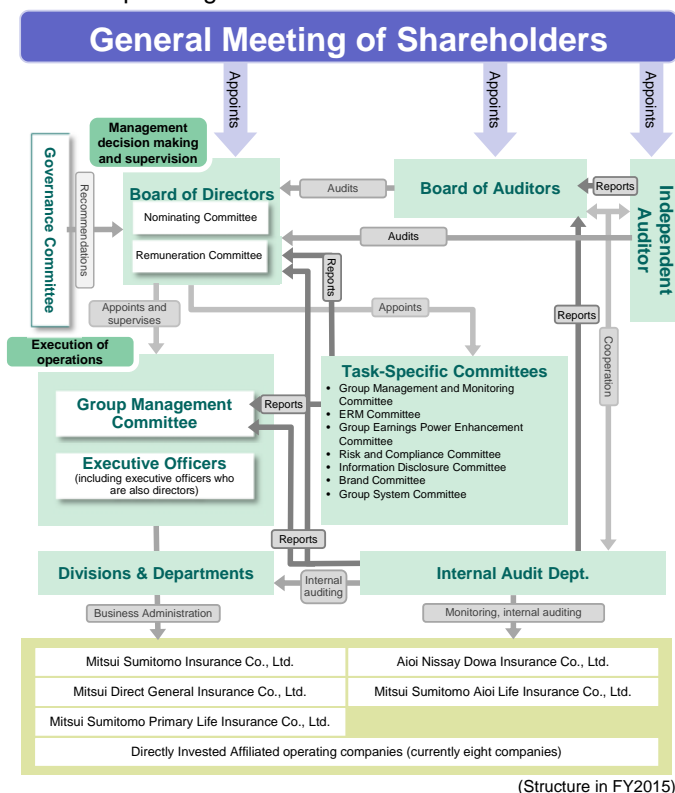
- Shift from a business portfolio dependent on domestic P&C on both the top and bottom line, to a well-balanced business portfolio across domestic P&C insurance, domestic life insurance and international business



- Shift from an Asia-focused portfolio to a balanced portfolio across Asia, Europe and the Americas
- Strengthen the balance between direct insurance and reinsurance through expansion of reinsurance business



● Corporate governance structure



June 2015: Enacted Basic Policies on Corporate Governance
November 2015: Revised Basic Policy for Strategic Equity Holdings
Clarified policy of reducing strategic equity holdings.

The Governance Committee is established under the Board of Director. The members are all (four) outside directors, the Chairman of the Board, and the President & CEO. The chairperson of the committee is an outside director.

Of 12 directors, four directors are outside directors. Of five auditors, three are outside auditors. **(Independent outside directors are a third of the directors.)**

-> All independent outside directors are independent officers meeting the requirements specified by the Tokyo and the Nagoya Stock Exchange.

The outside directors consist of two attorneys-at-law, and two corporate managers (three men and one woman). The group's outside audit & supervisory board members consist of one certified public accountant and two attorneys-at-law.

-> During the first half of FY2015, eight Board meetings were held. The average attendance rate of outside directors and outside audit & supervisory board members was about 90%.

The Board of Directors has two internal committees: the Nominating Committee and the Remuneration Committee.

-> The chairperson and a majority of the members of each of the committees are outside directors.

Under the executive officer system, the roles of the Board of Directors, which makes management decisions and supervises, and the Executive Officers, who execute operations, are clarified. A stock option system will be applied to the Directors and the Executive Officers.

Change in Policy for Strategic Equity Holdings

- The Group changed its policy for strategic equity holdings described in the Corporate Governance Report released on June 22 as follows.
- Disclosure Item on Corporate Governance Code Principle 1.4 / Policy for Cross-Shareholdings

a. MS&AD Insurance Group Basic Policy for Strategic Equity Holdings

Strategic equity holdings is shares held under the assumption of long-term holding for the purpose of long-term increase of asset value and maintaining and strengthening comprehensive business relationships with issuers, etc.

We have adopted a policy to reduce the aggregate amount of our strategic equity holdings, aiming to build a solid financial base less affected by fluctuations in stock prices and to improve the capital efficiency (Note 1).

The economic rationale for holding strategic equities is assessed from the perspective of the equity issuers' growth potential and profitability and the medium- to long-term business relationship (Note 2).

If the rationale is not confirmed, we shall proceed with sales of those strategic equity holdings after obtaining the equity issuers' understanding. Otherwise, we may sell our holdings, taking into account the market environment and our business and financial strategies.

(Note 1) The Group's strategic equity holdings of ¥500 billion is planned to be sold over the 4 years from FY2014 to FY2017. We shall proceed with sales of our holdings based on the planning.

(Note 2) Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance shall examine economic rationale of their major strategic equity holdings. The results of these examinations shall be reported to MS&AD's Board of Directors.

b. Criteria for Ensuring Appropriate Handling of the Exercise of Voting Rights Pertaining to Strategic Equity Holdings

The basic policy on the exercise of voting rights for strategic equity holdings is as follows.

(Hereinafter, unchanged.)

The parts underlined have been changed.

Dialogues with issuing entities

- In FY2014, the Company initiated constructive dialogues with the companies in which it invests.
- In these dialogues, the Company and the companies in which it invests confirmed and exchanged information mainly on the following topics and sought a shared understanding.

Outline of dialogues with issuing entities

Financial results	- Latest financial results - Earnings forecast for the next fiscal year and thereafter
Management strategies	- Medium-to-long-term management strategies - Issues to be addressed, etc.
Shareholder returns	- Policy on improving capital productivity - Shareholder returns policy, including dividends and share buybacks
Business risks	- Policy on actions to deal with business risks, social and environmental risks, etc.
Governance	- Governance structure and policy including introduction of Outside Directors - Reasons for appointment of Outside Directors and their expected role - Policy on Information Disclosure and IR, etc.

Exercise of voting rights

Basic policy on the exercise of voting rights

- The exercise of voting rights is an important means of influencing the management of the company that the voters invest in and improving enterprise value.
- The Group will make decisions, taking into account the improvement of enterprise value and shareholder returns in the medium-to-long term instead of making decisions based solely on typical and short-term criteria.

Typical proposals not agreed with
(Interim period of FY2015)

Proposal not agreed with	Reason for not agreeing
Proposal on appointment of Director	An Outside Director candidate is not appointed, and there is no good reason for not appointing a candidate.
Proposal on amendments to Articles of Incorporation	Amendment to the Articles of Incorporation to subject the appropriation of retained earnings to the examination of the Board of Directors, which is likely to be damaging to the interests of general shareholders.
Proposal on the issue of new share subscription rights	There is no good reason to grant new share subscription rights to directors resulting in a substantial dilution of shares.

Trends in Stock Price-Related Indices

	End of FY2010	End of FY2011	End of FY2012	End of FY2013	End of FY2014	End of FY2015 (Forecast, End of Sep. 2015) *1
Group Core Profit (¥bn)	14.5	-87.5	87.4	94.8	155.7	130.0
Net Income (¥bn)	5.4	-169.4	83.6	93.4	136.2	157.0
Earnings per share (EPS) (¥)	8.68	-272.49	134.46	150.58	221.34	258.23
Stock price (closing price) (¥)	1,894	1,699	2,066	2,364	3,370	3,193
Rate of change*1	-27.0%	-10.3%	21.6%	14.4%	42.6%	-5.3%
(For reference) TOPIX Rate of change	-11.2%	-1.7%	21.1%	16.3%	28.3%	-8.6%
Book-value per share (BPS) (¥)	2,597.19	2,400.48	3,215.33	3,646.22	4,911.40	4,599.97
Price book-value ratio (PBR)	0.73	0.71	0.64	0.65	0.69	0.69
Price earnings ratio (PER)	218.20	—	15.36	15.70	15.23	12.36

*1 Figures for FY2015 of stock price, rate of change, TOPIX rate of change, BPS, PBR and PER as of end of Sep. 2015.

*2 Rate of change is a percentage change from the end of the previous fiscal year.

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MS&AD Insurance Group Holdings, Inc.

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Reference Materials



Summary of First Half FY2015 Financial Results and Projected Financial Results for FY2015



Summary of First Half FY2015 Financial Results (MS&AD Holdings (Consolidated))	Appendix 1
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Projected Financial Results for FY2015 (MS&AD Holdings (Consolidated))	Appendix 2
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Key financial data

(¥bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Change Ratio
Net premiums written	1,486.3	1,620.0	133.6	9.0%
Ordinary profit/(loss)	158.0	122.4	- 35.6	- 22.6%
Net income/(loss)	109.6	86.0	- 23.6	- 21.6%

* 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.

* Consolidated net income for FY 2015 1H represents net income attributable to owners of the parent.

Breakdown of net premiums written

(¥bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Growth
Mitsui Sumitomo Insurance (Non-consolidated)	729.1	801.5	72.4	9.9%
Aioi Nissay Dowa Insurance (Non-consolidated)	583.6	613.5	29.8	5.1%
Mitsui Direct General Insurance	17.1	18.1	1.0	5.9%
Overseas subsidiaries	153.4	183.3	29.8	19.5%

Breakdown of net income

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Mitsui Sumitomo Insurance (Non-consolidated)	50.5	44.8	- 5.6
Aioi Nissay Dowa Insurance (Non-consolidated)	46.5	14.4	- 32.1
Mitsui Direct General Insurance	- 0.5	- 1.2	- 0.7
MSI Aioi Life	3.4	5.1	1.6
MSI Primary Life	8.1	21.1	12.9
Overseas subsidiaries	17.0	14.3	- 2.6
Consolidation adjustments and others	- 15.5	- 12.6	2.9

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

MS&AD Insurance Group Holdings, Inc.

(Net premiums written)

- Group consolidated net premiums written totaled 1,620.0 billion yen, a significant increase of 133.6 billion yen, or 9% year on year.
- Breakdown of net premiums written
 - Net premiums written at MSI increased by 72.4 billion yen (up 9.9%), at ADI increased by 29.8 billion yen (up 5.1%), and at Mitsui Direct General increased by 1.0 billion yen (up 5.9%).
 - Net premiums written increased by 29.8 billion yen (up 19.5%) year on year due to significant increases in all regions such as Asia and Europe.

(Net income)

- Interim net income totaled 86.0 billion yen, a year on year decrease of 23.6 billion yen.
- Breakdown by company
 - Although the gain on sales of securities increased at MSI, net income decreased by 5.6 billion yen to 44.8 billion yen due to a decrease in the reversal of the catastrophe reserve and a decrease in underwriting as a result of increased incurred loss from natural catastrophes.
 - Net income at ADI decreased by 32.1 billion yen to 14.4 billion yen due to a decrease in underwriting profit as a result of a decrease in the reversal of the catastrophe reserve and increased incurred loss from natural catastrophes, in addition to the posting of 10 billion yen in extraordinary income associated with reorganization by function in the same period of the previous year (eliminated in consolidated accounting).
 - Underwriting profit increased for both MSI and ADI after excluding natural catastrophes and gains and losses on catastrophe reserves.
 - MSI Aioi Life's net income increased by 1.6 billion yen to 5.1 billion yen due to an increase in life insurance premiums and an increase in dividend income.
 - MSI Primary Life's net income increased by 12.9 billion yen to 21.1 billion yen due mainly to a decrease in the provision for underwriting reserve stemming from a rise in Australian interest rates.
 - Overseas subsidiaries' net income decreased by 2.6 billion yen year on year to 14.3 billion yen.

Key financial data

(¥bn)

	FY2014	FY2015 (Forecast)		
			YoY Change	Change Ratio
Net premiums written	2,940.7	3,095.0	154.2	5.2%
Ordinary profit/(loss)	287.0	245.0	- 42.0	-14.7%
Net income/(loss)	136.2	157.0	20.7	15.2%

Breakdown of net premiums written

(¥bn)

	FY2014	FY2015 (Forecast)		
			YoY Change	Growth
Mitsui Sumitomo Insurance (Non-consolidated)	1,445.8	1,521.0	75.1	5.2%
Aioi Nissay Dowa Insurance (Non-consolidated)	1,160.8	1,191.0	30.1	2.6%
Mitsui Direct General Insurance	35.0	36.3	1.2	3.5%
Overseas subsidiaries	293.2	341.0	47.7	16.3%

Breakdown of net income

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Mitsui Sumitomo Insurance (Non-consolidated)	89.1	104.0	14.8
Aioi Nissay Dowa Insurance (Non-consolidated)	39.4	31.0	-8.4
Mitsui Direct General Insurance	-3.1	-2.4	0.7
MSI Aioi Life	4.4	3.0	-1.4
MSI Primary Life	12.4	17.0	4.5
Overseas subsidiaries	35.0	27.0	-8.0
Consolidation adjustments and others	-41.0	-22.6	18.4

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

MS&AD Insurance Group Holdings, Inc.

(Net premiums written)

- Group consolidated net premiums written are forecast to be 3,095.0 billion yen, an increase of 154.2 billion yen or 5.2% year on year.
- Breakdown of net premiums written
 - MSI forecasts 1,521.0 billion yen, an increase of 75.1 billion yen year on year.
 - ADI forecasts 1,191.0 billion yen, an increase of 30.1 billion yen.
 - Mitsui Direct General forecasts 36.3 billion yen, an increase of 1.2 billion yen.
 - Overseas subsidiaries forecast 341.0 billion yen, an increase of 47.7 billion yen.

(Ordinary profit)

- Ordinary profit is forecast to decrease by 42.0 billion yen to 245.0 billion yen. Ordinary profit is expected to decrease in the two core non-life insurance companies, due to an increase in incurred losses related to natural catastrophe and commissions paid in association with increased fire insurance revenue, in addition to gains on sales corresponding to the additional provision for the price fluctuation reserve.

(Net income)

- Net income is forecast to increase by 20.7 billion yen year on year to 157.0 billion yen.
- Breakdown of net income
 - MSI expects net income to increase by 14.8 billion yen year on year to 104.0 billion yen.
 - ADI expects net income to decrease by 8.4 billion yen year on year to 31.0 billion yen due to extra retirement payments associated with the implementation of the career assistance plan being incorporated as an extraordinary loss.
 - Mitsui Direct General expects net income to increase by 0.7 billion yen year on year to a loss of 2.4 billion yen.
 - MSI Aioi Life expects net income to decrease by 1.4 billion yen to 3.0 billion yen.
 - MSI Primary Life expects net income to increase by 4.5 million yen to 17.0 billion yen.
 - Overseas subsidiaries' net income is expected to decrease by 8.0 billion yen year on year to 27.0 billion yen.
 - Consolidation adjustments, etc. are expected to rise by 18.4 billion yen to a negative 22.6 billion yen, due to the consolidated elimination of transfer consideration for reorganization by function in the previous period.

Summary of First Half FY2015 Financial Results

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MSI (Non-consolidated)	Appendix 3
MSI (Non-consolidated): Premiums and Loss Ratios by Product Line	Appendix 4
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MSI (Non-consolidated): Investment Performance	Appendix 6
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MSI (Consolidated)	Appendix 15

Key financial data

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Net premiums written	729.1	801.5	72.4
Growth rate of net premiums written	4.1%	9.9%	5.8pt
Net loss ratio	61.5%	52.7%	-8.8pt
Net expense ratio	31.5%	29.8%	-1.7pt
Combined ratio	93.0%	82.5%	-10.5pt
Incurred losses (including loss adjustment expenses)	431.4	452.1	20.7
Underwriting profit/(loss)	28.5	-2.5	-31.0
Net investment profit/(loss)	44.3	61.9	17.5
Ordinary profit/(loss)	71.2	57.2	-14.0
Extraordinary income/(loss)	-0.2	-1.8	-1.6
Net income/(loss)	50.5	44.8	-5.6
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	3.6%	10.6%	7.0pt
Net loss ratio	58.6%	49.4%	-9.2pt
Net expense ratio	33.6%	31.6%	-2.0pt
Combined ratio	92.2%	81.0%	-11.2pt

• Net loss ratio is on a "written-to-paid" basis.

CALI stands for Compulsory Automobile Liability Insurance, same hereafter.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 9.9% year-on-year.
 - Rush demand for fire insurance before the revision of fire insurance had a significant impact on increasing net premiums written, but other lines also increased steadily.
- The net loss ratio improved with a decrease of 8.8 points year on year.
- The net expense ratio decreased by 1.7 points due to an improvement in the net company expense ratio associated with an increase in net premiums written.
- The combined ratio improved by falling 10.5 points year on year to 82.5%.
- Incurred loss increased by 20.7 billion yen year on year due to the impact of Typhoon No. 15 (Goni) and Typhoon No. 18 (Etau).
- Underwriting loss was 2.5 billion yen, a decrease of 31.0 billion yen year on year.
 - This was due to an increase in incurred loss and a decrease in the reversal of the catastrophe reserve.
- The net investment gain increased by 17.5 billion yen year on year to 61.9 billion yen.
 - This was due to gains on sales of securities increasing as a result of an increase in gains on sales of domestic stocks.
- As a result of the above, ordinary profit decreased by 14.0 billion yen year on year to 57.2 billion yen.
- Extraordinary income decreased by 1.6 billion yen year on year.
- Interim net income decreased by 5.6 billion yen year on year to 44.8 billion yen.

[Reference: Non-consolidated solvency margin ratio]

	End of FY2014	End of FY2015 1H	
			Change
Non-consolidated solvency margin ratio	651.5%	631.6%	-19.9pt

Net premiums written

(¥bn)

	FY2014 1H	FY2015 1H	
			Growth
Fire and allied	106.9	151.8	41.9%
Marine	31.9	35.4	11.2%
Personal accident	78.3	74.2	-5.2%
Voluntary automobile	313.9	325.6	3.7%
CALI	90.6	95.6	5.5%
Other	107.2	118.7	10.7%
Total	729.1	801.5	9.9%
Excluding residential earthquake insurance and CALI	638.1	705.5	10.6%

Net loss ratio

	FY2014 1H	FY2015 1H	
			YoY Change
Fire and allied	79.2%	39.7%	-39.5pt
Marine	49.4%	49.6%	0.2pt
Personal accident	55.9%	54.5%	-1.4pt
Voluntary automobile	59.2%	56.1%	-3.1pt
CALI	81.6%	77.6%	-4.0pt
Other	41.0%	40.0%	-1.0pt
Total	61.5%	52.7%	-8.8pt
Excluding residential earthquake insurance and CALI	58.6%	49.4%	-9.2pt

Incurred losses

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Incurred losses (including loss adjustment expenses) ^{*1}	431.4	452.1	20.7
Natural catastrophes ^{*2}	11.0	35.2	24.1
Other than natural catastrophes	420.3	416.8	-3.4

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

*2: "Natural catastrophes" include domestic natural disasters occurring in the fiscal year and heavy snowfalls occurred in Feb. 2014 in Japan, and floods in Thailand occurred in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small (the impact for FY 2014 1H : 0.0 billion yen).

MS&AD Insurance Group Holdings, Inc.

(Net premiums written)

- Net premiums written for fire insurance increased by 41.9% due to the impact of rush demand before the revision of products.
- Net premiums written for marine insurance increased by 11.2% due to the impact of policies being transferred from ADI in the reorganization by function.
- Voluntary automobile insurance net premiums written increased by 3.7% mainly due to the impact of rate revisions (in October 2013 and October 2014) and maintenance of a high rate of renewals.
- "Other" increased by 10.7% due to the impact of sales of new products (Employment Injuries Compensation Insurance*) and the impact of policies being transferred from ADI in the reorganization by function.

*The successor product to a personal accident insurance product that is no longer being sold. Net premiums written for personal accident insurance decreased as a result.

(Net loss ratio)

- The net loss ratio for fire insurance decreased by 39.5 points due to the impact of insurance claims for heavy snowfalls in February 2014 included in the same period the previous year and an increase in premiums.
- The net loss ratio for auto insurance decreased by 3.1 points mainly due to an increase in premiums.

(Incurred losses including loss adjustment expenses)

- Incurred losses increased by 20.7 billion yen year on year due to the impact of Typhoon No. 15 (Goni) and Typhoon No. 18 (Etau), which occurred during the period.

[Reference: Breakdown of impact of natural catastrophes by product line]

(¥bn)

	FY2014 1H			FY2015 1H		
	Net Claims Paid	Provisions for O/S	Total	Net Claims Paid	Provisions for O/S	Total
Fire and allied	37.4	-28.2	9.1	5.3	26.0	31.4
Marine	0.0	0.0	0.0	0.0	0.1	0.1
Personal accident	0.1	-0.0	0.1	0.0	0.0	0.0
Voluntary automobile	2.9	-2.2	0.6	0.8	1.4	2.2
Other	0.9	0.1	1.1	0.0	1.4	1.4
Total	41.4	-30.4	11.0	6.2	29.0	35.2

Company expenses

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Underwriting company expenses	101.5	97.4	-4.0
Loss adjustment expenses	42.1	42.4	0.2
Other	4.5	5.2	0.6
Total company expenses	148.2	145.1	-3.1
Personnel expenses	84.4	84.0	-0.3
Non-personnel expenses	57.5	54.4	-3.1
Taxes and contributions	6.2	6.6	0.3
Commission and collection expenses	128.0	141.2	13.1

Expense ratios

	FY2014 1H	FY2015 1H	
			YoY Change
Net commission ratio	17.6%	17.6%	0.0 pt
Net company expense ratio	13.9%	12.2%	-1.7 pt
Net expense ratio	31.5%	29.8%	-1.7 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	33.6%	31.6%	-2.0 pt

MS&AD Insurance Group Holdings, Inc.

- Total company expenses decreased by 3.1 billion yen, mainly due to decreases in system expenses and depreciation expenses.
- Commissions and collection fees increased by 13.1 billion yen year on year due to an increase in net premiums written.
- The net expense ratio excluding residential earthquake insurance and CALI was 31.6%, a decrease of 2.0 points year on year.
(A breakdown is shown below.)
 - Net commission ratio: 19.5% (no change year on year)
 - Net company expense ratio: 12.1% (down 2.0 points year on year)

Net investment profit

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Interest and dividends income	56.5	53.8	-2.6
Transfer of investment income on deposit premiums	-19.7	-18.3	1.4
Net interest and dividends income	36.8	35.5	-1.2
Gains/(loss) on sales of securities	9.5	35.3	25.7
Impairment losses on securities	-3.6	-3.4	0.2
Gains/(loss) on redemption of securities	0.3	0.2	-0.1
Gains/(loss) on derivative transactions	1.6	3.9	2.2
Other	-0.4	-9.6	-9.2
Net investment profit/(loss)	44.3	61.9	17.5

Sources of interest and dividends received

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Bonds	11.4	10.6	-0.7
Stock	23.0	24.9	1.8
Foreign securities	13.3	9.1	-4.1
Other securities	1.0	1.7	0.6
Loans	3.9	3.2	-0.6
Land and buildings	2.6	3.0	0.3
Other	1.1	1.0	- 0.0
Total	56.5	53.8	-2.6

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends income decreased by 2.6 billion yen year on year due to decreases in income from interest and dividends from foreign securities and other securities and interest on bonds despite an increase in dividends from domestic stocks.
Net interest and dividend income decreased by 1.2 billion yen year on year.
- Gains on sale of securities showed an increase of 25.7 billion yen year on year due to factors such as increased gains on sales of domestic stocks.
- Losses on devaluation of securities decreased by 0.2 billion yen year on year. (A breakdown is shown below.)

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Bonds	-	-	-
Stock	0.0	3.4	3.3
Foreign securities	3.6	-	-3.6
Other securities	0.0	-	-0.0
Total	3.6	3.4	-0.2

- Gains on derivative transactions increased by 2.2 billion yen year on year.
- Others decreased by 9.2 billion yen year on year mainly due to foreign exchange losses.
- As a result of the above, net investment income totaled 61.9 billion yen, an increase of 17.5 billion yen year on year.

[Reference: Breakdown of investment assets]

(¥bn)

	End of FY2014	End of FY2015 1H	
			Change
Deposits and savings, etc.	400.2	1,079.8	679.6
Securities	5,205.3	4,722.0	-483.3
Bonds	2,037.8	1,812.8	-224.9
Stock	2,247.7	1,999.4	-248.2
Foreign securities	896.8	883.8	-12.9
Other securities	22.9	25.8	2.8
Loans	498.6	471.9	-26.6
Land and buildings	216.5	215.2	-1.3
Total	6,320.8	6,489.1	168.2

Key financial data

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Net premiums written	583.6	613.5	29.8
Growth rate of net premiums written	1.1%	5.1%	4.0 pt
Net loss ratio	63.4%	55.3%	-8.1 pt
Net expense ratio	34.9%	33.7%	-1.2 pt
Combined ratio	98.3%	89.0%	-9.3 pt
Incurred losses (including loss adjustment expenses)	351.2	360.9	9.6
Underwriting profit/(loss)	39.2	2.2	-37.0
Net investment profit/(loss)	16.9	18.6	1.6
Ordinary profit/(loss)	57.3	21.4	-35.9
Extraordinary income/(loss)	7.6	-3.3	-10.9
Net income/(loss)	46.5	14.4	-32.1
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	0.4%	5.4%	5.0 pt
Net loss ratio	60.6%	51.8%	-8.8 pt
Net expense ratio	37.2%	35.8%	-1.4 pt
Combined ratio	97.8%	87.6%	-10.2 pt

* Net loss ratio is on a "written-to-paid" basis.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 5.1% year on year across all lines mainly due to fire insurance which saw rush demand before a revision of the products, and voluntary automobile insurance which was affected by a rate revision.
- The net loss ratio improved by falling 8.1 points year on year mainly due to the decrease in insurance claims from the heavy snowfalls in February 2014.
- The net expense ratio improved by falling 1.2 points year on year mainly due to an increase in net premiums written.
- The combined ratio improved by falling 9.3 points year on year to 89.0%.
- Underwriting profit was 2.2 billion yen. It decreased by 37.0 billion yen year on year due to an increase in incurred losses arising from natural catastrophes such as typhoons and a decrease in reversal of the catastrophe reserve.
- Net investment income increased by 1.6 billion yen year on year to 18.6 billion yen.
- As a result of the above, ordinary profit decreased by 35.9 billion yen year on year, to 21.4 billion yen.
- Extraordinary profit decreased by 10.9 billion yen year on year due to factors such as the absence of the transfer consideration for reorganization by function that was recorded in the previous period.
- Interim net income decreased by 32.1 billion yen year on year to 14.4 billion yen.

[Reference: Non-consolidated solvency margin ratio]

	End of FY2014	End of FY2015 1H	
			Change
Non-consolidated solvency margin ratio	804.9%	792.9%	-12.0pt

Net premiums written

	FY2014 1H	FY2015 1H	
			Growth
Fire and allied	66.1	89.2	34.8%
Marine	5.1	2.9	-42.1%
Personal accident	36.8	34.0	-7.4%
Voluntary automobile	333.7	339.6	1.8%
CALI	84.7	87.8	3.6%
Other	56.9	59.7	4.8%
Total	583.6	613.5	5.1%
Excluding residential earthquake insurance and CALI	498.6	525.3	5.4%

Net loss ratio

	FY2014 1H	FY2015 1H	
			YoY Change
Fire and allied	83.3%	41.4%	-41.9 pt
Marine	51.0%	48.4%	-2.6 pt
Personal accident	48.0%	48.5%	0.5 pt
Voluntary automobile	59.3%	55.7%	-3.6 pt
CALI	79.6%	76.3%	-3.3 pt
Other	51.0%	47.4%	-3.6 pt
Total	63.4%	55.3%	-8.1 pt
Excluding residential earthquake insurance and CALI	60.6%	51.8%	-8.8 pt

Incurred losses

	FY2014 1H	FY2015 1H	
			YoY Change
Incurred losses (including loss adjustment expenses) ^{*1}	351.2	360.9	9.6
Natural catastrophes ^{*2}	6.2	28.3	22.0
Other than natural catastrophes	344.9	332.6	-12.3

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

*2: "Natural catastrophes" include domestic natural disasters occurring in the fiscal year and heavy snowfalls occurred in Feb. 2014 in Japan, and floods in Thailand occurred in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small (the impact for FY 2014 1H : -0.0 billion yen).

MS&AD Insurance Group Holdings, Inc.

(Net premiums written)

- Net premiums written for fire insurance increased by 34.8% due to the inclusion of rush demand before the revision of the products.
- Net premiums written for marine insurance decreased by 42.1% year on year due to factors such as the reorganization by function.
- Net premiums written for voluntary automobile insurance increased by 1.8% year on year due to the impact of a rate revision in October 2014.
- Net premiums written for compulsory automobile liability insurance increased by 3.6% year on year due to an increase in the number of automobile inspection cycles in the market.
- The changes in personal accident insurance and "Others" were mainly due to the successor product to the main personal accident insurance product for businesses being sold under "Others."

(Net loss ratio)

- The net loss ratio for fire insurance improved by falling 41.9 points mainly due to a decrease in insurance claims associated with the heavy snowfalls that occurred in February 2014.
- The net loss ratio for voluntary automobile insurance improved by falling 3.6 points year on year due to a decrease in the number of automobile accident claims handled.
- The net expense ratio excluding residential earthquake insurance and CALI improved to 51.8%, a decrease of 8.8 points year on year.

(Incurred losses)

- Although there was an improvement due to a decrease in the number of automobile accidents covered, incurred losses increased by 9.6 billion yen year on year due to the occurrence of domestic natural catastrophes such as Typhoon No. 15 (Goni) and others.

[Reference: Breakdown of impact of natural catastrophes by product line]

	FY2014 1H			FY2015 1H		
	Net Claims Paid	Provisions for O/S	Total	Net Claims Paid	Provisions for O/S	Total
Fire and allied	22.7	-17.9	4.8	4.2	20.5	24.8
Marine	—	—	—	—	—	—
Personal accident	0.0	-0.0	0.0	0.0	-0.0	0.0
Voluntary automobile	2.9	-1.9	1.0	1.2	1.2	2.5
Other	0.4	-0.1	0.3	0.0	0.9	0.9
Total	26.2	-19.9	6.2	5.5	22.7	28.3

Company expenses

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Underwriting company expenses	95.4	92.3	-3.1
Loss adjustment expenses	26.9	30.3	3.3
Other	3.6	3.7	0.0
Total company expenses	126.1	126.4	0.3
Personnel expenses	58.5	63.3	4.8
Non-personnel expenses	61.9	57.4	-4.4
Taxes and contributions	5.6	5.6	- 0.0
Commission and collection expenses	108.3	114.5	6.1

Expense ratios

	FY2014 1H	FY2015 1H	
			YoY Change
Net commission ratio	18.6%	18.7%	0.1 pt
Net company expense ratio	16.3%	15.0%	-1.3 pt
Net expense ratio	34.9%	33.7%	-1.2 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	37.2%	35.8%	-1.4 pt

MS&AD Insurance Group Holdings, Inc.

- Although depreciation expenses decreased, total company expenses increased by 0.3 billion yen to 126.4 billion yen due to factors such as the internalization of a claims related service subsidiary company.
- Personnel expenses increased by 4.8 billion yen to 63.3 billion yen.
- Non-personnel expenses decreased by 4.4 billion yen year on year to 57.4 billion yen due to the effect of efforts to reduce company expenses in addition to factors such as a decrease in depreciation expenses.
- Commissions and collection fees increased by 6.1 billion yen year on year to 114.5 billion yen due to an increase in premiums.
- The net expense ratio improved by 1.2 points year on year, to 33.7%.
- Excluding residential earthquake insurance and CALI, the net expense ratio improved by 1.4 points year on year, to 35.8%. (A breakdown is shown below.)
 - Net commission ratio: 21.0% (up 0.1 points year on year)
 - Net company expense ratio: 14.8% (down 1.6 points year on year)

Net investment profit

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Interest and dividends income	28.8	30.0	1.1
Transfer of investment income on deposit premiums	-9.3	-9.2	0.0
Net interest and dividends income	19.5	20.7	1.2
Gains/(loss) on sales of securities	2.0	1.7	-0.3
Impairment losses on securities	-0.8	-1.0	-0.1
Gains/(loss) on redemption of securities	0.0	1.2	-1.2
Gains/(loss) on derivative transactions	-0.9	-0.5	0.4
Other	-2.9	-3.6	- 0.6
Net investment income/(loss)	16.9	18.6	1.6

Sources of interest and dividends received

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Bonds	5.2	4.9	-0.2
Stock	9.0	9.7	0.6
Foreign securities	9.3	8.8	-0.4
Other securities	1.0	2.1	1.0
Loans	1.6	1.5	0.0
Land and buildings	2.2	2.1	-0.0
Other	0.2	0.6	0.3
Total	28.8	30.0	1.1

MS&AD Insurance Group Holdings, Inc.

- Interest and dividend income increased by 1.1 billion yen year on year.
- Net interest and dividend income was 20.7 billion yen, up 1.2 billion yen year on year.
- Gains on sales of securities fell by 0.3 billion yen year on year.
- Losses on devaluation of securities increased by 0.1 billion yen year on year (a breakdown is shown below).

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Bonds	—	—	—
Stocks	0.7	1.0	0.2
Foreign securities	0.1	—	- 0.1
Other securities	—	—	—
Total	0.8	1.0	0.1

- As a result, net investment income increased by 1.6 billion yen year on year to 18.6 billion yen.

[Reference: Breakdown of investment assets]

(¥bn)

	End of FY2014	End of FY2015 1H	
			Change
Deposits and savings, etc.	135.6	144.5	8.8
Securities	2,573.0	2,499.0	- 74.0
Bonds	940.2	947.6	7.3
Stock	898.3	825.2	- 73.1
Foreign securities	691.0	681.4	- 9.6
Other securities	43.3	44.6	1.3
Loans	226.2	223.3	- 2.8
Land and buildings	168.5	165.0	- 3.4
Total	3,103.4	3,032.0	- 71.4

Key financial data

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Net premiums written	17.1	18.1	1.0
Growth rate of net premiums written	-2.1%	5.9%	8.0pt
Net loss ratio	77.8%	73.2%	-4.6pt
Net expense ratio	22.4%	22.5%	0.1pt
Combined ratio	100.2%	95.7%	-4.5pt
Incurred losses (including loss adjustment expenses)	15.1	15.7	0.6
Underwriting profit/(loss)	- 0.7	- 1.5	- 0.7
Net investment income/(loss)	0.0	0.0	- 0.0
Ordinary profit/(loss)	- 0.6	- 1.4	- 0.7
Extraordinary income/(loss)	- 0.0	- 0.0	- 0.0
Net income/(loss) per our share	- 0.5	- 1.2	- 0.7

* Net loss ratio is on a "written-to-paid" basis.

Incurred losses

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Incurred losses (including loss adjustment expenses)	15.1	15.7	0.6
Natural catastrophes	0.0	0.0	0.0
Other than natural catastrophes	15.0	15.6	0.5

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

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 5.9% year on year to 18.1 billion yen.
- The net loss ratio was 73.2%, a decrease of 4.6 points year on year .
- The net expense ratio was 22.5%, an increase of 0.1 points year on year .
- The combined ratio improved by falling 4.5 points year on year to 95.7%.
- Underwriting loss was 1.5 billion yen, down 0.7 billion yen year on year.
- Interim net loss (per our equity share) was 1.2 billion yen, down 0.7 billion yen year on year.

[Reference: Non-consolidated solvency margin ratio]

	End of FY2014	End of FY2015 1H	
			Change
Non-consolidated solvency margin ratio	255.9%	349.5%	93.6pt

Key financial data

(#bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Change Ratio
Amount of new policies*	1,267.5	1,235.4	- 32.1	-2.5%
Amount of policies in force*	(At the beginning of the FY) 21,894.0	22,263.0	(Change from the beginning of the FY) 369.0	1.7%
Annualized premiums of new policies*	23.5	24.6	1.0	4.5%
of which, third sector insurance	7.2	6.7	- 0.5	-7.1%
Annualized premiums of policies in force*	(At the beginning of the FY) 355.9	367.5	(Change from the beginning of the FY) 11.5	3.3%
of which, third sector insurance	(At the beginning of the FY) 70.5	74.7	(Change from the beginning of the FY) 4.2	6.0%
Gross premiums income	215.3	227.1	11.8	5.5%
Ordinary profit/(loss)	7.8	10.2	2.3	30.4%
Net Income/(loss)	3.4	5.1	1.6	49.1%

* Total sum of personal insurance and personal annuity insurance.

MS&AD Insurance Group Holdings, Inc.

- The amount of new policies decreased by 2.5% year on year, and the amount of policies in force increased by 1.7% from the beginning of the period.
- Annualized premiums of new policies increased by 4.5% year on year, and annualized premiums of policies in force increased by 3.3% from the beginning of the year.
- In the third sector, annualized premiums of new policies decreased by 7.1% year on year, but annualized premiums of policies in force increased by 6.0% from the beginning of the year.
- Gross premiums income increased by 11.8 billion yen to 227.1 billion yen.
- Interim net income totaled 5.1 billion yen, an increase of 1.6 billion yen year on year.

[Reference: Non-consolidated solvency margin ratio]

	End of FY2014	End of FY2015 1H	
			Change
Non-consolidated solvency margin ratio	1,429.9%	1,478.3%	48.4pt

Key financial data

(¥bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Change Ratio
Amount of new policies	484.6	624.9	140.2	28.9%
Amount of policies in force	(At the beginning of the FY) 4,421.0	4,464.0	(Change from the beginning of the FY) 43.0	1.0%
Gross premiums income	498.0	650.5	152.4	30.6%
Ordinary profit/(loss)	10.7	30.4	19.7	184.0%
Net income/(loss)	8.1	21.1	12.9	158.4%

MS&AD Insurance Group Holdings, Inc.

- The amount of new policies was 624.9 billion yen (a year-on-year increase of 140.2 billion yen) due to strong sales of foreign-denominated fixed whole life insurance and foreign denominated variable whole life insurance.
- The amount of policies in force decreased only slightly to 4,464.0 billion yen (an increase of 43 billion yen from the beginning of the year) due to the impact of falling share prices and the strong yen, despite a steady increase in new policies.
- Gross premiums income were 650.5 billion yen (an increase of 152.4 billion yen)
- Ordinary profit was 30.4 billion yen, an increase of 19.7 billion yen year on year, mainly due to a decrease in the provision for underwriting reserve as a result of rising Australian interest rates.
- Interim net income totaled 21.1 billion yen, a year-on-year increase of 12.9 billion yen.

[Reference: Non-consolidated solvency margin ratio]

	End of FY2014	End of FY2015 1H	
			Change
Non-consolidated solvency margin ratio	879.7%	1,054.5%	+174.8pt

Net premiums written

(#bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Growth
Overseas subsidiaries total	153.4	183.3	29.8	19.5%
Asia	74.0	89.0	15.0	20.4%
Europe	44.7	55.2	10.5	23.5%
Americas	21.0	24.7	3.7	17.6%
Reinsurance	13.7	14.3	0.5	4.3%

Net income

(#bn)

	FY2014 1H	FY2015 1H	
			YoY Change
Overseas subsidiaries total	17.0	14.3	- 2.6
Asia	9.6	9.5	- 0.0
Europe	2.5	- 2.3	- 4.9
Americas	0.5	1.3	0.8
Reinsurance	4.1	5.7	1.5

MS&AD Insurance Group Holdings, Inc.

- Net premiums written by overseas subsidiaries increased in all regions, especially Asia, for an overall increase of 29.8 billion yen year on year, including a foreign exchange gain of 15.0 billion yen (net premiums written increased by 14.7 billion yen, up 9.6%, on a local currency basis).
 - By region, net premiums written increased significantly by 15.0 billion yen in Asia and 10.5 billion yen in Europe, with a steady increase of 3.7 billion yen year on year in the Americas.
- Interim net income of overseas subsidiaries was 14.3 billion yen, a decrease of 2.6 billion yen year on year.
 - In Europe, interim net income decreased by 4.9 billion yen due to the negative impact of the initial cost of the acquisition of BIG.
 - In reinsurance, net income increased by 1.5 billion yen due to fewer major losses caused by natural disasters.

Key financial data

(¥bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Growth
Net premiums written	860.3	953.0	92.6	10.8%
Ordinary profit/(loss)	82.9	71.6	- 11.2	-13.5%
Net income/(loss)	56.9	53.8	- 3.0	-5.4%

Breakdown of net premiums written

(¥bn)

	FY2014 1H	FY2015 1H		
			YoY Change	Growth
MSI (Non-consolidated)	729.1	801.5	72.4	9.9%
Overseas subsidiaries	131.2	151.4	20.1	15.4%

Breakdown of net income

(¥bn)

	FY2014 1H	FY2015 1H	
			YoY Change
MSI (Non-consolidated)	50.5	44.8	- 5.6
Overseas subsidiaries	17.2	19.2	2.0
Consolidation adjustments and Others	- 10.8	- 10.2	0.5

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

Projected Financial Results for FY2015



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Key financial data

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Net premiums written	1,445.8	1,521.0	75.1
Growth rate of net premiums written	4.4%	5.2%	0.8pt
Net loss ratio	62.2%	59.0%	-3.2pt
Net expense ratio	31.8%	31.0%	-0.8pt
Combined ratio	94.0%	90.0%	-4.0pt
Incurred losses (including loss adjustment expense)	887.4	909.7	22.2
Underwriting profit/(loss)	14.0	13.0	- 1.0
Net investment profit/(loss)	158.3	141.4	- 16.9
Ordinary profit/(loss)	171.3	149.0	- 22.3
Extraordinary income/(loss)	- 33.7	- 13.4	20.3
Net income/(loss)	89.1	104.0	14.8
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	4.5%	5.4%	0.9pt
Net loss ratio	59.4%	56.1%	-3.3pt
Net expense ratio	33.9%	33.0%	-0.9pt

* Net loss ratio is on a "written-to-paid" basis.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by 75.1 billion yen, or 5.2% year on year, to 1,521.0 billion yen.
- The net loss ratio is forecast to improve by 3.2 points year on year, to 59.0%, or 56.1% excluding residential earthquake insurance and CALI.
- The net expense ratio is forecast to improve by 0.8 points year on year, to 31.0%, or 33.0% excluding residential earthquake insurance and CALI.
- The combined ratio is forecast to improve by 4.0 points year on year, to 90%, or 89.1% excluding residential earthquake insurance and CALI.
- Underwriting profit is forecast to decrease by 1.0 billion yen year on year to 13.0 billion yen due to an increase in natural catastrophe losses.
- Net investment income is forecast to decrease by 16.9 billion yen year on year to 141.4 billion yen mainly due to a decrease in the gain on sales of securities.
- As a result of the above, ordinary profit is forecast to decrease by 22.3 billion yen year on year, to 149.0 billion yen.
- Extraordinary profit (loss) is forecast to be a loss of 13.4 billion yen, an improvement of 20.3 billion yen compared to the previous year when an additional provision was made for the price fluctuation reserve.
- Net income is forecast to increase by 14.8 billion yen year on year, to 104.0 billion yen.

Net premiums written

	FY2014	FY2015 (Forecast)	
			Growth
Fire and allied	222.6	250.5	12.5%
Marine	65.2	68.0	4.2%
Personal accident	149.6	140.8	-5.9%
Voluntary automobile	626.2	646.0	3.1%
CALI	180.1	186.7	3.6%
Other	201.8	229.0	13.4%
Total	1,445.8	1,521.0	5.2%
Excluding residential earthquake insurance and CALI	1,264.9	1,333.5	5.4%

Net loss ratio

	FY2014	FY2015 (Forecast)	
			YoY Change
Fire and allied	67.0%	52.8%	-14.2pt
Marine	49.9%	53.1%	3.2pt
Personal accident	58.7%	58.2%	-0.5pt
Voluntary automobile	60.9%	59.4%	-1.5pt
CALI	81.8%	79.6%	-2.2pt
Other	49.7%	49.9%	0.2pt
Total	62.2%	59.0%	-3.2pt
Excluding residential earthquake insurance and CALI	59.4%	56.1%	-3.3pt

Incurred losses

	FY2014	FY2015 (Forecast)	
			YoY Change
Incurred losses (including loss adjustment expenses) *1	887.4	909.7	22.2
Natural catastrophes *2	15.1	43.5	28.3
Other than natural catastrophes	872.3	866.3	- 6.0

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

*2: "Natural catastrophes" include domestic natural disasters occurring in the fiscal year and heavy snowfalls occurred in Feb. 2014 in Japan, and floods in Thailand occurred in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small (the impact of FY 2014 :-4.9 billion yen).

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are expected to increase by 5.2% across all lines due to factors such as the impact of rush demand before the revision of fire insurance products, increased premiums written for marine insurance as a result of reorganization by function, and increased voluntary automobile insurance premiums resulting from the rate revision made during the previous period.
- The net loss ratio is forecast to improve by 3.2 points year on year to 59.0% mainly due to an improvement in fire insurance that was subject to significant insurance claims in the previous year due to the heavy snowfalls in February 2014, and increased premiums written.
- Excluding natural catastrophes, net loss ratios are forecast as follows:

	FY2014	FY2015 (Forecast)	
			YoY Change
Fire and allied	42.3%	37.5%	-4.8pt
Marine	49.8%	53.0%	3.2pt
Personal accident	58.6%	58.1%	-0.5pt
Voluntary automobile	60.4%	58.9%	-1.5pt
CALI	81.8%	79.6%	-2.2pt
Other	48.3%	48.9%	0.6pt
Total	57.9%	56.1%	-1.8pt

- 43 billion yen has been included for domestic natural catastrophes in the current fiscal year.
Fire: 37.5 billion yen, Voluntary auto: 3.0 billion yen, Others: 2.5 billion yen
- Incurred losses other than natural catastrophes are expected to decline by 6 billion yen year on year.

Company expenses

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Underwriting company expenses	205.6	206.3	0.5
Loss adjustment expenses	88.0	88.7	0.6
Other	10.0	11.1	1.0
Total company expenses	303.7	306.0	2.2
Personnel expenses	167.2	167.6	0.3
Non-personnel expenses	124.4	122.5	- 2.0
Taxes and contributions	12.0	16.0	3.9
Commission and collection expenses	253.8	265.5	11.6

Expense ratios

	FY2014	FY2015 (Forecast)	
			YoY Change
Net commission ratio	17.6%	17.5%	-0.1pt
Net company expense ratio	14.2%	13.6%	-0.6pt
Net expense ratio	31.8%	31.0%	-0.8pt
Net expense ratio (excluding residential earthquake insurance and CALI)	33.9%	33.0%	-0.9pt

MS&AD Insurance Group Holdings, Inc.

- Total company expenses are forecast to increase by 2.2 billion yen year on year to 306.0 billion yen due to expenses arising from the acquisition of Amlin.
- Personnel expenses are forecast to increase by 0.3 billion yen to 167.6 billion yen.
- Non-personnel expenses are forecast to decrease by 2.0 billion yen to 122.5 billion yen due to the effect of efforts to reduce company expenses in addition to factors such as a decrease in depreciation expenses
- The net expense ratio is forecast to improve by 0.8 points year on year, to 31.0%.
- Excluding residential earthquake insurance and CALI, the net expense ratio is forecast to improve by 0.9 points year on year, to 33.0%. (A breakdown is shown below.)
 - Net commission ratio: 19.4% (down 0.1 points year on year)
 - Net company expense ratio: 13.6% (up 0.7 points year on year)

Net investment profit

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Interest and dividends income	110.6	116.1	5.4
Transfer of investment income on deposit premiums	- 39.9	- 36.1	3.8
Net interest and dividends income	70.6	80.0	9.3
Gains/(loss) on sales of securities	90.0	79.2	- 10.8
Impairment losses on securities	- 3.3	- 3.5	- 0.1
Gains/(loss) on redemption of securities	1.4	- 0.0	- 1.4
Gains/(loss) on derivative transactions	1.0	6.6	5.4
Other	- 1.4	- 20.8	- 19.3
Net investment income/(loss)	158.3	141.4	- 16.9

Sources of interest and dividends received

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Bonds	22.3	20.9	- 1.4
Stock	41.5	44.2	2.6
Foreign securities	28.6	31.4	2.7
Other securities	2.8	4.9	2.0
Loans	7.5	6.2	- 1.3
Land and buildings	5.3	6.0	0.6
Other	2.3	2.5	0.1
Total	110.6	116.1	5.4

MS&AD Insurance Group Holdings, Inc.

- Interest and dividend income are expected to increase by 5.4 billion yen year on year, to 116.1 billion yen, mainly due to increased interest and dividends from domestic stocks and other securities.
Net interest and dividend income is forecast to be 80.0 billion yen, up 9.3 billion yen year on year.
- Gains on sales of securities are forecast to decrease 10.8 billion yen year on year, to 79.2 billion yen, mainly due to a decrease in gains on the sales of domestic stocks.
- Losses on devaluation of securities are forecast to increase by 0.1 billion yen year on year to 3.5 billion yen.
- Gains on derivative transactions are expected to increase by 5.4 billion yen year on year to 6.6 billion yen.
- Other interest and dividend income is forecast to decrease year on year by 19.3 billion yen to a loss of 20.8 billion yen.

Key financial data

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Net premiums written	1,160.8	1,191.0	30.1
Growth rate of net premiums written	1.4%	2.6%	1.2pt
Net loss ratio	63.2%	61.5%	-1.7pt
Net expense ratio	35.0%	34.5%	-0.5pt
Combined ratio	98.2%	96.0%	-2.2pt
Incurred losses (excluding loss adjustment expenses)	734.6	735.0	0.3
Underwriting profit/(loss)	14.7	23.0	8.2
Net investment profit/(loss)	51.5	30.0	- 21.5
Ordinary profit/(loss)	68.9	54.0	- 14.9
Extraordinary income/(loss)	- 3.2	- 15.0	- 11.7
Net income/(loss)	39.4	31.0	- 8.4
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	1.3%	2.7%	1.4pt
Net loss ratio	60.4%	58.7%	-1.7pt
Net expense ratio	37.2%	36.6%	-0.6pt
Combined ratio	97.6%	95.3%	-2.3pt

* Net loss ratio is on a "written-to-paid" basis.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by 30.1 billion yen, or 1.2 points year on year, to 1,191.0 billion yen.
- The net loss ratio is forecast to improve by 1.7 points year on year, to 61.5%, or 58.7% excluding residential earthquake insurance and CALI.
- The net expense ratio is forecast to improve by 0.5 points year on year, to 34.5%, or 36.6% excluding residential earthquake insurance and CALI.
- The combined ratio is forecast to improve by 2.2 points year on year, to 96.0%, and improve by 2.3 points to 95.3% excluding residential earthquake insurance and CALI.
- Underwriting profit is forecast to improve by 8.2 billion yen to 23.0 billion yen due to automobile losses continuing to be low and base profitability improving despite an increase in losses from domestic natural catastrophes such as Typhoon No. 15 (Goni) and a decrease in the reversal of the catastrophe reserve this fiscal year.
- Net investment income is forecast to decrease by 21.5 billion yen year on year to 30.0 billion yen due to a decrease in the gain on sales of securities.
- As a result of the above, ordinary profit is forecast to decrease by 14.9 billion yen year on year, to 54.0 billion yen.
- Extraordinary loss is forecast to worsen by 11.7 billion yen year on year to 15.0 billion yen due to the absence of the transfer consideration for reorganization by function and the additional provision for the price fluctuation reserve that were made last fiscal year, and the inclusion of early extra retirement payments.
- Net income is forecast to decrease by 8.4 billion yen year on year to 31.0 billion yen.

ADI (Non-consolidated) : Premiums and Loss Ratios by Product Line MS&AD

Net premiums written

	FY2014	FY2015 (Forecast)	
			Growth
Fire and allied	144.9	166.2	14.7%
Marine	7.5	5.9	- 22.1%
Personal accident	69.5	63.9	- 8.1%
Voluntary automobile	665.2	669.9	0.7%
CALI	167.7	171.1	2.0%
Other	105.8	114.0	7.7%
Total	1,160.8	1,191.0	2.6%
Excluding residential earthquake insurance and CALI	992.6	1,019.3	2.7%

Net loss ratio

	FY2014	FY2015 (Forecast)	
			YoY Change
Fire and allied	66.2%	56.9%	- 9.3 pt
Marine	62.4%	55.9%	- 6.5 pt
Personal accident	49.5%	52.1%	2.6 pt
Voluntary automobile	61.0%	59.9%	- 1.1 pt
CALI	80.2%	78.9%	- 1.3 pt
Other	55.1%	57.8%	2.7 pt
Total	63.2%	61.5%	- 1.7 pt
Excluding residential earthquake insurance and CALI	60.4%	58.7%	- 1.7 pt

Incurred losses

	FY2014	FY2015 (Forecast)	
			YoY Change
Incurred losses (including loss adjustment expenses) ^{*1}	734.6	735.0	0.3
Natural catastrophes ^{*2}	12.1	32.1	19.9
Other than natural catastrophes	722.5	702.9	- 19.6

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

*2: "Natural catastrophes" include domestic natural disasters occurring in the fiscal year and heavy snowfalls occurred in Feb. 2014 in Japan, and floods in Thailand occurred in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small. (the impact for FY 2014 :-0.1 billion yen).

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by 2.6% across all lines, mainly in fire insurance.
- Although claims due to the heavy snowfalls in February 2014 decreased, the improvement in the net loss ratio was limited to 1.7 points year on year due to an increase in the losses on domestic natural catastrophes such as Typhoon No. 15 (Goni).
- Excluding natural catastrophes, net loss ratios are forecast as follows:

	FY2014	FY2015 (Forecast)	
			YoY Change
Fire and allied	43.7%	41.5%	- 2.2 pt
Marine	62.4%	55.9%	- 6.5 pt
Personal accident	49.4%	52.1%	2.7 pt
Voluntary automobile	60.6%	59.3%	- 1.3 pt
CALI	80.2%	78.9%	- 1.3 pt
Other	53.8%	56.9%	3.1 pt
Total	60.0%	59.0%	- 1.0 pt

- 32.0 billion yen has been included for domestic natural disasters in the current fiscal year.
Fire: 27.0 billion yen, Voluntary auto: 4.0 billion yen, Others: 1.0 billion yen
- Incurred losses other than natural catastrophes are expected to decrease by 19.6 billion yen due to improvements in losses associated with the decrease in the number of automobile accidents handled.

Company expenses

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Underwriting company expenses	190.2	187.1	- 3.1
Loss adjustment expenses	56.0	62.0	5.9
Other	7.8	7.7	- 0.1
Total company expenses	254.0	256.8	2.7
Personnel expenses	119.1	127.8	8.6
Non-personnel expenses	123.9	117.9	- 6.0
Taxes and contributions	11.0	11.1	0.0
Commission and collection expenses	216.0	223.2	7.1

Expense ratios

	FY2014	FY2015 (Forecast)	
			YoY Change
Net commission ratio	18.6%	18.7%	0.1
Net company expense ratio	16.4%	15.7%	- 0.7
Net expense ratio	35.0%	34.5%	- 0.5
Net expense ratio (excluding residential earthquake insurance and CALI)	37.2%	36.6%	- 0.6

MS&AD Insurance Group Holdings, Inc.

- Although depreciation expenses are forecast to decrease, total company expenses are forecast to increase by 2.7 billion yen to 256.8 billion yen due to factors such as the internalization of a claims related service subsidiary.
- Personnel expenses are forecast to increase by 8.6 billion yen to 127.8 billion yen.
- Non-personnel expenses are forecast to decrease by 6.0 billion yen year on year to 117.9 billion yen due to the effect of efforts to reduce company expenses in addition to factors such as a decrease in depreciation expenses
- Commissions and collection fees are forecast to increase by 7.1 billion yen year on year to 223.2 billion yen due to an increase in premiums.
- The net expense ratio is forecast to improve by 0.5 points year on year, to 34.5%.
- Excluding residential earthquake insurance and CALI, the net expense ratio is expected to improve by 0.6 points year on year, to 36.6%. (A breakdown is shown below.)
 - Net commission ratio 21.1 % (up 0.2 points year on year)
 - Net company expense ratio 15.6 % (down 0.7 points year on year)

Net investment profit

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Interest and dividends income	59.0	55.0	- 4.0
Transfer of investment income on deposit premiums	- 18.8	- 18.0	0.8
Net interest and dividends income	40.1	37.0	- 3.1
Gains/(loss) on sales of securities	19.9	4.0	- 15.9
Impairment losses on securities	- 0.0	- 3.0	- 2.9
Gains/(loss) on redemption of securities	0.0	1.2	1.1
Gains/(loss) on derivative transactions	- 2.1	- 2.0	0.1
Other	- 6.4	- 7.2	- 0.7
Net investment profit/(loss)	51.5	30.0	- 21.5

Sources of interest and dividends received

(¥bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Bonds	10.2	9.8	- 0.4
Stock	15.5	16.9	1.3
Foreign securities	20.9	18.1	- 2.8
Other securities	3.9	2.3	- 1.6
Loans	3.2	3.1	- 0.1
Land and buildings	4.3	4.3	- 0.0
Other	0.6	0.5	- 0.1
Total	59.0	55.0	- 4.0

MS&AD Insurance Group Holdings, Inc.

- Interest and dividend income is forecast to decrease by 4.0 billion yen year on year, to 55.0 billion yen.
- Net interest and dividend income is forecast to decrease by 3.1 billion yen year on year, to 37.0 billion yen.
- Gains on sale of securities are forecast to fall by 15.9 billion yen year on year, to 4.0 billion yen.
- Losses on devaluation of securities are forecast to increase by 2.9 billion yen year on year to 3.0 billion yen.

Key financial data

(#bn)

	FY2014	FY2015 (Forecast)	
			YoY Change
Net premiums written	35.0	36.2	1.2
Growth rate of net premiums written	-1.4%	3.5%	4.9pt
Ordinary profit/(loss)	- 4.2	- 2.9	1.2
Net income/(loss) per our share	- 3.1	- 2.4	0.7

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by 3.5% year on year to 36.2 billion yen.
- Ordinary loss is forecast to improve by 1.2 billion yen to 2.9 billion yen year on year.
- Net income (per our equity share) is forecast to be a loss of 2.4 billion yen.

Key financial data

(¥bn)

	FY2014	FY2015 (Forecast)	
			Growth / YoY Change
Amount of new policies*	2,481.1	2,487.0	0.2%
Amount of policies in force*	46.4	49.6	6.9%
Annualized premiums of new policies*	21,894.0	22,600.0	3.2%
Annualized premiums of policies in force*	355.9	378.0	6.2%
Gross premiums income	441.8	457.0	15.2
Ordinary profit/(loss)	15.9	13.7	- 2.3
Net income/(loss)	4.4	3.0	- 1.4

* Total sum of personal insurance and personal annuity insurance.

MS&AD Insurance Group Holdings, Inc.

- The amount of new policies is forecast to increase by 0.2% year on year to 2,487.0 billion yen and annualized premiums of new policies are forecast to increase by 6.9% to 49.6 billion yen.
- The amount of policies in force is forecast to increase by 3.2% year on year to 22,600.0 billion yen and annualized premiums of policies in force are forecast to increase by 6.2% to 378.0 billion yen.
- Gross premiums income are forecast to increase by 15.2 billion yen to 457.0 billion yen year on year.
- Net income is forecast to decrease by 1.4 billion yen to 3.0 billion yen year on year due to an increase in the underwriting reserve associated with the increase in new policies and a decrease in gains on the sale of bonds.

Key financial data

(¥bn)

	FY2014	FY2015(Forecast)	
			YoY Change
Amount of new policies	1,024.7	1,108.8	8.2%
Amount of policies in force	4,421.0	4,615.3	4.4%
Gross premiums income	1,054.0	1,150.0	95.9
Ordinary profit/(loss)	17.7	25.6	7.9
Net income/(loss)	12.4	17.0	4.5

MS&AD Insurance Group Holdings, Inc.

- The amount of new policies is forecast to increase by 8.2% year on year to 1,108.8 billion yen.
- The amount of policies in force is forecast to increase by 4.4% year on year to 4,615.3 billion yen.
- Gross premiums income are forecast to increase by 95.9 billion yen year on year to 1,150.0 billion yen.
- Ordinary profit is forecast to increase by 7.9 billion yen year on year to 25.6 billion yen.
- Net income is forecast to increase by 4.5 billion yen year on year to 17.0 billion yen.

Net premiums written

(¥bn)

	FY2014	FY2015(Forecast)		
			YoY Change	Growth
Overseas subsidiaries total	293.2	341.0	47.7	16.3%
Asia*	149.7	171.8	22.0	14.8%
Europe	82.6	103.8	21.1	25.6%
Americas	41.7	45.7	3.9	9.4%
Reinsurance	19.1	19.6	0.5	2.7%

Net income

(¥bn)

	FY2014	FY2015 (Forecast)		
			YoY Change	
Overseas subsidiaries total	35.0	27.0	- 8.0	
Asia*	17.9	16.2	- 1.7	
Europe	4.6	- 2.6	- 7.2	
Americas	1.3	3.4	1.9	
Reinsurance	11.0	10.1	- 1.0	

* Asia includes Australia.

- Net premiums written are forecast to increase by 47.7 billion yen year on year to 341.0 billion yen due to the expansion of business and the impact of foreign exchange in each region, and the effect of the new consolidation of the BIG business.
- Net income is forecast to decrease by 8.0 billion yen year on year to 27.0 billion yen. This decrease in income in Europe includes costs for strengthening the organization in the first fiscal year of the BIG business.

Key financial data

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Net premiums written	1,415.1	102.3	2,712.0	105.3
Growth rate of net premiums written	7.8%	5.1 pt	4.0%	0.9pt
Net loss ratio	53.8%	-8.5 pt	60.1%	-2.5pt
Net expense ratio	31.5%	-1.5 pt	32.5%	-0.7pt
Combined ratio	85.3%	-10.0 pt	92.6%	-3.2pt
Incurred losses(excluding loss adjustment expenses)	813.0	30.3	1,644.7	22.5
Underwriting profit/(loss)	-0.2	-68.0	36.0	7.2
Net investment income/(loss)	80.5	19.2	171.4	-38.4
Ordinary profit/(loss)	78.6	-49.9	203.0	-37.3
Extraordinary income/(loss)	-5.1	-12.6	-28.4	8.5
Net income/(loss)	59.2	-37.8	135.0	6.4
(Excluding residential earthquake insurance and CALI)				
Growth rate of net premiums written	8.3%	6.1 pt	4.2%	1.1pt
Net loss ratio	50.4%	-9.1 pt	57.2%	-2.6pt
Net expense ratio	33.4%	-1.8 pt	34.6%	-0.7pt
Combined ratio	83.8%	-10.9 pt	91.8%	-3.3pt

* Net loss ratio is on a "written-to-paid" basis.

MS&AD Insurance Group Holdings, Inc.

MSI and ADI (Simple sum of Non-consolidated)

Net premiums written

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		Growth		Growth
Fire and allied	241.0	39.2%	416.7	13.4%
Marine	38.4	3.9%	73.9	1.4%
Personal accident	108.3	-5.9%	204.7	-6.6%
Voluntary automobile	665.3	2.7%	1,315.9	1.9%
CALI	183.5	4.6%	357.8	2.9%
Other	178.4	8.7%	343.0	11.4%
Total	1,415.1	7.8%	2,712.0	4.0%
Excluding residential earthquake insurance and CALI	1,230.9	8.3%	2,352.8	4.2%

Net loss ratio

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Fire and allied	40.3%	- 40.5 pt	54.4%	- 12.3 pt
Marine	49.5%	-0.1pt	53.4%	2.2 pt
Personal accident	52.6%	- 0.8 pt	56.3%	0.5 pt
Voluntary automobile	55.9%	- 3.3 pt	59.6%	- 1.4 pt
CALI	77.0%	- 3.7 pt	79.3%	- 1.7 pt
Other	42.5%	- 2.0 pt	52.5%	0.9 pt
Total	53.8%	- 8.5 pt	60.1%	- 2.5 pt
Excluding residential earthquake insurance and CALI	50.4%	- 9.1 pt	57.2%	- 2.6 pt

Incurred losses

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Incurred losses (including loss adjustment expenses)*1	813.0	30.3	1,644.7	22.5
Natural catastrophes *2	63.5	46.2	75.6	48.3
Other than natural catastrophes	749.4	-15.8	1,569.2	-25.7

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

*2: "Natural catastrophes" include domestic natural disasters occurring in the fiscal year and heavy snowfalls occurred in Feb. 2014 in Japan, and floods in Thailand occurred in 2011. But the figures of FY 2015 excludes the impact of the Thailand floods because its impact became very small (the impact of FY 2014 1H : -0.0 billion yen, FY 2014 : -5.1 billion yen).

MS&AD Insurance Group Holdings, Inc.

Company expenses

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Underwriting company expenses	189.7	-7.1	393.4	-2.5
Loss adjustment expenses	72.7	3.6	150.7	6.5
Other	8.9	0.7	18.8	0.9
Total company expenses	271.5	-2.8	562.8	4.9
Personnel expenses	147.4	4.4	295.4	9.0
Non-personnel expenses	111.8	-7.6	240.4	-8.0
Taxes and contributions	12.2	0.3	27.1	3.9
Commission and collection expenses	255.7	19.3	488.7	18.8

Expense ratios

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Net commission ratio	18.1%	0.1 pt	18.0%	0.0 pt
Net company expense ratio	13.4%	-1.6 pt	14.5%	-0.7 pt
Net expense ratio	31.5%	-1.5 pt	32.5%	-0.7 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	33.4%	-1.8 pt	34.6%	-0.7 pt

MS&AD Insurance Group Holdings, Inc.

Net investment profit

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Interest and dividends income	83.9	- 1.5	171.1	1.4
Transfer of investment income on deposit premiums	- 27.5	1.5	- 54.1	4.7
Net interest and dividends income	56.3	- 0.0	117.0	6.1
Gains/(loss) on sales of securities	37.0	25.3	83.2	- 26.8
Impairment losses on securities	- 4.4	0.1	- 6.5	- 3.0
Gains/(loss) on redemption of securities	1.4	1.0	1.2	- 0.3
Gains/(loss) on derivative transactions	3.3	2.6	4.6	5.5
Other	- 13.2	- 9.9	- 28.0	- 20.0
Net investment profit/(loss)	80.5	19.2	171.4	- 38.4

Sources of interest and dividends received

(¥bn)

	FY2015 1H		FY2015 (Forecast)	
		YoY Change		YoY Change
Bonds	15.6	- 0.9	30.7	- 1.9
Stock	34.6	2.5	61.1	4.0
Foreign securities	18.0	- 4.6	49.5	- 0.1
Other securities	3.8	1.7	7.2	0.4
Loans	4.8	- 0.7	9.3	- 1.5
Land and buildings	5.2	0.3	10.3	0.5
Other	1.7	0.3	3.0	0.0
Total	83.9	- 1.5	171.1	1.4

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