

Materials for FY2014 Results Briefing - Conference Call

May 20, 2015 (Wed)



MS&AD Insurance Group Holdings, Inc.

I am Nampei Yanagawa of MS&AD Holdings.

Thank you for finding the time in your busy schedules to participate in our conference call today.

Abbreviations of Company Names Used in this Presentation

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

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

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

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Summary of FY 2014 Results

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

- Net premiums written rose by 4.7% year on year to 2,940.7 billion yen due to solid performance by both domestic non-life insurance companies and overseas subsidiaries.
- Life insurance premiums rose by a substantial 6.3% year on year to 721.7 billion yen due to significant sales growth at MSI Primary Life along with increased sales at MSI Aioi Life.

(¥bn)

	FY2013 Results	FY2014 Results	FY2014	
			YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	3,069.3	3,213.0	143.7	4.7%
Net premiums written*	2,809.5	2,940.7	131.1	4.7%
Mitsui Sumitomo Insurance	1,384.5	1,445.8	61.3	4.4%
Aioi Nissay Dowa Insurance	1,144.6	1,160.8	16.2	1.4%
Mitsui Direct General Insurance	35.5	35.0	- 0.5	-1.4%
Overseas subsidiaries	240.6	293.2	52.6	21.9%
Life insurance premiums	678.9	721.7	42.7	6.3%

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

<Reference: Gross life insurance premiums>

	FY2013 Results	FY2014 Results	FY2014	
			YoY Change	Growth
MSI Aioi Life	416.7	441.8	25.0	6.0%
MSI Primary Life	826.4	1,054.0	227.6	27.5%

Please look at the first page, Slide 1, of the slides entitled "Materials for FY2014 Results Briefing - Conference Call."

I will begin with explaining the Group's top line.

Thanks to contributions from increased premiums at domestic non-life insurance companies and also overseas subsidiaries, net premiums written increased by 131.1 billion yen, or 4.7% year-on-year to 2,940.7 billion yen.

Meanwhile, life insurance premiums increased by 42.7 billion yen, or 6.3% to 721.7 billion yen due to sales by MSI Primary Life remaining strong while premiums also increased at MSI Aioi Life.

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

- Ordinary profit increased by 96.8 billion yen year-on-year to 287.0 billion yen, due to improved performance of MSI, ADI and overseas subsidiaries.
- Net income increased by 42.7 billion yen year to year to 136.2 billion yen.

(¥bn)

	FY2013 Results	Results	FY2014	
			YoY Change	Change Ratio
Ordinary profit	190.2	287.0	96.8	50.9%
Mitsui Sumitomo Insurance	101.9	171.3	69.3	68.0%
Aioi Nissay Dowa Insurance	27.8	68.9	41.0	147.2%
Mitsui Direct General Insurance	0.2	- 4.2	- 4.5	- 1517.3%
MSI Aioi Life	17.4	15.9	- 1.5	- 8.7%
MSI Primary Life	39.8	17.7	- 22.1	- 55.5%
Overseas subsidiaries	29.8	44.8	14.9	49.9%
Consolidation adjustments, etc.	- 27.1	- 27.5	- 0.3	-
Net income* ¹	93.4	136.2	42.7	45.8%
Mitsui Sumitomo Insurance	58.0	89.1	31.0	53.5%
Aioi Nissay Dowa Insurance	13.1	39.4	26.3	201.2%
Mitsui Direct General Insurance	0.1	- 3.1	- 3.3	- 1965.2%
MSI Aioi Life	6.6	4.4	- 2.2	- 34.1%
MSI Primary Life	17.9	12.4	- 5.5	- 30.7%
Overseas subsidiaries	19.9	35.0	15.0	75.7%
Consolidation adjustments, etc.	- 22.4	- 41.0	- 18.6	-

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

Next, please look at Slide 2.

As shown in the top section of the slide, the Group's consolidated ordinary profit increased by 96.8 billion yen year-on-year to 287 billion yen.

The main factors behind this included a 69.3 billion yen increase in income at Mitsui Sumitomo Insurance and a 41 billion yen increase in income at Aioi Nissay Dowa Insurance.

Further, the net income shown in the bottom section increased by 42.7 billion yen year-on-year to 136.2 billion yen, despite the negative impact of the lowered corporate income tax rate amounting to 25.6 billion yen.

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

- Group Core Profit ※ increased by 60.9 billion yen year-on-year, to 155.7 billion yen, while Group ROE ※ was up 1.4 points, to 5.9%.
- Embedded Value of MSI Aioi Life increased by 59.7 billion yen in FY2014.
- Dividend per share for FY2014 is 65 yen, increasing by 9 yen year-on-year. The share buy-back plan of 20 billion yen was approved by the board at a meeting held on May 20 2015.

(¥bn)

	FY2013	FY2014	
			YoY Change
Group Core Profit ※	94.8	155.7	60.9
Domestic non-life insurance business	47.8	92.4	44.5
Domestic life insurance business	24.4	20.4	- 4.0
International business	18.0	38.2	20.1
Financial services business and risk related services business	4.4	4.6	0.2
Other Numerical Management Target			
Combined ratio (domestic non-life insurance business)	98.2%	96.0%	- 2.2pt
Increase in EV of MSI Aioi Life	91.6	59.7	- 31.9
Group ROE ※	4.5%	5.9%	1.4pt

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

Next, please look at Slide 3.

Group core profit increased by 60.9 billion yen year-on-year, to 155.7 billion yen. Furthermore, Group ROE was up 1.4 points year-on-year to 5.9%.

Also, as announced on May 7, the year-end cash dividend for FY2014 will be 36 yen. This will bring the dividend payout for the year to 65 yen per share, including the interim dividend of 29 yen that has already been paid, resulting in a year-on-year dividend increase of 9 yen.

In addition, as stated in the release entitled "Notice Regarding Repurchase of the Company's Own Shares," issued today along with the Earnings Report, at a Board of Directors meeting held today a resolution was passed approving a repurchase of shares, with an upper limit of 20 billion yen.

This will be implemented expeditiously, taking into consideration our results and the current share price level, with the aim of improving capital efficiency.

We intend to raise the annual dividend payout for FY2015 to 70 yen per share, which is 5 yen higher than annual dividend in FY2014.

I will explain more details later.

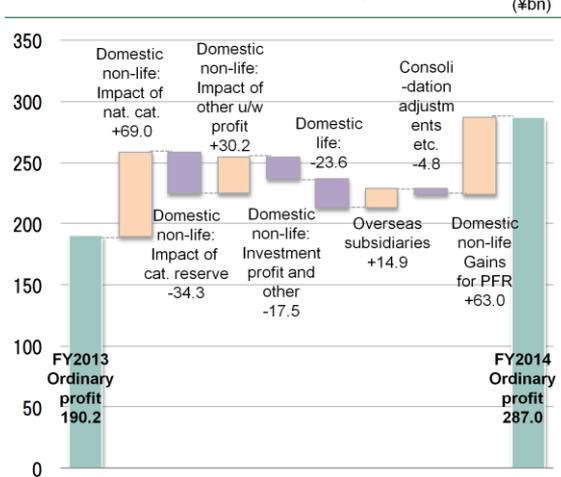
4. Consolidated Earnings for FY 2014 (2) - YoY Results Comparisons

- In domestic non-life insurance companies, the 63.0 billion yen increase in Gains on sales of securities for additional provision of price fluctuation reserve.
- In domestic non-life insurance companies, the 69.0 billion yen increase in impact of natural catastrophes and underwriting profit in domestic non-life insurance companies, excluding the impact of natural catastrophes and catastrophe reserves, boosted profit by 30.2 billion yen.
- Domestic life insurance companies decreased profits by 23.6 billion yen, and overseas subsidiaries increased profits by 14.9 billion yen.

Factors in YoY Changes in Consolidated Ordinary Profit

	FY2013 (a)	FY2014 (b)	(b)-(a) (¥bn)
Consolidated ordinary profit	190.2	287.0	96.8
Domestic non-life ^{*1} Impact of natural catastrophes ^{*2}	- 96.3	- 27.2	69.0
Domestic non-life ^{*1} Impact of cat. reserve	3.0	-31.3	- 34.3
Domestic non-life ^{*1} Impact of other underwriting profit	57.2	87.4	30.2
Domestic non-life ^{*1} Investment profit and other	166.0	148.5	- 17.5
Domestic life	57.3	33.6	- 23.6
Overseas subsidiaries	29.8	44.8	14.9
Consolidation adjustments, etc.	- 26.8	- 31.7	- 4.8
Domestic non-life ^{*1} Gains on sales of securities for additional provision of price fluctuation reserve	-	63.0	63.0

Consolidated Ordinary Profit



- *1 Figures for domestic non-life insurance are the sum of figures for MSI and ADI.
 *2 "Impact of natural catastrophes" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.
 *3 "Investment profit and other" excludes gains on sales securities for additional price fluctuation reserve.

Next, please look at Slide 4.

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

As shown in the graph on the right, a 63 billion yen gains on sales of securities was made in the domestic non-life insurance companies in response to the additional provision for price fluctuation reserves in FY2014. However, the impact of natural catastrophes, including the heavy snowfalls of February 2014 in Japan and the floods in Thailand in 2011, improved by 69 billion yen, and the underwriting profit of domestic non-life insurance companies after excluding the impact of these natural catastrophes and catastrophe reserves improved by 30.2 billion yen, boosting consolidated ordinary profit.

Overseas subsidiaries also made a positive contribution of 14.9 billion yen.

Meanwhile, negative factors include the impact of catastrophe reserves in domestic non-life insurance companies totaling 34.3 billion yen, investment profit and other excluding equivalent amount of the price fluctuation reserve for domestic non-life insurance totaling 17.5 billion yen, and 23.6 billion yen at domestic life insurance subsidiaries.

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

MS&AD

- Voluntary automobile and Fire insurance products contributed to an increase in net premiums written of 3.1% to 2,606.6 billion yen for the simple sum of MSI and ADI.
- Underwriting profit increased by 64.9 billion yen to 28.7 billion yen for the simple sum of MSI and ADI, which was an effect of an increase in premiums and a reduction in incurred losses.
- Combined ratio excluding residential earthquake insurance and CALI improve by 2.2 points to 95.1%.

(¥bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,445.8	61.3	1,160.8	16.2	2,606.6	77.5
Growth rate of net premiums written	4.4%	-0.9pt	1.4%	-2.4pt	3.1%	-1.5pt
Net claims paid	(-) 810.8	-12.8	677.9	-13.8	1,488.7	-26.6
<Incurred losses> (incl. loss adjustment expenses)	(-) 887.4	-22.0	734.6	-46.3	1,622.1	-68.4
Commissions and collection expenses	(-) 253.8	14.7	216.0	11.3	469.8	26.1
Operating expenses and general and administrative expenses (underwriting)	(-) 205.6	1.0	190.2	-0.2	395.8	0.8
Underwriting profit before catastrophe reserve	45.4	54.8	14.7	44.4	60.1	99.3
Reversal of catastrophe reserve	-31.4	-33.5	0.0	-0.8	-31.3	-34.3
Underwriting profit	14.0	21.3	14.7	43.6	28.7	64.9
Ratios						
Net loss ratio ^{*1}	62.2%	-2.9pt	63.2%	-1.8pt	62.6%	-2.4pt
Net expense ratio	31.8%	-0.2pt	35.0%	0.5pt	33.2%	0.0pt
Combined ratio	94.0%	-3.1pt	98.2%	-1.3pt	95.8%	-2.4pt
<Reference: Ratios excluding residential earthquake insurance and CALI ^{*2} >						
Net loss ratio ^{*1}	59.4%	-2.8pt	60.4%	-1.6pt	59.8%	-2.3pt
Net expense ratio	33.9%	-0.2pt	37.2%	0.7pt	35.3%	0.1pt
Combined ratio	93.3%	-3.0pt	97.6%	-0.9pt	95.1%	-2.2pt

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

Next I will provide an overview of the simple-sum performance of the two core domestic non-life insurance companies.

Please look at Slide 5.

First of all, net premiums written for the two companies increased by 77.5 billion yen or 3.1% year-on-year, mainly due to increased premiums in automobile insurance and compulsory automobile liability insurance in both companies stemming from the effect of a revision in premiums, as well as strong growth in fire insurance.

Next, incurred losses for the simple sum of the two companies decreased by 68.4 billion yen year-on-year.

This was due mainly to a significant decrease in the impact of natural catastrophes, including the heavy snowfalls of the preceding fiscal year, which reduced losses by 69 billion yen.

Other factors include a low level of accidents in automobile insurance, leading to lower losses on the one hand, and on the other hand an increase in losses due to major claims and an increase in IBNR reserves, mainly in Japan.

As a result, the combined underwriting profit for the two companies improved substantially by 64.9 billion yen, to 28.7 billion yen.

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

MS&AD

- Net investment profit and other ordinary profit increased by 45.4 billion yen for the simple sum of MSI and ADI, primarily due to gains on the sales of securities secured for the purpose of adding to price fluctuation reserves.
- Sales of strategic equity holdings totaled 91.0 billion yen for the simple sum of MSI and ADI.
- Extraordinary losses due in part to an additional provision totaling 63.0 billion yen implemented for price fluctuation reserves.
- Net income increased by 57.4 billion yen to 128.5 billion yen for the simple sum of MSI and ADI.

(¥bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit	14.0	21.3	14.7	43.6	28.7	64.9
Net interest and dividends income	70.6	-0.2	40.1	-5.7	110.8	-6.0
Gains on sales of securities	90.0	35.2	19.9	0.4	110.0	35.6
Impairment losses on securities (-)	3.3	-0.0	0.0	-3.5	3.4	-3.5
Investment profit and other ordinary profit	157.3	48.0	54.1	-2.5	211.5	45.4
Ordinary profit	171.3	69.3	68.9	41.0	240.3	110.4
Provision for reserve for price fluctuation (-)	40.7	26.2	26.6	25.0	67.4	51.2
of which, additional reserve (-)	38.0	26.0	25.0	25.0	63.0	51.0
Extraordinary income	-33.7	-16.2	-3.2	2.4	-36.9	-13.8
Income before income taxes	137.5	53.0	65.7	43.5	203.3	96.5
Net income	89.1	31.0	39.4	26.3	128.5	57.4

Next, please look at Slide 6.

The sum of investment profit and other ordinary profit improved by 45.4 billion yen year-on-year to 211.5 billion yen, primarily due to gains on sales of securities for an additional provision for price fluctuation reserves.

The two companies sold a total of 91 billion yen in strategic equity holdings.

As a result, ordinary profit for the two core domestic non-life insurance companies increased 110.4 billion yen year-on-year to 240.3 billion yen, and net income increased by 57.4 billion yen year-on-year to 128.5 billion yen.

The combined extraordinary loss of the two companies amounted to 36.9 billion yen, including an additional provision for price fluctuation reserves totaling 63 billion yen. This also includes 27.4 billion yen in extraordinary income associated with the Group's reorganization by function, but this portion was made up of internal transactions within the Group and was eliminated in consolidated accounting.

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

- Incurred losses related to natural catastrophes included 30.1 billion yen for natural catastrophes occurring domestically in the fiscal year, 2.2 billion yen from the impact of heavy snowfall in February 2014, and a negative 6.5 billion yen impact from the 2011 flooding in Thailand, for a total of 25.7 billion yen, down 69.1 billion yen year-on-year.
- Claims payments related to natural catastrophes increased by 6.3 billion yen year-on-year to 99.4 billion yen, as payments relating to heavy snowfall in Japan in February 2014 progressed smoothly.

Impact of natural catastrophes in Japan, heavy snowfalls in Feb. 2014 and floods in Thailand (¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S*		Balance of O/S* as of Mar. 31, 2015
		YoY Change		YoY Change		YoY Change	
Nat Cat in Japan (Occurred in FY2014)	30.1	- 7.0	27.1	- 4.8	3.0	- 2.2	3.0
Mitsui Sumitomo Insurance	18.3	- 3.5	16.3	- 1.8	2.0	- 1.7	2.0
Aioi Nissay Dowa Insurance	11.7	- 3.4	10.7	- 2.9	0.9	- 0.5	0.9
Heavy snowfalls in Japan (Occurred in Feb. 2014)	2.2	- 79.9	64.0	45.6	- 61.8	- 125.5	1.9
Mitsui Sumitomo Insurance	1.7	- 43.6	37.9	29.3	- 36.1	- 72.9	0.6
Aioi Nissay Dowa Insurance	0.5	- 36.2	26.1	16.3	- 25.6	- 52.6	1.2
Floods in Thailand (Occurred in FY2011)	- 6.5	17.8	8.1	- 34.5	- 14.7	52.3	6.7
Mitsui Sumitomo Insurance	- 4.9	15.4	7.3	- 29.2	- 12.3	44.6	6.7
Aioi Nissay Dowa Insurance	- 0.1	2.4	0.2	- 3.2	- 0.3	5.7	0.5
Overseas subsidiaries	- 1.4	- 0.0	0.5	- 2.0	- 2.0	2.0	- 0.5
Total	25.7	- 69.1	99.4	6.3	- 73.6	- 75.4	11.6

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

Next, I will explain the impact of natural catastrophes. Please look at Slide 7.

The impact of natural catastrophes decreased by 69.1 billion yen year-to-year, to 25.7 billion yen, as shown in the bottom row, totaling the impacts of natural catastrophes that occurred in Japan in FY2014, heavy snowfalls that occurred in February 2014 and the floods in Thailand that occurred in FY2011.

This can be broken down into 30.1 billion yen in natural catastrophes that occurred in Japan in FY2014, and the impact of heavy snowfalls in 2014 totaling 2.2 billion yen, with the impact of the floods in Thailand that occurred in FY2011 decreasing by 6.5 billion yen.

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

- Change of the catastrophe reserve for MSI and ADI combined was 31.3 billion yen, a year-on-year increase of 34.3 billion yen.
- An additional provision of catastrophe reserves for fire insurance were increased by 17.0 billion yen for the sum of MSI and ADI a (MSI 15.0 billion yen, ADI 2.0 billion yen).

Catastrophe Reserve

		Reversal	Provision	Change		Balance as of Mar. 31, 2015
				YoY		
Mitsui Sumitomo Insurance	Fire and allied	17.6	35.2	17.6	28.1	118.1
	Marine	-	2.9	2.9	0.3	72.3
	Personal accident	4.5	4.6	0.1	3.0	62.3
	Voluntary auto	17.7	20.0	2.2	1.7	21.7
	Other	2.4	10.8	8.3	0.2	155.3
	Total		42.4	73.8	31.4	33.5
Aioi Nissay Dowa Insurance	Fire and allied	19.7	13.6	-6.0	-0.9	98.4
	Marine	0.1	0.0	-0.0	-0.5	13.7
	Personal accident	-	2.2	2.2	-0.1	61.1
	Voluntary auto	21.2	21.3	0.1	-0.3	21.3
	Other	1.6	5.3	3.7	2.7	54.2
Total		42.7	42.7	-0.0	0.8	249.0
Simple Sum of MSI and ADI	Fire and allied	37.3	48.9	11.5	27.2	216.6
	Marine	0.1	3.0	2.8	-0.2	86.1
	Personal accident	4.5	6.8	2.3	2.9	123.4
	Voluntary auto	39.0	41.4	2.4	1.3	43.1
	Other	4.0	16.2	12.1	3.0	209.6
Total		85.1	116.5	31.3	34.3	679.0

Next, please look at Slide 8.

I will now explain the situation concerning the catastrophe reserve.

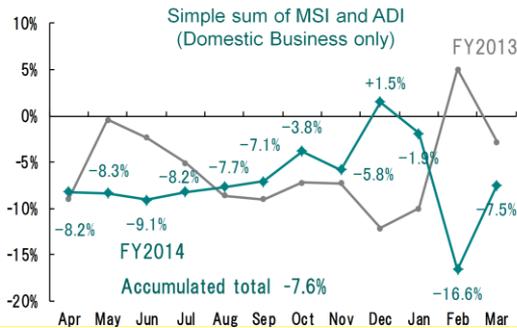
In the combined net change of the catastrophe reserve for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance across all lines of business, there was a provision of 31.3 billion yen, indicating an increase in the provision of 34.3 billion yen from last year, which there were reversals of those, as shown on the bottom row.

An additional provision of catastrophe reserves was 17 billion yen in total of two companies.

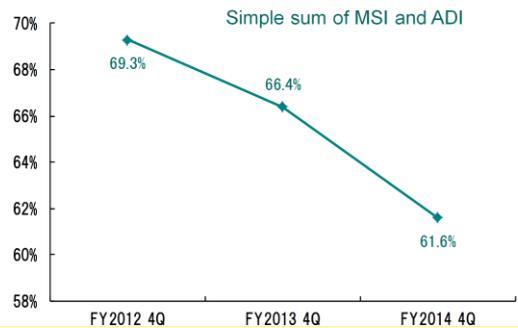
9. Domestic Non-life Insurance Companies (4) - Voluntary Auto Insurance - FY2014

- The EI loss ratio continued to improve by 4.8 points year on year to 61.6% as the number of accidents remained at a low level in general and insurance premium revenue grew.
- The average payout per claim continued to rise partially due to the impact of the increase in the consumption tax rate.

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



E I Loss Ratio (Including loss adjustment expenses)



*"Natural catastrophes" quoted in this page does not include heavy snowfalls occurred in Feb. 2014.

MSI				ADI			
<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums	<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	+0.4%	+3.3%	+3.8%	Factors in increase/decrease of insurance premiums	-0.9%	+3.0%	+2.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)		<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+1.9%	+7.0%		Changes in average payout per claim	+6.7%	+5.8%	

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

* "Change in average payout per claim" means the change in average payout per claim over the one-year period ended Mar. 31, 2015 compared with the average pay out per claim in the one-year period ended Mar. 31, 2014.

* EI loss ratio is 12 months results from Apr. to Mar. of each year.

Next, please look at Slide 9.

I will now discuss the situation concerning voluntary automobile insurance.

The line graph at the top left shows the change in the number of automobile insurance accidents. The year-on-year decrease rate in the number of accidents was in gradual decline until this January, but the trend for February and March is difficult to ascertain due to the impact of the heavy snowfalls last February.

Next, please take a look at the "Factors of increase/decrease in insurance premiums" in the tables at the bottom. Insurance premium unit prices rose 3.3% at Mitsui Sumitomo Insurance and 3.0% at Aioi Nissay Dowa Insurance, indicating the continuing effect of product revisions, including rate revisions previously implemented.

Under these circumstances, the earned-incurred loss ratio, shown by the graph on the upper right, has continued to steadily improve, down 4.8 points year-on-year to 61.6% in FY2014.

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

10. Domestic Life Insurance Companies - MSI Aioi Life - Results for FY 2014

MS&AD

- The amount of new policies decreased by 7.1% to 2,481.1 billion yen, due to a drop in income security insurance and other factors.
- Annualized premiums of new policies increased by 9.6%, to 46.4 billion yen due to strong third-sector product sales.
- Net income decreased by 2.2 billion yen year-on-year to 4.4 billion yen.

MSI Aioi Life

(¥bn)

	FY 2013 Results	Results	FY 2014	
			YoY Change	Change Ratio
Amount of new policies*	2,672.2	2,481.1	- 191.0	-7.1%
Annualized premiums of new policies*	42.3	46.4	4.0	9.6%
of which, third sector insurance	10.9	14.4	3.5	32.6%
Amount of policies in force*	21,105.0	21,894.0	788.9	3.7%
Annualized premiums of policies in force*	335.8	355.9	20.1	6.0%
of which, third sector insurance	61.1	70.5	9.3	15.3%
Gross premium income	416.7	441.8	25.0	6.0%
Ordinary profit	17.4	15.9	- 1.5	-8.7%
Net Income	6.6	4.4	- 2.2	-34.1%
Fundamental profit	15.3	16.1	0.7	4.6%
EEV	588.1	647.8	59.7	
Net worth	195.0	268.4	73.3	
Value of in-force business	393.1	379.4	- 13.6	
of which, value of new contract value	39.1	50.4	11.3	

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

Next, I will explain the situation at MSI Aioi Life. Please look at Slide 10.

The amount of new policies decreased 7.1% year-on-year due to a drop in income guarantee insurance and other factors, but the annualized premiums of new policies increased by 9.6% year-on-year due to strong sales of the third sector product "New Medical Insurance A (Ace)."

The amount of policies in force increased by 3.7% year-on-year, while annualized premiums of policies in force also rose by 6.0%, showing steady growth.

Meanwhile, although payments for death benefits have decreased, net income decreased by 2.2 billion yen year-on-year to 4.4 billion yen, due to increases in temporary costs such as updates to core systems, the impact of the revision of the consumption tax rate and the impact of the lowering of the corporate income tax rate.

11. Domestic Life Insurance Companies - MSI Primary Life - Results for FY 2014

MS&AD

- Gross premium income increased by 27.5% to 1,054.0 billion yen due to steady growth in sales of fixed and variable whole life insurance.
- Net income decreased by 5.5 billion yen to 12.4 billion yen due to an increase in the burden of policy reserves for foreign-denominated insurance products, reflecting a drop in Australian dollar interest rates.

MSI Primary Life

(¥bn)

	FY2013	FY2014		
	Results	Results	YoY Change	Change Ratio
Amount of new policies	800.5	1,024.7	224.2	28.0%
Amount of policies in force	4,024.3	4,421.0	396.6	9.9%
Gross premium income	826.4	1,054.0	227.6	27.5%
Ordinary profit	39.8	17.7	- 22.1	-55.5%
Net Income	17.9	12.4	- 5.5	-30.7%
Fundamental profit	58.3	- 33.4	- 91.7	-157.2%
EEV	234.8	310.2	75.3	
Net worth	132.6	237.4	104.8	
Value of in-force business	102.2	72.7	- 29.4	
of which, value of new business	27.5	26.2	- 1.3	

Continuing on, we'll go over the results for MSI Primary Life. Please look at Slide 11.

Boosted by continued strong sales of foreign currency-denominated fixed whole life insurance and favorable sales of the variable whole life insurance launched last year, gross premiums income at MSI Primary Life rose by 27.5% to 1,054 billion yen.

The amount of policies in force rose by 9.9% year-on-year to 4,421 billion yen, reflecting the strong sales mentioned earlier and a generally favorable market environment.

At the same time, net income declined by 5.5 billion yen, to 12.4 billion yen, owing to an increase in the provision for policy reserves, reflecting a drop in Australian dollar interest rates.

- Net premiums written increased in all regions and reinsurance business on a local currency basis. Owing partly to the impact of exchange rates (+20.9 billion yen) and new consolidations (+12.8 billion yen), net premiums written increased by 21.9%, to 293.2 billion yen.
- Net income increased by 15.0 billion yen year-on-year, to 35.0 billion yen.

Overseas Subsidiaries

(¥bn)

	FY2013 Results	FY2014		
		Results	YoY Change	Change Ratio
Net premiums written	240.6	293.2	52.6	21.9%
Asia*	118.6	149.7	31.1	26.2%
Europe	68.9	82.6	13.6	19.8%
Americas	36.3	41.7	5.4	14.9%
Reinsurance	16.7	19.1	2.4	14.4%
Net income	19.9	35.0	15.0	75.7%
Asia*	11.5	17.9	6.3	55.3%
Europe	- 0.2	4.6	4.8	-
Americas	0.0	1.3	1.3	2,488.9%
Reinsurance	8.5	11.0	2.5	29.7%

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

Next, I will explain the condition of overseas subsidiaries. Please look at Slide 12.

Net premiums written increased by 21.9% overall, to 293.2 billion yen.

This includes the 20.9 billion yen impact of exchange rates and the 12.8 billion yen effect of new consolidations, but even if these are excluded, there was an increase in net premiums written on a local currency basis in all regions.

Net income increased by 15 billion yen year-on-year to 35 billion yen, while all regions making a contribution, especially in Asia.

FY 2014 Results Data

Mitsui Sumitomo Insurance (MSI) (Non-consolidated)

Page 13-15

Aioi Nissay Dowa Insurance (ADI) (Non-consolidated)

Page 16-18

In the following slides from 13 to 18, you will find the non-consolidated results of both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for FY2014.

Please refer to them later.

13. Results for FY 2014 - MSI (Non-consolidated) (1)

MS&AD

(¥bn)

	FY2013 Results	FY2014 Results	YoY Change
Net premiums written	1,384.5	1,445.8	61.3
Growth rate of net premiums written	5.3%	4.4%	-0.9pt
Net loss ratio	65.1%	62.2%	-2.9pt
Net expense ratio	32.0%	31.8%	-0.2pt
Combined ratio	97.1%	94.0%	-3.1pt
Incurred losses (Incl. loss adjustment expenses)	909.5	887.4	-22.0
Underwriting profit	-7.3	14.0	21.3
Net interest and dividends income	70.9	70.6	-0.2
Gains on sales of securities	54.8	90.0	35.2
Impairment losses on securities	-3.3	-3.3	0.0
Investment profit	125.1	158.3	33.1
Ordinary profit	101.9	171.3	69.3
Extraordinary income	-17.4	-33.7	-16.2
Net income	58.0	89.1	31.0
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	4.7%	4.5%	-0.2pt
Net loss ratio	62.2%	59.4%	-2.8pt
Net expense ratio	34.1%	33.9%	-0.2pt
Combined ratio	96.3%	93.3%	-3.0pt

14. Results for FY 2014 - MSI (Non-consolidated) (2)

Net premiums written (¥bn)

	FY2013	FY2014	
	Results	Results	Growth
Fire and allied	212.2	222.6	4.9%
Marine	56.7	65.2	15.1%
Personal accident	144.6	149.6	3.4%
Voluntary automobile	608.3	626.2	2.9%
CALI	173.4	180.1	3.8%
Other	188.9	201.8	6.8%
Total	1,384.5	1,445.8	4.4%
Total excl. residential EQ insurance and CALI	1,210.3	1,264.9	4.5%

Net loss ratio

	FY2013	FY2014	
	Results	Results	Y to Y change
Fire and allied	70.9%	67.0%	-3.9pt
Marine	59.6%	49.9%	-9.7pt
Personal accident	60.4%	58.7%	-1.7pt
Voluntary automobile	63.5%	60.9%	-2.6pt
CALI	85.4%	81.8%	-3.6pt
Other	50.2%	49.7%	-0.5pt
Total	65.1%	62.2%	-2.9pt
Total excl. residential EQ insurance and CALI	62.2%	59.4%	-2.8pt

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

(¥bn)

	FY2013					FY2014					
	Incurring Losses ^{*1} (a)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (b)	(a)-(b)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	Incurring Losses ^{*1} (c)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (d)	(c)-(d)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	129.7	71.4%	36.4	93.3	51.3%	108.9	57.9%	11.5	97.3	51.8%	0.5pt
Marine	36.9	66.2%	0.4	36.5	65.4%	34.9	56.4%	0.1	34.8	56.2%	-9.2pt
Personal accident	87.2	61.5%	0.0	87.1	61.4%	85.8	58.3%	0.1	85.7	58.2%	-3.2pt
Voluntary automobile	400.1	66.5%	6.0	394.0	65.5%	384.9	61.9%	1.2	383.7	61.7%	-3.8pt
Other	106.0	58.1%	3.9	102.1	55.9%	123.7	64.4%	2.1	121.6	63.3%	7.4pt
Total ^{*4} (A)	760.2	65.3%	46.9	713.2	61.3%	738.5	61.0%	15.1	723.3	59.7%	-1.6pt
Residential earthquake insurance (B)	—	—	—	—	—	—	—	—	—	—	—
CALI (C)	149.2	—	—	149.2	—	148.9	—	—	148.9	—	—
Total (A)+(B)+(C)	909.5	—	46.9	862.5	—	887.4	—	15.1	872.3	—	—

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

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

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

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

16. Results for FY 2014 - ADI (Non-consolidated) (1)

MS&AD

(#bn)

	FY2013 Results	FY2014	
		Results	YoY Change
Net premiums written	1,144.6	1,160.8	16.2
Growth rate of net premiums written	3.8%	1.4%	-2.4 pt
Net loss ratio	65.0%	63.2%	-1.8 pt
Net expense ratio	34.5%	35.0%	0.5 pt
Combined ratio	99.5%	98.2%	-1.3 pt
Incurred losses (Incl. loss adjustment expenses)	781.0	734.6	-46.3
Underwriting profit	-28.8	14.7	43.6
Net interest and dividends income	45.9	40.1	-5.7
Gains on sales of securities	19.5	19.9	0.4
Impairment losses on securities	-3.6	0.0	3.5
Investment profit	53.0	51.5	-1.4
Ordinary profit	27.8	68.9	41.0
Extraordinary income	-5.6	-3.2	2.4
Net income	13.1	39.4	26.3
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	3.2%	1.3%	-1.9 pt
Net loss ratio	62.0%	60.4%	-1.6 pt
Net expense ratio	36.5%	37.2%	0.7 pt
Combined ratio	98.5%	97.6%	-0.9 pt

Net premiums written

Net loss ratio

(¥bn)

	FY2013	FY2014	
	Results	Results	Growth
Fire and allied	135.7	144.9	6.8%
Marine	11.2	7.5	-32.5%
Personal accident	72.6	69.5	-4.3%
Voluntary automobile	658.9	665.2	1.0%
CALI	164.2	167.7	2.1%
Other	101.7	105.8	4.0%
Total	1,144.6	1,160.8	1.4%
Total excl. residential EQ insurance and CALI	979.8	992.6	1.3%

	FY2013	FY2014	
	Results	Results	YoY Change
Fire and allied	64.8%	66.2%	1.4pt
Marine	52.4%	62.4%	10.0pt
Personal accident	50.3%	49.5%	-0.8pt
Voluntary automobile	63.2%	61.0%	-2.2pt
CALI	83.0%	80.2%	-2.8pt
Other	59.3%	55.1%	-4.2pt
Total	65.0%	63.2%	-1.8pt
Total excl. residential EQ insurance and CALI	62.0%	60.4%	-1.6pt

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

(#bn)

	FY 2013					FY 2014					
	Incurred Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio* ² (Excluding Nat Cat Impact)	Incurred Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio* ² (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	104.1	76.6%	39.5	64.5	47.5%	77.3	56.3%	10.4	66.9	48.7%	1.2pt
Marine	5.6	52.9%	—	5.6	52.9%	4.8	53.2%	—	4.8	53.2%	0.3pt
Personal accident	36.3	53.4%	0.0	36.2	53.3%	32.7	48.8%	0.0	32.6	48.7%	-4.6pt
Voluntary automobile	433.5	66.3%	7.7	425.7	65.1%	405.6	61.3%	0.8	404.8	61.2%	-3.9pt
Other	64.9	65.2%	2.0	62.9	63.2%	78.7	75.4%	0.8	77.9	74.6%	11.4pt
Total* ⁴ (A)	644.4	66.6%	49.3	595.1	61.5%	599.4	61.2%	12.1	587.2	59.9%	-1.6pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	136.5	/	—	136.5	/	135.2	/	—	135.2	/	/
Total (A)+(B)+(C)	781.0	/	49.3	731.7	/	734.6	/	12.1	722.5	/	/

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

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

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

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

Projected Financial Results for FY2015

Consolidated Earnings Forecasts for FY 2015	Page 19-22
Major Assumptions	Page 23
Mitui Sumitomo Insurance (MSI) (Non-consolidated)	Page 23-24
Aioi Nissay Dowa Insurance (ADI) (Non-consolidated)	Page 26-27
Simple Sum of MSI and ADI (Non-consolidated)	Page 28-29
(Reference) Concerning Numerical Management Targets in the medium-term management plan	Page 30

19. Consolidated Earnings Forecasts for FY 2015 (1)

- Net premiums written are projected to rise by 125.2 billion yen year-on-year, an increase of 4.3% to 3,066.0 billion yen.
- Domestic non-life insurance income is expected a rise, with a steady increase in domestic direct premium income and the effects of the reorganization by function, among other factors.
- Net premiums written will also increase in overseas, with business expansion in each region and the impact of exchange rates, etc.

(¥bn)

	FY2014 Results	FY2015 Forecasts		
			YoY Change	Change Ratio
Net premiums written*	2,940.7	3,066.0	125.2	4.3%
Mitsui Sumitomo Insurance	1,445.8	1,490.0	44.1	3.1%
Aioi Nissay Dowa Insurance	1,160.8	1,182.0	21.1	1.8%
Mitsui Direct General Insurance	35.0	36.1	1.0	3.0%
Overseas subsidiaries	293.2	350.0	56.7	19.3%
Life insurance premiums	721.7	847.0	125.2	17.4%

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

<Reference: Gross life insurance premiums>

	FY2014 Results	FY2015 Forecasts		
			YoY Change	Growth Ratio
MSI Aioi Life	441.8	451.4	9.5	2.2%
MSI Primary Life	1,054.0	800.0	- 254.0	-24.1%

Next, I will explain the consolidated earnings forecast for FY2015.
Please look at Slide 19.

Group consolidated net premiums written are projected to rise by 4.3% to 3,066 billion yen.

Growth in net premiums written is also estimated to exceed 100 billion yen in the current fiscal year, and this forecast incorporates the steady implementation of reorganization by function and growth strategies at Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, while also continuing to expand the operations of overseas subsidiaries.

We forecast life insurance premiums of 847 billion yen, for a growth rate of 17.4%. The lower section of the table shows gross premium income for life insurance for your reference. Mitsui Sumitomo Primary Life Insurance plans to shift from a record-high level of sales in FY2014 back to a normal level of sales in FY2015.

20. Consolidated Earnings Forecasts for FY 2015 (2)

- Ordinary profit is projected down 45.0 billion yen year-on-year, to 242.0 billion yen.
- Net income is projected up 20.7 billion yen year-on-year, to 157.0 billion yen

(¥bn)

	FY2014 Results	FY2015 Forecasts	
			YoY Change
Ordinary profit	287.0	242.0	- 45.0
Mitsui Sumitomo Insurance	171.3	140.0	- 31.3
Aioi Nissay Dowa Insurance	68.9	53.0	- 15.9
Net income*	136.2	157.0	20.7
Mitsui Sumitomo Insurance	89.1	97.0	7.8
Aioi Nissay Dowa Insurance	39.4	32.0	- 7.4
Mitsui Direct General Insurance	- 3.1	- 0.3	2.9
MSI Aioi Life	4.4	2.5	- 1.9
MSI Primary Life	12.4	12.5	0.0
Overseas subsidiaries	35.0	29.0	- 6.0
Consolidation adjustments, etc.	- 41.0	- 15.7	25.2

- Net income represents net income attributable to owners of the parent.
- Net income of subsidiaries is on an equity stake basis, same hereafter.

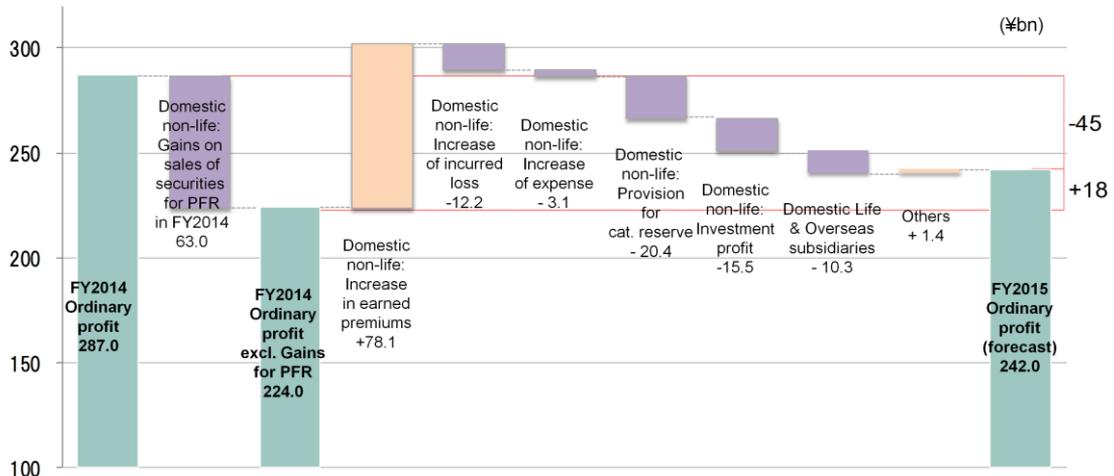
Next, I will explain ordinary profit and net income for FY2015.
Please look at Slide 20.

Group consolidated ordinary profit is forecast at 242 billion yen, a decrease of 45 billion yen year-on-year. However, we expect net income to increase 20.7 billion yen year-on-year, to 157 billion yen.

The positive and negative factors are explained in the next slide.

- Ordinary profit for FY2015 is forecast to increase by 18.0 billion yen from ordinary profit in FY2014 excluding gains on sales of securities for the additional provision of price fluctuation reserves.
- The main factor is increase in earned premiums of domestic non-life insurance companies.

Major increase/decrease factors for consolidated ordinary profit



* Figures of domestic non-life are simple combinations of MSI and ADI.

Please look at Slide 21.

In the graph, FY2014 ordinary profit is shown on the left, and the year-on-year positive and negative factors for FY2015 are listed. Also, in FY2014 there was a 63 billion yen gain on the sale of securities to provide an additional provision to price fluctuation reserves, and so 224 billion yen is shown as the base figure, excluding the impact of this factor.

The increase in the next item to the right, "Domestic non-life earned premiums," is the main reason for the higher profit level. Incurred losses also increased in line with this, but the increase in the loss burden was only 12.2 billion yen due to the impact of the automobile insurance premium revisions carried out in October 2014, as well as the lack of large claims and elimination of the IBNR burden seen in FY2014.

The next item, "Domestic non-life expenses", shows the increase in expenses including commissions. This was mainly due to higher commissions associated with top-line growth, and we plan a year-on-year reduction in company expenses.

The next item, "Catastrophe reserves", shows an increase of 20.4 billion yen, but we do not expect to make any additional provisions.

The items I have mentioned so far are the main positive and negative factors relating to underwriting. Compared with the increase in earned premiums, the increase in the various expense items is small, and we forecast an increase in underwriting profit.

The next items show changes in the investment performance in the domestic non-life business, ordinary profit of domestic life insurance and at overseas subsidiaries. In all cases, we expect a drop in profit compared with FY2014, which was a strong year.

As a result of these factors, we expect ordinary profit of 242 billion yen in FY2015, or an increase of 18 billion yen compared with FY2014, excluding additional provision of the price fluctuation reserve factor.

22. Consolidated Earnings Forecasts for FY 2015 (4)

- Group core profit will exceed the FY 2015 management target figure of 120.0 billion yen, at 151.0 billion yen. Group ROE of 5.0% is forecast
- The combined ratio of 93.6% forecast, incorporating improvements in expense ratios, etc. in the domestic non-life insurance business.
- Dividends per share of 70 yen, 5 yen increase year-on-year, for FY2015 full year is forecast.

(¥bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Group Core Profit*	155.7	151.0	-4.7
Domestic non-life insurance	92.4	105.0	12.5
Domestic life insurance	20.4	15.0	-5.4
Overseas	38.2	26.0	-12.2
Financial services/ Risk-related services	4.6	5.0	0.3
Financial targets			
Combined ratio (Domestic non-life insurance)	96.0%	93.6%	- 2.4pt
Increase in EV of MSI Aioi Life	59.7	55.0	-4.7
Group ROE*	5.9%	5.0%	- 0.9pt

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

Next, I will talk about Group core profit.
Please look at Slide 22.

Group core profit will be 151 billion yen in FY2015, which although slightly lower than FY2014, is 31 billion yen higher than our medium-term management plan target of 120 billion yen.

Given this situation, we intend to raise the annual dividend payout for FY2015 to 70 yen, which is 5 yen higher than the 65 yen annual dividend per share in FY2014.

23. Earnings Forecasts for FY 2015 - Major Assumptions

- Assumptions about market environment based on end of March, 2015 levels.
- Assumptions about losses due to domestic natural catastrophes are based on a combined total of 40.0 billion yen for the two non-life insurance companies combined.

Major assumptions about consolidated earnings forecasts (shown in parentheses are previous year's result).

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	Assumes the level at the end of Mar. 2015 (Note) As of the end of Mar. 2015 Nikkei average: ¥19,207 US\$: ¥120.00 Euro: ¥130.00	
Incurring losses related to domestic natural catastrophes occurring in FY 2015	25.0	15.0
Heavy snowfalls occurred in Feb. 2014 Net claims paid	0.6 (37.9)	0.8 (26.1)
Floods in Thailand occurred in Nov. 2011 Net claims paid	6.7 (7.3)	0.5 (0.2)
Catastrophe reserve (For fire insurance) Provision rate	9%	8%
Expected balance as of Mar. 31, 2016	138.3 (118.1)	107.5 (98.4)
Catastrophe reserves (For Voluntary Automobile insurance) Provision rate	3.2%	3.2%
Expected balance as of Mar. 31, 2016	27.9 (21.7)	21.7 (21.3)
Corporate tax rate (Effective tax rate)	28.8% (30.7%)	

The major assumptions used in these forecasts are explained in the next slide. Please look at Slide 23.

Our market assumptions, including for the Nikkei Stock Average and foreign exchange, are based on levels at the end of March, 2015.

Assumptions about losses due to domestic natural catastrophes are based on a total of 40 billion yen for the two non-life insurance companies combined, an increase of 2 billion yen taking into account policy conditions and other factors.

As mentioned here, claims paid for heavy snowfalls and others will only have a small impact on results this year.

Our catastrophe reserve assumptions are stated in the slide, and there is no change to the provision rate. Regarding the additional provision for catastrophe reserve, made in FY2014, we do not plan to make any additional provision this year due to the reduced impact of reversals following the heavy snowfalls.

This is not mentioned in the slide, but we do not plan to make an additional provision to the price fluctuation reserve.

The corporate tax rate is 28.8%, reflecting the reduction in the tax rate.

24. Earnings Forecasts for FY 2015 - MSI (Non-consolidated) (1)

MS&AD

(#bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Net premiums written	1,445.8	1,490.0	44.1
Growth rate of net premiums written	4.4%	3.1%	-1.4 pt
Net loss ratio	62.2%	60.4%	-1.8 pt
Net expense ratio	31.8%	30.9%	-0.9 pt
Combined ratio	94.0%	91.3%	-2.7 pt
Incurring losses (Incl. loss adjustment expenses)	887.4	905.3	17.8
Underwriting profit	14.0	38.0	23.9
Net interest and dividends income	70.6	67.4	-3.2
Gains on sales of securities	90.0	43.5	-46.5
Impairment losses on securities	-3.3	-3.0	0.3
Investment profit	158.3	106.4	-51.9
Ordinary profit	171.3	140.0	-31.3
Extraordinary income	-33.7	-11.3	22.4
Net income	89.1	97.0	7.8
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	4.5%	3.2%	-1.3 pt
Net loss ratio	59.4%	57.5%	-1.9 pt
Net expense ratio	33.9%	32.9%	-1.0 pt
Combined ratio	93.3%	90.4%	-2.9 pt

In the following Slide 24 and onwards, you will find details of the non-consolidated earnings forecast for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for FY2015, and materials on the simple sum of the two companies on a non-consolidated basis.

In addition, as a reference, Slide 30 contains an excerpt from the forecast for FY2017 shown on page 15 of the Explanatory Material for Business Results announced with the Earnings Report today. Please refer to it later.

Lastly, today we issued a release entitled "Strengthening Corporate Governance". With the aims of ensuring the group's sustainable growth and enhancing enterprise value, we have decided to create the Governance Committee, whose members are mainly outside directors, and we have established criteria for the selection of director candidates and corporate auditor candidates. This will enable us to further strengthen a management framework that will allow us to make business decisions in a manner that is both transparent and fair as well as quick and decisive.

In addition, the ratio of independent outside directors will be increased to one-third, and we have introduced stock options as equity compensation.

Notes that stock options as equity compensation is being introduced for all directors and executive directors of the core companies Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, excluding external directors. This is subject to the approval of the General Meeting of Shareholders.

This concludes my presentation.

25. Earnings Forecasts for FY 2015 - MSI (Non-consolidated) (2)

Net premiums written

(¥bn)

	FY2014	FY2015	
	Results	Forecasts	Growth
Fire and allied	222.6	221.7	-0.4%
Marine	65.2	71.5	9.5%
Personal accident	149.6	139.7	-6.7%
Voluntary automobile	626.2	645.8	3.1%
CALI	180.1	183.4	1.8%
Other	201.8	227.9	12.9%
Total	1,445.8	1,490.0	3.1%
Total excl. residential EQ insurance and CALI	1,264.9	1,305.9	3.2%

Net loss ratio

	FY2014	FY2015	
	Results	Forecasts	YoY Change
Fire and allied	67.0%	55.6%	-11.4pt
Marine	49.9%	51.9%	2.0pt
Personal accident	58.7%	59.1%	0.4pt
Voluntary automobile	60.9%	60.3%	-0.6pt
CALI	81.8%	81.5%	-0.3pt
Other	49.7%	51.9%	2.2pt
Total	62.2%	60.4%	-1.8pt
Total excl. residential EQ insurance and CALI	59.4%	57.5%	-1.9pt

Incurred losses^{*1}

(¥bn)

	FY2014	FY2015 (Forecasts)	
	Results		YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	887.4	905.3	17.8
Natural catastrophes ^{*2}	15.1	25.0	9.8
Other than natural catastrophes	872.3	880.3	7.9

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

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

26. Earnings Forecasts for FY 2015 - ADI (Non-consolidated) (1)

MS&AD

(#bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Net premiums written	1,160.8	1,182.0	21.1
Growth rate of net premiums written	1.4%	1.8%	0.4 pt
Net loss ratio	63.2%	61.8%	-1.4 pt
Net expense ratio	35.0%	34.5%	-0.5 pt
Combined ratio	98.2%	96.3%	-1.9 pt
Incurring losses (incl. loss adjustment expenses)	734.6	732.0	-2.6
Underwriting profit	14.7	28.0	13.2
Net interest and dividends income	40.1	32.1	-8.1
Gains on sales of securities	19.9	4.0	-15.9
Impairment losses on securities	-0.0	-3.0	-2.9
Investment profit	51.5	25.0	-26.5
Ordinary profit	68.9	53.0	-15.9
Extraordinary income	-3.2	-8.8	-5.5
Net income	39.4	32.0	-7.4
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	1.3%	1.7%	0.4 pt
Net loss ratio	60.4%	58.9%	-1.5 pt
Net expense ratio	37.2%	36.7%	-0.5 pt
Combined ratio	97.6%	95.6%	-2.0 pt

Net premiums written				Net loss ratio			
	FY2014	FY2015			FY2014	FY2015	
	Results	Forecasts	Growth		Results	Forecasts	YoY Change
Fire and allied	144.9	154.8	6.8%	Fire and allied	66.2%	55.0%	-11.2pt
Marine	7.5	6.2	-18.2%	Marine	62.4%	56.5%	-5.9pt
Personal accident	69.5	64.0	-7.9%	Personal accident	49.5%	50.3%	0.8pt
Voluntary automobile	665.2	673.1	1.2%	Voluntary automobile	61.0%	60.6%	-0.4pt
CALI	167.7	171.6	2.3%	CALI	80.2%	79.5%	-0.7pt
Other	105.8	112.3	6.1%	Other	55.1%	58.7%	3.6pt
Total	1,160.8	1,182.0	1.8%	Total	63.2%	61.8%	-1.4pt
Total excl. residential EQ insurance and CALI	992.6	1,009.8	1.7%	Total excl. residential EQ insurance and CALI	60.4%	58.9%	-1.5pt

Incurred losses ^{*1}			
	FY2014	FY2015	
	Results	Forecasts	YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	734.6	732.0	-2.6
Natural catastrophes ^{*2}	12.1	15.0	2.8
Other than natural catastrophes	722.5	717.0	-5.5

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

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

28. Earnings Forecasts for FY 2015 - Simple Sum of MSI & ADI (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014		FY2015	
		Results	YoY Change	Forecasts	YoY Change
Net premiums written	2,529.1	2,606.6	77.5	2,672.0	65.3
Growth rate of net premiums written	4.6%	3.1%	-1.6pt	2.5%	-0.6pt
Net loss ratio	65.0%	62.6%	-2.4pt	61.0%	-1.6pt
Net expense ratio	33.2%	33.2%	0.0pt	32.5%	-0.7pt
Combined ratio	98.2%	95.8%	-2.4pt	93.5%	-2.3pt
Incurred losses (incl. loss adjustment expenses)	1,690.5	1,622.1	-68.4	1,637.3	15.1
Underwriting profit	-36.1	28.7	64.9	66.0	37.2
Net interest and dividends income	116.8	110.8	-6.0	99.5	-11.3
Gains on sales of securities	74.3	110.0	35.6	47.5	-62.5
Impairment losses on securities	-7.0	-3.4	3.5	-6.0	-2.5
Investment profit	178.1	209.8	31.7	131.4	-78.5
Ordinary profit	129.8	240.3	110.4	193.0	-47.3
Extraordinary income	-23.1	-36.9	-13.8	-20.1	16.8
Net income	71.1	128.5	57.4	129.0	0.4
<Rate and ratios, excluding residential earthquake insurance and CALI>					
Growth rate of net premiums written	4.0%	3.1%	-0.9pt	2.6%	-0.5pt
Net loss ratio	62.1%	59.8%	-2.3pt	58.1%	-1.7pt
Net expense ratio	35.2%	35.3%	0.1pt	34.6%	-0.7pt
Combined ratio	97.3%	95.1%	-2.2pt	92.7%	-2.4pt

29. Earnings Forecasts for FY 2015 - Simple Sum of MSI & ADI (Non-consolidated) (2)

MS&AD

Net premiums written						Net loss ratio							
	FY2013		FY2014		FY2015			FY2013		FY2014		FY2015	
	Results	Results	Growth	Forecasts	Growth	Results		Results	YoY change	Forecasts	YoY change		
Fire and allied	348.0	367.5	5.6%	376.5	2.4%	Fire and allied	68.5%	66.7%	-1.8pt	55.4%	-11.3pt		
Marine	67.9	72.8	7.2%	77.7	6.7%	Marine	58.4%	51.2%	-7.2pt	52.3%	1.1pt		
Personal accident	217.3	219.1	0.8%	203.7	-7.1%	Personal accident	57.0%	55.8%	-1.2pt	56.3%	0.5pt		
Voluntary automobile	1,267.2	1,291.4	1.9%	1,318.9	2.1%	Voluntary automobile	63.4%	61.0%	-2.4pt	60.4%	-0.6pt		
CALI	337.7	347.8	3.0%	355.0	2.0%	CALI	84.2%	81.0%	-3.2pt	80.6%	-0.4pt		
Other	290.7	307.7	5.8%	340.2	10.5%	Other	53.4%	51.6%	-1.8pt	54.1%	2.5pt		
Total	2,529.1	2,606.6	3.1%	2,672.0	2.5%	Total	65.0%	62.6%	-2.4pt	61.0%	-1.6pt		
Total excl. residential EQ insurance and CALI	2,190.1	2,257.6	3.1%	2,315.7	2.6%	Total excl. residential EQ insurance and CALI	62.1%	59.8%	-2.3pt	58.1%	-1.7pt		

Incurred losses* ¹					
	Results	Results	YoY Change	Forecasts	YoY Change
Incurred losses (Incl. loss adjustment expenses)** ¹	1,690.5	1,622.1	-68.4	1,637.3	15.1
Natural catastrophes** ²	96.3	27.2	-69.0	40.0	12.7
Other than natural catastrophes	1,594.2	1,594.8	0.6	1,597.3	2.4

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

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

30. (Reference) Concerning Numerical Management Targets
in the medium-term management plan

(¥bn)

	Numerical Management Targets for year ending March 31, 2018 ^{*1}	Outlook for year ending March 31, 2018 ^{*2}
Net premiums written	3,100.0	3,200.0
Group Core Profit	160.0	200.0
Group ROE	7.0%	(*3)

* 1 Numerical management targets are the targets set in the "Medium-term Management Plan 2014-2017" announced in June, 2014.

* 2 Forecasts are updated based on the current environment, but the numerical management targets remain unchanged.

* 3 While an increase in net assets due to a rise in equity markets has an adverse impact against the Group ROE, the Group will make continuous efforts to achieve the ROE target (7%).

Caution About Forward-looking Statements

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

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