

Materials for FY2016 3Q Results Briefing – Conference Call

Feb. 14, 2017 (Tue.)



MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

I am Satoru Shiono of MS&AD Holdings' Corporate Communications and Investor Relations Dept.

Thank you for joining our conference call today.

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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	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.

Summary of FY2016 3Q Results

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1. Consolidated Earnings for FY2016 3Q (1) - Overview (i)

- Net premiums written increased by 11.4% year-on-year to 2,608.6 billion yen due to inclusion of MS Amlin in the scope of consolidation.
- Life insurance premiums fell by 3.1% year-on-year to 935.5 billion yen mainly due to a recoil from the previous year's increase in sales following the introduction of new products at MSI Primary Life.

(¥bn)

	FY2015 3Q	FY2016 3Q	YoY Change	Growth
	Results	Results		
Direct premiums written [※] (excluding deposit premiums from policyholders)	2,561.9	2,666.1	104.1	4.1%
Net premiums written [※]	2,340.9	2,608.6	267.6	11.4%
Mitsui Sumitomo Insurance	1,146.3	1,104.3	- 41.9	- 3.7%
Aioi Nissay Dowa Insurance	902.7	905.1	2.4	0.3%
Mitsui Direct General	26.6	27.4	0.8	3.2%
Overseas subsidiaries	260.8	567.2	306.4	117.5%
Life insurance premiums	965.4	935.5	- 29.8	- 3.1%

[※] 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>

(¥bn)

	FY2015 3Q	FY2016 3Q	YoY Change	Growth
	Results	Results		
MSI Aioi Life	337.6	349.0	11.4	3.4%
MSI Primary Life	970.5	782.0	- 188.5	- 19.4%

MS&AD Insurance Group Holdings, Inc.

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Please look at Slide 1 of the "Materials for FY2016 3Q Results Briefing - Conference Call."

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

Net premiums written rose significantly by 11.4% year-on-year because of the new consolidation of MS Amlin, which is an overseas subsidiary, despite the impact of the recoil from the rush demand for the fire insurance products revised in the previous year in domestic non-life insurance.

Life insurance premiums decreased by 3.1% year-on-year because the sale of new foreign currency denominated variable life insurance products that performed well last fiscal year has run its course at MSP Life.

2. Consolidated Earnings for FY2016 3Q (1) - Overview (ii)

- Ordinary profit increased by 21.7% year-on-year to 318.8 billion yen, driven by increased profits in the domestic non-life insurance business.
- Net income rose by 22.8% year-on-year to 209.6 billion yen.

(¥bn)

	FY2015 3Q Results	FY2016 3Q Results	YoY Change	
			YoY Change	Change Ratio
Ordinary profit	261.9	318.8	56.9	21.7%
Mitsui Sumitomo Insurance	138.9	168.9	29.9	21.6%
Aioi Nissay Dowa Insurance	60.6	80.0	19.4	32.2%
Mitsui Direct General	- 2.5	0.1	2.6	-
MSI Aioi Life	16.3	13.0	- 3.2	- 19.9%
MSI Primary Life	41.7	48.7	7.0	16.9%
Overseas subsidiaries	32.0	39.3	7.2	22.5%
Consolidation adjustments, etc.	- 25.2	- 31.4	- 6.1	-
Net income [※]	170.7	209.6	38.9	22.8%
Mitsui Sumitomo Insurance	100.1	125.1	25.0	25.0%
Aioi Nissay Dowa Insurance	33.8	56.3	22.4	66.4%
Mitsui Direct General	- 2.1	- 0.0	2.0	-
MSI Aioi Life	8.5	6.1	- 2.4	- 28.8%
MSI Primary Life	28.7	33.8	5.0	17.5%
Overseas subsidiaries	24.8	28.4	3.5	14.3%
Consolidation adjustments, etc.	- 23.3	- 40.1	- 16.8	-

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

Next, please look at Slide 2. I will explain the Group's bottom line.

As shown in the first row of this table, ordinary profit rose by 21.7% to ¥318.8 billion, and net income, shown in the middle of the table, increased by 22.8% to ¥209.6 billion, with both exceeding the levels in the Company's forecast for FY2016 announced in November.

No changes have been made to the Company's forecast for the full year due to hurricanes in the United States and earthquakes in New Zealand having a certain impact toward the end of the fiscal year, and the presence of uncertain elements such as claims caused by snowfall and the provision for reserves.

3. Consolidated Earnings for FY2016 3Q (2) – Group Core Profit

- Group Core Profit rose by 56.9 billion yen year-on-year to 210.0 billion yen.
- The combined ratio for domestic non-life insurance rose by 1.0 point year-on-year to 91.2% due primarily to a drop in net premiums written.

(¥bn)

	FY2015 3Q	FY2016 3Q	
	Results	Results	YoY Change
Group Core Profit ^{※1}	153.1	210.0	56.9
Domestic non-life insurance business	86.8	133.3	46.5
Domestic life insurance business	37.1	39.8	2.6
International business	29.7	35.2	5.4
Financial services business and risk-related services business	- 0.6	1.6	2.3
Other financial targets			
Combined ratio ^{※2} (Domestic non-life insurance business)	90.2%	91.2%	1.0pt
Increase in EV of MSI Aioi Life ^{※3}			
Group ROE ^{※3}			

※1 For the definition of Group Core Profit, please refer to the last page.

※2 Combined ratio (Domestic non-life insurance business) is indicated based on the sum of MSI, ADI and Mitsui Direct General.

※3 Increase in EV of MSI Aioi Life is disclosed semiannually, Group ROE is disclosed at the end of every fiscal year.

Group Core Profit 210.0	=	Consolidated net income 209.6	–	Net capital gains / losses on stock portfolio 40.7	–	Net evaluation gains / losses on credit derivatives -0.1	–	Other incidental factors ^{※4} -41.1	+	Equity in earnings of the non-consolidated group companies -0.0
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※4 Extraordinary income and losses excluding reserve for price fluctuation: -19.9 billion yen (system expenses for the transfer of third sector policies in force :-14.3 billion yen and costs of integration of Lloyd's business and Reinsurance business into MS Amlin: -3.4 billion yen), amortization of goodwill and others: -21.1 billion yen.

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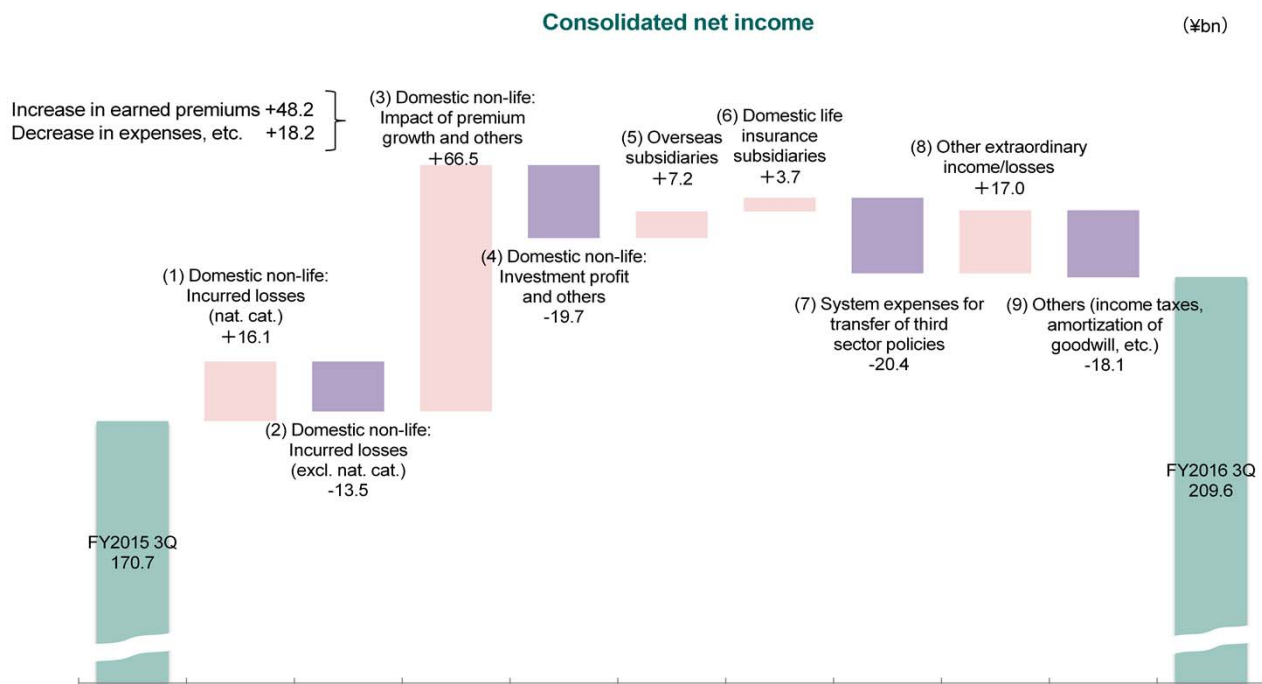
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Next, please look at Slide 3.

Group Core Profit increased significantly by ¥56.9 billion year-on-year, to ¥210.0 billion. Key adjustments from net income are described at the bottom of the slide.

4. Consolidated Earnings for FY2016 3Q (3) – YoY Results Comparison (i)

- The main factor of an increase in net income was the growth of underwriting profit due to an increase in earned premiums among other factors ((3) in the graph below).



Next, I will explain factors behind year-on-year changes in consolidated net income for FY2016 3Q.

Please look at the graph on Slide 4 and the table on Slide 5.

The main factor of an increase in net income was (3) the impact of premium growth and others in domestic non-life insurance business, which is divided into ¥48.2 billion of an increase in earned premiums resulting from the past steady premium growth and ¥18.2 billion of a decrease in expenses and etc.

5. Consolidated Earnings for FY2016 3Q (3) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2015 3Q	FY2016 3Q	Difference
Consolidated net income		170.7	209.6	38.9
Domestic non-life insurance ^{※1} (ordinary profit)		199.5	249.0	49.4
Incurred losses (incl. loss adjustment expenses, excl. residential earthquake and CALI ^{※2})		- 991.3	- 988.6	2.6
Natural catastrophes ^{※3}	(1)	- 65.3	- 49.1	16.1
Excl. natural catastrophes	(2)	- 925.9	- 939.5	- 13.5
Impact of premium growth and others ^{※4}	(3)	1,036.9	1,103.4	66.5
Investment profit and others	(4)	153.9	134.2	- 19.7
Overseas subsidiaries (ordinary profit)	(5)	32.0	39.3	7.2
Domestic life insurance subsidiaries (ordinary profit)	(6)	58.0	61.8	3.7
System expenses for transfer of third sector policies	(7)	-	- 20.4	- 20.4
Other extraordinary income/losses	(8)	- 30.0	- 12.9	17.0
Others (income taxes, amortization of goodwill, etc.)	(9)	- 88.9	- 107.1	- 18.1

※1 Figures for domestic non-life insurance are the simple sum of MSI and ADI.

※2 CALI stands for Compulsory Automobile Liability Insurance, same hereafter.

※3 "Natural catastrophes" represent the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, including Kumamoto earthquake.

However, the figures for FY2015 3Q include the incurred losses resulting from heavy snowfalls occurred in Feb.2014.

※4 "Impact of premium growth and others" means underwriting profit other than incurred losses.

6. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2016 3Q (i)

- Net premiums written for the two companies combined fell by 39.5 billion yen to 2,009.4 billion yen, mainly due to a decrease in fire insurance caused by the impact of revisions to fire insurance products in the previous fiscal year.
- Underwriting profit for the two companies combined increased by 69.1 billion yen to 114.7 billion yen due to an increase in earned premiums among other factors.

(¥bn)

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,104.3	- 41.9	905.1	2.4	2,009.4	- 39.5
Growth rate of net premiums written	-3.7%	- 10.0pt	0.3%	- 3.4pt	-1.9%	- 7.0pt
Net claims paid	(-) 596.3	1.5	486.7	0.7	1,083.0	2.2
<Incurred losses (including loss adjustment expenses)>	(-) 680.1	1.7	531.0	2.7	1,211.2	4.5
Commissions and collection expenses	(-) 188.7	- 12.5	169.1	- 0.6	357.9	- 13.1
Operating expenses and general and administrative expense (underwriting)	(-) 149.2	1.9	130.2	- 7.5	279.4	- 5.5
Underwriting profit prior to reflecting catastrophe reserve	102.5	40.4	78.1	26.6	180.7	67.0
Reversal of catastrophe reserve	- 35.0	10.4	- 30.9	- 8.3	- 65.9	2.1
Underwriting profit	67.5	50.9	47.1	18.2	114.7	69.1
Ratios						
Net loss ratio ^{※1}	59.8%	2.4pt	58.8%	-0.1pt	59.4%	1.3pt
Net expenses ratio	30.6%	0.2pt	33.1%	-1.0pt	31.7%	-0.3pt
Combined ratio	90.4%	2.6pt	91.9%	-1.1pt	91.1%	1.0pt
<Reference: Ratios excluding residential EQ ^{※2} insurance and CAL>						
Net loss ratio	56.0%	1.8pt	54.7%	-0.8pt	55.4%	0.6pt
Net expenses ratio	32.5%	0.1pt	34.7%	-1.6pt	33.5%	-0.6pt
Combined ratio	88.5%	1.9pt	89.4%	-2.4pt	88.9%	0.0pt

※1 Net loss ratio is on a "written-to-paid" basis, same hereafter.

※2 EQ stands for earthquake, same hereafter.

Next, I will explain the status of our domestic non-life insurance.

Please look at the combined totals shown on the right on Slide 6.

First, net premiums written saw a 1.9% decline year-on-year, primarily due to a drop in fire insurance premiums.

On the other hand, underwriting profit including incurred losses increased by ¥69.1 billion to ¥114.7 billion due to decreases in expenses such as commissions and collection expenses, and operating expenses and general and administrative expenses in addition to the increase in earned premiums mentioned earlier.

7. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2016 3Q (ii)

- Investment profit and other ordinary profit fell by 19.7 billion yen year-on-year to 134.2 billion yen.
- Net income rose by 47.5 billion yen year-on-year to 181.5 billion yen.
- Sales of strategic equity holdings for the two companies combined amounted to 108.7 billion yen.

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit	67.5	50.9	47.1	18.2	114.7	69.1
Net interest and dividends income	56.2	- 13.3	28.7	- 4.0	85.0	- 17.3
Gains on sales of securities	52.6	- 11.8	8.6	1.8	61.2	- 9.9
Impairment losses on securities (-)	0.0	- 3.6	1.2	- 2.5	1.3	- 6.1
Investment profit and other ordinary profit	101.3	- 20.9	32.8	1.2	134.2	- 19.7
Ordinary profit	168.9	29.9	80.0	19.4	249.0	49.4
Extraordinary income/losses	- 3.6	7.9	- 6.0	10.3	- 9.6	18.2
Income before taxes	165.3	37.8	74.0	29.8	239.4	67.7
Net income	125.1	25.0	56.3	22.4	181.5	47.5

	MSI + ADI	
		YoY Change
<Reference> Sales of strategic equity holdings	108.7	- 23.2

Next, please look at Slide 7.

“Investment profit and other ordinary profit” decreased by ¥ 19.7 billion to ¥134.2 billion.

As a result, ordinary profit for the two core domestic non-life insurance companies totaled ¥249.0 billion, a year-on-year increase of ¥49.4 billion, and net income increased by ¥ 47.5billion to ¥181.5 billion.

The amount of strategic equity holdings sold during the first nine months totaled ¥108.7 billion for the two companies combined, representing smooth progress toward the ¥120 billion anticipated for FY2016.

8. Domestic Non-Life Insurance Companies FY2016 3Q (2) - Impact of Natural Catastrophes

- Incurred losses related to natural catastrophes fell by 16.1 billion yen year-on-year to 49.1 billion yen for the two companies combined (increased by 3.3 billion yen compared to FY2016 2Q).

Impact of natural catastrophes

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S ^{※1}	
		YoY Change		YoY Change		YoY Change
Natural catastrophes in Japan ^{※2}	49.1	- 15.9	32.3	- 15.8	16.8	- 0.0
Mitsui Sumitomo Insurance	32.9	- 4.5	20.2	- 6.4	12.6	1.9
Aioi Nissay Dowa Insurance	16.2	- 11.3	12.0	- 9.3	4.1	- 1.9
(Of which, Kumamoto Earthquake ^{※2})	13.4	13.4	6.8	6.8	6.5	6.5
Mitsui Sumitomo Insurance	9.6	9.6	4.9	4.9	4.6	4.6
Aioi Nissay Dowa Insurance	3.7	3.7	1.9	1.9	1.8	1.8
(Excluding Kumamoto Earthquake)	35.7	- 29.3	25.4	- 22.7	10.3	- 6.6
Mitsui Sumitomo Insurance	23.3	- 14.1	15.2	- 11.4	8.0	- 2.7
Aioi Nissay Dowa Insurance	12.4	- 15.1	10.1	- 11.2	2.3	- 3.8
Heavy snowfalls in Japan ^{※3} (occurred in Feb. 2014)	-	- 0.2	-	- 1.4	-	1.2
Total	49.1	- 16.1	32.3	- 17.2	16.8	1.1

※1 O/S stands for outstanding claims, same hereafter.

※2 Excluding residential EQ insurance

※3 The figures for FY2016 exclude the impact of heavy snowfalls occurred in Japan in Feb. 2014 as it was limited.

Next, I will talk about the impact of natural catastrophes. Please look at Slide 8.

On the very last line, the incurred losses for the two companies combined decreased by ¥16.1 billion year-on-year to ¥49.1 billion. This represents an increase by ¥3.3 billion from FY2016 2Q.

9. Domestic Non-Life Insurance Companies FY2016 3Q (3) - Catastrophe Reserves

- The net change in the catastrophe reserves declined by 2.1 billion yen year-on-year to 65.9 billion yen for the two companies combined.
- Provisions fell to 75.8 billion yen for the two companies combined, from 80.8 billion yen in the same period of the previous year, due to the impact of a drop in fire insurance premiums.

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Dec. 31, 2016
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	8.5	12.3	3.8	- 13.9	144.0
	Marine	-	2.0	2.0	- 0.2	77.4
	Personal accident	-	3.3	3.3	1.8	66.5
	Voluntary auto	-	15.7	15.7	0.5	53.7
	Other	0.2	10.2	10.0	1.3	175.7
	Total	8.7	43.7	35.0	- 10.4	517.5
Aioi Nissay Dowa Insurance	Fire and allied	-	9.1	9.1	- 1.2	121.2
	Marine	-	0.0	0.0	- 0.0	13.9
	Personal accident	-	1.4	1.4	- 0.0	64.6
	Voluntary auto	0.6	16.4	15.7	8.5	45.6
	Other	0.4	4.9	4.4	1.0	63.6
	Total	1.1	32.0	30.9	8.3	309.1
Simple Sum of MSI and ADI	Fire and allied	8.5	21.5	13.0	- 15.1	265.3
	Marine	-	2.1	2.1	- 0.2	91.3
	Personal accident	-	4.8	4.8	1.7	131.2
	Voluntary auto	0.6	32.1	31.5	9.0	99.4
	Other	0.6	15.1	14.5	2.4	239.3
	Total	9.8	75.8	65.9	- 2.1	826.7

A table on the status of catastrophe reserves is shown on Slide 9.

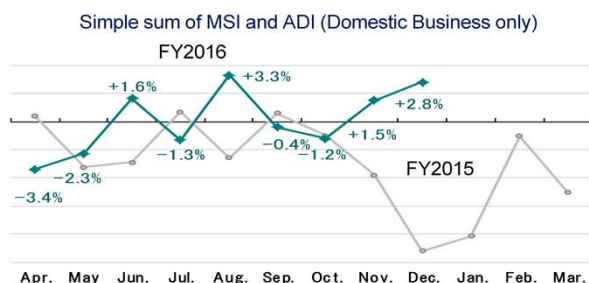
The net change in the catastrophe reserves for the two companies combined decreased by ¥2.1 billion year-on-year to ¥65.9 billion, remaining at almost the same level as the previous fiscal year.

10. Domestic Non-Life Insurance Companies FY2016 3Q (4) – Voluntary Auto Insurance

- E/I loss ratio dropped by 1.2 points year-on-year to 56.8% due to an increase in earned premiums and a decrease in incurred losses.
- The number of accidents dropped by 0.2pt year on year. The average payout per claim for both vehicle damage and property damage liability continued to rise with an increase in the cost of repairs, etc.

Trend in the number of accidents

(per day, %YOY, excl. the number of accidents caused by natural disasters)



E/I loss ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



Mitsui Sumitomo Insurance

< Domestic sales basis >	No. of contracts	Insurance premium unit price	Insurance premium
Factors increasing/decreasing insurance premium	+0.9%	+0.4%	+1.3%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.3%	+1.8%	

Aioi Nissay Dowa Insurance

< Domestic sales basis >	No. of contracts	Insurance premium unit price	Insurance premium
Factors increasing/decreasing insurance premium	-0.5%	+0.6%	+0.2%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.6%	+1.3%	

※ All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr.-Dec.) year-on-year.

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended Dec. 31, 2016 compared with average payout per claim in one-year period ended Mar. 31, 2016.

※ E/I loss ratio is calculated based on the figures from April to December for each year.

Next, please look at Slide 10. I will now talk about the situation concerning voluntary automobile insurance.

The EI loss ratio for the two companies combined in FY2016 3Q decreased by 1.2 points year-on-year to 56.8%, as shown in the graph on the upper right, due to an increase in earned premiums and a decrease in incurred losses.

11. Domestic Life Insurance / MSI Aioi Life - Results for FY2016 3Q

- The amount of new policies fell by 11.8% year-on-year to 1,605.1 billion yen due to a decrease in sales of increasing term life insurance and income guarantee insurance among other factors.
- Annualized premiums of new policies for the third sector insurance increased by 11.1% to 11.3 billion yen.
- Net income fell by 2.4 billion yen year-on-year to 6.1 billion yen.

MSI Aioi Life

(¥bn)

		FY2015 3Q Results	FY2016 3Q Results	YoY Change	Change Ratio
Amount of new policies [※]		1,819.0	1,605.1	- 213.9	-11.8%
Annualized premiums of new policies		35.4	33.6	- 1.8	-5.3%
of which, third sector insurance		10.2	11.3	1.1	11.1%
Amount of policies in force [※]	(At the beginning of the FY)	22,576.0	22,875.8	(Change from the beginning of the FY) 299.8	1.3%
Annualized premiums of policies in force	(At the beginning of the FY)	375.7	389.7	(Change from the beginning of the FY) 14.0	3.7%
of which, third sector insurance	(At the beginning of the FY)	78.7	85.9	(Change from the beginning of the FY) 7.1	9.1%
Gross premiums income		337.6	349.0	11.4	3.4%
Ordinary profit		16.3	13.0	- 3.2	-19.9%
Extraordinary income/losses		- 0.5	- 0.5	- 0.0	-
Net income		8.5	6.1	- 2.4	-28.8%
Core profit		14.4	15.8	1.3	9.2%

※ Total sum of personal insurance and personal annuity insurance

Next, I will explain the situation at MSI Aioi Life. Please look at Slide 11.

Annualized premiums of new policies for third sector insurance increased 11.1%, due to strong sales of the new insurance product launched in May.

Net income decreased by ¥2.4 billion year-on-year to ¥6.1 billion, primarily due to a decrease in gains on sales of securities.

12. Domestic Life Insurance / MSI Primary Life - Results for FY2016 3Q

- Gross premiums income fell by 19.4% to 782.0 billion yen year-on-year mainly due to a recoil from the previous year's increase in sales following the introduction of new products (foreign currency denominated variable insurance products).
- Net income rose by 5.0 billion yen year-on-year to 33.8 billion yen, primarily due to a decrease in sales costs and an increase in interest margin. Note that the reversal of price fluctuation reserves did not take place (see page 24 for details).

MSI Primary Life

(¥bn)

	FY2015 3Q Results	FY2016 3Q Results	YoY Change	Change Ratio
Amount of new policies [※]	937.4	759.1	- 178.2	- 19.0%
Amount of policies in force [※]	(At the beginning of the FY) 4,910.8	5,488.8	(Change from the beginning of the FY) 578.0	11.8%
Gross premiums income	970.5	782.0	- 188.5	- 19.4%
Ordinary profit	41.7	48.7	7.0	16.9%
Extraordinary income/losses	- 1.3	- 1.7	- 0.4	-
Net income	28.7	33.8	5.0	17.5%
Core profit	37.9	53.1	15.1	39.9%

※ Total sum of personal insurance and personal annuity insurance

Continuing on, I will explain the performance of MSI Primary Life. Please look at Slide 12.

Gross premiums income fell by 19.4% to ¥782.0 billion, primarily due to a slowdown in sales of new variable life insurance products introduced in the previous fiscal year, although the mainstay foreign currency denominated fixed whole life insurance remained at the same level as the previous year.

Net income increased by ¥5.0 billion to ¥33.8 billion, primarily due to a decrease in sales costs and an increase in interest margin.

The price fluctuation reserve was reversed until the second quarter to offset accounting losses arising due to the decline in Australian interest rates and the stronger yen against the Australian dollar, but no reversals of price fluctuation reserve occurred at the end of 3Q, because losses were resolved and a profit has been made as Australian interest rates have risen and the yen has depreciated.

Consideration is being given to an additional provision for the price fluctuation reserve at the end of the fiscal year by calculating the amount required based on future price fluctuation risk pertaining to assets held and policies in force.

The impact of interest rates and foreign exchange rates at MSI Primary Life is described on Slide 24, so please check it later.

13. Overseas Subsidiaries - Results for FY2016 3Q

- Net premiums written rose to 567.2 billion yen due to the effect of the new consolidation of MS Amlin. Net premiums written for existing overseas subsidiaries decreased by 27.5 billion yen (increased by 3.9% on a local currency basis). The negative impact of foreign exchange rates on existing overseas subsidiaries was 37.6 billion yen.
- Despite of new consolidation of MS Amlin, net income rose by only 3.5 billion yen to 28.4 billion yen due to the negative impact of costs for integration of Lloyd's and Reinsurance businesses into MS Amlin (the negative impact of foreign exchange rates on existing overseas subsidiaries was 1.8 billion yen).

Overseas subsidiaries

(¥bn)

	FY2015 3Q Results	FY2016 3Q Results	YoY Change	Change ratio
Net premiums written	260.8	567.2	306.4	117.5%
Asia	129.4	116.7	- 12.6	- 9.8%
Europe	77.2	66.7	- 10.5	- 13.7%
Americas	35.8	33.9	- 1.8	- 5.1%
Reinsurance	18.3	15.8	- 2.4	- 13.5%
MS Amlin	-	333.9	333.9	-
Net income	24.8	28.4	3.5	14.3%
Asia	14.8	11.3	- 3.4	-23.2%
Europe	- 0.5	- 5.5	- 4.9	-
Americas	2.0	1.9	- 0.0	- 2.6%
Reinsurance	8.5	8.8	0.3	4.2%
MS Amlin	-	11.6	11.6	-

Next, I will explain the status of overseas subsidiaries. Please look at Slide 13.

Net premiums written increased significantly by ¥306.4 billion due to the effect of the new consolidation of MS Amlin.

Overseas subsidiaries excluding MS Amlin decreased by a total of ¥27.5 billion, mainly due to the negative impact of foreign exchange totaling ¥37.6 billion resulting from the appreciation of the yen, while there was an increase by 3.9% on a local currency basis.

Meanwhile, although the newly consolidated MS Amlin posted a profit of ¥11.6 billion, overall net income only rose by ¥3.5 billion, to ¥28.4 billion, due to ¥4.1 billion of costs for the integration of the Lloyd's and Reinsurance businesses into MS Amlin, which were posted as an extraordinary loss, and the negative impact of foreign exchange rates of ¥1.8 billion resulting from the appreciation of the yen.

FY2016 3Q Results Data

Mitsui Sumitomo Insurance (Non-Consolidated)	Page 14-16
Aioi Nissay Dowa Insurance (Non-Consolidated)	Page 17-19
Simple Sum of MSI and ADI (Non-Consolidated)	Page 20-21
<Reference> MS Amlin's Results for FY2016 3Q	Page 22
<Reference> ESR	Page 23
<Reference> MSI Primary Life (Supplementary Explanation)	Page 24

14. Non-Consolidated Results for FY2016 3Q - MSI (i)

(¥bn)

	FY2015 3Q Results	FY2016 3Q Results	YoY Change
Net premiums written	1,146.3	1,104.3	- 41.9
Growth rate of net premiums written	6.3%	-3.7%	-10.0pt
Net loss ratio	57.4%	59.8%	2.4pt
Net expense ratio	30.4%	30.6%	0.2pt
Combined ratio	87.8%	90.4%	2.6pt
Incurred losses (Incl. loss adjustment expenses)	678.3	680.1	1.7
Underwriting profit/loss	16.6	67.5	50.9
Net interest and dividends income	69.6	56.2	- 13.3
Gains on sales of securities	64.4	52.6	- 11.8
Impairment losses on securities	- 3.7	0.0	3.6
Investment profit	125.0	104.3	- 20.6
Ordinary profit	138.9	168.9	29.9
Extraordinary income/losses	- 11.5	- 3.6	7.9
Net income	100.1	125.1	25.0
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	6.3%	-3.9%	-10.2pt
Net loss ratio	54.2%	56.0%	1.8pt
Net expense ratio	32.4%	32.5%	0.1pt
Combined ratio	86.6%	88.5%	1.9pt
Incurred losses (Incl. loss adjustment expenses)	565.3	561.3	- 4.0

Slides 14 through 21 contain non-consolidated results for MSI and ADI and the simple aggregate of the two companies.

As a reference, Slide 22 provides the non-consolidated 3Q results for MS Amlin on a local currency basis.

Slide 23 shows the status of ESR.

ESR as of the end of December was 183%, an increase by 14 points from 169% as of the end of September.

You can find the main factors on the right side of the slide.

Slide 24 provides a supplementary explanation of the impact of interest rates and foreign exchange rates and price fluctuation reserve at MSI Primary Life.

Also, from Slide 25, we have provided materials on the earnings forecast for FY2016, which was announced on November 18 last year. There are no changes in the figures shown here.

This concludes my presentation.

15. Non-Consolidated Results for FY2016 3Q - MSI (ii)

Net premiums written

(¥bn)

	FY2015 3Q	FY2016 3Q	
	Results	Results	Growth
Fire and allied	194.2	136.6	-29.6%
Marine	51.3	44.4	-13.5%
Personal accident	104.1	105.8	1.7%
Voluntary automobile	485.3	492.1	1.4%
CALI	141.8	138.5	-2.3%
Other	169.4	186.6	10.2%
Total	1,146.3	1,104.3	-3.7%
Total excluding residential EQ insurance and CALI	1,003.9	965.1	-3.9%

Net loss ratio

	FY2015 3Q	FY2016 3Q	
	Results	Results	YoY Change
Fire and allied	52.1%	73.5%	21.4pt
Marine	50.5%	61.5%	11.0pt
Personal accident	58.7%	55.2%	-3.5pt
Voluntary automobile	57.9%	56.3%	-1.6pt
CALI	79.9%	82.8%	2.9pt
Other	44.4%	44.3%	-0.1pt
Total	57.4%	59.8%	2.4pt
Total excluding residential EQ insurance and CALI	54.2%	56.0%	1.8pt

16. Non-Consolidated Results for FY2016 3Q - MSI (iii)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015 3Q					FY2016 3Q					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	98.5	63.3%	32.9	65.6	42.2%	100.3	62.7%	29.5	70.8	44.2%	2.0pt
Marine	32.5	62.2%	0.1	32.4	61.9%	27.1	58.3%	0.2	26.9	57.9%	-4.0pt
Personal accident	58.6	55.4%	0.0	58.6	55.4%	57.0	54.6%	0.0	57.0	54.6%	-0.8pt
Voluntary automobile	289.5	60.2%	2.4	287.0	59.6%	282.4	57.5%	1.2	281.2	57.3%	-2.3pt
Other	86.0	54.0%	2.1	83.9	52.7%	94.3	52.6%	1.9	92.3	51.5%	-1.2pt
Total (A) ^{※4}	565.3	59.2%	37.6	527.7	55.3%	561.3	57.2%	32.9	528.3	53.8%	-1.5pt
Residential EQ insurance (B)	—	—	—	—	—	5.9	—	5.9	—	—	—
CALI (C)	113.0	—	—	113.0	—	112.8	—	—	112.8	—	—
Total (A)+(B)+(C)	678.3	—	37.6	640.7	—	680.1	—	38.8	641.2	—	—

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

※2 Earned premium, the denominator of the E/I loss ratio, is calculated by adjusting unearned premiums (excluding natural catastrophe reserves) and premium reserve, etc.

※3 Nat. Cat. (Natural Catastrophes) Impact is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period. The figures for FY2015 3Q include incurred losses of 0.1 billion yen caused by heavy snowfalls occurred in Feb. 2014 in Japan.

※4 Total (A) excludes residential EQ insurance and CALI.

17. Non-Consolidated Results for FY2016 3Q - ADI (i)

			(¥bn)
	FY2015 3Q Results	FY2016 3Q Results	YoY Change
Net premiums written	902.7	905.1	2.4
Growth rate of net premiums written	3.7%	0.3%	-3.4pt
Net loss ratio	58.9%	58.8%	-0.1pt
Net expense ratio	34.1%	33.1%	-1.0pt
Combined ratio	93.0%	91.9%	-1.1pt
Incurred losses (Incl. loss adjustment expenses)	528.3	531.0	2.7
Underwriting profit	28.9	47.1	18.2
Net interest and dividends income	32.7	28.7	- 4.0
Gains on sales of securities	6.7	8.6	1.8
Impairment losses on securities	- 3.8	- 1.2	2.5
Investment profit	30.7	29.6	- 1.1
Ordinary profit	60.6	80.0	19.4
Extraordinary income/losses	- 16.3	- 6.0	10.3
Net income	33.8	56.3	22.4
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	3.7%	0.9%	-2.8pt
Net loss ratio	55.5%	54.7%	-0.8pt
Net expense ratio	36.3%	34.7%	-1.6pt
Combined ratio	91.8%	89.4%	-2.4pt
Incurred losses (Incl. loss adjustment expenses)	425.9	427.3	1.3

18. Non-Consolidated Results for FY2016 3Q - ADI (ii)

Net premiums written

(¥bn)

	FY2015 3Q Results	FY2016 3Q	
		Results	Growth
Fire and allied	127.7	112.6	-11.8%
Marine	4.3	4.0	-8.2%
Personal accident	49.0	47.1	-3.9%
Voluntary automobile	505.2	512.3	1.4%
CALI	129.9	125.2	-3.6%
Other	86.3	103.6	20.1%
Total	902.7	905.1	0.3%
Total excluding residential EQ insurance and CALI	772.2	779.4	0.9%

Net loss ratio

	FY2015 3Q Results	FY2016 3Q	
		Results	YoY Change
Fire and allied	52.4%	58.0%	5.6pt
Marine	45.7%	49.7%	4.0pt
Personal accident	50.8%	47.4%	-3.4pt
Voluntary automobile	57.7%	55.8%	-1.9pt
CALI	79.2%	81.0%	1.8pt
Other	50.5%	53.0%	2.5pt
Total	58.9%	58.8%	-0.1pt
Total excluding residential EQ insurance and CALI	55.5%	54.7%	-0.8pt

19. Non-Consolidated Results for FY2016 3Q - ADI (iii)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015 3Q					FY2016 3Q					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	68.8	60.8%	23.2	45.5	40.3%	62.5	51.8%	14.1	48.4	40.1%	-0.2pt
Marine	2.2	56.3%	—	2.2	56.3%	2.2	51.6%	—	2.2	51.6%	-4.7pt
Personal accident	22.9	46.6%	0.0	22.9	46.6%	21.1	46.7%	0.0	21.1	46.7%	0.1pt
Voluntary automobile	283.8	56.0%	2.9	280.8	55.4%	285.1	56.0%	1.2	283.8	55.8%	0.4pt
Other	48.1	58.0%	1.4	46.6	56.3%	56.1	57.3%	0.8	55.3	56.4%	0.1pt
Total (A) ^{※4}	425.9	56.3%	27.6	398.2	52.7%	427.3	55.0%	16.2	411.1	52.9%	0.2pt
Residential EQ insurance (B)	—	—	—	—	—	4.3	—	4.3	—	—	—
CALI (C)	102.3	—	—	102.3	—	99.4	—	—	99.4	—	—
Total (A)+(B)+(C)	528.3	—	27.6	500.6	—	531.0	—	20.5	510.5	—	—

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

※2 Earned premium, the denominator of the E/I loss ratio, is calculated by adjusting unearned premium and premium reserve, etc.

※3 Nat. Cat. (Natural Catastrophes) Impact is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period. The figures for FY2015 3Q include incurred losses of 0.1 billion yen caused by heavy snowfalls occurred in Feb. 2014 in Japan.

※4 Total (A) excludes residential EQ insurance and CALI.

20. Simple Sum of MSI & ADI (Non-Consolidated)

	FY2015 3Q Results	FY2016 3Q		(¥bn)
		Results	YoY Change	
Net premiums written	2,049.0	2,009.4	- 39.5	
Growth rate of net premiums written	5.1%	-1.9%	-7.0pt	
Net loss ratio	58.1%	59.4%	1.3pt	
Net expense ratio	32.0%	31.7%	-0.3pt	
Combined ratio	90.1%	91.1%	1.0pt	
Incurred losses (Incl. loss adjustment expenses)	1,206.7	1,211.2	4.5	
Underwriting profit/loss	45.6	114.7	69.1	
Net interest and dividends income	102.3	85.0	- 17.3	
Gains on sales of securities	71.1	61.2	- 9.9	
Impairment losses on securities	- 7.5	- 1.3	6.1	
Investment profit	155.8	133.9	- 21.8	
Ordinary profit	199.5	249.0	49.4	
Extraordinary income/losses	- 27.9	- 9.6	18.2	
Net income	133.9	181.5	47.5	
<Excluding residential EQ insurance and CALI>				
Growth rate of net premiums written	5.2%	-1.8%	-7.0pt	
Net loss ratio	54.8%	55.4%	0.6pt	
Net expense ratio	34.1%	33.5%	-0.6pt	
Combined ratio	88.9%	88.9%	0.0pt	
Incurred losses (Incl. loss adjustment expenses)	991.3	988.6	- 2.6	

21. Simple Sum of MSI & ADI (Non-Consolidated)

Net premiums written

(¥bn)

	FY2015 3Q	FY2016 3Q	
	Results	Results	Growth
Fire and allied	321.9	249.2	-22.6%
Marine	55.7	48.4	-13.1%
Personal accident	153.2	153.0	-0.1%
Voluntary automobile	990.5	1,004.5	1.4%
CALI	271.7	263.8	-2.9%
Other	255.7	290.3	13.5%
Total	2,049.0	2,009.4	-1.9%
Total excl. residential EQ insurance and CALI	1,776.2	1,744.6	-1.8%

Net loss ratio

	FY2015 3Q	FY2016 3Q	
	Results	Results	YoY change
Fire and allied	52.2%	66.5%	14.3pt
Marine	50.1%	60.6%	10.5pt
Personal accident	56.1%	52.8%	-3.3pt
Voluntary automobile	57.8%	56.0%	-1.8pt
CALI	79.5%	81.9%	2.4pt
Other	46.5%	47.4%	0.9pt
Total	58.1%	59.4%	1.3pt
Total excl. residential EQ insurance and CALI	54.8%	55.4%	0.6pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015 3Q	FY2016 3Q	
	Results	Results	YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{※1}	991.3	988.6	- 2.6
Natural catastrophes ^{※2}	65.3	49.1	- 16.1
Other than natural catastrophes	925.9	939.5	13.5

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

※2 Natural catastrophes are domestic natural catastrophes occurring in Japan during the period. The figures for FY2015 3Q include incurred losses of 0.2 billion yen caused by heavy snowfalls occurred in Feb. 2014.

22. <Reference> MS Amlin's Results for FY2016 3Q (Jan. – Sep. 2016)

	(¥mn)
	FY2016 3Q
Net premiums written	2,214
Net premiums earned	1,810
Incurred losses (including loss adjustment expenses)	1,115
Net commission and expense for acquisition, admin expense	652
Underwriting profit	76
Investment income ^{※1}	100
Other expenses ^{※2}	-71
Net income after tax	77
EI claims ratio	61.6%
EI expense ratio ^{※3}	34.2%
EI combined ratio ^{※3}	95.8%

※1 MS Amlin adopts the accounting method where securities market value fluctuations are reflected in the profit-loss statement.

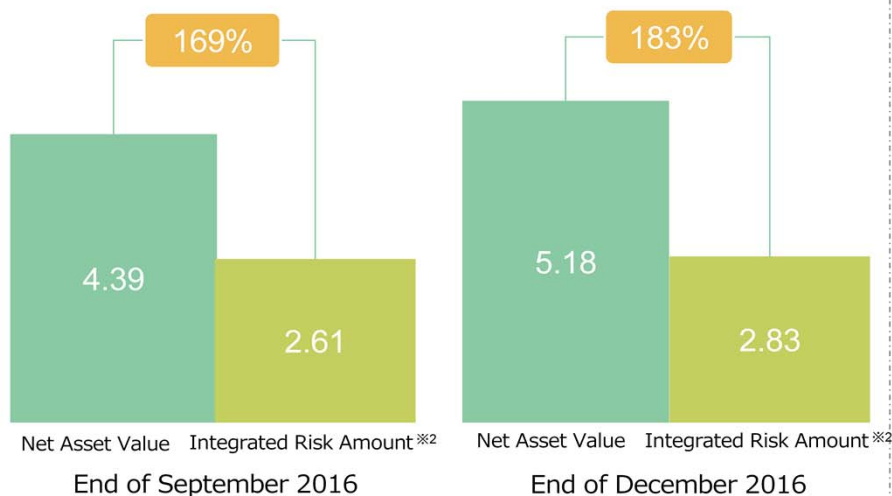
※2 The main item of "Other expenses" is expenses of non-insurance companies.

※3 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses (included in underwriting profit).

23. <Reference> ESR

ESR^{※1}
(confidence interval:
99.5%)

(¥tn)



ESR increased by 14pt mainly due to the following factors:

- A decrease in economic value-based insurance liability due to an increase of domestic interest rate (increase in NAV) and a decrease in life insurance underwriting risk and interest rate risk
- An increase in the market value of assets due to increasing stock prices (increase in NAV)
- An increase of equity risk due to increasing stock prices
- An increase in the market value in asset due to impact of depreciation of yen (increase in NAV)
- An increase in NAV due to retained earnings
- An increase in NAV due to issuance of subordinated bonds
- Reduction of equity risk by sales of strategic equity holdings

<Market environment assumptions>

	End of September 2016	End of December 2016	Change
Nikkei stock average	16,450 yen	19,114 yen	+2,665 yen
Exchange rate (US\$1:Yen)	101 yen	117 yen	+16 yen
30-year JGB interest rate	0.46%	0.72%	+0.26pt

※1 ESR: Economic Solvency Ratio (=NAV ÷ Integrated Risk Amount)

※2 Integrated Risk Amount: risk amount calculated based on Value at Risk with a 99.5% confidence interval

24. <Reference> MSI Primary Life (Supplementary Explanation)

Impact of interest rates and foreign exchange rates and price fluctuation reserve

(¥bn)

	FY2015 3Q	FY2016 3Q	<Reference> FY2015 2Q	<Reference> FY2016 2Q
Impact of interest rates	25.5	4.8	22.4	- 12.8
Impact of foreign exchange rates	- 12.6	4.4	- 16.3	- 11.5
Subtotal	12.9	9.3	6.1	- 24.3
Gains/losses on sale of securities	9.8	8.5	7.1	8.5
Total	22.7	17.9	13.2	- 15.7
Reversal of price fluctuation reserve	—	—	—	15.7
	FY2015 end of 4Q	FY2016 end of 3Q		
Balance of price fluctuation reserve	55.0	56.8		

The following slides provide information about the Projected Financial Results for FY2016 announced on Nov. 18, 2016 for your reference.

<Reference> Projected Financial Results for FY2016 **(Announced on Nov. 18, 2016)**

Consolidated Earnings Forecasts for FY2016	Page 25-27
Major Assumptions for Earnings Forecasts for FY2016	Page 28
Mitui Sumitomo Insurance (MSI) (Non-Consolidated)	Page 29-30
Aioi Nissay Dowa Insurance (ADI) (Non-Consolidated)	Page 31-32
Simple Sum of MSI and ADI (Non-Consolidated)	Page 33-34
<Reference> Forecasts for the Impact of Consolidation of MS Amlin	Page 35

25. Consolidated Earnings Forecasts for FY2016 (i)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
Net premiums written	3,078.9	3,455.0	3,387.0	308.0	10.0%	- 68.0
Mitsui Sumitomo Insurance	1,507.4	1,488.0	1,477.0	- 30.4	-2.0%	- 11.0
Aioi Nissay Dowa Insurance	1,192.0	1,212.0	1,196.0	3.9	0.3%	- 16.0
Mitsui Direct General	36.5	37.6	37.6	1.0	2.8%	-
Overseas subsidiaries	336.8	710.0	670.0	333.1	98.9%	- 40.0
Life insurance premiums	1,356.3	1,208.0	1,182.0	- 174.3	-12.9%	- 26.0

<Reference : Gross life insurance premiums>

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
MSI Aioi Life	461.1	477.3	479.5	18.3	4.0%	2.1
MSI Primary Life	1,299.4	1,000.0	950.0	- 349.4	-26.9%	-50.0

26. Consolidated Earnings Forecasts for FY2016 (ii)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Ordinary profit	291.5	285.0	285.0	- 6.5	-
Mitsui Sumitomo Insurance	167.8	174.0	183.0	15.1	9.0
Aioi Nissay Dowa Insurance	61.7	66.0	68.0	6.2	2.0
Net income	181.5	183.0	183.0	1.4	-
Mitsui Sumitomo Insurance	113.9	132.0	138.0	24.0	6.0
Aioi Nissay Dowa Insurance	31.0	42.0	44.0	12.9	2.0
Mitsui Direct General	- 4.3	- 0.6	- 0.7	3.6	- 0.1
MSI Aioi Life	6.0	4.0	3.0	- 3.0	- 1.0
MSI Primary Life	17.8	15.0	15.0	- 2.8	-
Overseas subsidiaries	28.5	55.0	44.0	15.4	- 11.0
Consolidation adjustments, etc.	- 11.7	- 64.4	- 60.3	- 48.6	4.1

27. Consolidated Earnings Forecasts for FY2016 (iii)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Group Core Profit [※]	147.5	196.0	196.0	48.4	-
Domestic non-life insurance	91.9	121.0	130.0	38.0	9.0
Domestic life insurance	25.0	18.0	17.0	- 8.0	- 1.0
International business	27.9	53.0	49.0	21.0	- 4.0
Financial services/Risk related services	2.6	4.0	0.0	- 2.6	- 4.0
Other financial targets					
Combined ratio (Domestic non-life insurance)	91.6%	94.4%	93.9%	2.3pt	- 0.5pt
Increase in EV of MSI Aioi Life	- 52.0	48.0	3.0	55.0	- 45.0
Group ROE [※]	5.2%	6.9%	7.6%	2.4pt	0.7pt

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

28. Major Assumptions for Revised Earnings Forecasts for FY2016

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	Assumes the level at the end of Sept. 2016 Nikkei average : ¥ 16,450 USD\$1 = JPY ¥ 101 EUR€1 = JPY ¥ 113 GBP£1 = JPY ¥ 131	
Domestic natural catastrophes occurring in FY2016	40.0 (-0.0)	23.6 (+1.1)
of which, Kumamoto earthquake (excluding residential earthquake)	10.0 (-0.0)	3.6 (+1.1)
Catastrophe reserves Provision	27.0 (-0.9)	12.1 (-0.8)
(For fire insurance) Reversal	21.3 ^{※1} (-0.8)	6.3 (-7.6)
Change	5.7 (-0.0)	5.8 (+6.8)
Catastrophe reserves Provision	21.0 (-0.0)	21.9 (+0.1)
(For voluntary automobile insurance) Reversal	- (-6.0)	8.4 (-6.3)
Change	21.0 (+6.0)	13.5 (+6.4)
Corporate tax rate (Effective tax rate)	28.2%	

※ Figures in parentheses show change from the initial assumptions.

※1 Including additional provision (¥10.0 billion)

29. Earnings Forecasts for FY2016 – MSI (Non-Consolidated) (i)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,507.4	1,488.0	1,477.0	- 30.4	- 11.0
Growth rate of net premiums written	4.3%	-1.3%	-2.0%	- 6.3pt	- 0.7pt
Net loss ratio	58.9%	62.1%	62.1%	3.2pt	0.0pt
Net expense ratio	31.0%	31.5%	31.3%	0.3pt	- 0.2pt
Combined ratio	89.9%	93.6%	93.4%	3.5pt	- 0.2pt
Incurred losses (Incl. loss adjustment expenses)	897.1	920.6	900.9	3.7	- 19.7
Underwriting profit	19.1	52.0	69.0	49.8	17.0
Net interest and dividends income	79.4	79.0	76.0	- 3.4	- 3.0
Gains on sales of securities	99.1	55.3	61.5	- 37.6	6.2
Impairment losses on securities	- 7.2	- 3.0	- 3.0	4.2	0.0
Investment profit	152.8	127.2	118.4	- 34.4	- 8.7
Ordinary profit	167.8	174.0	183.0	15.1	9.0
Extraordinary income/losses	- 11.7	- 6.0	- 6.1	5.6	- 0.1
Net income	113.9	132.0	138.0	24.0	6.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	4.4%	-1.3%	-2.2%	- 6.6pt	- 0.9pt
Net loss ratio	56.0%	58.8%	58.9%	2.9pt	0.1pt
Net expense ratio	33.1%	33.5%	33.4%	0.3pt	- 0.1pt
Combined ratio	89.1%	92.3%	92.3%	3.2pt	0.0pt
Incurred losses (Incl. loss adjustment expenses)	748.1	763.4	744.4	- 3.6	- 19.0

30. Earnings Forecasts for FY2016 – MSI (Non-Consolidated) (ii)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

Net premiums written

(¥bn)

	FY2015	FY2016	
	Results	Forecast	Growth
Fire and allied	242.4	186.4	-23.1%
Marine	66.9	58.2	-13.1%
Personal accident	140.9	142.4	1.0%
Voluntary automobile	645.6	656.5	1.7%
CALI	186.5	185.8	-0.4%
Other	224.8	247.7	10.2%
Total	1,507.4	1,477.0	-2.0%
Total excl. residential EQ insurance and CALI	1,320.0	1,290.5	-2.2%

Net loss ratio

	FY2015	FY2016	
	Results	Forecast	YoY Change
Fire and allied	55.2%	74.2%	19.0pt
Marine	53.9%	59.5%	5.6pt
Personal accident	57.7%	54.7%	- 3.0pt
Voluntary automobile	59.2%	58.1%	- 1.1pt
CALI	79.8%	81.3%	1.5pt
Other	47.2%	53.8%	6.6pt
Total	58.9%	62.1%	3.2pt
Total excl. residential EQ insurance and CALI	56.0%	58.9%	2.9pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015	FY2016 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	748.1	744.4	- 3.6
Natural catastrophes ^{※2}	38.1	40.0	1.8
Other than natural catastrophes	709.9	704.4	- 5.5

^{※1} Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

^{※2} "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls as it was limited. (The impact for FY2015 was 0.1 billion yen)

31. Earnings Forecasts for FY2016 – ADI (Non-Consolidated) (i)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,192.0	1,212.0	1,196.0	3.9	- 16.0
Growth rate of net premiums written	2.7%	1.7%	0.3%	- 2.4pt	- 1.4pt
Net loss ratio	59.2%	61.3%	60.5%	1.3pt	- 0.8pt
Net expense ratio	34.3%	33.9%	33.8%	- 0.5pt	- 0.1pt
Combined ratio	93.5%	95.2%	94.3%	0.8pt	- 0.9pt
Incurred losses (Incl. loss adjustment expenses)	706.4	749.0	728.3	21.8	- 20.7
Underwriting profit	24.8	38.0	39.0	14.1	1.0
Net interest and dividends income	39.5	31.0	32.0	- 7.5	1.0
Gains on sales of securities	10.4	8.5	7.2	- 3.2	- 1.3
Impairment losses on securities	- 6.6	- 3.0	- 3.0	3.6	-
Investment profit	34.9	26.0	26.1	- 8.8	0.1
Ordinary profit	61.7	66.0	68.0	6.2	2.0
Extraordinary income/losses	- 20.2	- 10.0	- 10.0	10.2	-
Net income	31.0	42.0	44.0	12.9	2.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	2.9%	2.1%	0.6%	- 2.3pt	- 1.5pt
Net loss ratio	56.1%	58.1%	57.0%	0.9pt	- 1.1pt
Net expense ratio	36.5%	35.9%	35.7%	- 0.8pt	- 0.2pt
Combined ratio	92.6%	94.0%	92.7%	0.1pt	- 1.3pt
Incurred losses (Incl. loss adjustment expenses)	573.7	611.6	590.1	16.3	- 21.5

32. Earnings Forecasts for FY2016 – ADI (Non-Consolidated) (ii)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

Net premiums written

(¥bn)

	FY2015	FY2016	
	Results	Forecast	Growth
Fire and allied	167.6	146.6	-12.6%
Marine	5.7	5.4	-6.4%
Personal accident	63.5	60.3	-5.1%
Voluntary automobile	671.8	681.6	1.4%
CALI	170.6	168.9	-1.0%
Other	112.6	133.2	18.3%
Total	1,192.0	1,196.0	0.3%
Total excl. residential EQ insurance and CALI	1,020.9	1,026.6	0.6%

Net loss ratio

	FY2015	FY2016	
	Results	Forecast	YoY Change
Fire and allied	51.9%	63.6%	11.7pt
Marine	43.4%	55.6%	12.2pt
Personal accident	52.0%	48.9%	- 3.1pt
Voluntary automobile	58.1%	56.9%	- 1.2pt
CALI	78.1%	79.3%	1.2pt
Other	53.0%	57.1%	4.1pt
Total	59.2%	60.5%	1.3pt
Total excl. residential EQ insurance and CALI	56.1%	57.0%	0.9pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015	FY2016	
	Results	Forecast	YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	573.7	590.1	16.3
Natural catastrophes ^{※2}	29.9	23.6	- 6.3
Other than natural catastrophes	543.8	566.5	22.6

^{※1} Incurred losses = net claims paid + loss adjustment expenses + movement in outstanding claims

^{※2} "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls as it was limited. (The impact for FY2015 was 0.1 billion yen)

33. Earnings Forecasts for FY2016 – Simple Sum of MSI & ADI (Non-Consolidated) (i)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥bn)

	FY2015 Results	FY2016 Forecast (Initial)	FY2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	2,699.5	2,700.0	2,673.0	- 26.5	- 27.0
Growth rate of net premiums written	3.6%	0.0%	-1.0%	-4.6pt	-1.0pt
Net loss ratio	59.1%	61.8%	61.3%	2.2pt	-0.5pt
Net expense ratio	32.5%	32.6%	32.4%	-0.1pt	-0.2pt
Combined ratio	91.6%	94.4%	93.7%	2.1pt	-0.7pt
Incurred losses (Incl. loss adjustment expenses)	1,603.5	1,669.6	1,629.1	25.6	- 40.5
Underwriting profit	43.9	90.0	108.0	64.0	18.0
Net interest and dividends income	118.9	110.0	108.0	- 10.9	- 2.0
Gains on sales of securities	109.5	63.8	68.6	- 40.9	4.8
Impairment losses on securities	- 13.9	- 6.0	- 6.0	7.9	0.0
Investment profit	187.7	153.2	144.5	- 43.2	- 8.7
Ordinary profit	229.6	240.0	251.0	21.3	11.0
Extraordinary income/losses	- 32.0	- 16.0	- 16.1	15.8	- 0.1
Net income	145.0	174.0	182.0	36.9	8.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	3.7%	0.2%	-1.0%	-4.7pt	-1.2pt
Net loss ratio	56.1%	58.5%	58.0%	1.9pt	-0.5pt
Net expense ratio	34.5%	34.6%	34.4%	-0.1pt	-0.2pt
Combined ratio	90.6%	93.1%	92.4%	1.8pt	-0.7pt
Incurred losses (Incl. loss adjustment expenses)	1,321.9	1,375.0	1,334.5	12.6	- 40.5

34. Simple Sum of MSI & ADI (Non-Consolidated) (ii)

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

Net premiums written

(¥bn)

	FY2015 Results	FY2016 Forecast	
			Growth
Fire and allied	410.1	333.0	-18.8%
Marine	72.7	63.6	-12.5%
Personal accident	204.5	202.7	-0.9%
Voluntary automobile	1,317.4	1,338.1	1.6%
CALI	357.1	354.7	-0.7%
Other	337.4	380.9	12.9%
Total	2,699.5	2,673.0	-1.0%
Total excl. residential EQ insurance and CALI	2,340.9	2,317.1	-1.0%

Net loss ratio

	FY2015 Results	FY2016 Forecast	
			YoY change
Fire and allied	53.8%	69.5%	15.7pt
Marine	53.1%	59.2%	6.1pt
Personal accident	56.0%	53.0%	-3.0pt
Voluntary automobile	58.6%	57.5%	-1.1pt
CALI	79.0%	80.3%	1.3pt
Other	49.1%	54.9%	5.8pt
Total	59.1%	61.3%	2.2pt
Total excl. residential EQ insurance and CALI	56.1%	58.0%	1.9pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015 Results	FY2016 Forecast	
			YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{※1}	1,321.9	1,334.5	12.6
Natural catastrophes ^{※2}	68.1	63.6	- 4.5
Other than natural catastrophes	1,253.8	1,270.9	17.1

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

※2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls as it was limited. (The impact for FY2015 was 0.3 billion yen)

35. <Reference> Forecasts for the Impact of Consolidation of MS Amlin on FY2016 Results

Projected Financial Results for FY2016
(Announced on Nov. 18, 2016)

(¥ bn, GBP £ 1 = JPY ¥ 146 (assumption))

	Impact on consolidated results for FY2016	
	FY 2016 (Revised)	Change from the Initial
Net Premiums Written	369.9	- 12.4
Net Income	5.4	- 4.4
Group Core Profit	22.8	- 6.0

Group Core Profit = Net income (5.4 billion yen) + amortization of goodwill (15.8 billion yen) + extraordinary income and losses
(costs of integration of Lloyd's business and Reinsurance business into MS Amlin: 1.7 billion yen)

Exchange rate in the initial forecast: GBP £ 1 = JPY ¥ 162

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 non-controlling interests
(average of beginning and ending amounts of B/S)

Caution About Forward-Looking Statements

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