

Materials for FY2017 2Q Results Briefing – Conference Call

November 17, 2017 (Fri.)



MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

I am Satoru Shiono of MS&AD Holdings.

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

Contents

Consolidated Earnings	Page 1-6
Domestic Non-Life Insurance Companies	Page 7-11
Domestic Life Insurance Companies	Page 12-13
Overseas Subsidiaries	Page 14
FY2017 2Q Results Data	
Mitsui Sumitomo Insurance (MSI) (Non-Consolidated)	Page 15-18
Aioi Nissay Dowa Insurance (ADI) (Non-Consolidated)	Page 19-22
Simple Sum of MSI and ADI (Non-Consolidated)	Page 23-26
Mitsui Direct General	Page 27
(Reference) MS Amlin's Results for FY2017 (Jan.-Jun. 2017)	Page 28
Projected Results fro FY2017	
Consolidated Earnings Forecasts for FY2017	Page 29-35
Major Assumptions for Earnings Forecasts	Page 36
Mitsui Sumitomo Insurance (MSI) (Non-Consolidated)	Page 37-39
Aioi Nissay Dowa Insurance (MSI) (Non-Consolidated)	Page 40-42
Simple Sum of MSI and ADI (Non-Consolidated)	Page 43-45
Mitsui Direct General	Page 46
MSI Aioi Life	Page 47
MSI Primary Life	Page 48

(blank page)

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. |

(blank page)

Summary of FY2017 2Q Results

Consolidated Earnings for FY2017 2Q	Page 1-6
Domestic Non-Life Insurance Companies	Page 7-11
Domestic Life Insurance Companies	Page 12-13
Overseas Subsidiaries	Page 14

(blank page)

1. Consolidated Earnings for FY2017 2Q (1) - Overview (i)

- Net premiums written increased by 1.3% year-on-year to 1,864.1 billion yen due to an increase in fire insurance and CALI (Compulsory Automobile Liability Insurance) of domestic non-life insurance, although premiums for overseas subsidiaries decreased.
- Gross premiums income for domestic life insurance subsidiaries fell by 6.2% year-on-year to 725.3 billion yen mainly due to a decrease in variable insurance at MSI Primary Life.

Non-life insurance subsidiaries

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change	Growth
Direct premiums written [※] (excl. deposit premiums from policyholders)	1,844.7	1,887.4	42.6	2.3%
Net premiums written [※]	1,839.3	1,864.1	24.7	1.3%
Mitsui Sumitomo Insurance	756.6	781.6	25.0	3.3%
Aioi Nissay Dowa insurance	609.4	630.1	20.7	3.4%
Mitsui Direct General	18.6	18.6	0.0	0.5%
Overseas subsidiaries	451.4	430.7	- 20.6	- 4.6%

※ 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.

Life insurance subsidiaries

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change	Growth
Gross premiums income [※]	773.7	725.3	- 48.3	- 6.2%
MSI Aioi Life	235.7	242.7	7.0	3.0%
MSI Primary Life	537.9	482.6	- 55.3	- 10.3%
Life insurance premiums	661.0	511.1	- 149.9	- 22.7%

※ Gross premiums income is for domestic life insurance subsidiaries only.

MS&AD Insurance Group Holdings, Inc.

Now, please look at the first page, Slide 1, of the slides entitled “Materials for FY2017 2Q Results Briefing - Conference Call.”

First, I will explain the Group’s top lines.

Net premiums written increased by 1.3% year-on-year to ¥1,864.1 billion as a whole, reached the highest-ever level in the past 1st half, due to an increase in domestic non-life insurance such as fire insurance and compulsory automobile liability insurance, while net premiums written of overseas subsidiaries decreased with effect of foreign exchange rate.

Gross premiums income of domestic life decreased by 6.2% to ¥725.3 billion, primarily due to a drop in variable insurance products at MSI Primary Life.

2. Consolidated Earnings for FY2017 2Q (1) - Overview (ii)

- Ordinary profit decreased by 12.9% year-on-year to 131.5 billion yen, due to a decrease in profits at ADI and overseas subsidiaries that were affected by hurricanes in North America and other natural catastrophes.
- Net income fell by 23.0% year-on-year to 75.7 billion yen.

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change	
			YoY Change	Change Ratio
Ordinary profit	151.0	131.5	- 19.4	- 12.9%
Mitsui Sumitomo Insurance	93.3	131.3	38.0	40.7%
Aioi Nissay Dowa Insurance	49.5	22.4	- 27.0	- 54.7%
Mitsui Direct General Insurance	0.1	1.2	1.0	550.2%
MSI Aioi Life	8.7	8.8	0.1	1.3%
MSI Primary Life	1.4	36.5	35.0	2,358.6%
Overseas subsidiaries	21.9	- 43.4	- 65.4	- 298.5%
Consolidation adjustments, other	- 24.1	- 25.4	- 1.2	-
Net income/loss※	98.4	75.7	- 22.6	- 23.0%
Mitsui Sumitomo Insurance	69.3	98.8	29.5	42.6%
Aioi Nissay Dowa Insurance	33.5	13.7	- 19.7	- 58.9%
Mitsui Direct General Insurance	0.0	1.0	1.0	1,553.2%
MSI Aioi Life	4.2	4.1	- 0.1	- 2.4%
MSI Primary Life	11.7	17.7	5.9	50.2%
Overseas subsidiaries	13.0	- 38.1	- 51.2	- 391.5%
Consolidation adjustments, others	- 33.6	- 21.6	11.9	-

※ Consolidated net income represents net income attributable to owners of the parent.

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

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 2.

I will explain the Group's bottom lines.

Ordinary profit declined 12.9% from the same period of the previous year to ¥131.5 billion due to the impact of losses caused by hurricanes in North America and earthquakes in Mexico.

Interim net income also decreased by 23.0%, to ¥75.7 billion. I will explain in detail later.

3. Consolidated Earnings for FY2017 2Q (2) – Group Core Profit

- Group Core Profit fell by 53.2 billion yen year-on-year to 58.1 billion yen mainly due to a substantial decrease in the international business.
- The combined ratio for domestic non-life insurance fell by 3.2 points year-on-year to 85.0%.

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Group Core Profit ^{※1}	111.4	58.1	- 53.2
Domestic non-life insurance business	72.9	95.1	22.1
Domestic life insurance business	15.9	21.8	5.9
International business	21.3	- 61.1	- 82.5
Financial services business and risk-related services business	1.1	2.2	1.1
Other financial targets			
Combined ratio ^{※2} (Domestic non-life insurance business)	88.2%	85.0%	- 3.2pt
Increase in EV of MSI Aioi Life	- 21.1	36.3	57.5
Group ROE ^{※1,3}			

※1 For the definition of Group Core Profit and Group ROE 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 Group ROE is disclosed at the end of every fiscal year.

Group Core Profit 58.1	=	Consoli- dated net income 75.7	-	Net capital gains / losses on stock portfolio 33.8	-	Net evaluation gains / losses on credit derivatives -0.0	-	Other incidental factors^{※4} -16.2	+	Equity in earnings of the non- consolidated group companies -0.0
---	---	---	---	---	---	---	---	--	---	---

※4 Amortization of goodwill and others: -13.9 billion yen; extraordinary income/losses excluding reserves for price fluctuation: -2.3 billion yen

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 3.

Group Core Profit decreased by ¥53.2 billion year-on-year, to ¥58.1 billion, primarily due to a significant decrease in net profits at international business.

Key adjustments from interim net income of the previous year are described at the bottom of the slide.

4. Incurred Losses from Hurricanes in North America and Mexico EQ^{※1}

- Incurred losses associated with hurricanes in North America and Mexico EQ reflected in 2Q results are 87.4 billion yen.

Incurred losses from hurricanes in North America and Mexico EQ

(¥bn)

	Incurred Losses					
	Harvey	Irma	Maria	Mexico EQ	Total	(After-tax impact)
Mitsui Sumitomo Insurance	0.9	0.1	–	–	1.0	0.7
Aioi Nissay Dowa Insurance	5.6	13.6	8.8	0.5	28.6	20.6
Overseas subsidiaries	14.7	25.1	13.6	4.2	57.7	51.9
(of which MS Amlin)	14.4	24.8	13.6	4.2	57.2	51.5
Total	21.2	38.9	22.5	4.7	87.4 ^{※2}	73.2

※1 EQ stands for “earthquake”, same hereafter

※2 The range of estimated total incurred losses announced in *Preliminary Estimates of Incurred Losses due to Hurricanes in North America and the Caribbean, and Earthquakes in Mexico* on October 6 was from 70 billion yen to 110 billion yen.

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 4.

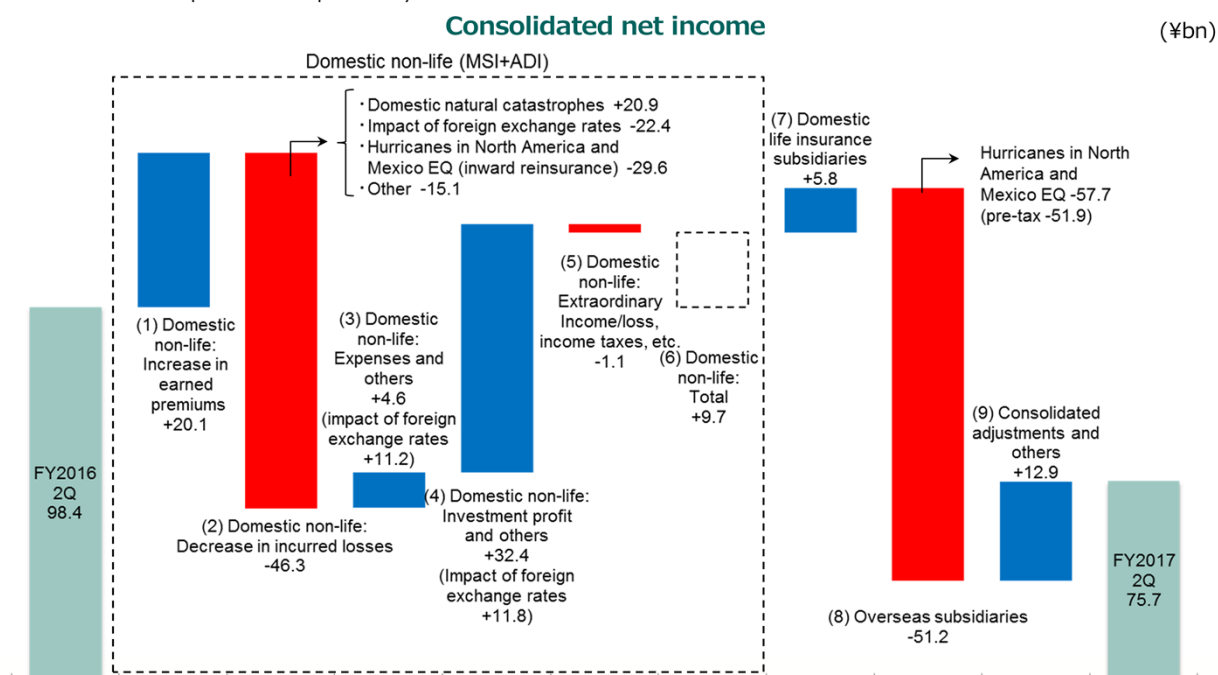
The incurred losses caused mainly by hurricanes in North America and Mexico EQ, which were reflected in the interim financial results, amounted to ¥87.4 billion.

This is the amount corresponding to the estimated range of approximately ¥70 billion to ¥110 billion that was released previously on October 6 as preliminary estimates of incurred losses due to hurricanes in North America and the Caribbean, and Mexico EQ.

As for breakdown of the above incurred losses by entities, MS Amlin was ¥57.2 billion, ADI (inward reinsurance from overseas) was ¥28.6 billion.

5. Consolidated Earnings for FY2017 2Q (3) – YoY Results Comparison (i)

- Main factor of a decrease in net income was an impact of hurricanes in North America and Mexico EQ included in (2) and (8).
- On the other hand, positive factors were (1) increase in earned premiums, (2) decrease in incurred losses due to domestic natural catastrophes and (4) increase in investment profit and others in domestic non-life insurance, and (7) increase in domestic life insurance subsidiaries.
- (9) Consolidation adjustments and others increased due to absence of system expenses for transfer of third sector policies in force incurred in the same period of the previous year.



MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 5.

I will explain the factors behind year-on-year changes in interim consolidated net income of FY2017 using the graph.

Note that a breakdown of interim consolidated net income is listed on Slide 6, so please refer to that as well.

The main factors behind the profit decline of ¥22.6 billion compared to the same period of the previous year were the impact of hurricanes in North America and Mexico EQ, which was included in (2) "Domestic non-life: incurred losses," and (8) "Overseas subsidiaries."

In contrast, the following were positive factors: in (2) "Domestic non-life: Decrease in incurred losses," domestic natural catastrophes decreased compared to the same period of the previous year; and in (4) "Investment profit and others," gains on sales of securities increased because sales of strategic equity holdings have been proceeding smoothly.

(9) "Consolidated adjustments and others" increased by ¥12.9 billion compared to the same period of the previous year mainly due to the absence of system expenses associated with the transfer of third-sector policies in force, which were recorded in the same period of the previous year.

6. Consolidated Earnings for FY2017 2Q (3) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2016 2Q Results	FY2017 2Q Results	Difference
Consolidated net income/loss		98.4	75.7	- 22.6
Domestic non-life insurance ^{※1,2} (underwriting profit/loss)		68.7	47.2	- 21.5
Earned premiums	(1)	1,167.8	1,188.0	20.1
Incurred losses (incl. loss adjustment expenses)	(2)	- 644.3	- 690.7	- 46.3
Expenses and others ^{※3}	(3)	- 454.8	- 450.1	4.6
Investment profit/loss and others	(4)	74.1	106.6	32.4
Extraordinary income/loss, income taxes, etc.	(5)	- 40.0	- 41.2	- 1.1
Domestic non-life insurance: Total	(6)	102.8	112.6	9.7
Overseas subsidiaries	(7)	16.0	21.8	5.8
Domestic life insurance subsidiaries	(8)	13.0	- 38.1	- 51.2
Consolidation adjustments and others	(9)	- 33.5	- 20.5	12.9

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

※2 Excluding residential earthquake and CALI (Compulsory Automobile Liability Insurance)

※3 "Expenses and others" includes catastrophe reserves, impact of foreign exchange rates, etc.

(blank page)

7. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2017 2Q (i)

- Net premiums written for the two companies combined rose by 45.7 billion yen to 1,411.8 billion yen, mainly due to an increase in fire insurance and CALI.
- Underwriting profit fell by 21.5 billion yen to 47.2 billion yen for the two companies combined. (¥bn)

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	781.6	25.0	630.1	20.7	1,411.8	45.7
Growth rate of net premiums written	3.3%	8.9pt	3.4%	4.1pt	3.3%	6.8pt
Net claims paid (-)	381.4	- 4.8	304.8	- 10.8	686.3	- 15.6
<Incurred losses (including loss adjustment expenses)> (-)	446.4	1.1	380.7	33.8	827.2	35.0
Commissions and collection expenses (-)	133.1	4.5	121.3	7.7	254.5	12.2
Operating expenses and general and administrative expense (underwriting) (-)	100.0	1.9	83.6	- 3.5	183.6	- 1.6
Underwriting profit/loss prior to reflecting catastrophe reserve	76.1	4.1	21.4	- 26.9	97.6	- 22.8
Reversal of catastrophe reserve	- 27.4	2.6	- 23.0	- 1.3	- 50.4	1.3
Underwriting profit/loss	48.7	6.8	- 1.5	- 28.3	47.2	- 21.5
Ratios						
Net loss ratio	54.4%	- 2.4pt	53.2%	- 3.5pt	53.8%	- 2.9pt
Net expense ratio	29.8%	- 0.2pt	32.5%	- 0.5pt	31.0%	- 0.3pt
Combined ratio	84.2%	- 2.6pt	85.7%	- 4.0pt	84.8%	- 3.2pt
<Reference: Ratios excluding residential EQ insurance and CALI>						
Net loss ratio	51.3%	- 1.2pt	50.0%	- 2.3pt	50.7%	- 1.7pt
Net expense ratio	31.6%	- 0.2pt	34.2%	- 0.4pt	32.7%	- 0.3pt
Combined ratio	82.9%	- 1.4pt	84.2%	- 2.7pt	83.4%	- 2.0pt

MS&AD Insurance Group Holdings, Inc.

Next, I will explain the status of our Domestic Non-life Insurance business in terms of the simple sum of the two core companies.

Please look at the combined totals shown on the right at Slide 7.

Net premiums written increased by ¥45.7 billion year-on-year to ¥1,411.8 billion as a result of an increase in premiums for fire insurance and compulsory automobile liability insurance.

Underwriting profit decreased by ¥21.5 billion to ¥47.2 billion due to the impact of hurricanes in North America and Mexico EQ.

8. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2017 2Q (ii)

- Investment profit and other ordinary profit rose by 32.4 billion yen year-on-year to 106.6 billion yen, mainly due to an increase in gains on sales of securities.
- Net income rose by 9.7 billion yen year-on-year to 112.6 billion yen.
- Sales of strategic equity holdings for the two companies combined amounted to 80.5 billion yen.

(¥bn)

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	48.7	6.8	- 1.5	- 28.3	47.2	- 21.5
Net interest and dividends income	39.5	4.5	20.6	3.1	60.2	7.6
Gains/losses on sales of securities	44.9	15.2	6.7	- 0.6	51.6	14.5
Impairment losses on securities (-)	0.9	0.8	0.2	- 0.5	1.2	0.3
Investment profit/loss and other ordinary profit/loss	82.6	31.1	23.9	1.2	106.6	32.4
Ordinary profit/loss	131.3	38.0	22.4	- 27.0	153.8	10.9
Extraordinary income/losses	- 2.1	0.4	- 5.4	0.8	- 7.6	1.3
Income before taxes	129.1	38.4	16.9	- 26.2	146.1	12.2
Net income/loss	98.8	29.5	13.7	- 19.7	112.6	9.7
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	80.5	9.9				

MS&AD Insurance Group Holdings, Inc.

Next, please look at slide 8.

Investment profit and other ordinary profit rose by ¥32.4 billion year-on-year to ¥106.6 billion , mainly due to an increase in gains on sales of securities and net interest and dividends income.

As a result of the above, ordinary profit for the two domestic non-life insurance companies combined totaled ¥153.8 billion, a year-on-year increase of ¥10.9 billion.

Net interim income increased by ¥9.7 billion year-on-year to ¥112.6 billion.

Note that sales of strategic equity holdings in the second quarter totaled ¥80.5 billion for the two companies combined.

9. Domestic Non-Life Insurance Companies FY2017 2Q (2) - Impact of Natural Catastrophes

- Incurred losses related to domestic natural catastrophes were 24.8 billion yen for the two companies combined, a decrease of 20.9 billion yen compared to the same period of the previous year where the impact of Kumamoto Earthquake was included.

Impact of natural catastrophes

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S ^{※1}	
		YoY Change		YoY Change		YoY Change
Domestic natural catastrophes						
Mitsui Sumitomo Insurance	15.4	- 14.5	4.4	- 2.5	10.9	- 12.0
Aioi Nissay Dowa Insurance	9.4	- 6.3	2.7	- 2.1	6.6	- 4.2
Total	24.8	- 20.9	7.1	- 4.6	17.6	- 16.2

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

※ Incurred losses (excluding residential EQ) for Kumamoto Earthquake in the same period of the previous year: 13.3 billion yen
(MSI: 9.6 billion yen, ADI: 3.6 billion yen)

Next, I will talk about the impact of natural catastrophes in the 1st half-year.

Please look at Slide 9.

As shown on the left of the bottom row here, incurred losses related to natural catastrophes for the two companies combined amounted to ¥24.8 billion, a decrease of ¥20.9 billion compared to the same period of the previous year where the impact of Kumamoto Earthquake was included.

10. Domestic Non-Life Insurance Companies FY2017 2Q (3) - Catastrophe Reserves

- The net change in catastrophe reserves was 50.4 billion yen for the two companies combined, about the same as in the previous year.
- Provision rate in fire insurance at MSI changed from 9% to 5%.

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Sep. 30, 2017
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	-	5.2	5.2	- 3.2	151.3
	Marine	-	1.4	1.4	0.0	79.5
	Personal accident	-	2.4	2.4	0.0	70.1
	Voluntary auto	-	10.7	10.7	0.1	69.7
	Other	0.0	7.5	7.5	0.3	185.5
	Total	0.0	27.4	27.4	- 2.6	556.2
Aioi Nissay Dowa Insurance	Fire and allied	-	7.4	7.4	1.2	134.0
	Marine	-	0.0	0.0	0.0	13.9
	Personal accident	-	1.0	1.0	- 0.0	66.1
	Voluntary auto	-	11.1	11.1	0.0	55.0
	Other	0.0	3.3	3.3	0.0	67.5
	Total	0.0	23.0	23.0	1.3	336.7
Simple Sum of MSI and ADI	Fire and allied	-	12.7	12.7	- 1.9	285.3
	Marine	-	1.4	1.4	0.0	93.5
	Personal accident	-	3.4	3.4	0.0	136.3
	Voluntary auto	-	21.8	21.8	0.1	124.7
	Other	0.0	10.9	10.9	0.3	253.0
	Total	0.0	50.4	50.4	- 1.3	893.0

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 10. I will now explain the catastrophe reserves.

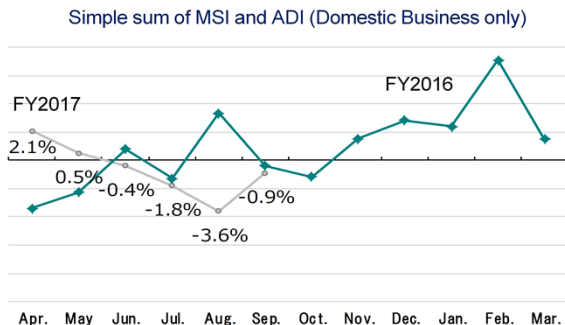
As shown in the bottom row, the net change in the total for all catastrophe reserves categories was ¥50.4 billion, about on par with the previous year.

11. Domestic Non-Life Insurance Companies FY2017 2Q (4) – Voluntary Auto Insurance

- The number of accidents fell by 0.9% year-on-year. The average payout per claim for both property damage liability and vehicle damage continued to rise with an increase in the cost of repairs.
- E/I loss ratio rose by 1.3 points year-on-year to 57.6% due to an increase in incurred losses.

Trend in the number of accidents

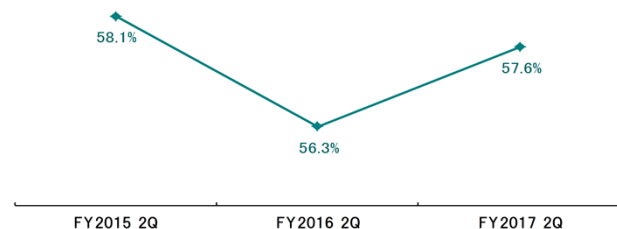
(per day, %YOY, excl. the number of accidents caused by natural disasters)



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 of increase/decrease in insurance premiums	- 0.1%	+0.7%	+0.8%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.7%	+0.3%	

Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+1.3%	- 1.3%	- 0.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+1.1%	-0.0%	

※ All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr. - Sep.) year-on-year.
 ※ Changes in average payout per claim means changes in average payout per claim over one-year period ended Sep. 30, 2017 compared with average payout per claim in one-year period ended Jun. 30, 2017.
 ※ E/I loss ratio is calculated based on the figures from April to September for each year.
 ※ Figures in Trend of the number of accidents from Jan. 2017 to Jun. 2017 were revised retroactively as it became possible to exclude "breakdown" cases in loaner special clause attached with vehicle damage coverage from the number of accidents at ADI.

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 11.

I will now explain the status of voluntary automobile insurance.

The line graph at the top left shows the year-on-year change in the number of automobile insurance accidents for the two companies combined.

The number of accidents fell by 0.9% year-on-year with a decreasing trend.

In addition, average payout per claim for both property damage liability and vehicle damage noted at the bottom of the slide, is rising due to rising repair costs, and we also need to continue monitoring this.

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

The EI loss ratio for the two companies combined increased by 1.3 points year-on-year to 57.6%, as shown in the graph on the upper right.

12. Domestic Life Insurance / MSI Aioi Life - Results for FY2017 2Q

- The amount of new policies rose by 29.8% year-on-year to 1,414.4 billion yen, primarily due to a significant increase in income guarantee insurance following the launch of new products.
- Annualized premiums of new policies for third sector insurance decreased by 10.9% year-on-year to 6.8 billion yen.
- Net income decreased by 0.1 billion yen year-on-year to 4.1 billion yen.

MSI Aioi Life

(¥bn)

		FY2016 2Q Results	FY2017 2Q Results	YoY Change	Change Ratio
Amount of new policies ^{※1}		1,089.4	1,414.4	324.9	29.8%
Annualized premiums of new policies		23.1	19.9	- 3.1	-13.8%
of which, third sector insurance		7.7	6.8	- 0.8	-10.9%
Amount of policies in force ^{※1}	(At the beginning of the FY)	23,214.2	23,572.6	(Change from the beginning of the FY) 358.3	1.5%
Annualized premiums of policies in force	(At the beginning of the FY)	401.0	407.2	(Change from the beginning of the FY) 6.1	1.5%
of which, third sector insurance	(At the beginning of the FY)	88.4	92.6	(Change from the beginning of the FY) 4.1	4.7%
Gross premiums income		235.7	242.7	7.0	3.0%
Ordinary profit/loss		8.7	8.8	0.1	1.3%
Extraordinary income/losses		- 0.3	- 0.4	- 0.0	—
Net income/loss		4.2	4.1	- 0.1	-2.4%
Core profit		10.1	7.8	- 2.2	-22.0%
EEV	(At the beginning of the FY)	794.2	830.5	(Change from the beginning of the FY) 36.3	

※1 Total sum of personal insurance and personal annuity insurance

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

MS&AD Insurance Group Holdings, Inc.

Next, I will explain the results of MSI Aioi Life.

Please look at Slide 12.

The amount of new policies increased by 29.8% year-on-year to ¥1,414.4 billion yen due to a significant increase in income guarantee insurance, where new products were launched.

Net income was ¥4.1 billion, almost unchanged compared with the previous period.

13. Domestic Life Insurance / MSI Primary Life - Results for FY2017 2Q

- Gross premiums income fell by 10.3% year-on-year to 482.6 billion yen, mainly due to a decrease in variable insurance.
- Net income rose by 5.9 billion yen year-on-year to 11.7 billion yen.

MSI Primary Life

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change	Change Ratio
Amount of new policies ^{※1}	520.8	483.1	- 37.6	- 7.2%
Amount of policies in force ^{※1}	(At the beginning of the FY) 5,680.7	6,095.8	(Change from the beginning of the FY) 415.0	7.3%
Gross premiums income	537.9	482.6	- 55.3	- 10.3%
Ordinary profit/loss	1.4	36.5	35.0	2,358.6%
Extraordinary income/losses	14.7	- 11.9	- 26.7	- 181.1%
Net income/loss	11.7	17.7	5.9	50.2%

※1 Total sum of personal insurance and personal annuity insurance

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

(¥bn)

Impact of interest rates	- 12.8	3.9
Impact of foreign exchange rates	- 11.5	5.7
Subtotal	- 24.3	9.6
Gains/losses on sales of securities	8.5	0.9
Total	- 15.7	10.5
Movement of price fluctuation reserve reflecting the above	15.7	- 10.5

MS&AD Insurance Group Holdings, Inc.

Continuing on, I will explain the performance of MSI Primary Life.
Please look at Slide 13.

Gross premiums income increased to 10.3% year-on-year to ¥482.6 billion primarily due to a drop in sales of variable life insurance products compared with the previous period.

Ordinary profit increased by ¥35.0 billion primarily due to a decrease in the provision burden for policy reserves caused by the impact in Australian dollar interest rate and foreign exchange rate.

Net income for the 1st half-year increased by ¥5.9 billion to ¥17.7 billion primarily due to an increase in net interest and dividends income associated with an increase in assets held compared to the previous fiscal year, while an additional provision of the reserve for price fluctuation, ¥10.5 billion, was carried.

14. Overseas Subsidiaries - Results for FY2017 2Q

- Net premiums written fell by 4.6% to 430.7 billion yen due to such factors as the impact of foreign exchange rates.
- Net income fell by 51.2 billion yen to -38.1 billion yen impacted by losses from hurricanes in North America and Mexico EQ of 51.9 billion yen (pre-tax: 57.7 billion yen) .

Overseas subsidiaries

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change	Change ratio
Net premiums written	451.4	430.7	- 20.6	- 4.6%
Asia	81.2	81.3	0.0	0.1%
Europe	346.3	323.5	- 22.8	- 6.6%
(of which, MS Amlin [※])	322.7	298.5	- 24.2	- 7.5%
Americas	23.8	25.9	2.0	8.7%
Net income/loss	13.0	- 38.1	- 51.2	-391.5%
Asia	8.3	8.9	0.5	6.3%
Europe	3.6	- 47.7	- 51.4	-1,394.2%
(of which, MS Amlin [※])	6.0	- 46.5	- 52.6	- 867.0%
Americas	1.0	0.7	- 0.3	- 31.2%

※ Figures for FY2016 2Q include figures for MSI's Lloyd's and Reinsurance businesses that were consolidated into MS Amlin at the end of FY2016.

Next, I will explain the status of overseas subsidiaries.

Please look at Slide 14.

Net premiums written decreased by 4.6% to ¥430.7 billion mainly due to the impact of foreign exchange rates.

Net income decreased by ¥51.2 billion to -¥31.8 billion mainly due to incurred losses of hurricanes in North America and Mexico EQ at MS Amlin.

FY2017 2Q Results Data

Mitsui Sumitomo Insurance (Non-Consolidated)	Page 15-18
Aioi Nissay Dowa Insurance (Non-Consolidated)	Page 19-22
Simple Sum of MSI and ADI (Non-Consolidated)	Page 23-26
Mitsui Direct General	Page 27
<Reference> MS Amlin's Results for FY2017 (Jan.-Jun. 2017)	Page 28

(blank page)

15. Non-Consolidated Results for FY2017 2Q - MSI (i)

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net premiums written	756.6	781.6	25.0
Growth rate of net premiums written	-5.6%	3.3%	8.9pt
Net loss ratio	56.8%	54.4%	-2.4pt
Net expense ratio	30.0%	29.8%	-0.2pt
Combined ratio	86.8%	84.2%	-2.6pt
Incurred losses (Incl. loss adjustment expenses)	445.3	446.4	1.1
Underwriting profit/loss	41.9	48.7	6.8
Net investment profit/loss	52.8	83.8	31.0
Ordinary profit/loss	93.3	131.3	38.0
Extraordinary income/losses	- 2.6	- 2.1	0.4
Net income/loss	69.3	98.8	29.5
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-6.0%	3.0%	9.0pt
Net loss ratio	52.5%	51.3%	-1.2pt
Net expense ratio	31.8%	31.6%	-0.2pt
Combined ratio	84.3%	82.9%	-1.4pt
Incurred losses (Incl. loss adjustment expenses)	365.9	372.9	7.0

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

MS&AD Insurance Group Holdings, Inc.

On the following pages, Slides 15 through 27 contain non-consolidated results for MSI and ADI and the simple sum for the two companies' non-consolidated results.

Additional reference materials include Slide 28, 2Q results of MS Amlin, please look at them later.

16. Non-Consolidated Results for FY2017 2Q - MSI (ii)

Net premiums written

(¥bn)

	FY2016 2Q Results	FY2017 2Q	
		Results	Growth
Fire and allied	94.2	105.3	11.7%
Marine	31.2	31.0	-0.8%
Personal accident	75.2	77.5	3.1%
Voluntary automobile	330.9	334.5	1.1%
CALI	92.6	97.9	5.7%
Other	132.2	135.3	2.3%
Total	756.6	781.6	3.3%
Total excluding residential EQ insurance and CALI	663.5	683.4	3.0%

Net loss ratio

	FY2016 2Q Results	FY2017 2Q	
		Results	YoY Change
Fire and allied	67.1%	50.9%	-16.2pt
Marine	54.6%	50.4%	-4.2pt
Personal accident	51.6%	48.8%	-2.8pt
Voluntary automobile	54.8%	55.9%	1.1pt
CALI	81.3%	76.2%	-5.1pt
Other	40.9%	41.5%	0.6pt
Total	56.8%	54.4%	-2.4pt
Total excluding residential EQ insurance and CALI	52.5%	51.3%	-1.2pt

(blank page)

17. Non-Consolidated Results for FY2017 2Q - MSI (iii)

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

(¥bn)

	FY2016 2Q					FY2017 2Q					
	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)	71.3	66.2%	27.2	44.0	40.9%	64.5	58.0%	14.1	50.4	45.3%	4.4pt
Marine	16.6	53.5%	0.1	16.4	52.9%	20.6	66.0%	0.0	20.6	65.8%	12.9pt
Personal accident	37.2	54.9%	0.0	37.2	54.8%	37.0	53.6%	0.0	37.0	53.6%	-1.2pt
Voluntary automobile	187.1	57.1%	1.1	186.0	56.8%	192.3	57.8%	1.4	190.8	57.4%	0.6pt
Other	53.4	45.6%	1.3	52.0	44.5%	58.3	48.3%	0.7	57.5	47.6%	3.1pt
Total (A) ^{※4}	365.9	56.2%	30.0	335.9	51.5%	372.9	56.1%	16.4	356.5	53.6%	2.1pt
Residential EQ insurance (B)	5.9		5.9	—		—		—	—		
CALI (C)	73.4		—	73.4		73.5		—	73.5		
Total (A)+(B)+(C)	445.3		35.9	409.3		446.4		16.4	430.0		

※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. Impact" for FY2017 2Q refers to domestic natural catastrophes, hurricanes in North America and Mexico EQ

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

MS&AD Insurance Group Holdings, Inc.

(blank page)

18. Non-Consolidated Results for FY2017 2Q - MSI (iv)

Company expenses / Commission

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Underwriting company expenses	98.1	100.0	1.9
Loss adjustment expenses	43.5	43.4	- 0.0
Other	5.2	5.7	0.4
Total company expenses	146.9	149.2	2.2
Personnel expenses	85.5	85.1	- 0.3
Non-personnel expenses	55.0	57.6	2.6
Taxes and contributions	6.4	6.4	0.0
Commission and collection expenses	128.6	133.1	4.5

Expense ratios

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net commission ratio	17.0%	17.0%	0.0pt
Net company expense ratio	13.0%	12.8%	-0.2pt
Net expense ratio	30.0%	29.8%	-0.2pt
Net expense ratio (excluding residential EQ insurance and CALI)	31.8%	31.6%	-0.2pt

Net investment income

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Interest and dividends income	53.6	56.5	2.9
Transfer of investment income on deposit premiums	- 18.5	- 16.9	1.6
Net interest and dividends income	35.0	39.5	4.5
Gains/losses on sales of securities	29.6	44.9	15.2
Impairment losses on securities	- 0.1	- 0.9	- 0.8
Other	- 11.7	0.3	12.0
Net investment income/loss	52.8	83.8	31.0

Sources of interest and dividends received (¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Bonds	9.8	9.5	- 0.2
Stocks	23.9	23.6	- 0.2
Foreign securities	12.2	15.2	3.0
Other securities	1.2	2.2	1.0
Loans and other	6.4	5.8	- 0.6
Total	53.6	56.5	2.9

MS&AD Insurance Group Holdings, Inc.

(blank page)

19. Non-Consolidated Results for FY2017 2Q - ADI (i)

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net premiums written	609.4	630.1	20.7
Growth rate of net premiums written	-0.7%	3.4%	4.1pt
Net loss ratio	56.7%	53.2%	-3.5pt
Net expense ratio	33.0%	32.5%	-0.5pt
Combined ratio	89.7%	85.7%	-4.0pt
Incurred losses (Incl. loss adjustment expenses)	346.8	380.7	33.8
Underwriting profit/loss	26.8	- 1.5	- 28.3
Investment profit/loss	19.6	22.5	2.8
Ordinary profit/loss	49.5	22.4	- 27.0
Extraordinary income/losses	- 6.2	- 5.4	0.8
Net income/loss	33.5	13.7	- 19.7
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-0.0%	3.1%	3.1pt
Net loss ratio	52.3%	50.0%	-2.3pt
Net expense ratio	34.6%	34.2%	-0.4pt
Combined ratio	86.9%	84.2%	-2.7pt
Incurred losses (Incl. loss adjustment expenses)	278.4	317.7	39.3

MS&AD Insurance Group Holdings, Inc.

(blank page)

20. Non-Consolidated Results for FY2017 2Q - ADI (ii)

Net premiums written

(¥bn)

	FY2016 2Q	FY2017 2Q	
	Results	Results	Growth
Fire and allied	75.0	90.9	21.2%
Marine	2.8	4.5	57.4%
Personal accident	32.6	32.3	-0.9%
Voluntary automobile	345.6	347.0	0.4%
CALI	83.9	88.4	5.4%
Other	69.3	66.8	-3.6%
Total	609.4	630.1	3.4%
Total excluding residential EQ insurance and CALI	525.2	541.4	3.1%

Net loss ratio

	FY2016 2Q	FY2017 2Q	
	Results	Results	YoY Change
Fire and allied	55.1%	41.6%	-13.5pt
Marine	52.0%	32.9%	-19.1pt
Personal accident	46.2%	45.2%	-1.0pt
Voluntary automobile	53.7%	54.0%	0.3pt
CALI	78.8%	72.6%	-6.2pt
Other	51.2%	44.3%	-6.9pt
Total	56.7%	53.2%	-3.5pt
Total excluding residential EQ insurance and CALI	52.3%	50.0%	-2.3pt

(blank page)

21. Non-Consolidated Results for FY2017 2Q - ADI (iii)

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

(¥bn)

	FY2016 2Q					FY2017 2Q					
	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)	43.1	53.4%	13.9	29.2	36.2%	74.2	84.2%	36.2	37.9	43.1%	6.9pt
Marine	1.0	36.0%	—	1.0	36.0%	2.6	74.2%	—	2.6	74.2%	38.2pt
Personal accident	14.3	47.7%	0.0	14.3	47.7%	15.0	50.3%	0.0	15.0	50.3%	2.6pt
Voluntary automobile	187.8	55.4%	1.1	186.7	55.1%	195.4	57.4%	1.3	194.1	57.0%	1.9pt
Other	31.9	50.3%	0.6	31.2	49.3%	30.3	50.2%	0.5	29.8	49.3%	0.0pt
Total (A) ^{※4}	278.4	53.9%	15.7	262.6	50.9%	317.7	60.8%	38.0	279.6	53.5%	2.6pt
Residential EQ insurance (B)	4.3		4.3	—		—		—	—		
CALI (C)	64.1		—	64.1		62.9		—	62.9		
Total (A)+(B)+(C)	346.8		20.0	326.7		380.7		38.0	342.6		

※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. Impact" for FY2017 2Q refers to domestic natural catastrophes, hurricanes in North America and Mexico EQ

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

MS&AD Insurance Group Holdings, Inc.

(blank page)

22. Non-Consolidated Results for FY2017 2Q - ADI (iv)

Company expenses / Commission

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Underwriting company expenses	87.1	83.6	- 3.5
Loss adjustment expenses	29.5	30.2	0.6
Other	4.1	5.1	1.0
Total company expenses	120.9	119.0	- 1.8
Personnel expenses	61.8	64.0	2.1
Non-personnel expenses	53.5	49.4	- 4.0
Taxes and contributions	5.5	5.6	0.0
Commission and collection expenses	113.6	121.3	7.7

Expense ratios

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net commission ratio	18.6%	19.3%	0.6pt
Net company expense ratio	14.3%	13.3%	-1.0pt
Net expense ratio	33.0%	32.5%	-0.5pt
Net expense ratio (excluding residential EQ insurance and CALI)	34.6%	34.2%	-0.4pt

Net investment income

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Interest and dividends income	26.9	29.1	2.1
Transfer of investment income on deposit premiums	- 9.3	- 8.4	0.9
Net interest and dividends income	17.5	20.6	3.1
Gains/losses on sales of securities	7.4	6.7	- 0.6
Impairment losses on securities	- 0.7	- 0.2	0.5
Other	- 4.5	- 4.6	- 0.0
Net investment income/loss	19.6	22.5	2.8

Sources of interest and dividends received (¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Bonds	4.9	5.0	0.0
Stocks	9.7	10.4	0.6
Foreign securities	6.8	8.5	1.6
Other securities	1.5	1.1	- 0.3
Loans and other	3.8	3.9	0.1
Total	26.9	29.1	2.1

MS&AD Insurance Group Holdings, Inc.

(blank page)

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

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net premiums written	1,366.0	1,411.8	45.7
Growth rate of net premiums written	-3.5%	3.3%	6.8pt
Net loss ratio	56.7%	53.8%	-2.9pt
Net expense ratio	31.3%	31.0%	-0.3pt
Combined ratio	88.0%	84.8%	-3.2pt
Incurred losses (Incl. loss adjustment expenses)	792.1	827.2	35.0
Underwriting profit/loss	68.7	47.2	- 21.5
Investment profit/loss	72.5	106.3	33.8
Ordinary profit/loss	142.8	153.8	10.9
Extraordinary income/losses	- 8.9	- 7.6	1.3
Net income/loss	102.8	112.6	9.7
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-3.4%	3.0%	6.4pt
Net loss ratio	52.4%	50.7%	-1.7pt
Net expense ratio	33.0%	32.7%	-0.3pt
Combined ratio	85.4%	83.4%	-2.0pt
Incurred losses (Incl. loss adjustment expenses)	644.3	690.7	46.3

MS&AD Insurance Group Holdings, Inc.

(blank page)

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

Net premiums written

(¥bn)

	FY2016 2Q	FY2017 2Q	
	Results	Results	Growth
Fire and allied	169.2	196.2	15.9%
Marine	34.1	35.5	4.1%
Personal accident	107.9	109.9	1.9%
Voluntary automobile	676.5	681.5	0.7%
CALI	176.5	186.3	5.6%
Other	201.6	202.1	0.3%
Total	1,366.0	1,411.8	3.3%
Total excluding residential EQ insurance and CALI	1,188.8	1,224.9	3.0%

Net loss ratio

	FY2016 2Q	FY2017 2Q	
	Results	Results	YoY Change
Fire and allied	61.8%	46.6%	-15.2pt
Marine	54.3%	48.1%	-6.2pt
Personal accident	49.9%	47.8%	-2.1pt
Voluntary automobile	54.3%	54.9%	0.6pt
CALI	80.1%	74.5%	-5.6pt
Other	44.4%	42.5%	-1.9pt
Total	56.7%	53.8%	-2.9pt
Total excluding residential EQ insurance and CALI	52.4%	50.7%	-1.7pt

(blank page)

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

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

(¥bn)

	FY2016 2Q					FY2017 2Q					
	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)	114.4	60.7%	41.2	73.2	38.9%	138.8	69.6%	50.3	88.4	44.3%	5.4pt
Marine	17.7	51.9%	0.1	17.5	51.4%	23.3	66.8%	0.0	23.2	66.6%	15.2pt
Personal accident	51.6	52.7%	0.0	51.6	52.7%	52.0	52.6%	0.0	52.0	52.6%	-0.1pt
Voluntary automobile	375.0	56.3%	2.3	372.7	55.9%	387.7	57.6%	2.8	384.9	57.2%	1.3pt
Other	85.4	47.3%	2.0	83.3	46.1%	88.7	48.9%	1.2	87.4	48.2%	2.1pt
Total (A) ^{※4}	644.3	55.2%	45.7	598.5	51.3%	690.7	58.1%	54.5	636.2	53.6%	2.3pt
Residential EQ insurance (B)	10.2		10.2	—		—		—	—		
CALI (C)	137.5			137.5		136.4		—	136.4		
Total (A)+(B)+(C)	792.1		56.0	736.1		827.2		54.5	772.6		

※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. Impact" for FY2017 2Q refers to domestic natural catastrophes, hurricanes in North America and Mexico EQ

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

MS&AD Insurance Group Holdings, Inc.

(blank page)

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

Company expenses / Commission

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Underwriting company expenses	185.3	183.6	- 1.6
Loss adjustment expenses	73.1	73.7	0.5
Other	9.4	10.8	1.4
Total company expenses	267.8	268.2	0.4
Personnel expenses	147.3	149.1	1.7
Non-personnel expenses	108.5	107.0	- 1.4
Taxes and contributions	11.9	12.0	0.0
Commission and collection expenses	242.2	254.5	12.2

Expense ratios

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Net commission ratio	17.7%	18.0%	0.3pt
Net company expense ratio	13.6%	13.0%	-0.6pt
Net expense ratio	31.3%	31.0%	-0.3pt
Net expense ratio (excluding residential EQ insurance and CALI)	33.0%	32.7%	-0.3pt

Net investment income

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Interest and dividends income	80.6	85.6	5.0
Transfer of investment income on deposit premiums	- 27.9	- 25.3	2.5
Net interest and dividends income	52.6	60.2	7.6
Gains/losses on sales of securities	37.0	51.6	14.5
Impairment losses on securities	- 0.8	- 1.2	- 0.3
Other	- 16.3	- 4.9	11.3
Net investment income/loss	72.5	106.3	33.8

Sources of interest and dividends received

(¥bn)

	FY2016 2Q Results	FY2017 2Q Results	YoY Change
Bonds	14.7	14.5	- 0.1
Stocks	33.7	34.1	0.4
Foreign securities	19.0	23.8	4.7
Other securities	2.8	3.4	0.6
Loans and other	10.2	9.7	- 0.5
Total	80.6	85.6	5.0

MS&AD Insurance Group Holdings, Inc.

(blank page)

27. Results for FY2017 2Q – Mitsui Direct General

Key financial data

(¥bn)

	FY2016 2Q Results	FY2017 2Q	
		Results	YoY Change
Net premiums written	18.6	18.6	0.0
Growth rate of net premiums written	2.4%	0.5%	-1.9pt
Net loss ratio	74.7%	71.1%	-3.6pt
Net expense ratio	23.1%	23.2%	0.1pt
Combined ratio	97.8%	94.3%	-3.5pt
Incurred losses (including loss adjustment expenses)	14.4	13.7	- 0.6
Underwriting profit/loss	0.1	1.2	1.0
Net investment income/loss	0.0	0.0	- 0.0
Ordinary profit/loss	0.1	1.2	1.0
Extraordinary income/loss	- 0.0	- 0.0	0.0
Net income/loss per our share	0.0	1.0	1.0

Incurred losses (excl. residential EQ insurance and CALI)

(¥bn)

	FY2016 2Q Results	FY2017 2Q	
		Results	YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	14.2	13.5	- 0.6
Natural catastrophes ^{※2}	0.0	0.1	0.0
Other than natural catastrophes	14.1	13.4	- 0.7

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

※2 "Natural catastrophes" represent domestic natural catastrophes occurred in the fiscal year

MS&AD Insurance Group Holdings, Inc.

(blank page)

28. <Reference> MS Amlin's Results for FY2017 2Q (Jan. – Jun. 2017 ※1)

(£ mn)

	FY2016 2Q※2 Results	FY2017 2Q	
		Results	YoY change
Net premiums written	2,030	2,097	66
Net premiums earned	1,327	1,401	73
Incurred losses (including loss adjustment expenses)	796	1,348	551
Net commission and expense for acquisition, admin expense	501	532	30
Underwriting profit/loss	69	-489	-559
Investment profit/loss※3	44	148	104
Other expenses※4	-43	-43	0
Net income/loss after tax	38	-324	-362
EI claims ratio	60%	96%	36pt
EI expense ratio※5	35%	39%	4pt
EI combined ratio※5	95%	135%	40pt

※1 Incurred losses of £ 398 million associated with hurricanes Harvey, Irma and Maria and Mexico EQ occurred in August-September 2017 have been recorded in 2Q.

※2 Figures for FY2016 2Q include figures for MSI's Lloyd's and Reinsurance businesses that were consolidated into MS Amlin at the end of FY2016.

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

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

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

(blank page)

Projected Financial Results for FY2017

Consolidated Earnings Forecasts for FY2017	Page 29-35
Major Assumptions for Earnings Forecasts	Page 36
Mitsui Sumitomo Insurance (MSI) (Non-Consolidated)	Page 37-39
Aioi Nissay Dowa Insurance (MSI) (Non-Consolidated)	Page 40-42
Simple Sum of MSI and ADI (Non-Consolidated)	Page 43-45
Mitsui Direct General	Page 46
MSI Aioi Life	Page 47
MSI Primary Life	Page 48

29. Consolidated Earnings Forecasts for FY2017 (i)

Non-life insurance subsidiaries

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
Net premiums written	3,406.9	3,450.0	3,450.0	43.0	1.3%	0.0
Mitsui Sumitomo Insurance	1,469.6	1,488.0	1,493.0	23.3	1.6%	5.0
Aioi Nissay Dowa Insurance	1,200.5	1,219.0	1,222.0	21.4	1.8%	3.0
Mitsui Direct General Insurance	37.6	38.8	38.0	0.3	1.0%	- 0.8
Overseas subsidiaries	693.1	700.0	692.0	- 1.1	-0.2%	- 8.0

Life insurance subsidiaries

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
Gross premiums income [※]	1,550.0	1,294.3	1,391.0	- 159.0	-10.3%	96.7
MSI Aioi Life	478.9	494.3	491.0	12.0	2.5%	- 3.3
MSI Primary Life	1,071.1	800.0	900.0	- 171.1	-16.0%	100.0
Life insurance premiums	1,253.1	949.0	1,000.0	- 253.1	-20.2%	51.0

※ Gross premiums income is for domestic life insurance subsidiaries only.

I will move to consolidated earnings forecasts for FY2017.

Please look at Slide 29.

Net premiums written are expected to remain unchanged compared with initial forecasts, increase by ¥43.0 billion to ¥3,450.0 billion, increase by 1.3% compared with the previous year.

Life insurance premiums are expected to increase by ¥51.0 billion compared with initial forecasts to ¥1,000.0 billion.

30. Consolidated Earnings Forecasts for FY2017 (ii)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Ordinary profit	352.6	345.0	238.0	- 114.6	- 107.0
Mitsui Sumitomo Insurance	215.5	225.0	230.0	14.4	5.0
Aioi Nissay Dowa Insurance	75.1	70.0	46.0	- 29.1	- 24.0
Net income	210.4	245.0	145.0	- 65.4	- 100.0
Mitsui Sumitomo Insurance	164.5	166.0	172.0	7.4	6.0
Aioi Nissay Dowa Insurance	50.3	49.0	30.0	- 20.3	- 19.0
Mitsui Direct General Insurance	- 0.9	0.2	0.2	1.1	-
MSI Aioi Life	4.5	3.0	3.0	- 1.5	-
MSI Primary Life	20.7	14.0	22.0	1.2	8.0
Overseas subsidiaries	24.0	45.0	- 41.0	- 65.0	- 86.0
Consolidation adjustments, other	- 52.9	- 32.2	- 41.2	11.7	- 9.0
ROE (financial accounting basis)	7.8%	8.9%	5.1%	- 2.7pt	- 3.8pt

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

MS&AD Insurance Group Holdings, Inc.

Next, I will talk about ordinary profit and net income.

Please look at Slide 30.

Ordinary profit is expected to decrease by ¥107.0 billion compared with initial forecasts to ¥238.0 billion, net income is expected to decrease by ¥100.0 billion compared with initial forecasts to ¥145.0 billion.

31. Consolidated Earnings Forecasts for FY2017 (iii)

- Losses from natural catastrophes for MS Amlin are expected to be 78.8 billion yen (71.0 billion yen after tax) for FY2017. In addition, claims reserves have been revised upward conservatively considering the overall trend of losses.

Net premiums written

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Overseas subsidiaries total	693.1	700.0	692.0	- 1.1	- 8.0
Asia	154.5	161.5	161.2	6.5	- 0.3
Europe	493.1	488.8	480.7	- 12.4	- 8.2
(of which, MS Amlin)	455.8	448.1	439.7	- 16.1	- 8.4
Americas	45.4	49.7	50.2	4.7	0.5

Net income

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Overseas subsidiaries total	24.0	45.0	- 41.0	- 65.0	- 86.0
Asia	13.2	13.3	14.3	0.9	1.0
Europe	7.7	29.1	- 57.7	- 65.4	- 86.8
(of which, MS Amlin)	12.3	30.1	- 55.0	- 67.3	- 85.1
Americas	3.0	2.6	2.4	- 0.6	- 0.1

※ Figures for MS Amlin are based on the structure after integration of Lloyd's and Reinsurance businesses.

Figures for FY2016 are a simple sum of Lloyd's and Reinsurance companies prior to integration.

(blank page)

32. Consolidated Earnings Forecasts for FY2017 (iv) Incurred Losses from Domestic and Overseas Natural Catastrophes

	Incurred Losses			(¥bn)
	Amount recorded in 1H	Expected amount to be recorded in 2H	Total	Initial forecast for large losses (Reference)
<Domestic>				
Domestic natural catastrophes: Total	24.8	42.2	67.0	50.0
<Overseas>				
Hurricane Harvey	21.2		21.2	
Hurricane Irma	38.9		38.9	
Hurricane Maria	22.5		22.5	
Mexico earthquakes	4.7		4.7	
California wildfire		17.7	17.7	
5 major overseas natural catastrophes*: Total	87.4	17.7	105.0	25.5
Total	112.2	59.9	172.0	75.5
<Reference> MS Amlin losses				
5 major overseas natural catastrophes (above-mentioned)	57.2	16.6	73.8	
Other natural catastrophes (e.g. cyclones in Australia)			5.0	
Total			78.8	22.5
		(After-tax	71.0)	

※ "5 major overseas natural catastrophes" refers to hurricanes Harvey, Irma and Maria, Mexico EQ and California wildfire, same hereafter.

MS&AD Insurance Group Holdings, Inc.

Next, please look at Slide 32.

I will talk about incurred losses due to overseas and domestic natural catastrophes.

Regarding domestic natural catastrophes, as we have factored in incurred losses, ¥36.0 billion due to Typhoon No. 21 that occurred in October, we are projecting incurred losses of ¥67.0 billion, an increase of ¥17.0 billion from our initial forecasts.

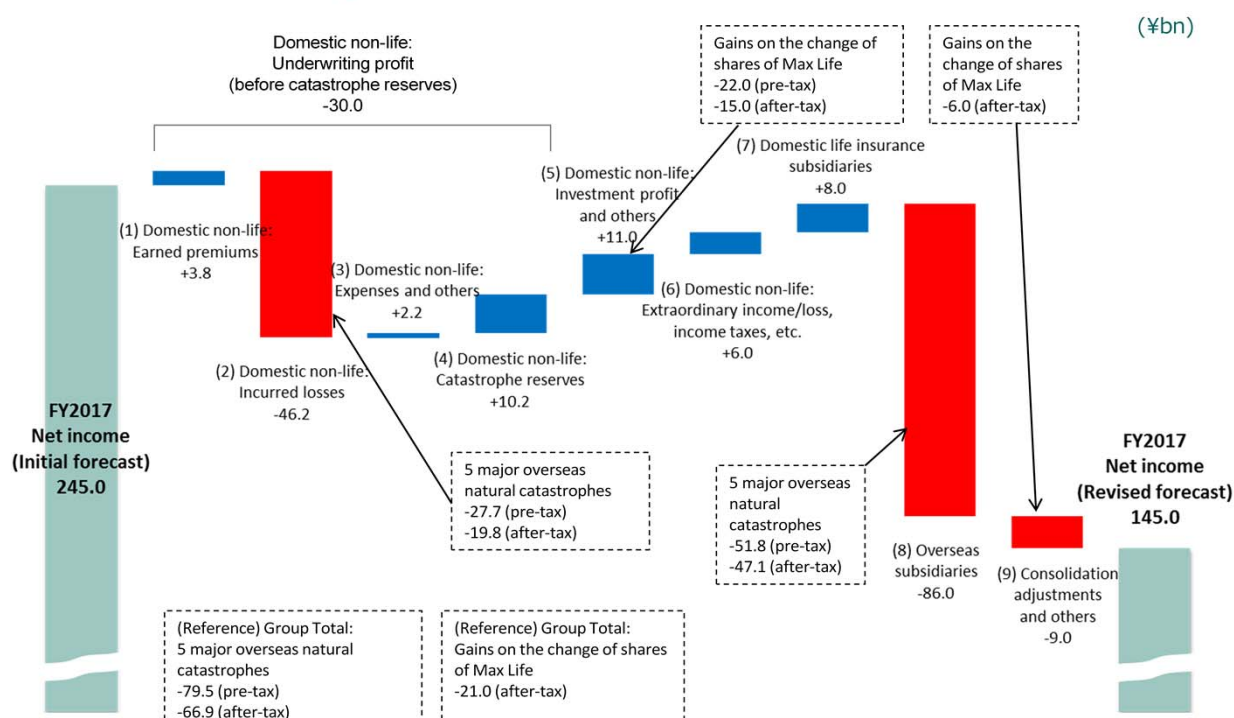
As the increase of ¥17.0 billion for domestic natural catastrophes will be covered to a certain extent by the reversal of the catastrophe reserve, we estimate the impact on net income will be approximately ¥9.0 billion.

Next, concerning incurred losses from 5 major overseas natural catastrophes, in addition to the actual amount of ¥87.4 billion for the first half, we have factored in incurred loss due to the California wildfires in the second half, so we are projecting an amount of ¥105.0 billion yen on an annual basis.

In regard to incurred losses from hurricanes in North America and Mexico EQ, as it has increased by ¥79.5 billion from our initial forecast, the impact on net income will be ¥67.0 billion, and this is the main reason why we have lowered our net income forecast on this occasion.

33. Consolidated Earnings Forecasts for FY2017 (v) Factors Behind Change from the Initial Forecast

Factors behind change from the initial forecast for consolidated net income



Figures for domestic non-life insurance are a simple sum of figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

MS&AD Insurance Group Holdings, Inc.

Please look at Slide 33.

I will explain the factors behind year-on-year changes in consolidated net income of FY2017 using the graph.

For “Domestic non-life: Incurred losses” in No. (2), we are projecting an increase of ¥46.2 billion, which is mainly due to the increase of ¥17.0 billion in domestic natural catastrophes and an increase of about ¥27.0 billion in 5 major overseas natural catastrophes from inward reinsurance from overseas at ADI.

Regarding “Catastrophe reserves” in No. (4), we have factored in an impact of about ¥8.0 billion from abolishing an additional provision for catastrophe reserves for fire insurance at MSI and a reversal increase of about ¥5.0 billion resulting mainly from the increase in domestic natural catastrophes. Based primarily on these factors, we are expecting underwriting profit to decline by ¥30.0 billion from our initial forecast.

For “Domestic non-life: Investment profit and others” in No. (5), we are projecting an increase of ¥11.0 billion from our initial forecast. This is mainly due to the fact that sales of strategic equity holdings have increased, which reflects the favorable conditions in the stock market, in spite of the disappearance of the gains on the change of shares of Max Life as the proposed merger agreement has been called off.

For “Overseas subsidiaries” in No. (8), we are forecasting a profit decline of ¥86.0 billion mainly due to a profit decline of ¥85.1 billion at MS Amlin.

As a result, net income is forecast at ¥145.0 billion, a ¥100.0 decrease from the initial forecast.

(continued on the next page)

34. Consolidated Earnings Forecasts for FY2017 (vi)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Group Core Profit	213.7	230.0	115.0	- 98.7	- 115.0
Domestic non-life insurance	153.3	145.0	149.0	- 4.3	4.0
Domestic life insurance	25.1	17.0	25.0	- 0.1	8.0
International business	34.6	64.0	- 63.0	- 97.6	- 127.0
Financial services/Risk related services	0.5	4.0	4.0	3.4	-
Other financial targets					
Combined ratio (Domestic non- life insurance)	92.6%	92.9%	92.6%	-	- 0.3pt
Increase in EV of MSI Aioi Life	198.4	50.0	50.0	- 148.4	-
Group ROE	7.9%	8.4%	4.0%	- 3.9pt	- 4.4pt

MS&AD Insurance Group Holdings, Inc.

(continued from the preceding page)

Let me add some more details about MS Amlin's results.

One of the main factors for a decrease in net profit of ¥85.1 billion from the initial forecast is the losses from natural catastrophes of ¥78.8 billion that include losses of ¥73.8 billion from 5 major overseas natural catastrophes, and ¥5.0 billion from Cyclone Debbie that occurred in Australia and others. These losses exceeded the initial loss fund for large natural catastrophes of ¥22.5 billion by ¥56.3 billion.

In addition, claims reserves have been revised upward conservatively considering overall trend of losses.

The negative trend of losses is caused by rising loss ratios in some of the general lines where we have expanded underwriting in order to ease the impact of a softening trend in rates for natural catastrophe risks. We have already determined affected lines and causes and undertaken measures to improve underwriting results. While gradual improvements will be seen from FY2018, we are expecting a full effect of improvement measures in FY2019.

Please look at Slide 34.

I will talk about Group Core Profit.

Group Core Profit is forecast to decrease to ¥115.0 billion, half of the initial forecast, mainly due to a substantial negative impact at international business from 5 major overseas natural catastrophes and the disappearance of the gains on the change of shares of Max Life, despite of positive factors compared with initial forecasts at the domestic non-life and domestic life business.

35. Earnings Forecasts for FY2017 (vii) - Catastrophe Reserves

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Mar. 31, 2018
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	16.6	9.7	- 6.9	- 10.6	139.1
	Marine	0.5	2.7	2.2	- 0.5	80.4
	Personal accident	-	4.6	4.6	0.0	72.3
	Voluntary auto	-	21.1	21.1	0.3	80.1
	Other	1.4	13.6	12.2	- 0.8	190.2
	Total	18.5	51.8	33.3	- 11.6	562.1
Aioi Nissay Dowa Insurance	Fire and allied	5.0	14.2	9.2	- 1.2	135.7
	Marine	-	0.1	0.1	-	14.0
	Personal accident	-	2.0	2.0	0.1	67.1
	Voluntary auto	13.1	21.9	8.8	1.8	52.6
	Other	0.2	6.5	6.3	0.7	70.4
	Total	18.3	44.7	26.4	1.4	340.0
Simple Sum of MSI and ADI	Fire and allied	21.6	23.9	2.3	- 11.8	274.9
	Marine	0.5	2.8	2.3	- 0.5	94.4
	Personal accident	-	6.6	6.6	0.1	139.4
	Voluntary auto	13.1	43.0	29.9	2.1	132.8
	Other	1.6	20.1	18.5	- 0.1	260.7
	Total	36.8	96.5	59.7	- 10.2	902.2

MS&AD Insurance Group Holdings, Inc.

(blank page)

36. Major Assumptions for Earnings Forecasts for FY2017

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	Assumes the level at the end of September 2017 Nikkei average : ¥ 20,356 USD\$1 = JPY ¥ 113 EUR€1 = JPY ¥ 133 GBP £ 1 = JPY ¥ 151	
Domestic natural catastrophes occurred in FY2017	41.0 (+ 11.0)	26.0 (+ 6.0)
Catastrophe reserves Provision	9.7 (- 7.6)	14.2 (+ 0.1)
(For fire insurance) Reversal	16.6 (+ 3.1)	5.0 (+ 1.3)
Change	- 6.9 (- 10.6)	9.2 (- 1.2)
Catastrophe reserves Provision	21.1 (+ 0.3)	21.9 -
(For voluntary automobile insurance) Reversal	- -	13.1 (- 1.8)
Change	21.1 (+ 0.3)	8.8 (+ 1.8)
Corporate tax rate (Effective tax rate)	28.2%	

* Figures in parentheses show change from the previous fiscal year.

MS&AD Insurance Group Holdings, Inc.

The main assumptions made in the forecasts I have explained are summarized on Slide 36.

Slide 37 and onwards contain the respective non-consolidated forecasts for MSI and ADI, the simple sum of the two companies' non-consolidated forecasts, Mitsui Direct General, MSI Aioi Life and MSI Primary Life. Please refer to them later.

This concludes my presentation. Thank you.

37. Earnings Forecasts for FY2017 – MSI (Non-Consolidated) (i)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,469.6	1,488.0	1,493.0	23.3	5.0
Growth rate of net premiums written	-2.5%	1.2%	1.6%	4.1pt	0.4pt
Net loss ratio	61.2%	60.3%	60.5%	- 0.7pt	0.2pt
Net expense ratio	31.2%	31.6%	31.5%	0.3pt	- 0.1pt
Combined ratio	92.4%	91.9%	92.0%	- 0.4pt	0.1pt
Incurred losses (Incl. loss adjustment expenses)	893.0	891.8	905.6	12.5	13.8
Underwriting profit	81.7	82.0	81.0	- 0.7	- 1.0
Investment profit	139.4	147.6	155.2	15.8	7.7
Ordinary profit	215.5	225.0	230.0	14.4	5.0
Extraordinary income/loss	- 7.0	- 2.7	0.9	8.0	3.6
Net income	164.5	166.0	172.0	7.4	6.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	-2.9%	1.7%	2.0%	4.9pt	0.3pt
Net loss ratio	58.0%	57.2%	57.6%	- 0.4pt	0.4pt
Net expense ratio	33.2%	33.5%	33.4%	0.2pt	- 0.1pt
Combined ratio	91.2%	90.7%	91.0%	- 0.2pt	0.3pt
Incurred losses (Incl. loss adjustment expenses)	738.4	741.0	756.2	17.6	15.1

MS&AD Insurance Group Holdings, Inc.

(blank page)

38. Earnings Forecasts for FY2017 – MSI (Non-Consolidated) (ii)

Net premiums written

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	Growth
Fire and allied	183.8	193.2	5.1%
Marine	58.6	57.7	-1.6%
Personal accident	143.5	145.7	1.5%
Voluntary automobile	654.1	660.0	0.9%
CALI	186.8	184.2	-1.4%
Other	242.5	252.1	3.9%
Total	1,469.6	1,493.0	1.6%
Total excl. residential EQ insurance and CALI	1,282.0	1,308.2	2.0%

Net loss ratio

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Fire and allied	72.0%	67.3%	- 4.7pt
Marine	61.3%	62.5%	1.2pt
Personal accident	54.3%	52.7%	- 1.6pt
Voluntary automobile	57.3%	58.6%	1.3pt
CALI	80.3%	81.4%	1.1pt
Other	52.9%	48.9%	- 4.0pt
Total	61.2%	60.5%	- 0.7pt
Total excl. residential EQ insurance and CALI	58.0%	57.6%	- 0.4pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016 Results	FY2017 Forecast (Revised)	
			YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	738.4	756.2	17.6
Natural catastrophes ^{※2}	34.3	42.0	7.6
Other than natural catastrophes	704.1	714.1	9.9

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

MS&AD Insurance Group Holdings, Inc.

(blank page)

39. Earnings Forecasts for FY2017 – MSI (Non-Consolidated) (iii)

Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Underwriting company expenses	206.6	212.8	6.1
Loss adjustment expenses	87.8	88.5	0.6
Other	10.9	11.5	0.5
Total company expenses	305.4	312.9	7.4
Personnel expenses	167.7	169.7	2.0
Non-personnel expenses	125.2	130.6	5.3
Taxes and contributions	12.4	12.5	0.0
Commission and collection expenses	251.7	257.2	5.4

Expense ratios

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Net commission ratio	17.1%	17.2%	0.1pt
Net company expense ratio	14.1%	14.3%	0.2pt
Net expense ratio	31.2%	31.5%	0.3pt
Net expense ratio (excluding residential EQ insurance and CALI)	33.2%	33.4%	0.2pt

Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Interest and dividends income	116.7	103.0	- 13.8
Transfer of investment income on deposit premiums	- 35.5	- 32.0	3.5
Net interest and dividends income	81.2	71.0	- 10.2
Gains/losses on sales of securities	67.2	87.8	20.5
Impairment losses on securities	- 0.4	- 1.0	- 0.4
Other	- 8.6	- 2.6	6.0
Net investment income/loss	139.4	155.2	15.8

Sources of interest and dividends received

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Bonds	19.4	18.8	- 0.7
Stocks	43.5	43.1	- 0.4
Foreign securities	38.0	25.7	- 12.2
Other securities	3.2	3.9	0.7
Loans and other	12.5	11.4	- 1.1
Total	116.7	103.0	- 13.8

MS&AD Insurance Group Holdings, Inc.

(blank page)

40. Earnings Forecasts for FY2017 – ADI (Non-Consolidated) (i)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,200.5	1,219.0	1,222.0	21.4	3.0
Growth rate of net premiums written	0.7%	1.5%	1.8%	1.1pt	0.3pt
Net loss ratio	59.1%	60.2%	59.7%	0.6pt	- 0.5pt
Net expense ratio	33.5%	33.7%	33.7%	0.2pt	0.0pt
Combined ratio	92.6%	93.9%	93.4%	0.8pt	- 0.5pt
Incurred losses (Incl. loss adjustment expenses)	724.6	740.2	767.8	43.1	27.6
Underwriting profit	39.5	41.0	12.0	- 27.5	- 29.0
Investment profit	32.2	28.0	32.0	- 0.2	4.0
Ordinary profit	75.1	70.0	46.0	- 29.1	- 24.0
Extraordinary income/loss	- 8.3	- 3.7	- 6.7	1.6	- 3.0
Net income	50.3	49.0	30.0	- 20.3	- 19.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	1.0%	2.2%	2.4%	1.4pt	0.2pt
Net loss ratio	55.6%	57.0%	56.8%	1.2pt	- 0.2pt
Net expense ratio	35.2%	35.4%	35.4%	0.2pt	0.0pt
Combined ratio	90.8%	92.4%	92.2%	1.4pt	- 0.2pt
Incurred losses (Incl. loss adjustment expenses)	591.0	607.4	638.2	47.1	30.8

MS&AD Insurance Group Holdings, Inc.

(blank page)

41. Earnings Forecasts for FY2017 – ADI (Non-Consolidated) (ii)

Net premiums written

(¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	Growth
Fire and allied	153.0	171.9	12.3%
Marine	5.4	7.5	37.2%
Personal accident	61.4	61.5	0.2%
Voluntary automobile	680.4	683.2	0.4%
CALI	168.7	165.9	-1.7%
Other	131.3	132.0	0.5%
Total	1,200.5	1,222.0	1.8%
Total excl. residential EQ insurance and CALI	1,031.2	1,055.7	2.4%

Net loss ratio

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Fire and allied	56.2%	61.7%	5.5pt
Marine	48.0%	48.0%	0.0pt
Personal accident	48.6%	47.3%	- 1.3pt
Voluntary automobile	56.8%	58.4%	1.6pt
CALI	77.9%	78.1%	0.2pt
Other	55.6%	47.0%	- 8.6pt
Total	59.1%	59.7%	0.6pt
Total excl. residential EQ insurance and CALI	55.6%	56.8%	1.2pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	591.0	638.2	47.1
Natural catastrophes ^{※2}	16.7	55.7	38.9
Other than natural catastrophes	574.2	582.5	8.2

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

MS&AD Insurance Group Holdings, Inc.

(blank page)

42. Earnings Forecasts for FY2017 – ADI (Non-Consolidated) (iii)

Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Underwriting company expenses	178.3	176.0	- 2.3
Loss adjustment expenses	60.8	60.8	- 0.0
Other	8.5	10.1	1.5
Total company expenses	247.6	246.9	- 0.7
Personnel expenses	123.6	127.8	4.1
Non-personnel expenses	113.0	107.8	- 5.2
Taxes and contributions	10.9	11.3	0.3
Commission and collection expenses	223.8	235.3	11.4

Expense ratios

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Net commission ratio	18.6%	19.3%	0.7pt
Net company expense ratio	14.9%	14.4%	-0.5pt
Net expense ratio	33.5%	33.7%	0.2pt
Net expense ratio (excluding residential EQ insurance and CALI)	35.2%	35.4%	0.2pt

Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Interest and dividends income	55.4	54.2	- 1.2
Transfer of investment income on deposit premiums	- 17.3	- 17.2	0.1
Net interest and dividends income	38.0	37.0	- 1.0
Gains/losses on sales of securities	9.0	6.9	- 2.1
Impairment losses on securities	- 4.9	- 1.5	3.4
Other	- 9.9	- 10.4	- 0.4
Net investment income/loss	32.2	32.0	- 0.2

Sources of interest and dividends received

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Bonds	9.9	9.8	- 0.1
Stocks	17.6	18.4	0.7
Foreign securities	17.7	16.8	- 0.9
Other securities	2.5	1.8	- 0.7
Loans and other	7.5	7.4	- 0.1
Total	55.4	54.2	- 1.2

MS&AD Insurance Group Holdings, Inc.

(blank page)

43. Earnings Forecasts for FY2017 Simple Sum of MSI & ADI (Non-Consolidated) (i)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	2,670.2	2,707.0	2,715.0	44.7	8.0
Growth rate of net premiums written	-1.1%	1.4%	1.7%	2.8pt	0.3pt
Net loss ratio	60.2%	60.2%	60.1%	- 0.1pt	- 0.1pt
Net expense ratio	32.2%	32.5%	32.5%	0.3pt	0.0pt
Combined ratio	92.4%	92.7%	92.6%	0.2pt	- 0.1pt
Incurred losses (Incl. loss adjustment expenses)	1,617.6	1,632.0	1,673.4	55.7	41.4
Underwriting profit	121.3	123.0	93.0	- 28.3	- 30.0
Investment profit	171.6	175.6	187.2	15.5	11.6
Ordinary profit	290.7	295.0	276.0	- 14.7	- 19.0
Extraordinary income/loss	- 15.4	- 6.4	- 5.8	9.6	0.5
Net income	214.9	215.0	202.0	- 12.9	- 13.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	-1.2%	1.9%	2.2%	3.4pt	0.3pt
Net loss ratio	56.9%	57.1%	57.2%	0.3pt	0.1pt
Net expense ratio	34.1%	34.3%	34.3%	0.2pt	0.0pt
Combined ratio	91.0%	91.4%	91.5%	0.5pt	0.1pt
Incurred losses (Incl. loss adjustment expenses)	1,329.5	1,348.4	1,394.4	64.7	45.9

MS&AD Insurance Group Holdings, Inc.

(blank page)

44. Earnings Forecasts for FY2017 Simple Sum of MSI & ADI (Non-Consolidated) (ii)

Net premiums written

(¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	Growth
Fire and allied	336.9	365.1	8.4%
Marine	64.1	65.2	1.7%
Personal accident	204.9	207.2	1.1%
Voluntary automobile	1,334.6	1,343.2	0.6%
CALI	355.6	350.1	-1.5%
Other	373.9	384.1	2.7%
Total	2,670.2	2,715.0	1.7%
Total excl. residential EQ insurance and CALI	2,313.2	2,363.9	2.2%

Net loss ratio

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Fire and allied	64.8%	64.7%	- 0.1pt
Marine	60.1%	60.9%	0.8pt
Personal accident	52.6%	51.1%	- 1.5pt
Voluntary automobile	57.0%	58.5%	1.5pt
CALI	79.1%	79.8%	0.7pt
Other	53.8%	48.2%	- 5.6pt
Total	60.2%	60.1%	- 0.1pt
Total excl. residential EQ insurance and CALI	56.9%	57.2%	0.3pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	1,329.5	1,394.4	64.7
Natural catastrophes ^{※2}	51.0	97.7	46.6
Other than natural catastrophes	1,278.4	1,296.6	18.1

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

MS&AD Insurance Group Holdings, Inc.

(blank page)

45. Earnings Forecasts for FY2017

Simple Sum of MSI & ADI (Non-Consolidated) (iii)

Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Underwriting company expenses	384.9	388.8	3.8
Loss adjustment expenses	148.6	149.3	0.6
Other	19.4	21.6	2.1
Total company expenses	553.1	559.8	6.6
Personnel expenses	291.3	297.5	6.1
Non-personnel expenses	238.3	238.4	0.0
Taxes and contributions	23.3	23.8	0.4
Commission and collection expenses	475.5	492.5	16.8

Expense ratios

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Net commission ratio	17.8%	18.1%	0.3pt
Net company expense ratio	14.4%	14.3%	-0.1pt
Net expense ratio	32.2%	32.5%	0.3pt
Net expense ratio (excluding residential EQ insurance and CALI)	34.1%	34.3%	0.2pt

Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Interest and dividends income	172.2	157.2	- 15.0
Transfer of investment income on deposit premiums	- 52.8	- 49.2	3.6
Net interest and dividends income	119.3	108.0	- 11.3
Gains/losses on sales of securities	76.3	94.7	18.3
Impairment losses on securities	- 5.4	- 2.5	2.9
Other	- 18.5	- 13.0	5.5
Net investment income/loss	171.6	187.2	15.5

Sources of interest and dividends received (¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Bonds	29.4	28.6	- 0.8
Stocks	61.2	61.5	0.3
Foreign securities	55.7	42.5	- 13.1
Other securities	5.7	5.7	- 0.0
Loans and other	20.0	18.8	- 1.2
Total	172.2	157.2	- 15.0

MS&AD Insurance Group Holdings, Inc.

(blank page)

46. Earnings Forecasts for FY2017 – Mitsui Direct General

Key financial data

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Net premiums written	37.6	38.0	0.3
Growth rate of net premiums written	3.0%	1.0%	-2.0pt
Ordinary profit/loss	- 0.9	0.4	1.3
Net income/loss per our share	- 0.9	0.2	1.1

(blank page)

47. Earnings Forecasts for FY2017 – MSI Aioi Life

Key financial data

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Amount of new policies [※]	2,377.1	2,539.6	6.8%
Annualized premiums of new policies [※]	51.7	38.8	-25.0%
Amount of policies in force [※]	23,214.2	23,701.1	2.1%
Annualized premiums of policies in force [※]	401.0	411.8	2.7%
Gross premiums income	478.9	491.0	12.0
Ordinary profit/loss	16.1	12.9	- 3.3
Net income/loss	4.5	3.0	- 1.5

※Amount of new policies, Amount of policies in force, annualized premiums of new policies and annualized premiums of policies in force are total sum of personal insurance and personal annuity insurance.

(blank page)

48. Earnings Forecasts for FY2017 – MSI Primary Life

Key financial data

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Amount of new policies	1,032.2	901.9	- 12.6%
Amount of policies in force	5,680.7	6,260.0	10.2%
Gross premiums income	1,071.1	900.0	- 171.1
Ordinary profit/loss	57.6	44.4	- 13.2
Net income/loss	20.7	22.0	1.2

(blank page)

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

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.

Inquiries

Corporate Communications and Investor Relations Dept.

MS&AD Insurance Group Holdings, Inc.

Phone: +81-3-5117-0311 Fax: +81-3-5117-0605

<http://www.ms-ad-hd.com/en/ir/contact/index.html>

(blank page)