

# Materials for FY2016 Results Briefing – Conference Call

May 19, 2017 (Fri.)



MS&AD Insurance Group Holdings, Inc.

## Summary of FY2016 Results

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### Abbreviations of Company Names Used in this Presentation

- MS&AD Holdings
- Mitsui Sumitomo Insurance, MSI
- Aioi Nissay Dowa Insurance, ADI
- Mitsui Direct General
- MSI Aioi Life
- MSI Primary Life

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

# Summary of FY2016 Results

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# 1. Consolidated Earnings for FY2016 (1) - Overview (i)

- Net premiums written increased by 10.7% year-on-year to 3,406.9 billion yen due to inclusion of MS Amlin in the scope of consolidation.
- Life insurance premiums fell by 7.6% year-on-year to 1,253.1 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 Results	FY2016 Results	YoY Change	Growth
Direct premiums written <sup>※</sup> (excluding deposit premiums from policyholders)	3,353.2	<b>3,516.8</b>	163.5	4.9%
Net premiums written <sup>※</sup>	3,078.9	<b>3,406.9</b>	327.9	10.7%
Mitsui Sumitomo Insurance	1,507.4	<b>1,469.6</b>	- 37.7	- 2.5%
Aioi Nissay Dowa Insurance	1,192.0	<b>1,200.5</b>	8.4	0.7%
Mitsui Direct General	36.5	<b>37.6</b>	1.0	3.0%
Overseas subsidiaries	336.8	<b>693.1</b>	356.2	105.8%
Life insurance premiums	1,356.3	<b>1,253.1</b>	- 103.1	- 7.6%

※ 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.

<Reference: Gross life insurance premiums>

(¥bn)

	FY2015 Results	FY2016 Results	YoY Change	Growth
MSI Aioi Life	461.1	<b>478.9</b>	17.8	3.9%
MSI Primary Life	1,299.4	<b>1,071.1</b>	- 228.3	- 17.6%

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

- Ordinary profit increased by 20.9% year-on-year to 352.6 billion yen, driven by increased profits in the domestic non-life insurance business.
- Net income rose by 15.9% year-on-year to 210.4 billion yen. The highest net income was recorded for the fifth consecutive fiscal year.

(¥bn)

	FY2015 Results	FY2016 Results	YoY Change	Change Ratio
Ordinary profit/loss	291.5	<b>352.6</b>	61.0	20.9%
Mitsui Sumitomo Insurance	167.8	<b>215.5</b>	47.6	28.4%
Aioi Nissay Dowa Insurance	61.7	<b>75.1</b>	13.4	21.7%
Mitsui Direct General	- 5.3	<b>- 0.9</b>	4.4	-
MSI Aioi Life	18.6	<b>16.1</b>	- 2.4	- 13.4%
MSI Primary Life	39.9	<b>57.6</b>	17.7	44.4%
Overseas subsidiaries	37.6	<b>40.0</b>	2.4	6.4%
Consolidation adjustments, etc.	- 28.9	<b>- 51.0</b>	- 22.0	-
Net income/loss <sup>※</sup>	181.5	<b>210.4</b>	28.9	15.9%
Mitsui Sumitomo Insurance	113.9	<b>164.5</b>	50.5	44.4%
Aioi Nissay Dowa Insurance	31.0	<b>50.3</b>	19.2	62.0%
Mitsui Direct General	- 4.3	<b>- 0.9</b>	3.4	-
MSI Aioi Life	6.0	<b>4.5</b>	- 1.4	- 24.0%
MSI Primary Life	17.8	<b>20.7</b>	2.8	15.7%
Overseas subsidiaries	28.5	<b>24.0</b>	- 4.5	- 15.8%
Consolidation adjustments, etc.	- 11.7	<b>- 52.9</b>	- 41.2	-
ROE (financial accounting basis)	6.4%	<b>7.8%</b>	1.4pt	-

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

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

- Group Core Profit rose by 66.1 billion yen year-on-year to 213.7 billion yen.
- The combined ratio for domestic non-life insurance rose by 1.0 point year-on-year to 92.6% due primarily to a drop in net premiums written.
- Group ROE rose by 2.7 points to 7.9%.

(¥bn)

	FY2015 Results	FY2016 Results	YoY Change
Group Core Profit <sup>※1</sup>	147.5	<b>213.7</b>	<b>66.1</b>
Domestic non-life insurance business	91.9	<b>153.3</b>	<b>61.4</b>
Domestic life insurance business	25.0	<b>25.1</b>	<b>0.1</b>
International business	27.9	<b>34.6</b>	<b>6.7</b>
Financial services business and risk-related services business	2.6	<b>0.5</b>	<b>- 2.1</b>
Other financial targets			
Combined ratio <sup>※2</sup> (Domestic non-life insurance business)	91.6%	<b>92.6%</b>	<b>1.0pt</b>
Increase in EV of MSI Aioi Life	- 52.0	<b>198.4</b>	<b>250.4</b>
Group ROE <sup>※1</sup>	5.2%	<b>7.9%</b>	<b>2.7pt</b>

※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.

<b>Group Core Profit 213.7</b>	=	<b>Consoli- dated net income 210.4</b>	-	<b>Net capital gains / losses on stock portfolio 51.0</b>	-	<b>Net evaluation gains / losses on credit derivatives -0.1</b>	-	<b>Other incidental factors <sup>※3</sup> -54.1</b>	+	<b>Equity in earnings of the non- consolidated group companies -0.0</b>
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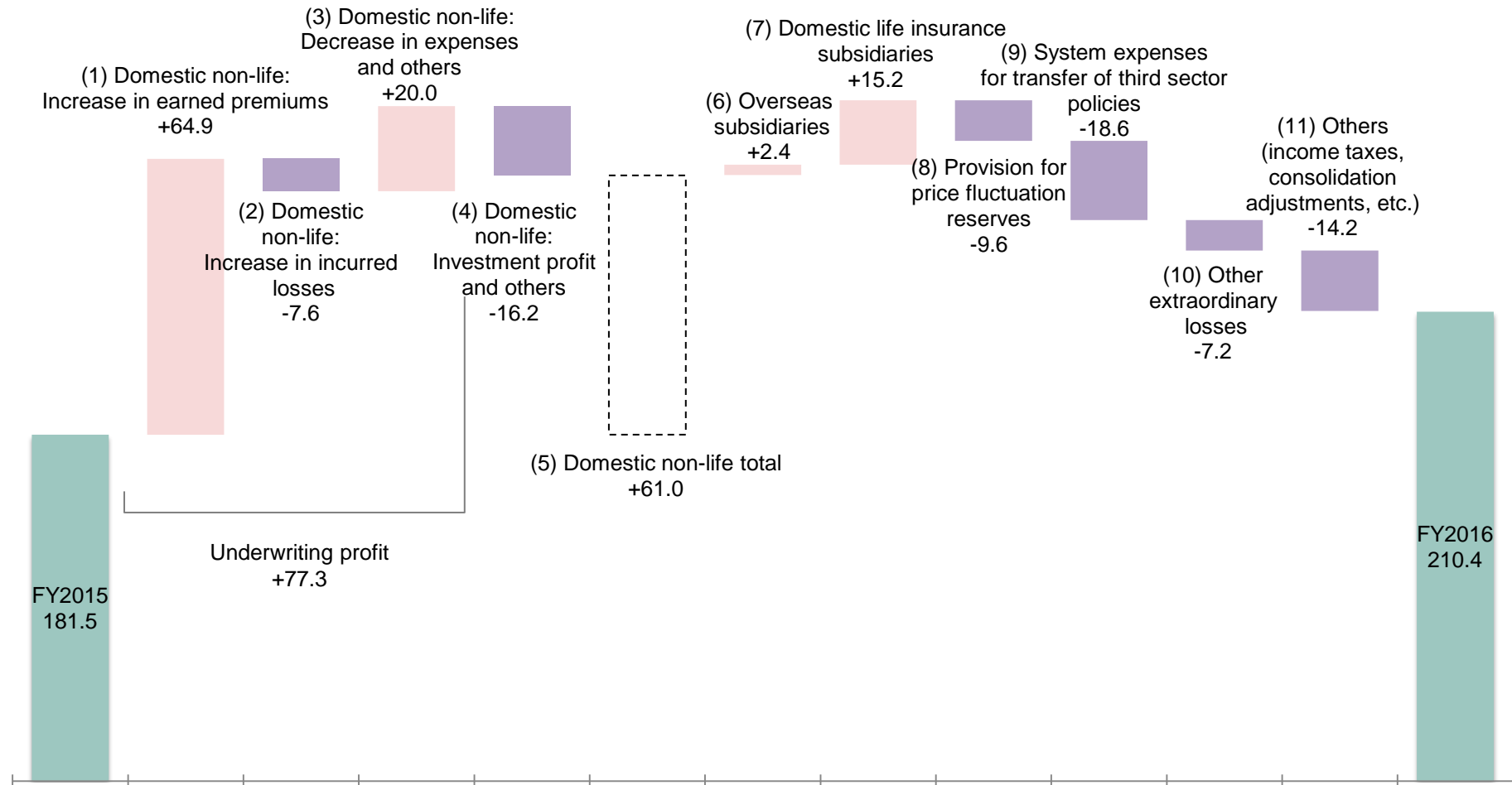
※3 Extraordinary income/losses excluding reserves for price fluctuation: -26.8 billion yen (system expenses for the transfer of third sector policies in force :-14.3 billion yen and costs of integration of Lloyd's and Reinsurance businesses into MS Amlin: -4.8 billion yen), amortization of goodwill and others: -27.2 billion yen .

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

- The main factors of an increase in net income was the growth of underwriting profit due to (1) an increase in earned premiums, (2) a smaller increase in incurred losses following a decrease in domestic natural catastrophe losses, and (3) a decrease in expenses.

### Consolidated net income

(¥bn)



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

### Factors in YoY changes in consolidated net income

(¥bn)

		FY2015 Results	FY2016 Results	Difference
Consolidated net income/loss		<b>181.5</b>	<b>210.4</b>	28.9
Domestic non-life insurance <sup>※1</sup> (underwriting profit/loss)		43.9	121.3	77.3
Earned premiums	(1)	2,260.0	2,325.0	<b>64.9</b>
Incurred losses (incl. loss adjustment expenses, excl. residential earthquake and CALI <sup>※2</sup> )	(2)	- 1,321.9	- 1,329.5	<b>- 7.6</b>
Expenses and others <sup>※3</sup>	(3)	- 894.1	- 874.1	<b>20.0</b>
Investment profit/loss and others	(4)	185.6	169.3	<b>- 16.2</b>
Domestic non-life total (ordinary profit/loss)	(5)	229.6	290.7	<b>61.0</b>
Overseas subsidiaries (ordinary profit/loss)	(6)	37.6	40.0	<b>2.4</b>
Domestic life insurance subsidiaries (ordinary profit/loss)	(7)	58.6	73.8	<b>15.2</b>
Provision for price fluctuation reserves	(8)	- 24.2	- 33.9	<b>- 9.6</b>
System expenses for transfer of third sector policies	(9)	- 1.7	- 20.4	<b>- 18.6</b>
Other extraordinary income/losses	(10)	- 8.4	- 15.6	<b>- 7.2</b>
Others (income taxes, consolidation adjustments, etc.)	(11)	- 109.8	- 124.1	<b>- 14.2</b>

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

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



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

- Net premiums written for the two companies combined fell by 29.2 billion yen to 2,670.2 billion yen, mainly due to a recoil from the previous year's increase in sales before revisions to fire insurance products.

							(¥bn)
	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum		
		YoY Change		YoY Change		YoY Change	
Net premiums written	1,469.6	- 37.7	1,200.5	8.4	2,670.2	- 29.2	
Growth rate of net premiums written	-2.5%	- 6.8pt	0.7%	- 2.0pt	-1.1%	- 4.7pt	
Net claims paid (-)	811.4	10.5	648.6	3.7	1,460.0	14.3	
<Incurred losses (including loss adjustment expenses)> (-)	893.0	- 4.1	724.6	18.2	1,617.6	14.1	
Commissions and collection expenses (-)	251.7	- 11.4	223.8	0.7	475.5	- 10.6	
Operating expenses and general and administrative expense (underwriting) (-)	206.6	2.0	178.3	- 7.0	384.9	- 5.0	
Underwriting profit/loss prior to reflecting catastrophe reserve	128.1	56.4	74.9	20.9	203.1	77.4	
Reversal of catastrophe reserve	- 46.3	6.1	- 35.4	- 6.3	- 81.8	- 0.1	
<b>Underwriting profit/loss</b>	<b>81.7</b>	<b>62.6</b>	<b>39.5</b>	<b>14.6</b>	<b>121.3</b>	<b>77.3</b>	
Ratios							
Net loss ratio <sup>※1</sup>	61.2%	2.3pt	59.1%	-0.1pt	60.2%	1.1pt	
Net expenses ratio	31.2%	0.2pt	33.5%	-0.8pt	32.2%	-0.3pt	
<b>Combined ratio</b>	<b>92.4%</b>	<b>2.5pt</b>	<b>92.6%</b>	<b>-0.9pt</b>	<b>92.4%</b>	<b>0.8pt</b>	
<Reference: Ratios excluding residential EQ <sup>※2</sup> insurance and CAL>							
Net loss ratio	58.0%	2.0pt	55.6%	-0.5pt	56.9%	0.8pt	
Net expenses ratio	33.2%	0.1pt	35.2%	-1.3pt	34.1%	-0.4pt	
<b>Combined ratio</b>	<b>91.2%</b>	<b>2.1pt</b>	<b>90.8%</b>	<b>-1.8pt</b>	<b>91.0%</b>	<b>0.4pt</b>	

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

※2 EQ stands for earthquake, same hereafter.

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

- Investment profit and other ordinary profit fell by 16.2 billion yen year-on-year to 169.3 billion yen, mainly due to a decrease in gains on sales of strategic equity holdings.
- Net income rose by 69.8 billion yen year-on-year to 214.9 billion yen.
- Sales of strategic equity holdings for the two companies combined amounted to 133.0 billion yen.

						(¥bn)	
	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum	YoY Change	
		YoY Change		YoY Change			
<b>Underwriting profit/loss</b>	<b>81.7</b>	<b>62.6</b>	<b>39.5</b>	<b>14.6</b>	<b>121.3</b>	<b>77.3</b>	
Net interest and dividends income	81.2	1.8	38.0	- 1.5	119.3	0.3	
Gains/losses on sales of securities	67.2	- 31.8	9.0	- 1.4	76.3	- 33.2	
Impairment losses on securities (-)	0.4	- 6.7	4.9	- 1.7	5.4	- 8.5	
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>133.7</b>	<b>- 15.0</b>	<b>35.6</b>	<b>- 1.2</b>	<b>169.3</b>	<b>- 16.2</b>	
<b>Ordinary profit/loss</b>	<b>215.5</b>	<b>47.6</b>	<b>75.1</b>	<b>13.4</b>	<b>290.7</b>	<b>61.0</b>	
<b>Extraordinary income/losses</b>	<b>- 7.0</b>	<b>4.6</b>	<b>- 8.3</b>	<b>11.8</b>	<b>- 15.4</b>	<b>16.5</b>	
<b>Income before taxes</b>	<b>208.4</b>	<b>52.3</b>	<b>66.8</b>	<b>25.2</b>	<b>275.2</b>	<b>77.6</b>	
<b>Net income/loss</b>	<b>164.5</b>	<b>50.5</b>	<b>50.3</b>	<b>19.2</b>	<b>214.9</b>	<b>69.8</b>	

	MSI + ADI	
		YoY Change
<Reference> Sales of strategic equity holdings	<b>133.0</b>	<b>- 48.1</b>

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

- Incurred losses related to natural catastrophes fell by 17.0 billion yen year-on-year to 51.0 billion yen for the two companies combined (increased by 1.9 billion yen compared to FY2016 3Q).

### Impact of natural catastrophes

	Incurred Losses		Net Claims Paid		Provision for O/S <sup>※1</sup>	
		YoY Change		YoY Change		YoY Change
Natural catastrophes in Japan <sup>※2</sup>	<b>51.0</b>	<b>- 16.6</b>	<b>39.5</b>	<b>- 23.1</b>	<b>11.5</b>	<b>6.5</b>
Mitsui Sumitomo Insurance	34.3	- 3.6	25.3	- 10.5	8.9	6.9
Aioi Nissay Dowa Insurance	16.7	- 13.0	14.2	- 12.6	2.5	- 0.4
(of which, Kumamoto Earthquake)	<b>14.3</b>	<b>14.3</b>	<b>9.4</b>	<b>9.4</b>	<b>4.9</b>	<b>4.9</b>
Mitsui Sumitomo Insurance	10.5	10.5	6.8	6.8	3.6	3.6
Aioi Nissay Dowa Insurance	3.8	3.8	2.6	2.6	1.2	1.2
(Excluding Kumamoto Earthquake)	<b>36.7</b>	<b>- 31.0</b>	<b>30.1</b>	<b>- 32.6</b>	<b>6.5</b>	<b>1.5</b>
Mitsui Sumitomo Insurance	23.8	- 14.1	18.5	- 17.3	5.2	3.2
Aioi Nissay Dowa Insurance	12.9	- 16.8	11.6	- 15.2	1.3	- 1.6
Heavy snowfalls in Japan <sup>※3</sup> (occurred in Feb. 2014)	-	<b>- 0.3</b>	-	<b>- 1.7</b>	-	<b>1.3</b>
<b>Total</b>	<b>51.0</b>	<b>- 17.0</b>	<b>39.5</b>	<b>- 24.8</b>	<b>11.5</b>	<b>7.8</b>

※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.

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

- The net change in the catastrophe reserves was 81.8 billion yen for the two companies combined, about the same as in the previous year.
- Additional provision to catastrophe reserves in fire insurance was 8.3 billion yen for the two companies combined (MSI: 6.3 billion yen, ADI: 2.0 billion yen).

### Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of
					YoY	Mar. 31, 2017
Mitsui Sumitomo Insurance	Fire and allied	17.1	22.9	5.8	- 16.2	146.0
	Marine	-	2.7	2.7	- 0.3	78.1
	Personal accident	-	4.5	4.5	3.6	67.7
	Voluntary auto	-	20.9	20.9	4.7	58.9
	Other	0.7	13.1	12.3	2.0	178.0
	<b>Total</b>	<b>17.9</b>	<b>64.2</b>	<b>46.3</b>	<b>- 6.1</b>	<b>528.8</b>
Aioi Nissay Dowa Insurance	Fire and allied	-	14.4	14.4	0.8	126.5
	Marine	-	0.0	0.0	0.0	13.9
	Personal accident	-	1.9	1.9	- 0.0	65.1
	Voluntary auto	7.8	21.7	13.9	5.4	43.8
	Other	1.2	6.2	4.9	0.0	64.1
	<b>Total</b>	<b>9.0</b>	<b>44.5</b>	<b>35.4</b>	<b>6.3</b>	<b>313.6</b>
Simple Sum of MSI and ADI	Fire and allied	17.1	37.3	20.2	- 15.4	272.6
	Marine	-	2.8	2.8	- 0.3	92.0
	Personal accident	-	6.4	6.4	3.5	132.8
	Voluntary auto	7.8	42.7	34.9	10.1	102.8
	Other	2.0	19.3	17.2	2.1	242.1
	<b>Total</b>	<b>26.9</b>	<b>108.7</b>	<b>81.8</b>	<b>0.1</b>	<b>842.5</b>

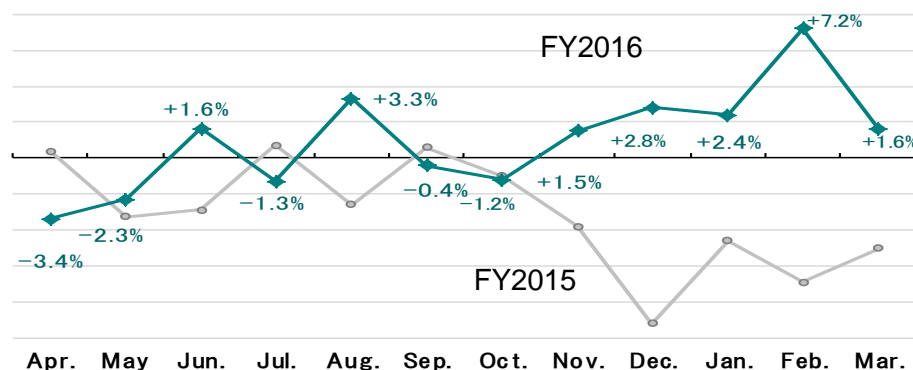
# 10. Domestic Non-Life Insurance Companies FY2016 (4) – Voluntary Auto Insurance

- E/I loss ratio dropped by 1.9 points year-on-year to 56.5% due to an increase in earned premiums and a decrease in incurred losses.
- The number of accidents rose by 0.7 points 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.

## Trend in the number of accidents

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

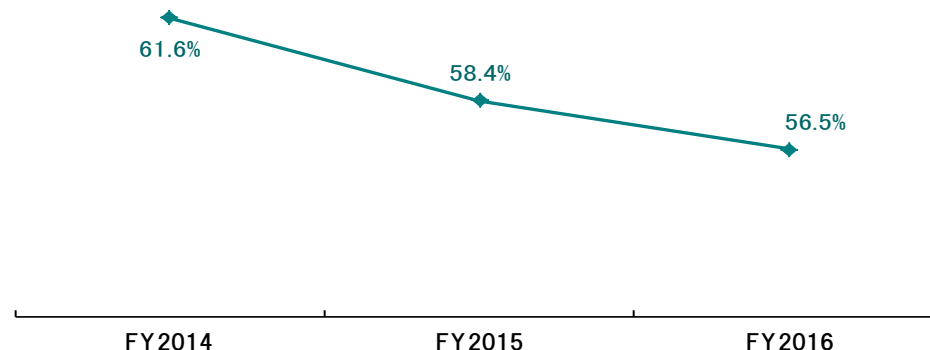
Simple sum of MSI and ADI (Domestic Business only)



## 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	+0.8%	+0.4%	+1.2%
< Domestic >	Property damage liability	Vehicle damage ( Excl. natural disasters )	
Changes in average payout per claim	+0.9%	+1.8%	

## Aioi Nissay Dowa Insurance

< Domestic sales basis >	No. of contracts	Insurance premium unit price	Insurance premium
Factors increasing/decreasing insurance premium	+0.1%	+0.3%	+0.3%
< Domestic >	Property damage liability	Vehicle damage ( Excl. natural disasters )	
Changes in average payout per claim	+1.3%	+1.9%	

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

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended Mar. 31, 2017 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 March for each year.

※ Figures for FY2015 Jan. and Feb. in *Trend in the number of accidents (per day, %YOY)* have been corrected (Jan.: -8.1% → -4.6%; Feb.: -1.0% → -6.9%).

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

- The amount of new policies was 2,377.1 billion yen, about the same as in the previous year.
- Annualized premiums of new policies (third sector insurance) increased by 12.7% to 15.2 billion yen.
- Net income decreased by 1.4 billion yen year-on-year to 4.5 billion yen.
- EEV rose by 198.4 billion yen due to capital increase (100.0 billion yen) and the impact of economic fluctuations (mainly a positive impact of higher interest rates in Japan of 53.3 billion yen).

(¥bn)

## MSI Aioi Life

	FY2015 Results	FY2016 Results	YoY Change	Change Ratio
Amount of new policies <sup>※</sup>	2,423.3	<b>2,377.1</b>	- 46.2	-1.9%
Annualized premiums of new policies	48.1	<b>51.7</b>	3.5	7.5%
of which, third sector insurance	13.5	<b>15.2</b>	1.7	12.7%
Amount of policies in force <sup>※</sup>	22,576.0	<b>23,214.2</b>	638.2	2.8%
Annualized premiums of policies in force	375.7	<b>401.0</b>	25.2	6.7%
of which, third sector insurance	78.7	<b>88.4</b>	9.7	12.3%
Gross premiums income	461.1	<b>478.9</b>	17.8	3.9%
Ordinary profit/loss	18.6	<b>16.1</b>	- 2.4	-13.4%
Extraordinary income/losses	- 0.7	<b>- 0.7</b>	- 0.0	—
Net income/loss	6.0	<b>4.5</b>	- 1.4	-24.0%
Core profit	19.4	<b>18.6</b>	- 0.8	-4.2%
EEV	595.8	<b>794.2</b>	198.4	
Net worth	407.2	<b>440.4</b>	33.2	
Value of in-force business	188.5	<b>353.7</b>	165.1	
of which, value of new business	40.8	<b>47.3</b>	6.5	

※ Total sum of personal insurance and personal annuity insurance

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

- Gross premiums income fell by 17.6% to 1,071.1 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 2.8 billion yen year-on-year to 20.7 billion yen, primarily due to a decrease in sales costs and an increase in interest margin.
- Additional provision for price fluctuation reserves as a preparation for future market fluctuations was 26.3 billion yen (an increase of 15.0 billion yen year-on-year).

### MSI Primary Life

(¥bn)

	FY2015 Results	FY2016 Results	YoY Change	Change Ratio
Amount of new policies <sup>※</sup>	1,262.6	<b>1,032.2</b>	- 230.3	- 18.2%
Amount of policies in force <sup>※</sup>	4,910.8	<b>5,680.7</b>	769.9	15.7%
Gross premiums income	1,299.4	<b>1,071.1</b>	- 228.3	- 17.6%
Ordinary profit/loss	39.9	<b>57.6</b>	17.7	44.4%
Extraordinary income/losses	- 13.3	<b>- 28.9</b>	- 15.5	—
Net income/loss	17.8	<b>20.7</b>	2.8	15.7%
Core profit	14.3	<b>52.6</b>	38.3	267.9%
EEV	333.8	<b>375.3</b>	41.4	
Net worth	245.5	<b>252.9</b>	7.3	
Value of in-force business	88.2	<b>122.3</b>	34.1	
of which, value of new business	33.7	<b>19.1</b>	- 14.5	

※ Total sum of personal insurance and personal annuity insurance

## 13. Overseas Subsidiaries - Results for FY2016

- Net premiums written rose to 693.1 billion yen due to the effect of the new consolidation of MS Amlin. Net premiums written for other overseas subsidiaries decreased by 34.8 billion yen (increased by 3.9% on a local currency basis). The negative impact of foreign exchange rates on other overseas subsidiaries was 47.9 billion yen.
- Despite of new consolidation of MS Amlin, net income fell by 4.5 billion yen to 24.0 billion yen due to an increase in the number of accidents (including natural catastrophes) in Europe and Asia and the impact of a decrease in the Ogden rate (the negative impact of foreign exchange rates was 1.4 billion yen).

### Overseas subsidiaries

					(¥bn)
	FY2015 Results	FY2016 Results	YoY Change	Change ratio	
Net premiums written	<b>336.8</b>	<b>693.1</b>	<b>356.2</b>	<b>105.8%</b>	
Asia	170.3	154.5	- 15.8	- 9.3%	
Europe	102.0	85.1	- 16.8	- 16.5%	
Americas	45.8	45.4	- 0.3	- 0.8%	
Reinsurance	18.6	16.8	- 1.8	- 9.8%	
MS Amlin	-	391.1	391.1	-	
Net income/loss	<b>28.5</b>	<b>24.0</b>	<b>- 4.5</b>	<b>-15.8%</b>	
Asia	16.6	13.2	- 3.3	-20.3%	
Europe	- 2.0	- 8.1	- 6.0	-	
Americas	3.2	3.0	- 0.2	- 6.2%	
Reinsurance	10.7	11.8	1.0	10.1%	
MS Amlin	-	4.0	4.0	-	



## FY2016 Results Data

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

			(¥bn)
	FY2015 Results	FY2016 Results	YoY Change
Net premiums written	1,507.4	<b>1,469.6</b>	- 37.7
Growth rate of net premiums written	4.3%	<b>-2.5%</b>	-6.8pt
Net loss ratio	58.9%	<b>61.2%</b>	2.3pt
Net expense ratio	31.0%	<b>31.2%</b>	0.2pt
Combined ratio	89.9%	<b>92.4%</b>	2.5pt
Incurred losses (Incl. loss adjustment expenses)	897.1	<b>893.0</b>	- 4.1
Underwriting profit/loss	19.1	<b>81.7</b>	62.6
Net interest and dividends income	79.4	<b>81.2</b>	1.8
Gains/losses on sales of securities	99.1	<b>67.2</b>	- 31.8
Impairment losses on securities	- 7.2	<b>- 0.4</b>	6.7
Investment profit/loss	152.8	<b>139.4</b>	- 13.4
Ordinary profit/loss	167.8	<b>215.5</b>	47.6
Extraordinary income/losses	- 11.7	<b>- 7.0</b>	4.6
Net income/loss	113.9	<b>164.5</b>	50.5
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	4.4%	<b>-2.9%</b>	-7.3pt
Net loss ratio	56.0%	<b>58.0%</b>	2.0pt
Net expense ratio	33.1%	<b>33.2%</b>	0.1pt
Combined ratio	89.1%	<b>91.2%</b>	2.1pt
Incurred losses (Incl. loss adjustment expenses)	748.1	<b>738.4</b>	- 9.6

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

### Net premiums written

(¥bn)

	FY2015 Results	FY2016	
		Results	Growth
Fire and allied	242.4	<b>183.8</b>	-24.2%
Marine	66.9	<b>58.6</b>	-12.4%
Personal accident	140.9	<b>143.5</b>	1.8%
Voluntary automobile	645.6	<b>654.1</b>	1.3%
CALI	186.5	<b>186.8</b>	0.2%
Other	224.8	<b>242.5</b>	7.9%
Total	1,507.4	<b>1,469.6</b>	-2.5%
Total excluding residential EQ insurance and CALI	1,320.0	<b>1,282.0</b>	-2.9%

### Net loss ratio

	FY2015 Results	FY2016	
		Results	YoY Change
Fire and allied	55.2%	<b>72.0%</b>	16.8pt
Marine	53.9%	<b>61.3%</b>	7.4pt
Personal accident	57.7%	<b>54.3%</b>	-3.4pt
Voluntary automobile	59.2%	<b>57.3%</b>	-1.9pt
CALI	79.8%	<b>80.3%</b>	0.5pt
Other	47.2%	<b>52.9%</b>	5.7pt
Total	58.9%	<b>61.2%</b>	2.3pt
Total excluding residential EQ insurance and CALI	56.0%	<b>58.0%</b>	2.0pt

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

### Incurred losses<sup>※1</sup> and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015					FY2016					
	Incurred Losses <sup>※1</sup> (a)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses <sup>※1</sup> (c)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	130.4	67.3%	33.4	97.0	50.1%	126.8	<b>63.9%</b>	30.5	96.3	<b>48.5%</b>	-1.6pt
Marine	39.7	58.5%	0.1	39.5	58.3%	30.6	<b>51.8%</b>	0.2	30.4	<b>51.5%</b>	-6.8pt
Personal accident	77.7	54.7%	0.0	77.7	54.7%	74.4	<b>52.8%</b>	0.0	74.4	<b>52.8%</b>	-1.9pt
Voluntary automobile	383.3	59.9%	2.4	380.8	59.5%	364.9	<b>55.9%</b>	1.2	363.6	<b>55.7%</b>	-3.8pt
Other	116.8	54.6%	2.1	114.6	53.6%	141.5	<b>58.7%</b>	2.2	139.2	<b>57.7%</b>	4.1pt
Total (A) <sup>※4</sup>	748.1	59.5%	38.1	709.9	56.4%	738.4	<b>57.1%</b>	34.3	704.1	<b>54.5%</b>	-1.9pt
Residential EQ insurance (B)	—		—	—		5.9		5.9	—		
CALI (C)	149.0		—	149.0		148.5		—	148.5		
Total (A)+(B)+(C)	897.1		38.1	858.9		893.0		40.2	852.7		

※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 natural catastrophes occurring in Japan during the period.

The figures for FY2015 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 - ADI (i)

			(¥bn)
	FY2015 Results	FY2016 Results	YoY Change
Net premiums written	1,192.0	<b>1,200.5</b>	8.4
Growth rate of net premiums written	2.7%	<b>0.7%</b>	-2.0pt
Net loss ratio	59.2%	<b>59.1%</b>	-0.1pt
Net expense ratio	34.3%	<b>33.5%</b>	-0.8pt
Combined ratio	93.5%	<b>92.6%</b>	-0.9pt
Incurred losses (Incl. loss adjustment expenses)	706.4	<b>724.6</b>	18.2
Underwriting profit/loss	24.8	<b>39.5</b>	14.6
Net interest and dividends income	39.5	<b>38.0</b>	- 1.5
Gains/losses on sales of securities	10.4	<b>9.0</b>	- 1.4
Impairment losses on securities	- 6.6	<b>- 4.9</b>	1.7
Investment profit/loss	34.9	<b>32.2</b>	- 2.6
Ordinary profit/loss	61.7	<b>75.1</b>	13.4
Extraordinary income/losses	- 20.2	<b>- 8.3</b>	11.8
Net income/loss	31.0	<b>50.3</b>	19.2
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	2.9%	<b>1.0%</b>	-1.9pt
Net loss ratio	56.1%	<b>55.6%</b>	-0.5pt
Net expense ratio	36.5%	<b>35.2%</b>	-1.3pt
Combined ratio	92.6%	<b>90.8%</b>	-1.8pt
Incurred losses (Incl. loss adjustment expenses)	573.7	<b>591.0</b>	17.2

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

### Net premiums written

(¥bn)

	FY2015 Results	FY2016	
		Results	Growth
Fire and allied	167.6	<b>153.0</b>	-8.7%
Marine	5.7	<b>5.4</b>	-5.2%
Personal accident	63.5	<b>61.4</b>	-3.4%
Voluntary automobile	671.8	<b>680.4</b>	1.3%
CALI	170.6	<b>168.7</b>	-1.1%
Other	112.6	<b>131.3</b>	16.7%
Total	1,192.0	<b>1,200.5</b>	0.7%
Total excluding residential EQ insurance and CALI	1,020.9	<b>1,031.2</b>	1.0%

### Net loss ratio

	FY2015 Results	FY2016	
		Results	YoY Change
Fire and allied	51.9%	<b>56.2%</b>	4.3pt
Marine	43.4%	<b>48.0%</b>	4.6pt
Personal accident	52.0%	<b>48.6%</b>	-3.4pt
Voluntary automobile	58.1%	<b>56.8%</b>	-1.3pt
CALI	78.1%	<b>77.9%</b>	-0.2pt
Other	53.0%	<b>55.6%</b>	2.6pt
Total	59.2%	<b>59.1%</b>	-0.1pt
Total excluding residential EQ insurance and CALI	56.1%	<b>55.6%</b>	-0.5pt

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

## Incurred losses<sup>※1</sup> and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015					FY2016					
	Incurred Losses <sup>※1</sup> (a)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses <sup>※1</sup> (c)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	89.2	61.1%	24.8	64.4	44.1%	91.5	<b>58.1%</b>	14.6	76.9	<b>48.8%</b>	4.7pt
Marine	2.7	50.8%	-	2.7	50.8%	2.7	<b>49.6%</b>	-	2.7	<b>49.6%</b>	-1.2pt
Personal accident	29.8	46.4%	0.0	29.8	46.4%	30.4	<b>50.9%</b>	0.0	30.4	<b>50.9%</b>	4.5pt
Voluntary automobile	385.2	57.0%	3.5	381.6	56.5%	387.7	<b>57.1%</b>	1.2	386.4	<b>56.9%</b>	0.4pt
Other	66.7	60.6%	1.5	65.1	59.2%	78.6	<b>60.3%</b>	0.8	77.8	<b>59.7%</b>	0.5pt
Total (A) <sup>※4</sup>	573.7	57.3%	29.9	543.8	54.3%	591.0	<b>57.3%</b>	16.7	574.2	<b>55.6%</b>	1.3pt
Residential EQ insurance (B)	-		-	-		4.3		4.3	-		
CALI (C)	132.6		-	132.6		129.2		-	129.2		
Total (A)+(B)+(C)	706.4		29.9	676.4		724.6		21.0	703.5		

※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 natural catastrophes occurring in Japan during the period.

The figures for FY2015 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 Results	FY2016		(¥bn)
		Results	YoY Change	
Net premiums written	2,699.5	2,670.2	- 29.2	
Growth rate of net premiums written	3.6%	-1.1%	-4.7pt	
Net loss ratio	59.1%	60.2%	1.1pt	
Net expense ratio	32.5%	32.2%	-0.3pt	
Combined ratio	91.6%	92.4%	0.8pt	
Incurred losses (Incl. loss adjustment expenses)	1,603.5	1,617.6	14.1	
Underwriting profit/loss	43.9	121.3	77.3	
Net interest and dividends income	118.9	119.3	0.3	
Gains/losses on sales of securities	109.5	76.3	- 33.2	
Impairment losses on securities	- 13.9	- 5.4	8.5	
Investment profit/loss	187.7	171.6	- 16.0	
Ordinary profit/loss	229.6	290.7	61.0	
Extraordinary income/losses	- 32.0	- 15.4	16.5	
Net income/loss	145.0	214.9	69.8	
<Excluding residential EQ insurance and CALI>				
Growth rate of net premiums written	3.7%	-1.2%	-4.9pt	
Net loss ratio	56.1%	56.9%	0.8pt	
Net expense ratio	34.5%	34.1%	-0.4pt	
Combined ratio	90.6%	91.0%	0.4pt	
Incurred losses (Incl. loss adjustment expenses)	1,321.9	1,329.5	7.6	



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

### Net premiums written

(¥bn)

	FY2015 Results	FY2016	
		Results	Growth
Fire and allied	410.1	<b>336.9</b>	-17.8%
Marine	72.7	<b>64.1</b>	-11.8%
Personal accident	204.5	<b>204.9</b>	0.2%
Voluntary automobile	1,317.4	<b>1,334.6</b>	1.3%
CALI	357.1	<b>355.6</b>	-0.4%
Other	337.4	<b>373.9</b>	10.8%
Total	2,699.5	<b>2,670.2</b>	-1.1%
Total excl. residential EQ insurance and CALI	2,340.9	<b>2,313.2</b>	-1.2%

### Net loss ratio

	FY2015 Results	FY2016	
		Results	YoY change
Fire and allied	53.8%	<b>64.8%</b>	11.0pt
Marine	53.1%	<b>60.1%</b>	7.0pt
Personal accident	56.0%	<b>52.6%</b>	-3.4pt
Voluntary automobile	58.6%	<b>57.0%</b>	-1.6pt
CALI	79.0%	<b>79.1%</b>	0.1pt
Other	49.1%	<b>53.8%</b>	4.7pt
Total	59.1%	<b>60.2%</b>	1.1pt
Total excl. residential EQ insurance and CALI	56.1%	<b>56.9%</b>	0.8pt

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015 Results	FY2016	
		Results	YoY Change
Incurred losses (Incl. loss adjustment expenses) <sup>※1</sup>	1,321.9	<b>1,329.5</b>	7.6
Natural catastrophes <sup>※2</sup>	68.1	<b>51.0</b>	- 17.0
Other than natural catastrophes	1,253.8	<b>1,278.4</b>	24.6

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

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

## 22. <Reference> MS Amlin's Results for FY2016 (Jan. – Dec. 2016) ※<sup>1</sup>

(£mn)

	FY2015 <sup>※2</sup> Results (Restated)	FY2016 <sup>※1</sup>	
		Results	YoY change
Net premiums written	2,392	<b>2,654</b>	<b>261</b>
Net premiums earned	2,172	<b>2,490</b>	<b>318</b>
Incurred losses (including loss adjustment expenses)	1,164	<b>1,614</b>	<b>449</b>
Net commission and expense for acquisition, admin expense	769	<b>891</b>	<b>122</b>
Underwriting profit/loss	220	<b>69</b>	<b>-150</b>
Investment profit/loss <sup>※3</sup>	95	<b>84</b>	<b>-11</b>
Other expenses <sup>※4</sup>	-90	<b>-93</b>	<b>-3</b>
Net income/loss after tax	210	<b>27</b>	<b>-182</b>
EI claims ratio	54%	<b>65%</b>	<b>11.0pt</b>
EI expense ratio <sup>※5</sup>	36%	<b>32%</b>	<b>-4.0pt</b>
EI combined ratio <sup>※5</sup>	90%	<b>97%</b>	<b>7.0pt</b>

※<sup>1</sup> MS Amlin was acquired in February 2016. Figures for FY2016 are adjusted from local figures to those in Group's consolidated P/L statement (excluding consolidation adjustments).

※<sup>2</sup> Figures for FY2015 are restated based on the accounting method used in FY2016.

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

※<sup>4</sup> The main item of "Other expenses" is expenses of non-insurance companies.

※<sup>5</sup> 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.

## 23. <Reference> MSI Primary Life (Supplementary Explanation)

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

(¥bn)

	FY2015 Results	FY2016 Results
Impact of interest rates	19.9	<b>0.5</b>
Impact of foreign exchange rates	- 18.9	<b>6.8</b>
Subtotal	1.0	<b>7.3</b>
Gains/losses on sales of securities	18.3	<b>8.5</b>
Total	19.3	<b>15.9</b>
Movement of price fluctuation reserve reflecting the above	-	15.9

	FY2015 end of 4Q	FY2016 end of 4Q
Balance of price fluctuation reserve	55.0	<b>84.0</b>

In addition to provision above, as a preparation for losses caused by further changes in market environment, provision of 12.9 billion yen was made in FY2016 (standard provision: 2.5 billion yen, additional provision: 10.4 billion yen)  
(FY2015: provision of 13.3 billion yen (standard provision: 1.9 billion yen, additional provision: 11.3 billion yen))

# Projected Financial Results for FY2017

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## 24. Consolidated Earnings Forecasts for FY2017 (i)

(¥bn)

	FY2016 Results		FY2017 Forecast	
			YoY Change	Growth
Net premiums written	3,406.9	<b>3,450.0</b>	43.0	1.3%
Mitsui Sumitomo Insurance	1,469.6	<b>1,488.0</b>	18.3	1.2%
Aioi Nissay Dowa Insurance	1,200.5	<b>1,219.0</b>	18.4	1.5%
Mitsui Direct General	37.6	<b>38.8</b>	1.1	3.0%
Overseas subsidiaries	693.1	<b>700.0</b>	6.8	1.0%
Life insurance premiums	1,253.1	<b>949.0</b>	- 304.1	-24.3%

<Reference : Gross life insurance premiums>

(¥bn)

	FY2016 Results		FY2017 Forecast	
			YoY Change	Growth
MSI Aioi Life	478.9	<b>494.3</b>	15.3	3.2%
MSI Primary Life	1,071.1	<b>800.0</b>	- 271.1	-25.3%

## 25. Consolidated Earnings Forecasts for FY2017 (ii)

(¥bn)

	Results		YoY Change
Ordinary profit/loss	352.6	345.0	- 7.6
Mitsui Sumitomo Insurance	215.5	225.0	9.4
Aioi Nissay Dowa Insurance	75.1	70.0	- 5.1
Net income/loss	210.4	245.0	34.5
Mitsui Sumitomo Insurance	164.5	166.0	1.4
Aioi Nissay Dowa Insurance	50.3	49.0	- 1.3
Mitsui Direct General	- 0.9	0.2	1.1
MSI Aioi Life	4.5	3.0	- 1.5
MSI Primary Life	20.7	14.0	- 6.7
Overseas subsidiaries	24.0	45.0	20.9
Consolidation adjustments, etc.	- 52.9	- 32.2	20.7
ROE (financial accounting basis)	7.8%	8.9%	1.1pt

## 26. Consolidated Earnings Forecasts for FY2017 (iii)

### Net premiums written

(¥bn)

	FY2016 Results		FY2017 Forecast	
			YoY Change	Change Ratio
Overseas subsidiaries total	693.1	<b>700.0</b>	6.8	1.0%
Asia	154.5	<b>161.5</b>	6.9	4.5%
Europe	493.1	<b>488.8</b>	- 4.3	-0.9%
(of which, MS Amlin)	455.8	<b>448.1</b>	- 7.7	-1.7%
Americas	45.4	<b>49.7</b>	4.2	9.3%

### Net income/loss

	FY2016 Results		FY2017 Forecast
			YoY Change
Overseas subsidiaries total	24.0	<b>45.0</b>	20.9
Asia	13.2	<b>13.3</b>	0.0
Europe	7.7	<b>29.1</b>	21.4
(of which, MS Amlin)	12.3	<b>30.1</b>	17.7
Americas	3.0	<b>2.6</b>	- 0.5

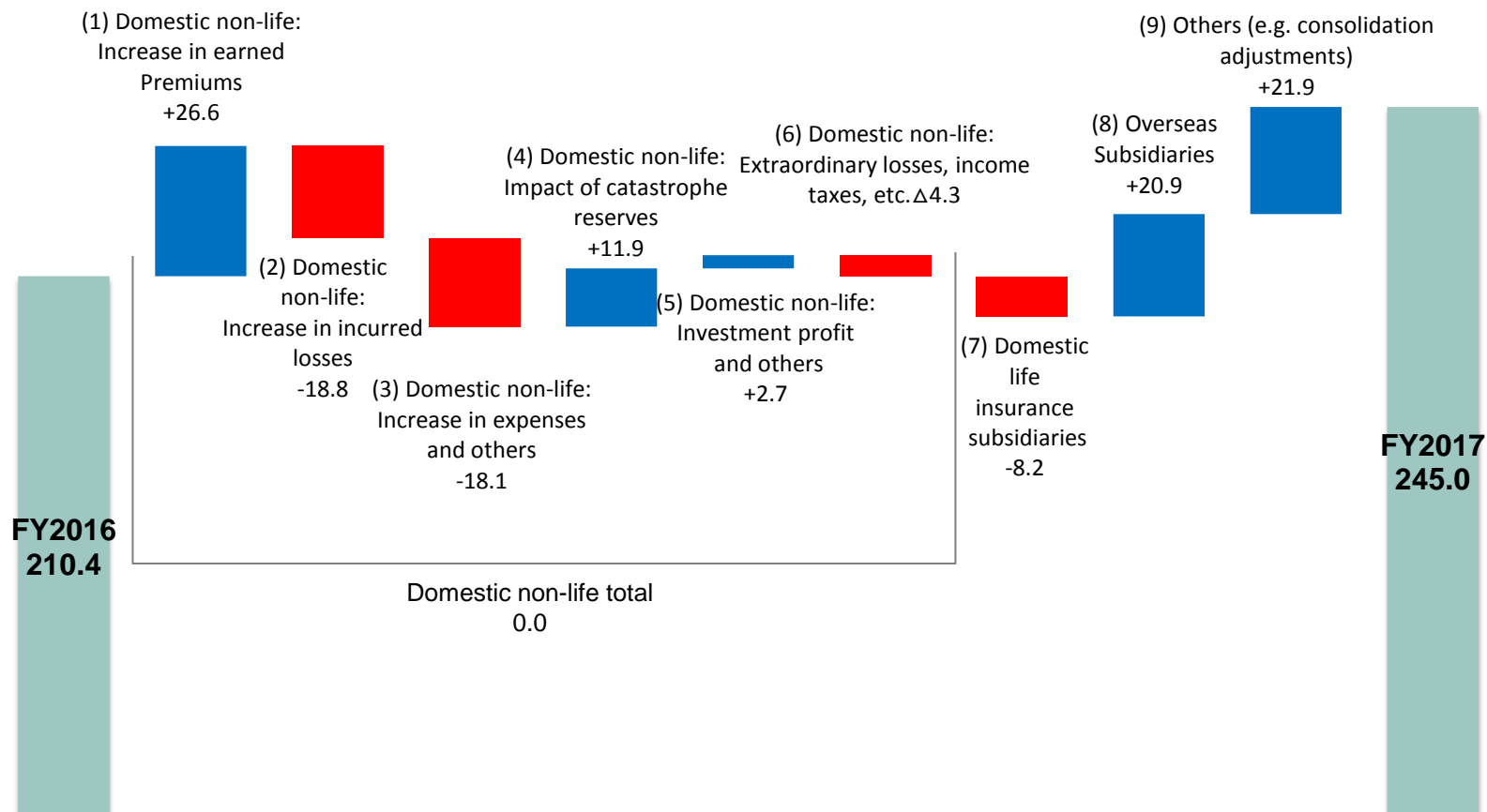
※ Figures for MS Amlin are based on the structure after integration of Lloyd's and Reinsurance businesses.

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

## 27. Consolidated Earnings Forecasts for FY2017 (iv)

- Net income in domestic non-life insurance is expected to be about the same as in the previous year.
- Increase in profit is expected in European subsidiaries, MS Amlin in particular.
- Increase in others (e.g. consolidation adjustments) is due to absence of system expenses for transfer of third sector policies in force which were included in the previous year.

### Factors behind change from the previous year 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.



## 28. Consolidated Earnings Forecasts for FY2017 (v)

- Group Core Profit is forecast to reach 230.0 billion yen with Group ROE of 8.4%.
- Increase in EV of MSI Aioi Life is forecast at 50.0 billion yen.

(¥bn)

	FY2016	FY2017 Forecast	
	Results		YoY Change
Group Core Profit	213.7	230.0	16.2
Domestic non-life insurance	153.3	145.0	- 8.3
Domestic life insurance	25.1	17.0	- 8.1
International business	34.6	64.0	29.3
Financial services/Risk-related services	0.5	4.0	3.4
Other financial targets			
Combined ratio (Domestic non-life insurance)	92.6%	92.9%	0.3pt
Increase in EV of MSI Aioi Life	198.4	50.0	- 148.4
Group ROE	7.9%	8.4%	0.5pt

※ FY2017 forecast for Group Core Profit for international business includes share exchange profit of 21.0billion yen related to merger at Max Life.

## 29. Major Assumptions for Earnings Forecasts for FY2017

(¥bn)

		Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment		<b>Assumes the level at the end of March 2017</b> Nikkei average : ¥ 18,909 USD\$1 = JPY¥ 112 EUR€1 = JPY¥ 120 GBP£1 = JPY¥ 140	
Domestic natural catastrophes occurring in FY2017		<b>30.0</b> (- 4.3)	<b>20.0</b> (+ 3.2)
Catastrophe reserves (For fire insurance)	Provision	<b>17.3</b> (- 5.6)	<b>14.1</b> (- 0.3)
	Reversal	<b>13.6</b> (- 3.5)	<b>3.7</b> (+ 3.7)
	Change	<b>3.7</b> (- 2.0)	<b>10.4</b> (- 4.0)
Catastrophe reserves (For voluntary automobile insurance)	Provision	<b>20.9</b> (- 0.1)	<b>21.9</b> (+ 0.1)
	Reversal	- - 0.0	<b>14.9</b> (+ 7.0)
	Change	<b>20.9</b> (- 0.1)	<b>7.0</b> (- 6.9)
Corporate tax rate (Effective tax rate)		<b>28.2%</b>	

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

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

(¥bn)

	FY2016 Results	FY2017 Forecast	
			YoY Change
Net premiums written	1,469.6	<b>1,488.0</b>	<b>18.3</b>
Growth rate of net premiums written	-2.5%	<b>1.2%</b>	<b>3.7pt</b>
Net loss ratio	61.2%	<b>60.3%</b>	<b>- 0.9pt</b>
Net expense ratio	31.2%	<b>31.6%</b>	<b>0.4pt</b>
Combined ratio	92.4%	<b>91.9%</b>	<b>- 0.5pt</b>
Incurred losses (Incl. loss adjustment expenses)	893.0	<b>891.8</b>	<b>- 1.2</b>
Underwriting profit/loss	81.7	<b>82.0</b>	<b>0.2</b>
Net interest and dividends income	81.2	<b>69.0</b>	<b>- 12.2</b>
Gains/losses on sales of securities	67.2	<b>63.4</b>	<b>- 3.9</b>
Impairment losses on securities	- 0.4	<b>- 3.0</b>	<b>- 2.5</b>
Investment profit/loss	139.4	<b>147.6</b>	<b>8.1</b>
Ordinary profit/loss	215.5	<b>225.0</b>	<b>9.4</b>
Extraordinary income/losses	- 7.0	<b>- 2.7</b>	<b>4.4</b>
Net income/loss	164.5	<b>166.0</b>	<b>1.4</b>
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-2.9%	<b>1.7%</b>	<b>4.6pt</b>
Net loss ratio	58.0%	<b>57.2%</b>	<b>- 0.8pt</b>
Net expense ratio	33.2%	<b>33.5%</b>	<b>0.3pt</b>
Combined ratio	91.2%	<b>90.7%</b>	<b>- 0.5pt</b>
Incurred losses (Incl. loss adjustment expenses)	738.4	<b>741.0</b>	<b>2.5</b>

※ FY2017 forecast for investment profit includes share exchange profit of 22.0 billion yen related to merger at Max Life.

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

### Net premiums written

(¥bn)

	FY2016 Results	FY2017	
		Forecast	Growth
Fire and allied	183.8	<b>191.0</b>	<b>3.9%</b>
Marine	58.6	<b>58.5</b>	<b>-0.2%</b>
Personal accident	143.5	<b>144.5</b>	<b>0.7%</b>
Voluntary automobile	654.1	<b>660.3</b>	<b>0.9%</b>
CALI	186.8	<b>183.2</b>	<b>-2.0%</b>
Other	242.5	<b>250.6</b>	<b>3.3%</b>
Total	1,469.6	<b>1,488.0</b>	<b>1.2%</b>
Total excl. residential EQ insurance and CALI	1,282.0	<b>1,304.3</b>	<b>1.7%</b>

### Net loss ratio

	FY2016 Results	FY2017	
		Forecast	YoY Change
Fire and allied	72.0%	<b>63.4%</b>	<b>- 8.6pt</b>
Marine	61.3%	<b>60.0%</b>	<b>- 1.3pt</b>
Personal accident	54.3%	<b>53.5%</b>	<b>- 0.8pt</b>
Voluntary automobile	57.3%	<b>57.9%</b>	<b>0.6pt</b>
CALI	80.3%	<b>82.1%</b>	<b>1.8pt</b>
Other	52.9%	<b>52.2%</b>	<b>- 0.7pt</b>
Total	61.2%	<b>60.3%</b>	<b>- 0.9pt</b>
Total excl. residential EQ insurance and CALI	58.0%	<b>57.2%</b>	<b>- 0.8pt</b>

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016 Results	FY2017 Forecast	
			YoY Change
Incurred losses (incl. loss adjustment expenses) <sup>※1</sup>	738.4	<b>741.0</b>	<b>2.5</b>
Natural catastrophes <sup>※2</sup>	34.3	<b>30.0</b>	<b>- 4.3</b>
Other than natural catastrophes	704.1	<b>711.0</b>	<b>6.8</b>

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

※2 “Natural catastrophes” shows incurred losses from domestic natural catastrophes during the period.

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

(¥bn)

	FY2016 Results	FY2017 Forecast	
			YoY Change
Net premiums written	1,200.5	<b>1,219.0</b>	<b>18.4</b>
Growth rate of net premiums written	0.7%	<b>1.5%</b>	<b>0.8pt</b>
Net loss ratio	59.1%	<b>60.2%</b>	<b>1.1pt</b>
Net expense ratio	33.5%	<b>33.7%</b>	<b>0.2pt</b>
Combined ratio	92.6%	<b>93.9%</b>	<b>1.3pt</b>
Incurred losses (Incl. loss adjustment expenses)	724.6	<b>740.2</b>	<b>15.5</b>
Underwriting profit/loss	39.5	<b>41.0</b>	<b>1.4</b>
Net interest and dividends income	38.0	<b>35.0</b>	<b>- 3.0</b>
Gains/losses on sales of securities	9.0	<b>8.5</b>	<b>- 0.5</b>
Impairment losses on securities	- 4.9	<b>- 3.0</b>	<b>1.9</b>
Investment profit/loss	32.2	<b>28.0</b>	<b>- 4.2</b>
Ordinary profit/loss	75.1	<b>70.0</b>	<b>- 5.1</b>
Extraordinary income/losses	- 8.3	<b>- 3.7</b>	<b>4.6</b>
Net income/loss	50.3	<b>49.0</b>	<b>- 1.3</b>
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	1.0%	<b>2.2%</b>	<b>1.2pt</b>
Net loss ratio	55.6%	<b>57.0%</b>	<b>1.4pt</b>
Net expense ratio	35.2%	<b>35.4%</b>	<b>0.2pt</b>
Combined ratio	90.8%	<b>92.4%</b>	<b>1.6pt</b>
Incurred losses (Incl. loss adjustment expenses)	591.0	<b>607.4</b>	<b>16.3</b>

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

#### Net premiums written

(¥bn)

	FY2016 Results	FY2017	
		Forecast	Growth
Fire and allied	153.0	<b>170.0</b>	<b>11.1%</b>
Marine	5.4	<b>7.2</b>	<b>31.7%</b>
Personal accident	61.4	<b>60.2</b>	<b>-2.0%</b>
Voluntary automobile	680.4	<b>682.7</b>	<b>0.3%</b>
CALI	168.7	<b>164.6</b>	<b>-2.5%</b>
Other	131.3	<b>134.3</b>	<b>2.2%</b>
Total	1,200.5	<b>1,219.0</b>	<b>1.5%</b>
Total excl. residential EQ insurance and CALI	1,031.2	<b>1,053.9</b>	<b>2.2%</b>

#### Net loss ratio

	FY2016 Results	FY2017	
		Forecast	YoY Change
Fire and allied	56.2%	<b>57.3%</b>	<b>1.1pt</b>
Marine	48.0%	<b>50.0%</b>	<b>2.0pt</b>
Personal accident	48.6%	<b>48.5%</b>	<b>- 0.1pt</b>
Voluntary automobile	56.8%	<b>58.6%</b>	<b>1.8pt</b>
CALI	77.9%	<b>80.7%</b>	<b>2.8pt</b>
Other	55.6%	<b>52.9%</b>	<b>- 2.7pt</b>
Total	59.1%	<b>60.2%</b>	<b>1.1pt</b>
Total excl. residential EQ insurance and CALI	55.6%	<b>57.0%</b>	<b>1.4pt</b>

#### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016 Results	FY2017	
		Forecast	YoY Change
Incurred losses (incl. loss adjustment expenses) <sup>※1</sup>	591.0	<b>607.4</b>	<b>16.3</b>
Natural catastrophes <sup>※2</sup>	16.7	<b>20.0</b>	<b>3.2</b>
Other than natural catastrophes	574.2	<b>587.4</b>	<b>13.1</b>

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

※2 “Natural catastrophes” shows incurred losses from domestic natural catastrophes during the period.

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

(¥bn)

	FY2015 Results	FY2016		FY2017 Forecast	
		Results	YoY Change		YoY Change
Net premiums written	2,699.5	2,670.2	- 29.2	2,707.0	36.7
Growth rate of net premiums written	3.6%	-1.1%	-4.7pt	1.4%	2.5pt
Net loss ratio	59.1%	60.2%	1.1pt	60.2%	0.0pt
Net expense ratio	32.5%	32.2%	-0.3pt	32.5%	0.3pt
Combined ratio	91.6%	92.4%	0.8pt	92.7%	0.3pt
Incurred losses (Incl. loss adjustment expenses)	1,603.5	1,617.6	14.1	1,632.0	14.3
Underwriting profit/loss	43.9	121.3	77.3	123.0	1.6
Net interest and dividends income	118.9	119.3	0.3	104.0	- 15.3
Gains/losses on sales of securities	109.5	76.3	- 33.2	71.9	- 4.4
Impairment losses on securities	- 13.9	- 5.4	8.5	- 6.0	- 0.5
Investment profit/loss	187.7	171.6	- 16.0	175.6	3.9
Ordinary profit/loss	229.6	290.7	61.0	295.0	4.2
Extraordinary income/losses	- 32.0	- 15.4	16.5	- 6.4	9.1
Net income/loss	145.0	214.9	69.8	215.0	0.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	3.7%	-1.2%	-4.9pt	1.9%	3.1pt
Net loss ratio	56.1%	56.9%	0.8pt	57.1%	0.2pt
Net expense ratio	34.5%	34.1%	-0.4pt	34.3%	0.2pt
Combined ratio	90.6%	91.0%	0.4pt	91.4%	0.4pt
Incurred losses (Incl. loss adjustment expenses)	1,321.9	1,329.5	7.6	1,348.4	18.8

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

### Net premiums written

(¥bn)

	FY2015	FY2016		FY2017 Forecast	
	Results	Results	Growth		Growth
Fire and allied	410.1	336.9	-17.8%	361.0	7.2%
Marine	72.7	64.1	-11.8%	65.7	2.5%
Personal accident	204.5	204.9	0.2%	204.7	-0.1%
Voluntary automobile	1,317.4	1,334.6	1.3%	1,343.0	0.6%
CALI	357.1	355.6	-0.4%	347.8	-2.2%
Other	337.4	373.9	10.8%	384.9	2.9%
Total	2,699.5	2,670.2	-1.1%	2,707.0	1.4%
Total excl. residential EQ insurance and CALI	2,340.9	2,313.2	-1.2%	2,358.2	1.9%

### Net loss ratio

	FY2015	FY2016		FY2017 Forecast	
	Results	Results	YoY change		YoY change
Fire and allied	53.8%	64.8%	11.0pt	60.5%	-4.3pt
Marine	53.1%	60.1%	7.0pt	58.9%	-1.2pt
Personal accident	56.0%	52.6%	-3.4pt	52.0%	-0.6pt
Voluntary automobile	58.6%	57.0%	-1.6pt	58.2%	1.2pt
CALI	79.0%	79.1%	0.1pt	81.4%	2.3pt
Other	49.1%	53.8%	4.7pt	52.4%	-1.4pt
Total	59.1%	60.2%	1.1pt	60.2%	0.0pt
Total excl. residential EQ insurance and CALI	56.1%	56.9%	0.8pt	57.1%	0.2pt

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015	FY2016		FY2017 Forecast	
	Results	Results	YoY Change		YoY Change
Incurred losses (Incl. loss adjustment expenses) <sup>※1</sup>	1,321.9	1,329.5	7.6	1,348.4	18.8
Natural catastrophes <sup>※2</sup>	68.1	51.0	- 17.0	50.0	- 1.0
Other than natural catastrophes	1,253.8	1,278.4	24.6	1,298.4	19.9

※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. The figures for FY2015 include the impact of heavy snowfalls of February 2014 (0.3 billion yen).



## 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.

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