

Materials for FY2019 1Q Results Briefing – Conference Call

Advancing with you



August 7, 2019 (Wed.)

MS&AD Insurance Group Holdings, Inc.

Main Points

FY2019 1Q Results

<Top line>

•Net premiums written increased by 10.5 billion yen, or 1.5%, for the two domestic non-life insurance companies combined.

The main factors were an increase in net premiums written for voluntary automobile insurance by 2.1% mainly due to an increase in the premium unit price and strong results of fire insurance and casualty insurance, despite the negative impact from an increase in the payment of reinsurance premiums which was concentrated in 1Q.

•Gross premiums income in the domestic life insurance rose by 3.7%, with strong results both at MSI Aioi Life and MSI Primary Life.

•Net premiums written at overseas subsidiaries fell mainly due to the impact of foreign exchange rates.

<Bottom line>

•Net income rose by 12.1 billion yen to 95.9 billion yen. Progress against the plan was 48.0%.

•Net income for the two domestic non-life insurance companies combined rose mainly due to an increase in the underwriting profit.

E/I loss ratio for the voluntary auto insurance declined year-on-year mainly due to a lower frequency of accidents.

•Net income at overseas subsidiaries increased by 5.4 billion yen mainly due to an increase at MS Amlin and in the international life insurance business.

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Please also refer to an Excel data file uploaded on our website.

Summary of FY2019 1Q Results

Consolidated Earnings for FY2019 1Q (1) - Overview (i) (Top line)

Non-life insurance subsidiaries

(¥bn)

	FY2018 1Q Results	FY2019 1Q Results		
			YoY Change	Growth
Direct premiums written* (excl. deposit premiums from policyholders)	1,019.1	1,038.4	19.2	1.9%
Net premiums written*	970.5	976.8	6.2	0.6%
Mitsui Sumitomo Insurance	376.4	378.7	2.2	0.6%
Aioi Nissay Dowa insurance	309.7	317.9	8.2	2.7%
Mitsui Direct General	9.3	9.0	- 0.2	- 2.6%
Overseas subsidiaries	274.2	270.2	- 4.0	- 1.5%

* 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)

	FY2018 1Q Results	FY2019 1Q Results		
			YoY Change	Growth
Gross premiums income*	362.5	375.9	13.3	3.7%
MSI Aioi Life	116.7	122.5	5.8	5.0%
MSI Primary Life	245.8	253.4	7.5	3.1%
Life insurance premiums	290.5	298.4	7.8	2.7%

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

Consolidated Earnings for FY2019 1Q (1) - Overview (i) (Top line)

(Non-life insurance subsidiaries: domestic and overseas)

- Net premiums written increased by 6.2 billion yen or 0.6%. Although the premiums at overseas subsidiaries fell by 4.0 billion yen, the domestic non-life insurance business contributed 10.2 billion yen.
- Direct premiums written increased by 3.3% at MSI and 3.7% at ADI.
Net premiums written increased by 1.5% for the two domestic non-life insurance companies combined, although the increase in the payment of reinsurance premiums as a result of additional purchase of reinsurance among other factors had a negative impact.
- Net premiums written at overseas subsidiaries decreased mainly due to the effect of foreign exchange rates (e.g., yen appreciation / pound depreciation.)

(Life insurance subsidiaries: domestic)

- MSI Aioi Life: Please see Slide 15
- MSI Primary Life: Please see Slide 16

Consolidated Earnings for FY2019 1Q (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2018 1Q	FY2019 1Q		
	Results	Results	YoY Change	Change Ratio
Ordinary profit/loss	125.4	117.9	- 7.4	- 6.0%
Mitsui Sumitomo Insurance	72.8	86.3	13.4	18.5%
Aioi Nissay Dowa Insurance	36.4	33.4	- 3.0	- 8.4%
Mitsui Direct General Insurance	1.0	1.9	0.8	80.0%
MSI Aioi Life	5.0	4.6	- 0.3	- 7.9%
MSI Primary Life	16.7	- 3.6	- 20.3	- 121.8%
Overseas subsidiaries	7.1	12.0	4.9	69.3%
Consolidation adjustments, others	- 13.8	- 16.8	- 2.9	-
Net income/loss*	83.8	95.9	12.1	14.5%
Mitsui Sumitomo Insurance	55.1	65.8	10.6	19.2%
Aioi Nissay Dowa Insurance	26.0	23.9	- 2.1	- 8.1%
Mitsui Direct General Insurance	0.9	1.7	0.7	80.5%
MSI Aioi Life	2.1	2.0	- 0.1	- 5.9%
MSI Primary Life	6.8	5.2	- 1.6	- 23.9%
Overseas subsidiaries	4.4	9.8	5.4	123.3%
Consolidation adjustments, others	- 11.7	- 12.5	- 0.8	-

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

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

Consolidated Earnings for FY2019 1Q (1) - Overview (ii) (Bottom line)

(Group consolidated)

- Net income increased by 12.1 billion yen mainly as a result of an increase at domestic non-life and overseas subsidiaries. Progress against the plan was 48.0%, a steady start for the fiscal year.

(Domestic non-life insurance subsidiaries)

- At MSI, net income increased by 10.6 billion yen. Underwriting profit increased by 18.3 billion yen as a result of the positive factor of 9.1 billion yen from the net catastrophe reserve and an increase in earned premiums following an increase in net premiums written.
- At ADI, net income decreased by 2.1 billion yen. Although earned premiums increased following an increase in net premiums written, underwriting profit decreased by 3.1 billion yen as a result of such factors as an increase in company expenses.

(Domestic life insurance subsidiaries)

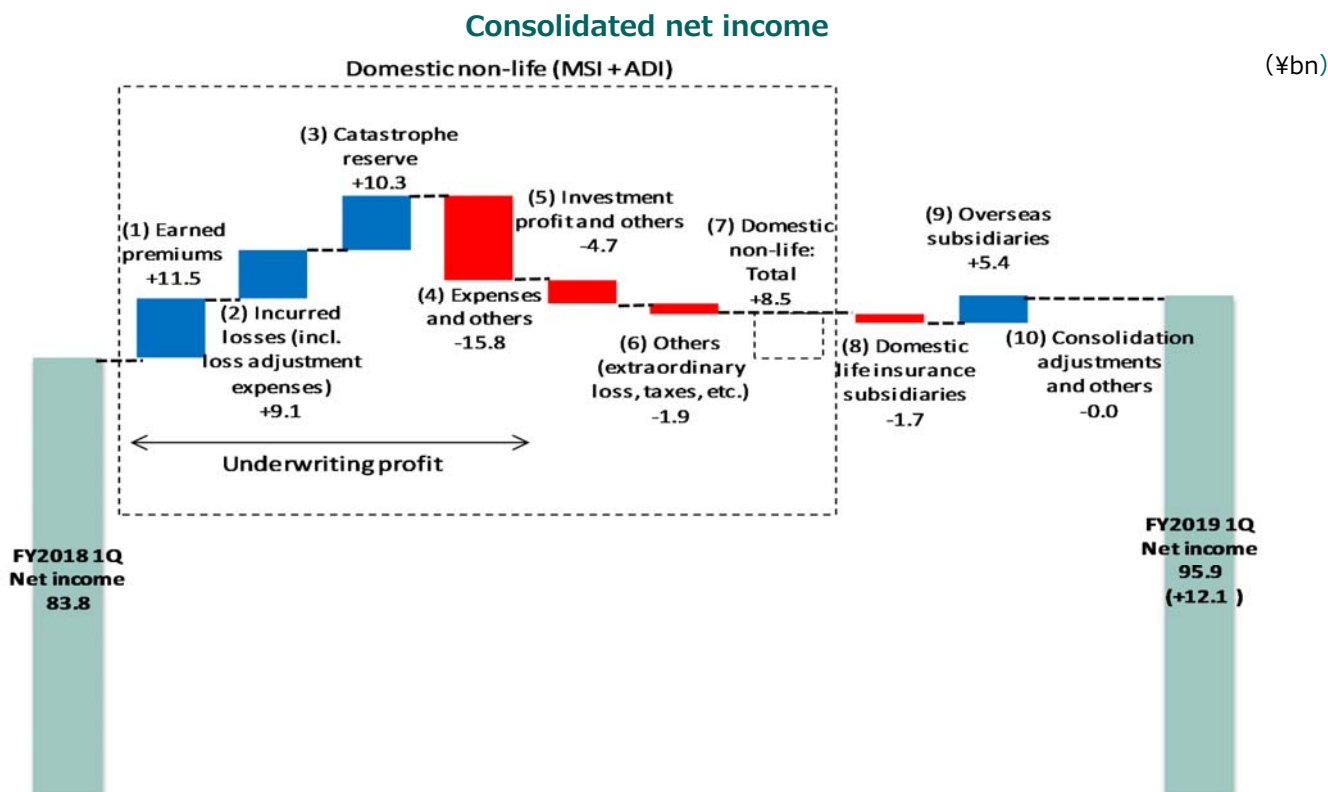
- Net income at MSI Aioi Life was largely flat year-on-year.
- Net income at MSI Primary Life decreased by 1.6 billion yen year-on-year mainly due to an increase in the burden of policy reserves, impacted by changes in the product range and an increase in the burden of sales commissions.

(Overseas subsidiaries)

- Net income increased by 5.4 billion yen due to an increase in Europe, mainly owing to MS Amlin (3.3 billion yen), and the international life insurance business.

Consolidated Earnings for FY2019 1Q (2) – YoY Results Comparison (i)

- Net income increased by 12.1 billion yen mainly due to an increase at the domestic non-life and overseas subsidiaries.
- Net income for the two domestic non-life insurance companies rose by 8.5 billion yen, with (1) earned premiums and (3) catastrophe reserve being the positive factors.



Consolidated Earnings for FY2019 1Q (2) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2018 1Q Results	FY2019 1Q Results	Difference
Consolidated net income/loss		83.8	95.9	12.1
Domestic non-life insurance* ¹ : Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))		47.7	62.8	15.1
Earned premiums	(1)	600.0	611.5	11.5
Incurred losses (incl. loss adjustment expenses)	(2)	- 326.9	- 317.8	9.1
Provision/reversal of catastrophe reserve	(3)	- 24.1	- 13.8	10.3
Expenses and others* ²	(4)	- 201.1	- 217.0	- 15.8
Investment profit/loss and others	(5)	61.6	56.9	- 4.7
Others (extraordinary loss, taxes, etc.)	(6)	- 28.0	- 29.9	- 1.9
Domestic non-life insurance: Total	(7)	81.2	89.7	8.5
Domestic life insurance subsidiaries	(8)	8.9	7.2	- 1.7
Overseas subsidiaries	(9)	4.4	9.8	5.4
Consolidation adjustments and others	(10)	- 10.8	- 10.8	- 0.0

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

*2 "Expenses and others" include foreign exchange gains/losses

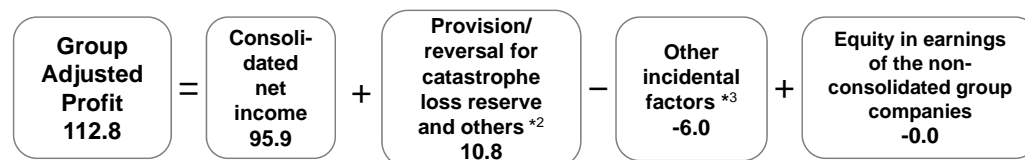
Consolidated Earnings for FY2019 1Q (3) – Group Adjusted Profit

- Group Adjusted Profit decreased by 1.3 billion yen.

(¥bn)

	FY2018 1Q Results	FY2019 1Q	
		Results	YoY Change
Group Adjusted Profit* ¹	114.1	112.8	- 1.3
Domestic non-life insurance business	93.6	91.0	- 2.6
Domestic life insurance business	9.2	7.8	- 1.3
International business	10.2	13.1	2.8
Financial services business and risk-related services business	0.9	0.7	- 0.1

*1 For the definition of Group Adjusted Profit please refer to the last page. Group Adjusted ROE is disclosed at the end of FY.



*² “+” in case of provision, “-” in case of reversal

*³ Amortization of goodwill and others: -8.5 billion yen, extraordinary income/loss excluding reserves for price fluctuation, etc.: 2.5 billion yen

Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2019 1Q (i)

- Earned premiums increased by 11.5 billion yen mainly due to an increase in casualty, fire and voluntary auto insurance. Underwriting profit (prior to reflecting catastrophe reserve) increased by 4.8 billion yen.
- Net catastrophe reserve increased by 10.3 billion yen due to the reversal increase owing to increased claims payments.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Net premiums written * ¹	696.6	10.5	378.7	2.2	317.9	8.2
Earned premiums* ²	611.5	11.5	341.2	6.4	270.2	5.1
Incurring losses (including loss adjustment expenses)* ² (–)	317.8	-9.1	177.1	-5.4	140.7	-3.7
Underwriting expenses* ² (–)	211.6	6.2	111.6	0.1	100.0	6.0
Commissions and collection expenses* ²	127.5	3.9	66.2	2.0	61.2	1.9
Other underwriting expenses* ²	84.0	2.2	45.3	-1.8	38.7	4.1
Underwriting profit/loss prior to reflecting catastrophe reserve	76.6	4.8	50.7	9.1	25.9	-4.3
Net catastrophe reserve	-13.8	10.3	-4.2	9.1	-9.5	1.1
Underwriting profit/loss after reflecting catastrophe reserve	62.8	15.1	46.4	18.3	16.3	-3.1
EI loss ratio * ²	52.0%	-2.5pp	51.9%	-2.6pp	52.1%	-2.4pp
Net loss ratio* ¹	58.6%	0.9pp	59.7%	1.6pp	57.4%	0.1pp
Net expense ratio* ¹	32.9%	0.3pp	31.8%	0.0pp	34.3%	0.7pp
Combined ratio * ¹	91.5%	1.2pp	91.5%	1.6pp	91.7%	0.8pp

*¹ All lines *² Excluding residential earthquake and CALI (compulsory auto liability insurance)

* Excluding Good Result Return Premiums of the “ModoRich” auto insurance product

* “Earned premiums” are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2019 1Q (ii)

- Net income increased by 8.5 billion yen mainly because of the increase in underwriting profit.
- Sales of strategic equity holdings were largely flat year-on-year at 26.1 billion yen.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	62.8	15.1	46.4	18.3	16.3	- 3.1
Net interest and dividends income	49.2	2.9	32.9	1.2	16.3	1.7
Gains/losses on sales of securities	19.8	0.4	13.8	- 1.5	6.0	1.9
Impairment losses on securities (-)	4.2	3.2	1.2	0.2	3.0	2.9
Investment profit/loss and other ordinary profit/loss	56.9	- 4.7	39.8	- 4.8	17.0	0.1
Ordinary profit/loss	119.7	10.4	86.3	13.4	33.4	- 3.0
Extraordinary income/loss	- 2.0	1.1	- 1.2	- 0.1	- 0.8	1.2
Income before taxes	117.6	11.5	85.0	13.3	32.5	- 1.8
Taxes and others	27.9	3.0	19.2	2.7	8.6	0.2
Net income/loss	89.7	8.5	65.8	10.6	23.9	- 2.1
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	26.1	- 0.4				

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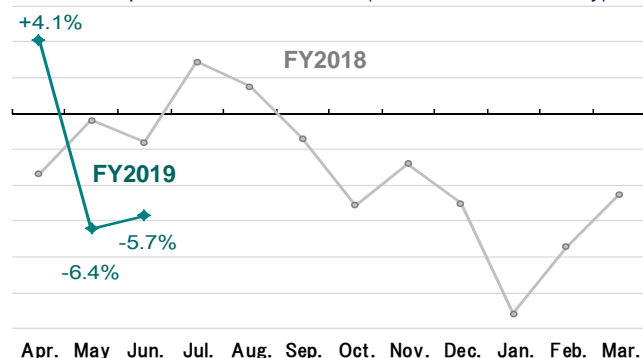
Domestic Non-Life Insurance Companies FY2019 1Q (2) – Voluntary Auto Insurance

- The cumulative number of accidents at the end of June fell by 3.8% year-on-year.
- E/I loss ratio fell by 1.2 points year-on-year to 54.8% mainly due to a lower frequency of accidents. The payout per claim will continue to be closely watched.

Number of accidents

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

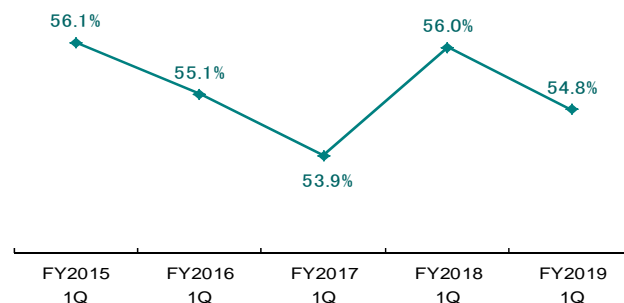
Simple sum of MSI and ADI (Domestic business only)



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 of increase/decrease in insurance premiums	+0.5%	+1.4%	+1.9%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.2%	+0.9%	

Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	- 0.1%	+2.5%	+2.4%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.9%	+1.4%	

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

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended June 30, 2019 compared with average payout per claim in one-year period ended March 31, 2019.

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

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Domestic Life Insurance / MSI Aioi Life - Results for FY2019 1Q

- Gross premiums income rose by 5.8 billion yen, largely owing to the transfer of third-sector policies in force from MSI and ADI.
- Net income was largely flat year-on-year.

MSI Aioi Life

(¥bn)

	FY2018 1Q Results		FY2019 1Q Results		YoY Change	Change Ratio
Amount of new policies* ¹		914.6	502.1		- 412.4	-45.1%
Annualized premiums of new policies		9.4	6.6		- 2.7	-29.1%
of which, third sector insurance		4.0	4.8		0.7	18.3%
Amount of policies in force* ¹	(At the beginning of FY)	24,533.1	24,510.5	(Change from the beginning of FY)	- 22.6	-0.1%
Annualized premiums of policies in force	(At the beginning of FY)	431.5	448.8	(Change from the beginning of FY)	17.3	4.0%
of which, third sector insurance	(At the beginning of FY)	107.8	129.1	(Change from the beginning of FY)	21.2	19.7%
Gross premiums income		116.7	122.5		5.8	5.0%
Ordinary profit/loss		5.0	4.6		- 0.3	-7.9%
Extraordinary income/loss		- 0.4	- 0.2		0.1	-
Net income/loss		2.1	2.0		- 0.1	-5.9%
Core profit		4.8	3.6		- 1.2	-25.4%

*¹ Total sum of personal insurance and personal annuity insurance

Domestic Life Insurance / MSI Primary Life - Results for FY2019 1Q

- Gross premiums income rose by 7.5 billion yen due to an increase in premiums of fixed products mainly owing to increased sales of foreign currency-denominated fixed whole life insurance.
- Net income decreased by 1.6 billion yen to 5.2 billion yen.

MSI Primary Life

(¥bn)

	FY2018 1Q Results		FY2019 1Q Results		YoY Change	Change Ratio
Amount of new policies* ¹		248.0	255.5		7.4	3.0%
Amount of policies in force* ¹	(At the beginning of FY)	6,678.5	6,681.1	(Change from the beginning of FY)	2.6	0.0%
Gross premiums income		245.8	253.4		7.5	3.1%
Ordinary profit/loss		16.7	- 3.6		- 20.3	- 121.8%
Extraordinary income/loss		- 7.3	10.8		18.1	-
Net income/loss		6.8	5.2		- 1.6	- 23.9%

*¹ Total sum of personal insurance and personal annuity insurance

Impact of interest rates and foreign exchange rates

(¥bn)

	FY2018 1Q Results	FY2019 1Q Results
Impact of interest rates	5.8	- 13.6
Impact of foreign exchange rates	0.6	1.9
Total	6.5	- 11.6

Overseas Subsidiaries - Results for FY2019 1Q

- Net premiums written decreased by 4.0 billion yen mainly due to the effect of foreign exchange rates.
- Net income increased by 5.4 billion yen mainly due to an increase at MS Amlin and the international life insurance business.

Overseas subsidiaries

(¥bn)

	FY2018 1Q Results	FY2019 1Q		
		Results	YoY Change	Change ratio
Net premiums written	274.2	270.2	- 4.0	- 1.5%
Asia	46.8	47.3	0.4	1.1%
Europe	215.1	212.0	- 3.0	- 1.4%
(of which, MS Amlin)	197.7	194.5	- 3.2	- 1.6%
Americas	12.2	10.7	- 1.4	- 11.8%
Net income/loss	4.4	9.8	5.4	123.3%
Asia	4.1	3.6	- 0.5	-13.3%
Europe	- 1.2	1.9	3.1	-
(of which, MS Amlin)	0.0	3.4	3.3	6,405.8%
Americas	0.4	0.3	- 0.1	- 25.2%
International Life Insurance	0.9	3.9	2.9	307.3%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2019 1Q (1)

Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	Results	Growth	Results	Growth	Results	Growth
Fire and allied	81.2	-3.5%	39.8	-8.5%	41.4	1.8%
Marine	17.6	-3.9%	15.7	-4.3%	1.9	-0.5%
Personal accident	55.8	-4.1%	40.1	-1.9%	15.7	-9.3%
Voluntary automobile	353.2	2.1%	170.6	1.3%	182.5	2.8%
CALI	81.1	6.6%	42.7	7.5%	38.4	5.7%
Other	107.5	4.3%	69.6	3.4%	37.9	5.8%
Total	696.6	1.5%	378.7	0.6%	317.9	2.7%
Total excluding residential EQ insurance and CALI	615.3	0.9%	335.8	-0.2%	279.4	2.2%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2019 1Q (2)

EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2018 1Q	FY2019 1Q		FY2018 1Q	FY2019 1Q	
	Results	Results	YoY Change	Results	Results	YoY Change
Fire and allied (excl. residential EQ)	51.6%	48.0%	-3.6pp	49.6%	46.7%	-2.9pp
Marine	55.5%	47.5%	-8.0pp	55.5%	47.5%	-8.0pp
Personal accident	51.8%	52.4%	0.6pp	51.8%	52.4%	0.6pp
Voluntary automobile	56.0%	54.8%	-1.2pp	56.0%	54.8%	-1.2pp
Other	53.5%	47.0%	-6.5pp	53.4%	46.9%	-6.5pp
Total (excluding residential EQ insurance and CALI)	54.5%	52.0%	-2.5pp	54.2%	51.7%	-2.5pp

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

* Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

* "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2019 1Q (3)

EI loss ratio (MSI (Non-consolidated), ADI (Non-consolidated))

	EI Loss Ratio				EI Loss Ratio (excl. impact of nat. cat.)			
	MSI (Non-consolidated)		ADI (Non-consolidated)		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Fire and allied (excl. residential EQ)	50.4%	-3.7pp	45.4%	-3.3pp	50.4%	-1.7pp	42.7%	-4.0pp
Marine	49.4%	-5.3pp	30.7%	-33.1pp	49.4%	-5.2pp	30.7%	-33.1pp
Personal accident	52.0%	-1.1pp	53.4%	4.6pp	52.0%	-1.1pp	53.4%	4.6pp
Voluntary automobile	53.7%	-1.3pp	55.9%	-1.1pp	53.7%	-1.3pp	55.9%	-1.1pp
Other	49.1%	-5.3pp	42.4%	-9.2pp	49.1%	-5.2pp	42.2%	-9.4pp
Total excluding residential EQ insurance and CALI	51.9%	-2.6pp	52.1%	-2.4pp	51.9%	-2.3pp	51.5%	-2.6pp

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

* Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

* "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

<Reference> MS Amlin's Results for FY2019 1Q (Jan. – Mar. 2019) *1

(£ mn)

	FY2018 1Q	FY2019 1Q	YoY Change
Net premiums written	1,313	1,340	28
Net premiums earned	755	725	-30
Incurred losses (including loss adjustment expenses)	479	499	20
Expense for acquisition and other operating expense	267	256	-11
Underwriting profit/loss	2	-51	-53
Investment profit/loss*2	33	104	71
Non-operating profit/loss*3	-40	-33	7
Net income/loss after tax	0	24	23
EI claims ratio	63.4%	68.9%	5.5pp
EI expense ratio*4	36.3%	38.1%	1.8pp
EI combined ratio*4	99.7%	107.0%	7.3pp

*1 On a local (UK) reporting basis

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

*3 The main item of "Non-operating profit/loss" is expenses of non-insurance companies. Figure for FY2018 Q1 includes such items as lump-sum severance payments following the reduction of personnel.

*4 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses included in underwriting profit.

<Reference> MS Amlin's Results for FY2019 Q1 (Jan. – Mar. 2019)

(Overall)

- After-tax net income was £24 million, which was higher than in FY2018 Q1 and exceeded the plan.
- This was due to strong asset management and an absence of natural catastrophes.

(Underwriting)

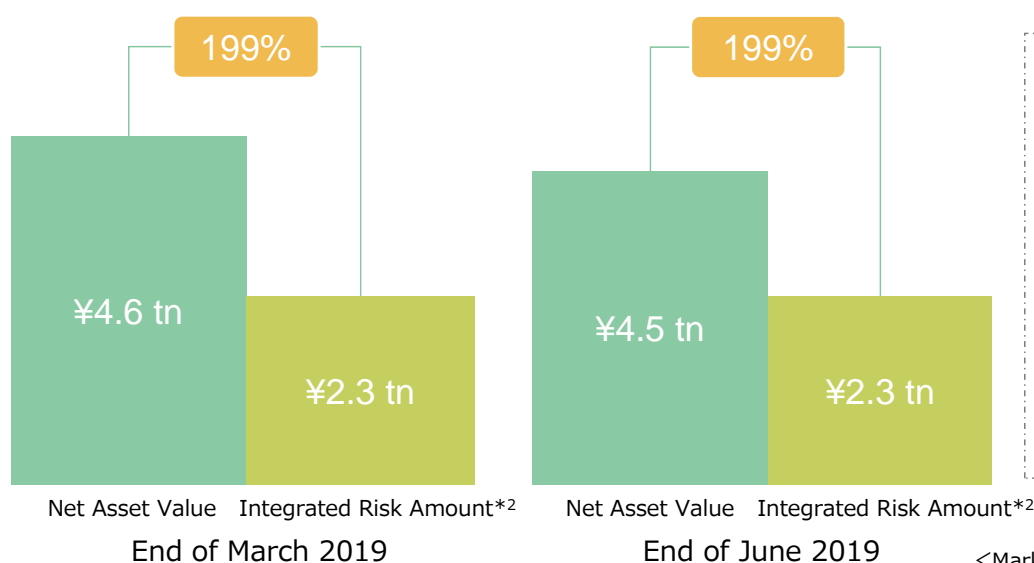
- Net premiums earned were £725 million, which declined by £30 million, due to tightening underwriting as a result of continuing efforts since FY2018 to improve the quality of the portfolio.
- Although not affected by major natural catastrophes, underwriting loss was £51 million, mainly due to more frequent non-cat large losses than usual from aircraft accidents and plant fires as well as foreign exchange loss (£21 million) *.
- Q2 has seen improvement of the underwriting result mainly driven by a reduction in non-cat large losses and an absence of natural catastrophes.
- Continued efforts will be made to improve premium rates, terms and conditions, maintain prudent underwriting standards, and reduce costs.

(Asset management)

- Investment profits were £104 million, which increased significantly, on the back of the rise in stock prices, mainly in the United States, as well as the strong performance of bond funds, since January 2019.

*Under IFRS, foreign exchange losses are incurred mainly from assets in U.S. dollar corresponding to non-monetary technical balances (e.g. unearned premiums and deferred acquisition costs) denominated in foreign currencies, which are not translated.

ESR*1



<Factors behind ESR change> (vs. end of March 2019)

ESR stayed flat due to the following factors:

- ✓ A decrease in the net asset value due to declining domestic interest rates was largely offset by an increase due to accumulated profits
- ✓ Integrated risk amount was largely flat as a result of risk reduction measures (e.g., sale of strategic equity holdings), despite the increase due to declining domestic interest rates

<Market environment assumptions>

	End of March 2019	End of June 2019	Change
Nikkei stock average	21,206 yen	21,276 yen	+70 yen
Exchange rate (US\$1: Yen)	111 yen	108 yen	- 3 yen
30-year JGB interest rate	0.51%	0.36%	- 0.15 pp

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

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

Abbreviations of company names used in this presentation

- | | |
|-------------------------------------|--|
| • MS&AD Holdings : | MS&AD Insurance Group Holdings, Inc. |
| • MS&AD : | MS&AD Insurance Group |
| • 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. |
| • MS Amlin : | MS Amlin plc |
| • MS First Capital : | MS First Capital Insurance Limited |

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

Group Adjusted Profit = Consolidated net income
+ Provision for catastrophe loss reserve and others
- Other incidental factors (amortization of goodwill and other intangible fixed assets and others)
+ Equity in earnings of the non-consolidated group companies

Adjusted Net Assets = Consolidated net assets + Catastrophe reserve and others - Goodwill and other intangible fixed assets

Group Adjusted ROE = Group Adjusted Profit ÷ Adjusted net assets (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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