

# Materials for FY2015 Results Briefing - Conference Call

May 20, 2016 (Fri)

**MS&AD**

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

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## Abbreviations of Company Names Used in this Presentation

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

# Summary of FY 2015 Results

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# 1. Consolidated Earnings for FY 2015 (1) - Overview (i)

- Net premiums written increased by 4.7% year-on-year to 3,078.9 billion yen due to a increase in revenue for both domestic non-life insurance and overseas subsidiaries.
- Life insurance premiums increased by 87.9% year-on-year to 1,356.3 billion yen due to significant revenue increase at MSI Primary Life in addition to an increased revenue at MSI Aioi Life.

(¥ bn)

	FY2014	FY2015		
	Results	Results	YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	3,213.0	<b>3,353.2</b>	140.1	4.4%
Net premiums written*	2,940.7	<b>3,078.9</b>	138.2	4.7%
Mitsui Sumitomo Insurance	1,445.8	<b>1,507.4</b>	61.6	4.3%
Aioi Nissay Dowa Insurance	1,160.8	<b>1,192.0</b>	31.2	2.7%
Mitsui Direct General Insurance	35.0	<b>36.5</b>	1.5	4.3%
Overseas subsidiaries	293.2	<b>336.8</b>	43.6	14.9%
Life insurance premiums	721.7	<b>1,356.3</b>	634.6	87.9%

\*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)

	FY2014	FY2015		
	Results	Results	YoY Change	Growth
MSI Aioi Life	441.8	<b>461.1</b>	19.3	4.4%
MSI Primary Life	1,054.0	<b>1,299.4</b>	245.4	23.3%

## 2. Consolidated Earnings for FY 2015 (1) - Overview (ii)

- Ordinary profit increased by 4.5 billion yen year-on-year to 291.5 billion yen as a result of increased profit at domestic life insurance companies, despite a decreased profit at MSI, ADI and overseas subsidiaries.
- Net income increased by 45.2 billion yen year-on-year to 181.5 billion yen.

(¥ bn)

	FY2014 Results	FY2015 Results	FY2015	
			YoY Change	Change Ratio
Ordinary profit	287.0	<b>291.5</b>	4.5	1.6%
Mitsui Sumitomo Insurance	171.3	<b>167.8</b>	- 3.4	-2.0%
Aioi Nissay Dowa Insurance	68.9	<b>61.7</b>	- 7.2	-10.4%
Mitsui Direct General Insurance	- 4.2	<b>- 5.3</b>	- 1.1	-
MSI Aioi Life	15.9	<b>18.6</b>	2.7	17.0%
MSI Primary Life	17.7	<b>39.9</b>	22.1	125.0%
Overseas subsidiaries	44.8	<b>37.6</b>	- 7.2	-16.1%
Consolidation adjustments, etc.	- 27.5	<b>- 28.9</b>	- 1.4	-
Net income *	136.2	<b>181.5</b>	45.2	33.2%
Mitsui Sumitomo Insurance	89.1	<b>113.9</b>	24.8	27.9%
Aioi Nissay Dowa Insurance	39.4	<b>31.0</b>	- 8.3	-21.2%
Mitsui Direct General Insurance	- 3.1	<b>- 4.3</b>	- 1.1	-
MSI Aioi Life	4.4	<b>6.0</b>	1.6	37.1%
MSI Primary Life	12.4	<b>17.8</b>	5.4	44.0%
Overseas subsidiaries	35.0	<b>28.5</b>	- 6.4	-18.4%
Consolidation adjustments, etc.	- 41.0	<b>- 11.7</b>	29.3	-

\* Consolidated net income represents net income attributable to owners of the parent. Net income of subsidiaries are on equity stake basis, same hereafter.

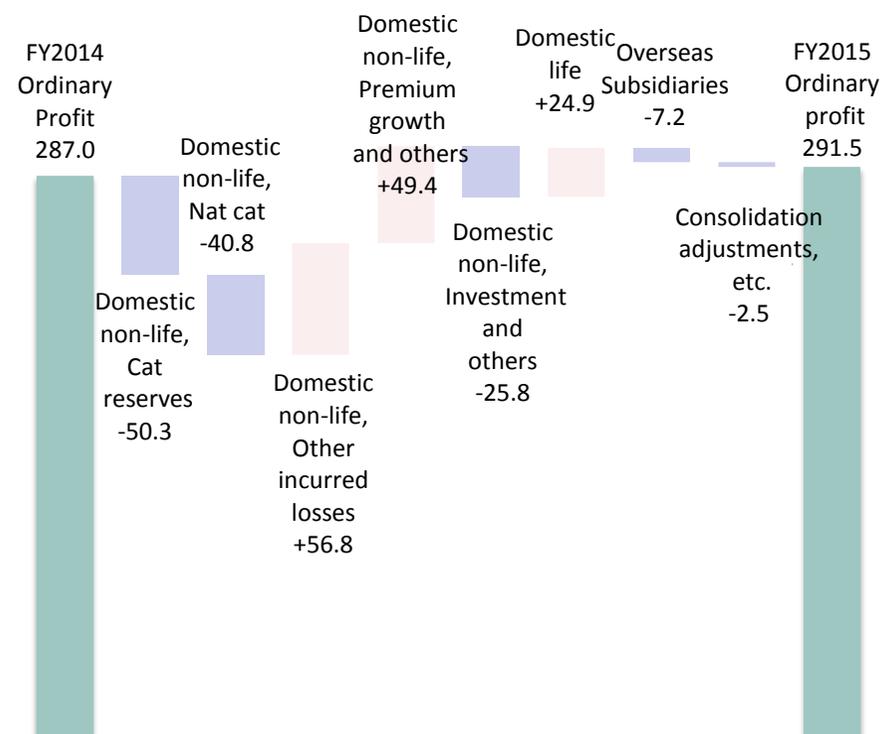
### 3. Consolidated Earnings for FY 2015 (2) - YoY Results Comparisons

- In domestic non-life insurance, positive factors included incurred losses other than natural catastrophes of 56.8 billion yen and the impact of premium growth and others of 49.4 billion yen.
- In domestic non-life insurance, negative factors included the impact of catastrophe reserves at 50.3 billion yen, the impact of natural catastrophes at 40.8 billion yen, and the impact of investment profit and others at 25.8 billion yen.
- Domestic life insurance increased by 24.9 billion yen, while overseas subsidiaries fell by 7.2 billion yen.

#### Factors in YoY changes in consolidated ordinary profit ( ¥ bn)

	FY2014 (a)	FY2015 (b)	Difference (b)-(a)
Consolidated ordinary profit	287.0	291.5	4.5
Domestic non-life insurance companies*1 Impact of cat reserves	-31.3	-81.6	-50.3
Domestic non-life insurance companies*1 Impact of natural catastrophes*2	-27.2	-68.1	-40.8
Domestic non-life insurance companies*1 Other incurred losses*3	-1,310.6	-1,253.8	56.8
Domestic non-life insurance companies*1 Impact of premium growth and others*4	-1,398.0	1,447.5	49.4
Domestic non-life insurance companies*1 Investment profit and others	211.5	185.6	-25.8
Domestic life insurance subsidiaries	33.6	58.6	24.9
Overseas subsidiaries	44.8	37.6	-7.2
Consolidation adjustments, etc.	-31.7	-34.3	-2.5

#### Consolidated ordinary profit ( ¥ bn)



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

\*2 "Impact of natural catastrophes" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and floods in Thailand in FY2011. But the figure of FY 2015 excludes the impact of floods in Thailand because its impact became very small.

\*3 "Other incurred losses" means incurred losses with loss adjustment expenses excluding impact of natural catastrophes and residential earthquake insurance and CALI.

\*4 "Impact of premium growth and others" means underwriting profit excluding "Impact of cat reserves", "Impact of natural catastrophes" and "Other incurred losses".

## 4. Consolidated Earnings for FY 2015 (3) – Group Core Profit

- Group core profit fell by 8.1 billion yen year-on-year to 147.5 billion yen.
- The combined ratio in domestic non-life insurance fell by 4.4 points to 91.6% due to a increase in net premiums written and the improvement in loss ratio of voluntary automobile insurance.

( ¥ bn)

	FY2014	FY2015	
	Results	Results	YoY Change
Group Core Profit <sup>*1</sup>	155.7	<b>147.5</b>	<b>- 8.1</b>
Domestic non-life insurance business	92.4	<b>91.9</b>	<b>- 0.5</b>
Domestic life insurance business	20.4	<b>25.0</b>	<b>4.5</b>
International business	38.2	<b>27.9</b>	<b>- 10.2</b>
Financial services business and risk related services business	4.6	<b>2.6</b>	<b>- 1.9</b>
Financial targets			
Combined ratio <sup>*2</sup> (Domestic non-life insurance business)	96.0%	<b>91.6%</b>	<b>- 4.4pt</b>
Increase in EV of MSI Aioi Life <sup>*3</sup>	<b>59.7</b>	<b>- 52.0</b>	<b>- 111.8</b>
Group ROE	5.9%	<b>5.2%</b>	<b>- 0.7pt</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 simple sum figures of MSI, ADI and Mitsui Direct General

<b>Group Core Profit</b> 147.5	=	<b>Consolidated Net Income</b> 181.5	-	<b>Net Capital Gains/Losses on Stock portfolio</b> 65.8	-	<b>Net Evaluation Gains/Losses on Credit Derivatives</b> -0.3	-	<b>Other Incidental Factors<sup>※3</sup></b> -31.4	+	<b>Equity in Earnings of the non-consolidated Group Companies</b> 0.1
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※3 Amortization of goodwill, etc. (-12.1 billion yen), Impact of lowered income tax rates (-11.0 billion yen), other extraordinary income/loss.

## 5. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2015 (i)

- Net premiums written increased by 3.6% to 2,699.5 billion yen for the two companies due to a significant increase in fire insurance in addition to premium growth in voluntary automobile insurance and others.
- Underwriting profit prior to reflecting catastrophe reserves increased by 65.5 billion yen to 125.6 billion yen for the two companies due to the impact of increased revenue and a reduction in incurred losses other than natural catastrophes, despite a increase in incurred losses related to natural catastrophes.
- Underwriting profit for the two companies combined increased by 15.2 billion yen to 43.9 billion yen, despite a significant downturn in catastrophe reserves reversal gains.

( ¥ bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,507.4	61.6	1,192.0	31.2	2,699.5	92.8
Growth rate of net premiums written	4.3%	-0.1pt	2.7%	1.3pt	3.6%	0.5pt
Net claims paid (—)	800.8	- 9.9	644.8	- 33.0	1,445.7	- 42.9
<Incurred losses including loss adjustment expense> (—)	897.1	9.6	706.4	- 28.2	1,603.5	- 18.5
Commissions and collection expenses (—)	263.1	9.3	223.1	7.0	486.2	16.4
Operating expenses and general and administrative expense (underwriting) (—)	204.6	- 1.0	185.3	- 4.8	390.0	- 5.8
Underwriting profit prior to reflecting catastrophe reserve	71.6	26.2	54.0	39.2	125.6	65.5
Reversal of catastrophe reserve	- 52.5	- 21.1	- 29.1	- 29.1	- 81.6	- 50.3
<b>Underwriting profit</b>	<b>19.1</b>	<b>5.1</b>	<b>24.8</b>	<b>10.0</b>	<b>43.9</b>	<b>15.2</b>
Ratios						
Net loss ratio*1	58.9%	-3.3pt	59.2%	-4.0pt	59.1%	-3.5pt
Net expenses ratio	31.0%	-0.8pt	34.3%	-0.7pt	32.5%	-0.7pt
<b>Combined ratio</b>	<b>89.9%</b>	<b>-4.1pt</b>	<b>93.5%</b>	<b>-4.7pt</b>	<b>91.6%</b>	<b>-4.2pt</b>
<Reference: Business performance excluding residential earthquake insurance and CALI*2>						
Net loss ratio	56.0%	-3.4pt	56.1%	-4.3pt	56.1%	-3.7pt
Net expenses ratio	33.1%	-0.8pt	36.5%	-0.7pt	34.5%	-0.8pt
<b>Combined ratio</b>	<b>89.1%</b>	<b>-4.2pt</b>	<b>92.6%</b>	<b>-5.0pt</b>	<b>90.6%</b>	<b>-4.5pt</b>

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

## 6. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2015 (ii)

- Investment profit and other ordinary profit fell by just 25.8 billion yen, to 185.6 billion yen, due to an increase in net interest and dividends received and gains on sales of securities resulting from progress in reducing strategic equity holdings, despite the occurrence of foreign exchange losses due to a strong yen and impairment losses on securities.
- Extraordinary gains and losses improved by 4.9 billion yen to -32.0 billion yen, minus factors included the absence of the transfer consideration associated with the reorganization by function that was recorded in the previous year, and the occurrence of costs for career/transition measures in the current year, while positive factors included a reduction in the additional provision of 63.0 billion yen for price fluctuation reserves in the previous year.
- Net income increased by 16.4 billion yen to 145.0 billion yen.
- Sales of strategic equity holdings for the two companies combined amounted to 181.1 billion yen.

	MSI (Non-consolidated)		ADI (Non-consolidated)		(< reference > Simple Sum)	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit</b>	<b>19.1</b>	<b>5.1</b>	<b>24.8</b>	<b>10.0</b>	<b>43.9</b>	<b>15.2</b>
Net interest and dividends income	79.4	8.7	39.5	- 0.6	118.9	8.1
Gains on sales of securities	99.1	9.0	10.4	- 9.5	109.5	- 0.4
impairment losses on securities ( - )	7.2	3.9	6.6	6.5	13.9	10.5
<b>Investment profit and Other ordinary profit</b>	<b>148.7</b>	<b>- 8.5</b>	<b>36.8</b>	<b>- 17.2</b>	<b>185.6</b>	<b>- 25.8</b>
<b>Ordinary profit</b>	<b>167.8</b>	<b>- 3.4</b>	<b>61.7</b>	<b>- 7.2</b>	<b>229.6</b>	<b>- 10.6</b>
<b>Extraordinary income</b>	<b>- 11.7</b>	<b>21.9</b>	<b>- 20.2</b>	<b>- 17.0</b>	<b>- 32.0</b>	<b>4.9</b>
<b>Income before income taxes</b>	<b>156.1</b>	<b>18.5</b>	<b>41.5</b>	<b>- 24.2</b>	<b>197.6</b>	<b>- 5.7</b>
<b>Net income</b>	<b>113.9</b>	<b>24.8</b>	<b>31.0</b>	<b>- 8.3</b>	<b>145.0</b>	<b>16.4</b>

## 7. Domestic Non-life Insurance Companies FY 2015 (2) - Impact of Natural Catastrophes

- Incurred losses related to natural catastrophes for both companies combined increased 40.8 billion yen year-on-year to 68.1 billion yen.
- Net claims paid for natural catastrophes decreased by 34.3 billion yen compared to the previous year, in which there were substantial claim payments related to the heavy snowfall in February 2014.

### Impact of natural catastrophes

( ¥ bn)

	Incurred Losses		Net Claims Paid		Provision for O/S* <sup>1</sup>		Balance of O/S* as of Mar. 31, 2016
		YoY Change		YoY Change		YoY Change	
Net Cat. In Japan ( Occurred in FY2015)	<b>67.7</b>	<b>37.6</b>	<b>62.7</b>	<b>35.6</b>	<b>4.9</b>	<b>1.9</b>	<b>4.9</b>
Mitsui Sumitomo Insurance	37.9	19.6	35.9	19.5	2.0	0.0	2.0
Aioi Nissay Dowa Insurance	29.7	18.0	26.8	16.0	2.9	1.9	2.9
Heavy snowfalls in Japan (Occurred in Feb. 2014)	<b>0.3</b>	<b>- 1.9</b>	<b>1.7</b>	<b>- 62.3</b>	<b>- 1.3</b>	<b>60.4</b>	<b>0.5</b>
Mitsui Sumitomo Insurance	0.1	- 1.5	0.6	- 37.2	- 0.4	35.6	0.1
Aioi Nissay Dowa Insurance	0.1	- 0.3	1.0	- 25.1	- 0.8	24.7	0.4
Floods in Thailand (Occurred in FY2011) * <sup>2</sup>	—	5.1	—	- 7.6	—	12.7	—
<b>Total</b>	<b>68.1</b>	<b>40.8</b>	<b>64.4</b>	<b>- 34.3</b>	<b>3.6</b>	<b>75.1</b>	<b>5.5</b>

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

\*2 The above figure of FY 2015 excludes the impact of floods in Thailand because its impact became very small.

## 8. Domestic Non-life Insurance Companies FY 2015 (3) - Catastrophe Reserves

- The net change in the catastrophe reserves for the two companies increased by 50.3 billion yen year-on-year to 81.6 billion yen.
- Reversals totaled 23.7 billion yen for the two companies (down 61.4 billion yen year-on-year) due to the almost complete dissipation of the payment of claims related to the heavy snowfall of February 2014, and an improvement in the loss ratio for voluntary automobile insurance. The provision for the two companies was 105.4 billion yen (down 11.1 billion yen).

### Catastrophe reserves

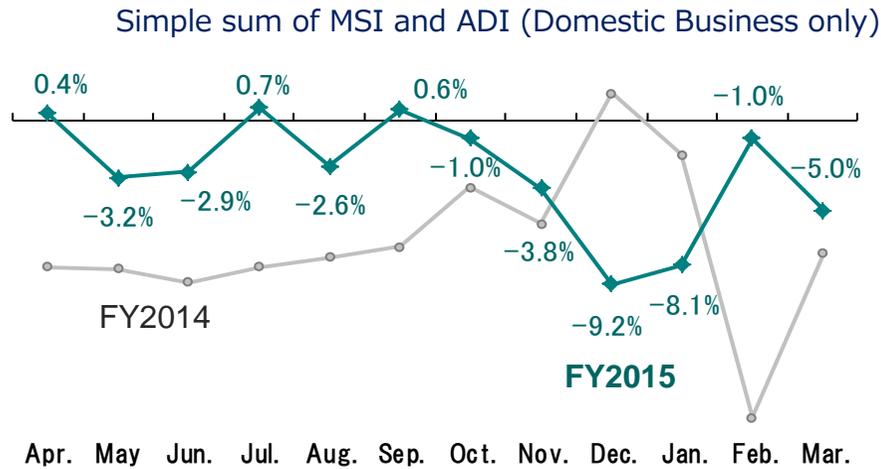
(¥ bn)

		Reversal	Provision	Change		Balance as of Mar. 31, 2016
					YoY	
Mistui Sumitomo Insurance	Fire and allied	-	22.0	22.0	4.4	140.2
	Marine	-	3.0	3.0	0.1	75.3
	Personal accident	3.5	4.4	0.8	0.7	63.1
	Voluntary auto	4.4	20.6	16.2	13.9	38.0
	Other	1.9	12.1	10.2	1.8	165.6
	<b>Total</b>	<b>9.9</b>	<b>62.4</b>	<b>52.5</b>	<b>21.1</b>	<b>482.5</b>
Aioi Nissay Dowa Insurance	Fire and allied	-	13.6	13.6	19.6	112.1
	Marine	-	0.0	0.0	0.1	13.8
	Personal accident	-	2.0	2.0	-0.1	63.1
	Voluntary auto	13.0	21.5	8.5	8.4	29.9
	Other	0.7	5.6	4.8	1.1	59.1
	<b>Total</b>	<b>13.7</b>	<b>42.9</b>	<b>29.1</b>	<b>29.1</b>	<b>278.2</b>
Simple Sum of MSI and ADI	Fire and allied	-	35.7	35.7	24.1	252.3
	Marine	-	3.1	3.1	0.2	89.2
	Personal accident	3.5	6.4	2.8	0.5	126.3
	Voluntary auto	17.4	42.2	24.7	22.3	67.9
	Other	2.6	17.8	15.1	3.0	224.8
	<b>Total</b>	<b>23.7</b>	<b>105.4</b>	<b>81.6</b>	<b>50.3</b>	<b>760.7</b>

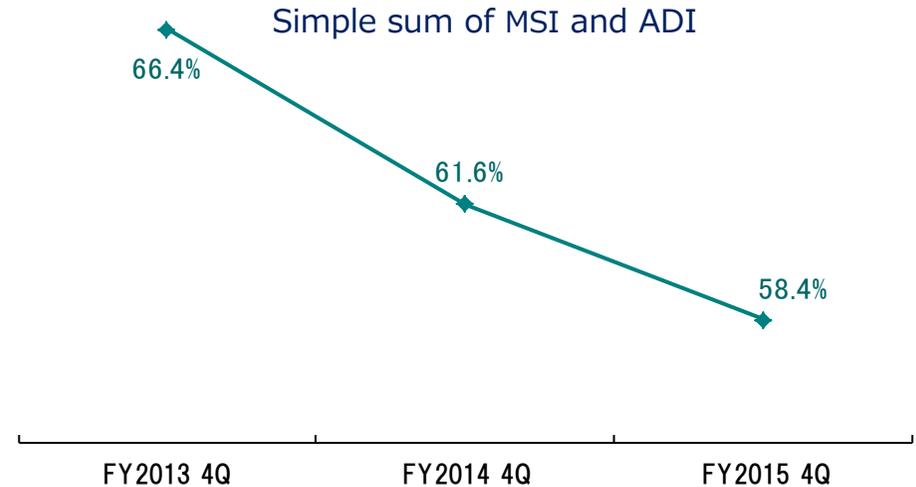
# 9. Domestic Non-life Insurance Companies FY 2015 (4) – Voluntary Auto Insurance

- The number of accidents decreased due to little snowfall, and with the effect of premium rate revisions, the EI loss ratio fell by 3.2 points year-on-year to 58.4%.
- The average payout per claim rose due to an increase in the cost of repairs and other factors.

**Trend in the Number of Accidents**  
(per day, %YOY, including heavy snowfall in Feb 2014, excl. the number of accidents caused by nat cat)



**EI Loss Ratio (incl. loss adjustment expenses)**



## Insurance Premiums and Claims

### Mitsui Sumitomo Insurance

< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	+0.4%	+2.5%	+3.0%
< Domestic >	Property damage liability	Vehicle damage (Excl. nat cat)	
Changes in average payout per claim	+2.3%	+2.6%	

### Aioi Nissay Dowa Insurance

< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	-1.1%	+2.7%	+1.5%
< Domestic >	Property damage liability	Vehicle damage (Excl. nat cat)	
Changes in average payout per claim	+1.4%	-0.2%	

\* Changes in average payout per claim” means change in average payout per claim over one-year period ended Mar. 31, 2016 compared with average payout per claim in one-year period ended Mar. 31, 2015.  
 \* All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr.- Mar.), %YoY  
 \* Figures for “ Vehicle Damage (excluding nat cat) ” includes the impact caused by heavy snow fall in Feb. 2014.  
 \* EI loss ratio is calculated based on the figure during April and Mar. for each year.

- The amount of new policies decreased by 2.3% year-on-year to 2,423.3 billion yen due to an decrease in income guarantee insurance and other factors.
- Net income increased by 1.6 billion yen year-on-year to 6.0 billion yen.
- EEV fell by 52.0 billion yen due primarily to the impact of economic fluctuations (impact caused by lower interest rate was a negative 135.4 billion yen)

## MSI Aioi Life

( ¥ bn)

	FY 2014 Results	Results	FY 2015	
			YoY Change	Change Ratio
Amount of new policies *	2,481.1	<b>2,423.3</b>	- 57.8	-2.3%
Annualized premiums of new policies	46.2	<b>48.1</b>	1.8	4.1%
of which, third sector insurance	14.4	<b>13.5</b>	- 0.9	-6.5%
Amount of policies in force *	21,894.0	<b>22,576.0</b>	681.9	3.1%
Annualized premiums of policies in force	353.4	<b>375.7</b>	22.2	6.3%
of which, third sector insurance	70.5	<b>78.7</b>	8.2	11.7%
Gross premiums income	441.8	<b>461.1</b>	19.3	4.4%
Ordinary profit	15.9	<b>18.6</b>	2.7	17.0%
Net Income	4.4	<b>6.0</b>	1.6	37.1%
Core profit	16.1	<b>19.4</b>	3.3	20.6%
EEV	647.8	<b>595.8</b>	- 52.0	
Net worth	268.4	<b>407.2</b>	138.7	
Value of in-force business	379.4	<b>188.5</b>	- 190.8	
of which, value of new contract	50.4	<b>40.8</b>	- 9.6	

\* Total sum of personal insurance and personal annuity insurance.

- Gross premiums income rose by 23.3% to 1,299.4 billion yen due to the solid performance of both fixed insurance and variable insurance.
- Net income increased by 5.4 billion yen to 17.8 billion yen due to a decrease in the burden of policy reserve for foreign currency-denominated products resulting from a rise in Australian dollar interest rates, which was a big fall in the previous fiscal year.
- MSI Primary Life made an additional provision of 11.3 billion yen for price fluctuation reserves, preparing for the future market changes.

## MSI Primary Life

(¥ bn)

	FY 2014 Results	FY 2015 Results	FY 2015	
			YoY Change	Change Ratio
Amount of new policies*	1,024.7	<b>1,262.6</b>	237.8	23.2%
Amount of policies in force*	4,421.0	<b>4,910.8</b>	489.7	11.1%
Gross premiums income	1,054.0	<b>1,299.4</b>	245.4	23.3%
Ordinary profit	17.7	<b>39.9</b>	22.1	125.0%
Net Income	12.4	<b>17.8</b>	5.4	44.0%
Core profit	- 33.4	<b>14.3</b>	47.7	-
EEV	310.2	<b>333.8</b>	23.6	
Net worth	237.4	<b>245.5</b>	8.1	
Value of in-force business	72.7	<b>88.2</b>	15.5	
of which, value of new contract	26.2	<b>33.7</b>	7.5	

\* Total sum of personal insurance and personal annuity insurance.

- Net premiums written increased by 14.9% to 336.8 billion yen, due to an increase in all regions excluding reinsurance business (foreign exchange had a positive impact of 13.5 billion yen).
- Net income fell by 6.4 billion yen to 28.5 billion yen due to a 6.7 billion yen decrease in Europe.

### Overseas Subsidiaries

(¥ bn)

	FY 2014 Results	Results	FY 2015	
			YoY Change	Change ratio
Net premiums written	<b>293.2</b>	<b>336.8</b>	<b>43.6</b>	<b>14.9%</b>
Asia	149.7	170.3	20.6	13.8%
Europe	82.6	102.0	19.4	23.5%
Americas	41.7	45.8	4.0	9.6%
Reinsurance	19.1	18.6	- 0.4	-2.3%
Net income	<b>35.0</b>	<b>28.5</b>	<b>- 6.4</b>	<b>-18.4%</b>
Asia	17.9	16.6	- 1.2	-7.1%
Europe	4.6	- 2.0	- 6.7	-145.1%
Americas	1.3	3.2	1.9	139.5%
Reinsurance	11.0	10.7	- 0.3	-3.2%

## FY 2015 Results Data

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Mitsui Sumitomo Insurance (Non-consolidated)

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Aioi Nissay Dowa Insurance (Non-consolidated)

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Simple sum of MSI and ADI (Non-consolidated)

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# 13. Non-consolidated Results for FY 2015 - MSI (i)

( ¥ bn)

	FY 2014 Results	FY 2015	
		Results	YoY Change
Net premiums written	1,445.8	<b>1,507.4</b>	61.6
Growth rate of net premiums written	4.4%	<b>4.3%</b>	-0.1pt
Net loss ratio	62.2%	<b>58.9%</b>	-3.3pt
Net expense ratio	31.8%	<b>31.0%</b>	-0.8pt
Combined ratio	94.0%	<b>89.9%</b>	-4.1pt
Incurred losses (Incl. loss adjustment expenses)	887.4	<b>897.1</b>	9.6
Underwriting profit	14.0	<b>19.1</b>	5.1
Net interest and dividends income	70.6	<b>79.4</b>	8.7
Gains on sales of securities	90.0	<b>99.1</b>	9.0
Impairment losses on securities	- 3.3	<b>- 7.2</b>	- 3.9
Investment profit	158.3	<b>152.8</b>	- 5.5
Ordinary profit	171.3	<b>167.8</b>	- 3.4
Extraordinary income	- 33.7	<b>- 11.7</b>	21.9
Net income	89.1	<b>113.9</b>	24.8
< Excluding residential earthquake insurance and CALI >			
Growth rate of net premiums written	4.5%	<b>4.4%</b>	-0.1pt
Net loss ratio	59.4%	<b>56.0%</b>	-3.4pt
Net expense ratio	33.9%	<b>33.1%</b>	-0.8pt
Combined ratio	93.3%	<b>89.1%</b>	-4.2pt
Incurred losses (Incl. loss adjustment expenses)	738.5	<b>748.1</b>	9.5

## Net Premiums Written (¥ bn)

	FY 2014	FY 2015	
	Results	Results	Growth
Fire and allied	222.6	<b>242.4</b>	8.9%
Marine	65.2	<b>66.9</b>	2.6%
Personal accident	149.6	<b>140.9</b>	-5.8%
Voluntary automobile	626.2	<b>645.6</b>	3.1%
CALI	180.1	<b>186.5</b>	3.6%
Other	201.8	<b>224.8</b>	11.4%
<b>Total</b>	<b>1,445.8</b>	<b>1,507.4</b>	<b>4.3%</b>
Excluding residential earthquake insurance and CALI	1,264.9	<b>1,320.0</b>	4.4%

## Net Loss Ratio

	FY 2014	FY 2015	
	Results	Results	YoY Change
Fire and allied	67.0%	<b>55.2%</b>	-11.8pt
Marine	49.9%	<b>53.9%</b>	4.0pt
Personal accident	58.7%	<b>57.7%</b>	-1.0pt
Voluntary automobile	60.9%	<b>59.2%</b>	-1.7pt
CALI	81.8%	<b>79.8%</b>	-2.0pt
Other	49.7%	<b>47.2%</b>	-2.5pt
<b>Total</b>	<b>62.2%</b>	<b>58.9%</b>	<b>-3.3pt</b>
Excluding residential earthquake insurance and CALI	59.4%	<b>56.0%</b>	-3.4pt

# 15. Non-consolidated Results for FY 2015 - MSI (iii)

## Incurring losses\*1 and EI loss ratio (including loss adjustment expenses)

(¥ bn)

	FY 2014					FY 2015					
	Incurring Losses*1 (a)	EI Loss Ratio*2	Nat Cat Impact*3 (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurring Losses*1 (c)	EI Loss Ratio*2	Nat Cat Impact*3 (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	108.9	57.9%	11.5	97.3	51.8%	130.4	<b>67.3%</b>	33.4	97.0	<b>50.1%</b>	-1.7pt
Marine	34.9	56.4%	0.1	34.8	56.2%	39.7	<b>58.5%</b>	0.1	39.5	<b>58.3%</b>	2.1pt
Personal accident	85.8	58.3%	0.1	85.7	58.2%	77.7	<b>54.7%</b>	0.0	77.7	<b>54.7%</b>	-3.5pt
Voluntary automobile	384.9	61.9%	1.2	383.7	61.7%	383.3	<b>59.9%</b>	2.4	380.8	<b>59.5%</b>	-2.2pt
Other	123.7	64.4%	2.1	121.6	63.3%	116.8	<b>54.6%</b>	2.1	114.6	<b>53.6%</b>	-9.7pt
Total (A)*4	738.5	61.0%	15.1	723.3	59.7%	748.1	<b>59.5%</b>	38.1	709.9	<b>56.4%</b>	-3.3pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	148.9	/	—	148.9	/	149.0	/	—	149.0	/	/
Total (A)+(B)+(C)	887.4	/	15.1	872.3	/	897.1	/	38.1	858.9	/	/

\*1 Incurring losses = net claims paid + loss adjustment expenses + movement in outstanding claims

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

\*3 "Nat Cat (Natural Catastrophe) Impact" is the total of incurring losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and floods in Thailand in FY2011. But the figures of FY 2015 excludes the impact of floods in Thailand because its impact became very small. (The impact for FY2014 : -4.9 billion yen)

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

## 16. Non-consolidated Results for FY 2015 - ADI (i)

MS&AD

(¥ bn)

	FY2014 Results	FY2015	
		Results	YoY Change
Net premiums written	1,160.8	<b>1,192.0</b>	31.2
Growth rate of net premiums written	1.4%	<b>2.7%</b>	1.3pt
Net loss ratio	63.2%	<b>59.2%</b>	-4.0pt
Net expense ratio	35.0%	<b>34.3%</b>	-0.7pt
Combined ratio	98.2%	<b>93.5%</b>	-4.7pt
Incurred losses (Incl. loss adjustment expenses)	734.6	<b>706.4</b>	- 28.2
Underwriting profit	14.7	<b>24.8</b>	10.0
Net interest and dividends income	40.1	<b>39.5</b>	- 0.6
Gains on sales of securities	19.9	<b>10.4</b>	- 9.5
Impairment losses on securities	- 0.0	<b>- 6.6</b>	- 6.5
Investment profit	51.5	<b>34.9</b>	- 16.6
Ordinary profit	68.9	<b>61.7</b>	- 7.2
Extraordinary income	- 3.2	<b>- 20.2</b>	- 17.0
Net income	39.4	<b>31.0</b>	- 8.3
< Excluding residential earthquake insurance and CALI >			
Growth rate of net premiums written	1.3%	<b>2.9%</b>	1.6pt
Net loss ratio	60.4%	<b>56.1%</b>	-4.3pt
Net expense ratio	37.2%	<b>36.5%</b>	-0.7pt
Combined ratio	97.6%	<b>92.6%</b>	-5.0pt
Incurred losses (Incl. loss adjustment expenses)	599.4	<b>573.7</b>	- 25.6

## Net Premium Written

( ¥ bn)

	FY 2014	FY 2015	
	Results	Results	Growth
Fire and allied	144.9	<b>167.6</b>	15.7%
Marine	7.5	<b>5.7</b>	-23.9%
Personal accident	69.5	<b>63.5</b>	-8.6%
Voluntary automobile	665.2	<b>671.8</b>	1.0%
CALI	167.7	<b>170.6</b>	1.7%
Other	105.8	<b>112.6</b>	6.3%
<b>Total</b>	<b>1,160.8</b>	<b>1,192.0</b>	<b>2.7%</b>
Excluding residential earthquake insurance and CALI	992.6	<b>1,020.9</b>	2.9%

## Net Loss Ratio

	FY 2014	FY 2015	
	Results	Results	Change
Fire and allied	66.2%	<b>51.9%</b>	-14.3pt
Marine	62.4%	<b>43.4%</b>	-19.0pt
Personal accident	49.5%	<b>52.0%</b>	2.5pt
Voluntary automobile	61.0%	<b>58.1%</b>	-2.9pt
CALI	80.2%	<b>78.1%</b>	-2.1pt
Other	55.1%	<b>53.0%</b>	-2.1pt
<b>Total</b>	<b>63.2%</b>	<b>59.2%</b>	<b>-4.0pt</b>
Excluding residential earthquake insurance and CALI	60.4%	<b>56.1%</b>	-4.3pt

# 18. Non-consolidated Results for FY 2015 - ADI (iii)

## Incurring losses\*1 and EI loss ratio (including loss adjustment expenses )

( ¥ bn )

	FY 2014					FY 2015					
	Incurring Losses*1 (a)	EI Loss Ratio*2	Nat Cat Impact*3 (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurring Losses*1 (c)	EI Loss Ratio*2	Nat Cat Impact*3 (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	77.3	56.3%	10.4	66.9	48.7%	89.2	<b>61.1%</b>	24.8	64.4	<b>44.1%</b>	-4.6pt
Marine	4.8	53.2%	—	4.8	53.2%	2.7	<b>50.8%</b>	—	2.7	<b>50.8%</b>	-2.4pt
Personal accident	32.7	48.8%	0.0	32.6	48.7%	29.8	<b>46.4%</b>	0.0	29.8	<b>46.4%</b>	-2.3pt
Voluntary automobile	405.6	61.3%	0.8	404.8	61.2%	385.2	<b>57.0%</b>	3.5	381.6	<b>56.5%</b>	-4.7pt
Other	78.7	75.4%	0.8	77.9	74.6%	66.7	<b>60.6%</b>	1.5	65.1	<b>59.2%</b>	-15.4pt
Total (A)*4	599.4	61.2%	12.1	587.2	59.9%	573.7	<b>57.3%</b>	29.9	543.8	<b>54.3%</b>	-5.6pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	135.2	/	—	135.2	/	132.6	/	—	132.6	/	/
Total (A)+(B)+(C)	734.6	/	12.1	722.5	/	706.4	/	29.9	676.4	/	/

\*1 Incurring losses = net claims paid + loss adjustment expenses + movement in outstanding claims

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

\*3 "Nat Cat (Natural Catastrophe) Impact" is the total of incurring losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and floods in Thailand in FY2011. But the figures of FY 2015 excludes the impact of floods in Thailand because its impact became very small.(The impact for FY2014 : -0.1 billion yen)

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

## 19. Simple sum of MSI and ADI ( Non-consolidated) (i)

( ¥ bn)

	FY 2014 Results	FY 2015	
		Results	YoY Change
Net premiums written	2,606.6	2,699.5	92.8
Growth rate of net premiums written	3.1%	3.6%	0.5pt
Net loss ratio	62.6%	59.1%	-3.5pt
Net expense ratio	33.2%	32.5%	-0.7pt
Combined ratio	95.8%	91.6%	-4.2pt
Incurred losses (Incl. loss adjustment expenses)	1,622.1	1,603.5	- 18.5
Underwriting profit	28.7	43.9	15.2
Net interest and dividends income	110.8	118.9	8.1
Gains on sales of securities	110.0	109.5	- 0.4
Impairment losses on securities	- 3.4	- 13.9	- 10.5
Investment profit	209.8	187.7	- 22.1
Ordinary profit	240.3	229.6	- 10.6
Extraordinary income	- 36.9	- 32.0	4.9
Net income	128.5	145.0	16.4
<Excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	3.1%	3.7%	0.6pt
Net loss ratio	59.8%	56.1%	-3.7pt
Net expense ratio	35.3%	34.5%	-0.8pt
Combined ratio	95.1%	90.6%	-4.5pt
Incurred losses (Incl. loss adjustment expenses)	1,337.9	1,321.9	- 16.0

### Net premiums written ( ¥ bn)

	FY 2014	FY 2015	
	Results	Results	Growth
Fire and allied	367.5	410.1	11.6%
Marine	72.8	72.7	-0.2%
Personal accident	219.1	204.5	-6.7%
Voluntary automobile	1,291.4	1,317.4	2.0%
CALI	347.8	357.1	2.7%
Other	307.7	337.4	9.7%
<b>Total</b>	<b>2,606.6</b>	<b>2,699.5</b>	<b>3.6%</b>
Total excl. residential EQ insurance and CALI	2,257.6	2,340.9	3.7%

### Net loss ratio

	FY 2014	FY 2015	
	Results	Results	YoY change
Fire and allied	66.7%	53.8%	-12.9pt
Marine	51.2%	53.1%	1.9pt
Personal accident	55.8%	56.0%	0.2pt
Voluntary automobile	61.0%	58.6%	-2.4pt
CALI	81.0%	79.0%	-2.0pt
Other	51.6%	49.1%	-2.5pt
<b>Total</b>	<b>62.6%</b>	<b>59.1%</b>	<b>-3.5pt</b>
Total excl. residential EQ insurance and CALI	59.8%	56.1%	-3.7pt

### Incurred losses (excluding residential earthquake insurance and CALI, incl. loss adjustment expenses) ( ¥ bn)

	FY 2014	FY 2015	
	Results	Results	YoY Change
Incurred losses (Incl. loss adjustment expenses) <sup>*1</sup>	1,337.9	1,321.9	-16.0
Natural catastrophes <sup>*2</sup>	27.2	68.1	40.8
Other than natural catastrophes	1,310.6	1,253.8	-56.8

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

\*2 "Natural catastrophes" mean domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and floods in Thailand in FY2011. But the figures for FY2015 excludes the impact of floods in Thailand because its impact became very small.  
(The impact of floods in Thailand for FY2014 : -5.1 billion yen)

# Projected Financial Results for FY2016

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## 21. Consolidated Earnings Forecasts for FY 2016 (1)

(¥ bn)

	FY 2015 Results	FY 2016 Forecasts		
			YoY Change	Change Ratio
Net premiums written *	3,078.9	<b>3,455.0</b>	376.0	12.2%
Mitsui Sumitomo Insurance	1,507.4	<b>1,488.0</b>	- 19.4	-1.3%
Aioi Nissay Dowa Insurance	1,192.0	<b>1,212.0</b>	19.9	1.7%
Mitsui Direct General Insurance	36.5	<b>37.6</b>	1.0	2.8%
Overseas subsidiaries	336.8	<b>710.0</b>	373.1	110.8%
Life insurance premiums	1,356.3	<b>1,208.0</b>	- 148.3	-10.9%

- 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)

	FY 2015 Results	FY 2016 Forecasts		
			YoY Change	Change Ratio
MSI Aioi Life	461.1	<b>477.3</b>	16.2	3.5%
MSI Primary Life	1,299.4	<b>1,000.0</b>	- 299.4	-23.0%

## 22. Consolidated Earnings Forecasts for FY 2016 (2)

(¥ bn)

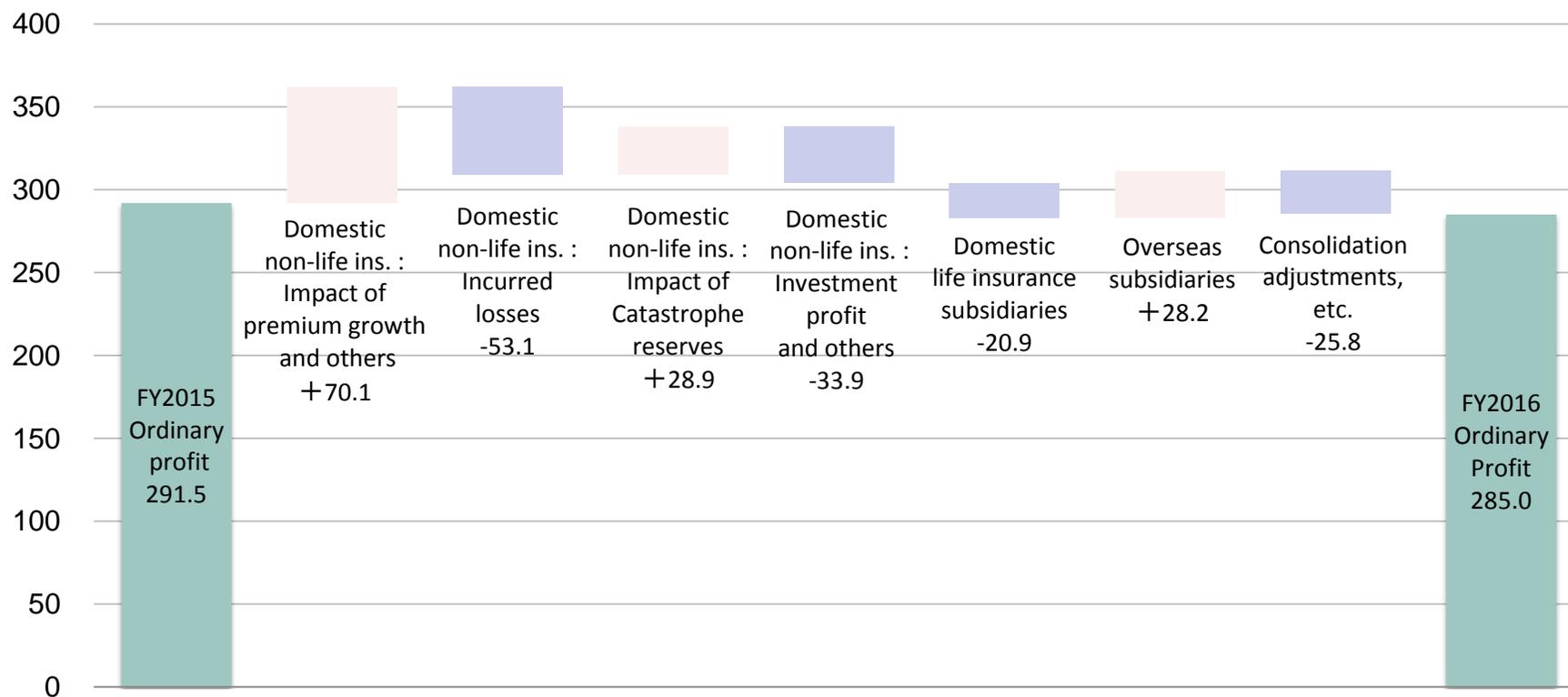
	FY 2015 Results	FY 2016 Forecasts	
			YoY Change
Ordinary profit	291.5	<b>285.0</b>	<b>- 6.5</b>
Mitsui Sumitomo Insurance	167.8	<b>174.0</b>	<b>6.1</b>
Aioi Nissay Dowa Insurance	61.7	<b>66.0</b>	<b>4.2</b>
Net income *	181.5	<b>183.0</b>	<b>1.4</b>
Mitsui Sumitomo Insurance	113.9	<b>132.0</b>	<b>18.0</b>
Aioi Nissay Dowa Insurance	31.0	<b>42.0</b>	<b>10.9</b>
Mitsui Direct General Insurance	- 4.3	<b>- 0.6</b>	<b>3.8</b>
MSI Aioi Life	6.0	<b>4.0</b>	<b>- 2.0</b>
MSI Primary Life	17.8	<b>15.0</b>	<b>- 2.8</b>
Overseas subsidiaries	28.5	<b>55.0</b>	<b>26.4</b>
Consolidation adjustments, etc.	- 11.7	<b>- 64.4</b>	<b>- 52.7</b>

\* Consolidated net income represents net income attributable to owners of the parent. Net income of subsidiaries are on equity stake basis, same hereafter.

- While domestic non-life incurred losses increased by 53.1 billion yen, the impact of increased premiums in domestic non-life insurance and others (increase of earned premium, etc.) will increase by 70.1 billion yen, and underwriting profits are forecast to increase.
- In provision/reversal on catastrophe reserves, reversals are expected to progress.
- The increase at overseas subsidiaries and the drop in other consolidated adjustment amount was due primary to the new consolidation and amortization of goodwill of MS Amlin, etc.

### Factors behind change from the previous year for consolidated ordinary profit

(¥ bn)



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

## 24. Consolidated Earnings Forecasts for FY 2016 (4)

(¥ bn)

	FY 2015 Results	FY 2016 Forecasts	
			YoY Change
Group Core Profit *	147.5	<b>196.0</b>	<b>48.4</b>
Domestic non-life insurance	91.9	<b>121.0</b>	<b>29.0</b>
Domestic life insurance	25.0	<b>18.0</b>	<b>- 7.0</b>
International business	27.9	<b>53.0</b>	<b>25.0</b>
Financial services/Risk related services	2.6	<b>4.0</b>	<b>1.3</b>
<b>Financial Targets</b>			
Combined ratio (Domestic non-life insurance)	91.6%	<b>94.4%</b>	<b>2.8pt</b>
Increase in EV of MSI Aioi Life	- 52.0	<b>48.0</b>	<b>100.0</b>
Group ROE*	5.2%	<b>6.9%</b>	<b>1.7pt</b>

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

## 25. Major Assumptions for Revised Earnings Forecasts for FY 2016

(¥ bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	<b>Assumes the level at the end of Mar. 2016</b> (reference) at the end of Mar. 2016 Nikkei average : ¥ 16,759 US\$1 = ¥ 113 Euro1 = ¥ 128	
Domestic natural catastrophes occurring in FY 2016	<b>40.0 (+2.0)</b>	<b>22.5 (-7.2)</b>
of which, Kumamoto earthquake (excluding residential earthquake)	<b>10.0</b>	<b>2.5</b>
Catastrophe reserves (For fire insurance)		
Provision	<b>27.8*1 (+5.7)</b>	<b>12.9 (-0.7)</b>
Reversal	<b>22.1 (+22.0)</b>	<b>13.9 (+13.9)</b>
Change	<b>5.7 (-16.3)</b>	<b>-1.0 (-14.6)</b>
Catastrophe reserves (For voluntary automobile insurance)		
Provision	<b>21.0 (+0.3)</b>	<b>21.8 (+0.2)</b>
Reversal	<b>6.0 (+1.5)</b>	<b>14.7(+1.6)</b>
Change	<b>15.0 (-1.2)</b>	<b>7.1 (-1.4)</b>
Corporate tax rate (Effective tax rate)	<b>28.2%</b>	

※ Figures in parentheses show change from the previous year's results.

\*1 Including additional provision ( ¥10.0 billion)

## 26. Earnings Forecasts for FY 2016- MSI (Non-consolidated) (1)

(¥ bn)

	FY 2015 Results	FY 2016 Forecasts	
			YoY Change
Net premiums written	1,507.4	<b>1,488.0</b>	<b>- 19.4</b>
Growth rate of net premiums written	4.3%	<b>-1.3%</b>	<b>- 5.6pt</b>
Net loss ratio	58.9%	<b>62.1%</b>	<b>3.2pt</b>
Net expense ratio	31.0%	<b>31.5%</b>	<b>0.5pt</b>
Combined ratio	89.9%	<b>93.6%</b>	<b>3.7pt</b>
Incurred losses (Incl. loss adjustment expenses)	897.1	<b>920.6</b>	<b>23.4</b>
Underwriting profit	19.1	<b>52.0</b>	<b>32.8</b>
Net interest and dividends income	79.4	<b>79.0</b>	<b>- 0.4</b>
Gains on sales of securities	99.1	<b>55.3</b>	<b>- 43.8</b>
Impairment losses on securities	- 7.2	<b>- 3.0</b>	<b>4.2</b>
Investment profit	152.8	<b>127.2</b>	<b>- 25.6</b>
Ordinary profit	167.8	<b>174.0</b>	<b>6.1</b>
Extraordinary income	- 11.7	<b>- 6.0</b>	<b>5.7</b>
Net income	113.9	<b>132.0</b>	<b>18.0</b>
<Excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	4.4%	<b>-1.3%</b>	<b>- 5.7pt</b>
Net loss ratio	56.0%	<b>58.8%</b>	<b>2.8pt</b>
Net expense ratio	33.1%	<b>33.5%</b>	<b>0.4pt</b>
Combined ratio	89.1%	<b>92.3%</b>	<b>3.2pt</b>
Incurred losses (Incl. loss adjustment expenses)	748.1	<b>763.4</b>	<b>15.2</b>

### Net premiums written (¥ bn)

	FY 2015	FY 2016	
	Results	Forecasts	Growth
Fire and allied	242.4	<b>195.7</b>	<b>-19.3%</b>
Marine	66.9	<b>65.1</b>	<b>-2.8%</b>
Personal accident	140.9	<b>139.7</b>	<b>-0.9%</b>
Voluntary automobile	645.6	<b>656.7</b>	<b>1.7%</b>
CALI	186.5	<b>183.9</b>	<b>-1.4%</b>
Other	224.8	<b>246.9</b>	<b>9.8%</b>
Total	1,507.4	<b>1,488.0</b>	<b>-1.3%</b>
Total excl. residential EQ insurance and CALI	1,320.0	<b>1,303.4</b>	<b>-1.3%</b>

### Net loss ratio

	FY 2015	FY 2016	
	Results	Forecasts	YoY Change
Fire and allied	55.2%	<b>71.8%</b>	<b>16.6pt</b>
Marine	53.9%	<b>58.7%</b>	<b>4.8pt</b>
Personal accident	57.7%	<b>55.4%</b>	<b>- 2.3pt</b>
Voluntary automobile	59.2%	<b>59.6%</b>	<b>0.4pt</b>
CALI	79.8%	<b>82.1%</b>	<b>2.3pt</b>
Other	47.2%	<b>50.7%</b>	<b>3.5pt</b>
Total	58.9%	<b>62.1%</b>	<b>3.2pt</b>
Total excl. residential EQ insurance and CALI	56.0%	<b>58.8%</b>	<b>2.8pt</b>

### Incurred losses (excluding residential earthquake insurance and CALI) (¥ bn)

	FY 2015	FY 2016	
	Results	Forecasts	YoY Change
Incurred losses (incl. loss adjustment expenses)* <sup>1</sup>	748.1	<b>763.4</b>	<b>15.2</b>
Natural catastrophes* <sup>2</sup>	38.1	<b>40.0</b>	<b>1.8</b>
Other than natural catastrophes	709.9	<b>723.4</b>	<b>13.4</b>

\*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, heavy snowfalls in Feb. 2014 in Japan. But the figures of FY 2016 excludes the impact of the heavy snowfalls in Feb. 2014, because its impact became very small. (the impact of FY 2015 : 0.1 billion yen)

## 28. Earnings Forecasts for FY 2016 - ADI (Non-consolidated) (1)

(¥ bn)

	FY 2015 Results	FY 2016 Forecasts	
			YoY Change
Net premiums written	1,192.0	<b>1,212.0</b>	<b>19.9</b>
Growth rate of net premiums written	2.7%	<b>1.7%</b>	<b>- 1.0pt</b>
Net loss ratio	59.2%	<b>61.3%</b>	<b>2.1pt</b>
Net expense ratio	34.3%	<b>33.9%</b>	<b>- 0.4pt</b>
Combined ratio	93.5%	<b>95.2%</b>	<b>1.7pt</b>
Incurred losses (Incl. loss adjustment expenses)	706.4	<b>749.0</b>	<b>42.5</b>
Underwriting profit	24.8	<b>38.0</b>	<b>13.1</b>
Net interest and dividends income	39.5	<b>31.0</b>	<b>- 8.5</b>
Gains on sales of securities	10.4	<b>8.5</b>	<b>- 1.9</b>
Impairment losses on securities	- 6.6	<b>- 3.0</b>	<b>3.6</b>
Investment profit	34.9	<b>26.0</b>	<b>- 8.9</b>
Ordinary profit	61.7	<b>66.0</b>	<b>4.2</b>
Extraordinary income	- 20.2	<b>- 10.0</b>	<b>10.2</b>
Net income	31.0	<b>42.0</b>	<b>10.9</b>
<b>&lt;Excluding residential earthquake insurance and CALI&gt;</b>			
Growth rate of net premiums written	2.9%	<b>2.1%</b>	<b>- 0.8pt</b>
Net loss ratio	56.1%	<b>58.1%</b>	<b>2.0pt</b>
Net expense ratio	36.5%	<b>35.9%</b>	<b>- 0.6pt</b>
Combined ratio	92.6%	<b>94.0%</b>	<b>1.4pt</b>
Incurred losses (Incl. loss adjustment expenses)	573.7	<b>611.6</b>	<b>37.8</b>

## Net premiums written ( ¥ bn)

	FY 2015	FY 2016	
	Results	Forecasts	Growth
Fire and allied	167.6	<b>159.9</b>	<b>-4.6%</b>
Marine	5.7	<b>6.0</b>	<b>4.0%</b>
Personal accident	63.5	<b>60.7</b>	<b>-4.5%</b>
Voluntary automobile	671.8	<b>686.8</b>	<b>2.2%</b>
CALI	170.6	<b>168.9</b>	<b>-1.0%</b>
Other	112.6	<b>129.7</b>	<b>15.2%</b>
Total	1,192.0	<b>1,212.0</b>	<b>1.7%</b>
Total excl. residential EQ insurance and CALI	1,020.9	<b>1,042.5</b>	<b>2.1%</b>

## Net loss ratio

	FY 2015	FY 2016	
	Results	Forecasts	YoY Change
Fire and allied	51.9%	<b>64.5%</b>	<b>12.6pt</b>
Marine	43.4%	<b>41.7%</b>	<b>- 1.7pt</b>
Personal accident	52.0%	<b>50.4%</b>	<b>- 1.6pt</b>
Voluntary automobile	58.1%	<b>58.2%</b>	<b>0.1pt</b>
CALI	78.1%	<b>78.8%</b>	<b>0.7pt</b>
Other	53.0%	<b>57.3%</b>	<b>4.3pt</b>
Total	59.2%	<b>61.3%</b>	<b>2.1pt</b>
Total excl. residential EQ insurance and CALI	56.1%	<b>58.1%</b>	<b>2.0pt</b>

## Incurred losses (excluding residential earthquake insurance and CALI) ( ¥ bn)

	FY 2015	FY 2016	
	Results	Forecasts	YoY Change
Incurring losses (incl. loss adjustment expenses)* <sup>1</sup>	573.7	<b>611.6</b>	<b>37.8</b>
Natural Catastrophe* <sup>2</sup>	29.9	<b>22.5</b>	<b>- 7.4</b>
Other than natural catastrophes	543.8	<b>589.1</b>	<b>45.2</b>

\*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, heavy snowfalls in Feb. 2014 in Japan. But the figures of FY 2016 excludes the impact of the heavy snowfalls in Feb. 2014 in Japan, because its impact became very small. ( The impact for FY 2015 : 0.1 billion yen)

## 30. Earnings Forecasts for FY 2016 – Simple sum of MSI & ADI (Non-consolidated)(1)

MS&AD

(¥ bn)

	FY 2014 Results	FY 2015		FY 2016	
		Results	YoY Change	Forecasts	YoY Change
Net premiums written	2,606.6	2,699.5	92.8	2,700.0	0.4
Growth rate of net premiums written	3.1%	3.6%	0.5pt	0.0%	-3.6pt
Net loss ratio	62.6%	59.1%	-3.5pt	61.8%	2.7pt
Net expense ratio	33.2%	32.5%	-0.7pt	32.6%	0.1pt
Combined ratio	95.8%	91.6%	-4.2pt	94.4%	2.8pt
Incurred losses (Incl. loss adjustment expenses)	1,622.1	1,603.5	- 18.5	1,669.6	66.0
Underwriting profit	28.7	43.9	15.2	90.0	46.0
Net interest and dividends income	110.8	118.9	8.1	110.0	- 8.9
Gains on sales of securities	110.0	109.5	- 0.4	63.8	- 45.7
Impairment losses on securities	- 3.4	- 13.9	- 10.5	- 6.0	7.9
Investment profit	209.8	187.7	- 22.1	153.2	- 34.5
Ordinary profit	240.3	229.6	- 10.6	240.0	10.3
Extraordinary income	- 36.9	- 32.0	4.9	- 16.0	15.9
Net income	128.5	145.0	16.4	174.0	28.9
<Excluding residential earthquake insurance and CALI>					
Growth rate of net premiums written	3.1%	3.7%	0.6pt	0.2%	-3.5pt
Net loss ratio	59.8%	56.1%	-3.7pt	58.5%	2.4pt
Net expense ratio	35.3%	34.5%	-0.8pt	34.6%	0.1pt
Combined ratio	95.1%	90.6%	-4.5pt	93.1%	2.5pt
Incurred losses (Incl. loss adjustment expenses)	1,337.9	1,321.9	- 16.0	1,375.0	53.1

# 31. Earnings Forecasts for FY 2016 – Simple Sum of MSI & ADI (Non-consolidated) (2)

## Net premiums written

( ¥ bn)

	FY 2014	FY 2015		FY 2016	
	Results	Results	Growth	Forecasts	Growth
Fire and allied	367.5	410.1	11.6%	355.6	-13.3%
Marine	72.8	72.7	-0.2%	71.1	-2.2%
Personal accident	219.1	204.5	-6.7%	200.4	-2.0%
Voluntary automobile	1,291.4	1,317.4	2.0%	1,343.5	2.0%
CALI	347.8	357.1	2.7%	352.8	-1.2%
Other	307.7	337.4	9.7%	376.6	11.6%
<b>Total</b>	<b>2,606.6</b>	<b>2,699.5</b>	<b>3.6%</b>	<b>2,700.0</b>	<b>0.0%</b>
Total excl. residential EQ insurance and CALI	2,257.6	2,340.9	3.7%	2,345.9	0.2%

## Net loss ratio

	FY 2014	FY 2015		FY 2016	
	Results	Results	Growth	Forecasts	Growth
Fire and allied	66.7%	53.8%	-12.9pt	68.6%	14.8pt
Marine	51.2%	53.1%	1.9pt	57.3%	4.2pt
Personal accident	55.8%	56.0%	0.2pt	53.9%	-2.1pt
Voluntary automobile	61.0%	58.6%	-2.4pt	58.9%	0.3pt
CALI	81.0%	79.0%	-2.0pt	80.5%	1.5pt
Other	51.6%	49.1%	-2.5pt	53.0%	3.9pt
<b>Total</b>	<b>62.6%</b>	<b>59.1%</b>	<b>-3.5pt</b>	<b>61.8%</b>	<b>2.7pt</b>
Total excl. residential EQ insurance and CALI	59.8%	56.1%	-3.7pt	58.5%	2.4pt

## Incurring losses (excluding residential earthquake insurance and CALI)

( ¥ bn)

	FY 2014	FY 2015		FY 2016	
	Results	Results	YoY Change	Forecasts	YoY Change
Incurring losses ( incl. loss adjustment expenses)* <sup>1</sup>	1,337.9	1,321.9	- 16.0	1,375.0	53.1
Natural Catastrophes* <sup>2</sup>	27.2	68.1	40.8	62.5	- 5.6
Other than natural catastrophes	1,310.6	1,253.8	- 56.8	1,312.5	58.7

\*1 Incurring losses = net claims paid + loss adjustment expenses + movement in outstanding claims

\*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan. But the figures of FY 2016 excludes the impact of the heavy snowfalls in Feb. 2014 in Japan, because its impact became very small. ( the impact of FY2014: 0.3 billion yen)

## 32. Forecasts for the impact of consolidation of MS Amlin on FY 2016 Results

(¥ bn, £ 1.00 = ¥162.00)

	FY2016 (Forecast)	Consolidation Adjustment (Forecast)	Impact on consolidated results FY2016 (Forecast)
Net Premiums Written	<b>382.3</b>	—	<b>382.3</b>
Net Income	<b>28.8</b>	<b>-19.0</b>	<b>9.8</b>
Group Core Profit	<b>28.8</b>	—	<b>28.8</b>

※Consolidation Adjustment is amortization of goodwill and others.

The balance of goodwill and others at the end of FY2015 is ¥ 357.0 bn (£1.00 = ¥178.78)

### 33. Revision of Numerical Management Targets of Medium-term Management Plan

( ¥ bn)

	FY2017 Numerical Management Target ( Announced on June 2014 )	FY2017 Numerical Management Target
Group Core Profit	160.0	220.0
Domestic Non-Life Business	100.0	135.0
Domestic Life Business	16.0	15.0
International Business	39.0	65.0
Financial Service Business / Risk Related Service Business	5.0	5.0
Group ROE	7.0 %	7.5 %
Consolidated Net Premiums Written	3,100.0	3,570.0
Combined Ratio (Domestic non-life insurance business) <sup>※</sup>	95% or less	93% range
Increase in EV of MSI Aioi Life	Over 45.0	Over 50.0

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

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

Group Core Profit = Consolidated net income

- Net capital gains/losses on stock portfolio (gains/losses on sales etc.)
- Net evaluation gains/losses on credit derivatives
- Other incidental factors
- + Equity in earnings of the non-consolidated group companies

Group ROE = Group Core Profit ÷ Consolidated total net assets excluding non-controlling interests  
(average of beginning and ending amounts of B/S)

## Caution About Forward-looking Statements

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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