

# Materials for FY2015 Results Briefing - Conference Call

May 20, 2016 (Fri)

**MS&AD**

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

## Contents

MS&AD

### Summary of FY 2015 Results

Consolidated Earnings for FY 2015	Page 1-4
Domestic Non-life Insurance Companies	Page 5-9
Domestic Life Insurance Companies	Page 10-11
Overseas Subsidiaries	Page 12

### FY 2015 Results Data

Mitsui Sumitomo Insurance (Non-consolidated)	Page 13-15
Aioi Nissay Dowa Insurance (Non-consolidated)	Page 16-18
Simple Sum of MSI and ADI (Non-consolidated)	Page 19-20

### Projected Financial Results for FY 2016

Consolidated Earnings Forecasts for FY 2016	Page 21-24
Major Assumptions for Earnings Forecasts for FY 2016	Page 25
Mitsui Sumitomo Insurance (Non-consolidated)	Page 26-27
Aioi Nissay Dowa Insurance (Non-consolidated)	Page 28-29
Simple Sum of MSI and ADI (Non-consolidated)	Page 30-31
(Reference) Forecasts for the Impact of Consolidation of MS Amlin on FY2016 Results	Page 32
(Reference) Revision of Numerical Management Targets of Medium-term Management Plan	Page 33

### 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

---

Consolidated Earnings for FY 2015	Page 1-4
Domestic Non-Life Insurance Companies	Page 5-9
Domestic Life Insurance Companies	Page 10-11
Overseas Subsidiaries	Page 12

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

MS&AD

- 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 Results	Results	FY2015	
			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 Results	Results	FY2015	
			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%

I am Nampei Yanagawa of MS&AD Holdings.

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

Please look at the first page, Slide 1 of the "Materials for FY2015 Results Briefing - Conference Call."

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

Net premiums written in domestic non-life insurance increased by 4.3% at MSI and 2.7% at ADI, reflecting solid domestic sales performance such as increased revenue from rush demand before the revision of fire insurance products, in addition to a high rate of renewals and the impact of rate revisions in voluntary automobile insurance.

Net premiums written in overseas subsidiaries increased by 14.9% as a whole, due to increases in Asia, Europe and the Americas. As a result, the Group's consolidated net premiums written saw an increase of 4.7% to 3,078.9 billion yen.

Life insurance premiums increased significantly by 87.9% to 1,356.3 billion yen. This was mainly due to strong performance in the sales of variable insurance and fixed insurance products by MSI Primary Life, which posted its highest life insurance premiums on record.

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

MS&AD

- 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.

Next, please look at Slide 2.

As shown in the first row of this table, the Group's consolidated ordinary profit rose by 4.5 billion yen year-on-year to 291.5 billion yen.

As shown in the ninth row of the table, net income increased significantly by 45.2 billion yen to 181.5 billion yen as a result of increased income at MSI, MSI Aioi Life, and MSI Primary Life, despite the 11.0 billion yen negative impact of consolidation adjustments due to factors such as the reversal of deferred tax assets associated with the lowering of the corporate income tax rate.

Consequently, the highest net income since the establishment of the MS&AD Insurance Group was recorded for the fourth consecutive fiscal year.

### 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.

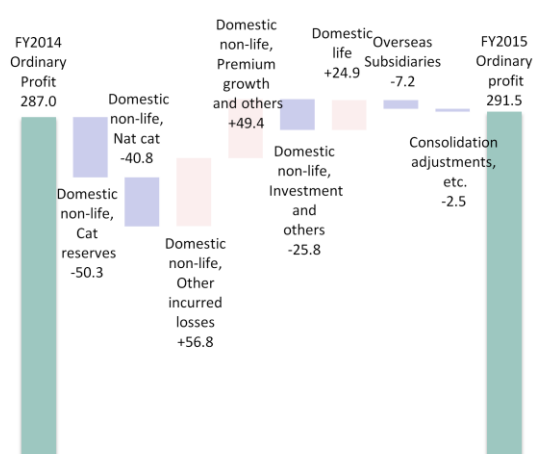
Factors in YoY changes in consolidated ordinary profit (¥ bn)

	FY2014 (a)	FY2015 (b)	Difference (b)-(a)
Consolidated ordinary profit	287.0	291.5	4.5
Domestic non-life insurance companies* <sup>1</sup>			
Impact of cat reserves	-31.3	-81.6	-50.3
Domestic non-life insurance companies* <sup>1</sup>			
Impact of natural catastrophes* <sup>2</sup>	-27.2	-68.1	-40.8
Domestic non-life insurance companies* <sup>1</sup>			
Other incurred losses* <sup>3</sup>	-1,310.6	-1,253.8	56.8
Domestic non-life insurance companies* <sup>1</sup>			
Impact of premium growth and others* <sup>4</sup>	-1,398.0	1,447.5	49.4
Domestic non-life insurance companies* <sup>1</sup>			
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

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

\*<sup>2</sup> "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.

Consolidated ordinary profit (¥ bn)



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

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

Next, please look at Slide 3.

The graph on the right shows consolidated ordinary profit for FY2014 on the left, and details the factors behind year-on-year changes in consolidated ordinary profit for FY2015. The first item, which is the "impact of cat. reserves" in the two domestic non-life insurance companies, had a negative impact of 50.3 billion yen due to the recoil from the gain on the reversal of the catastrophe reserve associated with the payment of claims for snow damage in the previous fiscal year.

Next, the "domestic non-life insurance companies impact of natural catastrophes" also had a negative impact of 40.8 billion yen due to the impact of typhoons that occurred this fiscal year.

Meanwhile, the "domestic non-life insurance companies other incurred losses" excluding natural catastrophes decreased due to the improvement of the automobile loss ratio, resulting in a positive impact of 56.8 billion yen.

Furthermore, the "domestic non-life insurance companies impact of premium growth and others" also had a positive impact of 49.4 billion yen due to an increase in earned premiums reflecting the trend of premium growth.

Next, "domestic non-life insurance companies investment profit and others" decreased by 25.8 billion yen because of special factors in the previous fiscal year, but due to significant progress in the reduction of strategic equity holdings, gains on sales of securities was 109.6 billion yen, exceeding the planned level by 26.1 billion yen.

"Domestic life insurance subsidiaries" had a positive impact of 24.9 billion yen, and overseas subsidiaries had a negative impact of 7.2 billion yen, but these will be explained in more detail later.

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

MS&AD

- 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 business 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

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

MS&AD Insurance Group Holdings, Inc.

4

Next, please look at Slide 4.

Although group core profit decreased by 8.1 billion yen year-on-year, it totaled 147.5 billion yen, exceeding the revised forecast by 17.5 billion yen.

Furthermore, Group ROE was down 0.7 points year-on-year to 5.2%.

The bottom part of the slide shows the adjustment items used for calculating group core profit based on consolidated income.

Based on these results, in addition to publishing the Earnings Report today, we have issued releases entitled, “Notice Regarding Dividend of Surplus for the Year Ended March 31, 2016” and “Notice Regarding Repurchase of the Company’s Own Shares.”

The dividend forecast at the start of FY2015 was 70 yen, but based on the progress made toward sustained growth since then, the year-end cash dividend for FY2015 was determined to be 55 yen, and combined with the 35 yen interim dividend that has already been paid, the annual dividend is planned to be 90 yen per share, an increase of 25 yen compared to the previous fiscal year.

Furthermore, a resolution was approved at today’s meeting of the board of directors to purchase up to 10 billion yen of the Company’s own shares.

This will be implemented flexibly, and as opportunities arise for the purpose of improving capital efficiency with consideration for the Company’s performance and the current share price.

Furthermore, the annual dividend for FY2016 will be explained later, but this is planned to be increased by 10 yen to 100 yen per share.

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

MS&AD

- 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
Underwriting profit	19.1	5.1	24.8	10.0	43.9	15.2
Ratios						
Net loss ratio* <sup>1</sup>	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
Combined ratio	89.9%	-4.1pt	93.5%	-4.7pt	91.6%	-4.2pt
<Reference: Business performance excluding residential earthquake insurance and CALI* <sup>2</sup> >						
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
Combined ratio	89.1%	-4.2pt	92.6%	-5.0pt	90.6%	-4.5pt

<sup>\*1</sup> Net loss ratio is on a "written-to-paid" basis, same hereafter. <sup>\*2</sup> CALI stands for Compulsory Automobile Liability Insurance, same hereafter.

Next I will provide an overview of the combined performance of the two core domestic non-life insurance companies.

Please look at the right column of Slide 5.

Net premiums written by the two companies increased by 3.6% to 2,699.5 billion yen as a result of solid increases in premiums for fire insurance and voluntary automobile insurance and others.

Next "Underwriting profit before catastrophe reserve," sixth rows below net premiums written has been steady, with an increase of 65.5 billion yen year-on-year as a result of the positive impact of the steady increase in earned premiums reflecting the trend of increased revenue and the improvement of the voluntary automobile loss ratio outweighing the negative impact of the increase in losses due to natural catastrophes.

As a result, although gains on the "reversal of catastrophe reserve" in the row below decreased significantly, underwriting profit increased by 15.2 billion yen to 43.9 billion yen.



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

MS&AD

- 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.

(¥ bn)

	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>

Next, please look at Slide 6.

In addition to gains on sales of strategic equity holdings as a result of actively proceeding to sell strategic equity holdings making a positive contribution to “investment profit and other ordinary profit,” an increase in net interest and dividend income due to increases in dividends from domestic shares and overseas subsidiaries also made a positive contribution. Meanwhile, in addition to negative contributions by foreign exchange losses caused by the strong yen and impairment loss of securities, the realization of unrealized gains through the sale of securities aimed at addition to the reserve for price fluctuation in the previous fiscal year was a major negative factor, resulting in a total decrease of 25.8 billion yen to 185.6 billion yen.

The two companies sold a total of 181.1 billion yen in strategic equity holdings.

As a result, ordinary profit for the two core domestic non-life insurance companies decreased 10.6 billion yen year-on-year to 229.6 billion yen.

Extraordinary loss totaled 32.0 billion yen due to recording a loss of 11.3 billion yen on the sale of real estate to improve efficiency, costs of 11.3 billion yen for career/transition assistance measures in ADI, and the provision of 10.2 billion yen for the reserve for price fluctuation, including an additional 5.0 billion yen.

Net income increased by 16.4 billion yen to 145.0 billion yen.



## 7. Domestic Non-life Insurance Companies FY 2015 (2)

### - Impact of Natural Catastrophes

MS&AD

- 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.

Next, I will explain the impact of natural catastrophes. Please turn to Slide 7.

The incurred losses related to natural catastrophes in the current fiscal year shown in the bottom row increased by 40.8 billion yen for the two companies to 68.1 billion yen primarily due to typhoon damages.

Meanwhile, net claims paid for natural catastrophes decreased by 34.3 billion yen from the previous fiscal year when substantial claims payments were made for heavy snowfalls in February 2014.

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

MS&AD

- 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
	Total	9.9	62.4	52.5	21.1	482.5
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
	Total	13.7	42.9	29.1	29.1	278.2
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
	Total	23.7	105.4	81.6	50.3	760.7

Next, please look at Slide 8. I will now discuss the situation concerning the catastrophe reserve.

The total reversal of the catastrophe reserve across all product lines shown in the bottom row was 23.7 billion yen for the two companies, a decrease of 61.4 billion yen year-on-year due to the 34.3 billion yen decrease in payments of claims for natural catastrophes indicated in the previous slide, along with a reduction of the loss ratio on a paid basis for voluntary automobile insurance.

Meanwhile, the provision for catastrophe reserve for the two companies was 105.4 billion yen, but this was a decrease of 11.1 billion yen, recoiling from the additional provision of 17.0 billion yen in the previous fiscal year.

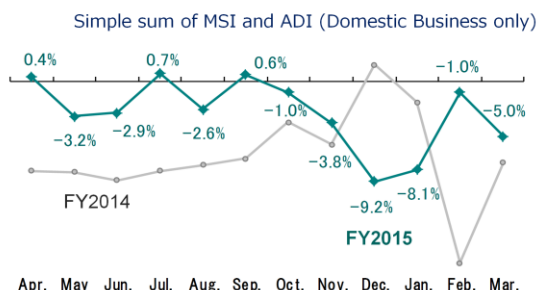
As a result of the above, the net change across all product lines was a provision of 81.6 billion yen for the two companies, an increase of 50.3 billion yen from the previous year.

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

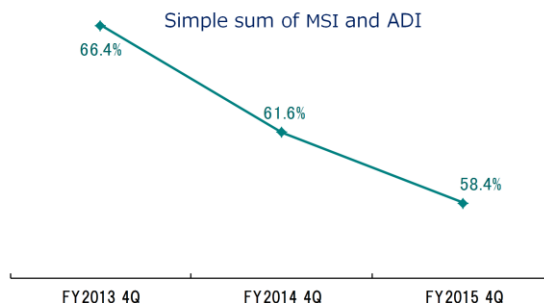
MS&AD

- 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.

Next, please look at Slide 9. I will now discuss the situation concerning voluntary automobile insurance.

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

The number of accidents decreased by 8.1% in January, 1.0% in February and 5.0% in March compared to the respective months in the previous year, and it is our view that the factor causing this was significantly less snowfall compared to last year.

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

Insurance premium unit prices rose 2.5% at MSI and 2.7% at ADI, mainly due to product revisions, including rate revisions implemented in past years.

The EI loss ratio for the two companies decreased as shown by the graph on the upper right, falling by 3.2 points year-on-year to 58.4% in FY2015.

Meanwhile, although the integration of claims related service subsidiary by ADI suppressed the average payout per claim in ADI, excluding this, the average payout per claim for property damage liability and vehicle damage claims has been increasing in both companies due to rising repair costs, and we need to continue monitoring this.

- 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.

Next, I will explain the situation of MSI Aioi Life. Please look at Slide 10.

The amount of new policies decreased by 2.3% year-on-year to 2,423.3 billion yen due to a decrease in the sale of income guarantee insurance.

Meanwhile, annualized premiums of new policies increased by 4.1% year-on-year due to an increase in the sale of increasing term life insurance.

The amount of policies in force increased by 3.1% from the beginning of the fiscal year, while annualized premiums of policies in force also rose by 6.3%, continuing to grow.

Net income increased by 1.6 billion yen year-on-year due to gains on sales of securities and an increase in net interest, dividends and other income.

EEV at the end of the fiscal year was decreased by 52.0 billion yen from the end of the previous fiscal year to 595.8 billion yen.

This was mainly due to the impact of a decrease in market interest rates despite an increase in value from new policies amounting to 40.8 billion yen, and this “change in the economic environment” was the main factor resulting in value decreasing by 135.4 billion yen.

- 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	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.

Continuing on, we'll go over the results for MSI Primary Life. Please look at Slide 11.

Gross premiums income increased by 23.3% to 1,299.4 billion yen due to strong performance in the sale of foreign currency-denominated variable whole life insurance launched this fiscal year, and the continued strong performance of fixed whole life insurance.

Furthermore, net income increased by 5.4 billion yen year-on-year to 17.8 billion yen due to the steady increase of the amount of policies in force, in addition to Australian dollar interest rates rising this fiscal year after significantly decreasing in the previous fiscal year, which resulted in a decrease of the burden of the policy reserve for foreign currency-denominated products.

- 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%

Next, I will explain the results of overseas subsidiaries. Please look at Slide 12.

Net premiums written increased by 14.9% to 336.8 billion yen.

This includes the 13.5 billion yen positive impact of foreign exchange.

Net income decreased by 6.4 billion yen to 28.5 billion yen. By region, costs increased in Europe due to the start-up of newly acquired BIG, resulting in a loss being recorded.

Other regions generally performed well, including Asia, which was affected by the accident of explosion in Tianjin.

## FY 2015 Results Data

Mitsui Sumitomo Insurance (Non-consolidated)	Page 13-15
Aioi Nissay Dowa Insurance (Non-consolidated)	Page 16-18
Simple sum of MSI and ADI (Non-consolidated)	Page 19-20

On the following pages, Slides 13 through 20 contain non-consolidated results for MSI and ADI and the simple sum for the two companies' non-consolidated results.  
Please refer to them later.



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

MS&AD

(¥ 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

### 14. Non-consolidated Results for FY 2015 - MSI (ii)

MS&AD

#### Net Premiums Written

(¥ bn)

	FY 2014 Results	FY 2015	
		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 Results	FY 2015	
		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)

MS&AD

Incurred losses\*<sup>1</sup> and EI loss ratio (including loss adjustment expenses)

(¥ bn)

	FY 2014					FY 2015					
	Incurred Losses* <sup>1</sup> (a)	EI Loss Ratio* <sup>2</sup>	Nat Cat Impact* <sup>3</sup> (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* <sup>1</sup> (c)	EI Loss Ratio* <sup>2</sup>	Nat Cat Impact* <sup>3</sup> (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)* <sup>4</sup>	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 Incurred 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 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 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

## 17. Non-consolidated Results for FY 2015 - ADI (ii)

MS&AD

### 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%
Total	1,160.8	<b>1,192.0</b>	2.7%
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
Total	63.2%	<b>59.2%</b>	-4.0pt
Excluding residential earthquake insurance and CALI	60.4%	<b>56.1%</b>	-4.3pt

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

MS&AD

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

(¥ bn)

	FY 2014					FY 2015					
	Incurred Losses*1 (a)	EI Loss Ratio*2	Nat Cat Impact*3 (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred 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 Incurred 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 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 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)

MS&AD

( ¥ bn)

	FY 2014	FY 2015	
	Results	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

MS&AD Insurance Group Holdings, Inc.

19

## 20. Simple sum of MSI & ADI ( Non-consolidated ) (ii)

MS&AD

### 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%
Total	2,606.6	2,699.5	3.6%
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
Total	62.6%	59.1%	-3.5pt
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)

MS&AD Insurance Group Holdings, Inc.

20

## Projected Financial Results for FY2016

---

Consolidated Earnings Forecasts for FY 2016	Page 21-24
Major Assumptions for Earnings Forecasts for FY2016	Page 25
Mitui Sumitomo Insurance (MSI) (Non-consolidated)	Page 26-27
Aioi Nissay Dowa Insurance (ADI) (Non-consolidated)	Page 28-29
Simple Sum of MSI and ADI (Non-consolidated)	Page 30-31

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

MS&AD

(¥ 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%

Next, I'll explain our projected financial results for FY2016.  
Please turn to Slide 21 of the materials.

Group consolidated net premiums written are expected to increase by 12.2% to 3,455.0 billion yen. This is primarily due to the new consolidation of MS Amlin, which will increase net premium income by overseas subsidiaries by 373.1 billion yen.

At MSI and ADI, fire insurance premium income recoiled from FY2015, and is expected to drop by 1.3% for MSI, while ADI is forecast to see an increase of no more than 1.7%.

Life insurance premiums written are forecast to be slightly lower than FY2015, at 1,208.0 billion yen, but will still exceed the benchmark 1,000 billion yen level.

At the bottom of the chart, we've shown as reference gross life insurance premiums written. For MSI Primary Life, this is expected to return to normal levels in FY2016 following record high sales in FY2015.

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

MS&AD

(¥ 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.

Next, I'll explain ordinary profit and net income.  
Please look at Slide 22.

Group consolidated ordinary income will be down by 6.5 billion yen year-on-year, to 285.0 billion yen.

The factors behind this drop are explained in the next slide.

Net income is forecast to move in the opposite direction from ordinary income, increasing by 1.4 billion yen year-on-year to 183.0 billion yen, due in part to the absence of an impact from the lowering of income tax rates.

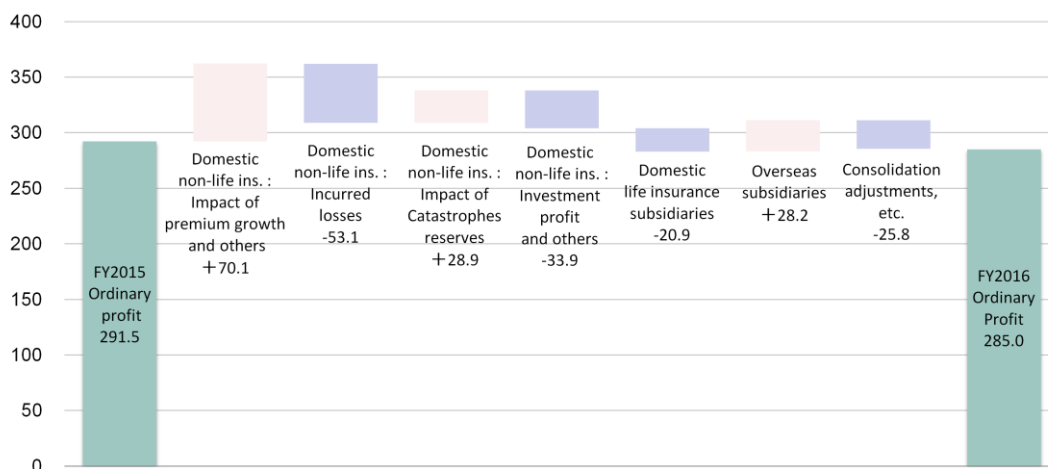


## 23. Consolidated Earnings Forecasts for FY 2016 (3)

- 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.

Please turn to Slide 23.

The graph shows FY2015 ordinary profit on the left, and details the factors behind year-on-year changes in projected results for FY2016.

The first item, an increase of 70.1 billion yen in “impact of premium growth and others in domestic non-life insurance companies,” is mainly due to an increase in earned premiums and is steady.

The incurred losses in the next item, is primarily linked to the increase in earned premiums resulting from increased revenue, but also incorporates as one factor a recoil from FY2015, when there was little impact from snowfall.

Next is impact of catastrophe reserves reversals, which will increase by a net 28.9 billion yen, in part because insurance claims paid will also increase due to the increase in incurred loss. Note that MSI plans an additional provision of 10.0 billion yen for fire insurance due to the balance is expected to drop as a result of reversal progress.

Those are the changes in the main items involving underwriting, and primarily due to a steady increase in earned premiums, underwriting profit is expected to increase as well.

Next is domestic non-life investment income. This incorporates a drop in profit on the sale of strategic equity holdings compared to FY2015, when the Nikkei average was at one point above 20,000 yen, since the Nikkei has fallen to the 16,000 yen level as of the end of March. Note that while stock price levels themselves have dropped, we expect to move forward with our sale of strategic equity holdings as planned.

Next, at our domestic life insurance subsidiaries, we expect income to fall below that of FY2015, which was a strong year.

The increase for overseas subsidiaries and the drop in other consolidated adjustments, etc., is due primarily to the new consolidation of MS Amlin and amortization of goodwill, etc.

As a result of these factors, ordinary profit for FY2016 is forecast to be 285.0 billion yen.

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

MS&AD

(¥ 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>
Financial Targets			
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.

Next, I'll explain the forecast for Group Core Profit.  
Please look at Slide 24.

Group Core Profit for FY2016 is expected to be 196.0 billion yen, a significant increase from FY2015. This is primarily due to the improvement of underwriting income in domestic non-life insurance, along with the effect of the new consolidation of MS Amlin.

Based on these conditions, the annual dividend per share for FY2016 will increase to 100 yen, by 10 yen from the annual dividend of 90 yen in FY2015.

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

MS&AD

(¥ 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 Provision	<b>27.8*1 (+5.7)</b>	<b>12.9 (-0.7)</b>
(For fire insurance) 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 Provision	<b>21.0 (+0.3)</b>	<b>21.8 (+0.2)</b>
(For voluntary automobile insurance) 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)

On the next slide, I'll explain the major assumptions behind the figures in the earnings forecast.

Please turn to Slide 25.

Assumptions regarding market conditions such as the Nikkei average, exchange rates and other are based on levels as of the end of March, 2016.

For domestic natural catastrophes occurring in the current fiscal year, we considered the most recent status of underwriting and so on, and set a base level of 50.0 billion yen, 10.0 billion yen above last fiscal year's assumption, while also assuming 12.5 billion yen for both companies for the Kumamoto Earthquake that occurred in April, resulting in an assumption of 62.5 billion yen for both companies. Note that these amounts do not include figures for residential earthquake insurance.

Assumptions regarding provision for catastrophe reserves are as noted here, and while there is no change in the provision rate, MSI plans an additional provision of 10.0 billion yen to fire insurance.

Also, while not noted here, there are no plans for an additional provision to price fluctuation reserves.

The income tax rate is 28.2%, reflecting the lowering of tax rates.

Starting with Slide 26, you will find details of the FY2016 non-consolidated earnings forecasts for MSI and ADI, along with the non-consolidated simple sum figures for the two companies. Please review these later.

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

MS&AD

(¥ bn)

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

## 27. Earnings Forecasts for FY 2016 - MSI (Non-consolidated) (2)

MS&AD

### Net premiums written

(¥ bn)

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

### Net loss ratio

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

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

(¥ bn)

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

\*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)

MS&AD

(¥ bn)

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

## 29. Earnings Forecasts for FY 2016 - ADI (Non-consolidated) (2)

MS&AD

### Net premiums written

(¥ bn)

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

### Net loss ratio

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

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

(¥ bn)

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

\*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)

(¥ 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%
Total	2,606.6		2,699.5	3.6%	2,700.0	0.0%
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
Total	62.6%		59.1%	-3.5pt	61.8%	2.7pt
Total excl. residential EQ insurance and CALI	59.8%		56.1%	-3.7pt	58.5%	2.4pt

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

(¥ bn)

	FY 2014		FY 2015		FY 2016	
	Results		Results	YoY Change	Forecasts	YoY Change
Incurred losses (incl. loss adjustment expenses)*1	1,337.9		1,321.9	- 16.0	1,375.0	53.1
Natural Catastrophes*2	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 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 of FY2014: 0.3 billion yen)

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

MS&AD

(¥ bn, £ 1.00 = ¥162.00)

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

※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)

Next, I would like to explain the impact of MS Amlin on major items in FY2016.  
Please turn to Slide 32.

The forecast for FY2016 calls for net premiums written of 382.3 billion yen, and net income of 28.8 billion yen. The impact of this income figure on lifting Group income will be limited, since it takes into account amortization of goodwill, etc. However, since amortization of goodwill is not reflected in Group Core Profit, this net income of 28.8 billion yen will have a direct positive impact on Group Core Profit.

Also, in Slide 33 we include for reference, a revision to the numerical targets in the medium-term management plan noted in the explanatory materials for business results announced along with the earnings report. We will be explaining the details during the information meeting on the 26th, so please look these over later.

Thank you for your attention.



### 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.

#### Inquiries

Corporate Communications and Investor Relations Dept.

MS&AD Insurance Group Holdings, Inc.

Phone: +81-3-5117-0311 Fax: +81-3-5117-0602

e-mail: [ms\\_ad\\_ir@ms-ad-hd.com](mailto:ms_ad_ir@ms-ad-hd.com)

<http://www.ms-ad-hd.com/en/>