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INSURANCE GROUP

Investment in ReAssure, a Leading Closed Book Life Consolidator in the UK

October 6, 2017

MS&AD Insurance Group Holdings, Inc.

Good, evening everyone.

My name is Shiro Fujii, Executive Vice president and CFO of MS&AD Insurance Group Holdings, Inc.

Thank you very much for taking the time today to attend this briefing, which has been held at short notice. It concerns our investment in ReAssure, a leading closed book life consolidator in the UK.

Before explaining this matter, I would like to speak a little about the "Preliminary estimates of incurred losses due to hurricanes in North America and the Caribbean, and earthquakes in Mexico," which we released this evening.

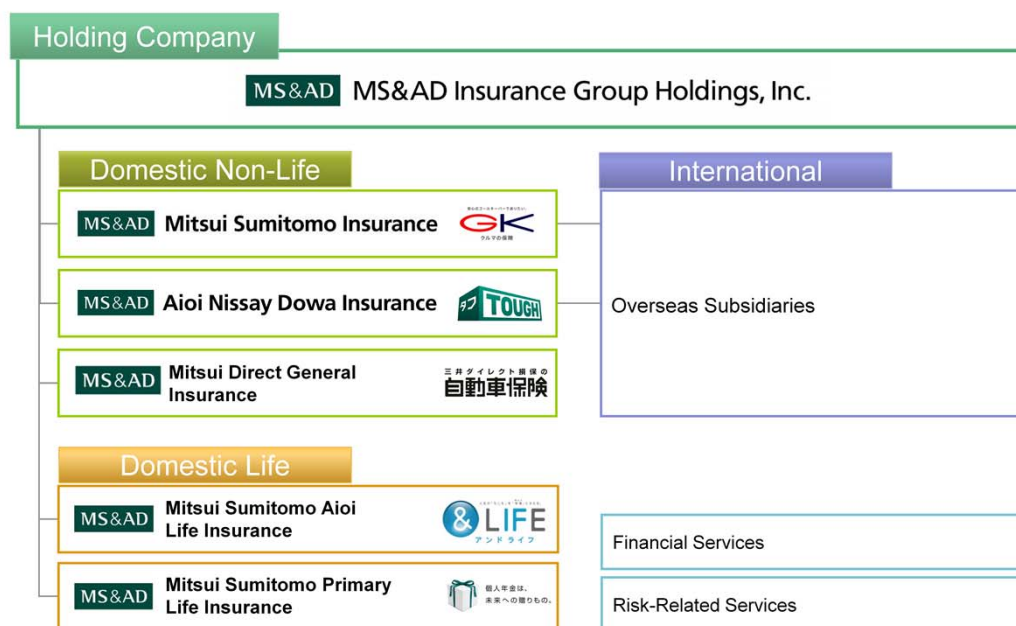
From August to September this year, the large hurricanes Harvey, Irma and Maria occurred in succession, and caused great damage in a wide area extending from Texas and Florida to the Caribbean coast. Furthermore, earthquakes struck central Mexico on September 7 and 19 and caused damage such as the destruction of many buildings in Mexico City.

We wish to express our sincere condolences to everyone affected by these disasters and hope that reconstruction will occur as soon as possible.

At the same time, as insurance and reinsurance companies in various countries of the world expect this damage to cause large insurance losses, MS&AD's investors and shareholders are also worried about this situation.

(continued on the next page)

MS&AD Group Overview



(continued from the preceding page)

At present, the MS&AD Group's net incurred losses due to these disasters are estimated to range from JPY 70 billion to JPY 110 billion or JPY 60 billion to JPY 90 billion pre-tax based on loss estimates that are currently under assessment and on information currently available. Therefore, please bear in mind that they may be revised as details become known.

Also, please understand that we are not able to provide any further information regarding this matter today.

With this, our consolidated earnings forecasts for the full current fiscal year are expected to be lower than the figures we announced in May. We are in the process of diligently producing revised earnings forecasts with reviewing other upward and downward factors. We will promptly announce it, in case a revision is required.

Abbreviations of company names used in this presentation.

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

Note Regarding Forward-Looking Statements

This document includes "forward-looking statements" that reflect the plans and expectations of MS&AD Insurance Group Holdings, Inc. (the "Company") with respect to its business, results of operations and other matters. To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of the Company to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by the Company in its subsequent domestic filings in Japan.

The risks, uncertainties and other factors referred to above include, but are not limited to: (1) economic conditions in Japan, the United States, Europe and China; (2) the extent of competition faced by the Company from Japan's other major non-life insurance companies and new entrants in the Japanese non-life insurance market; (3) the extent of further deregulation of the Japanese insurance industry; (4) occurrence of natural disasters in Japan and elsewhere; (5) occurrence of losses the type or magnitude of which could not be foreseen at the time of writing the insurance policies covering such losses; (6) the price and availability of reinsurance; and (7) the performance of the Company's investments. Further details of potential risks and uncertainties affecting the Company are described in its domestic filings in Japan including the Company's annual report. More information about the target company group can be found on its website.

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Key Points

Objectives of the Investment

- (1) Attractive economics in the UK closed book life sector
- (2) Leverage of know-how in the closed book life business
- (3) Portfolio diversification

Strengths of ReAssure

- ReAssure is a leading player in the closed book industry in the UK
- The company has a long-standing relationship with local regulatory authorities and benefits from a recognized and trusted customer brand, which relies on highly efficient operations and customer satisfaction
- Since 2003, ReAssure has successfully completed more than 10 acquisitions, and has consistently delivered strong returns and cash flow generation
- Hurdle rate of 11% IRR for future acquisitions, securing high dividend yields going forward

Financial Impact of the Investment

- Consolidation of the investment in ReAssure under the equity method upon reaching a 15% stake
- Illustrative impact on Group Core Profit: + JPY 4 billion*1 on a proforma basis
(Subject to the state of acquisitions by ReAssure. Reference figure calculated from 5-year average profit)

*1 Assuming consolidation of pro-rata earnings' share for a 15% stake; proforma calculation as of FY2016 based on average annual earnings of Admin Re Ltd between FY2012 and FY2014 and Swiss Re ReAssure Ltd between FY2015 and FY2016 (consolidated US GAAP accounts). USD 1 = JPY 110.

I would now like to begin my presentation.

Please look at page 3.

It is the key points of today's explanation, but I would like to explain three points about our investment in ReAssure that we announced this morning: the strategic objectives for the MS&AD Group, the strengths of ReAssure, and the impact on our Group Core Profit.

The objectives of this investment is that it will contribute to the diversification of our business portfolio, which we have promoted as part of business investment by the MS&AD Group. In particular, we believe that the UK closed book life business in which we will invest on this occasion is a promising business that is expected to expand further in an environment where capital requirements have recently been strengthened and low interest rates have been extended.

Today, after first providing an overview of this investment, I will explain the three strategic objectives for the MS&AD Group by introducing three points: what a closed book life business is, what kind of company ReAssure, which has a leading position in this business, is and what strengths it has. Finally, I will talk about the expected impact on Group Core Profit.

1. Overview of the Investment

- Acquisition of 5.0% of the outstanding shares from the parent company (100% owned by Swiss Re Ltd)
- 3-year commitment starting from this investment to subscribe to new shares to invest GBP 800 million in total (including the initial acquisition), thereby increasing our stake up to 15%.

Transaction	Capital participation in ReAssure Jersey One Limited ("ReAssure")
Investment method	Acquisition of outstanding shares of ReAssure from the parent company (100% owned by Swiss Re Ltd)
Acquisition ratio	5.0% of outstanding shares
Investment amount	GBP 175 million (approximately JPY 26.3 billion)* ¹ (Acquisition implied P/BV* ² 1H 2017 of c. 0.85x)
Source of funds	Cash on hand
Time of completion	Subject to the receipt of approvals from the relevant regulators, the transaction is expected to close during the last quarter of MS&AD's financial year (January-March 2018).
Director	MS&AD Holdings will appoint one director to ReAssure Board
Next steps	The Company has committed to invest GBP 800 million in total including the initial GBP 175 million, for up to three years period from closing this investment. The Company's equity stake in ReAssure will not exceed 15%. Once the Company's stake has reached 15% Swiss Re and the Company invest into ReAssure on a pro rata basis. Upon reaching a 15% stake in ReAssure, the Company will account it as an affiliated company by the equity-method.

*¹ GBP 1 = JPY 150 *² Book value multiple based on shareholders' equity under US GAAP as of H1 2017 (unaudited)

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Please look at page 4.

I will now present an overview of the investment.

The MS&AD Group has reached agreement with Swiss Re, the world's largest reinsurance group, to acquire 5% of the outstanding shares of ReAssure, which is a wholly owned subsidiary of Swiss Re, and to increase its stake up to 15% in the future.

The initial investment amount will be GBP 175 million, which is equivalent to approximately JPY 26.3 billion.

This is equivalent to about 0.85 times ReAssure's net assets at the end of the first half of 2017.

Moreover, by underwriting a capital increase that ReAssure will undertake together with the acquisition of a new portfolio, we plan to increase our stake up to 15%.

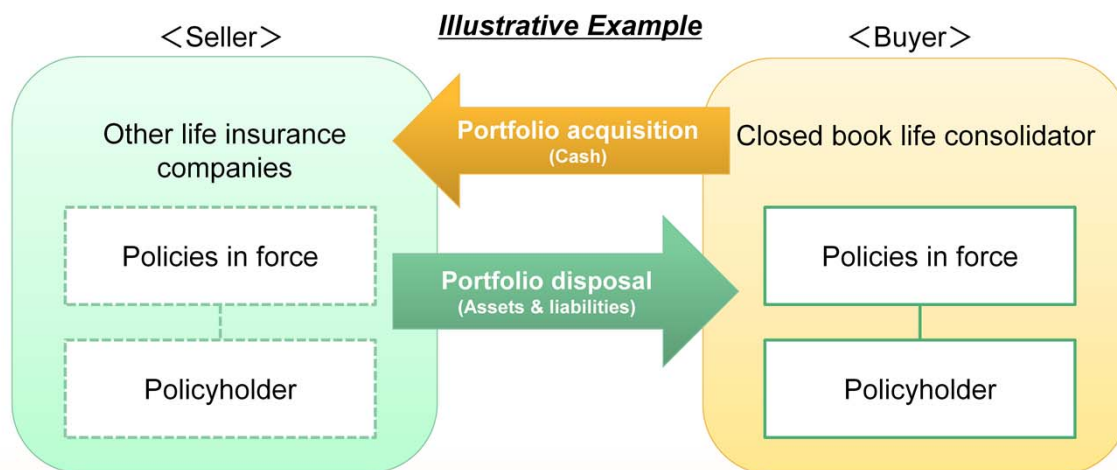
Once our stake in ReAssure has reached 15%, Swiss Re and MS&AD invest into ReAssure on a pro rata basis.

MS&AD plans to invest a maximum of GBP 800 million during the next three years.

In addition, we intend to send one director to ReAssure, and we will account ReAssure as an affiliated company by the equity-method, when MS&AD Group's equity stake reaches 15%.

2. Outline of Closed Book Life Business

- The closed book life business consists in acquiring and actively managing closed books of in-force life and health insurance business
- In-force policies can be added by acquiring entire lines of business or the entire share capital of life insurance companies, or via reinsurance.
- Policies are transferred to the acquiring consolidator together with the seller's portfolio (assets and liabilities)
- Receipt of approvals from regulators and consent of the majority of policyholders are prerequisites for the transfer
- The closed book life consolidator continues to conduct insurance services, including collection of premiums, claims payments, payments of matured endowment, until termination or maturity of contracts.



Next, I will explain the outline of closed book life business.

Please look at Page 5.

The closed life book business consists in acquiring and actively managing closed books of in-force life and health insurance business instead of acquiring new policies itself.

The closed book life consolidator continues to conduct insurance services, including collection of premiums claims payments of matured endowment, until termination or maturity of contracts, on the condition of the approval of regulators and consent of majority of policyholders for the transfer.

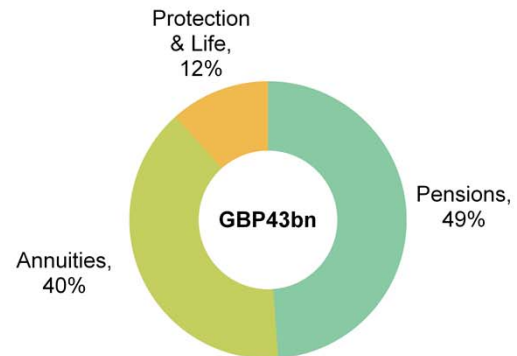
3. Overview of ReAssure's business

■ Company name:	ReAssure Jersey One Limited
■ Established:	2011
■ Headquarters:	Saint Helier, Jersey
■ Representatives:	Matthew Cuhls, Board Member
■ Main business:	Closed book life business

Consolidated information of Swiss Re ReAssure Ltd, an intermediate holding company

■ Number of employees:	2,257
■ Main business location:	UK, Ireland
■ Net income (2016)* ¹ :	USD 741 m
■ Net assets (H1 2017)* ^{1,2} :	USD 5.2 bn
■ Rating:	A-, Stable (S&P)

ReAssure product breakdown (FY2016)		
Product	Policies (million)	Reserves
Pensions	1.2	GBP 21 billion
Annuities	0.8	GBP 17 billion
Protection & Life	0.6	GBP 5 billion



¹ Figures as disclosed in consolidated US GAAP account ² Figures as of H1 2017 are unaudited

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I will explain the overview of ReAssure's business.

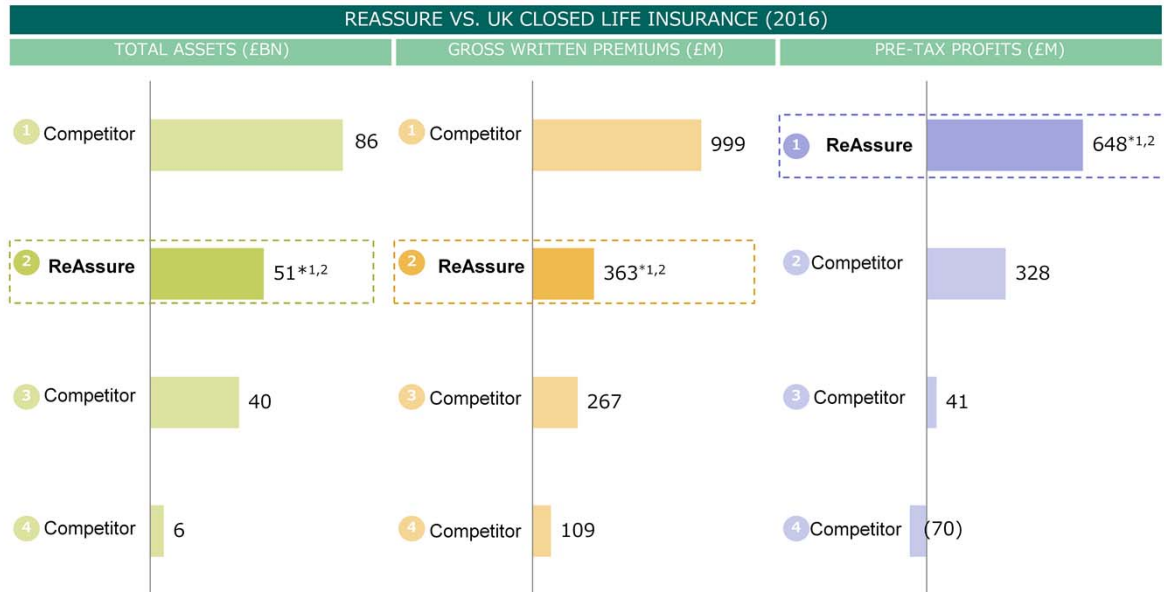
Please now turn to page 6.

ReAssure Jersey One Limited, in which we will invest directly on this occasion, is a holding company headquartered in St Helier, Jersey. Its business operations are conducted by its wholly-owned subsidiary Swiss Re ReAssure and operating companies under its control, and it operates in the UK and Ireland.

Swiss Re ReAssure, which is the entity conducting this business, recorded net income of USD 741 million in fiscal 2016 and had net assets of USD 5.2 billion at the end of the first half of 2017.

4. Strengths of ReAssure (1) Ranking in the UK closed life insurance market

- ReAssure is a leading player (ranked #2) in the closed book life industry in the UK
- The company has a long-standing relationship with local regulatory authorities and benefits from a recognized and trusted customer brand



^{*1} Swiss Re ReAssure Ltd ^{*2} Balance sheet items converted at 31/12/2016 spot rate (USD 1 = GBP 0.809), P&L items converted at 2016 average rate (USD 1 = GBP 0.740)

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Next, I will talk about the strengths of ReAssure.

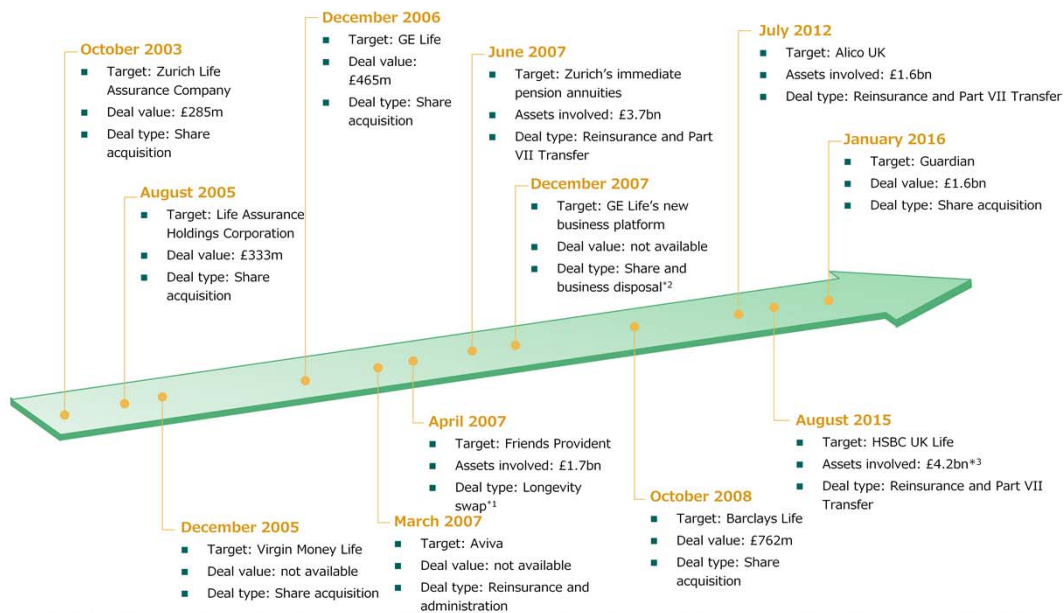
Please look at Page 7.

The first strength is its position in the UK closed book life business market.

ReAssure is the second-ranking market leader in the industry based on gross written premiums in fiscal 2016 in the UK closed book life insurance market, has a high degree of recognition, and is a recognized as a trusted customer brand.

4. Strengths of ReAssure (2) Track record

- Since 2003, ReAssure has successfully completed more than 10 acquisitions
- The hurdle rate will be 11% IRR for future acquisitions, securing high dividend yields going forward



Note: Completion date shown for each transaction ¹ An annuity provider pays an insurer a fixed annual amount and the insurer pays the actual amount of annuities to the pensioners; based on £1.7bn book of pension annuity contracts; ² Sale of the new business operations of Tomorrow to LV; ³ Value of the underlying AuM

Please look at slide page 8 and 9.

The second strength is ReAssure's extensive track record of achievements, and the third strength is its stable high profitability.

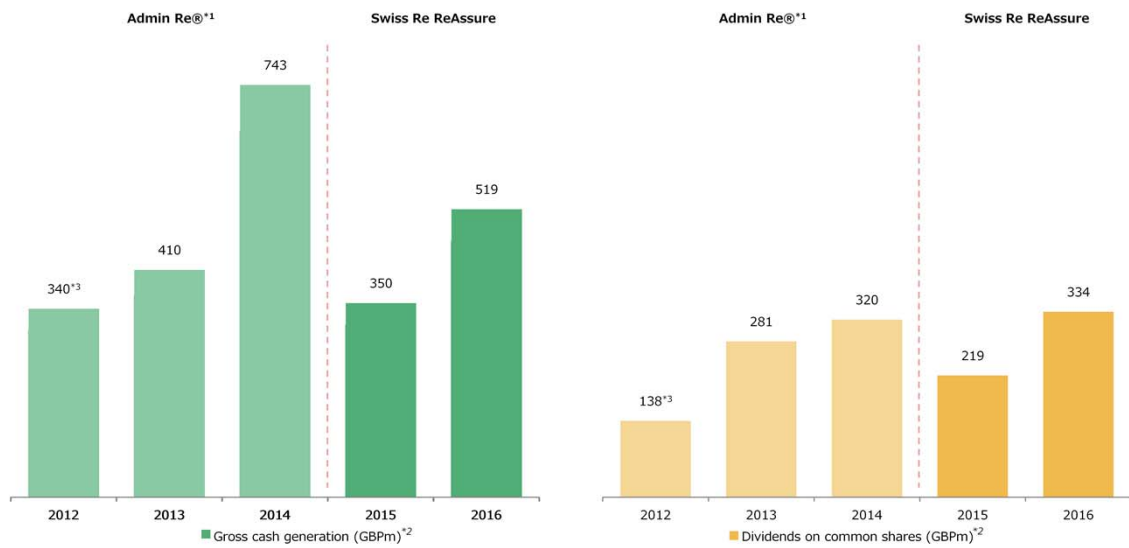
Swiss Re's closed book business has successfully acquired more than ten portfolios and generated high returns and cash flow since business commenced in 2003.

In regard to acquisitions going forward, we have agreed to realize an IRR of 11% or more, and we believe this is a business where high profitability and dividends can be expected.

4. Strengths of ReAssure (3) Stable cash generation and dividends

■ ReAssure has continued to deliver stable profitability and cash flow generation in recent years

Strong cash generation and dividend distribution

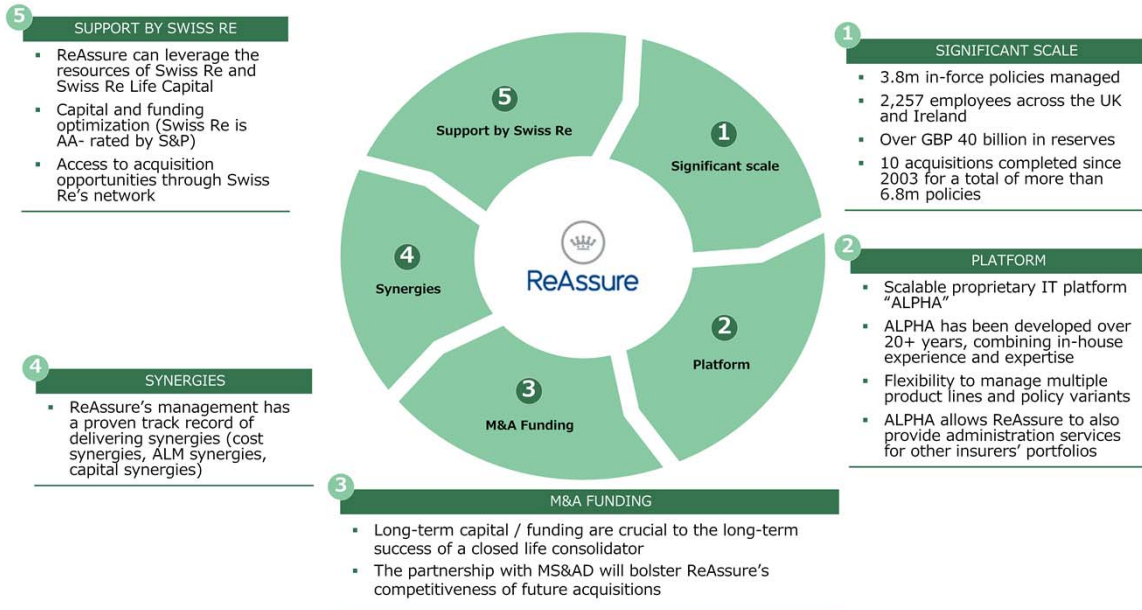


^{*1} Swiss Re segmental reporting for Admin Re[®] ^{*2} USD 1 = GBP 0.7865 ^{*3} Admin Re Ltd net income excluding a non recurring loss from the sale of Admin Re US Holding to Jackson National Life Insurance Company

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4. Strengths of ReAssure (4) Other strengths

- Support by Swiss Re (resources, high rating, network)
- High customer satisfaction as a result of effective portfolio management with proprietary IT platform "ALPHA"
- Cost synergies, ALM synergies, and capital synergies based on scale



Please look at page 10.

You can see various strengths of ReAssure.

The greatest difference between ReAssure and its competitors is that it has created a system to enable the concentrated management of policies in acquired portfolios based on its own IT platform. This has resulted in efficient management of policies in force and a high degree of customer satisfaction.

5. Strategic Objectives of the Investment in ReAssure

(1) Attractive economics in the UK closed book life sector

- The UK is the largest and one of the most mature life insurance markets in Europe, with profitability levels showing strong resilience to the low interest rate environment in comparison with other European markets
- Under tighter regulation and a sustained low interest rate environment, the UK closed book industry is expected to benefit from favorable developments going forward

(2) Leverage of know-how in the closed book life business

- Tighter regulation and low interest rates have pushed open life insurance businesses to shift their focus toward capital-light products and services
- This trend should fuel future consolidation opportunities and growth in the closed life industry
- Attractive return dynamics from the synergy potential of ongoing consolidation by utilizing Swiss Re's know-how in business operations and the partnership

(3) Portfolio diversification

- Aiming to secure profitability through further portfolio diversification by assuming risks in life insurance outside Asia.
- The investment brings counter cyclical characteristic and diversification to the business portfolio, as negotiated terms of future acquisitions can prove favorable in light of regulatory scrutiny and challenging market dynamics for open life insurers.

Next, I will explain the strategic objectives of the investment in ReAssure.

Please look at page 11.

There are three Strategic objectives of the investment as below.

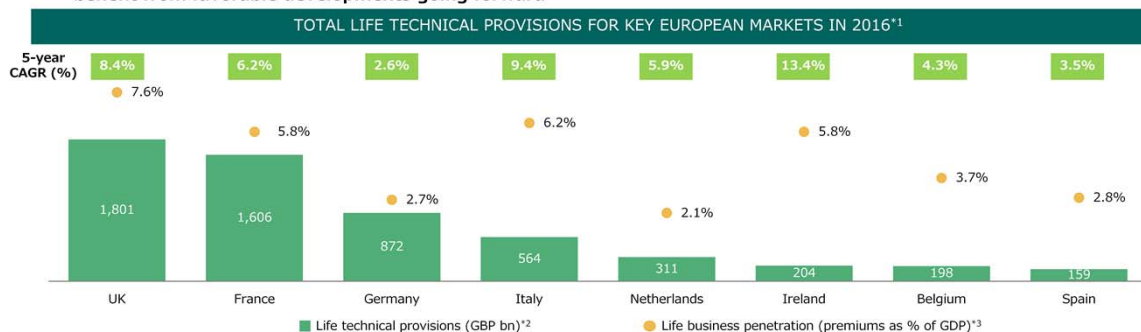
The first objective is attractive economics in the UK closed book life sector.

The second one is leverage of know-how in the closed book life business.

The third one is portfolio diversification.

(1) Attractive economics in the UK closed book life sector

- The UK is the largest and one of the most mature life insurance markets in Europe, with profitability levels showing strong resilience to the low interest rate environment in comparison with other European markets (Cf. p. 17)
- Under tighter regulation and a sustained low interest rate environment, the UK closed book industry is expected to benefit from favorable developments going forward



The largest and one of the most mature and dynamic markets in Europe

- European life insurance is dominated by the UK market, with c. £1.8tn in technical life insurance provisions in 2016^{*1},
- With the second highest life insurance penetration rate in Europe, the UK market stands as one of the most mature markets in the world
- Unit linked and index linked policies account for 65% of life insurance technical provisions in the UK
- The shift from capital-intensive to capital light products has been driven by several legislative and regulatory changes (e.g. Solvency II, pension reforms)
- The UK closed life sector offers strong growth and consolidation prospects with an estimated c.£300bn^{*4} potential closed book liabilities to be available on the market

^{*1} CAGR calculated using EIOPA 2011 gross life assurance provisions and 2016 EIOPA life technical provisions excluding health insurance

^{*2} GBP 1 = EUR 1.168 (as of 31/12/2016) ^{*3} Sigma Re 2016 report ^{*4} Deutsche Bank research

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Please look at page 12.

The UK life insurance market is the largest and most mature market in Europe, and it is also a market with low risk related to income under a low interest rate environment. Please see Page 17 of the supplementary materials for details regarding this point.

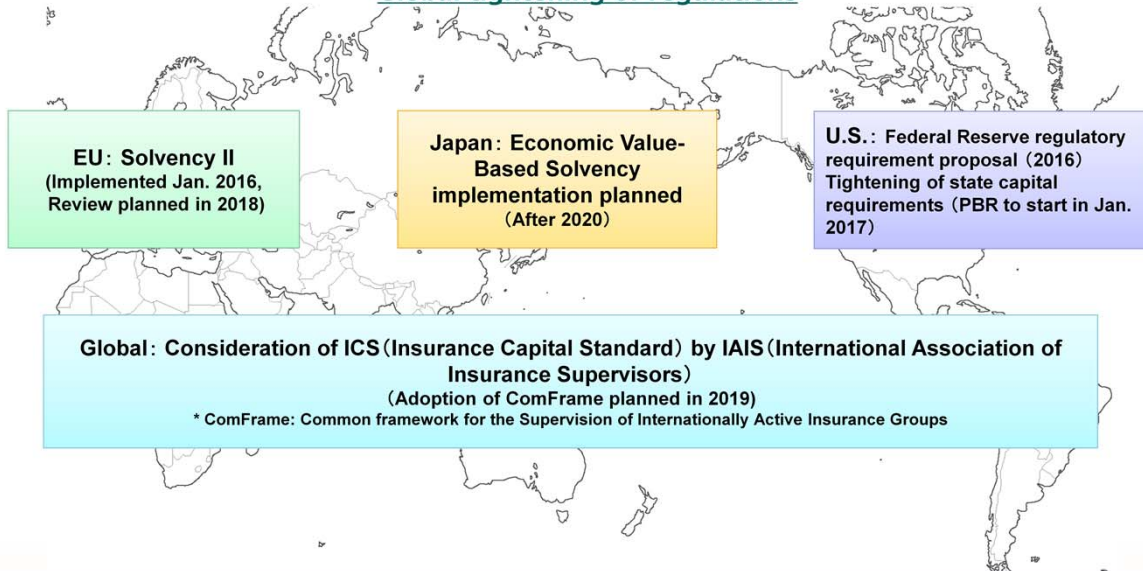
In recent years, however, the separation of life insurance businesses and revisions to portfolios have advanced against a backdrop of factors such as changes in regulations regarding pensions, the introduction of the Solvency II directive, and the continuation of the low interest rate environment. Consequently, closed book deals are expected to continue to increase and the investment environment is likely to show a favorable trend.

The MS&AD Group will therefore capture these investment opportunities where profitability is high and expected to expand by making ReAssure an equity-method affiliate.

(2) Leverage of know-how in the closed book life business

- Tighter regulation and low interest rates have pushed open life insurance businesses to shift their focus toward capital-light products and services. This trend should fuel future consolidation opportunities and growth in the closed life industry
- Attractive return dynamics from the synergy potential of ongoing consolidation by utilizing Swiss Re's know-how in business operations and the partnership

Global tightening of regulations



Please turn to page 13.

The Solvency II directive was implemented in Europe in 2016, and such moves to strengthen capital requirements are likely to expand in various countries of the world, including Japan.

Furthermore, although the trend of financial deregulation has changed in the United States and Europe since the start of this year, low interest rate levels will probably continue for the time being in developed countries.

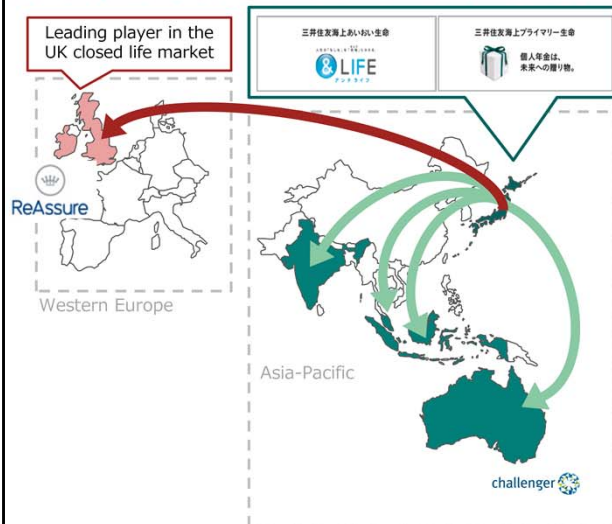
Therefore, the trend of business reorganization in the life insurance industry may expand not only in the UK but in various other countries as well.

Through this investment, we will absorb know-how and further strengthen our cooperative relationship with Swiss Re, which has a high level of operating know-how and networks to expand this business. As a result, when closed book life business markets in regions other than the UK expand in the future as well, we believe it will become possible to grow by capturing these business opportunities.

(3) Diversification of the business portfolio

- Aiming to secure profitability through further portfolio diversification by assuming risks in life insurance outside Asia.
- The investment brings counter cyclical characteristic and diversification to the business portfolio, as negotiated terms of future acquisitions could prove favorable in light of regulatory scrutiny and challenging market dynamics for open life insurers.

Development of MS&AD's life insurance business



Portfolio diversification effect

- Geographical portfolio diversification by assuming risks in the UK life insurance market
- Diversification with existing life insurance business supported by counter cyclical characteristics of the business
- Diversification in asset management by incorporating credit investment opportunities in the UK market through ReAssure

Next, please look at page 14.

The MS&AD Group's overseas life insurance business has developed in the Asian region in the form of minor equity investments, but we announced an equity investment in Challenger in August and thereby expanded the scope of this business to Australia. This equity investment will promote the further diversification of our portfolio to the UK.

In particular, the closed book business that we will invest in on this occasion is a so-called counter-cyclical business. This means that it will increase possibilities to acquire new business under more advantageous conditions at a time when the regulatory environment and the market environment are working negatively for life insurance companies. We also believe that it will be a business that has a strong effect of diversification from our existing life insurance operations.

6. Impact on Group Core Profit

- Positive impact on Group Core Profit: + JPY 4 billion*¹ on a proforma basis
(Subject to the state of acquisitions by ReAssure. Reference figure calculated from 5-year average profit.)

Illustrative Impact on Group Core Profit

	MS&AD (FY2016 results)	Illustrative Impact of investment in ReAssure (Reference)
Group Core Profit	JPY 213.7 billion	+ JPY 4 billion* ¹

*¹ Assuming consolidation of pro-rata earnings' share for a 15% stake; proforma calculation as of FY2016 based on average annual earnings of Admin Re Ltd between FY2012 and FY2014 and Swiss Re ReAssure Ltd between FY2015 and FY2016 (consolidated US GAAP accounts). USD 1 = JPY 110

Finally, I will explain the effect on Group Core Profit.

Please look at page 15.

The closed book life business experiences changes in income depending on the size of acquisitions and their conditions. Therefore, it is a business in which income is difficult to forecast. However, assuming the average increase in ReAssure's after-tax profit during the past five years, we estimate that it will generate around JPY 4 billion in Group Core Profit at the stage when our equity interest reaches 15% and ReAssure becomes an affiliate company by the equity-method.

Although the closed book life business is being conducted in countries such as the UK, Ireland and the US, it is not yet common in Japan. As I previously mentioned, in this environment of continuing ultra-low interest rates, we believe it is a business that has the potential to expand going forward.

We are convinced that incorporating such a new business field and diversifying the Group's income sources will establish a more stable earnings base and lead to the sustainable enhancement of the Group's enterprise value.

This may conclude my presentation, thank you.

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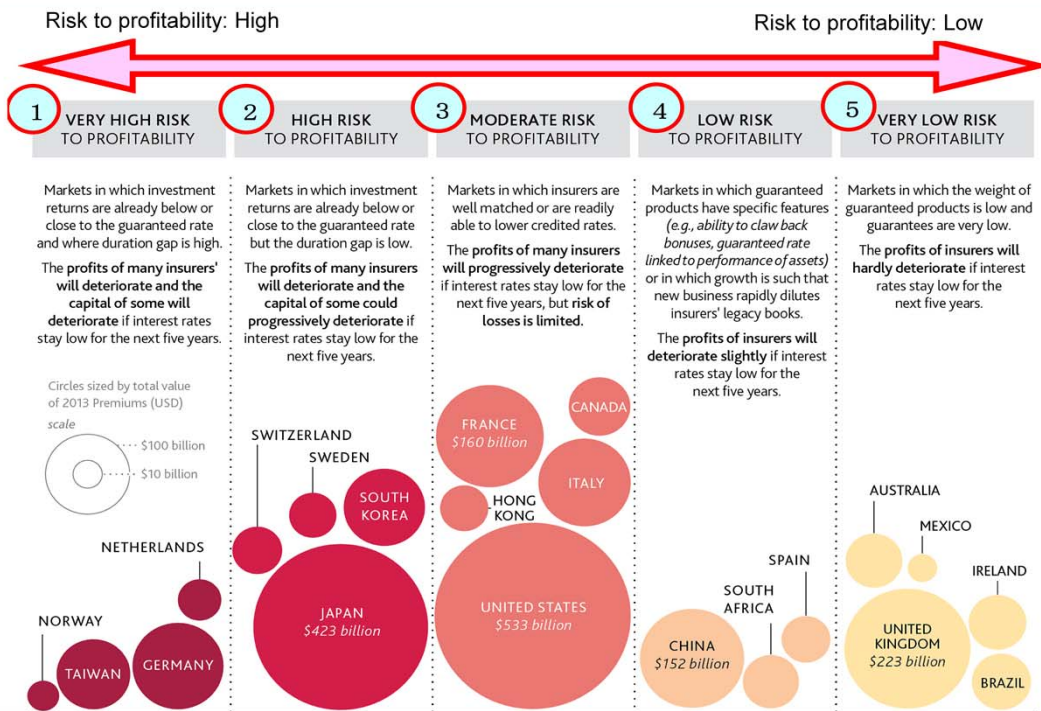
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Appendix

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[Appendix] UK: The most robust life insurance market under the low interest rate environment



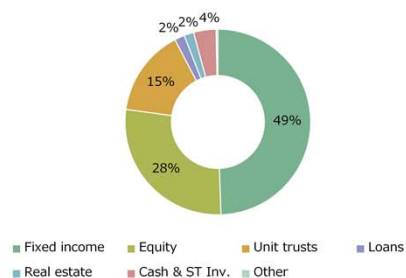
Source: Moody's

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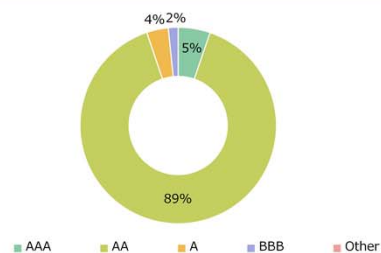
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[Appendix] ReAssure's investment portfolio

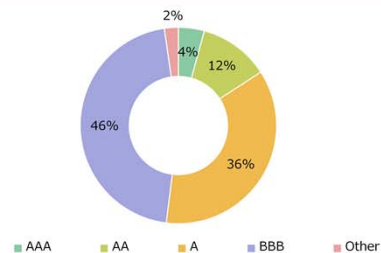
ReAssure investment breakdown (2016)* ¹		
	(GBPm)	%
Fixed income	22,041	49.5%
Equity	12,350	27.7%
Unit trusts	6,760	15.2%
Loans	777	1.7%
Real estate	751	1.7%
Cash & equivalents	1,746	3.9%
Other	134	0.3%
Total	44,559	-



Government and government related debt (2016)*^{1,2}



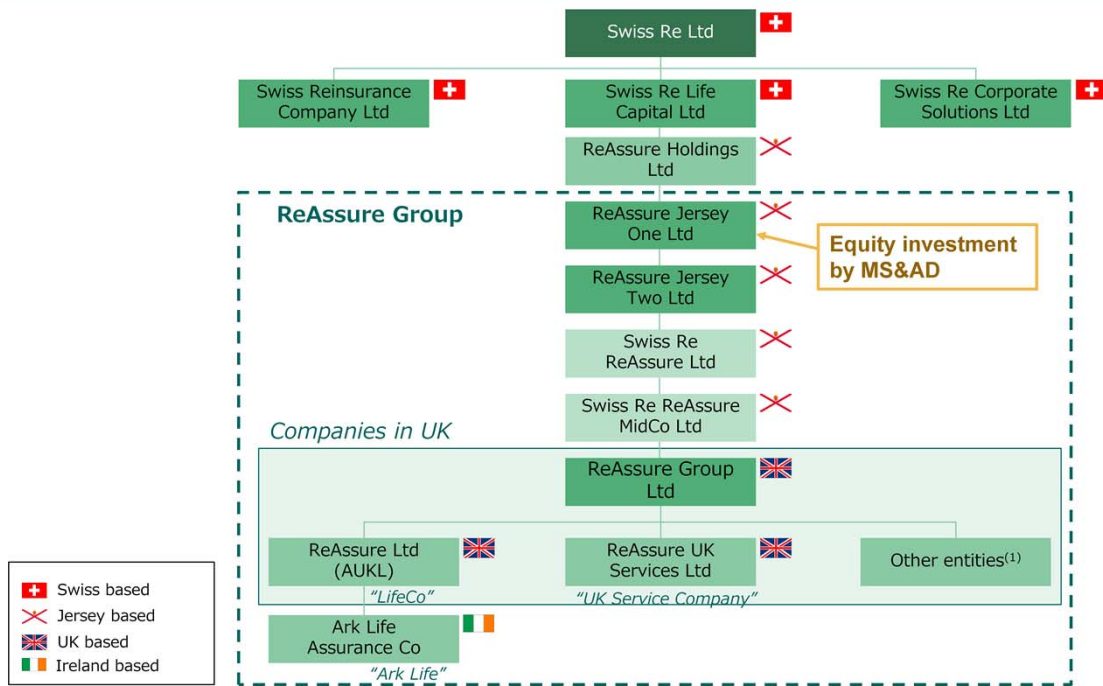
Corporate and asset backed securities debt (2016)*^{1,2}



*¹ ReAssure Limited 2016 Annual Report *² ReAssure Ltd's credit risk exposure

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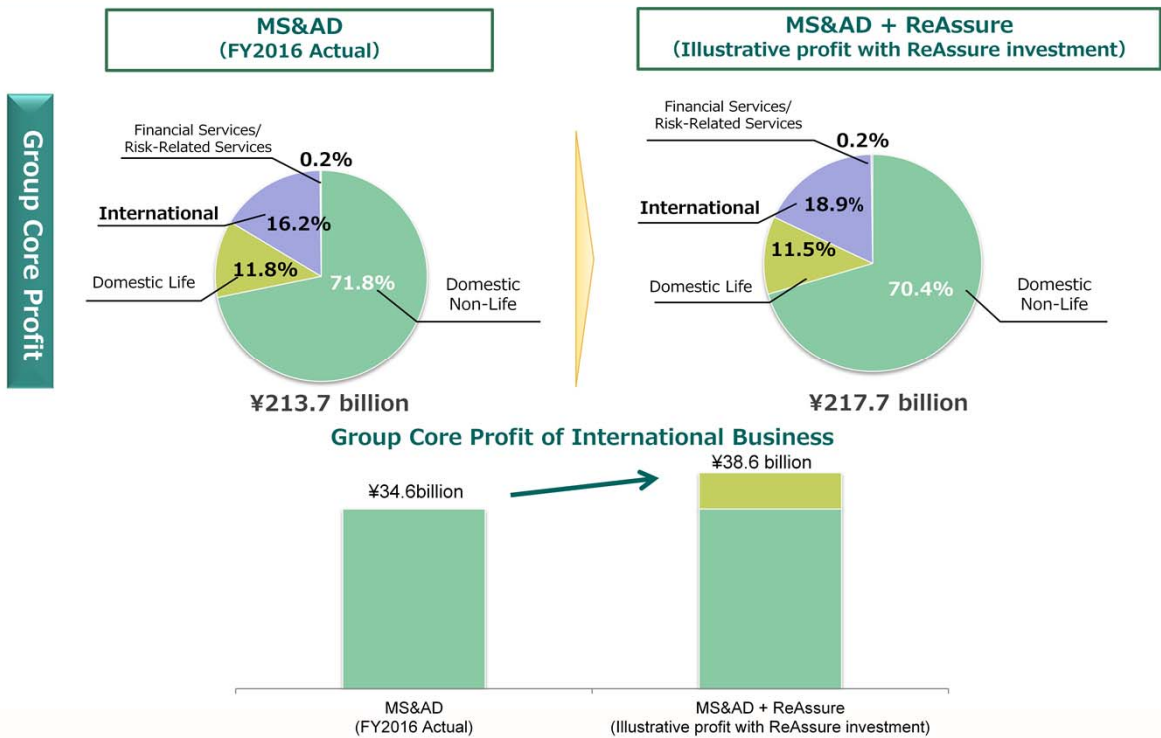
[Appendix] Structure of ReAssure Group



Notes: (1) Includes ReAssure Companies Services Ltd and 23 other small/dormant entities

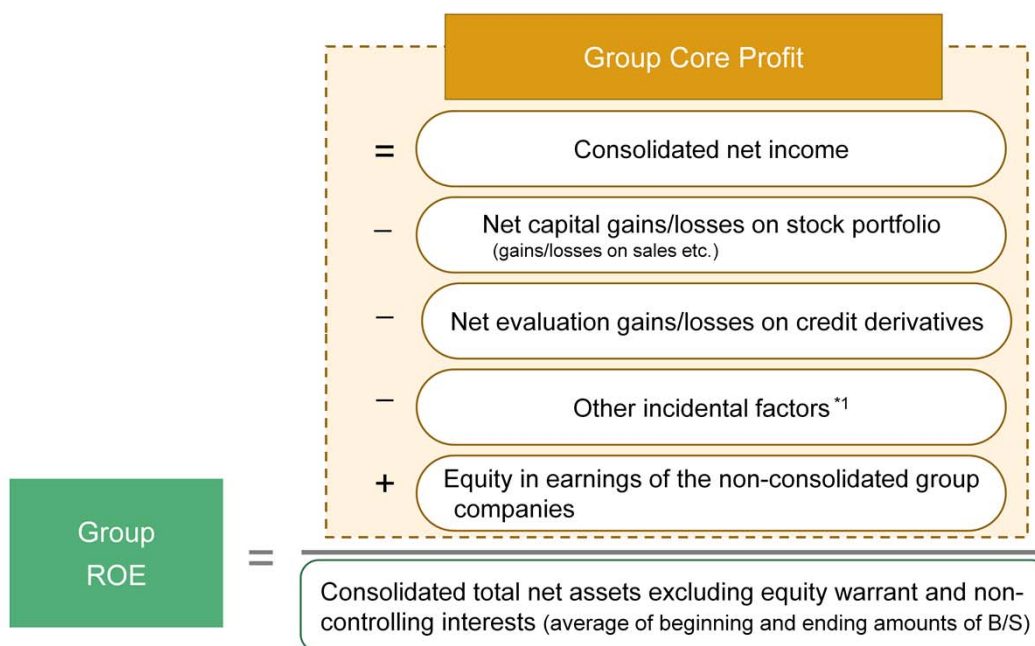
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[Appendix] Impact on Group Core Profit



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[Appendix] Calculation Methods of “Group Core Profit” and “Group ROE”



*1 Extraordinary income/loss after-tax (excluding provision for/reversal of reserve for price fluctuation), amortization of goodwill and other

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