

Materials for FY2017 3Q Results Briefing – Conference Call

February 14, 2018 (Wed.)

MS&AD

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

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Abbreviations of company names used in this presentation

- MS&AD Holdings : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- Mitsui Sumitomo Insurance, MSI : Mitsui Sumitomo Insurance Co., Ltd.
- Aioi Nissay Dowa Insurance, ADI : Aioi Nissay Dowa Insurance Co., Ltd.
- Mitsui Direct General : Mitsui Direct General Insurance Co., Ltd.
- MSI Aioi Life : Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSI Primary Life : Mitsui Sumitomo Primary Life Insurance Co., Ltd.
- MS Amlin : MS Amlin plc
- MS First Capital : MS First Capital Insurance Limited
- Challenger : Challenger Limited
- ReAssure : ReAssure Jersey One Limited

Summary of FY2017 3Q Results

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1. Consolidated Earnings for FY2017 3Q (1) - Overview (i)

- Net premiums written increased by 19.6 billion yen year-on-year to 2,628.2 billion yen driven by 44.0 billion yen premium increase in domestic non-life insurance. Although total premiums for overseas subsidiaries decreased mainly due to a decrease at MS Amlin, premiums for Asia and Americas increased.
- Gross premiums income for domestic life insurance subsidiaries fell by 13.9 billion year-on-year mainly due to a replacement of product line at MSI Primary Life.

Non-life insurance subsidiaries

(¥bn)

	FY2016 3Q	FY2017 3Q	YoY Change	Growth
	Results	Results		
Direct premiums written [※] (excl. deposit premiums from policyholders)	2,666.1	2,713.1	47.0	1.8%
Net premiums written [※]	2,608.6	2,628.2	19.6	0.8%
Mitsui Sumitomo Insurance	1,104.3	1,128.0	23.6	2.1%
Aioi Nissay Dowa insurance	905.1	925.4	20.3	2.2%
Mitsui Direct General	27.4	27.5	0.0	0.3%
Overseas subsidiaries	567.2	543.7	- 23.5	- 4.2%

※ Direct premiums written and net premiums written exclude Good Result Return Premiums of the “ModoRich” auto insurance product, which contains a special clause related to premium adjustment and refund at maturity, same hereafter.

Life insurance subsidiaries

(¥bn)

	FY2016 3Q	FY2017 3Q	YoY Change	Growth
	Results	Results		
Gross premiums income [※]	1,131.0	1,117.1	- 13.9	- 1.2%
MSI Aioi Life	349.0	360.2	11.1	3.2%
MSI Primary Life	782.0	756.8	- 25.1	- 3.2%
Life insurance premiums	935.5	758.3	- 177.1	- 18.9%

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

2. Consolidated Earnings for FY2017 3Q (1) - Overview (ii)

- Net income fell by 53.4% year-on-year to 97.6 billion yen mainly due to an increase in incurred losses from other than natural catastrophes at MS Amlin, in addition to an increase of losses from domestic and overseas natural catastrophes.

(¥bn)

	FY2016 3Q	FY2017 3Q		
	Results	Results	YoY Change	Change Ratio
Ordinary profit	318.8	161.7	- 157.1	- 49.3%
Mitsui Sumitomo Insurance	168.9	195.0	26.0	15.4%
Aioi Nissay Dowa Insurance	80.0	28.8	- 51.2	- 64.0%
Mitsui Direct General Insurance	0.1	1.2	1.1	1,070.6%
MSI Aioi Life	13.0	13.2	0.1	1.3%
MSI Primary Life	48.7	42.3	- 6.3	- 13.1%
Overseas subsidiaries	39.3	- 82.8	- 122.1	- 310.9%
Consolidation adjustments, other	- 31.4	- 36.1	- 4.6	-
Net income/loss※	209.6	97.6	- 112.0	- 53.4%
Mitsui Sumitomo Insurance	125.1	150.1	25.0	20.0%
Aioi Nissay Dowa Insurance	56.3	19.0	- 37.2	- 66.1%
Mitsui Direct General Insurance	- 0.0	1.0	1.0	-
MSI Aioi Life	6.1	6.1	0.0	0.1%
MSI Primary Life	33.8	25.3	- 8.5	- 25.2%
Overseas subsidiaries	28.4	- 72.9	- 101.3	- 356.9%
Consolidation adjustments, others	- 40.1	- 31.1	9.0	-

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

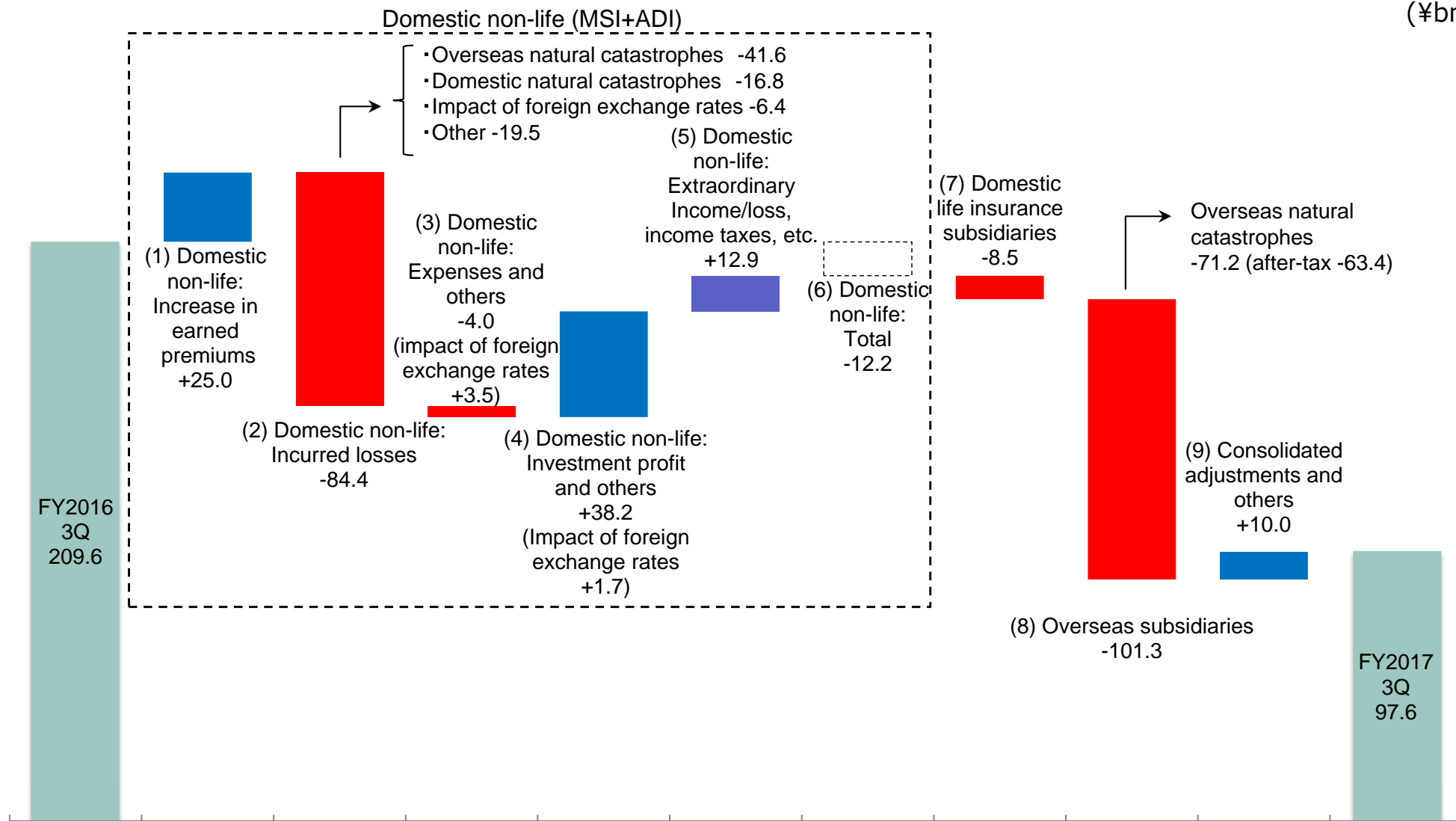
Net income of subsidiaries is on an equity stake basis, same hereafter.

3. Consolidated Earnings for FY2017 3Q (2) – YoY Results Comparison (i)

- Main factor of a decrease in net income was an impact of domestic and overseas natural catastrophes included in (2) and (8).
- Positive factors in domestic non-life insurance were (1) increase in earned premiums and (4) increase in investment profit and others as a result of progressive reduction of strategic equity holdings.
- Net income at (7) domestic life insurance subsidiaries decreased due to additional provision for price fluctuation reserves at MSI Primary Life that took place in each quarter from this fiscal year.

Consolidated net income

(¥bn)



4. Consolidated Earnings for FY2017 3Q (2) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2016 3Q Results	FY2017 3Q Results	Difference
Consolidated net income/loss		209.6	97.6	- 112.0
Domestic non-life insurance ^{※1,2} (underwriting profit/loss)		114.7	51.3	- 63.4
Earned premiums	(1)	1,758.9	1,784.0	25.0
Incurred losses (incl. loss adjustment expenses)	(2)	- 988.6	- 1,073.1	- 84.4
Expenses and others ^{※3}	(3)	- 655.5	- 659.5	- 4.0
Investment profit/loss and others	(4)	134.2	172.5	38.2
Extraordinary income/loss, income taxes, etc.	(5)	- 67.5	- 54.5	12.9
Domestic non-life insurance: Total	(6)	181.5	169.2	- 12.2
Domestic life insurance subsidiaries	(7)	39.9	31.4	- 8.5
Overseas subsidiaries	(8)	28.4	- 72.9	- 101.3
Consolidation adjustments and others	(9)	- 40.2	- 30.1	10.0

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

※2 Excluding residential earthquake and CALI (Compulsory Automobile Liability Insurance)

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

5. Consolidated Earnings for FY2017 3Q (3) – Group Core Profit

- Group Core Profit fell by 144.9 billion yen year-on-year to 65.0 billion yen mainly due to a decrease of 140.4 billion yen in the international business mainly caused by overseas natural catastrophes.

(¥bn)

	FY2016 3Q Results	FY2017 3Q Results	YoY Change
Group Core Profit ^{※1}	210.0	65.0	- 144.9
Domestic non-life insurance business	133.3	135.3	1.9
Domestic life insurance business	39.8	31.4	- 8.3
International business	35.2	- 105.2	- 140.4
Financial services business and risk-related services business	1.6	3.4	1.8
Other financial targets			
Combined ratio ^{※2} (Domestic non-life insurance business)	91.2%	90.3%	- 0.9pt
Increase in EV of MSI Aioi Life ^{※3}			
Group ROE ^{※1,3}			

※1 For the definition of Group Core Profit and Group ROE please refer to the last page.

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

※3 Increase in EV of MSI Aioi Life is disclosed semiannually. Group ROE is disclosed at the end of every fiscal year.

Group Core Profit 65.0	=	Consolidated net income 97.6	-	Net capital gains / losses on stock portfolio 51.4	-	Net evaluation gains / losses on credit derivatives -0.0	-	Other incidental factors ^{※4} -18.8	+	Equity in earnings of the non-consolidated group companies -0.0
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※4 Amortization of goodwill and others: -20.7 billion yen; extraordinary income/losses excluding reserves for price fluctuation: +1.8 billion yen

6. Impact of Natural Catastrophes FY2017 3Q (1) - Overseas Natural Catastrophes

- Incurred losses associated with overseas natural catastrophes reflected in 3Q results are 127.7 billion yen.

Incurred losses from overseas natural catastrophes

(¥bn)

	Incurred Losses				
	Hurricanes in North America ^{※1}	California wildfires ^{※2}	Others	Total	(After-tax impact)
Mitsui Sumitomo Insurance	1.0	-	0.6	1.6	1.1
Aioi Nissay Dowa Insurance	30.4	8.7	1.8	41.0	29.4
Overseas subsidiaries	53.5	24.9	6.5	85.0	76.9
(of which MS Amlin)	52.9	24.9	6.5	84.4	76.5
Total	84.9	33.6	9.0	127.7	107.6

※1 Total of hurricanes Harvey, Irma and Maria

※2 Total of wildfires occurred in October and December

7. Impact of Natural Catastrophes FY2017 3Q (2) – Domestic Natural Catastrophes

- Incurred losses related to domestic natural catastrophes were 66.0 billion yen for the two companies combined, an increase of 16.8 billion yen year-on-year.

Impact of domestic natural catastrophes

	Incurred Losses		Net Claims Paid		Provision for O/S ^{※1}	
		YoY Change		YoY Change		YoY Change
Domestic natural catastrophes						
Mitsui Sumitomo Insurance	38.2	5.3	23.8	3.6	14.3	1.6
Aioi Nissay Dowa Insurance	27.7	11.5	15.9	3.8	11.8	7.7
Total	66.0	16.8	39.7	7.4	26.2	9.4

※1 O/S stands for “outstanding claims”, same hereafter.

※Incurred losses from Typhoon No.21(Lan) were 37.6 billion yen (MSI: 20.3 billion yen, ADI: 17.2 billion yen)

8. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2017 3Q (i)

- Net premiums written for the two companies combined rose by 2.2%, mainly due to an increase in fire insurance among other factors.
- Underwriting profit fell by 63.4 billion yen to 51.3 billion yen for the two companies combined (about the same level as in the previous year if the impact of domestic and overseas natural catastrophes is excluded). (¥bn)

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,128.0	23.6	925.4	20.3	2,053.4	44.0
Growth rate of net premiums written	2.1%	5.8pt	2.2%	1.9pt	2.2%	4.1pt
Net claims paid	(-) 605.3	9.0	484.2	- 2.4	1,089.6	6.5
<Incurred losses (including loss adjustment expenses)>	(-) 694.1	13.9	587.3	56.2	1,281.4	70.2
Commissions and collection expenses	(-) 194.8	6.0	178.3	9.1	373.1	15.1
Operating expenses and general and administrative expense (underwriting)	(-) 152.6	3.3	125.8	- 4.4	278.4	- 1.0
Underwriting profit/loss prior to reflecting catastrophe reserve	89.0	- 13.5	23.2	- 54.9	112.3	- 68.4
Reversal of catastrophe reserve	- 30.8	4.1	- 30.0	0.8	- 60.9	4.9
Underwriting profit/loss	58.1	- 9.3	- 6.8	- 54.0	51.3	- 63.4
Ratios						
Net loss ratio	59.4%	- 0.4pt	57.3%	- 1.5pt	58.5%	- 0.9pt
Net expense ratio	30.8%	0.2pt	32.9%	- 0.2pt	31.7%	0.0pt
Combined ratio	90.2%	- 0.2pt	90.2%	- 1.7pt	90.2%	- 0.9pt
<Reference: Ratios excluding residential EQ insurance and CALI>						
Net loss ratio	56.6%	0.6pt	54.3%	- 0.4pt	55.5%	0.1pt
Net expense ratio	32.7%	0.2pt	34.5%	- 0.2pt	33.5%	0.0pt
Combined ratio	89.3%	0.8pt	88.8%	- 0.6pt	89.0%	0.1pt

9. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2017 3Q (ii)

- Investment profit and other ordinary profit rose by 38.2 billion yen year-on-year to 172.5 billion yen as the sales of strategic equity holdings for the two companies combined reached 120.3 billion yen.

(¥bn)

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	58.1	- 9.3	- 6.8	- 54.0	51.3	- 63.4
Net interest and dividends income	63.6	7.3	32.8	4.1	96.5	11.5
Gains/losses on sales of securities	77.2	24.6	8.0	- 0.5	85.3	24.0
Impairment losses on securities (-)	0.9	0.8	0.0	- 1.2	1.0	- 0.3
Investment profit/loss and other ordinary profit/loss	136.8	35.4	35.7	2.8	172.5	38.2
Ordinary profit/loss	195.0	26.0	28.8	- 51.2	223.8	- 25.1
Extraordinary income/losses	2.1	5.7	- 5.5	0.4	- 3.3	6.2
Income before taxes	197.2	31.8	23.2	- 50.7	220.4	- 18.9
Net income/loss	150.1	25.0	19.0	- 37.2	169.2	- 12.2

	MSI + ADI	
		YoY Change
<Reference> Sales of strategic equity holdings	120.3	11.5

10. Domestic Non-Life Insurance Companies FY2017 3Q (2) - Catastrophe Reserves

- The net change in catastrophe reserves was 60.9 billion yen for the two companies combined, a decrease of 4.9 billion yen year-on-year.

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Dec. 31, 2017
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	7.7	7.4	- 0.3	- 4.1	145.6
	Marine	-	2.0	2.0	0.0	80.2
	Personal accident	-	3.4	3.4	0.1	71.1
	Voluntary auto	-	15.9	15.9	0.1	74.8
	Other	0.5	10.3	9.8	- 0.2	187.8
	Total	8.2	39.1	30.8	- 4.1	559.7
Aioi Nissay Dowa Insurance	Fire and allied	-	10.7	10.7	1.5	137.3
	Marine	-	0.0	0.0	0.0	14.0
	Personal accident	-	1.4	1.4	- 0.0	66.6
	Voluntary auto	3.1	16.4	13.3	- 2.3	57.2
	Other	0.4	4.8	4.3	- 0.0	68.5
	Total	3.5	33.6	30.0	- 0.8	343.7
Simple Sum of MSI and ADI	Fire and allied	7.7	18.1	10.3	- 2.6	283.0
	Marine	-	2.1	2.1	0.0	94.2
	Personal accident	-	4.9	4.9	0.0	137.7
	Voluntary auto	3.1	32.4	29.2	- 2.2	132.1
	Other	0.9	15.1	14.2	- 0.2	256.3
	Total	11.8	72.8	60.9	- 4.9	903.5

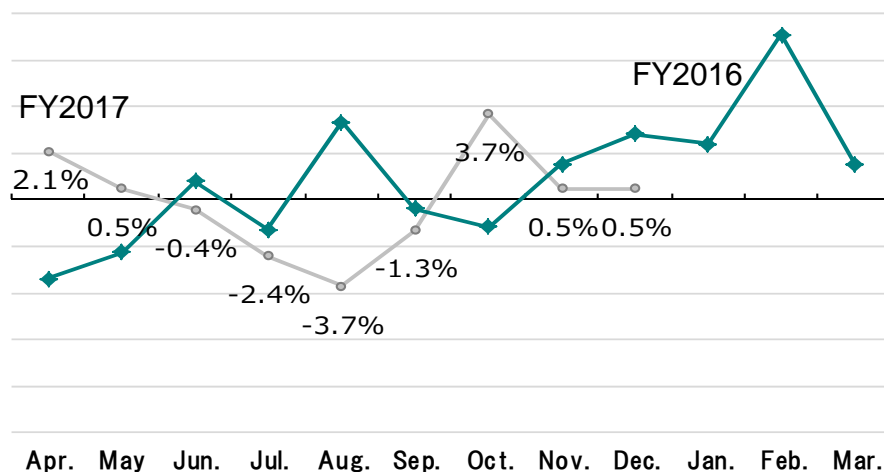
11. Domestic Non-Life Insurance Companies FY2017 3Q (3) – Voluntary Auto Insurance

- The cumulative number of accidents at the end of December fell by 0.4% year-on-year. The average payout per claim for both property damage liability and vehicle damage continued to rise with an increase in the cost of repairs.
- E/I loss ratio rose by 1.5 points year-on-year to 58.3%.

Trend in the number of accidents

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

Simple sum of MSI and ADI (Domestic Business only)



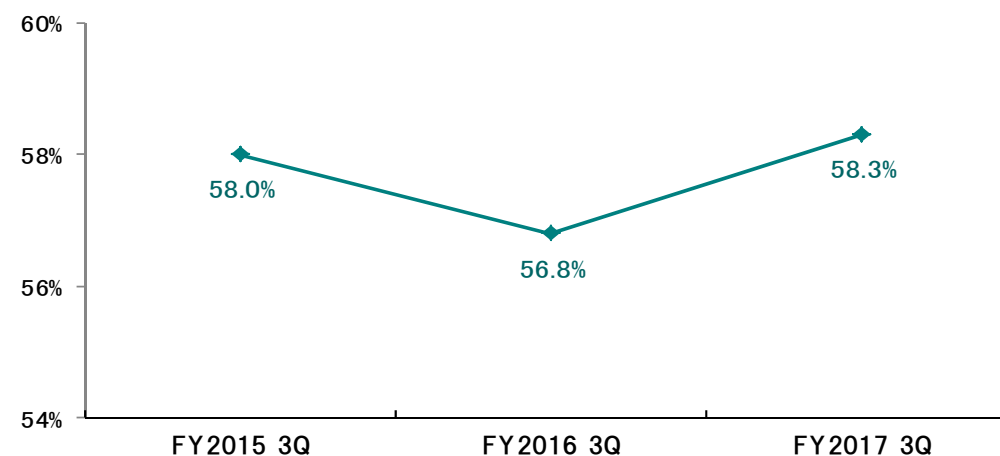
Mitsui Sumitomo Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	±0%	+0.5%	+0.6%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.6%	+0.7%	

E/I loss ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.9%	- 1.1%	- 0.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+1.1%	+1.2%	

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

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended Dec. 31, 2017 compared with average payout per claim in one-year period ended Mar. 31, 2017.

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

※ Figures in *Trend of the number of accidents* from Jul. 2017 to Sep. 2017 were revised retroactively.

12. Domestic Life Insurance / MSI Aioi Life - Results for FY2017 3Q

- The amount of new policies rose by 29.3% year-on-year to 2,074.7 billion yen, primarily due to a significant increase in income guarantee insurance following the launch of new products.
- Net income was 6.1 billion yen, about the same as in the same period of the previous year.

MSI Aioi Life

(¥bn)

	FY2016 3Q Results		FY2017 3Q Results		
				YoY Change	Change Ratio
Amount of new policies ^{※1}		1,605.1	2,074.7	469.6	29.3%
Annualized premiums of new policies		33.6	29.2	- 4.3	-13.0%
of which, third sector insurance		11.3	10.3	- 1.0	-8.8%
Amount of policies in force ^{※1}	(At the beginning of the FY)	23,214.2	23,713.7	(Change from the beginning of the FY) 499.4	2.2%
Annualized premiums of policies in force	(At the beginning of the FY)	401.0	409.7	(Change from the beginning of the FY) 8.7	2.2%
of which, third sector insurance	(At the beginning of the FY)	88.4	94.5	(Change from the beginning of the FY) 6.1	6.9%
Gross premiums income		349.0	360.2	11.1	3.2%
Ordinary profit/loss		13.0	13.2	0.1	1.3%
Extraordinary income/losses		- 0.5	- 0.6	- 0.0	-
Net income/loss		6.1	6.1	0.0	0.1%
Core profit		15.8	11.4	- 4.3	-27.7%

※1 Total sum of personal insurance and personal annuity insurance

13. Domestic Life Insurance / MSI Primary Life - Results for FY2017 3Q

- Although having fallen by 3.2% year-on-year mainly due to a decrease in sales for variable insurance, gross premiums income exceeded the plan amounting to 756.8 billion yen due to a strong sales in fixed insurance.
- Although having decreased by 8.5 billion yen year-on year due to provision for price fluctuation reserve, net income reached 25.3 billion yen exceeding forecast for the year.

MSI Primary Life

(¥bn)

	FY2016 3Q		FY2017 3Q		Change Ratio	
	Results		Results			YoY Change
Amount of new policies ^{※1}		759.1	758.1		- 1.0	- 0.1%
Amount of policies in force ^{※1}	(At the beginning of FY)	5,680.7	6,247.0	(Change from the beginning of FY)	566.2	10.0%
Gross premiums income		782.0	756.8		- 25.1	- 3.2%
Ordinary profit/loss		48.7	42.3		- 6.3	- 13.1%
Extraordinary income/losses		- 1.7	- 7.2		- 5.5	-
Net income/loss		33.8	25.3		- 8.5	- 25.2%

※1 Total sum of personal insurance and personal annuity insurance

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

(¥bn)

Impact of foreign exchange rates	4.4	2.6
Subtotal	9.3	4.0
Gains/losses on sales of securities	8.5	0.9
Total	17.9	5.0
Provision for price fluctuation reserve reflecting the above	-	5.0

14. Overseas Subsidiaries - Results for FY2017 3Q

- Net premiums written and net income in Asia and Americas showed solid growth year-on-year.
- Net income at MS Amlin fell by 103.5 billion yen year-on-year to -84.9 billion yen mainly due to an increase in incurred losses from natural catastrophes and from other than natural catastrophes.

Overseas subsidiaries

	FY2016 3Q Results	FY2017 3Q Results	(¥bn)	
			YoY Change	Change ratio
Net premiums written	567.2	543.7	- 23.5	- 4.2%
Asia	116.7	121.7	4.9	4.3%
Europe	416.5	384.3	- 32.1	- 7.7%
(of which, MS Amlin [※])	387.0	352.0	- 35.0	- 9.1%
Americas	33.9	37.5	3.6	10.7%
Net income/loss	28.4	- 72.9	- 101.3	-356.9%
Asia	11.3	12.9	1.5	13.3%
Europe	15.0	- 88.5	- 103.5	-689.3%
(of which, MS Amlin [※])	18.6	- 84.9	- 103.5	- 556.0%
Americas	1.9	2.6	0.6	31.2%

※ Figures for FY2016 3Q include figures for MSI's Lloyd's and Reinsurance businesses that were consolidated into MS Amlin at the end of FY2016.

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15. Non-Consolidated Results for FY2017 3Q - MSI (i)

(¥bn)

	FY2016 3Q Results	FY2017 3Q Results	YoY Change
Net premiums written	1,104.3	1,128.0	23.6
Growth rate of net premiums written	-3.7%	2.1%	5.8pt
Net loss ratio	59.8%	59.4%	-0.4pt
Net expense ratio	30.6%	30.8%	0.2pt
Combined ratio	90.4%	90.2%	-0.2pt
Incurred losses (Incl. loss adjustment expenses)	680.1	694.1	13.9
Underwriting profit/loss	67.5	58.1	- 9.3
Net investment profit/loss	104.3	140.2	35.9
Ordinary profit/loss	168.9	195.0	26.0
Extraordinary income/losses	- 3.6	2.1	5.7
Net income/loss	125.1	150.1	25.0
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-3.9%	2.1%	6.0pt
Net loss ratio	56.0%	56.6%	0.6pt
Net expense ratio	32.5%	32.7%	0.2pt
Combined ratio	88.5%	89.3%	0.8pt
Incurred losses (Incl. loss adjustment expenses)	561.3	582.5	21.2

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

16. Non-Consolidated Results for FY2017 3Q - MSI (ii)

Net premiums written

(¥bn)

	FY2016 3Q	FY2017 3Q	
	Results	Results	Growth
Fire and allied	136.6	147.4	7.9%
Marine	44.4	45.0	1.3%
Personal accident	105.8	108.7	2.7%
Voluntary automobile	492.1	496.4	0.9%
CALI	138.5	141.8	2.4%
Other	186.6	188.4	1.0%
Total	1,104.3	1,128.0	2.1%
Total excluding residential EQ insurance and CALI	965.1	985.7	2.1%

Net loss ratio

	FY2016 3Q	FY2017 3Q	
	Results	Results	YoY Change
Fire and allied	73.5%	64.7%	-8.8pt
Marine	61.5%	57.1%	-4.4pt
Personal accident	55.2%	52.8%	-2.4pt
Voluntary automobile	56.3%	58.0%	1.7pt
CALI	82.8%	79.4%	-3.4pt
Other	44.3%	48.3%	4.0pt
Total	59.8%	59.4%	-0.4pt
Total excluding residential EQ insurance and CALI	56.0%	56.6%	0.6pt

17. Non-Consolidated Results for FY2017 3Q - MSI (iii)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2016 3Q					FY2017 3Q					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact) (a)-(b)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact) (c)-(d)	YoY Change
Fire and allied (Excluding residential EQ insurance)	100.3	62.7%	30.5	69.7	43.6%	111.3	68.0%	33.9	77.3	47.3%	3.7pt
Marine	27.1	58.3%	0.2	26.9	57.9%	29.0	62.2%	0.2	28.8	61.6%	3.7pt
Personal accident	57.0	54.6%	0.0	57.0	54.6%	56.1	53.0%	0.0	56.1	53.0%	-1.6pt
Voluntary automobile	282.4	57.5%	1.2	281.2	57.3%	290.4	58.4%	2.9	287.4	57.8%	0.5pt
Other	94.3	52.6%	1.9	92.3	51.5%	95.4	52.0%	2.6	92.8	50.6%	-0.9pt
Total (A) ^{※4}	561.3	57.2%	33.9	527.3	53.7%	582.5	58.4%	39.8	542.6	54.4%	0.7pt
Residential EQ insurance (B)	5.9	/	5.9	-	/	-	/	-	-	/	/
CALI (C)	112.8	/	-	112.8	/	111.5	/	-	111.5	/	/
Total (A)+(B)+(C)	680.1	/	39.9	640.1	/	694.1	/	39.8	654.2	/	/

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

※2 Earned premium, the denominator of the E/I loss ratio, is calculated by adjusting unearned premiums (excluding natural catastrophe reserves) and premium reserve, etc.

※3 "Nat. Cat. Impact" refers to domestic and overseas natural catastrophes.

※4 Total (A) excludes residential EQ insurance and CALI.

18. Non-Consolidated Results for FY2017 3Q - ADI (i)

(¥bn)

	FY2016 3Q Results	FY2017 3Q Results	YoY Change
Net premiums written	905.1	925.4	20.3
Growth rate of net premiums written	0.3%	2.2%	1.9pt
Net loss ratio	58.8%	57.3%	-1.5pt
Net expense ratio	33.1%	32.9%	-0.2pt
Combined ratio	91.9%	90.2%	-1.7pt
Incurred losses (Incl. loss adjustment expenses)	531.0	587.3	56.2
Underwriting profit/loss	47.1	- 6.8	- 54.0
Investment profit/loss	29.6	33.6	4.0
Ordinary profit/loss	80.0	28.8	- 51.2
Extraordinary income/losses	- 6.0	- 5.5	0.4
Net income/loss	56.3	19.0	- 37.2
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	0.9%	2.2%	1.3pt
Net loss ratio	54.7%	54.3%	-0.4pt
Net expense ratio	34.7%	34.5%	-0.2pt
Combined ratio	89.4%	88.8%	-0.6pt
Incurred losses (Incl. loss adjustment expenses)	427.3	490.5	63.2

19. Non-Consolidated Results for FY2017 3Q - ADI (ii)

Net premiums written

(¥bn)

	FY2016 3Q	FY2017 3Q	
	Results	Results	Growth
Fire and allied	112.6	132.3	17.5%
Marine	4.0	5.7	42.4%
Personal accident	47.1	47.0	-0.2%
Voluntary automobile	512.3	515.1	0.5%
CALI	125.2	128.3	2.5%
Other	103.6	96.8	-6.6%
Total	905.1	925.4	2.2%
Total excluding residential EQ insurance and CALI	779.4	796.7	2.2%

Net loss ratio

	FY2016 3Q	FY2017 3Q	
	Results	Results	YoY Change
Fire and allied	58.0%	53.6%	-4.4pt
Marine	49.7%	45.8%	-3.9pt
Personal accident	47.4%	46.9%	-0.5pt
Voluntary automobile	55.8%	56.7%	0.9pt
CALI	81.0%	76.3%	-4.7pt
Other	53.0%	46.2%	-6.8pt
Total	58.8%	57.3%	-1.5pt
Total excluding residential EQ insurance and CALI	54.7%	54.3%	-0.4pt

20. Non-Consolidated Results for FY2017 3Q - ADI (iii)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2016 3Q					FY2017 3Q					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	62.5	51.8%	14.1	48.4	40.1%	119.8	90.2%	63.3	56.5	42.5%	2.4pt
Marine	2.2	51.6%	-	2.2	51.6%	4.1	80.9%	0.6	3.5	68.7%	17.1pt
Personal accident	21.1	46.7%	0.0	21.1	46.7%	22.2	49.7%	0.0	22.2	49.6%	2.9pt
Voluntary automobile	285.1	56.0%	1.2	283.8	55.8%	298.1	58.3%	2.8	295.3	57.7%	1.9pt
Other	56.1	57.3%	0.8	55.3	56.4%	46.1	50.0%	2.0	44.1	47.9%	-8.5pt
Total (A) ^{※4}	427.3	55.0%	16.2	411.1	52.9%	490.5	62.4%	68.8	421.7	53.6%	0.7pt
Residential EQ insurance (B)	4.3	/	4.3	-	/	-	/	-	-	/	/
CALI (C)	99.4	/	-	99.4	/	96.7	/	-	96.7	/	/
Total (A)+(B)+(C)	531.0	/	20.5	510.5	/	587.3	/	68.8	518.5	/	/

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

※2 Earned premium, the denominator of the E/I loss ratio, is calculated by adjusting unearned premiums (excluding natural catastrophe reserves) and premium reserve, etc.

※3 "Nat. Cat. Impact" for FY2017 3Q refers to domestic and overseas natural catastrophes. Figures for FY2016 3Q include incurred losses related to domestic natural catastrophes only.

※4 Total (A) excludes residential EQ insurance and CALI.

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

(¥bn)

	FY2016 3Q Results	FY2017 3Q Results	YoY Change
Net premiums written	2,009.4	2,053.4	44.0
Growth rate of net premiums written	-1.9%	2.2%	4.1pt
Net loss ratio	59.4%	58.5%	-0.9pt
Net expense ratio	31.7%	31.7%	0.0pt
Combined ratio	91.1%	90.2%	-0.9pt
Incurred losses (Incl. loss adjustment expenses)	1,211.2	1,281.4	70.2
Underwriting profit/loss	114.7	51.3	- 63.4
Investment profit/loss	133.9	173.9	40.0
Ordinary profit/loss	249.0	223.8	- 25.1
Extraordinary income/losses	- 9.6	- 3.3	6.2
Net income/loss	181.5	169.2	- 12.2
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	-1.8%	3.0%	4.8pt
Net loss ratio	55.4%	55.5%	0.1pt
Net expense ratio	33.5%	33.5%	0.0pt
Combined ratio	88.9%	89.0%	0.1pt
Incurred losses (Incl. loss adjustment expenses)	988.6	1,073.1	84.4

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

Net premiums written

(¥bn)

	FY2016 3Q	FY2017 3Q	
	Results	Results	Growth
Fire and allied	249.2	279.7	12.2%
Marine	48.4	50.7	4.7%
Personal accident	153.0	155.8	1.8%
Voluntary automobile	1,004.5	1,011.6	0.7%
CALI	263.8	270.1	2.4%
Other	290.3	285.2	-1.7%
Total	2,009.4	2,053.4	2.2%
Total excluding residential EQ insurance and CALI	1,744.6	1,782.5	2.2%

Net loss ratio

	FY2016 3Q	FY2017 3Q	
	Results	Results	YoY Change
Fire and allied	66.5%	59.4%	-7.1pt
Marine	60.6%	55.9%	-4.7pt
Personal accident	52.8%	51.0%	-1.8pt
Voluntary automobile	56.0%	57.4%	1.4pt
CALI	81.9%	77.9%	-4.0pt
Other	47.4%	47.6%	0.2pt
Total	59.4%	58.5%	-0.9pt
Total excluding residential EQ insurance and CALI	55.4%	55.5%	0.1pt

23. Simple Sum of MSI & ADI (Non-Consolidated) (iii)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2016 3Q					FY2017 3Q					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	162.9	58.0%	44.6	118.2	42.1%	231.1	78.0%	97.3	133.8	45.1%	3.0pt
Marine	29.3	57.7%	0.2	29.1	57.3%	33.2	64.1%	0.9	32.3	62.3%	5.0pt
Personal accident	78.2	52.2%	0.0	78.2	52.2%	78.4	52.0%	0.0	78.4	52.0%	-0.2pt
Voluntary automobile	567.6	56.8%	2.5	565.0	56.5%	588.6	58.3%	5.7	582.8	57.8%	1.3pt
Other	150.5	54.2%	2.7	147.7	53.2%	141.6	51.4%	4.6	137.0	49.7%	-3.5pt
Total (A) ^{※4}	988.6	56.2%	50.1	938.4	53.4%	1,073.1	60.2%	108.7	964.4	54.1%	0.7pt
Residential EQ insurance (B)	10.2	/	10.2	-	/	-	/	-	-	/	/
CALI (C)	212.2	/	-	212.2	/	208.2	/	-	208.2	/	/
Total (A)+(B)+(C)	1,211.2	/	60.4	1,150.7	/	1,281.4	/	108.7	1,172.7	/	/

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

※2 Earned premium, the denominator of the E/I loss ratio, is calculated by adjusting unearned premiums (excluding natural catastrophe reserves) and premium reserve, etc.

※3 "Nat. Cat. Impact" for FY2017 3Q refers to domestic and overseas natural catastrophes. Figures for FY2016 3Q for ADI include incurred losses related to domestic natural catastrophes only.

※4 Total (A) excludes residential EQ insurance and CALI.

24. <Reference> MS Amlin's Results for FY2017 3Q (Jan. – Sep. 2017 ※1)

(£ mn)

	FY2016 3Q※2 Results	FY2017 3Q	
		Results	YoY change
Net premiums written	2,567	2,450	- 116
Net premiums earned	2,127	2,111	- 16
Incurred losses (including loss adjustment expenses)	1,290	2,115	825
Net commission and expense for acquisition, admin expense	777	802	25
Underwriting profit/loss	113	- 791	- 905
Investment profit/loss※3	122	167	44
Other expenses※4	- 73	- 68	5
Net income/loss after tax	123	- 589	- 713
EI claims ratio	61%	100%	39pt
EI expense ratio※5	34%	38%	4pt
EI combined ratio※5	95%	138%	43pt

※1 Incurred losses of £ 171 million associated with California wildfires occurred in October and December 2017 have been recorded in 3Q.

※2 Figures for FY2016 3Q include figures for MSI's Lloyd's and Reinsurance businesses that were consolidated into MS Amlin at the end of FY2016.

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

※4 The main item of "Other expenses" is expenses of non-insurance companies.

※5 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses (included in underwriting profit) in accordance with calculation in UK.

25. <Reference> ESR

ESR ※1
(confidence interval:
99.5%)



ESR remained at the same level due to the following factors:

- ↗ Increase in the market value of assets due to increasing stock prices (increase in NAV)
- ↘ Increase of equity risk due to increasing stock prices
- ↘ Decrease in NAV and increase in risk following business investment (acquisition of First Capital)
- ↗ Increase in NAV due to issuance of subordinated bonds
- ↗ Increase in NAV due to retained earnings
- ↗ Decrease of equity risk by sales of strategic equity holdings

<Market environment assumptions>

	End of September 2017	End of December 2017	Change
Nikkei stock average	20,356 yen	22,765 yen	+2,409 yen
Exchange rate (US\$1:Yen)	113 yen	113 yen	-0 yen
30-year JGB interest rate	0.88%	0.81%	-0.07 pt

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

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

Projected Financial Results for FY2017

(Announced on November 17, 2017)

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26. Consolidated Earnings Forecasts for FY2017 (i)

(Announced on
Nov. 17, 2017)

Non-life insurance subsidiaries

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)			
			YoY Change	Change Ratio	Change from the Initial	
Net premiums written	3,406.9	3,450.0	3,450.0	43.0	1.3%	0.0
Mitsui Sumitomo Insurance	1,469.6	1,488.0	1,493.0	23.3	1.6%	5.0
Aioi Nissay Dowa Insurance	1,200.5	1,219.0	1,222.0	21.4	1.8%	3.0
Mitsui Direct General Insurance	37.6	38.8	38.0	0.3	1.0%	- 0.8
Overseas subsidiaries	693.1	700.0	692.0	- 1.1	-0.2%	- 8.0

Life insurance subsidiaries

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)			
			YoY Change	Change Ratio	Change from the Initial	
Gross premiums income [※]	1,550.0	1,294.3	1,391.0	- 159.0	-10.3%	96.7
MSI Aioi Life	478.9	494.3	491.0	12.0	2.5%	- 3.3
MSI Primary Life	1,071.1	800.0	900.0	- 171.1	-16.0%	100.0
Life insurance premiums	1,253.1	949.0	1,000.0	- 253.1	-20.2%	51.0

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

27. Consolidated Earnings Forecasts for FY2017 (ii)

(Announced on
Nov. 17, 2017)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Ordinary profit	352.6	345.0	238.0	- 114.6	- 107.0
Mitsui Sumitomo Insurance	215.5	225.0	230.0	14.4	5.0
Aioi Nissay Dowa Insurance	75.1	70.0	46.0	- 29.1	- 24.0
Net income	210.4	245.0	145.0	- 65.4	- 100.0
Mitsui Sumitomo Insurance	164.5	166.0	172.0	7.4	6.0
Aioi Nissay Dowa Insurance	50.3	49.0	30.0	- 20.3	- 19.0
Mitsui Direct General Insurance	- 0.9	0.2	0.2	1.1	-
MSI Aioi Life	4.5	3.0	3.0	- 1.5	-
MSI Primary Life	20.7	14.0	22.0	1.2	8.0
Overseas subsidiaries	24.0	45.0	- 41.0	- 65.0	- 86.0
Consolidation adjustments, other	- 52.9	- 32.2	- 41.2	11.7	- 9.0
ROE (financial accounting basis)	7.8%	8.9%	5.1%	- 2.7pt	- 3.8pt

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

28. Consolidated Earnings Forecasts for FY2017 (iii)

(Announced on
Nov. 17, 2017)

- Losses from natural catastrophes for MS Amlin are expected to be 78.8 billion yen (71.0 billion yen after tax) for FY2017. In addition, claims reserves have been revised upward conservatively considering the overall trend of losses.

Net premiums written

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Overseas subsidiaries total	693.1	700.0	692.0	- 1.1	- 8.0
Asia	154.5	161.5	161.2	6.5	- 0.3
Europe	493.1	488.8	480.7	- 12.4	- 8.2
(of which, MS Amlin)	455.8	448.1	439.7	- 16.1	- 8.4
Americas	45.4	49.7	50.2	4.7	0.5

Net income

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Overseas subsidiaries total	24.0	45.0	- 41.0	- 65.0	- 86.0
Asia	13.2	13.3	14.3	0.9	1.0
Europe	7.7	29.1	- 57.7	- 65.4	- 86.8
(of which, MS Amlin)	12.3	30.1	- 55.0	- 67.3	- 85.1
Americas	3.0	2.6	2.4	- 0.6	- 0.1

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

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

29. Consolidated Earnings Forecasts for FY2017 (iv) Incurred Losses from Domestic and Overseas Natural Catastrophes

(Announced on
Nov. 17, 2017)

(¥bn)

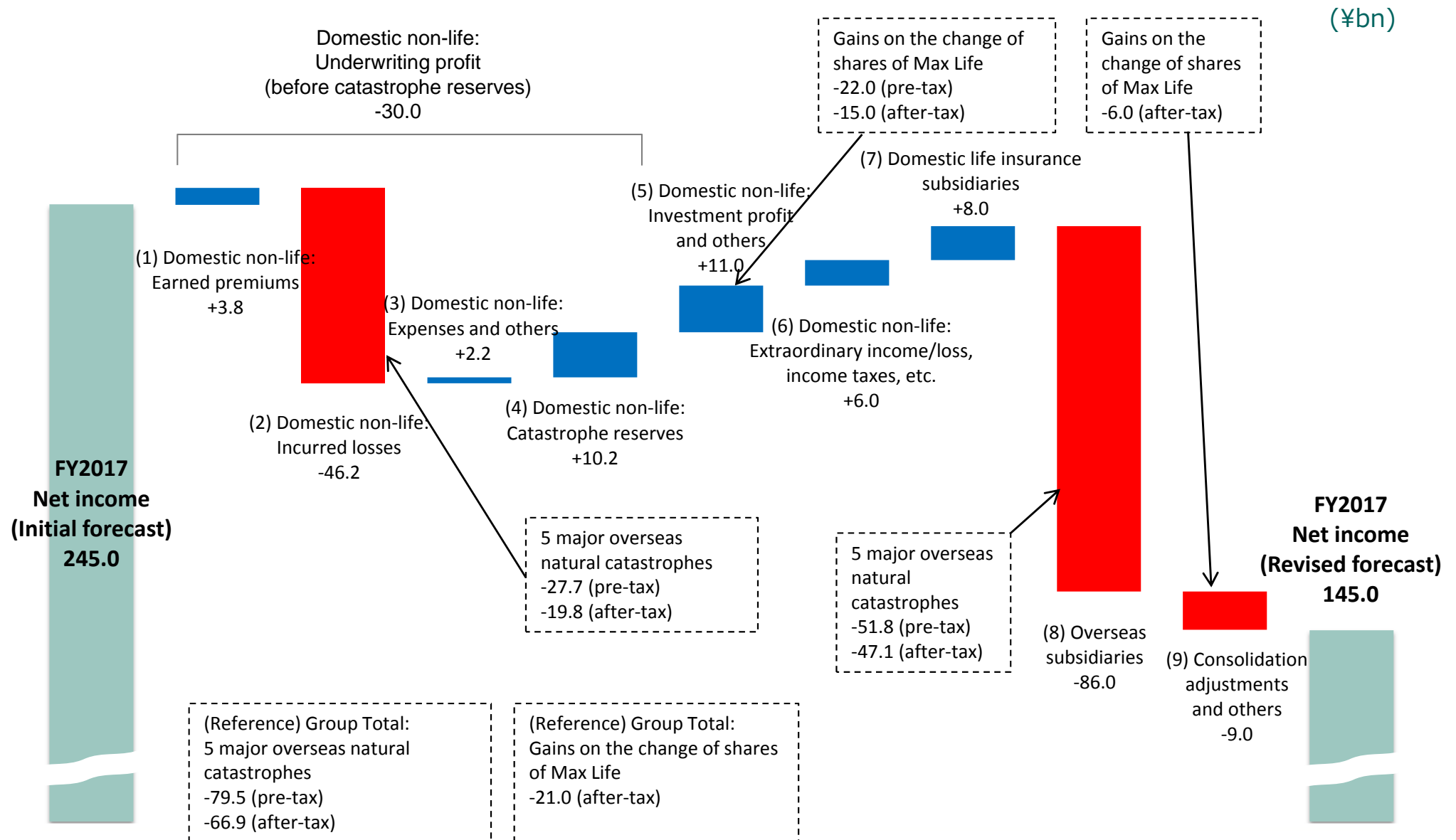
	Incurred Losses			Initial forecast for large losses (Reference)
	Amount recorded in 1H	Expected amount to be recorded in 2H	Total	
<Domestic>				
Domestic natural catastrophes: Total	24.8	42.2	67.0	50.0
<Overseas>				
Hurricane Harvey	21.2		21.2	
Hurricane Irma	38.9		38.9	
Hurricane Maria	22.5		22.5	
Mexico earthquakes	4.7		4.7	
California wildfire		17.7	17.7	
5 major overseas natural catastrophes [※] : Total	87.4	17.7	105.0	25.5
Total	112.2	59.9	172.0	75.5
<Reference> MS Amlin losses				
5 major overseas natural catastrophes (above-mentioned)	57.2	16.6	73.8	
Other natural catastrophes (e.g. cyclones in Australia)			5.0	
Total			78.8	22.5
			(After-tax 71.0)	

※ "5 major overseas natural catastrophes" refers to hurricanes Harvey, Irma and Maria, Mexico EQ and California wildfire, same hereafter.

30. Consolidated Earnings Forecasts for FY2017 (v) Factors Behind Change from the Initial Forecast

(Announced on
Nov. 17, 2017)

Factors behind change from the initial forecast for consolidated net income



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

31. Consolidated Earnings Forecasts for FY2017 (vi)

(Announced on
Nov. 17, 2017)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Group Core Profit	213.7	230.0	115.0	- 98.7	- 115.0
Domestic non-life insurance	153.3	145.0	149.0	- 4.3	4.0
Domestic life insurance	25.1	17.0	25.0	- 0.1	8.0
International business	34.6	64.0	- 63.0	- 97.6	- 127.0
Financial services/Risk related services	0.5	4.0	4.0	3.4	-
Other financial targets					
Combined ratio (Domestic non- life insurance)	92.6%	92.9%	92.6%	-	- 0.3pt
Increase in EV of MSI Aioi Life	198.4	50.0	50.0	- 148.4	-
Group ROE	7.9%	8.4%	4.0%	- 3.9pt	- 4.4pt

32. Earnings Forecasts for FY2017 (vii) - Catastrophe Reserves

(Announced on
Nov. 17, 2017)

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Mar. 31, 2018
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	16.6	9.7	- 6.9	- 10.6	139.1
	Marine	0.5	2.7	2.2	- 0.5	80.4
	Personal accident	-	4.6	4.6	0.0	72.3
	Voluntary auto	-	21.1	21.1	0.3	80.1
	Other	1.4	13.6	12.2	- 0.8	190.2
	Total	18.5	51.8	33.3	- 11.6	562.1
Aioi Nissay Dowa Insurance	Fire and allied	5.0	14.2	9.2	- 1.2	135.7
	Marine	-	0.1	0.1	-	14.0
	Personal accident	-	2.0	2.0	0.1	67.1
	Voluntary auto	13.1	21.9	8.8	1.8	52.6
	Other	0.2	6.5	6.3	0.7	70.4
	Total	18.3	44.7	26.4	1.4	340.0
Simple Sum of MSI and ADI	Fire and allied	21.6	23.9	2.3	- 11.8	274.9
	Marine	0.5	2.8	2.3	- 0.5	94.4
	Personal accident	-	6.6	6.6	0.1	139.4
	Voluntary auto	13.1	43.0	29.9	2.1	132.8
	Other	1.6	20.1	18.5	- 0.1	260.7
	Total	36.8	96.5	59.7	- 10.2	902.2

33. Major Assumptions for Earnings Forecasts for FY2017

(Announced on
Nov. 17, 2017)

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment	Assumes the level at the end of September 2017 Nikkei average : ¥ 20,356 USD\$1 = JPY¥ 113 EUR€1 = JPY¥ 133 GBP £ 1 = JPY¥ 151	
Domestic natural catastrophes occurred in FY2017	41.0 (+ 11.0)	26.0 (+ 6.0)
Catastrophe reserves Provision	9.7 (- 7.6)	14.2 (+ 0.1)
(For fire insurance) Reversal	16.6 (+ 3.1)	5.0 (+ 1.3)
Change	- 6.9 (- 10.6)	9.2 (- 1.2)
Catastrophe reserves Provision	21.1 (+ 0.3)	21.9 -
(For voluntary automobile insurance) Reversal	-	13.1 (- 1.8)
Change	21.1 (+ 0.3)	8.8 (+ 1.8)
Corporate tax rate (Effective tax rate)	28.2%	

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

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

(Announced on
Nov. 17, 2017)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,469.6	1,488.0	1,493.0	23.3	5.0
Growth rate of net premiums written	-2.5%	1.2%	1.6%	4.1pt	0.4pt
Net loss ratio	61.2%	60.3%	60.5%	- 0.7pt	0.2pt
Net expense ratio	31.2%	31.6%	31.5%	0.3pt	- 0.1pt
Combined ratio	92.4%	91.9%	92.0%	- 0.4pt	0.1pt
Incurred losses (Incl. loss adjustment expenses)	893.0	891.8	905.6	12.5	13.8
Underwriting profit	81.7	82.0	81.0	- 0.7	- 1.0
Investment profit	139.4	147.6	155.2	15.8	7.7
Ordinary profit	215.5	225.0	230.0	14.4	5.0
Extraordinary income/loss	- 7.0	- 2.7	0.9	8.0	3.6
Net income	164.5	166.0	172.0	7.4	6.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	-2.9%	1.7%	2.0%	4.9pt	0.3pt
Net loss ratio	58.0%	57.2%	57.6%	- 0.4pt	0.4pt
Net expense ratio	33.2%	33.5%	33.4%	0.2pt	- 0.1pt
Combined ratio	91.2%	90.7%	91.0%	- 0.2pt	0.3pt
Incurred losses (Incl. loss adjustment expenses)	738.4	741.0	756.2	17.6	15.1

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

(Announced on
Nov. 17, 2017)

Net premiums written

(¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	Growth
Fire and allied	183.8	193.2	5.1%
Marine	58.6	57.7	-1.6%
Personal accident	143.5	145.7	1.5%
Voluntary automobile	654.1	660.0	0.9%
CALI	186.8	184.2	-1.4%
Other	242.5	252.1	3.9%
Total	1,469.6	1,493.0	1.6%
Total excl. residential EQ insurance and CALI	1,282.0	1,308.2	2.0%

Net loss ratio

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Fire and allied	72.0%	67.3%	- 4.7pt
Marine	61.3%	62.5%	1.2pt
Personal accident	54.3%	52.7%	- 1.6pt
Voluntary automobile	57.3%	58.6%	1.3pt
CALI	80.3%	81.4%	1.1pt
Other	52.9%	48.9%	- 4.0pt
Total	61.2%	60.5%	- 0.7pt
Total excl. residential EQ insurance and CALI	58.0%	57.6%	- 0.4pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	738.4	756.2	17.6
Natural catastrophes ^{※2}	34.3	42.0	7.6
Other than natural catastrophes	704.1	714.1	9.9

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

36. Earnings Forecasts for FY2017 – MSI (Non-Consolidated) (iii)

(Announced on
Nov. 17, 2017)

Company expenses / Commission (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Underwriting company expenses	206.6	212.8	6.1
Loss adjustment expenses	87.8	88.5	0.6
Other	10.9	11.5	0.5
Total company expenses	305.4	312.9	7.4
Personnel expenses	167.7	169.7	2.0
Non-personnel expenses	125.2	130.6	5.3
Taxes and contributions	12.4	12.5	0.0
Commission and collection expenses	251.7	257.2	5.4

Net investment income (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Interest and dividends income	116.7	103.0	- 13.8
Transfer of investment income on deposit premiums	- 35.5	- 32.0	3.5
Net interest and dividends income	81.2	71.0	- 10.2
Gains/losses on sales of securities	67.2	87.8	20.5
Impairment losses on securities	- 0.4	- 1.0	- 0.4
Other	- 8.6	- 2.6	6.0
Net investment income/loss	139.4	155.2	15.8

Expense ratios

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Net commission ratio	17.1%	17.2%	0.1pt
Net company expense ratio	14.1%	14.3%	0.2pt
Net expense ratio	31.2%	31.5%	0.3pt
Net expense ratio (excluding residential EQ insurance and CALI)	33.2%	33.4%	0.2pt

Sources of interest and dividends received (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Bonds	19.4	18.8	- 0.7
Stocks	43.5	43.1	- 0.4
Foreign securities	38.0	25.7	- 12.2
Other securities	3.2	3.9	0.7
Loans and other	12.5	11.4	- 1.1
Total	116.7	103.0	- 13.8

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

(Announced on
Nov. 17, 2017)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,200.5	1,219.0	1,222.0	21.4	3.0
Growth rate of net premiums written	0.7%	1.5%	1.8%	1.1pt	0.3pt
Net loss ratio	59.1%	60.2%	59.7%	0.6pt	- 0.5pt
Net expense ratio	33.5%	33.7%	33.7%	0.2pt	0.0pt
Combined ratio	92.6%	93.9%	93.4%	0.8pt	- 0.5pt
Incurred losses (Incl. loss adjustment expenses)	724.6	740.2	767.8	43.1	27.6
Underwriting profit	39.5	41.0	12.0	- 27.5	- 29.0
Investment profit	32.2	28.0	32.0	- 0.2	4.0
Ordinary profit	75.1	70.0	46.0	- 29.1	- 24.0
Extraordinary income/loss	- 8.3	- 3.7	- 6.7	1.6	- 3.0
Net income	50.3	49.0	30.0	- 20.3	- 19.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	1.0%	2.2%	2.4%	1.4pt	0.2pt
Net loss ratio	55.6%	57.0%	56.8%	1.2pt	- 0.2pt
Net expense ratio	35.2%	35.4%	35.4%	0.2pt	0.0pt
Combined ratio	90.8%	92.4%	92.2%	1.4pt	- 0.2pt
Incurred losses (Incl. loss adjustment expenses)	591.0	607.4	638.2	47.1	30.8

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

(Announced on
Nov. 17, 2017)

Net premiums written

(¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	Growth
Fire and allied	153.0	171.9	12.3%
Marine	5.4	7.5	37.2%
Personal accident	61.4	61.5	0.2%
Voluntary automobile	680.4	683.2	0.4%
CALI	168.7	165.9	-1.7%
Other	131.3	132.0	0.5%
Total	1,200.5	1,222.0	1.8%
Total excl. residential EQ insurance and CALI	1,031.2	1,055.7	2.4%

Net loss ratio

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Fire and allied	56.2%	61.7%	5.5pt
Marine	48.0%	48.0%	0.0pt
Personal accident	48.6%	47.3%	- 1.3pt
Voluntary automobile	56.8%	58.4%	1.6pt
CALI	77.9%	78.1%	0.2pt
Other	55.6%	47.0%	- 8.6pt
Total	59.1%	59.7%	0.6pt
Total excl. residential EQ insurance and CALI	55.6%	56.8%	1.2pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	591.0	638.2	47.1
Natural catastrophes ^{※2}	16.7	55.7	38.9
Other than natural catastrophes	574.2	582.5	8.2

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

39. Earnings Forecasts for FY2017 – ADI (Non-Consolidated) (iii)

(Announced on
Nov. 17, 2017)

Company expenses / Commission (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Underwriting company expenses	178.3	176.0	- 2.3
Loss adjustment expenses	60.8	60.8	- 0.0
Other	8.5	10.1	1.5
Total company expenses	247.6	246.9	- 0.7
Personnel expenses	123.6	127.8	4.1
Non-personnel expenses	113.0	107.8	- 5.2
Taxes and contributions	10.9	11.3	0.3
Commission and collection expenses	223.8	235.3	11.4

Net investment income (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Interest and dividends income	55.4	54.2	- 1.2
Transfer of investment income on deposit premiums	- 17.3	- 17.2	0.1
Net interest and dividends income	38.0	37.0	- 1.0
Gains/losses on sales of securities	9.0	6.9	- 2.1
Impairment losses on securities	- 4.9	- 1.5	3.4
Other	- 9.9	- 10.4	- 0.4
Net investment income/loss	32.2	32.0	- 0.2

Expense ratios

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Net commission ratio	18.6%	19.3%	0.7pt
Net company expense ratio	14.9%	14.4%	-0.5pt
Net expense ratio	33.5%	33.7%	0.2pt
Net expense ratio (excluding residential EQ insurance and CALI)	35.2%	35.4%	0.2pt

Sources of interest and dividends received (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Bonds	9.9	9.8	- 0.1
Stocks	17.6	18.4	0.7
Foreign securities	17.7	16.8	- 0.9
Other securities	2.5	1.8	- 0.7
Loans and other	7.5	7.4	- 0.1
Total	55.4	54.2	- 1.2

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

(Announced on
Nov. 17, 2017)

(¥bn)

	FY2016 Results	FY2017 Forecast (Initial)	FY2017 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	2,670.2	2,707.0	2,715.0	44.7	8.0
Growth rate of net premiums written	-1.1%	1.4%	1.7%	2.8pt	0.3pt
Net loss ratio	60.2%	60.2%	60.1%	- 0.1pt	- 0.1pt
Net expense ratio	32.2%	32.5%	32.5%	0.3pt	0.0pt
Combined ratio	92.4%	92.7%	92.6%	0.2pt	- 0.1pt
Incurred losses (Incl. loss adjustment expenses)	1,617.6	1,632.0	1,673.4	55.7	41.4
Underwriting profit	121.3	123.0	93.0	- 28.3	- 30.0
Investment profit	171.6	175.6	187.2	15.5	11.6
Ordinary profit	290.7	295.0	276.0	- 14.7	- 19.0
Extraordinary income/loss	- 15.4	- 6.4	- 5.8	9.6	0.5
Net income	214.9	215.0	202.0	- 12.9	- 13.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	-1.2%	1.9%	2.2%	3.4pt	0.3pt
Net loss ratio	56.9%	57.1%	57.2%	0.3pt	0.1pt
Net expense ratio	34.1%	34.3%	34.3%	0.2pt	0.0pt
Combined ratio	91.0%	91.4%	91.5%	0.5pt	0.1pt
Incurred losses (Incl. loss adjustment expenses)	1,329.5	1,348.4	1,394.4	64.7	45.9

41. Earnings Forecasts for FY2017 Simple Sum of MSI & ADI (Non-Consolidated) (ii)

(Announced on
Nov. 17, 2017)

Net premiums written

(¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	Growth
Fire and allied	336.9	365.1	8.4%
Marine	64.1	65.2	1.7%
Personal accident	204.9	207.2	1.1%
Voluntary automobile	1,334.6	1,343.2	0.6%
CALI	355.6	350.1	-1.5%
Other	373.9	384.1	2.7%
Total	2,670.2	2,715.0	1.7%
Total excl. residential EQ insurance and CALI	2,313.2	2,363.9	2.2%

Net loss ratio

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Fire and allied	64.8%	64.7%	- 0.1pt
Marine	60.1%	60.9%	0.8pt
Personal accident	52.6%	51.1%	- 1.5pt
Voluntary automobile	57.0%	58.5%	1.5pt
CALI	79.1%	79.8%	0.7pt
Other	53.8%	48.2%	- 5.6pt
Total	60.2%	60.1%	- 0.1pt
Total excl. residential EQ insurance and CALI	56.9%	57.2%	0.3pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) ^{※1}	1,329.5	1,394.4	64.7
Natural catastrophes ^{※2}	51.0	97.7	46.6
Other than natural catastrophes	1,278.4	1,296.6	18.1

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

※2 "Natural catastrophes" shows incurred losses from domestic natural catastrophes occurred during the period and 5 major overseas natural catastrophes

42. Earnings Forecasts for FY2017 Simple Sum of MSI & ADI (Non-Consolidated) (iii)

(Announced on
Nov. 17, 2017)

Company expenses / Commission (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Underwriting company expenses	384.9	388.8	3.8
Loss adjustment expenses	148.6	149.3	0.6
Other	19.4	21.6	2.1
Total company expenses	553.1	559.8	6.6
Personnel expenses	291.3	297.5	6.1
Non-personnel expenses	238.3	238.4	0.0
Taxes and contributions	23.3	23.8	0.4
Commission and collection expenses	475.5	492.5	16.8

Net investment income (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Interest and dividends income	172.2	157.2	- 15.0
Transfer of investment income on deposit premiums	- 52.8	- 49.2	3.6
Net interest and dividends income	119.3	108.0	- 11.3
Gains/losses on sales of securities	76.3	94.7	18.3
Impairment losses on securities	- 5.4	- 2.5	2.9
Other	- 18.5	- 13.0	5.5
Net investment income/loss	171.6	187.2	15.5

Expense ratios

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Net commission ratio	17.8%	18.1%	0.3pt
Net company expense ratio	14.4%	14.3%	-0.1pt
Net expense ratio	32.2%	32.5%	0.3pt
Net expense ratio (excluding residential EQ insurance and CALI)	34.1%	34.3%	0.2pt

Sources of interest and dividends received (¥bn)

	FY2016	FY2017 (Revised)	
	Results	Forecast	YoY Change
Bonds	29.4	28.6	- 0.8
Stocks	61.2	61.5	0.3
Foreign securities	55.7	42.5	- 13.1
Other securities	5.7	5.7	- 0.0
Loans and other	20.0	18.8	- 1.2
Total	172.2	157.2	- 15.0

Key financial data

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Net premiums written	37.6	38.0	0.3
Growth rate of net premiums written	3.0%	1.0%	-2.0pt
Ordinary profit/loss	- 0.9	0.4	1.3
Net income/loss per our share	- 0.9	0.2	1.1

44. Earnings Forecasts for FY2017 – MSI Aioi Life

(Announced on
Nov. 17, 2017)

Key financial data

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Amount of new policies [※]	2,377.1	2,539.6	6.8%
Annualized premiums of new policies [※]	51.7	38.8	-25.0%
Amount of policies in force [※]	23,214.2	23,701.1	2.1%
Annualized premiums of policies in force [※]	401.0	411.8	2.7%
Gross premiums income	478.9	491.0	12.0
Ordinary profit/loss	16.1	12.9	- 3.3
Net income/loss	4.5	3.0	- 1.5

※Amount of new policies, Amount of policies in force, annualized premiums of new policies and annualized premiums of policies in force are total sum of personal insurance and personal annuity insurance.

45. Earnings Forecasts for FY2017 – MSI Primary Life

(Announced on
Nov. 17, 2017)

Key financial data

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Amount of new policies	1,032.2	901.9	- 12.6%
Amount of policies in force	5,680.7	6,260.0	10.2%
Gross premiums income	1,071.1	900.0	- 171.1
Ordinary profit/loss	57.6	44.4	- 13.2
Net income/loss	20.7	22.0	1.2

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

Group Core Profit = Consolidated net income

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

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

Caution About Forward-Looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

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