

## Materials for FY2017 3Q Results Briefing – Conference Call

February 14, 2018 (Wed.)



MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

I am Satoru Shiono of MS&AD Holdings.

Thank you for finding the time to participate in our conference call today amid the many earnings announcements of companies in the insurance sector.

For this reason, we would like to shorten today's conference call to 45 minutes, which is 15 minutes less than usual. Thank you for your understanding.

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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

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## 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 Results	FY2017 3Q Results	YoY Change	Growth
Direct premiums written <sup>※</sup> (excl. deposit premiums from policyholders)	2,666.1	<b>2,713.1</b>	47.0	1.8%
Net premiums written <sup>※</sup>	2,608.6	<b>2,628.2</b>	19.6	0.8%
Mitsui Sumitomo Insurance	1,104.3	<b>1,128.0</b>	23.6	2.1%
Aioi Nissay Dowa insurance	905.1	<b>925.4</b>	20.3	2.2%
Mitsui Direct General	27.4	<b>27.5</b>	0.0	0.3%
Overseas subsidiaries	567.2	<b>543.7</b>	- 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 Results	FY2017 3Q Results	YoY Change	Growth
Gross premiums income <sup>※</sup>	1,131.0	<b>1,117.1</b>	- 13.9	- 1.2%
MSI Aioi Life	349.0	<b>360.2</b>	11.1	3.2%
MSI Primary Life	782.0	<b>756.8</b>	- 25.1	- 3.2%
Life insurance premiums	935.5	<b>758.3</b>	- 177.1	- 18.9%

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

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Now, please look at the first page, Slide 1, of the slides entitled “Materials for FY2017 3Q Results Briefing - Conference Call.”

First, I will explain the Group’s top lines.

Although net premiums written for overseas subsidiaries decreased mainly due to a decrease at MS Amlin which has been strengthening selective underwriting, net premiums written in Americas and Asia increased, and domestic non-life insurance subsidiaries increased by 44.0 billion yen, resulting in net premiums written in non-life insurance increasing by 19.6 billion yen to 2,628.2 billion yen for the whole Group.

Gross premiums income of life insurance subsidiaries decreased by 13.9 billion yen primarily due to a replacement of product line at MSI Primary Life.

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

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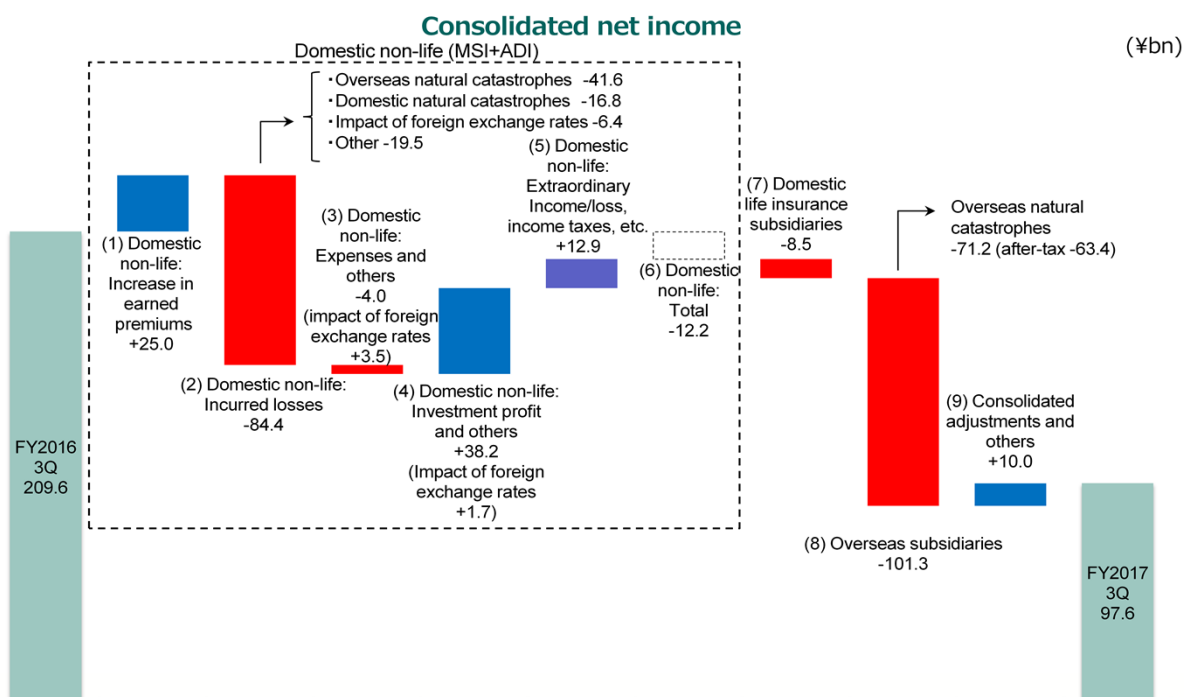
Next, please look at Slide 2.

I will explain the Group's bottom lines.

Net income for the quarter fell by 53.4% to 97.6 billion yen primarily due to domestic and overseas natural catastrophes significantly exceeding the expected amount for this fiscal year and an increase in incurred losses from other than natural catastrophes at MS Amlin, which is on the way to recover profitability.

### 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.



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Next, please look at Slide 3.

I will explain the factors behind year-on-year changes in consolidated earnings for FY2017 3Q using the graph.

One of the main causes was incurred losses from overseas natural catastrophes increasing by 41.6 billion yen year-on-year due to the natural catastrophes in North America and from domestic natural catastrophes increasing by 16.8 billion yen primarily due to Typhoon No. 21 (Typhoon Lan) under (2) "Incurred losses in domestic non-life insurance subsidiaries."

Another reason was the similar year-on-year increase in losses from natural catastrophes in North America and in losses other than natural catastrophes at MS Amlin, so the net income for the quarter under (8) "Overseas insurance subsidiaries" decreased by 101.3 billion yen year-on-year.

However, (1) "Earned premiums" steadily increased by 25.0 billion yen, and gains on sales increased due to the steady progress in the reduction of strategic equity holdings in (4) "Investment profit and other."

Note that (7) "Domestic life insurance business" showed a negative 8.5 billion yen, but this was primarily due to provision for price fluctuation reserves for gains and losses resulting from fluctuations in interest rates and exchange rates at MSI Primary Life that took place in each quarter from this fiscal year, and the business performance for MSI Primary Life was steady during the period under review.

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

※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.

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## 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 <sup>※1</sup>	210.0	<b>65.0</b>	<b>- 144.9</b>
Domestic non-life insurance business	133.3	<b>135.3</b>	<b>1.9</b>
Domestic life insurance business	39.8	<b>31.4</b>	<b>- 8.3</b>
International business	35.2	<b>- 105.2</b>	<b>- 140.4</b>
Financial services business and risk-related services business	1.6	<b>3.4</b>	<b>1.8</b>
Other financial targets			
Combined ratio <sup>※2</sup> (Domestic non-life insurance business)	91.2%	<b>90.3%</b>	<b>- 0.9pt</b>
Increase in EV of MSI Aioi Life <sup>※3</sup>			
Group ROE <sup>※1,3</sup>			

※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.

<b>Group Core Profit 65.0</b>	<b>=</b>	<b>Consoli- dated net income 97.6</b>	<b>-</b>	<b>Net capital gains / losses on stock portfolio 51.4</b>	<b>-</b>	<b>Net evaluation gains / losses on credit derivatives -0.0</b>	<b>-</b>	<b>Other incidental factors <sup>※4</sup> -18.8</b>	<b>+</b>	<b>Equity in earnings of the non- consolidated group companies -0.0</b>
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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

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Next, please look at Slide 5.

Group Core Profit decreased by 144.9 billion yen to 65.0 billion yen primarily due to the international business where income decreased by 140.4 billion yen due to the inclusion of incurred losses from overseas natural catastrophes written as a part of the domestic non-life insurance business.

## 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 <sup>※1</sup>	California wildfires <sup>※2</sup>	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

Next, please look at Slide 6 for the impact of overseas natural catastrophes.

Since the interim period, a total of 33.6 billion yen has been included for the wildfires that occurred in northern and southern California in October and December, and as a result of replacing in stages the amount of losses estimated at the time of the interim report calculated on a model basis with the reports being submitted by the direct insurance companies, natural catastrophes losses in the third quarter totaled 127.7 billion yen.

## 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

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S <sup>※1</sup>	
		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
<b>Total</b>	<b>66.0</b>	<b>16.8</b>	<b>39.7</b>	<b>7.4</b>	<b>26.2</b>	<b>9.4</b>

※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)

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## 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
<b>Underwriting profit/loss</b>	<b>58.1</b>	<b>- 9.3</b>	<b>- 6.8</b>	<b>- 54.0</b>	<b>51.3</b>	<b>- 63.4</b>
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
<b>Combined ratio</b>	<b>90.2%</b>	<b>- 0.2pt</b>	<b>90.2%</b>	<b>- 1.7pt</b>	<b>90.2%</b>	<b>- 0.9pt</b>
<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
<b>Combined ratio</b>	<b>89.3%</b>	<b>0.8pt</b>	<b>88.8%</b>	<b>- 0.6pt</b>	<b>89.0%</b>	<b>0.1pt</b>

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Next, I will explain the status of our Domestic Non-life Insurance business in terms of the simple sum of the two core companies.

Please look at the combined totals shown on the right at Slide 8.

The top line of net premiums written increased by 2.2%, indicating steady growth.

Next, underwriting profit decreased by 63.4 billion yen to 51.3 billion yen, but underwriting profit was steady except transient elements such as the impact of the increase in natural catastrophes.



## 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
<b>Underwriting profit/loss</b>	<b>58.1</b>	<b>- 9.3</b>	<b>- 6.8</b>	<b>- 54.0</b>	<b>51.3</b>	<b>- 63.4</b>
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
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>136.8</b>	<b>35.4</b>	<b>35.7</b>	<b>2.8</b>	<b>172.5</b>	<b>38.2</b>
<b>Ordinary profit/loss</b>	<b>195.0</b>	<b>26.0</b>	<b>28.8</b>	<b>- 51.2</b>	<b>223.8</b>	<b>- 25.1</b>
<b>Extraordinary income/losses</b>	<b>2.1</b>	<b>5.7</b>	<b>- 5.5</b>	<b>0.4</b>	<b>- 3.3</b>	<b>6.2</b>
<b>Income before taxes</b>	<b>197.2</b>	<b>31.8</b>	<b>23.2</b>	<b>- 50.7</b>	<b>220.4</b>	<b>- 18.9</b>
<b>Net income/loss</b>	<b>150.1</b>	<b>25.0</b>	<b>19.0</b>	<b>- 37.2</b>	<b>169.2</b>	<b>- 12.2</b>

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

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Next, please look at slide 9. I will explain the investment profit/loss.

As shown in the lower left of the slide, the 120.3 billion yen reduction in strategic equity holdings has already achieved the reduction target of 120.0 billion yen set forth at the beginning of the year, and steady progress is being made to reach the revised target of 135.0 billion yen.

The strong progress made in the reduction of strategic equity holdings and other factors resulted in 172.5 billion yen in investment profit and other ordinary profit, up 38.2 billion yen year-on-year.

## 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
					YoY	Dec. 31, 2017
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
	<b>Total</b>	<b>8.2</b>	<b>39.1</b>	<b>30.8</b>	<b>- 4.1</b>	<b>559.7</b>
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
	<b>Total</b>	<b>3.5</b>	<b>33.6</b>	<b>30.0</b>	<b>- 0.8</b>	<b>343.7</b>
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
	<b>Total</b>	<b>11.8</b>	<b>72.8</b>	<b>60.9</b>	<b>- 4.9</b>	<b>903.5</b>

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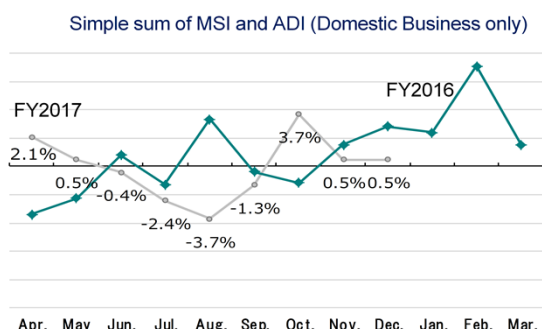
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## 11. Domestic Non-Life Insurance Companies FY2017 3Q (3) – Voluntary Auto Insurance

- 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

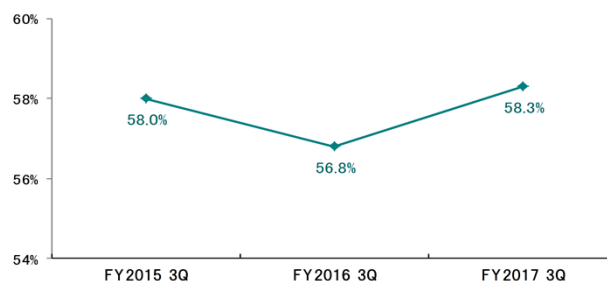
(per day, %YOY, excl. the number of accidents caused by natural disasters)



### E/I loss ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



### Mitsui Sumitomo Insurance

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

### 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.

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Next, please look at Slide 11.

I will now explain the status of voluntary automobile insurance.

The cumulative number of accidents for the year shown in the graph on the left decreased by 0.4% year-on-year, and the average payout per claim for property damage liability and vehicle damage shown in the bottom section of the bottom table increased, and the earned-incurred loss ratio shown in the graph on the right was 58.3%.

## 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 <sup>※1</sup>		1,605.1	<b>2,074.7</b>	469.6	29.3%
Annualized premiums of new policies		33.6	<b>29.2</b>	- 4.3	-13.0%
of which, third sector insurance		11.3	<b>10.3</b>	- 1.0	-8.8%
Amount of policies in force <sup>※1</sup>	(At the beginning of the FY)	23,214.2	<b>23,713.7</b>	(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	<b>409.7</b>	(Change from the beginning of the FY) 8.7	2.2%
of which, third sector insurance	(At the beginning of the FY)	88.4	<b>94.5</b>	(Change from the beginning of the FY) 6.1	6.9%
Gross premiums income		349.0	<b>360.2</b>	11.1	3.2%
Ordinary profit/loss		13.0	<b>13.2</b>	0.1	1.3%
Extraordinary income/losses		- 0.5	<b>- 0.6</b>	- 0.0	—
Net income/loss		6.1	<b>6.1</b>	0.0	0.1%
Core profit		15.8	<b>11.4</b>	- 4.3	-27.7%

※1 Total sum of personal insurance and personal annuity insurance

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Next, I will explain the results of MSI Aioi Life.

Please look at Slide 12.

The top line performed well, and the amount of new policies increased by 29.3% year-on-year, mainly due to strong sales of the newly launched income guarantee insurance.

Furthermore, although there was an increase in the policy reserve due to a revision of standard rates, net income was 6.1 billion yen, around the same level as the previous fiscal year.

### 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 Results	FY2017 3Q Results	YoY Change	Change Ratio
Amount of new policies <sup>※1</sup>	759.1	<b>758.1</b>	- 1.0	- 0.1%
Amount of policies in force <sup>※1</sup>	(At the beginning of FY) 5,680.7	<b>6,247.0</b>	(Change from the beginning of FY) 566.2	10.0%
Gross premiums income	782.0	<b>756.8</b>	- 25.1	- 3.2%
Ordinary profit/loss	48.7	<b>42.3</b>	- 6.3	- 13.1%
Extraordinary income/losses	- 1.7	<b>- 7.2</b>	- 5.5	—
Net income/loss	33.8	<b>25.3</b>	- 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	<b>2.6</b>
Subtotal	9.3	<b>4.0</b>
Gains/losses on sales of securities	8.5	<b>0.9</b>
Total	17.9	<b>5.0</b>
Provision for price fluctuation reserve reflecting the above	-	5.0

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Continuing on, I will explain the performance of MSI Primary Life.

Please look at Slide 13.

Gross premiums income for variable insurance decreased, while sales of fixed insurance remained strong. As a result, gross premiums income fell by 3.2% year-on-year to 756.8 billion yen, which exceeded the forecast for the period under review.

An increase in the interest margin as a result of the increase in policies in force also contributed to the net income for the quarter of 25.3 billion yen, exceeding the full-year forecast already after the additional provision for the price fluctuation reserve to equalize the positive impact of interest and exchange rates.

Furthermore, the so-called tontine type new annuity product that began to be sold at Sumitomo Mitsui Banking Corporation in February got off to a strong start.

## 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

(¥bn)

	FY2016 3Q Results	FY2017 3Q Results	YoY Change	Change ratio
Net premiums written	<b>567.2</b>	<b>543.7</b>	<b>- 23.5</b>	- 4.2%
Asia	116.7	121.7	4.9	4.3%
Europe	416.5	384.3	- 32.1	- 7.7%
(of which, MS Amlin <sup>※</sup> )	387.0	352.0	- 35.0	- 9.1%
Americas	33.9	37.5	3.6	10.7%
Net income/loss	<b>28.4</b>	<b>- 72.9</b>	<b>- 101.3</b>	<b>-356.9%</b>
Asia	11.3	12.9	1.5	13.3%
Europe	15.0	- 88.5	- 103.5	-689.3%
(of which, MS Amlin <sup>※</sup> )	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.

Next, I will explain the status of overseas subsidiaries. Please look at Slide 14.

Both revenue and income steadily increased year-on-year in Asia and the Americas even after excluding the impact of exchange rates.

Net loss at MS Amlin was 84.9 billion yen as of the end of 3Q.

Incurred loss of 25.0 billion yen associated with two wildfires in California (U.S.A.) that occurred in 4Q of the local accounting period was recorded in 3Q. This was the first factor behind further decrease of net income from -46.5 billion yen as of the end of 2Q.

Another factor was incurred losses from other than natural catastrophes that exceeded the estimated figures for 3Q. This was due to conservative booking of IBNR at several liability lines without longstanding underwriting experience and occurrence of individual large claims, although the performance at several lines of business improved as a result of implemented measures.

As for natural catastrophe risks, we have implemented measures to stabilize profitability from January 2018, such as lowering the excess point for reinsurance protection for one accident and setting additional coverage to mitigate accumulation of retained losses from multiple accidents of the same year.

In addition, we expect the renewed reinsurance programs with lower costs to contribute to recovery of profitability. Such renewals are the result of favorable past performance of reinsurance cession.

(continued on next page)

## FY2017 3Q Results Data

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Regarding January renewal at MS Amlin, the accounts with claims history were renewed with around 18% rate increase, almost the same as market trends. We will also watch June and July trend of renewals which includes renewal accounts with claims history closely.

As for lines other than natural catastrophes, we have been taking measures such as increasing premium rates and revising underwriting conditions for the lines that showed worsening in performance and cancelling contracts with poorly performing channels.

In addition, we have been building a system to monitor the trends of performance on a monthly basis, including the status of renewals, expenses and asset management.

As a result of such strict underwriting, January 2018 has seen a rise in premium rates of approximately 3.8% for all renewals, thus exceeding the target.

Moving towards the closing of FY2017, we are conducting further prudent calculation of reserves with the focus on liability lines.

We are expecting profitability to recover in a two-year period starting from 2018 as a result of the above-mentioned measures.





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

(¥bn)

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

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

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In Slide 26 and onwards, you will find the materials for the earnings forecast for FY 2017 announced on November 17, 2017. There are no changes to this earnings forecast.

Net income for the quarter was 97.6 billion yen, which is 67% of the way to the full-year forecast of 145.0 billion yen and approximately 20 billion yen less than the forecast for the first nine months, primarily due to an increase in overseas natural catastrophes.

We will continue to review MS Amlin's reserve levels for the annual settlement of accounts, and some fluctuating elements due to this will remain, but we aim to achieve our full-year forecast of 145 billion yen through various efforts backed by the strong domestic non-life insurance and domestic life insurance businesses.

Furthermore, with regard to Group Core Profit, conditions are difficult for reaching the full-year forecast of 115.0 billion yen, but if we talk in terms of returns to shareholders, there is no change in the dividend forecast of 130 yen, which is an increase of 10 yen, and we will conduct repurchases of our own shares as opportunities arise with due consideration to the state of our capital and share price.

This concludes my presentation. Thank you.

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

### Net premiums written

(¥bn)

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

### Net loss ratio

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

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

### Incurred losses<sup>※1</sup> and E/I loss ratio (including loss adjustment expenses)

(¥bn)

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

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

(¥bn)

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

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

### Net premiums written

(¥bn)

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

### Net loss ratio

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

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

### Incurred losses<sup>※1</sup> and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2016 3Q					FY2017 3Q					
	Incurred Losses <sup>※1</sup> (a)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses <sup>※1</sup> (c)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (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	<b>90.2%</b>	63.3	56.5	<b>42.5%</b>	2.4pt
Marine	2.2	51.6%	-	2.2	51.6%	4.1	<b>80.9%</b>	0.6	3.5	<b>68.7%</b>	17.1pt
Personal accident	21.1	46.7%	0.0	21.1	46.7%	22.2	<b>49.7%</b>	0.0	22.2	<b>49.6%</b>	2.9pt
Voluntary automobile	285.1	56.0%	1.2	283.8	55.8%	298.1	<b>58.3%</b>	2.8	295.3	<b>57.7%</b>	1.9pt
Other	56.1	57.3%	0.8	55.3	56.4%	46.1	<b>50.0%</b>	2.0	44.1	<b>47.9%</b>	-8.5pt
Total (A) <sup>※4</sup>	427.3	55.0%	16.2	411.1	52.9%	490.5	<b>62.4%</b>	68.8	421.7	<b>53.6%</b>	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.

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

(¥bn)

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

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## 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	<b>279.7</b>	12.2%
Marine	48.4	<b>50.7</b>	4.7%
Personal accident	153.0	<b>155.8</b>	1.8%
Voluntary automobile	1,004.5	<b>1,011.6</b>	0.7%
CALI	263.8	<b>270.1</b>	2.4%
Other	290.3	<b>285.2</b>	-1.7%
Total	2,009.4	<b>2,053.4</b>	2.2%
Total excluding residential EQ insurance and CALI	1,744.6	<b>1,782.5</b>	2.2%

### Net loss ratio

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

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

### Incurred losses<sup>※1</sup> and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2016 3Q					FY2017 3Q					
	Incurred Losses <sup>※1</sup> (a)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses <sup>※1</sup> (c)	E/I Loss Ratio <sup>※2</sup>	Nat. Cat. Impact <sup>※3</sup> (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	<b>78.0%</b>	97.3	133.8	<b>45.1%</b>	3.0pt
Marine	29.3	57.7%	0.2	29.1	57.3%	33.2	<b>64.1%</b>	0.9	32.3	<b>62.3%</b>	5.0pt
Personal accident	78.2	52.2%	0.0	78.2	52.2%	78.4	<b>52.0%</b>	0.0	78.4	<b>52.0%</b>	-0.2pt
Voluntary automobile	567.6	56.8%	2.5	565.0	56.5%	588.6	<b>58.3%</b>	5.7	582.8	<b>57.8%</b>	1.3pt
Other	150.5	54.2%	2.7	147.7	53.2%	141.6	<b>51.4%</b>	4.6	137.0	<b>49.7%</b>	-3.5pt
Total (A) <sup>※4</sup>	988.6	56.2%	50.1	938.4	53.4%	1,073.1	<b>60.2%</b>	108.7	964.4	<b>54.1%</b>	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.

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

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

※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.

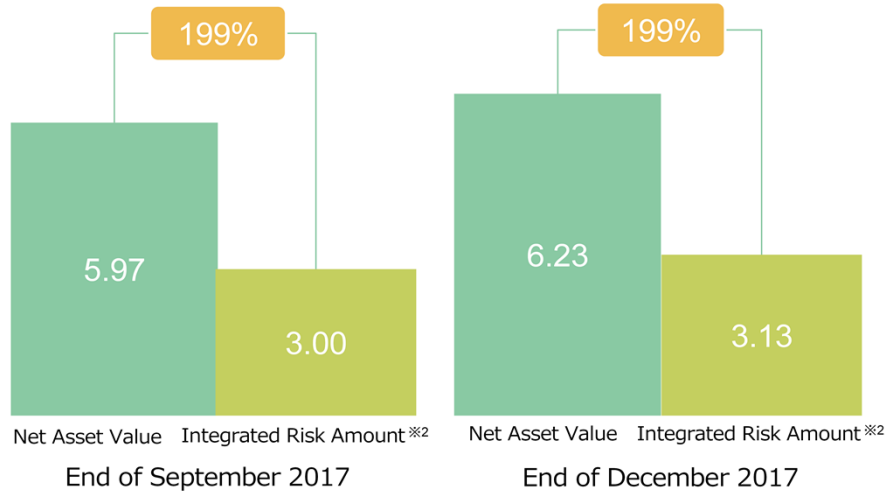
※4 The main item of "Other expenses" is expenses of non-insurance companies.

※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.

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## 25. <Reference> ESR

ESR ※<sup>1</sup>  
(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

※<sup>1</sup> ESR: Economic Solvency Ratio (=NAV ÷ Integrated Risk Amount)

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

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## Projected Financial Results for FY2017 (Announced on November 17, 2017)

Consolidated Earnings Forecasts for FY2017	Page 26-32
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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	<b>3,450.0</b>	43.0	1.3%	0.0
Mitsui Sumitomo Insurance	1,469.6	1,488.0	<b>1,493.0</b>	23.3	1.6%	5.0
Aioi Nissay Dowa Insurance	1,200.5	1,219.0	<b>1,222.0</b>	21.4	1.8%	3.0
Mitsui Direct General Insurance	37.6	38.8	<b>38.0</b>	0.3	1.0%	- 0.8
Overseas subsidiaries	693.1	700.0	<b>692.0</b>	- 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 <sup>※</sup>	1,550.0	1,294.3	<b>1,391.0</b>	- 159.0	-10.3%	96.7
MSI Aioi Life	478.9	494.3	<b>491.0</b>	12.0	2.5%	- 3.3
MSI Primary Life	1,071.1	800.0	<b>900.0</b>	- 171.1	-16.0%	100.0
Life insurance premiums	1,253.1	949.0	<b>1,000.0</b>	- 253.1	-20.2%	51.0

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

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

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

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## 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	<b>692.0</b>	- 1.1	- 8.0
Asia	154.5	161.5	<b>161.2</b>	6.5	- 0.3
Europe	493.1	488.8	<b>480.7</b>	- 12.4	- 8.2
(of which, MS Amlin)	455.8	448.1	<b>439.7</b>	- 16.1	- 8.4
Americas	45.4	49.7	<b>50.2</b>	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	<b>- 41.0</b>	- 65.0	- 86.0
Asia	13.2	13.3	<b>14.3</b>	0.9	1.0
Europe	7.7	29.1	<b>- 57.7</b>	- 65.4	- 86.8
(of which, MS Amlin)	12.3	30.1	<b>- 55.0</b>	- 67.3	- 85.1
Americas	3.0	2.6	<b>2.4</b>	- 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.

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## 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.

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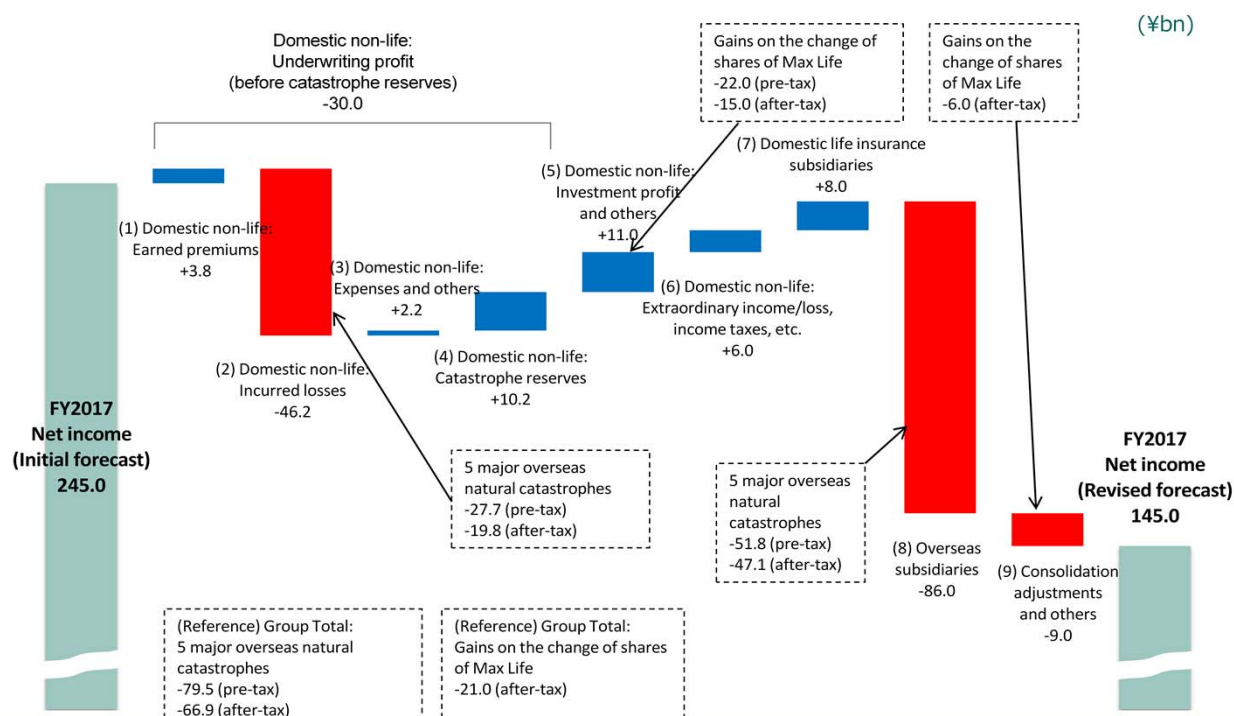
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### 30. Consolidated Earnings Forecasts for FY2017 (v) Factors Behind Change from the Initial Forecast

(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

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## 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	<b>230.0</b>	<b>115.0</b>	<b>- 98.7</b>	<b>- 115.0</b>
Domestic non-life insurance	153.3	<b>145.0</b>	<b>149.0</b>	<b>- 4.3</b>	<b>4.0</b>
Domestic life insurance	25.1	<b>17.0</b>	<b>25.0</b>	<b>- 0.1</b>	<b>8.0</b>
International business	34.6	<b>64.0</b>	<b>- 63.0</b>	<b>- 97.6</b>	<b>- 127.0</b>
Financial services/Risk related services	0.5	<b>4.0</b>	<b>4.0</b>	<b>3.4</b>	<b>-</b>
Other financial targets					
Combined ratio (Domestic non- life insurance)	92.6%	<b>92.9%</b>	<b>92.6%</b>	<b>-</b>	<b>- 0.3pt</b>
Increase in EV of MSI Aioi Life	198.4	<b>50.0</b>	<b>50.0</b>	<b>- 148.4</b>	<b>-</b>
Group ROE	7.9%	<b>8.4%</b>	<b>4.0%</b>	<b>- 3.9pt</b>	<b>- 4.4pt</b>

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## 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
	<b>Total</b>	<b>18.5</b>	<b>51.8</b>	<b>33.3</b>	<b>- 11.6</b>	<b>562.1</b>
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
	<b>Total</b>	<b>18.3</b>	<b>44.7</b>	<b>26.4</b>	<b>1.4</b>	<b>340.0</b>
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
	<b>Total</b>	<b>36.8</b>	<b>96.5</b>	<b>59.7</b>	<b>- 10.2</b>	<b>902.2</b>

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

\* Figures in parentheses show change from the previous fiscal year.

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

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

(Announced on  
Nov. 17, 2017)

### Net premiums written

(¥bn)

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

### Net loss ratio

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

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016 Results	FY2017 Forecast (Revised)	
			YoY Change
Incurred losses (incl. loss adjustment expenses) <sup>※1</sup>	738.4	<b>756.2</b>	17.6
Natural catastrophes <sup>※2</sup>	34.3	<b>42.0</b>	7.6
Other than natural catastrophes	704.1	<b>714.1</b>	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

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

(Announced on  
Nov. 17, 2017)

### Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

### Expense ratios

	FY2016 Results	FY2017 (Revised)	
		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

### Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

### Sources of interest and dividends received

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

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

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## 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	<b>171.9</b>	12.3%
Marine	5.4	<b>7.5</b>	37.2%
Personal accident	61.4	<b>61.5</b>	0.2%
Voluntary automobile	680.4	<b>683.2</b>	0.4%
CALI	168.7	<b>165.9</b>	-1.7%
Other	131.3	<b>132.0</b>	0.5%
Total	1,200.5	<b>1,222.0</b>	1.8%
Total excl. residential EQ insurance and CALI	1,031.2	<b>1,055.7</b>	2.4%

### Net loss ratio

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

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) <sup>※1</sup>	591.0	<b>638.2</b>	47.1
Natural catastrophes <sup>※2</sup>	16.7	<b>55.7</b>	38.9
Other than natural catastrophes	574.2	<b>582.5</b>	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

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

(Announced on  
Nov. 17, 2017)

#### Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

#### Expense ratios

	FY2016 Results	FY2017 (Revised)	
		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

#### Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

#### Sources of interest and dividends received

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

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

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## 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	<b>365.1</b>	8.4%
Marine	64.1	<b>65.2</b>	1.7%
Personal accident	204.9	<b>207.2</b>	1.1%
Voluntary automobile	1,334.6	<b>1,343.2</b>	0.6%
CALI	355.6	<b>350.1</b>	-1.5%
Other	373.9	<b>384.1</b>	2.7%
Total	2,670.2	<b>2,715.0</b>	1.7%
Total excl. residential EQ insurance and CALI	2,313.2	<b>2,363.9</b>	2.2%

### Net loss ratio

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

### Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2016	FY2017 Forecast (Revised)	
	Results		YoY Change
Incurred losses (incl. loss adjustment expenses) <sup>※1</sup>	1,329.5	<b>1,394.4</b>	64.7
Natural catastrophes <sup>※2</sup>	51.0	<b>97.7</b>	46.6
Other than natural catastrophes	1,278.4	<b>1,296.6</b>	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

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

(Announced on  
Nov. 17, 2017)

### Company expenses / Commission

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

### Expense ratios

	FY2016 Results	FY2017 (Revised)	
		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

### Net investment income

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

### Sources of interest and dividends received (¥bn)

	FY2016 Results	FY2017 (Revised)	
		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

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## 43. Earnings Forecasts for FY2017 – Mitsui Direct General

(Announced on  
Nov. 17, 2017)

### 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

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## 44. Earnings Forecasts for FY2017 – MSI Aioi Life

(Announced on  
Nov. 17, 2017)

### Key financial data

(¥bn)

	FY2016 Results	FY2017 (Revised)	
		Forecast	YoY Change
Amount of new policies <sup>※</sup>	2,377.1	2,539.6	6.8%
Annualized premiums of new policies <sup>※</sup>	51.7	38.8	-25.0%
Amount of policies in force <sup>※</sup>	23,214.2	23,701.1	2.1%
Annualized premiums of policies in force <sup>※</sup>	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.

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## 45. Earnings Forecasts for FY2017 – MSI Primary Life

(Announced on  
Nov. 17, 2017)

### Key financial data

(¥bn)

	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

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## 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 =  $\text{Group Core Profit} \div \text{Consolidated total net assets excluding stock acquisition rights and non-controlling interests (average of beginning and ending amounts of B/S)}$

## 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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