

Materials for FY2013 3Q Results Briefing - Conference Call



February 14, 2014 (Fri)

MS&AD Insurance Group Holdings, Inc.

I am Masataka Kitagawa, General Manager of Corporate Communications and Investor Relations Dept. of MS&AD Holdings.

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

Today's materials include our "Earnings Report (Summary of Financial Statements)" and "Explanatory Material for Business Results " in addition to a document entitled "Materials for FY 2013 3Q Results Briefing Conference Call" prepared in slide format. My explanation will be based solely on the slides.

Summary of FY 2013 3Q Results

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1. Consolidated Earnings for FY 2013 3Q (1) Overview

- Net premiums written increased both in domestic non-life insurance companies and in overseas subsidiaries.
- Net Income for the 3rd Quarter of FY2013 significantly increased, and Group Core Profit for the period has reached ¥144.5 billion.

	FY2012 3Q Results	FY2013 3Q Results	YoY Change	Change Ratio
Direct premiums written ^{*1} (excluding deposit premiums from policyholders)	2,164.3	2,309.3	144.9	6.7%
Net premiums written ^{*1}	1,976.8	2,104.0	127.1	6.4%
Mitsui Sumitomo Insurance	980.1	1,030.9	50.8	5.2%
Aioi Nissay Dowa Insurance	829.5	861.9	32.4	3.9%
Mitsui Direct General Insurance	25.7	25.9	0.1	0.6%
Overseas subsidiaries	141.2	182.5	41.2	29.2%
Ordinary profit	145.8	237.1	91.2	62.5%
Mitsui Sumitomo Insurance	85.1	124.2	39.0	45.8%
Aioi Nissay Dowa Insurance	27.4	59.8	32.4	118.4%
Net income ^{*2}	94.3	159.5	65.2	69.1%
Mitsui Sumitomo Insurance	60.5	87.8	27.3	45.2%
Aioi Nissay Dowa Insurance	14.7	41.3	26.5	180.0%
Mitsui Direct General Insurance	0.4	0.1	-0.3	-77.1%
MSI Aioi Life	2.0	5.4	3.4	169.9%
MSI Primary Life	18.5	22.8	4.2	23.0%
Overseas subsidiaries	11.8	19.3	7.4	63.2%
Consolidation adjustments, etc.	-13.7	-17.2	-3.4	-

^{*1} 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.

^{*2} Net income of subsidiaries is on an equity stake basis, same hereafter.

Please take a look at the first page of the slides entitled "Slide 1."

I will now give a brief overview of the Group's consolidated earnings for the nine months ended December 31, 2013.

First of all, our top lines saw not only a steady increase in earnings of domestic non-life companies, but also significant increases in earnings of overseas subsidiaries in all regions, resulting in net premiums written increasing by 127.1 billion yen, or 6.4% compared to the same period in the previous year.

Meanwhile, net income significantly increased by 65.2 billion yen compared to the same period the previous year to 159.5 billion yen due to a significant increase in income of the two domestic non-life insurance companies and increases in the income of domestic life insurance companies and overseas subsidiaries.

Group core profit for the nine months was also steady at 144.5 billion yen.

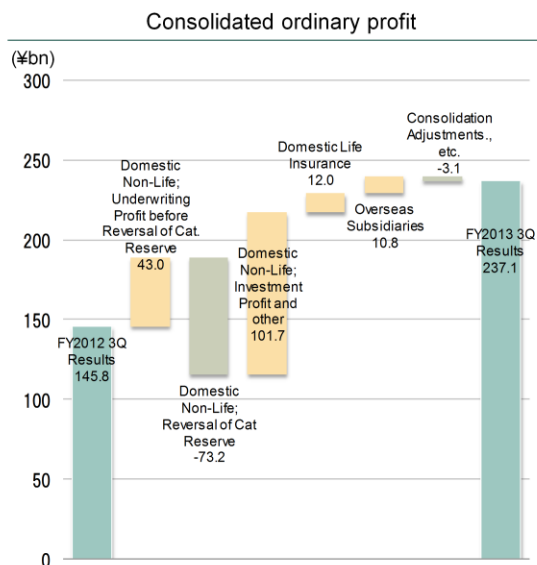
2. Consolidated Earnings for FY 2013 3Q (2) YoY Results Comparisons

- Net investment income increased sharply from a year earlier due to an improvement in the market environment, which boosted ordinary profit.
- Underwriting profit/loss at domestic non-life insurance companies moved into the black before reversals of catastrophe reserves.

Factors in YoY changes in consolidated ordinary profit

	FY2012 3Q (a)	FY2013 3Q (b)	Difference (b)-(a)
Consolidated ordinary profit	145.8	237.1	91.2
Domestic non-life insurance companies* Underwriting profit (before reversals of catastrophe reserve)	-1.5	41.5	43.0
Domestic non-life insurance companies* Reversals of catastrophe reserve	83.1	9.9	-73.2
Domestic non-life insurance companies* Investment profit and other	30.9	132.7	101.7
Domestic life insurance subsidiaries	36.1	48.2	12.0
Overseas subsidiaries	14.9	25.8	10.8
Consolidation adjustments, etc.	-17.9	-21.1	-3.1

* The figures for domestic non-life insurance companies are the sum of figures for Mitsui Sumitomo Insurance and Aiol Nissay Dowa Insurance.



Next, please look at “Slide 2.”

The table on the left summarizes the main reasons for the changes in consolidated ordinary profit in the nine months ended December 31, 2013 compared to the same period in the previous year.

As you can see in this slide, a significant improvement in net investment income of domestic non-life insurance companies due to an improvement in the market environment has greatly contributed to improving ordinary profit.

Furthermore, underwriting income of domestic non-life insurance companies was negative in the nine months last year on a pre-catastrophe loss reserve basis, but it has significantly improved during the current nine months

In addition, income increased in both domestic life insurance companies and overseas insurance subsidiaries, contributing to an increase in consolidated ordinary profit.

3. Domestic Non-life Insurance Companies (1) MSI&ADI Results for FY 2013 3Q - (i)

(¥bn)

		MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
			YoY Change		YoY Change		YoY Change
Net premiums written		1,030.9	50.8	861.9	32.4	1,892.9	83.2
Growth rate of net premiums written		5.2%	1.7pt	3.9%	1.3pt	4.6%	1.5pt
Net claims paid	(-)	618.1	-43.8	516.5	-31.2	1,134.6	-75.1
< Incurred loss >	(-)	603.8	-9.1	520.5	-14.5	1,124.3	-23.6
Commissions and collection expenses	(-)	178.5	7.3	155.2	7.1	333.8	14.5
Operating expenses and general and administrative expenses	(-)	148.7	3.5	139.5	6.7	288.3	10.2
Provision for ordinary underwriting reserves	(-)	14.9	16.0	0.5	15.1	15.5	31.1
Reversal of catastrophe reserve		7.8	-47.3	2.0	-25.8	9.9	-73.2
Underwriting profit		37.1	-22.0	14.2	-8.2	51.4	-30.2
Net interest and dividends income		59.2	14.9	36.0	6.3	95.3	21.2
Gains on sales of securities		33.5	7.8	15.9	8.8	49.4	16.7
Impairment losses on securities	(-)	1.5	-33.3	2.2	-14.1	3.7	-47.5
Investment profit and Other ordinary expenses		87.0	61.0	45.6	40.6	132.7	101.7
Ordinary profit		124.2	39.0	59.8	32.4	184.1	71.5
Extraordinary income		-2.5	-2.7	-1.0	0.0	-3.6	-2.6
Income before income taxes		121.6	36.3	58.8	32.5	180.5	68.8
Net income		87.8	27.3	41.3	26.5	129.1	53.9

Next I will provide an overview of the combined performance of the two core domestic non-life insurance companies in the nine months ended December 31, 2013. Please look at "Slide 3."

First of all, net premiums written by the two companies increased by 83.2 billion yen year-on-year, up 4.6%, due mainly to strong performance by both companies in household fire insurance, and auto insurance which was increased by a revision in premiums.

At the same time, net claims paid decreased significantly by 75.1 billion compared to the same period the previous year due to the decrease in payments related to domestic natural catastrophes and the floods in Thailand occurred in fiscal 2011.

Also, incurred losses for the two companies decreased by 23.6 billion yen compared to the same period the previous year, primarily due to factors such as a decrease in domestic natural catastrophes and a reduction in the number of accidents in auto insurance.

Meanwhile, the reversal of the catastrophe reserve decreased by 73.2 billion yen compared to the same period the previous year due to a reduction in payments related to domestic natural catastrophes and the floods in Thailand, lowering the positive effect on profit.

(Continue to the next page...)

4. Domestic Non-life Insurance Companies (1) MSI&ADI Results for FY 2013 3Q - (ii)

	MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
		YoY Change		YoY Change		YoY Change
Net loss ratio ^{*1}	65.7%	- 7.6 pt	64.5%	- 6.2 pt	65.2%	- 6.9 pt
Net expense ratio	31.8%	- 0.5 pt	34.2%	0.3 pt	32.9%	- 0.1 pt
Combined ratio	97.5%	- 8.1 pt	98.7%	- 5.9 pt	98.1%	- 7.0 pt
<Excluding residential earthquake insurance and CALI ^{*2} >						
Net loss ratio	62.7%	- 7.7 pt	61.1%	- 6.2 pt	62.0%	- 7.0 pt
Net expense ratio	33.7%	- 0.3 pt	36.1%	0.7 pt	34.8%	0.2 pt
Combined Ratio	96.4%	- 8.0 pt	97.2%	- 5.5 pt	96.8%	- 6.8 pt

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

*2 "CALI" stands for Compulsory Automobile Liability Insurance, same hereafter.

As a result, the combined underwriting income for the two companies was 51.4 billion yen, down 30.2 billion yen compared to the same period last year.

With regard to investment performance, impairment losses on securities for the two companies were 3.7 billion yen, a year-on-year improvement of 47.5 billion yen. In addition, due to increases in dividends from stocks held and subsidiaries, net interest and dividend income increased by 21.2 billion yen compared to the same period the previous year, and gains on sales of securities improved by 16.7 billion yen due to the sale of strategic equity holdings.

Based on this, the total of net investment profit and other ordinary income improved by 101.7 billion yen to 132.7 billion yen.

As a result, ordinary profit for the two core domestic non-life insurance companies increased by 71.5 billion yen compared to the same period the previous year to 184.1 billion yen, and net income increased by 53.9 billion yen to 129.1 billion yen.

Furthermore, as indicated in "Slide 4," the combined ratio for the two companies was 98.1% due to a decrease in claim payments as well as a steady increase in net premiums written.

5. Domestic Non-life Insurance Companies (2) Natural Catastrophes

Impact of natural catastrophes in Japan and flooding in Thailand

(¥bn)

	Net Claims Paid		Provision for O/S*		Incurred Losses		Balance of O/S* as of Dec. 31, 2013
		YoY Change		YoY Change		YoY Change	
Nat Cat in Japan (Occurred in FY2013)	25.8	- 19.5	10.0	3.9	35.9	- 15.6	10.0
Mitsui Sumitomo Insurance	14.5	- 10.8	7.4	3.2	21.9	- 7.6	7.4
Aioi Nissay Dowa Insurance	11.2	- 8.7	2.6	0.6	13.9	- 8.0	2.6
Flooding in Thailand (Occurred in FY2011)	32.0	- 29.5	- 48.9	23.0	- 16.9	- 6.4	39.6
Mitsui Sumitomo Insurance	27.1	- 24.5	- 42.0	18.5	- 14.8	- 5.9	34.0
Aioi Nissay Dowa Insurance	3.1	- 2.9	- 4.9	3.4	- 1.8	0.4	2.0
Overseas Subsidiaries	1.7	- 1.9	- 1.9	1.0	- 0.2	- 0.9	3.5
Total	57.8	- 49.0	- 38.8	27.0	18.9	- 22.0	49.7

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

Next, please look at "Slide 5." This slide summarizes how these results were affected by domestic natural catastrophes that occurred this fiscal year and the floods in Thailand that occurred in fiscal 2011.

With regard to domestic natural catastrophes, although Typhoon No. 18 (Man-yi) and Typhoon No. 26 (Wipha) caused damage to Japan, the combined incurred losses for the two companies during the nine months was 35.9 billion yen, a decrease of 15.6 billion yen compared to the same period the previous year.

Next, with regard to claims relating to the floods in Thailand, the Group paid out a total of 32.0 billion yen during the period.

In addition, incurred losses for the Group decreased year-on-year by 6.4 billion yen to negative 16.9 billion yen, due to progress in claims survey, expanding the positive effect to profit.

As the total amount at the bottom of this table indicates, total net claims paid resulting from domestic natural catastrophes and floods in Thailand decreased by 49.0 billion yen and incurred losses decreased by 22.0 billion yen, compared to the same period in the previous year.

6. Domestic Non-life Insurance Companies

(3) Catastrophe Reserve & Impairment Losses on Securities

Catastrophe reserve (¥bn)								
	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	Reversal	Provision	Change	Balance as of Dec. 31, 2013	Reversal	Provision	Change	Balance as of Dec. 31, 2013
Fire and allied	21.1	13.6	-7.4	103.6	9.8	7.9	-1.8	107.7
Marine	-	1.9	1.9	68.7	-	0.3	0.3	13.7
Personal accident	7.2	3.3	-3.9	61.1	-	1.7	1.7	58.4
Voluntary automobile	18.9	14.6	-4.3	14.6	20.7	16.0	-4.7	16.0
Other	1.9	7.8	5.8	144.6	1.6	4.0	2.4	52.0
Total	49.2	41.3	-7.8	392.8	32.3	30.2	-2.0	247.9
YoY Change	-43.4	3.8	47.3		-22.1	3.7	25.8	

Impairment losses on securities (¥bn)					
	MS&AD Holdings (Consolidated)	Mitsui Sumitomo Insurance (Non-consolidated)	Aioi Nissay Dowa Insurance (Non-consolidated)	Other Subsidiaries (Non-consolidated)	Consolidation Adjustments
Impairment losses on securities	3.9	1.5	2.2	0.1	0.0
YoY Change	-57.4	-33.3	-14.1	-0.6	-9.2

Please look at the table at the top of Slide 6. I will now explain the balance of catastrophe reserves.

This table gives an overview of reversals and provisions for catastrophe reserves for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

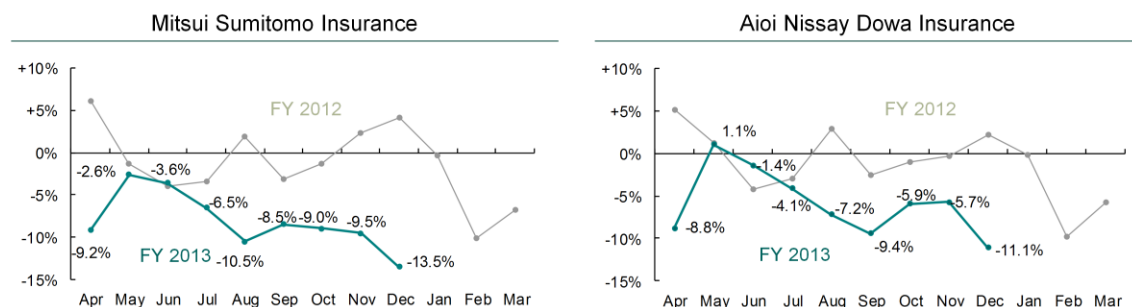
The reversal of the catastrophe reserves decreased significantly primarily due to a decrease in payment of claims for domestic natural catastrophes and the floods in Thailand compared to the same period the previous year as explained in Slide 5.

The lower table is a summary of the impairment losses on securities, and the consolidated figure for the Group decreased by 57.4 billion yen compared to the same period the previous year.

Although not shown in this slide, a combined total of 88.3 billion yen of strategic equity holdings was sold by the two companies in the nine months ended December 31, 2013, and the cumulative amount sold since fiscal 2011 is 291.2 billion yen.

7. Domestic Non-life Insurance Companies (4) Voluntary Automobile Insurance

Trend in the No. of accidents (Per day, %YoY, excluding the number of accidents caused by natural disasters)



Insurance Premiums, Claims and Earned to Incurred Loss Ratio

Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
<Domestic, Sales Basis>	No. of Contracts	Insurance Premium Unit Price	Insurance Premiums	<Domestic, Sales Basis>	No. of Contracts	Insurance Premium Unit Price	Insurance Premiums
Factors Increasing/Decreasing Insurance Premiums	+0.3%	+2.2%	+2.5%	Factors Increasing/Decreasing Insurance Premiums	-0.8%	+2.2%	+1.4%
<Domestic>	Bodily injury liability	Property damage liability	Vehicle damage (Excl. natural disasters)	<Domestic>	Bodily injury liability	Property damage liability	Vehicle damage (Excl. natural disasters)
Changes in average payout per claim	+15.6%	+2.6%	+6.3%	Changes in average payout per claim	+8.4%	+4.5%	+7.2%
<Including Loss Adj. Expenses>	Dec. 2011	Dec. 2012	Dec. 2013	<Including Loss Adj. Expenses>	Dec. 2011	Dec. 2012	Dec. 2013
EI Loss Ratio	71.6%	68.8%	65.6%	EI Loss Ratio	67.5%	67.1%	64.7%

* All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr. - Dec.), %YoY

* "Changes in average payout per claim" means change in average payout per claim over one-year period ended December 31, 2013 compared with average payout per claim in one-year period ended March 31, 2013.

* The EI loss ratio shown in the above includes loss adjustment expenses. The period each year is from Apr. - Dec.

Next, I would like to talk about the improvement in underwriting results for voluntary automobile insurance. Please look at "Slide 7."

The upper table contains a line graph showing changes in the number of accidents compared to the same months in the preceding year for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

The impact of factors such as changes in the number of traffic accidents in society as a whole, efforts to control losses to date, and the revision of the non-fleet grade system implemented in October 2012 resulted in the number of accidents decreasing for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance in FY2013 compared to the same period the previous year, as you can see here.

Next, please take a look at the change in the average payout per claim shown in the middle of the lower section of the slide. Both companies have seen a continuing rise in payout per claim for vehicle damage, but this is believed to be due to the impact of increased repair costs for some time past and a decrease in small claims.

At the same time, if we look at the insurance premiums indicated above, we can see that insurance premium unit prices are trending at an increase over 2% compared to the same period the previous year, due to the effects of rate revisions undertaken by both companies.

The lower section shows the earned-incurred loss ratio including loss adjustment expenses for the nine months ended December 31, 2013. Improvements in underwriting results for voluntary automobile insurance are still in progress, and it is our view that up to 3Q, the loss ratio is improving as anticipated at the start of the year.

8. Domestic Life Insurance Companies - Results for FY 2013 3Q

MSI Aioi Life

(¥bn)

	FY 2012 3Q	FY 2013 3Q		
			YoY Change	Change Ratio
Amount of New Policies	2,637.0	2,012.0	-624.9	- 23.7%
Amount of Policies in Force	(At Last FY end) 20,074.6	20,845.5	(Change from Last FY end) 770.9	3.8%
Annualized Premiums of Policies in Force	(At Last FY end) 319.7	330.9	(Change from Last FY end) 11.2	3.5%
Gross Premiums Income	301.5	303.8	2.3	0.8%
Net Income	2.0	5.4	3.4	169.9%

MSI Primary Life

(¥bn)

	FY 2012 3Q	FY 2013 3Q		
			YoY Change	Change Ratio
Amount of New Policies	331.6	548.5	216.8	65.4%
Amount of Policies in Force	(At Last FY end) 3,661.4	3,936.7	(Change from Last FY end) 275.2	7.5%
Annualized Premiums of Policies in Force	(At Last FY end) 434.2	436.4	(Change from Last FY end) 2.2	0.5%
Gross Premiums Income	344.0	569.4	225.3	65.5%
Net Income	18.5	22.8	4.2	23.0%

Next, I would like to talk about the domestic life insurance companies. Please look at “Slide 8.”

First, I will explain the situation of MSI Aioi Life.

In sales during the nine months ended December 31, 2013, the amount of new policies decreased by 624.9 billion yen year-on-year to 2,012 billion yen, due mainly to the impact of a rate revision in April last year and a revision of the portfolio of products sold.

On the other hand, the amount of policies in force increased by 770.9 billion yen from the end of the previous fiscal year to 20,845.5 billion yen.

Net income for the nine months rose by 3.4 billion yen from the same period of the previous fiscal year to 5.4 billion yen, due to an improvement in investment income.

Next, at MSI Primary Life, the amount of new policies increased by 216.8 billion yen from the same period last year to 548.5 billion yen due to the continued solid performance of foreign currency-denominated fixed whole-life products, in addition to the strong performance of variable products resulting from the improved investment environment.

Despite strong performance in sales, the amount of policies in force was 3,936.7 billion yen, an increase of 275.2 billion yen compared to the end of the previous fiscal year, due to a high level of terminations, reflecting a weak yen and high share prices since last year.

Net income for the nine months rose by 4.2 billion yen compared to the same period last year, to 22.8 billion yen, due to factors such as a rise in management fee stemming from an increase in the amount of policies in force compared to the same period last year.

9. Overseas Subsidiaries - Results for FY 2013 3Q

Overseas Subsidiaries (¥bn)				
	FY2012 3Q		FY2013 3Q	
			YoY Change	Change ratio
Net premiums written	141.2	182.5	41.2	29.2%
Asia	69.0	89.2	20.1	29.3%
Europe	37.4	50.8	13.4	35.9%
Americas	20.7	27.0	6.2	30.3%
Reinsurance	14.0	15.3	1.3	9.3%
Net income	11.8	19.3	7.4	63.2%
Asia	6.4	7.6	1.2	19.8%
Europe	0.6	4.0	3.3	488.1%
Americas	0.5	1.2	0.6	117.7%
Reinsurance	4.1	6.3	2.2	53.2%

Next, I will talk about overseas subsidiaries. Please look at “Slide 9.”

Net premiums written for the nine month, including the impact of exchange rates, as well as increased earnings in all areas and reinsurance resulted in an increase of 41.2 billion yen, or 29.2%, compared to the same period last year to 182.5 billion yen overall.

Meanwhile, net income for the nine months increased by 7.4 billion yen year-on-year to 19.3 billion yen, due to increased earnings in all areas and in the reinsurance business.

FY 2013 3Q Results Data

Mitsui Sumitomo Insurance (Non-consolidated)	Page 10-12
Aioi Nissay Dowa Insurance (Non-consolidated)	Page 13-15

In the following pages from Slide 10 to 15, you will find the non-consolidated results of both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance for the nine months ended December 31, 2013. Please refer to them later.

10. Non-consolidated Results for FY 2013 3Q - Mitsui Sumitomo Insurance (i)

(¥bn)

	FY2012 3Q	FY2013 3Q	
			YoY Change
Net premiums written	980.1	1,030.9	50.8
Growth rate of net premiums written	3.5%	5.2%	1.7 pt
Net loss ratio	73.3%	65.7%	-7.6 pt
Net expense ratio	32.3%	31.8%	-0.5 pt
Combined ratio	105.6%	97.5%	-8.1 pt
Incurred losses	612.9	603.8	-9.1
Underwriting profit	59.1	37.1	-22.0
Net interest and dividends income	44.3	59.2	14.9
Gains on sales of securities	25.6	33.5	7.8
Impairment losses on securities	-34.8	-1.5	33.3
Investment profit	32.6	98.6	66.0
Ordinary profit	85.1	124.2	39.0
Extraordinary income	0.1	-2.5	-2.7
Net income	60.5	87.8	27.3
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	2.9%	4.7%	1.8 pt
Net loss ratio	70.4%	62.7%	-7.7 pt
Net expense ratio	34.0%	33.7%	-0.3 pt
Combined ratio	104.4%	96.4%	-8.0 pt

11. Non-consolidated Results for FY 2013 3Q - Mitsui Sumitomo Insurance (ii)

Net premiums written

(¥bn)

	FY2012 3Q	FY2013 3Q	
			Growth
Fire and allied	133.5	151.8	13.7%
Marine	40.0	43.1	7.8%
Personal accident	105.8	106.8	0.9%
Voluntary automobile	443.3	456.1	2.9%
CALI	118.0	128.9	9.2%
Other	139.3	143.9	3.3%
Total	980.1	1,030.9	5.2%
Excluding residential earthquake insurance and CALI	861.2	901.4	4.7%

Net loss ratio

	FY2012 3Q	FY2013 3Q	
			Change
Fire and allied	111.0%	73.2%	-37.8pt
Marine	53.9%	58.8%	4.9pt
Personal accident	60.4%	62.7%	2.3pt
Voluntary automobile	68.2%	64.0%	-4.2pt
CALI	95.2%	87.0%	-8.2pt
Other	50.3%	48.4%	-1.9pt
Total	73.3%	65.7%	-7.6pt
Excluding residential earthquake insurance and CALI	70.4%	62.7%	-7.7pt

12. Non-consolidated Results for FY 2013 3Q - Mitsui Sumitomo Insurance (iii)

Incurred losses*¹ and EI loss ratio (Excluding loss adjustment expenses)

(¥bn)

	FY 2012 3Q					FY 2013 3Q					
	Incurred Losses* ¹ (a)	EI Loss Ratio	Nat Cat Impact* ² (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* ¹ (a)	EI Loss Ratio	Nat Cat Impact* ² (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	91.0	66.3%	15.0	76.0	55.3%	74.8	52.2%	1.9	72.9	50.8%	-4.5pt
Marine	20.5	50.4%	0.0	20.4	50.3%	26.8	61.5%	0.3	26.5	60.7%	10.4pt
Personal accident	58.4	56.1%	-0.0	58.4	56.1%	60.3	57.4%	-0.0	60.3	57.4%	1.3pt
Voluntary automobile	269.2	61.6%	3.2	265.9	60.9%	262.9	58.3%	2.7	260.1	57.7%	-3.2pt
Other	72.2	53.5%	2.3	69.9	51.8%	75.7	55.0%	2.0	73.7	53.6%	1.8pt
Total (A)* ³	511.5	59.9%	20.7	490.8	57.5%	500.8	56.8%	7.1	493.7	56.0%	-1.5pt
Residential earthquake insurance (B)	-		-	-		-		-	-		
CALI (C)	101.3		-	101.3		102.9		-	102.9		
Total (A)+(B)+(C)	612.9		20.7	592.2		603.8		7.1	596.6		

*1 Incurred losses = net claims paid + provision for outstanding claims

*2 "Natural Catastrophe Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period and the Thailand floods.

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

13. Non-consolidated Results for FY 2013 3Q - Aioi Nissay Dowa Insurance(i)

(¥bn)

	FY2012 3Q	FY2013 3Q	
			YoY Change
Net premiums written	829.5	861.9	32.4
Growth rate of net premiums written	2.6%	3.9%	1.3 pt
Net loss ratio	70.7%	64.5%	-6.2 pt
Net expense ratio	33.9%	34.2%	0.3 pt
Combined ratio	104.6%	98.7%	-5.9 pt
Incurred losses	535.0	520.5	-14.5
Underwriting profit	22.4	14.2	-8.2
Net interest and dividends income	29.7	36.0	6.3
Gains on sales of securities	7.0	15.9	8.8
Impairment losses on securities	-16.3	-2.2	14.1
Investment profit	5.6	43.6	37.9
Ordinary profit	27.4	59.8	32.4
Extraordinary income	-1.1	-1.0	0.0
Net income	14.7	41.3	26.5
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	2.1%	3.5%	1.4 pt
Net loss ratio	67.3%	61.1%	-6.2 pt
Net expense ratio	35.4%	36.1%	0.7 pt
Combined ratio	102.7%	97.2%	-5.5 pt

14. Non-consolidated Results for FY 2013 3Q - Aioi Nissay Dowa Insurance (ii)

Net premiums written

(¥bn)

	FY2012 3Q	FY2013 3Q	
			Growth
Fire and allied	93.5	99.7	6.7%
Marine	7.0	8.3	17.6%
Personal accident	55.3	56.1	1.4%
Voluntary automobile	483.9	496.8	2.7%
CALI	114.7	122.2	6.6%
Other	74.9	78.6	5.0%
Total	829.5	861.9	3.9%
Excluding residential earthquake insurance and CALI	714.2	739.2	3.5%

Net loss ratio

	FY2012 3Q	FY2013 3Q	
			Change
Fire and allied	85.0%	63.1%	-21.9pt
Marine	55.5%	53.6%	-1.9pt
Personal accident	50.9%	48.9%	-2.0pt
Voluntary automobile	66.6%	63.0%	-3.6pt
CALI	92.1%	85.3%	-6.8pt
Other	62.4%	55.7%	-6.7pt
Total	70.7%	64.5%	-6.2pt
Excluding residential earthquake insurance and CALI	67.3%	61.1%	-6.2pt

15. Non-consolidated Results for FY 2013 3Q - Aioi Nissay Dowa Insurance (iii)

Incurred losses*¹ and EI loss ratio (Excluding loss adjustment expenses)

(¥bn)

	FY 2012 3Q					FY 2013 3Q					
	Incurred Losses* ¹ (a)	EI Loss Ratio	Nat Cat Impact* ² (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* ¹ (a)	EI Loss Ratio	Nat Cat Impact* ² (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	66.5	65.0%	15.4	51.1	50.0%	55.4	52.5%	8.5	46.9	44.4%	-5.6pt
Marine	3.8	55.4%	-	3.8	55.4%	4.2	52.9%	-	4.2	52.9%	-2.5pt
Personal accident	25.5	49.6%	0.0	25.5	49.6%	25.6	50.1%	0.0	25.6	50.1%	0.5pt
Voluntary automobile	297.8	62.2%	3.4	294.3	61.4%	292.1	59.7%	2.7	289.4	59.2%	-2.2pt
Other	45.6	60.7%	0.7	44.8	59.7%	47.0	62.6%	0.7	46.2	61.5%	1.8pt
Total (A)* ³	439.4	61.4%	19.6	419.8	58.7%	424.5	58.2%	12.1	412.4	56.6%	-2.1pt
Residential earthquake insurance (B)	-		-	-		-		-	-		
CALI (C)	95.6		-	95.6		96.0		-	96.0		
Total (A)+(B)+(C)	535.0		19.6	515.4		520.5		12.1	508.4		

*1 Incurred losses = net claims paid + provision for outstanding claims

*2 "Natural Catastrophe Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period and the Thailand floods.

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

[Reference] FY 2013 (Full Year) Consolidated Earnings Forecasts and Trends in 4Q

(¥bn)

	FY 2013 3Q Results	FY 2013 (Full year) Forecasts Announced 19 Nov.	Trends in 4Q (Jan - Mar)
Net Premiums Written ^{*2}	2,104.0	2,800.0	
Ordinary Profit	237.1	191.0	
Net Income ^{*3}	159.5	125.0	
Mitsui Sumitomo Insurance	87.8	80.0	Past year's trends (compared with first 9 months) are; - Business expenses higher in Q4 - Incurred losses of automobile insurance higher in Q4 - Less reversal of catastrophe reserve - Less dividend payout from shares held
Aioi Nissay Dowa Insurance	41.3	30.0	
Mitsui Direct General Insurance	0.1	0.3	
MSI Aioi Life	5.4	6.0	
MSI Primary Life	22.8	11.0	There are plans for addition to contingency reserve and price fluctuation reserve at the end of the fiscal year.
Overseas subsidiaries	19.3	22.0	
Consolidation adjustments, etc.	-17.2	-24.3	

*1 Forecasts for FY2013 (Full year) not revised from figures announced on November 19, 2013.

*2 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.

*3 Net income of subsidiaries is on an equity stake basis.

Finally, I would like to explain the outlook for FY 2013 as a whole and trends in the fourth quarter. Please look at the reference slide at the end of the materials.

As I have already explained, results for the nine months have been strong, with the top line and net income almost at the levels targeted. Furthermore, as there are no elements warranting any particular revision to the projections for January to March, the performance forecasts announced on November 19, 2013 remain unchanged.

Next, I will explain trends and key points for the fourth quarter by company. Profit levels have been edging downward in the domestic non-life insurance companies compared with the third quarter due to the following reasons:

- There is a tendency for business expenses to increase in the fourth quarter, and business expenses will also increase this year mainly due to the depreciation of the new integrated system (unity) that began operation last July and became fully operational in the second half of the fiscal year;
- Based on trends in past years, the weight of incurred losses from automobile insurance is slightly higher in the fourth quarter;
- In the fourth quarter there is no increase in the reversal of catastrophe reserves for automobile insurance, only the burden of provisions; and
- There are few dividend income from shareholdings in the fourth quarter.

MSI Primary Life plans to add to its contingency reserve and price fluctuation reserve at the end of the fiscal year as indicated here.

It is our view that the end of year projections for other companies are, on the whole, an extension of results in the third quarter.

This concludes my presentation.

END

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.

Abbreviations of company names used in this presentation.

• MS&AD Holdings	MS&AD Insurance Group Holdings, Inc.
• MSI	Mitsui Sumitomo Insurance Co., Ltd.
• 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.

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