
Materials for FY 2013 1H Results Briefing Conference Call

November 19, 2013 (Tue)

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

I am Toshihiko Tanaka from MS&AD Holdings.

Thank you for finding 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 the "Materials for FY 2013 1H Results Briefing Conference Call" in slide format. My explanation will be based solely on the slides.

Summary of 2013 1H Results

MS&AD Insurance Group Holdings, Inc.



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1. Consolidated Earnings for FY 2013 (1st Half) (1) Overview

Net premiums written increased both in domestic non-life insurance companies and in overseas subsidiaries.

Net Income for the 1st Half of FY2013 significantly increased, and Group Core Profit for the period has reached ¥100.3 billion.

(¥bn)

	FY 2012 1H	FY 2013 1H		
			YOY Change	Change Ratio
Direct Premiums Written (excluding deposit premiums from policyholders)	1,460.5	1,556.1	95.6	6.5%
Net Premiums Written	1,340.4	1,424.1	83.6	6.2%
Mitsui Sumitomo Insurance	667.4	700.7	33.2	5.0%
Aioi Nissay Dowa Insurance	556.0	577.5	21.4	3.9%
Mitsui Direct General Insurance	17.4	17.5	0.1	0.6%
Overseas subsidiaries	99.3	126.5	27.1	27.4%
Ordinary Profit	6.6	163.0	156.4	-
Mitsui Sumitomo Insurance	12.6	87.3	74.7	591.3%
Aioi Nissay Dowa Insurance	-7.0	40.0	47.1	-
Net Income	-9.4	109.5	119.0	-
Mitsui Sumitomo Insurance	10.2	60.3	50.1	490.7%
Aioi Nissay Dowa Insurance	-15.7	28.3	44.0	-
Mitsui Direct General Insurance	0.6	0.5	- 0.0	-8.0%
MSI Aioi Life	0.0	3.2	3.2	-
MSI Primary Life	8.9	14.5	5.5	61.7%
Overseas subsidiaries	10.5	17.0	6.5	61.8%
Consolidation adjustments, etc.	-24.0	-14.6	9.4	-

* The figures in the above tables are presented exclusive of Good Results Return premiums of Mitsui Sumitomo Insurance's proprietary product "ModoRich", which contains a special clause related to premium adjustment and refund at maturity, same hereafter.

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

Please take a look at the first page of the slides, "Slide No. 1".

I will now give a brief overview of Group's consolidated earnings for the six months ended September 30, 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 83.6 billion yen, or 6.2% compared to the same period in the previous year.

Meanwhile, interim net income increased by 119.0 billion yen compared to the same period in the previous year, to 109.5 billion yen, due to a significant increase in income of domestic non-life insurance companies and increases in the income of domestic life insurance subsidiaries and overseas subsidiaries, resulting in the highest interim income since MS&AD Insurance Group was formed.

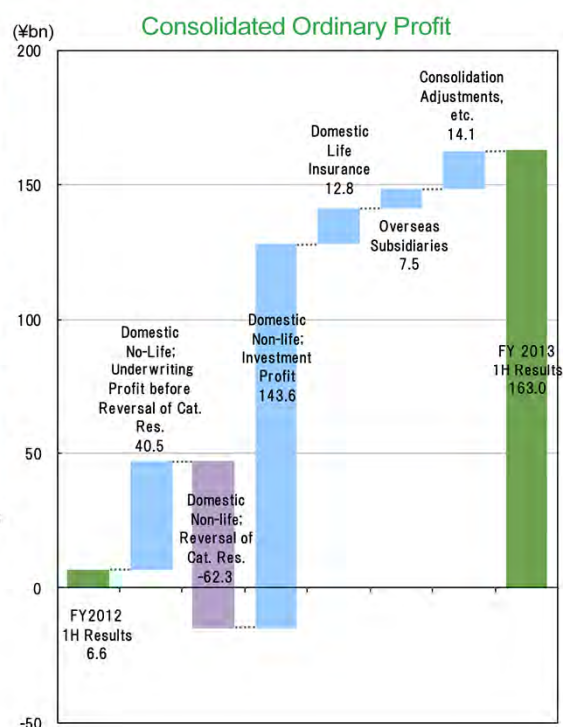
Group core profit for the interim period was also steadily increased to 100.3 billion yen.

2. Consolidated Earnings for FY 2013 (1st Half) (2) YoY Results Comparisons

(¥bn)

	FY2012 1H (a)	FY2012 1H (b)	Difference (b)-(a)
Consolidated Ordinary Profit	6.6	163.0	156.4
Domestic Non-Life Insurance Companies*			
Underwriting Profit before Reversal of Catastrophe Reserve	-5.4	35.1	40.5
Reversal of Catastrophe Reserve	69.0	6.7	-62.3
Investment Profit	-58.0	85.5	143.6
Domestic Life Insurance Companies	17.5	30.4	12.8
Overseas Subsidiaries	13.9	21.5	7.5
Consolidation Adjustments, etc.	-30.4	-16.3	14.1

* Domestic Non-Life Insurance companies: Figures are simple sums of the results for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.



Next, please look at Slide No. 2.

The table on the left summarizes the main reasons for the changes in consolidated ordinary profit in the six months ended September 30, 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 the recovery of the stock market contributed considerably to an improvement in ordinary profit.

Furthermore, underwriting income of domestic non-life insurance companies decreased compared to the same period in the previous year based on the reversal of the catastrophe reserves, but underwriting income before the reversal of the catastrophe reserve improved from a negative value in the same period in the previous year to a positive value in the first six months of this fiscal year.

In addition, domestic life insurance subsidiaries and overseas subsidiaries both had increased income, contributing to an increase in the Group's consolidated ordinary profit.

3. Domestic Non-life Insurance Companies

(1) MSI&ADI Results for FY 2013 (1st Half) – (i)

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(¥bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		<Reference> MSI & ADI (Simple Sum)	
		YoY Change		YoY Change		YoY Change
Net Premiums Written	700.7	33.2	577.5	21.4	1,278.2	54.6
Growth Rate of Net Premiums Written	5.0%	1.3pt	3.9%	1.5pt	4.5%	1.4pt
Net Claims Paid (–)	408.6	-36.4	337.5	-28.1	746.1	-64.6
<Incurred Loss> (–)	390.3	-6.7	346.9	-11.3	737.2	-18.0
Commissions and Collection Expenses (–)	121.3	5.6	103.1	4.4	224.5	10.1
Operating Expenses and General and Administrative Expenses (–)	96.9	0.3	91.8	3.5	188.8	3.9
Provision for Outstanding Claims (–)	25.8	10.7	4.8	8.9	30.7	19.6
Reversal of Catastrophe Reserve	3.2	-37.5	3.5	-24.7	6.7	-62.3
Underwriting Profit	31.0	-15.2	10.8	-6.5	41.8	-21.7
Net Interest and Dividends Income	39.4	10.4	24.9	6.4	64.3	16.9
Gains/(Losses) on Sales of Securities	26.3	11.8	9.8	5.3	36.2	17.2
Impairment Losses on Securities (–)	1.0	-61.6	3.1	-35.4	4.2	-97.1
Investment Profit and Other Ordinary Expenses	56.2	89.9	29.2	53.6	85.5	143.6
Ordinary Profit	87.3	74.7	40.0	47.1	127.4	121.8
Extraordinary Income	-2.8	-3.5	-0.6	-0.0	-3.5	-3.6
Income before Income Taxes	84.5	71.1	39.3	47.0	123.8	118.1
Net Income	60.3	50.1	28.3	44.0	88.7	94.2

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Next I will provide an overview of the interim earnings of the two core domestic non-life insurance companies in fiscal 2013. Please look at Slide No. 3.

Net premiums written by the two companies increased by 54.6 billion yen year-on-year, up 4.5%, due mainly to solid performance by both companies in household fire insurance and increased earnings from auto insurance, which was affected by a rate revision of the premium.

Net claims paid significantly decreased by 64.6 billion yen less than the same period the previous year, due to the decrease in payments related to numerous domestic natural catastrophes and the floods in Thailand in fiscal 2011.

Also, incurred loss for the two companies decreased by 18.0 billion yen compared to the same period the previous year, and underwriting profit before the reversal of the catastrophe reserve has continued to improve.

Meanwhile, the net reversal of the catastrophe reserves decreased by 62.3 billion yen compared to the same period the previous year, due to a reduction in payments related to domestic natural catastrophes in fiscal 2013 and the floods in Thailand in fiscal 2011, lowering the effect of an increase in profit.

As a result, underwriting income of the two companies combined decreased by 21.7 billion yen compared to the same period the previous year to 41.8 billion yen.

With regard to investment, impairment losses on securities for the two companies decreased to 4.2 billion yen, a year-on-year improvement of 97.1 billion yen. In addition, due to increases in dividends from stocks held and subsidiaries, net interest and dividends received increased by 16.9 billion yen compared to the same period the previous year, and gains on sales of securities improved by 17.2 billion yen, due mainly to the sales of strategic equity holdings. Based on this, the sum of investment income and other income improved by 143.6 billion yen to 85.5 billion yen.

As a result, ordinary profit for the two core domestic non-life insurance companies increased by 121.8 billion yen compared to the same period the previous year to 127.4 billion yen, and interim net income increased by 94.2 billion yen to 88.7 billion yen.

4. Domestic Non-life Insurance Companies

(1) MSI & ADI Results for FY 2013 (1st Half) – (ii)

		MSI (Non-consolidated)		ADI (Non-consolidated)		<Reference> MSI & ADI (Simple Sum)	
			YoY Change		YoY Change		YoY Change
Ratios	Net Loss Ratio ^{*1}	63.9 %	-8.5 pt	62.8 %	-7.5 pt	63.4 %	-8.1 pt
	Net Expense Ratio	31.2 %	-0.6 pt	33.8 %	0.2 pt	32.3 %	-0.3 pt
	Combined Ratio	95.1 %	-9.1 pt	96.6 %	-7.3 pt	95.7 %	-8.4 pt
<Excluding residential earthquake insurance and CALI ^{*2} >							
Ratios	Net Loss Ratio ^{*1}	60.7 %	-8.8 pt	59.3 %	-7.9 pt	60.1 %	-8.4 pt
	Net Expense Ratio	33.0 %	-0.5 pt	35.6 %	0.4 pt	34.1 %	-0.2 pt
	Combined Ratio	93.7 %	-9.3 pt	94.9 %	-7.5 pt	94.2 %	-8.6 pt

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

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

Furthermore, as indicated in Slide No. 4, the combined ratio on a written basis improved significantly by 8.4 percentage points year-on-year to 95.7%, 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 Sep.30, 2013
		YoY Change		YoY Change		YoY Change	
Nat Cat in Japan (FY2013)	5.1	-26.6	17.9	0.6	23.1	-26.0	17.9
Mitsui Sumitomo Insurance	2.8	-14.5	11.0	0.5	13.9	-14.0	11.0
Aioi Nissay Dowa Insurance	2.2	-12.1	6.8	0.1	9.1	-11.9	6.8
Flooding in Thailand (FY2011)	25.5	-24.2	-41.3	26.2	-15.8	1.9	47.3
Mitsui Sumitomo Insurance	21.6	-20.0	-35.5	23.3	-13.9	3.2	40.4
Aioi Nissay Dowa Insurance	2.5	-2.2	-4.3	1.7	-1.7	-0.5	2.7
Overseas Subsidiaries	1.3	-1.8	-1.4	1.1	-0.1	-0.7	4.0
Total	30.6	-50.9	-23.4	26.9	7.2	-24.0	65.2

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

Next, please look at Addendum 5.

This slide summarizes the impact on interim results of domestic natural catastrophe losses occurred during the first half of this fiscal year and the floods in Thailand occurred in fiscal 2011.

With regard to natural catastrophe losses in Japan occurring during the current fiscal year, despite storm damage caused by powerful low pressure systems in April, incurred losses of the two companies combined totaled 23.1 billion yen as of September 30, 2013. This was a decrease of 26 billion yen compared to the same period in the previous year, when many large-scale natural catastrophes occurred.

Next, with regard to claims relating to the floods in Thailand, the Group paid out a total of 25.5 billion yen during the first half of FY 2013,

In addition, incurred losses for the Group decreased by 15.8 billion yen, due to progress in claims survey. However, the significant fall in incurred losses last year was due largely to exchange rate effects. Therefore, the effect of this decrease in boosting earnings was slightly less than the same period of the previous year.

The impact of the exchange rate in relation to the floods in Thailand was very minor during this interim period. As the total amount at the bottom of this table indicates, paid losses decreased by 50.9 billion yen and incurred losses decreased by 24.0 billion yen, compared to the same period in the previous year.

During the interim period, provision for bad debt provided by Mitsui Sumitomo Insurance includes individual reserves for reinsurance accounts receivable related to the floods in Thailand because of some reinsurers' credit standing.

6. Domestic Non-life Insurance Companies

(3) Catastrophe Reserve & Impairment Losses on Securities

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Catastrophe reserve

(¥bn)

	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	Reversal	Provision	Movement	Balance as of Sep.30,2013	Reversal	Provision	Movement	Balance as of Sep.30,2013
Fire and Allied	9.3	9.5	0.1	111.2	2.9	5.3	2.4	112.1
Marine	-	1.3	1.3	68.1	-	0.2	0.2	13.5
Personal Accident	2.5	2.3	-0.1	64.9	-	1.2	1.2	57.8
Voluntary Automobile	18.5	9.7	-8.7	10.1	20.7	10.7	-10.0	10.7
Other	1.3	5.6	4.2	143.0	0.2	2.8	2.5	52.1
Total	31.8	28.6	-3.2	397.4	23.9	20.3	-3.5	246.4
YoY Change	-34.7	2.8	37.5		-22.1	2.6	24.7	

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	1.0	3.1	0.0	-0.2
YoY Change	-120.4	-61.6	-35.4	-1.4	-21.8

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Please look at the table at the top of Slide No. 6. I will now discuss the catastrophe reserves.

This table gives an overview of reversal and provision for catastrophe reserve for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

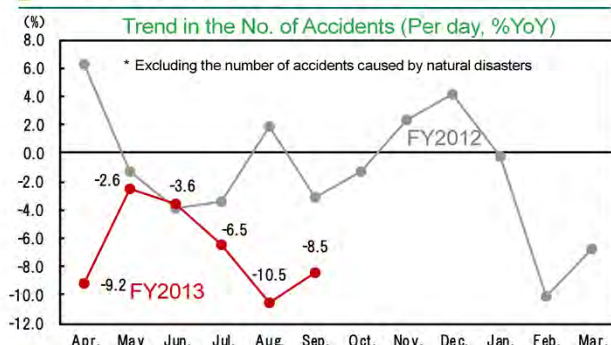
As I explained a moment ago in Slide No. 5, the reversal of the catastrophe reserves decreased significantly, primarily due to a decrease in payment of claims for domestic natural catastrophes and the floods in Thailand compared to the same period the previous year.

The lower table is a summary of the impairment of losses on securities. The consolidated figure for the Group decreased by 120.4 billion yen compared to the same period the previous year.

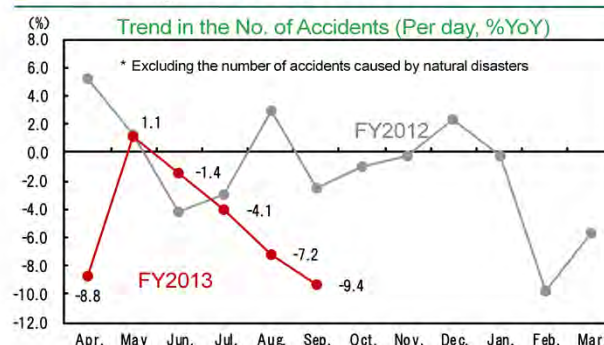
Although not shown in this slide, the Group also made steady progress in selling its strategic equity holdings, with a combined total of 64.3 billion yen sold by the two companies in the six months ended September 30, 2013, and cumulative amount of selling since fiscal 2011 total 267.1 billion yen.

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

Mitsui Sumitomo Insurance



Aioi Nissay Dowa Insurance



Insurance premiums, Claims, & Earned-Incurred loss ratio

Mitsui Sumitomo Insurance

<Domestic, Sales Basis>	No. of Contracts	Insurance Premiums Unit Price	Insurance Premiums
Factors Increasing/Decreasing Insurance Premiums	+0.6%	+1.9%	+2.5%
<Domestic>	Bodily injury liability	Property damage liability	Vehicles damage (Excl. natural disasters)
Change in average payout per claim	+4.8%	+1.3%	+4.2%
<Including Loss Adj. Expenses>	Sep. 2011	Sep. 2012	Sep. 2013
EI Loss Ratio	71.5%	67.3%	64.1%

Aioi Nissay Dowa Insurance

<Domestic, Sales Basis>	No. of Contracts	Insurance Premiums Unit Price	Insurance Premiums
Factors Increasing/Decreasing Insurance Premiums	-0.5%	+2.3%	+1.7%
<Domestic>	Bodily injury liability	Property damage liability	Vehicles damage (Excl. natural disasters)
Change in average payout per claim	+7.1%	+2.6%	+5.2%
<Including Loss Adj. Expenses>	Sep. 2011	Sep. 2012	Sep. 2013
EI Loss Ratio	66.1%	66.0%	64.3%

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

* "Changes in average payout per claim" means change in average payout per claim over one-year period ended September 30, 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. -Sep.

Next, I would like to talk about the improvement in underwriting results for auto insurance. Please look at Slide No. 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 improve loss control to date, and the revision of the non-fleet grade system implemented in October last year resulted in the number of accidents decreasing for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance as shown in the line graph.

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 we believe this to be due to the impact of increased repair costs for some time 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 continued to shift by around over 2% compared to the same period the previous year (MSI: 1.9%, ADI: 2.3%), due to the effects of the rate revisions undertaken from Oct., 2012.

The lower section shows the earned-incurred loss ratio including loss adjustment expenses for the six months ended September 30, 2013.

Improvements in underwriting results are still in progress, and it is our view that up to 2Q, they are progressing as anticipated at the start of the year.

8. Domestic Life Insurance Companies - Results for FY 2013 (1st Half)

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MSI Aioi Life

(¥bn)

	FY 2012 1H	FY 2013 1H	YOY Change	Change Ratio
Amount of New Policies	1,828.3	1,373.8	-454.4	-24.9%
Amount of Policies in Force	(At LastFY end) 20,074.6	20,618.2	(Change from LastFY end) 543.6	2.7%
Annualized Premiums of Policies in Force	(At LastFY end) 319.7	327.3	(Change from LastFY end) 7.6	2.4%
Gross Premiums Income	199.5	202.4	2.8	1.4%
Net Income	0.0	3.2	3.2	—

MSI Primary Life

(¥bn)

	FY 2012 1H	FY 2013 1H	YOY Change	Change Ratio
Amount of New Policies	217.5	302.2	84.7	38.9%
Amount of Policies in Force	(At LastFY end) 3,661.4	3,663.4	(Change from LastFY end) 1.9	0.1%
Annualized Premiums of Policies in Force	(At LastFY end) 434.2	418.4	(Change from LastFY end) -15.8	-3.6%
Gross Premiums Income	226.3	316.2	89.8	39.7%
Net Income	8.9	14.5	5.5	61.7%

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Next, I would like to talk about the domestic life insurance companies. Please look at Slide No. 8. First, I will explain about MSI Aioi Life.

In sales during the six months ended September 30, 2013, the amount of new policies was 1,373.8 billion yen, decreased by 454.4 billion yen from the same period last year, due to the impact of a rate revision in April and a revision of the portfolio of products sold. The amount of policies in force increased 543.6 billion yen from the end of the previous fiscal year to 20,618.2 billion yen.

Net income for the interim period rose by 3.2 billion yen to 3.2 billion yen, due to an improvement in investment income.

Next, at MSI Primary Life, the amount of new policies increased by 84.7 billion yen from the same period last year to 302.2 billion yen, due to the continued solid performance of foreign currency-denominated fixed whole life products, in addition to the solid performance of variable products resulting from the improved investment environment.

Despite strong performance in sales, the amount of policies in force was 3,663.4 billion yen, an increase of 1.9 billion yen compared to the end of the previous fiscal year, due to a high level of cancellations, reflecting a weak yen and high share prices since last year.

Net income for the interim period rose by 5.5 billion yen compared to the same period last year, to 14.5 billion yen, due to factors such as a rise in fund management fees 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 (1st Half)

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Overseas subsidiaries

(¥bn)

	FY 2012 1H	FY 2013 1H	Change	
			YOY Change	Change Ratio
Net Premiums Written	99.3	126.5	27.1	27.4%
Asia	47.0	60.4	13.4	28.5%
Europe	27.1	35.3	8.2	30.3%
Americas	14.0	18.3	4.3	31.3%
Reinsurance	11.1	12.3	1.1	10.6%
Net Income	10.5	17.0	6.5	61.8%
Asia	5.7	7.2	1.4	25.6%
Europe	1.2	3.4	2.1	171.9%
Americas	0.7	0.9	0.2	28.3%
Reinsurance	2.7	5.4	2.6	95.9%

Next, I will talk about the overseas subsidiaries. Please look at Slide No. 9.

Net premiums written increased in all areas, resulting in an increase of 27.1 billion yen compared to the same period last year, or by 27.4%, to 126.5 billion yen overall.

Meanwhile, net income for the interim period increased by 6.5 billion yen year-on-year to 17.0 billion yen, due to improvements in all areas and in the reinsurance business.

Summary of 2013 1H Results

MS&AD Insurance Group Holdings, Inc.



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Aioi Nissay Dowa Insurance (Non-consolidated)	Page 13-15

10. Non-consolidated Results for FY 2013 1H - Mitsui Sumitomo Insurance (i)

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(¥bn)

	FY 2012 1H	FY 2013 1H	
			YoY Change
Net Premiums Written	667.4	700.7	33.2
Growth Rate of Net Premiums Written	3.7%	5.0%	1.3pt
Net Loss Ratio	72.4%	63.9%	-8.5pt
Net Expense Ratio	31.8%	31.2%	-0.6pt
Combined Ratio	104.2%	95.1%	-9.1pt
Incurred Losses	397.0	390.3	-6.7
Underwriting Profit/(Loss)	46.3	31.0	-15.2
Net Interest and Dividend Income	28.9	39.4	10.4
Gains/(Losses) on Sales of Securities	14.4	26.3	11.8
Impairment Losses on Securities	-62.7	-1.0	61.6
Net Investment Income/(Loss)	-29.1	66.4	95.5
Ordinary Profit/(Loss)	12.6	87.3	74.7
Extraordinary Income/(Loss)	0.7	-2.8	-3.5
Net Income/(Loss)	10.2	60.3	50.1
(Excluding residential earthquake insurance and CALI)			
Growth Rate of Net Premiums Written	2.8%	4.8%	2.0pt
Net Loss Ratio	69.5%	60.7%	-8.8pt
Net Expense Ratio	33.5%	33.0%	-0.5pt
Combined Ratio	103.0%	93.7%	-9.3pt

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On the following pages, Slide No. 10 through 15 contains non-consolidated results for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance during the six months ended September 30, 2013. Please refer to them later.

11. Non-consolidated Results for FY 2013 1H - Mitsui Sumitomo Insurance (ii)

Net premiums written

(¥bn)

	FY2012 1H	FY2013 1H	
			Growth
Fire and Allied	91.9	105.3	14.6%
Marine	27.0	28.9	6.9%
Personal Accident	75.1	75.9	1.0%
Voluntary Automobile	296.0	304.7	2.9%
CALI	79.4	84.5	6.4%
Other	97.7	101.1	3.4%
Total	667.4	700.7	5.0%
Excluding residential earthquake insurance and CALI	587.4	615.7	4.8%

Net loss ratio

	FY2012 1H	FY2013 1H	
			YoY Change
Fire and Allied	113.9%	70.5%	-43.4pt
Marine	51.7%	63.0%	11.3pt
Personal Accident	56.2%	58.5%	2.3pt
Voluntary Automobile	67.7%	62.9%	-4.8pt
CALI	94.1%	87.4%	-6.7pt
Other	48.2%	44.8%	-3.4pt
Total	72.4%	63.9%	-8.5pt
Excluding residential earthquake insurance and CALI	69.5%	60.7%	-8.8pt

12. Non-consolidated Results for FY 2013 1H - Mitsui Sumitomo Insurance (iii)

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Incurred losses^{*1} and EI loss ratio (excluding loss adjustment expenses)

(¥bn)

	FY2012 1H					FY2013 1H					
	Incurred Losses ^{*1} (a)	EI Loss Ratio	Natural Catastrophe Impact ^{*3} (b)	(a)-(b)	EI Loss Ratio (Excluding Natural catastrophe impact)	Incurred Losses ^{*1} (c)	EI Loss Ratio	Natural Catastrophe Impact ^{*3} (d)	(c)-(d)	EI Loss Ratio (Excluding Natural catastrophe impact)	YoY Change
Fire and Allied (Excluding residential earthquake insurance)	57.8	62.5%	5.7	52.1	56.2%	45.2	47.1%	-2.6	47.9	49.9%	-6.3pt
Marine	12.2	45.3%	0.0	12.2	45.1%	17.7	61.7%	0.0	17.6	61.5%	16.4pt
Personal Accident	38.0	55.4%	-0.0	38.0	55.4%	40.3	58.3%	-0.0	40.3	58.3%	2.9pt
Voluntary Automobile	173.9	59.9%	3.1	170.7	58.8%	170.6	56.8%	1.5	169.0	56.3%	-2.5pt
Other	47.9	53.5%	1.8	46.1	51.4%	48.3	54.2%	1.0	47.3	53.1%	1.7pt
Total (A) ^{*2}	330.1	58.1%	10.7	319.3	56.2%	322.3	55.2%	-0.0	322.3	55.2%	-1.0pt
Residential Earthquake Insurance (B)	-		-	-		-		-	-		
CALI (C)	66.9		-	66.9		67.9		-	67.9		
Total (A)+(B)+(C)	397.0		10.7	386.2		390.3		0.0	390.3		

*1 Incurred losses = net claims paid + provision for outstanding claims (same hereafter)

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

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

<Reference>

(¥bn)

FY2013 1H Results	Net Claims Paid		Provision for O/S		Incurred Losses		Balance of O/S as of Sep.30, 2013
		YoY Change		YoY Change		YoY Change	
Great East Japan E/Q (excluding residential earthquake insurance)	2.8	0.9	-2.7	-1.0	0.0	-0.1	1.8

13. Non-consolidated Results for FY 2013 1H - Aoi Nissay Dowa Insurance (i)

(¥bn)

	FY 2012 1H	FY 2013 1H	
			YoY Change
Net Premiums Written	556.0	577.5	21.4
Growth Rate of Net Premiums Written	2.4%	3.9%	1.5pt
Net Loss Ratio	70.3%	62.8%	-7.5pt
Net Expense Ratio	33.6%	33.8%	0.2pt
Combined Ratio	103.9%	96.6%	-7.3pt
Incurred Losses	358.2	346.9	-11.3
Underwriting Profit/(Loss)	17.3	10.8	-6.5
Net Interest and Dividend Income	18.4	24.9	6.4
Gains/(Losses) on Sales of Securities	4.5	9.8	5.3
Impairment Losses on Securities	-38.6	-3.1	35.4
Net Investment Income/(Loss)	-23.5	27.6	51.1
Ordinary Profit/(Loss)	-7.0	40.0	47.1
Extraordinary Income/(Loss)	-0.6	-0.6	-0.0
Net Income/(Loss)	-15.7	28.3	44.0
(Excluding residential earthquake insurance and CALI)			
Growth Rate of Net Premiums Written	1.5%	3.9%	2.4pt
Net Loss Ratio	67.2%	59.3%	-7.9pt
Net Expense Ratio	35.2%	35.6%	0.4pt
Combined Ratio	102.4%	94.9%	-7.5pt

14. Non-consolidated Results for FY 2013 1H - Aoi Nissay Dowa Insurance (ii)

Net premiums written

(¥bn)

	FY2012 1H	FY2013 1H	
			Growth
Fire and Allied	60.4	67.2	11.3%
Marine	4.7	5.6	18.0%
Personal Accident	37.8	38.1	0.8%
Voluntary Automobile	323.6	331.8	2.5%
CALI	77.4	80.4	4.0%
Other	51.8	54.1	4.4%
Total	556.0	577.5	3.9%
Excluding residential earthquake insurance and CALI	478.2	496.7	3.9%

Net loss ratio

	FY2012 1H	FY2013 1H	
			YoY Change
Fire and Allied	90.9%	58.6%	-32.3pt
Marine	52.2%	61.0%	8.8pt
Personal Accident	50.2%	47.6%	-2.6pt
Voluntary Automobile	65.8%	62.0%	-3.8pt
CALI	90.0%	84.7%	-5.3pt
Other	61.7%	51.5%	-10.2pt
Total	70.3%	62.8%	-7.5pt
Excluding residential earthquake insurance and CALI	67.2%	59.3%	-7.9pt

15. Non-consolidated Results for FY 2013 1H - Aioi Nissay Dowa Insurance (iii)

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Incurred losses and EI loss ratio (excluding loss adjustment expenses)

(¥bn)

	FY2012 1H					FY2013 1H					
	Incurred Losses (a)	EI Loss Ratio	Natural Catastrophe Impact ^{*2} (b)	(a)-(b)	EI Loss Ratio (Excluding Natural Catastrophe Impact)	Incurred Losses (c)	EI Loss Ratio	Natural Catastrophe Impact ^{*2} (d)	(c)-(d)	EI Loss Ratio (Excluding Natural Catastrophe Impact)	YoY Change
Fire and Allied (Excluding residential earthquake insurance)	51.4	74.9%	16.4	35.0	51.0%	39.1	54.8%	5.7	33.4	46.8%	-4.2pt
Marine	2.5	55.2%	-	2.5	55.2%	2.8	56.6%	-	2.8	56.6%	1.4pt
Personal Accident	17.2	50.5%	0.0	17.2	50.5%	17.2	51.3%	0.0	17.2	51.2%	0.7pt
Voluntary Automobile	193.9	60.9%	2.9	190.9	60.0%	193.3	59.4%	1.4	191.9	59.0%	-1.0pt
Other	29.8	59.8%	0.5	29.2	58.6%	30.8	61.3%	0.2	30.6	60.8%	2.2pt
Total (A) ^{*1}	295.1	62.0%	19.9	275.1	57.8%	283.5	58.4%	7.4	276.1	56.8%	-1.0pt
Residential Earthquake Insurance (B)	-	-	-	-	-	-	-	-	-	-	-
CALI (C)	63.1	-	-	63.1	-	63.3	-	-	63.3	-	-
Total (A)+(B)+(C)	358.2	-	19.9	338.2	-	346.9	-	7.4	339.4	-	-

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

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

<Reference>

(¥bn)

FY2013 1H Results	Net Claims Paid		Provision for O/S		Incurred Losses		Balance of O/S as of Sep.30, 2013
		YoY Change		YoY Change		YoY Change	
Great East Japan E/Q (excluding residential earthquake insurance)	0.0	-0.9	-0.0	0.9	-	-0.0	0.3

Projected Financial Results for FY2013 (Full Year)

MS&AD Insurance Group Holdings, Inc.



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16. Revised Forecasts for FY2013 Earnings and Key Assumptions

Amendments to forecasts for Net premiums written

(¥bn)

	FY2013 Initial Forecasts		FY2013 1H	FY2013 Revised Forecasts	
		Growth Rate	Actual Growth Rate		Growth Rate
Net Premiums Written	2,770.0	5.0%	6.2%	2,800.0	6.1%
Mitsui Sumitomo Insurance	1,351.0	2.8%	5.0%	1,375.0	4.6%
Aioi Nissay Dowa Insurance	1,146.0	3.9%	3.9%	1,150.0	4.2%
Overseas Subsidiaries	234.0	25.7%	27.4%	239.0	28.4%

* Forecasts of Ordinary Profit (¥ 191.0 billion) and Net Income (¥ 125.0 billion) are not revised from the initial Forecasts.

Key assumptions for the forecasts

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions for market conditions	Assumes the level at the end of September 2013 (Note) As of the end of September 2013 Nikkei 225: 14,456 yen US\$: 97.75 yen Euro: 131.87 yen	
Incurring losses caused by natural catastrophes in Japan during FY2013	23.0	17.0
	* Losses caused by Typhoons in October are included.	
Losses caused by flooding in Thailand occurred in 2011	Net Claims Paid	4.5
	Incurring Losses	-2.2
	Outstanding Claims at the end of March 2014	0.3
Provision rate of catastrophe reserve for fire and allied insurance	9%	8%
Corporate tax rate (effective tax rate)	33.2% * Impact of advanced abolition of the special corporate tax for reconstruction of the Great East Japan Earthquake is not included.	

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Next, I will explain the consolidated earnings forecast for FY 2013. Please take a look at Addendum 16.

As indicated in the table at the top, the earnings forecast for the entire fiscal year has been revised on the basis of the interim results.

At the beginning of the year, net premiums written on a consolidated basis for the entire Group were forecast to increase by 5.0% to 2,770.0 billion yen, but as I explained earlier, the actual increase in the first six months was 6.2%. Based on this result, we have added 30.0 billion yen to the forecast of net premiums written, resulting in an increase by 6.1%, to 2,800.0 billion yen for the entire year.

The breakdown for the major companies is as indicated in the table, and we expect steady increases for both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

Forecasts for consolidated ordinary profit and net income for the Group are progressing at the levels initially forecast, and therefore remain unchanged.

Next, I will explain the major assumptions made in the earnings forecast. Please take a look at the table at the bottom.

The assumptions about the market environment were based on the market at the end of September this year, and share prices have risen and the yen has depreciated since the beginning of the year.

With regard to natural catastrophes in Japan during the current fiscal year, as a result of incorporating the estimated final losses incurred until Typhoon No. 26 (Typhoon Wipha) in October and funds for natural catastrophes expected to occur in the future, incurred losses are projected to total 40.0 billion yen for the two companies, with an expected 23.0 billion yen to be posted by Mitsui Sumitomo Insurance and 17.0 billion yen by Aioi Nissay Dowa Insurance.

This is an increase of 5.0 billion yen from the 35.0 billion yen forecast at the start of the year.

With regard to claims payment related to the floods in Thailand, at Mitsui Sumitomo Insurance, outstanding claims of 76.0 billion yen at the end of the previous fiscal year contracted by 55.4 billion yen following the payment of claims, and incurred losses fell by 14.0 billion yen due to progress in claims survey. Therefore, we expect outstanding claims at the end of the fiscal year ending March 31, 2014 to decrease to 6.7 billion yen.

As shown above, outstanding claims of 7.0 billion yen at Aioi Nissay Dowa Insurance at the end of the previous fiscal year are also expected to decrease to 300 million yen at the end of this fiscal year.

The provision rate for fire insurance in the catastrophe reserves is as shown and remains unchanged from the start of the year. The corporate tax rate also remains unchanged from the start of the year.

17. FY 2013 (Full Year) Consolidated Earnings Forecasts

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(¥bn)

	FY2012	FY2013 (forecasts)	
			Change
Net Premiums Written	2,639.4	2,800.0	160.5
Mitsui Sumitomo Insurance	1,314.2	1,375.0	60.7
Aioi Nissay Dowa Insurance	1,103.2	1,150.0	46.7
Life Insurance Premiums	569.0	411.9	-157.1
Ordinary Profit	150.3	191.0	40.6
Mitsui Sumitomo Insurance	65.3	115.0	49.6
Aioi Nissay Dowa Insurance	25.8	43.0	17.1
Net Income	83.6	125.0	41.3
Mitsui Sumitomo Insurance	42.6	80.0	37.3
Aioi Nissay Dowa Insurance	18.8	30.0	11.1
Mitsui Direct General Insurance	0.3	0.3	-0.0
MSI Aioi Life	0.4	6.0	5.5
MSI Primary Life	10.3	11.0	0.6
Overseas subsidiaries	12.6	22.0	9.3
Others, consolidation adjustments, etc.	-1.7	-24.3	-22.6

Please see the materials from Addendum 17 onward for details on the earnings forecasts for the consolidated Group, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

This concludes my presentation.

18. FY 2013 (Full Year) Non-consolidated Earnings Forecasts - Mitsui Sumitomo Insurance (i)

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(¥bn)

	FY2012	FY2013 (forecast)	
			Change
Net Premiums Written	1,314.2	1,375.0	60.7
Growth Rate of Net Premiums Written	3.5%	4.6%	1.1pt
Net Loss Ratio	73.3%	68.3%	- 5.0pt
Net Expense Ratio	32.4%	32.5%	0.1pt
Combined Ratio	105.7%	100.8%	- 4.9pt
Incurred Losses	833.1	795.8	-37.2
Underwriting Profit/(Loss)	-9.7	15.0	24.7
Net Interest and Dividend Income	57.7	62.5	4.7
Gains/(Losses) on Sales of Securities	53.1	50.6	-2.5
Impairment Losses on Securities	-28.3	-1.5	26.8
Net Investment Income/(Loss)	82.5	112.6	30.1
Ordinary Profit/(Loss)	65.3	115.0	49.6
Extraordinary Income/(Loss)	-2.3	-1.4	0.8
Net Income/(Loss)	42.6	80.0	37.3
(Excluding residential earthquake insurance and CALI)			
Growth Rate of Net Premiums Written	3.1%	4.0%	0.9pt
Net Loss Ratio	70.5%	65.8%	- 4.7pt
Net Expense Ratio	34.1%	34.5%	0.4pt
Combined Ratio	104.6%	100.3%	- 4.3pt

19. FY 2013 (Full Year) Non-consolidated Earnings Forecasts - Mitsui Sumitomo Insurance (ii)

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Net premiums written

(¥bn)

	FY2012	FY2013 (forecast)	Growth
Fire and Allied	187.8	205.9	9.6%
Marine	53.7	56.7	5.6%
Personal Accident	142.9	145.1	1.5%
Voluntary Automobile	590.5	606.8	2.7%
CALI	157.2	171.6	9.1%
Other	181.8	188.9	3.9%
Total	1,314.2	1,375.0	4.6%
Excluding residential earthquake insurance and CALI	1,155.9	1,202.7	4.0%

Net loss ratio

	FY2012	FY2013 (forecast)	Change
Fire and Allied	107.2%	84.3%	- 22.9pt
Marine	51.9%	55.2%	3.3pt
Personal Accident	59.2%	60.4%	1.2pt
Voluntary Automobile	68.7%	66.2%	- 2.5pt
CALI	94.4%	85.8%	- 8.6pt
Other	52.7%	51.6%	- 1.1pt
Total	73.3%	68.3%	- 5.0pt
Excluding residential earthquake insurance and CALI	70.5%	65.8%	- 4.7pt

Incurred losses

(¥bn)

	FY2012	FY2013 (forecast)	Change
Incurred Losses (excluding loss adjustment expenses)	833.1	795.8	-37.2
Natural Catastrophes*	37.0	9.0	-28.0
Other than Natural Catastrophes	796.0	786.8	-9.2

* "Natural catastrophes" show the total of incurred losses resulting from domestic natural catastrophes occurring during the year and the Thailand floods.
 "Natural catastrophes" include ¥ 6.3 billion for FY2012 and ¥ -14.0 billion for FY 2013 (forecasts) in incurred losses related to the Thailand floods.

20. FY 2013 (Full Year) Non-consolidated Forecasts - Aioi Nissay Dowa Insurance (i)

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(¥bn)

	FY2012	FY2013 (forecast)	
			Change
Net Premiums Written	1,103.2	1,150.0	46.7
Growth Rate of Net Premiums Written	2.7%	4.2%	1.5pt
Net Loss Ratio	70.4%	66.4%	- 4.0pt
Net Expense Ratio	34.1%	34.6%	0.5pt
Combined Ratio	104.5%	101.0%	- 3.5pt
Incurred Losses	717.0	700.5	-16.5
Underwriting Profit/(Loss)	6.6	1.0	-5.6
Net Interest and Dividend Income	40.2	39.8	-0.4
Gains/(Losses) on Sales of Securities	7.2	16.4	9.1
Impairment Losses on Securities	-9.7	-6.5	3.2
Net Investment Income/(Loss)	19.7	41.2	21.4
Ordinary Profit/(Loss)	25.8	43.0	17.1
Extraordinary Income/(Loss)	-1.6	-2.1	-0.4
Net Income/(Loss)	18.8	30.0	11.1
(Excluding residential earthquake insurance and CALI)			
Growth Rate of Net Premiums Written	2.4%	3.8%	1.4pt
Net Loss Ratio	67.3%	63.5%	- 3.8pt
Net Expense Ratio	35.7%	36.5%	0.8pt
Combined Ratio	103.0%	100.0%	- 3.0pt

21. FY 2013 (Full Year) Non-consolidated Forecasts Aioi Nissay Dowa Insurance (ii)

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Net premiums written

(¥bn)

	FY2012	FY2013(forecast)	
			Growth
Fire and Allied	126.3	136.7	8.2%
Marine	9.5	10.9	13.7%
Personal Accident	71.9	73.2	1.7%
Voluntary Automobile	644.8	661.9	2.6%
CALI	152.8	163.7	7.1%
Other	97.5	103.6	6.2%
Total	1,103.2	1,150.0	4.2%
Excluding residential earthquake insurance and CALI	949.6	985.8	3.8%

Net loss ratio

	FY2012	FY2013 (forecast)	
			Change
Fire and Allied	81.1%	63.4%	- 17.7pt
Marine	50.5%	53.2%	2.7pt
Personal Accident	51.8%	49.7%	- 2.1pt
Voluntary Automobile	67.1%	65.5%	- 1.6pt
CALI	90.4%	83.8%	- 6.6pt
Other	63.2%	61.4%	- 1.8pt
Total	70.4%	66.4%	- 4.0pt
Excluding residential earthquake insurance and CALI	67.3%	63.5%	- 3.8pt

Incurred losses

(¥bn)

	FY2012	FY2013 (forecast)	
			Change
Incurred Losses (excluding loss adjustment expenses)	717.0	700.5	-16.5
Natural Catastrophes*	16.7	14.7	-1.9
Other than Natural Catastrophes	700.2	685.7	-14.5

* "Natural catastrophes" show the total of incurred losses resulting from domestic natural catastrophes occurring during the year and the Thailand floods.
"Natural catastrophes" include ¥ -5.7 billion for FY2012 and ¥ -2.2 billion for FY 2013 (forecast) in incurred losses related to the Thailand floods.

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 industry, (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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