

Materials for FY2014 Results Briefing - Conference Call

May 20, 2015 (Wed)



MS&AD Insurance Group Holdings, Inc.

Abbreviations of Company Names Used in this Presentation

• MS&AD Holdings	MS&AD Insurance Group Holdings, Inc.
• Mitsui Sumitomo Insurance, MSI	Mitsui Sumitomo Insurance Co., Ltd.
• Aioi Nissay Dowa Insurance, ADI	Aioi Nissay Dowa Insurance Co., Ltd.
• Mitsui Direct General Insurance, 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.

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

Group Core Profit	=	Consolidated net income - Net capital gains/losses on stock portfolio (gains/losses on sales etc.) - Net evaluation gains/losses on credit derivatives - Other incidental factors + Equity in earnings of the non-consolidated group companies
Group ROE	=	Group Core Profit ÷ Consolidated total net assets excluding minority interests (average of beginning and ending amounts of B/S)

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1. Consolidated Earnings for FY 2014 (1) - Overview (i)

- Net premiums written rose by 4.7% year on year to 2,940.7 billion yen due to solid performance by both domestic non-life insurance companies and overseas subsidiaries.
- Life insurance premiums rose by a substantial 6.3% year on year to 721.7 billion yen due to significant sales growth at MSI Primary Life along with increased sales at MSI Aioi Life.

	FY2013 Results	FY2014		
		Results	YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	3,069.3	3,213.0	143.7	4.7%
Net premiums written*	2,809.5	2,940.7	131.1	4.7%
Mitsui Sumitomo Insurance	1,384.5	1,445.8	61.3	4.4%
Aioi Nissay Dowa Insurance	1,144.6	1,160.8	16.2	1.4%
Mitsui Direct General Insurance	35.5	35.0	- 0.5	-1.4%
Overseas subsidiaries	240.6	293.2	52.6	21.9%
Life insurance premiums	678.9	721.7	42.7	6.3%

*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.

<Reference: Gross life insurance premiums>

	FY2013 Results	FY2014		
		Results	YoY Change	Growth
MSI Aioi Life	416.7	441.8	25.0	6.0%
MSI Primary Life	826.4	1,054.0	227.6	27.5%

2. Consolidated Earnings for FY 2014 (1) - Overview (ii)

- Ordinary profit increased by 96.8 billion yen year-on-year to 287.0 billion yen, due to improved performance of MSI, ADI and overseas subsidiaries.
- Net income increased by 42.7 billion yen year to year to 136.2 billion yen.

(¥bn)

	FY2013 Results	Results	FY2014	
			YoY Change	Change Ratio
Ordinary profit	190.2	287.0	96.8	50.9%
Mitsui Sumitomo Insurance	101.9	171.3	69.3	68.0%
Aioi Nissay Dowa Insurance	27.8	68.9	41.0	147.2%
Mitsui Direct General Insurance	0.2	- 4.2	- 4.5	- 1517.3%
MSI Aioi Life	17.4	15.9	- 1.5	- 8.7%
MSI Primary Life	39.8	17.7	- 22.1	- 55.5%
Overseas subsidiaries	29.8	44.8	14.9	49.9%
Consolidation adjustments, etc.	- 27.1	- 27.5	- 0.3	-
Net income* ¹	93.4	136.2	42.7	45.8%
Mitsui Sumitomo Insurance	58.0	89.1	31.0	53.5%
Aioi Nissay Dowa Insurance	13.1	39.4	26.3	201.2%
Mitsui Direct General Insurance	0.1	- 3.1	- 3.3	- 1965.2%
MSI Aioi Life	6.6	4.4	- 2.2	- 34.1%
MSI Primary Life	17.9	12.4	- 5.5	- 30.7%
Overseas subsidiaries	19.9	35.0	15.0	75.7%
Consolidation adjustments, etc.	- 22.4	- 41.0	- 18.6	-

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

3. Consolidated Earnings for FY 2014 (1) - Overview (iii)

- Group Core Profit ※ increased by 60.9 billion yen year-on-year, to 155.7 billion yen, while Group ROE ※ was up 1.4 points, to 5.9%.
- Embedded Value of MSI Aioi Life increased by 59.7 billion yen in FY2014.
- Dividend per share for FY2014 is 65 yen, increasing by 9 yen year-on-year. The share buy-back plan of 20 billion yen was approved by the board at a meeting held on May 20 2015.

(¥bn)

	FY2013	FY2014	
			YoY Change
Group Core Profit ※	94.8	155.7	60.9
Domestic non-life insurance business	47.8	92.4	44.5
Domestic life insurance business	24.4	20.4	- 4.0
International business	18.0	38.2	20.1
Financial services business and risk related services business	4.4	4.6	0.2
Other Numerical Management Target			
Combined ratio (domestic non-life insurance business)	98.2%	96.0%	- 2.2pt
Increase in EV of MSI Aioi Life	91.6	59.7	- 31.9
Group ROE ※	4.5%	5.9%	1.4pt

※ For the definition of Group Core Profit and Group ROE, please refer to the beginning page.

4. Consolidated Earnings for FY 2014 (2) - YoY Results Comparisons

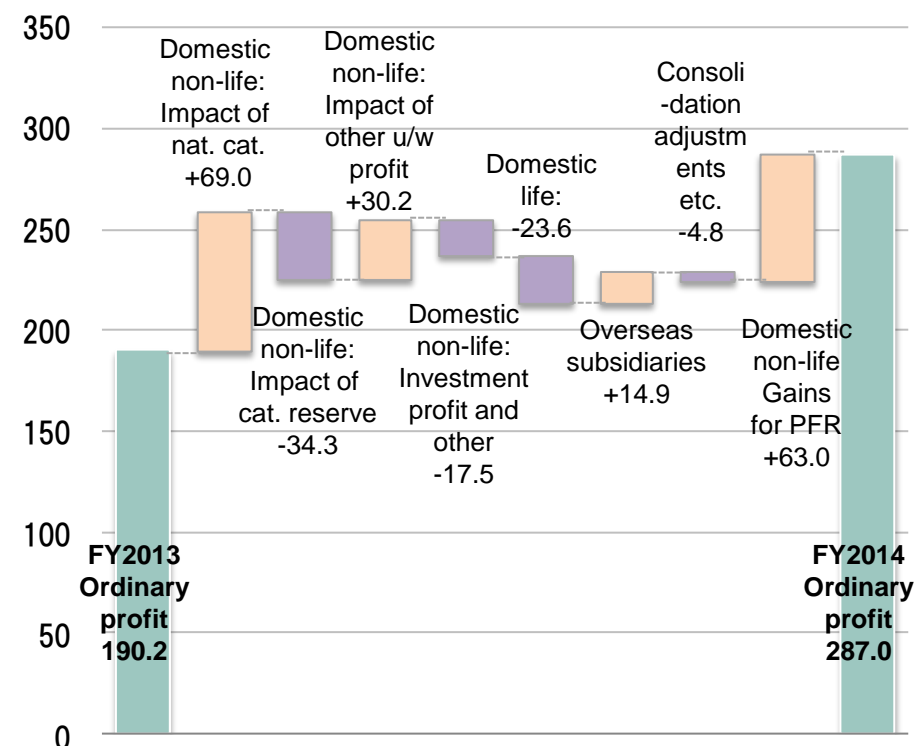
- In domestic non-life insurance companies, the 63.0 billion yen increase in Gains on sales of securities for additional provision of price fluctuation reserve.
- In domestic non-life insurance companies, the 69.0 billion yen increase in impact of natural catastrophes and underwriting profit in domestic non-life insurance companies, excluding the impact of natural catastrophes and catastrophe reserves, boosted profit by 30.2 billion yen.
- Domestic life insurance companies decreased profits by 23.6 billion yen, and overseas subsidiaries increased profits by 14.9 billion yen.

Factors in YoY Changes in Consolidated Ordinary Profit

	(¥bn)		
	FY2013 (a)	FY2014 (b)	(b)-(a)
Consolidated ordinary profit	190.2	287.0	96.8
Domestic non-life* ¹ Impact of natural catastrophes* ²	- 96.3	- 27.2	69.0
Domestic non-life* ¹ Impact of cat. reserve	3.0	-31.3	- 34.3
Domestic non-life* ¹ Impact of other underwriting profit	57.2	87.4	30.2
Domestic non-life* ¹ Investment profit and other	166.0	148.5	- 17.5
Domestic life	57.3	33.6	- 23.6
Overseas subsidiaries	29.8	44.8	14.9
Consolidation adjustments, etc.	- 26.8	- 31.7	- 4.8
Domestic non-life* ¹ Gains on sales of securities for additional provision of price fluctuation reserve	-	63.0	63.0

Consolidated Ordinary Profit

(¥bn)



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

*2 "Impact of natural catastrophes" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

*3 "Investment profit and other" excludes gains on sales securities for additional price fluctuation reserve.

5. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 (i)

- Voluntary automobile and Fire insurance products contributed to an increase in net premiums written of 3.1% to 2,606.6 billion yen for the simple sum of MSI and ADI.
- Underwriting profit increased by 64.9 billion yen to 28.7 billion yen for the simple sum of MSI and ADI, which was an effect of an increase in premiums and a reduction in incurred losses.
- Combined ratio excluding residential earthquake insurance and CALI improve by 2.2 points to 95.1%.

(¥bn)						
	MSI (Non-consolidated)		ADI (Non-consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	1,445.8	61.3	1,160.8	16.2	2,606.6	77.5
Growth rate of net premiums written	4.4%	- 0.9pt	1.4%	- 2.4pt	3.1%	- 1.5pt
Net claims paid (—)	810.8	- 12.8	677.9	-13.8	1,488.7	-26.6
<Incurred losses> (incl. loss adjustment expenses) (—)	887.4	- 22.0	734.6	-46.3	1,622.1	-68.4
Commissions and collection expenses (—)	253.8	14.7	216.0	11.3	469.8	26.1
Operating expenses and general and administrative expenses (underwriting) (—)	205.6	1.0	190.2	-0.2	395.8	0.8
Underwriting profit before catastrophe reserve	45.4	54.8	14.7	44.4	60.1	99.3
Reversal of catastrophe reserve	- 31.4	- 33.5	0.0	-0.8	-31.3	-34.3
Underwriting profit	14.0	21.3	14.7	43.6	28.7	64.9
Ratios						
Net loss ratio ^{*1}	62.2%	- 2.9pt	63.2%	- 1.8pt	62.6%	- 2.4pt
Net expense ratio	31.8%	- 0.2pt	35.0%	0.5pt	33.2%	0.0pt
Combined ratio	94.0%	- 3.1pt	98.2%	- 1.3pt	95.8%	- 2.4pt
<Reference: Ratios excluding residential earthquake insurance and CALI ^{*2} >						
Net loss ratio ^{*1}	59.4%	- 2.8pt	60.4%	- 1.6pt	59.8%	- 2.3pt
Net expense ratio	33.9%	- 0.2pt	37.2%	0.7pt	35.3%	0.1pt
Combined ratio	93.3%	- 3.0pt	97.6%	- 0.9pt	95.1%	- 2.2pt

*1 Net loss ratio is on a "written-to-paid" basis, same hereafter. *2 CALI stands for Compulsory Automobile Liability Insurance, same hereafter.

6. Domestic Non-life Insurance Companies (1) - MSI&ADI Results for FY 2014 (ii)

- Net investment profit and other ordinary profit increased by 45.4 billion yen for the simple sum of MSI and ADI, primarily due to gains on the sales of securities secured for the purpose of adding to price fluctuation reserves.
- Sales of strategic equity holdings totaled 91.0 billion yen for the simple sum of MSI and ADI.
- Extraordinary losses due in part to an additional provision totaling 63.0 billion yen implemented for price fluctuation reserves.
- Net income increased by 57.4 billion yen to 128.5 billion yen for the simple sum of MSI and ADI.

(¥bn)

	MSI (Non-consolidated)		ADI (Non-consolidated)		< Reference > Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit	14.0	21.3	14.7	43.6	28.7	64.9
Net interest and dividends income	70.6	-0.2	40.1	-5.7	110.8	-6.0
Gains on sales of securities	90.0	35.2	19.9	0.4	110.0	35.6
Impairment losses on securities (-)	3.3	-0.0	0.0	-3.5	3.4	-3.5
Investment profit and other ordinary profit	157.3	48.0	54.1	-2.5	211.5	45.4
Ordinary profit	171.3	69.3	68.9	41.0	240.3	110.4
Provision for reserve for price fluctuation (-)	40.7	26.2	26.6	25.0	67.4	51.2
of which, additional reserve (-)	38.0	26.0	25.0	25.0	63.0	51.0
Extraordinary income	-33.7	-16.2	-3.2	2.4	-36.9	-13.8
Income before income taxes	137.5	53.0	65.7	43.5	203.3	96.5
Net income	89.1	31.0	39.4	26.3	128.5	57.4

7. Domestic Non-life Insurance Companies (2)

- Impact of Natural Catastrophes - FY 2014

- Incurred losses related to natural catastrophes included 30.1 billion yen for natural catastrophes occurring domestically in the fiscal year, 2.2 billion yen from the impact of heavy snowfall in February 2014, and a negative 6.5 billion yen impact from the 2011 flooding in Thailand, for a total of 25.7 billion yen, down 69.1 billion yen year-on-year.
- Claims payments related to natural catastrophes increased by 6.3 billion yen year-on-year to 99.4 billion yen, as payments relating to heavy snowfall in Japan in February 2014 progressed smoothly.

Impact of natural catastrophes in Japan, heavy snowfalls in Feb. 2014 and floods in Thailand (¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S*		Balance of O/S* as of Mar. 31, 2015
		YoY Change		YoY Change		YoY Change	
Nat Cat in Japan (Occurred in FY2014)	30.1	- 7.0	27.1	- 4.8	3.0	- 2.2	3.0
Mitsui Sumitomo Insurance	18.3	- 3.5	16.3	- 1.8	2.0	- 1.7	2.0
Aioi Nissay Dowa Insurance	11.7	- 3.4	10.7	- 2.9	0.9	- 0.5	0.9
Heavy snowfalls in Japan (Occurred in Feb. 2014)	2.2	- 79.9	64.0	45.6	- 61.8	- 125.5	1.9
Mitsui Sumitomo Insurance	1.7	- 43.6	37.9	29.3	- 36.1	- 72.9	0.6
Aioi Nissay Dowa Insurance	0.5	- 36.2	26.1	16.3	- 25.6	- 52.6	1.2
Floods in Thailand (Occurred in FY2011)	- 6.5	17.8	8.1	- 34.5	- 14.7	52.3	6.7
Mitsui Sumitomo Insurance	- 4.9	15.4	7.3	- 29.2	- 12.3	44.6	6.7
Aioi Nissay Dowa Insurance	- 0.1	2.4	0.2	- 3.2	- 0.3	5.7	0.5
Overseas subsidiaries	- 1.4	- 0.0	0.5	- 2.0	- 2.0	2.0	- 0.5
Total	25.7	- 69.1	99.4	6.3	- 73.6	- 75.4	11.6

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

8. Domestic Non-life Insurance Companies (3) - Catastrophe Reserve - FY 2014

- Change of the catastrophe reserve for MSI and ADI combined was 31.3 billion yen, a year-on-year increase of 34.3 billion yen.
- An additional provision of catastrophe reserves for fire insurance were increased by 17.0 billion yen for the sum of MSI and ADI a (MSI 15.0 billion yen, ADI 2.0 billion yen).

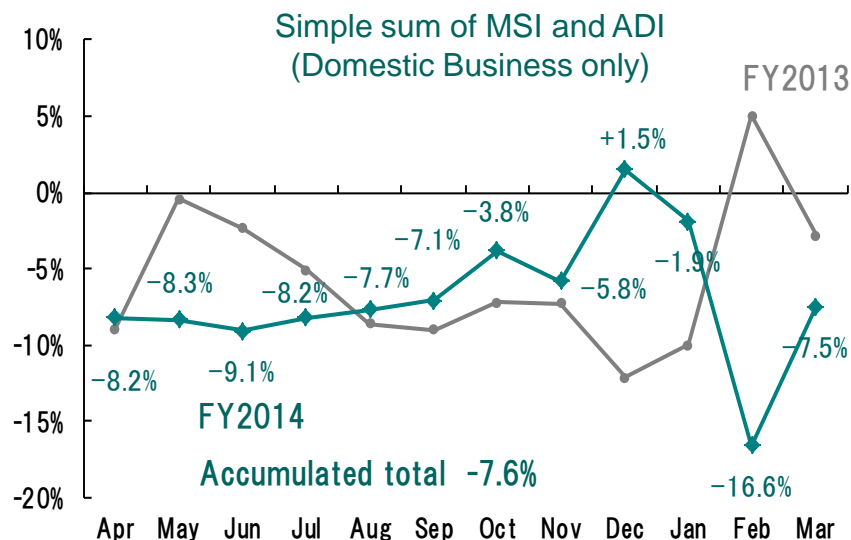
Catastrophe Reserve

Catastrophe Reserve						(¥bn)
		Reversal	Provision	Change		Balance as of Mar. 31, 2015
					YoY	
Mistui Sumitomo Insurance	Fire and allied	17.6	35.2	17.6	28.1	118.1
	Marine	-	2.9	2.9	0.3	72.3
	Personal accident	4.5	4.6	0.1	3.0	62.3
	Voluntary auto	17.7	20.0	2.2	1.7	21.7
	Other	2.4	10.8	8.3	0.2	155.3
	Total	42.4	73.8	31.4	33.5	429.9
Aioi Nissay Dowa Insurance	Fire and allied	19.7	13.6	-6.0	-0.9	98.4
	Marine	0.1	0.0	-0.0	-0.5	13.7
	Personal accident	-	2.2	2.2	-0.1	61.1
	Voluntary auto	21.2	21.3	0.1	-0.3	21.3
	Other	1.6	5.3	3.7	2.7	54.2
	Total	42.7	42.7	-0.0	0.8	249.0
Simple Sum of MSI and ADI	Fire and allied	37.3	48.9	11.5	27.2	216.6
	Marine	0.1	3.0	2.8	-0.2	86.1
	Personal accident	4.5	6.8	2.3	2.9	123.4
	Voluntary auto	39.0	41.4	2.4	1.3	43.1
	Other	4.0	16.2	12.1	3.0	209.6
	Total	85.1	116.5	31.3	34.3	679.0

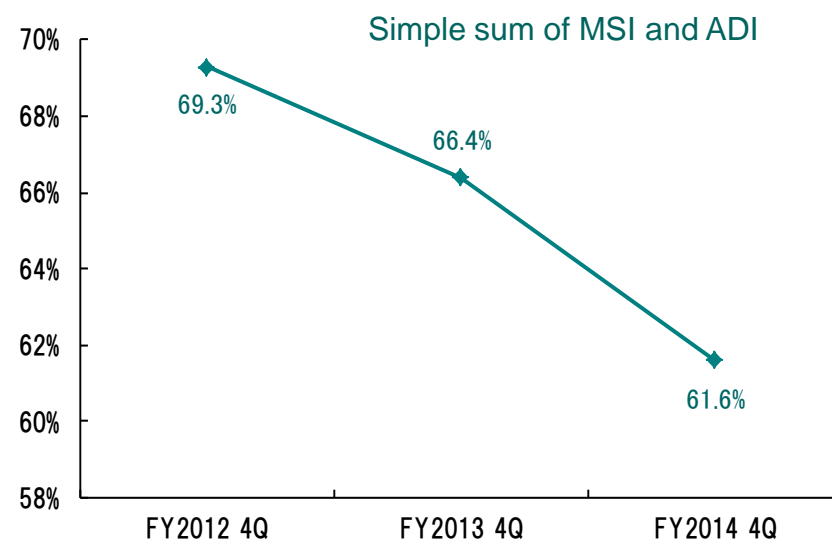
9. Domestic Non-life Insurance Companies (4) - Voluntary Auto Insurance - FY2014

- The EI loss ratio continued to improve by 4.8 points year on year to 61.6% as the number of accidents remained at a low level in general and insurance premium revenue grew.
- The average payout per claim continued to rise partially due to the impact of the increase in the consumption tax rate.

Trend in the Number of Accidents (Per day, %YOY, excluding the number of accidents caused by natural catastrophes)



E I Loss Ratio (Including loss adjustment expenses)



**"Natural catastrophes" quoted in this page does not include heavy snowfalls occurred in Feb. 2014.

MSI

<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	+0.4%	+3.3%	+3.8%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+1.9%	+7.0%	

ADI

<Domestic, sales basis>	No. of contracts	Insurance premium unit price	Insurance premiums
Factors in increase/decrease of insurance premiums	- 0.9%	+3.0%	+2.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural cat.)	
Changes in average payout per claim	+6.7%	+5.8%	

* Figures for "Factors of increase/decrease in insurance premiums" are the % YoY change, based on sales results from Apr. to Mar..

* "Change in average payout per claim" means the change in average payout per claim over the one-year period ended Mar. 31, 2015 compared with the average pay out per claim in the one-year period ended Mar. 31, 2014.

* EI loss ratio is 12 months results from Apr.. to Mar.. of each year.

10. Domestic Life Insurance Companies - MSI Aioi Life - Results for FY 2014

- The amount of new policies decreased by 7.1% to 2,481.1 billion yen, due to a drop in income security insurance and other factors.
- Annualized premiums of new policies increased by 9.6%, to 46.4 billion yen due to strong third-sector product sales.
- Net income decreased by 2.2 billion yen year-on-year to 4.4 billion yen,.

MSI Aioi Life

(¥bn)

	FY 2013 Results	FY 2014 Results	FY 2014	
			YoY Change	Change Ratio
Amount of new policies*	2,672.2	2,481.1	- 191.0	-7.1%
Annualized premiums of new policies*	42.3	46.4	4.0	9.6%
of which, third sector insurance	10.9	14.4	3.5	32.6%
Amount of policies in force*	21,105.0	21,894.0	788.9	3.7%
Annualized premiums of policies in force*	335.8	355.9	20.1	6.0%
of which, third sector insurance	61.1	70.5	9.3	15.3%
Gross premium income	416.7	441.8	25.0	6.0%
Ordinary profit	17.4	15.9	- 1.5	-8.7%
Net Income	6.6	4.4	- 2.2	-34.1%
Fundamental profit	15.3	16.1	0.7	4.6%
EEV	588.1	647.8	59.7	
Net worth	195.0	268.4	73.3	
Value of in-force business	393.1	379.4	- 13.6	
of which, value of new contract value	39.1	50.4	11.3	

* Figures are the sum of personal insurance and personal annuity insurance.

11. Domestic Life Insurance Companies - MSI Primary Life - Results for FY 2014 MS&AD

- Gross premium income increased by 27.5% to 1,054.0 billion yen due to steady growth in sales of fixed and variable whole life insurance.
- Net income decreased by 5.5 billion yen to 12.4 billion yen due to an increase in the burden of policy reserves for foreign-denominated insurance products, reflecting a drop in Australian dollar interest rates.

MSI Primary Life

(¥bn)

	FY2013 Results	FY2014		
		Results	YoY Change	Change Ratio
Amount of new policies	800.5	1,024.7	224.2	28.0%
Amount of policies in force	4,024.3	4,421.0	396.6	9.9%
Gross premium income	826.4	1,054.0	227.6	27.5%
Ordinary profit	39.8	17.7	- 22.1	-55.5%
Net Income	17.9	12.4	- 5.5	-30.7%
Fundamental profit	58.3	- 33.4	- 91.7	-157.2%
EEV	234.8	310.2	75.3	
Net worth	132.6	237.4	104.8	
Value of in-force business	102.2	72.7	- 29.4	
of which, value of new business	27.5	26.2	- 1.3	

- Net premiums written increased in all regions and reinsurance business on a local currency basis. Owing partly to the impact of exchange rates (+20.9 billion yen) and new consolidations (+12.8 billion yen), net premiums written increased by 21.9%, to 293.2 billion yen.
- Net income increased by 15.0 billion yen year-on-year, to 35.0 billion yen.

Overseas Subsidiaries

(¥bn)

	FY2013 Results	FY2014		
		Results	YoY Change	Change Ratio
Net premiums written	240.6	293.2	52.6	21.9%
Asia*	118.6	149.7	31.1	26.2%
Europe	68.9	82.6	13.6	19.8%
Americas	36.3	41.7	5.4	14.9%
Reinsurance	16.7	19.1	2.4	14.4%
Net income	19.9	35.0	15.0	75.7%
Asia*	11.5	17.9	6.3	55.3%
Europe	- 0.2	4.6	4.8	-
Americas	0.0	1.3	1.3	2,488.9%
Reinsurance	8.5	11.0	2.5	29.7%

*ADI's Australian subsidiary has been included as a consolidated subsidiary under "Asia" since FY2014.

FY 2014 Results Data

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13. Results for FY 2014 - MSI (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014 Results	YoY Change
Net premiums written	1,384.5	1,445.8	61.3
Growth rate of net premiums written	5.3%	4.4%	-0.9pt
Net loss ratio	65.1%	62.2%	-2.9pt
Net expense ratio	32.0%	31.8%	-0.2pt
Combined ratio	97.1%	94.0%	-3.1pt
Incurred losses (Incl. loss adjustment expenses)	909.5	887.4	-22.0
Underwriting profit	-7.3	14.0	21.3
Net interest and dividends income	70.9	70.6	-0.2
Gains on sales of securities	54.8	90.0	35.2
Impairment losses on securities	-3.3	-3.3	0.0
Investment profit	125.1	158.3	33.1
Ordinary profit	101.9	171.3	69.3
Extraordinary income	-17.4	-33.7	-16.2
Net income	58.0	89.1	31.0
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	4.7%	4.5%	-0.2pt
Net loss ratio	62.2%	59.4%	-2.8pt
Net expense ratio	34.1%	33.9%	-0.2pt
Combined ratio	96.3%	93.3%	-3.0pt

14. Results for FY 2014 - MSI (Non-consolidated) (2)

Net premiums written (¥bn)

	FY2013 Results	FY2014	
		Results	Growth
Fire and allied	212.2	222.6	4.9%
Marine	56.7	65.2	15.1%
Personal accident	144.6	149.6	3.4%
Voluntary automobile	608.3	626.2	2.9%
CALI	173.4	180.1	3.8%
Other	188.9	201.8	6.8%
Total	1,384.5	1,445.8	4.4%
Total excl. residential EQ insurance and CALI	1,210.3	1,264.9	4.5%

Net loss ratio

	FY2013 Results	FY2014	
		Results	Y to Y change
Fire and allied	70.9%	67.0%	-3.9pt
Marine	59.6%	49.9%	-9.7pt
Personal accident	60.4%	58.7%	-1.7pt
Voluntary automobile	63.5%	60.9%	-2.6pt
CALI	85.4%	81.8%	-3.6pt
Other	50.2%	49.7%	-0.5pt
Total	65.1%	62.2%	-2.9pt
Total excl. residential EQ insurance and CALI	62.2%	59.4%	-2.8pt

15. Results for FY 2014 - MSI (Non-consolidated) (3)

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

(¥bn)

	FY2013					FY2014					
	Incurred Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio* ² (Excluding Nat Cat Impact)	Incurred Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio* ² (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	129.7	71.4%	36.4	93.3	51.3%	108.9	57.9%	11.5	97.3	51.8%	0.5pt
Marine	36.9	66.2%	0.4	36.5	65.4%	34.9	56.4%	0.1	34.8	56.2%	-9.2pt
Personal accident	87.2	61.5%	0.0	87.1	61.4%	85.8	58.3%	0.1	85.7	58.2%	-3.2pt
Voluntary automobile	400.1	66.5%	6.0	394.0	65.5%	384.9	61.9%	1.2	383.7	61.7%	-3.8pt
Other	106.0	58.1%	3.9	102.1	55.9%	123.7	64.4%	2.1	121.6	63.3%	7.4pt
Total* ⁴ (A)	760.2	65.3%	46.9	713.2	61.3%	738.5	61.0%	15.1	723.3	59.7%	-1.6pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	149.2	/	—	149.2	/	148.9	/	—	148.9	/	/
Total (A)+(B)+(C)	909.5	/	46.9	862.5	/	887.4	/	15.1	872.3	/	/

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

*2 Earned premium, which is the denominator of the EI loss ratio, is calculated by adjusting unearned premium (excluding natural catastrophe reserves) and premium reserve.

*3 "Nat Cat (Natural Catastrophe) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

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

16. Results for FY 2014 - ADI (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014	
		Results	YoY Change
Net premiums written	1,144.6	1,160.8	16.2
Growth rate of net premiums written	3.8%	1.4%	-2.4 pt
Net loss ratio	65.0%	63.2%	-1.8 pt
Net expense ratio	34.5%	35.0%	0.5 pt
Combined ratio	99.5%	98.2%	-1.3 pt
Incurred losses (Incl. loss adjustment expenses)	781.0	734.6	-46.3
Underwriting profit	-28.8	14.7	43.6
Net interest and dividends income	45.9	40.1	-5.7
Gains on sales of securities	19.5	19.9	0.4
Impairment losses on securities	-3.6	0.0	3.5
Investment profit	53.0	51.5	-1.4
Ordinary profit	27.8	68.9	41.0
Extraordinary income	-5.6	-3.2	2.4
Net income	13.1	39.4	26.3
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	3.2%	1.3%	-1.9 pt
Net loss ratio	62.0%	60.4%	-1.6 pt
Net expense ratio	36.5%	37.2%	0.7 pt
Combined ratio	98.5%	97.6%	-0.9 pt

17. Results for FY 2014 - ADI (Non-consolidated) (2)

Net premiums written

(¥bn)

	FY2013 Results	FY2014	
		Results	Growth
Fire and allied	135.7	144.9	6.8%
Marine	11.2	7.5	-32.5%
Personal accident	72.6	69.5	-4.3%
Voluntary automobile	658.9	665.2	1.0%
CALI	164.2	167.7	2.1%
Other	101.7	105.8	4.0%
Total	1,144.6	1,160.8	1.4%
Total excl. residential EQ insurance and CALI	979.8	992.6	1.3%

Net loss ratio

	FY2013 Results	FY2014	
		Results	YoY Change
Fire and allied	64.8%	66.2%	1.4pt
Marine	52.4%	62.4%	10.0pt
Personal accident	50.3%	49.5%	-0.8pt
Voluntary automobile	63.2%	61.0%	-2.2pt
CALI	83.0%	80.2%	-2.8pt
Other	59.3%	55.1%	-4.2pt
Total	65.0%	63.2%	-1.8pt
Total excl. residential EQ insurance and CALI	62.0%	60.4%	-1.6pt

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

(¥bn)

	FY 2013					FY 2014					
	Incurred Losses ^{*1} (a)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (b)	(a)-(b)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	Incurred Losses ^{*1} (c)	EI Loss Ratio ^{*2}	Nat Cat Impact ^{*3} (d)	(c)-(d)	EI Loss Ratio ^{*2} (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential earthquake insurance)	104.1	76.6%	39.5	64.5	47.5%	77.3	56.3%	10.4	66.9	48.7%	1.2pt
Marine	5.6	52.9%	—	5.6	52.9%	4.8	53.2%	—	4.8	53.2%	0.3pt
Personal accident	36.3	53.4%	0.0	36.2	53.3%	32.7	48.8%	0.0	32.6	48.7%	-4.6pt
Voluntary automobile	433.5	66.3%	7.7	425.7	65.1%	405.6	61.3%	0.8	404.8	61.2%	-3.9pt
Other	64.9	65.2%	2.0	62.9	63.2%	78.7	75.4%	0.8	77.9	74.6%	11.4pt
Total ^{*4} (A)	644.4	66.6%	49.3	595.1	61.5%	599.4	61.2%	12.1	587.2	59.9%	-1.6pt
Residential earthquake insurance (B)	—	/	—	—	/	—	/	—	—	/	/
CALI (C)	136.5	/	—	136.5	/	135.2	/	—	135.2	/	/
Total (A)+(B)+(C)	781.0	/	49.3	731.7	/	734.6	/	12.1	722.5	/	/

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

*2 Earned premium, the denominator of the EI loss ratio, is calculated by adjusting unearned premium and premium reserve.

*3 "Nat Cat (Natural Catastrophe) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan and the Thailand floods in 2011.

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

Projected Financial Results for FY2015

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19. Consolidated Earnings Forecasts for FY 2015 (1)

- Net premiums written are projected to rise by 125.2 billion yen year-on-year, an increase of 4.3% to 3,066.0 billion yen.
- Domestic non-life insurance income is expected a rise, with a steady increase in domestic direct premium income and the effects of the reorganization by function, among other factors.
- Net premiums written will also increase in overseas, with business expansion in each region and the impact of exchange rates, etc.

(¥bn)

	FY2014 Results	FY2015 Forecasts		
			YoY Change	Change Ratio
Net premiums written*	2,940.7	3,066.0	125.2	4.3%
Mitsui Sumitomo Insurance	1,445.8	1,490.0	44.1	3.1%
Aioi Nissay Dowa Insurance	1,160.8	1,182.0	21.1	1.8%
Mitsui Direct General Insurance	35.0	36.1	1.0	3.0%
Overseas subsidiaries	293.2	350.0	56.7	19.3%
Life insurance premiums	721.7	847.0	125.2	17.4%

*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.

<Reference: Gross life insurance premiums>

	FY2014 Results	FY2015 Forecasts		
			YoY Change	Growth Ratio
MSI Aioi Life	441.8	451.4	9.5	2.2%
MSI Primary Life	1,054.0	800.0	- 254.0	-24.1%

20. Consolidated Earnings Forecasts for FY 2015 (2)

- Ordinary profit is projected down 45.0 billion yen year-on-year, to 242.0 billion yen.
- Net income is projected up 20.7 billion yen year-on-year, to 157.0 billion yen

(¥bn)

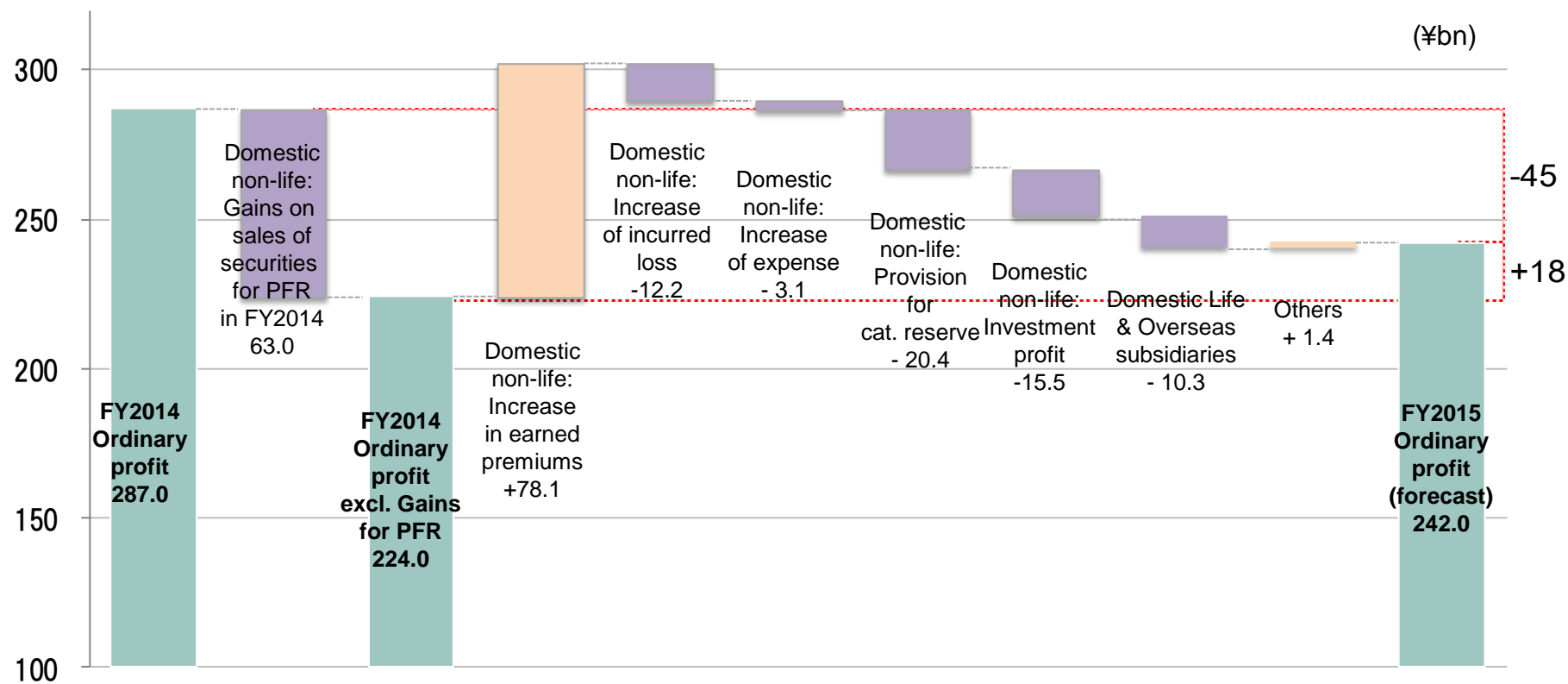
	FY2014 Results	FY2015 Forecasts	
			YoY Change
Ordinary profit	287.0	242.0	- 45.0
Mitsui Sumitomo Insurance	171.3	140.0	- 31.3
Aioi Nissay Dowa Insurance	68.9	53.0	- 15.9
Net income*	136.2	157.0	20.7
Mitsui Sumitomo Insurance	89.1	97.0	7.8
Aioi Nissay Dowa Insurance	39.4	32.0	- 7.4
Mitsui Direct General Insurance	- 3.1	- 0.3	2.9
MSI Aioi Life	4.4	2.5	- 1.9
MSI Primary Life	12.4	12.5	0.0
Overseas subsidiaries	35.0	29.0	- 6.0
Consolidation adjustments, etc.	- 41.0	- 15.7	25.2

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

21. Consolidated Earnings Forecasts for FY 2015 (3) - YOY Change

- Ordinary profit for FY2015 is forecast to increase by 18.0 billion yen from ordinary profit in FY2014 excluding gains on sales of securities for the additional provision of price fluctuation reserves.
- The main factor is increase in earned premiums of domestic non-life insurance companies.

Major increase/decrease factors for consolidated ordinary profit



* Figures of domestic non-life are simple combinations of MSI and ADI.

22. Consolidated Earnings Forecasts for FY 2015 (4)

- Group core profit will exceed the FY 2015 management target figure of 120.0 billion yen, at 151.0 billion yen. Group ROE of 5.0% is forecast
- The combined ratio of 93.6% forecast, incorporating improvements in expense ratios, etc. in the domestic non-life insurance business.
- Dividends per share of 70 yen, 5 yen increase year-on-year, for FY2015 full year is forecast.

(¥bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Group Core Profit*	155.7	151.0	-4.7
Domestic non-life insurance	92.4	105.0	12.5
Domestic life insurance	20.4	15.0	-5.4
Overseas	38.2	26.0	-12.2
Financial services/ Risk-related services	4.6	5.0	0.3
Financial targets			
Combined ratio (Domestic non-life insurance)	96.0%	93.6%	- 2.4pt
Increase in EV of MSI Aioi Life	59.7	55.0	-4.7
Group ROE*	5.9%	5.0%	- 0.9pt

* For the definition of Group Core Profit and Group ROE, please refer to the beginning page.

23. Earnings Forecasts for FY 2015 - Major Assumptions

- Assumptions about market environment based on end of March, 2015 levels.
- Assumptions about losses due to domestic natural catastrophes are based on a combined total of 40.0 billion yen for the two non-life insurance companies combined.

Major assumptions about consolidated earnings forecasts (shown in parentheses are previous year's result).

(¥bn)

		Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the asset management environment		Assumes the level at the end of Mar. 2015 (Note) As of the end of Mar. 2015 Nikkei average: ¥19,207 US\$: ¥120.00 Euro: ¥130.00	
Incurred losses related to domestic natural catastrophes occurring in FY 2015		25.0	15.0
Heavy snowfalls occurred in Feb. 2014	Net claims paid	0.6 (37.9)	0.8 (26.1)
Floods in Thailand occurred in Nov. 2011	Net claims paid	6.7 (7.3)	0.5 (0.2)
Catastrophe reserve (For fire insurance)	Provision rate	9%	8%
	Expected balance as of Mar. 31, 2016	138.3 (118.1)	107.5 (98.4)
Catastrophe reserves (For Voluntary Automobile insurance)	Provision rate	3.2%	3.2%
	Expected balance as of Mar. 31, 2016	27.9 (21.7)	21.7 (21.3)
Corporate tax rate (Effective tax rate)		28.8% (30.7%)	

24. Earnings Forecasts for FY 2015 - MSI (Non-consolidated) (1)

(¥bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Net premiums written	1,445.8	1,490.0	44.1
Growth rate of net premiums written	4.4%	3.1%	-1.4 pt
Net loss ratio	62.2%	60.4%	-1.8 pt
Net expense ratio	31.8%	30.9%	-0.9 pt
Combined ratio	94.0%	91.3%	-2.7 pt
Incurred losses (Incl. loss adjustment expenses)	887.4	905.3	17.8
Underwriting profit	14.0	38.0	23.9
Net interest and dividends income	70.6	67.4	-3.2
Gains on sales of securities	90.0	43.5	-46.5
Impairment losses on securities	-3.3	-3.0	0.3
Investment profit	158.3	106.4	-51.9
Ordinary profit	171.3	140.0	-31.3
Extraordinary income	-33.7	-11.3	22.4
Net income	89.1	97.0	7.8

<Rate and ratios, excluding residential earthquake insurance and CALI>

Growth rate of net premiums written	4.5%	3.2%	-1.3 pt
Net loss ratio	59.4%	57.5%	-1.9 pt
Net expense ratio	33.9%	32.9%	-1.0 pt
Combined ratio	93.3%	90.4%	-2.9 pt

25. Earnings Forecasts for FY 2015 - MSI (Non-consolidated) (2)

Net premiums written

(¥bn)

	FY2014 Results	FY2015	
		Forecasts	Growth
Fire and allied	222.6	221.7	-0.4%
Marine	65.2	71.5	9.5%
Personal accident	149.6	139.7	-6.7%
Voluntary automobile	626.2	645.8	3.1%
CALI	180.1	183.4	1.8%
Other	201.8	227.9	12.9%
Total	1,445.8	1,490.0	3.1%
Total excl. residential EQ insurance and CALI	1,264.9	1,305.9	3.2%

Net loss ratio

	FY2014 Results	FY2015	
		Forecasts	YoY Change
Fire and allied	67.0%	55.6%	-11.4pt
Marine	49.9%	51.9%	2.0pt
Personal accident	58.7%	59.1%	0.4pt
Voluntary automobile	60.9%	60.3%	-0.6pt
CALI	81.8%	81.5%	-0.3pt
Other	49.7%	51.9%	2.2pt
Total	62.2%	60.4%	-1.8pt
Total excl. residential EQ insurance and CALI	59.4%	57.5%	-1.9pt

Incurred losses^{*1}

(¥bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	887.4	905.3	17.8
Natural catastrophes ^{*2}	15.1	25.0	9.8
Other than natural catastrophes	872.3	880.3	7.9

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

*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

26. Earnings Forecasts for FY 2015 - ADI (Non-consolidated) (1)

(¥bn)

	FY2014 Results	FY2015 (Forecasts)	
			YoY Change
Net premiums written	1,160.8	1,182.0	21.1
Growth rate of net premiums written	1.4%	1.8%	0.4 pt
Net loss ratio	63.2%	61.8%	-1.4 pt
Net expense ratio	35.0%	34.5%	-0.5 pt
Combined ratio	98.2%	96.3%	-1.9 pt
Incurred losses (Incl. loss adjustment expenses)	734.6	732.0	-2.6
Underwriting profit	14.7	28.0	13.2
Net interest and dividends income	40.1	32.1	-8.1
Gains on sales of securities	19.9	4.0	-15.9
Impairment losses on securities	-0.0	-3.0	-2.9
Investment profit	51.5	25.0	-26.5
Ordinary profit	68.9	53.0	-15.9
Extraordinary income	-3.2	-8.8	-5.5
Net income	39.4	32.0	-7.4
<Rate and ratios, excluding residential earthquake insurance and CALI>			
Growth rate of net premiums written	1.3%	1.7%	0.4 pt
Net loss ratio	60.4%	58.9%	-1.5 pt
Net expense ratio	37.2%	36.7%	-0.5 pt
Combined ratio	97.6%	95.6%	-2.0 pt

27. Earnings Forecasts for FY 2015 – ADI (Non-consolidated) (2)

Net premiums written

(¥bn)

	FY2014 Results	FY2015	
		Forecasts	Growth
Fire and allied	144.9	154.8	6.8%
Marine	7.5	6.2	-18.2%
Personal accident	69.5	64.0	-7.9%
Voluntary automobile	665.2	673.1	1.2%
CALI	167.7	171.6	2.3%
Other	105.8	112.3	6.1%
Total	1,160.8	1,182.0	1.8%
Total excl. residential EQ insurance and CALI	992.6	1,009.8	1.7%

Net loss ratio

	FY2014 Results	FY2015	
		Forecasts	YoY Change
Fire and allied	66.2%	55.0%	-11.2pt
Marine	62.4%	56.5%	-5.9pt
Personal accident	49.5%	50.3%	0.8pt
Voluntary automobile	61.0%	60.6%	-0.4pt
CALI	80.2%	79.5%	-0.7pt
Other	55.1%	58.7%	3.6pt
Total	63.2%	61.8%	-1.4pt
Total excl. residential EQ insurance and CALI	60.4%	58.9%	-1.5pt

Incurred losses^{*1}

(¥bn)

	FY2014 Results	FY2015	
		Forecasts	YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	734.6	732.0	-2.6
Natural catastrophes ^{*2}	12.1	15.0	2.8
Other than natural catastrophes	722.5	717.0	-5.5

^{*1} Incurred losses = net claims paid + loss adjustment expenses + provision for outstanding claims

^{*2} "Natural catastrophes" mean domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

28. Earnings Forecasts for FY 2015 - Simple Sum of MSI & ADI (Non-consolidated) (1)

(¥bn)

	FY2013 Results	FY2014		FY2015	
		Results	YoY Change	Forecasts	YoY Change
Net premiums written	2,529.1	2,606.6	77.5	2,672.0	65.3
Growth rate of net premiums written	4.6%	3.1%	-1.6pt	2.5%	-0.6pt
Net loss ratio	65.0%	62.6%	-2.4pt	61.0%	-1.6pt
Net expense ratio	33.2%	33.2%	0.0pt	32.5%	-0.7pt
Combined ratio	98.2%	95.8%	-2.4pt	93.5%	-2.3pt
Incurred losses (Incl. loss adjustment expenses)	1,690.5	1,622.1	-68.4	1,637.3	15.1
Underwriting profit	-36.1	28.7	64.9	66.0	37.2
Net interest and dividends income	116.8	110.8	-6.0	99.5	-11.3
Gains on sales of securities	74.3	110.0	35.6	47.5	-62.5
Impairment losses on securities	-7.0	-3.4	3.5	-6.0	-2.5
Investment profit	178.1	209.8	31.7	131.4	-78.5
Ordinary profit	129.8	240.3	110.4	193.0	-47.3
Extraordinary income	-23.1	-36.9	-13.8	-20.1	16.8
Net income	71.1	128.5	57.4	129.0	0.4
<Rate and ratios, excluding residential earthquake insurance and CALI>					
Growth rate of net premiums written	4.0%	3.1%	-0.9pt	2.6%	-0.5pt
Net loss ratio	62.1%	59.8%	-2.3pt	58.1%	-1.7pt
Net expense ratio	35.2%	35.3%	0.1pt	34.6%	-0.7pt
Combined ratio	97.3%	95.1%	-2.2pt	92.7%	-2.4pt

29. Earnings Forecasts for FY 2015 - Simple Sum of MSI & ADI (Non-consolidated) (2)

Net premiums written

(¥bn)

	FY2013	FY2014		FY2015	
	Results	Results	Growth	Forecasts	Growth
Fire and allied	348.0	367.5	5.6%	376.5	2.4%
Marine	67.9	72.8	7.2%	77.7	6.7%
Personal accident	217.3	219.1	0.8%	203.7	-7.1%
Voluntary automobile	1,267.2	1,291.4	1.9%	1,318.9	2.1%
CALI	337.7	347.8	3.0%	355.0	2.0%
Other	290.7	307.7	5.8%	340.2	10.5%
Total	2,529.1	2,606.6	3.1%	2,672.0	2.5%
Total excl. residential EQ insurance and CALI	2,190.1	2,257.6	3.1%	2,315.7	2.6%

Net loss ratio

	FY2013	FY2014		FY2015	
	Results	Results	YoY change	Forecasts	YoY change
Fire and allied	68.5%	66.7%	-1.8pt	55.4%	-11.3pt
Marine	58.4%	51.2%	-7.2pt	52.3%	1.1pt
Personal accident	57.0%	55.8%	-1.2pt	56.3%	0.5pt
Voluntary automobile	63.4%	61.0%	-2.4pt	60.4%	-0.6pt
CALI	84.2%	81.0%	-3.2pt	80.6%	-0.4pt
Other	53.4%	51.6%	-1.8pt	54.1%	2.5pt
Total	65.0%	62.6%	-2.4pt	61.0%	-1.6pt
Total excl. residential EQ insurance and CALI	62.1%	59.8%	-2.3pt	58.1%	-1.7pt

Incurred losses^{*1}

(¥bn)

	Results	Results	YoY Change	Forecasts	YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	1,690.5	1,622.1	-68.4	1,637.3	15.1
Natural catastrophes ^{*2}	96.3	27.2	-69.0	40.0	12.7
Other than natural catastrophes	1,594.2	1,594.8	0.6	1,597.3	2.4

^{*1} Incurred losses = net claims paid + loss adjustment expenses + provision for outstanding claims

^{*2} "Natural catastrophes" mean domestic natural catastrophes occurring in Japan during the period, heavy snowfalls in Feb. 2014 in Japan, and the floods in Thailand in 2011.

30. (Reference) Concerning Numerical Management Targets in the medium-term management plan

(¥bn)

	Numerical Management Targets for year ending March 31, 2018 ^{*1}	Outlook for year ending March 31, 2018 ^{*2}
Net premiums written	3,100.0	3,200.0
Group Core Profit	160.0	200.0
Group ROE	7.0%	(*3)

* 1 Numerical management targets are the targets set in the “Medium-term Management Plan 2014-2017” announced in June, 2014.

* 2 Forecasts are updated based on the current environment, but the numerical management targets remain unchanged.

* 3 While an increase in net assets due to a rise in equity markets has an adverse impact against the Group ROE, the Group will make continuous efforts to achieve the ROE target (7%).

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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