

Materials for FY2016 2Q Results Briefing – Conference Call

Nov. 18, 2016 (Fri.)

MS&AD

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

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Abbreviations of Company Names Used in this Presentation

- MS&AD Holdings
- Mitsui Sumitomo Insurance, MSI
- Aioi Nissay Dowa Insurance, ADI
- Mitsui Direct General Insurance
- MSI Aioi Life
- MSI Primary Life

MS&AD Insurance Group Holdings, Inc.
Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.
Mitsui Direct General Insurance Co., Ltd.
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Summary of FY 2016 2Q Results

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1. Consolidated Earnings for FY 2016 2Q (1) - Overview (i)

- Net premiums written increased 13.5% year-on-year to 1,839.3 billion yen due to the new consolidation of MS Amlin, despite a drop in revenue at both MSI and ADI due mainly to the impact of revisions to fire insurance products in the previous fiscal year.
- Life insurance premiums rose 8.6% year-on-year to 661.0 billion yen mainly due to a drop in surrender benefit at MSI Primary Life.

(¥bn)

	FY2015 2Q	FY2016 2Q		
	Results	Results	YoY Change	Growth
Direct premiums written* (excluding deposit premiums from policyholders)	1,771.5	1,844.7	73.2	4.1%
Net premiums written*	1,620.0	1,839.3	219.3	13.5%
Mitsui Sumitomo Insurance	801.5	756.6	- 44.9	- 5.6%
Aioi Nissay Dowa Insurance	613.5	609.4	- 4.0	- 0.7%
Mitsui Direct General Insurance	18.1	18.6	0.4	2.4%
Overseas subsidiaries	183.3	451.4	268.0	146.2%
Life insurance premiums	608.5	661.0	52.5	8.6%

*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>

(¥bn)

	FY2015 2Q	FY2016 2Q		
	Results	Results	YoY Change	Growth
MSI Aioi Life	227.1	235.7	8.5	3.8%
MSI Primary Life	650.5	537.9	- 112.5	- 17.3%

2. Consolidated Earnings for FY 2016 2Q (1) - Overview (ii)

- Ordinary profit increased by 28.5 billion yen year-on-year to 151.0 billion yen, driven by increased profits in the domestic non-life insurance business.
- Interim net income rose by 12.3 billion yen year-on-year to 98.4 billion yen.

	FY2015 2Q Results	FY2016 2Q		(¥bn)	
		Results	YoY Change	Change Ratio	
Ordinary profit	122.4	151.0	28.5	23.3%	
Mitsui Sumitomo Insurance	57.2	93.3	36.1	63.2%	
Aioi Nissay Dowa Insurance	21.4	49.5	28.1	131.2%	
Mitsui Direct General Insurance	- 1.4	0.1	1.6	-	
MSI Aioi Life	10.2	8.7	- 1.5	- 15.0%	
MSI Primary Life	30.4	1.4	- 28.9	- 95.1%	
Overseas subsidiaries	19.1	21.9	2.7	14.2%	
Consolidation adjustments, etc.	- 14.5	- 24.1	- 9.6	-	
Net income* ¹	86.0	98.4	12.3	14.4%	
Mitsui Sumitomo Insurance	44.8	69.3	24.4	54.6%	
Aioi Nissay Dowa Insurance	14.4	33.5	19.0	132.5%	
Mitsui Direct General Insurance	- 1.2	0.0	1.3	-	
MSI Aioi Life	5.1	4.2	- 0.8	- 16.1%	
MSI Primary Life	21.1	11.7	- 9.3	- 44.3%	
Overseas subsidiaries	14.3	13.0	- 1.2	- 8.7%	
Consolidation adjustments, etc.	- 12.5	- 33.6	- 21.0	-	

*1 Consolidated net income represents net income attributable to owners of the parent. Net income of subsidiaries are on equity stake basis, same hereafter.

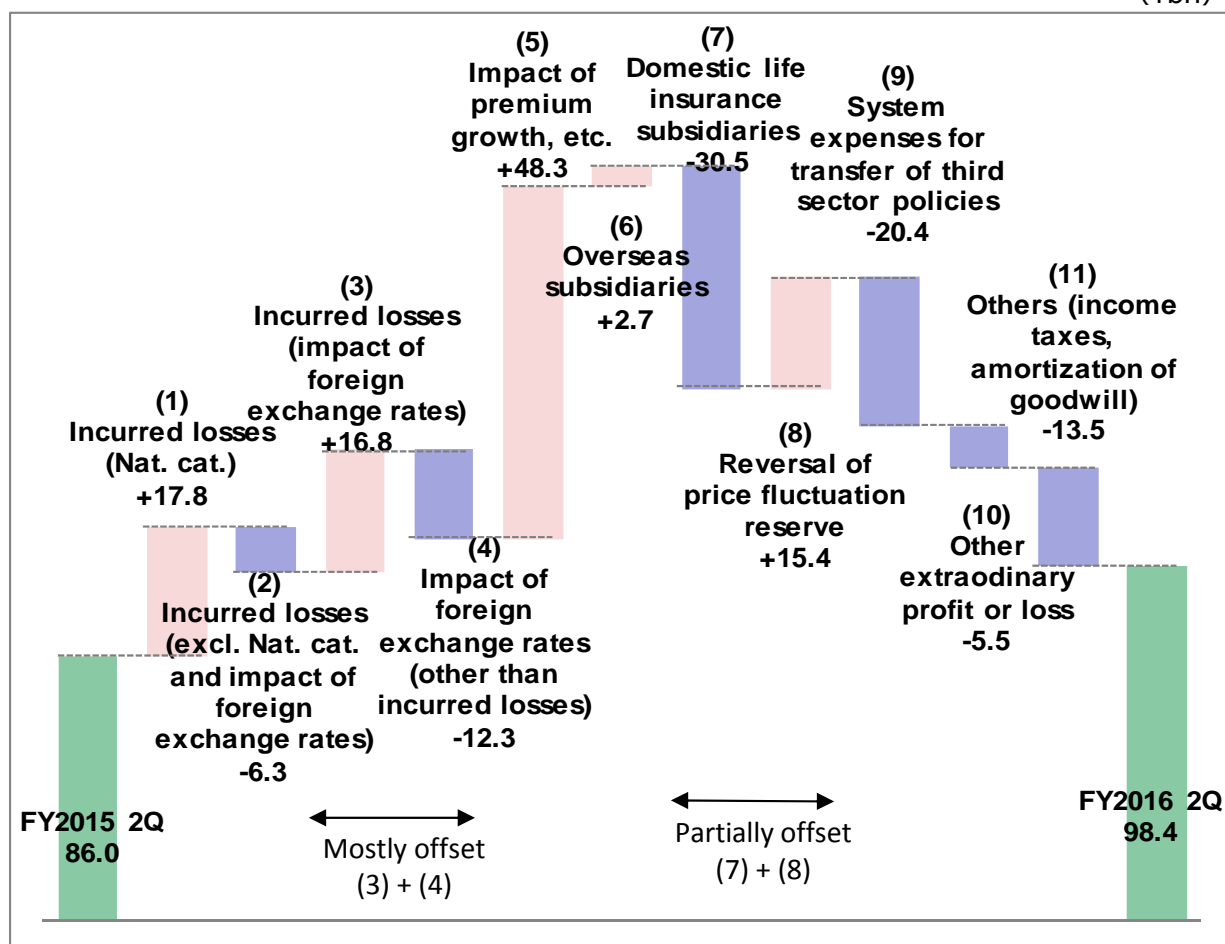
3. Consolidated Earnings for FY2016 2Q (2) – YoY Results Comparison

- Major positive factors were (1) decline of Nat. Cat. Impact and (5) an increase in earned premiums due to steady premium growth in the past (see the table below). The impact of foreign exchange rates was limited, because (3) and (4) were mostly offset.
- Major negative factors were (7) absence of positive impact of a hike in Australian dollar interest rate on domestic life insurance in the same period last year (note that the negative impact of interest rate move during the current period was partially offset by (8)) and (9) system expenses for transfer of the third sector policies in force.

Factors in YoY changes in consolidated net income (¥bn)

	FY2015 2Q	FY2016 2Q	Differ- ence
Consolidated net income	86.0	98.4	12.3
Domestic non-life insurance ^{※1} (ordinary profit)	78.6	142.8	64.2
Incurred losses incl. loss adjustment expenses, excl. residential earthquake and CALI ^{※2}	-672.6	-644.3	28.2
(1) Natural catastrophes ^{※3}	-63.5	-45.7	17.8
(2) Excl. natural cat., and impact of foreign exchange rates	-610.8	-617.2	-6.3
(3) Impact of foreign exchange rates	1.8	18.6	16.8
(4) Impact of foreign exchange rates (other than incurred losses)	-7.6	-19.9	-12.3
(5) Impact of premium growth etc,	758.9	807.2	48.3
Underwriting profit (other than incurred losses and impact of foreign exchange rates)	674.0	721.9	47.9
Investment profit (excl. foreign exchange) and others	84.9	85.2	0.3
(6) Overseas subsidiaries (ordinary profit)	19.1	21.9	2.7
(7) Domestic life insurance subsidiaries (ordinary profit)	40.7	10.2	-30.5
(8) Reversal of price fluctuation reserve	-3.6	11.7	15.4
(9) System expenses for transfer third sector policies in force	-	-20.4	-20.4
(10) Other extraordinary gains or losses	-1.7	-7.3	-5.5
(11) Others (income taxes, amortization of goodwill, etc.)	-47.1	-60.6	-13.5

Consolidated net income (¥bn)



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

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

※3 "Natural catastrophes" represents total of the incurred losses resulting from domestic natural catastrophes occurring in Japan during the period including Kumamoto earthquake and heavy snowfalls in Feb. 2014. However, the figures for FY 2016 do not include the impact of heavy snowfalls since it was limited.

4. Consolidated Earnings for FY 2016 2Q (3) – Group Core Profit

- Group core profit rose by 40.3 billion yen year-on-year to 111.4 billion yen.
- The combined ratio for domestic non-life insurance rose 2.7 points year-on-year to 88.2% due primarily to a drop in net premiums written.

(¥bn)

	FY2015 2Q	FY2016 2Q	
	Results	Results	YoY Change
Group Core Profit ^{*1}	71.1	111.4	40.3
Domestic non-life insurance business	30.6	72.9	42.3
Domestic life insurance business	26.1	15.9	- 10.1
International business	16.4	21.3	4.9
Financial services business and risk related services business	- 2.0	1.1	3.1
Other financial targets			
Combined ratio ^{*2} (Domestic non-life insurance business)	85.5%	88.2%	2.7pt
Increase in EV of MSI Aioi Life	63.4	-21.1	-84.6
Group ROE ^{*3}			

* 1 For the definition of Group Core Profit, please refer to the last page.

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

* 3 Group ROE will be disclosed at the end of every fiscal year.

Group Core Profit 111.4	=	Consolidated Net Income 98.4	-	Net Capital Gains / Losses on Stock Portfolio 22.0	-	Net Evaluation Gains / Losses on Credit Derivatives -0	-	Other Incidental Factors^{*4} -35.0	+	Equity in earnings of the Non-consolidated Group Companies -0
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^{*4} Extraordinary income and losses excluding reserve for price fluctuation (system expenses for the transfer of third sector policies in force : -14.3 billion and costs for integration of Lloyd's and Reinsurance business with MS Amlin: -3.5 billion yen) and amortization of goodwill: 14.6 billion yen .

5. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY 2016 2Q (i)

- Net premiums written for the two companies combined fell by 49.0 billion yen to 1,366.0 billion yen, mainly due to a decrease caused by revisions to fire insurance products in the previous fiscal year, in spite of an increase in voluntary automobile and other insurance.
- Underwriting profit prior to reflecting catastrophe reserves rose by 63.8 billion yen for the two companies to 120.5 billion yen, due to a drop in natural catastrophe losses and an increase in earned premiums.
- Underwriting profit for the two companies combined increased by 69.0 billion yen to 68.7 billion yen.

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Net premiums written	756.6	- 44.9	609.4	- 4.0	1,366.0	- 49.0
Growth rate of net premiums written	-5.6%	- 15.5pt	-0.7%	- 5.8pt	-3.5%	- 11.3pt
Net claims paid (-)	386.3	6.1	315.6	6.6	702.0	12.7
Incurring losses< including loss adjustment expenses> (-)	445.3	- 6.8	346.8	- 14.0	792.1	- 20.8
Commissions and collection expenses (-)	128.6	- 12.6	113.6	- 0.8	242.2	- 13.4
Operating expenses and general and administrative expense (underwriting) (-)	98.1	0.6	87.1	- 5.1	185.3	- 4.4
Underwriting profit prior to reflecting catastrophe reserve	72.0	39.6	48.4	24.2	120.5	63.8
Reversal of catastrophe reserve	- 30.1	4.8	- 21.6	0.3	- 51.7	5.1
Underwriting profit	41.9	44.4	26.8	24.5	68.7	69.0
Ratios						
Net loss ratio ^{*1}	56.8%	4.1pt	56.7%	1.4pt	56.7%	2.9pt
Net expenses ratio	30.0%	0.2pt	33.0%	-0.7pt	31.3%	-0.2pt
Combined ratio	86.8%	4.3pt	89.7%	0.7pt	88.0%	2.7pt
<Reference: Business performance excluding residential EQ ^{*2} insurance and CAL>						
Net loss ratio	52.5%	3.1pt	52.3%	0.5pt	52.4%	2.0pt
Net expenses ratio	31.8%	0.2pt	34.6%	-1.2pt	33.0%	-0.4pt
Combined ratio	84.3%	3.3pt	86.9%	-0.7pt	85.4%	1.6pt

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

*2 EQ stands for earthquake, same hereafter

6. Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY 2016 2Q (ii)

- Investment profit and other ordinary profit fell by 4.7 billion yen year on year to 74.1 billion yen.
- Interim net income rose by 43.5 billion yen year-on-year to 102.8 billion yen.
- Sales of strategic equity holdings for the two companies combined amounted to 70.5 billion yen.

	MSI (Non-Consolidated)		ADI (Non-Consolidated)		<Reference> Simple Sum	
		YoY Change		YoY Change		YoY Change
Underwriting profit	41.9	44.4	26.8	24.5	68.7	69.0
Net interest and dividends income	35.0	- 0.4	17.5	- 3.2	52.6	- 3.6
Gains on sales of securities	29.6	- 5.6	7.4	5.6	37.0	0.0
Impairment losses on securities (-)	0.1	- 3.2	0.7	- 0.2	0.8	- 3.5
Investment profit and other ordinary profit	51.4	- 8.3	22.7	3.5	74.1	- 4.7
Ordinary profit	93.3	36.1	49.5	28.1	142.8	64.2
Extraordinary income/loss	- 2.6	- 0.8	- 6.2	- 2.9	- 8.9	- 3.7
Income before taxes	90.6	35.3	43.2	25.1	133.9	60.5
Net income	69.3	24.4	33.5	19.0	102.8	43.5

	MSI + ADI	
		YoY Change
<Reference> Sales of strategic equity holdings	70.5	4.2

7. Domestic Non-Life Insurance Companies FY 2016 2Q (2) - Impact of Natural Catastrophes

- Incurred losses related to natural catastrophes fell by 17.8 billion yen year-on-year for the two companies combined, to 45.7 billion yen, primarily due to a drop in typhoon and other losses.
- Net claims paid for natural catastrophes were 11.8 billion yen, at the same level as in the corresponding period of the previous fiscal year.

Impact of natural catastrophes

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S ^{*1}	
		YoY Change		YoY Change		YoY Change
Nat. Cat. In Japan ^{*2}	45.7	- 17.6	11.8	1.0	33.9	- 18.6
Mitsui Sumitomo Insurance	30.0	- 5.1	6.9	1.2	23.0	- 6.3
Aioi Nissay Dowa Insurance	15.7	- 12.4	4.8	- 0.1	10.9	- 12.3
(of which, Kumamoto Earthquake ^{*2})	13.3	13.3	2.2	2.2	11.1	11.1
Mitsui Sumitomo Insurance	9.6	9.6	1.7	1.7	7.9	7.9
Aioi Nissay Dowa Insurance	3.6	3.6	0.5	0.5	3.1	3.1
(Excluding Kumamoto Earthquake)	32.4	- 30.9	9.6	- 1.1	22.8	- 29.7
Mitsui Sumitomo Insurance	20.3	- 14.8	5.2	- 0.5	15.0	- 14.3
Aioi Nissay Dowa Insurance	12.1	- 16.0	4.3	- 0.6	7.7	- 15.4
Heavy Snowfalls in Japan ^{*3} (occurred in Feb. 2014)	-	- 0.1	-	- 1.0	-	0.8
Total	45.7	- 17.8	11.8	0.0	33.9	- 17.8

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

*2 Excluding residential EQ insurance

*3 The figures for FY 2016 exclude the impact of heavy snowfalls occurred in Japan in Feb. 2014 since it was limited.

8. Domestic Non-Life Insurance Companies FY 2016 2Q (3) - Catastrophe Reserves

- The net change in the catastrophe reserves declined by 5.1 billion yen year-on-year, to 51.7 billion yen for the two companies combined.
- Reversals for the two companies were limited same as in the previous fiscal year. Provisions fell to 51.9 billion yen for both companies combined, from 57.1 billion yen in the same period of the previous year, due to the impact of a drop in fire insurance premiums.

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Sep. 30, 2016
				YoY		
Mistui Sumitomo Insurance	Fire and allied	-	8.5	8.5	- 5.3	148.7
	Marine	-	1.4	1.4	- 0.1	76.8
	Personal accident	-	2.3	2.3	0.0	65.5
	Voluntary auto	-	10.6	10.6	0.1	48.6
	Other	0.1	7.3	7.1	0.5	172.8
	Total		0.1	30.2	30.1	- 4.8
Aioi Nissay Dowa Insurance	Fire and allied	-	6.1	6.1	- 1.0	118.2
	Marine	-	0.0	0.0	- 0.0	13.8
	Personal accident	-	1.0	1.0	- 0.0	64.2
	Voluntary auto	-	11.0	11.0	0.1	40.9
	Other	0.0	3.3	3.3	0.6	62.5
	Total		0.0	21.6	21.6	- 0.3
Simple Sum of MSI and ADI	Fire and allied	-	14.6	14.6	- 6.4	267.0
	Marine	-	1.4	1.4	- 0.1	90.6
	Personal accident	-	3.4	3.4	- 0.0	129.7
	Voluntary auto	-	21.6	21.6	0.3	89.6
	Other	0.1	10.7	10.5	1.1	235.4
	Total		0.1	51.9	51.7	- 5.1

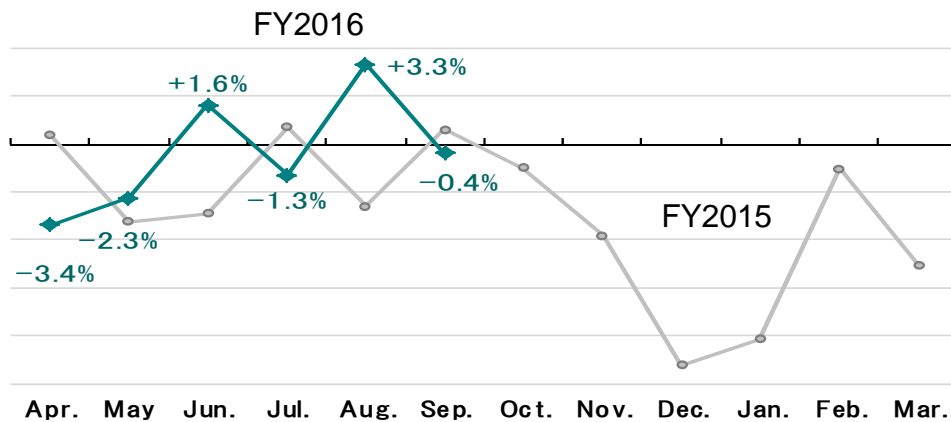
9. Domestic Non-Life Insurance Companies FY 2016 2Q (4) – Voluntary Auto Insurance

- Insurance premiums rose with the effects of premium rate revisions implemented in the past and various efforts to increase unit prices, incurred losses fell as a result of efforts to improve loss ratios, and the E/I loss ratio dropped by 1.8 points year-on-year to 56.3%.
- The number of accidents dropped by 0.8pt year on year. The average payout per claim for vehicle damage continued to rise with an increase in the cost of repairs, etc.

Trend in the number of accidents

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

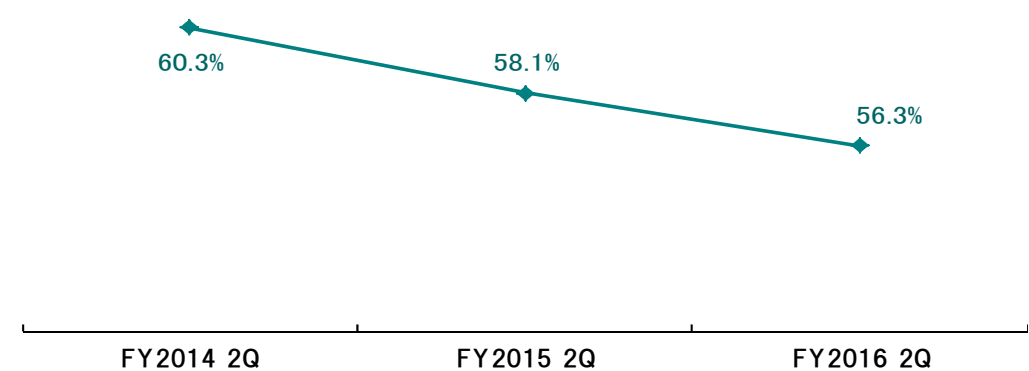
Simple sum of MSI and ADI (Domestic Business only)



E/I loss ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



Mitsui Sumitomo Insurance

< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	+0.7%	+0.8%	+1.6%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.6%	+1.8%	

Aioi Nissay Dowa Insurance

< Domestic Sales Basis >	No. of Contracts	Insurance Premium Unit Price	Insurance Premium
Factors increasing/decreasing insurance premium	-0.9%	+1.5%	+0.6%
< Domestic >	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	-0.3%	+1.0%	

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

* Changes in average payout per claim means changes in average payout per claim over one-year period ended Sep. 30, 2016 compared with average payout per claim in one-year period ended Mar. 31, 2016.

* E/I loss ratio is calculated based on the figures during April and September for each year.

10. Domestic Life Insurance / MSI Aioi Life - Results for FY 2016 2Q

- The amount of new policies, a leading indicator in the first sector insurance, fell by 11.8% year-on-year to 1,089.4 billion yen, due to a decrease in sales of income guarantee insurance and other factors.
- Annualized premiums of new policies for the third sector insurance increased by 13.9% to 7.7 billion yen due to strong sales of “New Medical Insurance A (Ace) Plus”.
- Interim net income fell by 0.8 billion yen year-on-year to 4.2 billion yen.
- Increase in EEV decreased by 21.1 billion yen from the beginning of the fiscal year to 574.6 billion yen, reflecting the strong impact of falling interest rates.

MSI Aioi Life

	FY 2015 2Q		FY 2016 2Q		
	Results	Results	YoY Change	Change Ratio	
Amount of new policies ^{*1}	1,235.4	1,089.4	- 145.9	-11.8%	
Annualized premiums of new policies	24.5	23.1	- 1.4	-5.8%	
of which, third sector insurance	6.7	7.7	0.9	13.9%	
Amount of policies in force ^{*1}	(At the beginning of the FY) 22,576.0	22,807.3	(Change from the beginning of the FY) 231.3	1.0%	
Annualized premiums of policies in force	(At the beginning of the FY) 375.7	385.7	(Change from the beginning of the FY) 9.9	2.7%	
of which, third sector insurance	(At the beginning of the FY) 78.7	83.7	(Change from the beginning of the FY) 4.9	6.3%	
Gross premiums income	227.1	235.7	8.5	3.8%	
Ordinary profit	10.2	8.7	- 1.5	-15.0%	
Extraordinary income/loss	- 0.3	- 0.3	- 0.0	—	
Net Income	5.1	4.2	- 0.8	-16.1%	
Core profit	9.3	10.1	0.7	8.2%	
EEV ^{*2}	(At the beginning of the FY) 595.8	574.6	(Change from the beginning of the FY) - 21.1		

^{*1} Total sum of personal insurance and personal annuity insurance

^{*2} 2Q EEV is a pro forma figure based in part on a simple calculation. The figure has not been verified by an independent third party.

11. Domestic Life Insurance / MSI Primary Life - Results for FY 2016 2Q

- Gross premium income fell by 17.3% to 537.9 billion yen compared to the same period last year, when performance was strong.
- Interim net income fell by 9.3 billion yen year-on-year to 11.7 billion yen, primarily due to an absence of the positive impact of the rise in Australian dollar interest rates in the period last year.

Note that extraordinary income/losses includes 15.7 billion yen in gains on reversal of price fluctuation reserves against losses due to fluctuation of interest rates and foreign exchange rates in the current period (see page 22 for details).

MSI Primary Life

	FY 2015 2Q		FY 2016 2Q			
	Results	Results	YoY Change	Change Ratio		
Amount of new policies*	624.9	520.8	- 104.0	- 16.7%		
Amount of policies in force*	(At the beginning of the FY) 4,910.8	4,968.6	(Change from the beginning of the FY) 57.8	1.2%		
Gross premiums income	650.5	537.9	- 112.5	- 17.3%		
Ordinary profit	30.4	1.4	- 28.9	- 95.1%		
Extraordinary income/loss	- 0.8	14.7	15.5	—		
Net Income	21.1	11.7	- 9.3	- 44.3%		
Core profit	28.2	- 20.0	- 48.2	- 170.8%		

* Total sum of personal insurance and personal annuity insurance

12. Overseas Subsidiaries - Results for FY 2016 2Q

- Net premiums written rose to 451.4 billion yen due to the effect of the new consolidation of MS Amlin. Net premiums written for existing overseas subsidiaries increased by 4.0% in local currency, despite of 15.2 billion yen decrease due to the negative impact of foreign exchange rates, 22.4 billion yen.
- Interim net income fell 1.2 billion yen to 13.0 billion yen due to negative impact of integration cost of Lloyd's and Reinsurance business into MS Amlin. (the impact of foreign exchange rates was a negative 1.1 billion yen)

Overseas Subsidiaries

(¥bn)

	FY 2015 2Q Results	FY 2016 2Q Results	YoY Change	
			YoY Change	Change ratio
Net premiums written	183.3	451.4	268.0	146.2%
Asia	89.0	81.2	- 7.8	- 8.8%
Europe	55.2	50.0	- 5.2	- 9.4%
Americas	24.7	23.8	- 0.8	- 3.5%
Reinsurance	14.3	13.0	- 1.2	- 9.0%
MS Amlin	—	283.2	283.2	—
Net income	14.3	13.0	- 1.2	-8.7%
Asia	9.5	8.3	- 1.1	-12.5%
Europe	- 2.3	- 5.0	- 2.6	—
Americas	1.3	1.0	- 0.3	- 26.4%
Reinsurance	5.7	5.7	0.0	0.7%
MS Amlin	—	2.9	2.9	—

FY 2016 2Q Results Data

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<Reference> MSI Primary Life (Supplementary Explanation)	Page 22

13. Non-Consolidated Results for FY 2016 2Q - MSI (i)

(¥bn)

	FY 2015 2Q Results	FY 2016 2Q Results	YoY Change
Net premiums written	801.5	756.6	- 44.9
Growth rate of net premiums written	9.9%	-5.6%	-15.5pt
Net loss ratio	52.7%	56.8%	4.1pt
Net expense ratio	29.8%	30.0%	0.2pt
Combined ratio	82.5%	86.8%	4.3pt
Incurred losses (Incl. loss adjustment expenses)	452.1	445.3	- 6.8
Underwriting profit/loss	- 2.5	41.9	44.4
Net interest and dividends income	35.5	35.0	- 0.4
Gains on sales of securities	35.3	29.6	- 5.6
Impairment losses on securities	- 3.4	- 0.1	3.2
Investment profit	61.9	52.8	- 9.1
Ordinary profit	57.2	93.3	36.1
Extraordinary income/loss	- 1.8	- 2.6	- 0.8
Net income	44.8	69.3	24.4
<Excluding residential EQ insurance and CALI>			
Growth rate of net premiums written	10.6%	-6.0%	-16.6pt
Net loss ratio	49.4%	52.5%	3.1pt
Net expense ratio	31.6%	31.8%	0.2pt
Combined ratio	81.0%	84.3%	3.3pt
Incurred losses (Incl. loss adjustment expenses)	378.1	365.9	- 12.2

14. Non-Consolidated Results for FY 2016 2Q - MSI (ii)

Net Premiums Written

(¥bn)

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	Growth
Fire and allied	151.8	94.2	-37.9%
Marine	35.4	31.2	-11.9%
Personal accident	74.2	75.2	1.4%
Voluntary automobile	325.6	330.9	1.6%
CALI	95.6	92.6	-3.2%
Other	118.7	132.2	11.4%
Total	801.5	756.6	-5.6%
Excluding residential EQ insurance and CALI	705.5	663.5	-6.0%

Net Loss Ratio

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	YoY Change
Fire and allied	39.7%	67.1%	27.4pt
Marine	49.6%	54.6%	5.0pt
Personal accident	54.5%	51.6%	-2.9pt
Voluntary automobile	56.1%	54.8%	-1.3pt
CALI	77.6%	81.3%	3.7pt
Other	40.0%	40.9%	0.9pt
Total	52.7%	56.8%	4.1pt
Excluding residential EQ insurance and CALI	49.4%	52.5%	3.1pt

15. Non-Consolidated Results for FY 2016 2Q - MSI (iii)

Incurring losses*¹ and EI loss ratio (including loss adjustment expenses)

(¥bn)

	FY 2015 2Q					FY 2016 2Q					
	Incurring Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurring Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	69.7	66.3%	31.4	38.3	36.4%	71.3	66.2%	27.2	44.0	40.9%	4.5pt
Marine	23.6	69.2%	0.1	23.5	68.9%	16.6	53.5%	0.1	16.4	52.9%	-16.0pt
Personal accident	38.9	55.5%	0.0	38.9	55.5%	37.2	54.9%	0.0	37.2	54.8%	-0.7pt
Voluntary automobile	192.8	60.1%	2.2	190.5	59.4%	187.1	57.1%	1.1	186.0	56.8%	-2.6pt
Other	52.9	52.4%	1.4	51.4	50.9%	53.4	45.6%	1.3	52.0	44.5%	-6.4pt
Total (A)* ⁴	378.1	59.9%	35.2	342.8	54.3%	365.9	56.2%	30.0	335.9	51.5%	-2.8pt
Residential EQ insurance (B)	—	/	—	—	/	5.9	/	5.9	—	/	/
CALI (C)	73.9	/	—	73.9	/	73.4	/	—	73.4	/	/
Total (A)+(B)+(C)	452.1	/	35.2	416.8	/	445.3	/	35.9	409.3	/	/

*1 Incurring losses = net claims paid + loss adjustment expenses + movement in outstanding claims

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

*3 "Nat Cat (Natural Catastrophes) Impact" is the total of incurring losses resulting from domestic natural catastrophes occurring in Japan during the period. The figures for FY 2015 2Q include incurring losses of 0.0 billion yen caused by heavy snowfalls in Feb. 2014 in Japan.

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

16. Non-Consolidated Results for FY 2016 2Q - ADI (i)

			(¥bn)	
	FY2015 2Q Results	FY2016 2Q Results	YoY Change	
Net premiums written	613.5	609.4	- 4.0	
Growth rate of net premiums written	5.1%	-0.7%	-5.8pt	
Net loss ratio	55.3%	56.7%	1.4pt	
Net expense ratio	33.7%	33.0%	-0.7pt	
Combined ratio	89.0%	89.7%	0.7pt	
Incurred losses (Incl. loss adjustment expenses)	360.9	346.8	- 14.0	
Underwriting profit	2.2	26.8	24.5	
Net interest and dividends income	20.7	17.5	- 3.2	
Gains on sales of securities	1.7	7.4	5.6	
Impairment losses on securities	- 1.0	- 0.7	0.2	
Investment profit	18.6	19.6	1.0	
Ordinary profit	21.4	49.5	28.1	
Extraordinary income/loss	- 3.3	- 6.2	- 2.9	
Net income	14.4	33.5	19.0	
< Excluding residential EQ insurance and CALI >				
Growth rate of net premiums written	5.4%	-0.0%	-5.4pt	
Net loss ratio	51.8%	52.3%	0.5pt	
Net expense ratio	35.8%	34.6%	-1.2pt	
Combined ratio	87.6%	86.9%	-0.7pt	
Incurred losses (Incl. loss adjustment expenses)	294.4	278.4	- 16.0	

17. Non-Consolidated Results for FY 2016 2Q - ADI (ii)

Net premiums written

(¥bn)

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	Growth
Fire and allied	89.2	75.0	-15.9%
Marine	2.9	2.8	-2.5%
Personal accident	34.0	32.6	-4.3%
Voluntary automobile	339.6	345.6	1.8%
CALI	87.8	83.9	-4.5%
Other	59.7	69.3	16.1%
Total	613.5	609.4	-0.7%
Excluding residential EQ insurance and CALI	525.3	525.2	-0.0%

Net loss ratio

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	YoY Change
Fire and allied	41.4%	55.1%	13.7pt
Marine	48.4%	52.0%	3.6pt
Personal accident	48.5%	46.2%	-2.3pt
Voluntary automobile	55.7%	53.7%	-2.0pt
CALI	76.3%	78.8%	2.5pt
Other	47.4%	51.2%	3.8pt
Total	55.3%	56.7%	1.4pt
Excluding residential EQ insurance and CALI	51.8%	52.3%	0.5pt

18. Non-Consolidated Results for FY 2016 2Q - ADI (iii)

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

(¥bn)

	FY 2015 2Q					FY 2016 2Q					
	Incurred Losses* ¹ (a)	EI Loss Ratio* ²	Nat Cat Impact* ³ (b)	(a)-(b)	EI Loss Ratio (Excluding Nat Cat Impact)	Incurred Losses* ¹ (c)	EI Loss Ratio* ²	Nat Cat Impact* ³ (d)	(c)-(d)	EI Loss Ratio (Excluding Nat Cat Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	54.9	70.8%	24.8	30.1	38.8%	43.1	53.4%	13.9	29.2	36.2%	-2.6pt
Marine	1.3	53.1%	—	1.3	53.1%	1.0	36.0%	—	1.0	36.0%	-17.1pt
Personal accident	15.7	47.4%	0.0	15.7	47.4%	14.3	47.7%	0.0	14.3	47.7%	0.3pt
Voluntary automobile	189.6	56.2%	2.5	187.1	55.5%	187.8	55.4%	1.1	186.7	55.1%	-0.4pt
Other	32.7	60.4%	0.9	31.8	58.6%	31.9	50.3%	0.6	31.2	49.3%	-9.3pt
Total (A)* ⁴	294.4	58.3%	28.3	266.1	52.7%	278.4	53.9%	15.7	262.6	50.9%	-1.8pt
Residential EQ insurance (B)	—	/	—	—	/	4.3	/	4.3	—	/	/
CALI (C)	66.4	/	—	66.4	/	64.1	/	—	64.1	/	/
Total (A)+(B)+(C)	360.9	/	28.3	332.6	/	346.8	/	20.0	326.7	/	/

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

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

*3 "Nat Cat (Natural Catastrophes) Impact" is the total of incurred losses resulting from domestic natural catastrophes occurring in Japan during the period. The figures for FY 2015 2Q include incurred losses of 0.0 billion yen caused by heavy snowfalls occurred in Feb. 2014 in Japan.

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

19. Simple Sum of MSI and ADI (Non-Consolidated) (i)

	FY 2015 2Q Results	FY 2016 2Q		(¥bn)
		Results	YoY Change	
Net premiums written	1,415.1	1,366.0	- 49.0	
Growth rate of net premiums written	7.8%	-3.5%	-11.3pt	
Net loss ratio	53.8%	56.7%	2.9pt	
Net expense ratio	31.5%	31.3%	-0.2pt	
Combined ratio	85.3%	88.0%	2.7pt	
Incurring losses (Incl. loss adjustment expenses)	813.0	792.1	- 20.8	
Underwriting profit/loss	- 0.2	68.7	69.0	
Net interest and dividends income	56.3	52.6	- 3.6	
Gains on sales of securities	37.0	37.0	0.0	
Impairment losses on securities	- 4.4	- 0.8	3.5	
Investment profit	80.5	72.5	- 8.0	
Ordinary profit	78.6	142.8	64.2	
Extraordinary income/loss	- 5.1	- 8.9	- 3.7	
Net income	59.2	102.8	43.5	
<Excluding residential EQ insurance and CALI>				
Growth rate of net premiums written	8.3%	-3.4%	-11.7pt	
Net loss ratio	50.4%	52.4%	2.0pt	
Net expense ratio	33.4%	33.0%	-0.4pt	
Combined ratio	83.8%	85.4%	1.6pt	
Incurring losses (Incl. loss adjustment expenses)	672.6	644.3	- 28.2	

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

Net premiums written

(¥bn)

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	Growth
Fire and allied	241.0	169.2	-29.8%
Marine	38.4	34.1	-11.2%
Personal accident	108.3	107.9	-0.4%
Voluntary automobile	665.3	676.5	1.7%
CALI	183.5	176.5	-3.8%
Other	178.4	201.6	13.0%
Total	1,415.1	1,366.0	-3.5%
Excl. residential EQ insurance and CALI	1,230.9	1,188.8	-3.4%

Net loss ratio

	FY 2015 2Q	FY 2016 2Q	
	Results	Results	YoY change
Fire and allied	40.3%	61.8%	21.5pt
Marine	49.5%	54.3%	4.8pt
Personal accident	52.6%	49.9%	-2.7pt
Voluntary automobile	55.9%	54.3%	-1.6pt
CALI	77.0%	80.1%	3.1pt
Other	42.5%	44.4%	1.9pt
Total	53.8%	56.7%	2.9pt
Excl. residential EQ insurance and CALI	50.4%	52.4%	2.0pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015 2Q	FY 2016 2Q	
	Results	Results	YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	672.6	644.3	- 28.2
Natural catastrophes ^{*2}	63.5	45.7	- 17.8
Other than natural catastrophes	609.0	598.5	- 10.4

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

*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period. The figures for FY2015 2Q include incurred losses of 0.1 billion yen caused by heavy snowfalls occurred in Feb. 2014.

21. <Reference> MS Amlin's Results for FY2016 2Q (Jan. – Jun. 2016)

(£mn)

	FY2015 2Q	FY2016 2Q	YoY Change
Net premiums written	1,670	1,782	112
Net premiums earned	1,031	1,118	86
Incurred losses (including loss adjustment expenses)	566	673	107
Net commission and expense for acquisition, admin expense	369	417	47
Underwriting profit	93	53	-40
Investment income ^{*1}	94	30	-64
Other expenses ^{*2}	-45	-43	2
Net income after tax	133	18	-114
EI claims ratio	54.9%	60.2%	5.3%
EI expense ratio ^{*3}	36.0%	35.0%	-1.0%
EI combined ratio ^{*3}	90.9%	95.2%	4.3%

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

*2 The main item of "Other expenses" is expenses of non-insurance companies.

*3 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses (included in underwriting profit).

22. <Reference> MSI Primary Life (Supplementary Explanation)

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

(¥bn)

	FY2015 2Q	FY2016 2Q
Impact of interest rate	22.4	- 12.8
Impact of foreign exchange rate	- 16.3	- 11.5
Sub total	6.1	- 24.3
Gains/losses on sale of securities	7.1	8.5
Total	13.2	- 15.7
Reversal of price fluctuation reserve	—	15.7

	FY2015 end of 4Q	FY2016 end of 2Q
Balance of price fluctuation reserve	55.0	40.3

Basic concept for reversal of price fluctuation reserve at MSI Primary Life

- Insurance companies are required to set aside a price fluctuation reserve under the Insurance Business Act, to prepare for the losses due to future worsening of market conditions and other factors. MSI Primary Life had accumulated reserves totaling 55.0 billion yen by the end of previous fiscal year.
- In the 2Q results, MSI Primary Life withdrew 15.7 billion yen from the price fluctuation reserve, in response to accounting losses arising in association with worsening market conditions (stronger yen and lower interest rate).

Reversal of price fluctuation reserve:

- The reversal was based on virtual losses[※] arising from foreign exchange rate and interest rate fluctuations, limited to the standard reversal amount under law with regards to the relevant assets involved.

※MSI Primary Life withdraws the price fluctuation reserve in case of virtual losses on assets and liabilities (including below) and capital losses.

- (1) Foreign exchange rate factors: Foreign exchange gains and losses associated with assets exceeding liabilities, etc.
- (2) Interest rate factors: Gains and losses in policy reserves associated with interest rate fluctuations, etc.

Projected Financial Results for FY2016

Consolidated Earnings Forecasts for FY 2016	Page 23-26
Major Assumptions for Earnings Forecasts for FY2016	Page 27
Mitui Sumitomo Insurance (MSI) (Non-Consolidated)	Page 28-29
Aioi Nissay Dowa Insurance (ADI) (Non-Consolidated)	Page 30-31
Simple Sum of MSI and ADI (Non-Consolidated)	Page 32-33
<Reference> Forecasts for the Impact of Consolidation of MS Amlin	Page 34

23. Consolidated Earnings Forecasts for FY 2016 (i)

- Net premiums written are forecast to increase by 10.0% to 3,387 billion yen. This is a downward revision of 68.0 billion yen from our initial forecast.
- In domestic non-life insurance, our forecast has been revised downward from the initial, primarily for fire insurance.
- For overseas subsidiaries, the initial forecast has been revised downward due to the appreciation of the yen and other factors.

(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)			
			YoY Change	Change Ratio	Change from the Initial	
Net premiums written *	3,078.9	3,455.0	3,387.0	308.0	10.0%	- 68.0
Mitsui Sumitomo Insurance	1,507.4	1,488.0	1,477.0	- 30.4	-2.0%	- 11.0
Aioi Nissay Dowa Insurance	1,192.0	1,212.0	1,196.0	3.9	0.3%	- 16.0
Mitsui Direct General Insurance	36.5	37.6	37.6	1.0	2.8%	-
Overseas subsidiaries	336.8	710.0	670.0	333.1	98.9%	- 40.0
Life insurance premiums	1,356.3	1,208.0	1,182.0	- 174.3	-12.9%	- 26.0

<Reference : Gross life insurance premiums>

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised) (¥ bn)			
			YoY Change	Change Ratio	Change from the Initial	
MSI Aioi Life	461.1	477.3	479.5	18.3	4.0%	2.1
MSI Primary Life	1,299.4	1,000.0	950.0	- 349.4	-26.9%	-50.0

24. Consolidated Earnings Forecasts for FY 2016 (ii)

- The forecast for ordinary profit remains unchanged from the initial forecast, at 285.0 billion yen.
- The forecast for net income also remains unchanged at 183.0 billion yen.

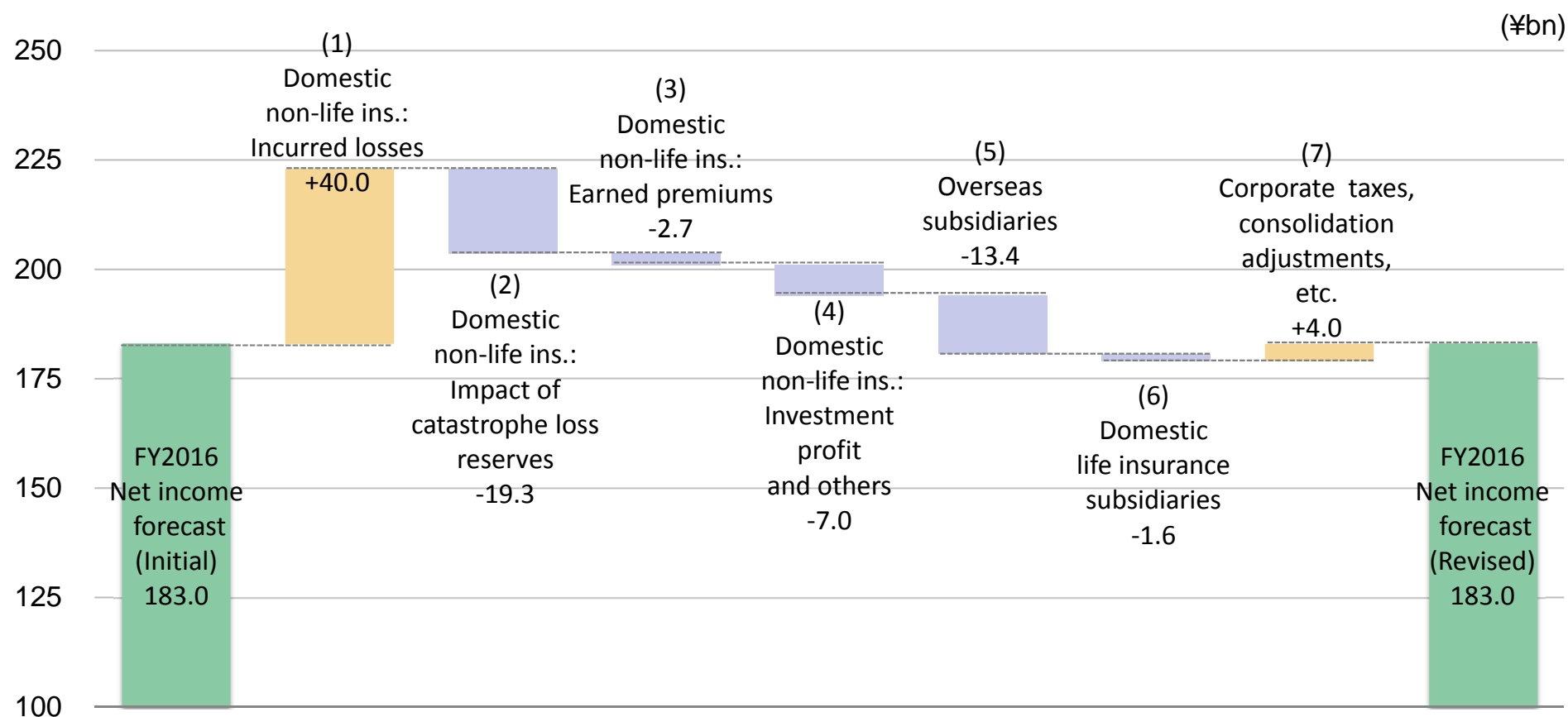
(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Ordinary profit	291.5	285.0	285.0	- 6.5	-
Mitsui Sumitomo Insurance	167.8	174.0	183.0	15.1	9.0
Aioi Nissay Dowa Insurance	61.7	66.0	68.0	6.2	2.0
Net income	181.5	183.0	183.0	1.4	-
Mitsui Sumitomo Insurance	113.9	132.0	138.0	24.0	6.0
Aioi Nissay Dowa Insurance	31.0	42.0	44.0	12.9	2.0
Mitsui Direct General Insurance	- 4.3	- 0.6	- 0.7	3.6	- 0.1
MSI Aioi Life	6.0	4.0	3.0	- 3.0	- 1.0
MSI Primary Life	17.8	15.0	15.0	- 2.8	-
Overseas subsidiaries	28.5	55.0	44.0	15.4	- 11.0
Consolidation adjustments, etc.	- 11.7	- 64.4	- 60.3	- 48.6	4.1

25. Consolidated Earnings Forecasts for FY 2016 (iii)

- (1) (see the graph below) Improvements in losses primarily in automobile insurance had a positive impact of 40.0 billion yen.
- (2) A drop in reversals with a decrease in claims paid had a negative impact of 19.3 billion yen.
- (4) A negative impact of 7.0 billion yen mainly due to exchange losses resulting from the appreciation of the yen.
- (5) A negative impact of 13.4 billion yen due to a worsening investment environment and business integration cost of Lloyd's and Reinsurance business into MS Amlin in addition to the effect of exchange rates.

Factors behind change from the initial forecast for consolidated net income



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

26. Consolidated Earnings Forecasts for FY 2016 (iv)

- Group core profit for the year remains unchanged from the initial forecast at 196.0 billion yen, while group ROE is expected to be 7.6% due primarily to revisions in exchange rate assumption.
- The increase in EV at MSI Aioi Life is forecasted to be 3.0 billion yen, a downward revision of 45.0 billion yen from the initial forecast.

(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Group Core Profit *	147.5	196.0	196.0	48.4	-
Domestic non-life insurance	91.9	121.0	130.0	38.0	9.0
Domestic life insurance	25.0	18.0	17.0	- 8.0	- 1.0
International business	27.9	53.0	49.0	21.0	- 4.0
Financial services/Risk related services	2.6	4.0	0.0	- 2.6	- 4.0
Other financial targets					
Combined ratio (Domestic non-life insurance)	91.6%	94.4%	93.9%	2.3pt	- 0.5pt
Increase in EV of MSI Aioi Life	- 52.0	48.0	3.0	55.0	- 45.0
Group ROE*	5.2%	6.9%	7.6%	2.4pt	0.7pt

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

27. Major Assumptions for Revised Earnings Forecasts for FY 2016

- Assumptions for asset management environment are based on levels as of the end of September, 2016.
- Natural catastrophes remains at about the same level as initially forecast.
- The reversal of catastrophe reserve drops with a decline in loss ratio.

(¥bn)

	Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
Assumptions concerning the asset management environment	Assumes the level at the end of Sept. 2016 Nikkei average : ¥ 16,450 USD\$1 = JPY¥ 101 EUR€1 = JPY¥ 113 GBP£1 = JPY¥ 131			
Domestic natural catastrophes occurring in FY 2016	40.0	(-0.0)	23.6	(+1.1)
of which, Kumamoto earthquake (excluding residential earthquake)	10.0	(-0.0)	3.6	(+1.1)
Catastrophe reserves (For fire insurance)	27.0 ^{*1}	(-0.9)	12.1	(-0.8)
Provision				
Reversal	21.3	(-0.8)	6.3	(-7.6)
Change	5.7	(-0.0)	5.8	(+6.8)
Catastrophe reserves (For voluntary automobile insurance)	21.0	(-0.0)	21.9	(+0.1)
Provision				
Reversal	-	(-6.0)	8.4	(-6.3)
Change	21.0	(+6.0)	13.5	(+6.4)
Corporate tax rate (Effective tax rate)	28.2%			

* Figures in parentheses show change from the initial assumptions.

*1 Including additional provision (¥10.0 billion)

28. Earnings Forecasts for FY 2016 – MSI (Non-Consolidated) (i)

(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,507.4	1,488.0	1,477.0	- 30.4	- 11.0
Growth rate of net premiums written	4.3%	-1.3%	-2.0%	- 6.3pt	- 0.7pt
Net loss ratio	58.9%	62.1%	62.1%	3.2pt	0.0pt
Net expense ratio	31.0%	31.5%	31.3%	0.3pt	- 0.2pt
Combined ratio	89.9%	93.6%	93.4%	3.5pt	- 0.2pt
Incurred losses (Incl. loss adjustment expenses)	897.1	920.6	900.9	3.7	- 19.7
Underwriting profit	19.1	52.0	69.0	49.8	17.0
Net interest and dividends income	79.4	79.0	76.0	- 3.4	- 3.0
Gains on sales of securities	99.1	55.3	61.5	- 37.6	6.2
Impairment losses on securities	- 7.2	- 3.0	- 3.0	4.2	0.0
Investment profit	152.8	127.2	118.4	- 34.4	- 8.7
Ordinary profit	167.8	174.0	183.0	15.1	9.0
Extraordinary income/loss	- 11.7	- 6.0	- 6.1	5.6	- 0.1
Net income	113.9	132.0	138.0	24.0	6.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	4.4%	-1.3%	-2.2%	- 6.6pt	- 0.9pt
Net loss ratio	56.0%	58.8%	58.9%	2.9pt	0.1pt
Net expense ratio	33.1%	33.5%	33.4%	0.3pt	- 0.1pt
Combined ratio	89.1%	92.3%	92.3%	3.2pt	0.0pt
Incurred losses (Incl. loss adjustment expenses)	748.1	763.4	744.4	- 3.6	- 19.0

29. Earnings Forecasts for FY 2016 – MSI (Non-Consolidated) (ii)

Net premiums written

(¥bn)

	FY 2015	FY 2016	
	Results	Forecast	Growth
Fire and allied	242.4	186.4	-23.1%
Marine	66.9	58.2	-13.1%
Personal accident	140.9	142.4	1.0%
Voluntary automobile	645.6	656.5	1.7%
CALI	186.5	185.8	-0.4%
Other	224.8	247.7	10.2%
Total	1,507.4	1,477.0	-2.0%
Total excl. residential EQ insurance and CALI	1,320.0	1,290.5	-2.2%

Net loss ratio

	FY 2015	FY 2016	
	Results	Forecast	YoY Change
Fire and allied	55.2%	74.2%	19.0pt
Marine	53.9%	59.5%	5.6pt
Personal accident	57.7%	54.7%	- 3.0pt
Voluntary automobile	59.2%	58.1%	- 1.1pt
CALI	79.8%	81.3%	1.5pt
Other	47.2%	53.8%	6.6pt
Total	58.9%	62.1%	3.2pt
Total excl. residential EQ insurance and CALI	56.0%	58.9%	2.9pt

Incurring losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY 2015	FY 2016 Forecast (Revised)	
	Results		YoY Change
Incurring losses (incl. loss adjustment expenses) ^{*1}	748.1	744.4	- 3.6
Natural Catastrophes ^{*2}	38.1	40.0	1.8
Other than natural catastrophes	709.9	704.4	- 5.5

*1 Incurring losses = net claims paid + loss adjustment expenses + movement in outstanding claims

*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls since it was limited. (The impact for FY2015 was 0.1 billion yen)

30. Earnings Forecasts for FY 2016 – ADI (Non-Consolidated) (i)

(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	1,192.0	1,212.0	1,196.0	3.9	- 16.0
Growth rate of net premiums written	2.7%	1.7%	0.3%	- 2.4pt	- 1.4pt
Net loss ratio	59.2%	61.3%	60.5%	1.3pt	- 0.8pt
Net expense ratio	34.3%	33.9%	33.8%	- 0.5pt	- 0.1pt
Combined ratio	93.5%	95.2%	94.3%	0.8pt	- 0.9pt
Incurred losses (Incl. loss adjustment expenses)	706.4	749.0	728.3	21.8	- 20.7
Underwriting profit	24.8	38.0	39.0	14.1	1.0
Net interest and dividends income	39.5	31.0	32.0	- 7.5	1.0
Gains on sales of securities	10.4	8.5	7.2	- 3.2	- 1.3
Impairment losses on securities	- 6.6	- 3.0	- 3.0	3.6	-
Investment profit	34.9	26.0	26.1	- 8.8	0.1
Ordinary profit	61.7	66.0	68.0	6.2	2.0
Extraordinary income/loss	- 20.2	- 10.0	- 10.0	10.2	-
Net income	31.0	42.0	44.0	12.9	2.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	2.9%	2.1%	0.6%	- 2.3pt	- 1.5pt
Net loss ratio	56.1%	58.1%	57.0%	0.9pt	- 1.1pt
Net expense ratio	36.5%	35.9%	35.7%	- 0.8pt	- 0.2pt
Combined ratio	92.6%	94.0%	92.7%	0.1pt	- 1.3pt
Incurred losses (Incl. loss adjustment expenses)	573.7	611.6	590.1	16.3	- 21.5

31. Earnings Forecasts for FY 2016 – ADI (Non-Consolidated) (ii)

Net premiums written

(¥bn)

	FY 2015	FY 2016	
	Results	Forecast	Growth
Fire and allied	167.6	146.6	-12.6%
Marine	5.7	5.4	-6.4%
Personal accident	63.5	60.3	-5.1%
Voluntary automobile	671.8	681.6	1.4%
CALI	170.6	168.9	-1.0%
Other	112.6	133.2	18.3%
Total	1,192.0	1,196.0	0.3%
Total excl. residential EQ insurance and CALI	1,020.9	1,026.6	0.6%

Net loss ratio

	FY 2015	FY 2016	
	Results	Forecast	YoY Change
Fire and allied	51.9%	63.6%	11.7pt
Marine	43.4%	55.6%	12.2pt
Personal accident	52.0%	48.9%	- 3.1pt
Voluntary automobile	58.1%	56.9%	- 1.2pt
CALI	78.1%	79.3%	1.2pt
Other	53.0%	57.1%	4.1pt
Total	59.2%	60.5%	1.3pt
Total excl. residential EQ insurance and CALI	56.1%	57.0%	0.9pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY 2015	FY 2016	
	Results	Forecast	YoY Change
Incurred losses (incl. loss adjustment expenses) ^{*1}	573.7	590.1	16.3
Natural Catastrophes ^{*2}	29.9	23.6	- 6.3
Other than natural catastrophes	543.8	566.5	22.6

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

*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls since it was limited. (The impact for FY2015 was 0.1 billion yen)

32. Earnings Forecasts for FY 2016 – Simple Sum of MSI & ADI (Non-Consolidated) (i)

(¥bn)

	FY 2015 Results	FY 2016 Forecast (Initial)	FY 2016 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	2,699.5	2,700.0	2,673.0	- 26.5	- 27.0
Growth rate of net premiums written	3.6%	0.0%	-1.0%	-4.6pt	-1.0pt
Net loss ratio	59.1%	61.8%	61.3%	2.2pt	-0.5pt
Net expense ratio	32.5%	32.6%	32.4%	-0.1pt	-0.2pt
Combined ratio	91.6%	94.4%	93.7%	2.1pt	-0.7pt
Incurred losses (Incl. loss adjustment expenses)	1,603.5	1,669.6	1,629.1	25.6	- 40.5
Underwriting profit	43.9	90.0	108.0	64.0	18.0
Net interest and dividends income	118.9	110.0	108.0	- 10.9	- 2.0
Gains on sales of securities	109.5	63.8	68.6	- 40.9	4.8
Impairment losses on securities	- 13.9	- 6.0	- 6.0	7.9	0.0
Investment profit	187.7	153.2	144.5	- 43.2	- 8.7
Ordinary profit	229.6	240.0	251.0	21.3	11.0
Extraordinary income/loss	- 32.0	- 16.0	- 16.1	15.8	- 0.1
Net income	145.0	174.0	182.0	36.9	8.0
<Excluding residential EQ insurance and CALI>					
Growth rate of net premiums written	3.7%	0.2%	-1.0%	-4.7pt	-1.2pt
Net loss ratio	56.1%	58.5%	58.0%	1.9pt	-0.5pt
Net expense ratio	34.5%	34.6%	34.4%	-0.1pt	-0.2pt
Combined ratio	90.6%	93.1%	92.4%	1.8pt	-0.7pt
Incurred losses (Incl. loss adjustment expenses)	1,321.9	1,375.0	1,334.5	12.6	- 40.5

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

Net premiums written

(¥bn)

	FY 2015	FY 2016 Forecast	
	Results		Growth
Fire and allied	410.1	333.0	-18.8%
Marine	72.7	63.6	-12.5%
Personal accident	204.5	202.7	-0.9%
Voluntary automobile	1,317.4	1,338.1	1.6%
CALI	357.1	354.7	-0.7%
Other	337.4	380.9	12.9%
Total	2,699.5	2,673.0	-1.0%
Excl. residential EQ insurance and CALI	2,340.9	2,317.1	-1.0%

Net loss ratio

	FY 2015	FY 2016 Forecast	
	Results		YoY change
Fire and allied	53.8%	69.5%	15.7pt
Marine	53.1%	59.2%	6.1pt
Personal accident	56.0%	53.0%	-3.0pt
Voluntary automobile	58.6%	57.5%	-1.1pt
CALI	79.0%	80.3%	1.3pt
Other	49.1%	54.9%	5.8pt
Total	59.1%	61.3%	2.2pt
Excl. residential EQ insurance and CALI	56.1%	58.0%	1.9pt

Incurred losses (Excluding residential EQ insurance and CALI)

(¥bn)

	FY2015	FY 2016 Forecast	
	Results		YoY Change
Incurred losses (Incl. loss adjustment expenses) ^{*1}	1,321.9	1,334.5	12.6
Natural catastrophes ^{*2}	68.1	63.6	- 4.5
Other than natural catastrophes	1,253.8	1,270.9	17.1

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

*2 "Natural catastrophes" means domestic natural catastrophes occurring in Japan during the period and heavy snowfalls occurred in Feb. 2014. The figures for FY2016 exclude the impact of heavy snowfalls since it was limited. (The impact for FY2015 was 0.3 billion yen)

34. <Reference> Forecasts for the Impact of Consolidation of MS Amlin on FY 2016 Results

(¥ bn, GBP £ 1 = JPY ¥ 146 (assumption))

	Impact on consolidated results for FY2016	
	FY2016 (Revised)	Change from the Initial
Net Premiums Written	369.9	- 12.4
Net Income	5.4	- 4.4
Group Core Profit	22.8	- 6.0

Group Core Profit = Net income (5.4 billion yen) + amortization of goodwill (15.8 billion yen) + extraordinary income and losses (integration costs of Lloyd's and Reinsurance business into MS Amlin: 1.7 billion yen)

Exchange rate in the initial forecast: GBP £ 1 = JPY ¥ 162

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

Group Core Profit = Consolidated net income

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

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

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