

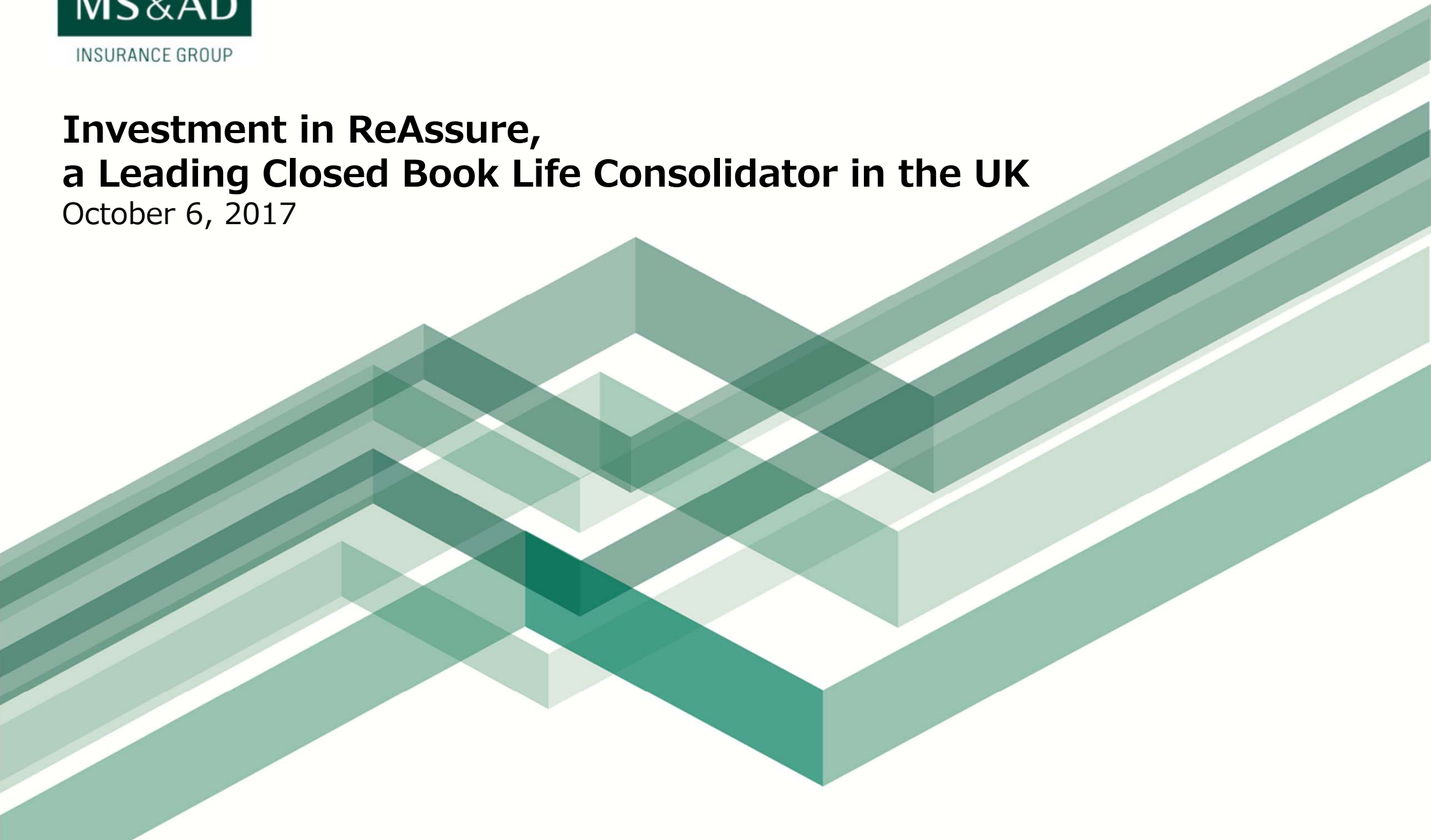
Advancing with you

MS&AD

INSURANCE GROUP

Investment in ReAssure, a Leading Closed Book Life Consolidator in the UK

October 6, 2017



MS&AD Group Overview

Holding Company

MS&AD MS&AD Insurance Group Holdings, Inc.

Domestic Non-Life

MS&AD Mitsui Sumitomo Insurance 
安心のゴールキーパーでありたい。
クルマの保険

MS&AD Aioi Nissay Dowa Insurance 

MS&AD Mitsui Direct General Insurance 
三井ダイレクト損保の
自動車保険

Domestic Life

MS&AD Mitsui Sumitomo Aioi Life Insurance 
人生のあらゆる瞬間を、共に生きる。
アンドライフ

MS&AD Mitsui Sumitomo Primary Life Insurance 
個人年金は、
未来への贈りもの。

International

Overseas Subsidiaries

Financial Services

Risk-Related Services

Abbreviations of company names used in this presentation.

- MS&AD Holdings : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- MSI : Mitsui Sumitomo Insurance Co., Ltd.
- Aioi : Aioi Insurance Co., Ltd.
- NDI : Nissay Dowa General Insurance Co., Ltd.
- ADI : Aioi Nissay Dowa Insurance Co., Ltd.
- Mitsui Direct General : Mitsui Direct General Insurance Co., Ltd.
- MSI Kirameki Life : Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.
- Aioi Life : Aioi Life Insurance Co., Ltd.
- MSI Aioi Life : Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSI Primary Life : Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Note Regarding Forward-Looking Statements

This document includes “forward-looking statements” that reflect the plans and expectations of MS&AD Insurance Group Holdings, Inc. (the “Company”) with respect to its business, results of operations and other matters. To the extent that statements in this document do not relate to historical or current facts, they constitute forward-looking statements. These forward-looking statements are based on the current assumptions and beliefs of the Company in light of the information currently available to it, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the actual results, performance, achievements or financial position of the Company to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statements after the date of this document. Investors are advised to consult any further disclosures by the Company in its subsequent domestic filings in Japan.

The risks, uncertainties and other factors referred to above include, but are not limited to: (1) economic conditions in Japan, the United States, Europe and China; (2) the extent of competition faced by the Company from Japan’s other major non-life insurance companies and new entrants in the Japanese non-life insurance market; (3) the extent of further deregulation of the Japanese insurance industry; (4) occurrence of natural disasters in Japan and elsewhere; (5) occurrence of losses the type or magnitude of which could not be foreseen at the time of writing the insurance policies covering such losses; (6) the price and availability of reinsurance; and (7) the performance of the Company’s investments. Further details of potential risks and uncertainties affecting the Company are described in its domestic filings in Japan including the Company’s annual report. More information about the target company group can be found on its website.

Objectives of the Investment

- (1) Attractive economics in the UK closed book life sector
- (2) Leverage of know-how in the closed book life business
- (3) Portfolio diversification

Strengths of ReAssure

- ReAssure is a leading player in the closed book industry in the UK
- The company has a long-standing relationship with local regulatory authorities and benefits from a recognized and trusted customer brand, which relies on highly efficient operations and customer satisfaction
- Since 2003, ReAssure has successfully completed more than 10 acquisitions, and has consistently delivered strong returns and cash flow generation
- Hurdle rate of 11% IRR for future acquisitions, securing high dividend yields going forward

Financial Impact of the Investment

- Consolidation of the investment in ReAssure under the equity method upon reaching a 15% stake
- Illustrative impact on Group Core Profit: + JPY 4 billion^{*1} on a proforma basis
(Subject to the state of acquisitions by ReAssure. Reference figure calculated from 5-year average profit)

^{*1} Assuming consolidation of pro-rata earnings' share for a 15% stake; proforma calculation as of FY2016 based on average annual earnings of Admin Re Ltd between FY2012 and FY2014 and Swiss Re ReAssure Ltd between FY2015 and FY2016 (consolidated US GAAP accounts). USD 1 = JPY 110.

1. Overview of the Investment

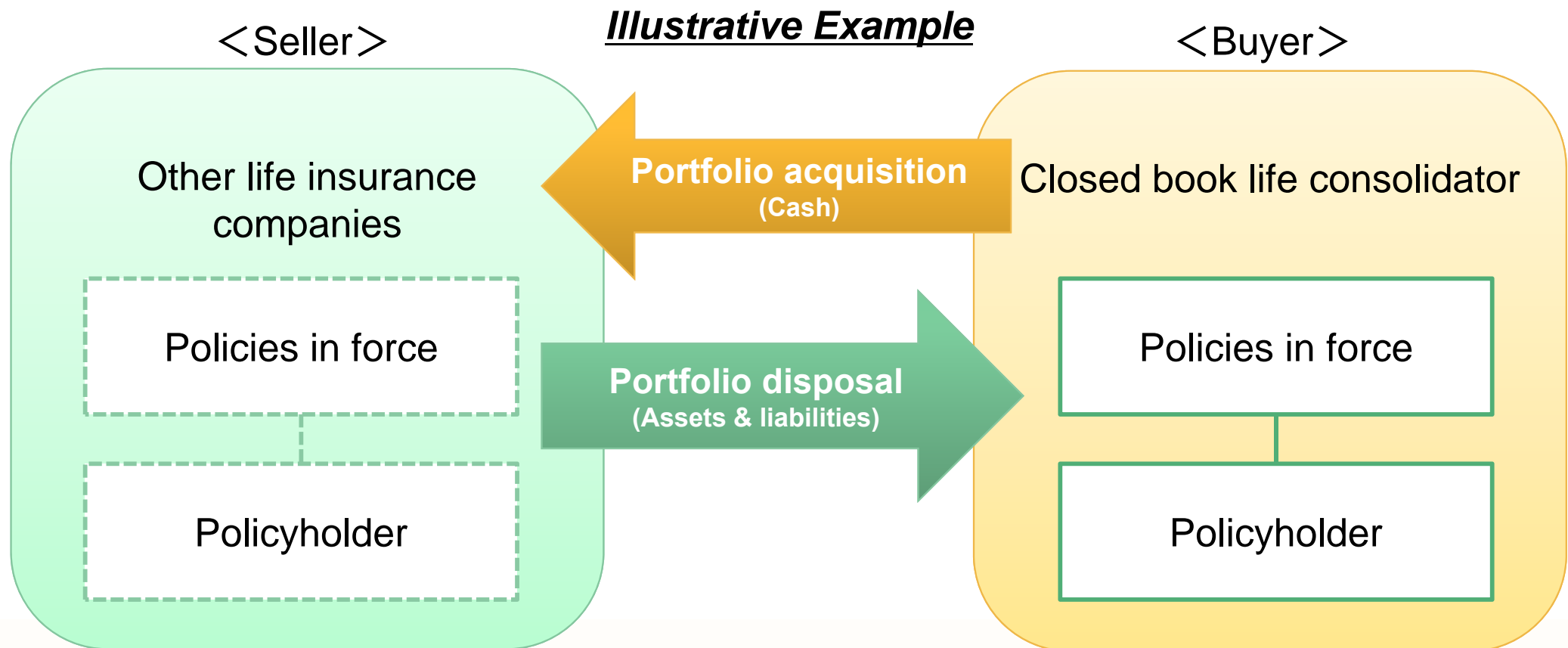
- Acquisition of 5.0% of the outstanding shares from the parent company (100% owned by Swiss Re Ltd)
- 3-year commitment starting from this investment to subscribe to new shares to invest GBP 800 million in total (including the initial acquisition), thereby increasing our stake up to 15%.

Transaction	Capital participation in ReAssure Jersey One Limited ("ReAssure")
Investment method	Acquisition of outstanding shares of ReAssure from the parent company (100% owned by Swiss Re Ltd)
Acquisition ratio	5.0% of outstanding shares
Investment amount	GBP 175 million (approximately JPY 26.3 billion)* ¹ (Acquisition implied P/BV* ² 1H 2017 of c. 0.85x)
Source of funds	Cash on hand
Time of completion	Subject to the receipt of approvals from the relevant regulators, the transaction is expected to close during the last quarter of MS&AD's financial year (January-March 2018).
Director	MS&AD Holdings will appoint one director to ReAssure Board
Next steps	The Company has committed to invest GBP 800 million in total including the initial GBP 175 million, for up to three years period from closing this investment. The Company's equity stake in ReAssure will not exceed 15%. Once the Company's stake has reached 15% Swiss Re and the Company invest into ReAssure on a pro rata basis. Upon reaching a 15% stake in ReAssure, the Company will account it as an affiliated company by the equity-method.

*¹ GBP 1 = JPY 150 *² Book value multiple based on shareholders' equity under US GAAP as of H1 2017 (unaudited)

2. Outline of Closed Book Life Business

- The closed book life business consists in acquiring and actively managing closed books of in-force life and health insurance business
- In-force policies can be added by acquiring entire lines of business or the entire share capital of life insurance companies, or via reinsurance.
- Policies are transferred to the acquiring consolidator together with the seller's portfolio (assets and liabilities)
- Receipt of approvals from regulators and consent of the majority of policyholders are prerequisites for the transfer
- The closed book life consolidator continues to conduct insurance services, including collection of premiums, claims payments, payments of matured endowment, until termination or maturity of contracts.



3. Overview of ReAssure's business

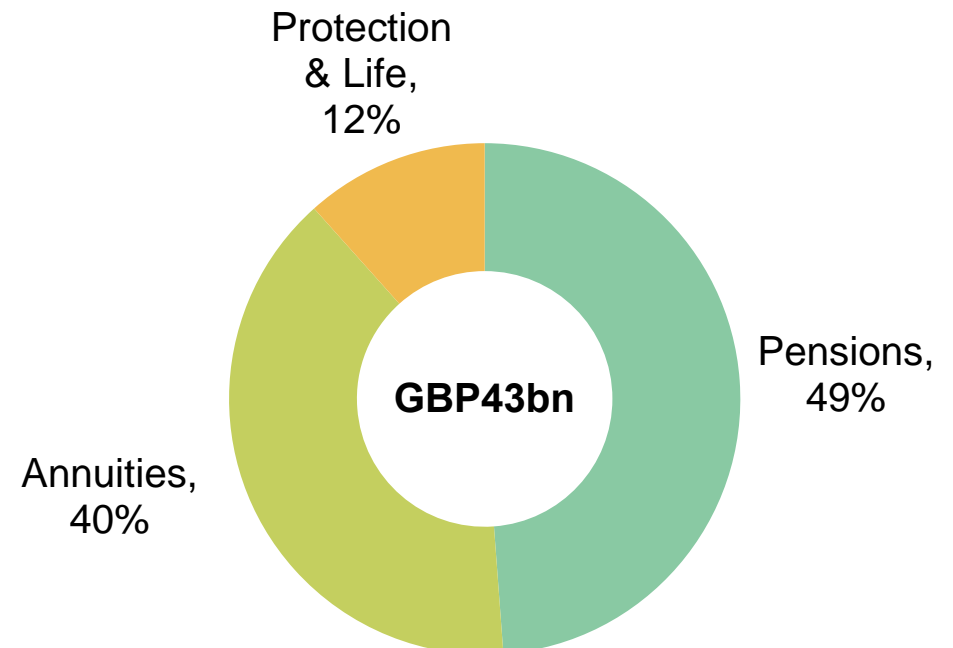
- Company name: ReAssure Jersey One Limited
- Established: 2011
- Headquarters: Saint Helier, Jersey
- Representatives: Matthew Cuhls, Board Member
- Main business: Closed book life business

Consolidated information of Swiss Re ReAssure Ltd, an intermediate holding company

- Number of employees: 2,257
- Main business location: UK, Ireland
- Net income (2016)*¹: USD 741 m
- Net assets (H1 2017)*^{1,2}: USD 5.2 bn
- Rating: A-, Stable (S&P)

ReAssure product breakdown (FY2016)

Product	Policies (million)	Reserves
Pensions	1.2	GBP 21 billion
Annuities	0.8	GBP 17 billion
Protection & Life	0.6	GBP 5 billion

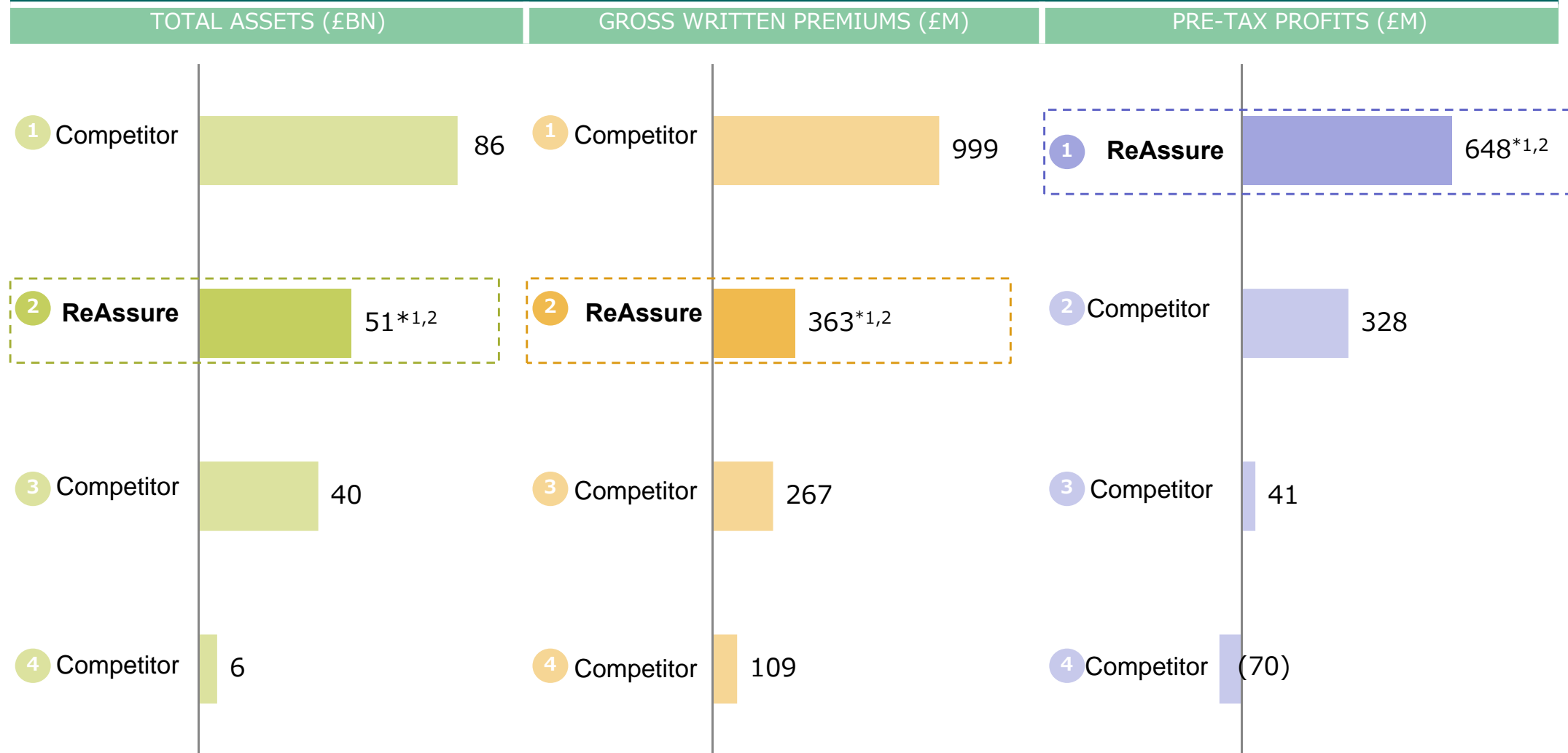


*¹ Figures as disclosed in consolidated US GAAP account *² Figures as of H1 2017 are unaudited

4. Strengths of ReAssure (1) Ranking in the UK closed life insurance market

- ReAssure is a leading player (ranked #2) in the closed book life industry in the UK
- The company has a long-standing relationship with local regulatory authorities and benefits from a recognized and trusted customer brand

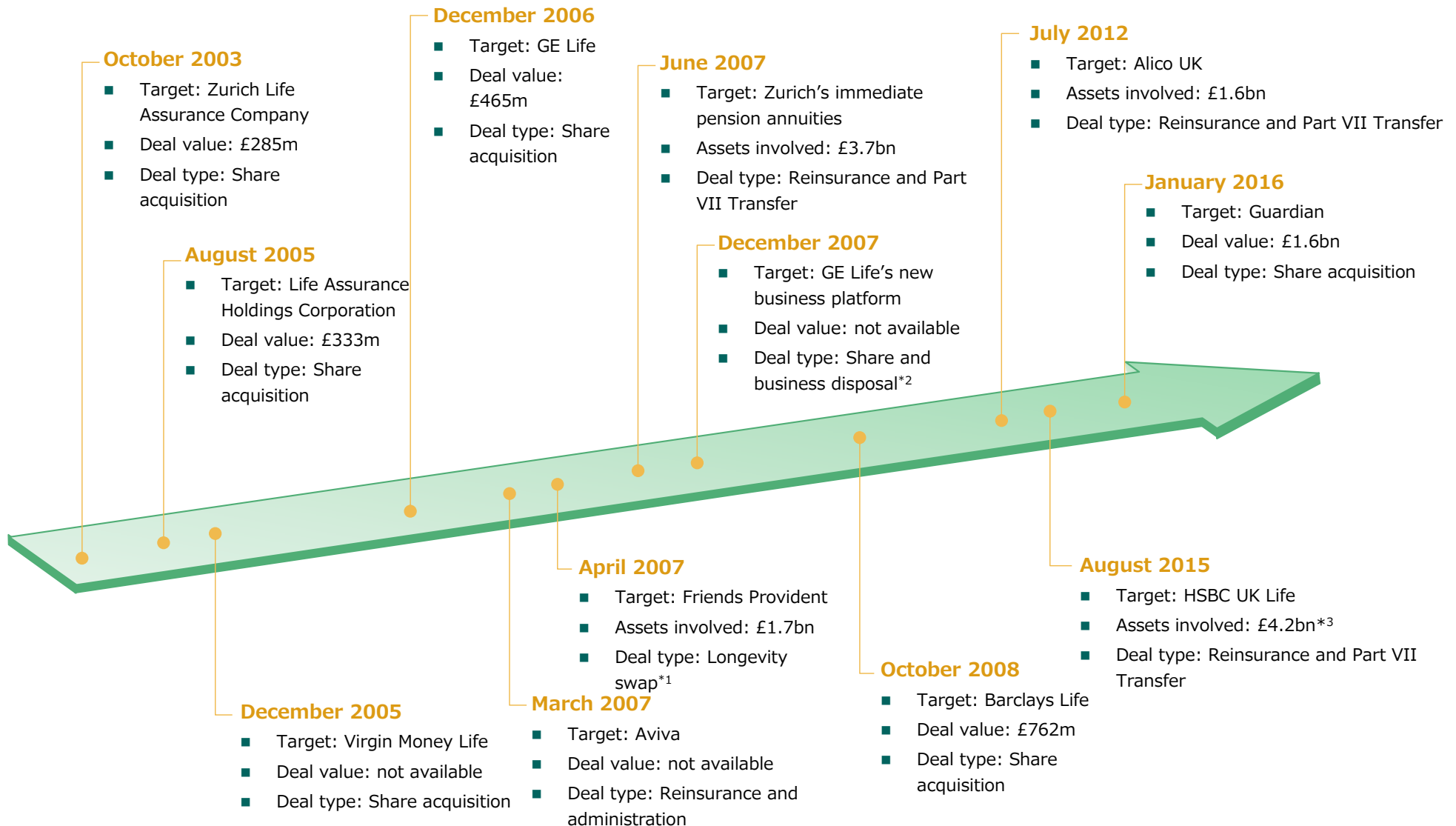
REASSURE VS. UK CLOSED LIFE INSURANCE (2016)



^{*1} Swiss Re ReAssure Ltd ^{*2} Balance sheet items converted at 31/12/2016 spot rate (USD 1 = GBP 0.809), P&L items converted at 2016 average rate (USD 1 = GBP 0.740)

4. Strengths of ReAssure (2) Track record

- Since 2003, ReAssure has successfully completed more than 10 acquisitions
- The hurdle rate will be 11% IRR for future acquisitions, securing high dividend yields going forward

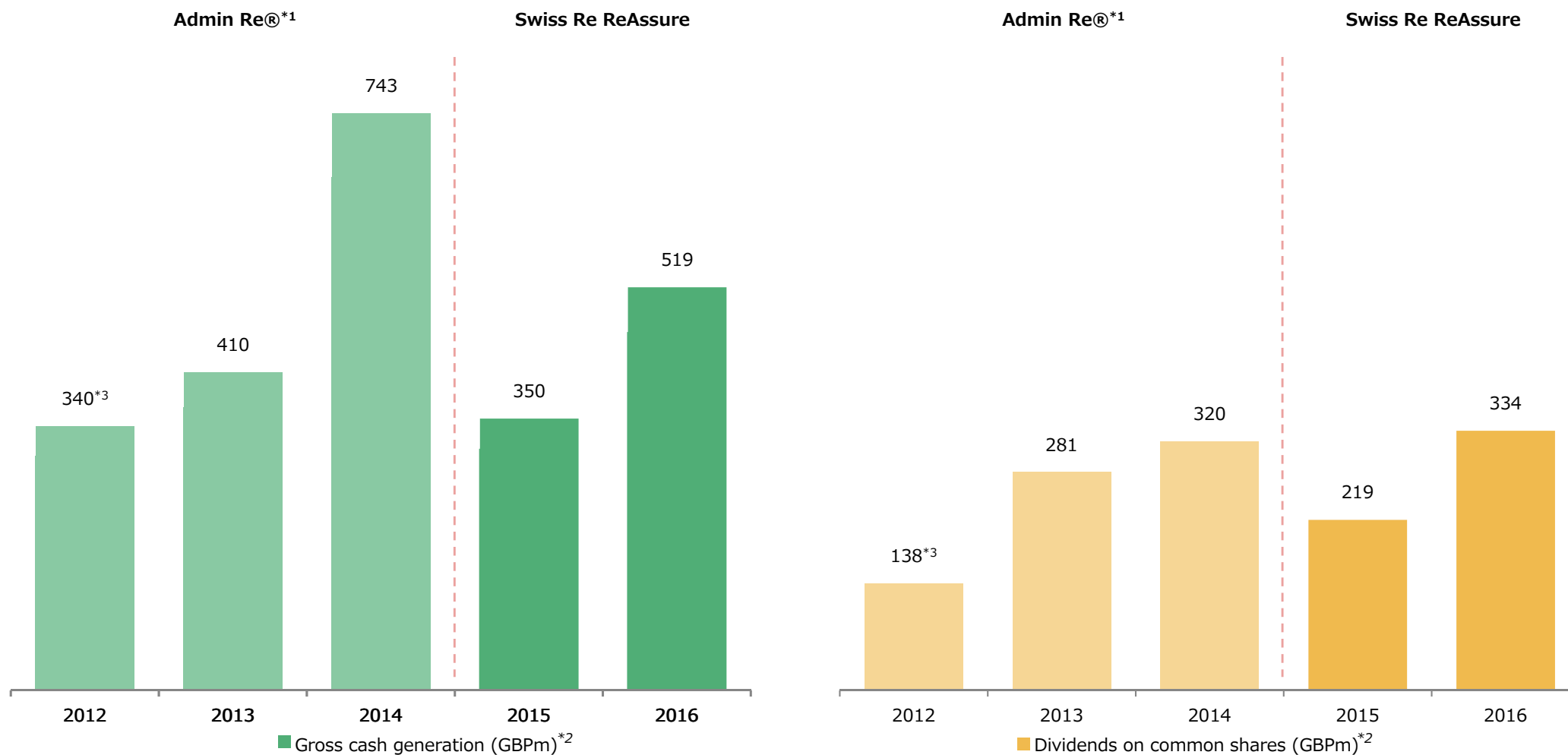


Note: Completion date shown for each transaction ^{*1} An annuity provider pays an insurer a fixed annual amount and the insurer pays the actual amount of annuities to the pensioners; based on £1.7bn book of pension annuity contracts; ^{*2} Sale of the new business operations of Tomorrow to LV; ^{*3} Value of the underlying AuM

4. Strengths of ReAssure (3) Stable cash generation and dividends

- ReAssure has continued to deliver stable profitability and cash flow generation in recent years

Strong cash generation and dividend distribution



*1 Swiss Re segmental reporting for Admin Re® *2 USD 1 = GBP 0.7865 *3 Admin Re Ltd net income excluding a non recurring loss from the sale of Admin Re US Holding to Jackson National Life Insurance Company

4. Strengths of ReAssure (4) Other strengths

- Support by Swiss Re (resources, high rating, network)
- High customer satisfaction as a result of effective portfolio management with proprietary IT platform “ALPHA”
- Cost synergies, ALM synergies, and capital synergies based on scale

5

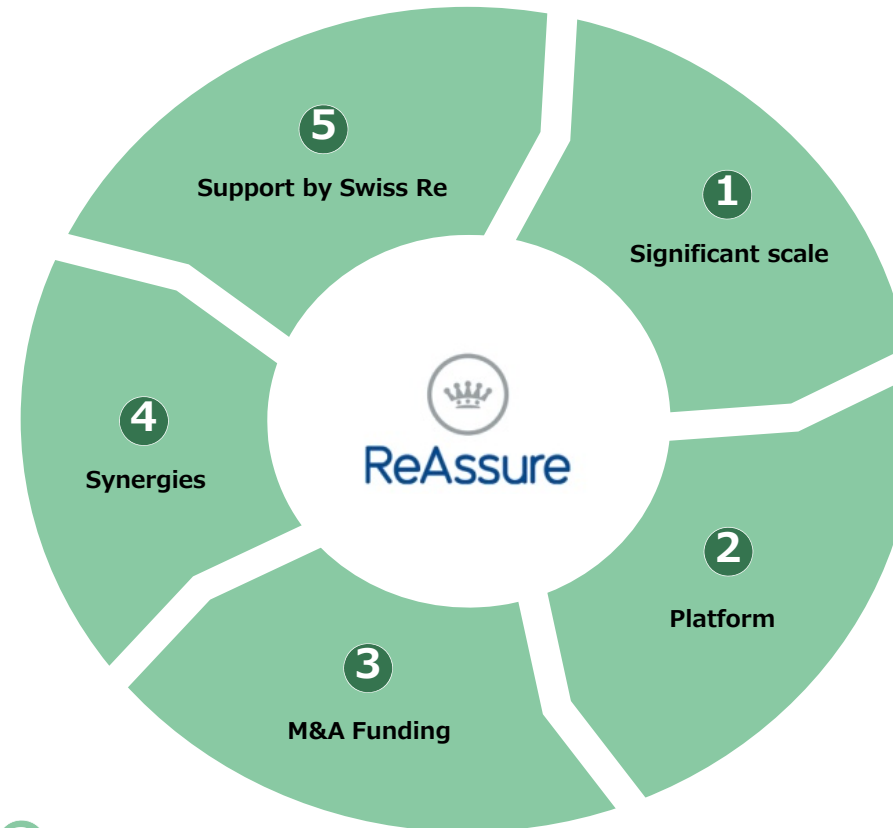
SUPPORT BY SWISS RE

- ReAssure can leverage the resources of Swiss Re and Swiss Re Life Capital
- Capital and funding optimization (Swiss Re is AA- rated by S&P)
- Access to acquisition opportunities through Swiss Re's network

4

SYNERGIES

- ReAssure's management has a proven track record of delivering synergies (cost synergies, ALM synergies, capital synergies)



1

SIGNIFICANT SCALE

- 3.8m in-force policies managed
- 2,257 employees across the UK and Ireland
- Over GBP 40 billion in reserves
- 10 acquisitions completed since 2003 for a total of more than 6.8m policies

2

PLATFORM

- Scalable proprietary IT platform “ALPHA”
- ALPHA has been developed over 20+ years, combining in-house experience and expertise
- Flexibility to manage multiple product lines and policy variants
- ALPHA allows ReAssure to also provide administration services for other insurers' portfolios

3

M&A FUNDING

- Long-term capital / funding are crucial to the long-term success of a closed life consolidator
- The partnership with MS&AD will bolster ReAssure's competitiveness of future acquisitions

5. Strategic Objectives of the Investment in ReAssure

(1) Attractive economics in the UK closed book life sector

- The UK is the largest and one of the most mature life insurance markets in Europe, with profitability levels showing strong resilience to the low interest rate environment in comparison with other European markets
- Under tighter regulation and a sustained low interest rate environment, the UK closed book industry is expected to benefit from favorable developments going forward

(2) Leverage of know-how in the closed book life business

- Tighter regulation and low interest rates have pushed open life insurance businesses to shift their focus toward capital-light products and services
- This trend should fuel future consolidation opportunities and growth in the closed life industry
- Attractive return dynamics from the synergy potential of ongoing consolidation by utilizing Swiss Re's know-how in business operations and the partnership

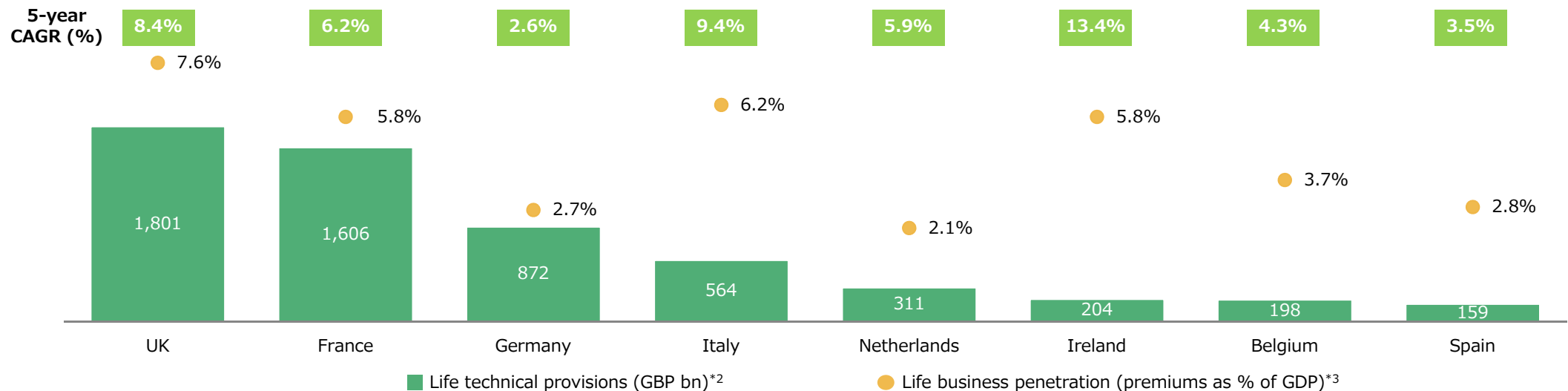
(3) Portfolio diversification

- Aiming to secure profitability through further portfolio diversification by assuming risks in life insurance outside Asia.
- The investment brings counter cyclical characteristic and diversification to the business portfolio, as negotiated terms of future acquisitions can prove favorable in light of regulatory scrutiny and challenging market dynamics for open life insurers.

(1) Attractive economics in the UK closed book life sector

- The UK is the largest and one of the most mature life insurance markets in Europe, with profitability levels showing strong resilience to the low interest rate environment in comparison with other European markets (Cf. p. 17)
- Under tighter regulation and a sustained low interest rate environment, the UK closed book industry is expected to benefit from favorable developments going forward

TOTAL LIFE TECHNICAL PROVISIONS FOR KEY EUROPEAN MARKETS IN 2016^{*1}



The largest and one of the most mature and dynamic markets in Europe

- European life insurance is dominated by the UK market, with c. £1.8tn in technical life insurance provisions in 2016^{*1},
- With the second highest life insurance penetration rate in Europe, the UK market stands as one of the most mature markets in the world
- Unit linked and index linked policies account for 65% of life insurance technical provisions in the UK
- The shift from capital-intensive to capital light products has been driven by several legislative and regulatory changes (e.g. Solvency II, pension reforms)
- The UK closed life sector offers strong growth and consolidation prospects with an estimated c.£300bn^{*4} potential closed book liabilities to be available on the market

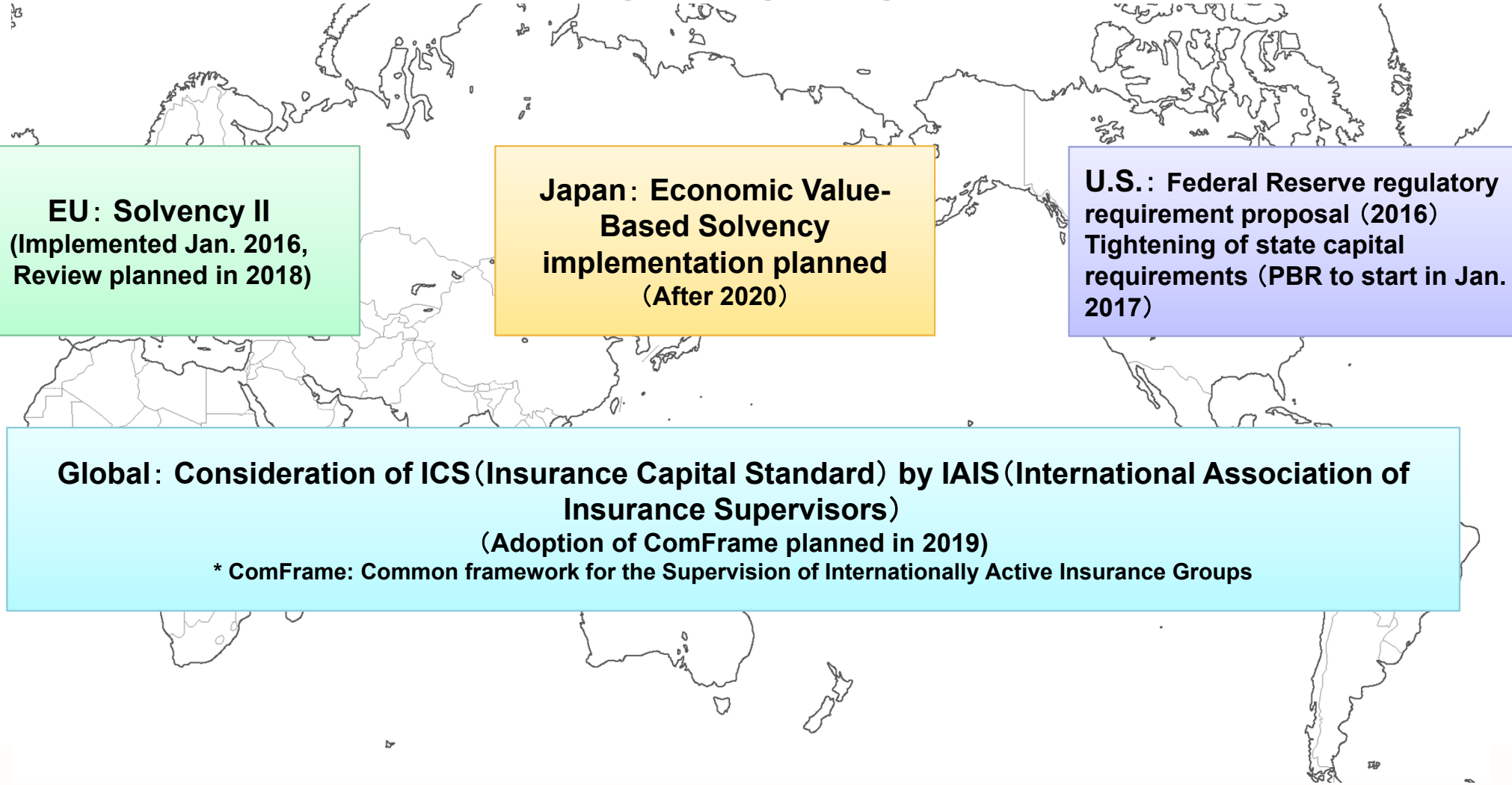
^{*1} CAGR calculated using EIOPA 2011 gross life assurance provisions and 2016 EIOPA life technical provisions excluding health insurance

^{*2} GBP 1 = EUR 1.168 (as of 31/12/2016) ^{*3} Sigma Re 2016 report ^{*4} Deutsche Bank research

(2) Leverage of know-how in the closed book life business

- Tighter regulation and low interest rates have pushed open life insurance businesses to shift their focus toward capital-light products and services. This trend should fuel future consolidation opportunities and growth in the closed life industry
- Attractive return dynamics from the synergy potential of ongoing consolidation by utilizing Swiss Re's know-how in business operations and the partnership

Global tightening of regulations



EU: Solvency II
(Implemented Jan. 2016,
Review planned in 2018)

**Japan: Economic Value-
Based Solvency**
implementation planned
(After 2020)

**U.S.: Federal Reserve regulatory
requirement proposal (2016)**
Tightening of state capital
requirements (PBR to start in Jan.
2017)

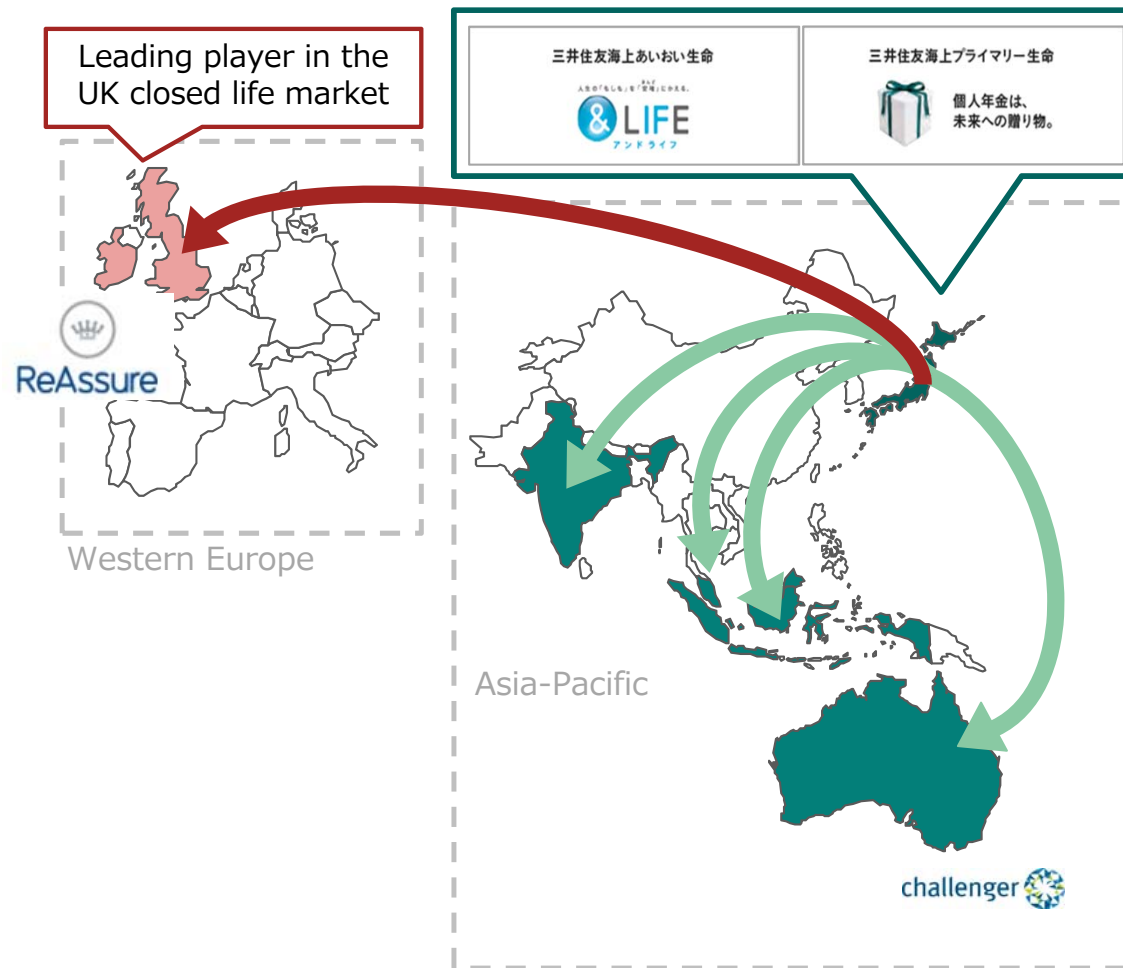
Global: Consideration of ICS (Insurance Capital Standard) by IAIS (International Association of Insurance Supervisors)
(Adoption of ComFrame planned in 2019)

* ComFrame: Common framework for the Supervision of Internationally Active Insurance Groups

(3) Diversification of the business portfolio

- Aiming to secure profitability through further portfolio diversification by assuming risks in life insurance outside Asia.
- The investment brings counter cyclical characteristic and diversification to the business portfolio, as negotiated terms of future acquisitions could prove favorable in light of regulatory scrutiny and challenging market dynamics for open life insurers.

Development of MS&AD's life insurance business



Portfolio diversification effect

- Geographical portfolio diversification by assuming risks in the UK life insurance market
- Diversification with existing life insurance business supported by counter cyclical characteristics of the business
- Diversification in asset management by incorporating credit investment opportunities in the UK market through ReAssure

6. Impact on Group Core Profit

- Positive impact on Group Core Profit: + JPY 4 billion*¹ on a proforma basis
(Subject to the state of acquisitions by ReAssure. Reference figure calculated from 5-year average profit.)

Illustrative Impact on Group Core Profit

	MS&AD (FY2016 results)	Illustrative Impact of investment in ReAssure (Reference)
Group Core Profit	JPY 213.7 billion	+ JPY 4 billion* ¹

*¹ Assuming consolidation of pro-rata earnings' share for a 15% stake; proforma calculation as of FY2016 based on average annual earnings of Admin Re Ltd between FY2012 and FY2014 and Swiss Re ReAssure Ltd between FY2015 and FY2016 (consolidated US GAAP accounts). USD 1 = JPY 110

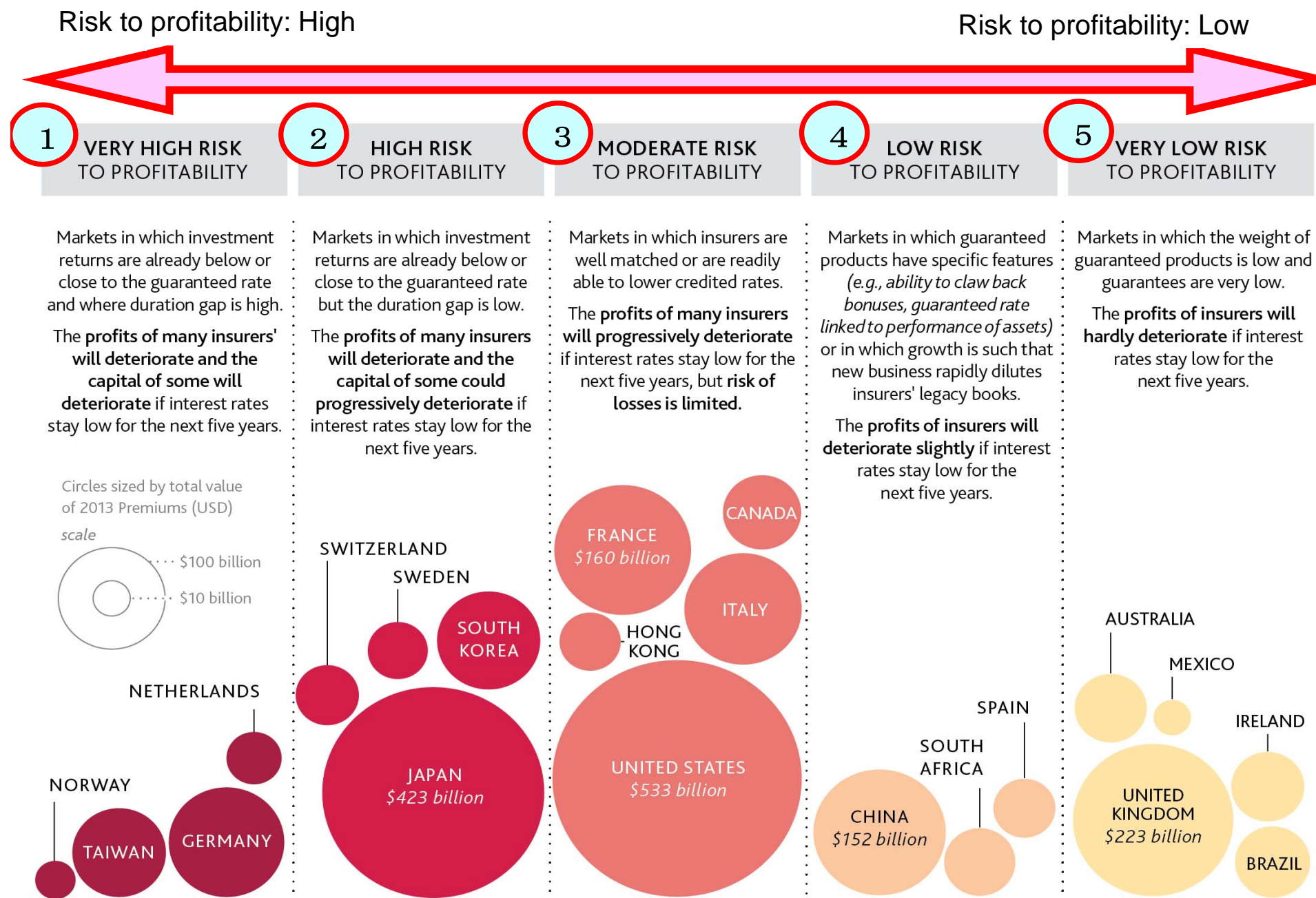
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Appendix

[Appendix] UK: The most robust life insurance market under the low interest rate environment

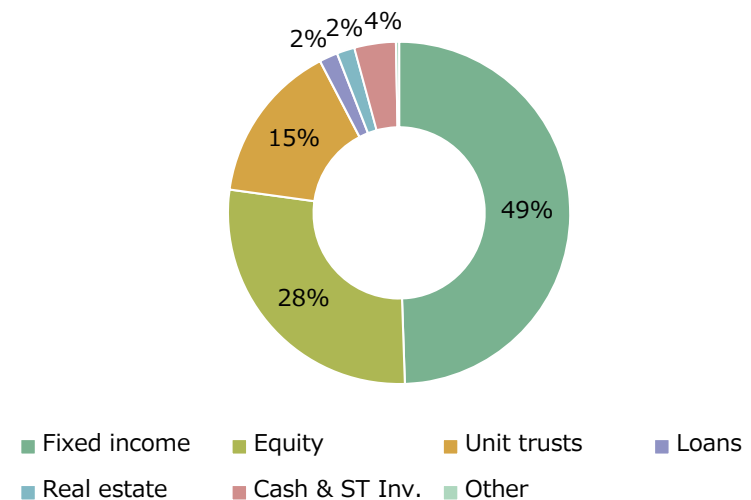


Source: Moody's

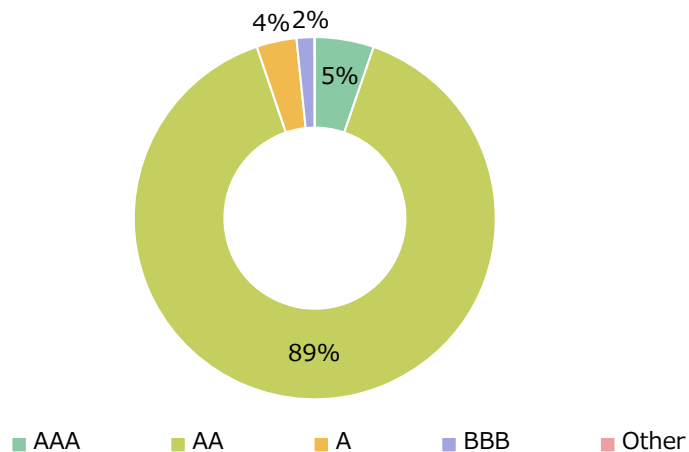
[Appendix] ReAssure's investment portfolio

ReAssure investment breakdown (2016)*¹

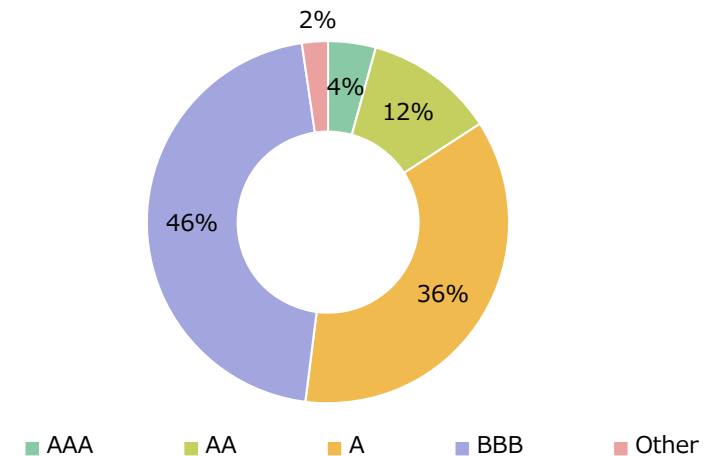
	(GBPm)	%
Fixed income	22,041	49.5%
Equity	12,350	27.7%
Unit trusts	6,760	15.2%
Loans	777	1.7%
Real estate	751	1.7%
Cash & equivalents	1,746	3.9%
Other	134	0.3%
Total	44,559	-



Government and government related debt (2016)*^{1,2}

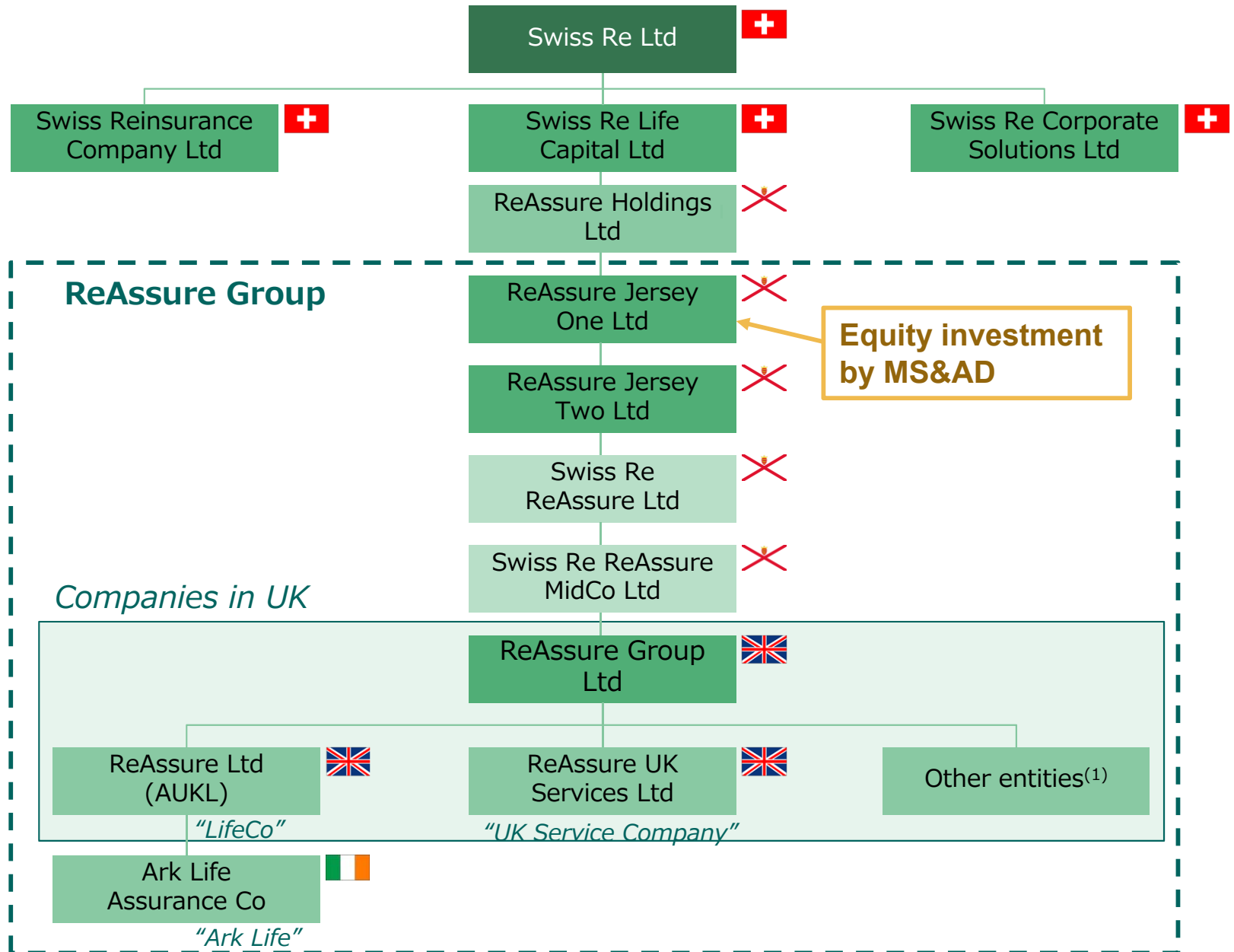


Corporate and asset backed securities debt (2016)*^{1,2}



*¹ ReAssure Limited 2016 Annual Report *² ReAssure Ltd's credit risk exposure

[Appendix] Structure of ReAssure Group

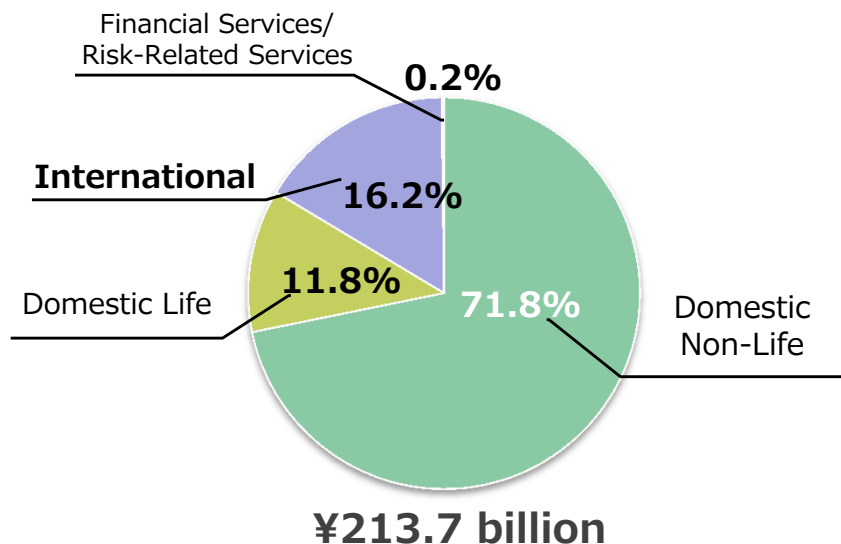


Notes: (1) Includes ReAssure Companies Services Ltd and 23 other small/dormant entities

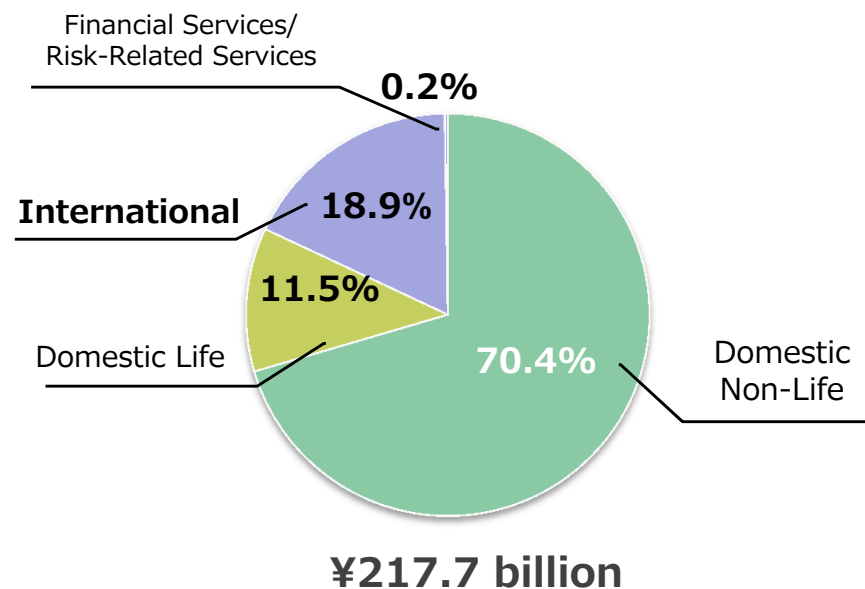
[Appendix] Impact on Group Core Profit

Group Core Profit

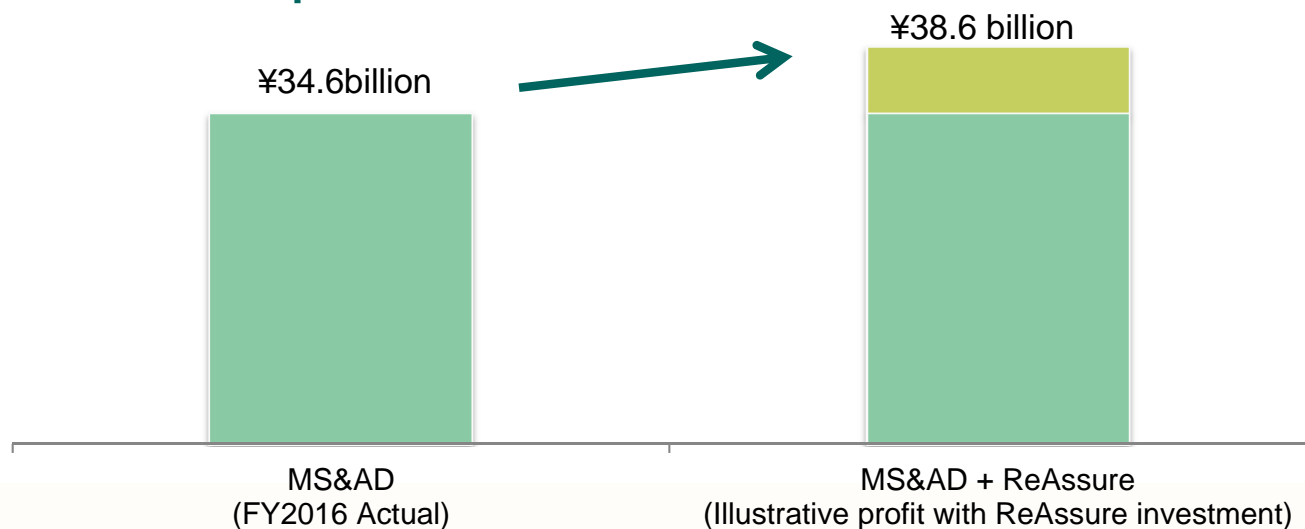
**MS&AD
(FY2016 Actual)**



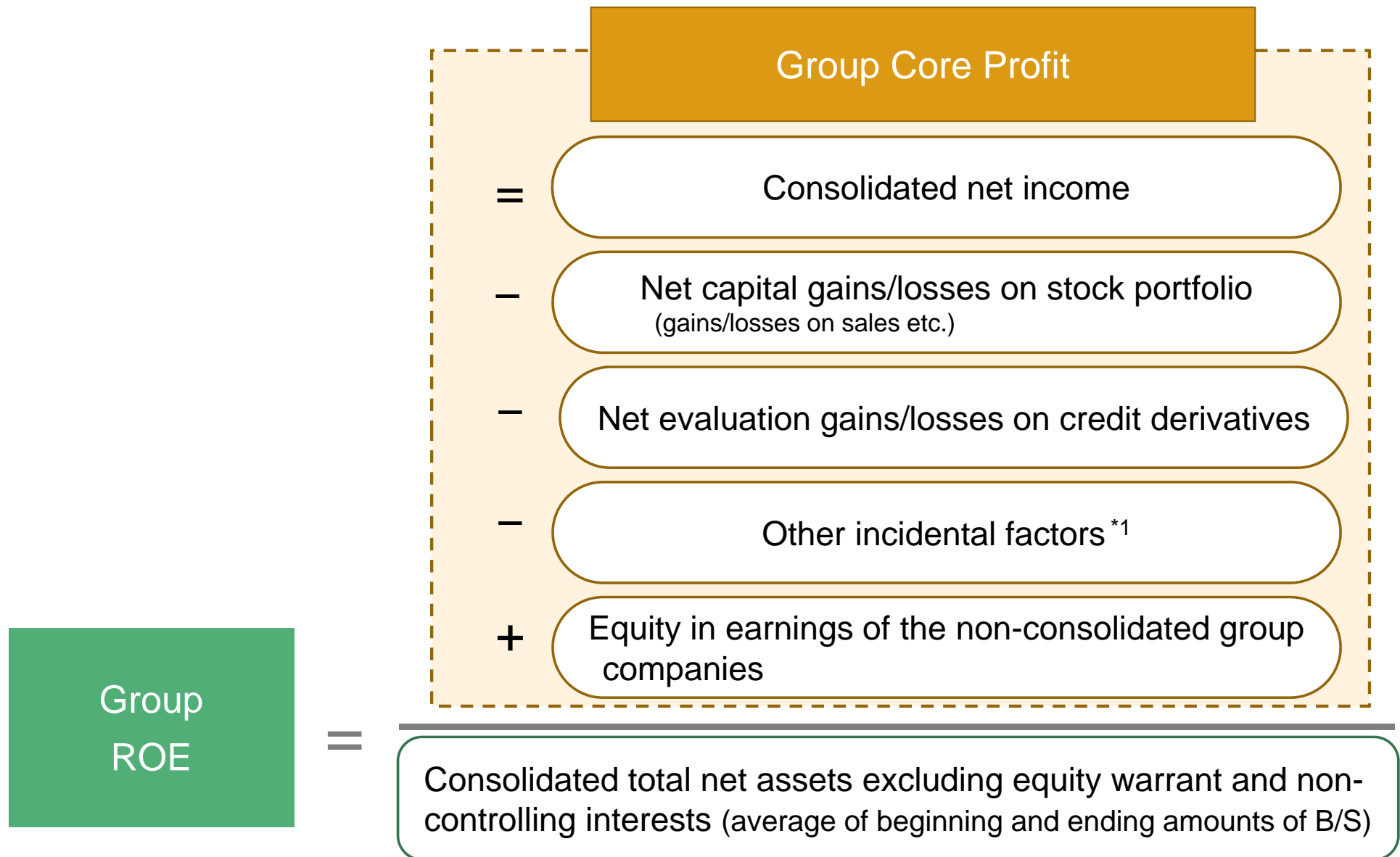
**MS&AD + ReAssure
(Illustrative profit with ReAssure investment)**



Group Core Profit of International Business



[Appendix] Calculation Methods of “Group Core Profit” and “Group ROE”



*1 Extraordinary income/loss after-tax (excluding provision for/reversal of reserve for price fluctuation), amortization of goodwill and other