

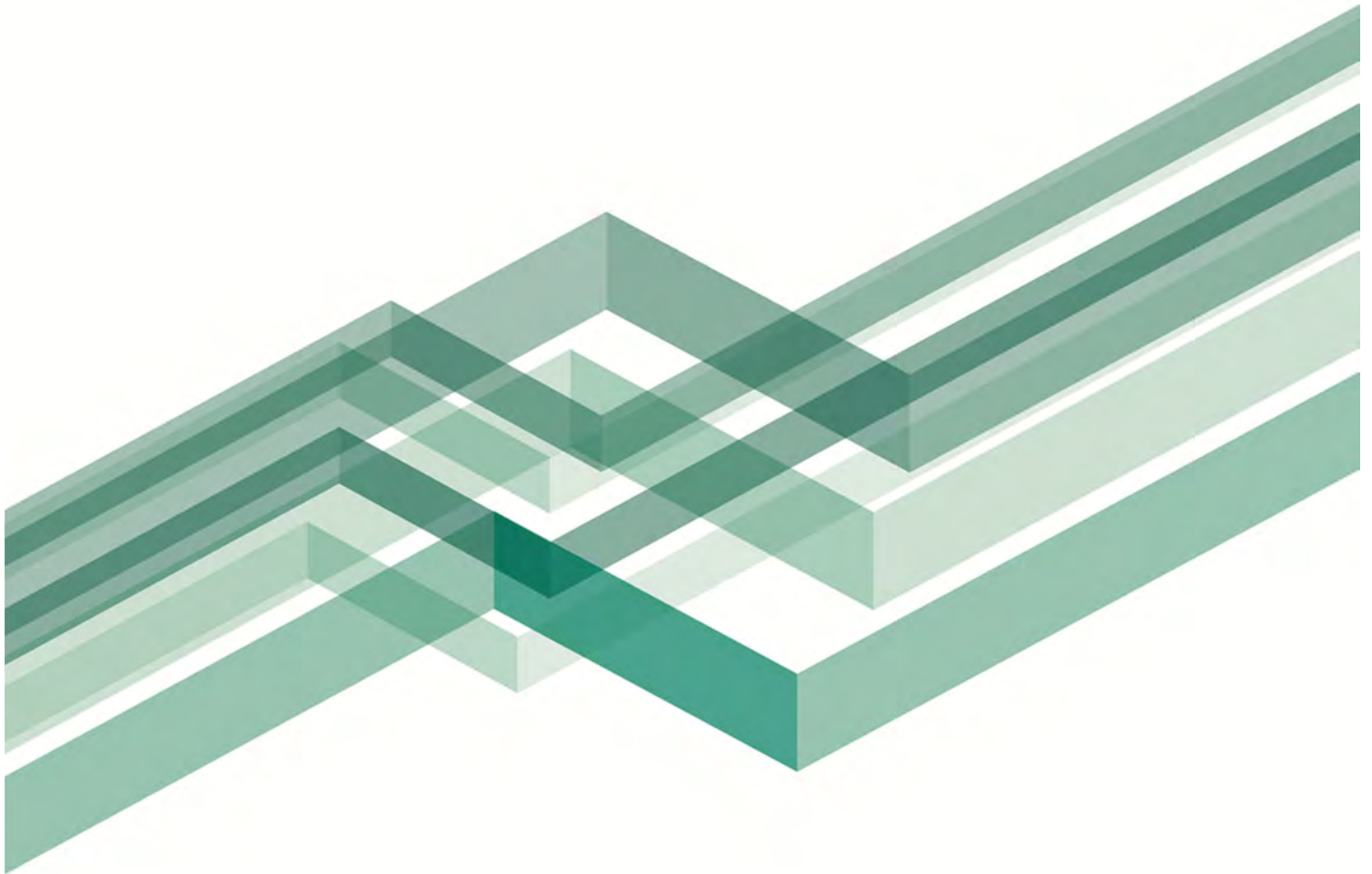
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MS&AD

INSURANCE GROUP

Fiscal 2017 First Information Meeting

May 25, 2017



MS&AD Insurance Group Holdings, Inc.

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MS&AD Group Overview

Holding company

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

Domestic Non-Life

MS&AD Mitsui Sumitomo Insurance 

MS&AD Aioi Nissay Dowa Insurance 


MS&AD Mitsui Direct General Insurance 

International

Overseas subsidiaries

Domestic Life

MS&AD Mitsui Sumitomo Aioi Life Insurance 

MS&AD Mitsui Sumitomo Primary Life Insurance 

Financial Services

Risk-Related Services

MS&AD Insurance Group Holdings, Inc.

Abbreviations of company names used in this presentation.

- MS&AD Holdings : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- MSIG : Mitsui Sumitomo Insurance Group Holdings, Inc.
- 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.

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, (4) changes in tax and other regulatory systems, etc.

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Main Points of Today's Presentation

Management that leverages diversity

- (1) Establishment of Business Portfolio to be Achieved
Aiming to expand earnings in growth business and build a business portfolio to be achieved based on the stable foundation of the Domestic Non-life Insurance Business.
- (2) Digital Strategy for Sustainable Growth
Developed research on advanced digital ICT and demonstration of experiments for utilization in the insurance business.
- (3) Contribution to Sustainable Development of Society
Contributing to resolving social issues through the development of new products and services that make full use of the diversity of the Group.

Overall progress

Although there were fluctuations in the breakdown of the business domain, there was steady progress as a whole. The Next Challenge 2017 target for its final year is expected to be steadily achieved.

Status of each business domain

- (1) Domestic Non-Life Insurance Business
Combined ratio has been stable and growth of casualty insurance is driving profit expansion.
- (2) Domestic Life Insurance Business
Established a profit structure according to the environment by product and sales strategies.
- (3) International Business
Although profit showed negative growth against the plan in FY2016 due to the frequent occurrence of natural disasters and the exchange rate effects, it will be steadily growing from FY2017.

Status of driver initiatives

- (1) ERM
ROR of Domestic Non-Life Insurance Business steadily improved, steady progressing toward 10% ROE to be achieved in the future.
- (2) Corporate Governance
Increased the ratio of outside directors and created a more transparent governance structure that takes advantage of diversity.

Shareholder returns

The annual dividend for FY2016 is planned to be ¥120 (an increase of ¥30 year-on-year). Forecast for FY2017 is ¥130.

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I . Management That Leverages Diversity

Establishment of Business Portfolio to be Achieved

- Domestic Non-Life Insurance Business accounts for approximately 70% of Group Core Profit as its profitability has improved.
- While securing earnings from Domestic Non-Life Insurance Businesses, the Group will expand earnings from the growth field of International Business and Domestic Life Insurance Business to achieve 50% in businesses other than Domestic Non-Life Insurance Business, which will be a step toward the overseas portfolio of 50% to be achieved in the future.

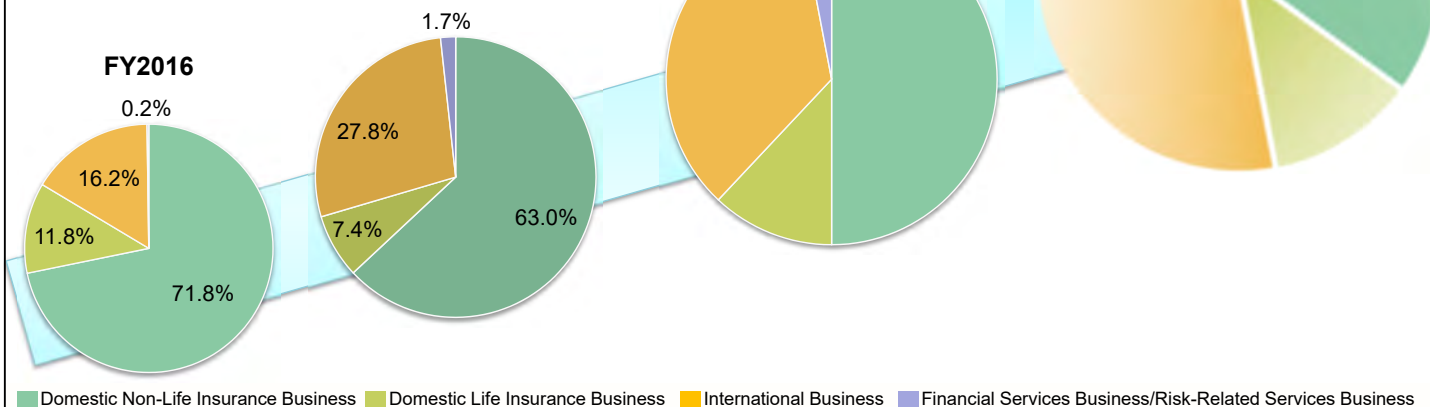
Share of business domains in Group Core Profit

Goals to be achieved in the future
(Target image)

Goals to be achieved
in the medium term
(Target image)

FY2017(Forecast)

FY2016



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2

Establishment of Business Portfolio to be Achieved: Evolution of Reorganization by Function (Standardization of Products and Operating Procedures)

- Aiming for further efficiency improvement by reorganization of claims services and standardizing products and operating procedures. (The total development cost is estimated to be ¥43 billion, and the cost reduction effect is expected to be ¥15 billion annually by about 2021.)

Standardization of Products and Operating Procedures*

- Development of products with superiority and competitiveness that demonstrate the strengths of both companies.
- Improvement of efficiency in product and operating procedures areas, reduction of print-related expenses, etc.
- Reduction of system development costs.

Reorganization of Claims Services (Development of joint claims services system and function sharing)

- Joint development of claims services system (BRIDGE) and sequentially shifting to new system from FY2019.
- Continuous research on claims assessment using AI and countermeasures against improper claims using big data analysis.
- Promotion of function sharing initiatives including the establishment of service centers for insurance class-specialized lines and standardization of operations.

Reorganization of Head Office Function (Strengthening of holdings governance)

- Consolidation of part of the head office functions of MSI Aioi Life (risk management, compliance, internal audit, etc.) with the holding company.
- Strengthening of the asset management function of MSI Aioi Life (consolidation of part of operational risk management functions with the holding company).

Towards achievement of further
growth and efficiency

* There are products that leave differences (uniqueness) between the two companies from the viewpoint of strategy to address specific markets and channels.

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Establishment of Business Portfolio to be Achieved: Synergy with MS Amlin

- Integration of MS Amlin with Lloyd's business and reinsurance business was completed at the end of 2016 as planned, and cost synergy of business integration is expected to record approximately ¥8 billion. Growth synergy is expected to produce results of ¥4.4 billion with projected premiums and promote the enhancement of various infrastructures.

Business integration (cost) synergy

- Cost reduction effect: Approximately **¥8 billion** annually (on and after FY2017)
 - Cost reduction of personnel expenses, non-personnel expenses, IT expenses, etc.: Approximately ¥3.4 billion
 - Cost reduction of reinsurance contracts: Approximately ¥2.3 billion (change from FY2016)

Growth synergy

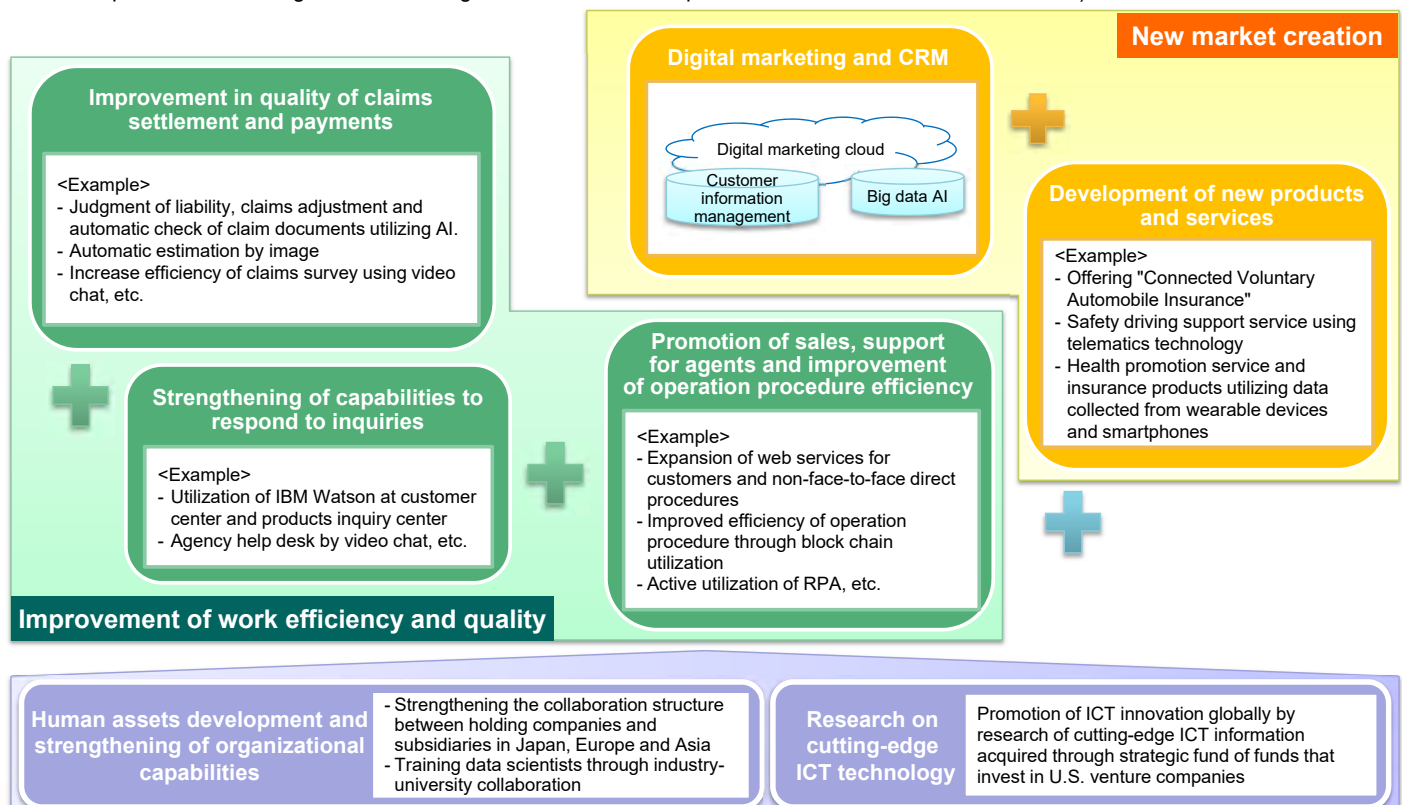
- Approximately ¥4.4 billion in FY2016 (based on projected premiums, accounting for around ¥1.2 billion in FY2016)
- Promote various activities that utilize regional characteristics, such as cargo and yacht insurance in Asia and aviation insurance in the U.S., by combining our network and underwriting know-how from MS Amlin.
- Promote the enhancement of various infrastructure, such as the improvement of various underwriting systems for Japanese global customers, sophistication of internal models and ERM through personnel exchanges, collaboration with MS Amlin's investment fund company (LCP) and ICT fields, such as block chains.

Initiatives planned for FY2017

- Formulate vigorous International Business strategies through discussions among head office executives in charge of international business, management of regional holdings companies and MS Amlin to establish the next medium-term management plan for FY2018.

Digital Strategy for Sustainable Growth: Utilization in Insurance Business

- Developing demonstration experiments for research on advanced digital ICT and its application to insurance business (product development, underwriting, sales/marketing, office administration/premium collection, claims services, etc.).

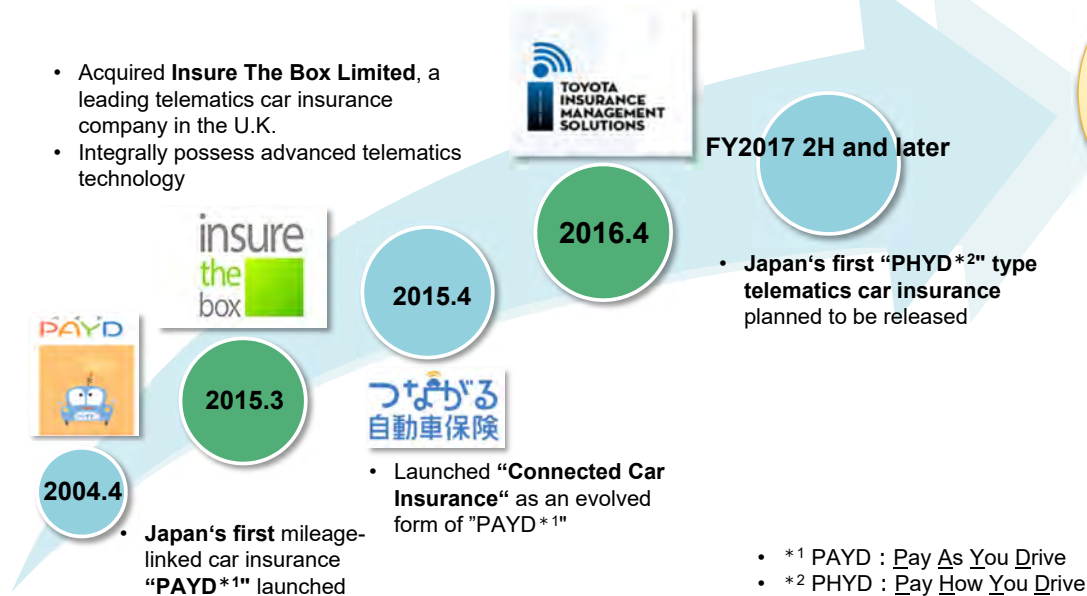


Digital Strategy for Sustainable Growth: Promotion and Development of Telematics Business

- The Group acquired the advanced telematics technology of Insure The Box Limited, a leading telematics car insurance company in the U.K., to demonstrate its superiority in this field and expand its global business.

- Established telematics car insurance services company, **Toyota Insurance Management Solutions USA, LLC (TIMS)** in the U.S. in cooperation with Toyota

**Global expansion
of telematics
insurance business**



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Contribution to Sustainable Development of Society: New Products and Services that Contribute to the Solution for Social Issues

- Create value through contributions to the solution for social issues such as frequent accidents and disasters, extensive natural disasters caused by climate change, mounting burden of nursing/medical care due to demographic aging and decreasing vitality of local communities.

Protect People's Lives and Businesses from Diverse and Complicated Accidents and Disasters

Mistakenly go on a railroad and stop a train, which resulted in a large claim for compensation

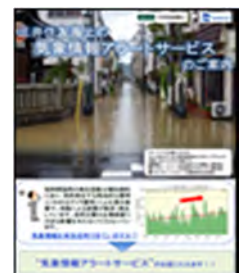
Compensate for liabilities of inability to operate trains without property damage



Fight Against Climate Change and the Deterioration of Natural Capital

Water damage risk due to a localized torrential downpour and guerrilla rainstorm

Support for building a framework for timeline disaster prevention



Face the Risk of an Aging Society and Support Healthy and Prosperous Lives

Leave assets for children and grandchildren

Living benefits can be received immediately after execution of contract



"Currency option-type fixed special whole life insurance" from MSI Primary Life

Support Community Revitalization and Sustainable Development

Decline in vitality of community

Support regional revitalization through agreements with local governments



MSI Tochigi Prefecture

ADI Okayama City



Certified "Bronze Class" in Global Sustainability Rating



ROBECOSAM
Sustainability Award
Bronze Class 2017

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Contribution to Sustainable Development of Society: Human Assets Development and Work Style Reform

Work style reform



Improvement in motivation and
job satisfaction
Securing and training of
competent human assets



Strengthening
competitiveness
Sustainable growth

Work Style Reform

- Work-life balance
- Development of vibrant working environment



- Leave work by 19:00
- Promotion of taking vacation

Monitoring Employee Satisfaction

Implementation of annual employee awareness survey as KPI

Health Management and Support after Retirement

- Employee's physical and mental health management
- Provide senior employees with a place to be active and enhance pension system (enhancement of defined contribution pension education)

Promotion of Diversity

- Fostering and utilizing diverse human assets by enhancing training and education system according to age, employment history and professional abilities
- Training and utilization of diverse human assets in various countries worldwide
- Improvement of ratio of female executives and promotion of career development of female employee
- Employment of people with disabilities and reemployment of elderly people

Female Executives in the Holding Company (After FY2017 General Shareholders' Meeting)

Number of Female Directors and Corporate Auditors

4 out of 16

25.0%

Ratio of Overseas Employees (end of FY2016)

8,759 out of 40,641

Total number of employees

21.6%

(+5.2pt compared to FY2012)

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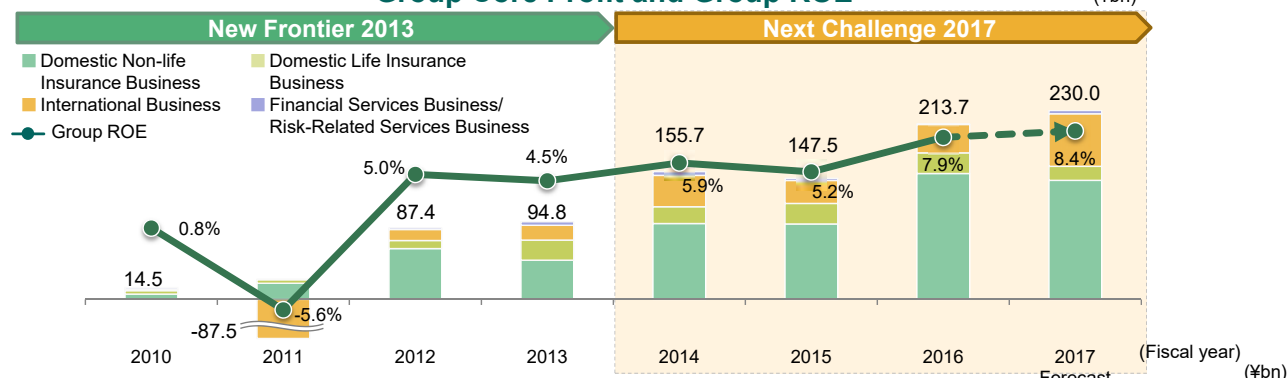
II. Progress of "Next Challenge 2017"

Progress Towards Numerical Management Targets

- The third year of the Next Challenge 2017 was over and we are making steady progress. Group Core Profit is expected to surpass ¥220 billion and Group ROE is expected to be over 7.5% in the final fiscal year.

Group Core Profit and Group ROE

(¥bn)



	FY2014	FY2015	FY2016		FY2017	
			Results	(Revised forecast)	Forecast	(Target)
Domestic Non-life Insurance Business	92.4	91.9	153.3	130.0	145.0	135.0
Domestic Life Insurance Business	20.4	25.0	25.1	17.0	17.0	15.0
International Business	38.2	27.9	34.6	49.0	64.0	65.0
Financial Services Business / Risk-Related Services Business	4.6	2.6	0.5	0.0	4.0	5.0
Group Core Profit	155.7	147.5	213.7	196.0	230.0	220.0
Group ROE	5.9%	5.2%	7.9%	7.6%	8.4%	7.5%
Increase in EV MSI Aioi Life	59.7	-52.0	198.4	3.0	50.0	Over 50.0
Consolidated Net Premiums Written	2,940.7	3,078.9	3,406.9	3,387.0	3,450.0	3,570.0
Combined Ratio (Domestic Non-Life)	96.0%	91.6%	92.6%	93.9%	92.9%	93% level

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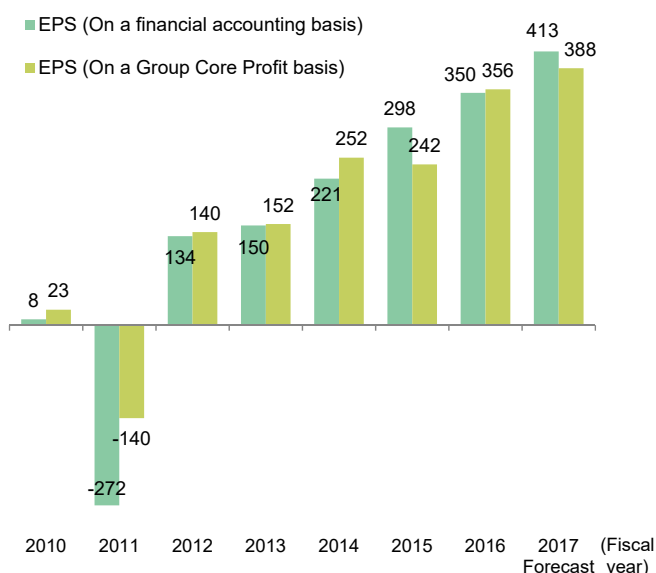
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EPS and Total Shareholder Return Per Share

- Against the backdrop of strong growth in EPS, TSR per share has also doubled since the business integration (FY2010).

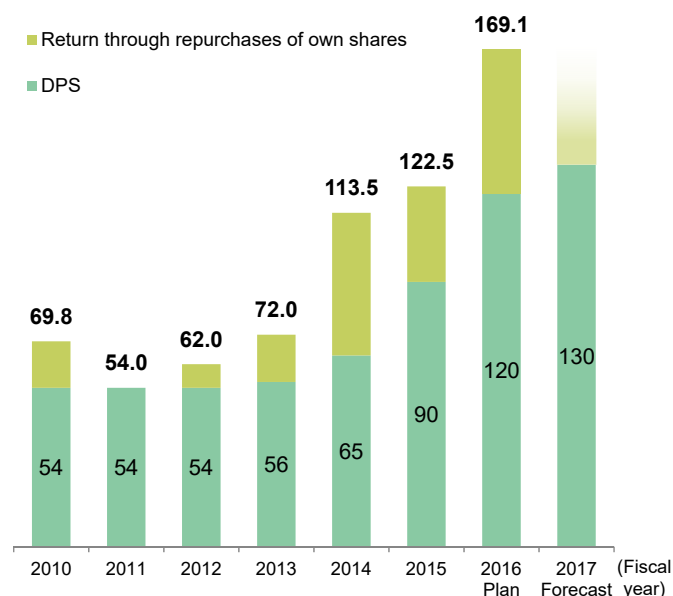
Trends of EPS (earnings per share)

(¥)



Trends of Total Shareholder Return Per Share

(¥)



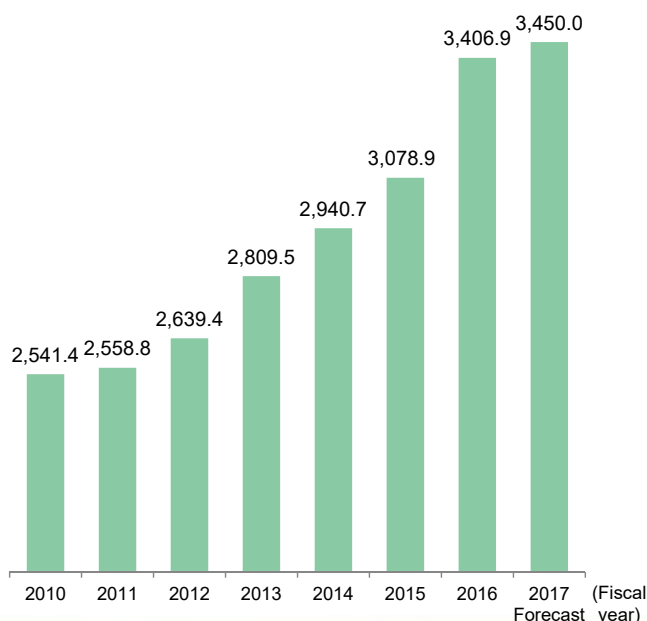
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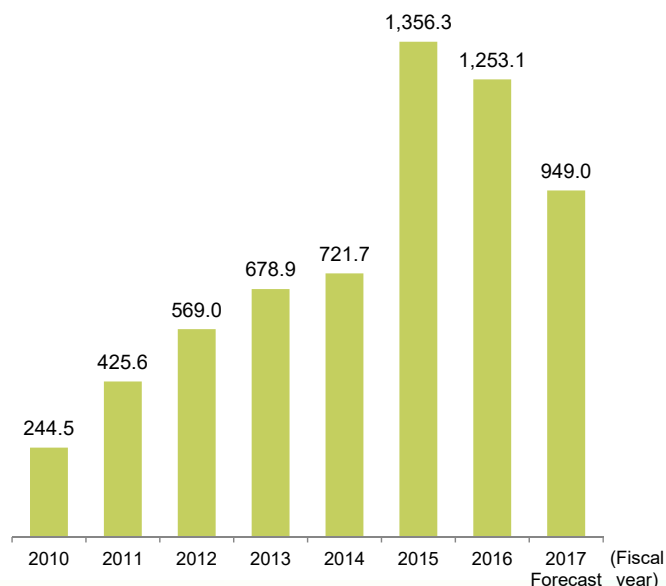
Trends of Premium Income

• In FY2016, consolidated net premiums written (non-life insurance) increased ¥327.9 billion to ¥3,406.9 billion mainly due to inclusion of MS Amlin in the scope of consolidation, while consolidated life insurance premiums decreased ¥103.1 billion to ¥1,253.1 billion as the effect of new products at MSI Primary Life subsided.

Non-Life Insurance: Consolidated Net Premiums Written*1 (¥bn)



Life Insurance: Consolidated Life Insurance Premiums (¥bn)

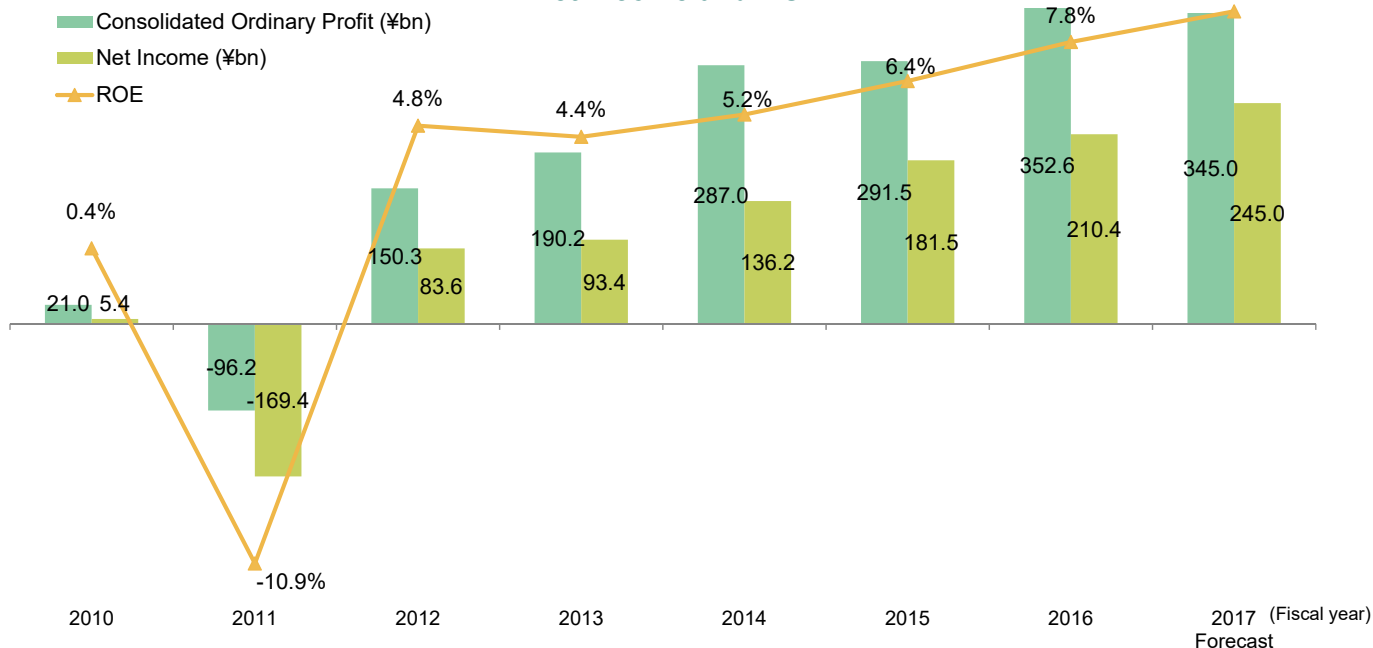


*1: Net premiums written exclude the good results return premiums of the "ModoRich" auto insurance product.

Trends of Bottom Line and ROE (on a Financial Accounting Basis)

• Net income increased ¥28.9 billion to ¥210.4 billion and ROE (on a financial accounting basis) stood at 7.8% in FY2016, mainly due to expansion in underwriting profit in Domestic Non-Life Insurance Business.

Trends of Consolidated Ordinary Profit, Net Income and ROE



Ⅲ. Situation by Business Segment

1. Domestic Non-Life Insurance Business

2. Domestic Life Insurance Business

3. International Business

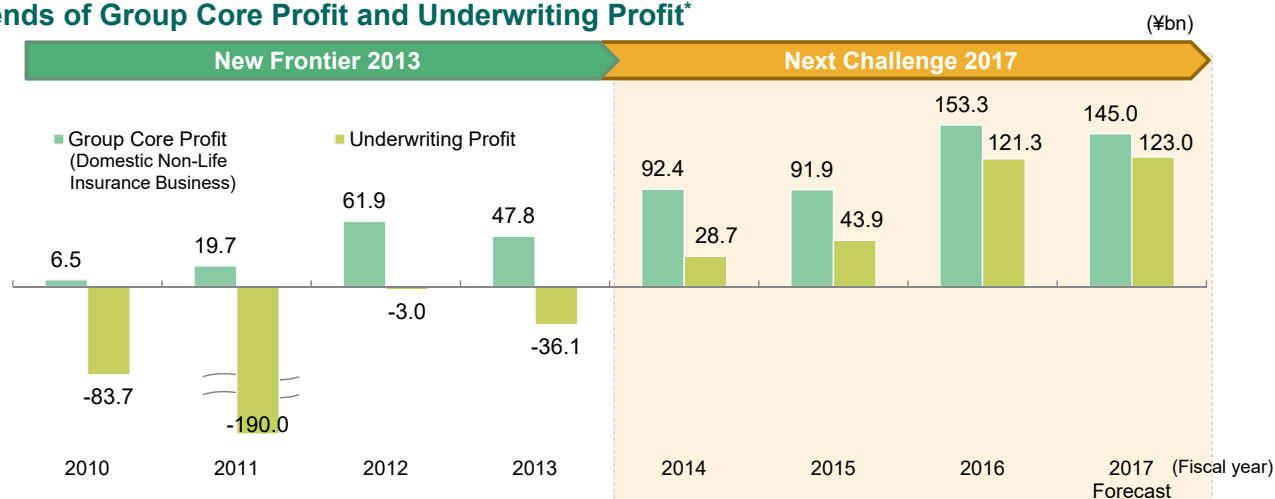
4. Asset Management

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Domestic Non-Life Insurance Business: Trends of Group Core Profit and Underwriting Profit

- Underwriting profit increased ¥77.3 billion to ¥121.3 billion, due to a decrease in incurred losses associated with natural catastrophes and an increase in earned premiums, including voluntary automobile, fire and other insurance.

Trends of Group Core Profit and Underwriting Profit*



Item/Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017 (Forecast)
Underwriting Profit	-83.7	-190.0	-3.0	-36.1	28.7	43.9	121.3	123.0
Net reversal of catastrophe reserves (profit impact)	-0.0	139.5	41.9	3.0	-31.3	-81.6	-81.8	-69.9
Underwriting profit (before reflecting reserves for catastrophes)	-83.7	-329.5	-44.9	-39.1	60.1	125.6	203.1	192.9
Catastrophe reserves*1 (reference)	-65.9	-311.5	-55.1	-96.3	-27.2	-68.1	-51.0	-50.0

* Simple sums of non-consolidated figures for MSI and ADI. Results for FY2010 are simple sums of non-consolidated figures for MSI, Aioi and NDI.

*1 Catastrophe reserves include the Great East Japan Earthquake, Thai flooding in 2011, heavy snowfall in 2014 and other natural catastrophes.

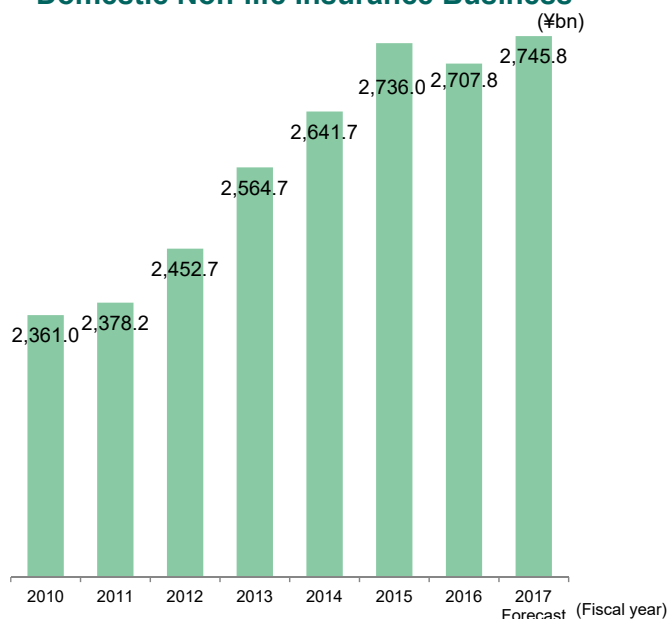
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Domestic Non-life Insurance Business: Trends of Net Premiums Written and Combined Ratio

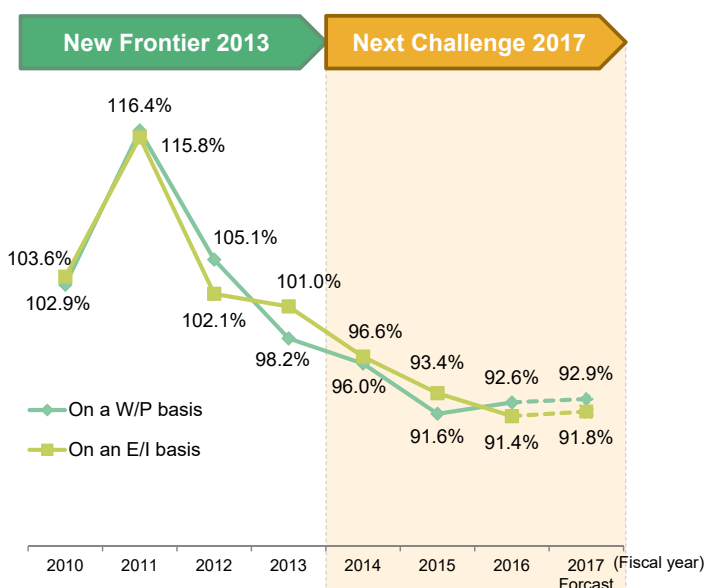
- Net premiums written decreased ¥28.2 billion to ¥2,707.8 billion yen (an increase of ¥66.1 billion on earned premiums basis) due to the reaction to the demand spike before the fire insurance premium rate hike in the previous fiscal year. Although incurred claims were on the same level as the previous year, the combined ratio became 91.4% on an E/I basis due to an increase in earned premiums for voluntary automobile, fire and other insurance, and a decrease in commission.

Trends of Net Premiums Written for Domestic Non-life Insurance Business



Trends of Combined Ratio of Domestic Non-life Insurance Business

(W/P: all lines, E/I: excludes residential earthquake insurance and compulsory automobile liability insurance)

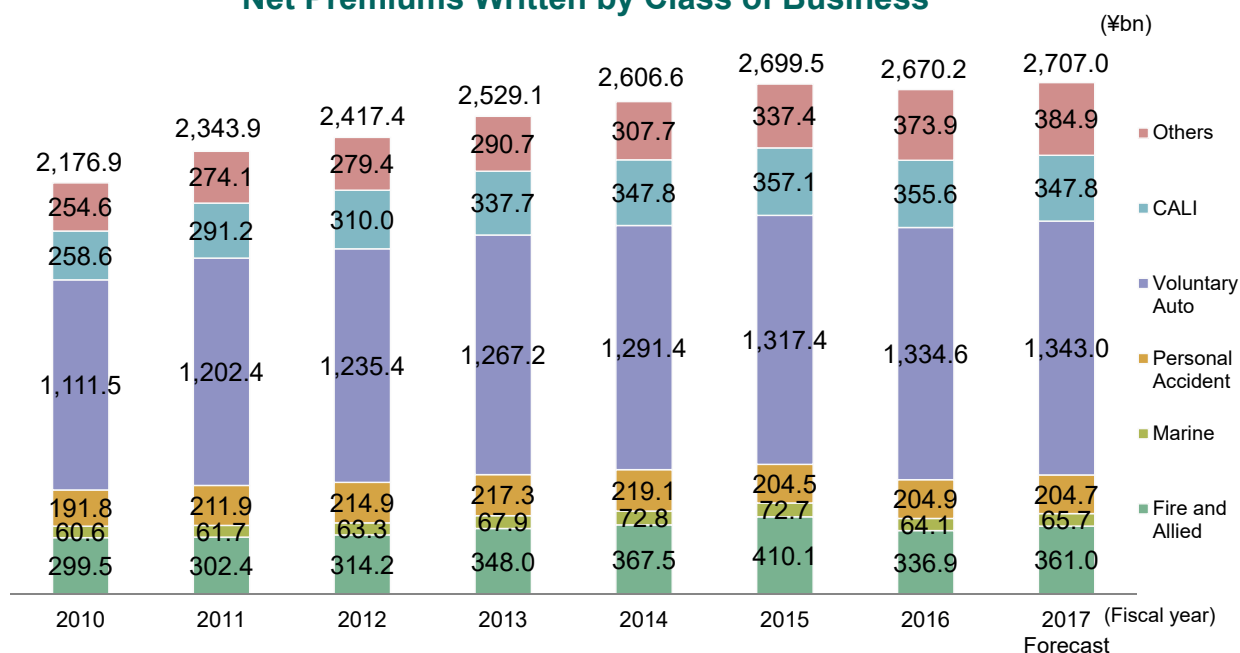


* Simple sums of non-consolidated figures for MSI, ADI and Mitsui Direct General. Results for FY2010 are simple sums of non-consolidated figures for MSI, Aioi, NDI and Mitsui Direct General.

Domestic Non-Life Insurance Business: Net Premiums Written by Class of Business

- Although, on a net premiums written basis, income from Fire and Allied has fallen sharply due to recoil of rush demand, income from Voluntary Auto and Others has risen.

Net Premiums Written by Class of Business



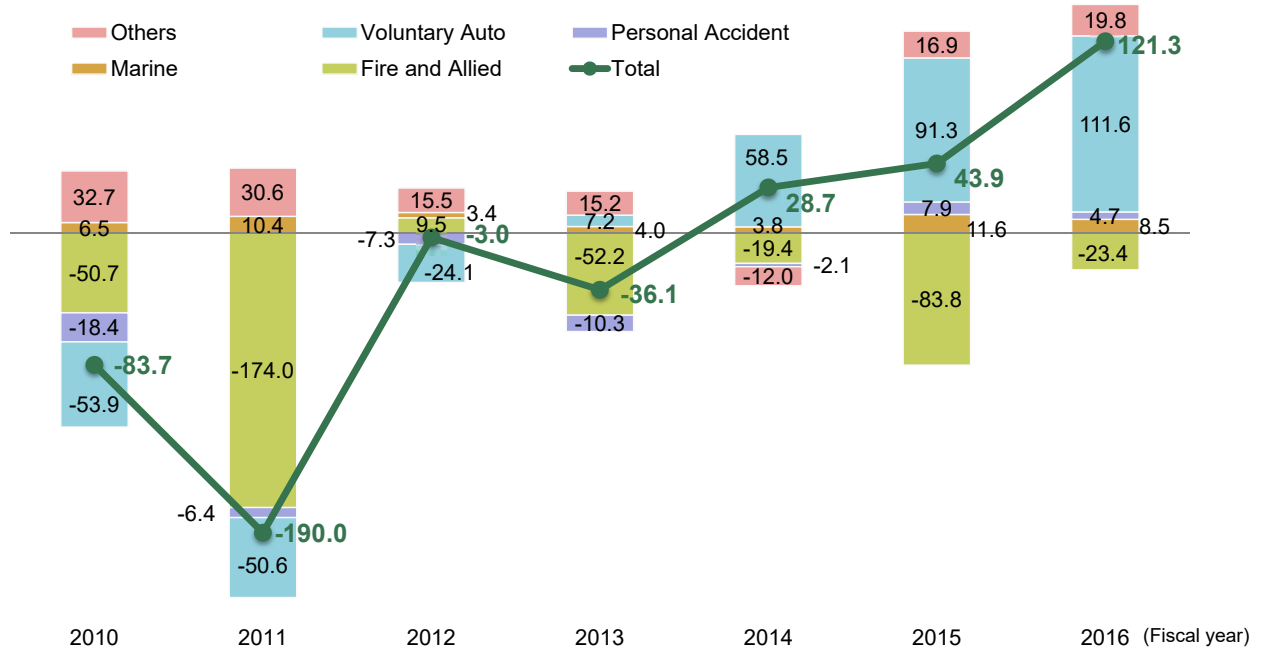
* Simple sums of non-consolidated figures for MSI and ADI. Results for FY2010 are simple sums of non-consolidated figures for MSI, Aioi, and NDI.

Domestic Non-Life Insurance Business: Underwriting Profit/Loss by Class of Business

- While the trend of rising profits for voluntary automobile insurance will be coming to an end going forward, efforts will be made to increase income from Others and improve profitability of Fire and Allied insurance.

Underwriting Profit/Loss by Class of Business

(¥bn)



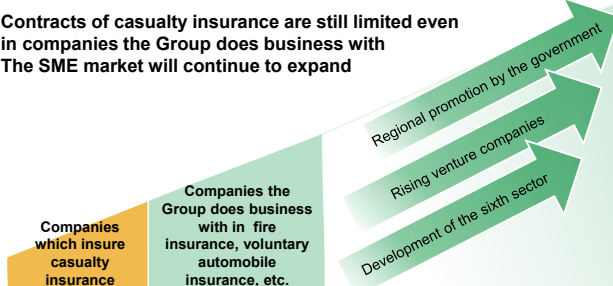
* Simple sums of non-consolidated figures for MSI and ADI. Results for FY2010 are simple sums of non-consolidated figures for MSI, Aioi, and NDI.

Domestic Non-Life Insurance Business: Initiatives for Market Creation

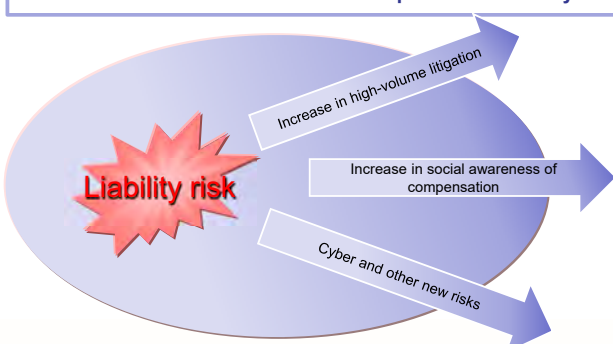
- Working to increase revenue by focusing on the SME market with considerable scope to cultivate and strengthening product supply to new business and new risk in casualty.

There is much room for cultivation of the SME market to expand

- Contracts of casualty insurance are still limited even in companies the Group does business with
- The SME market will continue to expand



Increase in insurance needs due to expansion of liability risk



Results of Initiatives

Package products for SMEs

<FY2016 Results>

Approximately ¥54 billion (+¥6 billion year-on-year)

<FY2017 Plan>

Approximately ¥60 billion (+¥6 billion year on year)

* Simple sums of MSI and ADI based on gross written premiums

Products compatible with new risks and new markets

<FY2016 Results>

Sales results of comprehensive compensation plan covering mega solar, drones, and cyber security:
Approximately 16,000 new contracts: Approximately ¥2 billion premium increase.

* Simple sum of MSI and ADI based on gross written premiums

Strengthening contingency insurance and warranty insurance as new risk countermeasures:

Increase in premiums of approximately ¥14 billion in FY2016.

* Casualty: In this context, refers primarily to miscellaneous products which the Group positions as growth fields, including liability insurance, contingency insurance and specialty insurance.

Domestic Non-Life Insurance Business: Initiatives for Efficiency

- Improvement in efficiency following reorganization by function is in progress according to plan. Active business investment will be made to strengthen future competitiveness and improve further efficiency with the aim of evolving ICT.

Cost Reductions from FY2011

Target amount:
¥60 billion

FY2017
Prospect: Around
¥10.0 billion

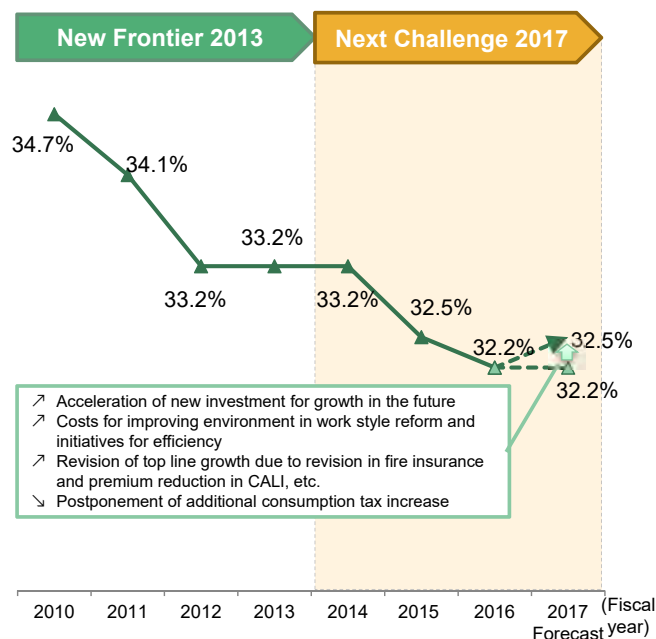
FY2016
¥11.3 billion

Savings
accomplished
until FY2015
¥38.7 billion

¥50.0
billion

Improvement of efficiency related system (operating costs and integration of old hosts)	Around ¥6.5 billion
Reduction in personnel expenses such as improvement in efficiency in the placement of personnel	Around ¥1.0 billion
Effect through reorganization by function and others	Around ¥2.5 billion
Improvement of efficiency in operating costs through integration of old hosts	Around ¥4.0 billion
Effect of Career Assist Plan	Around ¥4.0 billion
Effect through reorganization by function, and others	Around ¥3.3 billion

Trends of Expense Ratio^{*1}



Domestic Non-Life Insurance Business: Situation at Mitsui Direct General

- Net premiums written (excluding CALI) remained firm, rising 3.0% year-on-year, and income improved due to a decrease in incurred losses. Aiming to return to profitability in FY2017.

Trends of Business Results of Mitsui Direct General Insurance (Excluding CALI*)

(¥bn)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Forecast
Net premiums written	33.9	34.8	35.0	34.5	36.1	37.1	38.3
Combined ratio (E/I)	99.0%	98.9%	99.6%	112.7%	114.9%	102.3%	98% level
Net income (per our equity share)	0.3	0.3	0.1	-3.1	-4.3	-0.9	0.2

* CALI stands for Compulsory Automobile Liability Insurance

Main Initiatives in FY2016 (Factors for Improvement in Earnings)

- Net premiums written (excluding CALI): +¥1 billion ← Measures on renewal contracts, enhancement of recognition by new TV commercials, and revision of premium rates levels
- Incurred claims (excluding CALI): -3.7 billion ← Quicker claims settlement and others.

Towards Securing Future Profits

- Achievement of an appropriate level of premium rates and a portfolio that produces highly profitable contracts
Adjustment of disparity of risk subdivision items and review of premium level (continuously implement in FY2017)
=> Increase in premiums income and improvement in portfolio
- Strengthening of claims service system
Promotion of collaboration within the Group

Ⅲ. Situation by Business Segment

1 . Domestic Non-Life Insurance Business

2 . Domestic Life Insurance Business

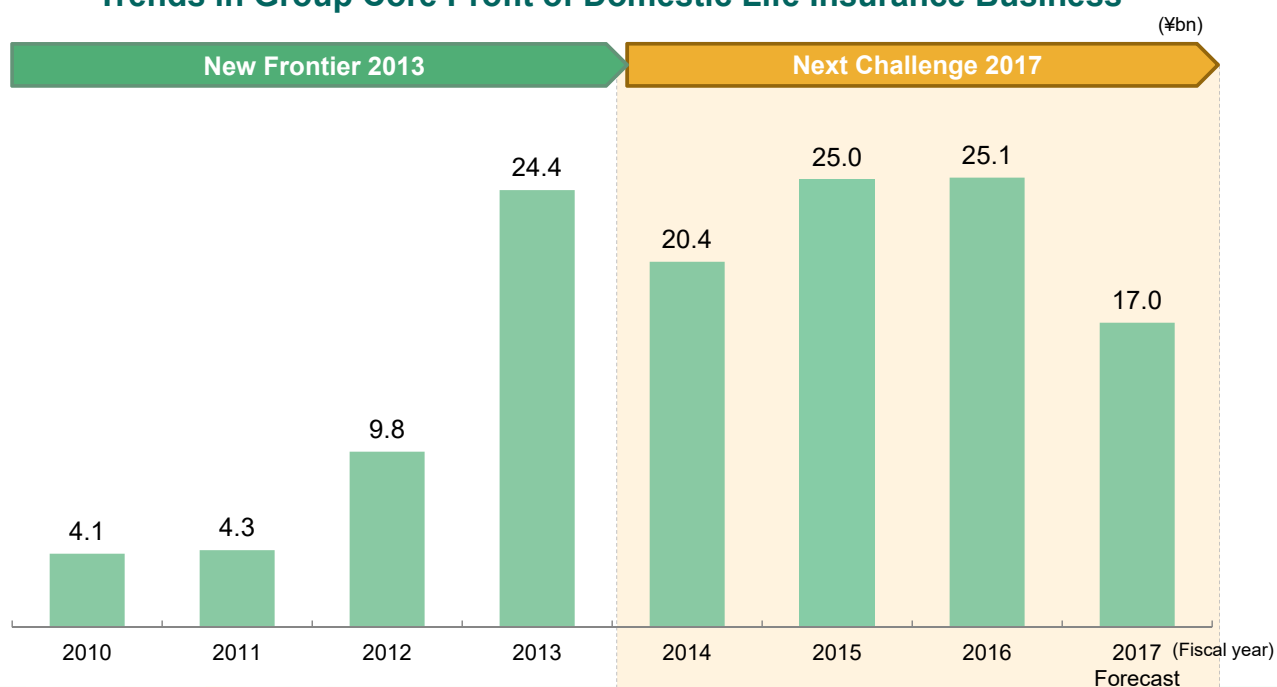
3 . International Business

4 . Asset Management

Domestic Life Insurance Business: Trends of Group Core Profit

- Domestic Life Insurance Business has contributed more than ¥20 billion to earnings in each of the last four years and has grown into one of core businesses which can achieve a stable earnings base.

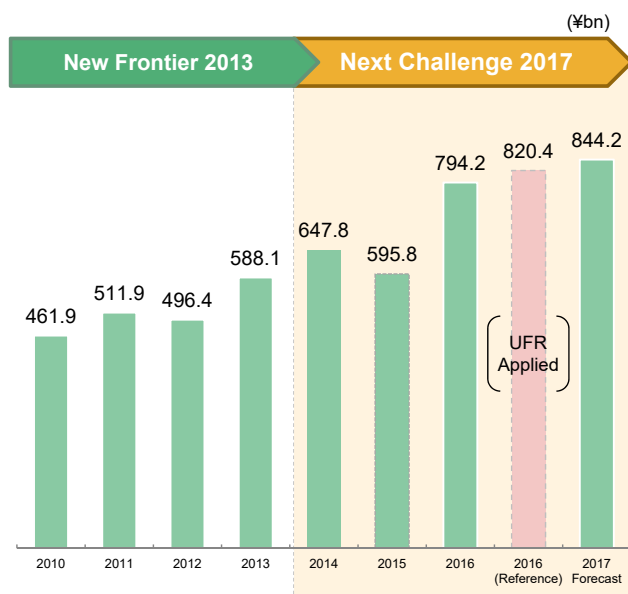
Trends in Group Core Profit of Domestic Life Insurance Business



Domestic Life Insurance Business: MSI Aioi Life (EEV and Capital Increase)

- In a low interest rate environment, annualized premiums of new policies in the third sector increased by 12.7% compared with the end of the previous fiscal year, thanks to the sales focus on new medical insurance products. The embedded value (EEV) at the end of March 2017 was ¥794.2 billion (an increase of ¥198.4 billion, including the effect of the capital increase).

Embedded Value (EEV)



Note) FY2010 figure is a reference value found by calculating the total embedded value of Mitsui Sumitomo Kirameki Life and Aioi Life on an EEV basis.

About Embedded Value (EEV)

- EEV at the end of March 2017 was ¥794.2 billion.
- Increased by ¥198.4 billion from the end of the previous fiscal year (including the effect of the capital increase)
- **(Reference) Estimated value application of UFR (Ultimate Forward Rate)**
EEV (trial value) after application of UFR at the end of March 2017 was ¥820.4 billion (up ¥26.2 billion compared with before application)

Condition of UFR:

Assumption that the forward rate after 31st year settles to the level of the ultimate forward rate (3.5%) in 60th year

Strengthening the Financial Base through Capital Increase

- Implemented ¥100 billion capital increase in March 2017
- Built a stable financial foundation to withstand changes in the external environment

Domestic Life Insurance Business: MSI Aioi Life (Channel Strategies and Product Strategies)

- Increase core capital and expand sales to cross-selling markets, focusing on protection-type products that capture customer needs.

Product Strategies that Respond to Changes in the Environment and Lifestyle

New Comprehensive Income Guarantee Insurance and New Income Guarantee Insurance

- Launched in April 2017
- Further enhance scope of coverage and covered risks when the insureds become unable to work
- Meet the needs of women and young people

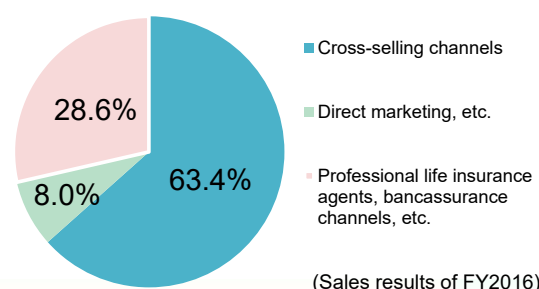
New Medical Insurance A Plus

- Meet the growing medical needs of aging society
- Maintain strong sales since the launch in May 2016
- Broad coverage
- Top level premium payment exemption function in the industry

Creation of a New Channel Market Centered on Cross-Selling Enhancement

- Aggressively expand sales of "New Comprehensive Income Assurance Insurance" and "New Medical Insurance A Plus," which are the main protection-type products
- Utilize the sales force of the agents with No.1 domestic non-life insurance share
- MSI Aioi Life gets approx. 10% of clients who purchase automobile, fire and other insurance with MSI or ADI, and the remaining 90% are potential customers for cross-selling.

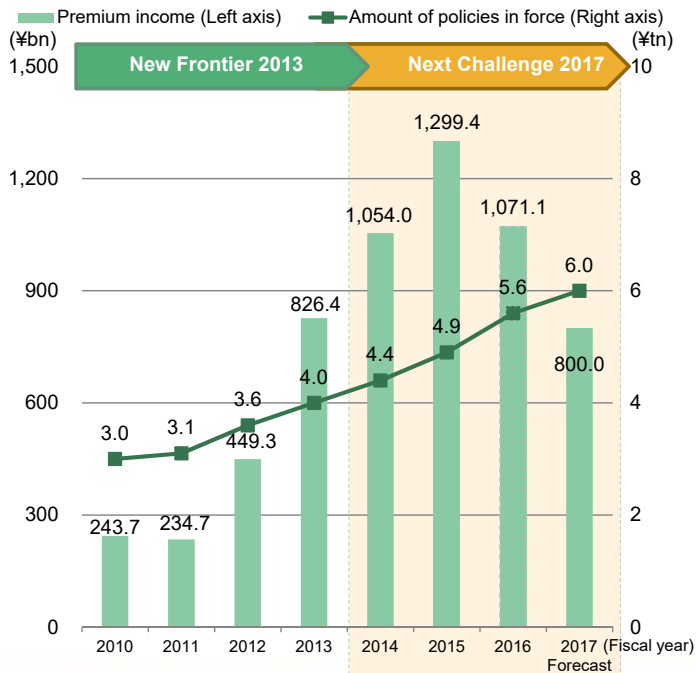
Channel Weight



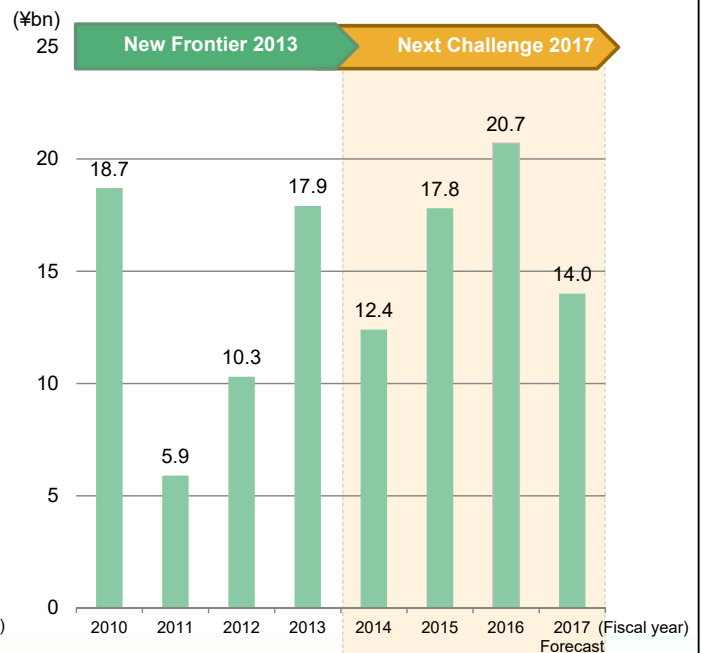
Domestic Life Insurance Business: MSI Primary Life (Premium Income, Amount of Policies in Force, and Net Income)

- Due to strong sales, especially in new products that capture customer needs, premium income has exceeded ¥1 trillion for 3 consecutive years while net income reached ¥20.7 billion.

Amount of Policies in Force and Premium Income



Net income



Domestic Life Insurance Business: MSI Primary Life (Channel Strategies and Product Strategies)

- MSI Primary Life will firmly establish its position as a market leader with strong product development capabilities and deep sales channels under the customer-oriented business operation.

Product Development Capabilities Corresponding to Market Change

- Create a new market as a market leader, such as developing innovative a new currency option-type fixed special whole life insurance that incorporates customers' gift and succession needs.

Product Lineup

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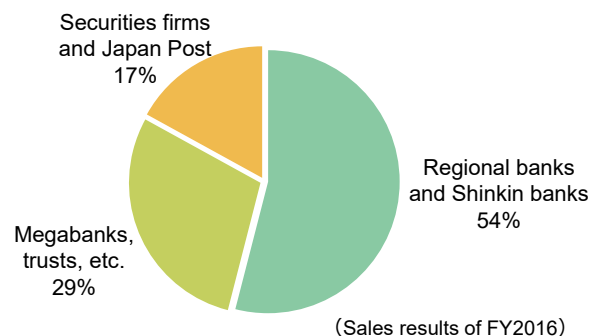
<Currency option-type fixed special whole life insurance>



- Launched in August, 2016
- Currency option-type fixed whole life insurance whereby living benefits can be received immediately after execution of contract. Introduction of product focused on gift needs will lead to market creation.
- Around 80 financial institutions are selling it, and it has grown into one of the main products.

Stable Sales Base

- Build a sustainable and stable sales base through wide and diverse sales channels consisting of 139 financial institutions.
- Expand education to realize customer-oriented consulting sales



Premium income exceeded 1 trillion yen for 3 consecutive years
(Please see page 23)

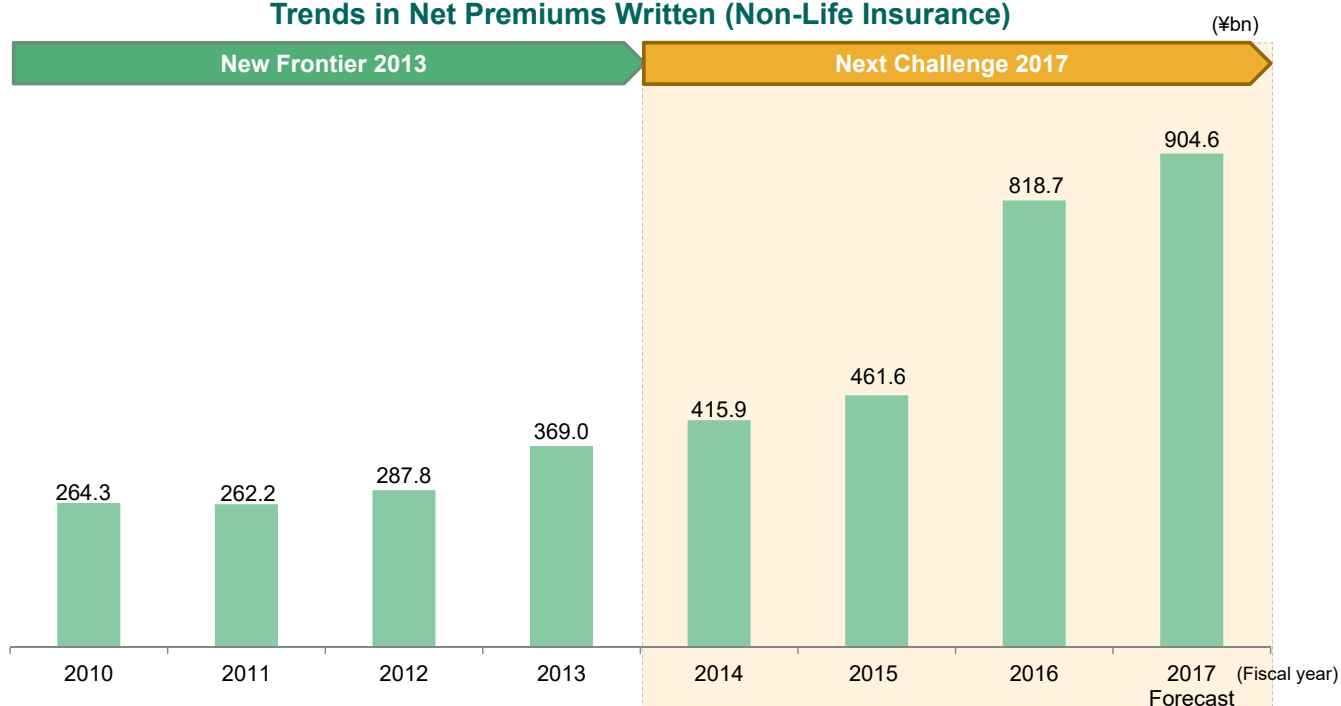
Ⅲ. Situation by Business Segment

1. Domestic Non-Life Insurance Business
2. Domestic Life Insurance Business
- 3. International Business**
4. Asset Management

International Business: Net Premiums Written

- Net premiums written rose a significant ¥391.1 billion with the consolidation of MS Amlin.

Trends in Net Premiums Written (Non-Life Insurance)



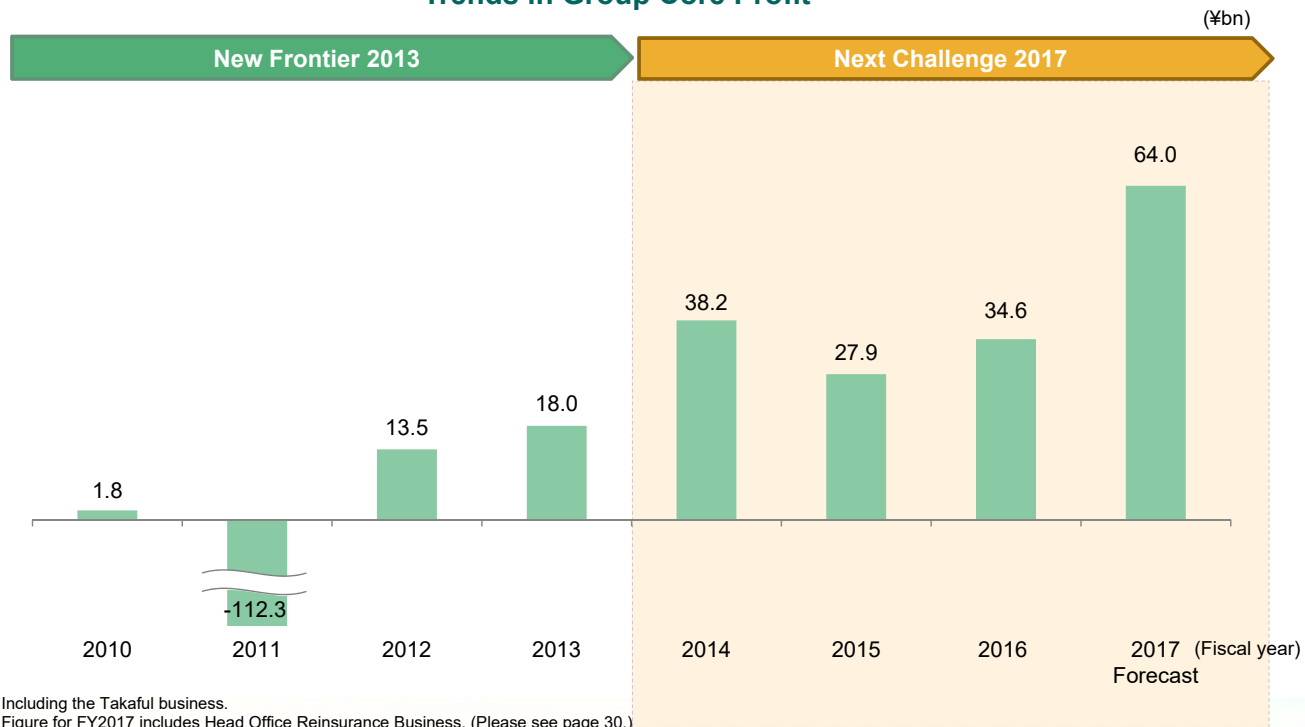
※ International Business: The figures are the aggregate of the results for overseas consolidated subsidiaries, non-life insurance companies' overseas branches and overseas non-consolidated affiliates.

※ Figure for FY2017 include Head Office reinsurance business. (Please see page 30.)

International Business: Group Core Profit

- Group Core Profit in FY2016 fell short of the target as the positive effect of new consolidation of MS Amlin was offset by the negative impact of natural catastrophes among other factors. In FY2017, it is expected to reach ¥64.0 billion with the recovery in the performance of MS Amlin.

Trends in Group Core Profit

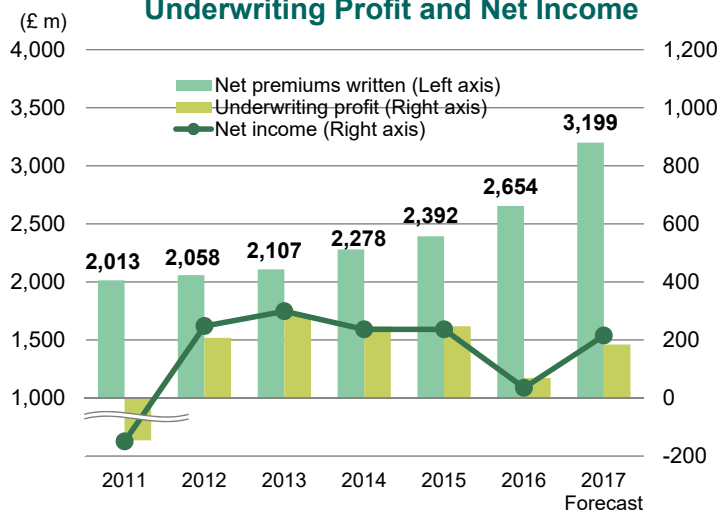


International Business: International Non-Life Insurance Business (Amlin Business: Summary of FY2016 Results)

- Although income declined sharply on a year-on-year basis as a result of factors including the deterioration in underwriting profit due to large-scale natural disasters and the lowering of the UK statutory interest rate in FY2016, it is expected to increase by 132 million pounds from the previous year* to 215 million pounds in FY2017.

*Comparison with the figures of simple sum of MS Amlin and Lloyd's and reinsurance business of MSI before consolidation

Trends in Net Premiums Written, Underwriting Profit and Net Income

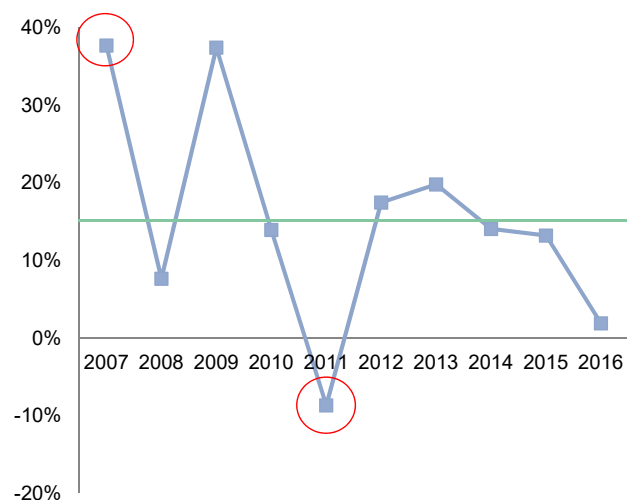


2016 Results

	MS Amlin	MSI Lloyd's/Reins	Total
Net premiums written	2,654	439	3,093
Underwriting profit	69	37	107
Net income	27	56	83

MS Amlin: Trends in ROE

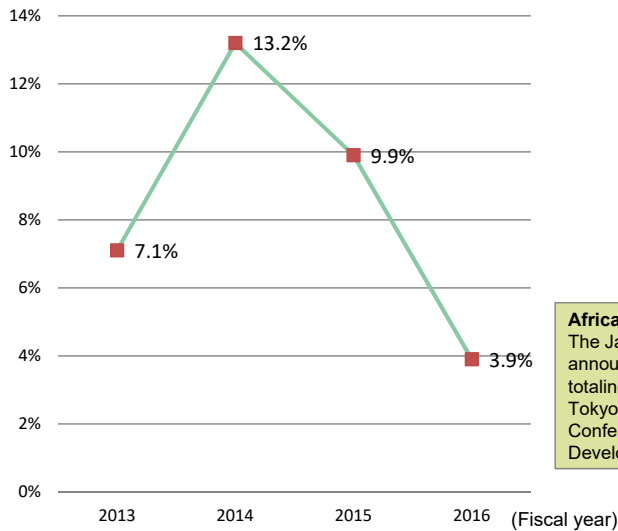
- Although ROE has ranged from a low of -8.7% (2011) to a high of 37.7% (2007) in the past 10 years, the average has been 15.4%.



International Business: International Non-Life Insurance Business (Excluding Amlin, Toyota Retail and BIG Businesses)

- Net premiums written increased in all regions (on a local currency basis).
- The Group is establishing the foundations for medium-term profit growth by incorporating economic growth and insurance penetration rate growth, mainly in emerging markets such as India, Africa and the Middle East.

Trend of Net Premiums Written of Overseas Subsidiaries Excluding Impact of Foreign Exchange Rates



Initiatives in Emerging Markets (India, Africa, and Middle East)

- In India, the Group has raised the share of ownership in Chola MS to incorporate further market growth. The Group will step up its efforts in the Japanese infrastructure project field, which is expected to expand, and will promote steady growth in the retail sector by expanding sales channels and improving profitability.
- In Africa, the Group added a representative in the Johannesburg office and constructed networks utilizing leading local insurance companies and brokers to further strengthen its service system for Japanese customers. In the Middle East, the Group will utilize MS Amlin's underwriting knowhow to capture Japanese affiliated projects.

Africa
The Japanese government announced an investment totaling 6 trillion yen at the Tokyo International Conference on African Development (TICAD).

South Africa
Share in African non-life insurance market: around 40%
Number of Japanese affiliated companies: about 240

Middle East
Forecast of average 5.5% growth rate of non-life insurance market on average through 2025

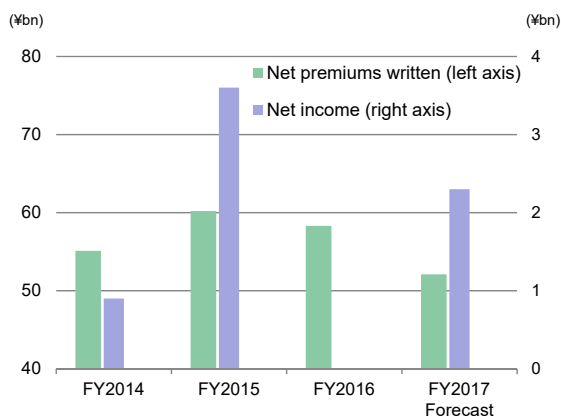
India
Attract foreign investment, strengthen infrastructure development, and accelerate economic industry structural reform under the Modi government

International Business: International Non-Life Insurance Business (Toyota Retail and BIG Businesses)

- In FY2016, the Toyota Retail Business (excluding BIG Business) reported decreased revenue, mainly due to the impact of foreign exchange rates, and decreased income, mainly due to the absence of a temporary factor resulting from a change in the method of accounting for commission in the previous fiscal year in China, as well as the effect of lowering of the U.K. statutory interest rate. However, profit growth is forecast in FY2017.

Toyota Retail Business

Net Premiums Written and Net Income



*1 Box Innovation Group Limited

*2 Insure the Box Limited, a managing general agent (MGA) that is a core company of the BIG Group.

BIG Business

- BIG^{*1} business is expected to produce a profit in FY2018.
- Service utilizing data from ITB^{*2}'s blackbox
- **Emergency response service**
Based on information from blackbox, the call center calls the cell phone and contacts the police or ambulance service as needed if a major accident is expected
- **Stolen vehicle tracking**
Based on the theft accident report from the insured, recover stolen vehicles in collaboration with the police by utilizing position information data from blackbox
- **Analysis and utilization of driving data**
Provide preventive safety service by dispatching e-mail alert to the insured in case they had excessive speeding



International Business: International Non-Life Insurance Business (Head Office Reinsurance Business)

- Overseas inward reinsurance business underwritten by ADI Tokyo Head Office to fall into a scope of International Business from FY2017.
- Developing inward reinsurance business as an effective use of ADI's capital with risk management on a group basis.

Trends of Net Premiums Written and Net Income

(¥bn)

	2016	2017 (Forecast)
Net premiums written	35.4	58.9
Net income	1.0	-1.0

* Underwriting large new contracts in FY2017 will lead to an increase in burden of policy reserve. As a result, net income will decline temporarily, but it is expected to recover in and after FY2018.

Outline of Head Office Reinsurance Business

Cedant

- Business partners who we can maintain medium to long term relationship with in both outward and inward reinsurance

Underwriting

- Writing proportional treaties ceded by leading reinsurers and/or Lloyds syndicates underwritten by strict standards and guidelines

Expected effect

- Underwriting profits and risk diversification by the locations

Risk management

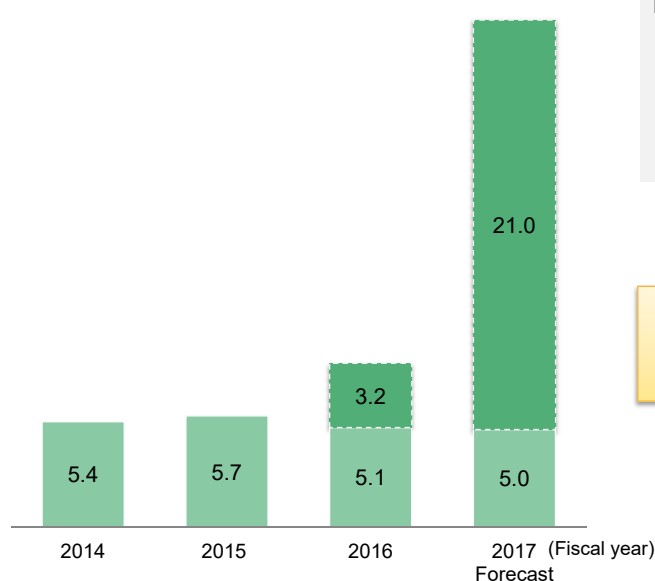
- Calculating an amount of risks based on 99.5% / 90% VaR and evaluating expected profits and ROR
- To be included in the Group based risk management for the total risk amount, risk accumulations and so on.

International Business: Asian Life Insurance Business

- Asian Life Insurance Business aims for stable growth while securing earnings of approximately ¥5.0 billion to ¥6.0 billion annually excluding special factors.

Trends in Group Core Profit

(Per our equity share: ¥bn)



Future Strategy of Asian Life Insurance Business

Purpose of Asian business

- To demonstrate synergies in the non-life insurance business, which has strong presence in Asia
- To secure earnings in anticipation of growth in the Asian region

The Group will continue to work with life insurance business in each country to expand business stably

Group Core Profit (and net income) takes into consideration a gain on the sale of the shares of China's Sinatay Life Insurance (around ¥3.3 billion in FY2016) and a gain on the change of shares associated with the merger of India's Max Life Insurance with HDFC Standard Life (around ¥21.0 billion yen expected to be recorded in FY2017).

III. Situation by Business Segment

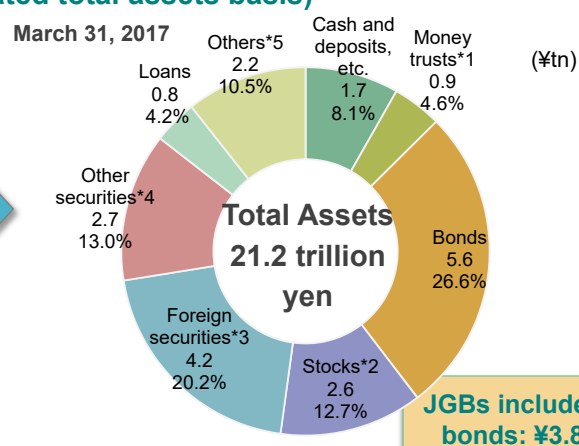
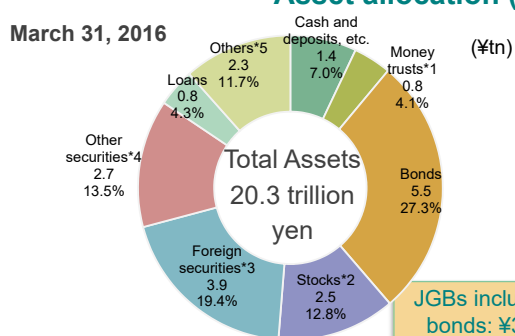
1. Domestic Non-Life Insurance Business
2. Domestic Life Insurance Business
3. International Business
- 4. Asset Management**

MS&AD Insurance Group Holdings, Inc.

Asset Management: Consolidated Total Assets and Asset Allocation (MS&AD Insurance Group)

- The Group aims to improve return on risk on the assumption of a portfolio that takes the characteristics of liabilities into consideration.

Asset allocation (on a consolidated total assets basis)



Interest rate and foreign exchange rate sensitivity*6 (as of March 31, 2017)

	Total for MS&AD Group	Total for Non-Life Insurers ⁷	Total for Domestic Life Insurers
100 bps rise in yen interest rates	+297.5	+70.6	+226.8
100 bps rise in US dollar interest rates	-91.0	-72.0	-19.0
10% rise in the yen against all currencies	-160.1	-121.2	-38.8
10% rise in the yen against the US dollar	-76.9	-55.4	-21.5
10% rise in the yen against the Euro	-7.6	-7.3	-0.2
10% rise in the yen against the British Pound	-18.4	-18.4	—

*1 Mainly assets corresponding to liabilities of domestic life insurance companies

*2 Strategic equity holdings and shares held purely for investment purpose. See P37 for details of the ratio of strategic equity holdings.

*3 Foreign securities held by domestic insurance companies and securities held by foreign insurance subsidiaries

*4 Mainly special account assets of domestic life insurance companies

*5 Mainly tangible fixed assets, intangible fixed assets and goodwill

*6 Impact on difference between assets and liabilities (surplus)

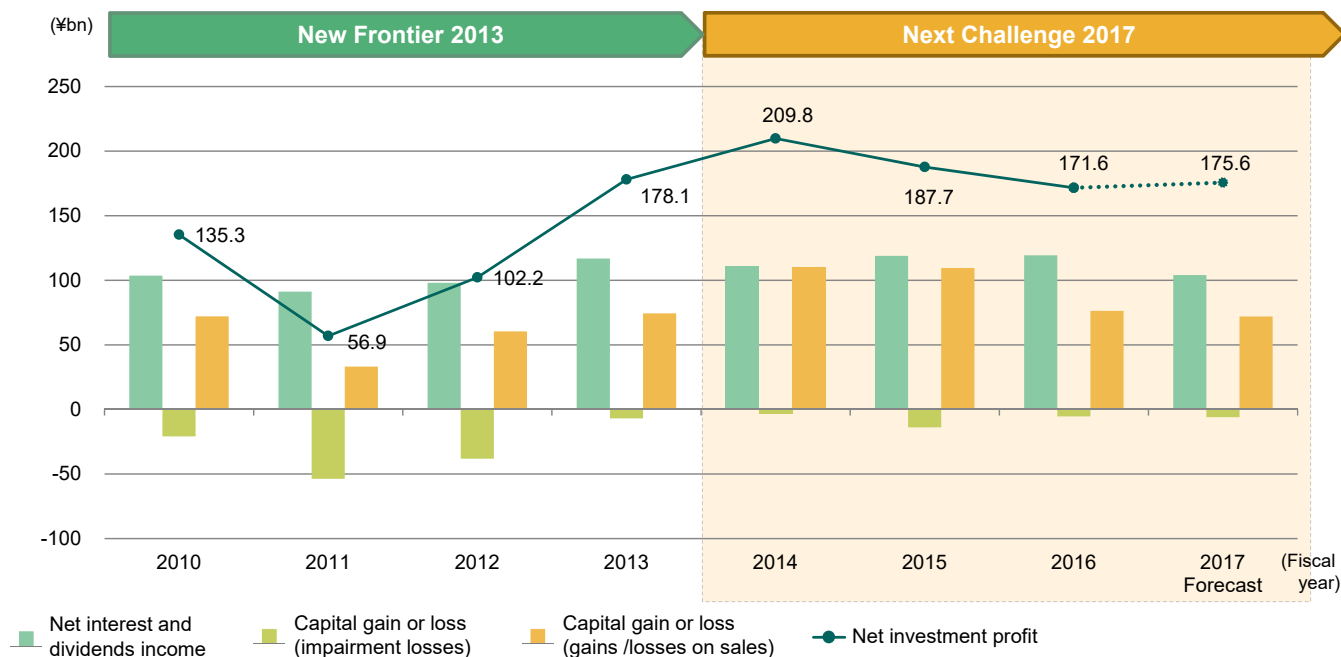
*7 Including foreign subsidiaries

MS&AD Insurance Group Holdings, Inc.

Asset Management: Net Investment Income (Domestic Non-Life Insurance Business)

- In FY2017, the Group expects to record net investment profit of ¥175.6 billion on the assumption of sales of strategic equity holdings of ¥120 billion.

Trend in Net Investment Income of Domestic Non-Life Insurance Business



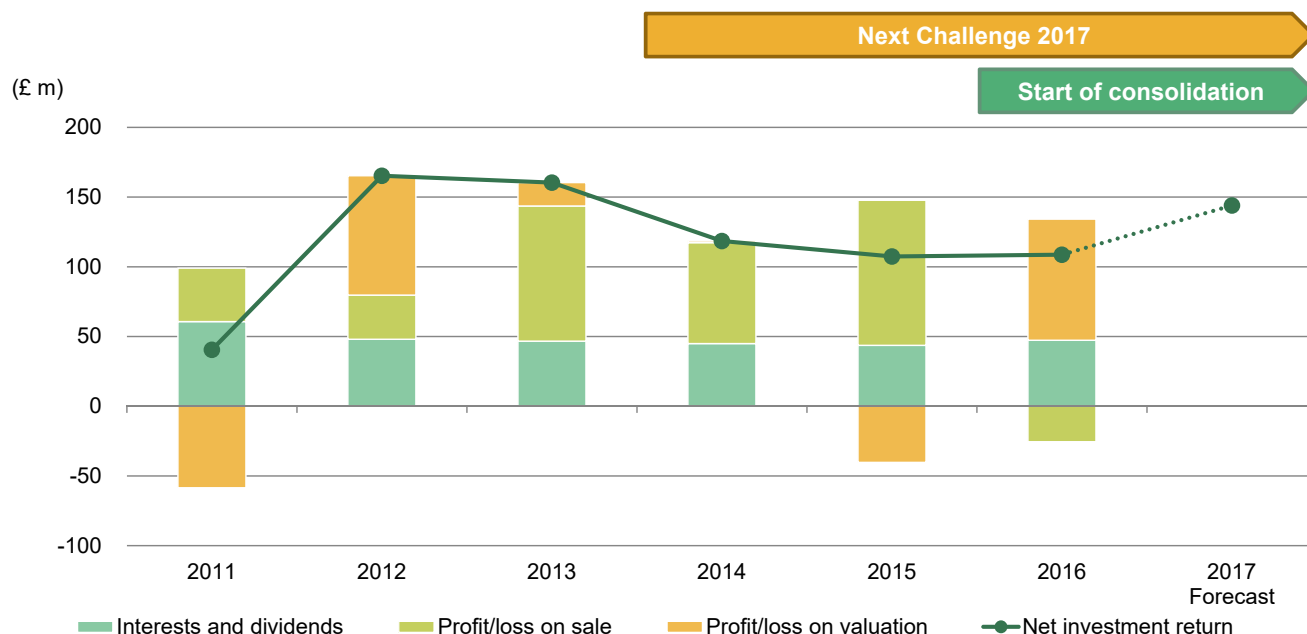
* Simple sum of MSI (non-consolidated) and ADI (non-consolidated)

* In 2014, capital gain or loss (gains/losses on sales of securities) includes ¥63bn of gains for additional provision for reserve for price fluctuation.

Asset Management: Net Investment Income※ (MS Amlin Business on a Local Reporting Basis)

- As in the previous term, MS Amlin secured net investment return in FY2016, while expecting to record £144 million due to the recovery in the stock market, etc. in FY2017.

Trend in Net Investment Return of MS Amlin Business



※ In accordance with the classification in MS Amlin's released documents

Asset Management: Response to Principles for Responsible Investment (PRI)

- MS&AD Insurance Group Holdings agrees to the Principles for Responsible Investment and has become a signatory to this principle on June 1, 2015.

Our policy

- The PRI requires the consideration of ESG (environmental, social and corporate governance) issues in the decision-making process in investment activities, and the MS&AD Insurance Group will act in accordance with the principles.



Specific activities

Practice of Japan's Stewardship Code

- In May 2014, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance expressed acceptance of the "Japan's Stewardship Code."



Implement constructive dialog based on the ESG perspective with companies in which it invests*1

*1 For more details, please refer to "Status of Stewardship Activities" on page 70 in Appendix Data section.

Execution of ESG investment (example)

MSI, ADI, MSI Aioi Life and MSI Primary Life joined to invest in the Sustainable Development Bond (SDB) issued by the World Bank in Feb. 2017.

Investment amount: US \$120 million (approximately ¥13.5 billion)

Utilized for financing projects for sustainable development of developing countries

Contributing to solving social issues through fund investment

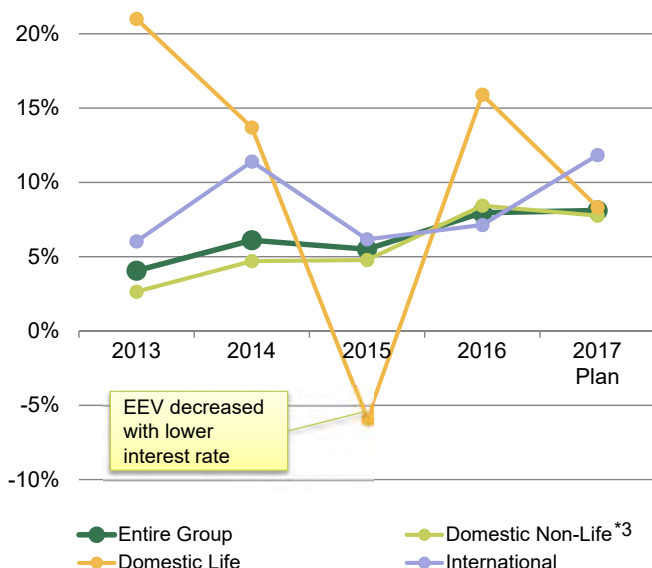
MSI is helping fund projects such as natural energy (wind energy, solar energy, etc.) power generation projects in the United States and Italy and a clean energy project in Asia. ADI is helping fund projects in areas such as regional revitalization.

IV. Strengthening Systems for Enterprise Value Creation

Promotion of ERM: Improvement in Profitability

- The improvement in ROR^{*1} of domestic non-life insurance business has driven the improvement in the ROR of the entire Group by 2.5 pt. The Group will accelerate efforts to achieve ROE on the 10% level by implementing the PDCA cycle on ROR/VA^{*2} and developing ERM's front line penetration measures.

Trend of ROR by business domain



*3 For MSI Aioi Life in Domestic Life Insurance Business, an increase in EEV is deemed return. In the calculation of the entire Group's ROR, Group Core Profit includes MSI Aioi Life.

Efforts to improve ROR/ROE

Group	Practice of PDCA cycle	Efforts to further improve profitability and capital efficiency centered on ROR/VA management by business domain
	Enhancement of Group finance strategy	Use of subordinate bonds, etc. (Use of financial leverage)
Domestic Non-Life Insurance	Linkage between income and expenditure plan and ERM	Confirmation of the presence or absence of emerging risk that could affect the plan and the deviation of the planned value at the time of risk development when formulating the income and expenditure plan
	Utilization of ROR	Development of further accuracy improvement measures on risk-based profitability assessment of fire insurance
	Improvement in capital quality	Continuous promotion of accumulation of profits and surplus, increase of catastrophe reserves, and sales of strategic equity holdings
International Business	PMI of MS Amlin	Integration of Lloyd's businesses and the Reinsurance businesses at the end of 2016
	Business investment	Continuous consideration for business investment projects contributing to diversification of the portfolio and revenue sources

*1 ROR = Group Core Profit / Integrated Risk Amount

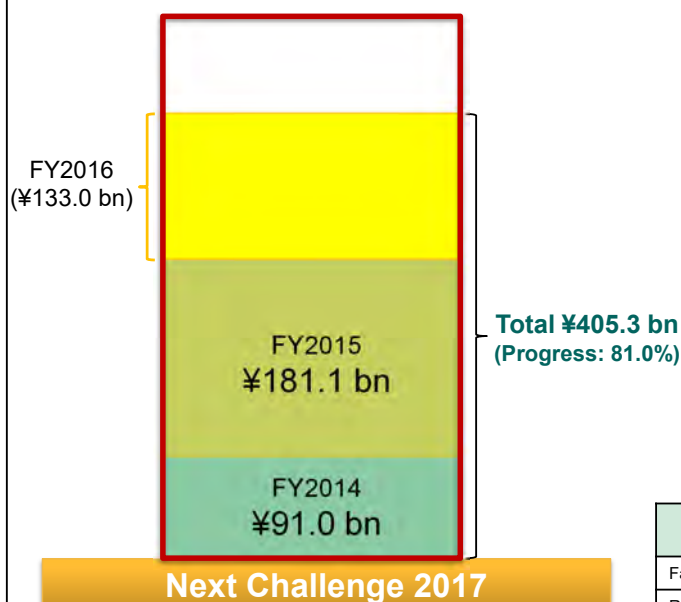
*2 VA = Group Core Profit - Integrated Risk Amount × Capital Cost (6%)

Promotion of ERM: Status of Sales of Strategic Equity Holdings

- The Group sold ¥405.3 billion worth of strategic equity holdings against its sales target of ¥500 billion during the term of Next Challenge 2017 and will steadily implement the efforts and achieve the target this fiscal year.

Sales in Next Challenge 2017

Sales target in Next Challenge 2017: ¥500 bn
(← ¥300 bn^{*1})



*1 Sales target was revised from ¥300 bn to ¥500 bn in Nov. 2015.

Actual Sales

(¥bn)

Actual sales before business integration (FY2003 ^{*2} – FY2009)				800.7	
M S & A D	New Frontier 2013	FY2010	57.4	57.4	(No target)
		FY2011	88.7	(Subtotal)	(Target for FY2011- FY2013)
		FY2012	114.1		
		FY2013	173.5	376.4	300.0
	Next Challenge 2017	FY2014	91.0	(Subtotal)	(Target for FY2014- FY2017)
		FY2015	181.1		
		FY2016	133.0	405.3	500.0
		Total		1,639.8	

*2 The figures for FY2003 to FY2009 are the simple sum of results for MSI, Aioi, and NDI. (Sales before FY2002 are not disclosed, since it is difficult to collect data in the same criteria from the entities before merger.)

Ratio of Strategic Equity Holdings in Consolidated Total Assets and Integrated Risk Amount

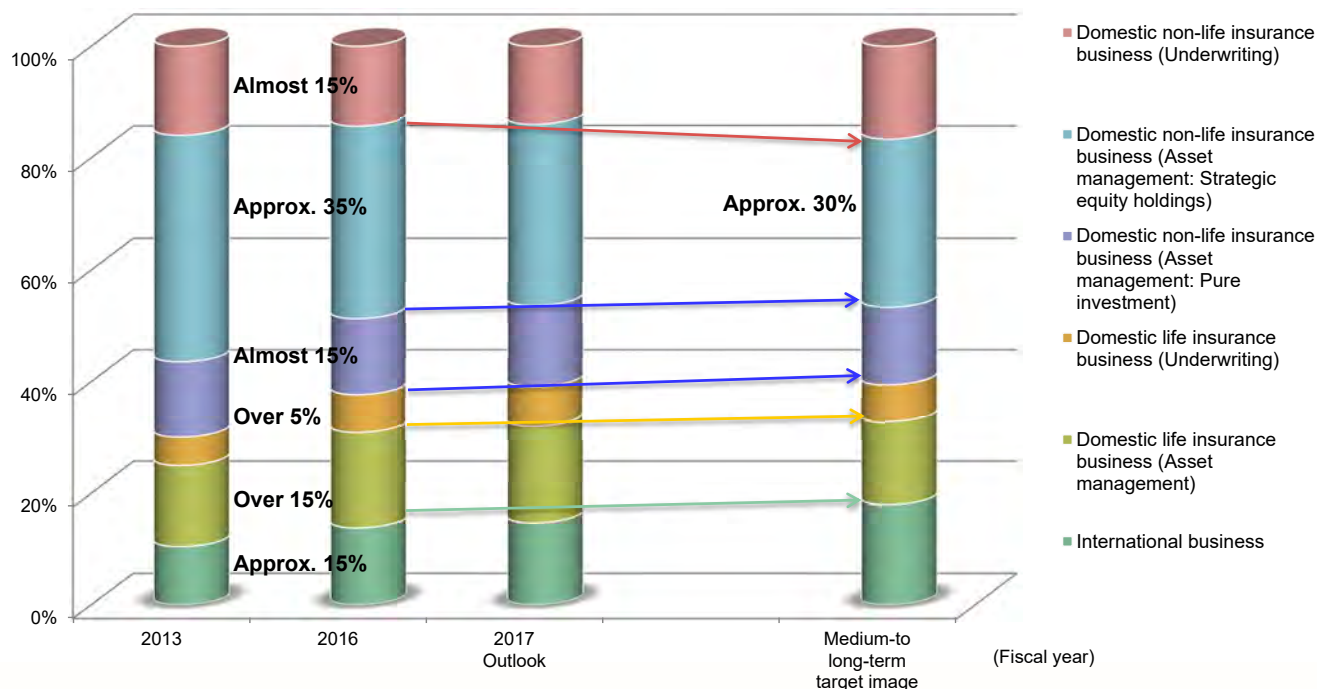
	March 31, 2016	March 31, 2017
Fair value weight of strategic equity holdings in consolidated total assets	12.6%	12.5%
Risk weight of strategic equity holdings in integrated risk amount	34.5%	34.4%

* Fair value weight of all strategic equity holdings including unlisted stocks

Promotion of ERM: Diversification of Risk Portfolio

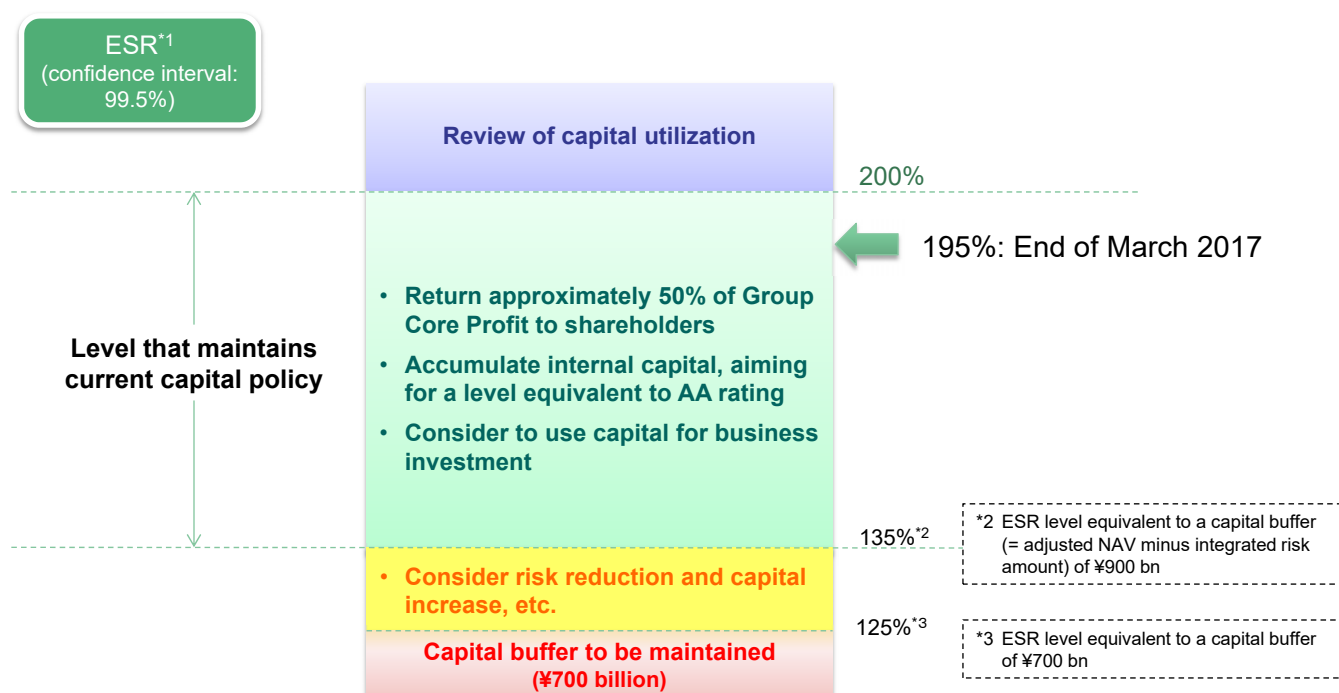
- The Group will continue to reduce strategic equity holdings to 30% level on a risk volume basis.

Group Risk Portfolio



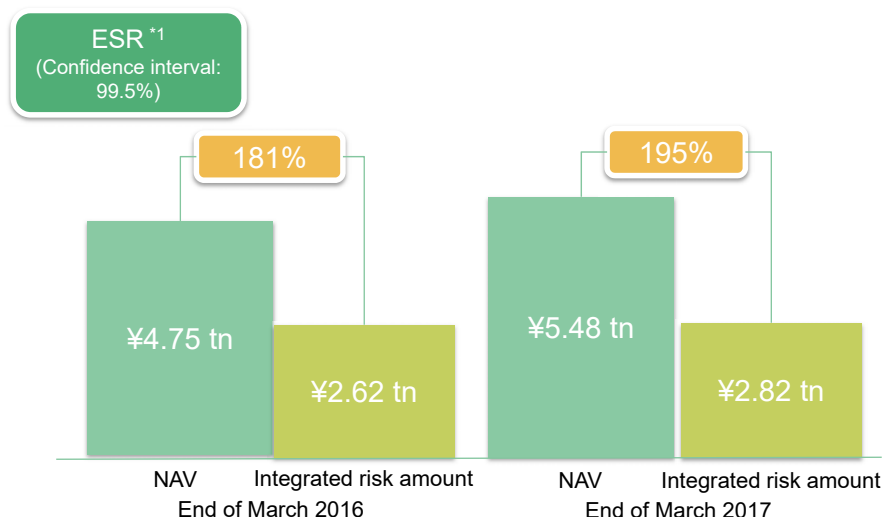
Promotion of ERM: Improvement in Financial Soundness (Concept of ESR)

- The ESR level at the end of March 2017 is maintained at an appropriate level in order to continue the current capital policy with 195%.



^{*1} ESR: Economic Solvency Ratio (Economic Value-Based Solvency Ratio)

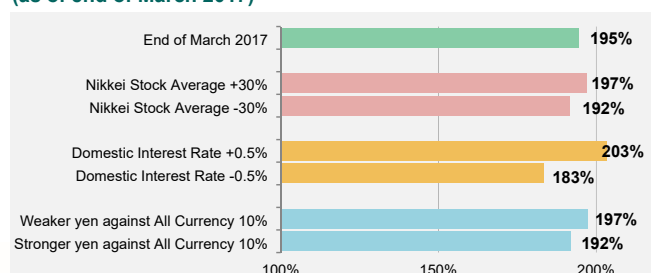
Promotion of ERM: Improvement in Financial Soundness (Status of ESR)



<Main Factors of ESR Changes>

- ↗ Decrease in the economic value of insurance liabilities (increase in NAV) as a result of a decline in domestic interest rates, as well as a decrease in life insurance underwriting risks and interest rate risks
- ↗ Increase in the fair value of assets as a result of a strong stock price (increase in NAV)
- ↘ Increase in stock risk as a result of a strong stock price
- ↗ Increase in NAV as a result of accumulating profits
- ↗ Increase in NAV as a result of issuing subordinate bonds
- ↗ Decrease in stock risk as a result of selling strategic equity holdings

Impact of market price fluctuation on ESR (as of end of March 2017)



^{*1} ESR: Economic Solvency Ratio (Economic Value-Based Solvency Ratio)

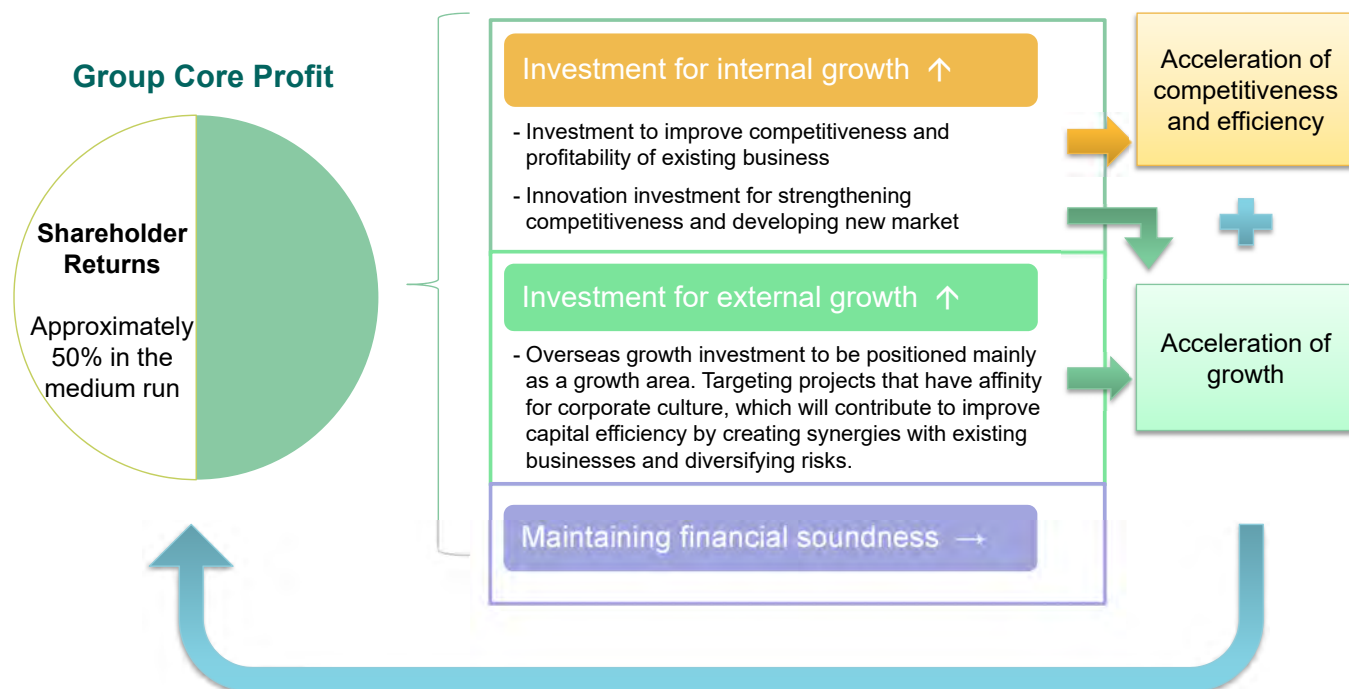
^{*2} ESR equivalent to a capital buffer (= adjusted NAV minus integrated risk amount) of ¥900 bn

<Market environment assumptions>

	End of March 2016	End of March 2017	Vs End of March 2016
Nikkei Stock Average	¥16,759	¥18,909	+¥2,151
USD/JPY	¥113	¥112	- ¥0
30-year JGB rate	0.54%	0.85%	+0.31pt

Promotion of ERM: Capital Policy

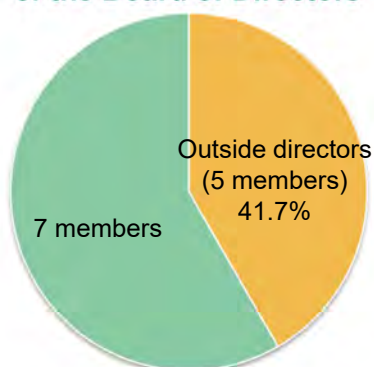
- Internal reserves will be invested for internal growth that seeks to improve the competitiveness and efficiency of existing businesses and for research development aimed at future environmental changes, and will be used to invest in external growth that will contribute to strengthening true competitiveness under strict selection criteria.



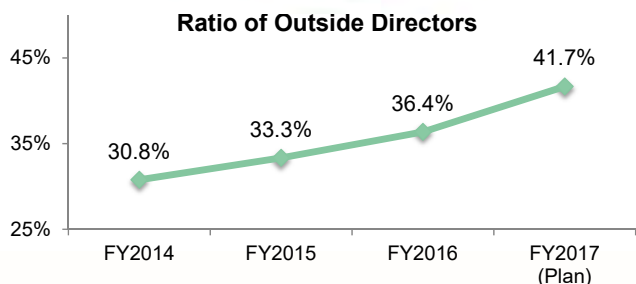
Strengthening Corporate Governance

- In addition to raising the ratio of outside directors, the Group is working to further objectify the process of determining executive personnel affairs and officer remuneration, aiming for a more transparent and appropriate governance system.

Improvement of the Independence of the Board of Directors



Ratio of Outside Directors



Strengthening Group Governance Structure

- Clarified that the internal audit department reports directly to the Board of Directors. Improve the independence of the internal audit department and clarify report lines.
- Consolidated functions of risk management, compliance, internal audit, legal affairs, CSR, and environmental & social contribution in MSI Aioi Life to the holding company.

Improvement of Objectivity of Executive Personnel Affairs/Officer Remuneration Decision Process

Nominating Committee (Held 5 times in FY2016)

- Added "Policy for Selecting Candidates for Directors and Corporate Auditors" to the deliberation item
- Discussed on selecting candidates for outside directors

Remuneration Committee (Held 3 times in FY2016)

- Added "Policy for Remuneration of Directors and Executive Officers" to the deliberation items

* Members: Four outside directors (including 1 chairman), the Chairman of the Board, and the President & CEO

* All committees are on a voluntary basis

Advancing with you



INSURANCE GROUP

V. Shareholder Return Policy

Shareholder Return Policy

- The Group is steadily reflecting the sustainable earnings expansion to shareholder returns.

Shareholder Return Policy

- We will return approximately 50% of Group Core Profit* to shareholders in the medium run.

<Dividends>

The basic policy is to maintain stability. We aim to increase our earnings power and dividends in the medium run.

<Share buybacks>

We will repurchase our own shares flexibly, and as opportunities arise, with due consideration to market conditions and the state of our capital.

Shareholder Returns and Shareholder Return Plan

<Dividends>

FY2016: The annual dividend is planned to rise ¥30 from the previous year to ¥120.

FY2017: The annual dividend is expected to rise ¥10 from the previous year to ¥130.

<Share buybacks>

FY2016: Share buybacks totaling about ¥30 billion have been implemented (determined on October 31, 2016)

* 40,000,000 shares of treasury stock will be cancelled on June 30, 2017
(percentage of the total number of shares outstanding before cancellation: 6.3%)

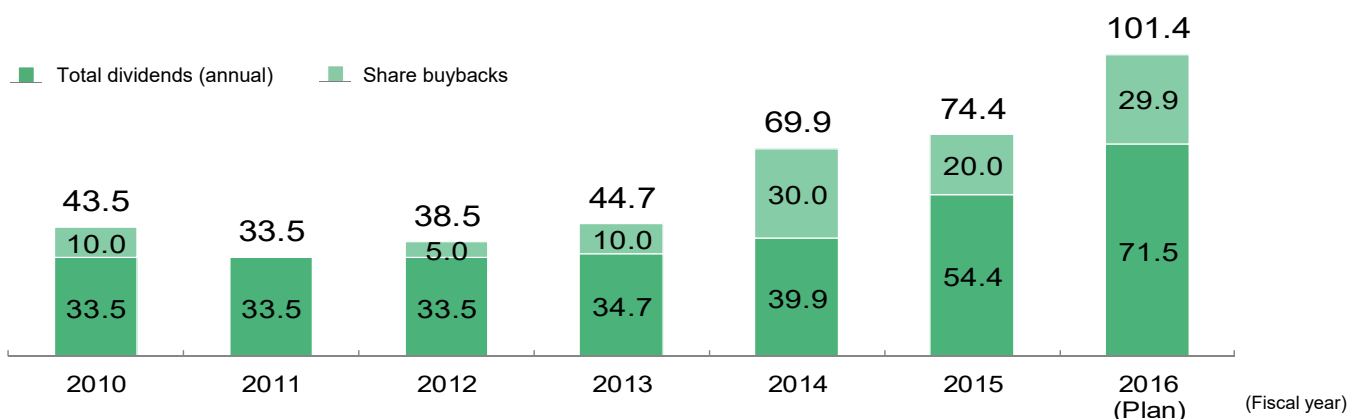
* Please refer to the Appendix Data (p.45) for the method of calculating Group Core Profit and the shareholder return ratio.

Shareholder Return Policy: Past Shareholder Returns

- Trends in total shareholder returns (as of May 19, 2017)

(¥bn)

	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Total
Group Core Profit	14.5	-87.5	87.4	94.8	155.7	147.5	213.7	626.1
Total returns	43.5	33.5	38.5	44.7	69.9	74.4	101.4	406.2
Shareholder return ratio	300%	—	44%	47%	45%	50%	47%	65%
Returns per share (yen)	69.8	54.0	62.0	72.0	113.5	122.5	169.1	—



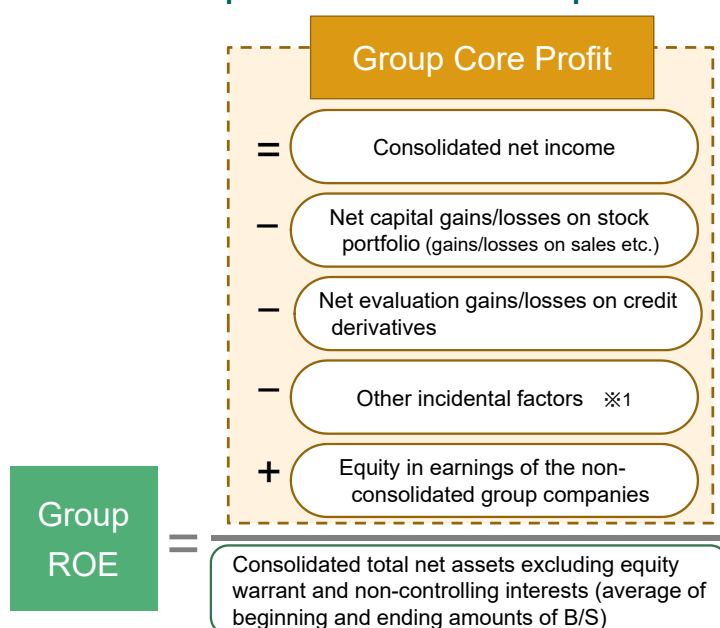
* Please refer to the Appendix Data (p.45) for the method of calculating Group Core Profit and the single-year shareholder return ratio.

Appendix Data

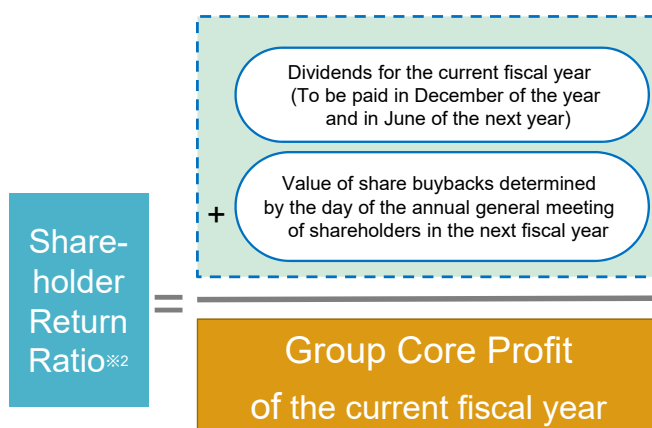
MS&AD Insurance Group Holdings, Inc.

Calculation Methods of “Group Core Profit”, “Group ROE” and “Shareholder Return Ratio”

“Group Core Profit” and “Group ROE”

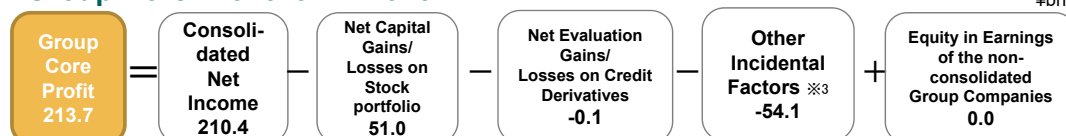


“Single-Year Shareholder Return Ratio”



- ※1 Extraordinary income/loss after-tax (excluding provision for/reversal of reserve for price fluctuation), amortization of goodwill and other
- ※2 We will return approximately 50% of Group Core Profit to shareholders in the medium run.

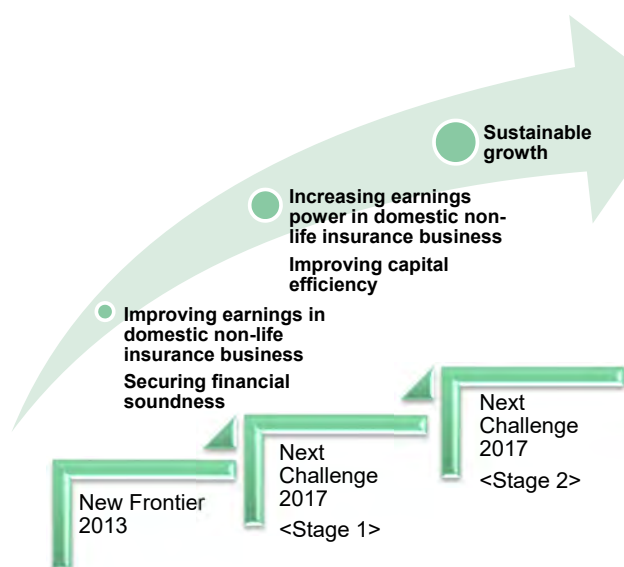
Group Core Profit for FY2016



- ※3 Amortization of goodwill (-27.2)
System expenses for transfer of third sector policies in force (-14.3)
Costs of integration of Lloyd's and Reinsurance businesses into MS Amlin (-4.3) and others

MS&AD Insurance Group Holdings, Inc.

Mission: To contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business.



Vision:
To create a world-leading insurance and financial services group that continues to seek sustainable growth and to enhance enterprise value.

Financial soundness	AA-level financial base (keeping ESR stably at the 200% level)
Profitability	Maintain the combined ratio of 95% or less stably in the domestic non-life insurance business.
Capital efficiency	ROE at a 10% level
Geographical diversification (Overseas ratio)	Aim for an overseas ratio of 50% in terms of profit
Risk assets	Risk weight of strategic equity holdings account for approx. 30% of the integrated risk amount of the group and approx. 10% of consolidated total assets.

Business Environment and Issues from a Mid- to Long-Term Perspective

Business Environment and Issues from a Mid- to Long-Term Perspective

Slowdown in the growth of the domestic insurance market due to such factors as the progress of the aging population and low birthrate and a decline in potential growth rates.

Increase in claims payments, reflecting the occurrence of many large-scale natural disasters due to climate change and many accidents due to deterioration of social infrastructure.

Impact of advanced safety vehicles (ASV) and self-driving cars on the automobile insurance market.

Transformation of social structures due to IoT/ICT technologies and artificial intelligence.

Changes in lifestyles associated with increases in the number of digital natives and single elderly households, as well as products and sales channel needs.

Increase in medical expenses due to the advancement of medical technologies.

Decline in investment income due to a prolonged environment of monetary easing.

Main Initiatives

Domestic non-life insurance business

Product strategy:
Strengthening of product development capabilities to adapt to changes in social environments.
Improvement of profitability and soundness by enhancing ERM.
Channel strategies:
Structural reform of sales network. Review of sales organizations.
Improvement of operation efficiency.
Evolution of reorganization by function and further improvement of productivity

Domestic life insurance business

Product strategy:
Development of products in response to factors such as changes in customer needs and the advancement of medical technologies.
Product and asset management based on the assumption that the low interest environment will continue.
Channel strategy:
Establishment of a new structure for supporting agencies (MSI Aioi Life)
Pursuing the possibility of building a new sales channel (MSI Primary Life)

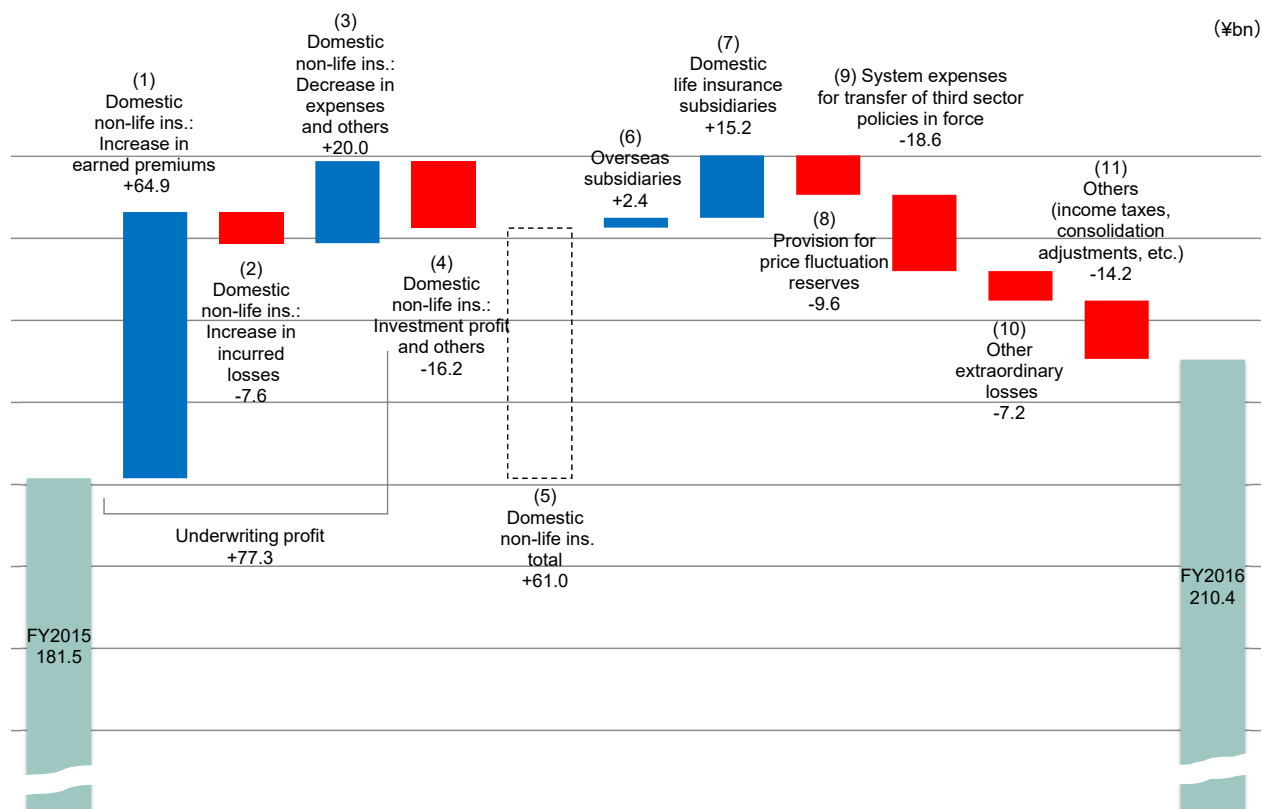
International business

Existing business:
Growth strategy to leverage the strengths of the respective business areas and geographical areas
New investments:
Cultivation of investment projects that serve to achieve sustainable growth

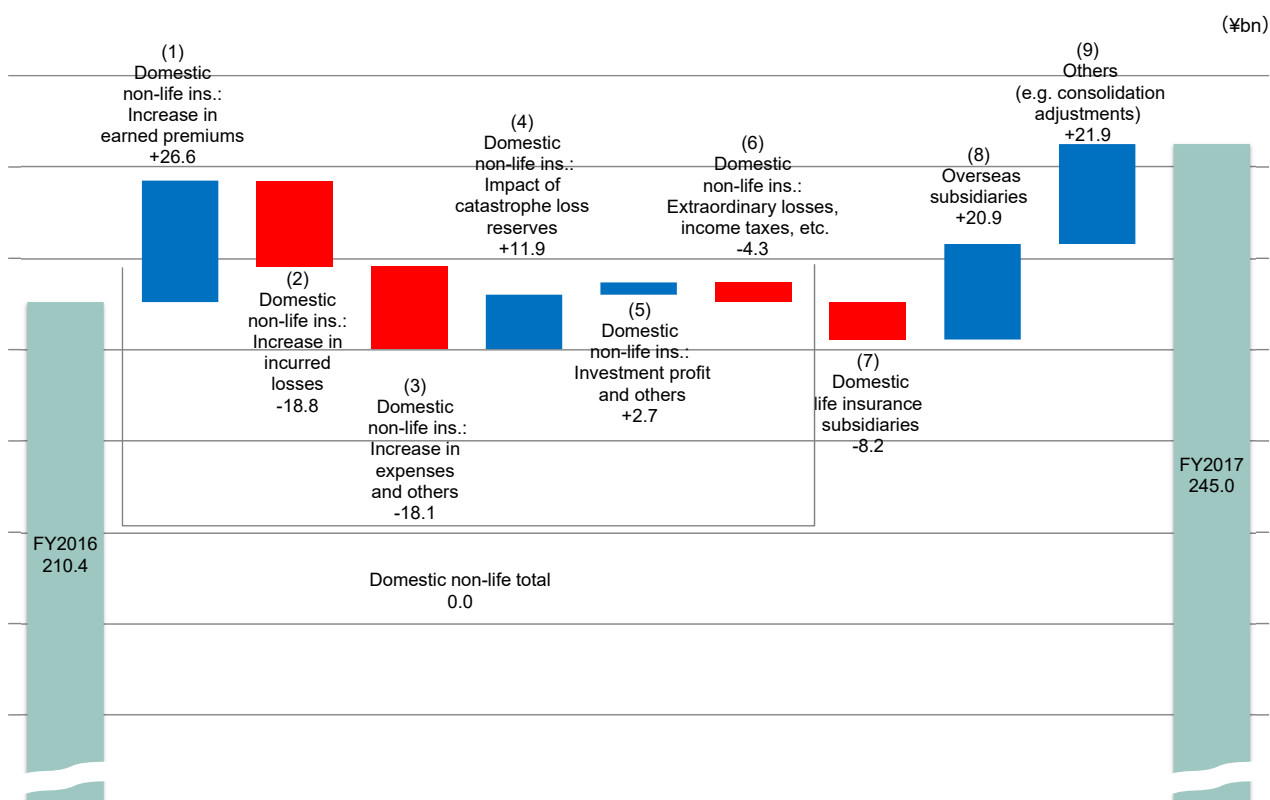
Financial strategies/Asset management

Financial strategy:
Strengthening of the structure to review financial strategies on a group basis.
Asset management:
Full-scale implementation of ALM and diversified investments in assets whose return on risk is expected to improve.

Factors in YoY Changes in Consolidated Net Income (FY2016)



Factors in Revision of Consolidated Net Income Forecast for FY2017



Major Assumptions for Earnings Forecasts for FY2017

Major Assumptions for Earnings Forecasts

(¥bn)

		Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
Assumptions concerning the asset management environment		Assumes the level at the end of March 2017 Nikkei average : ¥ 18,909 USD\$1 = JPY¥ 112 EUR€1 = JPY¥ 120 GBP£ 1 = JPY¥ 140			
Domestic natural catastrophes occurring in FY2017		30.0	(- 4.3)	20.0	(+ 3.2)
Catastrophe reserves (For fire insurance)	Provision	17.3	(- 5.6)	14.1	(- 0.3)
	Reversal	13.6	(- 3.5)	3.7	(+ 3.7)
	Change	3.7	(- 2.0)	10.4	(- 4.0)
Catastrophe reserves (For voluntary automobile insurance)	Provision	20.9	(- 0.1)	21.9	(+ 0.1)
	Reversal	-	-	14.9	(+ 7.0)
	Change	20.9	(- 0.1)	7.0	(- 6.9)
Corporate tax rate (Effective tax rate)		28.2%			

* Figures in parentheses show change from the previous fiscal year.

Domestic Non-Life Insurance Business: Impact of Natural Catastrophes (FY2016)

Impact of natural catastrophes

(¥bn)

	Incurred Losses		Net Claims Paid		Provision for O/S ^{※1}	
		YoY Change		YoY Change		YoY Change
Natural catastrophes in Japan ^{※2}	51.0	- 16.6	39.5	- 23.1	11.5	6.5
Mitsui Sumitomo Insurance	34.3	- 3.6	25.3	- 10.5	8.9	6.9
Aioi Nissay Dowa Insurance	16.7	- 13.0	14.2	- 12.6	2.5	- 0.4
(of which, Kumamoto Earthquake)	14.3	14.3	9.4	9.4	4.9	4.9
Mitsui Sumitomo Insurance	10.5	10.5	6.8	6.8	3.6	3.6
Aioi Nissay Dowa Insurance	3.8	3.8	2.6	2.6	1.2	1.2
(Excluding Kumamoto Earthquake)	36.7	- 31.0	30.1	- 32.6	6.5	1.5
Mitsui Sumitomo Insurance	23.8	- 14.1	18.5	- 17.3	5.2	3.2
Aioi Nissay Dowa Insurance	12.9	- 16.8	11.6	- 15.2	1.3	- 1.6
Heavy snowfalls in Japan ^{※3} (occurred in Feb. 2014)	-	- 0.3	-	- 1.7	-	1.3
Total	51.0	- 17.0	39.5	- 24.8	11.5	7.8

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

*2 Excluding residential EQ insurance

*3 The figures for FY2016 exclude the impact of heavy snowfalls occurred in Japan in Feb. 2014 as it was limited.

Domestic Non-Life Insurance Business: Catastrophe Reserves (FY2016)

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Mar. 31, 2017
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	17.1	22.9	5.8	- 16.2	146.0
	Marine	-	2.7	2.7	- 0.3	78.1
	Personal accident	-	4.5	4.5	3.6	67.7
	Voluntary auto	-	20.9	20.9	4.7	58.9
	Other	0.7	13.1	12.3	2.0	178.0
	Total	17.9	64.2	46.3	- 6.1	528.8
Aioi Nissay Dowa Insurance	Fire and allied	-	14.4	14.4	0.8	126.5
	Marine	-	0.0	0.0	0.0	13.9
	Personal accident	-	1.9	1.9	- 0.0	65.1
	Voluntary auto	7.8	21.7	13.9	5.4	43.8
	Other	1.2	6.2	4.9	0.0	64.1
	Total	9.0	44.5	35.4	6.3	313.6
Simple Sum of MSI and ADI	Fire and allied	17.1	37.3	20.2	- 15.4	272.6
	Marine	-	2.8	2.8	- 0.3	92.0
	Personal accident	-	6.4	6.4	3.5	132.8
	Voluntary auto	7.8	42.7	34.9	10.1	102.8
	Other	2.0	19.3	17.2	2.1	242.1
	Total	26.9	108.7	81.8	0.1	842.5

Domestic Non-Life Insurance Business: Catastrophe Reserves (FY2017 Forecast)

Catastrophe reserves

(¥bn)

		Reversal	Provision	Change		Balance as of Mar. 31, 2018
					YoY	
Mitsui Sumitomo Insurance	Fire and allied	13.6	17.3	3.7	- 2.0	149.8
	Marine	-	2.7	2.7	- 0.0	80.9
	Personal accident	-	4.6	4.6	0.0	72.3
	Voluntary auto	-	20.9	20.9	- 0.1	79.8
	Other	0.6	13.6	13.0	0.6	191.0
	Total	14.2	59.0	44.9	- 1.5	573.7
Aioi Nissay Dowa Insurance	Fire and allied	3.7	14.1	10.4	- 4.0	136.9
	Marine	-	0.1	0.1	0.0	14.0
	Personal accident	-	1.9	1.9	- 0.0	67.0
	Voluntary auto	14.9	21.9	7.0	- 6.9	50.8
	Other	0.9	6.5	5.6	0.6	69.7
	Total	19.5	44.5	25.0	- 10.4	338.6
Simple Sum of MSI and ADI	Fire and allied	17.3	31.4	14.1	- 6.1	286.7
	Marine	-	2.8	2.8	0.0	94.9
	Personal accident	-	6.5	6.5	0.0	139.3
	Voluntary auto	14.9	42.8	27.9	- 7.0	130.7
	Other	1.5	20.1	18.6	1.2	260.7
	Total	33.7	103.5	69.9	- 11.9	912.4

Domestic Non-Life Insurance Business: Incurred Losses and E/I Loss Ratio (MSI) (FY2016)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015					FY2016					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	130.4	67.3%	33.4	97.0	50.1%	126.8	63.9%	30.5	96.3	48.5%	-1.6pt
Marine	39.7	58.5%	0.1	39.5	58.3%	30.6	51.8%	0.2	30.4	51.5%	-6.8pt
Personal accident	77.7	54.7%	0.0	77.7	54.7%	74.4	52.8%	0.0	74.4	52.8%	-1.9pt
Voluntary automobile	383.3	59.9%	2.4	380.8	59.5%	364.9	55.9%	1.2	363.6	55.7%	-3.8pt
Other	116.8	54.6%	2.1	114.6	53.6%	141.5	58.7%	2.2	139.2	57.7%	4.1pt
Total (A) ^{※4}	748.1	59.5%	38.1	709.9	56.4%	738.4	57.1%	34.3	704.1	54.5%	-1.9pt
Residential EQ insurance (B)	—		—	—		5.9		5.9	—		
CALI (C)	149.0		—	149.0		148.5		—	148.5		
Total (A)+(B)+(C)	897.1		38.1	858.9		893.0		40.2	852.7		

※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 premiums (excluding natural catastrophe reserves) and premium reserve, etc.

※3 Nat. Cat. (Natural Catastrophes) Impact is the total of incurred losses resulting from natural catastrophes occurring in Japan during the period. The figures for FY2015 include incurred losses of 0.1 billion yen caused by heavy snowfalls occurred in Feb. 2014 in Japan.

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

Domestic Non-Life Insurance Business: Incurred Losses and E/I Loss Ratio (ADI) (FY2016)

Incurred losses^{※1} and E/I loss ratio (including loss adjustment expenses)

(¥bn)

	FY2015					FY2016					
	Incurred Losses ^{※1} (a)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (b)	(a)-(b)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	Incurred Losses ^{※1} (c)	E/I Loss Ratio ^{※2}	Nat. Cat. Impact ^{※3} (d)	(c)-(d)	E/I Loss Ratio (Excluding Nat. Cat. Impact)	YoY Change
Fire and allied (Excluding residential EQ insurance)	89.2	61.1%	24.8	64.4	44.1%	91.5	58.1%	14.6	76.9	48.8%	4.7pt
Marine	2.7	50.8%	-	2.7	50.8%	2.7	49.6%	-	2.7	49.6%	-1.2pt
Personal accident	29.8	46.4%	0.0	29.8	46.4%	30.4	50.9%	0.0	30.4	50.9%	4.5pt
Voluntary automobile	385.2	57.0%	3.5	381.6	56.5%	387.7	57.1%	1.2	386.4	56.9%	0.4pt
Other	66.7	60.6%	1.5	65.1	59.2%	78.6	60.3%	0.8	77.8	59.7%	0.5pt
Total (A) ^{※4}	573.7	57.3%	29.9	543.8	54.3%	591.0	57.3%	16.7	574.2	55.6%	1.3pt
Residential EQ insurance (B)	-		-	-		4.3		4.3	-		
CALI (C)	132.6		-	132.6		129.2		-	129.2		
Total (A)+(B)+(C)	706.4		29.9	676.4		724.6		21.0	703.5		

※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, etc.

※3 Nat. Cat. (Natural Catastrophes) Impact is the total of incurred losses resulting from natural catastrophes occurring in Japan during the period. The figures for FY2015 include incurred losses of 0.1 billion yen caused by heavy snowfalls occurred in Feb. 2014 in Japan.

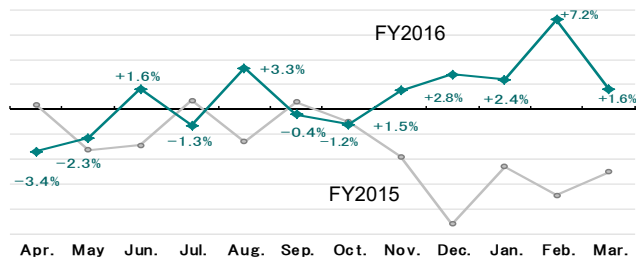
※4 Total (A) excludes residential EQ insurance and CALI.

Domestic Non-Life Insurance Business: Voluntary Automobile Insurance (FY2016)

Trend in the number of accidents

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

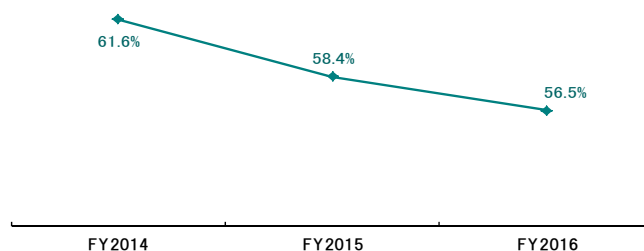
Simple sum of MSI and ADI (Domestic Business only)



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	+0.8%	+0.4%	+1.2%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+0.9%	+1.8%	

Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors increasing/decreasing insurance premium	+0.1%	+0.3%	+0.3%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural disasters)	
Changes in average payout per claim	+1.3%	+1.9%	

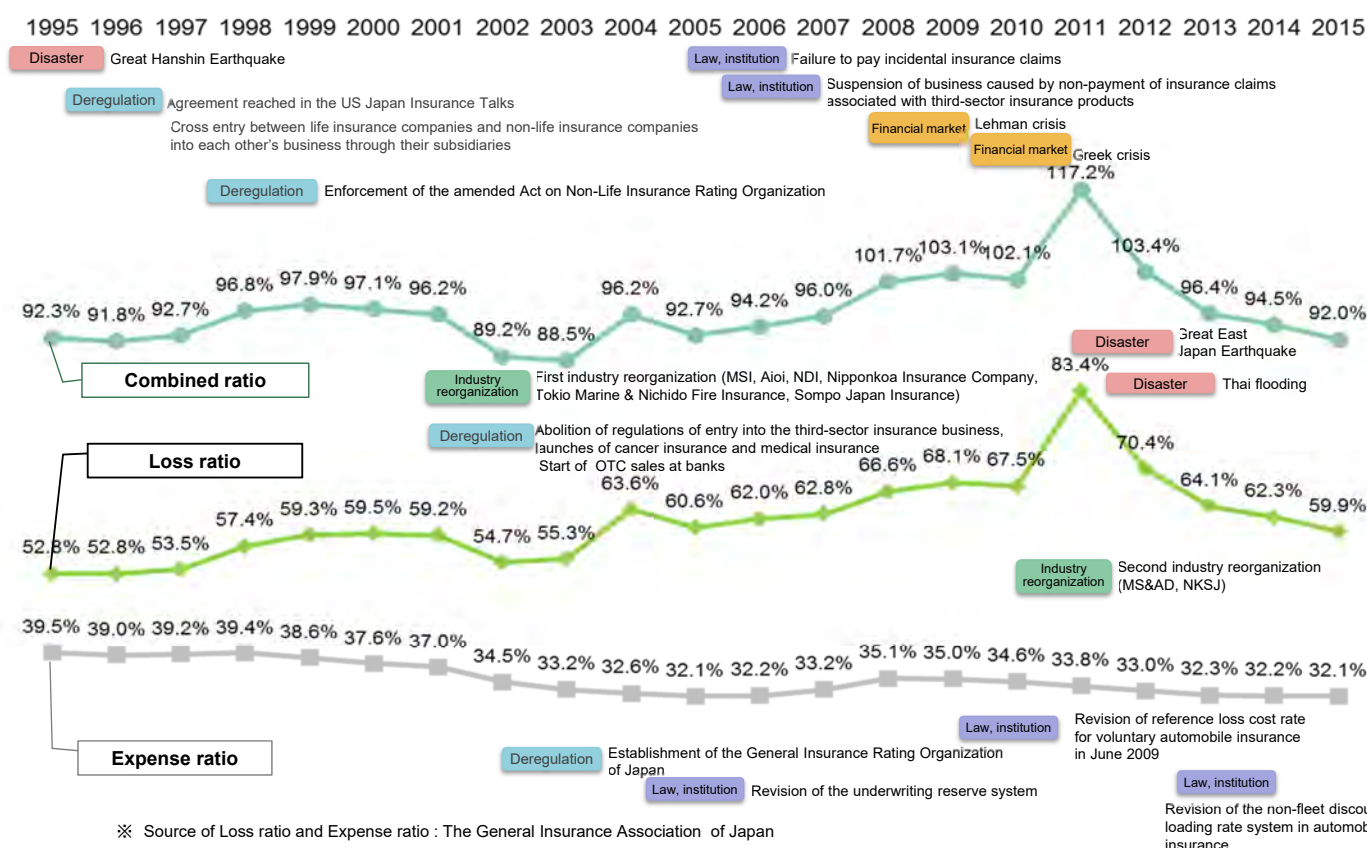
※ All figures for factors of increase/decrease in insurance premiums are based on sales results (Apr. - Mar.) year-on-year.

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended Mar. 31, 2017 compared with average payout per claim in one-year period ended Mar. 31, 2016.

※ E/I loss ratio is calculated based on the figures from April to March for each year.

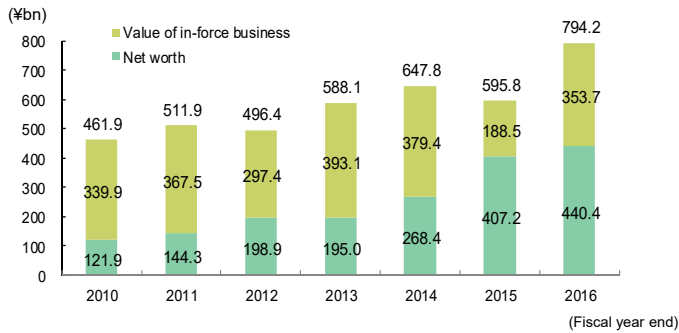
※ Figures for FY2015 Jan. and Feb. in *Trend in the number of accidents (per day, %YOY)* have been corrected (Jan.: -8.1% → -4.6%, Feb.: -1.0% → -6.9%).

Trends in Combined Ratio (W/P) in the Domestic Non-Life Insurance Industry

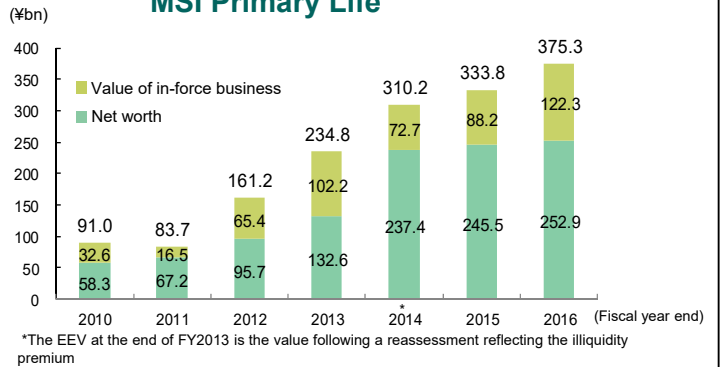


Domestic Life Insurance Business: Trends in Embedded Value (EEV) from the End of FY2010 to the End of FY2016

MSI Aioi Life



MSI Primary Life



Changes in FY2016 (¥bn)

Factor	Change
New business in reporting year	47.3
Expected existing business contribution at the risk free rate	6.1
Expected existing business contribution above risk free rate	1.1
Operating experience variances	-2.6
Changes in operating assumptions	-11.5
Economic variances and changes to economic assumptions	53.3
Other operating movements	3.9
Other non-operating movements	0.7
Closing adjustments	99.7
Total	198.4

EEV Sensitivity (at March 31, 2017, ¥bn)

Assumptions	Change
Risk-free yield curve Up 50bp	72.5
Risk-free yield curve Down 50bp	-97.4
Equity and real estate values Down 10%	-0.6
Maintenance expenses Down 10%	21.4
Surrender and lapse rate Down 10%	-9.4
Mortality and morbidity rate for life insurance Down 5%	34.6
Mortality and morbidity rate for annuity Down 5%	-0.1
Equity and property implied volatility Up 25%	0.0
Swaption implied volatility Up 25%	-25.1
Required capital set at statutory minimum level	5.1

Changes in FY2016 (¥bn)

Factor	増減額
Opening adjustments	-4.5
New business in reporting year	19.1
Expected existing business contribution at the reference rate	1.3
Expected existing business contribution above reference rate	3.7
Operating experience variances	0.2
Change in operating assumptions	0.1
Economic variances and changes to economic assumptions	21.3
Other operating movements	0.0
Other non-operating movements	0.1
Total	41.4

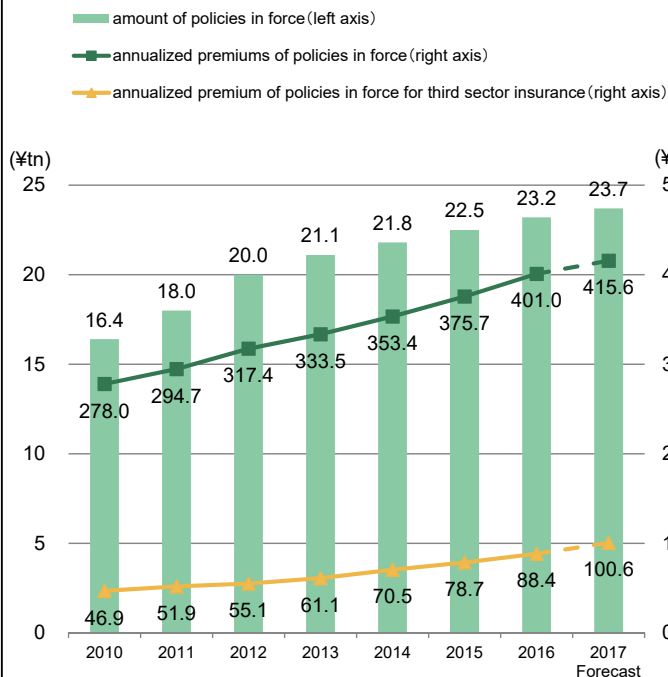
EEV Sensitivity (at March 31, 2017, ¥bn)

Assumptions	Change
Reference yield curve Up 50bp	-4.9
Reference yield curve Down 50bp	1.6
Equity and real estate values Down 10%	-5.5
Maintenance expenses Down 10%	8.9
Surrender and lapse rate Down 10%	-0.8
Mortality and morbidity rates for life insurance Down 5%	0.6
Mortality and morbidity rates for annuity Down 5%	0.0
Equity and property implied volatility Up 25%	-2.7
Swaption implied volatility Up 25%	-4.0
Required capital set at statutory minimum level	4.9
Nil illiquidity premium	-12.7

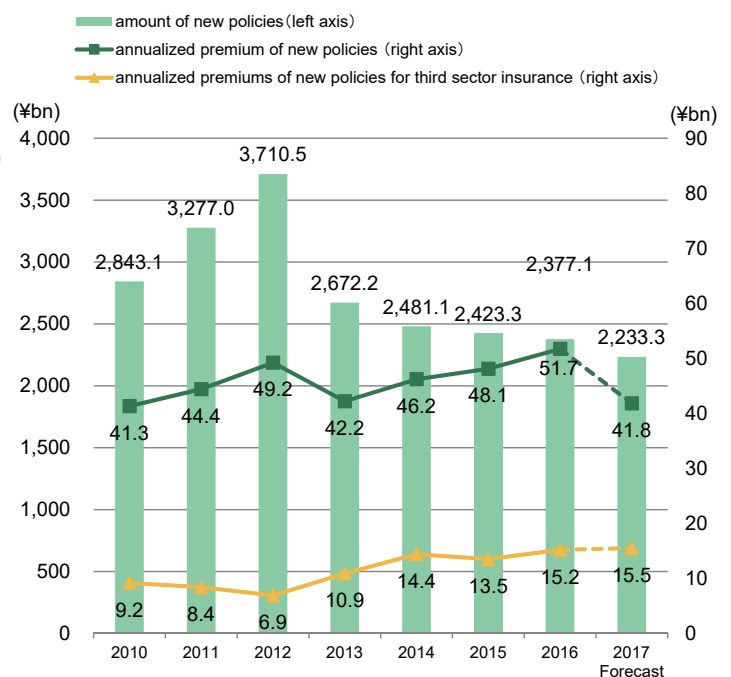
※Figures prior to FY2011 are the simple sum of those for MSI Kiremeki Life and Aioi Life

Domestic Life Insurance Business: Trends in Amount of Policies and Annualized Premiums (MSI Aioi Life)

Amount of Policies in Force and Annualized Premium in Force



Amount of New Policies and Annualized Premiums of New Policies



Domestic Life Insurance Business: Impact of Interest Rates and Foreign Exchange Rates (MSI Primary Life)

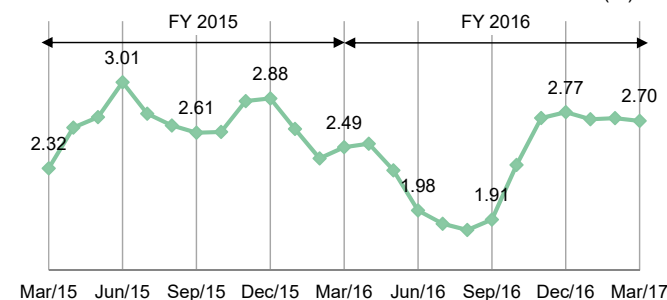
- Revenues from MSI Primary Life's foreign-currency-denominated fixed products fluctuate according to fluctuations in interest rates and foreign exchange rates.
- In FY2016, the impact of interest rates was very limited. As for the impact of foreign exchange rates, a profit was incurred as a result of valuation gain on the assets that were acquired when the yen was strong.

	FY2015 Results	FY2016 Results
Impact of interest rates	19.9	0.5
Impact of foreign exchange rates	- 18.9	6.8
Subtotal	1.0	7.3
Gains/losses on sale of securities	18.3	8.5
Total	19.3	15.9

(¥bn)

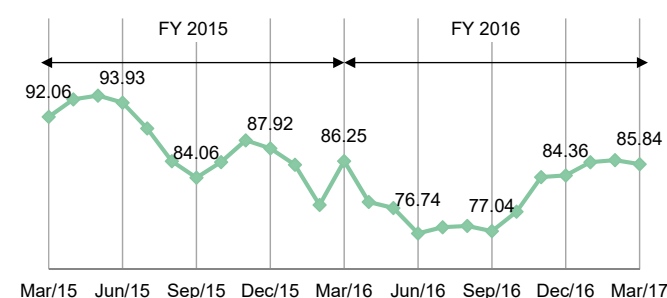
Australian 10-Year Bond Interest Rate

(%)



Source: Bloomberg

Exchange Rate of Australian Dollar to Japanese Yen



Source: Bank of Tokyo-Mitsubishi UFJ Exchange Quotations, Monthly-end TTM

Summary of International Business

Net Premiums Written (Non-Life Insurance)

(¥bn)

	FY2016		FY2017	
	Result	Change	Forecast	Change
International Business Total * ¹	818.7	357.0	904.6	85.7
Asia	240.6	-17.0	261.0	20.2
Europe	499.6	378.4	517.4	17.7
(of which, MS Amlin)	391.1	391.1	449.8	58.6
Americas	66.4	-2.9	70.9	4.4
Reinsurance * ³	16.8	-1.8	0.0	-16.8
Head Office Reinsurance * ⁴	0.0	0.0	58.9	58.9

Net Income *²

(¥bn)

	FY2016		FY2017	
	Result	Change	Forecast	Change
International Business Total * ¹	34.6	6.7	64.0	29.3
Asia	16.7	4.0	12.3	-4.4
Europe	2.2	4.6	29.1	26.8
(of which, MS Amlin)	6.1	6.1	30.0	23.8
Americas	0.8	-7.3	2.4	1.5
Reinsurance * ³	12.4	1.7	0.0	-12.4
Head Office Reinsurance * ⁴	0.0	0.0	-1.0	-1.0
Asian Life Insurance Business * ⁵	8.4	2.7	26.0	17.5

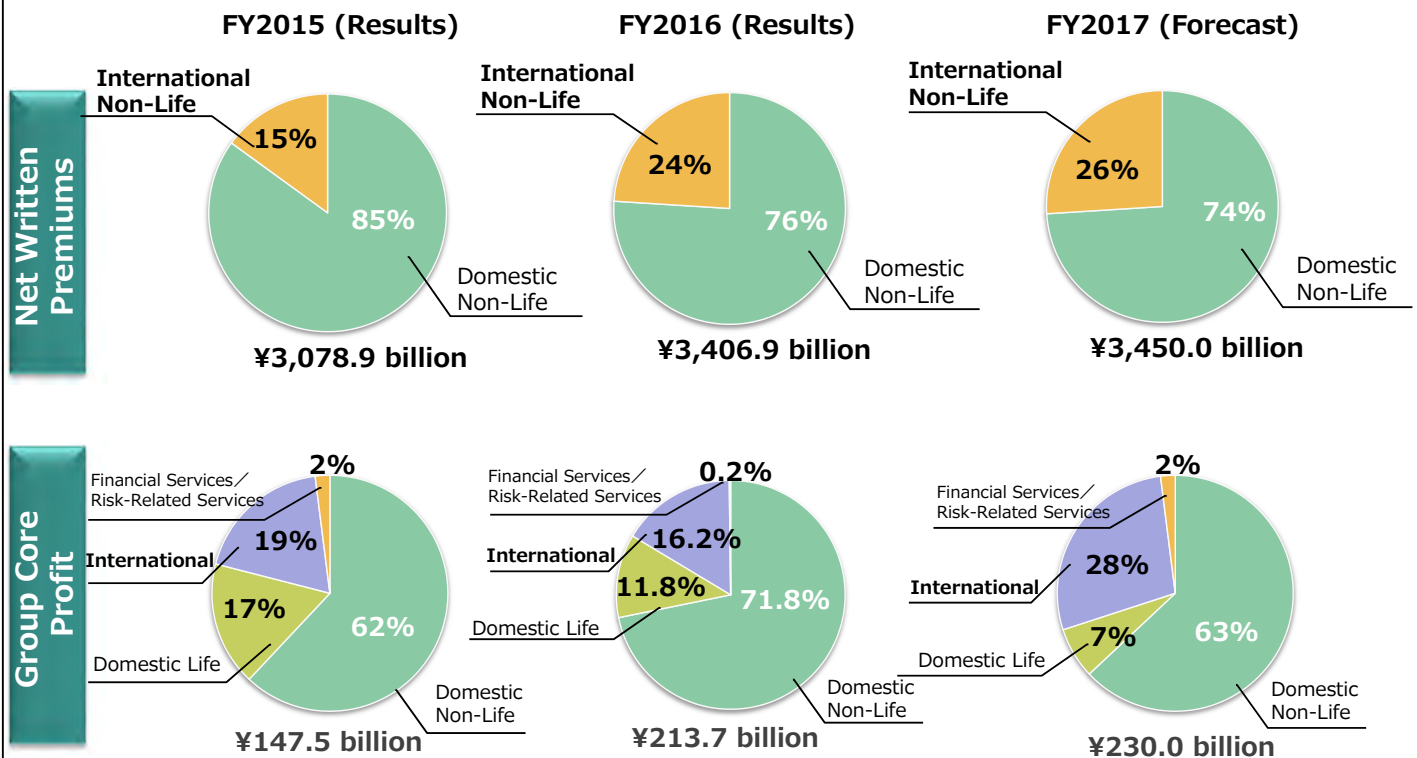
* International Business: The figures are aggregates of the results for overseas consolidated subsidiaries, non-life insurance companies' overseas branches and overseas non-consolidated affiliates.

*¹ Figures in the "total" rows include head office adjustments etc. and are not equal to the sum of figures for each segment and each region.

*² Group Core Profit basis *³ Reinsurance business was integrated into MS Amlin from FY2017.

*⁴ Overseas inward reinsurance business underwritten by ADI Head Office excluding Toyota Retail and BIG business, etc. was reclassified as "International Business" from FY2017. <Reference: Results for FY2016> Net premiums written: ¥35.4 bn, Net income: ¥1.0 bn) *⁵ Including Takaful business

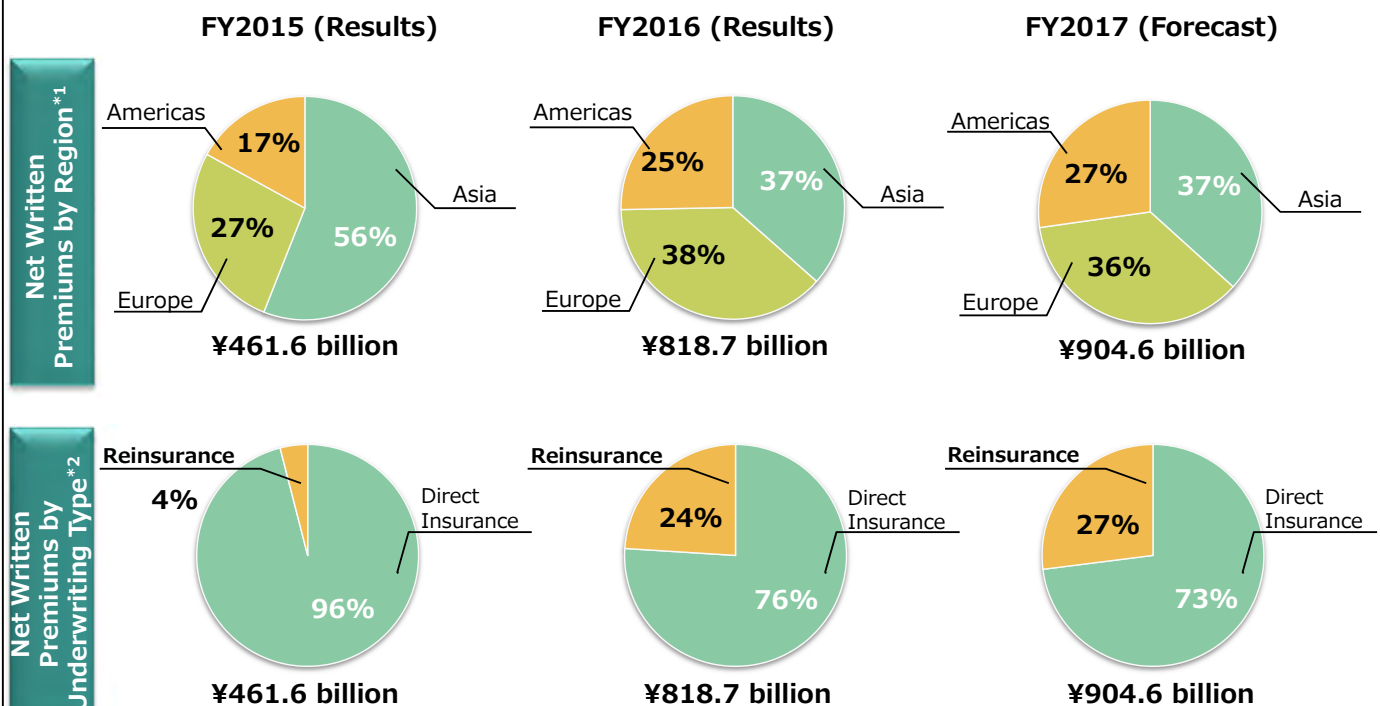
International Business: Well-Balanced Portfolio after Acquisition of Amlin (1) Expansion of International Business



MS&AD Insurance Group Holdings, Inc.

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International Business: Well-Balanced Portfolio after Acquisition of Amlin (2) Geographical Dispersion



*1 MS Amlin's figures for FY2016 are net premiums written pro-rated by gross written premiums by region ("other" is categorized into Asia). Figures of Reinsurance Business other than MS Amlin are also categorized into regions ("other" is categorized into Americas).

*2 Figures of Reinsurance Business for FY2016 are a sum of MS Amlin's Reinsurance SBU and MS Frontier Re. Figures of Reinsurance Business for FY2017 are a sum of MS Amlin's Reinsurance SBU and Head Office Reinsurance Business.

MS&AD Insurance Group Holdings, Inc.

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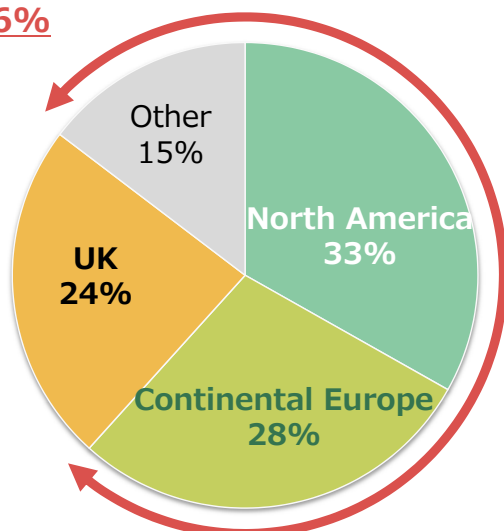
International Business: Impact of Brexit (MS Amlin's Underwriting Portfolio)

- Since the underwriting of risk outside the UK reaches 76%, the impact from the devalued British pound is limited.
- Even in case of withdrawal from the single European market, the number of lines of business impacted by the local insurance regulation will be limited.

Devaluation Risk for the British Pound

(Based on FY2016 GWP) *1

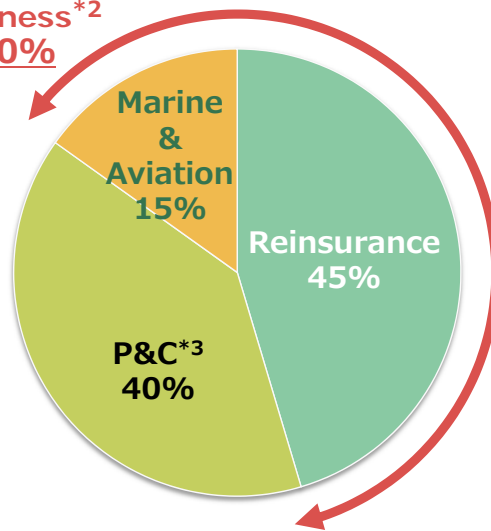
Business outside UK 76%



Insurance Regulation Risk

(Based on FY2016 GWP) *1

Borderless lines of business*2 60%



Asset Management:

Assets Under Management (MSI / ADI) as of End of Mar. 2017

(¥bn)

	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	As of Mar. 2016		As of Mar. 2017		As of Mar. 2016		As of Mar. 2017	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	6,340.1	100.0%	6,332.7	100.0%	3,039.8	100.0%	3,141.2	100.0%
Deposits, etc.	512.7	8.1%	419.8	6.6%	149.5	4.9%	189.8	6.0%
Bonds	1,865.3	29.4%	1,847.9	29.2%	985.5	32.4%	970.7	30.9%
of which, JGB	1,278.8	20.2%	1,263.3	19.9%	693.6	22.8%	670.5	21.3%
Foreign securities	1,525.9	24.1%	1,604.8	25.3%	675.7	22.2%	707.0	22.5%
Foreign bonds	278.4	4.4%	296.8	4.7%	484.0	15.9%	486.3	15.5%
Foreign securities	1,076.9	17.0%	1,111.5	17.6%	95.2	3.1%	99.4	3.2%
Foreign investment trusts, etc.	170.5	2.7%	196.4	3.1%	96.4	3.2%	121.3	3.9%
Stocks	1,756.5	27.7%	1,806.8	28.5%	792.7	26.1%	843.3	26.8%
Other securities	25.8	0.4%	34.9	0.6%	43.5	1.4%	55.8	1.8%
Loans	448.6	7.1%	418.1	6.6%	221.8	7.3%	210.9	6.7%
Land & buildings	204.9	3.2%	200.0	3.2%	170.9	5.6%	163.4	5.2%

* Based on financial statement categorization

Asset Management: Assets Under Management (MSI Aioi Life / MSI Primary Life) as of End of Mar. 2017

(¥bn)

	MSI Aioi Life				MSI Primary Life (General account)			
	As of Mar. 2016		As of Mar. 2017		As of Mar. 2016		As of Mar. 2017	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	3,167.1	100.0%	3,551.0	100.0%	2,536.3	100.0%	3,209.4	100.0%
Deposits etc.	348.4	11.0%	575.4	16.2%	181.3	7.2%	180.3	5.6%
Bonds	2,514.3	79.4%	2,667.1	75.1%	116.5	4.6%	131.3	4.1%
of which, JGB	1,680.7	53.1%	1,804.6	50.8%	59.9	2.4%	68.7	2.1%
Foreign Securities	246.2	7.8%	244.1	6.9%	2,069.6	81.6%	※ ¹ 2,680.8	83.5%
Stocks	1.3	0.0%	1.3	0.0%	-	-	-	-
Other securities	3.5	0.1%	7.1	0.2%	8.0	0.3%	8.0	0.2%
Loans	52.6	1.7%	55.1	1.6%	160.6	6.3%	208.6	6.5%
Land & buildings	0.6	0.0%	0.6	0.0%	0.2	0.0%	0.2	0.0%

* Based on financial statement categorization

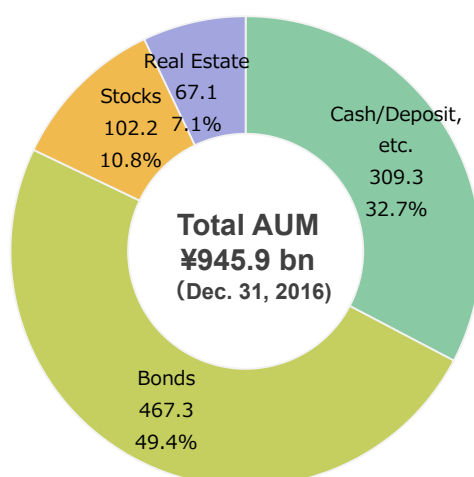
※¹ Foreign securities of ¥2,680.8 billion includes Money Trusts ¥965.0 billion.

Asset Management: MS Amlin's Asset Allocation and Breakdown by Currency as of End of Dec. 2016

- Diversified investment in bonds as assets corresponding to insurance liabilities and other liabilities, and in stocks and real estate as assets corresponding to capital.
- Each operating subsidiary holds the assets in currencies corresponding to the respective insurance liabilities and capital.
- The amount of Cash/Deposits, etc. was temporarily increased by the integration of MSI's Lloyd's and Reinsurance businesses into MS Amlin.

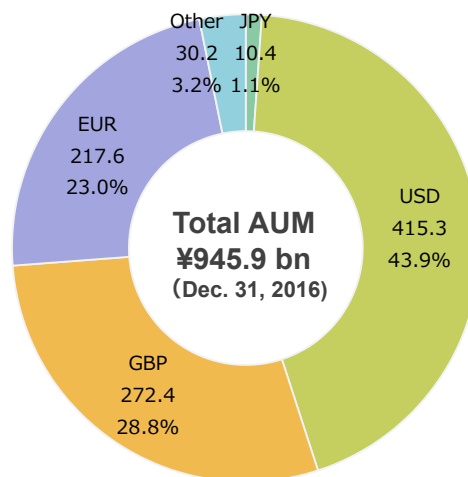
Asset Allocation

(¥bn, GB£1=JP¥143)



Breakdown by Currency

(¥bn, GB£1=JP¥143)



※ Figures are based on the structure after integration of MSI's Lloyd's and Reinsurance businesses into MS Amlin.

Asset Management: Breakdown of Interest and Dividends Income (MSI & ADI)

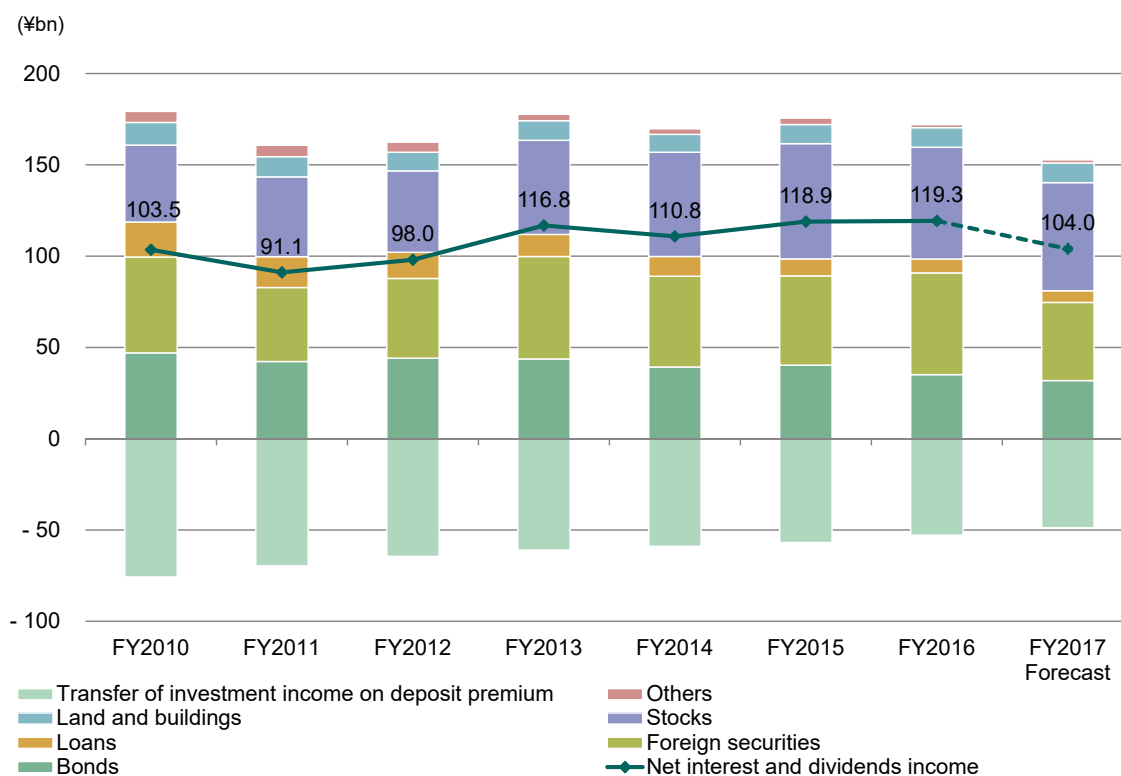
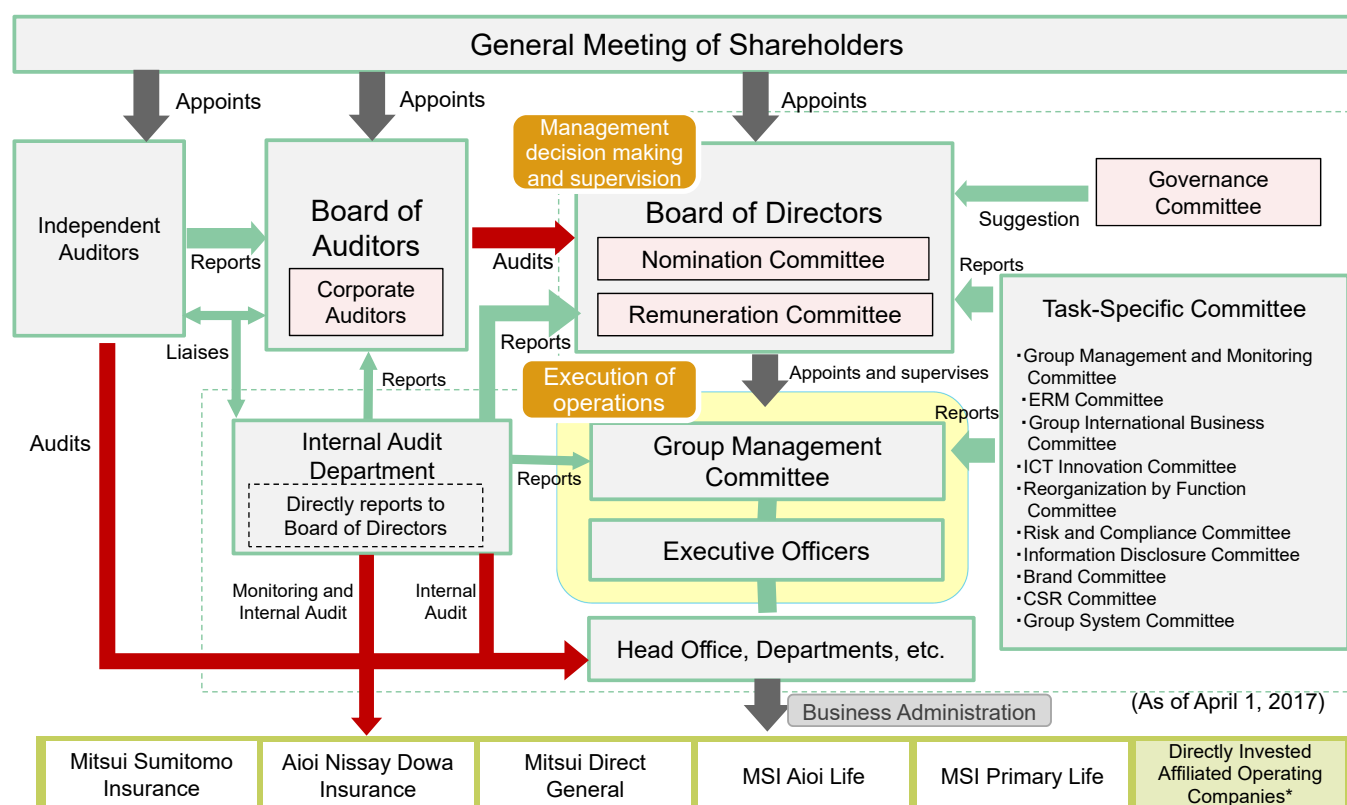


Chart of Corporate Governance System



*MS&AD Holdings has eight affiliated operating companies: InterRisk Research Institute & Consulting, Inc., MS&AD Business Support Co., Ltd., MS&AD Staffing Service Co., Ltd., MS&AD Systems Co., Ltd., MS&AD Research Institute Co., Ltd., MS&AD Loan Services Co., Ltd., and ANSHIN DIAL Co., Ltd.,

Stewardship Activities

Dialogue with Investee Companies

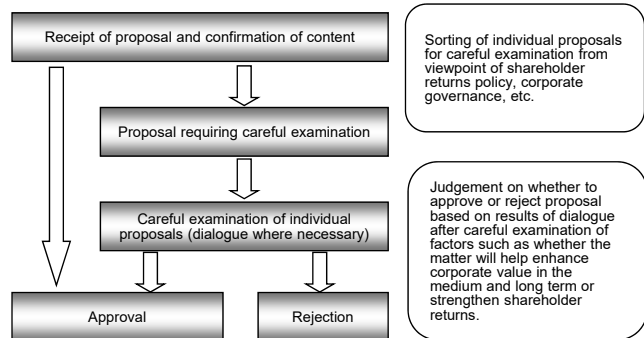
- Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance held constructive dialogue with investee companies on management issues, shareholder return policy, etc. from the viewpoint of encouraging the enhancement of corporate value and sustainable growth of investee companies from a medium- and long-term perspective, and sought a shared understanding and where necessary conveyed their opinion from a shareholder's perspective.
- The number of companies that participated in dialogues is 535 in FY2016 (sum of the two companies).
- In dialogue with investee companies, the Group sought to achieve a shared understanding mainly on the following matters through confirmation and the exchange of views.

Details of dialogue with investee companies

Financial results	<ul style="list-style-type: none"> Most recent business results and factors behind them, and outlook on and after the next fiscal year Measures to improve profitability and growth potential, etc.
Management strategies	<ul style="list-style-type: none"> Medium- and long-term management strategies, progress on management plan Issues to be addressed, etc.
Shareholder return policy	<ul style="list-style-type: none"> Policy on profit distribution and internal reserves Measures to improve payout ratio, etc.
Business risks	<ul style="list-style-type: none"> Status of risk measures and insurance arrangements Status of formulation of BCP Structure for ESG initiatives, status of initiatives, etc.
Corporate governance response	<ul style="list-style-type: none"> Status of response to Corporate Governance Code Status of election of outside directors and role expected of them, etc.

Exercise of Voting Rights

Process of exercise of voting rights



Examples of proposals rejected through exercise of voting rights

Proposal examples	Cases in which proposal was rejected and details of exercise of voting rights
Proposal on appropriation of surplus	The payout ratio remained at a low level even though business results were comparatively stable and we raised the issue this time as it did last year, but did not receive a reasonable explanation this time again. (Rejected)
Proposal for election of director	We had exchanged views on the importance of an outside director and had previously requested the election of an outside director but an outside director was not elected. (Rejected)
Capital increase through third-party allocation of shares	Although we engaged in dialogue regarding the background, relationship with the allottee, and the basis for the issue price, with respect to a capital increase via private placement, where the capital increase might involve "favourable issuance", sufficient explanation was not obtained. (Rejected)

MS&AD's Story of Value Creation

Development of a Vibrant Society and a Sound Future for the Earth

Social Issues

Frequent accidents/disasters
 Extensive natural disasters caused by climate change
 Mounting burden of nursing/medical care due to demographic aging
 Decreasing vitality of local communities, etc.

Stable Lives of People Dynamic Business Activities

Resilient and sustainable society

MS&AD

Global insurance / financial services business

Identify risks and provide information on risks

Reduce the economic burden when risks become real

Prevent risks from being realized / Reduce the impact of risks

Domestic Non-Life Insurance Business

Domestic Life Insurance Business

Financial Services Business

Risk-Related Services Business

International Business

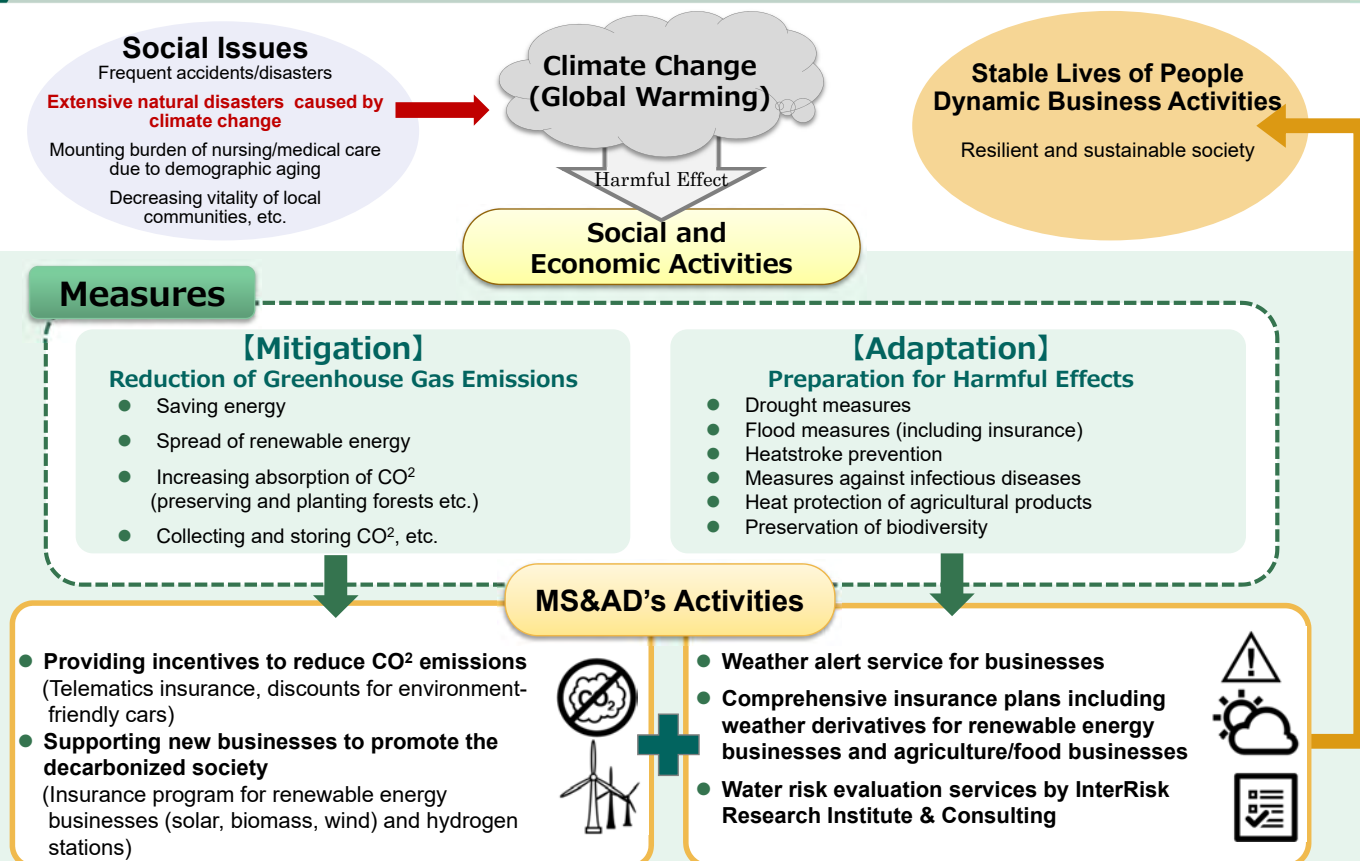
Transformation of Business Structure with Eye on Future Changes in Environment

Optimum Resource Allocation and Appropriate Risk Management

Corporate Culture and Human Assets Development for Taking on Challenges

Strengthening of Corporate Governance

Activities to Solve Social Issues: Addressing Climate Change



Trends in Stock Price Related Indices

	End of FY2010	End of FY2011	End of FY2012	End of FY2013	End of FY2014	End of FY2015	End of FY2016
Group Core Profit (¥bn)	14.5	-87.5	87.4	94.8	155.7	147.5	213.7
Net Income (¥bn)	5.4	-169.4	83.6	93.4	136.2	181.5	210.4
Earnings per share (EPS) (¥)	8.68	-272.49	134.46	150.58	221.34	298.72	350.94
Stock price (closing price) (¥)	1,894	1,699	2,066	2,364	3,370	3,136	3,540
Rate of change*1	-27.0%	-10.3%	21.6%	14.4%	42.6%	-6.9%	12.9%
(For reference) TOPIX Rate of change*1	-11.2%	-1.7%	21.2%	16.3%	28.3%	-12.7%	12.3%
Book-value per share (BPS) (¥)	2,597.19	2,400.48	3,215.33	3,646.22	4,911.40	4,469.58	4,572.82
Price book-value ratio (PBR)	0.73	0.71	0.64	0.65	0.69	0.70	0.77
Price earnings ratio (PER)	218.20	—	15.36	15.70	15.23	10.50	10.08

*1 Rate of change is a percentage change from the end of the previous fiscal year.

Advancing with you

MS&AD

INSURANCE GROUP

【Reference Materials】

Summary of FY2016 Financial Results and Projected Financial Results for FY2017



Summary of FY2016 Financial Results (MS&AD Holdings (Consolidated))

Appendix 1

Projected Financial Results for FY2017 (MS&AD Holdings (Consolidated))

Appendix 2

Summary of FY2016 Financial Results (MS&AD Holdings (Consolidated))

Key financial data

(¥bn)

	FY2015	FY2016		
			YoY Change	Change Ratio
Net premiums written	3,078.9	3,406.9	327.9	10.7%
Ordinary profit/loss	291.5	352.6	61.0	20.9%
Net income	181.5	210.4	28.9	15.9%

* 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.

* Consolidated net income represents net income attributable to owners of the parent, same hereafter.

Breakdown of net premiums written

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
MSI (Non-consolidated)	1,507.4	1,469.6	- 37.7	- 2.5%
ADI (Non-consolidated)	1,192.0	1,200.5	8.4	0.7%
Mitsui Direct General	36.5	37.6	1.0	3.0%
Overseas subsidiaries	336.8	693.1	356.2	105.8%

Breakdown of net income

(¥bn)

	FY2015	FY2016	
			YoY Change
MSI (Non-consolidated)	113.9	164.5	50.5
ADI (Non-consolidated)	31.0	50.3	19.2
Mitsui Direct General	-4.3	-0.9	3.4
MSI Life	6.0	4.5	-1.4
MSI Primary Life	17.8	20.7	2.8
Overseas subsidiaries	28.5	24.0	-4.5
Consolidation adjustments and others	-11.7	-52.9	-41.2

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

MS&AD Insurance Group Holdings, Inc.

<Net premiums written>

■ Breakdown of net premiums written

- Overseas subsidiaries had a substantial increase in revenue of ¥356.2 billion (+105.8%) year-on-year, due to the effects of new consolidation with MS Amlin.

<Net income>

■ Net income was ¥210.4 billion, an increase of ¥28.9 billion year-on-year, recording the highest net income for the fifth consecutive year.

■ Breakdown by company

- Net income for MSI was ¥164.5 billion, an increase of ¥50.5 billion year-on-year, as a result of increased underwriting profit mainly due to an increase in earned premiums reflecting the underlying increase in revenue.
- ADI's net income was ¥50.3 billion, an increase of ¥19.2 billion year-on-year, as a result of an increase in underwriting profit in a similar manner to MSI.
- Mitsui Direct General's net income was negative ¥0.9 billion, an increase of ¥3.4 billion year-on-year, due to a decrease in incurred losses.

Projected Financial Results for FY2017 (MS&AD Holdings (Consolidated))

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)		
			YoY Change	Change Ratio
Net premiums written	3,406.9	3,450.0	43.0	1.3%
Ordinary profit/loss	352.6	345.0	- 7.6	-2.2%
Net income	210.4	245.0	34.5	16.4%

Breakdown of net premiums written

(¥bn)

	FY2016	FY2017 (Forecast)		
			YoY Change	Growth
MSI (Non-consolidated)	1,469.6	1,488.0	18.3	1.2%
ADI (Non-consolidated)	1,200.5	1,219.0	18.4	1.5%
Mitsui Direct General	37.6	38.8	1.1	3.0%
Overseas subsidiaries	693.1	700.0	6.8	1.0%

Breakdown of net income

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
MSI (Non-consolidated)	164.5	166.0	1.4
ADI (Non-consolidated)	50.3	49.0	- 1.3
Mitsui Direct General	- 0.9	0.2	1.1
MSI Aioi Life	4.5	3.0	- 1.5
MSI Primary Life	20.7	14.0	- 6.7
Overseas subsidiaries	24.0	45.0	20.9
Consolidation adjustments and others	- 52.9	- 32.2	20.7

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

MS&AD Insurance Group Holdings, Inc.

<Net income>

■ Breakdown of net income

- Net income at overseas subsidiaries increased by ¥20.9 billion year-on-year to ¥45.0 billion, due to an income increase at MS Amlin.
- Consolidated adjustments and others increased by ¥20.7 billion year-on-year to negative ¥32.2 billion, due to such factors as a recoil from the negative effect of system development expenses for transfer of third sector policies in force recorded in the previous fiscal year.

Summary of FY2016 Financial Results



MSI (Non-Consolidated)	Appendix 3
MSI (Non-Consolidated): Premiums and Loss Ratios by Product Line	Appendix 4
MSI (Non-Consolidated): Company Expenses and Expense Ratios	Appendix 5
MSI (Non-Consolidated): Investment Performance	Appendix 6
ADI (Non-Consolidated)	Appendix 7
ADI (Non-Consolidated): Premiums and Loss Ratios by Product Line	Appendix 8
ADI (Non-Consolidated): Company Expenses and Expense Ratios	Appendix 9
ADI (Non-Consolidated): Investment Performance	Appendix 10
Mitsui Direct General	Appendix 11
MSI Aioi Life	Appendix 12
MSI Primary Life	Appendix 13
Overseas Subsidiaries	Appendix 14
MSI (Consolidated)	Appendix 15
ADI (Consolidated)	Appendix 16

MSI (Non-Consolidated)

Key financial data

(¥bn)

	FY2015	FY2016	
			YoY Change
Net premiums written	1,507.4	1,469.6	- 37.7
Growth rate of net premiums written	4.3%	-2.5%	-6.8pt
Net loss ratio	58.9%	61.2%	2.3pt
Net expense ratio	31.0%	31.2%	0.2pt
Combined ratio	89.9%	92.4%	2.5pt
Incurred losses (including loss adjustment expenses)	897.1	893.0	- 4.1
Underwriting profit/loss	19.1	81.7	62.6
Net investment profit/loss	152.8	139.4	- 13.4
Ordinary profit/loss	167.8	215.5	47.6
Extraordinary income/losses	- 11.7	- 7.0	4.6
Net income/loss	113.9	164.5	50.5
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	4.4%	-2.9%	-7.3pt
Net loss ratio	56.0%	58.0%	2.0pt
Net expense ratio	33.1%	33.2%	0.1pt
Combined ratio	89.1%	91.2%	2.1pt
Incurred losses (including loss adjustment expenses)	748.1	738.4	- 9.6

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

MS&AD Insurance Group Holdings, Inc.

- Net premiums written decreased by 2.5% year-on-year.
 - Net premiums written for fire insurance decreased due to a recoil from the rush demand before the revision of fire insurance products in the previous year.
- Despite the occurrence of Kumamoto Earthquake, total incurred losses decreased by ¥4.1 billion, due to such factors as fewer incurred losses in voluntary automobile and marine insurance.

【Reference : Non-consolidated solvency margin ratio】

	End of FY2015	End of FY 2016	
			Change
Non-consolidated solvency margin ratio	585.9%	657.9%	72.0pt

MSI (Non-Consolidated): Premiums and Loss Ratios by Product Line

Net premiums written

(¥bn)

	FY2015	FY2016	
			YoY Change
Fire and allied	242.4	183.8	-24.2%
Marine	66.9	58.6	-12.4%
Personal accident	140.9	143.5	1.8%
Voluntary automobile	645.6	654.1	1.3%
CALI	186.5	186.8	0.2%
Other	224.8	242.5	7.9%
Total	1,507.4	1,469.6	-2.5%
Excluding residential earthquake insurance and CALI	1,320.0	1,282.0	-2.9%

Net loss ratio

	FY2015	FY2016	
			YoY Change
Fire and allied	55.2%	72.0%	16.8pt
Marine	53.9%	61.3%	7.4pt
Personal accident	57.7%	54.3%	-3.4pt
Voluntary automobile	59.2%	57.3%	-1.9pt
CALI	79.8%	80.3%	0.5pt
Other	47.2%	52.9%	5.7pt
Total	58.9%	61.2%	2.3pt
Excluding residential earthquake insurance and CALI	56.0%	58.0%	2.0pt

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2015	FY2016	
			YoY Change
Incurred losses (including loss adjustment expenses)*1	748.1	738.4	- 9.6
Natural catastrophes *2	38.1	34.3	- 3.8
Other than natural catastrophes	709.9	704.1	- 5.7

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

*2: "Natural catastrophes" represent domestic natural disasters occurring in the fiscal year. The figure for FY2015 includes 0.1 billion of incurred losses resulting from heavy snowfalls in Feb 2014.

MS&AD Insurance Group Holdings, Inc.

<Net premiums written>

- Net premiums written for fire insurance fell by 24.2% due to a recoil from an increase in revenue due to the rush demand before the revision of fire insurance products in the previous year.
- Net premiums written for marine insurance fell by 12.4 % as a result of reduction in resource prices and reduction in flow of goods which led to reduction in revenue of cargo insurance.
- For voluntary automobile insurance, net premiums written rose by 1.3% due to the rise in insurance premium unit price implemented by initiatives for better coverage and also due to the increase in the number of vehicles under fleet contracts, etc.
- For "others", net premiums written rose by 7.9% due to strong sales of new products (Employment Injury Compensation Insurance*) and increase in revenue from expense insurance.
 - * Successor product to a personal accident insurance product that is no longer being sold. Net premiums written for personal accident insurance decreased as a result.

<Net loss ratio>

- Net loss ratio for fire insurance rose by 16.8 points year-on-year, mainly due to the decrease in premiums because of a recoil from the rush demand before the fire insurance products' revision in the previous year.
- Net loss ratio for marine insurance rose by 7.4 points year-on-year, mainly due to the decrease in premiums.
- Net loss ratio for voluntary auto insurance improved by 1.9 points year-on-year, mainly due to the increase in premiums and the decrease in losses paid in bodily injury liability insurance.
- For "others", net loss ratio rose by 5.7 points due to strong sales of new products (Employment Injury Compensation Insurance) and large losses paid at overseas operations among other factors.

<Incurred losses (excluding residential earthquake insurance and CALI)>

- Despite the occurrence of Kumamoto Earthquake, there were fewer incurred losses from natural catastrophes and incurred losses in voluntary auto and marine insurance compared to the previous year, resulting in a decrease in incurred losses of ¥9.6 billion year-on-year.

【Reference: Breakdown of impact of natural catastrophes by product line】

(¥bn)

	FY2015			FY2016		
	Net Claims Paid	Provisions for O/S	Total	Net Claims Paid	Provisions for O/S	Total
Fire and allied excluding residential EQ	32.6	0.7	33.4	22.6	7.9	30.5
Marine	0.0	0.0	0.1	0.1	0.0	0.2
Personal accident	0.0	0.0	0.0	0.0	0.0	0.0
Voluntary automobile	2.2	0.2	2.4	1.2	0.0	1.2
Other	1.6	0.4	2.1	1.3	0.9	2.2
Total	36.5	1.5	38.1	25.3	8.9	34.3

MSI (Non-Consolidated): Company Expenses and Expense Ratios

Company expenses / Commission

(¥bn)

	FY2015	FY2016	
			YoY Change
Underwriting company expenses	204.6	206.6	2.0
Loss adjustment expenses	87.4	87.8	0.4
Other	10.5	10.9	0.4
Total company expenses	302.5	305.4	2.8
Personnel expenses	165.4	167.7	2.2
Non-personnel expenses	121.3	125.2	3.9
Taxes and contributions	15.8	12.4	- 3.3
Commission and collection expenses	263.1	251.7	- 11.4

Expense ratios

	FY2015	FY2016	
			YoY Change
Net commission ratio	17.5%	17.1%	-0.4 pt
Net company expense ratio	13.6%	14.1%	0.5 pt
Net expense ratio	31.0%	31.2%	0.2 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	33.1%	33.2%	0.1 pt

MS&AD Insurance Group Holdings, Inc.

- Total company expenses rose by ¥2.8 billion year-on-year, mainly due to the increase in retirement benefit expenses and system-related expenses.
- Commission and collection expenses reduced by ¥11.4 billion year-on-year due to the reduction in net premiums written.
- Net expense ratio (excluding residential earthquake insurance and CALI) was 33.2%, an increase of 0.1 points year-on-year.

(Breakdown)

- Net commission ratio: 19.0% (down 0.4 points year-on-year)
- Net company expense ratio: 14.2% (up 0.5 points year-on-year)

MSI (Non-Consolidated): Investment Performance

Net investment income

(¥bn)

	FY2015	FY2016	
			YoY Change
Interest and dividends income	116.9	116.7	- 0.1
Transfer of investment income on deposit premiums	- 37.5	- 35.5	2.0
Net interest and dividends income	79.4	81.2	1.8
Gains/losses on sales of securities	99.1	67.2	- 31.8
Impairment losses on securities	- 7.2	- 0.4	6.7
Gains/losses on redemption of securities	0.1	- 0.1	- 0.2
Gains/losses on derivative transactions	3.4	4.4	0.9
Other	- 22.0	- 12.9	9.1
Net investment profit/loss	152.8	139.4	- 13.4

Sources of interest and dividends received

(¥bn)

	FY2015	FY2016	
			YoY Change
Bonds	20.9	19.4	- 1.4
Stocks	45.7	43.5	- 2.2
Foreign securities	30.3	38.0	7.6
Other securities	5.2	3.2	- 2.0
Loans	6.2	4.9	- 1.2
Land and buildings	6.1	6.3	0.1
Other	2.4	1.2	- 1.1
Total	116.9	116.7	- 0.1

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends income reduced by ¥0.1 billion year-on-year due to the reduction in bond interests and dividends from domestic stocks, although interests and dividends from foreign securities increased.
- Gains on sales of securities reduced by ¥31.8 billion year-on-year due partially to the reduction in gains on sales of domestic stocks.
- Impairment losses on securities reduced by ¥6.7 billion year-on-year (breakdown below).

(¥bn)

	FY2015	FY2016	
			YoY Change
Bonds	-	-	-
Stocks	7.2	0.0	- 7.2
Foreign securities	-	0.4	0.4
Other securities	0.0	-	- 0.0
Total	7.2	0.4	- 6.7

- "Other" rose by ¥9.1 billion yen mainly due to the decrease in foreign exchange losses.

【Reference: Breakdown of investment assets】

(¥bn)

	End of FY2015	End of FY2016	
			YoY Change
Deposits and savings, etc.	512.7	419.8	- 92.9
Securities	5,173.7	5,294.6	120.9
Bonds	1,865.3	1,847.9	- 17.4
Stocks	1,756.5	1,806.8	50.2
Foreign securities	1,525.9	1,604.8	78.9
Other securities	25.8	34.9	9.1
Loans	448.6	418.1	- 30.5
Land and buildings	204.9	200.0	- 4.8
Total	6,340.1	6,332.7	- 7.3

ADI (Non-Consolidated)

Key financial data

(¥bn)

	FY2015	FY2016	
			YoY Change
Net premiums written	1,192.0	1,200.5	8.4
Growth rate of net premiums written	2.7%	0.7%	-2.0 pt
Net loss ratio	59.2%	59.1%	-0.1 pt
Net expense ratio	34.3%	33.5%	-0.8 pt
Combined ratio	93.5%	92.6%	-0.9 pt
Incurred losses (including loss adjustment expenses)	706.4	724.6	18.2
Underwriting profit/loss	24.8	39.5	14.6
Net investment profit/loss	34.9	32.2	- 2.6
Ordinary profit/loss	61.7	75.1	13.4
Extraordinary income/losses	- 20.2	- 8.3	11.8
Net income/loss	31.0	50.3	19.2
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	2.9%	1.0%	-1.9 pt
Net loss ratio	56.1%	55.6%	-0.5 pt
Net expense ratio	36.5%	35.2%	-1.3 pt
Combined ratio	92.6%	90.8%	-1.8 pt
Incurred losses (including loss adjustment expenses)	573.7	591.0	17.2

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 0.7% year-on-year, mainly due to the increase in voluntary auto and “other” insurance.
- Net loss ratio improved by 0.8 points due to the decrease in company expenses mainly resulting from the reduction in system costs.
- Combined ratio was 92.6%, a decrease of 0.9 points year-on-year.
- Underwriting profit increased to ¥39.5 billion, an increase of ¥14.6 billion year-on-year, mainly due to the increase in net premiums written and the reduction of incurred losses.
- Net investment profit decreased to ¥32.2 billion, a decrease of ¥2.6 billion year-on-year due to such factors as the decrease in interest and dividends income.
- Extraordinary loss decreased by ¥11.8 billion compared to the previous year when extra retirement payments were recorded associated with the “career assist plan”.

【Reference: Non-consolidated solvency margin ratio】

	End of FY2015	End of FY 2016	
			Change
Non-consolidated solvency margin ratio	829.3%	851.6%	22.3pt

ADI (Non-Consolidated): Premiums and Loss Ratios by Product Line

Net premiums written

(¥bn)

	FY2015	FY2016	
			Growth
Fire and allied	167.6	153.0	-8.7%
Marine	5.7	5.4	-5.2%
Personal accident	63.5	61.4	-3.4%
Voluntary automobile	671.8	680.4	1.3%
CALI	170.6	168.7	-1.1%
Other	112.6	131.3	16.7%
Total	1,192.0	1,200.5	0.7%
Excluding residential earthquake insurance and CALI	1,020.9	1,031.2	1.0%

Net loss ratio

	FY2015	FY2016	
			YoY Change
Fire and allied	51.9%	56.2%	4.3 pt
Marine	43.4%	48.0%	4.6 pt
Personal accident	52.0%	48.6%	-3.4 pt
Voluntary automobile	58.1%	56.8%	-1.3 pt
CALI	78.1%	77.9%	-0.2 pt
Other	53.0%	55.6%	2.6 pt
Total	59.2%	59.1%	-0.1 pt
Excluding residential earthquake insurance and CALI	56.1%	55.6%	-0.5 pt

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2015	FY2016	
			YoY Change
Incurred losses (including loss adjustment expenses) ^{*1}	573.7	591.0	17.2
Natural catastrophes ^{*2}	29.9	16.7	- 13.1
Other than natural catastrophes	543.8	574.2	30.4

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

*2: "Natural catastrophes" represent domestic natural disasters occurring in the fiscal year. The figure for FY2015 includes 0.1 billion of incurred losses resulting from heavy snowfalls in Feb. 2014.

MS&AD Insurance Group Holdings, Inc.

<Net premiums written>

- Net premiums written for fire insurance reduced by 8.7% year-on-year, mainly due to a recoil from the rush demand before the products' revision in October 2015.
- Net premiums written for voluntary automobile insurance increased by 1.3% year-on-year, resulting from the increase both in Japan and overseas.
- "Other" had an increase from worker's compensation insurance and inwards reinsurance, resulting in an increase in net premiums written by 16.7% year-on-year.

<Net Loss Ratio>

- Net loss ratio for fire insurance rose by 4.3 points year-on-year, mainly due to the decrease in net premiums written.
- Net loss ratio for voluntary automobile insurance reduced by 1.3 points year-on-year due to the increase in net premiums written and the decrease in net losses paid.

<Incurred losses (excluding residential earthquake insurance and CALI)>

- Despite the decrease in incurred losses from natural catastrophes, such as typhoons, overall incurred losses increased by ¥17.2 billion year-on-year, due to the increase in incurred losses other than natural catastrophes.

【Reference: Breakdown of impact of natural catastrophes by product line】

(¥bn)

	FY2015			FY2016		
	Net Claims Paid	Provisions for O/S	Total	Net Claims Paid	Provisions for O/S	Total
Fire and allied excluding residential EQ	23.6	1.1	24.8	12.3	2.3	14.6
Marine	-	-	-	-	-	-
Personal accident	0.0	0.0	0.0	0.0	0.0	0.0
Voluntary automobile	3.3	0.2	3.5	1.2	0.0	1.2
Other	0.8	0.7	1.5	0.6	0.2	0.8
Total	27.8	2.0	29.9	14.2	2.5	16.7

ADI (Non-Consolidated): Company Expenses and Expense Ratios

Company expenses / Commission

(¥bn)

	FY2015	FY2016	
			YoY Change
Underwriting company expenses	185.3	178.3	- 7.0
Loss adjustment expenses	61.0	60.8	- 0.2
Other	8.2	8.5	0.2
Total company expenses	254.7	247.6	- 7.0
Personnel expenses	126.4	123.6	- 2.8
Non-personnel expenses	117.1	113.0	- 4.0
Taxes and contributions	11.0	10.9	- 0.1
Commission and collection expenses	223.1	223.8	0.7

Expense ratios

	FY2015	FY2016	
			YoY Change
Net commission ratio	18.7%	18.6%	-0.1 pt
Net company expense ratio	15.6%	14.9%	-0.7 pt
Net expense ratio	34.3%	33.5%	-0.8 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	36.5%	35.2%	-1.3 pt

MS&AD Insurance Group Holdings, Inc.

- Total company expenses decreased to ¥247.6 billion, a reduction of ¥7.0 billion year-on-year, due to reduction of system costs among other factors.
- Commission and collection expenses increased by ¥0.7 billion, following the increase in premiums.
- Net expense ratio (excluding residential earthquake insurance and CALI) decreased to 35.2%, a reduction of 1.3 points year-on-year.

(Breakdown)

- Net commission ratio: 20.9% (down 0.1 points year-on-year)
- Net company expense ratio: 14.3% (down 1.1 points year-on-year)

ADI (Non-Consolidated): Investment Performance

Net investment income

(¥bn)

	FY2015	FY2016	
			YoY Change
Interest and dividends income	58.7	55.4	- 3.3
Transfer of investment income on deposit premiums	- 19.1	- 17.3	1.8
Net interest and dividends income	39.5	38.0	- 1.5
Gains/losses on sales of securities	10.4	9.0	- 1.4
Impairment losses on securities	- 6.6	- 4.9	1.7
Gains/losses on redemption of securities	0.7	0.0	- 0.7
Gains/losses on derivative transactions	- 1.7	- 4.1	- 2.3
Other	- 7.4	- 5.8	1.5
Net investment profit/loss	34.9	32.2	- 2.6

Sources of interest and dividends received

(¥bn)

	FY2015	FY2016	
			YoY Change
Bonds	9.8	9.9	0.0
Stocks	17.3	17.6	0.2
Foreign securities	18.5	17.7	- 0.8
Other securities	4.3	2.5	- 1.8
Loans	3.1	2.6	- 0.4
Land and buildings	4.3	4.4	0.1
Other	1.0	0.3	- 0.6
Total	58.7	55.4	- 3.3

MS&AD Insurance Group Holdings, Inc.

- Impairment losses on securities improved by ¥1.7 billion year-on-year (breakdown below):

(¥bn)

	FY2015	FY2016	
			YoY Change
Bonds	—	—	—
Stocks	6.6	0.6	- 6.0
Foreign securities	0.0	4.3	4.2
Other securities	—	—	—
Total	6.6	4.9	- 1.7

【Reference: Breakdown of investment assets】

(¥bn)

	End of FY2015	End of FY2016	
			YoY Change
Deposits and savings, etc.	149.5	189.8	40.2
Securities	2,497.5	2,577.0	79.5
Bonds	985.5	970.7	- 14.7
Stocks	792.7	843.3	50.6
Foreign securities	675.7	707.0	31.3
Other securities	43.5	55.8	12.2
Loans	221.8	210.9	- 10.9
Land and buildings	170.9	163.4	- 7.4
Total	3,039.8	3,141.2	101.3

Key financial data

(¥bn)

	FY2015	FY2016	
			YoY Change
Net premiums written	36.5	37.6	1.0
Growth rate of net premiums written	4.3%	3.0%	-1.3pt
Net loss ratio	79.0%	75.9%	-3.1pt
Net expense ratio	21.9%	22.0%	0.1pt
Combined ratio	100.9%	97.9%	-3.0pt
Incurred losses (including loss adjustment expenses)	33.3	29.7	- 3.5
Underwriting profit/loss	- 5.4	- 1.0	4.4
Net investment profit/loss	0.0	0.0	- 0.0
Ordinary profit/loss	- 5.3	- 0.9	4.4
Extraordinary income/losses	- 0.0	- 0.0	0.0
Net income/loss per our share	- 4.3	- 0.9	3.4

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2015	FY2016	
			YoY Change
Incurred losses (including loss adjustment expenses) **1	32.8	29.2	- 3.5
Natural catastrophes **2	0.1	0.0	- 0.0
Other than natural catastrophes	32.7	29.2	- 3.4

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

*2: "Natural catastrophes" represent domestic natural disasters occurring in the fiscal year.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written increased by 3.0% year-on-year to ¥37.6 billion, as a result of continuous efforts, better recognition following the release of a new TV commercial, and the rates revision.
- Net loss ratio was 75.9%, a decrease of 3.1 points year-on-year, due to swift claims handling among other factors.

【Reference: Non-consolidated solvency margin ratio】

	End of FY2015	End of FY2016	
			Change
Non-consolidated solvency margin ratio	230.4%	431.4%	201.0pt

Key financial data

(¥bn)

	FY2015	FY2016		
			YoY Change	Change Ratio
Amount of new policies*	2,423.3	2,377.1	- 46.2	-1.9%
Amount of policies in force*	22,576.0	23,214.2	638.2	2.8%
Annualized premiums of new policies*	48.1	51.7	3.5	7.5%
of which, third sector insurance	13.5	15.2	1.7	12.7%
Annualized premiums of policies in force*	375.7	401.0	25.2	6.7%
of which, third sector insurance	78.7	88.4	9.7	12.3%
Gross premiums income	461.1	478.9	17.8	3.9%
Ordinary profit/loss	18.6	16.1	- 2.4	-13.4%
Net Income/loss	6.0	4.5	- 1.4	-24.0%

* Amount of new policies, amount of policies in force, annualized premiums of new policies and annualized premiums of policies in force are total sum of personal insurance and personal annuity insurance.

MS&AD Insurance Group Holdings, Inc.

- The amount of new policies decreased by 1.9% year-on-year, due to the decrease in income guarantee insurance and increasing term life insurance.
- Annualized premiums of new policies increased by 7.5% year-on-year, due to the increase in term life insurance and medical insurance.
- In the third sector, annualized premiums of new policies increased by 12.7% year-on-year, while annualized premiums of policies in force increased by 12.3% from the end of the previous year, as a result of introduction of new medical insurance products in May.
- Net income decreased to ¥4.5 billion, a decrease of ¥1.4 billion year-on-year, mainly due to the decrease in capital gains.

【Reference: Non-consolidated solvency margin ratio】

	End of FY2015	End of FY2016	
			Change
Non-consolidated solvency margin ratio	1,598.4%	1,893.2%	294.8pt

MSI Primary Life

Key financial data

(¥bn)

	FY2015	FY2016		
			YoY Change	Change Ratio
Amount of new policies	1,262.6	1,032.2	- 230.3	- 18.2%
Amount of policies in force	4,910.8	5,680.7	769.9	15.7%
Gross premiums income	1,299.4	1,071.1	- 228.3	-17.6%
Ordinary profit/loss	39.9	57.6	17.7	44.4%
Net income/loss	17.8	20.7	2.8	15.7%

MS&AD Insurance Group Holdings, Inc.

- Although the amount of new policies reduced by 18.2% year-on-year, it exceeded ¥1,000 billion amounting to ¥1,032.2 billion, due to such factors as the strong sales of foreign currency-denominated fixed whole life insurance.
- While new policies increased progressively, policies in force were ¥5,680.7 billion, an increase of 15.7% compared to the end of the previous year.
- Ordinary profit was ¥57.6 billion, an increase of ¥17.7 billion year-on-year, mainly due to decrease in policy reserve burden following the interest rate increase in Australia.
- Net income was ¥20.7 billion (highest ever recorded), an increase of ¥2.8 billion year-on-year.

【Reference:Non-consolidated solvency margin ratio】

	End of FY2015	End of FY2016	
			Change
Non-consolidated solvency margin ratio	985.5%	1,030.5%	+45.0pt

Overseas Subsidiaries

Net premiums written

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
Overseas subsidiaries total	336.8	693.1	356.2	105.8%
Asia	170.3	154.5	- 15.8	-9.3%
Europe (excluding MS Amlin)	102.0	85.1	- 16.8	-16.5%
Americas	45.8	45.4	- 0.3	-0.8%
Reinsurance	18.6	16.8	- 1.8	-9.8%
MS Amlin	—	391.1	391.1	—

Net income

(¥bn)

	FY2015	FY2016	
			YoY Change
Overseas subsidiaries total	28.5	24.0	- 4.5
Asia	16.6	13.2	- 3.3
Europe (excluding MS Amlin)	- 2.0	- 8.1	- 6.0
Americas	3.2	3.0	- 0.2
Reinsurance	10.7	11.8	1.0
MS Amlin	—	4.0	4.0

MS&AD Insurance Group Holdings, Inc.

- Net premiums written for overseas subsidiaries increased to ¥693.1 billion due to new consolidation of MS Amlin. Overseas subsidiaries other than MS Amlin had a reduction of ¥34.8 billion year-on-year including the exchange rate effects of negative ¥47.9 billion. However, premiums increased on a local currency basis by ¥13.1 billion (+3.9%).
- Although MS Amlin was newly consolidated, net income for overseas subsidiaries was ¥24.0 billion, down ¥4.5 billion year-on-year, mainly due to higher loss ratios caused by accidents (including natural catastrophes) in Europe and Asia and the impact of a decrease in the Ogden rate in the UK.

MSI (Consolidated)

Key financial data

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
Net premiums written	1,780.1	2,102.6	322.4	18.1%
Ordinary profit/loss	191.3	221.3	30.0	15.7%
Net income/loss	135.7	155.4	19.7	14.5%

Breakdown of net premiums written

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
MSI (Non-consolidated)	1,507.4	1,469.6	- 37.7	- 2.5%
Overseas subsidiaries	272.7	632.9	360.1	132.0%

Breakdown of net income

(¥bn)

	FY2015	FY2016	
			YoY Change
MSI (Non-consolidated)	113.9	164.5	50.5
Overseas subsidiaries	36.3	28.6	- 7.6
Consolidation adjustments and others	- 14.5	- 37.7	- 23.1

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

ADI (Consolidated)

Key financial data

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
Net premiums written	1,262.2	1,266.8	4.6	0.4%
Ordinary profit/loss	52.9	71.7	18.7	35.5%
Net income/loss	22.6	48.5	25.8	113.9%

Breakdown of net premiums written

(¥bn)

	FY2015	FY2016		
			YoY Change	Growth
ADI (Non-consolidated)	1,192.0	1,200.5	8.4	0.7%
Overseas subsidiaries	64.1	60.2	- 3.8	-6.0%

Breakdown of net income

(¥bn)

	FY2015	FY2016	
			YoY Change
ADI (Non-consolidated)	31.0	50.3	19.2
Overseas subsidiaries	- 7.9	- 5.0	2.9
Consolidation adjustments and others	- 0.4	3.2	3.6

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

Projected Financial Results for FY2017



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MSI (Non-Consolidated)

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Net premiums written	1,469.6	1,488.0	18.3
Growth rate of net premiums written	- 2.5%	1.2%	3.7 pt
Net loss ratio	61.2%	60.3%	-0.9 pt
Net expense ratio	31.2%	31.6%	0.4 pt
Combined ratio	92.4%	91.9%	-0.5 pt
Incurred losses (including loss adjustment expenses)	893.0	891.8	- 1.2
Underwriting profit/loss	81.7	82.0	0.2
Net investment profit/loss	139.4	147.6	8.1
Ordinary profit/loss	215.5	225.0	9.4
Extraordinary income/losses	- 7.0	- 2.7	4.4
Net income/loss	164.5	166.0	1.4
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	-2.9%	1.7%	4.6 pt
Net loss ratio	58.0%	57.2%	-0.8 pt
Net expense ratio	33.2%	33.5%	0.3 pt
Combined ratio	91.2%	90.7%	-0.5 pt
Incurred losses (including loss adjustment expenses)	738.4	741.0	2.5

MS&AD Insurance Group Holdings, Inc.

- Net investment profit is expected to increase by ¥8.1 billion year-on-year to ¥147.6 billion, mainly due to consideration of share exchange profit related to the merger at Max Life.
- Net income is forecast to increase by ¥1.4 billion year-on-year to ¥166.0 billion, as income taxes burden expected to increase compared to FY2016 which was lower tax burden.

MSI (Non-Consolidated): Premiums and Loss Ratios by Product Line

Net premiums written

(¥bn)

	FY2016	FY2017 (Forecast)	
			Growth
Fire and allied	183.8	191.0	3.9%
Marine	58.6	58.5	-0.2%
Personal accident	143.5	144.5	0.7%
Voluntary automobile	654.1	660.3	0.9%
CALI	186.8	183.2	-2.0%
Other	242.5	250.6	3.3%
Total	1,469.6	1,488.0	1.2%
Excluding residential earthquake insurance and CALI	1,282.0	1,304.3	1.7%

Net loss ratio

	FY2016	FY2017 (Forecast)	
			YoY Change
Fire and allied	72.0%	63.4%	-8.6pt
Marine	61.3%	60.0%	-1.3pt
Personal accident	54.3%	53.5%	-0.8pt
Voluntary automobile	57.3%	57.9%	0.6pt
CALI	80.3%	82.1%	1.8pt
Other	52.9%	52.2%	-0.7pt
Total	61.2%	60.3%	-0.9pt
Excluding residential earthquake insurance and CALI	58.0%	57.2%	-0.8pt

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Incurred losses (including loss adjustment expenses) *1	738.4	741.0	2.5
Natural catastrophes *2	34.3	30.0	- 4.3
Other than natural catastrophes	704.1	711.0	6.8

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

*2: "Natural catastrophes" represent domestic natural disasters occurring in the fiscal year.

MS&AD Insurance Group Holdings, Inc.

- Although a decrease is expected in CALI following rates revision, net premiums written are expected to increase by 1.2%, as an increase is expected in fire and voluntary auto insurance and "other".
- Net loss ratio is expected to improve by 0.9 points year-on-year to 60.3%, partially due to improved loss ratios in fire insurance.
- Excluding natural catastrophes, net loss ratios (excluding residential earthquake insurance and CALI) are forecast as follows:

	FY2016	FY2017 (Forecast)	
			YoY Change
Fire and allied excluding residential EQ	56.7%	50.7%	-6.0pt
Marine	61.0%	59.8%	-1.2pt
Personal accident	54.3%	53.5%	-0.8pt
Voluntary automobile	57.1%	57.4%	0.3pt
Other	52.3%	51.3%	-1.0pt
Total	56.0%	54.9%	-1.1pt

MSI (Non-Consolidated): Company Expenses and Expense Ratios

Company expenses / Commission

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Underwriting company expenses	206.6	212.3	5.6
Loss adjustment expenses	87.8	88.6	0.7
Other	10.9	11.8	0.8
Total company expenses	305.4	312.7	7.2
Personnel expenses	167.7	169.8	2.0
Non-personnel expenses	125.2	130.1	4.8
Taxes and contributions	12.4	12.8	0.3
Commission and collection expenses	251.7	257.2	5.5

Expense ratios

	FY2016	FY2017 (Forecast)	
			YoY Change
Net commission ratio	17.1%	17.3%	0.2 pt
Net company expense ratio	14.1%	14.3%	0.2 pt
Net expense ratio	31.2%	31.6%	0.4 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	33.2%	33.5%	0.3 pt

MS&AD Insurance Group Holdings, Inc.

- Total company expenses are forecast at ¥312.7 billion, an increase of ¥7.2 billion year-on-year.
(Breakdown)
 - ¥169.8 billion in personnel expenses, an increase of ¥2.0 billion year-on-year
 - ¥130.1 billion in non-personnel expenses, an increase of ¥4.8 billion year-on-year
- Net expense ratio is forecast to increase to 31.6%, an increase of 0.4 points year-on-year, due to the increase in net commission ratio caused by rates revision in CALI in addition to the increase in net company expense ratio mainly caused by the increase in non-personnel expenses.
- Net expense ratio (excluding residential earthquake insurance and CALI) is expected to increase to 33.5%, an increase of 0.3 points year-on-year.
(Breakdown)
 - Net commission ratio: 19.1% (+0.1 points year-on-year)
 - Net company expense ratio: 14.4% (+0.2 points year-on-year)

MSI (Non-Consolidated): Investment Performance

Net investment income

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Interest and dividends income	116.7	100.7	- 16.0
Transfer of investment income on deposit premiums	- 35.5	- 31.7	3.7
Net interest and dividends income	81.2	69.0	- 12.2
Gains/(losses) on sales of securities	67.2	63.4	- 3.9
Impairment losses on securities	- 0.4	- 3.0	- 2.5
Gains/(losses) on redemption of securities	- 0.1	0.1	0.2
Gains/(losses) on derivative transactions	4.4	4.1	- 0.2
Other	- 12.9	14.0	26.8
Net investment profit/loss	139.4	147.6	8.1

Sources of interest and dividends received

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Bonds	19.4	18.8	- 0.6
Stocks	43.5	42.2	- 1.3
Foreign securities	38.0	26.0	- 12.0
Other securities	3.2	2.0	- 1.1
Loans	4.9	4.0	- 0.9
Land and buildings	6.3	6.3	0.0
Other	1.2	1.4	0.1
Total	116.7	100.7	- 16.0

MS&AD Insurance Group Holdings, Inc.

- Interest and dividends income is expected to decrease to ¥100.7 billion, a reduction of ¥16.0 billion year-on-year, due to the reduction in dividends from foreign securities. Net interest and dividends income is expected to decrease to ¥69.0 billion, a reduction of ¥12.2 billion year-on-year.
- Gains on sales of securities are forecast to be ¥63.4 billion, a reduction of ¥3.9 billion year-on-year, mainly due to the reduction in gains on sales of Japanese stocks.
- “Other” is forecast to be ¥14.0 billion, an increase of ¥26.8 billion year-on-year, mainly due to a recoil from foreign exchange losses in the previous year in addition to the consideration of share exchange profit (approx. ¥22.0 billion) related to the merger at Max Life.

ADI (Non-Consolidated)

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Net premiums written	1,200.5	1,219.0	18.4
Growth rate of net premiums written	0.7%	1.5%	0.8 pt
Net loss ratio	59.1%	60.2%	1.1 pt
Net expense ratio	33.5%	33.7%	0.2 pt
Combined ratio	92.6%	93.9%	1.3 pt
Incurred losses (including loss adjustment expenses)	724.6	740.2	15.5
Underwriting profit/loss	39.5	41.0	1.4
Net investment profit/loss	32.2	28.0	- 4.2
Ordinary profit/loss	75.1	70.0	- 5.1
Extraordinary income/losses	- 8.3	- 3.7	4.6
Net income/loss	50.3	49.0	- 1.3
(Excluding residential earthquake insurance and CALI)			
Growth rate of net premiums written	1.0%	2.2%	1.2 pt
Net loss ratio	55.6%	57.0%	1.4 pt
Net expense ratio	35.2%	35.4%	0.2 pt
Combined ratio	90.8%	92.4%	1.6 pt
Incurred losses (including loss adjustment expenses)	591.0	607.4	16.3

MS&AD Insurance Group Holdings, Inc.

- Underwriting profit is forecast to improve to ¥41.0 billion, an increase of ¥1.4 billion year-on-year, due to an increase in net premiums written and increase in reversal of catastrophe reserves, despite an increase in incurred losses.
- Net investment profit is forecast to decrease to ¥28.0 billion, a decrease of ¥4.2 billion year-on-year, due to reduction in interest and dividends income.

ADI (Non-Consolidated): Premiums and Loss Ratios by Product Line

Net premiums written

(¥bn)

	FY2016	FY2017 (Forecast)	
			Growth
Fire and allied	153.0	170.0	11.1%
Marine	5.4	7.2	31.7%
Personal accident	61.4	60.2	-2.0%
Voluntary automobile	680.4	682.7	0.3%
CALI	168.7	164.6	-2.5%
Other	131.3	134.3	2.2%
Total	1,200.5	1,219.0	1.5%
Excluding residential earthquake insurance and CALI	1,031.2	1,053.9	2.2%

Net loss ratio

	FY2016	FY2017 (Forecast)	
			YoY Change
Fire and allied	56.2%	57.3%	1.1 pt
Marine	48.0%	50.0%	2.0 pt
Personal accident	48.6%	48.5%	-0.1 pt
Voluntary automobile	56.8%	58.6%	1.8 pt
CALI	77.9%	80.7%	2.8 pt
Other	55.6%	52.9%	-2.7 pt
Total	59.1%	60.2%	1.1 pt
Excluding residential earthquake insurance and CALI	55.6%	57.0%	1.4 pt

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Incurred losses (including loss adjustment expenses) ^{*1}	591.0	607.4	16.3
Natural catastrophes ^{*2}	16.7	20.0	3.2
Other than natural catastrophes	574.2	587.4	13.1

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

*2: "Natural catastrophes" represent domestic natural disasters occurring in the fiscal year.

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase by 1.5% across all lines, centered in fire insurance.
- Net loss ratio is expected to increase by 1.1 points as a result of an increase in losses in voluntary auto and fire insurance.
- Net loss ratio excluding natural catastrophes (excluding residential earthquake insurance and CALI) are forecast as follows:

	FY2016	FY2017 (Forecast)	
			YoY Change
Fire and allied excluding residential EQ	45.5%	48.6%	3.1pt
Marine	48.0%	50.0%	2.0pt
Personal accident	48.6%	48.5%	-0.1pt
Voluntary automobile	56.6%	58.2%	1.6pt
Other	55.2%	52.1%	-3.1pt
Total	54.3%	55.2%	0.9pt

- Incurred losses related to domestic natural catastrophes occurring during the fiscal year (excluding residential earthquake insurance and CALI) are expected to be ¥20.0 billion.
Fire: ¥16.0 billion, Voluntary automobile: ¥3.0 billion, Other: ¥1.0 billion
- Incurred losses other than natural catastrophes (excluding residential earthquake insurance and CALI) are expected to increase by ¥13.1 billion due to an increase in losses in voluntary auto and fire insurance.

ADI (Non-Consolidated): Company Expenses and Expense Ratios

Company expenses / Commission

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Underwriting company expenses	178.3	176.4	- 1.9
Loss adjustment expenses	60.8	61.0	0.1
Other	8.5	8.4	- 0.1
Total company expenses	247.6	245.8	- 1.8
Personnel expenses	123.6	127.5	3.8
Non-personnel expenses	113.0	106.9	- 6.1
Taxes and contributions	10.9	11.4	0.4
Commission and collection expenses	223.8	234.8	10.9

Expense ratios

	FY2016	FY2017 (Forecast)	
			YoY Change
Net commission ratio	18.6%	19.3%	0.7 pt
Net company expense ratio	14.9%	14.5%	-0.4 pt
Net expense ratio	33.5%	33.7%	0.2 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	35.2%	35.4%	0.2 pt

MS&AD Insurance Group Holdings, Inc.

- Commission and collection expenses are expected to increase by ¥10.9 billion year-on-year to ¥234.8 billion following an increase in premiums.
- Net expense ratio (excluding residential earthquake insurance and CALI) is expected to increase to 35.4%, an increase of 0.2 points year-on-year.
(Breakdown)
 - Net commission ratio: 21.4% (+0.5 points year-on-year)
 - Net company expense ratio: 14.0% (-0.3 points year-on-year)

ADI (Non-Consolidated): Investment Performance

Net investment income

(¥bn)

	FY2016	FY2017 (Forecast)	
			YpY Change
Interest and dividends income	55.4	52.0	- 3.4
Transfer of investment income on deposit premiums	- 17.3	- 17.0	0.3
Net interest and dividends income	38.0	35.0	- 3.0
Gains/losses on sales of securities	9.0	8.5	- 0.5
Impairment losses on securities	- 4.9	- 3.0	1.9
Gains/losses on redemption of securities	0.0	- 1.4	- 1.4
Gains/losses on derivative transactions	- 4.1	- 5.2	- 1.0
Other	- 5.8	- 5.9	- 0.0
Net investment profit/loss	32.2	28.0	- 4.2

Sources of interest and dividends received

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Bonds	9.9	10.0	0.0
Stocks	17.6	17.0	- 0.6
Foreign securities	17.7	16.8	- 0.9
Other securities	2.5	1.0	- 1.5
Loans	2.6	2.4	- 0.2
Land and buildings	4.4	4.5	0.0
Other	0.3	0.3	- 0.0
Total	55.4	52.0	- 3.4

MS&AD Insurance Group Holdings, Inc.

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Net premiums written	37.6	38.8	1.1
Growth rate of net premiums written	3.0%	3.0%	—
Ordinary profit/loss	- 0.9	0.4	1.3
Net income/loss per our share	- 0.9	0.2	1.1

MS&AD Insurance Group Holdings, Inc.

- Net premiums written are forecast to increase to ¥38.8 billion, an increase of 3.0% year-on-year, as a result of better recognition following the release of a new TV commercial and rates revision among other factors.
- Ordinary loss is expected to improve to ¥0.4 billion, an increase of ¥1.3 billion year-on-year, due to continuous efforts to improve the top line and enhance loss adjustment system.
- Net income (per our share) is expected to be in the black.

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Amount of new policies*	2,377.1	2,233.3	-6.1%
Annualized premiums of new policies*	51.7	41.8	-19.2%
Amount of policies in force*	23,214.2	23,706.0	2.1%
Annualized premiums of policies in force*	401.0	415.6	3.6%
Gross premiums income	478.9	494.3	11.0
Ordinary profit/loss	16.1	12.7	- 3.5
Net income/loss	4.5	3.0	- 1.5

* Amount of new policies, Amount of policies in force, annualized premiums of new policies and annualized premiums of policies in force are total sum of personal insurance and personal annuity insurance.

MS&AD Insurance Group Holdings, Inc.

- Although an increase in the amount of new policies and annualized premiums of new policies are expected following the introduction of new income guarantee insurance products, the amount of new policies is forecast to decrease to ¥2,233.3 billion, a reduction of 6.1% year-on-year, and annualized premiums of new policies are forecast to decrease to ¥41.8 billion, a decrease of 19.2% year-on-year, as a decrease is expected in savings-type products as a result of premiums increase.
- Gross premiums income is forecast to increase to ¥494.3 billion, an increase of ¥11.0 billion year-on-year, following an increase in policies in force.
- Net income is forecast to decrease to ¥3.0 billion, a decrease of ¥1.5 billion year-on-year, mainly due to an increase in policy reserve burden following the revision of standard yield rate.

MSI Primary Life

Key financial data

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Amount of new policies	1,032.2	774.9	-24.9%
Amount of policies in force	5,680.7	6,000.0	5.6%
Gross premiums income	1,071.1	800.0	- 271.1
Ordinary profit/loss	57.6	21.9	- 35.7
Net income/loss	20.7	14.0	- 6.7

MS&AD Insurance Group Holdings, Inc.

Overseas Subsidiaries

Net premiums written

(¥bn)

	FY2016	FY2017 (Forecast)		
			YoY Change	Growth
Overseas subsidiaries total	693.1	700.0	6.8	1.0%
Asia	154.5	161.5	6.9	4.5%
Europe	493.1	488.8	- 4.3	-0.9%
(of which MS Amlin)	455.8	448.1	- 7.7	-1.7%
Americas	45.4	49.7	4.2	9.3%

Net income

(¥bn)

	FY2016	FY2017 (Forecast)	
			YoY Change
Overseas subsidiaries total	24.0	45.0	20.9
Asia	13.2	13.3	0.0
Europe	7.7	29.1	21.4
(of which MS Amlin)	12.3	30.1	17.7
Americas	3.0	2.6	- 0.5

MS&AD Insurance Group Holdings, Inc.

- Net income is forecast to increase ¥45.0 billion, an increase of ¥20.9 billion year-on-year, mainly due to the increase in net income at MS Amlin.

MSI + ADI (Simple Sum of Non-Consolidated)

Key financial data

(¥bn)

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Net premiums written	2,670.2	- 29.2	2,707.0	36.7
Growth rate of net premiums written	-1.1%	-4.7 pt	1.4%	2.5pt
Net loss ratio	60.2%	1.1 pt	60.2%	0.0pt
Net expense ratio	32.2%	-0.3 pt	32.5%	0.3pt
Combined ratio	92.4%	0.8 pt	92.7%	0.3pt
Incurred losses (including loss adjustment expenses)	1,617.6	14.1	1,632.0	14.3
Underwriting profit/loss	121.3	77.3	123.0	1.6
Net investment profit/loss	171.6	- 16.0	175.6	3.9
Ordinary profit/loss	290.7	61.0	295.0	4.2
Extraordinary income/losses	- 15.4	16.5	- 6.4	9.1
Net income/loss	214.9	69.8	215.0	0.0
(Excluding residential earthquake insurance and CALI)				
Growth rate of net premiums written	-1.2%	-4.9 pt	1.9%	3.1pt
Net loss ratio	56.9%	0.8 pt	57.1%	0.2pt
Net expense ratio	34.1%	-0.4 pt	34.3%	0.2pt
Combined ratio	91.0%	0.4 pt	91.4%	0.4pt
Incurred losses (including loss adjustment expenses)	1,329.5	7.6	1,348.4	18.8

MS&AD Insurance Group Holdings, Inc.

MSI + ADI (Simple Sum of Non-Consolidated)

Net premiums written

(¥bn)

	FY2016		FY2017 (Forecast)	
		Growth		Growth
Fire and allied	336.9	-17.8%	361.0	7.2%
Marine	64.1	-11.8%	65.7	2.5%
Personal accident	204.9	0.2%	204.7	-0.1%
Voluntary automobile	1,334.6	1.3%	1,343.0	0.6%
CALI	355.6	-0.4%	347.8	-2.2%
Other	373.9	10.8%	384.9	2.9%
Total	2,670.2	-1.1%	2,707.0	1.4%
Excluding residential earthquake insurance and CALI	2,313.2	-1.2%	2,358.2	1.9%

Net loss ratio

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Fire and allied	64.8%	11.0 pt	60.5%	-4.3 pt
Marine	60.1%	7.0 pt	58.9%	-1.2 pt
Personal accident	52.6%	-3.4 pt	52.0%	-0.6 pt
Voluntary automobile	57.0%	-1.6 pt	58.2%	1.2 pt
CALI	79.1%	0.1 pt	81.4%	2.3 pt
Other	53.8%	4.7 pt	52.4%	-1.4 pt
Total	60.2%	1.1 pt	60.2%	0.0 pt
Excluding residential earthquake insurance and CALI	56.9%	0.8 pt	57.1%	0.2 pt

Incurred losses (excluding residential earthquake insurance and CALI)

(¥bn)

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Incurred losses (including loss adjustment expenses)*1	1,329.5	7.6	1,348.4	18.8
Natural catastrophes	51.0	- 17.0	50.0	- 1.0
Other than natural catastrophes	1,278.4	24.6	1,298.4	19.9

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

MS&AD Insurance Group Holdings, Inc.

MSI + ADI (Simple Sum of Non-Consolidated)

Company expenses / Commission

(¥bn)

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Underwriting company expenses	384.9	- 5.0	388.7	3.7
Loss adjustment expenses	148.6	0.1	149.6	0.8
Other	19.4	0.6	20.2	0.7
Total company expenses	553.1	- 4.1	558.5	5.3
Personnel expenses	291.3	- 0.5	297.3	5.9
Non-personnel expenses	238.3	-0.0	237.0	- 1.3
Taxes and contributions	23.3	- 3.5	24.2	0.8
Commission and collection expenses	475.5	- 10.6	492.0	16.3

Expense ratios

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Net commission ratio	17.8%	-0.2 pt	18.2%	0.4 pt
Net company expense ratio	14.4%	0.0 pt	14.4%	0.0 pt
Net expense ratio	32.2%	-0.3 pt	32.5%	0.3 pt
Net expense ratio (excluding residential earthquake insurance and CALI)	34.1%	-0.4 pt	34.3%	0.2 pt

MS&AD Insurance Group Holdings, Inc.

MSI + ADI (Simple Sum of Non-Consolidated)

Net investment income/loss

(¥bn)

	FY2016		FY2017 (Forecast)	
		YoY Change		YoY Change
Interest and dividends income	172.2	- 3.5	152.7	- 19.4
Transfer of investment income on deposit premiums	- 52.8	3.8	- 48.7	4.1
Net interest and dividends income	119.3	0.3	104.0	- 15.3
Gains/losses on sales of securities	76.3	- 33.2	71.9	- 4.4
Impairment losses on securities	- 5.4	8.5	- 6.0	- 0.5
Gains/losses on redemption of securities	-0.0	- 0.9	- 1.3	- 1.2
Gains/losses on derivative transactions	0.3	- 1.4	- 1.1	- 1.3
Other	- 18.7	10.7	8.1	26.8
Net investment profit/loss	171.6	- 16.0	175.6	3.9

Sources of interest and dividends received

(¥bn)

		YoY Change		YoY Change
Bonds	29.4	- 1.3	28.8	- 0.6
Stocks	61.2	- 1.9	59.2	- 2.0
Foreign securities	55.7	6.8	42.8	- 12.9
Other securities	5.7	- 3.8	3.0	- 2.6
Loans	7.6	- 1.6	6.4	- 1.2
Land and buildings	10.8	0.2	10.8	0.0
Other	1.6	- 1.8	1.7	0.0
Total	172.2	- 3.5	152.7	- 19.4

MS&AD Insurance Group Holdings, Inc.

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