

News Release

MS&AD Insurance Group Holdings, Inc.

Corporate Communications and Investor Relations
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MS&AD Announces Outline of Medium-Term Management Plan “Vision 2021”

MS&AD Insurance Group Holdings, Inc. (President & CEO: Yasuyoshi Karasawa) announces outline of four-year Medium-Term Management Plan “**Vision 2021**” starting from fiscal year 2018.

The MS&AD Insurance Group is supported by customers, shareholders and other stakeholders, and since the inauguration of the Group in April 2010, it has developed its business along with the story of value creation based on its mission “to contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind”. The Group will continue to pursue sustainable growth and create shared value (CSV) further through its corporate activities with a presence widely supported by stakeholders in society.

In the new Medium-Term Management Plan “Vision 2021”, as one guidepost, we have incorporated targets of sustainable development goals (SDGs) that governments and private-sector companies of developed and developing countries have started to try to realize. With these initiatives as momentum that will lead to the discovery of growth opportunities and produce opportunities for innovation, the Group will realize sustainable growth together with society.

Aspirations and numerical management targets in “Vision 2021” are as below. The whole picture including breakdown of numerical management targets, basic strategy and strategies for each business domain will be announced on May 24.

1. Aspirations during the period of Medium-Term Management Plan “Vision 2021”

(1) Realization of a world-leading insurance and financial services group

We will achieve a substantial scale and quality to be recognized by stakeholders as a world-leading insurance and financial services group.

Scale	Within top 10 non-life insurance groups of the world
Quality	Capital efficiency: Adjusted Group ROE of 10% Financial soundness: ESR of 180% - 220%

(2) Creation of resilient systems that can swiftly respond to changes in environment

We will create resilient systems that can respond rapidly to changes in the social structure, such as the advance of digitalization in society, the advent of next-generation mobility, including self-driving cars, and emerging risks, including cyber risk.

2. Group primary numerical management targets*

	FY2021 targets
Adjusted Group Profit	¥350.0bn
Adjusted Group ROE	10.0%
ESR	180% - 220%

* Details including fixed numerical management targets will be announced on May 24.

< Definition of Adjusted Group Profit and Adjusted Group ROE in “Vision 2021” >

(Underlining and shaded parts show changes from “Next Challenge 2017”)

Adjusted Group	Adjusted Group Profit ^{※1}	=	Consolidated net income	+	<u>Provision^{※3} for Catastrophe loss reserve and others^{※2}</u>	-	Other incidental factors (amortization of goodwill and other intangible fixed assets and others)	+	Equity in earnings of non-consolidated Group companies
	ROE	=	Consolidated net assets ^{※4}	+	<u>Catastrophe loss reserve and others^{※2}</u>	-	<u>Goodwill and other intangible fixed assets</u>		

※1 Each adjustment amount is on an after-tax basis

※2 Catastrophe loss reserve, contingency reserve and reserve for price fluctuation of domestic non-life insurance business and MSA Life

※3 Subtraction in case of reversal

※4 Excluding non-controlling interests and stock acquisition rights

< Reference: Definition in “Next Challenge 2017” >

Group ROE	Group Core Profit ^{※1}	=	Consolidated net income	-	<u>Net capital gains / losses on stock (gains/losses on sales and others)</u>	-	<u>Net evaluation gains/losses on credit derivatives</u>	-	Other incidental factors	+	Equity in earnings of the non-consolidated group companies
		=	Consolidated net assets ^{※4}								

3. Shareholder return policy

We will return approximately 40% - 60% of Adjusted Group Profit to shareholders through dividends and share buybacks.

< Dividends >

The basic policy for dividends is to maintain stability. (DOE[※]: Aim for level of 2.0% - 3.0%)

< 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.

※ DOE (Dividend on equity ratio) = Total annual dividends (interim, year-end and others) / capital = dividend payout ratio (total annual dividends / net income) × ROE (accounting basis)

- End -

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc. is a leading global insurance organization, engaging in the management of its group companies which are Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd. and others. Our mission is to contribute to the development of a vibrant society and help secure a sound future for the planet. MS&AD Insurance Group enables safety and peace of mind through the world-leading insurance and financial services business to customers in 47 countries and jurisdictions. For a sustainable and resilient society, MS&AD Insurance Group commits to build on creating shared value with stakeholders.

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