

# Materials for FY2020 3Q Results Briefing – Conference Call

Advancing with you



INSURANCE GROUP

February 12, 2021 (Fri)

MS&AD Insurance Group Holdings, Inc.

## FY2020 3Q Earnings Results

(Top line)

- Net premiums written decreased by 46.5 billion yen, down by 1.7% year on year.
- The two domestic non-life insurance companies combined posted a 0.6% increase in net premiums written due to brisk sales of fire and automobile insurance, despite a large negative impact from compulsory automobile liability insurance.
- Net premiums written at overseas insurance subsidiaries declined by 10.1% due to the impact of the strong yen and efforts to improve MS Amlin's profitability.
- Domestic life insurance subsidiaries: Gross premiums income decreased by 16.8%, although it is on a recovery trend.

(Bottom line)

- Net income was 150.0 billion yen. With the full-year forecast of 140.0 billion yen, the progress rate is 107.1%.
- Group Adjusted Profit was 201.2 billion yen, almost flat year on year, with the progress rate of 95.8%.

## Impact of COVID-19

- Incurred losses from COVID-19 are being reviewed based on judgments overseas among other factors. Fluctuations due to this review are expected to remain slightly higher than the full-year forecast.

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Please also refer to an Excel data file uploaded on our website.

# Summary of FY2020 3Q Results

# Consolidated Earnings for FY2020 3Q (1) - Overview (i) (Top line)

## Non-life insurance subsidiaries

(¥bn)

	FY2019 3Q Results	FY2020 3Q Results	YoY Change	Growth
Direct premiums written (excl. deposit premiums from policyholders)	2,868.6	<b>2,855.3</b>	- 13.2	- 0.5%
Net premiums written	2,725.3	<b>2,678.7</b>	- 46.5	- 1.7%
Mitsui Sumitomo Insurance	1,153.5	<b>1,168.4</b>	14.8	1.3%
Aioi Nissay Dowa insurance	962.6	<b>960.3</b>	- 2.2	- 0.2%
Mitsui Direct General	26.3	<b>26.5</b>	0.1	0.7%
Overseas subsidiaries	581.9	<b>523.3</b>	- 58.5	- 10.1%

## Life insurance subsidiaries

(¥bn)

	FY2019 3Q Results	FY2020 3Q Results	YoY Change	Growth
Gross premiums income <sup>※</sup>	1,064.6	<b>885.9</b>	- 178.7	- 16.8%
MSI Aioi Life	382.8	<b>375.8</b>	- 7.0	- 1.8%
MSI Primary Life	681.8	<b>510.1</b>	- 171.6	- 25.2%
Life insurance premiums	783.7	<b>156.4</b>	- 627.3	- 80.0%

※ Gross premiums income is for domestic life insurance subsidiaries only.

## Consolidated Earnings For FY2020 3Q (1) - Overview (i) (Top line)

(Non-life insurance subsidiaries: domestic and overseas)

- Net premiums written decreased by 46.5 billion yen, or 1.7% year on year, due to a decrease in overseas insurance subsidiaries, despite an increase in domestic non-life insurance subsidiaries.
- Net premiums written for the two main non-life insurance subsidiaries increased by 12.6 billion yen, or 0.6% year on year, due to an increase in automobile insurance and fire insurance, despite a decrease in compulsory automobile liability insurance (CALI). Excluding residential earthquake and CALI, net premiums written increased by 49.6 billion yen, or 2.7%.
  - Net premiums written for fire insurance increased by 29.0 billion yen mainly due to the effect of the rate revision in October 2019 and brisk sales of commercial fire insurance.
  - Net premiums written for automobile insurance increased by 21.5 billion yen mainly due to the effect of the rate revision in January 2020 and the increase in the unit price as a result of various measures to raise it.
  - Net premiums written for CALI decreased by 36.9 billion yen due to the effect of the rate revision and a decrease in the number of vehicles.
- Net premiums written for overseas insurance subsidiaries decreased by 58.5 billion yen, due to the impact of the strong yen and efforts to improve MS Amlin's profitability.

(Domestic life insurance subsidiaries)

- MSI Aioi Life: Please see slide 16
- MSI Primary Life: Please see slide 17

# Consolidated Earnings for FY2020 3Q (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2019 3Q Results	FY2020 3Q		
		Results	YoY Change	Change Ratio
Ordinary profit/loss	264.7	<b>220.2</b>	- 44.5	- 16.8%
Mitsui Sumitomo Insurance	168.2	<b>124.6</b>	- 43.5	- 25.9%
Aioi Nissay Dowa Insurance	61.5	<b>42.6</b>	- 18.9	- 30.8%
Mitsui Direct General Insurance	0.3	<b>2.6</b>	2.3	729.9%
MSI Aioi Life	14.8	<b>20.9</b>	6.1	41.3%
MSI Primary Life	17.1	<b>62.4</b>	45.2	263.9%
Overseas subsidiaries	39.4	<b>1.0</b>	- 38.3	- 97.2%
Consolidation adjustments, others	- 36.8	<b>- 34.2</b>	2.6	-
Net income/loss <sup>※</sup>	269.9	<b>150.0</b>	- 119.8	- 44.4%
Mitsui Sumitomo Insurance	161.6	<b>83.5</b>	- 78.0	- 48.3%
Aioi Nissay Dowa Insurance	45.5	<b>29.8</b>	- 15.7	- 34.5%
Mitsui Direct General Insurance	0.2	<b>2.1</b>	1.9	895.2%
MSI Aioi Life	6.9	<b>12.7</b>	5.7	82.9%
MSI Primary Life	18.8	<b>35.9</b>	17.1	91.2%
Overseas subsidiaries	30.0	<b>- 9.0</b>	- 39.0	- 130.0%
Consolidation adjustments, others	6.7	<b>- 5.2</b>	- 11.9	- 177.6%

※ Consolidated net income represents net income attributable to owners of the parent.

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

## Consolidated Earnings For FY2020 3Q (1) - Overview (ii) (Bottom line)

### <Net Income>

#### (Group consolidated)

- Net income was 150.0 billion yen.

The year-on-year decrease of 119.8 billion yen consisted of incidental factors (-67.7 billion yen after tax), including the rebound from the effect of reorganization of MSI's international business (-64.5 billion yen after tax), the catastrophe reserve (-90.2 billion yen (after tax: -65.0 billion yen)) and others.

#### (Domestic non-life insurance subsidiaries)

- Net income decreased by 93.7 billion yen to 113.3 billion yen. If incidental factors are excluded, net income decreased by 36.6 billion yen.
- Although losses from fire and casualty insurance and expenses increased, underwriting profit (before reflection of catastrophe reserve) increased by 58.5 billion yen due to a decrease in losses from domestic natural catastrophes and automobile insurance.
- Underwriting profit decreased by 31.7 billion yen due to a decrease in reversal of the catastrophe reserve.
- Investment income and others decreased by 30.8 billion yen due to a decrease in gains on sales of securities and interest and dividend income.

#### (Domestic life insurance subsidiaries)

- MSI Aioi Life: Please see slide 16;      MSI Primary Life: Please see slide 17

#### (Overseas subsidiaries)

- Overseas subsidiaries: Please see slide 18;      MS Amlin: Please see slide 22



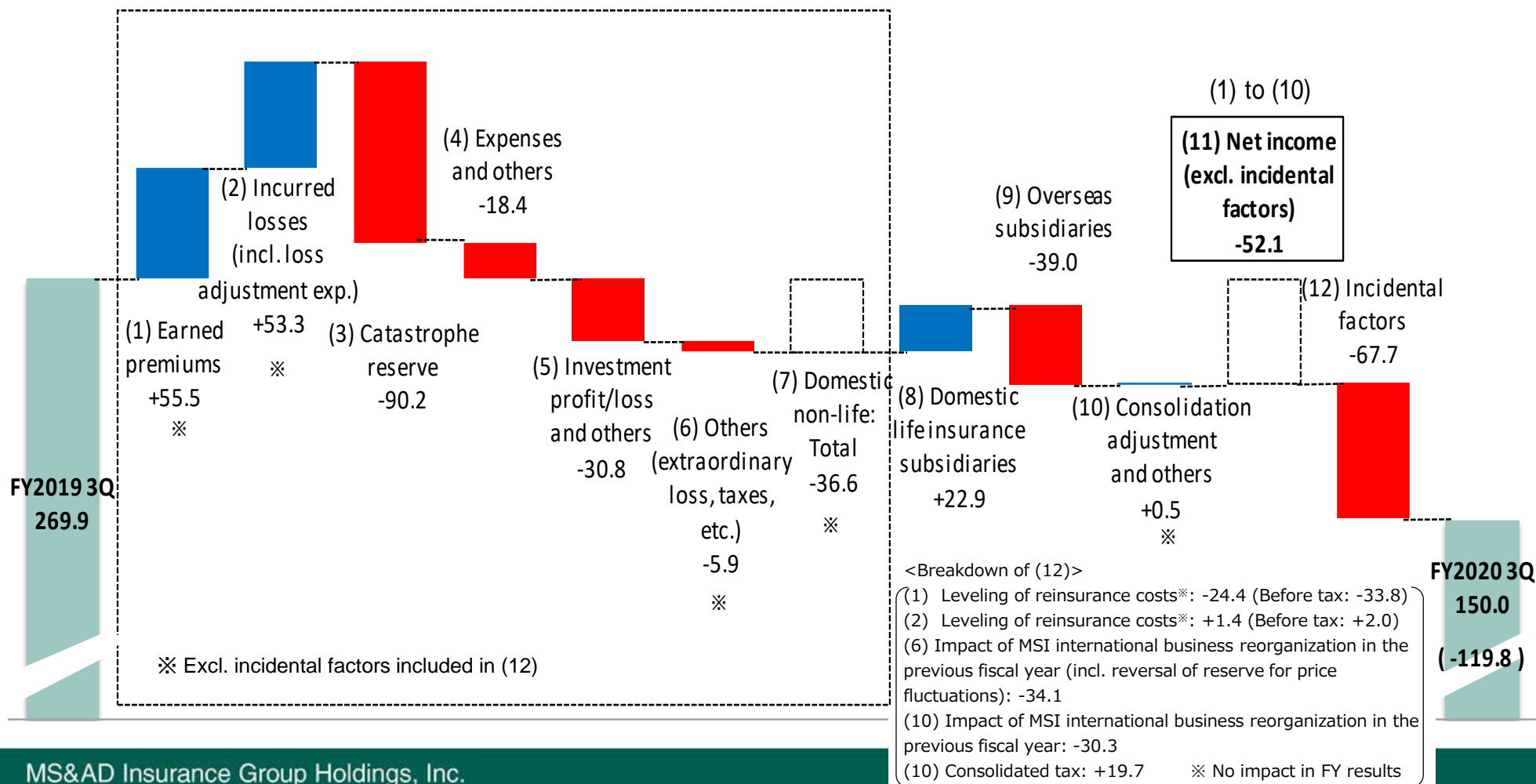
# Consolidated Earnings for FY2020 3Q (2) – YoY Results Comparison (i)

- Net income decreased by 119.8 billion yen, due to incidental factors (-67.7 billion yen) such as the impact of reorganization of MSI's international business (No.12). Net income (excluding incidental factors) decreased by 52.1 billion yen due to a decrease at overseas subsidiaries (No.9) and domestic non-life insurance (No.7).
- Net income decreased by 36.6 billion yen for the two main domestic non-life insurance companies due to negative factors such as the catastrophe reserve (No.3) and investment profit/loss and others.

## Consolidated net income

Domestic non-life (MSI+ADI)

(¥bn)



# Consolidated Earnings for FY2020 3Q (2) – YoY Results Comparison (ii)

## Factors in YoY changes in consolidated net income

(¥bn)

		FY2019 3Q Results	FY2020 3Q Results	Difference
Consolidated net income/loss		<b>269.9</b>	<b>150.0</b>	<b>- 119.8</b>
Domestic non-life insurance* <sup>1</sup> : Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))		85.7	85.9	<b>0.1</b>
Earned premiums and others	(1)* <sup>3</sup>	1,843.0	1,898.6	<b>55.5</b>
Incurred losses (incl. loss adjustment expenses)	(2)* <sup>3</sup>	- 1,147.8	- 1,094.5	<b>53.3</b>
Provision/reversal of catastrophe reserve	(3)	32.8	- 57.4	<b>- 90.2</b>
Expenses and others* <sup>2</sup>	(4)	- 642.2	- 660.6	<b>- 18.4</b>
Investment profit/loss and others	(5)	144.0	113.2	<b>- 30.8</b>
Others (extraordinary loss, taxes, etc.)	(6)* <sup>3</sup>	- 56.8	- 62.7	<b>- 5.9</b>
Domestic non-life insurance: Total	(7)* <sup>3</sup>	172.9	136.3	<b>- 36.6</b>
Domestic life insurance subsidiaries	(8)	25.7	48.6	<b>22.9</b>
Overseas subsidiaries	(9)	30.0	- 9.0	<b>- 39.0</b>
Consolidation adjustments and others	(10)* <sup>3</sup>	- 23.3	- 22.7	<b>0.5</b>
Consolidated net income/loss (excl. incidental factors)	(11)	205.4	153.2	<b>- 52.1</b>
Incidental factors	(12)	64.5	- 3.2	<b>- 67.7</b>

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

\*2 "Underwriting expenses and others" include foreign exchange profit or loss.

\*3 Excluding incidental factors

# Consolidated Earnings for FY2020 3Q (3) – Group Adjusted Profit

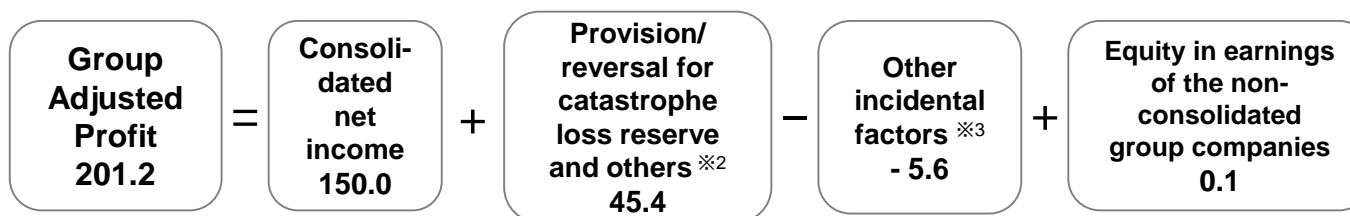
- While the international business posted a decrease due to losses from COVID-19, the domestic non-life insurance business and domestic life insurance business posted an increase. As a result, Group Adjusted Profit was almost flat year on year at 201.2 billion yen.
- Excluding the impact of leveling of reinsurance costs (-22.9 billion yen), Group Adjusted Profit increased by 25.0 billion yen to 224.2 billion yen

(¥bn)

	FY2019 3Q Results	FY2020 3Q Results	YoY Change
Group Adjusted Profit <sup>※1</sup>	199.2	<b>201.2</b>	<b>2.0</b>
Domestic non-life insurance business	123.0	<b>152.7</b>	<b>29.6</b>
Domestic life insurance business	27.3	<b>49.9</b>	<b>22.6</b>
International business	44.2	<b>- 4.5</b>	<b>- 48.7</b>
Financial services business and risk-related services business	4.6	<b>3.1</b>	<b>- 1.5</b>

※1 For the definition of Group Adjusted Profit, please refer to the last page. "Group Adjusted ROE" will be disclosed at the end of the fiscal year.

<Ref.>



※2 "+" in case of provision, "-" in case of reversal

※3 Amortization of goodwill and others: -16.5 billion yen, extraordinary income/loss excluding reserves for price fluctuation: 10.9 billion yen [includes 19.4 billion yen impact of the introduction of consolidated taxation system and tax burden of -11.8 billion yen associated with the exchange of shares of affiliates]

# Consolidated Earnings for FY2020 3Q(4) – Impact of Natural Catastrophes and COVID-19

- Incurred losses from domestic natural catastrophes decreased by 65.1 billion yen year-on-year to 58.9 billion yen, while losses from overseas natural catastrophes increased by 5.6 billion yen year-on-year to 23.1 billion yen.
- Incurred losses from COVID-19 were 49.0 billion yen.

## Impact of domestic natural catastrophes

(¥bn)

	Incurred losses		
	FY2019 3Q	FY2020 3Q	YoY Change
	Results	Results	
MSI	68.3	36.0	- 32.2
ADI	55.7	22.8	- 32.9
Total	124.0	58.9	- 65.1

## Impact of overseas natural catastrophes ※

(¥bn)

	Incurred losses		
	FY2019 3Q	FY2020 3Q	YoY Change
	Results	Results	
ADI	4.5	6.1	1.5
MS Amlin	12.9	17.0	4.0
Total	17.4	23.1	5.6

※ Overseas natural catastrophes for the above two companies only.

## Incurred losses from COVID-19

(¥bn)

		MSI	ADI	Overseas subsidiaries	
				MS Amlin	
Incurred losses from COVID-19	49.0	3.7	5.4	39.9	38.3

MSI: Overseas travel, event cancellation, business interruption insurance (mainly overseas inward reinsurance), etc.

ADI: Head Office reinsurance and others

MS Amlin: business interruption, guarantee, event cancellation insurance and others (incl. reinsurance)

# Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2020 3Q (i)

- Underwriting profit prior to reflecting the catastrophe reserve increased by 58.5 billion yen year-on-year, due to a significant decrease in losses from domestic natural catastrophes and automobile insurance.
- Underwriting profit after reflecting the catastrophe reserve decreased by 31.7 billion yen due to the decrease in reversal of the catastrophe reserve.

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Net premiums written<sup>※1</sup></b>	<b>2,128.8</b>	<b>12.6</b>	<b>1,168.4</b>	<b>14.8</b>	<b>960.3</b>	<b>- 2.2</b>
Earned premiums <sup>※2</sup>	1,864.7	21.7	1,033.6	- 0.2	831.1	21.9
Incurring losses (including loss adjustment expenses) <sup>※2</sup> (–)	1,092.5	- 55.3	605.4	- 29.4	487.1	- 25.8
Underwriting expenses <sup>※2</sup> (–)	654.5	17.5	353.0	14.2	301.5	3.2
Commissions and collection expenses <sup>※2</sup>	403.7	17.9	213.7	12.0	190.0	5.9
Other underwriting expenses <sup>※2</sup>	250.7	- 0.3	139.2	2.2	111.5	- 2.6
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>111.5</b>	<b>58.5</b>	<b>72.5</b>	<b>16.1</b>	<b>38.9</b>	<b>42.4</b>
Net catastrophe reserve	- 57.4	- 90.2	- 27.0	- 52.0	- 30.4	- 38.1
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>54.0</b>	<b>- 31.7</b>	<b>45.5</b>	<b>- 35.9</b>	<b>8.5</b>	<b>4.2</b>
<b>Underwriting profit/loss after reflecting catastrophe reserve (excl. incidental factors)</b>	<b>85.9</b>	<b>0.1</b>	<b>67.8</b>	<b>- 13.5</b>	<b>18.0</b>	<b>13.6</b>
<b>EI loss ratio<sup>※2</sup></b>	<b>58.6%</b>	<b>- 3.7pp</b>	<b>58.6%</b>	<b>- 2.8pp</b>	<b>58.6%</b>	<b>- 4.8pp</b>
Net loss ratio <sup>※1</sup>	58.9%	- 4.7pp	59.5%	- 5.0pp	58.2%	- 4.3pp
Net expense ratio <sup>※1</sup>	33.5%	0.7pp	32.5%	0.9pp	34.7%	0.4pp
<b>Combined ratio<sup>※1</sup></b>	<b>92.4%</b>	<b>- 4.0pp</b>	<b>92.0%</b>	<b>- 4.1pp</b>	<b>92.9%</b>	<b>- 3.9pp</b>

※ 1 All lines

※ 2 Excluding residential earthquake and CALI (compulsory auto liability insurance)

※ “Earned premiums” are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

# Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2020 3Q (ii)

- Investment profit decreased by 30.8 billion yen due to a decrease in gains on sales of securities and interest and dividends income.

(¥bn)						
	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	54.0	- 31.7	45.5	- 35.9	8.5	4.2
Net interest and dividends income	90.4	- 6.5	58.5	- 3.7	31.9	- 2.8
Gains/losses on sales of securities	42.2	- 26.9	30.3	- 9.0	11.8	- 17.8
Impairment losses on securities (-)	4.0	- 1.8	2.7	- 1.1	1.3	- 0.6
Investment profit/loss and other ordinary profit/loss	113.2	- 30.8	79.1	- 7.6	34.0	- 23.1
Ordinary profit/loss	167.2	- 62.5	124.6	- 43.5	42.6	- 18.9
Extraordinary income/loss	- 9.4	105.6	- 3.1	109.9	- 6.3	- 4.3
Income before taxes	157.8	43.1	121.5	66.4	36.3	- 23.2
Taxes and others	44.4	136.9	37.9	144.4	6.5	- 7.5
Net income/loss	113.3	- 93.7	83.5	- 78.0	29.8	- 15.7
		YoY Change				
<Reference> Sales of strategic equity holdings	63.0	- 25.4				

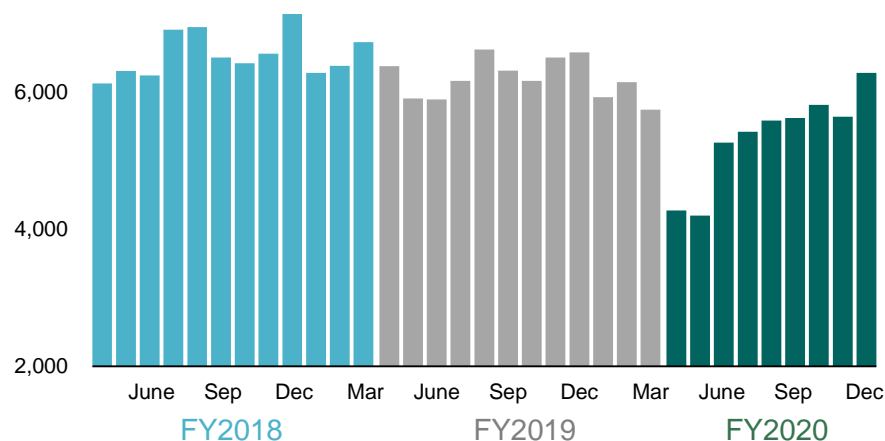
# Domestic Non-Life Insurance Companies FY2020 3Q (2) – Voluntary Auto Insurance

- The cumulative number of accidents decreased by 14.1% year-on-year due to a decrease in traffic volume caused by stagnation of economic activities.
- E/I loss ratio decreased by 6.8 points year-on-year to 52.6%. Although the payout per claim continued to rise, the decline in the number of accidents contributed positively.

## Number of accidents

(per day, excl. the number of accidents caused by natural catastrophes)

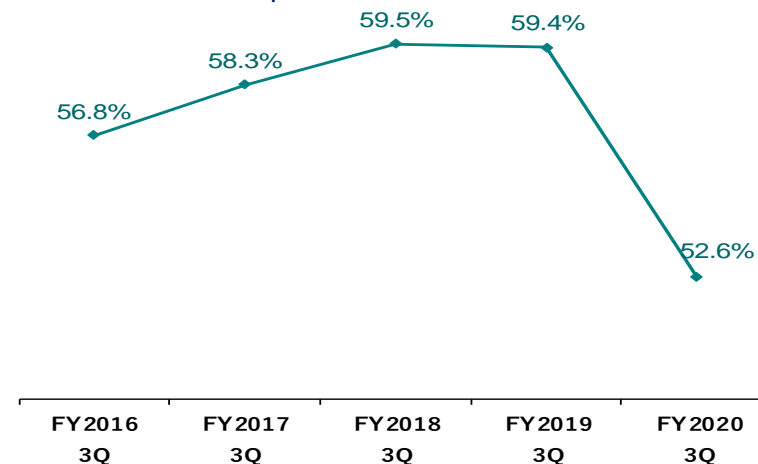
Simple sum of MSI and ADI (Domestic business only)



## 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 of increase/decrease in insurance premiums	+0.1%	+2.5%	+2.5%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+2.5%	+3.0%	

## Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+1.0%	+2.8%	+3.7%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+5.1%	+1.3%	

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

※ Changes in average payout per claim means changes in average payout per claim over one-year period ended December. 31, 2020 compared with average payout per claim in one-year period ended Mar. 31, 2020.

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

# Domestic Life Insurance / MSI Aioi Life - Results for FY2020 3Q

- The amount of new policies declined by 16% mainly due to the impact of COVID-19, but the rate of decline was smaller than in the 2nd quarter (-22%).
- Net income increased by 5.7 billion yen due to a decrease in the burden of provision for policy reserves, a decrease in commissions and a reduction in expenses.

## MSI Aioi Life

(¥bn)

		FY2019 3Q Results	FY2020 3Q Results	YoY Change	Change Ratio
Amount of new policies		1,549.2	<b>1,305.1</b>	- 244.0	-15.8%
Annualized premiums of new policies		21.7	<b>19.2</b>	- 2.5	-11.5%
of which, third sector insurance		14.7	<b>10.8</b>	- 3.8	-26.3%
Amount of policies in force	(At the beginning of FY)	24,458.0	<b>24,318.9</b>	(Change from the beginning of FY) - 139.0	-0.6%
Annualized premiums of policies in force	(At the beginning of FY)	448.1	<b>447.4</b>	(Change from the beginning of FY) - 0.6	-0.2%
of which, third sector insurance	(At the beginning of FY)	138.1	<b>144.0</b>	(Change from the beginning of FY) 5.9	4.3%
Gross premiums income		382.8	<b>375.8</b>	- 7.0	-1.8%
Ordinary profit/loss		14.8	<b>20.9</b>	6.1	41.3%
Extraordinary income/loss		- 0.8	<b>- 0.8</b>	0.0	-1.0%
Net income/loss		6.9	<b>12.7</b>	5.7	82.9%
Core profit		12.7	<b>19.2</b>	6.4	50.5%



# Domestic Life Insurance / MSI Primary Life - Results for FY2020 3Q

- Gross premiums decreased by 25% to 510.1 billion yen, mainly due to the impact of COVID-19.
- Net income increased by 17.1 billion yen to 35.9 billion yen due to a decrease in gains on sales of bonds and a decrease in the burden of provision for policy reserves associated with the occurrence of contracts that reached the investment target set by policyholders during the depreciation of the yen, as well as a decrease in the burden of agency commissions.

## MSI Primary Life

(¥bn)

Main Primary Line	FY2019 3Q		FY2020 3Q		
	Results		Results	YoY Change	Change Ratio
Amount of new policies		689.4	509.9	- 179.5	- 26.0%
Amount of policies in force	(At the beginning of FY)	6,514.0	6,816.5	(Change from the beginning of FY) 302.4	4.6%
Gross premiums income		681.8	510.1	- 171.6	- 25.2%
Ordinary profit/loss		17.1	62.4	45.2	263.9%
Extraordinary income/loss		8.7	- 12.7	- 21.5	- 244.9%
Net income/loss		18.8	35.9	17.1	91.2%

## Impact of interest rates and foreign exchange rates

(¥bn)

	FY2019 3Q Results	FY2020 3Q Results
Impact of interest rates	- 1.1	<b>26.8</b>
Impact of foreign exchange rates	- 10.4	<b>- 16.9</b>
Total	- 11.6	<b>9.9</b>

## Overseas Subsidiaries - Results for FY2020 3Q

- Net premiums written decreased due to the impact of foreign exchange rates (-14.6 billion yen) and MS Amlin's efforts to improve profitability.
- Net income decreased by 39.0 billion yen caused by a decrease of 35.5 billion yen in Europe due to losses from COVID-19 and a decrease of 10.7 billion yen in the international life insurance business. See page 22 for MS Amlin.

### Overseas subsidiaries

(¥bn)

	FY2019 3Q Results	FY2020 3Q Results	FY2020 3Q	
			YoY Change	Change ratio
Net premiums written	<b>581.9</b>	<b>523.3</b>	<b>- 58.5</b>	- 10.1%
Asia	136.2	128.5	- 7.7	- 5.7%
Europe	412.7	364.5	- 48.1	- 11.7%
Americas	32.8	30.2	- 2.5	- 7.8%
Net income/loss	<b>30.0</b>	<b>- 9.0</b>	<b>- 39.0</b>	<b>-130.0%</b>
Asia	14.4	20.5	6.0	42.0%
Europe	6.2	- 29.2	- 35.5	-566.7%
Americas	2.2	3.3	1.1	53.3%
International Life Insurance	7.0	- 3.6	- 10.7	- 152.0%

# <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 3Q (1)

## Net premiums written

	Simple Sum	
	Results	Growth
Fire and allied	<b>332.1</b>	9.6%
Marine	<b>43.6</b>	-16.1%
Personal accident	<b>151.1</b>	0.1%
Voluntary automobile	<b>1,055.5</b>	2.1%
CALI	<b>226.6</b>	-14.0%
Other	<b>319.6</b>	2.3%
Total	<b>2,128.8</b>	0.6%
Total excluding residential EQ insurance and CALI	<b>1,901.8</b>	2.7%

(¥bn)

MSI (Non-Consolidated)		ADI (Non-Consolidated)	
Results	Growth	Results	Growth
<b>176.3</b>	17.2%	<b>155.7</b>	2.0%
<b>38.6</b>	-16.6%	<b>5.0</b>	-11.9%
<b>106.9</b>	-0.6%	<b>44.2</b>	1.8%
<b>510.7</b>	2.0%	<b>544.8</b>	2.2%
<b>118.8</b>	-15.0%	<b>107.8</b>	-12.9%
<b>216.9</b>	3.9%	<b>102.7</b>	-0.9%
<b>1,168.4</b>	1.3%	<b>960.3</b>	-0.2%
<b>1,049.4</b>	3.5%	<b>852.3</b>	1.6%

# <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 3Q (2)

## EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2019 3Q Results	FY2020 3Q		FY2019 3Q Results	FY2020 3Q	
		Results	YoY Change		Results	YoY Change
Fire and allied (excl. residential EQ)	81.7%	<b>81.6%</b>	-0.1pp	49.9%	<b>63.4%</b>	13.5pp
Marine	61.6%	<b>55.3%</b>	-6.3pp	59.5%	<b>55.2%</b>	-4.3pp
Personal accident	52.0%	<b>49.7%</b>	-2.3pp	52.0%	<b>49.7%</b>	-2.3pp
Voluntary automobile	59.4%	<b>52.6%</b>	-6.8pp	58.4%	<b>52.3%</b>	-6.1pp
Other	57.9%	<b>60.9%</b>	3.0pp	55.5%	<b>60.1%</b>	4.6pp
Total (excluding residential EQ insurance and CALI)	62.3%	<b>58.6%</b>	-3.7pp	56.0%	<b>55.3%</b>	-0.7pp

- ※ Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims
- ※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.
- ※ “Impact of nat. cat.” means incurred loss from domestic and overseas natural catastrophes in the each year deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

# <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 3Q (3)

## EI loss ratio (MSI (Non-consolidated), ADI (Non-consolidated))

	EI Loss Ratio				EI Loss Ratio (excl. impact of nat. cat.)			
	MSI (Non-consolidated)		ADI (Non-consolidated)		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Fire and allied (excl. residential EQ)	<b>79.5%</b>	2.0pp	<b>84.1%</b>	-2.8pp	<b>61.7%</b>	11.1pp	<b>65.4%</b>	16.4pp
Marine	<b>53.4%</b>	-8.4pp	<b>69.7%</b>	9.8pp	<b>53.3%</b>	-6.1pp	<b>69.7%</b>	9.8pp
Personal accident	<b>48.8%</b>	-3.0pp	<b>51.9%</b>	-0.5pp	<b>48.8%</b>	-3.0pp	<b>51.9%</b>	-0.5pp
Voluntary automobile	<b>53.5%</b>	-5.6pp	<b>51.9%</b>	-7.7pp	<b>53.1%</b>	-5.2pp	<b>51.6%</b>	-6.9pp
Other	<b>60.9%</b>	2.2pp	<b>60.9%</b>	4.5pp	<b>60.1%</b>	3.5pp	<b>60.1%</b>	7.0pp
Total excluding residential EQ insurance and CALI	<b>58.6%</b>	-2.8pp	<b>58.6%</b>	-4.8pp	<b>55.4%</b>	-0.6pp	<b>55.1%</b>	-0.8pp

※ Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims

※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

※ “Impact of nat. cat.” means incurred loss from domestic and overseas natural catastrophes in the each year deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

## <Reference> MS Amlin's Results for FY2020 3Q (Jan. – Sep. 2020) ※1

- Net loss was £ 209mn; mainly due to impact from COVID-19 loss in the first half.
- Solid progress in improving profitability of non-cat underwriting; its EI loss ratio would be 98% excluding impact from COVID-19. (YOY change -4 point)
- Investment profit of £90mn, mainly in fixed income funds and stocks with financial market recovery.
- The YOY change in the EI expense ratio is mainly due to exchange rate impact.

(£ mn)

	FY2019 3Q	FY2020 3Q	YoY Change
Net premiums written	2,746	<b>2,407</b>	-339
Net premiums earned	2,348	<b>2,229</b>	-120
Incurred losses (including loss adjustment expenses)	1,632	<b>1,697</b>	65
Expense for acquisition and other operating expense	805	<b>765</b>	-40
Underwriting profit/loss	-47	<b>-235</b>	-187
Investment profit/loss※2	235	<b>90</b>	-145
Non-operating profit/loss※3	-117	<b>-68</b>	49
Net income/loss after tax	62	<b>-209</b>	-272
EI claims ratio	69.5%	<b>76.2%</b>	6.7pp
EI expense ratio※4	32.5%	<b>34.3%</b>	1.8pp
EI combined ratio※4	102.0%	<b>110.5%</b>	8.5pp

※1 On a local (UK) reporting basis

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

※3 The main item of "Non-operating profit/loss" is expenses of non-insurance companies.

※4 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses included in underwriting profit.

Excluding impact from COVID-19 (£ mn)

	FY2020 3Q	YoY change
Underwriting profit/loss	<b>39</b>	<b>86</b>
EI claims ratio	<b>63.7%</b>	-5.8pp
EI combined ratio※4	<b>98.0%</b>	-4.0pp

# <Reference> Economic Solvency Ratio (ESR)

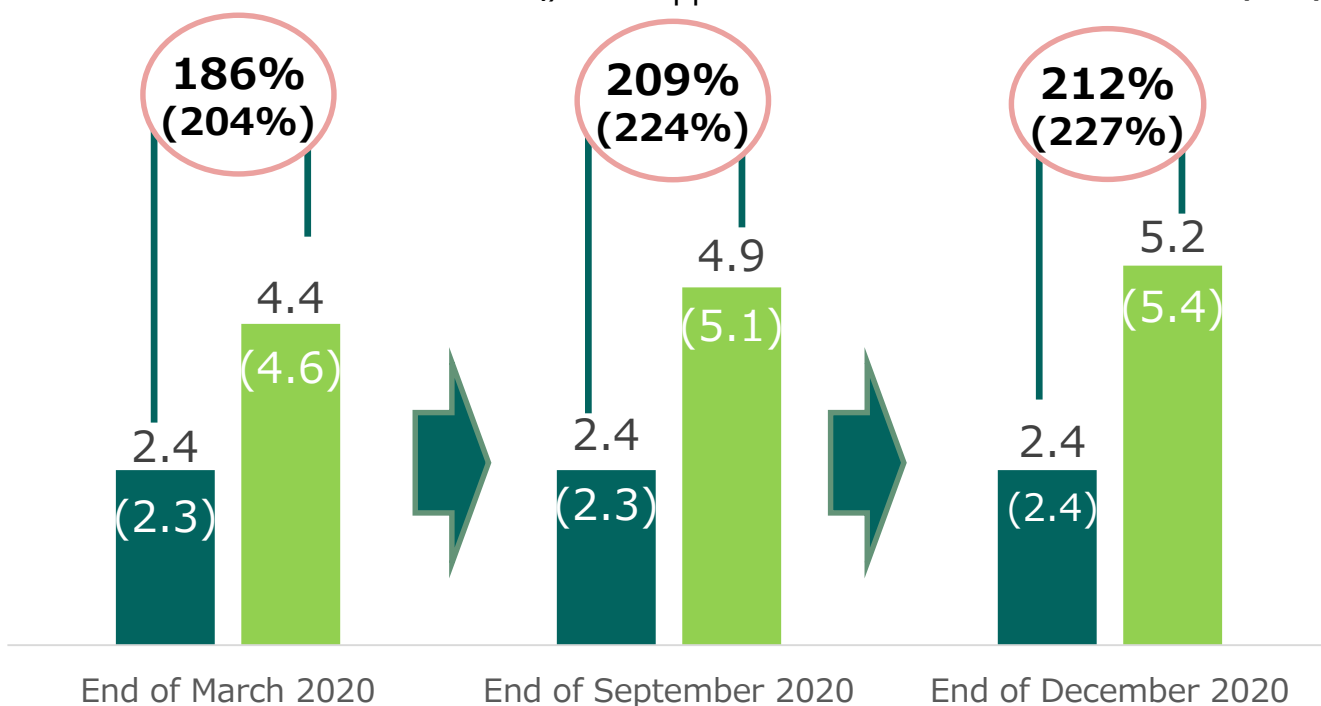
ESR\*1

■ Integrated Risk Amount\*2

■ Net Asset Value

( ) UFR applied

(¥tn)



## Main factors behind changes in ESR (Versus end of March, 2020)

ESR increased 26pp mainly due to the following factors:

- ✓ Net Asset Value increased due to an increase in retained earnings and domestic stock prices and domestic interest rates among other factors.
- ✓ Although the rise in domestic stock prices and business investments led to an increase in risk, the Integrated Risk Amount remained almost flat due to risk reduction measures such as the reduction of strategic equity holdings and the promotion of ALM through the purchase of super-long-term bonds.

## <Market environment assumptions>

	End of March 2020	End of December 2020	Change
Nikkei stock average	18,917 yen	27,444 yen	+8,527 yen
30-year JGB interest rate	0.43%	0.65%	+0.22pp
Exchange rate (US\$1: Yen)	109 yen	104 yen	- 5 yen

\*1 ESR : Economic Solvency Ratio (=NAV ÷ Integrated Risk Amount)

\*2 Integrated Risk Amount: risk amount calculated based on Value at Risk with a 99.5% confidence level

# Projected Financial Results for FY2020

**Reference  
(announced on Nov. 19 2020)**



# Consolidated Earnings Forecasts for FY2020 (1) – (i) (Top line)

- Net premiums written in non-life insurance are expected to exceed the initial forecast by 60.0 billion yen due to steady sales of voluntary auto insurance and fire insurance at domestic non-life insurance subsidiaries.
- Gross premiums income at life insurance subsidiaries is expected to exceed the initial forecast by 104.0, mainly due to a recovery in sales.

## Non-life insurance subsidiaries

(¥bn)

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
Net premiums written	3,573.7	3,400.0	<b>3,460.0</b>	- 113.7	-3.2%	60.0
Mitsui Sumitomo Insurance	1,547.9	1,502.0	<b>1,530.0</b>	- 17.9	-1.2%	28.0
Aioi Nissay Dowa Insurance	1,276.7	1,242.0	<b>1,270.0</b>	- 6.7	-0.5%	28.0
Mitsui Direct General Insurance	36.3	36.6	<b>36.5</b>	0.1	0.4%	- 0.1
Overseas subsidiaries	711.9	619.0	<b>623.0</b>	- 88.9	-12.5%	4.0

## Life insurance subsidiaries

(¥bn)

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)			
				YoY Change	Change Ratio	Change from the Initial
Gross premiums income <sup>※</sup>	1,393.4	1,004.0	<b>1,108.0</b>	- 285.4	-20.5%	104.0
MSI Aioi Life	521.2	504.0	<b>508.0</b>	- 13.2	-2.6%	4.0
MSI Primary Life	872.1	500.0	<b>600.0</b>	- 272.1	-31.2%	100.0
Life insurance premiums	943.7	600.0	<b>440.0</b>	- 503.7	-53.4%	- 160.0

※ Gross premiums income is for domestic life insurance subsidiaries only.

# Consolidated Earnings Forecasts for FY2020 (1) - (ii) (Bottom line)

- Net income is forecast at 140.0 billion yen, which is 10.0 billion yen higher than the initial forecast, mainly due to domestic non-life and life insurance subsidiaries exceeding the initial forecast.

(¥bn)

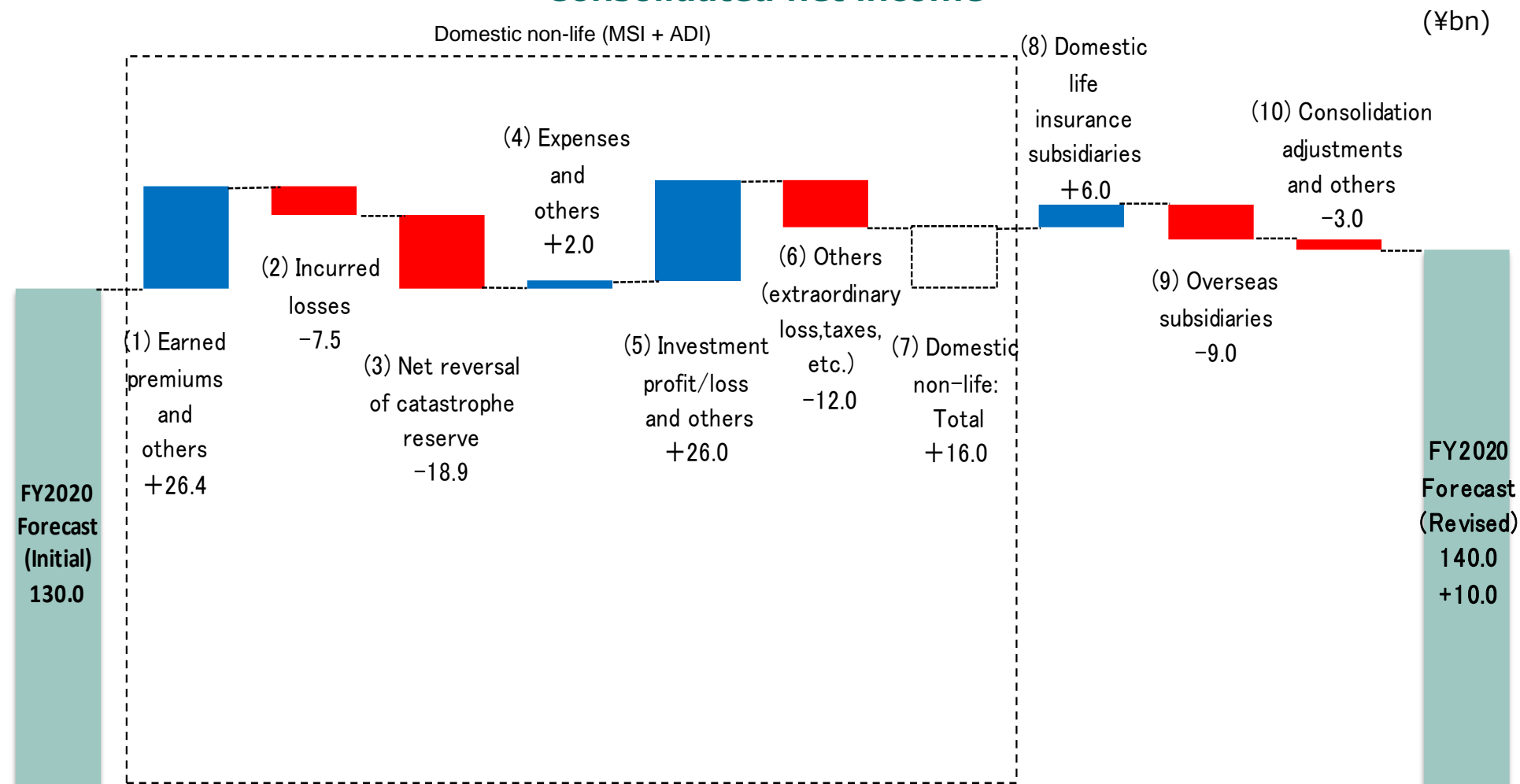
	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)		
				YoY Change	Change from the Initial
Ordinary profit	157.7	170.0	<b>200.0</b>	42.2	30.0
Mitsui Sumitomo Insurance	89.1	114.0	<b>134.0</b>	44.8	20.0
Aioi Nissay Dowa Insurance	58.6	26.0	<b>34.0</b>	- 24.6	8.0
Net income <sup>※</sup>	143.0	130.0	<b>140.0</b>	- 3.0	10.0
Mitsui Sumitomo Insurance	94.0	76.0	<b>92.0</b>	- 2.0	16.0
Aioi Nissay Dowa Insurance	44.7	23.0	<b>23.0</b>	- 21.7	-
Mitsui Direct General Insurance	0.1	0.1	<b>0.3</b>	0.1	0.2
MSI Aioi Life	7.5	8.0	<b>9.0</b>	1.4	1.0
MSI Primary Life	20.3	15.0	<b>20.0</b>	- 0.3	5.0
Overseas subsidiaries	36.1	12.0	<b>3.0</b>	- 33.1	- 9.0
Consolidation adjustments, other	- 59.9	- 4.1	<b>- 7.3</b>	52.6	- 3.2
ROE (financial accounting basis)	5.5%	5.1%	<b>5.3%</b>	- 0.2pp	0.2pp

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

# Consolidated Earnings Forecasts for FY2020 (2) - YoY Comparison

- Earned premiums at (1) are expected to be up 26.4 billion yen mainly due to steady growth in the top line. Investment profit/loss and others at (5) is a positive factor of 26.0 billion yen due to the recovery trend of financial markets.

## Consolidated net income



# Consolidated Earnings Forecasts for FY2020 (3)

- Group Adjusted Profit is expected to reach 210.0 billion yen, exceeding the initial forecast by 30.0 billion yen, due to domestic non-life and life insurance businesses exceeding the initial forecast, despite the international business falling short of the initial forecast.

(¥bn)

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)		
				YoY Change	Change from the Initial
Group Adjusted Profit	233.1	<b>180.0</b>	<b>210.0</b>	<b>- 23.1</b>	<b>30.0</b>
Domestic non-life insurance	119.5	<b>130.0</b>	<b>169.0</b>	<b>49.4</b>	<b>39.0</b>
Domestic life insurance	29.7	<b>25.0</b>	<b>31.0</b>	<b>1.2</b>	<b>6.0</b>
International business	49.4	<b>20.0</b>	<b>4.0</b>	<b>- 45.4</b>	<b>- 16.0</b>
Financial services/Risk related services	4.8	<b>5.0</b>	<b>6.0</b>	<b>1.1</b>	<b>1.0</b>
Other <sup>※</sup>	29.6	-	-	<b>- 29.6</b>	-
Other numerical management targets					
Increase in EEV of MSI Aioi Life	890.2	<b>912.0</b>	<b>922.0</b>	<b>31.7</b>	<b>10.0</b>
Group Adjusted ROE	8.0%	<b>6.1%</b>	<b>6.8%</b>	- 1.2pp	0.7pp

※ MSI international business restructuring included in Group Adjusted Profit

## Major Assumptions for Earnings Forecasts for FY2020 (i)

(¥bn)

	Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance	
Assumptions concerning the financial market environment	Assumes the level at the end of September 2020 Nikkei average : ¥ 23,185   USD\$1 = JPY ¥ 106   EUR€1 = JPY ¥ 124 GBP £ 1 = JPY ¥ 136			
Domestic natural catastrophes	37.5	(+2.5)	22.5	(-2.5)
Catastrophe reserves Provision	19.9	(+0.8)	30.1	(+1.7)
(For fire insurance) Reversal	6.7	(+2.7)	25.4	(+3.0)
Net provision	13.2	(-1.9)	4.7	(-1.3)
Catastrophe reserves Provision	21.9	(+0.3)	23.1	(-)
(For voluntary Reversal	-	(-7.6)	5.3	(-11.1)
automobile insurance) Net provision	21.9	(+7.9)	17.8	(+11.1)
Effective corporate tax rate	27.9%			

※Overseas natural catastrophes: MS Amlin 18.5 (-4.1) billion yen ; ADI 11.5 ( - ) billion yen.

※Figures in ( ) show change from the initial forecast.

# Major Assumptions for Earnings Forecasts for FY2020 (ii)

## Incurred losses from COVID-19

(FY2020 forecast)

(¥bn)

		MSI	ADI	Overseas subsidiaries	MS Amlin
Incurred losses associated with COVID-19	48.0	4.0	5.0	39.0	37.5

MSI: Overseas travel insurance, event cancellation insurance, business interruption insurance (mainly overseas underwriting), etc.

ADI: Head Office reinsurance and others

MS Amlin: Table on the right

## MS Amlin

(¥bn)

	Initial forecast	Revised forecast	Change from the initial
Business Interruption (Direct, UK and other)	3.5	8.5	5.0
Other (including contingent reserve)	14.5	29.0	14.5
Total	18.0	37.5	19.5

## FY2020 annual impact of COVID-19

- Estimated amount of incurred losses and declined investment profit from COVID-19
- Compared with initial forecast, additional incurred losses will be covered by investment profit recovery (¥bn)

	Initial forecast	Revised forecast	Change from the initial	Reason of for change from the initial
Additional incurred losses	-20.0 (Mainly overseas)	-39.0 (Overseas)	-19.0	Estimated loss amount for Business Interruption (BI) in very conservative way by taking into account several elements such as current situation on trial for BI insurance in UK . Booked additional contingent reserve for uncertainty, etc.
Decline in investment profit	-60.0 (Total of domestic and overseas)	-28.0 (Domestic)	+32.0	Market recovery
Impact after tax	-64.0	-57.0	+7.0	

## Earnings Forecasts for FY2020–Domestic Non-Life Insurance Companies (MSI&amp;ADI) (i)

(¥bn)

	Simple Sum			MSI (Non-Consolidated)			ADI (Non-Consolidated)		
		YoY Change	Change from the initial		YoY Change	Change from the Initial		YoY Change	Change from the Initial
<b>Net premiums written<sup>※1</sup></b>	<b>2,800.0</b>	<b>- 24.7</b>	<b>56.0</b>	<b>1,530.0</b>	<b>- 17.9</b>	<b>28.0</b>	<b>1,270.0</b>	<b>- 6.7</b>	<b>28.0</b>
Earned premiums <sup>※2</sup>	2,473.8	45.6	26.4	1,364.7	21.9	14.4	1,109.1	23.7	12.0
Incurring losses (including loss adjustment expenses) <sup>※2</sup> (–)	1,459.1	- 40.0	7.5	791.3	- 38.8	6.8	667.8	- 1.2	0.7
Underwriting expenses <sup>※2</sup> (–)	878.5	19.5	- 5.5	478.2	17.3	- 4.3	400.3	2.1	- 1.2
Commissions and collection expenses <sup>※2</sup>	526.5	12.8	13.1	277.7	7.0	6.1	248.8	5.8	7.0
Other underwriting expenses <sup>※2</sup>	352.0	6.6	- 18.7	200.5	10.3	- 10.5	151.5	- 3.6	- 8.2
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>128.7</b>	<b>86.9</b>	<b>20.9</b>	<b>95.7</b>	<b>66.1</b>	<b>9.4</b>	<b>33.0</b>	<b>20.7</b>	<b>11.5</b>
Net catastrophe reserve	- 71.7	- 38.3	- 18.9	- 46.7	- 24.4	- 8.4	- 25.0	- 13.9	- 10.5
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>57.0</b>	<b>48.5</b>	<b>2.0</b>	<b>49.0</b>	<b>41.6</b>	<b>1.0</b>	<b>8.0</b>	<b>6.8</b>	<b>1.0</b>
<b>EI loss ratio<sup>※2</sup></b>	<b>59.0%</b>	<b>- 2.7pp</b>	<b>- 0.3pp</b>	<b>58.0%</b>	<b>- 3.8pp</b>	<b>- 0.1pp</b>	<b>60.2%</b>	<b>- 1.4pp</b>	<b>- 0.6pp</b>
Net loss ratio <sup>※1</sup>	60.3%	- 2.4pp	- 1.5pp	59.5%	- 3.8pp	- 1.7pp	61.1%	- 0.9pp	- 1.5pp
Net expense ratio <sup>※1</sup>	34.2%	1.1pp	- 0.9pp	33.5%	1.5pp	- 1.0pp	35.0%	0.5pp	- 0.7pp
<b>Combined ratio<sup>※1</sup></b>	<b>94.5%</b>	<b>- 1.3pp</b>	<b>- 2.4pp</b>	<b>93.0%</b>	<b>- 2.3pp</b>	<b>- 2.7pp</b>	<b>96.1%</b>	<b>- 0.4pp</b>	<b>- 2.2pp</b>

※1 All lines ※2 Excludes residential earthquake and CALI (compulsory auto liability insurance)

※ "Earned premiums" are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

## Earnings Forecasts for FY2020–Domestic Non-Life Insurance Companies (MSI&amp;ADI) (ii)

(¥bn)

	Simple Sum			MSI (Non-Consolidated)			ADI (Non-Consolidated)		
		YoY Change	Change from the Initial		YoY Change	Change from the Initial		YoY Change	Change from the Initial
<b>Underwriting profit/loss</b>	<b>57.0</b>	<b>48.5</b>	<b>2.0</b>	<b>49.0</b>	<b>41.6</b>	<b>1.0</b>	<b>8.0</b>	<b>6.8</b>	<b>1.0</b>
Net interest and dividends income	99.8	- 16.3	17.2	65.5	- 6.3	13.6	34.3	- 9.9	3.6
Gains/losses on sales of securities	52.8	- 33.1	7.7	41.6	- 12.2	0.4	11.2	- 20.8	7.3
Impairment losses on securities (-)	12.5	- 19.3	- 9.5	6.0	- 14.8	- 4.0	6.5	- 4.5	- 5.5
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>111.0</b>	<b>- 28.2</b>	<b>26.0</b>	<b>85.0</b>	<b>3.2</b>	<b>19.0</b>	<b>26.0</b>	<b>- 31.4</b>	<b>7.0</b>
<b>Ordinary profit/loss</b>	<b>168.0</b>	<b>20.2</b>	<b>28.0</b>	<b>134.0</b>	<b>44.8</b>	<b>20.0</b>	<b>34.0</b>	<b>- 24.6</b>	<b>8.0</b>
<b>Extraordinary income/loss</b>	<b>- 10.3</b>	<b>136.0</b>	<b>- 9.6</b>	<b>- 2.8</b>	<b>125.2</b>	<b>0.5</b>	<b>- 7.5</b>	<b>10.7</b>	<b>- 10.1</b>
<b>Net income/loss</b>	<b>115.0</b>	<b>- 23.8</b>	<b>16.0</b>	<b>92.0</b>	<b>- 2.0</b>	<b>16.0</b>	<b>23.0</b>	<b>- 21.7</b>	<b>-</b>



## Earnings Forecasts for FY2020 – Domestic Life Insurance Companies – MSI Aioi Life

## Key financial data

(¥bn)

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)		
				YoY Change	Change from the Initial
Amount of new policies <sup>※</sup>	2,068.4	1,615.1	<b>1,780.7</b>	-13.9%	165.5
Annualized premiums of new policies <sup>※</sup>	29.3	24.1	<b>25.8</b>	-12.2%	1.7
Amount of policies in force <sup>※</sup>	24,458.0	24,133.2	<b>24,363.6</b>	-0.4%	230.4
Annualized premiums of policies in force <sup>※</sup>	448.1	441.7	<b>445.6</b>	-0.6%	3.8
Gross premiums income	521.2	504.0	<b>508.0</b>	- 13.2	4.0
Ordinary profit/loss	18.6	19.8	<b>21.3</b>	2.7	1.6
Net income/loss	7.5	8.0	<b>9.0</b>	1.4	1.0

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

## Earnings Forecasts for FY2020 – Domestic Life Insurance Companies – MSI Primary Life

## Key financial data

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)		
				YoY Change	Change from the Initial
Amount of new policies	882.7	528.5	<b>603.2</b>	-31.7%	74.6
Amount of policies in force	6,514.0	6,290.0	<b>6,617.0</b>	1.6%	327.0
Gross premiums income	872.1	500.0	<b>600.0</b>	- 272.1	100.0
Ordinary profit/loss	31.4	24.5	<b>41.6</b>	10.1	17.0
Net income/loss	20.3	15.0	<b>20.0</b>	- 0.3	5.0

(¥bn)

## Earnings Forecasts for FY2020– Overseas Subsidiaries

- Net premiums written are expected to exceed the initial forecast by 4.0 billion yen from due to the impact of foreign exchange rates.
- Net income is expected to fall short of the initial forecast by 9.0 billion yen. In Europe, the forecast is below the initial due to an increase in incurred losses among other factors. In Asia, on the other hand, the forecast is above the initial due to an improvement in the automobile loss ratio. In international life insurance, the forecast is below the initial by 9.0 billion yen due to a decrease in profits of equity-method affiliates.

### Overseas subsidiaries

(¥bn)

	FY2019 Results	FY2020 Forecast (Initial)	FY2020 Forecast (Revised)		
				YoY Change	Change from the Initial
Net premiums written	711.9	619.0	<b>623.0</b>	- 88.9	4.0
Asia	179.6	169.8	<b>167.3</b>	- 12.3	- 2.5
Europe	487.9	404.9	<b>416.2</b>	- 71.8	11.3
Americas	44.2	44.3	<b>39.5</b>	- 4.7	- 4.8
Net income/loss	36.1	12.0	<b>3.0</b>	- 33.1	- 9.0
Asia	17.8	17.6	<b>22.7</b>	4.8	5.1
Europe	4.8	- 16.6	<b>- 20.6</b>	- 25.4	- 3.9
Americas	2.9	3.7	<b>2.5</b>	- 0.4	- 1.2
International life insurance	10.4	7.4	<b>- 1.6</b>	- 12.0	- 9.0

# <Reference> Earnings Forecasts for FY2020 – Domestic Non-Life Insurance Companies (MSI&ADI) (i)

Reference (announced on Nov. 19 2020)

## Net premiums written

(¥bn)

	Simple Sum	
		Growth
Fire and allied	<b>419.4</b>	3.5%
Marine	<b>55.1</b>	-20.3%
Personal accident	<b>202.8</b>	-0.4%
Voluntary automobile	<b>1,407.8</b>	1.8%
CALI	<b>302.1</b>	-12.9%
Other	<b>412.8</b>	-0.9%
Total	<b>2,800.0</b>	-0.9%
Total excluding residential EQ insurance and CALI	<b>2,497.4</b>	0.8%

MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	Growth		Growth
<b>221.3</b>	7.4%	<b>198.1</b>	-0.6%
<b>48.4</b>	-21.8%	<b>6.7</b>	-7.8%
<b>144.6</b>	-1.5%	<b>58.2</b>	2.3%
<b>683.5</b>	2.0%	<b>724.3</b>	1.6%
<b>156.2</b>	-15.1%	<b>145.9</b>	-10.4%
<b>276.0</b>	-1.1%	<b>136.8</b>	-0.4%
<b>1,530.0</b>	-1.2%	<b>1,270.0</b>	-0.5%
<b>1,373.5</b>	0.7%	<b>1,123.9</b>	0.9%

# <Reference> Earnings Forecasts for FY2020 – Domestic Non-Life Insurance Companies (MSI&ADI) ( ii )

Reference (announced on Nov. 19 2020)

## EI loss ratio

	Simple Sum	
		YoY Change
Fire and allied	<b>73.6%</b>	-4.8pp
Marine	<b>52.1%</b>	-6.5pp
Personal accident	<b>51.7%</b>	-1.7pp
Voluntary automobile	<b>56.3%</b>	-2.5pp
Other	<b>58.3%</b>	-2.7pp
Total (excluding residential EQ insurance and CALI)	<b>59.0%</b>	-2.7pp
(Excl. impact of nat. cat.)	<b>56.2%</b>	-0.5pp

MSI (Non-consolidated)		ADI (Non-consolidated)	
	YoY Change		YoY Change
<b>70.3%</b>	-6.7pp	<b>77.4%</b>	-2.4pp
<b>52.8%</b>	-7.0pp	<b>46.2%</b>	-1.9pp
<b>50.6%</b>	-2.6pp	<b>54.7%</b>	0.8pp
<b>56.7%</b>	-2.7pp	<b>56.0%</b>	-2.2pp
<b>56.7%</b>	-5.4pp	<b>61.5%</b>	2.6pp
<b>58.0%</b>	-3.8pp	<b>60.2%</b>	-1.4pp
<b>55.5%</b>	-2.2pp	<b>57.1%</b>	1.7pp

※ Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims reserves

※ Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

※ “Impact of nat. cat.” means incurred loss from domestic and overseas natural catastrophes in the each year deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

## &lt;Reference&gt; MS Amlin's Results Forecast for FY2020 (Jan. – Dec. 2020) ※1

- Net loss : - £ 149mn (- £ 44 mn decline from initial forecast) due to impact from COVID-19 loss, which was mitigated by recovery in investment profit from initial forecast.
- Underwriting profit for Non-Cat risk (excluding COVID-19): £ 118mn (YoY +173mn) buoyed by improvement in general risk underwriting.

(£ mn)

	FY2019	FY2020 (Initial forecast)	FY2020 (Revised forecast)		
				YoY	vs Initial forecast
Net Premiums Written	3,220	2,755	<b>2,715</b>	-505	-40
Net Premiums Earned	3,169	2,874	<b>2,912</b>	-257	38
Incurred Losses(including loss adjustment expenses)	2,137	1,899	<b>2,062</b>	-75	163
Underwriting profit/loss	-55	-37	<b>-152</b>	-97	-115
Investment profit/loss※2	263	30	<b>99</b>	-164	69
Non-operating profit/loss※3	-147	-104	<b>-100</b>	47	4
Net income/loss after tax□	55	-105	<b>-149</b>	-204	-44

## Excluding impact from COVID-19 (£ mn)

	FY2020 (Revised forecast)		
		YoY	Change from the initial
Underwriting profit/loss	118	<b>173</b>	20

※1 FY2019: MS Amlin plc consolidated result. FY2020: Total amount of MS Amlin companies.

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

※3 The main item of "Non-operating profit/loss" is expenses of non-insurance companies.

## Abbreviations of company names used in this presentation

• MS&AD Holdings :	MS&AD Insurance Group Holdings, Inc.
• MS&AD :	MS&AD Insurance Group
• Mitsui Sumitomo Insurance, MSI :	Mitsui Sumitomo Insurance Co., Ltd.
• Aioi Nissay Dowa Insurance, ADI :	Aioi Nissay Dowa Insurance Co., Ltd.
• Mitsui Direct General :	Mitsui Direct General Insurance Co., Ltd.
• MSI Aioi Life :	Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
• MSI Primary Life :	Mitsui Sumitomo Primary Life Insurance Co., Ltd.
• MS Amlin :	Sum of business segments including AUL, AAG, AISE and ACS
	AUL: MS Amlin Underwriting Limited
	AAG: MS Amlin AG
	AISE: MS Amlin Insurance SE
	ACS: MS Amlin Corporate Services Limited

## Definition of “Group Adjusted Profit” and “Group Adjusted ROE”

Group Adjusted Profit = Consolidated net income

+ Provision for catastrophe loss reserve and others

- Other incidental factors (amortization of goodwill and other intangible fixed assets and others)

+ Equity in earnings of the non-consolidated group companies

Adjusted Net Assets = Consolidated net assets + Catastrophe reserve and others - Goodwill and other intangible fixed assets

Group Adjusted ROE = Group Adjusted Profit  $\div$  Adjusted net assets (average of beginning and ending amounts of B/S)

## Caution About Forward-Looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, and (4) changes in tax and other regulatory systems.

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