

**MS&AD Holdings**

**MS&AD** INSURANCE GROUP

# **Fiscal 2024 Second Information meeting**

November 26, 2024 (Tuesday)

# Preventive measures taken in response to administrative actions against MSI and ADI in relation to price fixing and inappropriate handling of customer information

We take both incidents very seriously. Trust is paramount to us, and we deeply regret any concerns and inconvenience these may have caused to our customers and stakeholders. In response to these incidents, we have implemented additional measures to ensure such incidents do not occur in the future.

## 1. Administrative actions for price fixing

- In connection with price fixing for corporate/commercial insurance policies, Mitsui Sumitomo Insurance (“MSI”) and Aioi Nissay Dowa Insurance (“ADI”) received a business improvement order under the Insurance Business Act from the Financial Services Agency of Japan in December 2023 and also received cease and desist orders and administrative monetary penalty payment orders (totaling 885,140,000 yen for MSI, and 506,400,000 yen for ADI) in accordance with Article 3 of the Antimonopoly Act from the Japan Fair Trade Commission in October 2024.
- In February 2024, MSI and ADI submitted business improvement plans to the FSA respectively and have since been executing the plans while continually verifying and discussing the plans with the help of external experts and reviewing measures from the viewpoint of appropriateness.

## 2. Inappropriate handling of customer information

[By agents]

- Certain customer information of MSI, ADI, Mitsui Sumitomo Aioi Life (“MSA Life”) was inappropriately shared with competitors through independent agents who also partner with such competitors.

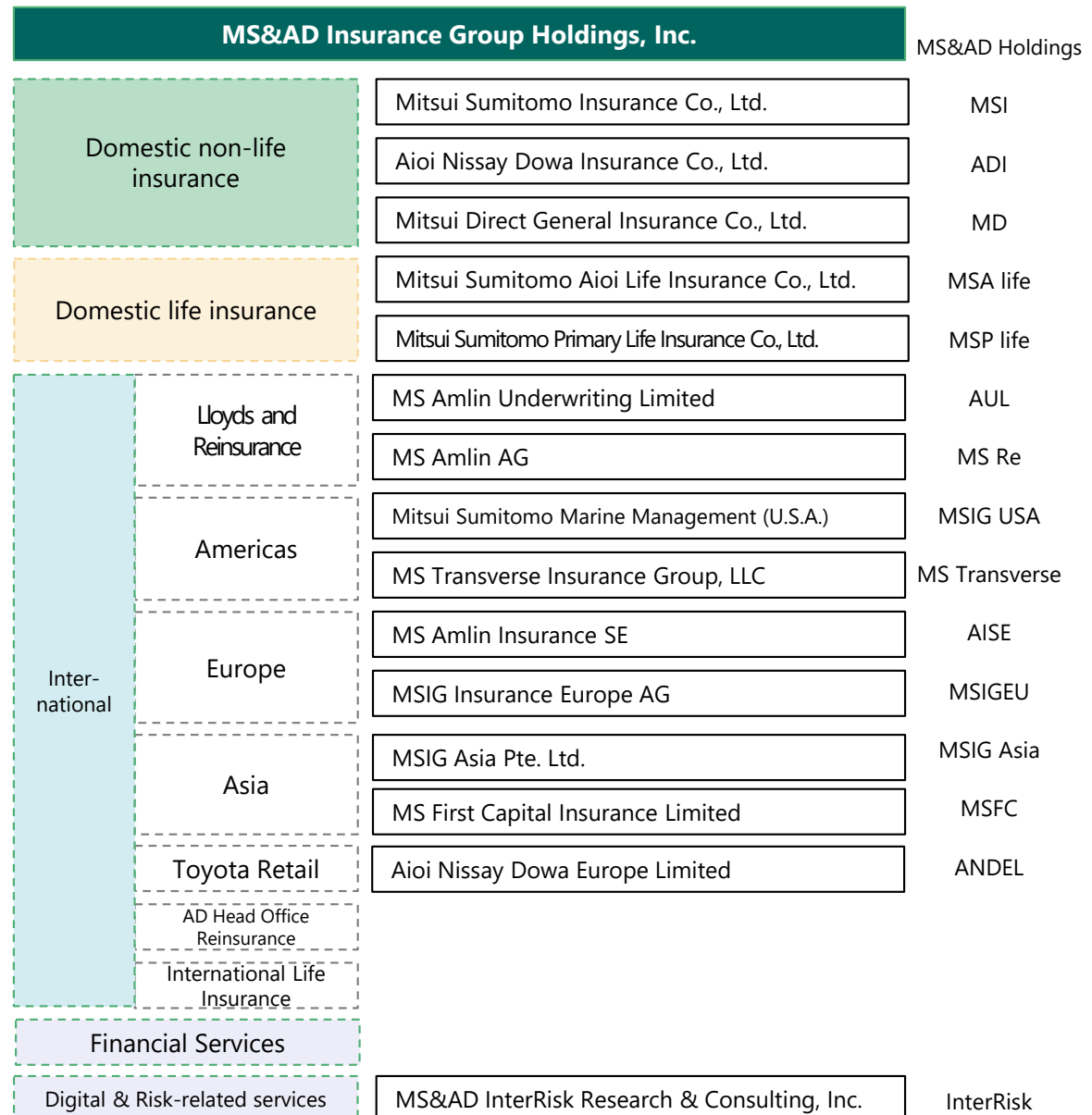
[By seconded employees]

- Some of employees seconded to insurance agents from MSI, ADI, MSA Life and Mitsui Sumitomo Primary Life inappropriately shared customer information with the company they belonged. Such customer information included policy data for other insurance companies.
- To address issues common to the price fixing (issues arising from industry practices, a failure to fully implement customer-oriented operations or fully comply with laws and regulations), MSI and ADI will make sure that these incidents do not reoccur by properly executing respective business improvement plans.
- In addition, respective companies will implement enhanced measures to prevent a recurrence of inappropriate handling of customer information by sales staff and agents by way of increasing knowledge and awareness of the Act on the Protection of Personal Information, reviewing secondment guidelines issued by the General Insurance Association of Japan, and building sound systems and controls that will improve risk awareness.

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## Key Subsidiaries and Affiliates of MS&AD Insurance Group (Abbreviations)



# Key Points of Today's Presentation

## Progress on Second Stage of Medium-Term Management Plan

<b>Status of interim financial results</b>	<ul style="list-style-type: none"> <li>- The Group's adjusted profit rose 388.3 billion yen year on year, to 500.3 billion yen. In view of strong progress in the interim period, we revised our full-year forecast upward to 670.0 billion yen. (+40.0 billion yen against initial forecast)</li> <li>- The ESR was 241% (an increase of 12 point from the end of FY2023) mainly due to the impact of the sale of strategic equity holdings and decline in domestic stock price.</li> </ul>
<b>Shareholder return</b>	<ul style="list-style-type: none"> <li>- The interim dividend was 72.5 yen (ordinary dividend of 50 yen, and special dividend of 22.5 yen), as initially planned.</li> <li>- We will carry out share buybacks of maximum 60.0 billion yen.</li> </ul>
<b>Enhancing enterprise value by transforming business style</b>	<ul style="list-style-type: none"> <li>- Improving capital efficiency by allocating proceeds from selling strategic equity holdings to growth investments and by enhancing business portfolio management</li> <li>- Improving profitability of domestic non-life insurance business through improving underwriting profitability and strengthening asset management profit</li> <li>- Ensuring appropriate competition, and expanding customer base by transitioning to a customer driven business model</li> </ul>

## Current Status of the Sale Strategic Equity Holdings and Growth Strategies

<b>Sales of strategic equity holdings</b>	<ul style="list-style-type: none"> <li>- The sale strategic equity holdings is on track, with disposed amount of around 450.0 billion yen as of the end of September 2024.</li> <li>- As of the end of October 2024, c70% of issuers agreed to dispose all of equities owned by MSI and ADI currently held within targeted timelines.</li> </ul>
<b>Growth strategies</b>	<ul style="list-style-type: none"> <li>- Strengthen profitability of existing business: Improve profitability of domestic non-life insurance, expand international business profit, strengthen asset management capabilities, etc.</li> <li>- International business investment: Approach and target</li> <li>- Human assets, DX, Synergies</li> </ul>

## Action on Cost of Capital and Stock Price Conscious Management

<b>Status of initiatives</b>	<ul style="list-style-type: none"> <li>- Continuing efforts to improve ROE and reduce cost of capital, and focusing on widening the equity spread</li> </ul>
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### Prudence 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.

## **I. Progress in Medium-Term Management Plan(2022-2025) Second Stage**

1. Progress toward Numerical Management Target and Annual Forecast
2. Shareholder Return
3. Enhancing Corporate Value by Business Style Transformation



# 1 . Progress toward Numerical Management Targets and Annual Forecast(Summary)

- Group adjusted profit increased by 388.3 billion yen, year on year, mainly due to a large increase in gain on sales of strategic equity holdings and a decrease in natural catastrophe losses.
- Annual forecast of group adjusted profit is expected to increase by 40.0 billion from initial forecast, mainly due to fewer natural catastrophe losses.
- ESR at the end of September stood at 241%, up 12 points from the end of March 2024, mainly due to a reduction of strategic equity holdings.

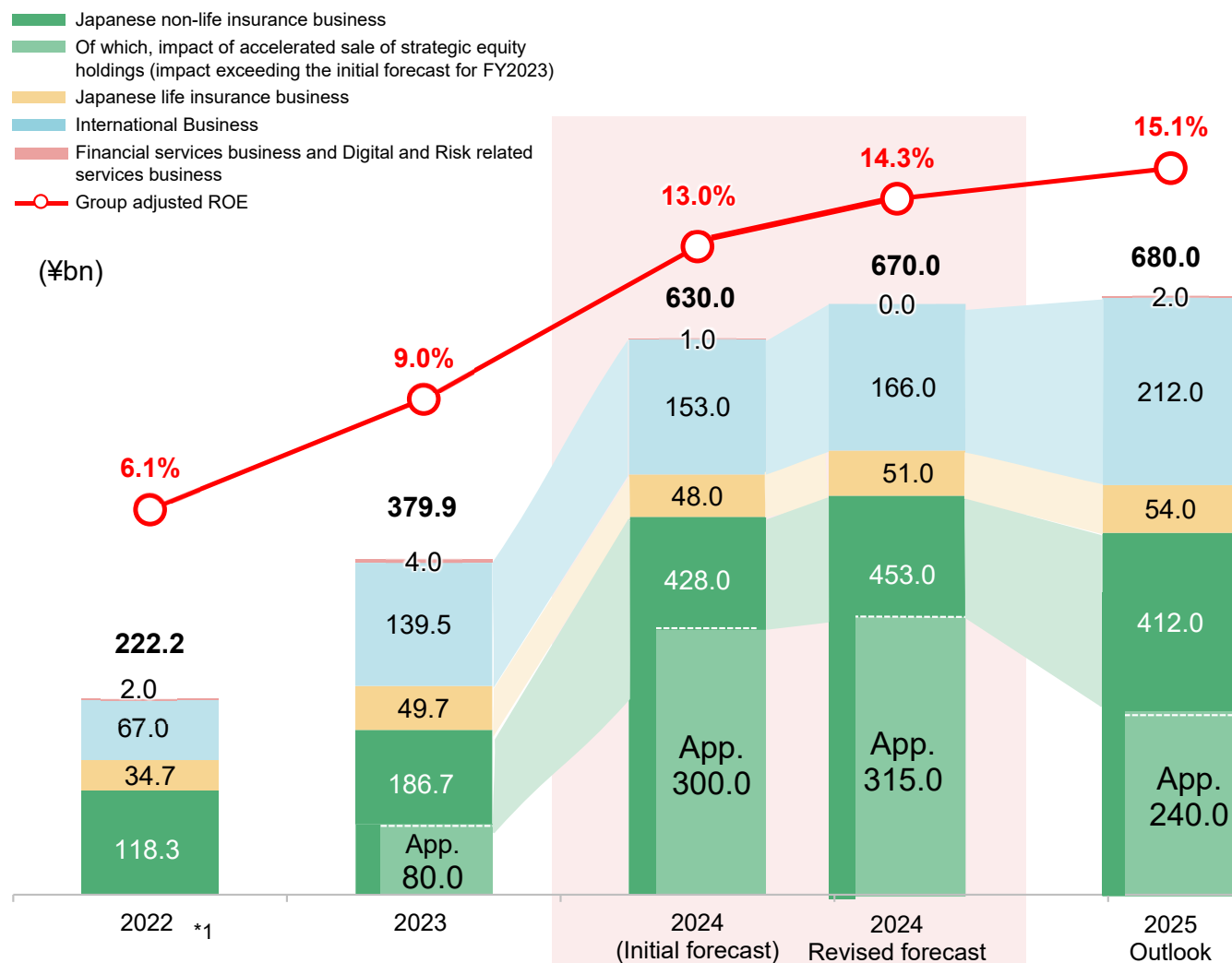
(¥bn)

	Interim results			FY2024 Full-year forecast		
	FY2023 1H	FY2024 1H	YoY	Revised forecast	YoY	Change from the initial forecast
Group Adjusted Profit	112.0	500.3	388.3	670.0	290.0	40.0
Domestic non-life insurance business (excluding gain/loss from sale of strategic equity holdings)	63.5	337.6	274.1	453.0	266.2	25.0
Domestic life insurance business	16.6	47.2	30.5	55.0	-3.9	14.0
International business	8.7	48.0	39.3	51.0	1.2	3.0
Financial services business/ Risk-related services business	37.9	115.1	77.1	166.0	26.4	13.0
	1.8	- 0.5	- 2.4	0.0	- 3.9	- 1.0
Group Adjusted ROE	—	—	—	14.3%	5.3pp	1.3pp
Net Income	87.5	458.9	371.4	630.0	260.7	20.0
Consolidated net premiums written	2,270.0	2,539.5	269.5	4,630.0	368.2	30.0
Life insurance premiums <sup>*1</sup> (gross premiums)	891.2	858.6	- 32.6	1,572.0	- 255.3	- 99.0

\*1 Gross premiums income is for domestic life insurance subsidiaries only.

# 1. Achievement Status of Numerical Management Targets and Full-Year Forecast (Graph)

## Group Adjusted Profit and Group Adjusted ROE



FY2024 full-year forecast  
Upwardly revised our full-year forecast for Group adjusted profit mainly due to less-than-expected natural catastrophes.  
(Up 40.0 billion yen from the initial forecast)

Lower gain on the sale of strategic equity holdings due to stock price falling, which was offset by accelerated the sale of equity holdings. (Up 15.0 billion yen from the initial forecast)

(FY2025 full-year outlook)  
Outlook of Group adjusted profit for FY2025 is 680.0 billion yen with the economic assumptions as of Oct 31<sup>st</sup> 2024.  
(Down 80.0 billion yen from the initial forecast)

Domestic nonlife insurance business forecast was down 84.0 billion yen from the initial forecast, partly due to the impact of falling stock prices and the accelerated sale of strategic equity holdings in FY2024.

\*1 After retrospective application of IFRS 17

## 2.Shareholder Return

- Interim dividends : 72.5 yen(+32.5 yen, year on year\*1)  
Annual dividend forecast remains at 145 yen (+55 yen, year on year\*2)
- Share buybacks : Maximum 60.0 billion yen

Basic Return (Total amount of return: 50% of Group adjusted profit)			
Dividends	Ordinary dividend • Calculate based on Group adjusted profit excluding accelerated sales of strategic equity holdings • Not lower than the previous year's dividends	Interim	Interim dividends:72.5 yen (Ordinary dividends 50 yen + Special dividends 22.5 yen)
	Special dividend Provide for the period of sales of strategic equity holdings (maximum six years) against Group adjusted profit from acceleration of sales of strategic equity holdings	Annual forecast	Annual dividends:145 yen (Ordinary dividends 100 yen + Special dividends 45 yen)
Share buybacks	Share buyback amount =Total shareholder return – total dividends	+	

### Additional Return(Guidelines for considering Additional Return)

- When ESR constantly exceeds the upper limit of the target range
- To keep stable returns when profits decline due to a large-scale natural catastrophe etc.
- When no efficient growth investments are expected to be carried out
- When it is determined that capital efficiency improvements are required

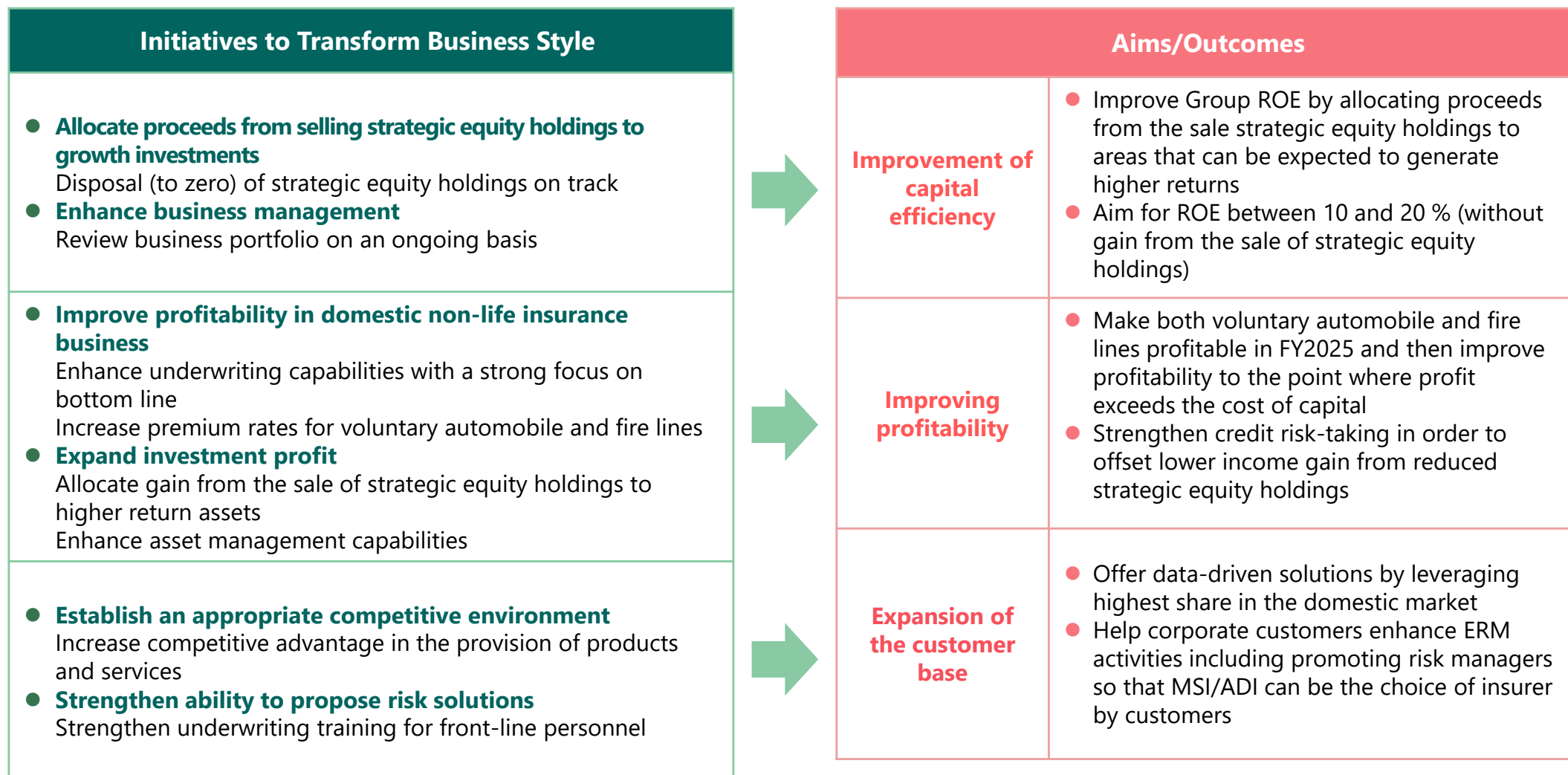
\*1 FY2024 interim dividends 72.5yen - FY2023 interim dividends 40yen(Before stock split:120 yen)=32.5 yen

\*2 FY2024 annual dividends forecast 145yen—FY2023 annual dividends 90yen(Before stock split:270 yen)=55 yen



### 3. Enhancing Corporate Value by Business Style Transformation

- Realizing sustainable growth and improved profitability in the domestic non-life insurance business through the transformation of business style
- Allocating proceeds from the sale strategic equity holdings to growth investments to enhance enterprise value

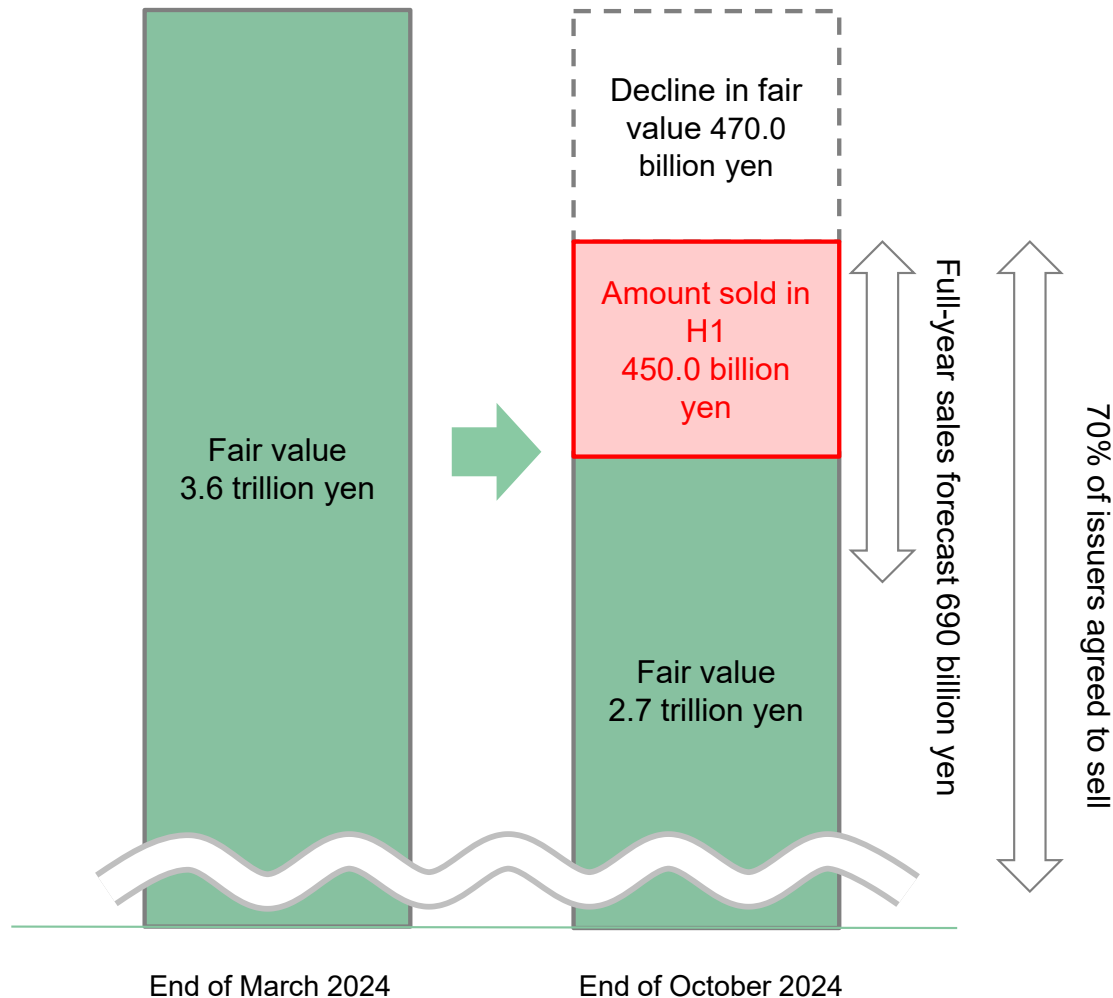


## **Ⅱ. Progress of Strategic Equity Holdings Sales and Growth Strategy**

1. Progress of Strategic Equity Holdings Sales
2. Direction of Growth Investments and Business Investments
3. Initiatives for Growth Driven by Human Assets, DX and Generation of Synergies
4. Existing Business Strategy Highlights

# 1. Progress of Strategic Equity Holdings Sales

## Status of Sales of Strategic Equity Holdings (end of October 2024)



- As of the end of September 2024, Approximately 450.0 billion yen worth equities sold with approximately 290.0 billion yen gain after tax. MSI/ADI subscribed to a tender offer for own shares by Toyota Motor Corporation and sold around 30% of their shareholding in the company.
- The full-year target of the sale of strategic equities revised to 690.0 billion yen which exceeds the initial plan.
- At the end of October 2024, the balance of strategic equity holdings stood at around 2.7 trillion yen, reflecting a decrease in fair value as a result of decline in the prices of equity holdings, in addition to steady progress in the sales of strategic equity holdings.
- As of the end of October 2024, approximately 70% of issuers agreed to dispose all of equities owned by the group within targeted timelines.

## 2. Direction of Growth Investments and Business Investments

- Allocate proceeds from the sale of strategic equity holdings to growth investments to the tune of around 2 trillion yen
- Fully leverage past experience and exercise discipline when considering business investment

### Direction of Growth Investments



- **Diversification of profit sources and risk**

- Invest in international business
- Allocate additional capital to international insurance business

- **Profitability improvement**

- Accumulate assets expected to generate revenue
- Invest in DX and innovation
- Invest in human resources

- **Expansion of new business areas**

- Invest in startups through Corporate venture capital.

- **Invest in domestic listed stock to optimize the asset management portfolio**

### International Business Investment Policy and Targets

- **Business investment policy**

- We expect investment efficiency exceeding the hurdle rate set in consideration of the cost of capital
- The investment is consistent with the group strategy within the region and promote group synergy
- Management philosophy/policy of the targeted company is well aligned with that of the group
- Methods of investment (e.g. acquisition, strategic investment) may vary depending on character of the deal, market environment, technological advantages etc.
- Priority will be given to deals that are expected to contribute to profit swiftly and reliably

- **Targeted business areas**

- Specialty insurance carrier in the US
- Business areas in Asia where we can draw on the respective strengths of each business base
- Asset management business overseas

### 3. Initiatives for Growth Driven by Human Assets, DX and Generation of Synergies

- Human assets and DX are other areas of priorities, and greater synergy is pursued among group companies together with these initiatives.

#### Human Assets

##### Investment in human resources

- Enhance employee training program to promote the acquisition of new skillsets
- More diversified recruitment and promoting employees with specialized skillsets (management, digital, international, etc.)
- Upgrade employee compensation in line with above initiatives

##### Improvement of engagement and productivity

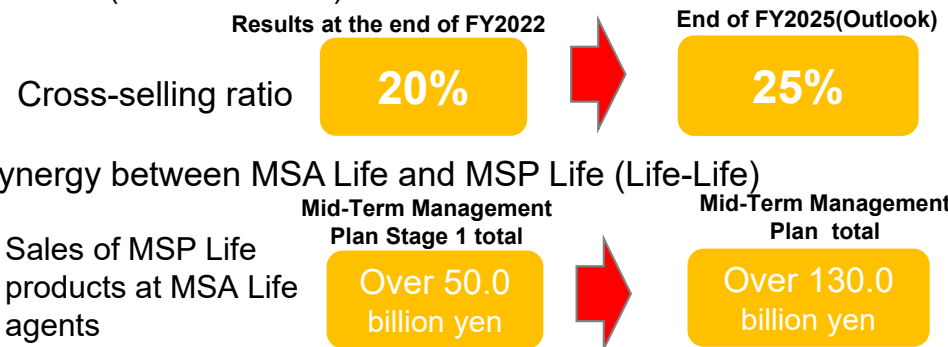
- Develop next generation HR system with a particular focus on “skill set” of employees
- Expand open recruitment system “post-challenge program”, which allows employees to move to a post of their choice
- Introduced ESOP (Employee Stock Ownership Plan)

#### DX

- Promote use of AI
  - Call centers  
Introduced AI to some of our claim call center to ensure that customers do not have to wait even when reception is concentrated.
  - Claim handling service  
Fake image AI detection system etc.
- New DX-based business model initiatives
  - Enhancement of services before and after coverage and protection  
(MS&AD Cyber Risk Finder, etc.)

#### Synergy

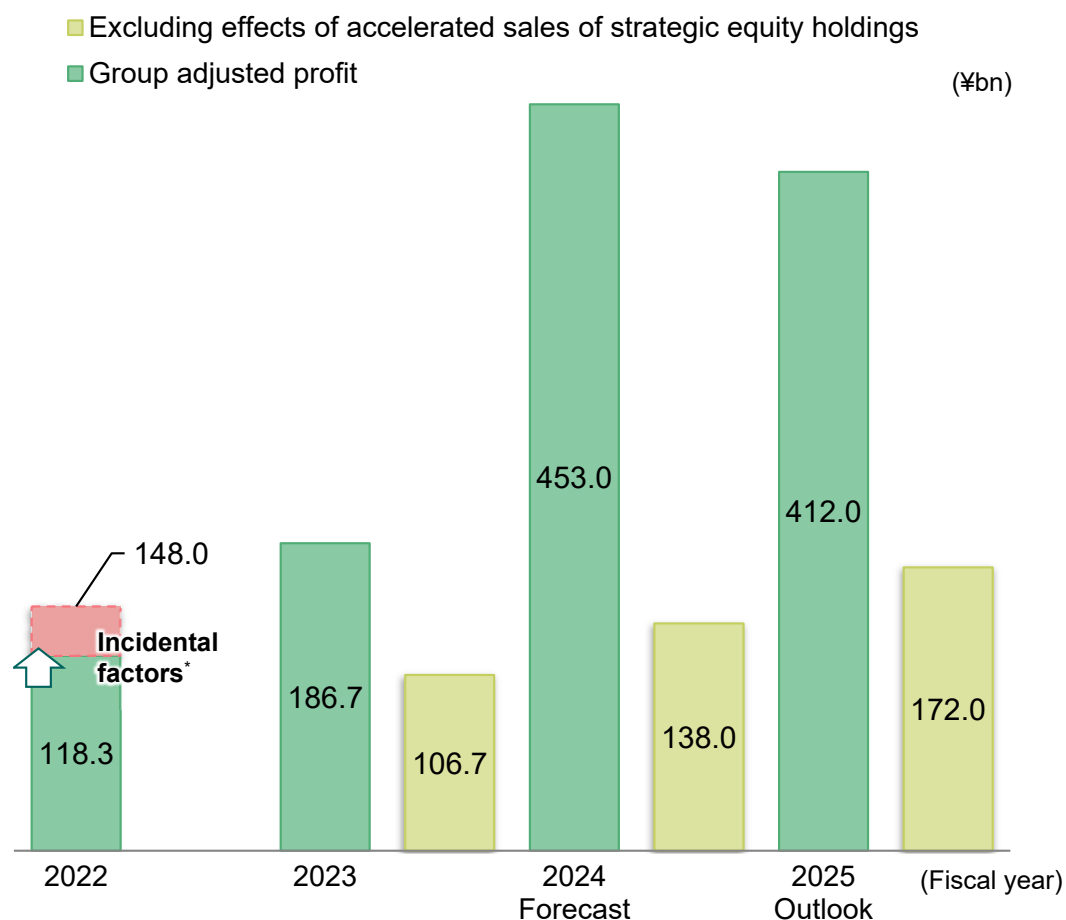
- One Platform Strategy  
Promote efficiency and sophistication by sharing, and integrating MSI and ADI headquarters functions, integrated management of the corporate domain centered on the holding company, and integration using BPO
- Synergy between domestic non-life insurance and domestic life insurance (life and non-life)



## 4. Existing Business Highlights (1)-1 Domestic Non-Life Insurance Business

- By transforming business style, offer products and services that create value for customers and society while seeking to further strengthen profitability as core business.

### Group Adjusted Profit



### Key Strategies

#### Profitability improvement in voluntary automobile insurance

- Monitor profitability closely and revise premium rates when and where necessary (Next rate revision has been planned in Jan 2025)
- Utilize data and AI to reduce accidents as well as detecting fraudulent claims, which can supplementary contribute to profitability

#### Profitability improvement in fire insurance

- Improved underwriting portfolio with more than 50% of total fire contracts are now profitable this fiscal year
- Achieve an underwriting profit in FY2025, and continue improving profitability thereafter until profit exceeds the cost of capital

#### Profit expansion in casualty insurance

- Promote package policies for SME which have better growth rate and underwriting return within the business line.
- Promote “before or after coverage” products which drive topline while deliver lower loss ratio

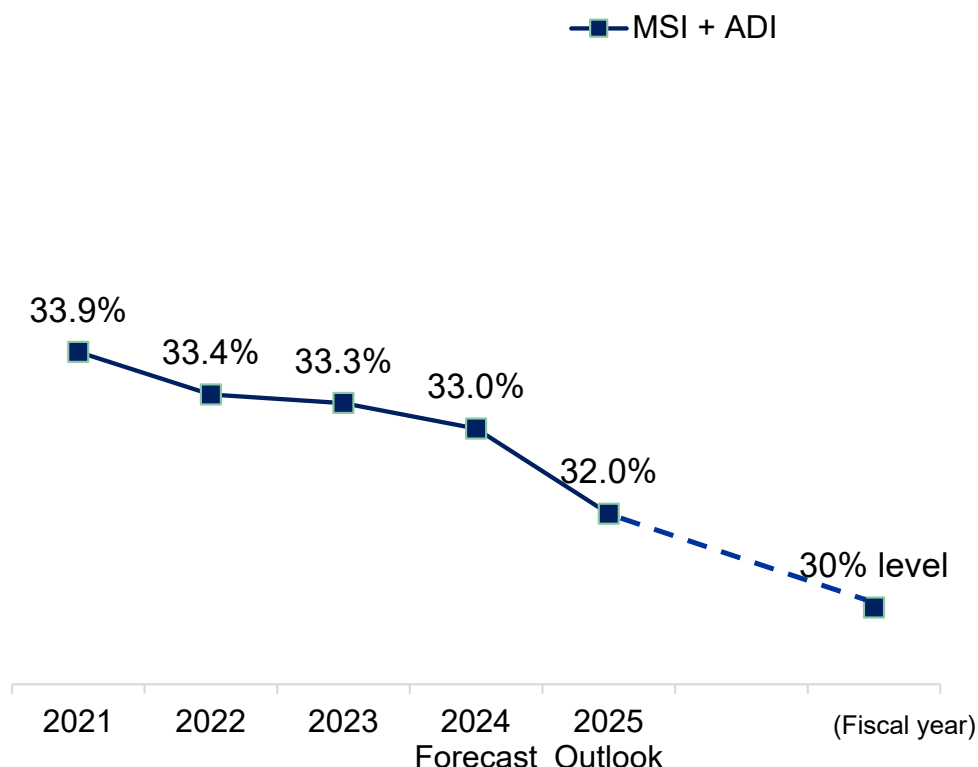


## 4. Existing Business Highlights (1)-2

### Domestic Non-Life Insurance Business Improvement in Operating Expense Ratio

- Achieve under 31% E/R as early as possible amid volatile market environment including acceleration of inflation

#### Outlook of Expense Ratio



#### Action to be taken

##### Optimization of organizations and personnel

- Optimize personnel through process automation, and flexibly assign personnel to strategic areas through reskilling and upskilling
- Hire and retain talented employees by increasing compensation and otherwise improving treatment of employees in anticipation of recruitment difficulties in the future

##### System

- Convert fixed expenses into variable expenses through outsourcing, and reduce system investment in line with the "Fit to Standard" strategy
- "Discard, change, or scale back" systems according to changes in the operating environment

##### Agent commissions

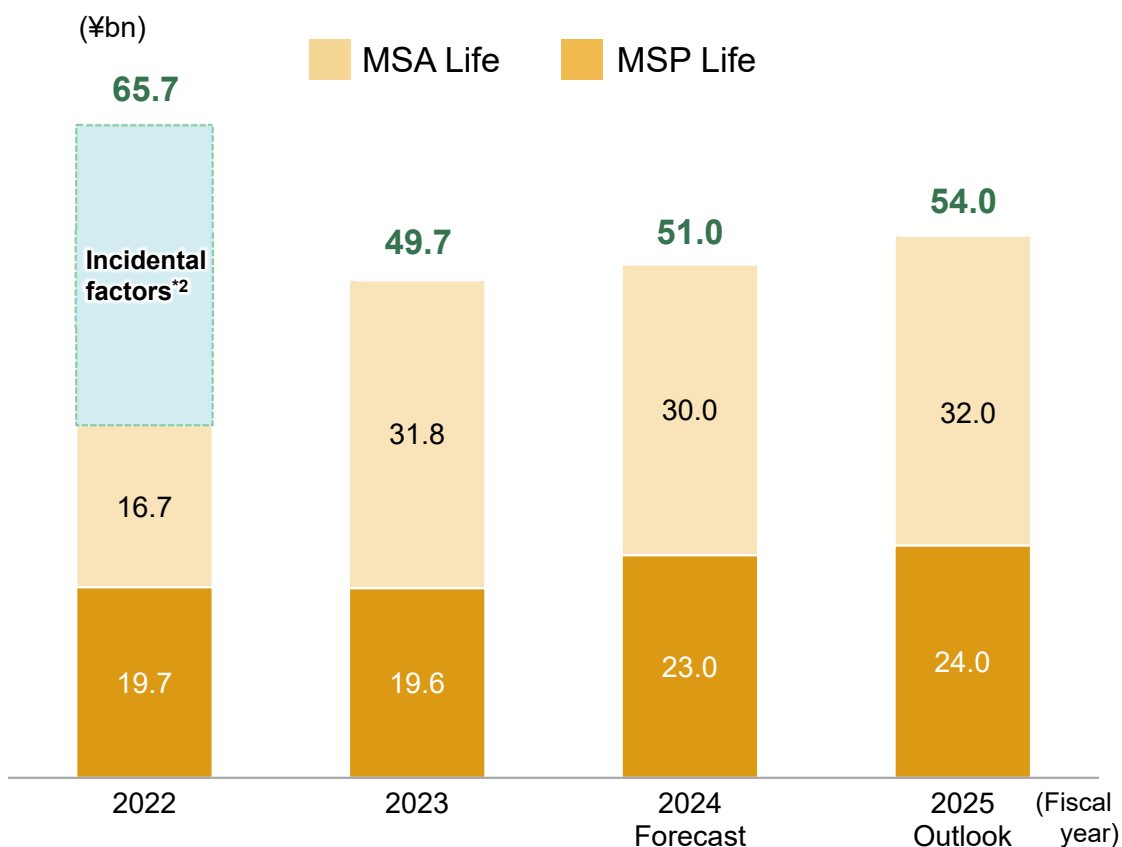
- Shift to agent commission structure that reflects the role of agents and quality of sales activities
- Shift to business model that reduces level of agent commission

## 4. Existing Business Highlights

### (2) Domestic Life Insurance Business

- Promote cross-selling between the life and non-life insurance company and the two life insurance companies through mutual utilization of the Group's strong customer base, and step up customer approaches utilizing the strong operating platforms (channels) of the two life insurance companies.
- Provide products and services that can help solve social issues in the era of the 100-year life, including extending healthy life expectancy and extending asset life.

#### Group Adjusted Profit\*<sup>1</sup>



\*1 Total of domestic life insurance business includes purchase difference adjustment, etc.

\*2 For more details, please see P.48

#### Key Strategies

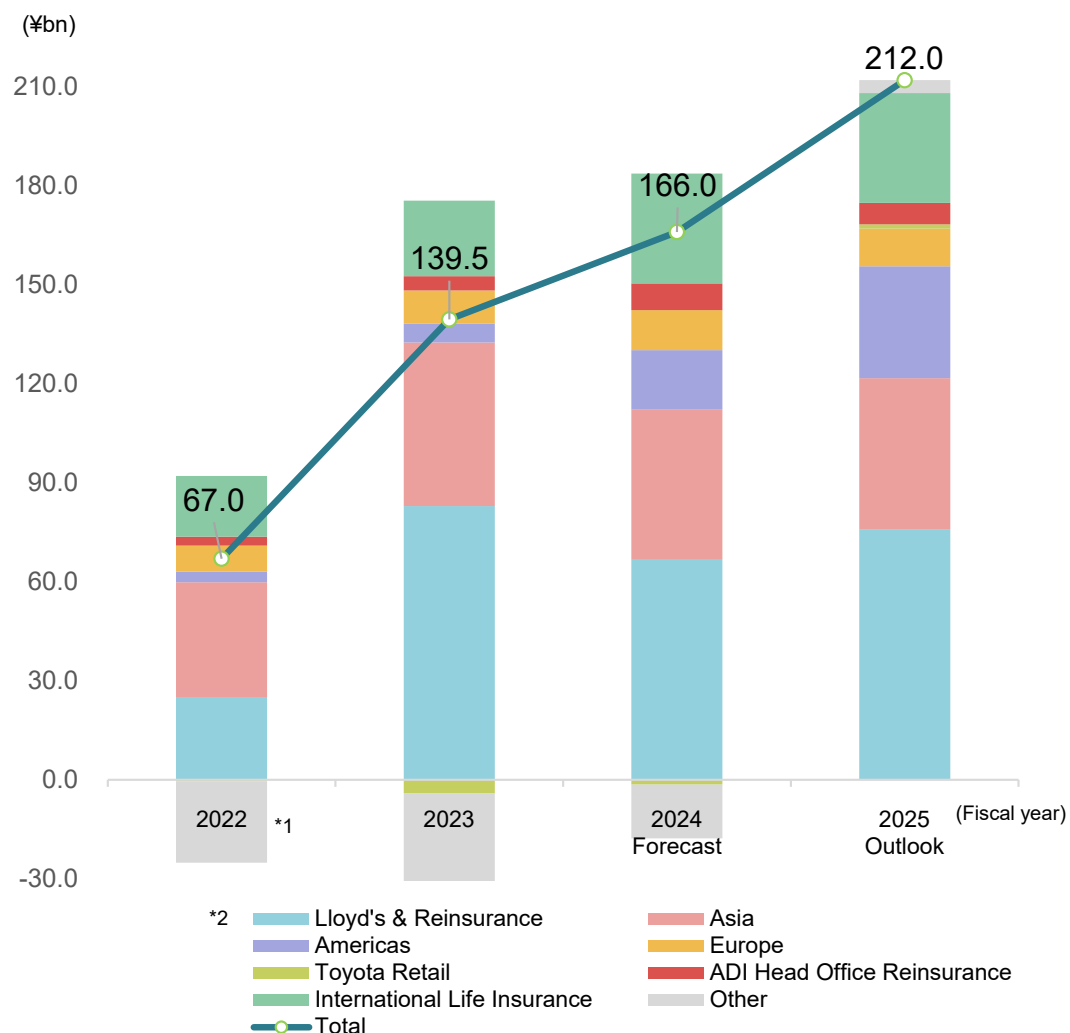
MSA Life	<ul style="list-style-type: none"> <li>Step up cross-selling of life insurance and non-life insurance by non-life insurance agencies.</li> <li>Develop SME clients by supporting them to obtain business continuity plan certification</li> <li>Actively expand MSA Care for the integrated provision of coverage and protection and healthcare services before and after coverage and protection</li> </ul>
MSA Life × MSP Life	<ul style="list-style-type: none"> <li>Strengthen collaborative sales of MSP Life products through MSA Life's agent network</li> </ul>
MSP Life	<ul style="list-style-type: none"> <li>Solidify leading positions with training and other support for financial institutions agents</li> <li>Develop unique products that meet a wide range of needs such as asset building, asset utilization, and asset inheritance</li> </ul>

## 4. Existing Business Highlights

### (3) International Business

- Roll out growth strategies centered on Lloyd's & Reinsurance business that has restored profitability, and the Americas and Asia, where the markets continue to expand
- Aim for further profit enhancement by strategically deploying additional capital to bases with high expected ROE

#### Group Adjusted Profit



#### Key Strategies

<b>Lloyd's &amp; Reinsurance</b>	<ul style="list-style-type: none"> <li>• Lloyd's(AUL) and Reinsurance(MS Re) are working on expanding their business while adhering to underwriting discipline.</li> <li>• Thoroughly implement cycle management in anticipation of market softening phase</li> </ul>
<b>Americas</b>	<ul style="list-style-type: none"> <li>• MSIG USA will leverage partnerships with top-tier brokers and carefully expand local business while prioritizing underwriting discipline.</li> <li>• MS Transverse will achieve growth surpassing the market by selecting and increasing high-profit program businesses from MGA<sup>*3</sup></li> </ul>
<b>Europe</b>	<ul style="list-style-type: none"> <li>• AISE(headquartered in Belgium) and MSIGEU(headquartered in Germany) plan to integrate by summer of 2025.</li> <li>• Establish position as a second tier player in the European commercial insurance market and expand profit by increasing management efficiency</li> </ul>
<b>Asia</b>	<ul style="list-style-type: none"> <li>• Accelerate initiatives to address key priorities across the region, such as expanding sales channels, building sales structure for EV insurance, and capturing the growing medical and health needs.</li> </ul>

\*3 Managing General Agent. Delegated authority by insurance companies to provide a wide range of services including underwriting insurance, arranging reinsurance and assessing claims

## 4. Existing Business Highlights

### (4) Asset Management

- Aim to increase fair value's net assets over the long term, assuming periodic profit/loss, ALM, and liquidity.
- Focus on investments concentrating on the intrinsic value of companies and assets (=the ability to generate long-term cash flows), and strengthen the framework for such investment.

#### Domestic: Investment Profit/Loss 2024 Apr.-Sep.\*1

(¥bn)

	Result	YoY change		return	
Total of three domestic non-life insurance companies	425.4	+284.2	MSI	Investment return	3.7%
Net interest and dividends income	117.0	+18.5		Realized yield	16.7%
Capital gains and losses	315.7	+266.1	ADI	Investment return	3.0%
Investment expenses	-7.3	-0.4		Realized yield	3.4%
MSA Life	31.6	+0.4	MSA Life	Investment return	1.3%
MSP Life (Net assets and liabilities)*2	93.5	+67.6		Realized yield	1.2%

\*1 Management accounting basis

\*2 Investment profit/loss (general account) on assets and liabilities on a combined basis for management accounting

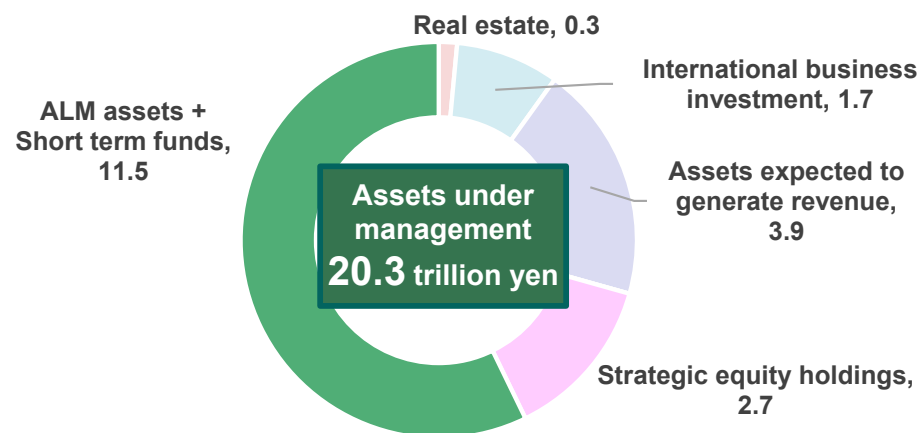
#### International: Assets under Management and Investment Profit/Loss 2024 Jan.-Jun.

(¥bn)

Entity	Investment profit/loss	YoY change	Investment yield	Asset balance End of June 2024
MS Amlin	14.7	+3.1	2.1%	1,572.0
Europe (excluding MS Amlin)	1.8	+0.8	2.7%	137.0
Americas	5.1	+1.3	3.0%	447.0
Asia & Oceania	25.8	+9.7	5.2%	1,060.7
AD Europe	1.6	+0.6	2.3%	143.9
International total	50.1	+15.7	3.2%	3,447.4

#### Domestic Assets under Management at the End of Sep. 2024

(¥tn)



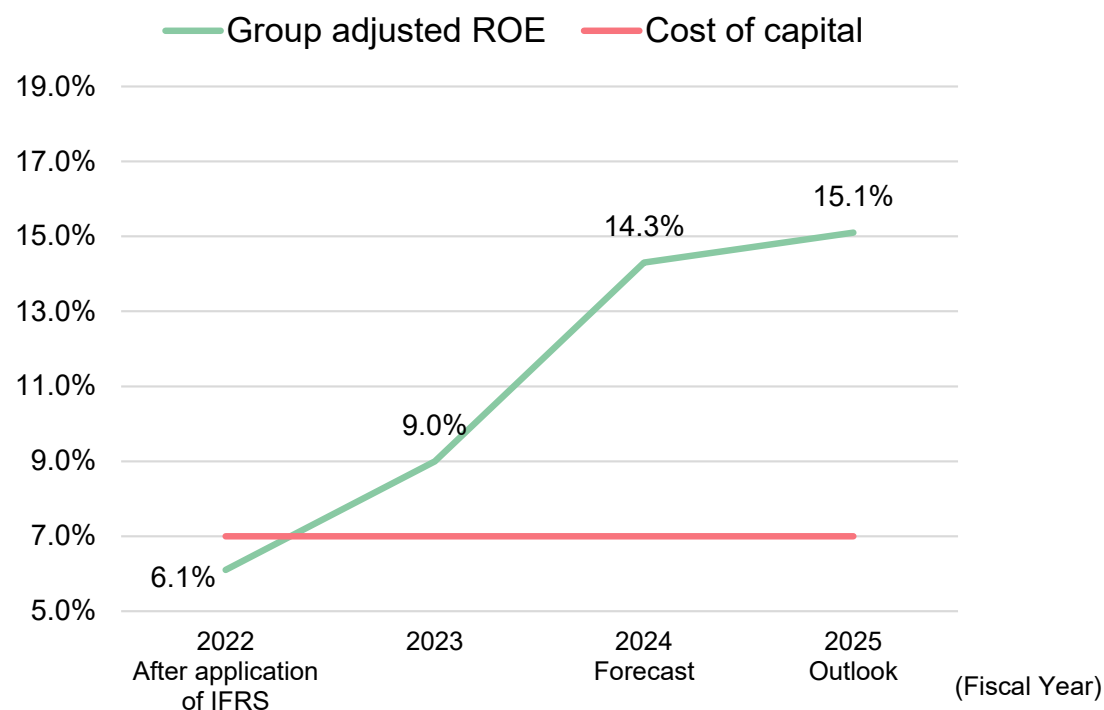
- Improvement of the investment portfolio quality from long term perspectives
  - (1)Expansion of credit investment in the ALM asset
  - (2)Strengthening private asset investmentstatus in higher return asset and profit taking sales for risk adjustment
  - (3) Replace loss-bearing bonds
- Enhancement of joint analysis and stock management systems for domestic and overseas groups and consideration of external tie-ups

## **Ⅲ. Actions on Conscious of Capital Cost and Stock Prices**

# Action on Cost of Capital and Stock Price Conscious Management

- Expected to achieve a stable adjusted ROE of above 10% from FY2024, due mainly to improvement in profitability of existing businesses
- MS&AD has been selected as one of the JPX Prime 150 Index\* component stocks from August 2024

## Group Adjusted ROE and Cost of Shareholders' Equity



### ROE improvement

- Review and restructure business portfolio
- Improve the profitability of existing businesses
- Maintain an adequate level of capital

### Reduction of cost of capital

- Reduce volatility of profit and net assets
- Make active disclosures and engage in dialogue with the market

## Major Initiatives

### Initiatives to increase ROE

Improvement of profitability of international business	Profitability has improved significantly, especially in the Lloyd's and Reinsurance businesses Also consider allocating additional capital to profitable business areas
Accelerated return of fire insurance to profitability	Deliver underwriting profit from FY2025 onwards

### Initiatives to reduce cost of capital

Japanese equity	● Sale of strategic equity holdings is progressing steadily.									
Natural catastrophes	<div>● Properly control overseas natural catastrophe risk</div> <div>There were two large hurricanes (Hurricane Helene and Hurricane Milton) in September and October. However, overseas natural catastrophe losses are currently expected to be within the plan</div> <table><tr><td>Estimated claim amount</td><td>Helene</td><td>Milton</td></tr><tr><td>Lloyd's &amp; Reinsurance</td><td>6.0</td><td>10.0 ~15.0</td></tr><tr><td>AD Head office reinsurance</td><td>2.0</td><td>6.0</td></tr></table> <div>(¥bn)</div>	Estimated claim amount	Helene	Milton	Lloyd's & Reinsurance	6.0	10.0 ~15.0	AD Head office reinsurance	2.0	6.0
Estimated claim amount	Helene	Milton								
Lloyd's & Reinsurance	6.0	10.0 ~15.0								
AD Head office reinsurance	2.0	6.0								
Interest rate	● Duration matching of assets and liabilities									

\* Index launched by Japan Exchange Group in July 2023 and made up of 150 Japanese companies that are considered to be leaders in value creation. Constituents are changed regularly based on an assessment of return on capital and market valuation



## **(Reference)**

### **I Group's Current Status**

1. Premium Income
2. Bottom Line and ROE(on a Financial Accounting Basis)
3. Impact of Foreign Exchange/Interest Rate Fluctuation on Earnings for FY2024 Forecast

### **II Initiatives on Each Business Domain**

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

### **III Basic Information on Each Business Domain**

1. Domestic Non-life Insurance Business
2. Domestic Life Insurance Business
3. International Business
4. Digital and Risk related Services Business, Financial Services Business
5. Asset Management

### **IV Systems Supporting Value Creation**

1. Sustainability
2. Human Asset Initiatives
3. ERM

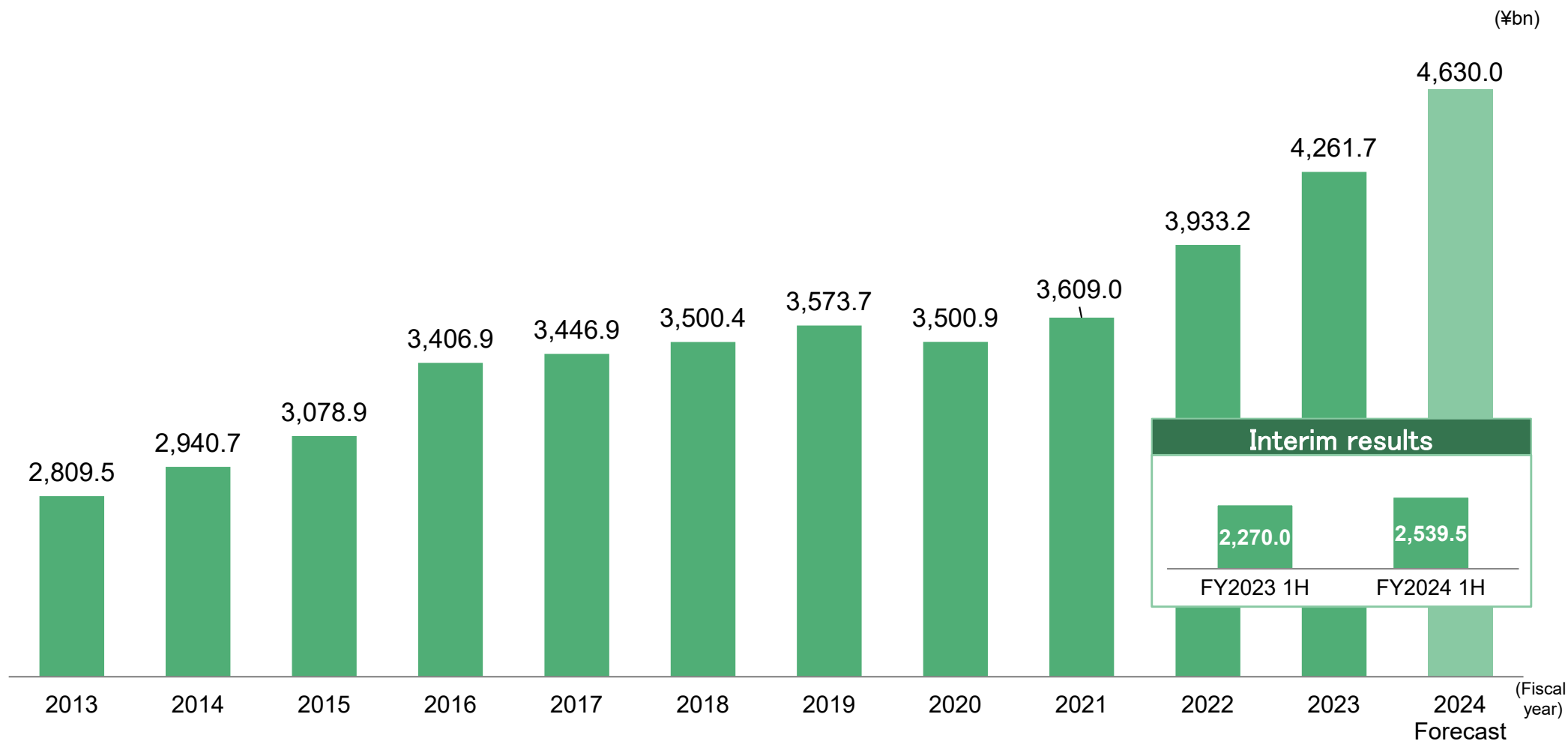
### **V Shareholder Return and Stock Price-related Indices**

## **I . Group's Current Status**

1. Premium Income
2. Bottom Line and ROE(on a Financial Accounting Basis)
3. Impact of Foreign Exchange/Interest Rate Fluctuation on Earnings  
for FY2024 Forecast

# 1. Premium Income (1) Consolidated Net Premiums Written

## Consolidated Net Premiums Written \*



\* Net premiums written exclude the good results return premiums of the ModoRich auto insurance product.

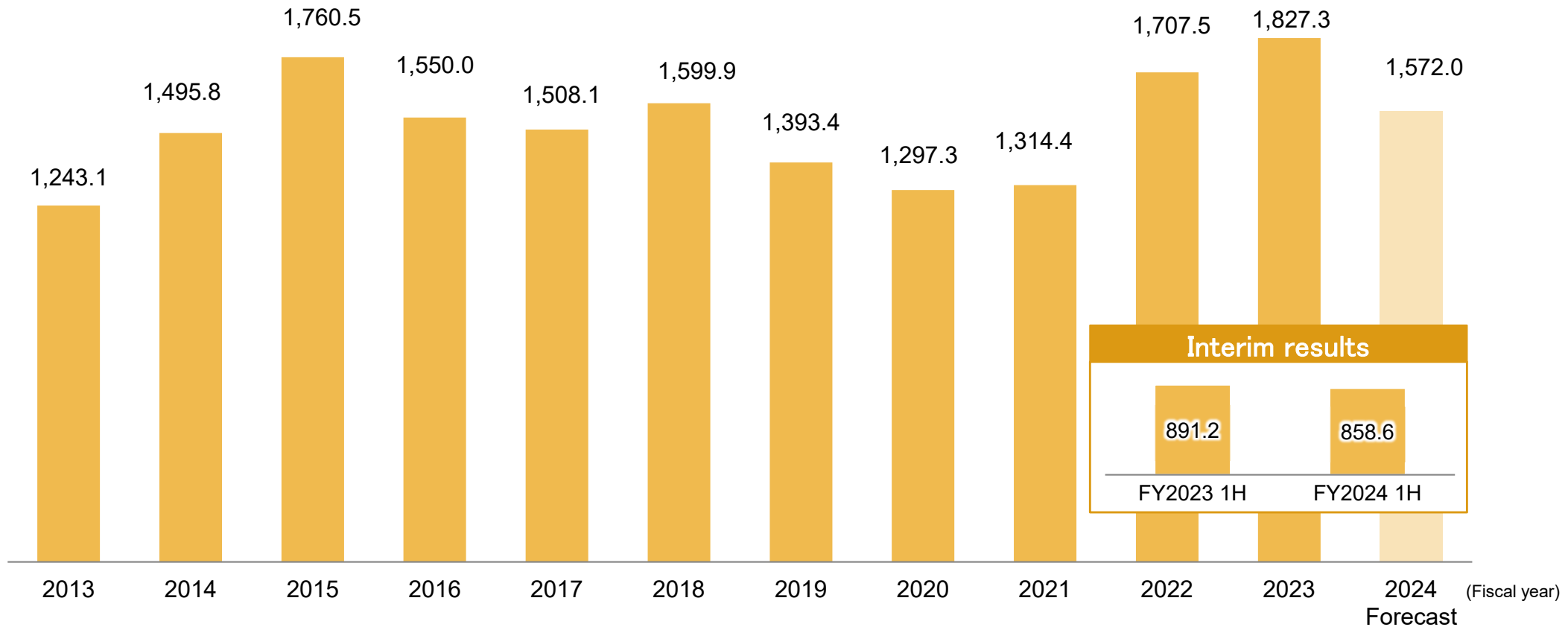
\* FY2022 figures are retrospective application of IFRS17 base

# 1. Premium Income

## (2) Domestic life insurance Premiums (Gross Premiums Written)

### Life insurance: Premiums (gross premiums written) \*

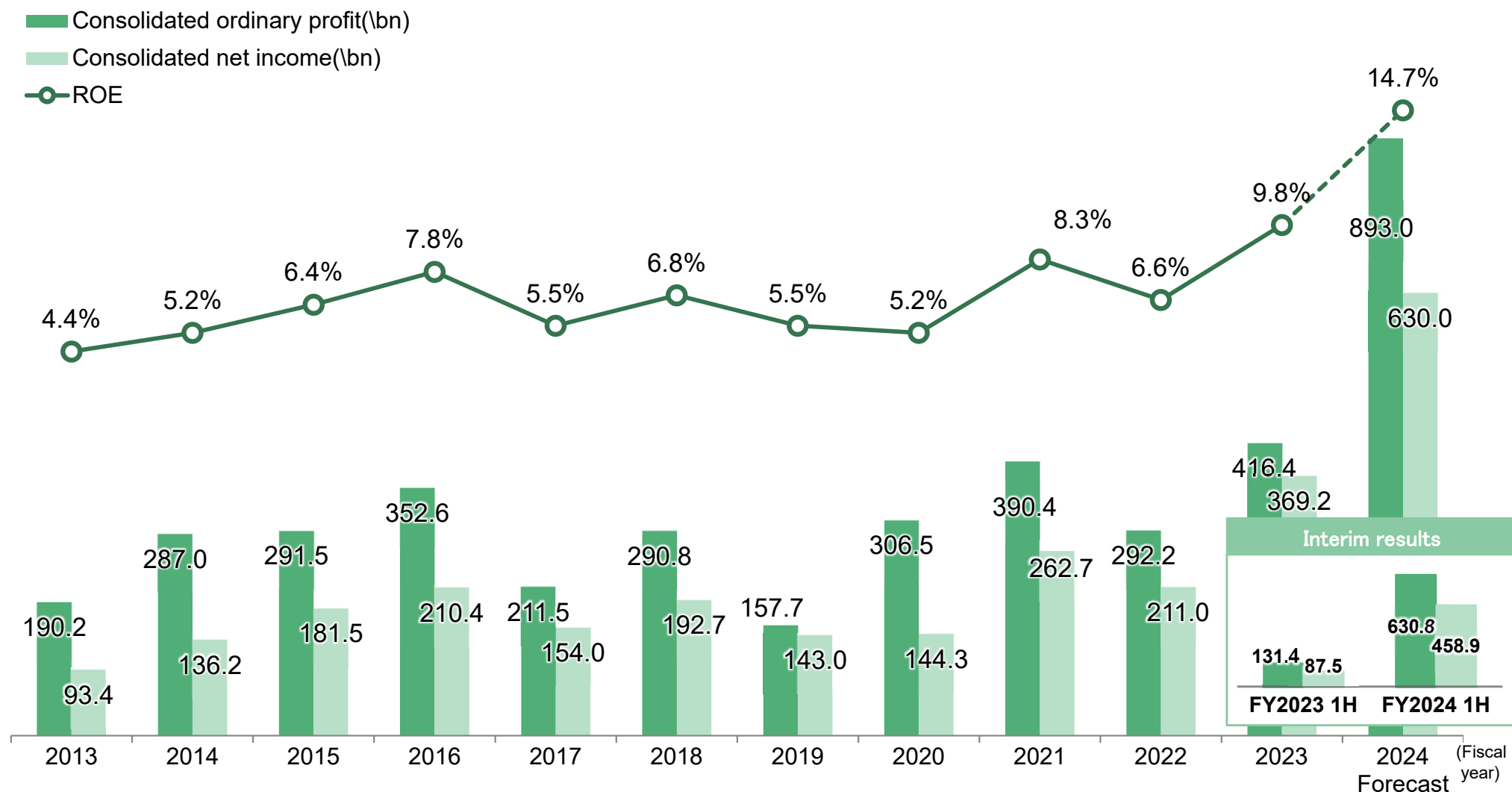
(¥bn)



\* Premiums (gross premiums written) are for domestic life insurance subsidiaries only

## 2. Bottom Line and ROE (on a Financial Accounting Basis)


### Consolidated Ordinary Profit, Net Income and ROE



\*Figures of FY2022 are retrospective application of IFRS17 base

### 3. Impact of Foreign Exchange/Interest Rate Fluctuation on Earnings for FY2024 Forecast

#### Impact of 5% JPY depreciation on profits(All currencies 5% weaker yen)

Impact on net income	increase by approx. ¥+4.0 billion
● Increase in profits of overseas subsidiaries	increase by approx. ¥+2.4 billion
● Domestic non-life insurance subsidiaries	increase by approx. ¥-0.9 billion
Change in valuation of foreign currency deposits and exchange gain/loss on currency hedge positions, etc.(positive)	
Increase in claims reserve in foreign currency(negative)	
● Increase of amortization of goodwill and others in foreign currency	decrease by approx. ¥-0.5 billion
● Increase of profit margin of domestic life insurance subsidiaries	increase by approx. ¥+3.0 billion
The impact on Group Adjusted Profit excluding an increase of amortization of goodwill and others in foreign currency	increase by approx. ¥+4.5 billion

#### Impact of 0.5% rise in JPY interest rate on profits

Impact on net income and Group Adjusted Profit	
● Increase in interest for new investment bonds/loans*1	increase by approx. ¥+0.3 billion

#### Impact of 0.5% rise in overseas interest rate on profits

Impact on net income and Group Adjusted Profit	
● Increase in interest for new investment bonds/loans*2	increase by approx. ¥+0.3 billion

\* The foreign exchange and interest rate impacts associated with fair value changes in MSP Life's assets and liabilities are not included in the above.

\*1 Planned amount of new investment in domestic bonds in 2<sup>nd</sup> half of FY2024: approximately 280.0 billion yen (Total of MSI, ADI, MSA Life and MSP Life) × 0.5% × 0.5(interest for half year) × 0.5 (assuming a level investment)

\*2 Planned amount of new investment in foreign bonds in 2<sup>nd</sup> half of FY2024: approximately 220.0 billion (Total of MSI, ADI, MSA Life and MSP Life) × 0.5% × 0.5(interest for half year) × 0.5 (assuming a level investment)



## **II. Initiatives on Each Business Domain**

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

# 1. Domestic Non-life Insurance Business

## (1) Voluntary Automobile Insurance

Domestic Non-life  
Insurance Business

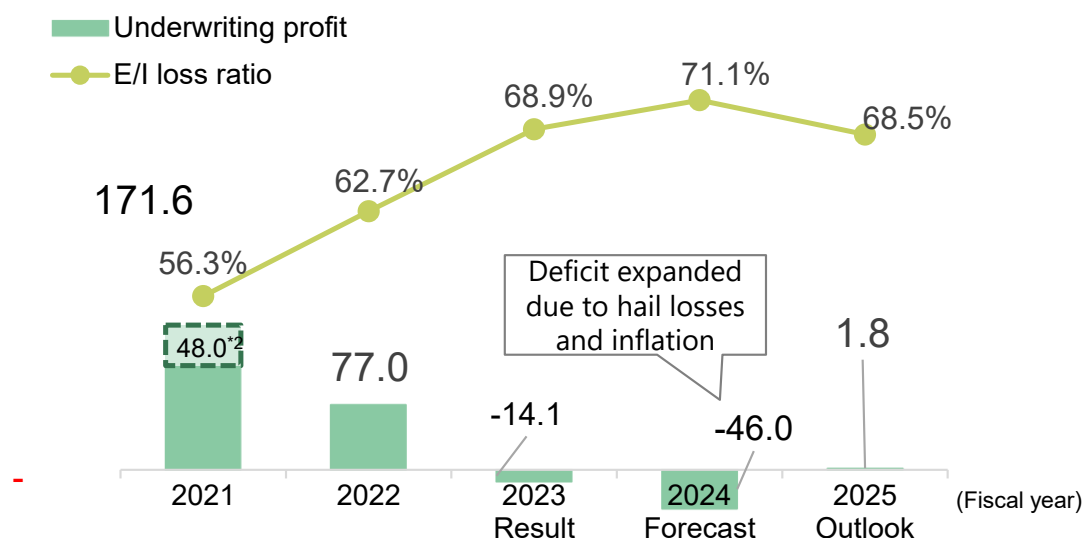
Domestic Life  
Insurance Business

International  
Business

Other

- Continue to closely monitor the loss ratio and consider further rate revisions depending on profitability
- Promote improvement in profitability by loss prevention by using data and AI, and eliminating fraudulent claims, etc.

### Outlook for E/I loss ratio and Underwriting profit\*1



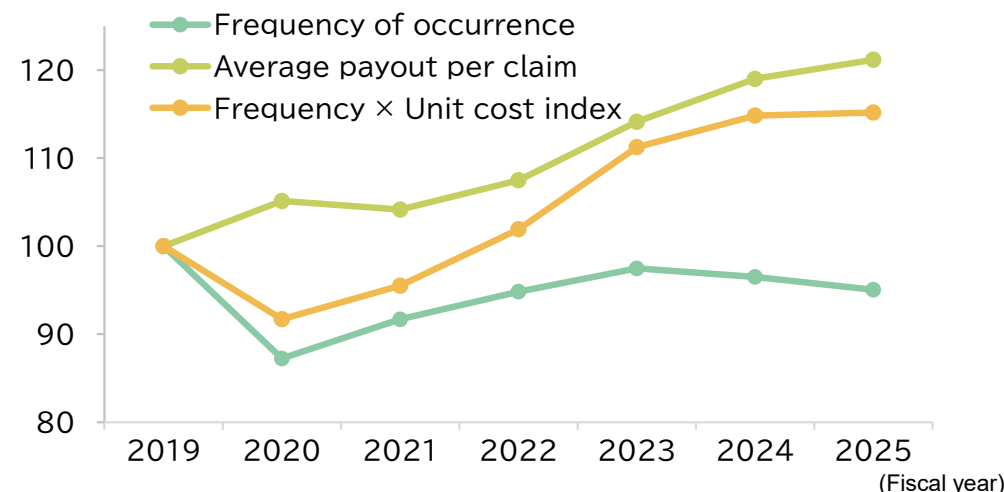
\*1: Simple sum of MSI and ADI (incl. nat. cat., excl. ADI overseas)

\*2: Incidental factors (decrease in automobile insurance losses: +35.0 billion yen, reversal of the initial year balance +13.0 billion yen)

#### Status of rate revision

- Around 3% rate increase in January 2024
- Due to the rate increase in January 2025 (approximately 5%), E/I loss ratio is expected to decline (compared to FY2024) after FY2025.

### Outlook for Frequency of Accident occurrence and Average payout per claim\*3



\*3: Exponentiation of fiscal 2019 before the coronavirus outbreak to 100

#### Frequency of occurrence

- Turned from an uptrend until FY2023 and remained flat in the first half of FY2024
- From the second half of FY2024, a gradual decline is expected due to the widespread use of ASV(Advanced safety vehicle)

#### Average payout per claim

- In the first half of FY2024, the upward trend in labor costs and parts costs and the impact of inflation continued
- From the second half of FY2024, the upward trend in labor costs, parts costs and the impact of inflation will be continued

# 1. Domestic Non-life Insurance Business

## (2) Fire Insurance

Domestic Non-life Insurance Business

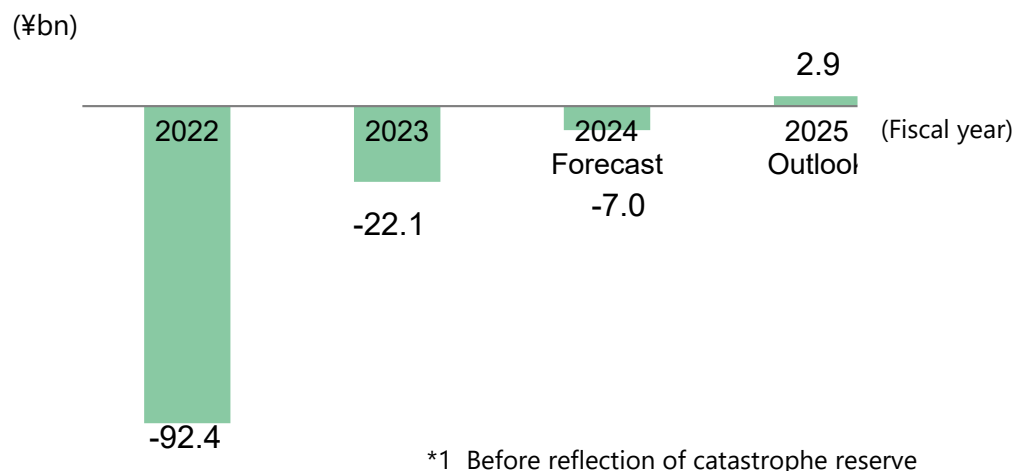
Domestic Life Insurance Business

International Business

Other

- Improvement of the portfolio through the revision of products and rates in the past has been progressing steadily.
- Fire insurance class will make profit in FY2025 with several initiatives.

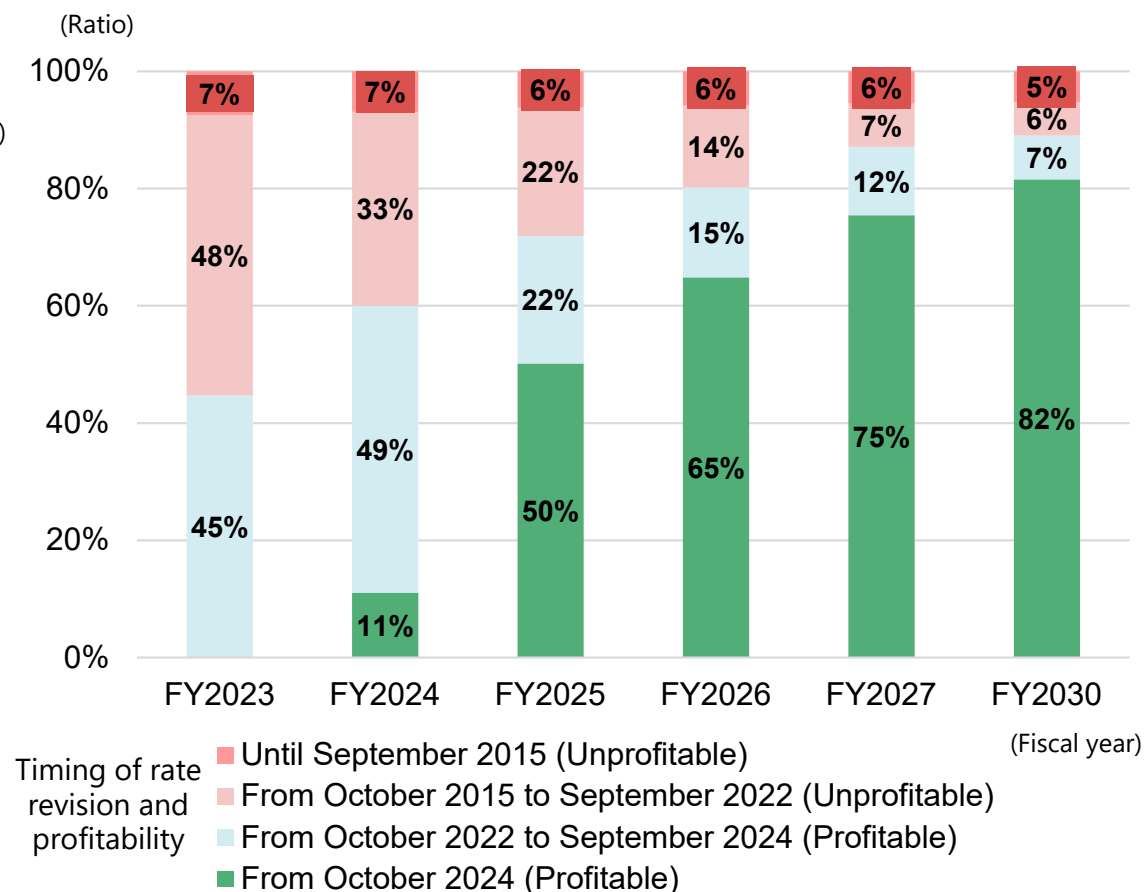
### Outlook for Underwriting Profit\*<sup>1</sup> in Domestic Fire Insurance Business



### Initiatives to Improve Profitability

Common	<ul style="list-style-type: none"> <li>Raising the unit value of buildings in response to the inflationary trend</li> </ul>
Corporate	<ul style="list-style-type: none"> <li>Flexible review of rates in case of bad loss trend and shortening of insurance period</li> <li>Proposal of loss prevention based on sensor data analysis, use of InterRisk risk survey, etc.</li> </ul>
Retail	<ul style="list-style-type: none"> <li>Provides diagnostic services for damaged buildings by using AI image analysis</li> <li>Send disaster prevention alerts to customers as a secondary peril countermeasure</li> </ul>

### Policy Portfolio by Rate Revision



- The proportion of profitable policies commencing since the October 2022 revision has increased steadily and the portfolio has improved.

# 1. Domestic Non-life Insurance Business

## (3) Casualty Insurance

Domestic Non-life  
Insurance Business

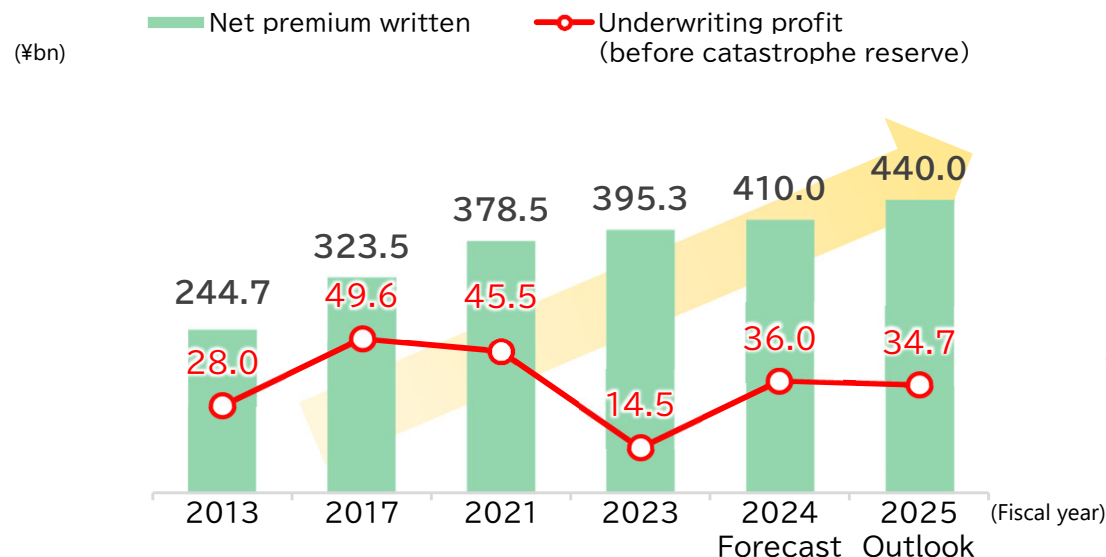
Domestic Life  
Insurance Business

International  
Business

Other

- The top line is growing steadily. We will accelerate sales of packaged products for small and medium-sized enterprises that have both strong growth potential and profitability.
- Strengthen the profitability by market expansion through the provision of service-integrated products and loss reduction effects.

### Top Line and Bottom Line of Casualty Insurance



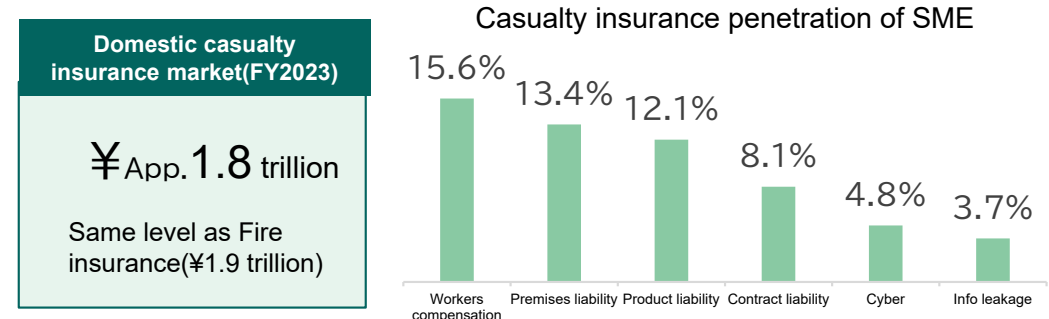
#### Initiatives for market expansion

- Develop products and services that utilize advanced technologies in cooperation with external companies in Japan and overseas
- Sales of cyber insurance, workers' compensation insurance, and other service-based products aimed at preventing and minimizing damage

#### Measures against large losses

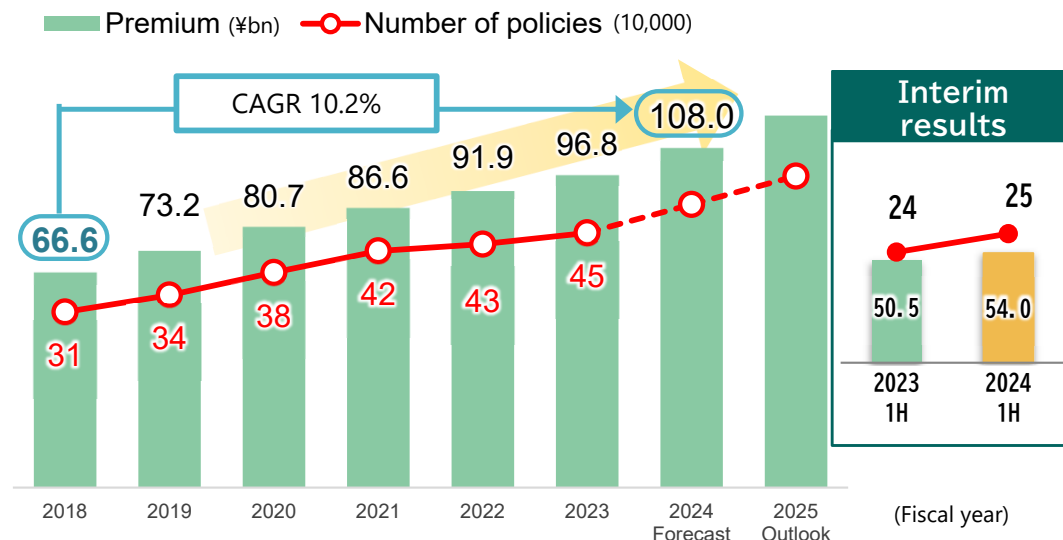
- Lowered underwriting limits, exclude specified risks, and raised rates
- Utilize reinsurance, etc

### Initiatives for casualty insurance market expansion



- While casualty insurance market is expanding, the penetration rate of SMEs is not sufficient, and growth is expected in the future.

### Strengthen Sales of Packaged Products for Small-to-Medium-Sized Companies



## 2. Domestic Life Insurance Business (1) MSA Life

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

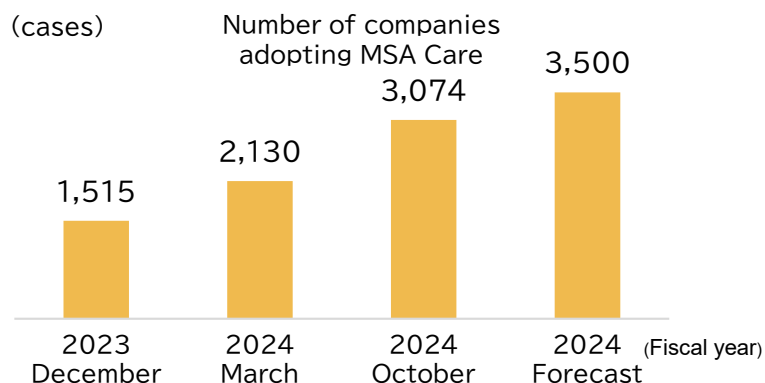
- MSA Life will contribute to the Group's risk diversification and stable profit expansion by leveraging one of Japan's largest non-life insurance agent networks and customer base and demonstrating strong proposal capabilities combining protection-type and asset-building products with healthcare services.

### Key Initiatives

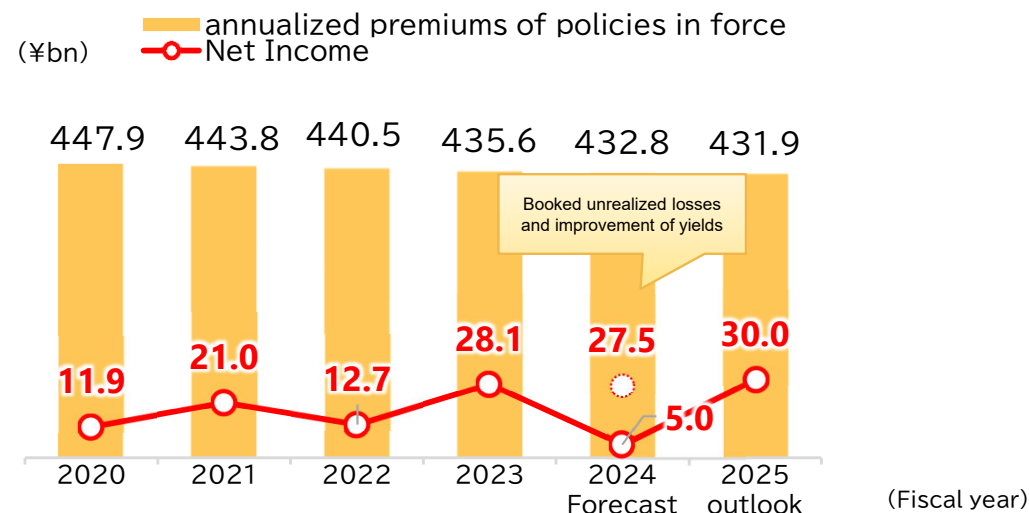
- While sales of relaxed conditions medical insurance and nursing care products are growing, the annualized premiums of new policies have decreased due to declines in sales of standard medical and cancer products.
- Through the following initiatives, we expect to achieve the annual forecast of FY2024.
  - (1) Establishing consultant proposals through the use of a coverage analysis system
  - (2) Developing SME clients by supporting Business Continuity Plan certification, etc.
  - (3) Strengthening services before and after coverage and protection (MSA Care)

### Development and Cultivation of Corporate Customers Through MSA Care

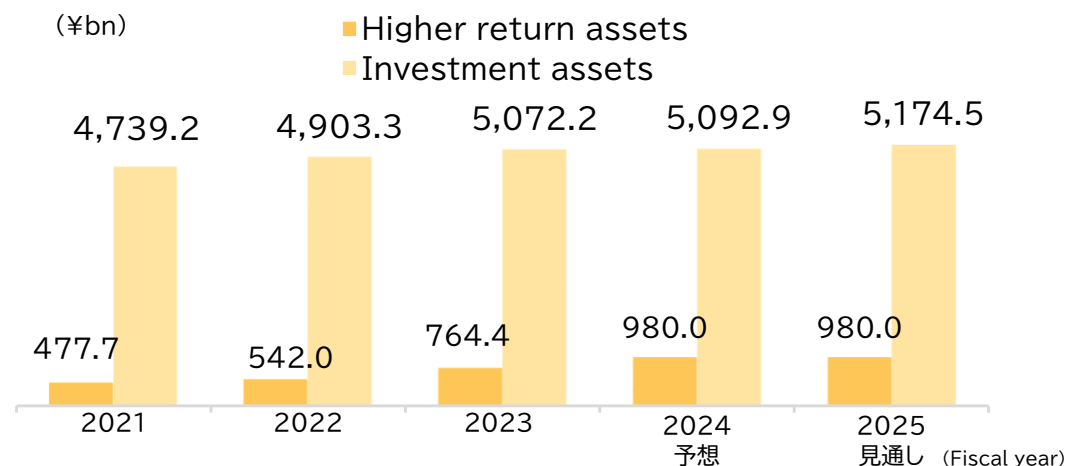
- Develop and cultivate the corporate market by expanding employee benefit programs with the introduction of MSA Care.



### Growth of Policies in Force and the Bottom Line



### Expansion of Assets under Management



## 2. Domestic Life Insurance Business (2) MSP Life

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

- MSP Life will grow further by leveraging its strong product development capabilities to provide a wide range of customers (those building assets, those using assets and those who inherit assets) with the products they need through the optimum channels.
- It will focus on ERM including diversification of products and asset management and sophistication of ALM and contribute to the stable Group profit.

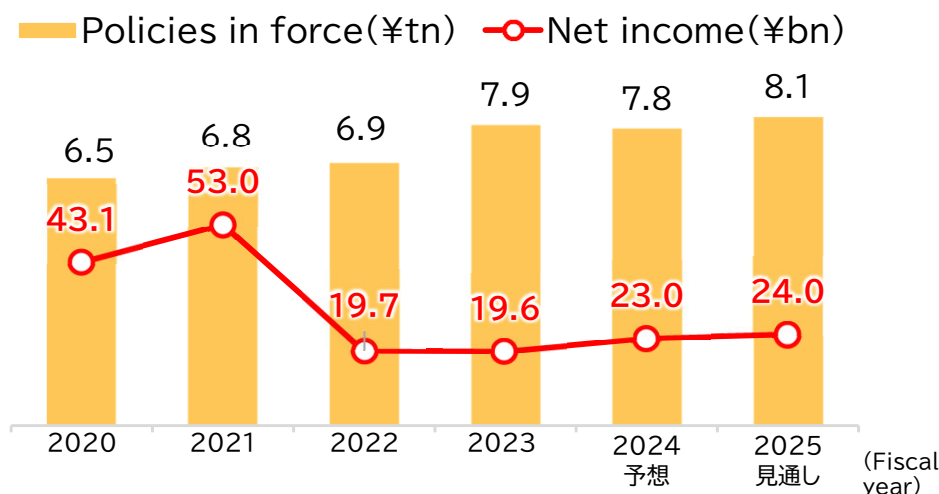
### Key Initiatives

- Sales of single premium products have progressed positively, driven by the strengthening and expansion of sales channels in partnership with financial institutions and MSA Life. Sales of level premium products have also increased significantly.
- Net income is expected to reach 23 billion yen through the following efforts
  - (1) Revise key single premium products and strengthen sales of yen-denominated products
  - (2) Further develop the asset-building market by increasing sales of level premium products

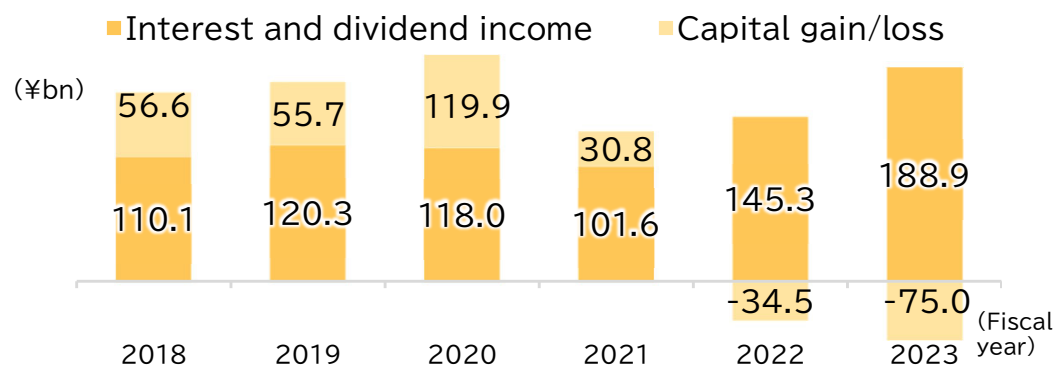
### Status of Measures Related to Foreign Currency Denominated Single Premium Insurance

- We will promote the following initiatives to pursue the best interests of our customers
  - (1) Strengthen the product governance system (clarify intended customer base and review risk/reward)
  - (2) Enhance sales and management systems, including a review of target values for target-type insurance
  - (3) Review the fee structure to promote after-sales services

### Growth of Policies in Force and the Bottom Line



### Expansion of Investment Profit



\* Include income gain portion of money trusts investment income



### 3. International Business (1) Lloyd's (AUL)

Domestic Non-life  
Insurance Business

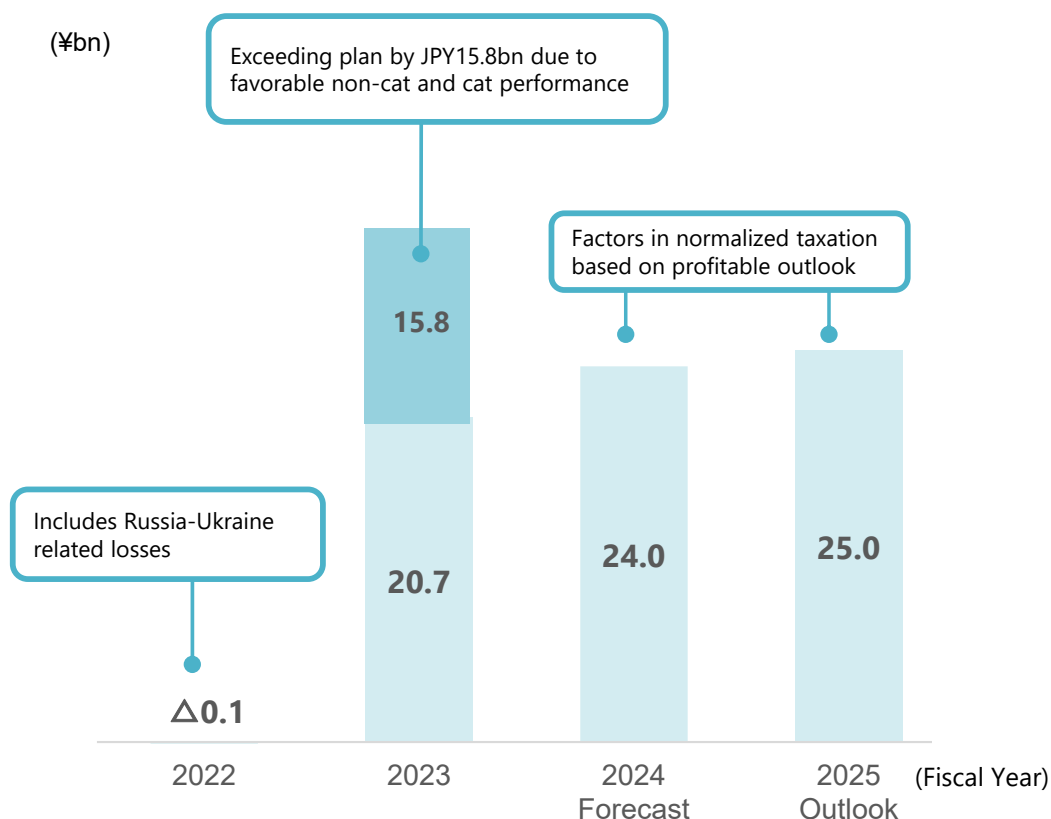
Domestic Life  
Insurance Business

International  
Business

Other

- Group Adjusted Profit of GBP 124m, reflecting strong performance in line with our initial forecast, even with the impact of large market losses such as the Baltimore Bridge collapse and recent U.S. hurricane events
- Aiming to achieve top quartile profitability at Lloyd's, supported by disciplined underwriting and strong cycle management

#### Group Adjusted Profit



\* FY2022 figures have been re-baselined to align with IFRS17

#### FY2024 Forecast

Initial Forecast  
GBP122m(JPY23.0bn)

Revised Forecast  
GBP124m(JPY24.0bn)

- Effective portfolio diversification and disciplined underwriting have mitigated the impact of major market losses such as the Baltimore Bridge collapse in Q1
- Cat losses are expected to remain within the annual budget, keeping Group Adjusted Profit on track with the initial forecast

#### Consistent commitment to sustainable growth

Non-cat	Targeted growth in Casualty and other profitable areas to optimize and balance underwriting portfolio
Cat	Mitigate volatility whilst maximizing the risk-return balance
Cycle management	Dynamically align underwriting with market cycles (Prioritize balanced growth during soft market conditions)

### 3. International Business (2) Reinsurance (MS Re)

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

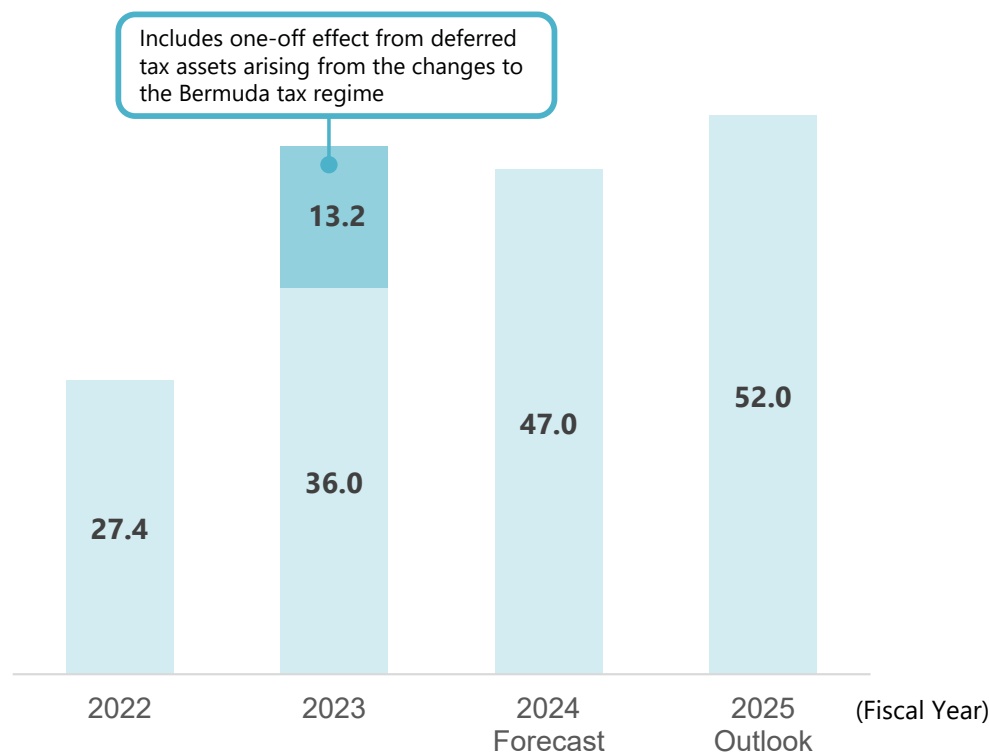
International  
Business

Other

- Group Adjusted Profit is on track to meet initial forecast (USD 301m) and demonstrates a significant year-on-year increase, adjusting for last year's tax change, even with the impact of large market losses such as the Baltimore Bridge collapse
- Aiming to strengthen our position among leading global reinsurers, while further enhancing our cycle management capabilities

#### Group Adjusted Profit

(¥bn)



\* FY2022 figures have been re-baselined to align with IFRS17

#### FY2024 Forecast

Initial Forecast  
USD301m(JPY45.0bn)

Revised Forecast  
USD301m(JPY47.0bn)

- Strong investment performance and benign cat loss experience are expected to more than offset the impact of higher non-cat losses
- As a result, while the non-cat loss ratio may exceed the initial forecast, the overall financial performance remains robust

#### Accelerating profitable growth

Non-cat	Leverage brand strength and market reputation to expand underwriting, supported by hard market conditions and effective portfolio diversification
Cat	Continue selective underwriting of cat risks in alignment with MS Re's client-centric strategy
Cycle management	Dynamically align underwriting with market cycles (Prioritize balanced growth during soft market conditions)

### 3. International Business (3) Asia

Domestic non-life  
insurance business

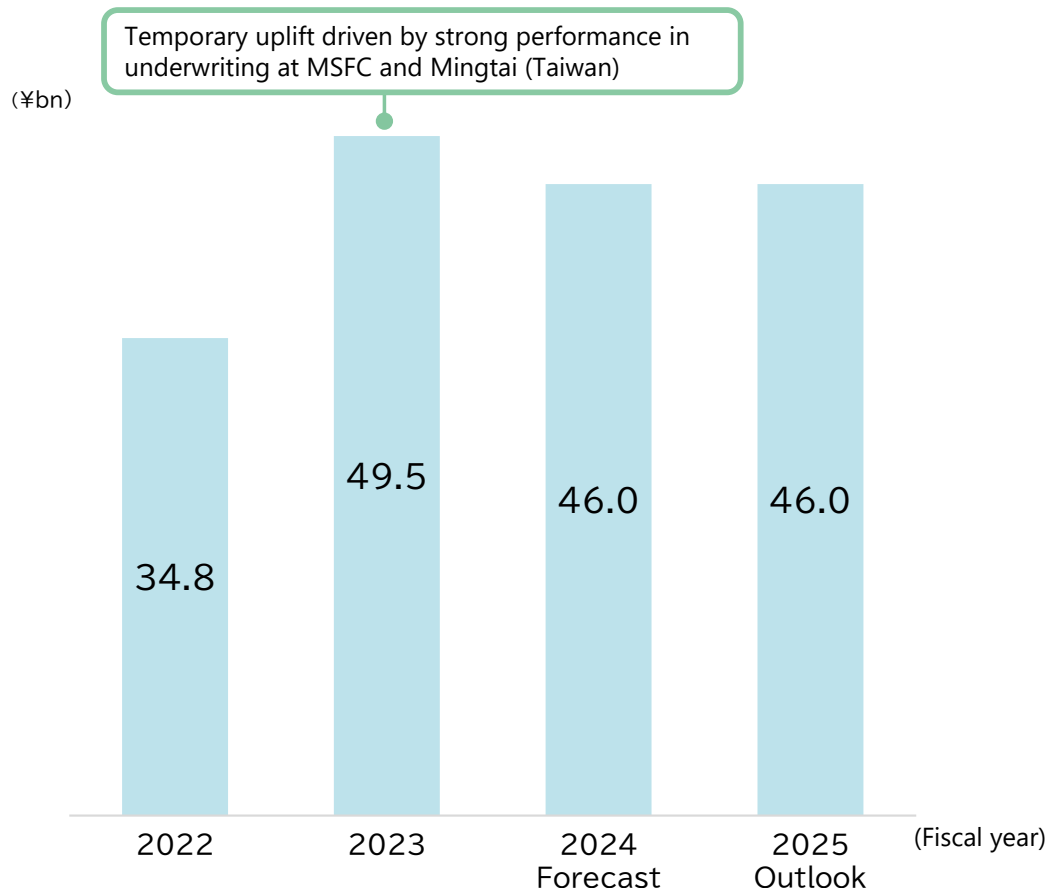
Domestic life  
insurance business

International  
business

Other

- Capturing the growth of Asian markets and shifts in society and consumer behavior, we will promote initiatives aiming to become a market leader in Asia in terms of insurance premiums and profits, as well as the quality of products and services, targeting around 2030.
- By strengthening the collaboration among our bases in Asia, we will develop strategies more effectively through a comprehensive approach rather than isolated efforts.

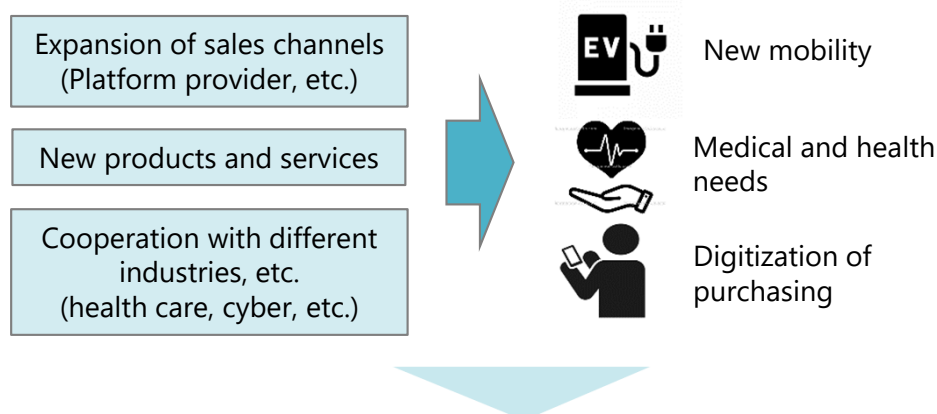
#### Group Adjusted Profit



\* FY2022 figures have been re-baselined to align with IFRS17

#### Key Initiatives

Promote initiatives to capture expanding revenue opportunities by addressing the digitalization of purchasing, responding to medical and health needs, and adapting to new mobility such as EVs.



#### < Examples of initiatives in FY2024 >

- Investment in a medical insurance MGA (Serenity Health Partners, Singapore)  
To leverage the growth of the Asian medical insurance market, swiftly establish a business foundation while mitigating risks (October 2024).
- Partnership with a cyber insurance MGA (Coalition Insurance Solutions, U.S.A.)  
As a foothold for expanding cyber insurance and risk services in Asia, we joined Coalition's cyber insurance program for small and medium-sized enterprises in Australia as a non-leading underwriter (January 2025).

### 3. International Business (4) Americas

Domestic Non-life  
Insurance Business

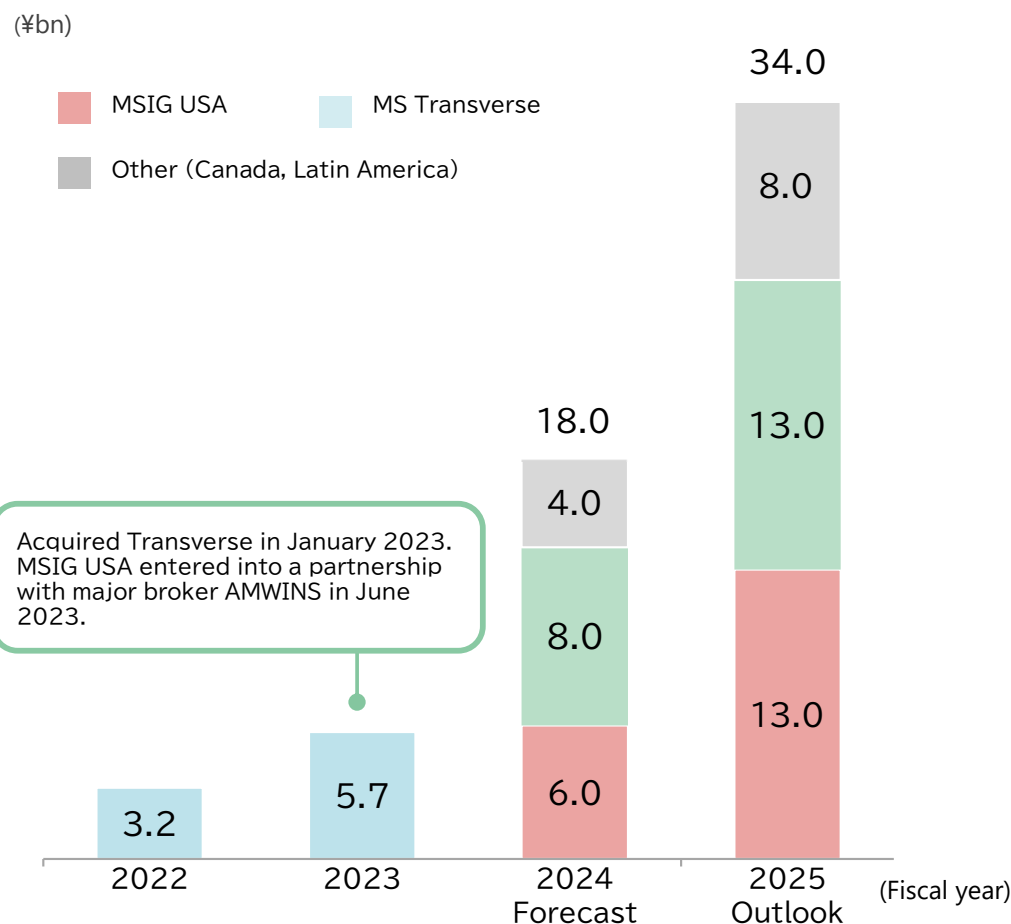
Domestic Life  
Insurance Business

International  
Business

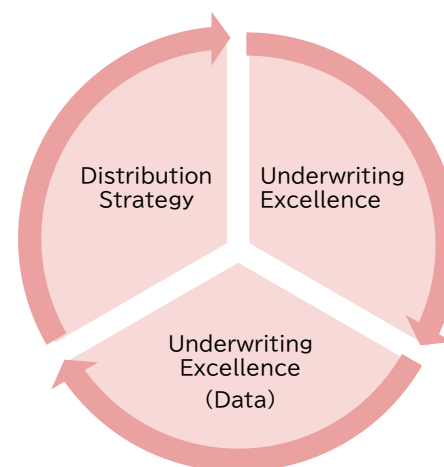
Other

- Aim to promote entry into local markets by expanding MSIG USA's broker business and MS Transverse's MGA business
- In both businesses, prioritize the bottom line by enforcing strict underwriting discipline

#### Group Adjusted Profit



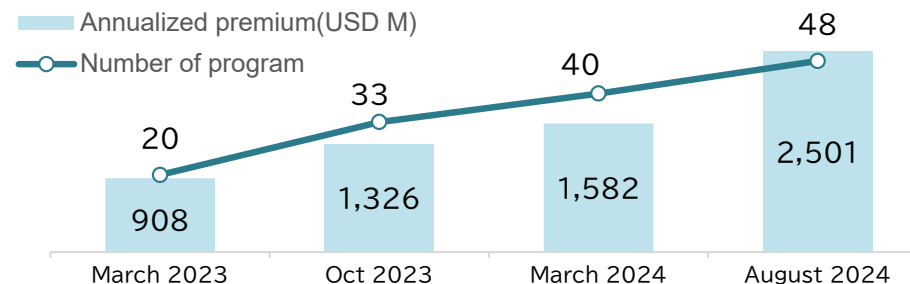
#### Key initiatives of MSIG USA



- Strengthen the underwriting structure with the new CUO and highly specialized underwriting leaders appointed for each line of business.
- Leverage the extensive data to make data-driven pricing and underwriting decisions, thereby enhancing productivity.
- Strengthen partnerships with top-tier brokers and further promote participation in highly profitable specialty programs.

#### Key Initiatives by MS Transverse

- Since the acquisition, the number of programs has steadily increased. Moving forward, the company is expected to capture further market growth and expand profits by carefully selecting programs and managing retention ratio.



### 3. International Business (5) Europe

Domestic Non-life  
Insurance Business

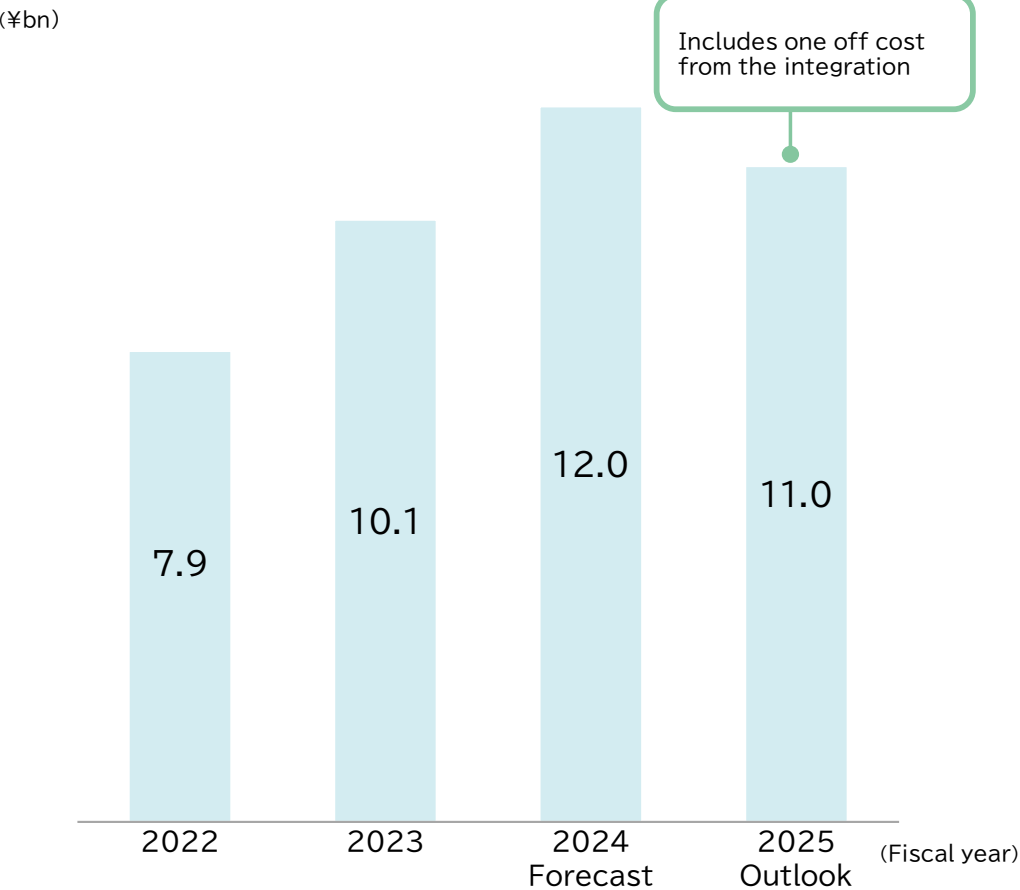
Domestic Life  
Insurance Business

International  
Business

Other

- Integrate two insurance subsidiaries in continental Europe to establish a strong position just behind the top tier in the corporate insurance market (scheduled for around summer 2025)
- The anticipated synergies from the integration are expected to result in profit surpassing the combined forecast for both companies within about 3 years.

#### Group Adjusted Profit



\* FY2022 figures have been re-baselined to align with IFRS17

#### Integration of Continental European Operations

- With each of the two distinctive companies enhancing their respective strengths, the combined group adjusted profit is expected to achieve a scale surpassing 10 billion yen
- With the prospect of achieving synergies and governance structures in place, we aim to integrate with AISE as the surviving entity by around summer 2025.

AISE	<ul style="list-style-type: none"><li>• SME market in the Netherlands, France and Belgium</li><li>• Headquartered in Belgium</li></ul>
MSIGEU	<ul style="list-style-type: none"><li>• Large enterprise market in Germany and France</li><li>• Headquartered in Germany</li></ul>

#### Medium- to Long-Term Outlook Following Integration

- By becoming a second-tier player in the European corporate insurance market, we aim to expand the business scale through enhanced cross-selling in key markets like Germany and France, as well as by leveraging the combined expertise.
- Through the enhancement of profitability via reinsurance policy revisions and increased operational efficiency, it is anticipated that profits will surpass the combined forecast within about 3 years.
- By carefully monitoring market cycles to steadily enhance profitability, we aim to achieve group adjusted profits of 25 billion yen and ROE of over 10% by around 2030

### 3. International Business

#### (6) ADI International Business

Domestic non-life  
insurance business

Domestic life  
insurance business

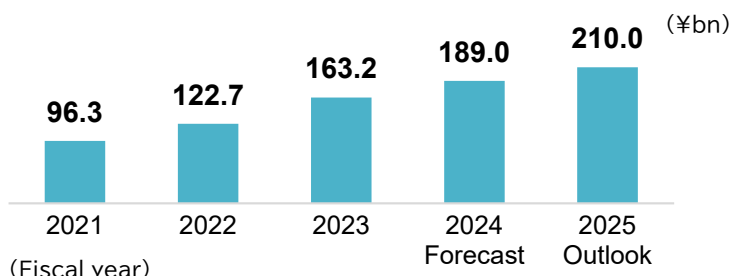
International  
business

Other

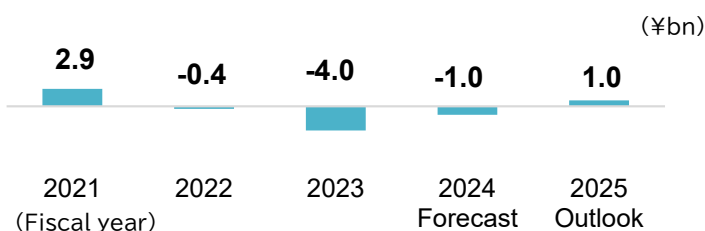
#### Toyota retail business

In cooperation with Toyota Group, we provide voluntary car insurance and related products / services at car dealerships, primarily in Europe, Australia, China and Thailand.

#### Net Premiums Written



#### Group Adjusted Profit

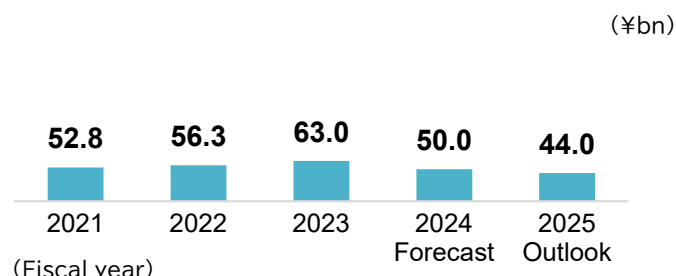


- In fiscal 2023, the balance deteriorated due to inflation, an increase in vehicle theft, and natural catastrophes such as hail storms.
- We have raised rates in light of inflation and loss, and are working with Toyota to prevent theft and reduce costs. As a result, the fiscal 2024 forecast has been improving significantly, and we anticipate a return to profitability in 2025 and beyond.

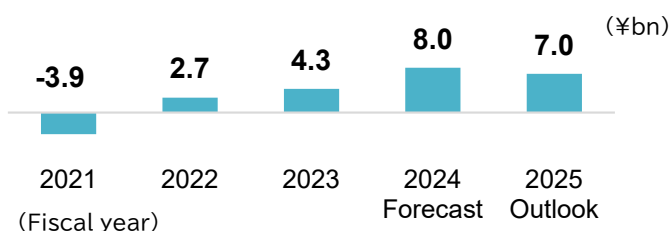
#### Head office reinsurance

We generate profits by seamlessly co-operating reinsurance and retrocession with selected partner reinsurers.

#### Net Premiums Written



#### Group Adjusted Profit

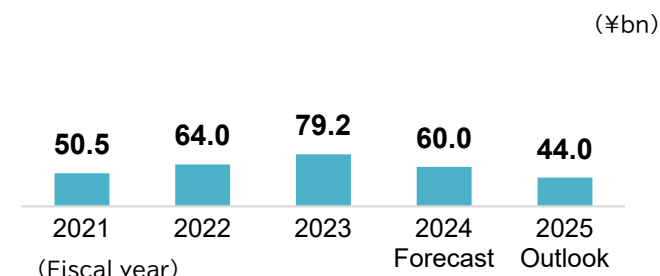


- While maintaining underwriting discipline, we will expand non-cat risks and aim to further enhance profitability.
- While continuing to mitigate cat risks, we will appropriately control the amount of risk by monitoring market cycles.

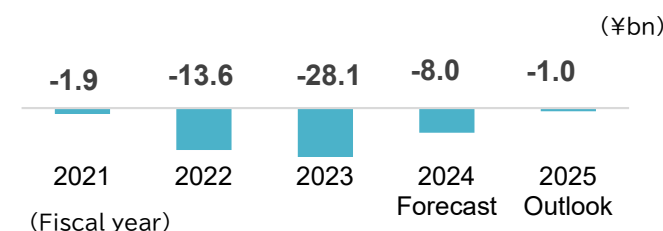
#### Overseas local, etc.

Local businesses other than those listed on the left, and overseas Japanese contracts

#### Net Premiums Written



#### Group Adjusted Profit



- We have been working on improvement in profitability since previous years, but in fiscal 2023, the deficit widened due to the impact of the Guam Typhoon and the massive fire on Maui Island.
- By withdrawing from or downsizing businesses where profitability recovery is unlikely, we will continue efforts to restore overall profitability.



### 3. International Business

#### (7) International Life Insurance Business

Domestic non-life  
insurance business

Domestic life  
insurance business

International  
business

Other

- Focusing on populous countries like China and India, we aim to capture the growth of the Asian life insurance market and expand corporate value in partnership with state-owned enterprises and major conglomerates owning effective sales channels including banks.
- In the UK and Australia, we aim to steadily increase corporate value and expect cash flow contribution by investing in market leaders.

#### Group Adjusted Profit

(¥bn)

Reflecting valuation gains on equities owned by investees due to the surge in the Chinese stock market

Decline in the value of assets due to market fluctuations such as drop in global stock prices

18.4

22.9

33.0

33.0

(Fiscal year) 2022 \*1 2023 2024 Forecast 2025 Outlook

\*1 FY2022 figures have been re-baselined to align with IFRS17

#### Growth in the Life Insurance Market

##### Life insurance market

China, India, Malaysia, Indonesia  
Average annual growth rate of 10.7%  
expected up to 2031<sup>\*2</sup>

Australia (annuity insurance business)  
Average annual growth rate of 5.1%  
expected up to 2041<sup>\*3</sup>

Large market in UK(GBP3tn level/pension and  
asset building business) with high growth ratio of  
GBP150bn per year<sup>\*4</sup>

##### Partners



\*2 Source: Allianz Insurance Report 2021

\*3 Source :Size of the Australian superannuation market (calculated based on Deloitte Dynamics of the Australian Superannuation System: The Next 20 Years to 2041)

\*4 Source : Based on Phoenix IR materials

#### EV<sup>\*5</sup>/Our Share

(¥bn)

110.8

181.3

215.9

245.0

299.1

2019 2020 2021 2022 2023 (Fiscal year)

\*5 Total of only the affiliated companies for which EV is calculated (four Asian life insurance companies).

## 4. Asset Management

### (1) Platform Development

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

#### To ensure the capability of credit risk-taking

- Complement and strengthen investment skills required through human resource development, external promotion, and capital tie-up

<b>Domestic listed stocks</b>	Development and external recruitment of internal human resources
<b>Foreign corporate bonds</b>	Promote alliances with investment companies that have strong overseas credit risk analysis capabilities
<b>Private Assets</b>	Investment Management by Major Investment Areas MSR*1 takes the lead in PE areas

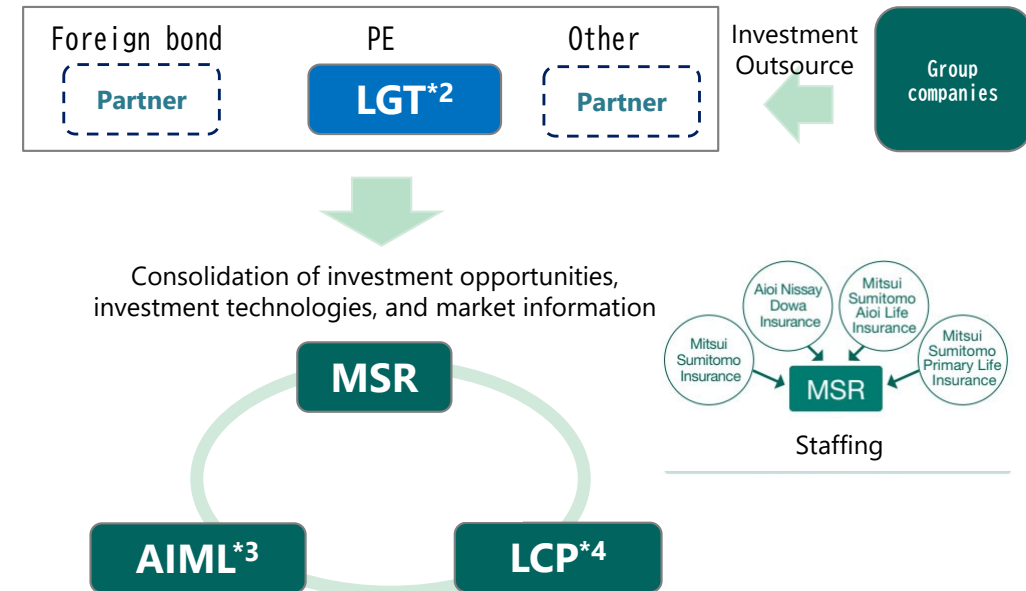
#### To strengthen the management of asset management risks

- To upgrade the management of position adjustments based on macroeconomic and monetary policy forecasts
- Strengthen management of crisis warning signs in private assets

##### U.S. Commercial Real Estate Loans

- Held as "money trusts"
- 315.4 billion yen outstanding as of September 30, 2024  
(Percentage of ordinary offices: 20% or less)
- LTV: less than 70% in average
- Limited impact on earnings

#### Global investment structure



- MSR, a subsidiary established in New York in January 2022 with the joint investment of LGT, asset management company, in Switzerland, is a hub for group collaboration, and personnel from each group company are dispatched to manage higher return assets.
- Together with AIML, an investment company of the MS Amlin Group, and LCP, a fund management company that invests in ILS (insurance-linked securities), it is developed as a global investment platform.

\*1 MSR Capital Partners, LLP

\*2 LGT Capital Patners AG

\*3 MS Amlin Investment Management Limited

\*4 Leadenhall Capital Partners, LLP

## 4. Asset Management (2) Structure of Asset Management Portfolio after Sale of Strategic Equity Holdings

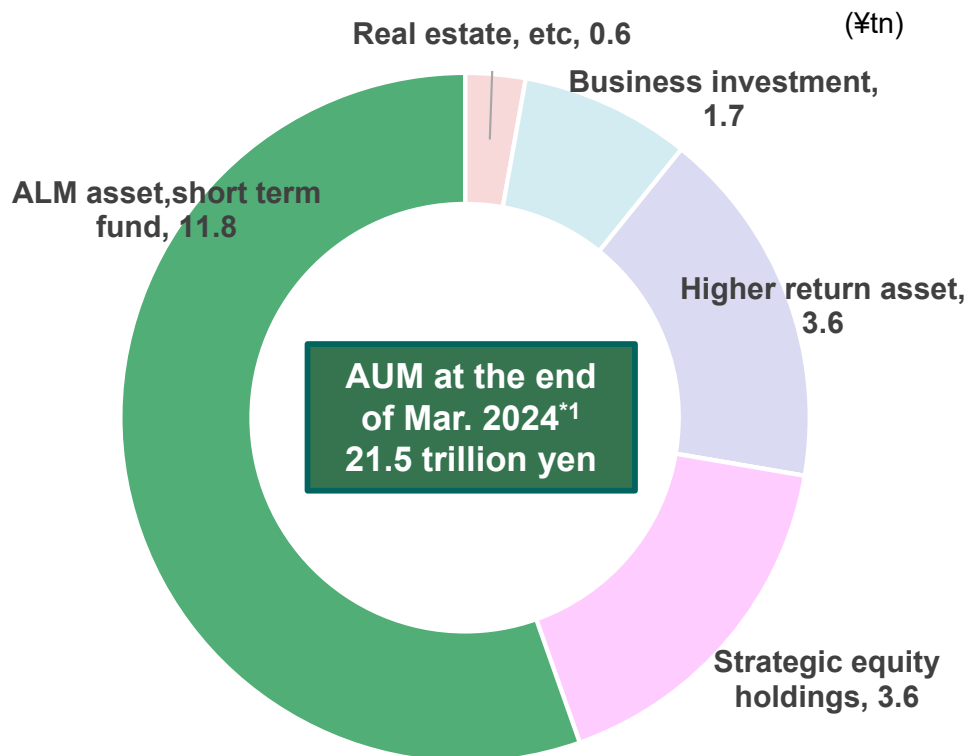
Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

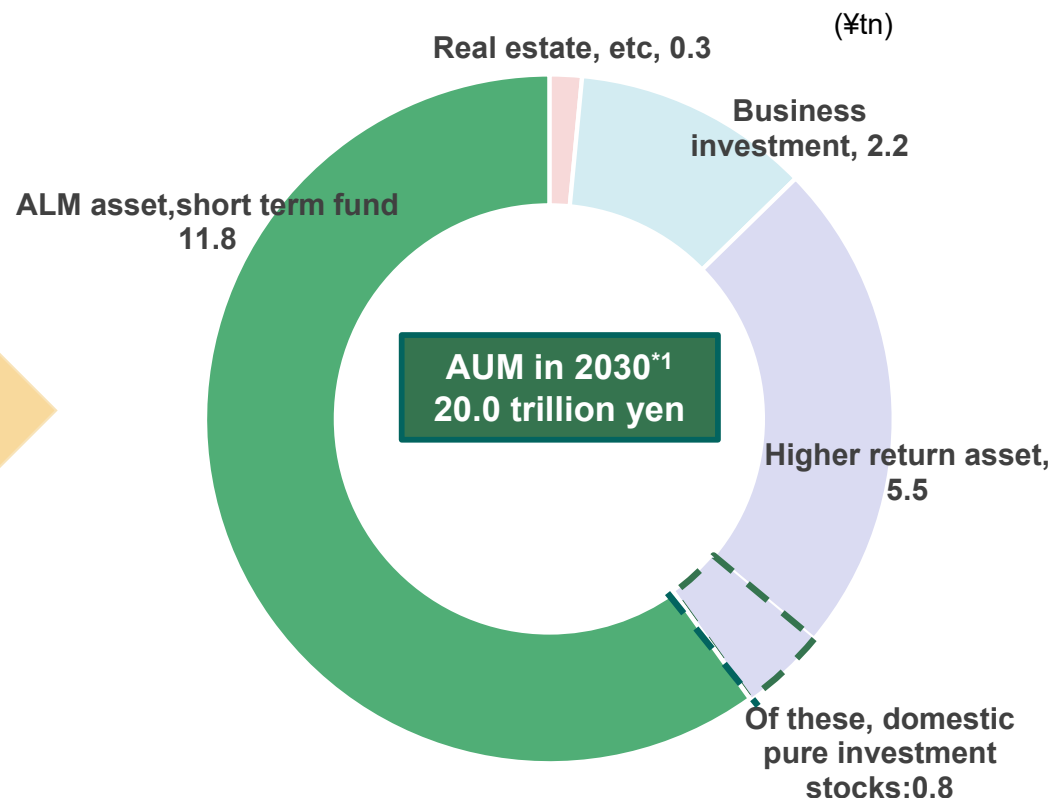
International  
Business

Other

### Asset Under Management (At the end of Mar 2024)



### Asset Under Management (Image in 2030)



#### ALM assets(including short term assets)

- Assets under management mainly consist of yen-denominated bonds and loans at MSI, ADI and MSA Life and foreign bonds in line with foreign-currency denominated liabilities at MSP Life.
- ALM assets involve a certain amount of credit risk.
- Interest and foreign currency risks are offset with liabilities, in principle.

#### Higher return asset(3.6 to 5.5 trillion yen\*)

- We will increase allocations to alternative assets such as overseas PE that promise risk diversification, high yields and low volatility, in addition to foreign bonds and equities (pure investment) with high liquidity.

\*1: Simple sum of 5 domestic group companies on a non-consolidated basis, assuming tax and shareholder return of 1.5 trillion yen (from March 31, 2024 to March 31, 2030)

\*2: MSP Life accounts only for assets exceeding liabilities.

### **Ⅲ. Basic information on Each Business Domain**

1. Domestic Non-life Insurance Business
2. Domestic Life Insurance Business
3. International Business
4. Digital and Risk Related Business, Financial Service Business
5. Asset Management

# 1. Domestic Non-life Insurance Business

## (1) Group Adjusted Profit

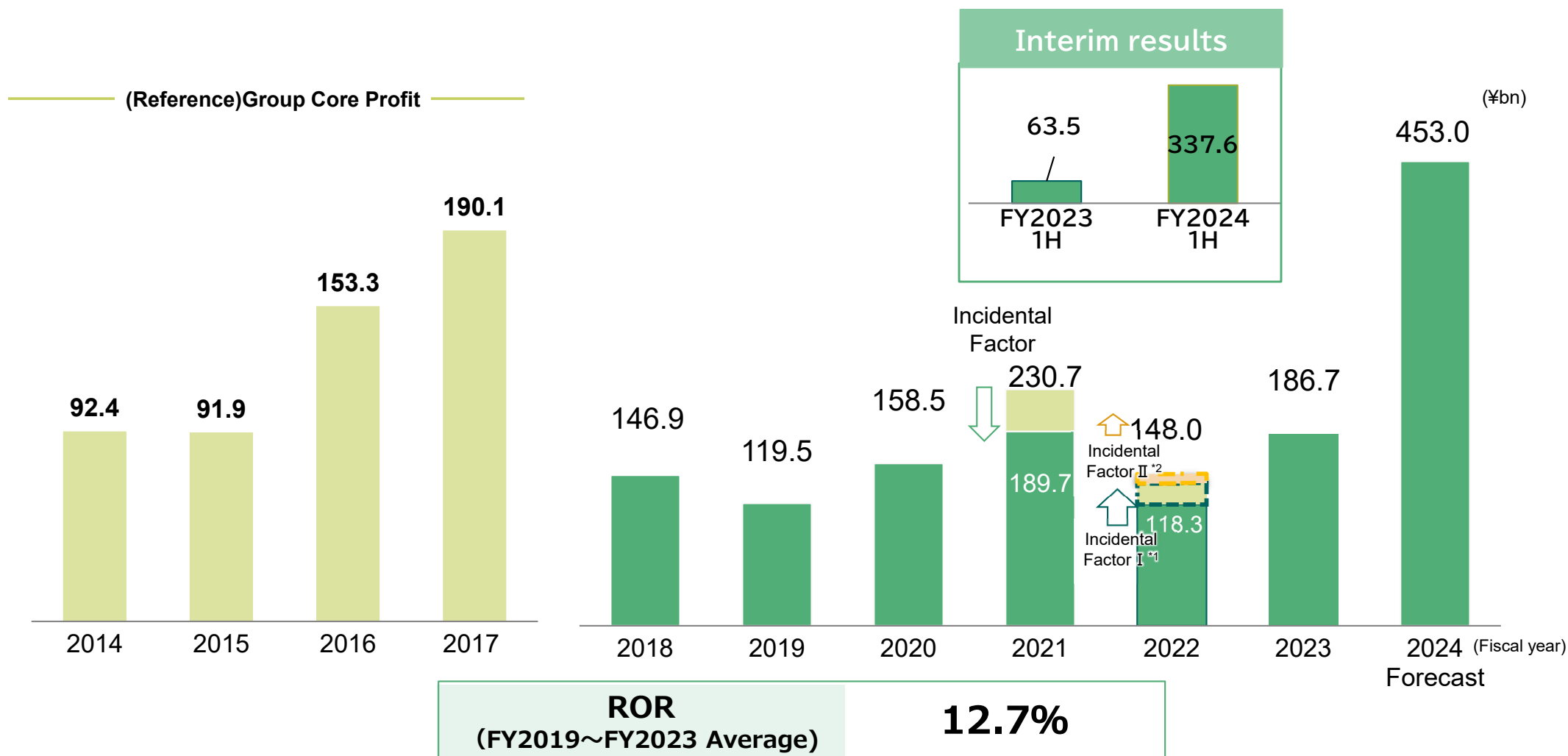
Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

### Group Adjusted Profit



\*1 One off factor: Covid19 losses: -21.0 billion yen

\*2 Non- One off factor Increase reserve provision for inflation: -6.0 billion yen, Nat Cat fluctuation impact/upward from initial forecast: -18.0 billion yen, Large losses increase: -39.0 billion yen, Acceleration of strategic equity holdings: +54.0 billion yen

# 1.Domestic Non-Life Insurance Business

## (2) Net Premiums Written by Class of Business

Domestic Non-life Insurance Business

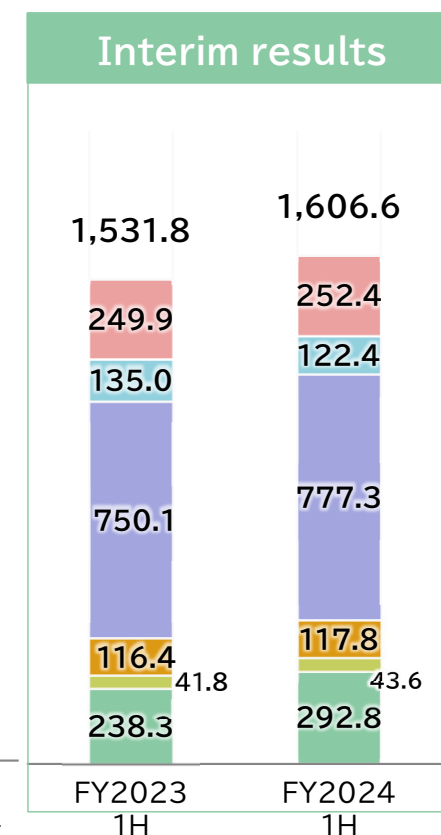
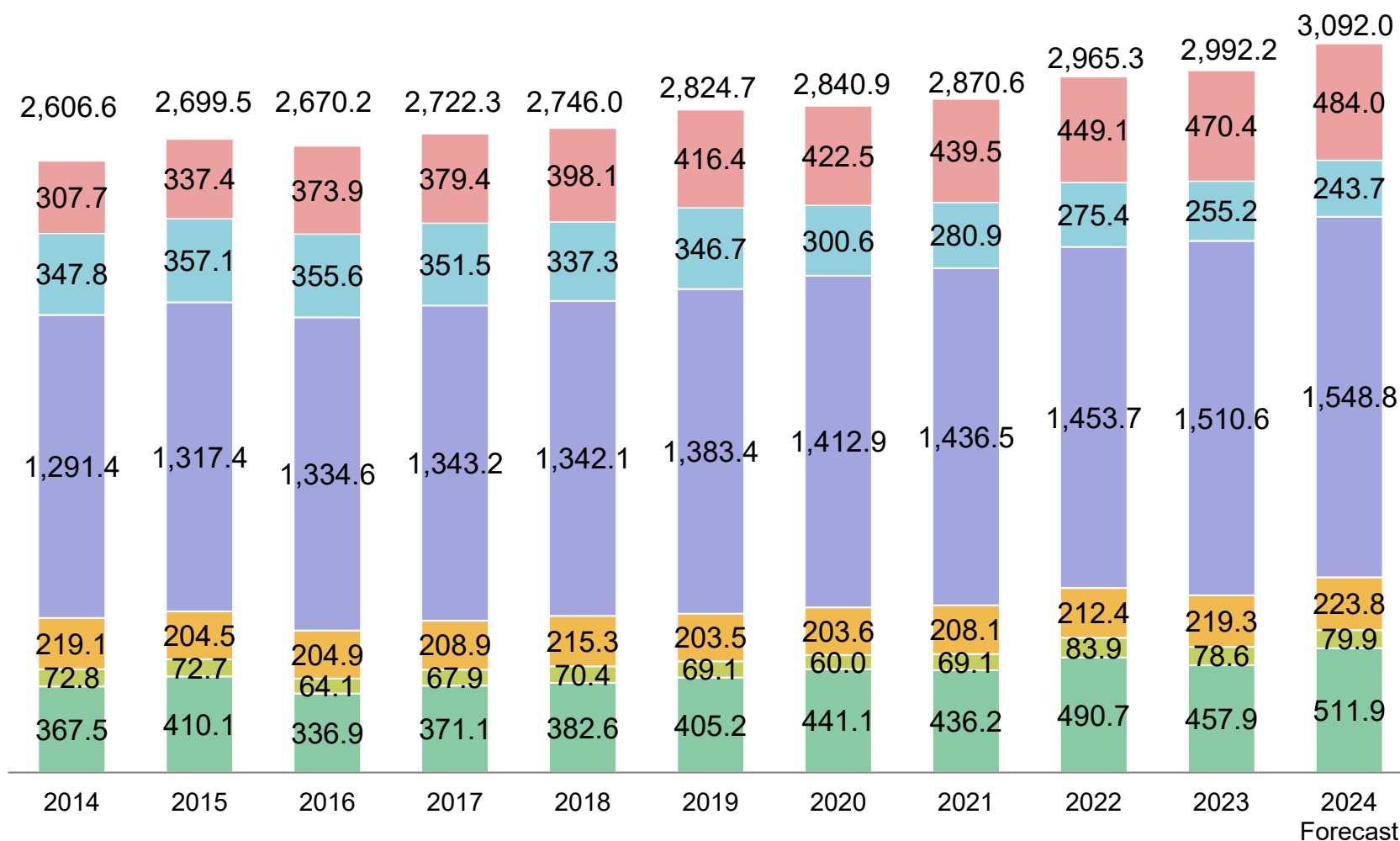
Domestic Life Insurance Business

International Business

Other

(¥bn)

Fire and Allied Marine Personal accident Voluntary Auto CALI Other



\* Simple sums of non-consolidated figures for MSI and ADI

(Fiscal year)



# 1. Domestic Non-life Insurance Business

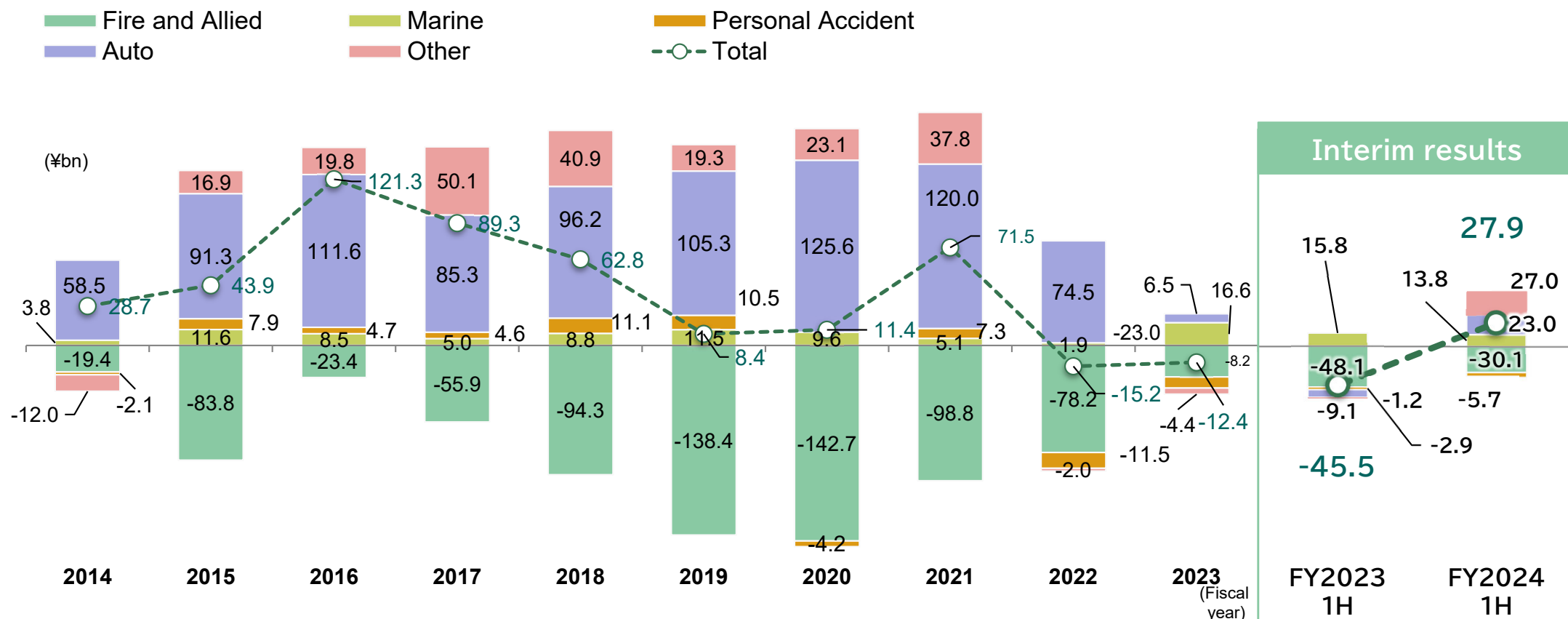
## (3) Underwriting Profit/Loss by Line of Business

Domestic Non-life Insurance Business

Domestic Life Insurance Business

International Business

Other



Item/Fiscal Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 Forecast	(Fiscal year)
Underwriting Profit	28.7	43.9	121.3	89.3	62.8	8.4	11.4	71.5	-15.2	-12.4	66.0	
Net reversal of catastrophe reserve (profit impact)	-31.3	-81.6	-81.8	-44.6	79.8	-33.3	-65.3	-73.7	38.8	45.9	78.2	
Underwriting profit (before reflecting catastrophe reserves)	60.1	125.6	203.1	133.9	-16.9	41.8	76.7	145.3	-54.1	-58.4	-12.2	
Impact of natural catastrophes <sup>*1</sup> (ref.)	-27.2	-68.1	-51.0	-118.8	-235.3	-122.9	-85.0	-77.2	-115.5	-135.0	-114.0	

\* Simple sums of non-consolidated figures for MSI and ADI..

\*1 The figures show incurred losses occurred domestic and overseas for MSI and ADI from FY2017. From FY2019, "Impact of natural catastrophes" 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 FY 2018.

# 1. Domestic Non-life Insurance Business

## (4) Balance in Catastrophe Reserve

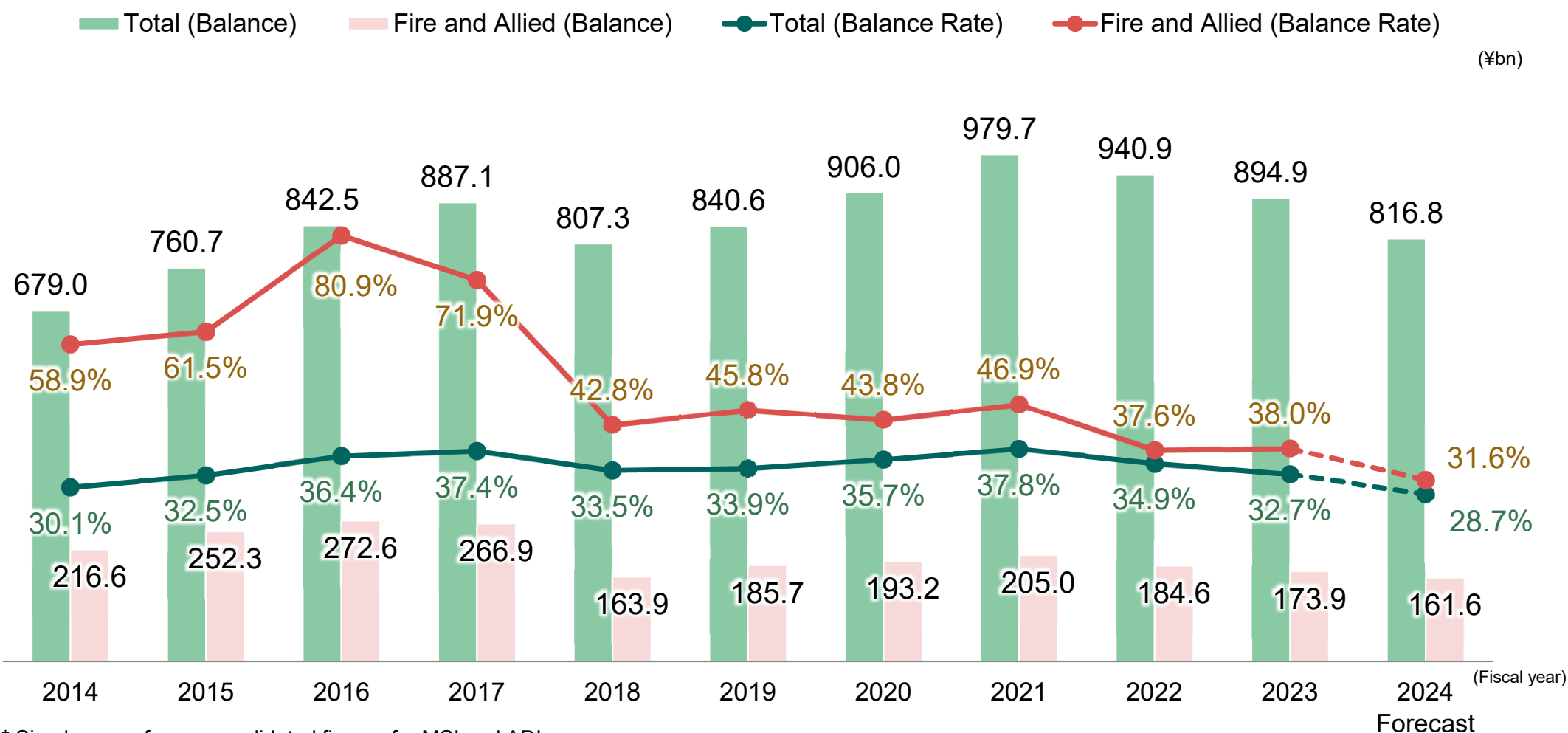
Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

### Catastrophe reserve Balance



\* Simple sum of non-consolidated figures for MSI and ADI

\* Balance rate = Balance of Catastrophe reserve/Net Premiums Written (excluding Residential Earthquake Insurance and CALI)

# 1. Domestic Non-life Insurance Business

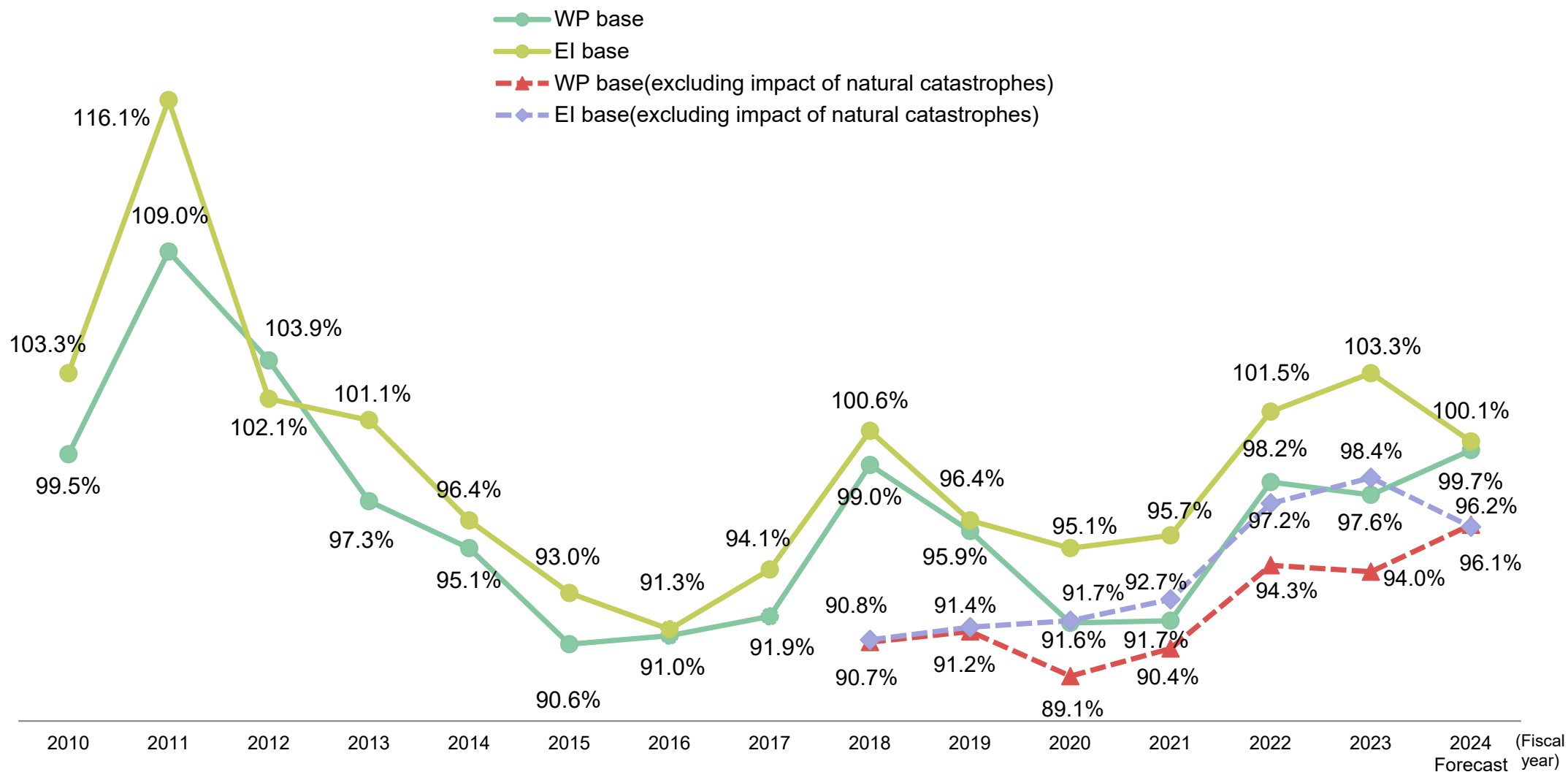
## (5) Trends in Combined Ratio

Domestic Non-life Insurance Business

Domestic Life Insurance Business

International Business

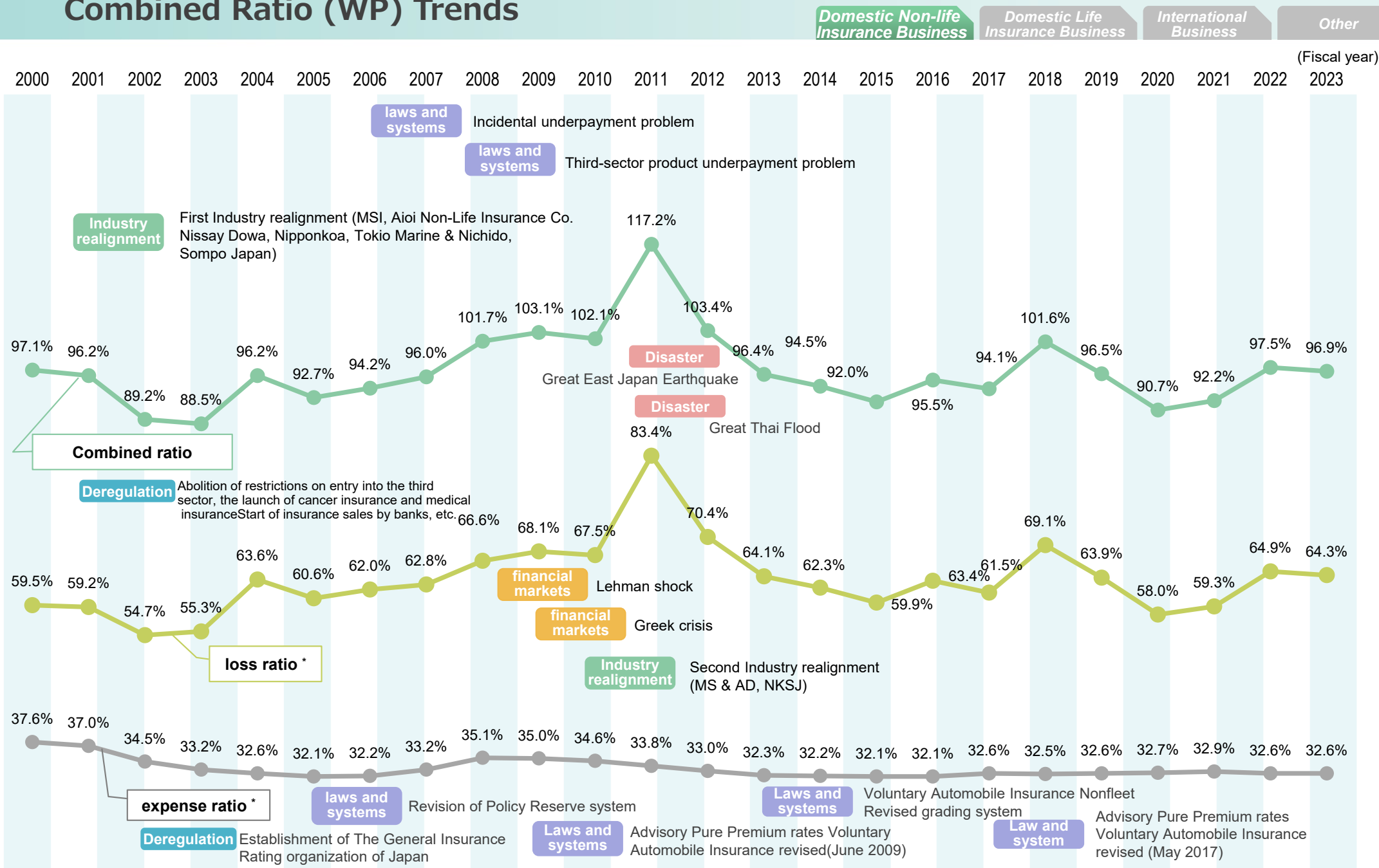
Other



\* Simple sum of non-consolidated figures for MSI and ADI. (In fiscal 2010, the non-consolidated figures for MSI, Aioi Insurance, and Nissay Dowa Genearl Insurance are simply combined.)

\* All categories on WP basis, Residential Earthquake Insurance and CALI excluding EI basis

# 1. Domestic Non-Life Insurance Business (6) Non-Life Insurance Industry Combined Ratio (WP) Trends



\* Source: The General Insurance Association of Japan

## 2. Domestic Life Insurance Business (1) Group Adjusted Profit

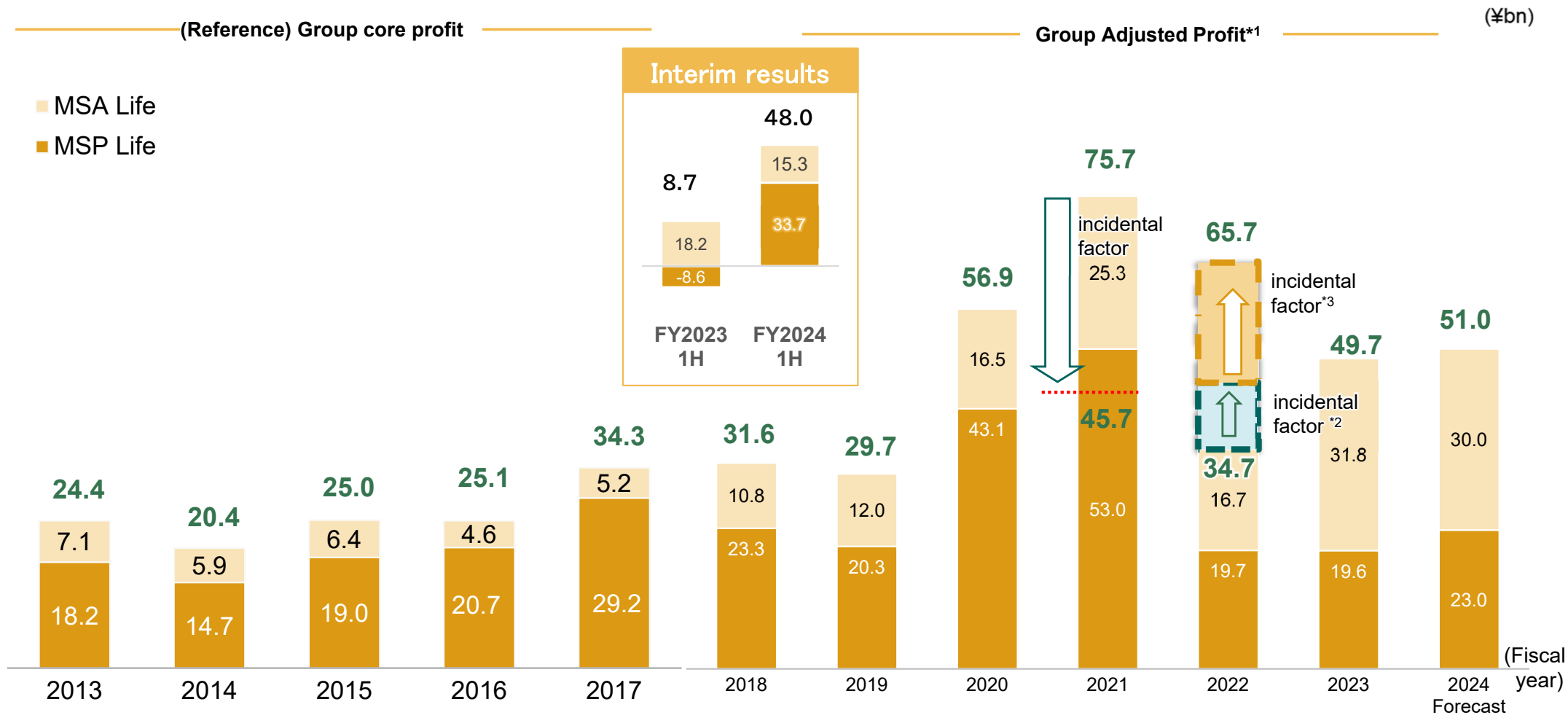
Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

### Group adjusted profit



\*1 Total value of life insurance business includes purchase differential adjustment, etc.

\*2 Transient: Covid19 impact -11.0 billion yen

\*3 Non-Transient: Increase in MS Primary Life's foreign currency standard Policy Reserve, etc.-20.0 billion yen

ROR  
(2019 to 2023 average)

9.2%

## 2. Domestic life insurance business (2) MSA Life (Amount of Policies and Annualized Premiums)

Domestic Non-life  
Insurance Business

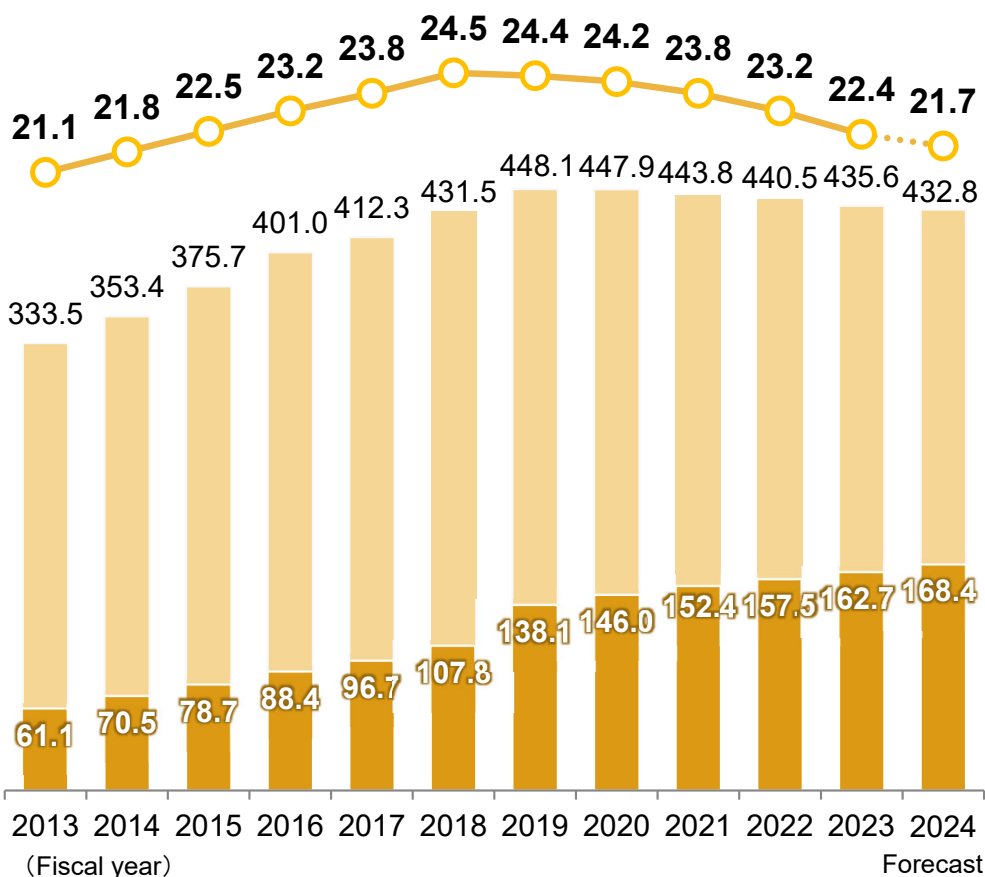
Domestic Life  
Insurance Business

International  
Business

Other

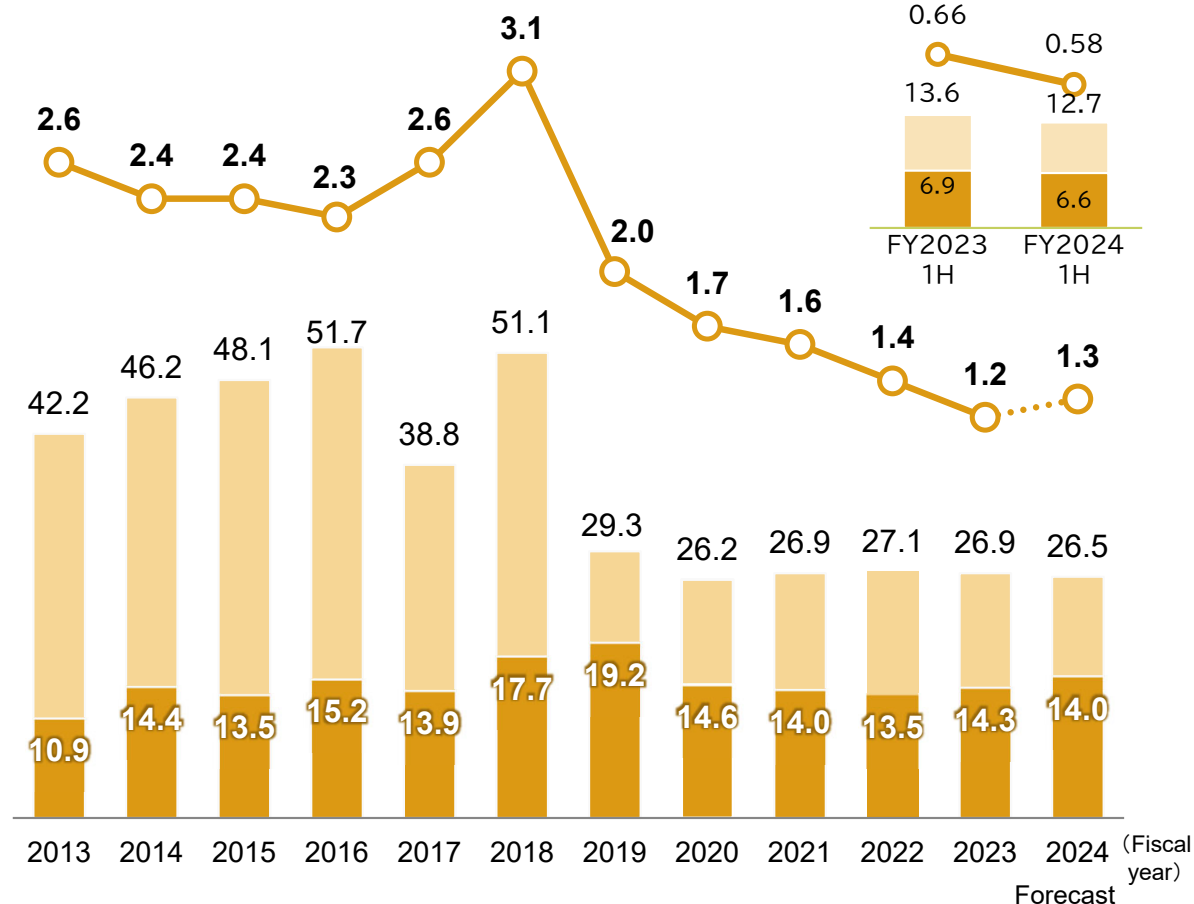
### Amount of New Policies in Force and Annualized Premiums of New Policies in Force

- Annualized premium in force(¥bn)
- Annualized premium in force for third sector insurance(¥bn)
- Amount of policies in force(¥tn)



### Amount of New policies and Annualized Premiums of New Policies

- Annualized premium of new policies(¥bn)
- Annualized premium of new policies for third sector insurance(¥bn)
- Amount of new policies(¥tn)





## 2. Domestic Life Insurance Business (3) MSP Life (Premiums and Amount of Policies in Force and Net income)

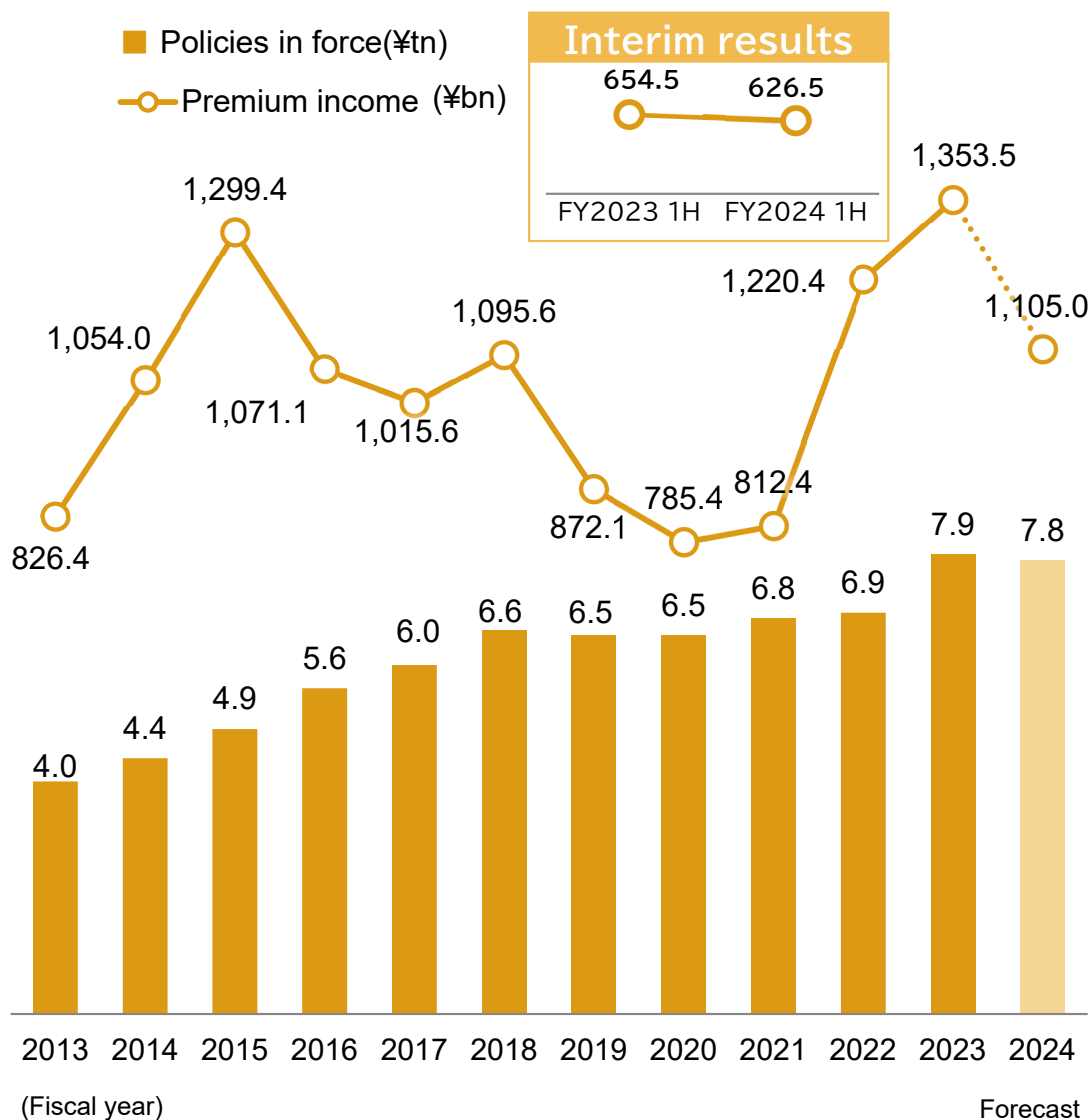
Domestic Non-life Insurance Business

Domestic Life Insurance Business

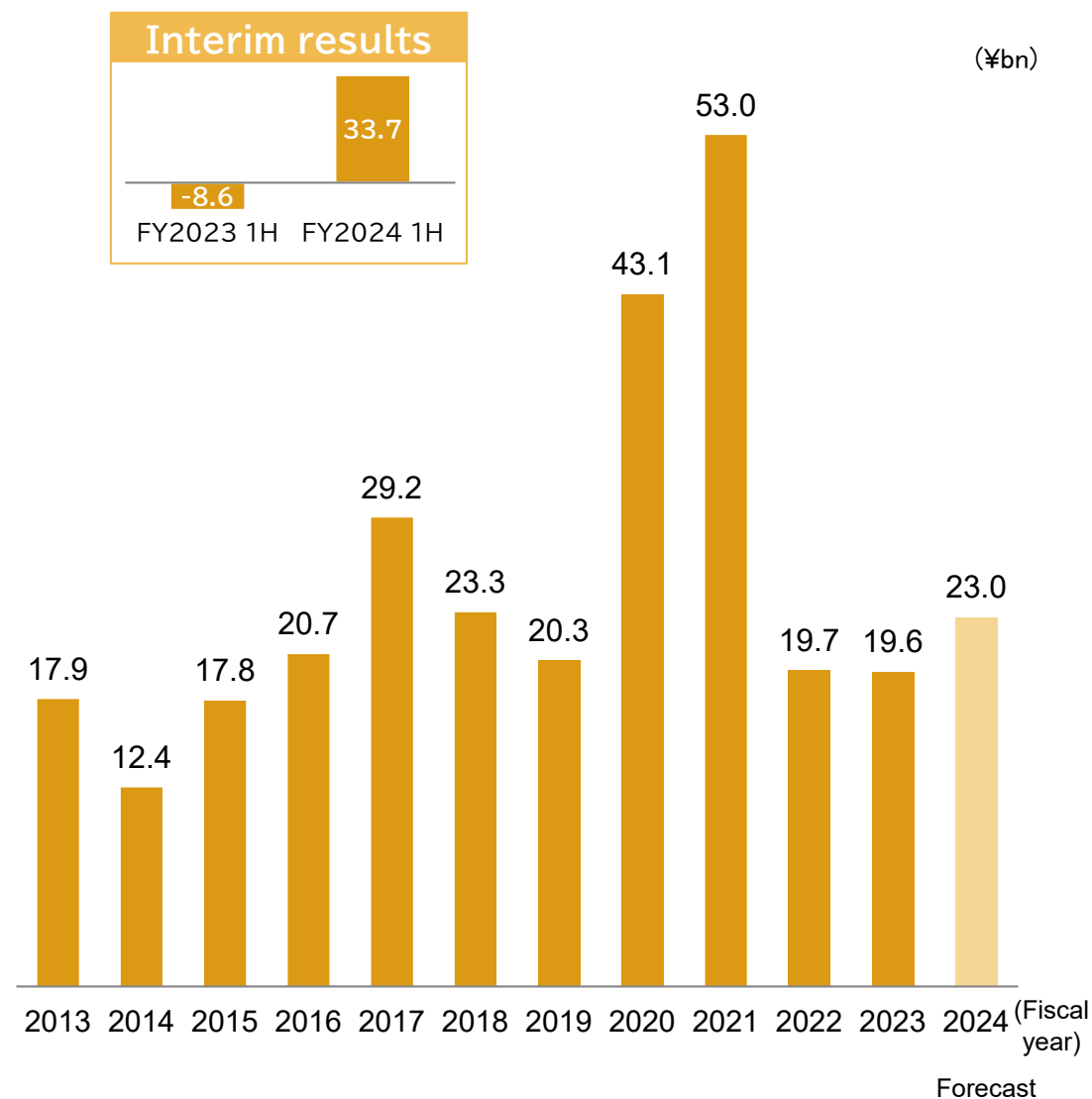
International Business

Other

### Premium income and Amount of policies in force



### Net income



## 2.Domestic Life Insurance Business (4) Embedded Value (EEV) from the End of FY2013 to the End of FY2023

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

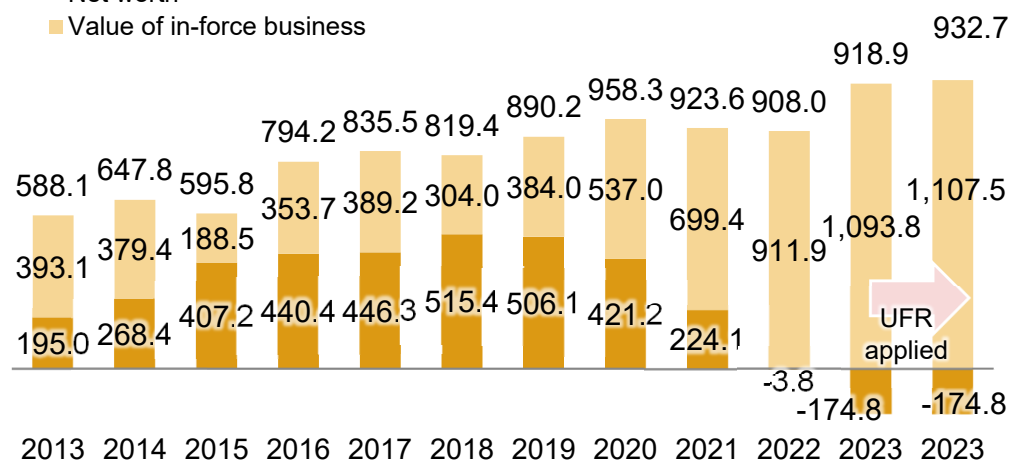
International  
Business

Other

### MSA Life

(¥bn)

■ Net worth  
■ Value of in-force business



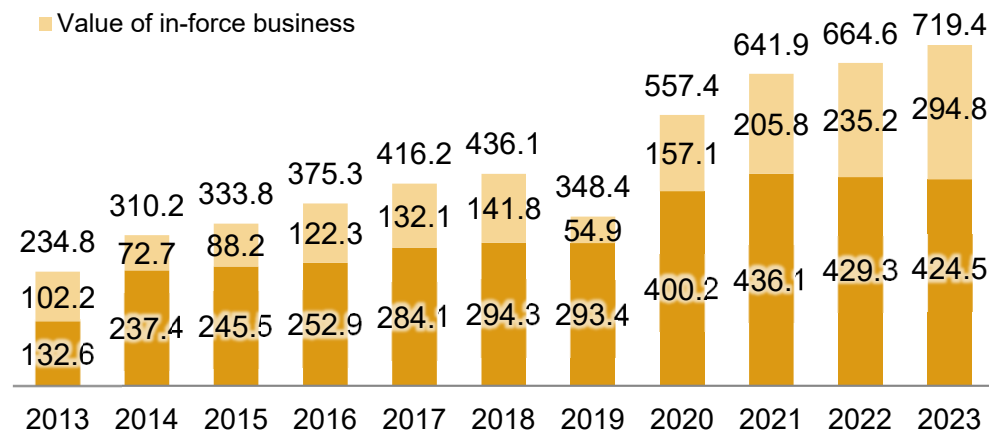
2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2023

(End of  
Fiscal year)

### MSP Life

(¥bn)

■ Net worth  
■ Value of in-force business



2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

\*1 The calculation method of EEV was changed in FY2021.

\*1

(End of  
Fiscal year)

### ■ Changes from previous year (FY2023 ¥bn) ■ EEV Sensitivity (at March 31, 2024, ¥bn)

Factor	Change	Assumptions	Change
Opening adjustments	-5.0	Risk-free yield curve Up 50bp	-59.1
New business in reporting year	46.6	Risk-free yield curve Down 50bp	52.4
Expected existing business contribution at the risk free rate	9.6	Equity and real estate values Down 10%	-5.8
Expected existing business contribution above risk free rate	7.2	Maintenance expenses Down 10%	34.7
Operating experience variances	-4.3	Surrender and lapse rates Down 10%	19.0
Changes in operating assumptions	-49.7	Mortality and morbidity rates for life insurance Down 5%	56.7
Economic variances and changes to economic assumptions	6.5	Mortality and morbidity rates for annuity Down 5%	-0.1
Closing Adjustment	-0.0	Equity and property implied volatility Up 25%	0.0
Total	10.9	Swaption implied volatility Up 25%	-24.7
		Required capital set at statutory minimum level	12.5
		Applying an Ultimate Forward Rate (UFR) to extrapolate long term interest rates	13.7

### ■ Changes from previous year (FY2023 ¥bn)

Factor	Change
Opening adjustments	-6.8
New business in reporting year	0.9
Expected existing business contribution at the reference rate	4.5
Expected existing business contribution above reference rate	2.4
Operating experience variances	0.1
Changes in operating assumptions	-11.3
Economic variances and changes to economic assumptions	64.8
Total	54.7

### ■ EEV Sensitivity (at March 31, 2024, ¥bn)

Assumptions	Change
Reference yield curve Up 50bp	-5.1
Reference yield curve Down 50bp	5.1
Equity and real estate values Down 10%	-1.9
Maintenance expenses Down 10%	7.1
Surrender and lapse rates Down 10%	-2.3
Mortality and morbidity rates for life insurance Down 5%	3.8
Mortality and morbidity rates for annuity Down 5%	-1.0
Equity and property implied volatility Up 25%	-1.4
Swaption implied volatility Up 25%	-2.7
Required capital set at statutory minimum level	8.8
Nil reflecting excess spread	-116.7

### 3. International Business (1) Group Adjusted Profit

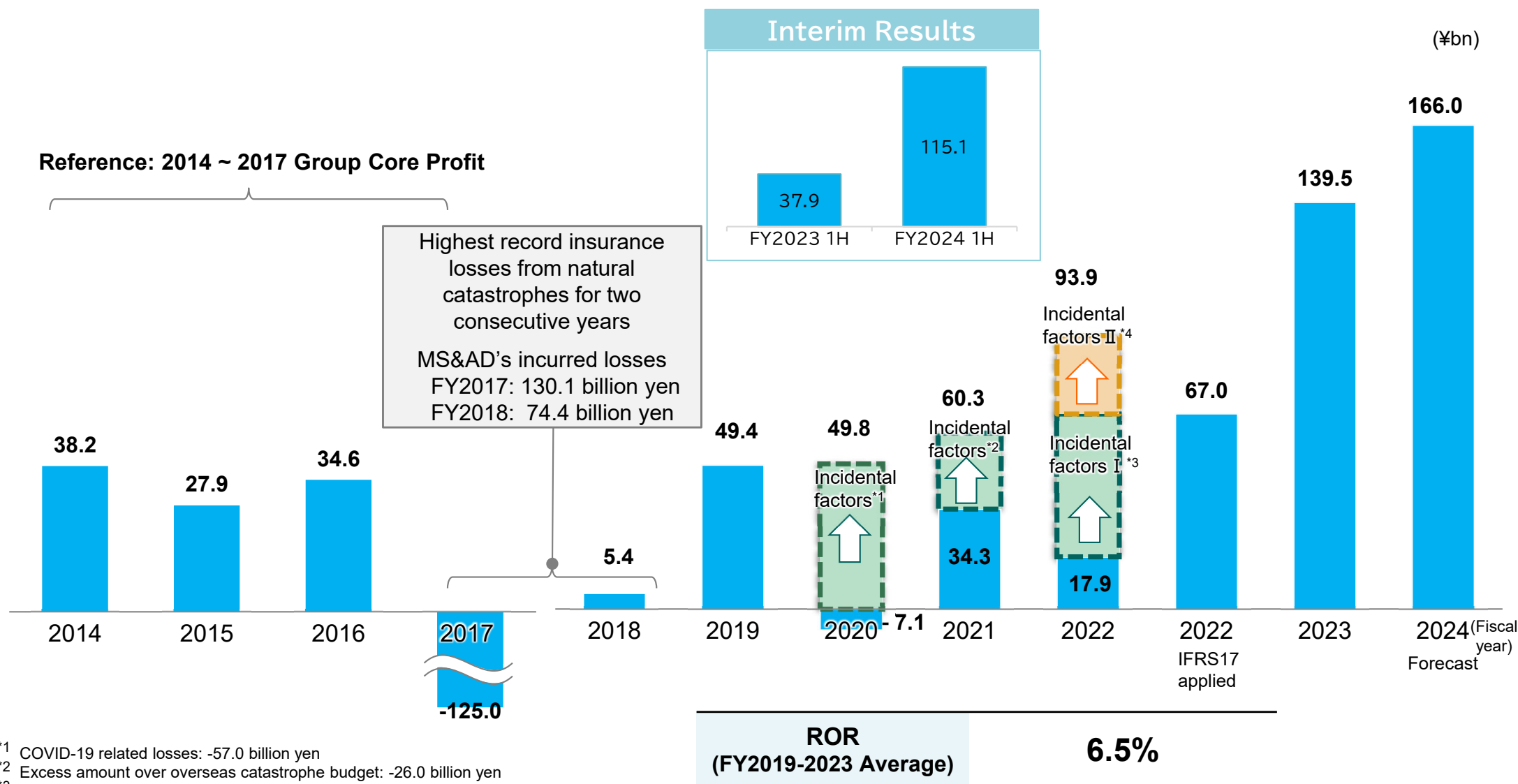
Domestic non-life  
insurance business

Domestic life  
insurance business

International  
business

Other

#### Group Adjusted Profit



\*1 COVID-19 related losses: -57.0 billion yen

\*2 Excess amount over overseas catastrophe budget: -26.0 billion yen

\*3 Transient: Russia-Ukraine impact: -16.0 billion yen, Covid19: -20.0 billion yen, Market fluctuation impact: -31.0 billion yen (MS Amlin investment: -19.0 billion yen, International Life Insurance Business: -12.0 billion yen), Sales of real estate assets in Taiwan: 18.0 billion yen

\*4 Non-Transient: Increase IBNR provision for inflation: -18.0 billion yen, Nat Cat fluctuation impact/upward from initial forecast: -6.0 billion yen, Large losses increase: -3.0 billion yen

### 3. International Business ( 2 ) Net Premiums Written and Group Adjusted Profit\*1

Domestic non-life  
insurance business

Domestic life  
insurance business

International  
business

Other

#### ■ Net Premiums Written (Non-life insurance)

(¥bn)

	FY2023	FY2024 1H		FY2024 Full year		
	1H	Result	YoY change	Forecast	YoY change	Change from the initial forecast
Total International Business *2	916.8	1,092.1	175.2	1,839.0	218.7	12.0
Lloyd's • Reinsurance	419.4	512.3	92.9	802.0	127.7	8.0
AUL	157.7	139.8	-17.8	295.0	31.6	-1.0
MS Re	262.3	370.2	107.9	505.0	95.3	9.0
Asia	167.3	192.7	25.3	376.0	38.0	-8.0
Europe	142.7	158.9	16.2	219.0	17.9	16.0
Americas	44.6	68.2	23.5	149.0	41.6	-8.0
Toyota Retails	78.5	103.2	24.7	189.0	25.8	1.0
Head office reinsurance business	29.6	27.8	-1.7	50.0	-13.0	-2.0

#### ■ Group Adjusted Profit

(¥bn)

	FY2023	FY2024 1H		FY2024 Full year		
	1H	Result	YoY change	Forecast	YoY change	Change from the initial forecast
Total International Business *2	37.9	115.1	77.1	166.0	26.4	13.0
Lloyd's • Reinsurance	8.6	35.4	26.7	67.0	-16.1	3.0
AUL	1.7	16.9	15.1	24.0	-12.5	1.0
MS Re	8.7	20.2	11.5	47.0	-2.2	2.0
Asia	25.4	32.5	7.1	46.0	-3.5	3.0
Europe	6.2	8.3	2.0	12.0	1.8	-1.0
Americas	2.2	10.2	8.0	18.0	12.3	1.0
Toyota Retails	-1.3	4.0	5.3	-1.0	3.0	1.0
Head office reinsurance business	1.2	8.7	7.5	8.0	3.7	1.0
International life insurance	13.9	19.8	5.8	33.0	10.0	2.0

\*1 International Business: Business results of overseas consolidated subsidiaries and equity-method affiliates plus the business results of overseas branches of non-life insurance companies, overseas non-consolidated subsidiaries, and non-life insurance companies' head office reinsurance.

\*2 Figures in "Total International Business" include head office adjustments and other factors and are not equal to the sum of figures for each region and each business. Each segment for Asia, Europe, and the Americas does not include ADI international business.

## 4.Digital and Risk related service/Financial service

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

- Taking into account social issues, environmental changes, and customer needs, we aim to provide a diverse range of products and services that are not limited to insurance and contribute to stable earnings by leveraging the collective strength of the Group, including domestic sales and overseas entity

Digital and Risk Related Service Business	Digital innovation, Risk consulting	<ul style="list-style-type: none"> <li><b>Digital innovation, Risk consulting</b> <ul style="list-style-type: none"> <li>Achieving increased revenue by developing products and services to provide new value before and after insurance compensation</li> <li>Providing risk consulting services as a group, with InterRisk at its center</li> </ul> </li> </ul>	Group adjusted profit(¥bn)			
	Road assistance	<ul style="list-style-type: none"> <li><b>Road assistance, Housing support</b> <ul style="list-style-type: none"> <li>Arranging and dispatching service providers quickly in case of car and driving troubles or accidents of our customers</li> <li>Providing services in case of home-related troubles</li> </ul> </li> </ul>	2022	2023	2024 Forecast	2025 Outlook (FY)
Response to changes in social environment	Asset building-related business	<ul style="list-style-type: none"> <li><b>Financial services for individuals and local economies</b> <ul style="list-style-type: none"> <li>Strengthening profitability of defined contribution pension business and asset building business support for Iregional bank</li> </ul> </li> <li><b>Asset management</b> <ul style="list-style-type: none"> <li>Strengthening profitability of SMDAM*<sup>1</sup>, World-class LCP*<sup>2</sup> fund management*<sup>3</sup></li> </ul> </li> <li><b>Variable annuity reinsurance (FinRe*<sup>4</sup>)</b> <ul style="list-style-type: none"> <li>Group utilization of hedging technology and product development</li> </ul> </li> </ul>	3.1	5.6	2.5	2.5
	Provision of risk solutions contributing to ESG	<ul style="list-style-type: none"> <li><b>Weather derivatives, etc.</b> <ul style="list-style-type: none"> <li>Strengthening sales system through collaboration with underwriting divisions and overseas bases</li> </ul> </li> <li><b>Insurance-linked securities (ILS*<sup>5</sup>)</b> <ul style="list-style-type: none"> <li>SMDAM fund investment advisory</li> <li>LCP fund sales support for domestic investors</li> </ul> </li> </ul>	0.04	0.4	0.6	1.5
	Response to changes in social environment	<ul style="list-style-type: none"> <li><b>Small business investment (venture investment)</b> <ul style="list-style-type: none"> <li>Expanding investments by taking advantage of changes in the social environment through MSI Capital*<sup>6</sup></li> </ul> </li> <li><b>Impact investment</b> <ul style="list-style-type: none"> <li>Development of new products and services by accumulating knowledge of market environments and methods</li> </ul> </li> </ul>	0.3	0.3	0.3	0.55
			2022	2023	2024 Forecast	2025 Outlook (FY)

Including the impact of SMDAM transfer and Bermuda tax regulation revision

\*1 Sumitomo Mitsui DS Asset Management Company, Limited    \*2 Leadenhall Capital Partners LLP (LCP)    \*3 ILS fund managed by LCP (6<sup>th</sup> in the world)

\*4 MS Financial Reinsurance Limited    \*5 Insurance-linked securities: Collective term for securitization products which transfer natural catastrophe risks and other insurance risks to capital markets

\*6 MITSUI SUMITOMO INSURANCE Venture Capital Co.,Ltd.

## 5. Asset Management (1) Group Asset Management (Total Assets, Allocation by Rating and Asset Management Risk Amount)

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

### Total Assets\*<sup>1</sup> (Non-consolidated total of five domestic companies/End of Sep. 2024)

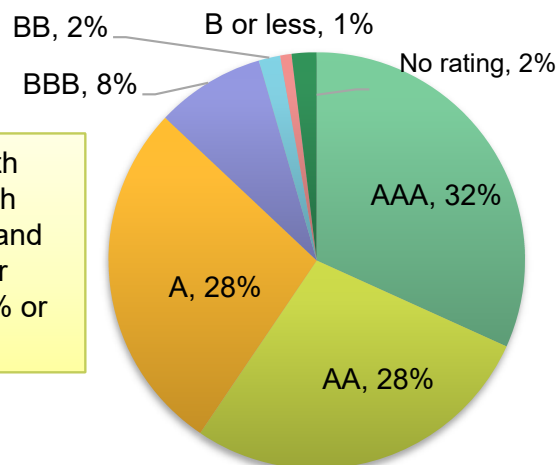
Asset class	Total assets of 5 companies* <sup>2</sup>		Higher-return assets	MSI	ADI	MSA Life	MSP Life General account	(¥bn)
	Fair value	Composition ratio	Market value	Market value	Market value	Market value	Market value	
Short-term funds, etc.	1,817.4	9%		601.6	193.2	149.8	866.1	
Yen-denominated bonds and loans	6,388.9	31%	286.5	1,489.9	787.0	3,479.8	594.5	
Hedged foreign bonds	963.4	5%	818.9	227.1	363.1	282.0	91.3	
Foreign bonds, etc.	5,075.7	25%	1,653.7	241.9	313.4	407.1	4,113.2	
Domestic equity(pure investment)	105.8	1%	105.8	61.3	5.3	39.2	0.0	
Foreign equity (pure investment)	303.2	1%	303.2	79.5	210.5	13.2	0.0	
Alternatives	855.8	4%	753.9	424.6	152.8	51.5	226.9	
Strategic equity holdings	2,713.7	13%		1,745.9	967.7			
Other (overseas business investments, etc.)	1,706.2	8%		1,523.7	181.5	1.1		
Real estate	394.0	2%		179.1	214.6	0.2		
Domestic Total	20,324.0	100%	3,921.9	6,574.6	3,389.1	4,423.8	5,892.0	

\*1 Management accounting base \*2 MSI, ADI, MSA, MSP, MD

(¥bn)

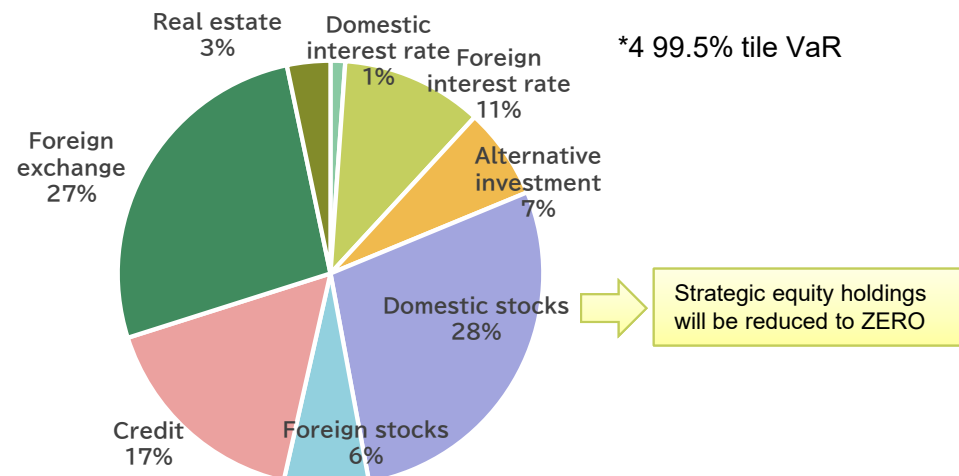
### Allocation by Rating\*<sup>3</sup> (End of Sep. 2024)

Maintaining a portfolio with high creditworthiness, with investment grade bonds and other assets rated BBB or higher accounting for 95% or more



\*3: Figures for credit by internal rating for total credit management by individual issuers (Aggregate bonds, loans, etc., based on market value)

### Asset Management Risk Amount\*<sup>4</sup> (End of Sep 2024)



\*4 99.5% tile VaR

Strategic equity holdings will be reduced to ZERO



## 5. Asset Management (1) Group Asset Management (Interest rate and foreign exchange rate sensitivity)

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

International  
Business

Other

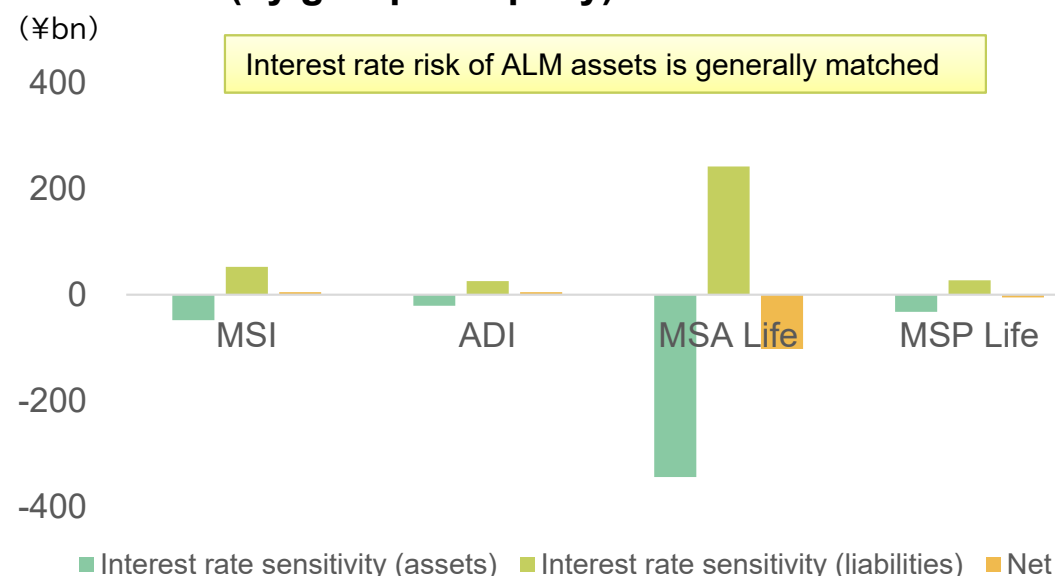
### Interest rate and foreign exchange rate sensitivity (End of Sep. 2024)

#### Interest rate and foreign exchange sensitivity (impact on Group Net Asset Value) (¥bn)

	Total for MS&AD Group	Total for Non-Life Insurers <sup>*1</sup>	Total for Domestic Life Insurers
100 bps rise in yen interest rates	+44.6	+53.3	-23.2
100 bps rise in US dollar interest rates	-100.5	-55.3	-45.2
10% rise in the yen against all currencies	-417.0	-283.2	-109.2
10% rise in the yen against the US dollar	-233.8	-169.7	-63.6
10% rise in the yen against the Euro	-28.6	-23.8	-4.8
10% rise in the yen against the British Pound	-44.4	-28.9	+0.0

\*1: Includes overseas subsidiaries

#### Interest rate sensitivity of ALM assets (by group company) <sup>\*2</sup>



\*2 Interest rate sensitivity is the amount of change in market value when interest rates rise 0.5%.

MSP Life: simple sum of interest rate sensitivity of ALM assets in US\$ and Australian \$

## 5. Asset Management (2) MS Amlin\* 1

Domestic Non-life  
Insurance Business

Domestic Life  
Insurance Business

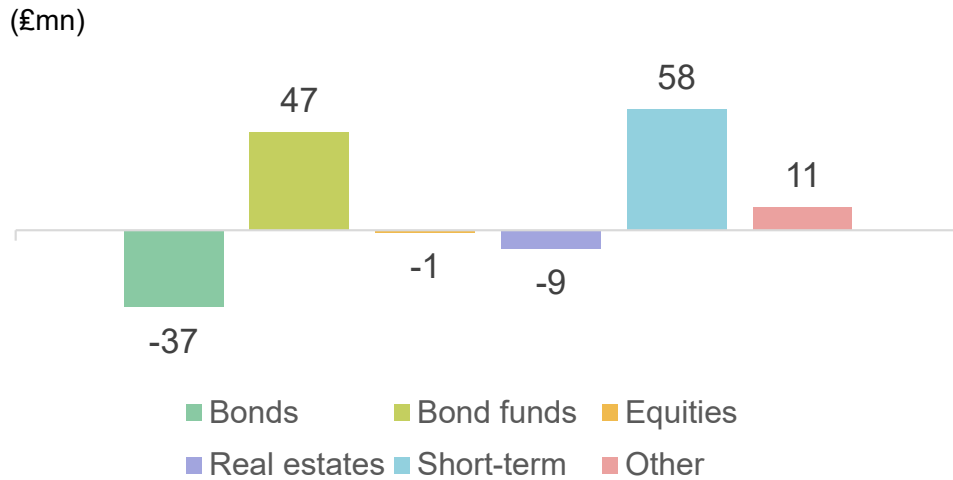
International  
Business

Other

- Investment profit for (Jan.to June 2024) amounted to £69mn, mainly due to the decline in fair value of bonds following to interest rate rise.
- Annual forecast for FY2024 is expected to be £238mn, based on the expected yield level of the financial market environment.

### Investment Profit/Loss

2024 Jan-June £69 million (Net investment return: 1.9%)



\* Bond funds are funds whose basic strategy is to sell high-priced bonds and purchase low-priced bonds. We will take credit risks while controlling losses caused by overall rises in interest rates

2024 Forecast £238 million (Net investment return: 3.4%)

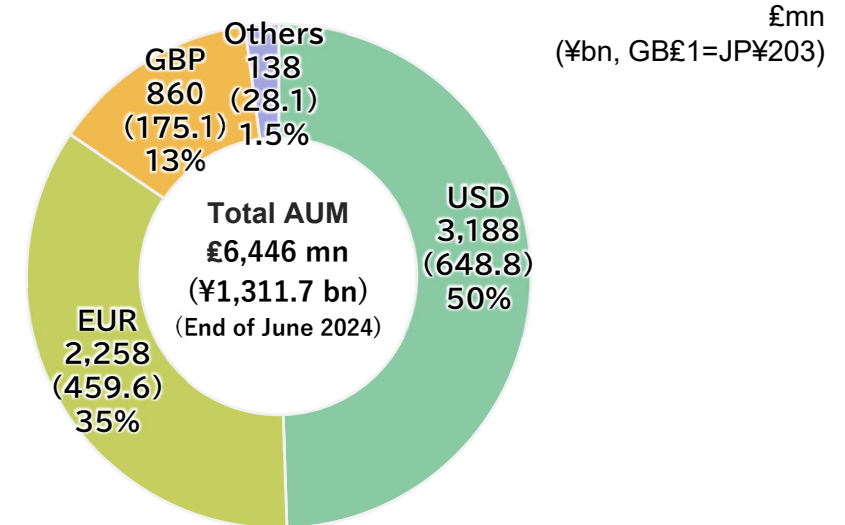
### Percentage of bonds by credit rating\*2



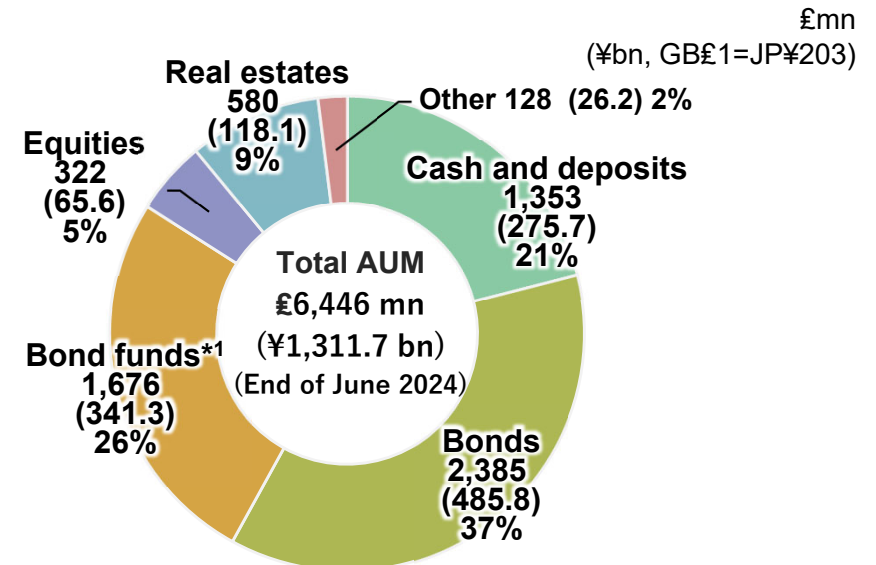
\*1 The sum of each Amlin business, mainly AUL, MS Re, AISE and ACS

\*2 Including derivative transactions

### Investment Assets Breakdown by Currency



### Investment Assets Breakdown by Assets



## **IV. System Supporting Value Creation**

1. Sustainability
2. Human Assets Initiatives
3. ERM

# 1. Sustainability (1) KPI Progress

- We have set sustainability as one of the foundations that support the Medium-Term Management Plan's basic strategies and set KPIs for each priority issue in order to become “a corporate group that supports a resilient and sustainable society”. The progress has generally been steady.

Key Issues	KPI Progress		Target	End of March 2024
<b>Symbiosis with the global environment (Planetary Health)</b>	Greenhouse gas reduction rate (vs. FY2019)		FY2030: - 50% FY2050: Net Zero	-35.3% (Scope 1+2)
	Renewable energy usage rate		FY2030: 60% FY2050: 100%	23.0%
	FY2025	Premium growth rate of products which contribute to decarbonization and a circular economy (e.g., carbon neutral support clause)	Annual average: 18%	24.5%
<b>Safe and secure society (Resilience)</b>	FY2025	Rate of increase in the number of policies for products that contribute to the enhancement of resilient society e.g., cybersecurity insurance)	Annual average: 20%	17.6%
	FY2025	Instances of support for the resolution of issues faced by regional companies (e.g., seminars on regional revitalization)	10,000 instances a year	11,892
<b>Happiness of diverse people (Well-being)</b>	FY2025	Instances of support for companies' action on human rights (e.g., harassment prevention consulting)	1,000 instances a year	1,047
	FY2025	Number of policies in force for asset-building products to support longevity (e.g., tontine annuity insurance)	100,000	70,000
	FY2025	Number of policies in force for products which help solve health-related social issues (e.g., medical insurance covering dementia, infertility treatment)	2.6 million	2.22 million

# 1. Sustainability (2) Responding to biodiversity in climate change and natural capital

- Responding to climate change toward "Net ZERO in 2050" target, Promoting initiatives to maintain the sustainability of natural capital and biodiversity toward a nature-positive society

## Response to climate change

**Greenhouse gases (GHG) by major domestic clients\***  
**Emission reduction rate in target (compared to FY 2019 end)**

Results as of March 2023	Target 2030	Target 2050
-18.3%	-37%	Net Zero

\* GHG emissions by major domestic clients (approximately 3,300 companies) that pertains to our company.

### Dialogue with clients and investees

- Conducted dialogues with insurance underwriters and borrowers on the themes of GHG emissions reduction, natural capital and biodiversity (367 companies engaged in dialogues in fiscal 2024)

## Circular economy initiatives

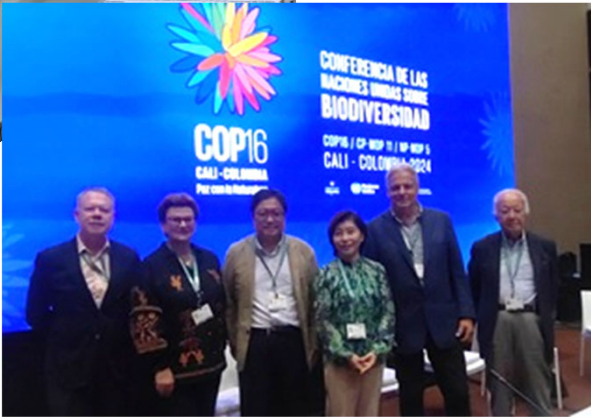
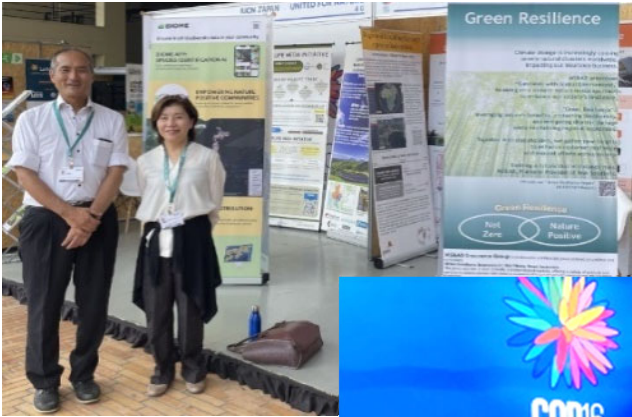
Group-wide promotion of "waste control" and "utilization of recyclable resources" to promote the circular economy/Main measures are as follows

- Utilization of recycled parts in automobile repair
- Reduction of disposal of disaster-stricken machinery by employing disaster recovery specialists in fire and water accidents
- Insurance premium discount system for companies engaged in recycling plastic resources

## Natural capital's Biodiversity Initiatives

### Efforts

- At the 16 Conference of the Parties to the Convention on Biological Diversity (COP16) held in Colombia in October 2024, MS&AD Group set up a booth on the theme of natural capital and biodiversity and gave lectures on CSuO.



# 1. Sustainability (3) ESG Investments

- As a signatory to principles for responsible investment (PRI), we will establish ESG investment and financing process, and will focus on quality, such as projects that contribute to the environment and society with profitability .

## Overview of the Group's ESG Investments and Loans

Integration of Investment and Loan Processes		Target Asset Class	Investment and Loan Balance
Reflection of the response to the Group's "business activities considering sustainability"	Screening specific uses of funds and industries without investments and loans, and making prudent decisions on whether to engage in transactions from the perspectives of responding to climate change, improving the sustainability of natural capital, and respecting human rights	All asset under management	16.1 trillion yen*
Incorporation of the Group's priority issues into the research	Focusing on "CO2 emissions," "deforestation," "water risk," and "human rights violations," evaluations by ESG evaluation companies and international initiatives (such as CDP) are used for investment decisions and monitoring.	Corporate bonds. Stocks and loans	8.4 trillion yen
Constructive Dialogue (Engagement)		Target Asset Class	Investment and Loan Balance
Engagement	Conduct dialogue centered on stewardship activities	stock	130.5 billion yen
Positive Impact		Target Asset Class	Investment and Loan Balance
Sustainable/thematic investing	ESG issues, investments, and loans in themes such as renewable energy (e.g., solar, wind, hydrogen), green transition finance (greenhouse gas reduction), and regional revitalization	Bonds, stocks, loans, and private equity	757.0 billion yen
Impact investing	Investment in themes such as healthcare and education, focusing on climate change,	Private equity	

\* Excludes cash and deposits, real estate holdings, and funds with investment funds of other investors

## 2. Human Assets Initiatives

- Steadily progress human assets initiatives as one of the foundations supporting Medium-Term Management Plan's basic strategy

Item	KPI	Target	FY2023
Employee engagement	Employee satisfaction (Pride in work)	Last year level or higher (FY2022:4.4pt)	4.4pt
	Employee satisfaction (Working with motivation)	Last year level or higher (FY2022:4.6pt)	4.7pt
Item	KPI	FY2025 Target	April 1,2024
Human asset portfolio	Digital human assets	7,000 persons	5,814 persons
	Employees for int'l business	1,200 persons	1,189 persons
Item	KPI	FY2030 Target	April 1,2024
Maximizing employees' abilities, skills and motivation	Percentage of female managers	30.0%	21.6%
	Percentage of female line managers	15.0%	18.4%
	Percentage of Male childcare leave taking	100%	87.6%
	Duration of Male childcare leave	4 weeks	11.5 days
Item	KPI	FY2030 Target	April 1,2024
Productivity improvement	Personnel Expense rate	8.5%	9.2%

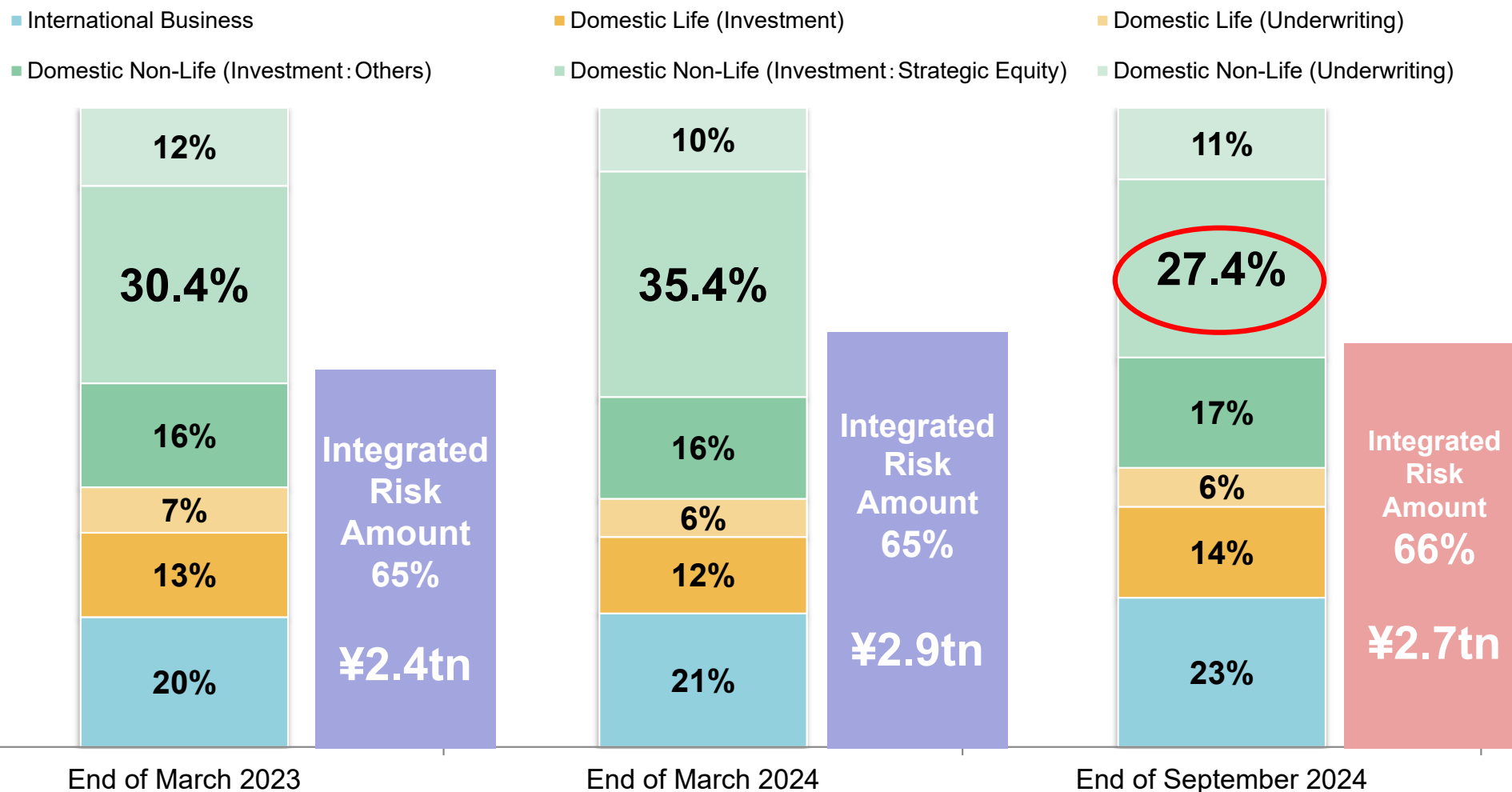


### 3. ERM

#### (1) Ensuring Financial Soundness (Risk Portfolio)

- The percentage of strategic equity holdings in integrated risk amount decreased due to the reduction of strategic equity holdings and drop of domestic stock price.

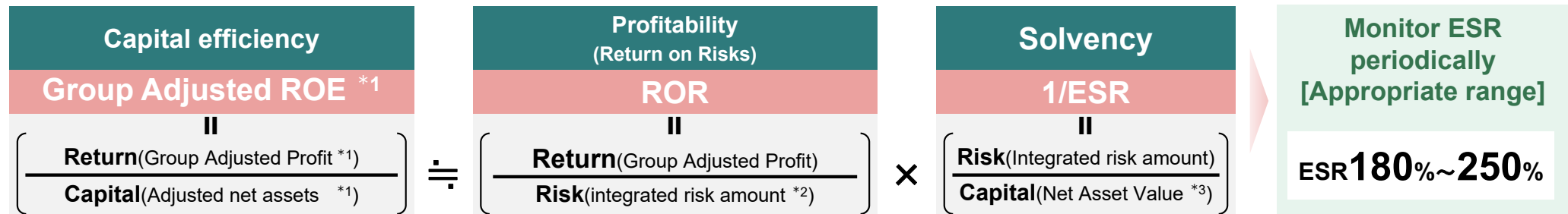
#### Risk Portfolio



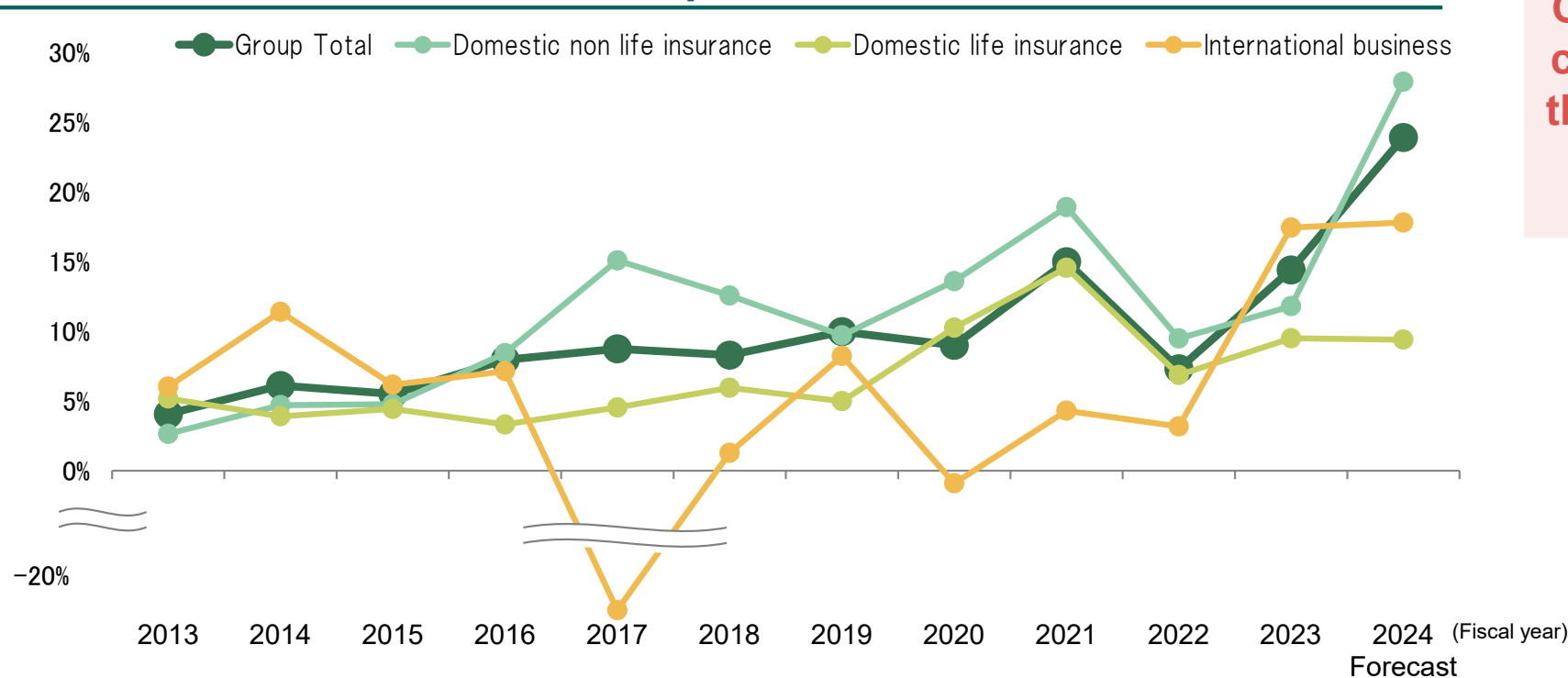
### 3. ERM

## (2) Improvement of Profitability (ROR Monitoring)

- We monitor ROR at each business and each company and promote initiatives for improving ROR.



### ROR Improvement



**Controlling the capital level on the assumption of ensuring soundness**

\* 1 Calculation method of Group Adjusted ROE, Group Adjusted Profit and Adjusted Net Assets is on p.71.

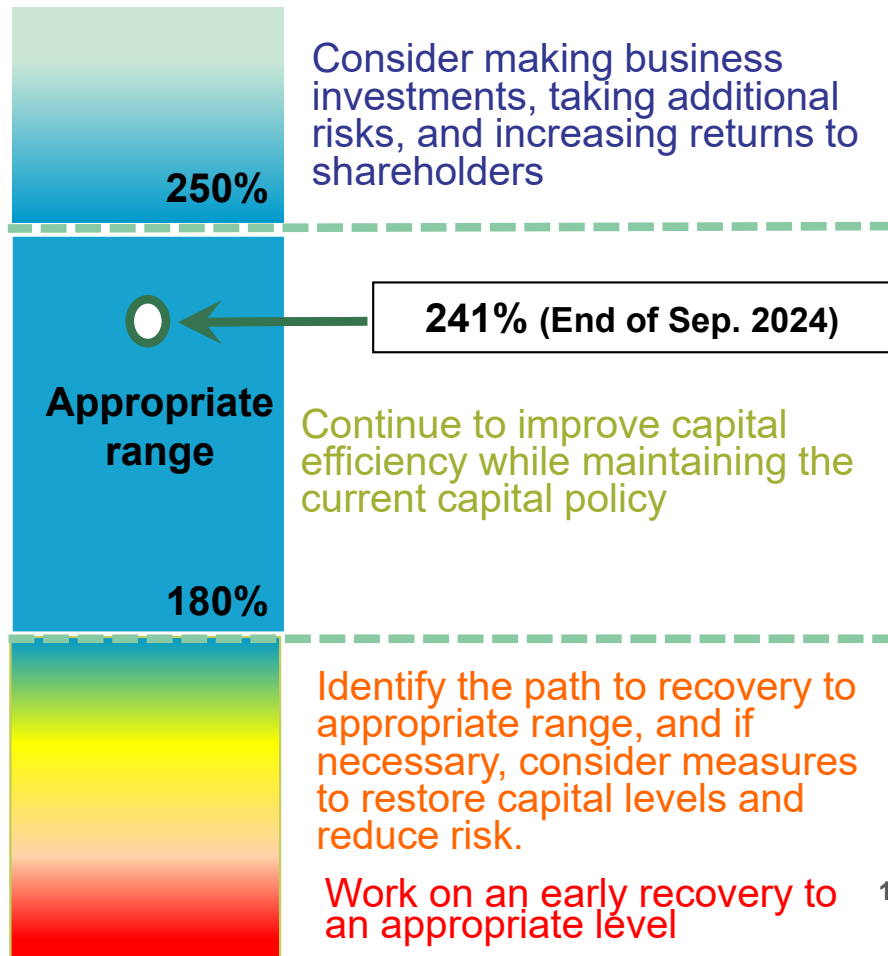
\* 2 Integrated risk amount represents the maximum amount of losses that are likely to be encountered once in 200 years. It is marked to market value.

\* 3 Net asset value: Adjusted net assets + unrealized insurance liabilities + other equity liabilities, etc. .

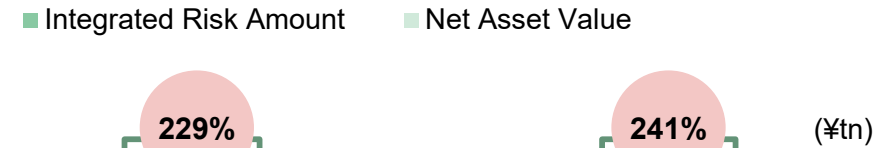
### 3. ERM (3) ESR Status

- ESR indicating soundness is within the target range.

#### Status of ESR\*

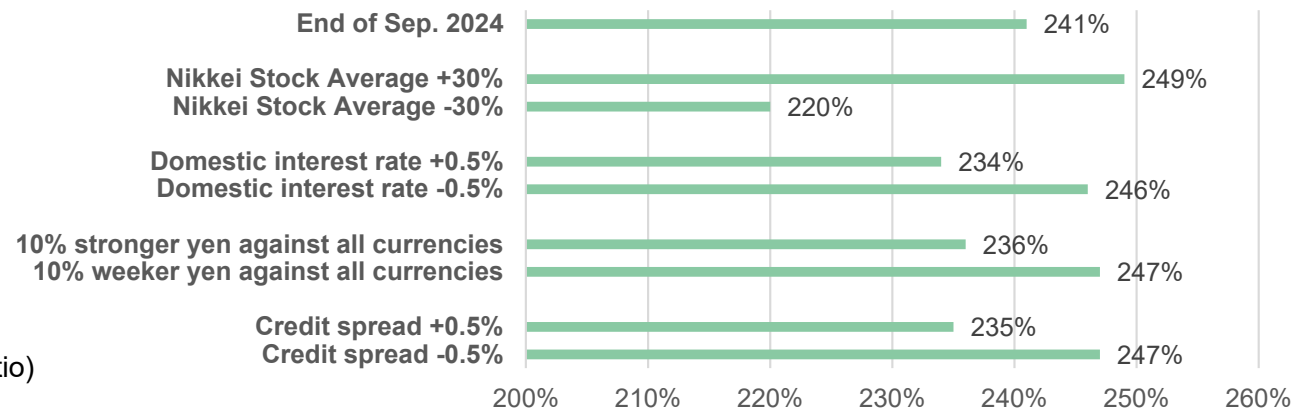


#### ESR Trend



	End of Mar. 2024	End of Sep. 2024
Nikkei Stock Average	¥40,369	¥37,920
30-year JGB yield	1.82%	2.09%
USD/JPY	¥151	¥143

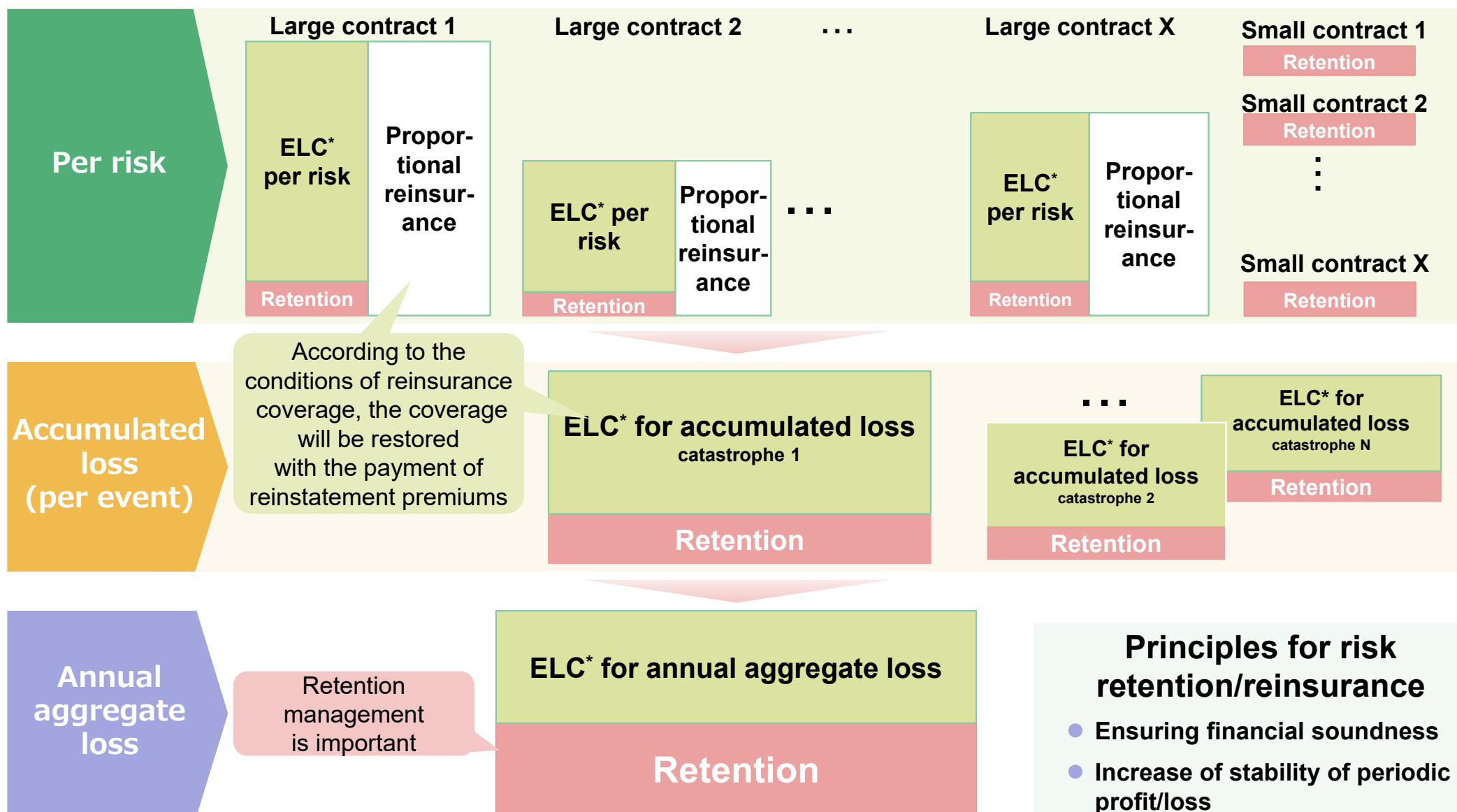
#### Impact of market price fluctuation on ESR (as of the end of Sep. 2024)



\* ESR: Economic Solvency Ratio (Economic Value-based Solvency Ratio)  
Calculated based on 99.5% confidence level

## <Reference>

# Image of Risk Retention/Reinsurance for Natural Catastrophe Risk



\* ELC (excess of loss cover):  
Reinsurance policy for collection of the excess portion over a certain amount of loss

## Principles for risk retention/reinsurance

- Ensuring financial soundness
- Increase of stability of periodic profit/loss
- Improvement of return on risk

## **V. Shareholder Return and Stock Price-related Indices**

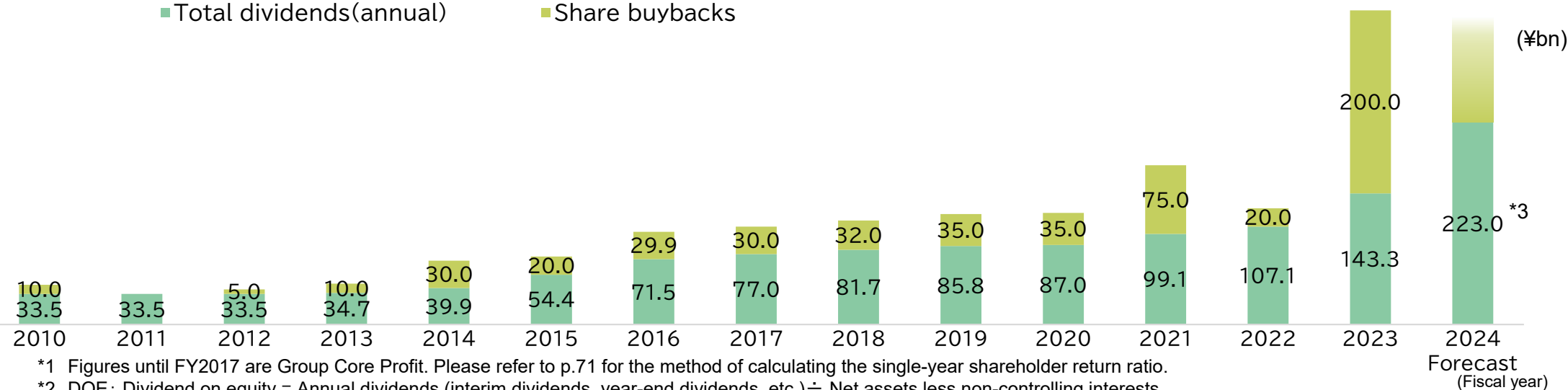
# Shareholder Return (1) Past Shareholder Return by Year

## Shareholder Return by Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	2024 Forecast
Group Adjusted Profit*1	14.5	-87.5	87.4	94.8	155.7	147.5	213.7	105.1	189.8	233.1	214.6	347.1	172.7	379.9	2,268.4	670.0
Total returns	43.5	33.5	38.5	44.7	69.9	74.4	101.4	107.0	113.7	120.8	122.0	174.1	127.1	343.3	1,513.9	-
Shareholder return ratio*1	300%	-	44%	47%	45%	50%	47%	102%	60%	52%	57%	50%	74%	90%	66%	-
DOE*2									2.9%	3.3%	3.1%	3.1%	3.6%	3.2%	-	-
Returns per share (yen)	23.2	18.0	20.6	24.0	37.8	40.8	56.3	60.2	64.4	69.2	72.3	105.1	79.0	215.5	-	-

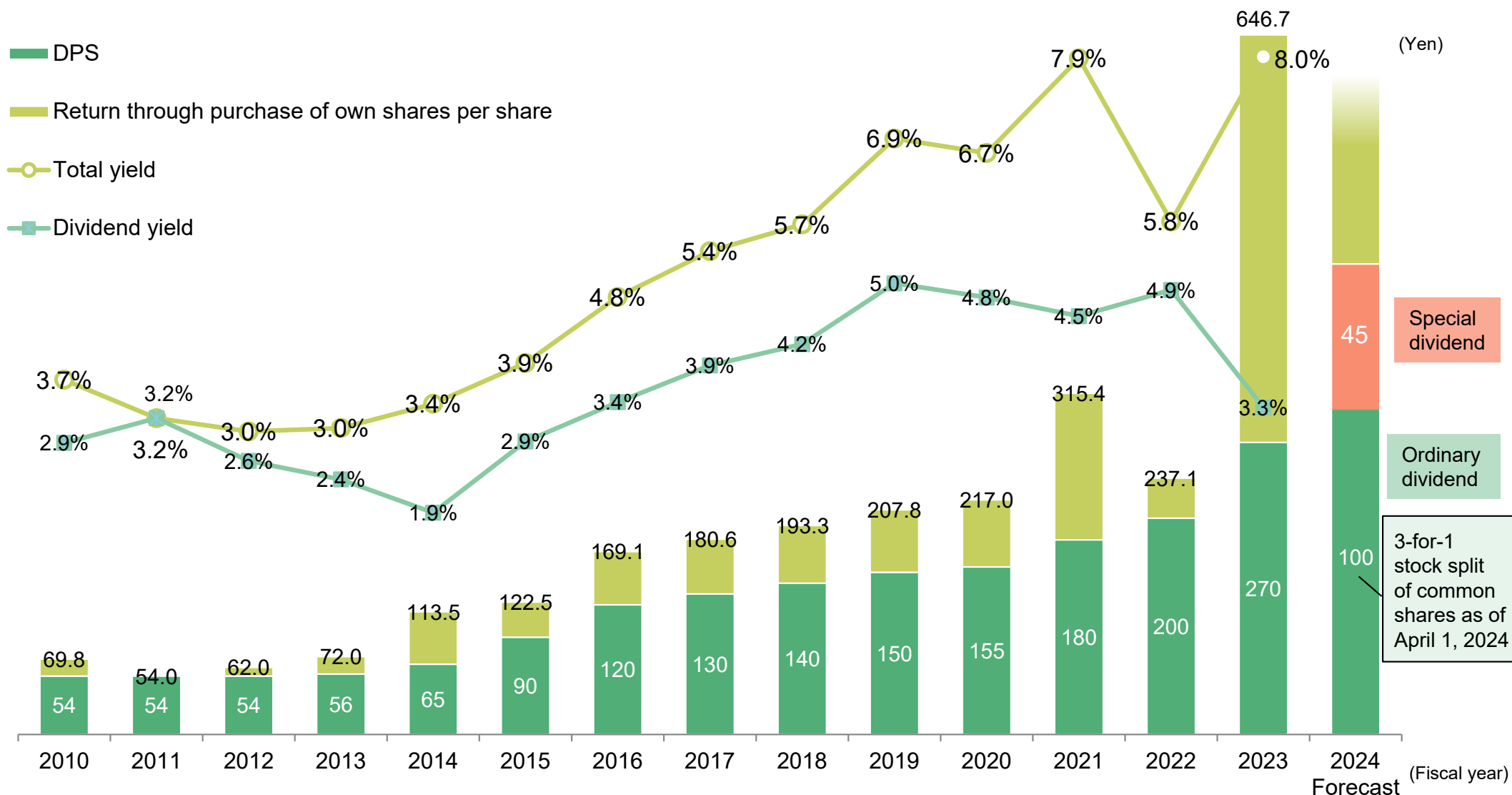
■ Total dividends(annual)

■ Share buybacks



# Shareholder Return (2) Total Payout Per Share, Total Yield, and Dividends Yield

## Total Payout per share, Total Yield, and Dividend Yield





# 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	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of FY2023	FY2024 Interim
Net Income (¥bn)	5.4	-169.4	83.6	93.4	136.2	181.5	210.4	154.0	192.7	143.0	144.3	262.7	161.5	369.2	458.9 630.0
Earnings per share (EPS) (¥)	2.89	-90.83	44.82	50.19	73.78	99.57	116.98	86.68	109.57	82.78	85.26	158.17	99.93	231.83	290.11 404.93
Stock price (closing price) (¥)	631	566	688	788	1,123	1,045	1,180	1,118	1,123	1,008	1,083	1,326	1,368	2,711	3,330
Rate of change*	-27.0%	-10.3%	21.6%	14.4%	42.6%	-6.9%	12.9%	-5.2%	0.4%	-10.2%	7.4%	22.4%	3.2%	98.1%	22.8%
(For reference) TOPIX Rate of change*	-11.2%	-1.7%	21.1%	16.3%	28.3%	-12.7%	12.3%	13.5%	-7.3%	-11.8%	39.3%	-0.4%	2.9%	38.2%	-4.4%
Book-value per share (BPS) (¥)	865.73	800.16	1,071.77	1,215.40	1,637.13	1,489.86	1,524.27	1,654.88	1,570.70	1,436.12	1,841.80	1,985.07	1,877.98	2,817.00	2,808.33
Price book-value ratio (PBR)	0.73	0.71	0.64	0.65	0.69	0.70	0.77	0.68	0.72	0.70	0.59	0.67	0.73	0.96	1.19
Price earnings ratio (PER)	218.20	—	15.36	15.70	15.23	10.50	10.08	12.90	10.25	12.18	12.70	8.38	13.70	11.69	8.22

\* The rate of change is the rate of change from the end of the previous fiscal year.

# Calculation Method of Group Adjusted Profit, Group Adjusted ROE, Shareholder Return Ratio and Adjusted Net Assets

## “Group Adjusted Profit”, “Adjusted Net Assets” and “Group Adjusted ROE”

$$\begin{aligned}
 \text{Group Adjusted ROE} &= \frac{\text{Group Adjusted Profit}}{\text{Adjusted Net Assets (Average of beginning and ending amounts of B/S)}} \\
 \text{Group Adjusted Profit} &= \text{Consolidated net income} + \text{Provision}^{*2} \text{ for catastrophe loss reserve and others}^{*1} - \text{Other incidental factors (amortization of goodwill and other intangible fixed assets and others)} + \text{Equity in earnings of non-consolidated group companies} \\
 \text{Adjusted Net Assets} &= \text{Consolidated net assets}^{*3} + \text{Catastrophe loss reserve and others}^{*1} - \text{Goodwill and other intangible fixed assets}
 \end{aligned}$$

\* Each adjustment amount is on an after-tax basis

\*1 Catastrophe reserves, contingency reserves and reserve for price fluctuation of domestic non-life insurance business and MSI Aioi Life

\*2 Subtraction in case of reversal

\*3 Excluding non-controlling interests and stock acquisition rights

### ● “Single-Year Total Payout Ratio”

$$\begin{aligned}
 \text{Total Payout Ratio} &= \frac{\text{Dividends for the current fiscal year (To be paid in December of the year and in June of the next year)} + \text{Value of share buybacks determined by the day of the annual general meeting of shareholders in the next fiscal year}}{\text{Group Adjusted Profit of the current fiscal year}}
 \end{aligned}$$

\* Return 50% profit to shareholders through dividends and share buybacks. Moreover, we will flexibly and tactically implement additional returns based on market trends, the business environment, capital conditions and other factors.

## Interim Group Adjusted Profit for FY2024

(¥bn)

$$\begin{aligned}
 \text{Group Adjusted Profit} &= \text{Interim Consolidated net income} + \text{Provision for catastrophe loss reserve and others} - \text{Other incidental factors}^{*4} + \text{Equity in earnings of non-consolidated group companies} \\
 500.3 &= 458.9 + 3.6 - 37.0 + 0.6
 \end{aligned}$$

\*4 Amortization of goodwill and others: -18.2 billion yen

Loss on sales of bonds excluded from group adjusted profit: -17.9 billion yen

**MS&AD**

**MS&AD Holdings**

**Inquiries**

**Corporate Communications and Investor Relations Dept.  
MS&AD Insurance Group Holdings, Inc.**