



MS&AD MS&AD Holdings

Fiscal 2022

Second Information Meeting

November 22, 2022 (Tue)

Contents

Main Points of Today's Presentation	4
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I FY2022 1H Results and Revised Full-year Forecast

1. Progress Toward Numerical Management Targets and Forecasts (Summary)	6
2. Progress Toward Numerical Management Targets and Forecasts(Group adjusted profit and Group Adjusted ROE)	7
3. The Progress of the Profit excluding incidental factors	
(1) Impact of incidental factors(Summary)	8
(2) Impact of Natural Catastrophes	9
(3) Impact of COVID19	10

II Numerical Management Targets and Strategy of Mid-Term Management Plan

1. Progress of Quantitative Targets	12
2. Structure to Achieve the Profit Target	13
3. Three Drivers to Improve Earning Structure	
(1) MS Amlin	
(i) Summary	14-15
(ii) AUL Strategy	16
(iii) AAG(MS Reinsurance) Strategy	17
(2) Reduction of Operating Expenses	
(i) Group wide	18
(ii) 1 Platform Strategy	19
(iii) Domestic Non-Life Insurance	20
(3) Improvement of Underwriting Results for Fire Insurance	
(i) Portfolio Improvement initiatives	21
(ii) Strategy and initiatives	22
4. ROE Target	
(1) ROR Monitoring (2) Capital Efficiency Improvement	
(3) Business management Enhancement	
(4) Allocate capital to highly efficient businesses	23-28
(5) Peak Risk Reduction	
(i) Strategic Equity Reduction (ii) Natural Catastrophe Risk	

III Capital Status and Shareholder Return

1. ESR Status	30
2. Shareholder Return Policy and FY2022 interim shareholder return	31

【Reference】

I Growth Strategy

1. Steady enhancement of Earning Power and Further Sustainable Growth	
(1) Summary	34
(2) Profit excluding incidental factors	35
(3) Responding to changes in the environment	36
2. Progress of Basic Strategies (Value/Transformation/Synergy)	
(1) Summary	37
(2) MS&AD Value Strategy	38
3. Inorganic Growth	39

II Basic Information on Each Business Domain

1. Domestic Non-life insurance	42-50
2. Domestic Life Insurance	52-57
3. International Business	59-66
4. Risk Related Services / Financial Services Businesses	68
5. Asset Management	70-76

III Systems Supporting Value Creation

1. Sustainability Initiatives	79-82
2. Stewardship Activities	84
3. ERM	86-90

IV Group's Current Status

1. Premium Income	92
2. Bottom Line and ROE(on a Financial Accounting Basis)	93
3. Impact of Foreign Exchange rate on Earnings	94

V Shareholder Return and Stock Price-related Indices

Past Shareholder Returns (1) Result by year (2) Total Shareholder Return per share, Total Yield, and Dividend Yield	
Stock Price-Related Indices	
Calculation method of Group Adjusted Profit, Group Adjusted ROE, Shareholder Return Ratio and Adjusted Net Assets	96-100
(Reference) Major differences between IFRS net income and base profit for shareholder return from the previous standard	

MS&AD Group Overview

Holding company

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

Domestic Non-Life

MS&AD Mitsui Sumitomo Insurance 

MS&AD Aioi Nissay Dowa Insurance 

MS&AD Mitsui Direct General Insurance  

Domestic Life

MS&AD Mitsui Sumitomo Aioi Life Insurance 

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

International

Non-Life Insurance

Regional Business

Asia

Europe

Americas

Telematics and Mobility

Head Office Reinsurance

Life Insurance

Financial Services

Risk-Related Services

Abbreviations of company names used in this presentation.

- MS&AD Holdings, Holding Company : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- MSI : Mitsui Sumitomo Insurance Co., Ltd.
- ADI : Aioi Nissay Dowa Insurance Co., Ltd.
- Mitsui Direct General, MD : Mitsui Direct General Insurance Co., Ltd.
- MSI Aioi Life, MSA Life : Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSI Primary Life, MSP Life : Mitsui Sumitomo Primary Life Insurance Co., Ltd.
- InterRisk, IRRC : MS&AD InterRisk Research & Consulting, Inc.
- MS&AD Ventures : MS&AD Ventures Inc.
- MS&AD Business Service : MS&AD Business Service Co., Ltd.
- Mitsui Sumitomo Insurance Capital : MITSUI SUMITOMO INSURANCE Venture Capital Co., Ltd.
- Mitsui Sumitomo DS Asset Management : Sumitomo Mitsui DS Asset Management Company, Limited
- MS Amlin : Sum of business segments including AUL, AAG, AISE and ACS
 - AUL MS Amlin Underwriting Limited
 - AAG MS Amlin AG
 - AISE MS Amlin Insurance SE
 - ACS MS Amlin Corporate Services Limited
 - ADH MS Amlin Distribution Holdings Inc)
- MSMM : Mitsui Sumitomo Marine Management (U.S.A.), Inc.
- MSIG Mingtai : MSIG Mingtai Insurance Co., Ltd.
- Transverse : Transverse Insurance Group, LLC
- MSR : MSR Capital Partners, LLC
- Aioi : Aioi Insurance Co., Ltd.
- NDI : Nissay Dowa General Insurance Co., Ltd.

Caution About Forward-Looking Statements

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

Main Points of Today's Presentation

- In fiscal 2022, the impact of incidental factors such as the frequent occurrence of natural catastrophes, the situation in Russia and Ukraine, and financial market fluctuations has been significant. However, the efforts to strengthen the earning power are making steady progress.
- We will enhance the earnings structure and increase capital efficiency to achieve sustainable growth in the future and continue to provide a stable shareholder return.

Three Drivers to Improve Earning Structure

Profitability improvement at MS Amlin	Improve profitability through portfolio enhancement in AUL (Lloyd's) and AAG (reinsurance) businesses
Reduction in operating expenses	Work together as a Group to improve efficiency in each area and accelerate reduction of operating expenses
Improvement of fire insurance profitability	Steadily enhance the portfolio and continue the efforts to improve profitability

Initiatives to achieve ROE targets

Improvement of capital efficiency	Sophisticate business management and promote capital allocation to highly efficient businesses
Reducing peak risks	Steady progress in initiatives to reduce strategic equity holdings and natural catastrophe risks

Shareholder Return Policy

- Interim dividend is planned at 100 yen. Year-end dividend is forecast at 100 yen, annual dividend at 200 yen (+20 yen year on year).
- Total annual dividend amount is planned at 107.1 billion yen, which is 63% of the Group Adjusted Profit forecast of 170.0 billion yen.

I . FY2022 1H Results and Revised Full-year Forecast

1. Progress Toward Numerical Management Targets and Forecast (Summary)

- Group Adjusted Profit in 1H of FY2022 decreased by 176.2 billion yen year-on-year to 7.4 billion yen due to frequent natural catastrophes, Russia-Ukraine situation, COVID-19 impact and financial market fluctuations.
- FY2022 full-year forecast is 170.0 billion yen for the Group Adjusted Profit and 140.0 billion yen for the net income.

(¥bn)

	Interim results				FY2022 Full-year forecast		
	FY2020 1H	FY2021 1H	FY2022 1H	YoY	Revised forecast	YoY	Change from the initial
Group Adjusted Profit	131.0	183.7	7.4	- 176.2	170.0	- 177.1	- 130.0
Domestic non-life insurance business	102.4	138.6	27.0	- 111.6	139.0	- 91.7	- 55.0
(excluding gain/loss from sale of strategic equity holdings)	(88.7)	(118.5)	(-1.4)	(-120.0)	(80.0)	(-93.5)	(-83.0)
Domestic life insurance business	36.2	29.6	16.6	- 13.0	28.0	- 47.7	- 10.0
International business	- 10.1	13.8	- 36.2	- 50.1	1.0	- 33.3	- 63.0
Financial services business/ Risk-related services business	2.5	1.4	0.0	- 1.4	2.0	- 4.3	- 2.0
Group Adjusted ROE	-	-	-	-	4.6%	- 4.9pp	- 3.0pp
Net Income/Losses	96.6	124.8	- 33.5	- 158.4	140.0	- 122.7	- 100.0
Consolidated net premiums written	1,869.0	1,928.5	2,095.4	166.9	3,870.0	260.9	117.0
Life insurance premiums ^{*1} (gross premiums)	541.0	665.4	772.4	107.0	1,390.0	75.5	99.0
EEV of MSI Aioi Life ^{*2}	914.1	1,012.1	874.7	- 137.4	910.0	- 13.6	- 60.0
ESR (Economic Solvency Ratio)	209%	254%	223%	-31%	—	—	—

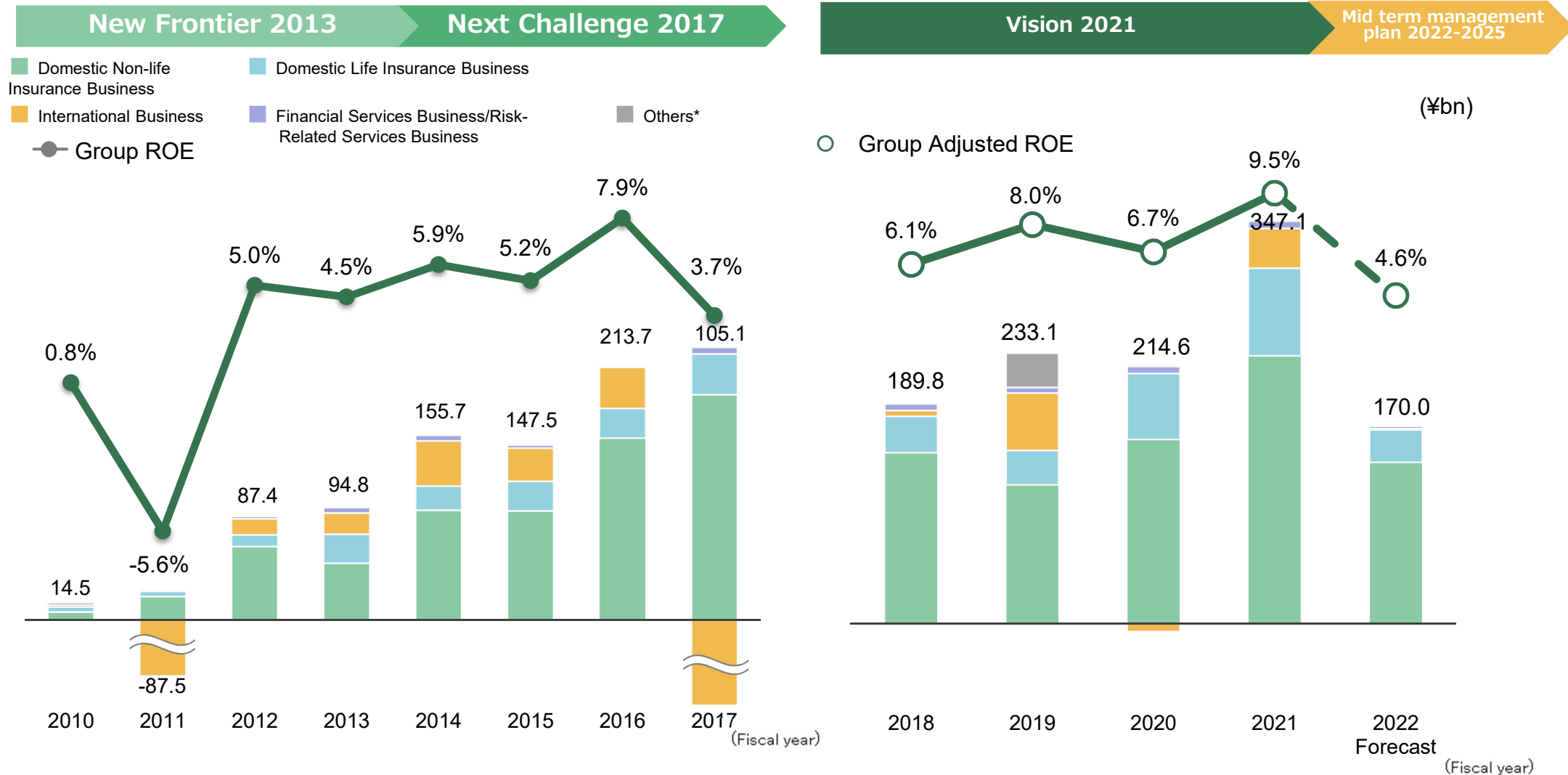
*1 Gross premiums income is for domestic life insurance subsidiaries only.

*2 A part of EEV figures for 1H are calculated with a simplified method.

2. Progress Toward Numerical Management Targets (Group Adjusted Profit and Group Adjusted ROE)

Group Adjusted Profit and Group Adjusted ROE

<Reference> Group Core Profit and Group ROE



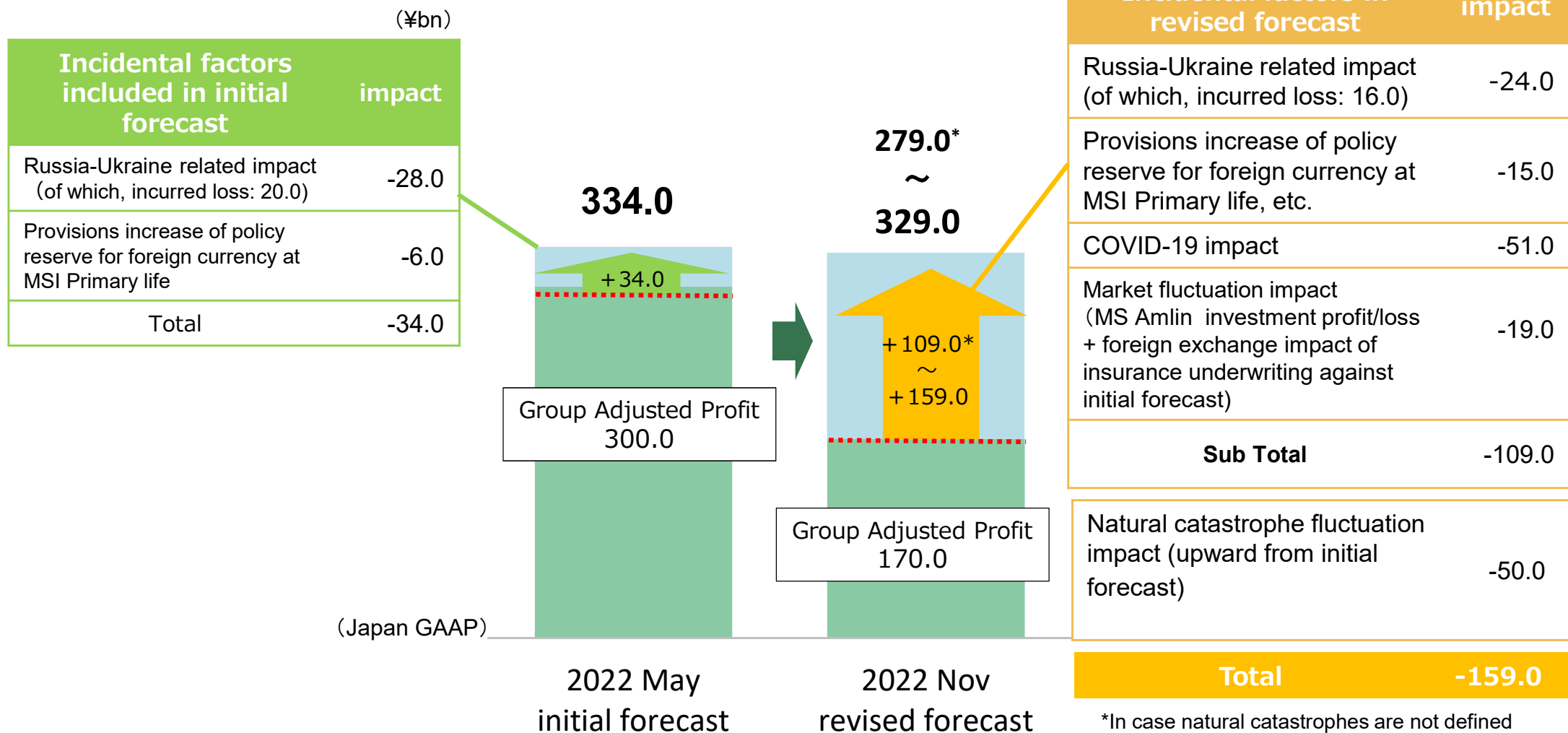
*Decrease in income taxes paid in FY2019 among the effects of reorganization of international business of MSI

3. Profit Excluding Incidental Factors: (1) Impact of Incidental Factors (Summary)

- The progress of the profit excluding incidental factors has been going well as planned, and the basic earning power has been maintained.

Group Adjusted Profit excluding incidental factors

(¥bn)



*In case natural catastrophes are not defined as incidental factors

3. Profit Excluding Incidental Factors: (2) Impact of Natural Catastrophes

- In first half-year of FY2022, there was a large impact of domestic and overseas natural catastrophes. Domestic natural catastrophe losses were 89.9 billion yen, and overseas natural catastrophe losses were 54.0 billion yen.

The impact of natural catastrophes in FY2022

Impact of domestic natural catastrophes

(¥bn)

	Incurred losses			Incurred losses	(Ref: 2022 2Q)
	FY2021 2Q Results	FY2022 2Q Results	YoY Change	FY2022 Forecast	before reinsurance
Mitsui Sumitomo Insurance	18.6	49.4	30.8	57.5	Hail in June 39.4
Aioi Nissay Dowa Insurance	12.7	40.4	27.7	47.5	Typhoon No14 41.5
					Typhoon No15 21.7
Total	31.3	89.9	58.5	105.0	

Impact of overseas natural catastrophes

(¥bn)

	Incurred losses			Incurred losses	(Ref 2022 2Q)
	FY2021 2Q Results	FY2022 2Q Results	YoY Change	FY2022 revised Forecast	
Aioi Nissay Dowa Insurance	21.8	20.4	- 1.3	29.3	Hurricane Ian 44.2
MS Amlin	9.6	5.6	- 4.0	40.7	in North America
Other (MSI, overseas subsidiaries, Consolidation adjustments *1)	- 6.9	1.3	8.3	1.7	
Additionally booked nat. cat. losses at overseas subsidiaries*2	32.4	26.5	- 5.9	-	
Total	57.0	54.0	- 3.0	71.7	

* 1 "Consolidation adjustments" is the reversal of the estimated North American cold wave losses of February 2021 that were additionally booked in the consolidated financial statements for FY2020.

*2 Additionally booked in 2Q FY2022, these losses at overseas subsidiaries are related to Hurricane Ian that occurred in FY2022 3Q (Jan.-Dec. reporting basis) (of which, MS Amlin: 26.1 billion yen).

* The scope of overseas natural catastrophes aggregation is on the Group' internal basis.

3. Profit Excluding Incidental Factors: (3) Impact of COVID-19

- The first half-year of fiscal 2022 was affected by the spread of COVID-19 in Japan, as well as the expansion of COVID-19-related claims in Taiwan.
- COVID-19 losses were 29.2 billion yen in the domestic non life insurance, 11.3 billion yen in the domestic life insurance and 9.0 billion yen in the international business (MSIG Mingtai).

COVID-19 losses in FY2022

Insurance payments related to COVID-19 at major subsidiaries (Incl. claims reserves) (¥bn)

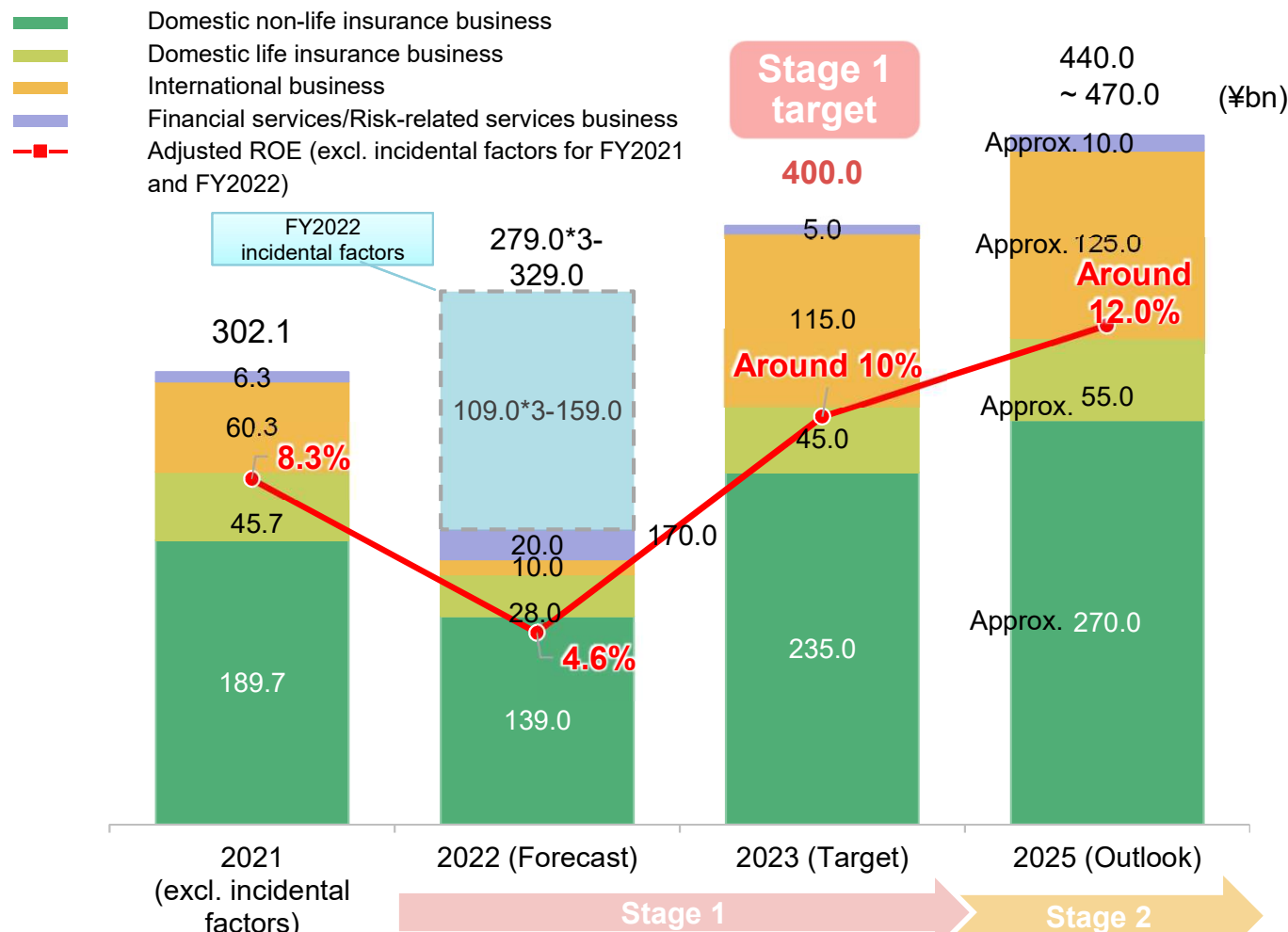
	FY2021 2Q	FY2022 2Q	YoY change	Full-year forecast (Revised)
(Domestic non-life insurance subsidiaries)				
Mitsui Sumitomo Insurance	2.4	20.6	18.2	22.2
Aioi Nissay Dowa Insurance	1.6	8.6	6.9	9.3
Sub total	4.0	29.2	25.2	31.5
(Domestic life insurance subsidiaries)				
MSI Aioi Life	1.3	11.3	10.0	17.3
(Overseas insurance subsidiaries)				
MSIG Mingtai(Taiwan subsidiary)	—	9.0	9.0	20.0
Grand Total	5.3	49.5	44.2	68.8

II. Numerical Management Targets and Strategy of Mid-term Management Plan (2022-2025)

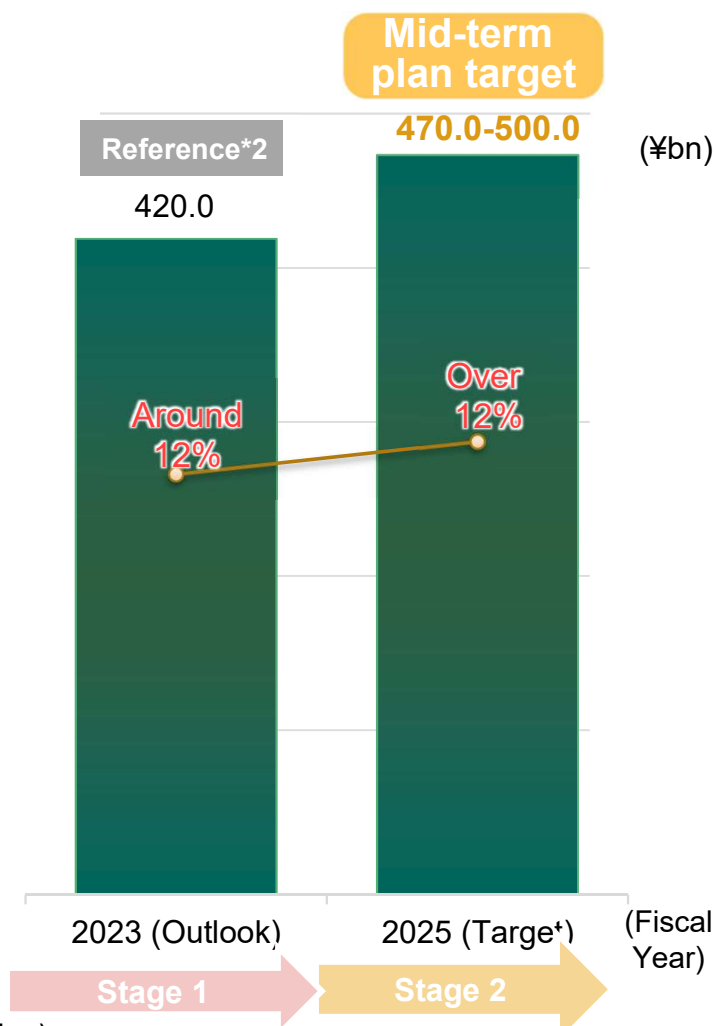
1. Progress of Quantitative Targets

- There is no change in the target of IFRS net income of 470 billion ~ 500 billion yen and IFRS adjusted ROE * 1 of at least 10% on a consistent basis in fiscal 2025.
- Although fiscal 2022 will be affected by incidental factors, we will continue to strengthen our basic earning power and steadily advance our plans for fiscal 2023 and beyond.

Group Adjusted Profit · Adjusted ROE (Japan GAAP)



IFRS net income, Adjusted ROE



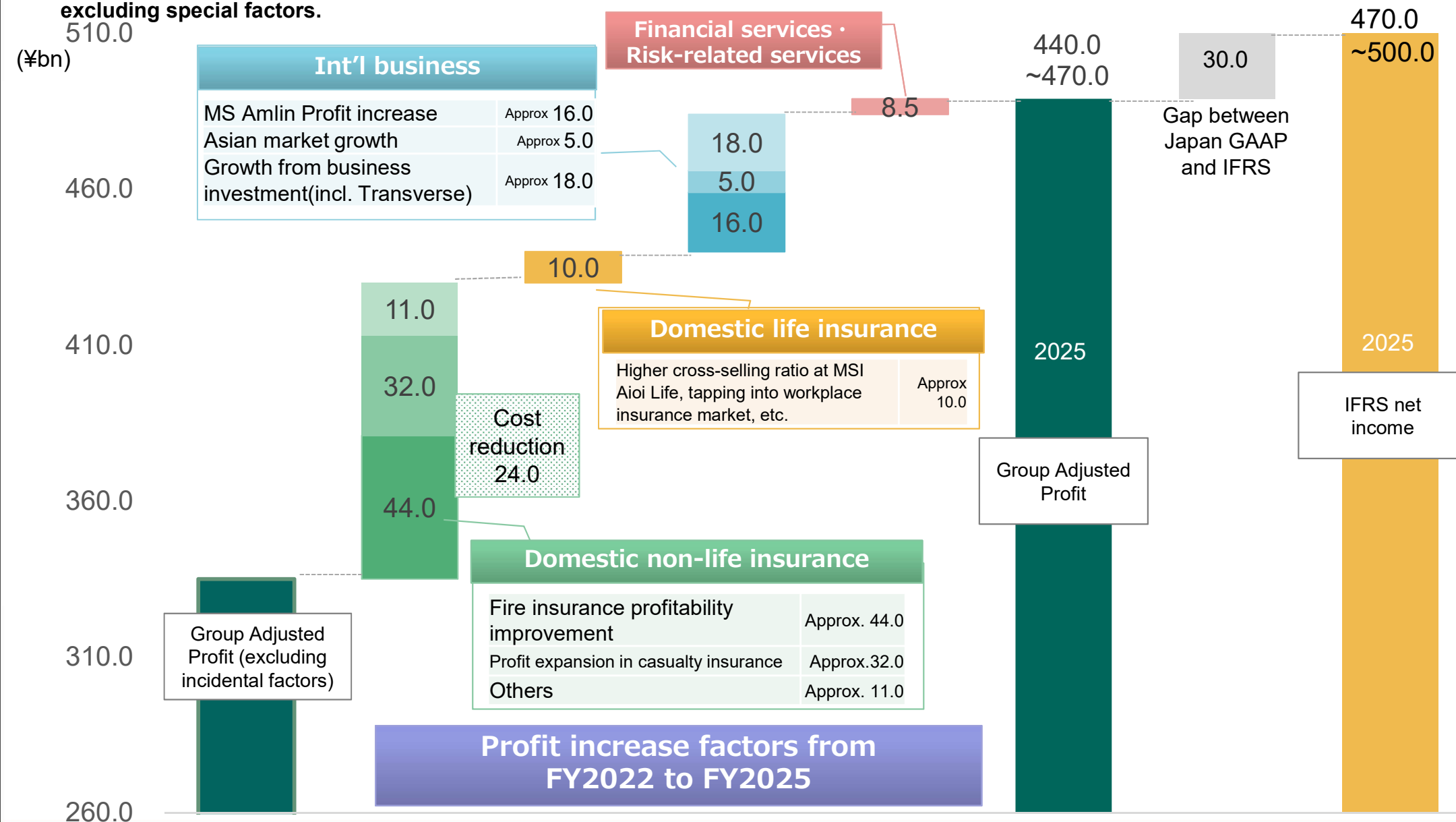
*1 Adjusted ROE on IFRS basis: Net income on IFRS basis ÷ (net assets on IFRS basis - unrealized gain/loss from strategic equity holdings)

(Since, under IFRS, gain/loss on sale of strategic equity holdings is no longer included in net income, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net income) used to calculate ROE.)

*2 This figure is for reference as the IFRS will be applied from FY2024. *3 In case natural catastrophes are not defined as incidental factors

2. Structure to Achieve the Profit Target

- FY2022 result is expected to be lower than planned at the beginning of the year due to the frequent occurrence of natural catastrophes in Japan and abroad and financial market fluctuations.
- There will be no change in the achievement structure for fiscal 2023 and beyond, thanks to the efforts to strengthen the earning power excluding special factors.



3. Three Drivers to Improve Earning Structure: (1) MS Amlin (i) Summary-1

- Due to portfolio enhancements realized to date, we expect an underwriting profit of 108 million pounds for FY2022 excluding the underwriting impact of the Russian invasion of Ukraine (11 million pounds if that impact is included). The underlying profitability has recovered significantly.
- The non-cat loss ratio in FY2022 has been improving, even including the Russia-Ukraine impact.

FY2022 underwriting profit (Forecast)

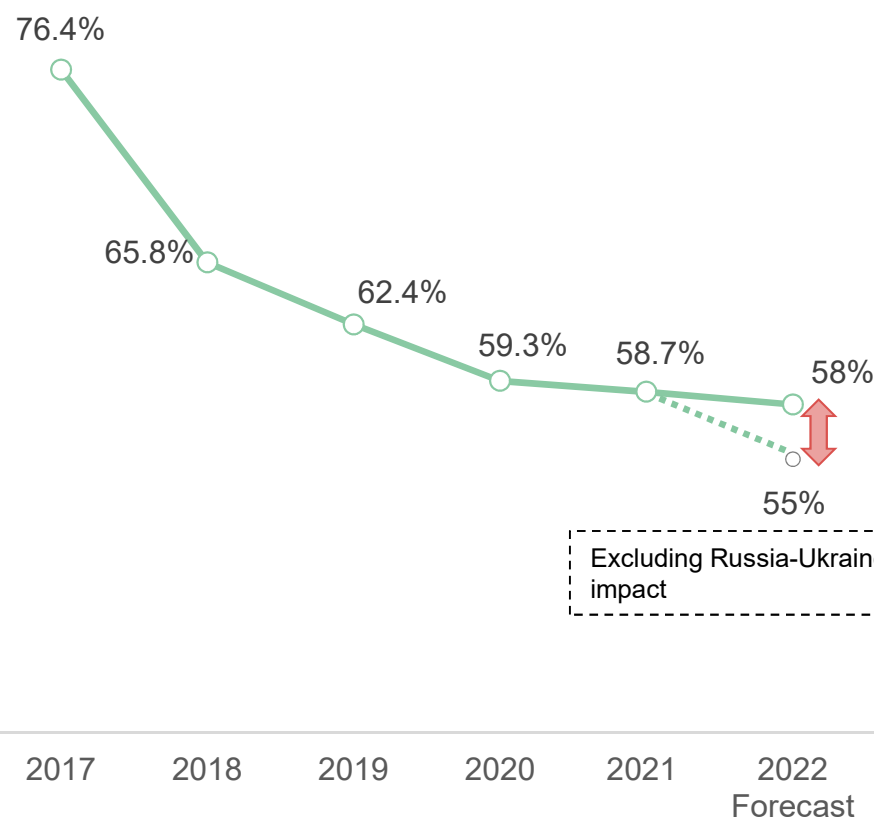
(£mn)

	FY2021	FY2022 Forecast
Net premiums written	2,814	3,217
Earned premiums	2,665	2,987
Incurred losses (Including claim adjustment expenses)	1,944	2,003
Underwriting profit	- 197	108 ^{*1}
(Including Russia-Ukraine impact)		(11)

Major incurred losses	FY2021	FY2022 Forecast (vs. initial)
Russia-Ukraine	-	97 (-29)
Natural catastrophes	296	252 (+92)

*1 Excluding Russia-Ukraine impact

Non-cat risk loss ratio improvement*2



*2 Excluding COVID-19 impact

3. Three Drivers to Improve Earning Structure: (1) MS Amlin (i) Summary-2

Achievement of medium-term management plan “Vision 2021”

AUL: Non-cat risk remediation largely completed
AAG*: Strengthening of reserves for prior period policies completed
AISE: Build up strong foundation to produce consistent profits

Going
Forward

**Evolving strategy leveraging three entities’ strengths in
Lloyd’s, reinsurance and Continental Europe direct business**

AUL
(Lloyd’s)

Pursue profitable growth by leveraging the MS Amlin brand's name recognition and network, as well as its expertise and know-how, and aim to become one of the top syndicates in both scale and profitability at Lloyd's.

AAG*
(Reinsurance)

Based on our global operating base, restructure the portfolio to focus on client-based profitability and secure stable earnings with ROE of over 10%.

AISE
(Continental
Europe Direct)

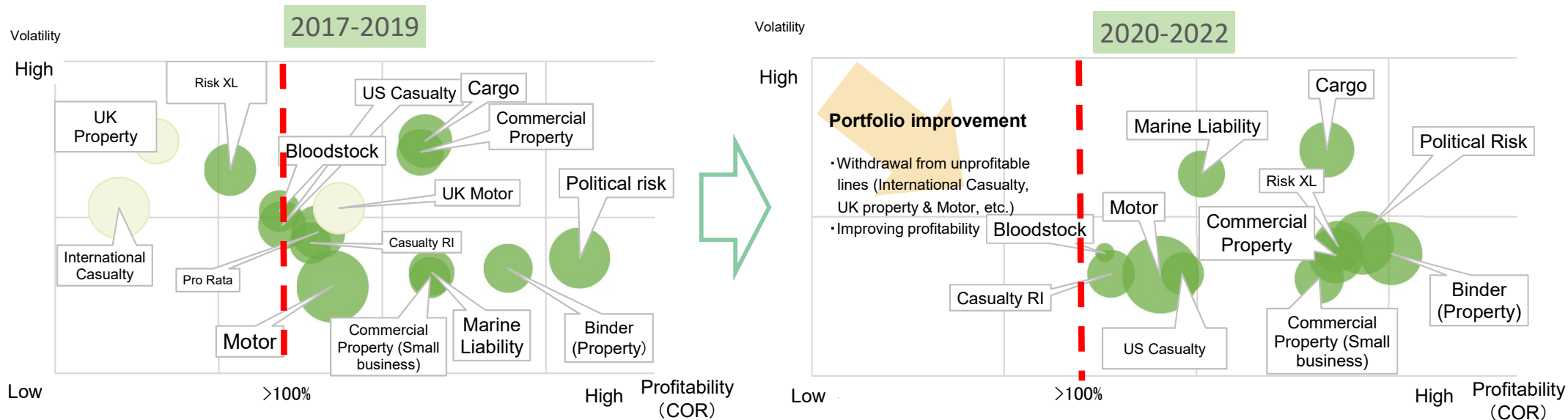
Pursue profitable growth through expansion in marine and niche areas, where AISE holds significant strengths and expertise.

*In Sep 2022, New brand “MS Reinsurance” has been introduced and used thereafter.

3. Three Drivers to Improve Earning Structure: (1) MS Amlin (ii)AUL Strategy

- We will continue to improve our portfolio through selective underwriting, while controlling natural catastrophe risks. We will expand underwriting in non-cat lines, particularly focusing on profitable specialty lines.
- In particular, for natural catastrophes in North America, we will reduce underwriting exposure in FY2023 relative to the previous year.

Profitability remediation



FY2023 Plan

FY2022 Plan(UWD year)

Underwriting profit

Almost same amount

Natcat Risk
Return period 10 years

FY2023 Plan(UWD year)

Underwriting profit

Natcat risk
Return period 10 years

60% level

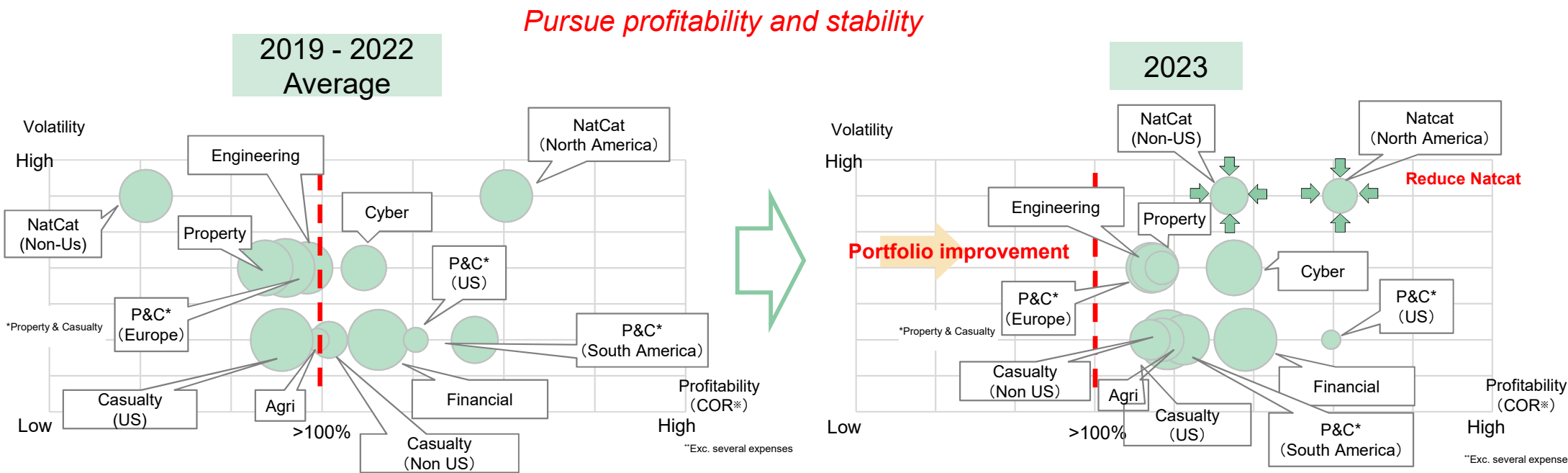
Expect to secure underwriting profit even if certain level of natural catastrophes will occur

*Combined ratio

3. Three Drivers to Improve Earning Structure: (1) MS Amlin (iii)AAG (MS Reinsurance) Strategy

- Under the new CEO, who was appointed in January 2022, the company is developing its business foundation and restructuring its portfolio.
- We are reducing the share of underwriting natural catastrophe risk to control earnings volatility.
- Non-cat lines including agriculture and financial lines, etc will be carefully expanded to, which have a high risk diversification effect, with the aim of improving profitability.

Portfolio reform direction



<NatCat risk strategy>

Concentrate provision of capacity to customers with multi-line transactions
(Ensuring appropriate revenue per customer)

*Combined ratio(excluding several expenses)

<US NatCat reinsurance inward exposure (against FY2021)>

2022 Renewal	June Renewal (Florida)	July Renewal (North east)
AAG (MS Reinsurance)	-75%	-25%

3. Three Drivers to Improve Earning Structure:

(2) Operating expenses reduction (i) Group-wide

- 46.0 billion yen reduction by FY2025 was planned, and 13.0 billion yen (28% of the target) reduction is expected to be achieved in FY2022.

Progress in reducing operating expenses

	FY2021 Result	Mid term plan targets (~FY2025)	Reduction rate	FY2022	Major initiatives
Personnel expenses	320 billion yen	-20 billion yen	-6%	-6 billion yen	<ul style="list-style-type: none"> ▪ Achieving workforce efficiency through DX promotion
Workforce*1 efficiency projection	35,500 person	-6,300 person	-18%	-1,900 person	<ul style="list-style-type: none"> *Includes redeployment of personnel to growth areas
Non-personnel expenses	370 billion yen	-16 billion yen	-4%	-3 billion yen	<ul style="list-style-type: none"> ▪ Reducing printing and logistics costs by promoting paperless operations ▪ Reducing travel and policy expenses by promoting DX
Projected reduction in the number of divisions*2	1,550 divisions	-300 divisions	-19%	-220 divisions	<ul style="list-style-type: none"> ▪ Reducing real estate costs by consolidating locations (including abolition of division system and consolidation of departments and branches)
Others	690 billion yen	-10 billion yen	-1%	-4 billion yen	<ul style="list-style-type: none"> • Curbing cost increases associated with higher fire insurance rates
Total	1,380 billion yen	-46 billion yen	-3%	-13 billion yen	

*1 Including temporary employees

*2 Total of MS and AD marketing and claim department

3. Three Drivers to Improve Earning Structure

(2) Operating expenses reduction (i) One Platform

- We promote a One Platform strategy to further reduce operating expenses, implementing standardization, collaboration, and integration for areas other than those listed in “Remaining differences for strategic purposes.”



Remaining differences for strategic purposes

Claims	Systems related to telematics auto insurance
Products	Products for telematics auto insurance and for specific market channels
Operation	Office operation for large organizations and dedicated operation for specific channels and markets

Standardization, collaboration and integration initiatives

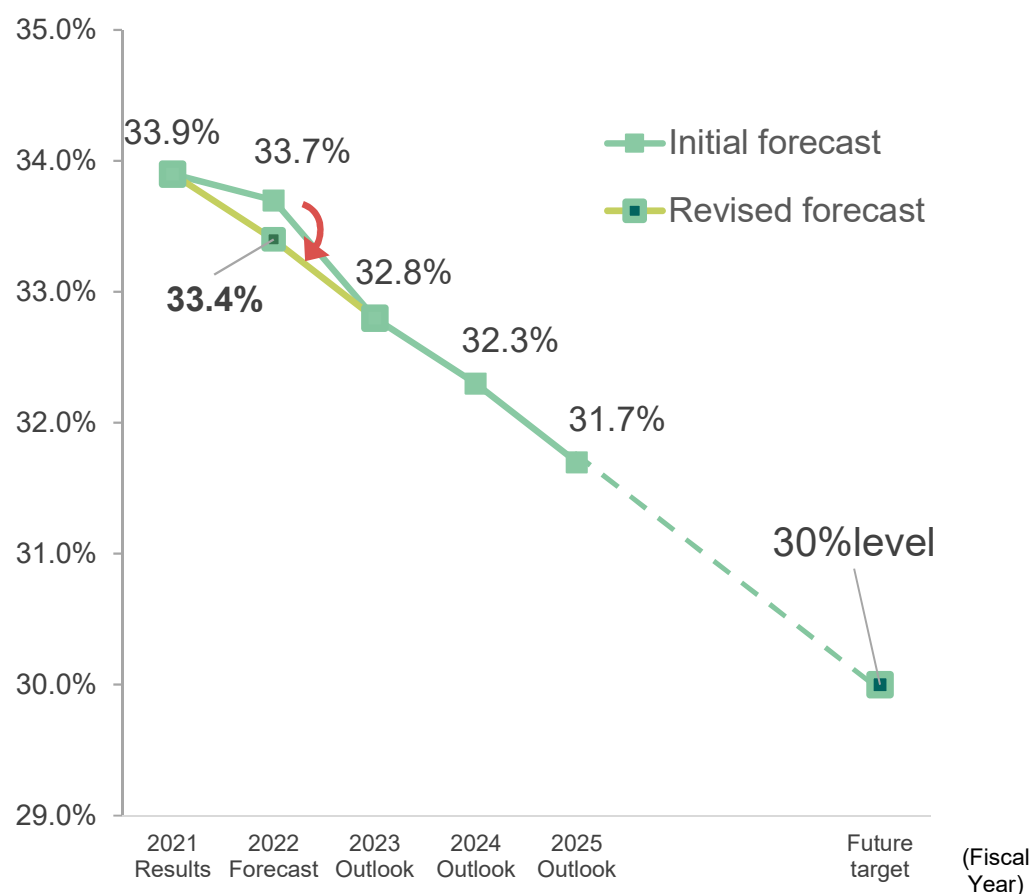
Claims	<ul style="list-style-type: none"> ➤ Sharing SC locations ahead of standardization of operations and merger of the joint claims services system of MSI and ADI in FY2025 ➤ Start the double duty of planning staff of claim section
Products	<ul style="list-style-type: none"> ➤ Standardize the products other than those listed in “Remaining differences for strategic purposes” ➤ In line with the standardization of products, office sharing will be considered to promote business collaboration.
Operation	<ul style="list-style-type: none"> ➤ Reorganize the MS&AD Business Services organization from company- to function-based on the premise of standardized office work, and increase outsourcing to the company
Contact center	<ul style="list-style-type: none"> ➤ Integration of CALI desks, non-voice response, agency help desks subcontractor, education and training, cohabitation of offices
Training	<ul style="list-style-type: none"> ➤ Consideration of the feasibility of integrated operation into a holding company
Industry related	<ul style="list-style-type: none"> ➤ Reciprocal concurrent business (Industry response, research)

3. Three Drivers to Improve Earning Structure

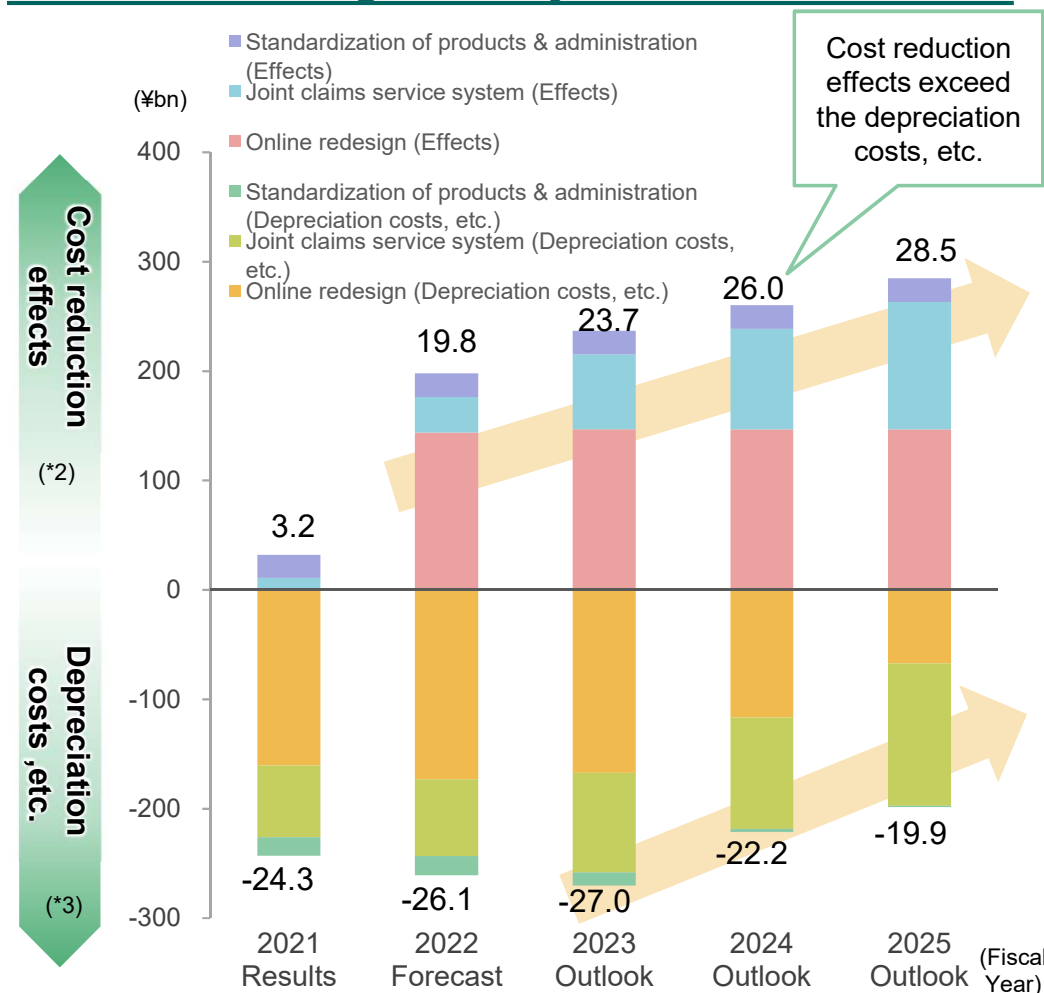
(2) Operating expenses reduction (iii) Domestic non-life insurance

- The full-year forecast for the expense ratio has been revised (from 33.7% to 33.4%) due to a steady progress in reducing the expense ratio at two core domestic non-life insurance companies.
- We will make steady progress in various initiatives to achieve the 30% target level for the expense ratio.

Improvement of expense ratio*1



Effects of large-scale system investments



*1 Sum of non-consolidated figures of MSI and ADI

*2 Conversion of expected workload reductions due to business streamlining into expenses

*3 Including depreciation and amortization + system development costs / operating costs (expense processing amount), costs to deal with aging servers

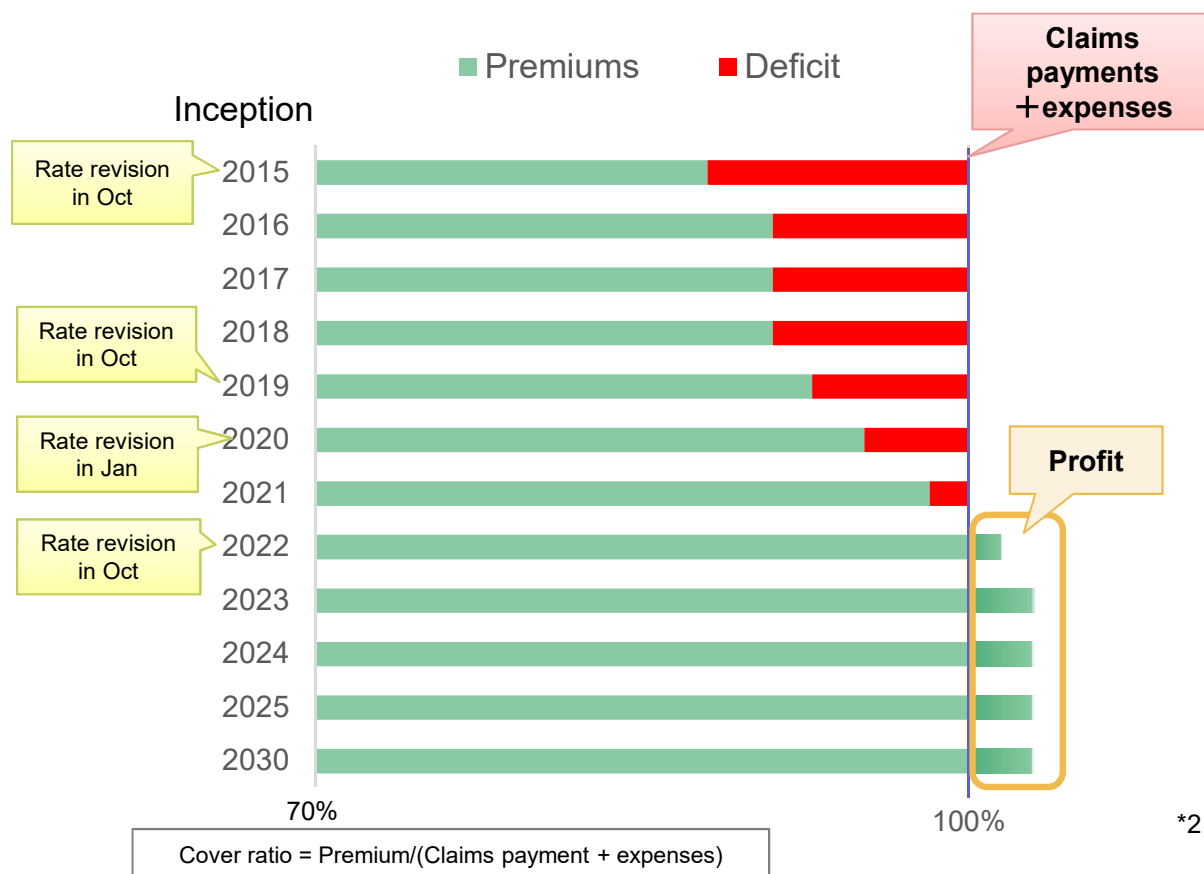
3. Three Drivers to Improve Earning Structure

(3) Improvement of fire insurance profitability (i) Portfolio enhancement

- The improvement of the portfolio through the revision of products and rates in the past has been steady progressing.
- We will continue to steadily incorporate the effects of the product and rate revisions and work to improve our profitability.

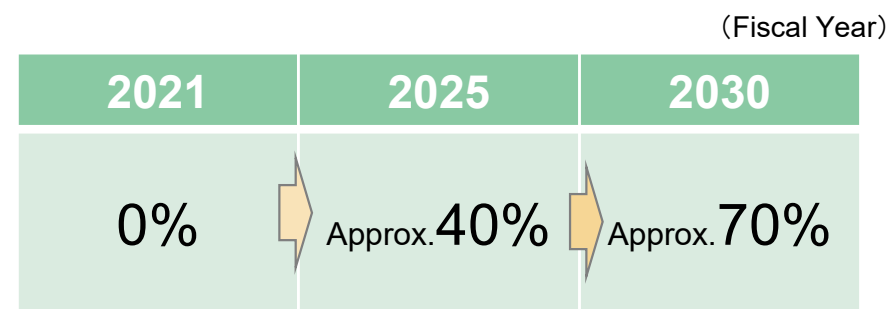
Portfolio improvement

Fire insurance profitability by policy inception year*1



*1 It is an image, and the length of the graph is not based on the real figure.

The percentage of policies to which revised rates (from Oct 2022) apply*2



While the percentage of policies to which revised rates (from Oct 2022) apply will be increasing, the portfolio will be improving as well

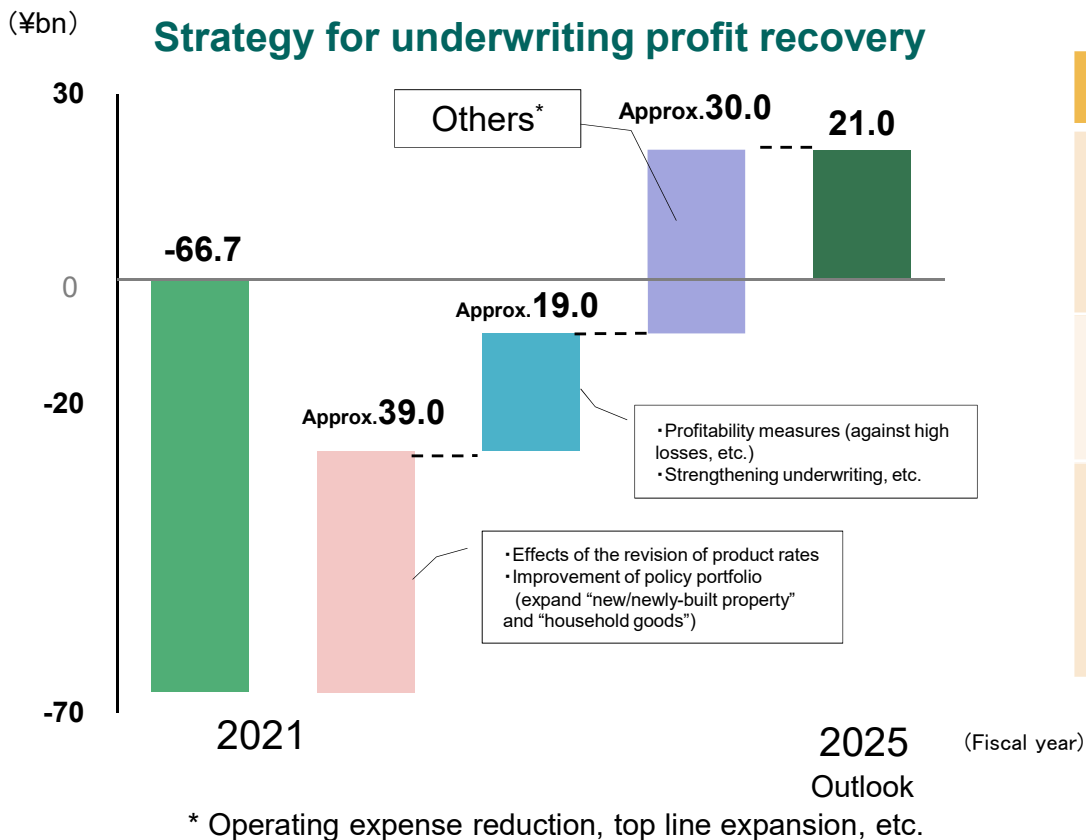
*2 In major personal fire products ("GK Sumai Insurance," "Tough Sumai Insurance," "My Home Pittatto"), the percentage of the total number of policies to which each rate applies. Total sum of MSI and ADI calculation (rough estimation image).

3. Three Drivers to Improve Earning Structure :




(3) Improvement of fire insurance profitability (ii) Achievement structure and initiatives

- Toward the return to profitability, the effect of the revision of rates/products and various initiatives for earning improvement has been steadily progressing.

Achievement structure for fire insurance profitability



Progress in efforts to improve profitability

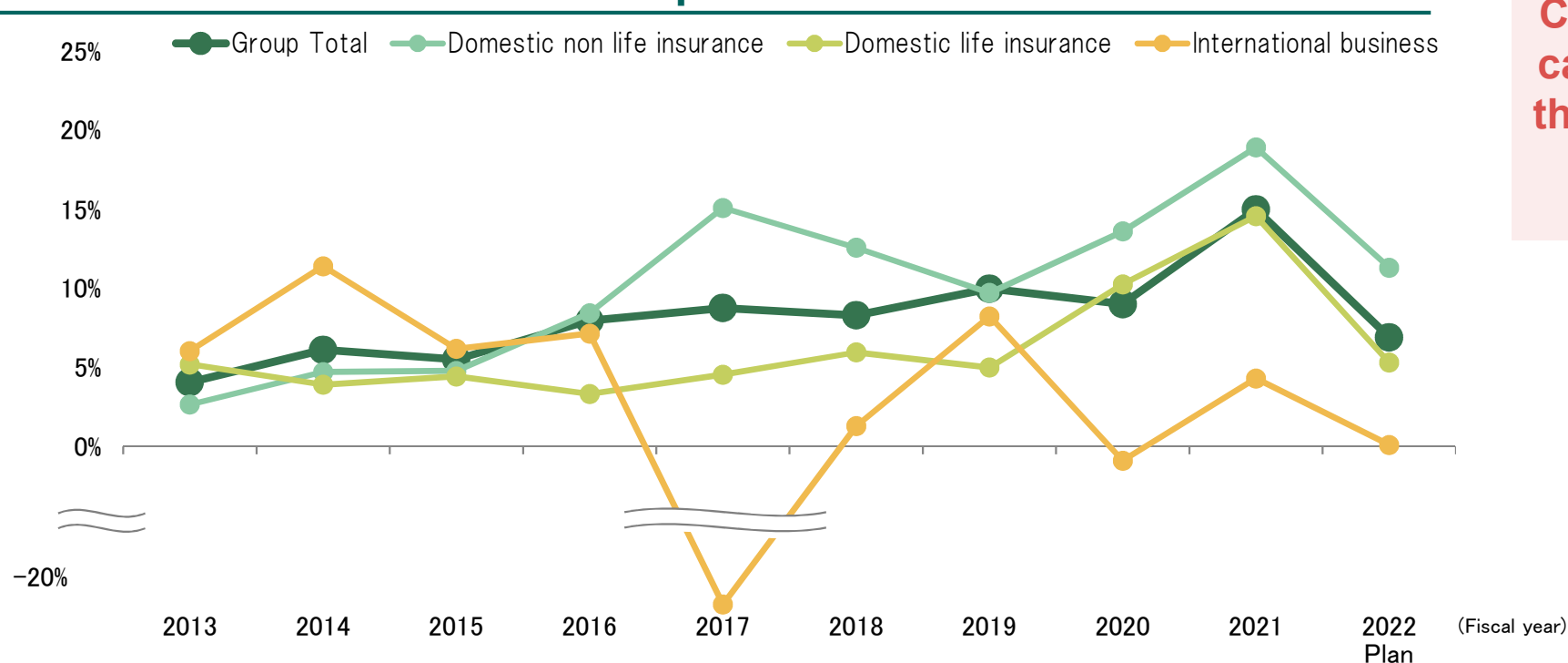
Specific initiatives	Status of initiatives
 Strengthening measures for high-loss policies	<ul style="list-style-type: none"> Promote the use of disaster-affected equipment repair services to reduce insurance payouts through early recovery
 Eradication of fraudulent claims	<ul style="list-style-type: none"> List specific vendors and strengthen efforts to eliminate fraudulent claims
 Loss ratio improvement for condominium union policies	<ul style="list-style-type: none"> El loss ratio excluding natural catastrophes improved by 5.6 points from the previous year: 72.5% to 66.9% (past 1 year data at the end of September) At October 2022 revision, raised a minimum deductible applied to water leakage accidents, etc.

4. Achieving ROE Targets: (1) 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

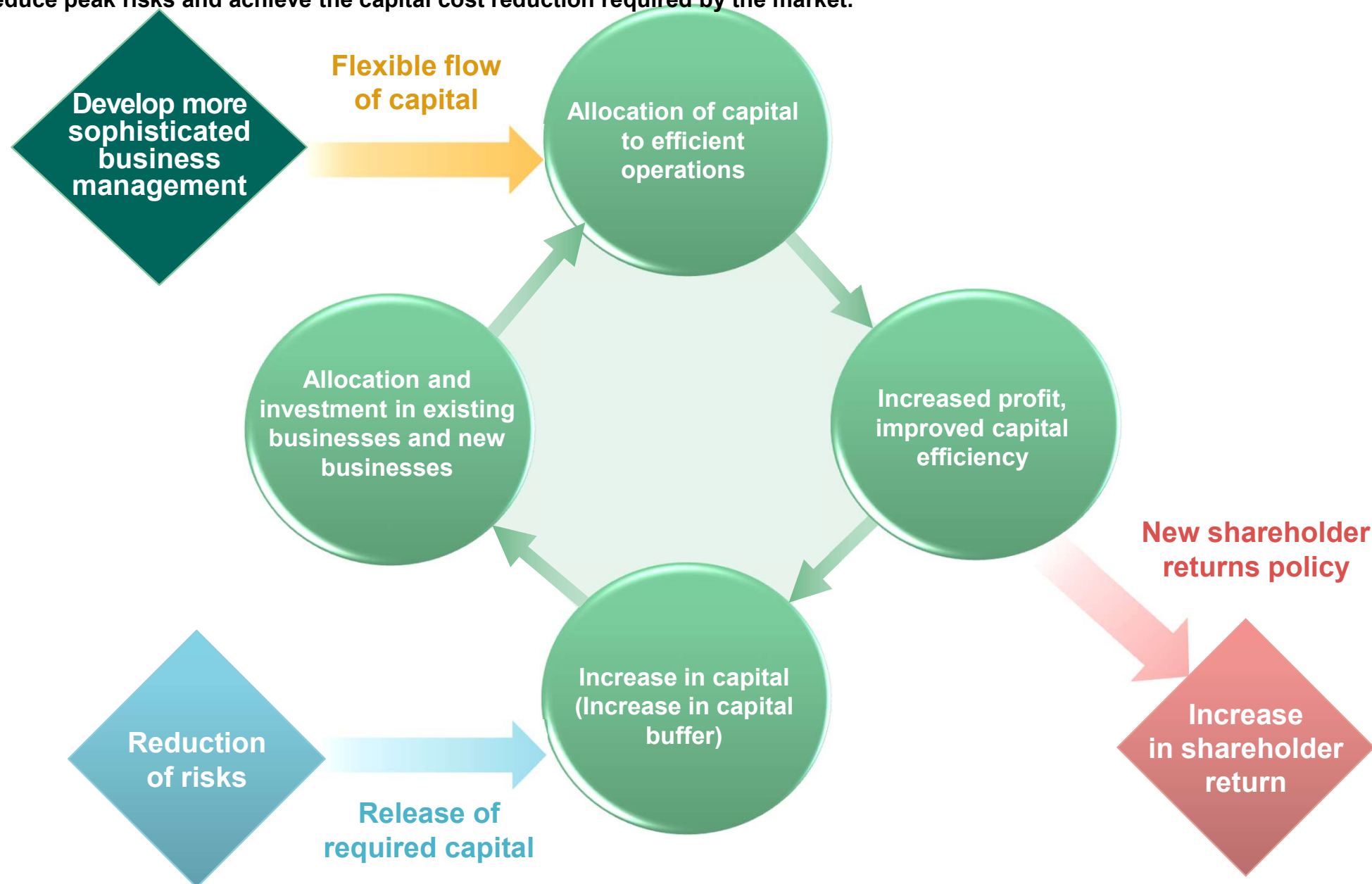
*1: Calculation method of Group Adjusted ROE, Group Adjusted Profit and Adjusted Net Assets is on p.99.

*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. .

4. Achieving ROE Targets: (2) Initiatives to Improve Capital Efficiency

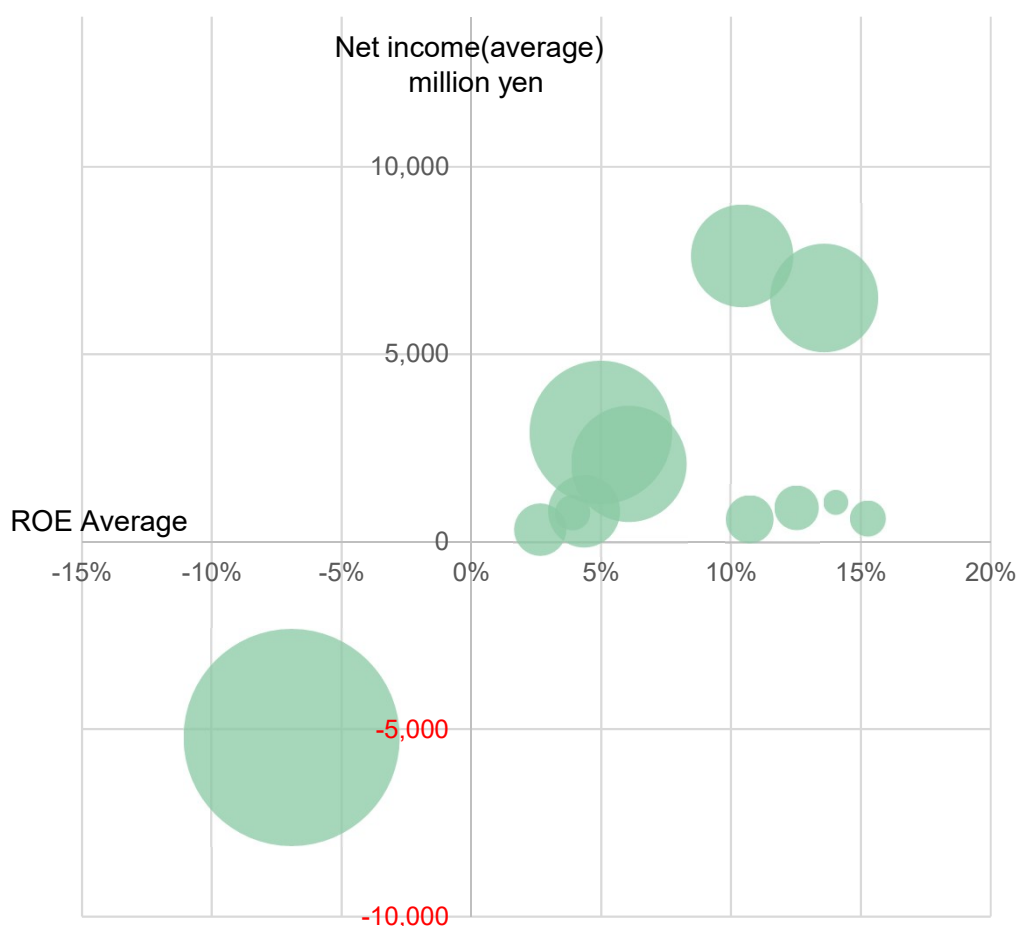
- Work on sophisticating business management and flexibly allocate capital to more capital-efficient businesses.
- Reduce peak risks and achieve the capital cost reduction required by the market.



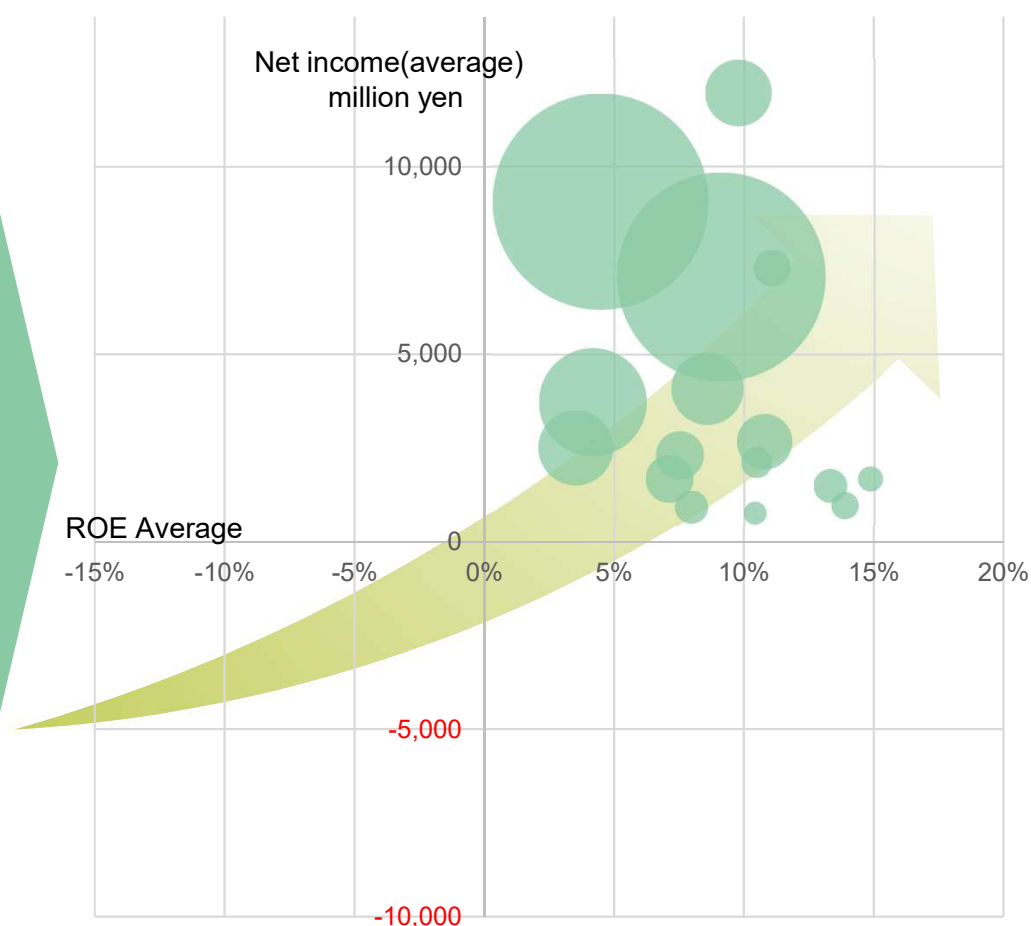
4. Achieving ROE Targets: (3) Initiatives to Sophisticate Business Management

- Started initiatives to sophisticate business management from overseas subsidiaries.
- To improve ROE, we will identify issues for each business domain, take steps to resolve them, and increase profit scale. We will flexibly review our initiatives in response to changes in the external environment.

Previous mid-term management plan (2018-2021)



Current mid-term management plan(2022-2025)

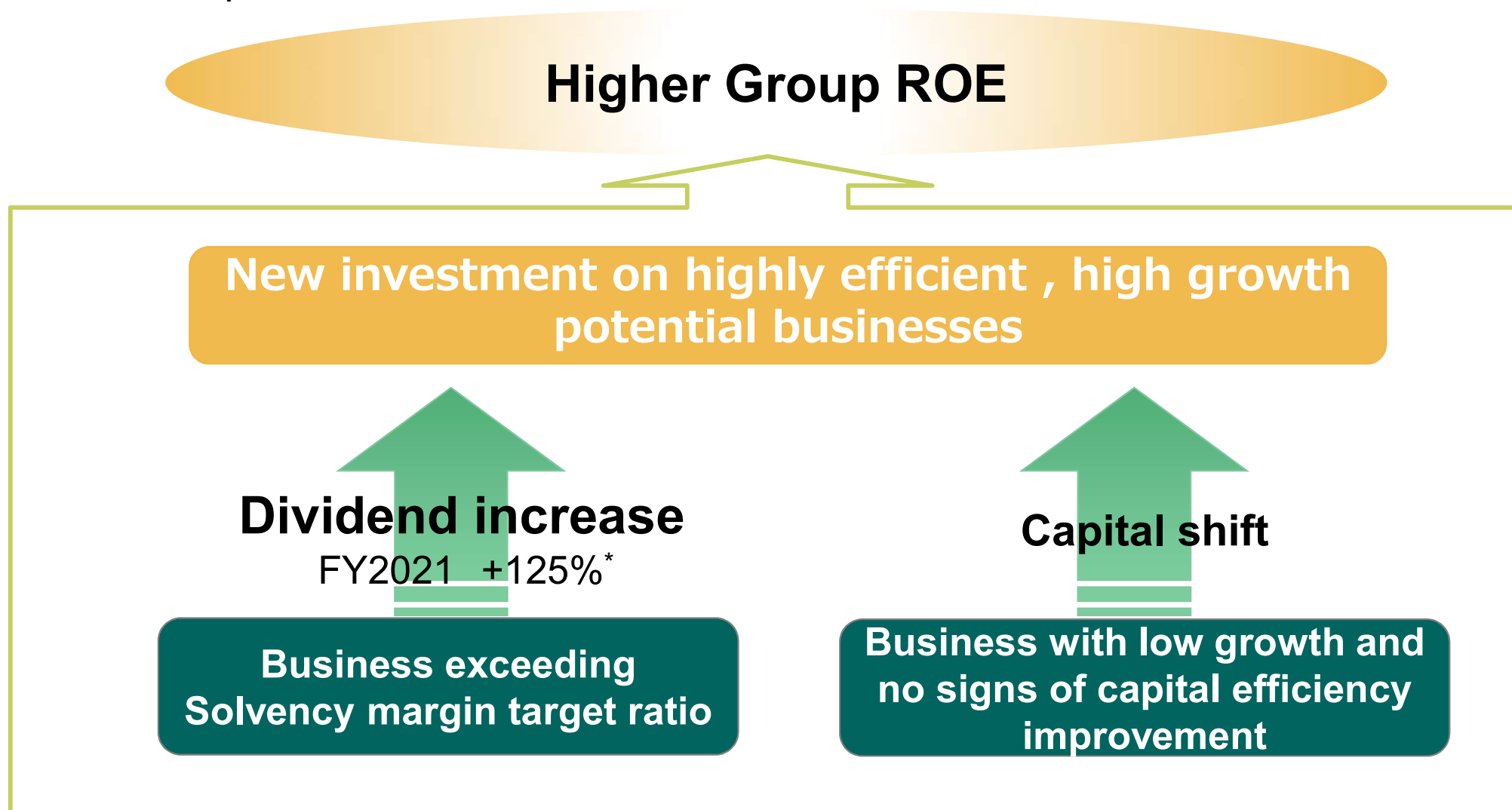


Bubbles show overseas main subsidiaries.

Bubble size: Increase in net income (from the first fiscal year to the last fiscal year of the mid-term plan)

4. Achieving ROE Targets: (4) Allocate capital to highly efficient businesses

- As for the overseas subsidiaries with low growth that show no sign of improvement, we consider the withdrawal. We also take dividend from them when the target range for solvency margin ratio is exceeded. By doing so, we will shift the capital to highly efficient businesses, such as highly profitable existing businesses and new businesses with high growth potential. This will lead to improvement of ROE.



*Excluding the subsidiaries with declined dividend due to incidental factors

4. Achieving ROE Targets: (5) Reduce Peak Risks (i) Reducing strategic equity

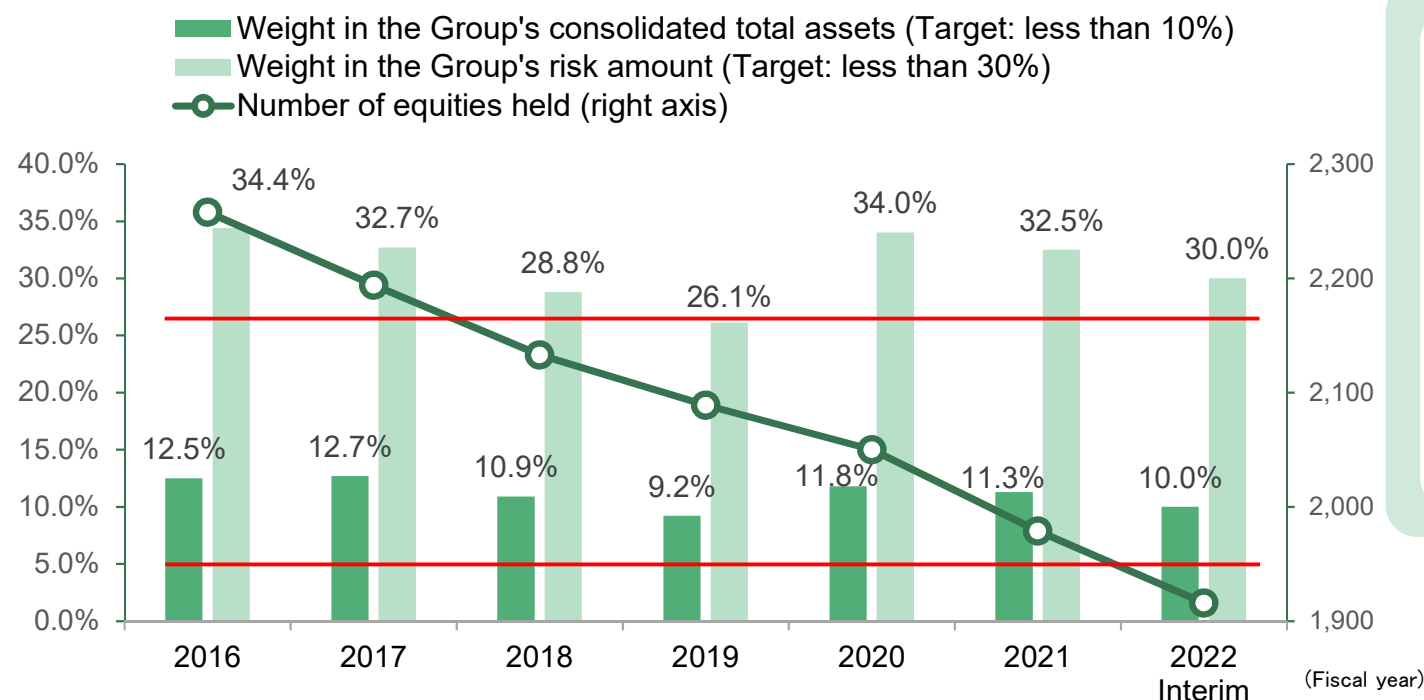
- We are making positive efforts to reduce our strategic equity holdings, taking into account the appropriateness of holding and the market environment, and we will increase FY2022 reduction target to 150 billion yen per year and accelerate the pace of reduction going forward.

Reduction of strategic equity holdings

- Targets of the 2022-2025 Medium-Term Management Plan (disclosed in May 2022)

Continue annual reduction of 100 billion yen, for a cumulative total of 400 billion yen or more during the mid-term period

Aim for less than 10% for the weight in total consolidated assets and less than 30% for the weight in the risk amount



Additional Reduction

- (1) Reduction target for FY2022
Raised from 100 billion yen to 150 billion yen
- (2) Future target
Halving the market value (compared with end of September 2022)
(Approximately 20% of IFRS net assets)

4. Achieving ROE Targets: (5) Reduce Peak Risks (ii) Natural catastrophe risks

- To reduce the risk of overseas natural catastrophes, efforts were made to reduce the negative impact on earnings plans by 20% compared to the previous year.
- The effect of the risk reduction was the reduction of assumed losses related to U.S. hurricanes.

Efforts to reduce natural catastrophe risks

- Reduction of underwriting exposure
- Strict underwriting selection
- Strengthening risk control by reviewing ceding reinsurance

Example 1:

Reduction rate for North American wind and flood risks for AUL and AAG (recurrence period: 10 years)

	North American wind and flood risks (2021 to 2022)
AUL and AAG Total	About 20%

Example 2:

Reduction rate for the U.S. wind and flood risks for ADI's inward reinsurance (return period: 10 years)

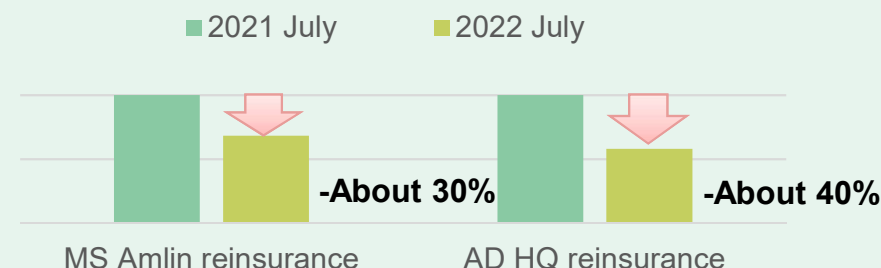
	Wind and flood risks in the United States (2021 to 2022)
ADI Reinsurance	About 40%

Effects of reduction

- The Group's estimated net loss reduction

Example: Hurricane Ida, USA (a major hurricane in 2021)
re-occurrence scenario

Estimated net loss in July 2021 indexed as 100



Although the market loss forecast for Hurricane Ian in the current fiscal year is about 2 times larger* than that for Hurricane Ida, the net loss forecast for AUL and AAG is about 1.2 times larger and the net loss forecast for ADI is about 1.3 times larger.

*projections by modeling firm RMS

Direction of future responses

- We will continue to reduce the overall risk of overseas natural catastrophes and the amount of retained risk for the U.S. wind and flood risk, which is the peak risk.

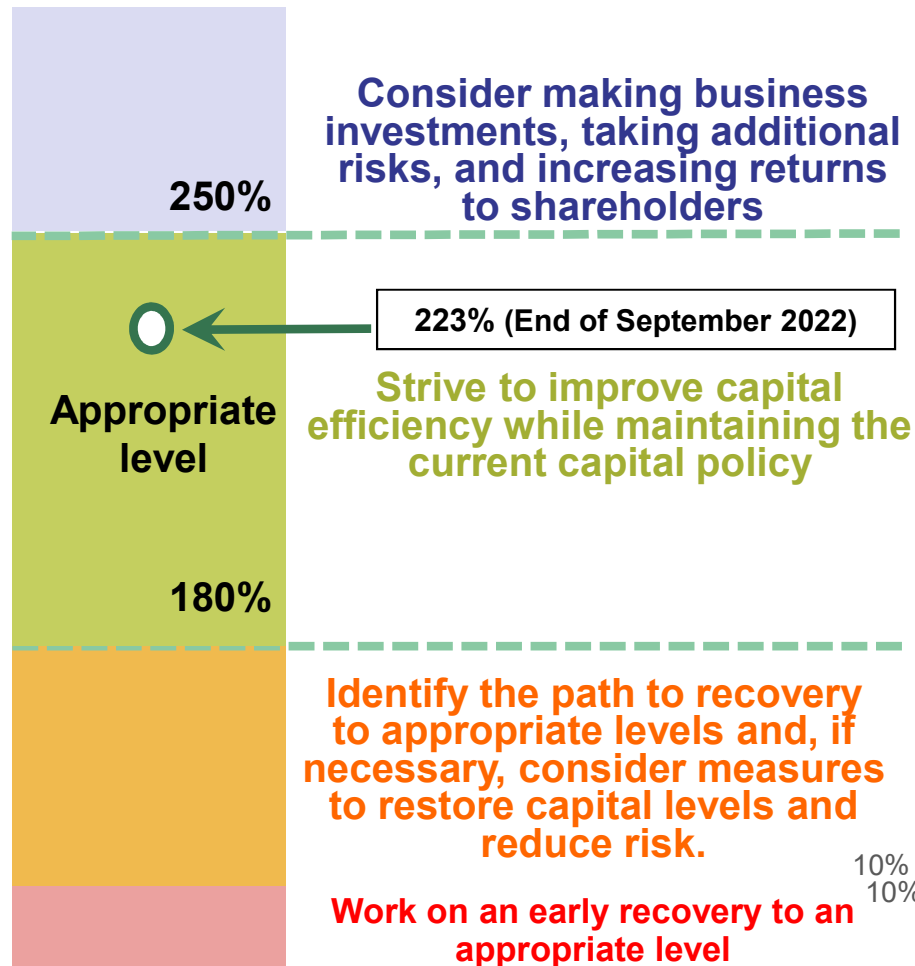
Ⅲ. Capital Status and Shareholder Return

1. ESR Status

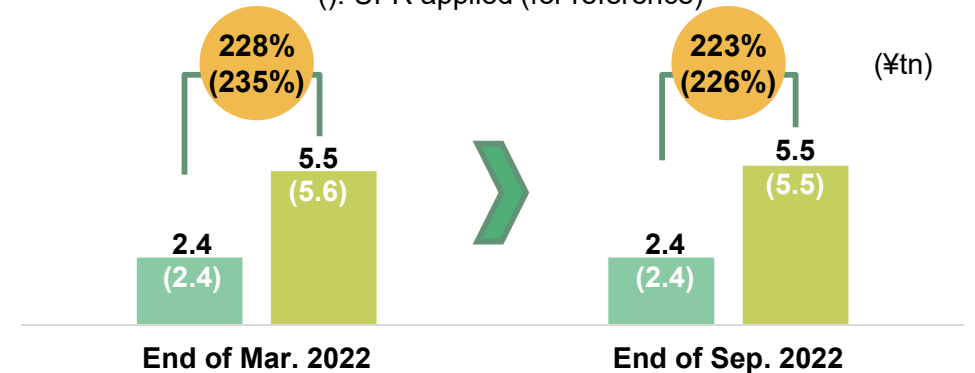
- ESR at the end of September 2022 was 223%, decreased by 5pp compared to end of March 2022 mainly due to internal reserve reduction and market environment fluctuations. We have kept sound ESR level.

ESR* (Confidence level 99.5%)

The policy below is based on the medium- to long-term ESR outlook.

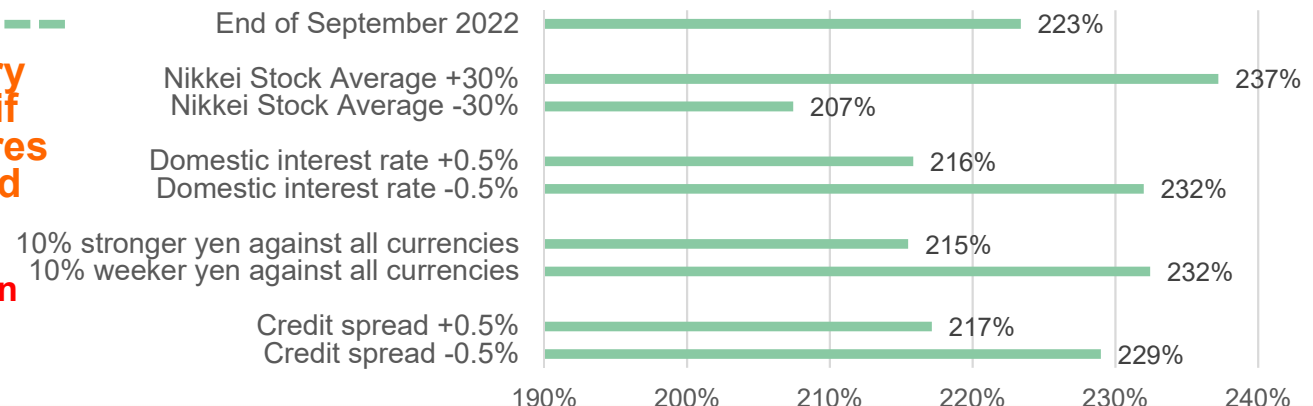


■ Integrated Risk Amount ■ Net Asset Value
(): UFR applied (for reference)



	End of Mar. 2022	End of Sep. 2022
Nikkei Stock Average	¥27,821	¥25,937
30-year JGB rate	0.94%	1.39%
USD/JPY	¥122	¥145

Impact of market price fluctuation on ESR (as of end of Sep. 2022)



* ESR: Economic Solvency Ratio (Economic Value-based Solvency Ratio)

2. Shareholder Return Policy and Shareholder Return in the First Half of Fiscal 2022

- Interim dividend is planned at 100 yen. Year-end dividend is forecast at 100 yen, annual dividend at 200 yen (+20 yen year on year).
- Total annual dividend amount is planned at 107.1 billion yen, which is 63% of the Group Adjusted Profit forecast of 170.0 billion yen
- 99.5% of own shares will be cancelled (Planned cancellation date : 30th November 2022)

Shareholder return policy

- Provide shareholder return based on shareholder dividends and repurchase of own shares by adopting a benchmark of 50% of Group Adjusted Profit* in Stage 1 (FY2022-FY2023) of the Medium-term Management Plan and 50% of the base profit for shareholder return* in Stage 2 (FY2024-FY2025)
- Provide additional returns in an agile and flexible manner, in light of market trends, the business environment, capital status and other factors



Shareholder return for FY2022

Dividend	For FY2022 Financial result	Annual dividend forecast: 200 yen (+20 yen year on year, +15 yen from initial forecast). Out of annual dividend, interim dividend of 100 yen (+17.5 yen year on year) Annual dividend amount: 107.1 billion yen (63% of Group Adjusted Profit forecast)
Cancellation of own shares	99.5% of own shares will be cancelled (Planned cancellation date: November 30, 2022) (57,800,000 shares/9.7% of issued shares)	

* See the page 100 regarding definition of Group Adjusted Profit and the base profit for shareholder return.

【Reference】

I . Growth Strategy

- 1 . Steady Enhancement of Earning Power and Further Sustainable Growth
- 2 . Progress of Basic Strategies
- 3 . Inorganic Growth

II . Basic Information on Each Business Domain

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

III . Systems Supporting Value Creation

- 1 . Sustainability Initiatives
- 2 . Stewardship Activities
- 3 . ERM

IV . Group's Current Status

1. Premium Income
2. Bottom Line and ROE
3. Impact of Foreign rate and Exchange rate on Earnings

V . Shareholder Return and Stock Price-related Indices

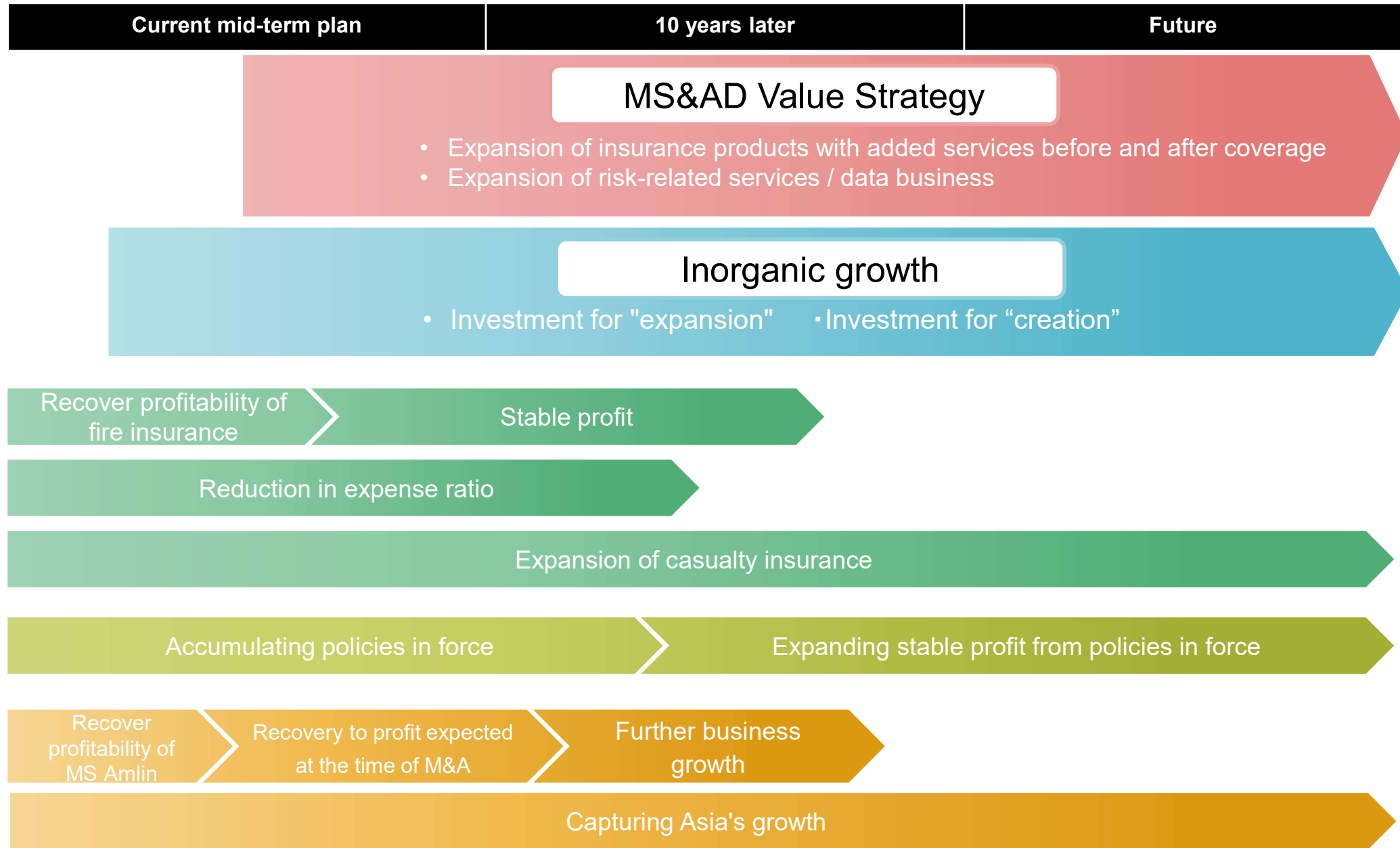
I. Growth Strategy

1. Steady Enhancement of Earning Power and
Further Sustainable Growth
2. Progress of Basic Strategies
3. Inorganic Growth

1. Steady enhancement of Earning Power and Further Sustainable Growth

(1) Overview

- Steadily strengthen our earning power and build a foundation for further sustainable growth.

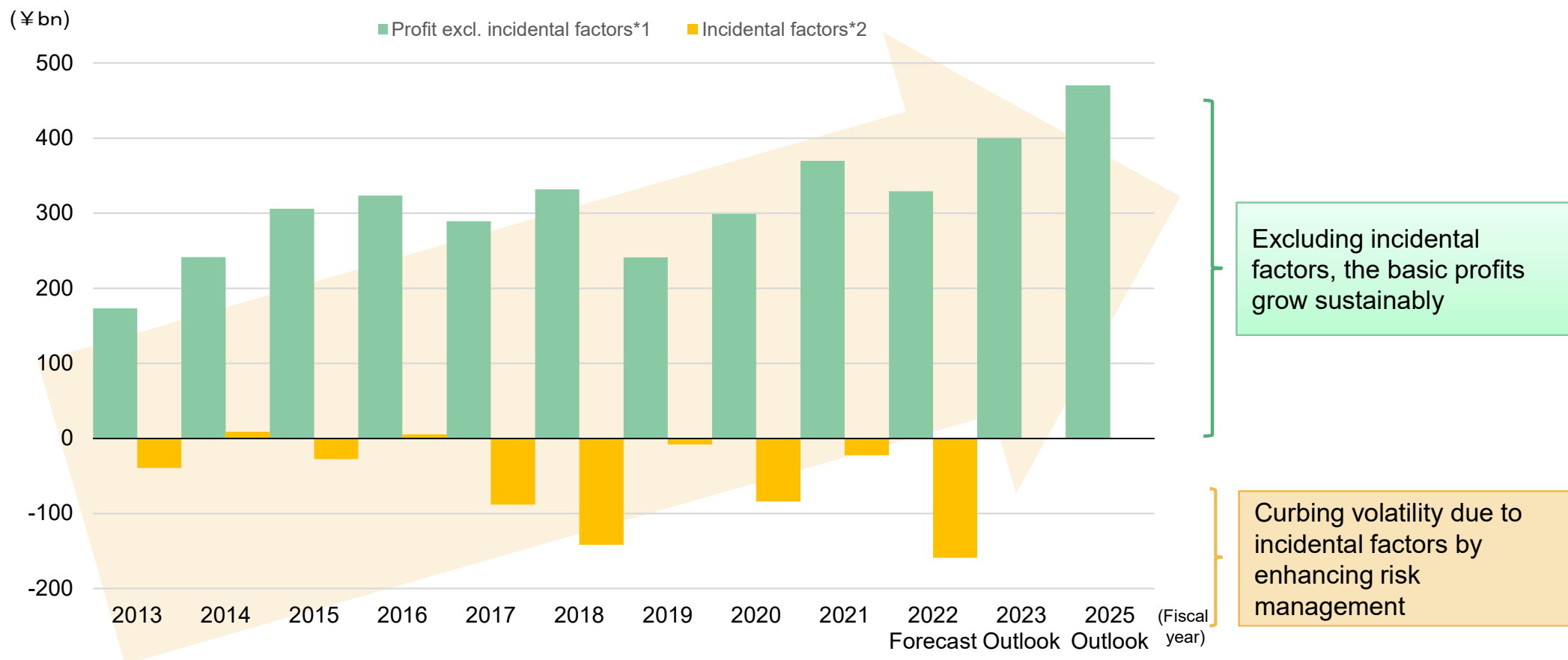


1. Steady enhancement of Earning Power and Further Sustainable Growth

(2) Progress of the profit excluding incidental factors

- While being greatly affected by incidental factors such as the frequent occurrence and intensification of natural catastrophes, the impact of COVID-19, and the situation in Russia and Ukraine, the initiatives for strengthening earning power has been steadily improving and basic profit has been improving sustainably.
- To curb earnings volatility, we will strengthen initiatives such as natural catastrophe risk reduction and business portfolio diversification.

Adjusted Profit excluding incidental factors and changes in incidental factors



*1 Profit excluding incidental factors: Calculated by deducting incidental factors (*2) from Group Adjusted Profit.

For FY2013 through FY2017, Group Core Profit has been recalculated based on the definition of Group Adjusted Profit

*2 Incidental factors: Excess in natural catastrophe losses from the initial budget; losses related to COVID-19; losses related to Russia and Ukraine; amount of decrease in income taxes paid in fiscal 2019 due to MSI's international business reorganization; increase in foreign currency policy reserve at MSI Primary Life; market fluctuation factors in FY2022.

1. Steady enhancement of Earning Power and Further Sustainable Growth

(3) Responding to changes in the environment

- We respond to expected changes in the business environment, control the volatility of our performance and promote the initiatives for sustainable growth.

Changing factors	Impact on business results	Response
Natural environment	<ul style="list-style-type: none"> • Increase in natural catastrophe losses • Increase in outward reinsurance costs 	=>Premium rate increase, review of underwriting conditions =>Expand provision of disaster prevention and mitigation services =>Consider reinsurance schemes based on risk amount and impact on profitability
Inflation	<ul style="list-style-type: none"> • Higher losses due to higher unit price of insurance claim • Increase in operating expenses 	=>Premium rate increase =>Further promotion of initiatives to reduce operating expenses
Rise in interest rates	<ul style="list-style-type: none"> • Lower prices of bonds held by domestic insurance companies have limited impact • Worsening of MS Amlin's investment profits • Higher currency hedging costs 	=>Reinvest maturing bond funds in bonds with higher yields to maintain ALM and improve profitability =>Adjust duration appropriately in MS Amlin's bond management =>Review of investment policies, including not invest or reducing hedged foreign bonds
Yen depreciation	<ul style="list-style-type: none"> • Increase in foreign currency-denominated reserves • Increase in profits of overseas subsidiaries • Increase in interest and dividends from foreign securities 	=>Minimize the impact on results by implementing currency-based ALM to match the currency of insurance liabilities
Decline in stock prices	<ul style="list-style-type: none"> • Increase in impairment losses on stocks • Worsening of MS Amlin's investment profits 	=>Risk reduction through reduction of strategic equity holdings =>Risk reduction through flexible hedging

2. Progress of Basic Strategies (Value/Transformation/Synergy) (1) Overall

- The three basic strategies of Value, Transformation and Synergy are generally making steady progress, excluding transient factors (COVID-19 losses, Russia-Ukraine losses).

Value (Value creation)

- **Promote development of products and services before and after insurance coverage (MS&AD Value strategy)**
 - Developed a group database linkage infrastructure to support product and service development
 - Spread insights gained through MS&AD Ventures' investments within the Group
- **Strengthen the revenue base**
 - Revisited office space as a result of digital business style changes and remote work
 - Regarding fire insurance, developed CSVxDX products and services that contribute to disaster prevention and mitigation, and promoted initiatives to improve profitability

Transformation (Business reforms)

- **Transform the business portfolio**
 - Made international business investments, such as investment in Transverse
- **Transform the risk portfolio**
 - The reduction of strategic equity made steady progress toward the annual reduction target of 100 billion yen.
- **Pursue optimal solutions using digital technology**
 - Expanded product supply schemes for market holders and platform providers, including built-in insurance

Synergy (Demonstration of group synergy)

- **Promote One Platform strategy: See page 19**
- **Synergies in the life and non-life insurance business**
 - Promoted initiatives to achieve a cross-selling ratio of 25% in fiscal 2025
 - Promoted sales of MSI Primary Life products at MSI Aioi Life, etc.
- **Global Synergy**
 - Promoted the sharing and mutual use of know-how and skills of domestic and overseas group companies

2. Progress of Basic Strategies

(2) MS&AD Value Strategy

- We promote sales of products and services that provide new value before and after insurance coverage.
- We disseminate insights gained through MS&AD Ventures' investments within the Group.

Sales of products that provide value before and after insurance coverage



Mimamoru auto insurance

- Safe driving assistance alert
- Accident and emergency automatic call service
- Driving diagnostic report

Mimamoru cyber insurance

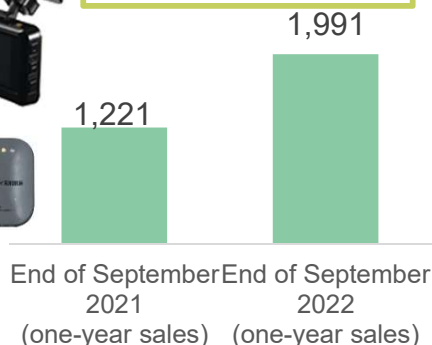
- Detecting and defending against cyberattacks
- Specialist referral services



Security software to control the occurrence of accidents and support an early recovery

- Finding virus attacks and unauthorized access through behavior detection
- Measures from detection to defense against unknown threats

Number of policies sold
(unit: 1,000 policies)



Dissemination starting from MS&AD Ventures

Startups supported by MS&AD Ventures	Dissemination of knowledge and know-how within the Group
	A digital sales channel where you can buy insurance from an automotive marketplace. MSI's Asian subsidiaries partnered with Carro to develop telematics insurance in Asia.
 TRACTABLE	Utilize AI to verify validity of automobile repair quotes. This contributes to efficiency of technical adjusters and early payments.
 GEOSITE	Teamed up with a platform company that processes geospatial data such as aerial imagery. This contributes to the sophistication of claims services.
 JUPITER	InterRisk launched a climate change impact assessment service for TCFD.
	Providing customized insurance for small businesses. MSMM (USA subsidiary) participates in the reinsurance program.

3. Inorganic Growth

■ Investment policy

- Consider investments that will expand corporate value, including bolt-on investments

Investment
Efficiency

**Have a clear
awareness of ROI in
all investments**

Creation

Investment to create new business territories

- Investment to search for technologies and business models that will be game changers over the next 3 to 5 years
- During the actual technology implementation phase, carry out investments that demonstrate a strong awareness of financial returns

Expand

Investment to diversify and expand business portfolio

- Shared values, sustainable growth model, risk diversification (geographically and contextually)

Strengthen

Investment to strengthen the competitiveness of existing businesses

Investments in systems, investments in digitalization promotion, etc.

* The hurdle rate is set based on the cost of capital (7%), the difference between domestic and foreign interest rates, and the risk assessments for each business

II. Basic Information on Each Business Domain

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

II. Basic Information on Each Business Domain

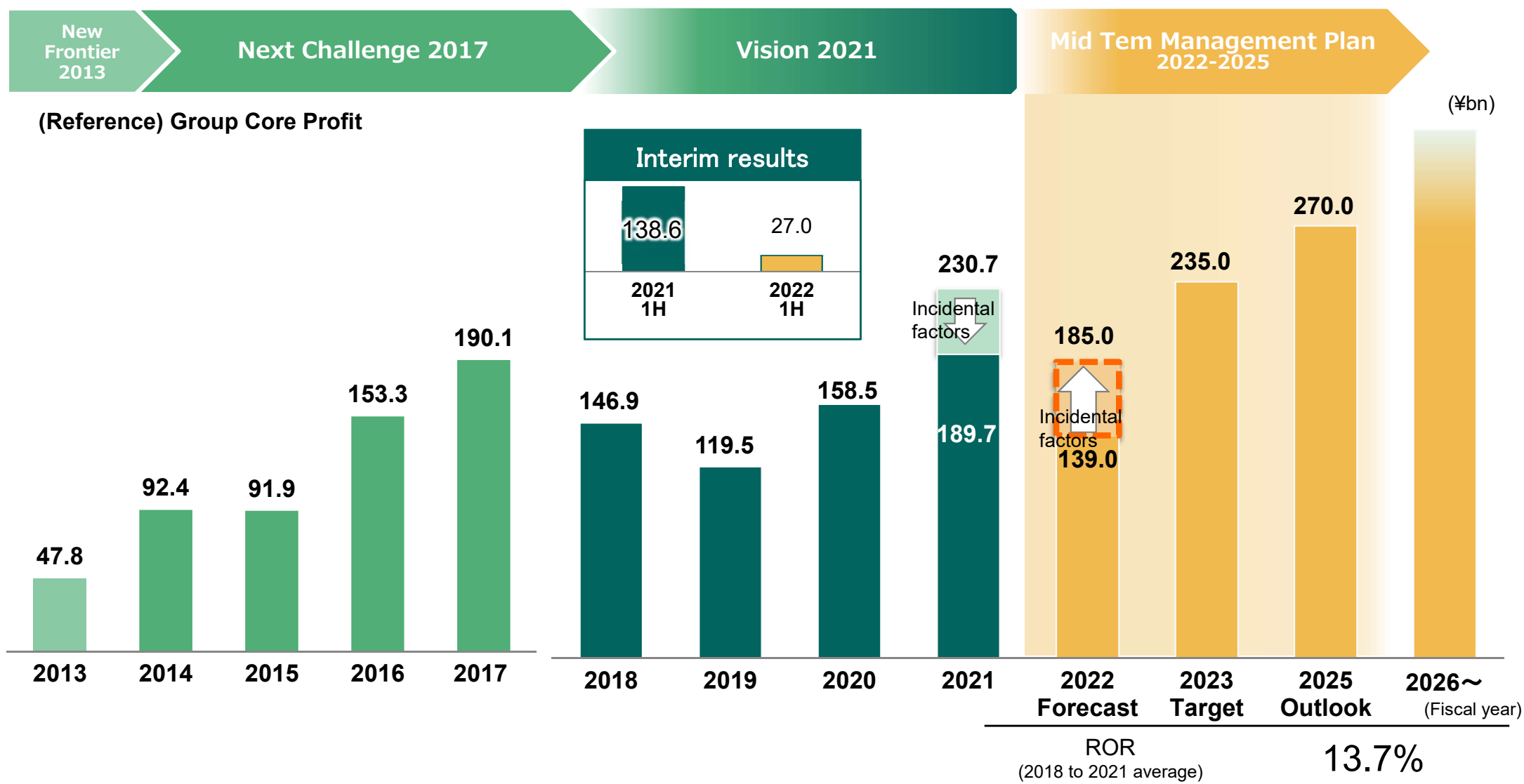
- 1. Domestic Non-life Insurance Business**
2. Domestic Life Insurance Business
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5. Asset Management

1. Domestic Non-Life Insurance Business

(1) Group Adjusted Profit

- Group Adjusted Profit was 27.0 billion yen, down 111.6 billion yen year on year, due to domestic natural catastrophes and worsening automobile losses as a result of increased traffic as a rebound from COVID-19, as well as losses related to COVID-19 and large losses from fire and casualty. The forecast for fiscal 2022 is 139.0 billion yen, down 91.7 billion yen year on year.

Group Adjusted Profit



1. Domestic Non-Life Insurance Business

(2) Growth Strategy

- The core domestic non-life insurance business will continue to grow strongly and drive the Group as a whole.
- Based on our top-level sales network and customer base in Japan, we will continue our efforts for sustainable growth in the future.

Medium-Term Management Plan (2022-2025) Strategy

Steady enhancement of Earning Power

- Top-line growth by strengthening sales capabilities
 - Maintaining auto insurance profits
 - Realizing profitability for fire insurance
 - Volatility control through enhanced management of natural catastrophe risks
 - Strengthening lines and businesses where we have strengths, such as marine insurance
- etc.

Strategies for sustainable growth into the future

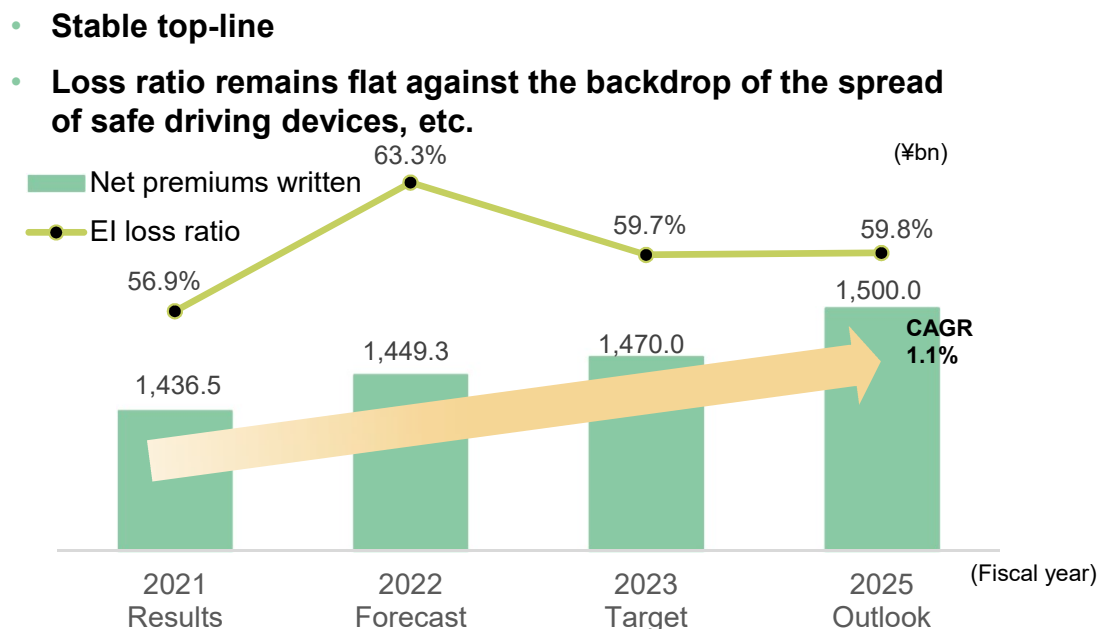
- Transforming the line portfolio by developing new insurance markets (casualty lines)
 - Development of new products through expansion of services before and after insurance coverage
 - Developing new sales methods using digital technology
- etc.

1. Domestic Non-life Insurance Business

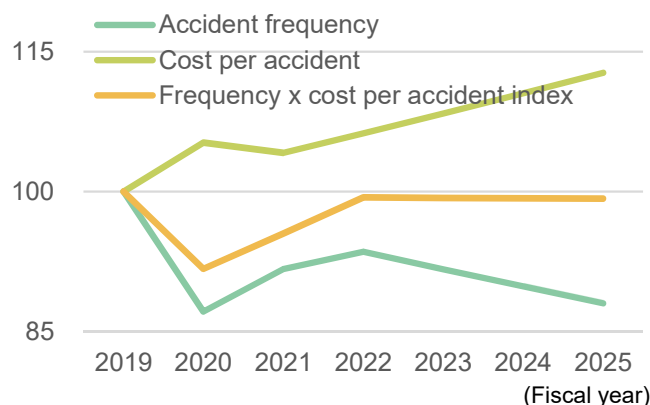
(3) Initiatives in Automobile Insurance

- With the rate revision in January 2023, automobile insurance will be almost flat from the downward trend of the past 2 years. We will continue to respond flexibly to worsening loss ratios.

Projected top-line/loss ratio*1



Prospect of accident frequency and cost per accident



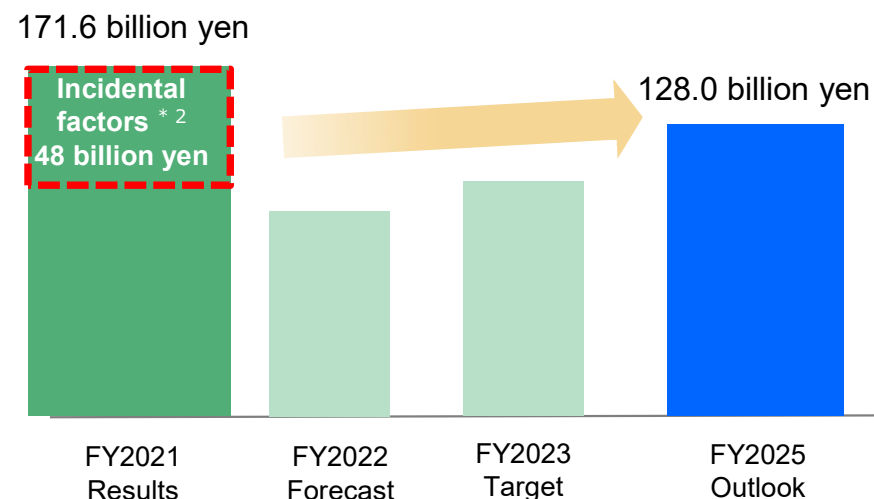
< Assumptions for FY2022-2025 Outlook >

Accident frequency: Increase in FY2022 due to the rebound from COVID-19. From FY2023, a downward trend of around 2% due to the spread of ASV.

Cost per accident: An upward trend of about 2%, mainly due to an increase in the unit price of components.

*FY2019 before the outbreak of COVID-19 was set at 100 and indexed.

Underwriting profit*1



Promotion of sales of telematics insurance

- The sign-up rate*1 at the end of September 2022 was 14% (12% at the end of March 2022).
- Telematics insurance has a -15% advantage*3 in accident frequency range over non-telematics insurance



*1 Calculated based on the non-consolidated figures of MSI and ADI

*2 Domestic auto loss: + 35.0 billion yen from normal average; return of the initial year balance: + 13.0 billion yen

*3 For Tough/Tsunagaru Auto Insurance

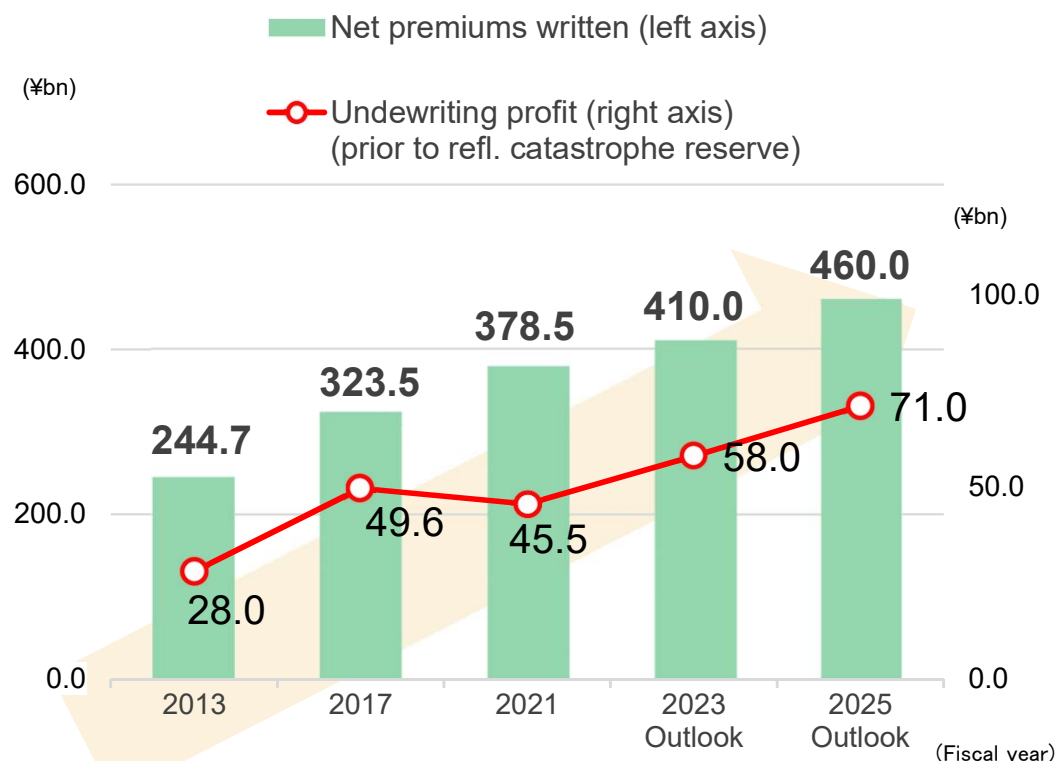
1. Domestic Non-life Insurance Business

(4) Expansion of Casualty Insurance

- Efforts to expand casualty insurance to drive the growth of the domestic non-life insurance business are making steady progress.
- Various initiatives are progressing steadily in both the growing SME market and the large enterprise market, which is strengthening its response to new risks.

Top-line and bottom-line growth

Steady progress toward growth targets in the medium-term management plan



Next Challenge 2017

Vision 2021

Mid-term Plan (2022-2025)

Initiatives by market

Development of packaged products for small and medium-sized businesses

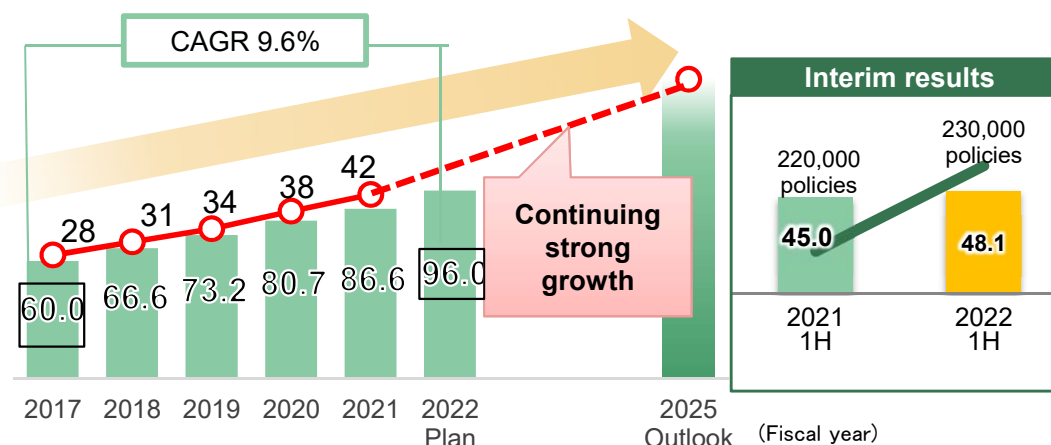
Expanding market

- The number of small and medium-sized enterprises in Japan is around 3.5 million*
- With 420,000 current policies, there is a lot of room to expand.

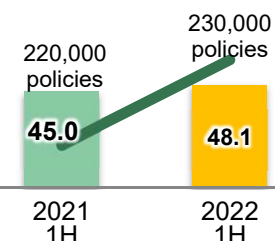
High profitability

- Over the past five years, the loss ratio has remained within the expected range, maintaining high profitability

Legend:
■ Gross premiums (¥bn)
○ Number of policies (10,000)



Interim results



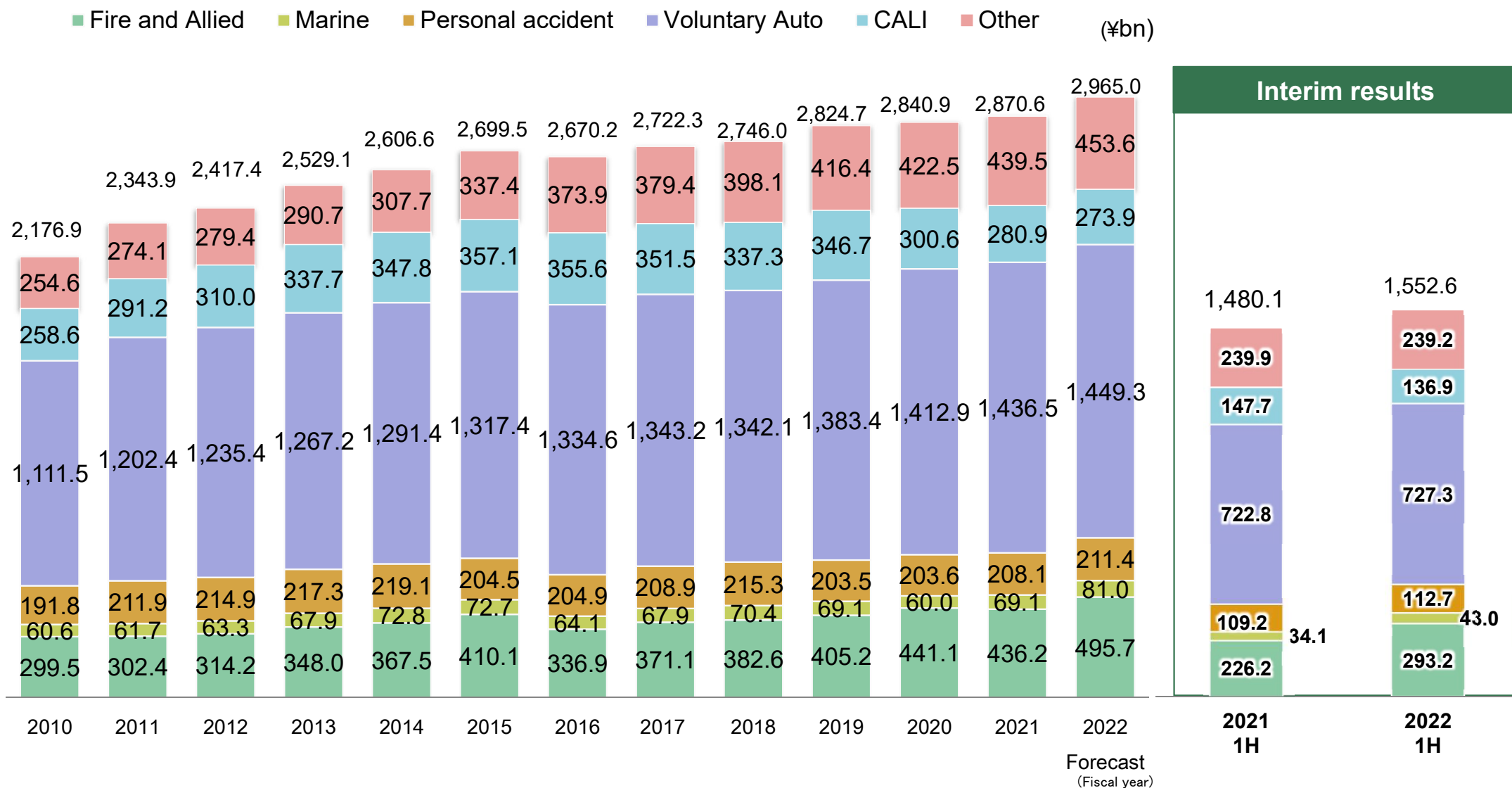
Initiatives for the large corporate market

- Expand the efforts in new risks / new markets by continuing to introduce new underwriting methods and expand them within the Group.
- Strengthen product capabilities by utilizing Group functions (RisTech, etc.).

*Source: Number of small and medium-sized enterprises (SMEs) and small businesses from the SME Agency website

1. Domestic Non-life Insurance Business

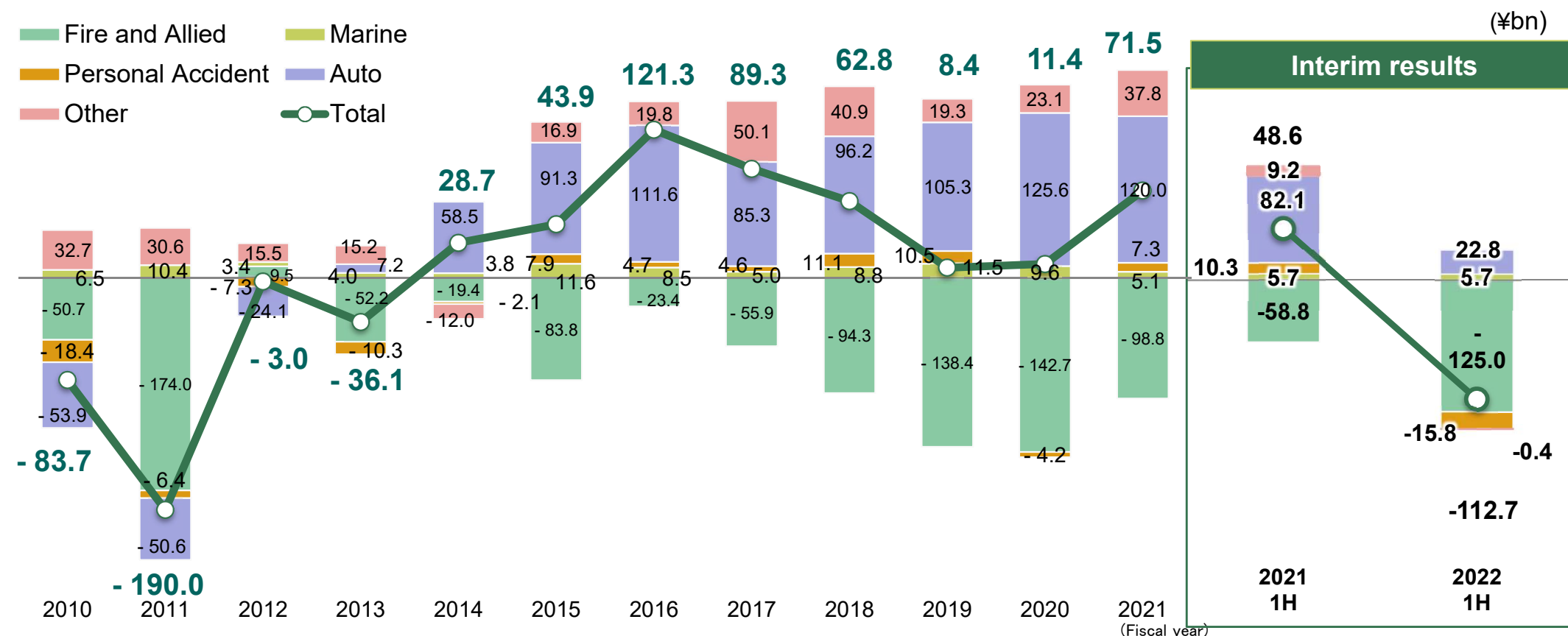
(5) Net Premiums Written by Line of Business



* Simple sums of non-consolidated figures for MSI and ADI (For FY 2010, simple sums of non-consolidated figures for MSI, Aioi and NDI).

1. Domestic Non-life Insurance Business:

(6) Underwriting Profit/Loss by Line of Business



Item/Fiscal Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Forecast
Underwriting Profit	-83.7	-190.0	-3.0	-36.1	28.7	43.9	121.3	89.3	62.8	8.4	11.4	71.5	9.0
Net reversal of catastrophe reserve (profit impact)	-0.0	139.5	41.9	3.0	-31.3	-81.6	-81.8	-44.6	79.8	-33.3	-65.3	-73.7	26.8
Underwriting profit (before reflecting catastrophe reserves)	-83.7	-329.5	-44.9	-39.1	60.1	125.6	203.1	133.9	-16.9	41.8	76.7	145.3	-17.8
Impact of natural catastrophes* ¹ (ref.)	-65.9	-311.5	-55.1	-96.3	-27.2	-68.1	-51.0	-118.8	-235.3	-122.9	-85.0	-77.2	-135.7

* Simple sums of non-consolidated figures for MSI and ADI. (For FY 2010, simple sums of non-consolidated figures for MSI, Aioi and NDI).

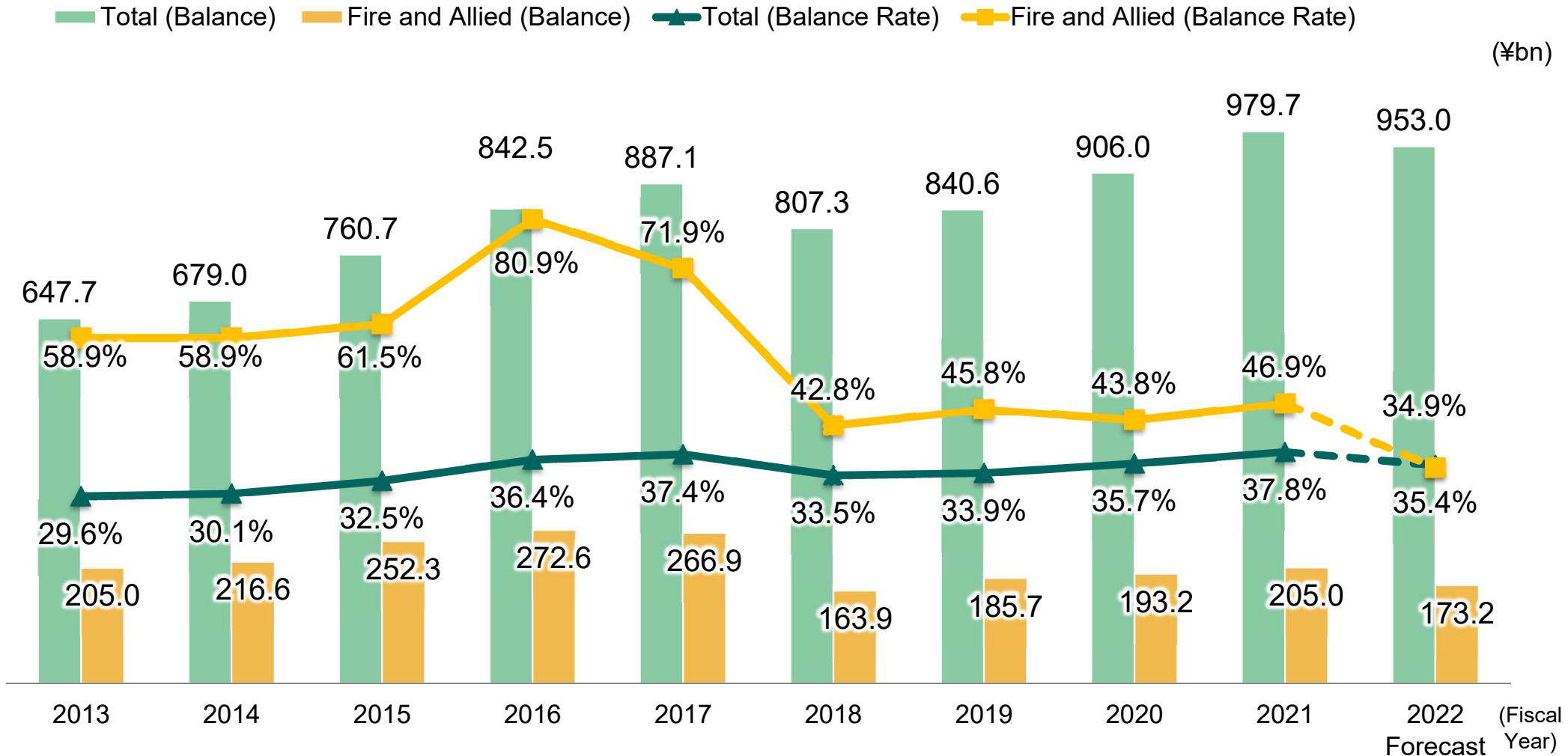
*¹ The figures show incurred losses occurred domestic and overseas for MSI and ADI from FY2017. From FY2019, "Impact of natural catastrophes" means incurred loss from domestic and overseas natural catastrophes in the each year deducting the collected amount of Cat Bonds related to natural catastrophes in FY 2018.

1. Domestic Non-life Insurance Business:

(7) Balance of Catastrophe Reserve

- The provision ratio of fire insurance in FY2022 is 10% for MSI and 15% for ADI.

Balance of Catastrophe Reserve



* Simple sum of MSI and ADI

* Balance Rate = Balance of catastrophe reserve / Net premiums written (excluding residential earthquake and CALI)

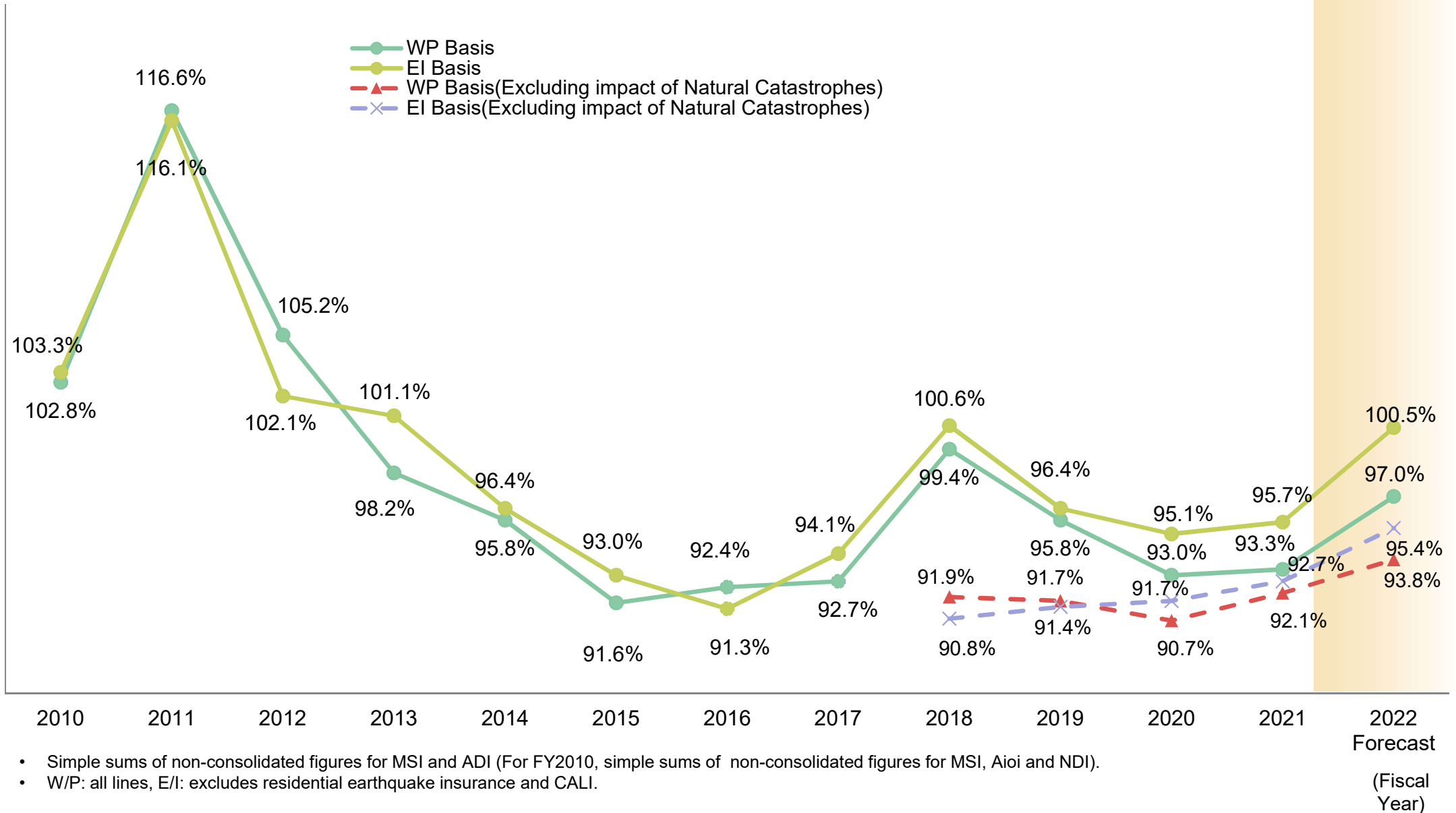
1. Domestic Non-life Insurance Business: (8) Combined Ratio

New Frontier 2013

Next Challenge 2017

Vision 2021

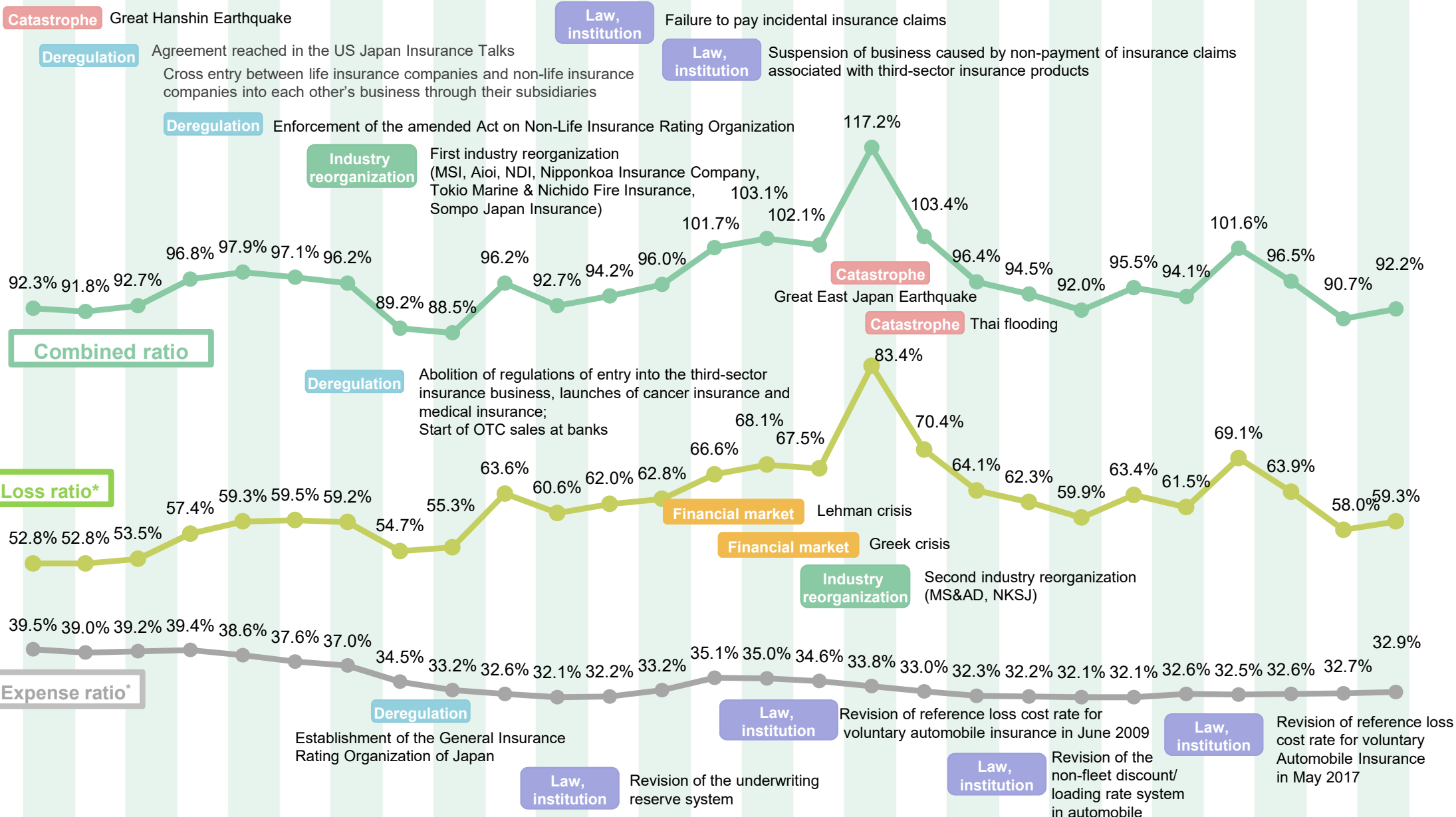
Mid term plan
2022-2025



1. Domestic Non-Life Insurance Business: (9) Combined Ratio (WP) in the Domestic Non-Life Insurance Industry

(Fiscal Year)

1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021



*Source of Loss ratio and Expense ratio: The General Insurance Association of Japan. Figures for FY2022 are as of September 2022.

II. Basic Information on Each Business Domain

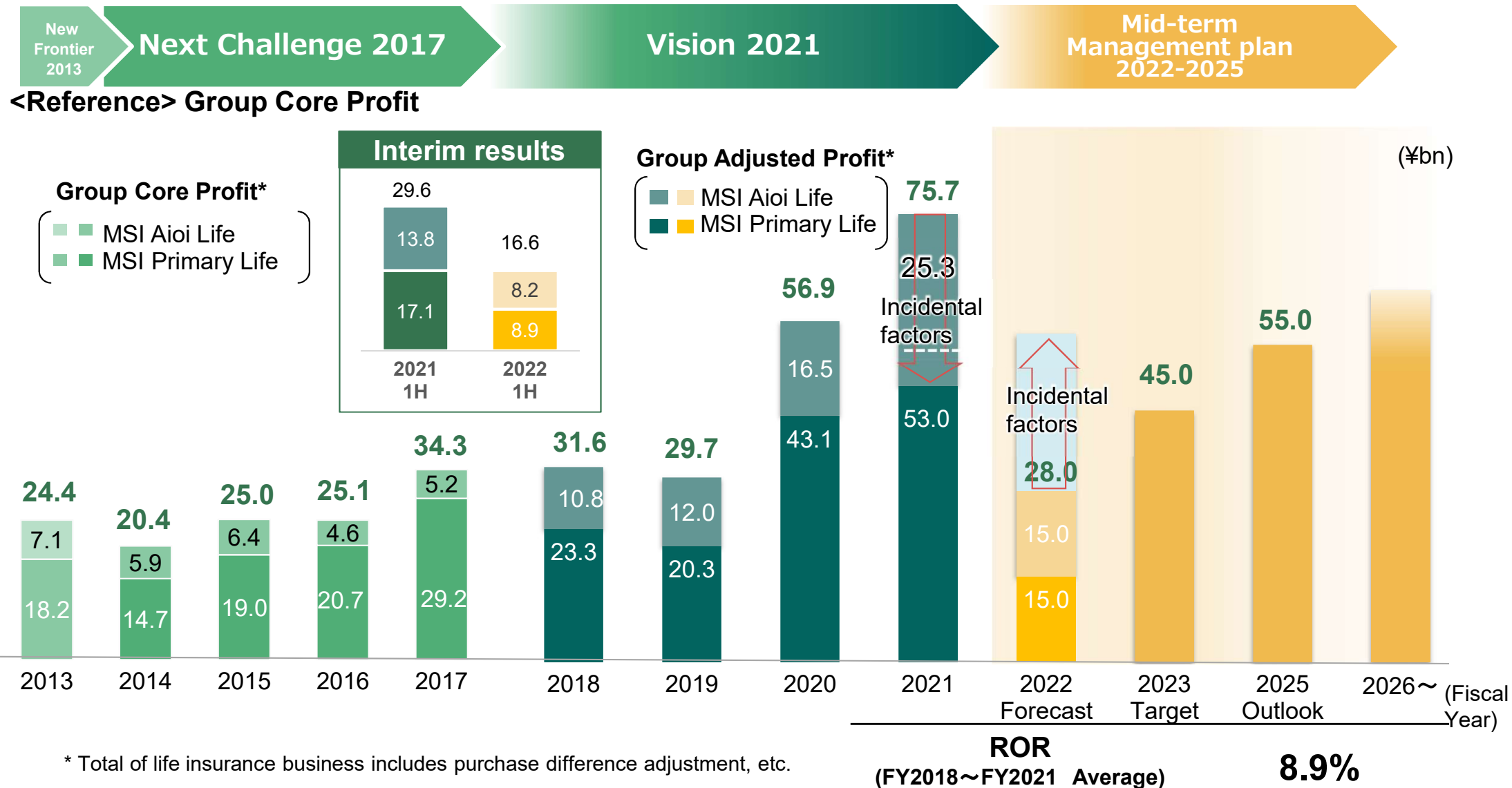
1. Domestic Non-life Insurance Business
- 2. Domestic Life Insurance Business**
3. International Business
4. Risk-related Services / Financial Services
5. Asset Management

2. Domestic Life Insurance Business:

(1) Group Adjusted Profit

- Forecast for Group Adjusted Profit for FY2022 decreased by 47.7 billion yen to 28.0 billion yen.

Group Adjusted Profit



2. Domestic Life Insurance Business:

(2) Growth Strategy

- In addition to the synergies generated by alliance with non-life business, the two life insurance companies will seek to grow by expanding the number of policies in force.

Strategy of the Medium-Term Management Plan (2022-2025)

Steady enhancement of Earning Power

MSI Aioi Life

- Exploit group synergy to deepen cross-selling and the workplace market

MSI Primary Life

- Further strengthen the leading position in OTC financial institution sales

MSI Aioi Life

MSI Primary Life

- Expand customer and sales base through sales alliance of MSI Aioi Life and MSI Primary Life, and demonstrate the Group's comprehensive strengths

etc.

Strategies for sustainable growth into the future

MSI Aioi Life

MSI Primary Life

- Cultivate an asset-building market and create new business models

MSI Primary Life

- Creating new business models using digital technology

MSI Aioi Life

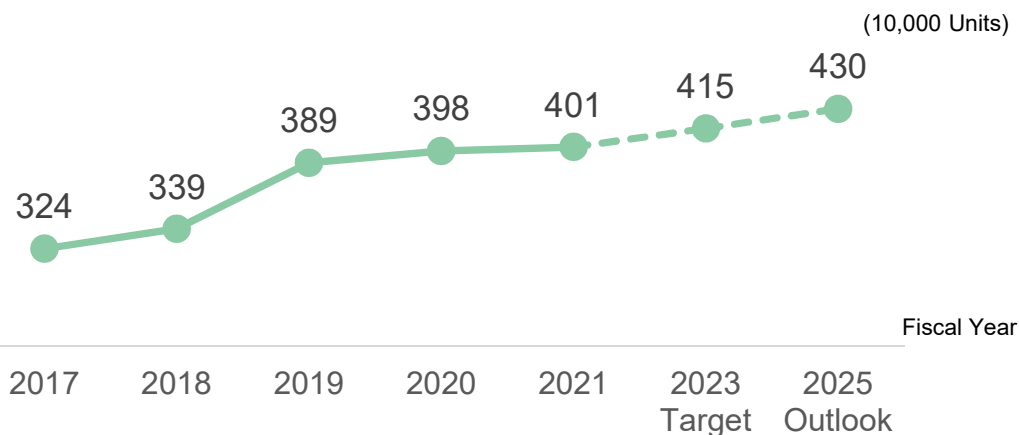
- Develop new revenue streams linked to CSV, focusing on the product/services and DX

etc.

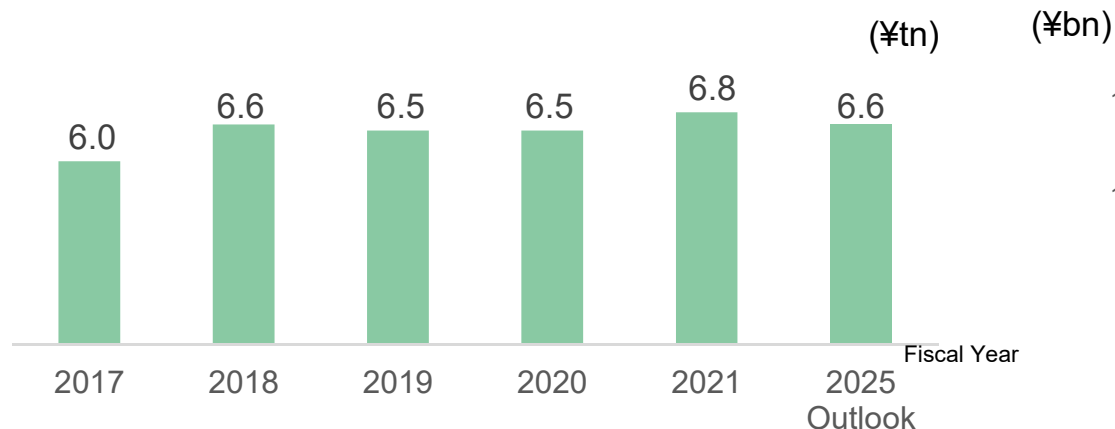
2. Domestic Life Insurance Business: (3) Initiatives of Two Domestic Companies

Growth in policies in force by two domestic life insurance companies

Number of policies in force at MSI Aioi Life

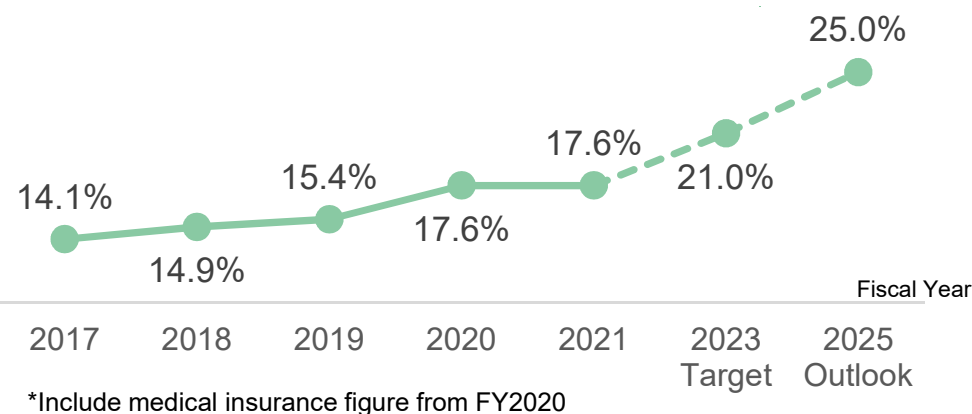


Amount of policies in force at MSI Primary Life

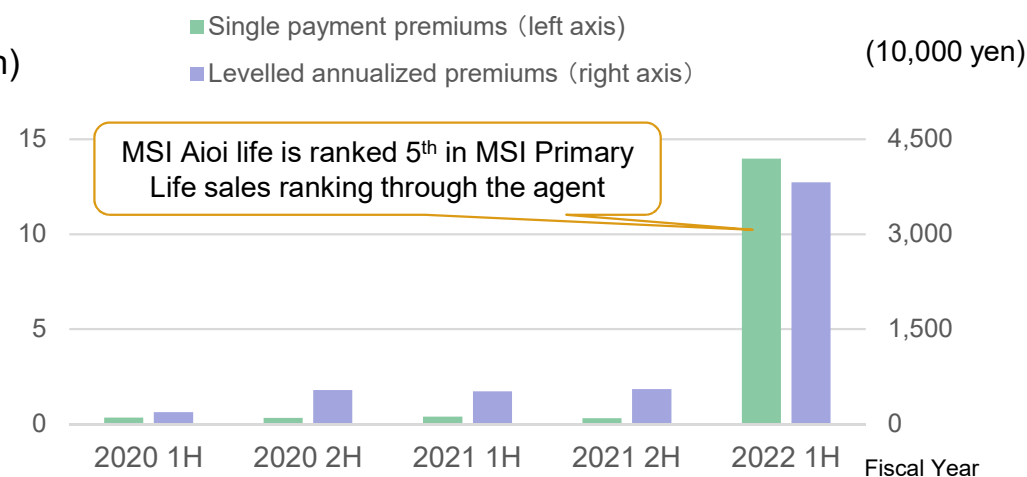


Expansion of cross-selling by two domestic life insurance companies

MSI Aioi Life/Domestic non-life insurance cross-selling



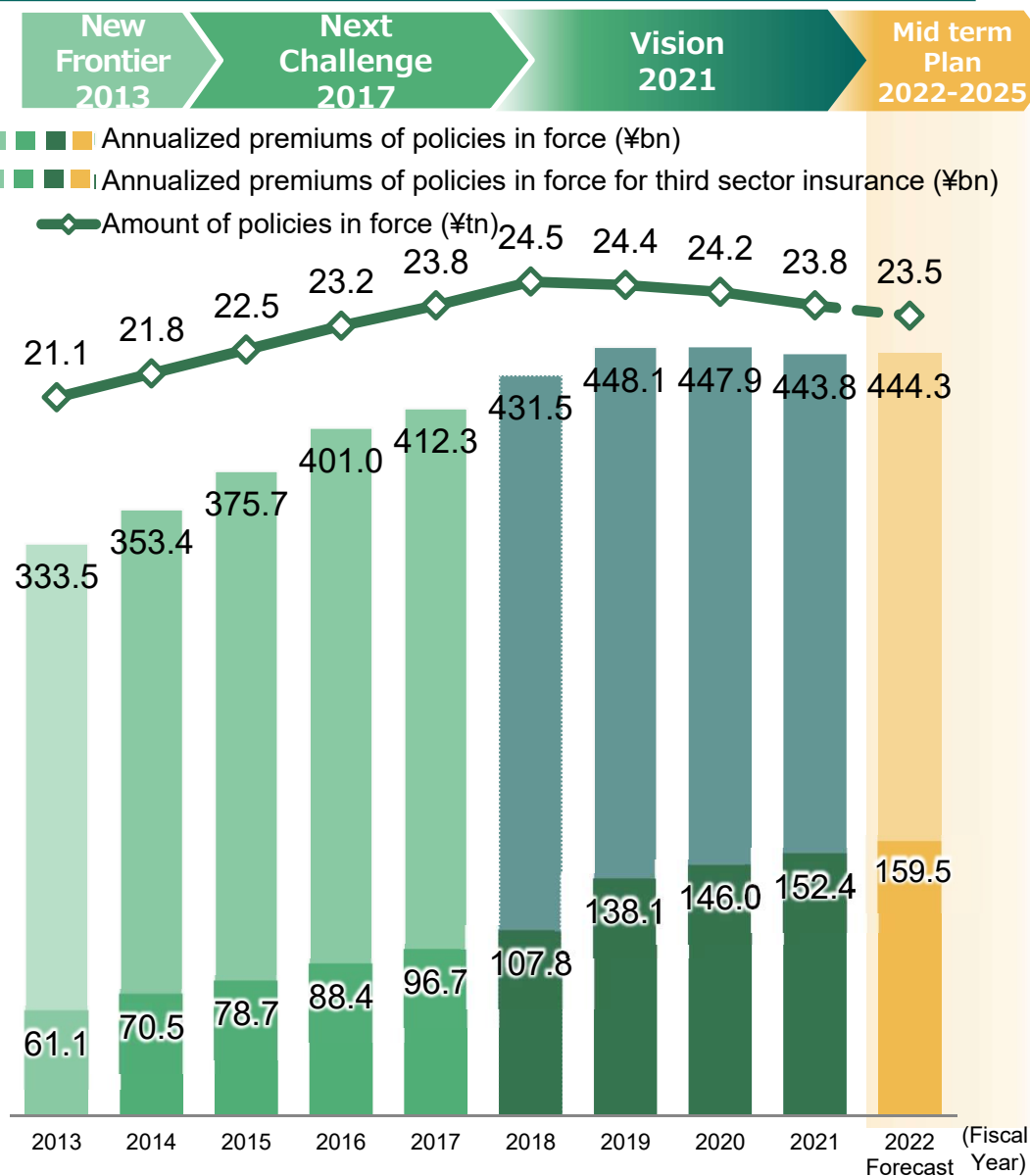
MSI Aioi Life/MSI Primary Life cross-selling



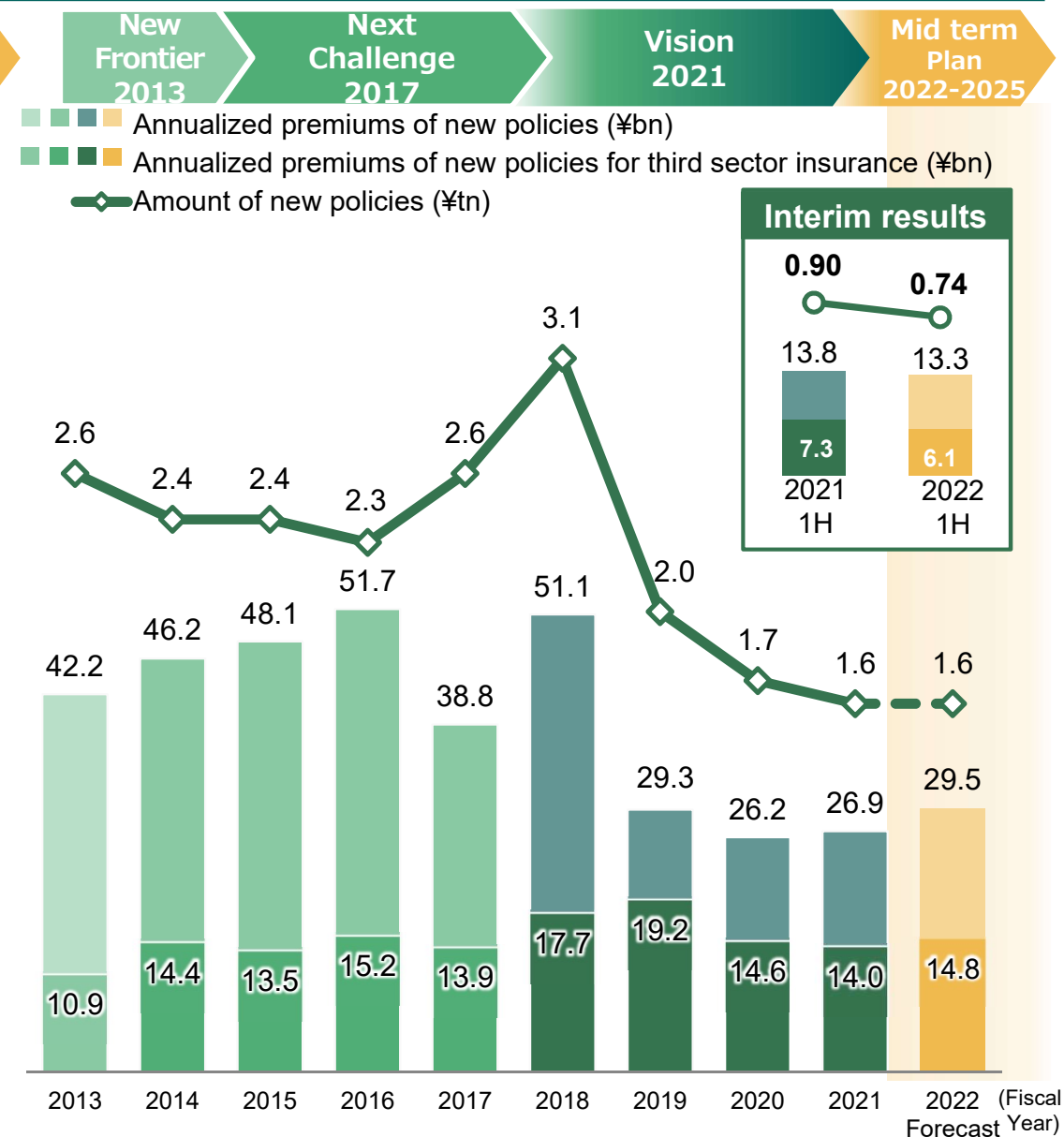
2. Domestic Life Insurance Business:

(4) MSI Aioi Life (Amount of Policies and Annualized Premiums)

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



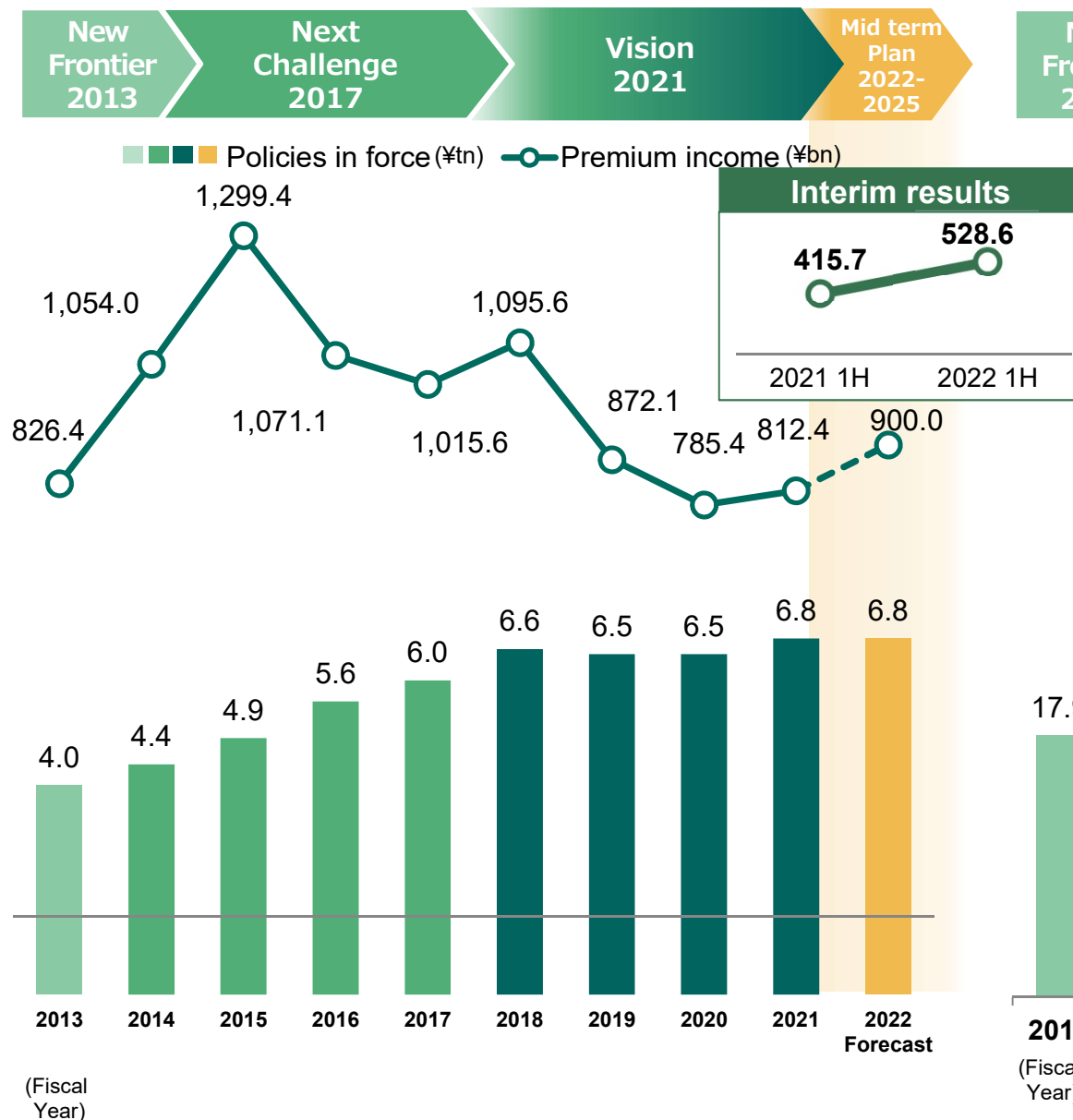
Amount of New Policies and Annualized Premiums
of New Policies



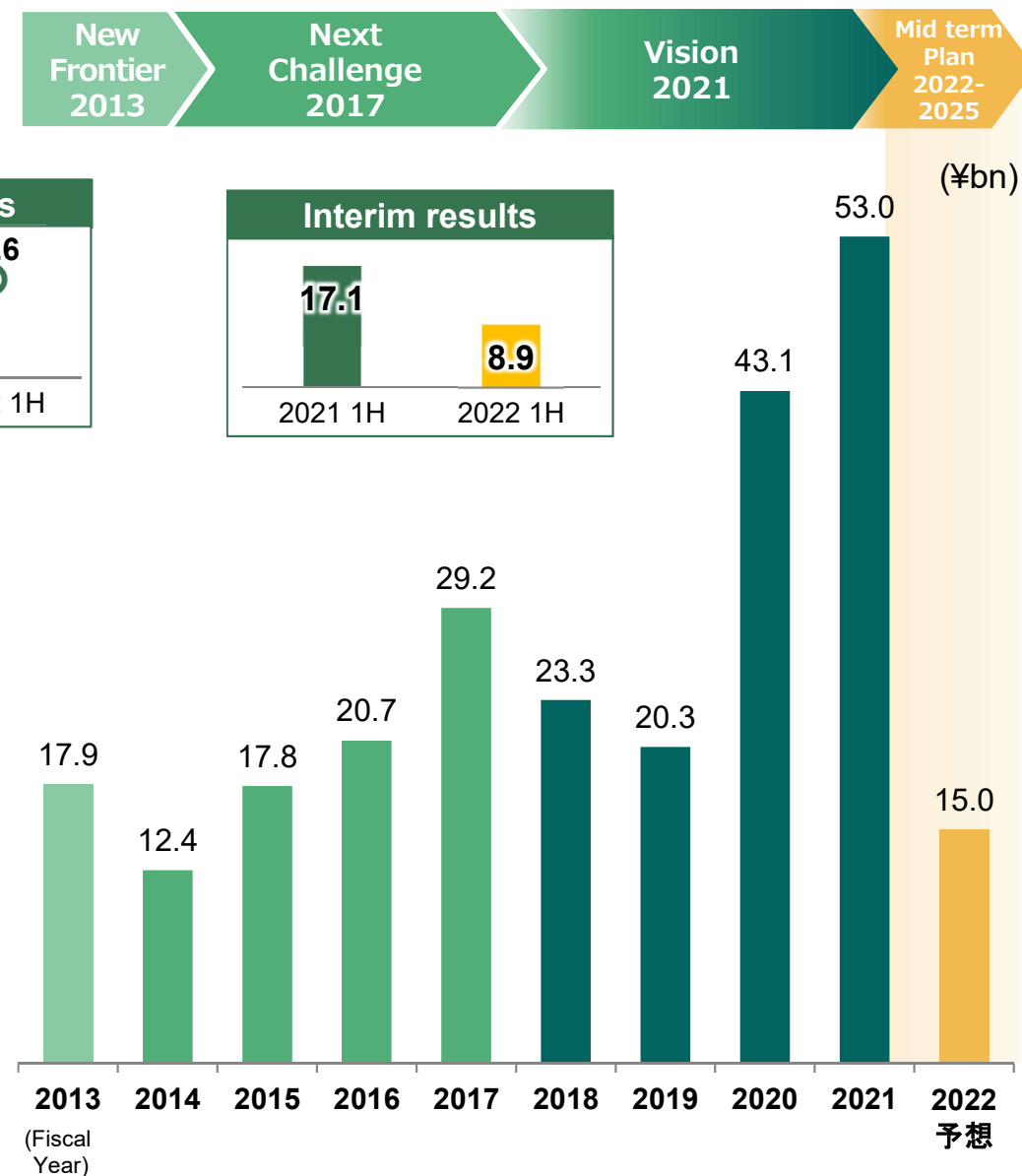
2. Domestic Life Insurance Business:

(5) MSI Primary Life (Premium Income, Amount of Policies in Force and Net Income)

Premium Income and Amount of Policies in Force



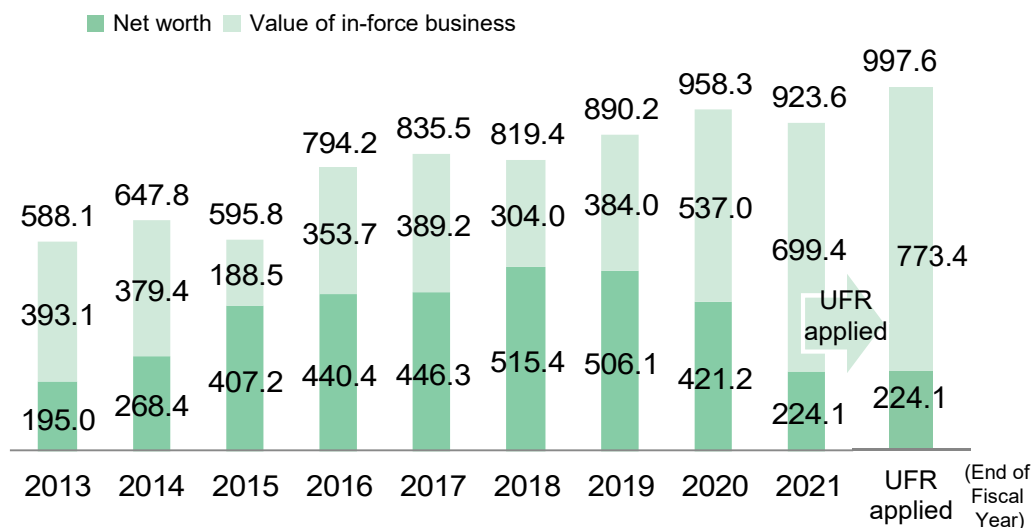
Net Income



2. Domestic Life Insurance Business: (6) Embedded Value (EEV) from the End of FY2013 to the End of FY2021

MSI Aioi Life

(¥bn)



Changes in FY2021 (¥bn)

Factor	Change
Opening adjustments	-4.6
New business in reporting year	54.5
Expected existing business contribution at the risk free rate	5.3
Expected existing business contribution above risk free rate	6.3
Operating experience variances	-2.1
Changes in operating assumptions	12.4
Economic variances and changes to economic assumptions	-32.8
Closing Adjustment	-73.7
Total	-34.7

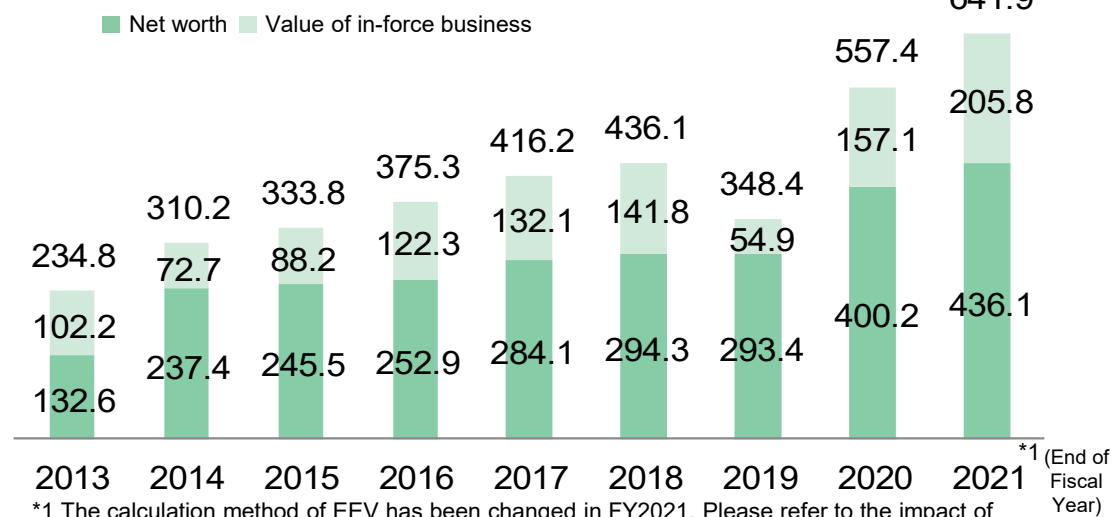
EEV Sensitivity

(at March 31, 2022, ¥bn)

Assumptions	Change
Risk-free yield curve Up 50bp	-50.4
Risk-free yield curve Down 50bp	38.0
Equity and real estate values Down 10%	-3.7
Maintenance expenses Down 10%	29.0
Surrender and lapse rates Down 10%	-7.0
Mortality and morbidity rates for life insurance Down 5%	58.0
Mortality and morbidity rates for annuity Down 5%	-0.1
Equity and property implied volatility Up 25%	0.0
Swaption implied volatility Up 25%	-48.2
Required capital set at statutory minimum level	6.3
Applying an Ultimate Forward Rate (UFR) to extrapolate long term interest rates	73.9

MSI Primary Life

(¥bn)



*1 The calculation method of EEV has been changed in FY2021. Please refer to the impact of the change as below.

Changes in FY2021 (¥bn)

Factor	Change
Opening adjustments	-23.5
New business in reporting year	13.0
Expected existing business contribution at the reference rate	1.6
Expected existing business contribution above reference rate	1.9
Operating experience variances	-0.3
Changes in operating assumptions	-3.0
Economic variances and changes to economic assumptions	60.5
Impact of EEV calculation method change *2	46.1
Total	84.5

*2 Excluding the fluctuation part of new business

EEV Sensitivity

(at March 31, 2022, ¥bn)

Assumptions	Change
Reference yield curve Up 50bp	-9.8
Reference yield curve Down 50bp	9.2
Equity and real estate values Down 10%	-3.1
Maintenance expenses Down 10%	7.1
Surrender and lapse rates Down 10%	-0.7
Mortality and morbidity rates for life insurance Down 5%	1.6
Mortality and morbidity rates for annuity Down 5%	-1.0
Equity and property implied volatility Up 25%	-2.1
Swaption implied volatility Up 25%	-1.6
Required capital set at statutory minimum level	2.4
Nil reflecting excess spread	-88.5

II. Basic Information on Each Business Domain

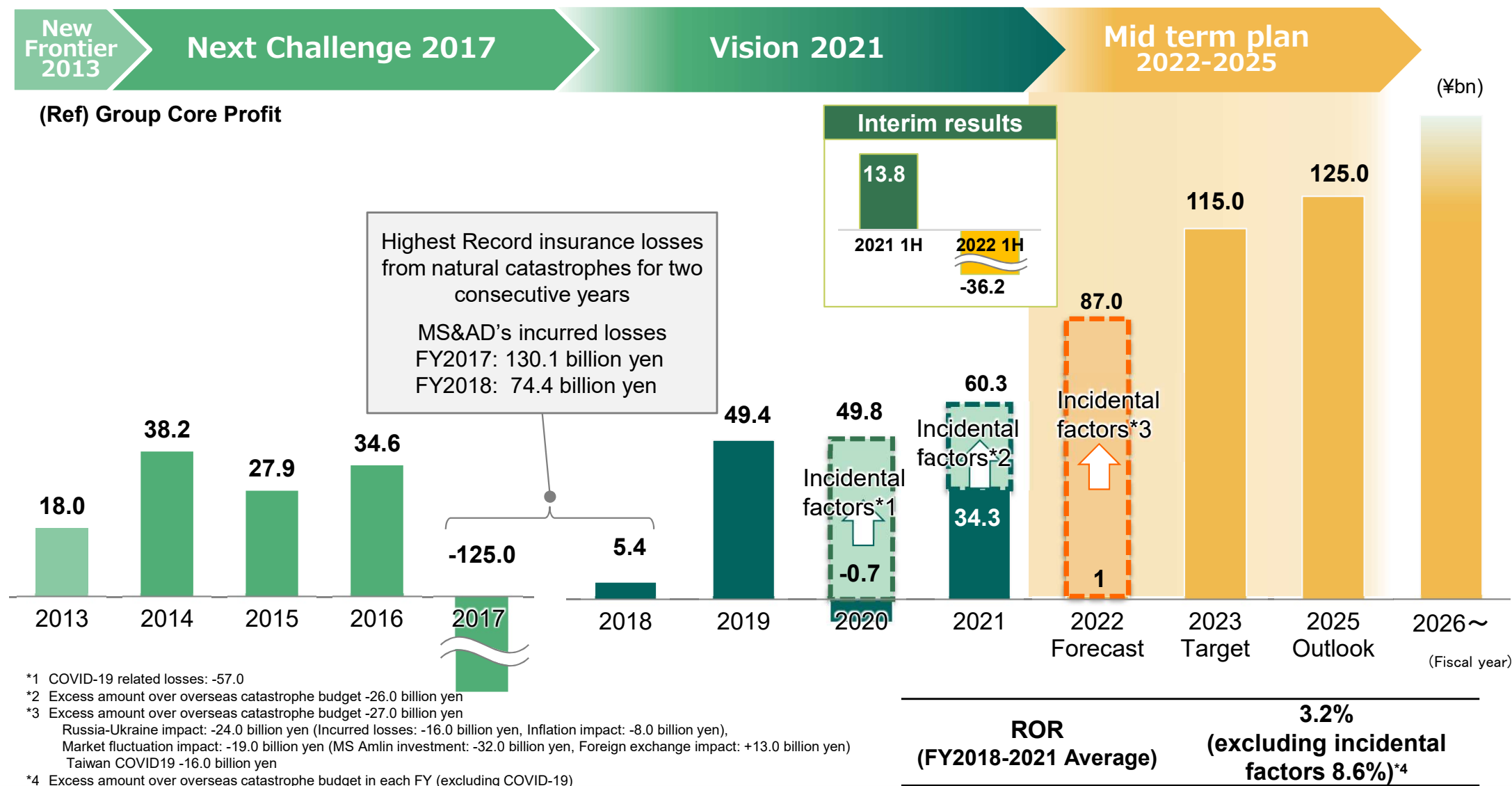
1. Domestic Non-life Insurance Business
2. Domestic Life Insurance Business
- 3. International Business**
4. Risk-related Services / Financial Services
5. Asset Management

3. International Business:

(1) Group Adjusted Profit

- Group Adjusted Profit in FY2022 1H decreased by 50.1 billion yen year on year to -36.2 billion yen due to Russia-Ukraine related losses, Hurricane Ian losses, and investment loss caused by rapid market fluctuations. FY2022 full-year forecast is 1.0 billion yen, 33.3 billion yen down year on year.

Group Adjusted Profit



3. International Business:

(2) Growth Strategy

- We will strengthen the earning power by improving MS Amlin's portfolio and strengthening retail sales in Asia, and work on business investments and strengthening of global synergies for sustainable growth into the future.

Medium-Term Management Plan (2022-2025) Strategy

Steady enhancement of Earning Power

- Enhance MS Amlin's portfolio
Reduce natural catastrophe-related volatility and strengthen the profitability of non-cat lines
- Strengthen retail business in Asia
Strengthen alliances and collaborations with JV partners, financial institutions, platform holders, etc., and strengthen competitiveness using digital technologies
- Expand related business through collaboration with Toyota Motor Corporation

etc.

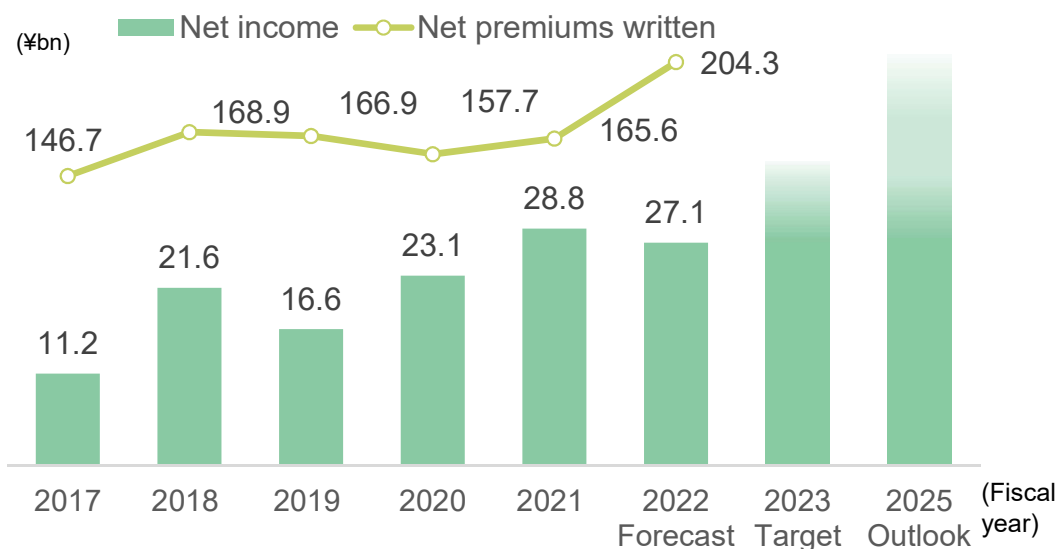
Strategies for sustainable growth into the future

- Business investment in the U.S. and Asia
Business investment in MGA and specialty insurance companies in the United States; business investment to strengthen existing businesses and improve our market position Asia.
- Strengthen global synergies
Sharing and mutual utilization of know-how and skills of domestic and overseas group companies
- Roll out new sales methods using digital technologies
Expansion of insurance sales methods utilizing AI and development of built-in insurance in collaboration with EC operators and other platform holders

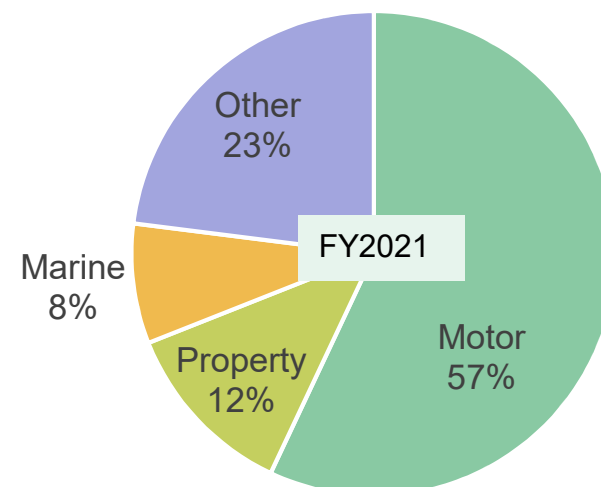
3. International Business: (3) Asia Business (i) Summary

- We are expanding in all markets as the world's only non-life insurance group with a presence in all of ASEAN (with the highest gross premiums in the region).
- With a profitable diversified portfolio and a stable combined ratio as a model, we are working on growth initiatives centered on a profitable retail sector across Asia. We will pursue further growth strategies, including inorganic investments, to achieve significant growth.

Net premiums written and net income*



Share of net premiums written by line*



Combined ratio*

FY2017	FY2018	FY2019	FY2020	FY2021
96.8%	96.6%	96.4%	92.8%	93.9%

*Subsidiaries and equity-method affiliates in Asia (excluding Oceania). Overseas branches are not included.

3. International Business:

(3) Asia Business (ii) Retail Market initiatives

Key growth initiatives in the retail market

■ Strengthening cooperation with leading JV partners and financial institutions

Philippines: Ayala, BPI



★ More than 860 domestic and international branches and offices

Malaysia: Hong Leong



★ The bank's customer base with a network of more than 200 branches in the country

China : PINGAN, China Pacific insurance group



★No.2 in China



★No.3 in China

India: Murugappa



★ The conglomerate bank's customer base (25 million people)

■ Collaboration with leading platform holders through digital use

We continue to strengthen our sales channels using digital technology, such as through collaboration with Carro* and cooperation with a major e-commerce operator in Indonesia and a major online travel agency in Thailand.



*Trusty Cars Pte Ltd.

Further Growth Strategy

- We will promote further growth in both life and non-life insurance businesses by strengthening synergies through cooperation among life and non-life insurance companies.
- Based on our Group's position and market potential in Asian countries, we will consider inorganic business investments to capture further growth in the region.

3. International Business:

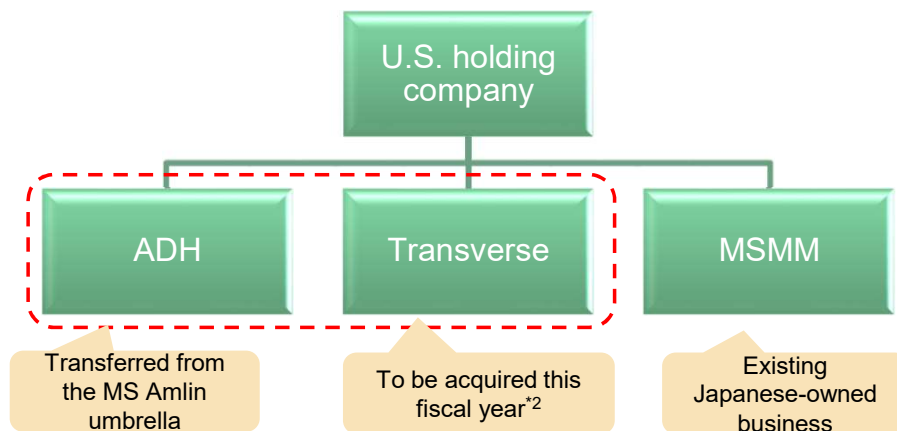
(4) U.S. Business Initiatives

- The U.S. MGA*¹ market is worth \$65 billion in premiums and is growing at an average annual rate of 12%. Under the new U.S. structure, we will continue to tap into the specialty market with a focus on strengthening transactions with leading MGAs. We will also consider making business investments in specialty insurance companies.

* 1:MGA: Managing General Agent

Acquisition of Transverse and tapping into the MGA market through strengthening of the U.S. business structure

- Reached a basic agreement to acquire the U.S. company Transverse. At the same time, from 2023, we will revamp our organizational structure and strengthen our local business initiatives.
- AUL CEO Johan Slabbert appointed as CEO of the U.S. holding company (Moved from MS Amlin to steer U.S. operations)



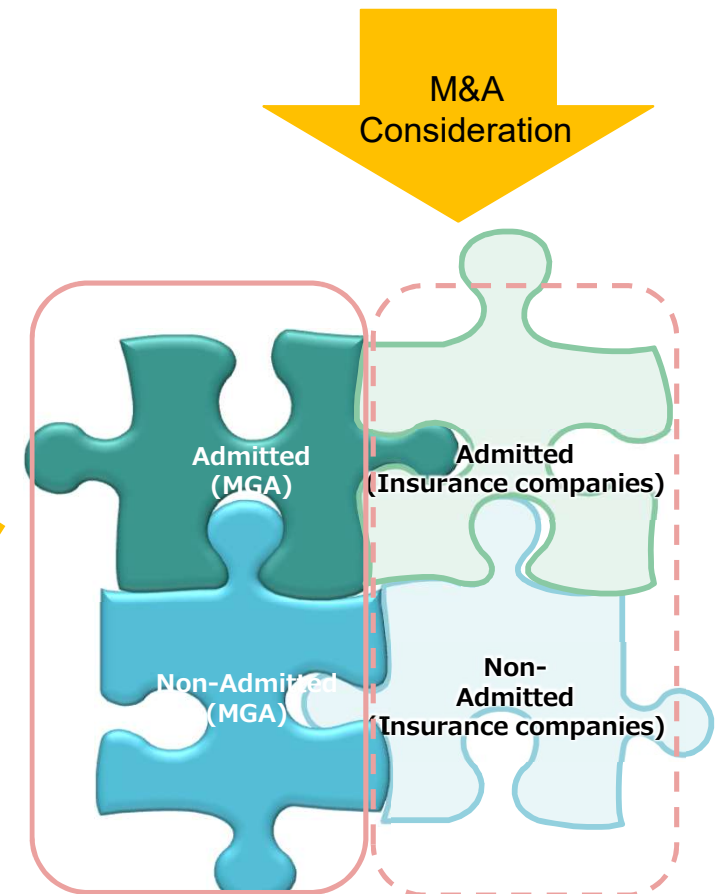
*2:The acquisition is expected to be completed in December 2022, subject to approval of the relevant authorities.

Entity	Main role
ADH	Promote development of the MGA market (including M&A)
Transverse	Fronting transactions with MGAs
MSMM	Focus on large Japanese-owned corporate customers



M&A of U.S. specialty insurance companies

- Specialty insurers are a promising area with solid growth at a CAGR of 9.8% over the last five years. (Market size \$44bil)
- The average COR over the past five years has been as low as 93%, with good profitability thanks to the high level of expertise.

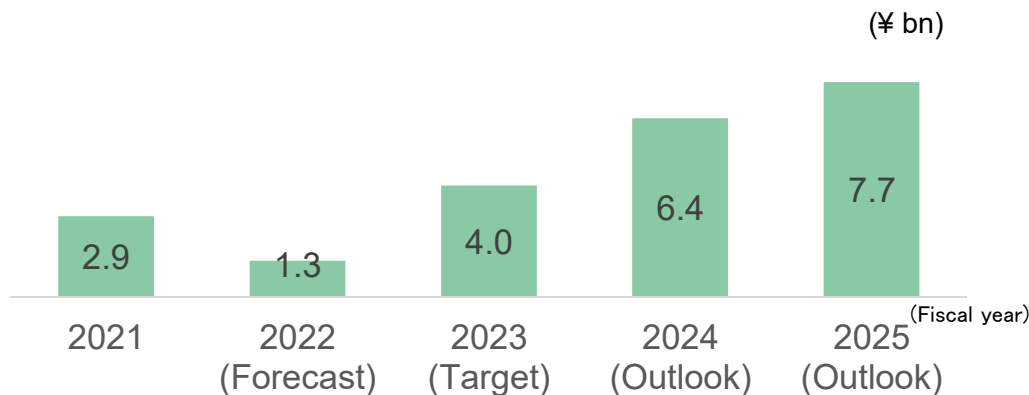


3. International Business:

(5) Toyota Retail Business and Overseas Telematics Initiatives

- We promote initiatives with new businesses and new partners globally in the auto insurance-related, CASE and mobility-related risk and service sectors, centered on the Toyota business.

Group Adjusted Profit of the Toyota Retail Business



Expansion in the U.S.

Promoting initiatives through TIMS*1 (JV with Toyota Group)

Data business

- Expanding data business in conjunction with the Toyota Connected Strategy

Telematics services

- Evolution of the TIMS algorithm
- Development of Toyota brand insurance

Toyota value chain

- Promotion of insurance strategies that are in complete accord with Toyota's policies and measures

*1 Toyota Insurance Management Solutions USA, LLC

No. 1 auto brand insurance rating in Germany

Dealer satisfaction survey of auto brand insurance by Autohaus, Germany's largest car and dealer trade publication)

- Toyota Insurance named **No. 1 overall in 2021**
- Winner of the **Grand Prize** for the 9th consecutive year and 11th in total

Insurance Asia Awards 2022 in Thailand

Toyota Care PHYD in won "Insurance Initiative of the Year- Thailand" and "Insurtech Initiative of the Year - Thailand"



<Award points>

Excellent project in terms of innovation and industry impact, as well as dynamism in response to societal changes

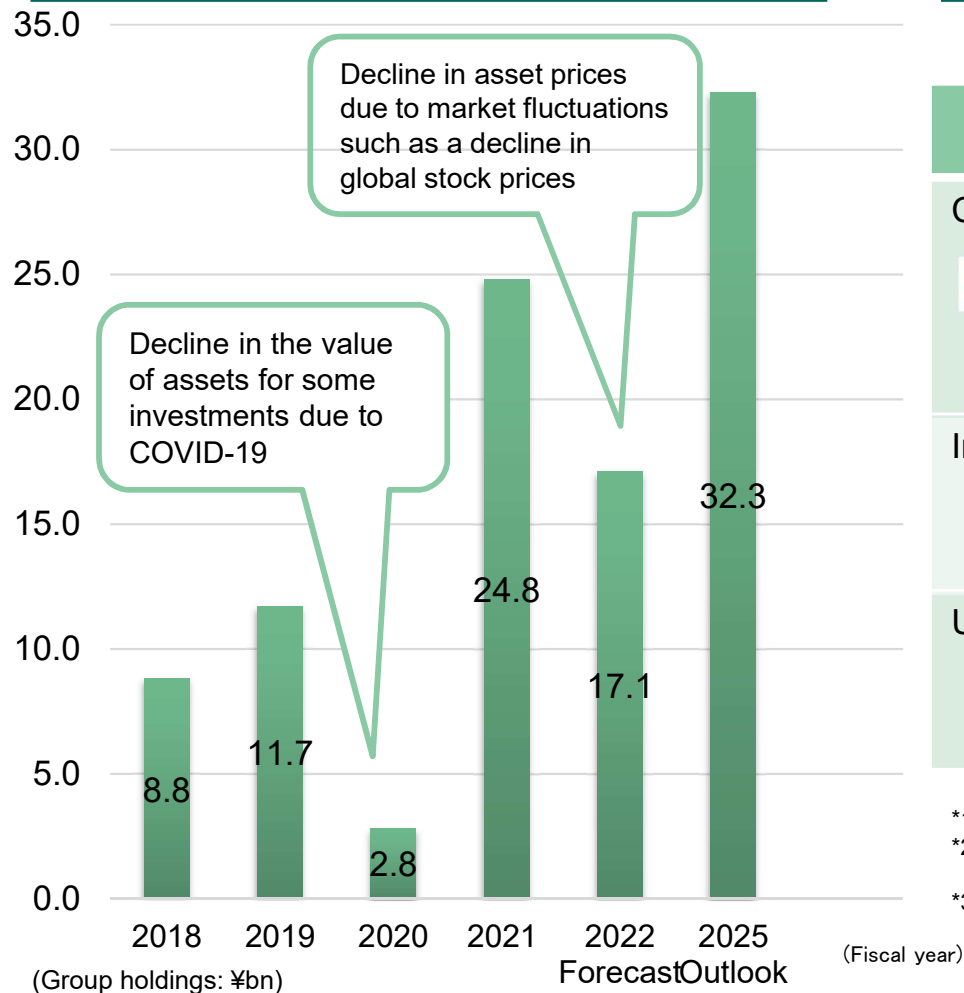
Number of insured vehicles: 130,000

3. International Business:

(6) Growth of International Life Insurance Business

- Despite a temporary decline in profit in FY2020 due to the COVID19 pandemic, investment in life insurance in China was completed in FY2021, resulting in a significant increase in profit.
- Organic growth is also expected going forward, particularly in high-growth Asian markets.
- If good opportunities that promise high return and enhanced corporate value emerge, business investment will also be considered.

Group Adjusted Profit



Premium Growth Rate in the Life Insurance Market

Life Insurance Market	Outline
China, India, Malaysia, Indonesia 	Average annual growth rate of 10.7% expected up to 2031 ^{*1}
Individual annuity insurance in Australia 	Average annual growth rate of 5.1% expected up to 2041 ^{*2}
UK-based closed book business 	Potential market worth GBP 480 billion ^{*3}

*1. Allianz Insurance Report 2021

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

*3. Based on Phoenix materials

3. International Business:

(7) Net Premiums Written and Group Adjusted Profit

Net Premiums Written (Non-life insurance)

(¥bn)

	FY2021 1H	FY2022 1H		FY2022 Full Year (Revised Forecast)		
	Result	Result	YoY change	Forecast	YoY change	Change from the initial
International Business Total^{*1}	549.8	665.1	115.3	1,140.1	204.8	89.0
Asia	147.9	183.4	35.5	374.1	71.6	21.0
Europe	345.5	413.7	68.2	623.9	103.8	52.2
Americas	29.5	42.9	13.4	89.9	27.6	11.2
Head Office Reinsurance	27.9	26.9	-0.9	54.7	1.9	4.7

Group Adjusted Profit

(¥bn)

	FY2021 1H	FY2022 1H		FY2022 Full Year (Revised Forecast)		
	Result	Result	YoY change	Forecast	YoY change	Change from the initial
International Business Total^{*1}	13.8	-36.2	-50.1	1.0	-33.3	-63.0
Asia	19.5	11.3	-8.1	32.0	-1.5	-0.7
Europe	-11.5	-51.9	-40.3	-37.6	-23.3	-42.9
Americas	0.1	-3.2	-3.4	-2.6	0.9	-3.5
Head Office Reinsurance	-10.4	-7.6	2.7	-7.0	-3.3	-10.4
International Life Insurance	17.9	13.9	-3.9	17.1	-7.7	-7.8

* 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.

^{*1} Figures in "International Business Total" include head office adjustments and other factors and are not equal to the sum of figures for each region and each business.

II. Basic Information on Each Business Domain

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

4. Risk-related Services / Financial Services Businesses

- In risk-related services, InterRisk is working together with group companies to develop solutions. We will use the diverse customer contact points (sales network), which is the strength of our Group, to sell these solutions.
- The financial services business contributes to profits by providing a variety of products and services in light of social issues, environmental changes and customer needs.

Risk-related services

Examples of solutions centered on InterRisk

Sophistication of services through the use of digital technologies and data

- Building a service that includes CO2 reduction planning, energy saving and proposal of renewable energy introduction, based on the data from CO2 emission computing cloud system
- Scenario-based analysis of climate change impact for every 5 years until 2100, using a planetary climate change model.

Standardization and simplification of risk management services

- Emergency decision support system
- Installation of "Virtual Typhoon Simulation" function on municipal disaster prevention dashboard

Development and commissioning of monitoring and management services utilizing digital technologies

- AI prediction of traffic accident occurrence risk based on data such as human flow, road structure, hazardous behavior, and regional characteristics
- More accurate risk assessment cyber monitoring service for small and medium enterprises with insufficient disclosure information on HP, etc.

Financial Services

Major efforts to increase profits through 2025 (+ 4.4 billion yen) are as follows:

■ Asset building-related business: + 2.4 billion yen

Increase equity method profit and dividend income from expansion of assets under management of Sumitomo Mitsui DS Asset Management and Leadenhall Capital Partners LLP

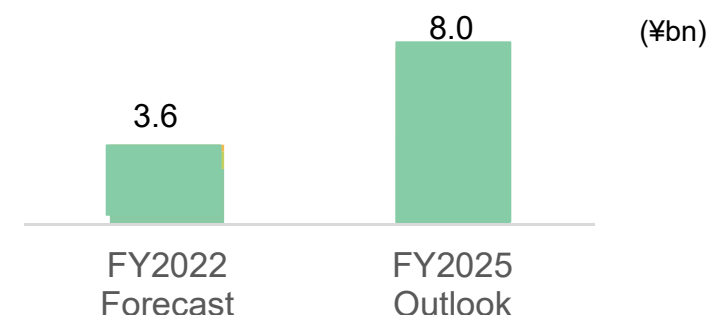
Maintain and expand variable annuity reinsurance business by developing new products

■ Risk solutions that contribute to ESG; response to changes in the social environment: + 2.0 billion yen

Provide weather derivatives and other risk solutions in response to climate change and customer needs

Increase dividend income by expanding venture investment through MSI Venture Capital

Group Adjusted Profit



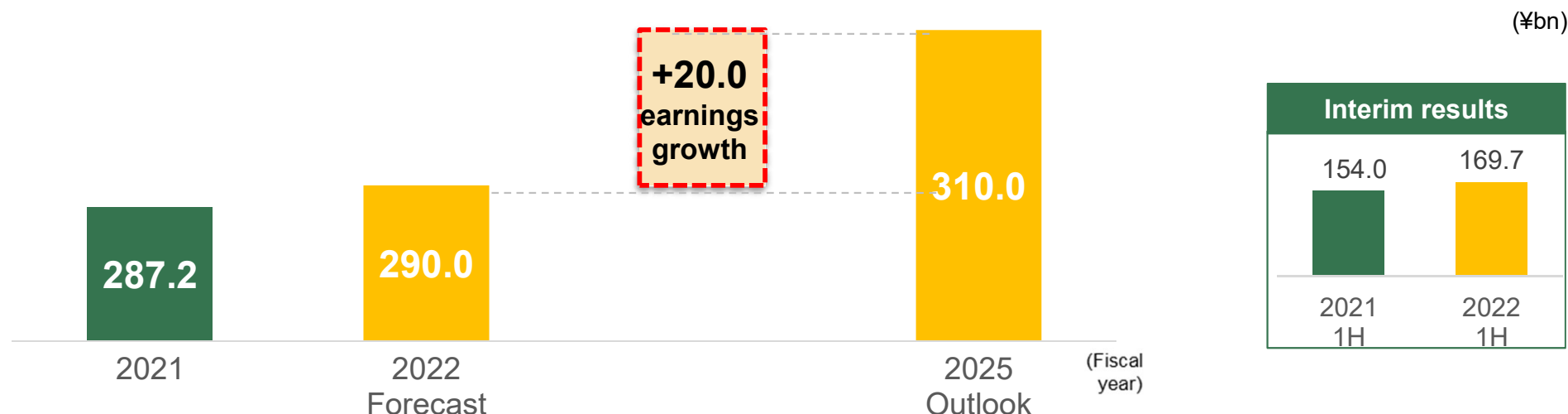
II. Basic Information on Each Business Domain

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

5. Asset Management: (1) Initiatives to Improve Profitability

- Aiming to expand investment profit by fiscal 2025, we are promoting an increase in the amount allocated to higher-return assets*.
- We are further strengthening initiatives that leverage group synergies, such as overseas PE, impact investments, and investments in joint funds.

Investment profit results and outlook



Breakdown of major factors for + 20 billion yen in investment income

1. Increase in higher-return assets	+ 22.0billion yen	<ul style="list-style-type: none"> • Allocate funds from the sale of strategic equity holdings to higher-return assets • Increase allocation to higher-return assets in life insurance operations • Promote group joint investment in overseas PE through a New York-based asset management subsidiary (MSR)
2. Dividend decline in strategic equity	- 10.0billion yen	Decrease in dividend due to promotion of strategic equity reduction
3. Other	+ 8.0billion yen	Dividend increase from overseas subsidiaries, profit of strategic equity sales, etc

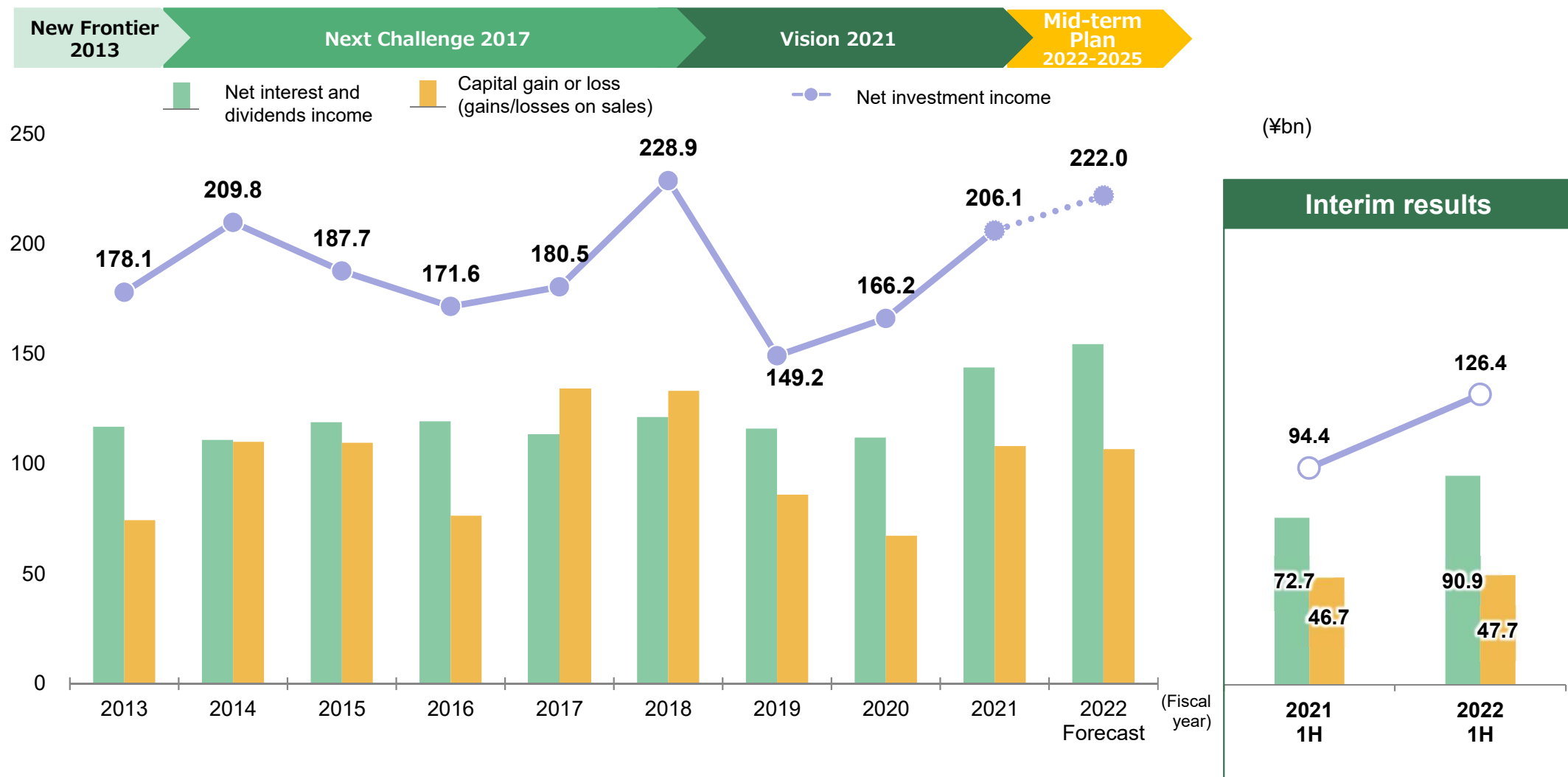
Other initiatives to strengthen the foundation for profitability improvement

- Using MSR as a hub to expand higher-return assets, develop professional human resources with a discerning eye for foreign asset management (dispatched 6 expats in fiscal 2022)
- Consider further impact investments and establishment of the second fund.

* Higher-return assets: Assets held on the expectation of gaining relatively high returns, including foreign bonds, foreign equities and alternatives

5. Asset Management: (2) Net Investment Income (Domestic Non-Life Insurance Business)

Net Investment Income

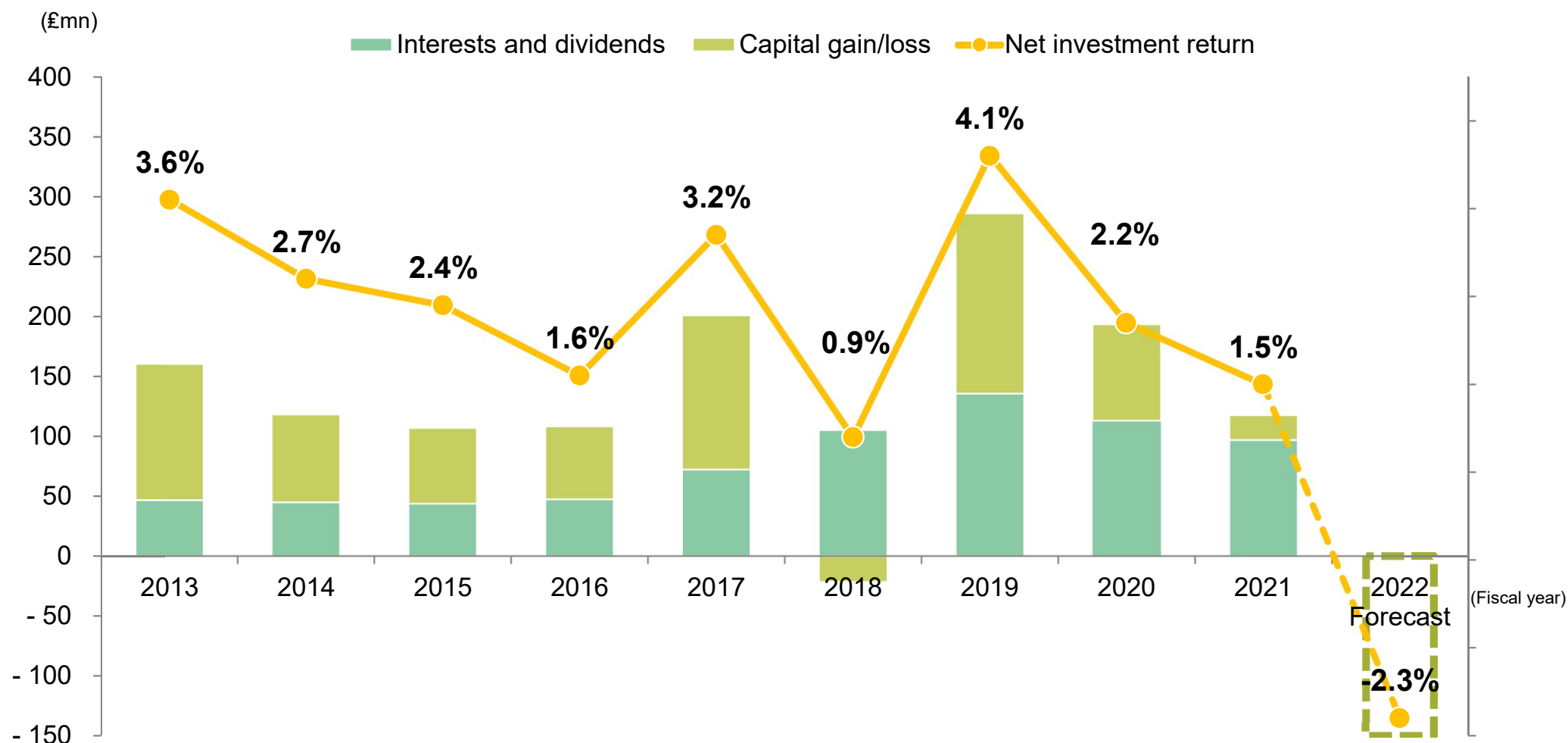


* Simple sum of MSI (non-consolidated) and ADI (non-consolidated)

* In FY2014, capital gain or loss (gains/losses on sales of securities) includes ¥63.0 bn of gains for additional provision for reserve for price fluctuation.

5. Asset Management: (3) Net Investment Return (MS Amlin)

Net Investment Return

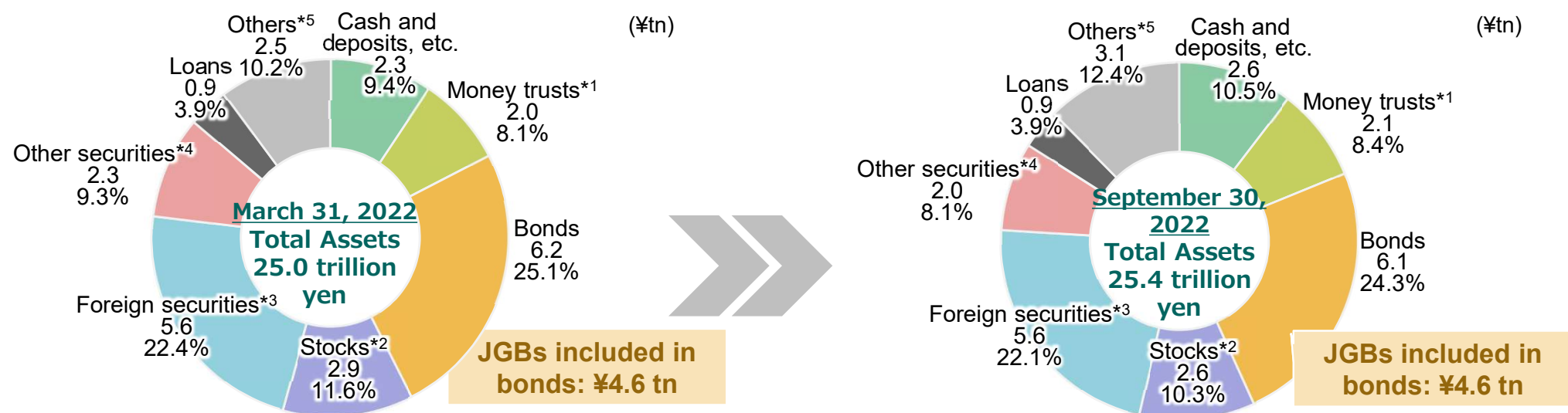


* MS Amlin's local basis, before deduction of asset management fee.

5. Asset Management:

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

Asset allocation (on a consolidated total assets basis)



Interest rate and foreign exchange rate sensitivity*6 (as of Sep. 30, 2022) (¥bn)

	Total for MS&AD Group	Total for Non-Life Insurers*7	Total for Domestic Life Insurers
100 bps rise in yen interest rates	+65.6	+49.5	-3.5
100 bps rise in US dollar interest rates	-96.4	-63.0	-33.4
10% rise in the yen against all currencies	-292.0	-198.0	-70.9
10% rise in the yen against the US dollar	-148.8	-124.9	-23.5
10% rise in the yen against the Euro	-26.1	-18.2	-7.8
10% rise in the yen against the British Pound	-20.6	-5.1	-3.1

Percent distribution by rating*9 (as of Sep. 30, 2022)

AAA ~ BBB	Less than BBB, no rating
96.2%	3.8%

Net investment for Higher-Return Assets*8 (FY2022 1H) (¥bn)

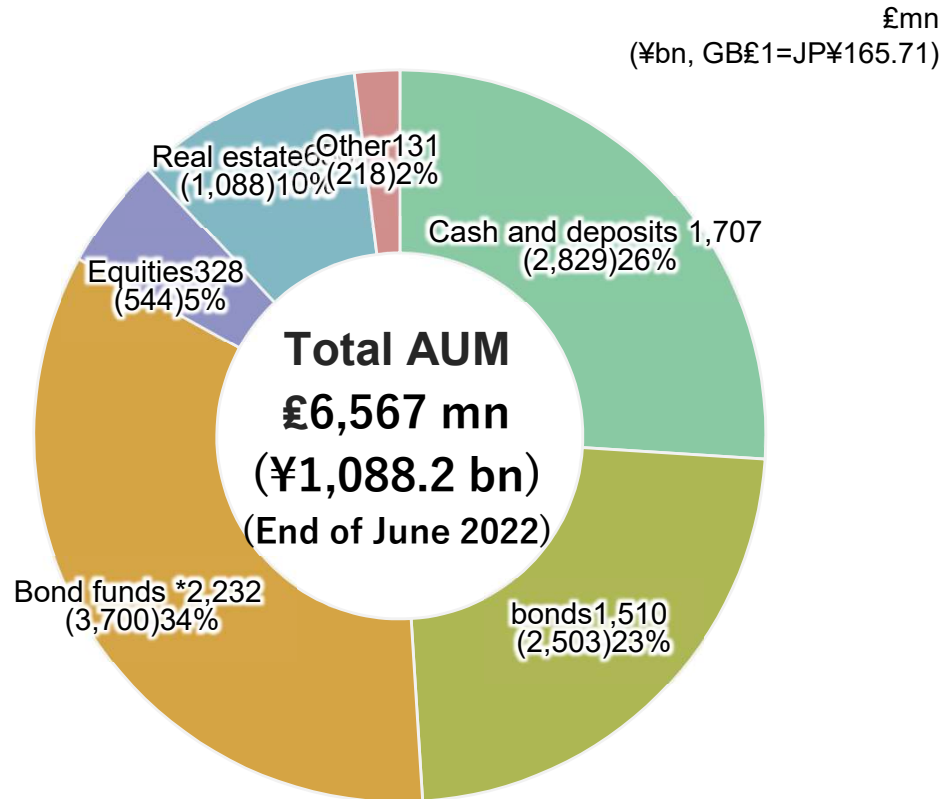
Total for MSI, ADI, MSA Life, MSP Life	Foreign bonds (no currency hedge)	Foreign stocks	Alternative assets	Domestic stocks, etc.
+ 150.4	+92.9	-3.5	+30.8	+30.2

- *1 Mainly assets corresponding to liabilities of domestic life insurance companies
- *2 Strategic equity holdings and shares held purely for investment purpose. See p.102 for details of the ratio of strategic equity holdings.
- *3 Foreign securities held by domestic insurance companies and securities held by foreign insurance subsidiaries
- *4 Mainly special account assets of domestic life insurance companies
- *5 Mainly tangible fixed assets, intangible fixed assets and goodwill
- *6 Impact on difference between assets and liabilities (surplus)
- *7 Including overseas subsidiaries
- *8 Net Investment amount (purchase – sales/redemption) for assets having higher expected return, Total for MSI, ADI, MSI Aioi Life and MSP Life
- *9 Aggregated figures for credit by internal rating for total credit management by individual issuers (market value, consolidated). Excluding loans to our group, reinsurance, and guarantee credits.

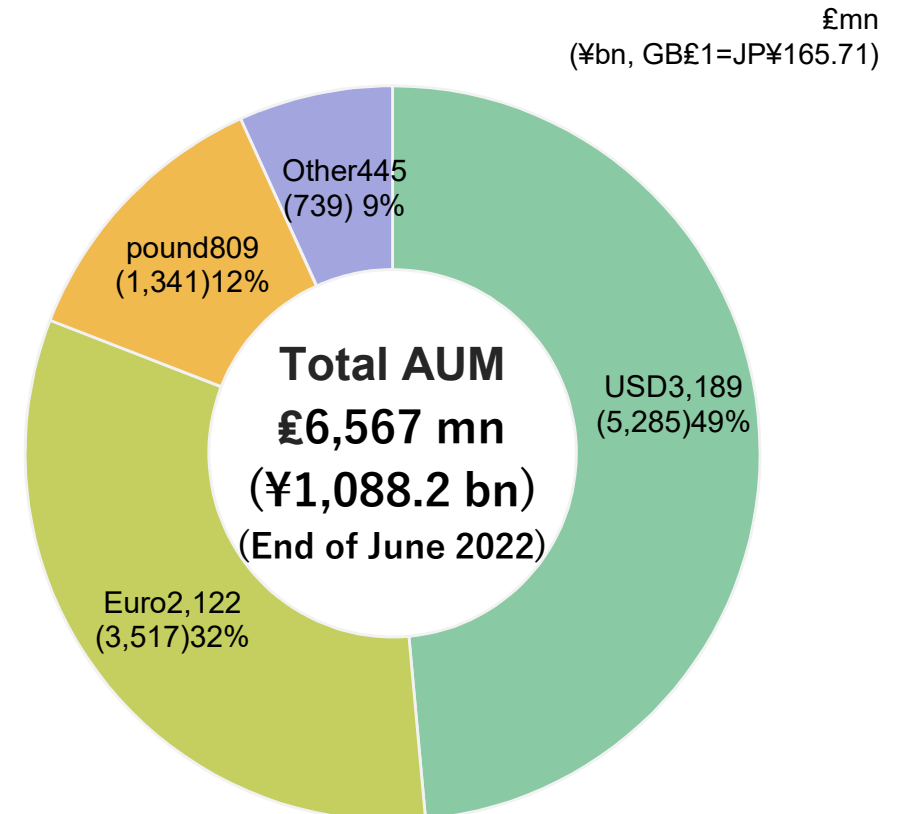
5. Asset Management:

(5) Asset Breakdown by Asset and Currency (MS Amlin) (End of June 2022)

Investment Assets Breakdown by Assets



Investment Assets Breakdown by Currency



Credit rating

AAA~BBB	Less than BBB
92%	8%

* The above break down includes derivatives.

*1 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.

5. Asset Management:

(6) Total Assets and Asset Allocation (MSI / ADI)

(¥bn)

	Mitsui Sumitomo Insurance				Aioi Nissay Dowa Insurance			
	As of Mar 31, 2022		As of Sep 30, 2022		As of Mar 31, 2022		As of Sep 30, 2022	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	6,887.5	100.0%	6,747.1	100.0%	3,215.1	100.0%	3,131.7	100.0%
Deposits, etc.	764.0	11.1%	791.8	11.7%	158.3	4.9%	212.4	6.8%
Bonds	1,351.7	19.6%	1,285.8	19.1%	775.2	24.1%	714.9	22.8%
of which, JGBs	701.4	10.2%	662.9	9.8%	430.5	13.4%	411.3	13.1%
Foreign securities	2,106.7	30.6%	2,202.9	32.6%	865.3	26.9%	873.4	27.9%
Foreign bonds	264.6	3.8%	285.3	4.2%	557.9	17.4%	544.9	17.4%
Foreign stocks	1,403.5	20.4%	1,405.5	20.8%	84.6	2.6%	86.1	2.7%
Foreign investment	438.4	6.4%	512.0	7.6%	222.7	6.9%	242.3	7.7%
Stocks	1,968.5	28.6%	1,761.4	26.1%	888.3	27.6%	814.3	26.0%
Other securities	97.2	1.4%	110.2	1.6%	114.7	3.6%	102.9	3.3%
Loans	410.6	6.0%	404.2	6.0%	245.7	7.6%	249.6	8.0%
Land & buildings	188.6	2.7%	190.5	2.8%	167.2	5.2%	164.1	5.2%

*Based on financial statement classification

5. Asset Management:

(7) Total Assets and Asset Allocation (MSI Aioi Life / MSI Primary Life)

(¥bn)

	MSI Aioi Life				MSI Primary Life (General account)			
	As of Mar 31, 2022		As of Sep 30, 2022		As of Mar 31, 2022		As of Sep 30, 2022	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Total AUM	4,780.4	100.0%	4,808.2	100.0%	5,031.1	100.0%	5,029.8	100.0%
Deposits etc.	107.4	2.2%	94.4	2.0%	835.2	16.6%	959.5	19.1%
Bonds	4,225.8	88.4%	4,250.7	88.4%	75.1	1.5%	67.3	1.3%
of which, JGBs	3,499.1	73.2%	3,501.4	72.8%	19.2	0.4%	18.9	0.4%
Foreign securities	315.2	6.6%	332.2	6.9%	1,789.0	35.6%	1,571.0	31.2%
Money trusts	-	-	-	-	2,035.7	40.5%	2,128.1	42.3%
Stocks	1.0	0.0%	0.9	0.0%	0.0	-	0.0	-
Other securities	71.5	1.5%	65.8	1.4%	6.9	0.1%	6.0	0.1%
Loans	58.9	1.2%	59.5	1.2%	288.6	5.7%	297.4	5.9%
Land & buildings	0.3	0.0%	0.3	0.0%	0.2	0.0%	0.2	0.0%

*Based on financial statement classification

III. Systems Supporting Value Creation

1. Sustainability Initiatives
2. Stewardship Activities
3. ERM

III. Systems Supporting Value Creation

- 1. Sustainability Initiatives**
2. Stewardship Activities
3. ERM

1. Sustainability Initiatives

(1) Sustainability

- To be a corporate group that supports a resilient and sustainable society, the Group has positioned sustainability as one of the foundations supporting the basic strategies of its medium-term management plan.

Priority issues	Main initiatives
 <p>Planetary Health</p>	<ul style="list-style-type: none"> • Sales of new products that support companies' efforts to decarbonize (e.g., carbon neutral support clause) • Provision of greenhouse gas emissions calculation and visualization services • Promotion of group initiatives on the themes of conservation and restoration of the natural environment, reduction of environmental impact, disaster prevention and mitigation, and regional revitalization (MS&AD Green Earth Project)
 <p>Resilience</p>	<ul style="list-style-type: none"> • Development of LaRc-Flood, a map for predicting changes in flood frequency associated with climate change, to support disaster prevention and mitigation • Promotion of solutions to social issues in collaboration with local stakeholders (Regional Revitalization) • Provision of products and services that address new risks, such as cyber risks associated with advances in innovation and changes in industrial structure
 <p>Well-being</p>	<ul style="list-style-type: none"> • Provision of products and services that contribute to health promotion and illness prevention and mitigation • Strengthening initiatives from a DE&I (Diversity, Equity and Inclusion) perspective • Understanding and preventing the impact of our Group's business activities on human rights (human rights due diligence)

1. Sustainability Initiatives

(2) Planetary Health and Human Resources

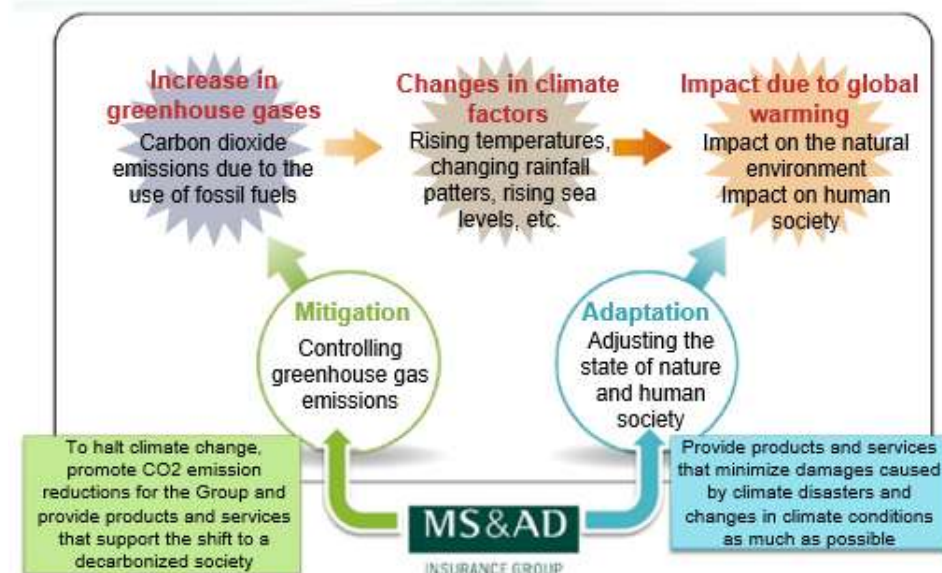
- As a response to climate change (toward net zero by 2050), we are expanding green products (insurance products that contribute to Planetary Health - symbiosis with the global environment) and promoting initiatives that lead to improved sustainability of natural capital.

< Reduction of greenhouse gas emissions and renewable energy use rate >

KPI	FY2021	2030 target	2050 target
Reduction of GHG emissions	-22.40%	-50% (vs 2019)	Net zero
Renewable energy use rate	13.8%	60%	100%

< Premium growth rate of green products >

KPI	FY2021	FY2025 target
Premium growth rate of green products	19.98%	Annual average 18%



- As a company that excels in promoting women empowerment, while being selected as a Nadeshiko company, we have established a system to promote diversity and inclusion and are working to create an environment in which diverse employees can flourish.

< Ratio of female directors and others >

KPI	July 2021	July 2022	FY2030 Target
Percentage of women in the BOD	27.3%	33.0%	At least 30%

KPI	FY2020	FY2021	FY2030 Target
Percentage of female managers	16.1%	17.5%	30.0%

1. Sustainability Initiatives

(3) Strengthening ESG Investment Initiatives

- With the aim of promoting ESG investment and loans, we signed the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI) published by the United Nations Environment Initiative (UNEP FI).

Principles for Responsible Investment (PRI)



We are considering ways to conduct constructive dialogue with investee companies from the perspective of ESG and other factors, and to conduct investment and loan activities with ESG in mind.

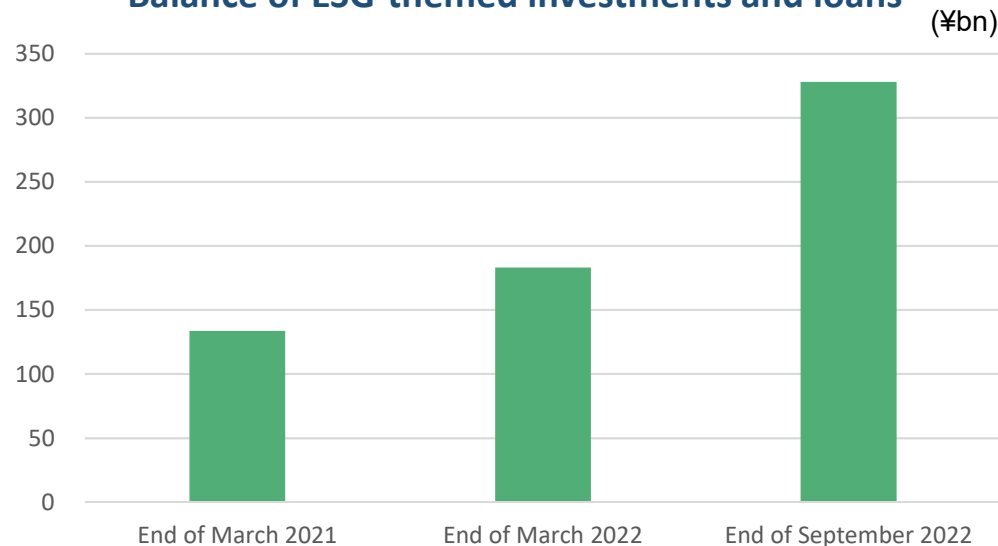
Principles for Sustainable Insurance (PSI)



As an insurance company, we consider ESG issues in our business activities, and we are working to play a role in the sustainable development of the planet.

- We are also engaged in investments and loans on the premise of ensuring profitability, including themes that will lead to the resolution of social issues, including climate change.

Balance of ESG-themed investments and loans



Investment and loan targets	Balance as of Sep 2022
Green/social/sustainability bonds	133.8
Transition/sustainability-linked finance	7.7
Renewable energy (solar, wind, hydrogen)	54.7
Impact investment, ESG in general, regional revitalization	95.4
International agency bonds	36.6
Total	328.1

1. Sustainability Initiatives

(4) CSV Initiatives

- Through the creation of shared value (CSV initiatives), we aim to realize a resilient and sustainable society.
- In underwriting insurance, we provide products and services that meet the demands of society, while considering issues and risks that have a negative impact on society and the global environment.



- Developing new products and services on the themes of climate change response and conservation and restoration of natural capital and biodiversity.

Comprehensive insurance for renewable energy supporting company



Forest insurance to cover reforestation costs (Forest Keeper)



CCS (CO₂ capture and storage) business liability insurance



III. Systems Supporting Value Creation

1. Sustainability Initiatives
- 2. Stewardship Activities**
3. ERM

2. Stewardship Activities

Dialogues Held and Results of Exercising Voting Rights

Dialogues held (July 2021 to June 2022)

	MSI	ADI	Total (simple sum)
Number of companies	173	146	319

Results of exercising voting rights (July 2021 to June 2022)

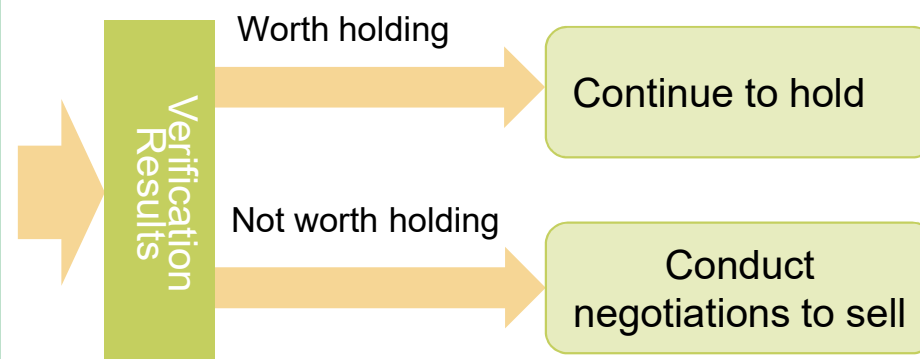
	MSI	ADI	Total (simple sum)
Number of disagreements (Number of bills)	7 (2,757)	9 (1,961)	16 (4,718)

Verifying the Appropriateness of Strategic Equity Holdings

- With regard to strategic equity holdings, we verify the appropriateness of holdings for each individual stock in terms of whether the benefits to holding are consistent with the capital costs, and confirm the verification results at Board of Directors meetings.
- According to the results of the FY2022 verification, 85% of investee companies on a stock basis and 90% on a market value basis exceeded the rationality target.

Verification Method in FY2022

Target Stocks	All publicly listed stocks among strategic equity holdings
Verification Details	<p>Calculate the return, risk, ROR and VA of the target stocks and verify economic rationality</p> <p>Return: Dividends received (10-year average) + balance of insurance income (5-year average)</p> <p>Risk: Amount of risk (confidence interval of 99.5% VaR) × capital cost ratio</p> <p>In addition to the above, we confirm the profit estimation and expected improvements in insurance income to decide on the appropriateness of holdings the stocks.</p>



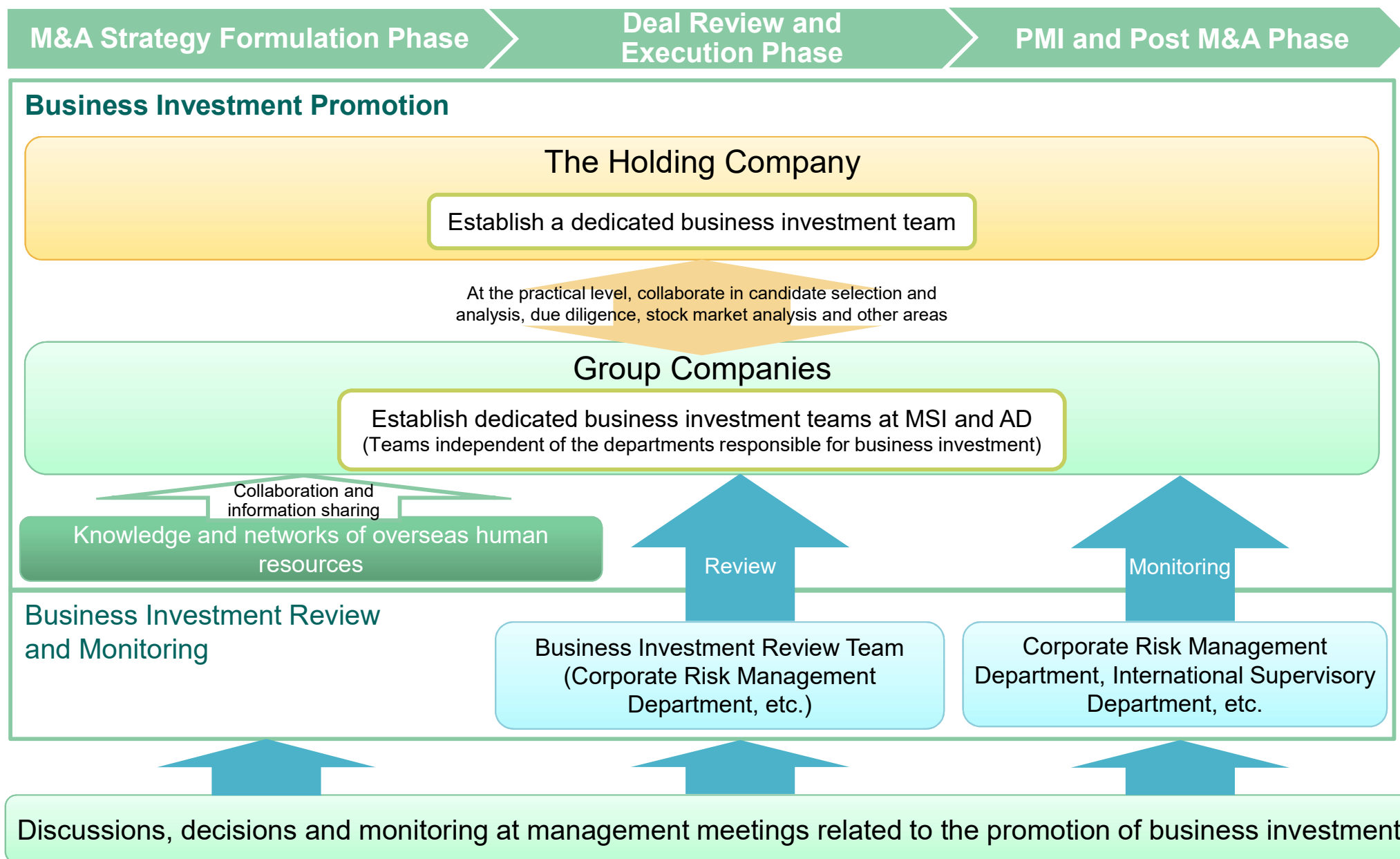
III. Systems Supporting Value Creation

1. Sustainability Initiatives
2. Stewardship Activities

3. ERM

3. ERM: (1) Business Investment Structure

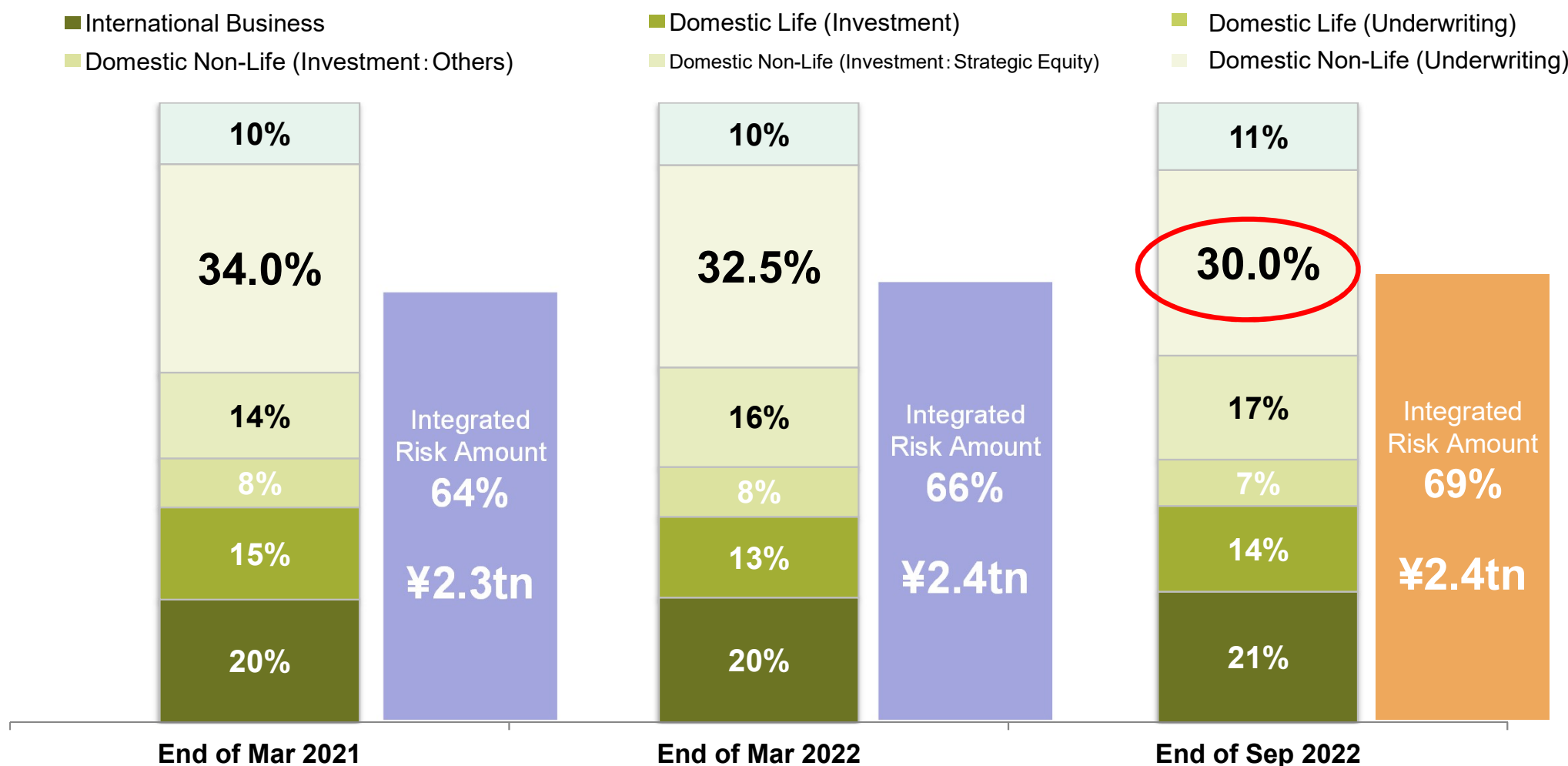
- Promote efficient and consistent business investments leading to expanded enterprise value on a Group basis.



3. ERM: (2) Ensuring Financial Soundness (Risk Portfolio)

- We sold 79.9 billion yen of strategic equity holdings in first half of FY2022, and the share in risk amount has decreased to 30.0% at the end of September 2022. (Target : less than 30%)

Risk Portfolio

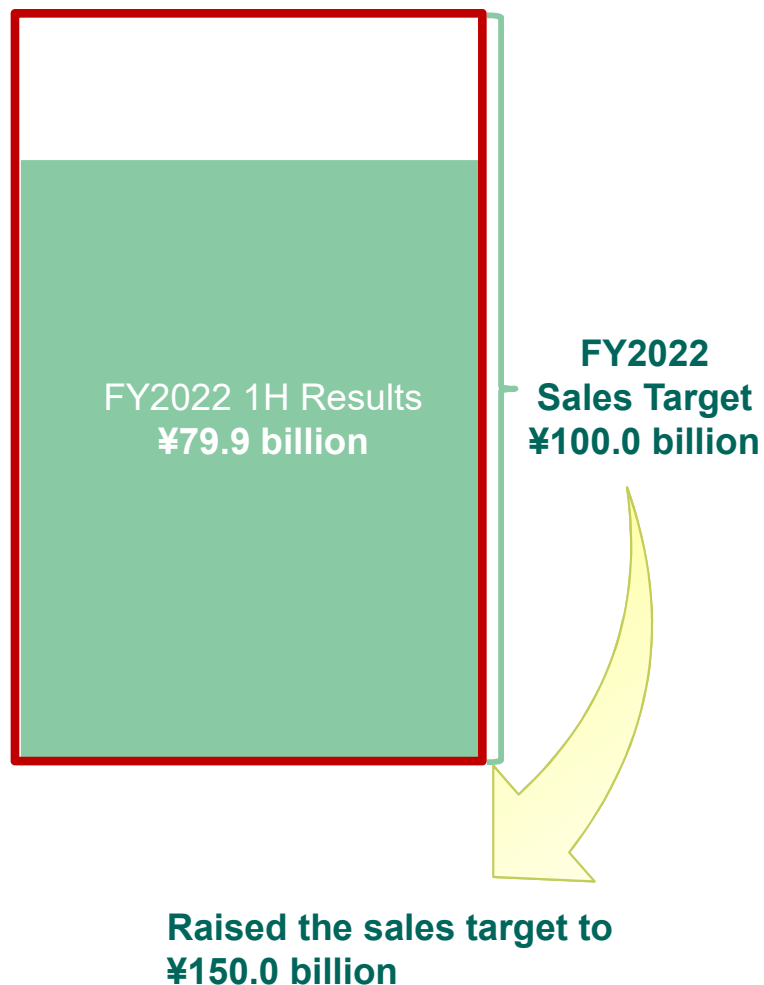


3. ERM

(3) Sales of Strategic Equity Holdings

- Against the annual target of selling strategic equity worth of ¥100.0 billion, we made steady progress, selling ¥79.9 billion in the first half of fiscal 2022.

Sales in 1H of FY2022



Actual Sales

						(¥bn)
Actual sales before business integration (FY2003*1~FY2009)					800.7	
MS& AD	New Frontier 2013	FY2010	88.3*2	88.3*2		
		FY2011	88.7			
		FY2012	114.1			
		FY2013	173.5	(Sub-total) 376.4		
	Next Challenge 2017	FY2014	91.0			
		FY2015	181.1			
		FY2016	133.0			
		FY2017	151.3	(Sub-total) 556.6		
	Vision 2021	FY2018	136.7	Total from FY2017	620.8	
		FY2019	111.8			
		FY2020	102.7			
		FY2021	118.1			
	Mid-term Plan 2022-2025	FY2022 1H	79.9	(Subtotal) 79.9		
	Total			2,371.4		

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

*2 Changed from 57.4 billion yen

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

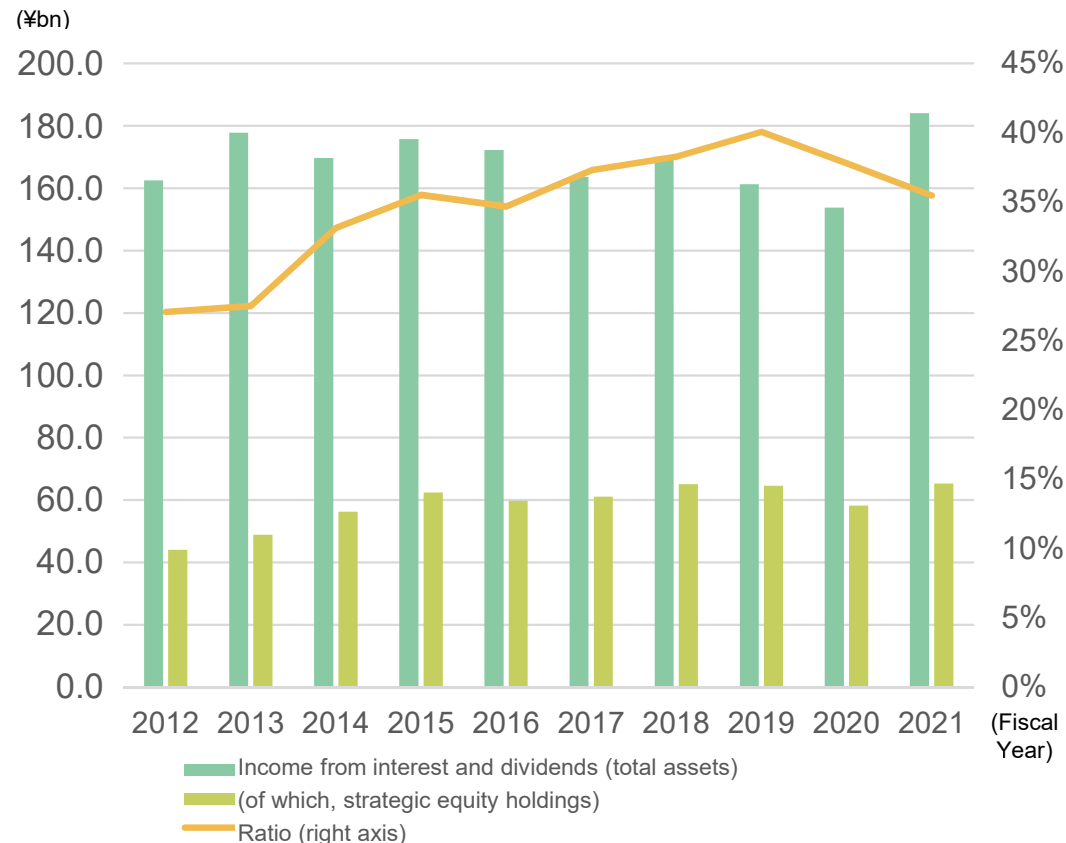
	March 2022	September 2022	Target
Fair value weight*3 of strategic equity holdings in consolidated total assets	11.3%	10.0%	Less than 10%
Risk weight*3 of strategic equity holdings in risk amount	32.5%	30.0%	Less than 30%

*3 Weight of all strategic equity holdings including unlisted stocks

3. ERM: (4) Investment Performance of Strategic Equity Holdings (Dividends, total return based on market value)

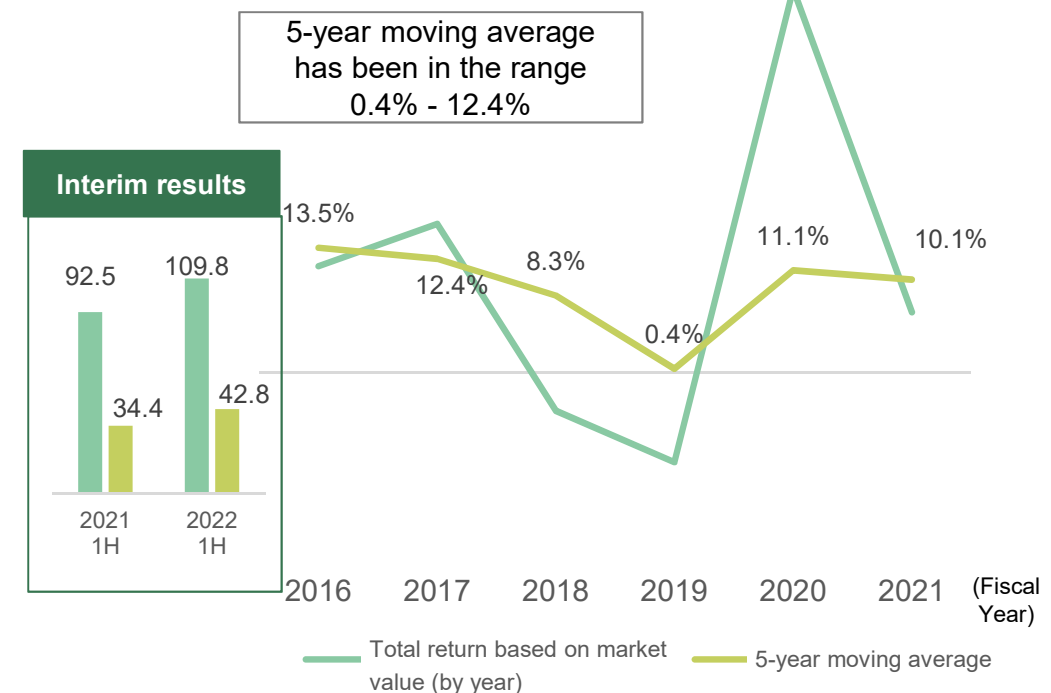
- Dividends from strategic equity* holdings were stable at around ¥60 billion, with income from interests and dividends accounting for a rising percentage. In addition, even after the transition to IFRS, strategic equity holdings remain an asset that helps ensure stable investment profit.
- 5-year moving average of the total return based on market value from strategic equity holdings has been in the range between 0.4% ~ 12.4%.

Change in dividends from strategic equity holdings



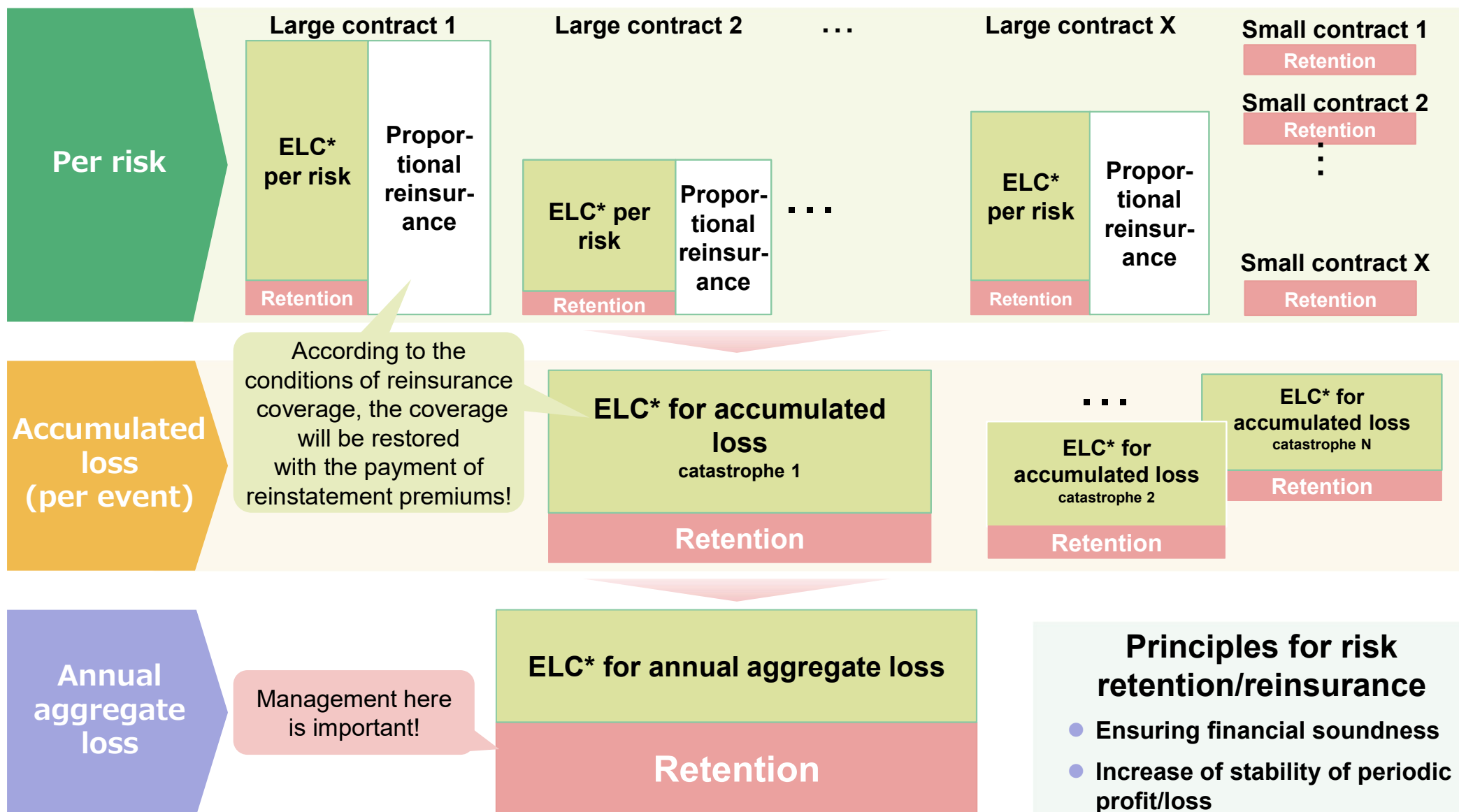
*Total sum of strategic equity owned by MSI and ADI

Total return based on market value of strategic equity holdings



<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

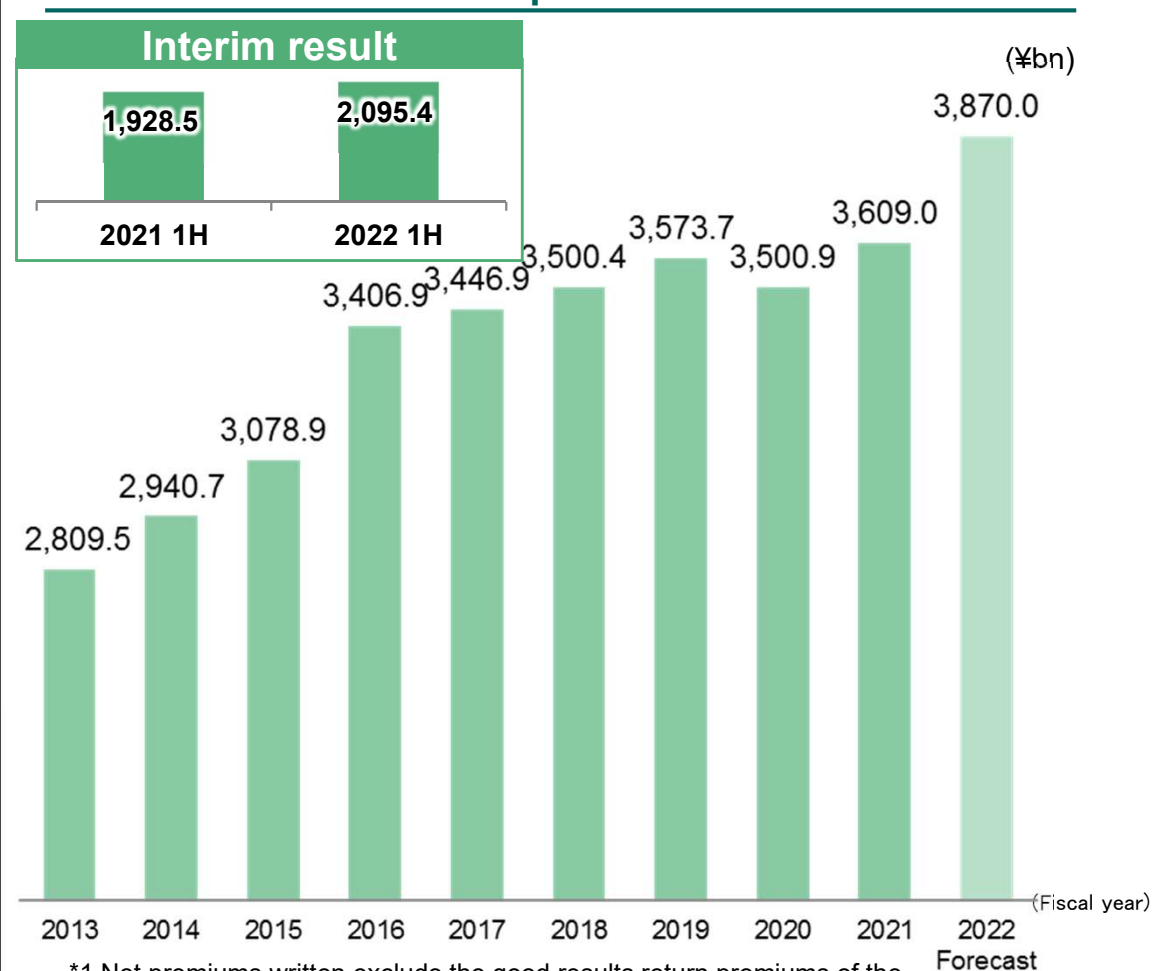
IV. Group's Current Status

1. Premium Income
2. Bottom Line and ROE
3. Impact of Foreign Exchange rate on Earnings

1. Premium Income

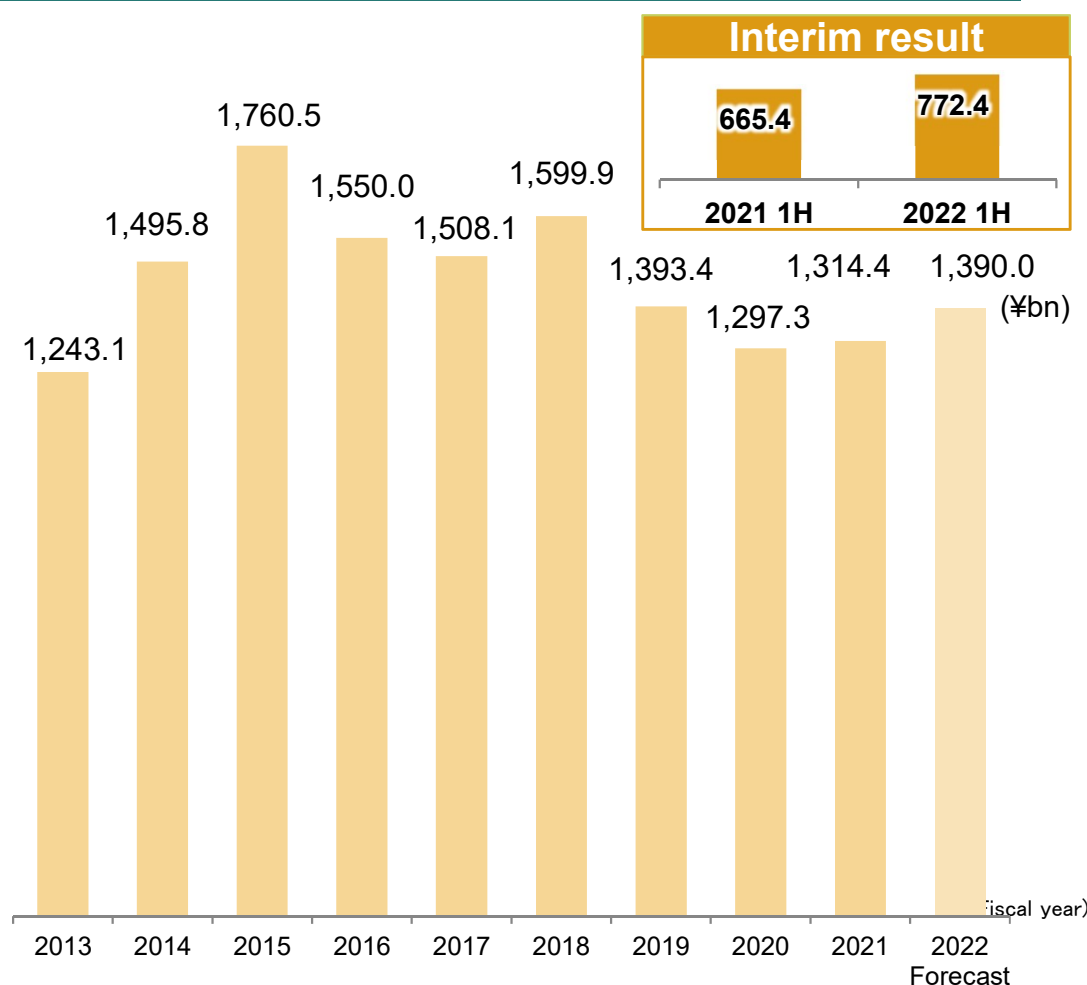
- FY2022 1H consolidated net premiums written for non-life insurance increased by 166.9 billion yen to 2,095.4 billion yen as both domestic non-life insurance subsidiaries and overseas insurance subsidiaries increased.
- FY2022 1H life insurance gross premiums increased by 107.0 billion yen to 772.4 billion yen.

**Non-life insurance:
Consolidated net premiums written * 1**



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

Life Insurance: Life Insurance Gross Premium * 2

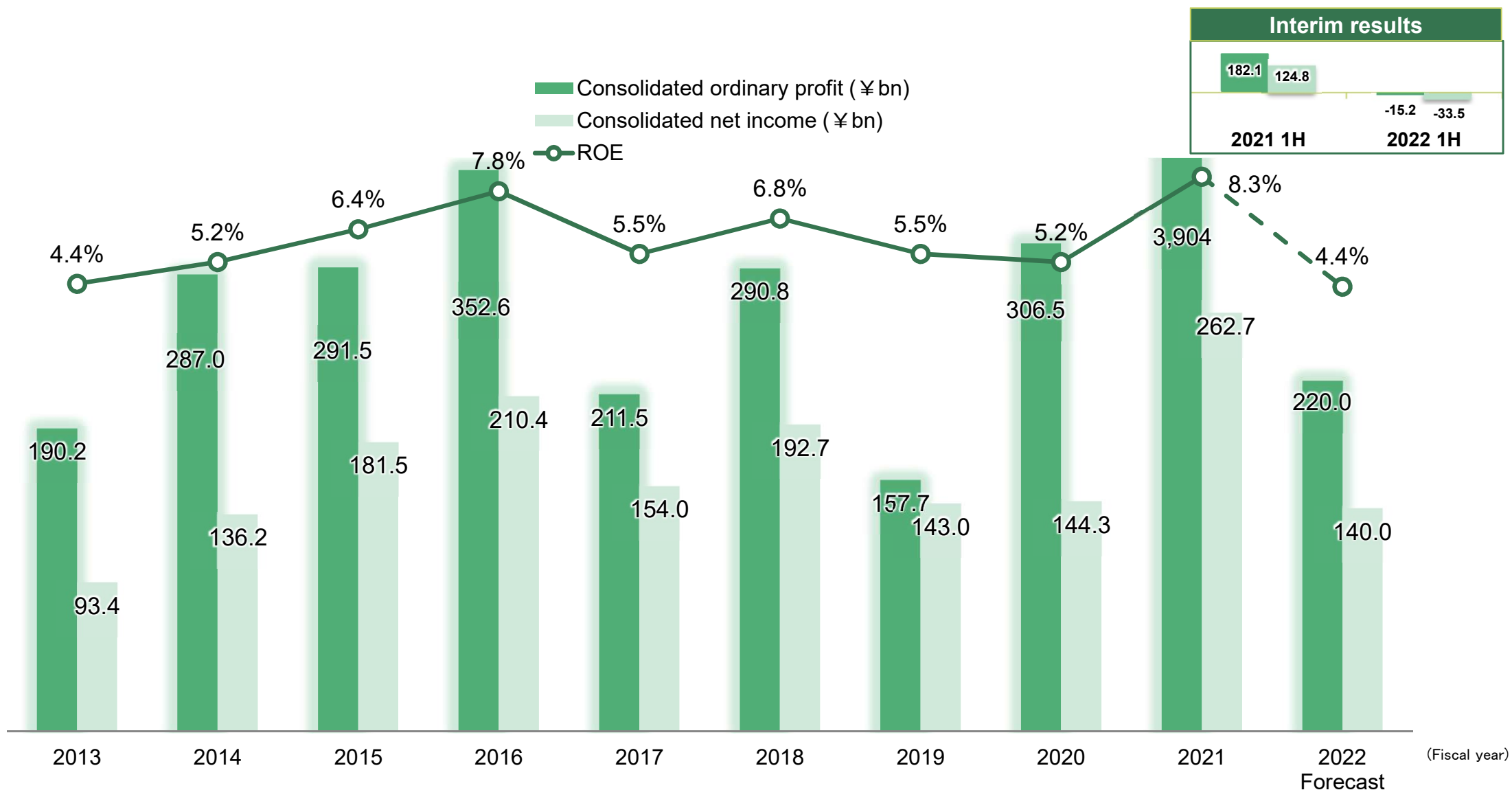


*2 Life insurance premium(Gross premium) is domestic life insurance companies only

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

- Net income for the first half of FY2022 was -33.5 billion yen, down 158.4 billion yen year on year, due to the impact of the frequent occurrence of natural catastrophes, Russia-Ukraine situation, COVID-19, and market fluctuations.



Consolidated Ordinary Profit, Net Income and ROE



3. Impact of Foreign Exchange/Interest Rate Fluctuation on Earnings

- The impact of a 5% JPY depreciation against USD is an increase of about ¥1.5 billion both in net income and Group Adjusted Profit.
- The impact of an increase of 0.1% in JPY interest rate is an increase of about ¥0.2 billion both in net income and Group Adjusted Profit.

Impact of 5% JPY depreciation on profits

	All currencies 5% weaker yen	USD only 5% weaker yen
Impact on net income	increase by approx. ¥3.0 billion	increase by approx. ¥1.5 billion
● Increase in profits of overseas subsidiaries	increase by approx. ¥+0 billion	increase by approx. ¥+0 billion
● Domestic non-life insurance subsidiaries	increase by approx. ¥+0.5 billion	increase by approx. ¥+2.0 billion
Change in valuation of foreign currency deposits and exchange gain/loss on currency hedge positions, etc. Increase in claims reserve in foreign currency		
● Increase of amortization of goodwill and others in foreign currency	decrease by approx. ¥-0.5 billion	decrease by approx. ¥-0 billion
● Increase of profit margin of domestic life insurance subsidiaries, etc*2	increase by approx. ¥+3.0 billion	decrease by approx. ¥-0.5 billion
The impact on Group Adjusted Profit excluding an increase of amortization of goodwill and others in foreign currency	increase by approx. ¥+3.5 billion	increase by approx. ¥+1.5 billion

*1 The impact of regular policy reserve for foreign currency as of MSI Primaly Life is not included

Impact of 0.1% rise in JPY interest rate on profits*2

Impact on net income and Group Adjusted Profit	increase by approx. ¥+0.2 billion
● Increase in interest for new investment bonds/loans	increase by approx. ¥+0.2 billion

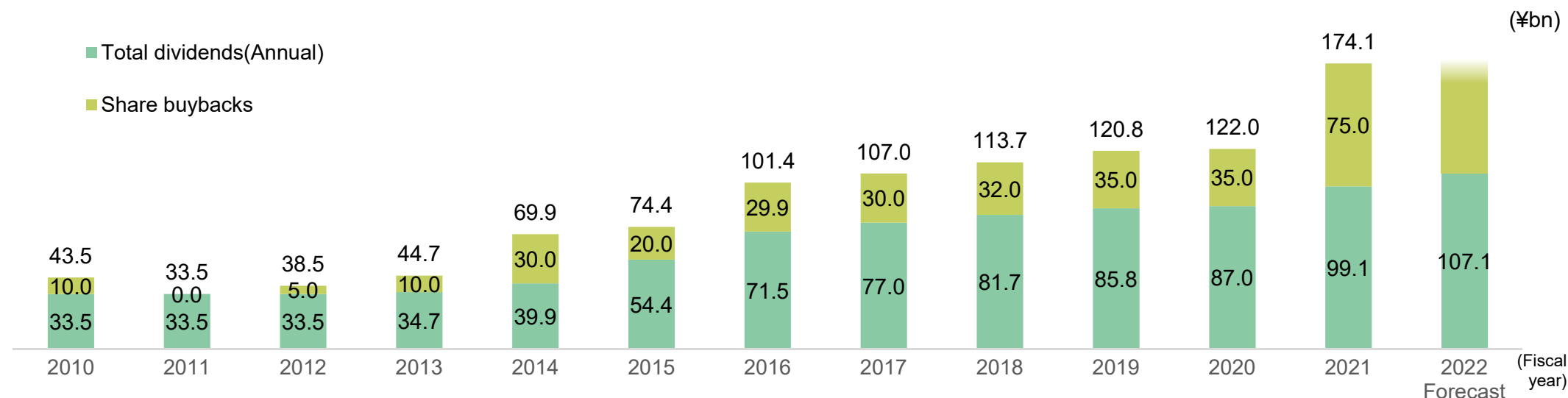
*2 The effect of rising interest rates in a single year on expected new investment in domestic bonds (about 200 billion yen) for the current fiscal year

V. Shareholder Returns and Stock Price-related Indices

Past Shareholder Returns

Shareholder Return by Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	2022 (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	1,715.8	170.0
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	1,043.5	-
Shareholder return ratio*1	300%	-	44%	47%	45%	50%	47%	102%	60%	52%	57%	50%	61%	-
DOE*2									2.9%	3.3%	3.1%	3.1%	-	-
Returns per share (yen)	69.8	54.0	62.0	72.0	113.5	122.5	169.1	180.6	193.3	207.8	217.0	315.4	-	-

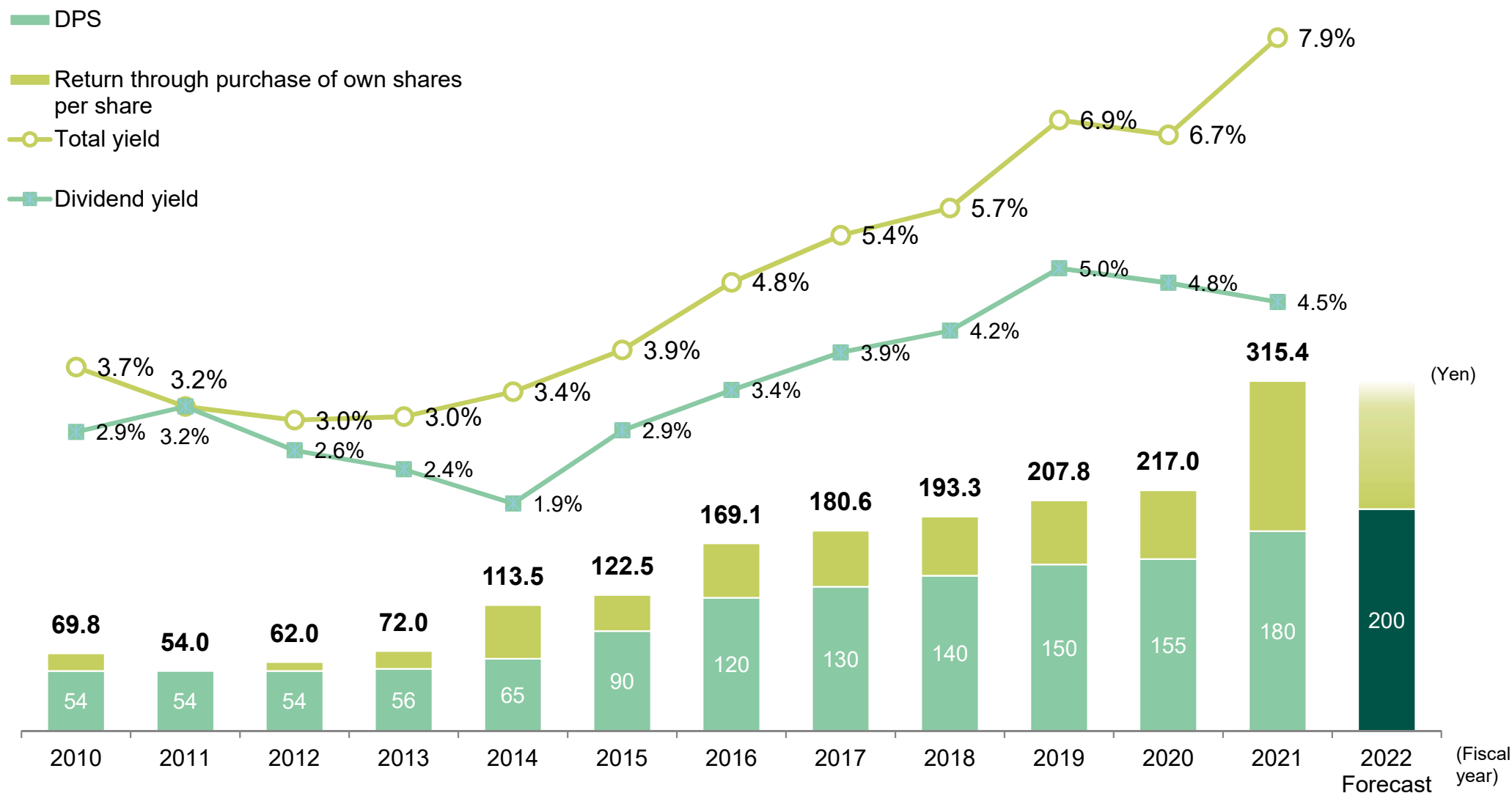


*1 Figures until FY2017 are Group Core Profit. Please refer to p.98 for the method of calculating the single-year shareholder return ratio.

*2 DOE: Dividend on equity = Annual dividend (interim dividend, year-end dividend, etc.) ÷ Net assets

Total Shareholder Return per share, Total Yield, and Dividend Yield

Total Shareholder Return per share, Total Yield, and Dividend Yield



Stock Price Indicators

	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 1H
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	-33.5 FY forecast 140.0
Earnings per share (EPS) (¥)	8.68	-272.49	134.46	150.58	221.34	298.72	350.94	260.04	328.72	248.36	255.79	474.52	-61.80 FY Forecast 259.84
Stock price (closing price) (¥)	1,894	1,699	2,066	2,364	3,370	3,136	3,540	3,355	3,370	3,025	3,249	3,978	3,836
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%	-3.6%
(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%	-5.7%
Book-value per share (BPS) (¥)	2,597.19	2,400.48	3,215.33	3,646.22	4,911.40	4,469.58	4,572.82	4,964.64	4,712.11	4,308.37	5,525.42	5,955.21	5,299.64
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	0.72
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	-

※ 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 Shareholder Return Ratio”

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

*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.

Group Adjusted Profit for FY2022 1H

(¥bn)

$$\begin{aligned}
 \text{Group Adjusted Profit } 7.4 &= \text{Consolidated net income } -33.5 + \text{Provision for catastrophe loss reserve and others } 21.8 - \text{Other incidental factors}^{*4} \text{ (amortization of goodwill and other intangible fixed assets and others)} -19.2 + \text{Equity in earnings of non-consolidated group companies } -0.0
 \end{aligned}$$

*4 Amortization of goodwill and others: -14.2 billion yen

(Reference) Major differences between IFRS net income and base profit for shareholder return from the previous standard

- Major differences between IFRS net income and base profit for shareholder return from the previous standard are as follows.

Profit-related items	Net Income (Japanese GAAP)	Group Adjusted Profit	IFRS net income	Base profit for shareholder return
Catastrophe reserve	●	×	×	×
Impairment of goodwill and other intangible assets	●	×	●	×
Amortization of goodwill	●	×	×	×
Amortization of other intangible assets	●	×	●	×
Gain on sales of strategic equity	●	●	×	●
Impact of market fluctuations*1			●	×
Deferred effects of new policy expenses			●	×
Losses on unfavorable contracts*2			●	×

*1 Changes in the market value of investment trusts and stocks other than strategic equity, foreign exchange fluctuations in foreign bonds .

*2 Gains or losses related to additional liabilities for policies for which future insurance payments, etc. cannot be covered by insurance premiums.

MS&AD

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Inquiries

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MS&AD Insurance Group Holdings, Inc.**

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