

Materials for FY2022 Results Briefing – Conference Call

May 19, 2023 (Fri.)

MS&AD

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

Today's Key Points

FY2022 Results

- Net premiums written increased by 325.4 billion yen year on year to 3,934.4 billion yen due to increases in both domestic non-life insurance subsidiaries and overseas insurance subsidiaries.
- Net income decreased by 101.2 billion yen year on year to 161.5 billion yen , as the domestic non-life and life insurance subsidiaries and overseas subsidiaries posted a decrease in profit. Net income exceeded the revised forecast announced in November 2022 by 21.5 billion yen.
- Group Adjusted Profit decreased by 174.4 billion yen year on year to 172.7 billion yen.

FY2023 Forecast

- Net premiums written are expected to increase by 149.5 billion yen to 4,084.0 billion yen mainly due to an increase at domestic non-life insurance subsidiaries and overseas subsidiaries.
- Net income is expected to increase by 138.4 billion yen to 300.0 billion yen. Net income at domestic non-life insurance subsidiaries is expected to increase due to an improvement in underwriting profit despite a decrease in investment profit. Net income at domestic life insurance subsidiaries is expected to increase mainly due an increase at MSI Aioi Life. Net income at overseas subsidiaries is expected to increase as a result of large increase at MS Amlin.
- Group Adjusted Profit is expected to increase by 177.2 billion yen year on year to 350.0 billion yen.
Lowered by 50.0 billion yen from Medium Term Management Plan FY2023 target of 400.0 billion yen.

Shareholder Returns

- The annual dividend for FY2022 is planned at 200 yen (20 yen increase compared with the previous year). A share buyback is decided at 20.0 billion yen.
- The annual dividend forecast for FY2023 is 240 yen.

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

Summary of FY2022 Results

Consolidated Earnings for FY2022 (1) - Overview (i) (Top line)

Non-life insurance subsidiaries

(¥bn)

	FY2021 Results	FY2022		
		Results	YoY Change	Growth
Direct premiums written (excl. deposit premiums from policyholders)	3,821.5	4,095.6	274.1	7.2%
Net premiums written	3,609.0	3,934.4	325.4	9.0%
Mitsui Sumitomo Insurance	1,579.3	1,629.8	50.5	3.2%
Aioi Nissay Dowa insurance	1,291.3	1,335.5	44.2	3.4%
Mitsui Direct General	35.4	34.5	- 0.8	- 2.5%
Overseas subsidiaries	703.0	934.1	231.1	32.9%

Life insurance subsidiaries

(¥bn)

	FY2021 Results	FY2022		
		Results	YoY Change	Growth
Gross premiums income*	1,314.4	1,707.5	393.0	29.9%
MSI Aioi Life	501.9	487.1	- 14.8	- 3.0%
MSI Primary Life	812.4	1,220.4	407.9	50.2%
Life insurance premiums	520.0	453.5	- 66.4	- 12.8%

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

Consolidated Earnings for FY2022 (1) - Overview (i) (Top Line)

(Non-life insurance subsidiaries [domestic & overseas])

- Net premiums written increased by 325.4 billion yen year on year, or 9.0% yen due to increases in both domestic non-life insurance subsidiaries and overseas insurance subsidiaries.
- The two main domestic non-life insurance companies posted an increase of 2,965.3 billion yen or 3.3% year on year, due to a large increase in premiums in fire insurance, despite a decline in premiums in compulsory auto liability insurance
 - Fire insurance: increased by 12.5% to 490.7 billion yen mainly due to the sales expansion before the product revision in Oct 2022.
 - Marine insurance : increased by 21.3% to 83.9 billion yen mainly due to an increase of trade volume by soaring natural resources prices.
 - Voluntary auto insurance: increased by 1.2% to 1,453.7 billion yen, mainly due to an increase in reinsurance inward from overseas despite an impact of low level of new vehicle sales.
 - Compulsory auto liability insurance: decreased by 2.0% to 275.4 billion yen, mainly due to an impact of the rate revision in the previous year.
- Net premium written at overseas insurance subsidiaries increased by 32.9% to 934.1 billion yen mainly due to an increase in Europe including MS Amlin and in other regions as well as the impact of foreign exchange rates. If the impact of foreign exchange is excluded, the premiums increased by 19.6%.

(Domestic life insurance subsidiaries)

- MSI Aioi Life: see slide 17; MSI Primary Life: see slide 18

Consolidated Earnings for FY2022 (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2021 Results	FY2022			FY2022 Revised Forecast	
		Results	YoY Change	Change Ratio	Announced in Nov. 2022	Progress
Ordinary profit/loss	390.4	231.1	- 159.3	- 40.8%	220.0	-
Mitsui Sumitomo Insurance	184.2	141.2	- 43.0	- 23.3%	159.0	-
Aioi Nissay Dowa Insurance	80.9	66.7	- 14.2	- 17.5%	59.0	-
Mitsui Direct General Insurance	0.8	- 0.5	- 1.3	- 169.9%	-	-
MSI Aioi Life	39.0	27.8	- 11.1	- 28.7%	-	-
MSI Primary Life	87.7	31.0	- 56.7	- 64.7%	-	-
Overseas subsidiaries	39.6	9.0	- 30.5	- 77.2%	-	-
Consolidation adjustments, others	- 41.9	- 44.2	- 2.2	-	-	-
Net income/loss*	262.7	161.5	- 101.2	- 38.5%	140.0	115.4%
Mitsui Sumitomo Insurance	145.7	107.8	- 37.8	- 26.0%	122.0	88.4%
Aioi Nissay Dowa Insurance	53.9	43.1	- 10.7	- 20.0%	37.0	116.7%
Mitsui Direct General Insurance	0.7	0.8	0.1	21.5%	0.4	223.5%
MSI Aioi Life	21.0	12.7	- 8.3	- 39.6%	11.0	115.7%
MSI Primary Life	53.0	19.7	- 33.2	- 62.7%	15.0	131.7%
Overseas subsidiaries	24.5	15.7	- 8.8	- 36.0%	5.0	314.4%
Consolidation adjustments, others	- 36.3	- 38.6	- 2.3	-	- 50.4	-

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

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

Consolidated Earnings for FY2022 (1) - Overview (ii) (Bottom Line)

[Net Income]

(Group consolidated)

- Net income decreased by 101.2 billion to 161.5 billion yen which exceeded the revised forecast announced in November 2022 by 21.5 billion yen.

(Domestic non-life insurance subsidiaries)

- Underwriting profit(prior to reflecting catastrophe reserve) decreased by 199.4 billion to -54.1 billion yen mainly due to an increase in voluntary auto insurance losses following to recovery of traffic volume/rise of claim amount per accident of both property damage liability and vehicle damage coverage, domestic natural catastrophe loss increase, Covid-19 related losses and large loss increases in fire insurance and casualty insurance, etc.
- Underwriting profit decreased by 86.8 billion yen to -15.2 billion yen due to an increase in reversal of catastrophe reserve.
- Investment profit/loss and others increased by 29.5 billion yen to 223.2 billion yen due to an increase in gains on sales of securities, net interest and dividends income and sales of strategic equity holdings, etc.
- Net income decreased by 48.6 billion yen to 151.0 billion yen.

(Domestic life insurance subsidiaries)

- MSI Aioi Life: See slide 17; MSI Primary: See slide 18.

(Overseas subsidiaries)

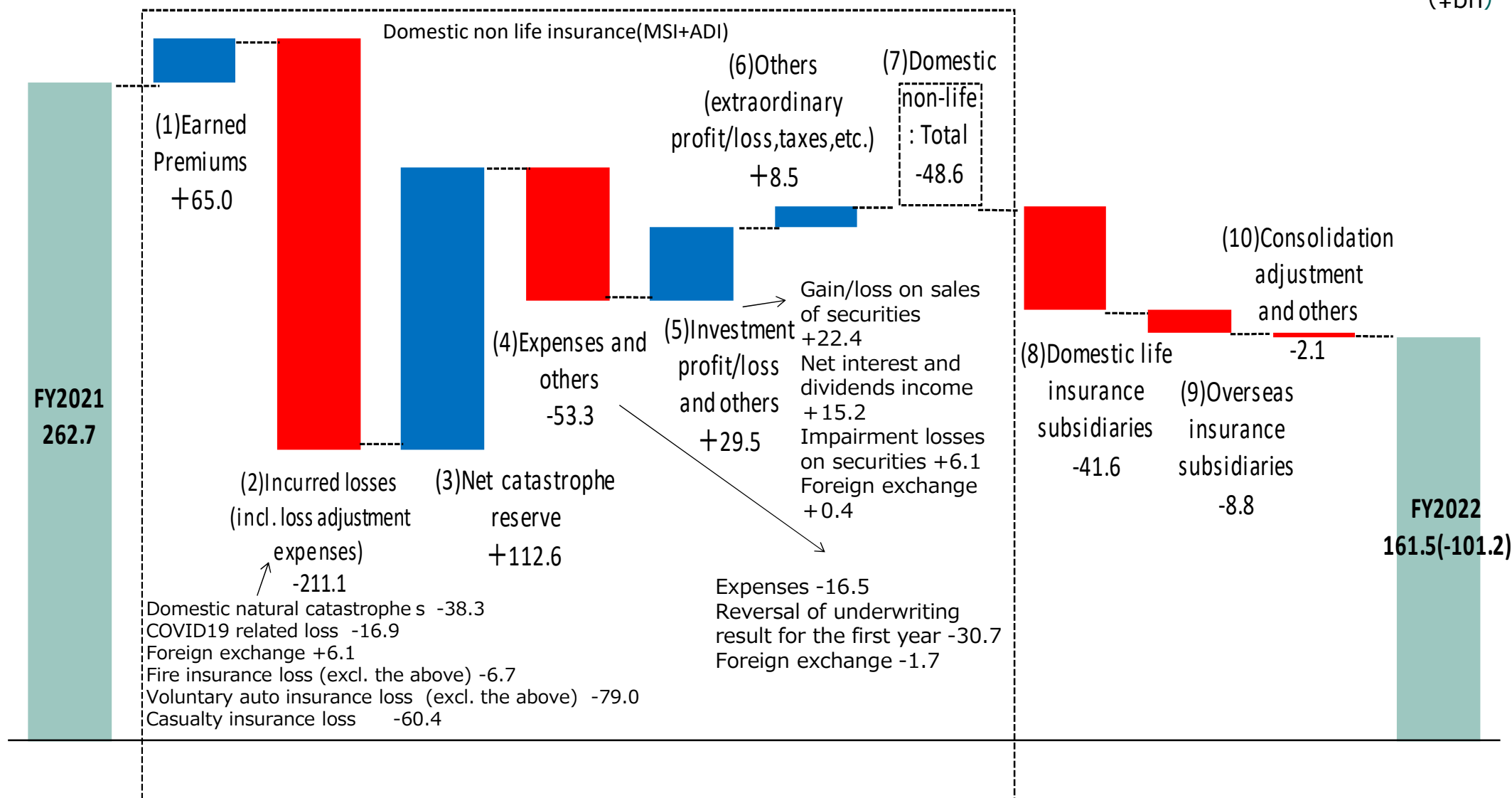
- Overseas insurance subsidiaries: See slide 19; MS Amlin: See slide 23.

Consolidated Earnings for FY2022 (2) – YoY Results Comparison (i)

- Net income at (7) two domestic non-life insurance companies combined decreased by 48.6 billion yen mainly due to an increase of (2) Incurred losses. Net income at (8) Domestic life insurance subsidiaries decreased by 41.6 billion yen due to profit decrease at both MSI Aioi life and MSI Primary life. Net income at (9) Overseas insurance subsidiaries decreased by 8.8 billion yen due to COVID19 related losses and investment losses. From the above, Consolidated net income decreased by -101.2 billion yen.

Net income

(¥bn)



Consolidated Earnings for FY2022 (2) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2021 Results	FY2022 Results	YoY Change
Consolidated net income/loss		262.7	161.5	- 101.2
Domestic non-life insurance* ¹ :				
Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))		71.5	- 15.2	- 86.8
Earned premiums	(1)	2,578.7	2,643.7	65.0
Incurred losses (incl. loss adjustment expenses)	(2)	- 1,579.9	- 1,791.0	- 211.1
Net reversal of catastrophe reserve	(3)	- 73.7	38.8	112.6
Expenses and others* ²	(4)	- 853.4	- 906.8	- 53.3
Investment profit/loss and others	(5)	193.6	223.2	29.5
Others (extraordinary loss, taxes, etc.)	(6)	- 65.4	- 56.8	8.5
Domestic non-life insurance: Total	(7)	199.7	151.0	- 48.6
Domestic life insurance subsidiaries	(8)	74.0	32.4	- 41.6
Overseas subsidiaries	(9)	24.5	15.7	- 8.8
Consolidation adjustments and others	(10)	- 35.5	- 37.7	- 2.1

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

*² "Expenses and others" include the reversal of the initial year balance, the nat. cat. policy reserve and profit/loss on foreign exchange.

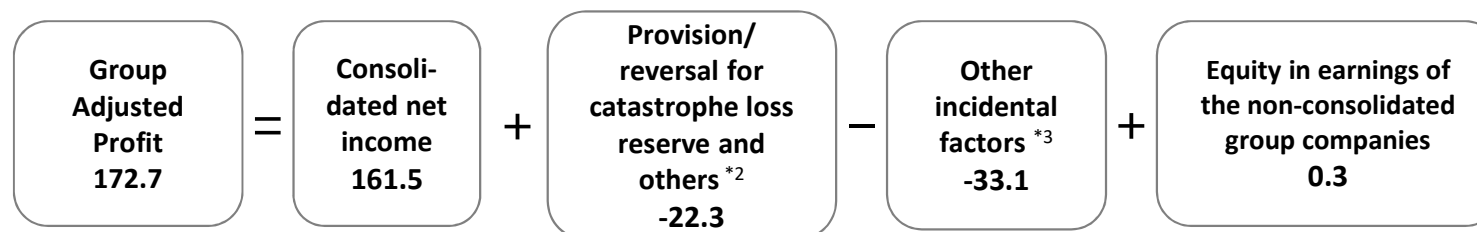
Consolidated Earnings for FY2022 (3) – Group Adjusted Profit

- Group Adjusted Profit exceeded the revised forecast of 170.0 billion yen announced in Nov 2022 despite declines on “Domestic non-life insurance business”, “Domestic life insurance business”, “International business” and “Financial services business and risk related business”.

	FY2021 Results	FY2022 Results	YoY Change	FY2022 Revised Forecast (Announced in Nov. 2022)
Group Adjusted Profit* ¹	347.1	172.7	- 174.4	170.0
Domestic non-life insurance business	230.7	118.0	- 112.6	139.0
Domestic life insurance business	75.7	34.7	- 41.0	28.0
International business	34.3	17.9	- 16.4	1.0
Financial services business and risk-related services business	6.3	2.0	- 4.3	2.0
Group Adjusted ROE* ¹	9.5%	4.8%	- 4.7pp	4.6%

*¹ For the definition of Group Adjusted Profit and Group Adjusted ROE, please refer to the last page.

<Reference>



*² “+” in case of provision, “-” in case of reversal

*³ Amortization of goodwill and others: -28.9 billion yen

Consolidated Earnings for FY2022 (4) – Impact of Natural Catastrophes

- Domestic natural catastrophe loss was 97.4 billion yen (of which Fire insurance: 65.7 billion yen, Voluntary Automobile Insurance: 27.5 billion yen).
- Overseas natural catastrophe loss was 47.9 billion yen.

Impact of domestic natural catastrophes

(¥bn)

	Incurred losses			Incurred losses FY2022 Forecast (Announced in Nov. 2022)	(Reference : FY2022) before reinsurance recovery		
	FY2021 Results	FY2022 Results	YoY Change				
Mitsui Sumitomo Insurance	26.2	51.2	25.0	57.5	Hail damage in June	42.8	
Aioi Nissay Dowa Insurance	21.5	46.1	24.6	47.5	Typhoon No14	34.2	
Total	47.7	97.4	49.6	105.0	Typhoon No15	19.8	

Impact of overseas natural catastrophes

	Incurred losses			Incurred losses FY2022 Forecast (Announced in Nov. 2021)	(Reference: FY2022)		
	FY2021 Results	FY2022 Results	YoY Change				
Aioi Nissay Dowa Insurance	25.2	16.7	- 8.5	29.3	North America		
MS Amlin	44.8	29.1	- 15.7	40.7	Hurricane Ian	29.2	
Other (MSI, overseas subsidiaries)	- 5.5	2.0	7.5	1.7			
Consolidation adjustments*1							
Total	64.6	47.9	- 16.7	71.7			

*1 "Consolidation adjustments" is the reversal of North American cold wave losses of February 2021 that were additionally booked in the consolidated financial statements for FY2020.(FY2021 :-12.0 billion yen)

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

Consolidated Earnings for FY2022 (5) – Impact of COVID19 related loss in 2022

- COVID19 related losses at domestic non-life insurance companies was 29.0 billion yen, 15.8 billion yen for domestic life insurance subsidiaries and 25.0 billion yen for overseas insurance subsidiaries(MSIG Mingtai in Taiwan).

COVID19 related losses(including claim reserve) at major subsidiaries

(¥bn)

	FY2021	FY2022	YoY change	Annual forecast Announced in Nov
(Domestic non-life insurance companies)				
Mitsui Sumitomo Insurance	8.6	21.0	12.3	22.2
Aioi Nissay Dowa Insurance	3.4	8.0	4.5	9.3
Sub total	12.1	29.0	16.9	31.5
(Domestic life insurance subsidiaries)				
MSI Aioi Life	2.9	15.8	12.8	17.3
(Overseas insurance subsidiaries)				
MSIG Mingtai(Taiwan subsidiary)	-	25.0	25.0	20.0
Grand Total	15.0	69.8	54.7	68.8

Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2022 (i)

- Underwriting profit prior to reflecting catastrophe reserve decreased by 199.4 billion yen to -54.1 billion yen, mainly due to an increase in incurred losses in voluntary automobile insurance following to the traffic volume recovery, rise of claim amount per accident, domestic natural catastrophe losses, Covid19 related losses, large losses in fire insurance and casualty insurance, etc.
- Underwriting profit decreased by 15.2 billion yen due to an increase in reversal of catastrophe reserve. To prepare for the future, MSI and ADI conducted an additional Catastrophe reserve (Fire) provision totaling 48.3 billion yen (MSI 28.3 billion yen: provision rate increased from the end of period/Additional Provision, ADI 20.0 billion yen: Additional Provision).

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)		(¥bn)
		YoY Change		YoY Change		YoY Change	
Net premiums written*¹	2,965.3	94.7	1,629.8	50.5	1,335.5	44.2	
Earned premiums* ^{2,3}	2,643.7	65.0	1,469.8	43.0	1,173.9	22.0	
Incurring losses (including loss adjustment expenses)* ²	(-)	1,791.0	211.1	985.8	115.3	805.1	95.8
Underwriting expenses* ²	(-)	908.0	16.5	492.7	8.5	415.3	8.0
Commissions and collection expenses* ²		570.7	19.8	300.2	7.8	270.4	11.9
Other underwriting expenses* ²		337.3	-3.2	192.4	0.6	144.9	-3.9
Underwriting profit/loss prior to reflecting catastrophe reserve	-54.1	-199.4	-19.2	-105.2	-34.8	-94.2	
Net catastrophe reserve	38.8	112.6	3.3	48.2	35.5	64.3	
Underwriting profit/loss after reflecting catastrophe reserve	-15.2	-86.8	-15.9	-56.9	0.6	-29.8	
EI loss ratio*²	67.7%	6.4pp	67.1%	6.1pp	68.6%	7.0pp	
Net loss ratio* ¹	65.3%	5.9pp	64.3%	5.3pp	66.6%	6.8pp	
Net expense ratio* ¹	33.4%	-0.5pp	32.5%	-0.5pp	34.6%	-0.4pp	
Combined ratio*¹	98.7%	5.4pp	96.8%	4.8pp	101.2%	6.4pp	

*1 All lines *2 Excluding residential earthquake and CALI (compulsory auto liability insurance)

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

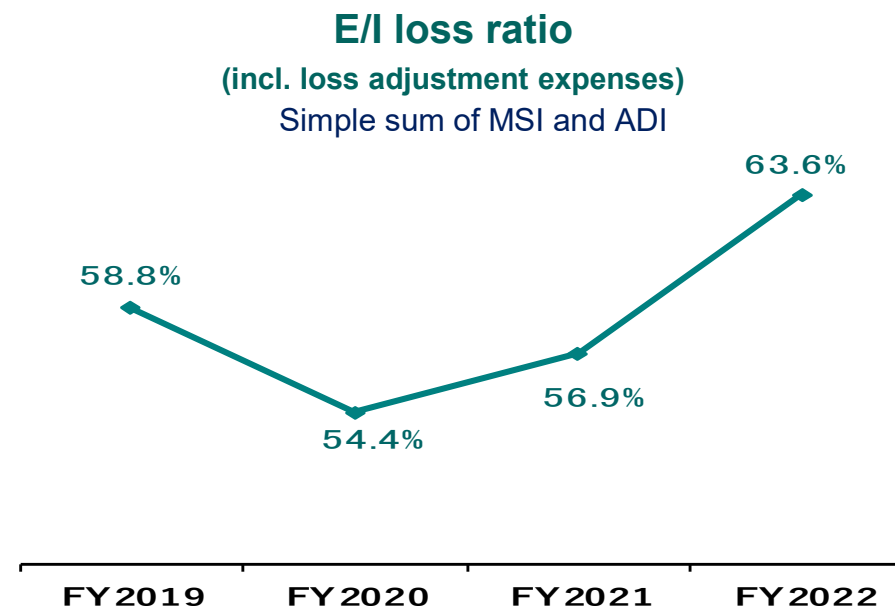
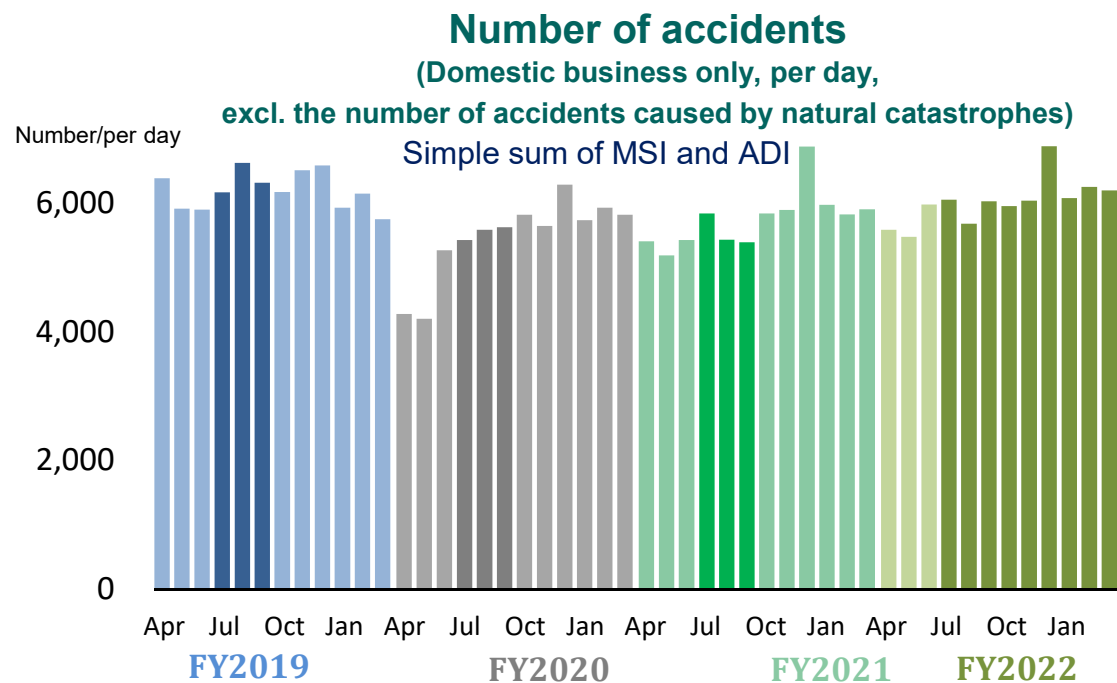
Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2021 (ii)

- Investment profit and other ordinary profit increased by 29.5 billion yen due to an increase in gains on sales of securities from strategic equity holdings reduction acceleration, increase in net interest and dividends income, and decrease in impairment losses on securities, etc.

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	- 15.2	- 86.8	- 15.9	- 56.9	0.6	- 29.8
Net interest and dividends income	159.1	15.2	109.4	8.7	49.6	6.4
Gains/losses on sales of securities	130.5	22.4	91.3	0.6	39.1	21.8
Impairment losses on securities (-)	28.4	- 6.1	26.1	- 4.5	2.2	- 1.5
Investment profit/loss and other ordinary profit/loss	223.2	29.5	157.1	13.9	66.0	15.6
Ordinary profit/loss	207.9	- 57.2	141.2	- 43.0	66.7	- 14.2
Extraordinary income/loss	- 10.7	- 4.2	0.1	- 1.8	- 10.9	- 2.3
Income before taxes	197.2	- 61.4	141.4	- 44.9	55.8	- 16.5
Taxes and others	46.1	- 12.8	33.5	- 7.0	12.6	- 5.8
Net income/loss	151.0	- 48.6	107.8	- 37.8	43.1	- 10.7
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	206.6	88.4				

Domestic Non-Life Insurance Companies FY2022 (2) – Voluntary Auto Insurance

- The cumulative number of accidents at the end of March increased by 4.5% year-on-year due to the recovery of traffic volume. (compared to Dec 2019: decreased by -2.8%)
- E/I loss ratio increased by 6.7 points year-on-year to 63.6%(excluding natural catastrophe loss basis.: 5.1 point increase to 61.7%)



Premium/Claim Mitsui Sumitomo Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	-0.6%	+0.2%	-0.4%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+7.6%	+3.8%	

Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	-0.2%	+0.4%	+0.2%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+6.3%	+2.3%	

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

* Changes in average payout per claim means changes in average payout per claim over one-year period ended Mar. 31, 2023 compared with average payout per claim in one-year period ended Mar. 31, 2022.

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

Domestic Life Insurance / MSI Aioi Life - Results for FY2022

- Annualized premium of new policies increased by 1.0% year on year mainly due to an increase in new products such as cancer insurance.
- Net income decreased by 8.3 billion yen mainly due to claim payment increase following to Covid-19 impact.

MSI Aioi Life

(¥bn)

	FY2021	FY2022	YoY Change	Change Ratio
	Results	Results		
Amount of new policies(Personal)	1,690.4	1,456.6	- 233.8	-13.8%
Annualized premiums of new policies	26.9	27.1	0.2	1.0%
of which, third sector insurance	14.0	13.5	- 0.4	-3.5%
Amount of policies in force(personal)	23,847.7	23,249.9	- 597.8	-2.5%
Annualized premiums of policies in force	443.8	440.5	- 3.3	-0.8%
of which, third sector insurance	152.4	157.5	5.1	3.4%
Gross premiums income	501.9	487.1	- 14.8	-3.0%
Ordinary profit/loss	39.0	27.8	- 11.1	-28.7%
Extraordinary income/loss	- 1.2	- 1.3	- 0.0	-
Net income/loss	21.0	12.7	- 8.3	-39.6%
Core profit*	34.5	24.9	- 9.6	-28.0%
EEV	923.6	908.0	- 15.5	
Ref: EEV (UFR-applied)	997.6	946.7	- 50.8	
Net worth	224.1	- 3.8	- 227.9	
Value of in-force policies	699.4	911.9	212.4	
of which, value of new policies	54.5	51.2	- 3.2	

*From 1Q FY2022, the disclosure method based on new standard has been adopted. Along with this revision, FY2021 result was amended retroactively based upon new standard

Domestic Life Insurance / MSI Primary Life - Results for FY2022

- Gross premiums income increased by 50.2% due to the increasing needs for foreign currency-denominated products as a result of rising foreign interest rates and the development of sales activities.
- Net income decreased by 33.2 billion yen to 19.7 billion yen due to a rebound from a decrease in Policy Reserve's provision due to rising interest rates in the previous fiscal year and the burden on provision of standard Policy Reserve for foreign currency-denominated insurance in the current fiscal year.

MSI Primary Life

(¥bn)

	FY2021 Results	FY2022 Results	Change	
			YoY Change	Change Ratio
Amount of new policies	819.6	1,279.8	460.1	56.1%
Amount of policies in force	6,803.6	6,932.2	128.5	1.9%
Gross premiums income	812.4	1,220.4	407.9	50.2%
Ordinary profit/loss	87.7	31.0	- 56.7	- 64.7%
Extraordinary income/loss	- 14.0	- 4.1	9.8	-
Provision/reversal for price fluctuation reserve	- 14.0	- 4.1	9.8	-
Net income/loss	53.0	19.7	- 33.2	- 62.7%

Impact of interest rates and foreign exchange rates

(¥bn)

	FY2021 Results	FY2022 Results
Impact of interest rates	3.6	- 95.3
Impact of foreign exchange rates	20.0	24.6
Total*	23.7	- 70.7

- Incl. gains/losses on sales of securities
(FY2021: +11.0 billion yen
FY2022: -7.3 billion yen)

Overseas Subsidiaries - Results for FY2022

- Net premiums written increased by 231.1 billion yen to 934.1 billion yen mainly due to an increase in Europe including MS Amlin as a result of premium rate increase and new business increase as well as an increase in Asia and U.S. and the impact of exchange rates.
- Net income decreased by 8.8 billion yen to 15.7 billion yen, mainly due to investment loss following to falling in stock price and interest rate rise, and decrease in profit from equity method affiliates of overseas life insurance business. See slide 23 for MS Amlin results.

Overseas subsidiaries

(¥bn)

	FY2021 Results	FY2022		
		Results	YoY Change	Change ratio
Net premiums written	703.0	934.1	231.1	32.9%
Asia	178.5	222.2	43.7	24.5%
Europe	477.3	645.3	167.9	35.2%
Americas	47.1	66.5	19.4	41.3%
Net income/loss	24.5	15.7	- 8.8	-36.0%
Asia	29.6	28.5	- 1.0	-3.6%
Europe*	- 26.8	- 22.2	4.6	-
Americas	4.3	3.1	- 1.1	- 26.8%
International Life Insurance	17.4	6.2	- 11.2	- 64.4%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2022 (1)

Net premiums written

(¥bn)

	Simple Sum			MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	FY2021	FY2022	Growth	FY2022		FY2022	
	Results	Results		Results	Growth	Results	Growth
Fire and allied	436.2	490.7	12.5%	266.0	12.4%	224.6	12.6%
Marine	69.1	83.9	21.3%	76.0	22.0%	7.8	15.2%
Personal accident	208.1	212.4	2.1%	151.8	2.1%	60.6	2.0%
Voluntary automobile	1,436.5	1,453.7	1.2%	688.5	0.0%	765.2	2.3%
CALI	280.9	275.4	-2.0%	142.1	-2.3%	133.3	-1.6%
Other	439.5	449.1	2.2%	305.2	2.6%	143.8	1.4%
Total	2,870.6	2,965.3	3.3%	1,629.8	3.2%	1,335.5	3.4%
Total excluding residential EQ insurance and CALI	2,589.4	2,689.8	3.9%	1,487.6	3.8%	1,202.1	4.0%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2022 (2)

EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2021	FY2022		FY2021	FY2022	
	Results	Results	YoY Change	Results	Results	YoY Change
Fire and allied (excl. residential EQ)	80.5%	80.3%	-0.2pp	64.3%	62.3%	-2.0pp
Marine	62.8%	60.2%	-2.6pp	62.8%	60.1%	-2.7pp
Personal accident	54.8%	63.1%	8.3pp	54.8%	63.1%	8.3pp
Voluntary automobile	56.9%	63.6%	6.7pp	56.6%	61.7%	5.1pp
Other	59.2%	71.5%	12.3pp	58.5%	70.7%	12.2pp
Total (excluding residential EQ insurance and CALI)	61.3%	67.7%	6.4pp	58.3%	63.4%	5.1pp

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

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

* "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year, less the recovered amount of cat bonds related to natural catastrophes of FY2018.

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2022 (3)

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

	EI Loss Ratio				EI Loss Ratio (excl. impact of nat. cat.)			
	MSI (Non-consolidated)		ADI (Non-consolidated)		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Fire and allied (excl. residential EQ)	76.6%	-1.8pp	84.7%	1.8pp	62.0%	-4.7pp	62.8%	1.2pp
Marine	58.8%	-1.4pp	75.8%	-8.7pp	58.6%	-1.6pp	75.8%	-8.7pp
Personal accident	63.7%	9.3pp	61.7%	6.0pp	63.7%	9.3pp	61.7%	6.0pp
Voluntary automobile	63.2%	5.5pp	64.0%	7.9pp	61.4%	3.8pp	62.0%	6.2pp
Other	71.6%	13.3pp	71.4%	10.1pp	70.7%	13.0pp	70.5%	10.3pp
Total excluding residential EQ insurance and CALI	67.1%	6.1pp	68.6%	7.0pp	63.5%	4.6pp	63.2%	5.7pp

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

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

* "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year, less the recovered amount of cat bonds related to natural catastrophes of FY2018.

<Reference> MS Amlin's Results for FY2022 (Jan.–Dec. 2022) *1

- Underwriting profit was £63 million (YoY: +£260 million). All insurance entities contributed towards the profit despite the impact of large natural catastrophes such as Hurricane Ian, Russia-Ukraine related losses and inflation.
- Net income was -£144 million mainly due to the investment losses (-£91) caused by market volatility.

	FY2021 Results	FY2022		YoY Change
		Results		
Net premiums written	2,814	3,605		792
Net premiums earned	2,665	3,165		500
Incurred losses (including loss adjustment expenses)	1,944	2,039		96
Expense for acquisition and other operating expense	912	1,083		171
Underwriting profit/loss	-197	63		260
Investment profit/loss*2	101	-91		-192
Non-operating profit/loss*3	-96	-117		-20
Net income/loss after tax	-190	-144		46
Group adjusted profit*4	-110	-140		-30
El claims ratio	72.9%	64.4%		-8.5pp
El expense ratio*5	34.5%	33.6%		-.9pp
El combined ratio*5	107.4%	98.0%		-9.4pp

*1 Local accounting base

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

*3 The main item under "Non-operating profit/loss" are expenses associated with non-insurance companies.

*4 FY2021 results reflect the reversal of the North American winter storm (Uri) loss impact of +£69 million, which was reflected in the consolidated financial statements for FY2020,

*5 EI expense ratio and EI combined ratio are calculated taking into account foreign exchange gains/losses included in underwriting profit, in line with local accounting.

Excluding the impact of losses related to Russia's invasion of Ukraine

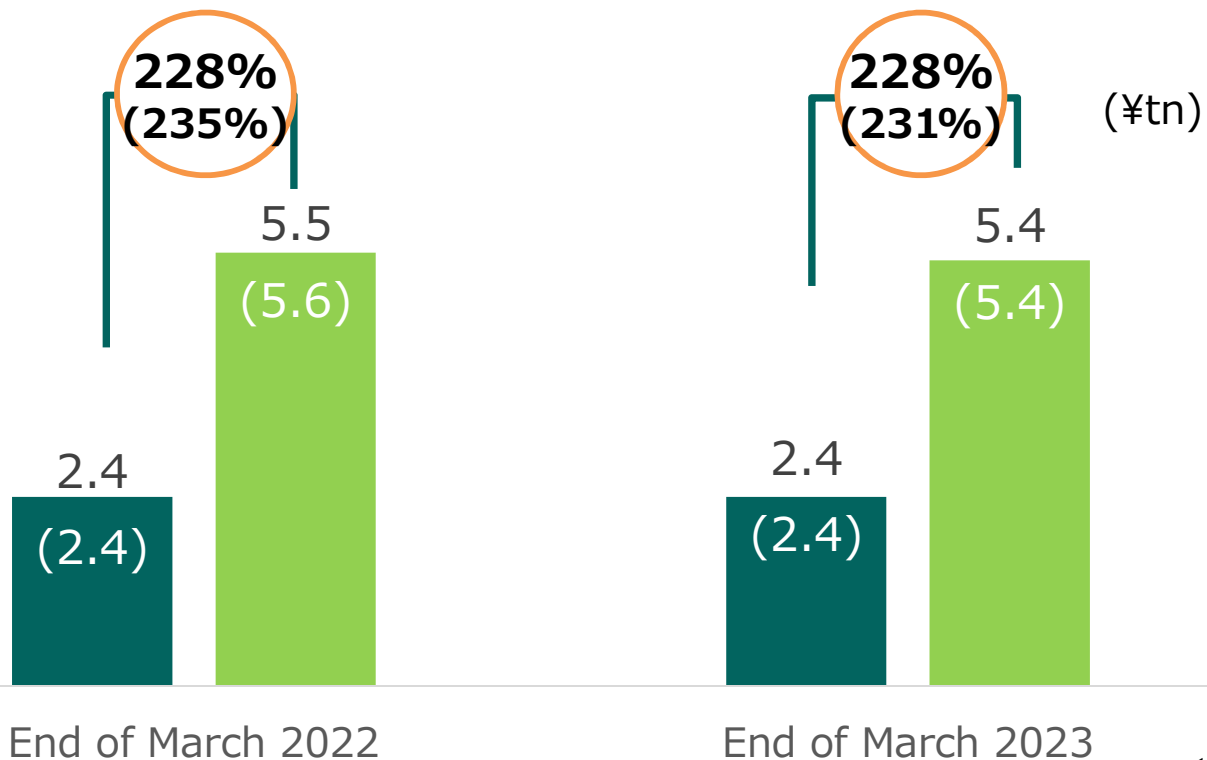
	FY2022	
		YoY change
El Claim ratio	61.4%	-11.5pp
El Expense ratio*5	33.6%	-0.9pp
El Combined ratio*5	95.0%	-12.4pp
Underwriting Profit	160	357

	FY2021	FY2022	
			YoY change
Russia-Ukraine related loss	-	97	97
Large natural Catastrophes	296	180	-116

<Reference> ESR

ESR*1

■ Integrated Risk Amount *2 ■ Net Asset Value
(ref.) UFR applied



<Factors behind ESR change> (vs. end of March 2022)

ESR stays at same level as end of March 2022

- ✓ Net Assets Value declined due to the redemption of subordinated bonds and business investment.
- ✓ Integrated Risk Amount's net assets declined due to reduction in Strategic Equity Holdings.

<Market environment assumptions>

	End of March 2022	End of March 2023	Change
Nikkei stock average	27,821 yen	28,041 yen	+220 yen
30-year JGB interest rate	0.94%	1.26%	+0.32pp
Exchange rate (US\$1: Yen)	122 yen	134 yen	+12 yen

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

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

Earnings Forecast for FY2023

Consolidated Earnings Forecasts for FY2023 (1) (i) (Top line)

- Net premiums written are expected to increase by 149.5 billion yen. Domestic non-life insurance subsidiaries are expected to increase mainly due to an increase in voluntary auto and casualty insurance despite a decrease in fire insurance and CALI. Overseas subsidiaries are expected to increase by 135.8 billion yen mainly due to an increase at MS Amlin with rate up and underwriting expansion.
- Gross premiums income for life insurance subsidiaries is expected to decrease by 226.5 billion yen.

Non-life insurance subsidiaries

(¥bn)

	FY2022 Results	FY2023 Forecast		
			YoY Change	Change Ratio
Net premiums written	3,934.4	4,084.0	149.5	3.8%
Mitsui Sumitomo Insurance	1,629.8	1,618.0	- 11.8	-0.7%
Aioi Nissay Dowa Insurance	1,335.5	1,360.0	24.4	1.8%
Mitsui Direct General Insurance	34.5	35.0	0.4	1.4%
Overseas subsidiaries	934.1	1,070.0	135.8	14.5%

Life insurance subsidiaries

(¥bn)

	FY2022 Results	FY2023 Forecast		
			YoY Change	Change Ratio
Gross premiums income*	1,707.5	1,481.0	- 226.5	-13.3%
MSI Aioi Life	487.1	477.0	- 10.1	-2.1%
MSI Primary Life	1,220.4	1,004.0	- 216.4	-17.7%
Life insurance premiums	453.5	784.0	330.4	72.8%

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

Consolidated Earnings Forecasts for FY2023 (1) (ii) (Bottom line)

- Net income is expected to increase by 138.4 billion yen to 300.0 billion yen mainly due to an increase at overseas insurance subsidiaries, domestic non-life insurance subsidiaries and domestic life insurance subsidiaries.
- Net income at domestic non-life insurance subsidiaries is expected to increase due to an increase in underwriting profit despite a decrease in investment profit.
- Net income at domestic life insurance subsidiaries is expected to increase due to rebound from Covid19 related loss in the previous year at MSI Aioi Life.
- Overseas insurance subsidiaries: See slide 35

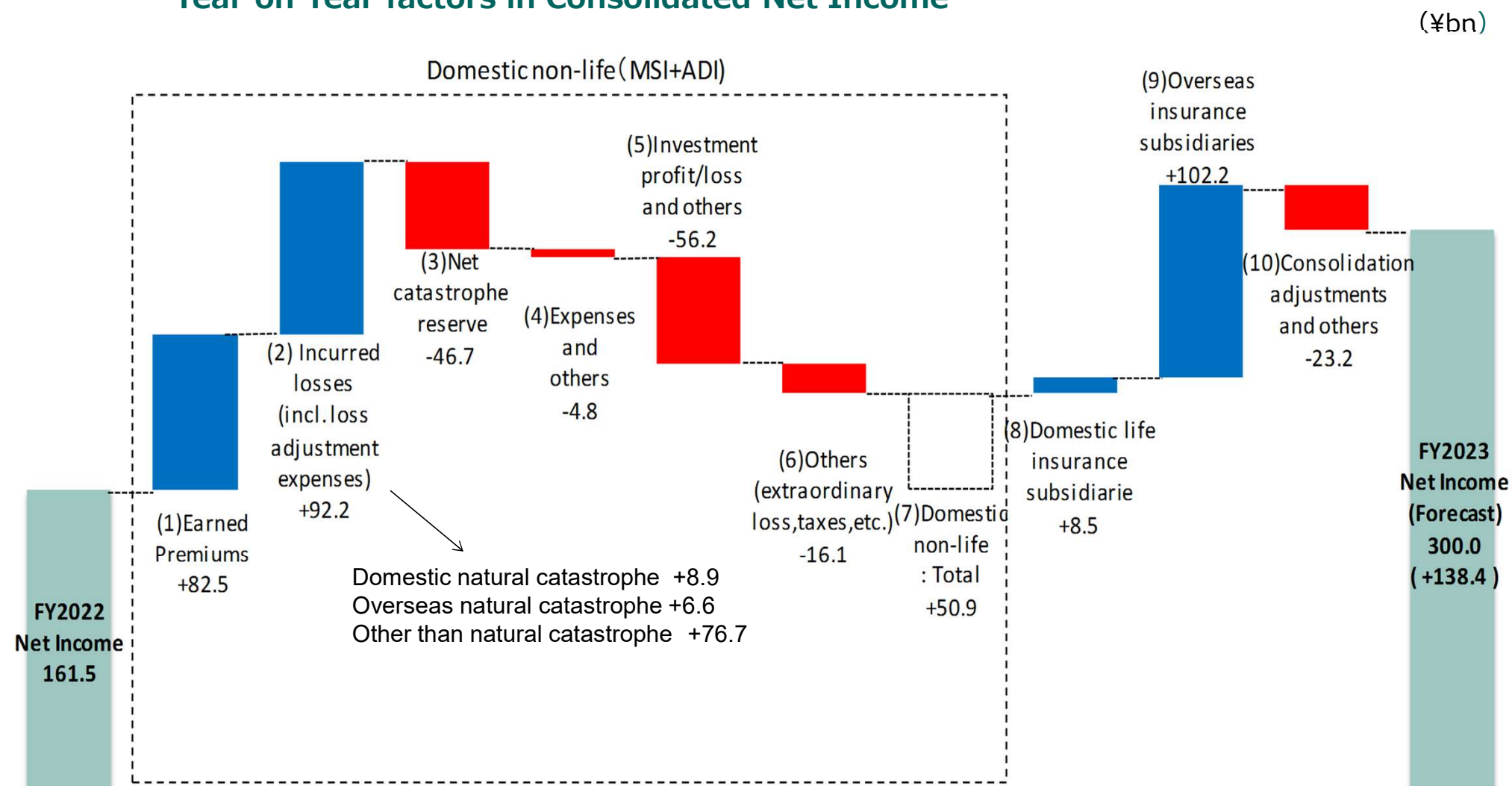
	FY2022 Results	FY2023 Forecast		(¥bn)
			YoY Change	
Ordinary profit/loss	231.1	420.0	188.8	
Mitsui Sumitomo Insurance	141.2	185.0	43.7	
Aioi Nissay Dowa Insurance	66.7	90.0	23.2	
Net income/loss	161.5	300.0	138.4	
Mitsui Sumitomo Insurance	107.8	142.0	34.1	
Aioi Nissay Dowa Insurance	43.1	60.0	16.8	
Mitsui Direct General Insurance	0.8	- 0.9	- 1.7	
MSI Aioi Life	12.7	25.0	12.2	
MSI Primary Life	19.7	16.0	- 3.7	
Overseas subsidiaries	15.7	118.0	102.2	
Consolidation adjustments, other	- 38.6	- 60.1	- 21.4	
ROE (financial accounting basis)	5.2%	9.5%	4.3pp	

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

Consolidated Earnings for FY2023 (2) - Year-on-Year Comparison

- Net income increased by 138.4 billion yen mainly due to an increase in (7) Domestic non-life insurance, (8) Domestic life insurance subsidiaries and (9) Overseas subsidiaries.
- Domestic non-life total is expected to increase by 50.9 billion yen due to an increase in (1) Earned Premiums and decrease in (2) incurred losses despite (5) Investment profit/loss and others as a minus factor. Net income at (9) overseas subsidiaries is expected to increase by 102.2 billion yen mainly due to the profit increase at MS Amlin.

Year on Year factors in Consolidated Net Income



Group Adjusted Profit for FY2023 (3)

- Group Adjusted Profit is expected to increase by 177.2 billion yen to 350,0 billion yen mainly due to an increase of profit in domestic non-life, domestic life insurance, international business. Lowered by 50.0 billion yen from Medium Term Management Plan target of 400.0 billion yen.

(¥bn)

	FY2022	FY2023 Forecast	
	Results		YoY Change
Group Adjusted Profit	172.7	350.0	177.2
Domestic non-life insurance	118.0	179.0	60.9
Domestic life insurance	34.7	45.0	10.2
International business	17.9	124.0	106.0
Financial services/Risk-related services business	2.0	2.0	- 0.0
Other numerical management targets			
EEV of MSI Aioi Life	908.0	960.0	51.9
Group Adjusted ROE	4.8%	10.0%	5.2pp

Major Assumptions for Earnings Forecasts for FY2023

(¥bn)

	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Assumptions concerning the financial market environment	Assumes the level at the end of March 2023 Nikkei average : ¥ 28,041 USD\$1 = JPY¥ 134 EUR€1 = JPY¥ 146 GBP £ 1 = JPY¥ 166	
Domestic natural catastrophes occurred	49.0 (-2.3)	39.5 (-6.6)
Catastrophe reserves (For fire insurance)		
Provision	37.1 (-17.9)	31.1 (-22.8)
Reversal	46.3 (-18.4)	43.1 (-21.6)
Net provision	- 9.2 (+0.4)	- 12.0 (-1.2)
Catastrophe reserves (For voluntary automobile insurance)		
Provision	22.2 (+0.1)	25.4 (+0.8)
Reversal	19.2 (-3.4)	22.4 (-15.7)
Net provision	3.0 (+3.5)	3.0 (+16.6)
Effective corporate tax rate	27.9%	

*Overseas natural catastrophes:

MS Amlin: 41.2 billion yen (+ 12.0 billion yen)

ADI: 11.5 billion yen (-5.2 billion yen)

*Figures in parentheses show change from the previous year.

Earnings Forecasts for FY2023 – Domestic Non-Life Insurance Companies (MSI&ADI) (i)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Net premiums written*¹	2,978.0	12.6	1,618.0	- 11.8	1,360.0	24.4
Earned premiums* ^{2,3}	2,726.3	82.5	1,497.9	28.0	1,228.4	54.4
Incurring losses (including loss adjustment expenses)* ²	(-) 1,698.8	- 92.2	932.1	- 53.7	766.7	- 38.4
Underwriting expenses* ²	(-) 908.3	0.2	494.2	1.5	414.1	- 1.2
Commissions and collection expenses* ²	568.8	- 1.9	293.0	- 7.3	275.8	5.3
Other underwriting expenses* ²	339.6	2.2	201.3	8.8	138.3	- 6.6
Underwriting profit/loss prior to reflecting catastrophe reserve	115.8	169.9	69.4	88.6	46.4	81.2
Net catastrophe reserve	- 7.8	- 46.7	- 11.4	- 14.7	3.6	- 31.9
Underwriting profit/loss after reflecting catastrophe reserve	108.0	123.2	58.0	73.9	50.0	49.3
EI loss ratio*²	62.3%	-5.4%	62.2%	-4.9%	62.4%	-6.2%
Net loss ratio* ¹	63.2%	-2.1%	63.5%	-0.8%	62.8%	-3.8%
Net expense ratio* ¹	33.3%	-0.1%	32.9%	0.4%	33.9%	-0.7%
Combined ratio*¹	96.5%	-2.2%	96.4%	-0.4%	96.7%	-4.5%

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

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

Earnings Forecasts for FY2023 – Domestic Non-Life Insurance Companies (MSI&ADI) (ii)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	108.0	123.2	58.0	73.9	50.0	49.3
Net interest and dividends income	151.9	- 7.2	104.4	- 5.0	47.5	- 2.1
Gains/losses on sales of securities	74.3	- 56.2	49.5	- 41.8	24.8	- 14.3
Impairment losses on securities (-)	6.3	- 22.1	3.0	- 23.1	3.3	1.0
Investment profit/loss and other ordinary profit/loss	167.0	- 56.2	127.0	- 30.1	40.0	- 26.0
Ordinary profit/loss	275.0	67.0	185.0	43.7	90.0	23.2
Extraordinary income/loss	- 10.9	- 0.2	- 1.9	- 2.1	- 9.0	1.9
Net income/loss	202.0	50.9	142.0	34.1	60.0	16.8

Earnings Forecasts for FY2023 – Domestic Life Insurance Companies – MSI Aioi Life

Key financial data

(¥bn)

	FY2022 Results	FY2023 (Forecast)	
		Forecast	YoY Change
Amount of new policies*	1,456.6	1,312.0	-9.9%
Annualized premiums of new policies*	27.1	29.3	7.8%
Amount of policies in force*	23,249.9	22,744.4	-2.2%
Annualized premiums of policies in force*	440.5	441.6	0.2%
Gross premiums income	487.1	477.0	- 10.1
Ordinary profit/loss	27.8	45.6	17.8
Net income/loss	12.7	25.0	12.2

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

Earnings Forecasts for FY2023 – Domestic Life Insurance Companies – MSI Primary Life

Key financial data

(¥bn)

	FY2022 Results	FY2023	
		Forecast	YoY Change
Amount of new policies	1,279.8	1,077.2	- 15.8%
Amount of policies in force	6,932.2	7,113.0	2.6%
Gross premiums income	1,220.4	1,004.0	- 216.4
Ordinary profit/loss	31.0	26.0	- 5.0
Net income/loss	19.7	16.0	- 3.7

Earnings Forecasts for FY2023 – Overseas Subsidiaries

(¥bn)

Overseas subsidiaries

	FY2022 Results	FY2023 Forecast	YoY Change
Net premiums written	934.1	1,070.0	135.8
Asia	222.2	238.7	16.4
Europe	645.3	745.4	100.0
Americas	66.5	85.9	19.3
Net income/loss	15.7	118.0	102.2
Asia	28.5	33.8	5.1
Europe	- 22.2	53.0	75.2
Americas	3.1	10.7	7.5
International life insurance	6.2	20.5	14.2

<Reference> Earnings Forecasts for FY2023 – Domestic Non-Life Insurance Companies (MSI&ADI)(i)

Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		Growth		Growth		Growth
Fire and allied	450.9	-8.1%	246.6	-7.3%	204.3	-9.1%
Marine	80.6	-4.0%	73.9	-2.9%	6.7	-14.6%
Personal accident	220.0	3.5%	158.2	4.2%	61.8	2.0%
Voluntary automobile	1,489.2	2.4%	693.8	0.8%	795.4	3.9%
CALI	256.9	-6.7%	131.2	-7.6%	125.7	-5.7%
Other	480.4	7.0%	314.3	3.0%	166.1	15.4%
Total	2,978.0	0.4%	1,618.0	-0.7%	1,360.0	1.8%
Total excluding residential EQ insurance and CALI	2,720.5	1.1%	1,486.3	-0.1%	1,234.2	2.7%

<Reference> Earnings Forecasts for FY2023 – Domestic Non-Life Insurance Companies (MSI&ADI)(ii)

EI loss ratio

	EI Loss Ratio		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Simple Sum		YoY Change	YoY Change	YoY Change	YoY Change
		YoY Change				
Fire and allied	68.1%	-12.2pp	70.6%	-6.0pp	65.1%	-19.6pp
Marine	51.4%	-8.8pp	51.1%	-7.7pp	54.9%	-20.9pp
Personal accident	54.5%	-8.6pp	53.4%	-10.3pp	57.3%	-4.4pp
Voluntary automobile	62.9%	-0.7pp	63.4%	0.2pp	62.5%	-1.5pp
Other	59.9%	-11.6pp	59.4%	-12.2pp	60.8%	-10.6pp
Total (excluding residential EQ insurance and CALI)	62.3%	-5.4pp	62.2%	-4.9pp	62.4%	-6.2pp
(Excl. impact of nat. cat.)	58.6%	-4.8pp	59.0%	-4.5pp	58.3%	-4.9pp

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

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

<Reference> MS Amlin's Result Forecast for FY2023 (Jan.-Dec. 2023)*1

- Most overseas subsidiaries' financial statements including MS Amlin's, are prepared in accordance with new IFRS accounting standards (IFRS 17, "Insurance Contracts" and IFRS 9, "Financial instruments"). FY2023 forecasts have been prepared in accordance with these new standards.*2
- In FY2023, net income is expected to be £ 291 million (on an IFRS 17 basis), due to improvements in Insurance Service profit/loss following anticipated reductions in Russia/Ukraine losses, as well as a more stable inflationary environment, and a recovery in Financial profit/loss due to ongoing efforts to improve profitability, and reduced volatility in investment markets

FY2022 Prepared on IFRS4 basis		FY2023 Forecast (IFRS17 base)	
	(£mn)		(£mn)
Net Premium written	3,605	Insurance service profit/loss	311
Net Premium Earned	3,165	Financial profit/loss*3	60
Incurred losses(including loss adjustment expenses)	2,039	of which Investment income/loss	194
Expenses for acquisition and other operating expense	1,083	of which insurance finance expense	Δ134
Underwriting profit/loss	63	Non-operating profit/loss*6	-62
Investment profit/loss	-91	Net income/loss after tax	291
Non-operating profit/loss*6	-117		
Net income/loss after tax	-144		

<Reference> IFRS4 base Forecast

Net Premium written	4,061
Net Premium Earned	3,745
Incurred losses(including loss adjustment expenses)*4	2,248
Expenses for acquisition and other operating expense	1,335

Major incurred loss forecast

	FY 2022	FY2023 Forecast	
			YoY change
Large Natural catastrophe	180	249*5	69
Losses related to Russia and Ukraine	97	-	-

*1 Local accounting base.

*2 MS Amlin will use a simplified accounting method for most of the remaining coverage liabilities (equivalent to current Policy Reserve). As a result, significant differences from current accounting standard(IFRS4) are (1) the valuation method for liabilities related to accrued insurance claims (present value reflecting the increase or decrease in liabilities due to valuation and interest rate changes) and (2) the recognition and measurement of onerous contracts.

*3 MS Amlin has adopted an accounting standard that allows gains and losses to reflect changes in Fair Value for securities and changes in interest rates for insurance liabilities.

*4 Excluding discount Impact on present Value

*5 Includes additional buffer for expected losses.

*6 expenses incurred outside the insurance business

Abbreviations of company names used in this presentation

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

*Brand name of MS Amlin AG from Sep 2022

Definition of “Group Adjusted Profit”

Group Adjusted Profit = Consolidated net income
+ Provision for catastrophe loss reserve and others
- Other incidental factors (amortization of goodwill and other intangible fixed assets and others)
+ Equity in earnings of the non-consolidated group companies

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

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

Caution About Forward-Looking Statements

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

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