

Materials for FY2022 1Q Results Briefing – Conference Call

Advancing with you



INSURANCE GROUP

August 5, 2022 (Fri.)

MS&AD Insurance Group Holdings, Inc.

Today's Key Points

FY2022 1Q Results

- Net income decreased by 58.3 billion yen to 60.4 billion yen from the same period of the previous year. Progress against annual forecast was 25.2%.
Group Adjusted profit decreased by 89.4 billion yen to 55.0 billion yen from the same period of the previous year. Progress against annual forecast was 18.3%.
- The progress against annual forecast was low compared to previous years mainly due to losses in hail rarely occurred in 1Q and the losses including preliminary reserve related to Russia and Ukraine.

< Main factors for profit decrease >

- Two domestic non-life insurance companies
 - : Incurred losses in hail in June (38.5 billion yen), incurred loss increase in voluntary automobile insurance due to the recovery in traffic (19.4 billion yen)
- Two domestic life insurance companies
 - : Increase in claim for Covid-19 in MSA life
 - : Increase in provision of price fluctuation reserve and rebound of the last year's profit following to the financial market fluctuation in MSI Primary Life
- Overseas insurance subsidiaries
 - : Impact of losses related to Russia and Ukraine on MS Amlin (14.8 billion yen) and decrease in asset management profit following to the change of accounting processing reflecting market fluctuation (-5.3 billion yen)

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

Summary of FY2022 1Q Results

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

Non-life insurance subsidiaries

(¥bn)

	FY2021 1Q Results	FY2022 1Q Results	YoY Change	Growth
Direct premiums written (excl. deposit premiums from policyholders)	1,060.3	1,104.8	44.5	4.2%
Net premiums written	981.2	1,027.5	46.3	4.7%
Mitsui Sumitomo Insurance	389.0	391.4	2.3	0.6%
Aioi Nissay Dowa insurance	323.4	322.5	-0.9	-0.3%
Mitsui Direct General	8.9	8.6	-0.3	-3.4%
Overseas subsidiaries	259.7	304.9	45.1	17.4%

Life insurance subsidiaries

(¥bn)

	FY2021 1Q Results	FY2022 1Q Results	YoY Change	Growth
Gross premiums income [※]	316.3	372.8	56.4	17.9%
MSI Aioi Life	119.3	117.1	-2.2	-1.9%
MSI Primary Life	196.9	255.7	58.7	29.8%
Life insurance premiums	83.1	-160.4	-243.6	-292.9%

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

Consolidated Earnings for FY 2022 1Q Overview (i)(Topline)

(Non-life insurance companies [domestic and overseas])

- Net premiums written was 1,027.5 billion yen, increased by 46.3 billion yen, or 4.7%, from the same period of the previous fiscal year mainly due to an increase in overseas insurance subsidiaries.
- The two major domestic nonlife insurance companies net premiums written increased by 1.4 billion yen, or 0.2% (excluding compulsory auto mobile liability insurance and household earthquake insurance base: 8.5 billion yen, or 1.3% increase) due to the increase in marine insurance and voluntary automobile insurance despite the impact of compulsory automobile liability insurance and fire insurance decrease.
 - Fire insurance decreased by 2.2 billion yen due to the increase of reinsurance outward despite the increase in gross premium.
 - Marine insurance premiums increased by 4.9 billion yen due to the increase of trade following to soaring resource prices.
 - Voluntary automobile insurance premiums increased by 2.6 billion yen, due to the increase in reinsurance inward from overseas despite the decline in new vehicle sales following to the shortage of semiconductor.
 - The compulsory automobile liability insurance decreased by 7 billion yen due to the impact of the previous year's rate revision.
- Net premiums written by overseas insurance subsidiaries increased by 45.1 billion yen due to an increase in each region including Europe where MS Amlin increased and the impact of foreign exchange. Excluding the impact of foreign exchange basis, net premiums written increased by 30.9 billion yen.

(Domestic Life Insurance companies)

- MSI Aioi Life Life: See page 16. MSI Primary Life Life: See page 17.

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

(¥bn)

	FY2021 1Q	FY2022 1Q			Annual Forecast
	Results	Results	YoY Change	Change Ratio	
Ordinary profit/loss	165.1	93.5	- 71.5	- 43.4%	350.0
Mitsui Sumitomo Insurance	83.1	53.4	- 29.7	- 35.8%	180.0
Aioi Nissay Dowa Insurance	39.8	36.0	- 3.7	- 9.4%	95.0
Mitsui Direct General Insurance	1.0	1.0	0.0	3.2%	
MSI Aioi Life	10.2	8.7	- 1.5	- 14.8%	
MSI Primary Life	20.9	5.4	- 15.5	- 73.9%	
Overseas subsidiaries	13.2	1.1	- 12.1	- 91.5%	
Consolidation adjustments, others	- 3.3	- 12.3	- 9.0	-	
Net income/loss [※]	118.7	60.4	- 58.3	- 49.1%	240.0
Mitsui Sumitomo Insurance	63.7	42.9	- 20.8	- 32.7%	135.0
Aioi Nissay Dowa Insurance	27.0	23.9	- 3.1	- 11.5%	64.0
Mitsui Direct General Insurance	0.8	1.0	0.1	20.3%	0.0
MSI Aioi Life	6.5	5.3	- 1.1	- 17.2%	21.0
MSI Primary Life	15.0	3.2	- 11.7	- 78.2%	15.0
Overseas subsidiaries	8.8	- 2.5	- 11.4	- 128.9%	54.0
Consolidation adjustments, others	- 3.4	- 13.6	- 10.1	-	-49.0

※ 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 1Q(1) Overview (ii) Bottom Line

< Net income >

(Group Consolidated)

- Net income was 60.4 billion yen, decreased by 58.3 billion yen.

(Two major domestic non-life insurance companies)

- Insurance underwriting profit decreased by 38.6 billion yen due to the hail losses in June(38.5 billion yen), voluntary automobile insurance loss increase following to the recovery of traffic(19.4 billion yen), foreign exchange effects, and an increase in losses on fire and personal accident insurance despite the impact of net reversal of catastrophe reserve(46.9 billion yen).

The foreign exchange effects of incurred loss on net income was limited as it was offset against foreign exchange gains/loss related to foreign currency asset.

- Despite a decrease in gains and losses on sales of securities and an increase in impairment losses on securities, income from asset management and other activities increased by 5.1 billion yen due mainly to an increase in interest and dividend income resulting from an increase in dividends on stocks.
- Net income decreased by 23.9 billion yen to 66.9 billion yen.

(Domestic life insurance companies)

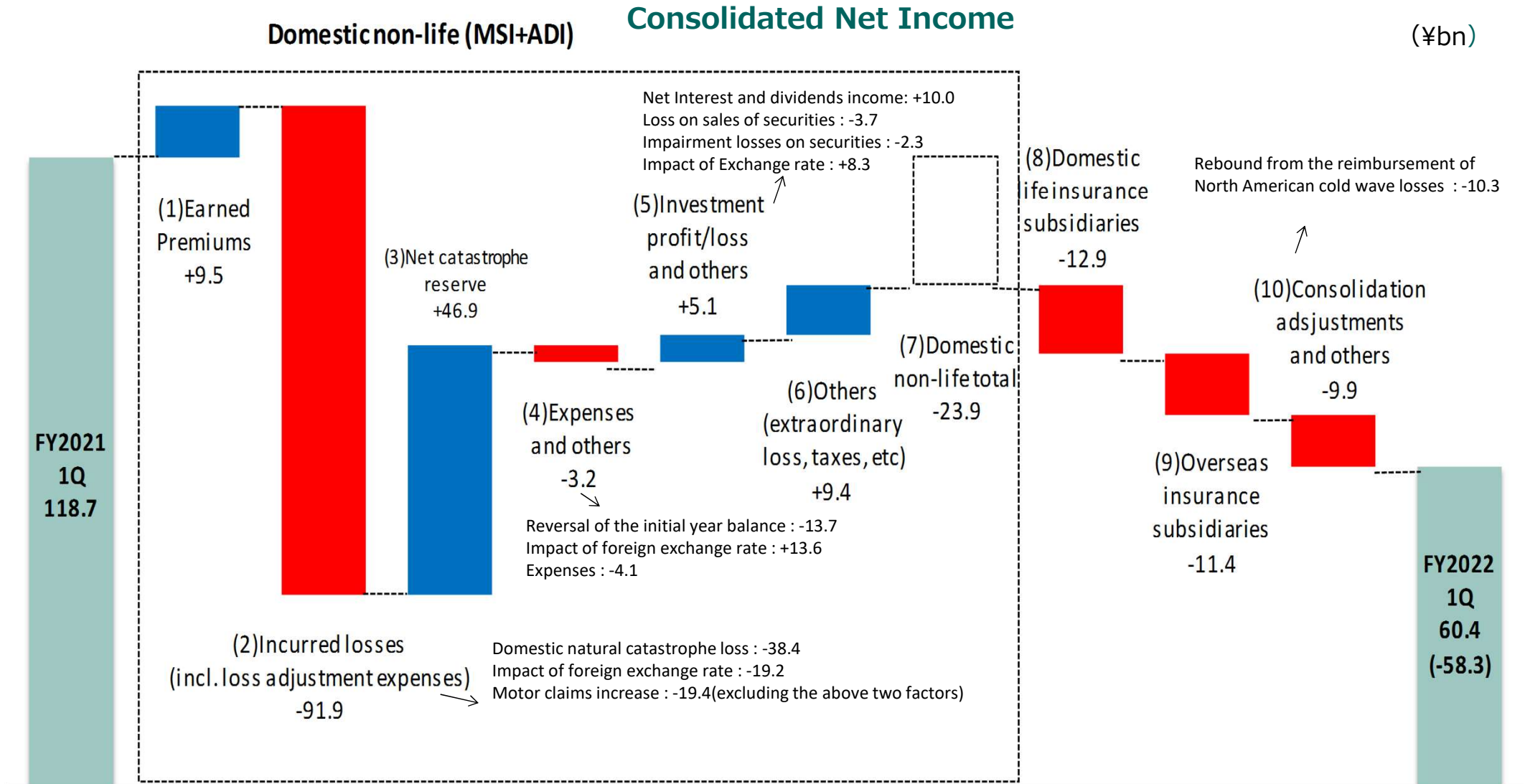
- MSI Aioi Life life: see page 16
- MSI Primary Life : see page 17

(Overseas insurance subsidiaries)

- Overseas insurance subsidiaries: see page 18;
- MS Amlin: see page 22

Consolidated Earnings for FY2022 1Q (2) - Year-on-Year Comparison (i)

- Domestic non life total(7) decreased by 23.9 billion yen due to the increase of (2)Incurred loss despite the increase of (1)Earned premiums, (3)Net catastrophe reserve and (5)Investment profit/loss and others.
- Domestic life insurance subsidiaries(8) decreased due to the rebound from 2021's good result. Overseas insurance subsidiaries decreased by 11.4 billion yen due to Russia and Ukraine related losses. As a result, the consolidated net income decreased by 58.3 billion yen.



Consolidated Earnings for FY2022 1Q (2) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2021 1Q Results	FY2022 1Q Results	YoY Change
Consolidated net income/loss		118.7	60.4	- 58.3
Domestic non-life insurance ^{※1} :				
Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))		56.7	18.0	- 38.6
Earned premiums	(1)	630.5	640.0	9.5
Incurred losses (incl. loss adjustment expenses)	(2)	- 342.8	- 434.7	- 91.9
Net reversal of catastrophe reserve	(3)	- 22.9	24.0	46.9
Expenses and others ^{※2}	(4)	- 208.0	- 211.2	- 3.2
Investment profit/loss and others	(5)	66.2	71.4	5.1
Others (extraordinary loss, taxes, etc.)	(6)	- 32.0	- 22.6	9.4
Domestic non-life insurance: Total	(7)	90.8	66.9	- 23.9
Domestic life insurance subsidiaries	(8)	21.6	8.6	- 12.9
Overseas subsidiaries	(9)	8.8	- 2.5	- 11.4
Consolidation adjustments and others	(10)	- 2.6	- 12.6	- 9.9

※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 1Q (3) – Group Adjusted Profit

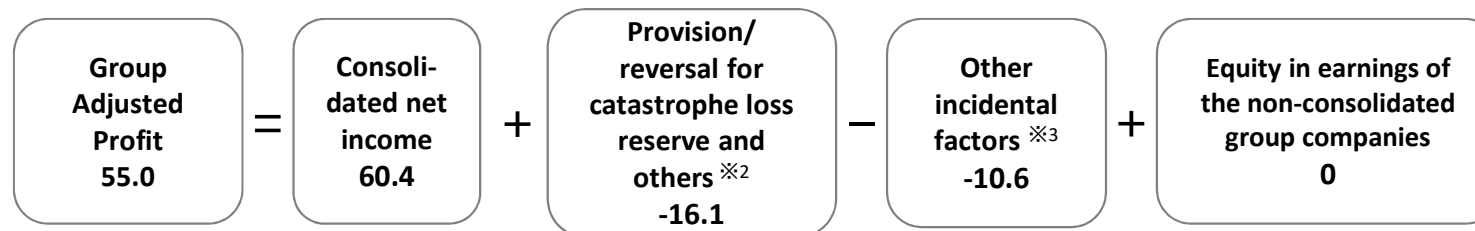
- Group Adjusted Profit decreased by 89.4 billion yen mainly due to a decrease of the profit in domestic non life insurance business in addition to decline in international businesses and domestic life insurance businesses.

(¥bn)

	FY2021 1Q Results	FY2022 1Q Results	YoY Change	FY 2022 Forecast
Group Adjusted Profit* ¹	144.4	55.0	- 89.4	300.0
Domestic non-life insurance business	100.2	49.2	- 51.0	194.0
Domestic life insurance business	22.1	9.5	- 12.6	38.0
International business	21.4	- 3.4	- 24.9	64.0
Financial services business and risk-related services business	0.6	- 0.2	- 0.8	4.0

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

<Reference>



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

※3 Amortization of goodwill and others: -6.9 billion yen

Consolidated Earnings for FY2022 1Q (4) – Impact of Natural Catastrophes

- The domestic natural catastrophes loss was 38.5 billion yen due to the impact of hail losses in June (Voluntary Automobile insurance: 23.4 billion yen, Fire insurance : 14.9 billion yen) increased by 38.4 billion yen compared with FY2021
- Overseas natural catastrophes loss was 6.8 billion yen increased by 4.9 billion yen compared with FY2021 mainly due to the flood loss in Australia

Impact of domestic natural catastrophes

(¥bn)

	Incurred losses			Incurred losses
	FY2021 1Q	FY2022 1Q	YoY Change	FY2022 Forecast
	Results	Results		
Mitsui Sumitomo Insurance	0.1	19.3	19.2	40.0
Aioi Nissay Dowa Insurance	0.0	19.2	19.2	32.5
Total	0.1	38.5	38.4	72.5

Impact of overseas natural catastrophes

	Incurred losses			Incurred losses
	FY2021 1Q	FY2022 1Q	YoY Change	FY2022 Forecast
	Results	Results		
Aioi Nissay Dowa Insurance	1.8	3.3	1.4	12.5
MS Amlin	11.9	3.5	- 8.4	25.7
Consolidation adjustments* ₁	- 11.9	-	11.9	
Total	1.8	6.8	4.9	38.2

*1 “Consolidation adjustments” include the North American cold wave losses of February 2021 that were additionally booked in the consolidated financial statements for FY2020 and their reversal in FY2021.

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

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

- Underwriting profit (prior to reflecting catastrophe reserve) decreased by 85.6 billion yen due to an increase in hail losses in June, an increase of voluntary automobile insurance loss reflecting the recovery of traffic, an increase of fire insurance loss and an increase of personal accident insurance.
- Underwriting profit decreased by 38.6 billion yen despite a reversal of 46.9 billion yen in catastrophe reserve.

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Net premiums written^{※1}	713.9	1.4	391.4	2.3	322.5	-0.9
Earned premiums ^{※2※3}	640.0	9.5	353.5	6.1	286.5	3.3
Incurring losses (including loss adjustment expenses) ^{※2} (–)	434.7	91.9	235.5	47.7	199.2	44.1
Underwriting expenses ^{※2} (–)	231.1	4.1	125.2	1.9	105.9	2.1
Commissions and collection expenses ^{※2}	144.1	2.3	75.3	0.6	68.7	1.6
Other underwriting expenses ^{※2}	87.0	1.7	49.8	1.2	37.1	0.5
Underwriting profit/loss prior to reflecting catastrophe reserve	-5.9	-85.6	-1.9	-52.4	-3.9	-33.1
Net catastrophe reserve	24.0	46.9	8.2	22.5	15.7	24.4
Underwriting profit/loss after reflecting catastrophe reserve	18.0	-38.6	6.3	-29.8	11.7	-8.7
EI loss ratio^{※2}	67.9%	13.5pp	66.6%	12.5pp	69.6%	14.8pp
Net loss ratio ^{※1}	63.5%	5.8pp	61.6%	4.6pp	65.7%	7.2pp
Net expense ratio ^{※1}	35.2%	0.4pp	34.3%	0.2pp	36.3%	0.6pp
Combined ratio^{※1}	98.7%	6.2pp	95.9%	4.8pp	102.0%	7.8pp

※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 FY2022 1Q (ii)

- Despite a decrease in gains on sales of securities and an increase in impairment losses on securities, income from asset management and other activities increased by 5.1 billion yen due mainly to an increase in interest and dividend income.

(¥bn)						
	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	18.0	-38.6	6.3	-29.8	11.7	-8.7
Net interest and dividends income	64.1	10.0	46.2	6.7	17.9	3.3
Gains/losses on sales of securities	15.4	-3.7	4.5	-7.2	10.9	3.5
Impairment losses on securities (-)	6.6	2.3	5.6	4.0	0.9	-1.7
Investment profit/loss and other ordinary profit/loss	71.4	5.1	47.1	0.1	24.3	5.0
Ordinary profit/loss	89.5	-33.4	53.4	-29.7	36.0	-3.7
Extraordinary income/loss	-6.9	-2.7	-1.4	-0.1	-5.5	-2.6
Income before taxes	82.5	-36.2	51.9	-29.8	30.5	-6.3
Taxes and others	15.6	-12.2	9.0	-8.9	6.5	-3.2
Net income/loss	66.9	-23.9	42.9	-20.8	23.9	-3.1
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	30.2	10.1				

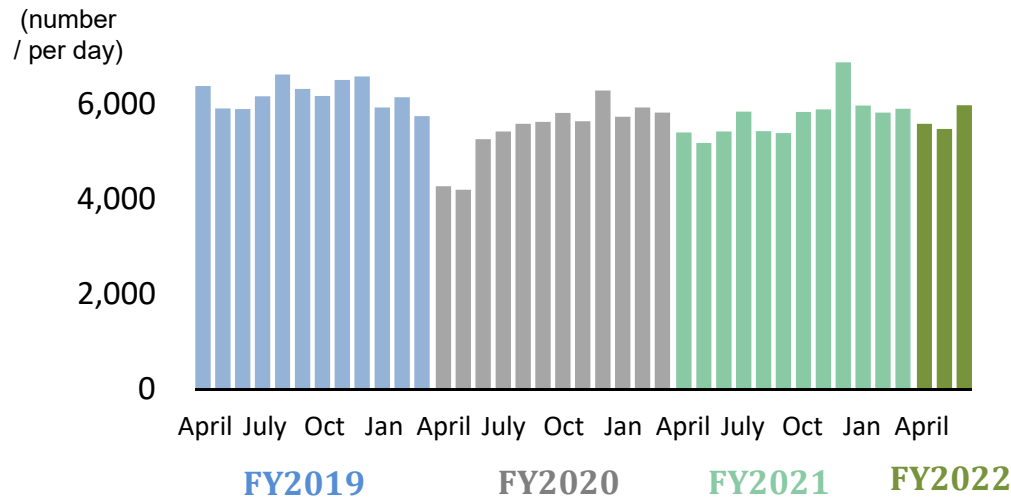
Domestic Non-Life Insurance Companies FY2022 1Q (2) - Voluntary Auto Insurance

- The number of motor insurance accidents increased by 7.3% year-on-year at the end of June due to an increase in traffic volume. However, this was down 4.3% from the same period in FY2019.
- EI loss ratio increased by 12.1 points to 62.8%. Excluding natural catastrophe losses (hail accident in June) base, EI loss ratio was 56.3% increased by 5.6 points.

No. of Accidents

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

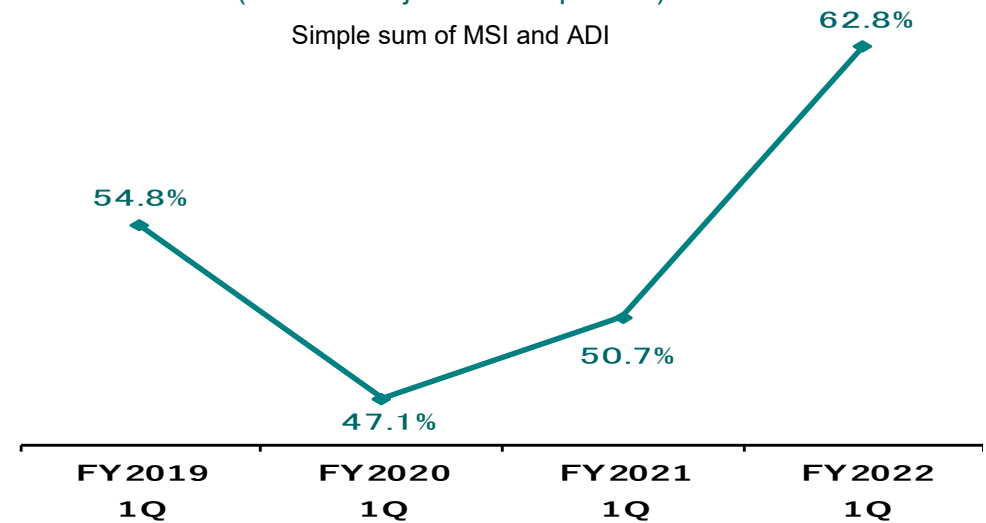
Simple sum of MSI and ADI (Domestic business only)



E/I Loss Ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	-0.6%	-0.3%	-1.0%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+1.4%	-0.1%	

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	-0.3%	+0.3%	+0.0%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+0.7%	+0.1%	

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

※ Changes in the average payout per claim show the changes in the average payout per claim over one-year period ended June 2022 compared with that over one-year period ended March 2022.

※ Calculation of the EI loss ratio covers the period of April-June each year.

Domestic Life Insurance / MSI Aioi Life - Results for FY2022 1Q

- Amount of new policies decreased by 28.5% year on year due to the decrease of income guarantee insurance sales.
- Net income decreased by 1.1 billion yen mainly due to an increase of COVID-19 claims.

MSI Aioi Life

(¥bn)

		FY2021 1Q Results	FY2022 1Q Results	YoY Change	Change Ratio
Amount of new policies		473.2	338.1	- 135.0	- 28.5%
Annualized premiums of new policies		6.3	5.7	- 0.6	- 10.5%
of which, third sector insurance		3.4	2.7	- 0.7	- 20.7%
Amount of policies in force	(At the beginning of FY)	23,847.7	23,696.5	(Change from the beginning of FY) - 151.2	- 0.6%
Annualized premiums of policies in force	(At the beginning of FY)	443.8	442.8	(Change from the beginning of FY) - 0.9	- 0.2%
of which, third sector insurance	(At the beginning of FY)	152.4	153.2	(Change from the beginning of FY) 0.8	0.5%
Gross premiums income		119.3	117.1	- 2.2	- 1.9%
Ordinary profit/loss		10.2	8.7	- 1.5	- 14.8%
Extraordinary income/loss		-0.3	-0.3	- 0.0	-
Net income/loss		6.5	5.3	- 1.1	- 17.2%
Core profit(*)		8.9	7.6	- 1.3	- 14.9%

*From 1st quarter of FY2022, the calculation method of core profit was revised based upon new standard. The figure of 1st quarter of FY2021 was also revised based upon new calculation method.

Domestic Life Insurance / MSI Primary Life - Results for FY2022 1Q

- Gross premiums income increased by 29.8% due to the improvement of the market situation and revision of main products and the promotion of sales.
- Net income decreased by 11.7 billion yen to 3.2 billion yen due to a provision of price fluctuation reserve for foreign currency denominated insurance and the loss of security impairment in addition to the rebound from last year profit of bond sales.

MSI Primary Life

(¥bn)

	FY2021 Results	FY2022 Results	YoY Change	Change Ratio
Amount of new policies* ¹	198.0	262.8	64.8	32.7%
Amount of policies in force* ¹	6,803.6 At the beginning of FY	6,782.7	- 20.8 Change from the beginning of FY	- 0.3%
Gross premiums income	196.9	255.7	58.7	29.8%
Ordinary profit/loss	20.9	5.4	- 15.5	- 73.9%
Extraordinary income/loss	-	- 0.9	- 0.9	-
Provision/reversal for price fluctuation reserve	-	- 0.9	- 0.9	-
Net income/loss	15.0	3.2	- 11.7	- 78.2%

Impact of interest rates and foreign exchange rates

(¥bn)

	Results	Results
Impact of interest rates	6.6	- 27.7
Impact of foreign exchange rates	0.3	11.9
Total*	7.0	- 15.7

* Including gains on sales of securities (FY2021 1Q: +4.7 billion yen; FY2022 1Q: -3.0 billion yen)

Overseas Subsidiaries - Results for FY2022 1Q

- Net premiums written increased by 45.1 billion yen mainly due to the increase of each region especially in Europe including MS Amlin and the impact of exchange rate.
- Net income decreased by 11.4 billion yen mainly due to the 9.1 billion yen decrease in Europe.
- See Slide P22 for MS Amlin.

Overseas subsidiaries

(¥bn)

	FY2021 1Q Results	FY2022 1Q Results	YoY Change	
			YoY Change	Change ratio
Net premiums written	259.7	304.9	45.1	17.4%
Asia	42.5	50.8	8.3	19.6%
Europe	207.7	240.8	33.1	15.9%
Americas	9.5	13.2	3.7	38.9%
Net income/loss	8.8	- 2.5	- 11.4	-128.9%
Asia	7.3	7.5	0.1	2.6%
Europe	- 5.1	- 14.3	- 9.1	-
Americas	1.5	0.3	- 1.1	- 76.0%
International Life Insurance	5.1	3.8	- 1.2	- 25.1%

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

Net premiums written

(¥bn)

	2021 Result	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		2022 Results	Growth	2022 Results	Growth	Results	Growth
Fire and allied	83.4	81.2	-2.6%	41.4	-3.6%	39.8	-1.6%
Marine	16.9	21.8	29.0%	20.2	31.9%	1.6	0.8%
Personal accident	58.1	60.5	4.1%	42.9	3.6%	17.5	5.4%
Voluntary automobile	365.6	368.2	0.7%	173.4	-0.3%	194.8	1.6%
CALI	69.7	62.7	-10.1%	32.1	-10.8%	30.5	-9.2%
Other	118.5	119.2	0.6%	81.1	2.5%	38.0	-3.0%
Total	712.5	713.9	0.2%	391.4	0.6%	322.5	-0.3%
Total excluding residential EQ insurance and CALI	642.5	651.1	1.3%	359.2	1.8%	291.8	0.8%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2022 1Q (2)

EI loss ratio (Simple sum of MSI and ADI)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2021 1Q Results	FY2022 1Q Results	YoY Change	FY2021 1Q Results	FY2022 1Q Results	YoY Change
Fire and allied (excl. residential EQ)	62.0%	93.1%	31.1pp	60.5%	75.3%	14.8pp
Marine	65.8%	69.2%	3.4pp	65.8%	69.2%	3.4pp
Personal accident	52.2%	62.2%	10.0pp	52.2%	62.2%	10.0pp
Voluntary automobile	50.7%	62.8%	12.1pp	50.7%	56.3%	5.6pp
Other	58.7%	63.4%	4.7pp	58.7%	63.3%	4.6pp
Total (excluding residential EQ insurance and CALI)	54.4%	67.9%	13.5pp	54.1%	61.4%	7.3pp

* 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 1Q (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)	91.2%	30.3pp	95.2%	32.1pp	76.2%	14.6pp	74.4%	15.1pp
Marine	65.7%	2.0pp	112.7%	31.7pp	65.7%	2.0pp	112.7%	31.7pp
Personal accident	64.3%	12.0pp	57.4%	5.4pp	64.3%	12.0pp	57.4%	5.4pp
Voluntary automobile	61.6%	11.7pp	63.9%	12.4pp	55.2%	5.3pp	57.3%	5.8pp
Other	61.8%	3.8pp	66.9%	6.8pp	61.8%	3.7pp	66.9%	6.8pp
Total excluding residential EQ insurance and CALI	66.6%	12.5pp	69.6%	14.8pp	61.1%	6.9pp	61.7%	7.6pp

* 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 1Q (Jan. – Mar. 2022) ※1

- Net income for Jan- Mar 2022 was -£93 million due to the impact of losses related to Russia and Ukraine, and negative investment performance.
- Underwriting profit was -£66 million due to the impact of -£95 million losses related to Russia and Ukraine(including preliminary reserves, mainly for Property and Cargo classes). Excluding the impact of Russia and Ukraine related losses, the underwriting profit was £29 million.
- Despite measures such as flexible hedging of stocks and shortening of bond durations, the increase in interest rates triggered rapid market fluctuations in bond and stock prices, resulting in an investment loss of £21 million.

(£ mn)

	FY2021 1Q Results	FY2022 1Q Results	YoY Change
Net premiums written	1,274	1,398	125
Net premiums earned	642	641	-1
Incurred losses (including loss adjustment expenses)	438	492	54
Expense for acquisition and other operating expense	231	235	5
Underwriting profit/loss	-41	-66	-25
Investment profit/loss※2	14	-21	-35
Non-operating profit/loss※3	-16	-9	8
Net income/loss after tax	-49	-93	-44
EI claims ratio	68.3%	76.8%	8.5pp
EI expense ratio※4	38.1%	33.5%	-4.6pp
EI combined ratio※4	106.4%	110.3%	3.9pp

※1 Total amount of MS Amlin companies

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

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

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

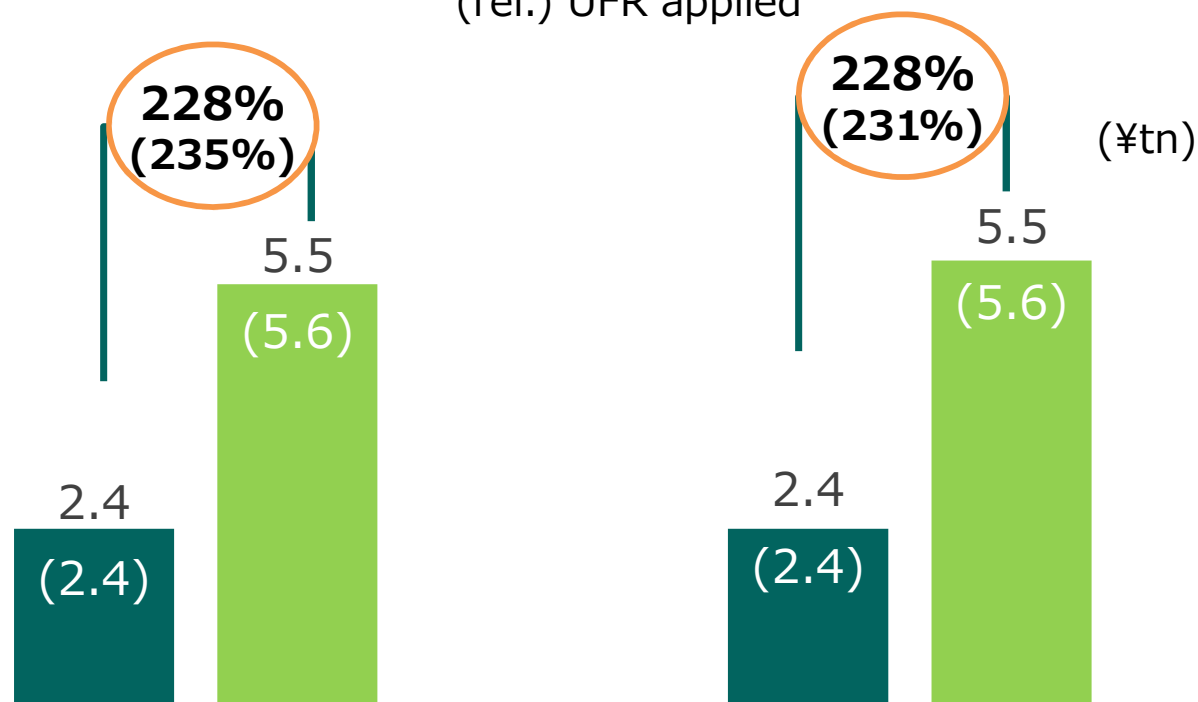
Excluding the impact of Russia and Ukraine related losses (£ mn)

	FY 2022 1Q	YoY change
EI Claim ratio	62.3%	-6.0pp
EI Expense ratio※4	33.2%	-4.9pp
EI Combined ratio※4	95.5%	-10.9pp
Underwriting Profit	29	70

<Reference> ESR

ESR^{*1}

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



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

ESR remained same level(±0 pp) compared with End of March 2022

- ✓ The retained earnings was offset by the fluctuations of the market.

End of March 2021

End of June 2022

<Market environment assumptions>

	End of March 2022	End of June 2022	Change
Nikkei stock average	27,821 yen	26,393 yen	-1,428 yen
30-year JGB interest rate	0.94%	1.24%	+0.30pp
Exchange rate (US\$1: Yen)	122 yen	137 yen	+15 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

Abbreviations of company names used in this presentation

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

Definition of “Group Adjusted Profit”

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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