

Materials for FY2021 1Q Results Briefing – Conference Call

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INSURANCE GROUP

August 6, 2021 (Fri.)

MS&AD Insurance Group Holdings, Inc.

Today's Key Points

FY2021 1Q Results

<Top line>

- Net premiums written in the domestic non-life insurance (two main companies combined) increased by 24.7 billion yen, or 3.6%. Voluntary automobile, fire and casualty insurance performed well, leading to higher total premiums, despite falling premiums in the compulsory auto liability insurance as a result of decreased rates.
- Domestic life insurance recovered significantly as the impact of COVID-19 shrank. Amount of new policies at MSI Aioi Life increased by 41.9%, and gross premiums income at MSI Primary Life increased by 150.7%.
- Net premiums written at overseas insurance subsidiaries increased due to higher rates and the impact of foreign exchange rates, despite the negative impact of the strengthening of underwriting rules on premiums.

<Bottom line>

- Net income rose by 22.0 billion yen to 118.7 billion yen, mainly due to an increase at overseas insurance subsidiaries, and Group Adjusted Profit rose by 62.4 billion yen to 144.4 billion yen, a record high. Progress against the full-year forecast was 51.6% for net income and 48.1% for Group Adjusted Profit.
- Despite the increase in losses from voluntary auto and fire insurance, net income at the two main domestic non-life insurance companies was almost flat year on year as investment profit increased.
- Net income at the two domestic life insurance companies increased by 11.1 billion yen year on year, with MSI Primary Life posting a sharp increase due mainly to changes in the market environment and MSI Aioi Life also seeing an increase.
- Net income at overseas insurance subsidiaries increased by 34.8 billion yen due to an improvement in underwriting results and investment profit as the impact of COVID-19 shrank (Group Adjusted Profit in the international business increased by 42.4 billion yen).

Contents

Summary of FY2021 1Q Results

Consolidated Earnings	Page 5-12
Domestic Non-Life Insurance Companies	Page 13-15
Domestic Life Insurance Companies	Page 16-17
Overseas Subsidiaries	Page 18
(Reference) Domestic Non-Life Insurance Companies, MSI & ADI	Page 19-21
(Reference) MS Amlin's Results for FY2021 1Q (Jan.-Mar. 2021)	Page 22
(Reference) ESR	Page 23

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

Summary of FY2021 1Q Results

Consolidated Earnings for FY2021 1Q (1) - Overview (i) (Top line)

Non-life insurance subsidiaries

(¥bn)

	FY2020 1Q Results	FY2021 1Q Results	FY2021 1Q	
			YoY Change	Growth
Direct premiums written (excl. deposit premiums from policyholders)	1,010.7	1,060.3	49.5	4.9%
Net premiums written	943.4	981.2	37.7	4.0%
Mitsui Sumitomo Insurance	375.4	389.0	13.5	3.6%
Aioi Nissay Dowa insurance	312.3	323.4	11.1	3.6%
Mitsui Direct General	9.2	8.9	- 0.2	- 2.9%
Overseas subsidiaries	246.4	259.7	13.2	5.4%

Life insurance subsidiaries

(¥bn)

	FY2020 1Q Results	FY2021 1Q Results	FY2021 1Q	
			YoY Change	Growth
Gross premiums income [※]	199.0	316.3	117.3	58.9%
MSI Aioi Life	120.4	119.3	- 1.0	- 0.9%
MSI Primary Life	78.5	196.9	118.4	150.7%
Life insurance premiums	49.8	83.1	33.2	66.7%

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

Consolidated Earnings for FY2021 1Q (1) - Overview (i) (Top Line)

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

- Net premiums written rose by 37.7 billion yen, or 4.0%, year on year, due to increases in both domestic non-life insurance companies and overseas insurance subsidiaries.
- The two main domestic non-life insurance companies posted an increase of 24.7 billion yen in premiums due to brisk domestic sales and an increase in inward reinsurance premiums from overseas, despite a decline in premiums of compulsory auto liability insurance as a result of the premium rate reduction.

Fire insurance premiums increased due mainly to a premium rate increase in January 2021, despite an increase in outward reinsurance premiums.

Voluntary auto insurance premiums increased mainly due to an increase in unit price as a result of various measures, in addition to the effect of the rate revision in January 2020.

Casualty insurance premiums increased due to strong sales of package products for small and medium-sized companies and products covering new risks.

- Overseas insurance subsidiaries posted an increase of 13.2 billion yen in net premiums written due to increased premium rates and the impact of foreign exchange rates, despite the negative impact of the strengthening of underwriting rules on premiums.

(Domestic life insurance subsidiaries)

- Amount of new policies at MSI Aioi Life increased by 41.9% to 139.7 billion yen year on year as the impact of COVID-19 shrank compared with the previous year. Gross premiums income at MSI Primary Life also increased by 118.4 billion yen, or 150.7% year on year.

Consolidated Earnings for FY2021 1Q (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2020 1Q	FY2021 1Q	YoY Change	Change Ratio
	Results	Results		
Ordinary profit/loss	110.1	165.1	55.0	50.0%
Mitsui Sumitomo Insurance	83.4	83.1	- 0.3	- 0.4%
Aioi Nissay Dowa Insurance	44.1	39.8	- 4.3	- 9.8%
Mitsui Direct General Insurance	1.3	1.0	- 0.3	- 25.6%
MSI Aioi Life	7.8	10.2	2.4	31.3%
MSI Primary Life	8.6	20.9	12.3	142.4%
Overseas subsidiaries	- 24.2	13.2	37.5	-
Consolidation adjustments, others	- 11.0	- 3.3	7.7	-
Net income/loss [※]	96.6	118.7	22.0	22.8%
Mitsui Sumitomo Insurance	62.6	63.7	1.1	1.8%
Aioi Nissay Dowa Insurance	30.9	27.0	- 3.8	- 12.6%
Mitsui Direct General Insurance	1.2	0.8	- 0.3	- 32.2%
MSI Aioi Life	4.8	6.5	1.6	34.1%
MSI Primary Life	5.5	15.0	9.5	170.8%
Overseas subsidiaries	- 25.9	8.8	34.8	-
Consolidation adjustments, others	17.3	- 3.4	- 20.8	- 119.8%

※ 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 FY2021 1Q (1) - Overview (ii) (Bottom Line)

[Net Income]

(Group consolidated)

- Net income was 118.7 billion yen. Although the two main domestic non-life insurance companies were almost on the same level as the previous fiscal year, overseas insurance subsidiaries posted a significant increase as the impact of COVID-19 shrank and the two domestic life insurance companies also posted an increase, which led to an increase of 22.0 billion yen total net income.

(Domestic non-life insurance subsidiaries)

- Despite an increase in earned premiums, underwriting profit fell by 23.8 billion yen, mainly due to an increase in voluntary auto insurance losses, which were down sharply in the same period last year due to the effects of COVID-19, and an increase in fire insurance losses.
- Net investment increased by 19.2 billion yen mainly due to an increase in net interest and dividends income and gains on sales of securities.
- Net income fell by 2.7 billion yen to 90.8 billion yen.

(Domestic life insurance subsidiaries)

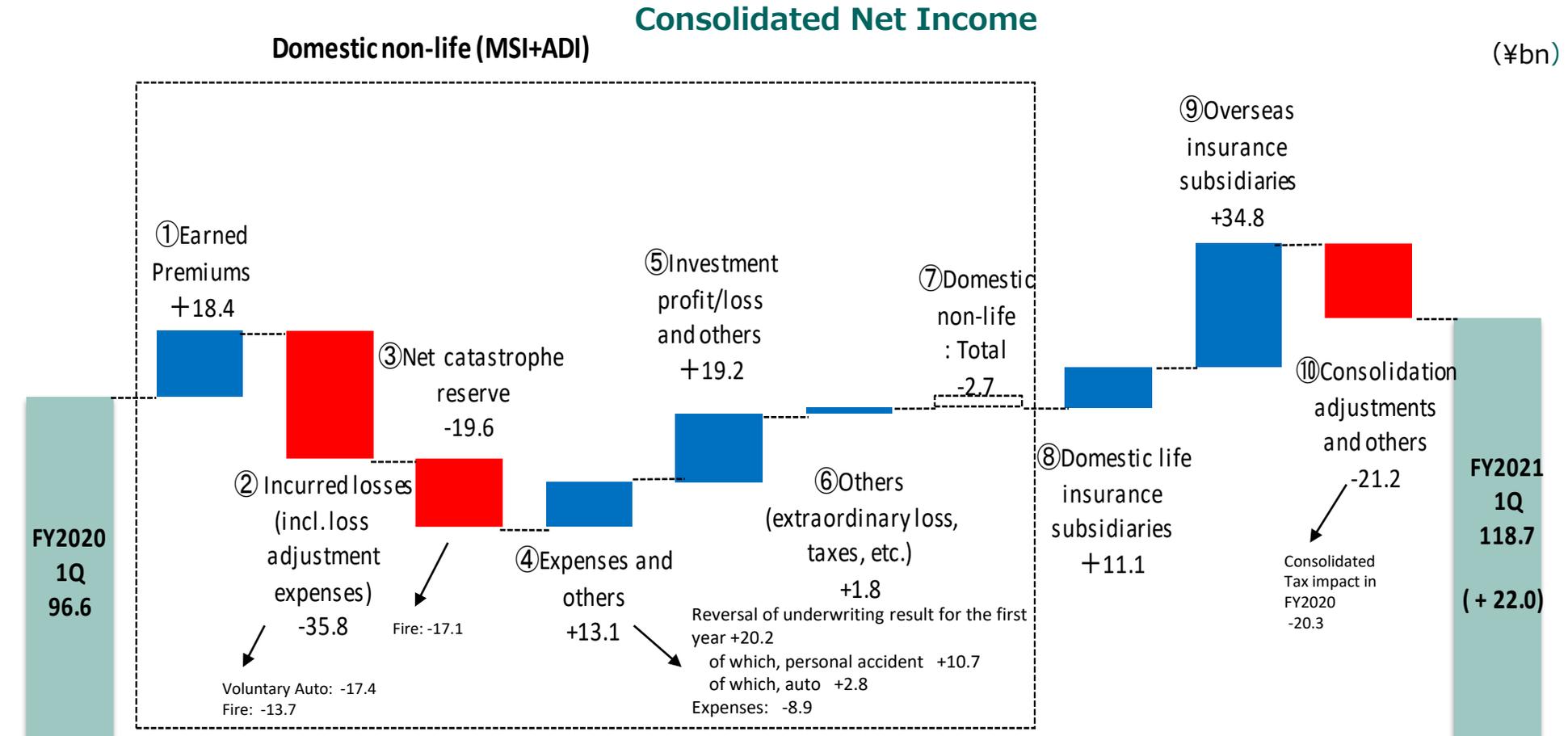
- MSI Aioi Life: See slide 16; MSI Primary: See slide 17.

(Overseas subsidiaries)

- Overseas insurance subsidiaries: See slide 18; MS Amlin: See slide 22.

Consolidated Earnings for FY2021 1Q (2) - Year-on-Year Comparison (i)

- Combined net income for MSI and ADI is almost same as FY2020 1Q. Decrease in underwriting profit was offset by increase in investment profit and others.
- Consolidated net income increased by 22.0 billion yen due to increase in domestic life and overseas subsidiaries after Covid-19 impact in FY2020 1Q disappeared.



Consolidated Earnings for FY2021 1Q (2) – YoY Results Comparison (ii)

Factors in YoY changes in consolidated net income

(¥bn)

		FY2020 1Q Results	FY2021 1Q Results	YoY Change
Consolidated net income/loss		96.6	118.7	22.0
Domestic non-life insurance ^{※1} :				
Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))		80.6	56.7	- 23.8
Earned premiums	(1)	612.1	630.5	18.4
Incurred losses (incl. loss adjustment expenses)	(2)	- 307.0	- 342.8	- 35.8
Net reversal of catastrophe reserve	(3)	- 3.3	- 22.9	- 19.6
Expenses and others ^{※2}	(4)	- 221.1	- 208.0	13.1
Investment profit/loss and others	(5)	46.9	66.2	19.2
Others (extraordinary loss, taxes, etc.)	(6)	- 33.9	- 32.0	1.8
Domestic non-life insurance: Total	(7)	93.6	90.8	- 2.7
Domestic life insurance subsidiaries	(8)	10.4	21.6	11.1
Overseas subsidiaries	(9)	- 25.9	8.8	34.8
Consolidation adjustments and others	(10)	18.6	- 2.6	- 21.2

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

※2 “Expenses and others” include profit/loss on foreign exchange

Consolidated Earnings for FY2021 1Q (3) – Group Adjusted Profit

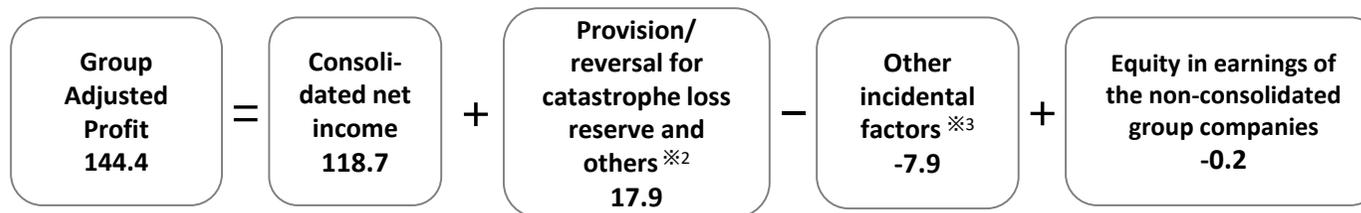
- Group Adjusted Profit increased by 62.4 billion yen mainly due to an increase in the international business.

(¥bn)

	FY2020 1Q	FY2021 1Q	YoY Change
	Results	Results	
Group Adjusted Profit ^{※1}	82.0	144.4	62.4
Domestic non-life insurance business	90.7	100.2	9.4
Domestic life insurance business	10.7	22.1	11.3
International business	- 20.9	21.4	42.4
Financial services business and risk-related services business	1.5	0.6	- 0.8

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

<Reference>



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

※3 Amortization of goodwill and others: -6.1 billion yen

Consolidated Earnings for FY2021 1Q (4) – Impact of Natural Catastrophes

- Incurred losses of domestic natural catastrophes decreased by 2.4 billion yen year-on-year to 0.1 billion. Incurred losses of overseas natural catastrophes increased by 0.1 billion yen year-on-year to 1.8 billion yen.

Impact of domestic natural catastrophes (¥bn)

	Incurred Loss		
	FY2020	FY2021	YoY Change
	1Q	1Q	
Mitsui Sumitomo Insurance	1.6	0.1	- 1.5
Aioi Nissay Dowa Insurance	0.9	0.0	- 0.9
Total	2.6	0.1	- 2.4

Impact of overseas natural catastrophes (¥bn)

	Incurred Loss		
	FY2020	FY2021	YoY Change
	1Q	1Q	
Aioi Nissay Dowa Insurance	1.7	1.8	0.1
MS Amlin	-	11.9	11.9
Others (overseas subsidiaries)	-	0.1	0.1
Consolidation adjustments	-	- 12.0	- 12.0
Total	1.7	1.8	0.1

※Consolidation adjustments is the reversal of estimated loss at overseas subsidiaries from the North American cold wave that occurred in February 2021. This loss was recorded in FY2020.

※Calculation for overseas natural catastrophes is done internally.

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

- Underwriting profit (prior to reflecting catastrophe reserve) decreased by 4.2 billion yen mainly due to an increase in incurred losses in voluntary automobile insurance and fire insurance, despite an increase in earned premiums.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Net premiums written^{※1}	712.5	24.7	389.0	13.5	323.4	11.1
Earned premiums ^{※2}	630.5	18.4	347.4	7.8	283.1	10.6
Incurred losses (including loss adjustment expenses) ^{※2}	(-)	342.8	187.8	18.1	155.0	17.7
Underwriting expenses ^{※2}	(-)	227.0	123.2	4.4	103.7	4.4
Commissions and collection expenses ^{※2}		141.7	74.6	4.0	67.1	4.1
Other underwriting expenses ^{※2}		85.2	48.6	0.4	36.6	0.2
Underwriting profit/loss prior to reflecting catastrophe reserve		79.6	50.4	1.5	29.1	- 5.7
Net catastrophe reserve		- 22.9	- 14.2	- 14.3	- 8.6	- 5.2
Underwriting profit/loss after reflecting catastrophe reserve		56.7	36.1	- 12.8	20.5	- 11.0
EI loss ratio^{※2}		54.4%	54.1%	4.1pp	54.8%	4.4pp
Net loss ratio ^{※1}		57.7%	57.0%	- 2.8pp	58.5%	1.6pp
Net expense ratio ^{※1}		34.8%	34.1%	0.2pp	35.7%	0.4pp
Combined ratio^{※1}		92.5%	91.1%	- 2.6pp	94.2%	2.0pp

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

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

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

- Investment profit increased by 19.2 billion yen due to an increase in net interest and dividends income (incl. dividends from subsidiaries) and increase in gains on sales of securities.

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	56.7	- 23.8	36.1	- 12.8	20.5	- 11.0
Net interest and dividends income	54.1	10.9	39.5	10.3	14.6	0.6
Gains/losses on sales of securities	19.2	9.0	11.7	4.9	7.4	4.1
Impairment losses on securities (-)	4.2	2.8	1.5	0.9	2.7	1.9
Investment profit/loss and other ordinary profit/loss	66.2	19.2	46.9	12.5	19.2	6.7
Ordinary profit/loss	122.9	- 4.6	83.1	- 0.3	39.8	- 4.3
Extraordinary income/loss	- 4.2	0.3	- 1.3	- 0.2	- 2.8	0.6
Income before taxes	118.7	- 4.2	81.8	- 0.5	36.9	- 3.6
Taxes and others	27.8	- 1.5	18.0	- 1.6	9.8	0.1
Net income/loss	90.8	- 2.7	63.7	1.1	27.0	- 3.8
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	20.0	7.4				

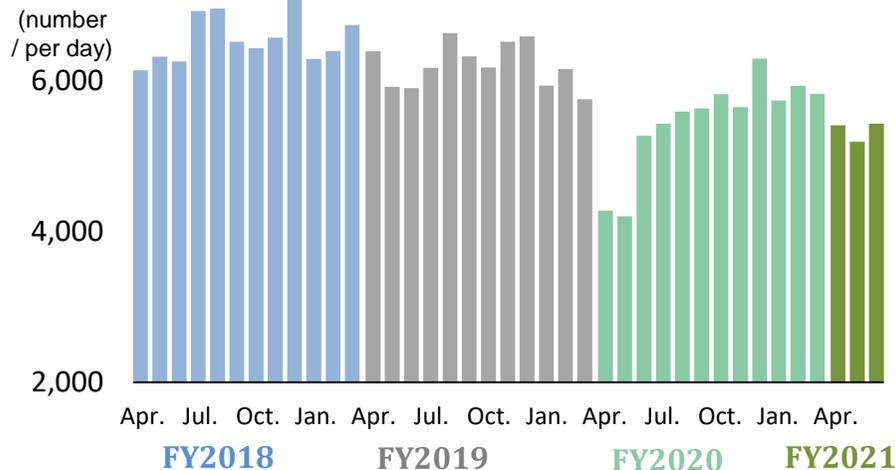
Domestic Non-Life Insurance Companies FY2021 1Q (2) - Voluntary Auto Insurance

- The total number of accidents increased by 16.6% compared with the previous year that saw a large decrease in accidents due to decreased traffic volume caused by self-restraint in going out in response to the spread of COVID-19. Nevertheless, compared with FY2019 1Q, the number of accidents in FY2021 1Q decreased by 12.0%.
- E/I loss ratio increased by 3.6 percentage points to 50.7%.

No. of Accidents

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

Simple sum of MSI and ADI (Domestic business only)



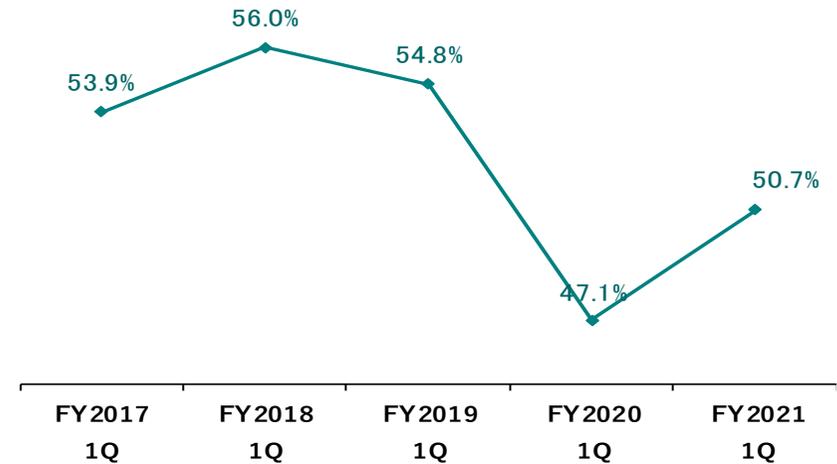
Mitsui Sumitomo Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.5%	+0.5%	+1.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	- 0.7%	+0.6%	

E/I Loss Ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.6%	+0.9%	+1.4%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	- 0.5%	+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 2021 compared with that over one-year period ended March 2021.

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

Domestic Life Insurance / MSI Aioi Life - Results for FY2021 1Q

- The amount of new policies increased by 41.9% year on year as a result of recovery from the impact of COVID-19 on FY2020 1Q results.
- Net income increased by 1.6 billion yen due to a decrease in the burden of provision for policy reserve following expiry and cancellation of policies in force and a decrease in agent commissions.

MSI Aioi Life

(¥bn)

	FY2020 1Q Results		FY2021 1Q Results		YoY Change	Change Ratio
Amount of new policies* ¹		333.5	473.2		139.7	41.9%
Annualized premiums of new policies		4.7	6.3		1.6	34.7%
of which, third sector insurance		2.8	3.4		0.6	22.7%
Amount of policies in force* ¹	(At the beginning of FY)	24,266.9	24,211.2	(Change from the beginning of FY)	- 55.6	- 0.2%
Annualized premiums of policies in force	(At the beginning of FY)	447.9	446.4	(Change from the beginning of FY)	- 1.5	- 0.3%
of which, third sector insurance	(At the beginning of FY)	146.0	147.6	(Change from the beginning of FY)	1.6	1.1%
Gross premiums income		120.4	119.3		- 1.0	- 0.9%
Ordinary profit/loss		7.8	10.2		2.4	31.3%
Extraordinary income/loss		- 0.2	- 0.3		- 0.0	-
Net income/loss		4.8	6.5		1.6	34.1%
Core profit		6.3	9.0		2.6	42.1%

*¹ Total sum of personal insurance and personal annuity insurance

Domestic Life Insurance / MSI Primary Life - Results for FY2021 1Q

- Despite the ongoing spread of COVID-19, gross premiums income increased by 150.7% to 196.9 billion yen as there was no significant impact of withdrawal from asset management business by financial institution agents that took place in the previous year.
- Net income increased by 9.5 billion yen to 15.0 billion yen mainly due to decrease in the burden of provision for policy reserve caused by fluctuations in the market environment.

MSI Primary Life

(¥bn)

	FY2020 1Q Results	FY2021 1Q Results	YoY Change	
			YoY Change	Change Ratio
Amount of new policies* ¹	79.2	198.0	118.7	149.8%
Amount of policies in force* ¹	(At the beginning of FY) 6,595.8	6,527.9	(Change from the beginning of FY) - 67.8	- 1.0%
Gross premiums income	78.5	196.9	118.4	150.7%
Ordinary profit/loss	8.6	20.9	12.3	142.4%
Extraordinary income/loss	- 0.9	-	0.9	- 100.0%
Net income/loss	5.5	15.0	9.5	170.8%

*¹ Total sum of personal insurance and personal annuity insurance

Impact of interest rates and foreign exchange rates

(¥bn)

	FY2020 1Q Results	FY2021 1Q Results
Impact of interest rates	- 2.3	6.6
Impact of foreign exchange rates	- 7.9	0.3
Total*	- 10.2	7.0

* Including gains on sales of securities (FY2020 1Q: +12.6 billion yen; FY2021 1Q: +4.7 billion yen)

Overseas Subsidiaries - Results for FY2021 1Q

- Net premiums written increased by 13.2 billion yen mainly due to the impact of exchange rates and the premium rate increase, despite the negative impact of the strengthening of underwriting rules on premiums.
- Net income increased by 34.8 billion yen, showing a steady improvement mainly in the international life insurance and European business as a result of recovery from the impact of COVID-19 on FY2020 results.

Overseas subsidiaries

(¥bn)

	FY2020 1Q Results	FY2021 1Q Results	Change	
			YoY Change	Change ratio
Net premiums written	246.4	259.7	13.2	5.4%
Asia	43.7	42.5	- 1.1	- 2.7%
Europe	192.6	207.7	15.0	7.8%
Americas	10.1	9.5	- 0.5	- 5.9%
Net income/loss	- 25.9	8.8	34.8	-
Asia	3.9	7.3	3.4	85.6%
Europe*	- 18.9	- 5.1	13.7	-
Americas	- 0.4	1.5	1.9	-
International Life Insurance	- 10.5	5.1	15.7	-

* FY2021 1Q result (-5.1 billion yen) includes the impact of the North American cold wave (-10.1 billion yen) that was additionally recorded in FY2020 consolidated results. If this impact is excluded, net income for FY2021 1Q is 5.0 billion yen.

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2021 1Q (1)

Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	Results	Growth	Results	Growth	Results	Growth
Fire and allied	83.4	9.5%	43.0	12.7%	40.4	6.4%
Marine	16.9	5.7%	15.3	8.4%	1.5	-15.0%
Personal accident	58.1	2.4%	41.4	1.5%	16.6	4.8%
Voluntary automobile	365.6	2.8%	173.8	1.4%	191.7	4.1%
CALI	69.7	-9.2%	36.0	-11.2%	33.6	-7.1%
Other	118.5	11.6%	79.2	13.0%	39.2	8.9%
Total	712.5	3.6%	389.0	3.6%	323.4	3.6%
Total excluding residential EQ insurance and CALI	642.5	5.2%	352.8	5.4%	289.7	5.0%

<Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2021 1Q (2)

EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2020 1Q	FY2021 1Q		FY2020 1Q	FY2021 1Q	
	Results	Results	YoY Change	Results	Results	YoY Change
Fire and allied (excl. residential EQ)	52.3%	62.0%	9.7pp	49.4%	60.5%	11.1pp
Marine	56.4%	65.8%	9.4pp	56.5%	65.8%	9.3pp
Personal accident	48.8%	52.2%	3.4pp	48.8%	52.2%	3.4pp
Voluntary automobile	47.1%	50.7%	3.6pp	47.2%	50.7%	3.5pp
Other	58.1%	58.7%	0.6pp	58.0%	58.7%	0.7pp
Total (excluding residential EQ insurance and CALI)	50.2%	54.4%	4.2pp	49.7%	54.1%	4.4pp

* 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 FY2021 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)	60.9%	10.2pp	63.1%	9.2pp	61.6%	11.2pp	59.3%	10.9pp
Marine	63.7%	8.7pp	81.0%	11.1pp	63.7%	8.7pp	81.0%	11.1pp
Personal accident	52.3%	4.6pp	52.0%	0.6pp	52.3%	4.6pp	52.0%	0.6pp
Voluntary automobile	49.9%	3.7pp	51.5%	3.4pp	49.9%	3.7pp	51.5%	3.5pp
Other	58.0%	-0.7pp	60.1%	3.4pp	58.1%	-0.6pp	60.1%	3.5pp
Total excluding residential EQ insurance and CALI	54.1%	4.1pp	54.8%	4.4pp	54.2%	4.2pp	54.1%	4.7pp

* 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 FY2021 1Q (Jan. – Mar. 2021) ※1

- Group Adjusted Profit was £20 million, up by £156 million from the same period of last year, due to the elimination of COVID-19 effects of both the underwriting and investment last year.
- The EI claims ratio (excluding the impact of North American cold wave losses) improved to 56.3%, down 22.9 points from the same period of last year, due to the elimination of COVID-19 related losses and improved general insurance risk.

(£ mn)

	FY2020 1Q	FY2021 1Q	
			YoY Change
Net premiums written	1,248	1,274	26
Net premiums earned	704	642	-63
Incurred losses (including loss adjustment expenses)	558	438	-120
Expense for acquisition and other operating expense	236	231	-5
Underwriting profit/loss	-56	-41	15
Investment profit/loss※2	-62	14	76
Non-operating profit/loss※3	-23	-16	7
Net income/loss after tax <small>(Result for FY 2021 includes the impact of North American cold wave losses of £-69 mn, which was added to the consolidated financial statements in FY 2020)</small>	-136	-49	87
Group Adjusted Profit	-136	20	156

EI claims ratio	79.2%	68.3%	-10.9pp
EI expense ratio※4	28.7%	38.1%	9.4pp
EI combined ratio※4	107.9%	106.4%	-1.5pp

Excluding the impact of North American cold wave losses (included in the consolidated financial statements for FY 2020)

	FY2021 1Q	
		YoY Change
EI claims ratio	56.3%	-22.9pp
EI expense ratio※4	38.6%	9.9pp
EI combined ratio※4	94.9%	-13.0pp

※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.

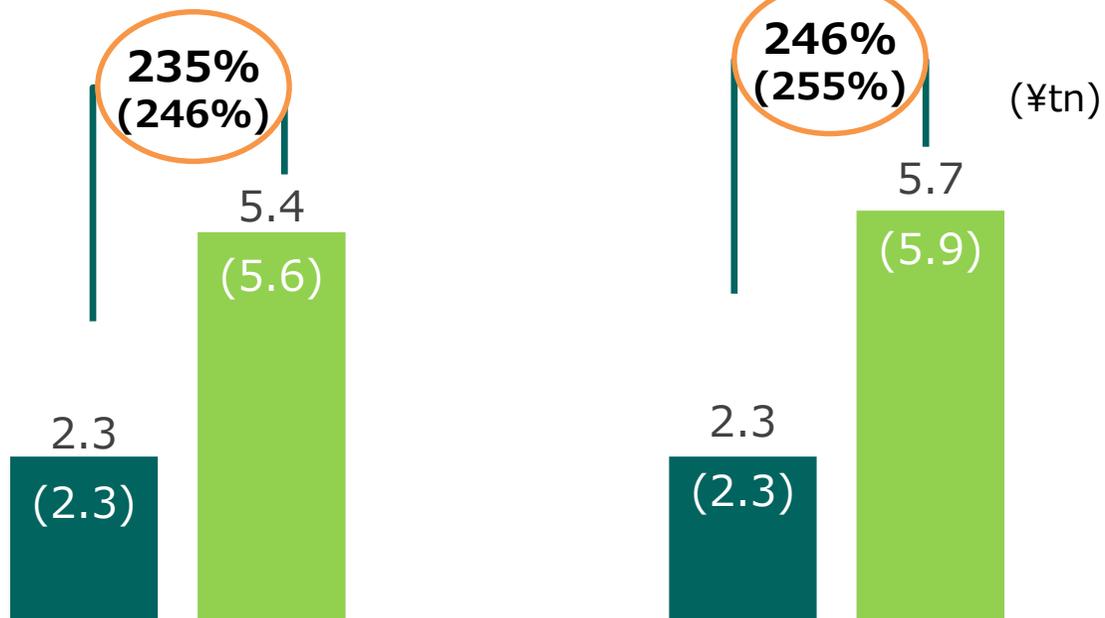
※3 The main item of "Non-operating profit/loss" is expenses of non-insurance companies.

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

<Reference> ESR

ESR*1

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



<Factors behind ESR change> (vs. end of March 2021)

ESR rose by 11pp due to the following factors:

- ✓ Net asset value increased due to an increase in profit accumulation and market factors.
- ✓ Integrated risk amount remained almost at the same level.

End of March 2021

End of June 2021

<Market environment assumptions>

	End of March 2021	End of June 2021	Change
Nikkei stock average	29,179 yen	28,792 yen	-387 yen
30-year JGB interest rate	0.67%	0.69%	+0.02pp
Exchange rate (US\$1: Yen)	111 yen	111 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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