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# MS&AD IR Day 2020

September 11, 2020

MS&AD Insurance Group Holdings, Inc.

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## Part 1. Group Management Policies and Growth Strategies

President & CEO

Noriyuki Hara

MS&AD Insurance Group Holdings, Inc.

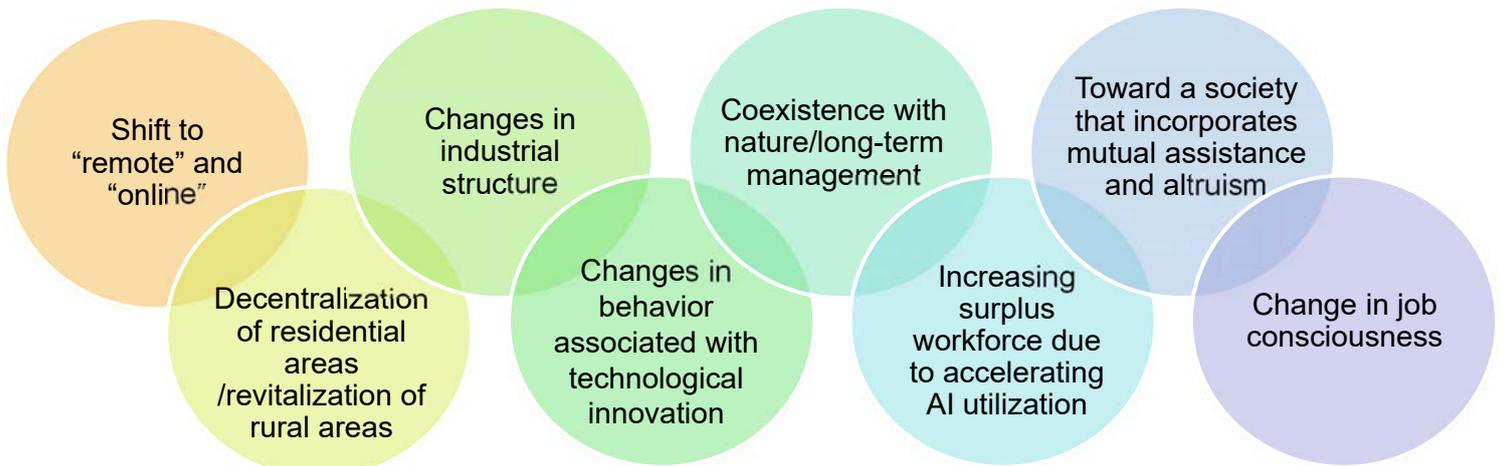
# 1. Points to Value in Management



# 2. Changes in Environment



## Impact of COVID-19 on Social Structure and Industrial Structure



### 3. Management Issues

#### Improving Capital Efficiency (Improving ROE)

	Progress in FY2019	Medium-term aspirations "World-leading insurance and financial services group"
Scale	5 <sup>th</sup> (FORTUNE GLOBAL 500 2019, P&C)	Within the top 10 non-life insurance groups in the world
Capital efficiency	8.0%	Group Adjusted ROE 10%
Financial soundness	186% Ref.: UFR applied 204%	ESR 180% - 220%
Portfolio diversity	46%	50% (profit basis) in other than the domestic non-life insurance business
Share of strategic equity holdings	26.1% of integrated risk amount 9.2% of consolidated total assets	Strategic equity holdings less than 30% of integrated risk amount and below 10% of consolidated total assets
Profitability	EI Combined Ratio ex. natural catastrophes 91.4%	Combined ratio in the domestic non-life insurance business stable at 95% or less

#### Distinctive growth strategies and improved productivity

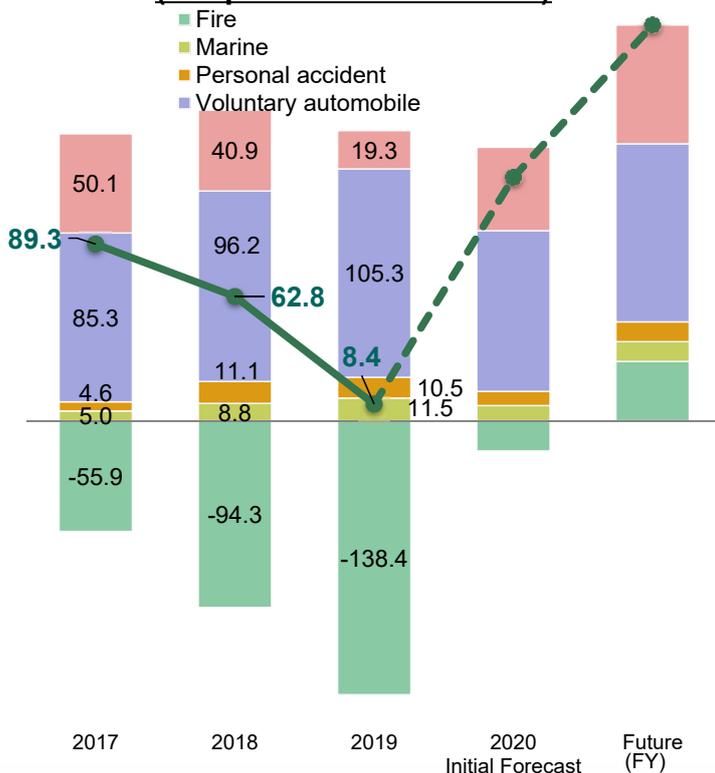


### 4. Group's Growth Strategies

#### (1) Profit Growth Strategies in Stage 2: (i) Domestic Business

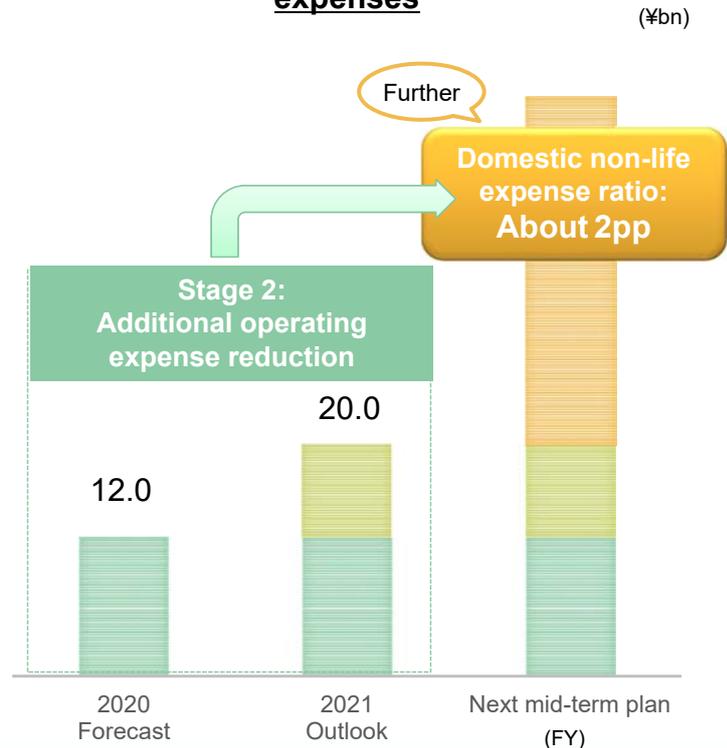
##### Portfolio transformation

##### Underwriting profit by line of business (Simple sum of MSI + ADI)



##### Reduction of operating expenses

##### Additional reduction of operating expenses

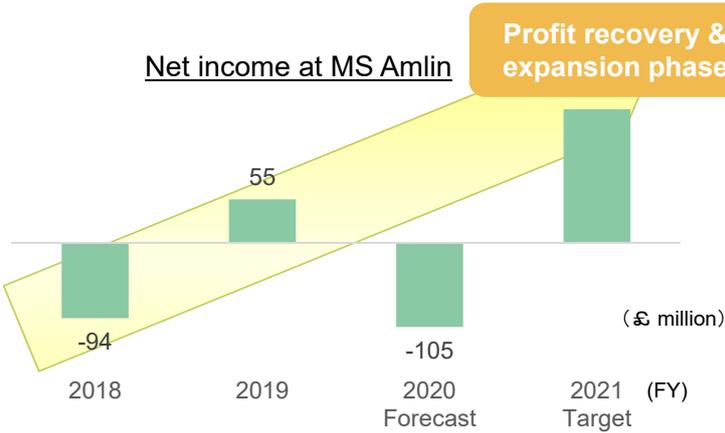


## 4. Group's Growth Strategies

### (1) Profit Growth Strategies in Stage 2: (ii) International Business

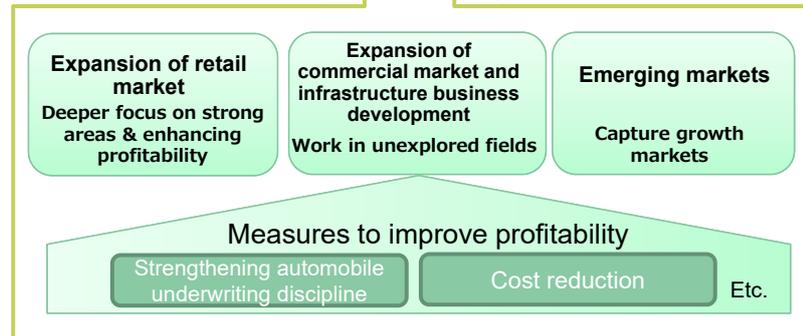
#### Improving profitability at MS Amlin

Net income at MS Amlin

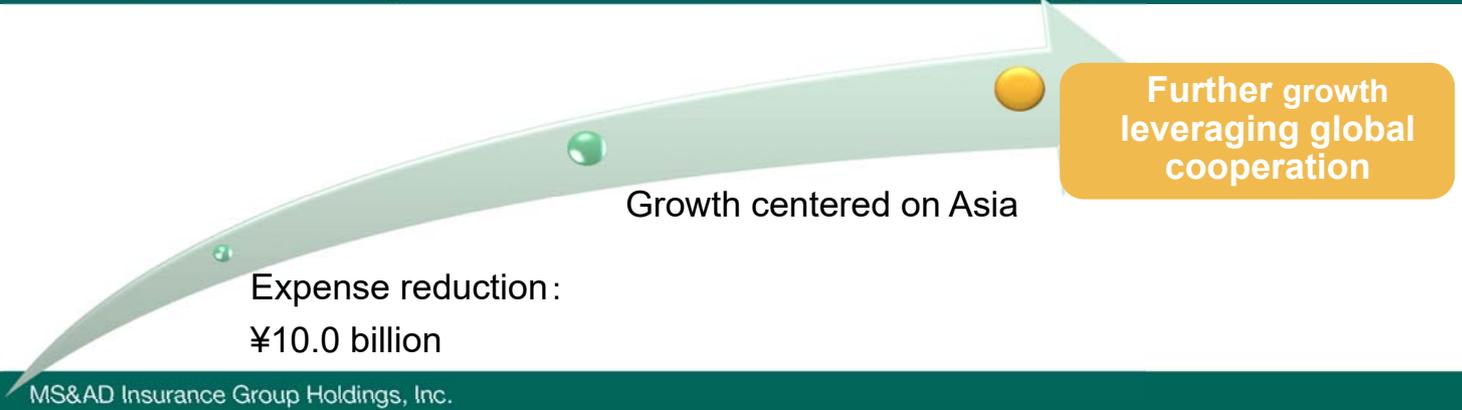


#### Strengthening profitability in Asia

##### Market growth-driven profit growth



#### Achieving Results of International Business Reorganization



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## 4. Group's Growth Strategies

### (2) Medium- to Long-Term Growth Strategies

**CSV**

×

**DX**

~Japan -> Asia -> the World~

#### Seven Key Issues for a Resilient and Sustainable Society



#### Incorporation of Digital Technologies



Big data



Mobile



AI (Artificial intelligence)



RPA (Robotics)



Block ChAin

Block chain

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# 4. Group's Growth Strategies

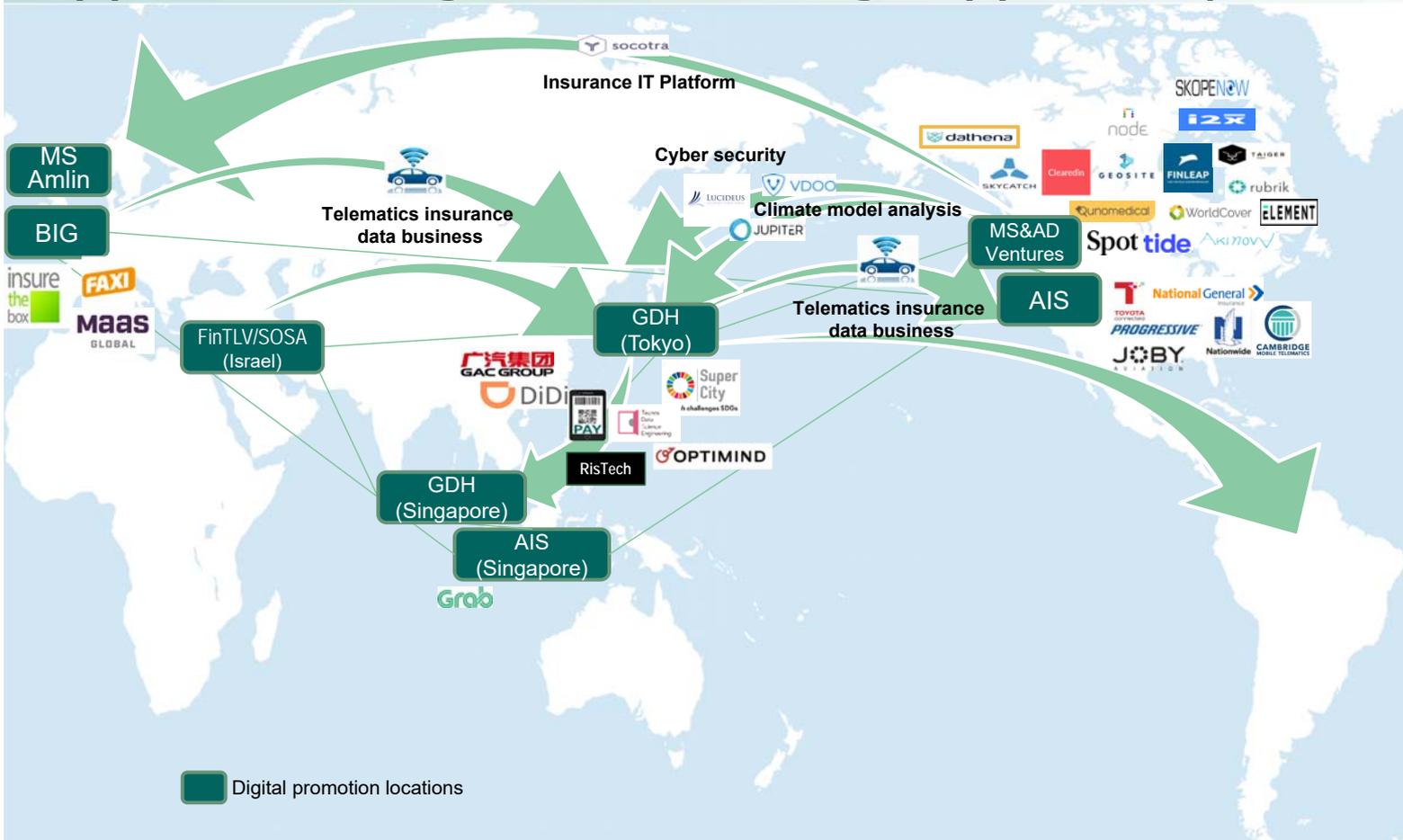
## (2) Medium- to Long-Term Growth Strategies: (i) Change in Business Style



Work areas		Examples
<b>Products &amp; services</b>	Developing insurance products and services to solve customers' issues, using digital technologies as well as the insurance claims data that the Group has accumulated and the data owned by customers	<ul style="list-style-type: none"> <li>• Telematics insurance ("Tough Tsunagaru" automobile insurance)</li> <li>• Drive-recorder-based Mimamoru (Safeguards) Automobile Insurance,</li> <li>• Health management support insurance</li> <li>• cmap.dev</li> </ul>
<b>Channels</b>	Combining our Group's accumulated sales data and best practices with methods made possible by digital technology to improve sales capabilities and efficiency	<ul style="list-style-type: none"> <li>• MS1 Brain</li> </ul>
<b>Sales methods</b>	Developing new channels in line with the trend toward digitalization of lifestyles and business activities	<ul style="list-style-type: none"> <li>• Built-in Connect</li> <li>• Convenience store channel</li> </ul>
<b>Claims services</b>	Leveraging digital technology to dramatically reduce the time and load of customers and our Group's claims service	<ul style="list-style-type: none"> <li>• Joint claims support system "BRIGDE"</li> <li>• Telematics claims service system</li> </ul>
<b>Operation, clerical work</b>	Leveraging digital technology to dramatically reduce the load and time required for clerical work and to provide services tailored to customers' new lifestyles	<ul style="list-style-type: none"> <li>• Online renovation</li> <li>• Cashless, paperless, touchless</li> <li>• Web procedure system</li> </ul>
<b>New business</b>	Developing new businesses utilizing data and know-how accumulated in our group and digital technology	<ul style="list-style-type: none"> <li>• RisTech paid consulting</li> <li>• Telematics insurance data business</li> <li>• RM business for climate change</li> </ul>

# 4. Group's Growth Strategies

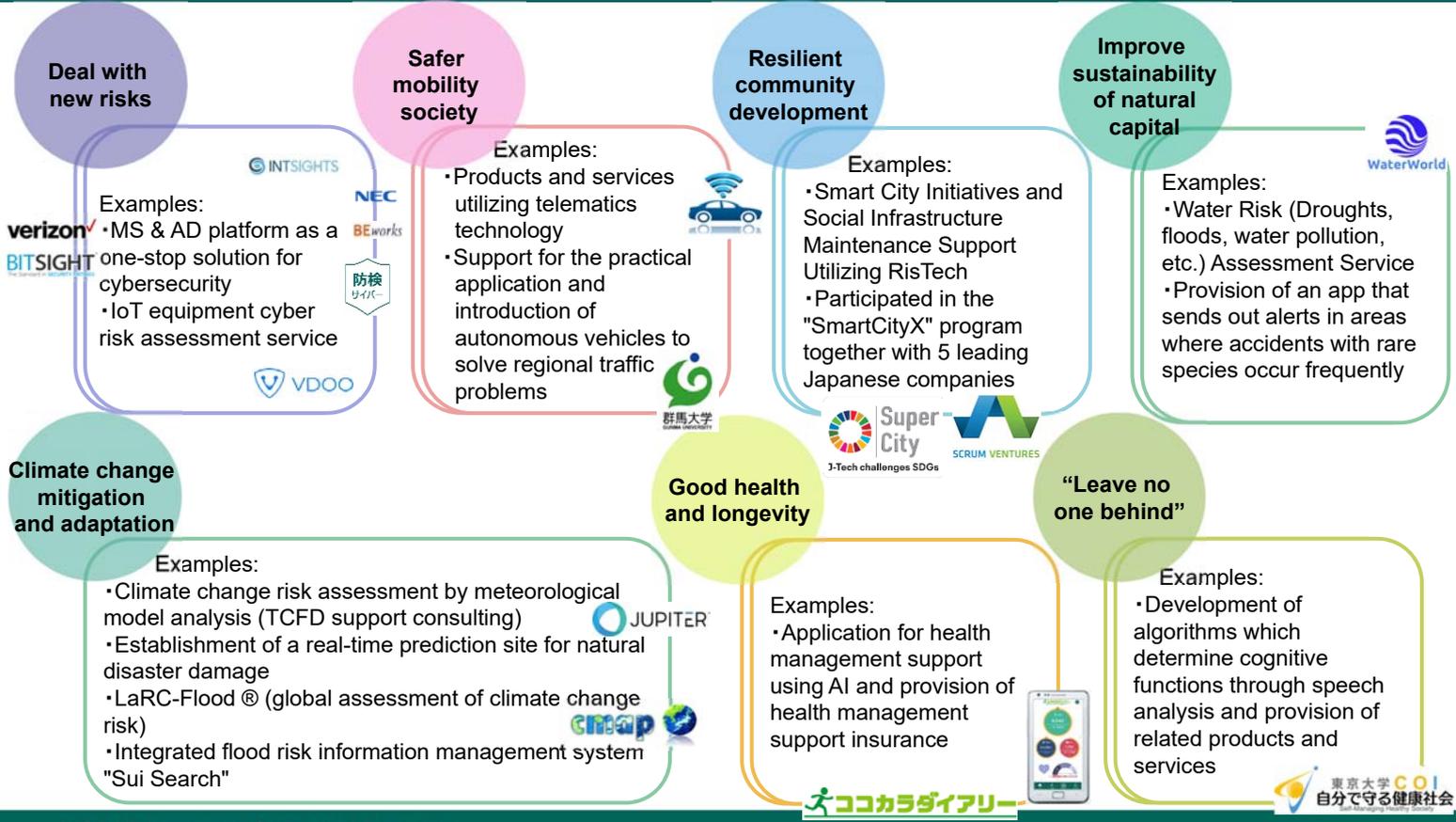
## (2) Medium- to Long-Term Growth Strategies: (ii) Global Expansion



Digital promotion locations

# 4. Group's Growth Strategies (2) Medium- to Long-Term Growth Strategies: (iii) Solving Social Issues, Leveraging Digital Transformation

**CSV** × **DX**



# 5. Creating a Resilient and Sustainable Society

**Image of society in 2030**  
**A resilient and sustainable society**

**CSV** × **DX**  
 ~ Japan -> Asia -> the World ~

Changes in environment + MS&AD's Value Creation Story

### Abbreviations of company names used in this presentation.

- MS&AD Holdings, Holding Company : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- MSI : Mitsui Sumitomo Insurance Co., Ltd.
- ADI : Aioi Nissay Dowa Insurance Co., Ltd.
- Mitsui Direct General, MD : Mitsui Direct General Insurance Co., Ltd.
- MSI Aioi Life, MSA Life : Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSI Primary Life, MSP Life : Mitsui Sumitomo Primary Life Insurance Co., Ltd.
- 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
- ReAssure : ReAssure Group Plc
- Phoenix : Phoenix Group Holdings plc

### Caution About Forward-Looking Statements

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

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