

Materials for FY2023 1Q Results Briefing – Conference Call

August 8, 2023 (Tue.)

MS&AD

INSURANCE GROUP

MS&AD Insurance Group Holdings, Inc.

1

Today's Key Points

- Net premiums written increased by 109.2 billion yen year on year, or +10.6% to 1,136.2 billion yen.
- Net income increased by 33.4 billion yen year on year to 111.6 billion yen mainly due to profit increases in Domestic non-life insurance and Domestic life insurance. The progress ratio was 37.2%.
- Group adjusted profit was 113.5 billion yen. The progress ratio was 32.5%

Domestic Non-Life Insurance	Net income increased by 26 billion yen due to an increase in underwriting profits, mainly due to a decrease in domestic natural catastrophe losses and COVID-19-related losses, and an increase in investment profit.
Domestic Life Insurance	Net income increased by 12.6 billion yen as MSA Life increased mainly due to a decrease in payment for Covid-19, while MSP Life also increased due to an increase in profit margins and an improvement in the impact of interest rates and foreign exchange rates.
Overseas Subsidiaries	Net income was at the same level as the previous quarter. This is because, at MS Amlin, profit on insurance services increased due to a decrease in losses related to Russia and Ukraine, while financial profit decreased due to the impact of the positive impact of the insurance liability discount in the same period of the previous year (due to the retroactive application of IFRS 17) and the impact of the reduction in the amount of insurance liability discount due to the decrease in interest rates in the current period.(18.2 billion yen increase before retroactive application of IFRS 17)

NB: Overseas consolidated subsidiaries and overseas equity method associates have applied International Financial Reporting Standards (IFRS)17"Insurance Contracts" from the beginning of the three months ended June 30, 2023, since these entities have been already adopted IFRS. The figures for the three months ended June 30, 2022 are presented on IFRS 17 basis retrospectively.

About recent media reports	<ul style="list-style-type: none">• A series of reports recently published by media have attracted a lot of attention from consumers in the domestic market. We take this very seriously and make sure that we conduct thorough investigation and implement necessary measures in order to prevent similar incident from reoccurring.• Price-fixing: Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI) have established internal investigation committees in order to conduct thorough investigation into possible collusion on large corporate risks. Both MSI and ADI shall implement sound measures to prevent recurrence of similar incident in due course.• BIGMOTOR fraud: A wider investigation will be conducted into policy holders' vehicle which had been repaired by BIGMOTOR CO., Ltd. factories to make sure that no fraudulent work had been charged to MSI/ADI as a part of insurance claims. MSI/ADI will make sure that policy holders and other customers in question are fully appraised throughout the investigation.
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MS&AD Insurance Group Holdings, Inc.

2

Contents

Summary of FY2023 1Q Results

Group Consolidated Results	Page 4-9
Domestic Non-Life Insurance Companies	Page 10-13
Domestic Life Insurance Companies	Page 14-16
Overseas Subsidiaries	Page 17-19
Reference	Page 20-27

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

Group Consolidated Results

(1) Top Line

- Net premiums written increased in Domestic non-life insurance and Domestic life insurance.
- Domestic non-life insurance increased in MSI and ADI. Overseas subsidiaries increased by 52.6 billion yen(excluding foreign exchange impact)mainly due to an increase in MS Amlin.

Non-life insurance subsidiaries

(¥bn)

	FY2022 1Q	FY2023 1Q	YoY Change	Growth
	Results	Results		
Direct premiums written (excl. deposit premiums from policyholders)	1,104.8	1,200.4	95.5	8.6%
Net premiums written	1,026.9	1,136.2	109.2	10.6%
Mitsui Sumitomo Insurance	391.4	395.8	4.4	1.1%
Aioi Nissay Dowa insurance	322.5	332.9	10.4	3.3%
Mitsui Direct General	8.6	8.5	- 0.0	- 0.9%
Overseas subsidiaries	304.2	398.5	94.2	31.0%

Life insurance subsidiaries

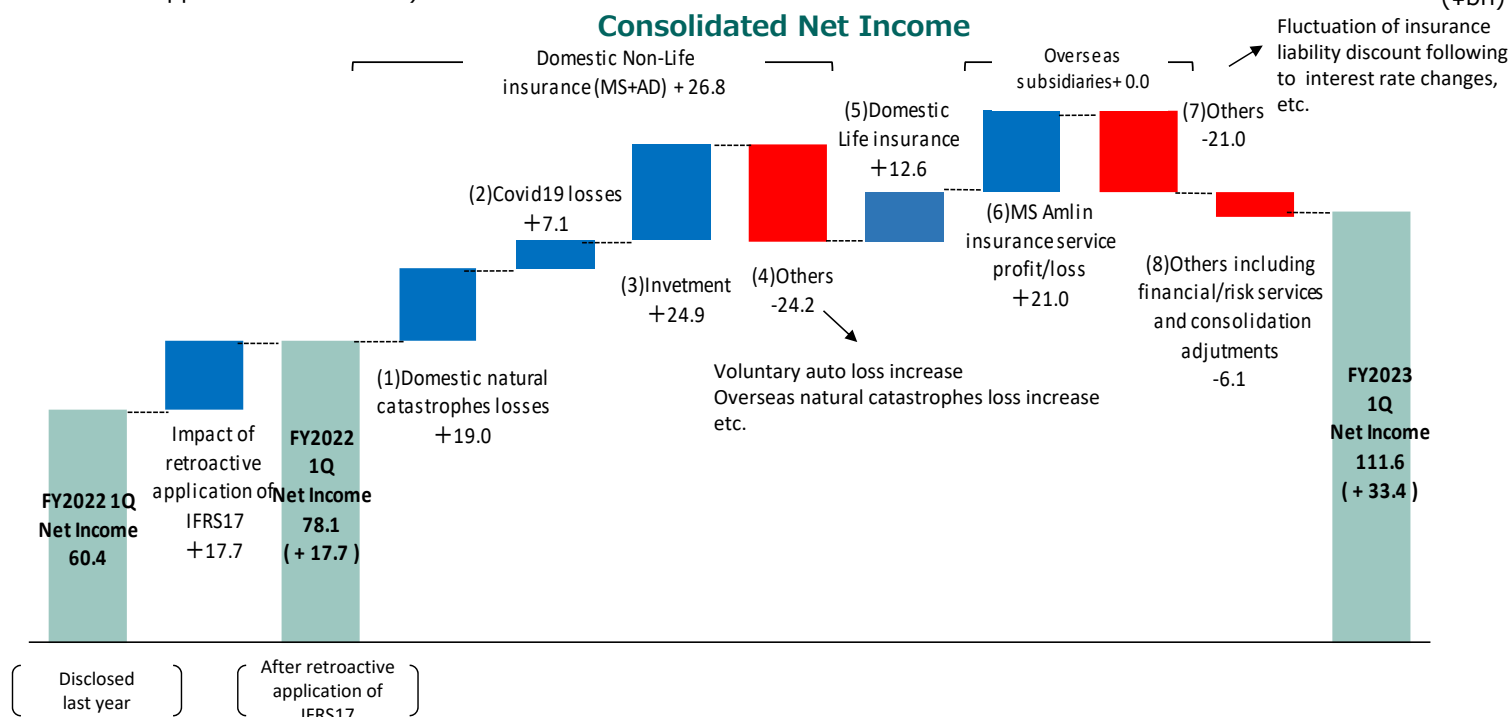
	FY2022 1Q	FY2023 1Q	YoY Change	Growth
	Results	Results		
Gross premiums income ^{†1}	372.8	394.9	22.0	5.9%
MSI Aioi Life	117.1	113.7	- 3.4	- 2.9%
MSI Primary Life	255.7	281.1	25.4	10.0%
Life insurance premiums	- 156.6	214.4	371.0	-

^{†1} Gross premiums income is for domestic life insurance subsidiaries only.

(2)Bottom line(Net income)

- Domestic non-life insurance net income increased by 26.8 billion yen mainly due to (1) decrease in domestic natural catastrophe losses, (2) decrease in COVID19 losses, and (3) increase in investment profit.
- Domestic life insurance net income increased by 12.6 billion yen mainly due to an increase in profit margins at MSI Primary Life and a decrease in the foreign currency standard policy reserve burden.
- Overseas subsidiaries net income was at the same level as last year. This is because while the insurance services profit/loss increased due to a decrease in Russian-Ukraine losses, the financial profit/loss decreased due to the positive impact of claim reserves discounts due to higher interest rates in the previous fiscal year in MS Amlin. (18.2 billion yen increase before retroactive application of IFRS 17)

(¥bn)



(3) Bottom line(group companies)

(¥bn)

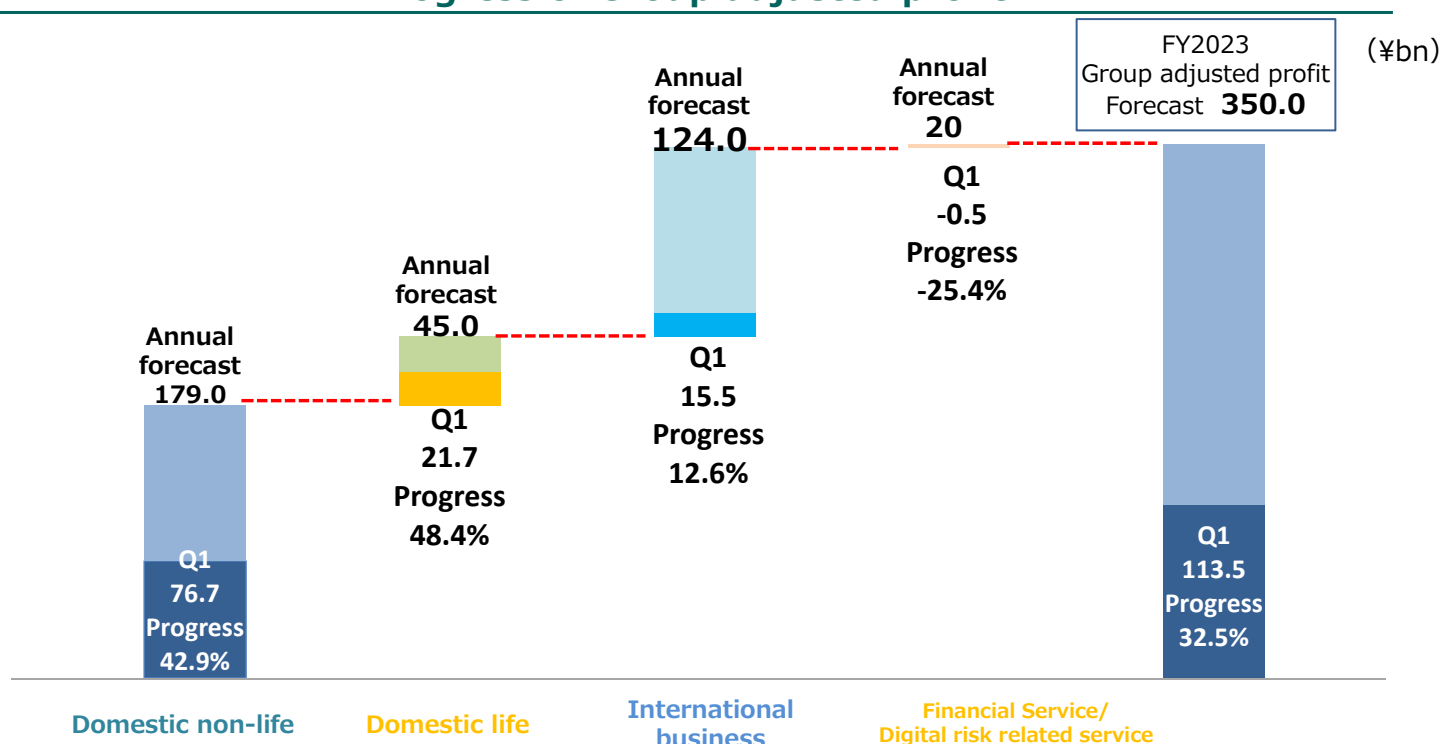
	FY2022 1Q	FY2023 1Q		FY2023 Annual forecast		
	Results	Results	YoY Change	Change Ratio	Progress	
Ordinary profit/loss	115.5	155.4	39.9	34.5%	420.0	-
Mitsui Sumitomo Insurance	53.4	89.4	35.9	67.4%	185.0	-
Aioi Nissay Dowa Insurance	36.0	34.5	- 1.5	- 4.2%	90.0	-
Mitsui Direct General Insurance	1.0	0.3	- 0.7	- 67.3%	-	-
MSI Aioi Life	8.7	11.2	2.4	28.5%	-	-
MSI Primary Life	5.4	20.9	15.4	282.5%	-	-
Overseas subsidiaries	23.1	19.3	- 3.8	- 16.7%	-	-
Consolidation adjustments, others	- 12.4	- 20.4	- 7.9	-	-	-
Net income/loss ^{†1}	78.1	111.6	33.4	42.8%	300.0	37.2%
Mitsui Sumitomo Insurance	42.9	69.3	26.3	61.5%	142.0	48.8%
Aioi Nissay Dowa Insurance	23.9	24.4	0.4	1.9%	60.0	40.7%
Mitsui Direct General Insurance	1.0	0.2	- 0.7	- 74.8%	- 0.9	-
MSI Aioi Life	5.3	7.0	1.6	30.9%	25.0	28.3%
MSI Primary Life	3.2	14.3	11.0	335.3%	16.0	89.5%
Overseas subsidiaries	15.6	15.7	0.0	0.4%	118.0	13.3%
Consolidation adjustments, others	- 14.1	- 19.4	- 5.3	-	- 60.1	-

^{†1} Consolidated net income represents net income attributable to owners of the parent. Net income of subsidiaries is on an equity stake basis, same hereafter.

(4) Bottom line (Group adjusted profit)

- Group adjusted profit was 113.5 billion yen. The progress ratio against annual forecast of 350.0 billion yen was 32.5%.
- Domestic non-life insurance and domestic life insurance have shown steadily progress. International business posted a 12.6% progress ratio due to the impact of MS Amlin's financial and other gains and losses. → See page 19 for details of MS Amlin.

Progress of Group adjusted profit



(5) Bottom line (Breakdown of Group adjusted profit)

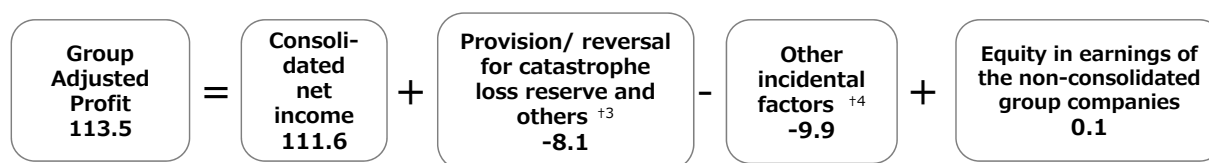
(¥bn)

	FY2022 1Q		FY2023 1Q		Annual forecast	
	Announced last year	IFRS Base		YoY change ⁺²		Progress
Group Adjusted Profit ⁺¹	55.0	72.7	113.5	40.8	350.0	32.4%
Domestic non-life insurance business	49.2	48.7	76.7	28.0	179.0	42.8%
Domestic life insurance business	9.5	9.5	21.7	12.2	45.0	48.2%
International business	- 3.4	14.7	15.5	0.7	124.0	12.5%
Financial services business and risk-related services business	- 0.2	- 0.2	- 0.5	- 0.2	2.0	-

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

⁺² The figures are compared with the same period of the previous year after retroactive application of IFRS 17.

<Reference>



⁺³ "+" in case of provision, "-" in case of reversal

⁺⁴ Amortization of goodwill and others: -8.7 billion yen

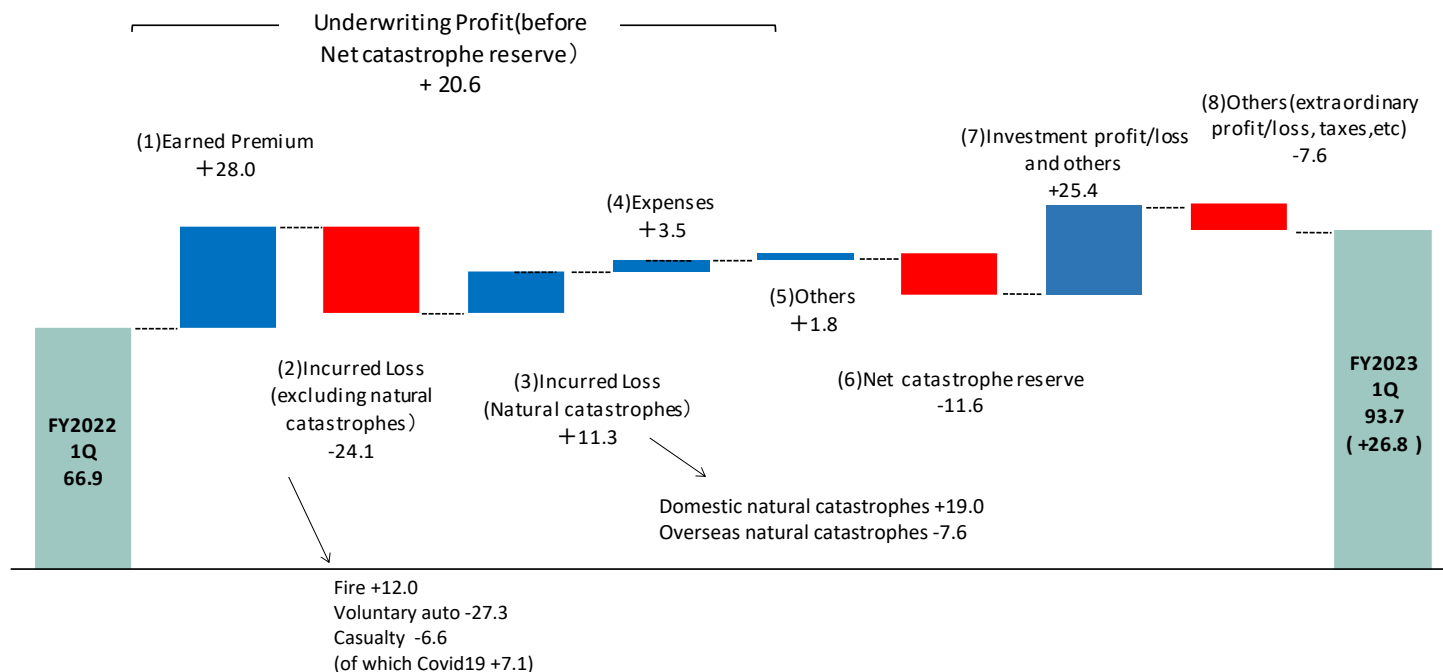
Domestic Non Life Insurance Companies

(1) Bottom line (MSI and ADI)

- Underwriting profits increased due to the rebound from natural catastrophes and COVID-19 in previous year, although losses in voluntary automobile insurance increased.
- Investment profit increased mainly due to an increase in gains on sales of securities and an increase in dividend income.

Net Income(MSI+ADI)

(¥bn)



NB1: Excluding residential earthquake and CALI (compulsory auto liability insurance) for (1) to (6)

NB2: (2) Incurred loss" includes loss adjustment expenses

(2) Status of natural catastrophes

- Domestic natural catastrophes decreased by 19.0 billion yen at MSI and ADI in total due to rebound from hail disaster in June 2022.
- Overseas natural catastrophes increased by 7.6 billion yen at ADI and 2.3 billion yen at MS Amlin.

Impact of domestic natural catastrophes

(¥bn)

	Incurred Loss			Incurred Loss Annual forecast	
	FY2022 1Q	FY2023 1Q	YoY Change		
Mitsui Sumitomo Insurance	19.3	10.0	- 9.2	49.0	(Ref: FY2023 1Q)
Aioi Nissay Dowa Insurance	19.2	9.4	- 9.7	39.5	before reinsurance outward
Total	38.5	19.4	- 19.0	88.5	Typhoon No.2 16.1

Impact of overseas natural catastrophes

	Incurred Loss			Incurred Loss Annual forecast
	FY2022 1Q	FY2023 1Q	YoY Change	
Aioi Nissay Dowa Insurance	3.3	11.0	7.6	11.5
MS Amlin	3.5	5.8	2.3	41.2
Total	6.8	16.9	10.0	52.7

NB: Calculation for overseas natural catastrophes is done internally.

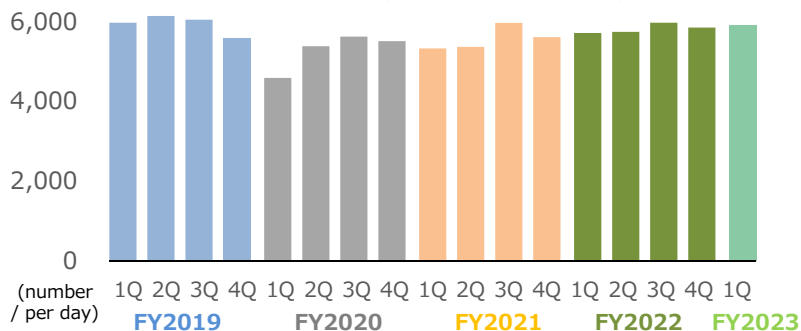
(3) Loss trends of Voluntary Automobile Insurance

- The number of accidents for FY2023 1Q increased by 3.6% year-on-year.
- EI loss ratio increased by 2.0 points to 64.8%.

No. of Accidents

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

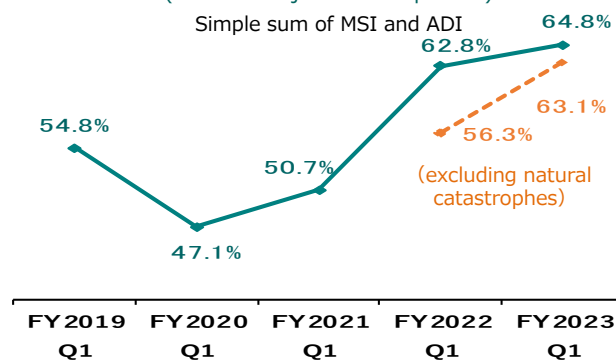
Simple sum of MSI and ADI (Domestic business only)



E/I Loss Ratio

(incl. loss adjustment expenses)

Simple sum of MSI and ADI



Premium/Claim

Mitsui Sumitomo Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.2%	+0.5%	+0.9%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+1.5%	+1.4%	

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%	+0.3%	+0.9%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+1.6%	+2.1%	

NB1: All figures for factors of increase/decrease in insurance premiums are based on sales results (April to June) year on year.

NB2: Changes in the average payout per claim show the changes in the average payout per claim over one-year period ended June 2023 compared with that over one-year period ended March 2023.

NB3 Calculation of the EI loss ratio covers the period of April-June each year.

Domestic Life Insurance Companies

(1)MSI Aioi Life

- The annualized premiums of new policies increased by 1.8% from the previous fiscal year due to strong sales of its cancer insurance launched last year.
- Net income increased by 1.6 billion yen mainly due to the rebound from the COVID-19 impact.

MSI Aioi Life

(¥bn)

	FY2022 1Q Results		FY2023 1Q Results		YoY Change	Change Ratio
Amount of new personal policies		338.1	310.1		- 28.0	- 8.3%
Annualized premiums of new policies		5.7	5.8		0.1	1.8%
of which, third sector insurance		2.7	3.0		0.2	10.1%
Amount of personal policies in force	(At the beginning of FY)	23,249.9	23,049.3	(Change from the beginning of FY)	- 200.5	- 0.9%
Annualized premiums of policies in force	(At the beginning of FY)	440.5	438.4	(Change from the beginning of FY)	- 2.0	- 0.5%
of which, third sector insurance	(At the beginning of FY)	157.5	158.3	(Change from the beginning of FY)	0.8	0.5%
Gross premiums income		117.1	113.7		- 3.4	- 2.9%
Ordinary profit/loss		8.7	11.2		2.4	28.5%
Extraordinary income/loss		- 0.3	- 0.3		0.0	-
Net income/loss		5.3	7.0		1.6	30.9%
Core profit(*)		7.4	9.7		2.2	30.2%

NB: Since the calculation method of hedging costs related to foreign exchange in core profit has been changed from the cumulative first quarter of FY2023, the calculation method for the cumulative first quarter of FY2022 is the same.

(2)MSI Primary Life

- Gross premium income premiums increased by 10.0%, reflecting favorable market conditions.
- Net income increased by 11 billion yen to 14.3 billion yen, mainly due to an increase in interest and dividend income and an improvement in the impact of changes in interest rates and foreign exchange rates.

MSI Primary Life

(¥bn)

	FY2022 1Q Results		FY2023 1Q Results		YoY Change	Change Ratio
Amount of new personal policies		262.8	302.3		39.5	15.0%
Amount of personal policies in force	(At the beginning of FY)	6,932.2	7,443.7	(Change from the beginning of FY)	511.5	7.4%
Gross premiums income		255.7	281.1		25.4	10.0%
Ordinary profit/loss		5.4	20.9		15.4	282.5%
Extraordinary income/loss		- 0.9	- 1.1		- 0.1	-
Net Reserve for price fluctuation		- 0.9	- 1.1		- 0.1	-
Net income/loss		3.2	14.3		11.0	335.3%

Impact of interest rates and foreign exchange rates

(¥bn)

	FY2022 1Q Results	FY2023 1Q Results
Impact of interest rates	- 21.7	- 16.0
Impact of foreign exchange rates	11.9	18.8
Total*	- 9.7	2.7

NB: The price fluctuation reserve was implemented for statutory provisions only.

Overseas subsidiaries

(1) Result summary

- Net premiums written increased in Asia, U.S. and Europe. In Europe, MS Amlin increased due to the expansion of new accounts and an increase in insurance premium rates.
- Net income increased by 15.7 billion yen (+ 18.2 billion yen compared to the amount disclosed in the previous fiscal year), almost the same as the same period in the previous fiscal year.
- While profits at Asia and U.S. subsidiaries and overseas life insurers increased, In Europe, although the profit on insurance services increased due to a decrease in losses related to Russia and Ukraine at MS Amlin, the financial profit decreased due to the impact of the positive impact of the insurance liability discount in the same period of the previous year (due to the retroactive application of IFRS 17) and the impact of a reduction in the amount of insurance liability discount due to a decrease in interest rates in the current period. → See page 19 for more information on MS Amlin.

Overseas subsidiaries

(¥bn)

	FY2022 1Q Results		FY2023 1Q		
	Disclosed last year	After retroactive application of IFRS17	Results	YoY Change	Change ratio
Net premiums written	304.9	304.2	398.5	94.2	31.0%
Asia	50.8	51.0	57.9	6.9	13.6%
Europe	240.8	240.0	322.4	82.4	34.3%
Americas	13.2	13.2	18.1	4.9	37.1%
Net income/loss	-2.5	15.6	15.7	0.0	0.4%
Asia	7.5	7.7	9.2	1.4	18.8%
Europe	-14.3	5.4	1.5	- 3.9	-71.7%
Americas	0.3	0.3	1.3	0.9	318.8%
International Life Insurance	3.8	2.0	3.6	1.5	73.9%

NB: Compared with the same period of the previous year after retroactive application of IFRS 17

(2)<Reference>MS Amlin's financial result for Jan-Mar 2023 ⁺¹

- Insurance services profit was improved by 132 million pound year on year mainly due to decrease of Russia Ukraine losses, rate increase and profitability improvements in portfolio.
- Financial profit and loss was -8 million pounds as a result of the impact of a reduction in insurance liability discount of 30 million pounds due to lower interest rates, while investment profit and loss improved significantly to 62 million pounds. (Interest rates has been on an upward trend since the second quarter.)
- Non-operating profit/loss was -47 million pounds due to the temporary impact of the transfer of insurance liabilities in previous years.

	(£mn)		
	FY2022 1Q after IFRS17	FY2023 1Q	YoY change
Insurance service profit/loss	-79	53	132
Financial profit/loss	120	-8	-128
of which investment income/loss	-24	62	87
of which insurance service expenses(interest rate change impact)(-)	135	-30	-165
of which insurance service expenses(unwind,etc)(-)	9	-40	-50
Non-operating profit/loss	0	-47	-47
Net income	20	7	-14

<Supplements to MS Amlin's insurance liabilities>

Under the new accounting standard, insurance liability is valued at a discount to present value. The impact on profit/loss is as follows:

(1) Discounts on changes in insurance liabilities for current year underwriting and insurance liabilities for past year underwriting are recognized in "Insurance Services profit/loss"

(2) With regard to insurance liabilities for past year underwriting, changes in the discount effect due to changes in interest rates and a decrease in the discount amount due to the passage of time are recognized in "Insurance Finance Expenses"

[Reference]Main breakdown of insurance service profit/loss ⁺²

Net premium written	1,406	1,961	555
Net premium earned	654	940	286
Incurred losses(including loss adjustment expenses)	488	561	74
Expense for acquisition and other operating expense	245	331	86
EI loss ratio	74.6%	59.7%	-14.9%
EI expense ratio	37.5%	35.2%	-2.3%
EI combined ratio	112.0%	94.9%	-17.2%

Major natural catastrophe losses (before discount)

(£ mn)

FY2022 1Q	FY2023 1Q	YoY change
22	36(EQ in Turkey)	14

⁺¹ Local management accounting base(from the current fiscal year, this is a simple sum of main group companies). The reinsurance premiums, etc. related to the transfer of insurance liabilities in previous fiscal years are excluded from the insurance account.

⁺² Net premiums written is based on IFRS4. The list below Net premium earned have been reclassified to the previous classification. However, the classification is based on IFRS17, such as incurred loss are after discount base.

Reference

Domestic Non-Life Insurance Companies - MSI & ADI Results (1)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Net premiums written ⁺¹	728.8	14.9	395.8	4.4	332.9	10.4
Earned premiums ⁺²	668.1	28.0	370.6	17.1	297.4	10.9
Incurring losses (including loss adjustment expenses) ⁺² (–)	447.5	12.7	238.3	2.8	209.2	9.9
Underwriting expenses ⁺² (–)	227.6	- 3.5	122.0	- 3.1	105.5	- 0.3
Commissions and collection expenses ⁺²	142.3	- 1.7	73.0	- 2.2	69.3	0.5
Other underwriting expenses ⁺²	85.2	- 1.7	49.0	- 0.8	36.2	- 0.9
Underwriting profit/loss prior to reflecting catastrophe reserve	14.6	20.6	19.6	21.6	- 4.9	- 0.9
Net catastrophe reserve	12.4	- 11.6	3.7	- 4.5	8.6	- 7.1
Underwriting profit/loss after reflecting catastrophe reserve	27.0	8.9	23.4	17.1	3.6	- 8.1
EI loss ratio ⁺²	67.0%	-0.9pp	64.3%	-2.3pp	70.3%	0.7pp
Net loss ratio ⁺¹	62.1%	-1.4pp	61.1%	-0.5pp	63.2%	-2.5pp
Net expense ratio ⁺¹	34.2%	-1.0pp	33.2%	-1.1pp	35.3%	-1.0pp
Combined ratio ⁺¹	96.3%	-2.4pp	94.3%	-1.6pp	98.5%	-3.5pp

⁺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 - MSI & ADI Results (2)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
Underwriting profit/loss	27.0	8.9	23.4	17.1	3.6	- 8.1
Net interest and dividends income	65.7	1.5	46.9	0.7	18.8	0.8
Gains/losses on sales of securities	32.9	17.5	13.4	8.9	19.5	8.6
Impairment losses on securities (-)	1.1	- 5.4	0.9	- 4.6	0.2	- 0.7
Investment profit/loss and other ordinary profit/loss	96.9	25.4	66.0	18.8	30.8	6.5
Ordinary profit/loss	123.9	34.4	89.4	35.9	34.5	- 1.5
Extraordinary income/loss	- 4.2	2.7	- 1.4	0.0	- 2.7	2.7
Income before taxes	119.7	37.2	87.9	36.0	31.7	1.2
Taxes and others	26.0	10.4	18.6	9.6	7.3	0.7
Net income/loss	93.7	26.8	69.3	26.3	24.4	0.4
	MSI + ADI					
		YoY Change				
<Reference> Sales of strategic equity holdings	51.2	21.0				

Net premiums written

(¥bn)

	Simple Sum			MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	2022 1Q Result	2023 1Q Results	Growth	2023 1Q Results	Growth	2023 1Q Results	Growth
Fire and allied	81.2	78.2	-3.7%	43.3	4.6%	34.8	-12.4%
Marine	21.8	22.6	3.8%	21.2	4.8%	1.4	-8.5%
Personal accident	60.5	61.9	2.3%	44.4	3.4%	17.5	-0.5%
Voluntary automobile	368.2	379.1	3.0%	174.2	0.5%	204.8	5.1%
CALI	62.7	66.5	6.0%	34.1	6.2%	32.3	5.7%
Other	119.2	120.3	0.9%	78.4	-3.4%	41.9	10.1%
Total	713.9	728.8	2.1%	395.8	1.1%	332.9	3.3%
Total excluding residential EQ insurance and CALI	651.1	662.3	1.7%	361.6	0.7%	300.6	3.0%

Domestic Non-Life Insurance Companies EI loss ratio by insurance classes

(1) Simple sum of MSI and ADI

EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2022 1Q Results	FY2023 1Q		FY2021 1Q Results	FY2023 1Q	
		Results	YoY Change		Results	YoY Change
Fire and allied (excl. residential EQ)	93.1%	79.2%	-13.9pp	75.3%	58.6%	-16.7pp
Marine	69.2%	63.5%	-5.7pp	69.2%	63.5%	-5.7pp
Personal accident	62.2%	55.2%	-7.0pp	62.2%	55.2%	-7.0pp
Voluntary automobile	62.8%	64.8%	2.0pp	56.3%	63.1%	6.8pp
Other	63.4%	68.0%	4.6pp	63.3%	67.3%	4.0pp
Total (excluding residential EQ insurance and CALI)	67.9%	67.0%	-0.9pp	61.4%	62.4%	1.0pp

NB1: Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims

NB2: Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

NB3: "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

(2)MSI and ADI/Non consolidated

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

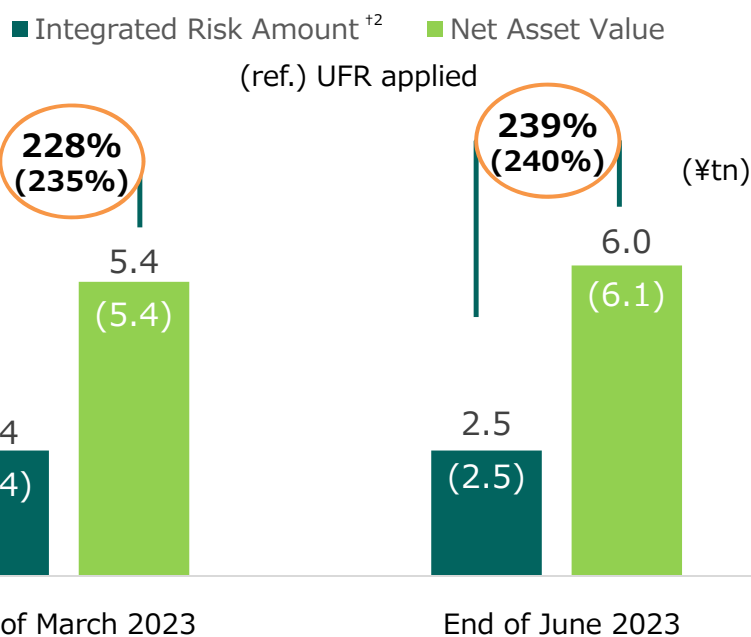
	EI Loss Ratio				EI Loss Ratio (excl. impact of nat. cat.)			
	MSI (Non-consolidated)		ADI (Non-consolidated)		MSI (Non-consolidated)		ADI (Non-consolidated)	
	Results	YoY Change	Results	YoY Change	Results	YoY Change	Results	YoY Change
Fire and allied (excl. residential EQ)	75.4%	-15.8pp	83.7%	-11.5pp	64.2%	-12.0pp	52.2%	-22.2pp
Marine	59.6%	-6.1pp	94.0%	-18.7pp	59.6%	-6.1pp	94.0%	-18.7pp
Personal accident	54.8%	-9.5pp	56.3%	-1.1pp	54.8%	-9.5pp	56.3%	-1.1pp
Voluntary automobile	61.8%	0.2pp	67.4%	3.5pp	60.3%	5.1pp	65.7%	8.4pp
Other	66.8%	5.0pp	70.6%	3.7pp	66.3%	4.5pp	69.6%	2.7pp
Total excluding residential EQ insurance and CALI	64.3%	-2.3pp	70.3%	0.7pp	61.6%	0.5pp	63.4%	1.7pp

NB1: Incurred losses = Net loss paid + loss adjustment expenses + movement in outstanding claims

NB2: Earned premiums, a denominator of EI loss ratio, are calculated with adjustments including unearned premiums (excl. natural catastrophe policy reserves) and reserve funds.

NB3: "Impact of nat. cat." means incurred losses from domestic and overseas natural catastrophes occurred in each year.

ESR⁺¹ situation



<Factors behind ESR change>
(vs. end of March 2023)

ESR rose by 11pp compared to End of March 2023.

- ✓ ESR rose due to increase in retained earnings and market environment fluctuations(such as weaker Yen,etc)

<Market environment assumptions>

	End of March 2023	End of June 2023	vs End of Mar 2023
Nikkei stock average	28,041 yen	33,189 yen	+5,148 yen
30-year JGB interest rate	1.26%	1.24%	-0.02pp
Exchange rate (US\$1: Yen)	134 yen	145 yen	+11 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

Impact of retroactive application of IFRS17 for FY2022

(¥bn)

	FY2022 1Q Net income	FY2022 Net income	Net asset at the end of 2023
Before retroactive application of IFRS17	60.4	161.5	3,056.2
Difference	17.7 Description: Decrease in insurance liabilities (liabilities related to incurred insurance claims) mainly due to increase in discount rate	49.4 Description : same as left	83.2 Main breakdown: Retained earnings at the beginning of the period 28.5 Net income 49.4 Valuation and translation difference on policy liabilities 2.6 Foreign currency translation adjustment 0.9
After retroactive application of IFRS17	78.1	211.0	3,139.5

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,MS Re,AISE and ACS
- | | | |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
| { | <ul style="list-style-type: none"> AUL MS Amlin Underwriting Limited MS Re MS Reinsurance ⁺¹ AISE MS Amlin Insurance SE ACS MS Amlin Corporate Services Limited | } |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|
- ⁺¹ 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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