

# Materials for FY2020 Results Briefing – Conference Call

Advancing with you



May 20, 2021 (Thu.)

MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group Holdings, Inc.

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## Today's Key Points

### FY2020 Results

- Net premiums written decreased by 72.7 billion yen, or 2.0% year-on-year, due to a decrease at overseas subsidiaries, despite an increase at domestic non-life insurance subsidiaries.
- Net income increased by 1.3 billion yen to 144.3 billion yen, despite the negative impact of COVID-19 losses mainly overseas. Two domestic life insurance subsidiaries had the highest recorded net income. The domestic non-life insurance saw a decrease after the incidental factors recorded in the previous year. Net income exceeded the revised forecast announced in November 2020 by 4.3 billion yen.

### FY2021 Forecast

- Net premiums written are expected to increase by 112.0 billion yen mainly due to an increase at domestic non-life insurance subsidiaries in voluntary auto insurance, as well as at overseas subsidiaries as a result of an increase at MS Amlin and the positive impact of foreign exchange rates.
- Net income is expected to increase by 85.6 billion yen to 230.0 billion yen. Net income at domestic non-life insurance subsidiaries is expected to increase due to an increase in earned premiums and a decrease of the burden of policy reserves, despite the expected rebound of automobile insurance losses. Net income at overseas subsidiaries is expected to increase as a result of recovery from the impact of COVID-19 losses.

### Shareholder Returns

- For FY2020, the company plans to pay an annual dividend of 155 yen (5 yen increase in dividend compared with the previous year) and carry out a share buyback worth 35.0 billion yen (20.0 billion yen announced in the first half + 15.0 billion yen decided this time).
- The annual dividend forecast for FY2021 is 160 yen.

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

## Summary of FY2020 Results

## Consolidated Earnings for FY2020 (1) - Overview (i) (Top line)

### Non-life insurance subsidiaries

(¥bn)

	FY2019 Results	FY2020		
		Results	YoY Change	Growth
Direct premiums written <sup>※</sup> (excl. deposit premiums from policyholders)	3,751.7	<b>3,723.2</b>	- 28.5	- 0.8%
Net premiums written <sup>※</sup>	3,573.7	<b>3,500.9</b>	- 72.7	- 2.0%
Mitsui Sumitomo Insurance	1,547.9	<b>1,559.5</b>	11.6	0.8%
Aioi Nissay Dowa insurance	1,276.7	<b>1,281.4</b>	4.6	0.4%
Mitsui Direct General	36.3	<b>36.4</b>	0.1	0.3%
Overseas subsidiaries	711.9	<b>623.5</b>	- 88.3	- 12.4%

### Life insurance subsidiaries

(¥bn)

	FY2019 Results	FY2020		
		Results	YoY Change	Growth
Gross premiums income <sup>※</sup>	1,393.4	<b>1,297.3</b>	- 96.0	- 6.9%
MSI Aioi Life	521.2	<b>511.9</b>	- 9.3	- 1.8%
MSI Primary Life	872.1	<b>785.4</b>	- 86.7	- 9.9%
Life insurance premiums	943.7	<b>- 202.3</b>	- 1,146.0	- 121.4%

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

## Consolidated Earnings for FY2020 - Full Year (1) - Overview (i) (Top Line)

### (Non-Life Insurance Subsidiaries: Domestic and Overseas)

- Net premiums written decreased by 72.7 billion yen, or 2.0% year-on-year, due to a decrease at overseas subsidiaries, despite an increase at domestic non-life insurance subsidiaries.
- Net premiums written for the two main domestic non-life insurance subsidiaries increased by 16.2 billion yen, or 0.6% year on year, due to an increase in voluntary automobile insurance and fire insurance, despite a decrease in compulsory automobile liability insurance (CALI). Excluding residential earthquake and CALI, net premiums written increased by 62.5 billion yen, or 2.5%.
  - Net premiums written for fire insurance increased by 35.8 billion yen mainly due to the effect of the rate revision in October 2019 and brisk sales of commercial fire insurance.
  - Net premiums written for voluntary automobile insurance increased by 29.5 billion yen mainly due to the effect of the rate revision in January 2020 and the increase in the unit price as a result of various measures to raise it.
  - Net premiums written for CALI decreased by 46.1 billion yen mainly due to the large effect of the rate revision.
- Net premiums written for overseas insurance subsidiaries decreased by 88.3 billion yen, due to the impact of the strong yen and measures to improve MS Amlin's profitability.

### (Domestic Life Insurance Subsidiaries)

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

Life insurance premiums was a negative 202.3 billion yen mainly because the premiums income was exceeded by the surrender value resulting from cancellation of policies that reached certain amounts set as a target by policyholders at MSI Primary Life as a result of appreciation of the Australian dollar.

## Consolidated Earnings for FY2020 (1) - Overview (ii) (Bottom line)

(¥bn)

	FY2019 Results	FY2020		
		Results	YoY Change	Change Ratio
Ordinary profit/loss	157.7	<b>306.5</b>	148.8	94.4%
Mitsui Sumitomo Insurance	89.1	<b>131.6</b>	42.4	47.7%
Aioi Nissay Dowa Insurance	58.6	<b>32.4</b>	- 26.1	- 44.6%
Mitsui Direct General Insurance	0.1	<b>1.3</b>	1.1	668.8%
MSI Aioi Life	18.6	<b>25.6</b>	6.9	37.3%
MSI Primary Life	31.4	<b>160.0</b>	128.6	408.9%
Overseas subsidiaries	50.7	<b>12.8</b>	- 37.9	- 74.8%
Consolidation adjustments, others	- 91.1	<b>- 57.4</b>	33.6	-
Net income/loss <sup>※</sup>	143.0	<b>144.3</b>	1.3	1.0%
Mitsui Sumitomo Insurance	94.0	<b>92.2</b>	- 1.8	- 2.0%
Aioi Nissay Dowa Insurance	44.7	<b>21.6</b>	- 23.1	- 51.7%
Mitsui Direct General Insurance	0.1	<b>0.8</b>	0.7	514.4%
MSI Aioi Life	7.5	<b>11.9</b>	4.4	58.8%
MSI Primary Life	20.3	<b>43.1</b>	22.8	112.3%
Overseas subsidiaries	36.1	<b>- 3.1</b>	- 39.3	- 108.8%
Consolidation adjustments, others	- 59.9	<b>- 22.1</b>	37.7	-

※ 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 FY2020 - Full Year (1) - Overview (ii) (Bottom Line)

### [Net Income]

#### (Group Consolidated)

- Net income was 144.3 billion yen.

The 1.3 billion yen increase was mainly due the highest recorded net income at the two domestic life insurance subsidiaries and removal of the previous year's incidental factors, despite a decrease in net income at the two domestic non-life insurance subsidiaries and overseas subsidiaries.

#### (Domestic non-life insurance subsidiaries)

- Although losses from fire and casualty insurance and expenses increased, underwriting profit (before reflection of catastrophe reserve) increased by 34.9 billion yen due to a decrease in losses from domestic natural catastrophes and automobile insurance.
- Underwriting profit increased by 2.9 billion yen despite a decrease in reversal of the catastrophe reserve by 31.9 billion yen.
- Investment income and others increased by 13.3 billion yen, recovering after the previous year's impairment loss of securities.
- Net income was 113.8 billion yen, a decrease of 25.0 billion yen compared to the previous year when a reversal of the price fluctuation reserve was recorded.

#### (Domestic life insurance subsidiaries)

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

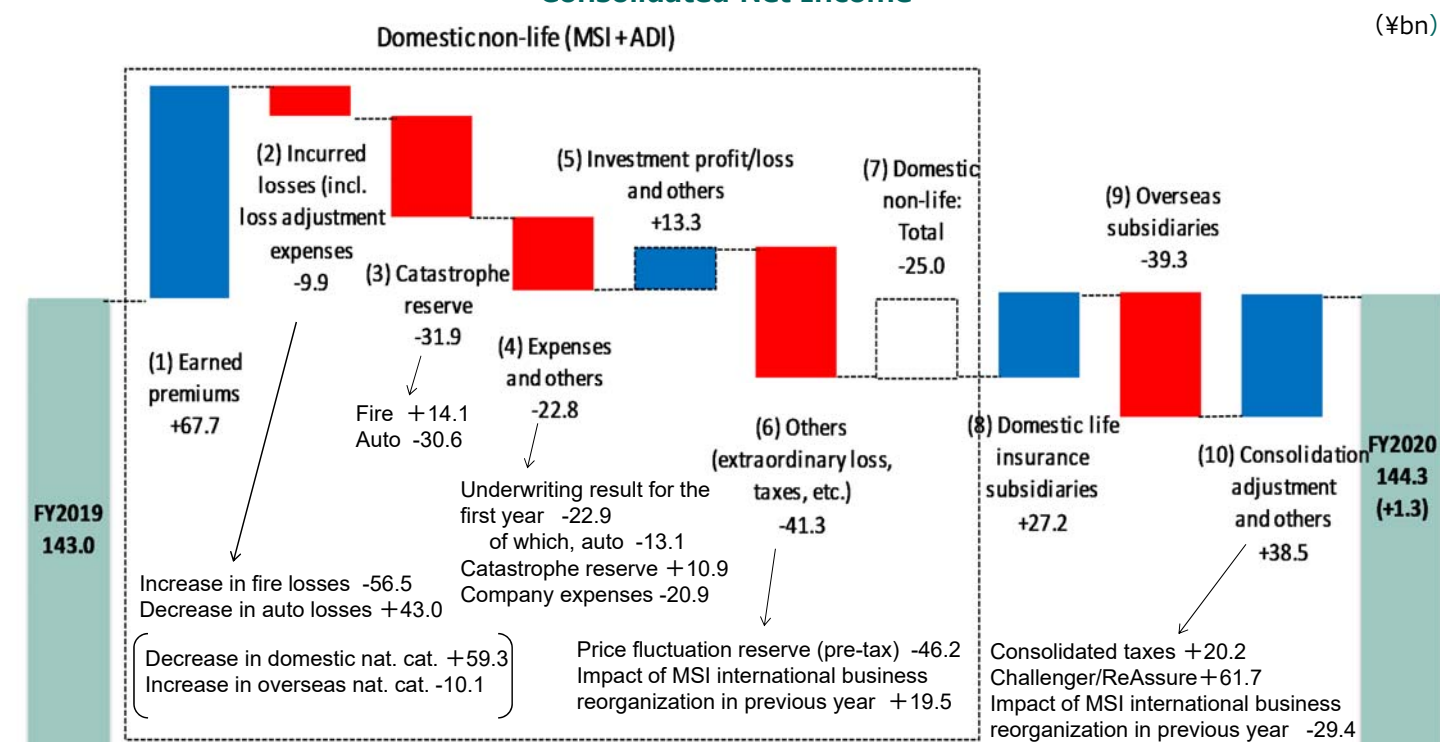
#### (Overseas subsidiaries)

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

## Consolidated Earnings for FY2020 (2) - Year-on-Year Comparison (i)

- Net income for (7) the two main domestic non-life insurance companies decreased due to removal of the previous year's incidental factors included in (6), despite an increase in (1~4) underwriting profit and (5) investment profit/loss and others.
- Despite a decrease in (8) overseas subsidiaries largely affected by COVID-19 and (7) non-life insurance, net income increased by 1.3 billion yen due to an increase in (8) domestic life insurance and (10) after the previous year's one-time amortization of goodwill of affiliated overseas companies.

### Consolidated Net Income



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## Consolidated Earnings for FY2020 (2) – YoY Results Comparison (ii)

### Factors in YoY changes in consolidated net income

(¥bn)

	FY2019 Results	FY2020 Results	Difference
Consolidated net income/loss	143.0	144.3	1.3
Domestic non-life insurance <sup>※1</sup> :			
Underwriting profit/loss (excl. residential earthquake and CALI (compulsory auto liability insurance))	8.4	11.4	2.9
Earned premiums and others (1)	2,428.1	2,495.9	67.7
Incurred losses (incl. loss adjustment expenses) (2)	- 1,499.1	- 1,509.1	- 9.9
Provision/reversal of catastrophe reserve (3)	- 33.3	- 65.3	- 31.9
Underwriting expenses and others <sup>※2</sup> (4)	- 887.1	- 909.9	- 22.8
Investment profit/loss and others (5)	139.2	152.6	13.3
Others (extraordinary loss, taxes, etc.) (6)	- 8.8	- 50.2	- 41.3
Domestic non-life insurance: Total (7)	138.8	113.8	- 25.0
Domestic life insurance subsidiaries (8)	27.8	55.0	27.2
Overseas subsidiaries (9)	36.1	- 3.1	- 39.3
Consolidation adjustments and others (10)	- 59.7	- 21.2	38.5

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

※2 "Earned premiums and others" include expenses.

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## Consolidated Earnings for FY2020 (3) – Group Adjusted Profit

- Group Adjusted Profit decreased by 18.5 billion year-on-year mainly due to an increase in COVID-19 losses, as well as and a decrease in profit in the international business as a result of increased overseas natural catastrophe losses. However, Group Adjusted Profit exceeded the revised forecast announced in November 2020 by 4.6 billion yen.
- Group Adjusted Profit in the domestic non-life insurance business increased by 38.9 billion yen as a result of increased underwriting profit (prior to reflecting catastrophe reserve) and investment profit.

	FY2019 Results	FY2020 Results	YoY Change
			(¥bn)
Group Adjusted Profit <sup>※1</sup>	233.1	<b>214.6</b>	<b>- 18.5</b>
Domestic non-life insurance business	119.5	<b>158.5</b>	<b>38.9</b>
Domestic life insurance business	29.7	<b>56.9</b>	<b>27.2</b>
International business	49.4	<b>- 7.1</b>	<b>- 56.5</b>
Financial services business and risk-related services business	4.8	<b>6.1</b>	<b>1.3</b>
Others <sup>※2</sup>	29.6	-	<b>- 29.6</b>
Group Adjusted ROE <sup>※1</sup>	8.0%	<b>6.7%</b>	<b>- 1.3pp</b>

※1 For the definition of Group Adjusted Profit and Group Adjusted ROE, see the last page.

※2 Including net decrease in income taxes paid during the previous fiscal year due to the effects of reorganization of the international business of MSI

<b>Group Adjusted Profit</b> 214.6	=	<b>Consolidated net income</b> 144.3	+	<b>Provision/reversal for catastrophe loss reserve and others</b> <sup>※3</sup> 52.9	-	<b>Other incidental factors</b> <sup>※4</sup> -17.1	+	<b>Equity in earnings of the non-consolidated group companies</b> 0.1
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※3 "+" in case of provision, "-" in case of reversal

※4 Amortization of goodwill and others: -26.9 billion yen,

Extraordinary income/loss excluding reserves for price fluctuation, etc.: 9.7 billion yen (including the 19.4 billion yen impact of the introduction of consolidated taxation system and the -11.5 billion yen tax burden associated with the exchange of shares of affiliates).

## Consolidated Earnings for FY2020 (4) – Impact of Natural Catastrophes FY2019 (Domestic and Overseas)

- Incurred losses of domestic natural catastrophes decreased by 59.3 billion yen year-on-year to 71.1 billion. Incurred losses of overseas natural catastrophes increased by 34.0 billion yen year-on-year to 53.7 billion yen.
- Incurred losses from COVID-19 were 65.8 billion yen.
- Consolidation adjustments include the estimated loss at overseas subsidiaries from the North American cold wave that occurred in February 2021.

### Impact of domestic natural catastrophes (¥bn)

	Incurred Loss		
	FY2019	FY2020	YoY Change
	Results	Result	
Mitsui Sumitomo Insurance	71.1	<b>42.7</b>	- 28.3
Aioi Nissay Dowa Insurance	59.4	<b>28.3</b>	- 31.0
Total	130.5	<b>71.1</b>	- 59.3

### Impact of overseas natural catastrophes<sup>※</sup> (¥bn)

	Incurred Loss		
	FY2019	FY2020	YoY Change
	Results	Result	
Aioi Nissay Dowa Insurance	8.4	<b>16.5</b>	8.0
MS Amlin	11.2	<b>23.0</b>	11.8
Others (Mitsui Sumitomo Insurance)	-	<b>2.1</b>	2.1
Consolidation adjustments	-	<b>12.0</b>	12.0
Total	19.7	<b>53.7</b>	34.0

※Consolidation adjustments is the additionally recorded loss from the North American cold wave that occurred in February 2021. This loss was recorded in 1Q of FY2021 at overseas subsidiaries (FY: January – December).

※Calculation for overseas natural catastrophes is done internally. The figure for MSI is limited to the estimated loss from the North American cold wave.

### Incurred losses from COVID-19

	(¥bn)				
		MSI	ADI	Overseas subsidiaries	MS Amlin
Incurred losses from COVID-19	65.8	5.2	16.7	43.8	42.8

MSI: Overseas travel, event cancellation, business interruption insurance (mainly overseas inward reinsurance), etc.

ADI: Head Office reinsurance and others

MS Amlin: business interruption, guarantee, event cancellation insurance and others (incl. reinsurance)

## Domestic Non-Life Insurance Companies (1) – MSI & ADI Results for FY2020 (i)

- Underwriting profit (prior to reflecting catastrophe reserve) increased by 34.9 billion yen mainly due to an increase in earned premiums and a decrease in domestic natural catastrophe losses and auto insurance incurred losses, despite increased fire insurance losses and expenses.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Net premiums written<sup>※1</sup></b>	<b>2,840.9</b>	<b>16.2</b>	<b>1,559.5</b>	<b>11.6</b>	<b>1,281.4</b>	<b>4.6</b>
Earned premiums <sup>※2</sup>	2,495.9	67.7	1,380.9	38.1	1,115.0	29.6
Incurred losses (including loss adjustment expenses) <sup>※2</sup> (–)	1,509.1	9.9	839.4	9.2	669.7	0.6
Underwriting expenses <sup>※2</sup> (–)	879.9	20.9	475.7	14.9	404.1	6.0
Commissions and collection expenses <sup>※2</sup>	535.5	21.9	283.6	13.0	251.8	8.8
Other underwriting expenses <sup>※2</sup>	344.4	-0.9	192.0	1.8	152.3	-2.8
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>76.7</b>	<b>34.9</b>	<b>55.9</b>	<b>26.3</b>	<b>20.8</b>	<b>8.6</b>
Net catastrophe reserve	-65.3	-31.9	-32.0	-9.7	-33.3	-22.2
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>11.4</b>	<b>2.9</b>	<b>23.9</b>	<b>16.5</b>	<b>-12.4</b>	<b>-13.6</b>
<b>EI loss ratio<sup>※2</sup></b>	<b>60.5%</b>	<b>-1.2pp</b>	<b>60.8%</b>	<b>-1.0pp</b>	<b>60.1%</b>	<b>-1.5pp</b>
Net loss ratio <sup>※1</sup>	59.3%	-3.4pp	59.8%	-3.5pp	58.6%	-3.4pp
Net expense ratio <sup>※1</sup>	33.7%	0.6pp	32.7%	0.7pp	34.9%	0.4pp
<b>Combined ratio<sup>※1</sup></b>	<b>93.0%</b>	<b>-2.8pp</b>	<b>92.5%</b>	<b>-2.8pp</b>	<b>93.5%</b>	<b>-3.0pp</b>

※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 FY2020 (ii)

- Investment profit increased by 13.3 billion yen mainly due to a drop in impairment losses on securities in the previous year, despite a decrease in gains on sales of securities and net interest and dividends income.

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit/loss</b>	<b>11.4</b>	<b>2.9</b>	<b>23.9</b>	<b>16.5</b>	<b>-12.4</b>	<b>-13.6</b>
Net interest and dividends income	111.9	-4.1	70.8	-1.0	41.1	-3.1
Gains/losses on sales of securities	67.2	-18.7	49.7	-4.1	17.4	-14.5
Impairment losses on securities (-)	1.8	-30.0	0.9	-19.9	0.9	-10.0
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>152.6</b>	<b>13.3</b>	<b>107.6</b>	<b>25.9</b>	<b>44.9</b>	<b>-12.5</b>
<b>Ordinary profit/loss</b>	<b>164.0</b>	<b>16.3</b>	<b>131.6</b>	<b>42.4</b>	<b>32.4</b>	<b>-26.1</b>
<b>Extraordinary income/loss</b>	<b>-7.0</b>	<b>139.3</b>	<b>0.6</b>	<b>128.7</b>	<b>-7.6</b>	<b>10.6</b>
<b>Income before taxes</b>	<b>157.0</b>	<b>155.7</b>	<b>132.2</b>	<b>171.2</b>	<b>24.8</b>	<b>-15.5</b>
<b>Taxes and others</b>	<b>43.2</b>	<b>180.7</b>	<b>40.0</b>	<b>173.1</b>	<b>3.2</b>	<b>7.6</b>
<b>Net income/loss</b>	<b>113.8</b>	<b>-25.0</b>	<b>92.2</b>	<b>-1.8</b>	<b>21.6</b>	<b>-23.1</b>

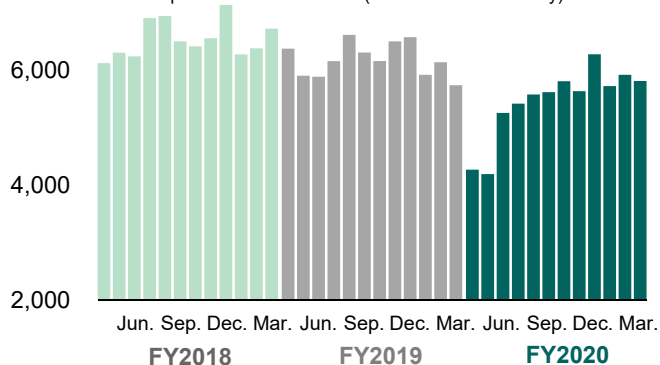
	MSI + ADI	
		YoY Change
<Reference> Sales of strategic equity holdings	<b>102.7</b>	-9.0

## Domestic Non-Life Insurance Companies FY2020 (2) - Voluntary Auto Insurance

- The cumulative number of accidents decreased by 11.2% year-on-year due to a drop in traffic volume caused by economic stagnation.
- E/I loss ratio decreased by 4.4 points year-on-year to 54.4%. This is due to a decrease in number of accidents, although the payout per claim continued to rise.

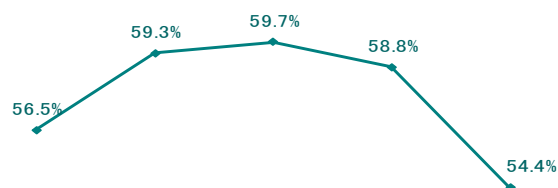
### No. of Accidents

(Domestic, per day, 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



### Mitsui Sumitomo Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+0.3%	+2.0%	+2.2%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+2.4%	+3.4%	

### Aioi Nissay Dowa Insurance

<Domestic sales basis>	No. of contracts	Insurance premium unit price	Insurance premium
Factors of increase/decrease in insurance premiums	+1.0%	+2.2%	+3.1%
<Domestic>	Property damage liability	Vehicle damage (Excl. natural catastrophes)	
Changes in average payout per claim	+4.8%	+4.5%	

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

※ Changes in the average payout per claim show the changes in the average payout per claim over one year period of fiscal year of 2020 and 2019.

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

## Domestic Life Insurance / MSI Aioi Life - Results for FY2020

- Amount of new policies recovered to 85.5% of the previous fiscal year's level, which is an improvement from the 2Q result of 78.0% that was mainly caused by COVID-19.
- Net income increased by 4.4 billion yen year-on-year due to reduction in expenses, as well as a decrease in new policies expenses such as agent commissions and the burden of provision for policy reserves.

### MSI Aioi Life

(¥bn)

	FY2019 Results	FY2020 Results	YoY Change	Change Ratio
Amount of new policies <sup>※1</sup>	2,068.4	<b>1,769.0</b>	- 299.4	-14.5%
Annualized premiums of new policies	29.3	<b>26.2</b>	- 3.1	-10.6%
of which, third sector insurance	19.2	<b>14.6</b>	- 4.5	-23.8%
Amount of policies in force <sup>※1</sup>	24,458.0	<b>24,266.9</b>	- 191.0	-0.8%
Annualized premiums of policies in force	448.1	<b>447.9</b>	- 0.1	-0.0%
of which, third sector insurance	138.1	<b>146.0</b>	7.9	5.8%
Gross premiums income	521.2	<b>511.9</b>	- 9.3	-1.8%
Ordinary profit/loss	18.6	<b>25.6</b>	6.9	37.3%
Extraordinary income/loss	- 0.9	<b>- 1.4</b>	- 0.4	-
Net income/loss	7.5	<b>11.9</b>	4.4	58.8%
Core profit	13.6	<b>24.8</b>	11.2	82.3%
EEV	890.2	<b>958.3</b>	68.1	
Ref: EEV (UFR-applied)	1,017.9	<b>1,065.3</b>	47.3	
Net worth	506.1	<b>421.2</b>	- 84.9	
Value of in-force policies	384.0	<b>537.0</b>	153.0	
of which, value of new policies	49.4	<b>44.7</b>	- 4.6	

※1 Total sum of personal insurance and personal annuity insurance



## Domestic Life Insurance / MSI Primary Life - Results for FY2020

- Gross premiums income decreased by 9.9% to 785.4 billion yen mainly due to the impact of COVID-19.
- Ordinary profit increased by 128.6 billion yen due to gains on sales of securities as a result of yen depreciation and the resulting cancellation of policies that reached certain yen-based amounts set as a target by policyholders.
- Net income increased by ¥22.8 billion, partially due to the accumulated price fluctuation reserve of 100.5 billion yen in anticipation of future fluctuations of prices and interest rates, based on the existing accumulation policies.

### MSI Primary Life

(¥bn)

	FY2019 Results	FY2020 Results	Change	
			YoY Change	Change Ratio
Amount of new policies <sup>※1</sup>	882.7	<b>788.2</b>	- 94.4	- 10.7%
Amount of policies in force <sup>※1</sup>	6,514.0	<b>6,595.8</b>	81.8	1.3%
Gross premiums income	872.1	<b>785.4</b>	- 86.7	- 9.9%
Ordinary profit/loss	31.4	<b>160.0</b>	128.6	408.9%
Extraordinary income/loss	- 3.5	<b>- 100.5</b>	- 97.0	-
Provision/reversal for price fluctuation reserve	- 3.5	<b>- 100.5</b>	- 97.0	-
Net income/loss	20.3	<b>43.1</b>	22.8	112.3%

※1 Total sum of personal insurance and personal annuity insurance

### Impact of interest rates and foreign exchange rates

(¥bn)

	FY2019 Results	FY2020 Results
Impact of interest rates	- 9.6	<b>111.3</b>
Impact of foreign exchange rates	- 1.5	<b>- 21.0</b>
Total	- 11.2	<b>90.2</b>

※ Including gains on sales of securities (FY2019: 8.0 billion yen, FY2020: 151.3 billion yen)

## Overseas Subsidiaries - Results for FY2020

- Net premiums written decreased mainly due to the impact of foreign exchange (-18.8 billion yen) and measures to improve profitability at MS Amlin.
- Net income decreased by 39.3 billion yen mainly due to a loss of 35.9 billion yen in Europe, primarily caused by COVID-19, and a loss of 10.7 billion yen in the international life insurance business. See slide 22 for MS Amlin results.

### Overseas subsidiaries

(¥bn)

	FY2019 Results	FY2020 Results	Change	
			YoY Change	Change ratio
Net premiums written	<b>711.9</b>	<b>623.5</b>	- 88.3	- 12.4%
Asia	179.6	169.3	- 10.2	- 5.7%
Europe	487.9	413.3	- 74.6	- 15.3%
Americas	44.2	40.7	- 3.4	- 7.8%
Net income/loss	<b>36.1</b>	<b>- 3.1</b>	- 39.3	-108.8%
Asia	17.8	23.9	6.0	33.8%
Europe	4.8	- 31.1	- 35.9	-743.9%
Americas	2.9	4.2	1.3	44.2%
International Life Insurance	10.4	- 0.2	- 10.7	- 102.3%

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 (1)

### Net premiums written

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
	Results	Growth	Results	Growth	Results	Growth
Fire and allied	441.1	8.8%	233.3	13.3%	207.7	4.3%
Marine	60.0	-13.2%	53.0	-14.3%	6.9	-3.7%
Personal accident	203.6	0.0%	145.7	-0.6%	57.9	1.8%
Voluntary automobile	1,412.9	2.1%	683.4	2.0%	729.5	2.3%
CALI	300.6	-13.3%	157.3	-14.4%	143.2	-12.0%
Other	422.5	1.4%	286.6	2.7%	135.9	-1.1%
Total	2,840.9	0.6%	1,559.5	0.8%	1,281.4	0.4%
Total excluding residential EQ insurance and CALI	2,539.9	2.5%	1,401.9	2.8%	1,137.9	2.2%

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 (2)

### EI loss ratio (Simple sum)

	EI Loss Ratio			EI Loss Ratio (excl. impact of nat. cat.)		
	FY2019 Results	FY2020		FY2019 Results	FY2020	
		Results	YoY Change		Results	YoY Change
Fire and allied (excl. residential EQ)	78.4%	86.2%	7.8pp	51.2%	66.9%	15.7pp
Marine	58.6%	57.9%	-0.7pp	56.6%	57.9%	1.3pp
Personal accident	53.4%	50.4%	-3.0pp	53.4%	50.4%	-3.0pp
Voluntary automobile	58.8%	54.4%	-4.4pp	58.1%	54.2%	-3.9pp
Other	61.0%	61.2%	0.2pp	58.6%	60.4%	1.8pp
Total (excluding residential EQ insurance and CALI)	61.7%	60.5%	-1.2pp	56.7%	57.1%	0.4pp

※ 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 deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

## <Reference> Domestic Non-Life Insurance Companies – MSI & ADI Results for FY2020 (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)	<b>85.5%</b>	8.5pp	<b>86.9%</b>	7.1pp	<b>68.6%</b>	14.5pp	<b>65.0%</b>	17.0pp
Marine	<b>56.2%</b>	-3.6pp	<b>71.4%</b>	23.3pp	<b>56.2%</b>	-1.4pp	<b>71.4%</b>	23.3pp
Personal accident	<b>48.7%</b>	-4.5pp	<b>54.9%</b>	1.0pp	<b>48.6%</b>	-4.6pp	<b>54.9%</b>	1.1pp
Voluntary automobile	<b>55.9%</b>	-3.5pp	<b>53.0%</b>	-5.2pp	<b>55.7%</b>	-3.1pp	<b>52.8%</b>	-4.6pp
Other	<b>61.1%</b>	-1.0pp	<b>61.2%</b>	2.3pp	<b>60.3%</b>	0.3pp	<b>60.5%</b>	4.7pp
Total excluding residential EQ insurance and CALI	<b>60.8%</b>	-1.0pp	<b>60.1%</b>	-1.5pp	<b>57.9%</b>	0.2pp	<b>56.0%</b>	0.6pp

※ Incurred losses = Net loss paid + loss adjustment expenses + net provision of 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 deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

## <Reference> MS Amlin's Results for FY2020 (Jan. – Dec. 2020) ※1

- Net premiums written in 2020 were down £ 538mn from the previous year mainly due to the withdrawal of the Lloyds business from unprofitable lines.
- Net income fell £ 277mn mainly due to the impact of COVID-19. Excluding the impact of COVID-19, underwriting profit was £28mn and net income was £83 million, up from the previous year.
- The improvement of non-cat lines has been steadily progressing, and the overall EI combined ratio excluding the COVID-19 impact was 98.7% (Improved by 3 points from the previous year).

(£ mn)

	FY2019	FY2020	YoY Change
Net premiums written	3,220	<b>2,681</b>	-538
Net premiums earned	3,169	<b>2,937</b>	-232
Incurred losses (including loss adjustment expenses)	2,137	<b>2,196</b>	60
Expense for acquisition and other operating expense	1,081	<b>1,011</b>	-70
Underwriting profit/loss	-55	<b>-277</b>	-222
Investment profit/loss <sup>※2</sup>	263	<b>144</b>	-119
Non-operating profit/loss <sup>※3</sup>	-147	<b>-99</b>	48
Net income/loss after tax	55	<b>-222</b>	-277
EI claims ratio	67.4%	<b>74.8%</b>	<b>7.4pp</b>
EI expense ratio <sup>※4</sup>	34.3%	<b>34.6%</b>	<b>0.3pp</b>
EI combined ratio <sup>※4</sup>	101.7%	<b>109.4%</b>	<b>7.7pp</b>

### Excluding impact from COVID-19 (£ mn)

	FY2020	YoY Change
Underwriting profit/loss	28	83
EI claims ratio	64.1%	<b>-3.3pp</b>
EI combined ratio <sup>※4</sup>	98.7%	<b>-3.0pp</b>

※1 On a local (UK) reporting basis

※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.

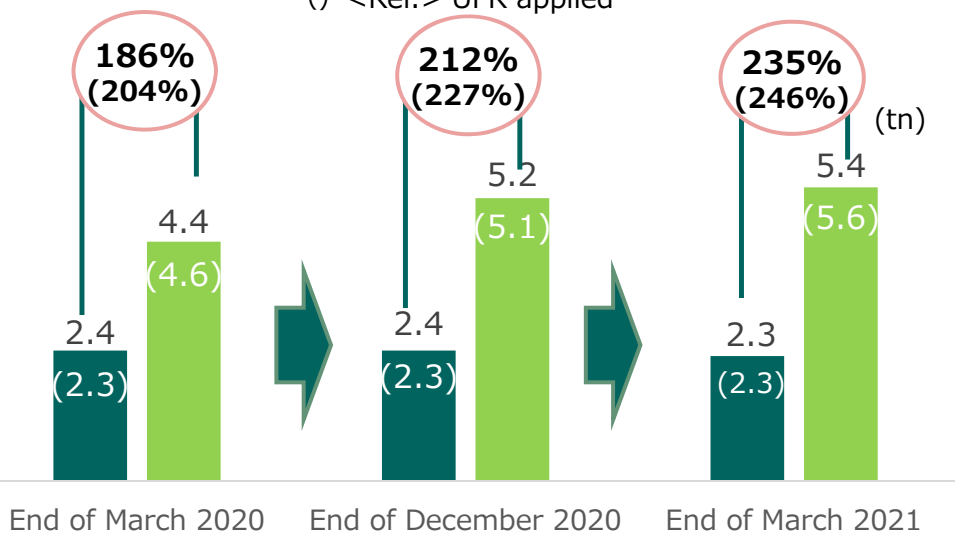
※4 EI expense ratio and EI combined ratio are calculated by taking into account foreign exchange gains/losses included in underwriting profit.

# <Reference> ESR

## ESR<sup>\*1</sup>

■ Integrated Risk Amount <sup>(\*)2</sup> ■ Net Asset Value

( ) <Ref.> UFR applied



### <Factors behind ESR change> (vs. end of March 2020)

ESR rose by 49 pp mainly due to the following factors:

- ✓ Net Asset Value increased mainly due to an increase in domestic stock prices and domestic interest rates
- ✓ Integrated Risk Amount decreased due to the impact of decreased taxes following the introduction of a consolidated taxation system.

<Market environment assumptions>

	End of March 2020	End of March 2021	Change
Nikkei stock average	18,917 yen	29,179 yen	+10,262 yen
30-year JGB interest rate	0.43%	0.67%	+ 0.24 pp
Exchange rate (US\$1: Yen)	109 yen	111 yen	+ 2 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

## Projected Financial Results for FY2021

## Consolidated Earnings Forecasts for FY2021 (1) (i) (Top line)

- Net premiums written are expected to increase by 112.0 billion yen mainly due to an increase at overseas subsidiaries as a result of the positive impact of foreign exchange, in addition to increased rates and the amount of new policies at MS Amlin.
- Gross premiums income for life insurance subsidiaries is expected to decrease by 97.3 billion yen mainly due to a decline at MSI Primary Life.

(¥bn)

	FY2020 Results	FY2021 Forecast	
		YoY Change	Change Ratio
Net premiums written	3,500.9	<b>3,613.0</b>	112.0 3.2%
Mitsui Sumitomo Insurance	1,559.5	<b>1,566.0</b>	6.4 0.4%
Aioi Nissay Dowa Insurance	1,281.4	<b>1,287.0</b>	5.5 0.4%
Mitsui Direct General Insurance	36.4	<b>36.4</b>	- 0.0%
Overseas subsidiaries	623.5	<b>724.0</b>	100.4 16.1%

(¥bn)

	FY2020 Results	FY2021 Forecast	
		YoY Change	Change Ratio
Gross premiums income <sup>※</sup>	1,297.3	<b>1,200.0</b>	- 97.3 -7.5%
MSI Aioi Life	511.9	<b>500.0</b>	- 11.9 -2.3%
MSI Primary Life	785.4	<b>700.0</b>	- 85.4 -10.9%
Life insurance premiums	- 202.3	<b>670.0</b>	872.3 -

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

## Consolidated Earnings Forecasts for FY2021 (1) (ii) (Bottom line)

- Net income is expected to increase by 85.6 billion yen to 230.0 billion yen mainly due to an increase at domestic non-life insurance subsidiaries and overseas insurance subsidiaries.
- Net income at domestic non-life insurance subsidiaries is expected to increase due to an increase in earned premiums resulting from increased net written premiums and a decrease of the burden of policy reserves.
- See slide 34 for forecasts at overseas subsidiaries.

(¥bn)

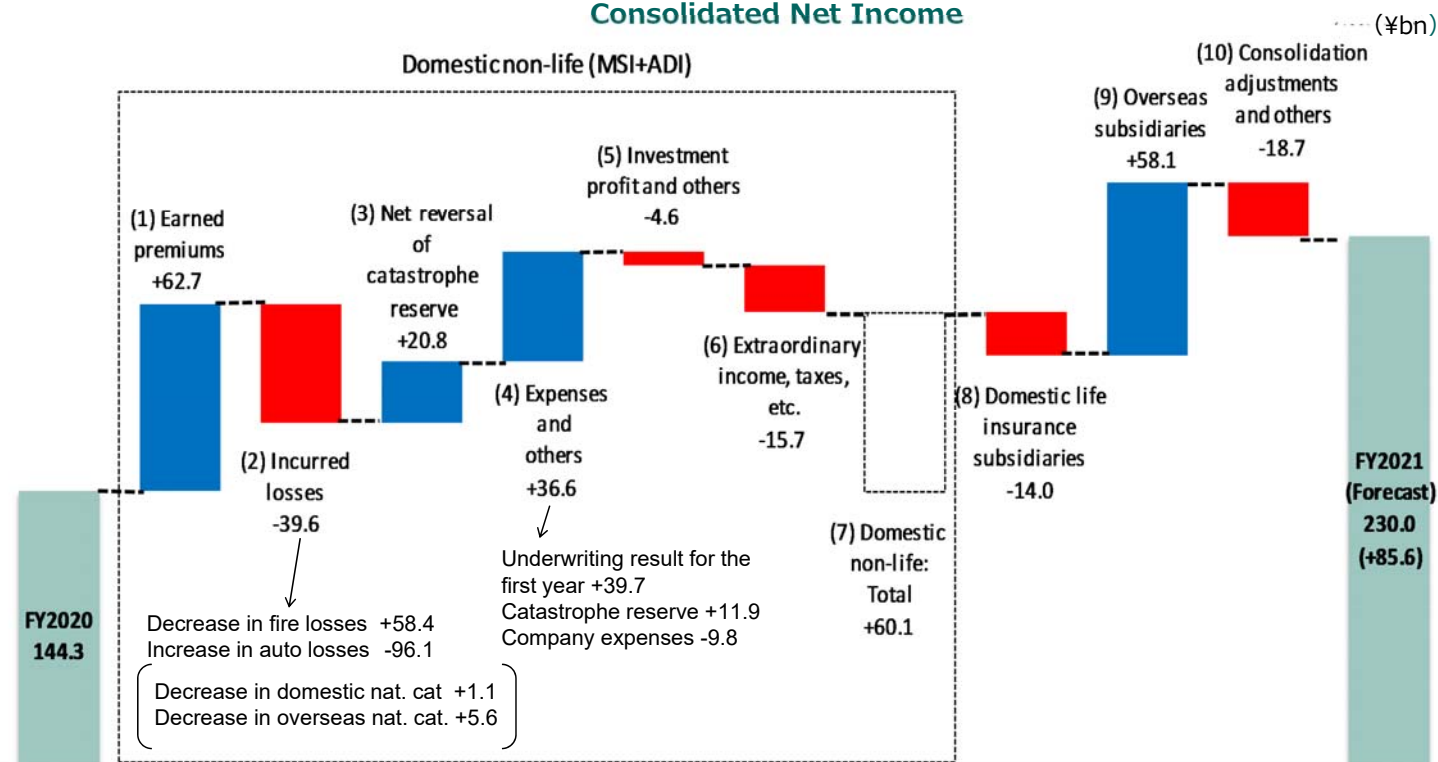
	FY2020 Results	FY2021 Forecast	
		YoY Change	
Ordinary profit/loss	306.5	<b>330.0</b>	<b>23.4</b>
Mitsui Sumitomo Insurance	131.6	<b>175.0</b>	<b>43.3</b>
Aioi Nissay Dowa Insurance	32.4	<b>65.0</b>	<b>32.5</b>
Net income/loss	144.3	<b>230.0</b>	<b>85.6</b>
Mitsui Sumitomo Insurance	92.2	<b>131.0</b>	<b>38.7</b>
Aioi Nissay Dowa Insurance	21.6	<b>43.0</b>	<b>21.3</b>
Mitsui Direct General Insurance	0.8	<b>0.1</b>	<b>- 0.7</b>
MSI Aioi Life	11.9	<b>18.0</b>	<b>6.0</b>
MSI Primary Life	43.1	<b>23.0</b>	<b>- 20.1</b>
Overseas subsidiaries	- 3.1	<b>55.0</b>	<b>58.1</b>
Consolidation adjustments, other	- 22.1	<b>- 40.1</b>	<b>- 17.9</b>
ROE (financial accounting basis)	5.2%	<b>7.3%</b>	<b>2.1pp</b>

※ 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 (2) - Year-on-Year Comparison

- Net income is expected to increase by 85.6 billion yen mainly due to an increase in (7) domestic non-life total and (9) overseas subsidiaries.
- Net income for domestic non-life insurance is expected to increase by 60.1 billion yen due to an increase in (1) earned premiums and a decrease in (4) the burden of policy reserves, despite an increase in (2) incurred losses.

### Consolidated Net Income



## Group Adjusted Profit for FY2021 (3)

- Group Adjusted Profit is expected to increase by 85.3 billion yen mainly due to an increase in the international business.
- Group Adjusted Profit in the international business is expected to increase mainly due to a decrease in COVID-19 losses.

(¥bn)

	FY2020	FY2021 Forecast	
	Results		YoY Change
Group Adjusted Profit	214.6	<b>300.0</b>	<b>85.3</b>
Domestic non-life insurance	158.5	<b>171.0</b>	<b>12.4</b>
Domestic life insurance	56.9	<b>43.0</b>	<b>- 13.9</b>
International business	- 7.1	<b>80.0</b>	<b>87.1</b>
Financial services/Risk-related services business	6.1	<b>6.0</b>	<b>- 0.1</b>
Other numerical management targets			
EEV of MSI Aioi Life	958.3	<b>1,010.0</b>	<b>51.6</b>
Group Adjusted ROE	6.7%	<b>8.5%</b>	<b>1.8pp</b>

# Major Assumptions for Earnings Forecasts for FY2021

(¥bn)

	Mitsui Sumitomo Insurance		Aioi Nissay Dowa Insurance		
Assumptions concerning the financial market environment	<b>Assumes the level at the end of March 2021</b> Nikkei average : ¥ 29,179 USD\$1 = JPY ¥ 111 EUR€1 = JPY ¥ 130 GBP £ 1 = JPY ¥ 152				
Domestic natural catastrophes occurred	<b>40.0</b>	(-2.7)	<b>30.0</b>	(+1.6)	
Catastrophe reserves (For fire insurance)	Provision	<b>21.9</b>	(-0.4)	<b>32.1</b>	(-3.0)
	Reversal	<b>25.7</b>	(+4.3)	<b>29.6</b>	(+0.9)
	Net provision	<b>- 3.8</b>	(-4.8)	<b>2.5</b>	(-3.9)
Catastrophe reserves (For voluntary automobile insurance)	Provision	<b>22.3</b>	(+0.3)	<b>24.0</b>	(+0.6)
	Reversal	<b>0.4</b>	(+0.4)	<b>9.9</b>	(+9.9)
	Net provision	<b>21.9</b>	(-0.0)	<b>14.1</b>	(-9.2)
Effective corporate tax rate	<b>27.9%</b>				

※Overseas natural catastrophes:

MS Amlin, consolidation adjustments: 21.1 billion yen (decrease by 13.8 billion yen)

ADI: 13.0 billion yen (decreased by 3.5 billion yen).

※Figures in parentheses show change from the previous year.

## Earnings Forecasts for FY2021 – Domestic Non-Life Insurance Companies (MSI&ADI) (i)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Net premiums written</b> <sup>※1</sup>	<b>2,853.0</b>	<b>12.0</b>	<b>1,566.0</b>	<b>6.4</b>	<b>1,287.0</b>	<b>5.5</b>
Earned premiums <sup>※2</sup>	2,558.6	62.7	1,419.1	38.2	1,139.5	24.4
Incurring losses (including loss adjustment expenses) <sup>※2</sup>	(-) 1,548.8	39.6	844.5	5.0	704.3	34.5
Underwriting expenses <sup>※2</sup>	(-) 889.8	9.8	484.5	8.7	405.3	1.1
Commissions and collection expenses <sup>※2</sup>	541.8	6.1	288.5	4.7	253.3	1.4
Other underwriting expenses <sup>※2</sup>	348.0	3.6	196.0	3.9	152.0	- 0.3
<b>Underwriting profit/loss prior to reflecting catastrophe reserve</b>	<b>136.5</b>	<b>59.7</b>	<b>93.5</b>	<b>37.5</b>	<b>43.0</b>	<b>22.1</b>
Net catastrophe reserve	- 44.5	20.8	- 31.5	0.5	- 13.0	20.3
<b>Underwriting profit/loss after reflecting catastrophe reserve</b>	<b>92.0</b>	<b>80.5</b>	<b>62.0</b>	<b>38.0</b>	<b>30.0</b>	<b>42.4</b>
<b>EI loss ratio</b> <sup>※2</sup>	<b>60.5%</b>	<b>0.0pp</b>	<b>59.5%</b>	<b>- 1.3pp</b>	<b>61.8%</b>	<b>1.7pp</b>
Net loss ratio <sup>※1</sup>	62.7%	3.4pp	62.0%	2.2pp	63.5%	4.9pp
Net expense ratio <sup>※1</sup>	34.0%	0.3pp	33.2%	0.5pp	35.0%	0.1pp
<b>Combined ratio</b> <sup>※1</sup>	<b>96.7%</b>	<b>3.7pp</b>	<b>95.2%</b>	<b>2.7pp</b>	<b>98.5%</b>	<b>5.0pp</b>

※1 All lines ※2 Excludes 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.

## Earnings Forecasts for FY2021 – Domestic Non-Life Insurance Companies (MSI&ADI) (ii)

(¥bn)

	Simple Sum		MSI (Non-Consolidated)		ADI (Non-Consolidated)	
		YoY Change		YoY Change		YoY Change
<b>Underwriting profit/loss</b>	<b>92.0</b>	<b>80.5</b>	<b>62.0</b>	<b>38.0</b>	<b>30.0</b>	<b>42.4</b>
Net interest and dividends income	114.1	2.1	80.3	9.5	33.8	- 7.3
Gains/losses on sales of securities	67.1	- 0.1	53.1	3.3	14.0	- 3.4
Impairment losses on securities (-)	8.0	6.1	3.0	2.0	5.0	4.0
<b>Investment profit/loss and other ordinary profit/loss</b>	<b>148.0</b>	<b>- 4.6</b>	<b>113.0</b>	<b>5.3</b>	<b>35.0</b>	<b>- 9.9</b>
<b>Ordinary profit/loss</b>	<b>240.0</b>	<b>75.9</b>	<b>175.0</b>	<b>43.3</b>	<b>65.0</b>	<b>32.5</b>
<b>Extraordinary income/loss</b>	<b>- 14.0</b>	<b>- 6.9</b>	<b>- 4.5</b>	<b>- 5.1</b>	<b>- 9.5</b>	<b>- 1.8</b>
<b>Net income/loss</b>	<b>174.0</b>	<b>60.1</b>	<b>131.0</b>	<b>38.7</b>	<b>43.0</b>	<b>21.3</b>

## Earnings Forecasts for FY2021 – Domestic Life Insurance Companies – MSI Aioi Life

### Key financial data

(¥bn)

	FY2020 Results	FY2021 (Forecast)	
		Forecast	YoY Change
Amount of new policies <sup>※</sup>	1,769.0	1,897.7	7.3%
Annualized premiums of new policies <sup>※</sup>	26.2	29.4	12.1%
Amount of policies in force <sup>※</sup>	24,266.9	24,332.2	0.3%
Annualized premiums of policies in force <sup>※</sup>	447.9	446.2	-0.4%
Gross premiums income	511.9	500.0	- 11.9
Ordinary profit/loss	25.6	35.2	9.6
Net income/loss	11.9	18.0	6.0

※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 FY2021 – Domestic Life Insurance Companies – MSI Primary Life

### Key financial data

(¥bn)

	FY2020 Results	FY2021 (Forecast)	
		Forecast	YoY Change
Amount of new policies	788.2	703.4	- 10.8%
Amount of policies in force	6,595.8	6,399.0	- 3.0%
Gross premiums income	785.4	700.0	- 85.4
Ordinary profit/loss	160.0	35.4	- 124.7
Net income/loss	43.1	23.0	- 20.1

## Earnings Forecasts for FY2021 – Overseas Subsidiaries

- Net premiums written are expected to increase by 100.4 billion yen mainly due to the positive impact of foreign exchange, in addition to increased rates and the amount of new policies at MS Amlin.
- Net income is expected to increase by 58.1 billion yen, with the 44.1 billion yen increase in Europe mainly due to decreased COVID-19 incurred losses and the 11.8 billion yen increase in the international life insurance business.
- See slide 37 for MS Amlin forecast.

### Overseas subsidiaries

(¥bn)

	FY2020 Results	FY2021 Forecast	YoY Change
Net premiums written	<b>623.5</b>	<b>724.0</b>	<b>100.4</b>
Asia	169.3	182.9	13.5
Europe	413.3	493.5	80.2
Americas	40.7	47.5	6.7
Net income/loss	<b>- 3.1</b>	<b>55.0</b>	<b>58.1</b>
Asia	23.9	25.3	1.4
Europe	- 31.1	13.0	44.1
Americas	4.2	5.0	0.7
International life insurance	- 0.2	11.6	11.8

<Reference> Earnings Forecasts for FY2021 –  
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	418.2	-5.2%	218.5	-6.4%	199.7	-3.9%
Marine	59.3	-1.3%	53.7	1.1%	5.6	-20.0%
Personal accident	209.8	3.0%	150.6	3.4%	59.2	2.2%
Voluntary automobile	1,445.0	2.3%	695.6	1.8%	749.4	2.7%
CALI	280.8	-6.6%	146.5	-6.9%	134.3	-6.3%
Other	439.8	4.1%	301.0	5.0%	138.8	2.1%
Total	2,853.0	0.4%	1,566.0	0.4%	1,287.0	0.4%
Total excluding residential EQ insurance and CALI	2,571.2	1.2%	1,418.7	1.2%	1,152.5	1.3%

<Reference> Earnings Forecasts for FY2021 –  
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	68.9%	-17.3pp	67.0%	-18.5pp	71.1%	-15.8pp
Marine	55.9%	-2.0pp	56.8%	0.6pp	48.3%	-23.1pp
Personal accident	52.3%	1.9pp	51.1%	2.4pp	55.4%	0.5pp
Voluntary automobile	59.8%	5.4pp	60.5%	4.6pp	59.2%	6.2pp
Other	59.3%	-1.9pp	56.2%	-4.9pp	66.2%	5.0pp
Total (excluding residential EQ insurance and CALI)	60.5%	0.0pp	59.5%	-1.3pp	61.8%	1.7pp
(Excl. impact of nat. cat.)	57.3%	0.2pp	56.8%	-1.1pp	58.0%	2.0pp

※ 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 deducting the collected amount of Cat Bonds related to natural catastrophes in FY2018.

## <Reference> MS Amlin's Forecast for FY2021 (Jan. – Dec. 2021)\*1

- In FY2021, further improvement is expected in non-cat lines due to the elimination of the impact of the previous year's COVID-19 loss, higher rates, and an increase in the number of promising lines.
- As a result, underwriting profit is expected to increase by £337mn over 2020.
- Group Adjusted Profit is expected to increase by £421mn from 2020 to £156mn as a result of cost reductions and other measures, although investment profit is expected to decrease after the strong performance of stocks in fiscal 2020.

(£ mn)

	FY2020	FY2021 (forecast)	
			YoY
Net Premiums Written	2,681	<b>2,923</b>	242
Net Premiums Earned	2,937	<b>2,848</b>	-89
Incurred Losses(including loss adjustment expenses)	2,196	<b>1,760</b>	-436
Underwriting profit/loss	-277	<b>60</b>	337
Investment profit/loss*2	144	<b>99</b>	-45
Non-operating profit/loss*3	-99	<b>-87</b>	12
Net income/loss after tax	-222	<b>79*4</b>	301
Group Adjusted Profit (incl. impact of North American cold wave recorded in FY2020 on a consolidated basis)	-265	<b>156</b>	421

\*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 On a local (UK) management basis, includes the impact of the North American cold wave of February 2021.

### 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
- Challenger : Challenger Limited
- ReAssure : ReAssure Group Plc,  
currently Phoenix Group Holdings plc

## Definition of Group Adjusted Profit, Adjusted Net Assets, and Group Adjusted ROE

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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