MS&AD IR Day 2020

September 11, 2020


President & CEO
Noriyuki Hara
1. Points to Value in Management

- A professional company with high job satisfaction
- CSV initiatives centered on the Value Creation Story
- Innovation
  - Creation derived from diversity combined with digital strategy
- Sustainability
  - Demonstrating professionalism
  - Female employees' active participation and global talents development

2. Changes in Environment

Impact of COVID-19 on Social Structure and Industrial Structure

- Shift to “remote” and “online”
- Changes in industrial structure
- Coexistence with nature/long-term management
- Toward a society that incorporates mutual assistance and altruism
- Increasing surplus workforce due to accelerating AI utilization
- Change in job consciousness
- Decentralization of residential areas /revitalization of rural areas
- Changes in behavior associated with technological innovation

MS&AD Insurance Group Holdings, Inc.
3. Management Issues

### Improving Capital Efficiency (Improving ROE)

<table>
<thead>
<tr>
<th>Progress in FY2019</th>
<th>Medium-term aspirations “World-leading insurance and financial services group”</th>
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</thead>
<tbody>
<tr>
<td>Scale</td>
<td>5th (FORTUNE GLOBAL 500 2019, P&amp;C)</td>
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<tr>
<td>Capital efficiency</td>
<td>8.0%</td>
</tr>
<tr>
<td>Financial soundness</td>
<td>186% Ref.: UFR applied 204%</td>
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<tr>
<td>Portfolio diversity</td>
<td>46%</td>
</tr>
<tr>
<td>Share of strategic equity holdings</td>
<td>26.1% of integrated risk amount 9.2% of consolidated total assets</td>
</tr>
<tr>
<td>Profitability</td>
<td>EI Combined Ratio ex. natural catastrophes 91.4%</td>
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### Next growth strategy

- Profitability improvement in fire insurance
- Reduction of operating expenses
- Profit recovery at MS Amlin

Current challenge: Productivity improvement

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)**

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</thead>
<tbody>
<tr>
<td>Fire</td>
<td>-55.9</td>
<td>-94.3</td>
<td>-138.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marine</td>
<td>5.0</td>
<td>8.8</td>
<td>11.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal accident</td>
<td>85.3</td>
<td>96.2</td>
<td>105.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary automobile</td>
<td>50.1</td>
<td>40.9</td>
<td>19.3</td>
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</tr>
</tbody>
</table>

2. Reduction of operating expenses

**Additional reduction of operating expenses** (£bn)

- Domestic non-life expense ratio: About 2pp

**Stage 2: Additional operating expense reduction**

- 2020 Forecast: 12.0
- 2021 Outlook: 20.0
- Next mid-term plan (FY): Further
Improving profitability at MS Amlin

Net income at MS Amlin

Profit recovery & expansion phase

-94
2018
55
2019
-105
2020
2021 (FY)
Forecast
Target

Strengthening profitability in Asia

Market growth-driven profit growth

Expansion of retail market
Deeper focus on strong areas & enhancing profitability

Expansion of commercial market and infrastructure business development
Work in unexplored fields

Emerging markets
Capture growth markets

Measures to improve profitability

Strengthening automobile underwriting discipline
Cost reduction
Etc.

Achieving Results of International Business Reorganization

Growth centered on Asia

Expense reduction:
¥10.0 billion

4. Group’s Growth Strategies
(1) Profit Growth Strategies in Stage 2: (ii) International Business

Expanding commercial market and infrastructure business development
Expansion of retail market
Deeper focus on strong areas & enhancing profitability

Work in unexplored fields
Capture growth markets

Measures to improve profitability

Strengthening automobile underwriting discipline
Cost reduction
Etc.

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

Deal with new risks
Safer mobility society
Resilient community development
Climate change mitigation and adaptation
Improve sustainability of natural capital
“Good health and longevity”
“Leave no one behind”

Incorporation of Digital Technologies

Big data
Mobile
AI (Artificial intelligence)
RPA (Robotics)
Block Chain
Block chain

MS&AD Insurance Group Holdings, Inc.
## Work areas

<table>
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<tr>
<th>Products &amp; services</th>
<th>Examples</th>
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</table>
| 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 | • Telematics insurance (“Tough Tsunagaru” automobile insurance)  
• Drive-recorder-based Mimamoru (Safeguards) Automobile Insurance,  
• Health management support insurance  
• cmap.dev |

| Channels | Combining our Group’s accumulated sales data and best practices with methods made possible by digital technology to improve sales capabilities and efficiency | • MS1 Brain |

| Sales methods | Developing new channels in line with the trend toward digitalization of lifestyles and business activities | • Built-in Connect  
• Convenience store channel |

| Claims services | Leveraging digital technology to dramatically reduce the time and load of customers and our Group’s claims service | • Joint claims support system “BRIGDE”  
• Telematics claims service system |

| Operation, clerical work | Leveraging digital technology to dramatically reduce the load and time required for clerical work and to provide services tailored to customers’ new lifestyles | • Online renovation  
• Cashless, paperless, touchless  
• Web procedure system |

| New business | Developing new businesses utilizing data and know-how accumulated in our group and digital technology | • RisTech paid consulting  
• Telematics insurance data business  
• RM business for climate change |

### 4. Group’s Growth Strategies

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

- Largest agent network in Japan
- Diverse partnerships

#### (ii) Global Expansion

- MS Amlin
- BIG
- FinTLV/SOSA (Israel)
- GDH (Tokyo)
- GDH (Singapore)
- AIS
- MS&AD Ventures
- AIS (Singapore)
- Telematics insurance data business

**Digital promotion locations**

CSV × DX

4.1. Deal with new risks
- Examples:
  - MS & AD platform as a one-stop solution for cybersecurity
  - IoT equipment cyber risk assessment service

4.2. Safer mobility society
- Examples:
  - Climate change risk assessment by meteorological model analysis (TCFD support consulting)
  - Establishment of a real-time prediction site for natural disaster damage
  - LaRC-Flood ® (global assessment of climate change risk)
  - Integrated flood risk information management system “Sui Search”

4.3. Resilient community development
- Examples:
  - Products and services utilizing telematics technology
  - Support for the practical application and introduction of autonomous vehicles to solve regional traffic problems

4.4. Improve sustainability of natural capital
- Examples:
  - Water Risk (Droughts, floods, water pollution, etc.) Assessment Service
  - Provision of an app that sends out alerts in areas where accidents with rare species occur frequently

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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