

## SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

November 19, 2021

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**  
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange  
 Securities Code Number: 8725  
 URL: <https://www.ms-ad-hd.com>  
 Representative: Noriyuki Hara, President & CEO  
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Scheduled date to file the Quarterly Securities Report: November 19, 2021  
 Scheduled date to commence dividend payments: December 6, 2021  
 Explanatory material for business results: Available  
 IR Conference (for institutional investors and analysts): To be held

(Note) Amounts of less than one million yen are truncated.

### 1. Consolidated Financial Highlights for the Six Months Ended September 30, 2021 (April 1, 2021 to September 30, 2021)

#### (1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Six months ended September 30, 2021	2,551,183	(6.7) %	182,187	57.7 %	124,824	29.2 %
Six months ended September 30, 2020	2,734,493	(4.3) %	115,509	6.7 %	96,630	(40.9) %

Percent figures represent changes from the corresponding period of the preceding year.

(Note) Comprehensive income For the six months ended September 30, 2021: ¥ 298,949 million (11.4) %  
 For the six months ended September 30, 2020: ¥ 337,336 million 44.5 %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted
Six months ended September 30, 2021	224.26	224.16
Six months ended September 30, 2020	170.67	170.57

#### (2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
September 30, 2021	24,714,404	3,365,216	13.4 %
March 31, 2021	24,142,562	3,126,657	12.8 %

(Reference) Net assets less non-controlling interests As of September 30, 2021: ¥ 3,321,696 million  
 As of March 31, 2021: ¥ 3,084,349 million

### 2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2021	-	75.00	-	80.00	155.00
Year ending March 31, 2022	-	82.50			
Year ending March 31, 2022 (Forecast)			-	82.50	165.00

(Note) Revision of the latest announced dividends per share forecast: Yes

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(Yen in millions)

	Ordinary profit		Net income attributable to owners of the parent		Net income attributable to owners of the parent per share (Yen)
Year ending March 31, 2022	330,000	7.7 %	230,000	59.3 %	414.15

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: None

**\* Notes**

(1) Changes in significant subsidiaries for the period (changes in specified subsidiaries resulting in changes in scope of consolidation): None

(2) Changes in accounting policies and accounting estimates and restatements

1. Changes in accounting policies due to revisions of accounting standards: Yes

2. Changes in accounting policies other than above: None

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "Changes in Accounting Policies" on page 7 of the Appendix.

(3) Number of shares of issued stock (common stock)

1. Number of shares of issued stock (including treasury stock)

As of September 30, 2021: 593,632,891 shares

As of March 31, 2021: 593,473,207 shares

2. Number of shares of treasury stock

As of September 30, 2021: 39,544,927 shares

As of March 31, 2021: 35,263,101 shares

3. Average number of shares of outstanding stock

For the six months ended September 30, 2021: 556,603,085 shares

For the six months ended September 30, 2020: 566,167,247 shares

**\* This report is unaudited.**

**\* Notes to the earnings forecasts and others**

(1) Any earnings forecasts in this report have been made based on the information available to the Company as of the disclosure date of the report and certain assumptions, and therefore do not guarantee future performance. Actual results may differ substantially from these forecasts depending on various factors. For key assumptions of the earnings forecasts and other relevant information, please refer to "4. Earnings Forecasts" on page 15 of "Explanatory Material for Business Results for the Six Months Ended September 30, 2021". The forecast of consolidated ordinary income for the current fiscal year is not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

(2) The Company made its interim consolidated financial statements for the first half of the fiscal year, as required for specified companies which operate the businesses defined in the Article 17-15 Paragraph 2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc.

[Appendix]

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**[Attachment]**

Explanatory Material for Business Results for the Six Months Ended September 30, 2021

# Consolidated Financial Statements and Main Notes

## 1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2021	September 30, 2021
<b>Assets</b>		
Cash, deposits and savings	2,057,789	2,202,075
Receivables under resale agreements	1,999	1,999
Monetary claims bought	175,740	142,335
Money trusts	1,717,804	1,823,562
Investments in securities	16,793,584	17,002,406
Loans	960,174	945,585
Tangible fixed assets	494,818	489,509
Intangible fixed assets	431,929	442,979
Other assets	1,436,401	1,585,572
Assets for retirement benefits	26,768	28,709
Deferred tax assets	30,549	33,679
Customers' liabilities under acceptances and guarantees	28,500	27,000
Bad debt reserve	(13,498)	(11,010)
<b>Total assets</b>	<b>24,142,562</b>	<b>24,714,404</b>
<b>Liabilities</b>		
Policy liabilities:	18,107,028	18,425,229
Outstanding claims	2,256,900	2,375,345
Underwriting reserves	15,850,128	16,049,884
Bonds issued	809,093	809,093
Other liabilities	1,602,349	1,577,044
Liabilities for pension and retirement benefits	160,828	151,776
Reserve for retirement benefits for officers	241	204
Accrued bonuses for employees	28,256	25,057
Reserves under the special laws:	244,975	248,556
Reserve for price fluctuation	244,975	248,556
Deferred tax liabilities	34,630	85,226
Acceptances and guarantees	28,500	27,000
<b>Total liabilities</b>	<b>21,015,905</b>	<b>21,349,188</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	100,276	100,534
Capital surplus	553,428	553,680
Retained earnings	1,078,850	1,159,017
Treasury stock	(119,267)	(134,025)
<b>Total shareholders' equity</b>	<b>1,613,287</b>	<b>1,679,207</b>
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,630,325	1,723,311
Net deferred gains/(losses) on hedges	14,997	10,736
Foreign currency translation adjustments	(178,080)	(94,535)
Accumulated actuarial gains/(losses) on retirement benefits	3,819	2,976
<b>Total accumulated other comprehensive income</b>	<b>1,471,062</b>	<b>1,642,489</b>
Stock acquisition rights	1,019	762
Non-controlling interests	41,288	42,756
<b>Total net assets</b>	<b>3,126,657</b>	<b>3,365,216</b>
<b>Total liabilities and net assets</b>	<b>24,142,562</b>	<b>24,714,404</b>

## 2. Consolidated Statements of Income and Comprehensive Income (Consolidated Statements of Income)

(Yen in millions)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Ordinary income:	2,734,493	2,551,183
Underwriting income:	1,994,440	2,244,643
Net premiums written	1,869,016	1,928,514
Deposit premiums from policyholders	44,755	27,995
Investment income on deposit premiums from policyholders	19,151	17,390
Life insurance premiums	56,606	265,079
Investment income:	731,980	288,673
Interest and dividends income	150,745	153,448
Investment gains on money trusts	133,615	27,423
Investment gains on trading securities	22,687	10,511
Gains on sales of securities	79,874	61,056
Investment gains on separate accounts	148,417	48,550
Transfer of investment income on deposit premiums from policyholders	(19,151)	(17,390)
Other ordinary income	8,072	17,865
Ordinary expenses:	2,618,984	2,368,995
Underwriting expenses:	2,210,470	1,948,136
Net claims paid	908,031	941,688
Loss adjustment expenses	92,166	96,765
Commissions and collection expenses	365,045	372,817
Maturity refunds to policyholders	112,708	82,696
Life insurance claims	157,647	227,618
Provision for outstanding claims	80,305	53,097
Provision for underwriting reserves	479,925	171,634
Investment expenses:	60,276	71,192
Investment losses on money trusts	20,263	1,815
Losses on sales of securities	4,441	3,185
Impairment losses on securities	7,928	23,824
Losses on derivative transactions	26,116	17,802
Operating expenses and general and administrative expenses	330,627	337,820
Other ordinary expenses:	17,609	11,846
Interest expense	7,242	7,838
Ordinary profit	115,509	182,187
Extraordinary income:	8,570	990
Gains on sales of fixed assets	456	990
Reversal of reserve for losses on sales of shares of subsidiaries and associates	8,113	-
Extraordinary losses:	11,382	7,418
Losses on sales of fixed assets	2,763	2,404
Impairment losses on fixed assets	1,587	1,434
Provision for reserves under the special laws:	5,830	3,580
Provision for reserve for price fluctuation	5,830	3,580
Losses on change in equity	1,200	-
Income before income taxes	112,697	175,759
Income taxes - current	50,241	35,718
Income taxes - deferred	(36,146)	13,354
Total income taxes	14,095	49,073
Net income	98,602	126,685
Net income attributable to non-controlling interests	1,971	1,861
Net income attributable to owners of the parent	96,630	124,824

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net income	98,602	126,685
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	284,118	94,403
Net deferred gains/(losses) on hedges	(4,171)	(4,270)
Foreign currency translation adjustments	(41,984)	75,763
Accumulated actuarial gains/(losses) on retirement benefits	(1,934)	(840)
Share of other comprehensive income of equity method investments	2,707	7,206
Total other comprehensive income	238,734	172,263
Total comprehensive income	337,336	298,949
Allocation:		
Comprehensive income attributable to owners of the parent	337,104	296,251
Comprehensive income attributable to non-controlling interests	232	2,697

### 3. Consolidated Statements of Changes in Net Assets

For the six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,000	553,163	1,019,468	(84,432)	1,588,199
Changes for the six months:					
Issuance of new shares	276	276			552
Dividends paid			(42,678)		(42,678)
Net income attributable to owners of the parent			96,630		96,630
Repurchase of treasury stock				(15,012)	(15,012)
Disposal of treasury stock		(11)		200	189
Net changes of items other than shareholders' equity					
Total changes for the six months	276	264	53,951	(14,811)	39,681
Ending balance	100,276	553,428	1,073,420	(99,243)	1,627,881

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Total accumulated other comprehensive income			
Beginning balance	982,042	30,916	(140,106)	(9,381)	863,470	1,206	41,161	2,494,038
Changes for the six months:								
Issuance of new shares								552
Dividends paid								(42,678)
Net income attributable to owners of the parent								96,630
Repurchase of treasury stock								(15,012)
Disposal of treasury stock								189
Net changes of items other than shareholders' equity	287,449	(3,853)	(41,185)	(1,937)	240,473	(187)	(1,254)	239,031
Total changes for the six months	287,449	(3,853)	(41,185)	(1,937)	240,473	(187)	(1,254)	278,713
Ending balance	1,269,492	27,063	(181,291)	(11,319)	1,103,944	1,019	39,907	2,772,752

**For the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)**

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,276	553,428	1,078,850	(119,267)	1,613,287
Changes for the six months:					
Issuance of new shares	258	258			516
Dividends paid			(44,656)		(44,656)
Net income attributable to owners of the parent			124,824		124,824
Repurchase of treasury stock				(15,021)	(15,021)
Disposal of treasury stock		(6)		263	257
Net changes of items other than shareholders' equity					
Total changes for the six months	258	252	80,167	(14,758)	65,919
Ending balance	100,534	553,680	1,159,017	(134,025)	1,679,207

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on investments in securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Total accumulated other comprehensive income			
Beginning balance	1,630,325	14,997	(178,080)	3,819	1,471,062	1,019	41,288	3,126,657
Changes for the six months:								
Issuance of new shares								516
Dividends paid								(44,656)
Net income attributable to owners of the parent								124,824
Repurchase of treasury stock								(15,021)
Disposal of treasury stock								257
Net changes of items other than shareholders' equity	92,985	(4,260)	83,544	(842)	171,427	(256)	1,468	172,639
Total changes for the six months	92,985	(4,260)	83,544	(842)	171,427	(256)	1,468	238,559
Ending balance	1,723,311	10,736	(94,535)	2,976	1,642,489	762	42,756	3,365,216



## **4. Notes to Consolidated Financial Statements**

### **(Notes to Going Concern Assumptions)**

Not applicable.

### **(Changes in Accounting Policies)**

(Application of “Accounting Standard for Fair Value Measurement” and Others)

The Group has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019), “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No.31, June 17, 2021) and others from the beginning of the period for the six months ended September 30, 2021.

In accordance with transitional measures set forth in Paragraph 19 of “Accounting Standards for Fair Value Measurement”, Paragraph 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019) and Paragraph 27-2 of “Implementation Guidance on Accounting Standard for Fair Value Measurement”, the Group has applied new accounting policies prescribed by “Accounting Standard for Fair Value Measurement” and others prospectively from the beginning of the period for the six months ended September 30, 2021.

As a result, part of investment trusts for which it is deemed to be extremely difficult to determine the fair value that were recorded on consolidated balance sheets at cost have been changed to be recorded on consolidated balance sheets at fair value.