

## SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020

November 19, 2020

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, 2020  
 Scheduled date to commence dividend payments: December 7, 2020  
 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, 2020 (April 1, 2020 to September 30, 2020)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Six months ended September 30, 2020	2,734,493	(4.3) %	115,509	6.7 %	96,630	(40.9) %
Six months ended September 30, 2019	2,856,423	(3.6) %	108,299	43.8 %	163,559	253.2 %

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

(Note) Comprehensive income For the six months ended September 30, 2020: ¥ 337,336 million 44.5 %  
For the six months ended September 30, 2019: ¥ 233,451 million 527.9 %

(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, 2020	170.67	170.57
Six months ended September 30, 2019	282.03	281.90

(2) Consolidated financial conditions (Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
September 30, 2020	23,891,110	2,772,752	11.4 %
March 31, 2020	23,196,455	2,494,038	10.6 %

(Reference) Net assets less non-controlling interests As of September 30, 2020: ¥ 2,731,825 million  
As of March 31, 2020: ¥ 2,451,670 million

### 2. Dividends (Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2020	-	75.00	-	75.00	150.00
Year ending March 31, 2021	-	75.00	-	-	-
Year ending March 31, 2021 (Forecast)	-	-	-	75.00	150.00

(Note) Revision of the latest announced dividends per share forecast: None

### 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	200,000	26.8 %	140,000	(2.1) %	247.63

Percent figures represent changes from the preceding year.

(Note) Revision of the latest announced earnings forecasts: Yes

**\* 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: None
2. Changes in accounting policies other than above: None
3. Changes in accounting estimates: None
4. Restatements: None

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

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

As of September 30, 2020:	593,473,207 shares
As of March 31, 2020:	593,291,754 shares
2. Number of shares of treasury stock

As of September 30, 2020:	28,956,573 shares
As of March 31, 2020:	24,244,439 shares
3. Average number of shares of outstanding stock

For the six months ended September 30, 2020:	566,167,247 shares
For the six months ended September 30, 2019:	579,930,213 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, 2020". 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, 2020

# Consolidated Financial Statements and Main Notes

## 1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2020	September 30, 2020
<b>Assets</b>		
Cash, deposits and savings	1,846,225	1,731,035
Receivables under resale agreements	407,722	367,403
Monetary claims bought	160,091	159,579
Money trusts	1,666,494	1,928,392
Investments in securities	15,494,580	16,038,462
Loans	892,335	921,673
Tangible fixed assets	488,331	484,324
Intangible fixed assets	442,695	426,998
Other assets	1,535,400	1,647,832
Assets for retirement benefits	24,113	23,425
Deferred tax assets	219,385	147,652
Customers' liabilities under acceptances and guarantees	31,500	27,500
Bad debt reserve	(12,421)	(13,171)
<b>Total assets</b>	<b>23,196,455</b>	<b>23,891,110</b>
<b>Liabilities</b>		
Policy liabilities:	17,809,540	18,322,316
Outstanding claims	2,149,921	2,201,603
Underwriting reserves	15,659,619	16,120,712
Bonds issued	809,093	809,093
Other liabilities	1,672,264	1,593,002
Liabilities for pension and retirement benefits	179,686	181,337
Reserve for retirement benefits for officers	325	282
Accrued bonuses for employees	28,392	24,548
Reserve for losses on sales of shares of subsidiaries and associates	16,957	-
Reserves under the special laws:	137,400	143,231
Reserve for price fluctuation	137,400	143,231
Deferred tax liabilities	17,254	17,045
Acceptances and guarantees	31,500	27,500
<b>Total liabilities</b>	<b>20,702,416</b>	<b>21,118,358</b>
<b>Net assets</b>		
Shareholders' equity:		
Common stock	100,000	100,276
Capital surplus	553,163	553,428
Retained earnings	1,019,468	1,073,420
Treasury stock	(84,432)	(99,243)
<b>Total shareholders' equity</b>	<b>1,588,199</b>	<b>1,627,881</b>
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	982,042	1,269,492
Net deferred gains/(losses) on hedges	30,916	27,063
Foreign currency translation adjustments	(140,106)	(181,291)
Accumulated actuarial gains/(losses) on retirement benefits	(9,381)	(11,319)
<b>Total accumulated other comprehensive income</b>	<b>863,470</b>	<b>1,103,944</b>
Stock acquisition rights	1,206	1,019
Non-controlling interests	41,161	39,907
<b>Total net assets</b>	<b>2,494,038</b>	<b>2,772,752</b>
<b>Total liabilities and net assets</b>	<b>23,196,455</b>	<b>23,891,110</b>

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

(Yen in millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Ordinary income:	2,856,423	2,734,493
Underwriting income:	2,548,137	1,994,440
Net premiums written	1,926,832	1,869,016
Deposit premiums from policyholders	41,926	44,755
Investment income on deposit premiums from policyholders	20,481	19,151
Life insurance premiums	555,472	56,606
Investment income:	295,909	731,980
Interest and dividends income	152,446	150,745
Investment gains on money trusts	42,474	133,615
Investment gains on trading securities	44,757	22,687
Gains on sales of securities	38,287	79,874
Investment gains on separate accounts	37,451	148,417
Transfer of investment income on deposit premiums from policyholders	(20,481)	(19,151)
Other ordinary income	12,376	8,072
Ordinary expenses:	2,748,124	2,618,984
Underwriting expenses:	2,176,569	2,210,470
Net claims paid	939,601	908,031
Loss adjustment expenses	86,102	92,166
Commissions and collection expenses	369,128	365,045
Maturity refunds to policyholders	101,371	112,708
Life insurance claims	194,447	157,647
Provision for outstanding claims	62,297	80,305
Provision for underwriting reserves	412,209	479,925
Investment expenses:	221,733	60,276
Investment losses on money trusts	28,551	20,263
Losses on sales of securities	3,740	4,441
Impairment losses on securities	7,237	7,928
Losses on derivative transactions	20,953	26,116
Operating expenses and general and administrative expenses	339,896	330,627
Other ordinary expenses:	9,924	17,609
Interest expense	6,624	7,242
Ordinary profit	108,299	115,509
Extraordinary income:	95,830	8,570
Gains on sales of fixed assets	204	456
Reversal of reserves under the special laws:	86,233	-
Reversal of reserve for price fluctuation	86,233	-
Gains on step acquisitions	6,587	-
Gains on change in equity	2,804	-
Reversal of reserve for losses on sales of shares of subsidiaries and associates	-	8,113
Extraordinary losses:	176,609	11,382
Losses on sales of fixed assets	980	2,763
Impairment losses on fixed assets	175,629	1,587
Provision for reserves under the special laws:	-	5,830
Provision for reserve for price fluctuation	-	5,830
Losses on change in equity	-	1,200
Income before income taxes	27,519	112,697
Income taxes - current	42,920	50,241
Income taxes - deferred	(180,472)	(36,146)
Total income taxes	(137,551)	14,095
Net income	165,071	98,602
Net income attributable to non-controlling interests	1,512	1,971
Net income attributable to owners of the parent	163,559	96,630

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Six months ended September 30, 2019	Six months ended September 30, 2020
Net income	165,071	98,602
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	67,551	284,118
Net deferred gains/(losses) on hedges	5,165	(4,171)
Foreign currency translation adjustments	(19,941)	(41,984)
Accumulated actuarial gains/(losses) on retirement benefits	(460)	(1,934)
Share of other comprehensive income of equity method investments	16,065	2,707
Total other comprehensive income	<u>68,379</u>	<u>238,734</u>
Total comprehensive income	<u>233,451</u>	<u>337,336</u>
Allocation:		
Comprehensive income attributable to owners of the parent	231,923	337,104
Comprehensive income attributable to non-controlling interests	1,528	232

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

For the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,000	553,168	962,385	(32,539)	1,583,013
Cumulative effect of changing accounting policies			(942)		(942)
Beginning balance (adjusted)	100,000	553,168	961,442	(32,539)	1,582,070
Changes for the six months:					
Issuance of new shares					-
Dividends paid			(40,859)		(40,859)
Net income attributable to owners of the parent			163,559		163,559
Repurchase of treasury stock				(31,994)	(31,994)
Disposal of treasury stock		(5)		126	120
Other			(1,052)		(1,052)
Net changes of items other than shareholders' equity					
Total changes for the six months	-	(5)	121,647	(31,868)	89,773
Ending balance	100,000	553,163	1,083,089	(64,408)	1,671,844

	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	1,273,881	25,168	(135,992)	4,448	1,167,505	785	26,743	2,778,047
Cumulative effect of changing accounting policies					-			(942)
Beginning balance (adjusted)	1,273,881	25,168	(135,992)	4,448	1,167,505	785	26,743	2,777,104
Changes for the six months:								
Issuance of new shares								-
Dividends paid								(40,859)
Net income attributable to owners of the parent								163,559
Repurchase of treasury stock								(31,994)
Disposal of treasury stock								120
Other								(1,052)
Net changes of items other than shareholders' equity	87,079	5,542	(23,774)	(482)	68,363	421	12,227	81,013
Total changes for the six months	87,079	5,542	(23,774)	(482)	68,363	421	12,227	170,787
Ending balance	1,360,960	30,711	(159,767)	3,965	1,235,869	1,206	38,971	2,947,891

**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
Cumulative effect of changing accounting policies					-
Beginning balance (adjusted)	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
Other					-
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
Cumulative effect of changing accounting policies					-			-
Beginning balance (adjusted)	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
Other								-
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



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

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

Not applicable.