

SUMMARY OF FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022

November 18, 2022

Name of Listed Company: **MS&AD Insurance Group Holdings, Inc.**
 Stock Exchange Listing: Tokyo Stock Exchange and Nagoya Stock Exchange
 Securities Code Number: 8725
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 Representative: Noriyuki Hara, President & CEO
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Scheduled date to file the Quarterly Securities Report: November 18, 2022

Scheduled date to commence dividend payments: December 5, 2022

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, 2022 (April 1, 2022 to September 30, 2022)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit/(loss)		Net income/(loss) attributable to owners of the parent	
Six months ended September 30, 2022	2,823,615	10.7 %	(15,217)	- %	(33,577)	- %
Six months ended September 30, 2021	2,551,183	(6.7) %	182,187	57.7 %	124,824	29.2 %

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

(Note) Comprehensive income For the six months ended September 30, 2022: ¥ (312,591) million - %

For the six months ended September 30, 2021: ¥ 298,949 million (11.4) %

(Yen)

	Net income/(loss) attributable to owners of the parent per share - Basic	Net income/(loss) attributable to owners of the parent per share - Diluted
Six months ended September 30, 2022	(61.80)	-
Six months ended September 30, 2021	224.26	224.16

(Note) Net income/(loss) attributable to owners of the parent per share - Diluted for the six-month period ended September 30, 2022 is not shown in the above table because the result for this period was a net loss per share, although there are dilutive potential shares.

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets
September 30, 2022	25,426,168	2,877,683	11.1 %
March 31, 2022	25,033,846	3,302,749	13.0 %

(Reference) Net assets less non-controlling interests As of September 30, 2022: ¥ 2,831,470 million

As of March 31, 2022: ¥ 3,258,887 million

2. Dividends

(Yen)

	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total
Year ended March 31, 2022	-	82.50	-	97.50	180.00
Year ending March 31, 2023	-	100.00			
Year ending March 31, 2023 (Forecast)			-	100.00	200.00

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

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	220,000	(43.7) %	140,000	(46.7) %	259.84

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, 2022: 593,767,347 shares

As of March 31, 2022: 593,632,891 shares

2. Number of shares of treasury stock

As of September 30, 2022: 59,492,058 shares

As of March 31, 2022: 46,400,654 shares

3. Average number of shares of outstanding stock

For the six months ended September 30, 2022: 543,286,346 shares

For the six months ended September 30, 2021: 556,603,085 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 MS&AD Insurance Group Holdings, Inc. ("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 16 of "Explanatory Material for Business Results for the Six Months Ended September 30, 2022". 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.

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[Attachment]
Explanatory Material for Business Results for the Six Months Ended September 30, 2022

Consolidated Financial Statements and Main Notes

1. Consolidated Balance Sheets

(Yen in millions)

	March 31, 2022	September 30, 2022
Assets		
Cash, deposits and savings	2,357,036	2,676,412
Monetary claims bought	146,489	151,557
Money trusts	2,039,135	2,132,052
Investments in securities	16,959,321	16,316,424
Loans	985,242	991,487
Tangible fixed assets	487,691	485,505
Intangible fixed assets	443,159	454,952
Other assets	1,529,465	1,969,141
Assets for retirement benefits	30,265	31,121
Deferred tax assets	40,653	202,992
Customers' liabilities under acceptances and guarantees	23,000	23,000
Bad debt reserve	(7,614)	(8,479)
Total assets	25,033,846	25,426,168
Liabilities		
Policy liabilities:	18,608,139	19,254,072
Outstanding claims	2,467,600	2,787,967
Underwriting reserves	16,140,539	16,466,105
Bonds issued	782,902	760,902
Other liabilities	1,837,250	2,058,411
Liabilities for pension and retirement benefits	137,710	134,022
Reserve for retirement benefits for officers	176	158
Accrued bonuses for employees	30,006	24,170
Reserve for stock payments	-	505
Reserves under the special laws:	266,381	272,190
Reserve for price fluctuation	266,381	272,190
Deferred tax liabilities	45,528	21,051
Acceptances and guarantees	23,000	23,000
Total liabilities	21,731,096	22,548,485
Net assets		
Shareholders' equity:		
Common stock	100,534	100,808
Capital surplus	553,680	553,077
Retained earnings	1,251,280	1,164,347
Treasury stock	(159,850)	(214,556)
Total shareholders' equity	1,745,644	1,603,676
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,565,167	1,118,240
Net deferred gains/(losses) on hedges	(998)	(30,351)
Foreign currency translation adjustments	(52,492)	139,293
Accumulated actuarial gains/(losses) on retirement benefits	1,566	611
Total accumulated other comprehensive income	1,513,242	1,227,793
Stock acquisition rights	762	558
Non-controlling interests	43,099	45,653
Total net assets	3,302,749	2,877,683
Total liabilities and net assets	25,033,846	25,426,168

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

(Yen in millions)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Ordinary income:	2,551,183	2,823,615
Underwriting income:	2,244,643	2,135,990
Net premiums written	1,928,514	2,095,445
Deposit premiums from policyholders	27,995	22,632
Investment income on deposit premiums from policyholders	17,390	16,838
Life insurance premiums	265,079	(16,823)
Investment income:	288,673	672,290
Interest and dividends income	153,448	173,814
Investment gains on money trusts	27,423	289,145
Investment gains on trading securities	10,511	-
Gains on sales of securities	61,056	72,431
Gains on derivative transactions	-	52,811
Investment gains on separate accounts	48,550	-
Transfer of investment income on deposit premiums from policyholders	(17,390)	(16,838)
Other ordinary income	17,865	15,334
Ordinary expenses:	2,368,995	2,838,833
Underwriting expenses:	1,948,136	2,294,185
Net claims paid	941,688	1,042,120
Loss adjustment expenses	96,765	101,527
Commissions and collection expenses	372,817	393,551
Maturity refunds to policyholders	82,696	76,214
Life insurance claims	227,618	217,786
Provision for outstanding claims	53,097	211,425
Provision for underwriting reserves	171,634	249,802
Investment expenses:	71,192	181,854
Investment losses on money trusts	1,815	49,512
Investment losses on trading securities	-	24,178
Losses on sales of securities	3,185	23,851
Impairment losses on securities	23,824	13,348
Losses on derivative transactions	17,802	-
Investment losses on separate accounts	-	66,695
Operating expenses and general and administrative expenses	337,820	351,302
Other ordinary expenses:	11,846	11,490
Interest expense	7,838	5,422
Ordinary profit/(loss)	182,187	(15,217)
Extraordinary income:	990	305
Gains on sales of fixed assets	990	305
Extraordinary losses:	7,418	13,296
Losses on sales of fixed assets	2,404	6,155
Impairment losses on fixed assets	1,434	1,331
Provision for reserves under the special laws:	3,580	5,809
Provision for reserve for price fluctuation	3,580	5,809
Income/(loss) before income taxes	175,759	(28,209)
Income taxes - current	35,718	12,794
Income taxes - deferred	13,354	(9,362)
Total income taxes	49,073	3,432
Net income/(loss)	126,685	(31,641)
Net income attributable to non-controlling interests	1,861	1,936
Net income/(loss) attributable to owners of the parent	124,824	(33,577)

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net income/(loss)	126,685	(31,641)
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	94,403	(446,804)
Net deferred gains/(losses) on hedges	(4,270)	(29,515)
Foreign currency translation adjustments	75,763	170,023
Accumulated actuarial gains/(losses) on retirement benefits	(840)	(951)
Share of other comprehensive income of equity method investments	7,206	26,297
Total other comprehensive income	172,263	(280,950)
Total comprehensive income	298,949	(312,591)
Allocation:		
Comprehensive income attributable to owners of the parent	296,251	(319,026)
Comprehensive income attributable to non-controlling interests	2,697	6,434

3. Consolidated Statements of Changes in Net Assets

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
Changes in equity resulting from increase in capital of consolidated subsidiaries					-
Changes in equity resulting from transactions with non-controlling shareholders					-
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
Changes in equity resulting from increase in capital of consolidated subsidiaries								-
Changes in equity resulting from transactions with non-controlling shareholders								-
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

For the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,534	553,680	1,251,280	(159,850)	1,745,644
Changes for the six months:					
Issuance of new shares	274	274			548
Dividends paid			(53,355)		(53,355)
Net income/(loss) attributable to owners of the parent			(33,577)		(33,577)
Repurchase of treasury stock				(54,919)	(54,919)
Disposal of treasury stock		(8)		212	204
Changes in equity resulting from increase in capital of consolidated subsidiaries		(19)			(19)
Changes in equity resulting from transactions with non-controlling shareholders		(850)			(850)
Net changes of items other than shareholders' equity					
Total changes for the six months	274	(603)	(86,932)	(54,706)	(141,968)
Ending balance	100,808	553,077	1,164,347	(214,556)	1,603,676

	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	1,565,167	(998)	(52,492)	1,566	1,513,242	762	43,099	3,302,749
Changes for the six months:								
Issuance of new shares								548
Dividends paid								(53,355)
Net income/(loss) attributable to owners of the parent								(33,577)
Repurchase of treasury stock								(54,919)
Disposal of treasury stock								204
Changes in equity resulting from increase in capital of consolidated subsidiaries								(19)
Changes in equity resulting from transactions with non-controlling shareholders								(850)
Net changes of items other than shareholders' equity	(446,926)	(29,352)	191,785	(955)	(285,448)	(203)	2,554	(283,098)
Total changes for the six months	(446,926)	(29,352)	191,785	(955)	(285,448)	(203)	2,554	(425,066)
Ending balance	1,118,240	(30,351)	139,293	611	1,227,793	558	45,653	2,877,683

4. Notes to Consolidated Financial Statements

(Note on Going Concern)

Not applicable.