

SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

May 20, 2024

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
 Contact: Corporate Communications and Investor Relations Dept.
<https://www.ms-ad-hd.com/en/ir/contact.html>
 Scheduled date to hold the ordinary general meeting of shareholders: June 24, 2024
 Scheduled date to file the Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 25, 2024
 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 Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Consolidated business performance

(Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Year ended March 31, 2024	6,572,889	25.2 %	416,440	42.5 %	369,266	75.0 %
Year ended March 31, 2023	5,250,794	- %	292,262	- %	211,006	- %

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

(Note) Comprehensive income For the year ended March 31, 2024: ¥ 1,527,696 million - %
 For the year ended March 31, 2023: ¥ (25,734) million - %

(Yen)

	Net income attributable to owners of the parent per share - Basic	Net income attributable to owners of the parent per share - Diluted	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
Year ended March 31, 2024	231.83	231.77	9.8 %	1.6 %	6.3 %
Year ended March 31, 2023	130.54	130.50	6.6 %	1.2 %	5.6 %

(Reference) Gains/(losses) on equity method investments For the year ended March 31, 2024: ¥ 18,759 million
 For the year ended March 31, 2023: ¥ (2,898) million

- (Note) 1. Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. The figures for the year ended March 31, 2023 are presented on IFRS 17 basis retrospectively. Change ratios for the year ended March 31, 2023 are not available and not presented on this table.
2. The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. "Net income attributable to owners of the parent per share - Basic" and "Net income attributable to owners of the parent per share - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

(2) Consolidated financial conditions

(Yen in millions)

	Total assets	Net assets	Ratio of net assets less non-controlling interests to total assets	Net assets less non-controlling interests per share (Yen)
March 31, 2024	26,960,207	4,513,562	16.6 %	2,817.00
March 31, 2023	24,349,984	3,139,501	12.7 %	1,928.84

(Reference) Net assets less non-controlling interests As of March 31, 2024: ¥ 4,466,792 million
 As of March 31, 2023: ¥ 3,091,561 million

- (Note) 1. Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. The figures as of March 31, 2023 are presented on IFRS 17 basis retrospectively.
2. The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. "Net assets less non-controlling interests per share" is calculated based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

(3) Consolidated cash flows

(Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Ending balance of cash and cash equivalents
Year ended March 31, 2024	549,466	(276,825)	(231,549)	2,733,760
Year ended March 31, 2023	194,153	480,953	(314,502)	2,646,431

2. Dividends

	Dividends per share (Yen)					Total annual dividends (Yen in millions)	Dividend pay-out ratio (Consolidated)	Dividends on net assets (Consolidated)
	1st quarter	2nd quarter	3rd quarter	4th quarter	Annual total			
Year ended March 31, 2023	-	100.00	-	100.00	200.00	107,140	51.1 %	3.4 %
Year ended March 31, 2024	-	120.00	-	150.00	270.00	143,348	38.8 %	3.8 %
Year ending March 31, 2025 (Forecast)	-	72.50	-	72.50	145.00		37.7 %	

(Note) 1. The 2nd quarter dividend per share for the year ending March 31, 2025 (Forecast) consists of ¥50.00 ordinary dividend and ¥22.50 special dividend. The 4th quarter dividends per share for the year ending March 31, 2025 (Forecast) consist of ¥50.00 ordinary dividend and ¥22.50 special dividend.

- Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. The figures for the year ended March 31, 2023 are presented on IFRS 17 basis retrospectively.
- The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. For the year ended March 31, 2023 and the year ended March 31, 2024, the actual dividend amount before the stock split is stated. For the year ending March 31, 2025 (Forecast), the figure after the stock split is stated. The annual total dividends per share for the year ending March 31, 2025 (Forecast) is ¥435.00, assuming that the stock split was not implemented.

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	871,000	109.2 %	610,000	65.2 %	384.70

Percent figures represent changes from the preceding year.

(Note) The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. For the net income attributable to owners of the parent per share, the figure after the stock split is stated.

* 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

- Changes in accounting policies due to revisions of accounting standards: Yes
- Changes in accounting policies other than above: None
- Changes in accounting estimates: None
- Restatements: None

(Note) For details, please refer to "Changes in Accounting Policy" on page 15 of the Appendix.

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

- Number of shares of issued stock (including treasury stock)

As of March 31, 2024:	1,608,214,200 shares
As of March 31, 2023:	1,607,902,041 shares
- Number of shares of treasury stock

As of March 31, 2024:	22,563,162 shares
As of March 31, 2023:	5,095,239 shares
- Average number of shares of outstanding stock

For the year ended March 31, 2024:	1,592,825,197 shares
For the year ended March 31, 2023:	1,616,373,080 shares

(Note) The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. "Number of shares of issued stock", "Number of shares of treasury stock" and "Average number of shares of outstanding stock" are calculated based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.

*** This report is unaudited.**

* Notes to the earnings forecasts and others

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 "Consolidated Earnings Forecasts for the Year Ending March 31, 2025" on page 5 of the Appendix. The forecasts of consolidated ordinary income for the fiscal year and consolidated earnings for the second quarter (cumulative) are not disclosed due to difficulties in calculating reasonable forecast figures stemming from a high susceptibility to natural disasters and market conditions.

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[Attachment]

Explanatory Material for Business Results for the Year Ended March 31, 2024

1. Overview of Business Performance and Forecasts

(1) Overview of Business Performance and Financial Conditions in the Fiscal Year under Review (Overview of business performance in the fiscal year under review)

For the current fiscal year, looking at the global economy, the U.S. economy demonstrated steady movements, supported by job growth and increased personal consumption, while the European economy showed signs of weakness due in part to rising prices. The Japanese economy recovered moderately due to the resumption of economic activities and the recovery of domestic demand, notwithstanding the impact of soaring prices of raw materials and other factors.

The Group, pursuant to the Medium-Term Management Plan (2022-2025), aims to “Grow Together with Society As a Platform Provider of Risk Solutions” and has been working to become a “Corporate Group that Supports a Resilient and Sustainable Society” under the three basic strategies of the Plan, namely “Value (Value creation),” “Transformation (Business reforms),” and “Synergy (Demonstration of group synergy).” Also, with incidents of price fixing in the corporate insurance field recognized at Mitsui Sumitomo Insurance Co., Ltd. (“MSI”) and Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”; and referred jointly with MSI “Both Companies”), the Group has positioned reassuring compliance including compliance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the “Antimonopoly Law”), and strengthening of governance as priority issues to be addressed, and has since promoted initiatives with all officers and employees actively involved.

In response to the 2024 Noto Peninsula Earthquake, which occurred in January 2024, the Group established headquarters and on-site observation bases, mobilized a large number of employees and adjusters, and conducted intensive investigations, in an effort to make payments of insurance claims and provide relief to customers affected by the disaster promptly.

Reassuring Compliance and Strengthening Governance

In December 2023, MSI and ADI received a business improvement order from the Financial Services Agency under the Insurance Business Act in relation to incidents of price fixing in the corporate insurance field, upon which Both Companies each formulated and submitted to the Financial Services Agency business improvement plans, which included reduction of officer remuneration as clarification of responsibility of the management. In December 2023, Both Companies were subjected to an on-site inspection by the Japan Fair Trade Commission on suspected violation of the Antimonopoly Law.

The Company takes the situation very seriously, and will take steps to restore the trust of society and its customers by returning to the Group’s five Values: “Customer Focus,” “Integrity,” “Teamwork,” “Innovation” and “Professionalism,” and, together with Both Companies, promoting further efforts to reassure compliance and strengthen governance, all toward preventing recurrence and improving management and operations.

<Key measures>

- Instill the Group’s Mission, Vision, Values, and consciousness of “Customer-Focused” business operations through tone at the top
- Establish a system to promptly convey material information and questions identified within the company to management and headquarters departments
- Raise awareness within the sales department, i.e., the first line in the three-line management system*¹, such as by monitoring outgoing e-mails addressed to a competing insurer(s)
- Enhance second-line defense functions, such as by detecting signs of risk and assessing the state of compliance at the first line
- Strengthen internal audit functions by establishing capabilities for making recommendations to management
- Clarify employee conduct rules and maintain manuals in light of the Antimonopoly Law
- Reestablish criteria for evaluating performance of sales departments in line with the Group’s approach of ensuring profitability through customer-focused business operations
- Provide appropriate supervision and guidance for steady implementation of each measure by Both Companies

*1 Three-line management system

Also referred to as the three lines of defense, where a first line (e.g., sales department), second line (administrative departments), and third line (internal audit department) bear risk management responsibilities according to their respective roles, and the three lines work together to operate as a single line in executing internal control.

Medium-Term Management Plan (2022-2025): Three Basic Strategic Initiatives

Value (Value creation)	<p>The Group undertook initiatives including the following, aiming to practice “CSV × DX (creating shared value (CSV) with society and digital transformation)*²” globally, providing value to all stakeholders and thus enhancing corporate value, as well as increase the profitability of our business, products, and services and strengthening our earnings base.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Develop products and services for “before” coverage and/or protection and “after,” and develop and begin utilizing the Group data integration platform to support these products and services • Implement measures to improve profitability of domestic non-life insurance business, such as product revisions (including optimization of premium rates) and strengthening of underwriting*³, in response to the increased severity and frequency of natural disasters, continued inflation, and an increase in large insurance claims
Transformation (Business reforms)	<p>The Group undertook initiatives including the following, with the aim of transforming the business structure and adapting to changes in the business environment through the creation of new businesses and other measures, as well as building a stable earnings base by transforming the business, products, and risk portfolio.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Capture U.S. MGA*⁴ market through MS Transverse Insurance Group, LLC, regain and increase MS Amlin’s profitability, and improve profitability of the Toyota Retail business • Transform from a portfolio centered on automobile insurance to a portfolio with diversified sources of profit by improving profitability of fire insurance (returning to profitability) and increasing profits from casualty insurance (expanding sales of products for new risks)
Synergy (Demonstration of group synergy)	<p>The Group undertook initiatives including the following, with the aim of improving the quality of operations and productivity through the One Platform Strategy*⁵, pursuing further growth by strengthening cooperation by leveraging the diversity within the Group, and realizing synergies on a global basis.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Integrate head office functions between Group companies, expand streamlined business process outsourcing for common operations, and integrate locations such as branch offices, etc. • Promote life insurance sales through non-life sales channels, and promote cross-sales of Mitsui Sumitomo Primary Life products at Mitsui Sumitomo Aioi Life • Promote bilateral sharing and utilization of products, services and various knowledge with overseas bases under “TENKAI Project”

***2 CSV × DX**

An initiative to achieve sustainable growth and increase corporate value by combining “creating shared value” with society and “digital transformation” with the aim of improving productivity and competitiveness.

***3 Underwriting**

The process of deciding whether to accept an insurance policy and determining the terms and conditions thereof.

***4 Managing General Agent**

An agent authorized to perform a wide range of tasks such as underwriting, loss amount certification and assessment, in addition to insurance solicitation on behalf of an insurer.

***5 One Platform Strategy**

The Group’s initiative to further promote standardization, collaboration, and integration of the middle-and back-division operations between MSI and ADI, with strategic exceptions where difference is to be left untouched.

As a result of these efforts, the consolidated results for the current fiscal year are as follows.

Since the beginning of this fiscal year, overseas consolidated subsidiaries and overseas equity method associates which already adopted International Financial Reporting Standards (IFRS) have started to introduce IFRS17 “Insurance Contracts”, the figures such as earnings and total assets, etc. for last fiscal year are presented on IFRS 17 basis retrospectively.

Ordinary income was ¥6,572.8 billion, including underwriting income of ¥5,107.0 billion, investment income of ¥1,417.7 billion and other ordinary income of ¥48.1 billion. The ordinary expenses amounted to ¥6,156.4 billion, including ¥5,107.3 billion in underwriting expenses, ¥215.5 billion in investment expenses, ¥797.9 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥35.5 billion. As a result, ordinary profit for the current fiscal year was ¥416.4 billion, reflecting year-on-year increase of ¥124.1 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and income taxes, net income attributable to parent company shareholders for the current fiscal year was ¥369.2 billion, reflecting year-on-year increase of ¥158.2 billion.

The results by segment were as follows:

1) Domestic Non-life Insurance Business (Mitsui Sumitomo Insurance Company, Limited)

Ordinary income for the current fiscal year totaled ¥2,058.0 billion, including underwriting income of ¥1,799.1 billion, investment income of ¥252.4 billion, and other ordinary income of ¥6.4 billion. Ordinary expenses amounted to ¥1,843.7 billion, including ¥1,550.2 billion in underwriting expenses, ¥38.7 billion in investment expenses, ¥248.8 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥5.8 billion.

As a result, ordinary profit for the current fiscal year was ¥214.3 billion, reflecting year-on-year increase of ¥73.0 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and income taxes, net income for the current fiscal year was ¥167.7 billion, reflecting year-on-year increase of ¥59.8 billion.

2) Domestic Non-life Insurance Business (Aioi Nissay Dowa Insurance Company, Limited)

Ordinary income for the current fiscal year totaled ¥1,660.2 billion yen, including underwriting income of ¥1,476.6 billion, investment income of ¥175.8 billion, and other ordinary income of ¥7.7 billion. Ordinary expenses amounted to ¥1,581.1 billion, including ¥1,332.1 billion in underwriting expenses, ¥55.2 billion in investment expenses, ¥191.5 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥2.2 billion.

As a result, ordinary profit for the current fiscal year was ¥79.0 billion, reflecting year-on-year increase of ¥12.3 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and income taxes, net income for the current fiscal year was ¥56.0 billion, reflecting year-on-year increase of ¥12.8 billion.

3) Domestic Non-life Insurance Business (Mitsui Direct General Insurance Co., Ltd.)

Ordinary income was ¥35.8 billion after recording underwriting income of ¥35.6 billion. Meanwhile, ordinary expenses came to ¥37.8 billion resulting from underwriting expenses of ¥25.2 billion and operating expenses and general and administrative expenses of ¥12.6 billion.

As a result, ordinary loss for the current fiscal year was ¥2.0 billion, reflecting a year-on-year decrease of ¥1.4 billion. After adjustments to ordinary loss mainly for extraordinary income and losses and income taxes, net loss for the current fiscal year was ¥1.5 billion, reflecting a year-on-year decrease of ¥2.4 billion.

4) Domestic Life Insurance Business (Mitsui Sumitomo Aioi Life Insurance Company, Limited)

Ordinary income for the current fiscal year totaled ¥546.4 billion, including income from insurance premiums and others of ¥475.1 billion, investment income of ¥67.5 billion, and other ordinary income of ¥3.8 billion. Ordinary expenses amounted to ¥497.3 billion, including ¥275.6 billion in insurance claims and others, ¥117.7 billion in provision for underwriting reserves and others, ¥6.9 billion in investment expenses, ¥76.5 billion in operating expenses, and other ordinary expenses amounting to ¥20.5 billion.

As a result, ordinary profit for the current fiscal year was ¥49.1 billion, reflecting year-on-year increase of ¥21.2 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and income taxes, net income for the current fiscal year was ¥28.1 billion, reflecting year-on-year increase of ¥15.4 billion.

5) Domestic Life Insurance Business (Mitsui Sumitomo Primary Life Insurance Company, Limited)

Ordinary income for the current fiscal year totaled ¥2,334.8 billion, including income from insurance premiums and others of ¥1,566.8 billion, investment income of ¥763.3 billion, and other ordinary income of ¥4.6 billion. Ordinary expenses amounted to ¥2,361.7 billion, including ¥1,525.5 billion in insurance claims and others, ¥718.4 billion in provision for underwriting reserves and others, ¥32.4 billion in investment expenses, ¥70.1 billion in operating expenses, and other ordinary expenses amounting to ¥15.1 billion.

As a result, ordinary loss for the current fiscal year was ¥26.9 billion, reflecting year-on-year decrease of ¥57.9 billion. After adjustments to ordinary loss mainly for extraordinary income and losses and income taxes, net income for the current fiscal year was ¥19.6 billion, reflecting year-on-year decrease of ¥56.0 million.

6) International Business (Overseas insurance subsidiaries)

In the overseas insurance subsidiaries segment, net premiums written reached ¥1,233.6 billion, reflecting year-on-year increase of ¥300.7 billion. Ordinary profit was ¥157.0 billion, reflecting year-on-year increase of ¥86.0 billion. Net income after taking ownership interests into account was ¥153.8 billion, an increase of ¥87.2 billion from the previous fiscal year.

(Overview of Financial Conditions in the Fiscal Year under Review)

Total assets as of the end of the fiscal year totaled ¥26,960.2 billion, a year-on-year increase of ¥2,610.2 billion. Net assets increased by ¥1,374.0 billion year-on-year to ¥4,513.5 billion.

(Overview of Cash Flow in the Fiscal Year under Review)

With regard to cash flows in the fiscal year under review, the cash flows from operating activities was ¥549.4 billion, increased by ¥355.3 billion year-on-year mainly due to an increase in premium income. The cash flows from investing activities was ¥(276.8) billion, decreased by ¥757.7 billion year-on-year due in part to an increase of outflow for the purchase of securities and a decrease of inflow from redemption / sale of securities. Lastly, the cash flows from financial activities was ¥(231.5) billion, increased by ¥82.9 billion year-on-year mainly due to an absence of outflow for redemption of bonds in previous fiscal year. As a result, cash and cash equivalents at the end of the fiscal year under review amounted to ¥2,733.7 billion, increased by ¥87.3 billion from the end of the previous fiscal year.

For long-term investment funds, the Group utilizes its own funds and raises funds from outside sources through issuing corporate bonds and long-term borrowing from financial institutions. With regard to the liquidity, in preparation for the possibility that cash flow may worsen due to the large catastrophe claims, or due to the financial market turmoil etc., the Group exercises the appropriate cash flow management by maintaining sufficient liquidity and evaluating it from both asset and liability perspectives, taking into account the trends of inflows and outflows.

(2) Consolidated Earnings Forecast for the Year Ending March 31, 2025

For consolidated earnings for the next fiscal year, the Group forecasts ordinary profit of ¥871.0 billion and net income of ¥610.0 billion attributable to parent company shareholders on the basis of the assumptions set forth below.

- Net premiums written are based on the Company's own forecasts in view of past trends in results.
- Incurred loss due to new natural disasters (domestic) is expected to be ¥87.5 billion for Mitsui Sumitomo Insurance Co., Ltd. and ¥71.0 billion for Aioi Nissay Dowa Insurance Co., Ltd. (total of net claims paid and provision of outstanding claims).
- We are assuming that no significant fluctuations in market interest rates, exchange rates, or stock market prices will take place from the end of March 2024. The sale of strategic equity holdings is based on the stock market price as of the end of April 2024.

The Company's consolidated earnings forecast is based on currently available information including the above and contains the other elements of uncertainty. Actual results may differ significantly due to various factors in the business environment.

2. Basic Stance for Adopting Accounting Standards

In order to improve comparability between the Company and global peers, the Company is currently preparing for the voluntary adoption of International Reporting Standards (IFRS) for its consolidated financial statements from the year end reporting of the fiscal 2025.

Although preparations for the transition to IFRS have been progressed well, the Company had revised the schedule for the adoption, previously aimed for a start from the first quarter reporting of the fiscal 2025, for the purpose of selecting an appropriate timing for the adoption with the view to a suitable financial reporting.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2023	March 31, 2024
Assets		
Cash, deposits and savings	2,771,981	2,911,347
Monetary claims bought	142,976	184,200
Money trusts	2,082,012	2,420,170
Investments in securities	16,144,021	18,166,668
Loans	959,478	970,148
Tangible fixed assets:	476,711	465,661
Land	220,903	216,914
Buildings	192,968	186,265
Lease assets	28,961	29,453
Construction in progress	1,707	2,556
Other tangible fixed assets	32,169	30,472
Intangible fixed assets:	496,124	490,510
Software	134,958	165,010
Goodwill	143,247	141,446
Lease assets	213	188
Other intangible fixed assets	217,704	183,863
Other assets	1,116,656	1,178,311
Assets for retirement benefits	36,372	100,653
Deferred tax assets	102,114	59,388
Customers' liabilities under acceptances and guarantees	27,524	22,848
Bad debt reserve	(5,990)	(9,701)
Total assets	24,349,984	26,960,207
Liabilities		
Policy liabilities:	18,357,164	19,198,037
Outstanding claims	2,590,000	2,884,811
Underwriting reserves	15,767,164	16,313,226
Bonds issued	714,743	715,045
Other liabilities	1,628,137	1,733,681
Liabilities for pension and retirement benefits	141,137	138,027
Reserve for retirement benefits for officers	133	88
Accrued bonuses for employees	28,444	34,189
Reserve for stock payments	1,009	2,018
Reserves under the special laws:	277,998	231,871
Reserve for price fluctuation	277,998	231,871
Deferred tax liabilities	34,190	370,837
Acceptances and guarantees	27,524	22,848
Total liabilities	21,210,482	22,446,645

(Yen in millions)

	March 31, 2023	March 31, 2024
Net assets		
Shareholders' equity:		
Common stock	100,808	101,076
Capital surplus	345,144	344,785
Retained earnings	1,383,907	1,634,444
Treasury stock	(6,662)	(36,841)
Total shareholders' equity	1,823,199	2,043,464
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	1,216,563	2,237,147
Net deferred gains/(losses) on hedges	(21,996)	(48,402)
Foreign currency translation adjustments	80,611	222,849
Accumulated actuarial gains/(losses) on retirement benefits	(9,448)	32,551
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	2,632	(20,818)
Total accumulated other comprehensive income	1,268,362	2,423,327
Stock acquisition rights	558	391
Non-controlling interests	47,381	46,378
Total net assets	3,139,501	4,513,562
Total liabilities and net assets	24,349,984	26,960,207

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

	(Yen in millions)	
	Year ended March 31, 2023	Year ended March 31, 2024
Ordinary income:	5,250,794	6,572,889
Underwriting income:	4,486,045	5,107,033
Net premiums written	3,933,235	4,261,736
Deposit premiums from policyholders	41,359	31,658
Investment income on deposit premiums from policyholders	35,591	36,836
Life insurance premiums	458,430	735,249
Other underwriting income	17,428	41,551
Investment income:	743,994	1,417,724
Interest and dividends income	345,468	427,085
Investment gains on money trusts	191,350	314,111
Investment gains on trading securities	-	59,170
Gains on sales of securities	194,230	228,739
Gains on redemption of securities	2,355	4,875
Gains on derivative transactions	44,502	-
Investment gains on separate accounts	-	218,611
Other investment income	1,678	201,968
Transfer of investment income on deposit premiums from policyholders	(35,591)	(36,836)
Other ordinary income:	20,754	48,130
Gains on equity method investments	-	18,759
Other ordinary income	20,754	29,371
Ordinary expenses:	4,958,531	6,156,448
Underwriting expenses:	4,007,836	5,107,358
Net claims paid	2,242,501	2,291,182
Loss adjustment expenses	208,855	226,831
Commissions and collection expenses	773,675	848,875
Maturity refunds to policyholders	165,278	151,929
Dividends to policyholders	51	51
Life insurance claims	530,822	483,054
Provision for outstanding claims	63,273	365,586
Provision for underwriting reserves	12,466	734,752
Other underwriting expenses	10,911	5,093
Investment expenses:	195,669	215,527
Investment losses on money trusts	28,438	64,443
Investment losses on trading securities	19,631	-
Losses on sales of securities	65,613	75,703
Impairment losses on securities	23,208	3,217
Losses on redemption of securities	360	40
Losses on derivative transactions	-	58,450
Investment losses on separate accounts	32,700	-
Other investment expenses	25,716	13,671
Operating expenses and general and administrative expenses	728,890	797,988
Other ordinary expenses:	26,134	35,574
Interest expense	10,383	10,453
Provision for bad debts	1,340	946
Losses on bad debts	408	606
Losses on equity method investments	2,898	-
Other ordinary expenses	11,103	23,567
Ordinary profit	292,262	416,440

(Yen in millions)

	Year ended March 31, 2023	Year ended March 31, 2024
Extraordinary income:	34,615	63,598
Gains on sales of fixed assets	34,615	17,472
Reversal of reserves under the special laws:	-	46,126
Reversal of reserve for price fluctuation	-	46,126
Extraordinary losses:	30,271	17,775
Losses on sales of fixed assets	10,216	5,935
Impairment losses on fixed assets	1,801	11,839
Provision for reserves under the special laws:	11,616	-
Provision for reserve for price fluctuation	11,616	-
Other extraordinary losses	6,637	-
Income before income taxes	296,605	462,263
Income taxes - current	35,733	97,374
Income taxes - deferred	46,281	(7,930)
Total income taxes	82,014	89,443
Net income	214,591	372,820
Net income attributable to non-controlling interests	3,585	3,553
Net income attributable to owners of the parent	211,006	369,266

(Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	214,591	372,820
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	(347,106)	992,341
Net deferred gains/(losses) on hedges	(21,362)	(28,172)
Foreign currency translation adjustments	130,569	127,688
Accumulated actuarial gains/(losses) on retirement benefits	(11,042)	41,988
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	9,612	(3,176)
Share of other comprehensive income of equity method investments	(995)	24,207
Total other comprehensive income	(240,325)	1,154,876
Total comprehensive income	(25,734)	1,527,696
Allocation:		
Comprehensive income attributable to owners of the parent	(31,949)	1,521,241
Comprehensive income attributable to non-controlling interests	6,214	6,455

(3) Consolidated Statements of Changes in Net Assets
For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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
Cumulative effect of changing accounting policies			28,503		28,503
Beginning balance (adjusted)	100,534	553,680	1,279,783	(159,850)	1,774,148
Changes for the year:					
Issuance of new shares	274	274			548
Dividends paid			(106,881)		(106,881)
Net income attributable to owners of the parent			211,006		211,006
Repurchase of treasury stock				(54,946)	(54,946)
Disposal of treasury stock		(7)		213	205
Cancellation of treasury stock		(207,920)		207,920	-
Changes in equity resulting from increase in capital of consolidated subsidiaries		(30)			(30)
Changes in equity resulting from transactions with non-controlling shareholders		(850)			(850)
Net changes of items other than shareholders' equity					
Total changes for the year	274	(208,535)	104,124	153,187	49,051
Ending balance	100,808	345,144	1,383,907	(6,662)	1,823,199

	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	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehensive income			
Beginning balance	1,565,167	(998)	(52,492)	1,566	-	1,513,242	762	43,099	3,302,749
Cumulative effect of changing accounting policies					(1,924)	(1,924)		1,460	28,039
Beginning balance (adjusted)	1,565,167	(998)	(52,492)	1,566	(1,924)	1,511,318	762	44,559	3,330,789
Changes for the year:									
Issuance of new shares									548
Dividends paid									(106,881)
Net income attributable to owners of the parent									211,006
Repurchase of treasury stock									(54,946)
Disposal of treasury stock									205
Cancellation of treasury stock									-
Changes in equity resulting from increase in capital of consolidated subsidiaries									(30)
Changes in equity resulting from transactions with non-controlling shareholders									(850)
Net changes of items other than shareholders' equity	(348,603)	(20,997)	133,103	(11,015)	4,557	(242,955)	(203)	2,821	(240,338)
Total changes for the year	(348,603)	(20,997)	133,103	(11,015)	4,557	(242,955)	(203)	2,821	(191,287)
Ending balance	1,216,563	(21,996)	80,611	(9,448)	2,632	1,268,362	558	47,381	3,139,501

For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,808	345,144	1,383,907	(6,662)	1,823,199
Cumulative effect of changing accounting policies			(1,448)		(1,448)
Beginning balance (adjusted)	100,808	345,144	1,382,459	(6,662)	1,821,750
Changes for the year:					
Issuance of new shares	267	267			534
Dividends paid			(117,280)		(117,280)
Net income attributable to owners of the parent			369,266		369,266
Repurchase of treasury stock				(30,375)	(30,375)
Disposal of treasury stock		(26)		196	169
Cancellation of treasury stock					-
Changes in equity resulting from increase in capital of consolidated subsidiaries		(17)			(17)
Changes in equity resulting from transactions with non-controlling shareholders		(582)			(582)
Net changes of items other than shareholders' equity					
Total changes for the year	267	(359)	251,985	(30,179)	221,713
Ending balance	101,076	344,785	1,634,444	(36,841)	2,043,464

	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	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehensive income			
Beginning balance	1,216,563	(21,996)	80,611	(9,448)	2,632	1,268,362	558	47,381	3,139,501
Cumulative effect of changing accounting policies	2,961					2,961			1,513
Beginning balance (adjusted)	1,219,525	(21,996)	80,611	(9,448)	2,632	1,271,324	558	47,381	3,141,015
Changes for the year:									
Issuance of new shares									534
Dividends paid									(117,280)
Net income attributable to owners of the parent									369,266
Repurchase of treasury stock									(30,375)
Disposal of treasury stock									169
Cancellation of treasury stock									-
Changes in equity resulting from increase in capital of consolidated subsidiaries									(17)
Changes in equity resulting from transactions with non-controlling shareholders									(582)
Net changes of items other than shareholders' equity	1,017,621	(26,405)	142,238	41,999	(23,451)	1,152,003	(167)	(1,002)	1,150,833
Total changes for the year	1,017,621	(26,405)	142,238	41,999	(23,451)	1,152,003	(167)	(1,002)	1,372,547
Ending balance	2,237,147	(48,402)	222,849	32,551	(20,818)	2,423,327	391	46,378	4,513,562

(4) Consolidated Statements of Cash Flows

	(Yen in millions)	
	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities:		
Income before income taxes	296,605	462,263
Depreciation	93,105	103,192
Impairment losses on fixed assets	1,801	11,839
Amortization of goodwill	13,888	17,827
Increase/(decrease) in outstanding claims	86,373	187,909
Increase/(decrease) in underwriting reserves	(105,799)	524,218
Increase/(decrease) in bad debt reserve	(1,007)	3,368
Increase/(decrease) in reserve for retirement benefits for officers	(42)	(45)
Increase/(decrease) in accrued bonuses for employees	(2,818)	4,687
Increase/(decrease) in reserve for stock payments	1,009	1,009
Decrease/(increase) in assets for pension and retirement benefits	(19,911)	(7,455)
Increase/(decrease) in liabilities for pension and retirement benefits	3,232	795
Increase/(decrease) in reserve for price fluctuation	11,616	(46,126)
Interest and dividends income	(345,468)	(427,085)
Losses/(gains) on money trusts	(162,912)	(249,668)
Losses/(gains) on investments in securities	(87,771)	(213,823)
Losses/(gains) on derivative transactions	(44,502)	58,450
Investment losses/(gains) on separate accounts	32,700	(218,611)
Interest expense	10,383	10,453
Foreign exchange losses/(gains)	(28,571)	(200,412)
Losses/(gains) on disposal of tangible fixed assets	(30,006)	(13,461)
Losses/(gains) on equity method investments	2,898	(18,759)
Decrease/(increase) in other assets	(10,993)	(33,533)
Increase/(decrease) in other liabilities	62,085	48,001
Others, net	54,428	46,209
Subtotal	(169,676)	51,246
Interest and dividends received	447,284	517,116
Interest paid	(10,449)	(10,449)
Income taxes refunded/(paid)	(73,004)	(8,446)
Net cash provided by/(used in) operating activities (a)	194,153	549,466

	(Yen in millions)	
	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from investing activities:		
Net decrease/(increase) in deposits and savings	(37,643)	(97,929)
Purchase of monetary claims bought	(4,812)	(13,670)
Proceeds from sales and redemption of monetary claims bought	12,135	6,208
Purchase of money trusts	(487,409)	(581,487)
Proceeds from sales of money trusts	512,110	478,643
Purchase of securities	(3,523,042)	(3,916,860)
Proceeds from sales and redemption of securities	4,184,931	4,005,148
Investments in loans	(211,739)	(219,790)
Collection of loans	234,847	235,058
Net increase/(decrease) in cash collateral under securities lending transactions	10,125	(1,655)
Others, net	(128,777)	(107,403)
Subtotal (b)	560,726	(213,736)
(a + b)	754,879	335,730
Acquisition of tangible fixed assets	(24,625)	(22,877)
Proceeds from sales of tangible fixed assets	48,588	23,286
Acquisition of intangible fixed assets	(57,007)	(62,063)
Acquisition of subsidiaries resulting in changes in scope of consolidation	(45,002)	-
Others, net	(1,725)	(1,433)
Net cash provided by/(used in) investing activities	480,953	(276,825)
Cash flows from financing activities:		
Repayments of borrowings	(98,381)	(100,000)
Redemption of bonds	(72,000)	-
Net increase/(decrease) in payables under repurchase agreements	(22,519)	30,657
Net increase/(decrease) in cash collateral under securities lending transactions	53,229	2,279
Repurchase of treasury stock	(55,745)	(30,375)
Dividends paid to shareholders	(106,753)	(117,133)
Dividends paid to non-controlling interests	(2,284)	(3,535)
Purchase of shares of subsidiaries not resulting in changes in scope of consolidation	(2,471)	(4,385)
Others, net	(7,575)	(9,057)
Net cash provided by/(used in) financing activities	(314,502)	(231,549)
Effect of exchange rate changes on cash and cash equivalents	29,610	46,236
Net increase/(decrease) in cash and cash equivalents	390,215	87,328
Beginning balance of cash and cash equivalents	2,256,216	2,646,431
Ending balance of cash and cash equivalents	2,646,431	2,733,760

(5) Notes to Consolidated Financial Statements

(Note on Going Concern)

Not applicable.

(Changes in Accounting Policies)

(Application of IFRS 9 Financial Instruments)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 9 "Financial Instruments" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. Therefore, the principles for classification and measurement of financial instruments have been changed. According to the transitional arrangements of IFRS 9, accumulated transitional impacts were adjusted on Retained earnings and Accumulated other comprehensive income at the beginning of the year ended March 31, 2024. As a result, a decrease of ¥1,448 million on Retained earnings and an increase of ¥2,961 million of Net unrealized gains on investments in securities were recorded at the beginning of the year ended March 31, 2024. In addition, an increase of ¥7,369 million was recorded respectively on Ordinary profit and Income before income taxes for the year ended March 31, 2024.

(Application of IFRS 17 Insurance Contracts)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contract" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. Therefore, policy liabilities are measured by reflecting time value of money, financial risks and non-financial risks related to future cash flows of insurance contracts.

In terms of transition from IFRS 4* to IFRS 17, consolidated financial statements for the year ended March 31, 2023 were retrospectively restated. Compared to the results of the year ended March 31, 2023 under IFRS 4, Ordinary profit and Income before income taxes were increased by ¥61,149 million for the year ended March 31, 2023, mainly due to a decrease of ¥62,212 million in Provision for outstanding claims. In addition, ¥5,316 million of investment in associates, ¥627,121 million of Other assets and ¥20,707 million of Deferred tax assets decreased respectively on the total assets for the year ended March 31, 2023. As for the total liabilities for the year ended March 31, 2023, decreases of ¥512,434 million of Policy liabilities and ¥224,255 million of Other liabilities, an increase of ¥3,012 million of Deferred tax liabilities were recorded respectively. According to the reflection of retrospective impacts to net assets for the year ended March 31, 2023, increases of ¥28,503 million of Retained earnings and ¥1,460 million of non-controlling interests, a decrease of ¥1,924 million of Accumulated other comprehensive income arising from Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc. were recorded respectively.

The impacts on per share information are described in the relevant section.

* IFRS 4 was the standard for Insurance contracts replaced by IFRS 17 on 1 January, 2023.

(Notes on Segment Information)

1 Overview of reportable segments

The reportable segments are the units of MS&AD group (“the Group”) for which separate financial information is available and that are evaluated regularly by the board of directors in deciding allocation of resources and assessing their performance.

The Group's business domains comprise domestic non-life insurance business, domestic life insurance business, international business, financial services business and digital/risk-related services business. Mitsui Sumitomo Insurance Co., Ltd. (“MSI”), Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”) and Mitsui Direct General Insurance Co., Ltd. (“Mitsui Direct General”) primarily operate domestic non-life insurance business, and Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (“MSI Aioi Life”) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (“MSI Primary Life”) primarily operate domestic life insurance business. The Company and domestic non-life insurance subsidiaries engage in international business, and overseas affiliated companies also develop insurance business in various foreign countries.

Segment information is presented based on the Group's business domains where the domestic life and non-life insurance businesses are further identified by each insurance company, resulting in six reportable segments that comprise the five domestic insurance companies and the international business (overseas insurance subsidiaries).

Each non-life insurance company underwrites fire and allied insurance, marine insurance, personal accident insurance, voluntary automobile insurance, compulsory automobile liability insurance and other non-life insurance products. Each life insurance company underwrites individual insurance, individual annuity insurance, group insurance and other life insurance products.

2 Methods of calculating revenues, net income or loss, assets, liabilities and other items by reportable segment

The accounting methods for reportable segments are substantially the same as those mentioned in “Significant Accounting Policies” of the Securities Report filed on June 26, 2023. Net income by segment is the amount based on net income of each company (after taking ownership interests into consideration).

Intersegment revenues and transfers are calculated based on prices used in transactions between the Company and independent third parties.

(Application of IFRS 17 “Insurance Contracts”)

As described in “Changes in Accounting Policy”, Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 “Insurance Contracts”, since these entities have already adopted IFRS. The figures for the year ended March 31, 2023 are presented on IFRS 17 basis retrospectively. Compared to the results under IFRS 4, Revenues from transactions with external customers were decreased by ¥17,631 million, Net income/(loss) by segment were increased by ¥50,860 million, Assets by segment were decreased by ¥864,666 million, Gain/(losses) on equity method investments were decreased by ¥5,271 million, Income taxes were increased by ¥10,977 million and Equity method investments were decreased by ¥19,212 million in the international business for the year ended March 31, 2023.

3 Information on revenues, net income or loss, assets, liabilities and other items by reportable segment

For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,566,066	1,285,513	34,616	487,124	1,229,193
Intersegment revenues or transfers	63,765	50,044	(86)	-	(8,772)
Total	1,629,832	1,335,557	34,530	487,124	1,220,420
Net income/(loss) by segment	107,899	43,195	894	12,725	19,749
Assets by segment	7,000,023	3,733,689	62,674	5,009,178	6,823,733
Other items:					
Depreciation	37,597	21,684	1,883	10,166	4,850
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	134,995	63,636	49	54,347	77,123
Interest expense	4,881	595	-	-	11
Impairment losses on securities	26,137	2,271	-	205	-
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	13,745	379	-	1	-
Gains on sales of fixed assets	13,745	379	-	1	-
Extraordinary losses:	13,548	11,299	7	1,330	4,153
Losses on sales of fixed assets	2,186	7,432	1	43	-
Impairment losses on fixed assets	466	1,955	-	-	-
Other extraordinary losses	6,637	-	-	-	-
Income taxes	33,522	12,641	(1,463)	5,273	7,117
Equity method investments	109,203	1,532	-	-	-
Increase in tangible fixed assets and intangible fixed assets	33,284	27,506	2,880	5,103	3,658

(Yen in millions)					
	International business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	1,057,552	6,125	5,666,192	(1,274,526)	4,391,666
Intersegment revenues or transfers	(113,606)	8,772	116	(116)	-
Total	943,945	14,898	5,666,309	(1,274,642)	4,391,666
Net income/(loss) by segment	66,578	9,738	260,781	(49,775)	211,006
Assets by segment	3,777,474	209,255	26,616,029	(2,266,044)	24,349,984
Other items:					
Depreciation	13,088	116	89,389	3,715	93,105
Amortization of goodwill	-	-	-	13,888	13,888
Interest and dividends income	32,497	11,770	374,420	(28,952)	345,468
Interest expense	3,869	-	9,357	1,026	10,383
Impairment losses on securities	7,858	-	36,473	(13,264)	23,208
Gains/(losses) on equity method investments	2,026	838	2,865	(5,763)	(2,898)
Extraordinary income:	20,285	-	34,410	204	34,615
Gains on sales of fixed assets	20,285	-	34,410	204	34,615
Extraordinary losses:	445	-	30,784	(512)	30,271
Losses on sales of fixed assets	445	-	10,108	107	10,216
Impairment losses on fixed assets	-	-	2,422	(620)	1,801
Other extraordinary losses	-	-	6,637	-	6,637
Income taxes	20,260	3,746	81,099	915	82,014
Equity method investments	115,005	-	225,741	28,895	254,637
Increase in tangible fixed assets and intangible fixed assets	11,167	73	83,675	315	83,991

(Notes)

- 1 “Revenues” represents net premiums written for non-life insurance business, premium income for life insurance business, ordinary income for other business, and the sum total of net premiums written and life insurance premiums for “Amount on the consolidated financial statements”.
- 2 “Others”, which is business segments not included in reportable segments and other revenue generating business activities, represents domestic non-life insurance business operated by domestic insurance companies other than reportable segment, financial services business and risk-related services business operated by group companies other than domestic insurance companies and business investments by the Company into companies other than group companies.
- 3 “Adjustments” in “Revenues from transactions with external customers” represent the difference between “Life insurance premiums” in the Consolidated Statement of Income and premium income for life insurance business, ¥(1,268,883) million and the adjustments for ordinary income for other business, ¥(5,642) million.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(26,480) million, companywide expenses not allocated to respective reportable segments of ¥(12,475) million, adjustments to impairment losses on equities of insurance subsidiaries recognized by MSI of ¥13,665 million, and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(24,485) million. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(1,712,551) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(720,780) million, companywide assets not allocated to respective reportable segments of ¥89,835 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥77,452 million. The companywide assets are the Company's assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income attributable to owners of the parent on the consolidated financial statements.

For the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Yen in millions)

	Domestic non-life insurance business			Domestic life insurance business	
	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life
Revenues: (Note 1)					
Revenues from transactions with external customers	1,565,720	1,288,319	35,327	473,796	1,353,577
Intersegment revenues or transfers	57,586	80,669	(115)	-	-
Total	1,623,307	1,368,988	35,212	473,796	1,353,577
Net income/(loss) by segment	167,777	56,081	(1,544)	28,189	19,693
Assets by segment	7,864,388	4,111,688	61,276	5,160,831	7,528,672
Other items:					
Depreciation	38,147	23,252	1,743	10,365	5,012
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	154,765	73,643	143	58,890	107,605
Interest expense	4,842	401	-	-	11
Impairment losses on securities	24,598	720	-	-	-
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	16,242	1,032	-	0	54,057
Gains on sales of fixed assets	16,242	1,032	-	0	-
Reversal of reserve for price fluctuation	-	-	-	-	54,057
Extraordinary losses:	9,299	7,961	8	1,546	-
Impairment losses on fixed assets	2,637	2,308	-	-	-
Income taxes	53,485	16,054	(500)	10,729	7,406
Equity method investments	109,344	1,532	-	-	-
Increase in tangible fixed assets and intangible fixed assets	29,837	28,722	2,800	9,314	3,837

(Yen in millions)

	International business	Others (Note 2)	Total	Adjustments (Notes 3,4 and 5)	Amount on the consolidated financial statements (Note 6)
	Overseas insurance subsidiaries				
Revenues: (Note 1)					
Revenues from transactions with external customers	1,394,062	19,151	6,129,956	(1,132,970)	4,996,986
Intersegment revenues or transfers	(137,618)	7,562	8,084	(8,084)	-
Total	1,256,444	26,714	6,138,041	(1,141,055)	4,996,986
Net income/(loss) by segment	153,815	12,995	437,007	(67,741)	369,266
Assets by segment	4,339,748	232,965	29,299,571	(2,339,363)	26,960,207
Other items:					
Depreciation	16,564	104	95,191	8,000	103,192
Amortization of goodwill	-	-	-	17,827	17,827
Interest and dividends income	55,133	13,278	463,460	(36,375)	427,085
Interest expense	4,653	0	9,909	544	10,453
Impairment losses on securities	-	-	25,318	(22,100)	3,217
Gains/(losses) on equity method investments	20,759	3,507	24,266	(5,506)	18,759
Extraordinary income:	237	-	71,570	(7,971)	63,598
Gains on sales of fixed assets	237	-	17,513	(40)	17,472
Reversal of reserve for price fluctuation	-	-	54,057	(7,930)	46,126
Extraordinary losses:	2,608	-	21,423	(3,648)	17,775
Impairment losses on fixed assets	2,568	-	7,514	4,325	11,839
Income taxes	(3,057)	2,084	86,201	3,241	89,443
Equity method investments	123,485	-	234,361	61,003	295,365
Increase in tangible fixed assets and intangible fixed assets	11,234	86	85,835	287	86,122

(Notes)

- 1 “Revenues” represents net premiums written for non-life insurance business, premium income for life insurance business, ordinary income for other business, and the sum total of net premiums written and life insurance premiums for “Amount on the consolidated financial statements”.
- 2 “Others”, which is business segments not included in reportable segments and other revenue generating business activities, represents domestic non-life insurance business operated by domestic insurance companies other than reportable segment, financial services business and digital/risk-related services business operated by group companies other than domestic insurance companies and business investments by the Company into companies other than group companies.
- 3 “Adjustments” in “Revenues from transactions with external customers” represent the difference between “Life insurance premiums” in the Consolidated Statement of Income and premium income for life insurance business, ¥(1,114,895) million and the adjustments for ordinary income for other business, ¥(18,074) million.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(34,048) million, companywide expenses not allocated to respective reportable segments of ¥(13,849) million, adjustments to impairment losses on equities of insurance subsidiaries recognized by MSI of ¥22,608 million, and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(42,452) million. Most of the companywide expenses are expenses associated with the Company's administrative departments that do not belong to any reportable segments.
- 5 “Adjustments” in “Assets by segment” includes elimination of intersegment transactions of ¥(1,754,476) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(852,261) million, companywide assets not allocated to respective reportable segments of ¥74,505 million, adjustments to assets due to application of the purchase method to domestic insurance subsidiaries and unamortized balance of goodwill not allocated to respective reportable segments of ¥192,868 million. The companywide assets are the Company's assets that do not belong to any reportable segments.
- 6 “Net income/(loss) by segment” is reconciled with net income attributable to owners of the parent on the consolidated financial statements.

(Notes on Per Share Information)

(Yen)

	Year ended March 31, 2023	Year ended March 31, 2024
Net assets less non-controlling interests per share	1,928.84	2,817.00
Net income attributable to owners of the parent per share - Basic	130.54	231.83
Net income attributable to owners of the parent per share - Diluted	130.50	231.77

(Notes)

- The Company has implemented a stock split at a ratio of three stocks for one common stock with an effective date of April 1, 2024. "Net assets less non-controlling interests per share", "Net income attributable to owners of the parent per share - Basic" and "Net income attributable to owners of the parent per share - Diluted" are calculated based on the assumption that the stock split was implemented at the beginning of the year ended March 31, 2023.
- The bases for calculation of "Net income attributable to owners of the parent per share - Basic" and "Net income attributable to owners of the parent per share - Diluted" are as follows.

	Year ended March 31, 2023	Year ended March 31, 2024
Net income attributable to owners of the parent per share - Basic		
Net income attributable to owners of the parent (Yen in millions)	211,006	369,266
Net income attributable to owners of the parent not attributable to common shareholders (Yen in millions)	-	-
Net income attributable to owners of the parent attributable to common stock (Yen in millions)	211,006	369,266
Average number of shares of outstanding stock (in thousands of shares)	1,616,373	1,592,825
Net income attributable to owners of the parent per share - Diluted		
Adjustment to net income attributable to owners of the parent (Yen in millions)	-	-
Increased number of shares of common stock (in thousands of shares)	520	364
Stock acquisition rights (in thousands of shares)	520	364
Outline of dilutive shares which were not included in the calculation of "Net income attributable to owners of the parent per share - Diluted" because they are antidilutive for the each period	-	-

- The bases for calculation of net assets less non-controlling interests per share are as follows.

	March 31, 2023	March 31, 2024
Total net assets (Yen in millions)	3,139,501	4,513,562
Amounts deducted from net assets: (Yen in millions)	47,939	46,770
Stock acquisition rights (Yen in millions)	558	391
Non-controlling interests (Yen in millions)	47,381	46,378
Net assets attributable to common stock (Yen in millions)	3,091,561	4,466,792
Number of shares of outstanding stock to calculate net assets less non-controlling interests per share (in thousands of shares)	1,602,806	1,585,651

- In calculating the amounts of "Net income attributable to owners of the parent per share - Basic" and "Net income attributable to owners of the parent per share - Diluted", the Company's shares held by trusts established under the share compensation plan are included in Treasury stock deducted in the calculation of "Average number of shares of outstanding stock".

The average number of such Treasury stock deducted for the year ended March 31, 2023 is 3,796 thousand, and that for the year ended March 31, 2024 is 4,871 thousand.

In calculating "Net assets less non-controlling interests per share", such Treasury stocks are included in Treasury stock deducted from the number of shares of outstanding stock. The number of such Treasury stock deducted for the year ended March 31, 2023 is 4,291 thousand, and that for the year ended March 31, 2024 is 4,657 thousand.

5 As described in "Changes in Accounting Policy", Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 "Insurance Contracts" from the beginning of the year ended March 31, 2024, since these entities have already adopted IFRS. The figures for the year ended March 31, 2023 are presented on IFRS 17 basis retrospectively.

(Notes on Significant Subsequent Events)

(Stock split)

Based on a resolution of the Board of Directors held on February 29, 2024, the Company has implemented a stock split, and has made a partial amendment to the Articles of Incorporation accompanying the stock split, effective April 1, 2024.

1 Purpose of the Stock Split

The purpose is to reduce the minimum investment price through the stock split, thereby creating an environment where it is easier to invest in the Company's shares and expanding its investor base.

2 Summary of the Stock Split

(1) Method of the Stock Split

Each share of common stock held by shareholders recorded in the final shareholder register on March 31, 2024 has been split into three shares.

(2) Number of Shares to be increased by the Stock Split

Total number of issued shares before the stock split	536,071,400 shares
Number of shares to be increased by the stock split	1,072,142,800 shares
Total number of issued shares following the stock split	1,608,214,200 shares
Total number of authorized shares following the stock split	2,700,000,000 shares

(3) Schedule of the Stock Split

Public notice of record date	March 15, 2024
Record date	March 31, 2024
Effective date	April 1, 2024

3 The impacts on Per Share Information

The impacts on per share information are described in the relevant sections.

4 Partial Amendment to the Articles of Incorporation

(1) Reason for the Amendment

In connection with the stock split, an associated part of the Articles of Incorporation has been amended effective April 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of the Amendment

Before Amendment	After Amendment
(Total Number of Authorized Shares)	(Total Number of Authorized Shares)
Article 6 The total number of authorized shares of the Company shall be <u>900,000,000</u> shares.	Article 6 The total number of authorized shares of the Company shall be <u>2,700,000,000</u> shares.

(Underlined parts indicates the amendments.)