

## SUMMARY OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2025

May 20, 2025

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: Shinichiro Funabiki, President & CEO  
 Contact: Corporate Communications Dept.  
<https://www.ms-ad-hd.com/en/ir/contact.html>  
 Scheduled date to hold the ordinary general meeting of shareholders: June 23, 2025  
 Scheduled date to file the Securities Report: June 20, 2025  
 Scheduled date to commence dividend payments: June 24, 2025  
 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, 2025 (April 1, 2024 to March 31, 2025)

(1) Consolidated business performance (Yen in millions)

	Ordinary income		Ordinary profit		Net income attributable to owners of the parent	
Year ended March 31, 2025	6,660,813	1.3 %	928,989	123.1 %	691,657	87.3 %
Year ended March 31, 2024	6,572,889	25.2 %	416,440	42.5 %	369,266	75.0 %

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

(Note) Comprehensive income For the year ended March 31, 2025: ¥ (17,284) million (101.1) %  
 For the year ended March 31, 2024: ¥ 1,527,696 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, 2025	445.52	445.45	16.3 %	3.5 %	13.9 %
Year ended March 31, 2024	231.83	231.77	9.8 %	1.6 %	6.3 %

(Reference) Gains/(losses) on equity method investments For the year ended March 31, 2025: ¥ 25,138 million  
 For the year ended March 31, 2024: ¥ 18,759 million

(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.  
 “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, 2024.

(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, 2025	26,241,298	4,052,835	15.2 %	2,647.01
March 31, 2024	26,960,207	4,513,562	16.6 %	2,817.00

(Reference) Net assets less non-controlling interests As of March 31, 2025: ¥ 4,000,351 million  
 As of March 31, 2024: ¥ 4,466,792 million

(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.  
 “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, 2024.

(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, 2025	660,188	(558,725)	(659,578)	2,239,475
Year ended March 31, 2024	549,466	(276,825)	(231,549)	2,733,760

## 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, 2024	-	120.00	-	150.00	270.00	143,348	38.8 %	3.8 %
Year ended March 31, 2025	-	72.50	-	72.50	145.00	221,331	32.5 %	5.3 %
Year ending March 31, 2026 (Forecast)	-	77.50	-	77.50	155.00		40.5 %	

(Note) 1. The 2nd quarter and the 4th quarter dividends per share for the year ended March 31, 2025 consists of ¥50.00 ordinary dividend and ¥22.50 special dividend. The 2nd quarter and the 4th quarter dividends per share for the year ending March 31, 2026 (Forecast) consists of ¥60.00 ordinary dividend and ¥17.50 special dividend.

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. For the year ended March 31, 2024, the actual dividend amount before the stock split is stated.

## 3. Consolidated Earnings Forecasts for the Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(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, 2026	806,000	(13.2) %	579,000	(16.3) %	383.12

Percent figures represent changes from the preceding year.

### \* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 (MS Plus One Small Amounts & Short Term Insurance Co., Ltd.)

Excluded: 0

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

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

2. Changes in accounting policies other than above: None

3. Changes in accounting estimates: None

4. Restatements: None

(Note) For details, please refer to "Note on Changes in Accounting Policies" on page 14 of the Appendix.

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

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

As of March 31, 2025: 1,608,398,708 shares

As of March 31, 2024: 1,608,214,200 shares

2. Number of shares of treasury stock

As of March 31, 2025: 97,131,980 shares

As of March 31, 2024: 22,563,162 shares

3. Average number of shares of outstanding stock

For the year ended March 31, 2025: 1,552,438,540 shares

For the year ended March 31, 2024: 1,592,825,197 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, 2024.

**\* 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, 2026" on page 4 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, 2025

# 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 continued its expansion trend, supported by increases in personal consumption and capital investment. In Europe, although there were some signs of stagnation, the slowdown in inflation helped revive personal consumption, showing signs of economic recovery. In Japan, despite the impact of rising prices, the economy gradually recovered, supported by improvements in employment and income conditions, which led to a rebound in personal consumption.

In the Stage 2 (FY2024-FY2025) of Medium-Term Management Plan (2022-2025) that started this fiscal year, the Group continued to aim to “Grow Together with Society As a Platform Provider of Risk Solutions” just as in the Stage 1 (FY2022-FY2023), and work towards realizing a “Corporate Group that Supports a Resilient and Sustainable Society” by implementing the three basic strategies of the Plan, namely “Value (Value creation),” “Transformation (Business reforms),” and “Synergy (Demonstration of group synergy).” Also, reflecting on the incidents of price fixing in the corporate insurance sector at Mitsui Sumitomo Insurance Co., Ltd. (“MSP”) and Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”), the Group reviewed the existing business practices and advanced a major transformation in business style based on “Customer-focused business operation”, “Strengthen governance” and “Compliance”, focusing on “Changing the value we provide”, “Changing business structure” and “Changing productivity and profitability”.

### 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 *1” 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"> <li>□ Implement measures to improve profitability of domestic non-life insurance business, such as product revisions (including optimization of premium rates) in response to the increased severity and frequency of natural disasters and continued inflation, strengthening of underwriting*2, and enhancing business efficiency and productivity through the review of business processes via the promotion of digital transformation (DX)</li> <li>□ Expand the risk management business utilizing digital data and promote the development and provision of products and services before and after compensation and coverage</li> </ul>
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"> <li>□ Develop U.S. MGA*3 market through MS Transverse, regain and increase MS Amlin’s profitability, improve profitability of the Toyota Retail business, and promote the enhancement of business management (performance improvement and review of unprofitable businesses) to transform the business portfolio</li> <li>□ Transform from a portfolio centered on automobile insurance to a portfolio with diversified sources of profit by improving profitability of fire insurance (including the optimization of insurance premium rates) and increasing profits from casualty insurance (expanding sales of products for small and medium-sized enterprises and integrated product-service offerings)</li> <li>□ Accelerate initiatives to reduce strategic equity holdings (aiming to reduce the currently held listed strategic stocks to zero by the end of March 2030) to transform the risk portfolio</li> </ul>
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*4, 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"> <li>□ Integrate head office functions between Group companies, expand streamlined business process outsourcing for common operations, and boldly eliminate and integrate systems</li> <li>□ Promote life insurance sales through non-life sales channels, and promote cross-sales of Mitsui Sumitomo Primary Life products at Mitsui Sumitomo Aioi Life</li> <li>□ Promote bilateral sharing and utilization of products, services and various knowledge with domestic and overseas bases under “TENKAI Project”</li> </ul>

\*1 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.

\*2 Underwriting

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

\*3 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.

\*4 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.

## Reassuring Compliance

Information leakage involving multiple domestic insurance companies, including our Group, has been discovered, originating from insurance agents and employees seconded to those agencies. MSI, ADI, Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd., where information leakage was confirmed, conducted thorough investigations and disclosed the facts, response policies, causes of the incident, and measures to prevent recurrence. Regarding this information leakage, MSI and ADI received a business improvement order from the Financial Services Agency under the Insurance Business Act in March 2025.

Moreover, concerning price fixing for the corporate insurance sector, MSI and ADI received a cease and desist order and an administrative monetary penalty payment order from the Japan Fair Trade Commission in October 2024.

The Company takes this situation very seriously and, as a holding company, is committed to strengthening management systems, exercising governance, and ensuring thorough compliance across the entire group to restore trust from society and our customers.

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

Ordinary income was ¥6,660.8 billion, including underwriting income of ¥5,400.5 billion, investment income of ¥1,199.3 billion and other ordinary income of ¥60.8 billion. The ordinary expenses amounted to ¥5,731.8 billion, including ¥4,579.4 billion in underwriting expenses, ¥257.1 billion in investment expenses, ¥846.0 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥49.2 billion.

As a result, ordinary profit for the current fiscal year was ¥928.9 billion, reflecting year-on-year increase of ¥512.5 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 ¥691.6 billion, reflecting year-on-year increase of ¥322.3 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 ¥2,453.5 billion, including underwriting income of ¥1,841.7 billion, investment income of ¥605.4 billion, and other ordinary income of ¥6.3 billion. At the same time, ordinary expenses amounted to ¥1,877.5 billion, including ¥1,561.6 billion in underwriting expenses, ¥64.8 billion in investment expenses, ¥244.1 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥6.8 billion.

As a result, ordinary profit for the current fiscal year was ¥576.0 billion, reflecting a year-on-year increase of ¥361.7 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and corporate and residence tax, net income for the current fiscal year was ¥459.9 billion, reflecting a year-on-year increase of ¥292.1 billion.

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

Ordinary income for the current fiscal year totaled ¥1,710.0 billion yen, including underwriting income of ¥1,516.6 billion, investment income of ¥186.1 billion, and other ordinary income of ¥7.2 billion. At the same time, ordinary expenses amounted to ¥1,569.9 billion, including ¥1,320.9 billion in underwriting expenses, ¥49.4 billion in investment expenses, ¥196.5 billion in operating expenses and general and administrative expenses, and other ordinary expenses amounting to ¥3.0 billion.

As a result, ordinary profit for the current fiscal year was ¥140.1 billion, reflecting a year-on-year increase of ¥61.0 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and corporate and residence tax, net income for the current fiscal year was ¥108.7 billion, reflecting a year-on-year increase of ¥52.6 billion.

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

Ordinary income was ¥39.3 billion after recording underwriting income of ¥39.1 billion. Ordinary expenses came to ¥41.1 billion resulting from underwriting expenses of ¥28.3 billion and operating expenses and general and administrative expenses of ¥12.5 billion.

As a result, ordinary loss for the current fiscal year was ¥1.7 billion despite a year-on-year improvement of ¥0.2 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and corporate and residence tax, net loss for the current fiscal year was ¥1.7 billion, reflecting a year-on-year decrease of ¥0.2 billion.

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

Ordinary income for the current fiscal year totaled ¥543.8 billion yen, including income from premiums and other sources of ¥464.6 billion, investment income of ¥74.4 billion, and other ordinary income of ¥4.6 billion. At the same time, ordinary expenses amounted to ¥493.1 billion, including ¥295.4 billion in claims and other payments, ¥93.0 billion in policy reserves and other provisions, ¥6.9 billion in investment expenses, ¥77.6 billion in operating expenses, and other ordinary expenses amounting to ¥20.1 billion.

As a result, ordinary profit for the current fiscal year was ¥50.6 billion, reflecting a year-on-year increase of ¥1.5 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and corporate and residence tax, net income for the current fiscal year was ¥29.6 billion, reflecting a year-on-year increase of ¥1.4 billion.

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

Ordinary income for the current fiscal year totaled ¥1,649.4 billion yen, including income from premiums and others sources of ¥1,405.8 billion, investment income of ¥165.2 billion, and other ordinary income of ¥78.2 billion. At the same time, ordinary expenses amounted to ¥1,605.5 billion, including ¥1,463.7 billion in claims and other payments, ¥0.1 billion in policy reserves and other provisions, ¥68.1 billion in investment expenses, ¥61.1 billion in operating expenses, and other ordinary expenses amounting to ¥12.3 billion.

As a result, ordinary profit for the current fiscal year was ¥43.9 billion, reflecting a year-on-year increase of ¥70.8 billion. After adjustments to ordinary profit mainly for extraordinary income and losses and corporate and residence tax, net income for the current fiscal year was ¥25.7 billion, reflecting a year-on-year increase of ¥6.0 billion.

### 6) International Business (Overseas insurance subsidiaries)

In the overseas insurance subsidiaries segment, net premiums written reached ¥1,527.2 billion, reflecting a year-on-year increase of ¥293.5 billion.

Ordinary profit was ¥231.2 billion, reflecting a year-on-year increase of ¥74.1 billion. Net income after taking ownership interests into account (net income by segment) was ¥184.4 billion, an increase of ¥30.6 billion from the previous fiscal year.

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

Total assets as of the end of the current fiscal year totaled ¥26,241.2 billion, a year-on-year decrease of ¥718.9 billion. Net assets decreased by ¥460.7 billion year-on-year to ¥4,052.8 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 ¥660.1 billion, increased by ¥110.7 billion year-on-year mainly due to an increase in premium income. The cash flows from investing activities was ¥(558.7) billion, decreased by ¥281.9 billion year-on-year mainly due to an increase of outflow for the purchase of securities despite a increase of inflow from sale and redemption of securities. Also, the cash flows from financial activities was ¥(659.5) billion, decreased by ¥428.0 billion year-on-year mainly due to an increase of outflow for the acquisition of treasury stock and the redemption of corporate bonds. As a result, cash and cash equivalents at the end of the fiscal year was ¥2,239.4 billion, decreased by ¥494.2 billion from the end of the previous fiscal year.

For long-term investment funds, including growth investments, we primarily utilize funds obtained from operating and investing activities and self-financed from retained earnings. Additionally, we procure external funds through the issuance of corporate bonds and long-term borrowing from financial institutions.

With regard to the liquidity of funds, in preparation for the possibility that cash flow may worsen due to cash outflows used for the payment of claims, etc. or due to unstable market conditions, etc., the Group ensures appropriate cash flow by maintaining sufficient liquidity and evaluating liquidity with consideration of cash-flow trends, taking into account both assets and liabilities.

## **(2) Consolidated Earnings Forecast for the Year Ending March 31, 2026**

For consolidated earnings for the next fiscal year, the Group forecasts ordinary profit of ¥806.0 billion and net income of ¥579.0 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 ¥79.0 billion for Mitsui Sumitomo Insurance Co., Ltd. and ¥55.0 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 April 2025.

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.

### 3. Consolidated Financial Statements and Main Notes

#### (1) Consolidated Balance Sheets

(Yen in millions)

	March 31, 2024	March 31, 2025
<b>Assets</b>		
Cash, deposits and savings	2,911,347	2,139,796
Call loans	-	60,000
Receivables under resale agreements	-	86,904
Monetary claims bought	184,200	301,320
Money trusts	2,420,170	2,663,333
Investments in securities	18,166,668	17,760,073
Loans	970,148	909,825
Tangible fixed assets:	465,661	456,461
Land	216,914	212,362
Buildings	186,265	184,811
Lease assets	29,453	27,868
Construction in progress	2,556	2,768
Other tangible fixed assets	30,472	28,650
Intangible fixed assets:	490,510	478,027
Software	165,010	155,231
Goodwill	141,446	133,142
Lease assets	188	108
Other intangible fixed assets	183,863	189,545
Other assets	1,178,311	1,214,362
Assets for retirement benefits	100,653	98,934
Deferred tax assets	59,388	64,759
Customers' liabilities under acceptances and guarantees	22,848	18,101
Bad debt reserve	(9,701)	(10,602)
<b>Total assets</b>	<b>26,960,207</b>	<b>26,241,298</b>
<b>Liabilities</b>		
Policy liabilities:	19,198,037	19,553,344
Outstanding claims	2,884,811	3,301,154
Underwriting reserves	16,313,226	16,252,189
Bonds issued	715,045	590,565
Other liabilities	1,733,681	1,554,326
Liabilities for pension and retirement benefits	138,027	139,696
Reserve for retirement benefits for officers	88	55
Accrued bonuses for employees	34,189	42,104
Reserve for stock payments	2,018	825
Reserves under the special laws:	231,871	251,732
Reserve for price fluctuation	231,871	251,732
Deferred tax liabilities	370,837	37,711
Acceptances and guarantees	22,848	18,101
<b>Total liabilities</b>	<b>22,446,645</b>	<b>22,188,463</b>

(Yen in millions)

	March 31, 2024	March 31, 2025
Net assets		
Shareholders' equity:		
Common stock	101,076	101,367
Capital surplus	344,785	345,130
Retained earnings	1,634,444	2,135,307
Treasury stock	(36,841)	(285,533)
Total shareholders' equity	2,043,464	2,296,271
Accumulated other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	2,237,147	1,392,499
Net deferred gains/(losses) on hedges	(48,402)	(28,389)
Foreign currency translation adjustments	222,849	406,348
Accumulated actuarial gains/(losses) on retirement benefits	32,551	20,118
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	(20,818)	(86,497)
Total accumulated other comprehensive income	2,423,327	1,704,079
Stock acquisition rights	391	266
Non-controlling interests	46,378	52,217
Total net assets	4,513,562	4,052,835
Total liabilities and net assets	26,960,207	26,241,298



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

### (Consolidated Statements of Income)

(Yen in millions)

	Year ended March 31, 2024	Year ended March 31, 2025
Ordinary income:	6,572,889	6,660,813
Underwriting income:	5,107,033	5,400,585
Net premiums written	4,261,736	4,674,301
Deposit premiums from policyholders	31,658	28,450
Investment income on deposit premiums from policyholders	36,836	36,897
Life insurance premiums	735,249	608,678
Reversal of underwriting reserves	-	30,185
Other underwriting income	41,551	22,071
Investment income:	1,417,724	1,199,375
Interest and dividends income	427,085	495,138
Investment gains on money trusts	314,111	114,410
Investment gains on trading securities	59,170	51,773
Gains on sales of securities	228,739	561,601
Gains on redemption of securities	4,875	4,381
Investment gains on separate accounts	218,611	-
Other investment income	201,968	8,967
Transfer of investment income on deposit premiums from policyholders	(36,836)	(36,897)
Other ordinary income:	48,130	60,852
Gains on equity method investments	18,759	25,138
Other ordinary income	29,371	35,714
Ordinary expenses:	6,156,448	5,731,823
Underwriting expenses:	5,107,358	4,579,458
Net claims paid	2,291,182	2,489,031
Loss adjustment expenses	226,831	242,819
Commissions and collection expenses	848,875	890,794
Maturity refunds to policyholders	151,929	144,779
Dividends to policyholders	51	60
Life insurance claims	483,054	492,361
Provision for outstanding claims	365,586	313,355
Provision for underwriting reserves	734,752	-
Other underwriting expenses	5,093	6,254
Investment expenses:	215,527	257,138
Investment losses on money trusts	64,443	70,839
Losses on sales of securities	75,703	51,881
Impairment losses on securities	3,217	11,033
Losses on redemption of securities	40	778
Losses on derivative transactions	58,450	31,514
Investment losses on separate accounts	-	22,082
Other investment expenses	13,671	69,009
Operating expenses and general and administrative expenses	797,988	846,012
Other ordinary expenses:	35,574	49,213
Interest expense	10,453	11,783
Provision for bad debts	946	482
Losses on bad debts	606	891
Other ordinary expenses	23,567	36,054
Ordinary profit	416,440	928,989

(Yen in millions)

	Year ended March 31, 2024	Year ended March 31, 2025
Extraordinary income:	63,598	13,805
Gains on sales of fixed assets	17,472	10,697
Reversal of reserves under the special laws:	46,126	-
Reversal of reserve for price fluctuation	46,126	-
Gains on change in equity	-	3,108
Extraordinary losses:	17,775	35,412
Losses on sales of fixed assets	5,935	8,054
Impairment losses on fixed assets	11,839	7,496
Provision for reserves under the special laws:	-	19,860
Provision for reserve for price fluctuation	-	19,860
Income before income taxes	462,263	907,382
Income taxes - current	97,374	214,886
Income taxes - deferred	(7,930)	(4,162)
Total income taxes	89,443	210,724
Net income	372,820	696,658
Net income attributable to non-controlling interests	3,553	5,001
Net income attributable to owners of the parent	369,266	691,657

## (Consolidated Statements of Comprehensive Income)

(Yen in millions)

	Year ended March 31, 2024	Year ended March 31, 2025
Net income	372,820	696,658
Other comprehensive income:		
Net unrealized gains/(losses) on investments in securities	992,341	(902,832)
Net deferred gains/(losses) on hedges	(28,172)	19,159
Foreign currency translation adjustments	127,688	174,400
Accumulated actuarial gains/(losses) on retirement benefits	41,988	(12,375)
Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	(3,176)	1,084
Share of other comprehensive income of equity method investments	24,207	6,618
Total other comprehensive income	<u>1,154,876</u>	<u>(713,943)</u>
Total comprehensive income	<u>1,527,696</u>	<u>(17,284)</u>
Allocation:		
Comprehensive income attributable to owners of the parent	1,521,241	(27,590)
Comprehensive income attributable to non-controlling interests	6,455	10,305

### (3) Consolidated Statements of Changes in Net Assets

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
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
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

**For the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	101,076	344,785	1,634,444	(36,841)	2,043,464
Changes for the year:					
Issuance of new shares	291	291			582
Dividends paid			(190,795)		(190,795)
Net income attributable to owners of the parent			691,657		691,657
Repurchase of treasury stock				(250,876)	(250,876)
Disposal of treasury stock		105		2,184	2,290
Changes in equity resulting from increase in capital of consolidated subsidiaries		(13)			(13)
Changes in equity resulting from transactions with non-controlling shareholders		(38)			(38)
Net changes of items other than shareholders' equity					
Total changes for the year	291	345	500,862	(248,691)	252,806
Ending balance	101,367	345,130	2,135,307	(285,533)	2,296,271

	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	2,237,147	(48,402)	222,849	32,551	(20,818)	2,423,327	391	46,378	4,513,562
Changes for the year:									
Issuance of new shares									582
Dividends paid									(190,795)
Net income attributable to owners of the parent									691,657
Repurchase of treasury stock									(250,876)
Disposal of treasury stock									2,290
Changes in equity resulting from increase in capital of consolidated subsidiaries									(13)
Changes in equity resulting from transactions with non-controlling shareholders									(38)
Net changes of items other than shareholders' equity	(844,648)	20,013	183,498	(12,432)	(65,679)	(719,247)	(125)	5,839	(713,534)
Total changes for the year	(844,648)	20,013	183,498	(12,432)	(65,679)	(719,247)	(125)	5,839	(460,727)
Ending balance	1,392,499	(28,389)	406,348	20,118	(86,497)	1,704,079	266	52,217	4,052,835

#### (4) Consolidated Statements of Cash Flows

	(Yen in millions)	
	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from operating activities:		
Income before income taxes	462,263	907,382
Depreciation	103,192	105,214
Impairment losses on fixed assets	11,839	7,496
Amortization of goodwill	17,827	16,703
Increase/(decrease) in outstanding claims	187,909	304,249
Increase/(decrease) in underwriting reserves	524,218	(78,201)
Increase/(decrease) in bad debt reserve	3,368	294
Increase/(decrease) in reserve for retirement benefits for officers	(45)	(33)
Increase/(decrease) in accrued bonuses for employees	4,687	6,271
Increase/(decrease) in reserve for stock payments	1,009	(1,193)
Decrease/(increase) in assets for pension and retirement benefits	(7,455)	(8,409)
Increase/(decrease) in liabilities for pension and retirement benefits	795	(2,455)
Increase/(decrease) in reserve for price fluctuation	(46,126)	19,860
Interest and dividends income	(427,085)	(495,138)
Losses/(gains) on money trusts	(249,668)	(43,570)
Losses/(gains) on investments in securities	(213,823)	(554,063)
Losses/(gains) on derivative transactions	58,450	31,514
Investment losses/(gains) on separate accounts	(218,611)	22,082
Interest expense	10,453	11,783
Foreign exchange losses/(gains)	(200,412)	35,670
Losses/(gains) on disposal of tangible fixed assets	(13,461)	(8,408)
Losses/(gains) on equity method investments	(18,759)	(25,138)
Losses/(gains) on change in equity	-	(3,108)
Decrease/(increase) in other assets	(33,533)	(25,356)
Increase/(decrease) in other liabilities	48,001	(3,211)
Others, net	46,209	25,482
Subtotal	51,246	245,720
Interest and dividends received	517,116	573,299
Interest paid	(10,449)	(10,975)
Income taxes refunded/(paid)	(8,446)	(147,856)
Net cash provided by/(used in) operating activities (a)	549,466	660,188

(Yen in millions)

	Year ended March 31, 2024	Year ended March 31, 2025
Cash flows from investing activities:		
Net decrease/(increase) in deposits and savings	(97,929)	(11,134)
Purchase of monetary claims bought	(13,670)	(1,661)
Proceeds from sales and redemption of monetary claims bought	6,208	8,780
Purchase of money trusts	(581,487)	(685,796)
Proceeds from sales of money trusts	478,643	487,807
Purchase of securities	(3,916,860)	(5,193,240)
Proceeds from sales and redemption of securities	4,005,148	5,086,043
Investments in loans	(219,790)	(220,695)
Collection of loans	235,058	271,324
Net increase/(decrease) in cash collateral under securities lending transactions	(1,655)	(151,150)
Others, net	(107,403)	(76,141)
Subtotal (b)	(213,736)	(485,864)
(a + b)	335,730	174,324
Acquisition of tangible fixed assets	(22,877)	(25,199)
Proceeds from sales of tangible fixed assets	23,286	16,463
Acquisition of intangible fixed assets	(62,063)	(63,093)
Others, net	(1,433)	(1,031)
Net cash provided by/(used in) investing activities	(276,825)	(558,725)
Cash flows from financing activities:		
Proceeds from borrowings	-	1,248
Repayments of borrowings	(100,000)	(1,248)
Redemption of bonds	-	(125,000)
Net increase/(decrease) in payables under repurchase agreements	30,657	(692)
Net increase/(decrease) in cash collateral under securities lending transactions	2,279	(80,146)
Repurchase of treasury stock	(30,375)	(250,876)
Dividends paid to shareholders	(117,133)	(190,510)
Dividends paid to non-controlling interests	(3,535)	(4,327)
Purchase of shares of subsidiaries not resulting in changes in scope of consolidation	(4,385)	(180)
Others, net	(9,057)	(7,843)
Net cash provided by/(used in) financing activities	(231,549)	(659,578)
Effect of exchange rate changes on cash and cash equivalents	46,236	63,425
Net increase/(decrease) in cash and cash equivalents	87,328	(494,690)
Beginning balance of cash and cash equivalents	2,646,431	2,733,760
Increase in cash and cash equivalents due to inclusion in consolidation	-	405
Ending balance of cash and cash equivalents	2,733,760	2,239,475

## (5) Notes to Consolidated Financial Statements

(Note on Going Concern)

Not applicable.

(Note on Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes” and Others)

The Company has applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as “Accounting Standard Revised in 2022”) and others since the beginning of the year ended March 31, 2025.

Previously, current income taxes, calculated in accordance with applicable laws and regulations, were recognized in profit or loss. However, the Company now recognizes current income taxes separately in profit or loss, shareholders' equity, or other comprehensive income, depending on the nature of the transaction that gave rise to the current income tax. For current income taxes recognized in accumulated other comprehensive income, the corresponding taxes are recognized in profit or loss when the transactions that give rise to such taxes are recognized in profit or loss. With regard to the revision of the accounting classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment provided for in the proviso of Paragraph 20-3 of Accounting Standard Revised in 2022. As a result, a decrease of ¥5,469 million of Income taxes - current and an increase of the same amount of Income taxes - deferred were recorded for the year ended March 31, 2025.

(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 24, 2024. 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.



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

**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.

For the year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	1,625,622	1,342,531	37,541	463,248	1,177,070
Intersegment revenues or transfers	53,626	87,832	(146)	-	-
Total	1,679,248	1,430,364	37,395	463,248	1,177,070
Net income/(loss) by segment	459,900	108,747	(1,774)	29,607	25,707
Assets by segment	6,822,620	3,706,643	57,699	5,187,244	7,479,488
Other items:					
Depreciation	36,408	24,932	1,777	8,711	4,211
Amortization of goodwill	-	-	-	-	-
Interest and dividends income	170,438	89,654	219	71,566	118,417
Interest expense	4,645	485	-	1,093	127
Impairment losses on securities	16,102	4,154	-	-	-
Gains/(losses) on equity method investments	-	-	-	-	-
Extraordinary income:	7,293	2,711	-	0	-
Gains on sales of fixed assets	7,293	2,711	-	0	-
Extraordinary losses:	8,360	9,369	594	1,791	11,872
Losses on sales of fixed assets	872	6,778	378	27	-
Impairment losses on fixed assets	3,175	687	208	-	-
Provision for reserve for price fluctuation	4,312	1,903	7	1,763	11,872
Income taxes	115,059	24,699	(587)	10,171	6,328
Equity method investments	113,658	1,532	-	-	-
Increase in tangible fixed assets and intangible fixed assets	32,268	28,396	1,848	5,172	4,181

(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	1,681,224	8,441	6,335,680	(1,052,700)	5,282,979
Intersegment revenues or transfers	(139,466)	5,578	7,424	(7,424)	-
Total	1,541,758	14,019	6,343,105	(1,060,125)	5,282,979
Net income/(loss) by segment	184,417	12,172	818,776	(127,119)	691,657
Assets by segment	5,333,847	248,694	28,836,238	(2,594,939)	26,241,298
Other items:					
Depreciation	14,235	125	90,400	14,813	105,214
Amortization of goodwill	-	-	-	16,703	16,703
Interest and dividends income	76,213	15,254	541,764	(46,626)	495,138
Interest expense	4,850	7	11,209	574	11,783
Impairment losses on securities	-	-	20,256	(9,222)	11,033
Gains/(losses) on equity method investments	30,444	1,746	32,191	(7,053)	25,138
Extraordinary income:	1,130	-	11,135	2,669	13,805
Gains on sales of fixed assets	1,130	-	11,135	(438)	10,697
Extraordinary losses:	1,310	69	33,369	2,042	35,412
Losses on sales of fixed assets	22	0	8,081	(26)	8,054
Impairment losses on fixed assets	1,225	68	5,365	2,131	7,496
Provision for reserve for price fluctuation	-	-	19,860	-	19,860
Income taxes	41,305	4,893	201,870	8,854	210,724
Equity method investments	128,577	-	243,768	84,761	328,529
Increase in tangible fixed assets and intangible fixed assets	16,418	161	88,448	105	88,553

(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, ¥(1,046,143) million and the adjustments for ordinary income for other business, ¥(6,556) million.
- 4 “Adjustments” in “Net income/(loss) by segment” includes elimination of intersegment transactions of ¥(44,015) million, companywide expenses not allocated to respective reportable segments of ¥(15,643) million, adjustments to impairment losses on equities of insurance subsidiaries recognized by MSI of ¥8,949 million, adjustments to profit and loss due to 2025 California wildfires which occurred during the period between the fiscal year end of overseas insurance subsidiaries and that of the Company of ¥(17,409) million, and adjustments to profit and loss due to application of the purchase method to domestic insurance subsidiaries and amortization of goodwill of ¥(59,000) 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 ¥(1,795,756) million, transfers due to offsetting reinsurance recoverables included in assets of overseas insurance subsidiaries and policy liabilities on the consolidated financial statements of ¥(1,029,466) million, companywide assets not allocated to respective reportable segments of ¥62,726 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 ¥167,557 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, 2024	Year ended March 31, 2025
Net assets less non-controlling interests per share	2,817.00	2,647.01
Net income attributable to owners of the parent per share - Basic	231.83	445.52
Net income attributable to owners of the parent per share - Diluted	231.77	445.45

(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, 2024.
- 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, 2024	Year ended March 31, 2025
Net income attributable to owners of the parent per share - Basic		
Net income attributable to owners of the parent (Yen in millions)	369,266	691,657
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)	369,266	691,657
Average number of shares of outstanding stock (in thousands of shares)	1,592,825	1,552,438
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)	364	254
Stock acquisition rights (in thousands of shares)	364	254
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, 2024	March 31, 2025
Total net assets (Yen in millions)	4,513,562	4,052,835
Amounts deducted from net assets: (Yen in millions)	46,770	52,483
Stock acquisition rights (Yen in millions)	391	266
Non-controlling interests (Yen in millions)	46,378	52,217
Net assets attributable to common stock (Yen in millions)	4,466,792	4,000,351
Number of shares of outstanding stock to calculate net assets less non-controlling interests per share (in thousands of shares)	1,585,651	1,511,266

- 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, 2024 is 4,871 thousand, and that for the year ended March 31, 2025 is 4,114 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, 2024 is 4,657 thousand, and that for the year ended March 31, 2025 is 3,601 thousand.

(Note on Significant Subsequent Events)

(Sales of shares in the Australian financial group Challenger Limited)

On April 4, 2025, the Company has reached an agreement to sell all of its shares in Challenger Limited, an associate accounted for using the equity method, to TAL Dai-ichi Life Australia Pty Limited.

1 Reason for sales of shares

The Company has been exploring an opportunity for further improvement of its capital efficiency, and accepted a share purchase proposal, considering a sufficient premium over the stock price.

2 Name of counterparty to sales of shares

TAL Dai-ichi Life Australia Pty Limited

3 Date of sales of shares

The transaction is subject to regulatory approvals by the relevant authorities and expected to complete during the fiscal year 2025.

4 Name of the associate accounted for using the equity method, location and description of its businesses

Company name	Challenger Limited
Location	Sydney, New South Wales, Australia
Description of businesses	Annuities and investment management business

5 Number of shares sold, sale price and number of shares after the sale

Number of shares sold	104,353,125 shares (Percentage of voting rights held: 15.1%)
Sale price	80,000 million yen
Number of shares after the sale	0 share (Percentage of voting rights held: 0%)