

Progress of the Medium-Term Management Plan (2022–2025)

Progress of Numerical Management Targets financial

The quantitative financial targets of the Medium-Term Management Plan (2022–2025) are to achieve Group adjusted profit of ¥760 billion (¥450 billion excluding the impact of the sale of strategic equity holdings) and Group adjusted ROE of 16% (10% excluding the impact of the sale of strategic equity holdings), with the aim of achieving global peer-level profits and profitability by FY2025. Efforts to strengthen profitability are steadily progressing, and we are responding appropriately to changes in the environment. Together with the impact of accelerated sales of strategic equity holdings, this has resulted in a significant upward adjustment in the Group adjusted profit forecast for FY2025 to ¥760 billion, compared with the target of ¥440 billion to ¥470 billion set at the time the Medium-Term Management Plan was formulated. We have also revised the timing of the application of IFRS to the end of FY2025 from the viewpoint of appropriate financial reporting.

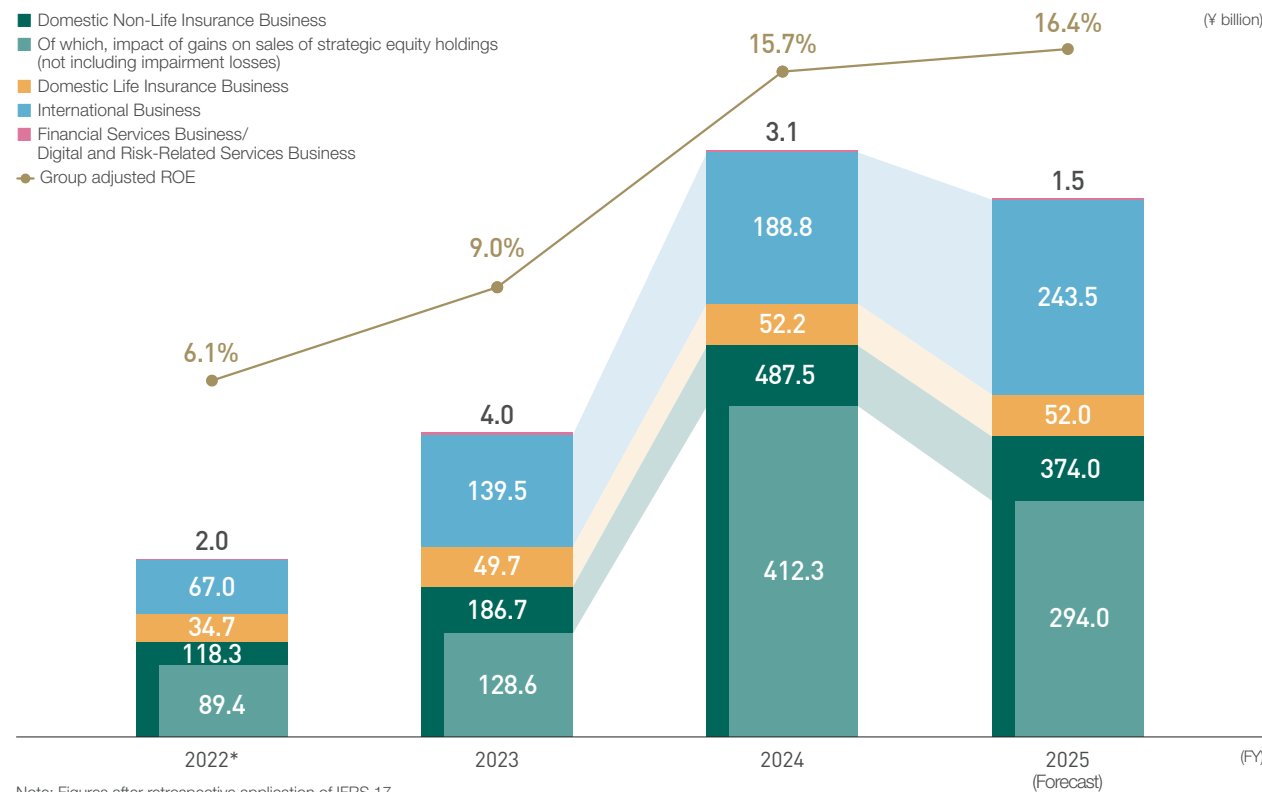
Structure of the FY2025 profit forecast

Group adjusted profit (Japan GAAP) is forecast to be ¥671.0 billion, a ¥60.7 billion decrease from the record-high profit of ¥731.7 billion in FY2024, mainly due to the expected decrease in profit from the sale of strategic equity holdings in the domestic non-life insurance business.

By business segment, the domestic non-life insurance business is expected to see a ¥113.5 billion decrease in Group adjusted profit, primarily due to a decline in investment profit/loss despite an increase in insurance underwriting profit (before catastrophe reserve). The domestic life insurance business is projected to remain at roughly the same level as the previous fiscal year. The international business is projected to see a ¥54.6 billion increase in Group adjusted profit, mainly due to increased profits in Lloyd's and reinsurance and the Americas.

(¥ billion)

	FY2023 results	FY2024	FY2025 (forecast)
Total	379.9	731.7	671.0
Domestic Non-Life Insurance Business	186.7	487.5	374.0
Domestic Life Insurance Business	49.7	52.2	52.0
International Business	139.5	188.8	243.5
Financial Services Business/ Digital and Risk-Related Services Business	4.0	3.1	1.5



✓ A check mark indicates that FY2024 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Progress of Numerical Management Targets non-financial

For the four aspects of the foundation (sustainability, quality, human resources, ERM) that support the three basic strategies of the Medium-Term Management Plan (2022–2025), we have set the following numerical management targets (non-financial) for initiatives related to sustainability, quality, and human resources. By achieving these numerical management targets, we will support the promotion of our basic strategy to become a corporate group supporting a resilient and sustainable society.

Sustainability KPIs

Key issues	KPI progress		Target	FY2024 results
 Symbiosis with the global environment Planetary Health	Greenhouse gas emissions reduction rate (vs. FY2019) Scope 1 + 2		FY2030: -50% FY2050: Net zero	-40.0%
	Greenhouse gas emissions reduction rate (vs. FY2019) Scope 3		FY2030: -50%*1 FY2050: Net zero	-26.9%
	Underwriting/ Investments*2	FY2030: -37%	-18.3% (FY2022)	
		We, through engagement with clients, share challenges they have in reducing GHG emissions. We work together with them towards reduction of GHG emissions with solution proposals.		204 companies*3
 Safe and secure society Resilience	Renewable energy usage rate		FY2030: 60% FY2050: 100%	27.0%
	FY 2025	Premium growth rate of products which contribute to decarbonization and a circular economy Example: Carbon Neutral Support Agreement	Annual average 18%	20.6%
 Happiness of diverse people Well-being	FY 2025	Rate of increase in the number of underwritten policies for products which help improve the resilience of society Example: Cybersecurity insurance	Annual average 20%	25.0%
		Instances of support for the resolution of issues faced by regional companies Example: Seminars on regional revitalization	10,000 instances a year	11,091 cases
 Happiness of diverse people Well-being	FY 2025	Number of policies in force for asset-building products to support longevity Example: Tontine annuity insurance	100,000 cases	120,000 cases
		Number of policies in force for products which help solve health-related social issues Example: Medical insurance covering dementia and infertility treatment	2.60 million cases	2.25 million cases
		Instances of support for action by companies to address human rights Example: Harassment prevention consulting	1,000 instances a year	1,111 cases

*1 Category 1: purchased products and services (covered: paper and mailing); Category 3: fuel- and energy-related activities other than Scope 1 and 2; Category 5: waste generated in operations; Category 6: business travel; Category 7: employee commuting; and Category 13: downstream leased assets
*2 Key Japanese domestic corporate clients (approx. 3,300 companies), selected based on insurance premium
*3 Cumulative total from November 2023 to the end of October 2024

Human resources and quality KPIs

(): FY2024 results

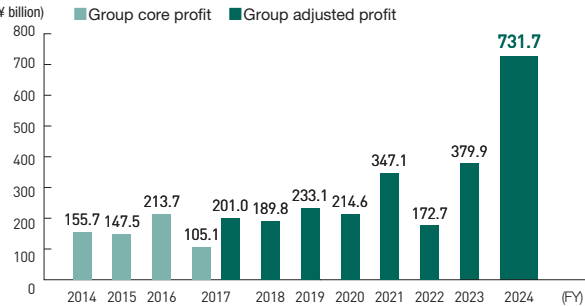
Human resources	End of FY2030 (aiming for early achievement)	Percentage of female managers 30% (23.8%✓)	Percentage of female line managers 15% (21.3%)	Productivity improvement ratio of personnel expenses 8.5% (8.6%)
	FY2025	Digital human resources 7,000 persons (8,490 persons)	Overseas human resources 1,200 persons (1,243 persons)	
		Percentage of mid-career hires among managerial staff Current level (24.5%) or higher	Percentage of non-Japanese managers among officers of overseas subsidiaries Current level (79.0%) or higher	Percentage of employees who exercise regularly Current level (29.0%) or higher
		Percentage of male employees taking Childcare leave: 100% Duration of leave: 4 weeks (93.2%, 13.1 days) Number of annual paid leave days taken The same level or higher compared with the previous year (16.9 days)	Employee awareness survey ◦ Sense of feeling that our business helped create shared value ◦ Ongoing awareness of Mission, Vision, and Values ◦ Pride in work, feeling motivated ◦ Playing active roles	▶ The same level or higher compared with the previous year See p. 82 for employee satisfaction data
Quality	FY2025	Customer satisfaction level (on contract procedures and the claim payment process) The same level or higher compared with the previous year		

Financial and Nonfinancial Highlights

☒ A check mark indicates that FY2024 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

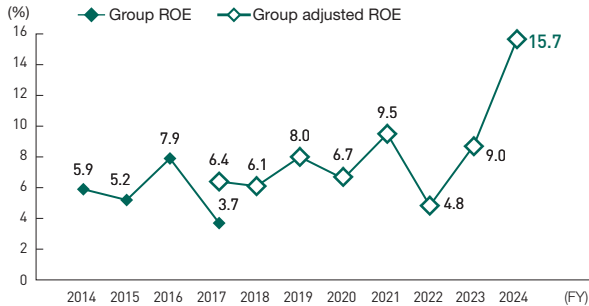
Numerical Management Targets

Group core profit/Group adjusted profit*1



This is profit that serves as a source of shareholder returns and is the numerical management target in the Medium-Term Management Plan.

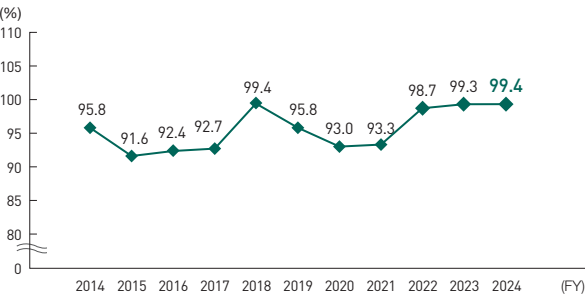
Group ROE/Group adjusted ROE*1



This is one of the numerical management targets in the Medium-Term Management Plan and indicates the ratio of Group core profit/Group adjusted profit, as shown to the left, in respect to consolidated net assets.

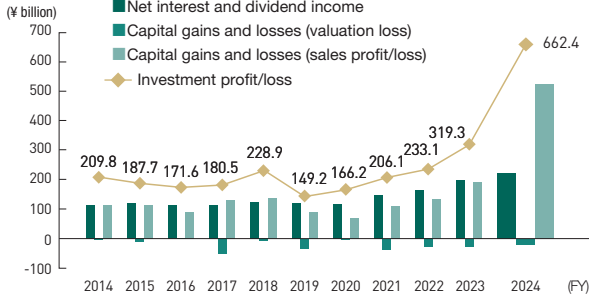
Profitability Indicators

Combined ratio*2 (domestic non-life insurance business)



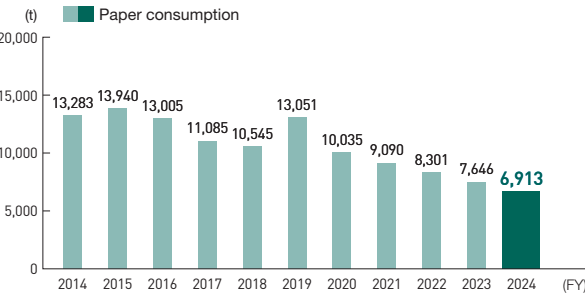
The combined ratio is a key indicator of profitability for underwriting in the non-life insurance business. Profitability is negative when this indicator exceeds 100% and positive when this indicator falls below 100%.

Investment profit/loss*2 (domestic non-life insurance business)



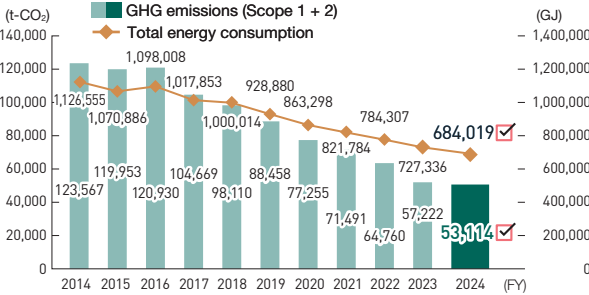
For non-life insurance companies, this is a major source of earnings, next to insurance underwriting profit, and consists of components such as interest and dividend income and gains/losses on sales of securities.

Paper consumption



Paperless meetings, PDF-format pamphlets, and portable device and tablet use are being actively incorporated to help reduce paper consumption through various measures including increased application of RPA. FY2019 saw a temporary increase in printed materials due to the change in Japan's era name and product revisions.

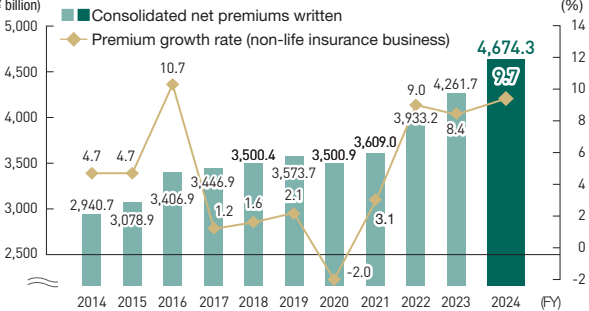
☒ Greenhouse gas (GHG) emissions and total energy use*3



Reducing GHG emissions will contribute to mitigating climate change, which is a risk to the insurance business. It also contributes to a reduction in business expenses related to energy use.

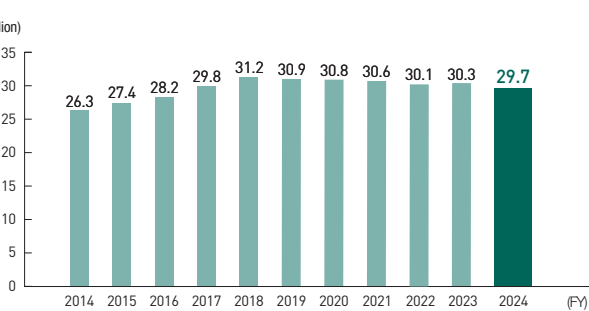
Growth Potential Indicators

Consolidated net premiums written*4 and premium growth rate (non-life insurance business)



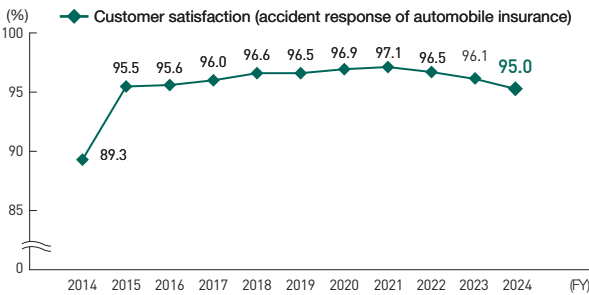
Consolidated net premiums written is one of the numerical management targets in the Medium-Term Management Plan. The premium growth rate indicates growth potential in premium income for the domestic non-life insurance business and international non-life insurance business.

Policies in force*7 (domestic life insurance business)



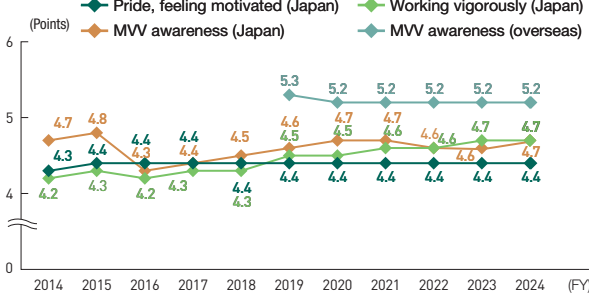
Policies in force are one of the basic indicators of the performance of life insurance companies. It represents the total amount of money guaranteed to policyholders of valid policies at the end of a fiscal year. (See "Basic Knowledge about the Insurance Industry" on p. 120.)

Customer satisfaction*5



Our growth potential depends on improving customer satisfaction. Along with these indicators, customer opinions are helpful in improving quality.

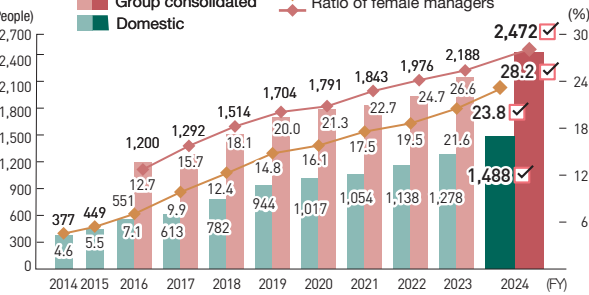
Employee satisfaction



Scope: Domestic Group companies. All-employee average on a 6-point scale.

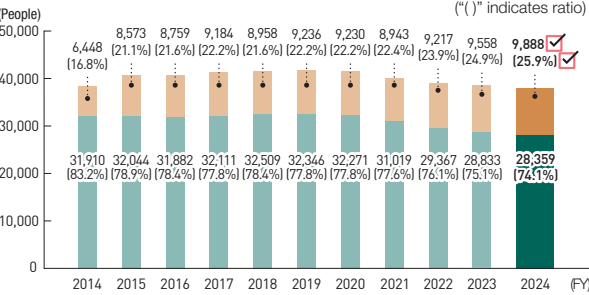
We consider "mission/vision/value (MVV) awareness" and "pride, feeling motivated" on the part of Group employees to be important elements in achieving sustainable growth in corporate value and always aim to improve these areas.

☒ Number and ratio of female managers*6



By promoting diversity in the manager position (section managers and above), we believe that we will allow for strategies, product development, and organizational management that incorporate diverse perspectives and sense of values, leading to higher customer satisfaction and growth potential.

☒ Number and ratio of global employees



Increasing the number of employees from different cultures and with a diverse sense of values, and deepening mutual understanding among employees, leads to stronger organizational capacity for the Group and is a driving force especially in international business development.

*1 The definitions for adjusted profit and adjusted ROE, which have been identified as numerical management targets, are being reviewed under the Medium-Term Management Plan "Vision 2021," which was initiated in FY2018. (See the "Glossary of Insurance Terminology" on p. 117 for details.)
*2 Simple sum of non-consolidated figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance
*3 For FY2014 to FY2016, GHG emissions resulting from tenant use of rental properties were included in our own GHG emissions. Moreover, emissions for FY2014 and FY2015 were calculated before the acquisition of MS Amlin, etc., and thus its emissions are not included in these figures. Total energy consumption is calculated based on the energy conversion coefficient from the Law Concerning the Promotion of Measures to Cope with Global Warming. Electric power energy use, however, is 3.6 GJ/MWh.

*4 Excludes the Good Results Return premiums of the "ModoRich" voluntary automobile insurance product
*5 Customer survey choices were streamlined from five options to four in FY2015 and unified within the Group. This figure indicates the ratio of customers who chose the top two options (Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance).
*6 As of April 1 of the subsequent fiscal year for domestic Group companies and as of January 1 for overseas Group companies
*7 Total amount of policies in force for individual insurance and individual annuity insurance at MSI Aioi Life and MSI Primary Life

11-Year Performance

Key Management Indicators

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021		FY2022	FY2023	FY2024
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Consolidated financial data (¥ million)

Ordinary income	4,689,658	5,013,038	5,335,239	5,217,835	5,500,438	5,168,361	4,892,244	5,132,042		5,251,271	6,572,889	6,660,813
Net premiums written	2,939,113	3,078,732	3,407,389	3,440,976	3,497,572	3,573,732	3,500,996	3,609,052		3,934,473	4,261,736	4,674,301
(Net premiums written)* ¹	(2,940,756)	(3,078,995)	(3,406,966)	(3,446,940)	(3,500,403)	(3,573,732)	(3,500,996)	(3,609,052)		(3,934,473)	(4,261,736)	(4,674,301)
Insurance claims paid (non-life + life)	1,996,675	2,023,599	2,162,773	2,311,295	2,528,145	2,403,833	2,307,722	2,418,385		2,772,451	2,774,237	2,981,393
Ordinary profit/(loss)	287,061	291,578	352,612	211,548	290,847	157,701	306,524	390,499		231,113	416,440	928,989
Net income attributable to owners of the parent* ²	136,247	181,516	210,447	154,057	192,705	143,030	144,398	262,799		161,530	369,266	691,657
Comprehensive income/(loss)	807,972	-233,116	114,294	311,096	-79,701	-157,288	753,938	310,470		-80,923	1,527,696	-17,284
Net assets	3,036,663	2,725,274	2,734,432	2,968,387	2,778,047	2,494,038	3,126,657	3,302,749		3,056,273	4,513,562	4,052,835
Total assets	18,788,046	20,303,649	21,234,300	22,472,927	23,132,539	23,196,455	24,142,562	25,033,846		25,000,433	26,960,207	26,241,298
Consolidated solvency margin ratio* ³	803.9%	743.3%	872.6%	819.3%	807.3%	781.3%	916.0%	857.9%		777.7%	771.8%	708.7%
Equity ratio	16.0%	13.3%	12.8%	13.1%	11.9%	10.6%	12.8%	13.0%		12.0%	16.6%	15.2%
Return on equity (ROE)	5.18%	6.36%	7.78%	5.45%	6.77%	5.50%	5.22%	8.3%		5.2%	9.8%	16.3%
Combined ratio (domestic non-life insurance)* ⁴	95.8%	91.6%	92.4%	92.7%	99.4%	95.8%	93.0%	93.3%		98.7%	99.3%	99.4%
Group core profit* ⁵ /Group adjusted profit* ⁶	¥155.7 billion	¥147.5 billion	¥213.7 billion	¥105.1 billion	¥189.8 billion	¥233.1 billion	¥214.6 billion	¥347.1 billion		¥172.7 billion	¥379.9 billion	¥731.7 billion
Group ROE* ⁷ /Group adjusted ROE* ⁸	5.9%	5.2%	7.9%	3.7%	6.1%	8.0%	6.7%	9.5%		4.8%	9.0%	15.7%

Per share data (yen)

Net income per share (basic)* ⁹	73.78	99.57	116.98	86.68	109.57	82.78	85.26	158.17		99.93	231.83	445.52
Net income per share (diluted)* ¹⁰	–	–	116.96	86.66	109.53	82.74	85.21	158.10		99.90	231.77	445.45
Group core profit/(loss) per share/ Group adjusted profit* ¹¹	84.33	80.94	118.79	59.15	107.95	134.97	126.73	208.96		106.86	238.54	471.38
Dividend per share (DPS)	21.66	30.00	40.00	43.33	46.66	50.00	51.66	60.00		66.66	90.00	145.00
Book-value per share (BPS)	1,673.13	1,489.86	1,524.27	1,654.88	1,570.70	1,436.12	1,841.80	1,985.07		1,877.98	2,817.00	2,647.01

Stock price–related data

Year-end market price (closing price) (yen)	1,123	1,045	1,180	1,118	1,123	1,008	1,083	1,326		1,368	2,711	3,225
Price-earnings ratio (PER) (times)* ¹²	15.23	10.50	10.09	12.90	10.25	12.18	12.70	8.38		13.70	11.69	8.42
Price-to-book ratio (PBR) (times)* ¹²	0.69	0.70	0.77	0.68	0.72	0.70	0.59	0.67		0.73	0.96	1.22
Dividend yield* ¹²	1.9%	2.9%	3.4%	3.9%	4.2%	5.0%	4.8%	4.5%		4.9%	3.3%	4.5%
Annual total shareholder return (TSR)* ¹³	45.3%	-4.9%	16.7%	-1.6%	4.6%	-5.8%	12.5%	28.0%		8.2%	104.8%	24.3%
Stock price volatility (annual rate)* ¹⁴	25.3%	41.0%	36.9%	19.7%	16.2%	19.4%	23.2%	21.7%		23.7%	27.2%	39.0%

Capital management policy data (¥ million)

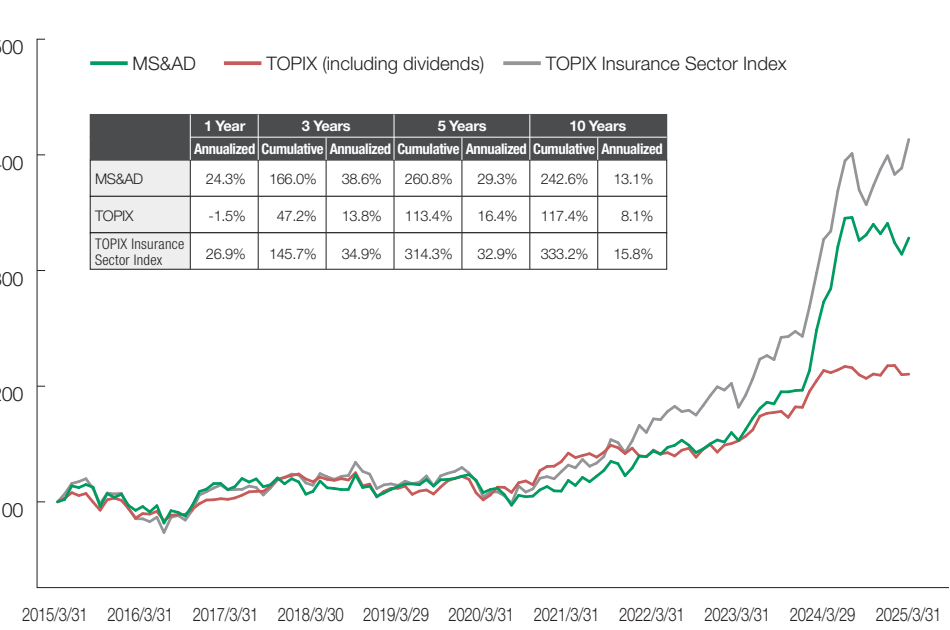
Total dividends	39,900	54,447	71,489	77,014	81,720	85,770	86,995	99,088		107,140	143,348	221,331
Dividend payout ratio (consolidated)	29.4%	30.1%	34.2%	50.0%	42.6%	60.4%	60.6%	37.9%		66.7%	38.8%	32.5%
Aggregate amount of repurchase* ¹⁵	29,992	19,996	29,938	29,981	31,972	34,999	34,999	74,999		19,999	199,999	(Maximum) ¥145 billion
[Average repurchase price (yen)]* ¹⁶	(1,124)	(1,014)	(1,246)	(1,146)	(1,160)	(1,135)	(1,095)	(1,346)		(1,706)	(3,180)	–
Shareholder return ratio* ¹⁷	44.9%	50.4%	47.7%	101.8%	60.0%	52.0%	57.0%	50.0%		74.0%	90.0%	(Plan) 50.0%

Nonfinancial data

Customer satisfaction (accident response of automobile insurance)* ¹⁸	89.1%	95.5%	95.6%	96.0%	96.6%	96.5%	96.9%	97.1%		96.5%	96.1%	95.0%
Number of employees	38,358	40,617	40,641	41,295	41,467	41,582	41,501	39,962		38,584	38,391	38,247
(of which at consolidated overseas subsidiaries) <input checked="" type="checkbox"/>	(6,448)	(8,573)	(8,759)	(9,184)	(8,958)	(9,236)	(9,230)	(8,943)		(9,217)	(9,558)	(9,888) <input checked="" type="checkbox"/>
Number of female managers* ¹⁹ (domestic) <input checked="" type="checkbox"/>	377	449	551	613	782	944	1,017	1,054		1,138	1,278	1,488 <input checked="" type="checkbox"/>
Number of employees participating in social contribution activities (domestic)	15,124	16,507	19,861	20,022	23,601	27,673	26,519	23,024		22,553	21,231	21,406
Greenhouse gas emissions (Scope 1 + 2)* ²⁰ <input checked="" type="checkbox"/>	123,567t-CO ₂	119,953t-CO ₂	120,930t-CO ₂	104,669t-CO ₂	98,110t-CO ₂	88,458t-CO ₂	77,255t-CO ₂	71,491t-CO ₂		64,760t-CO ₂	57,222t-CO ₂	53,114t-CO ₂ <input checked="" type="checkbox"/>
Paper consumption (domestic)	13,283t	13,940t	13,005t	11,085t	10,545t	13,051t	10,035t	9,090t		8,301t	7,646t	6,913t

☒ A check mark indicates that FY2024 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Total shareholder return (TSR) over the past 10 years



- The graph shows the fair value (investment performance) of investments at each point in time, with the investment amount as of March 31, 2015, set as 100.
- We have calculated our total shareholder return (TSR) based on the accumulated amount of dividends and the share price. Moreover, when accumulating dividends, the amount of dividends prior to the stock split is calculated using detailed figures without rounding fractional amounts.
- Returns for TOPIX data are calculated using the index including dividends.
- Rates of return beyond one year are converted to annualized rates of return by averaging over multiple years.

Source: Calculated by MS&AD Holdings based on data from Bloomberg

^{*1} Figures are presented exclusive of the Good Results Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModeRich," which contains a special rider for premium adjustment and refund at maturity.

^{*2} The net income or net loss attributable to parent company shareholders is disclosed.

^{*3} Consolidated solvency margin ratios have been calculated from FY2011 reflecting the revision of the Insurance Business Act, etc.

^{*4} Simple sum of non-consolidated figures of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

^{*5} Group core profit = Consolidated net income – Net capital gains/losses on stock (e.g., gains/losses on sales) – Net evaluation gains/losses on credit derivatives – Other incidental factors + Equity in earnings of the non-consolidated Group companies (before FY2017)

^{*6} Group adjusted profit = Consolidated net income + Provision for catastrophe loss reserve and others – Other incidental factors (e.g., amortization of goodwill and other intangible fixed assets) + Equity in earnings of the non-consolidated Group companies (from FY2018)

^{*7} Group ROE = Group core profit ÷ Consolidated net assets (average of beginning and ending amounts excluding stock acquisition rights and non-controlling interest) (before FY2017)

^{*8} Group adjusted ROE = Group adjusted profit ÷ Average of beginning and ending amounts on the B/S of adjusted net assets (Consolidated net assets + Catastrophe loss reserve and others – Goodwill and other intangible fixed assets) (from FY2018)

^{*9} Net income/(loss) per share (EPS) disclosed

^{*10} Net income per share (EPS) and diluted EPS disclosed. Diluted net income/(loss) per share data before FY2015 are not disclosed because there was no potential dilution during that period.

^{*11} Group core profit/(loss) per share (before FY2017) or Group adjusted profit/(loss) per share (from FY2018)

^{*12} Stock price–related indicators are based on the market price of the stock at the end of the fiscal year.

^{*13} Total shareholders' return is calculated as follows: (Fiscal year-end stock price – Previous fiscal year-end stock price + Annual dividends) ÷ Previous fiscal year-end stock price

^{*14} Stock price volatility is the annualized standard deviation of returns based on daily closing prices.

^{*15} The aggregate amount of the repurchase price in FY2024 is ¥145 billion (maximum). Of this amount, ¥60 billion has already been acquired. The acquisition period for the remaining ¥85 billion (maximum) is from May 21, 2025, to December 23, 2025 (resolved at the Board of Directors meeting held on May 20, 2025).

^{*16} The average repurchase price for FY2024 has not been stated because the repurchase of own shares has not been completed.

^{*17} Shareholder return ratio = (Dividends applicable to the fiscal year (paid in December of that year and June of the following year) + Value of share repurchases during the period through the time of the general shareholders' meeting in the following fiscal year) ÷ Group core profit for the fiscal year (from FY2018: Group adjusted profit)

^{*18} Ratio of customers satisfied with accident response for automobile insurance (Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance). From FY2015, the client survey was modified from five stages to four stages.

^{*19} Number of female employees in positions of manager or higher (as of April 1 of the subsequent fiscal year for domestic Group companies)

^{*20} From FY2014 to FY2016, greenhouse gas emissions resulting from the tenant use of rental real estate are reported as in-house emissions. Moreover, emissions for FY2014 and FY2015 were calculated before the acquisition of MS Amlin, etc., and thus its emissions are not included in these figures.

Domestic Non-Life Insurance Business

Aspirations

The domestic non-life insurance business will review its business practices, thoroughly implement customer-focused business operations, and engage in corporate activities that place customers at the center. Considering factors such as deteriorating insurance underwriting profit and the increasing

severity and frequency of natural catastrophes and the persistence of inflation, we will work to improve the profitability of automobile insurance and strengthen earning power in fire insurance and other lines of casualty insurance.

Business Environment

Strengths and features

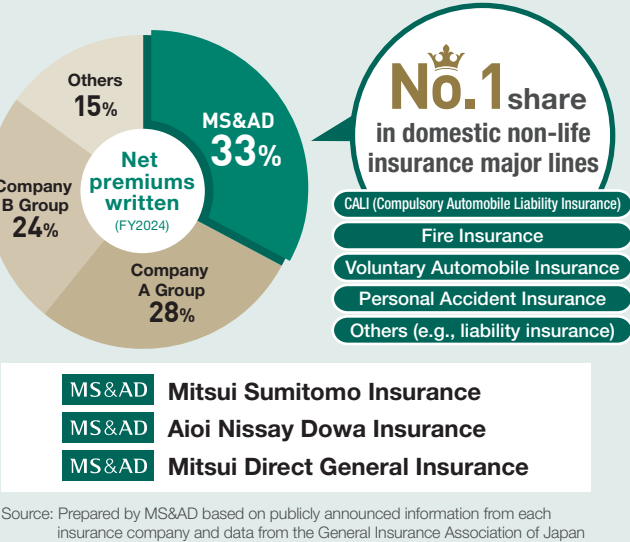
- To meet diversifying customer needs brought on by changes in social structure and lifestyles, we provide products and services through three insurance companies with different business models (such as products and sales channels).
- Mitsui Sumitomo Insurance operates businesses globally mainly based on the broad networks of the Mitsui Group and the Sumitomo Group. Aioi Nissay Dowa Insurance operates locally rooted businesses in collaboration with the Toyota Group and the Nippon Life Insurance Group. Mitsui Direct General Insurance specializes in direct sales to individual customers. We apply their respective strengths to maintain a competitive advantage in the Japanese market.

Risks and opportunities

- The environment surrounding traditional insurance lines such as fire insurance and voluntary automobile insurance has become increasingly challenging every year. In recent years, insurance payouts have risen due to increasingly severe and frequent natural catastrophes, and the burden on business expenses has increased because of rising inflation and wage increases. Furthermore, there are concerns about the future contraction of the insurance market due to the falling birth rate and aging population in Japan.
- Our Group views the emergence of social issues stemming from various environmental changes, such as the advancement of digitalization, as business opportunities. We position our domestic non-life insurance business as our core business and aim for sustainable growth by steadily capturing insurance needs for new risks.

Market position

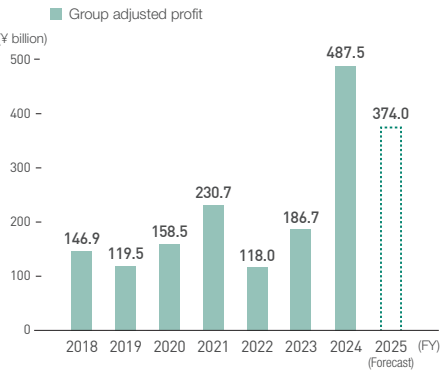
- Backed by the largest customer base in Japan and diverse partnerships, we have captured the largest market share in major lines of business in the domestic non-life insurance market.



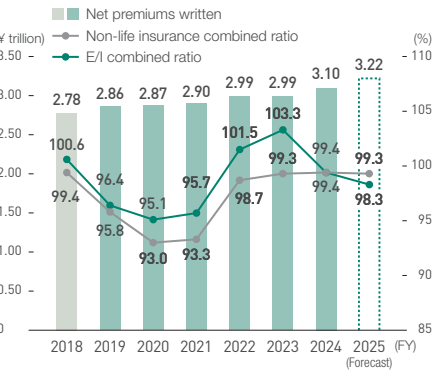
Group Management Figures

(Non-consolidated simple sum of Mitsui Sumitomo Insurance, Aioi Nissay Dowa Insurance, and Mitsui Direct General Insurance)

Group adjusted profit



Net premiums written and combined ratio*



ROR trend



Initiatives and future challenges for improving ROR

- We implemented revisions such as rate increases for our core automobile insurance and fire insurance, which had been operating at a loss for many years.
- Improving profitability is a pressing issue for automobile insurance. For fire insurance, although it turned profitable in FY2024, improving profitability to cover capital costs remains a challenge.

Progress of the Medium-Term Management Plan (2022–2025)

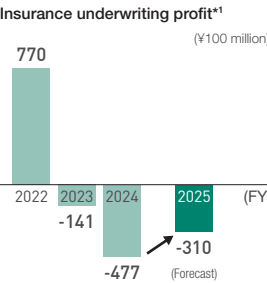
Voluntary automobile insurance profitability improvements

Measures

- Premium rate increase (January 2025) and optimization of underwriting and claim payments
- Strengthen measures to counter secondary perils such as hailstorms
- Support improving profitability in accident prevention by using data and AI, and eliminating fraudulent claims, etc.

Achievements

- In FY2024, the loss ratio worsened and insurance underwriting profit remained negative owing to an increase in the frequency of accidents, increases in labor and parts unit costs, and an increase in the average payout per claim owing to inflation and other factors, which were aggravated by the impact of hailstorms at the beginning of the fiscal year.
- Going forward, we will strive to improve profitability by strengthening the implementation of the above measures and closely monitoring income and expenditures and revising rates as necessary.



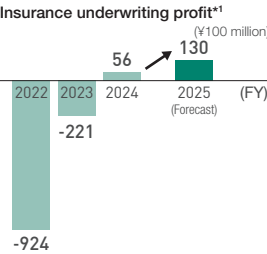
Fire insurance profitability improvements

Measures

- Revised products and premium rates (October 2024) and strengthened measures to deal with unprofitable individual policies
- Develop initiatives to prevent and mitigate loss through risk consulting and the utilization of data and digital technologies
- Develop initiatives to improve profitability, such as strengthening measures to specific contractors and promoting the use of specialized disaster recovery companies

Achievements

- Insurance underwriting profits turned positive in FY2024 through various measures
- Progress in improving our underwriting portfolio, with the percentage of contracts that can be ensured to break even exceeding 50%
- From now on, we will aim to increase underwriting profits by continuing to implement measures including large loss prevention



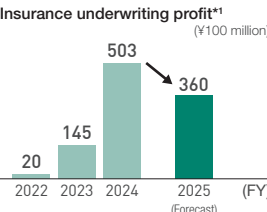
Expansion of casualty insurance

Measures

- Strengthen sales of package products aimed at SMEs, which excel in growth and profitability
- Develop products and services utilizing advanced technologies in collaboration with external companies in Japan and overseas
- Implemented measures to mitigate large losses, including reducing the maximum amount of underwriting liability, exempting specific risks from liability, and raising rates

Achievements

- Steady growth in insurance underwriting profit versus FY2022
- Looking ahead, we will further enhance profitability through market expansion and loss reduction effects by providing service-integrated products



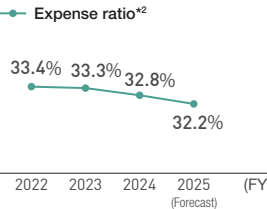
Reduction of business expense ratio

Measures

- Reduction of fire insurance commission
- Cost reductions through the utilization of digital technology and AI and business process reform

Achievements

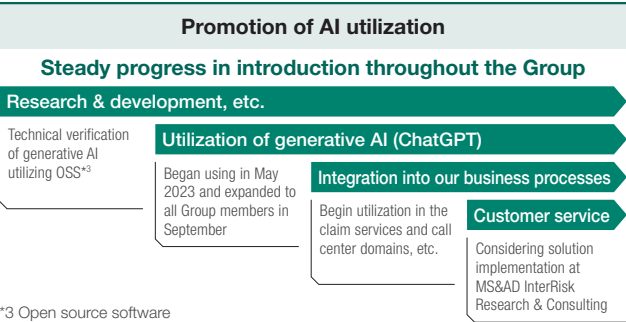
- Efforts to reduce the business expense ratio are progressing steadily, with the ratio declining smoothly toward the 30% level.
- Going forward, we will leverage the MS/AD merger as an opportunity to implement fundamental structural reforms, with the target of achieving a business expense ratio below the global level of 30%.



*1 Simple sum of non-consolidated figures of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance
*2 Simple sum of figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

Value creation (CSV×DX)

We are promoting the utilization of AI throughout the Group, and in the domestic non-life insurance business, we have introduced generative AI into our business processes



Examples of our business processes

Claim services domain

- By combining the transcription of telephone audio with a summarization function using generative AI, we expect to achieve a reduction of approximately 290,000 hours of work per year by streamlining the creation of conversation transcripts
- As a countermeasure against fraudulent claims, we are considering systems that utilize AI to detect photographs that use fake images for insurance claims, etc.

Call center domain

- We have introduced AI voice chat for part of our accident reception operations, enabling responses that do not keep customers waiting even during times of high call volume due to natural catastrophes, etc.

Domestic Life Insurance Business

Aspirations

We operate our domestic life insurance business utilizing the respective strengths of two life insurance companies with different characteristics, Mitsui Sumitomo Aioi Life Insurance providing protection-type products and Mitsui Sumitomo Primary Life Insurance offering asset-building products.

We will achieve growth by providing products and services that contribute to solving the social issues of the age of 100-year life spans: “extending healthy life expectancy” and “extending asset life.”

Business Environment

Strengths and features

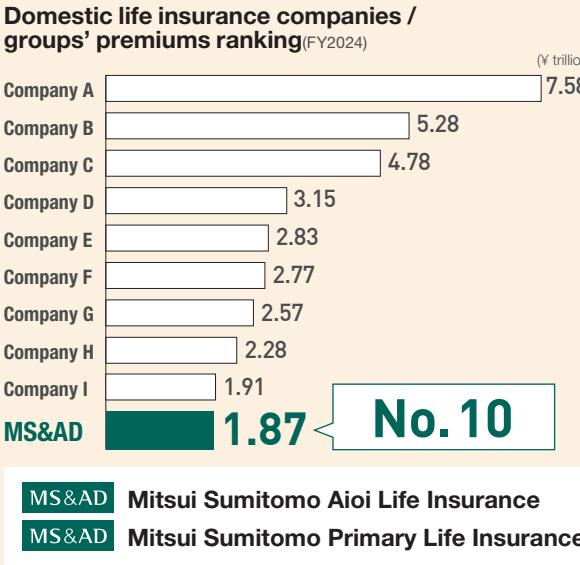
- [Strengths of Mitsui Sumitomo Aioi Life Insurance]**
- Strong sales network supported by the largest domestic customer bases of Mitsui Sumitomo Insurance and Aioi Nissay Dowa and close relationships with leading Japanese corporate groups
- [Strengths of Mitsui Sumitomo Primary Life Insurance]**
- High level of expertise in providing advanced products and services and a solid track record as a pioneer in over-the-counter sales via financial institutions

Risks and opportunities

- The social structure is changing, including increases in the burden of nursing care and medical expenses with the falling birth rate and aging population, and the arrival of the era of considerable inheritances and living wills.
In the domestic life insurance business, we are achieving growth by positioning the social issues emerging because of these changes as business opportunities and by steadily capturing demand related to new risks.
- Mitsui Sumitomo Aioi Life Insurance is responding to diversifying customer needs by enhancing its lineup of healthcare services called “MSA Care,” which contributes to the early detection of illness in addition to developing offerings centered on protection-type products.
- At Mitsui Sumitomo Primary Life Insurance, we are responding to growing social interest in asset formation, extending the longevity of assets, and smooth asset succession through inheritance and gifts by providing life insurance products and services that support these needs.

Market position

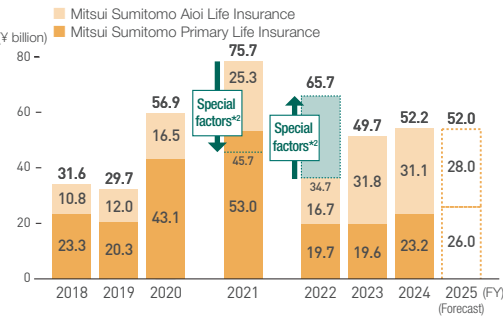
- It has been growing steadily as the core business of the Group, including ranking 10th in terms of premiums and other income (FY2024).
- We will continue to build a well-diversified business portfolio by expanding our domestic life insurance business.



Source: Prepared by MS&AD based on publicly announced information from each insurance company

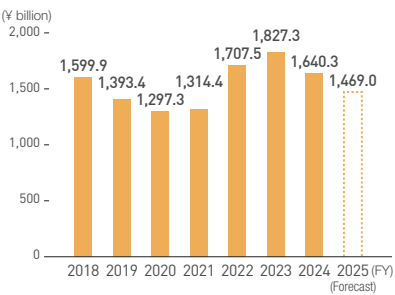
Group Management Figures

Group adjusted profit*1



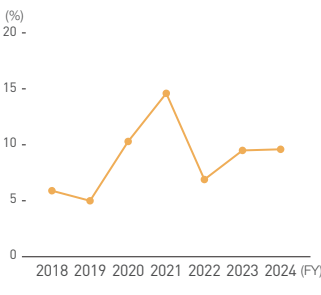
*1 Life insurance business totals include purchase difference adjustments, etc.
*2 Factors affecting profit on a one-time or individual basis

Life insurance: premiums (gross premiums income)*3



*3 Premiums (gross premiums income) are for domestic life insurance subsidiaries only

ROR trend



MSA	We are working to introduce highly profitable and competitive products, further promote cross-selling, and strengthen customer follow-up.
MSP	In addition to improving asset management yields, we are working to enhance the appeal of our products and services beyond yields.

Progress of the Medium-Term Management Plan (2022–2025)

Step up customer approaches utilizing distribution channels

Measures

Mitsui Sumitomo Aioi Life Insurance

- Step up cross-selling of life insurance and non-life insurance by non-life insurance agents and strengthen partnership sales of Mitsui Sumitomo Primary Life Insurance products

Achievements

- Mitsui Sumitomo Aioi Life Insurance pursued Group synergies and increased the life and non-life cross-selling ratio to 23.0%. In addition, Mitsui Sumitomo Primary Life Insurance's product sales expanded beyond ¥50 billion in the first stage of the Medium-Term Management Plan (2022–2025). We also promoted “MSA Care,” a pre- and post-protection healthcare service, which has been introduced in more than 3,500 companies.
- Mitsui Sumitomo Primary Life Insurance, in addition to expanding partnership sales with Mitsui Sumitomo Aioi Life Insurance, has begun offering asset-building products that award points based on premium payments through online, non-face-to-face applications. Through these initiatives, the company strives to broaden its sales channels in line with the growth vision set out in the Medium-Term Management Plan (FY2022–2025), namely, “Product × Sales Mix” (optimizing products and channels).

Measures

Mitsui Sumitomo Primary Life Insurance

- In addition to sales at Japanese financial institutions nationwide, we will diversify our sales channels to include general agents such as walk-in shops as well as online companies offering digital services, thereby strengthening our ability to reach customers.

Improvement in profitability through expansion of investment income

Measures

Mitsui Sumitomo Aioi Life Insurance

- Expand the scale of higher return assets to ¥980 billion (FY2025)

Achievements

- Mitsui Sumitomo Aioi Life Insurance controlled interest rate risk by purchasing ultra-long-term bonds, and increased open foreign bonds and other assets, thus ensuring soundness and liquidity, while also promoting risk-taking. (Higher return assets stood at ¥976.3 billion as of March 31, 2025.)

Measures

Mitsui Sumitomo Primary Life Insurance

- Improve investment income through appropriate risk-taking in line with the advancement of risk management, based on rigorous ALM management

Achievements

- Mitsui Sumitomo Primary Life Insurance took steps to enhance risk management by strengthening ALM management while also promoting investment in assets that can be expected to earn illiquidity premiums, and other investments aimed at expanding investment income through appropriate risk taking.

Provision of products and services that contribute to solving social issues

Measures

Mitsui Sumitomo Aioi Life Insurance

- Development of products and services that contribute to solving social issues such as nursing care and dementia
- Integrated provision of products and the “MSA Care” healthcare service to address the progression of the aging society

Achievements

- Mitsui Sumitomo Aioi Life Insurance has expanded its range of healthcare services that are compatible with products such as nursing care/dementia insurance and has promoted the integrated provision of insurance and services.

Measures

Mitsui Sumitomo Primary Life Insurance

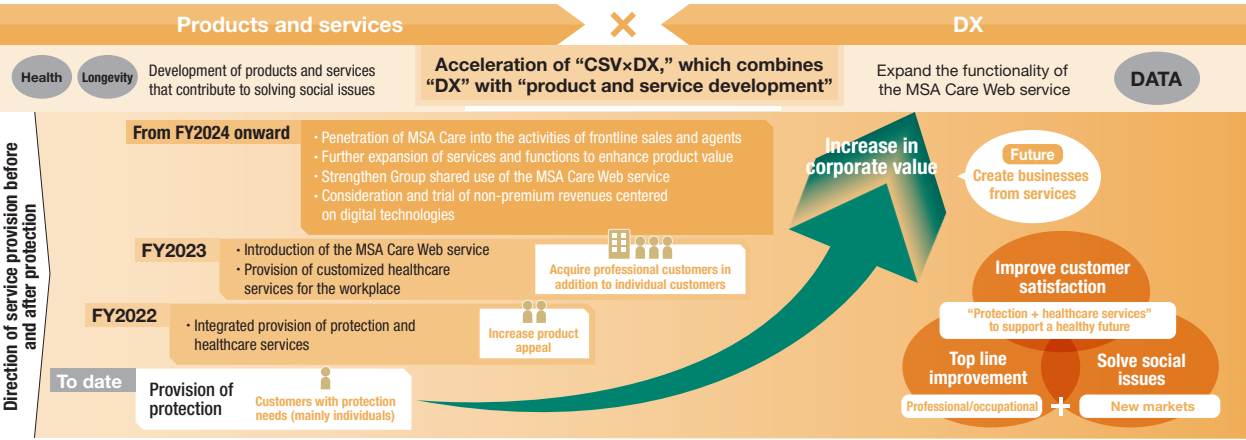
- Providing products and services such as individual annuity insurance and whole-life insurance that contribute to solving social issues such as asset formation, asset life extension, and asset succession

Achievements

- Mitsui Sumitomo Primary Life Insurance has provided products and services for a wide range of customers, including cumulative sales of products that meet the needs for gifting assets to children while alive aimed at smooth asset succession (e.g., “Yasashisa, Tsunagu 2”) exceeding ¥3 trillion and reaching 50,000 contracts for tontine-type annuities, an asset-building product designed to prepare for longevity.

Value creation (CSV×DX)

We will support a “healthy future” for our customers and achieve a combination of CSV and DX through healthcare services integrated with protection.



International Business

Aspirations

With growth in the domestic non-life insurance business expected to slow over the medium to long term due to a falling birth rate and aging population, boosting revenue in the international business is increasingly important for the growth of the Group. On the other hand, new risks and associated insurance needs are emerging globally due to various changes in the environment, including climate change, heightened geopolitical risks, and increasing

international economic and financial uncertainty, as well as changes in lifestyle due to technological innovations. In this business environment, we will provide security and safety to our diverse stakeholders by offering products and services that meet the insurance needs of international and local communities and customers and thus drive the sustainable growth of the Group.

Business Environment

Market position

- In addition to underwriting risks globally in the Lloyd's and reinsurance business, we are expanding our businesses in regions around the world, including the Americas, Europe, and Asia, and in FY2024, this business grew to a scale of ¥1,865.8 billion in net premiums written (non-life only) and ¥188.8 billion in Group adjusted profit. In Asia in particular, we have the strength of the No. 1 position in ASEAN in terms of gross written premiums.

Understanding of the environment

[Five Global Trends]

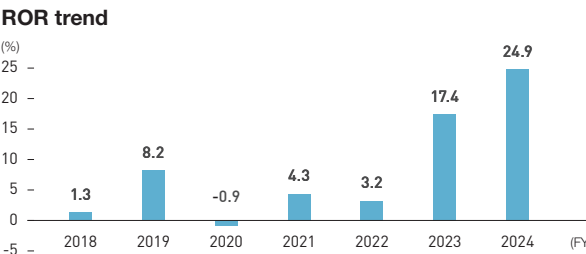
- Global population shift (aging developed countries, population growth in developing countries)
- Resource scarcity (energy, food, water), climate change
- Changes in the nature of the economy (further increase in the value of services)
- Tech evolution
- Changes in nations and the nature of government (changes in governance)

[Business opportunities from environmental changes]

- Softening of the insurance market as a whole
- Post-COVID-19 economic recovery
- Recovery of the asset management environment
- Economic growth in emerging countries, particularly in Asia
- Market trends accompanying social and economic changes

Initiatives to boost RoR

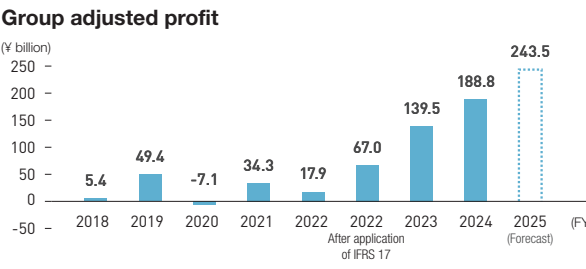
In our international business, we are working to reduce overseas natural catastrophe risk to improve ROR. The FY2024 ROR was 24.9%, up 7.5 percentage points from the end of the previous year, and averaged 9.8% over the past five years, showing steady results. With the market cycle expected to soften, we will work to address issues such as thorough cycle management and business cost reductions that will contribute to sustainable profitability improvement.



Progress of the Medium-Term Management Plan (2022–2025)

Group adjusted profit

In FY2024, the international business generated Group adjusted profit of ¥188.8 billion, a record high. It also accounted for approximately 59% of total Group adjusted profit (excluding gains/losses on sales of strategic equity holdings). We will continue to expand our earnings and lead the Group's further growth.

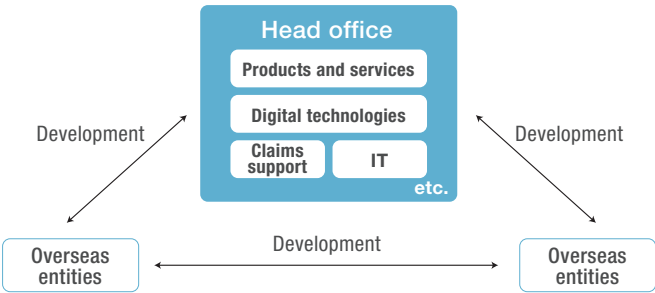


Recovery of profitability in the Lloyd's and reinsurance business

Efforts to reduce volatility by managing and controlling catastrophe risk (e.g., hurricanes in North America), portfolio replacements that comply with underwriting discipline, and reducing operating expenses through operational efficiency improvements are progressing steadily toward a recovery in profitability. In preparation for the advent of full-scale market softening, we will work to further enhance cycle management to ensure sustainable and stable earnings.

Pursuit of the Group's comprehensive strengths

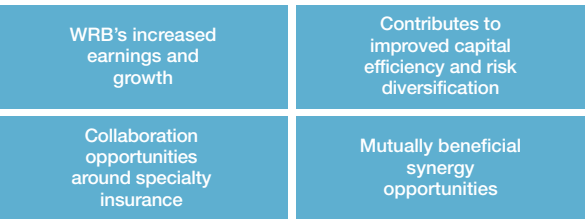
We are promoting the "TENKAI Project," which aims to accelerate the expansion of the Group's corporate value and sustainable growth through sharing and implementation of the knowledge and expertise of entities in Japan and overseas among each Group company and demonstrating Group synergies. We are accumulating results mainly in domains where we can expect significant effects, such as DX, CX, IT, asset management, and underwriting and reinsurance.



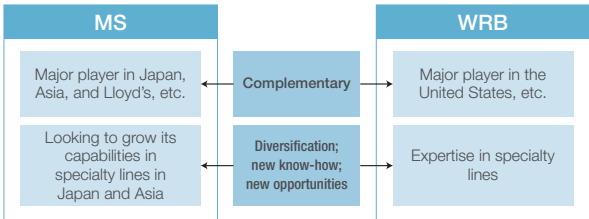
Achievements in growth investment

We use the proceeds from the sale of strategic equity holdings for growth investments that contribute to improving the profitability and corporate value of the MS&AD Group. As part of this initiative, we have established a cooperative relationship with the founding family of W. R. Berkley Corporation (hereinafter "WRB") regarding partnership and investment. WRB is a leading specialty insurance company in the United States, boasting high growth and profitability, as well as advanced underwriting know-how. We aim to achieve synergies that will lead to further growth through collaboration between WRB, which is a major player in the United States, and the MS&AD Group, which has a strong presence in Japan, Asia, Lloyd's, and other regions and markets.

Aims and significance of investment



Cooperation



Lloyd's and reinsurance business*

- MS Amlin Underwriting Limited, a major Lloyd's syndicate, and MS Amlin AG, a reinsurance company based in Bermuda and Switzerland, provide insurance services to customers that take advantage of their respective unique characteristics, and they play a central role in the Group's international business in terms of generating earnings.

*Includes Mitsui Sumitomo Insurance Company (Europe), Limited (brand name: MSIG UK), a direct insurance company in the United Kingdom.

1. MS Amlin Underwriting Limited (hereinafter "MS Amlin (AUL)")

- Lloyd's, where MS Amlin (AUL) conducts business, is an insurance market with licenses that can be underwritten from about 200 countries and regions, attracts highly specialized underwriting risks from all over the world, and has become a center of expertise in insurance underwriting and human assets.
- MS Amlin (AUL) ranks among the top 10 in terms of premium scale (2024) in Lloyd's and has built a portfolio of highly profitable lines. We will continue to maintain underwriting discipline while diversifying and expanding our portfolio to improve profitability.

2. MS Amlin AG (brand name MS Reinsurance (hereinafter "MS Re"))

- We have bases in major reinsurance markets around the world and will develop markets with a different approach from the direct insurance business, such as building medium- to long-term relationships of trust with our customers, namely direct insurance companies.
- We will further accelerate our growth by leveraging our increased competitiveness resulting from the penetration of the MS Reinsurance brand, which we have been using since 2022, as well as our high credit rating (A+ by AM Best and S&P Global).



MS Amlin (AUL)



MS Re Zurich




MS Re Bermuda

Americas business


- We have bases in North America and Latin America and engage in the non-life insurance business. In the United States, the world's largest insurance market, we have previously focused mainly on underwriting for Japanese companies in our business, but we are also making full-scale inroads into the local market.
- In January 2023, we acquired Transverse Insurance Group, LLC, a leading fronting company in the U.S. MGA* market, and together with Mitsui Sumitomo Marine Management (U.S.A.), Inc. (brand name: MSIG USA), we are promoting profit expansion and the diversification of revenue sources in the United States.
- In addition, following the partnership and investment with the founding family of WRB, we will expand our portfolio in a balanced manner through our three businesses in the United States.

*MGA: Managing General Agent. A company entrusted with authority by insurance companies, which performs operations including underwriting, reinsurance arrangements, and claims appraisal.


Presence in the United States



• MSIG USA, our wholly owned subsidiary, focuses on the broker market as its primary channel. In addition to non-cat lines such as property and liability, it is also strengthening high-margin specialty lines by hiring line-specific underwriting leaders with proven market track records.

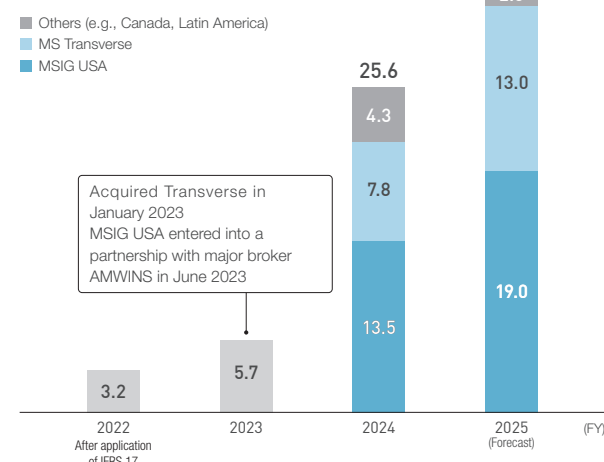


• MS Transverse, our wholly owned subsidiary, operates a hybrid fronting business that efficiently captures growth while controlling risk in the fast-growing MGA market.



• We will work together with WRB to increase value for both groups.

Group adjusted profit (¥ billion)



Asia business

- Our strength is our broad business foundations covering the ASEAN region, India, China, etc.
- We strive to maintain our No. 1 position in ASEAN and pursue accelerated profit growth by capturing market trends shaped by social and economic change.
- To accelerate the capture of revenue opportunities, we will also consider business alliances and investments that leverage the strengths of our Asian entities. This will further strengthen our presence and brand in Asia and enable us to become a market leader that continues to be chosen by customers and partners within the region.

Key initiatives

Promote initiatives to capture new revenue opportunities aligned with dynamic social and economic trends



Digitalization of purchasing



New mobility



Medical and health needs

- Maximize data value and further accelerate growth by partnering with digital platform providers
- Strengthen medical insurance products and services by leveraging Serenity's expertise in the field

Europe, Middle East, and Africa Business

- In our Continental Europe business, we merged MS Amlin Insurance SE (AISE), which has strengths in the small and medium-sized enterprise markets in the Netherlands, France, and Belgium, with MSIG Insurance Europe AG (MSIGEU), which has strengths in the large corporate markets in Germany and France, and launched MSIG Europe SE on July 1, 2025.
- The new company will expand its diversified portfolio by business line and region, while working to improve operational efficiency and strengthen profitability through the merger, with the aim of achieving sustainable growth in the mature continental European market.
- We have entities in the UAE in the Middle East and in South Africa on the African continent. We have established a network utilizing leading local insurance companies and brokers to strengthen our service system for customers, mainly Japanese companies, in both regions.



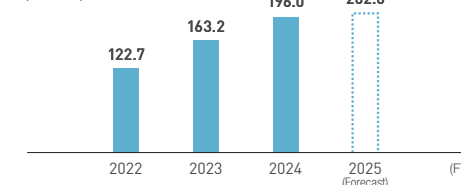
Medium- to long-term outlook following the merger

- Through the merger, we aim to become a second-tier position in the European corporate insurance market, expanding a balanced portfolio from large to small and medium-sized corporations, leveraging the strengths of both companies, particularly in Germany and France.
- By revising reinsurance policies and improving management efficiency to strengthen profitability, the profit level is expected to surpass the simple combined value of the two companies within approximately three years post-merger.
- By carefully monitoring market cycles, we aim to steadily enhance profitability, targeting Group adjusted profit of ¥25.0 billion and an ROE of 10% or more by 2030.

Toyota retail business and international telematics business

- We provide voluntary automobile insurance and related products through Toyota/Lexus dealers in 38 countries and regions around the world, and net premiums written are steadily increasing thanks to an increase in the number of new vehicles sold and an increase in the coverage ratio.
- We offer telematics automobile insurance in 14 countries. We will also further accelerate the development and deployment of cutting-edge connected mobility insurance.

Net premiums written (¥ billion)



Telematics automobile insurance (example)

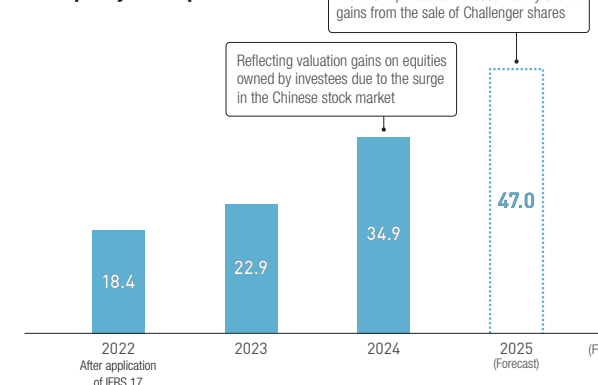


PHYD (Pay How You Drive)
We obtain and analyze driving behavior data related to emergency braking, sudden acceleration, fast cornering, etc., and calculate insurance premiums based on driving characteristics

International life insurance business

- We aim to enhance earnings and corporate value through partnerships with major financial conglomerates and banks, etc., with strong sales channels, particularly in China and India where markets continue to grow, while achieving stable growth in the expanding U.K. pension and asset-building market.
- We will continue diversifying risk and profit sources while further enhancing capital efficiency.

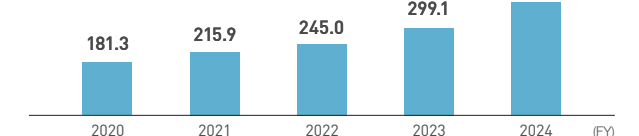
Group adjusted profit



Growth of the life insurance market

- China, India, Malaysia, Indonesia: Expected to grow*1 at an annual rate of 10.7% through 2031
- U.K.: The annuity and asset-building market is substantial, expanding by more than GBP200 billion annually*2

EV*3 (our share) (¥ billion)



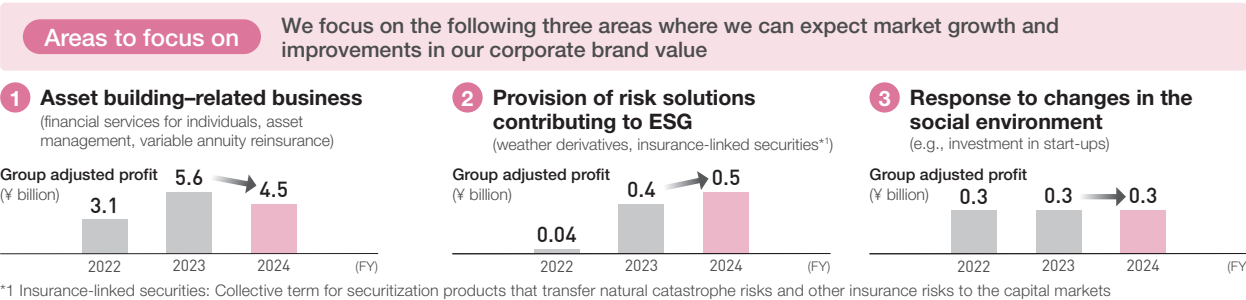
*1 Source: Allianz Insurance Report 2021 *2 Source: Phoenix IR materials

*3 The total EV calculated for entities under the Asian Life Insurance Business Dept. This is determined by multiplying the local end-of-period EV by the exchange rate at each period's end.

Financial Services Business

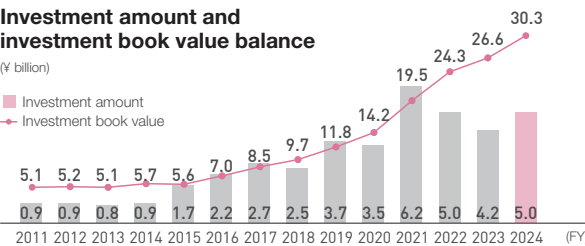
Progress of the Medium-Term Management Plan (2022–2025)

Based on social issues, changes in the environment, and customer needs, we aim to provide a variety of products and services that are independent of insurance and contribute to profits in a stable manner by utilizing the Group's comprehensive capabilities, including domestic sales and overseas entities.



Examples of initiatives

- Venture capital**
- Through MS&AD Ventures and MITSUI SUMITOMO INSURANCE Capital, we invest in start-ups in Japan and overseas, including AI, IT businesses, healthcare, and climate tech, that are expected to grow rapidly from the perspective of innovation, uniqueness, and forward-looking policy.
 - At MITSUI SUMITOMO INSURANCE Capital, we are actively promoting initiatives such as sales expansion support for investee companies and business matching between investee companies utilizing the Mitsui Sumitomo Insurance network. We are also strengthening synergies with Group companies such as Mitsui Sumitomo Aioi Life Insurance and MS&AD InterRisk Research and Consulting, Inc. In FY2024, we invested approximately ¥5.0 billion, mainly in IT services, space, and climate tech companies in Japan and overseas.



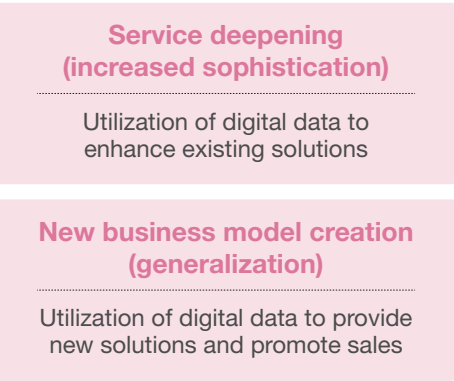
- ART***
- Mitsui Sumitomo Insurance is expanding its ART business by providing risk solution services that leverage financial technology and capital markets to address customer needs related to economic losses caused by natural disasters and extreme weather events.
 - For customers seeking to hedge risks, we offer weather and earthquake derivatives and other products in collaboration with our U.S. subsidiary, MSI Guaranteed Weather, LLC, and domestic financial institutions.
 - Mitsui Sumitomo Insurance provides investment advisory services for the CAT bond funds managed by Sumitomo Mitsui DS Asset Management Company and solicits domestic institutional investors for the funds managed by Leadenhall Capital Partners LLP, a U.K. subsidiary.

*2 ART: Alternative Risk Transfer. Among risk-handling methods, a method that uses financial technologies other than insurance.

Digital/Risk-Related Services Business

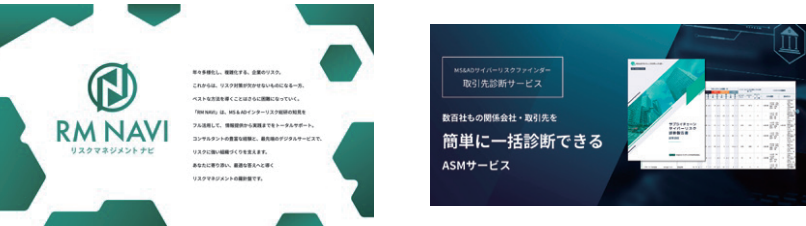
Progress of the Medium-Term Management Plan (2022–2025)

Create new services and business opportunities using digital technologies and data before and after coverage and protection, with MS&AD InterRisk Research and Consulting, Inc., leading the Group as a "Platform Provider of Risk Solutions."



Examples of initiatives

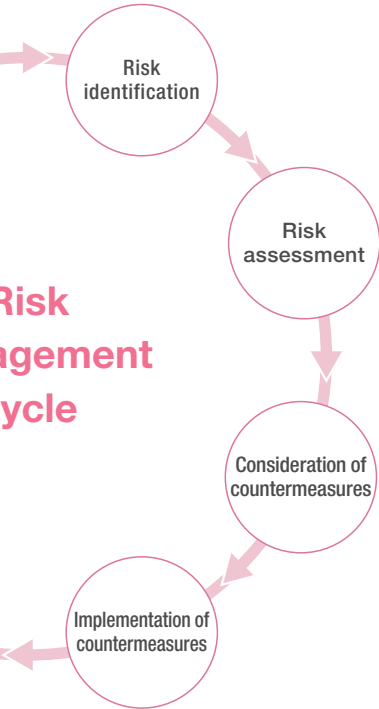
- RM NAVI**
- At MS&AD InterRisk Research and Consulting, we have released "RM NAVI," which provides access to the latest information on risk management. By registering as a free member, users can obtain reports in a timely manner, engage with consultants, use digital solutions, and access other services that can be guided and provided from the viewpoint of an e-commerce website. We support our customers' businesses as a compass for risk management.
- Cyber Risk Finder**
- For mid-sized and small companies, we provide services such as diagnosis and monitoring of the most common vulnerabilities for ransomware attacks, based solely on the domain of the e-mail address and basic information such as the company name. We provide urgent notifications to quickly address particularly dangerous vulnerabilities, and customers can use our security support services for technical assistance.



Other businesses

Assistance services

MS&AD GRAND ASSISTANCE Co., Ltd., provides high-quality services in a wide range of areas, including road assistance, house support, international travel assistance, and emergency alarm response.



Flood Risk Finder

This is an online service that can be used for everything from flood risk analysis to future climate change impact analysis for the entire world. By simply registering their company's or supplier's location information, users can check forecasts of flood depth and frequency changes on a map and download them as data.

