

**MS&AD Holdings**

**MS&AD** INSURANCE GROUP

# **Fiscal 2025 First Information Meeting**

May 27, 2025

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Key Subsidiaries and Affiliates of MS&AD Insurance Group			Abbreviations
MS&AD Insurance Group Holdings, Inc.			MS&AD Holdings
Domestic non-life insurance		Mitsui Sumitomo Insurance Co., Ltd.	MSI
		Aioi Nissay Dowa Insurance Co., Ltd.	ADI
		Mitsui Direct General Insurance Co., Ltd.	MD
Domestic life insurance		Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	MSA Life
		Mitsui Sumitomo Primary Life Insurance Co., Ltd.	MSP Life
Inter-national	Lloyds and Reinsurance	MS Amlin Underwriting Limited	AUL
		MS Amlin AG	MS Re
	Americas	Mitsui Sumitomo Marine Management (U.S.A.) , Inc	MSIG USA
		MS Transverse Insurance Group, LLC	MS Transverse
	Europe	MS Amlin Insurance SE	AISE
		MSIG Insurance Europe AG	MSIGEU
	Asia	MSIG Asia Pte. Ltd.	MSIG Asia
		MS First Capital Insurance Limited	MSFC
	Toyota Retail	Aioi Nissay Dowa Europe Limited	ANDEL
	AD Head Office Reinsurance		
	International Life Insurance		
	Financial Services		
	Digital & Risk-related services	MS&AD InterRisk Research & Consulting, Inc.	InterRisk

# Key Points of Today's Presentation

## Transformation Initiated by the Merger of MSI and ADI

- By executing our Business Improvement Plan, we will eliminate our traditional business model and transform into the company most chosen by customers.
- As the direction of our next medium-term management plan, we aim to further strengthen our Group governance structure. In addition, we will consider new growth strategies for our domestic non-life insurance business where we enjoy a leading market share, as well as for our domestic life insurance and international businesses.

## Progress of Growth Investments

- The sale amount of strategic equity holdings for FY2024 is 708.5 billion yen (Annual forecast of 690.0 billion yen), and the sale amount for FY2025 is expected to be 573.5 billion yen.
- Of 2.0 trillion yen allocated for growth investments, approximately 600.0 billion yen will be allocated to international business investment (WRB※). We will continue to consider disciplined business investments.

## Initiatives Conscious of Capital Costs and Stock Prices

- We seek to improve ROE through profit growth in our existing businesses and disciplined rebalancing of the business portfolio.
- We will continue with initiatives to lower the capital costs while being mindful of the cost of equity ratio implied by the stock price and other factors.

## FY2024 Results and FY2025 Forecast

- Group adjusted profit in FY2024 was 731.7 billion yen. In FY2025, we forecast group adjusted profit of 671.0 billion yen mainly due to a reduction in gains from the sale of strategic equity holdings.
- The annual dividend in FY2024 was increased by 55 yen to 145 yen per share, with share buybacks of up to 145.0 billion yen (60.0 billion yen of which have been executed). For FY2025, we forecast an annual dividend of 155 yen and intend to implement an additional shareholder return of 60.0 billion yen through share buybacks, on top of the basic return.

※ W.R.Berkley Corporation

### Prudence About Forward-Looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, (4) changes in tax and other regulatory systems, etc.

# Administrative Actions and Measures Related to Incidents of Customer Information Leakage

We sincerely apologize to our customers and all stakeholders for the considerable inconvenience and concern caused by the administrative actions taken by the Financial Services Agency in March 2025 regarding the incidents of customer information leakage that occurred between insurance agents and the insurance companies, as well as the guidance received from the Personal Information Protection Commission and the General Insurance Association of Japan in April 2025. The MS&AD Group is fully committed to implementing improvements and preventing recurrence, and we are dedicated to restoring trust.

## 1. Summary of Administrative Actions (Business Improvement Order)

- (1) Implement the following actions in order to ensure the sound and appropriate management of operations.
  - i. Establishment of an appropriate legal compliance system to comply with the Personal Information Protection Act and the Unfair Competition Prevention Act
  - ii. Establishment of appropriate customer information management systems at MSI and ADI (including secondees) and insurance agencies
  - iii. Establishment of management framework to assess risks associated with the characteristics of the business model and the implementation of management strategies, and to take appropriate measures in a timely manner
  - iv. Formulation of a business improvement plan related to the above i to iii. In addition, based on the root cause analysis conducted in the case of price-fixing issues, conduct a root cause analysis of the inappropriate cases that have successively occurred, and fundamentally review the business improvement plan (submitted in February 2024) with respect to the following items.
    - Fostering a healthy organizational culture that emphasizes compliance and customer protection
    - Establishing appropriate management systems for the secondments to independent agents
    - Strengthening management systems to ensure the steady execution and establishment of business improvement plan
- (2) Regarding the above (1), receive a review of the formulation and implementation of the business improvement plan by external experts with specialized knowledge of the insurance industry and corporate governance.
- (3) Clarify the management responsibility based on the results of the root cause analysis conducted in accordance with the above (1)-iv.

## 2. Measures

- We have developed a business improvement plan in response to information leakage incidents that occurred between insurance agents and the insurance companies, and are undertaking a fundamental review of the business improvement plan related to the price fixing incidents.
- We solemnly accept the administrative actions as a Group, and are committed to implementing business improvements and preventing recurrence to restore trust with our customers. We will ensure a thorough customer-focused approach by strengthening governance and fostering a culture that prioritizes compliance.

# I

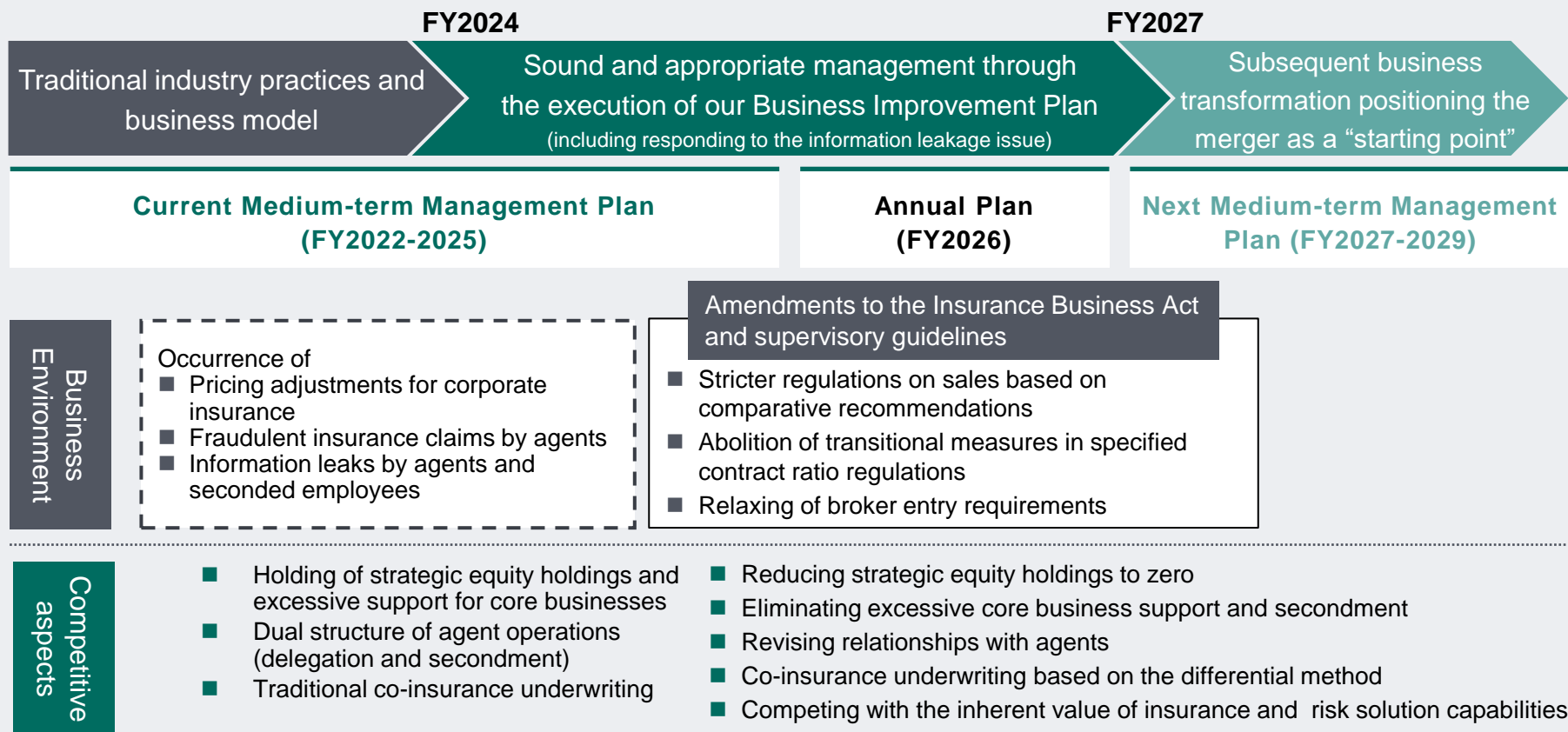
## **Transformation Initiated by the Merger of MSI and ADI**

1. Background behind the Decision to Merge MSI and ADI
2. What the Merger Will Achieve
3. Direction of Growth Strategies in the Next Medium-Term Management Plan
4. Profit Level after Sales of Strategic Equity Holdings and Aspiration

# 01 Background behind the Decision to Merge MSI and ADI (1)

## Eliminating the Traditional Business Model by Executing a Business Improvement Plan

- With the execution of our Business Improvement Plan, traditional industry practices and elements of competition will be eliminated as we transform into the “company most chosen by customers”.



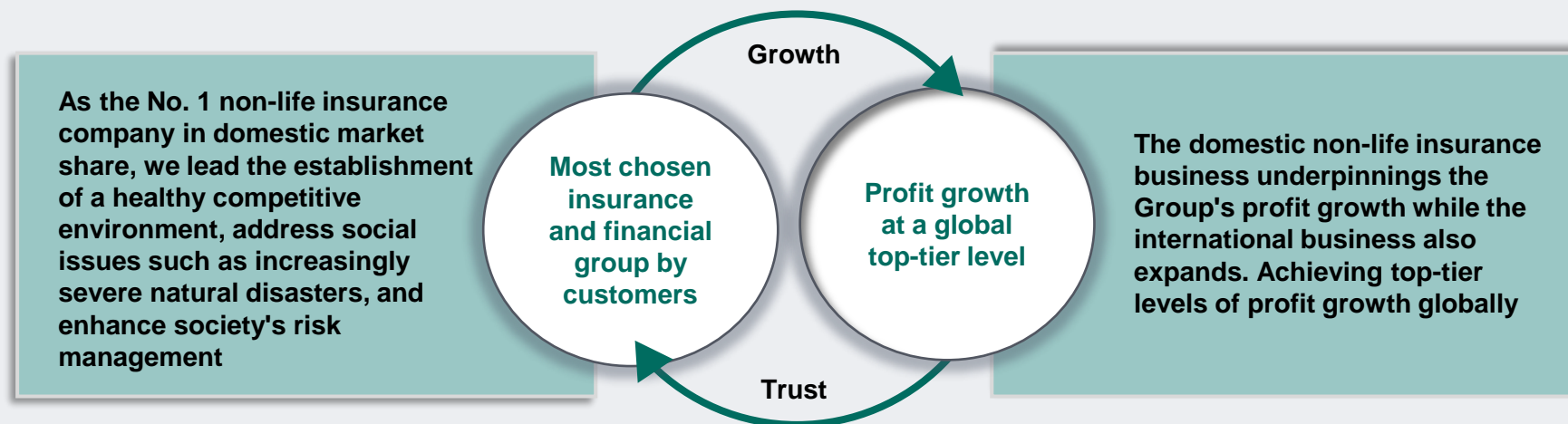
- We are steadily addressing the key challenges of “customer-focused business operations,” “cultural transformation,” “enhancing the functions of the second and third lines,” “governance of the board of directors and audit committee,” and “governance of the holding company.”
- We aim to transform into an insurance company chosen by customers for the inherent value of insurance and risk solution capabilities. Alongside this, we are making steady progress in improving employee engagement through cultural transformation and the “skill-based human resources system reform.”

# 01 Background behind the Decision to Merge MSI and ADI (2)

## Subsequent Business Transformation Initiated by the Merger of MSI and ADI

- Treating Day 1 of the merger as a “starting point,” we will tackle the “subsequent business transformation.”
- As the insurance and financial group most chosen by customers, we will achieve profit growth on par with the top tier of global organizations and realize a “positive cycle of growth and trust.”

Business transformation positioning day 1 of the merger as a “starting point”



### The merger of MSI and ADI as the “starting point” (Day 1)

- The merger of the Group's core non-life insurance companies is an opportunity to further enhance Group governance of the holding company
- Demonstrate the competitive advantage of being the No.1 brand and having a leading market share
- Become the most cost-efficient non-life insurance company through business structural reforms

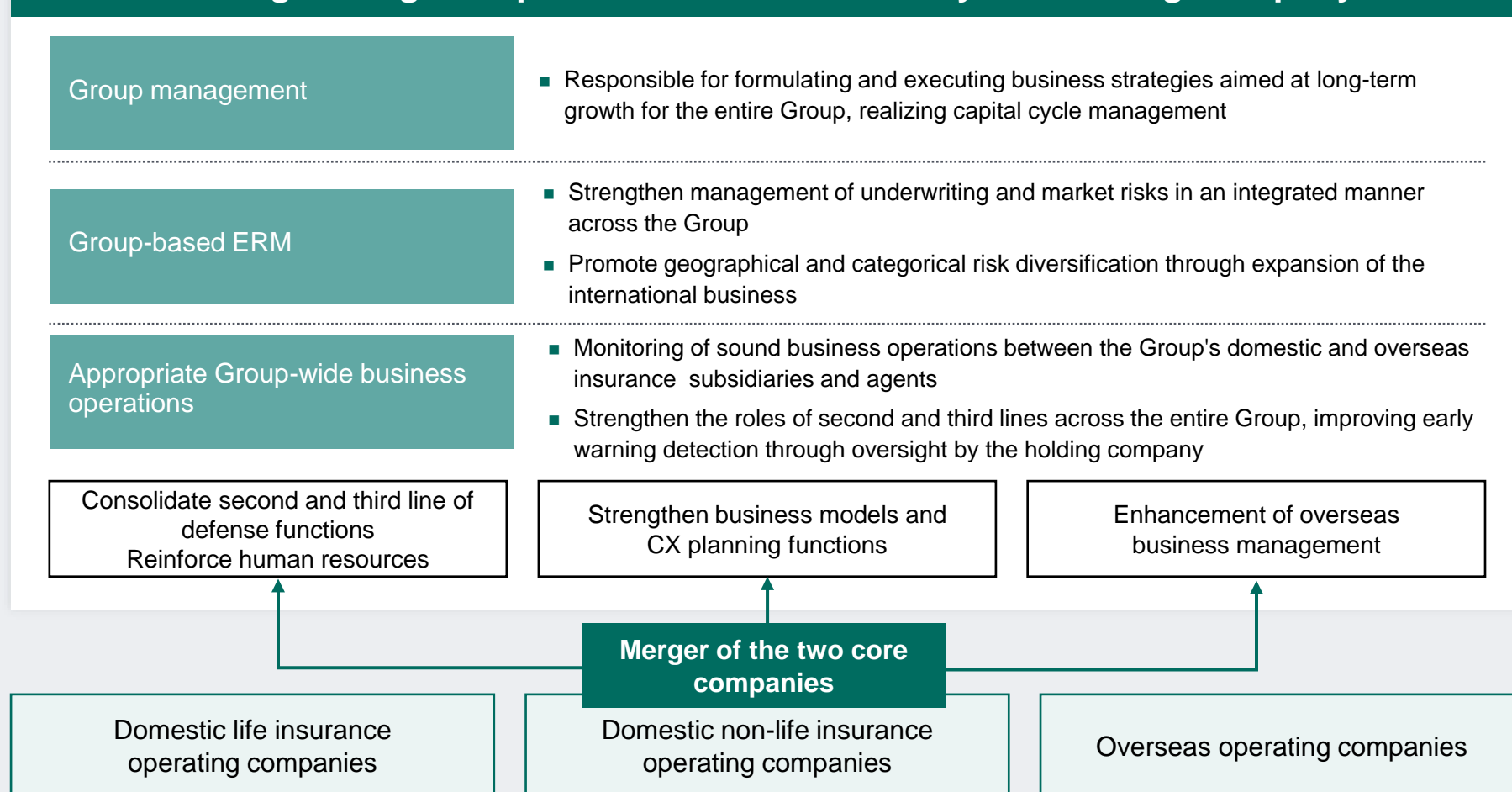
### Strategic direction of initiatives in the next medium-term management plan

- Domestic non-life insurance will enhance risk solution capabilities by utilizing customer base and data, while promoting distribution transformation and the creation of new markets
- Using the merger of two core non-life insurance companies as a “starting point,” the holding company will lead the execution of growth strategies in domestic life insurance and overseas markets
- Expand opportunities for employees to thrive both domestically and internationally, and in Japan, establish a “skill-based personnel system” to become a company where growth and contribution are tangible

## 02 What the Merger Will Achieve (1) Group Governance that Balances Growth with Discipline

- The merger of the Group's core non-life insurance companies is an opportunity to further enhance group governance through a holding company structure.
- The holding company will not be limited to its traditional role but will promote management that balances growth and discipline.

### Strengthening Group Governance Structure by the Holding Company

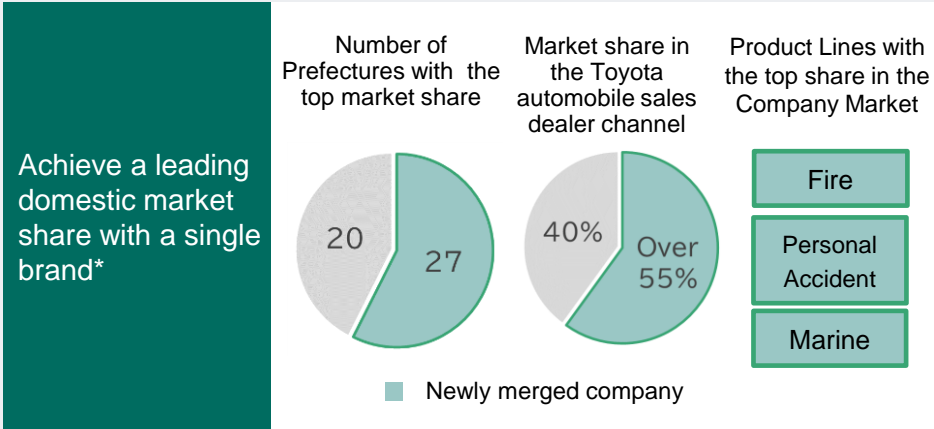




# 02 What the Merger Will Achieve (2) Demonstration of Competitive Advantage

- The merger establishes the leading company for the domestic non-life insurance market and demonstrates our competitive advantage through the centralization of human resources and data, and the integration of finances.
- The merger will be an opportunity to fundamentally transform the business cost structure, targeting a business expense ratio under the global standard of around 30%.

## ■ Demonstration of Competitive Advantage through the Merger

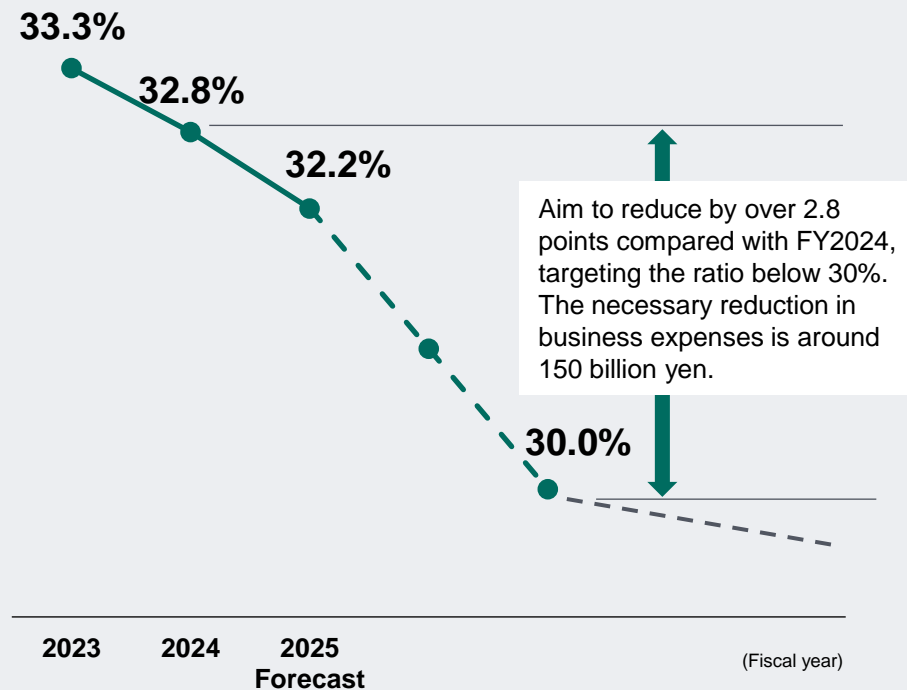


- Strengthen superiority through the integration of capital and finance
- Build a robust business foundation through the integration of human capital and databases
  - Achieve enhanced business efficiency and bold risk-taking through the integration of financial foundations

\* Figures are based on direct premiums as of the end of March 2024 (our research).  
Marine totals include both cargo and hull

## ■ Business Expense Ratio (MSI + ADI)

Achieve a business expense ratio below 30% through top-line growth and a review of the structure of personnel costs, property costs, and agency commissions.



## 03 Direction of Growth Strategies in the Next Medium-Term Management Plan (1)

### Domestic Non-life Insurance and Risk-related Services

- Leveraging the strengths of the newly merged company, we aim to enhance our insurance underwriting and risk solution capabilities while focusing on the transformation of distribution and the creation of new markets.
- We will transform the domestic non-life insurance business into a high-profit business to support the group's profit growth.

#### Non-life Insurance Business × Digital and Risk-related Services Business

##### Strengthening Insurance Underwriting and Risk Solution Capabilities

Personal	<ul style="list-style-type: none"><li>■ Strengthening risk solution capabilities utilizing the largest domestic policy and claims data</li><li>■ Promoting the best practices of MSI and ADI across the entire newly merged company</li><li>■ Further advancing the provision of "before and after compensation solutions" such as telematics auto insurance and disaster prevention alerts, with InterRisk guiding the group efforts</li></ul>
Commercial	<ul style="list-style-type: none"><li>■ Enhancing underwriting capabilities and risk solution proposal abilities through data utilization</li><li>■ Leveraging top-tier domestic capital strength and reinsurance purchasing power to enhance capacity provision</li><li>■ Expanding specialty product lineup utilizing expertise from Lloyd's and WRB</li></ul>

##### Transformation of Distribution and Creation of New Markets

- Support the reorganization of agents in anticipation of the impact from tighter regulations governing comparative recommendation sales, and the abolition of measures to relax specified contract ratio regulations
- Strengthen strategies related to direct insurance and e-commerce-linked insurance
- Develop new businesses in the digital and risk-related services

##### Supporting Group Profit Growth as a High-Profit Business

- Aim to realize a business expense ratio under 30% by reducing business expenses and achieving top-line growth
- Build a foundation that consistently generates high profitability, promoting a virtuous cycle where growth investments and shareholder returns are facilitated.

## 03 Direction of Growth Strategies in the Next Medium-Term Management Plan (2)

### Domestic Life Insurance and International Business

- In the domestic life insurance, we will continue with our current growth initiatives while aiming to grow and scale up our market presence through a range of options including strategic alliances.
- In the international business, we will expand earnings by capturing market growth in the Americas and Asia. To improve competitiveness in the global market, we will also consider a significant update to the management model of the international business.

#### Domestic Life Insurance Business

Growth based on a two-company structure with distinct characteristics

- Integrated provision of protection-oriented and asset-building products along with healthcare services leveraging the agent network and customer base of the non-life insurance business (MSA Life)
- Further reinforce leading position in over-the-counter sales by financial institutions, while diversifying non-face-to-face channels and other non OTC sales (MSP Life)

#### International Business

Enhancing the growth potential and profitability of existing businesses

- In the Lloyd's & Reinsurance, ensure high-level profitability even in a softening market cycle by employing rigorous cycle management
- Expand earnings by capturing the growth of MGA\* and specialty market in the Americas, and Asian retail market

#### New Growth Strategy Led by the Holding Company

- Strengthen asset management capabilities and product development skills, and improve capital efficiency including use of reinsurance
- Strategic partnerships and restructuring are also options

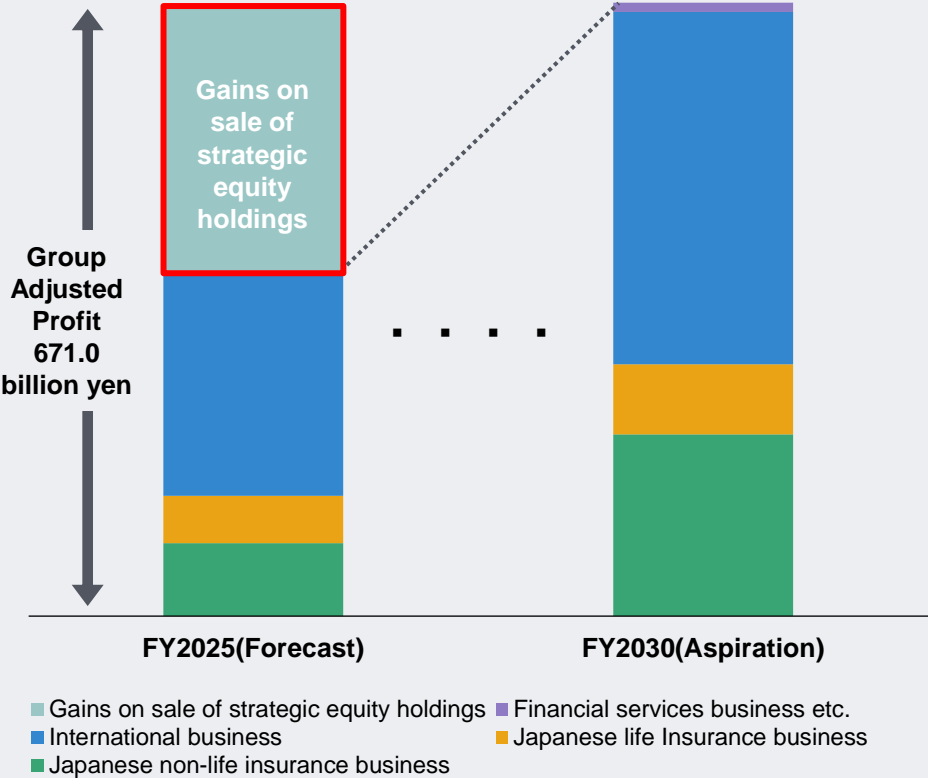
- Establish a new management model for the international business led by the holding company, focusing on effective business management that utilizes multinational talents and considers the characteristics of each local subsidiary
- Continue to carefully monitor opportunities for business investment under a softening market cycle

\* Managing General Agent

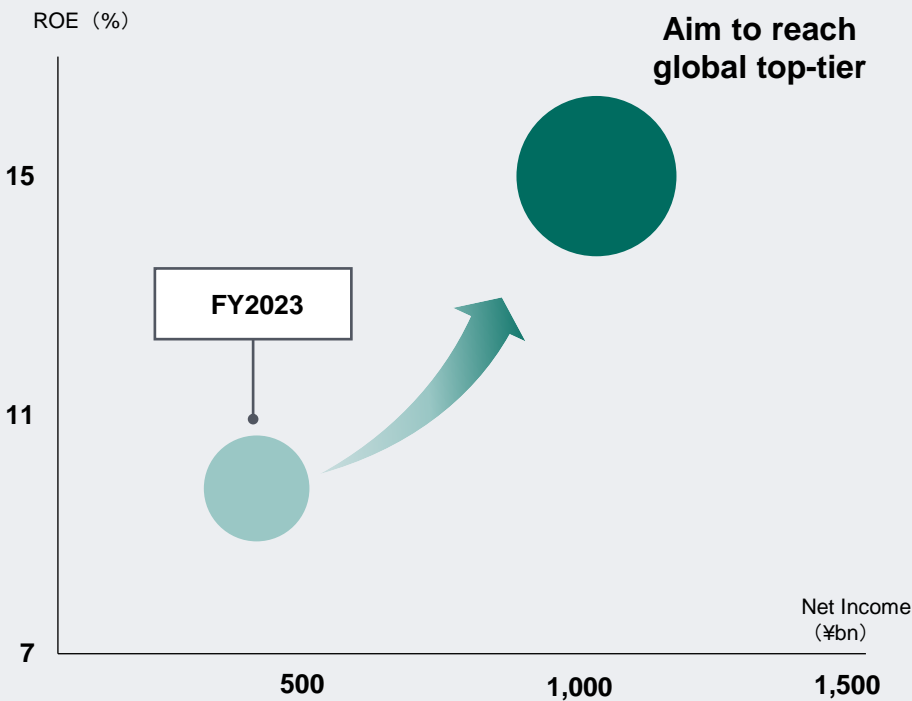
# 04 Profit Level after Sales of Strategic Equity Holdings and Aspiration

- Following the merger of MSI and ADI and subsequent business transformation, the goal is to achieve a profit level\* exceeding FY2025 forecast by FY2030, after completion of the sale of strategic equity holdings.
- As the aspiration for the Group, achieving a profit of 1.0 trillion yen and a market capitalization of 10.0 trillion yen is set as a milestone.

## ■ Image of the Profit Level\* for FY2030



## ■ Future Aspiration



\* This refers to the profit that serves as the basis for shareholder returns. With the introduction of IFRS at the end of FY2025, a review of various definitions is planned for FY2026.

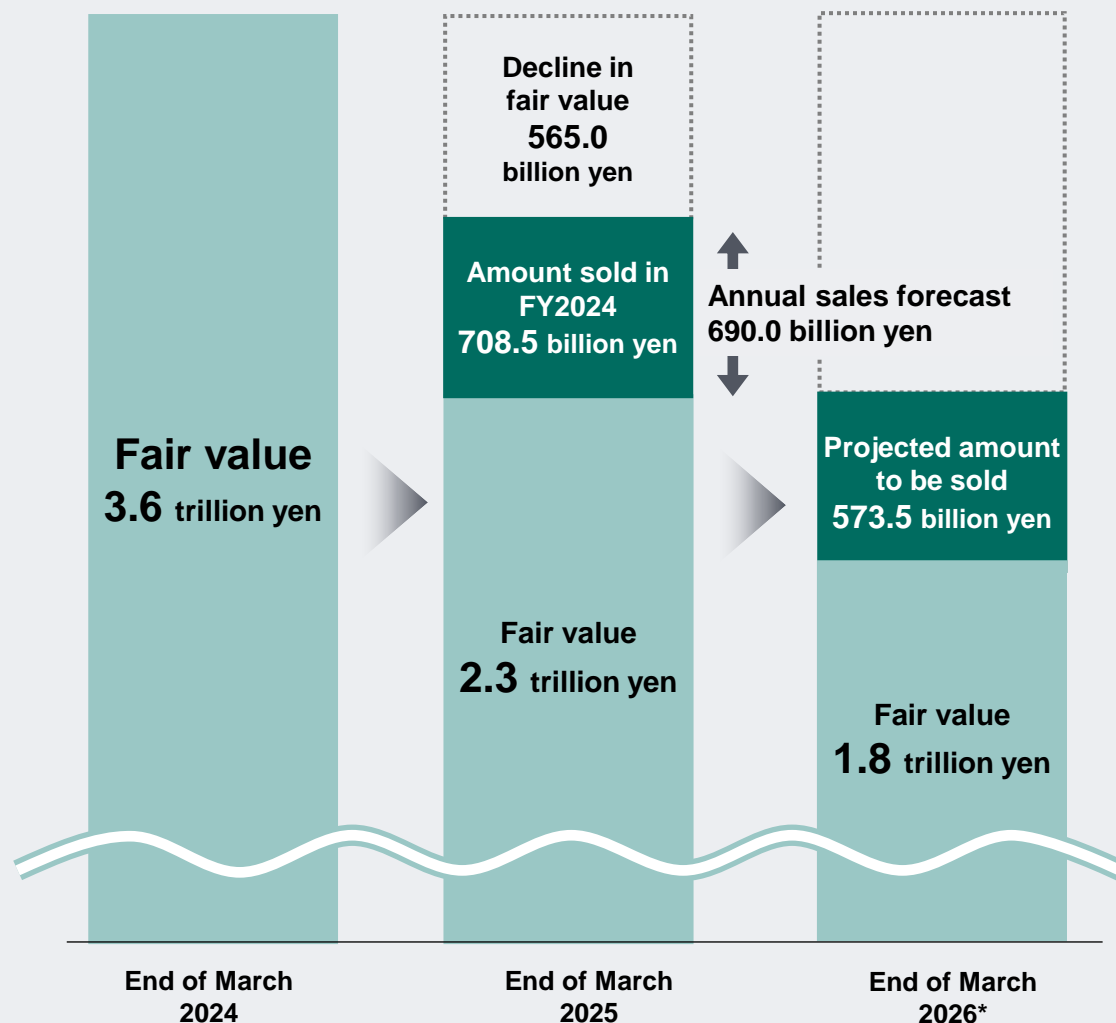
## **II**

# **Progress of Growth Investments**

1. Progress of the Sale of Strategic Equity Holdings
2. Results of Growth Investments
3. Status of Growth Investments and Business Investments

# 01 Progress of the Sale of Strategic Equity Holdings

## ■ Progress of the Sale of Strategic Equity Holdings and FY2025 Forecast



- In FY2024, the sales amount is 708.5 billion yen (Annual forecast: 690.0 billion yen), with post-tax gains from sales totaling 412.3 billion yen
- Due to sales progress and the impact of declining stock prices, the balance of strategic equity holdings as of the end of March 2025 is 2.3 trillion yen
- Approval for sale from issuers has been obtained for 84% of all listed stocks held by our group, on a stock-by-stock basis (as of the end of March 2025)
- For FY2025, sales are projected to reach 573.5 billion yen

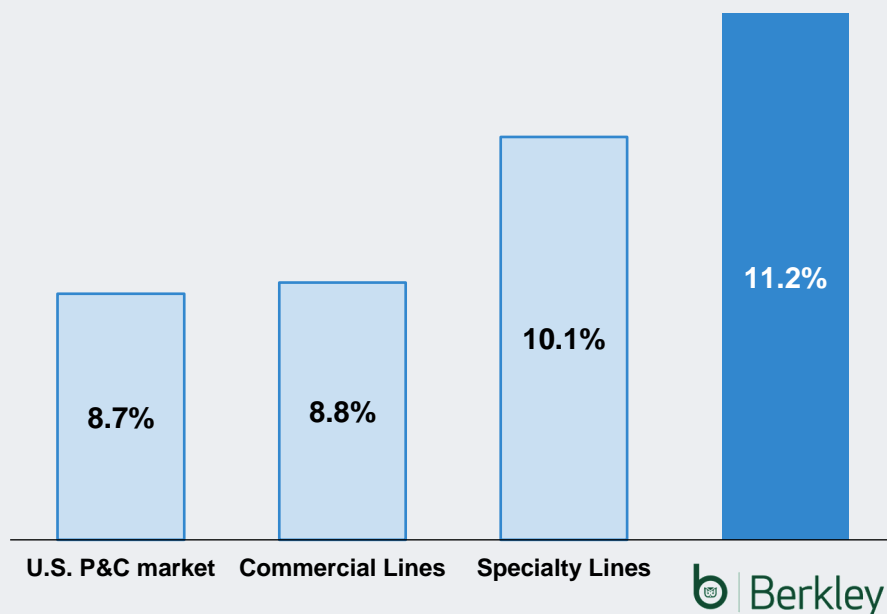
\* The stock price is calculated based on the assumption of the Nikkei Average being 36,045 yen at the end of April 2025.

- WRB is one of the largest, high performing P&C insurance groups with strong expertise in specialty lines.
- By combining the strengths of the two groups (including their respective global networks), we aim to pursue mutually beneficial growth opportunities.

## ■ Growth Potential

- The U.S. specialty insurance market, which focuses on unique risks that require bespoke solutions, is growing at a faster pace than the entire P&C market. WRB's growth is reflective of its leading position in that segment.

5yr CAGR (FY2018 – 2023)



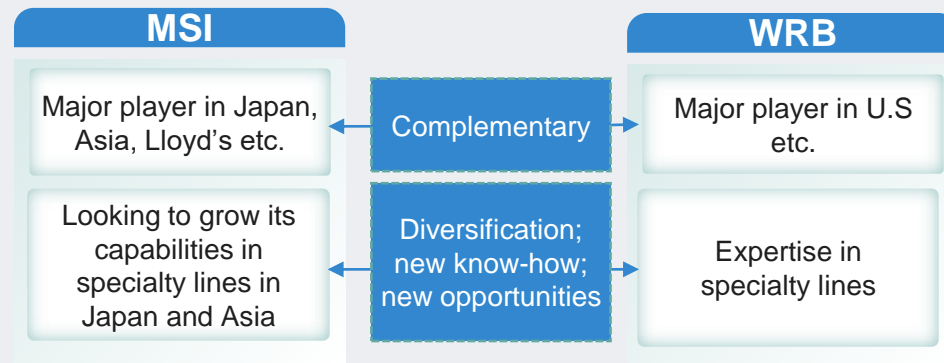
Source: S&P Capital IQ Pro



## ■ Rationale of Investment and Voting Agreements

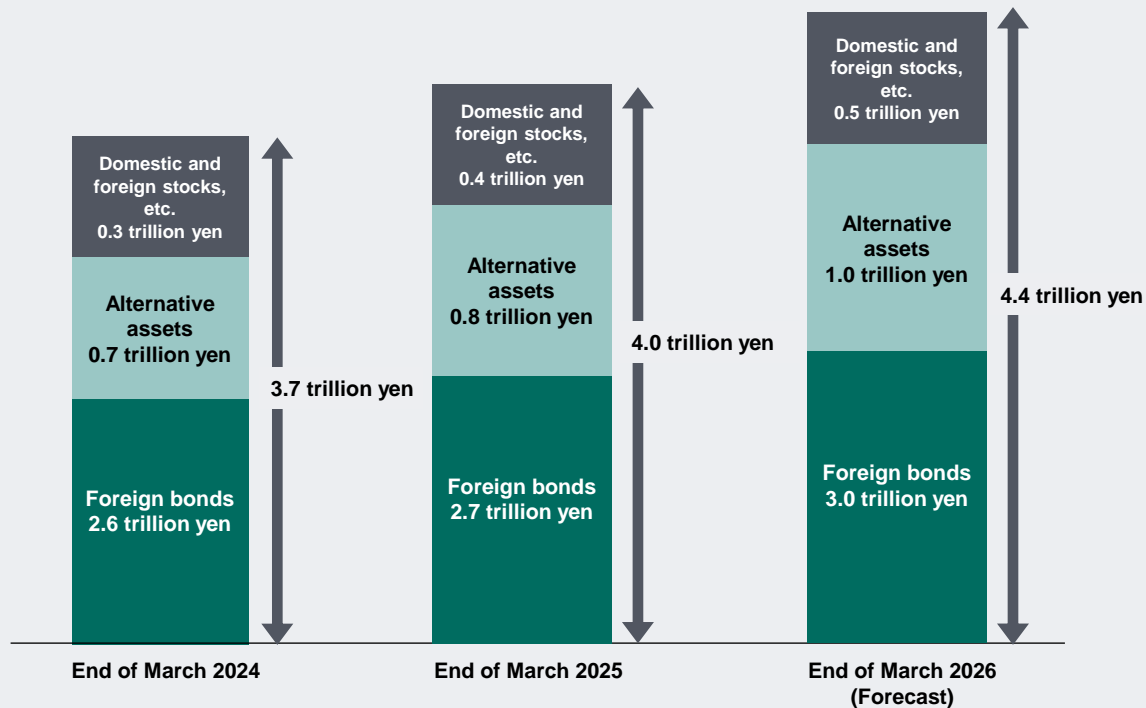


## ■ Illustration of Combined Strength



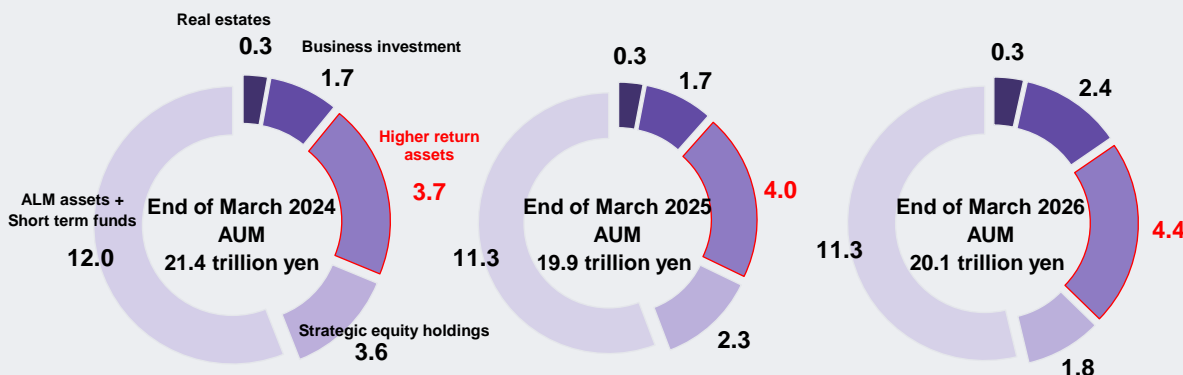
## 02 Results of Growth Investments (2) Higher Return Assets

### ■ Status of Higher Return Assets



- Utilizing MSR<sup>\*1</sup>, the balance of higher return assets as of March 31, 2025 had increased 350.0 billion yen year on year to 4.0 trillion yen
- In addition to liquid foreign bonds, investment was expanded with a focus on private assets expected to diversify risks, offer high yields and provide low volatility (overseas PE, PD)
- In FY2024, the impact from the sale of strategic equity holdings (decline in dividend income received) was covered by reinvesting higher return assets
- In FY2025, we expect to add another 300.0 billion yen

<sup>\*1</sup> MSR Capital Partners, LLP



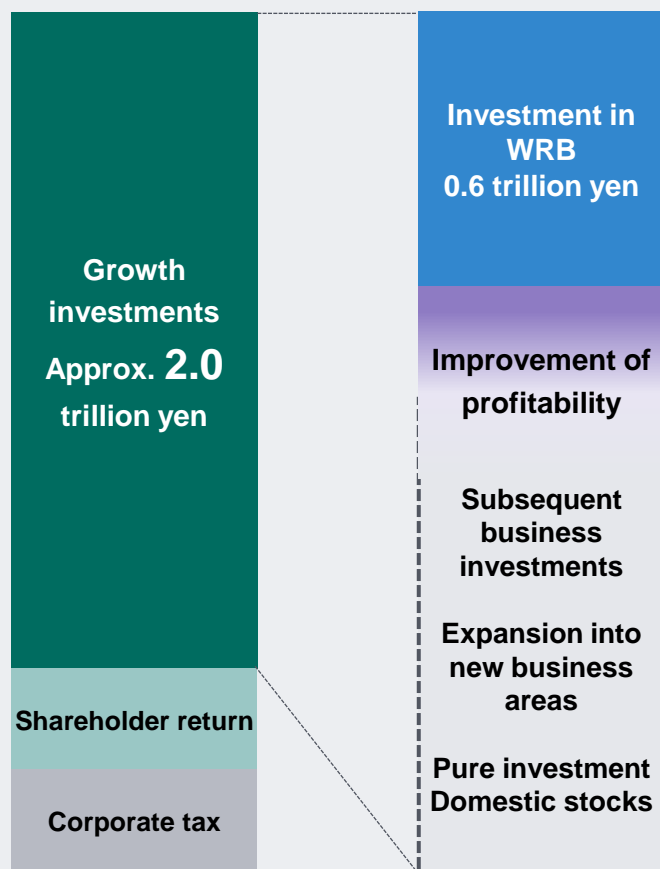
<sup>\*2</sup> Based on simple total of non-consolidated figures of five domestic companies. Also assuming external outflows (taxes, shareholder returns)



## 03 Status of Growth Investments and Business Investments

- Out of the 2 trillion yen allocated for growth investments, approximately 600.0 billion yen will be directed towards overseas business investments (WRB).
- The higher return assets will increase by approximately 350.0 billion yen, primarily through the utilization of MSR, focusing on foreign bonds and alternative assets.
- We will leverage our past experience and take a disciplined approach when considering further business investments.

### ■ Status of Growth Investments



End of March 2025

- **Investment in WRB**
- **Improvement of profitability**
  - Prudent expansion of investments in higher return assets
  - Investments in next-generation systems and DX to enhance productivity and foster innovation
  - Investments in human resources
- **Subsequent business investments**
  - International asset management business
  - Areas where each location's strengths can be leveraged in Aisa
- **Expansion into new business areas**
  - Startup investments utilizing CVC
- **Holding domestic equities as pure investments**
  - Optimization of the investment portfolio
  - Managed separately from insurance transactions by asset management division



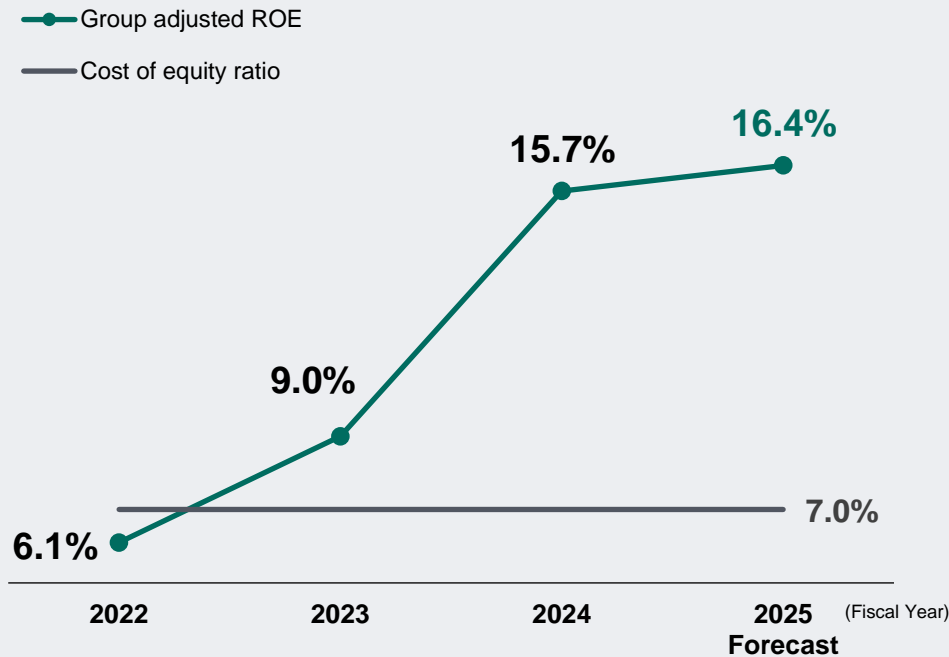
# Initiatives Conscious of Capital Cost and Stock Prices

1. Adjusted ROE and Equity Spread
2. Shareholder Return Policy

# 01 Adjusted ROE and Equity Spread

- In addition to improving the profitability of existing businesses, we are driving initiatives to improve ROE in various ways, such as growth investments in international business and the sale of Challenger shares to pursue high capital efficiency
- We will continue with initiatives to lower the cost of capital while remaining mindful of the cost of equity implied by the stock price and other factors

## ■ Group Adjusted ROE and Cost of Equity Ratio



### Cost of equity ratio

Risk-free rate + Beta (β) sensitivity × Market risk premium = Cost of equity ratio

Based on 10-year JGB interest rate	Risk of our stock	Determined based on historical stock market returns	7%
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## ■ Key Initiatives

Increasing ROE
<ul style="list-style-type: none"><li>■ Improved profitability of the domestic non-life insurance business<ul style="list-style-type: none"><li>– Achieve profitability in fire insurance ahead of schedule by FY2024</li><li>– Further streamline business expenses through the merger of MSI and ADI</li></ul></li><li>■ Stable profit growth of the international business<ul style="list-style-type: none"><li>– Expand high-profitability underwriting portfolio of the Lloyd's &amp; Reinsurance Business</li><li>– Expand local underwriting by MS Transverse and MSIG USA</li><li>– Reorganize unprofitable businesses and fields</li></ul></li><li>■ Maintain an adequate level of capital<ul style="list-style-type: none"><li>– Flexibly implement additional shareholder returns</li></ul></li><li>■ Disciplined revisions to the business portfolio<ul style="list-style-type: none"><li>– Improve capital efficiency through the sale of Challenger shares</li></ul></li></ul>
Reduction of cost of capital
<ul style="list-style-type: none"><li>■ Controlling market sensitivity<ul style="list-style-type: none"><li>– Accelerated reduction in strategic equity holdings and building of a high-ROR portfolio</li><li>– Advanced duration matching of assets and liabilities</li></ul></li><li>■ Reduction of natural catastrophe risk<ul style="list-style-type: none"><li>– Strengthening handling of secondary perils</li></ul></li></ul>

# 02 Shareholder Return Policy

- The policy to return 50% of group adjusted profit through dividends and share buybacks remains unchanged. The total dividend aims for a progressive dividend approach.
- The portion from accelerated sales of strategic equity holdings is returned as a special dividend.

Basic Return	
Total amount of return	■ 50% of Group adjusted profit
Dividends	<ul style="list-style-type: none"><li>■ <b>Ordinary dividend:</b> Calculate based on group adjusted profit excluding accelerated sales of strategic equity holdings</li><li>■ <b>Special dividend:</b> Provide for the period of sales of strategic equity holdings (no later than the end of FY2029) against group adjusted profit from acceleration of sales of strategic equity holdings</li></ul>
Share buybacks	Implement based on the amount after deducting dividends from total shareholder return

+

Additional Return (Guidelines for considering Additional Return)	
<ul style="list-style-type: none"><li>■ When ESR constantly exceeds the upper limit of the target range</li><li>■ To keep stable returns when profits decline due to a large-scale natural catastrophe etc.</li><li>■ When no efficient growth investments are expected to be carried out</li><li>■ When it is determined that capital efficiency improvements are required</li></ul>	

## **IV FY2024 Results and FY2025 Forecast**

1. Progress toward Numerical Management Targets and Annual Forecast
2. Shareholder Return

# 01 Progress toward Numerical Management Targets and Annual Forecast (Summary)

- In FY2024, group adjusted profit increased by 351.8 billion yen year-on-year, driven by a significant rise in gains from the sale of strategic equity holdings and expanded profit from the international business.
- In FY2025, annual forecast of group adjusted profit is expected to decrease by 60.7 billion yen year-on-year to 671.0 billion yen.
- ESR at the end of March 2025 stood at 226%, down 3 points from the end of March 2024.

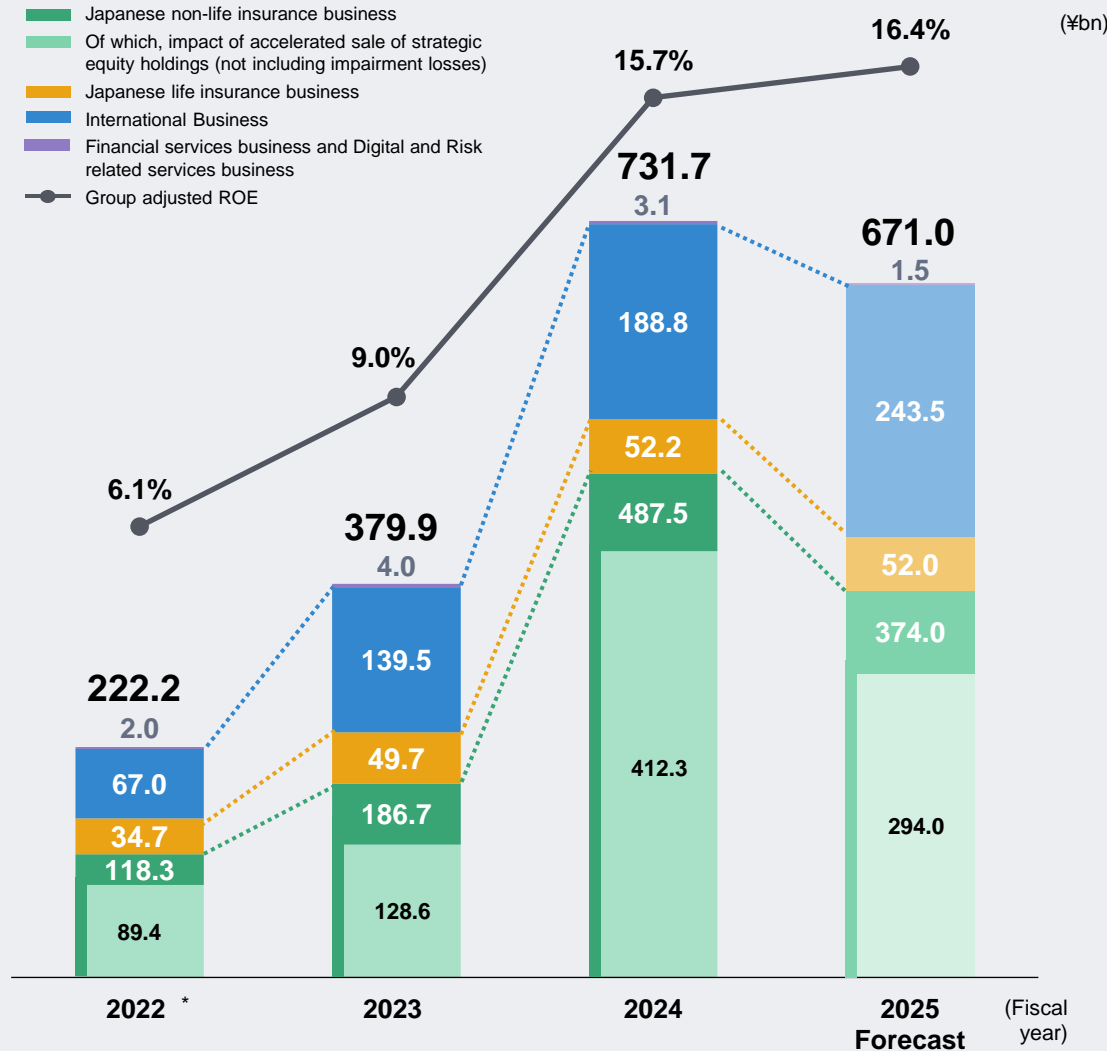
(¥bn)

	FY2023 Results	FY2024 Results	FY2025 Annual Forecast	
			Forecast	YoY
<b>Group Adjusted Profit</b>	<b>379.9</b>	<b>731.7</b>	<b>671.0</b>	<b>-60.7</b>
<b>Domestic non-life insurance business</b> (excluding gain/loss from sale of strategic equity holdings)	186.7 58.9	487.5 75.3	374.0 85.0	-113.5 9.7
<b>Domestic life insurance business</b>	49.7	52.2	52.0	-0.2
<b>International business</b>	139.5	188.8	243.5	54.6
<b>Financial services business/ Risk-related services business</b>	4.0	3.1	1.5	-1.6
<b>Group Adjusted ROE</b>	<b>9.0%</b>	<b>15.7%</b>	<b>16.4%</b>	<b>0.7pp</b>
<b>Net Income/Loss</b>	<b>369.2</b>	<b>691.6</b>	<b>579.0</b>	<b>-112.6</b>
<b>Consolidated Net Premiums Written</b>	4,261.7	4,674.3	4,916.0	241.6
<b>Life Insurance Premiums*</b> (gross premiums)	1,827.3	1,640.3	1,469.0	-171.3

\* Gross premiums income is for domestic life insurance subsidiaries only.

# 01 Progress toward Numerical Management Targets and Annual Forecast (Graph)

## ■ Group Adjusted Profit and Group Adjusted ROE



## ■ FY2025 Annual Forecast

- Annual forecast anticipates a decrease in profits by 60.7 billion yen, primarily due to reduced gains from the sale of strategic equity holdings in the domestic non-life insurance business
- Domestic non-life insurance business is expected to see an increase in underwriting profit before catastrophe reserve due to improved profitability, resulting in a profit increase on a basis excluding gains from the sale of strategic equity holdings
- Domestic life insurance business is expected to remain almost flat
- International business is expected to see significant profit growth, driven by expanded insurance service profits across various regions

\* After retrospective application of IFRS17

# 02 Shareholder Return

## ■ FY2024

- **Dividends:** Annual dividends 145 yen (+55 yen year-on-year, same as forecast), Interim dividends 72.5 yen, Year-end dividends 72.5 yen
- **Share buybacks:** Maximum 145.0 billion yen was decided as a basic return (of which 60.0 billion yen has been executed)

## ■ FY2025 Forecast

- **Dividends:** Annual dividends 155 yen (ordinary dividends 120 yen, special dividends 35 yen)
- **Share buybacks:** In addition to the basic return of 55.0 billion yen for the interim period, there is a plan to implement an additional return of 60.0 billion yen

	FY2024		FY2025 Forecast	
	Interim	Year-end	Interim	Year-end
Ordinary Dividend	50 yen	50 yen	60 yen	60 yen
Special Dividend	22.5 yen	22.5 yen	17.5 yen	17.5 yen
Share Buyback	60.0 billion yen	85.0 billion yen	55.0 billion yen + 60.0 billion yen	Year-end Portion

200.0 billion yen during FY2025



## **[ Reference ]**

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# I

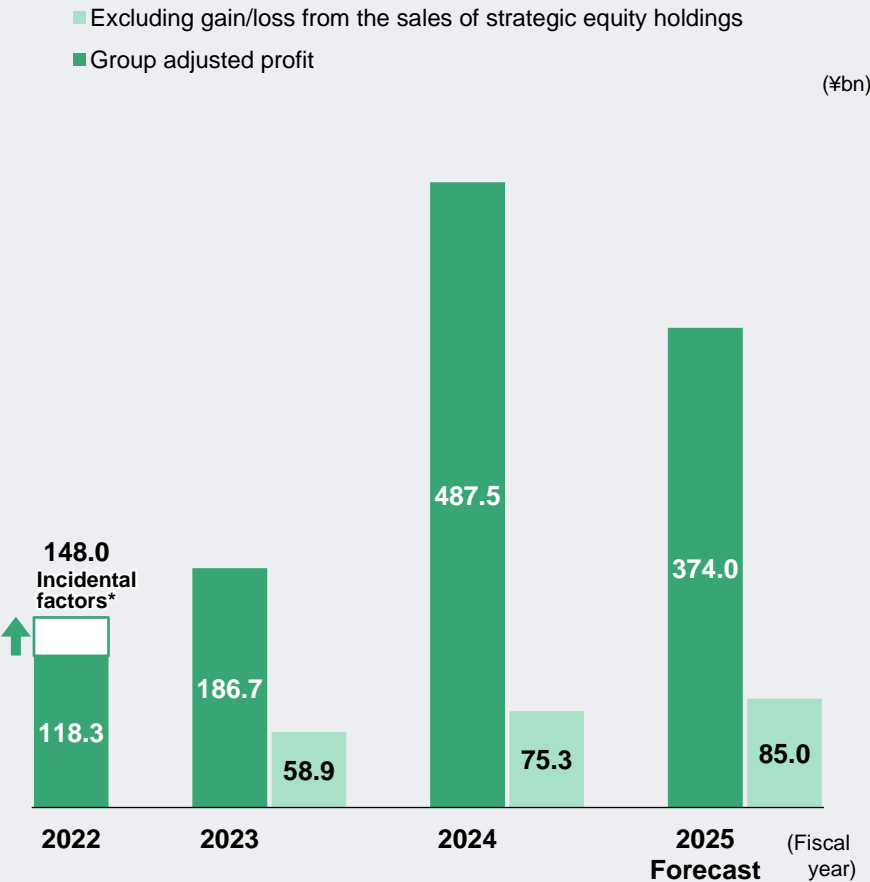
## **Initiatives on Each Business Domain**

1. Domestic Non-life Insurance Business
2. Domestic Life Insurance Business
3. International Business
4. Asset Management

# 01 Domestic Non-life Insurance Business (1) Highlights

■ By transforming business style, offer products and services that create value for customers and society while seeking to further strengthen profitability as core business.

## ■ Group Adjusted Profit



## ■ Key Strategies

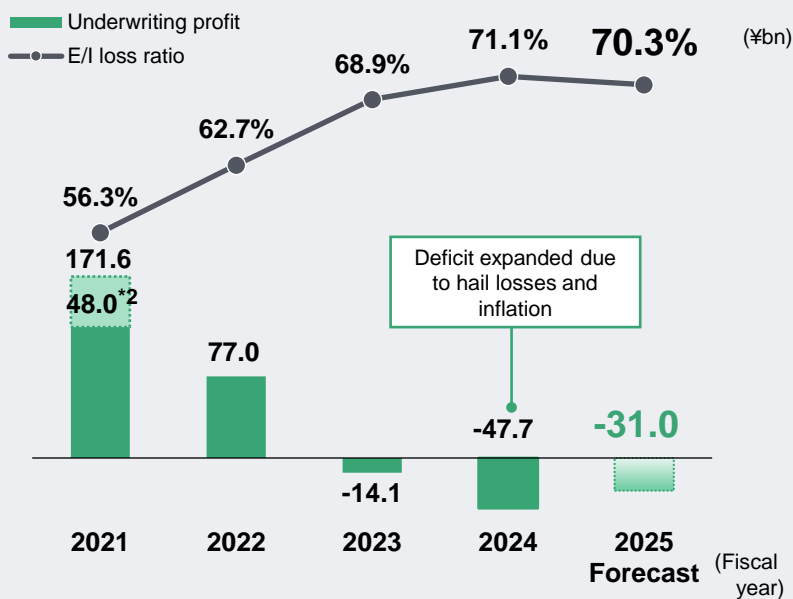
Profitability improvement in voluntary automobile insurance	<ul style="list-style-type: none"><li>Monitor profitability closely and implement appropriate rate revisions (implemented in January 2025)</li><li>Utilize data and AI to reduce accidents as well as detecting fraudulent claims, which can supplementary contribute to profitability</li></ul>
Profitability improvement in fire insurance	<ul style="list-style-type: none"><li>Improved underwriting portfolio with more than 50% of total fire contracts are now profitable in FY2024</li><li>Achieve profitability in underwriting ahead of schedule in FY2024, and continue to improve profitability to cover capital costs</li></ul>
Profit expansion in casualty insurance	<ul style="list-style-type: none"><li>Promote package policies for SME with superior growth and profitability</li><li>Further enhance profitability through market expansion and loss reduction effects by providing integrated service products</li></ul>

\* Please refer to p.49 for details.

# 01 Domestic Non-life Insurance Business (2) Voluntary Automobile Insurance

- Continue to closely monitor the loss ratio and consider further rate revisions depending on profitability.
- Promote improvement in profitability by loss prevention by using data and AI, and eliminating fraudulent claims, etc.

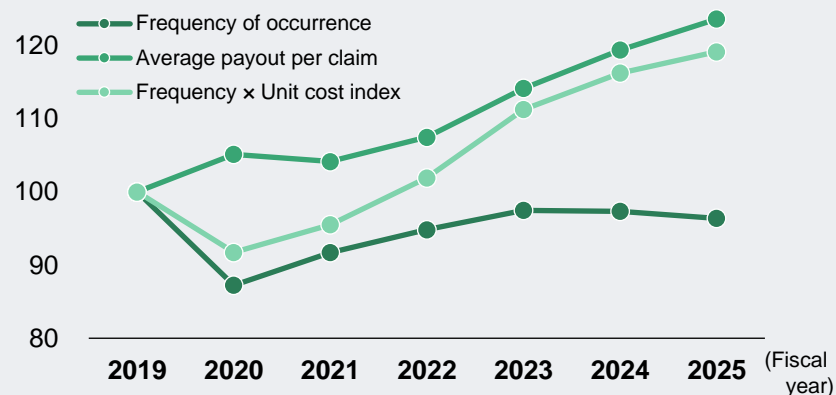
## ■ Outlook for E/I loss ratio and Underwriting profit\*1



### Status of rate revision

- Around 3% rate increase was implemented in January 2024
- Due to the rate increase in January 2025 (approximately 5%), E/I loss ratio is expected to decline after FY2025

## ■ Outlook for Frequency of accident occurrence and Average payout per claim\*3



### Frequency of occurrence

- After the upward trend observed until FY2023, FY2024 is projected to be stable or show a decrease
- Due to the spread of Advanced Safety Vehicles (ASV), the decreasing trend is expected to continue in the future

### Average payout per claim

- In FY2024, the trend of rising labor and parts costs due to vehicle advancements and inflation is expected to continue
- This upward trend is anticipated to persist beyond FY2025 as well, driven by inflation and other factors

\*1 Simple sum of MSI and ADI (including natural catastrophe, excluding ADI overseas)

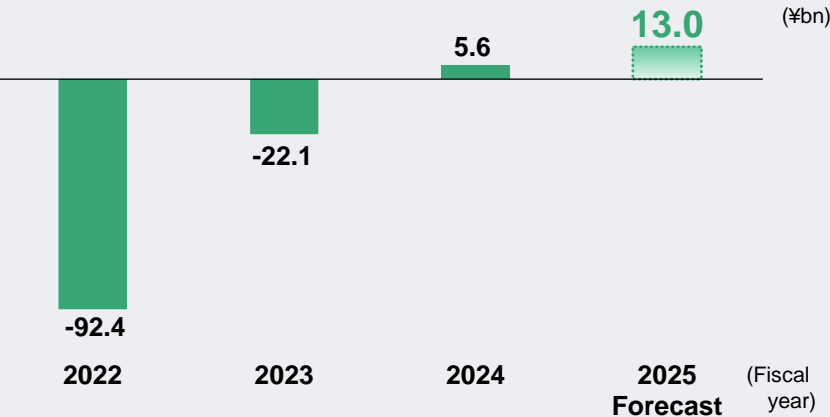
\*2 Incidental factors (decrease in automobile insurance losses due to COVID-19: +35.0 billion yen, reversal of the initial year balance: +13.0 billion yen)

\*3 Exponentiation of fiscal 2019 before the coronavirus outbreak to 100

# 01 Domestic Non-life Insurance Business (3) Fire Insurance

- Improvement of the portfolio through the revision of products and rates in the past has been progressing steadily.
- Fire insurance achieved profitability ahead of schedule in FY2024 through various measures.

## ■ Outlook for Underwriting Profit\*1 in Domestic Fire Insurance Business



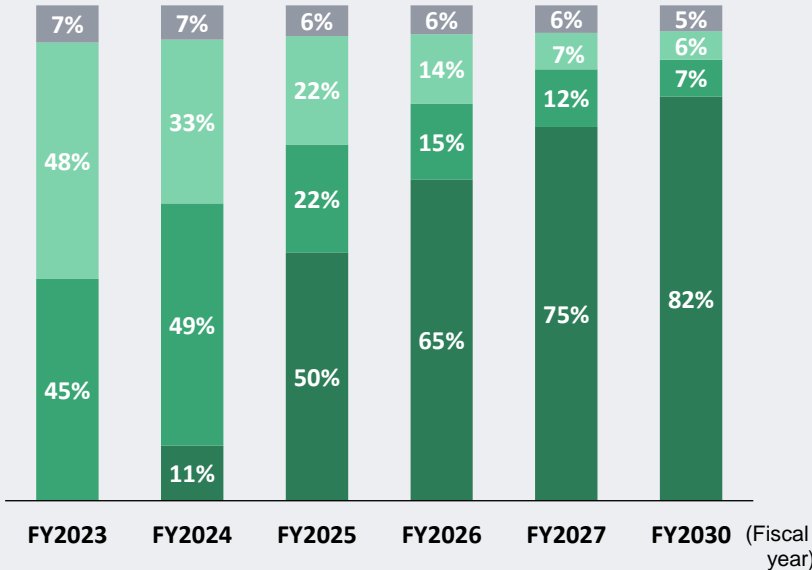
## ■ Initiatives to Improve Profitability

Common	<ul style="list-style-type: none"><li>■ Raise the unit value of buildings in response to the inflationary trend</li></ul>
Corporate	<ul style="list-style-type: none"><li>■ Shorten insurance periods and flexibly revise rates in case of bad loss trend</li><li>■ Propose loss prevention measures through sensor data analysis and utilize risk surveys conducted by of InterRisk, etc.</li></ul>
Retail	<ul style="list-style-type: none"><li>■ Provide diagnostic services for damaged buildings by using AI image analysis</li><li>■ Send disaster prevention alerts to customers as a secondary peril countermeasure</li></ul>

## ■ Policy Portfolio by Rate Revision\*2

Timing of rate revision and profitability

- Until September 2015 (Unprofitable)
- From October 2015 to September 2022 (Unprofitable)
- From October 2022 to September 2024 (Profitable)
- From October 2024 (Profitable)



- Since the October 2022 revision, the proportion of profitable policies has steadily increased, leading to portfolio improvement.

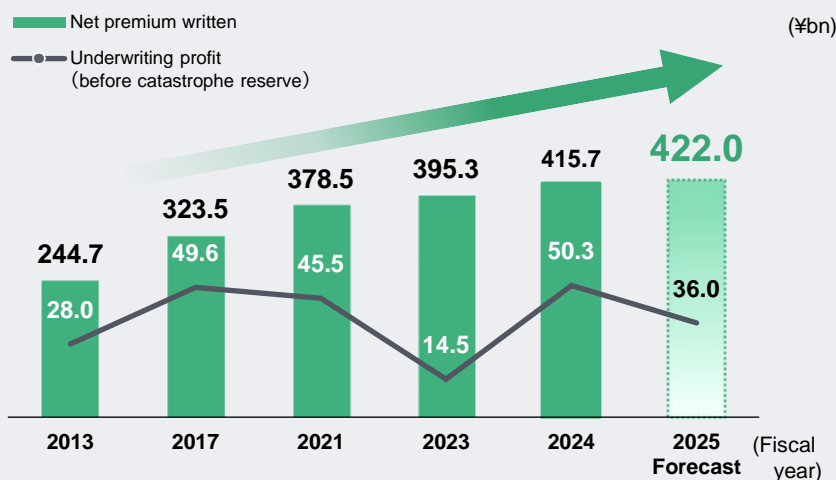
\*1 Before reflection of catastrophe reserve

\*2 Created based on simulations as of the beginning of 2024.

# 01 Domestic Non-life Insurance Business (4) Casualty Insurance

- The top line is growing steadily. We will accelerate sales of packaged products for small and medium-sized enterprises that have both strong growth potential and profitability.
- Strengthen the profitability by market expansion through the provision of service-integrated products and loss reduction effects.

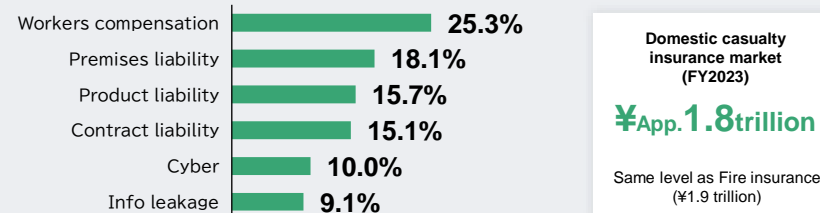
## ■ Top Line and Bottom Line of Casualty Insurance



<b>Initiatives for market expansion</b>	<ul style="list-style-type: none"> <li>■ Develop products and services that utilize advanced technologies in cooperation with external companies in Japan and overseas</li> <li>■ Sales of cyber insurance, workers' compensation insurance, and other service-based products aimed at preventing and minimizing damage</li> </ul>
<b>Measures against large losses</b>	<ul style="list-style-type: none"> <li>■ Implement lowering of underwriting limits, exclude specific risks, and increase rates</li> <li>■ Actively utilize reinsurance, etc</li> </ul>

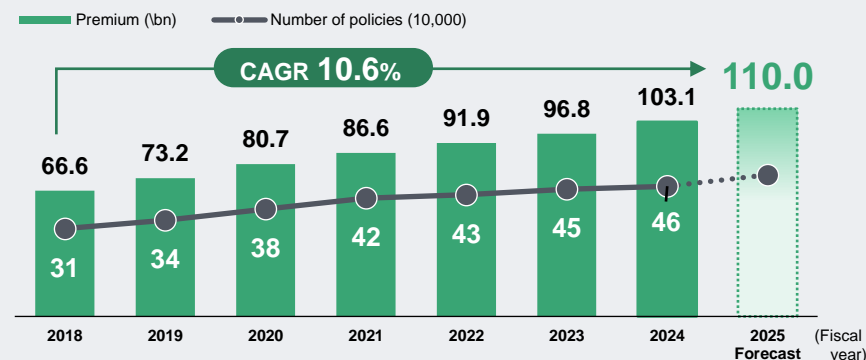
## ■ Initiatives for casualty insurance market expansion

### Casualty insurance penetration of SME



While casualty insurance market is expanding, the penetration rate of SMEs is not sufficient, and growth is expected in the future.

### Strengthen Sales of Packaged Products for Small-to-Medium-Sized Companies

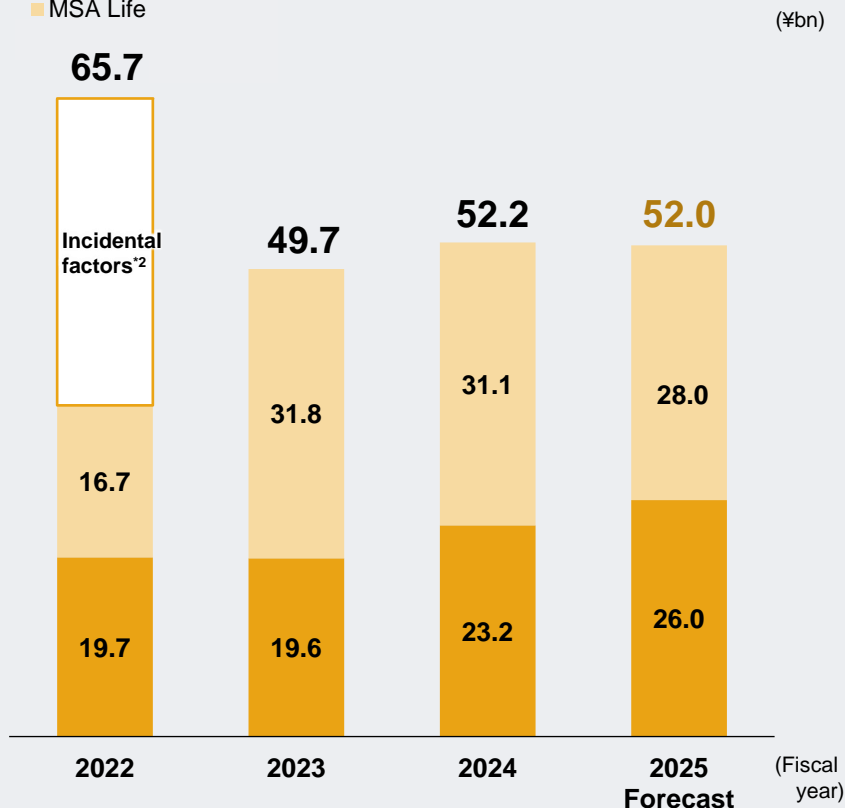


## 02 Domestic Life Insurance Business (1) Highlights

- Promote cross-selling between the life and non-life insurance companies and the two life insurance companies through mutual utilization of the Group's strong customer base, and step up customer approaches utilizing the strong operating platforms (channels) of the two life insurance companies.
- Provide products and services that can help solve social issues in the era of the 100-year life, including extending healthy life expectancy and extending asset life.

### ■ Group Adjusted Profit\*1

- MSP Life
- MSA Life



### ■ Key Strategies

<b>MSA Life</b>	<ul style="list-style-type: none"> <li>■ Establish a problem-solving (consultative) approach to proposals and train agents capable of multi-product sales</li> <li>■ Develop SME clients by supporting them to obtain business continuity plan certification</li> <li>■ Enhance customer experience and contribute to the top line by integrating the healthcare service "MSA Care" with insurance solutions in proposals</li> </ul>
<b>MSA Life × MSP Life</b>	<ul style="list-style-type: none"> <li>■ Strengthen collaborative sales of MSP Life products through MSA Life's agent network</li> </ul>
<b>MSP Life</b>	<ul style="list-style-type: none"> <li>■ Develop and offer highly distinctive products and services that cater to the diverse needs such as asset building, asset utilization, and asset inheritance</li> <li>■ Strengthen sales of level premium products to further penetrate the asset-building market</li> </ul>

\*1 Total of the domestic life insurance business includes purchase difference adjustment, etc.

\*2 Please refer to p.55 for details.

## 02 Domestic Life Insurance Business (2) MSA Life

- **MSA Life will contribute to the Group's risk diversification and stable profit expansion by leveraging one of Japan's largest non-life insurance agent networks and customer base and demonstrating strong proposal capabilities combining protection-type and asset-building products with healthcare services.**

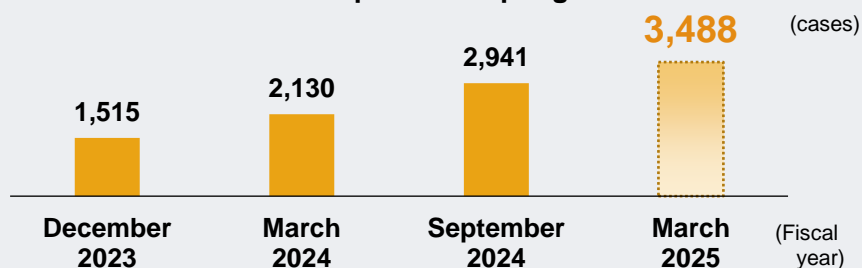
### ■ Key Initiatives

- While sales of nursing care and dementia insurance expanded, the annualized premium for new policies decreased due to the decline in sales of medical insurance and increasing term insurance.
- In addition to the following initiatives, net profit exceeded the annual forecast because the planned realization of unrealized losses was postponed.
  - (1) Establishing consultant proposals through the use of a coverage analysis system
  - (2) Developing SME clients by supporting Business Continuity Plan certification, etc.
  - (3) Strengthening services before and after coverage and protection (MSA Care)

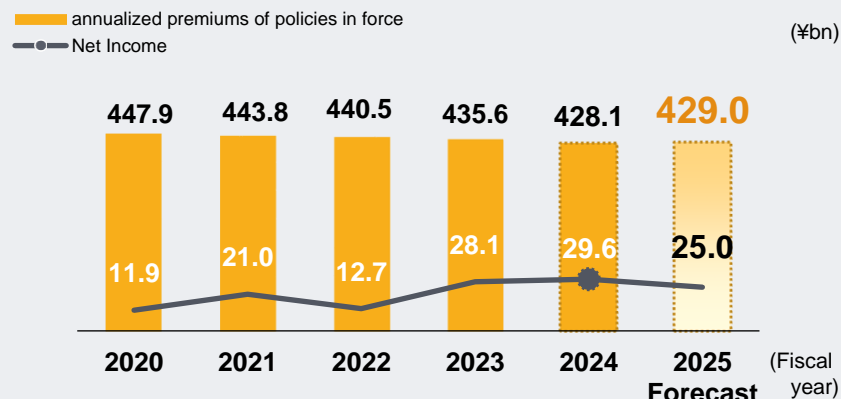
### ■ Development and Cultivation of Corporate Customers Through MSA Care

- Develop and cultivate the corporate market by expanding employee benefit programs with the introduction of MSA Care.

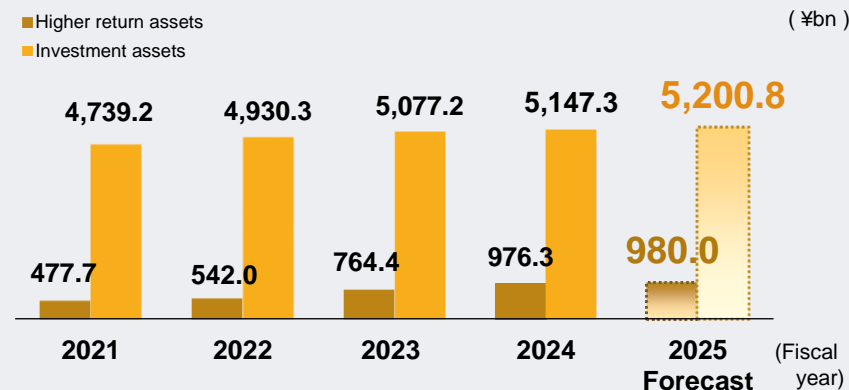
Number of companies adopting MSA Care



### ■ Growth of Policies in Force and the Bottom Line



### ■ Expansion of Assets under Management





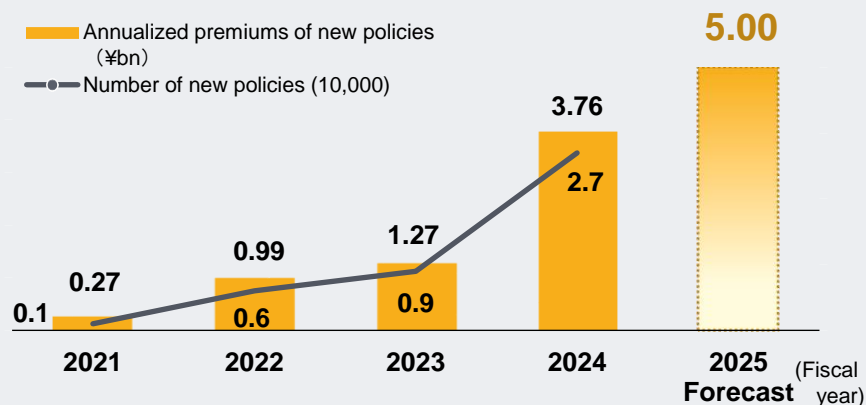
## 02 Domestic Life Insurance Business (3) MSP Life

- **MSP Life will grow further by leveraging its strong product development capabilities to provide a wide range of customers (those building assets, those using assets and those who inherit assets) with the products they need through the optimum channels.**
- **It will focus on ERM including diversification of products and asset management and sophistication of ALM and contribute to the stable Group profit.**

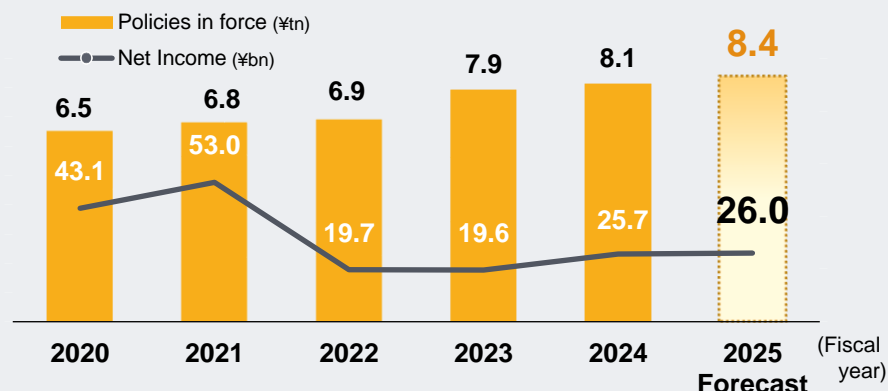
### ■ Key Initiatives

- Further deepen over-the-counter sales through financial institution channels
  - (1) Strengthen competitiveness by expanding the product lineup in response to market environment
  - (2) Enhance support for businesses targeting affluent clients
- Strengthen sales of level premium products
  - (1) Expand sales channels by strengthening collaboration with MSA Life
  - (2) Promote cross-selling with single premium products and other financial products.
  - (3) Expand sales through non-face-to-face channels by utilizing digital tools

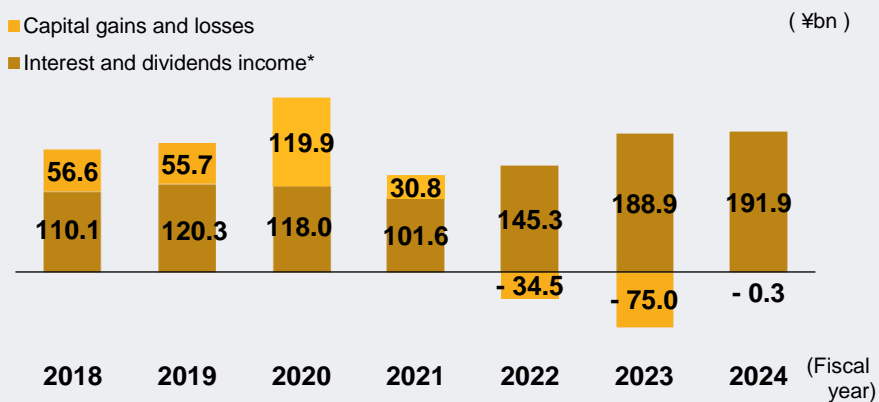
### ■ Sales Trends of Level Premium Products



### ■ Growth of Policies in Force and the Bottom Line



### ■ Expansion of Investment Profit

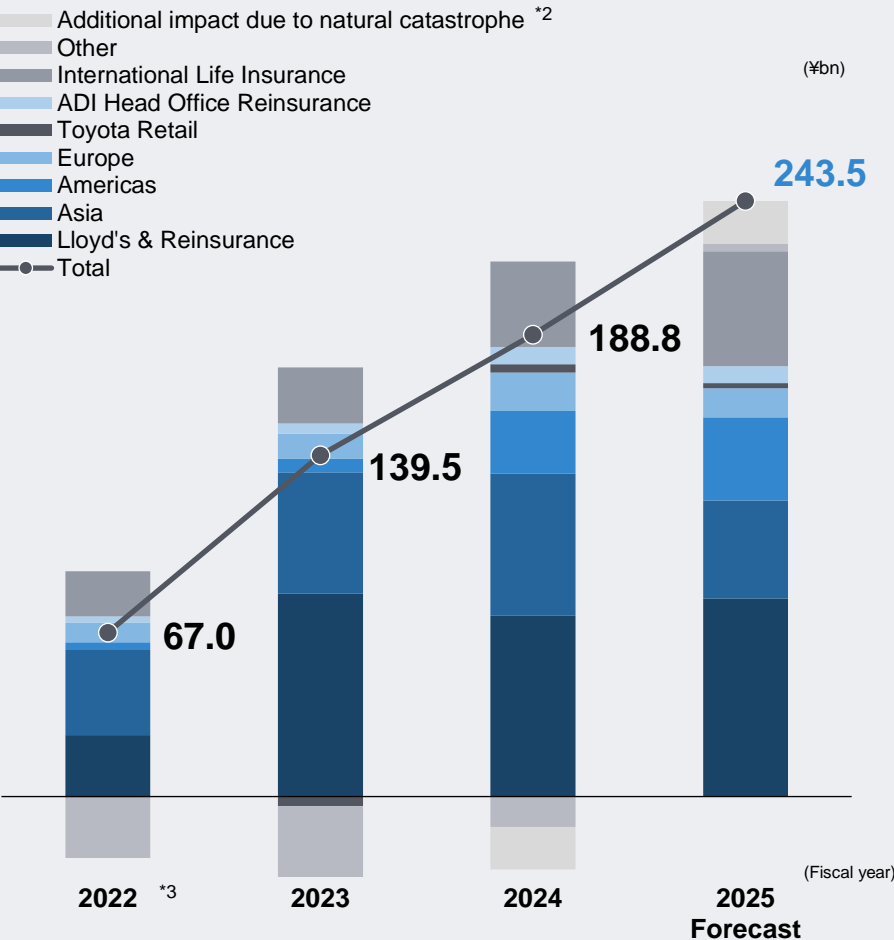


\* Include income gain portion of money trusts investment income

# 03 International Business (1) Highlights

- Achieve sustainable growth by leveraging the strengths of each region and business to expand profits, promote partnerships, and enhance efficiency.
- Swiftly allocate additional capital to further increase profits at bases where high ROE is expected.

## ■ Group Adjusted Profit \*1



## ■ Key Strategies

While working towards achieving growth across regions and businesses, explore a new management model for international business led by the holding company.

Lloyd's & Reinsurance	<ul style="list-style-type: none"><li>■ Diversify and expand the portfolio to improve profitability while maintaining underwriting discipline</li><li>■ Thoroughly implement cycle management aligned with market environment</li></ul>
Asia	<ul style="list-style-type: none"><li>■ Achieve growth by seizing new revenue opportunities arising from social and economic changes such as the digitalization of purchasing and the shift to EVs</li></ul>
Americas	<ul style="list-style-type: none"><li>■ Further expand the profit base and execute a growth strategy that leverages the complementary strengths within our Group</li></ul>
Europe	<ul style="list-style-type: none"><li>■ AISE (headquartered in Belgium) and MSIGEU (headquartered in Germany) plan to merge in July 2025</li><li>■ Establish a solid position as a leading second-tier player in the European commercial insurance market, and strengthen the foundation for business efficiency and growth</li></ul>
ADI	<ul style="list-style-type: none"><li>■ Collaborate with the Toyota Group to offer automobile insurance and related products at car dealerships</li></ul>
International Life Insurance	<ul style="list-style-type: none"><li>■ Collaborate with leading JV partners in Asia and capture growth in the UK pension and asset formation market to expand profits and corporate value</li></ul>

\*1 ADI international business is not included in the segment of Asia, Americas and Europe

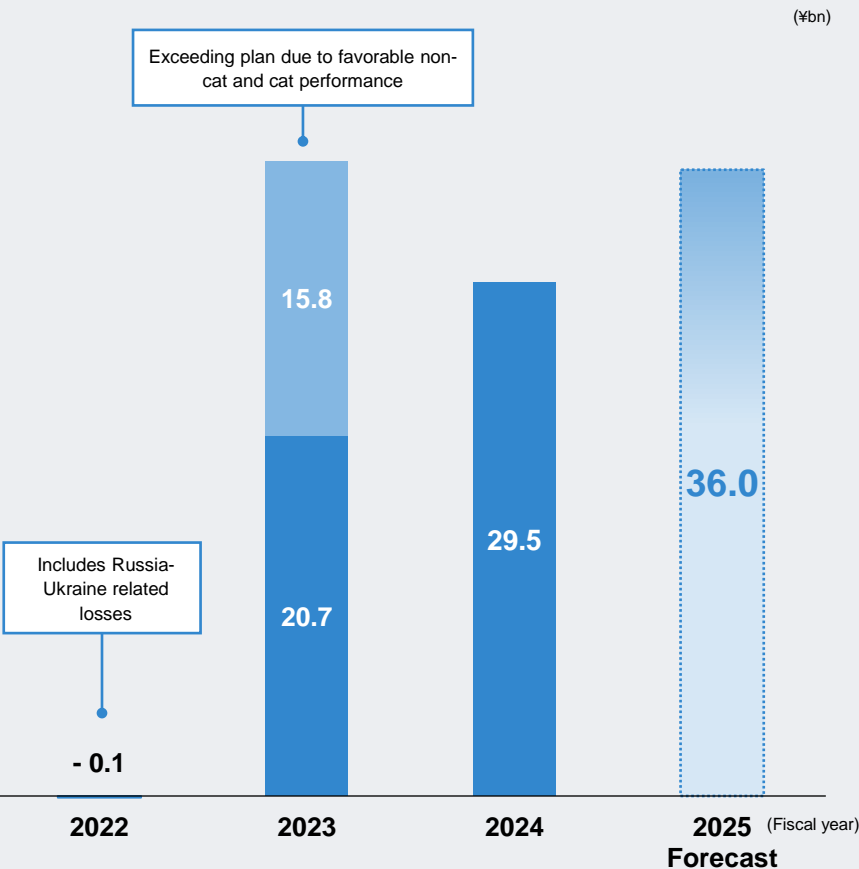
\*2 In FY2024, the additional amount for estimated losses related to the California wildfires that occurred in January 2025 was included. In FY2025, this includes the reversal of the estimated loss amounts.

\*3 After retroactive adoption of IFRS17 in FY2022

# 03 International Business (2) Lloyd's (AUL)

- Group Adjusted Profit met initial forecast, reflecting the strength of the underwriting portfolio that absorbed the impact of large market events such as the Baltimore bridge collapse and U.S. hurricanes.
- The company is positioning itself for even better performance through further targeted growth, disciplined cycle management, and a continued focus on operational efficiency.

## ■ Group Adjusted Profit



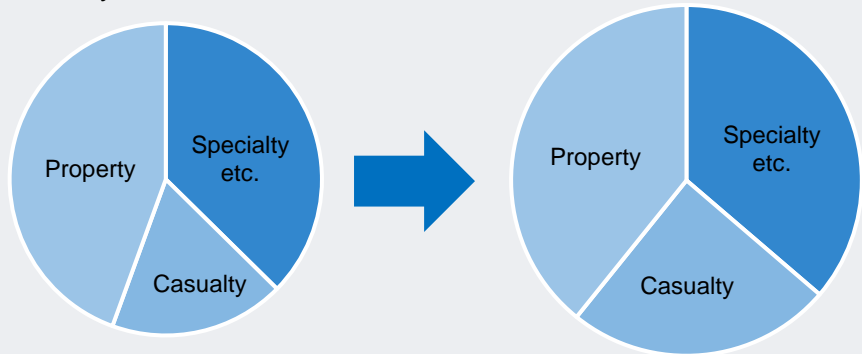
\* After retroactive adoption of IFRS17 in FY2022

## ■ Key Initiatives

Ensuring sustainable profit	Aim for elevated performance with a COR of approx. 90% across the cycle by further capturing new growth opportunities through a dedicated 'Partnerships' class, while maintaining strong expense discipline and operational efficiency
Cycle management	Further enhance cycle management capabilities in response to a softening market environment
Group synergy	Leverage underwriting expertise in specialty lines and other strategic areas, such as Sustainability, to strengthen the Group's overall capabilities and drive intra-group synergies

## ■ Expansion of Underwriting Portfolio

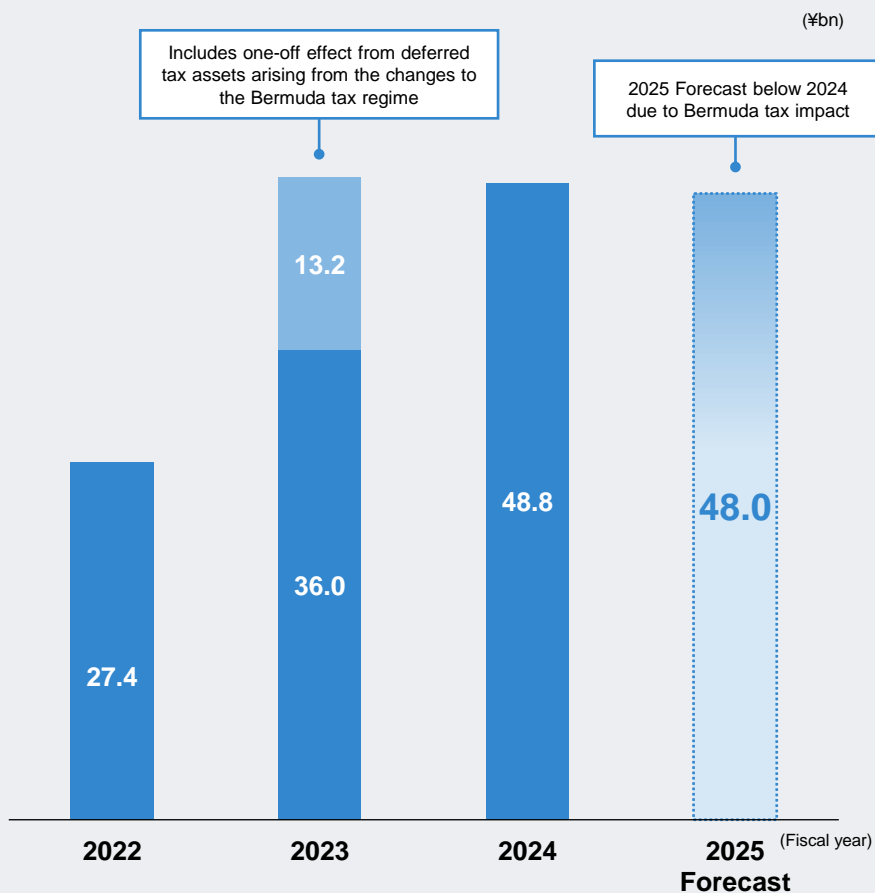
Pursue further portfolio optimization and expand non-US focused Casualty risks.



# 03 International Business (3) Reinsurance (MS Re)

- Profit for FY2024 increased by 12.8 billion yen year-on-year (excluding one-off factors from the previous year), primarily driven by top-line growth that leveraged the favorable market environment for reinsurance companies.
- Achieve stable profits by expanding transactions with key clients, leveraging brand strength, and strengthening cycle management in preparation for softening market environment.

## ■ Group Adjusted Profit

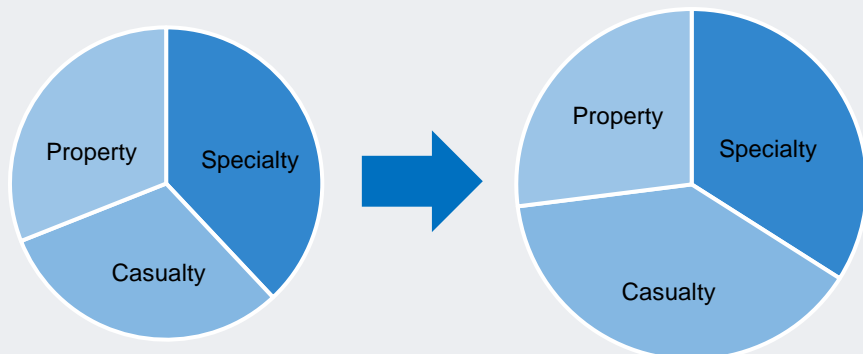


## ■ Key Initiatives

Ensuring sustainable profit	By expanding business with key clients leveraging brand strength, and promoting operational efficiency to reduce expenses, aim for mid- to long-term growth to become a second-tier player in terms of GWP, ensuring sustainable and stable revenue
Cycle management	Further enhance cycle management capabilities in response to a softening market environment
Group synergy	Utilize MS Re's advanced reinsurance underwriting expertise to support headquarters treaty reinsurance renewals, and create group synergies through collaboration with other entities

## ■ Expansion of Underwriting Portfolio

Expanding the overall portfolio while maintaining its current balance.

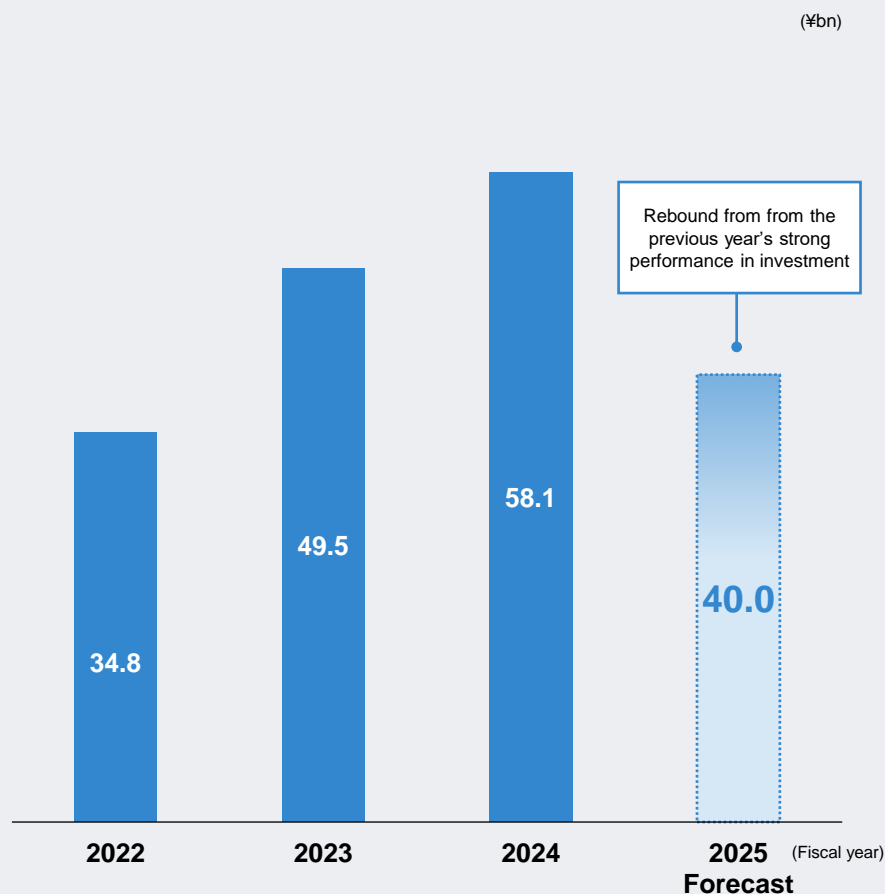


\* After retroactive adoption of IFRS17 in FY2022

## 03 International Business (4) Asia

- Position Asia as the central platform for the international business, maintain our No. 1 position in ASEAN, and pursue accelerated profit growth by capturing market trends shaped by social and economic change.
- Establish a position as a market leader by FY2029, while pursuing inorganic growth opportunities.

### ■ Group Adjusted Profit



### ■ Key Initiatives

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



Digitization of purchasing



New mobility



Medical and health  
Needs etc.

- 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.

### ■ Vision for 2030 in India

- Aim for a top-tier position among private non-life insurers and an ROE level of 16%.

Gross Premiums  
Written  
350.0 billion yen

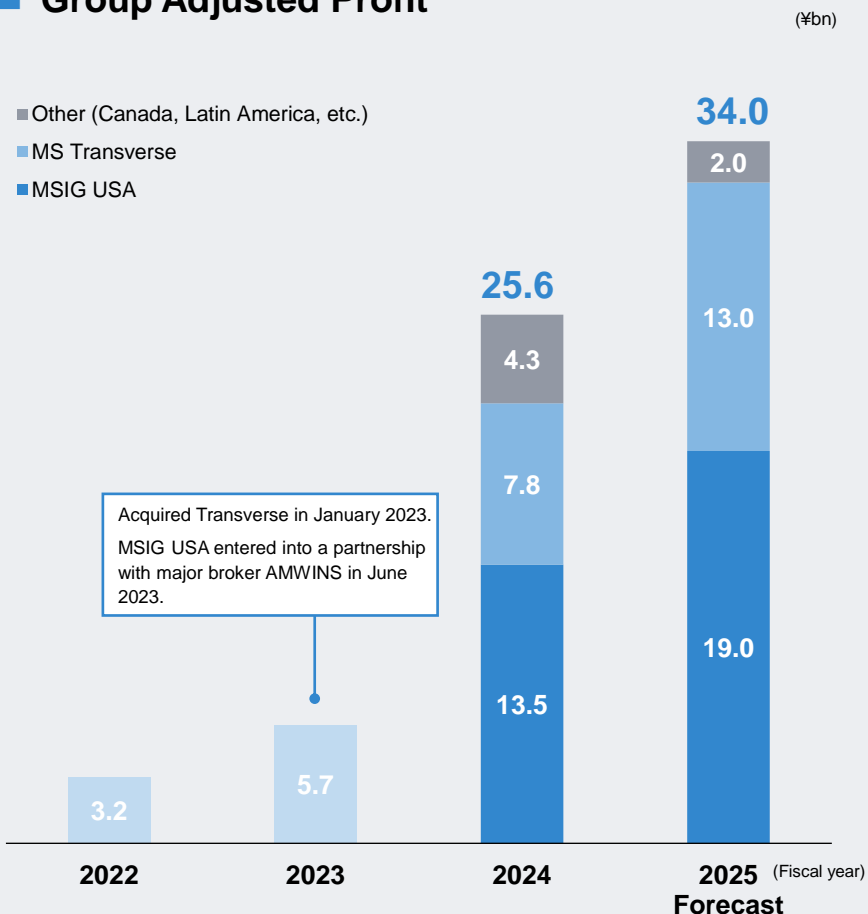
Profit after tax  
18.0 billion yen

\* After retroactive adoption of IFRS17 in FY2022

## 03 International Business (5) Americas

- In the U.S., we aim to achieve further profitable growth through our wholly-owned subsidiaries - MSIG USA and MS Transverse - and our minority investment in W.R. Berkley.
- By expanding/strengthening our portfolio (assets) in the U.S., we can better diversify our earnings.

### ■ Group Adjusted Profit



### ■ Presence in the U.S.



- 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.

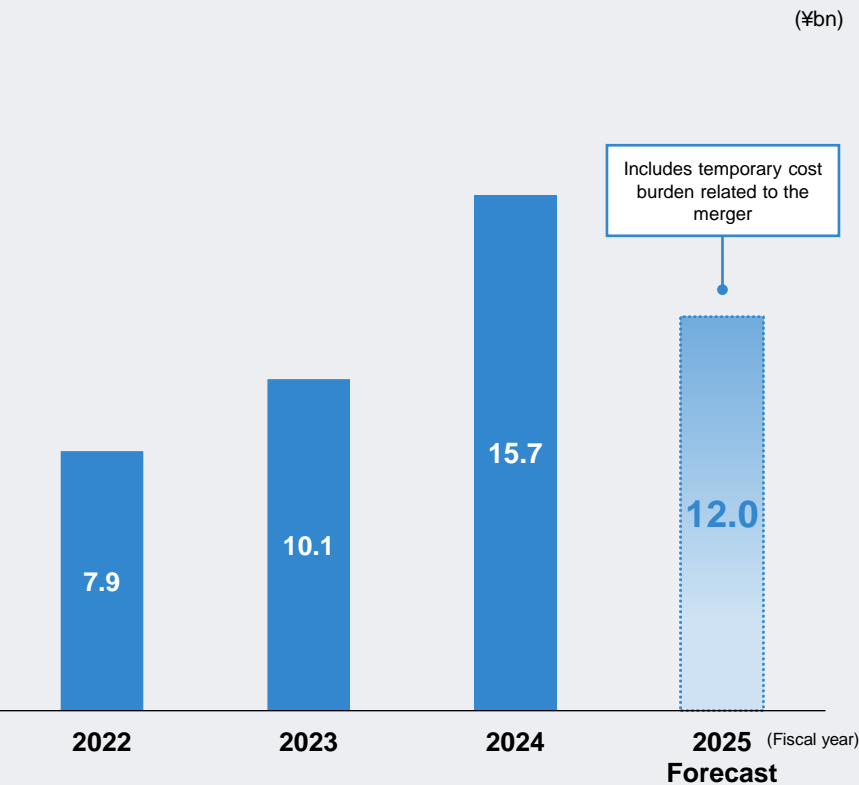
\* After retroactive adoption of IFRS17 in FY2022

\* Group adjusted profit from W.R. Berkley is not included in this slide.

# 03 International Business (6) Europe

- By merging two insurance subsidiaries in continental Europe (scheduled for July 2025), we aim to establish a second-tier position in the corporate insurance market on the continent.
- Aim to expand a balanced portfolio that leverages the strengths of both companies.

## ■ Group Adjusted Profit



## ■ Merger of Continental European Opeartions

- With each of the two distinctive companies enhancing their respective strengths, the combined group adjusted profit has reached a scale surpassing 15.0 billion yen.
- With the foundation for achieving synergies and governance structure in place due to the merger, the merger is scheduled for July 2025.
- The merger aims to build a diversified portfolio by class and region.

AISE (surviving entity)	<ul style="list-style-type: none"><li>■ SME market in the Netherlands, France and Belgium</li><li>■ Headquartered in Belgium</li></ul>
MSIGEU	<ul style="list-style-type: none"><li>■ Large enterprise market in Germany and France</li><li>■ Headquartered in Germany</li></ul>

## ■ Medium to Long-Term Outlook following Merger

- Through the merger, we aim to become a second-tier 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 yen and an ROE of over 10% by 2030.

\* After retroactive adoption of IFRS17 in FY2022

# 03 International Business (7) ADI International Business

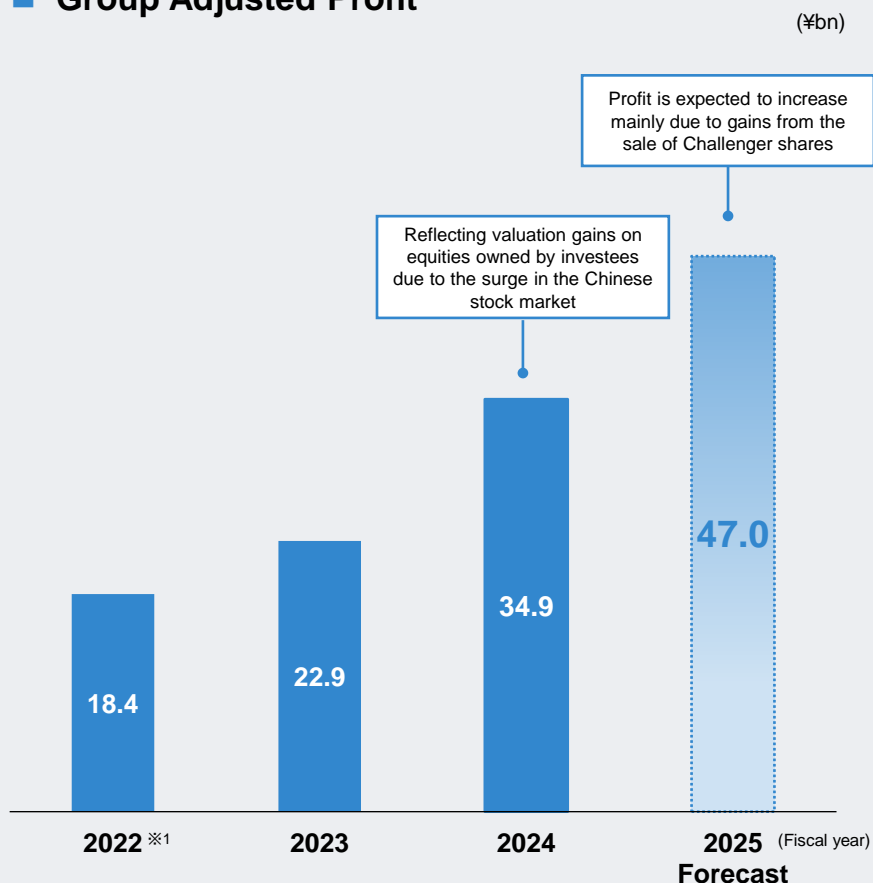
			Net Premiums Written (¥bn)	Group Adjusted Profit (¥bn)																				
Toyota retail business	In cooperation with Toyota Group, we provide voluntary car insurance and related products / services at car dealerships, primarily in Europe, Australia, China and Thailand.	<ul style="list-style-type: none"><li>In FY2024, profitability improved significantly as a result of rate revisions that accounted for inflation and loss situations</li><li>Continuing efforts to improve the profitability, particularly in Europe, along with theft prevention measures and cost reductions in collaboration with Toyota, will aim to achieve sustainable growth</li></ul>	<table><thead><tr><th>Fiscal year</th><th>Net Premiums Written (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>122.7</td></tr><tr><td>2023</td><td>163.2</td></tr><tr><td>2024</td><td>196.0</td></tr><tr><td>2025 Forecast</td><td>202.0</td></tr></tbody></table>	Fiscal year	Net Premiums Written (¥bn)	2022	122.7	2023	163.2	2024	196.0	2025 Forecast	202.0	<table><thead><tr><th>Fiscal year</th><th>Group Adjusted Profit (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>- 0.4</td></tr><tr><td>2023</td><td>- 4.0</td></tr><tr><td>2024</td><td>3.5</td></tr><tr><td>2025 Forecast</td><td>2.0</td></tr></tbody></table>	Fiscal year	Group Adjusted Profit (¥bn)	2022	- 0.4	2023	- 4.0	2024	3.5	2025 Forecast	2.0
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2025 Forecast	2.0																							
Head office Reinsurance	We generate profits by seamlessly co-operating reinsurance and retrocession with selected partner reinsurers.	<ul style="list-style-type: none"><li>The cessation of Lloyd's reinsurance (centralized to MS) led to a decrease in net premiums written</li><li>By appropriately controlling the volume of natural catastrophe risks in consideration of market cycles, we aim to secure stable earnings</li></ul>	<table><thead><tr><th>Fiscal year</th><th>Net Premiums Written (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>56.3</td></tr><tr><td>2023</td><td>63.0</td></tr><tr><td>2024</td><td>52.3</td></tr><tr><td>2025 Forecast</td><td>42.0</td></tr></tbody></table>	Fiscal year	Net Premiums Written (¥bn)	2022	56.3	2023	63.0	2024	52.3	2025 Forecast	42.0	<table><thead><tr><th>Fiscal year</th><th>Group Adjusted Profit (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>2.7</td></tr><tr><td>2023</td><td>4.3</td></tr><tr><td>2024</td><td>7.0</td></tr><tr><td>2025 Forecast</td><td>7.0</td></tr></tbody></table>	Fiscal year	Group Adjusted Profit (¥bn)	2022	2.7	2023	4.3	2024	7.0	2025 Forecast	7.0
Fiscal year	Net Premiums Written (¥bn)																							
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2023	4.3																							
2024	7.0																							
2025 Forecast	7.0																							
Overseas local, etc.	Local businesses other than those listed on the above, and overseas Japanese contracts	<ul style="list-style-type: none"><li>FY2024 saw a significant reduction in the deficit, following efforts to improve the balance from previous years and the rebound from last year's Guam Typhoon and the massive fire on Maui Island etc.</li><li>By withdrawing from or downsizing businesses where profitability recovery is unlikely, we will continue efforts to restore overall profitability</li></ul>	<table><thead><tr><th>Fiscal year</th><th>Net Premiums Written (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>64.0</td></tr><tr><td>2023</td><td>79.2</td></tr><tr><td>2024</td><td>58.0</td></tr><tr><td>2025 Forecast</td><td>49.0</td></tr></tbody></table>	Fiscal year	Net Premiums Written (¥bn)	2022	64.0	2023	79.2	2024	58.0	2025 Forecast	49.0	<table><thead><tr><th>Fiscal year</th><th>Group Adjusted Profit (¥bn)</th></tr></thead><tbody><tr><td>2022</td><td>- 13.6</td></tr><tr><td>2023</td><td>- 28.1</td></tr><tr><td>2024</td><td>- 4.7</td></tr><tr><td>2025 Forecast</td><td>- 2.0</td></tr></tbody></table>	Fiscal year	Group Adjusted Profit (¥bn)	2022	- 13.6	2023	- 28.1	2024	- 4.7	2025 Forecast	- 2.0
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2024	- 4.7																							
2025 Forecast	- 2.0																							



## 03 International Business (8) International Life Insurance Business

- Aim to enhance earnings and corporate value through partnerships with state-owned enterprises and other key players with strong sales, particularly in China and India where markets continue to grow, while achieving stable growth in the expanding UK pension and asset-building market.
- Continue diversifying risk and profit sources while further enhancing capital efficiency.

### ■ Group Adjusted Profit



※1 After retroactive adoption of IFRS17 in FY2022

※2 Source: Allianz Insurance Report 2021

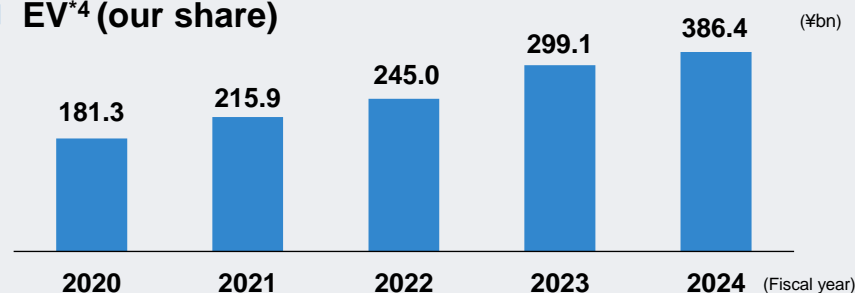
※3 Source: Phoenix IR materials

※4 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.

### ■ Growth in Life Insurance Market

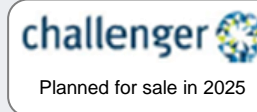
- China, India, Malaysia, and Indonesia: Expected to grow at an annual rate of 10.7% through 2031<sup>※2</sup>
- UK: The pension and asset-building market is substantial, expanding by over GBP 200 billion annually<sup>※3</sup>

### ■ EV<sup>※4</sup> (our share)



### ■ Scrap and Build to Improve Capital Efficiency

- Alongside strengthening the profitability of existing businesses, pursue the review and optimization of the business portfolio based on investment efficiency and other factors.  
(The sale of Challenger in Australia is part of this initiative.)



# 04 Asset Management (1) Highlights

## ■ Basic Strategy

- Aim to achieve both "maintaining financial soundness" and "expanding net asset value at fair value."
- With consideration for periodic profit and loss, build a portfolio that can expand net asset value at fair value within acceptable risk limits, ensuring both ALM and liquidity.

## ■ Asset Allocation Policy

- Reduce strategic equity holdings to zero by the end of FY2029.
- Increase holdings of higher-return assets, focusing on foreign currency-denominated investments such as private assets and foreign corporate bonds.

## ■ Strengthening the Investment of Higher-return Assets

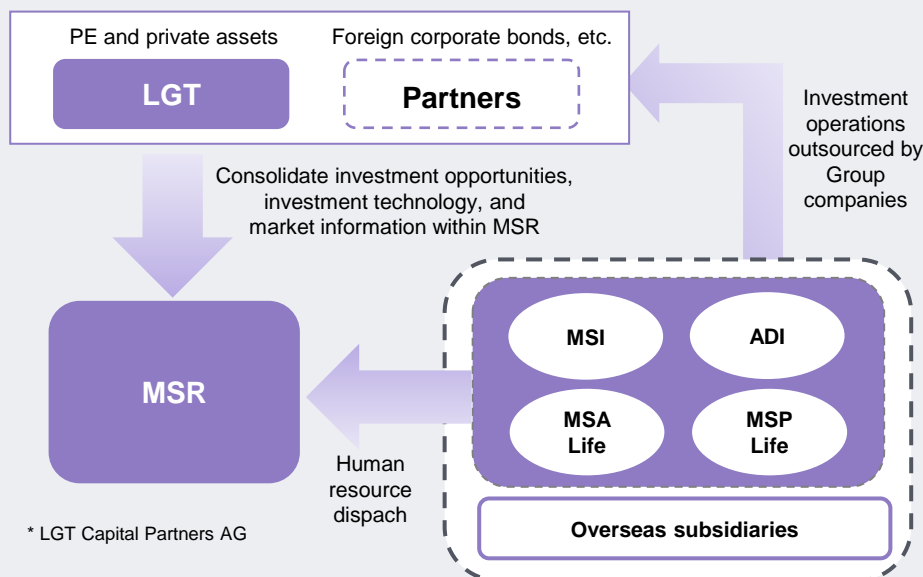
Strengthening the management of foreign currency-denominated assets in line with the growth of the international business

Private assets	<ul style="list-style-type: none"> <li>■ Outsource asset management selectively base on each investment area.</li> <li>■ MSR takes the lead in investments for overseas PE and other areas by centralizing information</li> </ul>
Foreign corporate bonds, etc.	<ul style="list-style-type: none"> <li>■ Strengthen global credit investment capabilities by pursuing capital partnerships with asset management companies that have strong expertise in analyzing overseas credit risk</li> </ul>

## ■ Market Outlook (House View)

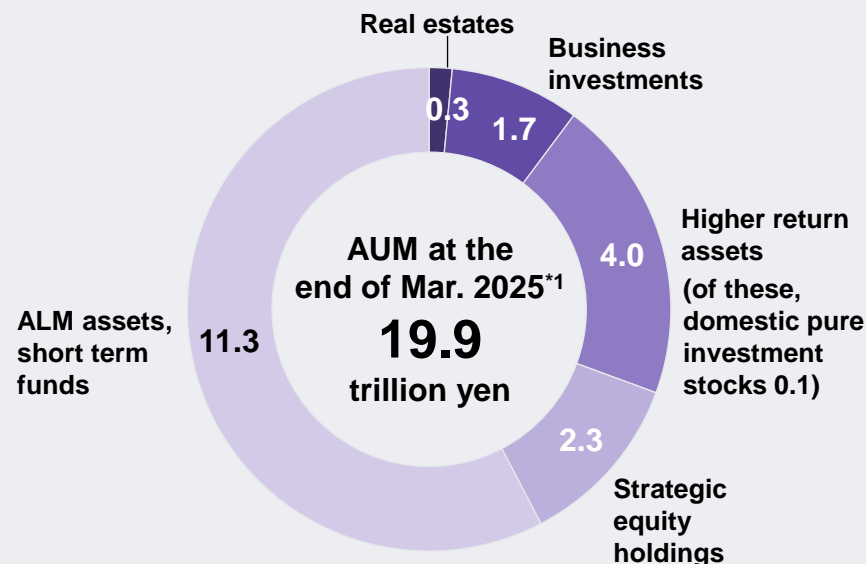
Domestic interest rates: Moderate increase driven by monetary policy  
 U.S. interest rates: Moderate decrease due to expected rate cuts  
 Exchange rates: Slight yen appreciation due to narrowing interest rate differentials

## ■ Global Investment Structure



## 04 Asset Management (2) Asset Management Portfolio

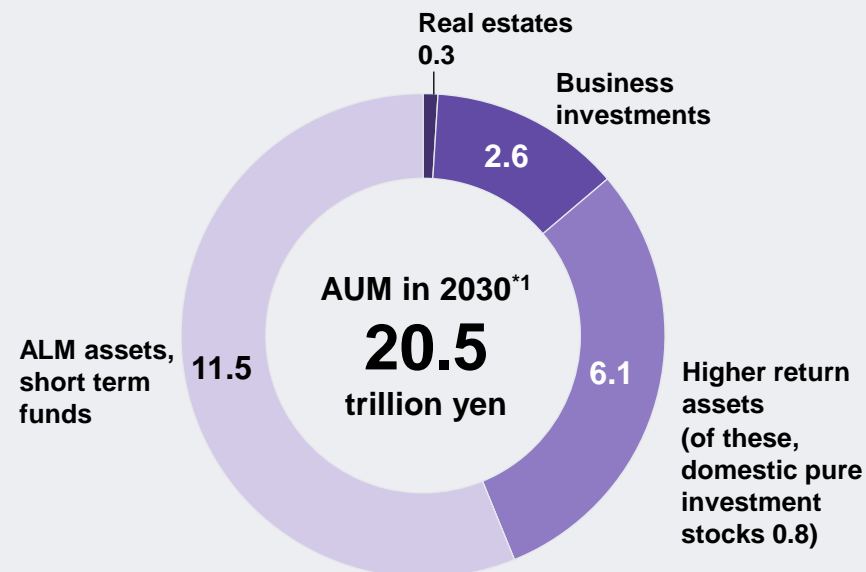
### ■ Assets Under Management (At the end of Mar 2025)



#### ALM assets (including short term assets)

- Assets under management mainly consist of yen-denominated bonds and loans at MSI, ADI and MSA Life and foreign bonds to match foreign-currency denominated liabilities at MSP Life
- A portion of credit risk is undertaken in ALM asset management
- Interest rate and exchange rate risks are generally offset against liabilities

### ■ Assets Under Management (Image in 2030)



#### Higher return asset

**4.0 trillion yen → 6.1 trillion yen<sup>\*2</sup>**

- We will increase allocations to overseas private assets (such as equity and debt), which are expected to offer risk diversification, high yields, and low volatility, in addition to liquid foreign bonds and pure investment stocks.

<sup>\*1</sup> Simple sum of 5 domestic group companies on a non-consolidated basis, assuming external cash outflow of 0.7 trillion yen (due to taxes and shareholder returns) from the sale of strategic equity holdings from the end of March 2025 to the end of March 2030.

<sup>\*2</sup> For MSP Life Insurance, only the portion where assets exceed liabilities is counted.

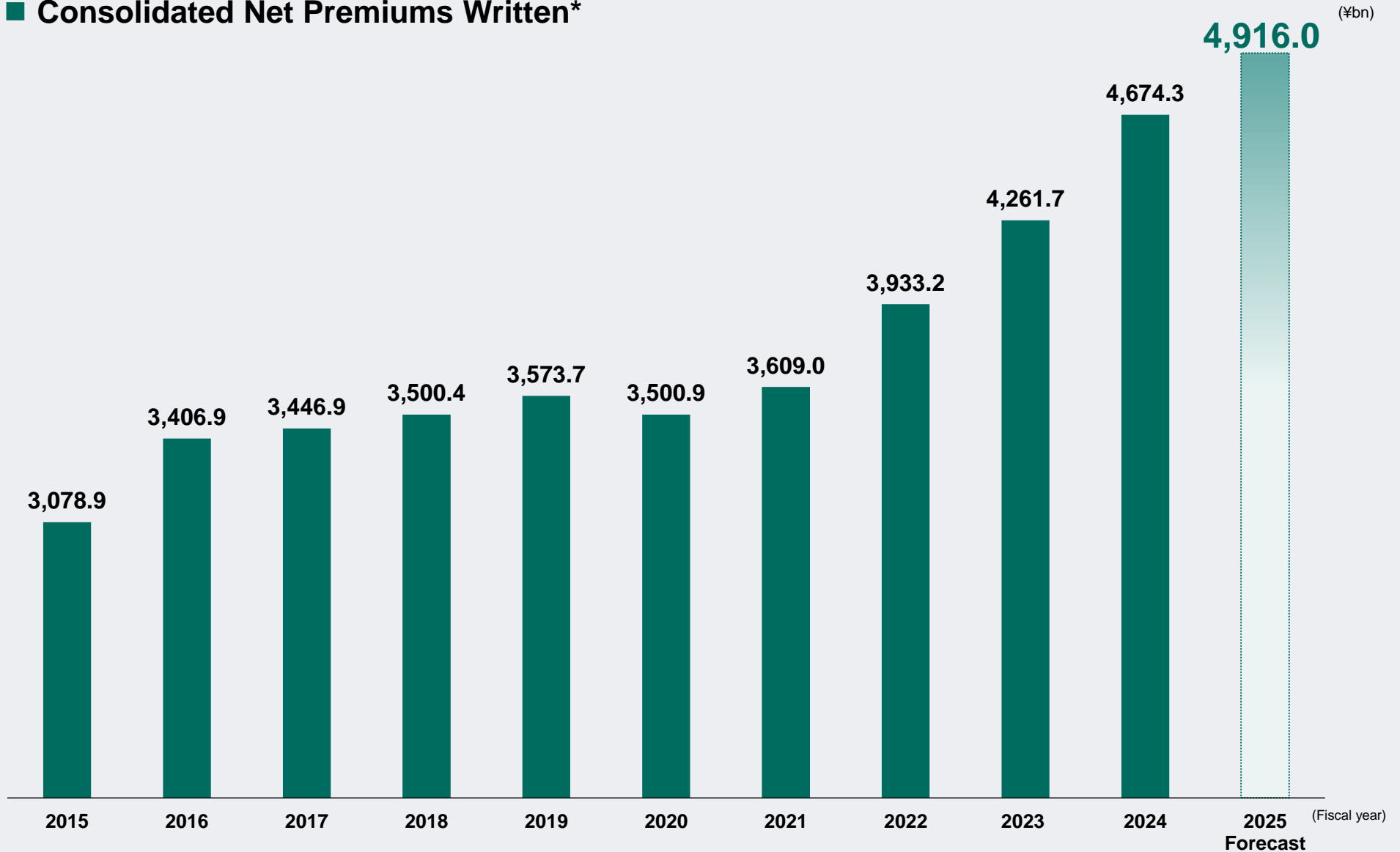
## **II**

# **Group's Current Status**

1. Premium Income
2. Bottom Line and ROE (on a Financial Accounting Basis)
3. Impact of Foreign Exchange/Interest Rate Fluctuation on Earnings for FY2025 Forecast

# 01 Premium Income (1) Consolidated Net Premiums Written

## ■ Consolidated Net Premiums Written\*



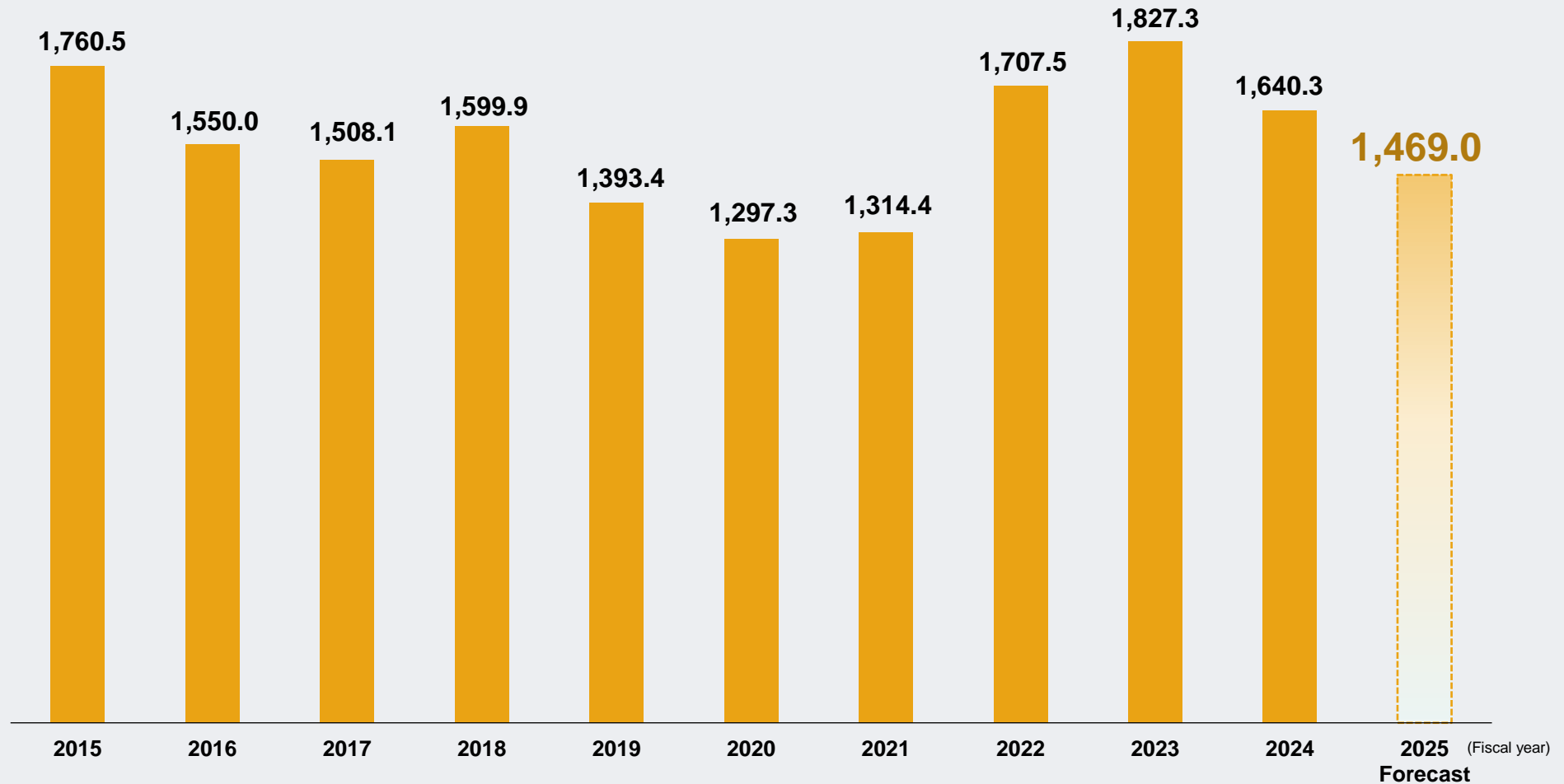
\* Net premiums written exclude the good results return premiums of the ModoRich auto insurance product.

\* FY2022 figures are retrospective application of IFRS17 base

# 01 Premium Income (2) Domestic life insurance Premiums(Gross Premiums Written)

■ Life insurance : Premiums (gross premiums written)\*

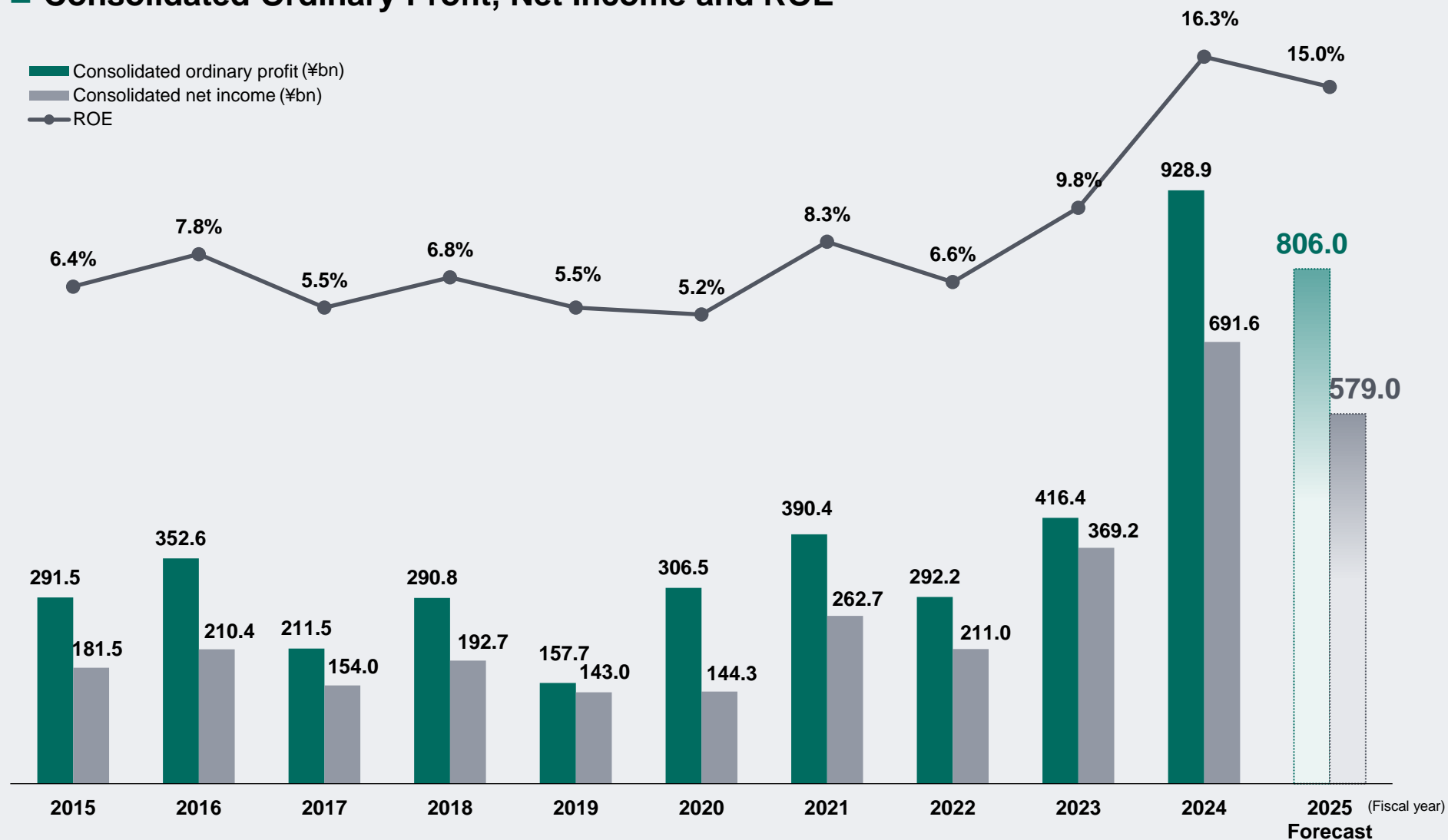
(¥bn)



\* Premiums (gross premiums written) are for domestic life insurance subsidiaries only

## 02 Bottom Line and ROE (on a Financial Accounting Basis)

### ■ Consolidated Ordinary Profit, Net Income and ROE




\* Figures of FY2022 are restrospective application of IFRS17 base

# 03 Impact of Foreign Exchange/ Interest Rate Fluctuation on Earnings for FY2025 Forecast

## ■ Impact of 5% JPY depreciation on profits

(All currencies 5% weaker yen)

Impact on net income		increase by approx. <b>¥+10.5</b> billion
■ Increase in profits of overseas subsidiaries		increase by approx. ¥+6.0 billion
■ Domestic non-life insurance subsidiaries		increase by approx. ¥+1.0 billion
<ul style="list-style-type: none"> <li>– Change in valuation of foreign currency deposits and exchange gain/loss on currency hedge positions, etc.(positive)</li> <li>– Increase in claims reserve in foreign currency(negative)</li> </ul>		
■ Increase of amortization of goodwill and others in foreign currency		decrease by approx. ¥-1.5 billion
■ Increase of profit margin of domestic life insurance subsidiaries		increase by approx. ¥+5.0 billion
The impact on Group Adjusted Profit excluding an increase of amortization of goodwill and others in foreign currency		increase by approx. <b>¥+12.0</b> billion

## ■ Impact of 0.5% rise in JPY interest rate on profits

Impact on net income and Group Adjusted Profit	
■ Increase in interest for new investment bonds/loans*1	increase by approx. ¥+1.2 billion

## ■ Impact of 0.5% rise in overseas interest rate on profits

Impact on net income and Group Adjusted Profit	
■ Increase in interest for new investment bonds/loans*2	increase by approx. ¥+0.5 billion

\* The foreign exchange and interest rate impacts associated with fair value changes in MSP Life's assets and liabilities are not included in the above.

\*1 Planned amount of new investment in domestic bonds etc. in FY2024: approximately 480.0 billion yen (Total of MSI, ADI, MSA Life and MSP Life)×0.5%× 0.5 (assuming a level investment)

\*2 Planned amount of new investment in foreign bonds in FY2024: approximately 200.0 billion (Total of MSI, ADI, MSA Life and MSP Life)×0.5%× 0.5 (assuming a level investment)





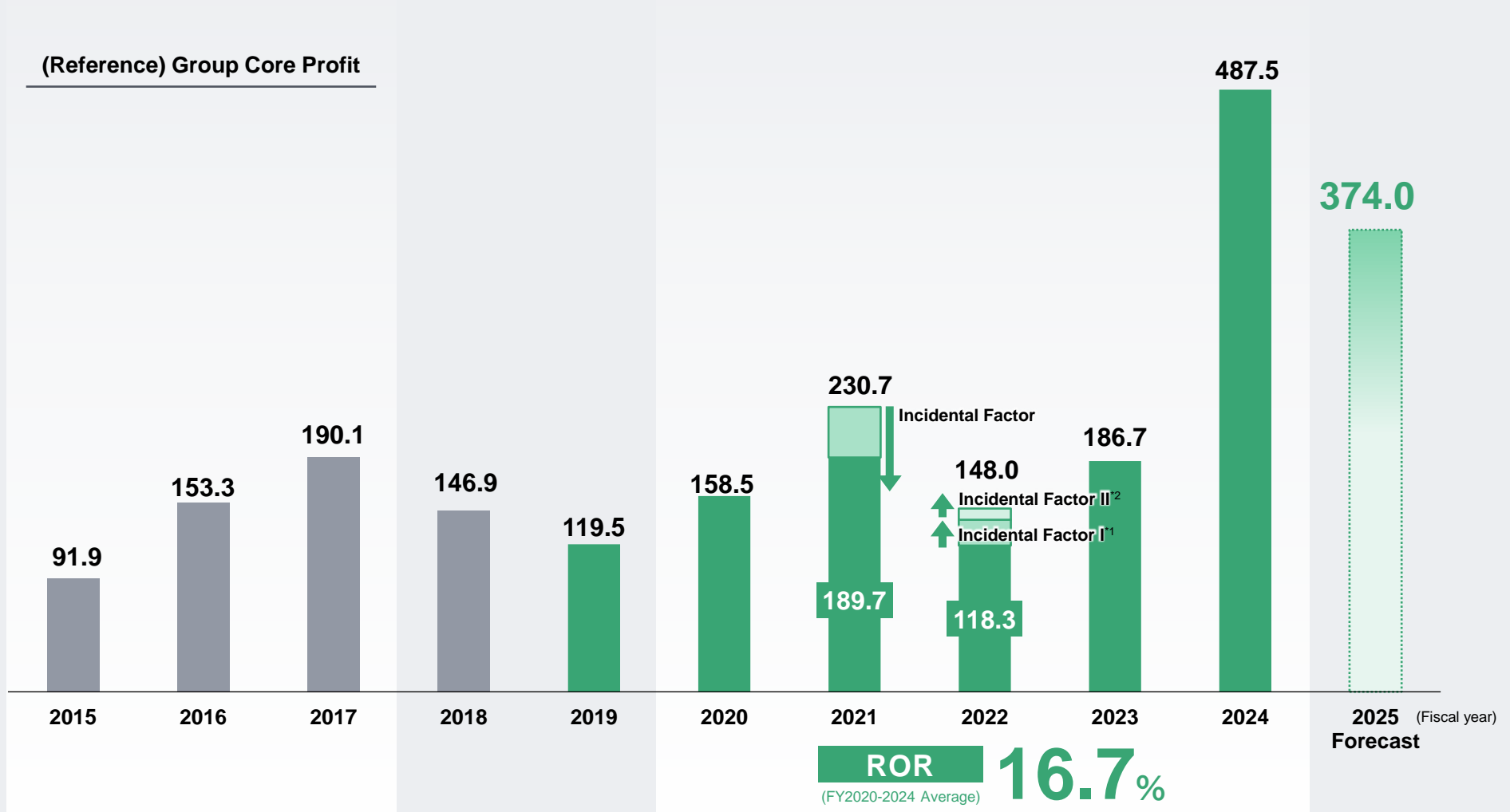
## **Basic Information on Each Business Domain**

1. Domestic Non-life Insurance Business
2. Domestic Life Insurance Business
3. International Business
4. Digital and Risk Related Services Business, Financial Services Business
5. Asset Management

# 01 Domestic Non-life Insurance Business (1) Group Adjusted Profit

## ■ Group Adjusted Profit

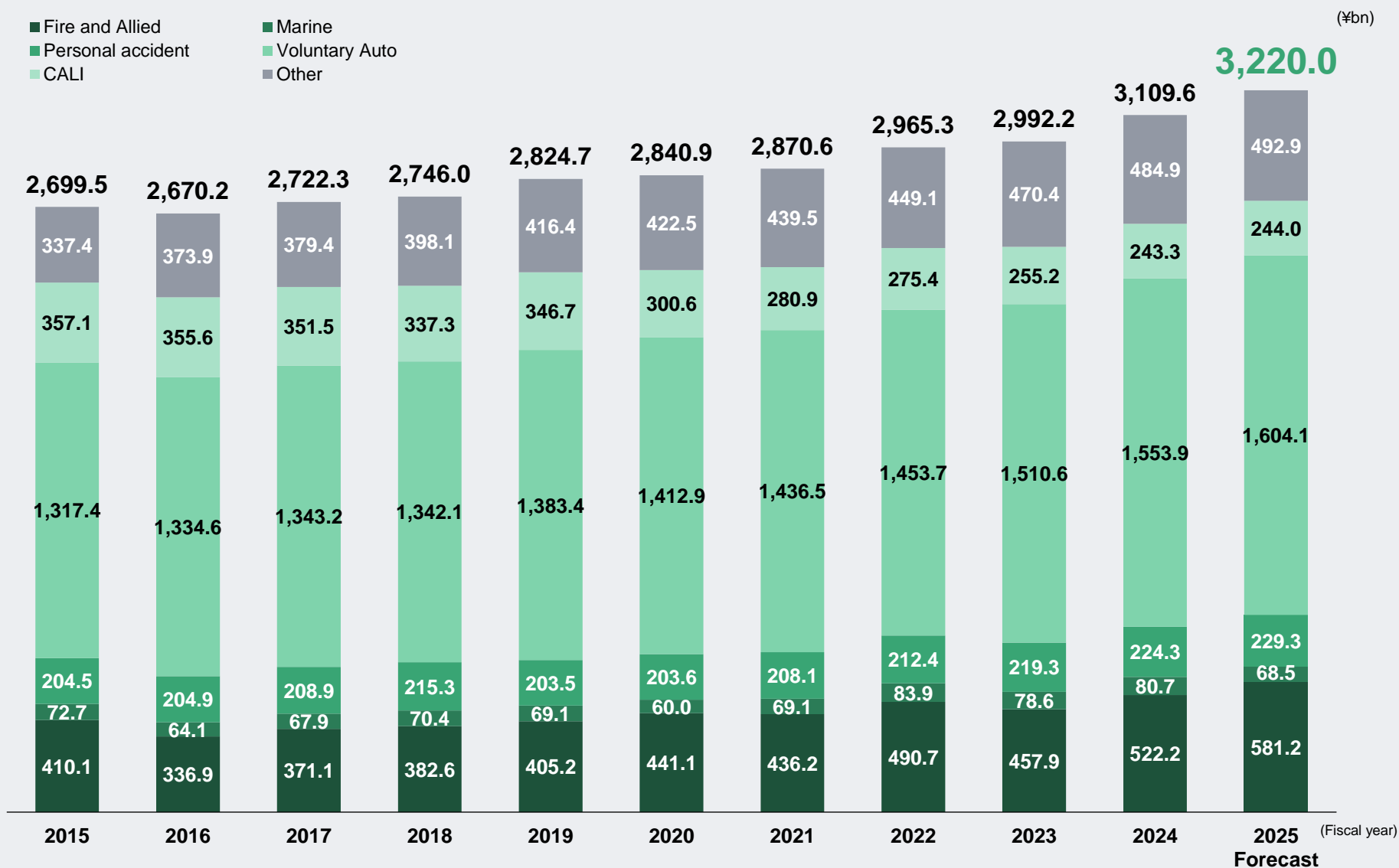
(¥bn)



\*1 One off factor: Covid19 losses: -21.0 billion yen

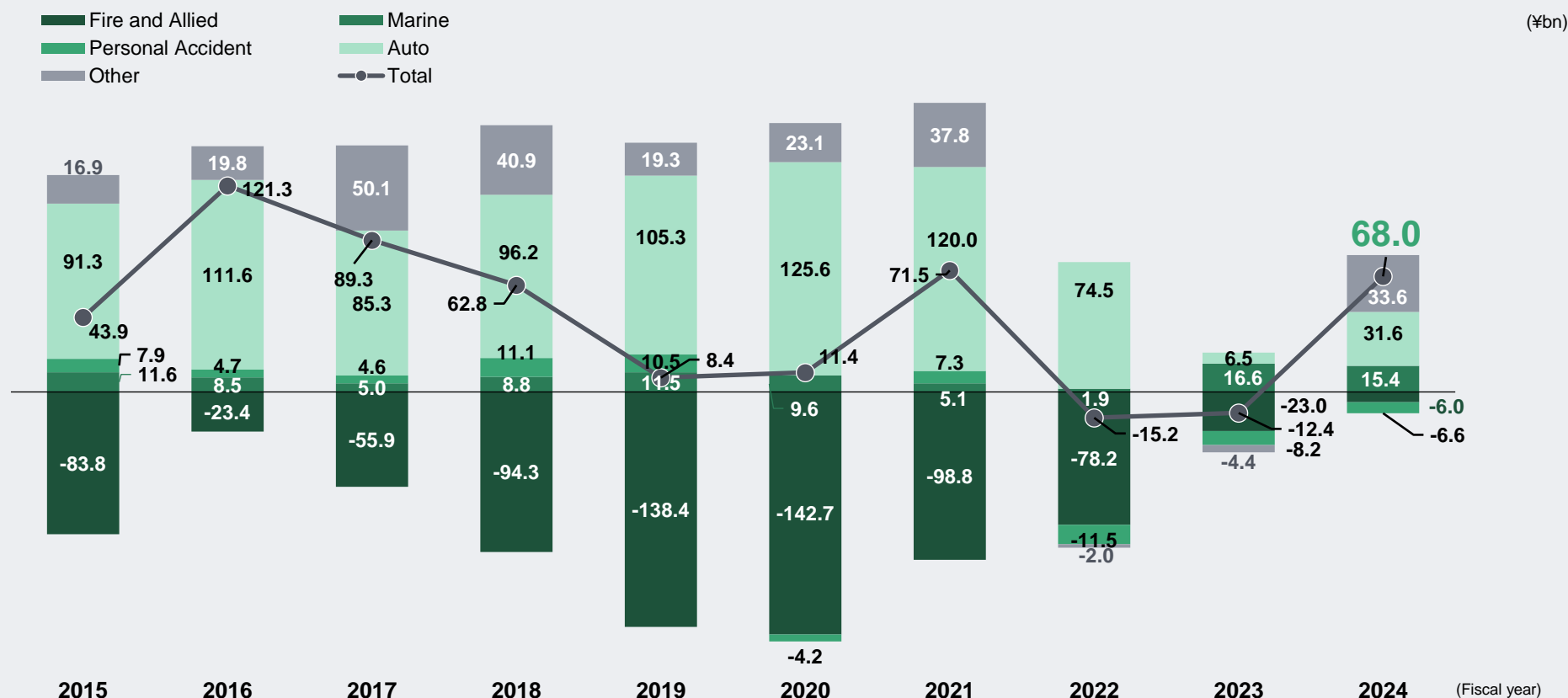
\*2 Non-one off factor: Increase reserve provision for inflation: -6.0 billion yen, Nat Cat fluctuation impact/upward from initial forecast: -18.0 billion yen, Large losses increase: -39.0 billion yen, Accelerated sales of strategic equity holdings: +54.0 billion yen

# 01 Domestic Non-life Insurance Business (2) Net Premiums Written by Class of Business



\* Simple sums of non-consolidated figures for MSI and ADI

# 01 Domestic Non-life Insurance Business (3) Underwriting Profit/Loss by Line of Business



Item/Fiscal Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 Forecast
<b>Underwriting Profit</b>	<b>43.9</b>	<b>121.3</b>	<b>89.3</b>	<b>62.8</b>	<b>8.4</b>	<b>11.4</b>	<b>71.5</b>	<b>-15.2</b>	<b>-12.4</b>	<b>68.0</b>	<b>33.0</b>
Net reversal of catastrophe reserve (profit impact)	-81.6	-81.8	-44.6	79.8	-33.3	-65.3	-73.7	38.8	45.9	50.4	-17.0
Underwriting profit (before reflecting catastrophe reserves)	125.6	203.1	133.9	-16.9	41.8	76.7	145.3	-54.1	-58.4	17.6	50.0
Impact of natural catastrophes <sup>*1</sup> (ref.)	-68.1	-51.0	-118.8	-235.3	-122.9	-85.0	-77.2	-115.5	-135.0	-116.0	-147.0

\* Simple sums of non-consolidated figures for MSI and ADI.

<sup>\*1</sup> The figures show incurred losses occurred domestic and overseas for MSI and ADI from FY2017.

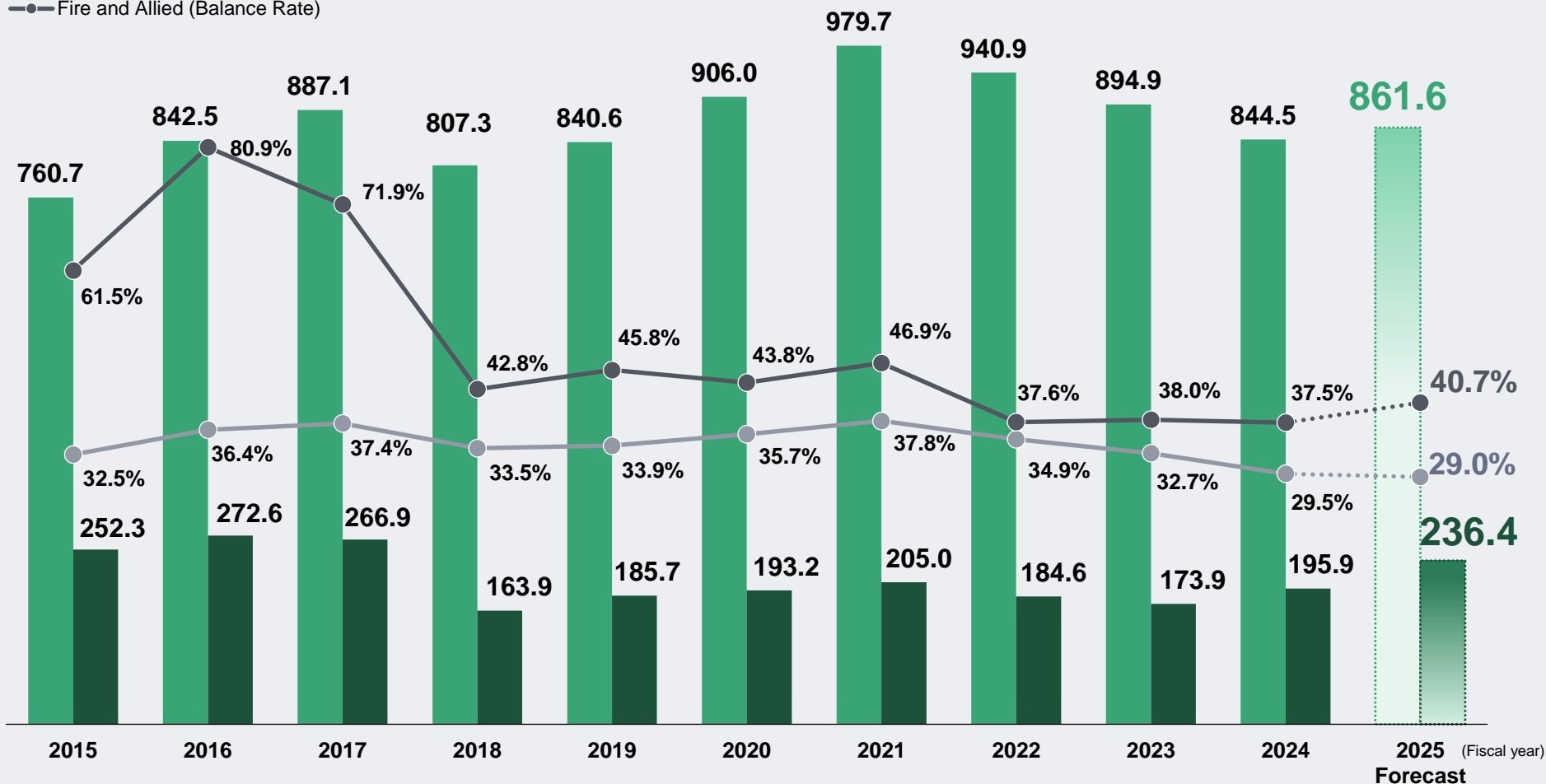
From FY2019, "Impact of natural catastrophes" means incurred loss from domestic and overseas natural catastrophes in the each year deducting the collected amount of Cat Bonds related to natural catastrophes in FY 2018.

# 01 Domestic Non-life Insurance Business (4) Balance in Catastrophe Reserve

## ■ Catastrophe reserve Balance

(¥bn)

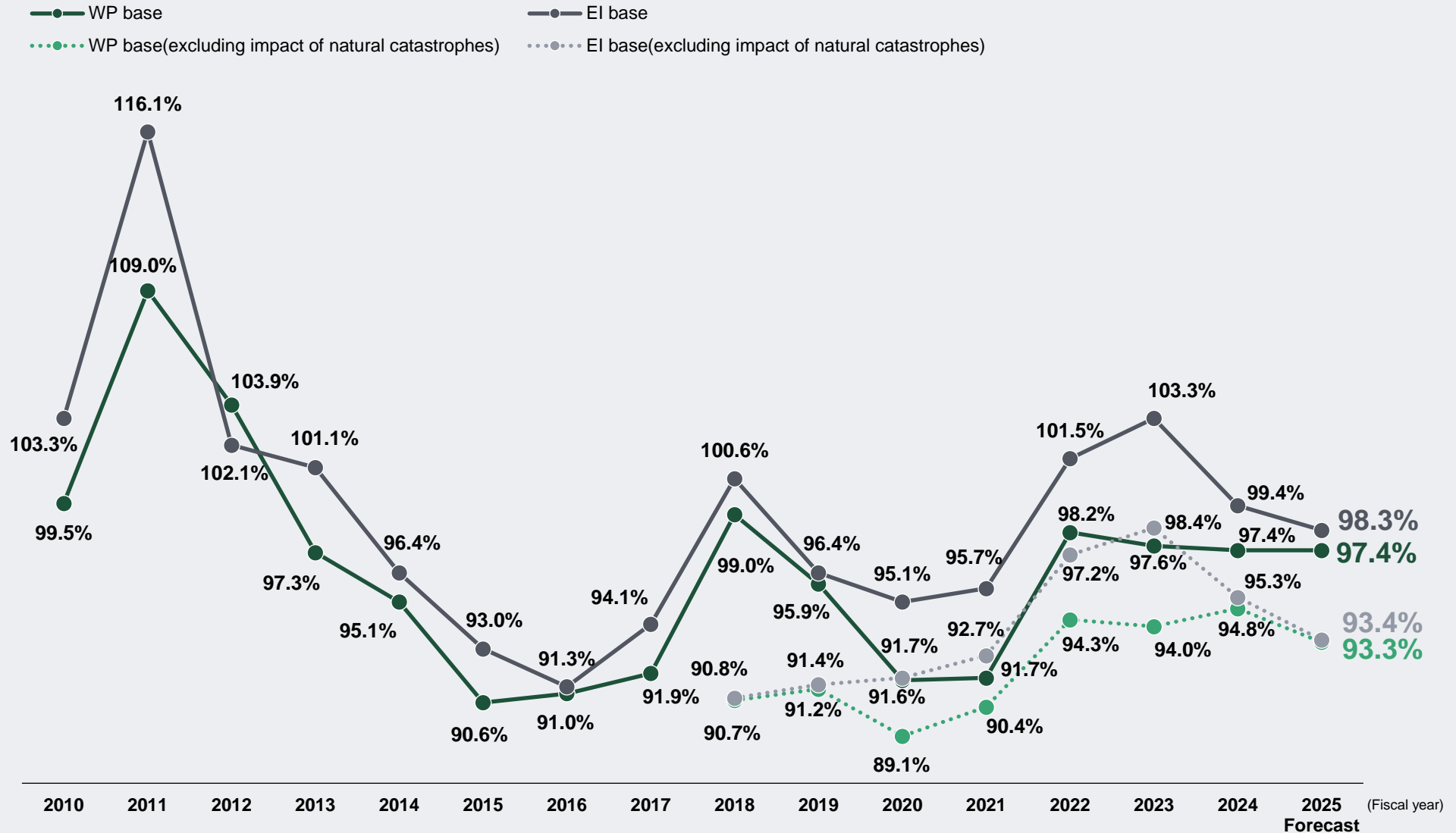
- Total (Balance)
- Fire and Allied (Balance)
- Total (Balance Rate)
- Fire and Allied (Balance Rate)



\* Simple sum of non-consolidated figures for MSI and ADI

\* Balance rate = Balance of Catastrophe reserve/Net Premiums Written (excluding Residential Earthquake Insurance and CALI)

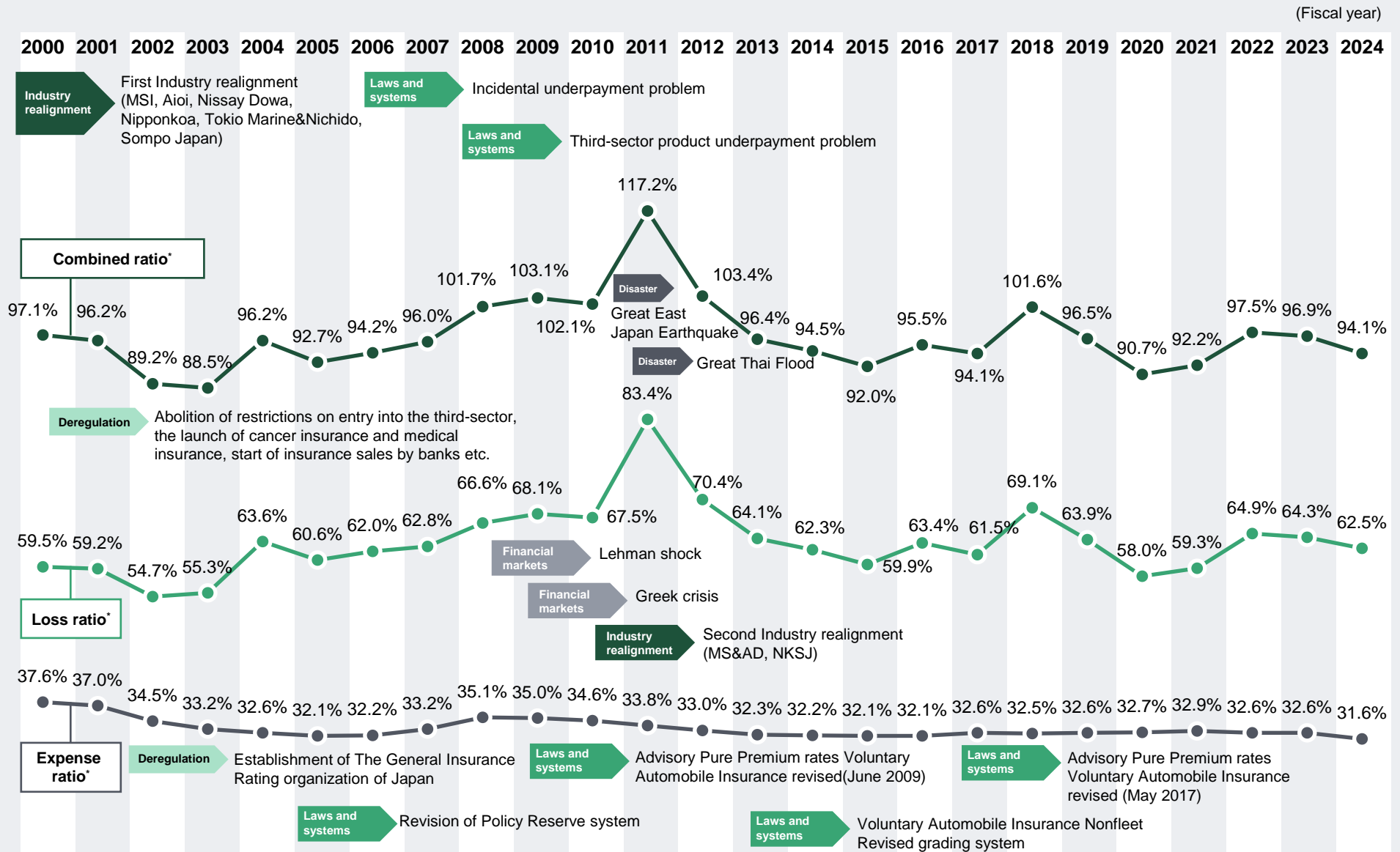
# 01 Domestic Non-life Insurance Business (5) Trends in Combined Ratio



\* Simple sum of non-consolidated figures for MSI and ADI. (In FY2010, the non-consolidated figures for MSI, Aioi Insurance, and Nissay Dowa Genearl Insurance are simply combined.)

\* Excluding Residential Earthquake Insurance and CALI

# 01 Domestic Non-life Insurance Business (6) Non-Life Insurance Industry Combined Ratio (WP) Trends



\* Source: The General Insurance Association of Japan

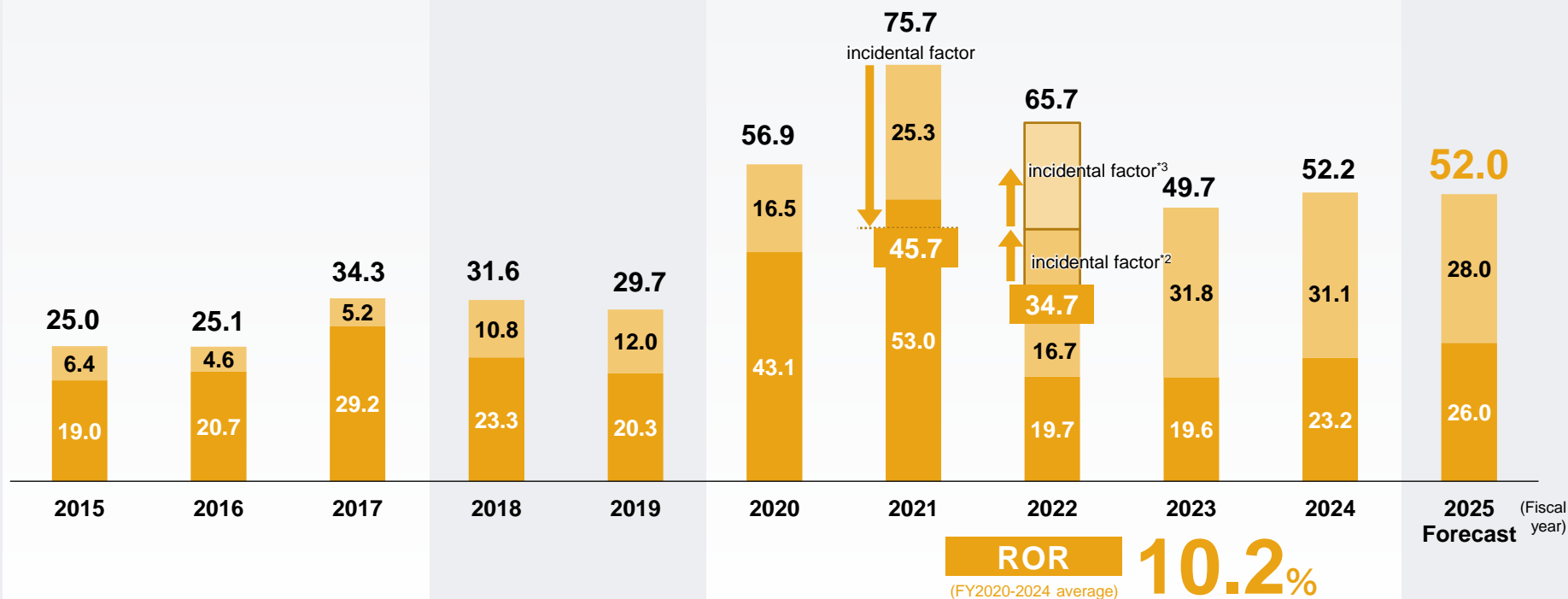
## 02 Domestic Life Insurance Business (1) Group Adjusted Profit

### ■ Group Adjusted Profits<sup>\*1</sup>

(¥bn)

#### (Reference) Group core profit

- MSP Life
- MSA Life



\*1 Total value of life insurance business includes purchase differential adjustment, etc.

\*2 Transient: Covid19 impact -11.0 billion yen

\*3 Non-Transient: Increase in MSP Life's foreign currency standard policy reserve, etc. -20.0 billion yen



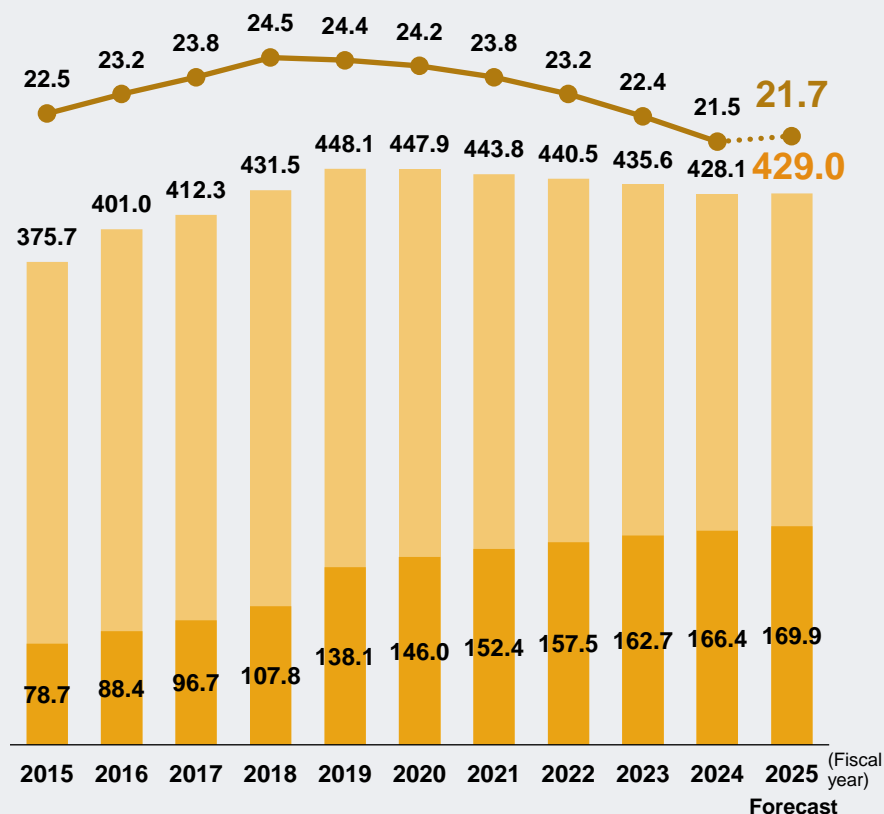
## 02 Domestic Life Insurance Business (2) MSA Life (Amount of Policies and Annualized Premiums)

### ■ Amount of New Policies in Force and Annualized Premiums of New Policies in Force

■ Annualized premium in force (¥bn)

■ Annualized premium in force for third sector insurance (¥bn)

● Amount of policies in force (¥tn)

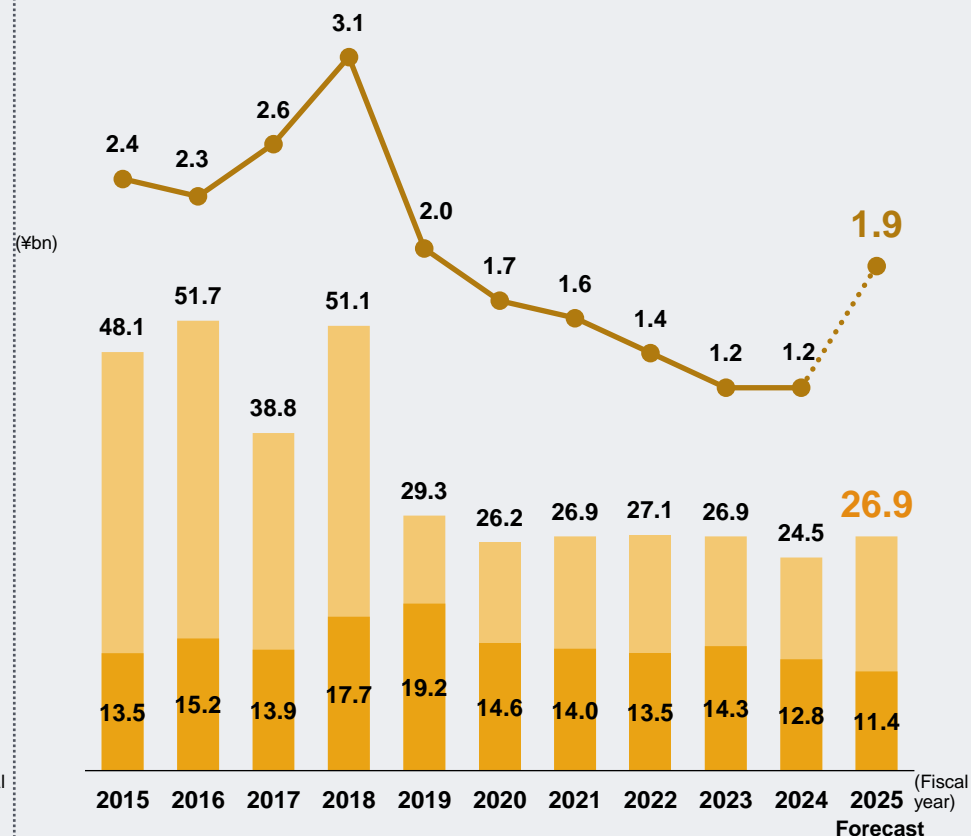


### ■ Amount of New policies and Annualized Premiums of New Policies

■ Annualized premium of new policies (¥bn)

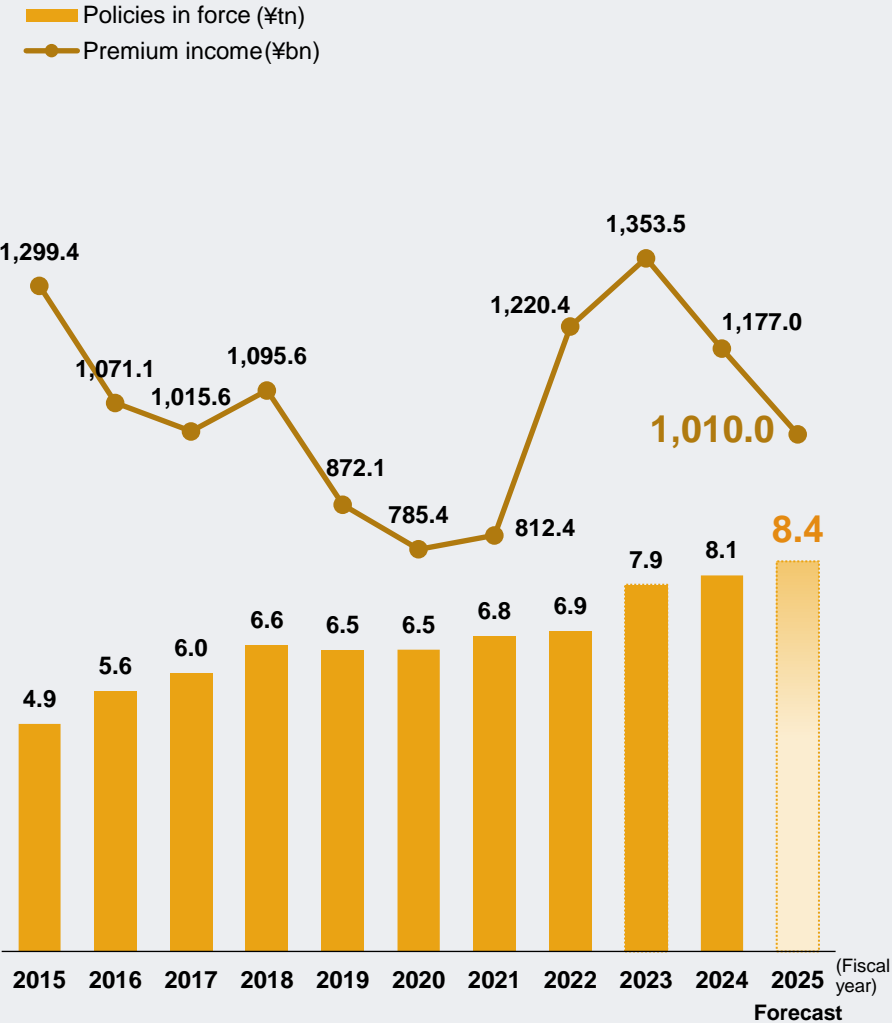
■ Annualized premium of new policies for third sector insurance (¥bn)

● Amount of new policies (¥tn)



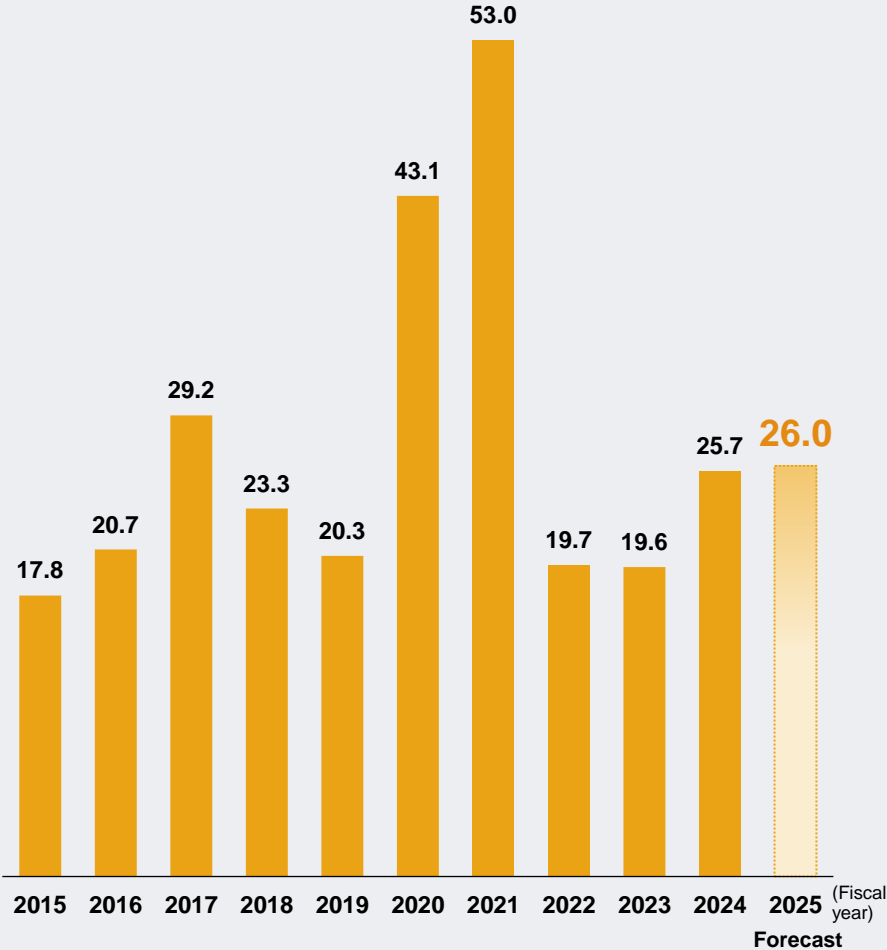
02 Domestic Life Insurance Business (3) MSP Life (Premiums and Amount of Policies in Force and Net income)

Premium Income and Amount of Policies in Force



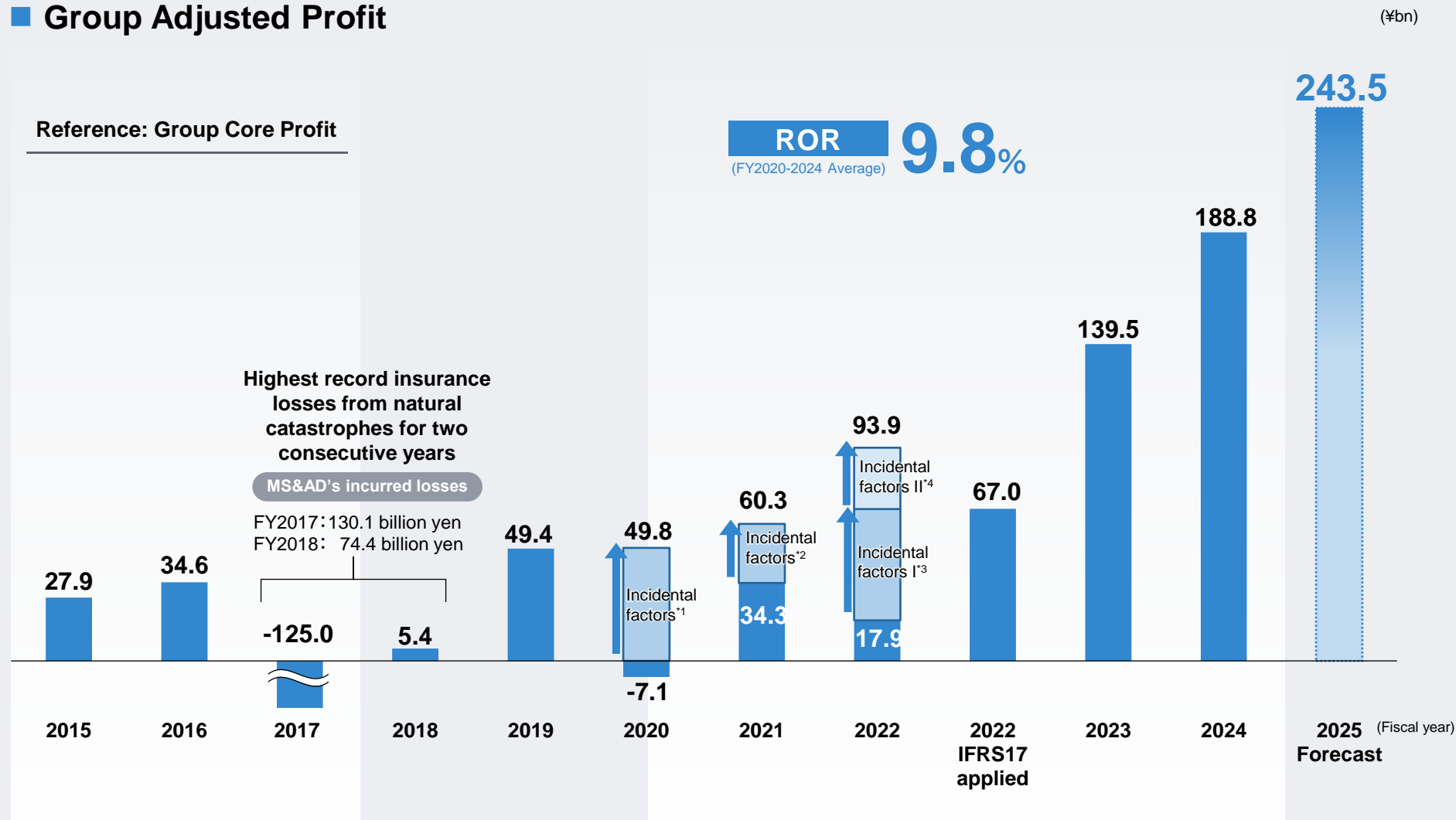
Net income

(¥bn)



# 03 International Business (1) Group Adjusted Profit

## ■ Group Adjusted Profit



\*1 COVID-19 related losses: -57.0 billion yen \*2 Excess amount over overseas catastrophe budget: -26.0 billion yen

\*3 Transient: Russia-Ukraine impact: -16.0 billion yen, Covid19: -20.0 billion yen,

Market fluctuation impact: -31.0 billion yen (MS Amlin investment :-19.0 billion yen, International Life Insurance Business :-12.0 billion yen), Sales of real estate assets in Taiwan :18.0 billion yen

\*4 Non-Transient: Increase IBNR provision for inflation:-18.0 billion yen, Nat Cat fluctuation impact/upward from initial forecast:-6.0 billion yen, Large losses increase:-3.0 billion yen

## 03 International Business (2) Net Premiums Written and Group Adjusted Profit\*1

### ■ Net Premiums Written (Non-life insurance)

(¥bn)

	FY2024		FY2025	
	Results	YoY change	Forecast	YoY change
<b>Total International Business</b> <sup>*2</sup>	1,865.8	245.5	1,982.0	116.2
Lloyd's & Reinsurance	815.0	140.7	901.0	86.0
AUL	289.1	25.7	365.0	75.9
MS Re	518.6	108.8	534.0	15.4
Asia	373.4	35.4	387.0	13.6
Europe	228.0	26.9	224.0	- 4.0
Americas	149.6	42.2	180.0	30.4
Toyota Retails	196.0	32.8	202.0	6.0
Head office reinsurance business	52.3	- 10.7	42.0	- 10.3

### ■ Group Adjusted Profit

(¥bn)

	FY2024		FY2025	
	Results	YoY change	Forecast	YoY change
<b>Total International Business</b> <sup>*2</sup>	188.8	49.3	243.5	54.7
Lloyd's & Reinsurance	73.9	- 9.1	81.0	7.1
AUL	29.5	- 6.9	36.0	6.5
MS Re	48.8	- 0.3	48.0	- 0.8
Asia	58.1	8.6	40.0	- 18.1
Europe	15.7	5.5	12.0	- 3.7
Americas	25.6	19.9	34.0	8.4
Toyota Retails	3.5	7.5	2.0	- 1.5
Head office reinsurance business	7.0	2.6	7.0	0.0
International life insurance	34.9	12.0	47.0	12.1
Additional impact due to natural catastrophe	- 17.4	- 17.4	17.4	34.8

\*1 International Business: Business results of overseas consolidated subsidiaries and equity-method affiliates plus the business results of overseas branches of non-life insurance companies, overseas non-consolidated subsidiaries, and non-life insurance companies' head office reinsurance.

\*2 Figures in "Total International Business" include head office adjustments and other factors and are not equal to the sum of figures for each region and each business. Each segment for Asia, Europe, and the Americas does not include ADI international business.

# 04 Digital and Risk Related Services Business/ Financial Services Business

- We aim to develop our business while addressing social issues, environmental changes, and customer needs, by leveraging the comprehensive capabilities of the Group, including domestic sales and overseas branches. Our goal is to provide a diverse range of products and services beyond just insurance, thereby contributing to stable profit generation.



\*1 Sumitomo Mitsui DS Asset Management Company, Limited

\*2 Leadenhall Capital Partners LLP (LCP)

\*3 ILS fund managed by LCP

\*4 MS Financial Reinsurance Limited

\*5 Insurance-linked securities: Collective term for securitization products which transfer natural catastrophe risks and other insurance risks to capital markets

\*6 MITSUI SUMITOMO INSURANCE Venture Capital Co.,Ltd.

# 05 Asset Management (1) Group Asset Management (Total Assets, Allocation by Rating and Asset Management Risk Amount )

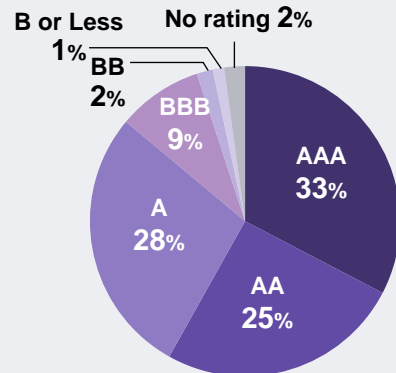
## ■ Assets under Management\*<sup>1</sup> (Non-consolidated total of five domestic companies/End of Mar. 2025)

(¥bn)

Asset class	Total assets of 5 companies* <sup>2</sup>		Higher-return assets
	Fair value	Composition ratio	Market value
Short-term funds, etc.	1,574.6	8%	
Yen-denominated bonds and loans	6,265.7	31%	320.5
Hedged foreign bonds	979.8	5%	845.5
Foreign bonds, etc.	5,165.6	26%	1,617.8
Domestic stocks (pure investment)	129.7	1%	129.7
Foreign stocks (pure investment)	317.3	2%	317.3
Alternative investments	980.6	5%	868.3
Strategic equity holdings	2,382.4	12%	
Other (overseas business investments, etc.)	1,718.6	9%	
Real estates	388.4	2%	
<b>Domestic Total</b>	<b>19,903.1</b>	<b>100%</b>	<b>4,099.3</b>

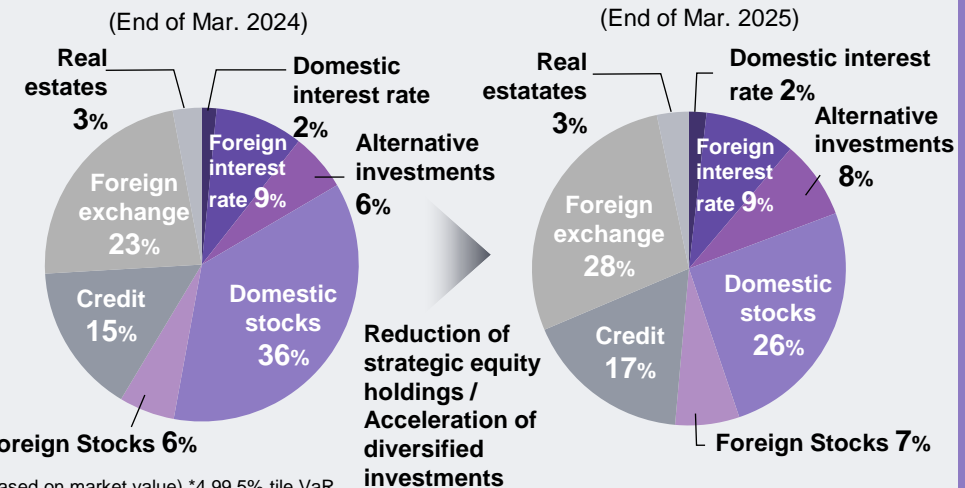
Breakdown by group company			
MSI	ADI	MSA Life	MSP Life General account
515.3	179.0	111.3	764.0
1,497.9	768.0	3,241.3	720.4
219.1	352.3	315.9	92.3
285.2	327.6	368.5	4,184.2
56.5	7.1	66.0	0.0
77.4	226.0	13.8	0.0
469.5	180.3	61.7	268.9
1,578.1	804.1		
1,532.1	185.7	0.7	
172.5	215.5	0.2	
<b>6,404.1</b>	<b>3,246.0</b>	<b>4,179.8</b>	<b>6,030.0</b>

## ■ Allocation by Rating\*<sup>3</sup> (End of Mar. 2025)



Maintaining a portfolio with high creditworthiness, with investment grade bonds and other assets rated BBB or higher accounting for approximately **95%**

## ■ Asset Management Risk Amount\*<sup>4</sup>



\*1 Management accounting base \*2 MSI, ADI, MSA, MSP, MD

\*3 Figures for credit by internal rating for total credit management by individual issuers (Aggregate bonds, loans, etc., based on market value) \*4 99.5% tile VaR

## 05 Asset Management (2) Group Asset Management (Investment Profit/loss, Interest rate and foreign exchange rate sensitivity, etc.)

### ■ Domestic: Investment Profit/Loss\*<sup>1</sup> (FY2024)

(¥bn)

	Results	Change from forecast	YoY
<b>Total of three domestic non-life insurance companies</b>	670.2	+11.8	+349.6
Net interest and dividends income	227.6	+4.8	+35.3
Capital gains and losses, etc.	457.3	+5.9	+314.1
Investment expenses	-14.7	+1.0	+0.1
<b>MSA Life</b>	67.4	+32.3	+6.8
<b>MSP Life (Net assets and liabilities)*<sup>2</sup></b>	79.1	-40.1	+43.8

### ■ Overseas: AUM and Investment Profit/Loss (2024 Jan.-Dec.)

(¥bn)

Entity	Investment profit/loss	YoY change	Yield	Asset balance End of Dec. 2024
Lloyd's & Reinsurance	47.1	+8.9	4.2%	1,286.3
Europe (excluding Lloyd's & Reinsurance)	15.2	+2.9	3.3%	499.0
Americas	10.5	+2.9	3.9%	323.9
Asia & Oceania	52.4	+15.7	5.3%	1,082.7
AD Europe	3.4	+1.1	2.3%	160.6
International total* <sup>3</sup>	131.3	+32.0	4.3%	3,439.3

### ■ Interest rate and foreign exchange rate sensitivity (End of Mar. 2025)

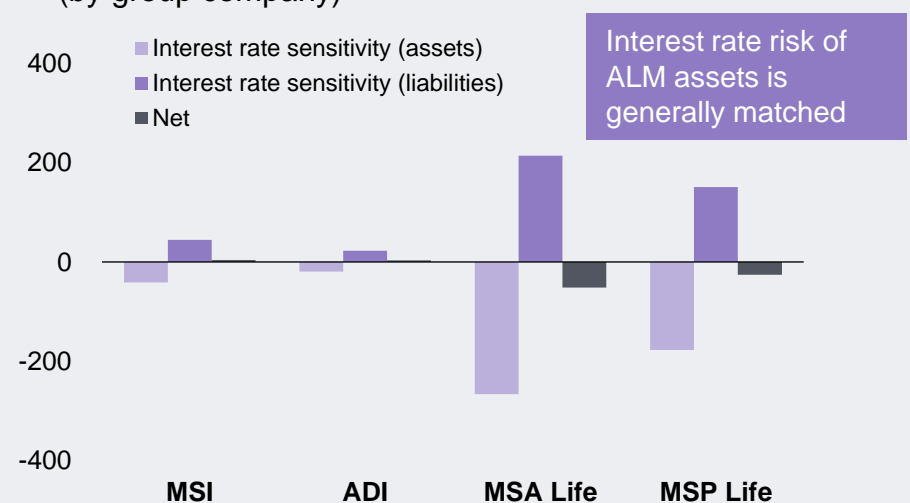
#### ■ Interest rate and foreign exchange sensitivity (impact on Group Net Asset Value)

(¥bn)

	Total for MS&AD Group	Total for Non-life Insurers* <sup>4</sup>	Total for Domestic Life Insurers
100 bps rise in yen interest rates	- 0.4	+41.2	- 54.6
100 bps rise in US dollar interest rates	- 80.9	- 48.3	- 32.6
10% rise in the yen against all currencies	- 452.1	- 310.3	- 114.7
10% rise in the yen against the US dollar	- 265.2	- 193.7	- 70.6
10% rise in the yen against the Euro	- 31.1	- 23.8	- 7.3
10% rise in the yen against the British Pound	- 48.2	- 32.1	-

#### ■ Interest rate sensitivity of ALM assets (by group company)\*<sup>5</sup>

(¥bn)



\*1 Management accounting basis \*2 Investment profit/loss (general account) on assets and liabilities on a combined basis for management accounting

\*3 Includes other entities \*4 Includes overseas subsidiaries

\*5 Interest rate sensitivity is the amount of change in market value when interest rates rise 0.5%. MSP Life: simple sum of interest rate sensitivity of ALM assets in US\$ and Australian \$

# **IV Systems Supporting Value Creation**

1. Sustainability
2. Human Assets Initiatives
3. ERM



# 01 Sustainability (1) KPI Progress

- We have set sustainability as one of the foundations that support the Medium-Term Management Plan's basic strategies and set KPIs for each priority issue in order to become “a corporate group that supports a resilient and sustainable society”. The progress has generally been steady.

Key Issues	KPI Progress	Target	End of March 2025
Symbiosis with the global environment (Planetary Health)	Greenhouse gas reduction rate (vs. FY2019)	FY2030 : -50% FY2050 : Net Zero	<b>-35.3%</b> (Scope1+2) Results as of the end of March 2024
	Renewable energy usage rate	FY2030 : 60% FY2050 : 100%	<b>23.0%</b> Results as of the end of March 2024
	FY2025 Premium growth rate of products which contribute to decarbonization and a circular economy (e.g., carbon neutral support clause)	Annual average <b>18%</b>	<b>24.5%</b> Results as of the end of March 2024
Safe and secure society (Resilience)	FY2025 Rate of increase in the number of policies for products that contribute to the enhancement of resilient society (e.g., cybersecurity insurance)	Annual Average <b>20%</b>	<b>25.0%</b>
	FY2025 Instances of support for the resolution of issues faced by regional companies (e.g., seminars on regional revitalization)	10,000 instances a year	<b>11,091</b>
Happiness of diverse people (Well-being)	FY2025 Instances of support for companies' action on human rights (e.g., harassment prevention consulting)	1,000 instances a year	<b>1,111</b>
	FY2025 Number of policies in force for asset-building products to support longevity (e.g., tontine annuity insurance)	100,000	<b>120,000</b>
	FY2025 Number of policies in force for products which help solve health-related social issues (e.g., medical insurance covering dementia, infertility treatment)	2.6 million	<b>2.25 million</b>

# 01 Sustainability (2) Responding to Climate Change and Natural Capital & Biodiversity

- Advance efforts to address climate change towards the '2050 Net Zero' target and promote initiatives to maintain the sustainability of natural capital and biodiversity for a nature-positive society.

## ■ Response to Climate Change

- Greenhouse gases (GHG) by major domestic clients\*  
Emission reduction rate in target (compared to FY 2019 end)

Results as of November 2024	Target 2030	Target 2050
-18%	-37%	Net Zero

\* GHG emissions by major domestic clients (approximately 3,300 companies) that pertains to our company.

### Dialogue with clients and investment and financing entities

- Conducted dialogues with policyholders and investment and financing entities on the themes of GHG emissions reduction, natural capital and biodiversity (367 companies engaged in dialogues in FY2024)

## ■ Circular Economy Initiatives

### ■ Key Initiatives

- Utilization of recycled parts in automobile repair
- Reduction of disposal of disaster-stricken machinery by employing disaster recovery specialists in fire and water accidents
- Insurance premium discount system for companies engaged in recycling plastic resources

## ■ Initiatives for Natural Capital and Biodiversity

- Support for transitioning to businesses based on biodiversity restoration and conservation, and sustainable resource use, with the provision of the following products and services:

- Environmental risk analysis services for assessing impacts on biodiversity and for sustainable raw material procurement
- Products that compensate for economic losses caused by natural environmental damage, such as marine pollution
- Products utilizing schemes to reduce food waste
- Services for evaluating corporate water-related risks and supporting TNFD disclosures

- In the Kumamoto region, where semiconductor factories are concentrated, efforts are underway through the "Kumamoto Water Positive Action," a collaboration between industry, government, and academia, aimed at conserving water resources and reducing water disaster risks.



# 01 Sustainability (3) ESG Investments

- As a signatory to principles for responsible investment (PRI), we will establish ESG investment and financing process, and will focus on quality, such as projects that contribute to the environment and society with profitability.

## ■ Overview of the Group's ESG Investments and Loans

Integration of Investment and Loan Processes		Target Asset Class	Investment and Loan Balance
Reflection of the response to the Group's "business activities considering sustainability"	Screening specific uses of funds and industries without investments and loans, and making prudent decisions on whether to engage in transactions from the perspectives of responding to climate change, improving the sustainability of natural capital, and respecting human rights	All assets under management	15.2 trillion yen*
Incorporation of the Group's priority issues into the research	Focusing on "CO <sub>2</sub> emissions," "deforestation," "water risk," and "human rights violations," evaluations by ESG evaluation companies and international initiatives (such as CDP) are used for investment decisions and monitoring.	Corporate bonds. Stocks and loans	7.5 trillion yen
Constructive Dialogue (Engagement)		Target Asset Class	Investment and Loan Balance
Engagement	Conduct dialogue centered on stewardship activities	stock	1.8 trillion yen
Positive Impact		Target Asset Class	Investment and Loan Balance
Sustainable/thematic investing	ESG issues, investments, and loans in themes such as renewable energy (e.g., solar, wind, hydrogen), green transition finance (greenhouse gas reduction), and regional revitalization	Bonds, stocks, loans, and private equity	777.7 billion yen
Impact investing	Investment in themes such as healthcare and education, focusing on climate change,	Private equity	

\* Excludes cash and deposits, real estate holdings, and funds with investment funds of other investors

# 02 Human Assets Initiatives KPI Progress

■ Steadily progress human assets initiatives as one of the foundations supporting the Medium-Term Management Plan’s basic strategy

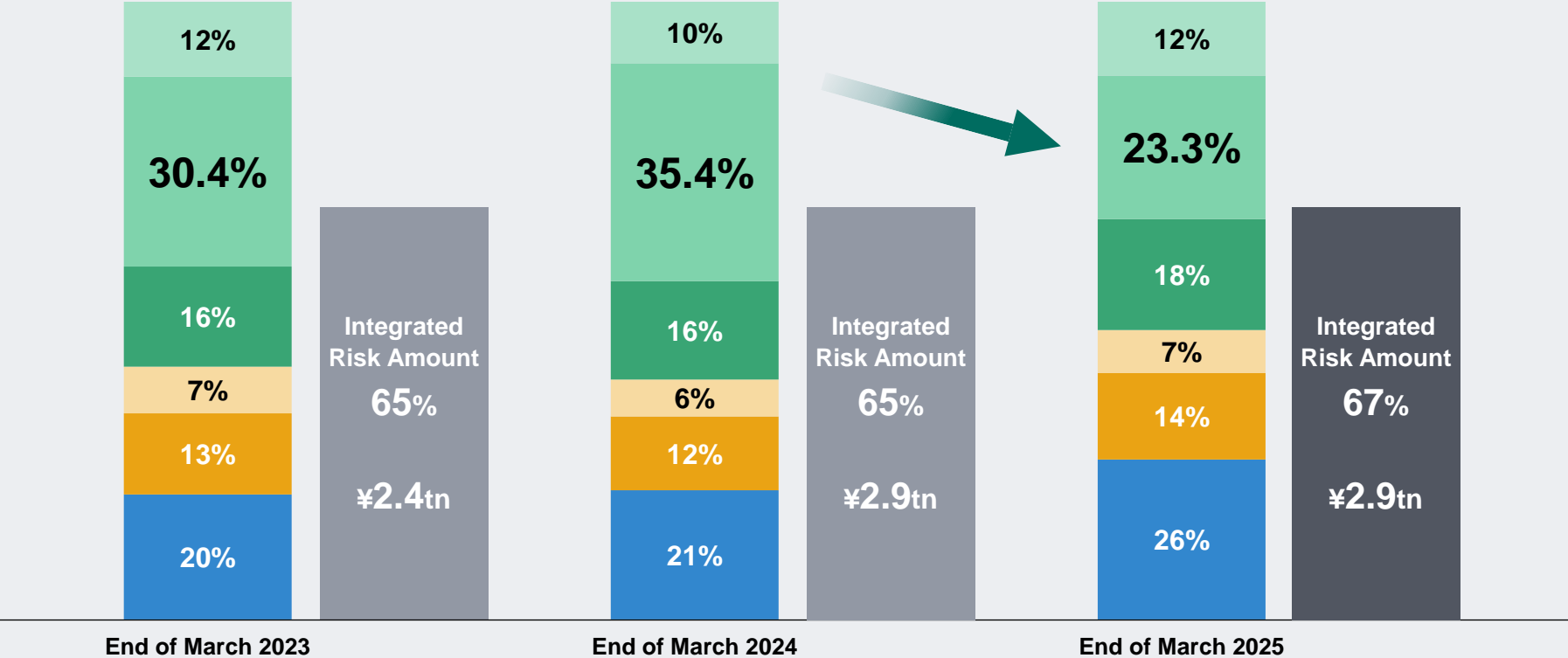
Item	KPI	Target	FY2024
Employee engagement	Employee satisfaction(Pride in work)	Last year level or higher (FY2023 : 4.4pt)	4.4pt
	Employee satisfaction(Working with motivation)	Last year level or higher (FY2023 : 4.7pt)	4.7pt
Item	KPI	FY2025 Target	April 1, 2025
Human asset portfolio	Digital human assets	7,000 persons	8,490 persons
	Overseas human assets	1,200 persons	1,243 persons
Item	KPI	FY2030 Target	April 1, 2025
Maximizing employees' abilities, skills and motivation	Percentage of female managers	30.0%	23.8%
	Percentage of female line managers	15.0%	21.3%
	Percentage of Male childcare leave taking	100%	93.2%
	Duration of Male childcare leave	4 weeks	13.1 days
Item	KPI	FY2030 Target	FY2024
Productivity improvement	Personnel Expense rate	8.5%	8.6%

# 03 ERM (1) Ensuring Financial Soundness (Risk Portfolio)

■ The percentage of strategic equity holdings in integrated risk amount has significantly decreased due to steady progress in the sale of these holdings and a decline in domestic stock prices.

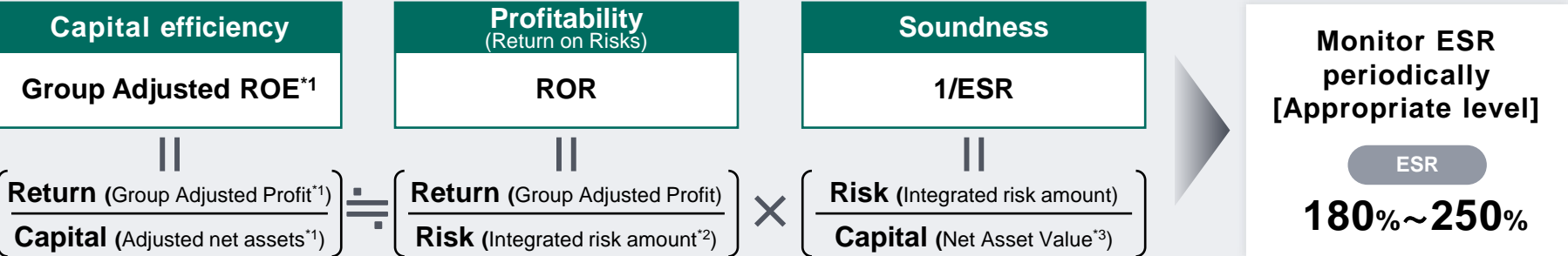
## ■ Risk Portfolio

- Domestic non-life (Investment : Other than strategic equity holdings)
- Domestic non-life (Investment : Strategic equity holdings)
- Domestic non-life (Underwriting)
- Domestic life (Investment)
- Domestic life (Underwriting)
- International business

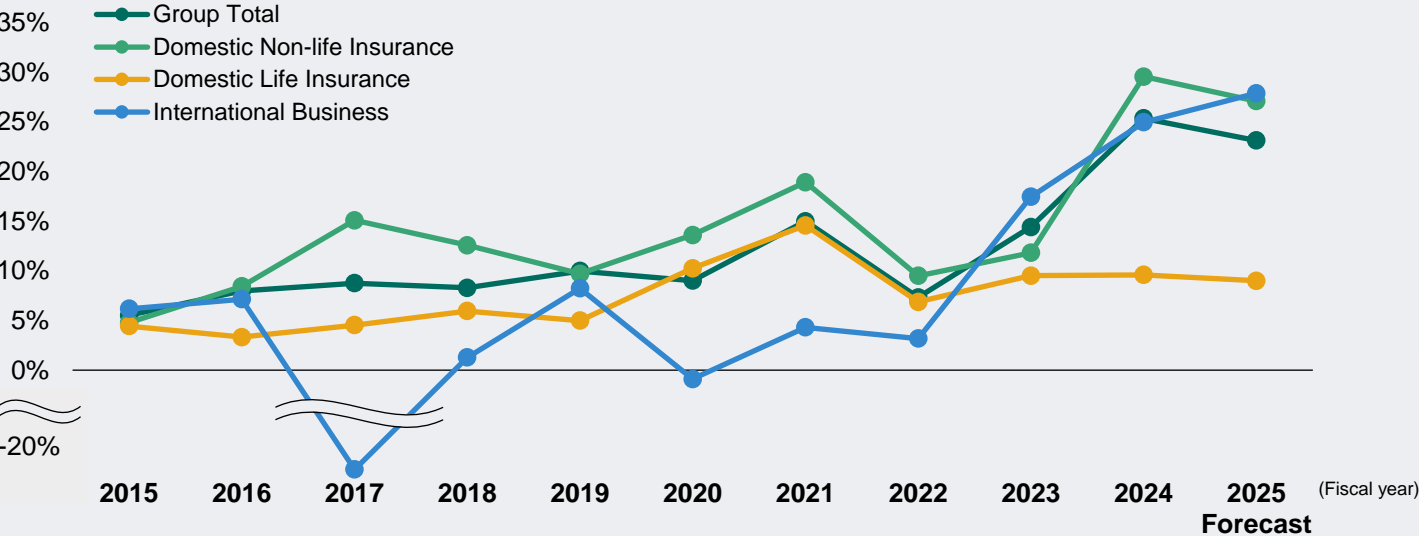


03 ERM (2) Improvement of Profitability (ROR Monitoring)

■ We monitor ROR at each business and each company and promote initiatives for improving ROR.



ROR Improvement



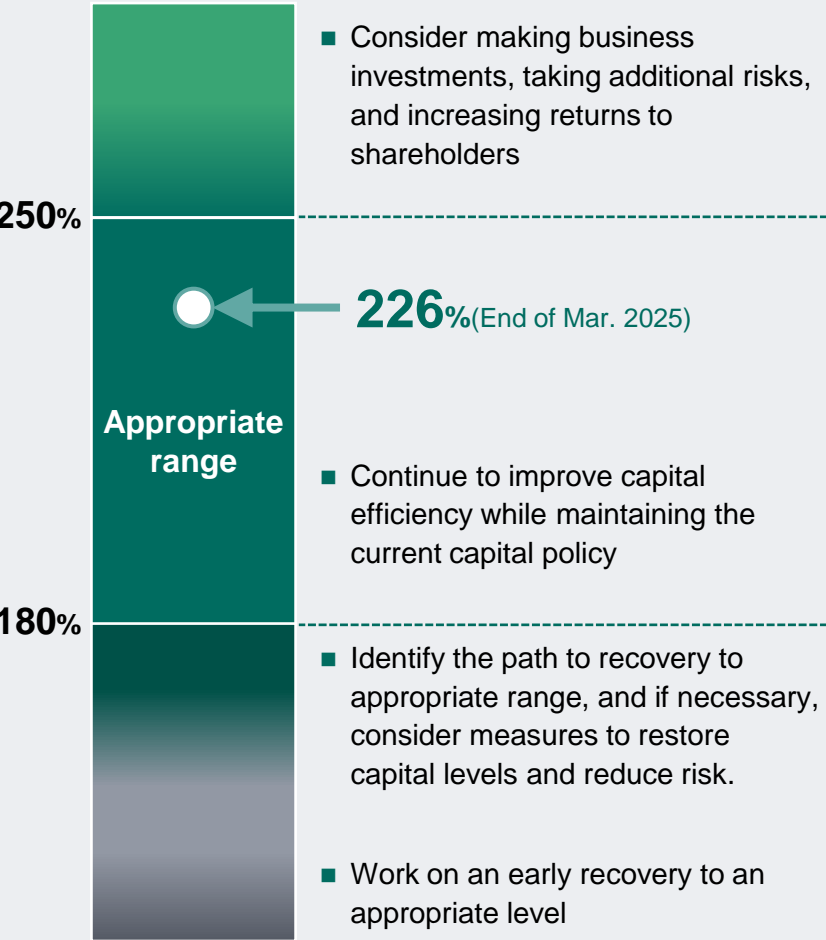
Controlling the capital level on the assumption of ensuring soundness

\* 1 Calculation method of Group Adjusted ROE, Group Adjusted Profit and Adjusted Net Assets is on p.75.  
\* 2 Integrated risk amount represents the maximum amount of losses that are likely to be encountered once in 200 years. It is marked to market value.  
\* 3 Adjusted net assets + unrealized insurance liabilities + other equity liabilities, etc. .

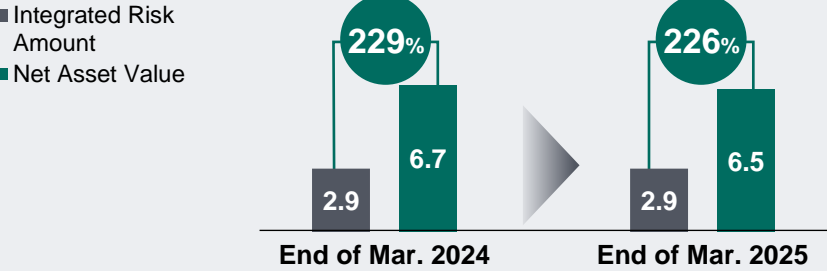
# 03 ERM (3) ESR Status

■ ESR indicating soundness is within the target range.

## ■ Status of ESR\*

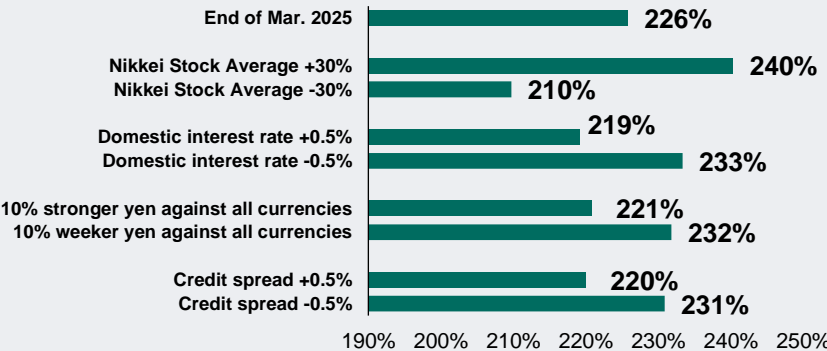


## ■ ESR Trend



Nikkei Stock Average	¥40,369	¥35,618
30-year JGB yield	1.82%	2.53%
USD/JPY	¥151	¥150

## ■ Impact of market price fluctuation (as of the end of Mar. 2025)



\* ESR: Economic Solvency Ratio (Economic Value-based Solvency Ratio) Calculated based on 99.5% confidence level



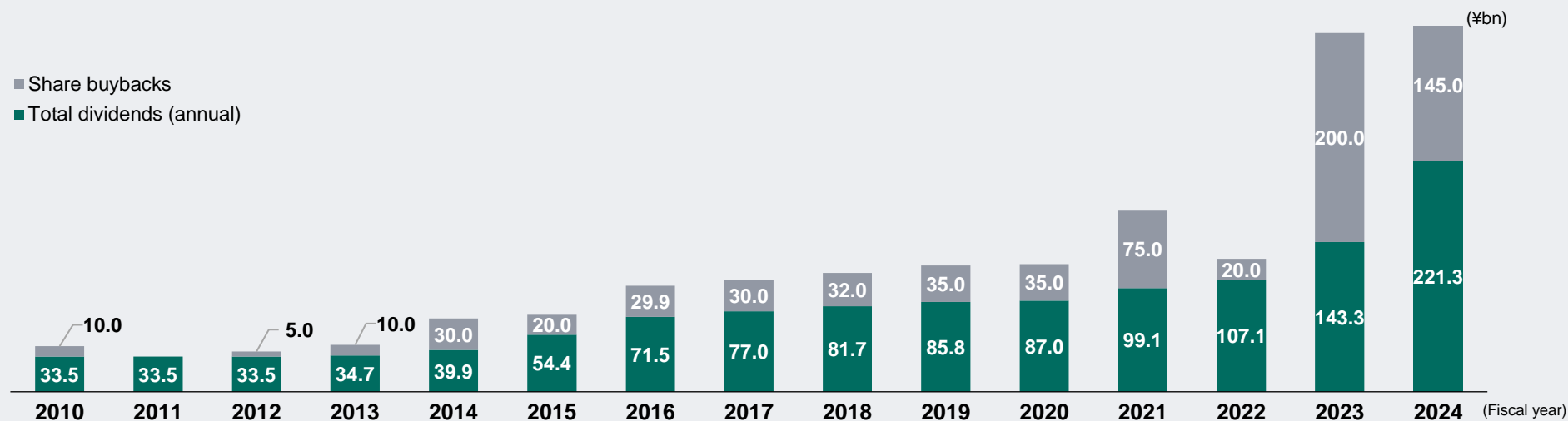
# **Shareholder Return and Stock Price-related Indices**



# Shareholder Return (1) Past Shareholder Return by Year

## Shareholder Return by Year

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Group Adjusted Profit* <sup>1</sup>	14.5	-87.5	87.4	94.8	155.7	147.5	213.7	105.1	189.8	233.1	214.6	347.1	172.7	379.9	731.7	3,000.1
Total returns	43.5	33.5	38.5	44.7	69.9	74.4	101.4	107.0	113.7	120.8	122.0	174.1	127.1	343.3	366.3	1,880.2
Shareholder return ratio	300%	—	44%	47%	45%	50%	47%	102%	60%	52%	57%	50%	74%	90%	50%	63%
DOE* <sup>2</sup>									2.9%	3.3%	3.1%	3.1%	3.6%	3.2%	5.5%	—
Returns per share (yen)	23.2	18.0	20.6	24.0	37.8	40.8	56.3	60.2	64.4	69.2	72.3	105.1	79.0	215.5	238.4	—



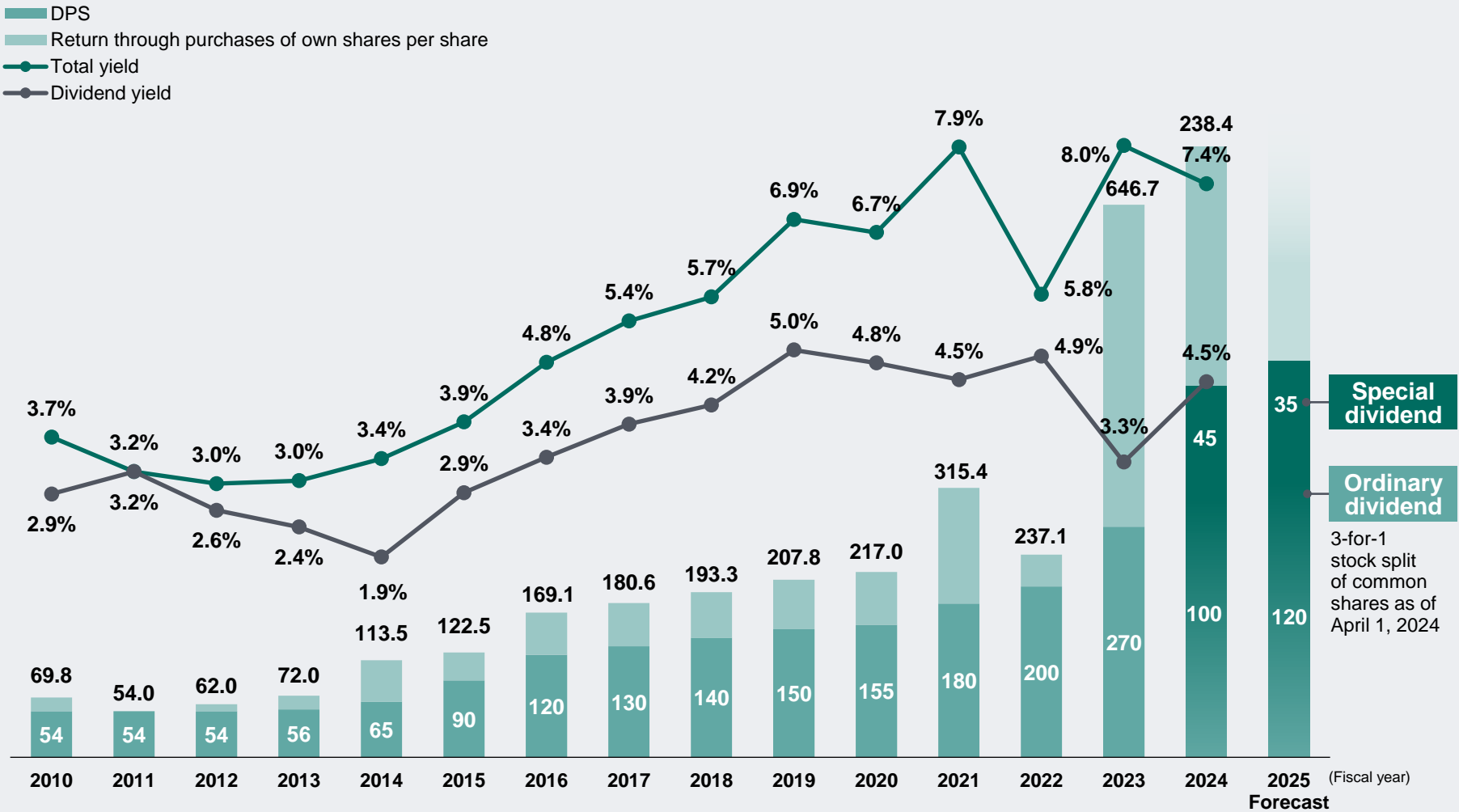
\*1 Figures until FY2017 are Group Core Profit. Please refer to p.75 for the method of calculating the single-year shareholder return ratio.

\*2 DOE: Dividend on equity = Annual dividends (interim dividends, year-end dividends, etc.) ÷ Net assets less non-controlling interests

# Shareholder Return (2) Total Payout Per Share, Total Yield, and Dividends Yield

## ■ Total Payout Per Share, Total Yield, and Dividend Yield

(Yen)



# Stock Price-Related Indices

	End of FY2010	End of FY2011	End of FY2012	End of FY2013	End of FY2014	End of FY2015	End of FY2016	End of FY2017	End of FY2018	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of FY2023	End of FY2024
Net Income (¥bn)	5.4	-169.4	83.6	93.4	136.2	181.5	210.4	154.0	192.7	143.0	144.3	262.7	161.5	369.2	691.6
Earnings per share (EPS) (¥)	2.89	- 90.83	44.82	50.19	73.78	99.57	116.98	86.68	109.57	82.78	85.26	158.17	99.93	231.83	445.52
Stock price (closing price) (¥)	631	566	688	788	1,123	1,045	1,180	1,118	1,123	1,008	1,083	1,326	1,368	2,711	3,225
Rate of change*	-27.0%	-10.3%	21.6%	14.4%	42.6%	-6.9%	12.9%	-5.2%	0.4%	-10.2%	7.4%	22.4%	3.2%	98.1%	19.0%
(For reference) TOPIX Rate of change*	-11.2%	-1.7%	21.1%	16.3%	28.3%	-12.7%	12.3%	13.5%	-7.3%	-11.8%	39.3%	-0.4%	2.9%	38.2%	-4.0%
Book-value per share (BPS) (¥)	865.73	800.16	1,071.77	1,215.40	1,637.13	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
Price book- value ratio (PBR)	0.73	0.71	0.64	0.65	0.69	0.70	0.77	0.68	0.72	0.70	0.59	0.67	0.73	0.96	1.22
Price earnings ratio (PER)	218.20	—	15.36	15.70	15.23	10.50	10.08	12.90	10.25	12.18	12.70	8.38	13.70	11.69	8.42

\* The rate of change is the rate of change from the end of the previous fiscal year.

# Calculation Method of Group Adjusted Profit, Group Adjusted ROE, Shareholder Return Ratio and Adjusted Net Assets

## ■ “Group Adjusted Profit”, “Adjusted Net Assets” and “Group Adjusted ROE”

<b>Group Adjusted ROE</b>	<b>=</b>	<b>Group Adjusted Profit</b>	<b>=</b>	Consolidated net income	+	Provision <sup>*2</sup> for catastrophe loss reserve and others <sup>*1</sup>	-	Other incidental factors (amortization of goodwill and other intangible fixed assets and others)	+	Equity in earnings of non-consolidated group companies
		<b>Adjusted Net Assets</b> (Average of beginning and ending amounts of B/S)	<b>=</b>	Consolidated net assets <sup>*3</sup>	+	Catastrophe loss reserve and others <sup>*1</sup>	-	Goodwill and other intangible fixed assets		

\* Each adjustment amount is on an after-tax basis

\*1 Catastrophe reserves, contingency reserves and reserve for price fluctuation of domestic non-life insurance business and MSI Aioi Life

\*2 Subtraction in case of reversal    \*3 Excluding non-controlling interests and stock acquisition rights

## ■ “Single-Year Total Payout Ratio”

<b>Total Payout Ratio</b>	<b>=</b>	Dividends for the current fiscal year (To be paid in December of the year and in June of the next year)	+	Value of share buybacks determined by the day of the annual general meeting of shareholders in the next fiscal year
		Group Adjusted Profit of the current fiscal year		

\* Return 50% profit to shareholders through dividends and share buybacks. Moreover, we will flexibly and tactically implement additional returns based on market trends, the business environment, capital conditions and other factors.

## ■ Group Adjusted Profit for FY2024

<b>Group Adjusted Profit</b>	<b>=</b>	Consolidated net income	+	Provision for catastrophe loss reserve and others	-	Other incidental factors <sup>*4</sup> (amortization of goodwill and other intangible fixed assets and others)	+	Equity in earnings of non-consolidated group companies
<b>731.7</b>		<b>691.6</b>		<b>-28.9</b>		<b>-68.4</b>		<b>0.9</b>

\*4 Amortization of goodwill and others: -36.1 billion yen    Loss on sales of bonds excluded from group adjusted profit: -32.4 billion yen



## **Inquiries**

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