

Audit Report by Accounting Auditor concerning Consolidated Financial Statements

Audit Report by Independent Auditor

May 16, 2019

The Board of Directors
MS&AD Insurance Group Holdings, Inc.

KPMG AZSA LLC

Hiroyuki Yamada
Designated and Engagement Partner
Certified Public Accountant

Ikuo Hirakuri
Designated and Engagement Partner
Certified Public Accountant

Fumito Hirose
Designated and Engagement Partner
Certified Public Accountant

We, the auditors, under the provisions of Article 444, Paragraph 4, of the Companies Act, have audited the consolidated financial statements for MS&AD Insurance Group Holdings Inc., namely, the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets and consolidated explanatory notes for the consolidated fiscal year from April 1, 2018 through March 31, 2019.

Responsibility of management regarding consolidated financial statements

The responsibility of the Company's Management is to prepare and appropriately present consolidated financial statements in accordance with corporate accounting standards that are generally accepted in Japan. This includes the fact that internal controls believed to be necessary by management in order to prepare and fairly present consolidated financial statements that are free of material misrepresentation caused by fraud or error have been developed and is in operation.

Responsibility of auditors

Our responsibility is to independently express an opinion on these consolidated financial statements based on the audits that we, the auditors, have conducted. We, the auditors, have conducted the audit in accordance with auditing standards that are generally accepted in Japan. Those standards require that we plan the audit and perform the audit based on this plan to obtain reasonable assurances as to whether the consolidated financial statements are free of material misrepresentation.

In the case of an audit, procedures to obtain evidence supporting the amounts and disclosures in consolidated financial statements are performed. The audit procedures are selected and applied based on an evaluation of the risk of material misrepresentation in consolidated financial statements caused by fraud or error, in accordance with the judgment of the auditors. The objective of an audit is not to declare an opinion regarding the effectiveness of internal controls, but we, the auditors, when carrying out risk evaluation, investigate internal controls relating to the preparation and fair presentation of consolidated financial statements in order to draw up appropriate audit procedures corresponding to the situation. Furthermore, an audit also includes an assessment of the accounting principles and method of

their application used by Management, and significant estimates made by Management, as well as an evaluation of the overall presentation of consolidated financial statements.

We believe that we have received adequate and appropriate audit evidence to form the basis for our opinion.

Audit opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and operating results of the corporate group comprising MS&AD Insurance Group Holdings and its consolidated subsidiary companies for the year ended in the consolidated financial statements, in conformity with accounting principles that are generally accepted in Japan.

Interested parties

There exists no interest between the Company and the auditors or engagement partners that must be cited according to the regulations of the Certified Public Accountants Act.

- End -

Audit Report by Accounting Auditor

Audit Report by Independent Auditor

May 16, 2019

The Board of Directors
MS&AD Insurance Group Holdings, Inc.

KPMG AZSA LLC

Hiroyuki Yamada
Designated and Engagement Partner
Certified Public Accountant

Ikuo Hirakuri
Designated and Engagement Partner
Certified Public Accountant

Fumito Hirose
Designated and Engagement Partner
Certified Public Accountant

We, the auditors, under the provisions of Article 436, Paragraph 2 (1) of the Companies Act, have audited the financial statements for MS&AD Insurance Group Holdings Inc., namely the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets and non-consolidated explanatory notes, and the supplementary schedules for the 11th fiscal year of operations from April 1, 2018 until March 31, 2019.

Responsibility of management regarding non-consolidated financial statements

The responsibility of the Company's Management is to prepare and appropriately present financial statements and supplementary schedules in accordance with corporate accounting standards that are generally accepted in Japan. This includes the fact that internal controls believed to be necessary by management in order to prepare and fairly present financial statements and supplementary schedules that are free of material misrepresentation caused by fraud or error have been developed and is in operation.

Responsibility of auditors

Our responsibility is to independently express an opinion on these financial statements and their attached detailed statements based on the audits that we, the auditors, have conducted. We, the auditors, have conducted the audit in accordance with auditing standards that are generally accepted in Japan. Those standards require that we plan the audit and perform the audit based on this plan to obtain reasonable assurances as to whether the financial statements and their attached detailed statements are free of material misrepresentation.

In the case of an audit, procedures to obtain evidence supporting the amounts and disclosures in financial statements and supplementary schedules are performed. The audit procedures are selected and applied based on an evaluation of the risk of material misrepresentation in financial statements and supplementary schedules caused by fraud or error, in accordance with the judgment of the auditors. The objective of an audit is not to declare an opinion regarding the effectiveness of internal controls, but we, the auditors, when carrying out risk evaluation, investigate internal controls relating to the preparation and fair presentation of financial statements and supplementary schedules in order to draw up

appropriate audit procedures corresponding to the situation. Furthermore, an audit also includes an assessment of the accounting principles and method of their application used by Management, and significant estimates made by Management, as well as an evaluation of the overall presentation of financial statements and supplementary schedules.

We believe that we have received adequate and appropriate audit evidence to form the basis for our opinion.

Audit opinion

In our opinion, the financial statements and the supplementary schedules referred to above represent fairly, in all material respects, the financial position and operating results of MS&AD Insurance Group Holdings Inc. for the year ended in the financial statements and the supplementary schedules, in conformity with accounting principles that are generally accepted in Japan.

Interested parties

There exists no interest between the Company and the auditors or engagement partners that must be cited according to the regulations of the Certified Public Accountants Act.

- End -

Audit Report by Audit & Supervisory Board

Audit Report of Audit & Supervisory Board

The Audit & Supervisory Board hereby reports as set out below concerning the Directors' performance of their duties during the 11th fiscal year beginning April 1, 2018 and ending March 31, 2019, upon deliberations based on the audit reports prepared by each of the Audit & Supervisory Board Members.

1. Method and Content of Audit conducted by Audit & Supervisory Board Members and Audit & Supervisory Board

- (1) The Audit & Supervisory Board formulated Audit Policy, Audit Plan and other relevant matters regarding auditing, received reports from each of the Audit & Supervisory Board Members regarding the progress and the results of their audit, received reports from the Directors and the Accounting Auditor regarding the performance of their respective duties, and requested further explanation as necessary.
- (2) In conformity with Standards of Audit by Audit & Supervisory Board Members adopted by the Audit & Supervisory Board and in accordance with the Audit Policy and Audit plan, each of the Audit & Supervisory Board Members communicated with Directors, Executive Officers, the internal audit division, and other employees, and collected information and maintained the audit environment.
 - 1) We attended Board of Directors meetings and other important meetings, received reports from Directors, Executive Officers and other employees concerning performance of their duties, obtained explanation as necessary, examined important documents and inspected the operations and financial affairs of the Company. With respect to subsidiaries, we communicated and exchanged information with Directors and Audit & Supervisory Board Members of subsidiaries, and obtained reports regarding their operations as necessary.
 - 2) As concerns the resolutions of the Board of Directors to establish such systems that ensure Directors and employees carry out their duties in accordance with laws and regulations and the Company's Articles of Incorporation and other systems to ensure appropriateness of the Company's operations as provided by Article 100, Sections 1 and 3 of the Ordinance for Enforcement of Companies Act and the systems established under such resolutions (internal control systems), stated in the Business Reports, Audit & Supervisory Board Members each periodically received reports from Directors, Executive Officers and employees, obtained explanation as necessary and expressed opinions concerning the status of the systems. We received reports from Directors and the Accounting Auditor, KPMG AZSA LLC, regarding assessment and audit of the internal control over financial reporting, and obtained explanation as necessary.
 - 3) We further monitored and examined whether the Accounting Auditor maintained their independence and conducted the audit in an appropriate manner, as well as received reports concerning the performance of their duties and obtained explanation as necessary from the Accounting Auditor. We also received notice and explanation from the Accounting Auditor stating that they have in place "a system to ensure performance of duties in an appropriate manner" (matters provided for by each item of Article 131 of the Corporate Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and other applicable standards.

On the basis of the foregoing methods, we have reviewed the Business Reports and the supplementary schedules thereto, consolidated financial statements and financial statements and the supplementary schedules thereto for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Reports

- i. We conclude that Business Reports and the supplementary schedules thereto fairly represent the status of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.
- ii. We find no misconduct or material fact constituting a violation of any laws or regulations or the Articles of Incorporation of the Company in connection with the Directors' performance of their duties.
- iii. We conclude that the resolutions adopted by the Board of Directors concerning the internal control systems (including internal control over financial reporting) are appropriate. We find nothing to be mentioned with respect to the description in the Business Reports and the Directors' performance of their duties concerning the internal control systems.

(2) Results of Audit of Consolidated Financial Statements

We conclude that the methods of the audit used and the results of the audit reached by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Financial Statements and Supplementary Schedules thereto

We conclude that the methods of the audit used and the results of the audit reached by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

May 17, 2019

Audit & Supervisory Board, MS&AD Insurance Group Holdings, Inc.

Hiroshi Miura (Seal)
Full-Time Audit & Supervisory Board Member

Tomoko Kondo (Seal)
Full-Time Audit & Supervisory Board Member

Kunio Chiyoda (Seal)
Outside Audit & Supervisory Board Member

Kyoko Uemura (Seal)
Outside Audit & Supervisory Board Member

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