

Audit Report by Accounting Auditor concerning Consolidated Financial Statements

Audit Report by Independent Auditor

May 15, 2023

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

KPMG AZSA LLC
Tokyo Office

Hiroyuki Yamada
Designated and Engagement Partner
Certified Public Accountant

Fumito Hirose
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

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 fiscal year from April 1, 2022 through March 31, 2023.

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, Inc. and its consolidated subsidiary companies for the year ended in the consolidated financial statements, in conformity with corporate accounting standards that are generally accepted in Japan.

Grounds for the audit opinion

We, the auditors, have conducted the audit in accordance with auditing standards that are generally accepted in Japan. The responsibilities of the auditors under the auditing standards are provided in “Responsibilities of auditors in audit of consolidated financial statements.” In accordance with rules related to professional ethics in Japan, the auditors are independent of the Company and its consolidated subsidiary companies. Additionally, the auditors have also fulfilled other ethical responsibilities as auditors. We believe that we have received adequate and appropriate audit evidence to form the basis for our opinion.

Other information

The term “other information” herein refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors’ performance of their duties including the design, implementation and maintenance of reporting process of the other information.

The scope of our audit opinion on the consolidated financial statements does not include the other information and we do not express an opinion on the other information.

Our responsibility in auditing the consolidated financial statements is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the consolidated financial statements or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of management, Audit & Supervisory Board Members, and the Audit & Supervisory Board 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 are in operation.

When preparing consolidated financial statements, management has a responsibility to assess whether it is appropriate to prepare the consolidated financial statements based on the going concern assumption, and disclose any matters related to going concern if it is necessary to do so, in accordance with corporate accounting standards that are generally accepted in Japan.

The responsibilities of Audit & Supervisory Board Members and the Audit & Supervisory Board are to supervise the execution of duties by Directors in relation to the development and implementation of financial reporting processes.

Responsibilities of auditors in audit of consolidated financial statements

The responsibility of the auditors is to express an opinion on the consolidated financial statements from a stance of independence in an audit report based on the audit performed by the auditors, after obtaining reasonable assurance on whether the consolidated financial statements as a whole are free from material misrepresentation owing to reasons of fraud or error. Misrepresentations may be due to fraud or error, and misrepresentations are judged to be material if they may reasonably be expected to affect the decision-making of users of the consolidated financial statements, either individually or collectively.

The auditors exercise their judgment as professional experts and perform the following actions while maintaining a level of professional skepticism, through audit processes in accordance with auditing standards that are generally accepted in Japan.

- Where there is a risk of material misrepresentation owing to fraud or error, it is identified and evaluated. In addition, audit procedures suited to the risk of material misrepresentation are formulated and implemented. The auditors use their judgment when selecting and applying audit procedures. Furthermore, adequate and appropriate audit evidence to form the basis for our opinion is obtained.
- The objective of the audit of consolidated financial statements is not to express an opinion on the effectiveness of internal controls, but when carrying out risk evaluation, the auditors investigate internal controls relating to audits in order to draw up appropriate audit procedures corresponding to the situation.
- The appropriateness of the accounting principles and method of their application used by management, the reasonableness of accounting estimates made by management, and the

validity of related notes are evaluated.

- A conclusion is provided concerning whether it is appropriate for management to prepare consolidated financial statements based on the going concern assumption, and whether any material uncertainty may be recognized in regard to matters or conditions that raise material doubts concerning the going concern assumption, based on the audit evidence obtained. If it is recognized that there is material uncertainty related to the going concern assumption, the auditors are required to call attention to the notes to consolidated financial statements in the audit report. Alternatively, if the notes to consolidated financial statements are not appropriate in relation to the material uncertainty, the auditors are required to express a qualified opinion with exceptions. The conclusions of the auditors are based on the audit evidence available as of the date of the audit report, but a company may become unable to continue existing as a going concern owing to future events and circumstances.
- The auditors evaluate whether the presentation of the consolidated financial statements and the notes conform with the corporate accounting standards that are generally accepted in Japan, together with an evaluation of the presentation, structure, and content of the consolidated financial statements, including related notes, and an evaluation of whether the consolidated financial statements appropriately present the transactions and accounting events forming the basis thereof.
- In order to express an opinion regarding the consolidated financial statements, adequate and appropriate audit evidence relating to the financial information of the Company and its consolidated subsidiary companies is obtained. The auditors have a responsibility to provide guidance and supervision related to audits of consolidated financial statements, and to carry out audits of consolidated financial statements. The auditors are solely responsible for the audit opinion.

The auditors will report to Audit & Supervisory Board Members and the Audit & Supervisory Board the scope of planned audits, the timeline of the implementation of audits, any material findings in the audit, including material insufficiencies in internal controls identified through audit processes, and any other matters required under auditing standards.

The auditors will provide reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the fact that rules related to professional ethics in Japan have been complied with in regard to independence, together with any matters that may be reasonably considered to affect the independence of the auditors, and the details of any safeguards in place to eliminate or reduce obstacles.

Interested parties

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

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Audit Report by Accounting Auditor

Audit Report by Independent Auditor

May 15, 2023

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

KPMG AZSA LLC
Tokyo Office

Hiroyuki Yamada
Designated and Engagement Partner
Certified Public Accountant

Fumito Hirose
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

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 15th fiscal year of operations from April 1, 2022 until March 31, 2023 (the “financial statements, etc.”).

In our opinion, the financial statements, etc. referred to above present 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, etc. in conformity with corporate accounting standards that are generally accepted in Japan.

Grounds for the audit opinion

We, the auditors, have conducted the audit in accordance with auditing standards that are generally accepted in Japan. The responsibilities of the auditors under the auditing standards are provided in “Responsibilities of auditors in audit of financial statements, etc.” In accordance with rules related to professional ethics in Japan, the auditors are independent of the Company. Additionally, the auditors have also fulfilled other ethical responsibilities as auditors. We believe that we have received adequate and appropriate audit evidence to form the basis for our opinion.

Other information

The term “other information” herein refers to the business report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the Directors’ performance of their duties including the design, implementation and maintenance of reporting process of the other information.

The scope of our audit opinion on the financial statements, etc. does not include the other information and we do not express an opinion on the other information.

Our responsibility in auditing the financial statements, etc. is to read through the other information, and in the process of reading it, we examine whether there are material differences between the other information and the financial statements, etc. or the knowledge we have gained in the auditing process, and we also pay attention as to whether there are any indications in the other information of material errors besides such material differences.

If we determine there to be material errors in the other information based on the work we have performed, we are required to report those facts.

There are no matters to report regarding the other information.

Responsibilities of management, Audit & Supervisory Board Members, and the Audit & Supervisory Board regarding financial statements, etc.

The responsibility of the Company's management is to prepare and appropriately present financial statements, etc. 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, etc. that are free of material misrepresentation caused by fraud or error have been developed and are in operation.

When preparing financial statements, etc., management has a responsibility to assess whether it is appropriate to prepare the financial statements, etc. based on the going concern assumption, and disclose any matters related to going concern if it is necessary to do so, in accordance with corporate accounting standards that are generally accepted in Japan.

The responsibilities of Audit & Supervisory Board Members and the Audit & Supervisory Board are to supervise the execution of duties by Directors in relation to the development and implementation of financial reporting processes.

Responsibilities of auditors in audit of financial statements, etc.

The responsibility of the auditors is to express an opinion on the financial statements, etc. from a stance of independence in an audit report based on the audit performed by the auditors, after obtaining reasonable assurance on whether the financial statements, etc. as a whole are free from material misrepresentation owing to reasons of fraud or error. Misrepresentations may be due to fraud or error, and misrepresentations are judged to be material if they may reasonably be expected to affect the decision-making of users of the financial statements, etc. either individually or collectively.

The auditors exercise their judgment as professional experts and perform the following actions while maintaining a level of professional skepticism, through audit processes in accordance with auditing standards that are generally accepted in Japan.

- Where there is a risk of material misrepresentation owing to fraud or error, it is identified and evaluated. In addition, audit procedures suited to the risk of material misrepresentation are formulated and implemented. The auditors use their judgment when selecting and applying audit procedures. Furthermore, adequate and appropriate audit evidence to form the basis for our opinion is obtained.
- The objective of the audit of financial statements, etc. is not to express an opinion on the effectiveness of internal controls, but when carrying out risk evaluation, the auditors investigate internal controls relating to audits in order to draw up appropriate audit procedures corresponding to the situation.
- The appropriateness of the accounting principles and method of their application used by management, the reasonableness of accounting estimates made by management, and the validity of related notes are evaluated.
- A conclusion is provided concerning whether it is appropriate for management to prepare financial statements, etc. based on the going concern assumption, and whether any material

uncertainty may be recognized in regard to matters or conditions that raise material doubts concerning the going concern assumption, based on the audit evidence obtained. If it is recognized that there is material uncertainty related to the going concern assumption, the auditors are required to call attention to the notes to financial statements, etc. in the audit report. Alternatively, if the notes to financial statements, etc. are not appropriate in relation to the material uncertainty, the auditors are required to express a qualified opinion with exceptions. The conclusions of the auditors are based on the audit evidence available as of the date of the audit report, but a company may become unable to continue existing as a going concern owing to future events and circumstances.

- The auditors evaluate whether the presentation of the financial statements, etc. and the notes conform with the corporate accounting standards that are generally accepted in Japan, together with an evaluation of the presentation, structure, and content of the financial statements, etc., including related notes, and an evaluation of whether the financial statements, etc. appropriately present the transactions and accounting events forming the basis thereof.

The auditors will report to Audit & Supervisory Board Members and the Audit & Supervisory Board the scope of planned audits, the timeline of the implementation of audits, any material findings in the audit, including material insufficiencies in internal controls identified through audit processes, and any other matters required under auditing standards.

The auditors will provide reports to the Audit & Supervisory Board Members and the Audit & Supervisory Board on the fact that rules related to professional ethics in Japan have been complied with in regard to independence, together with any matters that may be reasonably considered to affect the independence of the auditors, and the details of any safeguards in place to eliminate or reduce obstacles.

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.

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Certified copy of Audit Report by Audit & Supervisory Board

Audit Report by Audit & Supervisory Board

The Audit & Supervisory Board hereby reports as set out below concerning the Directors' performance of their duties during the 15th fiscal year beginning April 1, 2022 and ending March 31, 2023, 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, maintained the audit environment and conducted the audit by the following methods.
 - (i) 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 approval 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.
 - (ii) As concerns the resolutions of the Board of Directors to establish such systems that ensure Directors 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 operations of the corporate group consisting of the Company and its subsidiaries 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.
 - (iii) 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 18, 2023

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

Hidema Jinno (Seal) Full-Time Audit & Supervisory Board Member

Atsuko Suto (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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