

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Securities Code 8725

June 3, 2024

Dear Shareholders:

Notice of Convocation of the 16th Annual Shareholders Meeting

MS&AD Insurance Group Holdings, Inc. (the “Company”) hereby announces that its 16th Annual Shareholders Meeting will be held as set out below.

In connection with this Shareholders Meeting, the Company takes measures for providing information that constitutes the content of Reference Documents for Shareholders Meeting, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and posts this information on the Company’s website. Please access the Company’s website by using the Internet address shown below to review the information.

The Company’s website

Japanese: https://www.ms-ad-hd.com/ja/ir/ir_event/meeting.html

English: https://www.ms-ad-hd.com/en/ir/ir_event/meeting.html

In addition to posting items for which measures for providing information in electronic format are to be taken on the website above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the Internet address shown below, enter the issue name (company name) or securities code (8725), and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

TSE website (Search for a listed Company)

Japanese : <https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

English : <https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for Shareholders Meeting, and exercise your voting rights by following the instructions on pages 4 to 5.

Yours faithfully,

MS&AD Insurance Group Holdings, Inc.

27-2, Shinkawa 2-chome, Chuo-ku, Tokyo

Noriyuki Hara, Director, President & CEO

Particulars

1. Date and Time: 10:00 a.m. JST, on June 24, 2024 (Monday) (Entry starts at 9:00 a.m.)
2. Place: Mitsui Sumitomo Insurance Surugadai Building
9, Kanda Surugadai 3-chome, Chiyoda-ku, Tokyo
3. Purposes of the Meeting:

Matters to be reported:

1. Business Report, the report on the consolidated financial statements, and the report on the results of audit of consolidated financial statements by Accounting Auditors and by Audit & Supervisory Board for the 16th fiscal year (Fiscal 2023 (from April 1, 2023 to March 31, 2024)); and
2. Report on the non-consolidated financial statements for the 16th fiscal year (Fiscal 2023 (from April 1, 2023 to March 31, 2024)).

Matters to be resolved:

- Proposal 1: Appropriation of Surplus
Proposal 2: Election of Eleven (11) Directors
Proposal 3: Election of One (1) Audit & Supervisory Board Member

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- If any changes occur to the management of this Shareholders Meeting due to a future situation, they will be announced on the Company's website.
 - Among the items for which measures for providing information in electronic format are to be taken, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. In addition, the Audit & Supervisory Board Members and the Accounting Auditor have audited the documents included in the scope of audits, including the following matters.
 - i) "Main offices of Corporate Group," "Employees of Corporate Group," and "Major Lenders of Corporate Group" under "Matters Concerning the Current Status of the Insurance Holding Company," "Matters Concerning Stock Acquisition Rights, etc.," "System for Ensuring Appropriateness of Operations," and "Matters Concerning Specified Wholly Owned Subsidiaries" of the Business Report
 - ii) "Consolidated Statement of Changes in Net Assets" and "Consolidated Explanatory Notes" for the consolidated financial statements
 - iii) "Non-consolidated Statement of Changes in Net Assets" and "Non-Consolidated Explanatory Notes" for the non-consolidated financial statements
 - Questions regarding the purpose of this Shareholders Meeting will be taken in advance of the Meeting, and answers will be posted on the Company's website. Shareholders who wish to submit questions are requested to submit them via the Company's website by June 11 (Tuesday). Please note that it may not be possible to answer all the questions received.
 - If revisions arise in the items for which measures for providing information in electronic format are to be taken, a notice of the revisions and the items before and after the revisions will be posted on the Company's website and the TSE website.

[Language used and accompaniment of interpreter at the Shareholders Meeting]

Only the Japanese language will be used at this Shareholders Meeting.

The Company will not arrange for an interpreter.

Shareholders may arrange and bring an interpreter, and are requested to understand the following if making a comment in person.

- * Please follow the instructions of the chair when making a comment.
- * When a comment is allowed by the chair, the relevant shareholder speaks first and then the interpreter interprets the comment to the chair.
- * Interpreters may only interpret the comment of the relevant shareholder into Japanese.
- * Interpreters may never make a comment of their own volition instead of the relevant shareholder.
- * What the interpreter says is deemed to be a comment by the relevant shareholder.

[Attendance of beneficial shareholders]

Beneficial shareholders, i.e., shareholders who do not hold shares in their own names but rather through an institutional investor (e.g., institutional investors owning shares in the name of a trust bank), attending this Shareholders Meeting are required to obtain advance consent from the Company by prior notification to the Company (submitting necessary documents ^(Note 1)) and by bringing the specified identity verification documents ^(Note 2) on the day of the Shareholders Meeting.

- (Notes)
1. “Letter of proxy,” “Certificate concerning the exercise of voting rights by proxy,” “Status of the exercise of voting rights by proxy,” “Certificate by standing proxy (in the case of a foreign institutional investor)”
 2. “Notification of proxy,” “Identity verification materials”

Instructions for the Exercise of Voting Rights

You may exercise your voting rights at the Annual Shareholders Meeting by any of the following methods:

Exercise of voting rights by attending the Annual Shareholders Meeting

Please bring the enclosed Voting Right Exercise Form and submit the completed Form to the reception at the Meeting.

When attending by proxy, please submit a letter of proxy together with the enclosed Voting Right Exercise Form to the reception at the Meeting. The proxy must be one (1) shareholder who holds voting rights.

Date and Time of the Annual Shareholders Meeting: 10:00 a.m. JST, on June 24, 2024 (Monday)
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Exercise of voting rights via the Internet

Scanning the QR Code (Japanese version only)

You may log in to the website for exercising voting rights without entering the “Vote Exercise Code” and “Password” only once by using a smartphone to scan the special QR Code printed on the Voting Right Exercise Form. Once you log in to the website, please indicate your approval or disapproval of each of the proposals as instructed on the display screen.

Entering the “Vote Exercise Code” and “Password” (Japanese version only)

Please access the following website for exercising voting rights and indicate your approval or disapproval of each of the proposals as instructed on the display screen, entering the “Vote Exercise Code” and “Password” printed on the enclosed Voting Right Exercise Form.

The website for exercising voting rights: <https://www.web54.net>

Deadline for the exercise of voting rights via the Internet: No later than 5:00 p.m. JST, on June 21, 2024 (Friday)
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Exercise of voting rights by mailing of written documents (Japanese version only)

Please indicate on the enclosed Voting Right Exercise Form your approval or disapproval of each of the proposals and return the Form to the administrator of the shareholders’ registry of the Company (Sumitomo Mitsui Trust Bank, Limited) by mail.

Deadline for the arrival of written documents to exercise voting rights by mail: No later than 5:00 p.m. JST, on June 21, 2024 (Friday)
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Notes on the exercise of voting rights

- When a shareholder exercises voting rights via the Internet as well as submitting the Voting Right Exercise Form by mail, the vote via the Internet shall be treated as the valid exercise of voting rights.
- If multiple votes via the Internet are received from a shareholder, the most recent vote shall be treated as the valid exercise of voting rights.
- Any connection charges and communications expenses payable to Internet providers and telecommunication carriers incurred in accessing the website for exercising voting rights will be borne by shareholders.
- Please be aware that exercising voting rights via a PC or smartphone may not be possible in certain Internet usage environments. In addition, exercising voting rights via a mobile phone may not be possible with certain types of mobile phones.
- If you do not indicate your approval or disapproval of each of the proposals on the returned Voting Right Exercise Form, it shall be assumed that you have indicated your approval.

Should you have any questions regarding the exercise of voting rights via the Internet, please contact the administrator of the shareholders' registry stated below:

0120-652-031 (9 a.m. – 9 p.m. JST) (Toll-free in Japan)

Stock Transfer Agency Business Planning Dept. Sumitomo Mitsui Trust Bank, Limited

For institutional investors

You may use the Electronic Voting Platform operated by ICJ, Inc. to exercise your voting rights at the Annual Shareholders Meeting.

* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

- End -

Reference Documents for Shareholders Meeting

Proposals and Reference Matters:

Proposal 1: Appropriation of Surplus

The Company is committed to meeting the expectations of shareholders by increasing the corporate value through sustainable growth while providing continuous and stable returns to shareholders, on the premise of securing financial soundness.

In view of the above, it is the Company's basic policy under the Medium-Term Management Plan (2022-2025)*¹ to return 50% of Group Adjusted Profit*² through dividends and share buybacks, while securing a stable dividend scale per share.:

In accordance with the above, the Company proposes to pay a dividend on its surplus for the current fiscal year as follows:

Matters concerning the fiscal year-end dividend:

1. Matters regarding distribution of dividends to shareholders and the total amount thereof:

150 yen*³ per share of common stock of the Company

Total: 79,515,419,100 yen

As a result, the annual dividend for the current fiscal year totals 270 yen*³ per share, including the interim dividend.

2. Effective date of dividend:

June 25, 2024

(Notes)

*1 For our shareholder return policy under the Medium-Term Management Plan, please refer to “(Reference) Shareholder Return Policy.”

*2 The Group Adjusted Profit is the Company's own index showing the ordinary earning capabilities of the entire Group. It is calculated by adding/deducting provision for catastrophe loss reserve and others (adding for provision and deducting for reversal) to/from consolidated net income.

*3 The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. However, the year-end dividend as presented above is based on the number of shares owned prior to the split, since the record date for the dividend proposed is set March 31, 2024. The annual dividend for the current fiscal year equals 90 yen per share (40 yen as interim dividend and 50 yen as year-end dividend) as converted as per the ratio above.

(Reference)

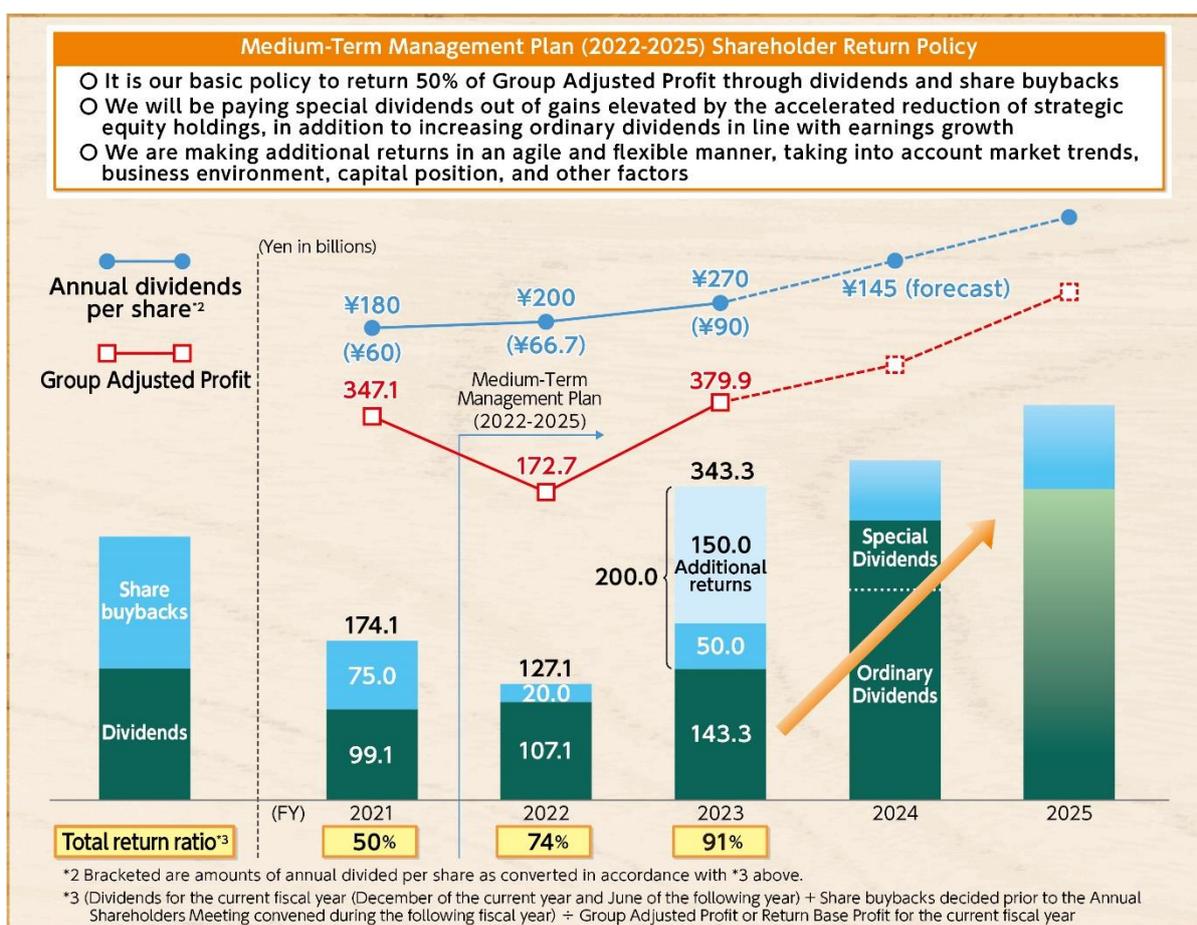
Shareholder Return Policy

It is our basic policy, in the Group's Medium-Term Management Plan (2022-2025), to return 50% of Group Adjusted Profit through dividends and share buybacks. As for dividends, we will be paying special dividends out of gains elevated by the accelerated reduction of strategic equity holdings, in addition to increasing ordinary dividends in line with earnings growth. Furthermore, we are making additional returns in an agile and flexible manner, taking into account market trends, the business environment, capital position, and other factors.

For FY2023, we will pay 143.3 billion yen in dividends (including distribution of dividends under Proposal 1) and purchase our stock worth 200 billion yen as share buybacks*1.

(Notes)

*1 50 billion yen (as shareholder return) out of Group Adjusted Profit and additional 150 billion yen for adjusting our capital levels.



Calculation formula for Group Adjusted Profit

$$\text{Group Adjusted Profit}^4 = \text{Consolidated net income} + \text{Provision for catastrophe loss reserve and others}^{5,6} - \text{Other incidental factors (amortization of goodwill and other intangible fixed assets and others)} + \text{Equity in earnings of the non-consolidated Group companies}$$

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

*5 Catastrophe loss reserve, contingency reserve, and reserve for price fluctuation of domestic non-life insurance business and Mitsui Sumitomo Aioi Life

*6 Subtraction in case of reversal

Proposal 2: Election of Eleven (11) Directors

The terms of office of all eleven (11) Directors will expire at the close of this Annual Shareholders Meeting, and so the Company proposes the election of eleven (11) Directors, including five (5) Outside Directors.

The candidates for Directors are as follows:

Candidate No.	Name			Gender	Position and Duties at the Company
1	Reappointment	Noriyuki Hara		Male	Representative Director, President & CEO (Group CEO)
2	Reappointment	Yasuzo Kanasugi		Male	Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer
3	New Appointment	Shinichiro Funabiki		Male	Executive Officer Assist Management
4	Reappointment	Tetsuji Higuchi		Male	Representative Director, Executive Vice President Corporate Planning Dept., in sub-charge of Digital Innovation Dept., Corporate Communications and Investor Relations Dept., International Supervisory Dept., in sub-charge of International Business Planning Dept., Internal Audit Dept., Capital Policy, Group CFO
5	Reappointment	Tomoyuki Shimazu		Male	Director, Executive Officer Assist Management
6	Reappointment	Yusuke Shirai		Male	Director, Executive Officer Assist Management
7	Reappointment	Mariko Bando	Outside Director Independent Director	Female	Director (Outside Director)
8	Reappointment	Junichi Tobimatsu	Outside Director Independent Director	Male	Director (Outside Director)
9	Reappointment	Rochelle Kopp	Outside Director Independent Director	Female	Director (Outside Director)
10	Reappointment	Akemi Ishiwata	Outside Director Independent Director	Female	Director (Outside Director)
11	Reappointment	Jun Suzuki	Outside Director Independent Director	Male	Director (Outside Director)

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
1	<p><u>Reappointment</u></p> <p>Noriyuki Hara</p> <p>(Jul. 21, 1955)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p>	<p>Apr. 1978 Entered Taisho Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2008 Executive Officer, General Manager of Corporate Quality Control Dept., Mitsui Sumitomo Insurance Co., Ltd. (“<i>MSI</i>”)</p> <p>Apr. 2010 Managing Executive Officer, General Manager of Nagoya Commercial Business Div., <i>MSI</i></p> <p>Apr. 2012 Director, Managing Executive Officer, <i>MSI</i></p> <p>Apr. 2013 Director, Senior Executive Officer, <i>MSI</i></p> <p>Apr. 2015 Director, Vice President, Executive Officer, <i>MSI</i></p> <p>Apr. 2016 President & CEO, <i>MSI</i> Executive Officer, <i>the Company</i></p> <p>Jun. 2016 Director, Executive Officer, <i>the Company</i></p> <p>Jun. 2020 President & CEO, <i>the Company</i> (present)</p> <p>Apr. 2021 Chairman & Director, Chairman Executive Officer, <i>MSI</i> (present)</p> <p><Position and Duties at the Company> Representative Director, President & CEO (Group CEO)</p> <p><Important concurrent positions> Chairman & Director, Chairman Executive Officer, <i>MSI</i></p>	184,890
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Noriyuki Hara has a wealth of business experience gained through his involvement in market development, marketing & sales, product operations, corporate planning, etc. He served as President & CEO of <i>MSI</i> from 2016 to 2021 and has been serving as Chairman & Director of <i>MSI</i> since 2021 and as President & CEO of the Company since 2020. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Noriyuki Hara.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
2	<p><u>Reappointment</u></p> <p>Yasuzo Kanasugi</p> <p>(May. 29, 1956)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p>	<p>Apr. 1979 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.</p> <p>Apr. 2008 Managing Officer, General Manager of Human Resource Planning Dept., Aioi Insurance Co., Ltd. (“<i>Aioi</i>”)</p> <p>Apr. 2009 Executive Officer, <i>Aioi</i></p> <p>Oct. 2010 Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. (“<i>ADI</i>”)</p> <p>Apr. 2011 Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2012 Executive Officer, <i>the Company</i></p> <p>Jun. 2012 Director, Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2013 Director, Senior Executive Officer, <i>ADI</i></p> <p>Jun. 2014 Director, Executive Officer, <i>the Company</i></p> <p>Apr. 2016 President & CEO, <i>ADI</i></p> <p>Jun. 2020 Vice Chairman & Director, Vice Chairman Executive Officer, <i>the Company</i> (present)</p> <p>Apr. 2022 Chairman & Director, <i>ADI</i> (present)</p> <p><Position and Duties at the Company> Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer</p> <p><Important concurrent positions> Chairman & Director, <i>ADI</i></p>	197,145
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Yasuzo Kanasugi has a wealth of business experience gained through his involvement in human resources, marketing & sales, corporate planning, merger preparation, etc. He served as President & CEO of <i>ADI</i> from 2016 to 2022, and has been serving as Chairman & Director of <i>ADI</i> since 2022, and as Vice Chairman & Director of the Company since 2020. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Yasuzo Kanasugi.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
3	<p><u>New Appointment</u></p> <p>Shinichiro Funabiki</p> <p>(May. 11, 1960)</p>	<p>Apr. 1983 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2013 Executive Officer, General Manager of Corporate Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. (“<i>MSI</i>”)</p> <p>Apr. 2015 Managing Executive Officer, General Manager of Tokyo Commercial Business Division 1st, <i>MSI</i></p> <p>Apr. 2017 Director, Senior Executive Officer, <i>MSI</i></p> <p>Executive Officer, <i>the Company</i></p> <p>Apr. 2019 Senior Executive Officer, <i>the Company</i></p> <p>Apr. 2020 Executive Officer, <i>the Company</i> (present)</p> <p>Director, Executive Vice President, <i>MSI</i></p> <p>Apr. 2021 President & CEO, <i>MSI</i> (present)</p> <p><Position and Duties at the Company></p> <p>Executive Officer</p> <p>Assist Management</p> <p><Important concurrent positions></p> <p>President & CEO, <i>MSI</i></p>	150,480
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Shinichiro Funabiki has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, administration and information systems, and DX implementation, and he has served as President & CEO of <i>MSI</i> since 2021. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to appoint him as Director.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Shinichiro Funabiki.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
4	<p><u>Reappointment</u></p> <p>Tetsuji Higuchi</p> <p>(Jun. 24, 1961)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p>	<p>Apr. 1984 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2014 Executive Officer, General Manager of Tokyo Div., Mitsui Sumitomo Insurance Co., Ltd. (“<i>MSI</i>”)</p> <p>Apr. 2015 Executive Officer, General Manager of Corporate Planning Dept., <i>MSI</i></p> <p>Apr. 2016 Director, Managing Executive Officer, <i>MSI</i></p> <p>Apr. 2017 Executive Officer, <i>the Company</i></p> <p>Apr. 2018 Director, Senior Executive Officer, <i>MSI</i></p> <p>Apr. 2020 Senior Executive Officer, <i>the Company</i></p> <p>Jun. 2020 Director, Senior Executive Officer, <i>the Company</i></p> <p>Apr. 2021 Director, Executive Vice President, <i>the Company</i> (present)</p> <p><Position and Duties at the Company></p> <p>Representative Director, Executive Vice President</p> <p>Corporate Planning Dept., in sub-charge of Digital Innovation Dept., Corporate Communications and Investor Relations Dept., International Supervisory Dept., in sub-charge of International Business Planning Dept., Internal Audit Dept., Capital Policy, Group CFO</p>	75,042
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Tetsuji Higuchi has a wealth of business experience gained through his involvement in marketing & sales, product operations, human resources, and corporate planning, etc. He served as Senior Executive Officer of <i>MSI</i> from 2018 to 2020 and has been serving as Executive Vice President of the Company since 2021. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Tetsuji Higuchi.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
5	<p><u>Reappointment</u></p> <p>Tomoyuki Shimazu</p> <p>(Mar. 16, 1963) Attendance at Board of Directors meetings held in FY2023: 10/10 (100%)*</p>	<p>Apr. 1985 Entered Taisho Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2015 Executive Officer, General Manager of Human Resources Dept., Mitsui Sumitomo Insurance Co., Ltd. (“<i>MSI</i>”)</p> <p>Apr. 2016 Executive Officer, General Manager of Chugoku Div., <i>MSI</i></p> <p>Apr. 2018 Managing Executive Officer, General Manager of Loss Support Div., <i>MSI</i></p> <p>Apr. 2021 Director, Senior Executive Officer, <i>MSI</i></p> <p>Apr. 2023 Executive Officer, <i>the Company</i></p> <p>Apr. 2023 Director, Executive Vice President, <i>MSI</i> (present)</p> <p>Jun. 2023 Director, Executive Officer, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director, Executive Officer Assist Management</p> <p><Important concurrent positions> Director, Executive Vice President, <i>MSI</i></p>	62,637
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Tomoyuki Shimazu has a wealth of business experience gained through his involvement in human resources, marketing & sales, loss support, corporate planning, etc. He served as Executive Vice President of <i>MSI</i> from 2023. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director.</p>			

* Mr. Tomoyuki Shimazu was newly elected and assumed the position of Director at the 15th Annual Shareholders Meeting held on June 26, 2023, and his attendance at the Board of Directors meetings held after that date is shown.
(Note) “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Tomoyuki Shimazu.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
6	<p>Reappointment</p> <p>Yusuke Shirai</p> <p>(Jun. 13, 1964)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p>	<p>Apr. 1988 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.</p> <p>Apr. 2019 Executive Officer, General Manager of Corporate Planning Dept., <i>the Company</i></p> <p>Apr. 2021 Managing Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. ("<i>ADI</i>")</p> <p>Apr. 2022 Director, Managing Executive Officer, <i>ADI</i> Executive Officer, <i>the Company</i></p> <p>Jun. 2022 Director, Executive Officer, <i>the Company</i> (present)</p> <p>Apr. 2023 Director, Senior Executive Officer, <i>ADI</i> (present)</p> <p><Position and Duties at the Company> Director, Executive Officer Assist Management</p> <p><Important concurrent positions> Director, Senior Executive Officer, <i>ADI</i></p>	36,756
<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Yusuke Shirai has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, compliance, etc. He has been serving as Senior Executive Officer of <i>ADI</i> from 2023. Thus, he has expertise for precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director.</p>			

(Note) "Notes commonly applicable to more than one candidate" on page 20 are applicable to Mr. Yusuke Shirai.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
7	<p style="text-align: center;"> Reappointment Outside Director Independent Director </p> <p style="text-align: center;">Mariko Bando</p> <p style="text-align: center;">(Aug. 17, 1946)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p> <p>Years since the assumption of office as Outside Director: 7 years (at the close of this Annual Shareholders Meeting)</p>	<p>Jul. 1969 Entered the Prime Minister's Office</p> <p>Oct. 1985 Counsellor of Cabinet Secretariat, Councilor of Cabinet Secretariat</p> <p>Jul. 1989 Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency</p> <p>Jul. 1994 Director of Gender Equality Bureau, Cabinet Secretariat</p> <p>Apr. 1995 Vice-Governor of Saitama Prefecture</p> <p>Jun. 1998 Consul General of Japan in Brisbane, Australia</p> <p>Jan. 2001 Director General of Gender Equality Bureau, Cabinet Office</p> <p>Oct. 2003 Director, Incorporated Educational Institution Showa Women's University</p> <p>Apr. 2007 President, Showa Women's University</p> <p>Apr. 2014 Chancellor, Incorporated Educational Institution Showa Women's University</p> <p>Jul. 2016 Chairperson of the board, Showa Women's University (present)</p> <p>Jun. 2017 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important concurrent positions> Chairperson of the board, Showa Women's University Director, Mitsubishi Research Institute, Inc. (Outside Director) Director, Itoki Corporation (Outside Director)</p>	20,700
<p>[Reasons for selection as a candidate for Outside Director and overview of expected role]</p> <p>Ms. Mariko Bando has gained a wealth of insight and experience in the administrative and educational fields as well as diversity promotion from previously serving as Director General of the Gender Equality Bureau of the Cabinet Office, Consul General of Japan in Brisbane, Australia, President of Showa Women's University, etc. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her expert perspective, particularly in regard to promoting diversity. Ms. Mariko Bando has not been involved in the corporate management in any manner other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, she has broad insight and experience in the administrative and educational fields, and the Company believes that she is able to perform her duties as an Outside Director appropriately.</p>			

(Notes)

1. There are transactions between the Company or its major subsidiaries and Incorporated Educational Institution Showa Women's University, Mitsubishi Research Institute, Inc., and Itoki Corporation, each of which accounts for less than 1% of the annual revenue from activities or annual consolidated net sales of the university, Mitsubishi Research Institute, Inc., or Itoki Corporation, respectively, during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact her independence with regard to the Company.
2. "Notes commonly applicable to more than one candidate" on page 20 are applicable to Ms. Mariko Bando.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
8	<p>Reappointment Outside Director Independent Director</p> <p>Junichi Tobimatsu (Aug. 15, 1972)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p> <p>Years since the assumption of office as Outside Director: 6 years (at the close of this Annual Shareholders Meeting)</p>	<p>Apr. 1998 Registered as Attorney-at-Law Attorney-at-Law, Mori Sogo (currently, Mori Hamada & Matsumoto)</p> <p>Jun. 2004 Registered as Attorney-at-law in N.Y.</p> <p>Apr. 2010 Associate Professor, Graduate School of Law and Political Science, the University of Tokyo</p> <p>Jul. 2016 Attorney-at-law, Tobimatsu Law (currently, GAIEN PARTNERS) (present)</p> <p>Jun. 2018 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important concurrent positions> Attorney-at-law, GAIEN PARTNERS Director, CANDEAL Co., Ltd. (Outside Director (Audit and Supervisory Committee Member))</p>	0
<p>[Reasons for selection as a candidate for Outside Director and overview of expected role]</p> <p>Mr. Junichi Tobimatsu has a wealth of insight and experience concerning overall corporate legal affairs including those of overseas companies as an attorney-at-law. The Company expects to continue to draw from that insight and experience and have him supervise management and provide advice on overall management from his expert perspective, particularly in regard to securing soundness of the management of the Group. Mr. Junichi Tobimatsu has not been involved in the corporate management in any manner other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, he has professional insight and experience as an attorney-at-law, and the Company believes that he is able to perform his duties as an Outside Director appropriately.</p>			

(Notes)

- There are no transactions between the Company or its major subsidiaries and GAIEN PARTNERS. There are transactions between the Company or its major subsidiaries and CANDEAL Co., Ltd., which account for less than 1% of the annual consolidated net sales of CANDEAL Co., Ltd. during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact his independence with regard to the Company.
- In November 2020 and May 2023, it was discovered that in amana inc., for which Mr. Junichi Tobimatsu had been appointed as an Outside Corporate Auditor from March 2009 to March 2021 and had been appointed as an Outside Director from March 2021 to December 2023, inappropriate accounting treatment and inappropriate transactions were conducted by amana inc. and its consolidated subsidiaries in Japan. With respect to the facts discovered in May 2023, amana inc. received a surcharge payment order from the Financial Services Agency in February 2024 for misstatements in the securities reports and other documents in accordance with the Financial Instruments and Exchange Act. He was not aware of these facts in advance, but he made proposals from the viewpoint of legal compliance on a regular basis. After suspicions of these facts arose, he demanded that the internal controls should be further strengthened and provided necessary advice regarding measures to prevent recurrence.
- “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Junichi Tobimatsu.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
9	<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Independent Director</div> <p style="text-align: center;">Rochelle Kopp</p> <p style="text-align: center;">(Jun. 29, 1964)</p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p> <p>Years since the assumption of office as Outside Director: 4 years (at the close of this Annual Shareholders Meeting)</p>	<p>Jun. 1986 Business analyst, ZS Associates International, Inc.</p> <p>Jun. 1987 Senior Business analyst, ZS Associates International, Inc.</p> <p>Aug. 1988 International Public Relations Specialist, The Yasuda Trust & Banking Co., Ltd. (currently, Mizuho Trust & Banking Co., Ltd.)</p> <p>Oct. 1992 Consultant, IPC Group, Inc.</p> <p>Jul. 1994 Managing Principal, Japan Intercultural Consulting (present)</p> <p>Jan. 2015 Professor of Global Leadership Course, Business Break Through University</p> <p>Apr. 2019 Professor of Faculty of Foreign Studies, The University of Kitakyushu</p> <p>Jun. 2020 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important concurrent positions> Managing Principal, Japan Intercultural Consulting Director, Lightworks Corporation (Outside Director)</p>	0
<p>[Reasons for selection as a candidate for Outside Director and overview of expected role]</p> <p>Ms. Rochelle Kopp has a wealth of insight into cross-cultural communication and experience in both Japan and the U.S. as a management consultant. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her expert perspective, particularly in regard to the Group's global expansion.</p>			

(Notes)

1. There are no transactions between the Company or its major subsidiaries and Japan Intercultural Consulting. There are transactions between the Company or its major subsidiaries and Lightworks Corporation, which account for less than 1% of the annual consolidated net sales of Lightworks Corporation during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact her independence with regard to the Company.
2. "Notes commonly applicable to more than one candidate" on page 20 are applicable to Ms. Rochelle Kopp.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
10	<p style="text-align: center;"> <u>Reappointment</u> <u>Outside Director</u> <u>Independent Director</u> Akemi Ishiwata (Aug. 23, 1960) </p> <p>Attendance at Board of Directors meetings held in FY2023: 12/12 (100%)</p> <p>Years since the assumption of office as Outside Director: 2 years (at the close of this Annual Shareholders Meeting)</p>	<p>Apr. 1983 Entered Bristol-Myers Company</p> <p>Dec. 1985 Entered Kao Corporation (“<i>Kao</i>”), assigned to Kao Life Science Laboratory</p> <p>Mar. 2003 Product Development Manager, Household Business Division, <i>Kao</i></p> <p>Dec. 2005 Section Chief, Consumer Research Center, <i>Kao</i></p> <p>Mar. 2010 General Manager, Consumer Research Center, <i>Kao</i></p> <p>Mar. 2015 Executive Officer, Supervisor of Corporate Communications Division, <i>Kao</i></p> <p>Jan. 2021 Executive Fellow, <i>Kao</i></p> <p>Jan. 2022 Special Mission Fellow, <i>Kao</i></p> <p>Jun. 2022 Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p>	1,200
<p>[Reasons for selection as a candidate for Outside Director and overview of expected role]</p> <p>Ms. Akemi Ishiwata has a wealth of insight on sustainability gained from previously serving as Executive Officer of Kao, leading its ESG activities. She also has experience as a general manager in charge of public relations and corporate branding. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her broad perspective.</p>			

(Notes)

1. There are transactions between the Company and its major subsidiaries and Kao Corporation, which account for less than 1% of the annual consolidated net sales of Kao Corporation during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact her independence with regard to the Company.
2. “Notes commonly applicable to more than one candidate” on page 20 are applicable to Ms. Akemi Ishiwata.

Candidate No.	Name (Date of birth)	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
11	<p>[Reappointment] [Outside Director] [Independent Director]</p> <p>Jun Suzuki (Feb. 19, 1958)</p> <p>Attendance at Board of Directors meetings held in FY2023: 10/10 (100%)*</p> <p>Years since the assumption of office as Outside Director: 1 year (at the close of this Annual Shareholders Meeting)</p>	<p>Apr. 1983 Entered Teijin Limited</p> <p>Apr. 2011 Teijin Group Chief Representative in Europe, Teijin Limited President, Teijin Holdings Netherlands B.V. Teijin Group Corporate Officer, Teijin Limited</p> <p>Apr. 2012 Teijin Group Managing Executive Officer, Teijin Limited</p> <p>Apr. 2013 Teijin Group Managing Executive Officer, Teijin Limited</p> <p>Jun. 2013 Director, Managing Executive Officer, Teijin Limited</p> <p>Apr. 2014 Representative Director, President & CEO, Teijin Limited</p> <p>Apr. 2022 Director, Chairperson, Teijin Limited</p> <p>Apr. 2023 Director, Senior Advisor, Teijin Limited</p> <p>Jun. 2023 Senior Advisor, Teijin Limited (present) Director, <i>the Company</i> (present)</p> <p><Position and Duties at the Company> Director (Outside Director)</p> <p><Important concurrent positions> Director (Outside Director), Idemitsu Kosan Co., Ltd.</p>	7,500
<p>[Reasons for selection as a candidate for Outside Director and overview of expected role]</p> <p>Mr. Jun Suzuki has a wealth of knowledge on international business and experience as a manager of a listed company by having served as Chief Representative in Europe and the Representative Director, President & CEO of Teijin Limited, etc. The Company expects to continue to draw from that insight and experience and have him supervise management and provide advice on overall management from his broad perspective.</p>			

* Mr. Jun Suzuki was newly elected and assumed the position of Director at the 15th Annual Shareholders Meeting held on June 26, 2023, and his attendance at the Board of Directors meetings held after that date is shown.

(Notes)

- There are transactions between the Company and its major subsidiaries and Teijin Limited and Idemitsu Kosan Co., Ltd., each of which accounts for less than 1% of the annual consolidated net sales of Teijin Limited and Idemitsu Kosan Co., Ltd., respectively, during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact his independence with regard to the Company.
- “Notes commonly applicable to more than one candidate” on page 20 are applicable to Mr. Jun Suzuki.

Notes commonly applicable to more than one candidate

1. There is no special interest between any of the candidates and the Company.
2. Ms. Mariko Bando, Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, and Mr. Jun Suzuki are candidates for Outside Director.
3. The Company has entered into an agreement with Ms. Mariko Bando, Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, and Mr. Jun Suzuki that limits their liability for any damage to the Company caused by a failure to perform the duties of Director if they as Outside Directors have performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under the agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to renew the agreements if and when they are elected as Outside Directors.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act that insures Directors, Audit & Supervisory Board Members, Executive Officers, etc. of the Company and of its major subsidiaries. The insured do not bear any insurance premiums. Under this insurance policy, the insurer will cover any damages that may arise as a result of the insured assuming liability or facing a claim for pursuit of liability in relation to the execution of his or her duties. This policy is renewed annually. If each candidate is elected, they will be included as the insured in the insurance policy. Furthermore, the Company plans to renew such insurance policy at the next term of renewal with the same terms and conditions.
5. The Company has submitted to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Ms. Mariko Bando, Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, and Mr. Jun Suzuki each are Independent Officers who are unlikely to have conflict of interests with general shareholders.
6. The term "corporate management" as appears under [Reasons for selection as a candidate for Outside Director and overview of expected role] in connection with Ms. Mariko Bando and Mr. Junichi Tobimatsu stands for management of a "Company" and/or "Foreign Company" as defined under the Companies Act.
7. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. The number of shares of the Company owned by each candidate is presented on a post-split basis.

Proposal 3: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Kunio Chiyoda will expire at the close of this Annual Shareholders Meeting, and so the Company proposes the election of one (1) Audit & Supervisory Board Member.

The Audit & Supervisory Board has given its consent to this proposal.
 The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, Position and Duties at the Company	Number of shares of the Company owned
<div style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside Audit &</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Supervisory Board</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Member</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Director</div> Taisei Kunii (Jun. 12, 1959)	Oct. 1985 Entered Tohmatsu, Awoki & Co. (currently Deloitte Touche Tohmatsu LLC) Aug. 1989 Registered as Certified Public Accountant Oct. 2013 Executive Officer, General Manager of Tokyo Audit Division, Deloitte Touche Tohmatsu LLC Jun. 2018 CEO, Deloitte Touche Tohmatsu LLC Feb. 2023 Certified Public Accountant, Taisei Kunii Certified Public Accountant Office (present) Important concurrent positions: Certified Public Accountant, Taisei Kunii Certified Public Accountant Office	0
Reasons for selection as a candidate for Outside Audit & Supervisory Board Member Mr. Taisei Kunii has been practicing as a certified public accountant for many years, including as CEO of Deloitte Touche Tohmatsu LLC. Although Mr. Kunii has not been involved in corporate management in the past, the Company believes that he is able to perform his duties as an Outside Audit & Supervisory Board Member appropriately in light of his professional knowledge in the finance and accounting fields and experience in management of the audit corporation. In order to apply his knowledge and experience in the management of the Company, we propose to appoint him as an Outside Audit & Supervisory Board Member.		

(Notes)

1. There is no special interest between Mr. Taisei Kunii and the Company.
2. Mr. Taisei Kunii is a candidate for Outside Audit & Supervisory Board Member.
3. If Mr. Taisei Kunii is elected as an Outside Audit & Supervisory Board Member, in order to ensure that Outside Audit & Supervisory Board Members can fully carry out their expected roles, the Company will enter into an agreement with Mr. Taisei Kunii that limits his liability for any damage to the Company caused by a failure to perform the duties of an Audit & Supervisory Board Member if he as Outside Audit & Supervisory Board Member has performed the duties in good faith and without gross negligence. The limit of Outside Audit & Supervisory Board Member’s liability under such agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act that insures Directors, Audit & Supervisory Board Members, Executive Officers, etc. of the Company and of its main subsidiaries. The insured do not bear any insurance premiums. Under this insurance policy, the insurer will cover any damages that may arise as a result of the insured assuming liability or receiving a claim for the pursuit of liability in relation to the execution of his or her duties. This policy is renewed annually. If Mr. Taisei Kunii is elected, he will be included as the insured in the insurance policy. Furthermore, the Company plans to renew such insurance policies at the next term of renewal with the same terms and conditions.
5. There are no transactions between the Company or its major subsidiaries and Taisei Kunii Certified Public Accountant Office. There are transactions between the Company or its major subsidiaries and Deloitte Touche Tohmatsu LLC, which account for less than 1% of the annual consolidated net sales of Deloitte Touche Tohmatsu LLC during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. If Mr. Taisei Kunii is elected as an Outside Audit & Supervisory Board Member at the Ordinary General Meeting of Shareholders of Sumitomo Corporation to be held in June 2024, he will be appointed as an Outside Audit & Supervisory Board Member of Sumitomo Corporation. There are transactions between the Company or its major subsidiaries and Sumitomo Corporation, which account for less than 1% of the annual consolidated net sales of Sumitomo Corporation during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There are also no other reasons to impact his independence with regard to the Company.
6. The Company plans to submit to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Mr. Taisei Kunii is an Independent Officer who is unlikely to have conflict of interests with general shareholders.
7. The term “corporate management” as appears under [Reasons for selection as a candidate for Outside Audit & Supervisory Board Member] above stands for management of a “Company” and/or “Foreign Company” as defined under the Companies Act.

(Reference)

Skills matrix of Directors and Audit & Supervisory Board Members expected after the close of the June 2024 Annual Shareholders Meeting

Skill		Corporate management	International	IT / Digital	Sustainability	Personnel affairs / HR development	Legal / Compliance / Internal Audit	Risk management	Finance / Accounting	Insurance business
Noriyuki Hara	Director	○	○		○	○	○	○		○
Yasuzo Kanasugi	Director	○	○		○	○	○			○
Shinichiro Funabiki	Director	○	○	○	○	○	○			○
Tetsuji Higuchi	Director	○	○	○	○	○	○	○	○	○
Tomoyuki Shimazu	Director		○	○	○	○	○	○		○
Yusuke Shirai	Director				○		○	○		○
Mariko Bando	Outside Director	○	○		○	○	○			
Junichi Tobimatsu	Outside Director		○				○			
Rochelle Kopp	Outside Director	○	○		○	○				
Akemi Ishiwata	Outside Director				○					
Jun Suzuki	Outside Director	○	○		○	○				
Atsuko Suto	Audit & Supervisory Board Member							○	○	○
Keiji Suzuki	Audit & Supervisory Board Member							○	○	○
Kyoko Uemura	Outside Audit & Supervisory Board Member						○			
Taisei Kunii	Outside Audit & Supervisory Board Member	○							○	

Skill	Skill Satisfaction Requirements
Corporate management	Experience as president or CxO of a company or other organization
International	Experience working or serving as an executive in an international department or internationally Experience in international business investment and alliances Expertise in international operations
IT / Digital	Experience working or serving as an executive in the IT or digital department Experience working and serving as an executive in companies in the IT or digital sector Expertise in the IT or digital sector
Sustainability	Experience working or serving as an executive in the environmental or sustainability department Expertise in environmental management and sustainability
Personnel affairs / HR development	Experience working or serving as an executive in the human resources department Expertise in human resources or human capital development
Legal / Compliance / Internal Audit	Experienced lawyer, judge, or prosecutor Experienced law firm partner Experience working or serving as an executive in the legal, compliance, or internal audit department
Risk management	Experience working or serving as an executive in the risk management department Expertise in actuarial matters
Finance / Accounting	Experience working or serving as an executive in the finance or accounting department Expertise in financial or accounting matters
Insurance business	Experience working or serving as an executive in the insurance industry

(Reference)

Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates

1. Outside Director candidates and Outside Audit & Supervisory Board Member candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of public credibility.
- An Outside Audit & Supervisory Board Member must satisfy the eligibility requirements for an Audit & Supervisory Board Member pursuant to the Insurance Business Act, etc.

Additionally, candidates must satisfy the following requirements from (1) to (3).

(1) Eligibility

A candidate must have the qualities listed below that are necessary to monitor the overall management of the Company and provide advice, based on a general knowledge of company management and a basic understanding of the way Directors and Board of Directors ought to be.

- Ability to discern facts from materials and reports
- Capability to detect problems and risks and apply own knowledge to solve them
- Capacity to appropriately monitor and provide advice on management strategy
- Mental independence to openly question, debate, re-examine, continuously deliberate, and propose ideas in opposition to a resolution

(2) Expertise

Must have knowledge in a specialized field such as management, accounting, finance, law, administration, or social/cultural affairs, and have a record of achievement in that field.

(3) Independence

The following persons are ineligible.

- (i) An executive of the Company or a subsidiary of the Company.
- (ii) A Director or Audit & Supervisory Board Member of a subsidiary of the Company.
- (iii) A person for whom the Company is a major business partner (a person who received payments from the Company or subsidiaries of the Company that represent 2% or more of annual net consolidated sales during the most recent fiscal year), or an executive thereof.
- (iv) A major business partner of the Company (a person who made payments to subsidiaries of the Company representing 2% or more of the consolidated net premiums written during the most recent fiscal year of the Company (excluding premiums of saving-type insurance)), or an executive thereof.
- (v) Any of the Company's top 10 largest shareholders (or, if the shareholder is a corporation, an executive thereof).
- (vi) An executive of a company to which the Company or a subsidiary of the Company has appointed a Director.
- (vii) A consultant, accounting professional, or legal professional who has received, other than officer remuneration, monetary or other financial benefits of average at least 10 million yen per year for the past three years from the Company or subsidiaries of the Company.
- (viii) A person falling under any of the items (ii) through (vii) during the past five years.
- (ix) An executive of the Company or subsidiaries of the Company in the past.
- (x) A spouse or second-degree or closer relative of a person listed in items (i) through (ix) above.

*** Term limits**

The total terms of office for newly elected Outside Directors and Outside Audit & Supervisory Board Members from April 1, 2015 onward are as listed below.

- (i) For Outside Directors, the total terms of office are four (4) terms, four (4) years, and are renewable for a maximum of eight (8) terms, eight (8) years.
- (ii) For Outside Audit & Supervisory Board Members, in principle the total terms of office are one (1) term, four (4) years, but they are renewable for a maximum of two (2) terms, eight (8) years.

2. Candidates for Director other than Outside Director and candidates for Audit & Supervisory Board Member other than Outside Audit & Supervisory Board Member

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a Director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a Director or Audit & Supervisory Board Member who engages in daily business at an insurance company pursuant to the Insurance Business Act, etc.

Additionally, a candidate must have varied experience as well as highly specialized experience and must embody our corporate philosophy in his/her exercise of leadership.

(Reference)

Succession Plan

As part of its aim to achieve sustainable growth and enhance the corporate value of the Group, the Company positions the selection and dismissal of the Group CEO (“CEO”) and the fostering of successors as a key management issue, and has thus formulated a succession plan.

The outline of the plan is as follows.

1. Criteria for CEO Selection

- Ability to embody the Group’s Corporate Philosophy (Mission), Corporate Vision and Code of Conduct (Values), and having the high sense of values for creating shared value (CSV) with society
- Ability to plan and build future visions
- Fairness and impartiality
- Ability to develop human assets
- Ability to demonstrate leadership
- Global response capability
- Acting in the Group’s best interest

2. CEO Selection Process

(1) Recommendation by current CEO

- The current CEO prioritizes the candidates and recommends them to the Nomination Committee (the majority of whose members and the chairperson are Outside Directors).
- Candidates may be from within the Group as well as outside the Group.

(2) Deliberation by the Nomination Committee

- The Nomination Committee deliberates on candidates recommended by the CEO.
- Outside Directors can recommend other candidates.

(3) Resolution by the Board of Directors

- After the processes (1) and (2) above, the Nomination Committee advises the Board of Directors that makes the final decision.

3. Development Plan for CEO Candidates

The CEO must position the development of a large number of candidates as an important role for him/her and provide the candidates from inside the Group with the following experience as needed.

- Multiple departments (management, operations, international, sales, claims services, systems, etc.)
- Management of domestic operating companies and overseas subsidiaries

4. CEO Dismissal Process

- (1) When an Outside Director deems it necessary to discuss dismissal, such as when the CEO has violated the prohibited actions stipulated in the Executive Officers Rules (violating obligations set forth in the Companies Act and other laws and regulations or company regulations, etc.), or when it is determined that it is difficult for the CEO to properly continue his/her duties due to health or other reasons, the Outside Director shall deliberate on his/her own initiative with members of the Nomination Committee excluding the CEO.

Based on the results of the deliberation, necessary procedures are carried out in accordance with the Companies Act and internal regulations.

- (2) Directors who are not Outside Directors may request a meeting of the Board of Directors to be convened in accordance with the Rules of the Board of Directors and submit proposals for dismissal of Directors at the Shareholders Meeting.

(Reference)

Initiatives to Restore Trust and Confidence

In December 2023, Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI) of the Group received a business improvement order from the Financial Services Agency in accordance with the Insurance Business Act in connection with incidents of price fixing^(Note) in the corporate insurance field. Consequently, MSI and ADI formulated Business Improvement Plans which included reduction of officer remuneration as clarification of responsibility of the management. In order to prevent such a situation from occurring again, the Group will make concerted efforts with all officers and employees engaged to ensure thorough compliance with the Antimonopoly Law and other laws and regulations and further strengthen governance.

Key points of Business Improvement Plans

We will strive to improve our business operations and regain the trust of our customers by returning to the Mission, Vision, and Values of the Group (“Group MVV”; see the next page) and steadily implementing the initiatives planned to transform ourselves into companies that pursue the best interests of our customers.

(1) Establish a fair and competitive environment	<ul style="list-style-type: none">● Further reduce strategic equity holdings● Review criteria for support for client’s core business and secondment● Optimize coinsurance arrangement management● Review the state of corporate agents● Establish rules and regulations pertaining to the Antimonopoly Law and provide training for employees and agents
(2) Establish appropriate business promotion and underwriting management systems	<ul style="list-style-type: none">● Review sales department policies and evaluations● Strengthen the positioning of corporate sales department● Strengthen profitability management of insurance products
(3) Establish an appropriate legal compliance system	<ul style="list-style-type: none">● Improve effectiveness of three lines model of risk management^(*)● Strengthen legal measures and conduct risk detection of the second line● Strengthen advisory functions of the third line <p>(*) Also referred to as the three lines of defense, where a first line (e.g., sales department), second line (administrative departments), and third line (internal audit department) bear risk management responsibilities according to their respective roles, and the three lines work together to operate as a single line in executing internal control.</p>
(4) Foster a sound corporate culture	<ul style="list-style-type: none">● Distribute key messages from management and promote widespread adoption of MVV● Review staffing system and staff evaluations● Revitalize internal communications
(5) Fundamentally strengthen the business management (governance) system	<ul style="list-style-type: none">● Further exercise Board of Directors’ functions● Enhance auditing conducted by Audit & Supervisory Board Members● Improve systems for managing businesses by the Holding Company

Initiatives on the part of the Company

- (1) Establish a system for appropriate business management for all Group companies, including domestic insurance companies, and strengthen the governance of the entire Group
 - Detect in advanced and advise Group companies on every potential risk inherent in the Group, allowing them to respond autonomously
 - Boost collaboration among Audit & Supervisory Board Members within the Group, including Outside Audit & Supervisory Board Members
 - Enhance the system to ensure that matters material to the management of the Group are reported to the Company in a timely and appropriate manner
 - Have the Company’s officer(s) attend management meetings of operating companies
 - Strengthen monitoring of operating companies by the Company’s internal audit department

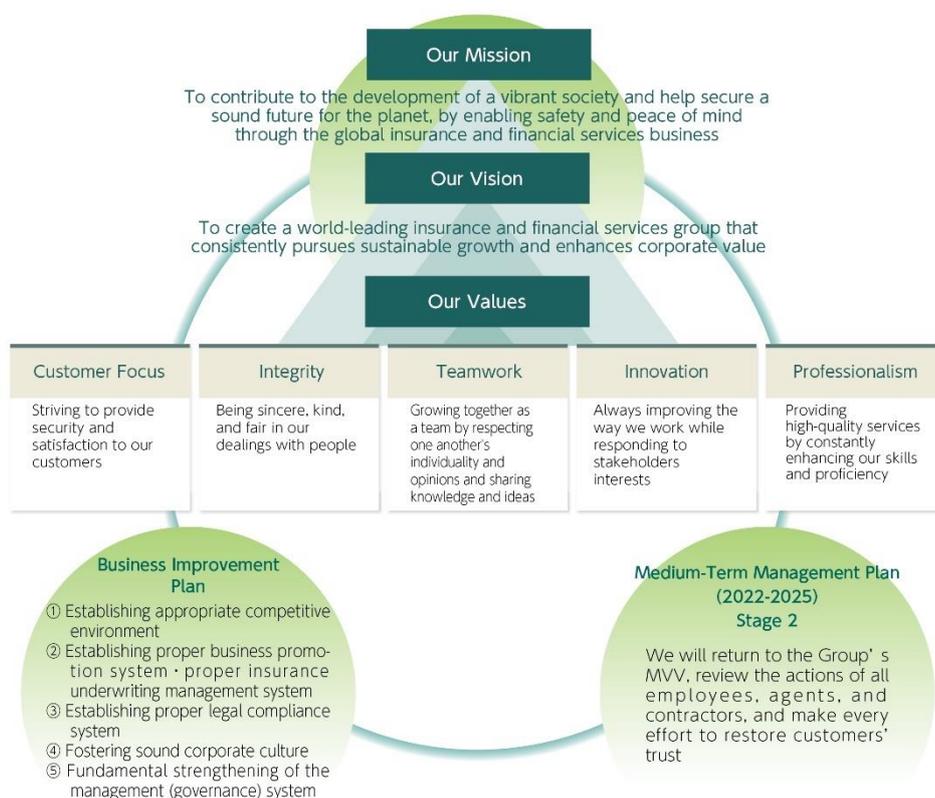
(2) Supervise and guide the steady implementation of the Business Improvement Plans for MSI and ADI

(Note) Cases have come to attention where intended level of premiums and/or related information was communicated among competing insurers in advance of making offers to relevant customers in connection with coinsurance transactions, where multiple insurance companies jointly underwrite a single insurance policy. Major causes of such incidents, so far as have been analyzed, include, the abundance of opportunities for contact with other insurance companies in the corporate insurance field, giving rise to risk of potential violation of Antimonopoly Law, and failure of the management to sufficiently consider possible consequences of such an environment.

Instilling the Group’s MVV and encouraging its application

On the establishment of the Group in April 2010, we have established the Corporate Philosophy (Mission), Corporate Vision, and Code of Conduct (Values) to clearly define the image of the corporate group we aspire to become. As we continue to work on improving our business operations, we consciously reconfirm our commitment to the Group’s MVV. Through various initiatives, including messages from top management, we strive to thoroughly reinforce actions based on the Group’s MVV among all staff members.

In of the Group’s Medium-Term Management Plan (2022-2025) started in FY2024, we will work even harder to instill the Group’s MVV and reform our actions under the theme of “Major Transformation in Business Style” aimed achieving sustainable growth and increasing corporate value.



* Summaries of the Business Improvement Plans for MSI and ADI are available on the following websites.

- Mitsui Sumitomo Insurance (MSI)
https://www.ms-ad-hd.com/en/news_group/news_group20240229_4/main/0/link/20240229_Submission%20of%20Business%20Improvement%20Plan.pdf
- Aioi Nissay Dowa Insurance (ADI)
https://www.ms-ad-hd.com/en/news_group/news_group20240229/main/0/link/20240229_Formulation%20of%20Business%20Improvement%20Plan%20Related%20to%20Price%20Fixing.pdf

(Reference)

Revision of Policy for Strategic Equity Holdings

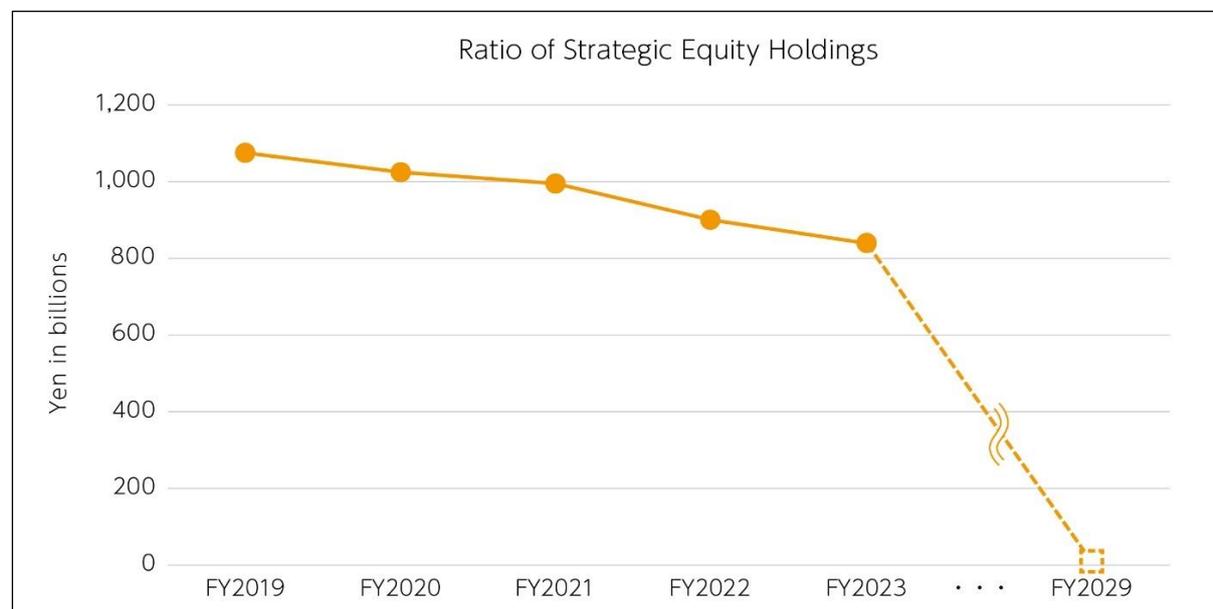
1. Policy for Reduction of Strategic Equity Holdings to Zero

With the core business of insurance, the Group carries out diversified investment in a variety of investment assets (debts and equity), and is building a strong financial base by steadily acquiring investment income. Strategic equity holdings used to be a major investment vehicle, but in order to reduce the impact of stock price fluctuations caused by large stock holdings and to build a strong financial base, we have been implementing a policy of substantially reducing the market value of our strategic equity holdings (approximately halving the balance as of September 30, 2022). In addition, we organize for each individual stock of our strategic equity holdings to be examined to ascertain the propriety of holding them by considering whether the benefits and risks associated with the holding are justified in light of the capital cost, and the results of these examinations are confirmed by the Company's Board of Directors.

However, we recognized that our strategic equity holdings were one of the factors that led to incidents of price fixing. Consequently, in order to ensure an environment for fair competition in the non-life insurance industry, we have established a policy against holding strategic equities, and have decided to reduce our current holdings of listed strategic equities to zero by the end of March 2030.

We have already commenced initiatives based on this policy.

By fiscal year	Results of reduction efforts in recent years					Reduction plan (FY2024)
	FY2019	FY2020	FY2021	FY2022	FY2023	
	¥111.8 billion	¥102.7 billion	¥118.1 billion	¥206.6 billion	¥244.2 billion	¥675.0 billion
Cumulative total	¥783.4 billion					



(Reference)

2. Criteria for Ensuring Appropriate Handling of the Exercise of Voting Rights Pertaining to Strategic Equity Holdings

Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have expressed their acceptance of Japan's Stewardship Code, and these companies published reports providing an overview of their measures to address Japan's Stewardship Code and their stewardship activities. The exercise of voting rights is seen to be an important means of influencing the management and improving the enterprise value of investee companies. Therefore, decisions are not made uniformly based on formulaic short-term criteria, but rather in terms of enhancement of enterprise value in the medium- to long-term and improvement in shareholder returns, among others, based on dialogue with investee companies.

When exercising voting rights, the Company has established specific standards and guidelines for making judgments on items such as whether the investee company is managed with an emphasis on growth of the company in question and the interests of shareholders, and whether the company is engaged in any antisocial behavior. Proposals are also judged based on the results of dialogue with the company concerned following a detailed examination of individual issues as required, including cases that come under the Company's standards and guidelines.

BUSINESS REPORT FOR THE 16TH TERM (FY2023)

(From April 1, 2023 to March 31, 2024)

1. Matters Concerning the Current Status of the Insurance Holding Company

(1) Progress and results of business of the Corporate Group (the “Group”)

For the current fiscal year, looking at the global economy, the U.S. economy demonstrated steady movements, supported by job growth and increased personal consumption, while the European economy showed signs of weakness due in part to rising prices. The Japanese economy recovered moderately due to the resumption of economic activities and the recovery of domestic demand, notwithstanding the impact of soaring prices of raw materials and other factors.

The Group, pursuant to the Medium-Term Management Plan (2022-2025), aims to “Grow Together with Society As a Platform Provider of Risk Solutions” and has been working to become a “Corporate Group that Supports a Resilient and Sustainable Society” under the three basic strategies of the Plan, namely “Value (Value creation),” “Transformation (Business reforms),” and “Synergy (Demonstration of group synergy).” Also, with incidents of price fixing in the corporate insurance field recognized at Mitsui Sumitomo Insurance Co., Ltd. (“MSI”) and Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”; and referred jointly with MSI “Both Companies”), the Group has positioned reassuring compliance including compliance with the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (the “Antimonopoly Law”), and strengthening of governance as priority issues to be addressed, and has since promoted initiatives with all officers and employees actively involved.

The Group Adjusted Profit for the current fiscal year was 379.9 billion yen, exceeding the initial forecast (350.0 billion yen) and setting a new record high, mainly due to the expanding revenue in the international business and the accelerated sales of strategic equity holdings and other factors. In terms of capital efficiency, the Group Adjusted ROE fell short of the initial forecast (10.0%), but exceeded the revised forecast of 7.5% at 9.0%. In terms of the Group’s financial soundness, the ESR was 229%, which was within the target range (180-250%).

In response to the 2024 Noto Peninsula Earthquake, which occurred in January 2024, the Group established headquarters and on-site observation bases, mobilized a large number of employees and adjusters, and conducted intensive investigations, in an effort to make payments of insurance claims and provide relief to customers affected by the disaster promptly.

Reassuring Compliance and Strengthening Governance

In December 2023, MSI and ADI received a business improvement order from the Financial Services Agency under the Insurance Business Act in relation to incidents of price fixing in the corporate insurance field, upon which Both Companies each formulated and submitted to the Financial Services Agency Business Improvement Plans, which included reduction of officer remuneration as clarification of responsibility of the management. In December 2023, Both Companies were subjected to an on-site inspection by the Japan Fair Trade Commission on suspected violation of the Antimonopoly Law.

The Company takes the situation very seriously, and will take steps to restore the trust of society and its customers by returning to the Group’s five Values: “Customer Focus,” “Integrity,” “Teamwork,” “Innovation” and “Professionalism,” and, together with Both Companies, promoting further efforts to reassure compliance and strengthen governance, all toward preventing recurrence and improving management and operations.

<Key measures>

<ul style="list-style-type: none"> • Instill the Group’s Mission, Vision, Values, and consciousness of “Customer-Focused” business operations through tone at the top • Establish a system to promptly convey material information and questions identified within the company to management and headquarters departments • Raise awareness within the sales department, i.e., the first line in the three-line management system*¹, such as by monitoring outgoing e-mails addressed to a competing insurer(s) • Enhance second-line defense functions, such as by detecting signs of risk and assessing the state of compliance at the first line • Strengthen internal audit functions by establishing capabilities for making recommendations to management • Clarify employee conduct rules and maintain manuals in light of the Antimonopoly Law • Reestablish criteria for evaluating performance of sales departments in line with the Group’s approach of ensuring profitability through customer-focused business operations • Provide appropriate supervision and guidance for steady implementation of each measure by Both Companies
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*1 Three-line management system

Also referred to as the three lines of defense, where a first line (e.g., sales department), second line (administrative departments), and third line (internal audit department) bear risk management responsibilities according to their respective roles, and the three lines work together to operate as a single line in executing internal control.

Medium-Term Management Plan (2022-2025): Three Basic Strategic Initiatives

Value (Value creation)	<p>The Group undertook initiatives including the following, aiming to practice “CSV × DX (creating shared value (CSV) with society and digital transformation)*²” globally, providing value to all stakeholders and thus enhancing corporate value, as well as increase the profitability of our business, products, and services and strengthening our earnings base.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Develop products and services for “before” coverage and/or protection and “after,” and develop and begin utilizing the Group data integration platform to support these products and services • Implement measures to improve profitability of domestic non-life insurance business, such as product revisions (including optimization of premium rates) and strengthening of underwriting*³, in response to the increased severity and frequency of natural disasters, continued inflation, and an increase in large insurance claims
Transformation (Business reforms)	<p>The Group undertook initiatives including the following, with the aim of transforming the business structure and adapting to changes in the business environment through the creation of new businesses and other measures, as well as building a stable earnings base by transforming the business, products, and risk portfolio.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Capture U.S. MGA*⁴ market through MS Transverse Insurance Group, LLC *⁵, regain and increase MS Amlin’s profitability, and improve profitability of the Toyota Retail business • Transform from a portfolio centered on automobile insurance to a portfolio with diversified sources of profit by improving profitability of fire insurance (returning to profitability) and increasing profits from casualty insurance (expanding sales of products for new risks)

<p>Synergy (Demonstration of group synergy)</p>	<p>The Group undertook initiatives including the following, with the aim of improving the quality of operations and productivity through the One Platform Strategy*⁶, pursuing further growth by strengthening cooperation by leveraging the diversity within the Group, and realizing synergies on a global basis.</p> <p>[Details of Initiatives]</p> <ul style="list-style-type: none"> • Integrate head office functions between Group companies, expand streamlined business process outsourcing for common operations, and integrate locations such as branch offices, etc. • Promote life insurance sales through non-life sales channels, and promote cross-sales of Mitsui Sumitomo Primary Life products at Mitsui Sumitomo Aioi Life • Promote bilateral sharing and utilization of products, services and various knowledge with overseas bases under “TENKAI Project”
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*2 CSV × DX

An initiative to achieve sustainable growth and increase corporate value by combining “creating shared value” with society and “digital transformation” with the aim of improving productivity and competitiveness.

*3 Underwriting

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

*4 Managing General Agent

An agent authorized to perform a wide range of tasks such as underwriting, loss amount certification and assessment, in addition to insurance solicitation on behalf of an insurer.

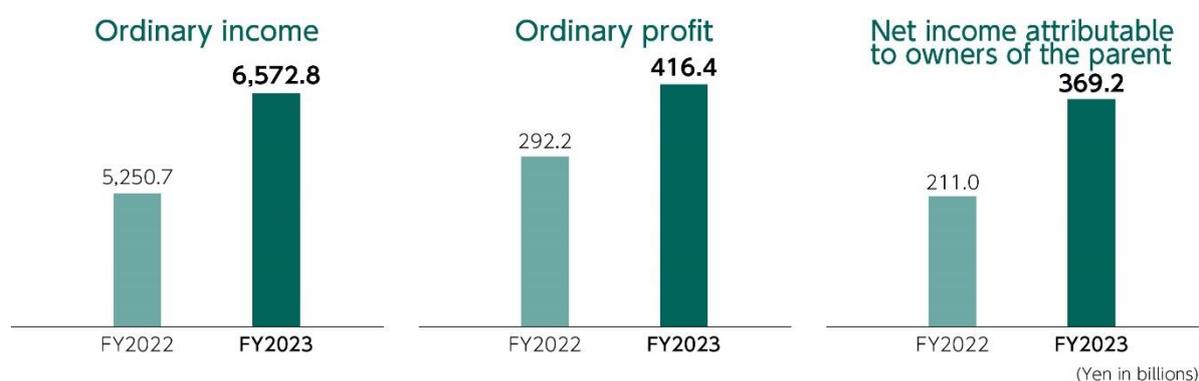
*5 MS Transverse Insurance Group, LLC

Hereinafter referred to as “MS Transverse.”

*6 One Platform Strategy

The Group’s initiative to further promote standardization, collaboration, and integration of the middle-and back-division operations between MSI and ADI, with strategic exceptions where difference is to be left untouched.

The Group’s consolidated business performance for the current fiscal year was as follows.



* The Group has adopted International Financial Reporting Standards (“IFRS”) 17 Insurance Contracts with regard to some of its overseas subsidiaries beginning the current fiscal year. The figures for fiscal year 2022 as appear above are presented on the same basis.

The progress and results of our efforts in each business domain for the current fiscal year are as follows:

Domestic Non-Life Insurance Business

The Group provides products and services that contribute to CSV through three non-life insurance companies: MSI and ADI, which are our core non-life insurance companies, and Mitsui Direct General Insurance Co., Ltd. (“Mitsui Direct”), which specializes in online automobile insurance, in order to contribute to solving social issues such as climate change and to grow together with society.

During the current fiscal year, we have further adopted the use of digital technology in order to conduct loss investigations promptly and accurately whenever at the time of natural disasters. Also, in order to meet diversifying customer needs, we have enhanced services for customers who purchased non-life insurance via the Internet.

Taking seriously the fact that many customers have been affected by a series of fraudulent automobile repair cost claims at major used car stores, we have conducted our own investigations independent of the stores to estimate the appropriate repair costs promptly and reconfirmed customer’s intentions regarding insurance coverage based on the results. We have also analyzed the causes of fraudulent claims and put more efforts to prevent and detect such claims since.

<Key measures>

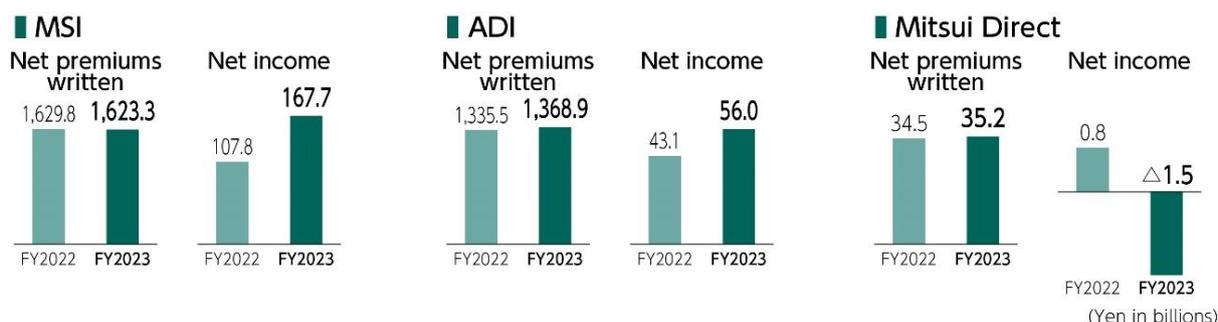
<ul style="list-style-type: none"> • Adopt fraudulent claim detection systems and review business processes, including loss investigation methods • Review quality standards of repair shops referred to customers and strengthen inspections • Strengthen monitoring of claims departments by headquarters administrative departments

The main initiatives of each non-life insurance company are as follows.

	Main Initiatives	
MSI	F-Drive Alcohol Check Plan	We have begun offering the F-Drive Alcohol Check Plan to support fleet policies*7 customers in collectively recording and managing the results of alcohol checks and driving data for each driver.
	Accident response service by AI voice	We have begun offering a service in which an AI voice automatically responds to certain accident calls in order to speed up response times for the acceptance of such calls in the event that a large number are received at once, such as during a large-scale natural disaster.
ADI	TOUGH Mimamoru Automobile Insurance NexT	In the area of telematics automobile insurance, which reflects the degree of safe driving into insurance premiums, we have begun selling TOUGH Mimamoru Automobile Insurance NexT, a more-convenient solution that can be used through a car navigation app on a smartphone without installing a dedicated in-vehicle device.
	AI fraud detection system	We have developed a system to detect fraudulent automobile repair cost claims by analyzing the level of repair costs and other claim trends at each repair shop using AI.
MSI and ADI	Accident Risk AI Assessment	We have begun selling our Accident Risk AI Assessment service to local governments and businesses nationwide, which uses AI to evaluate and visualize accident risk by combining data on accident locations, road structure, traffic flow, and other factors.
Mitsui Direct	“Strong and Tender” car insurance	We have begun offering a service that uses data to contact customers at the most appropriate time to carefully resolve their problems and concerns in an effort to embody the “Strong and Tender” brand. We also offered the Your Concierge service that provides optimal support to customers through the optimal mix of human and digital resources.

*7 Fleet policies
Contracts with customers with more than 10 automobiles insured.

Operating results by segment were as follows:



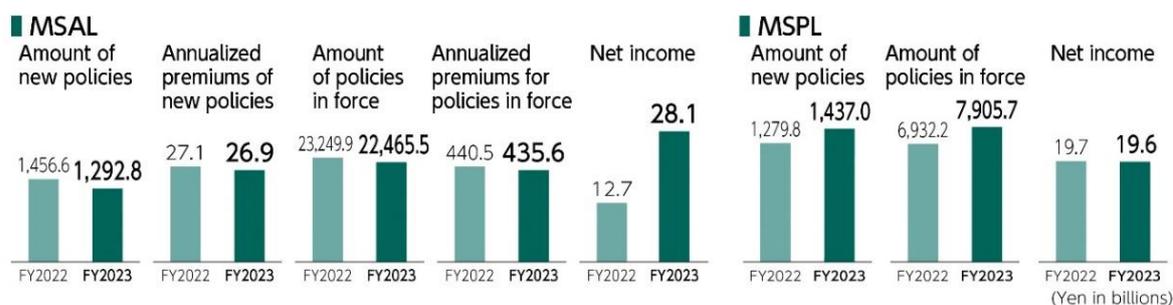
Domestic Life Insurance Business

Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (“MSAL”) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (“MSPL”) have been providing products and services that address the social issues of the 100-year-life era: extending healthy life expectancy and extending asset life.

MSAL has expanded its product lineup by launching &LIFE Medical Insurance A (Ace) Select (Deregulated Underwriting), which is easy for customers with health concerns to purchase and offers enhanced coverage, and &LIFE Long-Term Care Insurance C (Care) Select, a long-term care insurance policy that allows customers to select coverage and benefit payment methods to meet their needs for preparation for long-term care and dementia. In terms of services, we have expanded the scope of MSA Care, a health care service that provides total support for the health of customers, to include not only policyholders themselves but also their employees and members when the policyholder is a corporation or an organization. We have also been making efforts to provide integrated coverage and pre- and post-insurance services by, for example, expanding content by adding services for preventing and improving lifestyle-related diseases as well as services related to nursing care and dementia.

MSPL has launched sales of annuities for which the annuity amount once it has risen due to investment performance will not fall due to the subsequent status of investment, variable insurance policies that allow for asset building while providing protection in case of death or severe disability, and smartphone-based variable annuities that meet the needs of customers who want a simple way to start asset-building. In addition, to support after-sales follow-up to customers after selling risk-involving financial products such as foreign currency insurance and variable annuities, we have also embarked on practical initiatives for business operations that put the customer first, including the development of training content for financial institution agents.

Operating results by segment were as follows:



International Business

As outlined in the Group's Medium-Term Management Plan, the Group worked to expand revenue at MS Amlin, tap into growth in Asian market, achieve sustainable growth in Toyota Retail business, accelerate growth through business investments, and demonstrate Group synergy, and more than doubled in revenue of the previous fiscal year.

MS Amlin increased revenue by reducing underwriting for natural disaster risks such as hurricanes in the U.S., while increasing underwriting for other risks and raising premium rates in light of market conditions. In the Asian market, we continued to make inroads into the retail market utilizing digital technology through collaboration with platformers, and through continued efforts to penetrate further into the corporate market by leveraging the strengths of each office, such as the high underwriting capabilities of MS First Capital Insurance Limited, we achieved steady growth of revenue from underwriting.

In the Toyota Retail business, we took actions that will contribute to improved results in the future. Results during the current fiscal year were lower than the previous fiscal year due to an increase in auto thefts in Europe and the impact of inflation. Due to changes in the business environment, we have revised our business plans, adopting a policy of improving profitability through selection and concentration of businesses, including withdrawal from low-profit businesses.

For our business investments, we have begun efforts to capture the growing U.S. MGA market through MS Transverse, which we acquired with the aim of building a stronger presence in the U.S. insurance market.

The results of overseas insurance subsidiaries were as follows:



* The Group has adopted International Financial Reporting Standards (“IFRS”) 17 Insurance Contracts with regard to some of its subsidiaries beginning the current fiscal year. The figures for fiscal year 2022 as appear above are presented on the same basis.

Digital and Risk-Related Services Business

With MS&AD InterRisk Research & Consulting, Inc. as its core, the entire Group has been working to develop and provide services that come before and after coverage and protection using digital data.

MS&AD Cyber Risk Finder, a cyber risk assessment service for small and medium-sized enterprises, and Flood Risk Finder, a cloud-based service capable of assessing climate change and flood risks worldwide, were launched in the current fiscal year. We also are providing a Human Capital Initiatives Diagnostic Service to visualize the level of corporate human capital initiatives and evaluate the status of initiatives through comparison with data from other companies.

Financial Services Business

The Group has been offering a variety of products and services that are not limited to insurance alone by using the Group's collective strengths to develop businesses based on social issues, environmental changes, and customer needs.

MSI has been providing a service, "100-year Life Lounge," which simulates employees' lifetime income and expenditures to support their asset building as a part of corporate benefit programs, and has focused on sales of weather derivatives to mitigate economic losses caused by natural disasters and extreme weather events.

In addition, MSI and ADI continued the sale of defined contribution pension products for corporations and individuals to meet asset-building needs in a society with increasing lifespans.

Promotion of Sustainability

For sustainability, which is one of the fundamental initiatives for supporting our basic strategies in Medium-Term Management Plan, we placed priority on the issues of Planetary Health (coexistence with the global environment), Resilience (a safe and secure society), and Well-being (the well-being of diverse people).

<Key initiatives>

<p>Coexistence with the global environment (Planetary Health)</p>	<p>To achieve our target of virtually zero greenhouse gas emissions by 2050, we have set interim targets for reducing greenhouse gas emissions in underwriting, investment, and financing through FY2030. We also adopted environmental and social risk assessments and new transaction restrictions for new transactions in fossil fuel-related businesses and businesses that may have a negative impact on natural capital and local communities. In the area of natural capital, prior to the release of the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations, we issued a report integrating climate-related and nature-related financial disclosures.</p>
<p>Safe and secure society (Resilience)</p>	<p>We have provided products and services that address new risks, including insurance that supports cybersecurity measures throughout the supply chain of corporate operations, automobile insurance using telematics technology, and accident and disaster prevention services. In addition, we have begun industry-government-academia collaborative efforts on the themes of flood damage prevention and mitigation, decarbonization, and a healthier water cycle through the MS&AD Green Earth Project, which promotes the conservation and restoration of the natural environment, reduction of environmental impact, and accident prevention and mitigation.</p>
<p>Well-being of diverse people (Well-being)</p>	<p>Based on human rights due diligence, the Group has been monitoring the implementation and effectiveness of prevention and improvement measures for the three priority issues (“Fair and just customer services,” “Consideration of human rights responses by our underwriting customers, investees, borrowers, and external contractors,” and “Consideration for the health of employees and work environment without discrimination”), including checking the implementation of human rights awareness training in the supply chain.</p> <p>We also worked to provide life insurance products that promote health and prevent unwellness and serious illnesses, provide asset-building products and services to prepare for longevity, and promote diversity, equity, and inclusion with an emphasis on equity.</p>

■ Issues to be Addressed

While the global economy, including Japan, is expected to continue its gradual recovery, there are concerns about the risk of downward pressure on the Japanese economy as a result of a downturn in overseas economies due to the unclear outlook for the Chinese economy and other factors.

In the insurance industry, the Company recognizes an urgent need to make concerted efforts to restore trust and confidence in the non-life insurance industry in response to both in the corporate insurance field and fraudulent claims for automobile repair expenses by major used car stores. Furthermore, we are under increased demand in light of earthquakes and various other types of disasters to fulfill our role as a social infrastructure that enhances the resilience of society through the prompt payment of insurance claims and the provision of various disaster prevention and mitigation services.

Based on Medium-Term Management Plan (2022-2025) Stage 2, which commenced in FY2024, we will make every effort to restore customer trust by returning to the Group's Mission, Vision, and Values and reshaping the actions of all officers and employees, agents, and contractors. We will then proceed with the basic strategies under the Plan and the initiatives that serve as their foundations through which the Group endeavors to tackle changes in the business environment, such as the advancement of digital technology and the ongoing labor shortage.

[Major Transformation in Business Style]

In light of the reflections including incidents of price fixing and other factors, the Group is reshaping business practices, and building on “customer-focused business operations,” “strengthened governance,” and “compliance,” is implementing Major Transformation in Business Style that consists of “transformation of value provided,” “transformation of business structure,” and “transformation of productivity and profitability.”

Transformation of value provided	Transformation of business structure	Transformation of productivity and profitability
<ul style="list-style-type: none"> ● <u>Establishing appropriate competitive environment</u> Strengthen our competitive advantages in providing products and services ● <u>Boost ability to propose risk solutions</u> Strengthening of Insurance’s essential functions + Solutions before and after coverage and protection ● <u>Improve underwriting management</u> Strengthen underwriting with risk-related information and data 	<ul style="list-style-type: none"> ● <u>Invest in new growth</u> Expansion of new investments into businesses expected to show development and market growth ● <u>Invest in digital and human assets</u> Increase DX investment in new solutions such as generative AI and human capital investment 	<ul style="list-style-type: none"> ● <u>Complete implementation of the One Platform Strategy</u> Implement integrated operation of headquarters functions and expand to the Group ● <u>Downsize operations of excessive quality</u> Implement paperless operations and digitalization ● <u>Enhance asset management</u> Make the best of changing market environment and maximize performance



Customer-focused business operations	Strengthened governance	Compliance
<ul style="list-style-type: none"> ● Re-emphasize customer-focused business operations ● Self-motivated actions that meet the needs and expectations of customers and society 	<ul style="list-style-type: none"> ● Strengthen the governance function by the management team ● Strengthen functionality of the second and third lines in the three lines of defense model 	<ul style="list-style-type: none"> ● Improve knowledge and awareness of compliance ● Improve ability to foresee and detect signs of risks ● Monitoring, accumulation of knowledge and sharing within the Group

We will continue efforts to strengthen our business management system and demonstrate governance as a holding company to make sure each Group company steadily implement these initiatives and Both Companies their respective Business Improvement Plans.

[Basic Strategies and Foundations of the Medium-Term Management Plan]

In the Medium-Term Management Plan (2022-2025) Stage 2, we will continue to pursue the realization of CSV and sustainable growth by implementing Major Transformations in Business Style, and working earnestly with our customers thus solving issues of customers and society at large. In order to become a corporate group that supports a resilient and sustainable society, the Group will steadily implement respective initiatives concerning “Value (value creation),” “Transformation (business transformation),” and “Synergy (Group synergy), our basic strategies, and those concerning “Sustainability,” “Quality,” “Human Assets,” and “ERM,” foundations to support those strategies.

Basic strategies	Value (Value creation) Transformation of value provided	<ul style="list-style-type: none"> • We will develop and monetize new products and services, including those that come before and after coverage and protection, utilizing digital technology and data to solve issues faced by customers and society. • In light of the changes in business environment such as the increase in natural disaster losses and continued inflation, we will strive to strengthen the profitability of automobile insurance and fire insurance, and improve productivity.
	Transformation (Business transformation) Transformation of value provided	<ul style="list-style-type: none"> • In light of the medium- to long-term slowdown in growth of the domestic non-life insurance market, we will build a well-diversified business portfolio by expanding our international and life insurance businesses. We will also seek to improve capital efficiency through more sophisticated business management (improving performance and identifying unprofitable businesses). • By pursuing optimal solutions in response to the rapid evolution and accelerated adoption of digital technologies such as generative AI, we will implement reforms in business style and work to transform our businesses.
	Synergy (Group synergy) Transformation of productivity and profitability	<ul style="list-style-type: none"> • In response to the ongoing labor shortage and other factors, we will work to create synergies among Group companies by promoting the One Platform Strategy to build a sustainable business operation structure and further improve efficiency and quality. • Also, we will expand cross-sales between life and non-life insurance companies and between two life insurance companies by leveraging the customer bases of each Group company, strengthen communication between the headquarters and overseas offices, and mutually deploy know-how in Japan and overseas.

Foundations	Sustainability	Quality	Human Assets	ERM
	We aim to solve social issues that are of high importance to both our stakeholders and the Company, and will work collectively to address the three key issues of Planetary Health (coexistence with the global environment), Resilience (a safe and secure society), and Well-being (the well-being of diverse people).	In light of incidents of price fixing and other factors, in addition to existing quality initiatives, we will clarify business operation rules and strengthen our second- and third-line risk management systems to re-emphasize customer-focused business operations and compliance, including agents.	To address the ongoing labor shortage, we will increase our investment in human capital and improve employee engagement.	We will strengthen the qualitative assessment and governance system for legal risk, conduct risk, and other risks that are difficult to quantify. Also, we will reduce risk and improve capital efficiency by reducing our strategic equity holdings to zero by the end of the next Medium-Term Management Plan period*8. To improve ROE, each operating company will strengthen its ability to generate profits and increase return on capital.

[Initiatives by Business Area]

Our implementation plans by major business area are as follows.

In our domestic non-life insurance business, in light of the reflections including incidents of price fixing and other factors, we will once again emphasize customer-focused business operations and conduct customer-oriented corporate operations. Also, in light of the factors against securing underwriting profit such as the increasing severity and frequency of natural disasters, the hardening of the reinsurance market, and continued inflation, we will strive to strengthen the profitability of automobile insurance, fire insurance, and casualty insurance.

In the domestic life insurance business, we will develop products and services in response to changes in the environment such as long-term population decline and the aging of society and strengthen sales channels and sales management systems. We will work to increase investment income in light of rising interest rates and other changes in the market environment, building on asset management that match the respective business model of MSAL and MSPL.

In our international business, we will work to stably expand MS Amlin's Lloyd's and reinsurance business and improve the profitability of the Toyota Retail business, while pursuing investment opportunities that lead to further expansion of our U.S. and Asian businesses, to achieve improved capital efficiency and increase corporate value while diversifying risks.

In asset management, in response to rising interest rates and other changes in the market environment, we will build a diversified portfolio and improve the return relative to risk for the entire Group in order to sustainably increase the net asset value ^{*9}, while accelerating the reduction of strategic equity holdings. We will effectively utilize the knowledge and resources within the Group through the sharing of investment policies, strategies, and plans as well as relevant information, and the utilization of common platforms concerning human asset development and foreign asset management of the Group companies.

In the financial services business, the Group will ensure stable earnings by providing a variety of products and services in the asset-building related business and offering risk solutions that support ESG journey of customer.

In the digital and risk-related services business, we will work to offer more value by commercializing a business model under which we understand customers' risk situation and provide solutions that help customers avoid accidents, and recover from losses. Also, by providing solutions that fill gaps before and after coverage and protection by making the most of the Group's sales network, we will work to prevent and reduce losses and improve profitability, and at the same time deliver safety and peace of mind to more customers.

*8 Next Medium-Term Management Plan period

The plan is scheduled to run for four years, from FY2026 to FY2029.

*9 Net asset value

This value is the difference between the market value assets evaluated on an economic value basis minus market value liabilities, and is the actual equity capital.

We look forward to the continued support and encouragement of our shareholders.

(Note) All monetary amounts and number of shares indicated in this Business Report (including the statements that follow) are rounded down. Percentages of increase/decrease (change) are rounded off to the first decimal place.

(Reference) Vision of the Group’s Medium-Term Management Plan (2022-2025) Stage 2

1. Qualitative target

As stated in the Group’s Medium-Term Management Plan (2022-2025) we aim to become “a corporate Group that supports a resilient and sustainable society.”

A corporate group that supports a resilient and sustainable society

As a platform provider of risk solutions,

we will help solve climate change and other social issues, while growing together with society.

- In addition to covering economic losses, seamlessly provide products and services before and after coverage and protection.
- Offer optimal solutions through marketing, underwriting, payment services and risk consulting that utilize digital technologies.

2. Quantitative target

In conjunction with the Group’s designation of March 31, 2025 as the timing of its IFRS adoption, the Group has set targets for “Group Adjusted Profit” and “Group Adjusted ROE” in addition to “IFRS net income” and “Adjusted ROE,” which are already in place.

Target	
<p>Net Profit on IFRS basis</p> <p>FY2025 450 billion</p>	<p>Group Adjusted Profit</p> <p>FY2025 760 billion (Excluding the impact of the accelerated sales of strategic equity holdings 450 billion)</p>
<p>Adjusted ROE^{※1}</p> <p>FY2025 12%</p>	<p>Group Adjusted ROE^{※2}</p> <p>FY2025 16% (Excluding the impact of the accelerated sales of strategic equity holdings 10%)</p>
<p>※1 : Net profit on IFRS basis ÷ (Net assets on IFRS basis – Unrealized gain/loss from strategic equity holdings) (Since, under IFRS, gain/loss on sale of strategic equity holdings is no longer included in net profit, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net profit) used to calculate ROE.)</p> <p>※2 : Group Adjusted Profit ÷ average of beginning and end amounts on BS of adjusted net assets (consolidated net assets + balance of catastrophe reserves, etc. - balance of goodwill and other intangible fixed assets)</p>	

(2) Changes in status of assets and earnings of the Corporate Group and Insurance Holding Company

i) Changes in status of consolidated assets and earnings of Corporate Group

(Yen in millions)

Category	FY2020	FY2021	FY2022	FY2023 (Current fiscal year)
Ordinary income	4,892,244	5,132,042	5,250,794	6,572,889
Ordinary profit	306,524	390,499	292,262	416,440
Net income attributable to owners of the parent	144,398	262,799	211,006	369,266
Comprehensive income	753,938	310,470	(25,734)	1,527,696
Net assets	3,126,657	3,302,749	3,139,501	4,513,562
Total assets	24,142,562	25,033,846	24,349,984	26,960,207

(Note) The Group has adopted International Financial Reporting Standards (“IFRS”) 17 Insurance Contracts with regard to some of its overseas subsidiaries beginning the current fiscal year. The figures for fiscal year 2022 as appear above are presented on the same basis.

ii) Changes in status of assets and earnings of Insurance Holding Company

Category	FY2020	FY2021	FY2022	FY2023 (Current fiscal year)
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Operating income	216,887	124,693	179,756	151,407
Dividends income	216,724	124,536	179,589	151,295
Subsidiaries engaged in insurance business	215,825	122,657	177,550	148,427
Other subsidiaries	899	1,878	2,038	2,868
Net income	232,030	117,016	174,315	146,111
Net income per share	¥137.01	¥70.41	¥107.75	¥91.62
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Total assets	1,766,273	1,700,359	1,687,398	1,706,225
Shares of subsidiaries engaged in insurance business	1,496,497	1,422,745	1,425,216	1,425,216
Shares of other subsidiaries	42,050	47,321	54,003	70,100

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. Net income per share is calculated based on the assumption that the shares split was conducted at the beginning of FY2020.

(3) Main offices of Corporate Group

Name of company	Name of office	Location	Date founded
(Insurance holding company) MS&AD Insurance Group Holdings, Inc.	Headquarters	27-2, Shinkawa 2-chome, Chuo-ku, Tokyo	Oct. 1, 2014
(Domestic non-life insurance business) Mitsui Sumitomo Insurance Co., Ltd.	Headquarters	9, Kanda Surugadai 3-chome, Chiyoda-ku, Tokyo	Oct. 1, 2013
Aioi Nissay Dowa Insurance Co., Ltd.	Headquarters	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo	Apr. 1, 2001
Mitsui Direct General Insurance Co., Ltd.	Headquarters	5-1, Koraku 2-chome, Bunkyo-ku, Tokyo	Jan. 4, 2021
(Domestic life insurance business) Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Headquarters	27-2, Shinkawa 2-chome, Chuo-ku, Tokyo	Oct. 1, 2014
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	Headquarters	3-7, Yaesu 1-chome, Chuo-ku, Tokyo	May 1, 2008

(4) Employees of Corporate Group

(Number of employees)

Business segment	End of previous fiscal year	End of current fiscal year	Change for the current fiscal year
(Insurance holding company) MS&AD Insurance Group Holdings, Inc.	418	450	32
(Domestic non-life insurance business) Mitsui Sumitomo Insurance Co., Ltd.	12,572	12,143	(429)
Aioi Nissay Dowa Insurance Co., Ltd.	12,741	12,502	(239)
Mitsui Direct General Insurance Co., Ltd.	498	536	38
(Domestic life insurance business) Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	2,391	2,410	19
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	410	415	5
(International business) Overseas insurance subsidiaries	9,186	9,528	342
Other	368	407	39

(Note) The numbers of employees each represent the number of those on duty and do not include Executive Officers.

(5) Major lenders of Corporate Group

Not applicable.

(6) Capital procurement of Corporate Group

Not applicable.

(7) Capital investment of Corporate Group

i) Total amount of capital investment

(Yen in millions)

Business segment	Amount
(Insurance holding company)	
MS&AD Insurance Group Holdings, Inc.	22
(Domestic non-life insurance business)	
Mitsui Sumitomo Insurance Co., Ltd.	11,595
Aioi Nissay Dowa Insurance Co., Ltd.	8,082
Mitsui Direct General Insurance Co., Ltd.	14
(Domestic life insurance business)	
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	2,089
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	424
(International business)	
Overseas insurance subsidiaries	2,906
Other	87

ii) Establishment of major facilities, etc.

Business segment	Description
(Domestic non-life insurance business)	
Mitsui Sumitomo Insurance Co., Ltd.	Sale of land and buildings related to Senri Building

(8) The parent company and main subsidiaries

i) Status of the parent company

Not applicable.

ii) Status of main subsidiaries

Name of company	Location	Principal business	Date of incorporation	Common stock	Percentage of voting rights (%)	Other
Mitsui Sumitomo Insurance Co., Ltd.	Chiyoda-ku, Tokyo	Non-life insurance business	Oct. 21, 1918	¥139,595 million	100.0%	-
Aioi Nissay Dowa Insurance Co., Ltd.	Shibuya-ku, Tokyo	Non-life insurance business	Jun. 30, 1918	¥100,005 million	100.0%	-
Mitsui Direct General Insurance Co., Ltd.	Bunkyo-ku, Tokyo	Non-life insurance business	Jun. 3, 1999	¥39,106 million	100.0%	-
au insurance Co., Ltd.	Minato-ku, Tokyo	Non-life insurance business	Feb. 23, 2010	¥3,150 million	49.0% (49.0%)	-
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Life insurance business	Aug. 8, 1996	¥85,500 million	100.0%	-
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Life insurance business	Sep. 7, 2001	¥41,060 million	100.0%	-
Little Family SS Insurance Co., Ltd.	Shinagawa-ku, Tokyo	Small-amount, short-term insurance business	Aug. 1, 2019	¥575 million	98.1% (98.1%)	-

Name of company	Location	Principal business	Date of incorporation	Common stock	Percentage of voting rights (%)	Other
MITSUI SUMITOMO INSURANCE Venture Capital Co., Ltd.	Chuo-ku, Tokyo	Venture capital business	Dec. 6, 1990	¥1,000 million	100.0% (100.0%)	-
Sumitomo Mitsui DS Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business and investment advisory and agency business	Jul. 15, 1985	¥2,000 million	15.0% (15.0%)	-
MS&AD InterRisk Research & Consulting, Inc.	Chiyoda-ku, Tokyo	Risk management and consulting business	Jan. 4, 1993	¥330 million	100.0%	-
MSIG Holdings (U.S.A.), Inc.	New York, U.S.A.	Holding company	Oct. 21, 1988	US\$1,494 million (¥226,274 million)	100.0% (100.0%)	-
Mitsui Sumitomo Insurance USA Inc.	New York, U.S.A.	Non-life insurance business	Jan. 28, 1988	US\$5,000 thousand (¥757 million)	100.0% (100.0%)	-
Mitsui Sumitomo Insurance Company of America	New York, U.S.A.	Non-life insurance business	Mar. 29, 2001	US\$5,000 thousand (¥757 million)	100.0% (100.0%)	-
MSIG Specialty Insurance USA Inc.	New York, U.S.A.	Non-life insurance business	Jan. 11, 1994	US\$5,000 thousand (¥757 million)	100.0% (100.0%)	-
MS Transverse Insurance Group, LLC	Delaware, U.S.A.	Holding company	Jun. 26, 2018	US\$107,695 thousand (¥16,306 million)	100.0% (100.0%)	-
MS Transverse Specialty Insurance Company	Dallas, U.S.A.	Non-life insurance business	Nov. 18, 1982	US\$5,000 thousand (¥757 million)	100.0% (100.0%)	-
MS Transverse Insurance Company	Dallas, U.S.A.	Non-life insurance business	Mar. 14, 1961	US\$4,200 thousand (¥635 million)	100.0% (100.0%)	-
TRM Specialty Insurance Company	Dallas, U.S.A.	Non-life insurance business	Nov. 5, 1987	US\$4,200 thousand (¥635 million)	100.0% (100.0%)	-
DTRIC Insurance Company, Limited	Honolulu, U.S.A.	Non-life insurance business	Dec. 12, 1978	US\$4,500 thousand (¥681 million)	100.0% (100.0%)	-
DTRIC Insurance Underwriters, Limited	Honolulu, U.S.A.	Non-life insurance business	Feb. 2, 2007	US\$2,500 thousand (¥378 million)	100.0% (100.0%)	-
Mitsui Sumitomo Seguros S/A.	Sao Paulo, Brazil	Non-life insurance business	Dec. 15, 1965	BRL619,756 thousand (¥18,710 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Europe Limited	London, U.K.	Holding company	Nov. 8, 2017	UK£490,010 thousand (¥93,699 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Insurance UK Limited	London, U.K.	Non-life insurance business	Dec. 11, 2017	UK£200,100 thousand (¥38,263 million)	100.0% (100.0%)	-
MS Amlin Corporate Member Limited	London, U.K.	Non-life insurance business	Sep. 19, 1994	UK£1,700 thousand (¥325 million)	100.0% (100.0%)	-
MS Amlin Underwriting Limited	London, U.K.	Non-life insurance business	Nov. 29, 1988	UK£400 thousand (¥76 million)	100.0% (100.0%)	-
MSI Corporate Capital Limited	London, U.K.	Non-life insurance business	Jan. 7, 2000	UK£5,200 thousand (¥994 million)	100.0% (100.0%)	-
Mitsui Sumitomo Insurance Company (Europe), Limited	London, U.K.	Non-life insurance business	Jul. 28, 1972	UK£80,700 thousand (¥15,431 million)	100.0% (100.0%)	-
Leadenhall Capital Partners LLP	London, U.K.	Investment management business	Apr. 30, 2008	US\$2,850 thousand (¥431 million)	80.0% (80.0%)	-
MS Amlin AG	Zurich, Switzerland	Non-life insurance business	Aug. 19, 2010	SFR10,000 thousand (¥1,679 million)	100.0% (100.0%)	-

Name of company	Location	Principal business	Date of incorporation	Common stock	Percentage of voting rights (%)	Other
MSIG Insurance Europe AG	Cologne, Germany	Non-life insurance business	Apr. 20, 2012	€184,000 thousand (¥30,036 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Life Insurance of Europe AG	Ismaning, Germany	Life insurance business	Dec. 8, 2005	€5,000 thousand (¥816 million)	100.0% (100.0%)	-
MS Financial Reinsurance Limited	Hamilton, Bermuda	Life insurance business	Nov. 21, 2011	¥46 million	100.0% (100.0%)	-
MS Amlin Insurance SE	Brussels, Belgium	Non-life insurance business	Jan. 4, 2016	€140,000 thousand (¥22,853 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Insurance Company of Europe SE	Senningerberg, Luxembourg	Non-life insurance business	Nov. 12, 2004	€71,875 thousand (¥11,732 million)	100.0% (100.0%)	-
MSIG Insurance (Singapore) Pte. Ltd.	Singapore, Singapore	Non-life insurance business	Sep. 23, 2004	S\$333,442 thousand (¥37,382 million)	100.0% (100.0%)	-
MS First Capital Insurance Limited	Singapore, Singapore	Non-life insurance business	Dec. 9, 1950	S\$26,500 thousand (¥2,970 million)	99.9% (99.9%)	-
Aioi Nissay Dowa Insurance Company Australia Pty Ltd	Melbourne, Australia	Non-life insurance business	Aug. 1, 2008	A\$87,800 thousand (¥8,657 million)	100.0% (100.0%)	-
Challenger Limited	Sydney, Australia	Holding company	Sep. 13, 1985	A\$2,524 million (¥248,895 million)	15.2%	-
MSIG Mingtai Insurance Co., Ltd.	Taipei, Taiwan	Non-life insurance business	Sep. 22, 1961	NT\$2,535 million (¥11,994 million)	100.0% (100.0%)	-
MSIG Insurance (Hong Kong) Limited	Hong Kong, P.R.C.	Non-life insurance business	Sep. 8, 2004	HK\$1,625 million (¥31,443 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Insurance (China) Company Limited	Tianjin, P.R.C.	Non-life insurance business	Jan. 23, 2009	RMB1,000 million (¥20,830 million)	100.0% (100.0%)	-
Mitsui Sumitomo Insurance (China) Company Limited	Shanghai, P.R.C.	Non-life insurance business	Sep. 6, 2007	RMB500,000 thousand (¥10,415 million)	100.0% (100.0%)	-
BOCOM MSIG Life Insurance Company Limited	Shanghai, P.R.C.	Life insurance business	Jul. 4, 2000	RMB5,100 million (¥106,233 million)	37.5%	-
MSIG Insurance (Vietnam) Company Limited	Hanoi, Vietnam	Non-life insurance business	Feb. 2, 2009	VND300,000 million (¥1,830 million)	100.0% (100.0%)	-
Cholamandalam MS General Insurance Company Limited	Chennai, India	Non-life insurance business	Nov. 2, 2001	INR2,988 million (¥5,438 million)	40.0% (40.0%)	-
Max Financial Services Limited	Nawanshahr, India	Holding company	Feb. 24, 1988	INR690,065 thousand (¥1,255 million)	21.9% (21.9%)	-
Max Life Insurance Company Limited	Chandigarh, India	Life insurance business	Jul. 11, 2000	INR19,188 million (¥34,922 million)	- (-)	-
PT. MSIG Life Insurance Indonesia Tbk	Jakarta, Indonesia	Life insurance business	Jul. 17, 1984	IDR210,000 million (¥1,995 million)	80.0% (80.0%)	-
PT. Asuransi MSIG Indonesia	Jakarta, Indonesia	Non-life insurance business	Dec. 17, 1975	IDR100,000 million (¥950 million)	80.0% (80.0%)	-
Ceylinco Insurance PLC	Colombo, Sri Lanka	Holding company	Feb. 11, 1987	LKR1,324 million (¥662 million)	15.0% (15.0%)	-
MSIG Insurance (Thailand) Public Company Limited	Bangkok, Thailand	Non-life insurance business	Apr. 14, 1983	THB142,666 thousand (¥593 million)	86.4% (86.4%)	-

Name of company	Location	Principal business	Date of incorporation	Common stock	Percentage of voting rights (%)	Other
BPI/MS Insurance Corporation	Manila, Philippines	Non-life insurance business	Oct. 1, 1965	PHP350,000 thousand (¥941 million)	48.5% (48.5%)	-
MSIG Insurance (Malaysia) Bhd.	Kuala Lumpur, Malaysia	Non-life insurance business	Apr. 28, 1979	MYR1,511 million (¥48,339 million)	65.4% (65.4%)	-
Hong Leong Assurance Berhad	Kuala Lumpur, Malaysia	Life insurance business	Dec. 20, 1982	MYR200,000 thousand (¥6,396 million)	30.0% (30.0%)	-
MSIG Sokxay Insurance Co., Ltd.	Vientiane, Laos	Non-life insurance business	Jun. 1, 2023	LAK54,352 million (¥391 million)	35.0% (35.0%)	-

(Notes)

1. The table above shows main subsidiaries and associates.
2. Bracketed in the Common stock column are the Yen value as converted at the exchange rate on the last day of the current fiscal year.
3. Bracketed in the Percentage of voting rights column are the percentage of voting rights indirectly held.
4. Sumitomo Mitsui DS Asset Management Co., Ltd., Challenger Limited, Max Life Insurance Company Limited, and Ceylinco Insurance PLC are classified as associates because the Company has substantial influence on these companies, although the Company's ownership interest in these companies is less than 20%.

(9) Status of business transfers and acquisitions of Corporate Group

Not applicable.

(10) Other important matters concerning state of Corporate Group

Not applicable.

2. Matters Concerning Officers

(1) Status of officers

(As of end of fiscal year)

Name	Position and duties	Significant concurrent positions	Other
Yasuyoshi Karasawa	Chairman & Director, Chairman Executive Officer	-	-
Yasuzo Kanasugi	Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer	Chairman & Director, Aioi Nissay Dowa Insurance Co., Ltd. ("ADI")	-
Noriyuki Hara	Representative Director, President & Director, President & CEO (Group CEO)	Chairman & Director, Chairman Executive Officer, Mitsui Sumitomo Insurance Co., Ltd. ("MSI")	-
Tetsuji Higuchi	Representative Director, Executive Vice President, Corporate Planning Dept., in sub-charge of Digital Innovation Dept., Corporate Communications and Investor Relations Dept., International Supervisory Dept., in sub- charge of International Business Planning Dept., Internal Audit Dept., Capital Policy, Group CFO	-	-
Tomoyuki Shimazu	Director Executive Officer Assist Management	Director, Executive Vice President, <i>MSI</i>	-
Yusuke Shirai	Director Executive Officer Assist Management	Director, Senior Executive Officer, <i>ADI</i>	-
Mariko Bando	Director (Outside Director)	Chairperson of the board, Showa Women's University Director, Mitsubishi Research Institute, Inc. (Outside Director) Director, Itoki Corporation (Outside Director)	-
Junichi Tobimatsu	Director (Outside Director)	Attorney-at-law, GAIEN PARTNERS Director, CANDEAL Co., Ltd. (Outside Director (Audit and Supervisory Committee Member))	-
Rochelle Kopp	Director (Outside Director)	Managing Principal, Japan Intercultural Consulting Director, Lightworks Corporation (Outside Director)	-
Akemi Ishiwata	Director (Outside Director)	-	-
Jun Suzuki	Director (Outside Director)	Director, Idemitsu Kosan Co., Ltd. (Outside Director)	-
Atsuko Suto	Audit & Supervisory Board Member (Full-time)	-	-
Keiji Suzuki	Audit & Supervisory Board Member (Full-time)	-	-

(As of end of fiscal year)

Name	Position and duties	Significant concurrent positions	Other
Kunio Chiyoda	Outside Audit & Supervisory Board Member	Director, Terasaki Electric Co., Ltd. (Outside Director (Audit and Supervisory Committee Member)) Director, SEIWA ELECTRIC MFG. CO., LTD. (External director (Audit and Supervisory Committee Member))	As a certified public accountant, Mr. Kunio Chiyoda has considerable knowledge of finance and accounting.
Kyoko Uemura	Outside Audit & Supervisory Board Member	Attorney-at-Law, Miyama, Koganemaru & Associates Director, SoftBank Corp. (Outside Director)	-

(Notes)

- The Company has submitted to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Directors Ms. Mariko Bando, Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, and Mr. Jun Suzuki as well as Audit & Supervisory Board Members Mr. Kunio Chiyoda and Ms. Kyoko Uemura are Independent Officers who are unlikely to have conflict of interests with general shareholders.
- The Company adopts an Executive Officer system. Executive Officers (excluding Directors who are also an Executive Officer) as of March 31, 2024 are as follows:

Senior Executive Officer	Satoru Tamura	Human Resources and General Administration Dept., Accounting Dept., Compliance Dept., Corporate Risk Management Dept., Internal Audit Dept., Group Chief Risk Officer
Managing Executive Officer	Naomi Motojima	Corporate Sustainability Dept., in charge of DE&I, Group Chief Sustainability Officer
Executive Officer	Shinichiro Funabiki	Assist Management
Executive Officer	Keisuke Niiro	Assist Management
Executive Officer	Tamaki Kawate	International Business Planning Dept.
Executive Officer	Toshiya Kawabe	General Manager of Human Resources and General Administration Dept.
Executive Officer	Takuma Hayakawa	Asset Management, Financial Services Business
Executive Officer	Takuya Tsuda	Data Management Dept., Information Technology Planning Dept., Group Chief Information Officer, Group Chief Information Security Officer
Executive Officer	Hiroyoshi Owada	General Manager of Corporate Planning Dept.
Executive Officer	Hiroshi Arakawa	Underwriting & Reinsurance
Executive Officer	Hiroshi Tatematsu	Sales
Executive Officer	Tomoyuki Motoyama	Digital Innovation Dept., Administration, Group Chief Digitalization Officer
Executive Officer	Mitsuru Sato	Claims Services
Executive Officer	Sachiko Hori	General Manager of Corporate Risk Management Dept.
- There were changes in Executive Officers as of April 1, 2024. Executive Officers as of April 1, 2024 are as follows:

Chairman	Yasuyoshi Karasawa	
Executive Officer		
Vice Chairman	Yasuzo Kanasugi	
Executive Officer		
President & CEO	Noriyuki Hara	Group CEO
Executive Vice President	Tetsuji Higuchi	Corporate Planning Dept., in sub-charge of Digital Innovation Dept., Corporate Communications and Investor Relations Dept., International Supervisory Dept., in sub-charge of International Business Planning Dept., Internal Audit Dept., Capital Policy, Group CFO
Senior Executive Officer	Satoru Tamura	Human Resources and General Administration Dept., Accounting Dept., Compliance Dept., Corporate Risk Management Dept., Internal Audit Dept., Group Chief Risk Officer

Managing Executive Officer	Naomi Motojima	Corporate Sustainability Dept., in charge of DE&I, Group Chief Sustainability Officer
Executive Officer	Shinichiro Funabiki	Assist Management
Executive Officer	Keisuke Niiro	Assist Management
Executive Officer	Tomoyuki Shimazu	Assist Management
Executive Officer	Toshiya Kawabe	Assist Human Resources and General Administration
Executive Officer	Yusuke Shirai	Assist Management
Executive Officer	Takuma Hayakawa	Asset Management, Financial Services Business
Executive Officer	Takuya Tsuda	Data Management Dept., Information Technology Planning Dept., Group Chief Information Officer, Group Chief Information Security Officer
Executive Officer	Hiroyoshi Owada	General Manager of Corporate Planning Dept.
Executive Officer	Hiroshi Arakawa	Underwriting & Reinsurance
Executive Officer	Hiroshi Tatematsu	Sales
Executive Officer	Tomoyuki Motoyama	Digital Innovation Dept., Administration, Group Chief Digitalization Officer
Executive Officer	Mitsuru Sato	Claims Services
Executive Officer	Sachiko Hori	General Manager of Corporate Risk Management Dept.
Executive Officer (New Appointment)	Hironori Morimoto	International Business Planning Dept.

4. One (1) Substitute Audit & Supervisory Board Member has been elected to fill a vacancy in case of a shortfall in the number of statutory Audit & Supervisory Board Members.

Substitute Audit & Supervisory Board Member Kozo Meguro

(2) Remuneration to officers

- i) Total amount of remuneration for each type of officer, total amount of each type of remuneration, and number of officers who received payment of remuneration

(Yen in millions)

Category	Number of recipients	Total amount of remuneration	Total amount of each type of remuneration		
			Fixed remuneration	Performance-linked remuneration	
				Monetary remuneration	Non-monetary remuneration (stock-based remuneration)
Directors	13	381	253	65	63
Audit & Supervisory Board Members	5	80	80	-	-
Total	18	462	333	65	63

(Notes)

- The number of recipients to be paid includes two (2) Directors and one (1) Audit & Supervisory Board Member who retired during this fiscal year.
- Fixed remuneration includes remuneration for two (2) Directors and one (1) Audit & Supervisory Board Member who retired during this fiscal year.
- The performance-linked remuneration of six (6) Directors paid during this fiscal year resulted in a difference of 5 million yen from the reserve for performance-linked remuneration based on the performance of the previous fiscal year, which is not included in the table above.

- ii) Policies for determining the content of individual remuneration for Directors, etc.

The Board of Directors of the Company passed the following resolution on policies for determining the content of individual remuneration for Directors, etc. at its meetings held on February 14, 2019, May 20, 2019, May 20, 2021, and December 27, 2022 after deliberation by the Remuneration Committee of which a majority of the members are Outside Directors.

a. Basic policy

- The purpose is to strengthen governance and enhance the medium- to long-term corporate value of the Group.
- The officer remuneration system shall function as an appropriate incentive for sustainable growth, linking with the business performance of the Company.
- The level of remuneration shall be competitive as a global company.

b. Decision process

(a) Remuneration for Directors

- To ensure transparency, it shall be decided by resolution of the Board of Directors upon deliberation by the Remuneration Committee, of which a majority of the members are Outside Directors, within the range determined by resolution of the Shareholders Meeting.
- The Remuneration Committee provides advice to the Board of Directors on the amount of remuneration for Directors and policies regarding decisions on the determination of officer remuneration.
- The Board of Directors defers the advice of the Remuneration Committee to the maximum extent possible. Also, the amount of remuneration is determined upon confirmation that it is in line with the remuneration system established by resolution of the Board of Directors. The Board of Directors has confirmed that, in regard to remuneration of individual Directors for the relevant fiscal year, the advice of the Remuneration Committee has been respected to the maximum extent possible and the remuneration is in line with the remuneration system established by resolution of the Board of Directors. The Board of Directors has concluded accordingly that it is in line with this basic policy for determining the remuneration of Directors.

(b) Remuneration for Audit & Supervisory Board Members

- It shall be decided by discussion among Audit & Supervisory Board Members within the range determined by resolution of the Shareholders Meeting, taking into consideration full-time/part-time, audit operation assignment, the details and level of Directors' remuneration.

c. Summary of remuneration

(a) Composition of remuneration

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Officers)	✓	✓	✓
Outside Directors (Outside Officers)	✓	-	-
Audit & Supervisory Board Members	✓	-	-

- Composed of fixed remuneration and performance-linked remuneration. Outside Directors and Audit & Supervisory Board Members are entitled to fixed remuneration only.
- Fixed remuneration is determined in accordance with officers' position.
- Performance-linked remuneration is determined based on business performance.
- Performance-linked remuneration is composed of monetary remuneration and stock-based remuneration.
- Fixed remuneration is paid in the current fiscal year on a monthly basis, and performance-linked remuneration is paid after the end of each fiscal year.

- The standard proportions of the components of officer remuneration differ depending on the officer's position, as shown below. (Not applicable to Outside Directors and Audit & Supervisory Board Members.)

<President & Director>

The composition is such that the proportion of performance-linked remuneration is equal to or greater than for other positions.

(Standard ratios)

[Fixed remuneration] 50%	[Performance-linked remuneration] Monetary remuneration 25%	[Performance-linked remuneration] Stock-based remuneration 25%
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<Other positions>

The composition is such that the proportions of fixed remuneration and performance-linked remuneration differ depending on the officer's position.

(Standard ratios)

[Fixed remuneration] Approx. 60% - approx. 70%	[Performance-linked remuneration] Monetary remuneration Approx. 20%	[Performance-linked remuneration] Stock-based remuneration Approx. 10% - approx. 20%
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(b) Contents of stock-based remuneration

- Stock-based remuneration shall be provided in the form of restricted stock and in principle, the Transfer Restrictions shall be released upon retirement of the related Director.
- If it is found that a Director was involved in a fraudulent act while in office, the Company acquires the restricted stock for free during the Transfer Restriction Period or has the Director return it after the Transfer Restriction is released.

Overview of restricted stock remuneration plan	
Eligible Directors	Directors excluding Outside Directors
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restrictions under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	130,000 shares per year*
Transfer restricted period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined

* The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. The figures above are based on the number of shares before the stock split.

d. Performance indicators pertaining to performance-linked remuneration

- Performance-linked remuneration shall be linked with the business performance of the Company and be determined based on financial and non-financial indicators.
- Financial and non-financial indicators have been selected after taking into consideration the Group's Medium-Term Management Plan (2022-2025) and the details of indicators and reasons for their selection are as follows.

(a) Financial indicators

- Financial indicators are indicators that are used to incorporate business performance in a single fiscal year in officer remuneration.

Indicator	Reasons for selection
Group Adjusted Profit* ¹	The selected indicators were Group Adjusted Profit as a measure of shareholder returns, Group Adjusted ROE as a measure of capital efficiency, and Consolidated Net Income as a key performance indicator for the Group. * After the adoption of IFRS, the indicators at the left will be changed to “IFRS net income” and “Adjusted ROE” on an IFRS basis.
Consolidated Net Income	
Group Adjusted ROE* ²	

*1 Group Adjusted Profit

Consolidated net income + provision for catastrophe loss reserve and others – other incidental factors (amortization of goodwill and other intangible fixed assets, and others) + equity in earnings of the non-consolidated Group companies

*2 Group Adjusted ROE

Group Adjusted Profit ÷ [average of beginning and ending amounts on BS of adjusted net assets (consolidated net assets + catastrophe reserves, and others – goodwill and other intangible fixed assets)]

(b) Non-financial indicators

- Non-financial indicators are indicators that are used to incorporate initiatives contributing to medium- to long-term business performance in officer remuneration.

Evaluation item		Reasons for selection
Basic strategies	<ul style="list-style-type: none"> Value (value creation) Transformation (business transformation) Synergy (Group synergy) 	The “Basic strategies” and “Foundations” supporting the basic strategies were selected as evaluation items for non-financial indicators to realize the vision of the Group’s Medium-Term Management Plan (2022-2025) to become a “Corporate Group that Supports a Resilient and Sustainable Society”
Foundations	<ul style="list-style-type: none"> Sustainability Quality Human Assets ERM 	

(c) Application methods for financial and non-financial indicators

- The standard ratio between financial and non-financial indicators used in the calculation of performance-linked remuneration shall be “50:50.”
- The application coefficients for financial and non-financial indicators shall vary within ranges of 0 to 3.0 and 0.5 to 1.5, respectively, with 1.0 as the standard.
- The monetary remuneration and stock-based remuneration components of performance-linked remuneration shall each be calculated as follows, based on standard amounts for each position.

Monetary remuneration: Standard amount per position × business performance coefficient (financial indicators × 80% + non-financial indicators × 20%)

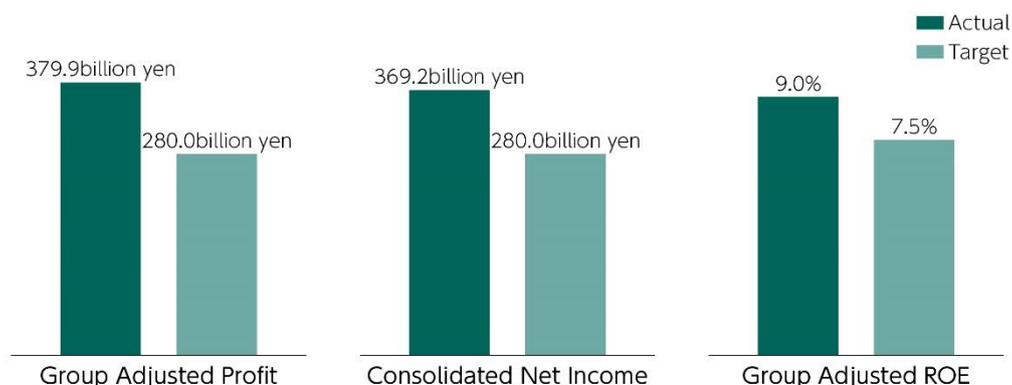
Stock-based remuneration: Standard amount per position × business performance coefficient (financial indicators × 20% + non-financial indicators × 80%)

- Monetary remuneration is structured in such a way that it better reflects business performance of a single fiscal year, by having a higher ratio for financial indicators than non-financial indicators.
- Stock-based remuneration is structured in such a way that it better reflects an evaluation of initiatives contributing to the enhancement of corporate value over medium to long term, by having a higher ratio for non-financial indicators than financial indicators.

(d) Actual financial and non-financial indicators in the current fiscal year

<Financial Indicators>

	Actual	Target	Vs. target
Group Adjusted Profit	¥379.9 billion	¥280.0 billion	135.7 %
Consolidated Net Income	¥369.2 billion	¥280.0 billion	131.9 %
Group Adjusted ROE	9.0 %	7.5 %	+ 1.5 points



<Non-financial Indicators>

Evaluation item	Results of evaluation
Basic strategies	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: <ul style="list-style-type: none"> • Developing and implementing products and services that offer new value leading to solutions to social issues • Transforming the business and the risk portfolios, and pursuing new business using digital data • Implementation of the One Platform Strategy and Group synergies, etc.
Foundations	As a result of evaluation based mainly on the following points, performance is evaluated to be below standard level: <ul style="list-style-type: none"> • Initiatives related to the key sustainability issues of coexistence with the global environment, a safe and secure society, and the well-being of diverse people • Customer-Focused business operations, including improvements in products and services based on customer feedback • Initiatives related to human assets, such as building an optimal human asset portfolio and creating a workplace environment that maximizes employees' abilities, skills, and motivation, including implementation of DE&I • Initiatives for building a stronger ERM infrastructure, such as improving profitability and capital efficiency and reducing strategic equity holdings, etc.

e. Resolutions related to officer remuneration at the Shareholders Meeting

<Remuneration of Directors>

Shareholders Meeting held on June 25, 2018 [10th Annual Shareholders Meeting] Resolved that the maximum amount of remuneration of Directors in total (excluding wages as an employee payable to a Director also serving as an employee) shall be 500 million yen per year (of which remuneration for Outside Directors shall be no more than 100 million yen per year). The number of Directors was twelve (12) (including five (5) Outside Directors) as at the close of the Annual Shareholders Meeting.
Shareholders Meeting held on June 24, 2019 [11th Annual Shareholders Meeting] Resolved to introduce a new restricted stock remuneration plan with delayed delivery and that the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Directors other than Outside Directors shall be up to 200 million yen per year. The number of Directors other than Outside Directors was seven (7) as at the close of the Annual Shareholders Meeting.

<Remuneration of Audit & Supervisory Board Members>

Shareholders Meeting held on June 25, 2009 [1st Annual Shareholders Meeting]

Resolved that remuneration shall be up to 110 million yen per year. The number of Audit & Supervisory Board Members was four (4) as at the close of the Annual Shareholders Meeting.

(3) Limited liability agreements and indemnity agreements

i) Limited liability agreements

Name	Summary of content in limited liability agreements
<p>(Outside Director)</p> <p>Mariko Bando</p> <p>Junichi Tobimatsu</p> <p>Rochelle Kopp</p> <p>Akemi Ishiwata</p> <p>Jun Suzuki</p> <p>(Outside Audit & Supervisory Board Member)</p> <p>Kunio Chiyoda</p> <p>Kyoko Uemura</p>	<p>The Company has entered into an agreement with each of the persons that limits their liability under Article 423, Paragraph 1 of the Companies Act. The limit of Outside Director's liability under the agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act.</p>

ii) Indemnity agreements

Not applicable.

(4) Directors and officers liability insurance policy

Scope of insureds	Outline of directors and officers liability insurance policy
<p>Directors, Audit & Supervisory Board Members, and Executive Officers, etc. of the Company and other major subsidiaries, etc.</p>	<p>The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act. The insured do not bear any insurance premiums. Under this insurance policy, the insurer will cover any damages that may arise as a result of the insured assuming liability or receiving a claim for the pursuit of liability in relation to the execution of his or her duties. This policy is renewed annually.</p>

3. Matters Concerning Outside Officers

(1) Concurrent and other status of Outside Officers

Please refer to “2. Matters Concerning Officers, (1) Status of officers” above for information on the concurrent positions of Outside Officers. There is no special relationship between any of the above entities and the Company.

(2) Primary activities of Outside Officers

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
<p>Mariko Bando (Outside Director)</p>	<p>6 years and 9 months</p>	<p>Attended all 12 meetings of the Board of Directors held during the current fiscal year.</p>	<p>She has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management from her expert perspective in a position independent of the Company at the Board of Directors meetings, based on her extensive insight and experience in areas such as administration, human resources development, and the promotion of diversity.</p> <p>As the chairperson of the Remuneration Committee, an internal committee of the Board of Directors, she participated in deliberations concerning the remuneration of officers, and as a member of the Nomination Committee, she participated in deliberations concerning the nomination of officers, and contributed to enhancing the corporate value and corporate governance of the Company.</p>

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
<p>Junichi Tobimatsu (Outside Director)</p>	<p>5 years and 9 months</p>	<p>Attended all 12 meetings of the Board of Directors held during the current fiscal year.</p>	<p>He has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management from his expert perspective in a position independent of the Company at the Board of Directors meetings, based on his extensive insight and experience as an attorney-at-law mainly in the area of corporate legal affairs in general both in Japan and overseas.</p> <p>As a chairperson of the Governance Committee, which makes recommendations to the Board of Directors, he contributed to enhancing the corporate value of the Company by providing necessary advice based on his knowledge of corporate governance. Also, as a member of the Nomination Committee and the Remuneration Committee, which are internal committees of the Board of Directors, he participated in deliberations concerning the nomination and the remuneration of officers and contributed to enhancing the corporate value and corporate governance of the Company.</p>
<p>Rochelle Kopp (Outside Director)</p>	<p>3 years and 9 months</p>	<p>Attended all 12 meetings of the Board of Directors held during the current fiscal year.</p>	<p>She has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management in a position independent of the Company at the Board of Directors meetings, based on her extensive insight concerning cross-cultural communication and experience as a management consultant in Japan and overseas.</p> <p>As the chairperson of the Nomination Committee, an internal committee of the Board of Directors, she participated in deliberations concerning the nomination of officers, and as a member of the Remuneration Committee, she participated in deliberations concerning the remuneration of officers, and contributed to enhancing the corporate value and corporate governance of the Company.</p>

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Akemi Ishiwata (Outside Director)	1 year and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	<p>She has fulfilled the roles and responsibilities required as an Outside Director, including providing advice from a consumer perspective, supervising management, and providing advice on all aspects of management in a position independent of the Company at the Board of Directors meetings, based on her extensive insight and experience in sustainability.</p> <p>As a member of the Nomination Committee and the Remuneration Committee, which are internal committees of the Board of Directors, she participated in deliberations concerning the nomination and the remuneration of officers, and contributed to enhancing the corporate value and corporate governance of the Company.</p>
Jun Suzuki (Outside Director)	9 months	Attended all 10 meetings of the Board of Directors held after the date of appointment.	<p>He has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management in a position independent of the Company at the Board of Directors meetings, based on his extensive insight and experience mainly as a management executive of major companies.</p> <p>As a member of the Nomination Committee and the Remuneration Committee, which are internal committees of the Board of Directors, he participated in deliberations concerning the nomination and the remuneration of officers, and contributed to enhancing the corporate value and corporate governance of the Company.</p>
Kunio Chiyoda (Outside Audit & Supervisory Board Member)	7 years and 9 months	Attended 11 of the 12 meetings of the Board of Directors and 10 of the 11 meetings of the Audit & Supervisory Board held during the current fiscal year.	<p>He has fulfilled his monitoring and supervision functions on management by appropriate statements and recommendations, based on his extensive insight and experience of accounting and audit as a certified public accountant at the meetings of the Board of Directors and the Audit & Supervisory Board.</p>

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Kyoko Uemura (Outside Audit & Supervisory Board Member)	6 years and 9 months	Attended all 12 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board held during the current fiscal year.	She has fulfilled her monitoring and supervision functions on management by appropriate statements and recommendations, based on her extensive insight and experience as an attorney-at-law at the meetings of the Board of Directors and the Audit & Supervisory Board.

(Note) Term in office of each individual is from the date of their assumption of office to March 31, 2024.

(3) Remuneration for Outside Officers

(Yen in millions)

	Number of recipients	Remuneration from the insurance holding company	Remuneration from the parent company, etc. of the insurance holding company
Total remuneration	8	96	-

(Notes)

1. The number of recipients includes one (1) Outside Officer who retired during this fiscal year.
2. Remuneration from the insurance holding company includes remuneration for one (1) Outside Officer who retired during this fiscal year.
3. The breakdown of remuneration from the insurance holding company is 72 million yen for Outside Directors and 24 million yen for Outside Audit & Supervisory Board Members.

(4) Opinion of Outside Officers

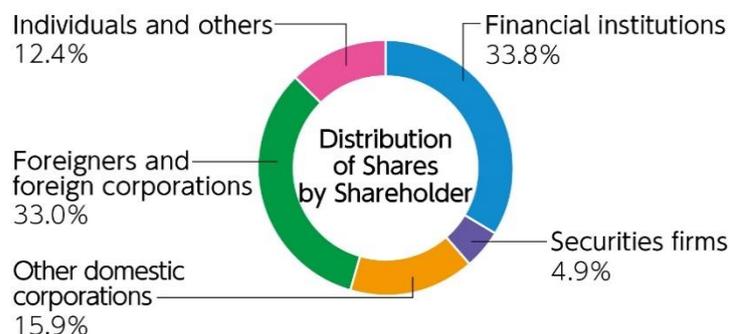
Outside Officers have no opinions with respect to the content of “3. Matters Concerning Outside Officers” (1) through (3).

4. Matters Concerning Stock

(1) Number of shares

Total number of issuable shares : 900,000 thousand shares

Total number of shares issued : 536,071 thousand shares



(Notes)

1. The total number of shares issued increased by 104 thousand shares from the end of the previous fiscal year because the Company issued 104 thousand of common stock as restricted stock remuneration on July 25, 2023.
2. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024 at the Board of Directors meeting held on February 29, 2024, and has amended to the total number of issuable shares stipulated by the Articles of Incorporation of the Company accordingly on the same date. As a result of this amendment, the total number of issuable shares is now 2,700,000 thousand shares, and the total number of shares issued is 1,608,214 thousand shares.

(2) Number of shareholders at the end of the current fiscal year:98,369

(3) Major shareholders

Names of shareholders	Investment in the Company	
	Number of shares held (In thousands of shares)	Ratio of shares held %
The Master Trust Bank of Japan, Ltd. (Trust account)	75,762	14.3
Toyota Motor Corporation	52,610	9.9
Nippon Life Insurance Company	36,325	6.9
Custody Bank of Japan, Ltd. (Trust account)	26,808	5.1
JP MORGAN CHASE BANK 380055	13,037	2.5
STATE STREET BANK WEST CLIENT - TREATY 505234	9,163	1.7
JPMorgan Securities Japan Co., Ltd.	7,631	1.4
SSBTC CLIENT OMNIBUS ACCOUNT	7,036	1.3
STATE STREET BANK AND TRUST COMPANY 505103	6,555	1.2
JP MORGAN CHASE BANK 385781	6,501	1.2

(Notes)

1. The ratio of shares held is calculated after deducting treasury shares (5,968,606 shares).
2. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. The above figures are based on the number of shares before the stock split.

(4) Shares of the insurance holding company delivered to officers during the current fiscal year

	Number of shares	Number of persons to whom shares were delivered
Directors (excluding Outside Officers)	13,317	6
Outside Directors (Outside Officers)	-	-
Officers other than Directors	-	-

(Notes)

1. An outline of the stock-based remuneration plan of the Company is provided in “2. Matters Concerning Officers (2) Remuneration to officers.”
2. Shares shown in the table above were delivered to the Directors of the Company (excluding Outside Directors) as consideration for the execution of their duties as Directors and Executive Officers of the Company. In addition, 8,544 shares were delivered to them as consideration for the execution of their duties as Directors and Executive Officers of main subsidiaries of the Company.
3. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. The above figures are based on the number of shares before the stock split.

5. Matters Concerning Stock Acquisition Rights, etc.

- (1) Stock acquisition rights, etc. held by the officers of the insurance holding company as of the last day of the fiscal year

	Outline of the stock acquisition rights, etc.	Number of persons who hold stock acquisition rights, etc.
Directors (excluding Outside Officers)	2016 First Stock Options as Equity Compensation	
	Stock acquisition right allotment date: Jul. 29, 2016	2
	Total number of stock acquisition rights: 1,534 (Number of shares underlying each stock acquisition right is one share per unit)	
	Type and number of shares underlying stock acquisition rights: Common stock of the Company: 1,534 shares	
	Exercise period for stock acquisition rights: From Jul. 30, 2016 to Jul. 29, 2046	
	Exercise value (per share): ¥1	
	Conditions on exercise of stock acquisition rights (Note 2.)	
	2017 First Stock Options as Equity Compensation	
	Stock acquisition right allotment date: Aug. 1, 2017	3
Total number of stock acquisition rights: 1,357 (Number of shares underlying each stock acquisition right is one share per unit)		
Type and number of shares underlying stock acquisition rights: Common stock of the Company: 1,357 shares		
Exercise period for stock acquisition rights: From Aug. 2, 2017 to Aug. 1, 2047		
Exercise value (per share): ¥1		
Conditions on exercise of stock acquisition rights (Note 2.)		
2018 First Stock Options as Equity Compensation		
Stock acquisition right allotment date: Aug. 1, 2018	4	
Total number of stock acquisition rights: 1,489 (Number of shares underlying each stock acquisition right is one share per unit)		
Type and number of shares underlying stock acquisition rights: Common stock of the Company: 1,489 shares		
Exercise period for stock acquisition rights: From Aug. 2, 2018 to Aug. 1, 2048		
Exercise value (per share): ¥1		
Conditions on exercise of stock acquisition rights (Note 2.)		

	Outline of the stock acquisition rights, etc.	Number of persons who hold stock acquisition rights, etc.
Directors (excluding Outside Officers)	2019 First Stock Options as Equity Compensation	
	Stock acquisition right allotment date: Aug. 1, 2019	4
	Total number of stock acquisition rights: 3,761 (Number of shares underlying each stock acquisition right is one share per unit)	
	Type and number of shares underlying stock acquisition rights: Common stock of the Company: 3,761 shares	
	Exercise period for stock acquisition rights: From Aug. 2, 2019 to Aug. 1, 2049	
	Exercise value (per share): ¥1	
Conditions on exercise of stock acquisition rights (Note 2.)		
Outside Directors (Outside Officers)	—	—
Officers other than Directors	—	—

(Notes)

- The table shows stock acquisition rights which have been granted by offsetting the right to claim remuneration to the Company, with the payment obligations for the stock acquisition rights that have been allotted to each person.
- A rights holder may exercise his/her stock acquisition rights only after he/she relinquishes his/her position as a Director, Executive Officer, and full-time Audit & Supervisory Board Member of the Company or its subsidiaries which consist of five domestic insurance companies (Note 3). In such a case, a rights holder may exercise his/her stock acquisition rights all at once, during the period beginning on the day following the day he/she relinquishes his/her position as a Director, Executive Officer, and full-time Audit & Supervisory Board Member of the Company or its subsidiaries which consist of five domestic insurance companies, until the elapse of 10 days.
- Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd. and Mitsui Sumitomo Primary Life Insurance Co., Ltd.
- As of the last day of the fiscal year the Officers of the Company hold stock acquisition rights granted in consideration for the execution of their duties as the Company's Directors or Executive Officers, the number of which is shown in the table above. In addition to this, the Officers of the Company hold stock acquisition rights granted in consideration for the execution of their duties as the Directors or Executive Officers of the Company's major subsidiaries at the time of issuance of the stock acquisition rights, the number of which is shown below.
 - Number of stock acquisition rights issued as of July 2016: 8,030
 - Number of stock acquisition rights issued as of August 2017: 6,419
 - Number of stock acquisition rights issued as of August 2018: 6,790
 - Number of stock acquisition rights issued as of August 2019: 22,473
- The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. The above figures are based on the number of shares before the stock split.

- (2) Stock acquisition rights, etc. of the insurance holding company issued to employees, etc. during the fiscal year
Not applicable.

6. Matters Concerning Accounting Auditor

(1) Accounting Auditor

(Yen in millions)

Name or title	Remuneration for the current fiscal year	Other
KPMG AZSA LLC Designated and engagement partner: Masako Kanno Designated and engagement partner: Fumito Hirose Designated and engagement partner: Kenichi Ishii	82	1. Apart from work under Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company has paid the Accounting Auditor consideration for compliance support work. 2. Relating to the remuneration of the Accounting Auditor, the Audit & Supervisory Board has given its consent in accordance with Article 399, Paragraph 1 of the Companies Act upon confirming and verifying the appropriateness of the Accounting Auditor's Audit Plan, the performance status of the Accounting Auditor's duties and the calculation basis for the remuneration quotation.

(Notes)

1. The sum of the amounts payable in cash and in kind from the Company and its subsidiaries is 848 million yen.
2. The amount shown in the table above includes remuneration for audits under the Financial Instruments and Exchange Law because the audit contract between the Company and the Accounting Auditor does not provide for separate amounts of remuneration for audits under the Companies Act and audits, etc. under the Financial Instruments and Exchange Law, nor can these amounts practically be separated.

(2) Limited liability agreements and indemnity agreements

Not applicable.

(3) Other matters concerning Accounting Auditor

(a) Policy on dismissal or decision not to reappoint the Accounting Auditor

Should the Audit & Supervisory Board decide to dismiss the Accounting Auditor based on Article 340 of the Companies Act, or in the event it is recognized that it will be difficult for the Accounting Auditor to perform its duties or other such circumstances, and the Audit & Supervisory Board has determined it is appropriate to dismiss or not to reappoint the Accounting Auditor, the Audit & Supervisory Board will decide the detail of the proposal on the dismissal or non-reappointment of the Accounting Auditor, which shall be presented at a Shareholders Meeting based on Article 344 of the Companies Act.

(b) Auditing of the financial statements of the Company's principal subsidiaries done by certified public accountants other than the Company's Accounting Auditor

Of the Company's main subsidiaries, overseas subsidiaries, etc. are audited by an auditing firm other than KPMG AZSA LLC.

7. Basic Policy concerning Persons in Control of Decisions on Finance and Business Policy

Not applicable.

8. System for Ensuring Appropriateness of Operations

(1) Basic Policy Pertaining to System for Internal Controls

A summary of the establishment of the above system is as set out below.

<p>MS&AD Insurance Group: Basic Policy Pertaining to System for Internal Controls</p> <p>As the holding company conducting overall management of the Group, MS&AD Insurance Group Holdings, Inc. (the “Holding Company”) shall, under the “Corporate Philosophy (Mission),” strive to create a system of management that is transparent with the control functions to facilitate the stable and sustained growth of the Group over the long term through the effective deployment of management resources and appropriate risk management and thereby raise the corporate value.</p> <p>1. Group Management Structure (System for Assuring the Proper Conduct of Business at the Corporate Group Consisting of the Holding Company and Its Subsidiaries)</p> <p>(1) The Holding Company shall formulate the Corporate Philosophy (Mission), Corporate Vision, and Code of Conduct (Values) that all officers and employees in the Group are expected to focus on in all aspects of business, and shall strive to have them instilled in and implemented by all officers and employees of the Holding Company and its subsidiaries (subsidiaries under the Companies Act and Insurance Business Act; in this basic policy, the “Group companies”). The Holding Company shall report to the Board of Directors on the status of implementation whether the company’s corporate culture truly embraces the intent and spirit of the Corporate Philosophy (Mission), Corporate Vision and Code of Conduct (Values).</p> <p>(2) The Holding Company shall appropriately exercise shareholder voting rights, such as appropriately voting on resolutions at Shareholders Meetings over domestic Group insurance companies and affiliates in which the Holding Company conducts direct investment (the “Directly Invested Companies”) from the standpoint of conducting management of the Group as a whole and maximizing the corporate value of the entire Group.</p> <p>(3) The Holding Company shall execute business management agreements with the Directly Invested Companies and institute the Group Basic Policies (Corporate Governance, Risk Management, Compliance and Internal Auditing, etc.).</p> <p>(4) Pursuant to business management agreements, the Holding Company shall require the Directly Invested Companies to comply with the Group Basic Policies as well as develop a system to ensure appropriate business conduct as stated in items (i) through (iv) below.</p> <p>(i) System for Reporting to the Holding Company Regarding the Execution of Duties by Directors of the Directly Invested Companies The Directly Invested Companies shall either get approval from the Holding Company with respect to important matters affecting the Directly Invested Companies or report to the Holding Company regarding such matters. In addition, the Holding Company shall be able to require the Directly Invested Companies to report the status of business management, etc. of subsidiaries of Directly Invested Companies to the Holding Company.</p> <p>(ii) System to Assure the Efficient Execution of Duties by Directors of Directly Invested Companies (mentioned in 2. below)</p> <p>(iii) System to Assure that the Execution of Duties by Directors and Employees of the Directly Invested Companies Complies with Applicable Laws and the Articles of Incorporation (mentioned in 3. below)</p> <p>(iv) Rules and Other Systems for Managing Risk of Loss of the Directly Invested Companies (mentioned in 4. below)</p>

- (5) In principle, the Directly Invested Companies shall appropriately supervise the management of their subsidiaries (subsidiaries under the Companies Act and Insurance Business Act) under business management agreements. For overseas bases and subsidiaries, the Directly Invested Companies shall consider local laws and characteristics when promoting the development of business systems.
2. System to Assure the Efficient Execution of Duties (System to Assure the Efficient Execution of Duties by Directors of the Holding Company and Its Subsidiaries)
- (1) To achieve a balance between quick decision making and proper monitoring, the Holding Company shall adopt an Executive Officer System, appoint Outside Directors, and separate the “Management Decision Making and Oversight Functions” by the Board of Directors and the “Business Execution Functions” by Executive Officers, and strengthen these Functions. In addition, in order to enable practical deliberations by the Board of Directors, the number of Directors shall not exceed fifteen (15) members, and the delegation of authority over business execution to Executive Officers shall be promoted.
 - (2) To facilitate the proper and efficient execution of duties by Directors and Executive Officers, the Holding Company shall institute rules pertaining to the organization and exercise of authority, etc. to clarify the duties that must be performed and the administrative authority.
 - (3) The Holding Company shall institute the Group’s Medium-Term Management Plan and annual plans, strive to have them instilled among all officers and employees of the Holding Company and its Group companies, and set numerical targets for each business area and properly allocate management resources to accomplish the goals of the plans. In addition, Corporate Governance, Compliance, Risk Management, etc. are positioned as important issues of management in the Group’s Medium-Term Management Plan.
 - (4) The Holding Company shall institute the IT Governance Basic Policy of the Group in consideration of the importance of information technology (IT) as a managerial foundation, and establish an IT governance structure.
 - (5) The Holding Company shall institute the Basic Policy on Taxes of the Group in consideration of the importance of tax matters in its business activities and establish a tax governance structure.
 - (6) Executive Officers of the Holding Company shall provide the Board of Directors with reports of the status of business execution for the Company and the Directly Invested Companies (including summaries of business results). The Holding Company’s Board of Directors shall take measures as necessary based on the content of these reports, such as modifying the targets or assigning additional management resources.
 - (7) The Holding Company shall convene regular meetings of the Group Management Committee. The Group Management Committee shall have officers from the domestic Group insurance companies attend its meetings as necessary to discuss important matters affecting the Group’s business strategy and management of the domestic Group insurance companies and shall determine the direction of decision making.
3. Group Legal Compliance System (System to Assure That Execution of Duties by Directors and Employees of the Holding Company and Its Subsidiaries Complies with Applicable Laws and the Articles of Incorporation)
- (1) In line with the Group’s Compliance Basic Policy formulated by the Holding Company, the Holding Company and Group companies shall make efforts to instill compliance awareness among all officers and employees, and shall comply with applicable laws and internal rules, etc. and shall carry out business activities based on high ethical standards.
 - (2) The Holding Company shall institute the Legal Compliance Rules as well as a Compliance Program as its implementation plan and monitor the status of the implementation to ensure compliance and develop corporate ethics. It shall also institute a Compliance Manual and revise it when necessary based on the business activities of the entire Group, management environment and other factors.
 - (3) The Holding Company shall create business units and systems such as a Compliance Department to be responsible for overall management of matters pertaining to compliance for the entire Group. It shall also establish a Quality Improvement and Compliance Committee to conduct monitoring of the status of the promotion of compliance, and necessary measures shall be implemented with respect to matters confirmed by this committee. The Holding Company shall regularly report to the Board of Directors on the status of the promotion of compliance.

- (4) The Holding Company shall also establish rules for reporting compliance issues discovered by officers and employees of the Holding Company and the Group companies in the Legal Compliance Rules. Upon receipt of a report, the Holding Company's Compliance Department shall work with the relevant departments and the Group companies to investigate the content of such reports and formulate measures to prevent recurrences.
 - (5) The Holding Company and the Group companies shall establish a system to eliminate any antisocial forces, in line with the Group's Basic Policy Concerning Antisocial Forces instituted by the Holding Company (e.g., establishing a business unit to respond to problems, introducing guidelines, developing a system for managing databases concerning antisocial forces, strengthening collaboration with outside organizations such as the police, etc.) and ensure that all officers and employees take a firm stand against antisocial forces and will not accept any unjustified or improper demands.
 - (6) When the Holding Company engages in transactions with related parties such as officers of the Group, the Holding Company shall conduct appropriate monitoring to ensure that such transactions do not harm the interests of the Group and the common interests of its shareholders, such as by requiring approval of the Board of Directors of competitive transactions and transactions with a conflict of interest.
 - (7) The Holding Company and Group insurance companies shall establish a system that ensures the compliance with the arm's length rule and the propriety of other transactions within the Group, etc. in line with the Basic Policy on Internal Group Transactions and Business Alliances instituted by the Holding Company.
 - (8) The Holding Company and domestic Group insurance companies shall establish a system to manage conflicts of interest based on the Group's Basic Policy for Management of Conflicts of Interest instituted by the Holding Company.
 - (9) The Holding Company and Group companies shall establish a system to manage outsourcing based on the Group's Basic Policy for Management of Outsourcing instituted by the Holding Company.
 - (10) The Holding Company and Group companies shall establish the Speak Up System (whistleblowing system), which shall enable all officers, employees, and others to report directly to internal and external contact points regarding violations of laws and regulations, violations of internal company rules, inappropriate actions, or actions that could lead to such violations by the organization or individuals, and shall strive to make all officers and employees informed of the system. In addition, the Holding Company shall institute rules for the operation of the Group's Speak Up System and thereby establish that there shall be no unfavorable treatment of whistleblowers as a result of their reporting, while it shall report to the Board of Directors on the status of the operation of the System.
 - (11) The Holding Company shall not encourage, approve nor instruct the Group companies or their officers and employees to engage in conduct that violates the law.
4. Integrated Risk Management System (Provisions for Managing Risk of Loss of the Holding Company and Its Subsidiaries, and Other Systems)
- (1) The Holding Company and the Group companies shall conduct appropriate risk management by sharing a basic approach and also instituting risk management policies for each company according to the conditions of each company, in line with the Group's Risk Management Basic Policy instituted by the Holding Company.
 - (2) The Holding Company shall create business units and systems such as a Risk Management Department to have an understanding of various risks present within the Group and to conduct appropriate integrated risk management. An ERM Committee shall also be established, and necessary measures shall be taken to avoid and reduce risk based on the findings of this committee (including the confirmation results from integrated risk management (quantitative)).
 - (3) The Holding Company shall monitor risk and the status of risk management for the entire Group, shall integrate and quantify risks for the entire Group and confirm that the capital required for the entire Group is assured. The Holding Company shall report to the Board of Directors on the status of these initiatives, in consideration of the results of consultation and coordination by the ERM Committee.
 - (4) The Holding Company shall establish the Crisis Management System and the Business Continuity Management System for the entire Group in accordance with the Crisis Management Manual and restructuring plan instituted by the Holding Company to fulfill corporate social responsibility and our responsibilities to stakeholders, and also establish the necessary systems to minimize damages caused by risks.

5. System for Assuring the Reliability of Financial Reporting

- (1) When selecting candidates to serve as Audit & Supervisory Board Members, the Holding Company shall appoint at least one person as Audit & Supervisory Board Member who possesses the necessary knowledge regarding accounting and financial matters.
- (2) The Holding Company and the Group companies shall establish a system for the timely and proper reporting of financial information and other disclosures of information, pertaining to the Group, based on the Group's Basic Policy for Controlling Disclosure of Information instituted by the Holding Company.
- (3) In order to provide accurate and clear reporting of the business results and financial condition of the Holding Company and its consolidated subsidiaries, the Holding Company shall institute accounting rules and prescribe the important matters pertaining to accounting administration in line with corporate accounting standards generally accepted as fair and appropriate.
- (4) In order to ensure the fair disclosure of information, the Holding Company shall institute controls pertaining to the disclosure of information and procedural rules and take measures to evaluate the effectiveness and improve the workability of these controls, and the ERM Committee shall check the propriety of information disclosure.
- (5) In accordance with the Financial Instruments and Exchange Act, the Holding Company, through the ERM Committee, shall check the results from evaluations of the establishment and the function of "Internal Controls over Financial Reporting" implemented by the Holding Company and its consolidated subsidiaries.
- (6) The Holding Company shall report to the Board of Directors on the findings from investigations by the ERM Committee pertaining to the effectiveness of controls on the disclosure of information and the propriety of information disclosure of the Holding Company and its consolidated subsidiaries.

6. System for Assuring the Effectiveness of Internal Audit

- (1) The Holding Company and domestic Group insurance companies shall maintain a system for internal auditing covering the business activities of the entire Group based on the Group's Internal Audit Basic Policy instituted by the Holding Company to conduct internal auditing effectively and efficiently.
- (2) The Holding Company and domestic Group insurance companies shall establish an independent organization dedicated to internal auditing and shall formulate internal audit rules that prescribe the basic matters pertaining to internal audit and an internal audit plan based on the types and degrees of risk.
- (3) The Holding Company's internal auditing department shall make reports to the Board of Directors of important matters from the findings of internal auditing conducted by the Holding Company and the domestic Group insurance companies as well as the status of improvements at the business units subject to audits.

7. System for Information Management (System for Management and Retention of Information Pertaining to Execution of Duties by Directors)

- (1) The Holding Company shall institute Corporate Information Management Regulations and shall properly retain and manage the documentations pertaining to execution of duties by Directors and Executive Officers (which means important documentations such as the minutes of the Board of Directors and approval documentations, including electronic data) as well as other company information. In addition, the Directors and Audit & Supervisory Board Members shall be able to have access to such information at all times.
- (2) The Holding Company and the Group companies shall establish a system to ensure the proper handling and secure management of personal information (customer information) based on the Group's Basic Policy for Management of Customer Information instituted by the Holding Company.

8. System for Assuring the Effectiveness of Auditing by Audit & Supervisory Board

- (1) System Pertaining to Employees Assisting with the Duties of Audit & Supervisory Board Member, as Well as Assuring Independence of Such Employees and the Effectiveness of Instructions to Such Employees
 - (i) To support the duties of Audit & Supervisory Board Members, the Holding Company establishes an Office of Audit & Supervisory Board with dedicated employees.

- (ii) The Holding Company’s Directors shall respect the independence of the Office of Audit & Supervisory Board while organizational changes in the Office of Audit & Supervisory Board as well as transfer or discharge of the employees described above shall obtain a consent from the Audit & Supervisory Board. Employee evaluation shall also be conducted upon consultation with the Audit & Supervisory Board Member assigned by the Audit & Supervisory Board.
- (2) System for Reporting to Audit & Supervisory Board Members
 - (i) When the Holding Company’s Directors and Executive Officers are aware of any serious violations of applicable law or the Articles of Incorporation or inappropriate conduct regarding the execution of duties, or facts that may cause a serious harm to the Company, they shall promptly report such to the Audit & Supervisory Board.
 - (ii) The Holding Company’s Directors and Executive Officers shall make reports to the Audit & Supervisory Board Members promptly regarding any decisions that will significantly affect businesses or organizations, the findings of internal audits, the status of whistleblowing and other matters to be reported to the Audit & Supervisory Board Members, through the process instituted in consultation with the Audit & Supervisory Board Members.
 - (iii) Officers, employees, and others of the Holding Company and the Group companies shall directly report to the Audit & Supervisory Board Members of the Holding Company regarding serious violations of laws and regulations, violations of internal company rules, inappropriate conduct, or those that could lead to such violations.
 - (iv) The Holding Company and the Group companies shall not subject persons making reports as described in items (i) to (iii) above to any unfavorable treatment for the reason that they have made such reports.
- (3) Other Matters
 - (i) The Holding Company shall clearly state in the relevant rules, etc. that, in addition to the Board of Directors, Audit & Supervisory Board Members may also attend meetings of the Group Management Committee and other important meetings.
 - (ii) The Holding Company’s Chairman & Director, Vice Chairman & Director, President & Director, and Representative Directors shall regularly exchange opinions with the Audit & Supervisory Board pertaining to issues that must be addressed by the Holding Company, the development status of auditing environment for Audit & Supervisory Board Members, important auditing issues, and other matters.
 - (iii) When requested by the Audit & Supervisory Board Members, the Holding Company’s internal auditing department shall cooperate with the audit by the Audit & Supervisory Board Members.
 - (iv) When requested by Audit & Supervisory Board Members for advance payment or reimbursement, etc. of expenses under the Article 388 of the Companies Act with respect to the execution of their duties, the Holding Company shall conduct procedures in accordance with the Article 388 of the same Act.

(2) Overview of the Operational Status of the Internal Control System

The Company strives to maintain a system to ensure the propriety of business and to appropriately operate its system, and reports to the Board of the Directors regarding the results of an annual self-inspection of the operational status of this system.

An overview of the operational status in the current fiscal year is as follows.

1. Group Management Structure (System for Assuring the Proper Conduct of Business at the Corporate Group Consisting of the Holding Company and Its Subsidiaries)

The Company has established its Corporate Philosophy (Mission), Corporate Vision, and Code of Conduct (Values) (“MVV”) as the image of the corporate group we aspire to become, and is working to instill the MVV in order to realize and achieve the image. The Company and Group companies both in Japan and overseas conducted employee awareness surveys related to the MVV, etc., and reported to the Board of Directors regarding the status of the creation of corporate culture and its implementation at each Group company. In FY2023, in response to incidents of price fixing, we have been re-emphasizing the return to MVV by all employees in order to restore customers’ trust, and we will continue to work to

re-emphasize customer-focused business operations and compliance as a fundamental initiative of the Medium-Term Management Plan.

The Company has established the Group Basic Policies, requires that each company comply with the Group Basic policies, obtain the approval of the Company and report to the Company regarding decisions on important matters, and appropriately manage the subsidiaries of each company, and monitors the status of such actions in accordance with the business management agreements, etc., that it has executed with these companies.

2. System to Assure the Efficient Execution of Duties (System to Assure the Efficient Execution of Duties by Directors of the Holding Company and Its Subsidiaries)

To incorporate outside perspectives independent from management, strengthen monitoring and supervisory functions, and conduct highly transparent management, five (5) of the eleven (11) Directors, over one-third, are Outside Directors (including three (3) women) (as of March 31, 2024). Outside Directors receive advance briefings concerning agenda documents for meetings of the Board of Directors.

The Company sets the management numerical targets for each business domain in the Medium-Term Management Plan, allocates capital based on the Risk Appetite Statements to the operating companies, and reports monthly performance at the Group Management Committee to verify the status of progress with respect to the income and expenditure plans.

The Company will continue to aim to ensure soundness, enhance its ratio of risk to returns, and improve capital efficiency, positioning the ERM cycle as the base of Group management.

3. Group Legal Compliance System (System to Assure That Execution of Duties by Directors and Employees of the Holding Company and Its Subsidiaries Complies with Applicable Laws and the Articles of Incorporation)

In order to conduct business activities based on thorough awareness of compliance and high ethical standards, we implement various measures including conducting compliance training, conducting inspections to detect inappropriate acts at an early stage and to prevent their recurrence, and operation of systems to receive reports and complaints from internal and external stakeholders, such as the Speak Up System.

The Company has established a Quality Improvement and Compliance Committee to promote business operations that put the Group's customers first, ensure compliance, and establish corporate ethics. The committee meets quarterly in principle to monitor and discuss issues related to quality improvement and compliance systems, etc. for the entire Group and each company, and reports the results of its discussions, including measures to address recognized issues, to the Board of Directors.

In response to incidents of price fixing, we are working to strengthen our compliance with the Antimonopoly Law, and we will continue to strengthen our management system to detect and respond to the risk of legal violations as early as possible.

4. Integrated Risk Management System (Provisions for Managing Risk of Loss of the Holding Company and Its Subsidiaries, and Other Systems)

To enable the Company to manage risk in a way that integrates various types of risk, the Group has established organizations and systems such as the ERM Committee, integrated risk management departments such as the Investment Risk Management Section, and formulated "Regulations for Capital and Integrated Risk Management."

The Board of Directors of the Company receives regular reports on the results of quantitative checks of integrated risk management by the officer responsible for risk management, and the results of deliberations by the ERM Committee concerning factors such as the status of progress toward targets for important risk management initiatives of the Group and the status of monitoring indicators for important risks faced by the Group. In this way, the Board of Directors of the Company confirms the status of risks and the risk management initiatives of the Group, and takes measures to avoid and eliminate risks as necessary.

In accordance with the "Standards Related to the Management of Important Group Risks, Material Group Risks, and Emerging Group Risks," the status of progress toward targets for important risk management initiatives of the Group, the effectiveness of these initiatives, and the status of monitoring indicators are confirmed every six months, and based on the results of deliberation and coordination among the ERM Committee, etc., the officer responsible for risk management provides reports to the Board of Directors every six months.

5. System for Assuring the Reliability of Financial Reporting

The ERM Committee reports, and exchanges opinions on confirmation of the validity of disclosure information on regular disclosure and timely disclosure. When the Annual Securities Reports and Quarterly Earnings Reports are being prepared, the ERM Committee verifies the status of controls over information disclosure for each department and company based on the internal control confirmation documents received from departments providing basic information, departments preparing disclosure documents, and directly invested consolidated subsidiaries, and submits a report to the Board of Directors each quarter confirming no serious deficiencies exist in the information disclosure control system.

6. System for Assuring the Effectiveness of Internal Audit

The Company and the domestic insurance companies of the Group formulate internal audit plans that cover all aspects of the Group's business activities and are tailored to the amount and types of risks faced, while important operational processes are also verified in a cross-departmental manner. Through such measures, the Group conducts efficient and effective internal audits. The Company has developed systems that use monitoring and other means to verify and promote the improvement of internal audit systems and internal management systems at the domestic insurance companies of the Group. In addition, the Board of Directors receives annual reports on circumstances at each company.

7. System for Information Management (System for Management and Retention of Information Pertaining to Execution of Duties by Directors)

The Company confirms that information such as the minutes of Annual Shareholders Meetings, meetings of the Board of Directors, the Group Management Committee, etc. and documentation relating to the Board of Directors is appropriately managed.

8. System for Assuring the Effectiveness of Auditing by Audit & Supervisory Board

(1) Matters Pertaining to Employees Assisting with the Duties by Audit & Supervisory Board Members

The Holding Company has assigned three (3) dedicated employees to the Office of Audit & Supervisory Board and conducts personnel changes with the approval of the Audit & Supervisory Board.

(2) System for Reporting to Audit & Supervisory Board Members

Directors and Executive Officers execute their duties in recognition of the materiality of reporting to Audit & Supervisory Board Members. In addition, the Speak Up system is operated so that officers and employees of the Company and the Group companies can directly report to the Audit & Supervisory Board Members of the Company, and it is confirmed that the status of reporting under the Group's Speak Up system is regularly reported to the Audit & Supervisory Board.

(3) Other Systems for Assuring the Effectiveness of Auditing by Audit & Supervisory Board Members

In addition to meetings of the Board of Directors, the Audit & Supervisory Board Members also attend other important meetings such as those of the Group Management Committee and Task Specific Committee Meetings. In addition, the Chairman & Director, Vice Chairman & Director, President & Director, and Representative Directors hold regular meetings to exchange opinions with Audit & Supervisory Board Members.

9. Matters Concerning Specified Wholly Owned Subsidiaries

(Yen in millions)

Corporate name	Location	Carrying amount of the stock of the specified wholly owned subsidiary at the end of current fiscal year
Mitsui Sumitomo Insurance Co., Ltd.	9, Kanda Surugadai 3-chome, Chiyoda-ku, Tokyo	648,506
Aioi Nissay Dowa Insurance Co., Ltd.	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo	512,283

(Note) Total assets of the Company at the end of the current fiscal year amounted to 1,706,225 million yen.

10. Matters Concerning Transactions with the Parent Company etc.

Not applicable.

11. Matters Concerning Accounting Advisors

Not applicable.

12. Other Matters

Not applicable.

FY2023 CONSOLIDATED BALANCE SHEET (As of March 31, 2024)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash, deposits and savings	2,911,347	Policy liabilities:	19,198,037
Monetary claims bought	184,200	Outstanding claims	2,884,811
Money trusts	2,420,170	Underwriting reserves	16,313,226
Securities	18,166,668	Bonds issued	715,045
Loans	970,148	Other liabilities	1,733,681
Tangible fixed assets:	465,661	Liabilities for pension and retirement benefits	138,027
Land	216,914	Reserve for retirement benefits for officers	88
Buildings	186,265	Accrued bonuses for employees	34,189
Lease assets	29,453	Provision for share awards	2,018
Construction in progress	2,556	Reserves under the special laws:	231,871
Other tangible fixed assets	30,472	Reserve for price fluctuation	231,871
Intangible fixed assets:	490,510	Deferred tax liabilities	370,837
Software	165,010	Acceptances and guarantees	22,848
Goodwill	141,446	Total liabilities	22,446,645
Lease assets	188	(Net Assets)	
Other intangible fixed assets	183,863	Common stock	101,076
Other assets	1,178,311	Capital surplus	344,785
Assets for retirement benefits	100,653	Retained earnings	1,634,444
Deferred tax assets	59,388	Treasury stock	(36,841)
Customers' liabilities under acceptances and guarantees	22,848	Total shareholders' equity	2,043,464
Bad debt reserve	(9,701)	Net unrealized gains/(losses) on securities	2,237,147
		Net deferred gains/(losses) on hedges	(48,402)
		Foreign currency translation adjustments	222,849
		Accumulated actuarial gains/(losses) on retirement benefits	32,551
		Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	(20,818)
		Total accumulated other comprehensive income/(loss)	2,423,327
		Stock acquisition rights	391
		Non-controlling interests	46,378
		Total net assets	4,513,562
Total assets	26,960,207	Total liabilities and net assets	26,960,207

FY2023 CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2023 to: March 31, 2024)

(Yen in millions)

Item	Amount	Item	Amount
Ordinary income	6,572,889	Extraordinary income:	63,598
Underwriting income:	5,107,033	Gains on sales of fixed assets	17,472
Net premiums written	4,261,736	Reversal of reserves under special laws:	46,126
Deposit premiums from policyholders	31,658	Reserve for price fluctuation	46,126
Investment income on deposit premiums from policyholders	36,836	Extraordinary losses:	17,775
Life insurance premiums	735,249	Losses on sales of fixed assets	5,935
Other underwriting income	41,551	Impairment losses on fixed assets	11,839
Investment income:	1,417,724	Income before income taxes	462,263
Interest and dividends income	427,085	Income taxes – current	97,374
Investment gains on money trusts	314,111	Income taxes – deferred	(7,930)
Investment gains on trading securities	59,170	Total income taxes	89,443
Gains on sales of securities	228,739	Net income	372,820
Gains on redemption of securities	4,875	Net income attributable to non-controlling interests	3,553
Investment gains on separate accounts	218,611	Net income attributable to owners of the parent	369,266
Other investment income	201,968		
Transfer of investment income on deposit premiums from policyholders	(36,836)		
Other ordinary income:	48,130		
Gains on equity method investments	18,759		
Other ordinary income	29,371		
Ordinary expenses	6,156,448		
Underwriting expenses:	5,107,358		
Net claims paid	2,291,182		
Loss adjustment expenses	226,831		
Commissions and collection expenses	848,875		
Maturity refunds to policyholders	151,929		
Dividends to policyholders	51		
Life insurance claims	483,054		
Provision for outstanding claims	365,586		
Provision for underwriting reserves	734,752		
Other underwriting expenses	5,093		
Investment expenses:	215,527		
Investment losses on money trusts	64,443		
Losses on sales of securities	75,703		
Impairment losses on securities	3,217		
Losses on redemption of securities	40		
Losses on derivative transactions	58,450		
Other investment expenses	13,671		
Operating expenses and general and administrative expenses	797,988		

(Yen in millions)

Item	Amount	Item	Amount
Other ordinary expenses:	35,574		
Interest expense	10,453		
Provision for doubtful accounts	946		
Losses on bad debts	606		
Other ordinary expenses	23,567		
Ordinary profit	416,440		

FY2023 CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2023 to: March 31, 2024)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	100,808	345,144	1,305,928	(6,662)	1,745,220
Cumulative effect of changing accounting policies			76,530		76,530
Beginning balance (adjusted)	100,808	345,144	1,382,459	(6,662)	1,821,750
Changes for the year:					
Issuance of new shares	267	267			534
Dividends paid			(117,280)		(117,280)
Net income attributable to owners of the parent			369,266		369,266
Repurchase of treasury stock				(30,375)	(30,375)
Disposal of treasury stock		(26)		196	169
Capital increase of consolidated subsidiaries		(17)			(17)
Change in ownership interest of parent due to transactions with non-controlling interests		(582)			(582)
Net changes of items other than shareholders' equity					
Total changes for the year	267	(359)	251,985	(30,179)	221,713
Ending balance	101,076	344,785	1,634,444	(36,841)	2,043,464

	Accumulated other comprehensive income/(loss)						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehensive income/(loss)			
Beginning balance	1,216,563	(21,996)	79,704	(9,448)	-	1,264,822	558	45,671	3,056,273
Cumulative effect of changing accounting policies	2,961		906		2,632	6,501		1,709	84,741
Beginning balance (adjusted)	1,219,525	(21,996)	80,611	(9,448)	2,632	1,271,324	558	47,381	3,141,015
Changes for the year:									
Issuance of new shares									534
Dividends paid									(117,280)
Net income attributable to owners of the parent									369,266
Repurchase of treasury stock									(30,375)
Disposal of treasury stock									169
Capital increase of consolidated subsidiaries									(17)
Change in ownership interest of parent due to transactions with non-controlling interests									(582)
Net changes of items other than shareholders' equity	1,017,621	(26,405)	142,238	41,999	(23,451)	1,152,003	(167)	(1,002)	1,150,833
Total changes for the year	1,017,621	(26,405)	142,238	41,999	(23,451)	1,152,003	(167)	(1,002)	1,372,547
Ending balance	2,237,147	(48,402)	222,849	32,551	(20,818)	2,423,327	391	46,378	4,513,562

CONSOLIDATED EXPLANATORY NOTES

(Significant Accounting Policies)

The Company's consolidated financial statements are prepared in conformity with the Corporate Accounting Regulations and the Ordinance for Enforcement of Insurance Business Act pursuant to the provisions of Article 118 of the said Regulations. The definitions of subsidiaries and associates are based on Article 2 of the Corporate Accounting Regulations.

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 103 companies

Major consolidated subsidiaries are as follows:

- Mitsui Sumitomo Insurance Co., Ltd. ("MSI")
- Aioi Nissay Dowa Insurance Co., Ltd. ("ADI")
- Mitsui Sumitomo Aioi Life Insurance Co., Ltd. ("MSAL")
- Mitsui Sumitomo Primary Life Insurance Co., Ltd. ("MSPL")
- MSIG Holdings (U.S.A.), Inc.
- MS Amlin Corporate Member Limited
- MS Amlin Underwriting Limited
- MS Amlin AG
- MS Amlin Insurance SE
- MS First Capital Insurance Limited
- MSIG Mingtai Insurance Co., Ltd.
- MSIG Insurance (Malaysia) Bhd.

Changes in scope of consolidation

Launch Underwriters, LLC and two other companies have been included in the scope of consolidation from the current fiscal year as they have become the Company's subsidiaries due to the acquisition of equity interests and other reasons. As MSIG Insurance (Lao) Co., Ltd. was merged with Sokxay Insurance Sole Company Limited, this subsidiary has been excluded from the scope of consolidation from the current fiscal year.

(2) Unconsolidated subsidiaries

Major unconsolidated subsidiaries are as follows:

- MS&AD GRAND ASSISTANCE Co., Ltd.
- MS&AD Systems Co., Ltd.

The subsidiaries that have been excluded from consolidation are companies that are considered immaterial for the purpose of giving a true and fair view of the financial position and results of operations of the Group in view of the size of their total assets, ordinary income, net income or loss, and retained earnings attributable to the Company.

2. Application of the equity method

(1) Number of associates accounted for under the equity method: 13 companies

Major associates accounted for under the equity method are as follows:

Sumitomo Mitsui DS Asset Management Company, Limited
Challenger Limited

Changes in scope of application of the equity method

As Sokxay Insurance Sole Company Limited was merged with MSIG Insurance (Lao) Co., Ltd. to form an associate (current company name: MSIG Sokxay Insurance Co., Ltd.), this company has been included in the scope of application of the equity method from the current fiscal year.

(2) Unconsolidated subsidiaries and associates to which the equity method is not applied (e.g. MS&AD GRAND ASSISTANCE Co., Ltd. and Zenkankyo Reiwa Insurance Company, Limited) have been excluded from the scope of application of the equity method as their effects on consolidated net income and retained earnings are not considered material, individually and in aggregate.

(3) The Company holds 29.9% of the voting rights of Japan Earthquake Reinsurance Co., Ltd. (“Japan Earthquake Re”) through MSI and ADI. However, Japan Earthquake Re is not included as an associate since the Company does not make a significant impact on policy making of Japan Earthquake Re in view of its public nature.

3. Fiscal year of consolidated subsidiaries

The fiscal year end of 95 overseas consolidated subsidiaries is December 31, but since the difference with the end of the consolidated fiscal year does not exceed three months, the financial statements for the fiscal year of the relevant consolidated subsidiaries are used in preparing these consolidated financial statements. Adjustments necessary for consolidation are made for significant transactions during the intervening period of the end of the consolidated fiscal year.

4. Accounting policies

(1) Valuation policies and methods of securities (including those categorized into “cash, deposits and savings” and “monetary claims bought” as set forth in the Enforcement Regulations of the Japanese Insurance Business Act)

(i) Trading securities are valued using the market value method. Cost of sales is calculated using the moving average method. For some overseas consolidated subsidiaries, cost of sales is calculated using the first-in first-out method.

(ii) Held-to-maturity securities are valued at amortized cost.

(iii) Valuation of stocks of unconsolidated subsidiaries and associates that are not accounted for under the equity method are valued at cost determined by the moving average method.

(iv) Debt securities and money trusts earmarked for underwriting reserves are valued at amortized cost determined by the moving average method in accordance with Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Debt Securities Earmarked for Underwriting Reserve in the Insurance Industry” (issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).

A summary of the risk management policy for debt securities and money trusts earmarked for underwriting reserves is as follows:

In order to manage risks of variability in interest rates related to assets and liabilities effectively, MSAL, our consolidated subsidiary establishes subgroups of “individual insurance” that meet certain criteria for each type of insurance and investment policy and applies the investment policy and cash allocation policy reflecting their characteristics. In addition, MSAL periodically assesses whether the durations of the debt securities earmarked for underwriting reserves fall within a certain range from those of the underwriting reserves in each subgroup.

In order to manage risks of variability in interest rates related to assets and liabilities effectively, MSPL, our consolidated subsidiary establishes subgroups of “individual insurance and individual annuities” that meet certain criteria for each currency and applies the investment policy and cash allocation policy reflecting their characteristics. In addition, MSPL periodically assesses whether the durations of the debt securities earmarked for underwriting reserves fall within a certain range from those of the underwriting reserves in each subgroup.

Effective from the current fiscal year, MSPL established a new subgroup for a portion of its U.S. dollar-denominated individual insurance and individual annuity contracts in order to enhance its investment methods and ALM (Asset and Liability Management) in line with the investment environment. This change has no impact on the consolidated financial statements.

- (v) Available-for-sale securities (except for stocks and other securities without market prices) are valued using the market value method.

Net unrealized gains and losses are reported as a separate line item of net assets. For foreign currency bonds held by certain consolidated subsidiaries, changes resulting from fair value fluctuations denominated in foreign currency are reported as net unrealized gains and losses in net assets, while remaining changes are reported as foreign exchange gains and losses.

Cost of sales is calculated by the moving average method.

- (vi) Of available-for-sale securities, stocks and other securities without market prices are valued at cost using the moving average method.
- (vii) Securities managed as trust assets held in independently-managed money trusts whose primary purpose is to manage securities are valued using the market value method.

Securities that are managed as trust assets held in independently-managed money trusts that are not classified as held for trading purposes, held-to-maturity, or earmarked for underwriting reserves are valued on the same basis as available-for-sale securities.

(2) Valuation policies and methods of derivative transactions

Derivative transactions are valued using the market value method.

(3) Depreciation methods of significant depreciable assets

- (i) Tangible fixed assets:

Depreciation of tangible fixed assets is computed using the straight-line method.

- (ii) Intangible fixed assets

Amortization of intangible fixed assets is computed using the straight-line method.

Capitalized software for internal use is amortized by the straight-line method over its estimated useful life.

(4) Accounting policies for significant reserves

(i) Bad debt reserve

For domestic consolidated insurance subsidiaries, bad debt reserve is recognized as follows under the internal standards for self-assessment of assets and the policy for write-off and provision.

Bad debt reserve for loans to debtors who are legally or formally deemed to be insolvent due to bankruptcy or special liquidation, or whose notes are under suspension at clearing houses, and for loans to debtors who are deemed to be substantially insolvent, is provided based on the outstanding balance remaining after deducting the resale value of collateral and the amount collectible through guarantees. Bad debt reserve for loans to debtors who are likely to become insolvent in the future is provided based on the outstanding balance remaining after deducting the resale value of collateral, the amount collectible through guarantees and the amount expected to be repaid by the debtors considering their overall ability to pay.

For loans other than those described above, bad debt reserve is calculated by multiplying the outstanding loan balances by the historical bad debt ratio, which is calculated based on actual write-offs during a certain period in the past.

All loans and receivables are assessed by departments which are responsible for the respective assets and the results are audited by the independent internal audit departments under the internal standards for self-assessment of assets, and are provided based on the audit result.

For other domestic consolidated subsidiaries, the necessary amount is established under their internal standards for self-assessment of assets similar to those of the domestic consolidated insurance subsidiaries and based on their audit result.

For overseas consolidated subsidiaries, bad debt reserve is recorded based on the estimated expected credit losses.

(ii) Reserve for retirement benefits for officers

MSI and MSAL, our consolidated subsidiaries, provide a reserve for the payment of retirement benefits (including pensions) to its officers and executive officers in an amount equal to the compensation for the performance of their duties during their tenure of office up to the year ended March 31, 2005, when the said retirement benefits plan for officers was terminated.

(iii) Accrued bonuses for employees

Accrued bonuses for employees are recognized based on the estimated amounts to be paid at the end of the current fiscal year to provide for bonuses for employees and executive officers.

(iv) Provision for share awards

To provide for the delivery of the Company's shares in accordance with the share delivery standards under the stock-based remuneration system for employees, the Company records a reserve based on the estimated amount of share award obligations as of the end of the current fiscal year.

(v) Reserve for price fluctuation

For the domestic consolidated insurance subsidiaries, the reserve for price fluctuation is recognized under the provision of Article 115 of the Insurance Business Act to provide for possible losses arising from price fluctuation of stocks and other securities.

(5) Accounting for retirement benefits

(i) Attribution method of retirement benefits over the service period

In computing retirement benefit obligations, the estimated retirement benefits are attributed to the periods up to the end of the current fiscal year using the plan's benefit formula.

- (ii) Accounting for actuarial gains and losses
Actuarial gains and losses are amortized, commencing from the following fiscal year, using the straight-line method over a certain number of years (primarily 10 to 11 years) that do not exceed the expected average remaining service period of employees at the time of occurrence.

(6) Translation of foreign currency assets and liabilities

Foreign currency monetary assets and liabilities of the Company are translated into Japanese yen using the spot exchange rate prevailing at the fiscal year end. The foreign exchange gains and losses resulting from the translation are recognized as profit or losses. Assets and liabilities of overseas consolidated subsidiaries are translated into Japanese yen using the spot exchange rate prevailing at their respective year ends, income and expenses of overseas consolidated subsidiaries are translated into Japanese yen using the average exchange rate for the year, and differences arising from such translations are included in Foreign currency translation adjustments and Non-controlling interests in Net Assets.

(7) Hedge accounting

Certain domestic consolidated insurance subsidiaries apply the fair value hedge method to equity forward contracts entered into for the purpose of hedging stock price fluctuation risk. Among transactions entered into for the purpose of hedging foreign exchange fluctuation risks associated with assets denominated in foreign currencies, the deferred hedge method is applied to currency swap contracts, the fair value hedge method is applied to certain currency option contracts, and the deferred hedge method, fair value hedge method, or allocation method is applied to certain foreign exchange forward contracts. Currency swap contracts used for hedging currency fluctuation risks on foreign currency bonds issued by MSI are accounted for under the allocation method.

Interest rate swap contracts used for hedging risks of variability in interest rates of loans, bonds and borrowings are accounted for under the deferred hedge method or the exceptional method of interest rate swap contracts.

Interest rate and currency swap contracts used for hedging risks of variability in foreign exchange rates and interest rates on foreign currency borrowings are accounted for under the integrated method (exceptional method and allocation method).

Hedge effectiveness is assured quarterly by comparing cumulative fluctuations in fair value or cash flows of the hedged items and hedging instruments for the periods from the respective start dates of the hedges to the assessment dates, and judged based on their fluctuations and other factors. When the hedged items and hedging instruments are highly and clearly interrelated, when the interest rate swap contracts meet the criteria for application of the exceptional method, or when the interest rate and currency swap contracts meet the criteria for application of the integrated method, hedge effectiveness is not assessed.

(Hedging relationships to which “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” is applied)

Among the above hedging relationships, the exceptional treatment prescribed in the PITF is applied to all hedge relationships included in the scope of application of “Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR” (PITF No. 40, March 17, 2022). The details of the hedging relationships to which the PITF is applied are as follows.

Hedge accounting method:	Deferred hedge accounting
Hedging instruments:	Interest rate swaps
Hedged items:	Floating rate bonds
Type of hedging transaction:	Fixed cash flows

(8) Other important matters for the preparation of consolidated financial statements

(i) Accounting for insurance contracts

At our domestic consolidated insurance subsidiaries, insurance contracts including premiums, outstanding claims, and underwriting reserves are accounted for in compliance with the provisions of the Insurance Business Act and other applicable laws and regulations. At our overseas consolidated insurance subsidiaries, they are accounted for in compliance with either International Financial Reporting Standards (IFRS) or US generally accepted principles based on PITF No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (Accounting Standards Board of Japan, June 28, 2019).

(ii) Accounting for consumption taxes

Consumption taxes received or paid by the Company and its major domestic consolidated subsidiaries are not included in income or expenses, except for those relating to loss adjustment expenses, operating expenses and general and administrative expenses, and other expenses incurred by the domestic consolidated non-life insurance subsidiaries, which are recorded at amounts inclusive of consumption taxes.

Non-deductible consumption taxes on assets are recorded in other assets and amortized over a period of five (5) years on a straight-line basis.

(iii) Application of the group totalization system

The Company and some of its domestic consolidated subsidiaries apply the group totalization system.

5. Amortization of goodwill

Goodwill is amortized over an effective period from 7 to 20 years on a straight-line basis. Insignificant amounts of goodwill are expensed as incurred.

6. Accounting estimates

(1) Impairment losses on goodwill

- (i) Amount recorded in the consolidated financial statements for the current fiscal year
Goodwill of 141,446 million yen was recognized in the consolidated balance sheet for the current fiscal year. In addition, goodwill related to equity method investments of 34,052 million yen was included in investments in securities in the consolidated balance sheet for the current fiscal year.

(ii) Information to facilitate the understanding of accounting estimates

a. Measurement approach

For asset groups including goodwill whose invested amount is not recoverable due to decline of profitability, an impairment loss should be recognized by reflecting its recoverability under certain conditions. More specifically, in accordance with the “Accounting Standard for Impairment of Fixed Assets” (ASBJ Statement, August 9, 2002), the Company monitors any indication of impairment, such as consecutive net losses in the business in which asset groups including goodwill are used and/or a significant deterioration of the business environment, and if there is an indication of impairment, the Company determines whether an impairment loss should be recognized by comparing the total amount of undiscounted future cash flows obtained from the asset groups concerned with the carrying amount. For asset groups on which an impairment loss needs to be recognized, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized for the amount of reduction.

We have estimated the total undiscounted future cash flows based on the business plans of the relevant businesses. The recoverable amount represents present value of

future cash flows expected to be derived from continuing use of the asset groups and from their disposal thereafter and the amount of an impairment loss relies on estimated future cash flows based on reasonable assumptions and projections.

b. Effects on the consolidated financial statements for the fiscal year ending March 31, 2025

An impairment loss may be incurred if the profitability of a business declines as a result of changes in business environment, and estimated future cash flows are significantly decreased.

(2) Outstanding claims

(i) Amount recorded in the consolidated financial statements for the current fiscal year
Outstanding claims of 2,884,811 million yen were recognized in the consolidated balance sheet for the current fiscal year. Of this amount, outstanding claims of non-life insurance business accounted for a substantial portion.

(ii) Information to facilitate the understanding of accounting estimates

In accordance with the provisions set forth in Article 117 of the Japanese Insurance Business Act as well as Articles 72 and 73 of the said Act, domestic consolidated insurance subsidiaries recognize outstanding claims which represent the estimated amount of unpaid claims for the losses that have incurred or deemed to have incurred under insurance contracts. Overseas consolidated insurance subsidiaries apply similar methods for estimating the amount and recording outstanding claims.

a. Measurement approach

For insurance policies for which loss events have been reported, the Group individually recognized expected claims payments for reported claims based on the details of reported loss events, insurance contract terms, and claim investigations. For claims for which a loss event stipulated in the insurance contract has already occurred but the occurrence of a loss event has not yet been reported, the Group recognized expected claims payments based on the estimated ultimate losses determined in consideration of the past experience of claims payments in the previous years.

b. Effects on the consolidated financial statements for the fiscal year ending March 31, 2025

The amounts of insurance claim payments and outstanding claims may differ from their initial estimates due to factors such as development of claim investigations, outcome of litigations, inflation and changes in foreign exchange rates.

7. Changes in accounting policies

(Application of IFRS 9 Financial Instruments)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 9 “Financial Instruments” from the beginning of the current fiscal year, since these entities have already adopted IFRS.

Therefore, the principles for classification and measurement of financial instruments have been changed.

According to the transitional arrangements of IFRS 9, accumulated transitional impacts were adjusted on retained earnings and accumulated other comprehensive income at the beginning of the current fiscal year. As a result, a decrease of 1,448 million yen on retained earnings and an increase of 2,961 million yen of net unrealized gains on securities were recorded at the beginning of the current fiscal year. In addition, an increase of 7,369 million yen was recorded respectively on ordinary profit and income before income taxes for the current fiscal year.

(Application of IFRS 17 Insurance Contracts)

Overseas consolidated subsidiaries and overseas equity method associates have adopted International Financial Reporting Standards (IFRS) 17 “Insurance Contract” from the beginning of the current fiscal year, since these entities have already adopted IFRS. Therefore, policy liabilities are measured by reflecting time value of money, financial risks and non-financial risks related to future cash flows of insurance contracts. The changes in accounting policies were applied retrospectively, and accumulated transitional impacts were adjusted on retained earnings, accumulated other comprehensive income, and non-controlling interests at the beginning of the current fiscal year. As a result, retained earnings at the beginning of the current fiscal year increased by 77,979 million yen, accumulated other comprehensive income (foreign currency translation adjustments and net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.) increased by 3,539 million yen, and non-controlling interests increased by 1,709 million yen.

8. Additional information

(Stock-based remuneration system for employees)

The Company has entered into a stock-based remuneration system for employees (the “system”) of its consolidated subsidiaries Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (the “Participating Companies”).

(1) Overview of the transaction

This system is one under which shares of the Company are delivered to employees of the Participating Companies (“employees”) who satisfy certain requirements through a share delivery trust established by the Company. The number of Company shares to be granted to employees is determined by the number of points awarded based on employee classification, the Group’s performance, and other factors. The trust acquires a substantial number of Company shares expected to be delivered from the stock market in a lump sum, based on funds contributed by the Participating Companies through the Company.

(2) Company shares outstanding in the trusts

The Company’s shares outstanding in the trusts are recorded at the carrying amount (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 4,034 million yen, and the number of shares is 990 thousand.

(Performance-linked and stock-based remuneration system for overseas consolidated subsidiaries)

Some of the overseas consolidated subsidiaries introduced a performance-linked and stock-based remuneration system (the “system”) for employees and officers who satisfy certain requirements.

(1) Overview of the transaction

Under this system, the number of shares to be granted is determined based on the average performance during a certain period of time, and eligible staff receive the Company’s shares or the cash equivalent to the Company’s shares converted at fair value.

In preparing for future benefits, the Company acquires its own shares from the stock market by the trusts that have been set up using the cash contributed by subsidiaries that implemented the system.

(2) Company shares outstanding in the trusts

The Company’s shares outstanding in the trusts are recorded at the carrying amount (excluding the amount for incidental expenses) as treasury stock in the net assets. The

carrying amount of this treasury stock at the end of the current fiscal year is 1,950 million yen, and the number of shares is 562 thousand.

(Notes to Consolidated Balance Sheet)

1. The amount of accumulated depreciation is 442,279 million yen, and the amount of accelerated depreciation of tangible fixed assets is 11,515 million yen.
2. The carrying amounts of equity investments in unconsolidated subsidiaries and associates are as follows:

	(Yen in millions)
Investments in securities (Domestic stocks)	41,550
Investments in securities (Foreign securities)	331,389
Investments in securities (Other securities)	31,090

3. Among the loans in accordance with Insurance Business Act, the amounts of bankrupt and quasi-bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans, and sum of those amounts are as follows:

- (1) The amount for bankrupt and quasi-bankrupt loans was 35 million yen.

Bankrupt and quasi-bankrupt loans are claims to debtors that went bankrupt due to reasons including the initiation of bankruptcy proceedings, the start of reorganization proceedings, and the submission of an application to start rehabilitation proceedings.

- (2) The amount for doubtful loans was 37 million yen.

Doubtful loans are claims with a strong possibility that the loan principal cannot be recovered and/or the interest cannot be received according to the contract due to difficulties in the financial condition and business performance of the debtor, even though the debtor is not yet bankrupt. These loans are excluded from bankrupt and quasi-bankrupt loans.

- (3) The amount for loans overdue for three months or more was 96 million yen.

Loans overdue for three months or more represent those of which the principal or interest has been past due for three months or more after the contractual due date for repayments of the principal or interest. Bankrupt and quasi-bankrupt loans and doubtful loans are excluded from this category.

- (4) The amount for restructured loans was 163 million yen.

Restructured loans represent those which have been granted favorable terms for the benefit of the debtors, such as interest exemption or reduction, a grace period for interest payments, a grace period for principal repayments or forgiveness of debts for the purpose of the restructuring of, or support to the debtors in financial difficulty. Bankrupt and quasi-bankrupt loans, doubtful loans, and loans overdue for three months or more are excluded from this category.

- (5) The amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans totaled 332 million yen.

4. Pledged assets as collateral are 821,980 million yen in securities, 51,705 million yen in cash, deposits and savings, and 3,119 million yen in money trusts. The amounts shown above primarily consist of collateral assets required for payables under repurchase agreements of 235,480 million yen included in Other liabilities, for international operations and for Real Time Gross Settlement of the current account with the Bank of Japan.
5. Securities include 753,146 million yen loaned under securities lending agreements.
6. The amount of assets and liabilities in separate accounts under Article 118 of the Insurance Business Act is 1,499,828 million yen.
7. MSI provides guarantees on transactions conducted by a limited partnership entity. Aggregate net present value of these transactions was 41,148 million yen in a negative liability position as of March 31, 2024. This amount was not included in Customers' liabilities under acceptances and guarantees since there was no substantial exposure.
8. The unutilized balance of commitment lines to third parties is 11,201 million yen.
9. The information on financial instruments is as follows:

(1) Qualitative information on financial instruments

(i) Policy on financial instruments

The Group applies Asset and Liability Management (ALM) policies to maintain stability of investment income, safety of assets and sufficient liquidity under an appropriate risk management framework to attain the sustainable growth of the net asset value. In addition, the Group acquires investment risks such as market risk and credit risk based on the management decision, and manages those risks in accordance with the risk management policies of the Group and each group company. The Group's cash inflows, which mainly arise from earnings from insurance operations and investment activities, are affected by changes in external environment such as occurrences of natural disasters and changes in financial market conditions. In order to enhance capital efficiency and strengthen our financial base for better dealing with various environments, the Group will raise funds by issuing corporate bonds or short-term corporate bonds or by using other financing methods as the need arises.

(ii) Details of financial instruments and associated risks

The Group's financial assets mainly consist of securities including domestic bonds, domestic stocks and foreign securities, as well as loans and other financial instruments. These include market risk from fluctuations in interest rates, stock prices, and foreign exchange rates, credit risk of issuers of securities and counterparties to loans, and market liquidity risk of incurring losses when forced to trade at significantly low prices due to market turmoil or other adverse conditions. The Group utilizes derivative transactions represented by interest rate swaps, interest rate options, bond future contracts, equity index future contracts, equity forward contracts, foreign exchange forward contracts, currency swaps, currency options, and interest rate and currency swaps for the purpose of hedging risks such as fluctuations in interest rates, stock prices and foreign exchange rates. In addition to the above derivative transactions, the Group utilizes credit derivatives, weather derivatives, and natural catastrophe derivatives in order to generate investment returns with consideration given to the associated risks.

For details of derivative transactions to which hedge accounting is applied, please refer to "Significant Accounting Policies, 4. Accounting policies, (7) Hedge accounting."

Derivative transactions involve risks associated with fluctuations in fair value of derivative financial instruments (market risk), risks of nonperformance resulting from insolvency of counterparties (credit risk), and market liquidity risk. Derivative transactions utilized by the Group are also exposed to these risks. However, the market risk is mitigated for hedging purposes because the price fluctuations are opposite to those of the cash assets. In order to mitigate the credit risk associated with nonperformance of contracts, the majority of derivative transaction counterparties are limited to financial institutions with high credit ratings and transactions are diversified among them, and collateral is obtained based on Credit Support Annex (CSA).

(iii) Risk management structure relating to financial instruments

The Group has established the basic policy for risk management and internal policies for asset management risks, which stipulate the definition of risks and management method at the Board of Directors' meeting and other meetings, and the Group manages risks in accordance with this basic policy and internal policies. At major domestic consolidated insurance subsidiaries, the risk management department is independent from the trading execution departments and the back-office departments and maintains a structure which enables it to exercise organizational checks and balances of management on a daily basis. The risk management department maintains a system to assess, analyze and manage risks by quantifying market and credit risks using the VaR (Value-at-Risk) and managing risk limit based on asset and liability position, and regularly reports the results to the Board of Directors.

a. Market risk management

The Group maintains and operates a risk management structure taking into account the characteristics of each financial instrument in accordance with its internal policies for market risk management. In addition to monitoring of risk amount by quantifying risks using the VaR method as described above, major domestic consolidated insurance subsidiaries assess potential risks that cannot be identified using the VaR method, analyze sensitivity of changes in interest rates, stock prices and foreign exchange rates and assess concentration and weakness of portfolios.

b. Credit risk management

The Group maintains and operates a risk management structure in accordance with its internal policies for credit risk management. Major domestic consolidated insurance subsidiaries manage credit risk of issuers of securities and derivative counterparties at the trading and risk management departments by regularly monitoring the credit information and fair values. For loans at MSI, ADI and MSPL, the trading and risk management departments maintain a credit risk management structure through credit screening, setting internal credit ratings and credit limits, managing credit information, requiring collaterals and guarantees where necessary, and resolving delinquent loans on an individual loan basis.

c. Liquidity risk management

The Group maintains and operates a funding and market liquidity risk management structure in accordance with internal policies for liquidity risk management. The Group classifies its funding management situation into normal times and crisis times according to the tightness of funding availability, and manages and operates its funds with the utmost consideration given to liquidity according to the situation. The Group is also working to diversify its funding sources in order to secure and maintain sufficient liquidity in a variety of environments. The Group manages funding liquidity risks by holding a sufficient amount of cash, savings and deposits, and highly liquid securities such as government bonds, and regularly monitoring their aggregate amounts in case of unexpected events like catastrophes and the deterioration of funding liquidity arising from turmoil in the financial markets.

(iv) Supplementary explanation of matters relating to the fair value of financial instruments and other information

In determining fair value of financial instruments, certain assumptions and methods are used, thus the fair value may differ if alternative assumptions are applied.

(2) Fair value of financial instruments and breakdown by level of fair value

The carrying amounts on the consolidated balance sheets and the fair values, and each level of fair values of financial instruments as of March 31, 2024 are as follows.

Stocks and other securities without market prices and investments in partnerships, etc. are not included in the following table (see Note 3). The fair value of financial instruments is categorized into the following three levels based on the observability and significance of the inputs used to measure fair value.

Level 1: Fair value measured using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs

Level 3: Fair value measured using significant unobservable inputs

When multiple inputs have significant effects on the fair value measurement, that fair value is categorized within the lowest priority level of fair value measurement among the levels where those inputs belong.

(i) Financial assets and financial liabilities measured at fair value on the consolidated balance sheet

(Yen in millions)

Category	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	165,289	2,121	167,411
Money trusts	-	1,647,700	772,469	2,420,170
Investments in securities				
Trading securities				
Domestic bonds	23,435	1,771	-	25,207
Domestic stocks	22	-	-	22
Foreign securities	413,060	352,793	127,916	893,769
Others	12,596	1,486,789	-	1,499,385
Available-for-sale securities				
Domestic bonds	1,378,009	1,201,047	-	2,579,056
Domestic stocks	3,607,415	-	-	3,607,415
Foreign securities	1,122,627	3,464,588	395,608	4,982,823
Others	59,467	170,142	17,255	246,865
Derivative transactions (*1)				
Currency	-	13,445	-	13,445
Interest rate	103	24,248	277	24,629
Stock	132	191	-	324
Bond	6,807	-	-	6,807
Credit	-	533	842	1,376
Others	-	-	686	686
Total assets	6,623,676	8,528,541	1,317,177	16,469,396
Derivative transactions (*1)				
Currency	-	42,287	-	42,287
Interest rate	99	28,428	266	28,793
Stock	2,842	1,257	-	4,100
Bond	4,474	-	-	4,474
Credit	-	2,556	842	3,398
Others	-	-	752	752
Total liabilities	7,416	74,529	1,861	83,807

(*1) The carrying amounts of derivative transactions applying hedge accounting are 671 million yen as an asset and 23,043 million yen as a liability.

(ii) Financial assets and financial liabilities that are not measured at fair value on the consolidated balance sheet

Cash, deposits and savings are not included in the notes as they are mostly short-term (within one year), and their fair value approximate their carrying amounts.

(Yen in millions)

Category	Fair value				Carrying amount	Difference
	Level 1	Level 2	Level 3	Total		
Monetary claims bought	-	16,788	-	16,788	16,788	-
Investments in securities						
Held-to-maturity securities						
Domestic bonds	1,230,059	119,546	-	1,349,606	1,349,827	(221)
Foreign securities	-	4,735	-	4,735	4,593	142
Debt securities earmarked for underwriting reserves						
Domestic bonds	1,367,117	109,727	-	1,476,845	1,960,400	(483,555)
Foreign securities	18,013	397,440	-	415,453	424,145	(8,691)
Shares of associates	210,799	5,020	-	215,820	88,303	127,516
Loans					970,148	
Bad debt reserve (*1)					(343)	
	-	264,403	698,624	963,028	969,804	(6,776)
Total assets	2,825,990	917,663	698,624	4,442,277	4,813,864	(371,586)
Bonds issued	-	612,824	98,288	711,112	715,045	(3,932)
Total liabilities	-	612,824	98,288	711,112	715,045	(3,932)

(*1) Bad debt reserve for loans is deducted from the carrying amount.

(Note 1) Description of the valuation techniques and inputs used to measure fair value

Assets

Monetary claims bought

With regard to commercial papers (CP), the price quoted by financial institutions is deemed the fair value. In part, the fair value approximates the carrying amount and is therefore stated at that carrying amount. With regard to Monetary claims bought other than CP, the price quoted by financial institutions is deemed the fair value. These are mainly categorized within Level 2.

Money trusts

With regard to money trusts, the price quoted by trustees is deemed the fair value. These are categorized within Level 2 or Level 3 based on the level of components of trust assets.

Investments in securities

Those with unadjusted quoted prices available in active markets, mainly including listed stocks, government bonds, and listed investment trusts are categorized within Level 1. Those with published quoted prices but are in inactive markets, mainly including municipal bonds and corporate bonds, are categorized within Level 2. Unlisted investment trusts are based on the net asset value or similar value provided by the trust management company, and are classified as Level 2 or Level 3 mainly based on the level of components in the trust assets.

Loans

For floating rate loans, the carrying amount is used as fair value since the carrying amounts approximate the fair value contingent on no significant changes in the credit conditions of the debtor and because the floating rates on the loans reflect market interest rates over short periods of time. For fixed rate loans, the present value is calculated by discounting the future

cash flows by the interest rate obtained by adding a credit spread to an appropriate index, such as yields on government bonds, for each loan type, term, and credit rating. The fair value of certain personal loans is determined at the net present value of the estimated future cash flows discounted at interest rates applicable to the same type of new loans. For some loans, the price provided by counterparty financial institutions is deemed the fair value.

The carrying amount is used as the fair value of policy loans, which do not have contractual maturities, as the loan amount is limited to the surrender value, and the carrying amount approximates the fair value, considering their estimated repayment periods and interest rates. For loans to bankrupt debtors, substantially bankrupt debtors, and potentially bankrupt debtors, the estimated bad debts are calculated based on the present value of estimated future cash flows or the amount expected to be collected through collateral and guarantees.

Consequently, the fair value approximates the consolidated balance sheet amount less the current estimated bad debts, and this amount is used as the fair value.

These are mainly categorized within Level 3. Some loans on which the effect of unobservable inputs is insignificant are categorized within Level 2.

Liabilities

Bonds issued

With regard to Bonds issued, the fair value is determined based on “Reference Statistical Prices for OTC Bond Transactions” published by the Japan Securities Dealers Association (JSDA) or prices quoted by counterparty financial institutions. Those based on “Reference Statistical Prices for OTC Bond Transactions” published by JSDA are categorized within Level 2, and those based on prices quoted by counterparty financial institutions are categorized within Level 3.

Derivative transactions

With regard to market transactions, the fair value is determined based on the closing prices at exchanges. With regard to transactions other than market transactions, the fair value is determined based on prices quoted by counterparty financial institutions or prices calculated by the valuation model using inputs such as interest, exchange rates, volatility, etc.

The market transactions are mainly categorized within Level 1. The transactions other than market transactions using significant unobservable inputs are categorized within Level 3, and the other transactions are categorized within Level 2.

(Note 2) Financial assets and financial liabilities measured at fair value on the consolidated balance sheet and categorized within Level 3

The Level 3 fair value mostly comprises instruments with prices obtained from third parties and used unadjusted. Accordingly, notes such as quantitative information on significant unobservable inputs used to measure fair value are omitted.

(1) Reconciliation from beginning balance to ending balance, and net evaluation gains/losses recognized in profit or loss for the current fiscal year

(Yen in millions)

Category	Beginning balance	Recorded in profit or loss for the current fiscal year (*1)	Recorded in other comprehensive income	Changes due to purchases, issues and sales, and settlements	Transfer to Level 3 fair value (*2) (*3)	Transfer from Level 3 fair value (*2) (*4)	Ending balance	Net evaluation gains/losses recorded in profit or loss on financial assets and financial liabilities held at the consolidated balance sheet date (*1)
Monetary claims bought	3,091	0	(47)	(922)	-	-	2,121	-
Money trusts	586,170	81,466	21,951	82,882	-	-	772,469	43,781
Investments in securities								
Trading securities	122,621	(5,917)	11,708	(496)	-	-	127,916	10,077
Available-for-sale securities	306,582	8,054	49,856	49,714	1,000	(2,344)	412,863	-
Total assets	1,018,465	83,603	83,468	131,177	1,000	(2,344)	1,315,371	53,859
Derivative transactions (*5)	112	1,042	0	(1,209)	-	-	(55)	260

(*1) Included in "Investment income" and "Investment expenses" of the consolidated statement of income.

(*2) Transfers between levels are made on the end of each quarter.

(*3) Transfer from Level 2 to Level 3 due to the fact that observable inputs are no longer available for domestic corporate bonds.

(*4) Transfer from Level 3 to Level 2 due to the availability of observable inputs for domestic and foreign corporate bonds.

(*5) Derivative transactions included in Other assets and Other liabilities are presented together.

Receivables and payables as well as gains and losses arising from derivative transactions are presented on a net basis, and items that result in a net payable or a net loss are shown in parentheses.

(2) Descriptions of the valuation process of fair value

The Group stipulates policies and procedures on the fair value measurement and measures fair value at departments that are independent from those who carry out transactions of financial instruments. With regard to the measured fair value, the appropriateness of the inputs and valuation techniques used to measure fair value are verified. When using quoted prices obtained from third parties as fair value, the appropriateness is verified by suitable methods such as checking the inputs and valuation techniques used and comparison with the fair value of similar financial instruments.

(Note 3) The carrying amounts of stocks and other securities without market prices and investments in partnerships, etc. are as follows, and are not included in “Investments in securities” in “Fair value of financial instruments and breakdown by level of fair value” above.

(Yen in millions)

	Carrying amount
Stocks and other securities without market prices (*1)	417,651
Investments in partnerships, etc. (*2)	87,201
Total	504,852

(*1) Stocks and other securities without market prices include unlisted stocks, etc., and are not subject to fair value disclosure in accordance with Paragraph 5 of ASBJ Guidance No. 19 “Guidance on Disclosures about Fair Value of Financial Instruments.”

(*2) Investments in partnerships, etc. are not subject to fair value disclosure, in accordance with Paragraph 24-16 of ASBJ Guidance No. 31 “Revised Implementation Guidance on Accounting Standard for Fair Value Measurement.”

10. The information on investment properties is as follows:

(1) Qualitative information on investment properties

Certain consolidated subsidiaries own rental office buildings and other properties in Tokyo and other areas.

(2) The information on investment properties is as follows:

(Yen in millions)

Carrying amount	Fair value at the end of the current fiscal year
75,957	130,148

(Notes)

(1) The carrying amount represents the acquisition cost less accumulated depreciation.

(2) Fair value is primarily determined based on the appraisal values provided by qualified external appraisers. With respect to the properties with no substantial changes in their appraisal values or indices that were considered to appropriately reflect market prices since most recent appraisal dates, the fair value is determined based on these appraisal values or the values adjusted by the relevant indices.

11. The information on business combination is as follows:

(Additional information)

The conditional acquisition consideration for the business combination when MSI, a consolidated subsidiary, acquired First Capital Insurance Limited on December 28, 2017, was under an agreement to increase or decrease the amount of certain insurance liabilities of the acquired company as of the date of the business combination, depending on the results of re-measurement of such liabilities at a future date. As additional payment of the acquisition consideration became certain in the current fiscal year, the consideration paid is additionally recognized as acquisition cost and goodwill is additionally recognized. The goodwill to be additionally recognized is calculated as if it had been recognized as of the date of the business combination.

(1) Acquisition cost that is additionally recognized: 12,171 million yen

(2) Amount of goodwill that is additionally recognized, goodwill amortization amount, amortization method, and amortization period

Amount of goodwill that is additionally recognized: 12,171 million yen

Goodwill amortization amount: 3,428 million yen

Amortization method and amortization period: Amortized on a straight-line basis over a period of twenty (20) years

12. The amount of net assets per share is 2,817.0 yen. The amounts deducted from total net assets as the basis of calculation are 391 million yen for stock acquisition rights and 46,378 million yen for non-controlling interests, and the number of shares of common stock at the end of the fiscal year was 1,585,651 thousand shares.

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of the current fiscal year.

13. Events that occurred after the end of the current fiscal year and that will have a material impact on assets or profit/loss in the fiscal year ending March 31, 2025 and thereafter are as follows.

(Stock split)

In accordance with the resolution at the Board of Directors meeting held on February 29, 2024, the Company conducted a stock split and partially amended its Articles of Incorporation in connection with the stock split, effective April 1, 2024.

(1) Purpose of stock split

The purpose of the stock split is to create a more investment-friendly environment and expand the investor base by lowering the amount per investment unit of the Company's shares.

(2) Overview of stock split

(i) Method of stock split

The Company split each share of common stock held by shareholders of record as of March 31, 2024 at a ratio of 3 shares for each share of common stock held.

(ii) Number of shares to be increased by the split

Total number of shares issued before the stock split: 536,071,400 shares

Increase in number of issued shares resulting from this stock split: 1,072,142,800 shares

Total number of shares issued after the stock split: 1,608,214,200 shares

Total number of issuable shares after the stock split: 2,700,000,000 shares

(iii) Schedule of stock split

Date of public notice of the date of record: March 15, 2024

Date of record: March 31, 2024

Effective date: April 1, 2024

(3) Effect on per share information

The effect on per share information is explained in the relevant section.

(4) Partial amendments to Articles of Incorporation due to stock split

(i) Reason for amendments

In accordance with the above stock split, the Company has partially amended its Articles of Incorporation with an effective date of April 1, 2024, pursuant to Article 184, Paragraph 2 of the Companies Act.

(ii) Details of the amendments to the Articles of Incorporation

(Amendments are underlined.)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares)	(Total Number of Authorized Shares)
Article 6: The total number of authorized shares of the Company shall be <u>900,000,000</u> .	Article 6: The total number of authorized shares of the Company shall be <u>2,700,000,000</u> .

14. Any amounts less than the stated unit are rounded down.

(Notes to Consolidated Statement of Income)

1. Life insurance premiums are presented at an amount of insurance premiums revenue less cash surrender value or withdrawals (“surrender benefits”) and reinsurance premiums paid. Major components of life insurance are as follows:

	(Yen in millions)
Insurance premiums revenue	1,850,145
Surrender benefits and reinsurance premiums paid	(1,114,895)
Life insurance premiums	735,249

2. Other underwriting income includes 12,998 million yen of income on financial derivatives related to derivative transactions for the purpose of mitigating foreign exchange risks related to reinsurance transactions denominated in foreign currencies.
3. Other investment income includes foreign exchange gains of 192,977 million yen.
4. Major components of business expenses are as follows:

Commission expenses	806,516 million yen
Salaries	320,956 million yen

Note that business expenses are the sum of loss adjustment expenses, operating, general and administrative expenses, and commissions and collection expenses in the consolidated statements of income.

5. In the current fiscal year, impairment losses recognized on fixed assets are as follows:

			(Yen in millions)		
Use	Category	Description	Impairment losses on fixed assets		
				Breakdown	
Investment properties	Buildings	3 properties, including an office building in Aichi	27	Buildings	27
Idle real estate and real estate for sale	Land and buildings	27 properties, including an office building in Okayama	3,512	Land	1,264
-	Software	Software owned by overseas consolidated subsidiaries	2,568	Buildings	2,248
-	Software	Software owned by overseas consolidated subsidiaries	2,568	Software	2,568
-	Goodwill and intangible fixed assets	MGA business in the U.S., which mainly handles insurance products for carriers	5,730	Goodwill	3,967
				Other intangible fixed assets	1,762

Fixed assets used for the insurance business operations are grouped by each company. Other assets such as investment properties, idle real estate and real estate for sale are grouped on an individual basis.

The carrying amount of investment properties, idle real estate, and real estate for sale were reduced to their recoverable amounts due to the fact that they were scheduled to be sold, and the amount of the reduction was recorded as an impairment loss on fixed assets under extraordinary losses. The recoverable amount of the assets concerned is measured at their net sales value. The net sales value is calculated based on the appraisal value provided by qualified appraisers.

For software owned by overseas consolidated subsidiaries, the portion that is not expected to be used in the future was recorded as an impairment loss on fixed assets under extraordinary losses.

For goodwill related to the MGA (Note) business in the United States, which mainly handles insurance products for carriers, the carrying amount was reduced to the recoverable amount because the profitability of the business has declined from the assumptions at the time of acquisition, and the amount of the reduction was recorded as an impairment loss on fixed assets under extraordinary losses. The recoverable amount of such assets was determined as their value in use, which was calculated by discounting future cash flows at a rate of 22.9%.

(Note) An agent authorized by an insurance company to underwrite insurance and to certify and assess damage amount, in addition to insurance solicitation.

6. Net income per share is 231.83 yen, and diluted net income per share is 231.77 yen. Net income attributable to owners of the parent, which is the basis for the calculation, is 369,266 million yen, all of which is attributable to common stock. The average number of shares of common stock during the period is 1,592,825 thousand shares, and the increase in the number of shares of common stock, which was used for the calculation of diluted net income per share, is 364 thousand shares.

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. Net income per share and diluted net income per share are calculated on the assumption that the stock split was conducted at the beginning of the current fiscal year.

7. Any amounts less than the stated unit are rounded down.

(Notes to Consolidated Statement of Changes in Net Assets)

1. Type and number of issued stock and treasury stock

(In thousands of shares)

	Beginning balance	Increase	Decrease	Ending balance
Shares issued				
Common stock	535,967	104	-	536,071
Total	535,967	104	-	536,071
Treasury stock				
Common stock	1,698	5,969	147	7,521
Total	1,698	5,969	147	7,521

(Notes)

1. The increase of 104 thousand shares in the total number of common stock shares issued is attributable to the issuance of restricted stock.
2. The number of treasury stock at the beginning and the end of the current fiscal year includes 1,430 thousand and 1,552 thousand shares, respectively, of the Company shares held in the trust established under the stock-based remuneration system.
3. The increase in the number of treasury stock during the year was 5,969 thousand shares, as a result of an increase of 5,736 thousand shares from market purchases, an increase of 218 thousand shares from purchases by the trust established under the stock-based remuneration system, and an increase of 15 thousand shares from repurchases of fractional stock.
4. The decrease in the number of treasury stock was 147 thousand shares as a result of a decrease of 96 thousand shares from the sale of the trust established under the stock-based remuneration system, a decrease of 50 thousand shares due to exercise of stock acquisition rights, and a decrease of 0 thousand shares due to sales of fractional stock.
5. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024, but the above figures are based on the number of shares prior to the stock split.

2. Stock acquisition rights

(Yen in millions)

Category	Breakdown	Ending balance
The Company	Stock acquisition rights as stock options	391
Total		391

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Aggregate amount of dividends (Yen in millions)	Dividends per share (in Yen)	Date of record	Effective date
June 26, 2023 Annual Shareholders Meeting	Common stock	53,569	100	March 31, 2023	June 27, 2023
November 17, 2023 Board of Directors Meeting	Common stock	63,832	120	September 30, 2023	December 4, 2023

(Notes)

1. The total amount of dividends in accordance with a resolution passed at the June 26, 2023 Annual Shareholders Meeting includes dividends of 143 million yen for the Company shares held by the trust established under the stock-based remuneration system.
2. The total amount of dividends in accordance with a resolution passed at the November 17, 2023 Board of Directors meeting includes dividends of 196 million yen for the Company shares held by the trust established under the stock-based remuneration system.

3. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024, and the dividends per share is the amount prior to the stock split.
- (2) Dividends declared effective after March 31, 2024 for which the date of record is in the current fiscal year

Resolution	Type of shares	Aggregate amount of dividends (Yen in millions)	Source of dividends	Dividends per share (in Yen)	Date of record	Effective date
June 24, 2024 Annual Shareholders Meeting	Common stock	79,515	Retained earnings	150	March 31, 2024	June 25, 2024

(Notes)

- The total amount of dividends in accordance with a resolution to be passed at the June 24, 2024 Annual Shareholders Meeting includes dividends of 232 million yen for the Company shares held by the trust established under the stock-based remuneration system.
 - The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024, and the dividends per share is the amount prior to the stock split.
4. Any amounts less than the stated unit are rounded down.

FY2023 NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2024)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	55,175	Current liabilities	4,896
Cash and deposits	17,716	Accounts payable	1,470
Deposits paid to subsidiaries and associates	5,521	Accrued expenses	719
Prepaid expenses	13	Accrued income taxes	234
Income taxes receivable	20,634	Accrued consumption taxes	75
Other	11,290	Deposits received	16
		Unearned revenue	26
Fixed assets	1,651,049	Accrued bonuses for employees	510
Tangible fixed assets	206	Other	1,842
Buildings	182		
Tools, furniture and fixtures	24	Non-current liabilities	306,788
		Bonds issued	299,900
Intangible fixed assets	575	Asset retirement obligations	242
Software	575	Deferred tax liabilities	4,136
		Other	2,509
Investments and other assets	1,650,267		
Investment securities	154,950	Total liabilities	311,684
Shares of subsidiaries and associates	1,429,452		
Investments in capital of subsidiaries and associates	65,864	(Net Assets)	
Other	0	Shareholders' equity	1,382,659
		Common stock	101,076
		Capital surplus	872,110
		Additional paid-in capital	730,331
		Other capital surplus	141,779
		Retained earnings	444,363
		Other retained earnings	444,363
		Retained earnings carried forward	444,363
		Treasury stock	(34,891)
		Valuation and translation adjustments	11,489
		Net unrealized gains/(losses) on securities	11,489
		Stock acquisition rights	391
		Total net assets	1,394,540
Total assets	1,706,225	Total liabilities and net assets	1,706,225

FY2023 NON-CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2023 to: March 31, 2024)

(Yen in millions)

Item	Amount	
Operating income		
Dividends from subsidiaries and associates	151,295	
Commissions from subsidiaries and associates	111	151,407
Operating expenses		
Sales and general administrative expenses	12,605	12,605
Operating profit		138,801
Non-operating income		
Dividends income	13,278	
Gains on forfeiture of unclaimed dividends	88	
Other	177	13,544
Non-operating expenses		
Interest on bonds	3,620	
Other	242	3,863
Ordinary profit		148,482
Income before income taxes		148,482
Income taxes – current	(8,506)	
Income taxes – deferred	10,877	2,371
Net income		146,111

FY2023 NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2023 to: March 31, 2024)

(Yen in millions)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings		Treasury stock	Total Shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Beginning balance	100,808	730,064	141,805	871,870	415,655	415,655	(5,001)	1,383,332
Changes for the year								
Issuance of new shares	267	267		267				534
Dividends paid					(117,402)	(117,402)		(117,402)
Net income					146,111	146,111		146,111
Repurchase of treasury stock							(30,085)	(30,085)
Disposal of treasury stock			(26)	(26)			196	169
Net changes of items other than shareholders' equity								
Total changes for the year	267	267	(26)	240	28,708	28,708	(29,889)	(673)
Ending balance	101,076	730,331	141,779	872,110	444,363	444,363	(34,891)	1,382,659

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized gains/(losses) on securities	Total valuation and translation adjustments		
Beginning balance	(4,144)	(4,144)	558	1,379,746
Changes for the year				
Issuance of new shares				534
Dividends paid				(117,402)
Net income				146,111
Repurchase of treasury stock				(30,085)
Disposal of treasury stock				169
Net changes of items other than shareholders' equity	15,634	15,634	(167)	15,467
Total changes for the year	15,634	15,634	(167)	14,794
Ending balance	11,489	11,489	391	1,394,540

NON-CONSOLIDATED EXPLANATORY NOTES

(Notes on Significant Accounting Policies)

1. Valuation policies and methods of valuation of assets

- (1) Valuation of shares of subsidiaries and associates are valued at cost determined by the moving average method.
- (2) Available-for-sale securities (except for stocks and other securities without market prices) are valued using the market value method.
Net unrealized gains and losses are reported as a separate line item of net assets. Cost of sales is calculated by the moving average method.
- (3) Of available-for-sale securities, stocks and other securities without market prices are valued at cost using the moving average method.
- (4) Derivatives are valued using the market value method.

2. Depreciation methods of tangible fixed assets

Depreciation of tangible fixed assets is computed using the straight-line method.

Useful lives for major tangible fixed assets are as follows:

Buildings:	7 to 38 years
Furniture and Fixtures:	2 to 15 years

3. Amortization methods of intangible fixed assets

Capitalized software for internal use is amortized by the straight-line method over its estimated useful life (5 years).

4. Accounting policies for reserves

Accrued bonuses for employees are determined based on the estimated amounts to be paid at the end of the current fiscal year to provide for bonuses for employees and executive officers.

5. Hedge accounting

Foreign exchange forward contracts used for hedging risks of variability in foreign exchange rates on foreign currency assets are accounted for under the deferred hedge method or the allocation method. Since it is clear that there is a high correlation between the hedged items and the hedging instruments, judgement regarding the hedge effectiveness is omitted.

6. Other important matters for the preparation of financial statements

The Company applies the Group Tax Sharing System.

7. Additional information

(Stock-based remuneration system for employees)

The Company has entered into a stock-based remuneration system for employees (the “system”) of its subsidiaries Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (the “Participating Companies”).

(1) Overview of the transaction

This system is one under which shares of the Company are delivered to employees of the Participating Companies (“employees”) who satisfy certain requirements through a share delivery trust established by the Company. The number of Company shares to be granted to employees is determined by the number of points awarded based on employee classification, the Group’s performance, and other factors. The trust acquires a substantial

number of Company shares expected to be delivered from the stock market in a lump sum, based on funds contributed by the Participating Companies through the Company.

(2) Company shares outstanding in the trusts

The Company's shares outstanding in the trusts are recorded at the carrying amount (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 4,034 million yen, and the number of shares is 990 thousand.

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024, but the above figures are based on the number of shares prior to the stock split.

(Notes to Balance Sheet)

1. Amount of accumulated depreciation of tangible fixed assets: 634 million yen

2. Amounts receivable from and payable to subsidiaries and associates

Short-term receivables	16,477 million yen
Short-term payable	797 million yen
Long-term payable	223,941 million yen

(Notes to Statement of Income)

Volume of transactions with subsidiaries and associates

Volume of operating transactions

Operating income	151,407 million yen
Operating expenses	1,273 million yen

Volume in non-operating transactions 2,660 million yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury stock as of March 31, 2024

Common stock: 6,958,606 shares

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024, but the above figures are based on the number of shares prior to the stock split.

(Notes on Tax Effect Accounting)

1. Breakdown of deferred tax assets and deferred tax liabilities by major category of cause

(Yen in millions)

Deferred tax assets	
Shares of subsidiaries and associates	6,109
Carryforward of unused tax losses	3,464
Software	582
Deferred assets	186
Other	361
<hr/>	
Subtotal: deferred tax assets	10,704
Valuation allowance for carryforward of unused tax losses	(3,464)
Valuation allowance for total deductible temporary differences	(6,310)
<hr/>	
Subtotal: valuation allowance	(9,774)
<hr/>	
Total deferred tax assets	929
Deferred tax liabilities	
Net unrealized gains/(losses) on securities	(5,066)
<hr/>	
Total deferred tax liabilities	(5,066)
<hr/>	
Net amount of deferred tax liabilities	(4,136)

2. Accounting for corporate and local income taxes or tax-effect accounting related to these taxes

The Company has adopted the Group Tax Sharing System, and conducts accounting treatment and disclosure of corporate and local income taxes and tax-effect accounting in accordance “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Issues Task Force (PITF) No. 42, August 12, 2021).

(Notes on Related-Party Transactions)

Category	Company name	Voting rights percentage (owned)	Relationship with related party	Nature of transaction	Amount of transaction (Yen in millions)	Item	Ending balance (Yen in millions)
Subsidiary	Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Ownership Direct 100.0%	Business Management, etc.	Issuance of corporate bonds (Note)	-	Bonds issued	214,900

Terms and conditions for transactions and the policy for determination thereof

(Note) Interest rates of bonds issued are reasonably determined in consideration of market interest rates.

(Notes on Per Share Information)

Net assets per share 878.29 yen

Net income per share 91.62 yen

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. Net assets per share and net income per share are calculated on the assumption that the stock split was conducted at the beginning of the current fiscal year.

(Notes on Significant Subsequent Events)

(Stock split)

In accordance with the resolution at the Board of Directors meeting held on February 29, 2024, the Company conducted a stock split and partially amended its Articles of Incorporation in connection with the stock split, effective April 1, 2024.

(1) Purpose of stock split

The purpose of the stock split is to create a more investment-friendly environment and expand the investor base by lowering the amount per investment unit of the Company's shares.

(2) Overview of stock split

(i) Method of stock split

The Company split each share of common stock held by shareholders of record as of March 31, 2024 at a ratio of 3 shares for each share of common stock held.

(ii) Number of shares to be increased by the split

Total number of shares issued before the stock split	536,071,400 shares
Increase in number of issued shares resulting from this stock split	1,072,142,800 shares
Total number of shares issued after the stock split	1,608,214,200 shares
Total number of authorized shares after the stock split	2,700,000,000 shares

(iii) Schedule of stock split

Date of public notice of the date of record	March 15, 2024
Date of record	March 31, 2024
Effective date	April 1, 2024

(3) Effect on per share information

The effect on per share information is explained in the relevant section.

(4) Partial amendments to Articles of Incorporation due to stock split

(i) Reason for amendments

In accordance with the above stock split, the Company has partially amended its Articles of Incorporation with an effective date of April 1, 2024, pursuant to Article 184, Paragraph 2 of the Companies Act.

(ii) Details of the amendments to the Articles of Incorporation

(Amendments are underlined.)

Current Articles of Incorporation	Amended Articles of Incorporation
(Total Number of Authorized Shares) Article 6: The total number of authorized shares of the Company shall be <u>900,000,000</u> .	(Total Number of Authorized Shares) Article 6: The total number of authorized shares of the Company shall be <u>2,700,000,000</u> .

(Note) Any amounts less than the stated unit are rounded down.

Audit Report by Accounting Auditor concerning Consolidated Financial Statements

Audit Report by Independent Auditor

May 15, 2024

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

KPMG AZSA LLC
Tokyo Office

Masako Kanno
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, 2023 through March 31, 2024.

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 if they have taken measures to remove disincentive or have applied safeguards to reduce the disincentive to an acceptable level, the auditors shall report on the details of such measures or safeguards.

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.

- End -

Audit Report by Accounting Auditor concerning Non-Consolidated Financial Statements

Audit Report by Independent Auditor

May 15, 2024

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

KPMG AZSA LLC
Tokyo Office

Masako Kanno
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 16th fiscal year of operations from April 1, 2023 until March 31, 2024 (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 if they have taken measures to remove disincentive or have applied safeguards to reduce the disincentive to an acceptable level, the auditors shall report on the details of such measures or safeguards.

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 -

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 16th fiscal year beginning April 1, 2023 and ending March 31, 2024, 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 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) 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 (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and

consolidated explanatory notes) and financial statements (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 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. As described in the Business Report, Mitsui Sumitomo Insurance Co., Ltd., and Aioi Nissay Dowa Insurance Co., Ltd., are working to restore customer trust by addressing the business improvement order from the Financial Services Agency in connection with incidents of price fixing in the corporate insurance field and the issue of fraudulent claims for automobile repair expenses by major used car stores. The Audit & Supervisory Board will continue to monitor and verify these efforts, while striving to strengthen Group governance.

(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, 2024

Audit & Supervisory Board, MS&AD Insurance Group Holdings, Inc.
Keiji Suzuki, Full-Time Audit & Supervisory Board Member
Atsuko Suto, Full-Time Audit & Supervisory Board Member
Kunio Chiyoda, Outside Audit & Supervisory Board Member
Kyoko Uemura, Outside Audit & Supervisory Board Member

- End -