

Securities Code 8725

June 3, 2025

Dear Shareholders:

Notice of Convocation of the 17th Annual Shareholders Meeting

MS&AD Insurance Group Holdings, Inc. (the “Company”) hereby announces that its 17th 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 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 5 to 6.

Yours faithfully,

MS&AD Insurance Group Holdings, Inc.

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

Shinichiro Funabiki,

Director, President & CEO

Particulars

1. Date and Time: 10:00 a.m. JST, on June 23, 2025 (Monday) (Entry starts at 9:00 a.m.)
2. Place: “Orchard,” 2nd Floor, The Okura Prestige Tower,
The Okura Tokyo 2-10-4 Toranomon, Minato-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 17th fiscal year (Fiscal 2024 (from April 1, 2024 to March 31, 2025)); and
2. Report on the non-consolidated financial statements for the 17th fiscal year (Fiscal 2024 (from April 1, 2024 to March 31, 2025)).

Matters to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Amendments to the Articles of Incorporation
- Proposal 3: Election of Ten (10) Directors Who Are Not Audit and Supervisory Committee Members
- Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members
- Proposal 5: Election of Two (2) Substitute Directors Who Are Audit and Supervisory Committee Members
- Proposal 6: Determination of Amount of Remuneration for Directors Who Are Not Audit and Supervisory Committee Members
- Proposal 7: Determination of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
- Proposal 8: Determination of Remuneration for Granting Restricted Stock to Directors Who Are Not Audit and Supervisory Committee Members

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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) “Changes in status of assets and earnings of the Corporate Group and Insurance Holding Company,” “Main offices of Corporate Group,” “Employees of Corporate Group,” “Major lenders of Corporate Group,” and “Other important matters concerning state of Corporate Group” under “Matters Concerning the Current Status of the Insurance Holding Company,” “Limited liability agreements and indemnity agreements” and “Directors and officers liability insurance policy” under “Matters Concerning Officers,” “Matters Concerning Outside Officers,” “Matters Concerning Stock,” “Matters Concerning Stock Acquisition Rights, etc.,” “Matters Concerning Accounting Auditor,” “Basic Policy Concerning Persons in Control of Decisions on Finance and Business Policy,” “System for Ensuring Appropriateness of Operations,” “Matters Concerning Specified Wholly Owned Subsidiaries,” “Matters Concerning Transactions with the Parent Company, etc.,” “Matters Concerning Accounting Advisors,” and “Other Matters” of the Business Report
 - ii) Consolidated financial statements
 - iii) Non-consolidated financial statements
 - iv) Audit Report by Accounting Auditor concerning Consolidated Financial Statements
 - v) Audit Report by Accounting Auditor concerning Non-Consolidated Financial Statements
 - vi) Audit Report by Audit & Supervisory Board

- 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 (Wednesday). 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 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 23, 2025 (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 20, 2025 (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 20, 2025 (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.

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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, and 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:

72.5 yen per share of common stock of the Company

Total: 109,827,979,227.5 yen

As a result, the annual dividend for the current fiscal year totals 145 yen per share, including the interim dividend.

2. Effective date of dividend:

June 24, 2025

(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.

(Reference)

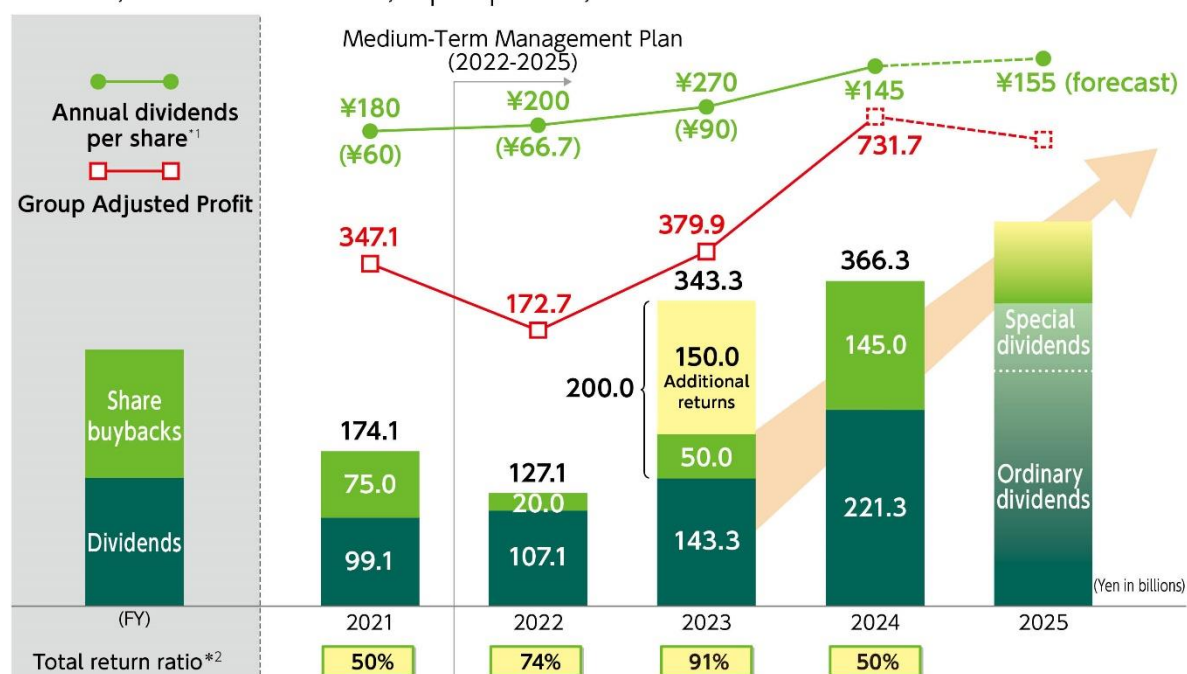
Shareholder Return Policy

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 sale 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 FY2024, we will pay 221.3 billion yen in dividends (including distribution of dividends under Proposal 1) and purchase our stock worth 145.0 billion yen as share buybacks.

Medium-Term Management Plan (2022-2025) Shareholder Return Policy

- It is our basic policy to return 50% of Group Adjusted Profit through dividends and share buybacks
- We will be paying special dividends out of gains elevated by the accelerated sales of strategic equity holdings, in addition to increasing ordinary dividends in line with earnings growth
- We are making additional returns in an agile and flexible manner, taking into account market trends, business environment, capital position, and other factors



*1 Bracketed are dividend amount adjusted to reflect the number of shares after the stock split on April 1, 2024.

*2 (Dividends for the current fiscal year (December of the current year and June of the following year) + Share buybacks decided prior to the Annual Shareholders Meeting convened during the following fiscal year) ÷ Group Adjusted Profit for the current fiscal year

Calculation formula for Group Adjusted Profit

$$\text{Group Adjusted Profit}^3 = \text{Consolidated net income} + \text{Provision for catastrophe loss reserve and others}^{*4, *5} - \text{Other incidental factors (amortization of goodwill and other intangible fixed assets, and others)} + \text{Equity in earnings of the non-consolidated Group companies}$$

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

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

*5 Subtraction in case of reversal

Proposal 2: Amendments to the Articles of Incorporation

1. Reason for the amendments

(1) Transition to a Company with an Audit and Supervisory Committee

The Company plans to transition*from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee in order to strengthen the supervisory and checking functions of the Board of Directors by Directors and to facilitate swifter decision-making and business execution.

To this end, the Company proposes to make necessary amendment including adding provisions concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee, deleting provisions concerning Audit & Supervisory Board Members and Audit & Supervisory Board, providing for delegation of authority to decide on important business execution, and creating transitional provisions concerning exemption of Audit & Supervisory Board Member's liability (Current Articles 4, 11, 12, 20 to 25, and 28 to 39 of the Articles of Incorporation).

(2) Change to the scope of exemption for Director's liability

The Company proposes to make necessary amendments to Article 29, Paragraph 2 of the current Articles of Incorporation so as to allow a director who does not hold executive capacity to effectively carry out functions expected of a director, irrespective of whether an outside director or not, by entering into an agreement to limit such director's liability pursuant to Article 427, Paragraph 1 of the Companies Act.

Each Audit & Supervisory Board Member has consented to this amendment.

*For information regarding the transition to a Company with an Audit and Supervisory Committee, please refer to "(Reference) Transitioning to a Company with an Audit and Supervisory Committee" on page15.

2. Details of amendments

The amendments are shown in the following "Comparison Table of the Current and Amended Articles of Incorporation." This proposal will become effective at the close of this Annual Shareholders Meeting.

Comparison Table of the Current and Amended Articles of Incorporation

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Governance Structure)</p> <p>Article 4.</p> <p>The Company shall have in place, in addition to shareholders meeting and directors:</p> <ol style="list-style-type: none"> (1) a board of directors; (2) <u>audit & supervisory board members;</u> (3) <u>an audit & supervisory board; and,</u> (4) one or more accounting auditors. <p>(Administrator of Shareholders Registry)</p> <p>Article 11.</p> <ol style="list-style-type: none"> 1. (Provisions omitted) 2. The administrator of shareholders registry and the place of its office shall be designated by <u>resolution of the Board of Directors</u> and the Company shall give public notice of them. 3. (Provisions omitted) <p>(Share Handling Regulations)</p> <p>Article 12.</p> <p>The administration of, and handling and fees concerning, the Company's shares, and the procedures for exercising shareholder rights and other related matters shall be governed by the Share Handling Regulations, as set out by the Board of Directors, except as otherwise provided by laws and regulations or the Articles of Incorporation.</p> <p>(Number of Directors)</p> <p>Article 20.</p> <p>The Company shall not have more than <u>15</u> Directors.</p> <p style="text-align: center;">(Newly established)</p> <p>(Election of Director)</p> <p>Article 21.</p> <ol style="list-style-type: none"> 1. Directors shall be elected at shareholders meeting. 2. (Provisions omitted) 3. (Provisions omitted) <p style="text-align: center;">(Newly established)</p>	<p>(Governance Structure)</p> <p>Article 4.</p> <p>The Company shall have in place, in addition to shareholders meeting and directors:</p> <ol style="list-style-type: none"> (1) a board of directors; (2) <u>an audit and supervisory committee; and,</u> (Deleted) (3) one or more accounting auditors. <p>(Administrator of Shareholders Registry)</p> <p>Article 11.</p> <ol style="list-style-type: none"> 1. (Unchanged) 2. The administrator of shareholders registry and the place of its office shall be designated by the Board of Directors <u>or Director(s) so authorized by resolution of the Board of Directors</u> and the Company shall give public notice of them. 3. (Unchanged) <p>(Share Handling Regulations)</p> <p>Article 12.</p> <p>The administration of, and handling and fees concerning, the Company's shares, and the procedures for exercising shareholder rights and other related matters shall be governed by the Share Handling Regulations, as set out by the Board of Directors <u>or Director(s) so authorized by resolution of the Board of Directors</u>, except as otherwise provided by laws and regulations or the Articles of Incorporation.</p> <p>(Number of Directors)</p> <p>Article 20.</p> <ol style="list-style-type: none"> 1. The Company shall have no more than <u>12</u> Directors <u>(excluding those who are Audit and Supervisory Committee Members).</u> 2. <u>The Company shall have no more than 5 Directors who are Audit and Supervisory Committee Members.</u> <p>(Election of Director)</p> <p>Article 21.</p> <ol style="list-style-type: none"> 1. Directors shall be elected at shareholders meeting <u>separately for Directors who are Audit and Supervisory Committee Members and those who are not.</u> 2. (Unchanged) 3. (Unchanged) 4. <u>The effectiveness of election of a substitute Director who is an Audit and Supervisory Committee Member shall remain valid until the commencement of the annual shareholders meeting for the last business year ending within 2 years of such election.</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Term of Office)</p> <p>Article 22.</p> <p>1. The term of a <u>Director</u> shall expire at the close of the annual shareholders meeting for the last business year ending within 1 year of the Director's election.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>(Term of Office)</p> <p>Article 22.</p> <p>1. The term of a <u>Director who is an Audit and Supervisory Committee Member</u> shall expire at the close of the annual shareholders meeting for the last business year ending within 1 year of the Director's election.</p> <p>2. <u>The term of a Director who is an Audit and Supervisory Committee Member shall expire at the close of the annual shareholders meeting for the last business year ending within 2 years of the Director's election.</u></p> <p>3. <u>The term of a Director who is an Audit and Supervisory Committee Member and is elected as a substitute for a Director who is an Audit and Supervisory Committee Member and who left office prior to the expiration of such Director's term shall expire upon the expiration of the term of the office of the left Director.</u></p>
<p>(Election for Filling a Vacancy)</p> <p>Article 23.</p> <p>1. A vacancy in a <u>Director's</u> position need not be filled unless the number of remaining Directors violates the <u>minimum number of directors prescribed by laws</u> and regulations.</p> <p>(Newly established)</p>	<p>(Election for Filling a Vacancy)</p> <p>Article 23.</p> <p>1. A vacancy in a position of a <u>Director (excluding those who are Audit and Supervisory Committee Members)</u> need not be filled unless the number of remaining Directors violates the <u>minimum number of directors prescribed by laws</u> and regulations.</p> <p>2. <u>A vacancy in a position of a Director who is an Audit and Supervisory Committee Member need not be filled unless the number of remaining Directors violates the minimum number of directors prescribed by laws and regulations.</u></p>
<p>(Representative Director and Director's Title)</p> <p>Article 24.</p> <p>1. The Board of Directors shall by its resolution appoint one or more Representative Directors.</p> <p>2. The Board of Directors may by its resolution appoint one or more Chairman and Directors, Vice Chairman and Directors, President and Directors, Vice President and Directors, Senior Managing Directors, and Managing Directors.</p>	<p>(Representative Director and Director's Title)</p> <p>Article 24.</p> <p>1. The Board of Directors shall by its resolution appoint one or more Representative Directors <u>from the Directors (excluding those who are Audit and Supervisory Committee Members).</u></p> <p>2. The Board of Directors may by its resolution appoint one or more Chairman and Directors, Vice Chairman and Directors, President and Directors, Vice President and Directors, Senior Managing Directors, and Managing Directors <u>from the Directors (excluding those who are Audit and Supervisory Committee Members).</u></p>
<p>(Convocation of Board of Directors Meetings)</p> <p>Article 25.</p> <p>1. (Provisions omitted)</p> <p>2. (Provisions omitted)</p> <p>3. The convocation notice for a Board of Directors meeting shall be sent to each Director <u>and each Audit & Supervisory Board Member</u> at least 3 days prior to the date of the meeting. However,</p>	<p>(Convocation of Board of Directors Meetings)</p> <p>Article 25.</p> <p>1. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. The convocation notice for a Board of Directors meeting shall be sent to each Director at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.</p>

Current Articles of Incorporation	Proposed Amendments
<p>that period may be shortened in the event of an emergency.</p> <p>(Newly established)</p> <p>(Remuneration of Director) Article <u>28</u>. Compensation and other proprietary interests received from the Company as consideration for performance of duties of Directors shall be determined by resolution at a shareholders meeting.</p> <p>(Exemption of Director's Liability) Article <u>29</u>. 1. (Provisions omitted) 2. The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an <u>Outside</u> Director limiting the <u>Outside</u> Director's liability for damages arising out of breach of the <u>Outside</u> Director's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.</p> <p>Chapter V. <u>Audit & Supervisory Board Member and Audit & Supervisory Board</u></p> <p>(Number of Audit & Supervisory Board Members) Article <u>30</u>. <u>The Company shall not have more than 6 Audit & Supervisory Board Members.</u></p> <p>(Election of Audit & Supervisory Board Member) Article <u>31</u>. 1. <u>Audit & Supervisory Board Members shall be elected at shareholders meeting.</u> 2. <u>Resolutions to elect Audit & Supervisory Board Members shall be adopted by a majority votes of the shareholders present at the meeting where the shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.</u></p>	<p>(Delegation of Decisions on the Execution of Important Business Operations) <u>Article 27.</u> <u>The Company may, in accordance with Article 399-13, Paragraph 6, of the Companies Act, delegate all or part of authority to decide on the execution of important business operations (excluding the matters listed in the items in Paragraph 5 of the same Article) to a Director(s) by resolution of the Board of Directors.</u></p> <p>(Remuneration of Director) Article <u>29</u>. Compensation and other proprietary interests received from the Company as consideration for performance of duties of Directors shall be determined by resolution at a shareholders meeting <u>separately for Directors who are Audit and Supervisory Committee Members and those who are not.</u></p> <p>(Exemption of Director's Liability) Article <u>30</u>. 1. (Unchanged) 2. The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with a Director <u>(excluding those who are executive directors, etc.)</u> limiting the Director's liability for damages arising out of breach of the Director's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.</p> <p>Chapter V. <u>Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Effectiveness of Election of Substitute Audit & Supervisory Board Member)</u></p> <p><u>Article 32.</u></p> <p><u>The effectiveness of the election of a substitute Audit & Supervisory Board Member shall expire on the commencement of the annual shareholders meeting for the last business year ending within 4 years of such substitute Audit & Supervisory Board Member's election, unless the period is shortened at such resolution.</u></p>	(Deleted)
<p><u>(Term of Office)</u></p> <p><u>Article 33.</u></p> <p><u>The term of an Audit & Supervisory Board Member shall expire at the close of the annual shareholders meeting for the last business year ending within 4 years of the Audit & Supervisory Board Member's election.</u></p>	(Deleted)
<p><u>(Election for Filling a Vacancy)</u></p> <p><u>Article 34.</u></p> <p><u>A vacancy in an Audit & Supervisory Board Member's position need not be filled unless the number of remaining Audit & Supervisory Board Members violates the minimum number of Audit & Supervisory Board Members provided by laws and regulations.</u></p>	(Deleted)
<p><u>(Audit & Supervisory Board Member (Full-time) and Standing Audit & Supervisory Board Member)</u></p> <p><u>Article 35.</u></p> <ol style="list-style-type: none"> 1. The <u>Audit & Supervisory Board</u> shall by its resolution appoint one or more full-time <u>Audit & Supervisory Board Members</u>. 2. The <u>Audit & Supervisory Board</u> may by its resolution appoint one or more standing <u>Audit & Supervisory Board Members</u>. 	<p><u>(Audit and Supervisory Committee Member (Full-time))</u></p> <p><u>Article 31.</u></p> <p>The <u>Audit and Supervisory Committee</u> shall by its resolution appoint one or more full-time <u>Audit and Supervisory Committee Members from the Audit and Supervisory Committee Members</u>.</p>
<p><u>(Convocation of Audit & Supervisory Board Meeting)</u></p> <p><u>Article 36.</u></p> <p>The convocation notice for an Audit & Supervisory Board meeting shall be sent to each Audit & Supervisory Board Member at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.</p>	(Deleted)
<p><u>(Regulations of the Audit & Supervisory Board)</u></p> <p><u>Article 37.</u></p> <p>The administration of the <u>Audit & Supervisory Board</u> shall be governed by the Regulations of the <u>Audit & Supervisory Board</u> as set out by the <u>Audit & Supervisory Board Members</u>, except as otherwise provided by laws and regulations or the Articles of Incorporation.</p>	<p><u>(Convocation of Audit and Supervisory Committee Meeting)</u></p> <p><u>Article 32.</u></p> <p>The convocation notice for an <u>Audit and Supervisory Committee meeting</u> shall be sent to each <u>Audit and Supervisory Committee Member</u> at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.</p>
	<p><u>(Regulations of the Audit and Supervisory Committee)</u></p> <p><u>Article 33.</u></p> <p>The administration of the <u>Audit and Supervisory Committee</u> shall be governed by the Regulations of the <u>Audit and Supervisory Committee</u> as set out by the <u>Audit and Supervisory Committee Members</u>, except as otherwise provided by laws and regulations or the Articles of Incorporation.</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Remuneration of Audit & Supervisory Board Member)</u></p> <p><u>Article 38.</u></p> <p><u>Remuneration of Audit & Supervisory Board Members shall be determined by resolution at a shareholders meeting.</u></p>	<p>(Deleted)</p>
<p><u>(Exemption of Audit & Supervisory Board Member's Liability)</u></p> <p><u>Article 39.</u></p> <p>1. <u>The Company may, in accordance with Article 426, Paragraph 1, of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations an Audit & Supervisory Board Member (including retired Audit & Supervisory Board Member) from liability for damages arising out of breach of the Audit & Supervisory Board Member's duties.</u></p> <p>2. <u>The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an Outside Audit & Supervisory Board Member limiting the Outside Audit & Supervisory Board Member's liability for damages arising out of breach of the Outside Audit & Supervisory Board Member's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>Supplementary Provisions</u></p> <p><u>(Transitional Measures Regarding the Exemption of Audit & Supervisory Board Member's Liability)</u></p> <p>1. <u>The Company may, in accordance with Article 426, Paragraph 1 of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations an Audit & Supervisory Board Member (including retired Audit & Supervisory Board Members) from liability for damages as stipulated in Article 423, Paragraph 1 of the same Act, concerning actions taken before the effectiveness of the amendments to the Articles of Incorporation resolved at the 17th Annual Shareholders Meeting.</u></p> <p>2. <u>Any agreement limiting liability for damages under Article 423, Paragraph 1 of the Companies Act in connection with any action taken by an Outside Audit & Supervisory Board Member (including one who has retired), before the effectiveness of amendments resolved at the 17th Annual Shareholders Meeting, shall still be governed by Article 39, Paragraph 2 of the Articles of Incorporation prior to such amendments.</u></p>

(Reference)

Transitioning to a Company with an Audit and Supervisory Committee

If Proposal 2 is approved and adopted as originally proposed, the Company will transition from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

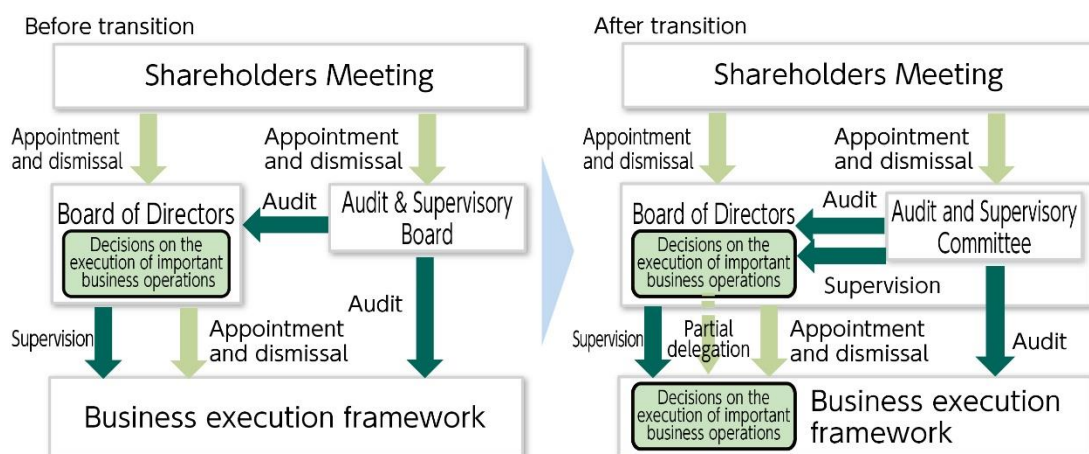
Purpose of transition

Strengthen the supervisory function of the Board of Directors

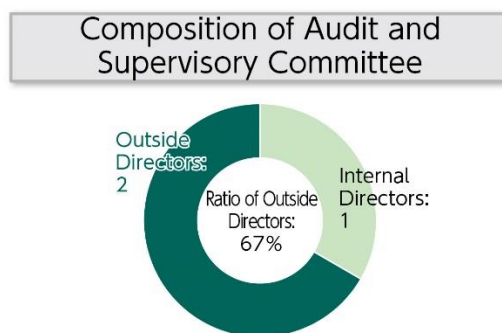
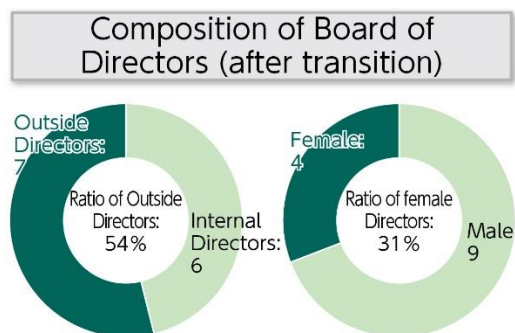
- Directors who are Audit and Supervisory Committee Members have voting rights at Board of Directors meetings, thereby enhancing the supervisory and checking functions of the Board of Directors compared to Audit & Supervisory Board Members in a company with an Audit & Supervisory Board. Furthermore, with Outside Directors comprising the majority of the Board of Directors, we aim to enhance the objectivity of management decisions at the Board of Directors meetings, further reinforcing the Company's governance system.

Expedite decision-making and business execution

- By transitioning to a Company with an Audit and Supervisory Committee, and delegating to a Director(s) certain decisions concerning the execution of important business operations, the Company opts for swifter decision-making and business execution. This will further enhance discussions of key Group issues at the Board of Directors meetings.



* The Company will continue to maintain the Governance Committee in addition to the Nomination Committee and Remuneration Committee (a majority of the members and a chairperson each have been appointed from among the Outside Directors) as internal committees of the Board of Directors, thus building a highly effective and transparent corporate governance system.



Proposal 3: Election of Ten (10) Directors Who Are Not Audit and Supervisory Committee Members

The terms of office of all eleven (11) Directors will expire at the close of this Annual Shareholders Meeting. If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

Accordingly, the Company proposes the election of ten (10) Directors who are not Audit and Supervisory Committee Members, including five (5) Outside Directors.

The candidates for Directors who are not Audit and Supervisory Committee Members are as follows:

Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

Candidate No.	Name			Gender	Current Position and Duties at the Company
1	Reappointment	Noriyuki Hara		Male	Chairman & Director, Chairman Executive Officer
2	Reappointment	Yasuzo Kanasugi		Male	Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer
3	Reappointment	Shinichiro Funabiki		Male	Representative Director, President & CEO (Group CEO)
4	New Appointment	Shigeo Kudo		Male	Executive Vice President Corporate Planning Dept., Corporate Communications Dept., Investor Relations Dept., Internal Audit Dept., Capital Policy, Group CFO
5	New Appointment	Keisuke Niiro		Male	Executive Officer Assist Management
6	Reappointment	Junichi Tobimatsu	Outside Director Independent Director	Male	Director (Outside Director)
7	Reappointment	Rochelle Kopp	Outside Director Independent Director	Female	Director (Outside Director)
8	Reappointment	Akemi Ishiwata	Outside Director Independent Director	Female	Director (Outside Director)
9	Reappointment	Jun Suzuki	Outside Director Independent Director	Male	Director (Outside Director)
10	New Appointment	Atsuko Okajima	Outside Director Independent Director	Female	

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	<u>Reappointment</u> Noriyuki Hara Jul. 21, 1955 Attendance at Board of Directors meetings held in FY2024: 14/14 (100%)	Apr. 1978 Entered Taisho Marine and Fire Insurance Co., Ltd. Apr. 2008 Executive Officer, General Manager of Corporate Quality Control Dept., Mitsui Sumitomo Insurance Co., Ltd. (“ <i>MSI</i> ”) Apr. 2010 Managing Executive Officer, General Manager of Nagoya Commercial Business Div., <i>MSI</i> Apr. 2012 Director, Managing Executive Officer, <i>MSI</i> Apr. 2013 Director, Senior Executive Officer, <i>MSI</i> Apr. 2015 Director, Vice President, Executive Officer, <i>MSI</i> Apr. 2016 President & CEO, <i>MSI</i> Executive Officer, <i>the Company</i> Jun. 2016 Director, Executive Officer, <i>the Company</i> Jun. 2020 President & CEO, <i>the Company</i> Apr. 2021 Chairman & Director, Chairman Executive Officer, <i>MSI</i> (present) Jun. 2024 Chairman & Director, Chairman Executive Officer, <i>the Company</i> (present) Position and Duties at the Company: Chairman & Director, Chairman Executive Officer Important concurrent positions: Chairman & Director, Chairman Executive Officer, <i>MSI</i>	196,385
	Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member 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. He also served as President & CEO of the Company from 2020 to 2024 and has been Chairman & Director since 2024. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.		

(Note) “Notes commonly applicable to more than one candidate” on page 27 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	<div>Reappointment</div> <p>Yasuzo Kanasugi</p> <p>May 29, 1956</p> <p>Attendance at Board of Directors meetings held in FY2024: 14/14 (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. (“Aioi”)</p> <p>Apr. 2009 Executive Officer, <i>Aioi</i></p> <p>Oct. 2010 Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”)</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 Director, Chairman of the Board, <i>ADI</i> (present)</p> <p>Position and Duties at the Company: Director, Vice Chairman & Director, Vice Chairman Executive Officer</p> <p>Important concurrent positions: Chairman & Director, <i>ADI</i></p>	204,954
<p>Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member</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 in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 27 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>Reappointment</u></p> <p>Shinichiro Funabiki</p> <p>May 11, 1960</p> <p>Attendance at Board of Directors meetings held in FY2024: 12/12 (100%) *</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. (“MSI”)</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> 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> Director, Executive Vice President, <i>MSI</i></p> <p>Apr. 2021 President & CEO, <i>MSI</i> (present)</p> <p>Jun. 2024 President & CEO, <i>the Company</i> (present)</p> <p>Position and Duties at the Company: Representative Director, President & CEO (Group CEO)</p> <p>Important concurrent positions: President & CEO, <i>MSI</i></p> <p>* Mr. Shinichiro Funabiki was newly elected and assumed the position of Director at the 16th Annual Shareholders Meeting held on June 24, 2024, and his attendance at the Board of Directors meetings held after that date is shown.</p>	161,875
<p>Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member</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 (Digital Transformation) implementation, etc. He has served as President & CEO of <i>MSI</i> since 2021 and as President & CEO of the Company since 2024. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to appoint him as Director who is not an Audit and Supervisory Committee Member.</p>			

(Note) “Notes commonly applicable to more than one candidate” on page 27 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	<div>New Appointment</div> <div>Shigeo Kudo</div> <div>Aug. 11, 1964</div>	<div>Apr. 1987 Entered Taisho Marine and Fire Insurance Co., Ltd.</div> <div>Apr. 2018 Executive Officer, General Manager of Corporate Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. (“MSI”)</div> <div>Apr. 2019 Executive Officer, General Manager of Tokyo Div., <i>MSI</i></div> <div>Apr. 2021 Managing Executive Officer, <i>MSI</i></div> <div>Apr. 2022 Director, Managing Executive Officer, Chief Underwriting Officer, <i>MSI</i></div> <div>Apr. 2023 Director, Senior Executive Officer, Chief Underwriting Officer, <i>MSI</i></div> <div>Apr. 2025 Executive Vice President, <i>the Company</i> (present)</div> <div>Position and Duties at the Company: Executive Vice President Corporate Planning Dept., Corporate Communications Dept., Investor Relations Dept., Internal Audit Dept., Capital Policy, Group CFO</div>	52,985
	<p>Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member</p> <p>Mr. Shigeo Kudo has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, and product & service operations, etc. He served as Director and Senior Executive Officer of <i>MSI</i> from 2023 to 2025, and has been serving as Executive Vice President of the Company since 2025. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to appoint him as Director who is not an Audit and Supervisory Committee Member.</p>		

(Note) “Notes commonly applicable to more than one candidate” on page 27 are applicable to Mr. Shigeo Kudo.

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	<div>New Appointment</div> <p>Keisuke Niiro</p> <p>Jul. 5, 1965</p>	<p>Apr. 1988 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.</p> <p>Apr. 2018 Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”)</p> <p>Apr. 2020 Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2020 Executive Officer, <i>the Company</i> (present)</p> <p>Jun. 2020 Director, Managing Executive Officer, <i>ADI</i></p> <p>Apr. 2022 President & CEO, <i>ADI</i> (present)</p> <p>Position and Duties at the Company: Executive Officer Assist Management</p> <p>Important concurrent positions: President & CEO, <i>ADI</i></p>	58,785
	<p>Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member</p> <p>Mr. Keisuke Niiro has a wealth of business experience gained through his involvement in corporate planning, reinsurance, human resources, and marketing & sales, etc. He has been serving as Executive Officer of the Company since 2020, and has been serving as President & CEO of <i>ADI</i> since 2022. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to appoint him as Director who is not an Audit and Supervisory Committee Member.</p>		

(Note) “Notes commonly applicable to more than one candidate” on page 27 are applicable to Mr. Keisuke Niiro.

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	<div> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Junichi Tobimatsu</p> <p>Aug. 15, 1972</p> <p>Attendance at Board of Directors meetings held in FY2024: 14/14 (100%)</p> <p>Years since the assumption of office as Outside Director: 7 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 who is not an Audit and Supervisory Committee Member 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 the management soundness 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 who is not an Audit and Supervisory Committee Member 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 is no other factor that may affect 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 27 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
7	<div> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Rochelle Kopp</p> <p>Jun. 29, 1964</p> <p>Attendance at Board of Directors meetings held in FY2024: 14/14 (100%)</p> <p>Years since the assumption of office as Outside Director: 5 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</p>	0
<p>Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role</p> <p>Ms. Rochelle Kopp has a wealth of insight into cross-cultural communication and experience as a management consultant 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 is no other factor that may affect her independence with regard to the Company.
2. "Notes commonly applicable to more than one candidate" on page 27 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
8	<div> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Akemi Ishiwata</p> <p>Aug. 23, 1960</p> <p>Attendance at Board of Directors meetings held in FY2024: 14/14 (100%)</p> <p>Years since the assumption of office as Outside Director: 3 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>	1,600
<p>Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member 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)

- There are transactions between the Company or 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 is no other factor that may affect her independence with regard to the Company.
- “Notes commonly applicable to more than one candidate” on page 27 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
9	<div> <div>Reappointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Jun Suzuki</p> <p>Feb. 19, 1958</p> <p>Attendance at Board of Directors meetings held in FY2024: 14/14 (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 Teijin Limited</p> <p>Apr. 2011 Teijin Group Chief Representative in Europe, Teijin Limited</p> <p>Apr. 2012 President, Teijin Holdings Netherlands B.V.</p> <p>Apr. 2013 Teijin Group Corporate Officer, Teijin Limited</p> <p>Jun. 2013 Teijin Group Managing Executive Officer, Teijin Limited</p> <p>Apr. 2014 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)</p> <p>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 who is not an Audit and Supervisory Committee Member 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>			

(Notes)

- There are transactions between the Company or 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 is no other factor that may affect his independence with regard to the Company.
- “Notes commonly applicable to more than one candidate” on page 27 are applicable to Mr. Jun Suzuki.

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	<div> <div>New Appointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Atsuko Okajima</p> <p>Oct. 15, 1954</p>	<p>Apr. 1977 Entered the Ministry of Agriculture and Forestry (now the Ministry of Agriculture, Forestry and Fisheries)</p> <p>Jul. 2003 Councillor, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries</p> <p>Jul. 2004 Councillor, Minister's Secretariat, Ministry of Health, Labour and Welfare</p> <p>Jul. 2006 Vice-Governor of Saitama Prefecture</p> <p>Jul. 2009 Director General of Gender Equality Bureau, Cabinet Office</p> <p>Apr. 2013 Member, Information Disclosure and Personal Information Protection Review Board, Cabinet Office</p> <p>Apr. 2016 Member, Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications</p> <p>Apr. 2022 Executive Director, Saitama Prefectural University (present)</p> <p>Important concurrent positions:</p> <p>Executive Director, Saitama Prefectural University</p> <p>Director, House Foods Group Inc. (Outside Director (Audit & Supervisory Committee Member))</p> <p>Director, DAITO KOUN CO., LTD. (Outside Director)</p>	0
<p>Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role</p> <p>Ms. Atsuko Okajima has a wealth of insight and experience in government administration, gained through many years of service as Councillor of Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries, Councillor of Minister's Secretariat, Ministry of Health, Labour and Welfare, and Director General of Gender Equality Bureau, Cabinet Office, etc. The Company expects to draw from that insight and experience and have her supervise management and provide advice on overall management from her expert perspective. Ms. Atsuko Okajima 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 government administration, and the Company believes that she is able to perform her duties as an Outside Director who is not an Audit and Supervisory Committee Member appropriately.</p>			

(Notes)

- There are transactions between the Company or its major subsidiaries and Saitama Prefectural University, House Foods Group Inc. and DAITO KOUN CO., LTD., each of which accounts for less than 1% of the annual consolidated net sales of House Foods Group Inc. and DAITO KOUN 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 is no other factor that may affect her independence with regard to the Company.
- "Notes commonly applicable to more than one candidate" on page 27 are applicable to Ms. Atsuko Okajima.

Notes commonly applicable to more than one candidate

1. There is no special interest between any of the candidates and the Company.
2. Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, Mr. Jun Suzuki, and Ms. Atsuko Okajima are candidates for Outside Director.
3. The Company has entered into an agreement with 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 reelected. Additionally, if Ms. Atsuko Okajima is elected, the Company plans to enter into a limited liability agreement with her.
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. Each candidate, if elected, will be included as 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 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. The Company plans also to submit an Independent Officer Notification indicating that Ms. Atsuko Okajima is an Independent Officer who is unlikely to have conflict of interests with general shareholders.
6. The term "corporate" as appears under "Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role" in connection with Mr. Junichi Tobimatsu and Ms. Atsuko Okajima stands for a "Company" and/or "Foreign Company" as defined under the Companies Act.

Proposal 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

Accordingly, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members, including two (2) Outside Directors.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows. The Audit & Supervisory Board has given its consent to this proposal.

Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

Candidate No.	Name			Gender	Current Position and Duties at the Company
1	New Appointment	Hideki Kawatsu		Male	
2	New Appointment	Taisei Kunii	Outside Director Independent Director	Male	Outside Audit & Supervisory Board Member
3	New Appointment	Yukari Murayama	Outside Director Independent Director	Female	

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	<div>New Appointment</div> <div>Hideki Kawatsu</div> <div>Nov. 2, 1968</div>	<div>Apr. 1991 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.</div> <div>Apr. 2023 Executive Officer, General Manager of Corporate Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. (“MSI”)</div> <div>Aug. 2024 Managing Executive Officer, <i>MSI</i></div> <div>Apr. 2025 Director, Managing Executive Officer, <i>MSI</i> (present)*</div> <div>* He is scheduled to retire from the position of Managing Executive Officer of MSI at the close of the Annual Shareholders Meeting of MSI planned for June 2025.</div> <div>Important concurrent positions: Director, <i>MSI</i></div>	19,547
	<p>Reasons for selection as a candidate for director who is an Audit and Supervisory Committee Member</p> <p>Mr. Hideki Kawatsu has a wealth of business experience gained through his involvement in corporate planning, and internal auditing, etc. He served as Managing Executive Officer of <i>MSI</i> from 2024. Thus, he is considered to have the necessary expertise to appropriately audit and oversee the Company’s overall operations. Therefore, we propose to appoint him as a Director who is an Audit and Supervisory Committee Member.</p>		

(Note) “Notes commonly applicable to more than one candidate” on page 32 are applicable to Mr. Hideki Kawatsu.

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	<div> <div>New Appointment</div> <div>Outside Director</div> <div>Independent Director</div> </div> <p>Taisei Kunii</p> <p>Jun. 12, 1959</p> <p>Attendance at Board of Directors meetings, etc. (FY2024) Board of Directors meetings 10/12 (83.3%) * Audit & Supervisory Board meetings 8/9 (88.9%) *</p> <p>Years since the assumption of office as Outside Audit & Supervisory Board Member: 1 year (at the close of this Annual Shareholders Meeting)</p>	<p>Oct. 1985 Entered Tohmatsu, Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p>Aug. 1989 Registered as Certified Public Accountant</p> <p>Oct. 2013 Executive Officer, General Manager of Tokyo Audit Division, Deloitte Touche Tohmatsu LLC</p> <p>Jun. 2018 CEO, Deloitte Touche Tohmatsu LLC</p> <p>Feb. 2023 Certified Public Accountant, Taisei Kunii Certified Public Accountant Office (present)</p> <p>Jun. 2024 Audit & Supervisory Board Member, <i>the Company</i> (present)</p> <p>Position and Duties at the Company: Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)</p> <p>Important concurrent positions: Certified Public Accountant, Taisei Kunii Certified Public Accountant Office Audit & Supervisory Board Member, Sumitomo Corporation (Outside Audit & Supervisory Board Member)</p>	200
<p>Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Mr. Taisei Kunii has been practicing as a certified public accountant for many years, including as CEO of Deloitte Touche Tohmatsu LLC. The Company expects to draw from that insight and experience in finance and accounting and have him audit and supervise management and provide advice on overall management from his expert perspective. Mr. Taisei Kunii 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, in light of his professional insight and experience as a certified public accountant, his experience in managing an audit firm, the Company believes that he is capable of appropriately performing his duties as an Outside Director who is an Audit and Supervisory Committee Member.</p>			

* Mr. Taisei Kunii was newly elected and assumed the position of Audit & Supervisory Board Member at the 16th Annual Shareholders Meeting held on June 24, 2024, and his attendance at the Board of Directors meetings and the Audit & Supervisory Board meetings held after that date is shown.

(Notes)

- 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 and Sumitomo Corporation, each of which accounts for less than 1% of the annual consolidated net sales of Deloitte Touche Tohmatsu LLC and Sumitomo 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 is no other factor that may affect his independence with regard to the Company.
- “Notes commonly applicable to more than one candidate” on page 32 are applicable to Mr. Taisei Kunii.

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	<div>New Appointment</div> <div>Outside Director</div> <div>Independent Director</div> <p>Yukari Murayama</p> <p>Aug. 4, 1972</p>	<p>Apr. 2000 Registered as Attorney-at-Law Entered Hideyuki Sakai Law Office*</p> <p>Jan. 2010 Seconded to the Supervisory Bureau of the Financial Services Agency (Nonbank Financial Companies Office and Financial System Stabilization Management Office)</p> <p>Apr. 2012 Counsel, Bingham Sakai Mimura Aizawa – Foreign Law Joint Enterprise *</p> <p>Jan. 2013 Partner, Bingham Sakai Mimura Aizawa – Foreign Law Joint Enterprise *</p> <p>Apr. 2015 Partner, Anderson Mori & Tomotsune * (present) * Currently Anderson Mori & Tomotsune – Foreign Law Joint Enterprise</p> <p>Important concurrent positions: Attorney-at-law, Anderson Mori & Tomotsune – Foreign Law Joint Enterprise Director, DENTSU SOKEN INC. (Outside Director and Audit and Supervisory Committee Member) Director, Carlit Co., Ltd. (Outside Director)</p>	0
	<p>Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Ms. Yukari Murayama has a wealth of insight and experience concerning overall corporate legal affairs as an attorney-at-law. The Company expects to draw from that insight and experience and have her audit and supervise management and provide advice on overall management from her expert perspective. Ms. Yukari Murayama 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 professional insight and experience as an attorney-at-law, and the Company believes that she is capable of appropriately performing her duties as an Outside Director who is an Audit and Supervisory Committee Member.</p>		

(Notes)

- There are transactions between the Company or its major subsidiaries and Anderson Mori & Tomotsune – Foreign Law Joint Enterprise, DENTSU SOKEN INC., and Carlit Co., Ltd., each of which accounts for less than 1% of the annual consolidated net sales of Anderson Mori & Tomotsune – Foreign Law Joint Enterprise, DENTSU SOKEN INC., and Carlit 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 is no other factor that may affect her independence with regard to the Company.
- “Notes commonly applicable to more than one candidate” on page 32 are applicable to Ms. Yukari Murayama.

Notes commonly applicable to more than one candidate

1. There is no special interest between any of the candidates and the Company.
2. Mr. Taisei Kunii and Ms. Yukari Murayama are candidates for Outside Director.
3. The Company has entered 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 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 the agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. If Mr. Taisei Kunii and Ms. Yukari Murayama elected as Directors, the Company plans to enter into an agreement with each of the two candidates that limits their liability for any damage to the Company caused by a failure to perform the duties of Director if they as Directors have performed the duties in good faith and without gross negligence. The limit of 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.
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. Each candidate, if elected, will be included as 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 Mr. Taisei Kunii is Independent Officer who is unlikely to have conflict of interests with general shareholders. The Company plans to submit to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Ms. Yukari Murayama is Independent Officer who is unlikely to have conflict of interests with general shareholders.
6. The term "corporate" as appears under "Reasons for selection as a candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role" in connection with Mr. Taisei Kunii and Ms. Yukari Murayama stands for a "Company" and/or "Foreign Company" as defined under the Companies Act.

Proposal 5: Election of Two (2) Substitute Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

Accordingly, in preparation for any potential deficit in the number of Directors who are Audit and Supervisory Committee Members as prescribed by law, the Company proposes the election of two (2) Substitute Directors who are Audit and Supervisory Committee Members.

The candidates for Substitute Directors who are Audit and Supervisory Committee Members are as follows:

Mr. Ryoichi Hayashi is being nominated as a Substitute for a Director who is an Audit and Supervisory Committee Member other than an Outside Director, and Mr. Eizo Chiya is being nominated as a Substitute for a Director who is an Audit and Supervisory Committee Member and is an Outside Director.

The Audit & Supervisory Board has given its consent to this proposal.

Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

Also, the effectiveness of the appointments under this proposal can be revoked by a resolution of the Board of Directors, with the consent of the Audit and Supervisory Committee, provided it is done before the appointees taking office as Director who is an Audit and Supervisory Committee Member.

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	Substitute Director Ryoichi Hayashi Dec. 4, 1970	<p>Apr. 1995 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2021 General Manager of Human Resources Dept., Mitsui Sumitomo Insurance Co., Ltd. (“MSI”) General Manager of Human Resources and General Administration Dept., <i>the Company</i></p> <p>Apr. 2022 General Manager, Nagano Branch, <i>MSI</i></p> <p>Apr. 2023 General Manager of Corporate Planning Dept., <i>the Company</i></p> <p>Apr. 2024 General Manager of Internal Audit Dept., <i>MSI</i> General Manager of Internal Audit Dept., <i>the Company</i> (present)*</p> <p>Apr. 2025 Executive Officer, General Manager of Internal Audit Dept., <i>MSI</i> (present)*</p> <p>Position and Duties at the Company: General Manager of Internal Audit Dept.</p> <p>Important concurrent positions: Executive Officer, General Manager of Internal Audit Dept., <i>MSI</i></p> <p>*In the event that the number of Directors who are Audit and Supervisory Committee Members, as stipulated by law, falls below the required count, the candidate plans to retire from the General Manager of Internal Audit Dept at the Company, Executive Officer, General Manager of Internal Audit Dept at <i>MSI</i>.</p>	42
	<p>Reasons for selection as a candidate for Substitute Director who is an Audit and Supervisory Committee Member</p> <p>Mr. Ryoichi Hayashi has a wealth of business experience gained through his involvement in human resources, marketing & sales, corporate planning, and auditing, etc. He has served as Executive Officer of <i>MSI</i> since 2025. Thus, he has expertise for appropriately auditing and overseeing the Company’s overall operations. Therefore, we propose to appoint him as Substitute Director who is an Audit and Supervisory Committee Member.</p>		

(Note)

1. “Notes commonly applicable to more than one candidate” on page 36 are applicable to Mr. Ryoichi Hayashi.

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	<div>Substitute Outside</div> <div>Director</div> <div>Independent Director</div> <p>Eizo Chiya</p> <p>Oct. 26, 1961</p>	<p>Oct. 1988 Entered Asahi Shinwa & Co. (currently KPMG AZSA LLC)</p> <p>Mar. 1992 Registered as Certified Public Accountant</p> <p>Jul. 1992 Entered Aoyama Audit Corporation Price Waterhouse Accounting Firm (currently PwC Japan LLC/PwC Tax Japan)</p> <p>Jul. 1996 Registered as Certified Public Tax Accountant Certified Public Accountant, Certified Tax Accountant, Chiya Eizo Tax Accountant Office (present)</p> <p>Important concurrent positions: President, Chiya Accounting Office President, Chiya Eizo Tax Accountant Office Outside Audit & Supervisory Board Member, NIHON HOUSE HOLDINGS CO., LTD.</p>	0
<p>Reasons for selection as a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and overview of expected role</p> <p>Mr. Eizo Chiya has long-standing practical experience as a certified public accountant, and he has a wealth of knowledge and extensive experience in finance and accounting. If Mr. Eizo Chiya assumes office as a Director who is an Audit and Supervisory Committee Member, the Company expects to draw from that insight and experience and have him audit and supervise management and provide advice on overall management from his expert perspective. Mr. Eizo Chiya 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 a certified public accountant, and the Company believes that he is capable of appropriately performing his duties as an Outside Director who is an Audit and Supervisory Committee Member.</p>			

(Notes)

- Mr. Eizo Chiya is a candidate for Substitute Outside Director.
- If Mr. Eizo Chiya assumes the position of Director who is an Audit and Supervisory Committee Member, the Company plans to enter into an agreement to limit the director's liability for damages arising out of breach of the Director's duty. This agreement is intended to allow him to effectively carry out the functions expected of Director. Under this agreement, if he causes damage to the Company due to a breach of his duties, and provided he acted in good faith and without gross negligence, the liability will be limited to the sum of the amounts specified in the items of Article 425, Paragraph 1 of the Companies Act.
- There are no transactions between the Company or its major subsidiaries and Chiya Accounting Office. There are transactions between the Company or its major subsidiaries and House Holdings Inc., which account for less than 1% of the annual consolidated net sales of House Holdings Inc. 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 is no other factor that may affect his independence with regard to the Company.
- If Mr. Eizo Chiya assumes the position of Outside Director who is an Audit and Supervisory Committee Member, the Company plans to submit to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Mr. Eizo Chiya is an Independent Officer who is unlikely to have conflict of interests with general shareholders.
- The term "corporate" as appears under "Reasons for selection as a candidate for Substitute Outside Director who is an Audit and Supervisory Committee Member and overview of expected role" stands for a "Company" and/or "Foreign Company" as defined under the Companies Act.
- "Notes commonly applicable to more than one candidate" on page 36 are applicable to Mr. Eizo Chiya.

Notes commonly applicable to more than one candidate

1. There is no special interest between any of the candidates and the Company.
2. 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. Each candidate, if assumes the position of Director who is an Audit and Supervisory Committee Member, will be included as 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.

(Reference)

Skills matrix of Directors expected after the close of the June 2025 Annual Shareholders Meeting

Position	Skill		Corporate management	International	IT / Digital	Sustainability	Personnel affairs / HR development	Legal / Compliance / Internal audit	Risk management	Finance / Accounting	Insurance business
	Officers										
Directors who are not Audit and Supervisory Committee Members	Noriyuki Hara	Director	○	○		○	○	○	○		○
	Yasuzo Kanasugi	Director	○	○		○	○	○			○
	Shinichiro Funabiki	Director	○	○	○	○	○	○			○
	Shigeo Kudo	Director				○		○	○		○
	Keisuke Niino	Director	○	○		○	○				○
	Junichi Tobimatsu	Outside Director		○				○			
	Rochelle Kopp	Outside Director	○	○		○	○				
	Akemi Ishiwata	Outside Director				○					
	Jun Suzuki	Outside Director	○	○		○	○				
	Atsuko Okajima	Outside Director					○	○	○		
Directors who are Audit and Supervisory Committee Members	Hideki Kawatsu	Director			○	○		○			○
	Taisei Kunii	Outside Director	○							○	
	Yukari Murayama	Outside Director						○			

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 sustainability department Expertise in 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 and Independence of Director Candidates

1. Outside Director candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director pursuant to the Companies Act.
- Must not be disqualified from serving as a Director of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of public credibility.

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 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

For Outside Directors who are Audit and Supervisory Committee Members, in addition to the above, it is required that they possess the knowledge and experience necessary to accurately, fairly, and efficiently audit the execution of duties by directors of insurance companies.

(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 (i) 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 who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members from the close of the 17th Annual Shareholders Meeting are as follows.

- (i) For Outside Directors who are not Audit and Supervisory Committee Members, 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 Directors who are Audit and Supervisory Committee Members, in principle the total terms of office are two (2) terms, four (4) years, but they are renewable for a maximum of four (4) terms, eight (8) years.

2. Director candidates other than Outside Directors

Candidates must meet the following requirements.

- Must not be disqualified from serving as a Director pursuant to the Companies Act.
- Must not be disqualified from serving as a Director of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a Director who engages in daily business at an insurance company pursuant to the Insurance Business Act, etc.
- For Directors who are Audit and Supervisory Committee Members, in addition to the above, it is required that they possess the knowledge and experience necessary to accurately, fairly, and efficiently audit the execution of duties by directors of insurance companies.

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 strong 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)


Analysis and Evaluation of the Board of Directors' Overall Effectiveness

As noted in Chapter 3, Section 5. of the “Basic Policies on Corporate Governance,” an analysis and evaluation of the overall effectiveness of the Board of Directors is conducted annually.


An outline of the analysis and evaluation of the overall effectiveness of the Board of Directors for FY2024 is as follows.

1. Analysis and Evaluation Process


(1) Conducting of self-evaluation and Board evaluation questionnaires for all Directors

- 
- A questionnaire consisting of 16 questions (concerning the roles and responsibilities of the Board of Directors, its operation, etc.) and a gap analysis regarding the importance and adequacy of Board agenda items was distributed to each Director in advance, and the secretariat conducted an interview with each Director based on the questionnaire. The evaluation also confirmed the status of responses to issues related to inappropriate conduct that occurred at the insurance operating companies.
 - The evaluation also verified whether the improvement measures summarized in the FY2023 Board evaluation (measures to enhance functionality for FY2024) had been properly implemented.

(2) Exchange of opinions at the Outside Director Council

- 
- At a meeting of the Outside Director Council (consisting of all the Outside Directors), Outside Directors exchanged opinions about analysis and evaluation based on the results of the questionnaire.

(3) Analysis and evaluation by the Governance Committee

- 
- The Governance Committee (consisting of all the Outside Directors, the Chairman & Director, the Vice Chairman & Director, and the President & Director) conducted analysis and evaluation, also taking into account the results of exchanges of opinion at the Outside Director Council and leveraged the expertise of an external consulting firm for compiling measures to enhance the functionality of the Board in FY2025.

(4) Initiatives for FY2025

- Measures for enhancing functionality in FY2025 include rapid start and strengthening of initiatives and operation of a PDCA cycle for improving effectiveness.

2. Summary of the Results of Analysis and Evaluation

Taking into consideration factors such as the content of deliberations at meetings of the Board of Directors, the fulfillment of functions by the Board of Directors, its operation, and efforts to train and provide information to Outside Officers in FY2024, the results were as follows.

FY2024 initiatives and results of the evaluation to Board	<ul style="list-style-type: none">• All Directors are strongly aware that realizing the vision outlined in the Medium-Term Management Plan represents a commitment to stakeholders, and they are engaging in sufficient information sharing and constructive discussions regarding the plan's progress and associated measures.• Opportunities for open and candid exchanges of opinions among officers are well established and have contributed to improving the overall quality of discussions at Board of Directors meetings. The study sessions arranged for acquiring and deepening the knowledge required of Directors have been appropriate. Moving forward, it is desirable to increase opportunities for discussion and exchange of opinions—particularly on the strategies of each insurance operating company—possibly by expanding the range of participants in officer study sessions.• Business investment projects are being thoroughly discussed and considered from an early stage. To further deepen discussions, it will be necessary to enhance both the key considerations and the volume of information provided regarding investment targets.• The Corporate Philosophy has yet to be fully adopted by Group employees, and it remains an issue to be addressed.• The fact that Outside Directors do not yet constitute a majority remains an issue.
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<p>FY2025 functionality enhancement measures</p>	<ul style="list-style-type: none"> • In order to strengthen Group governance, we will broaden participation in officer study sessions and expand opportunities for discussion and exchange of views on the strategies and other aspects of each insurance operating company, as well as increase interaction among officers of the insurance operating companies. • For large-scale business investment projects, regardless of whether they are domestic or overseas, we will enhance the volume of information sharing—including key considerations related to market conditions and investment execution—and establish more opportunities for thorough discussion (including use of officer study sessions). • To assess how well the Group's Corporate Philosophy is being adopted and implemented by employees, we will continue to analyze employee awareness surveys, conduct field visits to front-line operations of insurance operating companies, and engage in ongoing dialogue with overseas management teams. • The Company will transition its governance structure from a Company with an Audit & Supervisory Board to a Company with an Audit and Supervisory Committee. We will also work toward establishing a structure in which Outside Directors constitute the majority.
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(Reference)

Towards Becoming the Most Trusted Insurance and Financial Services Group

In response to the discovery of incidents of price fixing*1 and unauthorized sharing of customer information*2 in the Group, Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI) have been working to break away from legacy business practices at the root of both issues. This includes efforts to strengthen internal controls and foster a sound corporate culture that prioritizes a customer-first approach and legal compliance. In this way, we are committed to transforming our business practices and style. Aiming to become the most trusted insurance and financial services group, the entire Group—including all officers and employees—will work together to reinforce compliance and enhance governance.

Key Points of Initiatives at MSI and ADI

Incidents of price fixing	(1) Breaking away from legacy business practices	<ul style="list-style-type: none"> Eliminate excessive favoritism and strategic equity holdings Resolve duplicated procedures with agents Establish internal rules on the Antimonopoly Law and optimize coinsurance arrangement management Move away from excessive focus on top-line growth (Review sales department policies and evaluations) Strengthen underwriting capabilities and risk solution offerings
	(2) Strengthening governance and internal controls	<ul style="list-style-type: none"> Enhance risk detection capabilities by improving legal literacy (by improving legal literacy) Enhance and improve the effectiveness of the three lines model of risk management (*) Strengthen advisory functions of the third line Further exercise Board of Directors' functions Enhance auditing conducted by Audit & Supervisory Board Members Improve systems for managing businesses by the Holding Company <p>(*) Refers to the concept whereby the sales departments, administrative departments, and internal audit departments each fulfill their respective roles in risk management.</p>
	(3) Cultural transformation	<ul style="list-style-type: none"> Communicate key messages from top management and instill the Group's Mission, Vision, and Values (MVV) Hold town hall meetings Overhaul staffing system and staff evaluations Enhance employees' psychological safety and revitalize internal communications
Unauthorized sharing of customer information	< Unauthorized sharing of customer information involving insurance agents >	<ul style="list-style-type: none"> ① Review business practices of dealership agents ② Provide thorough, practical training and guidance on personal information management for agents and sales representatives
	< Unauthorized sharing of customer information involving seconded employees at insurance agents >	<ul style="list-style-type: none"> ① Revise secondment policies; in principle, discontinue future secondments to independent agents ② Enhance training and guidance on legal and regulatory requirements, including information management



Evaluation by External Experts

*1 Refers to cases in which premium levels to be offered to customers and related information were shared in advance between insurance companies in coinsurance arrangements where multiple insurance companies jointly underwrite a single insurance policy. Summaries of the Business Improvement Plans for MSI and ADI are available on the following website.

● The Company's website https://www.ms-ad-hd.com/ja/important_notice/notice-02.html (Japanese only)

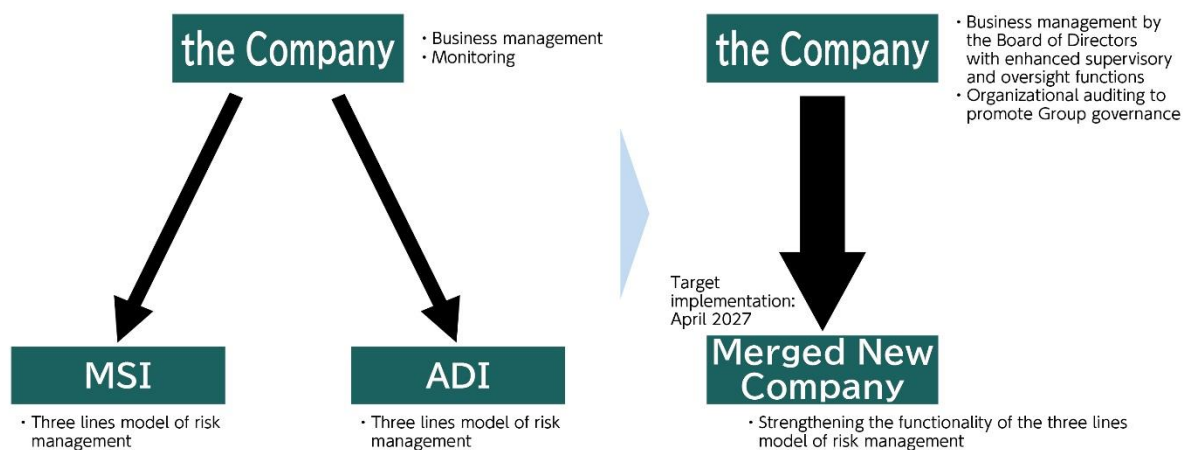
*2 Refers to cases where customer information from domestic Group insurance companies was leaked to other insurance companies through emails and other communications between insurance agents and other insurance companies represented by those agents, as well as cases where seconded Group employees at insurance agents disclosed customer information that was handled by the host agent on behalf of other insurance companies to their original domestic Group insurance company without obtaining consent from the host agent. Details of the facts are available on the following website.

● The Company's website https://www.ms-ad-hd.com/ja/important_notice/notice-03.html (Japanese only)

(Reference)

Strengthening Group Governance to Become a World-Leading Insurance and Financial Services Group

- (1) We will establish a framework for appropriate business management and strengthen governance across the entire Group.
 - (i) By transitioning to a Company with an Audit and Supervisory Committee and ensuring that Outside Directors constitute a majority of the Board of Directors, we will further strengthen the supervisory and oversight functions of the Board of Directors.
 - (ii) By placing the internal audit function under the direction and supervision of the Audit and Supervisory Committee, we will conduct effective organizational audits that provide valuable insights for management.
 - (iii) Through the merger of the two core non-life insurance companies, we will establish an even more effective management framework.
- (2) We will supervise and guide the steady implementation of the Business Improvement Plans for MSI and ADI, aiming to become the most trusted insurance and financial services group.



* Details of the merger between MSI and ADI are available on the following website.
https://www.ms-ad-hd.com/en/news/irnews/auto_20250328503463/pdfFile.pdf

(Reference)

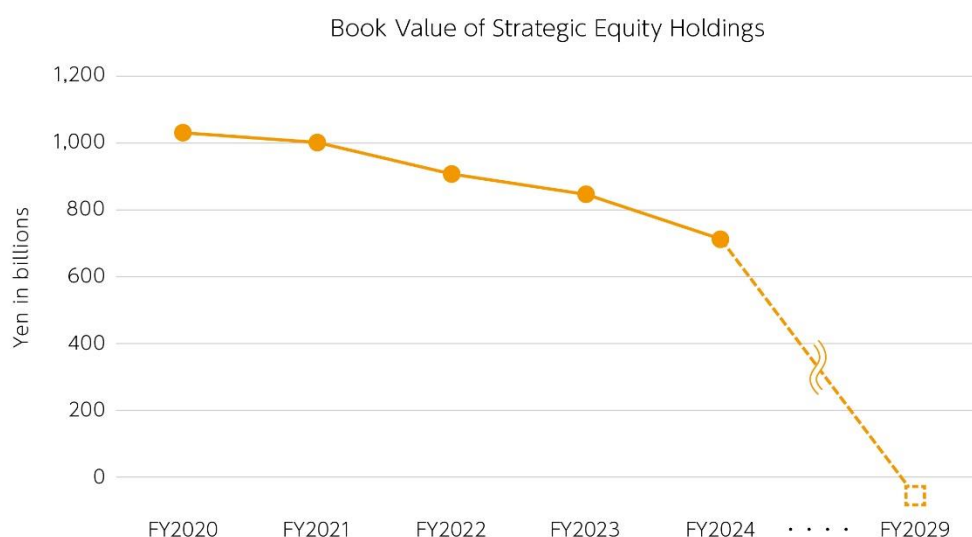
Measures on Strategic Equity Holdings

1. Policy for Reduction of Strategic Equity Holdings to Zero

The Group, whose core business is insurance, carries out diversified investment in a variety of investment assets (bonds 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. In addition, we organize for each individual stock of our strategic equity holdings to be examined to evaluate whether the benefits and risks associated with holding them justify the capital costs, and the results of these examinations are reviewed 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 fiscal year 2029 (March 2030). We continue to advance our initiatives based on this policy.

	Results of reduction efforts in recent years					Reduction Plan FY2025
By fiscal year	FY2020	FY2021	FY2022	FY2023	FY2024	¥5735.5 billion
	¥102.7 billion	¥118.1 billion	¥206.6 billion	¥244.2 billion	¥708.5 billion	
Cumulative Total	¥1,380.1billion					



(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.

Proposal 6: Determination of Amount of Remuneration for Directors Who Are Not Audit and Supervisory Committee Members

The amount of remuneration for Directors of the Company has been approved at the 10th Annual Shareholders Meeting held on June 25, 2018, as “no more than 500 million yen per year (excluding wages as an employee payable to a Director also serving as an employee) (of which remuneration for Outside Directors shall be no more than 100 million yen per year).”

If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

Accordingly, the Company proposes setting the amount of remuneration for Directors who are not Audit and Supervisory Committee Members at no more than 510 million yen per year (excluding wages as an employee payable to a Director also serving as an employee) (of which remuneration for Outside Directors shall be no more than 100 million yen per year) , taking into consideration the previous level of Director remuneration and current economic conditions. Please also note that the remuneration of Directors of the Company consists of fixed remuneration and performance-linked remuneration. However, Outside Directors will only receive fixed remuneration and will not be eligible for performance-linked remuneration.

The Company believes that the amount of remuneration for Directors who are not Audit and Supervisory Committee Members as proposed is appropriate, having undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and then been determined by resolution of the Board of Directors. If Proposal 2 and Proposal 3 are approved and adopted as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be ten (10) (including five (5) Outside Directors). Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

※For a comparison of the total remuneration amounts for current Directors and Auditors with the total amounts for Directors who are Audit and Supervisory Committee Members and those who are not, after this Annual Shareholders Meeting, please see the next page, "(Reference) Overview of Remuneration for Directors."

Proposal 7: Determination of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

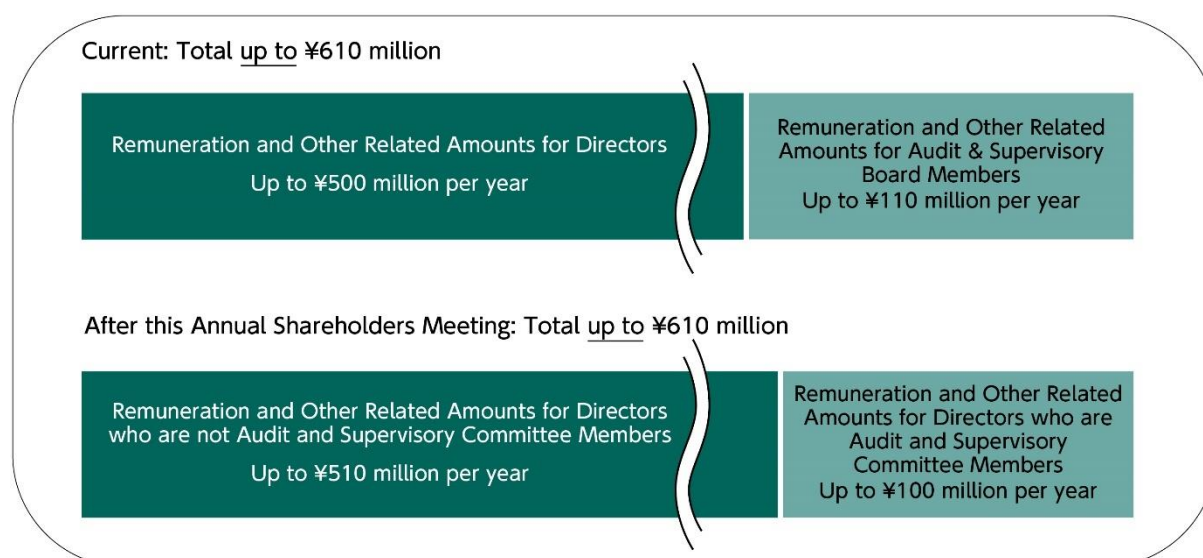
Accordingly, the Company proposes setting the amount of remuneration for Directors who are Audit and Supervisory Committee Members at no more than 100 million yen per year, taking into consideration the previous level of Director and Audit & Supervisory Board Member remuneration and current economic conditions. Directors who are Audit and Supervisory Committee Members will only receive fixed remuneration.

The Company believes that the amount of remuneration for Directors who are not Audit and Supervisory Committee Members as proposed is appropriate, having undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and then been determined by resolution of the Board of Directors

If Proposal 2 and Proposal 4 are approved and adopted as originally proposed, the number of Directors who are Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be three (3) (including two (2) Outside Directors). Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

※ (Reference) Overview of Remuneration for Directors

The amount of remuneration for Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members combined, as proposed, is equal to that for Directors and Audit & Supervisory Board Members combined.



Proposal 8: Determination of Remuneration for Granting Restricted Stock to Directors Who Are Not Audit and Supervisory Committee Members

At the 11th Annual Shareholders Meeting held on June 24, 2019, the Company has obtained approval to grant monetary remuneration receivables to be paid for the allotment of restricted stock to Directors other than Outside Directors under the restricted stock remuneration scheme (the “Scheme”) with the total amount limited to up to 200 million yen per year.

If Proposal 2 is approved and adopted as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee at the close of this Annual Shareholders Meeting.

Accordingly, the Company proposes that the Scheme remain in place, with revisions to target Directors who are not Audit and Supervisory Committee Members, excluding Outside Directors (“Eligible Directors”). This Scheme is intended to help strengthen the governance of our Group and enhance corporate value in the medium to long term by linking executive compensation with company performance, thereby providing appropriate incentives for sustainable growth. The Company further proposes that the total amount of monetary remuneration receivables for the allocation of restricted stock to Eligible Directors be set at a limit of up to ¥200 million per year, separate from that proposed under Proposal 6. The specific allocation to each Eligible Director will be determined by a resolution of the Board of Directors, upon deliberation by the Remuneration Committee, which consists of a majority of Outside Directors. Under the Scheme, monetary remuneration receivables functionally equivalent to the total paid-in amount for the allotted shares will be granted to the Eligible Directors, and new shares and/or treasury shares will be delivered in exchange for these claims.

The Company believes that the total amount of monetary remuneration receivables to be granted for distribution of restricted stock in the Scheme and the Scheme's content as proposed is appropriate, having undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and then been determined by resolution of the Board of Directors.

If Proposal 2 and Proposal 3 are approved and adopted as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be ten (10) (including five (5) Outside Directors), resulting in 5 Eligible Directors. Please note that resolution on this proposal shall take effect on the condition that Proposal 2 be approved as originally proposed.

Key Points of the Plan

The key points of the Plan are shown in the following table.

Eligible Directors	Directors (excluding Outside Directors) who are not Audit and Supervisory Committee Members
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restriction under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	390,000 shares per year*
Transfer restriction 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

* This is the adjusted total after the stock split conducted on April 1, 2024, and it represents approximately 0.03% of the total number of outstanding shares as of March 31, 2025 (1,514,868,679 shares, excluding treasury stock).

(1) Method of allotment and paid-in amount for restricted stock

Restricted stock shall be allotted either through the issuance of new shares or the disposal of treasury shares. The per-share paid-in amount at the time of allotment will be determined by resolution of the Board of Directors, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the Board resolution concerning the allotment of the restricted stock (or the closing price on the most recent trading day prior to that date if no trading occurred on that day). The amount shall be set within a range that is not particularly favorable to the Eligible Directors.

(2) Total number of shares of restricted stock

Under the Plan, the total number of common shares to be newly issued or disposed of by the Company shall be capped at 390,000 shares per year. However, after the date this proposal is approved and adopted, if a stock split (including a gratis allotment of shares of the Company's common stock) or reverse stock split of the Company's common stock is carried out, or if any other event arises that necessitates an adjustment to the total number of common shares to be issued or disposed of as restricted stock, the total number of shares may be reasonably adjusted.

(3) Execution and terms of the restricted stock allocation agreement

In allocating the shares of common stock of the Company under the Plan, the Company shall enter into a restricted stock allocation agreement (the "Allocation Agreement") with each Eligible Director. The Allocation Agreement shall include the following provisions:

① Transfer restriction period and terms

Each Eligible Director shall be prohibited from transferring, pledging, or otherwise disposing of the shares of common stock of the Company allocated to them (the "Allocated Shares") during the 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 "Transfer Restriction Period") (such prohibition, the "Transfer Restriction").

② Acquisition without compensation by the Company

In the event that the Board of Directors determines that certain events have occurred—such as material restatements of financial statements or other incidents stipulated by the Board—due to misconduct or other acts committed by an Eligible Director during their tenure, the Company shall acquire the Allocated Shares without compensation during the Transfer Restriction Period or require the return of the shares after the Transfer Restrictions have been lifted.

③ Handling in the event of organizational restructuring, etc.

If, during the Transfer Restriction Period, matters relating to a merger agreement in which the Company becomes the dissolving entity, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other forms of organizational restructuring are approved at a Shareholders Meeting of the Company (or, if such approval is not required for such restructuring at a Shareholders Meeting, by a resolution of the Board of Directors), the Company shall, by resolution of the Board of Directors, lift the Transfer Restriction on all Allocated Shares prior to the effective date of such restructuring.

④ Other matters

Any other matters related to the Allocation Agreement shall be determined by the Board of Directors.

BUSINESS REPORT FOR THE 17TH TERM (FY2024)

(From April 1, 2024 to March 31, 2025)

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

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

In the global economy during the current fiscal year, the United States is experiencing steady growth supported by increases in personal consumption and capital investment, while in Europe, despite some signs of stagnation, the economy is showing signs of recovery as personal consumption rebounds due to eased inflationary pressures. In Japan, despite the impact of rising prices, personal consumption showed signs of recovery, supported by improvements in the employment and income environment, resulting in a gradual economic recovery.

Continuing from Stage 1 (FY2022-2023) of the Medium-Term Management Plan (2022-2025), Stage 2 (FY2024-2025), which started this fiscal year, aims to achieve “Growing Together with Society as a Platform Provider of Risk Solutions.” We have 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).” Furthermore, reflecting on the incidents of price fixing and other issues that occurred in the corporate insurance field at Mitsui Sumitomo Insurance Co., Ltd. (“MSI”) and Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”), we have reviewed the conventional business practices. Building on the principles of “customer-focused business operations,” “strengthened governance,” and “compliance,” we have promoted the Major Transformation in Business Style that consists of “transformation of value provided,” “transformation of business structure,” and “transformation of productivity and profitability.”

The Group Adjusted Profit for the current fiscal year was 731.7 billion yen, exceeding the initial forecast (610.0 billion yen) and setting a new record high, mainly due to a significant increase in gains on the sale of strategic equity holdings, increased profit in the international business, and other factors. In terms of capital efficiency, the Group Adjusted ROE also exceeded the initial forecast (13.0%), reaching 15.7%. In terms of the Group’s financial soundness, the ESR was 226%, which was within the target range (180-250%).

Medium-Term Management Plan (2022-2025) Stage 2: Three Basic Strategic Initiatives

Value (Value creation)	<p>The Group promoted initiatives including the following, aiming to practice “CSV × DX^{*1}” 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">• Implement measures to improve profitability of domestic non-life insurance business, such as product revisions (including optimization of premium rates) in response to the increasing severity and frequency of natural disasters and continued inflation, strengthening underwriting^{*2}, and enhancing business efficiency and productivity through DX-driven process reforms• Expand risk management businesses leveraging digital and data, and work to develop and provide products and services before and after coverage/protection
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Transformation (Business reforms)	<p>The Group promoted 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"> • Transform the business portfolio by expanding into the U.S. MGA*³ market through MS Transverse, regaining and increasing MS Amlin's profitability, improving profitability of the Toyota Retail business, and advancing initiatives for enhanced business management (such as performance improvements and review of unprofitable businesses) • Shift the product portfolio to diversify profit sources beyond automobile insurance by improving profitability of fire insurance (through appropriate premium rate adjustments, etc.) and expanding profits from new types of insurance (through the promotion of products targeting small and medium-sized enterprises (SMEs) and service-inclusive products) • Transform the risk portfolio by accelerating initiatives to reduce strategic equity holdings (with the goal of reducing all current listed strategic equity holdings to zero by the end of March 2030)
Synergy (Group synergy)	<p>The Group promoted initiatives including the following, with the aim of improving the quality of operations and productivity through the One Platform Strategy*⁴, 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 carry out significant elimination and consolidation of systems • 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 between domestic and overseas bases under "TENKAI Project"

*1 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.

*2 Underwriting

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

*3 Managing General Agent (MGA)

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.

*4 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.

Ensuring Compliance

Incidents of unauthorized sharing of customer information attributable to insurance agents and employees seconded to insurance agents have been discovered at multiple domestic insurance companies, including our Group companies. At the companies where unauthorized sharing of customer were confirmed—namely, MSI, ADI, Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (“MSAL”), and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (“MSPL”)—thorough investigations were conducted, and the facts, response policies, causes of occurrence, and recurrence prevention measures were made public. In response to these unauthorized sharing of customer information, MSI and ADI received a business improvement order from the Financial Services Agency (FSA) in March 2025 under the Insurance Business Act.

In addition, MSI and ADI each received cease and desist order and surcharge payment order by the Japan Fair Trade Commission in October 2024 in connection with incidents of price fixing in the corporate insurance field.

We take these developments with the utmost seriousness. As a holding company, we are committed to regaining the trust of society and our customers by reinforcing our management systems, strengthening governance, and ensuring thorough compliance across the entire Group.

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

Category	FY2023	FY2024 (Current fiscal year)	Change
Ordinary income	¥6,572.8 billion	¥6,660.8 billion	1.3%
Ordinary profit	¥416.4 billion	¥928.9 billion	123.1%
Net income attributable to owners of the parent	¥369.2 billion	¥691.6 billion	87.3%

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 has provided 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 as a risk solution platform provider.

In addition to providing compensation for financial losses, which is the original function of insurance, the Group is enhancing its pre- and post-coverage solutions by leveraging DX to help prevent accidents and disasters before they occur, mitigate their impact, and support recovery efforts. For example, MSI and ADI have expanded their product and service lineup by launching an alert service that notifies customers in advance of potential hailstorms, which have been increasing in frequency in recent years due to climate change.

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

	Main Initiatives	
MSI and ADI	Cyber risk business partner assessment service	We launched a service that assesses the cyber risk of major corporate affiliates and business partners collectively, visualizes the risks, and provides regular reports on a monthly or quarterly basis.
	Automobile insurance rider for ride-sharing operators “Mobility Support Service Commercial Auto Insurance Rider”	In line with the partial deregulation of ridesharing, we developed the “Mobility Support Service Commercial Auto Insurance Rider,” which provides blanket coverage for personally owned vehicles brought into fleets, and began offering it to rideshare operators responsible for fleet management.
	Home fire insurance “Building Energy Efficiency Cost Rider”	We became the first in the industry to develop a “Building Energy Efficiency Cost Rider” that covers additional costs needed to meet energy efficiency standards when rebuilding a home that has been completely destroyed by fire or other disasters. We have begun offering it as a rider to our home fire insurance policies.
MSI	Senior life support services	We launched a service where specially trained and MSI-certified insurance agents (MS Senior Life Partners) introduce customers to professional service providers tailored to their needs, offering one-stop support for senior-related assistance.
ADI	Hail damage recovery scheme	We developed a hail damage recovery scheme to expedite insurance claim payments in the event of major hailstorms, utilizing the Hail Scanner, which automates damage assessment for affected vehicles, and Dent Repair technology, which significantly shortens repair times.
Mitsui Direct	Next-Generation core system “Trusty”	We released a system that enables customers to more quickly, easily, and intuitively obtain insurance quotes and complete application procedures online, enhancing the ability to offer optimal proposals and services tailored to each individual customer.

Operating results by segment were as follows:

	Category	FY2023	FY2024 (Current fiscal year)	Change
MSI	Net premiums written	¥1,623.3 billion	¥1,679.2 billion	3.4%
	Net income	¥167.7 billion	¥459.9 billion	174.1%
ADI	Net premiums written	¥1,368.9 billion	¥1,430.3 billion	4.5%
	Net income	¥56.0 billion	¥108.7 billion	93.9%
Mitsui Direct	Net premiums written	¥35.2 billion	¥37.3 billion	6.2%
	Net income	△¥1.5 billion	△¥1.7 billion	—

Domestic Life Insurance Business

MSAL and 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.

At MSAL, revisions were made to its core products, including its income protection insurance and term life insurance. For income protection insurance, coverage was expanded (to include nursing care and work disability), and new coverage was introduced to support hospitalization and home medical care needs. For term life insurance, adjustments were made to the assumed interest rate in response to changes in market interest rates, thereby enhancing overall product competitiveness. Also, a new service was added to the MSA Care healthcare service, providing consultations and medical care for women's health issues such as menstrual disorders and menopause symptoms. A dedicated platform was also launched to improve convenience for companies adopting it as part of their employee benefit programs, further strengthening support before and after insurance coverage. Furthermore, MSAL established a directly-owned agent, MSA Life Support Agency, to strengthen after-sales follow-up for customers who purchased policies without going through an agent, and to reinforce insurance solicitation efforts linked to reassessing coverage needs through after-sales engagement.

At MSPL, revisions were made to the “Yasashisa, Tsunagu” series of gift-type insurance products designed to facilitate smooth asset transfer to the next generation. These product revisions included raising the maximum premium amount eligible for contracts and expanding the scope of available plans. As a result, cumulative sales exceeded 3 trillion yen in June 2024. In addition, to meet growing demand for asset management in yen-denominated assets and for early receipt of annuity payments, new short-term deferred plans (three-year foreign currency-denominated, and three- and five-year yen-denominated options) were added to the individual annuity product “Minori 10 Years.” At the same time, efforts were made to strengthen the framework for developing products aligned with customer intentions and needs, and to support the reinforcement of proper insurance sales structures at financial institution agents.

Operating results by segment were as follows:

	Category	FY2023	FY2024 (Current fiscal year)	Change
MSAL	New policies	¥1,292.8 billion	¥1,206.2 billion	△6.7%
	Annualized premiums of new policies	¥26.9 billion	¥24.5 billion	△9.0%
	Total amount of policies in force	¥22,465.5 billion	¥21,591.4 billion	△3.9%
	Annualized premiums of policies in force	¥435.6 billion	¥428.1 billion	△1.7%
	Net income	¥28.1 billion	¥29.6 billion	5.0%
MSPL	New policies	¥1,437.0 billion	¥1,317.1 billion	△8.3%
	Total amount of policies in force	¥7,905.7 billion	¥8,130.6 billion	2.8%
	Net income	¥19.6 billion	¥25.7 billion	30.5%

International Business

As outlined in the Medium-Term Management Plan, the Group worked to expand profits at MS Amlin, tap into growth in the Asian market, improve profitability in the Toyota Retail business, accelerate growth through business investments, and demonstrate Group synergy. As a result, we achieved significantly higher profits compared to the previous fiscal year.

At MS Amlin, we continued initiatives from the previous fiscal year by raising premiums in response to market conditions and selectively expanding underwriting for non-natural disaster risks while curbing underwriting of natural disaster risks, leading to increased profit. In the Asian market, we expanded earnings steadily by working to penetrate further into the retail market and implementing other measures utilizing digital technology through collaboration with platform providers.

In the Toyota Retail business, we strengthened underwriting and implemented a strategy of selection and concentration of businesses, including withdrawal from low-profit businesses in Europe, thereby improving profitability.

For our business investments, we worked to capture the growing U.S. MGA market through MS Transverse, and decided to acquire a 15% stake in W. R. Berkley Corporation, a leading U.S. specialty insurance company. Through this initiative, we aim to significantly expand our revenue in the world's largest insurance market, the United States, and by combining the Group's strong presence in other regions and markets, particularly Japan, Asia, and Lloyd's markets, with the strengths of new investment partners in the U.S., we aspire to build a top-tier global insurance group alliance with an extensive worldwide network.

The results of overseas insurance subsidiaries were as follows:

Category	FY2023	FY2024 (Current fiscal year)	Change
Net premiums written	¥1,233.6 billion	¥1,527.2 billion	23.8%
Net income after adjustment for equity interest (segment income)	¥153.8 billion	¥184.4 billion	19.9%

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.

During the current fiscal year, we launched several services, such as RM NAVI (Risk Management Navigation), which provides comprehensive, one-stop support from the providing of risk information to solution implementation; Natural Disaster Action Support Service, which enables quick and appropriate initial responses during natural disasters; and Cyber Incident Guard, a service that offers end-to-end support for companies responding to cyberattacks.

Financial Services Business

In the financial services business, we have been offering a variety of products and services beyond traditional insurance, taking into account social issues, environmental changes, and customer needs.

At MSI, we focused on sales of weather derivatives to mitigate economic losses caused by natural disasters and extreme weather events. We also worked to generate synergies with Leadenhall Capital Partners LLP, a consolidated subsidiary and fund management company specializing in insurance-linked securities (ILS)*⁵ funds, including support for expanding its investor base in Japan.

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

*5 Insurance-linked securities (ILS)

A general term for securitized financial products that transfer risks, such as natural disasters, from insurance markets to capital markets.

Promotion of Sustainability

For the Group, sustainability is one of the fundamental initiatives for supporting our basic strategies in the Medium-Term Management Plan, and 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>	<ul style="list-style-type: none"> · One year after announcing our interim targets for FY2030 for reducing greenhouse gas emissions at insurance underwriting and investment/financing counterparties toward achieving net-zero greenhouse gas emissions by 2050, we disclosed the progress on emissions reductions and engagement efforts with major domestic business partners. · We added new transactions related to new domestic solar, onshore wind, and biomass power generation projects involving large-scale development in undeveloped areas to the scope of our environmental and social risk assessments. · To promote nature positivity, we concluded a partnership agreement with the Nature Conservation Society of Japan (NACS-J) aimed at sharing information and expertise on biodiversity and applying it to our respective initiatives. · In September 2024, we published the MS&AD Green Resilience Report 2024 (TCFD•TNFD Report), which provides integrated climate and nature-related disclosures based on TCFD*⁶ and TNFD*⁷ recommendations.
<p>Safe and secure society (Resilience)</p>	<ul style="list-style-type: none"> · To address challenges related to weather disasters, we launched new services, including a hail alert service to notify of the growing risks of hailstorm damage, a water pipe freeze alert service to warn of risks of water supply interruptions and pipe damage caused by freezing, and a building damage assessment service utilizing AI image analysis. · We have been conducting 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>Well-being of diverse people (Well-being)</p>	<ul style="list-style-type: none"> · To protect employee rights, under the Group Basic Policy on Human Rights, we standardized internal regulations regarding customer harassment across domestic Group companies and publicly announced a firm stance against such harassment. · For the three priority issues for respecting human rights — “Fair and just customer services,” “Consideration of human rights responses by our business partners and agents,” and “Consideration for the health of employees and creation of a workplace environment without discrimination” — we monitored the implementation status of human rights awareness training and related surveys at overseas bases and within the supply chain. · We endorsed and signed the GCNJ Collective Action 2030, an initiative by the Global Compact Network Japan (GCNJ) aimed at co-creating solutions to social issues with stakeholders and realizing a society where everyone can experience well-being.

*6 TCFD (Task Force on Climate-related Financial Disclosures)

*7 TNFD (Taskforce on Nature-related Financial Disclosures)

■ Issues to be Addressed

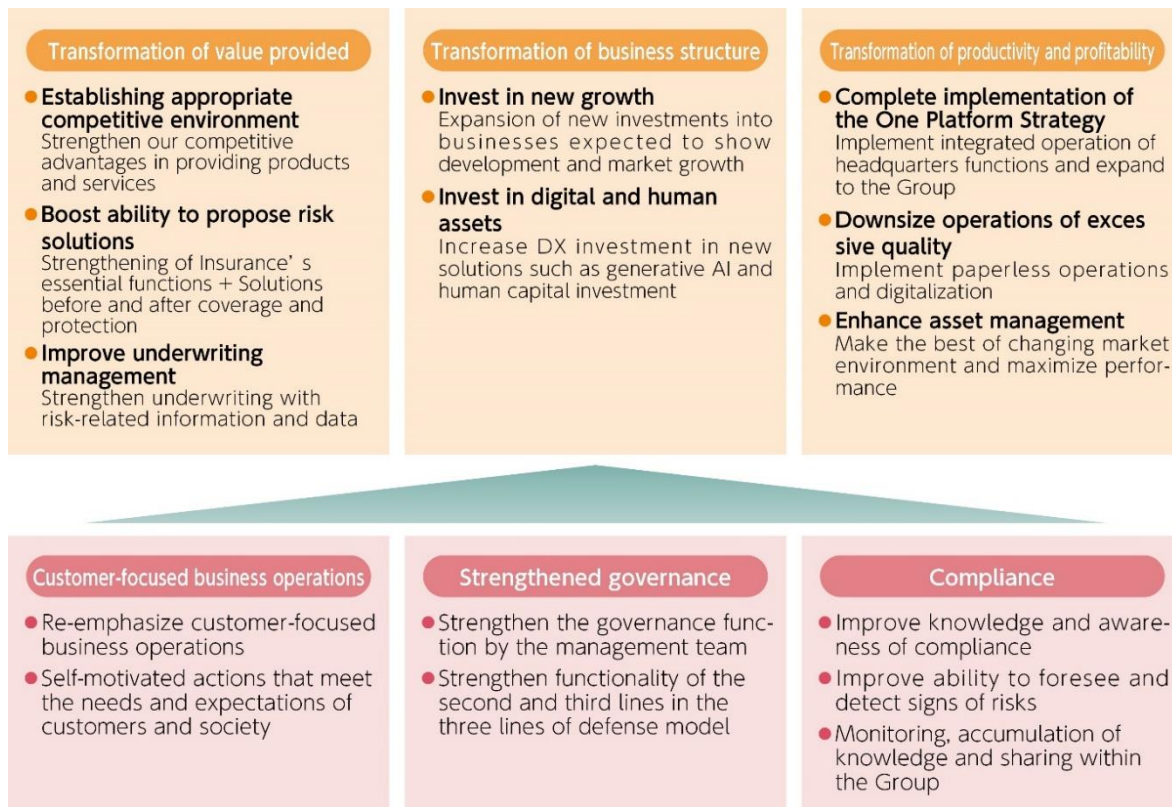
While the global economy, including Japan, is expected to continue its gradual recovery, there are concerns about the risk of downward pressure on the Japanese economy as a result of a downturn in overseas economic conditions — such as developments in U.S. trade policy, the prolonged high-interest rate environment in the U.S. and Europe, the continued stagnation of China’s real estate market, and rising geopolitical tensions in multiple regions.

In the insurance industry, following the occurrence of inappropriate conduct including incidents of price fixing, the FSA convened the “Expert Panel on Structural Issues and Competition in the Non-Life Insurance Sector” and the Financial System Council’s “Working Group on Regulatory System Especially for Non-Life Insurance Business.” These bodies had actively discussed measures to build trust in the insurance market and promote its sound development. Going forward, the industry must respond appropriately to revisions to the Insurance Business Act and other regulatory changes based on the outcomes of these discussions, while promoting initiatives to regain customer and public trust. At the same time, we must continue to fulfill our role as a social infrastructure that enhances the resilience of society by providing insurance and related services.

In this environment, the Group will return to the fundamentals of its Mission, Vision, and Values, reshape the actions of all officers, employees, and agents, and pursue the Major Transformation in Business Style. We are fully committed to restoring the trust of our customers. We will then proceed with the basic strategies under the Medium-Term Management Plan (2022–2025) 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]

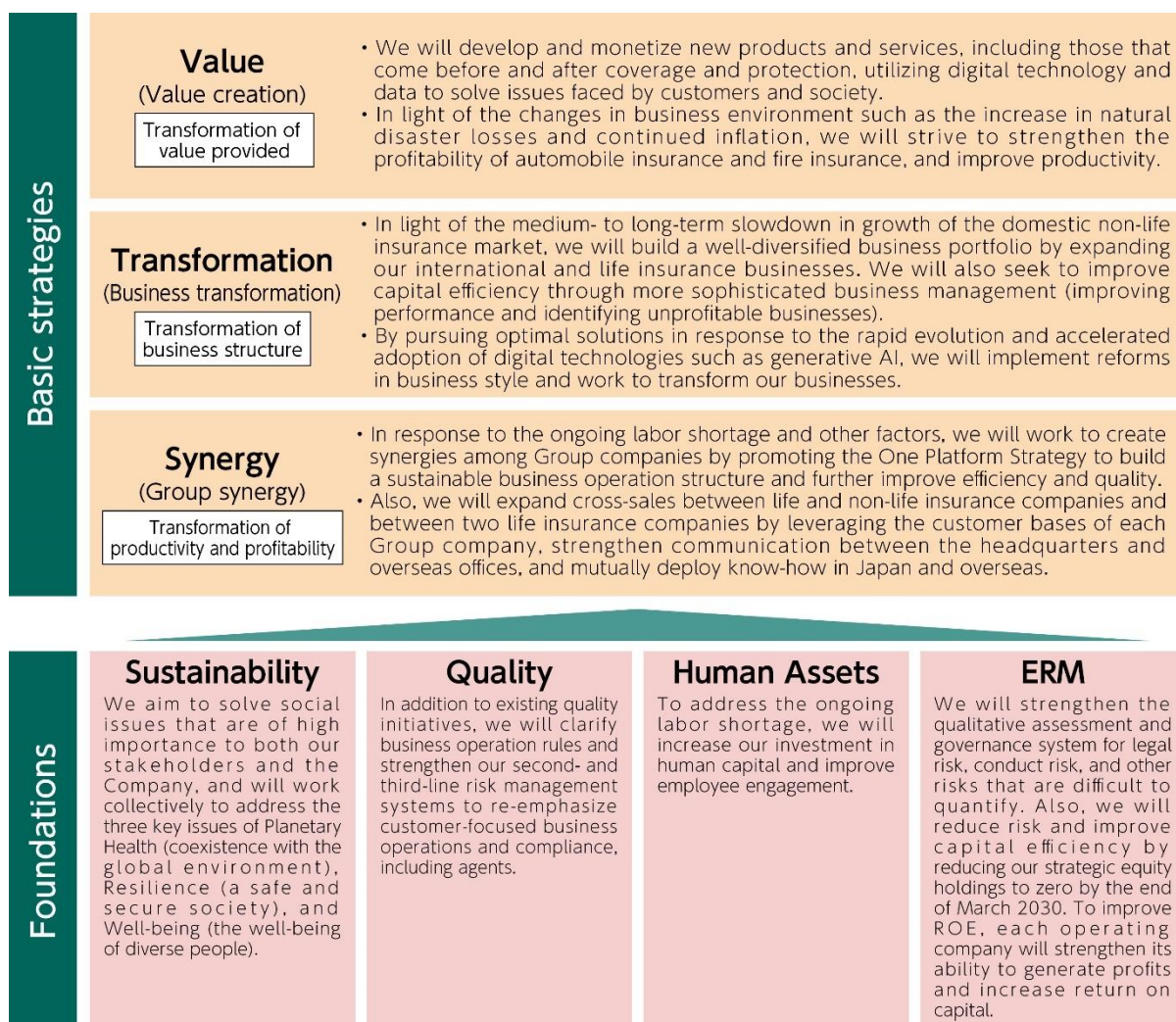
The Group will continue to drive the Major Transformation in Business Style, building on a foundation of “customer-focused business operations,” “strengthened governance,” and “compliance.” This transformation is centered around three key pillars: “transformation of value provided,” “transformation of business structure,” and “transformation of productivity and profitability.”



We will continue working as a holding company to strengthen our business management system, demonstrate governance, and ensure thorough compliance across the entire Group, so that each Group company steadily implements these initiatives and that MSI and ADI reliably execute their respective Business Improvement Plans.

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

In Stage 2 (FY2024–2025) of the Medium-Term Management Plan (2022–2025), 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 three basic strategies, and those concerning “Sustainability,” “Quality,” “Human Assets,” and “ERM,” four foundations to support those strategies.



[Initiatives by Business Area]

Our implementation plans by major business area are as follows.

In our domestic non-life insurance business, we will reassess our business practices, ensure thorough 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 as well as 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. We will also strengthen sales channels and sales management systems, including for foreign currency insurance and other risk-involving financial products. We will also work to increase investment income in light of rising interest rates and other changes in the market environment, building on asset management that matches 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. At the same time, we will strengthen governance systems 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*⁸. We will also continue working to reduce 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.

*⁸ 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.

Furthermore, the Company has decided to move forward with detailed studies and preparations to merge MSI and ADI, with the target date set for April 2027. By establishing a stronger domestic non-life insurance business structure, we aim to realize the Group's vision of creating a world-leading insurance and financial services group and to contribute to the development of a resilient and sustainable economy and society.

In addition, subject to approval at the Annual Shareholders Meeting scheduled for June 2025, the Company will transition to a Company with an Audit and Supervisory Committee. Through this transition, we will strengthen the supervisory functions of the Board of Directors while delegating certain decision-making authority concerning the execution of important business operations to Directors for enabling swifter decision-making and business execution. Moreover, with Outside Directors comprising the majority of the Board of Directors, we aim to enhance the objectivity of management decisions by the Board of Directors, further reinforcing the Company's governance system.

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

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

Target	
Net income on IFRS basis FY2025 ¥450.0 billion	Group Adjusted Profit FY2025 ¥760.0 billion (Excluding the impact of the accelerated sales of strategic equity holdings: ¥450.0 billion)
Adjusted ROE FY2025 12%	Group Adjusted ROE^{*2} FY2025 16% (Excluding the impact of the accelerated sales of strategic equity holdings: 10%)
<small>*1: Net income 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 income, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net income) used to calculate ROE.</small>	
<small>*2: Group adjusted profit ÷ Adjusted net assets average at the beginning and end of Fiscal Year Adjusted net assets = consolidated net assets + catastrophe reserves, and others - goodwill and other intangible fixed assets</small>	

(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	FY2021	FY2022	FY2023	FY2024 (Current fiscal year)
Ordinary income	5,132,042	5,250,794	6,572,889	6,660,813
Ordinary profit	390,499	292,262	416,440	928,989
Net income attributable to owners of the parent	262,799	211,006	369,266	691,657
Comprehensive income	310,470	(25,734)	1,527,696	△17,284
Net assets	3,302,749	3,139,501	4,513,562	4,052,835
Total assets	25,033,846	24,349,984	26,960,207	26,241,298

(Note) The Group has adopted International Financial Reporting Standards (“IFRS”) 17 Insurance Contracts with regard to some of its overseas subsidiaries beginning in the fiscal year 2023. 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	FY2021	FY2022	FY2023	FY2024 (Current fiscal year)
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Operating income	124,693	179,756	151,407	426,705
Dividends income	124,536	179,589	151,295	426,608
Subsidiaries engaged in insurance business	122,657	177,550	148,427	423,853
Other subsidiaries	1,878	2,038	2,868	2,754
Net income	117,016	174,315	146,111	416,496
Net income per share	¥70.41	¥107.75	¥91.62	¥267.96
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Total assets	1,700,359	1,687,398	1,706,225	1,694,770
Shares of subsidiaries engaged in insurance business	1,422,745	1,425,216	1,425,216	1,420,744
Shares of other subsidiaries	47,321	54,003	70,100	79,601

(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 FY2021.

(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.	450	453	3
(Domestic non-life insurance business) Mitsui Sumitomo Insurance Co., Ltd.	12,143	12,093	(50)
Aioi Nissay Dowa Insurance Co., Ltd.	12,502	11,977	(525)
Mitsui Direct General Insurance Co., Ltd.	536	523	(13)
(Domestic life insurance business) Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	2,410	2,441	31
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	415	407	(8)
(International business) Overseas insurance subsidiaries	9,528	9,859	331
Other	407	494	87

(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.	19
(Domestic non-life insurance business)	
Mitsui Sumitomo Insurance Co., Ltd.	11,533
Aioi Nissay Dowa Insurance Co., Ltd.	10,553
Mitsui Direct General Insurance Co., Ltd.	148
(Domestic life insurance business)	
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	254
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	244
(International business)	
Overseas insurance subsidiaries	2,560
Other	25

ii) Establishment of major facilities, etc.

Not applicable.

(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%	-
MS Plus One Small Amounts & Short Term Insurance Co., Ltd.	Chiyoda-ku, Tokyo	Small-amount, short-term insurance business	Apr. 18, 2023	¥299 million	100.0% (100.0%)	-
Little Family SS Insurance Co., Ltd.	Shinagawa-ku, Tokyo	Small-amount, short-term insurance business	Aug. 1, 2019	¥1,075 million	98.5% (98.5%)	-

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\$1,761 million (¥263,316 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 (¥747 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 (¥747 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 (¥747 million)	100.0% (100.0%)	-
MS Transverse Insurance Group, LLC	Delaware, U.S.A.	Holding company	Jun. 26, 2018	US\$107,694 thousand (¥16,102 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 (¥747 million)	100.0% (100.0%)	-
MS Transverse Insurance Company	Dallas, U.S.A.	Non-life insurance business	Mar. 14, 1961	US\$4,200 thousand (¥627 million)	100.0% (100.0%)	-
TRM Specialty Insurance Company	Dallas, U.S.A.	Non-life insurance business	Nov. 5, 1987	US\$4,200 thousand (¥627 million)	100.0% (100.0%)	-
DTRIC Insurance Company, Limited	Honolulu, U.S.A.	Non-life insurance business	Dec. 12, 1978	US\$5,907 thousand (¥883 million)	100.0% (100.0%)	-
DTRIC Insurance Underwriters, Limited	Honolulu, U.S.A.	Non-life insurance business	Feb. 2, 2007	US\$2,500 thousand (¥373 million)	100.0% (100.0%)	-
Mitsui Sumitomo Seguros S.A.	Sao Paulo, Brazil	Non-life insurance business	Dec. 15, 1965	BRL619,756 thousand (¥16,082 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Europe Limited	London, U.K.	Holding company	Nov. 8, 2017	UK£526,010 thousand (¥101,951 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 (¥38,783 million)	100.0% (100.0%)	-
MS Amlin Corporate Member Limited	London, U.K.	Non-life insurance business	Sep. 19, 1994	UK£1,700 thousand (¥329 million)	100.0% (100.0%)	-
MS Amlin Underwriting Limited	London, U.K.	Non-life insurance business	Nov. 29, 1988	UK£400 thousand (¥77 million)	100.0% (100.0%)	-
MSI Corporate Capital Limited	London, U.K.	Non-life insurance business	Jan. 7, 2000	UK£5,200 thousand (¥1,007 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 (¥15,641 million)	100.0% (100.0%)	-
Leadenhall Capital Partners LLP	London, U.K.	Investment management business	Apr. 30, 2008	US\$2,850 thousand (¥426 million)	80.0% (80.0%)	-
MS Amlin AG	Zurich, Switzerland	Non-life insurance business	Aug. 19, 2010	SFR10,000 thousand (¥1,700 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 (¥29,822 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Life Insurance of Europe AG	Ismaning, Germany	Life insurance business	Dec. 8, 2005	€5,000 thousand (¥810 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 (¥22,691 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 (¥11,649 million)	100.0% (100.0%)	-
MSIG Insurance (Singapore) Pte. Ltd.	Singapore, Singapore	Non-life insurance business	Sep. 23, 2004	S\$333,442 thousand (¥37,172 million)	100.0% (100.0%)	-
MS First Capital Insurance Limited	Singapore, Singapore	Non-life insurance business	Dec. 9, 1950	S\$26,500 thousand (¥2,954 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Insurance Company Australia Pty Ltd	Melbourne, Australia	Non-life insurance business	Aug. 1, 2008	A\$87,800 thousand (¥8,250 million)	100.0% (100.0%)	-
Challenger Limited	Sydney, Australia	Holding company	Sep. 13, 1985	A\$2,536 million (¥238,394 million)	15.2%	-
MSIG Mingtai Insurance Co., Ltd.	Taipei, Taiwan	Non-life insurance business	Sep. 22, 1961	NT\$2,535 million (¥11,437 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 (¥31,248 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 (¥20,590 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 (¥10,295 million)	100.0% (100.0%)	-
BOCOM MSIG Life Insurance Company Limited	Shanghai, P.R.C.	Life insurance business	Jul. 4, 2000	RMB5,100 million (¥105,009 million)	37.5%	-
MSIG Insurance (Vietnam) Company Limited	Hanoi, Vietnam	Non-life insurance business	Feb. 2, 2009	VND300,000 million (¥1,740 million)	100.0% (100.0%)	-
Cholamandalam MS General Insurance Company Limited	Chennai, India	Non-life insurance business	Nov. 2, 2001	INR2,988 million (¥5,229 million)	40.0% (40.0%)	-
Max Financial Services Limited	Nawanshahr, India	Holding company	Feb. 24, 1988	INR690,065 thousand (¥1,207 million)	21.9% (21.9%)	-
Axis Max Life Insurance Limited	Chandigarh, India	Life insurance business	Jul. 11, 2000	INR20,613 million (¥36,074 million)	- (-)	-
PT. MSIG Life Insurance Indonesia Tbk	Jakarta, Indonesia	Life insurance business	Jul. 17, 1984	IDR210,000 million (¥1,890 million)	80.0% (80.0%)	-
PT. Asuransi MSIG Indonesia	Jakarta, Indonesia	Non-life insurance business	Dec. 17, 1975	IDR100,000 million (¥900 million)	80.0% (80.0%)	-
Ceylinco Holdings 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 (¥627 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 (¥913 million)	48.5% (48.5%)	-
MSIG Insurance (Malaysia) Bhd.	Kuala Lumpur, Malaysia	Non-life insurance business	Apr. 28, 1979	MYR1,511 million (¥50,969 million)	65.4% (65.4%)	-
Hong Leong Assurance Berhad	Kuala Lumpur, Malaysia	Life insurance business	Dec. 20, 1982	MYR200,000 thousand (¥6,744 million)	30.0% (30.0%)	-
MSIG Sokxay Insurance Co., Ltd.	Vientiane, Laos	Non-life insurance business	Jun. 1, 2023	LAK54,352 million (¥375 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, Axis 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

Date of business transfer	Status of business transfer
Mar. 28, 2025	MSI, a subsidiary of the Company, entered into a strategic alliance agreement with the founding family of W. R. Berkley Corporation. MSI plans to acquire a 15% equity stake in Berkley by the end of FY2025 subject to approval of relevant authority.

(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
Noriyuki Hara	Chairman & Director, Chairman Executive Officer	Chairman & Director, Chairman Executive Officer, Mitsui Sumitomo Insurance Co., Ltd. ("MSP")	-
Yasuzo Kanasugi	Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer	Chairman & Director, Aioi Nissay Dowa Insurance Co., Ltd. ("ADP")	-
Shinichiro Funabiki	Representative Director, President & Director, President & CEO (Group CEO)	President & CEO, <i>MSI</i>	
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)	-	-

(As of end of fiscal year)

Name	Position and duties	Significant concurrent positions	Other
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)	-	-
Kyoko Uemura	Outside Audit & Supervisory Board Member	Attorney-at-Law, Miyama, Uemura & Associates	-
Taisei Kunii	Outside Audit & Supervisory Board Member	Certified Public Accountant, Taisei Kunii Certified Public Accountant Office Audit & Supervisory Board Member, Sumitomo Corporation (Outside Audit & Supervisory Board Member)	As a certified public accountant, Mr. Taisei Kunii has considerable knowledge of finance and accounting.

(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 Ms. Kyoko Uemura and Mr. Taisei Kunii 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, 2025 are as follows:

Senior Executive Officer	Satoru Tamura	Human Resources and General Administration Dept., Legal 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	Keisuke Niiro	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	Hironori Morimoto	International Business Planning Dept.
- There were changes in Executive Officers as of April 1, 2025. Executive Officers as of April 1, 2025 are as follows:

Chairman	Noriyuki Hara	
Executive Officer		
Vice Chairman	Yasuzo Kanasugi	
Executive Officer		
President & CEO	Shinichiro Funabiki	Group CEO
Executive Vice President (New Appointment)	Shigeo Kudo	Corporate Planning Dept., Corporate Communications Dept., Investor Relations Dept., Internal Audit Dept., Capital Policy, Group CFO
Senior Executive Officer	Satoru Tamura	Human Resources and General Administration Dept., Legal 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	Tetsuji Higuchi	International Supervisory Dept.
Executive Officer	Keisuke Niiro	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	Hiroshi Arakawa	Assist Management
Executive Officer	Tomoyuki Motoyama	Innovation Planning Dept., Administration, Group Chief Digitalization Officer
Executive Officer	Sachiko Hori	General Manager of Corporate Risk Management Dept.
Executive Officer	Hironori Morimoto	International Business Planning Dept.
Executive Officer	Kenjiro Matsuda	Claims Services
Executive Officer (New Appointment)	Hiroshi Umiyama	Assist Management
Executive Officer (New Appointment)	Kuniyuki Hirano	Sales
Executive Officer (New Appointment)	Atsushi Kadoya	General Manager of Corporate Planning Dept.
Executive Officer (New Appointment)	Hisashige Doisaki	Underwriting & Reinsurance

4. Director Tetsuji Higuchi was appointed Chairman & Director, Chairman Executive Officer of Mitsui Sumitomo Primary Life Insurance Co., Ltd. as of April 1, 2025.
5. One (1) Substitute Outside 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
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(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 are eligible to receive 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	12	322	230	47	44
Audit & Supervisory Board Members	5	80	80	-	-
Total	17	402	311	47	44

(Notes)

1. The number of recipients includes one (1) Director and one (1) Audit & Supervisory Board Member who retired during this fiscal year.
2. Fixed remuneration includes remuneration for one (1) Director and one (1) Audit & Supervisory Board Member who retired during this fiscal year.
3. The performance-linked remuneration of six (6) Directors paid during this fiscal year resulted in a difference of 56 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 Company determines remuneration for individual Directors based on the following policies prescribed by the Board of Directors, taking fully into account the results of deliberation by the Remuneration Committee, whose majority consists of Outside Directors. The resolution of these policies was made at the Board of Directors meetings held on February 14, 2019, May 20, 2019, May 20, 2021, and December 27, 2022.

a. Basic policy

- The Company's remuneration program is intended to help reinforce governance and enhance the medium- to long-term corporate value of the Group.
- The Program shall so be designed as to reflect the performance of the Group and thus to function as an appropriate incentive for its growth.
- 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 to the advice of the Remuneration Committee to the maximum extent possible, and confirms to its satisfaction that the amount of remuneration is in line with the remuneration system established by resolution of the Board of Directors before making a decision.

The Board of Directors has confirmed that the Board deferred to the advice of the Remuneration Committee to the maximum extent possible and the remuneration for individual Directors for the fiscal year is in line with the program the Board established, concluding accordingly that the remuneration is in line with basic policies above.

(b) Remuneration for Audit & Supervisory Board Members

- Audit & Supervisory Board Members discuss and determine the remuneration for individual members within the range approved by Shareholders' resolution, taking into consideration full-time/part-time status and assignment to each member, and remuneration of Directors.

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.)

<Chairman & Director, Vice Chairman & Director, and 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] Approx. 50%	[Performance-linked remuneration] Monetary remuneration Approx. 25%	[Performance-linked remuneration] Stock-based remuneration Approx. 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 granted in the form of restricted stock and in principle, the Transfer Restrictions shall only be released upon retirement of each Director.

- In case a Director has been engaged in a fraudulent act while in office, the Company is to acquire restricted stock held by such Director for no consideration or have such Director surrender stock held to the Company, whether the Transfer Restriction remains in effect.

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)	390,000 shares per year*
Transfer restriction 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 number of shares shown above reflects the stock split of common stock in a ratio of one (1) into three (3) that took effect on April 1, 2024.

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: $\text{Standard amount per position} \times \text{business performance coefficient (financial indicators} \times 80\% + \text{non-financial indicators} \times 20\%)$

Stock-based remuneration: $\text{Standard amount per position} \times \text{business performance coefficient (financial indicators} \times 20\% + \text{non-financial indicators} \times 80\%)$

- 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	¥731.7 billion	¥670.0 billion	109.2%
Consolidated Net Income	¥691.6 billion	¥630.0 billion	109.8%
Group Adjusted ROE	15.7%	14.3%	+ 1.4 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 before and after coverage and protection that contribute to solving social issues • Expansion of overseas operations and domestic life insurance business, transforming the business and the risk portfolios, and pursuing new business using digital data • Improvement of operational quality and productivity through the execution 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 three key sustainability issues of coexistence with the global environment, a safe and secure society, and the well-being of diverse people • Thoroughly establishing and embedding Customer-Focused business operations, and initiatives aimed at enhancing compliance awareness and knowledge • Initiatives related to human assets aimed at building an optimal human asset portfolio and maximizing employees' abilities, skills, and motivation • Initiatives f aimed at improving capital efficiency and strengthening risk management frameworks, 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
(Outside Director) Mariko Bando Junichi Tobimatsu Rochelle Kopp Akemi Ishiwata Jun Suzuki (Outside Audit & Supervisory Board Member) Kyoko Uemura Taisei Kunii	<p>The Company has entered into an agreement with each of the persons that limits such person's liability under Article 423, Paragraph 1 of the Companies Act. The limit of each such person'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
Directors, Audit & Supervisory Board Members, and Executive Officers, etc. of the Company and other major subsidiaries, etc.	The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, Paragraph 1 of the Companies Act with an insurance company. The insureds 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 pursuit of liability in connection with the execution of such person's duties. This policy is renewed annually.

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.

Sumitomo Corporation, where Mr. Taisei Kunii concurrently holds a position, is a shareholder of the Company. There is no other 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.
Mariko Bando (Outside Director)	7 years and 9 months	Attended 13 of the 14 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 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.
Junichi Tobimatsu (Outside Director)	6 years and 9 months	Attended all 14 meetings of the Board of Directors held during the current fiscal year.	<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>
Rochelle Kopp (Outside Director)	4 years and 9 months	Attended all 14 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 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)	2 years and 9 months	Attended all 14 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)	1 year and 9 months	Attended all 14 meetings of the Board of Directors held during the current fiscal year.	<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>
Kyoko Uemura (Outside Audit & Supervisory Board Member)	7 years and 9 months	Attended all 14 meetings of the Board of Directors and all 11 meetings of the Audit & Supervisory Board held during the current fiscal year.	<p>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.</p>

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Taisei Kunii (Outside Audit & Supervisory Board Member)	9 months	Attended 10 of the 12 meetings of the Board of Directors and 8 of the 9 meetings of the Audit & Supervisory Board since assuming the position of Audit & Supervisory Board Member.	He has fulfilled his monitoring and supervision functions on management by appropriate statements and recommendations, based on his extensive insight on accounting and auditing as a certified public accountant and experience as CEO of an audit corporation 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, 2025

(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

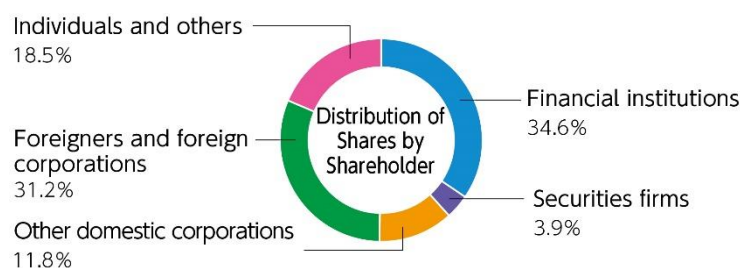
Outside Officers have no opinions with respect to the content of “3. Matters Concerning Outside Officers” (1) through (3).

4. Matters Concerning Stock

(1) Number of shares

Total number of issuable shares : 2,700,000 thousand shares

Total number of shares issued : 1,608,398 thousand shares



(Note) The total number of shares issued increased by 184 thousand shares from the end of the previous fiscal year because the Company issued common stock as restricted stock remuneration on July 23, 2024.

(2) Number of shareholders at the end of the current fiscal year: 228,324

(3) Major shareholders

Names of shareholders	Investment in the Company	
	Number of shares held	Ratio of shares held
	(In thousands of shares)	%
The Master Trust Bank of Japan, Ltd. (Trust account)	242,242	16.0
Nippon Life Insurance Company	108,975	7.2
Toyota Motor Corporation	105,551	7.0
Custody Bank of Japan, Ltd. (Trust account)	81,676	5.4
JP MORGAN CHASE BANK 380055	35,906	2.4
STATE STREET BANK AND TRUST COMPANY 505001	29,879	2.0
STATE STREET BANK WEST CLIENT - TREATY 505234	27,903	1.8
JPMorgan Securities Japan Co., Ltd.	19,476	1.3
JP MORGAN CHASE BANK 385781	18,411	1.2
Sumitomo Life Insurance Company	18,231	1.2

(Notes)

1. The Company owns 93,530 thousand treasury shares, but is omitted from the major shareholders above.
2. The ratio of shares held is calculated after deducting treasury shares.

(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)	12,646	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, 24,733 shares were delivered to them as consideration for the execution of their duties as Directors and Executive Officers of main subsidiaries of the Company.

(5) Other important matters concerning stock

To create a more investment-friendly environment and expand the investor base by lowering the amount per investment unit of the Company’s shares, the Company implemented a stock split in a ratio of one (1) into three (3) on April 1, 2024.

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	1
	Total number of stock acquisition rights: 404 (Number of shares underlying each stock acquisition right is three shares per unit)	
	Type and number of shares underlying stock acquisition rights: Common stock of the Company: 1,212 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	2
	Total number of stock acquisition rights: 566 (Number of shares underlying each stock acquisition right is three shares per unit)	
	Type and number of shares underlying stock acquisition rights: Common stock of the Company: 1,698 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: 1,028 (Number of shares underlying each stock acquisition right is three shares per unit)		
Type and number of shares underlying stock acquisition rights: Common stock of the Company: 3,084 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: 1,500 (Number of shares underlying each stock acquisition right is three shares per unit)	
	Type and number of shares underlying stock acquisition rights: Common stock of the Company: 4,500 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: 7,962
 - Number of stock acquisition rights issued as of August 2017: 6,371
 - Number of stock acquisition rights issued as of August 2018: 6,483
 - Number of stock acquisition rights as of August 2019: 19,909
- On April 1, 2024, the Company split its shares of common stock in a ratio of one (1) into three (3). Accordingly, the "Number of shares underlying each stock acquisition right" and the "Type and number of shares underlying stock acquisition rights" have been adjusted.

- (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
<p>KPMG AZSA LLC</p> <p>Designated and engagement partner: Masako Kanno</p> <p>Designated and engagement partner: Kouki Minowa</p> <p>Designated and engagement partner: Kenichi Ishii</p>	84	<p>1. Apart from work under Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company has paid the Accounting Auditor consideration for support work for compliance with the economic value-based solvency regulations.</p> <p>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.</p>

(Notes)

1. The sum of the amounts payable in cash and in kind from the Company and its subsidiaries is 992 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.

MS&AD Insurance Group: Basic Policy Pertaining to System for Internal Controls

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.

1. Group Management Structure (System for Assuring the Proper Conduct of Business at the Corporate Group Consisting of the Holding Company and Its Subsidiaries)
 - (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).
 - (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.
 - (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.).
 - (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.
 - (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.
 - (ii) System to Assure the Efficient Execution of Duties by Directors of Directly Invested Companies (mentioned in 2. below)
 - (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)
 - (iv) Rules and Other Systems for Managing Risk of Loss of the Directly Invested Companies (mentioned in 4. below)

- (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 Appropriateness of Calculations Related to Actuarial and Financial Soundness Indicators

The Holding Company and the Group companies shall establish a system to ensure the appropriateness of calculations in line with the Regulations on Ensuring the Appropriateness of Calculations Related to Actuarial and Financial Soundness Indicators instituted by the Holding Company. These include ensuring the appropriateness of the calculation of the solvency margin ratio (limited to those calculated based on an economic value-based balance sheet) as required by laws and regulations, and the calculation of insurance liabilities on an economic value basis used in financial reporting.

7. 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.

8. 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.

9. 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 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 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 FY2024, in addition to incidents of price fixing, incidents involving unauthorized sharing of customer information occurred. In response, we are once again reinforcing company-wide awareness and implementation of MVV to foster a sound corporate culture. We will continue to pursue 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, 2025). 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 remain committed to ensure soundness, enhance our return on risks, 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, the Company and the Group companies 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 light of not only the incidents of price fixing but the recent unauthorized sharing of customer information, we are working to reinforce our systems to ensure thorough legal and regulatory compliance and to promote corporate ethics throughout the organization.

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 Semi-Annual Securities 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 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	645,675
Aioi Nissay Dowa Insurance Co., Ltd.	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo	510,643

(Note) Total assets of the Company at the end of the current fiscal year amounted to 1,694,770 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.

FY2024 CONSOLIDATED BALANCE SHEET (As of March 31, 2025)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash, deposits and savings	2,139,796	Policy liabilities:	19,553,344
Call loans	60,000	Outstanding claims	3,301,154
Receivables under resale agreements	86,904	Underwriting reserves	16,252,189
Monetary claims bought	301,320	Bonds issued	590,565
Money trusts	2,663,333	Other liabilities	1,554,326
Investments in securities	17,760,073	Liabilities for pension and retirement benefits	139,696
Loans	909,825	Reserve for retirement benefits for officers	55
Tangible fixed assets:	456,461	Accrued bonuses for employees	42,104
Land	212,362	Provision for share awards	825
Buildings	184,811	Reserves under the special laws:	251,732
Lease assets	27,868	Reserve for price fluctuation	251,732
Construction in progress	2,768	Deferred tax liabilities	37,711
Other tangible fixed assets	28,650	Acceptances and guarantees	18,101
Intangible fixed assets:	478,027	Total liabilities	22,188,463
Software	155,231	(Net Assets)	
Goodwill	133,142	Common stock	101,367
Lease assets	108	Capital surplus	345,130
Other intangible fixed assets	189,545	Retained earnings	2,135,307
Other assets	1,214,362	Treasury stock	(285,533)
Assets for retirement benefits	98,934	Total shareholders' equity	2,296,271
Deferred tax assets	64,759	Net unrealized gains/(losses) on securities	1,392,499
Customers' liabilities under acceptances and guarantees	18,101	Net deferred gains/(losses) on hedges	(28,389)
Bad debt reserve	(10,602)	Foreign currency translation adjustments	406,348
		Accumulated actuarial gains/(losses) on retirement benefits	20,118
		Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	(86,497)
		Total accumulated other comprehensive income/(loss)	1,704,079
		Stock acquisition rights	266
		Non-controlling interests	52,217
		Total net assets	4,052,835
Total assets	26,241,298	Total liabilities and net assets	26,241,298

FY2024 CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2024 to: March 31, 2025)

(Yen in millions)

Item	Amount	Item	Amount
Ordinary income	6,660,813	Extraordinary income:	13,805
Underwriting income:	5,400,585	Gains on sales of fixed assets	10,697
Net premiums written	4,674,301	Gains on change in equity	3,108
Deposit premiums from policyholders	28,450	Extraordinary losses:	35,412
Investment income on deposit premiums from policyholders	36,897	Losses on sales of fixed assets	8,054
Life insurance premiums	608,678	Impairment losses on fixed assets	7,496
Reversal of underwriting reserves	30,185	Provision for reserves under special laws	19,860
Other underwriting income	22,071	Reserve for price fluctuation	19,860
Investment income:	1,199,375	Income before income taxes	907,382
Interest and dividends income	495,138	Income taxes – current	214,886
Investment gains on money trusts	114,410	Income taxes – deferred	(4,162)
Investment gains on trading securities	51,773	Total income taxes	210,724
Gains on sales of securities	561,601	Net income	696,658
Gains on redemption of securities	4,381	Net income attributable to non-controlling interests	5,001
Other investment income	8,967	Net income attributable to owners of the parent	691,657
Transfer of investment income on deposit premiums from policyholders	(36,897)		
Other ordinary income:	60,852		
Gains on equity method investments	25,138		
Other ordinary income	35,714		
Ordinary expenses	5,731,823		
Underwriting expenses:	4,579,458		
Net claims paid	2,489,031		
Loss adjustment expenses	242,819		
Commissions and collection expenses	890,794		
Maturity refunds to policyholders	144,779		
Dividends to policyholders	60		
Life insurance claims	492,361		
Provision for outstanding claims	313,355		
Other underwriting expenses	6,254		
Investment expenses:	257,138		
Investment losses on money trusts	70,839		
Losses on sales of securities	51,881		
Impairment losses on securities	11,033		
Losses on redemption of securities	778		
Losses on derivative transactions	31,514		
Investment losses on separate accounts	22,082		
Other investment expenses	69,009		
Operating expenses and general and administrative expenses	846,012		

(Yen in millions)

Item	Amount	Item	Amount
Other ordinary expenses:	49,213		
Interest expense	11,783		
Provision for doubtful accounts	482		
Losses on bad debts	891		
Other ordinary expenses	36,054		
Ordinary profit	928,989		

FY2024 CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2024 to: March 31, 2025)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	101,076	344,785	1,634,444	(36,841)	2,043,464
Changes for the year					
Issuance of new shares	291	291			582
Dividends paid			(190,795)		(190,795)
Net income attributable to owners of the parent			691,657		691,657
Repurchase of treasury stock				(250,876)	(250,876)
Disposal of treasury stock		105		2,184	2,290
Changes in equity resulting from increase in capital of consolidated subsidiaries		(13)			(13)
Changes in equity resulting from transactions with non-controlling shareholders		(38)			(38)
Net changes of items other than shareholders' equity					
Total changes for the year	291	345	500,862	(248,691)	252,806
Ending balance	101,367	345,130	2,135,307	(285,533)	2,296,271

	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	2,237,147	(48,402)	222,849	32,551	(20,818)	2,423,327	391	46,378	4,513,562
Changes for the year									
Issuance of new shares									582
Dividends paid									(190,795)
Net income attributable to owners of the parent									691,657
Repurchase of treasury stock									(250,876)
Disposal of treasury stock									2,290
Changes in equity resulting from increase in capital of consolidated subsidiaries									(13)
Changes in equity resulting from transactions with non-controlling shareholders									(38)
Net changes of items other than shareholders' equity	(844,648)	20,013	183,498	(12,432)	(65,679)	(719,247)	(125)	5,839	(713,534)
Total changes for the year	(844,648)	20,013	183,498	(12,432)	(65,679)	(719,247)	(125)	5,839	(460,727)
Ending balance	1,392,499	(28,389)	406,348	20,118	(86,497)	1,704,079	266	52,217	4,052,835

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

MS Plus One Small Amounts & Short Term Insurance Co., Ltd. and two other companies were established and have been included in the scope of consolidation from the current fiscal year. Launch Underwriters, LLC and two other companies ceased to be subsidiaries due to sales and other factors, and have 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

- (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 94 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) 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.

- (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.

In addition, from the beginning of the current fiscal year, due to a change in the asset management policy and other factors, the holding purpose of certain money trusts held by MSPL (carrying amount recorded on the consolidated balance sheet: 371,393 million yen) was changed from purposes other than “trading,” “held-to-maturity,” or “earmarked for underwriting reserves,” to “trading.” As a result of this change, as of the transfer date on April 1, 2024, net unrealized gains/(losses) on securities decreased by 24,653 million yen, deferred tax liabilities decreased by 9,587 million yen, and investment gains on money trusts increased by 34,241 million yen.

(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.

(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 accounting 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 Relief System

The Company and some of its domestic consolidated subsidiaries apply the Group Relief System.

5. Amortization of goodwill

Goodwill is amortized over an effective period from 10 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 133,142 million yen was recognized in the consolidated balance sheet for the current fiscal year. In addition, goodwill related to equity method investments of 29,754 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.

In the current fiscal year, an indication of impairment was identified for MS First Capital Insurance Limited, an overseas consolidated subsidiary engaged in the non-life insurance business, due to significant changes in its business environment. As a result, the Company assessed whether an impairment loss should be recognized for the asset group including goodwill of MS First Capital Insurance Limited (including tangible fixed assets of 3,868 million yen, goodwill of 76,487 million yen, and intangible fixed assets excluding goodwill of 48,859 million yen). Since the total amount of undiscounted future cash flows was higher than the carrying amount of the asset group concerned, an impairment loss was not recognized. The estimate of the total undiscounted future cash flows for MS First Capital Insurance Limited was based on the business plan of the relevant business and also took into account undistributed earnings and other factors necessary to maintain a certain level of required capital.

- b. Effects on the consolidated financial statements for the fiscal year ending March 31, 2026

An impairment loss may be incurred if a decline in the profitability of a business declines as a result of changes in business environment leads to a significant decrease in estimated future cash flows.

(2) Outstanding claims

- (i) Amount recorded in the consolidated financial statements for the current fiscal year
Outstanding claims of 3,301,154 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 been incurred or deemed to have been 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, 2026
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 the “Accounting Standard for Current Income Taxes” and others)

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; the “Accounting Standard Revised in 2022”) and related guidance have been applied from the beginning of the current fiscal year. Previously, current income taxes, calculated in accordance with applicable laws and regulations, were recognized in profit or loss. However, the Company now recognizes current income taxes separately in profit or loss, shareholders’ equity, or other comprehensive income, depending on the nature of the transaction that gave rise to the current income tax. For current income taxes recognized in accumulated other comprehensive income, the corresponding taxes are recognized in profit or loss when the transactions that give rise to such taxes are recognized in profit or loss. With regard to the revision of the accounting classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment provided for in the provision of Paragraph 20-3 of the Accounting Standard Revised in 2022. As a result, a decrease of 5,469 million yen of income taxes – current and an increase of the same amount of income taxes – deferred were recorded for the current fiscal year.

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 MSI, ADI, Mitsui Direct General Insurance Co., Ltd., MSAL, and MSPL (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 2,418 million yen, and the number of shares is 1,781 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 2,393 million yen, and the number of shares is 1,820 thousand.

(Adjustments to deferred tax assets and liabilities due to changes in income tax rates)

Following the enactment of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) by the National Diet on March 31, 2025, a “Special Corporate Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026. Accordingly, for deferred tax assets and liabilities related to temporary differences expected to reverse starting from the fiscal years beginning on or after April 1, 2026, the statutory effective tax rate has been revised from 30.6% to 31.5%.

As a result of this change, in the current fiscal year, deferred tax assets increased by 252 million yen, underwriting reserves increased by 3,161 million yen, deferred tax liabilities increased by 374 million yen, net unrealized gains/(losses) on securities decreased by 13,710 million yen, income taxes – deferred decreased by 13,760 million yen, and net income increased by 10,598 million yen.

(Application of the “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.”)

The “Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.” (Practical Issues Task Force (PITF) No. 46, March 22, 2024) has been applied from the beginning of the current fiscal year.

For income taxes related to the global minimum tax rules, a reasonable estimate of the tax amount has been calculated based on information available at the time of preparing the consolidated financial statements for the current fiscal year in which the rules are applicable. This amount is recorded under income taxes – current. In addition, disclosures regarding income taxes for global minimum tax have been included under “Notes to the Consolidated Statement of Income.”

(Notes to Consolidated Balance Sheet)

1. The amount of accumulated depreciation is 436,614 million yen, and the amount of accelerated depreciation of tangible fixed assets is 10,180 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)	39,556
Investments in securities (Foreign securities)	369,739
Investments in securities (Other securities)	37,532

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 is 22 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 is 13 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 is 78 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 is 63 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 totals 178 million yen.

4. Pledged assets as collateral are 827,361 million yen in securities, 40,781 million yen in cash, deposits and savings, and 3,080 million yen in money trusts. The amounts shown above primarily consist of collateral assets required for payables under repurchase agreements of 234,787 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 411,741 million yen of securities loaned under securities lending agreements.
6. The amount of assets and liabilities in separate accounts under Article 118 of the Insurance Business Act is 1,266,896 million yen.
7. MSI provides guarantees on transactions conducted by a limited partnership entity. Aggregate net present value of these transactions is 28,834 million yen in a negative liability position as of March 31, 2025. 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 4,335 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, bond option 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, 2025 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	-	282,889	1,482	284,372
Money trusts	-	1,693,315	970,017	2,663,333
Investments in securities				
Trading securities				
Domestic bonds	16,862	652	-	17,515
Domestic stocks	80	-	-	80
Foreign securities	557,394	503,900	140,202	1,201,496
Others	10,347	1,256,682	-	1,267,030
Available-for-sale securities				
Domestic bonds	1,577,208	1,185,337	-	2,762,545
Domestic stocks	2,335,463	-	-	2,335,463
Foreign securities	1,419,924	3,598,378	466,910	5,485,213
Others	108,866	139,577	17,623	266,067
Derivative transactions (*1)				
Currency	-	32,656	-	32,656
Interest rate	393	21,142	-	21,536
Stock	1,395	-	-	1,395
Bond	3,277	2,305	-	5,583
Credit	-	421	-	421
Others	-	-	1,147	1,147
Total assets	6,031,214	8,717,260	1,597,384	16,345,859
Derivative transactions (*1)				
Currency	-	22,760	-	22,760
Interest rate	354	28,096	-	28,450
Bond	5,026	1,402	-	6,429
Credit	-	2,866	-	2,866
Others	-	-	641	641
Total liabilities	5,380	55,126	641	61,149

(*1) The carrying amounts of derivative transactions applying hedge accounting are 5,684 million yen as an asset and 8,951 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, call loans, and receivables under resale agreements are not included in the notes as they are mostly short-term (within one year), and their fair values approximate their carrying amounts.

(Yen in millions)

Category	Fair value				Carrying amount	Difference
	Level 1	Level 2	Level 3	Total		
Monetary claims bought	-	16,948	-	16,948	16,948	-
Investments in securities						
Held-to-maturity securities						
Domestic bonds	1,114,316	90,325	-	1,204,641	1,323,437	(118,795)
Foreign securities	-	3,490	-	3,490	3,432	58
Debt securities earmarked for underwriting reserves						
Domestic bonds	1,164,654	97,363	-	1,262,017	1,976,196	(714,179)
Foreign securities	39,835	415,239	-	455,074	463,366	(8,291)
Shares of associates	210,686	6,242	-	216,928	87,975	128,952
Loans					909,825	
Bad debt reserve (*1)					(314)	
	-	207,141	687,746	894,887	909,511	(14,623)
Total assets	2,529,491	836,750	687,746	4,053,989	4,780,868	(726,879)
Bonds issued	-	474,214	101,186	575,400	590,565	(15,164)
Total liabilities	-	474,214	101,186	575,400	590,565	(15,164)

(*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 from Level 3 fair value (*2) (*3)	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	2,121	0	(43)	(595)	-	1,482	-
Money trusts	772,469	69,589	(33,770)	161,728	-	970,017	23,133
Investments in securities							
Trading securities	127,916	(2,566)	13,259	1,593	-	140,202	28,573
Available-for-sale securities	412,863	10,602	12,297	49,571	(800)	484,534	-
Total assets	1,315,371	77,625	(8,257)	212,297	(800)	1,596,236	51,707
Derivative transactions (*4)	(55)	1,406	0	(845)	-	506	870

(*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 3 to Level 2 due to the availability of observable inputs for domestic corporate bonds.

(*4) 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)	458,830
Investments in partnerships, etc. (*2)	111,421
Total	570,251

- (*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
73,861	125,936

(Notes)

- The carrying amount represents the acquisition cost less accumulated depreciation.
- 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 amount of net assets per share is 2,647.01 yen. The amounts deducted from total net assets as the basis of calculation are 266 million yen for stock acquisition rights and 52,217 million yen for non-controlling interests, and the number of shares of common stock at the end of the fiscal year was 1,511,266 thousand shares.

12. 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, 2026 and thereafter are as follows.

(Sale of shares in Australian financial group Challenger Limited)

On April 4, 2025, the Company entered into a share purchase agreement to sell all of its shares in Challenger Limited, an equity-method associate, to TAL Dai-ichi Life Australia Pty Limited (“TAL”).

(1) Reason for the sale

The decision to sell the shares to TAL was made in consideration of enhancing capital efficiency, the premium relative to the share price, and other factors.

(2) Name of share purchaser

TAL Dai-ichi Life Australia Pty Limited

(3) Timing of the sale

The transaction is subject to regulatory approvals and is expected to be completed within FY2025.

(4) Name, location, and business description of the equity-method associate

Name	Challenger Limited
Location	Sydney, New South Wales, Australia
Principal business	Life insurance and fund management

(5) Number of shares to be sold, sale price, and number of shares to be held after sale

Number of shares to be sold	104,353,125 shares (Voting rights ownership ratio: 15.1%)
Sale price	80,000 million yen
Number of shares to be held after sale	0 shares (Voting rights ownership ratio: 0%)

13. 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	1,654,822
Surrender benefits and reinsurance premiums paid	(1,046,143)
Life insurance premiums	608,678

2. Other underwriting income includes 2,763 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 expenses include foreign exchange losses of 38,863 million yen.
4. Major components of business expenses are as follows:

Commission expenses	881,255 million yen
Salaries	336,447 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. Other ordinary expenses include surcharge payments of 1,391 million yen by MSI and ADI under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade.

6. 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	Building for rent in Miyagi	2	Buildings	2
Idle real estate and real estate for sale	Land and buildings	20 properties, including an office building in Ishikawa	3,522	Land	1,759
				Buildings	1,763
-	Software	Software owned by domestic consolidated subsidiaries and overseas consolidated subsidiaries	1,443	Software	1,443
-	Goodwill	ILS business operated by Leadenhall Capital Partners LLP	2,529	Goodwill	2,529

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 amounts 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 domestic consolidated subsidiaries and 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 the goodwill related to the ILS business (Note) operated by Leadenhall Capital Partners LLP, which is an overseas consolidated subsidiary, the carrying amount was reduced to the recoverable amount because the profitability of the business has declined compared to 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 was determined as their value in use, which was calculated by discounting future cash flows at a rate of 14.3%.

(Note) A fund management business that invests in insurance-linked securities.

7. Income taxes – current include 4,811 million yen in corporate income taxes for global minimum tax.
8. Net income per share is 445.52 yen, and diluted net income per share is 445.45 yen. Net income attributable to owners of the parent, which is the basis for the calculation, is 691,657 million yen, all of which is attributable to common stock. The average number of shares of common stock during the period is 1,552,438 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 254 thousand shares.
9. 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	536,071	1,072,327	-	1,608,398
Total	536,071	1,072,327	-	1,608,398
Treasury stock				
Common stock	7,521	91,022	1,411	97,131
Total	7,521	91,022	1,411	97,131

(Notes)

1. The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024.
2. The increase of 1,072,327 thousand shares in the total number of common stock shares issued is due to an increase of 1,072,142 thousand shares resulting from a stock split and an increase of 184 thousand shares resulting from the issuance of restricted stock.
3. The number of treasury stock at the beginning and the end of the current fiscal year includes 1,552 thousand and 3,601 thousand shares, respectively, of the Company shares held in the trust established under the stock-based remuneration system.
4. The increase of 91,022 thousand shares in the number of treasury stock was due to an increase of 75,719 thousand shares from market purchases; an increase of 15,042 thousand shares through a stock split (including an increase of 3,104 thousand shares held by a trust established under the stock-based remuneration system); an increase of 240 thousand shares from purchases by the trust established under the stock-based remuneration system; and an increase of 20 thousand shares from repurchases of fractional stock.
5. The decrease of 1,411 thousand shares in the number of treasury stock was due to a decrease of 1,188 thousand shares delivered from the trust established under the stock-based remuneration system, a decrease of 113 thousand shares due to exercise of stock acquisition rights, a decrease of 107 thousand shares sold from the trust established under the stock-based remuneration system, and a decrease of 2 thousand shares due to sales of fractional stock.

2. Stock acquisition rights

(Yen in millions)

Category	Breakdown	Ending balance
The Company	Stock acquisition rights as stock options	266
Total		266

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 24, 2024 Annual Shareholders Meeting	Common stock	79,515	150	March 31, 2024	June 25, 2024
November 19, 2024 Board of Directors Meeting	Common stock	111,503	72.5	September 30, 2024	December 4, 2024

(Notes)

1. 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.

2. The total amount of dividends in accordance with a resolution passed at the November 19, 2024 Board of Directors meeting includes dividends of 268 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.
4. With respect to the dividends per share resolved at the June 24, 2024 Annual Shareholders Meeting, the record date was March 31, 2024, and therefore, the amount before the stock split on April 1, 2024 is presented.
5. With respect to the dividends per share resolved at the November 19, 2024 Board of Directors meeting, the record date was September 30, 2024, and therefore, the amount after the stock split on April 1, 2024 is presented.

(2) Dividends declared effective after March 31, 2025, 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 23, 2025 Annual Shareholders Meeting	Common stock	109,827	Retained earnings	72.5	March 31, 2025	June 24, 2025

(Note) The total amount of dividends in accordance with a resolution to be passed at the June 23, 2025 Annual Shareholders Meeting includes dividends of 261 million yen for the Company shares held by the trust established under the stock-based remuneration system.

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

FY2024 NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2025)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	31,438	Current liabilities	3,494
Cash and deposits	17,205	Accounts payable	1,934
Deposits paid to subsidiaries and associates	13,128	Accrued expenses	795
Prepaid expenses	24	Accrued income taxes	237
Income taxes receivable	224	Accrued consumption taxes	10
Other	856	Deposits received	15
		Unearned revenue	20
Fixed assets	1,663,331	Accrued bonuses for employees	480
Tangible fixed assets	184	Other	0
Buildings	153		
Tools, furniture and fixtures	31	Non-current liabilities	314,213
		Bonds issued	299,900
Intangible fixed assets	489	Long-term accrued income taxes	4,811
Software	431	Asset retirement obligations	244
Software in progress	57	Deferred tax liabilities	6,322
		Other	2,935
Investments and other assets	1,662,657		
Investment securities	162,311	Total liabilities	317,707
Shares of subsidiaries and associates	1,434,481		
Investments in capital of subsidiaries and associates	65,864	(Net Assets)	
Other	0	Shareholders' equity	1,360,403
		Common stock	101,367
		Capital surplus	872,334
		Additional paid-in capital	730,622
		Other capital surplus	141,711
		Retained earnings	669,841
		Other retained earnings	669,841
		Retained earnings carried forward	669,841
		Treasury stock	(283,140)
		Valuation and translation adjustments	16,393
		Net unrealized gains/(losses) on securities	16,393
		Stock acquisition rights	266
		Total net assets	1,377,062
Total assets	1,694,770	Total liabilities and net assets	1,694,770

FY2024 NON-CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2024 to: March 31, 2025)

(Yen in millions)

Item	Amount	
Operating income		
Dividends from subsidiaries and associates	426,608	
Commissions from subsidiaries and associates	97	426,705
Operating expenses		
Sales and general administrative expenses	14,303	14,303
Operating profit		412,401
Non-operating income		
Dividends income	15,252	
Gains on forfeiture of unclaimed dividends	97	
Other	194	15,544
Non-operating expenses		
Interest on bonds	3,852	
Other	343	4,196
Ordinary profit		423,750
Income before income taxes		423,750
Income taxes – current	2,728	
Income taxes for global minimum tax	4,811	
Income taxes – deferred	(286)	7,253
Net income		416,496

FY2024 NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2024 to: March 31, 2025)

(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 Retained earnings carried forward	Total retained earnings		
Beginning balance	101,076	730,331	141,779	872,110	444,363	444,363	(34,891)	1,382,659
Changes for the year								
Issuance of new shares	291	291		291				582
Dividends paid					(191,019)	(191,019)		(191,019)
Net income					416,496	416,496		416,496
Repurchase of treasury stock							(250,065)	(250,065)
Disposal of treasury stock			(67)	(67)			1,817	1,750
Net changes of items other than shareholders' equity								
Total changes for the year	291	291	(67)	223	225,477	225,477	(248,248)	(22,256)
Ending balance	101,367	730,622	141,711	872,334	669,841	669,841	(283,140)	1,360,403

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized gains/(losses) on securities	Total valuation and translation adjustments		
Beginning balance	11,489	11,489	391	1,394,540
Changes for the year				
Issuance of new shares				582
Dividends paid				(191,019)
Net income				416,496
Repurchase of treasury stock				(250,065)
Disposal of treasury stock				1,750
Net changes of items other than shareholders' equity	4,903	4,903	(125)	4,777
Total changes for the year	4,903	4,903	(125)	(17,478)
Ending balance	16,393	16,393	266	1,377,062

NON-CONSOLIDATED EXPLANATORY NOTES

(Notes on Significant Accounting Policies)

1. Valuation policies and methods of valuation of assets

- (1) 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 17 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 2,418 million yen, and the number of shares is 1,781 thousand.

(Application of the "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.")

The "Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc." (Practical Issues Task Force (PITF) No. 46, March 22, 2024) has been applied from the beginning of the current fiscal year.

For income taxes related to the global minimum tax rules, a reasonable estimate of the tax amount has been calculated based on information available at the time of preparing the financial statements for the fiscal year in which the rules are applicable. This amount is recorded under "Income taxes for global minimum tax."

(Notes to Balance Sheet)

1. Amount of accumulated depreciation of tangible fixed assets: 663 million yen
2. Amounts receivable from and payable to subsidiaries and associates

Short-term receivables	13,425 million yen
Short-term payable	979 million yen
Long-term payable	222,324 million yen

(Notes to Statement of Income)

Volume of transactions with subsidiaries and associates

Volume of operating transactions

Operating income	426,705 million yen
Operating expenses	1,457 million yen
Volume in non-operating transactions	2,911 million yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury stock as of March 31, 2025

Common stock: 95,311,723 shares

(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	6,288
Carryforward of unused tax losses	3,049
Software	1,012
Deferred assets	86
Other	376
Subtotal: deferred tax assets	10,812
Valuation allowance for carryforward of unused tax losses	(3,049)
Valuation allowance for total deductible temporary differences	(6,547)
Subtotal: valuation allowance	(9,596)
Total deferred tax assets	1,215
Deferred tax liabilities	
Net unrealized gains/(losses) on securities	(7,538)
Total deferred tax liabilities	(7,538)
Net amount of deferred tax liabilities	(6,322)

(Adjustments to deferred tax assets and liabilities due to changes in income tax rates)

Following the enactment of the “Act for Partial Amendment of the Income Tax Act, etc.” (Act No. 13 of 2025) by the National Diet on March 31, 2025, a “Special Corporate Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026. Accordingly, for deferred tax assets and liabilities related to temporary differences expected to reverse starting from the fiscal years beginning on or after April 1, 2026, the statutory effective tax rate has been revised from 30.6% to 31.5%.

As a result of this change in tax rate, deferred tax liabilities (net of deferred tax assets) increased by 189 million yen in the current fiscal year. Additionally, net unrealized gains/(losses) on securities decreased by 215 million yen, income taxes – deferred decreased by 26 million yen, and net income increased by 26 million yen.

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 with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, Aug. 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 909.92 yen

Net income per share 267.96 yen

(Notes on Significant Subsequent Events)

(Sale of shares in Australian financial group Challenger Limited)

On April 4, 2025, the Company entered into a share purchase agreement to sell all of its shares in Challenger Limited, an associate, to TAL Dai-ichi Life Australia Pty Limited (“TAL”).

(1) Reason for the sale

The decision to sell the shares to TAL was made in consideration of enhancing capital efficiency, the premium relative to the share price, and other factors.

(2) Name of share purchaser

TAL Dai-ichi Life Australia Pty Limited

(3) Timing of the sale

The transaction is subject to regulatory approvals and is expected to be completed within FY2025.

(4) Name, location, and business description of the associate

Name	Challenger Limited
Location	Sydney, New South Wales, Australia
Principal business	Life insurance and fund management

(5) Number of shares to be sold, sale price, and number of shares to be held after sale

Number of shares to be sold	104,353,125 shares (Voting rights ownership ratio: 15.1%)
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Sale price	80,000 million yen
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Number of shares to be held after sale	0 shares (Voting rights ownership ratio: 0%)
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(Note) Any amounts less than the stated unit are rounded down.

Audit Report by Accounting Auditor concerning Consolidated Financial Statements

Independent Auditor's Report

May 16, 2025

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

KPMG AZSA LLC
Tokyo Office

Masako Kanno
Designated and Engagement Partner
Certified Public Accountant

Koki Minowa
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of MS&AD Insurance Group Holdings, Inc. (“the Company”) and its consolidated subsidiaries (collectively referred to as “the Group”), for the fiscal year from April 1, 2024 to March 31, 2025 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the corporate group comprising the Company and its consolidated subsidiaries for the period for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements using the going concern basis of accounting, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion based on our audit from a stance of independence. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. We use our judgment when selecting and applying audit procedures.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

consolidated financial statements or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including related disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and any other matters required under auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and communicate with them any matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interests

The auditor and engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the reader of Independent Auditor's Report

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan.

- End -

Audit Report by Accounting Auditor concerning Non-Consolidated Financial Statements

Independent Auditor's Report

May 16, 2025

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

KPMG AZSA LLC
Tokyo Office

Masako Kanno
Designated and Engagement Partner
Certified Public Accountant

Koki Minowa
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules (“the financial statements and the accompanying supplementary schedules”) of MS&AD Insurance Group Holdings, Inc. (“the Company”), for the 17th fiscal year from April 1, 2024 to March 31, 2025 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period for which the financial statements and the accompanying supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for audit opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements and the accompanying supplementary schedules* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities as an auditor. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the financial statements and the accompanying supplementary schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, including the design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation and fair presentation of financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules using the going concern basis of accounting, and disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements and the accompanying supplementary schedules

Our responsibilities are to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion based on our audit from a stance of independence. Misstatements can arise from fraud or error and are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of these financial statements and the accompanying supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the accompanying supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. We use our judgment when selecting and applying audit procedures.
- Obtain, in making those risk assessments, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the accompanying supplementary schedules or, if such disclosures are inadequate, to express a qualified opinion with exceptions on the financial statements and the accompanying supplementary schedules. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including related disclosures, and whether the financial statements and the accompanying supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and any other matters required under auditing standards.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence in Japan, and communicate with them any matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Interests

The auditor and engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the reader of Independent Auditor's Report

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act of Japan.

- 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 17th fiscal year beginning April 1, 2024 and ending March 31, 2025, 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 explained in the Business Reports, Mitsui Sumitomo Insurance Co., Ltd., and Aioi Nissay Dowa Insurance Co., Ltd. received a business improvement order from the Financial Services Agency due to unauthorized sharing of customer information involving insurance agents and insurance companies, as well as a cease and desist order and a surcharge payment order from the Japan Fair Trade Commission for incidents of price fixing in the corporate insurance field. In response, the Company is working to regain the trust of society and our customers by reinforcing our management systems, strengthening governance, and ensuring thorough compliance across the entire Group. 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 19, 2025

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

Kyoko Uemura, Outside Audit & Supervisory Board Member

Taisei Kunii, Outside Audit & Supervisory Board Member

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