

July 23, 2024

Name of Listed Company: MS&AD Insurance Group Holdings, Inc.
Name of Representative: Shinichiro Funabiki, President & CEO
(Securities Code: 8725, Tokyo Stock Exchange and Nagoya Stock Exchange)
Contact: Corporate Communications and Investor Relations Dept.
<https://www.ms-ad-hd.com/en/ir/contact.html>

Notice Regarding Tender Offer for Own Shares and Subscription to Tender Offer for Own Shares by Toyota Motor Corporation and Expected Recognition of Gain on Sales of Investment Securities

MS&AD Insurance Group Holdings, Inc. (the “Company”) will partially dissolve the cross-shareholding between Toyota Motor Corporation by respectively conducting a tender offer to purchase their own shares.

I. Tender Offer for Own Shares

The Company hereby announces that it has resolved at the Meeting of Board of Directors dated July 23, 2024, to authorize a purchase of its own shares pursuant to the provisions of Article 156, Paragraph 1 of the Companies Act, as applied by replacing certain terms pursuant to the provisions of Article 165, Paragraph 3 of the Companies Act and the provisions of its Articles of Incorporation and conduct a tender offer to purchase its own shares (the “Tender Offer”) as the specific purchase method.

1. Purposes of Tender Offer

With the goal of realizing a “corporate group that supports a resilient and sustainable society” in stage 2 of the Medium-Term Management Plan (2022–25), which started in 2024, the Company has set targets for FY 2025 of the Group Adjusted Profit (Note 1) of JPY 760 billion, the Group Adjusted ROE (Note 2) of 16% (excluding the impact from accelerated sales of strategic equity of 10%), net income under IFRS (International Financial Reporting Standards) of JPY 450 billion, the Group Adjusted ROE (Note 3) of 12%, and ESR (Note 4) range of 180% to 250%. Within this context, the Company’s policy is to return 50% of the Group Adjusted Profit to shareholders through dividends and share buybacks. In addition, taking into account the market trends, business environment, capital

status, etc., the Company will purchase its own shares in a flexible manner.

(Note 1) The term “Group Adjusted Profit” refers to a unique indicator of the recurring profitability of the Company and its consolidated subsidiaries and affiliates (the “Group”) as a whole, which is calculated by adding or deducting provisions for catastrophic loss reserves and others (addition in the case of provision and deduction in the case of reversal) based on the consolidated net income.

(Note 2) The term “Group Adjusted ROE” refers to the amount calculated by dividing the Group Adjusted Profit by the Group adjusted net worth, which is calculated by adding or deducting catastrophic loss reserves and others based on the consolidated net worth.

(Note 3) The term “Adjusted ROE” refers to the amount calculated by dividing IFRS net income by an amount calculated by adding or deducting unrealized gain/loss on strategic equity, based on IFRS net assets.

(Note 4) The term “ESR (Economic Solvency Ratio)” refers to an indicator showing capital adequacy relative to the amount of risk and is calculated as “net asset value” divided by “total risk amount.” The risk amount is a statistical quantification of the risk of loss or value fluctuation associated with a business or asset, and the total risk amount is the total risk for the Group as a whole.

The Company’s basic policy is to pay dividends from surplus twice a year, an interim dividend and a year-end dividend. For the fiscal year ended March 31, 2024, the Company paid an interim dividend of JPY 120 per share and a year-end dividend of JPY 150 per share, for an annual dividend of JPY 270 per share (payout ratio: 38%).

In addition, the Company’s Articles of Incorporation stipulate that the Company may purchase its own shares by a resolution of the meeting of the Board of Directors pursuant to Article 165, Paragraph 2 of the Companies Act, and to date, the Company has purchased its common stock as below to enhance the return of profits to shareholders.

Date of resolution	Cumulative purchase period	Cumulative number of shares purchased	Cumulative amount of purchase price
Meeting of Board of Directors held on January 30, 2009	February 16, 2009- March 24, 2009	1,851,400 shares (5,554,200 shares)	JPY 3,999,997,200
Meeting of Board of Directors held on May 20, 2009	February 15, 2010- March 24, 2010	4,329,200 shares (12,987,600 shares)	JPY 9,999,814,800

Meeting of Board of Directors held on August 12, 2010	August 18, 2010-September 22, 2010	4,969,700 shares (14,909,100 shares)	JPY 9,999,933,600
Meeting of Board of Directors held on May 20, 2013	June 19, 2013-August 27, 2013	1,947,600 shares (5,842,800 shares)	JPY 4,996,560,800
Meeting of Board of Directors held on May 20, 2014	May 30, 2014-June 23, 2014	3,963,000 shares (11,889,000 shares)	JPY 9,997,962,400
Meeting of Board of Directors held on November 19, 2014	November 20, 2014-December 1, 2014	3,726,700 shares (11,180,100 shares)	JPY 9,998,346,150
Meeting of Board of Directors held on May 20, 2015	May 25, 2015-June 15, 2015	5,164,500 shares (15,493,500 shares)	JPY 19,994,282,100
Meeting of Board of Directors held on November 18, 2015	February 17, 2016-February 25, 2016	3,327,500 shares (9,982,500 shares)	JPY 9,999,088,000
Meeting of Board of Directors held on May 20, 2016	May 25, 2016-June 7, 2016	3,240,700 shares (9,722,100 shares)	JPY 9,997,727,600
Meeting of Board of Directors held on October 31, 2016	December 1, 2016-February 28, 2017	8,010,100 shares (24,030,300 shares)	JPY 29,938,281,700
Meeting of Board of Directors held on May 18, 2018	May 24, 2018-August 31, 2018	8,714,200 shares (26,142,600 shares)	JPY 29,980,536,300
Meeting of Board of Directors held on May 20, 2019	May 22, 2019-August 22, 2019	9,181,400 shares (27,544,200 shares)	JPY 31,972,163,300
Meeting of Board of Directors held on November 19, 2019	November 27, 2019-January 30, 2020	5,506,900 shares (16,520,700 shares)	JPY 19,999,459,800
Meeting of Board of Directors held on May 20, 2020	May 22, 2020-June 18, 2020	4,765,900 shares (14,297,700 shares)	JPY 14,999,708,788

Meeting of Board of Directors held on November 19, 2020	December 1, 2020-March 24, 2021	6,298,800 shares (18,896,400 shares)	JPY 19,999,912,550
Meeting of Board of Directors held on May 20, 2021	May 21, 2021-September 21, 2021	4,353,300 shares (13,059,900 shares)	JPY 14,999,629,398
Meeting of Board of Directors held on November 19, 2021	November 22, 2021-February 22, 2022	6,635,200 shares (19,905,600 shares)	JPY 24,999,672,000
Meeting of Board of Directors held on May 20, 2022	July 1, 2022-September 22, 2022	11,930,700 shares (35,792,100 shares)	JPY 49,999,651,832
Meeting of Board of Directors held on May 19, 2023	May 26, 2023-September 22, 2023	3,907,300 shares (11,721,900 shares)	JPY 19,999,082,200
Meeting of Board of Directors held on November 17, 2023	November 20, 2023-December 21, 2023	1,829,000 shares (5,487,000 shares)	JPY 9,999,814,900

(Note) As of April 1, 2024, the effective date, the Company executed a one-for-three stock split of its common stock (the “Stock Split”). The figures in parentheses in the table above reflect the effect of the Stock Split.

The Company has continuously purchased its own shares as described above. In addition, the Group has been working on accelerating the reduction of strategic equity (Note 5) in stage 2 of the Medium-Term Management Plan (2022–25), achieving zero ownership of strategic equity by the end of the next Medium-Term Management Plan period (end of March 2030), and reducing the amount of risk and improving capital efficiency through this initiative.

The Company’s subsidiaries, Mitsui Sumitomo Insurance Company, Limited (“MSI”) and Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”) received an administrative action (business improvement order) from the Financial Services Agency on December 26, 2023 regarding incidents of price fixing of insurance premiums. Consequently, the Company has come to recognize that the ownership of strategic equity is one of the factors causing the incidents of price fixing of insurance premiums, etc. In order to ensure a fair competitive environment in the non-life insurance industry, the Company has formulated a policy of not holding any strategic equity. In the business improvement plans submitted to the Financial Services Agency on February 29, 2024, MSI and ADI stated their policy to sell their strategic equity and reduce the holding of strategic equity to zero by the end of March 2030. The

Company, taking the opportunity of the submission of such business improvement plans, was considering further expanding shareholder returns in the future by allocating part of the proceeds from the sale of strategic equity to purchase its own shares. Against this background, since around early March 2024, the Company has been considering purchasing its own shares to adjust its capital level in light of the Company's ESR being near the upper end of the target range for FY2025 (180% to 250%), in addition to shareholder returns based on the Group Adjusted Profit.

(Note 5) The term "strategic equity" refers to shares invested on the premise of long-term holding for the purpose of maintaining and strengthening comprehensive business relationships with issuers, etc. As of March 31, 2024, MSI holds strategic equity in 1,225 companies (of which, the total amount of unlisted strategic equity on the balance sheet is JPY 14,452 million and the total amount of strategic equity on the balance sheet other than unlisted shares is JPY 2,552,334 million), and ADI holds strategic equity in 1,023 companies (of which, the total amount of unlisted strategic equity on the balance sheet is JPY 35,793 million and the total amount of strategic equity on the balance sheet other than unlisted shares is JPY 1,053,725 million).

The Group has a cross-shareholding relationship with Toyota Motor Corporation ("Toyota Motor"), the second largest shareholder of the Company, which holds 157,832,799 shares (ownership ratio (Note 6): 9.92%). As of July 23, 2024, MSI holds 284,071,835 shares of common stock of Toyota Motor and ADI holds 15,475,420 shares of common stock of Toyota Motor (collectively, the "Toyota Motor's Shares Held by the Group"). While considering adopting the policy of not owning the strategic equity in response to the aforementioned administrative action, on January 17, 2024, the Group informed Toyota Motor of its intention to sell a part of the 284,071,835 shares of common stock of Toyota Motor held by MSI and 15,475,420 shares of common stock of Toyota Motor held by ADI, as part of the aforementioned policy of reducing strategic equity held. Subsequently, on February 23, 2024, the Group received a response from Toyota Motor stating that it would accept the sale above and that the method and volume of sale would be discussed in the future. Toyota Motor has indicated that it intends to sell a part of common stock of the Company held by Toyota Motor (the "Company's Shares Held by Toyota Motor.")

(Note 6) The term "ownership ratio" (rounded to the second decimal place) refers to the ratio of the number of the shares held by a shareholder to 1,590,492,890 shares, which is calculated by deducting the 17,905,818 shares of the Company's own shares as of March 31, 2024 from 1,608,398,708 shares, which is the total number of the issued shares of common stock as of July 23, 2024. In addition, all of the numbers of shares above are based on the assumption that the Stock Split had been executed as of the same date.

In response to Toyota Motor's intention to sell the Company's Shares Held by Toyota Motor, the Company has decided to purchase the Company's shares from Toyota Motor by way of share buyback. Toyota Motor holds 157,832,799 shares of common stock of the Company (ownership ratio: 9.92%) and even if Toyota Motor sells only a part of such shares, the volume of sale is expected to be of a considerable size. Therefore, considering the impact on the market share price of the Company in the event that Toyota Motor's shares are released to the market, the Company considered it appropriate to purchase the Company's shares from Toyota Motor by way of a share buyback. In addition, with respect to the specific method of share buyback from Toyota Motor, the Company believed that a tender offer would be appropriate taking into consideration the following: (i) equality among shareholders, (ii) transparency of the transaction, (iii) the fact that, due to the possibility of purchasing common stock of the Company at a certain discount from the market price, if the purchase is made at such discounted price, tenders by shareholders other than Toyota Motor are expected to be limited from the viewpoint of economic rationality due to the deviation from the market trading price, thereby increasing the certainty of purchase by the Company of a part of the Company's Shares Held by Toyota Motor and helping to prevent outflow of the Company's assets, and (iv) the fact that shareholders other than Toyota Motor will be provided with an opportunity to tender their shares based on market price trends after being provided with a certain period of consideration, etc.

Subsequently, on April 5, 2024, the Company held discussions with Toyota Motor that Toyota Motor would purchase the Toyota Motor's Shares Held by the Group (the "Shares Offered for Sale by the Company") through the method of purchasing of its own shares as one of the available options. On April 5, 2024, the Company made a proposal to Toyota Motor to the effect that Toyota Motor would sell the Company's Shares Held by Toyota Motor (the "Shares Offered for Sale by Toyota Motor") through the method of the Company implementing a tender offer for the purpose of purchase of its own shares and Toyota Motor tendering the shares in the tender offer. The Company also proposed that Toyota Motor should purchase the Shares Offered for Sale by the Company by way of a tender offer.

Subsequently, on April 22, 2024, the Company essentially agreed with Toyota Motor that, (i) with respect to the Shares Offered for Sale by the Company, Toyota Motor will implement a tender offer for the purpose of purchasing its own shares (the "Toyota Motor Tender Offer"), in which the Company will tender the shares, (ii) with respect to the Shares Offered for Sale by Toyota Motor, the Company will implement a tender offer for the purpose of purchasing its own shares, in which Toyota Motor will tender the shares, (iii) the Company would sell 99,849,155 shares of Toyota Motor's Shares as the Shares Offered for Sale by the Company, and (iv) Toyota Motor would sell 52,610,900 shares of the Company's Shares Held by Toyota Motor (ownership ratio: 3.31%) as the Shares Offered for Sale by Toyota Motor.

On the other hand, the Company determined that it is desirable to announce the Tender Offer on

the same day as the Toyota Motor Tender Offer. This is because the implementation of the purchase of its own shares from Toyota Motor through the Tender Offer, together with our subscription to the Toyota Motor Tender Offer, has the meaning of partially dissolving the cross-shareholding between the two companies and they are closely related transactions.. Accordingly, since it was necessary to adjust the schedule with Toyota Motor in order to announce the Tender Offer on the same day as the Toyota Motor Tender Offer, aside from the purchase of own shares through the Tender Offer, the Company determined to implement the purchase of its own shares that was originally planned to be resolved at the meeting of the Board of Directors held on May 20, 2024. The Board of Directors resolved to implement the purchase of up to 130,000,000 of the Company's own shares and up to 190 billion yen as the aggregate purchase price for such purchase (The sum of (1) purchase of the Company's own shares based on the Group Adjusted Profit: 40 billion yen and (2) purchase of the Company's own shares for the purpose of adjusting capital level: 150 billion yen) during the period from May 21, 2024 to December 23, 2024 (the "Purchase of Company's Own Shares Pursuant to May 20, 2024 Board of Directors' Meeting"). The Company then decided to make a resolution again as a resolution pertaining to the specific method of acquisition of Purchase of Company's Own Shares Pursuant to May 20, 2024 Board of Directors' Meeting, in the event that the Tender Offer is to be implemented.

Subsequently, in late May 2024, the Company agreed with Toyota Motor to set the schedule for resolving implementation of the Tender Offer and the Toyota Motor Tender Offer on July 23, 2024, Commencement date of settlement on September 18, 2024, and began specific discussions towards the resolution on July 23, 2024 to implement the Tender Offer as a specific method of acquisition of Purchase of Company's Own Shares Pursuant to May 20, 2024 Board of Directors' Meeting.

In determining the purchase price of the Tender Offer (the "Tender Offer Price"), the Company took into consideration factors such as the fact that the Company's common stock is listed on a financial instruments exchange and that listed companies often purchase their own shares through market purchases at financial instruments exchanges because such purchases allow for flexible purchases in line with share price levels formed based on market demand and supply, and determined that the market price of the Company's common stock should be the basis for the Tender Offer Price, placing emphasis on the clarity and objectivity of the price as the basis for the Tender Offer. On that basis, from the perspective of respecting the interests of shareholders who will not tender their shares in the Tender Offer and will continue to hold the Company's common stock, the Company determined that it is desirable to purchase the Company's common stock at a price that represents a certain discount to the market price in order to limit the outflow of assets from the Company as much as possible.

With respect to the discount rate, the Company reviewed 66 cases of tender offers for own shares, which were resolved on or after January 1, 2021 and for which the tender offer period ended by the

end of May 2024. Of 59 cases where a discount rate was used (the “Cases”), the most common discount rate was approximately 10% (9%-10%), with 42 cases falling into this category, and the Company determined that a discount rate of 10% was appropriate even in light of the volatility of the price of the Company’s common stock. With respect to the price of the Company’s common stock to be used as the basis for the discount, among the Cases, the most common basis was the simple average closing price of the Company’s common stock for the one-month period up to that date, with 20 cases falling into this category and the next common basis was the closing price of the Company’s common stock on the business day immediately preceding the date of the Board of Directors’ resolution, with 18 cases falling into this category and the Company also considered that using the more recent stock price would more fully reflect the Company’s recent business performance, and therefore, on July 3, 2024, the Company determined that it is appropriate to use (i) the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution or (ii) the simple average closing price of the Company’s common stock for the one-month period up to that date, whichever is lower, as the basis for the discount.

On June 28, 2024, the Company agreed with Toyota Motor regarding the Toyota Motor Tender Offer to set the tender offer price as the price calculated by applying a 10% discount to the lower of either (i) the closing price of Toyota Motor’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Toyota Motor Tender Offer, i.e., July 23, 2024, or (ii) the simple average closing price of Toyota Motor’s common stock for the one-month period up to that date. On July 3, 2024, the Company, taking into consideration the decision in the preceding paragraph, held a discussion with Toyota Motor regarding the Tender Offer Price from a fairness standpoint that the method of calculating the tender offer price in the Toyota Motor Tender Offer would be the same as the method of calculating the Tender Offer Price, and agreed with Toyota Motor to set the Tender Offer Price as the price calculated by applying a 10% discount on the lower of either (i) the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Tender Offer, i.e., July 23, 2024, or (ii) the simple average closing price of the Company’s common stock for the one-month period up to that date. On July 3, 2024, the Company received a response from Toyota Motor that, under the conditions stated above, Toyota Motor would tender, in the Tender Offer, 52,610,900 shares (ownership ratio: 3.31%) (the “Tendering Shares”) out of 157,832,799 shares of the Company’s common stock owned by Toyota Motor.

With respect to the number of shares to be purchased in the Tender Offer, while taking into consideration the possibility of securing opportunities for other shareholders to tender their shares, the

Company basically expects that only Toyota Motor will tender its shares, and from the perspective of minimizing the outflow of funds within the scope of the purpose of conducting the Tender Offer, which is to acquire treasury stock from Toyota Motor, the Company determined to set the maximum number of shares to be purchased at 52,610,900 shares (ownership ratio: 3.31%), which is the same number to the number of the Tendering Shares.

If the total number of share tendered in the Tender Offer exceeds the maximum number of shares to be purchased, the shares will be purchased by the pro rata allocation method provided in provisions of Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”) as applied mutatis mutandis pursuant to provisions of Article 27-22-(2), Paragraph 2 of the Act, and provisions of Article 21 of the Cabinet Office Order on Disclosure Required for Tender Offer for Listed Share Certificates by Issuers (Ministry of Finance Order No. 95 of 1994, as amended; the “Order”) and the Company will acquire a portion of the Tendered Shares. On July 11, 2024, the Company received a response from Toyota Motor to the effect that, if the total number of the Tendered Shares exceeds the maximum number of shares to be purchased and the shares are purchased by the pro rata allocation method, resulting in some of the 52,610,900 (ownership ratio: 3.31%) Tendered Shares are not being purchased, Toyota Motor intends to consider the options available to it for those shares of the Company’s common stock that the Company was unable to purchase.

In addition, while the purchase price obtained by multiplying the Tender Offer Price per share (3,298 yen) by the number of shares to be purchased in the Tender Offer (52,610,900 shares (ownership ratio: 3.31%)) is 173,510,748,200 yen, the Company determined that it is appropriate to allocate a portion of the 190 billion yen facility for the purchase of own shares to the Tender Offer, which is resolved in the Purchase of Company’s Own Shares Pursuant to May 20, 2024 Board of Directors’ Meeting.

Following the foregoing deliberation and discussion, the Company resolved at the meeting of its Board of Directors held on July 23, 2024, pursuant to Article 156, Paragraph 1 of the Companies Act, as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the Companies Act, and the Company’s Articles of Incorporation, to (i) implement the Tender Offer as the specific method of the Purchase of the Company’s Own Shares Pursuant to May 20, 2024 Board of Directors’ Meeting, (ii) set the Tender Offer Price as 3,298 yen (rounded to the nearest yen; hereinafter the same shall apply to calculations of the Tender Offer Price), which is the price calculated by applying a 10% discount on 3,664yen, being the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, representing the lower of either (a) 3,664 yen, being the closing price of the Company’s common stock on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Tender Offer, or (b) 3,681 yen, being the simple average closing price of the Company’s common

stock for the one-month period up to July 22, 2024 (rounded to the nearest yen; hereinafter the same shall apply to calculations of the simple average of the closing prices), and (iii) set the maximum number of shares to be purchased at 52,610,900 shares (ownership ratio: 3.31%), which is the same number as the number of the Tendering Shares.

The Tender Offer Price of 3,298 yen is equivalent to the amount representing (i) a 9.99% discount (rounded to the second decimal place; hereinafter the same shall apply to calculations of discount and premium rate) from 3,664 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, the business day immediately preceding the date of the Board of Directors' meeting to resolve the implementation of the Tender Offer; (ii) a 10.40% discount from 3,681 yen, which is the simple average closing prices of the Company's common stock for the one-month period up to July 22, 2024; (iii) a 1.60% premium on 3,246 yen, which is the simple average closing prices of the Company's common stock for the three-month period up to July 22, 2024; and (iv) a 15.72% premium on 2,850 yen, which is the simple average closing prices of the Company's common stock for the six-month period up to July 22, 2024.

The Company plans to apply its cash on hand to the entire amount necessary for the Tender Offer. The Company's liquidity (cash and cash equivalents) as of the end of March 2024, on a consolidated basis, as set forth in the 16th Annual Securities Report, was approximately 2,733.76 billion yen (liquidity ratio (Note 7): 4.99 months), and even taking into consideration that implementation of the Tender Offer will require approximately 173.5 billion yen, the Company's liquidity on a consolidated basis is expected to be approximately 2,560.2 billion yen. Considering that the funds required for the Tender Offer will be needed after the commencement date of settlement of the Tender Offer (which is scheduled for September 18, 2024), and that the Company will have, in addition to its liquidity on a consolidated basis as of March 31, 2024, the cash flow to be generated by the Company's business in the future (consolidated cash flow from operating activities for the year ending March 31, 2024 is 549.466 billion yen), the Company believes that it will have sufficient funds in order to operate its business, and that even if the Company purchases its own shares at one time for a large monetary amount, that will not have a significant impact on the Company's financial condition or dividend policy.

(Note 7) "Liquidity ratio" means the ratio (rounded to the first decimal place) calculated by dividing the Company's liquidity on a consolidated basis as of March 31, 2024, stated in the 16th Annual Securities Report, by the monthly sales (consolidated ordinary income for the full fiscal year ended March 31, 2024 divided by 12 months) calculated based on the Securities Report.

At present, the Company has not decided on a policy for the disposal of its own shares to be acquired through the Tender Offer and market purchases after the Tender Offer.

2. Resolution of the Meeting of the Board of Directors on the Purchase of Own Shares (disclosed on May 20, 2024)

(1) Details of the resolution

Class of share certificates, etc.	Total number of shares	Total purchase price
Common stock	130,000,000 shares (maximum)	190,000,000,000 yen (maximum)

(Note 1) Total number of issued shares (as of July 23, 2024): 1,608,398,708 shares

(Note 2) Ratio of the total number of issued shares: 8.08% (rounded to the second decimal place)

(Note 3) Period of purchase: From Tuesday, May 21, 2024 to Monday, December 23, 2024

(Note 4) Of the total number of shares to be purchased, 52,610,900 shares are to be purchased in the Tender Offer. Of the total number of shares to be purchased, shares not purchased in the Tender Offer are planned to be acquired through market purchases.

(2) Listed share certificates, etc. relating to own stock already purchased based on the aforementioned resolution: Not applicable.

3. Outline of Tender Offer

(1) Schedule

(i) Date of resolution of Meeting of Board of Directors	Tuesday, July 23, 2024
(ii) Date of public notice of commencement of tender offer	Wednesday, July 24, 2024 Public notice will be made electronically via the internet, and a notice to that effect will be published in The Nikkei. (URL of the electronic notice: https://disclosure2.edinet-fsa.go.jp/)
(iii) Filing date of tender offer registration statement	Wednesday, July 24, 2024
(iv) Period of Tender Offer	From Wednesday, July 24, 2024 to Monday, August 26, 2024 (23 business days)

(2) Price of purchase

3,298 yen per share of common stock

(3) Basis for the calculation of the tender offer price

(A) Basis of calculation

In determining the Tender Offer Price, the Company took into consideration factors such as the fact that the Company's common stock is listed on a financial instruments exchange and that listed companies often purchase their own shares through market purchases at financial instruments exchanges because such purchases allow for flexible purchases in line with share price levels formed based on market demand and supply, and determined that the market price of the Company's common stock should be the basis for the Tender Offer Price, placing emphasis on the clarity and objectivity of the price as the basis for the Tender Offer. On that basis, from the perspective of respecting the interests of shareholders who will not tender their shares in the Tender Offer and will continue to hold the Company's common stock, the Company determined that it is desirable to purchase the Company's common stock at a price that represents a certain discount to the market price in order to limit the outflow of assets from the Company as much as possible.

With respect to the discount rate, among the Cases, the most common discount rate was approximately 10% (9%-10%), with 42 cases falling into this category, and the Company determined that a discount rate of 10% was appropriate even in light of the volatility of the price of the Company's common stock. With respect to the price of the Company's common stock to be used as the basis for the discount, among the Cases, the most common basis was the simple average closing price of the Company's common stock for the one-month period up to that date, with 20 cases falling into this category and the next common basis was the closing price of the Company's common stock on the business day immediately preceding the date of the Board of Directors' resolution, with 18 cases falling into this category and the Company also considered that using the more recent stock price would more fully reflect the Company's recent business performance, and therefore, on July 3, 2024, the Company determined that it is appropriate to use (i) the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors' resolution or (ii) the simple average closing price of the Company's common stock for the one-month period up to that date, whichever is lower, as the basis for the discount.

On June 28, 2024, the Company agreed with Toyota Motor regarding the Toyota Motor Tender Offer to set the tender offer price as the price calculated by applying a 10% discount to the lower of either (i) the closing price of Toyota Motor's common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors' meeting to resolve the implementation of the Toyota Motor Tender Offer, i.e., July 23, 2024,

or (ii) the simple average closing price of Toyota Motor's common stock for the one-month period up to that date. On July 3, 2024, the Company, taking into consideration the decision in the preceding paragraph, held a discussion with Toyota Motor regarding the Tender Offer Price from a fairness standpoint that the method of calculating the tender offer price in the Toyota Motor Tender Offer would be the same as the method of calculating the Tender Offer Price, and agreed with Toyota Motor to set the Tender Offer Price as the price calculated by applying a 10% discount on the lower of either (i) the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors' meeting to resolve the implementation of the Tender Offer, i.e., July 23, 2024, or (ii) the simple average closing price of the Company's common stock for the one-month period up to that date. On July 3, 2024, the Company received a response from Toyota Motor that Toyota Motor would tender the Tendering Shares in the Tender Offer under the conditions stated above.

Following the foregoing deliberation and discussion, the Company resolved at the meeting of its Board of Directors held on July 23, 2024, pursuant to Article 156, Paragraph 1 of the Companies Act, as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the Companies Act, and the Company's Articles of Incorporation, to (i) implement the Tender Offer as the specific method of the purchase of the Company's own shares, (ii) set the Tender Offer Price as 3,298 yen, which is the price calculated by applying a 10% discount on 3,664 yen, being the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, representing the lower of either (a) 3,664 yen, being the closing price of the Company's common stock on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors' meeting to resolve the implementation of the Tender Offer, or (b) 3,681 yen, being the simple average closing price of the Company's common stock for the one-month period up to July 22, 2024 and (iii) set the maximum number of shares to be purchased at 52,610,900 shares (ownership ratio: 3.31%), which is the same number as the number of the Tendering Shares.

The Tender Offer Price of 3,298 yen is equivalent to the amount representing (i) a 9.99% discount from 3,664 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, the business day immediately preceding the date of the Board of Directors' meeting to resolve the implementation of the Tender Offer; (ii) a 10.40% discount from 3,681 yen, which is the simple average closing prices of the Company's common stock for the one-month period up to July 22, 2024; (iii) a 1.60% premium on 3,246 yen, which the simple average closing prices of the Company's common stock for the three-month period up to July 22, 2024; and (iv) a 15.72% premium on 2,850 yen, which is the simple average closing prices of the Company's common stock for the six-month period up to July 22, 2024.

In addition, based on the resolution of the Company's Board of Directors' meeting held on November 17, 2023, the Company acquired the shares of the Company's common stock on the Tokyo

Stock Exchange through market purchase (number of shares purchased: 1,829,000 shares (post-Stock Split basis: 5,487,000 shares); period of purchase: from November 20, 2023 to December 21, 2023; total amount of the purchase: 9,999,814,900 yen). The simple average of the acquisition price per share at the time of the purchase (the “Market Acquisition Price”) was 5,467 yen (post-Stock Split basis: 1,822 yen; rounded to the nearest yen), and the difference of 1,476 yen between the simple average of the Market Acquisition Price (post-Stock Split basis) and the Tender Offer Price of 3,298 yen is due to the fact that the acquisition price for the market purchase was determined by the market price on each acquisition date, whereas the Tender Offer Price was a 10% discount from 3,664 yen, the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024.

(B) Process of calculation

In determining the Tender Offer Price, the Company took into consideration factors such as the fact that the Company’s common stock is listed on a financial instruments exchange and that listed companies often purchase their own shares through market purchases at financial instruments exchanges because such purchases allow for flexible purchases in line with share price levels formed based on market demand and supply, and determined that the market price of the Company’s common stock should be the basis for the Tender Offer Price, placing emphasis on the clarity and objectivity of the price as the basis for the Tender Offer. On that basis, from the perspective of respecting the interests of shareholders who will not tender their shares in the Tender Offer and will continue to hold the Company’s common stock, the Company determined that it is desirable to purchase the Company’s common stock at a price that represents a certain discount to the market price in order to limit the outflow of assets from the Company as much as possible.

With respect to the discount rate, among the Cases, the most common discount rate was approximately 10% (9%-10%), with 42 cases falling into this category, and the Company determined that a discount rate of 10% was appropriate even in light of the volatility of the price of the Company’s common stock. With respect to the price of the Company’s common stock to be used as the basis for the discount, among the Cases, the most common basis was the simple average closing price of the Company’s common stock for the one-month period up to that date, with 20 cases falling into this category and the next common basis was the closing price of the Company’s common stock on the business day immediately preceding the date of the Board of Directors’ resolution, with 18 cases falling into this category and the Company also considered that using the more recent stock price would more fully reflect the Company’s recent business performance, and therefore, on July 3, 2024, the Company determined that it is appropriate to use (i) the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on the business day immediately preceding the date of the Board of Directors’ resolution or (ii) the simple average closing price of the Company’s

common stock for the one-month period up to that date, whichever is lower, as the basis for the discount.

On June 28, 2024, the Company agreed with Toyota Motor regarding the Toyota Motor Tender Offer to set the tender offer price as the price calculated by applying a 10% discount to the lower of either (i) the closing price of Toyota Motor’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Toyota Motor Tender Offer, i.e., July 23, 2024, or (ii) the simple average closing price of Toyota Motor’s common stock for the one-month period up to that date. On July 3, 2024, the Company, taking into consideration the decision in the preceding paragraph, held a discussion with Toyota Motor regarding the Tender Offer Price from a fairness standpoint that the method of calculating the tender offer price in the Toyota Motor Tender Offer would be the same as the method of calculating the Tender Offer Price, and agreed with Toyota Motor to set the Tender Offer Price as the price calculated by applying a 10% discount on the lower of either (i) the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Tender Offer, i.e., July 23, 2024, or (ii) the simple average closing price of the Company’s common stock for the one-month period up to that date. On July 3, 2024, the Company received a response from Toyota Motor that Toyota Motor would tender the Tendering Shares in the Tender Offer under the conditions stated above.

Following the foregoing deliberation and discussion, the Company resolved at the meeting of its Board of Directors held on July 23, 2024, pursuant to Article 156, Paragraph 1 of the Companies Act, as applied by replacing certain terms pursuant to Article 165, Paragraph 3 of the Companies Act, and the Company’s Articles of Incorporation, to (i) implement the Tender Offer as the specific method of the purchase of the Company’s own shares, (ii) set the Tender Offer Price as 3,298 yen, which is the price calculated by applying a 10% discount on 3,664 yen, being the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange on July 22, 2024, representing the lower of either (a) 3,664 yen, being the closing price of the Company’s common stock on July 22, 2024, which is the business day immediately preceding the date of the Board of Directors’ meeting to resolve the implementation of the Tender Offer, or (b) 3,681 yen, being the simple average closing price of the Company’s common stock for the one-month period up to July 22, 2024, and (iii) set the maximum number of shares to be purchased at 52,610,900 shares (ownership ratio: 3.31%), which is the same number as the number of the Tendering Shares.

(4) Number of shares to be purchased

Class of share certificates, etc.	Number of shares to be purchased	Expected number of excess shares	Total

Common stock	52,610,900 (shares)	-(shares)	52,610,900 (shares)
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(Note 1) If the total number of share certificates, etc. tendered for sale through the Tender Offer (the “Tendered Shares”) does not exceed the number of shares to be purchased (52,610,900 shares), the Company will purchase all of the Tendered Shares. However, if the total number of the Tendered Shares exceeds the number of shares to be purchased (52,610,900 shares), the Company will not purchase all or part of such excess, and will implement the transfer of shares and other settlement with regard to the purchase, etc. of share certificates and the like by the pro rata allocation method provided in provisions of Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis pursuant to provisions of Article 27-22-(2), Paragraph 2 of the Act, and provisions of Article 21 of the Order.

(Note 2) Shares less than one unit are also covered by the Tender Offer. If a shareholder exercises its right to request purchase of shares less than one unit pursuant to the Companies Act, the Company may repurchase its shares during the tender offer period for the Tender Offer (the “Tender Offer Period”) pursuant to the procedures prescribed under the relevant laws and regulations.

(5) Funds necessary for tender offer

173,527,748,200 yen

(Note) The above-mentioned figure represents the amount of payment for purchasing all the shares to be purchased (52,610,900 shares), plus the estimated purchase commissions and other miscellaneous expenses (including expenses for the public notice of the Tender Offer and the printing costs for required documents such as the tender offer explanation statement).

(6) Method of settlement

(A) Name and location of head office of financial instruments business operator/bank etc. in charge of settlement of tender offer

(Tender offer agent)

Daiwa Securities Co. Ltd. 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

(B) Commencement date of settlement

Wednesday, September 18, 2024

(C) Method of settlement

A notice regarding the tender offer will be mailed to the address or location of those shareholders

who have accepted the offer for purchase of the share certificates, etc. or have offered their share certificates, etc. for sale in connection with the Tender Offer (the “Tendering Shareholders”) or to the standing proxy in the case of foreign resident shareholders (including corporate shareholders) (the “Foreign Shareholders”) without delay after the expiration of the Tender Offer Period.

The purchase will be settled in cash. The purchase price less applicable withholding tax (Note) will be remitted from the tender offer agent to the location specified by the Tendering Shareholders (or to the standing proxy in the case of the Foreign Shareholders), or to be paid at the head office or other Japanese branches of the tender offer agent which received the application, without delay after the commencement date of the settlement.

(Note) Taxation on shares purchased through the tender offer

For specific questions concerning taxation, each shareholder is kindly advised to consult professionals such as tax accountants and to make decisions at its own discretion.

(a) Individual shareholders

(i) If the Tendering Shareholders are individual shareholders who are either residents in Japan or non-residents with permanent establishment in Japan:

If the amount of money to be received in return for tendering and delivering shares through the Tender Offer exceeds the portion of the Company’s share capital, etc. (in the case of a consolidated entity, the amount of consolidated individual share capital, etc.) corresponding to the shares that gave rise to such receipt of money, the amount of such excess will be deemed to be dividend income and will be taxed. Such amount of deemed dividend income will be subject to 20.315% withholding tax in principle (income tax and special income tax for reconstruction under the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (Act No. 117 of 2011, as amended) (the “Special Income Tax for Reconstruction”) at 15.315% plus inhabitant tax at 5%) (in the case of non-residents with permanent establishments in Japan, no inhabitant tax will be withheld through special collection); provided, however, that with respect to shareholders who fall under the category of large shareholders, etc. (the “Large Shareholders”) as provided for in provisions of Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43, 1957, as amended), such amount of deemed dividend income will be subject to 20.42% withholding tax (income tax and Special Income Tax for Reconstruction only). The amount of money to be delivered in return for tendering and delivering shares through the Tender Offer, less the amount of deemed dividend income, will be income from the transfer of shares. The amount of income from the transfer of shares less acquisition cost relating to such shares will, in principle, be subject to separate self-

assessment taxation.

In the case where a shareholder tenders the shares in a tax-exempt account as provided for in provisions of Article 37-14 (Tax exemption for capital gains, etc. from small amounts of listed shares in a tax-exempt account) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) (the “Tax-exempt Account”) pursuant to the Tender Offer, if the financial institution business operator at which such Tax-exempt Account is held is Daiwa Securities Co. Ltd., income from the transfer of shares pursuant to the Tender Offer will, in principle, be tax-exempt; provided, however, that if such Tax-exempt Account is held at a financial institution other than Daiwa Securities Co. Ltd., the aforementioned treatment may not apply.

(ii) If the Tendering Shareholders are non-residents without permanent establishment in Japan:

The amount deemed to be dividend income will be subject to 15.315% withholding tax (income tax and Special Income Tax for Reconstruction only); provided, however, that shareholders who fall under the category of the Large Shareholders will be subject to 20.42% withholding tax (income tax and Special Income Tax for Reconstruction only). Further, income arising from the transfer of shares is, in principle, not subject to taxation in Japan.

(b) If the Tendering Shareholders are corporate shareholders:

As taxation on deemed dividend, if the Tender Offer Price exceeds the Company’s share capital, etc. per share, the amount of such excess will be, in principle, subject to 15.315% withholding tax (income tax and Special Income Tax for Reconstruction only).

In addition, the amount deemed as dividends to be paid by the Company to Tendering Shareholders (limited to corporations having their head office or principal office in Japan (domestic corporations)) who directly own more than one-third of the total number of issued shares of the Company as of the record date for the payment of such dividends, etc. shall not be subject to income tax and Special Income Tax for Reconstruction and would not subject to the withholding tax.

Foreign Shareholders who, pursuant to an applicable tax treaty, wish to enjoy the benefit of reduction of or exemption from income tax and Special Income Tax for Reconstruction on such deemed dividend will be required to submit a written notification and other related documents concerning such tax treaty to the tender offer agent by August 26, 2024.

(7) Other matters

(A) The Tender Offer is not and will not be made, directly or indirectly, in or to the U.S., or by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication), or through any

facilities of a securities exchange in the U.S. No one can tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, the tender offer registration statement and other related documents are not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above will not be accepted.

Those who are tendering shares through the Tender Offer may be required to represent and warrant the following to the tender offer agent or subagent:

(a) The Tendering Shareholder is not located in the U.S. at the time of tendering shares or sending the tender offer acceptance form; (b) the Tendering Shareholder did not receive or send any information or document regarding the Tender Offer (including copies thereof), directly or indirectly, in, to or from the U.S.; (c) the Tendering Shareholder did not use, directly or indirectly, the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, telephone, telex, facsimile, e-mail, and internet communication) or any facilities of a securities exchange in the U.S. with respect to the purchase or for signing or delivering the tender offer acceptance form; and (d) the Tendering Shareholder is not acting as an attorney, a trustee or a mandatary without discretion for any other person who is a resident of the U.S. (except for the case where the latter provides all instructions for the purchase from outside the U.S.).

(B) The Company received a response from Toyota Motor on July 3, 2024 that, if the Company resolves to implement the Tender Offer, Toyota Motor will tender the 52,610,900 Tendering Shares (ownership ratio: 3.31%) in the Tender Offer. Also, On July 11, 2024, the Company received a response from Toyota Motor to the effect that, if the total number of the Tendered Shares exceeds the maximum number of shares to be purchased and the shares are purchased by the pro rata allocation method, resulting in some of the 52,610,900 (ownership ratio: 3.31%) Tendered Shares are not being purchased, Toyota Motor intends to consider the options available to it for those shares of the Company's common stock that the Company was unable to purchase.

(C) The Company determined to tender the Shares Offered for Sale by the Company in the Toyota Motor Tender Offer which was resolved at the meeting of the Board of Directors of Toyota Motor held today and expects to record a gain on sales of investment securities of approximately 200 billion yen (after tax). For details, please refer to "II. Subscription to the Toyota Motor Tender Offer and Expected Recognition of Gain on Sales of Investment Securities" below.

Reference: Status of own shares as of July 23, 2024

Number of shares issued (excluding own shares):

1,590,598,483 shares

Number of own shares:

17,800,225 shares

II. Subscription to the Toyota Motor Tender Offer and Expected Recognition of Gain on Sales of Investment Securities

The Company hereby announces that it has determined to tender the Shares Offered for Sale by the Company in the Toyota Motor Tender Offer, which was resolved at the meeting of the Board of Directors of Toyota Motor held today.

1. Outline of Subscription to the Toyota Motor Tender Offer

The Company will tender the common stock of Toyota Motor held by MSI and ADI in the Toyota Motor Tender Offer, as described below.

(1) Number of shares to be tendered:

99,849,155 shares of common stock

Breakdown:

MSI	94,690,635 shares
ADI	5,158,520 shares

(2) Purchase price:

2,781 yen per share

(3) Total value of shares to be sold (Note 1):

277,680,500,055 yen

Breakdown:

MSI	263,334,655,935 yen
ADI	14,345,844,120 yen

2. Reason for Subscription

As stated in “I. Tender Offer for Own Shares,” “1. Purposes of Tender Offer” above, on January 17, 2024, the Company informed Toyota Motor of its intention to sell the Shares Offered for Sale by the Company, as part of its policy of reducing strategic equity held, and after subsequent discussions with Toyota Motor, the Company determined to tender its shares in the Toyota Motor Tender Offer. The Company will utilize a part of the proceeds from the sale of the shares by allocating the same to the purchase of its own shares.

3. Status of Shares Held by MSI and ADI Before and After Subscription to the Toyota Motor Tender Offer

(1) Number of shares held by the Group before the Toyota Motor Tender Offer

299,547,255 shares (Ownership Ratio of Toyota Motor's Shares: 2.22%) (Note 2)

Breakdown:

MSI	284,071,835 shares (Ownership Ratio of Toyota Motor's Shares: 2.11%)
ADI	15,475,420 shares (Ownership Ratio of Toyota Motor's Shares: 0.11%)

(2) Number of shares held by the Group after the Toyota Motor Tender Offer (Note 1)

199,698,100 shares (Ownership Ratio of Toyota Motor's Shares: 1.48%)

Breakdown:

MSI	189,381,200 shares (Ownership Ratio of Toyota Motor's Shares: 1.41%)
ADI	10,316,900 shares (Ownership Ratio of Toyota Motor's Shares: 0.08%)

4. Schedule of the Toyota Motor Tender Offer (Scheduled)

(i) Date of public notice of commencement of tender offer	Wednesday, July 24, 2024
(ii) Period of Tender Offer	From Wednesday, July 24, 2024 to Monday, August 26, 2024 (23 business days)
(iii) Commencement date of settlement	Wednesday, September 18, 2024

5. Future Outlook

If all of the Shares Offered for Sale by the Company are purchased, the Company expects to record a gain on sales of investment securities of approximately 200 billion yen (after tax) in its consolidated financial results for the fiscal year ended March 31, 2025. The Company is currently not planning to revise the earnings forecast since the gain was included in the earnings forecast of the Company at the beginning of the year.

(Note 1) The total value of shares to be sold and the number of shares held after the Toyota Motor Tender Offer are based on the assumption that the Toyota Motor Tender Offer would be successful and all of the 99,849,155 shares of Toyota Motor's common stock tendered by MSI and ADI would be purchased. For the avoidance of doubt, since the maximum number of shares to be purchased by Toyota Motor is set in the Toyota Motor Tender Offer, there is a possibility that not all of the Shares Offered for Sale by the Company will be purchased,

depending on the situation relating to the shares tendered by other shareholders of Toyota Motor, in which case the total value and the number of shares to be sold may also fluctuate.

(Note 2)“Ownership Ratio of Toyota Motor’s Shares” means the ownership ratio (rounded to the second decimal place) against the total number of issued shares of Toyota Motor’s common stock as of June 30, 2024 (15,794,987,460 shares) less the number of own shares held by Toyota Motor as of June 30, 2024 (2,325,417,265 shares), both as stated in the “Status Report on Purchase of Own Shares” submitted by Toyota Motor on July12, 2024 (13,469,570,195 shares).

End