May 20, 2026

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 Dept.
	https://www.ms-ad-hd.com/en/ir/contact.html

Notice Regarding MS&AD Group Management Plan (the Group's vision for FY2030, Plan for FY2026), etc.

MS&AD Insurance Group Holdings, Inc. (President and CEO: Shinichiro Funabiki) announced today that we have formulated the "Group Vision for FY2030" ("Vision for FY2030") and the "Group Management Plan for FY 2026" (hereinafter referred to as the "Plan for FY2026"), which is the first year's initiatives toward achieving the Vision.
In addition, we hereby announced that Mitsui Sumitomo Insurance Co., Ltd. ("MSI") (Shinichiro Funabiki, President) and Aioi Nissay Dowa Insurance Co., Ltd. ("ADI") (Keisuke Niiro, President), the two core non-life insurance companies of MS&AD Insurance Group, are in the process of preparing for a merger based on the announcements made on March 28, 2025, September 30, 2025 and February 13, 2026, and have formulated today the Merger Basic Plan [Final].

1. Formulation of the MS&AD Group Management Plan

(1) Vision for FY2030

① Qualitative Targets

- We pursue the provision of the intrinsic value of insurance and strives to become "the insurance and financial group most chosen by customers." Building on these efforts, we will aim to become a group that "takes on risk" and "leads the world" by anticipating changes and solving societal risks in an era of increasing uncertainty, to earn the trust of customers who entrust us with their precious futures.
- Through our global business infrastructure, we will provide optimal peace of mind, the best experiences, and cutting-edge solutions, contributing to the development of a vibrant society and a healthy future for the planet.

② Quantitative Targets

- Even in FY2030, following the completion of the sale of strategic equity holdings, we will establish a revenue structure, shifting to a structure that generates profits from our core business, capable of generating stable profits exceeding JPY 800 billion (adjusted profit), and achieve a profit level of JPY 1 trillion in the future.

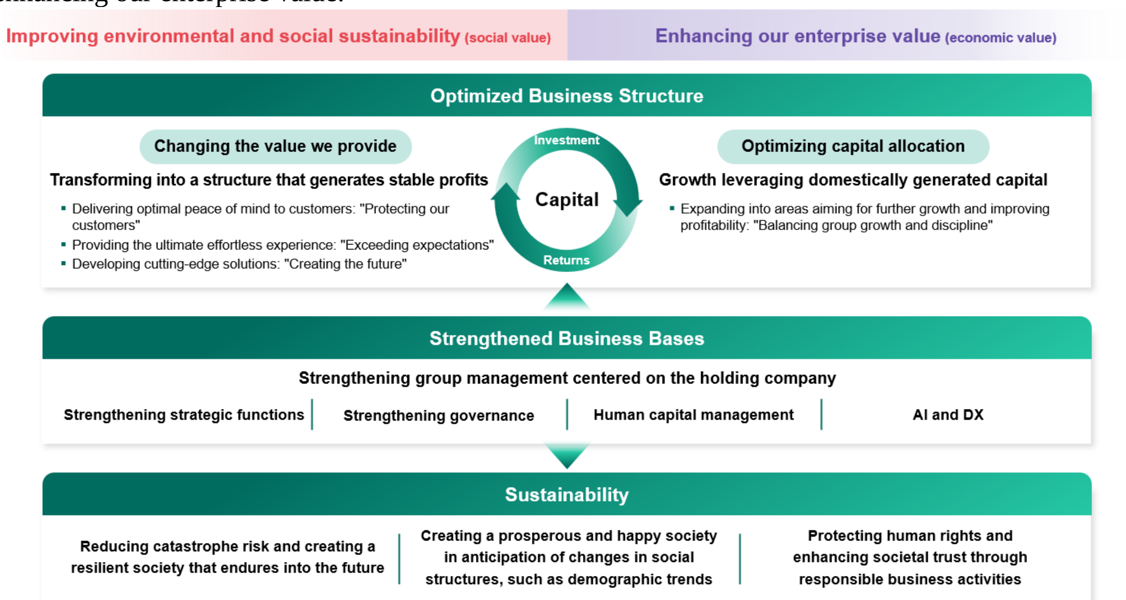
Target

Adjusted profit*2	EPS growth rate*3	Adjusted ROE*4	ESR
FY2030	FY2025～FY2030	FY2030	FY2030
JPY 800 billion	11% (Annual rate)	11% or higher	180% or higher

*1 Losses from natural disasters, etc. greater than expected
*2 Profit calculated by applying cash-based adjustments to IFRS net income.
*3 Excluding gains from sale of strategic equity holdings
*4 Adjusted profit ÷ adjusted net assets (IFRS net assets – AOCI – goodwill and other balances)

③ Details of Initiatives

- We will achieve business model transformation by optimizing our business structure and strengthening our operational foundation to achieve a revenue structure that generates sustainable profits, thereby enhancing our enterprise value.



(2) Fiscal 2026 Plan

- We will set quantitative targets for FY2026 toward achieving the Group’s vision for FY2030.

Target

Adjusted profit

FY2026

JPY**530**billion

(Including gains from sale of strategic equity holdings JPY**800**billion)

EPS growth rate

FY2025～FY2026

4%(Annual rate)

(FY2025～FY2030 Annual average of **11**%)

Adjusted ROE

FY2026

10%

(Including gains from sale of strategic equity holdings **13**%)

ESR

2026年度

180% or higher

*1 Profit calculated by applying cash-based adjustments to IFRS net income.
*2 Excluding gains from sale of strategic equity holdings
*3 Adjusted profit ÷ adjusted net assets (IFRS net assets – AOCI – goodwill and other balances)

2. Formulation of the Merger Basic Plan [Final]

(1) Positioning of the Merger Basic Plan

- The Merger Basic Plan between MSI and ADI is positioned as a medium- to long-term milestone for the New Company, based on the Group’s vision.

(2) Outline of the Merger Basic Plan [Final]

- The Merger Basic Plan [Outline] (Merger policy, Management Goals, Business Strategy, Corporate Governance and Timeline) was announced on February 13, 2026, and the Merger Basic Plan [Final] has been formulated including details such as business strategies by area.

*Underlined figures indicate differences from the [Outline] of the Basic Plan for the Merger

the Merger Basic Plan [Final]	Overview
1. Merger Policy (1) Background and Purpose of the Merger (2) Aim of the Company (3) Overview of the New Company	・ The background and purpose of the Merger are to embrace environmental changes as opportunities and to achieve the vision of becoming the “insurance and financial group most chosen by customers.” Upon the Merger, the New Company aims to enhance reliability by solidifying the foundation of the Group's growth drivers and strengthening governance. As “the core business domain of the Group,” the New Company will support a “virtuous cycle of growth and trust” to become the most preferred by customers. ・ The surviving company will be MSI, and the Merger will take effect on April 1, 2027. The New Company will be named Mitsui Sumitomo Aioi Insurance Company, Limited. With the establishment of the New Company, the Holding Company will be renamed Mitsui Sumitomo Insurance Group, Inc.
2. Management Goals (1) <u>Strategic Objectives (Qualitative Objectives)</u> (2) <u>Income and Expenditure Plan (Quantitative Objectives)</u>	・ As the approach toward FY2030, the new company will adopt the mindset of becoming the “insurance and financial group most chosen by customers” and establish the group tagline: “Taking on Risk, Leading the World.” ・ Creating an environment within the new company where executives and employees can “share and realize their dreams,” contributing to the progress of a resilient and

	sustainable society and economy.
3. Business Strategy (1) Basic Strategy (2) Business Model Transformation (3) Domain Strategy (4) Personnel Strategy (5) Organizational Strategy (6) Affiliated Business Companies	・ The following are our basic strategies. Delivering optimal safety (the intrinsic value of insurance), Providing the ultimate effortless experience (enhancing CX), Developing cutting-edge solutions (solving social issues), Regional revitalization (solving local issues), Collaborating with business partners (strengthening and expanding collaboration), Expanding areas aimed at further growth and improving profitability (balancing group growth and discipline)
4. Corporate Governance (1) Institutional Design (2) Internal Control System	・ The New Company will be established as a company with an Audit and Supervisory Committee, achieving both growth (swift decision-making) and discipline (enhanced audit and oversight functions). ・ The internal control system of the new company will be structured with a three-line model to ensure effectiveness.
5. Timeline (1) Master Schedule (2) Overall Roadmap (3) Anticipatory Actions Prior to Merger (4) Transfer of Insurance Policies (Maturity and Holding), Location and Integration	・ The Merger Basic will be formulated, and after obtaining regulatory approvals, the Merger is planned to take effect on April 1, 2027. ・ Anticipatory co-ownership is being implemented in earnest from April 2026. ・ The transfer of in-force policies to the new company's products will be guided as they mature.

(3) Representative Director

- The representative directors will be as outlined below. It is assumed that the election of directors will be approved at the ordinary general meeting of shareholders of Mitsui Sumitomo Insurance, the surviving company.

Title	Name
Representative Director, Chairman & Director, Chairman Executive Officer	Shinichiro Funabiki
Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer	Keisuke Niiro
Representative Director, President & Director, President & CEO	Hiroshi Umiyama

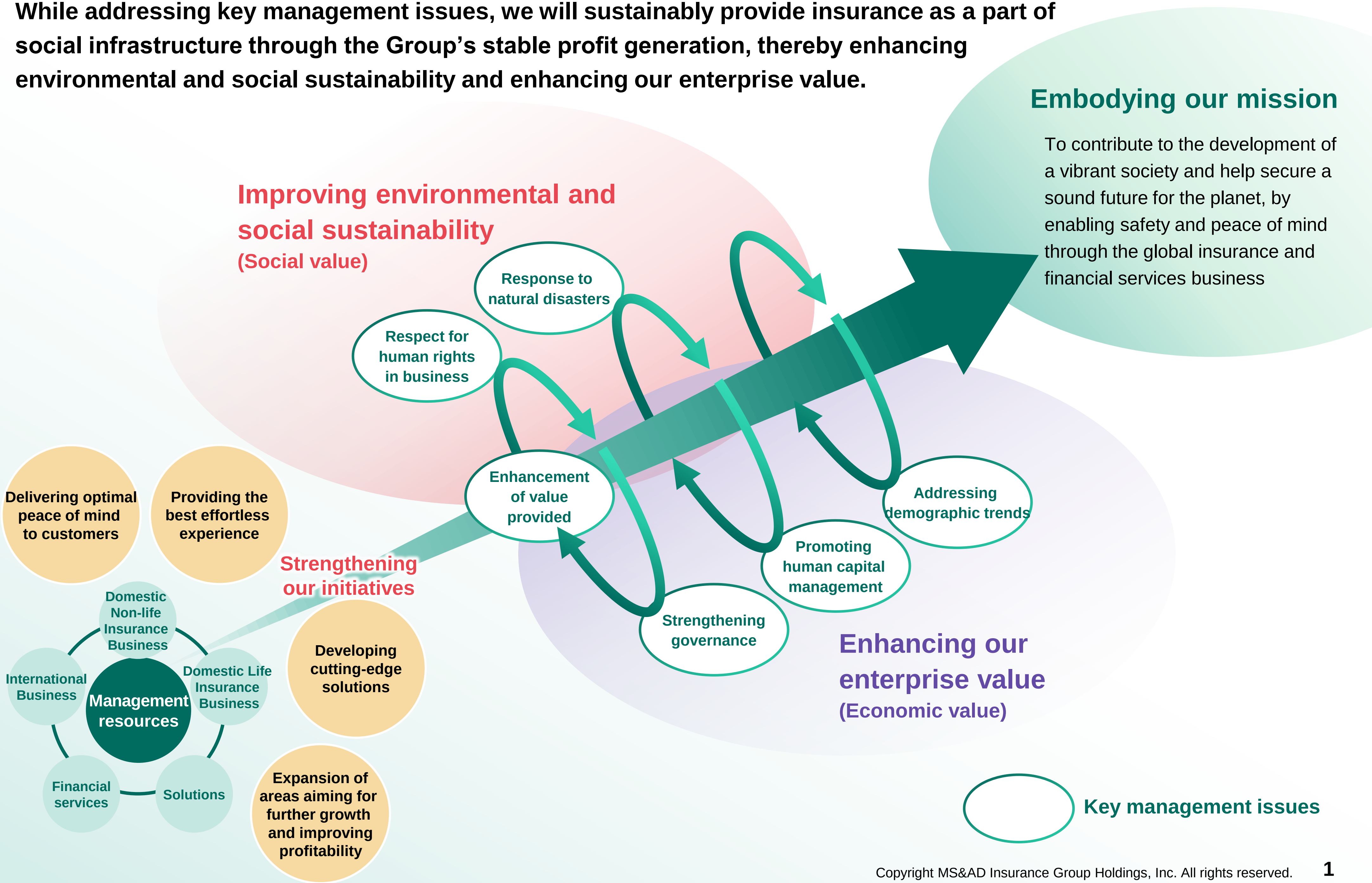
- End -

Taking on Risk, Leading the World

Group Vision for FY2030

MS&AD INSURANCE GROUP

While addressing key management issues, we will sustainably provide insurance as a part of social infrastructure through the Group's stable profit generation, thereby enhancing environmental and social sustainability and enhancing our enterprise value.



1. Overview (2) Value Creation Toward Our Vision (i) Key Management Issues

We identified 31 topics relating to medium- to long-term changes in social environment (megatrends) and the Group's earnings. We evaluated these topics along two axes—"Impact on the Group's finances" and "Impact on society through the Group's business"—and established them as the Group's six key management issues.

Key management issues

Enhancement of value provided	Continuously provide cutting-edge solutions to prevent damage and address emerging risks	2. Group Strategies (1) Optimized Business Structure (p. 8)
Response to natural disasters	Support the reduction of catastrophe risk, the enhancement of regional resilience, and the transition to nature-positive initiatives and the circular economy, etc.	2. Group Strategies (3) Sustainability (p. 17)
Addressing demographic trends	Provide value by capturing social structural changes, such as demographic shifts including the falling birthrate and aging population	2. Group Strategies (3) Sustainability (p. 17)
Respect for human rights in business	Respect human rights not only within the Company but across the entire value chain, and prevent and rectify human rights violations	2. Group Strategies (3) Sustainability (p. 17)
Promoting human capital management	Develop and promote autonomous human resources who take on the challenges of creating new value and driving transformation, leading global business expansion	2. Group Strategies (2) Strengthened Business Bases (iv) Human capital management (p. 15)
Strengthening governance	Treat governance as a source of competitiveness, restore trust from society, and establish a competitive advantage	2. Group Strategies (2) Strengthened Business Bases (iii) Strengthening governance (p. 14)

1. Overview (2) Value Creation Toward Our Vision (ii) Business Model Transformation

We will achieve business model transformation by optimizing our business structure and strengthening our operational foundation to achieve a revenue structure that generates sustainable profits, thereby enhancing our enterprise value.

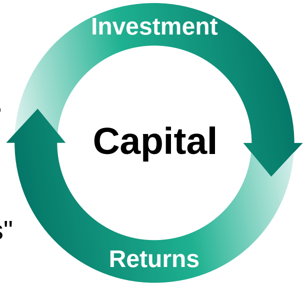
Improving environmental and social sustainability (social value) | **Enhancing our enterprise value** (economic value)

Optimized Business Structure

Changing the value we provide

Transforming into a structure that generates stable profits

- Delivering optimal peace of mind to customers: "Protecting our customers"
- Providing the ultimate effortless experience: "Exceeding expectations"
- Developing cutting-edge solutions: "Creating the future"



Optimizing capital allocation

Growth leveraging domestically generated capital

- Expanding into areas aiming for further growth and improving profitability: "Balancing group growth and discipline"

Strengthened Business Bases

Strengthening group management centered on the holding company

Strengthening strategic functions | Strengthening governance | Human capital management | AI and DX

Sustainability

- Reducing catastrophe risk and creating a resilient society that endures into the future
- Creating a prosperous and happy society in anticipation of changes in social structures, such as demographic trends
- Protecting human rights and enhancing societal trust through responsible business activities

1. Overview (3) Qualitative Targets

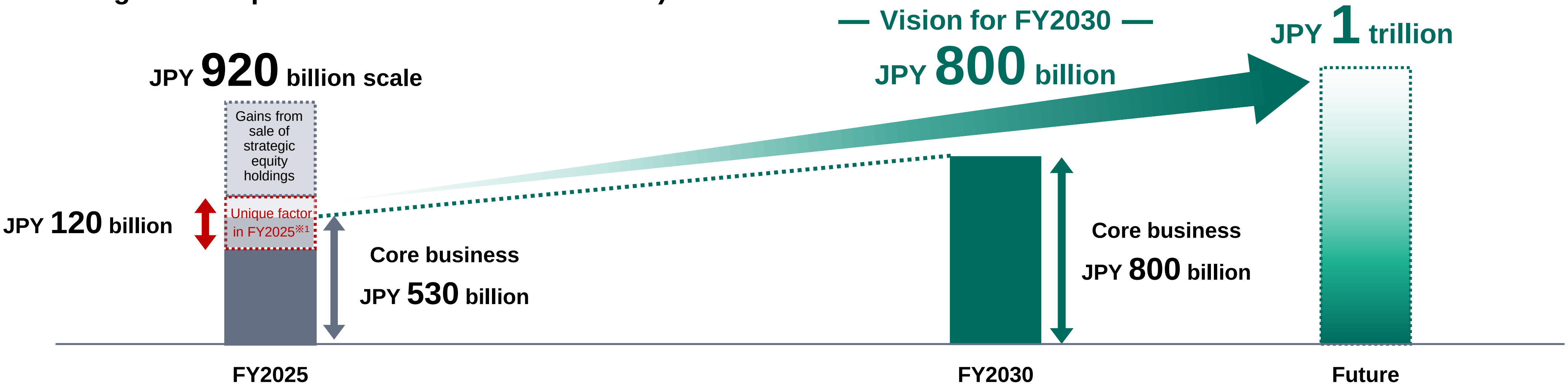
Our Group pursues the provision of the intrinsic value of insurance and strives to become "the insurance and financial group most chosen by customers." Building on these efforts, we will aim to become a group that "takes on risk" and "leads the world" by anticipating changes and solving societal risks in an era of increasing uncertainty, to earn the trust of customers who entrust us with their precious futures.

Through our global business infrastructure, we will provide optimal peace of mind, the best experiences, and cutting-edge solutions, contributing to the development of a vibrant society and a healthy future for the planet.

Our Approach Toward FY2030

Approach of domestic insurance companies	**The insurance and financial group most chosen by customers**
Group tagline	**Taking on Risk, Leading the World**

Even in FY2030, following the completion of the sale of strategic equity holdings, we will establish a revenue structure capable of generating stable profits exceeding JPY 800 billion (adjusted profit*2). (Shift to a structure that generates profits from our core business.)



Target

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The breakdown of the FY2030 adjusted profit target by business domain is as follows.

(JPY 100 mil)

Item	FY2025 (Forecast)	FY2030 (Outlook)	Vision for the future
Adjusted profit (Group)	9,187	8,000	**10,000**
Gains from sale of strategic equity holdings	3,933	–	–
Excluding gains from sale of strategic equity holdings	5,255	8,000	**10,000**
Japanese non-life insurance business	1,776	2,400	
Domestic life insurance business	501	1,000	
International business	2,961	4,200	
Financial services business	62	300	
Businesses providing solutions to social issues	▲46	100	

1. Overview (5) Shareholder Returns

Until the sale of strategic equity holdings is completed, we will continue to make stable shareholder returns by using adjusted profit—adjusted with a focus on cash flow—as our core profit (fundamental profit) for shareholder returns.

Shareholder returns policy

Basic return

We will not change our basic return policy.

- Our basic total payout ratio will be 50% (50% of adjusted profit).
- We will aim for progressive dividends and consider increasing the dividend per share in line with profit growth.
- The difference between the total payout ratio of 50% and total dividends will be addressed through the purchase of treasury shares.

Additional return

We will implement this in a timely and appropriate manner, in cases such as those listed below.

- When it is determined that capital efficiency improvements are required
- When maintaining stable returns during losses due to large-scale natural disasters, etc.
- When no efficient growth investments are expected to be carried out

2. Group Strategies (1) Business Structure Optimization (i) Transformation of Value Provision

To realize the Group's Vision for FY2030, operating companies will formulate and execute business strategies tailored to their business characteristics, based on a shared understanding.

■ Actions to implement

Demonstrating leadership through transformation, creation, and growth

Delivering optimal peace of mind to customers **Protecting customers**	Providing the best effortless experience **Exceeding expectations**	Developing cutting-edge solutions **Shaping the future**

■ Specific initiatives

Delivering optimal peace of mind to customers Protecting customers

Providing appropriate value to customers	▪ Deliver appropriate value to all customers by offering a comprehensive range of products—from simple, easy-to-understand products for individuals to high-added-value products and services, as well as optimal insurance products tailored to corporate risks. ▪ For individual products in particular, we will strengthen our price competitiveness by providing appropriate products and services—including direct non-life insurance—through a unified group approach that responds to customer price sensitivity.
Ability to propose risk solutions Enhancement of underwriting expertise	▪ Pursue sound underwriting through the use of data and risk surveys, etc. ▪ Provide new coverage through the sharing of information and expertise regarding specialty insurance, both domestically and internationally.
Strengthening ability to offer capacity	▪ Expand our capacity through the effective utilization of Group capital and the strategic use of reinsurance.

2. Group Strategies (1) Business Structure Optimization (i) Transformation of Value Provision

Providing the best effortless experience — Exceeding expectations

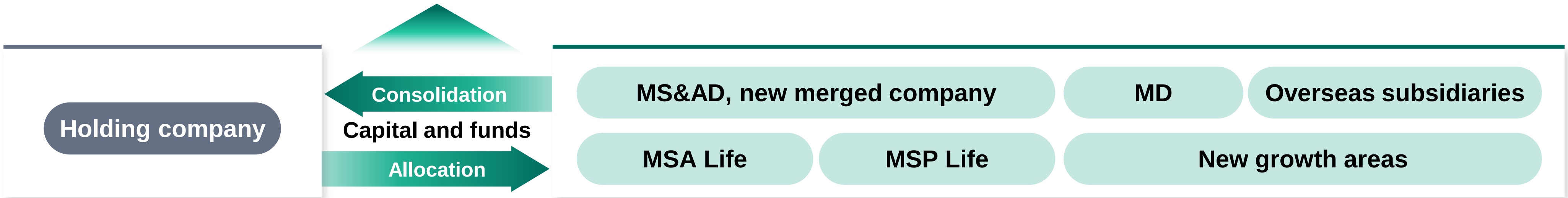
Effortless provision of value to customers	▪ Provide products that are easy for customers to understand and choose (with clear coverage details and a real sense of security) through simple procedures. ▪ Minimize the time and effort required by customers and ensure timely payment of appropriate insurance payments and benefits.
Distribution tailored to customers	▪ Build a new sales model integrating existing sales channels with CX marketing. ▪ Redefine partnerships with agents (transform sales model). — Ensure appropriate distribution quality, taking into account stricter regulations for sales based on comparative recommendations. — Commission systems aligned with the duties and roles of agents

Developing cutting-edge solutions — Shaping the future

Solution development	▪ Develop pre- and post-coverage and security solutions in collaboration with local businesses, municipalities, universities, and others based on customer needs identified by our operating companies, and develop solutions leveraging our global network. ▪ Develop and provide healthcare services that contribute to healthy longevity extension.
Providing solutions	▪ In the personal sector: focus on offering solutions bundled with insurance products. ▪ In the commercial sector: consider offering standalone solutions and solutions bundled with consulting services
Addressing social and regional issues (Key initiatives)	▪ Mobility sector (including autonomous driving): lead the industry in utilizing telematics automobile insurance ▪ Cybersecurity sector: has a significant impact on business continuity ▪ Disaster prevention and mitigation sector: linked to sustainability initiatives ▪ Healthcare, asset formation, and succession sector: responding to the aging population

Actions to implement

Through capital allocation and risk portfolio optimization, we will expand into areas aiming for further growth and improve profitability.



Specific initiatives

Expansion of areas aiming for further growth and improving profitability | **Balancing Group growth and discipline**

Achieving organic growth in the domestic insurance business	▪ Achieve organic growth in the domestic insurance business through the optimization of capital allocation based on direction of risk-taking.
Allocating management resources to new growth areas, primarily overseas	▪ Make business investments in new growth areas, primarily overseas, utilizing funds from the sale of strategic equity holdings and funds generated by the domestic insurance business. ▪ Explore inorganic growth, including new business investments and R&D, with a focus on the mobility sector.
Implementing disciplined business investments	▪ Establish a capital circulation cycle through business evaluations, such as monitoring based on a 6% ROI benchmark for international business.
Improving profitability in asset management (See next page)	▪ Expand our portfolio of higher-return assets through the completion of sales of strategic equity holdings and high-quality risk-taking. ▪ Expand global asset management capabilities. ▪ Build a common Group platform by consolidating management-related functions into the holding company.

Specific initiatives

Improving profitability in asset management

Through high-quality risk-taking based on early crisis prediction warning management, diversification, and in-depth analysis, we will contribute to the sustainable growth of net asset value and profit growth at a global top-tier level.

Expansion of risk-taking

Asset management framework

- Build an optimal portfolio based on ALM, liquidity management, and the maximization of long-term returns after deducting the cost of capital.
- Focus on business cash flows and other sources of revenue in light of market trends, aiming to generate repeatable revenue.
- Adjust asset allocation based on economic and market outlooks.
- Implement group-wide unified risk management.

Asset classes to be strengthened

- Strengthen management capabilities across the three asset classes: credit, PA*, and listed stocks/equity.
  - Credit: Select securities based on rigorous assessment of repayment capacity.
  - PA*: Continue high-performing PE investments while investing in PD, real estate, and infrastructure to distribute risk.
  - Listed stocks: Invest in companies expected to see an increase in enterprise value through profit growth, based on a long-term investment perspective.

* PA (private assets): Non-public assets such as unlisted equities (private equity) and loans to mid-sized and small-to-medium enterprises (private debt).

Strengthening our business base

Strengthen global asset management systems

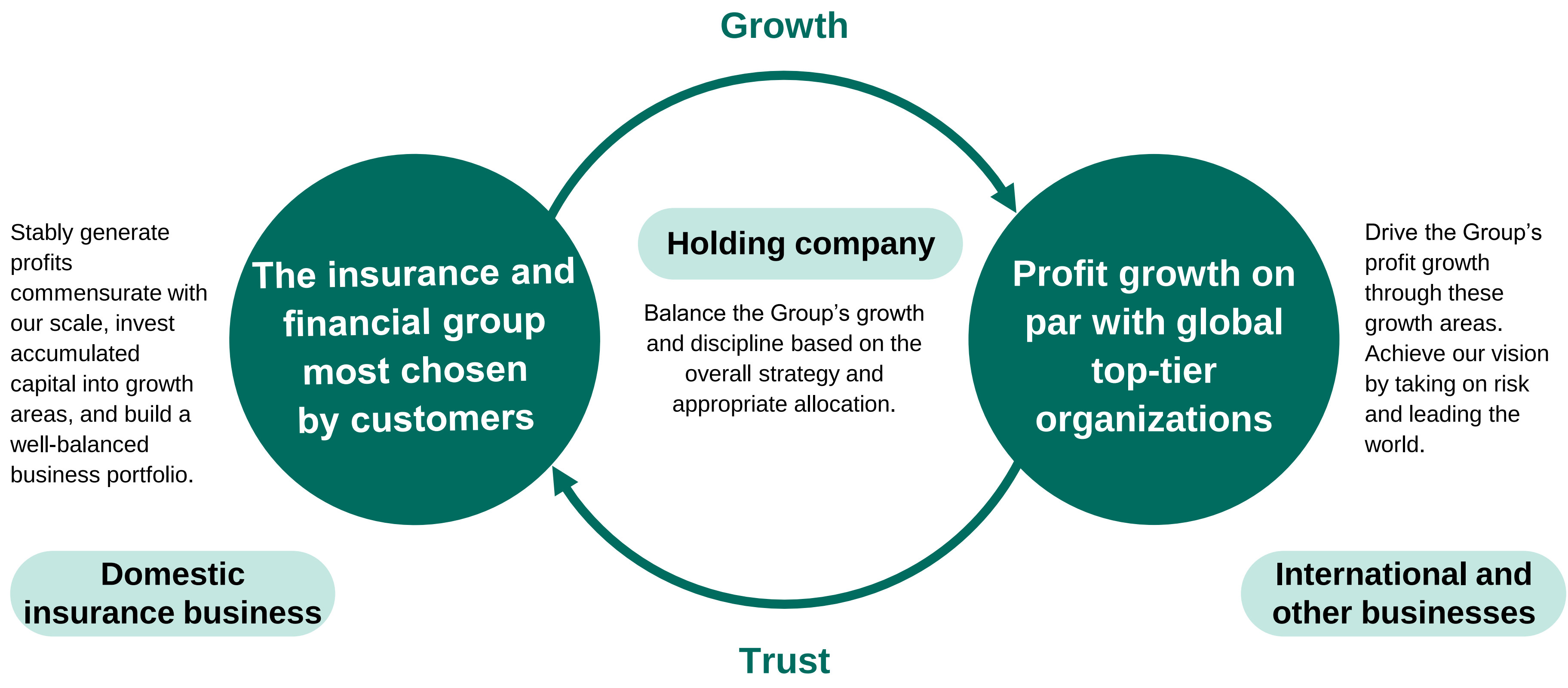
- Leverage trusted partners such as LGT and Barings to expand global management capabilities and strengthen management profitability across domestic group companies and international business.
- Develop specialized human resources in asset management basically through internal training, including educational programs, practical experience, and secondments to partners and MSR, supplemented by mid-career hiring, etc. Unify group-wide standards for recruitment, placement, training, and evaluation of specialized skills within the asset management department.

Consolidation and strengthening of functions into the holding company

- Improve efficiency through group-wide sharing by consolidating the management-related functions and resources of each operating company into the holding company.
- Achieve a qualitatively unified asset management approach through holding company participation in the formulation of management policies and plans for each operating company.

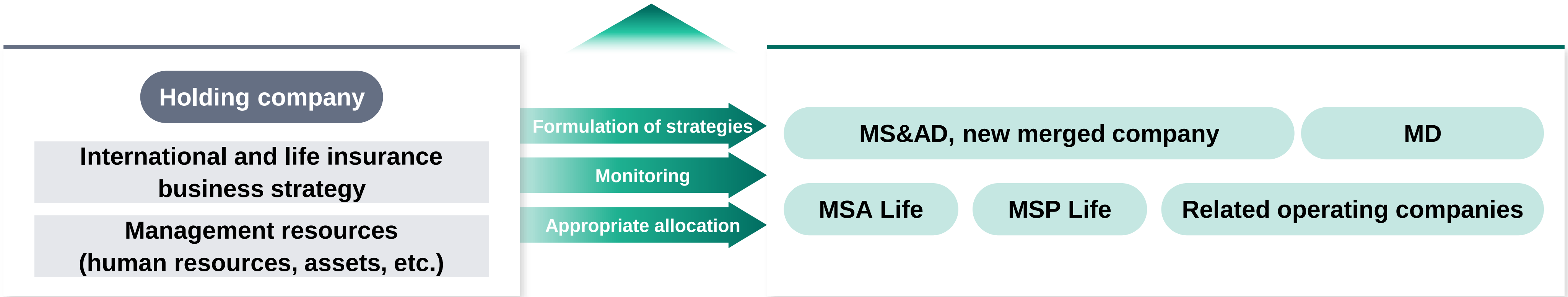
The holding company will balance the Group's growth and discipline based on the overall strategy and appropriate allocation.
Operating companies will strive to achieve growth, profitability, and soundness in accordance with their positioning within their respective domains (e.g., profit sources, growth drivers, etc.).

Group objectives



Actions to implement

The holding company formulates strategies for the entire Group and exercises a steering function to drive the Group's sustainable growth.

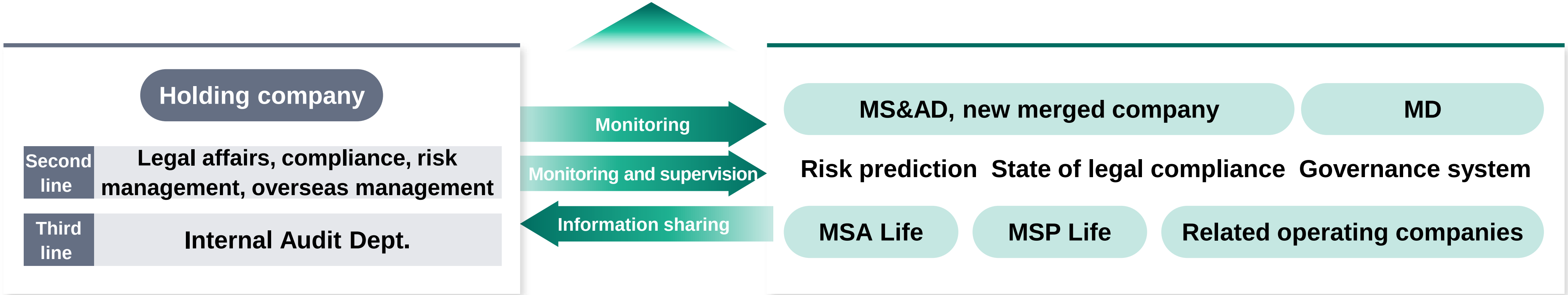


Specific initiatives

Strengthening strategic functions	▪ Ensure business consistency by strengthening the functions of the International Business Planning Dept. and consolidating the international business strategy functions of operating companies into the holding company. ▪ Ensure business consistency by establishing a new Life Insurance Business Planning Dept. to oversee domestic and international life insurance business strategies.
Improving the effectiveness of the Group's steering function	▪ Strengthen the function for the appropriate allocation of Group management resources (human resources, assets, etc.) through the establishment of a new Human Resources Dept. and General Affairs Dept. ▪ Improve the effectiveness of the steering function for capital and fund allocation and Group-wide asset management through the establishment of a new Finance and Investment Planning Dept. and Investment Dept.

Actions to implement

The holding company will exercise its monitoring function to detect risk across the entire Group and drive the sustainable enhancement of the Group's enterprise value through auditing and supervision.



Specific initiatives

Strengthening the holding company's second- and third-line functions	▪ Improve the Group's ability to detect risk by establishing a system to share information regarding events that lead to risk prediction at operating companies with the holding company's Corporate Risk Management Dept. and Compliance Dept.
Strengthening the holding company's business management functions	▪ Transfer functions related to operating companies' international business operations to the holding company as a general rule (e.g., overseas asset management, overseas accounting, overseas system risk management, overseas IT governance, etc.).
Strengthening monitoring of group companies	▪ Strengthen monitoring of group companies' compliance with laws, regulations, and governance systems. ▪ Balance growth through delegation of authority from the Board of Directors (rapid decision-making) with discipline enforced by the Audit and Supervisory Committee (strengthened auditing and oversight).

Actions to implement

We will establish a personnel system and HR development framework that enables employees to shape their own careers by leveraging their skills. By building a human resources portfolio capable of realizing domestic and international business strategies, and improving employee wellbeing through a tangible sense of growth, we will create a virtuous cycle that leads to sustainable enhancement of enterprise value.

Specific initiatives

Employee growth through skill utilization and career development

- **Skill-based personnel system**
- **Output of skills** (Seizing career opportunities)
- **Risk-taking mindset**

We will realize and institutionalize a vision where all employees powerfully drive the Group's sustainable growth through personnel systems and HR development frameworks that enable them to maximize their skills, engage those around them from a broader perspective, and continuously pursue the creation of new value and transformation.

Building a human resources portfolio aligned with our management strategy

- **HR portfolio visualization** (Data infrastructure)
- **Succession planning aligned with strategy**
- **Dynamic organization through talent mobility**

After clarifying the definitions and required numbers of human resources needed for key Group positions and highly specialized talent, we will build an appropriate human resources portfolio that takes into account the streamlining and advancement of operations through the use of cutting-edge technologies (such as AI), while promoting talent mobility within the Group.

Improving well-being

- **Embracing and leveraging diverse knowledge and experience**
- **Feeling motivated, feeling at ease at work**
- **Mental and physical health Sustained improvements in treatment**

By creating an environment where every diverse employee can realize their career vision and feel motivated, ease of work, health, financial security, and a fulfilling work-life balance, we will promote the establishment of a mindset and behaviors that enable employees to continue working with high engagement.

Actions to implement

By driving the optimization of IT structure, creating value and strengthening competitiveness through AI, and enhancing cybersecurity systems, we will build a foundation that supports the transformation, creation, and growth of Group businesses, thereby achieving sustainable growth for Group businesses and improving enterprise quality.

Specific initiatives

Further IT structure optimization	▪ Achieve full system integration following the merger of MS and AD (including data migration from the former companies and system decommissioning). ▪ Reduce in-house system ownership through the use of external services such as cloud services, rebuild data service infrastructure to facilitate easy data integration and utilization, and build a new network that enables rapid, flexible external collaboration with new technologies in a secure environment.
Value creation and strengthening competitiveness through AI	▪ Create AI use cases in key focus areas (payment services, underwriting, and sales models). ▪ Develop AI business human resources to drive transformation, and train and recruit AI engineers. ▪ Expand necessary functions and skills through collaboration between Group resources and external partners. ▪ Establish a system to centrally manage AI governance across the entire Group.
Strengthen cybersecurity system	▪ Enhance information gathering and analysis capabilities with regard to evolving cybersecurity risks, and strengthen Group-wide security measures, such as introducing risk assessments based on common group metrics. ▪ Visualize network security risks and implement risk countermeasures with a focus on business continuity. ▪ Implement Group-wide and global governance and security measures (strengthen CSIRT and SOC capabilities).

Actions to implement

To create a vibrant society and realize a healthy future for our planet (the well-being of people and the Earth), we will advance our efforts as a unified Group, focusing on three key initiatives: reducing catastrophe risk, delivering value that addresses social structural changes such as demographic trends, and responsible business activities that respect human rights.
In addition, we will engage in initiatives to address social and regional issues identified by our operating companies through the development and provision of insurance and solutions, thereby enhancing environmental and social sustainability and increasing our Group's enterprise value.

Specific initiatives

Reducing catastrophe risk and creating a resilient society that endures into the future

- As risk professionals, we will work to reduce catastrophe risk both domestically and internationally, creating a society with high resilience to disasters, while also striving to improve our Group's profitability and enhance the sustainability of our insurance business.
- As part of these efforts, we will advance initiatives to reduce greenhouse gas emissions toward the realization of a decarbonized society, as well as the conservation and enhancement of forests and wetlands, which contribute to reducing catastrophe risk, thereby mitigating the severity of natural disasters.

Creating a prosperous and happy society by providing value that addresses changes in social structures, such as demographic trends

- We will enhance enterprise value over the medium to long term by developing and providing solutions that accurately address changes in social structures, including demographic trends such as declining birthrate and aging population.

Deepening social trust through responsible business activities that respect human rights

- Through business activities that respect the human rights of all stakeholders (including employees, customers, agents, and business partners), we will contribute to the formation of a resilient and inclusive global supply chain. This will strengthen our relationships of trust with society while enhancing the Group's global competitiveness by mitigating management risks and securing human resources.

Contributing to the well-being of people and the planet

Actions to implement

Adjusted profit
(End of FY2030)

We will provide insurance tailored to customer needs, optimize our premiums, and implement process reforms to generate stable profits commensurate with our scale. (Achieve improvements in profitability/ underwriting results that exceed the increase in insurance payments and operating expenses caused by inflation)

JPY240billion

Specific initiatives

Top-line growth	Growth strategies		▪ Expand the market and reduce accidents through the promotion of telematics insurance. ▪ Drive market development by strengthening and expanding collaboration with business partners.
			▪ Expand underwriting in growth industries through more advanced underwriting and expansion of capacity, and provide new solutions such as parametric insurance.
	Rate revision	Auto	▪ Continue reviewing premium rates targeting a combined ratio of 95%. ▪ Restrict long-term contracts to quickly reap the rewards of rate revisions. ▪ Review products (coverage details, premium levels) based on a redefinition of target demographics.
		Fire	▪ Continue reviewing premium rates to bring the ratio closer to the appropriate long-term level of 95%, with the possibility of falling below 90% in years with few large-scale natural disasters or major losses.
Improving profitability	Streamlining and optimization		▪ Implement cost reductions of approx. 150 billion yen in personnel expenses, agent commissions, and non-personnel expenses, etc. through the merger.
			▪ Improve efficiency and reduce operating expenses through full digitalization of procedures and the establishment of a digital claims department model. ▪ Optimize sales channels (agents, direct sales, etc.) and establish a customer success system/framework.
	Enhancement of underwriting		▪ Shift underwriting functions to the front office, implement advanced data utilization, and transfer overseas expertise. ▪ Optimize portfolio holdings and expand capacity across underwriting and reinsurance through advanced reinsurance strategies. ▪ Strengthen the risk engineering field.

3. Strategies by Business Domain (2) Domestic Life Insurance Business

Actions to implement

By delivering optimal solutions for our customers' life insurance risks, we will support the realization of our vision to become "the insurance and financial group most chosen by customers."
By covering risks with characteristics distinct from those in the non-life insurance sector, we will contribute to risk diversification and revenue stabilization.
We will contribute to the improvement of Group profits through synergies with our non-life insurance and asset management businesses.

Adjusted profit (End of FY2030)

MSA Life JPY50billion
MSP Life JPY50billion

Specific initiatives

Provision of products and services	▪ Enhance product lineup in areas where customers have potential protection needs, and strengthen our consulting capabilities to stimulate demand. ▪ Integrate provision of products and services through the establishment of a sales model that drives proactive value delivery (proactive model). ▪ In asset-based life insurance: increase the weight of insurance sales requiring specialized expertise but with a lighter capital burden.
Channels	▪ For customer-oriented risk consulting sales: work to ensure we have a clear understanding of proposal activities and diversify touchpoints with customers, transforming this channel into one with even greater transparency. ▪ Establish digital platforms and content to expand touchpoints with customers.
Asset management and finance	▪ Generate synergies by entrusting the management of funds acquired through the life insurance business to the Group's asset management companies. ▪ Strengthen governance to optimize risk-return profiles through rigorous ALM.
New business and policy administration	▪ Accelerate service delivery, improve customer satisfaction, and enhance operational efficiency through digitalization.

3. Strategies by Business Domain (3) International Business

Actions to implement

Adjusted profit (End of FY2030)

We will drive the enhancement of the Group's enterprise value through functional enhancements, including the consolidation of international business management functions into the holding company starting in 2026, and build a structure where international business generates over 50% adjusted profits.

JPY420billion

Specific initiatives

		Adjusted profit (End of FY2030)
Americas	▪ In MSIG USA's initiatives in non-Japanese markets, particularly in specialty lines: drive growth by expanding our pool of specialized human resources by line of business and strengthening collaboration with brokers. ▪ At MST: leverage our A+ rating (the only one in the fronting industry) to deepen relationships with major MGAs and capture MGA programs for US companies in other countries. ▪ Increase equity in earnings from the growth of W.R. Berkley, in which we hold a 15% stake, and expand profits from Lifson Re, a sidecar in which we have a joint investment.	**JPY140billion**
Europe (including the Lloyd's and reinsurance business)	▪ Curb the decline in profit levels at MS Amlin (Lloyd's business) through initiatives such as strengthening collaboration with brokers, and pursue cautious expansion at MS Re focusing on specialty lines, while rigorously implementing cycle management. ▪ Execute synergy strategies, etc. following the merger of two MSIGEU subsidiaries, including cross-selling, reinsurance optimization, capital management aimed at improving capital efficiency, and cost reduction.	**JPY140billion**
Asia Pacific	▪ Drive 11 cross-regional initiatives, including further expansion of the digital consumer business. ▪ Expand underwriting of commercial properties utilizing MSFC's commercial property underwriting expertise across sales channels throughout Asia.	**JPY85billion**
Other regions	▪ Pursue synergies, such as expansion of reinsurance transactions between W.R. Berkley and our Group, and collaboration focused on specialty lines. ▪ Centralize management of reinsurance contracts for overseas subsidiaries through a newly established Group reinsurance specialist company, expand internal reserves for expected profits, and drive initiatives to improve capital efficiency through optimization of held reinsurance schemes.	**JPY15billion**
Overseas life insurance	▪ Grow profits through synergy initiatives such as improving product profitability, strengthening sales channels, and leveraging Barings. ▪ Achieve a balance between growth and dividend generation by receiving stable dividends from mature markets while controlling growth and rebalancing covered risks in growth markets.	**JPY40billion**

Actions to implement

		Adjusted profit (End of FY2030)
Financial Services Business	We will contribute to improving the Group's capital efficiency and business portfolio diversification through investment in and business expansion of Barings, which exhibits high growth and has low correlation with the underwriting business. For existing businesses, we will strengthen profitability through the development of new products and services and the reinforcement of operational capabilities.	JPY30billion
Solutions to social issues	By expanding solution businesses addressing social issues, we will create a virtuous cycle of enhanced social and economic value, contributing to the Group's sustainable growth and expansion of profits.	JPY10billion

Specific initiatives

			Adjusted profit (End of FY2030)
Financial Services Business	Investment in and expansion of Barings business	▪ Expand business profits through the sustainable, long-term growth of Barings in collaboration with the parent company, MassMutual.	JPY30biliion
	Expansion of revenue in existing businesses	▪ Aim to contribute to revenue by offering products and services that are not limited to insurance. ▪ Develop business with a focus on three key areas*. Take a "scrap and build" approach, such as selling businesses with no prospect of growth or profitability. *(1) asset building-related businesses, (2) risk solutions contributing to ESG, (3) responses to social environmental changes.	
Solutions to social issues	Solutions business development	▪ Develop non-insurance businesses and solutions with strong synergy with our insurance operations to expand revenue, based on issues not fully covered by insurance and priority issues linked to regional revitalization policies.	JPY10billion
	Establishment of investment processes and systems	▪ Begin with collaborations and small-scale investments in large corporations and promising startups, with the prerequisite of appropriate risk management. Increase the investment ratio depending on results, and pursue joint ventures, M&A, and other initiatives.	
	Solution sales and rollout	▪ Deploy and monetize developed solutions by leveraging our sales and distribution channels (sales offices, agent networks, and corporate/local government networks).	

MS&AD
INSURANCE GROUP

Taking on Risk, Leading the World

FY2026 Group Management Plan

1. Quantitative Targets

- We will set quantitative targets for FY2026 by backcasting from the Group's vision for FY2030.
- In FY2026, we aim to achieve adjusted profit (excluding gains from sale of strategic equity holdings) of JPY 530billion (JPY 800 billion including such gains) and adjusted ROE of 10% (13% including such gains).

Target

Adjusted profit

FY2026

JPY530billion

(Including gains from sale of strategic equity holdings JPY800billion)

EPS growth rate

FY2025～FY2026

4%(Annual rate)

（FY2025～FY2030 Annual average of 11%）

Adjusted ROE

FY2026

10%

（Including gains from sale of strategic equity holdings 13%）

ESR

2026年度

180% or higher

*1 Profit calculated by applying cash-based adjustments to IFRS net income.
*2 Excluding gains from sale of strategic equity holdings
*3 Adjusted profit ÷ adjusted net assets (IFRS net assets – AOCI – goodwill and other balances)

2. Strategy by Business Domain

FY2026 initiatives for each business domain strategy based on the group-wide initiatives aimed at achieving the Group's vision for FY2030 are as follows.

Business Domain	Strategies	Main Initiatives	
Japanese non-life insurance business (Adjusted profit: JPY 170 billion*) * Including gains from sale of strategic equity holdings JPY 438 billion	**Merger of MS and AD**		▪ Consolidate nationwide offices and integrate systems to ensure smooth business operations following the merger ▪ Implement plans to reduce personnel expenses, agent commissions, and non-personnel expenses in anticipation of the merger
	Implementing business improvement plans		▪ Hold dialogues with agents to achieve customer-oriented business operations and a healthy competitive environment ▪ Drive succession and acceptance of corporate agencies through insurance agent businesses created through joint investment with partners
	Improving profitability and growth potential		▪ Product and service lifecycle management ▪ Shift underwriting functions to the front office ▪ Appropriate insurance payouts, loss prevention utilizing claims department data, and more sophisticated underwriting ▪ Revise premium rates in anticipation of continued inflation and increasingly severe natural disasters ▪ Increase assets expected to generate returns (credit, listed stocks, and PA) ▪ Explore and develop simple, easy-to-understand products and services, and implement agile premium rate setting ▪ Improve customer experience (CX) through effortless provision of value to customers ▪ Capture customers' growing preference for online services and increased price sensitivity through direct channels
Domestic life insurance business (Adjusted profit: JPY 52 billion)	**Improving earnings**	**MSA Life**	▪ Expand insurance revenue by increasing sales of protection-oriented products, optimizing risk-return profiles, and improve capital efficiency
		MSP Life	▪ Increase insurance revenue through products with enhanced protection, and launch products requiring proprietary expertise (such as variable products) into the market ▪ Increase the sophistication of integrated analysis of products, assets, accounting, and risk, include product-specific risk-return profiles
	Strengthening our sales model	**MSA Life**	▪ Initiatives to build a sales model (proactive model) that drives proactive value delivery ▪ Develop and deepen the small and medium enterprises and large enterprises employee markets
		MSP Life	▪ Expand channels through initiatives in the agent market (in addition to financial institution channels) and the implementation of digital strategies, etc.

2. Strategy by Business Domain

Business Domain	Strategies	Main Initiatives
International business (Adjusted profit: JPY 300 billion)	Stable operation of the new structure	▪ Ensure stable operation of the new overseas business management structure centered on IEC and international business CxOs, and drive the advancement and efficiency of business management
	Office consolidation	▪ Determine optimal consolidation methods and plans for each country and region, and steadily advance the consolidation process ▪ Expand business operations at European subsidiaries by leveraging mergers, improve capital efficiency, enhance operational efficiency, and generate synergies through integration
	Accelerating growth through business investment	▪ At WRB: increase equity income through growth and pursue synergies through the expansion of reinsurance transactions and collaboration focused on specialty business categories
	Growth in each region	▪ In the US business: capture the MGA market by strengthening initiatives in non-Japanese markets and deepening relationships with major MGAs ▪ In the Lloyd's & Reinsurance business: secure earnings while thoroughly implementing cycle management ▪ In Asia, expand underwriting of commercial properties utilizing 11 cross-regional initiatives and commercial property underwriting expertise of MSFC.
	Optimization of reinsurance schemes	▪ Establish a reinsurance vehicle within the Group to expand internal reserves through anticipated profits from increased group holdings and optimize reinsurance retention schemes
	Overseas life insurance	▪ Aim for profit growth through measures such as improving the profitability of health insurance, and begin management dialogues with each site to achieve growth and generate dividends
Financial services business (Adjusted profit: JPY 12 billion)	Expansion of Barings' business	▪ Complete investment in Barings and expand business profits by supporting the company's sustainable, long-term growth in collaboration with the parent company, MassMutual.
	Expansion of revenue in existing businesses	▪ Strengthen the profitability of existing businesses (asset building-related businesses, risk solutions contributing to ESG, and responses to social environment) through the development of new products and services and the reinforcement of our operational structure.
Businesses providing solutions to social issues	Improvement of revenue in existing businesses	▪ Expanding continuing businesses through steady consolidation of existing businesses and the integration of the Group's expertise, experience, and strengths ▪ Strengthen the think tank and risk consulting businesses (MS&AD InterRisk Research and Consulting, Inc.)
	Expanding solutions for the future	▪ Expand cutting-edge solutions that meet the expectations of customers (society) to achieve the Group's vision.