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

Securities Code 8725

June 2, 2026

Dear Shareholders:

Notice of Convocation of the 18th Annual Shareholders Meeting

MS&AD Insurance Group Holdings, Inc. (the "Company") hereby announces that its 18th Annual Shareholders Meeting will be held as set out below.

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

The Company's website

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

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

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

TSE website (Search for a listed Company)

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

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

If you are not attending the meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the Reference Documents for Shareholders Meeting, and exercise your voting rights by following the instructions on pages 4 to 5.

Yours faithfully,

MS&AD Insurance Group Holdings, Inc.

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

Shinichiro Funabiki,

Director, President & CEO

Particulars

1. Date and Time: 10:00 a.m. JST, on June 22, 2026 (Monday) (Entry starts at 9:00 a.m.)
2. Place: "Orchard," 2nd Floor, The Okura Prestige Tower,
   The Okura Tokyo 2-10-4 Toranomon, Minato-ku, Tokyo
3. Purposes of the Meeting:

   Matters to be reported:
   1. Business Report, the report on the consolidated financial statements, and the report on the results of audit of consolidated financial statements by Accounting Auditors and by the Audit and Supervisory Committee for the 18th fiscal year (Fiscal 2025 (from April 1, 2025 to March 31, 2026)); and
   2. Report on the non-consolidated financial statements for the 18th fiscal year (Fiscal 2025 (from April 1, 2025 to March 31, 2026)).

   Matters to be resolved:
   - Proposal 1: Appropriation of Surplus
   - Proposal 2: Amendments to the Articles of Incorporation
   - Proposal 3: Election of Ten (10) Directors Who Are Not Audit and Supervisory Committee Members
   - Proposal 4: Revision of Amount of Remuneration for Directors Who Are Not Audit and Supervisory Committee Members
   - Proposal 5: Revision of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members
   - Proposal 6: Revision of Remuneration for Granting Restricted Stock to Directors Who Are Not Audit and Supervisory Committee Members

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- If any changes occur to the management of this Shareholders Meeting due to a future situation, they will be announced on the Company's website.
- Among the items for which measures for providing information in electronic format are to be taken, in accordance with the provisions of laws and regulations and the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. In addition, the Audit and Supervisory Committee and the Accounting Auditor have audited the documents included in the scope of audits, including the following matters.
  - i) "Changes in status of assets and earnings of the Corporate Group and Insurance Holding Company," "Main offices of Corporate Group," "Employees of Corporate Group," "Major lenders of Corporate Group," and "Other important matters concerning state of Corporate Group" under "Matters Concerning the Current Status of the Insurance Holding Company," "Limited liability agreements and indemnity agreements" and "Directors and officers liability insurance policy" under "Matters Concerning Officers," "Matters Concerning Outside Officers," "Matters Concerning Stock," "Matters Concerning Stock Acquisition Rights, etc.," "Matters Concerning Accounting Auditor," "Basic Policy Concerning Persons in Control of Decisions on Finance and Business Policy," "System for Ensuring Appropriateness of Operations," "Matters Concerning Specified Wholly Owned Subsidiaries," "Matters Concerning Transactions with the Parent Company, etc.," "Matters Concerning Accounting Advisors," and "Other Matters" of the Business Report
  - ii) Consolidated financial statements
  - iii) Non-consolidated financial statements
  - iv) Audit Report by Accounting Auditor concerning Consolidated Financial Statements
  - v) Audit Report by Accounting Auditor concerning Non-Consolidated Financial Statements
  - vi) Audit Report by Audit and Supervisory Committee
- Questions regarding the purpose of this Shareholders Meeting will be taken in advance of the Meeting, and answers will be posted on the Company's website. Shareholders who wish to submit questions are requested to submit them via the Company's website by 5:00 p.m. JST on June 9 (Tuesday). Please note that it may not be possible to answer all the questions received.
- If revisions arise in the items for which measures for providing information in electronic format are to be taken, a notice of the revisions will be posted on the Company's website and the TSE website.

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

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

The Company will not arrange for an interpreter.

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

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

[Attendance of beneficial shareholders]

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

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

Instructions for the Exercise of Voting Rights

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

Exercise of voting rights via the Internet

Scanning the QR Code (Japanese version only)

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

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

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

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

Deadline for the exercise of voting rights via the Internet:
No later than 5:00 p.m. JST, on June 19, 2026 (Friday)

Exercise of voting rights by attending the Annual Shareholders Meeting

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

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

Date and Time of the Annual Shareholders Meeting:
10:00 a.m. JST, on June 22, 2026 (Monday)

Exercise of voting rights by mailing of written documents (Japanese version only)

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

Deadline for the arrival of written documents to exercise voting rights by mail:
No later than 5:00 p.m. JST, on June 19, 2026 (Friday)

Notes on the exercise of voting rights

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

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

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

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

For institutional investors

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

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

- End -

This fiscal year, the Group will launch a new management plan outlining its "Aspiration for FY2030." As the Group's role and social responsibilities become increasingly important, we will continue to pursue growth and take on new challenges, aiming to become "the insurance and financial group most chosen by customers."

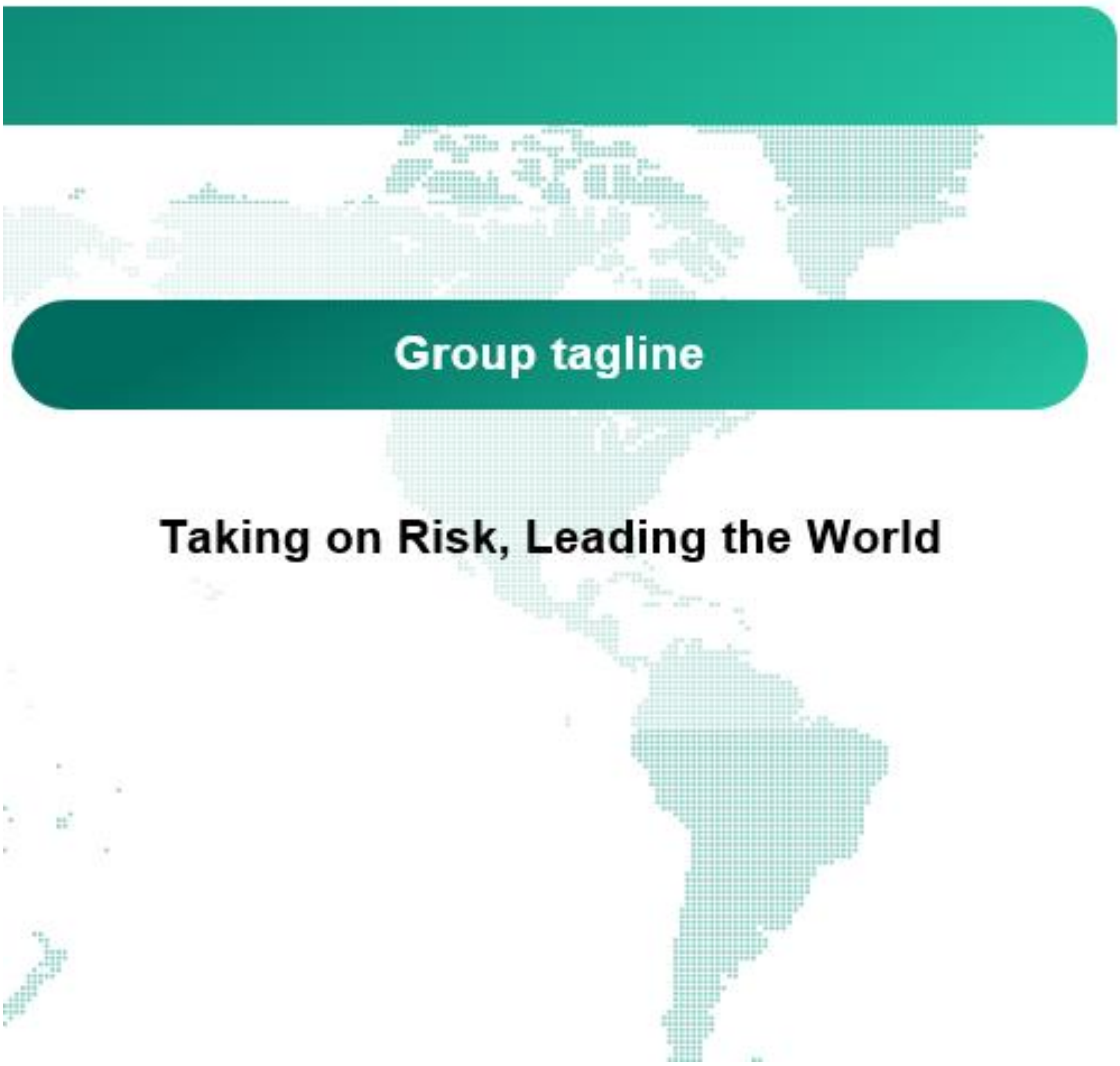
Under the new management plan, in an era of increasing uncertainty, we have adopted the Group Tagline, "Taking on Risk, Leading the World," in order to earn customers' trust in entrusting their valuable future to us.

We believe it is of utmost importance that all officers and employees recognize the Group's role and social responsibilities, and lead transformation to shift our business model and restore trust in the insurance industry by updating their values and actions.

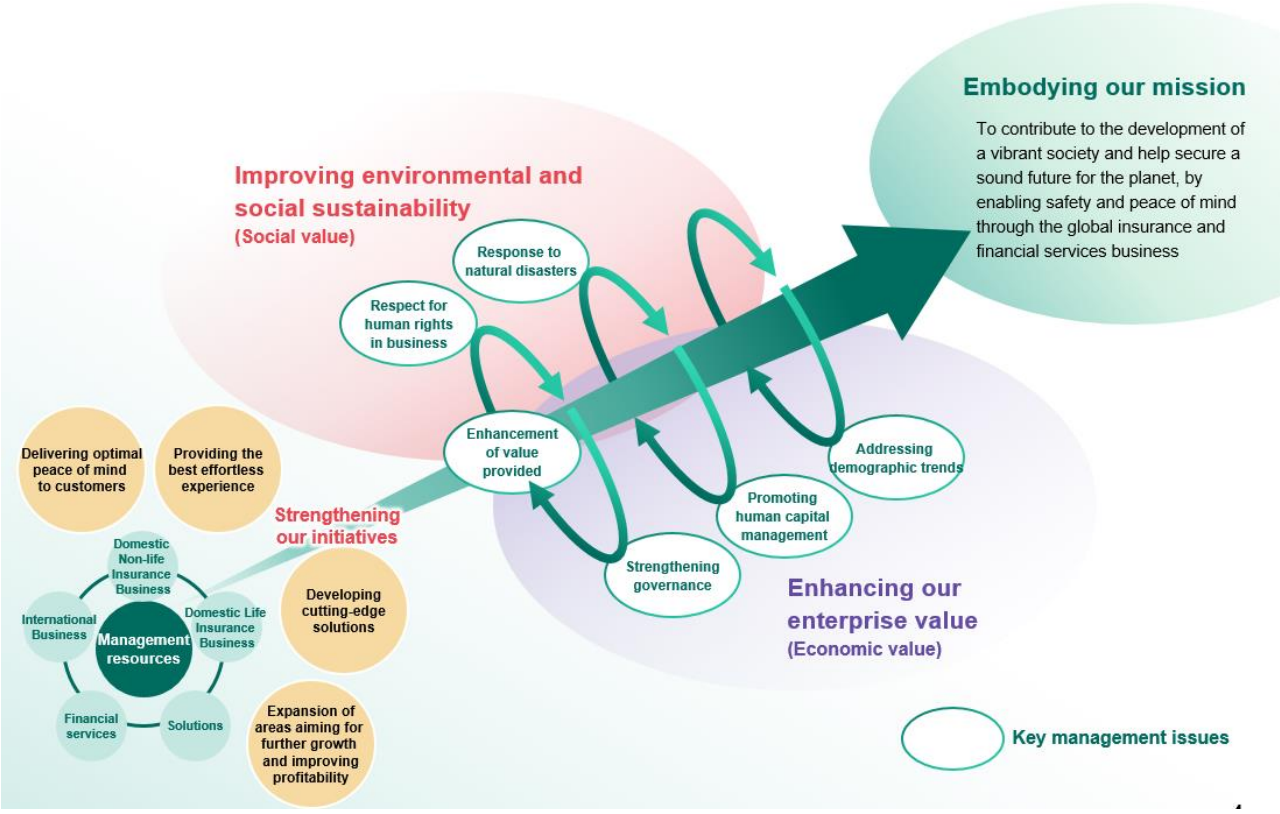
Also, by fully leveraging the Group's globally expanding business platform, we will support the development of a vibrant society and a sound future for the planet by providing customers with optimal security, the best effortless experience, and cutting-edge solutions.

The Group has set a target of achieving 1 trillion yen in adjusted profit* as its long-term aspiration. To achieve this target, we will continue to take on challenges beyond conventional frameworks—across domestic and overseas insurance businesses, asset management, and new business opportunities that address social and regional issues—and build a robust business structure capable of generating stable and sustainable profits even in FY2030 after the completion of the sale of strategic equity holdings.

* Profit adjusted from IFRS net income for the period, with an emphasis on cash-based measures

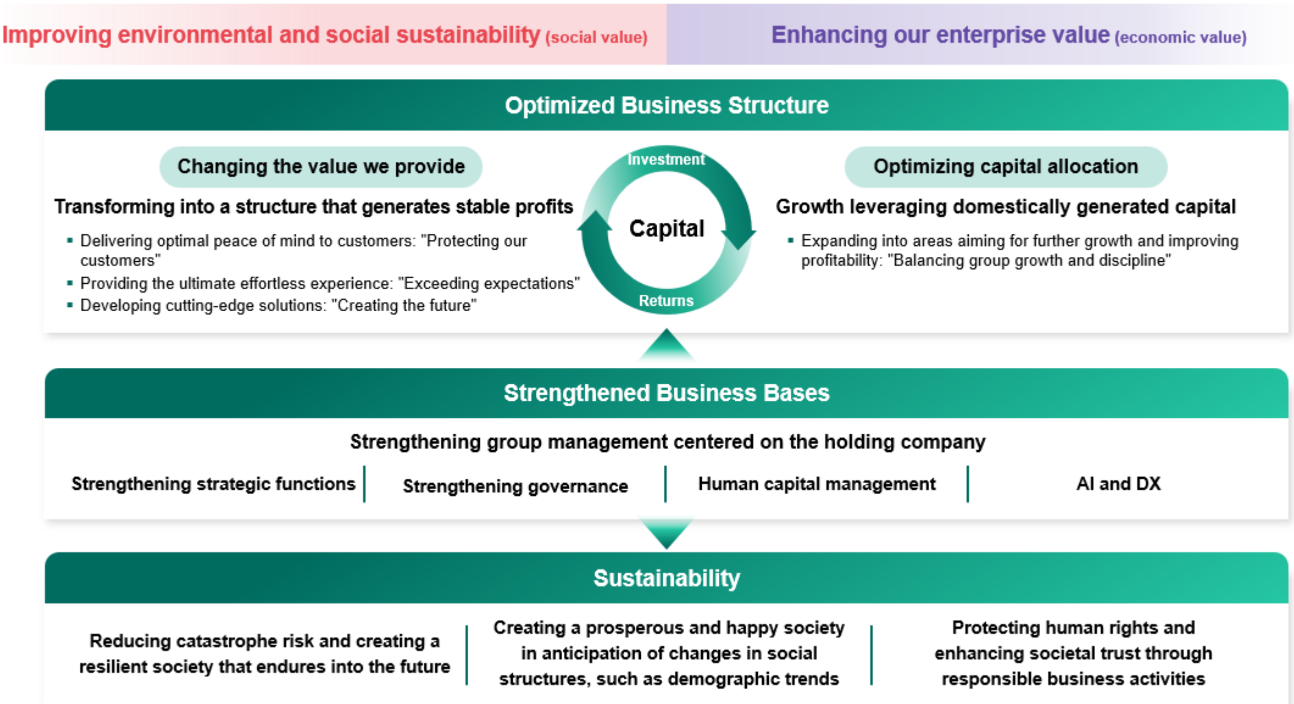


In formulating the “Aspiration for FY2030,” the Group has once again clarified the path toward fulfilling its mission. In order for the Group to provide insurance as a social infrastructure in a stable and continuous manner, it is necessary to steadily address key management issues and continue to generate stable profits. As such, we have reaffirmed that it is essential to simultaneously achieve enhancement of environmental and social sustainability (social value) and enhancement of the Company’s corporate value (economic value), and will work toward realizing our aspiration.



With a view to completing the sale of strategic equity holdings by the end of FY2029, the Group recognizes as a key management issue the transformation to a business structure capable of generating stable and sustainable profits from its core businesses. To this end, we will work to strengthen the business structure itself (optimization of business structure) by further enhancing the value we provide and optimizing capital allocation (use of capital).

Also, as the foundation for implementing the optimization of the business structure, we will strengthen Group management centered on the Company (the holding company), namely, by further reinforcing the business foundation, for expanding sustained support from customers.



Reference Documents for Shareholders Meeting

Proposals and Reference Matters:

Proposal 1: Appropriation of Surplus

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

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

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

Matters concerning the fiscal year-end dividend:

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

   82.5 yen per share of common stock of the Company
   Total: 119,989,701,810 yen
   As a result, the annual dividend for the current fiscal year totals 160 yen per share, including the interim dividend.

2. Effective date of dividend:

   June 23, 2026

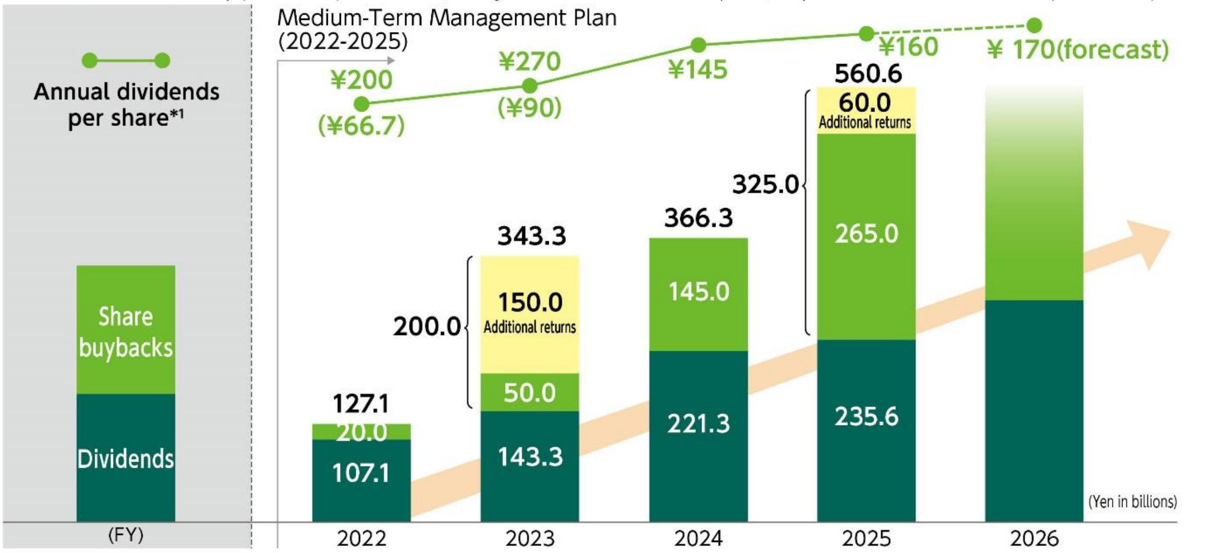
(Notes)

*1 For our shareholder return policy under the Medium-Term Management Plan, please refer to page 11.

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

Shareholder Return Policy

- The Company returns profits through dividends and share buybacks based on 50% of the profits that form the basis for shareholder returns
- We will be paying special dividends out of gains elevated by the accelerated sales of strategic equity holdings, in addition to increasing ordinary dividends in line with earnings growth
- We are making additional returns in an agile and flexible manner, taking into account market trends, business environment, capital position, and other factors
- For FY2025, we will pay 235.6 billion yen in dividends (including distribution of dividends under Proposal 1) and purchase our stock worth 325.0 billion yen as share buybacks.



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

Calculation formula for Group Adjusted Profit (2022～2025)

Group Adjusted Profit*2 = Consolidated net income + Provision for catastrophe loss reserve and others*3,*4 − Other special factors (amortization of goodwill and other intangible fixed assets, and others) + Equity in earnings of the non-consolidated Group companies

*2 Each adjustment amount is on an after-tax basis
*3 Catastrophe loss reserve, contingency reserve, and reserve for price fluctuation of domestic non-life insurance business and Mitsui Sumitomo Aioi Life
*4 Subtraction in case of reversal

Calculation formula for Adjusted Profit (2026～)

Adjusted Profit*2 = IFRS net income + Gains/losses from sales of strategic equity holdings/ Gains/losses from sales of pure investment equities*5 − Impact of market fluctuation*6,*7 Impact of deferred acquisition costs*7,*8 − Gains/losses from other extraordinary items*9 (impairment losses on goodwill and others)

*5 Gains/losses from sales of pure investment equities designated as FVOCI
*6 Exclude unrealized gains/losses related to financial assets As for MSP Life, market fluctuation impacts related to insurance liabilities are also excluded
*7 No adjustments are applied to the international businesses, financial services business, and digital/risk-related services business
*8 As for MSP Life, this adjustment is not applied
*9 Includes amortization and impairment of intangible assets related to business combinations

Proposal 2: Amendments to the Articles of Incorporation

1. Reason for the amendments

(1) Change of trade name (Article 1)
As Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd., which are the core non-life insurance companies of the Group, are scheduled to merge, effective April 1, 2027, we will take this opportunity to further enhance our brand strength and change our trade name to a unified Group brand name that is also recognized internationally.

(2) Change of location of head office (Article 3)
For the purpose of strengthening the Group management structure, we propose to change the location of its head office to the same location as that of the new company formed through the merger of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd.

(3) Effective date of amendments to the Articles of Incorporation (Supplementary Provisions)
With respect to the above amendments to the Articles of Incorporation, a supplementary provision will be established to provide that they shall become effective on April 1, 2027, and such supplementary provision shall be deleted upon the lapse of that date.

2. Details of amendments

The amendments are shown in the following “Comparison Table of the Current and Amended Articles of Incorporation.”

Comparison Table of the Current and Amended Articles of Incorporation

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Trade Name) Article 1. The name of the Company shall be *MS&AD INSHUARANSU GURUPU HORUDINGUSU KABUSHIKI KAISHA*, which in English shall be MS&AD Insurance Group Holdings, Inc.	(Trade Name) Article 1. The name of the Company shall be *MITSUI SUMITOMO KAIJO GURUPU KABUSHIKI KAISHA*, which in English shall be Mitsui Sumitomo Insurance Group, Inc.
(Location of Head Office) Article 3. The Company shall have its head office in Chuo-ku, Tokyo.	(Location of Head Office) Article 3. The Company shall have its head office in Chiyoda-ku, Tokyo.
Supplementary Provisions (Newly established)	Supplementary Provisions (Effective Date of Amendments to the Articles of Incorporation) The amendments to Article 1 (Trade Name) and Article 3 (Location of Head Office) of the Articles of Incorporation, as resolved at the 18th Annual Shareholders Meeting, shall become effective on April 1, 2027. This supplementary provision shall be deleted after the lapse of such date.

(Reference)

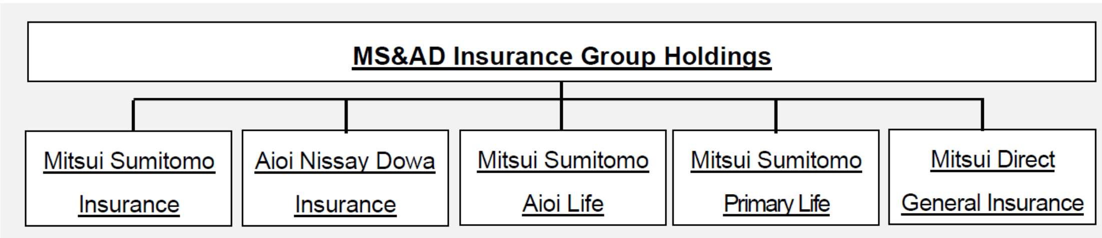
Change of the Company's Trade Name and the Merger of Core Non-life Insurance Companies

- In order to become "the insurance and financial group most chosen by customers" through the intrinsic value provided by insurance and its risk solution capabilities, the Group will create a new non-life insurance company through the merger of Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd. on April 1, 2027. This will enable the Group to strengthen the foundation of its growth drivers and enhance reliability through strengthened governance, among other measures.
- Building on the initiatives of the new non-life insurance company, the Group aims to become an entity that anticipates change and resolves societal risks in an era of increasing uncertainty ("Taking on Risk, Leading the World"), thereby earning customers' trust in entrusting their valuable future to the Group and achieving sustainable growth and enhancement of corporate value.
- The Company's trade name will be changed in conjunction with the merger, as the core non-life insurance companies under its umbrella will no longer maintain the "MS&AD" dual-brand structure. The new trade name has been selected with the aim of further enhancing brand strength as a unified Group brand that is also applicable internationally.

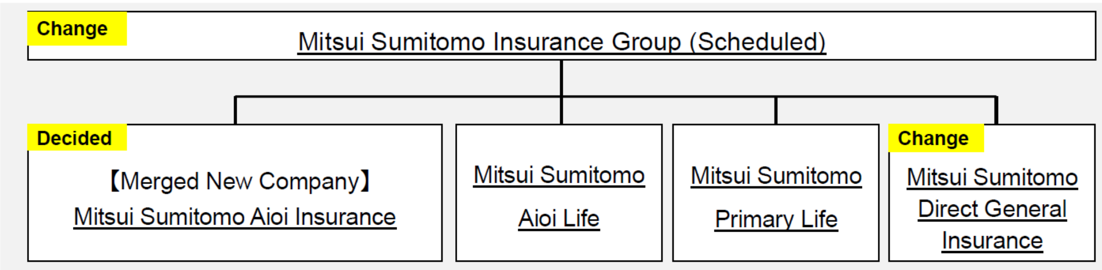
  Mitsui Sumitomo Insurance Group, Inc.

- In addition, as a symbol of the provision of high-quality services to customers worldwide, the Mitsui Sumitomo Insurance Group brand symbol mark has been established. It expresses the Group's strong aspiration to support a diverse range of customers and to lead the insurance and financial sectors as a global top-tier entity.
- The new brand symbol will not only apply to domestic operating companies but will also connect Group companies globally, including overseas, and will be promoted to enhance global recognition and brand awareness. To strengthen sustainable competitiveness across the Group, we will advance communication initiatives both internally and externally to promote the new brand.

【Current】



【Scheduled for April 1, 2027 and thereafter】



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

The terms of office of all ten (10) Directors who are not Audit and Supervisory Committee Members will expire at the close of this Annual Shareholders Meeting, and so the Company proposes the election of ten (10) Directors who are not Audit and Supervisory Committee Members, including five (5) Outside Directors.

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

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

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">1</td><td>Reappointment

Noriyuki Hara

Jul. 21, 1955

Attendance at Board of Directors meetings held in FY2025: 12/12 (100%)</td><td>Apr. 1978 Entered Taisho Marine and Fire Insurance Co., Ltd.
Apr. 2008 Executive Officer, General Manager of Corporate Quality Control Dept., Mitsui Sumitomo Insurance Co., Ltd. (“MSI”)
Apr. 2010 Managing Executive Officer, General Manager of Nagoya Commercial Business Div., MSI
Apr. 2012 Director, Managing Executive Officer, MSI
Apr. 2013 Director, Senior Executive Officer, MSI
Apr. 2015 Director, Vice President, Executive Officer, MSI
Apr. 2016 President & CEO, MSI
Executive Officer, the Company
Jun. 2016 Director, Executive Officer, the Company
Jun. 2020 President & CEO, the Company
Apr. 2021 Chairman & Director, Chairman Executive Officer, MSI
Jun. 2024 Chairman & Director, Chairman Executive Officer, the Company (present)
Apr. 2026 Director, Senior Advisor, MSI (present)

Position and Duties at the Company:
Chairman & Director, Chairman Executive Officer
Important concurrent positions:
Director, Senior Advisor, MSI</td><td>207,366</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member
Mr. Noriyuki Hara has a wealth of business experience gained through his involvement in market development, marketing & sales, product operations, corporate planning, etc. He served as President & CEO of MSI from 2016 to 2021 and served as Chairman & Director of MSI from 2021 to 2026. He also served as President & CEO of the Company from 2020 to 2024 and has been Chairman & Director since 2024. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.</td></tr>
</table>

(Note) “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Noriyuki Hara.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">2</td><td>Reappointment

Yasuzo Kanasugi

May 29, 1956

Attendance at Board of Directors meetings held in FY2025: 12/12 (100%)</td><td>Apr. 1979 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.
Apr. 2008 Managing Officer, General Manager of Human Resource Planning Dept., Aioi Insurance Co., Ltd. (“Aioi”)
Apr. 2009 Executive Officer, Aioi
Oct. 2010 Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”)
Apr. 2011 Managing Executive Officer, ADI
Apr. 2012 Executive Officer, the Company
Jun. 2012 Director, Managing Executive Officer, ADI
Apr. 2013 Director, Senior Executive Officer, ADI
Jun. 2014 Director, Executive Officer, the Company
Apr. 2016 President & CEO, ADI
Jun. 2020 Vice Chairman & Director, Vice Chairman Executive Officer, the Company (present)
Apr. 2022 Director, Chairman of the Board, ADI (present)

Position and Duties at the Company:
Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer
Important concurrent positions:
Chairman & Director, ADI</td><td>213,241</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member
Mr. Yasuzo Kanasugi has a wealth of business experience gained through his involvement in human resources, marketing & sales, corporate planning, merger preparation, etc. He served as President & CEO of ADI from 2016 to 2022, and has been serving as Chairman & Director of ADI since 2022, and as Vice Chairman & Director of the Company since 2020. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.</td></tr>
</table>

(Note) “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Yasuzo Kanasugi.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">3</td><td>Reappointment

Shinichiro Funabiki

May 11, 1960

Attendance at Board of Directors meetings held in FY2025: 12/12 (100%)</td><td>Apr. 1983 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.
Apr. 2013 Executive Officer, General Manager of Corporate Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. (“MSI”)
Apr. 2015 Managing Executive Officer, General Manager of Tokyo Commercial Business Division 1st, MSI
Apr. 2017 Director, Senior Executive Officer, MSI
Executive Officer, the Company
Apr. 2019 Senior Executive Officer, the Company
Apr. 2020 Executive Officer, the Company
Director, Executive Vice President, MSI
Apr. 2021 President & CEO, MSI
Jun. 2024 President & CEO, the Company (present)
Apr. 2026 Chairman & Director, Chairman Executive Officer, MSI (present)

Position and Duties at the Company:
Representative Director,
President & CEO
Important concurrent positions:
Chairman & Director, Chairman Executive Officer, MSI</td><td>171,455</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member
Mr. Shinichiro Funabiki has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, administration and information systems, and DX (Digital Transformation) implementation, etc. He served as President & CEO of MSI from 2021 to 2026, Chairman & Director of MSI since 2026, and President & CEO of the Company since 2024. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.</td></tr>
</table>

(Note) “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Shinichiro Funabiki.

Candidate No.	Name Date of birth	Career summary, Position and Duties at the Company and Important concurrent positions, if any	Number of shares of the Company owned
4	Reappointment Shigeo Kudo Aug. 11, 1964 Attendance at Board of Directors meetings held in FY2025: 10/10 (100%)*	Apr. 1987 Entered Taisho Marine and Fire Insurance Co., Ltd. Apr. 2018 Executive Officer, General Manager of Corporate Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. (“*MSI*”) Apr. 2019 Executive Officer, General Manager of Tokyo Div., *MSI* Apr. 2021 Managing Executive Officer, *MSI* Apr. 2022 Director, Managing Executive Officer, Chief Underwriting Officer, *MSI* Apr. 2023 Director, Senior Executive Officer, Chief Underwriting Officer, *MSI* Apr. 2025 Executive Vice President, *the Company* Jun. 2025 Director, Executive Vice President, *the Company* (present) Position and Duties at the Company: Representative Director, Executive Vice President Management Strategy, Capital Policy, Investor Relations, Brand Strategy Corporate Planning Dept., Corporate Communications Dept., Group Communications Dept., Investor Relations Dept., Life Insurance Business Planning Dept. CFO * Mr. Shigeo Kudo was newly elected and assumed the position of Director at the 17th Annual Shareholders Meeting held on June 23, 2025, and his attendance at the Board of Directors meetings held after that date is shown.	56,493
	Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member Mr. Shigeo Kudo has a wealth of business experience gained through his involvement in corporate planning, marketing & sales, and product & service operations, etc. He served as Director and Senior Executive Officer of *MSI* from 2023 to 2025, and has been serving as Executive Vice President of the Company since 2025. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.		

(Note) “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Shigeo Kudo.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">5</td><td>Reappointment

Keisuke Niiro

Jul. 5, 1965

Attendance at Board of Directors meetings held in FY2025: 10/10 (100%)*</td><td>Apr. 1988 Entered Dai-Tokyo Fire & Marine Insurance Co., Ltd.
Apr. 2018 Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. (“ADI”)
Apr. 2020 Managing Executive Officer, ADI
Apr. 2020 Executive Officer, the Company
Jun. 2020 Director, Managing Executive Officer, ADI
Apr. 2022 President & CEO, ADI (present)
Jun. 2025 Director, Executive Officer, the Company (present)

Position and Duties at the Company:
Director, Executive Officer
Assist Management
Important concurrent positions:
President & CEO, ADI
* Mr. Keisuke Niiro was newly elected and assumed the position of Director at the 17th Annual Shareholders Meeting held on June 23, 2025, and his attendance at the Board of Directors meetings held after that date is shown.</td><td>69,758</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Director who is not an Audit and Supervisory Committee Member
Mr. Keisuke Niiro has a wealth of business experience gained through his involvement in corporate planning, reinsurance, human resources, and marketing & sales, etc. He has been serving as Executive Officer of the Company since 2020, and has been serving as President & CEO of ADI since 2022. Thus, he has expertise in precisely and fairly overseeing overall management of insurance companies, etc. Therefore, we propose to reappoint him as Director who is not an Audit and Supervisory Committee Member.</td></tr>
</table>

(Note) “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Keisuke Niiro.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">6</td><td>Reappointment
Outside Director
Independent Director

Rochelle Kopp

Jun. 29, 1964

Attendance at Board of Directors meetings held in FY2025: 12/12 (100%)

Years since the assumption of office as Outside Director: 6 years (at the close of this Annual Shareholders Meeting)</td><td>Jun. 1986 Business analyst, ZS Associates International, Inc.
Jun. 1987 Senior Business analyst, ZS Associates International, Inc.
Aug. 1988 International Public Relations Specialist, The Yasuda Trust & Banking Co., Ltd. (currently, Mizuho Trust & Banking Co., Ltd.)
Oct. 1992 Consultant, IPC Group, Inc.
Jul. 1994 Managing Principal, Japan Intercultural Consulting (present)
Jan. 2015 Professor of Global Leadership Course, Business Break Through University
Apr. 2019 Professor of Faculty of Foreign Studies, The University of Kitakyushu
Jun. 2020 Director, the Company (present)

Position and Duties at the Company:
Director (Outside Director)
Important concurrent positions:
Managing Principal, Japan Intercultural Consulting
Director, AIR WATER INC. (Outside Director)</td><td>0</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role
Ms. Rochelle Kopp has a wealth of insight into cross-cultural communication and experience as a management consultant in both Japan and the U.S. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her expert perspective, particularly in regard to the Group's global expansion.</td></tr>
</table>

(Notes)

1. There are no transactions between the Company or its major subsidiaries and Japan Intercultural Consulting. There are transactions between the Company or its major subsidiaries and AIR WATER INC., which account for less than 1% of the annual consolidated net sales of AIR WATER INC. during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There is no other factor that may affect her independence with regard to the Company.
2. At AIR WATER INC., where Ms. Rochelle Kopp has served as an Outside Director since June 2025, it was discovered in July 2025 that inappropriate accounting treatment had been conducted at the company and its group companies. She was not aware of these facts in advance, but she made proposals based on the viewpoint of legal compliance and other relevant perspectives on a regular basis. After suspicions of these facts arose, she fulfilled her responsibilities by providing necessary advice regarding initiatives to prevent recurrence.
3. "Notes commonly applicable to more than one candidate" on page 25 are applicable to Ms. Rochelle Kopp.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">7</td><td>Reappointment
Outside Director
Independent Director

Akemi Ishiwata

Aug. 23, 1960

Attendance at Board of Directors meetings held in FY2025: 12/12 (100%)

Years since the assumption of office as Outside Director: 4 years (at the close of this Annual Shareholders Meeting)</td><td>Apr. 1983 Entered Bristol-Myers Company
Dec. 1985 Entered Kao Corporation (“Kao”), assigned to Kao Life Science Laboratory
Mar. 2003 Product Development Manager, Household Business Division, Kao
Dec. 2005 Section Chief, Consumer Research Center, Kao
Mar. 2010 General Manager, Consumer Research Center, Kao
Mar. 2015 Executive Officer, Supervisor of Corporate Communications Division, Kao
Jan. 2021 Executive Fellow, Kao
Jan. 2022 Special Mission Fellow, Kao
Jun. 2022 Director, the Company (present)

Position and Duties at the Company:
Director (Outside Director)</td><td>2,000</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role
Ms. Akemi Ishiwata has a wealth of insight on sustainability gained from previously serving as Executive Officer of Kao, leading its ESG activities. She also has experience as a general manager in charge of public relations and corporate branding. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her broad perspective.</td></tr>
</table>

(Notes)

1. There are transactions between the Company or its major subsidiaries and Kao Corporation, which account for less than 1% of the annual consolidated net sales of Kao Corporation during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There is no other factor that may affect her independence with regard to the Company.
2. “Notes commonly applicable to more than one candidate” on page 25 are applicable to Ms. Akemi Ishiwata.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">8</td><td>Reappointment
Outside Director
Independent Director

Jun Suzuki

Feb. 19, 1958

Attendance at Board of Directors meetings held in FY2025: 11/12 (92%)

Years since the assumption of office as Outside Director: 3 years (at the close of this Annual Shareholders Meeting)</td><td>Apr. 1983 Entered Teijin Limited
Apr. 2011 Teijin Group Chief Representative in Europe, Teijin Limited
President, Teijin Holdings Netherlands B.V.
Apr. 2012 Teijin Group Corporate Officer, Teijin Limited
Apr. 2013 Teijin Group Managing Executive Officer, Teijin Limited
Jun. 2013 Director, Managing Executive Officer, Teijin Limited
Apr. 2014 Representative Director, President & CEO, Teijin Limited
Apr. 2022 Director, Chairperson, Teijin Limited
Apr. 2023 Director, Senior Advisor, Teijin Limited
Jun. 2023 Senior Advisor, Teijin Limited (present)
Director, the Company (present)

Position and Duties at the Company:
Director (Outside Director)
Important concurrent positions:
Director, Idemitsu Kosan Co., Ltd. (Outside Director)</td><td>7,500</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role
Mr. Jun Suzuki has a wealth of knowledge on international business and experience as a manager of a listed company by having served as Chief Representative in Europe and the Representative Director, President & CEO of Teijin Limited, etc. The Company expects to continue to draw from that insight and experience and have him supervise management and provide advice on overall management from his broad perspective.</td></tr>
</table>

(Notes)

1. There are transactions between the Company or its major subsidiaries and Teijin Limited and Idemitsu Kosan Co., Ltd., each of which accounts for less than 1% of the annual consolidated net sales of Teijin Limited and Idemitsu Kosan Co., Ltd., respectively, during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There is no other factor that may affect his independence with regard to the Company.
2. “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Jun Suzuki.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">9</td><td>Reappointment
Outside Director
Independent Director

Atsuko Okajima

Oct. 15, 1954

Attendance at Board of Directors meetings held in FY2025: 10/10 (100%)*

Years since the assumption of office as Outside Director: 1 year (at the close of this Annual Shareholders Meeting)</td><td>Apr. 1977 Entered the Ministry of Agriculture and Forestry (now the Ministry of Agriculture, Forestry and Fisheries)
Jul. 2003 Councillor, Minister’s Secretariat, Ministry of Agriculture, Forestry and Fisheries
Jul. 2004 Councillor, Minister’s Secretariat, Ministry of Health, Labour and Welfare
Jul. 2006 Vice-Governor of Saitama Prefecture
Jul. 2009 Director General of Gender Equality Bureau, Cabinet Office
Apr. 2013 Member, Information Disclosure and Personal Information Protection Review Board, Cabinet Office
Apr. 2016 Member, Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications
Apr. 2022 Executive Director, Saitama Prefectural University (present)
Jun. 2025 Director, the Company (present)

Position and Duties at the Company:
Director (Outside Director)
Important concurrent positions:
Executive Director, Saitama Prefectural University
Director, House Foods Group Inc. (Outside Director (Audit & Supervisory Committee Member))
Director, DAITO KOUN CO., LTD. (Outside Director)
* Ms. Atsuko Okajima was newly elected and assumed the position of Director at the 17th Annual Shareholders Meeting held on June 23, 2025, and her attendance at the Board of Directors meetings held after that date is shown.</td><td>400</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role
Ms. Atsuko Okajima has a wealth of insight and experience in government administration, gained through many years of service as Councillor of Minister’s Secretariat, Ministry of Agriculture, Forestry and Fisheries, Councillor of Minister’s Secretariat, Ministry of Health, Labour and Welfare, and Director General of Gender Equality Bureau, Cabinet Office, etc. The Company expects to continue to draw from that insight and experience and have her supervise management and provide advice on overall management from her expert perspective. Ms. Atsuko Okajima has not been involved in the corporate management in any manner other than by becoming an Outside Director or an Outside Audit & Supervisory Board Member in the past. However, she has broad insight and experience in government administration, and the Company believes that she is able to perform her duties as an Outside Director who is not an Audit and Supervisory Committee Member appropriately.</td></tr>
</table>

(Notes)

1. There are transactions between the Company or its major subsidiaries and Saitama Prefectural University, House Foods Group Inc. and DAITO KOUN CO., LTD., each of which accounts for less than 1% of the annual consolidated net sales of each House Foods Group Inc. and DAITO KOUN CO., LTD., respectively, during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There is no other factor that may affect her independence with regard to the Company.
2. The term “corporate” as appears under “Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role” stands for a “Company” and/or “Foreign Company” as defined under the Companies Act.
3. “Notes commonly applicable to more than one candidate” on page 25 are applicable to Ms. Atsuko Okajima.

<table>
<tr><th>Candidate No.</th><th>Name
Date of birth</th><th>Career summary, Position and Duties at the Company and Important concurrent positions, if any</th><th>Number of shares of the Company owned</th></tr>
<tr><td rowspan="2">10</td><td>New Appointment
Outside Director
Independent Director

Jiro Seguchi

Jul. 29, 1963</td><td>Apr. 1986 Entered the Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)
Mar. 1999 Entered Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
Jul. 2010 President and Representative Director, Merrill Lynch Japan Securities Co., Ltd.
Japan Country Executive, Bank of America Corporation
Oct. 2013 Head of Global Corporate & Investment Banking, Asia-Pacific, Bank of America Corporation
Jun. 2016 President and Representative Director, Merrill Lynch Japan Securities Co., Ltd.
Japan Country Executive, Bank of America Corporation
Jan. 2019 Co-President of APAC (Asia-Pacific), Bank of America Corporation
Jul. 2023 Senior Advisor, Asia-Pacific Region, Bank of America Corporation
May 2026 Senior Managing Executive Officer, Japan Investment Corporation (present)

Important concurrent positions:
Senior Managing Executive Officer, Japan Investment Corporation
Director, Otsuka Holdings Co., Ltd. (Outside Director)
Director, Resona Holdings, Inc. (Outside Director)</td><td>0</td></tr>
<tr><td colspan="3">Reasons for selection as a candidate for Outside Director who is not an Audit and Supervisory Committee Member and overview of expected role
Mr. Jiro Seguchi has been active globally in the financial industry for many years and, as an expert in the financial field, has a wealth of insight into corporate finance, capital markets, and related areas, as well as experience as a manager of a global company. The Company expects to draw from that insight and experience and have him supervise management and provide advice on overall management from his broad perspective.</td></tr>
</table>

(Notes)

1. Mr. Jiro Seguchi is scheduled to assume the position of President, and Chief Executive Officer of Japan Investment Corporation at the Annual Shareholders Meeting and the Board of Directors meeting of Japan Investment Corporation to be held in June 2026.
2. There are no transactions between the Company or its major subsidiaries and Japan Investment Corporation. There are transactions between the Company or its major subsidiaries and Otsuka Holdings Co., Ltd. and Resona Holdings, Inc., each of which accounts for less than 1% of the annual consolidated net sales of Otsuka Holdings Co., Ltd. and Resona Holdings, Inc., respectively, during the most recent fiscal year. The transaction amount is less than 1% of the consolidated net premiums written during the most recent fiscal year of the Company. There is no other factor that may affect his independence with regard to the Company.
3. “Notes commonly applicable to more than one candidate” on page 25 are applicable to Mr. Jiro Seguchi.

Notes commonly applicable to more than one candidate

1. There is no special interest between any of the candidates and the Company.
2. Ms. Rochelle Kopp, Ms. Akemi Ishiwata, Mr. Jun Suzuki, Ms. Atsuko Okajima, and Mr. Jiro Seguchi are candidates for Outside Director.
3. The Company has entered into an agreement with Ms. Rochelle Kopp, Ms. Akemi Ishiwata, Mr. Jun Suzuki, and Ms. Atsuko Okajima that limits their liability for any damage to the Company caused by a failure to perform the duties of Director if they as Outside Directors have performed the duties in good faith and without gross negligence. The limit of Outside Director's liability under the agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act. The Company plans to renew the agreements if and when they are reelected. Additionally, if Mr. Jiro Seguchi is elected, the Company plans to enter into a limited liability agreement with him.
4. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, Paragraph 1 of the Companies Act that insures Directors, Audit & Supervisory Board Members, Executive Officers, etc. of the Company and of its major subsidiaries. The insureds do not bear any insurance premiums. Under this insurance policy, the insurer will cover any damages that may arise as a result of the insured assuming liability or facing a claim for pursuit of liability in relation to the execution of his or her duties. This policy is renewed annually. Each candidate, if elected, will be included as insured in the insurance policy. Furthermore, the Company plans to renew such insurance policy at the next term of renewal with the same terms and conditions.
5. The Company has submitted to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Ms. Rochelle Kopp, Ms. Akemi Ishiwata, Mr. Jun Suzuki, and Ms. Atsuko Okajima each are Independent Officers who are unlikely to have conflict of interests with general shareholders. The Company plans also to submit an Independent Officer Notification indicating that Mr. Jiro Seguchi is an Independent Officer who is unlikely to have conflict of interests with general shareholders.

(Reference)

Skills matrix of Directors expected after the close of the June 2026 Annual Shareholders Meeting

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

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

(Reference)

Criteria for the Selection and Independence of Director Candidates (Summary)

1. Outside Director candidates

Candidates must meet the following requirements.

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

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

(1) Eligibility

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

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

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

(2) Expertise

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

(3) Independence

The following persons are ineligible.

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

*** Term limits**

The total terms of office for newly elected Outside Directors who are not Audit and Supervisory Committee Members and Directors who are Audit and Supervisory Committee Members from the close of the 17th Annual Shareholders Meeting are as follows.

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

2. Director candidates other than Outside Directors

Candidates must meet the following requirements.

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

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

(Reference)

Succession Plan

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

The outline of the plan is as follows.

1. Criteria for CEO Selection

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

2. CEO Selection Process

(1) Recommendation by current CEO

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

(2) Deliberation by the Nomination Committee

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

(3) Resolution by the Board of Directors

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

3. Development Plan for CEO Candidates

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

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

4. CEO Dismissal Process

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

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

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

(Reference)

Analysis and Evaluation of the Board of Directors' Overall Effectiveness

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

An outline of the analysis and evaluation of the overall effectiveness of the Board of Directors for FY2025 is as follows.

1. Analysis and Evaluation Process

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

- In FY2025, a questionnaire was conducted consisting of 16 questions, to which items relating to changes in the governance structure were added, along with a gap analysis on the importance and adequacy of Board agenda items. In addition, interviews were conducted by the secretariat based on the questionnaire results.
- The status of implementation of measures to enhance functionality in FY2025, based on the Board evaluation for FY2024, was confirmed.

(2) Exchange of opinions at the Outside Director Council

- At a meeting of the Outside Director Council (comprising all seven Independent Outside Directors), an exchange of views was conducted based on the analysis and evaluation of the questionnaire results toward further enhancement of the functionality of the holding company.

(3) Deliberations at the Governance Committee

- At the Governance Committee (chaired by an Independent Outside Director, with other members comprising four Independent Outside Directors, the Chairman & Director, the Vice Chairman & Director, and the President & Director), analysis and evaluation were conducted taking into account the results of discussions at the Outside Director Council. In addition, discussions were held on measures to enhance functionality in FY2026, utilizing the specialized opinions and insights of external organizations.

(4) Initiatives for FY2026

- Measures to enhance functionality for FY2026 will be reported to the Board of Directors, and initiatives will be promptly commenced and strengthened. The Company will continue to link these efforts to the PDCA cycle for improving the effectiveness of the Board of Directors.

2. Summary of the Results of Analysis and Evaluation

Taking into consideration factors such as the content of deliberations at meetings of the Board of Directors, the fulfillment of functions by the Board of Directors, its operation, and efforts to train and provide information to Outside Directors in FY2025, the results were as follows.

FY2025 initiatives and results of the evaluation to Board	• The Board of Directors has been able to engage in constructive discussions, with questions and comments raised from diverse perspectives, particularly by Outside Directors. Going forward, as the structure shifts to one in which the holding company leads the execution of the Group's growth strategy, the Board of Directors of the holding company should place greater emphasis on capital allocation and strategic discussions. • The Board of Directors should further enhance discussions on strategy and key issues, and it is desirable to effectively combine committees and study sessions for Outside Directors, among other measures, to achieve this. • With respect to large-scale investment projects, proposals are submitted to the Board of Directors after the executive side has appropriately assessed necessity and conducted risk analyses, enabling the Board to make objective decisions. For the Group's overall future investment strategy and the positioning of individual projects, more in-depth discussions are desirable. • Through changes in the governance structure, faster decision-making and an enhanced level of internal audit through coordination with the Audit and Supervisory Committee have been achieved for strengthening governance.

FY2026 functionality enhancement measures	• In order to achieve both growth and discipline across the Group, the roles of the holding company and operating companies, as well as the role of the Board of Directors, have been clarified. In fulfilling the role of the holding company, the Board of Directors will, in addition to supervising the execution of duties by Directors and Executive Officers, (i) confirm, approve, and monitor Group strategy, (ii) evaluate the results of confirmations of execution status at operating companies, (iii) confirm and evaluate the appropriateness of the allocation of management resources, and (iv) confirm and evaluate the results of monitoring with respect to ensuring the soundness of operating companies and the appropriateness of their operations. • In order to realize a transformation into a world-leading global insurance and financial services group, a task-specific committee (International Executive Committee) will be newly established to deliberate on international business, which forms the core of the Group's investment strategy. Strategic discussions at the Board of Directors and other bodies will be conducted based on the matters deliberated therein. • The Group's regional business strategies and investment strategies as a whole will be taken up as themes in study sessions for Outside Directors, and through the exchange of views, will support more substantive discussions and decision-making at the Board of Directors.

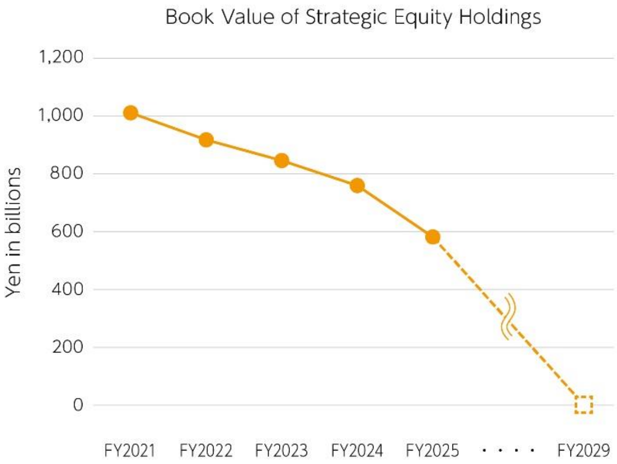
(Reference)

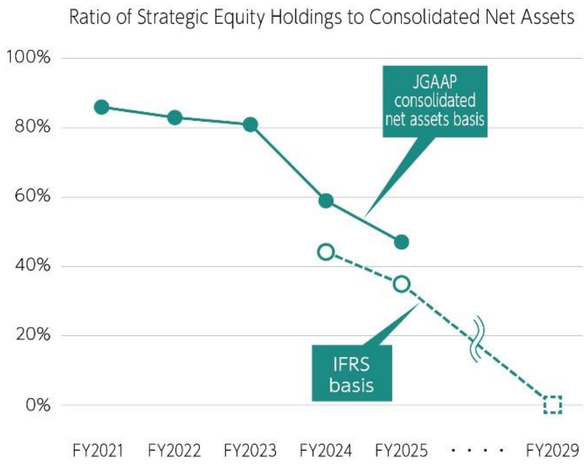
Measures on Strategic Equity Holdings

1. Policy for Reduction of Strategic Equity Holdings to Zero

The Group recognized that its strategic equity holdings were one of the factors that led to incidents of price fixing. Consequently, in February 2024, in order to ensure an environment for fair competition in the non-life insurance industry, we have established a policy against holding strategic equities, and have decided to reduce our current holdings of listed strategic equities to zero by the end of fiscal year 2029 (March 2030). We continue to advance our initiatives based on this policy.

	Recent reduction efforts					Reduction plan
By fiscal year	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
	¥118.1 billion	¥206.6 billion	¥244.2 billion	¥708.5 billion	¥701.0 billion	¥476.3 billion
Cumulative Total	¥1,978.4 billion					





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

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

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

Proposal 4: Revision of Amount of Remuneration for Directors Who Are Not Audit and Supervisory Committee Members

The amount of remuneration for the Company's Directors who are not Audit and Supervisory Committee Members was approved at the 17th Annual Shareholders Meeting held on June 23, 2025, as "no more than 510 million yen per year (excluding wages as an employee payable to a Director also serving as an employee) (of which remuneration for Outside Directors shall be no more than 100 million yen per year)."

In order to realize the Group's newly established vision, "Aspiration for FY2030," the Company will formulate strategies for the Group as a whole (including the consolidation of international business strategy functions and the oversight of life insurance business strategies in Japan and overseas) and will further strengthen its steering functions for the Group's sustainable growth (including the appropriate allocation of the Group's management resources and asset management across the Group). In light of this, and taking into consideration the need to ensure a structure that allows for timely review of the executive structure (including the allocation of roles with operating companies and the number of Officers), as well as the need to set an appropriate level of remuneration in order to secure talented personnel from both Japan and overseas, and also taking into account current economic conditions, the Company proposes to set the amount of remuneration for Directors who are not Audit and Supervisory Committee Members at "no more than one billion yen per year (excluding wages as an employee payable to a Director also serving as an employee) (of which remuneration for Outside Directors shall be no more than 300 million yen per year)." Please also note that the remuneration of Directors of the Company consists of fixed remuneration and performance-linked remuneration. However, Outside Directors will only receive fixed remuneration and will not be eligible for performance-linked remuneration.

The Company believes that the amount of remuneration for Directors who are not Audit and Supervisory Committee Members as proposed is appropriate, as it aligns with the "Basic policy," etc. outlined in the "Overview of the Officer Remuneration System" (pages 37 to 38) under (Reference). This amount has undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and has then been determined by resolution of the Board of Directors.

If Proposal 3 is approved and adopted as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be ten (10) (including five (5) Outside Directors).

Proposal 5: Revision of Amount of Remuneration for Directors Who Are Audit and Supervisory Committee Members

The amount of remuneration for the Company's Directors who are Audit and Supervisory Committee Members was approved at the 17th Annual Shareholders Meeting held on June 23, 2025, as "no more than 100 million yen per year."

In order to realize the Group's newly established vision, "Aspiration for FY2030," the Company is strengthening its functions for formulating Group-wide strategies, as well as its steering functions for the Group's sustainable growth. In light of the further increase in the roles and responsibilities expected of Directors who are Audit and Supervisory Committee Members, including the detection of early signs of risk and the execution of audits and oversight associated with these initiatives, and taking into consideration the need to ensure a structure that allows for review of the executive structure as necessary (including increases in the number of Officers), as well as the need to set an appropriate level of remuneration in order to secure talented personnel from both Japan and overseas, and also taking into account current economic conditions, the Company proposes to set the amount of remuneration for Directors who are Audit and Supervisory Committee Members at "no more than 200 million yen per year." Directors who are Audit and Supervisory Committee Members will only receive fixed remuneration.

The Company believes that the amount of remuneration for Directors who are Audit and Supervisory Committee Members as proposed is appropriate, as it aligns with the "Basic policy," etc. outlined in the "Overview of the Officer Remuneration System" (pages 37 to 38) under (Reference). This amount has undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and has then been determined by resolution of the Board of Directors.

The number of Directors who are Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be three (3) (including two (2) Outside Directors).

Proposal 6: Revision of Remuneration for Granting Restricted Stock to Directors Who Are Not Audit and Supervisory Committee Members

At the 11th Annual Shareholders Meeting held on June 24, 2019, the Company introduced a remuneration plan for shares with transfer restrictions (hereinafter the “Plan”; such shares, “restricted shares”) for Directors other than Outside Directors. In addition, at the 17th Annual Shareholders Meeting held on June 23, 2025, approval was obtained to set the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Directors (excluding Directors who are Audit and Supervisory Committee Members) other than Outside Directors (hereinafter, the “Eligible Directors”) at “no more than 200 million yen per year,” separately from the amount of remuneration.

In order to realize the Group’s newly established vision, “Aspiration for FY2030,” the Company will formulate strategies for the Group as a whole (including the consolidation of international business strategy functions and the oversight of life insurance business strategies in Japan and overseas) and will further strengthen its steering functions for the Group’s sustainable growth (including the appropriate allocation of the Group’s management resources and asset management across the Group). In light of the need to ensure a structure that allows for timely review of the executive structure (including the allocation of roles with operating companies and the number of Officers), to further strengthen commitment to medium- to long-term growth, and to set an appropriate level of remuneration in order to secure talented personnel from both Japan and overseas, the Company proposes to revise the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Eligible Directors to “no more than 400 million yen per year,” separately from the amount of remuneration for which approval is sought under Proposal 4. The specific allocation to each Eligible Director will be determined by a resolution of the Board of Directors, upon deliberation by the Remuneration Committee, which consists of a majority of Outside Directors.

Under the Plan, monetary remuneration receivables functionally equivalent to the total paid-in amount for the allotted shares will be granted to the Eligible Directors, and new shares and/or treasury shares will be delivered in exchange for these claims.

The Company believes that the total amount of monetary remuneration receivables to be granted for distribution of restricted stock in the Plan and the Plan’s content as proposed is appropriate, as it aligns with the “Basic policy,” etc. outlined in the “Overview of the Officer Remuneration System” (pages 37 to 38) under (Reference). This amount has undergone thorough deliberation by the Remuneration Committee, whose majority consists of Outside Directors, and has then been determined by resolution of the Board of Directors.

If Proposal 3 is approved and adopted as originally proposed, the number of Directors who are not Audit and Supervisory Committee Members as at the close of this Annual Shareholders Meeting will be ten (10) (including five (5) Outside Directors), resulting in 5 Eligible Directors.

Key Points of the Plan

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

Eligible Directors	Directors who are not Audit and Supervisory Committee Members (excluding Outside Directors)
Amount of monetary remuneration to be provided (maximum)	400 million yen per year
Type of shares to be allotted	Common shares (with transfer restriction under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	390,000 shares per year*
Transfer restriction period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined

* Representing approximately 0.03% of the total number of outstanding shares as of March 31, 2026 (1,454,420,628 shares, excluding treasury stock)

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

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

(2) Total number of shares of restricted stock

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

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

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

① Transfer restriction period and terms

Each Eligible Director shall be prohibited from transferring, pledging, or otherwise disposing of the shares of common stock of the Company allocated to them (the "Allocated Shares") during the period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined (the "Transfer Restriction Period") (such prohibition, the "Transfer Restriction").

② Acquisition without compensation by the Company

In the event that the Board of Directors determines that certain events have occurred—such as material restatements of financial statements or other incidents stipulated by the

Board—due to misconduct or other acts committed by an Eligible Director during their tenure, the Company shall acquire the Allocated Shares without compensation during the Transfer Restriction Period or require the return of the shares after the Transfer Restrictions have been lifted.

③ Handling in the event of organizational restructuring, etc.

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

④ Other matters

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

(Reference)

Overview of the Officer Remuneration System

- In order to ensure the medium- to long-term growth set forth in the Group's vision, "Group's Aspiration for FY2030," the Company adopted financial indicators and non-financial indicators as the major evaluation items in the company performance-based remuneration within the officer remuneration system.
- Each indicator is set from the perspective of appropriately granting incentives that will lead to enhanced value for various stakeholders and strengthened governance, along with the growth of the Group.

Basic policy

- The Company's remuneration system is intended to help reinforce governance and enhance the medium- to long-term corporate value of the Group.
- The officer remuneration system shall so be designed as to reflect the performance of the Group and thus to function as an appropriate incentive for its growth.
- The level of remuneration shall be competitive as a global company.

■ Composition of remuneration

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	◯(*1)	◯(*1)	◯(*3)
Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)	◯(*1)	–	–
Directors who are Audit and Supervisory Committee Members	◯(*2)	–	–

(*1) corresponds to the maximum total amount for eligible individuals as stated in Proposal 4, (*2) corresponds to Proposal 5, (*3) corresponds to Proposal 6.

■ Contents of remuneration (Example of President & CEO)

	Category	Business performance coefficient
Fixed remuneration (approx. 33.3%)	Fixed remuneration Monetary remuneration (approx. 33.3%)	–
Performance-linked remuneration (approx. 66.6%)	Performance-linked remuneration Monetary remuneration (approx. 33.3%)	Financial indicators × 80% + Non-financial indicators × 20%
	Performance-linked remuneration Stock-based remuneration (approx. 33.3%)	Financial indicators × 20% + Non-financial indicators × 80%

* The ratio of fixed remuneration and performance-linked remuneration varies by position, ranging approximately from 33% to 50% and from 66% to 50%, respectively.

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

■ Financial and non-financial indicators

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

Indicator	Reasons for selection
• Adjusted profit • Adjusted ROE • EPS growth rate • Relative TSR (total shareholder return)	These are being selected to establish a revenue structure that can achieve stable adjusted profits even in FY2030, following the completion of the sale of strategic equity holdings, by accumulating the achievement of indicators each fiscal year.

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

Evaluation item		Reasons for selection
Business structure optimization	• Transformation of provided value • Optimization of capital allocation	These are being selected to address key management issues while continuously providing insurance as a stable social infrastructure, thereby achieving both enhanced environmental and social sustainability and improved the Company’s corporate value. Additionally, KPIs will be set to evaluate the progress of related initiatives from a medium- to long-term perspective.
Strengthening of business foundation	• Enhancement of strategic functions • Strengthening of governance • Human capital management • AI / DX	
Sustainability initiatives	• Sustainability	

■ Policies for determining the content of individual remuneration for Directors, etc.

The Company determines remuneration for individual Directors based on the policies prescribed by the Board of Directors, taking fully into account the results of deliberation by the Remuneration Committee, whose majority consists of Outside Directors. The resolution of these policies was made at the Board of Directors meetings.

[Opinion of the Audit and Supervisory Committee]
The Audit and Supervisory Committee confirmed the decision-making process and content regarding the appointment and remuneration of Directors who are not Audit and Supervisory Committee Members, primarily through receiving reports on the deliberations and outcomes from the Nomination Committee and the Remuneration Committee.
As a result, the Committee has concluded that there are no points to be raised regarding either the appointment or remuneration of Directors who are not Audit and Supervisory Committee Members.

(Reference)

Governance Framework Aimed at Advancing to a Global Top-Tier Level

Transition to a Group CxO structure

- By transitioning to a CxO structure, under which the chief officer of each function leads specialized staff to drive business operations, the Group aims to achieve prompt decision-making and clarify responsibilities.

Holding company-led management framework for international business operations

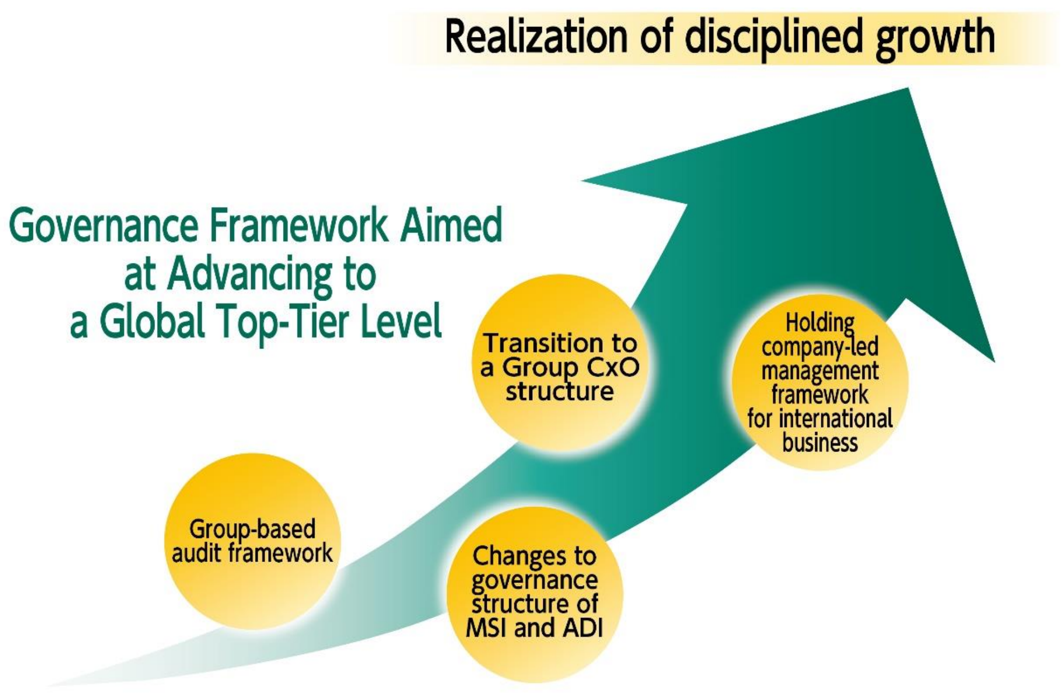
- By consolidating international business operation functions into the holding company, we are promoting the realization of prompt decision-making, and the effective utilization of Group human resources (leveraging the knowledge and experience of multinational talent and expanding overseas talent).
- We are transitioning from region-based management to function-based management (establishing an Overseas CxO structure) to enhance management functions.
- An International Executive Committee (IEC) has been established, in which members with knowledge and experience in international markets conduct management discussions focused on international business.

Group-based audit framework

- The Company, in connection with its transition to a company with an Audit and Supervisory Committee, has established an organizational audit framework in which the Audit and Supervisory Committee has authority to direct and supervise the internal audit department.
- The Company's internal audit department exercises a coordinating function through providing instructions to, and engaging in consultations with, the internal audit departments of operating companies, including those overseas, thereby working to strengthen Group governance.

Changes to the organizational design of Mitsui Sumitomo Insurance (MSI) and Aioi Nissay Dowa Insurance (ADI)

- MSI and ADI will transition to companies with an Audit and Supervisory Committee in June 2026. The new company formed through the merger will, also as a company with an Audit and Supervisory Committee, achieve both growth (prompt decision-making) and discipline (enhanced audit and oversight).
- The new company formed through the merger will strengthen its three lines model of risk management to ensure the effectiveness of its internal control system.



BUSINESS REPORT FOR THE 18TH TERM (FY2025)

(From April 1, 2025 to March 31, 2026)

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

(1) Progress and results of business of the Corporate Group (the "Group")

Financial and Economic Environment Surrounding the Group

During the fiscal year under review, the global economy showed a moderate recovery in many regions, with increases in personal consumption, particularly in the United States and Europe, against the backdrop of changes in inflation trends. On the other hand, uncertainty regarding the outlook remained due to heightened geopolitical risks, including the situation in the Middle East, as well as the impact of U.S. policy developments. The Japanese economy also continued on a moderate recovery trend, despite some lingering weaknesses, as personal consumption and capital investment showed signs of recovery, accompanied by rising prices, against the backdrop of improvements in the employment and income environment, while interest rates were raised gradually.

In the insurance industry, while the domestic market is expected to shrink due to the declining birthrate and aging population, the emergence of new risks, such as climate change, the rapid spread of AI, and the increase in cyber risks, requires transformation beyond the conventional insurance business framework in order to respond to a significantly changing business environment.

Key Initiatives and Objectives for the Fiscal Year

Customer-oriented business operations, thorough compliance, and strengthened governance for the enhancement of corporate value

By reflecting on the incidents of price fixing in the corporate insurance field and unauthorized sharing of customer information at Mitsui Sumitomo Insurance Co., Ltd. ("MSI") and Aioi Nissay Dowa Insurance Co., Ltd. ("ADI"), the Group has continued to implement measures to prevent recurrence. At the same time, the Group reviewed the structure of its business and advanced transformation of its business model in light of changes in competitive rules resulting from amendments to the Insurance Business Act and related regulations.

In addition, following approval at the Annual Shareholders Meeting in June 2025, the Company transitioned to a company with an Audit and Supervisory Committee, thereby strengthening the supervisory function of the Board of Directors and enhancing the speed of management decision-making and execution. Furthermore, by ensuring that a majority of the Directors consists of Outside Directors, the Company has enhanced the objectivity of management decision-making at the Board level.

As a holding company, the Company will continue to take the lead in advancing initiatives across the Group as a whole.

Reorganization of the domestic non-life insurance business structure to build competitive advantages in a new competitive environment

MSI and ADI have reached a final agreement and executed a merger agreement for a merger with an effective date of April 1, 2027. In order to become "the insurance and financial group most chosen by customers" through the intrinsic value provided by insurance and its risk solution capabilities, the Group will create a new non-life insurance company through this merger, thereby strengthening the foundation of its growth drivers and enhancing reliability through strengthened governance and other measures. In order to earn customers' trust in entrusting their valuable future to the Group, the Group aims to become an entity that anticipates change and resolves societal risks in an era of increasing uncertainty ("Taking on Risk, Leading the World") for achieving sustainable growth and enhancing corporate value.

Also, MSI has agreed to establish an insurance agency business company effective April 1, 2026, through joint investment with GINSEN CO.,LTD., an insurance agency of the SMBC Group, and Sumitomo Mitsui Financial Group, Inc., with the aim of leading the further development of the insurance industry through the fostering of a sound competitive environment.

Enhancement of the international business management framework for sustainable profit generation

Through an investment in W. R. Berkley Corporation, a leading specialty insurance company in the United States, the Group sought to diversify its earnings sources and realize collaborative initiatives leveraging underwriting*[1] expertise. Also, in order to accelerate decision-making, the Company decided to consolidate its international business management functions within the holding company and to establish the International Executive Committee (IEC), in which multinational personnel engage in discussions on international business strategies and the resolution of key issues. Through these initiatives, the Group will further enhance its resource allocation capabilities to support continued growth.

*1 Underwriting
The assessment of whether to accept an insurance contract and the determination of the terms and conditions thereof.

New business portfolio for further growth

From the perspective of further improving capital efficiency, among other considerations, the Company sold its shares in Challenger Limited, an Australian financial group. In addition, through an investment in Barings LLC (a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company, a major U.S. life insurance company), the Group implemented initiatives contributing to diversification of its business portfolio, improvement of capital efficiency, and enhancement of insurance product development capabilities for further enhancing corporate value.

Consolidated Financial Results for the Fiscal Year

With respect to the consolidated financial results for the fiscal year under review, Group adjusted profit significantly exceeded the initial forecast (671.0 billion yen), reaching a record high of 1,000.9 billion yen, driven by a decrease in insurance claim payments due to natural disasters and profit expansion in international business. In terms of capital efficiency, Group adjusted ROE was 21.7%, exceeding the initial forecast (16.4%). From the perspective of financial soundness, ESR was 214%, within the target range (180%–250%). Other indicators are as shown in the table below.

Category	FY2024	FY2025 (Current fiscal year)	Change
Ordinary income	¥6,660.8 billion	¥7,653.0 billion	14.9%
Ordinary profit	¥928.9 billion	¥1,120.2 billion	20.6%
Net income attributable to owners of the parent	¥691.6 billion	¥787.3 billion	13.8%

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

Domestic Non-life Insurance Business

In order to respond to changes in the external environment surrounding non-life insurance companies and to practice customer-oriented business operations, the Group strengthened compliance systems, customer protection management systems, and information management systems for both employees and agents, while also implementing initiatives to improve quality. Furthermore, MSI and ADI formulated new Business Improvement Plans that integrate their respective effective initiatives and measures, and strengthened efforts to build a sound competitive environment, corporate culture, and robust governance, which form the foundation for customer-oriented business operations.

In addition, in order to contribute to the resolution of social issues such as climate change through enhancing the intrinsic value provided by insurance and its risk solution capabilities, and, to achieve growth together with society, the Group continued to develop and provide products and services aligned with customer needs through its three non-life insurance companies: MSI, ADI, and Mitsui Direct General Insurance Co., Ltd. ("Mitsui Direct"), which specializes in online automobile insurance.

Moreover, the Group implemented insurance premium rate revisions reflecting factors such as inflation, and undertook initiatives in risk consulting, including the enhancement of underwriting, as well as the development of human resources to support these efforts.

Operating results by segment were as follows:

	Category	FY2024	FY2025 (Current fiscal year)	Change
MSI	Net premiums written	¥1,679.2 billion	¥1,754.4 billion	4.5%
	Net income	¥459.9 billion	¥459.9 billion	0.0%
ADI	Net premiums written	¥1,430.3 billion	¥1,471.1 billion	2.9%
	Net income	¥108.7 billion	¥158.0 billion	45.4%
Mitsui Direct	Net premiums written	¥37.3 billion	¥43.9 billion	17.5%
	Net income	(¥1.7 billion)	(¥1.9 billion)	–

<u>Domestic Life Insurance Business</u>

Mitsui Sumitomo Aioi Life Insurance Co., Ltd. ("MSAL") and Mitsui Sumitomo Primary Life Insurance Co., Ltd. ("MSPL") provided products and services aimed at addressing social challenges in the era of 100-year lifespans, namely extending healthy life expectancy and extending asset longevity.

MSAL focused on providing protection-type products and responded to increasingly diverse customer needs by expanding the menu of its healthcare service, MSA Care, which contributes to the early detection of illnesses and other health concerns. In addition, MSPL advanced the provision of life insurance products and services that support asset formation, extending asset longevity, and smooth asset succession, including inheritance and gifting, in response to growing societal interest in these areas.

Operating results by segment were as follows:

	Category	FY2024	FY2025 (Current fiscal year)	Change
MSAL	New policies	¥1,206.2 billion	¥1,686.0 billion	39.8%
	Annualized premiums of new policies	¥24.5 billion	¥23.2 billion	(5.2%)
	Total amount of policies in force	¥21,591.4 billion	¥21,030.3 billion	(2.6%)
	Annualized premiums of policies in force	¥428.1 billion	¥418.6 billion	(2.2%)
	Net income	¥29.6 billion	(¥51.9 billion)*	(275.6%)
MSPL	New policies	¥1,317.1 billion	¥1,426.1 billion	8.3%
	Total amount of policies in force	¥8,130.6 billion	¥9,325.7 billion	14.7%
	Net income	¥25.7 billion	¥32.3 billion	25.7%

* Profits decreased primarily due to the realization of latent losses from the replacement of held bonds.

International Business

In addition to the expansion of business in the United States, the Group achieved significantly higher profits compared with the previous fiscal year, supported by the limited occurrence of natural disasters and the impact of the sale of shares in Challenger Limited, an Australian financial group.

In the U.S. business, profits increased through the expansion of underwriting of local policies via subsidiaries, initiatives to capture the growing U.S. MGA*[2] market through MS Transverse, and an investment in W. R. Berkley Corporation.

In the Lloyd's and reinsurance business, profits increased by restraining the underwriting of natural catastrophe risks while selectively expanding underwriting of other risks.

In the Asia business as well, profits increased as a result of initiatives such as developing the retail market through collaboration with platformers and the use of digital technologies.

*2 Managing General Agent (MGA)
An agent authorized to perform a wide range of tasks such as underwriting, loss amount certification and assessment, in addition to insurance solicitation on behalf of an insurer.

The results of overseas insurance subsidiaries were as follows:

Category	FY2024	FY2025 (Current fiscal year)	Change
Net premiums written	¥1,527.2 billion	¥1,735.1 billion	13.6%
Net income after adjustment for equity interest (segment income)	¥184.4 billion	¥261.8 billion	42.0%

Digital and Risk-Related Services Business

With MS&AD InterRisk Research & Consulting, Inc. as its core, the entire Group has been working to develop and provide services that come before and after coverage and protection using digital data. The role of MS&AD InterRisk Research & Consulting, Inc. within the Group was reviewed, and it was decided to prioritize the allocation of management resources to consulting themes that contribute to the Group's growth, such as disaster prevention and mitigation for large-scale natural disasters and measures against cyber risks.

Financial Services Business

The Group provided products and services beyond insurance, taking into account social issues, environmental changes, and increasingly diverse customer needs.

At MSI, in order to strengthen the asset management business, which has low correlation with the insurance underwriting business and enables diversification of the business portfolio, it was decided to invest in Barings LLC. Also, the Group worked to realize synergies through initiatives such as the sale of weather derivatives aimed at mitigating economic losses caused by natural disasters and abnormal weather both in Japan and overseas, comprehensive support for the establishment of disaster-time loan reduction and exemption programs by partner financial institutions, and support for expanding the investor base in Japan by Leadenhall Capital Partners LLP (a consolidated subsidiary), which operates funds for insurance-linked securities (ILS)*[3].

In addition, MSI and ADI continued promoting the sale of defined contribution pension products for corporations and individuals to meet asset-building needs in a society with increasing lifespans, often referred to as the era of 100-year lifespans.

*3 Insurance-linked securities (ILS)
A general term for securitized financial products that transfer risks, such as natural disasters, from insurance markets to capital markets.

■ Issues to be Addressed

While the global economy, including Japan, is expected to continue its moderate recovery, uncertainty is increasing due to the situation in the Middle East, and there are concerns regarding the impact of volatility in financial and capital markets as well as U.S. policy developments.

In the insurance industry, the amended Insurance Business Act, revised in response to inappropriate conduct including incidents of price fixing, will come into effect in June 2026. Accordingly, it is required to once again prioritize initiatives to ensure the thorough implementation of customer-oriented business operations and the realization of a sound competitive environment, while continuing to fulfill the role of an essential social infrastructure for the realization of a safe and secure society through the provision of products and services that support economic growth.

<u>Basic Policy</u>

The Group aims, as the “Group’s Aspiration for FY2030,” to pursue the intrinsic value provided by insurance and to become “the insurance and financial group most chosen by customers.” Building on these initiatives, in order to earn customers’ trust in entrusting their valuable future to the Group, the Group will become an entity that takes on risks and leads the world, anticipating change and resolving societal risks in an era of increasing uncertainty.

Through its globally expanding business platform, the Group will provide optimal security, the best customer experience, and cutting-edge solutions for contributing to the development of a vibrant society and securing a sound future for the planet.

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

Vision

The Group will accelerate its growth into a world-leading insurance and financial services group that continuously pursues sustainable growth and enhancement of corporate value, aiming to achieve adjusted profit of 800.0 billion yen and adjusted ROE of 11% or more in FY2030.

In addition, in order to realize a profit structure that sustainably generates earnings, the Group will work to optimize its business structure and strengthen its business foundation for enhancing corporate value.

Optimization of business structure			
Transformation of value provided			Optimization of capital allocation
Delivering optimal security to customers "Protecting customers"	Provision of the best effortless experience "Exceeding expectations"	Development of cutting-edge solutions "Creating the future"	Expansion into areas for further growth and enhancement of profitability "Achieving both Group growth and discipline"
○ Appropriate provision of value to customers ○ Strengthening capabilities in risk solution proposals and underwriting ○ Enhancement of capacity provision capabilities	○ Effortless value delivery to customers ○ Distribution suited to customers	○ Development and provision of solutions ○ Response to social and regional issues	○ Achievement of organic growth in the domestic insurance business ○ Allocation of management resources to new growth areas, primarily overseas ○ Implementation of disciplined business investments ○ Enhancement of profitability in asset management

Strengthening of business foundation			
Enhancement of strategic functions	Strengthening of governance	Human capital management	AI and digital transformation (DX)
○ Improvement of the effectiveness of the Group's steering functions ○ Strengthening of strategic functions in international and life insurance businesses, among others	○ Enhancement of second-line and third-line functions of the holding company ○ Strengthening of the holding company's business management functions ○ Enhancement of monitoring of Group companies	○ Employee growth through demonstration of skills and career development ○ Building a human resources portfolio aligned with management strategy ○ Enhancement of well-being	○ Further implementation of IT structure optimization ○ Value creation through AI and strengthening of competitiveness ○ Strengthening of cybersecurity frameworks

Sustainability		
Creation of a resilient society that reduces natural disaster risks and continues into the future	Creation of a prosperous and happy society in light of changes in social structures, including demographics	Protection of human rights and enhancement of trust from society through responsible business activities

[Initiatives by Business Area]

The main policies for initiatives in FY2026 by business segment toward the realization of the “Group’s Aspiration for FY2030” are as follows.

In the domestic non-life insurance business, in order to maintain and integrate the respective strengths of MSI and ADI and achieve further expansion, the Group will realize the merger as planned and implement business model transformation through steady execution of the Business Improvement Plans. Also, taking into account changes in the underwriting environment, such as the increasing severity and frequency of natural disasters and continued inflation, the Group will strengthen the profitability of automobile insurance and fire insurance.

In the domestic life insurance business, the Group will develop protection-type and asset formation-type products and services that respond to environmental changes such as the long-term progression of declining birthrates and aging populations and the emergence of a positive interest rate environment, and will strengthen sales channels. In addition, the Group will work to enhance the value provided to customers through the utilization of AI and digital transformation (DX).

In the international business, toward achieving the target of adjusted profit of 420.0 billion yen for the international business as a whole in FY2030, the Group will consolidate international business management functions within the Company, accelerate decision-making, and enhance business management capabilities through the effective utilization of Group human resources. At the same time, the Group will strengthen its governance framework centered on the International Executive Committee (IEC) established within the Company for enhancing business management capabilities and efficiency. Also, the Group will pursue further growth and expansion of risk-return in the reinsurance business through profit expansion driven by the growth of W. R. Berkley Corporation and the pursuit of synergies through collaboration, as well as the expansion of U.S. operations through initiatives in non-Japanese markets and deeper engagement with major MGAs, and the expansion of transactions with highly profitable key clients.

In asset management, the Group will achieve profit growth at a global top-tier level and expand sustainable net asset value on a fair value basis*[5] through measures such as increasing investments in higher-return assets and strengthening the Group’s asset management framework in light of partnerships with Barings LLC and LGT*[4]. Furthermore, the Group will work on both expanding risk-taking and strengthening the foundation that supports risk-taking to enhance profitability.

*4 LGT (Liechtenstein Global Trust)
A Swiss asset management company that provides a wide range of investment products.

*5 Net asset value on a fair value basis
This value is the difference between the market value assets evaluated on an economic value basis minus market value liabilities, and is the actual equity capital.

Promotion of Key Strategies and Positioning of FY2026

Establishment of a governance structure enabling optimal and agile decision-making across the Group

With the aim of strengthening Group governance, the Company clarified responsibilities and authorities within each area of oversight and transitioned to a CxO structure in order to realize optimal decision-making from a Group-wide perspective and more agile management. Through specialized and agile execution by each CxO, the Group will generate stable profits and enhance corporate value even in an environment of increasing uncertainty. At the same time, the Group will continue to provide insurance as a social infrastructure and aim to enhance environmental and social sustainability.

Transformation for growth in domestic business under a changing competitive environment

In FY2026, the Group will focus on the smooth and certain completion of the merger of MSI and ADI. In order to become the insurance company most chosen by customers, preparations will move forward with the highest priority on customer convenience and quality assurance. Specifically, through initiatives such as the development of inquiry response systems and the implementation of training for employees and agents on administrative and system changes, the Group will establish a framework for smooth post-merger administrative operations and avoid disruptions to customer services caused by system failures or administrative incidents.

In addition, the Group will implement transformation of its domestic business with a view to profitable growth of the new company formed through the merger. To this end, the Group will respond appropriately to changes in the market environment and legal systems, while also viewing environmental changes as opportunities for business expansion, and will realize a transition to a quality-oriented agency commission structure and transformation of the sales model. Furthermore, as inflation is expected to continue, the Group will review the strategic positioning of Mitsui Direct, particularly in the area of automobile insurance, and strengthen coordination within the Group.

With respect to the life insurance business, the Group will strengthen the function of overseeing business strategies in Japan and overseas, centered on the newly established Life Insurance Business Planning Department within the Company, and will implement consistent business development.

Further growth and enhancement of the international business framework

In order to achieve further expansion of international business, enhance geographic and risk diversification, and transform into a world-leading global insurance and financial services group with superior capital efficiency, the Group will advance the enhancement of its international business management framework. In April 2026, the Group consolidated international business management functions within the Company, transitioned to a function-based business management structure, and established the International Executive Committee (IEC) through the reorganization of the Group International Business Committee. Through these measures, the Group will realize prompt decision-making, enhancement of business management functions, and effective utilization of human resources. The Group will strengthen the management framework supporting the growth of international business while continuing to examine further enhancements to the framework.

Strengthening of business foundation

With respect to human capital, the Group aims to establish a virtuous cycle of improving employee well-being and enhancing corporate value on a sustained basis by promoting and embedding opportunities for autonomous career development. As opportunities for autonomous career development, the Group will develop personnel systems and training frameworks that enable employees to demonstrate their skills and proactively shape their careers, and will build a Group-wide human resources portfolio capable of executing business strategies in Japan and overseas.

Also, with respect to the business foundation, the Group will promote the optimization of its IT structure, value creation through AI and strengthening of competitiveness, and enhancement of cybersecurity frameworks for contributing to sustainable growth and the enhancement of corporate value.

Furthermore, in order to enhance the comparability of financial information in capital markets, the Company will commence voluntary adoption of IFRS for its consolidated financial statements starting from the Annual Securities Report for the fiscal year ended March 2026.

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

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

Value (Value creation)	The Group promoted initiatives including the following, aiming to practice “CSV × DX*6” globally, providing value to all stakeholders and thus enhancing corporate value, as well as increase the profitability of our business, products, and services and strengthening our earnings base. [Details of Initiatives] • Implement measures to improve profitability of domestic non-life insurance business, such as product revisions (including optimization of premium rates) in response to the increasing severity and frequency of natural disasters and continued inflation, strengthening underwriting, and enhancing business efficiency and productivity through DX-driven and AI-based process reforms • Expand risk management businesses leveraging digital and data, and work to develop and provide products and services before and after coverage and protection
Transformation (Business reforms)	The Group promoted initiatives including the following, with the aim of transforming the business structure and adapting to changes in the business environment through the creation of new businesses and other measures, as well as building a stable earnings base by transforming the business, products, and risk portfolio. [Details of Initiatives] • Transform the business portfolio through profit growth and the realization of synergies from the investment in W. R. Berkley Corporation, expansion of the U.S. MGA market presence through MS Transverse, improvement and expansion of profits at MS Amlin, improvement of profitability in the Toyota retail business, diversification of earnings through investment in Barings LLC, and the promotion of initiatives to enhance business management (including performance improvement and review of unprofitable businesses) • Shift the product portfolio to diversify profit sources beyond automobile insurance by improving profitability of fire insurance (through appropriate premium rate adjustments, etc.) and expanding profits from new types of insurance (through the promotion of products targeting small and medium-sized enterprises (SMEs) and service-inclusive products) • Transform the risk portfolio through measures such as accelerating initiatives toward achieving zero strategic equity holdings by the end of March 2030

Synergy (Group synergy)	Through the merger of MSI and ADI, the Group aims to integrate and expand the strengths of both companies, improve operational quality and productivity, achieve further growth through enhanced collaboration by leveraging the Group's diversity, and realize synergies on a global basis. To this end, the following initiatives were promoted. [Details of Initiatives] • Specific considerations and preparatory measures toward the merger of MSI and ADI • Promotion of the sale of life insurance products through non-life insurance sales channels and partnership sales of products of MSPL by MSAL • Implementation of the "TENKAI Project," under which domestic and overseas bases mutually share and utilize products, services, and various expertise

*6 CSV × DX
An initiative to achieve sustainable growth and increase corporate value by combining "creating shared value" with society and "digital transformation" with the aim of improving productivity and competitiveness.

Promotion of Sustainability

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

<Key Initiatives>

Coexistence with the global environment (Planetary Health)	· Published the MS&AD TCFD*7•TNFD*8 Report 2025 (Green Resilience Report), which presents risks and opportunities through a multifaceted analysis of the impacts of climate and nature on business and related dependencies · As a financial alliance of four companies including the Company, published the Nature Positive Management Transition Support Concept Paper, which supports practical initiatives related to natural capital · Launched the sale of products that compensate companies for loss of profits and expenses incurred due to adverse or abnormal weather by making fixed insurance payments based on weather data without conducting loss assessments
Safe and secure society (Resilience)	· Established a system to visualize building risks using satellite and aerial imagery combined with AI analysis, aimed at preventing residential damage and ensuring the sustainable provision of fire insurance · Continued implementation of initiatives through the MS&AD Green Earth Project, which utilizes the multifaceted functions of conserving the natural environment, contributing to disaster prevention and mitigation of flood damage, decarbonization, and the sound management of water cycles · Developed coverage and services that mitigate risks faced by welfare evacuation centers during large-scale disasters, contribute to the establishment of safe and secure environments, and support the recovery and rebuilding of affected individuals' lives
Well-being of diverse people (Well-being)	· Launched training services that promote awareness and behavioral change among officers and employees, enhancing the effectiveness of preventing human rights violations in corporate activities · Conducted training sessions for executives aimed at deepening understanding of business and human rights as a global company · Launched the Project for Creating the Group's Future Together in order to strengthen initiatives that enhance the sustainability of business operations

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

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

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

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

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

(Yen in millions)

Category	FY2022	FY2023	FY2024	FY2025 (Current fiscal year)
Ordinary income	5,250,794	6,572,889	6,660,813	7,653,030
Ordinary profit	292,262	416,440	928,989	1,120,230
Net income attributable to owners of the parent	211,006	369,266	691,657	787,339
Comprehensive income	(25,734)	1,527,696	(17,284)	1,219,940
Net assets	3,139,501	4,513,562	4,052,835	4,825,140
Total assets	24,349,984	26,960,207	26,241,298	28,640,815

(Note) The Group has adopted International Financial Reporting Standards ("IFRS") 17 Insurance Contracts with regard to some of its overseas subsidiaries beginning in the fiscal year 2023. The figures for fiscal year 2022 as appear above are presented on the same basis.

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

Category	FY2022	FY2023	FY2024	FY2025 (Current fiscal year)
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Operating income	179,756	151,407	426,705	412,193
Dividends income	179,589	151,295	426,608	411,925
Subsidiaries engaged in insurance business	177,550	148,427	423,853	411,925
Other subsidiaries	2,038	2,868	2,754	-
Net income	174,315	146,111	416,496	440,800
Net income per share	¥107.75	¥91.62	¥267.96	¥295.76
	(Yen in millions)	(Yen in millions)	(Yen in millions)	(Yen in millions)
Total assets	1,687,398	1,706,225	1,694,770	1,752,747
Shares of subsidiaries engaged in insurance business	1,425,216	1,425,216	1,420,744	1,430,744
Shares of other subsidiaries	54,003	70,100	79,601	60,667

(Note) The Company split its shares of common stock in a ratio of one (1) into three (3) effective April 1, 2024. Net income per share is calculated based on the assumption that the stock split was conducted at the beginning of FY2022.

(3) Main offices of Corporate Group

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

(4) Employees of Corporate Group

(Number of employees)

Business segment	End of previous fiscal year	End of current fiscal year	Change for the current fiscal year
(Insurance holding company)			
MS&AD Insurance Group Holdings, Inc.	453	478	25
(Domestic non-life insurance business)			
Mitsui Sumitomo Insurance Co., Ltd.	12,093	12,731	638
Aioi Nissay Dowa Insurance Co., Ltd.	11,977	12,515	538
Mitsui Direct General Insurance Co., Ltd.	523	514	(9)
(Domestic life insurance business)			
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	2,441	2,486	45
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	407	418	11
(International business)			
Overseas insurance subsidiaries	9,859	10,103	244
Other	494	501	7

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

(5) Major lenders of Corporate Group

Not applicable.

(6) Capital procurement of Corporate Group

Bonds issued

(Yen in millions)

Business segment	Description	Amount issued
(Domestic non-life insurance business)		
Mitsui Sumitomo Insurance Co., Ltd.	Issued in July 2025 8th Series of Unsecured Bonds (with limited inter-bond pari-passu clause)	40,000
	Issued in July 2025 9th Series of Unsecured Bonds (with limited inter-bond pari-passu clause)	60,000
	Issued in July 2025 10th Series of Unsecured Bonds (with limited inter-bond pari-passu clause)	50,000
	Issued in July 2025 11th Series of Unsecured Bonds (with limited inter-bond pari-passu clause)	50,000
	Issued in March 2026 Euro-denominated senior unsecured bonds	110,453
	Issued in March 2026 Euro-denominated senior unsecured bonds	147,394

(7) Capital investment of Corporate Group

i) Total amount of capital investment

(Yen in millions)

Business segment	Amount
(Insurance holding company)	
MS&AD Insurance Group Holdings, Inc.	7
(Domestic non-life insurance business)	
Mitsui Sumitomo Insurance Co., Ltd.	12,233
Aioi Nissay Dowa Insurance Co., Ltd.	14,218
Mitsui Direct General Insurance Co., Ltd.	238
(Domestic life insurance business)	
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	3,612
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	551
(International business)	
Overseas insurance subsidiaries	5,505
Other	68

ii) Establishment of major facilities, etc.

(Yen in millions)

Business segment	Description	Amount
(Domestic life insurance business)		
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Upgrade of the core system server	3,399

(8) The parent company and main subsidiaries

i) Status of the parent company

Not applicable.

ii) Status of main subsidiaries

Name of company	Location	Principal business	Date of incorporation	Common stock	Percentage of voting rights (%)	Other
Mitsui Sumitomo Insurance Co., Ltd.	Chiyoda-ku, Tokyo	Non-life insurance business	Oct. 21, 1918	¥139,595 million	100.0%	-
Aioi Nissay Dowa Insurance Co., Ltd.	Shibuya-ku, Tokyo	Non-life insurance business	Jun. 30, 1918	¥100,005 million	100.0%	-
Mitsui Direct General Insurance Co., Ltd.	Bunkyo-ku, Tokyo	Non-life insurance business	Jun. 3, 1999	¥44,106 million	100.0%	-
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Life insurance business	Aug. 8, 1996	¥85,500 million	100.0%	-
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Life insurance business	Sep. 7, 2001	¥41,060 million	100.0%	-
Sumitomo Mitsui DS Asset Management Co., Ltd.	Minato-ku, Tokyo	Investment management business and investment advisory and agency business	Jul. 15, 1985	¥2,000 million	15.0% (15.0%)	-
MS&AD InterRisk Research & Consulting, Inc.	Chiyoda-ku, Tokyo	Risk management and consulting business	Jan. 4, 1993	¥330 million	100.0%	-
MSIG Holdings (U.S.A.), Inc.	New York, U.S.A.	Holding company	Oct. 21, 1988	US$2,052 million (¥328,213 million)	100.0% (100.0%)	-
Mitsui Sumitomo Insurance Company of America	New York, U.S.A.	Non-life insurance business	Mar. 29, 2001	US$5,000 thousand (¥799 million)	100.0% (100.0%)	-
MS Transverse Insurance Group, LLC	Delaware, U.S.A.	Holding company	Jun. 26, 2018	US$107,694 thousand (¥17,218 million)	100.0% (100.0%)	-
Aioi Nissay Dowa Europe Limited	London, U.K.	Holding company	Nov. 8, 2017	UK£526,010 thousand (¥111,003 million)	100.0% (100.0%)	-
MS Amlin Corporate Member Limited	London, U.K.	Non-life insurance business	Sep. 19, 1994	UK£1,700 thousand (¥358 million)	100.0% (100.0%)	-
MS Amlin Underwriting Limited	London, U.K.	Non-life insurance business	Nov. 29, 1988	UK£400 thousand (¥84 million)	100.0% (100.0%)	-
MS Amlin AG	Zurich, Switzerland	Non-life insurance business	Aug. 19, 2010	SFR10,000 thousand (¥2,001 million)	100.0% (100.0%)	-
MSIG Europe SE	Brussels, Belgium	Non-life insurance business	Jan. 4, 2016	€595,000 thousand (¥109,128 million)	100.0% (100.0%)	-
MS First Capital Insurance Limited	Singapore, Singapore	Non-life insurance business	Dec. 9, 1950	S$26,500 thousand (¥3,279 million)	100.0% (100.0%)	-
MSIG Mingtai Insurance Co., Ltd.	Taipei, Taiwan	Non-life insurance business	Sep. 22, 1961	NT$2,535 million (¥12,654 million)	100.0% (100.0%)	-
BOCOM MSIG Life Insurance Company Limited	Shanghai, P.R.C.	Life insurance business	Jul. 4, 2000	RMB5,100 million (¥117,861 million)	37.5%	-
Cholamandalam MS General Insurance Company Limited	Chennai, India	Non-life insurance business	Nov. 2, 2001	INR2,988 million (¥5,049 million)	40.0%	-

(Notes)
1. The table above shows main subsidiaries and associates.
2. Bracketed in the Common stock column is the Yen value as converted at the exchange rate on the last day of the current fiscal year.
3. Bracketed in the Percentage of voting rights column is the percentage of voting rights indirectly held.
4. Sumitomo Mitsui DS Asset Management Co., Ltd. is classified as an associate because the Company has substantial influence on this company, although the Company’s ownership interest in this company is less than 20%.

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

Date of business transfer	Status of business transfer
Nov. 17, 2025	MSI, a subsidiary of the Company, agreed on November 17, 2025 to acquire an 18% equity interest in Barings LLC, an asset management company and a wholly owned subsidiary of Massachusetts Mutual Life Insurance Company (“MassMutual”), a major U.S. life insurer, from MassMutual.

(10) Other important matters concerning state of Corporate Group

Not applicable.

2. Matters Concerning Officers

(1) Status of officers

(As of end of fiscal year)

Name	Position and duties	Significant concurrent positions	Other
Noriyuki Hara	Chairman & Director, Chairman Executive Officer	Chairman & Director, Chairman Executive Officer, Mitsui Sumitomo Insurance Co., Ltd. ("*MSI*")	-
Yasuzo Kanasugi	Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer	Chairman & Director, Aioi Nissay Dowa Insurance Co., Ltd. ("*ADI*")	-
Shinichiro Funabiki	Representative Director, President & Director, President & CEO (Group CEO)	President & CEO, *MSI*	-
Shigeo Kudo	Representative Director, Executive Vice President, Corporate Planning Dept., Corporate Communications Dept., Investor Relations Dept., Capital Policy, Group CFO	-	-
Keisuke Niiro	Director Executive Officer Assist Management	President & CEO, *ADI*	-
Junichi Tobimatsu	Director (Outside Director)	Attorney-at-law, GAIEN PARTNERS Director, CANDEAL Co., Ltd. (Outside Director (Audit and Supervisory Committee Member))	-
Rochelle Kopp	Director (Outside Director)	Managing Principal, Japan Intercultural Consulting Director, AIR WATER INC. (Outside Director)	-
Akemi Ishiwata	Director (Outside Director)	-	-
Jun Suzuki	Director (Outside Director)	Director, Idemitsu Kosan Co., Ltd. (Outside Director)	-
Atsuko Okajima	Director (Outside Director)	Executive Director, Saitama Prefectural University Director, House Foods Group Inc. (Outside Director (Audit & Supervisory Committee Member)) Director, DAITO KOUN CO., LTD. (Outside Director)	
Hideki Kawatsu	Director (Audit and Supervisory Committee Member) (Full-time)	Director, *MSI*	-
Taisei Kunii	Director (Audit and Supervisory Committee Member) (Outside Director)	Certified Public Accountant, Taisei Kunii Certified Public Accountant Office Director, Sumitomo Corporation (Outside Director (Audit & Supervisory Committee Member))	As a certified public accountant, Mr. Taisei Kunii has considerable knowledge of finance and accounting.

(As of end of fiscal year)

Name	Position and duties	Significant concurrent positions	Other
Yukari Murayama	Director (Audit and Supervisory Committee Member) (Outside Director)	Attorney-at-low, Anderson Mori & Tomotsune – Foreign Law Joint Enterprise Director, DENTSU SOKEN INC. (Outside Director (Audit and Supervisory Committee Member)) Director, Carlit Co., Ltd. (Outside Director)	-

(Notes)

1. The Company has submitted to the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. an Independent Officer Notification, indicating that Directors Mr. Junichi Tobimatsu, Ms. Rochelle Kopp, Ms. Akemi Ishiwata, Mr. Jun Suzuki, and Ms. Atsuko Okajima as well as Directors (Audit and Supervisory Committee Members) Mr. Taisei Kunii and Ms. Yukari Murayama are Independent Officers who are unlikely to have conflict of interests with general shareholders.
2. To ensure the effectiveness of the audit and supervisory functions through information gathering and attendance at important meetings by individuals with knowledge of the Group’s business, Hideki Kawatsu has been appointed as a full-time Audit and Supervisory Committee Member.
3. The Company has appointed one substitute Director who is an Audit and Supervisory Committee Member and one substitute Outside Director who is an Audit and Supervisory Committee Member to fill a vacancy in case either the number of Directors who are Audit and Supervisory Committee Members or the number of Outside Directors who are Audit and Supervisory Committee Members falls below the number prescribed by laws and regulations

Substitute Director (Audit and Supervisory Committee Member)	Ryoichi Hayashi
Substitute Director (Audit and Supervisory Committee Member) (Outside Director)	Eizo Chiya

(2) Remuneration to officers

i) Total amount of remuneration for each type of officer, total amount of each type of remuneration, and number of officers who are eligible to receive payment of remuneration

(Yen in millions)

Category	Number of recipients	Total amount of remuneration	Total amount of each type of remuneration		
			Fixed remuneration	Performance-linked remuneration	
				Monetary remuneration	Non-monetary remuneration (stock-based remuneration)
Directors (excluding Directors who are Audit and Supervisory Committee Members)	14(persons)	412	231	90	90
Directors who are Audit and Supervisory Committee Members	3(persons)	55	55	-	-
Audit & Supervisory Board Members	4(persons)	25	25	-	-
Total	21(persons)	492	311	90	90

(Notes)

1. The number of recipients includes four (4) Directors and four (4) Audit & Supervisory Board Members who retired during the current fiscal year.
2. Total amount of remuneration and total amount of each type of remuneration include remuneration for four (4) Directors and four (4) Audit & Supervisory Board Members who retired during the current fiscal year.
3. The amount of remuneration for Audit & Supervisory Board Members represents the remuneration paid during the tenure of the four Audit & Supervisory Board Members who retired as of the conclusion of the 17th Annual Shareholders Meeting held on June 23, 2025. Of these, one individual retired as an Audit & Supervisory Board Member at the conclusion of the same Annual Shareholders Meeting and was newly appointed as a Director who is an Audit and Supervisory Committee Member. Accordingly, with respect to the number of persons and the amounts paid, the portion corresponding to the period of service as an Audit & Supervisory Board Member is included under Audit & Supervisory Board Members, and the portion corresponding to the period of service as a Director who is an Audit and Supervisory Committee Member is included under Directors who are Audit and Supervisory Committee Members.
4. The performance-linked remuneration of six (6) Directors paid during the current fiscal year resulted in a difference of six (6) million yen from the reserve for performance-linked remuneration based on the performance of the previous fiscal year, which is not included in the table above.

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

The Company determines remuneration for individual Directors based on the following policies prescribed by the Board of Directors, taking fully into account the results of deliberation by the Remuneration Committee, whose majority consists of Outside Directors. The resolution of these policies was made at the Board of Directors meetings held on February 14, 2019, May 20, 2019, May 20, 2021, December 27, 2022, and March 28, 2025.

a. Basic policy

- The Company’s remuneration system is intended to help reinforce governance and enhance the medium- to long-term corporate value of the Group.
- The officer remuneration system shall be designed to reflect the performance of the Group and thus to function as an appropriate incentive for its growth.
- The level of remuneration shall be competitive as a global company.

b. Decision process

(a) Remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members)

- To ensure transparency, it shall be decided by resolution of the Board of Directors upon deliberation by the Remuneration Committee, of which a majority of the members are Outside Directors, within the range determined by resolution of the Shareholders Meeting.
- The Remuneration Committee provides advice to the Board of Directors on the amount of remuneration for Directors and policies regarding decisions on the determination of officer remuneration.
- The Board of Directors defers to the advice of the Remuneration Committee to the maximum extent possible, and determines the amount of remuneration after confirming that it is in line with the remuneration system established by resolution of the Board of Directors.

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

(b) Remuneration for Directors Who Are Audit and Supervisory Committee Members

- To ensure transparency, remuneration shall be determined through consultation among the Directors who are Audit and Supervisory Committee Members upon deliberation by the Remuneration Committee, of which a majority of the members are Outside Directors, within the amount approved by a resolution of the Shareholders Meeting, taking into consideration whether they are full-time or part-time, the allocation of duties, and the content and level of remuneration of Directors who are not Audit and Supervisory Committee Members.

c. Summary of remuneration

(a) Composition of remuneration

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	○	○	○
Outside Directors (limited to Outside Directors, excluding those who are Audit and Supervisory Committee Members)	○	-	-
Directors who are Audit and Supervisory Committee Members	○	-	-

- Officer remuneration is composed of fixed remuneration and performance-linked remuneration. Outside Directors and Directors who are Audit and Supervisory Committee Members are entitled to fixed remuneration only.
- Fixed remuneration is determined in accordance with officers’ position.
- Performance-linked remuneration is determined based on business performance.
- Performance-linked remuneration is composed of monetary remuneration and stock-based remuneration.

- Fixed remuneration is paid in the current fiscal year on a monthly basis, and performance-linked remuneration is paid after the end of each fiscal year.
- The standard proportions of the components of officer remuneration differ depending on the officer's position, as shown below. (This excludes Outside Directors and Directors who are Audit and Supervisory Committee Members.)

<u>Chairman & Director, Vice Chairman & Director, and President & Director</u>
The composition is such that the proportion of performance-linked remuneration is equal to or greater than for other positions.
(Standard ratios)

[Fixed remuneration] Approx. 33%	[Performance-linked remuneration] Monetary remuneration Approx. 33%	[Performance-linked remuneration] Stock-based remuneration Approx. 33%

<u>Other positions</u>
The composition is such that the proportions of fixed remuneration and performance-linked remuneration differ depending on the officer's position.
(Standard ratios)

[Fixed remuneration] Approx. 40% - approx. 50%	[Performance-linked remuneration] Monetary remuneration Approx. 25% - approx. 30%	[Performance-linked remuneration] Stock-based remuneration Approx. 25% - approx. 30%

(b) Contents of stock-based remuneration

- Stock-based remuneration shall be granted in the form of restricted stock and in principle, the Transfer Restrictions shall only be released upon retirement of each Director.
- In case a Director has been engaged in a fraudulent act while in office, the Company is to acquire restricted stock held by such Director for no consideration or have such Director surrender stock held to the Company, whether the Transfer Restriction remains in effect.

Overview of restricted stock remuneration plan	
Eligible Directors	Directors who are not Audit and Supervisory Committee Members, excluding Outside Directors
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restrictions under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	390,000 shares per year
Transfer restriction period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company's Director or from another position which the Board of Directors has determined

d. Performance indicators pertaining to performance-linked remuneration

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

(a) Financial indicators

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

Indicator	Reasons for selection
Group Adjusted Profit*1	The selected indicators were Group Adjusted Profit as a measure of shareholder returns, Group Adjusted ROE as a measure of capital efficiency, and Consolidated Net Income as a key performance indicator for the Group.
Consolidated Net Income	
Group Adjusted ROE*2	

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

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

(b) Non-financial indicators

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

Evaluation item		Reasons for selection
Basic strategies	• Value (value creation) • Transformation (business transformation) • Synergy (Group synergy)	The “Basic strategies” and “Foundations” supporting the basic strategies were selected as evaluation items for non-financial indicators to realize the vision of the Group’s Medium-Term Management Plan (2022-2025) to become a “Corporate Group that Supports a Resilient and Sustainable Society.”
Foundations	• Sustainability • Quality • Human Assets • ERM	

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

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

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

  Stock-based remuneration: Standard amount per position × business performance coefficient (financial indicators × 20% + non-financial indicators × 80%)
- Monetary remuneration is structured in such a way that it better reflects business performance of a single fiscal year, by having a higher ratio for financial indicators than non-financial indicators.
- Stock-based remuneration is structured in such a way that it better reflects an evaluation of initiatives contributing to the enhancement of corporate value over the medium to long term, by having a higher ratio for non-financial indicators than financial indicators.

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

Financial indicators

	Actual	Target	Vs. target
Group Adjusted Profit	¥1,000.9 billion	¥671.0 billion	149.2%
Consolidated Net Income	¥787.3 billion	¥579.0 billion	140.0%
Group Adjusted ROE	21.7%	16.4%	+5.3 points

Non-financial indicators

Evaluation item	Results of evaluation
Basic strategies	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: • Developing and implementing products and services before and after coverage and protection that contribute to solving social issues • Expansion of overseas operations and domestic life insurance business, transforming the business and the risk portfolios, and pursuing new business using digital data • Synergy between life and non-life insurance companies within the Group, demonstrating synergy on a global basis, etc.
Foundations	As a result of evaluation based mainly on the following points, performance is evaluated to be slightly below standard level: • Initiatives related to the three key sustainability issues of coexistence with the global environment, a safe and secure society, and the well-being of diverse people • Thoroughly establishing and embedding Customer-Focused business operations, and initiatives aimed at enhancing compliance awareness and knowledge • Initiatives related to human assets aimed at building an optimal human asset portfolio and maximizing employees’ abilities, skills, and motivation • Initiatives aimed at strengthening risk management frameworks and improving capital efficiency, etc.

e. Resolutions related to officer remuneration at the Shareholders Meeting

Remuneration for Directors Who Are Not Audit and Supervisory Committee Members

Shareholders Meeting held on June 23, 2025 [17th Annual Shareholders Meeting]
• Resolved that the maximum amount of remuneration of Directors in total (excluding wages as an employee payable to a Director also serving as an employee) shall be 510 million yen per year (of which remuneration for Outside Directors shall be no more than 100 million yen per year). The number of Directors who are not Audit and Supervisory Committee Members was ten (10) (including five (5) Outside Directors) as at the close of the Annual Shareholders Meeting. • Resolved to introduce a new restricted stock remuneration plan with delayed delivery and that the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Directors who are not Outside Directors and who are not Audit and Supervisory Committee Members shall be up to 200 million yen per year. The number of Directors, excluding Outside Directors and Audit and Supervisory Committee Members, was five (5) as at the close of the Annual Shareholders Meeting.

Remuneration for Directors Who Are Audit and Supervisory Committee Members

Shareholders Meeting held on June 23, 2025 [17th Annual Shareholders Meeting]
• Resolved that remuneration shall be up to 100 million yen per year. The number of Directors who are Audit and Supervisory Committee Members was three (3) (including two (2) Outside Directors) as at the close of the Annual Shareholders Meeting.

(3) Limited liability agreements and indemnity agreements

i) Limited liability agreements

Name	Summary of content in limited liability agreements
(Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)) **Junichi Tobimatsu** **Jun Suzuki** **Rochelle Kopp** **Atsuko Okajima** **Akemi Ishiwata** (Outside Directors (Audit and Supervisory Committee Members)) **Taisei Kunii** **Yukari Murayama**	The Company has entered into an agreement with each of the persons that limits such person's liability under Article 423, Paragraph 1 of the Companies Act. The limit of each such person's liability under the agreement is the sum of the amount provided by the items in Article 425, Paragraph 1 of the Companies Act.

ii) Indemnity agreements

Not applicable.

(4) Directors and officers liability insurance policy

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

3. Matters Concerning Outside Officers

(1) Concurrent positions and other status of Outside Officers

Please refer to “Matters Concerning Officers,” “Status of officers” above for information on the concurrent positions of Outside Officers.
Sumitomo Corporation, where Mr. Taisei Kunii concurrently holds a position, is a shareholder of the Company. There is no other special relationship between any of the above entities and the Company.

(2) Primary activities of Outside Officers

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Junichi Tobimatsu (Outside Director)	7 years and 9 months	Attended all 12 meetings of the Board of Directors held during the current fiscal year.	He has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management from his expert perspective in a position independent of the Company at the Board of Directors meetings, based on his extensive insight and experience as an attorney-at-law mainly in the area of corporate legal affairs in general both in Japan and overseas. As a chairperson of the Governance Committee, which makes recommendations to the Board of Directors, he contributed to enhancing the corporate value of the Company by providing necessary advice based on his knowledge of corporate governance. Also, as a member of the Nomination Committee and the Remuneration Committee, which are internal committees of the Board of Directors, he participated in deliberations concerning the nomination and the remuneration of officers and contributed to enhancing the corporate value and corporate governance of the Company.

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

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Jun Suzuki (Outside Director)	2 years and 9 months	Attended 11 of the 12 meetings of the Board of Directors held during the current fiscal year.	He has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management in a position independent of the Company at the Board of Directors meetings, based on his extensive insight and experience mainly as a management executive of major companies. As a member of the Governance Committee, which makes recommendations to the Board of Directors, he contributed to enhancing the corporate value of the Company by providing necessary advice based on his knowledge of corporate governance. Also, as a member of the Nomination Committee and the Remuneration Committee, which are internal committees of the Board of Directors, he participated in deliberations concerning the nomination and the remuneration of officers and contributed to enhancing the corporate value and corporate governance of the Company.
Atsuko Okajima (Outside Director)	9 months	Attended all 10 meetings of the Board of Directors held after the date of appointment.	She has fulfilled the roles and responsibilities required as an Outside Director, including supervising management and providing advice on all aspects of management from her expert perspective in a position independent of the Company at the Board of Directors meetings, based on her extensive insight and experience primarily in administration. As a member of the Governance Committee, which makes recommendations to the Board of Directors, she contributed to enhancing the corporate value of the Company by providing necessary advice based on her knowledge of corporate governance.

Name	Term in office	Attendance at Board of Directors meetings, etc.	Major activities including the remarks made at Board of Directors meetings, etc.
Taisei Kunii (Outside Director (Audit and Supervisory Committee Member))	1 year and 9 months (including 1 year of tenure as an Outside Audit & Supervisory Board Member)	Attended all 12 meetings of the Board of Directors, all 3 meetings of the Audit & Supervisory Board, and all 9 meetings of the Audit and Supervisory Committee held during the current fiscal year.	He has fulfilled his monitoring and supervision functions on management by appropriate statements and recommendations, based on his extensive insight on accounting and auditing as a certified public accountant and experience as CEO of an audit corporation at the meetings of the Board of Directors, the Audit & Supervisory Board, and the Audit and Supervisory Committee.
Yukari Murayama (Outside Director (Audit and Supervisory Committee Member))	9 months	Attended all 10 meetings of the Board of Directors and all 9 meetings of the Audit and Supervisory Committee held after the date of appointment to the Audit and Supervisory Committee.	She has fulfilled her monitoring and supervision functions on management by appropriate statements and recommendations, based on her extensive insight and experience as an attorney-at-law at the meetings of the Board of Directors and the Audit and Supervisory Committee.

(Note) Term in office of each individual is from the date of their assumption of office to March 31, 2026.

(3) Remuneration for Outside Officers

(Yen in millions)

	Number of recipients	Remuneration from the insurance holding company	Remuneration from the parent company, etc. of the insurance holding company
Total remuneration	10 (persons)	125	-

(Notes)
1. The number of recipients includes three (3) Outside Officers who retired during this fiscal year.
2. Remuneration from the insurance holding company includes remuneration for three (3) Outside Officers who retired during this fiscal year.
3. The breakdown of remuneration from the insurance holding company is 118 million yen for Outside Directors and 7 million yen for Outside Audit & Supervisory Board Members.

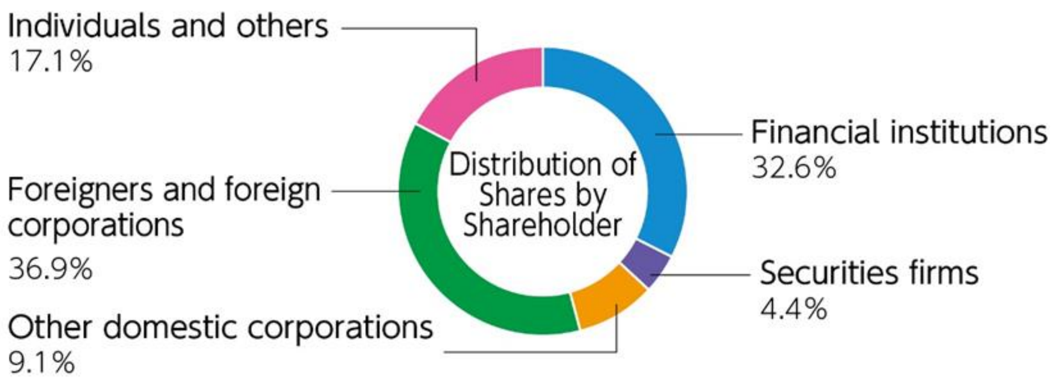
(4) Opinion of Outside Officers

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

4. Matters Concerning Stock

(1) Number of shares

Total number of issuable shares	:	2,700,000 thousand shares
Total number of shares issued	:	1,492,551 thousand shares



(Note) The total number of shares issued decreased by 115,846 thousand shares compared with the end of the previous fiscal year due to the cancellation of treasury stock on November 28, 2025.

(2) Number of shareholders at the end of the current fiscal year: 299,220

(3) Major shareholders

Names of shareholders	Investment in the Company	
	Number of shares held	Ratio of shares held
	(In thousands of shares)	%
The Master Trust Bank of Japan, Ltd. (Trust account)	197,713	13.6
Nippon Life Insurance Company	108,975	7.5
Custody Bank of Japan, Ltd. (Trust account)	75,083	5.2
Toyota Motor Corporation	70,371	4.8
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	40,994	2.8
JP MORGAN CHASE BANK 380055	33,488	2.3
STATE STREET BANK AND TRUST COMPANY 505001	31,396	2.2
JP MORGAN CHASE BANK 380081	23,254	1.6
THE BANK OF NEW YORK MELLON 140042	22,764	1.6
Sumitomo Life Insurance Company	18,887	1.3

(Notes)
1. The Company owns 38,131 thousand treasury shares, but is omitted from the major shareholders above.
2. The ratio of shares held is calculated after deducting treasury shares.

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

	Number of shares	Number of persons to whom shares were delivered
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	13,700	6(persons)
Outside Directors (limited to Outside Directors, excluding those who are Audit and Supervisory Committee Members)	-	-
Directors who are Audit and Supervisory committee Members	-	-
Officers other than Directors	-	-

(Notes)
1. An outline of the stock-based remuneration plan of the Company is provided in “Matters Concerning Officers” “Remuneration to officers.”
2. Shares shown in the table above were delivered to the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors) as consideration for the execution of their duties as Directors and Executive Officers of the Company. In addition, 30,995 shares were delivered to them as consideration for the execution of their duties as Directors and Executive Officers of main subsidiaries of the Company.

5. Matters Concerning Stock Acquisition Rights, etc.

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

<table>
<tr><th></th><th>Outline of the stock acquisition rights, etc.</th><th>Number of persons who hold stock acquisition rights, etc.</th></tr>
<tr><td rowspan="6">Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)</td><td colspan="2">2016 First Stock Options as Equity Compensation</td></tr>
<tr><td>Stock acquisition right allotment date:
Jul. 29, 2016

Total number of stock acquisition rights:
404 (Number of shares underlying each stock acquisition right is three shares per unit)

Type and number of shares underlying stock acquisition rights:
Common stock of the Company: 1,212 shares

Exercise period for stock acquisition rights:
From Jul. 30, 2016 to Jul. 29, 2046

Exercise value (per share):
¥1

Conditions on exercise of stock acquisition rights:
(Note 2.)</td><td>1</td></tr>
<tr><td colspan="2">2017 First Stock Options as Equity Compensation</td></tr>
<tr><td>Stock acquisition right allotment date:
Aug. 1, 2017

Total number of stock acquisition rights:
566 (Number of shares underlying each stock acquisition right is three shares per unit)

Type and number of shares underlying stock acquisition rights:
Common stock of the Company: 1,698 shares

Exercise period for stock acquisition rights:
From Aug. 2, 2017 to Aug. 1, 2047

Exercise value (per share):
¥1

Conditions on exercise of stock acquisition rights:
(Note 2.)</td><td>2</td></tr>
<tr><td colspan="2">2018 First Stock Options as Equity Compensation</td></tr>
<tr><td>Stock acquisition right allotment date:
Aug. 1, 2018

Total number of stock acquisition rights:
771 (Number of shares underlying each stock acquisition right is three shares per unit)

Type and number of shares underlying stock acquisition rights:
Common stock of the Company: 2,313 shares

Exercise period for stock acquisition rights:
From Aug. 2, 2018 to Aug. 1, 2048

Exercise value (per share):
¥1

Conditions on exercise of stock acquisition rights:
(Note 2.)</td><td>3</td></tr>
</table>

	Outline of the stock acquisition rights, etc.	Number of persons who hold stock acquisition rights, etc.
Directors (excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)	2019 First Stock Options as Equity Compensation Stock acquisition right allotment date: Aug. 1, 2019 Total number of stock acquisition rights: 1,125 (Number of shares underlying each stock acquisition right is three shares per unit) Type and number of shares underlying stock acquisition rights: Common stock of the Company: 3,375 shares Exercise period for stock acquisition rights: From Aug. 2, 2019 to Aug. 1, 2049 Exercise value (per share): ¥1 Conditions on exercise of stock acquisition rights: (Note 2.)	3
Outside Directors (limited to Outside Directors, excluding those who are Audit and Supervisory Committee Members)	–	–
Directors who are Audit and Supervisory Committee Members	–	–
Officers other than Directors	–	–

(Notes)

1. The table shows stock acquisition rights which have been granted by offsetting the right to claim remuneration to the Company, with the payment obligations for the stock acquisition rights that have been allotted to each person.
2. A rights holder may exercise his/her stock acquisition rights only after he/she relinquishes his/her position as a Director, Executive Officer, and full-time Audit & Supervisory Board Member of the Company or its subsidiaries which consist of five domestic insurance companies (Note 3). In such a case, a rights holder may exercise his/her stock acquisition rights all at once, during the period beginning on the day following the day he/she relinquishes his/her position as a Director, Executive Officer, and full-time Audit & Supervisory Board Member of the Company or its subsidiaries which consist of five domestic insurance companies, until the elapse of 10 days.
3. Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd. and Mitsui Sumitomo Primary Life Insurance Co., Ltd.
4. As of the last day of the fiscal year, the Officers of the Company hold stock acquisition rights granted in consideration for the execution of their duties as the Company's Directors or Executive Officers, the number of which is shown in the table above. In addition to this, the Officers of the Company hold stock acquisition rights granted in consideration for the execution of their duties as the Directors or Executive Officers of the Company's major subsidiaries at the time of issuance of the stock acquisition rights, the number of which is shown below.
   - Number of stock acquisition rights issued as of July 2016: 5,550
   - Number of stock acquisition rights issued as of August 2017: 4,297
   - Number of stock acquisition rights issued as of August 2018: 4,437
   - Number of stock acquisition rights issued as of August 2019: 17,800
5. On April 1, 2024, the Company split its shares of common stock in a ratio of one (1) into three (3). Accordingly, the "Number of shares underlying each stock acquisition right" and the "Type and number of shares underlying stock acquisition rights" have been adjusted.

(2) Stock acquisition rights, etc. of the insurance holding company issued to employees, etc. during the fiscal year

Not applicable.

6. Matters Concerning Accounting Auditor

(1) Accounting Auditor

(Yen in millions)

Name or title	Remuneration for the current fiscal year	Other
KPMG AZSA LLC Designated and engagement partner: Masako Kanno Designated and engagement partner: Kouki Minowa Designated and engagement partner: Kenichi Ishii	159	1. Apart from work under Article 2, Paragraph 1 of the Certified Public Accountants Act, the Company has paid the Accounting Auditor consideration for support work for compliance with the economic value-based solvency regulations. 2. Relating to the remuneration of the Accounting Auditor, the Audit and Supervisory Committee has given its consent in accordance with Article 399, Paragraphs 1 and 3 of the Companies Act upon confirming and verifying the appropriateness of the Accounting Auditor's Audit Plan, the performance status of the Accounting Auditor's duties and the calculation basis for the remuneration quotation.

(Notes)

1. The sum of the amounts payable in cash and in kind from the Company and its subsidiaries is 1,310 million yen.
2. The amount shown in the table above includes remuneration for audits under the Financial Instruments and Exchange Law because the audit contract between the Company and the Accounting Auditor does not provide for separate amounts of remuneration for audits under the Companies Act and audits, etc. under the Financial Instruments and Exchange Law, nor can these amounts practically be separated.

(2) Limited liability agreements and indemnity agreements

Not applicable.

(3) Other matters concerning Accounting Auditor

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

Should the Audit and Supervisory Committee decide to dismiss the Accounting Auditor based on Article 340 of the Companies Act, or in the event it is recognized that it will be difficult for the Accounting Auditor to perform its duties or other such circumstances, and the Audit and Supervisory Committee has determined it is appropriate to dismiss or not to reappoint the Accounting Auditor, the Audit and Supervisory Committee will decide the detail of the proposal on the dismissal or non-reappointment of the Accounting Auditor, which shall be presented at a Shareholders Meeting based on Article 399-2, Paragraph 3, (2) of the Companies Act.

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

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

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

Not applicable.

8. System for Ensuring Appropriateness of Operations

(1) Basic Policy Pertaining to System for Internal Controls

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

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

As the holding company conducting overall management of the Group, MS&AD Insurance Group Holdings, Inc. (the “Holding Company”) shall, under the “Corporate Philosophy (Mission),” strive to create a system of management that is transparent with the control functions to facilitate the stable and sustained growth of the Group over the long term through the effective deployment of management resources and appropriate risk management and thereby raise the corporate value.

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

(5) In principle, the Directly Invested Companies shall appropriately supervise the management of their subsidiaries (subsidiaries under the Companies Act and Insurance Business Act) under business management agreements. Where separately stipulated in a business management agreement, the Holding Company shall supervise the management of the relevant subsidiary. For overseas bases and subsidiaries, the Directly Invested Companies shall consider local laws and characteristics when promoting the development of business systems.

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

(1) To achieve a balance between quick decision making and proper monitoring, the Holding Company shall adopt an Executive Officer System, appoint Outside Directors, and separate the "Management Decision Making and Oversight Functions" by the Board of Directors and the "Business Execution Functions" by Executive Officers, and strengthen these Functions. In addition, in order to enable substantive deliberations at meetings of the Board of Directors, the number of Directors who are not Audit and Supervisory Committee Members shall be set at no more than 12 and the number of Directors who are Audit and Supervisory Committee Members ("Audit and Supervisory Committee Members") shall be set at no more than five (5), while delegation of authority over business execution to Executive Officers shall be promoted.
(2) To facilitate the proper and efficient execution of duties by Directors and Executive Officers, the Holding Company shall institute rules pertaining to the organization and exercise of authority, etc. to clarify the duties that must be performed and the administrative authority.
(3) The Holding Company shall institute the Group's Management Plans, strive to have them instilled among all officers and employees of the Holding Company and its Group companies, and set numerical targets for each business area and properly allocate management resources to accomplish the goals of the plans. In addition, Corporate Governance, Compliance, Risk Management, etc. are positioned as important issues of management in the Group Management Plan.
(4) The Holding Company shall institute the IT Governance Basic Policy of the Group in consideration of the importance of information technology (IT) as a managerial foundation, and establish an IT governance structure.
(5) The Holding Company shall institute the Basic Policy on Taxes of the Group in consideration of the importance of tax matters in its business activities and establish a tax governance structure.
(6) Executive Officers of the Holding Company shall provide the Board of Directors with reports of the status of business execution for the Company and the Directly Invested Companies (including summaries of business results). The Holding Company's Board of Directors shall take measures as necessary based on the content of these reports, such as modifying the targets or assigning additional management resources.
(7) The Holding Company shall convene regular meetings of the Group Management Committee. The Group Management Committee shall have officers from the domestic Group insurance companies attend its meetings as necessary to discuss important matters affecting the Group's business strategy and management of the domestic Group insurance companies and shall determine the direction of decision making.

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

(1) In line with the Group's Compliance Basic Policy formulated by the Holding Company, the Holding Company and Group companies shall make efforts to instill compliance awareness among all officers and employees, and shall comply with applicable laws and internal rules, etc. and shall carry out business activities based on high ethical standards.
(2) The Holding Company shall institute the Legal Compliance Rules as well as a Compliance Program as its implementation plan and monitor the status of the implementation to ensure compliance and develop corporate ethics. It shall also institute a Compliance Manual and revise it when necessary based on the business activities of the entire Group, management environment and other factors.
(3) The Holding Company shall create business units and systems such as a Compliance Department to be responsible for overall management of matters pertaining to compliance for the entire Group. It shall also establish a Quality Improvement and Compliance Committee to conduct monitoring of the status of the promotion of compliance, and necessary measures shall

be implemented with respect to matters confirmed by this committee. The Holding Company shall regularly report to the Board of Directors on the status of the promotion of compliance.

(4) The Holding Company shall also establish rules in the Legal Compliance Rules for reporting compliance issues discovered by officers and employees of the Holding Company and the Group companies. Upon receipt of a report, the Holding Company's Compliance Department shall work with the relevant departments and the Group companies to investigate the content of such reports and formulate measures to prevent recurrences.

(5) The Holding Company and the Group companies shall establish a system to eliminate any antisocial forces, in line with the Group's Basic Policy Concerning Antisocial Forces instituted by the Holding Company (e.g., establishing a business unit to respond to problems, introducing guidelines, developing a system for managing databases concerning antisocial forces, strengthening collaboration with outside organizations such as the police, etc.) and ensure that all officers and employees take a firm stand against antisocial forces and will not accept any unjustified or improper demands.

(6) When the Holding Company engages in transactions with related parties such as officers of the Group, the Holding Company shall conduct appropriate monitoring to ensure that such transactions do not harm the interests of the Group and the common interests of its shareholders, such as by requiring approval of the Board of Directors of competitive transactions and transactions with a conflict of interest.

(7) The Holding Company and Group insurance companies shall establish a system that ensures the compliance with the arm's length rule and the propriety of other transactions within the Group, etc. in line with the Basic Policy on Internal Group Transactions and Business Alliances instituted by the Holding Company.

(8) The Holding Company and domestic Group insurance companies shall establish a system to manage conflicts of interest based on the Group's Basic Policy for Management of Conflicts of Interest instituted by the Holding Company.

(9) The Holding Company and Group companies shall establish a system to manage outsourcing based on the Group's Basic Policy for Management of Outsourcing instituted by the Holding Company.

(10) The Holding Company and Group companies shall establish the Speak Up System (whistleblowing system), which shall enable all officers, employees, and others to report directly to internal and external contact points regarding violations of laws and regulations, violations of internal company rules, inappropriate actions, or actions that could lead to such violations by the organization or individuals, and shall strive to make all officers and employees informed of the system. In addition, the Holding Company shall institute rules for the operation of the Group's Speak Up System and thereby establish that there shall be no unfavorable treatment of whistleblowers as a result of their reporting, while it shall report to the Board of Directors on the status of the operation of the System.

(11) The Holding Company shall not encourage, approve nor instruct the Group companies or their officers and employees to engage in conduct that violates the law.

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

(1) The Holding Company and the Group companies shall conduct appropriate risk management by sharing a basic approach and also instituting risk management policies for each company according to the conditions of each company, in line with the Group's Risk Management Basic Policy instituted by the Holding Company.

(2) The Holding Company shall create business units and systems such as a Risk Management Department to have an understanding of various risks present within the Group and to conduct appropriate integrated risk management. An ERM Committee shall also be established, and necessary measures shall be taken to avoid and reduce risk based on the findings of this committee (including the confirmation results from integrated risk management (quantitative)).

(3) The Holding Company shall monitor risk and the status of risk management for the entire Group, shall integrate and quantify risks for the entire Group and confirm that the capital required for the entire Group is assured. The Holding Company shall report to the Board of Directors on the status of these initiatives, in consideration of the results of consultation and coordination by the ERM Committee.

(4) The Holding Company shall establish the Crisis Management System and the Business Continuity Management System for the entire Group in accordance with the Crisis Management Manual and restructuring plan instituted by the Holding Company to fulfill

corporate social responsibility and our responsibilities to stakeholders, and also establish the necessary systems to minimize damages caused by risks.

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

6. System for Assuring the Appropriateness of Calculations Related to Actuarial and Financial Soundness Indicators

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

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

8. System for Information Management (System for Management and Retention of Information Pertaining to Execution of Duties by Directors)
   (1) The Holding Company shall institute Corporate Information Management Regulations and shall properly retain and manage the documents pertaining to execution of duties by Directors and Executive Officers (which means important documents such as the minutes of the Board

of Directors and approval documents, including electronic data) as well as other company information. In addition, the Directors shall be able to access such information at all times.

(2) The Holding Company and the Group companies shall establish a system to ensure the proper handling and secure management of customer information based on the Group's Basic Policy for Management of Personal Information and the Basic Policy on the Handling of Customer Information of Corporate Clients, etc., instituted by the Holding Company.

9. System for Assuring the Effectiveness of Auditing by the Audit and Supervisory Committee

(1) System Pertaining to Employees Assisting with the Duties of the Audit and Supervisory Committee, as well as Assuring Independence of Such Employees and the Effectiveness of Instructions to Such Employees

(i) To support the duties of the Audit and Supervisory Committee, the Holding Company establishes a Secretariat ("Audit and Supervisory Committee Secretariat") with dedicated employees.

(ii) The Holding Company's Directors (excluding Audit and Supervisory Committee Members) shall respect the independence of the Audit and Supervisory Committee Secretariat while organizational changes in the Audit and Supervisory Committee Secretariat as well as transfer or discharge of the employees described above shall obtain consent from the Audit and Supervisory Committee. Employee evaluation shall also be conducted upon consultation with the Audit and Supervisory Committee.

(2) System for Reporting to the Audit and Supervisory Committee

(i) When the Holding Company's Directors (excluding Audit and Supervisory Committee Members) and Executive Officers are aware of any serious violations of applicable law or the Articles of Incorporation or inappropriate conduct regarding the execution of duties, or facts that may cause serious harm to the Company, they shall promptly report such to the Audit and Supervisory Committee.

(ii) The Holding Company's Directors (excluding Audit and Supervisory Committee Members) and Executive Officers shall make reports to the Audit and Supervisory Committee promptly regarding any decisions that will significantly affect businesses or organizations, the findings of internal audits, the status of whistleblowing and other matters to be reported to the Audit and Supervisory Committee, through the process instituted in consultation with the Audit and Supervisory Committee.

(iii) Officers, employees, and others of the Holding Company and the Group companies shall directly report to the Audit and Supervisory Committee of the Holding Company regarding serious violations of laws and regulations, violations of internal company rules, inappropriate conduct, or those that could lead to such violations.

(iv) The Holding Company and the Group companies shall not subject persons making reports as described in items (i) to (iii) above to any unfavorable treatment for the reason that they have made such reports.

(3) System for Command and Supervision over the Internal Auditing Department

(i) The Audit and Supervisory Committee may, as necessary, issue instructions to the internal auditing department, and the internal auditing department shall, based on such instructions, conduct internal audits and monitoring of internal audits conducted by Group companies.

(ii) The internal auditing department of the Holding Company shall report to the Audit and Supervisory Committee on the results of internal audits and monitoring of internal audits conducted by Group companies.

(iii) The internal auditing department of the Holding Company shall obtain the consent of the Audit and Supervisory Committee with respect to the Group Internal Audit Basic Policy, the internal audit rules, and the internal audit plan prior to obtaining approval from the Board of Directors.

(iv) The Holding Company shall obtain the consent of the Audit and Supervisory Committee prior to making decisions regarding the appointment or dismissal and performance evaluation of the head of the internal auditing department.

(4). Other Matters

(i) The Holding Company shall clearly state in the relevant rules, etc. that, in addition to the Board of Directors, Audit and Supervisory Committee Members may also attend meetings of the Group Management Committee and other important meetings.

(ii) The Holding Company's Chairman & Director, Vice Chairman & Director, President & Director, and Representative Directors shall regularly exchange opinions with the Audit and Supervisory Committee pertaining to issues that must be addressed by the Holding Company, the development status of the auditing environment for the Audit and Supervisory Committee, important auditing issues, and other matters.

(iii) When requested by an Audit and Supervisory Committee Member for advance payment or reimbursement, etc. of expenses under Article 399-2, Paragraph 4 of the Companies Act with respect to the execution of his or her duties, the Holding Company shall conduct procedures in accordance with the provisions of that Article.

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

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

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

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

The Company has established its Corporate Philosophy (Mission), Corporate Vision, and Code of Conduct (Values) ("MVV") as the image of the corporate group we aspire to become, and is working to instill the MVV in order to realize and achieve the image. The Company and Group companies both in Japan and overseas conducted employee awareness surveys related to the MVV, etc., and reported to the Board of Directors regarding the status of the creation of corporate culture and its implementation at each Group company. In FY2025, in light of various issues including price fixing and unauthorized sharing of customer information among insurance companies, the Group has reaffirmed the importance of MVV across all employees through initiatives such as the dissemination of top management messages, with the aim of fostering a sound corporate culture. The Group will continue to work toward customer-focused business operations and the renewed thorough enforcement of compliance, which form the foundation of the FY2026 Group Management Plan.

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

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

To incorporate outside perspectives independent from management, strengthen monitoring and supervisory functions, and conduct highly transparent management, seven (7) of the thirteen (13) Directors, which constitutes a majority, are Outside Directors (including four (4) women) (as of March 31, 2026). Outside Directors receive advance briefings concerning agenda documents for meetings of the Board of Directors.

The Company sets the management numerical targets for each business domain in the FY2026 Group Management Plan, allocates capital based on the Risk Appetite Statements to the operating companies, and reports monthly performance at the Group Management Committee to verify the status of progress with respect to the income and expenditure plans.

The Company will remain committed to ensure soundness, enhance our return on risks, and improve capital efficiency, positioning the ERM cycle as the base of Group management.

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

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

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

In light of various issues including price fixing and unauthorized sharing of customer information among insurance companies, we are working to reinforce our systems to ensure thorough legal and regulatory compliance and to promote corporate ethics throughout the organization.

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

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

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

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

5. System for Assuring the Reliability of Financial Reporting

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

6. System for Assuring the Appropriateness of Calculations Related to Actuarial and Financial Soundness Indicators

The Company has established a Group Chief Actuary and a verification unit to support this function, and has developed a verification framework, including the establishment of validation standards for the solvency margin ratio (statutory ESR) and insurance liabilities, in preparation for the full implementation of economic value-based solvency regulations (new capital regulations) and IFRS from March 31, 2026.

7. System for Assuring the Effectiveness of Internal Audit

The Company and the domestic insurance companies of the Group formulate internal audit plans that cover all aspects of the Group's business activities and are tailored to the amount and types of risks faced, while important operational processes are also verified in a cross-departmental manner. Through such measures, the Group conducts efficient and effective internal audits.

In connection with the transition to a Company with an Audit and Supervisory Committee in June 2025, the Company revised the Group's internal audit system in August 2025 with the aim of enhancing the effectiveness of the organizational audit framework, and strengthened the coordinating functions of the Company's internal audit department. Also, the Company has developed systems that use monitoring and other means to verify and promote the improvement of internal audit systems and internal management systems at the domestic insurance companies of the Group.

Also, the Company has developed systems that use monitoring and other means to verify and promote the improvement of internal audit systems and internal management systems at the domestic insurance companies of the Group. In addition, the Board of Directors receives annual reports on circumstances at each company.

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

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

9. System for Assuring the Effectiveness of Auditing by the Audit and Supervisory Committee

   (1) Matters Pertaining to Employees Assisting with the Duties Performed by Audit and Supervisory Committee Members

   The Holding Company has assigned four (4) employees to the Audit and Supervisory Committee Secretariat and conducts personnel changes with the approval of the Audit and Supervisory Committee.

   (2) System for Reporting to Audit and Supervisory Committee Members

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

   (3) Other Systems for Assuring the Effectiveness of Auditing by the Audit and Supervisory Committee

   In addition to meetings of the Board of Directors, the Audit and Supervisory Committee Members also attend other important meetings such as those of the Group Management Committee and Task Specific Committee Meetings.

   In addition, the Chairman & Director, Vice Chairman & Director, President & Director, and Representative Directors hold regular meetings to exchange opinions with Audit and Supervisory Committee Members.

9. Matters Concerning Specified Wholly Owned Subsidiaries

(Yen in millions)

Corporate name	Location	Carrying amount of the stock of the specified wholly owned subsidiary at the end of current fiscal year
Mitsui Sumitomo Insurance Co., Ltd.	9, Kanda Surugadai 3-chome, Chiyoda-ku, Tokyo	645,675
Aioi Nissay Dowa Insurance Co., Ltd.	28-1, Ebisu 1-chome, Shibuya-ku, Tokyo	510,643

(Note) Total assets of the Company at the end of the current fiscal year amounted to 1,752,747 million yen.

10. Matters Concerning Transactions with the Parent Company etc.

Not applicable.

11. Matters Concerning Accounting Advisors

Not applicable.

12. Other Matters

Not applicable.

FY2025 CONSOLIDATED BALANCE SHEET (As of March 31, 2026)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash, deposits and savings	**1,920,411**	**Policy liabilities:**	**20,609,647**
Call loans	**30,000**	Outstanding claims	3,620,722
Receivables under resale agreements	**241,767**	Underwriting reserves	16,988,925
Monetary claims bought	**345,541**	**Bonds issued**	**998,406**
Money trusts	**2,983,287**	**Other liabilities**	**1,595,787**
Investments in securities	**19,769,551**	**Liabilities for pension and retirement benefits**	**118,780**
Loans	**795,544**	**Reserve for retirement benefits for officers**	**34**
Tangible fixed assets:	**447,859**	**Accrued bonuses for employees**	**54,995**
Land	203,428	**Provision for share awards**	**1,677**
Buildings	164,950	**Reserves under the special laws:**	**249,125**
Lease assets	42,708	Reserve for price fluctuation	249,125
Construction in progress	1,534	**Deferred tax liabilities**	**183,486**
Other tangible fixed assets	35,237	**Acceptances and guarantees**	**3,733**
Intangible fixed assets:	**453,736**	**Total liabilities**	**23,815,675**
Software	158,215	(Net Assets)	
Goodwill	126,666	**Common stock**	**101,367**
Lease assets	63	**Capital surplus**	**203,026**
Other intangible fixed assets	168,790	**Retained earnings**	**2,485,352**
Other assets	**1,434,247**	**Treasury stock**	**(150,623)**
Assets for retirement benefits	**186,628**	**Total shareholders' equity**	**2,639,123**
Deferred tax assets	**38,598**	**Net unrealized gains/(losses) on securities**	**1,643,559**
Customers' liabilities under acceptances and guarantees	**3,733**	**Net deferred gains/(losses) on hedges**	**(35,927)**
Bad debt reserve	**(10,091)**	**Foreign currency translation adjustments**	**504,536**
		Accumulated actuarial gains/(losses) on retirement benefits	**90,105**
		Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	**(72,374)**
		Total accumulated other comprehensive income/(loss)	**2,129,900**
		Stock acquisition rights	**192**
		Non-controlling interests	**55,925**
		Total net assets	**4,825,140**
Total assets	**28,640,815**	**Total liabilities and net assets**	**28,640,815**

FY2025 CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2025 to: March 31, 2026)

(Yen in millions)

Item	Amount	Item	Amount
Ordinary income	**7,653,030**	**Extraordinary income:**	**31,421**
Underwriting income:	**5,762,541**	**Gains on sales of fixed assets**	**2,419**
Net premiums written	5,004,799	**Gains on sales of shares of subsidiaries and associates**	**26,395**
Deposit premiums from policyholders	26,297	**Reversal of reserves under special laws**	**2,606**
Investment income on deposit premiums from policyholders	31,936	Reserve for price fluctuation	2,606
Life insurance premiums	657,261	**Extraordinary losses:**	**99,408**
Other underwriting income	42,246	**Losses on sales of fixed assets**	**4,665**
Investment income:	**1,813,022**	**Impairment losses on fixed assets**	**33,703**
Interest and dividends income	549,193	**Other extraordinary losses**	**61,040**
Investment gains on money trusts	275,114	**Income before income taxes**	**1,052,242**
Investment gains on trading securities	79,343	**Income taxes – current**	**231,828**
Gains on sales of securities	615,680	**Income taxes – deferred**	**28,548**
Gains on redemption of securities	3,187	**Total income taxes**	**260,377**
Investment gains on separate accounts	122,441	**Net income**	**791,864**
Other investment income	199,999	**Net income attributable to non-controlling interests**	**4,525**
Transfer of investment income on deposit premiums from policyholders	(31,936)	**Net income attributable to owners of the parent**	**787,339**
Other ordinary income:	**77,466**		
Gains on equity method investments	36,805		
Other ordinary income	40,660		
Ordinary expenses	**6,532,800**		
Underwriting expenses:	**5,231,944**		
Net claims paid	2,430,599		
Loss adjustment expenses	291,913		
Commissions and collection expenses	916,430		
Maturity refunds to policyholders	132,564		
Dividends to policyholders	64		
Life insurance claims	457,198		
Provision for outstanding claims	280,540		
Provision for underwriting reserves	718,580		
Other underwriting expenses	4,052		
Investment expenses:	**370,700**		
Investment losses on money trusts	75,325		
Losses on sales of securities	227,851		
Impairment losses on securities	5,104		
Losses on redemption of securities	303		
Losses on derivative transactions	37,240		
Other investment expenses	24,875		
Operating expenses and general and administrative expenses	**872,531**		

(Yen in millions)

Item	Amount	Item	Amount
Other ordinary expenses:	**57,624**		
Interest expense	15,539		
Provision for doubtful accounts	1,299		
Losses on bad debts	420		
Other ordinary expenses	40,365		
Ordinary profit	**1,120,230**		

FY2025 CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2025 to: March 31, 2026)

(Yen in millions)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	101,367	345,130	2,135,307	(285,533)	2,296,271
Changes for the year					
Dividends paid			(225,191)		(225,191)
Net income attributable to owners of the parent			787,339		787,339
Repurchase of treasury stock				(221,499)	(221,499)
Disposal of treasury stock		(295)		2,692	2,396
Cancellation of treasury stock		(141,615)	(212,102)	353,717	-
Changes in equity resulting from transactions with non-controlling shareholders		(192)			(192)
Net changes of items other than shareholders' equity					
Total changes for the year	-	(142,103)	350,045	134,910	342,852
Ending balance	101,367	203,026	2,485,352	(150,623)	2,639,123

	Accumulated other comprehensive income/(loss)						Stock acquisition rights	Non-controlling interests	Total net assets
	Net unrealized gains/(losses) on securities	Net deferred gains/(losses) on hedges	Foreign currency translation adjustments	Accumulated actuarial gains/(losses) on retirement benefits	Net unrealized gains/(losses) on policy liabilities for foreign subsidiaries, etc.	Total accumulated other comprehen-sive income/(loss)			
Beginning balance	1,392,499	(28,389)	406,348	20,118	(86,497)	1,704,079	266	52,217	4,052,835
Changes for the year									
Dividends paid									(225,191)
Net income attributable to owners of the parent									787,339
Repurchase of treasury stock									(221,499)
Disposal of treasury stock									2,396
Cancellation of treasury stock									-
Changes in equity resulting from transactions with non-controlling shareholders									(192)
Net changes of items other than shareholders' equity	251,060	(7,537)	98,188	69,987	14,122	425,820	(73)	3,707	429,453
Total changes for the year	251,060	(7,537)	98,188	69,987	14,122	425,820	(73)	3,707	772,305
Ending balance	1,643,559	(35,927)	504,536	90,105	(72,374)	2,129,900	192	55,925	4,825,140

CONSOLIDATED EXPLANATORY NOTES

(Significant Accounting Policies)

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

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 99 companies

Major consolidated subsidiaries are as follows:

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

Changes in scope of consolidation

PT. MSIG Sharia Life Insurance Indonesia and two other companies were established and have been included in the scope of consolidation from the current fiscal year.
MSIG Insurance Europe AG and six other companies ceased to be subsidiaries due to merger-related dissolution and other factors, and have been excluded from the scope of consolidation from the current fiscal year.

(2) Unconsolidated subsidiaries

Major unconsolidated subsidiaries are as follows:

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

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

2. Application of the equity method

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

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

Sumitomo Mitsui DS Asset Management Company, Limited
BOCOM MSIG Life Insurance Company Limited

Changes in scope of application of the equity method

As Symphony Partners LLC became an affiliate through its establishment, this company has been included in the scope of application of the equity method from the current fiscal year. As Challenger Limited is no longer an affiliate due to the sale of its shares, the company has been excluded from the scope of application of the equity method from the current fiscal year.

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

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

(4) MSI, a consolidated subsidiary, entered into a strategic alliance agreement during the current fiscal year with the founding family (the "Family") of W. R. Berkley Corporation ("WRB"). Pursuant to this arrangement, MSI and the Family formed a strategic relationship and, during the current fiscal year, established Symphony Partners LLC as a platform for ongoing cooperation between the parties, and MSI acquired issued common shares of WRB. In addition, with respect to the exercise of voting rights associated with the WRB shares acquired by MSI, such voting rights are managed under this arrangement from the perspective of aligning the exercise of voting rights attributable to the respective holdings of MSI and the Family.

One of the principal purposes of these arrangements is the joint exercise of voting rights associated with WRB shares, through which MSI exercises significant influence over WRB together with the Family. The equity method has been applied to the WRB shares, which are assets related to the arrangement, and the portion over which MSI holds rights is included in available-for-sale securities.

3. Fiscal year of consolidated subsidiaries

The fiscal year end of 90 overseas consolidated subsidiaries is December 31, but since the difference with the end of the consolidated fiscal year does not exceed three months, the financial statements for the fiscal year of the relevant consolidated subsidiaries are used in preparing these consolidated financial statements.

Adjustments necessary for consolidation are made for significant transactions during the intervening period of the end of the consolidated fiscal year.

4. Accounting policies

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

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

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

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

(iv) Debt securities and money trusts earmarked for underwriting reserves are valued at amortized cost determined by the moving average method in accordance with Industry Audit Committee Report No. 21 "Temporary Treatment of Accounting and Auditing Concerning Debt Securities Earmarked for Underwriting Reserve in the Insurance Industry" (issued by the Japanese Institute of Certified Public Accountants on November 16, 2000).
A summary of the risk management policy for debt securities and money trusts earmarked for underwriting reserves is as follows:
In order to manage risks of variability in interest rates related to assets and liabilities effectively, MSAL, our consolidated subsidiary, establishes subgroups of "individual insurance" that meet certain criteria for each type of insurance and investment policy and applies the investment policy and cash allocation policy reflecting their characteristics. In addition, MSAL periodically assesses whether the durations of the debt securities earmarked for underwriting reserves fall within a certain range from those of the underwriting reserves in each subgroup.
In order to manage risks of variability in interest rates related to assets and liabilities effectively, MSPL, our consolidated subsidiary, establishes subgroups of "individual insurance and individual annuities" that meet certain criteria for each currency and applies the investment policy and cash allocation policy reflecting their characteristics. In addition, MSPL periodically assesses whether the durations of the debt securities earmarked for underwriting reserves fall within a certain range from those of the underwriting reserves in each subgroup.

(v) Available-for-sale securities (except for stocks and other securities without market prices) are generally valued using the market value method.
Net unrealized gains and losses are reported as a separate line item of net assets. For foreign currency bonds held by certain consolidated subsidiaries, changes resulting from fair value fluctuations denominated in foreign currency are reported as net unrealized gains and losses in net assets, while remaining changes are reported as foreign exchange gains and losses.
Cost of sales is calculated by the moving average method.
WRB shares held by MSI, a consolidated subsidiary, are classified as available-for-sale securities. However, the equity method is applied to such shares. Refer to "2. Application of the equity method (4)."

(vi) Of available-for-sale securities, stocks and other securities without market prices are valued at cost using the moving average method.

(vii) Securities managed as trust assets held in independently-managed money trusts whose primary purpose is to manage securities are valued using the market value method.
Securities that are managed as trust assets held in independently-managed money trusts that are not classified as held for trading purposes, held-to-maturity, or earmarked for underwriting reserves are valued on the same basis as available-for-sale securities.

(2) Valuation policies and methods of derivative transactions

Derivative transactions are valued using the market value method.

(3) Depreciation methods of significant depreciable assets

(i) Tangible fixed assets

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

(ii) Intangible fixed assets

Amortization of intangible fixed assets is computed using the straight-line method. Capitalized software for internal use is amortized by the straight-line method over its estimated useful life.

(4) Accounting policies for significant reserves

(i) Bad debt reserve

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

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

Bad debt reserve for loans to debtors who are likely to become insolvent in the future is provided based on the outstanding balance remaining after deducting the resale value of collateral, the amount collectible through guarantees and the amount expected to be repaid by the debtors considering their overall ability to pay.

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

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

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

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

(ii) Reserve for retirement benefits for officers

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

(iii) Accrued bonuses for employees

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

(iv) Provision for share awards

To provide for the delivery of the Company’s shares in accordance with the share delivery standards under the stock-based remuneration system for employees, the

Company records a reserve based on the estimated amount of share award obligations as of the end of the current fiscal year.

(v) Reserve for price fluctuation

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

(5) Accounting for retirement benefits

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

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

(ii) Accounting for actuarial gains and losses

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

(6) Translation of foreign currency assets and liabilities

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

(7) Hedge accounting

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

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

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

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

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

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

(ii) Accounting for consumption taxes
Consumption taxes received or paid by the Company and its major domestic consolidated subsidiaries are not included in income or expenses, except for those relating to loss adjustment expenses, operating expenses and general and administrative expenses, and other expenses incurred by the domestic consolidated non-life insurance subsidiaries, which are recorded at amounts inclusive of consumption taxes.
Non-deductible consumption taxes on assets are recorded in other assets and amortized over a period of five (5) years on a straight-line basis.

(iii) Application of the Group Tax Sharing System
The Company and some of its domestic consolidated subsidiaries apply the Group Tax Sharing System.

5. Amortization of goodwill

Goodwill is amortized over an effective period from 10 to 20 years on a straight-line basis. Insignificant amounts of goodwill are expensed as incurred.

6. Accounting estimates

(1) Impairment losses on goodwill

(i) Amount recorded in the consolidated financial statements for the current fiscal year
Goodwill of 126,666 million yen was recognized in the consolidated balance sheet for the current fiscal year.
In addition, goodwill related to equity method investments of 280,390 million yen was included in investments in securities in the consolidated balance sheet for the current fiscal year. The balance of goodwill arising from the acquisition of WRB shares at the end of the current fiscal year was 254,648 million yen. However, this amount has been provisionally calculated because the allocation of the acquisition cost had not been completed as of the current fiscal year, and it may be subject to change depending on the results of the allocation of the acquisition cost.

(ii) Information to facilitate the understanding of accounting estimates

a. Measurement approach
For asset groups including goodwill whose invested amount is not recoverable due to decline of profitability, an impairment loss should be recognized by reflecting its recoverability under certain conditions. More specifically, in accordance with the “Accounting Standard for Impairment of Fixed Assets” (ASBJ Statement, August 9,

2002), the Company monitors any indication of impairment, such as consecutive net losses in the business in which asset groups including goodwill are used and/or a significant deterioration of the business environment, and if there is an indication of impairment, the Company determines whether an impairment loss should be recognized by comparing the total amount of undiscounted future cash flows obtained from the asset groups concerned with the carrying amount. For asset groups on which an impairment loss needs to be recognized, the carrying amount is reduced to the recoverable amount and an impairment loss is recognized for the amount of reduction.

We have estimated the total undiscounted future cash flows based on the business plans of the relevant businesses. The recoverable amount represents present value of future cash flows expected to be derived from continuing use of the asset groups and from their disposal thereafter and the amount of an impairment loss relies on estimated future cash flows based on reasonable assumptions and projections.

b. Effects on the consolidated financial statements for the fiscal year ending March 31, 2027

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

(2) Outstanding claims

(i) Amount recorded in the consolidated financial statements for the current fiscal year

Outstanding claims of 3,620,722 million yen were recognized in the consolidated balance sheet for the current fiscal year. Of this amount, outstanding claims of non-life insurance business accounted for a substantial portion.

(ii) Information to facilitate the understanding of accounting estimates

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

a. Measurement approach

For insurance policies for which loss events have been reported, the Group individually recognized expected claims payments for reported claims based on the details of reported loss events, insurance contract terms, and claim investigations.

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

b. Effects on the consolidated financial statements for the fiscal year ending March 31, 2027

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

7. Additional information

(Stock-based remuneration system for employees)

The Company has entered into a stock-based remuneration system for employees (the “system”) of its consolidated subsidiaries MSI, ADI, Mitsui Direct General Insurance Co., Ltd., MSAL, and MSPL (the “Participating Companies”).

(1) Overview of the transaction

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

(2) Company shares outstanding in the trust

The Company’s shares outstanding in the trust are recorded at the carrying amount in the trust (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 2,418 million yen, and the number of shares is 1,781 thousand.

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

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

(1) Overview of the transaction

Under this system, the number of shares to be granted is determined based on the average performance during a certain period of time, and eligible staff receive the Company’s shares or the cash equivalent to the Company’s shares converted at fair value.
In preparing for future benefits, the Company acquires its own shares from the stock market by the trusts that have been set up using the cash contributed by subsidiaries that implemented the system.

(2) Company shares outstanding in the trusts

The Company’s shares outstanding in the trusts are recorded at the carrying amount in the trusts (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 1,864 million yen, and the number of shares is 1,699 thousand.

(Notes to Consolidated Balance Sheet)

1. The amount of accumulated depreciation and accelerated depreciation of tangible fixed assets are 446,907 million yen and 9,980 million yen, respectively.

2. The carrying amounts of equity investments in unconsolidated subsidiaries and associates are as follows:

	(Yen in millions)
Investments in securities (Domestic stocks)	44,955
Investments in securities (Foreign securities)	350,269
Investments in securities (Other securities)	35,099

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

(1) The amount for bankrupt and quasi-bankrupt loans is 4 million yen.
Bankrupt and quasi-bankrupt loans are claims to debtors that went bankrupt due to reasons including the initiation of bankruptcy proceedings, the start of reorganization proceedings, and the submission of an application to start rehabilitation proceedings.

(2) There were no amounts corresponding to doubtful loans.
Doubtful loans are claims with a strong possibility that the loan principal cannot be recovered and/or the interest cannot be received according to the contract due to difficulties in the financial condition and business performance of the debtor, even though the debtor is not yet bankrupt. These loans are excluded from bankrupt and quasi-bankrupt loans.

(3) The amount for loans overdue for three months or more is 68 million yen.
Loans overdue for three months or more represent those of which the principal or interest has been past due for three months or more after the contractual due date for repayments of the principal or interest. Bankrupt and quasi-bankrupt loans and doubtful loans are excluded from this category.

(4) The amount for restructured loans is 44 million yen.
Restructured loans represent those which have been granted favorable terms for the benefit of the debtors, such as interest exemption or reduction, a grace period for interest payments, a grace period for principal repayments or forgiveness of debts for the purpose of the restructuring of, or support to the debtors in financial difficulty. Bankrupt and quasi-bankrupt loans, doubtful loans, and loans overdue for three months or more are excluded from this category.

(5) The amount of bankrupt and quasi-bankrupt loans, doubtful loans, loans overdue for three months or more, and restructured loans totals 116 million yen.

4. Pledged assets as collateral are 948,352 million yen in securities, 33,660 million yen in cash, deposits and savings, and 3,293 million yen in money trusts. The amounts shown above primarily consist of collateral assets required for payables under repurchase agreements of 233,730 million yen included in Other liabilities, for international operations and for Real Time Gross Settlement of the current account with the Bank of Japan.

5. Securities include 461,894 million yen of securities loaned under securities lending agreements.

6. Of the commercial paper received under resale agreements and the securities received through reinsurance transactions, the amounts over which the Group has the right to freely dispose of including through sale or repledge were 241,767 million yen for commercial paper and 5,212 million yen for securities, all of which were held by the Group.

7. The amount of assets and liabilities in separate accounts under Article 118 of the Insurance Business Act is 1,204,769 million yen.

8. MSI provides guarantees on transactions conducted by a limited partnership entity. Aggregate net present value of these transactions is negative 8,794 million yen in a negative liability position as of March 31, 2026. This amount was not included in Customers' liabilities under acceptances and guarantees since there was no substantial exposure after taking collateral and other factors into consideration.

9. The unutilized balance of commitment lines to third parties is 5,348 million yen.

10. The information on financial instruments is as follows:

(1) Qualitative information on financial instruments

(i) Policy on financial instruments

The Group applies Asset and Liability Management (ALM) policies to maintain stability of investment income, safety of assets and sufficient liquidity under an appropriate risk management framework to attain the sustainable growth of the net asset value. In addition, the Group acquires investment risks such as market risk and credit risk based on the management decision, and manages those risks in accordance with the risk management policies of the Group and each group company.

The Group's cash inflows, which mainly arise from earnings from insurance operations and investment activities, are affected by changes in external environment such as occurrences of natural disasters and changes in financial market conditions. In order to enhance capital efficiency and strengthen our financial base for better dealing with various environments, the Group will raise funds by issuing corporate bonds or short-term corporate bonds or by using other financing methods as the need arises.

(ii) Details of financial instruments and associated risks

The Group's financial assets mainly consist of securities including domestic bonds, domestic stocks and foreign securities, as well as loans and other financial instruments. These include market risk from fluctuations in interest rates, stock prices, and foreign exchange rates, credit risk of issuers of securities and counterparties to loans, and market liquidity risk of incurring losses when forced to trade at significantly low prices due to market turmoil or other adverse conditions.

The Group utilizes derivative transactions represented by interest rate swaps, interest rate options, bond future contracts, bond option contracts, equity index future contracts, equity forward contracts, foreign exchange forward contracts, currency swaps, currency options, and interest rate and currency swaps for the purpose of hedging risks such as fluctuations in interest rates, stock prices and foreign exchange rates. In addition to the above derivative transactions, the Group utilizes credit derivatives, weather derivatives, and natural catastrophe derivatives in order to generate investment returns with consideration given to the associated risks.

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

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

(iii) Risk management structure relating to financial instruments

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

a. Market risk management

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

b. Credit risk management

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

c. Liquidity risk management

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

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

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

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

The carrying amounts on the consolidated balance sheets and the fair values, and each level of fair values of financial instruments as of March 31, 2026 are as follows.

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

- Level 1: Fair value measured using (unadjusted) quoted prices in active markets for identical assets or liabilities
- Level 2: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs
- Level 3: Fair value measured using significant unobservable inputs

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

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

(Yen in millions)

Category	Carrying amount			
	Level 1	Level 2	Level 3	Total
Monetary claims bought	-	327,975	1,127	329,103
Money trusts	-	1,747,128	1,236,159	2,983,287
Investments in securities				
Trading securities				
Domestic bonds	56,864	2,764	-	59,628
Domestic stocks	1,208	-	-	1,208
Foreign securities	647,176	771,498	140,799	1,559,474
Others	12,185	1,192,919	-	1,205,105
Available-for-sale securities				
Domestic bonds	1,902,934	1,299,868	-	3,202,802
Domestic stocks	2,313,003	-	-	2,313,003
Foreign securities	1,540,508	3,952,068	533,548	6,026,125
Others	68,214	167,034	20,073	255,322
Derivative transactions (*1)				
Currency	-	15,300	-	15,300
Interest rate	115	19,303	-	19,418
Stock	1,101	-	-	1,101
Bond	3,547	2,228	-	5,775
Credit	-	860	-	860
Others	-	-	367	367
Total assets	6,546,859	9,498,950	1,932,076	17,977,886
Derivative transactions (*1)				
Currency	-	37,087	-	37,087
Interest rate	28	30,234	-	30,262
Bond	2,461	3,244	-	5,706
Credit	-	4,406	-	4,406
Others	-	-	725	725
Total liabilities	2,489	74,973	725	78,188

(*1) The carrying amounts of derivative transactions applying hedge accounting are 3,244 million yen as an asset and 20,400 million yen as a liability.

(ii) Financial assets and financial liabilities that are not measured at fair value on the consolidated balance sheet
Cash, deposits, call loans, and receivables under resale agreements are not included in the notes as they are mostly short-term (within one year), and their fair values approximate their carrying amounts.

(Yen in millions)

Category	Fair value				Carrying amount	Difference
	Level 1	Level 2	Level 3	Total		
Monetary claims bought	-	16,437	-	16,437	16,437	-
Investments in securities						
Held-to-maturity securities						
Domestic bonds	962,747	84,786	-	1,047,534	1,293,483	(245,949)
Foreign securities	-	3,346	-	3,346	3,291	55
Debt securities earmarked for underwriting reserves						
Domestic bonds	908,818	83,837	-	992,655	1,943,426	(950,770)
Foreign securities	42,422	457,969	-	500,391	511,443	(11,051)
Available-for-sale securities						
Foreign securities (*1)	622,887	-	-	622,887	686,946	(64,059)
Shares of associates	190,100	6,993	-	197,093	38,597	158,496
Loans					795,544	
Bad debt reserve (*2)					(200)	
	-	107,030	665,011	772,041	795,343	(23,301)
Total assets	2,726,976	760,402	665,011	4,152,389	5,288,971	(1,136,581)
Bonds issued	-	616,346	356,391	972,738	998,406	(25,668)
Total liabilities	-	616,346	356,391	972,738	998,406	(25,668)

(*1) This amount includes WRB shares held by MSI, a consolidated subsidiary. Refer to “2. Application of the equity method (4).”

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

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

Assets

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

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

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

Loans
For floating rate loans, the carrying amount is used as fair value since the carrying amounts approximate the fair value contingent on no significant changes in the credit conditions of the

debtor and because the floating rates on the loans reflect market interest rates over short periods of time. For fixed rate loans, the present value is calculated by discounting the future cash flows by the interest rate obtained by adding a credit spread to an appropriate index, such as yields on government bonds, for each loan type, term, and credit rating. The fair value of certain personal loans is determined at the net present value of the estimated future cash flows discounted at interest rates applicable to the same type of new loans. For some loans, the price provided by counterparty financial institutions is deemed the fair value. The carrying amount is used as the fair value of policy loans, which do not have contractual maturities, as the loan amount is limited to the surrender value, and the carrying amount approximates the fair value, considering their estimated repayment periods and interest rates.

For loans to bankrupt debtors, substantially bankrupt debtors, and potentially bankrupt debtors, the estimated bad debts are calculated based on the present value of estimated future cash flows or the amount expected to be collected through collateral and guarantees. Consequently, the fair value approximates the consolidated balance sheet amount less the current estimated bad debts, and this amount is used as the fair value.

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

Liabilities

Bonds issued

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

Derivative transactions

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

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

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

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

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

(Yen in millions)

Category	Beginning balance	Recorded in profit or loss for the current fiscal year (*1)	Recorded in other comprehen-sive income	Changes due to purchases, issues and sales, and settlements	Transfer to Level 3 fair value (*2) (*3)	Ending balance	Net evaluation gains/losses recorded in profit or loss on financial assets and financial liabilities held at the consolidated balance sheet date (*1)
Monetary claims bought	1,482	0	(21)	(333)	-	1,127	-
Money trusts	970,017	123,498	388	142,254	-	1,236,159	47,474
Investments in securities							
Trading securities	140,202	5,876	2,493	(7,772)	-	140,799	(2,890)
Available-for-sale securities	484,534	24,160	49,144	(6,625)	2,409	553,622	-
Total assets	1,596,236	153,534	52,005	127,523	2,409	1,931,708	44,584
Derivative transactions (*4)	506	241	-	(1,106)	-	(357)	(463)

(*1) Included in “Investment income” and “Investment expenses” of the consolidated statement of income.
(*2) Transfers between levels are made on the end of each quarter.
(*3) Transfer from Level 2 to Level 3 due to the fact that observable inputs are no longer available for foreign corporate bonds.
(*4) Derivative transactions included in Other assets and Other liabilities are presented together. Receivables and payables as well as gains and losses arising from derivative transactions are presented on a net basis, and items that result in a net payable or a net loss are shown in parentheses.

(2) Descriptions of the valuation process of fair value

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

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

(Yen in millions)

	Carrying amount
Stocks and other securities without market prices (*1)	486,852
Investments in partnerships etc. (*2)	182,839
Total	669,691

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

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

11. The information on investment properties is as follows:

(1) Qualitative information on investment properties

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

(2) Fair value information on investment properties

(Yen in millions)

Carrying amount	Fair value at the end of the current fiscal year
82,219	135,793

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

12. The amount of net assets per share is 3,286.85 yen. The amounts deducted from total net assets as the basis of calculation are 192 million yen for stock acquisition rights and 55,925 million yen for non-controlling interests, and the number of shares of common stock at the end of the fiscal year was 1,450,939 thousand shares.

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

(Notes to Consolidated Statement of Income)

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

(Yen in millions)

Insurance premiums revenue	1,785,416
Surrender benefits and reinsurance premiums paid	(1,128,154)
Life insurance premiums	657,261

2. Other underwriting income includes 8,394 million yen of income on financial derivatives related to derivative transactions for the purpose of mitigating foreign exchange risks related to reinsurance transactions denominated in foreign currencies.

3. Other investment income includes foreign exchange gains of 188,762 million yen.

4. Major components of business expenses are as follows:

Commission expenses	982,067 million yen
Salaries	362,588 million yen

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

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

(Yen in millions)

Use	Category	Description	Impairment losses on fixed assets		
				Breakdown	
Investment properties	Land and buildings	2 properties, including a building for rent in Hiroshima	531	Land	141
				Buildings	390
Idle real estate and real estate for sale	Land and buildings	15 properties, including an office building in Chiba	28,896	Land	7,343
				Buildings	21,553
-	Buildings, software, etc.	Buildings, software, etc. owned by overseas consolidated subsidiaries	4,274	Buildings	1,160
				Other tangible fixed assets	40
				Software	3,073

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

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

With respect to buildings, software, etc. owned by overseas consolidated subsidiaries, the carrying amounts were reduced to their recoverable amounts because recovery of the investment amount was no longer expected, and the amount of the reduction was recorded as an impairment loss on fixed assets under extraordinary losses.

6. The breakdown of other extraordinary losses is as follows:

Expenses related to the merger of domestic non-life insurance companies	42,529 million yen
Expenses related to the liquidation of overseas consolidated subsidiaries	9,840 million yen
Expenses related to the reorganization of continental European operations	5,768 million yen
Losses on sales of shares of subsidiaries and affiliates	2,901 million yen

7. Income taxes – current include negative 1,595 million yen in corporate income taxes for global minimum tax.

8. Net income per share is 528.87 yen, and diluted net income per share is 528.80 yen. Net income attributable to owners of the parent, which is the basis for the calculation, is 787,339 million yen, all of which is attributable to common stock. The average number of shares of common stock during the period is 1,488,714 thousand shares, and the increase in the number of shares of common stock, which was used for the calculation of diluted net income per share, is 178 thousand shares.

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

(Notes to Consolidated Statement of Changes in Net Assets)

1. Type and number of issued stock and treasury stock

(In thousands of shares)

	Beginning balance	Increase	Decrease	Ending balance
Shares issued				
Common stock	1,608,398	-	115,846	1,492,551
Total	1,608,398	-	115,846	1,492,551
Treasury stock				
Common stock	97,131	61,134	116,654	41,612
Total	97,131	61,134	116,654	41,612

(Notes)

1. The decrease of 115,846 thousand shares in the total number of common stock shares issued is due to the cancellation of treasury stock.
2. The number of treasury stock at the beginning and the end of the current fiscal year includes 3,601 thousand and 3,481 thousand shares, respectively, of the Company shares held in the trust established under the stock-based remuneration system.
3. The increase of 61,134 thousand shares in the number of treasury stock was due to an increase of 60,671 thousand shares from market purchases; an increase of 450 thousand shares from purchases by the trust established under the stock-based remuneration system; and an increase of 12 thousand shares from repurchases of fractional stock.
4. The decrease of 116,654 thousand shares in the number of treasury stock consisted of a decrease of 115,846 thousand shares due to the cancellation of treasury stock; a decrease of 571 thousand shares due to sales from the trust established under the stock-based remuneration system; a decrease of 169 thousand shares due to the allotment of restricted stock; a decrease of 66 thousand shares due to the exercise of stock acquisition rights; and a decrease of 0 thousand shares due to sales of fractional stock.

2. Stock acquisition rights

(Yen in millions)

Category	Breakdown	Ending balance
The Company	Stock acquisition rights as stock options	192
Total		192

3. Dividends

(1) Dividends paid

Resolution	Type of shares	Aggregate amount of dividends (Yen in millions)	Dividends per share (in Yen)	Date of record	Effective date
June 23, 2025 Annual Shareholders Meeting	Common stock	109,827	72.5	March 31, 2025	June 24, 2025
November 19, 2025 Board of Directors Meeting	Common stock	115,627	77.5	September 30, 2025	December 4, 2025

(Notes)

1. The total amount of dividends in accordance with a resolution passed at the June 23, 2025 Annual Shareholders Meeting includes dividends of 261 million yen for the Company shares held by the trust established under the stock-based remuneration system.
2. The total amount of dividends in accordance with a resolution passed at the November 19, 2025 Board of Directors meeting includes dividends of 269 million yen for the Company shares held by the trust established under the stock-based remuneration system.

(2) Dividends declared effective after March 31, 2026, for which the date of record is in the current fiscal year

Resolution	Type of shares	Aggregate amount of dividends (Yen in millions)	Source of dividends	Dividends per share (in Yen)	Date of record	Effective date
June 22, 2026 Annual Shareholders Meeting	Common stock	119,989	Retained earnings	82.5	March 31, 2026	June 23, 2026

(Note) The total amount of dividends in accordance with a resolution to be passed at the June 22, 2026 Annual Shareholders Meeting includes dividends of 287 million yen for the Company shares held by the trust established under the stock-based remuneration system.

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

FY2025 NON-CONSOLIDATED BALANCE SHEET (As of March 31, 2026)

(Yen in millions)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	**51,526**	**Current liabilities**	**26,486**
Cash and deposits	32,505	Accounts payable	4,657
Deposits paid to subsidiaries and associates	17,891	Accrued expenses	843
Prepaid expenses	40	Accrued income taxes	17,738
Other	1,088	Accrued consumption taxes	217
		Deposits received	17
Fixed assets	**1,701,220**	Accrued bonuses for employees	872
Tangible fixed assets	**158**	Other	2,139
Buildings	132		
Tools, furniture and fixtures	26	**Non-current liabilities**	**321,151**
		Bonds issued	299,900
Intangible fixed assets	**342**	Asset retirement obligations	245
Software	342	Deferred tax liabilities	19,945
		Other	1,060
Investments and other assets	**1,700,719**		
Investment securities	209,305		
Shares of subsidiaries and associates	1,425,548	**Total liabilities**	**347,638**
Investments in capital of subsidiaries and associates	65,864	(Net Assets)	
Other	1	**Shareholders' equity**	**1,356,315**
		Common stock	**101,367**
		Capital surplus	**730,622**
		Additional paid-in capital	730,622
		Other capital surplus	0
		Retained earnings	**673,084**
		Other retained earnings	673,084
		Retained earnings carried forward	673,084
		Treasury stock	**(148,759)**
		Valuation and translation adjustments	**48,601**
		Net unrealized gains/(losses) on securities	48,601
		Stock acquisition rights	**192**
		Total net assets	**1,405,109**
Total assets	**1,752,747**	**Total liabilities and net assets**	**1,752,747**

FY2025 NON-CONSOLIDATED STATEMENT OF INCOME

(from: April 1, 2025 to: March 31, 2026)

(Yen in millions)

Item	Amount	
Operating income		
Dividends from subsidiaries and associates	411,925	
Commissions from subsidiaries and associates	267	412,193
Operating expenses		
Sales and general administrative expenses	18,271	18,271
Operating profit		393,921
Non-operating income		
Dividends income	15,679	
Gains on forfeiture of unclaimed dividends	119	
Other	181	15,980
Non-operating expenses		
Interest on bonds	4,246	
Other	325	4,572
Ordinary profit		405,330
Extraordinary income		
Gains on sales of shares of subsidiaries and associates	51,411	51,411
Extraordinary losses		
Expenses related to the merger of subsidiaries	911	911
Income before income taxes		455,830
Income taxes – current	17,813	
Income taxes for global minimum tax	(1,595)	
Income taxes – deferred	(1,187)	15,029
Net income		440,800

FY2025 NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(from: April 1, 2025 to: March 31, 2026)

(Yen in millions)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings carried forward	Total retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	101,367	730,622	141,711	872,334	669,841	669,841	(283,140)	1,360,403
Changes for the year								
Dividends paid					(225,455)	(225,455)		(225,455)
Net income					440,800	440,800		440,800
Repurchase of treasury stock							(220,044)	(220,044)
Disposal of treasury stock			(96)	(96)			708	612
Cancellation of treasury stock			(141,615)	(141,615)	(212,102)	(212,102)	353,717	-
Net changes of items other than shareholders' equity								
Total changes for the year	-	-	(141,711)	(141,711)	3,243	3,243	134,381	(4,087)
Ending balance	101,367	730,622	0	730,622	673,084	673,084	(148,759)	1,356,315

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Net unrealized gains/(losses) on securities	Total valuation and translation adjustments		
Beginning balance	16,393	16,393	266	1,377,062
Changes for the year				
Dividends paid				(225,455)
Net income				440,800
Repurchase of treasury stock				(220,044)
Disposal of treasury stock				612
Cancellation of treasury stock				-
Net changes of items other than shareholders' equity	32,208	32,208	(73)	32,134
Total changes for the year	32,208	32,208	(73)	28,046
Ending balance	48,601	48,601	192	1,405,109

NON-CONSOLIDATED EXPLANATORY NOTES

(Notes on Significant Accounting Policies)

1. Valuation policies and methods of valuation of assets

(1) Shares of subsidiaries and associates are valued at cost determined by the moving average method.

(2) Available-for-sale securities (except for stocks and other securities without market prices) are valued using the market value method.
Net unrealized gains and losses are reported as a separate line item of net assets. Cost of sales is calculated by the moving average method.

(3) Of available-for-sale securities, stocks and other securities without market prices are valued at cost using the moving average method.

(4) Derivatives are valued using the market value method.

2. Depreciation methods of tangible fixed assets

Depreciation of tangible fixed assets is computed using the straight-line method.
Useful lives for major tangible fixed assets are as follows:

Buildings:	7 to 38 years
Furniture and Fixtures:	2 to 17 years

3. Amortization methods of intangible fixed assets

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

4. Accounting policies for reserves

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

5. Hedge accounting

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

6. Additional information

(Stock-based remuneration system for employees)

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

(1) Overview of the transaction

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

(2) Company shares outstanding in the trust

The Company's shares outstanding in the trust are recorded at the carrying amount (excluding the amount for incidental expenses) as treasury stock in the net assets. The carrying amount of this treasury stock at the end of the current fiscal year is 2,418 million yen, and the number of shares is 1,781 thousand.

(Notes to Balance Sheet)

1. Amount of accumulated depreciation of tangible fixed assets: 690 million yen
2. Amounts receivable from and payable to subsidiaries and associates

Short-term receivables	18,201 million yen
Short-term payable	2,800 million yen
Long-term payable	222,324 million yen

(Notes to Statement of Income)

Volume of transactions with subsidiaries and associates

Volume of operating transactions	
Operating income	412,193 million yen
Operating expenses	1,176 million yen
Volume in non-operating transactions	3,345 million yen

(Notes to Statement of Changes in Net Assets)

Class and number of treasury stock as of March 31, 2026
Common stock: 39,912,798 shares

(Notes on Tax Effect Accounting)

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

(Yen in millions)

Deferred tax assets	
Shares of subsidiaries and associates	6,288
Software	1,791
Carryforward of unused tax losses	940
Other	1,091
Subtotal: deferred tax assets	10,112
Valuation allowance for carryforward of unused tax losses	(940)
Valuation allowance for total deductible temporary differences	(6,768)
Subtotal: valuation allowance	(7,708)
Total deferred tax assets	2,403
Deferred tax liabilities	
Net unrealized gains/(losses) on securities	(22,349)
Total deferred tax liabilities	(22,349)
Net amount of deferred tax liabilities	(19,945)

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

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

(Notes on Related-Party Transactions)

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

Terms and conditions for transactions and the policy for determination thereof

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

(Notes on Per Share Information)

Net assets per share	967.14 yen
Net income per share	295.76 yen

Audit Report by Independent Auditor concerning Consolidated Financial Statements

Independent Auditor's Report

May 18, 2026

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

KPMG AZSA LLC
Tokyo Office

Masako Kanno
Designated and Engagement Partner
Certified Public Accountant

Koki Minowa
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of MS&AD Insurance Group Holdings, Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), for the fiscal year from April 1, 2025 to March 31, 2026 in accordance with Article 444-4 of the Companies Act.

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

Basis for audit opinion

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

Other information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of management and the Audit and Supervisory Committee for the consolidated financial statements

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

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

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

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

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

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

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

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

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

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

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

Interests

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

Notes to the reader of Independent Auditor's Report

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

- End -

Audit Report by Independent Auditor concerning Non-Consolidated Financial Statements

Independent Auditor's Report

May 18, 2026

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

KPMG AZSA LLC
Tokyo Office
Masako Kanno
Designated and Engagement Partner
Certified Public Accountant

Koki Minowa
Designated and Engagement Partner
Certified Public Accountant

Kenichi Ishii
Designated and Engagement Partner
Certified Public Accountant

Audit opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules ("the financial statements and the accompanying supplementary schedules") of MS&AD Insurance Group Holdings, Inc. ("the Company"), for the 18th fiscal year from April 1, 2025 to March 31, 2026 in accordance with Article 436, Paragraph 2 (1) of the Companies Act.

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

Basis for audit opinion

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

Other information

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

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

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

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

We have nothing to report in this regard.

Responsibilities of management and the Audit and Supervisory Committee for the financial statements and the accompanying supplementary schedules

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

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

The Audit and Supervisory Committee is responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

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

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

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

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

of application, as well as the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

<u>Interests</u>

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

<u>Notes to the reader of Independent Auditor's Report</u>

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

- End -

Certified copy of Audit Report by Audit and Supervisory Committee

Audit Report by Audit and Supervisory Committee

The Audit and Supervisory Committee audited the performance of duties by Directors during the 18th fiscal year from April 1, 2025 to March 31, 2026. The auditing method and the results of this audit are reported as follows.

1. Method and Content of Audit

   Regarding the details of the resolutions adopted by the Board of Directors pertaining to matters indicated by Article 399-13, Paragraph 1, (1), (b) and (c) of the Companies Act and the systems established under such resolutions (internal control systems), the Audit and Supervisory Committee periodically received reports from Directors, Executive Officers and employees concerning the status of the development and operation of the systems, obtained explanation as necessary, expressed opinions, and performed an audit according to the following method.

   (i) In accordance with items such as the Audit Policy and the Audit Plan established by the Audit and Supervisory Committee, we cooperated with the internal control department of the Company and attended important meetings, received reports from Directors, Executive Officers, and employees concerning matters pertaining to the performance of their duties, obtained explanation as necessary, examined important approval documents and inspected the operations and financial affairs of the Company. With respect to subsidiaries, we communicated and exchanged information with Directors and Audit & Supervisory Board Members of subsidiaries, and obtained reports regarding their operations as necessary.

   (ii) We further monitored and examined whether the Accounting Auditor maintained their independence and conducted the audit in an appropriate manner, as well as received reports concerning the performance of their duties and obtained explanation as necessary from the Accounting Auditor. We also received notice and explanation from the Accounting Auditor stating that they have in place "a system to ensure performance of duties in an appropriate manner" (matters provided for by each item of Article 131 of the Corporate Accounting Regulations) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council) and other applicable standards.

On the basis of the foregoing methods, we have reviewed the Business Report and the supplementary schedules thereto, consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and consolidated explanatory notes) and financial statements (the non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and non-consolidated explanatory notes) and the supplementary schedules thereto for the fiscal year under review.

2. Audit Results

(1) Results of Audit of Business Report

   (i) We conclude that Business Report and the supplementary schedules thereto fairly represent the status of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.

   (ii) We find no misconduct or material fact constituting a violation of any laws or regulations or the Articles of Incorporation of the Company in connection with the Directors' performance of their duties.

   (iii) We conclude that the resolutions adopted by the Board of Directors concerning the internal control systems are appropriate. We find nothing to be mentioned with respect to the description in the Business Report and the Directors' performance of their duties concerning the internal control systems. As explained in the Business Report, Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd. are making efforts to improve their business practices on the basis of their Business Improvement Plans established due to unauthorized sharing of customer information involving insurance agents and insurance companies and incidents of price fixing in the corporate insurance field. In response, the Company is working to regain the trust of society and our customers by reinforcing our management systems, strengthening governance, and ensuring thorough compliance across the entire Group. The Audit and Supervisory Committee will continue to monitor and verify these efforts from the point of view of strengthening Group governance.

(2) Results of Audit of Consolidated Financial Statements

We conclude that the methods of the audit used and the results of the audit reached by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

(3) Results of Audit of Financial Statements and Supplementary Schedules Thereto

We conclude that the methods of the audit used and the results of the audit reached by the Accounting Auditor, KPMG AZSA LLC, are appropriate.

May 20, 2026

Audit and Supervisory Committee, MS&AD Insurance Group Holdings, Inc.

Taisei Kunii, Audit and Supervisory Committee Member
Yukari Murayama, Audit and Supervisory Committee Member
Hideki Kawatsu, Audit and Supervisory Committee Member

(Note 1) Audit and Supervisory Committee Members Taisei Kunii and Yukari Murayama are Outside Directors as prescribed in Article 2, (15) and Article 331, Paragraph 6 of the Companies Act.

(Note 2) As a result of the resolution at the 17th Annual Shareholders held on Monday, June 23, 2025, effective from June 23, 2025, the Company made the transition from a Company with a Board of Auditors to a Company with an Audit and Supervisory Committee. Accordingly, details for the period from April 1, 2025 to June 22, 2025 are based on the details inherited from the previous Audit & Supervisory Board.

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