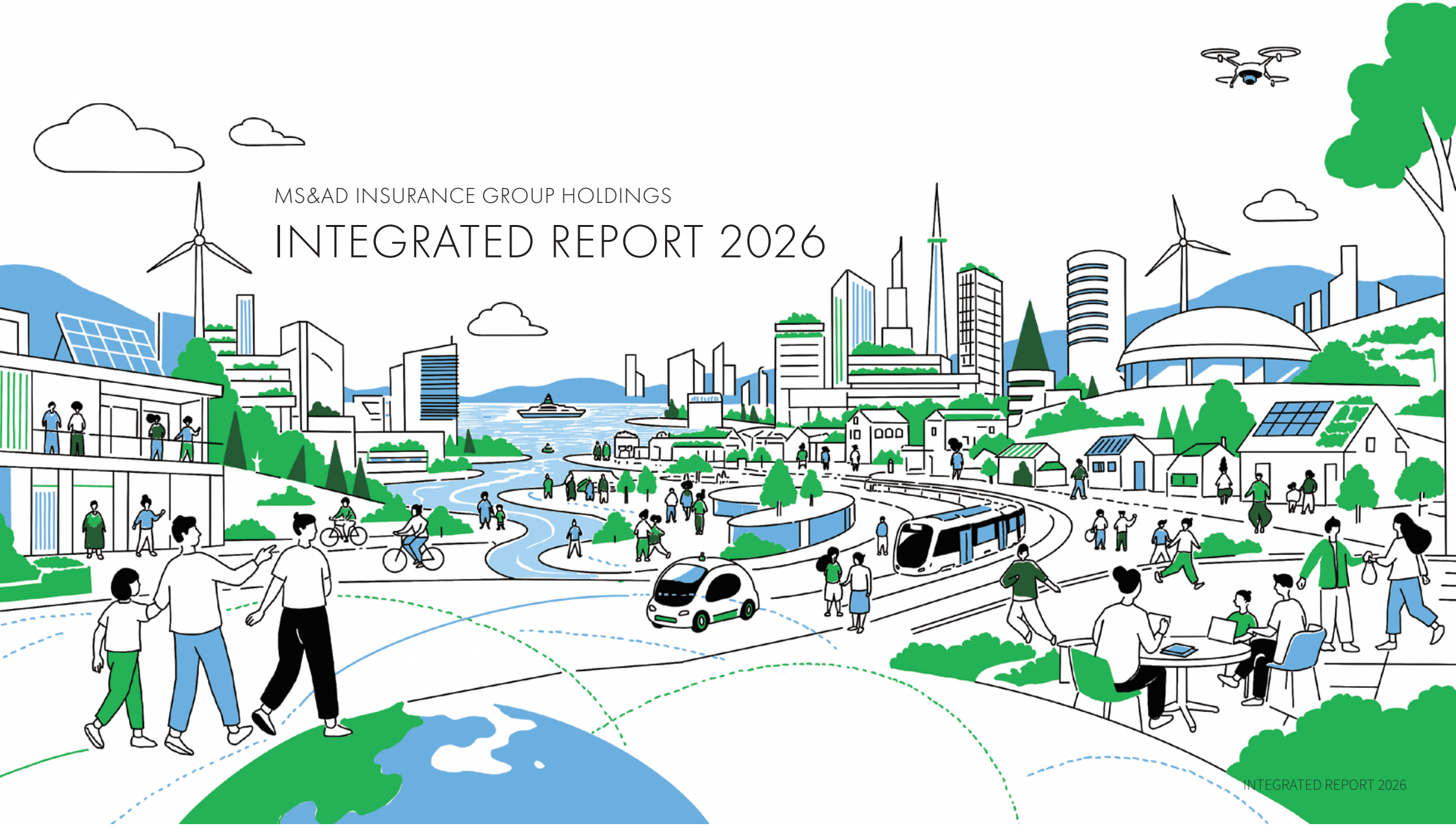
MS&AD Holdings
MS&AD INSURANCE GROUP

MS&AD INSURANCE GROUP HOLDINGS

INTEGRATED REPORT 2026



Contribute to the development of a vibrant society and help secure a sound future for the planet

Our Mission

The Group's Raison d'être

To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services business

Our Vision

The Group's aspirations for the medium term

To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value

Our Values

The credo for all employees aimed at realizing the Group's mission

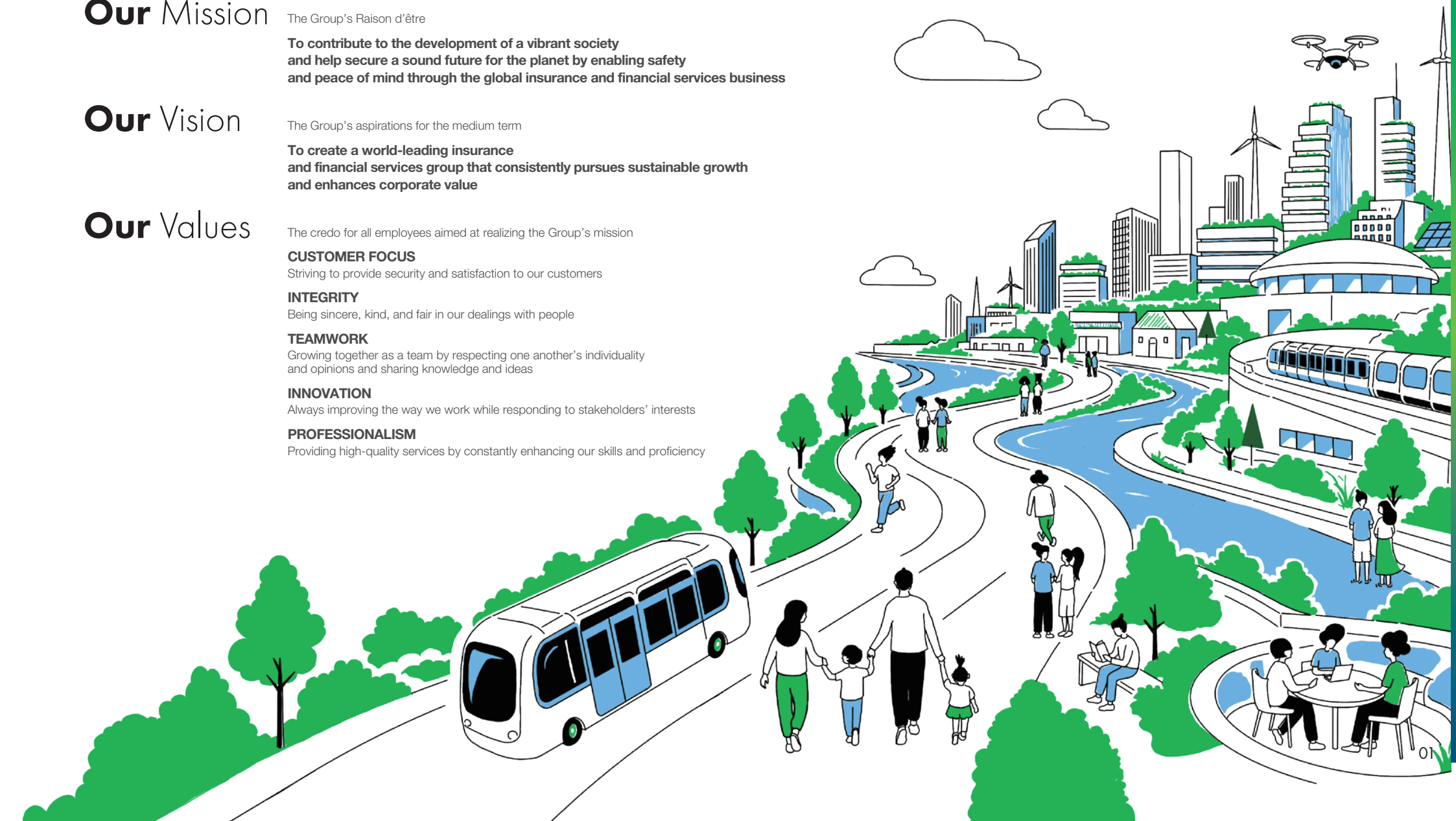
CUSTOMER FOCUS
Striving to provide security and satisfaction to our customers

INTEGRITY
Being sincere, kind, and fair in our dealings with people

TEAMWORK
Growing together as a team by respecting one another's individuality and opinions and sharing knowledge and ideas

INNOVATION
Always improving the way we work while responding to stakeholders' interests

PROFESSIONALISM
Providing high-quality services by constantly enhancing our skills and proficiency



Editorial Policy / Highlights

Highlights of the Integrated Report 2026

01

CEO Funabiki's Statement of Commitment

In his own words, the CEO explains the Group's medium- to long-term direction as it seeks to become a global top-tier "comprehensive insurance company," the strengthening of holding company functions, governance, its awareness of the issues it faces, and its sustainable growth strategy based on these factors.

CEO Message P.04

02

The Group Vision for FY2030

We clearly explain our current position, group strategy, and main initiatives, among other items, as we work to establish an earnings structure capable of generating more than ¥800 billion in adjusted profit in FY2030, even after completing the sale of strategic equity holdings.

The Group Vision for FY2030 P.20

03

Management Strategies from Our CxOs

The seven CxOs—the CFO, CRO, CHRO, CGO, ClvO, CSuO, and CDO—discuss the strategies and initiatives in their respective areas for realizing the Group's aspirations.

CxO Messages P.27

04

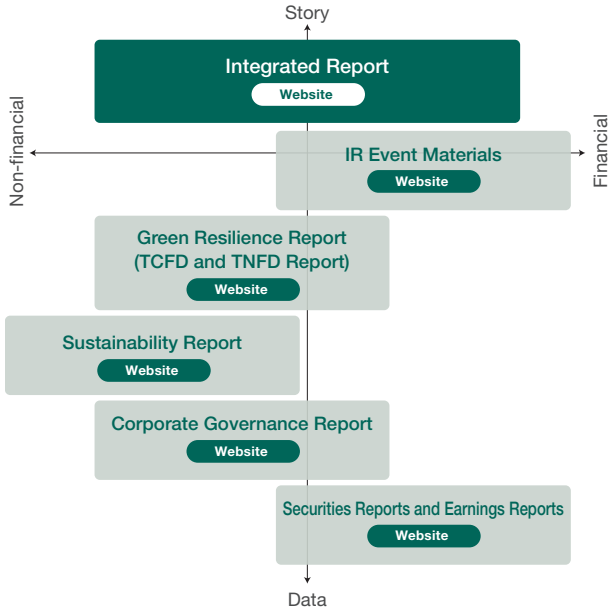
Message from the Chairman of the Board of Directors and Roundtable Discussions

This section includes an interview with the Chairman of the Board of Directors and roundtable discussions with Outside Directors and Audit and Supervisory Committee Members. The participants discuss their assessment of the effectiveness and operation of the Board of Directors and its future direction as the Group seeks to build governance that robustly supports enhanced corporate value.

Message from the Chairman of the Board of Directors P.63

MS&AD Insurance Group Disclosure Framework

In preparing this Integrated Report, we have emphasized the communication of the Group's medium- to long-term growth story to our stakeholders. We hope readers will also look at our other publications.



On the Issuance of the MS&AD Integrated Report 2026

Since FY2015, the MS&AD Insurance Group has published the Integrated Report to provide readers with a deeper understanding of the Group's commitment to medium- to long-term value creation. Through this report, we have created the opportunity for constructive dialogue with stakeholders regarding the Group's mission as a "value creation story."

In this year's Integrated Report, we frankly explain the strategies, initiatives, and challenges involved in realizing our newly established strategy, "The Group Vision for FY2030," while presenting top management's thinking and commitment through messages and roundtable discussions. Beginning this fiscal year, the report is available exclusively online to improve readability and convenience and reduce its environmental impact. At investors' request, we adopted a landscape format suited to computers and tablets and redesigned the report for greater readability and clarity.

With this year's Integrated Report, we hope to promote positive perception for the Group by creating an even greater understanding of it among stakeholders such as customers, shareholders, and investors. We continue to value dialogue with stakeholders, and with the aim of further improving disclosure and enhancing transparency we invite our stakeholders to share their honest feedback with us.

As CFO responsible for the editorial process, I hereby affirm that the process for preparing the Integrated Report has been carried out appropriately and that the information contained herein is accurate.

August 2026
Representative Director,
Executive Vice President
CFO



Contents

001 Mission Vision Values
002 Editorial Policy / Highlights
003 Contents



Message from the President and CEO

004 CEO Message

Building a new growth model and becoming a global top-tier "comprehensive insurance company"

MS&AD's Story of Value Creation

010 At a Glance
012 MS&AD's Value Creation Story
013 Value Creation Resources and Outcomes

Management Plan and Progress

015 Review of the Medium-Term Management Plan
017 MS&AD Today
018 Identification of Our Materiality and Key Management Issues
020 The Group Vision for FY2030
022 Strengthening Group Management to Achieve the Vision
024 Initiatives toward the Merger
026 FY2026 Group Management Plan

CxO Messages

027 CFO
032 Enhancing Capital Efficiency and Achieving Sustainable Profit Growth



034 Risk Management
CRO (Chief Risk Officer)
038 ERM



039 Talent Strategy
CHRO (Chief Human Resource Officer)



043 International Business Strategy
CGO (Chief Global Officer)
047 International Business CxOs



048 Asset Management Strategy
CIvO (Chief Investment Officer)
052 Initiatives as an Asset Owner



053 Sustainability Strategy
CSuO (Chief Sustainability Officer)
057 Sustainability Initiatives



059 AI, Data Strategy
CDO (Chief Digital Officer)



Corporate Governance

063 Message from the Chairman of the Board of Directors
065 Roundtable Discussion among Outside Directors
069 Roundtable Discussion among Audit and Supervisory Committee Members
073 Corporate Governance System
084 Management Team
087 Engagement with Shareholders and Investors

Metrics and Targets

089 Financial and Non-financial Highlights
091 11-Year Performance
093 Domestic Non-Life Insurance Business
095 Domestic Life Insurance Business
097 International Business
101 Financial Services Business
102 Solutions to Social Issues Business

Corporate Profile

103 Corporate Profile
104 Shares and Shareholders
106 Group Business Schematic
109 History of the MS&AD Insurance Group in Japan
111 Group Network and History of International Business
113 Credit Ratings
114 Basic Knowledge about the Insurance Industry
121 External Evaluations and Ratings
122 Third-Party Assurance
123 Editorial System

Explanation of the cover

This cover depicts how our Group contributes to the development of a vibrant society and a healthy future for the planet through its business activities.



Message from the President and CEO

CEO Message

Building a new growth model and becoming a global top-tier “comprehensive insurance company”



Shinichiro Funabiki
Representative Director
President & CEO

Transforming our business model to achieve true “customer-focused” operations

We are now standing at a major turning point. In April 2027, the MS&AD Group will be reborn as the Mitsui Sumitomo Insurance Group. Furthermore, the merger of our core subsidiaries, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, will create Japan’s largest non-life insurance company. This will mark an important milestone in the Group’s history of more than 130 years. At this juncture, the transformation of our business model must be our foremost priority. We must do more than simply change the way we conduct business. We must embed a customer-focused approach into our fundamental attitude toward business and into our very way of thinking. That is something I feel strongly about.

The Japanese insurance industry has experienced a series of misconduct incidents in recent years. The regulatory tightening prompted by these incidents is now driving a major paradigm shift in the insurance industry. Under these circumstances, to achieve true customer-focused operations and become the “company most chosen by customers,” we must first fundamentally transform our values and behavior. We will reassess the respective roles of insurance companies and agents, enhance our underwriting capabilities and price competitiveness, and compete based on the intrinsic value of insurance. In other words, what matters most is the value we can provide to our customers.

Regulatory tightening is not the only change affecting our business environment. Faced with challenges such as the increasing frequency and severity of natural catastrophes, heightened geopolitical risks, and inflation, we considered what structure would be best for improving the sustainability of our insurance business and providing customers with optimal products and services and experiences that exceed their expectations. We consequently decided to merge our two core subsidiaries and bring together their knowledge and expertise. I am convinced that completing the merger at this time is the optimal solution for becoming the “company most chosen by customers.”

In May 2026, we announced the Group’s new management plan. While retaining our Mission, Vision, and Values as our unwavering compass, we have already begun initiatives to realize our Group Vision for FY2030 through business model transformation. I would now like to explain the thinking behind these aspirations.

Group Vision for FY2030

Looking back on the four years of the previous Medium-Term Management Plan (2022–2025), the accelerated sale of strategic equity holdings, remarkable growth in the international business, and improved profitability in the domestic non-life insurance business enabled us to achieve record profits for three consecutive fiscal years. We also achieved our FY2025 numerical targets of ¥760.0 billion in Group adjusted profit and Group adjusted ROE of at least 16%.

To further develop the results of our initiatives to strengthen our earnings foundation and transform our business portfolio, we have adopted “Taking on Risk, Leading the World” as the guiding principle for our Group Vision for FY2030 and established numerical targets of ¥800.0 billion in adjusted profit and adjusted ROE of at least 11%. Strategic equity holdings will be a key factor in achieving these targets. Stricter regulations will completely eliminate the conventional business model premised on cross-shareholdings between companies. We have obtained the consent of the issuers concerned to sell all our strategic equity holdings by the end of March 2030, and the balance of these holdings is steadily declining.

At the same time, looking ahead to FY2030 and beyond, it is essential that we establish an earnings structure that does not depend on the temporary gains generated by strategic equity holdings. In other words, we must formulate and execute growth strategies capable of generating sustainable profits and thereby increase the certainty of achieving our targets. I also recognize that one of my important responsibilities is to ensure that shareholders have a clear understanding of what the Company will look like after all its strategic equity holdings have been sold.

Once strategic equity holdings have been sold, they are no longer available to us. For that very reason, we cannot afford to fail in making growth investments funded by their sale. With this firm determination, we have carefully considered business investments that can be expected to generate reliable returns and have a high probability of driving the Group’s growth in the near future. The most important building block was our strategic investment in U.S.-based W. R. Berkley Corporation (hereinafter, “WRB”) in FY2025. Through stable equity-method earnings and synergies such as expanded preferential reinsurance transactions and collaboration in underwriting specialty lines in Japan and ASEAN, we have established a framework capable of steadily generating ¥100.0 billion in profit. We also expect the investment in Barings LLC (hereinafter, “Barings”) made in FY2026 to generate ¥75.0 billion in profit through equity-method earnings and asset management income. Together with these investments, we will achieve our target adjusted profit of ¥800.0 billion ahead of schedule



through the ¥150.0 billion cost reduction resulting from the merger of our two core domestic non-life insurance companies.

Two growth drivers toward adjusted profit of ¥1 trillion in the early 2030s

Beyond that, we aim to achieve adjusted profit of ¥1 trillion between FY2030 and FY2035. The first driver will be our life insurance business. Our efforts to strengthen the life insurance business are underpinned by the shift "from savings to investment" in Japan and government policies supporting that transition. Amid this major paradigm shift, society's expectations of life insurance are increasing. To meet these expectations, we decided to invest in Barings not only to develop fulfilling products but also to strengthen the underlying structure of our life insurance business. Barings is an asset management company owned by Massachusetts Mutual Life Insurance Company, a major U.S. life insurer commonly known as MassMutual. It specializes in asset management aligned with the asset and liability management needs of insurance companies. At the same time, MassMutual possesses a reinsurance platform that enables the diversification of risks associated with savings-type products. In fact, when considering an investment in an asset management company, our candidates included other companies larger and better known than Barings.

However, we were seeking more than simply the acquisition of asset management expertise or improved investment performance. We wanted to obtain extensive knowledge directly linked to the development of higher-value-added products, which led us to invest in Barings. This investment was made possible because Barings satisfied three conditions—having a life insurance company as its parent, possessing an outstanding asset management track record, and having access to a reinsurance company—and because the strategies of both parties were aligned.

Since FY2025, a series of misconduct incidents in the life insurance industry has also revealed issues with existing business models and product sales structures. In light of these developments, significant changes to the rules and regulations governing life insurance solicitation are expected. We have approximately 30 years of experience selling life insurance through non-life insurance agents subject to rigorous governance requirements. I believe that this is precisely the kind of environment in which we can demonstrate our competitive advantage.

At an early stage, Mitsui Sumitomo Primary Life will develop new products utilizing Barings' expertise and launch them through our non-life insurance agency network. By establishing an environment that allows us to deliver our value to more customers, we will quickly double profit from our life insurance business from the current level of approximately ¥50.0 billion to ¥100.0 billion.

The other powerful driver toward adjusted profit of ¥1 trillion will be the international business. By further strengthening our international business initiatives, I can say with confidence that we can achieve FY2030 adjusted profit target ahead of schedule. International

markets are enormous, but there remain areas in North America and Asia that we have yet to fully develop. Although signs of market softening (a decline in premium rates) are currently emerging in the global insurance market, hard-market conditions (characterized by rising or persistently high premium rates) continue in certain areas and positions where we have strengths. Other areas are relatively unaffected by softening. We therefore expect to continue achieving steady growth in both revenue and profit.

Our international business is shifting from a period focused on turning around individual operations to a period of genuine growth. Going forward, we will advance to a new phase in which we generate synergies from the perspective of optimizing the business as a whole. Following the acquisition of MS Amlin in 2016, the company experienced a difficult period for profitability. Through fundamental reforms, however, we restored it to the growth trajectory it should have been pursuing. This experience has become an important asset for our international business. By leveraging this expertise in expanding our business in the Americas and to making business investments, we believe that we have established a foundation for further growth.

In FY2026, we established the International Executive Committee (IEC) to create a Group-wide business management structure led by multinational management personnel. We plan to further strengthen the IEC and incorporate it as MSIG International in April 2027, enabling us to flexibly secure and deploy outstanding talent worldwide. Our local employees around the world have responded quite positively to this organizational restructuring. They recognize that the restructuring and substantial expansion of our international business will provide opportunities for them to take leading roles and succeed on the global stage. As a result, they are approaching their work with even greater motivation than before.

As market softening progresses, we will rigorously maintain underwriting discipline to secure stable earnings while ensuring financial soundness. We will also establish in advance a structure that allows us to pursue an offensive growth strategy when the market eventually hardens again. This approach embodies the capability we acquired through the turnaround of MS Amlin. It will help us achieve our FY2030 adjusted profit target ahead of schedule and become a major driver of growth toward adjusted profit of ¥1 trillion beyond that point.

Starting from our FY2030 adjusted profit target of ¥800.0 billion, we will steadily add ¥100.0 billion from the international business and another ¥100.0 billion from the life insurance business. This is our roadmap toward adjusted profit of ¥1 trillion.

Becoming a global top-tier “comprehensive insurance company”

In non-life insurance, we offer both primary insurance and reinsurance. In life insurance, our lineup includes both asset-type and protection-type products. In Japan and overseas, we provide a broad range of products and services for both individual and corporate customers across every market segment. However, we are not satisfied with our current position. In the future, we intend to become a “comprehensive insurance company” that ranks alongside the world’s top tier.

In Japan, we will recognize our responsibilities as the leading company and become an organization that provides multifaceted value to society through sincere conduct befitting that position. MS&AD InterRisk Research and Consulting, Inc., serves as the Group’s intelligence hub, accumulating the specialist knowledge, advanced thinking, and expertise necessary to achieve this goal and disseminating information broadly throughout society. In April 2027, the company will change its name to Mitsui Sumitomo Risk Research Institute. As the Group’s “knowledge hub,” it will further enhance its capacity to provide value as a think tank through market research, basic research, and policy recommendations in risk-related fields such as climate change and natural capital, disaster prevention and mitigation, and cybersecurity.

Mitsui Direct General Insurance, another important member of the Group, will also change its name to Mitsui Sumitomo Direct General Insurance and strengthen its structure as a strategic sales channel. Successive increases in voluntary automobile insurance premiums, heightened customer price sensitivity amid inflation, and revisions to comparative recommendation sales practices are changing customers’ purchasing behavior. Against this backdrop, direct non-life insurers will become increasingly prominent. We will establish a framework that not only enables customers to complete transactions entirely online but also allows direct insurance products to be sold through agents. This will expand the range of channels through which both customers and agents can make the most appropriate choices.

To stand alongside and ultimately surpass the world’s top-tier insurers, we will grow as a “comprehensive insurance company.” No other company in Japan has a comparable platform centered on domestic and international non-life and life insurance businesses while also encompassing a direct non-life insurer and a think



tank that makes policy recommendations and providing customers with maximum value from every possible perspective. Even globally, there are few comprehensive insurance companies. We believe that this will be a major strength in realizing our growth strategy.

By enabling customers to experience the value of doing business with both Japan's leading insurer and a global comprehensive insurance company, we will firmly establish our position in the market as the "company most chosen by customers."

The holding company's four missions within a comprehensive insurance company

As we become a comprehensive insurance company, the role of the holding company will also change significantly. Until now, the holding company has largely functioned as a coordinator between Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance. Going forward, it will evolve into the command center that drives the entire Group's growth strategies and governance. We have already consolidated and transferred to the holding company its command-center functions for the international business, life insurance business, and asset management. We will continue strengthening the Group management structure by clearly defining the respective roles of the holding company and the operating companies.

I believe that the holding company has four principal missions. The first is to exercise strong leadership in maximizing profits across the entire Group. The second is to implement highly sophisticated governance by rapidly identifying regulatory trends in Japan and overseas and changes in society's values through information from all operating companies and the Group's think tank. The third is to establish a common personnel system and skills-mapping framework that enables diverse human assets in Japan and overseas to demonstrate their capabilities and allows us to optimally deploy talent across national borders. To compete alongside the world's top-tier companies, we must create an environment in which every employee can recognize and articulate their own value and in which that value is also recognized by others. We will also establish career paths that enable international talent to succeed, be promoted, and take on leadership roles at our head office. The fourth is to establish a structure that enables us to benefit from economies of scale and greater purchasing power by centrally managing and investing funds that were previously dispersed among individual operating companies. We will centralize our asset management structures, with the holding company taking the lead.

We will continue accelerating our international business against a backdrop of high growth expectations. At the same time, we must never forget that financial institutions constitute critical infrastructure protecting the foundations of countries and their people. As a Japanese insurance company that has long borne this responsibility, we have a proven record of meeting the high standards of operational quality required by Japanese regulators and conducting our business soundly in accordance with extremely rigorous governance frameworks and rules. This has earned us a high level of trust and recognition overseas as well.

Our governance framework also continued to evolve steadily in FY2025. We transitioned to a company with an Audit and Supervisory Committee and established a Board on which Outside Directors constitute a majority. In addition to strengthening the functions of the Board of Directors, each Director is now more acutely aware

of their responsibility for governance over management and for business execution. Their engagement with and attention to the status of business execution and management issues have increased significantly.

Even in an era of rapid change, we will continue making unceasing efforts to establish a robust governance framework that enables us to make management decisions more swiftly and appropriately than ever.

The pride and initiative expected of employees of a leading company

I look forward to and greatly value opportunities to communicate with Group employees, including through town hall meetings. One message I frequently convey to employees is that they must maintain a strong awareness of what is expected of them as employees of a leading company. Employees of a leading company must not limit their thinking to their own or the Company's interests, such as merely achieving the targets assigned to them. They must constantly consider the value an insurance company should provide to society and the true role they should fulfill, and then put into practice what they and the Company can do to help solve social issues. That is the mindset required of us.

The insurance business carries significant social responsibilities and is therefore subject to rigorous rules. We naturally conduct our operations in compliance with those rules. However, I believe that employees cannot experience the true fulfillment and sense of achievement that come from working for an insurance company if they approach their work defensively—preoccupied solely with avoiding any deviation from prescribed rules and afraid to take action. Employees of a leading company must fully understand the Company's role in society, the reasoning underlying the rules, and the relevant laws and regulations. Within that framework, they must independently consider and act on what can and should be done, sometimes with the determination and ambition to create new rules themselves. When people work with initiative, their work becomes more engaging. They can feel that they made the right decision in choosing this industry and that they are fortunate to contribute to society through the insurance business. Their own lives consequently become richer and more enjoyable. That is the message I convey to our employees.

An insurance company that supports bold challenges

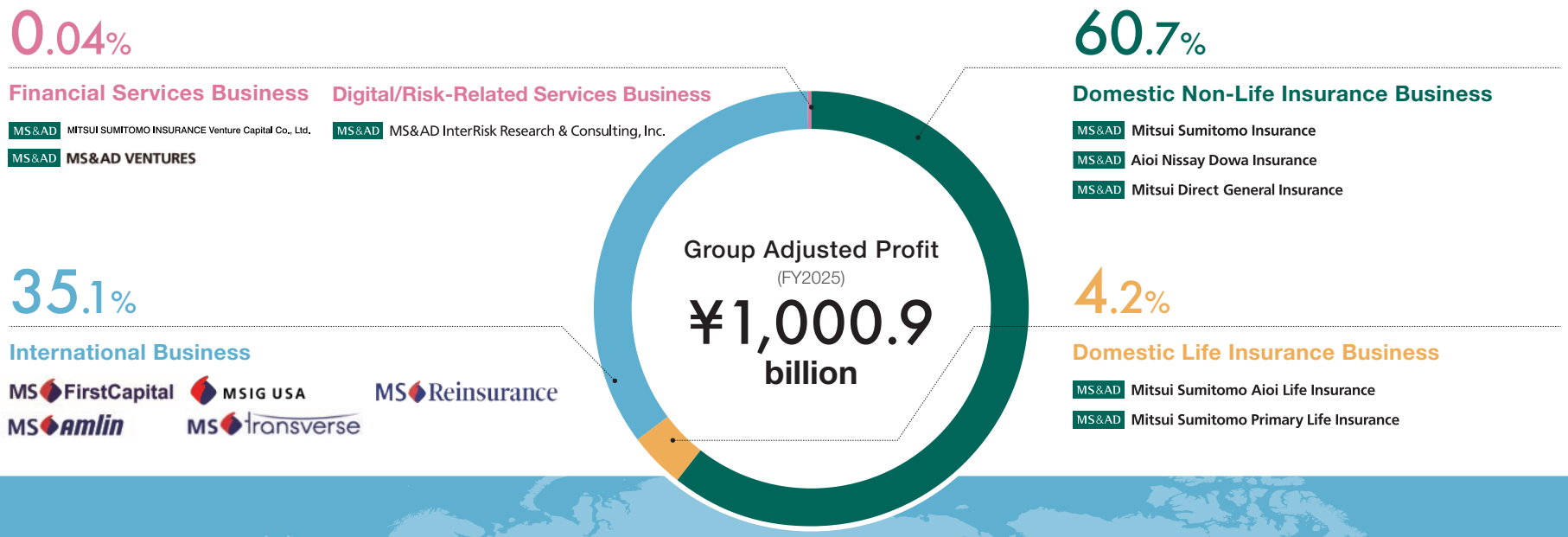
Since becoming President, I have emphasized dialogue with capital market participants and actively sought opportunities to engage with them. I recognize that market participants have considerable interest in and expectations regarding matters such as an increase in our dividend payout ratio and the scale of our share buybacks. At the same time, many shareholders and investors in Japan and overseas who are considering holding our shares over the long term are deeply interested in what kind of company we intend to become, our long-term vision, and the earnings structure we will have once that vision has been realized. While presenting a long-term vision, I believe it is also important to steadily accumulate short-term results as evidence that we are making progress toward it. Regarding both the targets established in our Group Vision for FY2030 and the subsequent path toward adjusted profit of ¥1 trillion, I can state with confidence that we have put the necessary building blocks in place and that the targets have a high probability of being achieved.

The role of an insurance company is widely understood by our diverse stakeholders as compensating for losses or providing protection against unforeseen accidents, disasters, illnesses, and other events. However, we want to be an insurance company that goes beyond this conventional role. Whenever humanity boldly ventures into an unknown world, it inevitably encounters unprecedented risks that no one can predict. We aspire to be an insurance company with the ambition and determination to share these unknown risks, support our customers' new challenges, and work alongside them to create a better future. This aspiration is embodied in our tagline, "Taking on Risk, Leading the World." We invite all our stakeholders to look forward to our new challenges and our journey as we evolve into a comprehensive insurance company providing non-life and life insurance globally. We sincerely ask for your continued understanding and support.

At a Glance

The MS&AD Insurance Group operates non-life and life insurance businesses globally, offering a wide range of products and services to address diverse risks worldwide. We aim to become a “world-leading insurance and financial services group” by leveraging the strengths of each Group company to meet the needs of our customers.

Five Business Domains of the Group



[International Business]

Overseas network in 48 countries and regions around the world

Europe

Entered the United Kingdom approximately 100 years ago
Positioned second only to local majors following the merger of two operating companies in continental Europe

Asia Pacific

No. 1 in gross written premiums (non-life) in the ASEAN region

Lloyd’s and reinsurance business

Strengths in specialized and global risk underwriting

Americas

Licensed to operate non-life insurance businesses in all 50 U.S. states and expanding from conventional business focusing on Japanese companies to include local businesses

FY2024 Gross Written Premiums Ranking of the ASEAN Countries
(based on MS&AD research/excluding reinsurers)

No. 1 Mitsui Sumitomo Insurance (Approx. ¥308.1 billion)
No. 2 Company A (Approx. ¥247.9 billion)
No. 3 Company B (Approx. ¥238.7 billion)

Figures in () are GWP totals for the following countries: Singapore, Malaysia, Thailand, Indonesia, Philippines, and Vietnam.

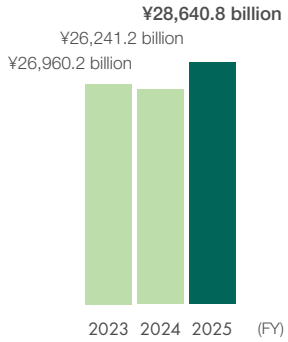
Numeric Data Representing the Status of the Group*

*Data as of the end of FY2025, except where noted

Financial base

Consolidated total assets

¥28,640.8 billion

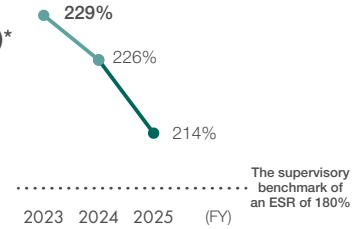


Soundness

ESR (Economic Solvency Ratio)*

214%

Maintaining a high level of risk resilience (soundness)



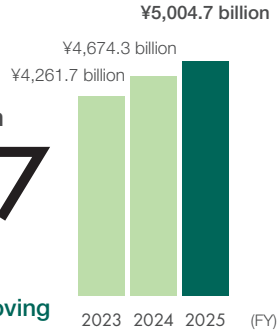
*An indicator of whether the company is adequately capitalized for risk

Profitability

Consolidated net premiums written

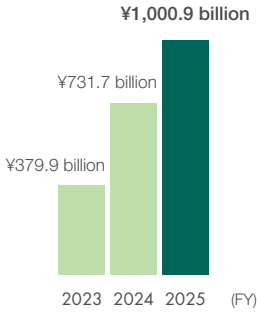
¥5,004.7 billion

Profitability is steadily improving



Group adjusted profit

¥1,000.9 billion



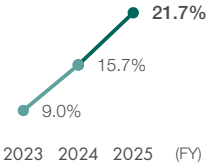
Rate of growth in earnings per share (EPS)

18%

*Average growth rate from FY2015 to FY2025

Group adjusted ROE

21.7%



Rating information*

Standard & Poor's **A+**

Moody's **A1**

Rating and Investment Information, Inc. **AA**

Maintaining high ratings from rating agencies

*Credit Ratings for Domestic Insurance Companies

ESG evaluation

MSCI ESG Rating **AA**

CDP **A**

Earned high ratings

Selected for inclusion in the World Index

MS&AD's Value Creation Story

Under its mission "To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services businesses," the MS&AD Insurance Group addresses risks arising from social issues, supports customers' peace of mind through its products and services, and contributes to the sustainable development of society.

Value Creation Resources
Resources supporting MS&AD

Financial Capital
- Sufficient and sound financial base for underwriting risk and growth investment

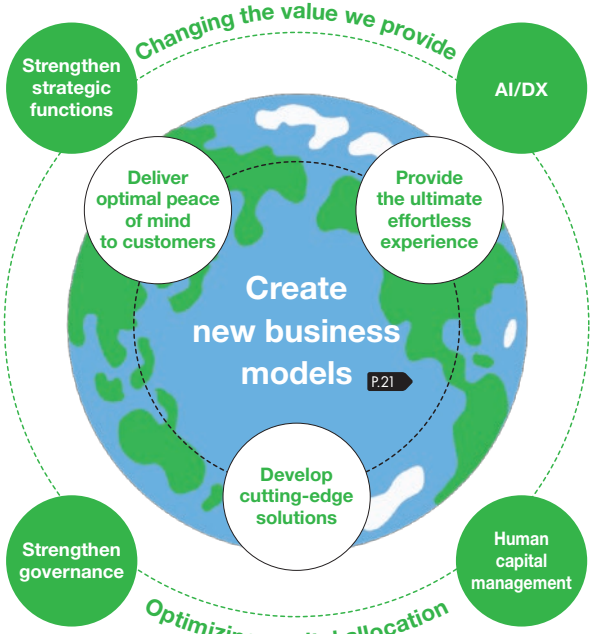
Human and Intellectual Capital
- Global and diverse human assets
- Most abundant risk data in Japan and the ASEAN region
- Building a digital platform

Social and Relationship Capital
- No. 1 customer base and sales network in Japan
- Partnerships with top companies in other industries

Natural Capital
- Resources necessary for business activities

P.13

Value Creation System
Business model and value proposition



Products and services that solve social issues

- Domestic Non-Life Insurance Business
- Domestic Life Insurance Business
- International Business
- Financial Services Business
- Solutions to Social Issues Business

P.93

Key Management Issues
P.18

- Enhancing the value we provide
- Addressing natural catastrophes
- Addressing demographic changes
- Respect for human rights in business
- Promoting human capital management
- Strengthening governance

Value Creation Achievements

Improving environmental and social sustainability (Social value)

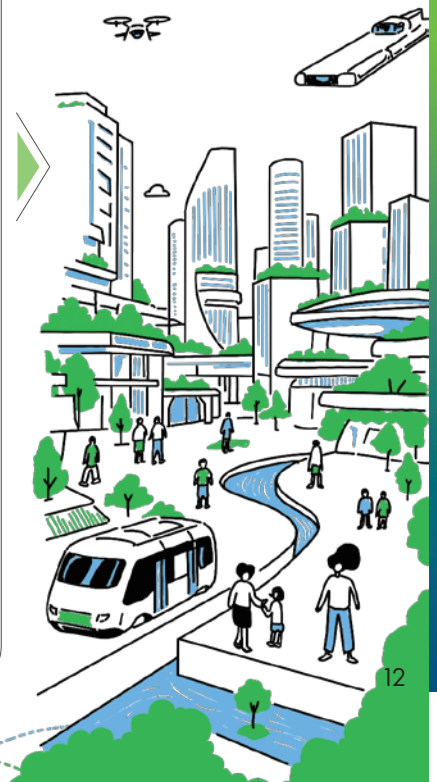
P.16

Enhancing our enterprise value (Economic value)

P.15

Mission

To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services business



Value Creation Resources and Outcomes

A check mark indicates that FY2025 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

Value Creation Resources (inputs)

[Resources supporting MS&AD]

Financial Capital

Sufficient and sound financial base for underwriting risk and growth investment

Consolidated net assets	¥4,825.1 billion
ESR (Economic Solvency Ratio)	214%

Human and Intellectual Capital

Global and diverse human assets

48 countries worldwide	39,746

Most abundant risk data in Japan and the ASEAN region

Number of risk assessments and investigations conducted for business continuity and development	1,363

Building a digital platform

Participants in the digital talent development program	1,863

Social and Relationship Capital

No. 1 customer base and sales network in Japan

Number of domestic customers (Two non-life insurance companies)	Approx. 2.45 million companies
	Approx. 44.78 million individuals
Number of domestic non-life insurance agents	56,144
Domestic claims handling service centers	376

Partnerships with top companies in other industries

Natural Capital

Resources necessary for business activities

Total energy consumption	565,364 GJ
Water usage	689 thousand m³

[Examples of strengths]

- Strong financial base to enhance underwriting capabilities
- Solid capital and soundness to enable growth investments

- Innovation by diverse human assets
- Globally active professionals with specialized expertise

- Robust sales and service network that leads to quality improvement
- Collaborative framework with domestic and international business partners to generate new solutions

- Products that contribute to the decarbonization of society and a circular economy
- Reduction of GHG emissions in collaboration with insurance underwriting counterparties and investees/financing recipients

[Expansion measures]

We are maximizing cash flow while striving for efficient capital cycle management to achieve sustainable growth and enhanced profitability. P.32

We are promoting the introduction of a "skills-based personnel system" to further enhance our employees' specialized skills and enable us to provide new value to our customers. P.39

Through investments in start-ups and research activities via industry-academia collaboration, we are rapidly adopting cutting-edge technologies and business models. P.59

Together with industry, government, and academic partners, we are advancing "Green Resilience" initiatives that harness nature's bounty to mitigate the impact of natural catastrophes. P.57

Value Co-Creation with Stakeholders

Customers

Quality improvement and provision of products and services utilizing customer feedback

All employees implement the "Customer Focus" attitude expressed in the code of conduct (Our Values), listen to customer feedback broadly, and provide high-quality products and services to solve social issues and achieve the "sense of security and satisfaction of our customers."

Shareholders

Our Group's sustainable growth and medium- to long-term improvement in shareholder value

We make highly transparent information disclosure, actively engage in constructive dialogue with shareholders, and reflect outcomes of these activities in managing our Group, thereby striving to create more value and improve corporate value.

Agents

Mutual growth as business partners

By communicating smoothly, and thinking and acting together with our agents, we will provide high-quality services and optimal insurance products to customers and mutually pursue the growth of agents and our Group.

Business Partners

Value creation across the entire supply chain

We, together with our supply chain, meet the expectations of society with stronger compliance, respect for human rights, and consideration of the environment.

Employees

Improvement of employees' satisfaction and motivation, which is a driver of the MS&AD Group's growth

We create a working environment where employees can work with a sense of feeling motivated and job satisfaction and provide opportunities for everyone to play an active role. We foster a corporate culture that respects a diverse sense of values, thereby generating innovation.

Local communities International community

Solving social issues through collaboration with diverse partners

We work together with diverse partners such as cooperating with domestic and overseas industrial organizations and local governments and collaborating among industries, academia, and government, thereby protecting the Earth's environment and social sustainability and contributing to developing a vibrant society.

Environment

Improvement of our planet's sustainability

To live in harmony with the global environment, we consider sustainability in all our business activities and are working to address climate change and improve the sustainability of natural capital.

Value Creation Results (outcomes)

Sustainable growth foundation
Financial Capital

	FY2024	FY2025
Pursuit of capital efficiency		
Group adjusted profit	¥731.7 billion	¥1,000.9 billion
Group adjusted ROE	15.7%	21.7%
Cumulative TSR for the past 10 years	242.6%	357.8%
Continuous and stable shareholder returns		
Total shareholder yield	7.4%	9.4%
Dividend yield	4.5%	4.0%

Innovation by diverse human assets
Human and Intellectual Capital

	FY2024	FY2025
Providing work environments where employees can experience a sense of purpose and fulfillment		
Employee satisfaction "Pride, feeling motivated"/ "Working vigorously"	4.4pt/ 4.7pt (maximum score: 6 points)	4.5pt/ 4.8pt (maximum score: 6 points)
Creativity born from diversity		
Percentage of mid-career employees among managerial staff	24.5%*1	25.6%*2
Number of applicants for the Business Innovation Challenge Program (Entrepreneurship challenge course)	57	76
Digital human assets	8,490*1	11,549*2
Internationally experienced employees	1,243*1	1,261*2

*1 As of April 2025 *2 As of April 2026

Establishment of strong partnerships
Social and Relationship Capital

	FY2024	FY2025
Recovery of social losses		
Net claims paid	¥2,489.0 billion	¥2,430.5 billion
Life insurance claims	¥492.3 billion	¥457.1 billion
Number of auto accident cases received (domestic, excluding CALI)	2.942 million cases	2.88 million cases
Customer-focused business operations		
Customer satisfaction (questionnaire at time of insurance payment)	95.0%	94.1%
Expanded problem-solving through regional cooperation with local governments across Japan		
Instances of support for the resolution of issues faced by regional companies (e.g., consulting, seminars)	11,091 cases	10,601 cases

Our planet's sustainability
Natural Capital

	FY2024	FY2025
Helping to create a zero-carbon society		
Greenhouse gas emission reduction rate Scope 1 + 2 (versus FY2019)	-40.0%	-50.2%
Renewable energy usage rate	27.0%	29.2%
Contributing to the conservation of biodiversity		
Number of employees participating in social contribution activities	21,406	21,039
Damage to natural capital		
Greenhouse gas emissions (Scope 1 + 2)	53,114 t-CO_2	44,046 t-CO_2 ✓
Amount of waste discharged (final disposal)	2,530 t	2,646 t ✓

[Closely related materiality]

[Examples of Value Creation Results (outcomes)]

Quantitative assessment service on the climate change impact of the TCFD recommendations

We work with Jupiter, a climate analysis company, to provide quantitative risk assessments of climate change impacts.

13,142 bases

*Cumulative total from FY2020

(Cumulative number of bases to which we provided quantitative assessment services for physical risks from climate change impacts)

Products to cover cyber risks

We support cybersecurity countermeasures and provide coverage to hedge damage resulting from the unlikely event of a cyberattack.

23,668 companies

(Number of corporations and organizations protected from cyber risks)

Support for addressing human rights issues

We support companies in their efforts to address human rights issues and develop insurance proposals related to corporate welfare and health management.

961 cases

(Number of human rights–related consultations, training, seminars, etc., conducted for companies, etc.)

Disaster prevention and mitigation services

We solve our customers' risks and challenges with "insurance × pre- and post-compensation solutions," contributing to the realization of a safe and secure society.

3,540 cases

*Cumulative total from FY2023

(Number of pre- and post-compensation solutions to address natural disaster risks, earthquake risk analysis, etc.)

Review of the Medium-Term Management Plan

The MS&AD Insurance Group, together with its customers, shareholders, and other stakeholders, has developed a value creation story and made steady progress toward the realization of becoming the "world's leading insurance and financial group," including achieving record-high Group adjusted profit of ¥1,000.9 billion in FY2025. To realize our medium- to long-term vision, we pursued sustainable growth by creating shared value with society through the provision of solutions to social issues, including by promoting the CSV×DX strategy.

New Frontier 2013

Development of the Mission

The MS&AD Insurance Group was founded with the mission of "contributing to the development of a vibrant society and helping to secure a sound future for the planet."

Achievements: We have promoted the integration of Group management, including the development of a system that will serve as a common foundation for the domestic non-life insurance business, and clarified the form of Group management through "reorganization by function."

Issues: The Group missed its targets for Group core profit and Group ROE in the final year of the Medium-Term Management Plan "New Frontier 2013" owing to the occurrence of large-scale natural disasters, including the Great East Japan Earthquake and floods in Thailand.

Next Challenge 2017

Building of a value creation story

Evolve and develop Group integration based on the value creation story that embodies our mission

Achievements: We have put in place a stable earnings foundation through Group management integration via "reorganization by function." We strengthened ERM and promoted sales of strategic equity holdings and international business investment, thereby improving capital efficiency and building a growth base.

Issues: Owing to the impact of the U.S. hurricanes and other factors in FY2017, profits fell substantially in the international business, and we did not achieve our targets for Group core profit and Group ROE.

Vision 2021

Develop management based on CSV

Set the SDGs as a guidepost, set the social vision for 2030, and promote CSV

Achievements: While deepening "reorganization by function," Group adjusted profit of ¥347.1 billion exceeded the target and Group adjusted ROE exceeded expectations at 9.5%. In terms of scale, the Group maintained a leading position among global non-life insurance groups.

Issues: Due to the impact of overseas natural disasters and COVID-19 on stock market conditions, etc., the diversification of risk and business portfolios became an ongoing issue.

Medium-Term Management Plan (2022–2025)

Implementation of growth strategies based on CSV

Full-scale development of CSV×DX×Global

Results: The targets under the Medium-Term Management Plan (2022–2025) were Group adjusted profit of ¥760.0 billion and Group adjusted ROE of 16%. In addition to improved profitability in the domestic non-life insurance business through strengthened underwriting and other measures and increased interest and dividend income, factors including lower domestic natural catastrophe losses, increased gains from the sale of strategic equity holdings, and profit growth in the international non-life insurance business resulted in FY2025 Group adjusted profit of ¥1,000.9 billion and Group adjusted ROE of 21.7% at the end of FY2025, both substantially exceeding the targets under the Medium-Term Management Plan (2022–2025). ESR was 214% and within the target range (180%–250%), reflecting an increase in net asset value due to changes in the market environment (higher domestic share prices and a weaker yen) and a decrease in the amount of risk resulting from the sale of strategic equity holdings, among other factors.

Issues: The ongoing challenges for the domestic non-life insurance business include improvement in profitability and business portfolio reform as well as establishing a sustainable business operating framework by realizing Group synergies, considering factors such as a rising average payout per claim arising from continuing inflation, the increasing severity of natural catastrophes, and reduced gains from the sale of strategic equity holdings.

Group Vision for 2030

Taking on Risk, Leading the World

Numerical Management Targets Financial

(¥ billion)

	FY2010 results	FY2013 Results	FY2013 Revised targets	FY2014 results	FY2017 Results	FY2017 Revised targets*4
Group core profit*1	**14.5**	**94.8**	**110.0**	**155.7**	**105.0**	**220.0**
Domestic Non-Life Insurance Business	6.5	47.8	60.0	92.4	190.1	135.0
Domestic Life Insurance Business	4.1	24.4	15.0	20.4	34.3	15.0
International Business	1.8	18.0	30.0	38.2	-125.0	66.0
Financial Services/Risk-Related Services Business	1.9	4.4	5.0	4.6	5.6	5.0
Group ROE*1	0.8%	4.5%	7.0%	5.9%	3.7%	7.5%
Consolidated net premiums written	2,541.4	2,809.5	2,700.0	2,940.7	3,446.9	3,570.0
Combined ratio (domestic non-life insurance)	-	-	-	96.0%	92.8%	93% range
Annualized premiums of policies in force (life insurance)*2	278.0	333.5	330.0	-	-	-
Increase in EV*3 of MSI Aioi Life	-	-	-	59.7	41.3	more than 50.0

(¥ billion)

	FY2018 results	FY2021 Results	FY2021 Revised targets*6
Group adjusted profit	**189.8**	**347.1**	**300.0**
Domestic Non-Life Insurance Business (excluding gains/losses on sales of strategic equity holdings)	146.9 (65.1)	230.7 (173.5)	177.0 (150.0)
Domestic Life Insurance Business	31.6	75.7	41.0
International Business	5.4	34.3	75.0
Financial Services Business/Risk-Related Services Business	5.8	6.3	7.0
Group adjusted ROE	6.1%	9.5%	10.0%
Consolidated net premiums written	3,500.4	3,609.0	3,580.0
Life insurance premiums (Gross premiums income)*5	1,599.9	1,314.4	1,000.0
MSI Aioi Life's EEV	819.4	923.6	962.0
ESR (Economic Solvency Ratio)	199%	228%	180%/220%

(¥ billion)

	FY2022 results*7	FY2023 results	FY2024 results	FY2025 Results	FY2025 Revised targets
Group adjusted profit	**222.2**	**379.9**	**731.7**	**1,000.9**	**760.0**
Domestic Non-Life Insurance Business (excluding gains/losses on sales of strategic equity holdings)	118.3	186.7 (58.9)	487.5 (75.3)	607.2 (214.0)*9	490.0 approx.(180.0)*8
Domestic Life Insurance Business	34.7	49.7	52.2	42.2	55.0
International Business	67.0	139.5	188.8	350.9	210.0
Financial Services Business/Digital/Risk-Related Services Business	2.0	4.0	3.1	0.4	5.0
Group adjusted ROE	6.1%	9.0%	15.7%	21.7%	16.0%
Consolidated net premiums written	3,933.2	4,261.7	4,674.3	5,004.7	4,890.0
Life insurance premiums (Gross premiums income)*5	1,707.5	1,827.3	1,640.3	1,741.0	1,670.0
MSI Aioi Life's EEV	908.0	918.9	-	-	-
ESR (Economic Solvency Ratio)	228%	229%	226%	214%	180%/250%

*1 The definitions for Adjusted Profit and Adjusted ROE, which have been identified as numerical management targets, were being reviewed under the Medium-Term Management Plan "Vision 2021," which was initiated in FY2018.
*2 Figures for MSI Aioi Life (excluding group insurance). The figure for FY2010 is the total for MSI Kirameki Life and Aioi Life.
*3 EV: Embedded Value (see "Glossary of Insurance Terminology" on P.114)
*4 FY2017 numerical management targets were revised higher from the initial targets in FY2016.
*5 Life insurance premiums (gross premiums income) are those of domestic life insurance subsidiaries only.
*6 FY2021 numerical management targets were revised from their initial values in FY2020 given Stage 1 progress.
*7 Figures after retrospective application of IFRS 17
*8 Excluding the impact of accelerated sales of strategic equity holdings
*9 Excluding the impact of loss on valuation of strategic equity holdings

Management Numerical Targets Non-Financial

A check mark indicates that FY2025 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

For the four aspects of the foundation (sustainability, quality, human resources, and ERM) that supported the three basic strategies of the Medium-Term Management Plan (2022–2025), we set the following numerical management targets (non-financial) for initiatives related to sustainability, quality, and human resources. By achieving these numerical management targets, we supported the promotion of our basic strategy to become a corporate group supporting a resilient and sustainable society.

Sustainability

Key issues	Progress		Target	FY2025 results
Symbiosis with the global environment -Planetary Health-	Greenhouse gas emission reduction rate (versus FY2019) Scope 1 + 2		FY2030: -50% FY2050: Net zero	-50.2%*1 (Reference: FY2024 result: -40.0%)
	Greenhouse gas emission reduction rate (versus FY2019) Scope 3		FY2030: -50% FY2050: Net zero	-21.8%*1 (Reference: FY2024 result: -26.9%)
		Underwriting/ Investments and loans*2	FY2030: -37%	-28.4% (FY2023)
			To advance initiatives to reduce GHG emissions together with our customers, we deepen our dialogue with them, identify challenges to reduction, and propose solutions to help address those challenges.	420 companies*3
	Renewable energy usage rate		FY2030: 60% FY2050: 100%	29.2%
	FY 2025	Premium growth rate of products that contribute to decarbonization and a circular economy Example: Carbon Neutral Support Agreement	Annual average 18%	Annual average 20.9%
Safe and secure society -Resilience-	FY 2025	Rate of increase in the number of underwritten policies for products that help improve the resilience of society Example: Cybersecurity insurance	Annual average 20%	Annual average 11.5%
		Instances of support for the resolution of issues faced by regional companies Example: Seminars on regional revitalization	10,000 instances a year	10,601 instances a year
Happiness of diverse people -Well-being-	FY 2025	Number of policies in force for asset-building products to support longevity Example: Tontine annuity insurance	100,000 cases	170,000 cases
		Number of policies in force for products that help solve health-related social issues Example: Medical insurance covering dementia and infertility treatment	2.60 million cases	2.27 million cases
		Instances of support for action by companies to address human rights Example: Harassment prevention consulting	1,000 instances a year	961 instances a year

*1 For details on the data calculation methodology, please visit our official website : Website
*2 Key Japanese domestic corporate clients selected based on insurance premium
*3 Cumulative total from November 2023 to the end of October 2025

Human resources and quality

( ): FY2025 results

Human resources

End of FY2030 (aiming for early achievement)

- Percentage of female managers: 30% (24.9% ✓)
- Percentage of female line managers: 15% (21.7%)
- Productivity improvement ratio of personnel expenses: 8.5% (9.1%)

FY2026

- Digital human resources: 7,000 people (11,549 people)
- Overseas human resources: 1,200 people (1,261 people)
- Percentage of mid-career hires among managerial staff: Current level (25.6%) or higher
- Percentage of non-Japanese managers among officers of overseas subsidiaries: Current level (73.6%) or higher
- Percentage of employees who exercise regularly: Current level (30.1%) or higher
- Target of percentage for male employees taking: Childcare leave: 100% (104.8%) Duration of leave: 4 weeks (17.8days)
- Employee awareness survey
  - Sense of feeling that our business helped create shared value
  - Ongoing awareness of Mission, Vision, and Values
  - Pride in work, feeling motivated
  - Playing active roles

→ The same level or higher compared with the previous year

See P.90 for employee satisfaction data

- Number of annual paid leave days taken: The same level or higher compared with the previous year (17.4 days)

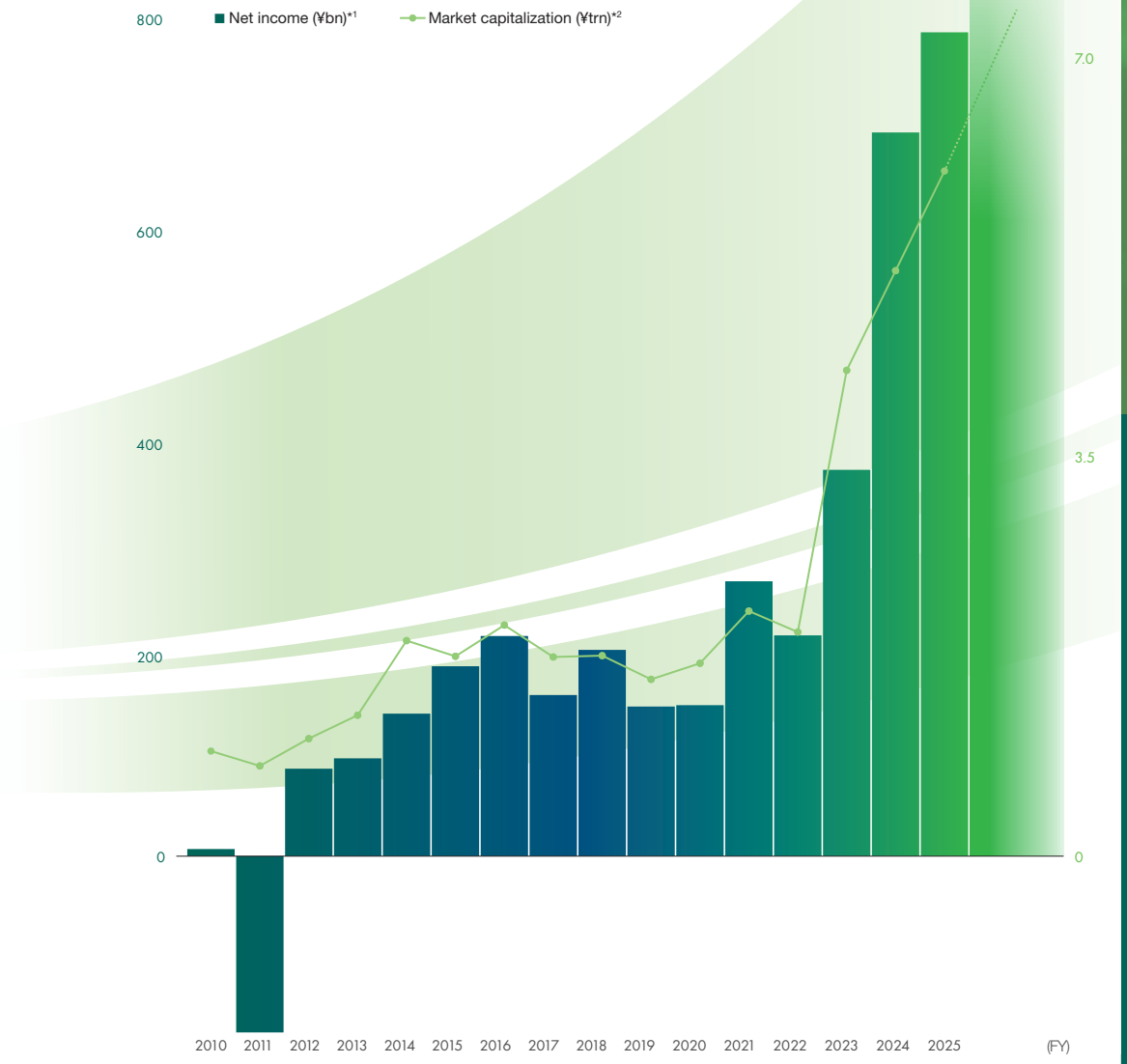
Quality

FY2025

- Customer satisfaction level (on contract procedures and the claim payment process): The same level or higher compared with the previous year

MS&AD Today

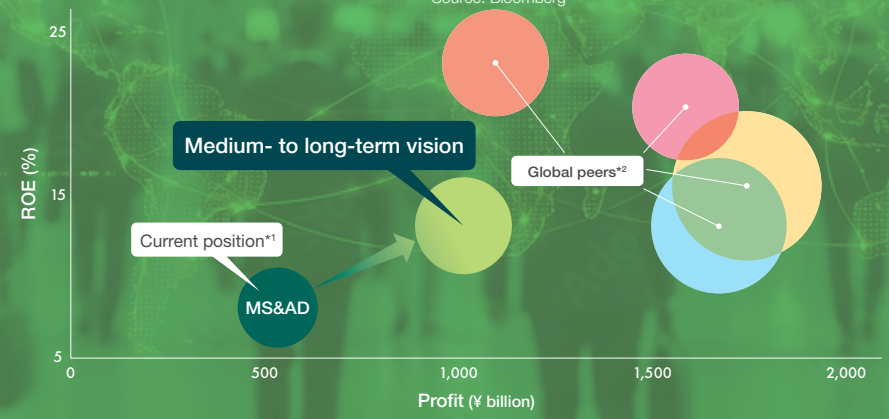
Trends in Market Capitalization and Profit



*1 Net income attributable to owners of the parent
*2 Source: Bloomberg

Comparison with Global Peers

*1 Adjusted profit and adjusted ROE for FY2025 (excluding gains on sales of strategic equity holdings)
*2 Global peers: Allianz, AXA, Chubb, and Zurich (FY2025)
Source: Bloomberg



MS&AD's Competitive Advantages

The non-life insurance group most chosen by customers in Japan

Net premiums written (FY2025)
Market share
No. 1 *1

Customer base and distribution network
No. 1

Global business operations

48 countries and regions around the world

Sustained and significant growth in the international business

Profit growth rate of the international business
22.3 % *2

Provision of diverse solutions as a "comprehensive insurance group"

- International Business
  - Primary insurance
  - Lloyd's and reinsurance
  - International life insurance
- Domestic Non-Life Insurance Business
  - Agency channel
  - Direct channel
- Domestic Life Insurance Business
  - Asset-type products
  - Protection-type products
- Solutions to Social Issues Business
  - Think tank
  - Risk consulting

Overwhelming presence in the ASEAN region

ASEAN gross written premiums ranking (FY2024)
No. 1 *3

Proactive investment and promotion of AI/DX

Partnerships with leading companies in other industries, startups, etc.

Expertise and credibility backed by more than 130 years history and experience

Founded in 1893 (predecessor company)

*1 Prepared by MS&AD based on publicly announced information from each insurance company and data from the General Insurance Association of Japan
*2 Compound annual growth rate from FY2014 to FY2025
*3 Based on MS&AD research, excluding reinsurers

Identification of Our Materiality and Key Management Issues

In light of changes in the business environment and evolving social challenges, as well as anticipated statutory and regulatory disclosure requirements, we reviewed our material issues and reframed them as Key Management Issues, emphasizing their relevance to business strategy and corporate value enhancement, rather than treating them solely as sustainability matters.

Review of the Previous Medium-Term Management Plan

Under the previous Medium-Term Management Plan, we pursued a growth strategy rooted in creating shared value with society in response to changes in the sustainability landscape. In the sustainability area, we focused on the key issues of Planetary Health, Resilience, and Well-being, and made generally steady progress. In addition, we improved information disclosure and external evaluations and redefined the relationship between our Mission and sustainability strategy.
At the same time, we recognize that initiatives to connect sustainability with business strategy and daily operations and embed it within each Group operating company have scope for further evolution and development, and remain as an issue for the future.

Establishment of New Key Management Issues

We established new Key Management Issues to create an environment in which every employee can independently identify the priority issues in their region or organization, act on them, and thereby embody our corporate philosophy. At the same time, we reviewed our targets.

Process for Identifying New Key Management Issues

STEP 1 Identification of Issues

To align the organization toward integrating sustainability strategy with business strategy and daily operations—an issue identified in our review of the previous Medium-Term Management Plan—we broadly and accurately identified current issues that society is seeking to resolve. We then analyzed and evaluated each topic's financial and non-financial impacts on the non-life insurance business from both quantitative and qualitative perspectives and selected the relevant issues.

STEP 2 Inventory of the Value Chain and Business Processes

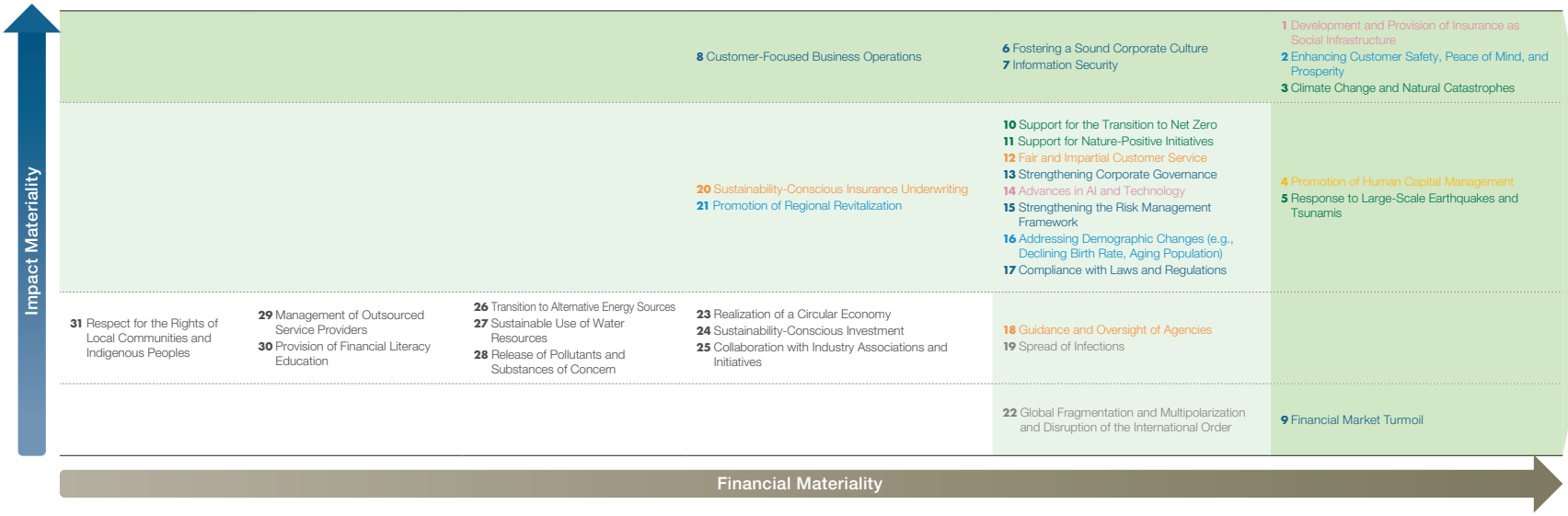
We organized the Group's principal business processes and activities, including product and service development, underwriting, contract administration, investment, and insurance payouts. Based on this inventory, we analyzed and evaluated each issue identified in Step 1 for each business process.

STEP 3 Identification of Key Management Issues

Using the results of Step 2, we analyzed the issues from the two perspectives of impact on society and financial impact on the Group, and organized the 20 materiality items judged to be highly important. Based on these items, we then identified six Key Management Issues. In selecting the Key Management Issues, the Sustainability Committee discusses the matter and reports the results to the Board of Directors.

Materiality

Note: The colored items indicate the 20 identified materiality issues.



Six Key Management Issues

1. Enhancing the value we provide
   1, 14
2. Addressing natural catastrophes
   3, 5, 10, 11
3. Addressing demographic changes
   2, 16, 21
4. Respect for human rights in business
   12, 18, 20
5. Promoting human capital management
   4
6. Strengthening governance
   6, 7, 8, 9, 13, 15, 17

Reasons for Selecting the Key Management Issues



Sustainability initiatives

Toward a Safe and Secure Society: Contributing to the Well-being of People and the Planet

★Revised ☆Added

Main initiatives	Main targets
Enhancing Regional Resilience •Supporting disaster prevention and mitigation, and developing of BCPs and more •Contributing to closing the protection gap •Providing solutions that support enhanced regional resilience in collaboration with local governments **Supporting the Transition to Net Zero and Nature-Positive Outcomes** •Using sustainability dialogue to understand environmental and social risks and strengthening proposal capabilities to meet emerging needs •Participating in global rule-making and public-private financing schemes	**Greenhouse Gas Emission Reduction Rate Our Own Operations (Scope 1 and 2)★** FY2030 -70% (versus FY2019) FY2050 Net zero **Underwriting/ Investments and loans*1** FY2030 -37% (versus FY2019) FY2050 Net zero **Renewable Energy Usage Rate★** FY2027 100% (Major Locations) **Implementation Rate for Dialogue and Proposals with Key Domestic Clients** FY2030 100% *1 Key Japanese domestic corporate clients selected based on insurance premium
Addressing Diverse Lifestyle Risks •Developing solutions and providing products and services that respond to environmental changes such as a declining working population •Developing products and services for customer segments expected to expand in the future, such as the elderly and foreign residents, as well as for risks that have not been adequately addressed to date •Developing products and services that support customers' lifelong health and asset building **Supporting Regional and Living Infrastructure** •Expanding business through collaboration with other companies in areas that significantly affect business activities and people's lives •Collaborating with local governments and companies to rebuild weakened local communities	
Implementing Human Rights Due Diligence and Providing Access to Remedy Based on Our Policies •Steadily conducting human rights due diligence, including the prevention, mitigation, and remediation of human rights issues, and providing access to remedy •Strengthening human rights awareness among agencies, expanding opportunities for dialogue with business partners, and providing optimal solutions **Responding to Technological Innovation and Promoting Respect for Human Rights in the Workplace** •Contributing to the early identification, prevention, and mitigation of human rights issues arising from technological advances, including AI technology and the cyber field (information security) •Promoting a sound workplace environment by strengthening measures to prevent harassment of employees	**Participation Rate in Human Rights Awareness Training☆** Maintain 100%

The Group Vision for FY2030

The Group has formulated its Vision for FY2030 in May 2026.

Qualitative targets

We will pursue the intrinsic value of insurance and strive to become the insurance and financial group most chosen by customers. Building on these initiatives, we are determined to become an organization that anticipates change and resolves society's risks in an increasingly uncertain era—Taking on Risk, Leading the World—so that customers can entrust us with their precious futures. Through our global business platform, we will provide optimal security, the best customer experience, and cutting-edge solutions, contributing to the development of a vibrant society and a healthy future for the planet.

Approach to initiatives toward FY2030

Approach of domestic insurance companies

The insurance and financial group most chosen by customers

Group tagline

Taking on Risk, Leading the World

Quantitative targets

Even after completing the sale of strategic equity holdings, we will establish an earnings structure capable of generating profit of more than ¥800.0 billion (adjusted) in FY2030 (by transitioning to a structure that generates profit from core businesses) and aim to achieve profit of approximately ¥1 trillion in the future.

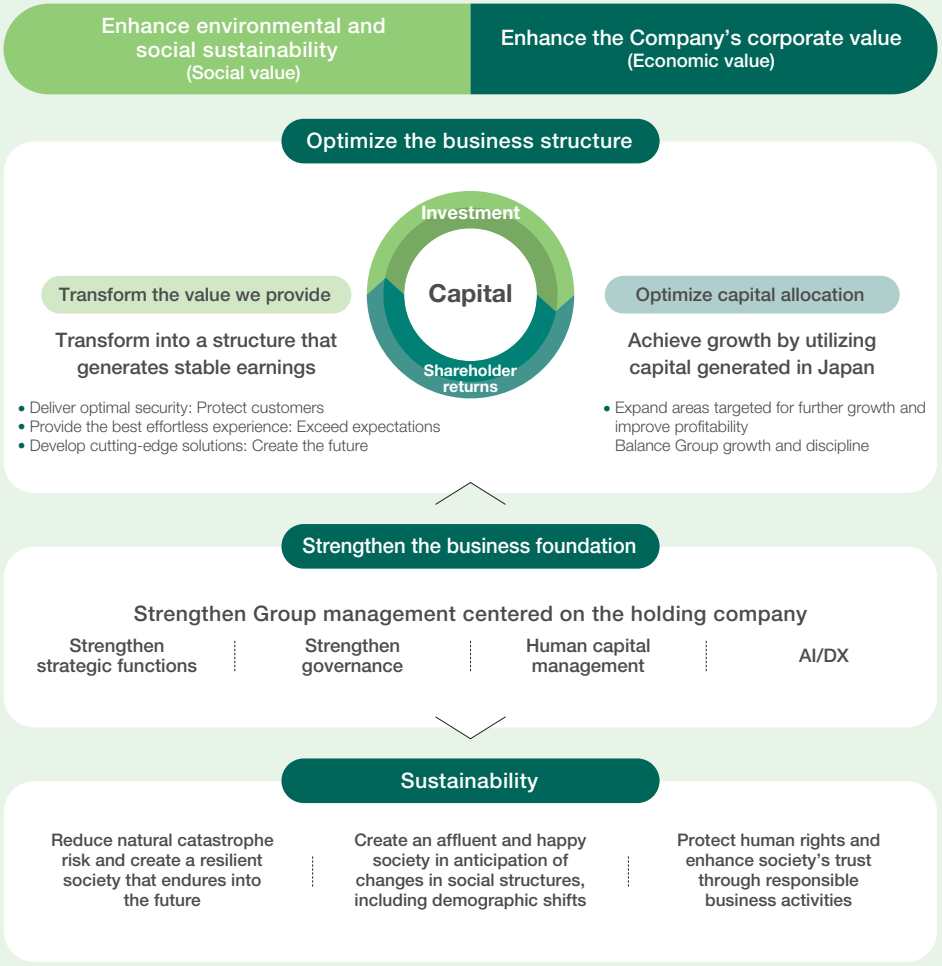
Target

Adjusted profit*1	EPS growth rate*2	Adjusted ROE*3	ESR
FY2030	FY2025–FY2030	FY2030	FY2030
¥800.0 billion	11% (annualized)	11% or higher	180% or higher

*1 Profit after making cash-basis-oriented adjustments to IFRS net income
*2 Excluding gains on sales of strategic equity holdings
*3 Adjusted profit / adjusted net assets (IFRS net assets – AOCI – goodwill and other balances)

Group strategy

To establish an earnings structure that generates profit sustainably, we will transform our business model by optimizing our business structure and strengthening our business foundation, thereby enhancing the Group's corporate value.



Strategies by business domain

For each of the five business domains, we have established objectives to be achieved by FY2030 and an adjusted profit outlook (for FY2030) based on an appropriate assessment of the operating environment.

In particular, the international business will transform into a globally competitive business management framework led by multinational talent and grow into a business that generates more than half of the Group's total adjusted profit by FY2030.

Business domain	FY2030 adjusted profit outlook	What we will achieve
Domestic Non-Life Insurance Business P.93	¥240.0 billion	• Simultaneously provide insurance tailored to customer needs, ensure appropriate premium rates, and reform business processes, thereby generating stable profit commensurate with the scale of the business (and achieving improvement in profitability that exceeds inflation-driven increases in insurance payments and operating expenses).
Domestic Life Insurance Business P.95	¥100.0 billion	• Provide optimal solutions for customers' risks in the life insurance field, thereby becoming the insurance and financial group most chosen by customers. • Contribute to risk diversification and earnings stability by assuming risks with characteristics different from those of the non-life insurance business. • Increase Group profit through synergies with the non-life insurance and asset management businesses.
International Business P.97	¥420.0 billion	• From 2026 onward, we will enhance our functions, beginning with the consolidation of international business management functions within the holding company, to drive the growth in the Group's corporate value and build a structure in which the international business accounts for more than half of adjusted profit.
Financial Services Business P.101	¥30.0 billion	• Contribute to improving the Group's capital efficiency and diversifying its business portfolio through the investment in and business expansion of Barings, which offers high growth potential and has a low correlation with the insurance underwriting business. Strengthen the profitability of existing businesses by developing new products and services and enhancing operational frameworks.
Solutions to Social Issues Business P.102	¥10.0 billion	• Expand our solutions business addressing social issues and create a virtuous cycle of increasing both social and economic value, thereby contributing to the Group's sustainable growth and earnings expansion.

Strengthening Group Management to Achieve the Vision

Strengthening the strategic functions of the holding company

To achieve the Group Vision for FY2030, particularly the quantitative targets, we must further accelerate our previous pace of growth. There is a gap of approximately ¥270.0 billion between the current level of adjusted profit excluding gains from the sale of strategic equity holdings and the target of ¥800.0 billion. Moreover, ROE and EPS will not improve unless we further diversify risk and optimize the level of net assets.

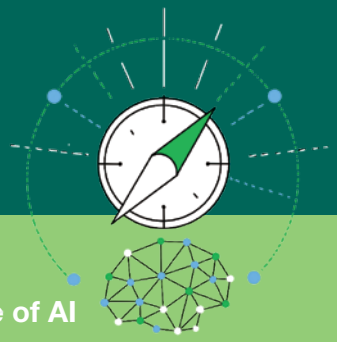
Strong leadership by the holding company is therefore essential. Both domestic and international markets, as well as the non-life and life insurance businesses, are undergoing significant environmental changes. Against this backdrop, the holding company will work backward from the targets to make prompt decisions on matters such as how to use the proceeds from the sale of strategic equity holdings, how to allocate capital to each business, and how individual operating companies within the same business domain should be structured and what strategies they should pursue, and will advance specific initiatives together with each operating company.

The table below summarizes the principal growth strategies for which the holding company has taken the lead in determining policies and launching specific initiatives.

The merger of MSI and ADI in the domestic non-life insurance business is a landmark decision led by the holding company to enhance the ability to provide the intrinsic value of insurance and become the company most chosen by customers. In the domestic life insurance business, we will consider restructuring the business model and organizational structure to accelerate growth by not only developing the respective strengths of MSA Life and MSP Life but also combining those strengths.

We also regard the effective use of AI as a major factor for growth toward FY2030. Assuming that AI itself will continue to evolve and its potential applications across the Group's businesses will expand at an increasingly rapid pace, we are reviewing the appropriate structure of our system development framework.

Leadership by the holding company



Strengthen Group strategy development and optimal capital allocation functions	»	**Establish CxO and International Business CxO frameworks**
Provide products aligned with the needs of society and customers Establish highly transparent sales processes	»	**Restructure the life insurance business model and organizational structure**
Enhance the ability to provide the intrinsic value of insurance by balancing capital strength and capital efficiency	»	**Merge the core non-life insurers and advance the direct-channel strategy**
Strengthen the policy advocacy function as a leading company	»	**Redefine the role of MS&AD InterRisk Research & Consulting, Inc. (Mitsui Sumitomo Insurance Research Institute)**
Strengthen the Group's asset management functions	»	**Strategic alliance with Barings**

Adapt to the age of AI

Strengthen system development capabilities in anticipation of advances in AI	»	**Review the appropriate development framework centered on MS&AD Systems (Mitsui Sumitomo Insurance Systems)**

Thorough implementation of customer-focused business operations

To achieve the Group Vision for FY2030, customer-oriented business operations must be thoroughly implemented across the Group in conjunction with the execution of Group and business-specific strategies. It is not enough merely to eradicate misconduct such as the premium adjustment practices and information leakage incidents between insurance agencies and insurance companies that occurred in previous fiscal years. Taking compliance with laws and regulations as the natural starting point, we will strengthen and exercise the Group's ability to detect warning signs of risk and proactively improve business operations to meet customer expectations, further enhance quality, and pursue customers' best interests.

For more information on the Company's compliance initiatives, see the Group's official website.

- See here for information on the Company's compliance initiatives Website
- See here for information on the Company's tax governance Website

Quality and compliance targets

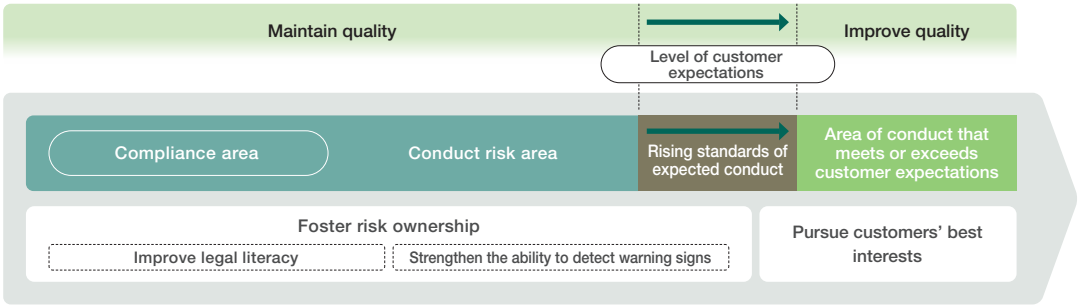
Qualitative

All employees independently practice customer-oriented business operations at every customer touchpoint and in every situation, earning the trust and respect of society and customers and making us an insurance company that leads the industry.

Quantitative

Three areas of customer-oriented business operations	KPI
Compliance with laws and regulations	Number of misconduct incidents
Conduct risk	Number of improvements based on customer feedback and other input
Actions that meet or exceed customer expectations	NPS (Net Promoter Score)

Overall framework for customer-oriented business operations



Two innovations

Innovation 1

Integrated initiatives spanning compliance with laws and regulations through conduct that meets or exceeds customer expectations

Comply (protect), notice, and think. Beyond all of this is the customer

Innovation 2

Shift from an agency perspective to a customer perspective

Put customers at the center of everything we do

Principal initiatives

Transform compliance implementation plans into Customer-Focused Practices Programs

- Revamp the MSI Compliance Action Program and the ADI Branch Compliance Program into blueprints for branches and departments to practice customer-oriented business operations

Initiatives to thoroughly instill a customer perspective

- Strengthen initiatives that encourage all employees to continually consider what it means to be customer-focused
- Strengthen initiatives to collect and utilize employee and customer feedback

Establish frameworks for managing agencies and external service providers in response to business model transformation

- Improve frontline employees' ability to engage in dialogue with agencies to ensure the effectiveness of agency self-inspections
- Establish a framework that ensures external service providers are selected according to information leakage risk classifications and that various security control measures are sufficient

Initiatives toward the Merger

Our Group aims to become the “insurance and financial group most chosen by customers” by leveraging the intrinsic value of insurance and its risk solution capabilities. Through the merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, we will create a new non-life insurance company, strengthen the foundation of the Group’s growth, and enhance credibility through stronger governance and other measures. Building on the initiatives of the new non-life insurance company, our Group will strive to become an entity “Taking on Risk, Leading the World” by anticipating change and addressing social risks in an increasingly uncertain era, so that customers will entrust us with their precious futures. In doing so, we will achieve sustainable growth and enhance corporate value.

Background and objectives of the merger

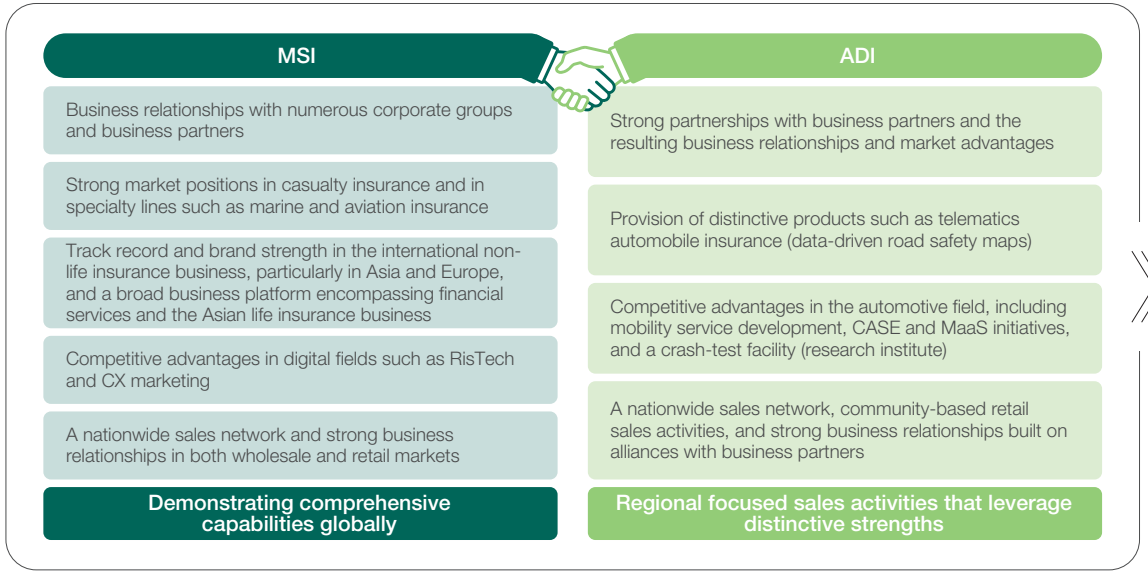
The operating environment surrounding the insurance industry is undergoing significant change, including the strengthening of regulations in response to misconduct such as price fixing, fraudulent claims, and information leakage. The Group views these environmental changes as an opportunity for business transformation. Through the merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, we aim to strengthen the intrinsic value of insurance and our risk solution capabilities, and to become the insurance and financial group most chosen by customers.

Through the merger, we will strengthen the foundations of the Group’s growth and enhance credibility through stronger governance and other measures. As the Group’s central business domain, the new company will support a virtuous cycle of growth and trust.

Management objective

The new company will retain, combine, and further expand the respective strengths of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

Strengths of the two companies



Objectives of the merger

Strengthen the foundations of the Group’s growth	• Generate profit commensurate with the Group’s top-line scale • Strengthen competitiveness across all areas, including product and service development, underwriting, and risk management • Leverage the advantage of the No. 1 share of the domestic market • Improve management efficiency by reforming the operating expense structure
Enhance trust through stronger governance and other measures	• Execute the Group growth strategy under the leadership of the holding company • Strengthen the second and third lines of defense in conjunction with the merger • Expand opportunities for officers and employees to excel in Japan and overseas • Address social issues, including natural catastrophes, and enhance the management of social risks

Value provided to stakeholders through the merger

Customers
By combining the strengths of the two companies and enhancing brand strength, product and service development capabilities, underwriting capabilities, and risk engineering capabilities, we will provide optimal insurance products and services that address increasingly diverse and sophisticated risks.
By also leveraging the advantage of the No. 1 domestic market share and our global network to provide new value to a broad range of customers, from local communities to the world, we aim to become the insurance and financial group most chosen by customers.

Agents
We will build genuine partnerships with agents and provide a business foundation that supports sustainable growth by establishing a sales structure based on a new distribution network strategy and supporting agents in adapting to comparative recommendation sales, among other measures.

Employees
We will provide a workplace where each employee can demonstrate their abilities and grow by expanding opportunities to excel, fostering a new corporate culture, assigning talents to the right positions, and creating a comfortable working environment.

Shareholders
We will achieve sustainable profit growth through investment in growth areas, reinforcement of the business foundation, and more sophisticated governance, thereby enhancing corporate value and delivering attractive shareholder value.

Business strategies

The new company has established six basic strategies.

Deliver optimal security

Intrinsic value of insurance

1. **Products and services that meet customer needs**
   - Price competitiveness (standardization) and differentiation from competitors (solutions to social issues)
2. **Strengthen risk solution proposal and underwriting capabilities**
   - Pursue appropriate underwriting using data, risk surveys, and other resources
   - Provide new coverage and underwrite emerging risks by sharing expertise in Japan and overseas
3. **Strengthen capacity provision capabilities**
   - Effectively utilize the new company's capital and make strategic use of reinsurance

Provide the ultimate effortless experience

Enhance CX

1. **Provide effortless value**
   - Personalized proposals and digital procedures (at enrollment)
   - Timely provision of the information customers need (after enrollment)
   - Pursue faster, easier-to-understand processes through digitalization (claims payment)
2. **Optimal distribution**
   - Transform the agency business model by integrating digital capabilities with quality
   - Expand direct customer contact through an intermediary model (personal) and direct handling (commercial)

Develop cutting-edge solutions

Resolve social issues

1. **Solutions before and after coverage using data (DX)**
2. **Contribute to creating safe and secure communities through the expansion of telematics automobile insurance (SAFE TOWN)**
3. **Solutions for social issues and initiatives for creating shared value (CSV)**
   - Priority areas: Mobility, disaster prevention and mitigation, healthcare, and cybersecurity
4. **Bring overseas expertise back to Japan**
   - WRB, MOTER, Aioi R&D Lab-Oxford, etc.

Transform the sales model with quality as the top priority (sustainable sales model)

Establish new agent categories (growth-oriented and role-sharing models)

Regional revitalization

Resolve regional issues

1. **Advance initiatives with local governments and community-based companies to resolve regional issues in coordination with regional revitalization policies**
2. **Advance initiatives that connect contributions to local communities and disaster prevention and mitigation with the expansion of customer relationships**

Collaboration with business partners

Strengthen and expand collaboration

1. **Strengthen and expand collaboration with partners to realize and deliver optimal security, the ultimate effortless experience, and cutting-edge solutions to customers**
2. **Create collaboration with new partners**

Expand areas targeted for further growth and improve profitability

Balance Group growth and discipline

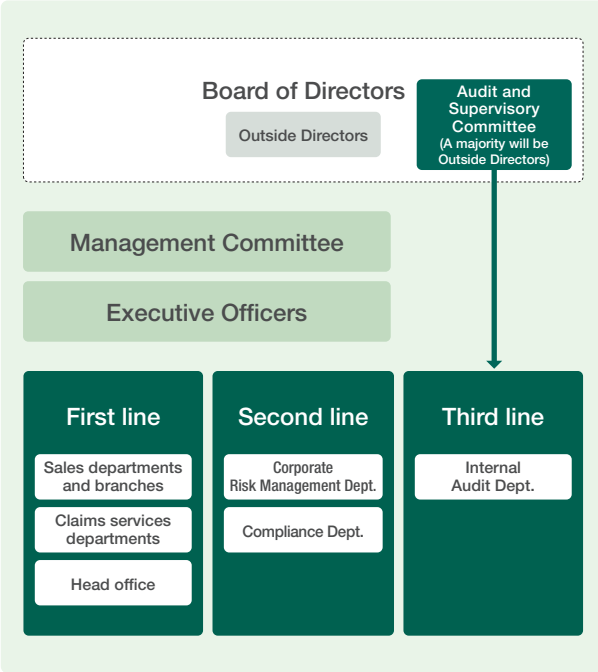
1. **Allocate management resources to growth areas**
2. **Make disciplined business investments**
3. **Advance the reinsurance strategy**
4. **Improve profitability in asset management**

Governance

The new company will be a company with an Audit and Supervisory Committee*1, achieving both growth (swift decision-making)*2 and discipline (enhanced audit and oversight functions)*3.

The internal control system of the new company will be structured with a three-line model to ensure effectiveness.

Three Lines Model



*1 MSI and ADI transitioned to companies with Audit and Supervisory Committees, following approval at their respective shareholder meetings in June 2026, prior to the merger.

*2 Rapid decision-making will be achieved by delegating to Directors some decisions concerning the execution of important business operations and by having the holding company and the new company jointly operate some management meeting bodies in an integrated manner.

*3 Discipline will be strengthened through auditing and supervision by the Audit and Supervisory Committee, whose members are Audit and Supervisory Committee Members with voting rights at Board of Directors meetings.

FY2026 Group Management Plan

The quantitative targets for FY2026 were established by backcasting from the Group Vision for FY2030. In FY2026, we aim to achieve adjusted profit of ¥530.0 billion and adjusted ROE of 10% on an excluding-gains basis, and ¥800.0 billion and 13%, respectively, including gains from the sale of strategic equity holdings.

Target

Adjusted profit*1	EPS growth rate*2	Adjusted ROE*3	ESR
FY2026	FY2025–FY2030	FY2026	FY2026
¥530.0 billion	4% (annualized)	10%	180% or higher
Including gains from the sale of strategic equity holdings: ¥800.0 billion	FY2025–FY2030 annual average: 11%	Including gains from the sale of strategic equity holdings: 13%	

*1 Profit after making cash-basis-oriented adjustments to IFRS net income
*2 Excluding gains from the sale of strategic equity holdings
*3 Adjusted profit / Adjusted net assets (IFRS net assets – AOCI – Goodwill balance, etc.)

Strategies by business domain

Business domain	Strategy	Main initiatives
Domestic Non-Life Insurance Business (Adjusted profit: ¥170.0 billion*) *Including gains on sale of strategic equity holdings: ¥438.0 billion	**Merger of MSI and ADI**	■Steadily executing the merger
	Advancing the business improvement plan	■Promoting dialogue with agents to realize customer-focused business operations and a sound competitive environment ■Facilitating the succession and acceptance of corporate agencies through insurance agency businesses jointly funded with partners
	Improving profitability and growth potential	■Considering and developing simple, easy-to-understand products and services and setting premium rates flexibly ■Capturing customers' growing preference for online services and increasing price sensitivity through direct channels ■Sale of strategic equity holdings and increasing allocation to higher-return assets (credit, listed equities, and PA)
Domestic Life Insurance Business (Adjusted profit: ¥52.0 billion)	**Improving profitability**	**MSA Life:** Expanding insurance revenue by increasing sales of protection-type products and improving risk/return and capital efficiency
		MSP Life: Increasing insurance revenue through products with enhanced protection features and launching products requiring proprietary expertise, such as variable products
	Strengthening sales models	**MSA Life:** Initiatives to establish a sales model that promotes proactive value provision (proactive model)
		MSP Life: Expanding channels through initiatives targeting the general agency market and the advancement of digital strategies, in addition to financial institution channels
International Business (Adjusted profit: ¥300.0 billion)	**Growth in each region**	■Expanding local underwriting and deepening relationships with major MGAs in the U.S. business, while pursuing synergies such as reinsurance transactions with WRB ■Thoroughly implementing cycle management in the Lloyd's and reinsurance businesses ■Deepening operations at each base in Asia, expanding underwriting across entities, and optimizing retention and outward reinsurance
	Optimizing reinsurance schemes	■Establishing an intra-Group reinsurance vehicle and optimizing risk retention and transfer
	International life insurance	■Strengthening the cycle of growth and returns through initiatives that leverage the strengths of each entity and proactive involvement in management
Financial Services Business (Adjusted profit: ¥12.0 billion)	**Expanding Barings' business**	■Expanding Barings' business in collaboration with its parent company, MassMutual
Solutions to Social Issues Business	**Improving earnings and expanding solution offerings**	■Strengthening the think tank and risk consulting businesses (MS&AD InterRisk Research & Consulting) ■Expanding cutting-edge solutions that meet the expectations of customers and society



CFO Message

Enhancing ERM to steer the Group on a course that balances growth and discipline

Shigeo Kudo

Representative Director,
Executive Vice President and
CFO

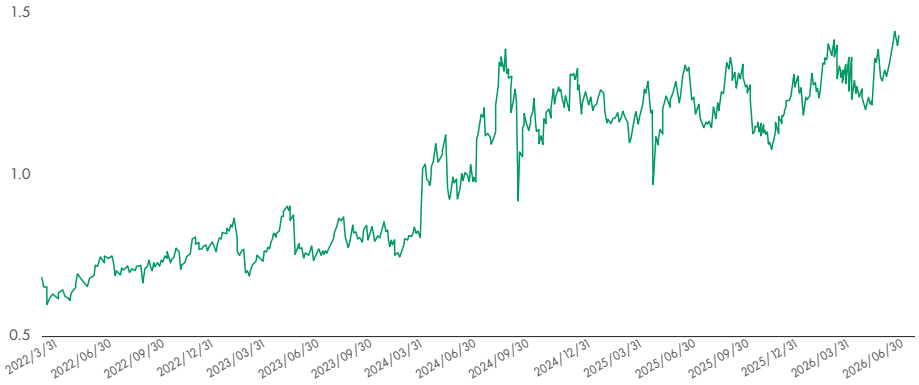
Reflections on my first year as CFO

One year has passed since I assumed the position of CFO. Looking back, it was a year filled with insights, as I received a wide range of opinions and observations through dialogue with investors.

Meanwhile, our PBR rose above 1.0x around the time we announced the accelerated reduction of strategic equity holdings. It has subsequently risen gradually following each information meeting and series of individual meetings with investors.

A PBR of 1.0x is merely a milestone. We will continue steadily implementing measures to raise it further.

PBR since the launch of the Medium-Term Management Plan (2022–2025) (Japanese GAAP)



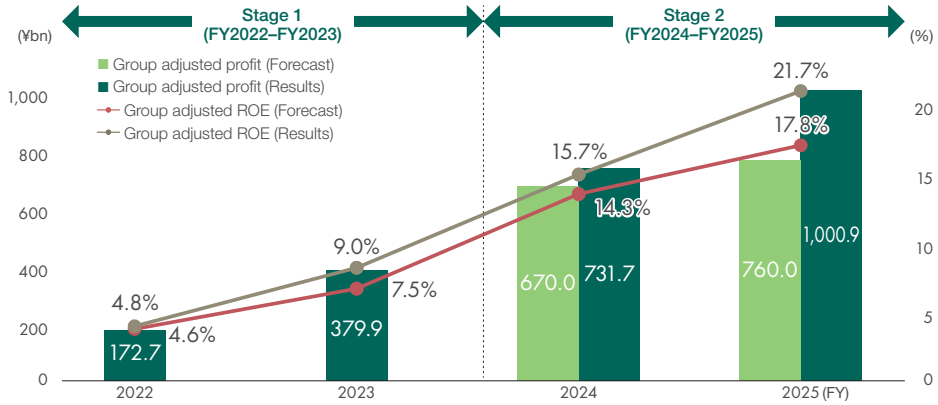
(Source) Compiled by MS&AD Holdings based on data provided by Bloomberg.

Review of the Medium-Term Management Plan (2022–2025)

Although results were affected by factors such as increases in insurance payments due to inflation, the accelerated sale of strategic equity holdings and higher profits in the international business enabled us to outperform our FY2025 targets. Group adjusted profit amounted to ¥1,000.9 billion, compared with the target of ¥760.0 billion, while Group adjusted ROE reached 21.7%, compared with the target of 16%.

What matters is not only achieving numerical targets but also the substance of those achievements. By enhancing the ERM cycle, we laid the groundwork for achieving the Group Vision for FY2030 through the benefits of our investments in WRB and Barings and the merger of our domestic non-life insurance companies. I regard these as significant achievements in strengthening our underlying businesses, excluding one-off factors.

Group adjusted profit and Group adjusted ROE under the Medium-Term Management Plan (2022–2025)



ERM cycle

To improve profitability relative to risk and capital, we worked to enhance the ERM cycle by strengthening business management and effectively utilizing Group capital. Through initiatives on both the asset and liability sides, ROR in the domestic non-life insurance business, our core business, is improving. At the same time, the international business has developed into a principal business domain in terms of both profit and ROR.

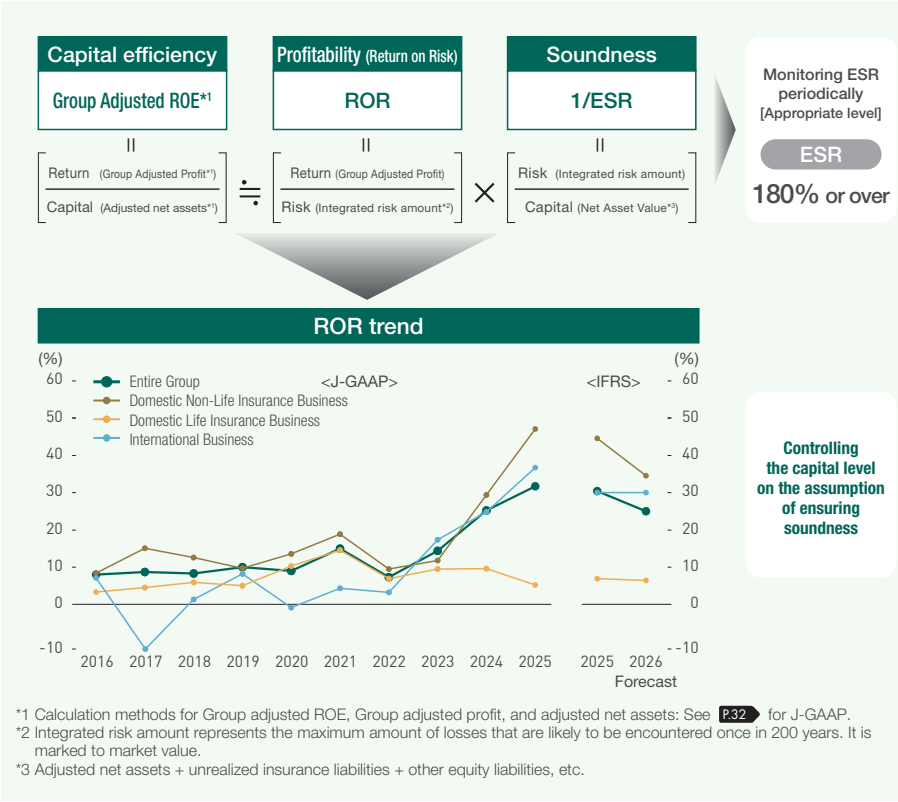
Transformation of the business and risk portfolio (asset-side)

By strengthening business management, we worked to improve profitability relative to risk and capital and pursued a disciplined reallocation of our business portfolio from less profitable businesses to more profitable ones. Specifically, while making business investments in MS Transverse and WRB, we sold the nursing care businesses, withdrew from local operations in Hawaii and Guam, and sold our shares in Challenger.

We also accelerated the sale of strategic equity holdings while allocating funds to foreign bonds and private assets. Through these initiatives, we sought to increase diversification benefits by diversifying risk while maintaining and improving profitability.

Transformation of the business and risk portfolio (liability-side)

In the domestic non-life insurance business, we revised premium rates for automobile and fire insurance, shortened policy terms, and expanded the disciplined underwriting of casualty insurance. Through these measures, we sought to improve both the quantity and quality of our insurance liabilities. In the international business, as part of the turnaround of MS Amlin and MS Reinsurance, we reduced exposure to natural catastrophe risks, withdrew from unprofitable lines, and raised premium rates. We also worked to acquire high-quality insurance liabilities and increase diversification benefits by underwriting relatively low-risk, highly profitable lines and diversifying our portfolio across regions and lines of business. In addition, progress was made in acquiring specialty risks through WRB's captive reinsurance company and MSIG USA, further increasing diversification benefits across the Group. In the domestic life insurance business, we are also making steady progress in shifting our portfolio toward highly profitable products (such as income protection and medical insurance), and expanding sales through collaboration between MSA Life and MSP Life.



*1 Calculation methods for Group adjusted ROE, Group adjusted profit, and adjusted net assets: See P.32 for J-GAAP.
*2 Integrated risk amount represents the maximum amount of losses that are likely to be encountered once in 200 years. It is marked to market value.
*3 Adjusted net assets + unrealized insurance liabilities + other equity liabilities, etc.

Effective utilization of Group capital

I believe there remains considerable room for improvement in the effective utilization of Group capital—in other words, in capital allocation and our ability to generate cash.

Under the Medium-Term Management Plan (2022–2025), our balance sheet expanded and our earnings power improved. In the period leading up to FY2030, I want to establish an environment in which capital can flow flexibly throughout the Group, thereby accelerating the pace of growth. Working together as a unified Group, we will allocate capital to areas that offer high returns relative to risk and capital, greater diversification benefits, and strong cash-generating capabilities. By reinforcing the cycle that connects such capital allocation to growth investments and shareholder returns, we will achieve disciplined risk-taking and accelerate growth.

FY2026 Group Management Plan and the Group Vision for FY2030

FY2026 Group Management Plan

Target

Adjusted profit*1	EPS growth rate*2
FY2026 ¥530.0 billion (Including gains on sales of strategic equity holdings: ¥800.0 billion)	FY2025–FY2026 4% (Annual rate) (FY2025–FY2030 annual average 11%)
Adjusted ROE*3	**ESR**
FY2026 10% (Including gains from the sale of strategic equity holdings: 13%)	FY2026 180% or higher

*1 Profit calculated by applying cash-based adjustments to IFRS net income.
*2 Excluding gains from sale of strategic equity holdings
*3 Adjusted profit / Adjusted net assets (IFRS net assets – AOCI – Goodwill balance, etc.)

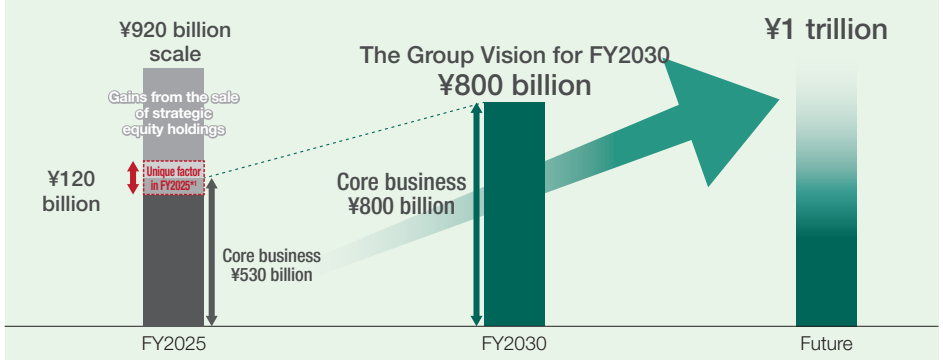
We set our targets by working backward from our objective of achieving adjusted profit of ¥800.0 billion through our underlying earnings capacity in FY2030, even after eliminating strategic equity holdings. Until now, we have formulated four-year medium-term management plans. However, given the significant changes occurring both within and outside the Group, we

have adopted a single-year plan beginning this year. The domestic non-life insurance market is facing major changes in its competitive environment, and the merger of our domestic non-life insurance companies is also approaching. The overseas non-life insurance market and capital market cycles are also approaching turning points. Under these circumstances, we concluded that it was necessary to formulate and execute a single-year plan so that we can respond appropriately to an environment that changes from year to year.

To realize the Group Vision for FY2030, we have put several key building blocks in place: the business investment in WRB in FY2025 and in Barings in FY2026, and the merger of our domestic non-life insurance companies in FY2027.

Each of these business investments and synergy initiatives represents an extension of measures we have already been pursuing, and they have already begun contributing to our performance. We therefore believe that we can realize our aspirations for FY2030 without undertaking any further large-scale business investments.

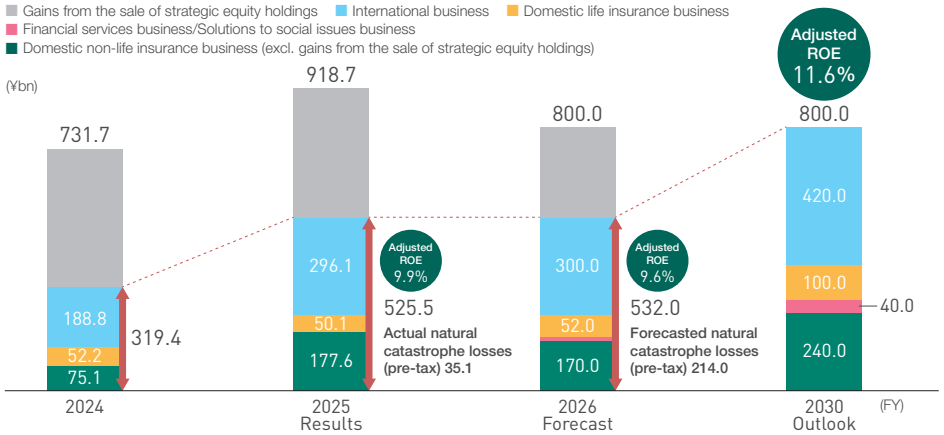
The Group Vision for FY2030



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

*1 Greater than expected losses from natural catastrophes, etc.
*2 Profit calculated by applying cash-based adjustments to IFRS net income.
*3 Excluding gains from the sale of strategic equity holdings
*4 Adjusted profit / Adjusted net assets (IFRS net assets – AOCI – Goodwill balance, etc.)

Adjusted profit*1 and Adjusted ROE*2



*1 Group adjusted profit (J-GAAP) for FY2024 only. Group adjusted profit (J-GAAP) for FY2025 is ¥1,000.9 billion (excluding gains from the sale of strategic equity holdings: ¥607.6 billion)
*2 Excluding gains from the sale of strategic equity holdings

Looking ahead to adjusted profit of ¥1 trillion and adjusted ROE of 15%

The MS&AD Group Management Plan announced in May calls for the optimization of our business structure. We will transform the Group into an organization capable of generating stable earnings and use the capital created to drive further growth. In other words, we will acquire risks that increase ROR and diversification benefits, thereby building an optimal risk portfolio.

To achieve this, I will work with the CRO and other CxOs to further enhance the ERM framework so that the Group can achieve both growth and discipline. By continuing to pursue these initiatives in a disciplined manner, we should naturally move closer to adjusted profit of ¥1 trillion and adjusted ROE of 15%.

Risk portfolio optimization (asset-side)

We are accelerating the sale of strategic equity holdings with the aim of reducing them to zero by the end of FY2029, and these sales are progressing steadily. As previously announced, we will allocate the proceeds from these sales to growth investments, transforming our risk portfolio to offer higher returns and greater diversification.

Risk portfolio optimization (liability-side)

Investors can build portfolios suited to their individual needs by diversifying their investments across equities, bonds, and other assets. Accordingly, I believe that what those who invest in the Group expect from us is the ability to acquire stable and highly profitable insurance liabilities.

In the domestic non-life insurance business, we have been working to build a high-quality risk portfolio through measures including premium rate revisions and shorter policy terms for automobile and fire insurance, expanded underwriting of casualty insurance, appropriate rate-setting and disciplined underwriting for fire and casualty insurance, and reinsurance procurement that emphasizes periodic earnings and financial soundness. We will continue these initiatives going forward. In the international business, we will build a highly profitable portfolio diversified across regions and lines of business by expanding the underwriting of specialty lines through MSIG USA and WRB and increasing underwriting through collaboration with WRB in Asia, where the Group has particular strengths. In the domestic life insurance business, we will also continue acquiring insurance liabilities with low capital requirements by providing products that meet customer needs through transparent processes.

Strengthening cash generation capability

As CFO, I intend to focus not only on improving returns relative to risk and capital but also on the quality of earnings. This is because capital that cannot be distributed to the holding company due to local capital regulations and non-cash accounting profits (such as unrealized gains and losses on financial assets), cannot be freely allocated. From this perspective, in addition to building portfolios with high returns relative to risk and capital and rigorously implementing cycle management, we intend to strengthen our fee-based businesses.

MS Transverse, the only fronting carrier in the industry with an A+ rating, will provide a foundation for the Group's cash generation. The Group's domestic life insurance business is also the largest among life insurers affiliated with non-life insurance groups, while our steadily growing international life insurance business is another of the Group's strengths. These life insurance businesses are highly compatible with asset management. By combining them with Barings through reinsurance and asset management mandates, we believe they can contribute to cash generation. We also intend to pursue opportunities in international life insurance markets that can be expected to generate stable and substantial cash flows, including the corporate pension market.

I am confident that by generating cash that can be freely used for shareholder returns and investments and allocating it swiftly, we can enhance both growth and profitability.

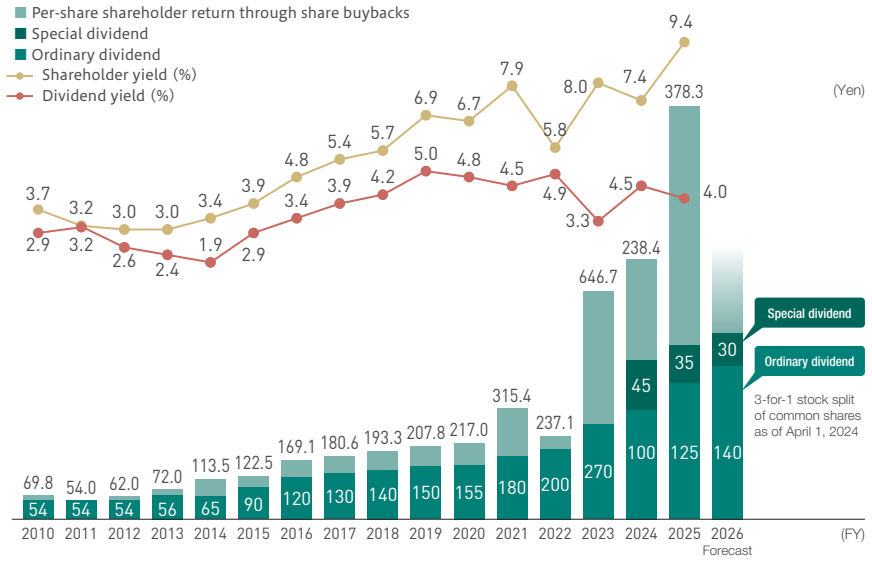
Shareholder return

Our shareholder return policy provides for returning 50% of Group adjusted profit through dividends and share buybacks as basic returns. We will also implement additional returns flexibly and proactively, taking into consideration factors such as the business environment, ESR levels, liquidity, and stock price trends.

For FY2025, we decided to provide an annual dividend of ¥160 per share as basic returns (an increase of ¥15 year on year) and to repurchase up to ¥325.0 billion of our own shares (of this amount, ¥265.0 billion constitutes basic returns and ¥60.0 billion constitutes additional returns).

We will continue aiming for progressive dividends and strive to maintain attractive shareholder returns.

Trends in per-share total shareholder return, total shareholder return yield, and dividend yield



Enhancing Capital Efficiency and Achieving Sustainable Profit Growth

Group adjusted ROE

MS&AD Insurance Group regards Group adjusted ROE as the most important indicator among the numerical management targets set out in the Medium-Term Management Plan (2022–2025).

Group adjusted ROE can be broken down into return on risk (ROR), which shows the balance between the risk the Group faces and return (profit), and ESR, which shows the Group's financial soundness. These indicators can be further broken down into three elements: Group adjusted profit, integrated risk amount, and net asset value.

The Group manages to balance these three elements through its ERM. (See P.38 for details.)

Furthermore, in activities in each business domain, we are promoting various initiatives by setting performance indicators for divisions to expand Group adjusted profit.

Capital Efficiency		Profitability		Financial Soundness
Group adjusted ROE (Return on Equity)	=	ROR (Return on Risk)	×	1/ESR (Economic Solvency Ratio)
An indicator showing how much cash-based profit, as funds for shareholder returns, can be generated with respect to capital		An indicator showing how much profit (return) can be made on the risks held by the Group		An indicator showing the balance between the risks held by the Group and net assets
FY2025 Result **21.7%**		Periodic Monitoring		Appropriate Level **ESR 180%–250%**
=		=		=
Group adjusted profit*1 / Adjusted net assets*2	=	Group adjusted profit / Integrated risk amount*3	×	Integrated risk amount / Net asset value

Net asset value | Integrated risk amount | Group adjusted profit

These three elements are balanced with ERM.

(See P.38 for details.)

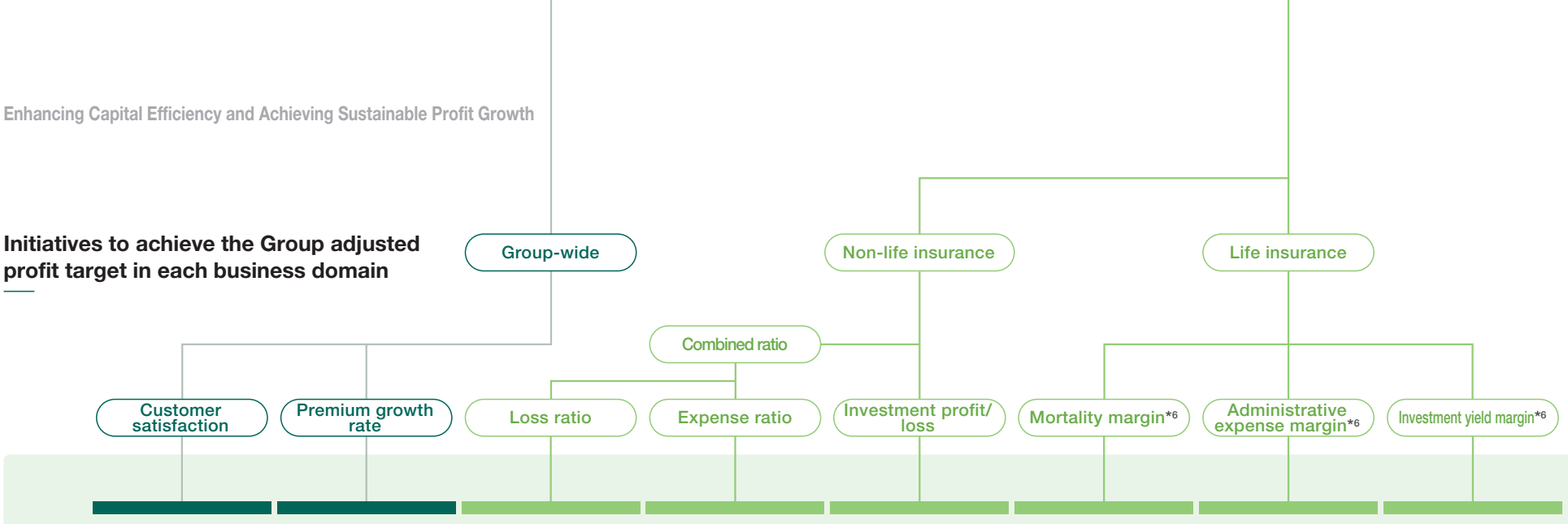
- **Adjusted net assets and Net asset value (NAV)** In ERM, to confirm the status of appropriate capital buffers and solvency based on the Group's risk characteristics, the economic value–based net assets (= net asset value) are thoroughly managed using the following calculation.

Net asset value (NAV)	=	Adjusted net assets	+	Unrealized gain/loss from insurance liabilities	+	Debt-like capital	+	Others
¥6.7 trillion		¥4.8 trillion		¥2.3 trillion		¥0.4 trillion		-¥0.8 trillion

Growth potential | Profitability

*1 Group adjusted profit = Consolidated net income + provision for catastrophe reserve and others – other incidental factors (e.g., amortization of goodwill and other intangible fixed assets) + equity in earnings of the non-consolidated Group companies
*2 Adjusted net assets = Consolidated net assets + Catastrophe loss reserves and others – Goodwill and other intangible fixed assets
*3 The integrated risk amount represents insurance underwriting risk, asset management risk, and operational risk, etc., quantified through stochastic methods.

Initiatives to achieve the Group adjusted profit target in each business domain



	Customer satisfaction	Premium growth rate	Loss ratio	Expense ratio	Investment profit/ loss	Mortality margin*6	Administrative expense margin*6	Investment yield margin*6
Examples of Specific Initiatives	•Providing products and services that rapidly and flexibly address the increasingly diverse needs of customers, and handling claims that closely reflect customers' expectations •Enhancing the ability to serve customers during all points of contact, etc.	•New product development based on an understanding of changing customer needs •Maintaining a robust sales base, and acquiring and developing diverse new sales channels •Maintaining and expanding existing contracts and efforts to acquire new contracts, etc.	•Appropriate product design •Eliminating fraud claims, appropriate and prompt payment of claims •Providing advice designed to prevent accidents and reduce the loss ratio •Sustainable use of natural resources, etc.	•Business operational reforms •Promoting paperless operations •Demonstrating Group synergies, etc.	•Integrated asset/liability management based on consideration of the characteristics of insurance liabilities •Improving ROR •Appropriate risk control, etc.	•Appropriate pricing based on the coverage offered •Reform of the product portfolio, etc.	•Control of acquisition cost due to increased sales •Reducing business expenses through efficient business operations, etc.	•Setting reasonable assumed interest rates to ensure profits •Sophisticated ALM operations and risk management based on the characteristics of liabilities •Improving returns and diversifying risks through a broader range of investment approaches, etc.
Reference Indices	•Group-wide: **Customer satisfaction, ratio of female managers, and ratio of global employees** •Non-Life Insurance: Customer satisfaction with claims handling, agents' recommendation rate, and number of improvements based on customer feedback •Life Insurance: Number of registrations for Family Eye (notification system for relatives)*4, number of days to provide assurance*5, etc.	•Group-wide: Sales target achievement rate, contract continuation rate, **number and ratio of global employees, and employee satisfaction** •Non-Life Insurance: Percentage of revenue indicators achieved •Life Insurance: Amount of increased EV, in-force policy indicators (amount and number of policies, and annualized premium), and ratio of non-life insurance agents that also sell life insurance, etc.	•Number of risk surveys, risk management seminars, and training sessions •**Utilization rate of recycled parts,** etc.	•Ratio of personnel expenses to sales •Selection rate of web policy clauses •GHG emissions, and total energy consumption, etc.	•Asset management yields, diversifying effect among assets, and reductions in strategic equity holdings, etc.	•Annualized premiums of policies in force •Amount of increase in death insurance and other claims, etc.	•Acquisition cost •Business expenses (e.g., GHG emissions, and total energy consumption,) etc.	•Asset management yields and rating distribution for investment bonds, etc.

See PP.89-90 Financial and Non-financial Highlights

*4 Family Eye (notification system for relatives) is a service under which pre-registered family members, even if they are not the policyholder, can receive information about the insurance policy to the same extent as the policyholder.

*5 Number of days to provide assurance is an indicator of how long it takes for the company to complete administrative tasks for customers, such as applications for new insurance contracts, applications to cancel policies, claims for insurance payments, and claims for other benefits. It is broken down into 1) the average number of days to conclude a new policy, 2) the average number of days required to pay an insurance claim, and 3) the average number of days required to pay a cancellation refund.

*6 Mortality margin, administrative expense margin, and investment yield margin are indicators for core profit, which represents the fundamental profitability of life insurance companies. Together, these terms are referred to as the "three surplus factors." Mortality margin is the gain or loss on the difference between projected insurance benefits payments, based on assumed mortality rates, and actual insurance benefits payments. Administrative expense margin is the gain or loss on the difference between projected business expenditures, based on assumed expense ratios, and actual business expenditures. Investment yield margin is the gain or loss on the difference between projected investment income, based on assumed interest rates, and actual investment income.



CRO Message

Confronting uncertainty to enable sustainable growth and enhance corporate value

Kazuaki Asai Risk Management

Senior Executive Officer
Group CRO

The CRO's mission and the evolution of ERM

I believe that my mission as CRO is to contribute to enhancing corporate value over the medium to long term by supporting appropriate risk-taking while ensuring the unwavering financial soundness of the Group as a whole.

The social responsibility of our Group is to continue providing customers with optimal security, regardless of the scale of any natural disaster or financial crisis that might occur. In addition to properly paying insurance claims, we recognize that our important roles include advance risk analysis, disaster prevention and mitigation, and business continuity support. To fulfill these roles, we will thoroughly implement economic value-based risk management and steadfastly maintain our financial soundness. Maintaining a sufficient capital buffer is not simply a matter of managing numbers. It demonstrates our determination to continue providing the underwriting capacity society needs in a stable manner under all market conditions. Our starting point is to ensure that we protect what must be protected.

Building on that foundation, rather than simply avoiding risk, we will clearly define the risks we should take and maximize capital efficiency. In doing so, I want risk management to serve as a foundation supporting the sustainable enhancement of corporate value.

To achieve this, it is essential for the first line—the business operations themselves—the second line, which is responsible for risk management, and the third line, which is responsible for internal audits, to examine, consider, and address the same risks together while respecting their respective roles. Leadership by the holding company is not limited to managing the affiliated operating companies. I believe it means maintaining close communication with each Group company, supporting challenges undertaken on the front lines, and enabling better decision-making across the Group.

It is also important to further embed ERM, not merely as a risk management framework, but as a process that supports management decisions.

Accurately assessing a variety of risks requires the use of cutting-edge expertise, risk data, modeling technologies, and quantitative methodologies. The foundation of this process is to consider risk, return, and capital in an integrated manner and make more rational and strategic decisions about how much capital to allocate to what business, which risks to hedge through reinsurance and other means, and which risks the Group should retain. By firmly establishing this ERM framework, we intend to utilize capital within the Group more effectively and translate this into earnings growth and improved capital efficiency.

The same concept applies to individual underwriting decisions. For example, even when two types of events have the same expected loss, an event that occurs infrequently but causes a large loss when it does occur requires a different risk premium and amount of capital from an event that occurs frequently but results in only a small loss each time. It is therefore vital to assess risks while considering returns commensurate with those risks, instill disciplined and appropriate underwriting and risk control throughout the Group, and ensure appropriate risk-taking across the organization.

Growth-oriented risk management supporting portfolio reform

In accordance with the Group Risk Appetite Statement, the Group is working to reduce the balance of strategic equity holdings to zero by the end of FY2029. While risk associated with strategic equity holdings is declining, we are allocating the proceeds from their sale to international business investments—including investments in WRB and Barings—and to higher return assets. As a result, risks associated with the international business and asset management are trending upward.

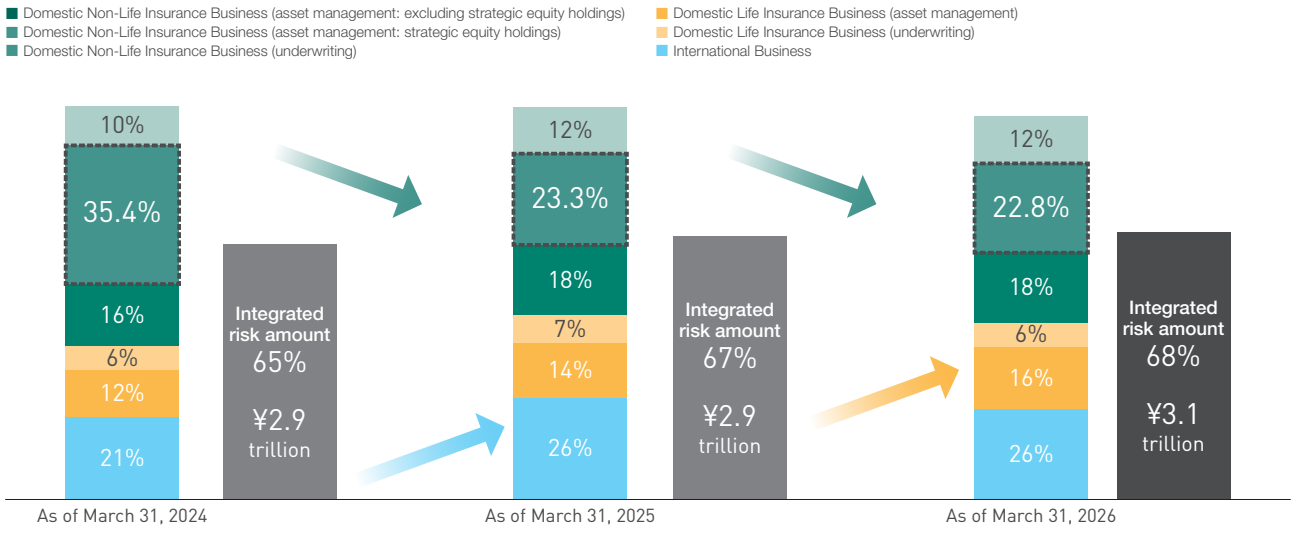
The international business is a key pillar of the Group's growth strategy and plays an important role in driving profit growth. In addition to natural catastrophe risks such as hurricanes and wildfires in North America and floods in Asia, it is necessary to manage cyber risk, litigation risk, geopolitical risk, and other risks in light of the particular characteristics of each region and market.

As a member of the International Executive Committee (IEC), I will work closely with the CGO, who oversees the international business as a whole, and the CxOs responsible for international operations, drawing on the expertise of our operations in each country to maintain an appropriate balance in the Group-wide risk portfolio.

In our domestic life insurance business, we are working to provide products and services that address social issues such as asset formation, health, medical care, and nursing care, while pursuing synergies with our asset management business. We are also striving to expand sales and enhance profitability through cross-selling between our domestic non-life and life insurance businesses. In the asset management business, we will further strengthen our capabilities to manage assets with high expected returns.

The importance of risk management is increasing as the structure of our portfolio undergoes these changes. Looking toward FY2030, while maintaining financial

Risk portfolio status



soundness, we will analyze ROR and VA and their respective contributions based on the risks, returns, and correlations associated with each business characteristic, working together with the CFO to implement a “growth-oriented risk management and capital strategy.” Through these efforts, we aim to construct a well-diversified risk portfolio that improves capital efficiency and return on risk, thereby creating an environment in which we can confidently invest in new growth areas. It is essential that these efforts support not only management decisions but also day-to-day decisions involving insurance underwriting and business investments, thereby improving the quality of the Group’s risk portfolio.

Strengthening our ability to address increasingly complex risks

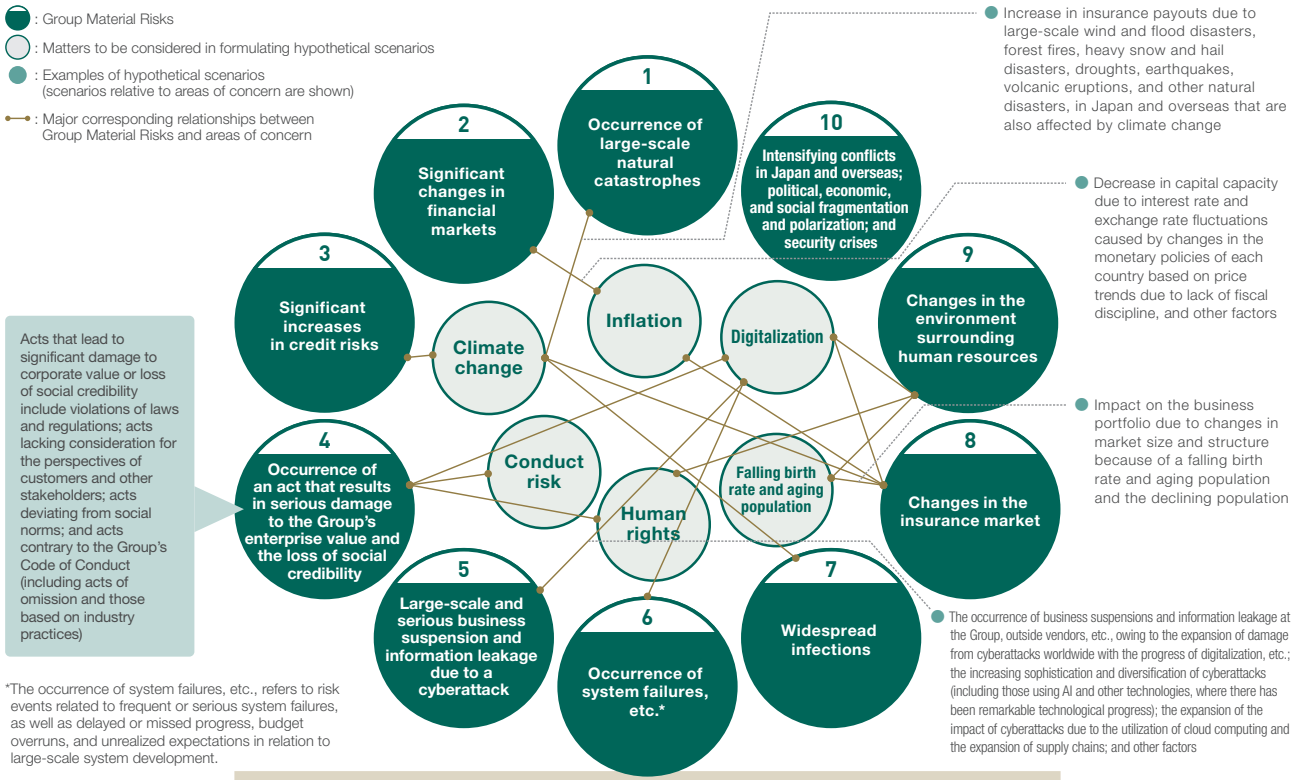
The environment surrounding us is changing at an unprecedented pace.

Today’s risk environment is characterized by complex chains of interrelated risks. Geopolitical tensions affect energy prices and financial markets, with repercussions for economic conditions and people’s behavior. Advances in AI create significant growth opportunities while also generating cyber risks and governance challenges. Climate change affects not only natural catastrophe risk but also society and corporate activities more broadly. The Group has selected 10 risks with the potential to have a major impact on management and is working to strengthen their management. Managing each risk individually, however, is no longer sufficient. We are strengthening forward-looking risk management and our response capabilities so that we can identify signs of change at an early stage and analyze their potential impact from multiple perspectives. In addition to enhancing our internal expertise, we actively incorporate a diverse range of external knowledge from academic institutions, external vendors, reinsurers, brokers, and modeling companies.

Enhancing our ability to detect early warning signs and measure risks delivers true value only when it provides a logical basis for management and frontline personnel to determine their next course of action.

By promptly incorporating cutting-edge knowledge in rapidly changing areas—including the use of new technologies such as AI and big-data analytics and the monitoring of trends in climate change and the reinsurance market—we will further advance our ERM.

We recognize that advances in AI present both major opportunities and significant risks. AI has the potential to improve operational efficiency, enhance customer service, and create new value. Its potential applications in risk management are also expanding, including the analysis of vast quantities of data, the early detection of risks, and more sophisticated scenario analysis. At the same time, AI introduces new risks, including algorithmic bias and cybersecurity concerns. Working together with the CDO, I intend to establish governance and



risk management appropriate for the digital age—maximizing the benefits of technological innovation while rigorously controlling the associated risks.

Cultivating a "bad news thanks" risk culture

One of the themes to which I most want to devote my attention is cultivating a risk culture. As the environment changes significantly, it is essential that every Group employee become sensitive to early warning signs of risk, share them candidly, and use them to support better decision-making. The starting point is to create an environment in which people can proactively share observations from the front lines without hesitation. Before a major risk materializes, there are often some advance warning signs or seemingly minor observations. I believe that what is needed now is to build relationships in which people feel that, by consulting with others about such signs, they will be able to think through issues together and support one another. Alongside the concept of "Bad News First," I want to firmly establish a culture in which people feel encouraged to share unfavorable information openly, and one in which we express our gratitude—what could be called a "Bad News Thanks" culture—when such information is shared. Throughout my career, in addition to experience in the risk management division as a second line I have worked in international operations, accounting, reinsurance, and other areas in roles relatively close to the first line. From that experience, I have come to appreciate that first-line personnel have the best understanding of what is actually happening on the front lines, and are the ones most likely to notice risks at the earliest stage. That is precisely why I want to lower the barriers between the first and second lines as much as possible, build relationships through which frontline perspectives naturally reach the risk management function, and transform each individual's insights into strengths for the Group.

Our Group operates a diverse range of businesses around the world. Even where countries or companies differ, they might face common risks and issues. Events that initially appear unrelated could also prove to be interconnected. We must not overlook early warning signs. Someone recognizes an issue and shares it; the recipient expresses appreciation; and they consider it together while respecting each other. Accumulating such actions will strengthen the Group's overall ability to respond to risk and, I believe, help us navigate an age of uncertainty.

In addition to understanding conditions on the front lines, it is essential to pursue broad-ranging expertise in actuarial and quantitative analysis, data analytics, cybersecurity, natural catastrophes, meteorology, and other fields. Creating a culture in which people continually learn and enhance their expertise in their respective fields will, I believe, strengthen the Group's overall ability to respond to risk.

Risk control directly linked to the sustainable creation of value for customers, shareholders, and the company

Risk control is not merely a means of maintaining the stability of the Group. It is an extremely important initiative that directly contributes to delivering peace of mind and value to our customers and shareholders.

Generally, businesses with high volatility—meaning large fluctuations in earnings—are required to bear a correspondingly high cost of capital. Once we have identified and assessed the risks that should be taken, appropriately managing the volatility of our insurance operations through risk control can reduce the required risk premium. This will ultimately enable us to provide customers with protection (coverage) at more stable and competitive premiums.

Appropriate risk control also contributes to improving ESR. The resulting surplus capital can be used to expand shareholder returns or to invest in growth, thereby contributing to enhanced corporate value and ROE over the medium to long term.

As an insurance group, we achieve this risk control through the strategic use of portfolio diversification and reinsurance. The reinsurance market naturally has cycles (of softening and hardening). We will nevertheless pursue optimal risk control by comparing the Group's cost of capital with the cost of reinsurance, taking such market conditions into account.

Supporting sustainable growth and enhanced corporate value

Five or 10 years from now, society will likely face even greater uncertainty than it does today. The essence of risk management is not to fear uncertainty and become overly cautious. It is to assume that unexpected events will occur, diversify and control risks, and transform unknown risks into sources of earnings.

What we aim for is not simply a device that detects risks and sounds warnings. It is a clear and dependable guide that enables management and frontline personnel to confidently steer toward new growth areas through effective ERM that integrates both offense and defense—in other words, by improving capital efficiency while ensuring soundness. This will enable us to provide customers with unwavering security under all circumstances and to respond to our shareholders by enhancing corporate value and ROE over the medium to long term.

The foundations of this effort are, ultimately, our people, communication, and risk culture. Every employee must take personal ownership of risk, share observations, think together, and translate that process into better action. By firmly embedding such a culture throughout the Group, we will anticipate change and resolve society's risks in an age of uncertainty, thereby becoming an organization that is truly "Taking on Risk, Leading the World."

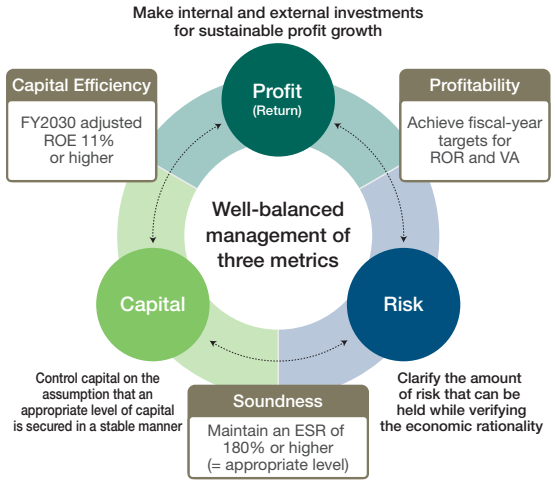
ERM

ERM-based Group management

In the Group, we position the Enterprise Risk Management (ERM) cycle as the base of Group management and work to improve profitability and capital efficiency under the precondition of ensuring soundness. We allocate capital to each business based on our Risk Appetite Statement and other factors, and take risks utilizing allocated capital, while appropriately controlling risk through monitoring Return on Risk (ROR) and other measures. The ERM Committee plays a central role in the Group's efforts to improve the assessment and management of each Group business based on risk, return, and capital, while also reducing strategic equity holdings and flexibly allocating capital to business opportunities with higher capital efficiency, including investing in growth businesses, as part of the Group's measures to enhance capital efficiency.

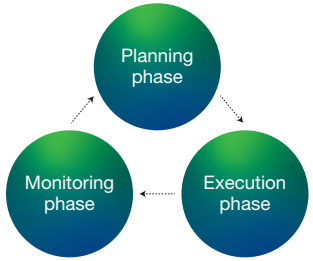
Integrated management of risk, returns, and capital

To realize its management vision, the Group holistically manages risk (integrated risk amount), returns (adjusted profit), and capital (NAV) through the ERM cycle, based on the Group Management Plan in accord with its Group Risk Appetite Statement, with the aim of maintaining financial soundness and boosting capital efficiency and risk/return.



ERM cycle

Planning phase	❶ Formulate strategies based on the Group Risk Appetite Statement and establish capital allocation amounts after confirming the amount of risk that can be taken.
Execution phase	❷ Take risks within the risk limits based on the capital allocation amounts and other considerations.
Monitoring phase	❸ Conduct regular monitoring of financial soundness, profitability, and capital efficiency, etc.* ❹ Based on the outcome of monitoring, examine and implement any necessary measures.



*During the monitoring phase, we check the Group adjusted ROE, ROR, ESR, compliance relative to risk limits, etc., on a quarterly basis.

Initiatives to boost profitability

To enhance capital efficiency while maintaining financial soundness, our Group works to secure appropriate risk and return by implementing the following initiatives in each of its business domains.

Product development/sales/ initiative management	P/L management by product/line Domestic non-life insurance: Improved earnings through rate revisions for voluntary automobile insurance and fire insurance, strengthened underwriting, and expanded earnings from casualty insurance MSA Life*: Confirming the profitability of products sold (new business CSM and ROR) MSP Life*: Assessing profitability after the launch of new products and by product *MSA Life: Mitsui Sumitomo Aioi Life Insurance; MSP Life: Mitsui Sumitomo Primary Life Insurance
International business strategy	Promoting initiatives under the new business management framework centered on the IEC to raise profit levels, control earnings volatility, and improve capital efficiency
Retention/reinsurance policy	Establishing a retention and outward reinsurance scheme that maintains the financial soundness and stability of periodic profit and loss and contributes to improving profitability Controlling the net retained risk amount associated with overseas natural catastrophes
Asset management strategy	Strengthening the global asset management framework and reinforcing the platform by consolidating the functions of Group companies within the holding company, while pursuing high-quality risk-taking based on monitoring warning signs of crises, diversification, and in-depth analysis

ROR trend See P.29

Strengthen the risk management framework

Strengthen the risk management framework	Define conduct risk, integrate it into the existing risk management framework, and strengthen the framework for broadly identifying potential risks by leveraging collaboration within the Group and insights from external experts
Strengthen forward-looking risk detection and response capabilities	Monitor changes in the external and internal environments, promptly detect warning signs of risk and compound risks, share them across the Group, and strengthen the framework for responding swiftly
Cultivate a risk culture	Further foster a sound risk culture as the foundation of governance that supports enhanced corporate value and sustainable business operations

Zero strategic equity holdings

Efforts to further reduce strategic equity holdings*1
We will accelerate the reduction of strategic equity holdings to achieve zero by the end of March 2030. This will contribute to the reduction of risk and the improvement of capital efficiency. While maintaining our shareholder return policy, returning 50% of Group adjusted profit, we will utilize the funds remaining from the sale of strategic equity holdings for growth investments (e.g., business investments, AIDX*2, system investments, higher return assets).

*1 Excluding business investments, such as the development of insurance products and services or stocks that are deemed reasonable to hold as portfolio investments
*2 AI Digital Transformation



CHRO Message

Advancing the talent strategy as one Group, starting with employee well-being

Satoru Tamura Talent Strategy

Vice President
Executive Officer
CHRO

To realize the Group Vision for FY2030, the MS&AD Group is advancing a talent strategy built on three pillars: “skill utilization,” “human resources portfolio,” and “well-being.” By creating a virtuous cycle between employee happiness and enhanced corporate value, we aim to become a world-leading group.

Evolving the talent strategy through three pillars

The Group is undertaking a major evolution of its talent strategy to realize the Group Vision for FY2030. At its core are three pillars: employee growth through “skill utilization” and “career development,” building a “human resources portfolio” aligned with management strategy, and enhanced “well-being.”

These are not independent initiatives but are closely interconnected. A talent strategy is not something that the Company presents unilaterally to employees. It must be realized jointly by the Company and its employees, based on a shared understanding. Employees chart their own careers and grow by acquiring and demonstrating the necessary skills. This growth raises the overall capabilities of our human assets and enables the right people to be placed in the right positions, ultimately supporting the Company’s growth strategy. Combined with an environment in which employees can experience a sense of purpose and ease at work, physical and mental health, and improved compensation, this process enhances employee well-being. Creating this cycle is the foundation of our talent strategy.

Of these elements, I place particular importance on employee well-being. Greater well-being leads to higher engagement and productivity. Employees are consequently able to create greater added value, leading to improved business performance, better compensation, and expanded opportunities for growth. Enhanced corporate value lies at the end of this virtuous cycle.

Well-being encompasses many elements, including health, personal relationships, and financial stability. In the workplace, however, one particularly important element is the ability to make one's own career choices. Naturally, employees' aspirations cannot always be realized exactly as they wish. Nevertheless, if the skills required for each type of work and position are clearly defined and employees understand, acquire, and demonstrate those skills, their career options will undoubtedly expand. The Company will also seek to understand employees' aspirations and career plans and conduct personnel management in a manner that prevents mismatches with the Company's needs.

Visualizing the human asset portfolio is essential to implementing this approach throughout the Group. What kinds of specialized human assets will be required, in which fields, and in what number to realize our medium- to long-term vision? What skills will be required for key positions? By clarifying and sharing this information across the Group, we will connect employees' opportunities for growth with the Company's growth strategy.

Discussing the talent strategy at the heart of management

To make the talent strategy effective, it is no longer sufficient to follow the conventional process in which the human resources division designs systems independently and then submits them to management for consideration. We need a forum in which the divisions responsible for business strategy and the human resources division share an understanding of the issues from an early stage and discuss management strategy and the talent strategy as an integrated whole. For this purpose, we began operating the Talent Strategy Council and the Human Capital Investment Council in FY2026.

The Talent Strategy Council provides a forum in which management members engage in candid discussions about the human assets needed for the growth of the Group as a whole, extending beyond their individual areas of responsibility. Its purpose is to share concerns that might be difficult for the human resources division to identify and issues recognized by the respective business units, thereby strengthening the link between management strategy and the talent strategy.

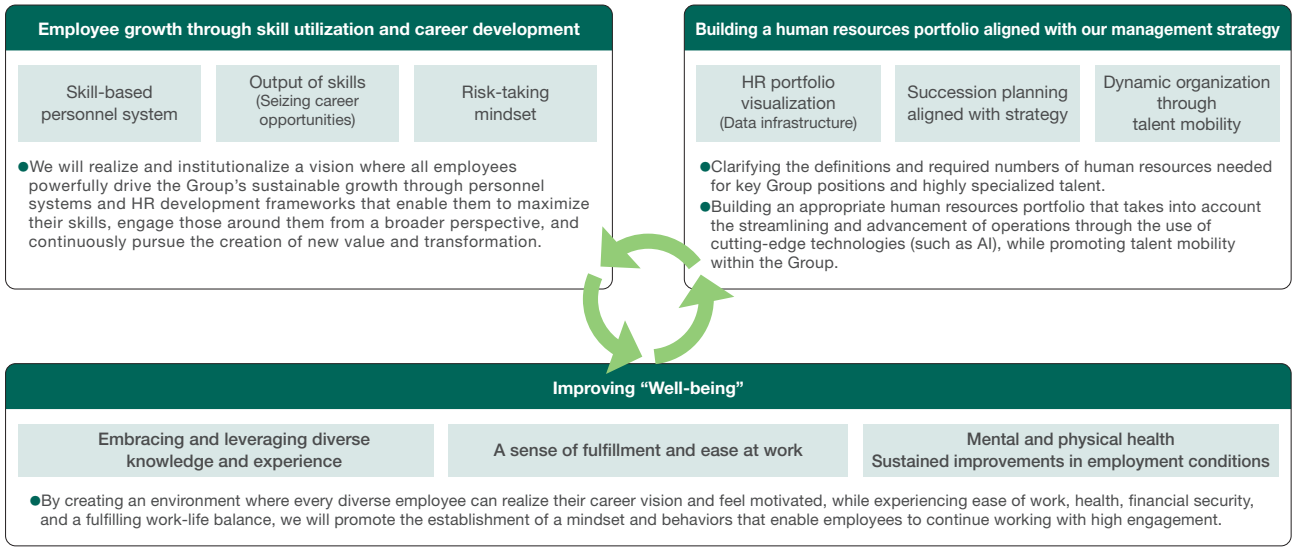
Going forward, it will be important to enable all employees across the Group to perform at a higher level. Even when an employee has been hired by a particular operating company, there might be another position elsewhere in the Group in which that employee's expertise and experience could be utilized more effectively. If some companies have sufficient human assets while others are unable to secure enough of the talent they require, we will need to consider Group-optimized assignments while taking the circumstances of each company into account. This will enhance both management efficiency and the Group's capacity for growth.

Rapid technological advances, including AI, are also transforming the work performed by people and the skills required of them. Although we cannot predict the future with complete accuracy, we must formulate reasonable hypotheses and continually reassess the types of human assets and skills we will require. The human resources portfolio must be continually updated in response to changes in the business environment and business strategies.

We will also establish a transparent decision-making process for human capital investments. To realize the business

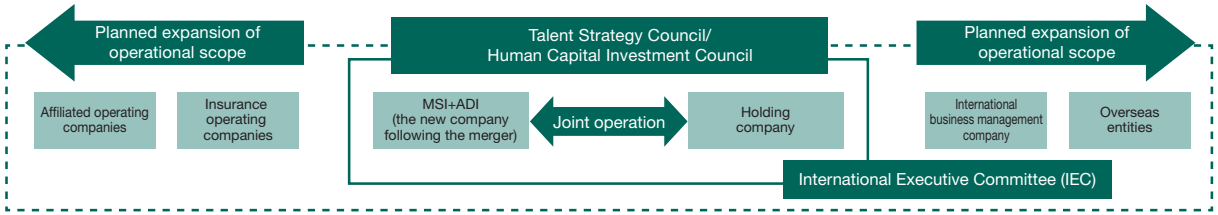
Three pillars in talent strategy

Introducing HR systems and development programs that enable employees to proactively build their own careers, in order to develop a talent portfolio capable of executing business strategies both in Japan and overseas.



Establishment of strategy execution frameworks

Structure	Overview
Talent Strategy Council	●Establishes a framework under which both the divisions responsible for business strategy and the human resources division take responsibility for proactively examining the talent strategy and communicating relevant information in an appropriate and timely manner.
Human Capital Investment Council	●Supports ambitious business model transformations proposed by individual business units through various forms of human capital investment, while establishing a transparent decision-making process for such investments.



Note: The operational scope will be gradually expanded beyond the new company created through the MSI and ADI merger. The relationship with the IEC and other bodies will also be further clarified.

model transformations proposed by each business unit, we will clarify the human resources and skills required and the expected effects of the investment, enabling management to make informed decisions. It is important to position investment in human capital not only as a cost but also as an investment required to execute the growth strategy.

Confronting challenges and strengthening unity across the Group

At the same time, challenges remain. The Group comprises a diverse range of operating companies, each with its own history, personnel systems, and corporate culture. With the merger of our core domestic non-life insurance companies approaching, strengthening unity across the Group is a major issue from a human resources perspective.

Until now, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have operated alongside one another. Differences in their personnel systems and personnel management practices made it difficult to establish a common approach across both companies. The establishment of the new company following the merger should significantly strengthen this sense of unity. We must, however, go beyond this and develop a Group-wide philosophy that serves as the foundation for personnel management.

At its core will be an approach to personnel management based on skills. Our objective is not to standardize every system into an identical form. Although each company has different business characteristics, they should be able to share the fundamental approach of remaining closely attuned to each employee, evaluating employees appropriately, and supporting their career development. We will clearly establish the Group's common foundation for personnel management and develop it in a manner suited to the circumstances of each company.

To improve engagement, it is not sufficient merely to review the results of employee awareness surveys and engagement surveys. We must examine the underlying issues in greater depth and translate our findings into improvements. In the domestic non-life insurance business in particular, we will thoroughly reinforce our commitment to competing based on the inherent value of insurance through the execution of our business improvement plans. Some younger employees may have joined the Company with the desire to contribute to society through non-life insurance, only to feel uncomfortable when assigned work that seemed removed from delivering the inherent value of insurance. Eliminating unnecessary work and enabling employees to recognize the significance of what they do are essential to improving engagement.

Employees should develop the skills required to deliver value as an insurance company and engage directly with customers and society. That experience should strengthen their sense of mission and positively influence the culture of the entire Group. Turning challenges into opportunities for improvement is essential to building a better corporate culture.

Centering employee growth on skills to enhance their sense of growth

A skills-based personnel system provides an important foundation for enabling employees to experience a greater sense of personal growth. Job-based personnel systems, which are common in Europe and the United States, clearly define individual duties. If introduced into a Japanese organization without adaptation, however, they might lead employees to conclude that anything not written in their job description is not their responsibility. The Group does not intend simply to transplant such a system.

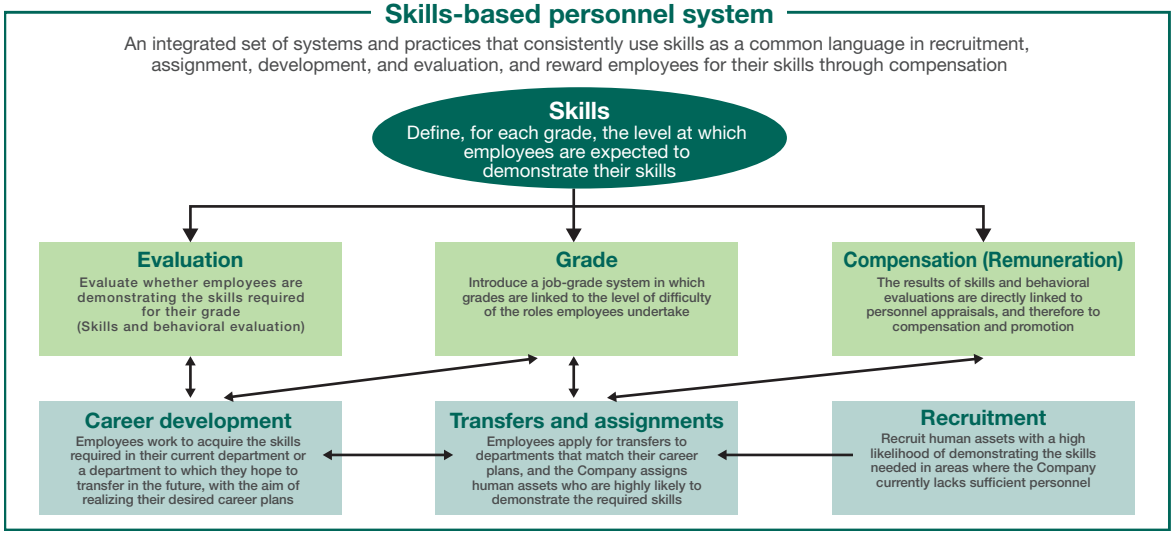
What we emphasize is defining the skills required for each role in sufficient detail so that employees can understand where they currently stand and the direction in which they need to grow. Rather than vaguely feeling that they are "gaining experience," employees should be able to recognize specifically that they have "acquired this skill" or "reached this level." For younger employees in particular, being able to see their own growth helps enhance both their sense of motivation at work and their engagement.

Clearly documenting skills also clarifies the talent requirements for each position. Employees can understand the skills needed for their desired careers and work to acquire them. The Company can assess how effectively those skills are demonstrated and provide feedback. Through this framework, we will achieve both self-directed career development by employees and optimal placement by the Company.

Some operating companies have already begun implementing such systems. When deploying them across the

Overview of the “skills-based personnel system”

The “skills-based personnel system” refers to an integrated set of systems and practices that use skills as a common language.



Types of skills

There are three types of skills: common skills, management skills, and job skills

Skill category	Definition	Examples of skills
Common skills	●Skills expected of all employees ●A clearly articulated “foundation for behavior” that all employees should demonstrate as professionals, based on the Group’s Mission, Vision, Values, and Code of Conduct	●Ability to think deeply ●Ability to communicate and listen ●Ability to work as a team ●Ability to drive and embrace change ●Ability to see things through
Management skills	●Skills expected of all managers ●A clearly articulated set of “operational and team management capabilities” needed to deliver results as an organization	●Ability to set and achieve targets ●Ability to bring out the best in individuals ●Ability to mobilize the organization
Job skills	●Skills required to perform each department’s work ●A clearly articulated “foundation of specialized capabilities and behavior” specific to each department, needed to deepen its expertise and deliver results in its area of responsibility	●Underwriting capabilities ●Risk management proposal capabilities ●Ability to identify social issues and propose solutions ●Ability to develop growth markets ●Global capabilities

Group, however, we must take each company’s history and business characteristics into account. For example, companies with many mid-career hires that have long operated in a manner similar to a job-based system must carefully consider how to integrate such practices with a skills-based approach. Rather than applying the same system uniformly, it is important to maintain a common philosophy while tailoring the system to each company.

In our international business as well, establishing global personnel systems and a talent management framework is an urgent priority. As our international business grows, there is an increasing need to secure a stable supply of human assets capable of competing on an equal footing with major global peers.

Going forward, we will clarify the human assets required for key overseas positions and develop broad-based succession plans covering candidates both in Japan and overseas. Japanese employees will also be expected to incorporate global growth opportunities into their career plans and acquire the skills they need to succeed in key overseas positions. It is important to develop human assets in terms of quality, not merely numbers.

Developing human assets who chart their own careers and take on transformation

To realize the Group’s Vision for FY2030, we need human assets who chart their own careers, acquire and demonstrate the necessary skills, and continue taking on the creation of new value and transformation. We need people who do more than simply carry out instructions from the Company: people who determine the direction of their own growth, take on risks, involve those around them, and forge a path to the future.

Of course, the Company also has responsibilities. It is the Company’s role to clarify the skills required, provide growth opportunities, evaluate employees fairly, and create an environment that supports them in taking on challenges. At the same time, employees are expected to think independently about their careers and take the initiative to seize opportunities. Rather than waiting for the Company to provide everything, employees must learn independently, volunteer for opportunities, and expand their own possibilities. This sense of personal responsibility will become increasingly important in the years ahead.

The MS&AD Group has adopted the tagline, “Taking on Risk, Leading the World.” Each and every employee is responsible for bringing this to life. Employees hone their skills, forge their own career paths, take on transformation, and through these efforts experience their own growth and well-being. My mission as CHRO is to connect this strength to the growth of the entire Group.

The talent strategy must be closely aligned with the management strategy. Employee growth enhances corporate value, and higher corporate value in turn expands opportunities for further growth. To firmly establish this virtuous cycle, we will advance the talent strategy with the Group working as one.

CGO Message

Leading the international business into its next stage of growth through Group-optimized management

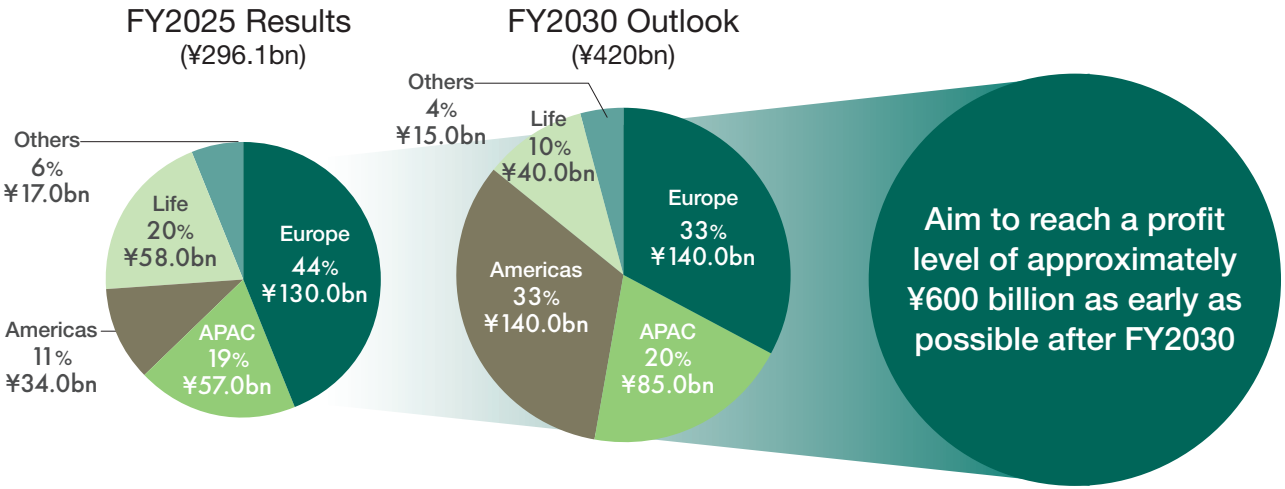
Hironori Morimoto International Business Strategy
Senior Executive Officer
CGO

Transforming now in preparation for the next leap forward

The Group's international businesses have grown steadily, reflecting many years of efforts to build their business foundations and the success of earnings structure reforms, particularly in Europe and the Americas. In recent years, we have made significant progress in rebuilding MS Amlin and MS Reinsurance and expanding their business platforms, and making a full-scale entry into the U.S. local market. As a result, adjusted profit reached approximately ¥300 billion in FY2025. The international business has substantially elevated its position within the Group and is now a core business driving growth across the Group.

At the same time, because of this growth, certain challenges have come to light. Each region and company has pursued management optimized at the individual company level by leveraging its own strengths. As a result, there are now instances in markets such as the United States where Group companies target overlapping customer segments and lines of insurance. Similarly, with respect to underwriting standards and risk concentration management, there are situations in which the conventional management model—under which each company's individual approach is respected—cannot fully maximize the Group's overall earnings capacity and capital efficiency.

International business adjusted profit distribution (IFRS estimate)



These are challenges that we anticipated would emerge during the process of growth. Now that the earnings foundation of the international business has stabilized and each operation has developed its own capabilities, I believe that we are in a position to implement the transformation required for the next stage of growth. To become a top-tier global player, it is essential, in my view, to transition from our conventional federated management model to "group-optimized management," under which management resources are allocated optimally from a cross-Group perspective to further enhance earnings capacity.

We aim to generate adjusted profit of ¥420 billion from the international business in FY2030 and approximately ¥600 billion beyond that. These targets are not simply about pursuing greater business scale. We will evolve into an organization capable of generating sustainable profits by achieving more sophisticated diversification across regions, lines of insurance, and customer segments; strengthening underwriting discipline; and utilizing capital efficiently. We are now moving ahead in earnest with the transformation required to achieve this.

Launching the IEC and international business CxO structure

As the first stage of this transformation, we established the International Executive Committee, or IEC, in April 2026. The IEC is a body that discusses and advances management issues relating to the international business from a professional, Group-optimized perspective. Previously, management discussions concerning the international business were conducted through the Group Management Committee and Board of Directors. Now that our international business accounts for the majority of the Group's scale and influence (excluding gains from sales of strategic equity holdings), we believe a new structure is necessary. Under this new structure, talent who are regularly exposed to global markets and possess a deep understanding of frontline operations will be able to engage in more in-depth discussions and take responsibility all the way through to the realization of specific initiatives.

The IEC consists of 14 members, eight of whom are non-Japanese. In addition to myself as CGO, the Group's CFO, CRO, and the AD executive responsible for the international business participate in the IEC and perform governance functions from the holding company's perspective. We have also appointed experienced management talent with extensive backgrounds in Lloyd's, reinsurance, the U.S. business, and other fields as advisors to support the advancement of initiatives in their respective areas. In addition, we have appointed seven International Business CxOs by function. These CxOs are responsible for advancing business management across the Group in their respective areas of expertise: strategy, finance and investment, underwriting, risk management, human resources, and IT and operations.

We selected individuals for these positions not simply because they possess experience, but because they have proven track records and the ability to execute transformation. Many have delivered results as CxOs at the Group's international operating companies and understand our corporate culture and approach to conducting business. At the same time, they have extensive practical knowledge of global markets and are capable of leading highly specialized discussions. To make this transformation a success, I believe we have brought together not people who "might be able to do it," but people who "will get it done."

The IEC discusses subjects directly connected to the growth of the international business, including distribution channels, Group synergies, business investments, underwriting policies, risk accumulation management, and brand strategy. For example, major brokers wield considerable influence in European and U.S. markets, and it is not sufficient for each of our operations to engage with them individually. It is important for the Group to present "One face, one message" and build strategic partnerships with these brokers. We will also enhance the competitiveness of the Group as a whole by sharing outstanding underwriting

expertise and leading examples of digital utilization among Group companies and, where appropriate, standardizing and deploying them across the organization.

Our objective, however, is not to make everything uniform. Each region and company has its own market characteristics and strengths. What matters is the principle of “Common as Possible, Different as Necessary.” We will standardize what can be standardized to the greatest possible extent while respecting differences where they are necessary. This will enable us to pursue the best possible results for the Group as a whole while capitalizing on the strengths of each company.

Further enhancing expertise and organizational cohesion through the establishment of an international business management company

As the next stage, we plan to establish MSIG International, a management company specializing in the international business, in April 2027. This will be an important step in further developing the IEC and International Business CxO structure and establishing a global-standard business management framework.

As an organization dedicated to managing and advancing the international business, MSIG International will have clearly defined authority and responsibilities. We will establish our headquarters in Tokyo and open additional offices in cities such as London, New York, and Singapore, building a structure that enables us to flexibly appoint outstanding talent from each region. To attract top-tier talent in global markets, it is essential that individuals’ expertise be properly recognized and that their roles, authority, and responsibilities be clearly defined. By establishing a management company dedicated to the international business and introducing compensation and human resources systems aligned with international market standards, we will create an environment in which highly specialized, multinational talent from both inside and outside the Group can come together and thrive.

IEC members (14 members, including 8 non-Japanese talent)

Group CxO/Officer of ADI for International Business
4 members

- **Group CGO** — Hironori Morimoto
  In charge of the Group’s international business since 2024
  30+ years of experience in International Business at MSI
- **Group CFO** — Shigeo Kudo
  Previously served as CUO and GM for Corporate Planning at MSI
- **Group CRO** — Kazuaki Asai
  Previously served as Head of Reinsurance and International Supervision of ADI
- **Managing Executive Officer of ADI** — Hisashige Doisaki
  Previously served as Head of Telematics Mobility and Motor Insurance of ADI

MS&AD Executive Officers responsible for Group Initiatives
3 members

- **Andrew Carrier**
  (Advisor to Chair/Planned to assume WRB Directorship)
  40+ years of experience at Kiln, Argo and Everest Re
  Former MS Amlin CEO
- **Peter McKenna**
  (Responsible for Primary Insurance Transformation)
  30+ years of experience at AIG, Ryan Specialty
  MSIG USA CEO
- **Robert Wiest**
  (Responsible for GRV Establishment/Management)
  30+ years of experience including serving as COO of the Reinsurance Division at Swiss Re
  MS Re CEO

International Business CxOs
7 members
(belong to IBPD at MS&AD)

- **Co-CSO** — Keisuke Ema
  Head of IBPD at MS&AD
  25+ years of experience in International Business
- **Co-CSO** — Clemens Philippi
  25 years of experience at Allianz, AON
- **CHRO** — Takashi Sato
  Executive Officer and GM of HR at MS&AD
  Previously served as GM of HR at MSI and Co-Head of VC in the US
- **CFO/CIO** — Lise Lombard-Dumont
  20+ years of experience including serving as CFO for AXA’s Asia region
- **CUO** — Brian Botkin
  30+ years of experience including underwriting department at AIG
- **CRO** — Vishal Desai
  20+ years of experience including risk management at the PRA
- **CITO** — Alberto Verga
  Led PMI after Amlin acquisition and served as COO of MS Amlin

At the same time, MSIG International will also have considerable significance for the development of human assets at the Group’s headquarters in Japan. The business environment has changed so significantly that fostering so-called Japanese-style generalists alone is no longer sufficient to meet the level of expertise required in the global insurance market. Going forward, headquarters talent will be incorporated into the international business framework and undertake practical responsibilities under the International Business CxOs, enabling them to develop both specialized expertise and management acumen through hands-on experience. Day-to-day operations will be conducted in English, and performance will be assessed against global standards. By placing members in this environment, we intend to systematically develop the future leaders of the international business and expand the pool of talent capable of becoming the next generation of CxOs.

The establishment of MSIG International is not simply an organizational restructuring. It will create the foundation for strengthening our brand, organizational cohesion, and decision-making capabilities, thereby enabling the international business to evolve into a single business entity. The Group’s international business consists of a diverse collection of operations spanning Asia, Europe, the Americas, Lloyd’s, and reinsurance. Although this diversity is a significant strength, its full potential cannot be realized unless the Group is aligned around a common direction. With MSIG International at the center, we will bring together the capabilities of our overseas subsidiaries and increase the presence of the Group as a whole.

Creating a virtuous cycle of greater profitability and capital efficiency

The new business management structure will create value in three principal ways. First, it will raise the overall level of

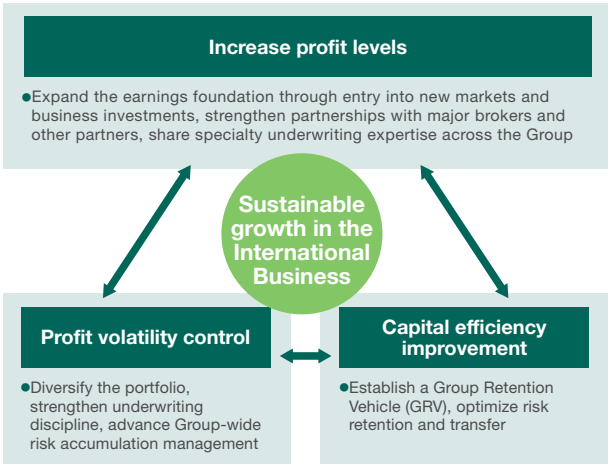


profit. By taking a comprehensive view of the international business portfolio, we will strengthen our earnings foundation by entering markets with significant growth potential and capturing business investment opportunities. We will also increase access to highly profitable business by strengthening collaboration with global brokers and global peers. In particular, we will promote our alliance with WRB and actively share the specialty underwriting know-how possessed by each overseas subsidiary throughout the Group, thereby further enhancing our ability to carefully select business opportunities.

Second, the structure will help control earnings volatility. By further diversifying the portfolio across regions and lines of insurance, we will limit the effects of natural catastrophes and market cycles and establish a stable earnings foundation. We will appropriately standardize underwriting standards that previously differed between individual companies and strengthen underwriting discipline, thereby limiting unprofitable business and the risk of large losses. We will also enhance Group-wide risk accumulation management to assess and control risk amounts with greater precision.

Third, it will enable more effective use of capital. We will optimize risk retention and transfer by utilizing Group retention and reinsurance frameworks. The Group Retention Vehicle scheduled to be established in Bermuda will be a key pillar of this initiative. By appropriately retaining highly profitable risks within the Group and designing an optimal retention structure—including the use of external reinsurance and third-party capital—we will be able to utilize capital more effectively.

Under the new business management structure, we will manage capital allocation and business operations in an integrated manner, creating a virtuous cycle that enhances both profitability and capital efficiency.



A global management model unique to MS&AD

The international business management structure we seek to establish differs from those of both our global peers in Europe and the United States and other Japanese companies. For major European and U.S. insurers, the characteristics of their home markets and international markets have much in common. Consequently, there is relatively little need to manage the international business independently. Japan's non-life insurance market, by contrast, differs from European and U.S. markets in areas such as agent networks, the voluntary automobile insurance–centered retail sector, product lineups, and the degree of penetration of specialty insurance. This is precisely why we require a specialized structure capable of formulating and implementing strategies suited to international markets.

Moreover, the Group's international businesses in Asia, Europe, and the Americas have each developed their own distinct histories and strengths. At the same time, there are areas where the markets served by our local companies overlap. For this reason, I believe the most effective way to maximize the Group's capabilities is to appoint dedicated International Business CxOs who are independent of the interests of any particular operating company and to pursue a headquarters-led, Group-optimized management model as One Team.

This transformation embodies the aspirations expressed in the Group's tagline: "Taking on Risk, Leading the World." We will confront change and challenges head-on and provide high-quality solutions through our global business platform. This initiative also embodies "Embrace the Change," a value that has long been central to our international business.

Non-life insurance traces its origins back to marine insurance, which was first established in the 14th century. It assumed the risks associated with cargo and vessels engaged in complex international transportation and expanded markets around the world through innovative thinking. In addition to this inherently international character, Japan's non-life insurance industry has a long history, a broad product lineup, and strong financial soundness. I believe that our industry has strong potential to become a leading player in the global market. By transforming the management structure of our international business, further enhancing its earnings power and global presence, and becoming an insurance group chosen by customers around the world, we aim to contribute to society by further expanding the value and creation of non-life insurance itself.



The evolution of our underwriting organization

Our international business has entered a new phase of maturity, where sustained growth must now be supported by stronger alignment, greater transparency, and a more disciplined approach to underwriting. This evolution closely supports our establishment of an International CUO Office as part of our larger international structure that has been designed to optimize portfolio performance across all regions, while coming together to bring together our Group's insurance assets to help our clients manage risk. The role of the International CUO function is to ensure that this growth is not only sustained but also scalable, consistent, and aligned with the Group's strategic objectives.

Unifying our underwriting platform

Historically, our international operations have benefited from strong local capabilities and entrepreneurial execution. Building on this success, our transformation is focused on moving decisively toward an integrated operating model—one that enables common underwriting principles and governance, clear and consistent underwriting authority, enhanced Group-wide portfolio visibility, and disciplined portfolio steering to reduce overlap and unmanaged accumulation.

Embedding discipline to enable profitable growth

Our primary objective is to support the Group's next stage of growth by embedding a consistent and disciplined underwriting culture. This includes strengthening risk selection, limit management, and pricing discipline, supported by common KPIs, audit frameworks, and enhanced risk transparency. By reinforcing these fundamentals, we enable disciplined, proactive risk-taking and improved profitability and capital efficiency.

Leveraging collective strengths to create scalable value

The International CUO function also plays a central role in scaling expertise through the Centers of Excellence, improving data and actuarial insight, and enabling cross-regional collaboration. These initiatives convert local strengths into Group-wide capabilities.

Supporting the next stage of international growth

As the Group advances its international aspirations, underwriting discipline and alignment will remain a central pillar supporting sustained, high-quality growth. By strengthening underwriting discipline, enhancing transparency, and enabling coordinated global decision-making, we are building a more integrated and resilient international platform—one designed to deliver consistent, efficient, and sustainable long-term value.



Enhance capital productivity across international operations

Converting scale into shareholder value

As the Group's international business grows, value creation increasingly depends on disciplined capital allocation, efficient balance sheet management, and consistent financial execution. The International CFO/CIO function unifies finance, investments, and capital management to maximize capital productivity, improve returns, and support sustainable earnings growth.

Driving capital discipline and efficiency

The international business contributes significantly to the Group's growth. To realize its potential, consistent capital allocation, performance management, and investment oversight are required. The function serves as a catalyst for value creation by

- Enhancing capital allocation across markets
- Strengthening the balance sheet and integrating investments and capital management
- Improving performance transparency and decision-making
- Optimizing dividends, liquidity, and FX management

We support a shift from local to global value optimization by combining local expertise with Group-wide discipline.

Building a high-performance financial platform

We are creating the foundations for a globally integrated finance and investment platform by

- Strengthening governance, capital, and performance frameworks
- Embedding consistent financial and investment standards
- Leveraging data and AI to enhance decision-making
- Developing global financial and investment talent

These capabilities support faster decisions, more efficient capital use, and stronger execution.

Supporting Long-Term Value Creation

The International CFO/CIO function is a key enabler of the Group's strategic ambitions, helping to

- Improve return on equity
- Strengthen earnings quality and resilience
- Increase capital efficiency and financial flexibility
- Support sustainable growth

Our objective is not only to manage capital but also to ensure every unit of deployed capital maximizes shareholder value while supporting sustained growth and financial resilience.



CIvO Message

Supporting corporate value enhancement through high-quality risk-taking

Takuma Hayakawa Asset Management Strategy
Managing Executive Officer
CIvO

Aiming to maintain financial soundness and increase net asset value

The environment surrounding asset management is changing significantly. We face a wide range of challenges, including initiatives to reduce strategic equity holdings to zero, rising domestic interest rates, new accounting standards such as IFRS, and economic value-based capital regulations. However, these changes in the environment do not alter the purpose of the Group's asset management or its basic approach.

The objectives of our asset management are to maintain financial soundness and increase net asset value over the long term. Our basic approach of managing assets in line with these objectives and contributing to sustainable corporate value enhancement has not changed and will not change. Under the new accounting standards, accounting profit for a single fiscal year might be more volatile. We will therefore give due consideration to the impact on periodic profit and loss, but economic rationality will remain our top priority.

The same applies to capital regulations. We do not focus on capital efficiency simply because regulations have changed; as a joint-stock company, capital efficiency is always a priority issue that we must address. We will continue working to improve capital efficiency by refining ALM, emphasizing returns after deducting the cost of capital, and selectively utilizing reinsurance schemes in the life insurance business.

Turning rising interest rates into an opportunity

Rising domestic interest rates represent a significant change in the operating environment for institutional investors, particularly insurance companies. Compared with the era of negative or zero interest rates, the environment has become more favorable for investing in yen-denominated assets. We view this as a major opportunity.

Of course, rising interest rates could temporarily result in valuation losses on existing securities. However, asset management at an insurance company must be considered not only from the asset side but also in relation to its insurance liabilities. If ALM is managed appropriately based on the characteristics of liabilities, there is no need for pessimism from the perspective of net asset value after netting assets and liabilities.

Rising interest rates also create new possibilities for the domestic life insurance business. In an environment of extremely low yen interest rates, foreign currency-denominated products have played an important role in providing customers with an attractive level of yield. As it becomes easier to secure yields on yen-denominated assets, yen-denominated products will likely become increasingly important not only for their protection functions but also as asset-building products. The asset management division is committed to supporting the development of such products and the growth of the business.

Three asset management priorities toward FY2030

Looking ahead to FY2030, the role that asset management must play will become even more important. The Group aims to grow as a comprehensive insurance company that provides non-life and life insurance globally. In this context, asset management is not merely a function for generating returns from assets held; it is an important foundation supporting the expansion of insurance underwriting, improved capital efficiency, and profit growth across the Group.

Our asset management strategy for FY2030 has three main priorities. First, we will expand high-quality risk-taking based on unified standards across the Group. Second, we will strengthen the investment platform that supports this risk-taking. Third, we will contribute to improving capital efficiency across the Group.

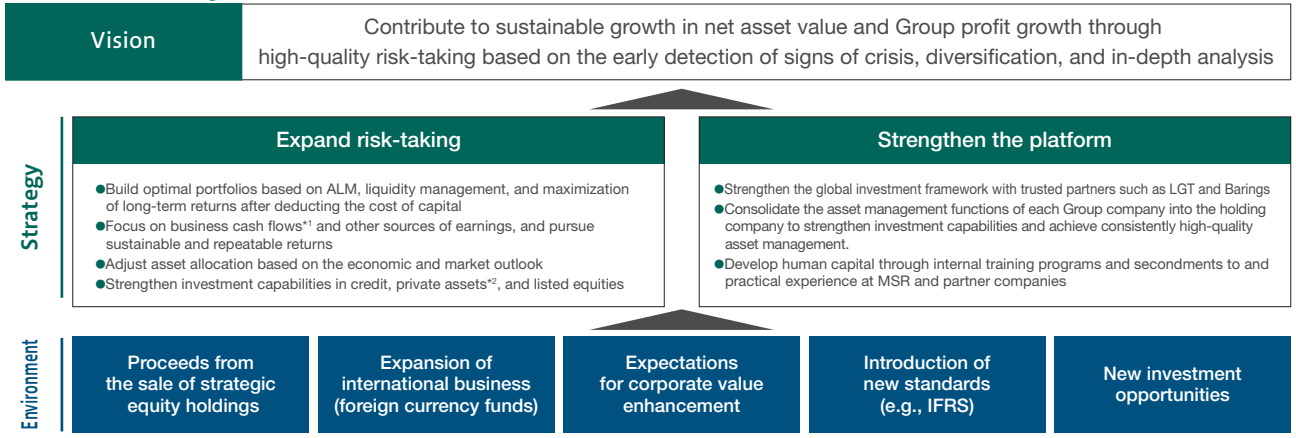
In the life insurance business in particular, the expansion of underwriting will increase asset management needs in both quantitative and qualitative terms. What will be important is to choose flexibly according to the environment between pursuing higher absolute returns and reducing the capital burden through the use of reinsurance. An asset-light approach is an effective tool, but it is not the only answer. We must consider whether to hold risks ourselves to earn investment returns, or to combine risk transfer with asset management mandates to generate fee income. With our strategic partners, Massachusetts Mutual Life Insurance Company ("MassMutual") and Barings, we now have the strength of being able to choose the optimal method to enhance capital efficiency from among multiple options.

Assessing business cash flows

To achieve high-quality risk-taking, we adhere to a clear investment philosophy. First, we take a long-term view of macroeconomic structures and market conditions. Second, we maintain rigorous ALM. Third, we pursue diversified investments in areas where we can conduct analysis consistently using our own resources and expertise. Fourth, we build portfolios designed to maximize expected returns after deducting the cost of capital.

Among these principles, the third—investing in areas where we can apply our own analytical capabilities with consistency—is particularly important as a source of excess returns. In particular, we place strong emphasis on the ability to assess the business cash flows*1 of our investment targets. When markets are hit by shocks, the prices of many assets decline simultaneously. However, not all companies fail. Even when prices fall, some companies are able to

Vision and strategies for FY2030



maintain their business cash flows and continue paying dividends or meeting obligations for principal and interest. We believe that the ability to distinguish between the two lies at the heart of investing.

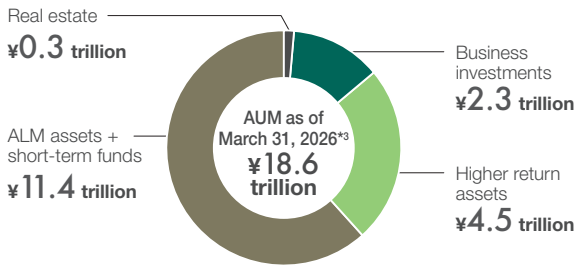
Over many years, the Group has built up stable returns by conducting deep analysis of each investment target through PE investing and other investments, while at the same time maintaining diversification. Bottom-up analysis—developing a deep understanding of a company's business model, the strengths and characteristics of its management, and its ability to generate cash flow—is painstaking work, but it leads to consistent return generation. We believe this approach can be applied not only to credit and private assets*2 but also to listed equities held as pure investments after reducing strategic equity holdings, and we are steadily advancing these initiatives.

Toward FY2030, after reducing strategic equity holdings to zero, we will prudently expand allocations to credit, private assets, and listed equities. In credit investment, rather than relying on ratings, we independently conduct detailed assessments of repayment capacity. In private assets, we will diversify investments across private debt, real estate, infrastructure, and other areas in addition to PE. For listed equities, we select companies expected to sustain and grow their cash flow generation capacity over the long term. What is important is to earn returns commensurate with risk through in-depth analysis and diversification.

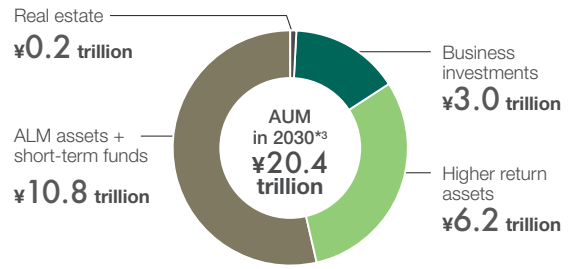
*1 Cash flows generated by individual companies, businesses, and real assets
*2 Private assets such as unlisted equities (PE) and loans to small and medium-sized enterprises (private debt)

Asset management portfolio

Assets under management (March 31, 2026)



Assets under management (image for 2030)



ALM assets (including short-term funds)

- MSI, ADI, and MSA Life invest mainly in yen-denominated bonds and loans, whereas MSP Life invests mainly in foreign bonds, etc., in line with its foreign currency-denominated liabilities
- Partial credit risk-taking in ALM asset management
- In principle, interest rate and foreign exchange risks are offset against liabilities

Higher return assets ¥4.5 trillion ➡ ¥6.2 trillion*4

- Prudently expand allocations to credit, private assets, and listed equities
  - ·Credit: Select securities based on rigorous assessments of issuers' repayment capacity
  - ·Private assets: Continue PE investments with strong return track records and promote diversified investment in private debt and other assets
  - ·Listed equities: Invest for the long term in companies expected to achieve profit growth

*3 Simple sum of 5 domestic Group companies on a non-consolidated basis (excluding strategic equity holdings)
*4 For MSP Life, only the portion where assets exceed liabilities is counted.

Consolidating investment functions to strengthen investment capabilities

A stronger investment platform is essential to support this approach to risk-taking. In the past, each Group company managed its assets independently. Going forward, we will effectively utilize resources across the Group by consolidating investment functions within the holding company, and the holding company will lead the standardization of asset class categorization, risk management frameworks, asset allocation methodologies, and other areas.

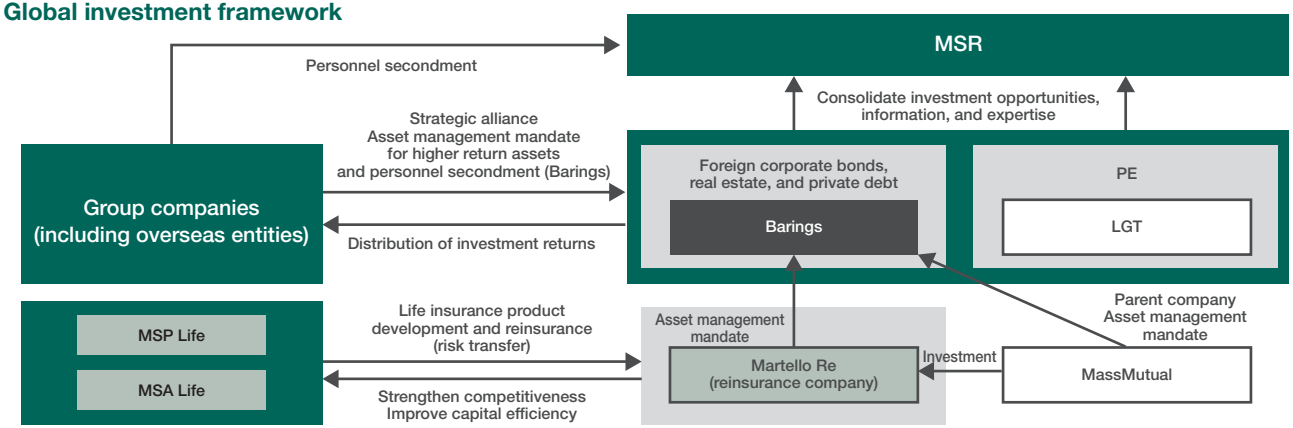
The aim of consolidating functions is not merely to improve efficiency. Balancing deep security-level analysis with broad diversification requires significant effort and a high degree of expertise. Rather than having each company maintain similar functions separately, we will consolidate specialized talent and deepen expertise in areas such as bonds, pure-investment equities, corporate lending, and fund management, thereby enhancing investment capabilities across the Group.

It is also important for specialists to discuss issues within the same organization and stimulate one another. Regardless of age or title, the person with the greatest expertise leads the discussion and shares the necessary knowledge. Such an environment—where colleagues are also constructive rivals—helps foster a high-quality investment culture.

Strengthening the global investment framework is another important element of reinforcing the platform. In overseas investing, we place great importance on local insight. During the global financial crisis, we experienced firsthand that it was difficult to fully grasp the severity of conditions in local markets from Tokyo alone, particularly when transactions among financial institutions were coming to a standstill. Drawing on that lesson, we have established a framework in which the investment teams of overseas entities and the head office investment team collaborate, with our U.S.-based asset management subsidiary, MSR Capital Partners (hereinafter, "MSR"), serving as the hub.

We are also advancing collaboration with LGT Capital Partners (hereinafter, "LGT") in PE investment and with Barings in credit investment. Our investment in Barings is significant not only as a source of additional earnings

Global investment framework



but also in terms of access to investment opportunities, market information, investment expertise, and talent development. In global credit markets, it is important to use local networks to identify at an early stage warning signs of crises and investment opportunities that cannot be seen from surface-level data alone. By deepening collaboration at various levels, from executives to frontline professionals, and sharing the resulting knowledge across the Group, we will further enhance the quality of asset management.

Turning human capital into returns

Ultimately, human capital is what determines competitiveness in asset management. This is especially true in bottom-up investing, where the professional responsible for an investment becomes the foremost expert on that investment target. Accordingly, each individual's analytical ability and insight are directly linked to the Group's returns. A major strength of bottom-up investing is that personal growth and the Group's performance move in the same direction.

For this reason, the Group places great importance on developing human capital through a combination of education and practical experience. In our proprietary training program, known internally as "Alpha," everyone from new employees to general managers and executives studies the same curriculum. Learning at the individual level alone is not enough; if decision-makers continue to rely on outdated knowledge, the organization cannot fully put that learning to use. When everyone shares common experiences and a common language, the quality of discussion and the speed of decision-making both improve.

Instructors are not determined by title. Whoever has the deepest expertise in a particular area takes on that role, and executives themselves learn from junior colleagues. Such a flat culture of mutual respect is essential to strengthening professional expertise. We are also expanding opportunities to gain practical experience locally through secondments to MSR, Barings, and other organizations. The knowledge acquired through the "Alpha" program is sharpened in practice, and the insights gained overseas are then fed back into the organization. By keeping this cycle in motion, we aim to build an asset management organization in which people can continue to grow, no matter when they join.



Harnessing asset management capabilities for the Group's sustainable growth

Looking toward FY2030 and beyond, the Group aims to become a world-leading insurance and financial services group. Achieving this requires both insurance underwriting and asset management to function at a high level and generate profit sustainably while improving capital efficiency.

The asset management division will monitor early warning signs of crises, thoroughly diversify investments, and undertake high-quality risk-taking based on in-depth analysis. Rather than being swayed by short-term market fluctuations, we will closely assess structural changes in the economy, carefully assess the intrinsic value of our investments, and pursue the optimal use of capital for the Group as a whole.

We will thereby contribute to increasing net asset value over the long term while maintaining financial soundness. We will harness asset management capabilities to drive the Group's growth. This is my mission as CIvO.

Initiatives as an Asset Owner

Asset Owner Principles

The Group's domestic insurance companies* have endorsed the Asset Owner Principles announced by the Cabinet Secretariat on August 28, 2024, as part of the government's "Policy Plan for Promoting Japan as a Leading Asset Management Center," and have expressed their acceptance to the Financial Services Agency.

*MSI, ADI, MD, MSA Life, and MSP Life

The Group will fulfill its asset owner responsibilities by developing an appropriate organizational structure and risk management framework and by making sound investments that ensure safety, profitability, and liquidity in line with investment targets and policies that take into account the economic and financial environment, with the aim of ensuring the disbursement of insurance payments and benefits to policyholders and the performance of all other liabilities, as well as contributing to business continuity and the sustainable growth of enterprise value.

Related link: Acceptance of the Asset Owner Principles Website

Stewardship activities

In 2014, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance announced their acceptance of Japan's Stewardship Code. Through constructive dialogue with investee companies and the exercise of voting rights based on an ESG perspective, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance are promoting the enhancement of corporate value and sustainable growth of investee companies from a medium- to long-term perspective.

Related link: Japan's Stewardship Code Website

Dialogue results (July 2024–June 2025)

	MSI	ADI	Total (simple sum)
Number of companies engaged in dialogue	198 companies	190 companies	388 companies

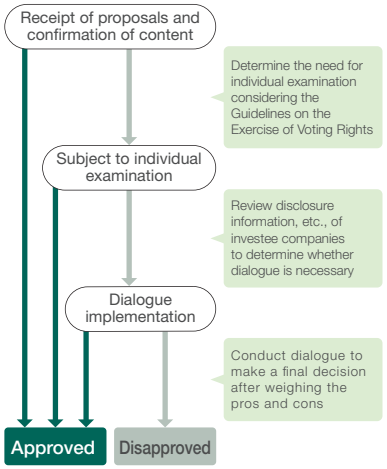
Results of the exercise of voting rights (July 2024–June 2025)

	MSI	ADI	Total (simple sum)
Proposals for which voting rights were exercised (Company proposals)	1,385 companies	1,264 companies	2,649 companies

Number of disapproved proposals (July 2024–June 2025)

	MSI	ADI	Total (simple sum)
Number of disapproved proposals (Company proposals)	24 companies	35 companies	59 companies

Process for exercising voting rights



Investments and loans considering ESG issues

As a signatory of the Principles for Responsible Investment (PRI), our Group invests and lends considering ESG issues. Specifically, we collect and evaluate ESG information in accordance with asset characteristics and investment methods and make investment and loan decisions in conjunction with conventional analysis such as financial analysis. We are working on investments and loans with themes that lead to solutions to sustainability-related issues on the premise of securing profits. In addition, we will engage in constructive "purposeful dialogue" with investee companies based on ESG factors to raise awareness of ESG among investee companies and to enhance corporate value over the medium term.

Our Group's ESG investment and loan initiatives

		Target asset classes	Investment and loan balance
Integration			
Reflection of the response to the Group's "business activities considering sustainability"	Screening specific uses of funds and industries without investments and loans, and making prudent decisions on whether to engage in transactions from the perspectives of responding to climate change, improving the sustainability of natural capital, and respecting human rights	All asset classes	¥15.8 trillion*
Incorporation of the Group's priority issues into the research	Focusing on "CO_2 emissions," "deforestation," "water risk," and "human rights violations," evaluations by ESG evaluation companies and international initiatives (such as CDP), etc., are used for investment decisions and monitoring	Corporate bonds, stocks, and loans	¥7.9 trillion
Constructive Engagement			
Engagement	Conduct dialogue centered on stewardship activities	Stocks	¥1.1 trillion
Positive Impact			
Sustainable/thematic investing	ESG issues, investments, and loans in themes such as renewable energy (e.g., solar, wind, hydrogen), green transition finance (greenhouse gas reduction), and regional revitalization	Bonds, stocks, loans, and private equity	¥836.8 billion
Impact investing	Investment in themes such as healthcare and education, focusing on climate change	Private equity	

*The scope of coverage excludes cash and cash equivalents, real estate holdings, and funds that also have funds invested by other investors

Related link: ESG Integration and Sustainability Approach Website

CSuO Message

Embedding sustainability strategy in our core business

Sachiko Hori Sustainability Strategy

Managing Executive Officer
CSuO



Growing together with society

In Japanese, sustainability is translated as “jizoku kanosei” (“sustainability” or “viability”). In other words, sustainability fundamentally aims to maintain and improve society and the environment for future generations. At the same time, because the term is used in a variety of contexts, including climate change, biodiversity, and the circular economy, I feel that sustainability is sometimes perceived too narrowly as a difficult concept.

The insurance business, the Group’s core business, is fundamentally about enabling safety and peace of mind. We underwrite risk and support customers, society, and economic activity when the unexpected occurs. This very role of insurance is deeply intertwined with the sustainability of society. Accordingly, for our Group, sustainability is something to be realized through our business. It is therefore a theme that every Group employee should keep in mind and put into practice in their daily work. Thinking about how one’s work is connected to the issues facing customers, local communities, and society, and acting accordingly, helps enhance environmental and social sustainability and, ultimately, the Group’s corporate value.

Not every sustainability initiative leads to profit immediately. The first priority is to sincerely engage with the issues facing customers, local communities, and other stakeholders and work toward solutions. By working together to resolve a wide range of issues, we want customers and other stakeholders to see us not simply as an insurance provider, but as a partner that helps them continue growing into the future. The trust built through these efforts will broaden the community of people who support the Group and help us become the company most chosen by customers.

Building on the foundation we have established

Under the Medium-Term Management Plan (2022–2025), we positioned sustainability as a foundation of management and advanced initiatives as a unified Group. With respect to decarbonization, we established KPIs for reducing greenhouse gas emissions and promoting the use of renewable energy and implemented initiatives accordingly. We also supported customers' sustainability initiatives through sustainability dialogues with corporate clients and investee companies in connection with insurance underwriting, investment, and financing. Furthermore, initiatives that leverage the Group's expertise to help resolve issues are expanding, including the provision of services and solutions for disaster prevention and mitigation and collaboration with local governments. Through the accumulation of these initiatives, we have built a foundation for viewing sustainability not as an activity separate from our core business, but as a perspective for creating value within it.

At the same time, the challenges have also become clear. We need to transform employee awareness and behavior so that each employee understands the issues facing local communities and customers through their own work and takes the initiative in acting to resolve them. A major theme going forward is to embed sustainability naturally into daily operations rather than treating it as a special activity.

Realizing the Group Vision for FY2030

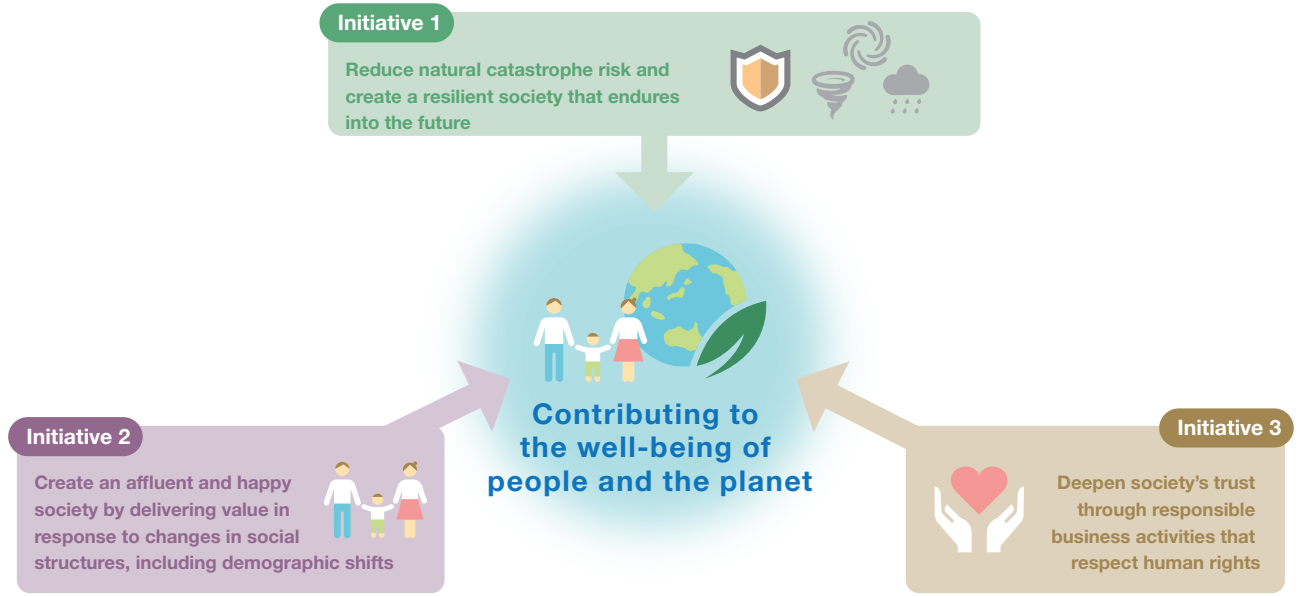
To realize the Group Vision for FY2030, we have positioned sustainability as one of the strategies to be pursued across the Group. Sustainability is not merely part of CSR or social contribution activities; it is management itself. This positioning conveys a strong message. Going forward, with a firm commitment to link the resolution of social issues to the Group's growth, we must make sustainability a guiding principle for all business activities and decision-making and be more conscious than ever of its importance.

By 2030, we aim to make it the norm for every employee to identify the priority issues facing customers and local communities and work to resolve them through daily business activities.* All Group employees will take action toward realizing the Group Vision for FY2030 and contribute to the well-being of people and the planet as the insurance and financial group most trusted and most chosen by customers and society.

*For specific initiatives toward this goal,
see P.57 "Initiatives for every employee to think and act."

Creating value by resolving social issues

Specifically, to realize the Group Vision for FY2030, we will advance three initiatives: addressing natural catastrophes, addressing demographic changes, and respecting human rights in business.



Addressing natural catastrophes

Natural catastrophes have a major impact on our business. We will advance initiatives from both perspectives: reducing natural catastrophe risk itself and mitigating damage and losses after a disaster occurs. In recent years, natural catastrophes such as torrential rains, typhoons, and floods have become more severe and frequent around the world due to climate change, significantly affecting not only people's lives and property but also business activities and local economies. In addition to climate change, this situation reflects the degradation and loss of natural capital, including forests and wetlands, which has reduced nature's inherent disaster prevention and mitigation functions. Economic losses from natural catastrophes continue to grow, while the protection gap (the difference between total losses and those covered by insurance) is also widening, making it more important than ever to enhance the resilience of society as a whole.

If the resilience of customers and local communities declines, it will become difficult for insurance to fully play its role in supporting the sustainable development of society. Protecting the health of people and nature is therefore an important initiative that safeguards both the sustainability of society and the Group's business foundation.

The Group is expanding the role of insurance beyond providing compensation after a disaster to encompass disaster prevention and mitigation initiatives that reduce disasters themselves and minimize damage.* We contribute to building a disaster-resilient society by providing solutions that draw on our longstanding expertise in risk analysis and data utilization and by collaborating with municipalities and companies. We will also help mitigate climate change by providing insurance and financial services that support the transition to a decarbonized society.

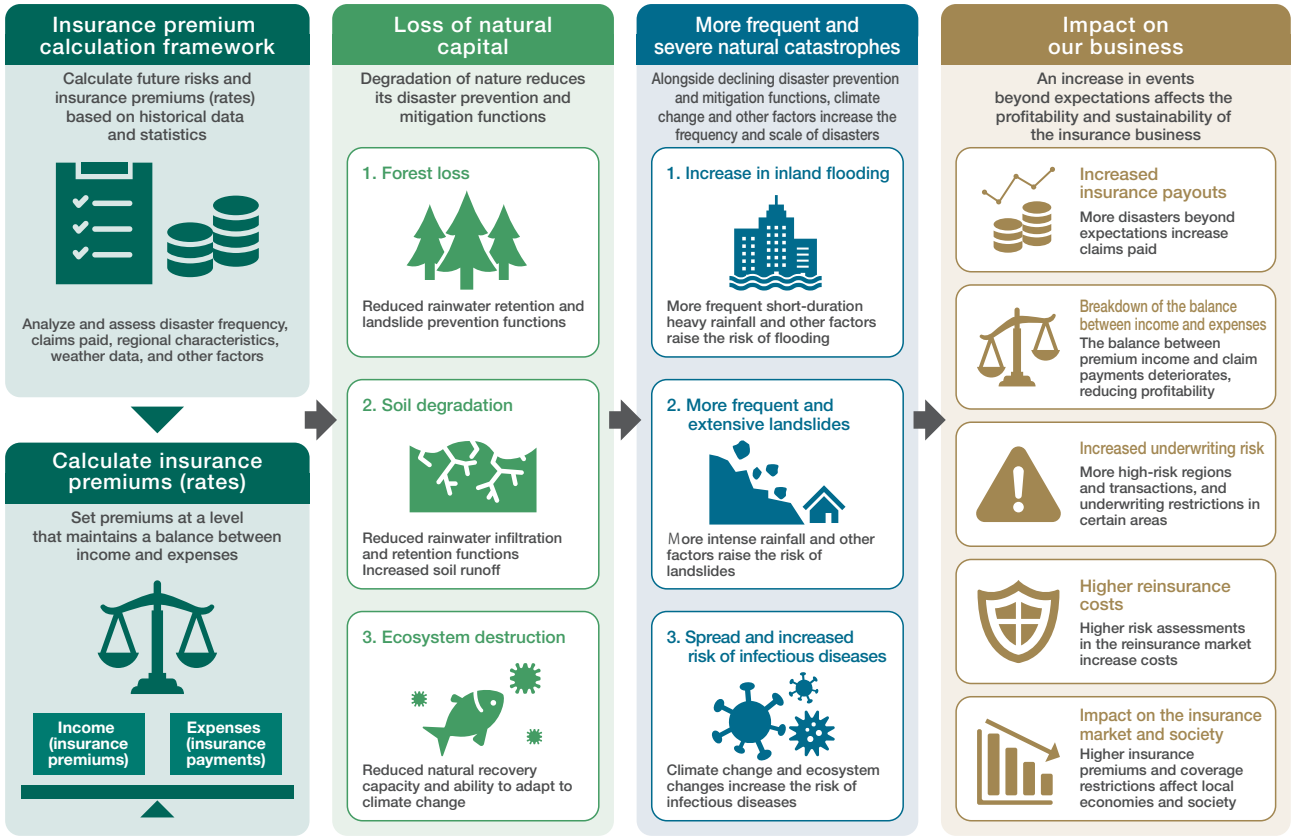
*For specific initiatives toward this goal, see P.57 "Initiatives to reduce natural catastrophe risk."

Addressing demographic changes

Amid anticipated major changes in social structures, including the falling birth rate and aging population, population decline, and diversification of working styles, the risks and needs facing customers are becoming more complex and diverse. We recognize that conventional insurance alone cannot fully address them. By responding appropriately to these changes and contributing to an affluent and happy society in which everyone can continue to live with peace of mind, we will fulfill our role as an insurance group that supports customer peace of mind.

The Group views changes in social structures not as risks, but as opportunities to create new value. Beyond insurance payments, we will provide solutions that help resolve the issues facing customers and local communities, including services for an aging society, health promotion, disaster prevention, and mobility, thereby both resolving social issues and enhancing corporate value.

Examples of how loss of the natural environment affects the Group's business





Respect for human rights in business

In our business activities, we will remain conscious of respect for human rights as a trusted company and work to realize a sustainable society through responsible business activities. As globalization advances and supply chains become more complex, respect for human rights has become not only a matter of corporate social responsibility but also a key management issue that affects corporate value. Human rights abuses and inappropriate business activities can seriously undermine the trust of customers, investors, local communities, and other various stakeholders, posing risks of reputational damage and disruption to business continuity.

As an insurance and financial group whose business is founded on trust, the Group will respect human rights and promote fair and transparent business activities* across the entire value chain, including not only its own operations but also supply chains, investment and financing, and insurance underwriting. We will also continue meeting society's expectations by creating workplaces where diverse people can thrive with confidence and maintaining integrity and sound governance.

*For specific initiatives toward this goal, see P.58 "Responsible business activities that respect human rights."

Harnessing global expertise

Because history, culture, social issues, and regulatory environments differ by country and region, advancing sustainability initiatives requires consideration of perspectives from regions around the world, not only from Japan. As the international business accounts for a growing share of the Group, it is increasingly important to maintain common Group policies while taking the circumstances of each region into account.

Accordingly, in FY2025, we launched the Global Sustainability Leadership Forum (GSLF), which brings together key overseas operations and sustainability-related departments in Japan. The GSLF has established subcommittees for themes such as insurance underwriting, investment and financing, and information disclosure, and discusses issues and future directions from a global perspective.

In June 2026, we held a joint event in London with MS Amlin, our U.K. subsidiary operating in the Lloyd's market. With a focus on climate change, participants discussed a broad range of social issues from a global perspective, including geopolitical risks and widening wealth inequality. To help close the protection gap created by the growing frequency of climate change-related natural catastrophes, we also announced MS Amlin's participation in the Natural Disaster Fund, a public-private partnership supported by the U.K. and German governments and managed by Global Parametrics. Insurance has supported economic growth as essential social infrastructure. As risks grow more complex, we believe that collaboration among the public, private, and academic sectors can help create a unified approach that goes beyond existing initiatives. We have also identified human rights as an important theme and are studying principles and standards that can be shared across Japan and other countries. We will also enhance the Group's capabilities in sustainability information disclosure while taking account of the systems and calculation standards in each region.

Collaboration with international organizations is also important. We will participate in discussions informed by global trends through the United Nations Environment Programme, the United Nations Office for Disaster Risk Reduction, the Taskforce on Nature-related Financial Disclosures, and other organizations, and communicate the Group's insights externally. For example, at a July 2026 international conference on "Insurance and Nature Positive" co-hosted with the United Nations Environment Programme, experts from Japan and overseas discussed the role insurance can play in relation to nature and other topics. We will continue to proactively organize and participate in such international conferences and advocate for the insurance industry's voice to be reflected in global rule-making forums.

In closing

Our Mission—"To contribute to the development of a vibrant society and help secure a sound future for the planet by enabling safety and peace of mind through the global insurance and financial services business"—is the very embodiment of sustainability. To realize the Group Vision for FY2030, we have newly positioned sustainability as a management strategy, and every employee will take ownership and put it into practice in their daily work. Many of these steady initiatives take time. As CSuO, I will fulfill my responsibilities with pride in our social mission, knowing that each step we take today helps shape the future of our customers, society, and the planet.

Sustainability Initiatives

The MS&AD Insurance Group is advancing a wide range of initiatives to enhance environmental and social sustainability and the Group's corporate value through the provision of insurance and financial services. Here, we highlight selected initiatives, including those aimed natural catastrophe risk.

Initiatives to reduce natural catastrophe risk

Establishment of the Kumamoto Water Positive Design Center

The Kumamoto Water Positive Design Center (KuWP) was established to create a platform for regional implementation that simultaneously conserves groundwater resources and reduces flood risk—two challenges facing the Kumamoto region. Kumamoto City relies entirely on groundwater for its water supply, but the concentration of the semiconductor industry and the progress of urbanization have increased water extraction and expanded impermeable areas, resulting in a decline in groundwater recharge capacity and an increase in stormwater runoff. Conventional conservation and flood control measures remain important, but their ability to offset the effects of land-use conversion is limited. Through collaboration among industry, academia, and finance, the KuWP will promote the area-wide installation of rain gardens and other green infrastructure in urban areas. It aims to deliver the dual benefits of groundwater recharge and reduced rainwater runoff, quantify some of these effects, and create a framework through which regional stakeholders can work together to implement their value in society.

The significance of an insurance company participating in this framework lies not only in reducing the risk of flood damage caused by torrential rains but also in mitigating the impact on the local economy when businesses are forced to suspend operations. Achieving this requires a community-wide framework rather than action by a single company and will ultimately help reduce insurance underwriting risks. Initiatives of this kind are also important for enhancing the sustainability of both insurance and local communities.



MACHI to GREEN—Web content visualizing the effects of installing green infrastructure





MACHI to GREEN is disaster prevention and environmental learning content that enables users to experience and learn about the movement of water across an entire river basin and the rainwater infiltration, storage, and runoff reduction effects of green infrastructure. Users can simulate approximately 3,000 combinations to see how measures such as forest thinning in mountainous areas and the installation of rain gardens in urban areas affect river flow and inland flooding during heavy rainfall. A key feature is that it visualizes connections across administrative boundaries—between upstream and downstream areas, nature and cities, and municipalities, businesses, and individuals—making basin-wide flood management easier to understand as a personal concern.

For an insurance company, the significance of creating and promoting this content lies in going beyond post-disaster compensation to prevention and awareness activities that reduce the damage itself. As climate change increases the risk of torrential rains, raising disaster preparedness across entire river basins and encouraging behavioral change contribute to risk reduction, which lies at the heart of insurance. Use of the content in school education and community events can also contribute to disaster prevention and environmental education for future generations. By supporting the resolution of social issues based on scientific expertise, insurance companies can provide new value that goes beyond compensation.

Initiatives for every employee to think and act

Project for Creating the MS&AD Group's Future Together

In FY2025, to strengthen initiatives that enhance the sustainability of the Group's businesses, we launched the "Project for Creating the MS&AD Group's Future Together" ("MS&AD Miracle"). The project centers on two initiatives addressing themes considered particularly important to enhancing the sustainability of the Group's businesses while confronting social issues: "Building a society resilient to water-related disasters," focused on water-related disasters, and "Building a society where people can expect to live happily for 100 years," focused on demographic changes such as the falling birth rate, population aging, and increasing longevity. Volunteers from Group companies meet every month, with each employee taking the initiative to think and engage in discussion.

On November 21, 2025, Group executives, including President Funabiki, and project members held the "MS&AD Miracle Super Discussion 2025." Participants considered across organizational boundaries the future the Group should pursue as a new leading company for the coming era, unconstrained by precedent or existing values. The event drew a total of 1,700 participants, including online attendees.



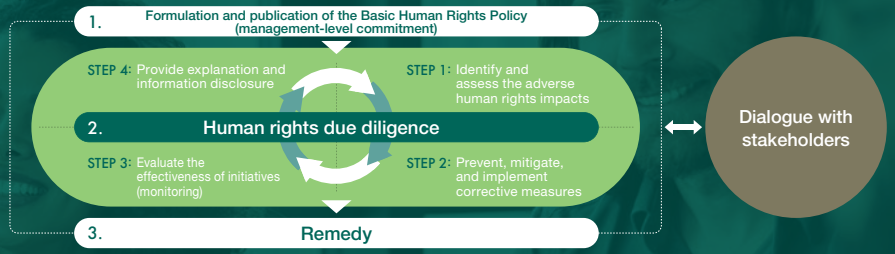
Advancing sustainability as a management strategy requires not only top-down policies but also ideas and actions originating in the workplace. We will embed sustainability in our core business through an employee-driven, team-based process that creates new value while having fun.

Responsible business activities that respect human rights

In accordance with international frameworks such as the UN Guiding Principles on Business and Human Rights, we respect the human rights of diverse stakeholders, including employees, customers, business partners, and local communities, to the fullest extent possible throughout all our business activities.

We consider the entire value chain and work with business partners and partner companies to prevent and resolve human rights abuses, including discrimination and harassment.

Prepared with reference to the "Reference Material on Practical Approaches for Business Enterprises to Respect Human Rights in Responsible Supply Chains" by the Ministry of Economy, Trade and Industry



Implementation of human rights due diligence

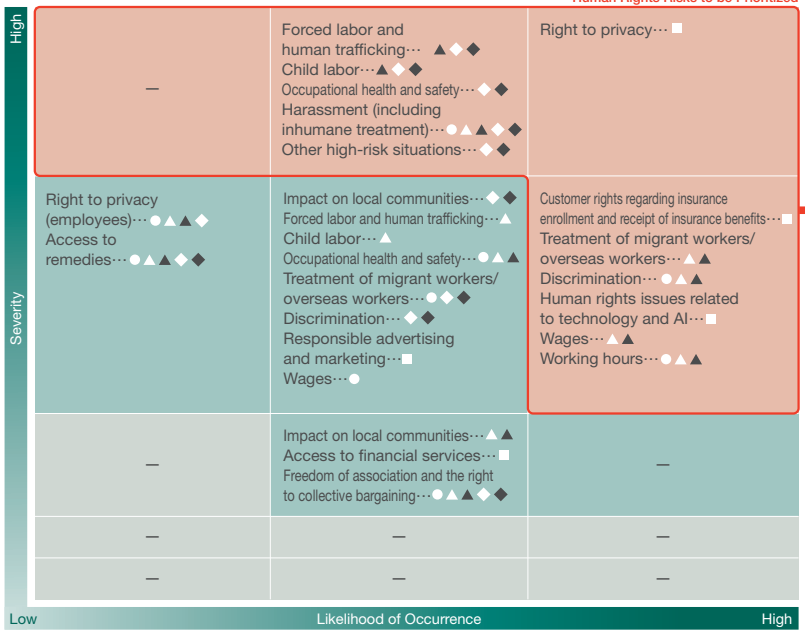
Based on the UN Guiding Principles on Business and Human Rights, the Group conducts human rights due diligence for all stakeholders involved in its business activities. We operate an integrated process encompassing the identification and assessment of risks; prevention and mitigation initiatives; regular monitoring; communication and information disclosure; and access to remedy, while continually working to improve the effectiveness of this process.

STEP 1: Identification and assessment of adverse human rights impacts

The Group identifies and assesses adverse human rights impacts in its business activities, has designated the following human rights risks as priorities, and is advancing initiatives to address them.

Human Rights Impact Assessment Results and Human Rights Risk Map

Within the red frame: Human Rights Risks to be Prioritized



Priority Issues for Respecting Human Rights

- Fair and impartial customer service
- Consideration of human rights measures at insurance agencies, external contractors, corporate clients, and investee companies
- Consideration for employees' mental and physical health and the realization of a safe and secure workplace environment

[Legend]
- ● Our Group Employees
- ■ Customers (Individuals)
- ▲ Insurance Agencies
- ▲ External Contractors
- ◆ Corporate Clients
- ◆ Investee Companies

STEP 2–3: Implementation of prevention, mitigation, and corrective measures, and monitoring

The Group implements prevention, mitigation, and corrective measures in each of the three areas identified as priorities for respecting human rights. We regularly monitor initiatives to respect human rights at agents, external contractors, and overseas entities. For agents, when issues were identified in high-severity items, we supported corrective action through the distribution of follow-up educational materials and dialogue.

For employees, we revised the Malicious Complaint Response Manual, conducted harassment prevention and surveys, and measured the effectiveness of behavioral changes and organizational measures.

Human rights study sessions for agents

The Group regards agents as important partners and conducts business with them on the basis of mutual trust.

We expect agents to advance initiatives to respect human rights together with the Group. In FY2025, we conducted human rights training for agents on the theme "From Risk Response to Value Creation—Building Strong Agencies through Initiatives to Respect Human Rights." The training was intended to encourage participants to view respect for human rights not merely as a compliance obligation, but as a foundation for strengthening organizational sustainability, and to reaffirm the importance of such initiatives. Approximately 110 agents of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance participated in the training.

Access to remedy

To enhance the effectiveness of its grievance mechanisms, the Group has established multiple internal and external reporting channels (hotlines) and operates a third-party channel that agents and external contractors can use directly. We will promptly ascertain the facts and take necessary measures in the event of any violation of laws, internal policies, or inappropriate conduct.



CDO Message

Leveraging digital technology to deliver customer-oriented insurance value

Tomoyuki Motoyama AI, Data Strategy
Senior Executive Officer
CDO

Making products and procedures simpler

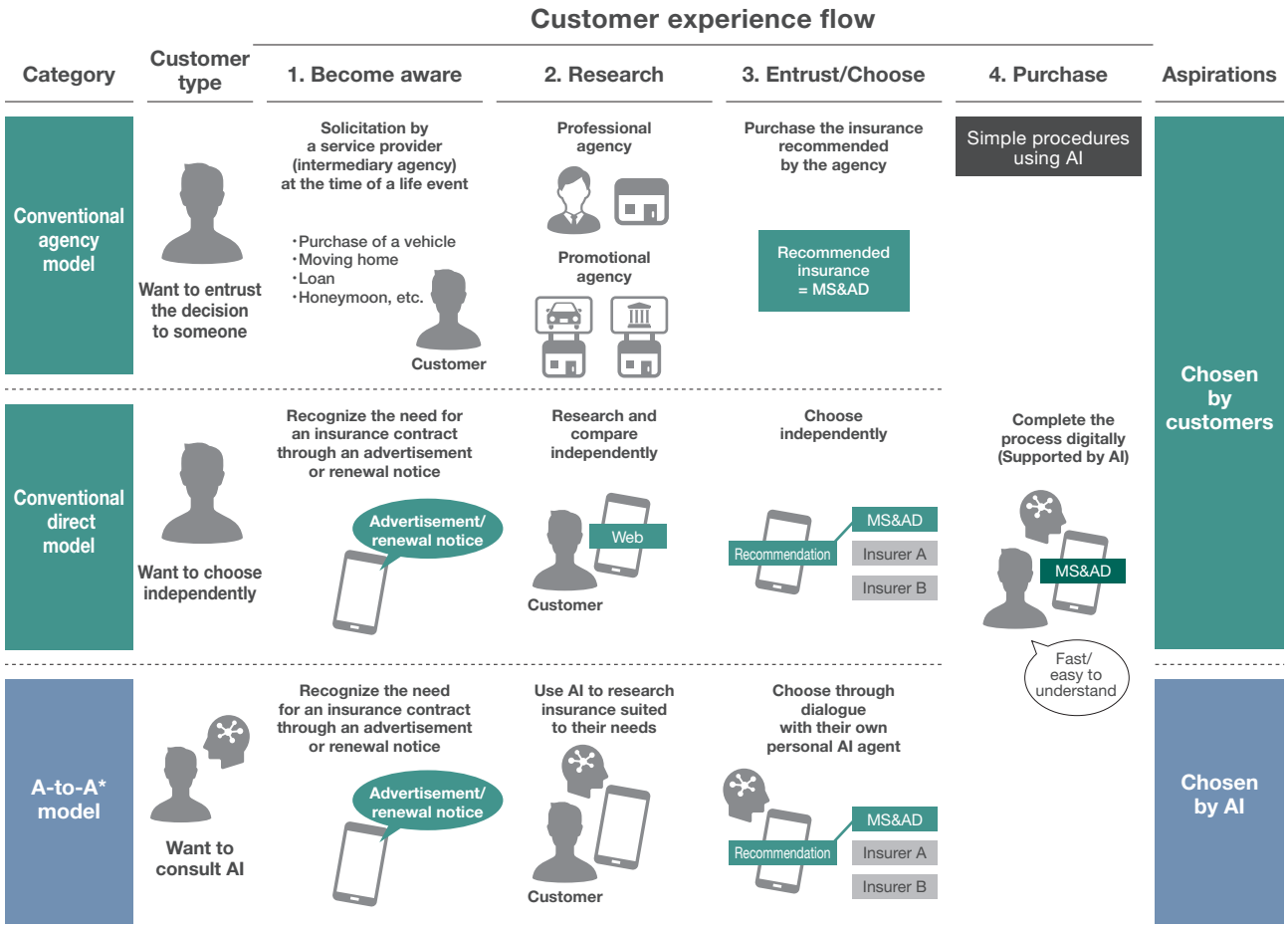
What I value as CDO is treating digital technologies and AI as tools rather than as business objectives in themselves. Our starting point must be to provide products and services that are easy for customers to understand and to be an insurance company they can choose with confidence. With products such as voluntary automobile insurance and fire insurance, which are reviewed only once a year or every few years, customers may reach their next renewal without fully understanding their coverage. However, that would be inconsistent with our customer-oriented philosophy. To be an insurance company chosen by customers, the most important thing is to ensure that customers correctly understand their coverage and the meaning of the procedures and can purchase insurance with peace of mind. Digital technologies and AI are tools for making things better. I believe they should be used as tools to achieve the objective of delivering products that are easy for customers to understand and suited to their needs at more affordable prices.

One of the challenges facing the insurance industry is that insurance products and procedures have become complex. Even when considering only the voluntary automobile insurance offered by the Group, the combination of coverage options

and contract procedures creates an enormous number of choices. While this breadth of choice is a strength because it enables each customer to select a suitable product, it can also make insurance difficult to understand. Whether customers purchase insurance through an agent or online, we must continually reassess whether we have fully explained the coverage and whether customers have understood it correctly. Moreover, in light of the various incidents arising from industry practices in recent years, simultaneously advancing business improvement and business model transformation is our most important challenge.

To address these challenges in the digital domain, we must simplify products and procedures as much as possible and enable customers to choose the method that best suits them. We will provide more detailed explanations for customers who want to speak with someone face to face before deciding, and user-friendly digital procedures for those who want to complete their contracts online. The same applies to accident reporting and insurance claims. Digital technologies serve not only to improve operational efficiency but also to create touchpoints that give customers assurance. From contract procedures through the payment of insurance claims, it is important to offer options suited to each customer's circumstances and needs and thereby give customers greater confidence in their choices.

In transforming the business model to enhance customers' sense of security and convenience at the same time, we will also focus on new forms of insurance distribution. For example, by combining insurance with trusted existing digital platforms, customers will be able to complete contract procedures easily within a familiar and reassuring environment they use in their daily lives. Through these initiatives, we will reduce the psychological burden associated with digital procedures and realize more accessible insurance services.



*Agent to Agent (A-to-A) refers to a mechanism in which AI agents engage in direct communication, data exchange, and transactions without the involvement of humans.

Becoming an insurance company of choice for both customers and AI

Our fundamental approach is the same for international operations. The central principle should be common worldwide: delivering value to customers and helping resolve social issues through underwriting, which determines whether a risk can be accepted when an insurance contract is entered into; loss prevention, which prevents accidents and minimizes damage; and recovery, which supports rapid recovery after an accident.

However, the path to achieving this differs by country and region. This is because attitudes toward AI and digital technologies, price sensitivity to insurance premiums, and views of insurance itself vary widely. It is therefore important to share the Group's values while establishing a framework that allows each overseas subsidiary to independently devise methods suited to its own market.

The same thinking applies to using AI to optimize product recommendations and selection. Customers have long compared insurance online, and they are now increasingly choosing from options presented by AI. As a result, we must be not only an insurance company chosen by customers but also one chosen by each customer's AI. However, this does not mean that we simply want to take technical measures to appear higher in search results. The essential point is to accurately communicate, in a form that AI can understand, whether what customers are seeking truly matches our products and services. Information that is easy for customers to understand should also be easy for AI to understand. That is why, as a comprehensive insurance company, we want to enable the presentation of optimal choices to each individual customer.

The areas in which digital technologies and AI can contribute are not limited to improving convenience in the personal lines business. I believe the true power of AI is demonstrated in areas that only AI can address. For example, in commercial insurance, we must determine whether to underwrite a risk and set an appropriate premium based on the risks faced by the customer and events occurring around the world. Using AI in underwriting operations could make it possible to analyze large volumes of data quickly and gain a deeper understanding of the nature of the risk, the appropriate premium, and risks that should be anticipated in the future. This can also support loss prevention and recovery. Rather than simply analyzing the relationship between river levels and rainfall, predicting how rainfall in distant mountains will flow downstream and which areas it will affect several hours later is precisely the kind of task suited to AI. If insurance companies develop these capabilities, they should be able not only to pay insurance claims but also to reduce damage from accidents and disasters and help resolve social issues. Even if this does not generate profit in the short term, reducing damage will enhance the sustainability of the insurance business over the long term.

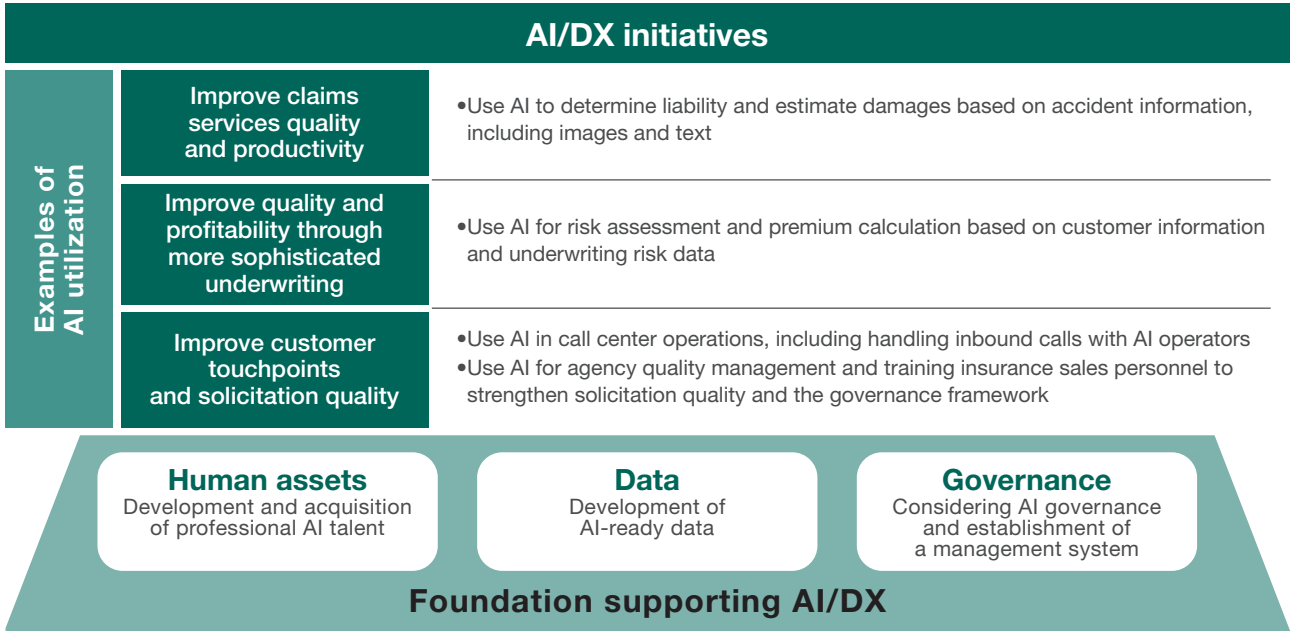
Human asset development to promote AX (AI Transformation)

As AI advances, we must also substantially reconsider how we develop human assets. For example, in insurance payouts, AI will increasingly automate and enhance routine tasks and straightforward decisions. At the same time, sophisticated work such as making decisions in difficult cases, responding to major risks, negotiating, and coordinating interests will remain an important area in which people should continue to play the central role. For this reason, what we need is not merely to broaden our knowledge of how to use AI. It is important to cultivate the ability to collaborate with AI, appropriately define objectives and constraints, evaluate AI output, and translate it into the best decisions and responses for customers. Furthermore, as AI takes over simpler work, younger employees will have fewer opportunities under conventional OJT to build experience gradually through routine tasks and straightforward cases. Simply extending conventional approaches to development will not be sufficient. We need to evolve toward a development



framework that combines practical training, AI-enabled role-playing, and OJT so that employees can acquire the necessary knowledge, judgment, and interpersonal skills in a shorter period of time. Enhancing both the ability to utilize AI and the value that only people can provide will form the foundation of future competitiveness.

MS&AD AX, established as a joint venture with ExaWizards, is a key initiative for enhancing operations through the use of AI. The purpose of establishing MS&AD AX is to create an environment where Group employees can collaborate with AI specialists and gain experience introducing AI into and further enhancing a wide range of business processes, principally in the insurance business. AI is not something we simply outsource and consider finished; it is something we must build, develop, and continue using ourselves.



We intend to enhance AI capabilities across the Group by examining AI use cases in a wide range of areas, including underwriting, insurance payouts, sales support, contact centers, and administrative processing, and by consistently advancing initiatives from PoC (proof of concept) through development and operation to human asset development.

It is also important that we do not depend entirely on any particular company or technology. There are many different AI service providers. We will incorporate advanced technologies through investment and collaboration via Corporate Venture Capital (CVC), as well as advice from security and governance specialists, and determine which technologies best suit our needs. We believe that this process is itself a form of organizational learning and also contributes to talent development.

We do not believe that developing AI talent can be achieved simply by recruiting large numbers of external specialists under special employment terms and other arrangements. What is important is to develop human assets who not only possess skills and experience but also share our aspiration to create value and impact for society through AI and can continue taking on challenges in the workplace with a commitment to transformation. We will focus on building teams capable of expanding the possibilities for AI utilization on their own initiative. By 2030, we aim to develop at least 150 highly skilled professionals capable of building AI-enabled systems. These initiatives cannot be confined to a limited number of departments. Employees supporting product design, sales, claims services, administrative operations, and systems must continually consider what is best for customers in their respective workplaces. We believe digital technologies and AI will become a common platform that connects frontline knowledge and supports better decisions.

Our aspiration is not to be regarded by society as a company that uses the latest technologies, but to remain an organization that gives customers the confidence to say, “I feel secure with this insurance company.” As technology advances, customer concerns also increase. As scenarios such as AI breaching cybersecurity defenses and automatically launching attacks become increasingly realistic, those introducing new technologies bear greater responsibility than ever before. For this reason, we must assess technologies objectively and determine whether they should be used from the perspectives of governance, security, and ethics. My role as CDO in achieving the Group Vision for FY2030 is not merely to digitize and streamline existing work, but to determine how much new value we can create beyond that. “Provide customers with products that are easy to understand and choose through simple procedures, and achieve the Group’s sustainable growth and improved corporate quality. Use digital technologies and AI as the means to accomplish this.” By always preserving this order of priorities, I intend to build a future in which we are trusted as an insurance company.

The MS&AD Group positions the implementation of information security management as a key issue (materiality) for stakeholders and the Company in creating the insurance and financial group most chosen by customers. We are also striving to strengthen our response to cyber risks and threats by complying with laws and guidelines and promoting collaboration between the public and private sectors.

Related link: Information Security Website

Message from the Chairman of the Board of Directors



Evolving into a Board of Directors that supports growth in an era of change

Translating governance reform into effectiveness

FY2025 was a year in which we evolved the operation of the Board of Directors under a new governance framework, including our transition to a Company with an Audit and Supervisory Committee and the establishment of a majority of Outside Directors on the Board. In FY2024, a major theme was setting out the direction of our governance reforms. In FY2025, we focused on ensuring that those reforms function effectively in practice. One of our particular priorities in this process was returning to the role that the Board of Directors should fulfill.

The Board of Directors of a holding company is not a forum for deliberating individual matters in exhaustive detail. Its role is to discuss significant management issues that contribute to enhancing corporate value from diverse perspectives and to supervise business execution. Based on this approach, we have reviewed the matters submitted to the Board and its agenda items. By reorganizing and consolidating matters of lower importance, we have established a framework that allows more time to be devoted to strategic discussions.

Another major change was the placement of the Internal Audit Department directly under the Audit and Supervisory Committee. When an issue arises at an operating company, a mechanism is now beginning to function whereby the issue is examined not only by the executive side but also from an independent, third-party perspective, leading to improvements. I also feel that transparency and objectivity are steadily improving in large-scale projects, including business investments and systems integration.

In the evaluation of the Board of Directors' effectiveness, we also received high marks for enhancing discussions of important matters and improving Board operations. Outside Directors have commented that the changes have enabled the Board to focus its discussions more closely on important themes. However, I believe that the pursuit of governance has no end. Precisely because we have been able to confirm the results of our reforms, we must now advance to the next stage.

Reexamining the role and responsibilities of the holding company

One of the matters that we currently consider most important is redefining the respective roles of the holding company and the operating companies. Following the merger of our two core non-life insurance companies, the Group is preparing to transition to a new management structure. Going forward, we must more clearly establish a structure under which the holding company formulates strategies for the entire Group and the operating companies are responsible for executing them.

Against this backdrop, we have also redefined the role that the holding company's Board of Directors should fulfill. Its main areas of focus as a holding company are approving Group strategies and monitoring their progress, allocating management resources, evaluating the execution of operations by operating companies, and monitoring the soundness and appropriateness of business operations. The importance of our international business will increase further going forward. We have therefore established the International Executive Committee (IEC), creating a framework centered on multinational personnel for discussing international strategies and risk management.

To accelerate growth, we must increase the speed of decision-making. At the same time, the greater the emphasis placed on speed, the more important governance becomes. For this reason, we must continually review what the holding company should be responsible for and what should be entrusted to the operating companies. I believe that the Board of Directors will increasingly be expected to support growth while maintaining a comprehensive view of the entire Group.

Moreover, simply implementing our plans will not be sufficient to steadily realize our growth strategy toward FY2030. The business environment is changing faster than anticipated. The Board of Directors also has an important role in continually examining how such changes will affect the Group's businesses and strategies and revising strategies and resource allocation as necessary. I believe that establishing a management foundation capable of responding flexibly to change will lead to sustainable growth.

Becoming an organization that detects early warning signs of risk

Looking at the business environment in recent years, the very nature of risk has changed significantly. Themes that were not fully recognized only a few years ago—such as geopolitical risks, economic security, and the rapid proliferation of generative AI—now have a major impact on corporate management. We have entered an era in which emerging risks can develop into key risks within a short period. For this reason, one of the Board of Directors' priorities is determining how to detect early warning signs of risk.

Monitoring by the corporate risk management and internal audit departments is, of course, important, but it is not sufficient on its own. We must foster a culture in which every employee on the front lines of our businesses remains alert to changes in society and considers risks independently.

We have positioned our Mission, Vision, and Values as the foundation of management. Our Values serve as guidelines for conduct, and one of the principles we particularly emphasize is integrity. Complying with rules is a matter of course, but integrity requires more than that. It is important for each person to make judgments while asking how their actions would be perceived by society. Only when these values take root throughout the organization will we be able to detect early warning signs of risk.

Transforming our corporate culture also remains an ongoing priority. I believe that lowering organizational barriers and creating an environment in which employees can readily seek advice and express their opinions will ultimately lead to the early detection of risks and the enhancement of corporate value.

Growth and governance go hand in hand

I expect our Outside Directors to continue offering frank and substantive opinions.

Many of our internal Directors, including myself, have spent their careers in the insurance industry. This makes it particularly important for our Outside Directors to raise questions and point out matters that might appear unusual from an external perspective. During discussions concerning the merger of our two core non-life insurance companies, for example, we received comments such as, "Shouldn't the Company present not only the efficiencies to be achieved but also a clearer growth strategy beyond that?" and "We need to think about how to make one plus one equal three or four, rather than merely two." Such perspectives have made our discussions more substantive.

The Group aspires to become a "world-leading insurance and financial services group." This target will require us to take risks in pursuit of growth, including by taking on the challenge of new businesses and expanding internationally.

At the same time, new technologies, businesses, and markets inevitably bring new risks. We must achieve growth while appropriately identifying and managing these risks. I believe that growth and governance are not opposed to each other. Rather, they serve as two wheels driving the sustainable enhancement of corporate value.

As changes in the business environment become more rapid than ever, the Board of Directors must continue to evolve as well. By developing our governance reforms into an even more effective framework, we intend to contribute to enhancing corporate value through a Board of Directors that supports the Group's growth.

Roundtable Discussion among Outside Directors



Dialogue

Looking to the future and making increased corporate value more certain

—The functions and roles of the holding company from the perspective of Outside Directors—

In FY2025, the Board of Directors held extensive discussions on important themes that will shape the Group's future, including the formulation of the Group Vision for FY2030 and the merger of operating companies. Three Outside Directors exchanged views, each from their respective areas of expertise, on the roles expected of the holding company's Board of Directors, approaches to enhancing its effectiveness, their assessment of the Group's growth strategy, and future challenges.

The holding company's role in increasing corporate value

In anticipation of the merger of operating companies, we revisited the role of the holding company's Board of Directors. As Outside Directors, what perspectives do you prioritize?

Suzuki I believe the most important perspective for the holding company's Board of Directors is how to increase corporate value across the Group. The Board reviews and approves Group strategy and monitors its execution. Another major role is to confirm how limited management resources are being allocated and revisit those allocations as necessary. In FY2025 in particular, we discussed the aspirations for FY2030 and the merger of operating companies throughout the year. I believe the Outside Directors, who bring diverse areas of expertise, expressed views based on their individual perspectives and engaged in high-quality discussions. At the same time, to deepen discussions further, I feel it is important for growth strategies and similar matters to be presented in a form that enables us to compare multiple options.

Ishiwata I agree that the perspective of increasing corporate value is extremely important. Having spent

my career in manufacturing, I also believe it is necessary to consider matters from a somewhat different perspective. That perspective is how we engage with customers. Manufacturing involves tangible products and customers who purchase them, making it easy to receive direct feedback. Although insurance is also a product, individual customers do not purchase it every day. Compared with manufacturing, this can make customers less visible. I therefore want to focus on whether we are truly realizing the principles of putting customers first and becoming the company most chosen by customers. I believe the Board of Directors must continue to monitor KPIs linked to customer satisfaction and how customer service is changing on the front lines.

Okajima I agree with both of you. In addition, I believe the holding company's Board of Directors is expected to monitor whether strategies are properly cascaded to and executed by each operating company, and to make course corrections when necessary. Having worked from a public administration perspective, I place particular emphasis on governance, compliance, risk management, accountability, and transparency. As a Group operating in Japan and overseas, it is also important to strike the right balance between what the holding company should oversee and what should be entrusted to the operating companies. I believe an important role of the Board of Directors is not only to set the strategic direction but also to continually ensure soundness and propriety.

Suzuki That is precisely what makes managing a holding company difficult. While respecting the autonomy of each operating company, the Group as a whole must move in a single direction. Going forward, in particular, how to grow the domestic business amid population decline and changes in the market environment will be a major theme.

Ishiwata In that regard, it is also important to ensure that decisions made by the Board of Directors reach the front lines. The distance from the holding company to the



operating companies, agents, and ultimately customers is by no means short. I believe we must confirm how the corporate philosophy and strategy are being received on the front lines, not only through figures but also through direct communication.

Okajima Indeed. Ensuring that the corporate philosophy and awareness of issues permeate the entire Group is an extremely difficult challenge. That is why it is important to consciously increase contact with the heads and front-line personnel of operating companies in Japan and overseas, including the multinational members of the newly established IEC*, so that the Board of Directors can discuss matters with a tangible understanding of actual conditions.

IEC: International Executive Committee. One of the task-specific committees

Enhancing the effectiveness of the Board of Directors

What are your expectations regarding Board operations and opportunities such as study sessions for Outside Officers, with a view to enriching Board discussions?

Ishiwata The secretariat provides exceptionally attentive support for Board operations. I find the content of the materials, advance briefings, and responses to questions to be thorough. When I first took office, I sometimes felt a little nervous at Board meetings. However, through the Chairperson's consideration and repeated communication with those around me, there is now an atmosphere in which I feel comfortable expressing my views. To make it easier to speak up, it is important to have opportunities outside formal meetings where top management and Outside Directors can talk candidly. Once you get to know people personally, it becomes easier to express your views at Board meetings.

Suzuki That is an important perspective. I believe enhancing not only Board meetings themselves but also advance briefings, study sessions, business site visits, and discussions at each committee will increase the Board's effectiveness. The Governance Committee, Nomination Committee, Remuneration Committee, and sustainability-related forums provide valuable opportunities for Outside Directors and executives to engage in in-depth dialogue. It is also important to have a mechanism for reviewing past discussions and the background to previous decisions. For newly appointed Directors, understanding the history and background of past decisions is extremely useful in improving the quality of discussions.

Okajima I also believe a mechanism for accessing past materials and minutes would be useful. For example, if we could review what was discussed when past investments were considered and what was learned during the subsequent process, those lessons could inform current decisions. At the same time, information must be managed with great care.

Suzuki That is an important point. M&A and large-scale investment projects in particular involve confidential information shared only with those involved in Board deliberations, making it necessary to further strengthen information management. Using AI and other technologies to improve convenience is beneficial, but because the information concerns the very foundations of the Company, the system must be designed with these considerations in mind.

Ishiwata If we are able to draw on past discussions, it will also become easier to make better use of the Outside Directors' expertise. For someone like me who comes from a different industry, understanding the historical background is particularly helpful.

Okajima Now that Outside Directors constitute a majority, hearing the views of people with diverse backgrounds has increased the opportunities for new insights and learning. Internal Directors also provide specific explanations of issues on the front lines, further deepening my understanding of the Company. Understanding one another's positions, exchanging views from a broad range of perspectives, and devoting the necessary time to discussion are themselves ways of enhancing the Board's effectiveness.

Realizing our Vision for FY2030

How do each of you view the discussions concerning the Vision for FY2030?

Okajima When I first received an explanation, I felt it was an extremely ambitious vision, including the goal of reducing strategic equity holdings to zero and the high target levels. At the same time, I also sensed the



Company's strong resolve. Precisely because we live in a highly uncertain era, I believe it is effective to first envision the future we aspire to, rather than simply extending the past, and then work backward to determine what must be done now. I believe the current approach of proceeding flexibly toward the FY2030 targets by reviewing the plan each year, rather than operating a medium-term management plan rigidly, is appropriate. As an Outside Director, I intend to closely monitor progress.

Suzuki Clarifying the aspirations for FY2030 has made it easier for the Board of Directors to discuss what needs to be done now. At the same time, it is important to ensure that these aspirations do not remain merely a plan on paper. The question is how the Group will achieve profit growth in its core businesses beyond the gains from selling strategic equity holdings. We must steadily build up results, one by one, by improving the profitability of the domestic business, growing the international business, and realizing the benefits of large-scale investments. I believe identifying the next areas of growth will also be a major challenge going forward.

Ishiwata I view quite positively the inclusion of the principle of increasing both economic value and social value in the Vision for FY2030. Increasing corporate value is not only about increasing profit. I believe it also means increasing trust in and affinity with the Company and expanding the number of people who want to support it. No matter how sound the principles may be, they are meaningless without execution. It is important to enable every employee to recognize the connection between their own work and the Group Vision for FY2030.

Okajima That is where the holding company's leadership will be tested. Each operating company is very robust in both financial and human resources terms. However, to translate their respective capabilities



into growth and increased corporate value for the Group as a whole, the holding company must clearly set the direction and monitor progress.

Ishiwata I believe the same applies to sustainability. Carbon neutrality and natural capital are, of course, important. However, if the focus is placed too heavily on these areas, employees might feel that sustainability is disconnected from their own work. I believe the area in which the Company can make the greatest contribution is the "S" in ESG—in other words, the social dimension. The insurance business itself supports society. If employees can recognize this value for themselves, it will help foster a positive corporate culture and ultimately contribute to increasing our corporate value.

Suzuki Increasing social value ultimately contributes to increased corporate value as well. Toward FY2030, it will be important to consider not only quantitative results but also qualitative value, including how the Group is viewed by employees, customers, and society.

The merger of the operating companies and expectations for the new company

One of the important themes in FY2025 was the merger of the operating companies. How do you assess the discussions held by the Board of Directors?

Okajima I was appointed as a Director after the decision to merge had been made, so I was not involved in the discussions leading up to that decision. However, looking at the subsequent progress, I feel that planning and progress management have been carried out quite thoroughly. For employees in particular, a merger brings considerable anxiety as well as expectations. I have followed the process from the employees' perspective, believing that disclosing information on the human resources system, compensation, and other matters at an early stage and increasing employees' sense of understanding and acceptance will be important to increasing corporate value going forward. The merger is not the goal, but the starting point. I expect that challenges will continue to arise, but at present I believe preparations are progressing steadily.

Ishiwata I also strongly agree that the merger is a starting point. The two companies each have distinct cultures, and I can sense those differences directly when interacting with employees. It is important to maximize the strengths of each company. This is a major opportunity to integrate and embed a unified corporate philosophy and culture for the new company. Whether employees feel that they themselves are creating the new company could determine the success of the integration.

Suzuki I agree on that point as well. It is extremely important to conduct deliberations with the new company as the central focus so that it can fully demonstrate its strengths. Difficult issues will likely arise on the front lines, including systems integration. However, it is essential to continue considering what will be best for the new company, rather than whether an approach comes from MSI or ADI.

Okajima How to engage with agents will also be a major challenge. Some agents have been in competition with one another, and they will likely view the merger in different ways. Discussions must proceed without losing sight of the perspectives of all stakeholders, including not only customers but also employees and agents.

Ishiwata To create a sense of unity as the new company, it is essential to repeatedly communicate why the companies are merging and what they seek to achieve. Only when employees and agents on the front lines deeply understand the significance of the merger will they be able to deliver new value to customers.

Suzuki I sense that many younger employees view the merger positively. At the same time, some employees, including those in the middle ranks, are likely to feel anxious. I believe it is important to shape the new company while incorporating the voices of the younger employees who will lead it in the future.

The role of Outside Directors in sustainably increasing corporate value

What role will you fulfill as Outside Directors in realizing the Vision for FY2030?

Suzuki We have now articulated the aspirations. From this point onward, I believe the role of Outside Directors is to monitor progress toward their realization and make course corrections when necessary. When making important management decisions on matters such as the next growth investments and M&A, I also want to ensure that sufficient comparisons are made and determine whether the decisions will truly increase corporate value.

Okajima I agree. I believe the holding company's monitoring function will be important in this process. The holding company must continually confirm whether the operating companies are proceeding in line with the strategy and where challenges exist, and encourage course corrections when necessary. I also intend to continue closely monitoring the balance between the financial base supporting growth investment and risk management.

Ishiwata Listening to both of you has reminded me that even the best strategy has meaning only when it is executed on the front lines and ultimately reaches customers as value. Whether employees and agents can take ownership of the corporate philosophy and strategy and feel that they are helping create the new company is something that should be considered. I believe that is what will foster corporate culture and lead to becoming the company most chosen by customers.

Suzuki In other words, both corporate value and social value are ultimately realized through the accumulation of such initiatives.

Okajima Indeed. The holding company sets the direction, the operating companies execute it, and the Board of Directors confirms the results. I believe steadily maintaining this cycle will become increasingly important going forward.

Ishiwata As an Outside Director, I will participate in discussions from diverse perspectives and continue to ascertain whether this cycle is functioning effectively to sustainably increase corporate value.



Roundtable Discussion among Audit and Supervisory Committee Members

Dialogue

Pursuing audits that enhance the quality of management and strongly support sustainable growth and enhanced corporate value

In June 2025, the MS&AD Group transitioned to a company with an Audit and Supervisory Committee. Under the new institutional design, the Audit and Supervisory Committee is deepening its collaboration with the internal audit division and working to enhance the Group-wide audit framework.

The Audit and Supervisory Committee Members discussed their impressions after the first year and the role audits should play in supporting sustainable growth and enhanced corporate value.



Stronger collaboration between the Audit and Supervisory Committee and the internal audit division

Looking back on the first year following the change in institutional design, what changes have you observed compared with the previous structure?

Kunii The Company transitioned to a company with an Audit and Supervisory Committee, taking another step toward stronger governance. I understand that the change in institutional design was intended to enhance the audit and supervisory functions while enabling the Company to respond swiftly to changes in the business environment. The environment surrounding insurance companies is changing significantly, including the maturation of Japan's domestic market, the increasing severity of natural catastrophes, the expansion of overseas operations, and the need to respond to digital transformation (DX) and AI. As business execution accelerates, those responsible for audit and supervision must accurately understand these changes and provide the necessary perspectives. I feel that our responsibility to exercise the supervisory function from an independent standpoint on the Board of Directors has grown even greater.

Murayama A major benefit of the transition is that it established an organizational audit framework enabling the Audit and Supervisory Committee and the internal audit division to collaborate more closely than before. Effective governance requires timely access to necessary information and ensuring that identified issues are firmly reflected in audit activities and dialogue with executives. Over the past year, we have become able to hold more in-depth discussions while sharing audit perspectives and other relevant matters with the internal audit division. I believe the role of Audit and Supervisory Committee Members is beginning to extend beyond ex post checks to helping improve management transparency and the quality of decision-making.

Kawatsu It is very reassuring to hear that both of you see the changes that way, particularly from my position as a full-time Audit and Supervisory Committee Member. In making this transition, we sought to build the framework from the ground up in line with the purpose of changing the institutional design. We replaced the former horizontal coordination between the Audit & Supervisory Board and the internal audit division with a vertical relationship in which the internal audit division operates under the direction of the Audit and Supervisory Committee, thereby establishing an organizational audit framework. Our aim was to combine the capabilities of the Group's internal audit division, comprising more than 400 personnel, with the expertise of Outside Directors serving as Audit and Supervisory Committee Members specialized in accounting and law and the knowledge of Internal Directors serving as Audit and Supervisory Committee Members who understand conditions within the Group, thereby improving the quality, effectiveness, and efficiency of audits. The organizational audit framework is functioning effectively in line with its original purpose and generating synergies.

Continuing to learn and hone our powers of observation

What do you keep in mind when seeking to increase audit effectiveness and strengthen Group governance?

Kunii I believe closer collaboration between the internal audit division and the Audit and Supervisory Committee has further improved the quality of internal audits. The role of audits goes beyond finding errors. It also involves illuminating from a different angle the concerns held by top management and issues that might be difficult to see from the executive side alone, thereby helping stabilize management. Insurance companies in particular provide coverage and protection against a wide range of concerns in society and therefore bear enormous social responsibility. I recognize that Audit and Supervisory Committee Members have an important responsibility to take a Group-wide view from an independent standpoint and raise the necessary questions with management.



Murayama What I focus on most in my audit activities is whether the holding company's supervisory function is operating effectively throughout the Group. The important point is to confirm that mechanisms such as rules and reporting systems do not become hollow formalities on site at each Group company but instead lead to actual action. Group companies differ in their business characteristics and risks, so there is much that cannot be seen from materials submitted to the holding company alone. For that reason, I speak directly with the top management of Group companies whenever possible and participate in forums such as the Group Audit Officers Liaison Meeting, seeking to assess firsthand the situation on the ground and how issues are perceived. I believe following up to determine whether improvement measures have become



firmly established and led to behavioral change is essential to increasing audit effectiveness.

Kawatsu As a full-time Audit and Supervisory Committee Member, I am also keenly aware of risks that arise during periods of change. The insurance industry is now undergoing major changes in both its external and internal environments. We must assess each new risk arising from these changes to determine whether it should be treated as an isolated event or has the potential to spread as an internal control issue. Another important role of audits is to confirm that verification and checks are functioning from an independent, third-party perspective. Precisely because I am inside the organization, I intend to maintain a fair and impartial stance and remain prepared to say what must be said.

Kunii The "different perspective" you mentioned, Mr. Kawatsu, is extremely important. Audit and Supervisory Committee Members cannot have the same volume of information as executives. We must therefore maintain an independent external perspective while continually deepening our own knowledge so that we can take a Group-wide view. I also strive to deepen my understanding of the insurance industry and the businesses of Group companies rather than relying solely on my accounting expertise. I am always considering how insights gained through dialogue with executives can be applied to management stability and increased corporate value.

Kawatsu Simply changing the institutional design does not in itself strengthen a company's audit and supervisory functions. The Group must go beyond the formal transition and establish a framework in which the Audit and Supervisory Committee collaborates substantively with the internal audit division and applies its expertise to oversee the entire Group. Audit and Supervisory Committee Members themselves must also continue to enhance their expertise. Over the past year, I obtained the globally recognized Certified Internal Auditor (CIA) and Certified Information Systems Auditor (CISA) certifications. As digitalization and the use of AI advance, and cyber and system risks become important management issues, Audit and Supervisory Committee Members also require global knowledge of information systems auditing and internal auditing. How can Audit and Supervisory Committee Members apply their expertise and make effective use of the internal audit division to increase management transparency and the quality of decision-making? I believe putting this into practice at that level of depth will strengthen Group governance.

Murayama Another distinctive feature of the Company, I believe, is that we exchange views with the Independent Auditor almost every month. The General Manager of the Internal Audit Dept. also attends every Audit and Supervisory Committee meeting to provide explanations and reports directly to the Committee. I believe this collaboration is also important for recognizing events at individual companies as Group-wide risks and issues.

Kunii Even when the Company had an Audit & Supervisory Board, frequent opportunities were provided for the Independent Auditor, internal audit division, and Audit & Supervisory Board Members to share information. I therefore believe that collaboration among these three audit functions is already at a high level. As the merger of the two domestic non-life insurers and Group restructuring proceed, how collaboration with audit officers at operating companies should evolve will also become an issue. While respecting each company's independence as a corporate organ, I believe there is room to further deepen information-sharing and coordination.

Achieving both social value and economic value at a higher level

What are your expectations for the Group, and what are your personal aspirations?

Kawatsu The Group's strengths include the integrity and diligence of its many employees and its high level of "operational excellence" in steadily carrying out what it has decided. At the same time, amid major environmental changes, it is not sufficient simply to view matters as an extension of the past. It is increasingly important to return to first principles and ask why each rule exists and whom each mechanism serves, and then consider what must change for us to become the insurance and financial group most chosen by



customers. Incorporating external perspectives and different experiences and increasing opportunities to encounter diverse ways of thinking will also be effective.

Kunii Since its establishment in 2010, the MS&AD Group has been highly distinctive in having operated with two core non-life insurers side by side. In considering how to consolidate management resources and where to focus investment following the merger of the two core non-life insurers, it will be vital to harness the Group's diversity—including differences in corporate culture and ways of thinking—and its robust business platform as competitive strengths. The insurance business carries an important social mission. In Japan, society faces many issues, including natural catastrophes, and the falling birth rate and aging population, while diverse risks such as geopolitical risk are also expanding overseas. In this environment, I expect the Group to further improve the quality of its coverage, protection, and services and strive to become the Group most chosen by customers.

Murayama I also believe the Group's strength lies in its sincere attitude: recognizing anew the importance of trust, confronting issues directly, and working to turn them into improvements. I believe the role expected of an insurance and financial group is expanding beyond providing coverage and protection after accidents and disasters to preventing risks and enhancing the resilience of society as a whole. The Group possesses diverse human assets, an extensive domestic and international business platform, and abundant expertise and data. By combining these strengths with technology, we should be able to respond more agilely than ever to the needs of customers and society and achieve both social value and economic value at a higher level. I hope the merger of the two domestic non-life insurers will serve as an opportunity to organically connect human assets, expertise, and data across the



Group and further strengthen its collective capabilities.

Kawatsu I see considerable potential in the international business, but I also place great importance on growth in the domestic business. Japan is the Group's home market, where many employees engage with customers every day. In that context, it is highly significant for first-line business execution divisions, such as sales, to take on challenges as risk takers. As risk-taking increases and the environment changes, new distortions and issues could arise. It is therefore essential that second-line oversight divisions, including the Corporate Risk Management Dept. and Compliance Dept., conduct verification and checks from a different perspective, while the third-line internal audit division assesses the balance between execution and oversight. As an Audit and Supervisory Committee Member, I will carefully confirm whether all three lines in the Three Lines Model—an enterprise risk management framework—are functioning appropriately and whether this is contributing to sustainable growth and enhanced corporate value over the medium to long term.

Murayama While working to restore trust, the Group is also advancing its growth strategy toward 2030. As the Group accelerates growth, it is essential to have solid foundations in areas such as legal affairs, compliance, and internal control. This is because compliance with laws and regulations and risk management form the foundation that enables management to move forward and take on challenges with confidence. As changes in the business environment accelerate, the volume of risks and information that the Board of Directors and Audit and Supervisory Committee must understand is increasing. It will become increasingly important to determine where to focus our efforts among all of these matters. As an Audit and Supervisory Committee Member, I intend to objectively assess whether decisions can be explained to stakeholders and whether the controls supporting those decisions are functioning effectively, while respecting the need for timely management decisions.

Kunii The Group is at a stage that could truly be called a second founding. It is building a new organizational structure and setting ambitious targets for 2030 and beyond. How should we prevent and control the new risks that arise from changes to organizational structures and decision-making processes? As an Audit and Supervisory Committee Member, I will remain vigilant and continue to monitor and support the Group from an independent standpoint so that it evolves into a Group that is truly the most chosen by customers and trusted by all stakeholders.

Corporate Governance System

As a Company with an Audit and Supervisory Committee, the Company ensures that its Board of Directors appropriately exercises its supervisory function over the execution of duties by Directors. In addition, by delegating some decisions on important business execution matters to Directors, the Company seeks to expedite decision-making and business execution. Moreover, the Company has established a framework whereby the Audit and Supervisory Committee audits the execution of duties by Directors. The Company keeps working to enhance its corporate governance by strengthening the supervisory function of the Board of Directors and the audit function of the Audit and Supervisory Committee by proactively disclosing information.

1 Board of Directors

As the ultimate decision-making authority for Group management, the Board of Directors deliberates and decides upon matters of importance for Group management and supervises the execution of duties performed by directors, executive officers, and others.
Chairperson: Noriyuki Hara
Members: Six Internal Directors and seven Outside Directors /
12 meetings held in FY2025 (excluding written reports)
Attendance rate 99%

2 Audit and Supervisory Committee

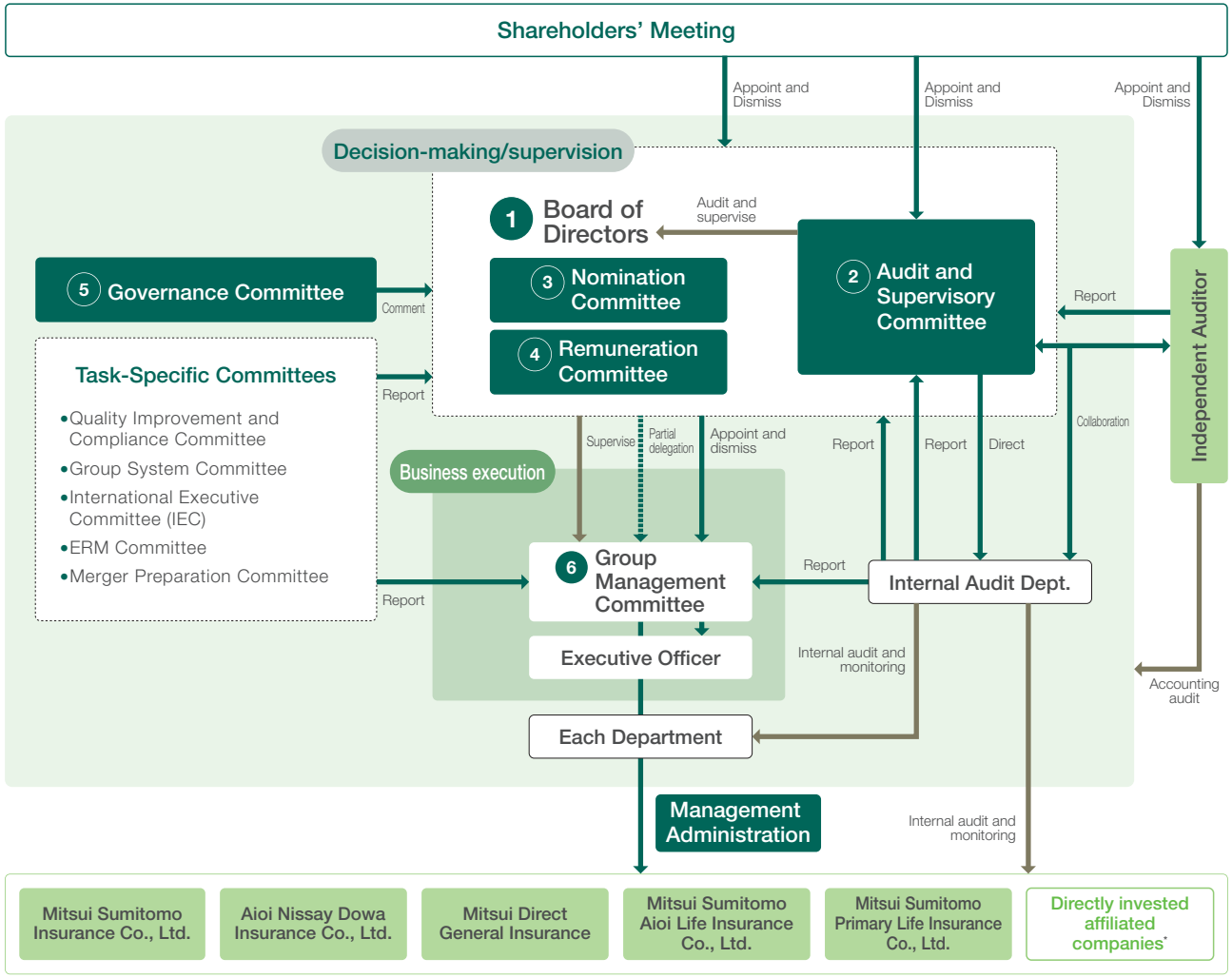
The purpose of this committee is to audit the execution of duties by Directors to achieve the sound and sustainable growth of the Group and the creation of medium- to long-term corporate value as well as to establish a high-quality corporate governance structure that meets social expectations.
Chairperson: Taisei Kunii (Outside Director, Audit and Supervisory Committee Member)
Members: One Internal Director who is an Audit and Supervisory Committee Member
Two Outside Directors who are Audit and Supervisory Committee Members / 12 meetings held in FY2025
Attendance rate 100%

3 Nomination Committee

Upon the delegation of the Board of Directors, the committee offers advice to the Board of Directors concerning the nomination policy and nomination of candidates for Directors; the nomination, promotions, dismissals, and disciplinary actions pertaining to Executive Officers; and the nomination, dismissals, etc., of Directors of the Group's domestic insurance companies.
Chairperson: Rochelle Kopp (Outside Director)
Members: Three Internal Directors and five Outside Directors / Six meetings held in FY2025
Attendance rate 100%

MS&AD Insurance Group Holdings, Inc.

(As of June 30, 2026)



*The 10 affiliated operating companies are MS&AD InterRisk Research & Consulting, MS&AD Business Support, MS&AD Staffing Service, MS&AD Systems, MS&AD Business Service, MS&AD GRAND ASSISTANCE, MS&AD ABILITYWORKS, MS&AD Ventures, Mitsui Sumitomo Insurance Venture Capital, and MS&AD AX.
Note: Committees boxed in indicate those under the scope of supervision of the Board of Directors.

4 Remuneration Committee

Upon the delegation of the Board of Directors, the committee offers advice to the Board of Directors concerning policy for determining remuneration for Directors and Executive Officers, the remuneration amount, limits on total remuneration for Directors, and the policy for determining Executive Officer remuneration, etc., for the Group's domestic insurance companies.
Chairperson: Akemi Ishiwata (Outside Director)
Members: Three Internal Directors and five Outside Directors / Four meetings held in FY2025
Attendance rate 100%

5 Governance Committee

In the Governance Committee, Outside Directors consult with the Chairman & Director, Vice Chairman, and President on matters pertaining to the status of corporate governance, as well as policies and positions, and make comments to the Board of Directors on an as-needed basis.
Chairperson: Jun Suzuki (Outside Director)
Members: Three Internal Directors and five Outside Directors / Two meetings held in FY2025
Attendance rate 100%

6 Group Management Committee

The Group Management Committee discusses important matters pertaining to management policy and strategy, and management of the Company and the Group. It will also deliberate on important matters of the Group's domestic insurance companies.
Chairperson: Shinichiro Funabiki
Members: Executive Officers, President of Mitsui Direct General Insurance, President of Mitsui Sumitomo Aioi Life Insurance, President of Mitsui Sumitomo Primary Life Insurance, Directors who are Audit and Supervisory Committee Members (Standing) / 13 meetings held in FY2025
Attendance rate 100%

Approach of Task-Specific Committees to value creation

Task-Specific Committees have been established to discuss important management matters related to business execution. The results of committee deliberations are reported by the officer in charge to the Group Management Committee, the Board of Directors, and other bodies as necessary.

Task-Specific Committee overview

Committee	Administrator	Number of meetings held in FY2025	Main agenda items
Quality Improvement and Compliance Committee Members: Two Outside Directors	CHRO Tamura	5 times	• Discussion promoting customer-focused business operations, improving quality within the Group, and other various issues • Discussion on the status of formulation and implementation of compliance programs for the Group • Discussion on the development and promotion of the Group's information security management system
Group System Committee	CIfO/CISO Tsuda	12 times	• Discussions on initiatives for rebuilding system infrastructure, large-scale system development projects across Group companies, etc. • Discussion on the status of cybersecurity risk events and the implementation of countermeasures, as well as the occurrence status of system failures and the status of countermeasures
International Executive Committee (IEC)	CGO Morimoto	3 times*	• Discussion of international business strategy and international business management from a Group-wide perspective (including the resolution of important issues and promotion of cross-Group initiatives)
ERM Committee	CFO Kudo CHRO Tamura	7 times	• Discussion of important issues related to improving corporate value, financial soundness, capital efficiency, and the profitability of the Group as a whole • Discussion on strengthening the Company's internal risk detection capabilities • Discussion on the introduction of International Financial Reporting Standards (IFRS) and new capital regulations
Merger Preparation Committee	CFO Kudo	11 times	• Deliberation, coordination, and other activities concerning important matters to facilitate the smooth merger of MSI and ADI

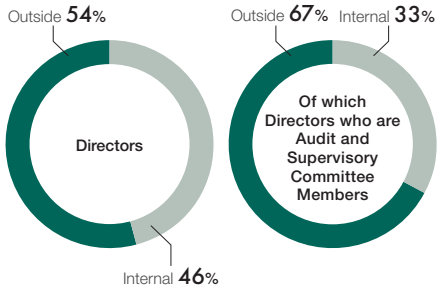
*The number of meetings of the Group International Business Committee

Corporate governance evolution

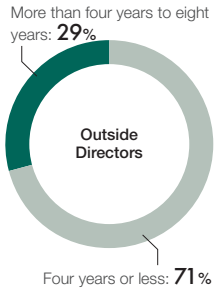
	2014–2017	2018–2021	2022–2025	2026–
Medium-Term Management Plan	Next Challenge 2017	Vision 2021	Medium-Term Management Plan (2022–2025)	Group Vision for FY2030
	Strengthening of Group governance	Improving the corporate governance system	Highly transparent and effective corporate governance practices	Proactive governance as a source of competitiveness
Governance Evolution	• Implemented analysis and evaluation of the Board of Directors' effectiveness and published the evaluation results • Introduced performance-linked remuneration • Introduced stock options as a stock-based remuneration system for Directors (excluding Outside Directors) and Executive Officers • Published selection criteria for Directors and Audit and Supervisory Board Members (including criteria for independence) • Newly established the Governance Committee mainly composed of Outside Directors • Newly established titles such as Group CFO and Group CRO • Enacted and released the Basic Policy for Corporate Governance	• Introduced the Group CEO succession plan • Revised the executive remuneration system (linkage to company performance and evaluation of medium- to long-term performance (non-financial indicators)) • Promoted diversity among the Board members • Reorganized the task-specific committees (launched the Sustainability Committee, the ERM Committee, and the Group Standardization Committee) • Newly established the title of Group CDO	• Introduced stock issuance trust systems • Introduced guidelines for holding the Company's own shares • Exchanged opinions with third-party organizations on the results of analysis and evaluation of the effectiveness of the Board of Directors • Newly established the title of Group CSuO <<Second stage of the Medium-Term Management Plan (2024 onward)>> • Newly established the Group Risk Response Conference (with participation of outside experts) • Exchanged opinions with third-party organizations on the results of analysis and evaluation of the effectiveness of the Board of Directors • Transitioned to a Company with an Audit and Supervisory Committee	• Transition to a CxO structure • Established the International Executive Committee (IEC) • Established an international business CxO structure • Transition of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance to Companies with an Audit and Supervisory Committee • Revised the executive remuneration system (changes to the indicators used to calculate performance-based remuneration and introduction of individual performance evaluations) • Selected Board members to realize the Group strategy

Composition of Directors (As of July 1, 2026)

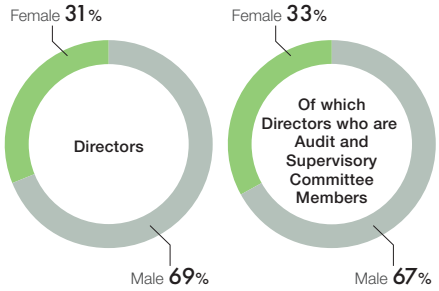
Ratio of Outside Directors



Length of Term in Office of Outside Directors



Ratio of Women



Ratio of Outside Directors on the Board

(compared with July 1, 2010)

2010
39%
(Seven out of 18)

2026
54%
(Seven out of 13)

Increased ratio of Outside Directors

Ratio of Women on the Board

(compared with July 1, 2010)

2010
0%
(Zero out of 18)

2026
31%
(Four out of 13)

Increased ratio of women

Skills Matrix of Directors

To ensure discussions from diverse perspectives toward realizing the Group's growth strategy, the Nomination Committee and Governance Committee deliberated on the skills (knowledge, experience, and capabilities) necessary to ensure the effectiveness of the Board of Directors. From the perspective of making decisions on important matters such as management strategy and supervising the execution of duties, the required skills were determined as follows.

1) Basic skills that are generally required

- Corporate Management
- Personnel Affairs/HR Development
- Legal Affairs/Compliance/Internal Audit
- Risk Management
- Finance/Accounting/Financial Affairs

2) Relevant skills given that the Group's core business is insurance and the Group is operated globally

- Insurance Business
- Internationality

3) Skills necessary for business transformation and addressing issues that are considered important by the market, in view of the current business environment of the Company

- IT/Digital/AI
- Sustainability

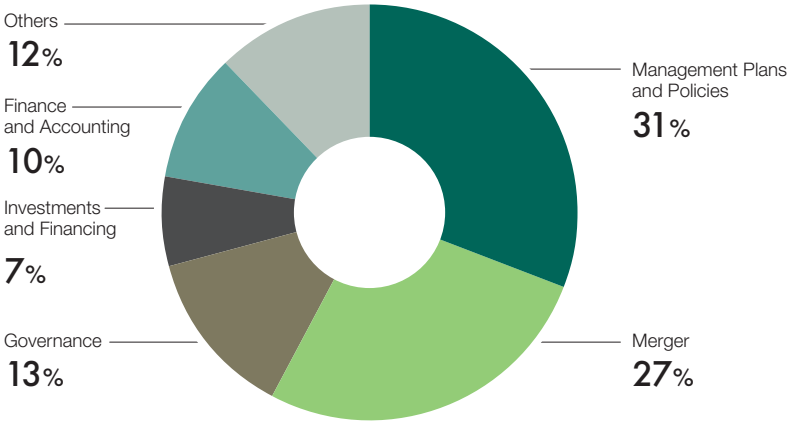
Officer	Skills								
	Corporate Management	Internationality	IT/Digital/AI	Sustainability	Personnel Affairs/HR Development	Legal/ Compliance/ Internal Audit	Risk Management	Finance/ Accounting/ Financial Affairs	Insurance Business
Director Hara	●	●		●	●	●	●		●
Director Kanasugi	●	●		●	●	●			●
Director Funabiki	●	●	●	●	●	●			●
Director Kudo				●		●	●		●
Director Niiro	●	●		●	●				●
Director Kopp	●	●		●	●				
Director Ishiwata				●					
Director Suzuki	●	●		●	●				
Director Okajima					●	●	●		
Director Seguchi	●	●						●	
Director and Audit and Supervisory Committee Member Kawatsu			●	●		●			●
Director and Audit and Supervisory Committee Member Kunii	●							●	
Director and Audit and Supervisory Committee Member Murayama						●			

Skills	Criteria for satisfying skill requirements
Corporate Management	•Experience as president or CxO of a company or other organization
Internationality	•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

Skills	Criteria for satisfying skill requirements
Legal/Compliance/ Internal Audit	•Experience working or serving as an executive in the legal, compliance, or internal audit department •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 Affairs	•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 department
Insurance Business	•Experience working or serving as an executive in the insurance industry

For information on Executive Officers, see the Company's official website. Website

Breakdown of Board discussion time by topic



	Main topics	
Management plans and policies	•Next Group management plan •Shareholder return •International business strategy	•Progress of the Group's Medium-Term Management Plan •Life insurance business strategy •Maximization of Group profitability
Merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance	•Approval of the final merger agreement (merger agreement and basic merger plan) •Approval of transition decision criteria •Reports from the Merger Preparation Committee – Corporate brand strategy – Systems integration – Consolidation of business locations – Project management, etc.	
Governance	•Response to business improvement orders •Evaluation of the effectiveness of the Board of Directors •Establishment of AI governance standards	•Response to the inappropriate handling of information obtained from secondment destinations •Internal audit reports •International business management
Investments and Financing/Finance and Accounting	•Business investment in Barings LLC •Approval of financial results and income and expenditure plans •Results of the calculation and verification of the economic value-based solvency margin ratio	

Discussion content and reflection in management

(• indicates recommendations from Outside Directors)

Management plans and policies	**Formulation of the Next Group Management Plan** • Given that the Group Vision for FY2030 are being formulated in light of the merger of the core non-life insurance companies, consideration could be given to formulating a Medium-Term Management Plan from FY2027 or to not formulating one at all.	For the next Group Management Plan, the conventional practice of formulating a Medium-Term Management Plan was discontinued. Instead, the Group adopted the Group Vision for FY2030 and a management approach under which an annual plan is formulated and implemented each year toward their realization.
Management plans and policies	**Sustainability Discussions** • From the perspective of integrating sustainability into business strategies and investment decisions, discussions on sustainability should be further deepened.	Sustainability has been established as one of the Group strategies in the "Vision for FY2030." The Group as a whole will work together to contribute to the development of a vibrant society and the realization of a healthy future for the planet.
Merger	**Corporate Brand Strategy** • To become the insurance and financial group most chosen by customers, we should consider the matter from the perspectives of corporate branding and marketing.	To further enhance brand strength, a new trade name was selected as the unified Group brand, with the aim of choosing a name that would also resonate internationally. The Mitsui Sumitomo Insurance Group brand symbol was established as a mark of our commitment to providing high-quality services to customers around the world. The Group Communication Department, which is responsible for promoting branding, was established at the holding company.
Governance	**Changes to the International Business Management Structure** • We want to prevent delays in decision-making by establishing an international business management company.	We are considering a structure that enables agile decision-making, including limiting matters requiring a resolution by the holding company's Board of Directors to major business investments and allowing the International Executive Committee (IEC) to decide many other matters.
Others	**Cybersecurity Initiatives** • Although compliance with the Economic Security Management Guidelines published by the Ministry of Economy, Trade and Industry is recommended rather than mandatory, we should consider responding in view of our position as an industry leader and the Directors' duty of due care.	The insurance business is designated as core infrastructure for economic security purposes. Measures relating to system development have been strengthened.

Board of Directors initiatives and effectiveness evaluation

Analysis and evaluation process

➤ **Implementation of questionnaires and interviews with Directors concerning evaluations of themselves and the Board of Directors**

- In FY2025, the 16-question survey was expanded to include questions concerning the change in institutional design and a gap analysis of the importance and adequacy of Board agenda items. The secretariat also conducted interviews based on the survey results.
- We confirmed the implementation status of the FY2025 functional improvement measures based on the FY2024 Board evaluation.

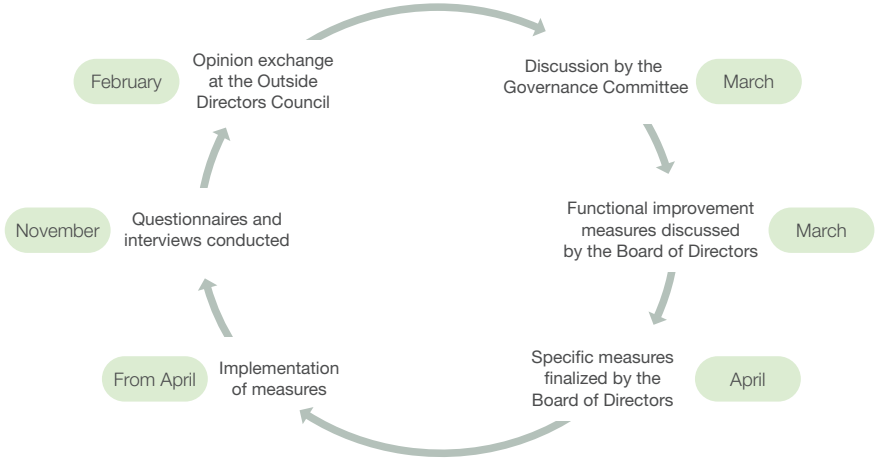
[Questionnaire items for all Directors]

1. Roles and responsibilities of the Board of Directors Discussion of management strategies and management plans
2. Commitment to the Medium-Term Management Plan
3. Roles and responsibilities of the Board of Directors Discussion on risk-taking proposals
4. Supervision of the dissemination and implementation of the Management Philosophy, Code of Conduct, and other principles
5. Appropriate collaboration with stakeholders other than shareholders (mechanisms for listening to internal and external views)
6. Sustainability initiatives/ESG issues (environment, society, and governance)
7. Operation of the Board of Directors
8. Content of Board of Directors deliberations
9. Composition of the Board of Directors
10. Nomination Committee
11. Remuneration Committee
12. Audit and Supervisory Committee
13. Other (e.g., ensuring opportunities for ongoing training concerning the roles and functions expected of the Board of Directors)
14. Management and supervision of international operating companies
15. Board Culture (Mutual understanding among Board members)
16. Group Governance (Mutual understanding with operating companies)*

*Additional questions on this item were included for Outside Directors.

[Questionnaire Results]

- More than 90% of ratings were **A or B on a four-point scale from A to D**
- Evaluation weighting (compared with FY2024): **Board of Directors overall 61% → 71%**
  Individual Directors: 44% → 60%
- Weight of C ratings (same as above): **Board of Directors overall 5%→2%**



Discussion by the Governance Committee

- Based on the results of the exchange of opinions at the Outside Directors Council, the Governance Committee (a majority of whose members and whose chairperson are Outside Directors) conducted an analysis and evaluation and compiled the FY2026 functional improvement measures, taking external opinions into account.

Effectiveness evaluation results

- The Board of Directors holds constructive discussions through questions from diverse perspectives, primarily from Outside Directors. As the Group transitions to a structure in which the holding company leads the execution of the Group's growth strategy, the holding company's Board of Directors should place greater emphasis on capital (resource) allocation and strategic discussions.
- The Board of Directors should further enrich discussions on strategy and important issues. To this end, it is desirable to make effective use of committees, study sessions for Outside Officers, and other forums in combination.
- Major investment proposals are submitted to the Board of Directors after the executive side appropriately assesses their necessity and analyzes their risks, enabling the Board to make objective judgments. Further in-depth discussion is desirable regarding the Group's overall investment strategy and the positioning of individual proposals going forward.
- The change in institutional design has accelerated decision-making and enhanced internal audits through collaboration with the Audit and Supervisory Committee, thereby strengthening governance.

Measures to enhance the effectiveness of the Board of Directors

Based on the results of the FY2025 effectiveness evaluation, the following functional improvement measures will be implemented.

Clarification of roles

- To balance the Group's growth with discipline, the roles of the holding company, the operating companies, and the Board of Directors were clarified. The main roles of the holding company are (1) to formulate management strategies for the entire Group aimed at achieving sustainable growth and enhancing corporate value, and to allocate management resources in a disciplined manner to maximize effectiveness, and (2) through the merger of the operating companies, to build a stronger domestic non-life insurance business structure, and—by transitioning to a Company with an Audit and Supervisory Committee structure—further strengthen supervisory and oversight functions (second-and third-line functions, and business management functions) in order to appropriately monitor the internal control systems of the operating companies.

[Roles of the Holding Company's Board of Directors]

Supervision of the execution of duties by Directors and Executive Officers +

- Review, approval, and monitoring of Group strategy
- Evaluation of the results of reviewing execution status at operating companies
- Verification and evaluation of the appropriateness of management resource allocation
- Review and evaluation of monitoring results concerning the soundness of operating companies and the appropriateness of their operations

Study sessions for Outside Officers

- By making domain- and region-specific business strategies and investment strategy in study sessions for Outside Officers and exchanging opinions on them, we support substantive discussions and decision-making by the Board of Directors.

[Study Session Topics for Outside Officers] (FY2025 results)

- "Business and Human Rights": management respecting human rights and responsible business conduct required of companies
- Global Insurance Markets and the Group's International Business Strategy
- Latest AI Trends and Group Initiatives
- Status of International Financial Reporting Standards (IFRS) Adoption and Related Preparations

Establishment of the International Executive Committee (IEC)

- To transform the Group into a world-leading global insurance and financial group, the International Executive Committee (IEC) was established to discuss the international business, which is central to the Group's investment strategy. Strategic discussions based on the matters deliberated by the committee will be held by the Board of Directors and other bodies.

Enhancing Board of Directors operations

Operations will be strengthened to facilitate in-depth discussions by the Board of Directors.

Review of criteria for Board submissions to clarify important agenda items

- Taking into account the holding company's principal roles—formulating Group management strategy, optimally allocating management resources (capital, funds, and human assets), and performing supervisory and checking functions—we have narrowed down the matters submitted to the Board of Directors to those that contribute to these functions.

Enhancing information provided to Outside Directors

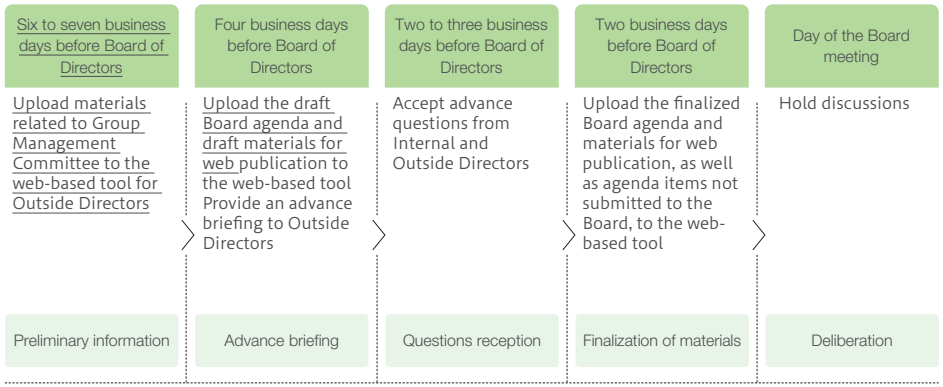
- Earlier Distribution of Materials
  As a general rule, materials related to Board of Directors agenda items will be distributed to Outside Directors six to seven business days before Board meetings. This will give them sufficient time to review the materials and allow basic questions necessary for them to fulfill their roles at Board meetings to be resolved outside the meeting room.
- Sharing Advance Questions and Opinions
  To facilitate in-depth discussions that draw on the knowledge of Outside Directors, the Board of Directors secretariat will proactively obtain advance questions and opinions to be shared at meetings.

Use of web-based tools

- Web-based tools will be used to improve the efficiency of meeting operations and enhance support from the Board of Directors secretariat.

Sufficient information through early distribution of materials and use of web-based tools

Note: Underlining indicates functional improvement initiatives.



Remuneration plan targeting strengthened governance

Basic Policy

- Our aim is to enhance Group governance and medium- to long-term corporate value.
- The remuneration plan for executive officers is now linked to the business performance of the Company to serve as an appropriate incentive for sustainable growth.
- We will provide competitive compensation levels as a global company.

Process for determining remuneration

Remuneration, etc., of Directors who are not Audit and Supervisory Committee Members

- To ensure transparency, remuneration is determined by resolution of the Board of Directors after deliberation by the Remuneration Committee, which is made up of a majority of Outside Directors, within the range of amounts determined by resolution of the General Meeting of Shareholders.

Deliberation by the Remuneration Committee

- The Remuneration Committee advises the Board of Directors regarding policies and other matters pertaining to determining the amount of Directors' remuneration and Executives' remuneration.

Resolution by the Board of Directors

- The Board of Directors will adhere to the advice provided by the Remuneration Committee to the maximum extent possible, and the amount of remuneration will be determined after assessing whether it is in line with the remuneration system decided through a Board of Directors resolution.

Remuneration for Directors who are Audit and Supervisory Committee Members

- To ensure transparency, remuneration is determined through consultation among the Directors who are Audit and Supervisory Committee Members, following deliberation by the Remuneration Committee, a majority of whose members are Outside Directors, and within the amount resolved at the Shareholders' Meeting, taking into account whether the Director is full-time or part-time, the allocation of duties, and the content and levels of remuneration for Directors who are not Audit and Supervisory Committee Members.

Composition of remuneration

- Fixed remuneration is set separately for each role, and performance-linked remuneration is determined considering company performance.

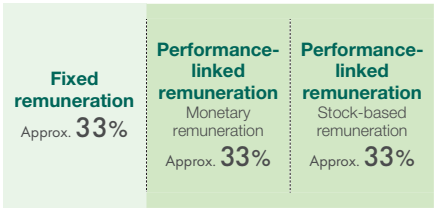
	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors and Directors who are Audit and Supervisory Committee Members)	●	●	●
Outside Directors (excluding Directors who are Audit and Supervisory Committee Members)	●	–	–
Directors who are Audit and Supervisory Committee Members	●	–	–

- The standard structure ratio for executive remuneration is as follows, based on role.

Chairman & Director / Vice Chairman & Director / President & Director:

The proportion of performance-linked remuneration is higher than for other positions.

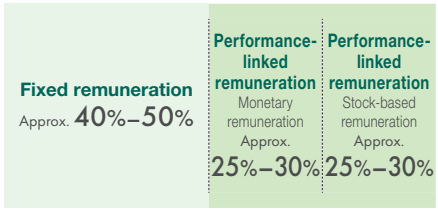
(Standard ratios)



Other positions:

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

(Standard ratios)



Stock-based remuneration details

- Stock-based remuneration is paid through restricted stocks and, as a general rule, the restriction is released upon retirement of the Officer.
- In the case that inappropriate behavior becomes evident during an Officer's tenure, either the restricted stocks will be made available for free acquisition during the period of restriction or they will be returned after the period of restriction has been concluded (malus and clawback clauses).

Performance index, etc., related to performance-linked remuneration

- Performance-linked remuneration is linked to business performance and is determined based on both financial and non-financial indicators.
- The financial and non-financial indicators were selected in light of the Group Vision for FY2030. The indicators and the reasons for their selection are as follows.

	Indicators/Evaluation items	Reasons for selection
Financial indicators (single fiscal year performance)	• Adjusted profit • Adjusted ROE • EPS growth rate • Relative TSR (Total Shareholder Return)	These indicators were selected to establish an earnings structure capable of generating stable adjusted profit in FY2030, even after the sales of strategic equity holdings has been completed, by steadily achieving the indicators each fiscal year. Note: Following the introduction of IFRS, we plan to change "consolidated net income" to "IFRS net income" and "Adjusted ROE" to "IFRS adjusted ROE."
Non-financial indicators (medium to long term)	• Optimize the business structure ・Transform the value we provide ・Optimize capital allocation • Strengthen business foundations ・Strengthen strategic functions ・Strengthen governance ・Human capital management ・AI/DX • Sustainability initiatives	These items were selected to simultaneously enhance environmental and social sustainability and the Company's corporate value by continuing to provide insurance—a form of social infrastructure—on a stable basis while resolving important management issues. KPIs will be established to enable progress on the relevant initiatives to be evaluated from a medium- to long-term perspective.

- In the calculation of performance-linked remuneration, the standard ratio of financial indicators to non-financial indicators is 50:50.
- For both financial and non-financial indicators, the applicable coefficient varies from a standard of 1.0, with no upper limit and a lower limit of zero.
- For performance-linked remuneration, monetary remuneration and stock-based remuneration are each calculated as specified below, based on the base amount for each role.
- Monetary remuneration: Base amount for each role × Company performance coefficient (financial indicators × 80% + non-financial indicators × 20%)
- Stock-based remuneration: Base amount for each role × Company performance coefficient (financial indicators × 20% + non-financial indicators × 80%)
- Monetary remuneration is set to reflect the performance of a single fiscal year more accurately by placing a higher percentage of financial indicators than non-financial indicators.
- By increasing the ratio of non-financial indicators to financial indicators, stock-based remuneration is set to more accurately reflect the evaluation of initiatives that contribute to the enhancement of corporate value over the medium to long term.

Financial indicators (FY2025)

	Plan	Results
Group adjusted profit	¥671.0 billion	¥1,000.9 billion
Consolidated net income	¥579.0 billion	¥787.3 billion
Group adjusted ROE	16.4%	21.7%

Non-financial indicators (FY2025)

Evaluation items	Evaluation results
Basic Strategy	The following initiatives were evaluated from the perspective of the status of progress and what results were achieved, and the evaluation was on par with the standard. • Under the MS&AD Value Strategy (promotion of CSV × DX), the Group advanced the development and rollout of products and services before and after coverage that help resolve social issues, while reviewing the structure for monetizing these offerings. Profitability in the domestic non-life insurance business improved as initiatives to increase underwriting profit progressed. • The Group made progress in transforming its business portfolio through the expansion of the international business and domestic life insurance business and more sophisticated business management; transforming its risk portfolio by reducing strategic equity holdings and curbing natural catastrophe risk; pursuing new businesses using digital technologies and data; and transforming its business style. Specific studies and preparations are underway for the merger of MSI and ADI in April 2027. Efforts to realize life and non-life insurance synergies and global synergies are continuing, and progress toward further growth through stronger collaboration that leverages the Group's diversity has been generally in line with the plan.
Foundations	The following initiatives were evaluated in terms of their progress and achievements. Taking into account incidents including information leakage, the evaluation was slightly below the standard. • Initiatives addressing the three sustainability priority issues (Symbiosis with the global environment, Safe and secure society, and Happiness of diverse people) progressed as planned. New global initiatives and initiatives to enhance the sustainability of the Group were also launched. In addition, operating companies steadily advanced disaster prevention and mitigation initiatives and nature-positive initiatives, including the promotion of Group infrastructure. The Group also worked to respect human rights and appropriately disclose corporate information, earning high external evaluations. • In response to the price fixing incident and fraudulent insurance claims involving an agent, the Group promoted a major transformation of its business style. However, information leakage incidents involving insurance agencies and insurance companies came to light. In addition, at a life insurance company, an employee seconded to a financial institution agency removed internal information from the secondment destination without authorization. To again ensure that customer-focused business operations are thoroughly implemented and firmly established and to improve compliance awareness and knowledge, the Group issued messages from the President and conducted training and workplace meetings. • Toward the Group Vision for FY2030, the Group developed human assets who act autonomously, take on the challenges of transformation, and create new value, with the aim of building an optimal human asset portfolio and enabling employees to fully demonstrate their abilities, skills, and motivation. Specifically, the Group improved the environment for reskilling and recurrent education and for securing and enabling specialized human assets to thrive; rolled out a skills-based personnel system in preparation for the launch of the new company following the merger in FY2027; and expanded opportunities for employees to autonomously develop their careers. • To strengthen the risk management structure, the Group enhanced the detection and management of risks that are difficult to quantify, such as legal and conduct risks, through the Group Risk Response Conference, thereby strengthening its governance structure. • To improve capital efficiency, the Group also reviewed the profitability and growth potential of each international business location and business, monitored progress in improving ROI, sold low-profitability businesses, and pursued new investment opportunities.

Total amount of remuneration (FY2025)

Total remuneration by category, total amount by type of remuneration, and number of applicable corporate officers

(¥ million)

Corporate officer category	Headcount	Total remuneration	Breakdown		
			Fixed remuneration	Performance-linked remuneration	
				Monetary remuneration	Stock-based remuneration
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	8	371	141	127	103
Director (Audit and Supervisory Committee Member) (excluding Outside Directors)	1	27	27	—	—
Audit and Supervisory Board Members (excluding Outside Audit and Supervisory Committee Members)	2	18	18	—	—
Outside Officers	9	125	125	—	—

Total amount of consolidated remuneration, etc., of those whose total amount of consolidated remuneration, etc., is ¥100 million or more

(¥ million)

Name	Corporate officer category	Company category	Consolidated total remuneration	Breakdown		
				Fixed remuneration	Performance-linked remuneration	
					Monetary remuneration	Stock-based remuneration
Noriyuki Hara	Director	Submitting company	226	28	30	24
	Director	Mitsui Sumitomo Insurance Co., Ltd.		45	54	43
Yasuzo Kanasugi	Director	Submitting company	137	26	27	21
	Director	Aioi Nissay Dowa Insurance Co., Ltd.		30	17	13
Shinichiro Funabiki	Director	Submitting company	226	31	33	27
	Director	Mitsui Sumitomo Insurance Co., Ltd.		42	50	41
Keisuke Niiro	Director	Submitting company	146	10	4	3
	Director	Aioi Nissay Dowa Insurance Co., Ltd.		48	44	35

CEO succession plan

- With the aim of achieving sustainable growth and enhancing corporate value in our Group, we have established a succession plan that positions the appointment and dismissal of the CEO and the development of successors as a key management issue.

Criteria for CEO selection

- ✓ Ability to embody the Group's Mission, Vision, and Values and having the concept of CSV (Creating Shared Value) in their own system of values
- ✓ Ability to plan and build a future vision
- ✓ Fairness and impartiality
- ✓ Ability to develop human assets
- ✓ Ability to demonstrate leadership
- ✓ Global response capability
- ✓ Acting in the Group's best interest

CEO selection process

Recommendation by the current CEO

- The current CEO prioritizes several candidates and recommends them to the Nomination Committee.
- Candidates can be from within the Group or outside the Group.

Deliberation by the Nomination Committee

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

Resolution by the Board of Directors

- The Nomination Committee advises the Board of Directors, which makes the final decision.

Development plan for CEO candidates

- The CEO plays an important role and can mentor numerous candidates. The candidates (from within the Group) should have the following experience:
  - Experience across departments (administration, operations, international, sales, claims services, systems, and others)
  - Management at a domestic company and/or an overseas subsidiary

CEO dismissal process

- When an Outside Director deems it necessary to discuss dismissal such as when the CEO is subject to the prohibitions stipulated in the Executive Officer Rules (e.g., violating obligations set forth in the Companies Act and other laws and regulations or company regulations) or when it is determined that it is difficult for the CEO to properly continue their duties due to health or other reasons, the Outside Director shall deliberate on their 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.
- Directors who are not Outside Directors can 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.

Group Governance

To achieve sustainable growth with the Group working in unison, we are leveraging our functions as a holding company and working to strengthen Group governance.

Group management administration structure

The Company (the holding company) enters into Group management supervision contracts with directly invested operating companies and conducts management administration of each Group company, the main points of which are as follows:

Role of the holding company in the Group	•Formulate and implement Group management strategies •Consider and implement effective capital allocation to Group companies to strengthen our earnings foundation •Enhance the Group's comprehensive strength and implement initiatives to further strengthen governance
Matters to be approved by and reported to the holding company	The approval of the holding company or reports to the holding company are required for important matters at directly invested companies, based on management supervision contracts. [Examples of prior approval items] 1) Management plans, Risk Appetite Statement, and income and expenditure plans; 2) Election and dismissal of Directors and Audit & Supervisory Board Members; 3) Issuance of new shares, stock splits, etc.
Compliance with the Basic Policy on Group Management and Administration	The holding company has established basic Group policies, including the Basic Policy on the Group Internal Control System, the Risk Management Basic Policy, the Compliance Basic Policy, the Basic Policy for Internal Audits, the Group Risk Appetite Statement, and the Basic Policy on Information and Technology Governance, and requires compliance by all Group companies.
Conducting internal audits	In accordance with the "Group Basic Policy for Internal Audits," the holding company and the Group's domestic insurance companies have established independent specialized organizations as internal audit departments, which conduct internal audits of the Group as a whole in cooperation with each company.

Management structure of operating companies



Note 1: More than half the members, as well as the committee chairperson, are Outside Directors.
Note 2: Concurrent Directors of the holding company refer to executives and employees of the holding company who also serve as Directors and Audit & Supervisory Board Members of the operating companies.

Management Team



Directors

❶ Noriyuki Hara
Chairman & Director, Chairman Executive Officer

❷ Yasuzo Kanasugi
Representative Director, Vice Chairman & Director
Vice Chairman Executive Officer

❸ Shinichiro Funabiki
Representative Director
President & CEO

❹ Shigeo Kudo
Representative Director, Executive Vice President

❺ Keisuke Niiro
Director, Executive Officer

❻ Rochelle Kopp
Outside Director
Independent Officer

❼ Akemi Ishiwata
Outside Director
Independent Officer

❽ Jun Suzuki
Outside Director
Independent Officer

❾ Atsuko Okajima
Outside Director
Independent Officer

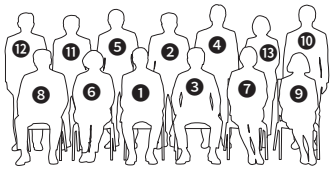
❿ Jiro Seguchi
Outside Director
Newly appointed
Independent Officer

Directors who are Audit and Supervisory Committee Members

⓫ Hideki Kawatsu
Director, Audit and Supervisory Committee Member

⓬ Taisei Kunii
Outside Director, Audit and Supervisory Committee Member
Independent Officer

⓭ Yukari Murayama
Outside Director, Audit and Supervisory Committee Member
Independent Officer



Directors

❶ Noriyuki Hara

Chairman & Director, Chairman Executive Officer

Date of birth: July 21, 1955
Number of Company shares owned: 207,366
Important concurrent positions:
Director and Special Advisor,
Mitsui Sumitomo Insurance Co., Ltd. (MSI)

April 1978	Entered Taisho Marine and Fire Insurance Co., Ltd.
April 2008	Executive Officer, General Manager of Corporate Quality Management Dept., MSI
April 2010	Managing Executive Officer, General Manager of Nagoya Corporate Business Division, MSI
April 2012	Director, Managing Executive Officer, MSI
April 2013	Director, Senior Executive Officer, MSI
April 2015	Director, Executive Vice President, MSI
April 2016	President & CEO, MSI Executive Officer, the Company
June 2016	Director, Executive Officer
June 2020	President & CEO
April 2021	Chairman & Director, Chairman Executive Officer, MSI
June 2024	Chairman & Director, Chairman Executive Officer, the Company (present)
April 2026	Director and Special Advisor, MSI (present)

❷ Yasuzo Kanasugi

Representative Director, Vice Chairman & Director, Vice Chairman Executive Officer

Date of birth: May 29, 1956
Number of Company shares owned: 213,241
Important concurrent positions:
Chairman & Director, ADI

April 1979	Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
April 2008	Managing Officer, General Manager of Human Resources Planning Dept., Aioi Insurance Co., Ltd.
April 2009	Executive Officer, Aioi Insurance Co., Ltd.
Oct. 2010	Executive Officer, Aioi Nissay Dowa Insurance Company, Limited (ADI)
April 2011	Managing Executive Officer, ADI
April 2012	Executive Officer, the Company
June 2012	Director, Managing Executive Officer, ADI
April 2013	Director, Senior Executive Officer, ADI
June 2014	Director, Executive Officer, the Company
April 2016	President & CEO, ADI
June 2020	Vice Chairman & Director, Vice Chairman Executive Officer, the Company (present)
April 2022	Chairman & Director, ADI (present)

❸ Shinichiro Funabiki

Representative Director, President & CEO

Date of birth: May 11, 1960
Number of Company shares owned: 171,455
Important concurrent positions:
Chairman & Director, Chairman Executive Officer, MSI

April 1983	Entered The Sumitomo Marine and Fire Insurance Co., Ltd.
April 2013	Executive Officer, General Manager of Corporate Planning Dept., MSI
April 2015	Managing Executive Officer, General Manager of Tokyo Corporate Business Division I, MSI
April 2017	Director and Senior Executive Officer, MSI, Executive Officer, the Company
April 2019	Senior Executive Officer
April 2020	Executive Officer, the Company, Director and Executive Vice President, MSI
April 2021	President & CEO, MSI
June 2024	President & CEO, the Company (present)
April 2026	Chairman & Director, Chairman Executive Officer, MSI (present)

❹ Shigeo Kudo

Representative Director, Executive Vice President

Date of birth: August 11, 1964
Number of Company shares owned: 56,493
Important concurrent positions: —

April 1987	Entered Taisho Marine and Fire Insurance Co., Ltd.
April 2018	Executive Officer, General Manager of Corporate Planning Dept., MSI
April 2019	Executive Officer, General Manager of Tokyo Division, MSI
April 2021	Managing Executive Officer, MSI
April 2022	Director and Managing Executive Officer, General Manager of Product and Services Division, MSI
April 2023	Director and Senior Executive Officer, General Manager of Product and Services Division, MSI
April 2025	Executive Vice President, the Company
June 2025	Director, Executive Vice President (present)

❺ Keisuke Niiro

Director, Executive Officer

Date of birth: July 5, 1965
Number of Company shares owned: 69,758
Important concurrent positions:
President & CEO, ADI

April 1988	Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
April 2018	Executive Officer, ADI
April 2020	Managing Executive Officer, ADI Executive Officer, the Company
June 2020	Director, Managing Executive Officer, ADI
April 2022	President & CEO, ADI (present)
June 2025	Director, Executive Officer, the Company (present)

❻ Rochelle Kopp

Outside Director Independent Officer
Chairperson of the Nomination Committee

Date of birth: June 29, 1964
Number of Company shares owned: 0
Attendance record: Board of Directors' meetings (FY2025) 12/12 (100%)
Tenure as an Outside Director as of the close of this Ordinary General Meeting of Shareholders: 6 years
Important concurrent positions:
Managing Principal, Japan Intercultural Consulting, Director (Outside Director), Air Water Inc.

June 1986	Business analyst, ZS Associates International, Inc.
June 1987	Senior business analyst, ZS Associates International, Inc.
Aug. 1988	Yasuda Trust & Banking Co., Ltd. (currently, Mizuho Trust & Banking Co., Ltd.) International Public Relations Specialist
Oct. 1992	Consultant, IPC Group, Inc.
July 1994	Managing Principal, Japan Intercultural Consulting (present)
Jan. 2015	Professor, Global Leadership Course, Business Breakthrough University
April 2019	Professor of Faculty of Foreign Studies, The University of Kitakyushu
June 2020	Director, the Company (present)

❼ Akemi Ishiwata

Outside Director Independent Officer
Chairperson of the Remuneration Committee

Date of birth: August 23, 1960
Number of Company shares owned: 2,000
Attendance record: Board of Directors' meetings (FY2025) 12/12 (100%)
Tenure as an Outside Director as of the close of this Ordinary General Meeting of Shareholders: 4 years
Important concurrent positions: —

April 1983	Entered Bristol-Myers Company
Dec. 1985	Entered Kao Corporation ("Kao"), Assigned to Kao Life Science Laboratory
March 2003	Product Development Manager, Household Business Division, Kao
Dec. 2005	Section Chief, Consumer Research Center, Kao
March 2010	General Manager, Consumer Research Center, Kao
March 2015	Executive Officer, Supervisor of Corporate Communications Division, Kao
Jan. 2021	Executive Fellow, Kao
Jan. 2022	Special Mission Fellow, Kao
June 2022	Director, the Company (present)

❽ Jun Suzuki

Outside Director Independent Officer
Chairperson of the Governance Committee

Date of birth: February 19, 1958
Number of Company shares owned: 7,500
Attendance record: Board of Directors' meetings (FY2025) 11/12 (92%)
Tenure as an Outside Director as of the close of this Ordinary General Meeting of Shareholders: 3 years
Important concurrent positions:
Director (Outside Director), Idemitsu Kosan Co., Ltd.

April 1983	Entered Teijin Limited
April 2011	Teijin Group Chief Representative in Europe, Teijin Limited President, Teijin Holdings Netherlands B.V.
April 2012	Teijin Group Corporate Officer, Teijin Limited
April 2013	Teijin Group Managing Executive Officer, Teijin Limited
June 2013	Director, Managing Executive Officer, Teijin Limited
April 2014	Representative Director, President & CEO, Teijin Limited
April 2022	Director, Chairperson, Teijin Limited
April 2023	Director, Senior Advisor, Teijin Limited
June 2023	Senior Advisor, Teijin Limited (present) Director, the Company (present)

Directors

❾ Atsuko Okajima

Outside Director Independent Officer

Date of birth: October 15, 1954
Number of Company shares owned: 400
Attendance record: Board of Directors' meetings (FY2025) 10/10 (100%)*
Tenure as an Outside Director as of the close of this Ordinary General Meeting of Shareholders: 1 year
Important concurrent positions:
Executive Director, Saitama Prefectural University
Director (Outside Director (Audit and Supervisory Committee Member)), House Foods Group Inc.
Director (Outside Director), DAITO KOUN CO., LTD

April 1977	Entered the Ministry of Agriculture and Forestry (now the Ministry of Agriculture, Forestry and Fisheries)
July 2003	Councillor, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries
July 2004	Councillor, Minister's Secretariat, Ministry of Health, Labour and Welfare
July 2006	Vice-Governor of Saitama Prefecture
July 2009	Director General of Gender Equality Bureau, Cabinet Office
April 2013	Member, Information Disclosure and Personal Information Protection Review Board, Cabinet Office
April 2016	Member, Information Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications
April 2022	Executive Director, Saitama Prefectural University (present)
June 2025	Director, the Company (present)

*Atsuko Okajima was newly elected and appointed as a Director at the 17th Ordinary General Meeting of Shareholders held on June 23, 2025. Accordingly, the attendance record shown above covers Board of Directors' meetings held on and after that date.

❿ Jiro Seguchi

Outside Director Newly appointed Independent Officer

Date of birth: July 29, 1963
Number of Company shares owned: 0
Important concurrent positions:
President, Representative Director and Chief Executive Officer, Japan Investment Corporation
Director (Outside Director), Otsuka Holdings Co., Ltd., Director (Outside Director), Resona Holdings, Inc.

April 1986	Entered The Bank of Tokyo, Ltd. (currently MUFG Bank, Ltd.)
March 1999	Entered Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.)
July 2010	President and Representative Director, Merrill Lynch Japan Securities Co., Ltd. Country Executive for Japan, Bank of America Corporation
Oct. 2013	Head of Asia Pacific, Global Corporate & Investment Banking, Bank of America Corporation
June 2016	President and Representative Director, Merrill Lynch Japan Securities Co., Ltd. Country Executive for Japan, Bank of America Corporation
Jan. 2019	Co-President of APAC (Asia-Pacific), Bank of America Corporation
July 2023	Senior Advisor, Asia Pacific, Bank of America Corporation
May 2026	Senior Executive Officer, Japan Investment Corporation
June 2026	President, Representative Director and Chief Executive Officer, Japan Investment Corporation (present) Director, the Company (present)

Directors who are Audit and Supervisory Committee Members

⓫ Hideki Kawatsu

Director, Audit and Supervisory Committee Member

Date of birth: November 2, 1968
Number of Company shares owned: 25,078
Important concurrent positions: Director, MSI

April 1991	Entered The Sumitomo Marine and Fire Insurance Co., Ltd.
April 2023	Executive Officer, General Manager of Corporate Planning Dept., MSI
Aug. 2024	Managing Executive Officer, MSI
April 2025	Director, Managing Executive Officer, MSI
June 2025	Director, MSI (present) Director, Audit and Supervisory Committee Member, the Company (present)

⓬ Taisei Kunii

Outside Director Chairperson of the Audit and Supervisory Committee Independent Officer

Date of birth: June 12, 1959
Number of Company shares owned: 1,000
Attendance record: Board of Directors' meetings (FY2025) 10/10 (100%)*
Attendance record: Audit and Supervisory Committee meetings (FY2025) 9/9 (100%)*
Important concurrent positions: Certified Public Accountant, Taisei Kunii Certified Public Accountant Office
Director (Outside Director (Audit and Supervisory Committee Member)), Sumitomo Corporation

Oct. 1985	Entered Tohmatsu, Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
Aug. 1989	Registered as Certified Public Accountant
Oct. 2013	Executive Officer, General Manager of Tokyo Audit Division, Deloitte Touche Tohmatsu LLC
June 2018	CEO, Deloitte Touche Tohmatsu LLC
Feb. 2023	Certified Public Accountant, Taisei Kunii Certified Public Accountant Office (present)
June 2024	Audit & Supervisory Board Member, the Company
June 2025	Director, Audit and Supervisory Committee Member, the Company (present)

*Taisei Kunii was newly elected and appointed as a Director at the 17th Ordinary General Meeting of Shareholders held on June 23, 2025. Accordingly, the attendance records shown above cover Board of Directors' and Audit and Supervisory Committee meetings held on and after that date.

⓭ Yukari Murayama

Outside Director, Audit and Supervisory Committee Member Independent Officer

Date of birth: August 4, 1972
Number of Company shares owned: 0
Attendance record: Board of Directors' meetings (FY2025) 10/10 (100%)*1
Attendance record: Audit and Supervisory Committee meetings (FY2025) 9/9 (100%)*1
Important concurrent positions: Attorney-at-Law, Anderson Mori & Tomotsune–Foreign Law Joint Enterprise
Director (Outside Director (Audit and Supervisory Committee Member)), DENTSU SOKEN, INC.
Director (Outside Director), Carlit Co., Ltd.

April 2000	Registered as an Attorney-at-Law, Attorney-at-Law, Hideyuki Sakai Law Office*2
Jan. 2010	Seconded to the Supervisory Bureau of the Financial Services Agency (Nonbank Financial Companies Office and Financial System Stabilization Management Office)
April 2012	Counsel, Bingham Sakai Mimura Aizawa–Foreign Law Joint Enterprise*2
Jan. 2013	Partner, Bingham Sakai Mimura Aizawa–Foreign Law Joint Enterprise
April 2015	Partner, Anderson Mori & Tomotsune*2 (present)
June 2025	Director, the Company (present)

*1 Yukari Murayama was newly elected and appointed as a Director at the 17th Ordinary General Meeting of Shareholders held on June 23, 2025. Accordingly, the attendance records shown above cover Board of Directors' and Audit and Supervisory Committee meetings held on and after that date.
*2 Currently Anderson Mori & Tomotsune–Foreign Law Joint Enterprise

Engagement with Shareholders and Investors

The MS&AD Insurance Group is actively engaged in constructive dialogue with shareholders and investors to achieve sustainable growth and improve corporate value. Specifically, we aim to minimize information asymmetry with shareholders and investors by providing highly transparent information disclosure, and we share feedback obtained from constructive dialogue with shareholders and investors with management and related departments and utilize that in our management strategies.

Results of FY2025 activities

We held “information meetings” for shareholders and investors at which the Group CEO explained management strategies and business results. We also held company briefings for individual investors and provided opportunities for the Group CEO and Group CFO to individually engage in dialogue with shareholders and investors in Japan and overseas.

Event	Description	Frequency
Conference call to explain financial results	Quarterly and full-year results	4 times
Information meetings	Group’s overall management strategy and performance	Twice
Thematic meetings	Specific topics of interest to investors and analysts	Twice
Briefing session for individual investors	Industry trends and the Group’s overall management strategy and performance	4 times
Individual meetings with domestic and overseas shareholders and investors	Group’s overall management strategy and performance	289 times

Key dialogue themes and concerns

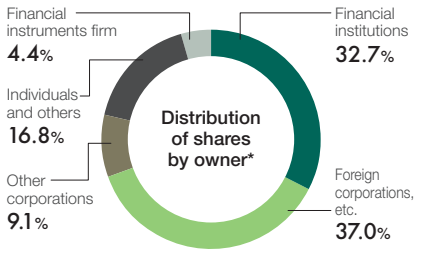
We regularly report to the Group Management Committee and the Board of Directors information regarding shareholders’ and investors’ opinions, their perceptions of our company, and stock market evaluations. By sharing these insights with top management and relevant departments, we use this information to develop and execute management strategies, thereby enhancing our corporate value.

In addition, based on engagement with shareholders and investors, we are accelerating initiatives to improve capital efficiency, including raising ROE and reducing strategic equity holdings.

Theme	Concerns
Profit plan KPIs	• What were the reasons for revising the FY2030 adjusted profit outlook from ¥700 billion to ¥800 billion, and what are the main factors expected to drive the increase? • Is the target ROE level of 15% presented in the Group Vision for FY2030 supported by specific calculations, or is it simply meant to serve as benchmark? • What are the key assumptions that investors should bear in mind regarding adjusted profit of ¥800 billion for FY2026?
Shareholder returns (including ESR)	• The Company has committed to increasing dividends, in principle. Is it reasonable to assume increases of approximately ¥10 at a time? • Please explain the Company’s approach and plans for additional shareholder returns.
Strategic equity holdings and growth investments	• Is it correct to understand that the Company plans to sell approximately ¥1 trillion of strategic equity holdings in total during FY2026 and FY2027? • The measures addressing the supply-demand dynamics of MS&AD shares were discussed at the information meeting. Please provide further details regarding the intent of these. • Is it correct to understand that the Company is not considering any large-scale business investments (involving several hundred billion yen) for the time being?
IFRS	• The transition to IFRS has made it difficult to rebuild valuation models. Will the Company cease disclosing actual results under Japanese GAAP? • Please disclose the amount of adjusted net assets. • In the insurance service result, what does the positive year-on-year impact (+¥111.1 billion) regarding onerous contracts represent?

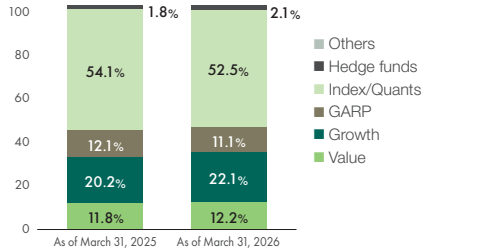
Overview of shareholders and IR activities for investors

Shareholder composition: 32.7% financial institutions; 37.0% foreign corporations, etc.; 9.1% other corporations; and 16.8% individuals and others. We hold regular meetings with shareholders and investors in Japan and overseas and actively engage in “constructive dialogue.” In addition, from the viewpoint of immediate and fair information disclosure, the information meetings were broadcast live in Japanese and English, and we are working to distribute information through English disclosure on our website.



*As of March 31, 2026; excludes shares with less than one unit

Shareholder composition by investment type (Overseas institutional investors)



Information disclosure as a basis for engagement

Website (Japanese/English)

- From the perspective of ensuring fair information disclosure, we promptly disclose IR event materials in both Japanese and English.
- Our website won the top prize at the “Daiwa IR 2025 Internet IR Awards.”





Integrated Report (Japanese/English)

- In FY2025, we explained our achievement for the numerical management targets of the Medium-Term Management Plan (2022–2025), among other things.
- We received the Judges’ Special Award in the WICI Japan Integrated Report Award 2025.
- We received an Excellence Award in the Fifth Nikkei Integrated Report Award.

WICI JAPAN Integrated Report Award

NIKKEI Integrated Report Award



Shareholders’ Meeting

	14th term	15th term	16th term	17th term	18th term
Date (fixed time)	June 27, 2022 (Monday)	June 26, 2023 (Monday)	June 24, 2024 (Monday)	June 23, 2025 (Monday)	June 22, 2026 (Monday)
Number of shareholders in attendance including shareholders exercising voting rights (including via the Internet)	19,305 persons	21,995 persons	25,961 persons	55,842 persons	112,884 persons
Ratio of the exercise of voting rights	86.9%	84.1%	83.4%	80.5%	81.8%

For more information, visit the Group’s official website.
Investors Website

• Policy on constructive dialogue with shareholders • Financial and non-financial information (timely disclosure materials, securities reports, earnings conference call materials, corporate governance reports, information meeting materials*, and sustainability reports) • Videos of the President’s presentations (including Q&A summaries) • Notice of Convocation of Ordinary General Meetings of Shareholders, etc.

*Including capital costs and initiatives to improve the stock price



Investor meetings conducted by the CFO

CFO Shigeo Kudo actively engages in dialogue with stakeholders, including institutional investors. In FY2025, he held 56 individual meetings with institutional investors, with active discussions taking place at every meeting.

Example Q&A (1)

Institutional investor **What enabled the turnaround at MS Amlin?**

CFO Kudo: After acquiring MS Amlin, losses continued due to a series of major natural disasters and losses from general risks. In response, we took three measures. The first was a review of the organizational structure. (The intermediate holding company structure, which includes the Lloyd's business, the reinsurance business, and the European Continental Underwriting Business, was changed to make three companies directly under MSI.) The second was a change to the management team and underwriters who can realize the portfolio that our company aims for. The third was to build a highly profitable portfolio with low volatility. We will utilize this know-how in restructuring our business in the Americas and position it as a future growth driver.

Example Q&A (2)

Institutional investor **Are there any updates regarding the merger of the domestic non-life insurance companies?**

CFO Kudo: As chair of the Merger Preparation Committee, I meet monthly with the two companies involved in the merger to align their positions. Agreement was reached on the various issues over the past year. We are now at the stage of steadily implementing the agreed matters. System integration presents the greatest risk, and development has been proceeding in stages through the end of September 2025. There may, of course, be issues, but progress is monitored monthly.

Example Q&A (3)

Institutional investor **Are there annual targets for achieving the ¥150 billion reduction in expenses in the domestic non-life insurance business from FY2026 onward?**

CFO Kudo: In the domestic non-life insurance business, we aim to reduce operating expenses by a total of ¥150 billion in FY2030 as a result of the merger, including agency commissions, personnel costs, and property costs. In principle, full-fledged reduction effects will start to emerge in FY2027, the first year of the merger. However, as we have been working on joint and common operations with a view to a merger within the Group, we started to see effects ahead of schedule in FY2025. This does not include the use of AI generation, and we will actively work to add to the reduction effects.

Example Q&A (4)

Institutional investor **Conditions in the domestic non-life insurance business appear favorable, with premium rate increases progressing. What is your overall view of underwriting trends?**

CFO Kudo: The profitability of fire insurance has stabilized as a result of premium rate increases and shorter insurance periods. For voluntary automobile insurance, however, we recognize that further premium rate increases remain necessary. Over the past three years, we have raised premium rates ahead of other companies. We will continue working toward our target automobile insurance combined ratio of 95%.

Example Q&A (5)

Institutional investor **What synergies do you expect from the investment in WRB?**

CFO Kudo: Through our long-standing business relationship with WRB, including sidecar investments, we have developed a strong understanding of its portfolio. By FY2030, we expect to generate ¥100 billion in profit through equity-method earnings and synergies such as profit from sidecar investments and the expansion of WRB's products in Asia.

Example Q&A (6)

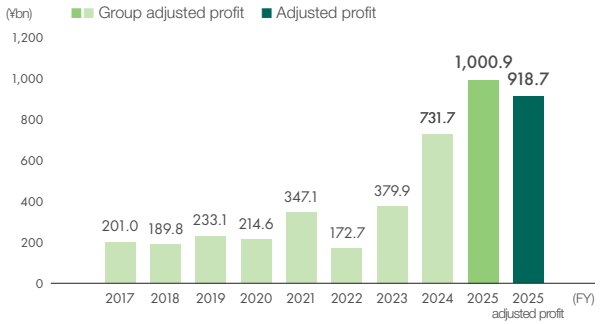
Institutional investor **How do you view the potential for M&A in the specialty insurance sector?**

CFO Kudo: As for growth investments using funds for strategic share sales, large-scale business investments have run their course with investments in WRB and Barings. Going forward, we are considering allocating capital to growth areas in the Americas; bolt-on business investments in Asia, which is our strength; overseas life insurance areas with high cash-generating capacity; and investments that contribute to improving the efficiency of existing businesses through the use of generative AI. We are considering investments that will contribute to the efficiency of existing businesses.

Financial and Non-financial Highlights

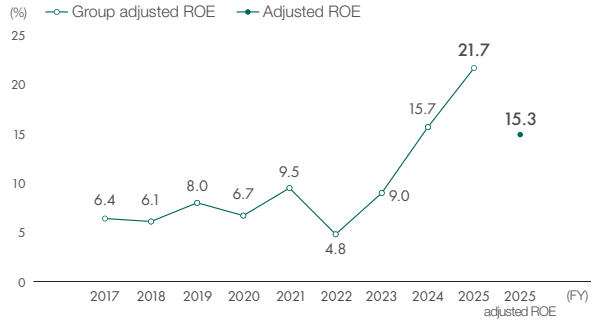
Numerical Management Targets

Group adjusted profit/Adjusted profit*1



This is profit that serves as a source of shareholder returns and is the numerical management target in the Management Plan.

Group adjusted ROE/Adjusted ROE*1



This is one of the numerical management targets and indicates the ratio of the Group adjusted profit/adjusted profit, as shown to the left, in respect to consolidated net assets.

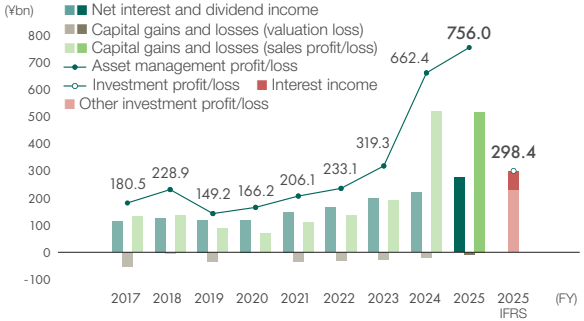
Profitability Indicators

Combined ratio*2 (domestic non-life insurance business)



The combined ratio is a key indicator of profitability for underwriting in the non-life insurance business. Profitability is negative when this indicator exceeds 100% and positive when this indicator falls below 100%.

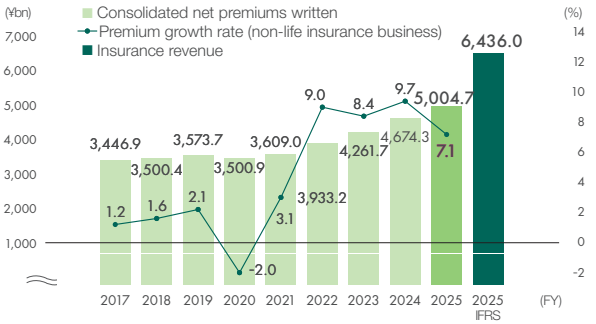
Asset management and investment profit/loss*2 (domestic non-life insurance business)



For non-life insurance companies, this is a major source of earnings, next to insurance underwriting profit/insurance service profit and loss, and consists of components such as interest and dividend income and gains/losses on sales of securities.

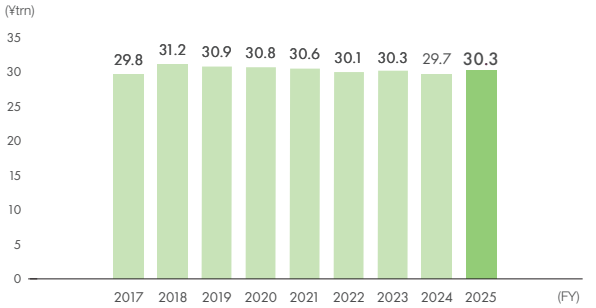
Growth Potential Indicators

Consolidated net premiums written/insurance revenue and premium growth rate (non-life insurance business)



One of the basic indicators of the performance of non-life insurance companies. The premium growth rate indicates growth potential in premium income for the domestic non-life insurance business and international non-life insurance business.

Policies in force*3 (domestic life insurance business)

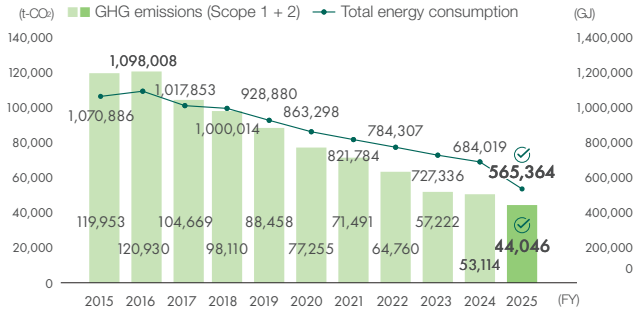


Policies in force are one of the basic indicators of the performance of life insurance companies. It represents the total amount of money guaranteed to policyholders of valid policies at the end of a fiscal year. (See “Glossary of Insurance Terminology” on P.114)

*1 The definitions for adjusted profit and adjusted ROE, which have been identified as numerical management targets, are being reviewed in the management plan for FY2026. (See the “Glossary of Insurance Terminology” on P.114 for details.)
*2 Simple sum of non-consolidated figures for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance
*3 Total amount of policies in force for individual insurance and individual annuity insurance at MSI Aioi Life and MSI Primary Life

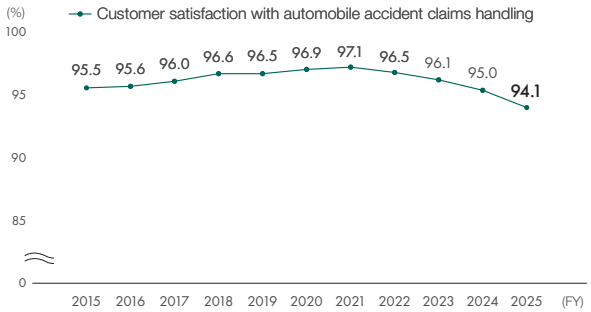
Non-financial Indicators

✓ Greenhouse gas (GHG) emissions and total energy use*4



Reducing GHG emissions will contribute to mitigating climate change, which is a risk to the insurance business. It also contributes to a reduction in business expenses related to energy use.

Customer satisfaction*5



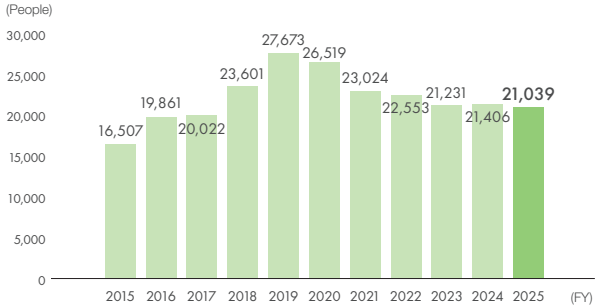
Our growth potential depends on improving customer satisfaction. Along with these indicators, we incorporate customer feedback into quality improvement efforts.

✓ Number and ratio of female managers*6



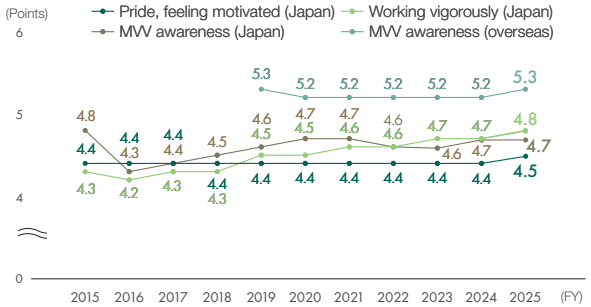
By promoting diversity in the manager position (section managers and above), we believe that greater diversity among managers (section manager level and above) enables us to develop strategies, products, and organizational practices that reflect diverse perspectives and values, thereby enhancing customer satisfaction and growth potential.

Number of employees participating in social contribution activities (domestic)



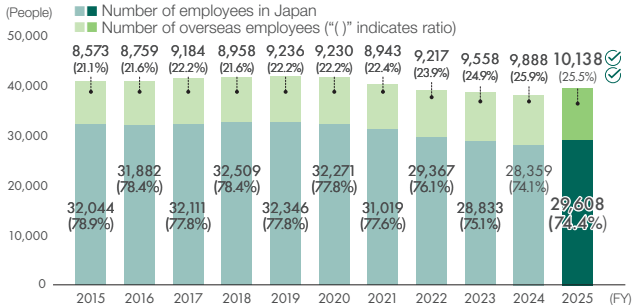
By encouraging employees to voluntarily engage in social contribution activities, we are strengthening our ties with the local community while also fostering employee initiative and cultivating our corporate culture.

Employee satisfaction



Scope: Domestic and overseas Group companies. All-employee average on a 6-point scale.
We consider “mission/vision/value (MVV) awareness” and “pride, feeling motivated” on the part of Group employees to be important elements in achieving sustainable growth in corporate value and always aim to improve these areas.

✓ Number and ratio of global employees



※Japanese standards
Increasing the number of employees from different cultures and with a diverse sense of values, and deepening mutual understanding among employees, leads to stronger organizational capacity for the Group and is a driving force especially in international business development.

*4 For details on the data calculation methodology, please visit our official website: Website
*5 Customer survey choices were streamlined from five options to four in FY2015 and unified within the Group. This figure indicates the ratio of customers who chose the top two options (Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance).
*6 As of April 1 of the subsequent fiscal year for domestic Group companies and as of December 31 for overseas Group companies

11-Year Performance

Key Management Indicators

Japanese GAAP

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Consolidated financial data (¥ million)											
Ordinary income	5,013,038	5,335,239	5,217,835	5,500,438	5,168,361	4,892,244	5,132,042	5,251,271	6,572,889	6,660,813	**7,653,030**
Net premiums written	3,078,732	3,407,389	3,440,976	3,497,572	3,573,732	3,500,996	3,609,052	3,934,473	4,261,736	4,674,301	**5,004,799**
(Net premiums written)*1	(3,078,995)	(3,406,966)	(3,446,940)	(3,500,403)	(3,573,732)	(3,500,996)	(3,609,052)	(3,934,473)	(4,261,736)	(4,674,301)	**5,004,799**
Insurance claims paid (non-life + life)	2,023,599	2,162,773	2,311,295	2,528,145	2,403,833	2,307,722	2,418,385	2,772,451	2,774,237	2,981,393	**2,887,797**
Ordinary profit/(loss)	291,578	352,612	211,548	290,847	157,701	306,524	390,499	231,113	416,440	928,989	**1,120,230**
Net income attributable to owners of the parent	181,516	210,447	154,057	192,705	143,030	144,398	262,799	161,530	369,266	691,657	**787,339**
Comprehensive income/(loss)	-233,116	114,294	311,096	-79,701	-157,288	753,938	310,470	-80,923	1,527,696	-17,284	**1,219,940**
Net assets	2,725,274	2,734,432	2,968,387	2,778,047	2,494,038	3,126,657	3,302,749	3,056,273	4,513,562	4,052,835	**4,825,140**
Total assets	20,303,649	21,234,300	22,472,927	23,132,539	23,196,455	24,142,562	25,033,846	25,000,433	26,960,207	26,241,298	**28,640,815**
Consolidated solvency margin ratio*2	743.3%	872.6%	819.3%	807.3%	781.3%	916.0%	857.9%	777.7%	771.8%	708.7%	-
Equity ratio	13.3%	12.8%	13.1%	11.9%	10.6%	12.8%	13.0%	12.0%	16.6%	15.2%	**16.7%**
Return on equity (ROE)	6.36%	7.78%	5.45%	6.77%	5.50%	5.22%	8.3%	5.2%	9.8%	16.3%	**18.0%**
Combined ratio (domestic non-life insurance)*3	91.6%	92.4%	92.7%	99.4%	95.8%	93.0%	93.3%	98.7%	99.3%	99.4%	**95.0%**
Group core profit*4/Group adjusted profit*5	¥147.5 billion	¥213.7 billion	¥105.1 billion	¥189.8 billion	¥233.1 billion	¥214.6 billion	¥347.1 billion	¥172.7 billion	¥379.9 billion	¥731.7 billion	**¥1,000.9 billion**
Group ROE*6/Group adjusted ROE*7	5.2%	7.9%	3.7%	6.1%	8.0%	6.7%	9.5%	4.8%	9.0%	15.7%	**21.7%**
Per share data (yen)											
Net income per share (basic)	99.57	116.98	86.68	109.57	82.78	85.26	158.17	99.93	231.83	445.52	**528.87**
Net income per share (diluted)*8	-	116.96	86.66	109.53	82.74	85.21	158.10	99.90	231.77	445.45	**528.80**
Group core profit/(loss) per share/ Group adjusted profit*9	80.94	118.79	59.15	107.95	134.97	126.73	208.96	106.86	238.54	471.38	**672.33**
Dividend per share (DPS)	30.00	40.00	43.33	46.66	50.00	51.66	60.00	66.66	90.00	145.00	**160.00**
Book-value per share (BPS)	1,489.86	1,524.27	1,654.88	1,570.70	1,436.12	1,841.80	1,985.07	1,877.98	2,817.00	2,647.01	**3,286.85**
Stock price–related data											
Year-end market price (closing price) (yen)	1,045	1,180	1,118	1,123	1,008	1,083	1,326	1,368	2,711	3,225	**4,032**
Price-earnings ratio (PER) (times)*10	10.50	10.09	12.90	10.25	12.18	12.70	8.38	13.70	11.69	8.42	**7.62**
Price-to-book ratio (PBR) (times)*10	0.70	0.77	0.68	0.72	0.70	0.59	0.67	0.73	0.96	1.22	**1.23**
Dividend yield*10	2.9%	3.4%	3.9%	4.2%	5.0%	4.8%	4.5%	4.9%	3.3%	4.5%	**4.0%**
Annual total shareholder return (TSR)*11	-4.9%	16.7%	-1.6%	4.6%	-5.8%	12.5%	28.0%	8.2%	104.8%	24.3%	**30.0%**
Stock price volatility (annual rate)*12	41.0%	36.9%	19.7%	16.2%	19.4%	23.2%	21.7%	23.7%	27.2%	39.0%	**30.1%**

IFRS

	FY2025
Consolidated financial data (¥ million)	
Insurance revenue	**6,436,026**
Insurance service result	**525,444**
Financial result	**261,099**
Profit attributable to owners of the parent	**510,612**
Total comprehensive income	**1,493,364**
Total equity	**6,481,239**
Total assets	**29,592,153**
Consolidated solvency margin ratio*2	-
Ratio of equity attributable to owners of the parent	**21.7%**
Return on equity attributable to owners of the parent (ROE)	**8.7%**
Combined ratio (domestic non-life insurance)*3	**93.6%**
Adjusted profit*13	**918,779**
Adjusted ROE*14	**15.3%**
Per share data (yen)	
Basic earnings per share	**342.98**
Diluted earnings per share	**342.94**
Adjusted profit per share	**617.16**
Equity attributable to owners of the parent per share (BPS)	**4,424.60**
Stock price–related data	
Price-earnings ratio (PER) (times)*10	**11.76**
Price-to-book ratio (PBR) (times)*10	**0.91**

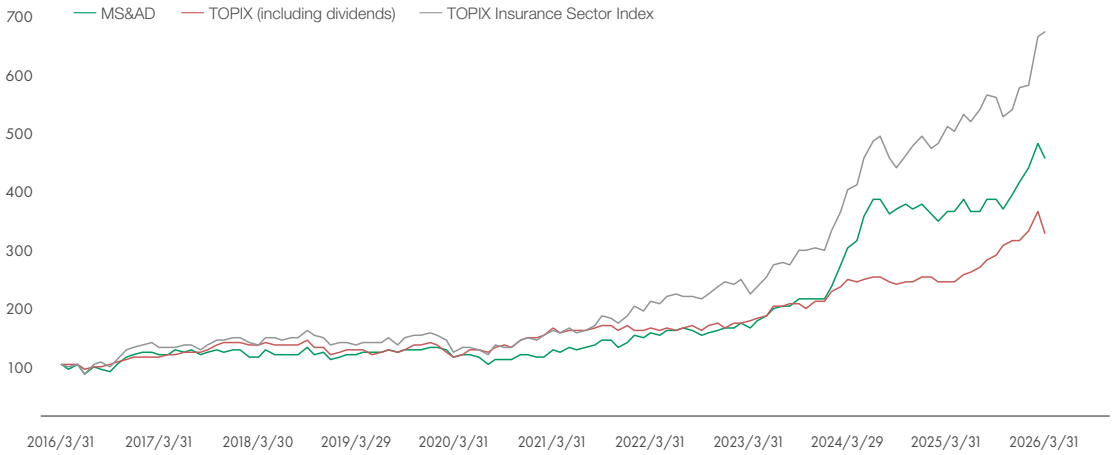
*1 Figures are presented exclusive of the Good Results Return premiums of Mitsui Sumitomo Insurance's proprietary automobile insurance product "ModoRich," which contains a special rider for premium adjustment and refund at maturity.
*2 Consolidated solvency margin ratios have been calculated from FY2011 reflecting the revision of the Insurance Business Act, etc. The calculation standards were revised beginning with the FY2025 results, including a transition to an economic value-based assessment method and the introduction of more rigorous risk assessment methods. The FY2025 figure is scheduled to be disclosed by the end of October 2026 in accordance with the Insurance Business Act and related regulations.
*3 Simple sum of non-consolidated figures of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance
*4 Group core profit = Consolidated net income – Net capital gains/losses on stock (e.g., gains/losses on sales) – Net evaluation gains/losses on credit derivatives – Other incidental factors + Equity in earnings of the non-consolidated Group companies (before FY2017)
*5 Group adjusted profit = Consolidated net income + Provision for catastrophe loss reserve and others – Other incidental factors (e.g., amortization of goodwill and other intangible fixed assets) + Equity in earnings of the non-consolidated Group companies (from FY2018)
*6 Group ROE = Group core profit / Consolidated net assets (average of beginning and ending amounts excluding stock acquisition rights and non-controlling interest) (before FY2017)
*7 Group adjusted ROE = Group adjusted profit / Average of beginning and ending amounts on the B/S of adjusted net assets (Consolidated net assets + Catastrophe loss reserve and others – Goodwill and other intangible fixed assets) (from FY2018)
*8 Net income per share (EPS) and diluted EPS disclosed. Diluted net income/(loss) per share data before FY2015 are not disclosed because there was no potential dilution during that period.
*9 Group core profit/(loss) per share (before FY2017) or Group adjusted profit/(loss) per share (from FY2018)
*10 Stock price–related indicators are based on the market price of the stock at the end of the fiscal year.
*11 Total shareholders' return is calculated as follows: (Fiscal year-end stock price – Previous fiscal year-end stock price + Annual dividends) / Previous fiscal year-end stock price
*12 Stock price volatility is the annualized standard deviation of returns based on daily closing prices.
*13 Adjusted Profit = Net income + Gains/losses on sales of strategic equity holdings and pure investment equities – Impact of market fluctuations – Impact of deferred acquisition costs – Other special factors (including goodwill impairment)
*14 Adjusted ROE = Adjusted profit / Adjusted net assets (IFRS net assets – Unrealized gains/losses (AOCI) – Goodwill and other intangible assets related to business combinations)

Japanese GAAP	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Capital management policy data (¥ million)											
Total dividends	54,447	71,489	77,014	81,720	85,770	86,995	99,088	107,140	143,348	221,331	**235,617**
Dividend payout ratio (consolidated)	30.1%	34.2%	50.0%	42.6%	60.4%	60.6%	37.9%	66.7%	38.8%	32.5%	**30.3%**
Aggregate amount of repurchase*15	19,996	29,938	29,981	31,972	34,999	34,999	74,999	19,999	199,999	144,999	(Maximum) ¥325 billion
[Average repurchase price (yen)]*16	[1,014]	[1,246]	[1,146]	[1,160]	[1,135]	[1,095]	[1,346]	[1,706]	[3,180]	[3,254]	-
Shareholder return ratio*17	50.4%	47.7%	101.8%	60.0%	52.0%	57.0%	50.0%	74.0%	90.0%	50.0%	**(Plan) 56.0%**
Non-financial data											
Customer satisfaction (accident response of automobile insurance)*18	95.5%	95.6%	96.0%	96.6%	96.5%	96.9%	97.1%	96.5%	96.1%	95.0%	**94.1%**
Number of employees	40,617	40,641	41,295	41,467	41,582	41,501	39,962	38,584	38,391	38,247	**39,746**
[of which at consolidated overseas subsidiaries] ✓	[8,573]	[8,759]	[9,184]	[8,958]	[9,236]	[9,230]	[8,943]	[9,217]	[9,558]	[9,888]	**[10,138]** ✓
Number of female managers*19 (domestic) ✓	449	551	613	782	944	1,017	1,054	1,138	1,278	1,488	**1,603** ✓
Number of employees participating in social contribution activities (domestic)	16,507	19,861	20,022	23,601	27,673	26,519	23,024	22,553	21,231	21,406	**21,039**
Greenhouse gas emissions (Scope 1 + 2)*20 ✓	119,953 t-CO_2	120,930 t-CO_2	104,669 t-CO_2	98,110 t-CO_2	88,458 t-CO_2	77,255 t-CO_2	71,491 t-CO_2	64,760 t-CO_2	57,222 t-CO_2	53,114 t-CO_2	**44,046 t-CO_2** ✓

✓ A check mark indicates that FY2025 figures have been assured by KPMG AZSA Sustainability Co., Ltd.

*15 The total amount of share buybacks in FY2025 is up to ¥325 billion (maximum). Of this amount, ¥135 billion has already been acquired. The acquisition period for the remaining ¥190 billion (maximum) is from May 21, 2026, to November 18, 2026 (resolved at the Board of Directors meeting held on May 20, 2026).
*16 The average acquisition price for FY2025 is not stated because the share buyback is still in progress.
*17 Shareholder return ratio = (Dividends applicable to the fiscal year (paid in December of that year and June of the following year) + Value of share repurchases during the period through the time of the general shareholders' meeting in the following fiscal year) / Group core profit for the fiscal year (from FY2018: Group adjusted profit)
*18 Ratio of customers satisfied with accident response for automobile insurance (Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance). From FY2015, the client survey was modified from five stages to four stages.
*19 Number of female employees in positions of manager or higher (as of April 1 of the subsequent fiscal year for domestic Group companies)
*20 For details on the data calculation methodology, please visit our official website: Website

Total shareholder return (TSR) over the past 10 years



	1 Year		3 Years		5 Years		10 Years	
	Annualized	Cumulative	Annualized	Cumulative	Annualized	Cumulative	Annualized
MS&AD	30.0%	223.4%	47.9%	320.5%	33.3%	357.8%	16.4%
TOPIX	34.6%	87.4%	23.3%	102.2%	15.1%	228.2%	12.6%
TOPIX Insurance Sector Index	31.8%	205.3%	45.1%	326.6%	33.7%	576.2%	21.1%

- The graph shows the fair value (investment performance) of investments at each point in time, with the investment amount as of March 31, 2016, set as 100.
- We have calculated our total shareholder return (TSR) based on the accumulated amount of dividends and the share price. Moreover, when accumulating dividends, the amount of dividends prior to the stock split is calculated using detailed figures without rounding fractional amounts.
- Returns for TOPIX data are calculated using the index including dividends.
- Rates of return beyond one year are converted to annualized rates of return by averaging over multiple years.

Source: Calculated by MS&AD Holdings based on data from Bloomberg

Domestic Non-Life Insurance Business

Aspirations

In the domestic non-life insurance business, we will complete the merger of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance as planned, preserving and combining the respective strengths of the two companies to achieve further growth. We will also advance our business model transformation through the steady implementation of our business improvement plans. Considering factors of changing insurance underwriting environment such as the increasing severity and frequency of natural catastrophes and the persistence of inflation, we will work to improve the profitability of automobile insurance and strengthen earnings power in fire insurance and other lines of casualty insurance.

Business environment

Strengths and features

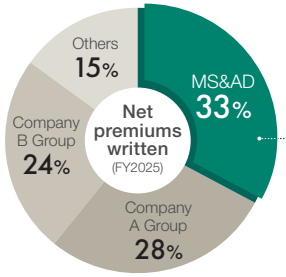
- Looking ahead to the merger in April 2027, we will advance business transformation to drive profit growth at the new company. While responding appropriately to changes in market conditions and reviews of laws and regulations, we will also regard changes in the operating environment as opportunities for business expansion. We will transition to an agency commission structure that emphasizes quality and transform our sales model.
- Furthermore, with inflation expected to persist, particularly in voluntary automobile insurance, we will review the strategic positioning of Mitsui Direct General Insurance and strengthen collaboration within the Group.

Risks and opportunities

- Although the global economy, including Japan, is expected to continue recovering gradually, uncertainty is increasing due to the situation in the Middle East. There are also concerns about the effects of fluctuations in financial and capital markets and U.S. policy developments. The domestic market is also expected to contract as a result of Japan's falling birth rate and aging population.
- At the same time, as new risks materialize—including climate change, the rapid diffusion of AI, and increasing cyber risk—we are expected to fulfill our role as indispensable social infrastructure for realizing a safe and secure society by providing products and services that support economic growth.

Market position

- Backed by the largest customer base in Japan and diverse partnerships, we have captured the largest market share in major lines of business in the domestic non-life insurance market.



MS&AD Mitsui Sumitomo Insurance
MS&AD Aioi Nissay Dowa Insurance
MS&AD Mitsui Direct General Insurance

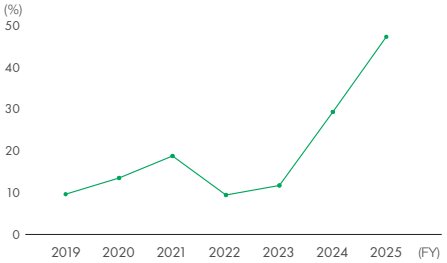


Source: Prepared by MS&AD based on publicly announced information from each insurance company and data from the General Insurance Association of Japan

Initiatives and future challenges for improving ROR

- We continued initiatives such as rate increases for our core voluntary automobile insurance and fire insurance, which had been operating at a loss for many years.
- In voluntary automobile insurance, premium increases have not kept pace with the rise in insurance claims caused by inflation and other factors. Improving profitability at an early stage is therefore an urgent priority.
- Fire insurance returned to profitability in FY2024.
  In FY2025, profitability improved substantially due to not only external factors, including the relatively low incidence of natural catastrophes, but also the thorough implementation of improvements to policy terms and line-size controls, primarily for policies with high loss volatility. These measures limited the occurrence of large losses. To generate stable underwriting profit even in years with an average level of natural catastrophes, we must pursue more selective underwriting and improve profitability to a level sufficient to cover the cost of capital.

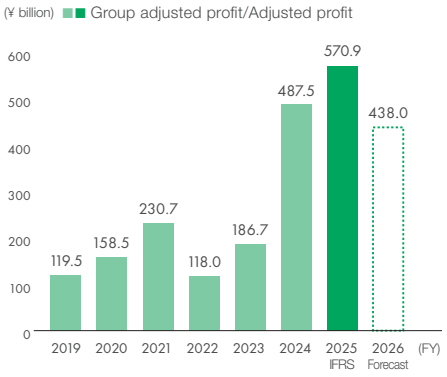
ROR trend



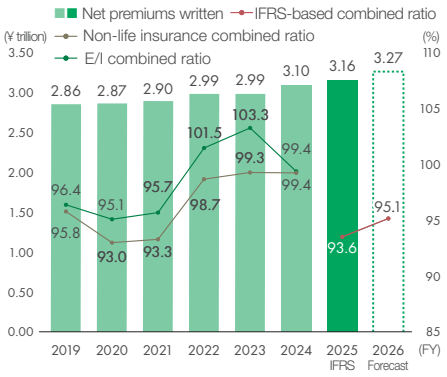
Review of the Medium-Term Management Plan (2022–2025)

- The domestic non-life insurance business generally maintained its profit growth trajectory.
- In our core voluntary automobile insurance business, measures to improve profitability, including premium rate revisions, are beginning to deliver results. We expect the business to return to profitability in FY2026.
- Profits from fire insurance and casualty insurance expanded steadily.

Group adjusted profit/Adjusted profit



Net premiums written/ Insurance revenue and combined ratio*



*Non-consolidated simple sum of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

Outline of the FY2026 Group Management Plan (Toward FY2030)

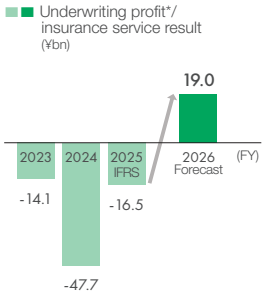
Voluntary automobile insurance profitability improvements

Measures

- Closely monitor profitability and implement appropriate premium rate revisions (January 2026 revision)
- Continue initiatives to reduce accidents using data and AI and eliminate fraudulent claims, aiming to consistently maintain a combined ratio below 95%

Achievements

- In FY2025, the average payout per claim continued to rise due to higher labor and parts costs, inflation, and other factors. Nevertheless, the loss ratio improved due to a decline in accident frequency and the effects of premium rate revisions. The insurance service result (IFRS) remained negative
- Going forward, we will seek to reduce the loss ratio by strengthening the measures described on the left. We will also closely monitor profitability and revise premium rates as necessary (provisional increase of approximately 6% is planned for April 2027), with the aim of improving profitability



Fire insurance profitability improvements

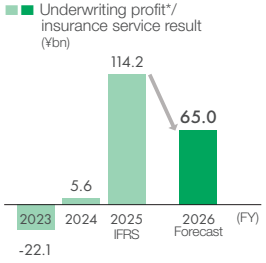
Measures

[Commercial]
- Shorten insurance periods and flexibly revise premium rates when loss experience deteriorates
- Propose loss-control measures based on data analysis and utilize risk surveys conducted by MS&AD InterRisk Research & Consulting

[Individual]
- Promote the underwriting of household contents insurance, which has a favorable loss ratio, following the introduction of a household contents package discount in the October 2024 revision
- Enhance underwriting using AI and ensure appropriate and prompt insurance payouts

Achievements

- Progress in improving our underwriting portfolio, with the percentage of contracts that can be ensured to break even exceeding 50% in FY2024
- Going forward, in addition to improving profitability by continuing the measures described on the left, we will continue revising premium rates to move the combined ratio closer to 90% over the long term. In years without large-scale natural catastrophes, we will aim for a combined ratio below 90% (a provisional premium rate increase of approximately 5% is planned for April 2027)



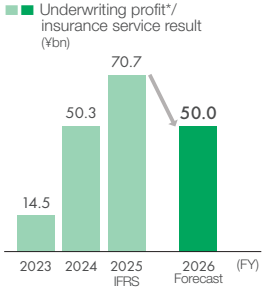
Expanding the casualty insurance market

Measures

- Strengthen sales of package products aimed at SMEs, which excel in growth and profitability
- Control risk through stronger underwriting and generate stable profits

Achievements

- Steady top-line growth
- Looking ahead, we will further enhance profitability through market expansion and loss reduction effects by providing service-integrated products



Reduction of business expense ratio (¥150 billion in cost reductions through the merger)

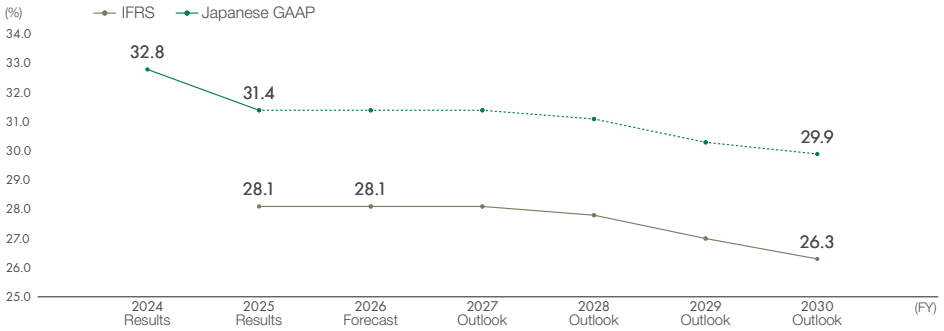
Measures

- Achieve top-line growth and ¥150 billion in cost reductions

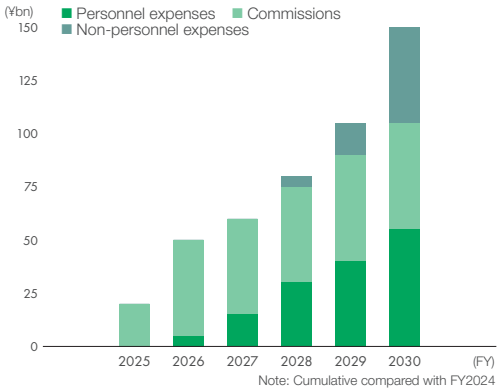
Achievements

- Reduce the expense ratio to the low-26% range by FY2030, or below 30% under Japanese GAAP

Expense ratio outlook



Projected cost reductions by expense category



Note: Cumulative compared with FY2024

Personnel expenses (-¥55 billion)

Cost reductions are progressing steadily through natural attrition and restrained hiring. We will consider introducing and implementing an early retirement support program during the first half of the period, with the pace of reductions expected to accelerate from FY2027 onward

Agent commissions (-¥50 billion)

Through a smooth transition to a commission structure that emphasizes quality, total commissions are expected to decline by more than ¥40 billion from FY2026 onward

Non-personnel expenses, etc. (-¥45 billion)

The amount of cost reductions will increase substantially during the latter half of the period as ADI systems are decommissioned. The projected reductions also include lower reinsurance premiums resulting from changes to reinsurance arrangements following the merger

*Simple sum of non-consolidated figures of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

Domestic Life Insurance Business

Aspirations

We operate our domestic life insurance business by leveraging the respective strengths of two life insurance companies with different characteristics: Mitsui Sumitomo Aioi Life Insurance (“MSA Life”), which provides protection-type products, and Mitsui Sumitomo Primary Life Insurance (“MSP Life”), which offers asset-building products.

We will achieve growth by providing products and services that contribute to solving social issues in the age of 100-year life spans, including asset building and measures addressing health, medical care, and nursing care.

Business environment

Strengths and features

[Strengths of Mitsui Sumitomo Aioi Life Insurance]

- Strong sales network supported by the largest domestic customer networks of Mitsui Sumitomo Insurance and Aioi Nissay Dowa and close relationships with leading Japanese corporate groups

[Strengths of Mitsui Sumitomo Primary Life Insurance]

- A solid track record cultivated as a pioneer in over-the-counter sales through financial institutions, and a high level of expertise in providing products and services that help resolve customer issues such as asset building and asset succession

Risks and opportunities

- The social structure is changing, including increases in the burden of nursing care and medical expenses with the falling birth rate and aging population, and the arrival of the era of large-scale inheritance and lifetime gifting. In the domestic life insurance business, we are achieving growth by positioning the social issues emerging because of these changes as business opportunities and by steadily capturing demand related to new risks.
- At MSA Life, we are pursuing initiatives that provide new value to customers, including promoting package sales that offer its own protection-type products together with asset-building products from Mitsui Sumitomo Primary Life Insurance, and providing protection-type products together with the MSA Care healthcare service. Through these efforts, we aim to remain the insurance company of choice for customers.
- As social interest grows in asset building, extending asset longevity, and smooth asset succession through inheritance and gifts, MSP Life is addressing customers’ asset-related issues by providing life insurance products and services that support these needs.

Market position

- The business continues to grow steadily as a core Group business, ranking first among life insurers affiliated with non-life insurance groups in premiums and other income for FY2025.
- We will continue to build a well-diversified business portfolio by expanding our domestic life insurance business.

Review of the Medium-Term Management Plan (2022–2025)

Step up customer approaches utilizing distribution channels

Measures

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Strengthen life and non-life insurance cross-selling through the non-life insurance agency network and partnership sales of MSP Life’s asset-building products

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Diversify sales channels beyond financial institutions to include storefront insurance shops and digital channels

Achievements

- MSA Life pursued Group synergies and increased the life and non-life cross-selling ratio to 25%. During the Medium-Term Management Plan, sales of asset-building products offered by MSP Life expanded to more than ¥130 billion in FY2025. We also promoted MSA Care, a pre- and post-protection healthcare service, which has been introduced at more than 3,900 companies.
- In over-the-counter sales through financial institutions, MSP Life strengthened its framework for consistently providing products that address a wide range of needs, centered on products and consultative sales addressing lifetime gifts and inheritance needs, from investment-type products to products designed for lifetime gifts, inheritance, and asset succession. Furthermore, sales through general agencies such as storefront insurance shops grew significantly through partnership sales with MSA Life, while the launch of asset-building products available for online application expanded customer touchpoints.

Improvement in profitability through expansion of investment income

Measures

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Expand the scale of higher return assets

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Improve investment income through appropriate risk-taking in line with the advancement of risk management, based on rigorous ALM management

Achievements

- MSA Life aimed to ensure soundness and liquidity by controlling yen interest rate risk and expanding the scale of higher return assets. It also replaced holdings within its bond portfolio, including ALM-supported assets, to improve portfolio quality and future earnings power.
- MSP Life advanced its ALM sophistication while pursuing asset management that balances profitability and capital efficiency through measures including earning illiquidity premiums and utilizing reinsurance. Rising yen interest rates also provided a tailwind, and after-tax profit reached the Medium-Term Management Plan target.

Provision of products and services that contribute to solving social issues

Measures

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Develop products and services offering cutting-edge protection and flexible support for different life stages

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Provide products and services that help resolve customers’ asset-related issues

Achievements

- MSA Life advanced the integrated provision of products and services. In addition to products providing coverage for nursing care and dementia, the company expanded a complementary lineup of healthcare services. Alongside the launch of new medical insurance covering cutting-edge cancer treatments and gene panel testing, it also established a website for locating designated cancer hospitals and a consultation desk.
- MSP Life revised its core products, including products addressing asset succession needs such as inheritance and lifetime gifts and asset-building products that prepare customers for longevity risk, strengthening its response to asset-building and asset-succession needs. It also steadily expanded the provision of products and services that support asset succession and preparation for longevity risk by expanding yen-denominated products designed for lifetime gifts and products intended for long-term holding.

Issues and initiatives to boost ROR

Sales

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

- Establish a distinctive sales model
- Develop the SME market
- Develop and deepen the large-company employee markets

- Develop and deepen the non-life insurance agency market through direct approaches to customers by MSA Life
- Develop the SME market through solution-oriented proposals centered on support for health and productivity management and enhanced employee benefits
- Develop and deepen the employee market at large companies through effortless, fully online enrollment systems and individual consulting

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Diversify sales channels and improve productivity

- Expand the sales foundation in the general agency market by developing and deepening relationships with financial institutions and strengthening collaboration with MSA Life
- Improve the efficiency of face-to-face financial institution channels and develop digital channels such as online banks and securities companies

Products and services

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Develop distinctive protection-type products and services

- Develop products and services that help resolve customer issues and improve convenience
- Develop products and services that accelerate expansion into SMEs and the employee market at large companies
- Develop services that address customer needs not only for insurance protection itself but also before and after protection

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Develop asset-building products that help solve social issues, including addressing longevity risk

- Enhance the appeal of level-premium savings-type products that promote long-term asset building among younger customers
- Develop distinctive whole-life annuities that extend asset longevity (by preparing customers for longevity and supplementing government pensions)
- Enhance the features of products that address inheritance and gift needs and support smooth asset succession

Investment (asset management)

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

- Refine ALM
- Accumulate higher return assets
- Strengthen investment capabilities

- Conduct ALM by investing at appropriate maturities and considering the use of reinsurance and derivatives
- Improve earnings power by accumulating higher return assets through an expanded range of investment targets
- Expand investment opportunities (including foreign corporate bonds, real estate, and private debt) by leveraging strategic alliance partner Barings

Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Diversify investment methods and enhance the management framework

- Increase diversification benefits and improve risk-adjusted returns by diversifying invested assets
- Strengthen the investment framework through more sophisticated ALM, the use of reinsurance, and other measures
- Expand investment opportunities (including foreign corporate bonds, real estate, and private debt) by leveraging strategic alliance partner Barings

Specific initiatives

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

- Enhance customer touchpoints
- Reform administrative operations

- Provide new value to customers by creating seamless digital journeys and personalizing content
- Provide an effortless customer experience by enhancing call center support and accelerating procedures through AI and other measures

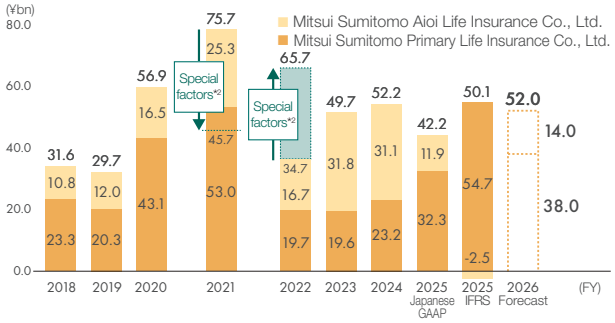
Mitsui Sumitomo Primary Life Insurance Co., Ltd.

Improve product profitability and capital efficiency

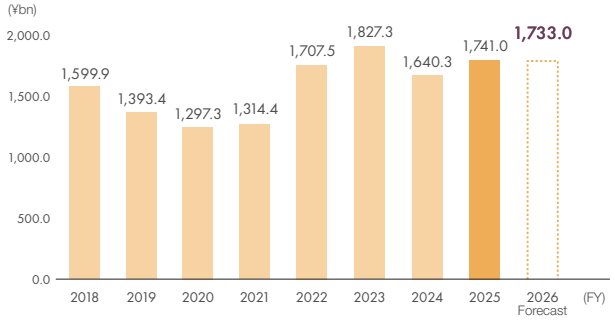
- Build a stable, long-term earnings foundation by broadening and expanding the portfolio of products such as level-premium products and variable insurance

Group management figures

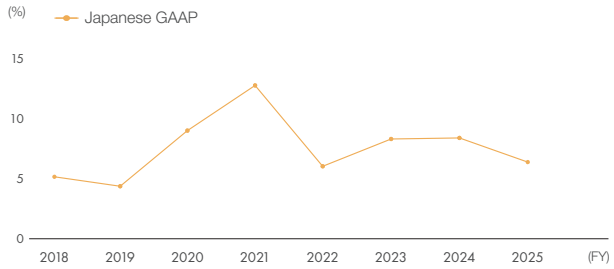
Group adjusted profit/Adjusted profit*1



Life insurance: premiums (gross premiums income)*3



ROR trend



*1 Life insurance business totals include purchase difference adjustments, etc.
*2 Factors affecting profit on a one-time or individual basis
*3 Premiums (gross premiums income) are for domestic life insurance subsidiaries only

International Business

Aspirations

Against the backdrop of an expected medium- to long-term slowdown in the growth of Japan's non-life insurance market due to population decline and the falling birth rate and aging population, as well as strong market expectations for investment in growth areas using gains from the sale of strategic equity holdings, expanding earnings from the international business has become increasingly important to the Group's growth.

The international business has grown through business reforms centered on Europe and the Americas. In FY2025, it generated approximately ¥350 billion in Group adjusted profit and became a core business accounting for more than half of the Group's profit (excluding the impact of gains from the sale of strategic equity holdings).

Going forward, we will expand our operations in the United States, the world's largest market, and construct a globally balanced portfolio. We will also introduce a business management structure based on group optimization and strengthen earnings capacity through cross-regional initiatives, thereby driving the Group's growth.

Business environment

Market position

- In addition to underwriting risks globally in the Lloyd's and reinsurance business, we are expanding our businesses in regions around the world, including the Americas, Europe, and Asia, and in FY2025, this business grew to a scale of ¥2,072.2 billion in net premiums written (non-life only) and ¥350.9 billion in Group adjusted profit. In Asia in particular, we have the strength of the No. 1 position in ASEAN in terms of gross written premiums.

Understanding of the environment

[External environment]

- Rising geopolitical tensions and differing regulatory environments across countries and regions (political factors)
- Uncertainty regarding future trends in inflation, interest rates, and underwriting cycles (economic factors)
- The progression of an aging society and changing customer needs (social factors)
- The adoption of AI, continued digitalization, and increasing cyber risk (technological factors)
- More frequent and severe natural catastrophes associated with climate change (environmental factors)

[Business opportunities from environmental changes]

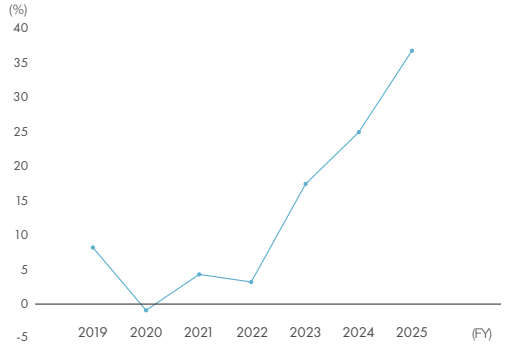
- Expanding insurance needs accompanying economic growth in emerging markets
- Increasing demand for risk management as climate change and natural catastrophe risks grow
- Opportunities to improve operational efficiency and services through AI and digitalization



Initiatives to boost RoR

In our international business, we are thoroughly implementing profitability-focused underwriting while working to reduce overseas natural catastrophe risk to improve ROR. The FY2025 ROR was 36.7%, up 11.8 percentage points from the end of the previous year, and up 19.4 percentage points over the past five years (17.3%), showing steady results. As the market cycle softens, we will work to address issues such as thorough cycle management and business cost reductions that will contribute to sustainable profitability improvement.

ROR trend

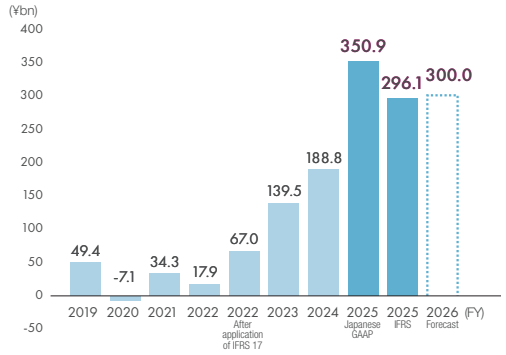


Review of the Medium-Term Management Plan (2022–2025)

Group adjusted profit

Since first surpassing ¥100 billion in profit in FY2023, the international business has achieved three consecutive years of revenue and profit growth. Group adjusted profit reached a record high of ¥350.9 billion in FY2025. It also accounted for approximately 58% of total Group adjusted profit (excluding gains/losses from sales of strategic equity holdings). We will continue to expand our earnings and lead the Group's further growth.

Trend in Group adjusted profit/adjusted profit



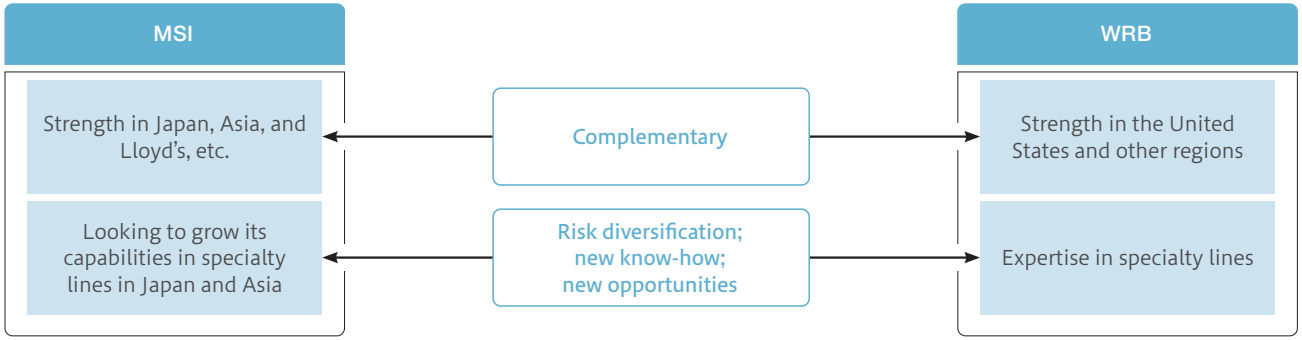
Recovery of profitability in the Lloyd's and reinsurance business

Efforts to reduce volatility by managing and controlling catastrophe risk (e.g., hurricanes in North America) and portfolio replacements that comply with underwriting discipline are progressing steadily toward a recovery in profitability. As a result, we were able to shift the business into one that can be expected to contribute to stable profits. As the market enters a full-scale softening phase, we will continue applying appropriate underwriting discipline and cycle management to generate sustainable and stable earnings.

Achievements in growth investment

We use the proceeds from the sale of strategic equity holdings for growth investments that contribute to improving the profitability and corporate value of the MS&AD Group. As part of this initiative, we invested in WRB, a leading U.S. specialty insurer, and established a cooperative relationship with its founding family. WRB enjoys high growth and profitability, as well as advanced underwriting expertise. We aim to achieve synergies that will lead to further growth through collaboration between WRB, which is a major player in the United States, and the MS&AD Group, which has a strong presence in Japan, Asia, Lloyd's, and other regions and markets. We completed the acquisition of a 15% interest in WRB in March 2026.

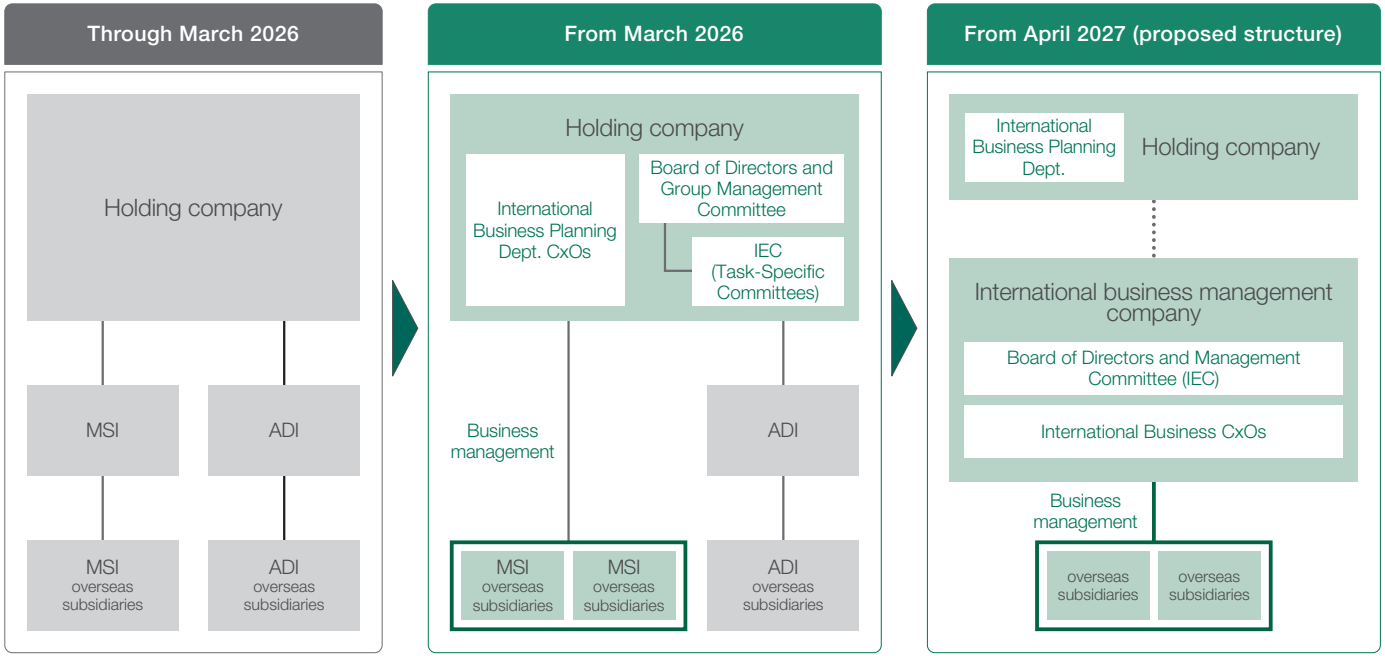
Collaborative relationship



Revising the business management structure

Through the progress made in transforming the operations of respective overseas entities, the Group's international business has grown into a core business that generates more than half of Group adjusted profit. To continue expanding earnings sustainably and driving the Group's growth, we have been revising the business management structure since FY2026. We appointed highly specialized, multinational talent as International Business CxOs to manage operations across the Group by function. We also established the International Executive Committee (IEC), whose members include the International Business CxOs and other individuals with extensive knowledge of international markets. This structure enables management discussions to be conducted from a Group-optimized perspective. By transitioning from optimization at individual overseas subsidiaries to Group-optimized management, we aim to make the leap to becoming a global top-tier player. As the next stage, we plan to establish MSIG International, a management company specializing in the international business, in April 2027. The establishment of MSIG International will strengthen our brand, organizational cohesion, and decision-making capabilities, enabling the international business to evolve into a single business entity.

Image of the Business Management Structure



European business

Lloyd's and Reinsurance

- MS Amlin Underwriting Limited, a major Lloyd's syndicate, and MS Amlin AG, a reinsurance company based in Bermuda and Switzerland, provide insurance services to customers that take advantage of their respective unique characteristics, and they play a central role in the Group's international business in terms of generating earnings.

1.MS Amlin

(MS Amlin Underwriting Limited)

- Lloyd's, where MS Amlin conducts business, is an insurance market with licenses that can be underwritten from about 200 countries and regions, attracts highly specialized risks for insurance underwriting from all over the world, and has become a center of expertise in insurance underwriting and human assets.
- MS Amlin ranked among the top 10 Lloyd's syndicates by premium volume (in 2025) and has constructed a highly profitable portfolio that outperforms the Lloyd's market average. By applying appropriate underwriting discipline and cycle management, we will selectively expand underwriting in a manner that contributes to portfolio diversification while maintaining profitability.



MS Amlin



MS Re Zurich

2. MS Re (MS Amlin AG)

- We have bases in major reinsurance markets around the world and develop markets while building medium- to long-term relationships of trust with our customers, namely direct insurance companies.
- We will pursue sustainable growth by leveraging our competitiveness resulting from the penetration of the MS Re brand, which we have been using since 2022, as well as our high credit rating (A+ by AM Best and S&P Global).



MS Re Bermuda

Continental Europe, United Kingdom, the Middle East, and Africa

- In our Continental Europe business, we merged MS Amlin Insurance SE (AISE), which has strengths in the small and medium-sized enterprise markets in the Netherlands, France, and Belgium, with MSIG Insurance Europe AG (MSIGEU), which has strengths in the large corporate markets in Germany and France, and launched MSIG Europe SE on July 1, 2025.
- Through the merger, we have become a major second-tier player in Continental Europe's commercial insurance market and will now seek to achieve a top-five position. We will expand its diversified portfolio by business line and region, while working to improve operational efficiency and strengthen profitability through the merger, thereby achieving sustainable growth in the mature continental European market.
- In the United Kingdom, MSIG UK has entered the company market (the U.K. commercial insurance market that operates alongside Lloyd's). It will construct a stable portfolio through appropriate risk selection and pursue sustainable growth.
- We have entities in the UAE in the Middle East and in South Africa in the African continent. We have established a network utilizing leading local insurance companies and brokers to strengthen our service system for customers, mainly Japanese companies, in both regions.

MSIG EUROPE

MSIG UK

Asia Pacific business

- We are the world's only non-life insurance group with a network capable of primary underwriting in all 10 ASEAN countries, and we rank No. 1 in the region in terms of gross written premiums.
- ASEAN is an important market with strong growth potential. We will expand our business by capturing market trends arising from social and economic changes.
- In the commercial sector, we aim to expand earnings through initiatives that combine the underwriting expertise of MS First Capital with our ASEAN distribution channels and customer base. We will accelerate these initiatives by also utilizing WRB's expertise and capacity.
- We will strengthen our operations in India, a market with substantial scale and a high growth rate. By strengthening relationships with brokers, we will expand the commercial business, particularly in highly specialized areas of specialty insurance.



Americas business

- We position the United States—the world's largest market and one expected to achieve stable growth—as the highest-priority market for the growth of our international business.
- At MSIG USA, our core operating company in the United States, we have substantially expanded our underwriting structure in terms of personnel and systems. We have also strengthened business based on strategic partnerships with major international brokers and significantly expanded local underwriting, particularly in specialty lines that are less susceptible to market softening.
- MS Transverse, a fronting company in the MGA* market that we acquired in January 2023, maintains high profitability by leveraging its status as the only U.S. fronting carrier with an A+ credit rating, carefully selecting the MGAs with which it conducts business, and rigorously managing its programs.
- Together with our strategic investment in WRB, these three businesses will enable us to diversify risk and capture growth in the U.S. market.

*MGA: Managing General Agent. A company entrusted with authority by insurance companies, which performs operations including underwriting, reinsurance arrangements, and claims appraisal.

Presence in the United States

MSIG USA

- MSIG USA, our wholly owned subsidiary, focuses on the broker market as its primary channel. In addition to non-cat lines such as property and liability, it is also strengthening high-margin specialty lines by hiring line-specific underwriting leaders with proven market track records.

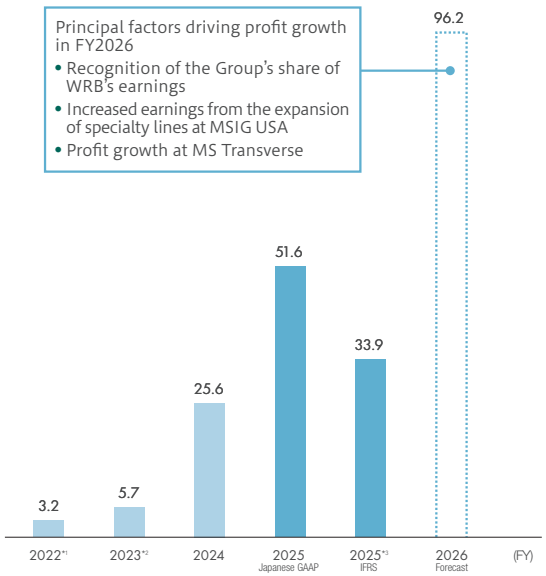
MS Transverse

- MS Transverse, our wholly owned subsidiary, operates a hybrid fronting business that efficiently captures growth while controlling risk in the fast-growing MGA market.

Berkley

- A major insurer with strengths in specialty lines. The Group holds a 15% interest in the company.
- We will work together with WRB to increase value for both groups.

Group adjusted profit/Adjusted profit (¥ billion)

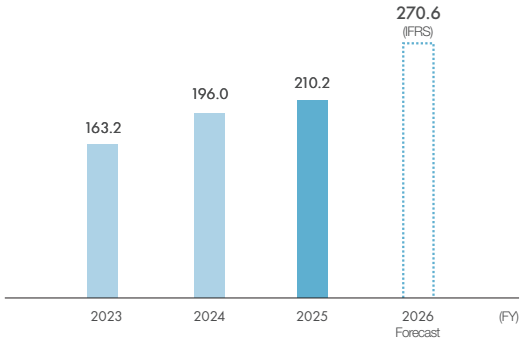


*1 For FY2022, figures after retrospective application of IFRS 17
*2 Acquisition of MS Transverse and MSIG USA's full-scale entry into the local business
*3 Includes accounting differences arising from the application of the earn-out arrangement used in the acquisition of MS Transverse

Toyota retail business and international telematics business

- We provide voluntary automobile insurance and related products through Toyota/Lexus dealers in 39 countries and regions around the world, and net premiums written are steadily increasing thanks to an increase in the number of new vehicles sold and an increase in the coverage ratio.
- We offer telematics automobile insurance in 22 countries. We will also further accelerate the development and deployment of cutting-edge connected mobility insurance.

Net premiums written/Gross premiums (¥ billion)



Telematics automobile insurance (example)



Full Hybrid Insurance

In Europe, we have developed and launched voluntary automobile insurance for hybrid electric vehicles (HEVs) that provides premium discounts based on the proportion of driving conducted in EV mode.

International life insurance business

- Unlike the non-life insurance business, profits in the life insurance business emerge over the long term throughout the duration of insurance contracts. The business therefore contributes to stable growth.
- In the United Kingdom, the pension risk transfer (PRT) market is expected to grow and generate stable dividend income over the long term.
- In Asia, growth is expected to accelerate due to market expansion accompanying population growth and an increase in average premiums resulting from rising income levels.
- With the exception of our business in Indonesia, these are minority investments. Nevertheless, we exert influence over the formulation of business strategies by appointing directors and through other means.

To accelerate growth, we will work with our partners to advance the following initiatives.

Standard Life (U.K.) 14.4%	• Expand the U.K. PRT business and maximize earnings by improving capital efficiency. • Expand asset-building businesses with lighter capital requirements (e.g., workplace pensions).
MSIG Life (Indonesia) 80.0%	• Increase sales capacity by recruiting new agents and improving agent productivity. • Improve investment yields by increasing holdings of higher return assets.
Hong Leong Assurance (Malaysia) 30.0%	• Strengthen the sales structure by increasing personnel in the principal distribution channels (agents and bancassurance). • Review the medical insurance strategy and strengthen sales capabilities for highly profitable products.
Axis Max Life (India) 17.7%	• Achieve well-balanced growth across channels, including bancassurance and agents. • Utilize advanced digital technologies to capture emerging customer needs, including online services and protection products.
BOCOM MSIG Life (China) 37.5%	• Strengthen products and services for the expanding senior market.

Note: The figures shown in blue beneath each company name indicate the Group's ownership interest.

Financial Services Business

Review of the Medium-Term Management Plan (2022–2025)

Based on social issues, changes in the environment, and customer needs, we aim to provide a variety of products and services that are independent of insurance and contribute to profits in a stable manner by utilizing the Group's comprehensive capabilities, including domestic sales and overseas entities.

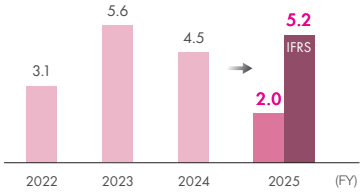
Areas focused on

We focus on the following three areas where we can expect market growth and improvements in our corporate brand value

1 Asset building–related business

(financial services for individuals, asset management, variable annuity reinsurance)

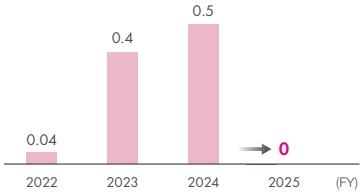
Group adjusted profit (¥ billion)



2 Provision of risk solutions contributing to ESG

(Insurance derivatives and insurance-linked securities*1)

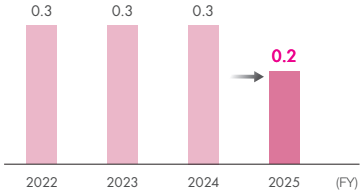
Group adjusted profit (¥ billion)



3 Response to changes in the social environment

(e.g., investment in start-ups)

Group adjusted profit (¥ billion)

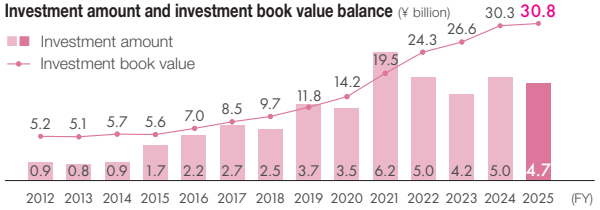


Examples of initiatives

Venture capital

- Through MITSUI SUMITOMO INSURANCE Capital, we invest in start-ups in Japan and overseas, including AI, IT services, healthcare, and climate tech, that are expected to grow rapidly from the perspective of innovation, uniqueness, and forward-looking policy.
- We are actively promoting initiatives such as supporting sales expansion and facilitating business matching among our investee companies by leveraging the Mitsui Sumitomo Insurance network. In addition, we are strengthening synergies with other Group companies, including Mitsui Sumitomo Aioi Life Insurance and MS&AD InterRisk Research & Consulting. In FY2025, we invested approximately ¥4.7 billion, mainly in IT services, healthcare, and climate tech companies in Japan and overseas.

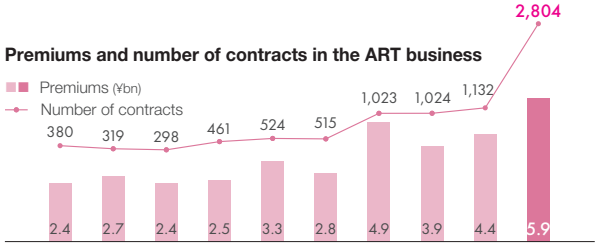
Investment amount and investment book value balance (¥ billion)



ART*2

- Mitsui Sumitomo Insurance is expanding its ART business by providing risk solution services that leverage financial technology and financial and insurance markets to address customer needs related to economic losses caused by natural disasters and extreme weather events.
- For customers seeking to hedge risks, we offer weather and earthquake derivatives and other products in collaboration with our U.S. subsidiary, MSI Guaranteed Weather, LLC, and domestic financial institutions.
- Mitsui Sumitomo Insurance provides investment advisory services for two CAT bond funds managed by Sumitomo Mitsui DS Asset Management Company and offers domestic institutional investors the funds managed by Leadenhall Capital Partners LLP, a U.K. subsidiary.

Premiums and number of contracts in the ART business



Premiums are conversion amounts for option transactions, and the number of transactions includes cases where multiple transactions are counted as one security.

Financial services for individuals

- Mitsui Sumitomo Insurance has developed Manema, which supports employees in asset building. Manema is an app designed to make money an ally, created with the aim of helping people enhance their financial literacy and secure peace of mind for the future. Users can learn about money through articles and seminars, and with features such as a household budget book and life plan simulation they can take the first step toward building their assets. Demonstration projects are currently underway for selected companies, and we are currently preparing to roll out this service to our customers.



Defined Contribution Pension

- Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance are strengthening services related to the introduction of corporate defined contribution pension plans for which the market is growing and are working to popularize individual-type defined contribution pension plans (iDeCo), which are facing increasing social demands due to the falling birth rate and aging population. For corporate defined contribution pension plans, we strengthened our ability to offer proposals to SMEs. For individual-type defined contribution pension plans, we expanded our sales channels and improved operational efficiency such as cost reductions.

*1 Insurance-linked securities: Collective term for securitization products that transfer natural catastrophe risks and other insurance risks to the capital markets *2 ART: Alternative Risk Transfer. Among risk-handling methods, a method that uses financial technologies other than insurance.

Solutions to Social Issues Business

Toward realizing the Group's aspirations

With MS&AD InterRisk Research & Consulting, Inc., serving as the Group's central knowledge hub, we will expand our solutions business addressing social issues and create a virtuous cycle of increasing both social and economic value. Through these efforts, we will contribute to the Group's sustainable growth and earnings expansion.

Strengthening risk intelligence

We will strengthen our investigation and research capabilities concerning risks that significantly affect society and corporate management, including climate change, biodiversity and natural capital, disaster prevention and mitigation, and cybersecurity. We will apply insights gained through fundamental research, data analysis, and collaboration with external experts to policy recommendations, service development, and more sophisticated underwriting, thereby building a foundation for the Group's strategies.

Establishing a risk engineering framework

We will develop a framework for identifying and visualizing risks embedded in business operations and supporting the prevention of accidents and disasters and the mitigation of damages. In addition to helping customers strengthen their business continuity capabilities, this framework will improve the accuracy of the Group's insurance underwriting and premium calculations, reduce loss incidence, and strengthen profitability.



Business description

Think tank

As the think tank of the MS&AD Insurance Group, we conduct research on the outlook for the business environment surrounding insurance and financial services, as well as issues such as nature-positive initiatives and climate change risks. Through research into the latest business trends and social issues, we provide recommendations from a strategic perspective.



Risk consulting

Consultants specializing in individual risk fields help customers address their risk-related challenges. We provide end-to-end support for optimal solutions tailored to each customer's industry and business scale, from strategy formulation through implementation, thereby addressing their challenges. We also contribute to the creation of new value in customers' businesses by proposing optimal risk management strategies that respond to industry trends and changes.



Solutions for addressing social issues

By collaborating with a diverse range of external partners—including large corporations and startups with advanced technologies—and leveraging our Group's extensive domestic customer base, network, and data, we are working on business development in disaster prevention and mitigation, mobility, health promotion and healthcare, and cybersecurity, where synergies with our insurance business are expected.



Assistance services

MS&AD GRAND ASSISTANCE Co., Ltd., provides high-quality services in a wide range of areas, including road assistance, house support, international travel assistance, and emergency call service.

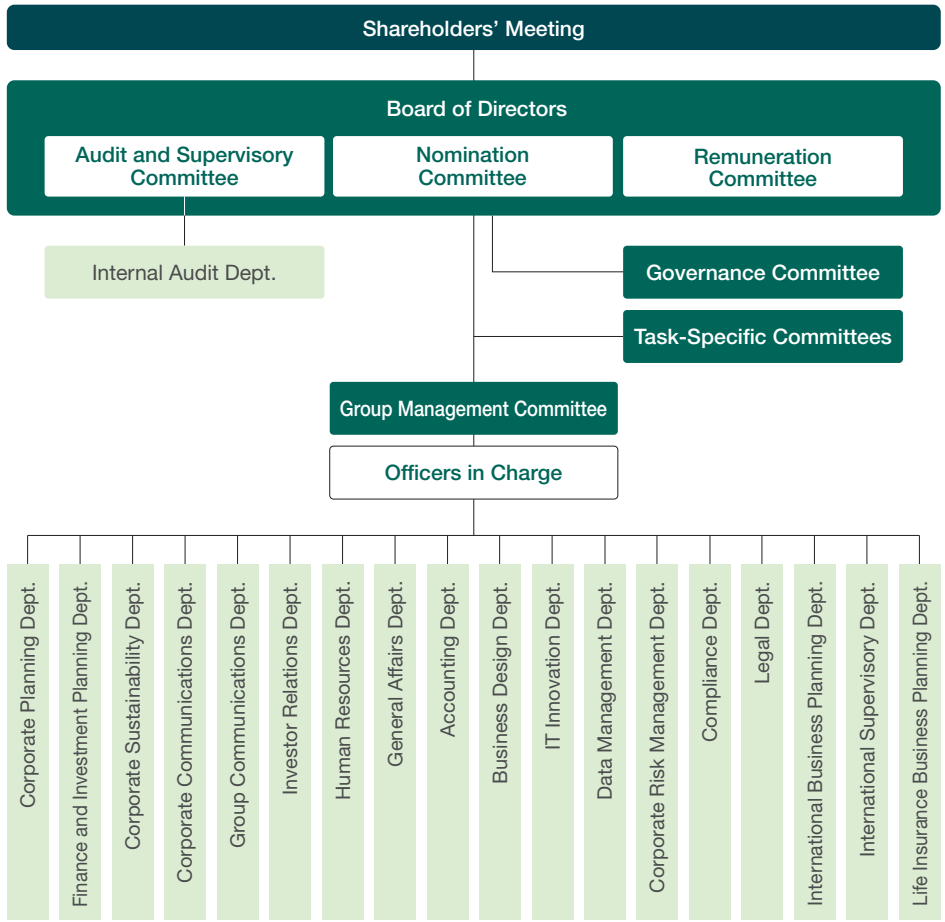


Corporate Profile

MS&AD Holdings is an insurance holding company. The Company controls the entire MS&AD Group, planning strategies and allocating management resources across the Group, as well as monitoring and overseeing Group companies. The Company has thus established a system for Group corporate governance. The Company will serve as the driving force to maximize the total potential of the Group by strengthening management control, promoting Group synergies, accelerating decision-making, and developing talent through various business frameworks and personnel systems.

Trade Name	MS&AD Insurance Group Holdings, Inc.
Date of Establishment	April 1, 2008 (Name changed on April 1, 2010)
Headquarters	27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan
Representative	Shinichiro Funabiki, Representative Director, President & CEO
Paid-in Capital	¥101,367 million (As of March 31, 2026)
Number of Employees	478 (46,856 on a consolidated basis) (As of March 31, 2026)
Business Description	Activities as an insurance holding company are as follows: 1. Management and administration of non-life insurance companies, life insurance companies, and companies that can be made subsidiaries under the Insurance Business Act, and business incidental thereto; and 2. Any business associated with the above under the Insurance Business Act.
Stock Listings	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)
Independent Auditor	KPMG AZSA LLC

MS&AD Insurance Group Holdings, Inc., Organizational Chart (As of April 1, 2026)



Shares and Shareholders (As of March 31, 2026)

1 Summary of Issued Shares

Class of Stock	Common Stock
Total Number of Issued Shares	1,492,551,732

Total Number of Authorized Shares	2,700,000,000
Total Number of Shareholders	299,220

2 Shareholding Profile

• Breakdown by Shareholder Type

	Financial Institutions	Japanese Securities Companies	Other Japanese Companies	Foreign Companies and Individuals	Individuals and others	Total
Number of Shareholders	171	66	2,744	2,339	293,900	299,220
Number of Shares Held (millions)	485.98	65.86	135.50	550.49	254.70	1,492.55
Percentage of Shares Issued (%)	32.6	4.4	9.1	36.9	17.1	100

• Breakdown by Number of Shares Held

	1–99	100–999	1,000–9,999	10,000–99,999	100,000 and Above	Total
Number of Shareholders	111,721	150,629	32,341	3,977	552	299,220
Percentage of All Shareholders (%)	37.3	50.3	10.8	1.3	0.2	100

• Breakdown by Region

	Hokkaido	Tohoku	Kanto	Chubu	Kinki	Chugoku	Shikoku	Kyushu	Overseas	Total
Number of Shares (millions)	3.94	7.11	742.64	112.66	51.85	8.00	6.49	9.73	550.09	1,492.66
Percentage of Shares Issued (%)	0.3	0.5	49.8	7.6	3.5	0.5	0.4	0.7	36.9	100

3 Major Shareholders

Shareholder Name	Address	Number of Shares Held (Thousands)	Percentage of Shares Issued (%)
The Master Trust Bank of Japan, Ltd. (Trust account) (Of which, investment trusts accounted for 99,823 thousand shares, pension trusts for 4,051 thousand shares, and other trusts for 93,838 thousand shares)	Akasaka Intercity AIR, 1-8-1, Akasaka, Minato-ku, Tokyo	197,713	13.59
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo, c/o Nippon Life Securities Operations Department	108,975	7.49
Custody Bank of Japan, Ltd. (Trust account) (Of which, investment trusts accounted for 49,647 thousand shares, pension trusts for 4,706 thousand shares, and other trusts for 20,729 thousand shares)	1-8-12, Harumi, Chuo-ku, Tokyo	75,083	5.16
Toyota Motor Corporation	1, Toyota-cho, Toyota City, Aichi Prefecture	70,371	4.84
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	WOOLGATE HOUSE, COLEMAN STREET LONDON EC2P 2HD, ENGLAND (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	40,994	2.82
JP MORGAN CHASE BANK 380055 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	270 PARK AVENUE, NEW YORK, NY 10017, UNITED STATES OF AMERICA (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	33,488	2.30
STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	31,396	2.16
JP MORGAN CHASE BANK 380081 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	23,254	1.60
THE BANK OF NEW YORK MELLON 140042 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	240 GREENWICH STREET, NEW YORK, NY 10286, U.S.A. (Shinagawa Intercity Building A, 2-15-1, Konan, Minato-ku, Tokyo)	22,764	1.57
Sumitomo Life Insurance Company	2-2-1 Yaesu, Chuo-ku, Tokyo	18,887	1.30
Total		622,931	42.83

Notes:
1. The number of shares is rounded down to the nearest thousand shares. The percentage of shares is rounded to the nearest unit.
2. The Company owns 38,131 thousand treasury shares, but these are omitted from the table above.

4 Changes in Total Number of Issued Shares, Paid-in Capital, and Capital Reserves

Date	Total Number of Issued Shares		Paid-in Capital		Capital Reserves	
	Increase/Decrease	Balance	Increase/Decrease	Balance	Increase/Decrease	Balance
July 27, 2021 (Note 1)	159 thousand	593,632 thousand	¥258 million	¥100,534 million	¥258 million	¥729,790 million
July 26, 2022 (Note 1)	134 thousand	593,767 thousand	¥274 million	¥100,808 million	¥274 million	¥730,064 million
Nov. 30, 2022 (Note 2)	(57,800) thousand	535,967 thousand	–	¥100,808 million	–	¥730,064 million
July 25, 2023 (Note 1)	104 thousand	536,071 thousand	¥267 million	¥101,076 million	¥267 million	¥730,331 million
April 1, 2024 (Note 3)	1,072,142 thousand	1,608,214 thousand	–	¥101,076 million	–	¥730,331 million
July 23, 2024 (Note 1)	184 thousand	1,608,398 thousand	¥291 million	¥101,367 million	¥291 million	¥730,622 million
November 28, 2025 (Note 2)	(115,846) thousand	1,492,551 thousand	–	¥101,367 million	–	¥730,622 million

Notes:
1. The increase is due to new share issuance to provide restricted stock as stock-based remuneration granted retroactively.
2. The decrease in the total number of issued shares was due to the retirement of treasury shares.
3. Due to a stock split (1:3)

5 Basic Information

Fiscal Year	April 1 to March 31 of the following year
Ordinary General Meeting of Shareholders	Within three months from the end of each fiscal year
Record Date	Year-end dividend March 31 of each year Interim dividend September 30 of each year
Method of Public Notification	Electronic reporting can be found online at Website (Japanese only) In the event of an incident or other event that prevents electronic reporting, the Company will publish its notifications in the Nikkei newspaper.
Stock Exchange Listings	Tokyo Stock Exchange (Prime Market), Nagoya Stock Exchange (Premier Market)
Administrator of Shareholders' Registry	Sumitomo Mitsui Trust Bank, Limited
Place of Business of Administrator of Shareholders' Registry	1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Dept.
Special Account Management Institution	Sumitomo Mitsui Trust Bank, Limited*
(Postal Address)	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. (2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan)
(Telephone Inquiry)	0120-782-031

*Following a share exchange effective April 1, 2010, the Company inherited responsibility for a special account that was established on the same day for the shareholders of Aioi and NDI. As a result, the special account management institution for prior shareholders of these two companies will continue to be Mitsubishi UFJ Trust and Banking Corporation (1-4-5, Marunouchi, Chiyoda-ku, Tokyo).

Group Business Schematic (As of March 31, 2026)

The primary businesses undertaken by MS&AD Holdings and its Group companies (subsidiaries and affiliates), and the main Group companies undertaking each business, are listed below.

Business Overview

MS&AD Insurance Group Holdings, Inc.

★ MITSUI SUMITOMO INSURANCE COMPANY, LTD. (Mainly the Domestic Non-Life Insurance Business)

<International Business>
★ MSIG Holdings (U.S.A.), Inc. 〈U.S.A.〉
★ Mitsui Sumitomo Insurance Company of America 〈U.S.A.〉
★ MS Transverse Insurance Group, LLC 〈U.S.A.〉
★ MS Amlin Corporate Member Limited 〈U.K.〉
★ MS Amlin Underwriting Limited 〈U.K.〉
★ MS Amlin AG 〈SWITZERLAND〉
★ MSIG Europe SE 〈BELGIUM〉
★ MS First Capital Insurance Limited 〈SINGAPORE〉
★ MSIG Mingtai Insurance Co., Ltd. 〈TAIWAN〉
● Cholamandalam MS General Insurance Company Limited 〈INDIA〉

<Financial Services Business/Digital/Risk-Related Services Business>
● Sumitomo Mitsui DS Asset Management Company, Limited 〈Japan〉

★ AIOI NISSAY DOWA INSURANCE COMPANY, LIMITED (Mainly the Domestic Non-Life Insurance Business)

<International Business>
★ Aioi Nissay Dowa Europe Limited 〈U.K.〉

★ MITSUI DIRECT GENERAL INSURANCE COMPANY, LIMITED (Domestic Non-Life Insurance Business)

★ MITSUI SUMITOMO AIOI LIFE INSURANCE COMPANY, LIMITED (Domestic Life Insurance Business)

★ MITSUI SUMITOMO PRIMARY LIFE INSURANCE COMPANY, LIMITED (Domestic Life Insurance Business)

<International Business>
● BOCOM MSIG Life Insurance Company Limited 〈CHINA〉

<Financial Services Business/Digital/Risk-Related Services Business>
★ MS&AD InterRisk Research & Consulting, Inc. 〈Japan〉

Notes:
1. The primary consolidated subsidiaries and other entities in each business are listed.
2. The meaning of each symbol is as follows:
★: CONSOLIDATED SUBSIDIARIES ●: EQUITY-METHOD AFFILIATES

Main Subsidiaries

• 1. CONSOLIDATED SUBSIDIARIES

Name of Company	Headquarters	Date Established	Principal Business	Paid-in Capital	Voting Rights of MS&AD Holdings (%)	Voting Rights of Subsidiaries (%)
Mitsui Sumitomo Insurance Co., Ltd. (MSI)	Chiyoda-ku, Tokyo	Oct. 21, 1918	Domestic Non-Life Insurance Business	¥139,595 million	100.0	-
Aioi Nissay Dowa Insurance Co., Ltd.	Shibuya-ku, Tokyo	June 30, 1918	Domestic Non-Life Insurance Business	¥100,005 million	100.0	-
Mitsui Direct General Insurance Co., Ltd.	Bunkyo-ku, Tokyo	June 3, 1999	Domestic Non-Life Insurance Business	¥44,106 million	100.0	-
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Aug. 8, 1996	Domestic Life Insurance Business	¥85,500 million	100.0	-
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	Chuo-ku, Tokyo	Sept. 7, 2001	Domestic Life Insurance Business	¥41,060 million	100.0	-
MS&AD InterRisk Research & Consulting, Inc.	Chiyoda-ku, Tokyo	Jan. 4, 1993	Digital/Risk-Related Services Business	¥330 million	100.0	-
MSIG Holdings (U.S.A.), Inc.	U.S.A. New York	Oct. 21, 1988	International Business	US$2,052 million	-	100.0
Mitsui Sumitomo Insurance Company of America	U.S.A. New York	March 29, 2001	International Business	US$5,000 thousand	-	100.0
MS Transverse Insurance Group, LLC	U.S.A. Delaware	June 26, 2018	International Business	US$107,694 thousand	-	100.0
Aioi Nissay Dowa Europe Limited	United Kingdom London	Nov. 8, 2017	International Business	UK£526,010 thousand	-	100.0
MS Amlin Corporate Member Limited	United Kingdom London	Sept. 19, 1994	International Business	UK£1,700 thousand	-	100.0
MS Amlin Underwriting Limited	United Kingdom London	Nov. 29, 1988	International Business	UK£400 thousand	-	100.0
MS Amlin AG	Switzerland Zurich	Aug. 19, 2010	International Business	CHF10,000 thousand	-	100.0
MSIG Europe SE	Belgium Brussels	July 1, 2025	International Business	€595,000 thousand	-	100.0
MS First Capital Insurance Limited	Singapore	Dec. 9, 1950	International Business	S$26,500 thousand	-	100.0
MSIG Mingtai Insurance Co., Ltd.	Taiwan Taipei	Sept. 22, 1961	International Business	NT$2,535 million	-	100.0
220 other companies						

• 2. EQUITY-METHOD AFFILIATES

Name of Company	Headquarters	Date Established	Principal Business	Paid-in Capital	Voting Rights of MS&AD Holdings (%)	Voting Rights of Subsidiaries (%)
Sumitomo Mitsui DS Asset Management Company Limited	Minato-ku, Tokyo	July 15, 1985	Financial Services Business	¥2,000 million	-	15.0
BOCOM MSIG Life Insurance Company Limited	PRC Shanghai	July 4, 2000	International Business	RMB5,100 million	37.5	-
Cholamandalam MS General Insurance Company Limited	India Chennai	Nov. 2, 2001	International Business	INR2,988 million	-	40.0
33 other companies						

History of the MS&AD Insurance Group in Japan

Major Events in the Insurance Industry

1996
- Revision of the Insurance Business Act
  - Mutual entry into non-life and life insurance business by subsidiaries
  - Reform of the Insurance Rating Organization system
  - Introduction of products and premium rates notification system

1997
- Approval of risk-subdivision-type automobile insurance

1998
- Abolition of obligation for members to use the premium rates calculated by the Rating Organization (Transitional measures: 2 years)
- Introduction of an insurance holding company system

History of the MS&AD Insurance Group

Note: Because the 1996 Revision of the Insurance Business Act removed the prohibition of life and non-life insurance companies moves to enter each other's insurance sector through subsidiaries, Mitsui Marine & Fire, Sumitomo Marine & Fire, Dai-Tokyo Fire & Marine, and Chiyoda Fire & Marine each established a life insurance subsidiary and began engaging in the life insurance business.

Founded in 1893

Sumitomo Marine & Fire Insurance Co., Ltd.

This company was established as Osaka-based Osaka Insurance in 1893 by interests related to the copper and trading industries. Another predecessor company, Tokyo-based Fuso Marine, was established in 1917. Its management was later transferred to Sumitomo, and it was renamed Sumitomo Marine. Osaka Insurance and Sumitomo Marine merged in 1944, creating Osaka Sumitomo Marine. In 1954, the company's head office was moved to Tokyo, and the company's name was changed to Sumitomo Marine. In response to Japanese companies' moves to establish overseas operations, it progressively built up an overseas sales system.

Founded in 1897

Chiyoda Fire & Marine Insurance Co., Ltd.

Established in 1897 as Otaru Cargo Fire, this company merged with Okura Fire of the Okura zaibatsu in 1944. In 1945, it merged with the former Chiyoda Fire, which was established as a sister company of Chiyoda Life, and it changed its name to Chiyoda Fire in 1946. After the war, Chiyoda Fire cooperated with Tokai Bank and built strong ties with the financial industry in the greater Nagoya region. After building ties with Toyota Motor Sales Co., Ltd., it developed as a company with particularly strong operations in automobile insurance.

Founded in 1918

Mitsui Marine & Fire Insurance Co., Ltd.

In 1918, this company was established as Taisho Marine & Fire Insurance Co., Ltd., with the support of a wide range of companies from many industries centered on Mitsui & Co., Ltd. Besides establishing a London office in 1924, beginning direct underwriting operations in Thailand in 1934, and undertaking other moves to expand its overseas sales systems from an early stage, the company initiated fund procurement through the issuance of depositary receipts in London from 1964 and otherwise responded to the era of internationalization. It merged with Shin Nippon Fire in 1941 and with Mitsui Fire in 1944. In 1991, it changed its name to Mitsui Marine & Fire.

Founded in 1918

Dai-Tokyo Fire & Marine Insurance Co., Ltd.

Established in 1918 as Tokyo Dosan Fire, which was engaged in the basic fire insurance business, this company merged with Toshin Fire, which was engaged in the general fire insurance business, in 1944 to create Dai Tokyo Fire. From the early 1960s, Dai Tokyo Fire proactively worked to expand its automobile insurance business. It built one of the industry's top claims handling systems in automobile insurance and organized a network of car repair and maintenance shops, thereby earning the epithet "Dai Tokyo of car repair and maintenance agencies."

Founded in 1897

Dowa Fire & Marine Insurance Co., Ltd.

Established in 1897 as Yokohama Fire, it merged with three companies based in the Kansai region—Kobe Marine, Kyodo Fire, and Asahi Marine—in 1944 to create Dowa Fire. After the war, it redeveloped aviation insurance and developed satellite insurance products, earning a reputation as being particularly strong in the aerospace field, and it maintained one of the industry's top levels of financial soundness.

Established in 1996

Nissay General Insurance Co., Ltd.

Business started in 2000

Mitsui Direct General Insurance

(Note)

Established in 1996

Sumitomo Marine Yu-Yu Life Insurance Co., Ltd.

Established in 1996

Chiyoda Kasai Ebisu Life Insurance Co., Ltd.

Established in 1996

Mitsui Mirai Life Insurance Co., Ltd.

Established in 1996

Dai-Tokyo Shiawase Life Insurance Co., Ltd.

1999
Deregulation of premium rates

2000
Diversification of insurance products

2001 — End of Japan's Financial Big Bang, First industry realignment

2001
- Ban on OTC bank sales of insurance partially lifted

2002

2006 — Second industry realignment, Strengthening of policyholder protection/ deregulation

2006
- Review of the policyholder protection system
- Introduction of a small-amount, short-term insurance system

2007

2007
- Implementation of the Financial Instruments and Exchange Act
- OTC bank sales of insurance fully liberalized

2010

2010
- Implementation of the Insurance Act

2012 — Strengthening corporate governance

2012
- Review, etc., of regulations relating to the transfer of insurance contracts

2013

2013
- Introduction of an insurance soliciting subcontracting system

2016 — Digital innovation

2016
- Establishment of basic rules for insurance soliciting
- Development, etc., of regulations relating to insurance solicitation

2021

2021
- Digitization of ancillary operations and addition of operations that contribute to regional revitalization, etc.

2026

Merged in 2001: Mitsui Sumitomo Insurance Co., Ltd.

Merged in 2001: Nissay Dowa General Insurance Co., Ltd.

Merged in 2001: Aioi Insurance Co., Ltd.

Merged in 2001: Mitsui Sumitomo Kirameki Life Insurance Co., Ltd.

Merged in 2001: Aioi Life Insurance Co., Ltd.

Business started in 2002: Mitsui Sumitomo CitiInsurance Life Insurance Co., Ltd.

Company name changed in 2005: Mitsui Sumitomo MetLife Insurance Co., Ltd.

Established in 2008: Mitsui Sumitomo Insurance Group Holdings (MSIGHD)

Mitsui Sumitomo Insurance Co., Ltd., Mitsui Sumitomo Kirameki Life Insurance Co., Ltd., Mitsui Sumitomo MetLife Insurance Co., Ltd., and Mitsui Direct General Insurance Co., Ltd., became subsidiaries of MSIGHD.

Company name changed in 2010: MS&AD Insurance Group — MS&AD Insurance Group Holdings, Inc.

MS&AD Mitsui Sumitomo Insurance — Mitsui Sumitomo Insurance Co., Ltd.

Merged in 2010: MS&AD Aioi Nissay Dowa Insurance — Aioi Nissay Dowa Insurance Co., Ltd.

MS&AD Mitsui Direct General Insurance — Mitsui Direct General Insurance

Inaugurated in 2011: MS&AD Mitsui Sumitomo Aioi Life Insurance — Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Company name changed in 2011: MS&AD Mitsui Sumitomo Primary Life Insurance — Mitsui Sumitomo Primary Life Insurance Co., Ltd.

2010 Establishment of the MS&AD Insurance Group

2011 au Insurance Company, Limited, established

2019 Sumitomo Mitsui DS Asset Management Company, Limited, established

2019 Little Family SS Insurance Co., Ltd., established

2020 MS&AD GRAND ASSISTANCE Co., Ltd., established

2022 Mitsui Direct General Insurance Co., Ltd., becomes a wholly owned subsidiary

2023 MS Plus One Small Amounts & Short Term Insurance Co., Ltd., established

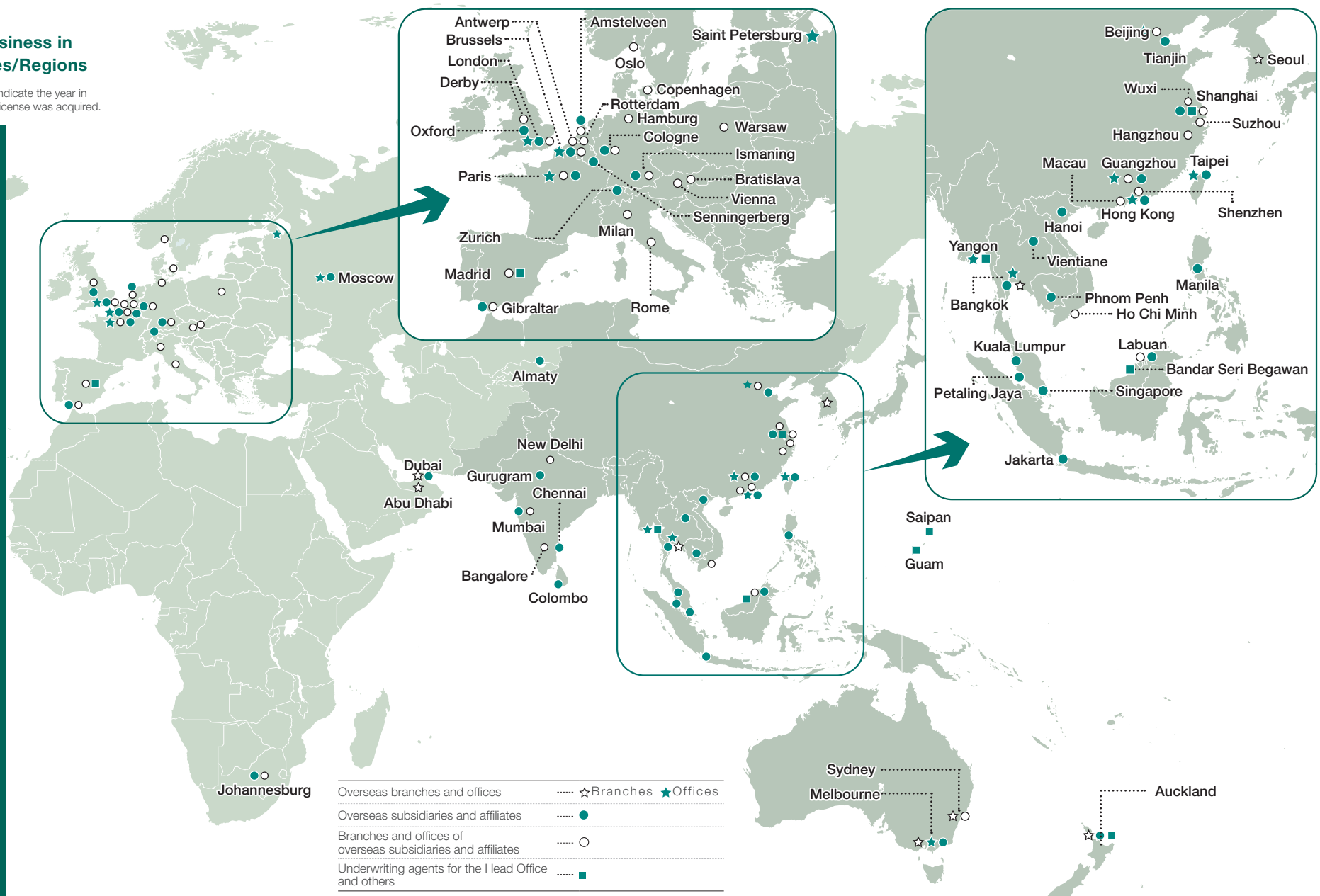
Group Network and History of International Business

(As of July 1, 2026)

Developing Business in Major Countries/Regions

Items not marked with * indicate the year in which a direct insurance license was acquired.

1924	U.K. (Office)*
1934	Thailand
1956	U.K.
1957	U.S./ Hong Kong
1958	Singapore/ Germany
1962	Malaysia
1966	Australia
1969	Indonesia
1970	New Zealand



1974	Brazil
1977	Philippines
1978	France
1997	Vietnam
1999	Taiwan
2001	China (Shanghai)
2003	India
2005	Cambodia
2010	Laos
2015	Myanmar South Africa (Office)*



Expansion of the Non-Life Insurance Business

- Business expansion through M&A

2004	Acquired the Asian non-life insurance business of U.K.-based AVIVA
2005	Acquired Taiwan-based Mingtai
2015	Acquired U.K.-based Box Innovation Group
2016	Acquired U.K.-based Amlin
2017	Acquired First Capital (Singapore)
2023	Acquired U.S.-based Transverse Insurance Group

- Business initiations through capital investments in local markets

2000	Became the first Japanese non-life insurance company to establish a Lloyd's syndicate
2000	Began the Toyota Retail Business in Germany and France
2012	Established a company in Germany
2015	Invested in Ceylinco Insurance (Sri Lanka)
2019	Invested in IKBZ Insurance (Myanmar)
2025	Invested in W. R. Berkley Corporation (U.S.)

Expansion of the life insurance business

- Expansion and diversification of the international life insurance business

2010	Invested in Hong Leong Assurance Berhad (Malaysia)
2011	Invested in Hong Leong MSIG Takaful Berhad (Malaysia)
2011	Invested in PT. Asuransi Jiwa Sinarmas MSIG (Indonesia)
2012	Invested in Max Life Insurance Company Limited (India)
2017	Invested in Challenger Limited (Australia)
2018	Invested in ReAssure (U.K.)
2020	Invested in BoCommLife (China)

Credit Ratings (As of June 22, 2026)

Credit Ratings for Domestic Insurance Companies

This section contains information about credit ratings assigned to the following companies in the Group.

Rating Agency	Rating Assigned	MS&AD Holdings	Mitsui Sumitomo Insurance Co., Ltd.	Aioi Nissay Dowa Insurance Co., Ltd.	Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	Mitsui Sumitomo Primary Life Insurance Co., Ltd.
Standard & Poor's	Financial Strength Rating	-	A+ (Stable)	A+ (Stable)	-	A+ (Stable)
	Long-Term Issuer Credit Rating	-	A+ (Stable)	A+ (Stable)	-	A+ (Stable)
Moody's	Insurance Financial Strength Rating	-	A1 (Stable)	A1 (Stable)	-	-
	Long-Term Issuer Rating	-	A1 (Stable)	-	-	-
Rating and Investment Information, Inc. (R&I)	Issuer Rating	-	AA (Stable)	AA (Stable)	-	-
	Insurance Claims Paying Ability	-	-	-	AA (Stable)	AA (Stable)
Japan Credit Rating Agency, Ltd. (JCR)	Ability to Pay Insurance Claims	-	-	AA+ (Stable)	-	-
	Long-Term Issuer Rating	AA+ (Stable)	AA+ (Stable)	AA+ (Stable)	-	-
A.M. Best	Financial Strength Rating	-	A+ (Stable)	A+ (Stable)	-	-
	Issuer Credit Rating	-	aa (Stable)	aa (Stable)	-	-

Credit Ratings for Overseas Insurance Companies

The table below indicates information about the credit ratings of overseas subsidiaries.

Rating Agency	Overseas Subsidiaries	Credit Rating
Standard & Poor's	Mitsui Sumitomo Insurance Company of America／Mitsui Sumitomo Insurance USA, Inc.／MSIG Specialty Insurance USA Inc.／MSIG Specialty Insurance America Inc.／MSIG Europe SE	Insurance Financial Strength Rating: A+ (Stable)
	Mitsui Sumitomo Insurance Co. (Europe), Ltd.／MSIG Insurance (Hong Kong) Ltd.／MSIG Insurance (Singapore) Pte. Ltd.／MS Amlin AG (MS Reinsurance)	Insurance Financial Strength Rating: A+ (Stable)*1
	Aioi Nissay Dowa Insurance Company of Europe SE／Aioi Nissay Dowa Insurance UK Ltd.	Insurance Financial Strength Rating: A+ (Stable)*2
	Mitsui Sumitomo Insurance (China) Co., Ltd.／MSIG Mingtai Insurance Co., Ltd.	Insurance Financial Strength Rating: A (Stable)
Moody's	Syndicate 2001	Insurance Financial Strength Rating: A1 (Stable)
	MS Amlin AG (MS Reinsurance)	Insurance Financial Strength Rating: A1 (Stable)*1
	Mitsui Sumitomo Insurance Co. (Europe), Ltd.	
A.M. Best	Mitsui Sumitomo Insurance Company of America／Mitsui Sumitomo Insurance USA, Inc.／MSIG Specialty Insurance USA Inc.／MS Transverse Specialty Insurance Company／MS Transverse Insurance Company／TRM Specialty Insurance Company／Syndicate 2001 MS First Capital Insurance Limited	Financial Strength Rating: A+ (Stable)
	MS Amlin AG (MS Reinsurance)	Financial Strength Rating: A+ (Stable)*1
	Newhall Specialty Insurance Company	
	MSIG Europe SE	Financial Strength Rating: A (Stable)
	Aioi Nissay Dowa Insurance (China) Co., Ltd.	Financial Strength Rating: A- (Stable)

*1 Applicable to the same ratings as Mitsui Sumitomo Insurance with the guarantee on insurance/reinsurance policies issued by Mitsui Sumitomo Insurance (the issuer of the guarantee, the "Guarantor"). The obligations of the Guarantor under the guarantee rank pari passu with all other unsecured indebtedness of the Guarantor. The guarantee is unconditional and covers the subsidiaries' obligations of payment and not collection.

*2 Applicable to the same rating as Aioi Nissay Dowa Insurance with the guarantee on insurance/reinsurance policies issued by Aioi Nissay Dowa Insurance (the issuer of the guarantee, the "Guarantor"). The obligations of the Guarantor under the guarantee rank pari passu with all other unsecured indebtedness of the Guarantor. The guarantee is unconditional and covers the subsidiaries' obligations of payment and not collection.

Basic Knowledge about the Insurance Industry

We have prepared this section as reference material to help readers gain a better understanding of the insurance industry and the Group's business operations and business strategies.
We are striving to provide accurate and fair information, but we cannot guarantee the content of this section.

Glossary of Insurance-Related Terminology

A

Accumulated OCI (AOCI)
This means the accumulated amount of other comprehensive income (OCI).

Adjusted Net Income
Adjusted net income emphasizes continuity with Group adjusted profit under Japanese GAAP, aiming to ensure stable shareholder returns. To ensure stable shareholder returns, adjustment items are set to closely align adjusted net income with cash-based figures (Group adjusted profit under Japanese GAAP).

Adjusted net income = IFRS consolidated net income + (gains/losses on sales of strategic equity holdings + gains/losses on sales of pure investment equities[*2]) – (impact of market fluctuations[*3,*4] + impact of deferred acquisition costs[*4,*5]) – (other special factors[*6])

See the note for the Adjusted Return on Equity (Adjusted ROE) section.

Adjusted Return on Equity (Adjusted ROE)
An indicator of profitability relative to shareholders' equity, calculated using adjusted net income, and a measure of a company's capital efficiency. Adjusted net assets in the denominator is calculated as the average of the amounts at the beginning and end of the period.

Adjusted net assets = IFRS consolidated net assets – unrealized gains/losses (AOCI)[*1] – goodwill and intangible assets arising from business combinations

Note: All adjustment amounts are after tax.
*1 Deduct unrealized gains/losses on financial assets and insurance liabilities (excluding unrealized gains/losses on strategic equity holdings and pure investment equities).
*2 Gains/losses on sales of pure investment equities designated as FVOCI
*3 Exclude current-period valuation gains/losses and foreign exchange gains/losses on financial assets (gains/losses on sales are not excluded). For MSP Life, also exclude the impact of market fluctuations on insurance liabilities and other items.
*4 No adjustments are made for the International Business, the Financial Services Business, or the Solutions to Social Issues Business.
*5 No adjustment is made for MSP Life.
*6 Impairment of goodwill, etc. Includes amortization and impairment of intangible assets arising from business combinations.

Alternative Risk Transfer (ART) Business
A general term referring to the use of techniques other than traditional insurance policies to transfer risks, meaning to provide risk-bearing entities with coverage or protection. ART entails the use of financial technologies and capital markets to provide risk solutions. ART products include derivatives and securitized products, and the typical products include "weather derivatives" and "earthquake derivatives."

Annualized Premiums
The insurance premium payment method differs depending on the insurance contract. An annualized premium is calculated by adjusting for these differences in payment methods and computing the yearly average paid in premiums. It indicates how much income an insurance company makes from insurance premiums in one year.

Asset Liability Management (ALM)
A general term for the comprehensive management of risks related to assets and liabilities. The value of most of the assets held by insurance companies and other financial institutions is affected by market prices (or market interest rates); in other words, they are at risk. A proper evaluation of risks and returns cannot focus on assets or liabilities alone—the ALM business management methodology seeks to maximize profit, while managing it in a way that pays comprehensive attention to the risk and return of both assets and liabilities.

Assumed Interest Rate
Insurance companies anticipate a certain level of profits from asset management and offer discounts on insurance premiums based on this. This discount rate is called the assumed interest rate.

C

CALI (Compulsory Automobile Liability Insurance)
To provide relief to victims of traffic accidents, this is compulsory insurance that all motor vehicles must be enrolled in under law. Motorized bicycles are also subject to this requirement. As this insurance is mandated by law, its coverage and premiums do not vary between insurance companies, and no profit is generated for the insurers. This insurance covers only damages caused by death or injury to others (personal injury coverage) and does not cover your own injuries, damages to other people's property (property damage coverage), or damage to vehicles.

CAPM (Capital Asset Pricing Model)
The capital asset pricing model is used to calculate the rate of return expected by shareholders in the capital markets. The correlation of the target company's stock with the market is determined by the β value (more precisely, the slope estimated by the linear regression equation that explains the fluctuations in the stock prices of the target companies in terms of market price fluctuations). The estimated cost of capital is calculated by adding the risk-free interest rate to the individual equity risk premium, which is the β value multiplied by the equity market risk premium (market return – risk-free interest rate).

CAT Bond (Catastrophe Bond)
These are structured bonds issued to transfer the risk of large-scale losses caused by natural disasters and other events, which are held by insurance and reinsurance companies, to investors in the capital markets. If there is no occurrence of a disaster on a scale surpassing previously stipulated criterion, then the CAT bonds' interest and principal will be paid to the investors, but, in the case of such a disaster, the principal will be partially or entirely reduced.

Catastrophe Reserves
Most non-life insurance premium rates are set using the "law of large numbers," but, in a given fiscal year, it is always possible that there will be a major typhoon or other large disaster causing damages on a scale that cannot be absorbed using premium income for that year alone. The catastrophe reserve is provided to prepare to respond to the temporary surge in claims associated with such disasters. For more details, see P.120.

Combined Ratio
An indicator that is the sum of the net loss ratio and the net expense ratio; subtracting this ratio from one gives the underwriting balance ratio. Although the indicator is not adjusted to reflect outstanding claims reserve and underwriting reserve, it reflects profitability for the fiscal period. Used only in the insurance industry, its concept is similar to that of the ratio of operating profit to sales of ordinary companies. The E/I combined ratio is an indicator that is the sum of the EI loss ratio and the net expense ratio.

Commissions and Collection Expenses
The total of agent commissions, insurance broker commissions, sales expense, collection expense, reinsurance commissions, and ceded premium commissions. (Note that ceded premium commissions, which are commission incomes pertaining to ceded reinsurance and retrocession premiums, are deductions.)

Contractual Service Margin (CSM)
An estimate of the profits (unearned profits) that insurance contracts are expected to generate in the future. It is accumulated as part of insurance contract liabilities and recognized as profit as insurance contract services are provided.

Core Profit (Fundamental Profit)
Ordinary profit after adjustments for capital profits/(losses) and extraordinary income and losses, which represent profits and losses not stemming from the principal business of life insurance companies; so, Core Profit is an indicator of the profitability of the Company's principal business operations during a fiscal year. The concept of Core Profit is close to that of ordinary companies' "operating income" and banks' "business income."

Cross-Selling
It refers to the practice of selling both life insurance and non-life insurance products, for example, when a non-life insurance agency also sells life insurance products.

D

Direct Insurance
A term used in contrast to reinsurance. When an insurance contract is reinsured, the original insurance that has been reinsured is called direct insurance. It can also be used to refer to all the insurance contracts directly entered into with policyholders by the insurance company. → **Reinsurance**

E

Earned-Incurred Loss Ratio (EI Loss Ratio)
After adjusting for provisions and reversals of Outstanding Claims Reserve and ordinary policy liability reserves, the EI loss ratio is an indicator of the loss ratio on a current-period-occurrence basis. It is calculated as follows. → **Net Loss Ratio**

- EI loss ratio = claims incurred / earned premiums
- Claims incurred = period-end net claims paid + (period-end Outstanding Claims Reserve – previous period-end outstanding claims reserve)
- Premiums earned = previous period-end unearned premiums + net premiums written for the period – period-end unearned premiums

Embedded Value (EV)
The current value of net assets plus the current value of future profit expected from policies in force (policies in force value). Under current statutory accounting practices, the recognition of costs is concentrated at the time of sales, while the related profits are recognized in subsequent years; so, using those accounting practices to accurately evaluate corporate performance is difficult in some ways. In Japanese GAAP, costs are heavily recognized at the time of sale, with profits realized in later years, making it difficult to use for evaluating single-year performance. However, because EV evaluates the present value of future profits generated from in-force policies, it is a useful indicator for assessing companies' performance and enterprise value.

Enterprise Risk Management (ERM)
A process for determining and evaluating the risks associated with the execution of business operations by an enterprise in an integrated, comprehensive, and strategic manner. It is an integrated risk management method used for maximizing enterprise value.

Environmental, Social and Governance (ESG)
In ESG investing, the investor does not focus exclusively on the profit that can be earned from an investment but goes on to consider the impact of the investment on the environment as well as on shareholders, customers, employees, local communities, and other stakeholders. ESG investing essentially entails carrying out CSR when making investment decisions.

Equity Ratio
The proportion of equity divided by total assets.
Owing to the application of accounting standards for financial instruments, unrealized gains on securities, which previously were not recorded, are now included in the balance sheet. As a result, the equity ratio is also stated on a market value basis.

European Embedded Value (EEV)
See "Embedded Value" above.

Expected Mortality
Based on past statistics, gender-wise and age-wise mortality (or the number of those alive) is predicted, and this information is used for calculating the required amount of insurance premium for future insurance payments. The mortality rate used in these calculations is called the expected mortality.

Expected Operating Expense Ratio
Life insurance companies anticipate all the expenses required for business operation such as concluding contracts, receiving premiums, maintaining and managing policies, and so on in advance. This is called the expected operating expense ratio.

F

Fair Value through Other Comprehensive Income (FVOCI)
Changes in the prices of assets and other items are recorded directly in the balance sheet as OCI rather than in the income statement.

Fair Value through Profit or Loss (FVTPL)
A valuation method under which changes in the fair value of assets and other items are immediately reflected in the income statement.

Finance Result
This is the sum of investment income (income and expenses from asset management, such as interest and dividend income, gains/losses on sales, and valuation differences) and insurance finance expenses, such as interest expense on insurance liabilities and the effects of changes in interest and foreign exchange rates.

Foreign Currency–Denominated Life Insurance
Foreign currency–denominated life insurance calls for the use of a foreign currency (e.g., U.S. dollars, Euros, Australian dollars) to pay insurance premiums and the use of a foreign currency to pay insurance benefits and reimbursements upon policy cancellations. A portion of such life insurance products as whole life insurance, endowment insurance, and fixed/variable individual annuities is sold as foreign currency–denominated products. When the foreign currency benefits from such products are converted into yen, they will be affected by foreign exchange rate fluctuations; so, there is a possibility that the yen-denominated benefits could end up being lower than the yen-denominated value of the premiums paid. The impact of foreign exchange rate fluctuations is referred to as "foreign exchange risk (foreign exchange rate fluctuation risk)," and policyholders and beneficiaries of foreign currency–denominated policies are exposed to those risks.

Full-Time Agents
Agents specializing in the sale of insurance. Non-life insurance agencies include full-time agencies (professional agencies) that specialize in insurance sales and part-time agencies—such as automobile dealers, automobile repair shops, real estate companies, and travel agencies—that sell insurance in addition to their principal business.

G

General Insurance Rating Organization of Japan
An insurance rating organization formed by the merger in July 2002 of the Property and Casualty Insurance Rating Organization of Japan (established 1948) and the Automobile Insurance Rating Organization of Japan (established 1964), which was established in accordance with the Act of Non-Life Insurance Rating Organizations. It collects data from member insurance companies and calculates the Reference Loss Cost Rates for automobile insurance, fire insurance, personal accident insurance, and nursing care expense insurance, as well as Standard Rates for compulsory automobile liability insurance and earthquake insurance. It also handles loss adjustment work for compulsory automobile liability, collects insurance data, and conducts research and analysis.

Gross Written Premium
Gross written premium represents premium income received from direct insurance contracts and reinsurance contracts during a fiscal year, before deducting reinsurance premiums ceded under reinsurance contracts.

Group Adjusted ROE
Group Adjusted ROE, which is a numerical management target within the "Vision 2021" Medium-Term Management Plan and the Medium-Term Management Plan (2022–2025), is calculated as follows.

Group Adjusted ROE = Group Adjusted Profit / average of beginning and ending amounts on B/S of adjusted net assets (consolidated net assets + catastrophe reserve and others – goodwill and other intangible fixed assets)

Group Adjusted Profit
Group Adjusted Profit, which is a numerical management target within the "Vision 2021" Medium-Term Management Plan and Medium-Term Management Plan (2022–2025), is calculated as follows.

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

I

Incurred but Not Reported Loss (IBNR)
The portion of outstanding claims reserve corresponding to claims that have been incurred but had not been reported to the company at the end of the period. The IBNR is estimated using statistical methods.→ **Ordinary Outstanding Claims Reserve**

Income Guarantee Insurance
A type of insurance under which a pension can be claimed after the policyholder's death for the full term of the insurance as decided at the time of entering the contract. The number of times a pension can be claimed depends on the time of death of the policyholder. The minimum number of times a pension can be claimed is guaranteed. If the number of times the pension has been claimed before maturity is less than the guaranteed minimum, the remaining number of times can be claimed.

Individual Annuity Insurance
Annuity insurance is a financial product used to save premiums and thereby fund the payment of future annuities, and individual annuity insurance is an annuity insurance product provided by private-sector life insurance companies. The annuities are received after the beneficiary reaches an age specified in the policy contract. There are several kinds of individual annuity insurance products defined based on the annuity receipt period, such as whole life annuity with a guarantee period, annuity certain, fixed-term annuity with a guarantee period, and a husband-and-wife annuity.

Insurance Business Act
A law that was enacted to promote the protection of policyholders through ensuring sound and appropriate business operations of insurance companies and fair solicitation of insurance policies. The act lays down organizational and operational rules for insurance businesses, as well as defining the criteria for the administration and supervision of insurance companies and determining the supervision standards and authorities of government units overseeing insurance business operations.
Insurance Capital Standard (ICS)
A capital regulatory framework for assessing the soundness and adequacy of capital across an entire insurance group and enabling global comparisons. In Japan, it has been introduced as part of the economic value-based solvency regulatory framework.

Insurance Claim (Benefit)
In the case of non-life insurance, the sum of money paid by an insurance company to the insured based on the amount of damage incurred due to an insured event. (In the case of non-life insurance), the sum of money decided beforehand in the insurance contract paid by the insurance company upon the maturity of the contract to the designated beneficiary, in the event of illness or death of the insured person.

Insurance Revenue
Revenue recognized as consideration for insurance services provided during the period under insurance contracts. Unlike conventional premium income, it excludes the savings component (investment component) of premiums and is recognized in line with the progress of service provision. Rather than being allocated evenly over time, it reflects more detailed underlying circumstances, such as how much insurance service has been provided and how much risk has been reduced. Insurance revenue also includes the amortization of the contractual service margin (CSM) and the release of the risk adjustment.

Insurance Service Expense
Expenses incurred during the period in providing insurance services. These mainly include payments of insurance claims and benefits, dividends to policyholders, changes in outstanding claims reserve, operating expenses, and losses on onerous contracts.

Insurance Service Result
Profit or loss arising from insurance services. Calculated by deducting insurance service expenses and the reinsurance result from insurance revenue, it represents the operating performance of insurance operations.

International Financial Reporting Standards (IFRS)
A unified set of accounting standards designed to make corporate financial information globally comparable. In the insurance industry, the application of IFRS 17 (Insurance Contracts) and IFRS 9 (Financial Instruments) is particularly significant.

L

Law of Large Numbers
If you roll a die (one dice), a “one” might appear by chance, but if you continue to increase the number of times the die is rolled, the ratio of times that “one” appears will approach one time out of six. As in this case, when the number of trials is increased, the law of large numbers indicates that the results will approach a fixed value. When calculating the probability of accident occurrence, the probability can be forecast by analyzing large volumes of accident data rather than just looking at the accident percentages of a few cases.

Life Insurance Professional
An agent specializing in life insurance or selling life insurance as its main business.

Lloyd’s (Insurance Market)
The generic name for an insurance market established in London in the 17th century, having more than a 300-year history. On a day-to-day basis, huge and complex risks are brought to Lloyd’s, where that risk is assessed, premiums decided, and insurance underwritten by underwriters that have a high level of specialized expertise and that belong to individual syndicates (the risk underwriting bodies at Lloyd’s). Lloyd’s is supervised by the British authorities and has a strong management and supervisory system unique to Lloyd’s. It is not easy to become a Lloyd’s member (syndicate fund contributor) or establish a syndicate as many strict requirements must be satisfied. As of the end of December 2025, it was underwritten by 103 Lloyd’s syndicates, and the gross written premiums in FY2025 for the whole of the Lloyd’s market amounted to approximately £57.9 billion. For more details, see P.120.

Long-Term Care Insurance (Nursing Care Insurance)
A kind of insurance that can provide benefits for the purpose of providing long-term nursing care. In Japan, there exists both public long-term care insurance and private long-term care insurance products. Among the latter type of products, there are products that will provide a lump-sum benefit and/or annuities in cases where the beneficiary requires nursing due to being bedridden or suffering dementia for a specified period. There are also products that will provide a lump-sum benefit and/or annuities based on the public long-term care insurance system’s primary nursing care requirement authorization.

Loss Adjustment Expense
Personnel expenses and non-personnel expenses (including depreciation costs) as well as various taxes related to the loss adjustment and insurance claim payment operations.

M

Medical Insurance
Medical insurance provides benefits to policyholders when they are hospitalized due to illness or injury or undergo specified types of surgical operations. Some medical insurance policies also provide death benefits on the decease of the beneficiary, but the amount of such benefits is generally small.

Motor Channel Agent
Part-time agencies whose principal businesses are automobile repair, used-car sales, automotive-related services, or motorcycle sales, excluding automobile dealer agencies.

N

Net Claims Paid
Net claims paid is obtained by totaling (adding or subtracting as indicated) items ❶ to ❹ listed below and plainly shows the amount of insurance claims paid. The payment of insurance claims is the main expenditure involved in the non-life insurance business.

❶ Direct claims paid
–) ❷ Reinsurance claims ceded
+) ❸ Reinsurance claims paid
–) ❹ Retrocession claims ceded
❺ Net claims paid (Income statement item)

Net Expense Ratio
The net expense ratio is obtained by adding the commissions and collection expense to operating expenses and general administrative expenses incurred in the insurance underwriting business and dividing this by net premiums written. It is an indicator of the operational efficiency of an insurance company. The net expense ratio can also be called simply the “expense ratio.”

Net Loss Ratio
The net loss ratio is obtained by adding net claims paid and loss adjustment expenses, and dividing this by net premiums written, and it indicates the company’s insurance underwriting business performance. It can also be called the “published loss ratio” or the “loss ratio.” The net loss ratio is what is called a “written paid basis” indicator, as it can be calculated based simply on written premium and paid claims during the accounting period in question. → **Earned-Incurred Loss Ratio (EI Loss Ratio)**

Net Premiums Written
Net premiums written is obtained by totaling (adding or subtracting as indicated) items ❶ to ❹ listed to the right, and plainly shows the income earned from the non-life insurance business (excluding deposit premiums from policyholders).

❶ Direct premiums written
–) ❷ Reinsurance premiums ceded
+) ❸ Reinsurance premiums written
–) ❹ Retrocession premiums ceded
❺ Net premiums written (Income statement item)

New Business CSM
The amount of future profit expected from newly issued contracts, calculated by subtracting expenditures and the risk adjustment from the discounted present value of premium income.

Non-Fleet Grade System (Automobile Insurance)
A system of insurance premium discounts and surcharges based on the accident history applied to non-fleet contracts.
The term non-fleet contracts refers to contracts where the total number of contract automobiles owned and used by the policyholder (the number of contracts with other insurance companies included) is nine or less. (Cases where the number of automobiles is 10 or more are referred to as “fleet contracts.”) The grades are divided into 20 levels (Grade 1 to Grade 20), and the grade is maintained even if the insurance company changes. For more details, see P.120.

O

Onerous Contract
A contract under which insurance payments and other outflows exceed premium income. The amount by which outflows exceed inflows is recognized as a loss component within liabilities and immediately expensed.

Ordinary Outstanding Claims Reserve
A type of outstanding claims reserve set aside based on an estimation of future liability of individual claims that have occurred and been reported but not yet settled.

Ordinary Underwriting Reserves
The amount of unearned premiums (premium reserve) or the initial year balance, whichever is greater, is set aside as a liability reserve and called the "ordinary underwriting reserve."

- Unearned premiums (premium reserve):
  Insurance premiums corresponding to the time remaining on an insurance policy, collected beforehand.
- Initial year balance:
  Premiums received during the fiscal year less claims paid, reserves for outstanding claims reserve, and other expenses incurred under those contracts.

Other Comprehensive Income (OCI)
A category for recording changes in net assets arising from fluctuations in interest rates, share prices, and other factors, including unrealized gains and losses resulting from changes in the valuation of bonds and shares (and, under IFRS, insurance contract liabilities). It is not included in net income in the income statement.

Outstanding Claims Reserve
A reserve fund to fund the claim payment for unpaid insurance payment when an accident has occurred before the balance sheet date.

P

Policies in Force
The outstanding amount of valid insurance policies owned by an insurance company at the end of the fiscal year.
It is an indication of the grand total amount (e.g., of insurance) guaranteed to policyholders.

Policy Clauses
The policy clauses define the details of the insurance contract, including the policyholder's obligation to pay the insurance premium and duty of disclosure, as well as the payment amount and terms and conditions of payment by the insurance company. There are two kinds of policy clauses: common policy clauses, which are common to all insurance contracts of the same type, and special policy clauses (clauses containing special policy conditions), which are customized for individual contracts by adding to or changing/limiting some of the provisions in the common policy clauses.

Policyholder
The party applying to an insurance company for an insurance contract is called the policyholder. The policyholder is obliged to pay the insurance premium once the contract is concluded.

Policy Reserve
The reserve set aside by the insurance company at the period-end closing of accounts so that it can fulfill its obligation to pay insurance claims based on insurance contracts. It includes outstanding claims reserve and underwriting reserves, and policyholder dividend reserves.

R

Reinsurance
Reinsurance is a form of insurance whereby an insurance company, in order to diversify risk, transfers all or part of the liabilities it has assumed under its insurance policies to another insurance company. The act of ceding reinsurance is called "ceding," and the act of assuming reinsurance is called "assuming." → **Direct Insurance**

Retrocession Premiums Ceded
It refers to the reinsurance premium for a retrocession contract, under which part of the risk assumed under a reinsurance contract is transferred again to another insurance company.

Reinsurance Premiums Written
Premiums received when assuming a portion of risk from another insurance company under a reinsurance contract.

Reinsurance Result
Profit or loss arising from reinsurance contracts. The net presentation of income and expenses arising from risks transferred or assumed through reinsurance, including reinsurance premiums paid and reinsurance recoveries received.

Reserve for Price Fluctuation
In accordance with the Insurance Business Act revised in 1996, this reserve is provided to cover losses incurred from future decreases in prices of assets such as stocks and bonds for which the value is likely to fluctuate.

Reinsurance Premium Ceded
An insurance premium paid to another insurance company via a reinsurance contract in return for covering a part of the risk of the original insurance contract, for purposes such as risk diversification.

Risk Adjustment
An adjustment for uncertainty about the amount and timing of cash flows arising from non-financial risk related to insurance contracts.

S

Solvency Margin Ratio
Insurance companies and other insurers must maintain sufficient capital to prepare for risks that occur infrequently but could result in large losses, such as natural catastrophes and sudden market fluctuations. The solvency margin ratio indicates the extent to which an insurer has the capacity to pay claims (i.e., its solvency margin) against such risks exceeding normal expectations. For insurance holding companies and their insurance subsidiaries, the calculation standards have been revised from the FY2025 financial results (including a shift to an economic value-based valuation method and more rigorous risk assessment methods).

- Solvency margin ratio for insurance holding companies and their insurance subsidiaries (FY2025 onward) = capacity to pay claims (eligible capital) / risks exceeding normal expectations (required capital)
  (A ratio of 100% or more is considered to indicate that a certain level of financial soundness has been secured.)
- Solvency margin ratio for insurance holding companies and their insurance subsidiaries (through FY2024) and small-amount and short-term insurance providers = capacity to pay claims / (1/2 × risks exceeding normal expectations)
  (A ratio of 200% or more is considered to indicate that a certain level of financial soundness has been secured.)

Strategic Equity
Investments in stocks with the intention of holding the stock over a long period to maintain and strengthen general business relationships with the issuer, while also securing a stable stream of investment income and improving asset value over the long run.

T

Telematics
A combination of "telecommunication" and "informatics," telematics refers to information services provided by equipping automobiles and other mobile objects with communications systems. Telematics

automobile insurance refers to automobile insurance with the premium rates calculated based on the collected data that relate to the driver's driving tendency such as miles driven and the driver's use of accelerator and brake functions.

Term Insurance
A type of insurance where the term of the insurance is fixed and the insurance benefits can be claimed only if the policyholder dies during the term. There are no maturity proceeds. This is ordinarily a fixed-amount insurance, where the insurance amount is fixed and remains unchanged throughout the term of insurance, but it could also be a decreasing term insurance, where the insurance premium is fixed and the insurance amount progressively decreases over the insurance term, and increasing term insurance, where the insurance amount increases over the duration of the insurance term. → **Whole Life Insurance**

Ratio of Equity Attributable to Owners of the Parent
The ratio of equity attributable to owners of the parent is calculated by dividing the equity attributable to shareholders of the parent company (the amount obtained by subtracting non-controlling interests from total equity) by total assets. This indicator shows the extent of the parent company's ownership of capital in relation to the entire group, including subsidiaries, and serves as important reference information for assessing the company's financial position.

Third Sector
The third "sector" of insurance, positioned somewhere between the first sector (life insurance) and second sector (non-life insurance), includes many different types of insurance, such as medical insurance, cancer insurance, nursing care insurance, and accident insurance.

Three Surplus Factors (Life Insurance)
The "three surplus factors" refer to three margins: the "administrative expense margin," which is the difference between the planned administrative expense based on the planned expense ratio and the actual administrative expenses; the "risk margin (mortality margin)," which is the difference between the planned payment amounts from insurance, benefits, etc., based on the planned mortality rate and the actual payment amounts from insurance, benefits, etc.; and the "investment yield margin," which is the difference between the planned investment income based on the planned interest rate and the actual investment income. The three surplus factors are a breakdown of "core profit," which is an indicator of the periodic profit and loss situation of a life insurance company.

Tontine-Type Annuity
A tontine-type annuity is a pension arrangement whereby payments to deceased members are terminated and their portion redistributed to surviving members, thus paying more to those who live longer. It originates in a pension system devised by the Italian Lorenzo Tonti.

U

Underwriting Profit (Loss)
Claims payment and loss adjustment expenses, maturity refunds and other underwriting expenses, and operating expenses and other general administrative expenses required for insurance underwriting are subtracted from net premiums written and other underwriting profit, and this is then adjusted to reflect other income and expenditure (such as expenses associated with compulsory automobile liability insurance, etc., corresponding to corporate taxes) to calculate underwriting profit (loss). As for non-life insurance companies, the principal revenue sources are underwriting income and investment income, and underwriting profit indicates the profitability level of underwriting operations.

Underwriting Reserves
The general term for reserve funds set aside by insurance companies based on the legal requirement, for use toward insurance claims payments and other insurance-related obligations that could arise in the future. Underwriting reserves are broadly classified into five types:
1. Ordinary Underwriting Reserves
2. Catastrophe Reserves
3. Contingency Reserves
4. Refund Reserves
5. Policyholder Dividend Reserves

V

Variable Insurance
An insurance product where the premium is invested in stocks, bonds, and other assets, and the insurance payment or payout upon cancellation varies depending on the performance of the investment. The policyholder bears the investment risk associated with the maturity benefit. However, upon death, the basic insurance amount is guaranteed as a minimum, and if investment performance is favorable, the death benefit may exceed the basic insurance amount.

W

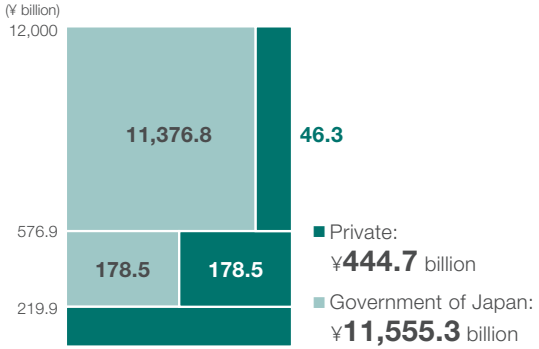
Whole Life Insurance
Of the types of insurance providing for the receipt of death benefits on death, this is a type that is not for a fixed period but continues for a lifetime and does not have benefits on maturity. → **Term Insurance**

Accounting Line-Item Terminology
Please refer to the Guide Book for the Understanding of Disclosure Materials of Non-Life Insurance Companies Website (prepared by the General Insurance Association of Japan) and the Life Insurance Company Disclosure Notes Glossary Website (prepared by the Life Insurance Association of Japan) for details of accounting line items and other pertinent information.

About Residential Earthquake Insurance

Based on Japan's Law Concerning Earthquake Insurance (the Earthquake Insurance Act), residential earthquake insurance is operated jointly by the government and non-life insurance companies. Reflecting the significant impact that earthquakes can have on society, residential earthquake insurance is a prerequisite for and incidental to fire insurance. Recognizing the substantial damage that will likely occur in the event of a large-scale earthquake, residential earthquake insurance involves a government reinsurance underwriting mechanism in preparation for the payment of massive insurance amounts. For their part, non-life insurance companies forego the accumulation of profits in similar fashion to compulsory automobile liability insurance. Premiums are set aside as a reserve to cover insurance payments in the event of an earthquake in the future.

Government and Private-Sector Burdens (As of April 2026)



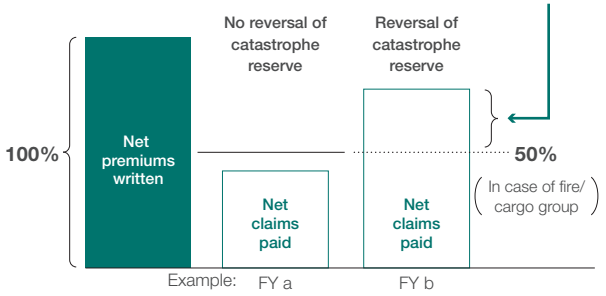
Catastrophe Reserves

- These are reserves that insurance companies set aside to prepare for major disasters (e.g., typhoons, earthquakes) for which the "law of large numbers" does not function.
- The funds are accumulated as reserves (expense posted) at a certain percentage of each fiscal year's net premiums written.
- If a fiscal year's loss ratio (ratio of net losses paid to net premiums written) exceeds a certain threshold, reserves are reversed and posted as income.
- This is one of the mechanisms used to mitigate the impact on an insurance company's fiscal year profit and to guarantee it has a suitable capacity to pay insurance claims.

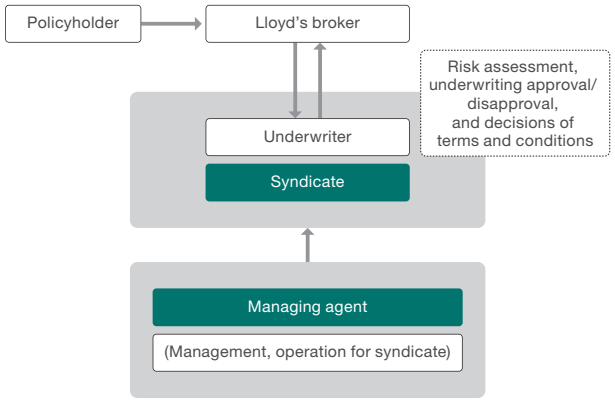
Illustration

Amount of reversal of catastrophe reserve (income)

If the net loss ratio exceeds the reversal threshold determined for each insurance line (group), the amount exceeding the threshold is reversed out of the reserve.



Lloyd's (Insurance Market)



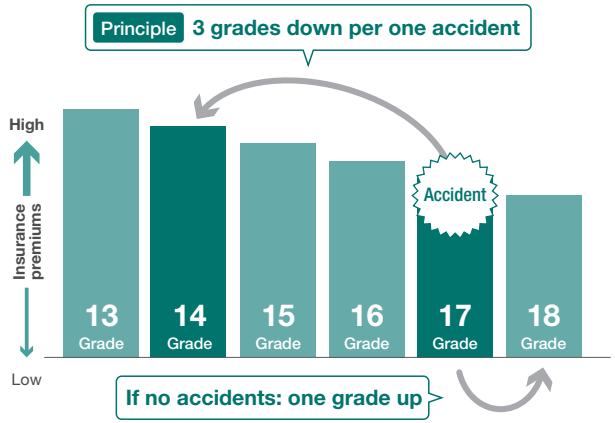
Non-Fleet Grade System (Automobile Insurance)

- This system applies discount percentages to grades defined from Grade 1 to Grade 20.

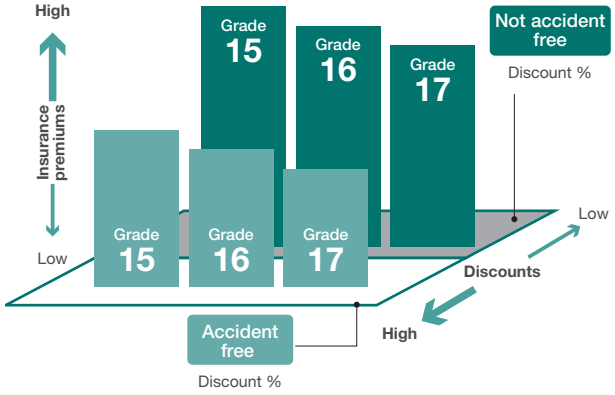


- When the contract is first concluded, the customer starts at Grade 6 (or Grade 7) and then rises by a one-grade increment if there are no accidents.
- If there is an accident, the grade drops by three-grade increments and moves to an accident-existence rate table.

Note: Depending on the accident type and the type of claim received, there are cases where the grade drops by only a one-grade increment and cases where the matter is not counted as an accident.



- Even at the same grade, discount percentages differ, depending on whether there have been accidents in the past. When "accidents exist," insurance premiums are set higher than when "no accidents exist."



ESG Evaluation

The MS&AD Insurance Group utilizes the assessments provided by global ESG evaluation organizations to improve its sustainability initiatives. As of July 1, 2026, the MS&AD Insurance Group was included in the following ESG-related indices.

*The inclusion of MS&AD Insurance Group Holdings, Inc., in any MSCI Index and the use of MSCI logos, trademarks, service marks, or index names herein do not constitute a sponsorship, endorsement, or promotion of MS&AD Insurance Group Holdings, Inc., by MSCI or any of its affiliates. The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names and logos are trademarks or service marks of MSCI or its affiliates.

- CDP Climate Change A List
- CDP Forests A List
- S&P JPX Carbon Efficient Index
- FTSE4Good Index Series
- MSCI Japan Empowering Women Index (WIN)*
- DJBIC World Index
- FTSE JPX Blossom Japan Index
- MSCI Nihonkabu ESG Select Leaders Index*
- DJBIC Asia Pacific Index

Participation in Initiatives

We participate in global initiatives and are working to create shared value with society.

*Since 2004, MS&AD Insurance Group Holdings, Inc., has been committed to the corporate responsibility initiatives and principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

- The UN Global Compact*
- CDP Investor Signatory
- The Japan Business Initiative for Biodiversity (JBIB)
- United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance
- Partnership for Carbon Accounting Financials (PCAF)
- Taskforce on Nature-related Financial Disclosures (TNFD)
- Principles for Responsible Investment
- 30% Club Japan
- Task Force on Climate-related Financial Disclosures (TCFD)
- Principles for Financial Action for the 21st Century
- GX League

Third-Party Assurance

To improve the objectivity and accuracy of the MS&AD Integrated Report 2026, the MS&AD Insurance Group has engaged KPMG AZSA Sustainability Co., Ltd., to perform third-party assurance on the following information included in this report.

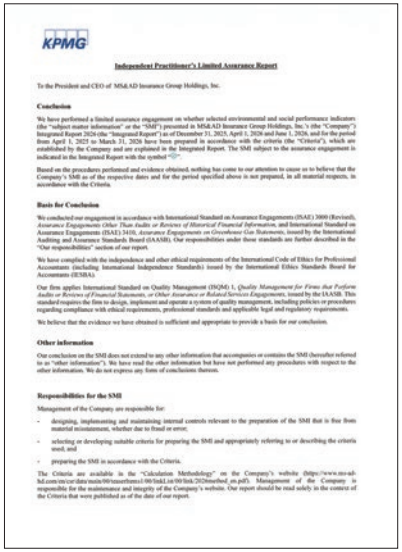
Third-Party Assurance Process

STEP 1	STEP 2	STEP 3	STEP 4
Planning	**Implementation of assurance procedures**	**Review of draft report**	**Submission of the assurance report**
• Review of the business overview and the criteria used to calculate information subject to assurance • Formulation of an assurance engagement plan based on the risk assessment	• Implementation of site visits and analytical procedures on compiled data, etc.	• Confirmation that required corrections have been completed • Review of the draft report to determine whether the assured information is presented appropriately	• Review by a reviewer not directly involved in the assurance engagement • Submission of the assurance report

Items Subject to the Assurance Engagement

- Greenhouse gas emissions Scope 1 + 2 (pages 14, 90, and 92)
- Total energy consumption (pages 13 and 90)
- Water usage (page 13)
- Amount of waste discharged (final disposal) (page 14)
- Number of female managers and the ratio of women in managerial positions (pages 16, 90, and 92)
- Number and ratio of global employees (pages 90 and 92)

Note: For details on the data calculation methods, see the Group's official website. Website



KPMG

Independent Practitioner's Limited Assurance Report

To the President and CEO of MS&AD Insurance Group Holdings, Inc.

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the "subject matter information" or the "SMI") presented in MS&AD Insurance Group Holdings, Inc.'s (the "Company") Integrated Report 2026 (the "Integrated Report") as of December 31, 2025, April 1, 2026 and June 1, 2026, and for the period from April 1, 2025 to March 31, 2026 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Integrated Report. The SMI subject to the assurance engagement is indicated in the Integrated Report with the symbol "○".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI as of the respective dates and for the period specified above is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

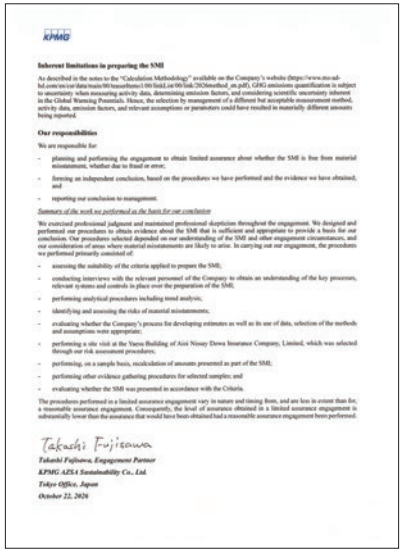
Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information. We do not express any form of conclusions thereon.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

The Criteria are available in the "Calculation Methodology" on the Company's website (https://www.ms-ad-hd.com/en/csr/data/main/00/teaserItems1/00/linkList/00/link/2026method_en.pdf). Management of the Company is responsible for the maintenance and integrity of the Company's website. Our report should be read solely in the context of the Criteria that were published as of the date of our report.



KPMG

Inherent limitations in preparing the SMI

As described in the notes to the "Calculation Methodology" available on the Company's website (https://www.ms-ad-hd.com/en/csr/data/main/00/teaserItems1/00/linkList/00/link/2026method_en.pdf), GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- evaluating whether the Company's process for developing estimates as well as its use of data, selection of the methods and assumptions were appropriate;
- performing a site visit at the Yaesu Building of Aioi Nissay Dowa Insurance Company, Limited, which was selected through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Takashi Fujisawa

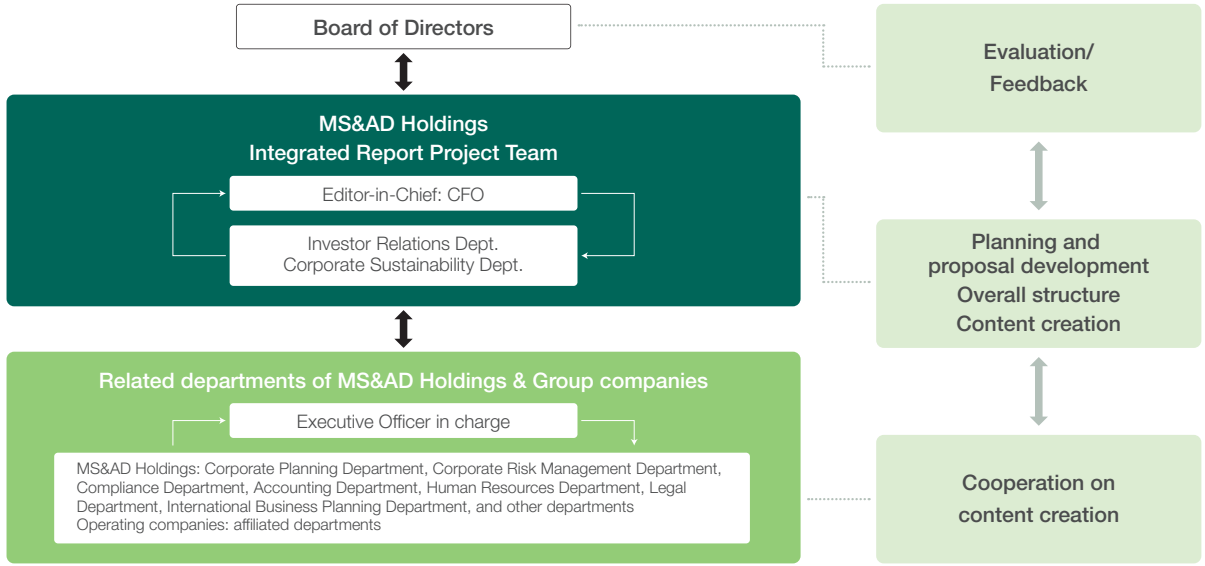
Takashi Fujisawa, Engagement Partner
KPMG AZSA Sustainability Co., Ltd.
Tokyo Office, Japan
October 22, 2026

Main abbreviations used in this Integrated Report

- MS&AD Holdings, the holding company, or the Company:
  MS&AD Insurance Group Holdings, Inc.
- MS&AD Group, MS&AD, The Group:
  MS&AD Insurance Group
- MSI, Mitsui Sumitomo Insurance:
  Mitsui Sumitomo Insurance Co., Ltd.
- ADI, Aioi Nissay Dowa Insurance:
  Aioi Nissay Dowa Insurance Co., Ltd.
- MD, Mitsui Direct, Mitsui Direct General Insurance:
  Mitsui Direct General Insurance Co., Ltd.
- MSAL, MSI Aioi Life, MSA Life:
  Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
- MSPL, MSI Primary Life, MSP Life:
  Mitsui Sumitomo Primary Life Insurance Co., Ltd.
- MS&AD InterRisk Research & Consulting:
  MS&AD InterRisk Research & Consulting, Inc.
- MS Amlin:
  MS Amlin Underwriting Limited
- MS Re:
  MS Reinsurance*

*Brand name used by MS Amlin AG since September 2022

The MS&AD Integrated Report 2026 Editorial System



Production structure

Under the direction of the CFO, who is editor-in-chief, two people, other than those in charge of writing, confirm editorial content on every page based on supporting materials and by checking with all relevant departments corresponding to the content to ensure accuracy. In addition, the accuracy and reliability of items subject to third-party assurance on page 122 are assured by an independent third party, KPMG AZSA Sustainability Co., Ltd.

• **Contact Information**

(Securities code: 8725)

MS&AD Insurance Group Holdings, Inc.

Tokyo Sumitomo Twin Building (West Tower), 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo 104-0033, Japan

Investor Relations Dept.
Tel.: +81-3-3259-5054, Fax: +81-3-3259-9201

Website

<Forward-Looking Statements>
These materials contain plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings, Inc., and Group companies. They are based on information available to MS&AD Insurance Group Holdings, Inc., at the present time. Investors are advised that actual results might differ substantially from our forecasts, for various reasons. Actual performance could be adversely affected by 1) economic trends surrounding our business, 2) fierce competition within the insurance sector, 3) exchange rate fluctuations, and 4) changes in tax and other regulatory systems.

This report includes disclosure materials prepared in accordance with Articles 271-25 and 272-40 of the Insurance Business Act and Articles 210-10.2 and 211-82 of the Enforcement Regulations of the Insurance Business Act.