

## Dialogue2: Discussion with NPO on the Group's LGBTQ Rights Initiatives

In December 2023, a discussion on "Respect for LGBTQ Rights Initiatives" took place between Ms. Maki Muraki (Founder/Director of NPO Nijiirō Diversity) and members of the Sustainability Department at MS&AD Holdings.

### 【Outline of the Discussion】

- Date: December 2023
- Method: Online meeting. Discussion on the Group efforts and issues under review.
- Participants: Ms. Maki Muraki, Founder and Director of NPO Nijiirō Diversity, and members of the Sustainability Department at MS&AD Holdings.

### 【The Group's LGBTQ Rights Initiatives】

Ms. Muraki briefed us on the latest developments in LGBTQ-related issues in the Japanese government and companies, as well as the difficulties and mental/physical health faced by LGBTQ people. Following that, we held a discussion on the Group's LGBTQ rights initiatives, focusing mainly (i) Initiatives for customers and (ii) Initiatives for the Group employees.

#### (i) Initiatives for customers

It was pointed out that as expected from insurance companies, we need to recognize the LGBTQ issues in underwriting and procedures, promote understanding of LGBTQ initiatives for the Group employees and agents, and improve our responsiveness to LGBTQ people.

#### (ii) Initiatives for the Group employees

We discussed various initiatives, including the establishment of employee groups for LGBTQ understanding and support (ALLY), the operation of an employee consultation desk, employee education and awareness programs, and recruitment practices. We also exchanged opinions on the specific methods of these initiatives and effective ways to inform them to our employees.

MS&AD Holdings will reflect the insights and opinions obtained through discussions into the development of internal guidelines and take specific initiatives, to promote the Group's LGBTQ Rights Initiatives.

- Valuable insights discussed through this dialogue have been reflect to the making of inhouse guidelines.



Ms. Maki Muraki

# Employee Well-being

The Group’s greatest asset is its human resources, and every employee of the Group is the driving force behind the improvement of corporate value.

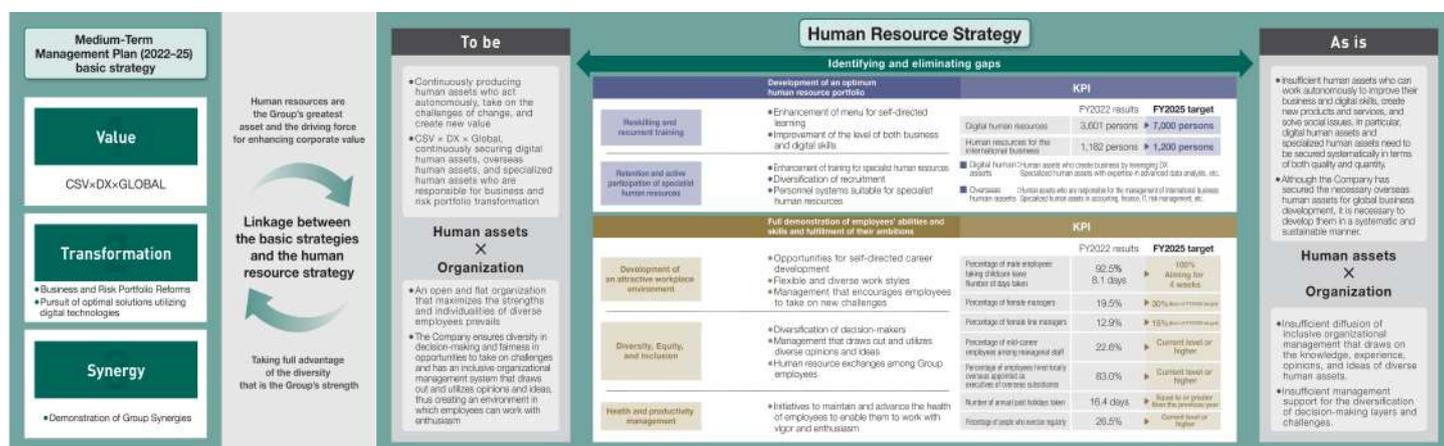
Under our human asset strategy linked to the basic strategy of the Medium-Term Management Plan (2022–2025), we are working on “building an optimal portfolio of human resources” and the “full demonstration of employees’ abilities and skills and fulfillment of their ambitions,” and we are focusing on “Value (value creation),” “Transformation (business reforms),” and “Synergy (pursuit of Group synergies).”

In addition, to improve employee engagement, we are developing a working environment that includes opportunities for self-directed career development; flexible, efficient, and effective work styles; and a corporate culture that encourages a spirit of taking on new challenges.

## Human Resource Strategy

In the Medium-term Management Plan (2022-2025), for realizing our aspiration of becoming a “corporate group that supports a resilient and sustainable,” we have set forth “Value (Creation of value),” “Transformation (Business reforms)” and “Synergy (Demonstration of Group synergy)” as basic strategies. Those who will realize the strategies are individual Group employees and we will identify any gaps between the Group’s aspiration (To be) and the current situation (As is) of human resources and/or the organization, which is necessary for implementation of the strategies, and we will execute a human resources strategy that will serve as a roadmap for eliminating any such gaps.

### Human resource strategy linked to basic strategies



➤ Human resource strategy linked to the basic strategies details

➤ Targets (KPI) and Results

## Building an Optimum Human Resource Portfolio

We aim to be a company that continues to produce human assets who are not bound by the existing framework of the insurance business, but who act autonomously and take on the challenge of reform utilizing advanced knowledge and cutting-edge technology. We will build an optimal human resources portfolio through employee development by expanding investment in self-directed learning menus such as reskilling and recurrent training, and by securing specialist human resources and promoting their playing active roles, including hiring external human resources.

➤ Reskilling and recurrent training

➤ Retention and active participation of specialized human resources

## Examples of Initiatives to Develop Specialist Human Resources

<p><b>Development of digital-specialist human resources</b></p>	<p>We have implemented the Group's unique digital human asset development program in collaboration with educational institutions such as universities.</p> <p>Examples of training and programs:</p> <ul style="list-style-type: none"> <li>• MS&amp;AD Digital Academy</li> <li>• MS&amp;AD Digital College from Kyoto</li> <li>• System x Design Thinking Workshop</li> <li>• Research with Shiga University Graduate School (ADI)</li> </ul> <p>Initiatives that will not only improve the efficiency and convenience of processes and services using digital technology, but also transform the Group's overall business</p>
<p><b>Support for acquiring actuarial qualifications</b></p>	<p>We are encouraging and supporting employees to take qualification examinations conducted by the Institute of Actuaries of Japan (IAJ) as part of our efforts to develop actuarial professionals capable of applying probability, statistics and other methods to product development, risk management, etc.</p> <p><a href="#">ESG Data/Reference Material (number of actuaries)</a></p>
<p><b>Support for companies to provide recurrent training aimed at creating innovation</b></p>	<p>We have introduced "MS&amp;AD Digital College from Kyoto," a recurrent education program in the digital and EV (electric vehicle) fields jointly developed by Kyoto University of Advanced Sciences and MS&amp;AD Insurance Group Holdings and have been marketing this program to companies/organizations/local governments since April 2023.</p> <p><a href="#">Launched a Recurrent Education Program in Partnership with a University (MSI) (in Japanese only)</a> </p>

## Maximization of Ability, Skill and Motivation of Employees

### Development of Attractive Workplace Environment

#### Provision of opportunities for self-directed career development

We will expand the use of our open recruitment system (post-challenge program), which allows an employee to transfer to a position or department of his/her choice, and will revitalize initiatives for personnel transfers, human resources development, and career development among Group companies. We are also providing more opportunities for self-directed career development such as utilization of free agent programs whereby employees, based on the abilities/skills, etc. that they have cultivated to date, can promote themselves to several departments designated by them as immediate assets to the company, and provision of a mechanism to enable employees to participate in company measures beyond the frameworks of their current organizations.

#### Management that encourages employees to take on new challenges

We conduct management that changes the mindset and fosters a culture, which in turn encourages people to tackle challenges and draws out and utilizes the motivation of employees. By providing training for management and operating meetings with supervisors and subordinates, we will ensure that a culture of taking on challenges without fear of failure takes root and engage in challenging tasks.

## Promotion of diverse and flexible working styles

We are promoting business operations that utilize remote work by efficiently combining telecommuting and on-site working. We will also expand opportunities to improve and utilize skills by introducing job-based employment and relaxing restrictions on side and second jobs. We will allow employees to flexibly choose whether or not to relocate depending on their career visions, life events, etc.

Implementing a completely location-free call center system (ADI) (in Japanese only) 

## Performance appraisal system in employee development

### Management by objectives and review meetings

As a system for employee development aimed at achieving job satisfaction and growth for each employee, we set objectives and career visions and manage them through review meetings with managers. All employees act based on the Group's "Mission, Vision, and Values" and set individual goals that incorporate sustainability perspectives. Employees engage in several dialogues with their managers every year. By sharing goals, challenges, and achievements, we aim to enhance the transparency and fairness of performance evaluations, while also fostering employee development through the sharing of career visions.

### 360-Degree Feedback

The annual 360-degree feedback is a comprehensive performance appraisal system in which an employee receives feedback from multiple sources, including colleagues, managers, and subordinates. Regarding the "behaviors expected according to employee's role or position," employees reflect on observations from themselves and others, leading to effective role performance and ultimately aiming for self-growth.

## Training and Education Initiative Examples

<p><b>MS&amp;AD Open College</b></p>	<p>Classroom training to acquire business skills, such as problem-solving</p>
<p><b>Trainee programs</b></p>	<p>Voluntary in-house programs that enable employees to experience working in other departments/companies for short periods; among the aims of these programs are to further cultivate Group solidarity and improve communication</p> <p><a href="#">ESG Data/Reference Material (number of participants of the trainee system)</a></p>
<p><b>Post-challenge programs</b></p>	<p>An open recruiting programs through which employees considering their own career paths can convey their plans and wishes to their companies and take on challenges to progress down these paths. Efforts to actualize autonomous career development.</p>
<p>  <b>In-house free agent programs</b></p>	<p>A program whereby employees, with skills, experience and their own blueprints of carrier-building, can appeal to several sections desirable to them</p>
<p> <b>Corporate University Program “AD University”</b></p>	<p>A program that visualizes employee skills in all categories and which supports independent, self-directed learning for acquiring the abilities and skills that need to be strengthened for employee growth not bound by work or work roles.</p>

## Human Resources Development for Addressing Social/Regional Issues

<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">ADI</div> <p><b>Required acquisition of qualification regarding CO2 emissions calculation methods</b></p>	<p>We have enhanced human resources development aimed at addressing social/regional issues by making it mandatory for approximately 10,000 employees to acquire Level 3 qualification in the "Carbon Accounting Advisor Qualification System" related to CO2 emissions calculation methods.</p> <p>Made it mandatory for approximately 10,000 employees to acquire qualification related to CO2 emissions calculation methods (ADI) (in Japanese only) </p>
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## Examples of Systems and Support According to Life Stage

Life Stage	Main Systems		Support Measures
Marriage	(Group-wide) • System for changing place of employment • System for those wanting to come back to work after retirement	(Group-wide) • Prenatal and postnatal leave	(Group-wide) • Childbirth and childcare handbook
Pregnancy and childbirth			
Childcare leave		(Group-wide) • Childcare leave system	
Return to work	(Group-wide) • System for working from home • System for changing place of employment • System for those wanting to come back to work after retirement	(Group-wide) • Shorter work hours/flex time system • Exemption from and restrictions on overtime • Sick/injured child care leave	(MSI,ADI,MSI Primary Life) • Discussion meeting for those returning to work after childcare leave (ADI) • Company-sponsored nursery school • In-house nursery school
Nursing Care		(Group-wide) • Nursing care leave, or time off • Shorter work hours system	

Initiative to promote one month childcare leave for male employees (MSI) (in Japanese only)

## Diversity, Equity & Inclusion

In order to develop an environment whereby employees of all kinds can fully demonstrate their individual abilities, create new innovations, and contribute to enhancement of corporate value, we have incorporated the perspective of "Equity" into "Diversity & Inclusion (D&I)" and are now promoting it as "DE&I (Diversity, Equity & Inclusion)".

## Example of Management Know-how Development to Positively Elicit and Utilize Opinions and Ideas

Group-wide

### e-Business Seminar

“e-Business Seminar” is a small-group online seminar conducted by officers of the holding company. The purpose of this seminar was to draw out opinions and ideas based on the knowledge, experience, and sense of values of diverse human resources, and systematize the processes and methods to reach them. We have applied this know-how as “inclusive leadership” in training for managers at each Group company and implement it in the workplace

Diversity, Equity & Inclusion

## Issuing the Diversity, Equity & Inclusion (DE&I) Report

Group-wide

The Group issues a DE&I Report and makes it publicly available on its official website. This report presents the directions the Group has taken toward DE&I, the projects being pursued by Group companies toward their common goals, and introduces specific DE&I measures being implemented at individual Group companies.

### Content of the Diversity, Equity & Inclusion (DE&I) Report

[DE&I Report 2024](#)



#### To Achieve DE&I

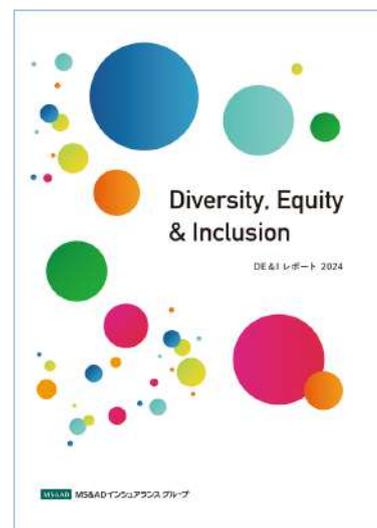
- Message from the CEO
- Our Resolve
- New Challenges and Steps for the Future
- Actions to Create the Future

#### Current Initiatives

- Empowering Women
- Diverse and Flexible Work Styles
- Work-Life Balance
- Building an Inclusive Organization Where Diversity Thrives

#### Our Promise for the Future

- Message from the Managing Executive Officer



- > Targets and Results: Ratio of females in managerial positions, Ratio of taking fully paid paternity/secondary leave
- > ESG Data/Reference Material: percentage and number of females among board members and corporate auditors, percentage and number of females in managerial positions

## Diversifying of Decision-making Layers

HD

Regarding promotion of female employees, we are strengthening efforts to develop a pipeline for promotion to executive and managerial positions. In addition, as a KPI to be achieved by the end of FY2030, we have set the proportion of female managers at 30% and that of "female line managers," who are the heads of the organization, at half of that number in order to promote diversity among decision makers.

- Targets (KPI) and Results
- New appointment of female deputy branch managers and deputy managers (MSI) (in Japanese only) [📄](#)
- New appointment of deputy department/branch managers and deputy line managers (ADI) (in Japanese only) [📄](#)

## Initiatives to Realize an Inclusive Society through Support for Athletes

MSI

ADI

Mitsui Direct  
General

MSI Aioi Life

MSI Primary Life

We have been striving to realize an inclusive society in which a variety of people can play active parts by supporting Paralympic sports. Initiatives taken thus far include fostering and supporting athletes who are actively engaged in competitions, co-sponsoring Paralympic sports organizations, and attending competitions around Japan to cheer on the participants. In this context, we have been employing abled and people with disabilities athletes, many of whom take part in the Olympics, Paralympics, Deaflympics, world championships, and other international competitions in order to create an environment in which people are able to dedicate themselves to both work and sports.



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- Sports support from Group companies (in Japanese only) [📄](#)

## Promotion of Health and Productivity Management

Keeping working employees healthy is essential, not only to improve their quality of life (QOL) but also to realize the Group's Corporate Philosophy.

The Group provides venues that enable various personnel with a wide range of values to work together, and we increase productivity while making workplaces more amenable and work more satisfying, thereby creating health- and safety-conscious working environments in order to maintain and improve the physical and mental well-being of all employees. In addition, we have established a system whereby workplaces, health management centers (occupational health personnel), health insurance unions, labor unions, etc. cooperate and collaborate to promote health management.



## Promotion of Varied and Flexible Work Style

We have been promoting business operations such as efficient combination of telecommuting and physical attendance, remote working, etc. at any location. In addition, we plan to provide more opportunities for improving and utilizing skills through easing of restrictions on side business and by-business activities. Regarding paternity leave, we are targeting an acquisition rate of 100% and 4-week leave.

<p><b>Diversification of work locations/hours</b></p>	<p>We are diversifying previously fixed work locations and pursuing more diverse work styles for our employees.</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• Promoting remote work (use of thin client computers, phones and smartphones for business use, and use of web conferencing tools)</li> <li>• Implementing work from home programs and utilizing satellite offices</li> <li>• Introducing shift work and short-term work systems</li> </ul>
<p><b>Restructuring of roles</b></p>	<p>We are seeking to reform employees' thinking and behavior to ensure that they perform their work even better, further improving their productivity and strengthening their competitiveness.</p>
<p><b>Prevention of long-term working hours</b></p>	<p>We are maintaining the health of individual employees and supporting work-life balance by preventing long working hours.</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• Promoting work styles where employees leave work promptly at 5 p.m. (MSI)</li> <li>• Industrial physicians provide one-to-one guidance to employees who work on their computers beyond a certain number of hours</li> </ul> <p><a href="#">Using prompt work day finishing at 5 p.m. as a management target (MSI) (in Japanese only)</a></p> <p></p>
<p><b>Encouraging employees to take paid leave</b></p>	<p>We encourage employees to take paid leave by formulating plans for regular leave in advance, and periodically confirming that employees are in fact taking leave</p> <p><a href="#">Targets and Results (the number of annual paid holidays taken)</a></p> <p><a href="#">ESG Data/Reference Material (rate/days of paid leave taken)</a></p>

## Maintaining and Improving Employee Health

We are working to maintain and improve the physical and mental health of employees and to create better working environments

<p><b>Support to improve health</b></p>	<p>We conduct campaigns that encourage and support employees to carry out behaviors and lifestyle habits that improve health (self-care).</p> <p>Example initiatives:</p> <ul style="list-style-type: none"> <li>• Revamping day-to-day lifestyle habits by introducing and encouraging use of a healthcare app</li> <li>• Planning health promotion and other campaigns, providing support to employees quitting smoking (subsidies to cover teletherapy expenses), etc.</li> <li>• Encouraging employees to come to work in sneakers, stair climbing (the 2-Up/3-Down campaign, displaying stickers on staircases showing calories burned), etc.</li> <li>• Disclosing data related to initiatives for promotion of health and productivity management, and enhancing employees' health consciousness</li> </ul> <p><a href="#">Data on initiatives (MSI) (in Japanese only)</a> </p>
<p><b>Improving health literacy</b></p>	<p>Creating an environment that promotes lifestyle habits needed to improve health and which prompts employees to acquire greater knowledge and skills on mental health, etc.</p> <p>Example initiatives:</p> <p>E-learning, videos featuring top athletes promoting exercise, providing information on lifestyle habits that include physical and mental well-being, diet, exercise, sleep, smoking, and providing health education as part of health consultations and tier-specific training</p>
<p><b>Mental health care</b></p>	<p>We have set up a health and productivity management center and an employee consultation office to provide care for the mental health of employees. In addition to carrying out stress checks uniformly across the Group and bolstering mechanisms to prevent mental disorders, we are using the findings of group analysis to establish better workplace environments</p> <p>Example initiatives:</p> <p>Preventive activities: training, e-learning, stress checks, health consultations at workplaces</p> <p>Support for afflicted persons: consultations during rehabilitation</p> <p>Return-to-work support: preparations for returning to work during recovery periods, etc.</p>

<p><b>Support systems for balancing medical treatment and recuperation</b></p>	<p>Establishing a system to support the balance between work and treatment of illness or injury*</p> <p>[Leave system]</p> <ul style="list-style-type: none"> <li>• Paid leave (up to 32 days) is granted every year. Up to 20 unused days can be carried over, and employees can take consecutive leave for medical treatment and recuperation</li> <li>• Up to a total of 65 remaining days of carried over leave can be accumulated, and can be taken as consecutive leave for treatment of personal injury or illness</li> </ul> <p>[Support system]</p> <p>If an employee faces limitation due to injury or illness, s/he is allowed to work from home, work shorter hours, commute by personal vehicle, etc.</p> <p>* The support system and number of days of leave that can be taken or saved varies depending on the Group company and employee classification</p>
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## Creating Safety-conscious Workplaces (Compliance with Occupational Health and Safety Act)

We are striving to ensure safety-conscious workplaces with the Group insurance companies in Japan setting up industrial health committees in accordance with the Occupational Health and Safety Act. The committees investigate/deliberate on matters pertinent to preventing health hazards and maintaining/improving health each month

<p><b>Uniform Group-wide medical checkup system</b></p>	<p>MS&amp;AD Holdings operates a uniform Group-wide medical checkup system so that employees can undergo standardized medical exams and analyses. For employees with adverse findings, based on the results of medical checks, we take measures to prevent conditions becoming severe and to follow-up through such means as health guidance and encouragement to undergo further examinations provided by industrial physicians/nurses.</p> <p><a href="#">ESG Data/Reference Material (Consultation rate of medical checkup)</a></p>
<p><b>Establishment of a suitable working environment</b></p>	<p>To improve operational efficiency among employees while ensuring their physical and mental health, we are establishing comfortable working environments with due consideration for lighting, circulation, temperature, humidity, noise, and ergonomics.</p>
<p><b>Prevention of workplace accidents</b></p>	<p>We conduct monitoring and risk assessments at workplaces in order to put in place the workplace environments needed to prevent falls and other accidents. Group insurance companies that use company-owned vehicles are managing accident rates and ensuring that employees engage in safe driving practices in keeping with the safe driving management rules for company-owned vehicles.</p> <p><a href="#">ESG data and reference material (number of workplace accidents)</a></p>

## Communicating with Employees

We think it is vital that all employees understand the direction in which the company wishes to proceed and that working environments are created in such a way that the employees can maximally apply their enthusiasm and skills to helping the company along its course, and we are arranging various opportunities for communication among employees to this end. We also incorporate opinions expressed by employees in to our efforts to improve corporate management and upgrade the quality of our products/services.

<p><b>Employee satisfaction surveys</b> <b>Employee Satisfaction</b></p>	<p>We conduct annual opinion surveys of all Group employees at fixed time points and utilize the results when considering company systems/measures and environmental improvement. In FY2019, we began carrying out the same surveys for employees of overseas entities.</p> <p><a href="#">Targets and results (Employee Awareness Survey)</a></p>
<p><b>Mechanisms to make use of employee opinions in improving operations</b></p>	<p>We have set up a bulletin board on the in-house system where employees can post improvement proposals and other messages. The posted content is then examined by the various head office divisions, who then provide feedback on the proposals.</p>
<p><b>Dialogue with executives</b></p>	<p>We periodically arrange opportunities for employees and top-level executives to exchange views so that the employees' views can be incorporated into company management.</p>

## External Assessment

➤ Initiatives and External Assessment (Employee Well-being)

# Quality that Earns the Trust of Society

## Meeting the Trust of Society with High Quality

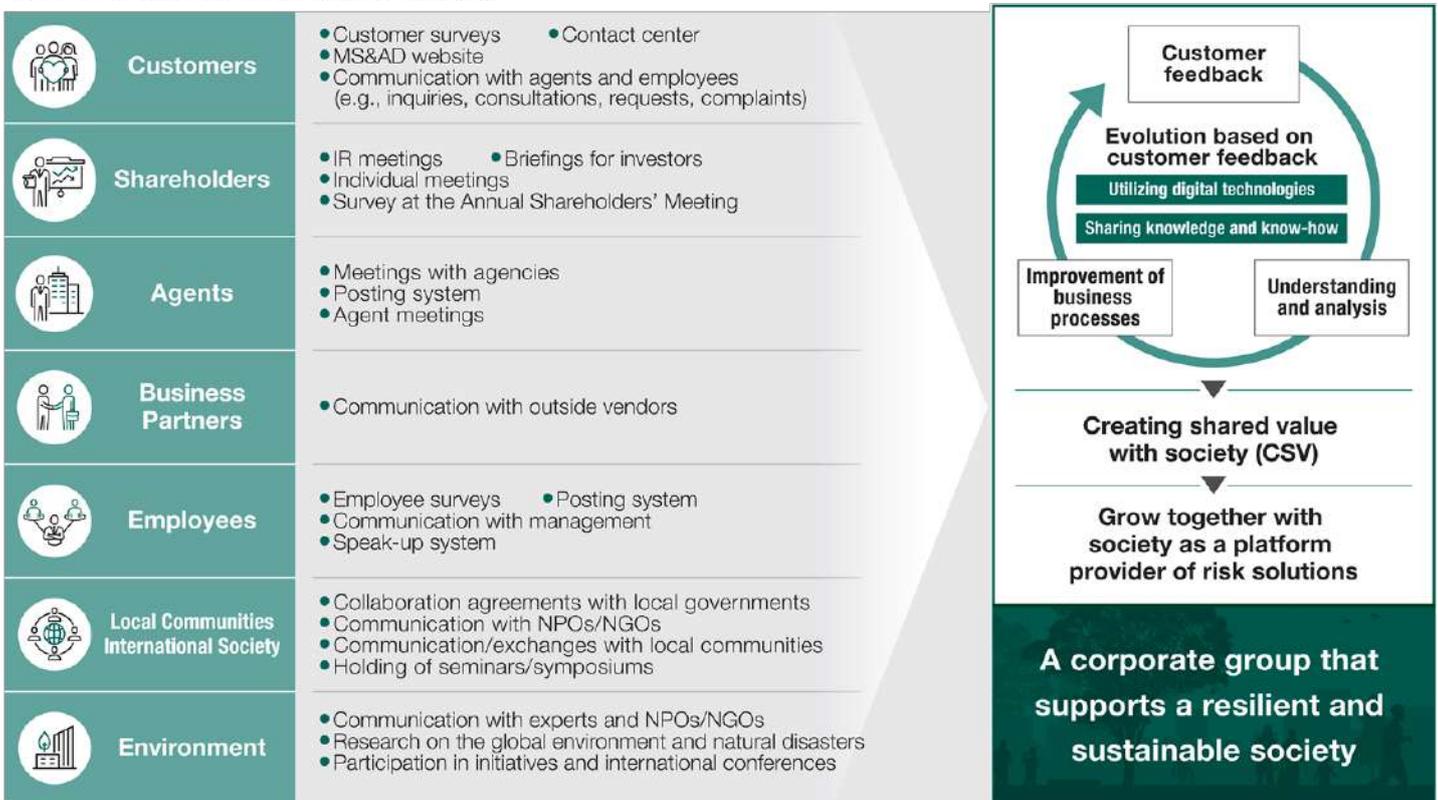
The MS&AD Insurance Group believes it important to pay close attention to the expectations and needs of customers and other stakeholders and to put information derived from this in to good use in improving the quality of its products/services in order to continue being a corporate group needed by society.

By putting in place a variety of schemes to solicit the views of stakeholders, we are continuing to improve our quality and operations through executive-level discussions to prove ourselves worthy of the public’s trust. For example, we provide easy-to-understand product explanations, use advanced technology to make procedures more convenient, adopt approaches that meet the needs of a diverse range of customers, including the elderly and people with disabilities, and work to improve the skills of employees.

## Quality Improvement through Communications with Stakeholders

The Group has established the “MS&AD Insurance Group Basic Policy for Responding to Customer Communications” and provided a scheme and opportunity to listen to the voice of customers and other stakeholders for quality improvement of products and services, as well as compliance, respect for human rights and environmental initiatives.

### Communication with Stakeholders



## Schemes for Receiving Feedback from Customers

The MS&AD Insurance Group has formulated a Basic Policy for Responding to Customer Communications and is receiving a wide range of feedback from customers including through consultations, requests, and complaints. The received feedback is then used for quality improvements. In line with the aforementioned policy, Domestic Group insurance companies utilize the customers' views to improve their business processes so they can provide products and services that better satisfy customers.

[➤ MS&AD Insurance Group Basic Policy for Responding to Customer Communications](#)

We disclose the substance and results of the improvement activities on our website so that the customers can see the status of the improvements.

## Reasons for Customer Feedback (Complaints)

We listen to a wide range of customer feedback and are making company-wide improvements to provide better insurance products and services.

Customer feedback is all feedback received from customers, including inquiries, consultations, requests, complaints, disputes, compliments and words of thanks, etc. Of this feedback, complaints are defined as an expression of dissatisfaction from the customer.

	Insurance solicitation and contract	Contract management	Insurance payments	Managing customer information	Other	Total
Number of complaints*	8,411	7,575	25,432	576	2,710	44,704

\*Combined number received in fiscal 2023 for Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

[➤ Customer feedback \(MSI\) \(in Japanese only\)](#) 

[➤ Customer Feedback \(ADI\) \(in Japanese only\)](#) 

## Customer-First Policy in the Business Operations

The five Group insurance companies in Japan have formulated and published customer-first policy in the business operations based on the Financial Services Agency's Principles for Customer-oriented Business Conduct. These policies align with the framework for consumer-oriented voluntary declarations advocated by the consumer-oriented management promotion organization composed of the Consumer Affairs Agency and other members.

Please see individual companies' official websites for further information regarding these policies.

### Customer-First Policy in the Business Operations (in Japanese only)

[➤ Mitsui Sumitomo Insurance](#) 

[➤ Aioi Nissay Dowa Insurance](#) 

[➤ Mitsui Direct General Insurance](#) 

[➤ Mitsui Sumitomo Aioi Life Insurance](#) 

[➤ Mitsui Sumitomo Primary Life Insurance](#) 

## Specific Initiatives in Customer-First Business Operations

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### Customer-First Business Operations — FY2023 Overview (in Japanese only)

- [> Mitsui Sumitomo Insurance !\[\]\(8ad79f5e68f2cb9a3d09e9f5525e1847\_img.jpg\)](#)
- [> Aioi Nissay Dowa Insurance !\[\]\(7dc9b5077f5dabe133f87fbb17be996a\_img.jpg\)](#)
- [> Mitsui Direct General Insurance !\[\]\(1e8978482d0425bc074087510f7709e3\_img.jpg\)](#)
- [> Mitsui Sumitomo Aioi Life Insurance !\[\]\(06d4914abce9eb315d111cdbcdeddc03\_img.jpg\)](#)
- [> Mitsui Sumitomo Primary Life Insurance !\[\]\(5ac8b8169b5debf685481bda755cfafa\_img.jpg\)](#)

### Principal Approaches

<div style="text-align: center;">  <p><b>Initiatives to enhance customer convenience in obtaining policies</b></p> </div>	<p>We have been developing and adopting more convenient and comprehensible procedural methods to provide information on insurance and services to a variety of customers</p> <ul style="list-style-type: none"> <li>• Reinforcement of product explanation videos for customers (MSI, ADI)</li> <li>• Procedures for applying for and obtaining policies available online (MSI, ADI, Mitsui Direct General, MSI Aioi Life)</li> <li>• Procedures for obtaining policies without paper utilizing tablets and other devices. (MSI, ADI, MSI Aioi Life)</li> <li>• “Your Concierge” service to answer customers questions about insurance products (Mitsui Direct General) (in Japanese only) </li> <li>• Customers can now change account information online (MSI Aioi Life) (in Japanese only)</li> <li>• Procedures for claims settlement online (MSI Aioi Life) (in Japanese only) </li> </ul>
<div style="text-align: center;">  <p><b>Prompt and courteous customer service during natural disasters</b></p> </div>	<p>We are helping to rebuild customers’ livelihoods as promptly as possible by increasing manpower and improving administration at our Accident Claims Center and Insurance Claim Payment Center in line with the scale of disasters and the types of disasters, such as earthquakes, typhoons, flooding, and heavy snowfall, and through rapid claims settlement. We have realized meeting customer needs, streamlining investigations, and speeding up the whole process through promoting digital surveys on water-related disasters utilizing chatbots and developing a smartphone reservation system for survey visit dates and times.</p> <p>Introduced a reservation system for visit days and times in the event of large-scale natural disasters (MSI, ADI) (in Japanese only) </p>

<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Screening of insurance payments</b></p>	<p>Claims determined not to be eligible for insurance payments but which nevertheless satisfy certain conditions are examined by a Screening Committee comprising outside attorneys and other experts.</p> <p>MSI and ADI disclose the number of claims examined and the cases examined on their websites.</p> <p><a href="#">Insurance Payment Screening Committee (MSI) (in Japanese only)</a> </p> <p><a href="#">Usage status of application system for appeal review and status of screening performed by the Payment Screening Committee (ADI) (in Japanese only)</a> </p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Operational improvements utilizing customer suggestions</b></p>	<p>In accordance with MS&amp;AD Insurance Group Basic Policy for Responding to Customer Communications, customers' opinions that are received through consultations, requests and complaints are collected, centrally managed and analyzed, then actively implemented to improve business operations. The details and outcomes of these improvement initiatives are disclosed on the website in sequence.</p> <p>We are continually upgrading our services in response to customer feedback.</p> <p><a href="#">MS&amp;AD Insurance Group Basic Policy for Responding to Customer Communications</a></p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">HD</span></p> <p style="text-align: center;"><b>Use of customer satisfaction based on customer questionnaire surveys as a KPI</b></p>	<p>Among the indicators used for measuring the level the five Group insurance companies in Japan have continued their initiatives in customer-first business operations, customer satisfaction from customer questionnaires (completed by customers when signing up for policies or being paid insurance money) has been designated as one of the indicators for Group sustainability that earns the trust of society</p> <p><a href="#">ESG data and document collection: "Customer satisfaction survey about insurance contract procedures" and "Customer satisfaction survey about payment of insurance claim"</a></p>
<p style="text-align: center;"><span style="border: 1px solid black; padding: 2px;">Group-wide</span></p> <p style="text-align: center;"><b>Integrating customer-focused values among employees and agents</b></p>	<p>We have been fostering a suitable corporate climate by integrating customer-first values into our operations through education for employees and agents.</p> <p>For employees:</p> <p>We conduct workplace meetings and arrange training and contests aimed at improving skills in all departments.</p> <p>For agents:</p> <p>We provide agents with various training and online learning opportunities, and we seek to motivate them via an agent quality certification system.</p> <p>Developed training for customer-oriented after-sales service (MSI Primary Life)</p> <p>Developed training for financial institution agents, "Realizing My Vision for Myself," to help improve their work engagement (MSI Primary Life)</p>

# Quality Improvement Utilizing Cutting-edge Technologies

To satisfy a variety of customer needs to a high degree, we develop products/services utilizing cutting-edge ICT and other technology and employ new technologies such as artificial intelligence (AI), Big Data, and voice recognition to revamp our operational flow.

## Principal Approaches

<div style="text-align: center;">  <p><b>Improvement of customer convenience</b></p> </div>	<p>We have developed and provided support apps and services using AI in order to provide insurance products and services more quickly.</p> <p>Launched an accident report receiving service using AI-based automated voice response (MSI) (in Japanese only) </p> <p>Industry First — Introduced an AI-based automatic voice response service for agents and customer billing (MSI Aioi Life) (in Japanese only) </p> <p>Providing personal support videos to resolve common customer questions and difficulties (Mitsui Direct General) (in Japanese only)</p>
<div style="text-align: center;">  <p><b>Improving the quality of customer service</b></p> </div>	<p>By utilizing the incoming call classification system, we can automatically classify and sort 1 million customer voices annually by category. We conduct analysis efficiently and effectively and promote initiatives to improve quality across the company.</p> <p>Industry First — Launched use of incoming call classification system to improve quality across the company (ADI) (in Japanese only) </p> <p>Leveraging our marketing system, we provide optimal product proposals and services based on the attributes of each individual customer and the contact information obtained from our websites, emails, and customer centers, etc.</p> <p>Built a marketing system that supports our “Strong and Kind (Tsuyokute Yasashii)” product brand (Mitsui Direct General) </p>

<div data-bbox="188 792 446 831" data-label="Text"> <p>MSI   ADI   InterRisk</p> </div> <div data-bbox="124 846 510 878" data-label="Section-Header"> <p><b>Enhancement of accident responses</b></p> </div>	<p>We have introduced a system that uses AI and telematics technologies to automatically and accurately explain accident situations through text and diagrams. This reduces the burden on customers and we have made the handling of claims more efficient (accident response).</p> <p><a href="#">New features added to the dash cam-based AI accident explanation system "Ai's" (MSI) (in Japanese only)</a> </p> <p><a href="#">New features implemented in the telematics damage service system (ADI) (in Japanese only)</a> </p> <p>We have launched an initiative for analyzing satellite images using AI and visualizing the average amount of damage to buildings in each region within three days after a disaster, at the earliest, in the event of a typhoon equivalent to a severe disaster.</p> <p>We have reduced the average time from receipt of accident claims to the start of damage investigation by seven days, accelerated the start of remedial and repair work, and we help expedite disaster victim certification procedures in collaboration with partner local governments.</p> <p><a href="#">World First — Visualization of the average amount of damage to buildings in each region within three days after a disaster, at the earliest, in the event of a typhoon (ADI) (in Japanese only)</a> </p> <p>Upon receipt of an accident report from a customer, the business automation system instantly determines various factors such as “details of policy” and “accident characteristics” to select the most appropriate insurance claims settlement center and the person in charge.</p> <p><a href="#">Full-scale introduction of NEVA, a business automation system, for seamless linkage of cases (ADI) (in Japanese only)</a> </p>
<div data-bbox="276 1525 357 1559" data-label="Text"> <p>ADI</p> </div> <div data-bbox="135 1574 497 1644" data-label="Section-Header"> <p><b>Enhancement of claim settlement operations</b></p> </div>	<p>We developed a fraud detection system that utilizes AI to eliminate fraudulent claims for auto repairs, strengthening our damage investigation system by ascertaining repair claim trends for each auto repair shop.</p> <p><a href="#">Developed an AI fraud detection system to deal with fraudulent insurance claims (ADI) (in Japanese only)</a> </p>
<div data-bbox="276 1843 357 1877" data-label="Text"> <p>Group-wide</p> </div> <div data-bbox="113 1892 521 1962" data-label="Section-Header"> <p><b>Strengthening of information security management</b></p> </div>	<p>In line with MS&amp;AD Insurance Group Information Security Management Basic Policy, we have been pursuing consistent system security management across the Group to ensure that service can be reliably provided in the face of rising cyber risks stemming from technological advances. We are also working to develop more robust information management system through activities such as establishing in-house regulations and educating employees.</p> <p><a href="#">Information Management</a></p>

# MS&AD Insurance Group Basic Policy for Responding to Customer Communications

## MS&AD Insurance Group Basic Policy for Responding to Customer Communications

The MS&AD Insurance Group shall respond to all customer communications quickly, appropriately and in good faith based on the Group's management ideology. The following principles for conduct are hereby promulgated to contribute toward greater customer satisfaction.

### 1. Definitions

#### (1) Definition of Customer

As used herein, "customer" shall refer to "a customer having a relationship with the activities of the MS&AD Insurance Group" with respect to both individuals and companies.

#### (2) Definition of Customer Communication

As used herein, "customer communication" shall refer to "any and all expressions from customers (inquiries, consultations, requests, complaints, disputes, praise, expressions of gratitude, etc.)." Here, "complaint" shall mean "an expression of dissatisfaction from a customer."

### 2. Principles for Conduct

#### (1) Basic Stance

- (i) All officers and employees shall respond to all customer communications quickly, appropriately and in good faith.
- (ii) All officers and employees shall be conscious of the fact that customer communications constitute "important information for assuring trust from customers, realizing corporate growth and further improving quality."
- (iii) All officers and employees shall compile and analyze information relating to customer communications, and while making effort to reduce complaints, shall also use this information to create measures that improve quality and raise the level of customer satisfaction.

#### (2) Management of Responses to Customer Communications

- (i) Domestic Group insurance companies shall prescribe policies for responding to customer communications that factor in the business conditions present at their respective companies consistent with the "MS&AD Insurance Group's Mission Statement" and the "MS&AD Insurance Group Basic Policy for Responding to Customer Communications."
- (ii) Domestic Group insurance companies shall prepare rules, manuals and the like regarding the procedures and specific individual actions for responding to customer communications.
- (iii) When necessary, the other Group companies shall prepare measures for responding to customer communications and put these into practice as appropriate.

# ESG Information

The following is a supplement to the MS & AD Insurance Group's sustainability approach.

Subject period:

FY2023 (April 1, 2023 - March 31, 2024)

[ESG Data](#)

## Corporate Governance

### Supplement to the performance-based remuneration for directors

See "[Corporate Governance](#)" for an overview of the system.

#### 1.Share of the CEO's short-term incentive

- Performance-linked remuneration shall be linked with the business performance of the company and determined based on financial(\*1) and non-financial(\*2) indicators. The standard ratio between financial and non-financial indicators used in the calculation of performance-linked remuneration shall be“50:50.”
- The stock-based remuneration components of performance-linked remuneration shall be calculated as follows, based on standard amounts for each position  
 Standard amount per position × business performance coefficient  
 (financial indicators × 20% + non-financial indicators × 80%)
- The standard ratios of the components of compensation for the President and Director are as follows:

[Fixed remuneration] 50%	[Performance-linked remuneration] Monetary remuneration 25%	[Performance-linked remuneration] Stock-based remuneration 25%
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<Breakdown of 25% of Stock-based remuneration>

The ratio of financial indicators (indicators reflecting single fiscal year performance) is

$25\% \times 20\% = 5\%$ .

The ratio of non-financial indicators (indicators to reflect medium- to long-term performance

contributions) is  $25\% \times 80\% = 20\%$ .

(\*1)Financial indicators are indicators that are used to reflect business performance in a single fiscal year in officer remuneration.

(\*2)Non-financial indicators are indicators that are used to reflect initiatives contributing to medium- to long-term business performance in officer remuneration.

#### 2. Performance Period for Variable CEO Compensation

- Performance-linked remuneration shall be linked with the business performance of the company and determined based on financial and non-financial indicators.
- Financial and non-financial indicators have been selected after taking into consideration the Group's Medium-Term Management Plan (FY2022-2025) , which began in fiscal 2022 and will end in fiscal 2025 for a period of 4 years.

#### 3.Claw back Clause

- We have a claw back clause in place. (click [here](#))

## Management Ownership

Ratio of the amount converted into the fair value of shares to the amount of consolidated fixed remuneration of a person whose total amount of consolidated remuneration in fiscal 2023 is 100 million yen or more.

Name(s)	Position	Fixed remuneration (million yen)	Shares of the Company owned(*)		Value equivalent to Market Value of the shares held / fixed compensation
			Number of shares of the Company owned	Fair value(*) (million yen)	
Yasuyoshi Karasawa	Director	55	177,414	481	9.15
Yasuzo Kanasugi	Director	56	197,145	534	
Noriyuki Hara	Director, President&CEO	65	184,890	501	7.71

\*: March 31, 2024 end-of-day basis

## Risk Management

### Impact of Material Risks and Mitigation Measures

#### Changes in the environment surrounding human resources

The Group recognizes changes in the environment surrounding human resources as one of the important risks in light of the following:

- A gap between management strategies and the human resources portfolio, as well as a shortage in securing or developing human resources to eliminate the gap due to external changes in the human resources market, labor supply-demand, and changes in the skills and expertise necessary for implementing strategies such as DX promotion.
- A decline in employee engagement and an outflow of human resources due to insufficient organizational response to harassment and a lack of employee support program that accurately captures changes in employees' attitudes toward autonomous career opportunities, flexible / diverse work styles, and respect for diversity.

<b>Impact</b>	<ul style="list-style-type: none"> <li>• The Group's medium-term management plan calls for the value creation through the global expansion of CSV×DX and the transformation of the business by reforming the structure of the business and adapting to changes in the business environment, including the creation of new businesses.</li> <li>• The greatest asset of the Group pursuing this strategy is human resources, and each employee is responsible for the concrete implementation of the strategy. In particular, "digital human resources" and "overseas human resources" are the cornerstones of the strategy, as they are responsible for the global expansion of CSV×DX and the transformation of business and risk portfolios. In order to realize changing structure of the business and creation of new businesses in adapting to business environment, it is important to elicit and utilize the opinions and ideas of various employees.</li> </ul> <p>If there is a shortage of such human resources or if employees are unable to demonstrate their abilities, skills, and motivation, it will be impossible to execute the strategy and the achievement of the goals set forth in the medium-term management plan.</p>
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<p><b>Mitigation measure</b></p>	<p>Promote digital human resources development programs which all employees acquire basic digital skills with the aim of fostering human resources leading the CSV×DX strategy. Based on our in-house certification system and education programs, we are systematically improving our skills in both business and digital fields. We are implementing the Group's unique Digital Human Resources Development Program in cooperation with universities and other institutions.</p> <ul style="list-style-type: none"> <li>• We are implementing the initiatives for management personnel and "Professional human resources (Accounting, Finance, IT, Risk Management, etc.)" necessary for overseas businesses, including nomination-based training, overseas dispatch training, and the global trainee system, to develop in a multifaceted and planned manner.</li> <li>• For digital and overseas personnel, we set KPIs and focus on the development of human resources while confirming the progress of their development.</li> <li>• In order to improve employee engagement, it is important to develop a work environment that includes opportunities for autonomous career development, flexible, efficient, and effective working styles, and a corporate culture that supports individual's endeavours. We are promoting the provision of opportunities for autonomous career development and diverse and flexible working styles. At the same time, we are working to pursue diversity, equity, and inclusion (DE&amp;I) by promoting women and young personnel to decision-making positions, and by developing management know-how that actively draws on opinions and ideas.</li> </ul>
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Please refer to [ERM and Risk Management](#) for other important risks.

## Impact of Emerging Risks and Mitigation Measures

### ■ Utilization of AI

The technology of AI (Artificial Intelligence) that operates and learns autonomously is advancing daily and is being utilized to drive innovation in many industries. Among these, generative AI, which can generate text, images, programs, and more, has been gaining attention in recent years, making it easier for many people to use AI. Our company group is also advancing the use of generative AI.

<p><b>Impact</b></p>	<p>Generative AI facilitates tasks such as document summarization and translation, transcription of speech, and image creation. Therefore, our company group is leveraging generative AI with the aim of improving operational efficiency and productivity. Specifically, we are using it for tasks such as compiling meeting minutes and creating illustrations for presentation materials, and we are working to further expand its use. On the other hand, as the use of generative AI in business and the advancement of technology progress, there are medium-term risks associated with the potential for human rights and intellectual property violations, information leaks, and the dissemination of false or misleading information. Should such issues arise, there is a risk that our company group's corporate value could be significantly damaged, leading to a loss of social trust.</p>
<p><b>Mitigation Measures</b></p>	<p>In utilizing generative AI, our company group is taking the following measures to mitigate these risks:</p> <ul style="list-style-type: none"> <li>Developing guidelines for risk management in the use of AI within the Group, including those specific to generative AI.</li> <li>Mandating that employees receive training on the risks associated with generative AI before they utilize it.</li> <li>Having the headquarters' management department obtain logs of employees' use of generative AI and conduct regular risk monitoring.</li> <li>To strengthen AI governance, establishing meetings comprising relevant departments from the Holdings and domestic insurance subsidiaries to regularly share the actual use of generative AI and discuss the direction of governance.</li> <li>In addition to monitoring the Group's situation, we are also keeping an eye on external environmental changes such as trends in domestic and international regulations and technological advancements. We are advancing our efforts with agile governance in mind to continually improve AI governance.</li> </ul>

Please refer to [ERM and Risk Management](#) for other emerging risks.

## Risk Culture

We are implementing the following initiatives to cultivate a risk culture.

- Dissemination and explanation from the top management on business plans and promotion of ERM.
- Implementation of training and learning programs for employees on ERM and risks related to our business

[Providing mandatory online training programs for all employees and face-to-face hierarchical training program on topics such as ; Information management and cybersecurity, human rights, crisis management, compliance, quality improvement, sustainability, etc.]

- Posting explanations, policies, and commentary about ERM on the intranet
- To further promote employees' understanding, the ORSA report (Own Risk and Solvency Assessment) is posted on the intranet (internal homepage). An English version and a summary version are also posted for employees.
- Incorporating a risk management perspective into the rules and standards in the process of developing products and services

[Risks related to customer protection, underwriting risks, market risks, risks related to damage support operations, administrative and system risks, risks related to information management, etc.]

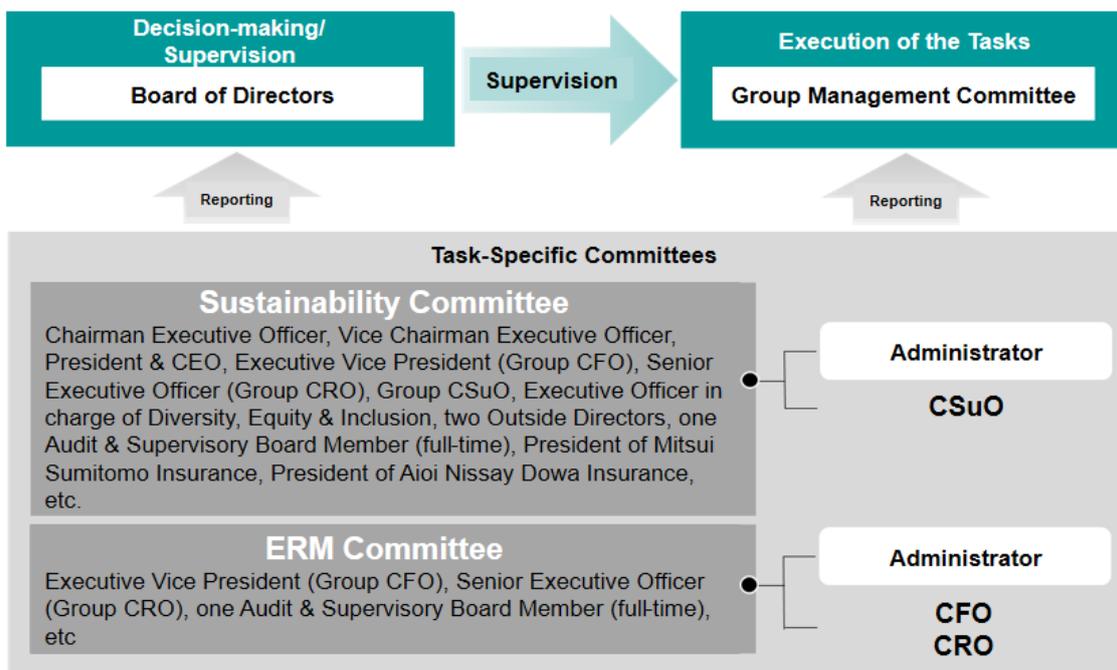
- Introduction of financial incentives incorporating risk management and compliance indicators [Evaluating the performance of branches in terms of enhancing underwriting, implementing risk solutions and complying with regulations for the sustainable provision of insurance]

## Contribute to Climate Change Mitigation and Adaptation

### Governance change from previous year

We maintain a climate-related governance structure composed of the Board of Directors, the Group Management Committee, and Task-Specific Committees such as Sustainability Committee.

CSuO (Group Chief Sustainability Officer) has been newly assigned fiscal 2023 and administrates Sustainability.



## Remuneration in Relation to Climate Issues –Incentives

As part of the initiatives contributing to medium- to long-term performance, we have non-financial indicators reflected in the performance-linked remuneration for directors and officers excluding external directors. Initiatives toward climate change mitigation are included in the evaluation of these indicators. The standard ratio of performance-linked remuneration to total remuneration is 50% for President & CEO and 30-40% for other directors and officers.

Other employees are also incentivized through annual appraisal where achievement of climate-related KPI in his charge is considered.

## Portfolio scope of Business Activities with Consideration for Sustainability

Business Coverage for our fossil fuel-related policies in “Business Activities with Consideration for Sustainability” is all of active, passive and third-party managed investment and all direct and re-insurance excluding treaty-re-insurance.

## Climate Activities through initiatives and Trade Associations

Our memberships of industry associations and outside initiatives will promote "Initiatives to Achieve Net Zero By 2050".

While ascertaining the decarbonization pathways that these organizations are pursuing, the status of their membership and activities are managed by the line of control, and important information is reported to the director in charge. After management of the status of membership and activities by the line of control, material matters are reported to the officer in charge. We will respond through discussions with the organizations when found necessary to confirm consistency with our policy.

## TCFD Task Force in Climate-related Financial Disclosures

### Value chain stages covered by climate risk assessment

We consider the effects of physical changes in weather conditions and the transition to a net-zero society to be risks in our business operations including value chain including both upstream and down stream, and are working to ensure stable earnings and financial soundness.

### Scenario Analysis

Scenario Analysis has been updated in August 2023 in our TCFD • TNFD disclosure (link below).

[Climate/Nature-related Financial Disclosure](#)

### Scenario Analysis excerpt

	Business area	Contents	Result Examples	Scenario used
Physical Risk	Insurance Underwriting	Fluctuation in loss paid by typhoon and storm surge in Japan	Typhoon 2050 Effects of change +5 to +50% Effects of changing frequency of occurrence -30 to +28%	RCP4.5 RCP8.5
Transition Risk	Investment	Impact on investee companies by carbon costs	EBIT at Risk Equity 2030 Low Carbon Price Scenario: 4.2% Medium Carbon Price Scenario: 8.9% High Carbon Price Scenario: 18.5%	Developed by Trucost referring to Nationally determined contributions (NDCs), OECD and IEA.

**Physical Climate Risk Adaptation** (Context Specific Plan)

To cope with this changing environment and to take as much benefits out of it, we have been developing and launching a number of products and services related to physical risks of climate change. We are expanding the geographical areas abroad by tackling climate change as an opportunity. For example, we offer a variety of financial products and services that adapt towards climate change and also considering behavior change of consumers by providing products such as Weather derivatives, Weather index insurance platform for farmers, and so on (Refer "Providing Coverage for Damage/Loss Caused by Natural Disasters" on "Action on Climate Change" page of "Sustainability Report" web site).

We have conducted scenario analysis. In 2050 under the 4 °C scenario (RCP 8.5), insurance loss arising from typhoons could vary from approximately + 5% to approximately + 50% due to changes in "intensity," and from approximately 30% to approximately + 28% due to changes in "frequency of occurrence".

We utilizes reinsurance alternative methods such as cat bonds (bonds that incorporate a function to receive funds in the event of a natural catastrophe) and accumulate catastrophe reserve. In FY 2019, Group companies MSI and Aioi Nissay Dowa Insurance have secured a joint common reinsurance option. This option ensures stability of Group profits and losses over the period even when payments for insurance claims due to natural catastrophe reach a large amount throughout the year.

The domestic non-life insurance business is the Group's core business, and a wide range of things would be done to improve the profitability of the domestic non-life insurance business. More than before, we will work to optimize underwriting and further improve productivity. Strategic system investments will be made as planned, and we will respond to rising non-personnel and personnel expenses due to inflation by steadily and boldly advancing our "One Platform Strategy." In addition, as a risk diversification to the international and life insurance businesses, we will expand our international business by increasing underwriting of good-performing policies in MS Amlin, for which profitability is recovering, and by disciplined business investment. In the domestic life insurance business, we will further promote life and non-life insurance cross-selling and increase profits by capturing asset formation needs. We will strengthen our ability to generate profits from our international and domestic life insurance businesses so that 50% of the Group's profits will be generated from businesses other than the domestic non-life insurance business by FY2025. We aim to achieve stable profits for the Group as a whole, even if individual businesses experience factors that reduce profits such as natural disasters.

# ESG Data / Reference Material

The following are the materials and data about sustainability approaches of the MS&AD Insurance Group.

Subject period:

FY2023 (April 1, 2023 - March 31, 2024) For Overseas insurance subsidiaries, FY2023 (Jan 1, 2023 - Dec 31, 2023)

Subject organizations and data coverage:

Company name	abbreviation	Group Domestic (Domestic consolidated subsidiaries)		Consolidated (MS & AD Group total)	
		Subject	Employee-based coverage	Subject	Employee-based coverage
Mitsui Sumitomo Insurance Co., Ltd.	MSI	○	74.1%	○	100%
Aioi Nissay Dowa Insurance Co., Ltd.	ADI	○		○	
Mitsui Direct General Insurance Co., Ltd.	Mitsui Direct General	○		○	
Mitsui Sumitomo Aioi Life Insurance Co., Ltd.	MSI Aioi Life	○		○	
Mitsui Sumitomo Primary Life Insurance Co., Ltd.	MSI Primary Life	○		○	
MS & AD Holdings	MS&AD Holdings	○		○	
Overseas insurance subsidiaries	Overseas		○		
Other *	Other		○		

\* Domestic group companies operating such as risk-related services

### Third-Party Assurance

Since 2015, the MS&AD Insurance Group has engaged KPMG AZSA Sustainability Co., Ltd. to perform assurance of selected environmental and social data in order to assure credibility of reported figures. The data subject to the third-party assurance for this fiscal year is indicated with ✓.

- [KPMG's Independent Assurance Report !\[\]\(f5a7f3af366d8fa6ee8949fd3f54cb21\_img.jpg\) \(184KB\)](#)
- [The Calculation Methodology !\[\]\(bdffe2bdf55c0c3edef3bbaba55e1863\_img.jpg\) \(442KB\)](#)

# ISO 26000 Core Subjects (Organizational Governance)

## Corporate Governance

As a company with an Audit & Supervisory Board, the Company will endeavor to improve governance by ensuring that independently appointed Audit & Supervisory Board Members appropriately act in their auditing functions, in addition to ensuring that the Board of Directors appropriately acts in its oversight functions, while strengthening the functions of each and actively disclosing information.

- [MS&AD Insurance Group Basic Policies on Corporate Governance](#)
- [MS&AD Insurance Group Basic Policy Pertaining to System for Internal Controls](#)
- [MS&AD Insurance Group Basic Policy for Management of Conflicts of Interest](#)
- [MS&AD Insurance Group Basic Policy Concerning Antisocial Forces](#)

### Directors (as of 24 June 2024)

<b>Chairperson of the Board</b>	Chairman (except holding concurrent post of President)
<b>Number of Directors</b>	11 *1
<b>Number of Outside Directors</b>	5 *2
<b>Number of independent Directors</b>	5 *3
<b>Number and ratio of women at the Board of Directors</b>	3 / 27.3%

\*1 Board members average tenure 4.1years

\*2 Outside directors average tenure 4.0years

\*3 The number of outside directors with relevant work experience in our company's sector : 1

### Corporate Auditors (as of 24 June 2024)

<b>Establishment of Board of Auditors</b>	Established
<b>Number of Audit and Supervisory Board Member</b>	4
<b>Number of Outside Audit and Supervisory Board Member</b>	2
<b>Number of independent Audit and Supervisory Board Member</b>	2
<b>Number and ratio of women in corporate auditors</b>	2 / 50.0%

### Nomination and Remuneration

- [Detailed Information](#)

## Number of Meetings of Board of Directors etc.

Function		FY2023
Business Execution, Oversight	Board of Directors	12 *1
	Governance Committee	2
	Group Management Committee	12
	Task-Specific Committees	
	Sustainability Committee	4
	Quality Improvement and Compliance Committee	4
	Digitalization Committee	4
	Group Systems Committee	14
	Group International Business Committee	3
	Risk Management Committee	9
Group standardization Committee	4	
Auditing, Oversight	Board of Auditors	11 *2

\*1 Outside Directors average attendance rate 100%. All directors average attendance rate 100% (We are operating to ensure an attendance rate of at least 75%)

\*2 Outside Corporate Auditors average attendance rate 95.5%

[> Detailed information of Corporate Governance](#)

## Information Voting Right

Classification	Number of shares (shares)	Number of Voting Rights	Description
Non-Voting shares	-	-	-
Shares with Restricted Voting Right (treasury shares, etc)	-	-	-
Shares with Restricted Voting Right (others)	-	-	-
Shares with Full Voting Right (treasury shares, etc)	(Treasury Shares) Common Stock 5,968,600	-	Share Unit Number (100 shares)
Shares with Full Voting Right (others)	Common Stock 528,485,800	5,284,858	Same as above
Fractional Shares	Common Stock 1,617,000	-	Fractional Shares (Less than 100 shares)
<b>Total number of Outstanding Shares</b>	536,071,400	-	-
<b>Total number of Vote</b>	-	5,284,858	-

## Political Donations\*1

Name of Organization	Coverage	Unit	FY2021	FY2022	FY2023
The People's Political Association (Liberal Democratic Party)	Consolidated	thousand JPY	21,000	21,100 *2	21,000

\*1 As a member of society, MS&AD Insurance companies believe that it is necessary to pay an appropriate share, and we make political donations to the extent permitted by law.

\*2 The figures for the fiscal year 2022 have been corrected due to errors. (Correction made on July, 2024) Before correction : 21,000 After correction : 21,100

## Amount of Contributions to Initiatives

MS&AD Insurance Group contributed to the following initiatives to achieve environmental conservation on a global scale and the realization of a sustainable society.

Name of Organization	Unit	FY2022	FY2023
UNEP Finance Initiative	thousand JPY	2,942	3,615
Global Compact Network Japan	thousand JPY	1,510	2,810
Total		4,452	6,425

## Compliance

- MS&AD Insurance Group Compliance Basic Policy
- MS&AD Insurance Group Basic Policy for Management of Customer Information
- MS&AD Insurance Group Basic Policy for Shared Use of Customer Information
- MS&AD Insurance Group Basic Policy for Management of Outside Vendors

## Reporting on Breaches

Items	Coverage	FY2023 Case reported
Corruption or Bribery	Consolidated	0
Conflicts of Interest		0
Money Laundering or Insider trading		0

\* Number of reports to the meeting

## Speak-Up System (Whistleblowing System)

Items	Coverage	Units	FY2021	FY2022	FY2023
Number of cases reported *1	Consolidated	cases	254	298	333 *2

\*1 Including Consultation

\*2 Of the cases received in FY 2023, 164 were related to harassment (including suspicious cases).

- Speak-up system (Whistleblowing system)

## Risk Management

- MS&AD Insurance Group Risk Management Basic Policy

## Information Disclosure

- MS&AD Insurance Group Basic Policy for Disclosure of Information

## ISO 26000 Core Subjects (Consumer Issues)

- [MS&AD Insurance Group Basic Policy for Responding to Customer Communications](#)

### Progress and KPI(Key Performance Indicators) in Relation to Our Customer-First Policy in the Business Operations (in Japanese only)

The Group's five domestic insurance companies have disclosed their initiatives based on their Customer-first Policy in the Business Operations and KPI used to evaluate the result of their initiatives.

- [Mitsui Sumitomo Insurance Co., Ltd.](#) 
- [Aioi Nissay Dowa Insurance Co., Ltd.](#) 
- [Mitsui Direct General Insurance Co., Ltd.](#) 
- [Mitsui Sumitomo Aioi Life Insurance Co., Ltd.](#) 
- [Mitsui Sumitomo Primary Life Insurance Co., Ltd.](#) 

Indicators	FY2021 Achievement	FY2022 Achievement	FY2023 Achievement
Customer satisfaction survey about insurance contract procedures	97.6%	98.0%	98.0%
Customer satisfaction survey about payment of insurance claim	96.8%	95.7%	96.1%

For details of the questionnaire on customer satisfaction survey of each company, please visit their website.

## ISO 26000 Core Subjects (Environment)

- [MS&AD Insurance Group Environmental Basic Policy](#)

## Greenhouse Gas (GHG) Emissions in Business Activities

With our support for the Paris Agreement adopted in 2015, we have signed the Paris Pledge for Action that calls on its signatories to address climate change and global warming. On May, 2021 we have set a goal of Net Zero GHG emissions by FY 2050. In order to achieve the goal, we also set 2030 interim targets for GHG emission reduction (Scope 1, 2 and part of 3) and renewable energy use (60% in 2030). For Net Zero it is essential to reduce GHG emission in supply chain as in our own business operation. We will promote initiatives together with our customers, agents and other stakeholders.

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
GHG emissions (Scope1,2,3) *	Consolidated	t-CO2	198,393 (▲11.7%)	189,989 (▲4.2%)	187,177 (▲1.5%)	
GHG emissions (Scope 1)	Group Domestic + Other	t-CO2	14,915 (▲6.1%)	14,102 (▲5.5%)	12,439 (▲11.8%)	✓
	Consolidated	t-CO2	17,584 (▲10.7%)	16,804 (▲4.4%)	15,589 (▲7.2%)	✓
GHG emissions (Scope 2)	Group Domestic + Other	t-CO2	51,629 (▲5.8%)	45,263 (▲12.3%)	38,965 (▲13.9%)	✓
	Consolidated	t-CO2	53,907 (▲6.4%)	47,956 (▲11.0%)	41,634 (▲13.2%)	✓
GHG emissions (Scope 1 and Scope 2 combined)	Group Domestic + Other	t-CO2	66,544 (▲5.9%)	59,364 (▲10.8%)	51,404 (▲13.4%)	✓
	Consolidated	t-CO2	71,491 (▲7.5%)	64,760 (▲9.4%)	57,222 (▲11.6%)	✓
GHG emissions (Scope 3) *	Consolidated	t-CO2	126,902 (▲13.9%)	125,229 (▲1.3%)	129,955 (3.8%)	

\* We have revised the figures of the fiscal year 2021 and 2022 due to changes in the calculation method for Scope 3 Category 3.

## GHG Emissions (Scope 3)

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Category 1 Purchased goods and services *1	Group Domestic + Other	t-CO2	43,881 (▲7.7%)	41,509 (▲5.4%)	39,607 (▲4.6%)	✓
Category 2 Capital goods	Consolidated	t-CO2	50,784 (▲17.9%)	48,107 (▲5.3%)	48,766 (1.4%)	
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) *2	Consolidated	t-CO2	14,028 (▲12.3%)	12,744 (▲9.2%)	11,760 (▲7.7%)	✓
Category 5 Waste generated in operations	Consolidated	t-CO2	1,172 (▲9.5%)	1,568 (33.8%)	1,498 (▲4.5%)	✓
Category 6 Business trip	Consolidated	t-CO2	4,232 (1.7%)	9,115 (115.4%)	15,232 (67.1%)	✓
Category 7 Employee commuting	Group Domestic + Other	t-CO2	6,983 (▲29.9%)	6,712 (▲3.9%)	7,733 (15.2%)	✓
Category 13 Downstream leased assets	Consolidated	t-CO2	5,821 (▲11.5%)	5,473 (▲6.0%)	5,360 (▲2.1%)	✓
Category15 : investments	Group Domestic	Please refer to <b>【Underwriting・Investments】</b> for details *3				

\*1: Subject: Paper and mail

\*2: We have retroactively adjusted the figures of fiscal year 2021 and 2022 by excluding renewable energy usage.

\*3: Please refer [HERE](#) for the Underwriting Investment details.

## Data on Environmental Burden

### Scope 1 & 2 Coverage [the Group's consolidated figures (including overseas companies)]

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Electricity	Consolidated	MWh	131,255 (▲1.6%)	124,892 (▲4.8%)	114,653 (▲8.2%)	✓
Heat supply	Consolidated	GJ	64,867 (▲4.3%)	61,824 (▲4.7%)	58,699 (▲5.1%)	
City gas	Consolidated	thousand m3	1,952 (0.8%)	1,955 (0.1%)	1,997 (2.2%)	
Liquefied Petroleum Gas	Consolidated	t	47 (▲43.3%)	51 (10.5%)	11 (▲78.2%)	
Heavy oil	Consolidated	kℓ	45 (12.8%)	40 (▲11.6%)	41 (3.5%)	
Kerosene	Consolidated	kℓ	30 (▲47.4%)	24 (▲21.4%)	16 (▲31.9%)	
Diesel oil	Consolidated	kℓ	0.6 (2.7%)	0.6 (7.4%)	0.5 (▲12.9%)	
Gasoline	Consolidated	kℓ	5,574 (▲13.0%)	5,237 (▲6.0%)	4,938 (▲5.7%)	✓
Total energy consumption *1	Consolidated	MWh	228,273 (▲4.8%)	217,863 (▲4.6%)	202,038 (▲7.3%)	✓
		GJ	821,784 (▲4.8%)	784,307 (▲4.6%)	727,336 (▲7.3%)	✓

\*1: The calculation of the total energy consumption in MWh and GJ is based on unit heat values specified in Japan's Act on the Rational Use of Energy except for purchased electricity, for which 3.6GJ/MWh is used.

### Scope 3 Coverage (major items)

(Percentage change from the previous year in parenthesis)

Items		Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Paper		Group Domestic + Other	t	9,090 (▲9.4%)	8,301 (▲8.7%)	7,646 (▲7.9%)	
Proportion of paper with forest certification *		MSI, ADI, Mitsui Direct General, MSI Primary Life	%	28.3 (▲0.6%)	34.4 (21.7%)	32.6 (▲5.1%)	
Total water use		Consolidated	thousand m3	707 (▲7.7%)	683 (▲3.4%)	690 (1.1%)	✓
Disposed waste	Total	Consolidated	t	7,286 (▲6.8%)	8,760 (20.2%)	7,752 (▲11.5%)	✓
	Recycled		t	4,226 (▲9.0%)	5,498 (30.1%)	4,558 (▲17.1%)	✓
	Final disposal amount		t	3,060 (▲3.6%)	3,262 (6.6%)	3,193 (▲2.1%)	✓
	Incinerated		t	2,988 (▲1.5%)	3,173 (6.2%)	3,153 (▲0.6%)	
	Landfilled		t	72 (▲48.7%)	89 (23.6%)	41 (▲54.3%)	
Business trip		Consolidated	thousand passenger -km	43,998 (▲1.1%)	108,917 (147.6%)	159,721 (46.6%)	✓

\*: We have revised the coverage to add Mitsui Direct General and MSI Primary Life to FY2022 figure. FY2021 coverage is MSI and ADI.

## Renewable Energy Generation

We have installed solar power generation systems in our domestic eight buildings, and are promoting to reduce GHG emissions by using these renewable energy.

(Percentage change from the previous year in parenthesis)

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance
Energy Generation	8 Buildings *1	kWh	68,430 (25.7%)	91,134 (33.2%)	136,169 (49.4%)	✓
Energy Consumption *2	Consolidated	kWh	18,136,730 (37.1%)	26,393,327 (45.5%)	26,426,580 (0.1%)	✓
Renewable energy introduction rate	Consolidated	%	13.8 (39.4%)	21.1 *3 (52.9%)	23.0 (9.1%)	

\*1: MSI Surugadai bldg. & Surugadai Annex, Tamagawa Training Center, MSI Osaka Yodoyabashi bldg, MSI Kooriyama bldg, MSI Omiya Higashi-cho bldg, MSI Okayama bldg, ADI Tokyo Customer Center

\*2: Includes power generation from renewable energy sources and use of renewable energy certificates. Note that 1,548,000 kWh of the certificates are issued under multi-countries.

\*3: Correction made on August, 2023 Before correction : 24.1 After correction : 21.1

## Carbon Credit

Items	Coverage	Units	FY2021	FY2022	FY2023
Voluntary Credit	1 entity * (Business travel offset)	t	0	150	106

\*: MS Amlin

## Cost Effect

Items	Coverage	Units	FY2021	FY2022	FY2023
Electricity *1	Consolidated	thousand JPY	▲64,468	▲247,086	▲373,343
Gasoline *2	Consolidated	thousand JPY	▲135,477	▲57,121	▲52,318
Copy Paper	Group Domestic + Other	thousand JPY	▲28,892	▲80,187	10,525

\*1: Calculated from the average unit price at MS&AD Holdings.

\*2: Calculated from the petroleum products price survey gasoline nationwide annual average unit price (Agency for Natural Resources and Energy).

## Environmental Approaches through Supply Chain

Our efforts to reduce the environmental burden are also promoted in conjunction with key business partners. We are engaged in green purchasing, prioritizing eco-friendly products in procuring the materials used in our operations, and our entire value chain is working to establish a sustainable society. In addition, we are working with policyholders on Eco insurance certificates and web policy clauses that reduce the environmental burden of business activities and, at the same time, improve the convenience of policyholders.

Items	Coverage *2	Units	FY2021	FY2022	FY2023
Ratio of Web Policy Clause *1	MSI, ADI, MSI Aioi Life, MSI Primary Life	%	77.6	80.3	84.7
Number of trees corresponding to the reduced amount of paper	MSI, ADI, MSI Aioi Life, MSI Primary Life	tree	24,848	26,897	29,958

\*1: Online "Terms & Conditions" in consideration of environment

\*2: We have revised the coverage to add Mitsui Sumitomo Aioi Life Insurance and MSI Primary Life to FY2023 figure. FY2022 coverage is MSI and ADI.

## ISO 26000 Core Subjects (Community Involvement and Development)

MS&AD Group has been providing an environment that nurtures imagination, allows our employees to engage more deeply with their communities and society, and encourages their participation in and support for community development through our social contribution activities.

Through these activities, our employees have the opportunity to broaden their horizons, think from diverse perspectives, and build a strong network within the local community.

We are committed to supporting the growth of our employees by providing these activity opportunities, while simultaneously promoting contribution to local communities.

Items		Coverage	Units	FY2021	FY2022	FY2023
Number of acquirer of Volunteer leave		MSI, ADI, MSI Aioi Life	people	15	3	20
Number of acquirer of Volunteer suspension		MSI, ADI, MSI Aioi Life	people	0	0	0
Number of employees engaged in social contribution activities		Group Domestic	people	23,024	22,553	21,231
MS & AD Unison Smile Club Number of members		Group Domestic	people	13,971	13,191	12,539
Disaster Relief Donation Matching Gift Program	Donated amount *1	Consolidated	thousand yen	21,479	25,092	64,238
	Number of participants *2	Consolidated	people	7,979	9,213	19,006
Corporate philanthropic contributions				1,103,218	1,287,754	1,387,288
(Breakdown) Purpose	Charitable Donations	Group Domestic	thousand yen	142,813	41,146	62,848
	Community Investments			626,247	870,053	922,873
	Commercial Initiatives			334,158	376,555	401,567
(Breakdown) Money conversion	Cash contributions			979,210	1,227,540	1,321,214
	Employee volunteering during paid working hours			2,270	90	750
	In-kind donation, facility opening etc			23,860	13,180	13,210
	Management overheads			97,878	46,944	52,114

\*1: Total amount of Donation Matching Gift and Donation from employees

\*2: Total participants

## ISO 26000 Core Subjects (Human Rights) (Labor Practices)

### Breakdown of employees

Items	Coverage			Units	FY2021	FY2022	FY2023	Third-Party Assurance	
Number of Group employees *1  Temporary employees are superscripted as the average number of annual temporary hires in the bracket.	Consolidated	male- female combined total		people	39,962	38,584	38,391		
					(8,103)	(7,177)	(6,448)		
			male		18,433	17,718	17,373		
			female		21,529	20,866	21,018		
	Group domestic	male- female combined total			30,724	29,030	28,456		
					(7,321)	(6,414)	(5,706)		
			male		14,184	13,298	12,692		
			female		16,540	15,732	15,764		
		companies	MSI		13,453	12,572	12,143		
			ADI		13,503	12,741	12,502		
			Mitsui Direct General		528	498	536		
			MSI Aioi Life		2,436	2,391	2,410		
			MSI Primary Life		403	410	415		
			holding company		HD	401	418	450	
	Domestic employees (including group companies) /Consolidated employees				%	76.9	75.2	74.1	
	Overseas	male- female combined total			8,943	9,217	9,558	✓	
					(771)	(717)	(675)		
			male		4,027	4,172	4,417		
			female		4,916	5,045	5,141		
		Overseas employees/ Consolidated employees			%	22.4	23.9	24.9	✓
	Others *2	male- female combined total			295	337	377		
male			222	248	264				
female			73	89	113				
Other employees/ Consolidated employees			%	0.7	0.9	1.0			

\*1: Excludes employees transferring out of the company, but includes employees transferring in. Excludes executive officers and employees on leave.

\*2: Risk-related service businesses operated by the Group Companies other than those in the domestic insurance industry. From 2019, Leadenhall Capital Partners LLPUK will be included Overseas.

## Number of Employees by Age

Items	Coverage			Units	FY2021	FY2022	FY2023
Number of Employees by Age (Group Domestic)	Under 30	male-female combined total		people	6,416	5,491	4,984
			male		2,175	1,881	1,724
			female		4,241	3,610	3,260
	30~39	male-female combined total			6,852	6,682	6,742
			male		2,825	2,734	2,644
			female		4,027	3,948	4,098
	40~49	male-female combined total			7,276	6,772	6,576
			male		3,106	2,820	2,660
			female		4,170	3,952	3,916
	50~59	male-female combined total			7,989	7,730	7,655
			male		4,498	4,226	3,991
			female		3,491	3,504	3,664
	60 and above	male-female combined total			2,173	2,334	2,481
			male		1,566	1,621	1,659
			female		607	713	822
	Others *				18	21	18

\*: No further classification due to privacy

## Employment

Items	Coverage		Units	FY2021	FY2022	FY2023
Average age *1	Group domestic	male- female combined total	age	42.3	42.8	43.1
	Group domestic	male		44.9	45.3	45.5
	Group domestic	female		40.0	40.7	41.2
Average length of service	Group domestic	male- female combined total	year	13.9	14.2	14.4
	Group domestic	male		14.9	15.0	15.1
	Group domestic	female		13.1	13.5	13.8
New-graduate recruits *2	Group domestic	male- female combined total	people	459	460	675
	Group domestic	male		164	194	367
	Group domestic	female		295	266	308
Number of mid-career hires *3	Group domestic	male- female combined total	people	190	309	859
	Group domestic	male		78	173	348
	Group domestic	female		112	136	511

Total turnover rate		Group domestic	male-female combined total	%	4.7	5.4	4.4
Turnover Rate (Voluntary) *4		Group domestic	male-female combined total	%	3.2	3.5	3.3
The ratio between the total annual compensation of the Chief Executive Officer and the mean employee compensation	Total annual compensation of the Chief Executive Officer	HD	male-female combined total	million JPY	133	127	139
	Mean employee compensation			JPY	10,976,292	11,013,816	11,013,096
	Ratio			times	12.1	11.5	12.6

\*1: The end of March of each year

\*2: The number of new hires in April of each next year

\*3: The number of new employees in fiscal year

\*4: Exclude retirees and are calculated based on voluntary resignees.

## Diversity

We are promoting diversity, equity and inclusion (DE&I) initiatives in order to create a working environment where all employees with different backgrounds, characteristics, and values can fully demonstrate their abilities and play active roles. The percentage of females in managerial positions has achieved 15% target in FY2020. We have set a new target, aiming for 30% in FY2030.

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance	
Employment rate and number of employees with disabilities	Group domestic	%	2.55	2.59	2.63	✓	
		people	716	702	702	✓	
Rehiring Program after retirement Number of users *1	Group domestic	people	1,650	1,795	1,947		
Percentage and number of females among board members and corporate auditors*2	HD	Board members	%	27.3	27.3	27.3	
			people	3	3	3	
		Corporate Auditors	%	50.0	50.0	50.0	
			people	2	2	2	

Percentage and number of females in managerial positions*3	Consolidated	General Managers*4	%	18.9	17.1	20.1	
			people	294	338	407	
		Managers*5	%	23.7	26.2	28.7	
			people	1,549	1,638	1,781	
		Total managerial positions	%	22.7	24.7	26.6	✓
			people	1,843	1,976	2,188	✓
	Group domestic	General Managers	%	5.2	6.5	8.4	
			people	64	78	100	
		Managers	%	20.6	22.9	24.9	
			people	990	1,060	1,178	
		Total managerial positions	%	17.5	19.5	21.6	✓
			people	1,054	1,138	1,278	✓
Division that contributes to sales: Total managerial positions *6	%	15.8	18.5	19.8			
	people	593	651	693			
Percentage and number of females in non-managerial positions	Group domestic	%	-	-	64.3		
		people	-	-	14,486		
Percentage of females in STEM-related departments*7	Group domestic	%	-	-	18.7		
Percentage of women among employees who were promoted	Group domestic	%	-	-	65.9		

\*1: Number of people newly or consecutively re-employed on April 1st next fiscal year

\*2: Approved at shareholders meeting held each next fiscal year.

\*3: As of April 1st next fiscal year for Group Domestic. As of December 31st for Overseas insurance subsidiaries

\*4,\*5: In July 2024, revised the FY2022 results (changed the counting method for General Managers and Managers)

\*6: Number of sales and insurance payers

\*7: STEM (Science, Technology, Engineering, Mathematics) related departments

## Wages of Employees

Items	Coverage			Units	FY2021	FY2022	FY2023	Third-Party Assurance	
Gender wage gap *1	Group domestic	companies	MSI *2	All employees	%	-	43.6	46.3	✓
				Full-time employees	%	-	50.7	53.0	✓
				Non-full-time employees	%	-	30.6	32.7	✓
			ADI *3	All employees	%	-	52.8	55.2	✓
				Full-time employees	%	-	56.7	58.6	✓
				Non-full-time employees	%	-	65.5	64.4	✓
			Mitsui Direct General *4	All employees	%	-	61.9	63.6	✓
				Full-time employees	%	-	56.3	56.3	✓
				Non-full-time employees	%	-	65.7	80.1	✓
		MSI Aioi Life *5	All employees	%	-	56.0	58.8	✓	
			Full-time employees	%	-	56.1	58.8	✓	
			Non-full-time employees	%	-	44.0	45.8	✓	
		MSI Primary Life *6	All employees	%	-	64.9	69.1	✓	
			Full-time employees	%	-	64.3	68.3	✓	
			Non-full-time employees	%	-	84.9	72.5	✓	
		holding company	HD *7	All employees	%	-	65.1	64.7	✓
				Full-time employees	%	-	65.7	63.0	✓
				Non-full-time employees	%	-	84.1	91.2	✓

\*1: Female's wage / Male's wage (Wages do not include commuting expenses)

\*2: Excludes seconded employees (But includes employees seconded from other companies whose wages are paid by MSI) ; Full-time: excludes executive officers and directors; Non-full-time: excludes temporary employees, but includes insurance consultants, directors and professional employees (industrial physicians, highly skilled professionals, etc.)

\*3: Excludes seconded employees; Full-time: excluding executive officers and including directors; Non-full-time: excluding temporary employees.

\*4: Excludes seconded employees; Full-time: excluding executive officers and including directors; Non-full-time: excluding temporary employees.

\*5: Excludes seconded employees; Full-time: excluding executive officers, directors and senior managers, including career LC employees; Non-full-time: excluding temporary employees, including directors, senior managers and LC employees.

\*6: Excludes seconded employees (But includes employees seconded from other companies whose wages are paid by MSI Primary Life); Full-time: excluding executive officers and advisors; Non-full-time: excluding temporary employees.

\*7: All employees are seconded from subsidiaries, etc.; Full-time: excluding executive officers, Non-full-time: excluding temporary employees

## Human Rights

In February 2017, the Group established MS & AD Insurance Group Basic Policy on Human Rights and implemented the Group's human rights due diligence system. We provide our employees with human rights training every year in order for them to understand human rights better and to develop an organizational culture that respects human rights.

Items	Coverage	Units	FY2021	FY2022	FY2023
Trainings of Human rights*	Group domestic	%	100.0	100.0	100.0

\*: Rate of departments that conducted human rights trainings that required all employees to participate

Items	Coverage	Units	FY2021	FY2022	FY2023
Labor union membership rate	Group domestic	%	93.4	93.8	93.7

## Human Asset Development

Items	Coverage	Units	FY2021	FY2022	FY2023	
Total training hours	Group domestic	hours	954,523	1,402,280	1,524,914	
Average training hours per person	Group domestic	hours	31.1	48.3	53.6	
Total training cost	Group domestic	thousand JPY	1,630,995	2,575,357	1,279,462 *1	
Average training cost per person	Group domestic	JPY	53,085	88,714	44,963 *2	
Number of participants of the Trainee System*3	Group domestic	people	1,258	539	645	
Number of participants of the Global Trainee System*4	Consolidated	Total	195	190	129	
		Domestic employee	82	90	60	
		Local employee	113	100	69	
Number of participants of the overseas career training program*5	Group domestic	people	7	30	40	
Number of participants of the Temporary Transfer System to Headquarters from Overseas Branches*6	Consolidated	people	0 *7	4	9	
Number of actuaries*8	Group domestic	male-female combined total	127	135	145	
		male	123	130	138	
		female	4	5	7	
Digital human resources*9	Group domestic	people	2,179	3,601	5,814	
Global human resources *10	Group domestic	people	1,129	1,182	1,189	
Human Capital ROI (Return on Investment)*11	Group domestic	Total Revenue	million yen	5,132,042	5,250,794	6,572,889
		Total Operating Expenses	million yen	1,620,664	1,727,500	1,873,694
		Total employee-related expenses (salaries + benefits)	million yen	324,093	313,148	316,918
		Human Capital ROI *12	times	11.8	12.3	15.8

\*1/\*2:The calculation method has been changed from FY2023

\*3: Short-term program which allows employees to experience work they have never done before, at the request of the employee.

\*4: Short-term program which allows employees at the head office in Japan to experience working at overseas subsidiaries, as well as local employees at overseas subsidiaries to experience working at the head office.

\*5: MBA dispatch program, and training program which allows employees to experience working for a year at overseas subsidiaries or insurance companies.

\*6: Transfer system for which allows the local employees from overseas experience the jobs at the head office for 6 months to 1 year in Japan.

\*7: Number decreased due to immigration restrictions by COVID-19

\*8: Number of professional actuaries employed by the MS&AD Group with specialized skills for making full use of probability, statistical and other mathematical techniques used in product development, risk management and other processes (as of April 1 of the subsequent fiscal year).

\*9: Employees who can utilize the latest digital technology and data (as of next April 1 of every fiscal year)

\*10: Employees who have experienced expatriates and potential candidates (as of next April 1 of every fiscal year)

\*11: Added this item in July 2024. The results of FY2020 are as follows;

Total Revenue (million yen):4,892,244 / Total Operating Expenses (million yen):1,612,667 / Total employee-related expenses (million yen):330,484 / Human Capital ROI (times):10.9

\*12: Total Revenue-(Total Operating Expenses-Total employee-related expenses)/Total employee-related expenses

### Employee satisfaction \*1

Items	Coverage	Units	FY2021	FY2022	FY2023
Employee satisfaction (questionnaire results), "Pride, Job satisfaction"*2	Group domestic	point	4.4	4.4	4.4
Employee satisfaction (questionnaire results), "Working Vigorously"*3		point	4.6	4.6	4.7

\*1: The results of the opinion poll asking all Group employees (all-employee average on a 6-point scale, Scope: 42,518 all domestic employees including temporary employees at the time of survey, Response rate: 96.1%).

\*2: Ratio of employees feeling pride or job satisfaction

\*3: Ratio of employees, regardless of sex and age, feeling free and lively at workplaces.

## Programs for Promoting Work-life Balance

Items	Coverage *1	Units	FY2021	FY2022	FY2023	Third-Party Assurance	
Temporary leave before / after childbirth Number of acquirers	Group domestic	people	767	833	733		
Number of employees taking childcare paid leave	Group domestic	male-female combined total	1,092	1,143	1,013		
		male	355	383	311		
		female	737	760	702		
Acquisition rate of childcare paid leave	Group domestic	male-female combined total	92.7	97.0	96.4		
		male	86.4	92.5	89.9	✓*2	
		female	96.1	99.5	99.6		
Flexible working hours for childcare Number of acquirers	Group domestic	shorter hours	1,246	1,303	1,292		
		flextime	101	112	140		
		change of Starting / finishing time	99	191	157		
Employee retention rate one year after taking childcare leave	Group domestic	%	-	-	64.5		
Temporary retirement for nursing Number of acquirers	Group domestic	male-female combined total	19	23	22		
		male	2	3	2		
		female	17	20	20		
Flexible working hours for nursing Number of acquirers	Group domestic	number of acquirers	21	43	24		
Paid leave	Group domestic	ratio of days taken*3	%	74.3	74.6	75.1	
		days taken	days	16.3	16.4	16.5	

\*1: Includes temporary employees

\*2: Third-Party Assurance has been obtained since FY2022

Number of employees who took childcare leave/Number of the employees whose spouses gave birth

\*3: Number of days acquired / granted

## Occupational Health and Safety (OHS)

In accordance to the Occupational Safety and Health Act, a health committee has been established to research and discuss relevant topics to preventative measures for OHS-related concerns and initiatives to support employees' health. We strive to provide a workplace environment that considers employee's health and safety. In addition, we have a group-wide health checkup system, a health management center, and a consultation room for employees in order to ensure that our employees can maintain their good health even better.

Items	Coverage	Units	FY2021	FY2022	FY2023	Third-Party Assurance	
Number of claims for work related injuries	Group domestic	Total	cases	189	208	204	
		Work-related accident	cases	78	79	72	
		Accident during commute	cases	111	128	132	
		Fatality accident	cases	0	1	0	
Consultation rate of Medical Checkup*1	Group domestic	%	100.0	100.0	100.0		
Absentee rate*2	Group domestic	%	0.548	0.599	0.534	✓	

\*1: Number of employees undergoing medical checkup consultation / number of employees

\*2: Total days lost due to absenteeism / Total days scheduled to be worked

## Underwriting/Investments

> ESG integration and sustainability approach

> Transition to 2050 Net Zero  (3,488KB)

## Premium Income of Products that Contribute to a Decarbonized and Circular Economy and Products which Help Improve the Resilience of Society

Item	Scope	Unit	FY2023
Premiums of Products that contribute to a decarbonized and circular economy and products which help improve the resilience of society*	MSI, ADI	million yen (%)*	205,883 (4.8%)

\*:Percentage of net premium written

## Products that Contribute to a Decarbonized and Circular Economy

Item	Scope	FY2022	FY2023
Premium growth rate of products which contribute to decarbonization and circular economy	MSI, ADI	17.9%	24.5%

## Products which Help Improve the Resilience of Society

Item	Scope	FY2022	FY2023
Rate of increase in the number of underwritten policies for products which help improve the resilience of society	MSI, ADI	29.4%	17.6%

## Greenhouse Gas Emissions in Investment Portfolio(Scope3 Category15)

Our company is upgrading our methodologies in line with developments. The Group calculates the greenhouse gas (GHG) emissions from our investments and loans in accordance with the methodology developed by the Partnership for Carbon Accounting Financials (PCAF), which specializes in creating standards for financial institutions to measure GHG emissions.

The emissions in the table below are calculated using Trucost's analytical tools, which determine greenhouse gas (GHG) emissions based on disclosure information from the investee companies. In the absence of available disclosure information, proprietary modeling approaches are used. Additionally, the estimates provided by PCAF are utilized. The calculations are based of target Scope 1 and Scope 2 emissions of the investee companies.

(Absolute Unit : kt-CO2e, Intensity Unit:t-CO2e/US\$M)

Asset Class		FY2021 *1	FY2022 *2	FY2023 *3
Stocks	Absolute	2,501	2,302	2,111
	Intensity	131.5	114.5	100.1
Corporate bonds	Absolute	2,538	2,400	1,944
	Intensity	205.6	221.5	152.2
Business Loans	Absolute	273	286	225
	Intensity	256.5	273.2	184.3

(Absolute Unit : kt-CO2e, Intensity Unit:t-CO2e/US\$M)

Region			FY2021 *1	FY2022 *2	FY2023 *3
Japan	Stocks	Absolute	2,365	2,124	2,009
		Intensity	112.9	87.5	85.5
	Corporate bonds	Absolute	1,814	1,589	1,428
		Intensity	127.1	117.7	88.1
	Business Loans	Absolute	259.2	247.0	204.9
		Intensity	241.5	224.1	165.6
Americas	Stocks	Absolute	103	141	77
		Intensity	15.4	23.4	10.7
	Corporate bonds	Absolute	358	499	301
		Intensity	48.5	77.0	45.4
	Business Loans	Absolute	13.9	39.4	20.3
		Intensity	14.9	48.8	18.7
Asia	Stocks	Absolute	20	32	21
		Intensity	1.9	3.2	2.7
	Corporate bonds	Absolute	148	130	83
		Intensity	17.6	17.9	9.3
	Business Loans	Absolute	0.0	0.4	0.0
		Intensity	0.0	0.0	0.0

Europe	Stocks	Absolute	13	5	3
		Intensity	1.4	0.3	0.0
	Corporate bonds	Absolute	94	75	85
		Intensity	8.2	6.4	6.7
	Business Loans	Absolute	0.0	0.1	0.0
		Intensity	0.0	0.2	0.0
Other	Stocks	Absolute	0	1	0
		Intensity	0.0	0.0	0.0
	Corporate bonds	Absolute	124	108	47
		Intensity	4.2	2.4	4.0
	Business Loans	Absolute	0.0	0.0	0.0
		Intensity	0.0	0.0	0.0

(Absolute Unit : kt-CO2e, Intensity Unit:t-CO2e/US\$M)

Industry (GICS Code)			FY2021*1	FY2022*2	FY2023*3
Energy (10)	Stocks	Absolute	129	128	111
		Intensity	3.4	3.9	2.7
	Corporate bonds	Absolute	326	427	245
		Intensity	22.4	42.2	21.4
	Business Loans	Absolute	3	15	2
		Intensity	1.2	0.0	1.3
Materials (15)	Stocks	Absolute	1,066	981	838
		Intensity	48.5	36.7	36.1
	Corporate bonds	Absolute	811	738	598
		Intensity	42.6	38.7	30.7
	Business Loans	Absolute	81	80	58
		Intensity	50.1	0.0	29.4
Industrials (20)	Stocks	Absolute	626	562	564
		Intensity	37.5	29.6	28.0
	Corporate bonds	Absolute	226	177	194
		Intensity	23.2	21.6	18.7
	Business Loans	Absolute	44	40	37
		Intensity	25.5	0.0	21.4
Consumer Discretionary (25)	Stocks	Absolute	275	245	232
		Intensity	10.6	9.4	8.0
	Corporate bonds	Absolute	53	48	45
		Intensity	4.6	5.0	4.0
	Business Loans	Absolute	3	2	3
		Intensity	1.7	0.0	4.0

Consumer Staples (30)	Stocks	Absolute	102	83	146
		Intensity	3.6	3.0	4.0
	Corporate bonds	Absolute	82	82	87
		Intensity	5.9	6.8	5.3
	Business Loans	Absolute	4	7	5
		Intensity	1.9	0.0	4.0
Health Care (35)	Stocks	Absolute	10	12	8
		Intensity	1.5	2.1	1.3
	Corporate bonds	Absolute	7	11	5
		Intensity	1.0	2.3	1.3
	Business Loans	Absolute	2	2	1
		Intensity	3.3	0.0	1.3
Financials (40)	Stocks	Absolute	14	13	11
		Intensity	0.9	0.8	1.3
	Corporate bonds	Absolute	47	57	33
		Intensity	3.1	3.0	2.7
	Business Loans	Absolute	11	7	10
		Intensity	15.3	0.0	12.0
Information Technology (45)	Stocks	Absolute	55	49	46
		Intensity	4.0	3.9	4.0
	Corporate bonds	Absolute	26	31	30
		Intensity	2.8	3.3	4.0
	Business Loans	Absolute	1	1	1
		Intensity	1.6	0.0	0.0

Communication Services (50)	Stocks	Absolute	4	5	4
		Intensity	0.5	0.6	0.0
	Corporate bonds	Absolute	15	10	10
		Intensity	1.9	1.6	1.3
	Business Loans	Absolute	2	2	3
		Intensity	1.8	0.0	2.7
Utilities (55)	Stocks	Absolute	205	215	148
		Intensity	19.7	23.6	13.4
	Corporate bonds	Absolute	934	813	693
		Intensity	95.1	95.1	61.4
	Business Loans	Absolute	120	128	106
		Intensity	147.4	0.0	98.8
Real Estate (60)	Stocks	Absolute	14	9	4
		Intensity	1.3	0.8	0.0
	Corporate bonds	Absolute	12	7	5
		Intensity	2.9	1.9	1.3
	Business Loans	Absolute	3	2	3
		Intensity	6.6	0.0	9.3

\*1: Calculated in FY2021 using portfolio as of end of March 2021. Coverage for Stock 99%, Corporate Bonds 69%, Total 98.6%.

\*2: Calculated in FY2022 using portfolio as of end of March 2022. Coverage for Stock 99%, Corporate Bonds 67%, Business loans 48%, Total 98.4%.

\*3: Calculated in FY2023 using portfolio as of end of March 2023. Coverage for Stock 99%, Corporate Bonds 97%, Business loans 95%. Total 97.6%.

# Governance

The MS&AD Insurance Group have established “Our Mission, Our Vision and Our Values” as aspirations that all Group officers and employees should prioritize in all aspects of their work, and we are working to disseminate these aspirations to all of the officers and employees of the Company and Group companies. In addition, we have set corporate governance, compliance, and risk management as priority issues within our Group Medium-Term Management Plan and are making active efforts to promote them.

<a href="#">Outline of the Group</a> >	<a href="#">Corporate Governance</a> >
<a href="#">Compliance</a> >	<a href="#">ERM and Risk Management</a> >
<a href="#">Information Management</a> >	<a href="#">Transaction Responsibilities</a> >
<a href="#">Information Disclosure</a> >	<a href="#">Medium-Term Management Plan</a> >

# Outline of the Group

The MS&AD Insurance Group supports the business and life activities of its customers with the all-around capability of its Group companies.

**Company Information**



**Financial and Non-Financial Highlights**



- Company Overview
- Organizational Chart
- History

**Group Structure**



**Our Business**



# Company Overview

MS&AD Insurance Group Holdings, Inc. is the insurance holding company of the new Group formed in April 2010 through the merger of Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group.

The purpose of MS&AD insurance Group is to achieve sustainable growth and to enhance enterprise value through the creation of a world-leading insurance and financial services group that operates globally, by rapidly and significantly improving quality and expanding its operating presence and corporate resources.

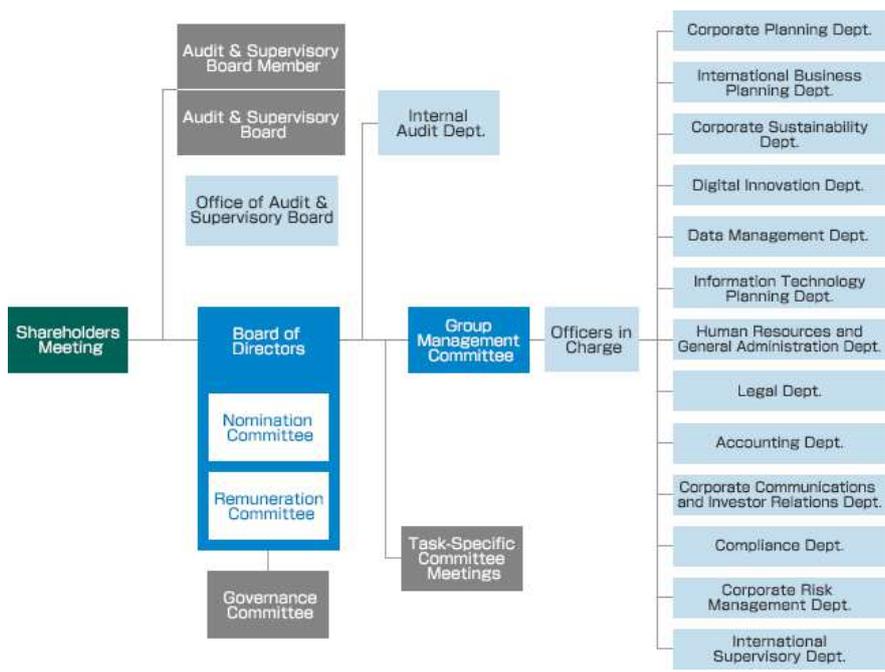
<b>Corporate Name</b>	MS&AD Insurance Group Holdings, Inc. Abbrev.: MS&AD Holdings
<b>Date Established</b>	Apr. 1, 2008 (Name changed in Apr. 1, 2010)
<b>Headquarters</b>	Tokyo Sumitomo Twin Building (West Tower) 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan <a href="#">Map</a>
<b>Representative</b>	Shinichiro Funabiki, Representative Director, President & CEO
<b>Paid-in Capital</b>	101,367 million yen (As of July 23, 2024)
<b>Number of Employees</b>	450 (As of March 31, 2024)
<b>Business Description</b>	Our activities as an insurance holding company are: <ol style="list-style-type: none"> <li>1. Management of non-life and life insurance companies and companies qualified to become subsidiaries under insurance business law.</li> <li>2. Any business associated with previous body.</li> </ol>
<b>Stock Listing</b>	Tokyo Stock Exchange (Prime Market) Nagoya Stock Exchange (Premier Market)

## Related Information

[Corporate Video](#) 

[Group Structure](#)

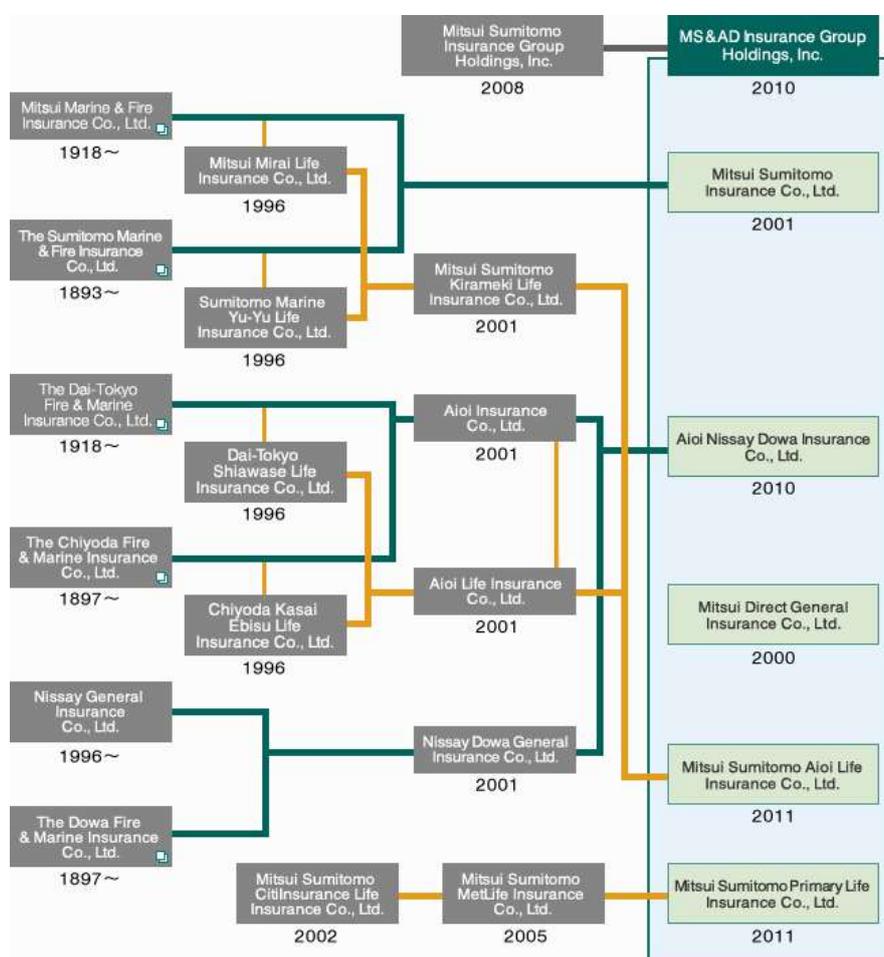
# Organizational Chart



# History

- Background of Group Integration
- History of Holdings

## Background of Group Integration



## History of Holdings

<b>April 2008</b>	Mitsui Sumitomo Insurance Group Holdings, Inc. is incorporated.
	Mitsui Sumitomo Insurance Group Holdings, Inc. Listed on Tokyo Stock Exchange and Osaka Securities Exchange and Nagoya Stock Exchange.
<b>September 2009</b>	Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group Holdings, Inc. reach basic agreement on business integration. In conjunction, announced integration plan, president of the holding company, address, descriptions and corporate name, etc.
<b>April 2010</b>	Mitsui Sumitomo Insurance Group Holdings, Inc. changed its name to MS&AD Insurance Group Holdings, Inc.
<b>October 2010</b>	Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged into "Aioi Nissay Dowa Insurance Co., Ltd."
<b>April 2011</b>	MS & AD Insurance Group Holdings, Inc. converted Mitsui Sumitomo MetLife Insurance Co., Ltd. into a wholly owned subsidiary and renamed it Mitsui Sumitomo Primary Life Insurance Company, Limited
<b>October 2011</b>	Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into "Mitsui Sumitomo Aioi Life Co., Ltd."

[History of Mitsui Sumitomo Insurance \(link to website\)](#) 

## Five Business Domains

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Harnessing the distinguishing features of each Group company, every effort is being made to provide a wide range of products and services to address diversifying risks and meet customer needs.

### Domestic Non-Life Insurance Business

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**No. 1 position in the domestic non-life insurance market, making group-wide efforts to comprehensively meet diverse customer needs**

#### **MS&AD** Mitsui Sumitomo Insurance

**【Features】** Comprehensive capabilities and global business development

**【Products】** Product development that creates social value in response to customer needs

#### **MS&AD** Aioi Nissay Dowa Insurance

**【Features】** With a focus on innovation, diversity, close relationships with local communities; striving to become a unique company with its own distinctive character

**【Products】** Innovative product development as a pioneer in the field of telematics insurance

#### **MS&AD** Mitsui Direct General Insurance

**【Features】** Professional claims handling (accident response) based on smartphones

**【Products】** Easy-to-understand products and services and reasonable premiums

### Domestic Life Insurance Business

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**Leveraging the distinctive strengths of two group companies in protection-type and asset-building products**

#### **MS&AD** Mitsui Sumitomo Aioi Life Insurance

**【Products】** Protection-type products

As Japan increasingly becomes a super-aged society, there is a growing need for medical/nursing care products as well as death benefit and other protection-type products

**【Sales channels】**

The Group has developed diverse sales channels centered on cross-selling through the agents of the Group's two core non-life insurance companies, financial institutions, professional life insurance agents and direct sales personnel

**MS&AD Mitsui Sumitomo Primary Life Insurance**

**[Products] Asset-building and asset-inheritance products**

Suitable to the diversification of customer needs as Japan increasingly becomes a super-aged society, asset-inheritance products that can be used for inheritances or living donations and asset-building type insurance products

**[Sales channels]**

Over-the-counter sales by financial institutions (e.g., banks, securities companies)

## International Business

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An overseas network covering 48 countries and regions\*No. 1 in terms of non-life gross premiums written in the ASEAN region



## Financial Services Business

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Leveraging the full range of its capabilities as an insurance and financial services group to provide new financial products and services



## Digital / Risk-Related Services Business

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Creating synergies with the insurance business by deploying global risk solution services



# Group Structure

MS&AD Holdings is a listed holding company with five directly invested Group insurance companies in Japan: Mitsui Sumitomo Insurance Co., Ltd. (MSI), Aioi Nissay Dowa Insurance Co., Ltd. (ADI), Mitsui Direct General Insurance Co., Ltd. (Mitsui Direct), Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (MSI Aioi Life) and Mitsui Sumitomo Primary Life Insurance Co., Ltd. (MSI Primary Life); and eight affiliated operating companies: MS&AD InterRisk Research Institute & Consulting, Inc., MS&AD Business Support Co., Ltd., MS&AD Staffing Service Co., Ltd., MS&AD Systems Co., Ltd., MS&AD Business Service Co., Ltd., MS&AD GRAND ASSISTANCE Co., Ltd., MS&AD ABILITYWORKS Co., Ltd., and MS&AD VENTURES INC.

## MS&AD Insurance Group Holdings, Inc.

[> Company Overview](#)

[> MITSUI SUMITOMO INSURANCE CO., LTD. \(MSI\) !\[\]\(93b5be9ddc937abd0a17fad20cff1730\_img.jpg\)](#)

Responsible for non-life insurance business, which is a core business of the MS&AD Insurance Group, MSI is exercising its comprehensive capabilities to offer insurance and financial services business globally.

[v Outline](#)

[> AIOI NISSAY DOWA INSURANCE CO., LTD. \(ADI\) !\[\]\(fa5b7c43acc0b8164afb35ef3447c524\_img.jpg\)](#)

Responsible for non-life insurance business, which is a core business of the MS&AD Insurance Group, ADI is leveraging its strong relationships with the Toyota Group and the Nippon Life Group and engaging in business based on close relationships with local communities.

[v Outline](#)

[> MITSUI DIRECT GENERAL INSURANCE CO., LTD. \(Mitsui Direct General\) !\[\]\(02f2fe6d1bf8dbbf6812b8c8bc2a2abc\_img.jpg\)](#)

Mitsui Direct General is a non-life insurance company that specializes in directly selling personal voluntary automobile insurance to customers via the Internet and phone calls.

[v Outline](#)

> MITSUI SUMITOMO AIOI LIFE INSURANCE CO., LTD. (MSI Aioi Life) 

MSI Aioi Life is a life insurance company that offers protection-type life insurance products, while leveraging the Group's marketing network and customer base. The company is realizing a growth model that involves a combination of strategies to utilize unique marketing channels.

▼ Outline

> MITSUI SUMITOMO PRIMARY LIFE INSURANCE CO., LTD. (MSI Primary Life) 

Specializing in the over-the-countersales via financial institutions, MSI Primary Life is a life insurance company that offers asset-building products centered on individual annuity insurance and whole life insurance.

▼ Outline

Directly Invested Affiliated Operating Companies

> MS&AD InterRisk Research & Consulting, Inc. 

MS&AD InterRisk Research & Consulting is one of the major risk consulting companies in Japan. It provides companies and government entities with consulting, risk survey, research and investigation, information provision and other services related to diverse kinds of risks.

With overseas bases in Singapore, Thailand, and China, the company is seeking to provide risk solutions throughout the world.

▼ Outline

> MS&AD Business Support Co., Ltd. 

MS&AD Business Support provides the MS&AD Insurance Group with such infrastructure support as printing and logistics and also provides employee welfare services and real estate management services, etc.

▼ Outline

[> MS&AD Staffing Service Co., Ltd. !\[\]\(be6a4b1a6f880600e58e2b9346024538\_img.jpg\)](#)

As the MS&AD Insurance Group's comprehensive human resource company, MS&AD Staffing Service provides each Group company with human resource services and also dispatches and introduces staff to insurance agencies and other customers.

[v Outline](#)

[> MS&AD Systems Co., Ltd. !\[\]\(a298f67832e32cc221db409a51bee169\_img.jpg\)](#)

MS&AD Systems supports each MS&AD Insurance Group company by taking responsibility for information systems strategy and by planning, designing, developing, and operating information systems.

[v Outline](#)

[> MS&AD Business Service Co., Ltd. !\[\]\(a2d3238d73884d1ebaaa5b116720f764\_img.jpg\)](#)

MS&AD Business Service delivers contract administration services, services related to data entry, the creation of documents and forms, and other services to MS&AD Insurance Group companies.

[v Outline](#)

[> MS&AD GRAND ASSISTANCE Co., Ltd. !\[\]\(42c989275bc687064e83e8a8ea6e53d0\_img.jpg\)](#)

As a top-quality call center specializing in assistance services, MS&AD GRAND ASSISTANCE provides such support services as roadside assistance, home assistance and overseas medical assistance.

[v Outline](#)

> MS&AD ABILITYWORKS Co., Ltd. 

MS&AD Insurance Group is promoting Diversity, Equity & Inclusion by creating a working environment where employees with disabilities can fully utilize their potential and competence.

▼ Outline

> MS&AD VENTURES INC. 

MS&AD Ventures Inc. is a corporate venture capital firm. It seeks to invest in startups that may lead to new business models and technologies, enabling MS&AD Insurance Group to establish a competitive advantage as an innovation leader across different markets and global territories.

▼ Outline

# Corporate Governance

- ▼ Basic Policies on Corporate Governance
- ▼ Corporate Governance Stance
- ▼ Supervision System (Board of Directors)
- ▼ Support Systems for Outside Directors and Outside Audit & Supervisory Board Members
- ▼ Auditing
- ▼ Nomination and Remuneration
- ▼ Remuneration Committee
- ▼ Criteria for the Selection and Independence of Outside Directors and Outside Audit & Supervisory Board Members
- ▼ Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Related Matters

Our group aims for a "resilient and sustainable society" by 2030, and is working to achieve this through corporate activities that create "stories of value creation."

As a management foundation to support this, we will implement transparent and highly effective corporate governance in our medium-term management plan (2022 -2025).

- > Basic Policies on Corporate Governance
- > Responses to the Corporate Governance Code
- > Internal Control
- > Internal Control Systems
- > Corporate Governance Report (last update : December 12, 2024)  (1,029KB)

## Basic Policies on Corporate Governance

- In line with its Corporate Philosophy (Mission), MS&AD, as a holding company overseeing all group businesses, has established a management framework that ensures transparent, fair, swift and decisive decision-making that takes into account the standpoint of all stakeholders. The Company's objectives are to sustain stability and consistent growth over the long term by using corporate resources efficiently and managing risks properly and ultimately, to further increase enterprise value.
- To this end, the "MS&AD Insurance Group Corporate Philosophy (Mission), Corporate Vision, and Values" were formulated as something all officers and employees of the Group should adhere to in all situations. In addition to working to disseminate these principles among all officers and employees of the Company and its Group companies, corporate governance, compliance, and risk management are positioned as important management issues in the medium-term management plan, and efforts shall be made to actively promote that plan.

※There is a movement to set "Purpose" as an expression of the raison d'être of a company separate from the management philosophy. However, because our group's Management Philosophy (Mission), which expresses the raison d'être of a company in a simple and easy to understand manner, has already permeated throughout the Group, our group has determined that "Purpose" is the same as the Management Philosophy.

## Corporate Governance Stance

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- As a company with an Audit & Supervisory Board, the Company will endeavor to improve governance by ensuring that independently appointed Audit & Supervisory Board Members appropriately act in their auditing functions, in addition to ensuring that the Board of Directors appropriately acts in its oversight functions, while strengthening the functions of each and actively disclosing information.
- The Company has formed the Governance Committee (made up of all outside directors, the Chairman of the Board, the Vice Chairman of the Board and the President) in addition to the Nomination Committee and Remuneration Committee (a majority of the members and a chairperson each have been appointed from among the Outside Directors) as internal committees of the Board of Directors, thus building a highly effective and transparent corporate governance system.
- The Company has introduced an executive officer system and is proceeding to delegate authority over business execution to these executive officers to ensure swift execution.

➤ [Management Structure of MS&AD Insurance Group Holdings, Inc.](#)

## Supervision System (Board of Directors)

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### Role of the Board of Directors

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- In addition to matters specified by law and the Articles of Incorporation, the Board of Directors discusses and decides upon important matters involving Group management strategy and corporate management, including the Group's management policies, management strategies and capital policy, in addition to overseeing the duties of directors and executive officers.
- The Board of Directors allocates management resources according to risk appetite controlled with a balance of risk, return and capital, and aims to increase enterprise value in the medium-to-long term by achieving sustainable growth and improvement in earnings and capital efficiency with a foundation of soundness.
- In addition to appointing executive officers, the Board of Directors aims to separate management decision making and oversight by the Board of Directors from business execution by executive officers by clarifying their respective roles.
- Executive officers are responsible for executing business in the respective areas of business entrusted to them by the Board of Directors, and report on the status of business execution to the Board of Directors.

## Composition of the Board of Directors

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### Composition of the Board of Directors

More than one-third of the Board of Directors which has eleven members (eight men and three women) are nominated as Outside Directors to incorporate perspectives independent from management, strengthen monitoring and oversight functions, and conduct highly transparent management. As shown below, we are striving to ensure diversity including gender, race, and nationality, while considering the balance of knowledge, experience and abilities of the Board of Directors as a whole. Please refer to Policies on the Board of Directors' Overall Balance of Expertise, Experience, Capabilities, Diversity, and Scale below.

## Expected Roles of Outside Directors

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Outside Directors are expected to perform the following roles:

- Provision of advice from a broad perspective on management policies and management improvement based on their knowledge and experience, with the aim of promoting sustainable corporate growth and increasing enterprise value over the medium-to-long term
- Supervising of management through important decision making at the board level
- Monitoring of conflicts of interest between the Company and related parties such as management\* and/or major shareholders
- Realizing supervising from a standpoint independent of management by fulfilling accountability for stakeholders, including shareholders

\* Collectively refers to the directors, Audit & Supervisory Board Members, and executive officers of the Company and domestic insurance companies in the Group in which the Company has a direct investment.

## Committees Comprised Mainly of Outside Directors / Providing Opportunities for Opinion Exchanges

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Aiming to enable Outside Directors to engage freely in constructive discussions and opinion exchanges, we have formed the following committee and meetings.

- Governance Committee (meets about twice a year)
- Outside Directors Council
- Outside Directors and Outside Audit & Supervisory Board Members Joint Council

## Support Systems for Outside Directors and Outside Audit & Supervisory Board Members

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Support for the activities of the Outside Directors is provided by the Corporate Planning Department, and support for the Outside Audit & Supervisory Board Members is supplied by the Internal Audit Department. The agenda for the Board of Directors' Meetings is explained to the Outside Directors and Outside Audit & Supervisory Board Members in advance of the meetings by the Corporate Planning Department, which acts as the secretariat for the Board of Directors. In addition, information, such as important risk information, is reported on an ongoing basis to all Directors and Audit & Supervisory Board Members, internal and external.

## Support Systems for Directors and Audit & Supervisory Board Members / Training Policy

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The Company has the following systems in place as required for Directors and Audit & Supervisory Board Members to effectively fulfill their roles and responsibilities:

1. The Company has assigned a person in the secretariat of the Board of Directors to each of the Outside Directors and Outside Audit & Supervisory Board Members (hereinafter referred to as "Outside Officers") to provide support in areas such as providing briefings in advance.
2. The Company has established a system to provide continuous information and training on the business environment surrounding the Company, risk management, etc. to Directors and Audit & Supervisory Board Members upon their assumption of office and during their term of office.
3. The Company provides appropriate opportunities for Outside Officers to share information and exchange opinions with management and senior employees.
4. The Company shall bear the expenses necessary for outside officers to fulfill their roles.

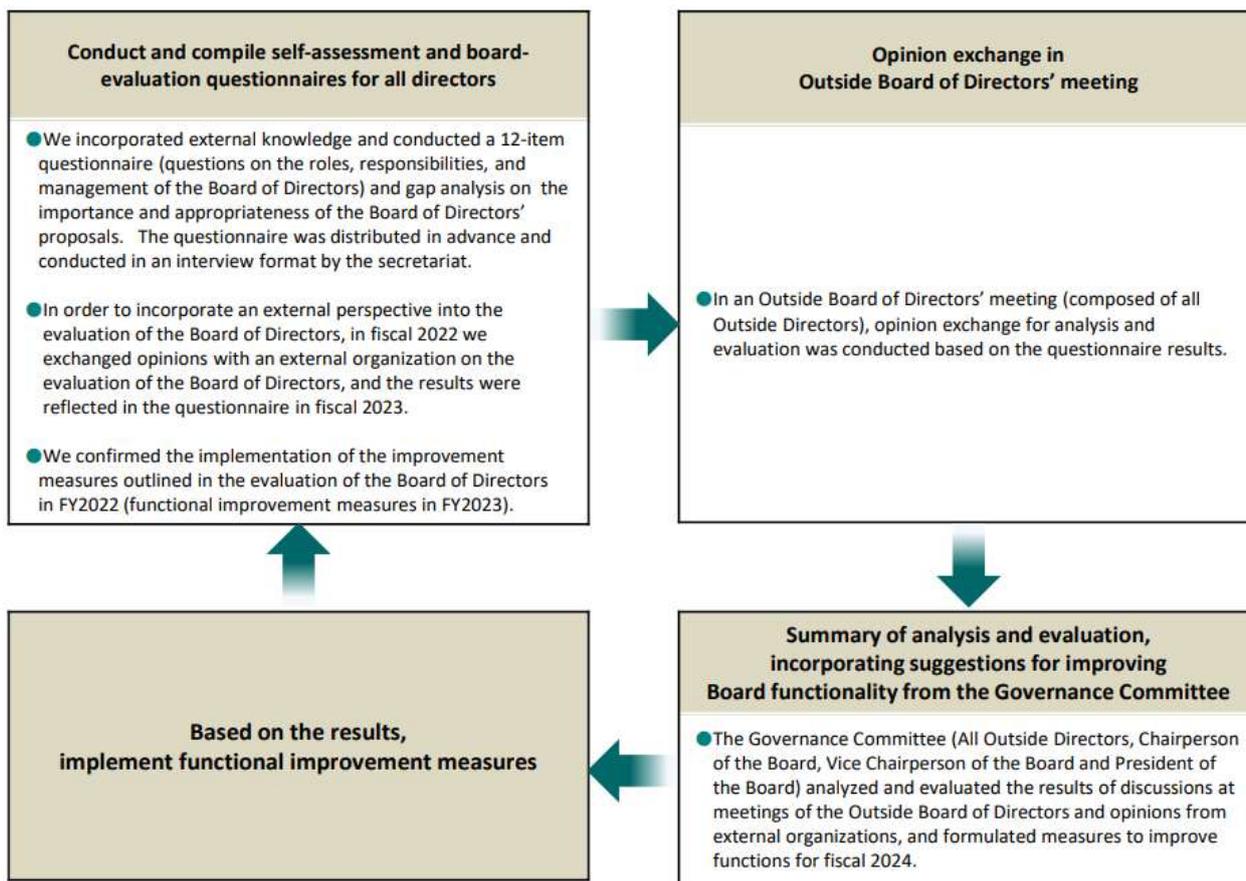
In fiscal 2023, 8 seminars and study sessions were held for directors.

< Main themes >

"Exchange of views with overseas management," "Trends in overseas insurance markets (including reinsurance)," "Use of generated AI," "Extreme weather," "IFRS," etc.

## Evaluation of Board of Directors Effectiveness and the Analysis Process

### Analysis and evaluation process



(1) Questionnaires conducted for all Directors' self-evaluation and board evaluation

- In order to incorporate external perspectives into the evaluation of the Board of Directors, we exchanged views with a consulting firm on the evaluation of the Board of Directors in fiscal 2022. 12-item questionnaire reflecting the results of the exchange of views and a gap analysis on the importance and adequacy of the proposed Board of Directors meeting were distributed in advance, and the questionnaire was conducted in the form of an interview conducted by the secretariat.
- With regard to the improvement measures (measures to improve functions in FY 2023) outlined in the board evaluation for FY 2022, we also checked to see if initiatives were being implemented.

(2) Exchange of opinions at the Outside Director Council

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

(3) Summary of analysis and evaluation by the Governance Committee

- The Governance Committee (It consists of all outside directors, the Chairperson of the Board, the Vice Chairperson of the Board, and the resident of the Board.) conducted an analysis and evaluation based on the results of an exchange of opinions at the meeting of the Outside Board of Directors. In addition, based on opinions from external organizations, the Committee formulated measures to improve the functioning of the Board of Directors in fiscal 2024.

(4) We will promptly commence and strengthen measures for improving capabilities in fiscal 2024, and link them to a PDCA cycle aimed at enhancing effectiveness.

## Summary of the Results of Analysis and Evaluation

Based on the content of discussions and the performance of functions at the Board of Directors meetings in fiscal 2023, as well as operational aspects and the training and information provided to outside officers, the performance of functions at the Board of Directors meetings was generally well received. The following is a summary of the activities and results of the evaluation of the Board of Directors in fiscal 2023 and the measures to improve functions in fiscal 2024.

<p>Fiscal 2023 Initiatives and Board of Directors Evaluation Results</p>	<ul style="list-style-type: none"> <li>• All Directors strongly recognize that the Medium-Term Management Plan is a commitment to internal and external stakeholders, and full information sharing and discussion are conducted on progress management and countermeasures, and best efforts are made to realize the plan.</li> <li>• Executive study sessions on current and relevant areas of the insurance business have been held to enhance directors' knowledge and contribute to improving the quality of discussions at the board meetings. It is necessary to continue the study sessions.</li> <li>• Although sufficient discussions have been conducted on business investment at an early stage, it is desirable to enhance explanations on the direction of new business investment and review of past business investment.</li> <li>• Insufficient penetration of the management philosophy, etc. into the front line is considered to be one of the factors of the insurance premium adjustment problem, etc., and it is necessary to consider a method to periodically review the penetration status of the management philosophy, etc.</li> </ul>
<p>Measures to improve functions in fiscal 2024</p>	<ul style="list-style-type: none"> <li>• Opportunities will be provided to deepen discussions on the positioning of business investment projects within the overall strategy of overseas business and the explanation of past events at the time of capital increase.</li> <li>• We will expand opportunities to explain the long-term direction and outlook of our growth strategy and capital policy (including shareholder returns) at meetings of the Board of Directors and executive study meetings.</li> <li>• In addition to improving the analysis method of employee awareness surveys, we will continue to conduct field trips to the front lines of insurance companies and exchange opinions with overseas management in order to confirm the penetration and implementation of the management philosophy among employees.</li> </ul>

## Auditing

### Audit & Supervisory Board Members and Audit & Supervisory Board

#### 1. Roles and Responsibilities of Audit & Supervisory Board Members

- As an independent entity entrusted with authority by the shareholders, the Audit & Supervisory Board Members are responsible for ensuring the sound and sustainable growth of the Company and the Corporate Group, and establishing good corporate governance in response to the public trust by supervising the performance of duties of the Directors, and work to maintain an independent position and a fair and unbiased attitude, acting in accordance with their own beliefs.
- Each Audit & Supervisory Board Member shall appropriately exercise his/her legal investigating authority, including the authority to audit operations and assets, and supervises the performance of duties of the Directors by attending meetings of the Board of Directors and other important meetings, viewing important approval documents, investigating departments within the Company, and investigating subsidiaries in accordance with the auditing policies and plans stipulated by the Audit & Supervisory Board.
- Audit & Supervisory Board Members participate in joint meetings of Outside Directors and Auditors, etc. and work to share information with Outside Directors.

## 2. Composition and Roles of the Audit & Supervisory Board

- The Audit & Supervisory Board comprises a majority of Outside Audit & Supervisory Board Members. As independent officers, Outside Audit & Supervisory Board Members have independence, and a significant degree of expertise and knowledge. Full-time Audit & Supervisory Board Members also have sophisticated information gathering capabilities based on extensive operational experience, and the organic combination of the 2 serves to enhance audit effectiveness.
- The Audit & Supervisory Board receives reports from Audit & Supervisory Board Members on the status of the performance of their duties and reports from officers and employees, etc. on important matters related to auditing, and also makes decisions regarding auditing policies and auditing plans.

## Internal Auditing

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- The Company has established the “MS&AD Insurance Group Basic Policy for Internal Audits. Under this basic policy, the Company and domestic Group insurance companies have formed the Internal Audit Department that acts as an independent body with auditing functions. This department conducts internal audits encompassing a wide range of risks arising from business activities. The internal auditors, who are members of the internal audit department, are continuously committed to maintaining and improving their professional competence. The department formulates annual internal audit plans, taking into account management objectives and risk assessments based on internal and external information. These plans encompass risks arising from business activities, including ERM and data governance such as privacy policies. In addition to implementing these plans on an annual basis, the department may also take proactive measures to address significant risks. The results of these activities are provided as feedback to the audited organization, contributing to improvement efforts.
- The Company has established an internal audit department, the head of which reports directly to the Board of Directors on the outcome of its activities on a regular basis, thus sharing information with all Directors and Audit & Supervisory Board Members. Audit & Supervisory Board Members also share opinions with the department on such matters as planned internal audits and/or their progress, in addition to collecting every audit report issued by the department regularly.

## Accounting Auditors

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- The Company has appointed KPMG AZSA LLC as its independent audit corporation. Please note that there are no special conflicts of interest between this company and MS&AD Holdings.
- The Board of Directors and the Audit & Supervisory Board endeavor to take appropriate action to ensure adequate auditing by the Accounting Auditors.
- The Audit & Supervisory Board makes decisions regarding proposals submitted to the General Shareholders' Meeting on the appointment or dismissal of Accounting Auditors. It also has the right to consent to decisions regarding remuneration of the Accounting Auditors.
- The Audit & Supervisory Board prepares criteria for appropriately selecting and evaluating Accounting Auditor. To promote appropriate accounting by the Accounting Auditors, measures are taken to confirm the independence, specialist capabilities, and other requisite characteristics of the Accounting Auditors.

## Accounting Auditor Remuneration

Scope	FY2022		FY2023		(¥ million)
	Compensation for audit services	Compensation for non-audit services	Compensation for audit services	Compensation for non-audit services	
The Company	138	0	134	0	
Consolidated subsidiaries	704	0	712	0	
Total	842	1	847	1	

\*Compensation for audit and attestation services at our company and consolidated subsidiaries includes compensation for voluntary audit contracts in preparation for adoption of International Financial Reporting Standards (IFRS).

The non-audit function in our company is to support compliance. The content of non-audit operations at consolidated subsidiaries includes agreed procedural operations.

## Nomination and Remuneration

For the purpose of maintaining high transparency, the Company has formed the Nomination Committee and Remuneration Committee as internal committees of the Board of Directors. Please note that these two committees comprise eight members each, and the chairpersons and other members are appointed from among members of the Board of Directors. With respect to each of the two committees, a majority of the members and the chairperson have been appointed from among the Outside Directors.

\*In fiscal 2024, both the Nomination Committee and the Compensation Committee consisted of 5 outside directors and 8 members, including the Chairperson of the Board, the Vice Chairperson of the Board and the President.

### Nomination Committee (Nomination Process)

- The Nomination Committee deliberates on major management personnel matters and provides advice on these matters to the Board of Directors. Such matters include the selection of candidates for the positions of Director, Audit & Supervisory Board Member, and Executive Officer of the Company as well as the selection of Directors and Audit & Supervisory Board Members for domestic insurance companies in which the Company has direct investments.
- With respect to the evaluation of candidates for Director and candidates for Executive Officer, evaluation items include performance evaluations (corporate performance and personal performance) and other items.
- The Board of Directors appoints candidates for Director as well as candidates for Audit & Supervisory Board Member and Executive Officers based on advice from the Nomination Committee. The consent of the Audit & Supervisory Board must be obtained for candidates for Audit & Supervisory Board Member. In fiscal 2022, the Committee has eight members made up of all five outside directors, the Chairman of the Board and the President.
- From the perspective of making effective discussions to strengthen corporate governance at the Nomination Committee, policy for selecting candidates for Directors and Audit & Supervisory Board Members is added to the deliberation items. It has been clarified that the Nomination Committee shall meet at least once a year.
- The committee met 5 times in fiscal 2023, and all committee members attended every meeting. Discussions were held regarding consideration of candidates for outside auditors.

## Remuneration Committee

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- This committee advises the Board of Directors regarding the remuneration of Directors and Executive Officers of the Company as well as the remuneration systems for management of domestic insurance companies in which the Company has direct investments.
- From the perspective of making effective discussions to strengthen corporate governance at the Remuneration Committee, policy for remuneration of Directors and Executive Officers is added to the deliberation items. It has been clarified that the Remuneration Committee shall meet at least once a year.
- In fiscal 2023, the Remuneration Committee met once.

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

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The Board of Directors of the Company passed the following resolution on policies for determining the content of individual remuneration for Directors, etc. at its meetings held on February 14, 2019, May 20, 2019, May 20, 2021 and December 27, 2022 after deliberation by the Remuneration Committee of which a majority of the members are Outside Directors.

### a. Basic policy

- The purpose is to strengthen governance and enhance the medium- to long-term corporate value of the Group.
- The officer remuneration system shall function as an appropriate incentive for sustainable growth, linking with the business performance of the Company.
- The level of remuneration shall be competitive as a global company.

### b. Decision process

#### (a) Remuneration for Directors

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

Furthermore, the Board of Directors has confirmed that, in regard to the individual remuneration of Directors for the relevant fiscal year, the advice of the Remuneration Committee has been respected to the maximum possible extent and it is in line with the remuneration system established by resolution of the Board of Directors. The Board of Directors has therefore judged that it is in line with this basic policy for determining the remuneration of Directors.

#### (b) Remuneration for Audit & Supervisory Board Members

- It shall be decided by discussion among Audit & Supervisory Board Members within a range determined by resolution of the Shareholders Meeting, taking into consideration full-time/part-time, audit operation assignment, the details and level of Directors' remuneration.

**c. Overview of remuneration**

**(a) Composition of remuneration**

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors)	○	○	○
Outside Directors	○	—	—
Audit & Supervisory Board Members	○	—	—

- Composed of fixed remuneration and performance-linked remuneration. Outside Directors and Audit & Supervisory Board Members shall be provided only fixed remuneration.
- Fixed remuneration is determined in accordance with officers’ position.
- Performance-linked remuneration is determined based on business performance.
- Performance-linked remuneration is composed of monetary remuneration and stock-based remuneration.
- Fixed remuneration is paid on a monthly basis, and performance-linked remuneration is paid after the end of each fiscal year.
- The standard proportions of the components of officer remuneration differ depending on the officer’s position, as shown below. (This excludes Outside Directors and Audit & Supervisory Board Members.)

<President & Director>

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

(Standard ratios)

[Fixed remuneration] 50%	[Performance-linked remuneration] Monetary remuneration 25%	[Performance-linked remuneration] Stock-based remuneration 25%
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<Other positions>

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

(Standard ratios)

[Fixed remuneration] Approx. 60% - approx. 70%	[Performance-linked remuneration] Monetary remuneration Approx. 20%	[Performance-linked remuneration] Stock-based remuneration Approx. 10% - approx. 20%
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**(b) Contents of stock-based remuneration**

- Restricted stock shall be provided as stock-based remuneration and in principle, the Transfer Restrictions shall be released upon retirement of the related Director.
- If it is found that a Director was involved in a fraudulent act while in office, the Company acquires the restricted stock for free during the Transfer Restriction Period or the Director is made to return it after the transfer restriction is released. (Malus Clawback Clause)

Overview of restricted stock remuneration plan

Eligible Directors	Directors excluding Outside Directors
Amount of monetary remuneration to be provided (maximum)	200 million yen per year
Type of shares to be allotted	Common shares (with transfer restrictions under a restricted stock allotment agreement)
Number of shares to be allotted (maximum)	130,000 shares per year
Transfer restricted period	Period from the allotment date to the date on which the related Eligible Director resigns or retires as the Company’s Director or from another position which the Board of Directors has determined.

**d. Key performance indicators pertaining to performance-linked remuneration**

- Performance-linked remuneration shall be linked with the business performance of the Company and determined based on financial and non-financial indicators.
- Financial and non-financial indicators have been selected after taking into consideration the Group’s Medium-Term Management Plan, “FY 2022-25,” and the details of indicators and reasons for their selection are as follows.

(a) Financial indicators

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

Indicator	Reasons for selection
Group Adjusted Profit(*1)	The selected indicators were Group Adjusted Profit as a measure of shareholder returns, Group Adjusted ROE as a measure of capital efficiency, and Consolidated Net Income as a key performance indicator for the Group.
Consolidated Net Income	
Group Adjusted ROE (*2)	
	* After the adoption of IFRS, the indicators at the left will be changed to “IFRS net income” and “Adjusted ROE” on an IFRS basis.

\*1: Group Adjusted Profit

Consolidated net income + provision for catastrophe loss reserve and others – other incidental factors (amortization of goodwill and other intangible fixed assets, and others) + equity in earnings of the non-consolidated group companies

\*2: Group Adjusted ROE

Group Adjusted Profit ÷ average of beginning and ending amounts on BS of adjusted net assets (consolidated net assets + catastrophe reserves, and others – goodwill and other intangible fixed assets)

(b) Non-financial indicators

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

	Evaluation item	Reasons for selection
Basic strategies	<input type="radio"/> Value (creating value) <input type="radio"/> Transformation (business transformation) <input type="radio"/> Synergy (demonstrating Group synergy)	“Basic strategies” and “Platforms” that support the basic strategies have been selected as non-financial indicators in order to realize “A corporate group that supports a resilient and sustainable society,” which is an aspiration of the Group’s Medium-Term Management Plan (2022-2025).
Platforms	<input type="radio"/> Sustainability <input type="radio"/> Quality <input type="radio"/> Human resources <input type="radio"/> ERM	

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

- The standard ratio between financial and non-financial indicators used in the calculation of performance-linked remuneration shall be “50:50.”
- The application coefficients for financial and non-financial indicators shall vary within ranges of 0 to 3.0 and 0.5 to 1.5, respectively, with 1.0 as the standard.
- The monetary remuneration and stock-based remuneration components of performance-linked remuneration shall each be calculated as follows, based on standard amounts for each position.

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

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

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

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

<Financial indicators>

	Actual	Target	Vs. target
Group Adjusted Profit	¥379.9 billion	¥280.0 billion	135.7%
Consolidated Net Income	¥369.2 billion	¥280.0 billion	131.9%
Group Adjusted ROE	9.0%	7.5%	+1.5 point

<Non-financial Indicators>

Evaluation item	Results of evaluation
Basic strategies	As a result of evaluation based mainly on the following points, performance is evaluated to be at a standard level: <ul style="list-style-type: none"> <li>• Developing and deployment products and services that offer new value leading to solutions to social issues</li> <li>• Transforming the business, risk portfolios and pursuit of new business utilizing digital data</li> <li>• Implementation of the One Platform Strategy and Group synergies, etc.</li> </ul>
Foundations	As a result of evaluation based mainly on the following points, performance is evaluated to be at a below-average level: <ul style="list-style-type: none"> <li>• Initiatives related to the key sustainability issues of coexistence with the global environment, a safe and secure society, and the well-being of diverse people</li> <li>• Customer focus business operations such as product and service improvements based on customer feedback</li> <li>• Initiatives related to human assets, such as building an optimal human asset portfolio and creating a workplace environment that maximizes employees' abilities, skills, and motivation, including implementation of DE&amp;I</li> <li>• Initiatives to strengthen the ERM, foundation such as improving profitability and capital efficiency and reducing strategic equity holdings, etc.</li> </ul>

**e. Resolutions related to officer remuneration at the Shareholders Meeting**

<Remuneration of Directors>

Shareholders Meeting held on June 25, 2018 [10th Annual Shareholders Meeting] Resolved that the maximum amount of remuneration of Directors in total (exclusive of wages as an employee payable to a Director also serving as an employee) shall be 500 million yen per year (of which remuneration for Outside Directors shall be no more than 100 million yen per year). The number of Directors was twelve (12) (including five (5) Outside Directors) as at the close of the Annual Shareholders Meeting.

Shareholders Meeting held on June 24, 2019 [11th Annual Shareholders Meeting] Resolved to introduce a new restricted stock remuneration plan with delayed delivery and that the total amount of monetary remuneration receivables to be paid for the allotment of restricted stock to Directors other than Outside Directors shall be up to 200 million yen per year. The number of Directors other than Outside Directors was seven (7) as at the close of the Annual Shareholders Meeting.

<Remuneration of Audit & Supervisory Board Members>

Shareholders Meeting held on June 25, 2009 [1st Annual Shareholders Meeting] Resolved that remuneration shall be up to 110 million yen per year. The number of Audit & Supervisory Board Members was four (4) as at the close of the Annual Shareholders Meeting.

## Performance-Based Remuneration

- The Company has introduced performance-based remuneration (linked to corporate and personal performance) into its corporate officer remuneration system.
- In order to realize a director remuneration system functioning as an appropriate incentive for improving linkage between director remuneration and business performance and achieving sustainable growth for the purpose of strengthening governance and increasing medium term corporate value of the Group, the Company has introduced a restricted stock remuneration plan for Directors (excluding Outside Directors). The plan involves granting treasury stock or new stock (allotment of restricted stock) by replacing a portion of the Company’s performance-based monetary remuneration with monetary remuneration receivables provided by means of contribution in kind.
- The Company introduced the same system as mentioned above and granted treasury stock or new stock (allotment of restricted stock) to the Company’s executive officers and the Directors (excluding Outside Directors) and Executive Officers of Group domestic insurance companies in which the Company has direct investments, by replacing a portion of the Company’s performance-based monetary remuneration with monetary remuneration receivables provided by means of contribution in kind.

## Directors' and Audit & Supervisory Board Members' Remuneration

We disclose the total amounts of remuneration to all Directors and to all Audit & Supervisory Board Members according to the category (Directors/Audit & Supervisory Board Members) and according to the types of remuneration. We also disclose total amounts of consolidated remuneration to officers amounting to 100 million yen or more.

### Total Amount of Remuneration by Directors/Audit & Supervisory Board Members Category, and the Number of Recipients (fiscal 2023)

Category	Number	Total Remuneration (¥ million)
Directors (excluding Outside Directors)	7	352
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	3	56
Outside Directors/Audit & Supervisory Board Members	8	96

## Persons with consolidated Remuneration (including remuneration for corporate officer posts at main subsidiaries, etc.) of ¥100 Million or More (fiscal 2023)

Name	Corporate Officer Posts	Company	Total consolidated remuneration, etc. (¥ million)
Yasuyoshi Karasawa	Director	The Company	127
Yasuzo Kanasugi	Director	The Company	101
	Director	ADI	
Noriyuki Hara	Director	The Company	139
	Director	MSI	

Our company has established the Guidelines for Ownership of Treasury Shares in order to enhance corporate value over the medium to long term by encouraging directors and executive officers (excluding outside officers) to own treasury stock and further raising the motivation and morale of directors and executive officers.

## Criteria for the Selection and Independence of Outside Directors and Outside Audit & Supervisory Board Members

### 1. Policies on the Board of Directors' Overall Balance of Expertise, Experience, Capabilities, Diversity, and Scale

- Five of the eleven Directors (eight men and three women) and two of the four Audit & Supervisory Board Members (2 men and 2 women) have been appointed from outside the Company to incorporate perspectives independent from management, strengthen monitoring and oversight functions, and conduct highly transparent management. Please note that there are no concerns that the interests of these Outside Directors and Outside Audit & Supervisory Board Members of the various companies will be in conflict, in terms of human, capital, transactions, or other relationships, with the interests of shareholders in general. These Directors and Audit & Supervisory Board Members are independent, and their names as independent outside officers have been filed with the Tokyo Stock Exchange Co., Ltd., and Nagoya Stock Exchange Co., Ltd.
- Outside Director candidates must satisfy the eligibility requirements as defined in the Companies Act and the Insurance Business Act. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise such as that stemming from experience working as a general business company corporate officer, government administration officer, lawyer, and academic as well as specialized expertise regarding social, cultural, and consumer issues.
- Director candidates other than Outside Director candidates must meet legal eligibility requirements. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise, such as that stemming from extensive experience working as a manager in an insurance company as well as on consideration of varied experience, highly specialized experience, and the ability to exercise leadership in accordance with the Company's corporate philosophy.
- At least one candidate for Audit & Supervisory Board Member must have sufficient knowledge of accounting or finance.

## 2. Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates and Criteria for Determining the Independence of Outside Corporate Officers

- Outside Director candidates must satisfy the eligibility requirements as defined in the Companies Act and the Insurance Business Act. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise such as that stemming from experience working as a finance-related government administration officer, general business company corporate officer, lawyer, and academic as well as specialized expertise regarding social, cultural, and consumer issues.
- Director candidates other than Outside Director candidates must meet legal eligibility requirements. In addition, with the goal of selecting candidates able to accurately and fairly supervise the overall management of insurance companies, candidates are selected based on consideration of specialized expertise, such as that stemming from extensive experience working as a manager in an insurance company as well as on consideration of varied experience, highly specialized experience, and the ability to exercise leadership in accordance with the Company's corporate philosophy.
- In addition, the Company has instituted the “Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates” below. The determination of “independence” when selecting Outside Director candidates is undertaken in accordance with the criteria described in section “1. (3) Independence” below.

## Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates

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### 1. Outside director candidates and outside Audit & Supervisory Board Member candidates

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must have a sufficient level of public credibility.
- An outside Audit & Supervisory Board Member must satisfy the eligibility requirements for an Audit & Supervisory Board Member pursuant to the Insurance Business Act.

Additionally, candidates must satisfy the following three requirements

#### (1) Eligibility

A candidate must have the qualities listed below that are necessary to monitor the overall management of the company and provide advice, based on a general knowledge of company management and a basic understanding of the roles of the directors and board of directors.

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

## (2) Expertise

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

## (3) Independence

The following persons are ineligible.

[1] An executing person of the Company or a subsidiary of the Company.

[2] A director or Audit & Supervisory Board Member of a subsidiary of the Company.

[3] A person for whom the Company is a major business partner (i.e. a person who received payments from the Company or subsidiaries of the Company that represent 2% or more of annual consolidated sales for the most recent fiscal year), or an executing person thereof (in the case of a consulting firm, auditing firm or law firm, a consultant, accounting professional, or legal professional who belongs to said corporation, partnership, etc.).

[4] A major business partner of the Company (i.e. a person who made payments to subsidiaries of the Company representing 2% or more of the Company consolidated direct premiums written excluding deposit premium from policy holders for the most recent fiscal year), or an executing person thereof.

[5] Any of the Company's top 10 largest shareholders (or, if the shareholder is a corporation, an executing person thereof).

[6] An executing person of a company to which the Company or a subsidiary of the Company has appointed a director.

[7] A consultant, accounting professional, or legal professional who has received, other than officer compensation, average cash or other financial benefits of at least 10 million yen per year for the past three years from the Company or subsidiaries of the Company.

[8] A person falling under any of the items [2] through [7] during the past five years.

(Note) "During the past five years" means five years from the time the content of a proposal to the General Shareholders Meeting to elect the outside director or outside Audit & Supervisory Board Member was resolved by the Board of Directors.

[9] An individual who was an executing person of the Company or subsidiaries of the Company in the past (in the case of an outside Audit & Supervisory Board Member, including an individual who has been a director of the Company or a subsidiary of the Company.)

[10] A spouse or second-degree or closer relative of a person listed in items [1] through [9] above (an executing person means an executive director, executive officer or an employee in a position of general manager or higher.)

## (4) Term limits

The total terms of office for newly elected outside directors and outside Audit & Supervisory Board Members from April 1, 2015 onwards are as listed below.

[1] For outside directors, the expectation is 4 terms, 4 years, renewable for a maximum of 8 terms, 8 years.

[2] For outside Audit & Supervisory Board Members, in principle the total term is 1 term, 4 years, but this is renewable for a maximum of 2 terms, 8 years.

## 2. Candidates for director other than outside director and candidates for Audit & Supervisory Board Member other than outside Audit & Supervisory Board Member

Candidates must meet the following requirements.

- Must not be disqualified from serving as a director or Audit & Supervisory Board Member pursuant to the Companies Act.
- Must not be disqualified from serving as a director or Audit & Supervisory Board Member of an insurance holding company pursuant to the Insurance Business Act.
- Must satisfy the eligibility requirements for a director or Audit & Supervisory Board Member who engages in daily business at an insurance company pursuant to the Insurance Business Act.

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

# Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Related Matters

## Outside Directors

Name	Date of Selection	Reason for Selection	Attendance at Board of Directors Meetings*
Mariko Bando	June 2017	Ms. Mariko Bando has gained a wealth of insight and experience in the administrative and educational fields as well as diversity promotion from previously serving as Director General of Gender Equality Bureau of the Cabinet Office, Consul General of Japan in Brisbane, Australia, President of Showa Women's University, etc. We expect to continue to draw that insight and experience and have her supervise the management and provide advice on management overall from her expert perspective, particularly in regard to promoting diversity.	12 of 12 meetings
Junichi Tobimatsu	June 2018	Mr. Junichi Tobimatsu has a wealth of insight and experience concerning overall corporate legal affairs including those of overseas companies as an attorney-at-law. We expect to continue to draw that insight and have him supervise management and provide advice on management overall from his expert perspective, particularly in regard to securing soundness of the management of the Group.	12 of 12 meetings
Rochelle Kopp	June 2020	Ms. Rochelle Kopp has a wealth of insight into cross-cultural communication and experience in both Japan and the U.S. as a management consultant. We expect to continue to draw that insight and experience and have her supervise management and provide advice on management overall from her expert perspective, particularly in regard to the Group's global expansion.	12 of 12 meetings
Akemi Ishiwata	June 2022	Ms. Akemi Ishiwata has a wealth of insight on sustainability gained from previously serving as Executive Officer of Kao Corporation, leading its ESG activities. She also has experience as a general manager in charge of public relations and corporate branding. We expect to draw that insight and experience and have her supervise management and provide advice on management overall from her broad perspective.	12 of 12 meetings
Jun Suzuki	June 2023	Mr. Jun Suzuki has extensive experience as a management executive by having served as Representative Director, President & CEO of Teijin Limited, and has a wealth of knowledge on global management by having served as the Teijin Group Chief Representative in Europe and other positions. The Company expects to draw from that experience and insight and have him supervise management and provide advice on overall management from his expert perspective, particularly in regard to global management.	12 of 12 meetings

\* The number of Board of Directors' meetings attended during fiscal 2023.

## Outside Audit & Supervisory Board Members

Name	Date of Selection	Reason for Selection	Attendance at Board of Directors/ Audit & Supervisory Board Members
Kyoko Uemura	June 2017	As a legal professional, Ms. Kyoko Uemura has held a number of posts, including a judge and attorney-at-law. She has been stating opinions at meetings of the Company’s Board of Directors and on other occasions based on her knowledge and experience. We propose to reappoint her as Outside Audit & Supervisory Board Member in order to draw on her knowledge and experience in the management of the Company.	Board of Directors meetings: 12 of 12 Audit & Supervisory Board meetings: 11 of 11
Taisei Kunii	June 2024	He has been actively engaged in the practice of a certified public accountant for many years, serving as the comprehensive representative of the limited liability audit corporation, Deloitte Touche Tohmatsu LLC. He possesses specialized knowledge and experience in finance and accounting as well as in management. In order to incorporate his expertise and experience into our company’s management, he has been appointed as an external auditor.	-

\* The number of Board of Directors’ meetings and Audit & Supervisory Board meetings attended during fiscal 2023.

## Skills Matrix of Directors, Audit & Supervisory Board Members, and Executive Officers

In order to promote debate from diverse viewpoints in our efforts to reach the goal of achieving growth strategy for the MS&AD Group, the Group deliberated regarding skills necessary to assure the effectiveness of the Board of Directors (knowledge, experience, and capability), and from the standpoint of supervising the decisions made and execution of duties on matters required for management strategy, we set forth the following.

**(1) Base skills that are generally required**

“Corporate management,” “human resources and human asset development,” “legal and compliance and internal audit,” “risk management,” and “finance and accounting”

**(2) Skills complementing the fact that the core business of the MS&AD Group is insurance, and that we engage in business globally**

“Insurance business” and “internationality”

**(3) Skills that take into account our current business environment and that are necessary to address business reform and issues considered important by the market**

“IT and digital” and “sustainability”

Furthermore, regarding Audit & Supervisory Board Members, we also consider “finance and accounting” to be important skills.

Officer	Corporate management	International	IT / digital	Sustainability	Personnel affairs / HR development	Legal and compliance and internal audit	Risk management	Finance / accounting	Insurance business
Director Hara	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Director Kanasugi	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>
Director Funabiki	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>				
Director Higuchi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
Director Shimazu		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Director Shirai				<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Outside Director Bando	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Outside Director Tobimatsu		<input type="checkbox"/>				<input type="checkbox"/>			
Outside Director Kopp	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				
Outside Director Ishiwata				<input type="checkbox"/>					
Outside Director Suzuki	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>				
Auditor Suto							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Auditor Suzuki							<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Outside Auditor Uemura						<input type="checkbox"/>			
Outside Auditor Kunii	<input type="checkbox"/>							<input type="checkbox"/>	

In addition, we have installed an executive officer system. The skills for Executive officers who are not Directors are as follows.

Officer	Corporate management	International	IT / digital	Sustainability	Personnel affairs / HR development	Legal and compliance and internal audit	Risk management	Finance / accounting	Insurance business
Executive Officer Tamura		○	○	○	○	○	○	○	○
Executive Officer Motojima	○			○	○				○
Executive Officer Nüro	○	○		○	○				○
Executive Officer Hayakawa	○	○						○	○
Executive Officer Tsuda	○	○	○		○				○
Executive Officer Owada		○		○	○			○	○
Executive Officer Arakawa	○			○					○
Executive Officer Tatematsu									○
Executive Officer Motoyama			○		○				○
Executive Officer Sato				○		○			○
Executive Officer Hori		○				○	○		○
Executive Officer Morimoto	○	○			○				○

## Related Information

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[➤ Board Members](#)

# Compliance

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## Compliance Basic Policy

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We position compliance as one of the most important issues in group management, and all board members and employees of the MS&AD Group are committed to always recognizing the company's social responsibility and establishing a framework for practicing compliance. We have established the "MS&AD Insurance Group Compliance Basic Policy," which serves as the group's basic policy and compliance standards. Our company and group companies work positively to develop thorough compliance.

- MS&AD Insurance Group Compliance Basic Policy
- Basic Policy Concerning Antisocial Forces
- Basic Policy for Management of Conflicts of Interest

## Compliance Promotion Structure

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The Company has formed Quality Improvement and Compliance Committee, as one of the task-specific committees under the Board of Directors, to monitor as well as discuss and make necessary adjustments in the compliance structure. For important matters related to compliance, Quality Improvement and Compliance Committee reports to the Board of Directors after discussion in the committee.

The Company established its Compliance Department as the organizational unit to centrally supervise Group compliance matters. In addition, we have established the International Supervisory Department as a division responsible for supervising the promotion of overseas compliance efforts based on the "MS&AD Insurance Group Compliance Basic Policy" for our group's overseas entities. We are working to enhance and strengthen our overseas compliance efforts in collaboration with the Compliance Department.

Each group companies that is in charge of compliance matters is responsible for the preparation and implementation of policies, internal rules, and measures related to compliance and for planning and operating activities related to business operating rules pertaining to insurance solicitation and sales. These units are also the focal points for fact finding and confirmation as well as conducting investigations related to activities where there are concerns about violations of internal rules and other compliance issues.

In case of any misconduct or violation committed by board members and employees, the Company implements disciplinary actions in accordance with the employment regulations. Disciplinary may be disclosed internally as a means of raising awareness and caution. Furthermore, depending on the nature and severity of the violation, it may have an impact on the compensation of board members and employees.

## Activities

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### Compliance Program

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We and group companies, as a part of the compliance implementation plan, develop the Compliance Program and pursue the specific issues. The implementation and issues of the Program and responding issues are regularly submitted to each company's Compliance Committee and/or the Board Meetings.

## Compliance Manual

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We and group companies have each Compliance Manual that states their compliance-related policies and regulations, with examples and interpretations, for board members and employees. The manual content is familiarized through training and examinations. Procedures for reporting inappropriate behavior is stipulated in the Manual for the speedy handling of misconduct.

## Compliance-related Training

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Based on the Compliance Program, we and group companies organize annual education / training programs for employees and agencies to raise the knowledge of laws and company internal rules and to enhance the knowledge of compliance.

## Compliance-related Inspection

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Group companies conduct compliance-related inspections for prevention and early detection of unlawful acts that may violate laws or company internal rules.

## Monitoring Group Companies

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The Compliance Department monitors and reports on compliance-related activities of group companies. Group Compliance Division Meetings are held to share knowledge and know-how on compliance-related issues in order to reinforce compliance throughout the group.

The International Supervisory Department monitors the progress of compliance initiatives at overseas entities, provides guidance and support, and regularly reports on the status of overseas compliance to the Board of Directors, etc.

We also engage in discussions with relevant departments to work towards the establishment and enhancement of overseas compliance measures.

## Speak-up system (Whistleblowing system)

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The MS&AD Insurance Group has established the Speak-up system (whistleblowing systems) . Group company employees, etc. can contact the speak-up desk to make a report if a compliance-related issue arises. A contact desk has also been established at an external legal office to make it easier for whistleblowers to speak up a case. The identity of whistleblowers is protected and their information is handled carefully to protect them and ensure that they do not suffer any unfair treatment.

We have also established a global contact point for officers and employees working overseas. It is available in 16 languages and can be reported directly to our Group Head Office in Japan via a dedicated website or e-mail.

## Anti-Money Laundering, Countering the Financing of Terrorism and Countering the Proliferation Financing (AML/CFT/CPF)

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The MS&AD Insurance Group has formulated a “Policy on AML/CFT/CPF” and is promoting initiatives to prevent the products and services of Group companies from being used in money laundering, terrorist financing or proliferation financing.

Moreover, measures to prevent money laundering, terrorist financing or proliferation financing are implemented at overseas entities of the MS&AD Insurance Group, where “Measures for Anti-Money Laundering and Counter Financing of Terrorism” are stipulated in the “Compliance Manual for International Operations”.

[➤ Policy on AML/CFT/CPF](#)

## Prevention of Corruption and Bribery

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The MS&AD Insurance Group has formulated a “Policy on Fair Operating Practices” and implements fair operating practices (“prevention of Corruption including bribery” and “compliance with laws and regulations regarding political activities and political funds”).

As for the international operation of MS&AD Insurance Group, “counter measures of Anti-Bribery” are stipulated in the “Compliance Manuals for International Operations” and the establishment of adequate rules and training has been implemented properly.

[➤ Policy on Fair Operating Practices](#)

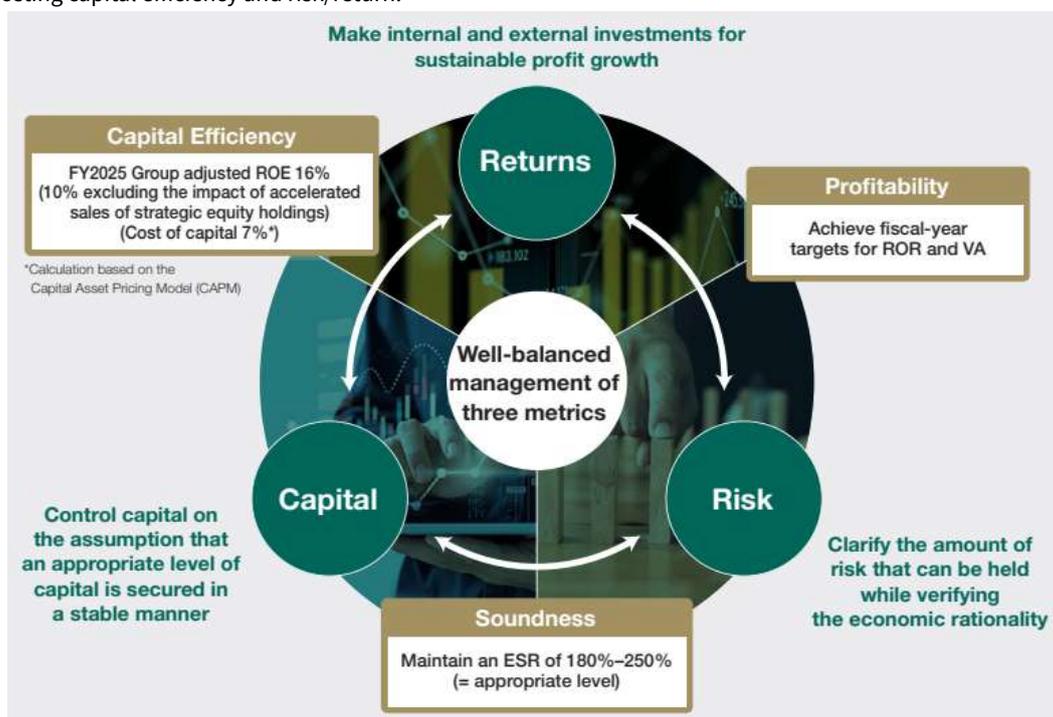
# ERM and Risk Management

## ERM-based Group Management

The MS&AD Group endeavors to increase its earnings power and capital efficiency while maintaining financial soundness. Toward this end, it practices Group management based on an enterprise risk management (ERM) cycle. It allocates capital to its businesses in accord with its Group Risk Appetite Statement. Its businesses take risks with the allocated capital. The Group exercises appropriate risk control, through the monitoring of return on risk (ROR) and other metrics. Under the Medium-Term Management Plan (2022–25), the ERM Committee will work to enhance the evaluation and management of each business in the Group, considering capital, risk, and return, and to improve the Group’s capital efficiency by flexibly allocating capital to more capital-efficient business opportunities, such as investments in growth businesses.

## Integrated Management of Risk, Returns and Capital

To realize its management vision, the Group formulates medium-term management plans in accord with its Group Risk Appetite Statement and holistically manages risk (integrated risk amount), returns (Group Adjusted Profit), and capital (NAV) with the aim of maintaining financial soundness and boosting capital efficiency and risk/return.



Capital Efficiency
Group Adjusted ROE
$\left[ \frac{\text{Return (Group Adjusted Profit)}}{\text{Capital (adjusted net assets)}} \right]$

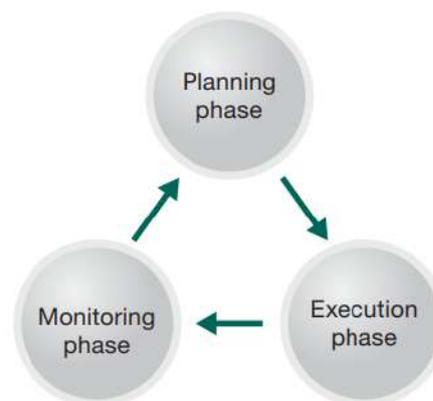
Profitability (return on risk)
ROR
$\left[ \frac{\text{Return (Group Adjusted Profit)}}{\text{Risk (integrated risk amount)}} \right]$

Soundness
1/ESR
$\left[ \frac{\text{Risk (integrated risk amount)}}{\text{Capital (NAV)}} \right]$

 $\div \quad \times$

## ERM Cycle

<b>Planning phase</b>	① Formulate strategies based on the Group Risk Appetite Statement and establish capital allocation amounts after confirming the amount of risk that can be taken.
<b>Execution phase</b>	② Take risks within the risk limits based on the capital allocation amounts and others.
<b>Monitoring phase</b>	③ Conduct regular monitoring of financial soundness, profitability, capital efficiency, etc.* ④ Based on the outcome of monitoring, examine and implement any necessary measures.



\*In the Monitoring phase, the Company quarterly reviews Group Adjusted ROE, ROR, ESR and other indicators, including compliance with the risk limits.

## Group Risk Appetite Statement and ERM practices

To achieve its management vision, the Company sets out the direction and basic concepts of initiatives related to matters such as capital policy and risk appetite, in the Group Risk Appetite Statement which is resolved by the Board of Directors and manages risk, return and capital in a unified manner.

The Company formulates the Group Medium-Term Management Plan consistent with the Group Risk Appetite Statement, and aims to ensure soundness, improve capital efficiency and increase return on risk through an ERM cycle.

When allocating capital for each business and making the Group income and expenditure plan, the Company confirms these are consistent with the Group Risk Appetite Statement.

The Company periodically reviews the necessity of a revision of the Group Risk Appetite Statement in light of the results of stress tests, environmental changes and other factors.

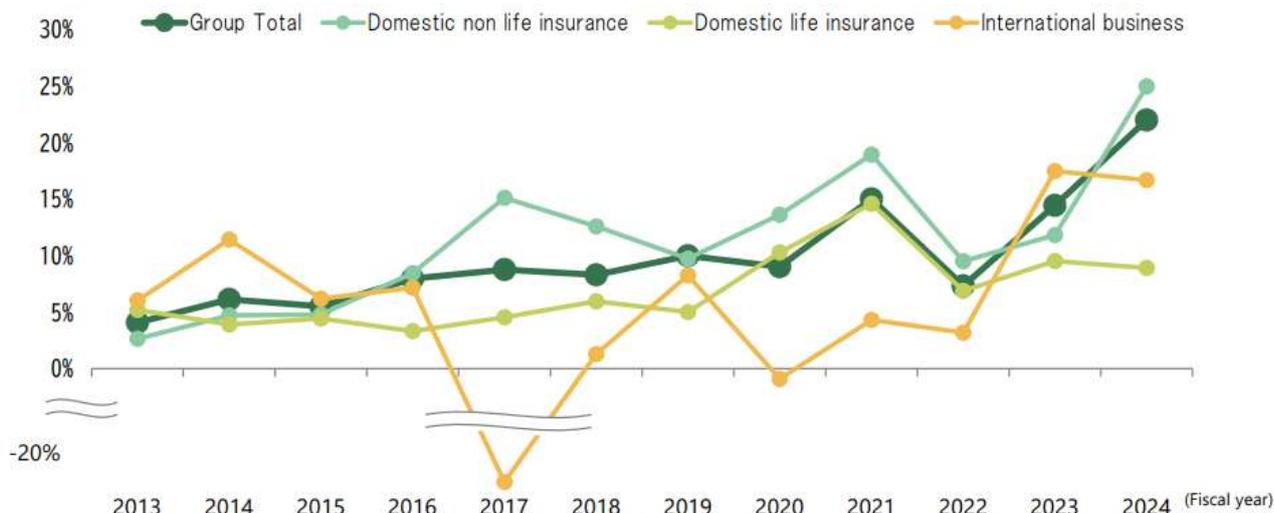
## Initiatives to Boost Profitability

To boost capital efficiency while maintaining financial soundness, the MS&AD Insurance Group seeks to earn adequate risk/return through the following initiatives in each of its business domains.

Product development/ sales/ initiative management	P/L management by product/line	
	<b>Domestic non-life insurance</b>	Strengthening risk/return management according to insurance line attributes and P/L management of new types of insurance, which have a large impact on major accidents and are growth drivers
	<b>MSI Aioi Life*</b>	Assessing ROR for new policies when products are developed and revised and a sales policy is formulated
	<b>MSI Primary Life*</b>	Product-by-product profitability assessment (estimated value at the start of sales and actual value after sales)
Asset management strategy	Promoting diversified investment in assets with relatively high expected returns coupled with appropriate risk control through comprehensive asset and liability management (ALM)	
Retention/ reinsurance policy	Establishment of a retention and outward reinsurance scheme that maintains financial soundness and stability of periodic profit and loss and contributes to improving profitability. Control the net retained risk amount associated with natural disasters	

\*MSI Aioi Life: Mitsui Sumitomo Aioi Life Insurance; MSI Primary Life: Mitsui Sumitomo Primary Life Insurance

ROR trends



## Implementation and promotion of risk management

Our Group has established the MS&AD Insurance Group Risk Management Basic Policy and is implementing risk management based on the basic philosophy shared within the Group. Specifically, our Group promotes risk management by identifying major risk events affecting our business portfolio and evaluating their risk factors both quantitatively and qualitatively.



> Risk Management

- Risk Management Basic Policy
- Risk Management Structure
- Three Lines of Defense Structure for Risk Management
- Insurance Business Risks
- Risk Management in International Business
- Crisis Management System (Including Business Continuity Management System)

# Identification and Management of Risks

Our Group designates important risk events that should be addressed by management as “Group Material Risks,” formulates a management action plan, and periodically monitors the status of each risk. In addition to considering the correspondent relationship of each risk event, we are working to control risks based on the scenario of the occurrence of the risk event to be addressed.

Group Material Risks (The dotted areas show "main scenarios assumed" for the respective Group Material Risks. Considerations are points to keep in mind when considering the main scenarios.)	
No.	
1	<p><b>Occurrence of large-scale natural catastrophes</b> (Considerations: <u>Climate Change</u>)</p> <ul style="list-style-type: none"> <li>- Increase in claims paid due to the occurrence of large-scale windstorms, floods, forest fires, blizzards, hailstorms, droughts, earthquakes, volcanic eruptions and other natural catastrophes in Japan and overseas, in part due to climate change</li> <li>- Development of a situation in which it is difficult to control risks in line with the Group policy due to rising outward reinsurance premiums and reduced reinsurers' underwriting capacity mainly as a result of the occurrence of large-scale natural catastrophes</li> <li>- Development of a situation in which the occurrence of a large-scale natural catastrophe prevents the Group from properly executing business or delivering services</li> </ul>
2	<p><b>Significant changes in financial markets</b> (Considerations: <u>Inflation</u>)</p> <ul style="list-style-type: none"> <li>- Fall in the value of stocks and other assets held due to a possible stagnation of the global economy and economic activities</li> <li>- Decrease in capital adequacy due to fluctuations in interest rates and currency exchange rates as a result of changes in monetary policy of the respective governments in light of price trends, the downgrading of the credit rating of the government bonds due to a lack of fiscal discipline, etc.</li> </ul>
3	<p><b>Significant increase in credit risk</b> (Considerations: <u>Climate Change</u>)</p> <ul style="list-style-type: none"> <li>- Deterioration in performance and the default of investees due to factors such as deterioration in the actual economy, tighter regulations in view of the transition to a decarbonized society and delay in the necessary actions</li> <li>- Fall in value of bonds and other instruments held due to increased risk aversion among investors amid concerns about a global slowdown</li> </ul>
4	<p><b>Occurrence of an act that might result in serious damage to the Group's enterprise value and the loss of social credibility</b> (Considerations: <u>Digitalization</u>, <u>Climate Change</u>)</p> <p><b>(i) Acts such as a breach of laws or regulations related to Group business, a serious labor issue, a human rights violation or elimination of diversity, deficient data governance, etc.</b></p> <ul style="list-style-type: none"> <li>- Occurrence of breaches of laws or regulations in Japan and/or overseas where the Group has operating facilities or does business (including unreasonable restraints on transactions and abuse of a superior bargaining position), and occurrence of serious labor issues (long working hours, harassment, etc.)</li> <li>- Occurrence of an infringement of human rights, intellectual property rights or information leakage within the Group or at a subcontractor or other business partner</li> <li>- Occurrence of infringement of rights, inappropriate disclosure, violations of guidelines created by relevant authorities, damage to the Group's reputation, etc., due to the increasing utilization, regulatory changes, changes in public awareness, etc. regarding generative AI.</li> <li>- Occurrence of serious error in disclosed information due to delayed or inadequate establishment of operational framework for the disclosure of consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) or the introduction of economic value-based solvency regulation</li> </ul> <p><b>(ii) Lack of or failure to fully take into account the perspective of customers and other stakeholders, deviation from social norms, and acts that violate the Group's code of conduct (conduct risk, etc.)</b> ※Including deviations arising from inactions</p> <ul style="list-style-type: none"> <li>- A loss of the Group's social credibility mainly due to insufficient examination of the customer's perspective while acting in accordance with industry practices, etc.</li> <li>- Increase in business disruption or complaints as a result of reorganization, business reforms or system development for the execution of the Group strategies</li> <li>- Decline in work quality or efficiency as a result of insufficient communication or other changes associated with remote working, etc.</li> <li>- Damage to the Group's reputation or increase in financial burden as a result of the Group's insufficient response to sustainability-related issues and information disclosure regarding how the Group is responding to climate change, and any ensuing litigation, etc.</li> </ul>

<b>5</b>	<p><b>Large-scale and serious business delay and/or information leakage as a result of cyber attack</b> (Considerations: <b>Digitalization</b>)</p> <ul style="list-style-type: none"> <li>- Occurrence of business holdups or information leakage within the Group or at a subcontractor or other business partner due to the global escalation of damage caused by cyber attacks as a result of further digitalization, increasingly sophisticated and diverse cyber attacks (including attacks using generative AI etc., where technological progress is remarkable), and the expansion of the range of the impact of cyber attacks with the expanding use of cloud technology and supply chains.</li> </ul>
<b>6</b>	<p><b>Frequent occurrence of system failure or occurrence of serious system failure, or progress delay and non-attainment of target, budget overrun or failure to achieve expected outcome in large system development</b> (Considerations: <b>Digitalization</b>)</p> <ul style="list-style-type: none"> <li>- Business and services holdups caused by simultaneous failures of systems for customers and agents due to increased digitalization, damage of system-related facilities due to a large-scale natural disaster or other event, the suspension of fund settlement infrastructure or a communication failure due to a problem or incident involving communications satellites or communications lines, which could also be affected by space weather phenomena</li> <li>- Occurrence of a large-scale fault of a system operating for customers and insurance agents in a non-business hours which leads to delays in dealing with customers and others</li> <li>- Failure to accomplish the management plan due to progress delay, non-attainment of targets, budget overrun or failure to achieve expected outcome in large system development</li> </ul>
<b>7</b>	<p><b>Spread of a new strain of influenza or other infectious disease</b> (Considerations: <b>Climate Change</b>)</p> <ul style="list-style-type: none"> <li>- Development of situation in which the Group is prevented from properly executing business or delivering services caused by spread of new strains of infectious diseases and protraction of the impact of infectious disease events partly due to the impact of global warming</li> <li>- Decline in profitability caused by an increase in claims and benefits paid amid a rise in infections worldwide and long-term stagnation of economic activity due to protraction of the impacts of infectious disease events</li> </ul>
<b>8</b>	<p><b>Changes in the insurance market</b> (Considerations: <b>Digitalization</b>, <b>Climate Change</b>, <b>Falling Birthrate and Aging Population</b>, <b>Inflation</b>)</p> <ul style="list-style-type: none"> <li>- Impact on profit structure caused by decline in the number of car accidents resulting from the advances in driver assistance and autonomous driving technologies and the large-scale transformation of business models and sales channels resulting from the emergence of digital platformers, changes in consumer awareness, and response to the social expectations, etc.</li> <li>- Impact on sales strategy from constraints on the supply of equipment or reputational damage as a result of problem with app, system, IoT equipment or other technology or fraud or administrative error at a subcontractor or other business partner in line with expansion of services before and after coverage and protection</li> <li>- Increase in claims paid due to new insurance underwriting relating to responses to climate change such as low-carbon and decarbonization technologies, the development of a circular economy, and health and environmental damage caused by chemical substances, etc.</li> <li>- Impact on business portfolio from changes in market size and structure caused by declining birthrate, aging population, and depopulation</li> <li>- Increase in claims paid and business expenses due to the rise or accumulation of risks associated with changes in the external environment (including changes in the needs of society, the aging of the buildings and equipment of enterprises, etc., and the emergence of cross-country/regional risks such as climate change and cyber risks) or other factors such as inflation (including social inflation)</li> </ul>

<b>9</b>	<p><b>Changes in environment surrounding human capital</b></p> <p style="text-align: center;">(Considerations: <u>Falling Birthrate and Aging Population</u>, <u>Digitalization</u>)</p> <ul style="list-style-type: none"> <li>- Gap between management strategies and human capital portfolio and insufficient recruitment and development of human resources to eliminate such gap, due to external changes in areas such as the human capital market and labor supply and demand and changes in the skills and expertises necessary for the execution of strategies such as the promotion of DX</li> <li>- Decrease in employee engagement and loss of human capital due to insufficient development of environments that accurately reflect changes in what employees value in their working life such as autonomous career development opportunities, flexible and diverse work styles and respect for diversity, and inadequate systematic responses to harassment (including harassment by customers)</li> </ul>
<b>10</b>	<p><b>Intensifying confrontation and political, economic and social division and polarization between countries and in overseas countries and national security crises</b></p> <ul style="list-style-type: none"> <li>- Decline in the value of the assets held by the Group, including stock, due to concerns about stagnation of economic activity caused by intensifying confrontation and political, economic and social division and polarization between countries and in overseas countries (including those caused by changes in world leaders, such as the presidents of countries, and the rise of the Global South)</li> <li>- Deterioration in performance and default of investees due to situations including but not limited to deterioration in the actual economy as a result of supply chain disruptions and other obstacles caused by tighter economic security-related regulations around the world</li> <li>- Damage to the Group's reputation as a result of an economic security-related issue within the Group or at a subcontractor or other business partner</li> <li>- Occurrence of business holdups or information leakage within the Group or at a subcontractor or other business partner due to the expansion of damage caused by a global cyber attack resulting from intensifying confrontation between major powers</li> <li>- Restriction or suspension of business or withdrawal from business in a specific country or region due to a change to regulations, military action or other development associated with intensifying confrontation between major powers and the rise of protectionism and subsequent insurance claims paid based on special war risk clauses</li> </ul>

Listed below are events with the potential for medium- to long-term impacts on Group management and events for which the impact and timing are difficult to grasp at present but about which we need to maintain awareness. As Group Emerging Risks, our Group periodically monitors these events.

Group Emerging Risks	
No.	
1	Appearance or emergence of new systems or innovative technologies that will significantly change or transform the economy, consumer behavior and business models
2	Damage to natural capital (depletion of resources, ecological degradation and crisis, man-made pollution or accident which causes enormous damage to the environment)
3	Establishment, revision or abolition of Japanese or foreign laws, regulations, systems, regimes, etc. which may significantly affect the Group
4	Significant holdups or delays in the maintenance, management or renewal of social capital (bridges, tunnels, river facilities, port facilities, sewers, etc.) or significant and chronic supply shortages of energy, etc.

## Management of Natural Catastrophe Risk

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[Climate/Nature-related Financial Disclosure](#) >

## Control of the Retained Amount of Natural Catastrophe Risk

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[Climate/Nature-related Financial Disclosure](#) >

# Information Security

## Basic View and Policy

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The MS&AD Insurance Group will observe the laws and regulations for information security, and will continuously implement measures to strengthen information management. These measures include setting internal rules, upgrading system security, conducting thorough information management training for staff and agents, and taking steps to mitigate the risk of information leakage.

In order to proactively strengthen information security management to the entire group, we have established the "MS&AD Insurance Group Information Security Management Basic Policy."

In light of the importance of protection for personal information, and in the interest of compliance with related laws and regulations as well as proper handling of customer information, we have formulated the "MS&AD Insurance Group Basic Policy for Management of Customer Information" and the "MS&AD Insurance Group Basic Policy for Shared Use of Customer Information".

- [Information Security Management Basic Policy](#) >
- [Basic Policy for Management of Customer Information](#) >
- [Basic Policy for Shared Use of Customer Information](#) >

## Structure of Information Security Management

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The holding company appoints the Group Chief Information Security Officer (CISO) to build a framework and enhance information security management. The MS&AD Group maintains a framework to detect threats to information assets and always understands changes in the external environment, such as those related to cybersecurity, to ensure information security and respond to emergencies quickly.

In accordance with the "MS&AD Insurance Group Basic Policy for Management of Customer Information", the domestic insurance companies in the Group determine guidelines and internal rules related to information management, and instate security initiatives. They also plan and operate programs for the education of employees and agents, and perform related checks and monitoring. In addition, they make arrangements for response in the event of incidents such as information leaks, take steps for prompt post-incident correction and recurrence prevention, and otherwise work for appropriate handling in this respect.

## Monitoring Activities

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The holding company monitors the status as regards arrangements for information security management at domestic insurance companies in the Group, and reports of its findings to management. In addition, it applies the findings of its monitoring activities in its efforts to reinforce arrangements for information security management in the entire Group, through steps such as sharing of know-how with and provision of requisite support to domestic insurance companies in the Group.

## MS&AD Insurance Group Holdings, Inc. Declaration of Personal Information Protection (Privacy Policy)

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The holding company and the domestic insurance companies in the Group have formulated privacy policy for various items related to the handling of customer information, including a declaration of commitment to compliance with related laws and regulations, appropriate acquisition, and limitation of the purposes of use. They have disclosed these declarations on their respective websites.

In case of any misconduct or violation committed by board members and employees, the Company implements disciplinary actions in accordance with the employment regulations. Disciplinary may be disclosed internally as a means of raising awareness and caution. Furthermore, depending on the nature and severity of the violation, it may have an impact on the compensation of board members and employees.

[> Declaration of Personal Information Protection \(Privacy Policy\)](#)

# Transaction Responsibilities

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## Basic Concept and Policy

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In the MS&AD Insurance Group Compliance Basic Policy, the MS&AD Insurance Group stipulates that all of our officers and employees should take sincere, fair, and proper actions to respond to the expectations and requests of society by complying with all laws and regulations related to our corporate activities with a constant awareness of our corporate social responsibility.

[> Compliance Basic Policy](#)

Furthermore, we established the MS&AD Insurance Group Basic Policy on Human Rights in February 2017, in which we recognize our responsibility for the actual and potential adverse impact that our business activities have on human rights, including in the value chain. We have begun efforts to implement activities and dialog that respect human rights.

[> Basic Policy on Human Rights](#)

Based on the fact that there are situations in business activities where various activities are entrusted to outside vendors, we have formulated the MS&AD Insurance Group Basic Policy for Management of Outside Vendors as our basic policy regarding outsourcing. Based on the above, the Group companies maintain and properly control the management of outside vendors.

[> Basic Policy for Management of Outside Vendors](#)

Under the “MS&AD Insurance Group Basic Policy on the Environment,” the Group has established the following Key Issues and is advancing efforts in these areas, together with its stakeholders, making environmental issues part of its corporate strategy:

1. Mitigation of and adaptation to climate change, 2. Sustainable use of resources, 3. Reduction of environmental burden, and 4. Preservation of biodiversity

[> Basic Policy on the Environment](#)

## Specific Initiatives

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### Initiatives for Human Rights

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Through its human rights due diligence, the MS&AD Insurance Group is taking measures to reduce risks through making realization of 1. Fair and impartial customer services, 2. Initiatives that take into consideration human rights measures to be implemented by business partners/agencies, and 3. consideration for employee health and a workplace environment free of discrimination priority Issues and carrying out monitoring on a regular basis.

[> Human Rights Due Diligence and Remedial Measures](#)

## Confirming the Appropriateness of Outside Vendors

The Group’s domestic insurance companies have established standards for selecting new outside vendors and conduct regular inspections of vendors, in principle annually, to check the vendors’ customer personal information management system, the soundness of business management, and the appropriateness of business execution.

## Initiatives for the Environment

The MS&AD Insurance Group has set “Symbiosis with the Global Environment — Planetary Health” as one of its key sustainability issues and is undertaking various initiatives to address climate change and natural capital

- Action on Climate Change
- Improvement of Sustainability of Natural Capital

## Initiatives in the Value Chain

### Consideration for Human Rights

- Basic Policy on Human Rights

The MS&AD Insurance Group urges related parties such as business partners, including suppliers, who are involved in the procurement of services, and agencies, to prevent and/or reduce the risk of adverse impacts on human rights through their business activities.

### Environmental Consideration

We have signed the Paris Pledge of Action. To achieve net zero in 2050, we have established a policy that consideration for sustainability in all business activities.

In order to achieve net zero emissions in 2050, it is important to reduce emissions not only in our company but also throughout the supply chain. We will therefore work with our customers, agents, and other stakeholders to promote initiatives that contribute to the transition to a net-zero society and the reduction of CO2 emissions in society.

As the chairman of the Japan Biodiversity Initiative (JBIB), we are demonstrating leadership in improving the sustainability of natural capital. MSI and ADI annually explain the MS&AD Insurance Group Basic Policy on the Environment to clients and ask for their cooperation in environmental consideration.

We are encouraging agencies and clients to obtain Eco Action 21 certification (MSI only) , a simplified environmental ISO certification, as well as spreading Eco-maintenance\* and promoting the use of recycled automobile parts.

Each Group company is promoting paperless in-house processes such as use of paperless insurance policies and policy clauses, expansion of Web pages exclusively for policyholders, and digitalization of notices that formerly were sent by postal mail, in cooperation with customers. We are also actively engaged in green procurement of stationery and other items used in our business.

- Promotion of Paperless In-house Processes in Cooperation with Customers
- Support for Certification under Eco Action 21
- Support for the Spread of Eco-maintenance and Eco-inspection

\* Encouraging the spread of Eco-maintenance (engine cleansing)

“Engine cleansing” has been stipulated by the government as one of the designated items of Green Purchase Method in April 2008. Support for obtaining Eco Action 21 certification has directly lead to the spread of engine cleansing.

# Group Basic Policy for Management of Outside Vendors

Based on the fact that there are situations in business activities where various activities are entrusted to outside vendors, the MS&AD Insurance Group has formulated the Group Basic Policy for Management of Outside Vendors as the basic policy regarding outsourcing. Based on the above, the Group companies maintain and properly control the management of outside vendors.

## MS&AD Insurance Group Basic Policy for Management of Outside Vendors

The MS&AD Insurance Group maintains proper management of outside vendors based on the below management policy in situations when it entrusts work externally.

### 1. Outside Contracting Subject to This Policy

When the MS&AD Insurance Group delegates all or part of the administrative work necessary for it to conduct business to an outside vendor, there must be an assurance that such is appropriate in conjunction with the execution of business bearing in mind the need to assure that customers are protected and management is conducted soundly. As used herein, "customer" shall refer to "a customer having a relationship to the activities of the MS&AD Insurance Group" with respect to both individuals and companies.

### 2. System for Management of Outside Vendors

MS&AD Holdings and the domestic Group insurance companies shall create the following system for managing outside vendors and properly implement the same:

- (1) Establish a supervisor and business unit responsible for managing outside vendors.
- (2) Establish and disseminate rules pertaining to the management of outside vendors.
- (3) Conduct inspections and supervision over outside vendors.
- (4) Conduct appropriate management of subcontractors.
- (5) Establish procedures for responding to inquiries, complaints and other communications from customers pertaining to outside vendors.
- (6) Create other procedures necessary for managing outside vendors and revise the same as appropriate.

Other Group companies shall also create system for managing outside vendors and properly implement the same consistent with the above.

### 3. Appropriate transactions with outside vendors

The MS&AD Insurance Group will establish a management system to prevent abuse of a superior position in its relationships with outside vendors.

Based on the "Guidelines for Price Negotiations for Appropriate Pass-on of Labor Costs" (Cabinet Secretariat and Fair Trade Commission), we will establish appropriate transaction prices through appropriate price transfer with outside vendors.

# Information Disclosure

The MS&AD Insurance Group stipulates its external information disclosure policy for each Group domestic insurance company in “MS&AD Insurance Group Basic Policy for Disclosure of Information”. In accordance to the policy, each Group company has thoroughly put the disclosure rules in practice as set forth by the Financial Instruments Exchange and is engaged in disclosing information so that respective stakeholders can have a correct understanding of the true status of the Group companies without delay.

[➤ Basic Policy for Disclosure of Information](#)

## Disclosure of Information and Investor Relations (IR)

We are conducting investor relations (IR) activities according to the basic policies (IR policy) to win trust from shareholders and other investors as well as to have our corporate value assessed fairly and properly.

[➤ Disclosure of Information and Investor Relations \(IR\)](#)

## Capital Management Policies and Shareholder Return Policy

On the premise of ensuring the soundness of its operations, our Group aims to increase its corporate value through sustained growth and to provide continuous and stable returns to shareholders.

[➤ Capital Policy and Shareholder Return Policy](#)

## <References>

We provide reference materials for our shareholders/investors, such as the dividends trend of recent years and basic information, which includes the securities identification code and the number of MS&AD Holdings shares.

[➤ Dividend Policy](#)

[➤ Stock Overview](#)

## Climate/Nature-related Financial Disclosure

The MS&AD Insurance Group endorses "Task Force on Climate-related Financial Disclosures" (TCFD) and "Taskforce on Nature-related Financial Disclosures" (TNFD), and promotes information disclosure.

[➤ Climate/Nature-related Financial Disclosures](#)

# Disclosure of Information and Investor Relations (IR)

The MS&AD Insurance Group is actively conducting appropriate information disclosure to earn trust from a wide variety of stakeholders, including our customers, shareholders, investors, and business partners, so that our corporate value is assessed fairly and properly.

## Basic Policy and the Structure of Our Approach

Our Group has compiled its stance relating to information disclosure in the “MS&AD Insurance Group Basic Policies on Corporate Governance.” Based on this basic policy, we have established the “Policy for Constructive Dialogue with Shareholders” as a guideline for dialogue with shareholders, and the “MS&AD Insurance Group Basic Policy for Disclosure of Information,” etc. as a guideline for adequate disclosure, to ensure that the Group implements accurate, timely, and fair information disclosure.

[➤ MS&AD Insurance Group Basic Policies on Corporate Governance](#)

## Basic Policies

### MS&AD Insurance Group Basic Policy for Disclosure of Information

The "MS&AD Insurance Group Basic Policy for Disclosure of Information" is an external information disclosure policy established for domestic Group insurance companies. In accordance with this policy, all domestic Group insurance companies strive to thoroughly comply with the disclosure rules stipulated by laws, regulations and the disclosure rules of financial instruments exchange. At the same time, the domestic Group insurance companies disclose information to ensure that their respective stakeholders can be made aware of important information in an accurate, timely, and fair manner.

[➤ MS&AD Insurance Group Basic Policy for Disclosure of Information](#)

### Policy for Constructive Dialogue with Shareholders

Towards sustainable growth and improvement of corporate value in the medium and long term, our Group works to carry out constructive dialogue with shareholders, and is working to further create value by taking advantage of the dialogue in management.

[➤ Policy for Constructive dialogue with shareholders](#)

### IR Policy

The "IR Policy" is the basic policy for IR activities established by MS&AD Holdings. Not only disclosing corporate information required under statutes and regulations of financial instruments exchanges, our Group proactively releases information for investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the quality of our disclosure. In addition, by disclosing such information, we strive to put out information that is timely, fair, and easy-to-understand.

[➤ IR Policy](#)

## Information Disclosure Framework

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To ensure timely and adequate disclosure and evaluate the effectiveness of information disclosure controls, our Group has established a “Risk Management Committee” and built a timely disclosure system.

### **| Risk Management Committee**

The Risk Management Committee was established by a resolution of the Board of Directors, and it is the institution at the core of the timely disclosure system.

The Committee is composed of directors and general managers responsible for the planning, accounting, and other departments involved in information disclosure. It convenes to deliberate on information disclosure and verify the appropriateness of disclosed information.

The overview of the structure for timely disclosure is provided in the Corporate Governance Report.

[> Corporate Governance Report !\[\]\(4c35a25ec1786bb87ee28c0ed58c0601\_img.jpg\)](#)

## Communication with Shareholders and Investors

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Our Group is actively engaging in dialogues with shareholders, investors, and analysts with the Group management at its core. In addition to holding the various information meetings for institutional investors and analysts, we provide highly convenient and clear information disclosure to shareholders and investors via the MS&AD Holdings website. The Group responds in good faith to enquiries from investors/shareholders and securities analysts. We will share the requests and opinions that we received during the course of our IR activities within the Group companies and will use them to enhance our corporate value.

[> Policy for Constructive dialogue with shareholders](#)

# The Medium-Term Management Plan

## MS&AD Group Medium-term Management Plan (FY2022-FY2025) Stage 2 Grow Together with Society As a Platform Provider of Risk Solutions

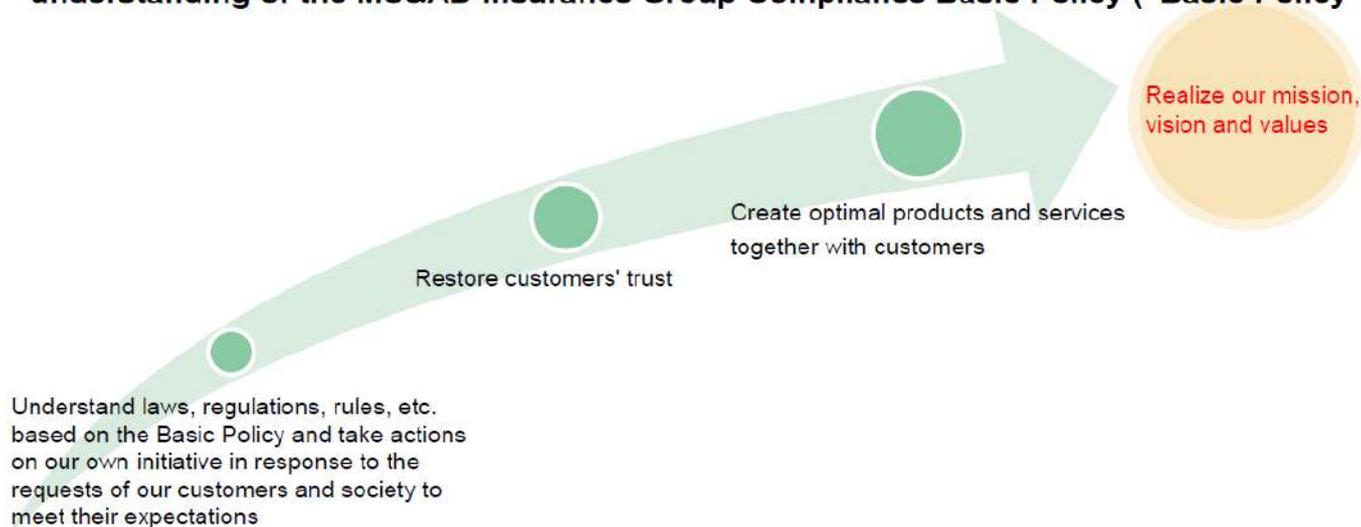


➤ [The Medium-term Management Plan \(FY2022-FY2025\) Stage 2](#) (5,098KB)

## Main Points of the Review of the Plan in Stage 2

### After the insurance premium adjustments incident and fraudulent insurance claims incident by agents

- We take seriously the insurance premium adjustments Incident and the fraudulent insurance claims Incident by agents. All employees, agents and business partners are committed to restoring customers' trust.
- We will review the activities of all employees, agents and business partners in light of the Group's mission, vision and values.
- We are committed to fulfilling the Group's mission, vision and values based on a correct understanding of the MS&AD Insurance Group Compliance Basic Policy ("Basic Policy").



## Significant Business Style Revolution

- We will review the way that we do business and drastically change our business style, including the value we provide, business structure, productivity and profitability. The new style will be based on customer-focused operations, robust governance and compliance.

### Changing the value we provide

- **Establishing an appropriate competitive environment**  
Increasing our competitive advantage in the provision of products and services
- **Strengthen ability to propose risk solutions**  
Enhancing our core insurance functions and solutions before and after coverage and protection
- **Improving underwriting management**  
Promoting underwriting using risk-related information and data

### Changing business structure

- **Implementing new growth investments**  
Increasing investments in businesses that can be developed and in markets that are expected to grow
- **Investing in digital technologies and human resources**  
Increasing digital transformation investment in new solutions, including generative AI, and investments in human resources

### Changing productivity and profitability

- **Fully implementing the One Platform strategy**  
Promoting the integration of head office functions and expanding the integrated functions to the entire Group
- **Reviewing oversized operations**  
Promoting paperless operations and digitalization
- **Strengthen asset management**  
Pursuing profitability based on changes in the market environment

### Customer focused business operation

- Re-emphasizing customer-focused operations
- Taking actions on our own initiative in response to the requests of our customers and society to meet their expectations

### Strengthen governance

- Strengthening the governance framework by senior management
- Enhancing the functions of the second and third lines of the three-line defense

### Compliance

- Enhancing awareness and knowledge of compliance
- Enhancing the ability to foresee risks and detect risk indicators
- Monitoring, accumulating knowledge and sharing knowledge within the Group

## Our Aspirations: (1) Qualitative Targets

### A corporate group that supports a resilient and sustainable society

#### As a platform provider of risk solutions,

we will help solve climate change and other social issues while growing together with society.

- In addition to covering economic losses, seamlessly provide products and services before and after coverage and protection.
- Offer optimal solutions through marketing, underwriting, claim services and risk consulting that utilize digital technologies.

### Story of Value Creation

By facing social issues and providing products and services through our business model to realize our mission, we will help create an environment where customers can live and conduct business in a secure manner.

#### Our Management Philosophy (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

#### Our Business Model



## Our Aspirations: (2) Qualitative Targets

- Achieve net income of JPY 450.0 billion on an IFRS basis in FY2025 and a Group Adjusted Profit of JPY 760.0 billion (JPY 450.0 billion if the effect of the sale of strategic equity holdings is excluded).
- Achieve an Adjusted ROE of 12% and a Group Adjusted ROE of 16% (10% if the effect of the sale of strategic equity holdings is excluded).  
(Note) The Group plans to change its accounting standards to IFRS in FY2025.

### Target

#### IFRS-based net income

FY2025 **JPY 450.0 billion**

#### Group adjusted profit

FY2025 **JPY 760.0 billion**  
(JPY 450.0 billion excluding the effect of the accelerated sale of strategic equity holdings)

#### Adjusted ROE\*1

FY2025 **12%**

#### Group Adjusted ROE\*2

FY2025 **16%**  
(10% excluding the effect of the accelerated sale of strategic equity holdings)

\*1. Net profit on IFRS basis ÷ (Net assets on IFRS basis – Unrealized gain/loss from strategic equity holdings)

(Since, under IFRS, gain/loss on sale of strategic equity holdings is no longer included in net profit, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net profit) used to calculate ROE.)

\*2. Group Adjusted Profit ÷ Group Adjusted Net Assets

Adjusted net assets = Consolidated net assets + Catastrophe loss reserve, etc. – Goodwill and other intangible assets

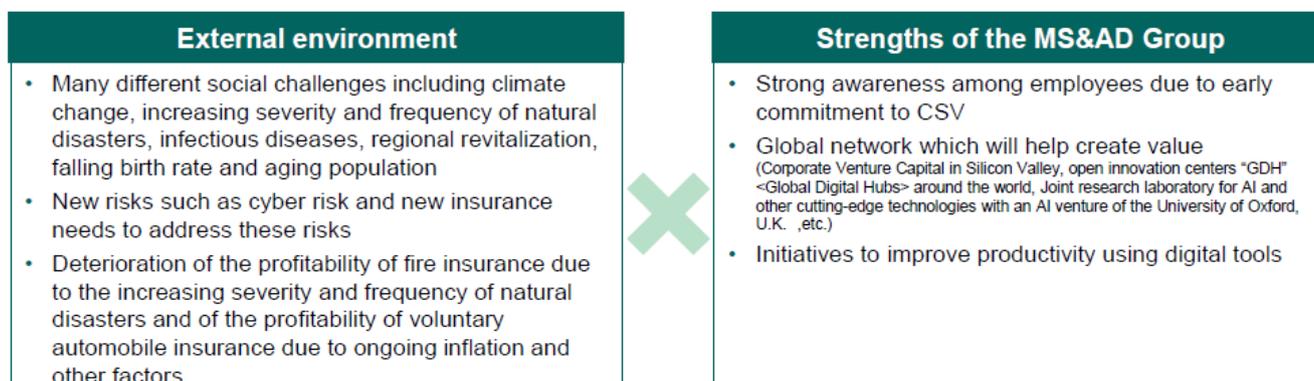
## Basic Strategies and Foundations Supporting Basic Strategies

- Our basic strategies for realizing our aspiration of becoming a “corporate group that supports a resilient and sustainable society” are “Value (value creation),” “Transformation (business reforms)” and “Synergy (demonstration of group synergy).”
- “Sustainability,” “Quality,” “Human Resources” and “ERM” are the foundations supporting the basic strategies.

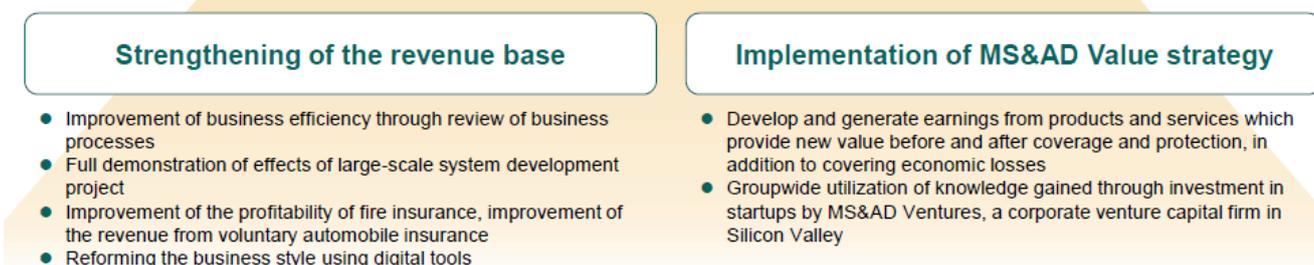
<b>Basic strategies</b>	<b>Value</b> (Value creation)	<ul style="list-style-type: none"> <li>• Increase the earning potential of businesses, products and services and strengthen the revenue base</li> <li>• Provide value to all stakeholders and improve corporate value through the global rollout of the CSV × DX strategy</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Strengthening of the revenue base</b></li> <li>● <b>Implementation of MS&amp;AD Value strategy</b></li> </ul>
	<b>Transformation</b> (Business reforms)	<ul style="list-style-type: none"> <li>• Fundamentally review our way of doing business and change the business structure to one that emphasizes customer-focused operations and legal compliance.</li> <li>• Reform the business structure and adapt to changes in the business environment including creating new businesses</li> <li>• Reform the business, product and risk portfolios and build a stable revenue base</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Business and risk portfolio reforms</b> (Shift towards international/life insurance/new businesses)</li> <li>● <b>Pursuit of optimal solutions utilizing digital technologies</b></li> </ul>
	<b>Synergy</b> (Demonstration of group synergy)	<ul style="list-style-type: none"> <li>• Realize further growth by leveraging group diversity and strengthening Group collaboration</li> <li>• Improve productivity by strengthening standardization, collaboration and integration within the Group</li> <li>• Demonstrate synergy on a global basis</li> </ul>	<ul style="list-style-type: none"> <li>● <b>Implementation of One Platform strategy</b></li> <li>● <b>Synergy of life insurance and non-life insurance businesses</b></li> <li>● <b>Global synergy</b></li> </ul>

<b>Foundations</b>	<b>Sustainability</b>	<b>Quality</b>	<b>Human resources</b>	<b>ERM</b>
	<ul style="list-style-type: none"> <li>● Initiatives to address three priority issues</li> <li>• Symbiosis with global environment (Planetary Health)</li> <li>• Safe and secure society (Resilience)</li> <li>• Happiness of diverse people (Well-being)</li> </ul>	<ul style="list-style-type: none"> <li>● Customer-focused operations, re-emphasizing compliance</li> <li>● Corporate group which continues to evolve based on customer feedback</li> <li>● Highly transparent and effective corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>● Building an optimum human resource portfolio</li> <li>● Development of workplace where employees can fully demonstrate their abilities and skills and fulfill their ambitions</li> </ul>	<ul style="list-style-type: none"> <li>● Improvement of profitability and capital efficiency</li> <li>● Reduction of strategic equity holdings</li> </ul>

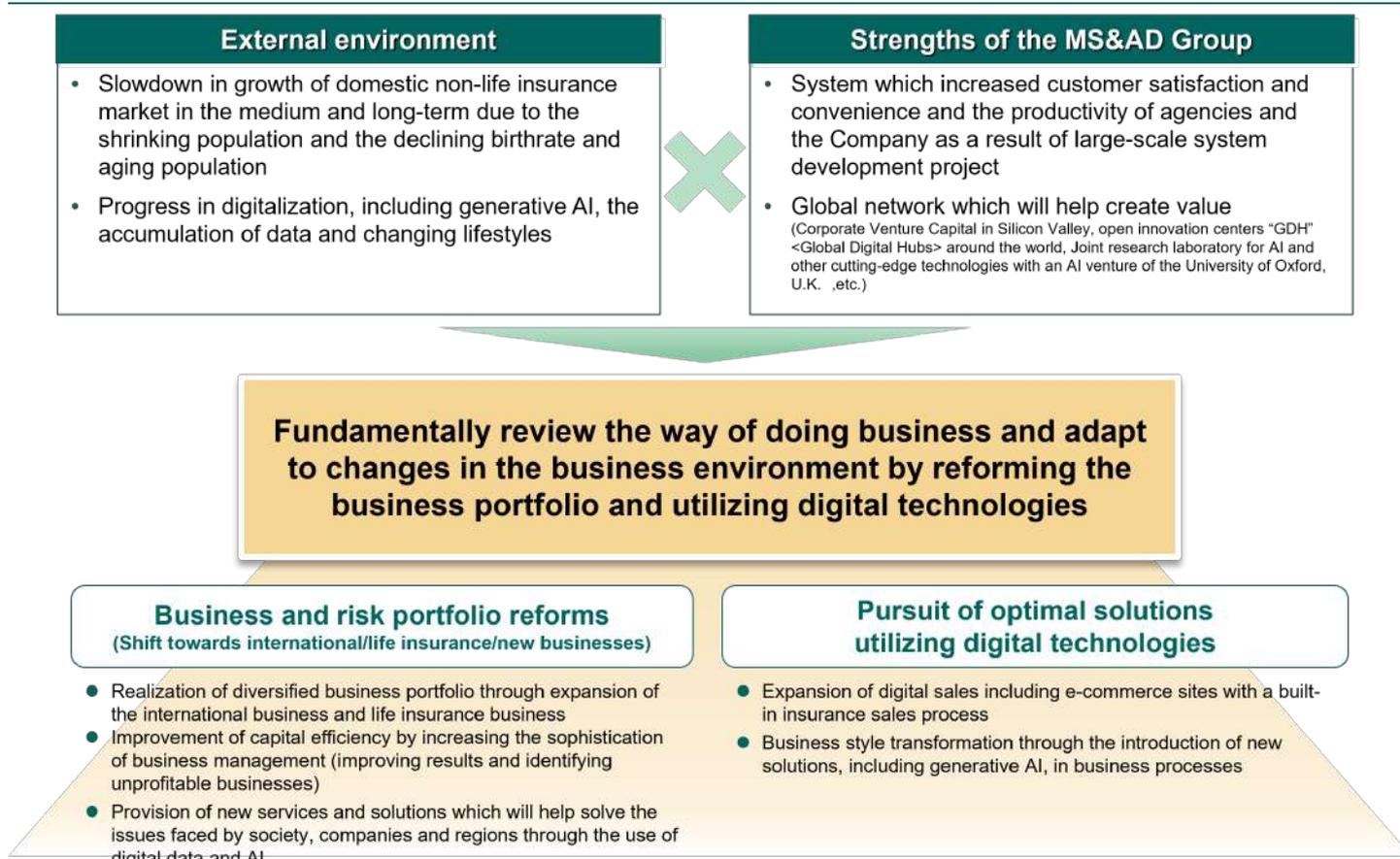
## Basic Strategy: Value (Value Creation)



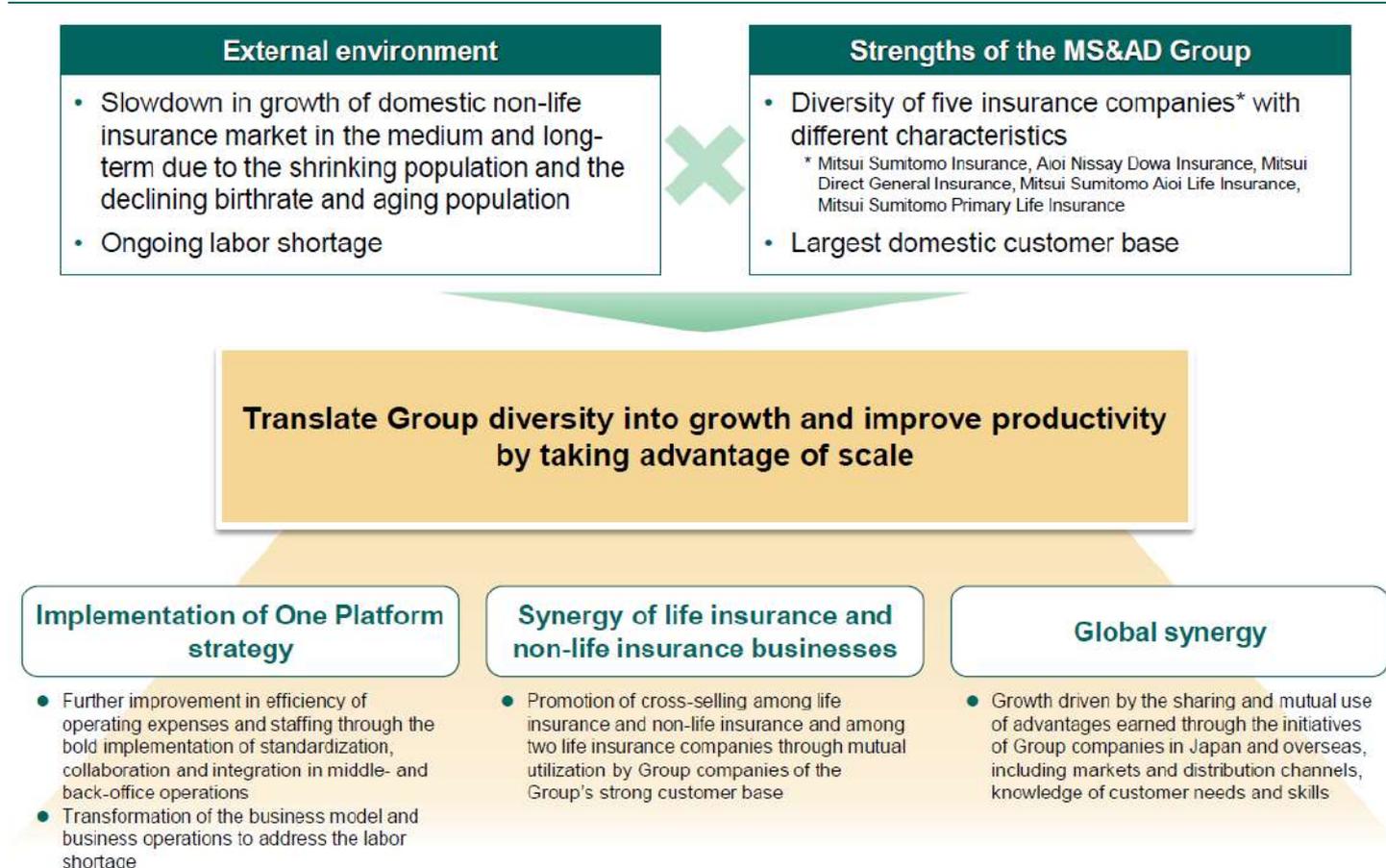
**Help solve climate change and other social issues while growing together with society through the global rollout of the CSV × DX strategy**



## Basic Strategy: Transformation (Business Reforms)



## Basic Strategy: Synergy (Demonstration of Group Synergy)



## Foundation Initiatives: Sustainability

- Aim to solve social issues that are important both for stakeholders and for the Company, and focus on the three priority issues



### Symbiosis with global environment (Planetary Health)

- |  |  |
|--|--|
| <p><b>Action on climate change</b><br/>                     – Aiming for net zero greenhouse gas emissions by 2050</p> <ul style="list-style-type: none"> <li>• Reduction of greenhouse gas emissions created by Group and its supply chain</li> <li>• Reduction of greenhouse gas emissions in cooperation with our client companies and investee companies</li> <li>• Provision of products and services and investment and financing that will support technological innovation and its implementation in society for a transition towards a circular economy which will lead to decarbonization and the control of environmental pollution</li> <li>• Provision of solutions for adapting to the effects of climate change</li> <li>• Support for the transition to business based on the restoration and protection of biodiversity and the utilization of sustainable resources</li> </ul> | <p><b>Improvement of sustainability of natural capital</b></p> |
|--|--|

KPI		
<p><b>Greenhouse gas emissions reduction rate</b></p> <p>FY2030</p> <p>Our Group: <b>Down 50%</b> (from FY2019)</p> <p>Clients and investees*: <b>Down 37%</b> (from FY2019)</p> <p><b>FY2050: Net zero</b></p>	<p><b>Renewable energy usage rate</b></p> <p>FY2030</p> <p><b>60%</b></p> <p><b>FY2050: 100%</b></p>	<p><b>Premium growth rate of products which contribute to decarbonization and a circular economy</b></p> <p><b>Annual average of 18%</b></p>

\* Major domestic client companies. We manage their greenhouse gas emissions reduction rate, as well as numbers of our engagement with them and the number of provided service to them that contribute to the reduction of GHG emissions.

**Safe and secure society (Resilience) Happiness of diverse people (Well-being)**

**Measures to address new risks that emerge with the transformation of society**

- Addressing new risks associated with innovation and changes in the industrial structure such as cyber risks

**Loss prevention/mitigation through the utilization of data and AI**

- Support to prepare for accidents, natural disasters and major earthquakes, including risk visualization and the provision of solution based on data analysis

**Creation of a resilient and inclusive society (regional revitalization)**

- Social implementation of green resilience, the use of the diverse functions of nature to prevent disasters, disaster mitigation, GHG emissions reduction, regional revitalization and physical and mental health
- Collaboration with local governments, commerce and industry associations and other stakeholders in communities to address social issues
- Regional revitalization through initiatives such as transition to a sustainable infrastructure, activation of regional industries, and realization of diverse mobility services

**Provision of products and services that support customers' well-being**

- Support for companies' health & productivity management
- Provision of products and services that will help promote customers' health, adapt to an aging society and improve QOL
- Financial inclusion: improving access to insurance and financial services

**Respect for human rights**

- Promotion of human rights due diligence (identification and assessment of human rights risks and prevention, mitigation and implementation of corrective activities that impact human rights within business activities) and establishment of remedy system

**Employee well-being**

- Improvement of mental and physical health, fulfillment and ease of working
- DE&I initiative: Creating a work environment that values diversity, equity and inclusion
- Employees and customers respecting each other's human rights



**Foundation Initiatives: Quality**

- Establish clear business operation rules, strengthen risk management in second- and third-line activities, put customers and agents first in business operations and re-emphasize compliance

**Customer-focused operations, re-emphasizing compliance**

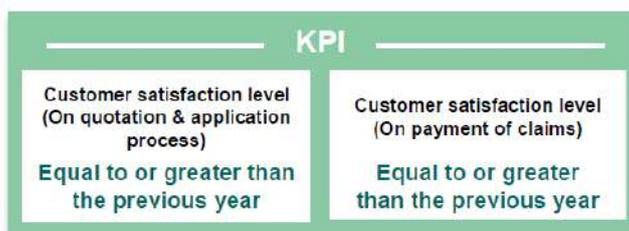
- Customer-focused operations, specific training and education programs for employees and agents that will contribute to raising compliance awareness and improving knowledge, and investigations of business partners
- Clarify rules to ensure proper operations
- Strengthen the risk management framework for second- and third-line activities to ensure legal compliance (monitoring, internal audits, establishing a new organization to strengthen the ability to detect risks)

MS&AD Insurance Group Compliance Basic Policy  
3. Code of Conduct for Officers and Employees Concerning Compliance (excerpt)

- We will comply with laws and regulations, etc., and if we discover any behavior with the potential to break laws and regulations, etc., we will have the courage to point out the behavior and correct it in cooperation with related persons and authorities where necessary.
- When considering an action, we will ask ourselves if the action is ethical, if we can explain the action to our customers, friends and family with confidence, and if the action will preserve confidence in the MS&AD Insurance Group and its brand.
- We treat every person faithfully, fairly, and appropriately in every situation.

**Corporate group which continues to evolve based on customer feedback**

- Initiatives to improve customer experience value through the improvement of business processes and the utilization of digital technologies based on customer feedback
- Advancement of the Group as a whole through the groupwide sharing of knowledge and knowhow for improving customer satisfaction gained through the initiatives of each Group company



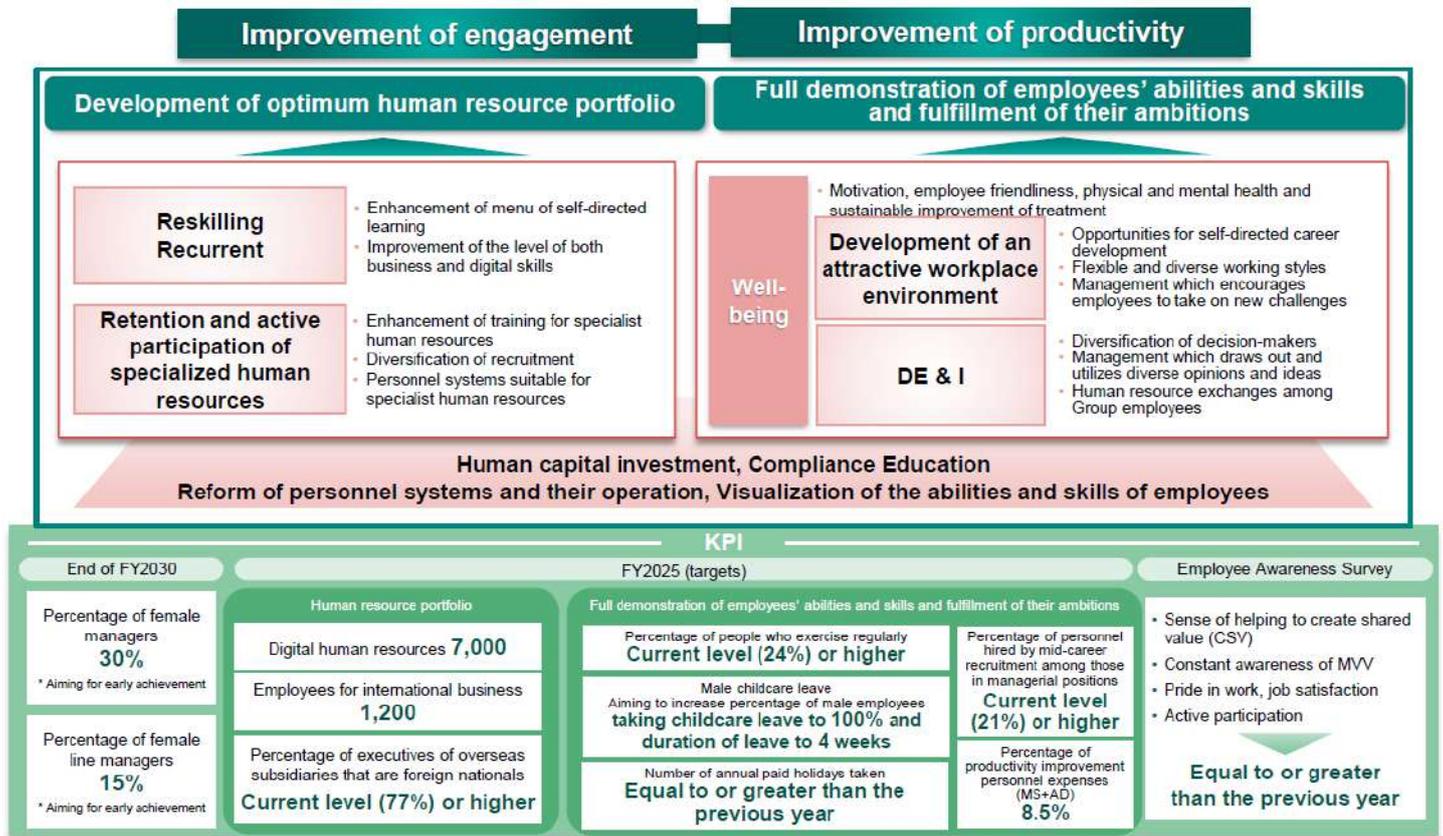
**Practice of highly transparent and effective corporate governance**

- Continuous enhancement of the oversight function of the Board of Directors and the audit function of the Audit & Supervisory Board Members
- Implementation of fair, accurate and prompt information disclosure



## Foundation Initiatives: Human Resources

- Increase human capital investment and strive to improve employees' well-being
- Secure human resources to support the execution of strategies and also develop an environment for their active participation and career advancement



## Foundation Initiatives: ERM

- Quantitatively and qualitatively identify risks held by the entire Group and strengthen the risk management framework.
- Allocate management resources in such a way that strikes the right balance between risk, returns and capital by using the ERM cycle

### Strengthening risk management

- **Strengthening risk management**  
Sharing information about risks detected by Group companies within the Group and strengthening the framework for identifying risks using external advisors and other methods
- **Forward-looking risk detection**  
Qualitatively assessing risks that are hard to quantify, such as legal and conduct risks, and strengthening initiatives to detect risks at an early stage and uncover risks
- **Fostering a risk culture**  
Fostering a risk culture that will be a basis for governance, enhancing enterprise value and creating a sustainable businesses

### Reduction of strategic equity holdings

- **Initiatives to further reduce strategic equity holdings\***  
We plan to accelerate the reduction of strategic equity holdings and sell all remaining strategic equity holdings by the end of the period of the next medium-term management plan (March 31, 2030) This is to reduce risk and improve capital efficiency.  
While returning 50% of Group Adjusted Profit to shareholders, we will invest the proceeds from the sale of strategic equity holdings for growth (We will invest in businesses, systems and digital transformation.).

\* Strategic equity holdings do not include stocks that are deemed to be held for rational purposes, including stocks that are held for business investments, such as investments in the development of insurance products and services, and stocks that are held purely for investment purposes.

### Improvement of profitability and capital efficiency through the integrated management of risk, returns and capital

- **Improvement of corporate value through enhancement of business management**  
Improvement of corporate value by monitoring each business segment of every Group company to clarify issues and implementing initiatives to solve issues, with a view to improving ROE
- **Effective utilization of capital within the Group**  
Flexible movement of capital within the Group for the allocation of capital to more capital efficient business opportunities, including investment in growth businesses  
Optimization of Group capital and improvement of Group's capital efficiency

### Conceptual diagram of sophistication of business management



## Capital Strategy

### Shareholder returns policy

- Provide shareholder return based on shareholder dividends and repurchase of own shares by adopting a benchmark of 50% of Group Adjusted Profit from FY2022 to FY2025
- For the basic return, we increase dividends per share in line with the growth of profit. In principle, the Company does not reduce ordinary dividends. It will distribute a portion of the profits gained from the acceleration of sales of strategic equity holdings to shareholders as special dividends.\*  
\*Extra dividends paid to shareholders when exceptional profits are posted in addition to the ordinary dividends paid each accounting period.
- Provide additional returns in an agile and flexible manner, in light of market trends, the business environment, capital status and other factors

### Investment policy

#### Strengthen

Investment to strengthen the competitiveness of existing businesses

- We will carry out investments that demonstrate a strong awareness of ROI, including investments aimed at promoting digitalization, such as investments in information systems.

#### Expand

Investment to diversify and expand the business portfolio

- We will consider the investments from the perspectives of shared values, sustainable growth models and risk diversification in terms of geography and business category.
- Targets will include specialty investments and MGAs in the United States and the retail insurance market in Asia

#### Innovate

Investment to create new business territories

- Investment to search for technologies and business models that will be game changers over the next 3 to 5 years

### ESR

- Set target range at 180-250%.

## Previous Medium-Term Management Plan

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- [> Medium-term Management Plan \(FY2022-FY2025\) !\[\]\(8fae7b25b1a91bfd0a135fd867d44b4f\_img.jpg\) \(5,340KB\)](#)
- [> Vision 2021-Stage2 \(2020~2021\) !\[\]\(b8dd51f9961783fe6c47b7dfcb54d68e\_img.jpg\) \(4,032KB\)](#)
- [> Vision 2021 \(2018~2021\) !\[\]\(c343c9f5138156f73abf66a7fe631ea9\_img.jpg\) \(5,655KB\)](#)
- [> Next Challenge 2017-Stage2\(FY2016-FY2017\) \(May 26, 2016\) !\[\]\(f64a1a7daed066866f281346c511e1e7\_img.jpg\) \(451KB\)](#)
- [> Next Challenge 2017 \(June3, 2014\) !\[\]\(efac060863f33cd18431ea0d57a4c4b6\_img.jpg\) \(5,709KB\)](#)

\*1.Net profit on IFRS basis ÷ (Net assets on IFRS basis — Unrealized gain/loss from strategic equity holdings)  
(Since, under IFRS, gain/loss on sale of strategic equity holdings is no longer included in net profit, unrealized gain/loss from strategic equity holdings is excluded from net assets to align the denominator (net assets) and numerator (net profit) used to calculate ROE.)

\*2.Group Adjusted Profit ÷ average of beginning and end amounts on BS of adjusted net assets (consolidated net assets + balance of catastrophe reserves etc. - balance of goodwill and other intangible fixed assets)

# Third-Party Assurance

## Third-Party Assurance

Since 2015, the MS&AD Insurance Group has engaged KPMG AZSA Sustainability Co., Ltd. to perform assurance of selected environmental and social data in order to assure the credibility of reported figures. The data subject to the third-party assurance for this fiscal year is indicated with ✓.

[> KPMG's Independent Assurance Report !\[\]\(cc4676f7fb2a17fd25df7d1bb92c73ef\_img.jpg\)](#)

[> The Calculation Methodology !\[\]\(7f3b3f55cc6dde7544d78cda0664abcb\_img.jpg\)](#)



## Independent Assurance Report

To the President and CEO of MS&AD Insurance Group Holdings, Inc.

We were engaged by MS&AD Insurance Group Holdings, Inc. (the “Company”) to undertake a limited assurance engagement of the environmental and social performance indicators marked with ✓ (the “Indicators”) for the period from April 1, 2023 to March 31, 2024 included in its MS&AD SUSTAINABILITY REPORT 2024 (the “Report”) for the fiscal year ended March 31, 2024.

### The Company’s Responsibility

The Company is responsible for the preparation of the Indicators in accordance with its own reporting criteria (the “Company’s reporting criteria”), as described in the Report.

### Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Indicators based on the procedures we have performed. We conducted our engagement in accordance with the ‘International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information’ and the ‘ISAE 3410, Assurance Engagements on Greenhouse Gas Statements’ issued by the International Auditing and Assurance Standards Board. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Report, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing the Company’s responsible personnel to obtain an understanding of its policy for preparing the Report and reviewing the Company’s reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the Indicators.
- Performing analytical procedures on the Indicators.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the Indicators in conformity with the Company’s reporting criteria, and recalculating the Indicators.
- Visiting the Phoenix Tower of Aioi Nissay Dowa Insurance Co., Ltd. selected on the basis of a risk analysis.
- Evaluating the overall presentation of the Indicators.

### Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the Indicators in the Report are not prepared, in all material respects, in accordance with the Company’s reporting criteria as described in the Report.

### Our Independence and Quality Management

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Management 1, we 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.

*Takashi Fujisawa*

Takashi Fujisawa, Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo, Japan

January 30, 2025

## Scope and Method of Calculating Environmental Data

Item	Method of calculating amounts of energy used, amounts of disposed waste, and passenger-kilometers traveled		CO <sub>2</sub> emission factor
Amount of electric power, gas, cold and hot water, heavy oil, and kerosene used	Japan	Actual measured energy usage	Emission factor by energy source based on the Act on Promotion of Global Warming Countermeasures as published by Japan's Ministry of the Environment and emission factor by electric power utility.
	Overseas	Actual measured energy usage or calculated from energy purchase costs and unit price by country as published by JETRO (*1).	
Amount of gasoline and diesel oil used	Japan	In principle, actual measured amounts of gasoline and diesel oil are used. When an actual measured amount of gasoline is unknown, the amount is calculated from the gasoline purchase cost and the domestic national average unit price as published in a survey of gas station retail prices conducted by Japan's Agency for Natural Resources and Energy.	For overseas electric power, emission factor by country published by IEA (*2).
	Overseas	In principle, the amount used is calculated from gasoline purchase costs and unit price by country as published by JETRO. When the cost of gasoline is unknown, it is calculated from the amount of gasoline used per car and the number of cars at overseas sites.	
Total amount of waste	Japan	The percentage of the actual measured amount of general waste disposed from Company-owned buildings is 94.1%. When an actual amount is unknown, it is estimated from the cost of waste disposal and the unit cost. The amount of general waste disposed from non-Company-owned buildings is calculated from the amount of disposed general waste per person in Company-owned buildings and the number of employees in non-Company-owned buildings. The amount of disposed industrial waste is the actual measured amount.	
	Overseas	Calculated from the amount of disposed general waste per person in Company-owned buildings in Japan and the number of employees overseas.	
Amount of recycled waste	Consolidated	The actual measured amount of recycled waste	
Amount of disposed waste	Consolidated	Total amount of waste minus actual measured amount of recycled waste	
Amount of water used	Japan	The percentage of the actual measured amount of water used in Company-owned buildings is 82.4%. The amount of water used in non-Company-owned buildings is calculated from the amount of water used per person in Company-owned buildings and the number of employees in non-Company-owned buildings.	
	Overseas	The amount used is calculated from water purchase costs and unit price by country as published by JETRO. When the cost of water is unknown, it is calculated from water use per person in Company-owned buildings in Japan and the number of employees in each overseas site.	
Business Japan	Japan	Calculated from domestic air travel expenses estimated	

travel		from domestic business travel expenses (assuming that 10% of domestic business travel expenses are air travel expenses), train travel expenses (assuming that 60% of domestic business travel expenses are train travel expenses) ,taxi travel expenses and international air travel expenses estimated from international business travel expenses (assuming that 50% of international business travel expenses are air travel expenses), emissions unit values per amount of transportation costs incurred as published by Japan's Ministry of the Environment, and emissions unit value per thousand passenger-kilometers traveled by type of transportation.	
	Overseas	Calculated from air travel expenses, train travel expenses and taxi travel expenses, emissions unit values per amount of transportation costs incurred as published by Japan's Ministry of the Environment, and emissions unit value per thousand passenger-kilometers traveled by type of transportation.	

Organizational boundary: MS&AD Insurance Group Holdings, Inc. and its consolidated subsidiaries.

As for gasoline and diesel oil only, Aioi Nissay Dowa Claims Adjusting Company, Limited Co., Ltd., which is in charge of insurance payment business, is included as non-consolidated affiliated companies.

\*1 JETRO: Japan External Trade Organization

\*2 IEA: International Energy Agency

## Scope and Method of Calculating Scope3

Category	Subject	Calculation method	Emission source unit
Purchased Goods and Services	MS&AD Insurance Group Holdings, Inc. (hereinafter Holdings) and its major domestic consolidated subsidiaries	○Cost of paper materials Cost × emission source unit ○Postal charges Postal charges × emission source unit	The Ministry of the Environment's database*3 [5] Input-output table base emission source units (paper) (post)
Capital goods	Holdings and its consolidated subsidiaries	Facility investment amount × emission source unit per price of capital goods	The Ministry of the Environment's database*3 [6] emission source units per price of capital goods (financial/insurance)
Fuel- and energy-related activities (not included in scope 1 or scope 2)	Holdings and its consolidated subsidiaries	Usage amount of fuel and energy Usage amount × emission source unit	①The Ministry of the Environment's database*3 [7] emission source units per usage of electricity and heat ②IDEA DB *4 emission source units per amount of fuel
Waste generated in operation	Holdings and its consolidated subsidiaries	Amount of recycled industrial waste, incineration processing, and direct landfill processing × waster type/emission source unit by processing method	The Ministry of the Environment's database*3 [8] emission source units by waste type / processing method (including waste transportation), [9] emission source units by waste type (including waste transportation)
Business travel	Holdings and its consolidated subsidiaries	Calculated from domestic air travel expenses estimated from domestic business travel expenses (assuming that 10% of domestic business travel expenses are air travel expenses), train travel expenses (assuming that 60% of domestic business travel expenses are train travel expenses) ,taxi travel expenses and international air travel expenses estimated from international business travel expenses (assuming that 50% of international business travel expenses are air travel expenses). Cost of air flight/ train/ taxi × Emission source unit per transportation expenses	The Ministry of the Environment's database*3 [11] Emission source unit per transportation expenses
Employee commuting	Holdings and its consolidated subsidiaries	○Commutation allowance Calculate the allowance for commuting by multiplying the remote working rate Commutation allowance × remote working rate × Emission source unit per transportation expenses	The Ministry of the Environment's database*3 [11] Emission source unit per transportation expenses

Lease property	Holdings and its consolidated subsidiaries	○Electricity and gas used in the lease property  • energy and gas consumption amount × Emission source unit per consumption amount for electricity and gas	Emission factor by energy source based on the Act on Promotion of Global Warming Countermeasures as published by Japan's Ministry of the Environment
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\*3 : The Ministry of the Environment's emission source unit database (ver. 3.4) for calculating greenhouse gas emissions through the supply chain (May 2024)

\*4 : IDEA Database (for calculating greenhouse gas emissions through the supply chain) ver.2.3 (27, Dec, 2019)

# Editorial Policy

## Concept of Sustainability Information Disclosure

The MS&AD Insurance Group issues an annual Sustainability Report so that stakeholders can better understand the sustainability-related activities at the Group. In addition to including information that is considered important by stakeholders and the Group, the report is published on the website that focuses on conservation of natural resources.

1.Toward realization of “Group which Supports a Resilient and Sustainable Society,” the MS&AD Insurance Group will contribute to resolution of social issues such as climate change as a platformer of risk solutions, and will grow together with society.

- In addition to coverage for economic losses, we seamlessly provide products and services before and after compensation, and security.
- We aim to offer the best solutions through marketing that utilizes digital technology, underwriting, claims settlement, risk consulting.

2.This report focuses on the following three key priority issues that constitute “sustainability,” which is one of the foundations stated in the Medium-Term Management Plan (2022 -2025): Symbiosis with global environment (Planetary Health), Safe and secure society (Resilience) and Happiness of diverse people (Well-being).

3.The report also mentions unique initiatives being carried out at Group companies (please refer below for the scope of the report).

4.The report includes a collection of sustainability-related data.

## Scope of the Report

### Target period

Fiscal 2023 (April 2023 through March 2024)

\* Also includes some activities in and after April 2024.

### Target organizations and abbreviations

The Company and Group companies are abbreviated as follows.

(The Group’s domestic insurance companies are indicated with a star symbol.)

• MS&AD Insurance Group Holdings, Inc.

⇒“MS&AD Holdings” or “HD”

• Mitsui Sumitomo Insurance Co., Ltd. (★)

⇒“Mitsui Sumitomo Insurance” or “MSI”

• Aioi Nissay Dowa Insurance Co., Ltd. (★)

⇒“Aioi Nissay Dowa Insurance” or “ADI”

• Mitsui Direct General Insurance Co., Ltd. (★)

⇒“Mitsui Direct General Insurance” or “Mitsui Direct General”

• Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (★)

⇒“Mitsui Sumitomo Aioi Life” or “MSI Aioi Life”

• Mitsui Sumitomo Primary Life Insurance Co., Ltd. (★)

⇒“Mitsui Sumitomo Primary Life” or “MSI Primary Life”

• MS&AD InterRisk Research & Consulting, Inc.

⇒“MS&AD InterRisk Research” or “InterRisk”

## Timing of Publication

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This issue
January 2025
Previous issue
December 2023

## Referred Guidelines

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- GRI, Sustainability Reporting Guidelines (Standard)
- Linkage with GRI Guideline
- ISO26000:2010 Guidelines on social responsibility (Japanese Standards Association)

## Sustainability Reports

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- MS&AD Insurance Group Sustainability Report
- Mitsui Sumitomo Insurance (MS&AD Insurance Group Sustainability report) 
- Aioi Nissay Dowa Insurance's Communication Report (in Japanese only) 