



MS&AD

MS&AD Holdings

FY2022 2nd Thematic meeting

Risk related services as a platform provider of risk solutions

December 21, 2022

MS&AD Group Overview

Holding company

MS&AD MS&AD Insurance Group Holdings, Inc.

Domestic Non-Life

MS&AD Mitsui Sumitomo Insurance 

MS&AD Aioi Nissay Dowa Insurance 

MS&AD Mitsui Direct General Insurance 

Domestic Life

MS&AD Mitsui Sumitomo Aioi Life Insurance 

MS&AD Mitsui Sumitomo Primary Life Insurance 

International

Non-Life Insurance

Regional Business

Asia

Europe

Americas

Telematics and Mobility

Head Office Reinsurance

Life Insurance

Financial Services

Risk-Related Services

Abbreviations of company names used in this presentation.

- MS&AD Holdings, Holding Company : MS&AD Insurance Group Holdings, Inc.
- MS&AD : MS&AD Insurance Group
- InterRisk, : MS&AD InterRisk Research & Consulting, Inc.

Caution About Forward-Looking Statements

This presentation contains statements about future plans, strategies, and earnings forecasts for MS&AD Insurance Group Holdings and MS&AD Group companies that constitute forward-looking statements. These statements are based on information currently available to the MS&AD Group. Investors are advised that actual results may differ substantially from those expressed or implied by forward-looking statements for various reasons. Actual performance could be adversely affected by (1) economic trends surrounding our business, (2) fierce competition in the insurance sector, (3) exchange-rate fluctuations, (4) changes in tax and other regulatory systems, etc.

Aspiration for 2030

A corporate group that supports a resilient and sustainable society

Qualitative targets in the medium-term management plan

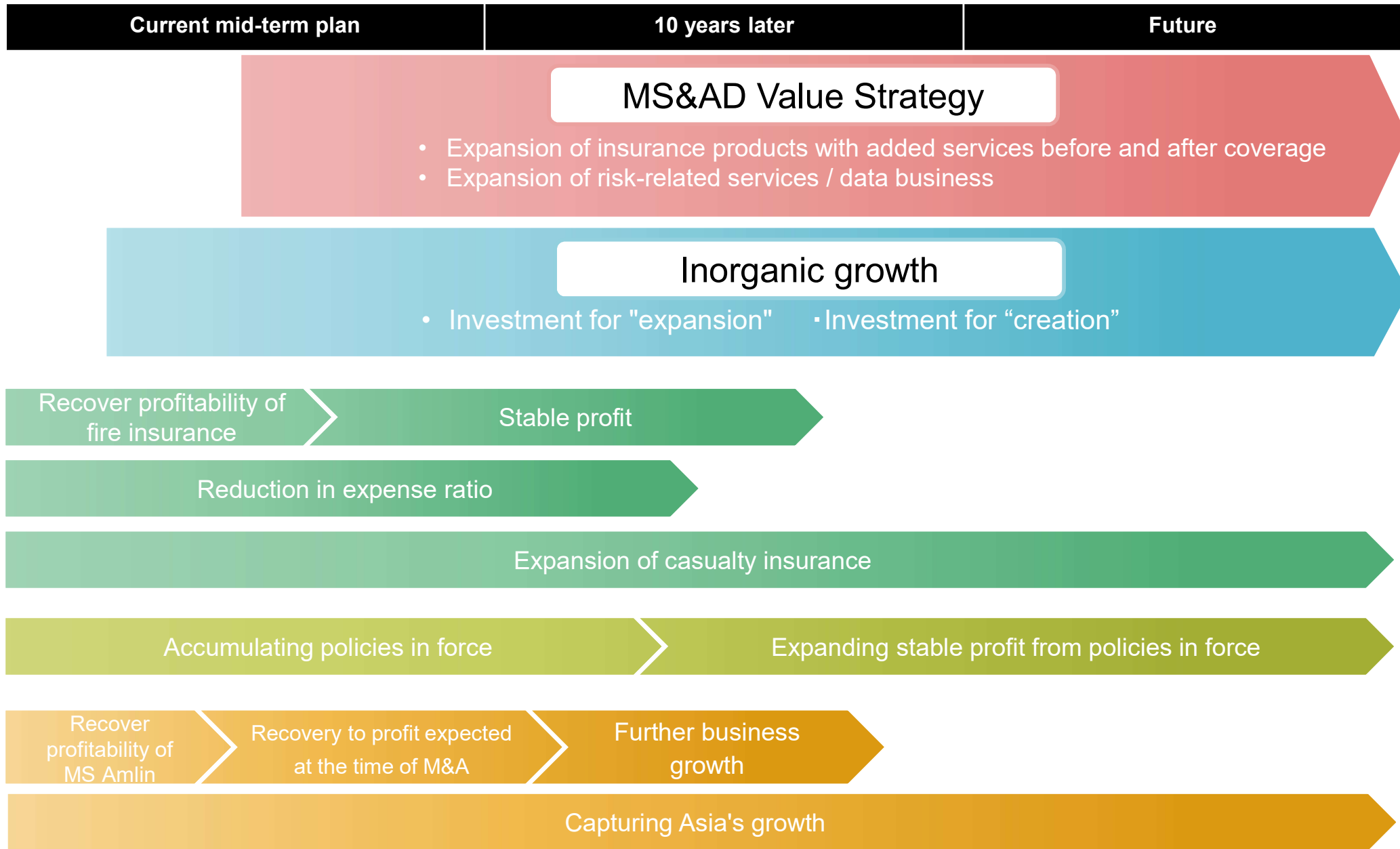
As a platform provider of risk solutions,
we will help solve climate change and other social issues, while growing
together with society.

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

Story of Value Creation

NS&AD strategy for growth

- As a risk solutions platformer, we will strive for further growth based on our MS & AD Value strategy



Promotion of MS&AD Value Strategy

- As a platform provider of risk solutions, with InterRisk at the core of the Group, MS&AD is creating new business opportunities by strengthening services before and after insurance coverage through the use of digital technologies and data, as well as risk management services such as consulting.

Developing services before and after insurance coverage

- Development and monetization of products and services that provide new value before and after insurance coverage



- Group-wide utilization of insights gained through MS&AD Ventures' startup investments, etc.

Expanding risk consulting

- Group-wide management of risk consulting with InterRisk at the core
- Expansion of earnings through software application of risk consulting services, etc.

Since fiscal 2022, with InterRisk at the core,
we are shifting to integrated management with group companies for each service
development and business development process

Maximize resources and
InterRisk's development
capabilities



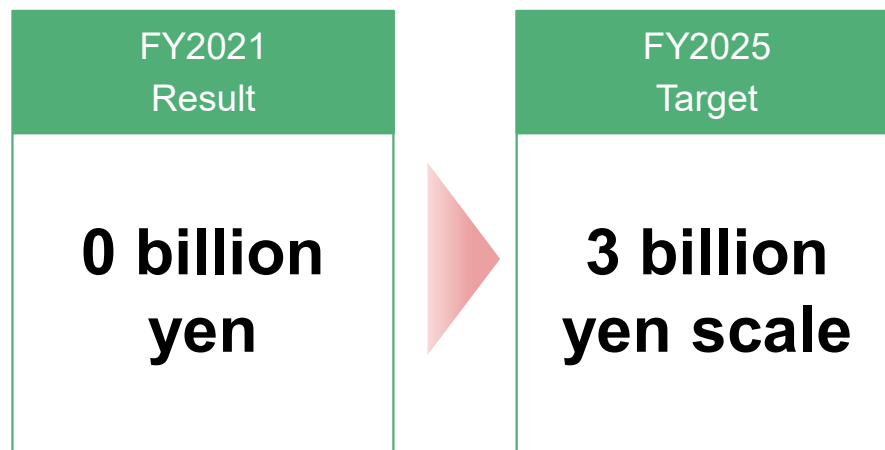
Use of insurance companies'
value
(Sales capability, etc.)

Risk-Related Services Business: Growth Targets for Digital-related and Consulting-related Businesses

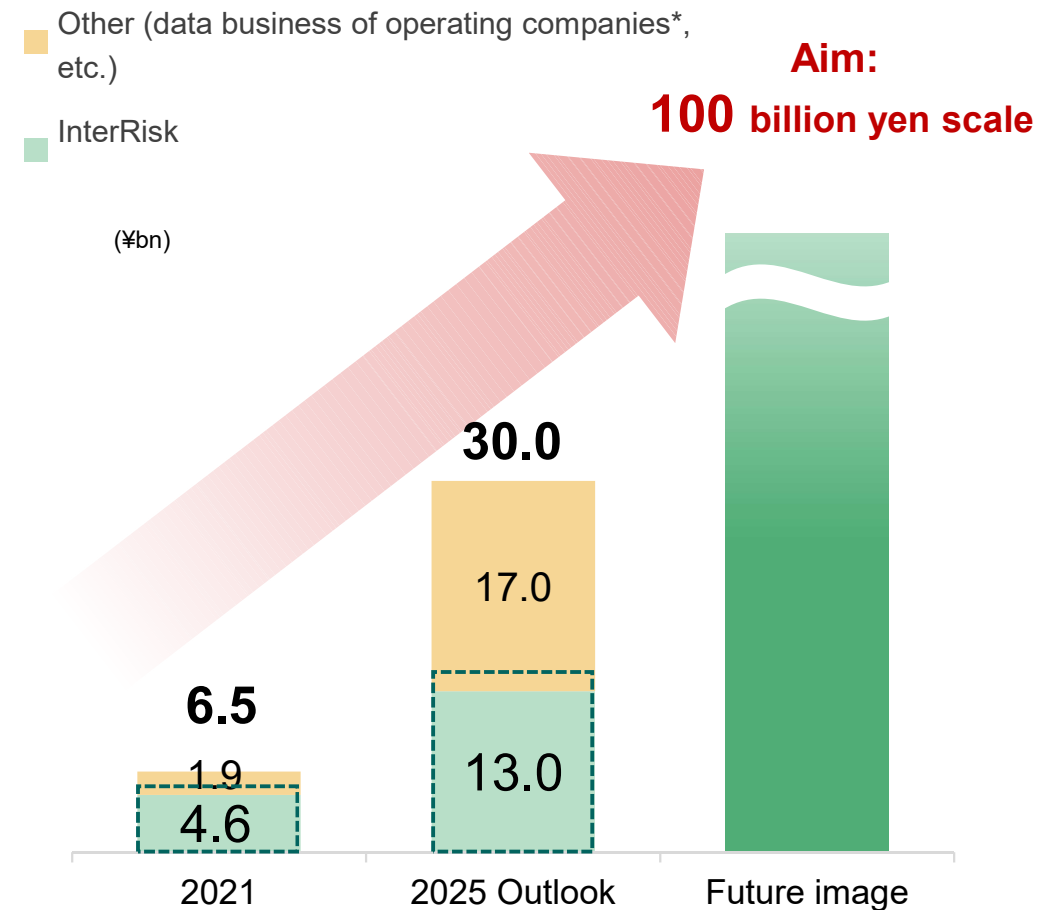
- The risk-related services business aims to grow to an annual profit of around 3 billion yen in fiscal 2025.
- The digital/consulting business, which includes the data business of operating companies, aims to grow to a future revenue of around 100 billion yen.

Profit targets for the risk-related services business

- The Medium-Term Management Plan (2022-2025) aims for profit growth through various initiatives, such as the strengthening of InterRisk's risk management services.



Digital-related business/consulting sales



*RisTech, a risk solution service for businesses, data business in the United States, etc.

Today's Presenters



Terumi Nakamura

**President
MS&AD InterRisk Research & Consulting, Inc.**

April 1984 Joined Sumitomo Marine & Fire Insurance Co., Ltd.
April 2015 Executive Officer, General Manager of Shikoku Division, Mitsui Sumitomo Insurance Co., Ltd.
April 2017 Managing Executive Officer, General Manager of Tokyo Corporate Division I, Mitsui Sumitomo Insurance Co., Ltd.
April 2019 President, MS&AD InterRisk Research & Consulting, Inc. (current position)



Takeshi Doi

**Deputy General Manager, Digital Innovation
/ General Manager, Product Development
MS&AD InterRisk Research & Consulting, Inc.**

April 1996 Joined Sumitomo Marine & Fire Insurance Co., Ltd.
April 2004 CIO, MS Seguros (Brazil subsidiary)
April 2013 Assistant Counselor, IT Strategy Office, Cabinet Secretariat (seconded)
April 2022 Deputy General Manager, Digital Innovation / General Manager, Product Development, MS&AD InterRisk Research & Consulting, Inc.
General Manager, Digital Innovation Department
MS&AD Insurance Group Holdings, Inc. (current position)

1. Functions of InterRisk, Its Role Inside the Group and Growth Strategy

2. Solution Development as a Growth Strategy

-- Examples of risk management (RM) operational services --

(Reference)

- **MS&AD InterRisk: Company Profile and History**
- **MS&AD InterRisk: Organization Chart**

1. Functions of InterRisk, Its Role Inside the Group and Growth Strategy

Terumi Nakamura

President

MS&AD InterRisk Research & Consulting, Inc.

(1) Aspirations of InterRisk

- Driving the Risk-Related Services Business, one of the Group's five business domains.
- Our “purpose” is The accomplishment of a risk management cycle and contribute to the business continuity and stable development of our customers.

Purpose (raison d'etre)

Contributing to business continuity and stable development

Contribute to business continuity and stable development by providing high-quality risk solutions

The accomplishment of a risk management cycle

Deliver services before and after insurance coverage and accomplish a risk management cycle

Core Values

Provide high-quality risk solutions services by constantly enhancing our skills and proficiency



Maintain and advance workplace environment where employees maintain their health and enable to work with vigor and enthusiasm and support their motivation to solve problems



Respect the diverse ways people live their lives and work with pride and dignity

(2) InterRisk Service Overview

- Providing consulting on the risks faced by companies in their business activities.

<div>SDGs</div> <div>  <p>SDG-related Promotion and Support</p> </div> <ul style="list-style-type: none"> • SDG-related promotion and support services 	<div>Cyber Security</div> <div>  <p>Cyber Risk</p> </div> <ul style="list-style-type: none"> • Cyber risk PML calculation services • Endpoint Detection & Response Service <div>  <p>Information Security</p> </div> <ul style="list-style-type: none"> • Information security management consulting • Cyber risk consulting 	<div>Healthcare Management</div> <div>  <p>Healthcare Management Support</p> </div> <ul style="list-style-type: none"> • Health management support • Stress check • Mental health (consulting/training)
<div>Climate Change</div> <div>  <p>Climate Change Risk Analysis</p> </div> <ul style="list-style-type: none"> • Climate change risk analysis services • Natural disaster risk quantitative assessment services <div>  <p>Carbon Neutrality</p> </div> <ul style="list-style-type: none"> • Carbon Neutrality Support (CNS) 	<div>Mobility Risk</div> <div>  <p>Self-driving and MaaS Technology Testing Support</p> </div> <ul style="list-style-type: none"> • Support for autonomous driving and MaaS verification testing <div>  <p>Transport Safety</p> </div> <ul style="list-style-type: none"> • Consulting on transportation safety management • Consulting using dashcams 	<div>Integration Risk</div> <div>  <p>Enterprise Risk Management (ERM)</p> </div> <ul style="list-style-type: none"> • Risk management system diagnosis • Consulting services focused on corporate risk analysis and assessment • ERM Consulting
<div>Disaster Prevention and Mitigation</div> <div>  <p>Disaster Risk Assessments</p> </div> <ul style="list-style-type: none"> • Risk survey (risk assessment and research) • Chemical leak-diffusion simulation <div>  <p>BCM and BCP</p> </div> <ul style="list-style-type: none"> • Support for establishing a business continuity management (BCM) system • BCM improvement support 	<div>Workplace Safety</div> <div>  <p>Occupational Safety and Health</p> </div> <ul style="list-style-type: none"> • Occupational health and safety consulting • Human factor survey <div>  <p>Safety Culture Assessments</p> </div> <ul style="list-style-type: none"> • Safety culture diagnosis • Consulting services aimed at fostering safety culture 	<div>Crisis Management</div> <div>  <p>Crisis Management and Related Public Relations</p> </div> <ul style="list-style-type: none"> • Crisis management & public relations • Overseas crisis management <div>  <p>Seminars and Informational Publications</p> </div> <ul style="list-style-type: none"> • E-mail newsletter

(3) InterRisk's Functions and Role in the Group

- In order to realize the Group's aspiration of being a platform provider of risk solutions, we create new services and business opportunities before and after insurance coverage by using digital technologies and data.

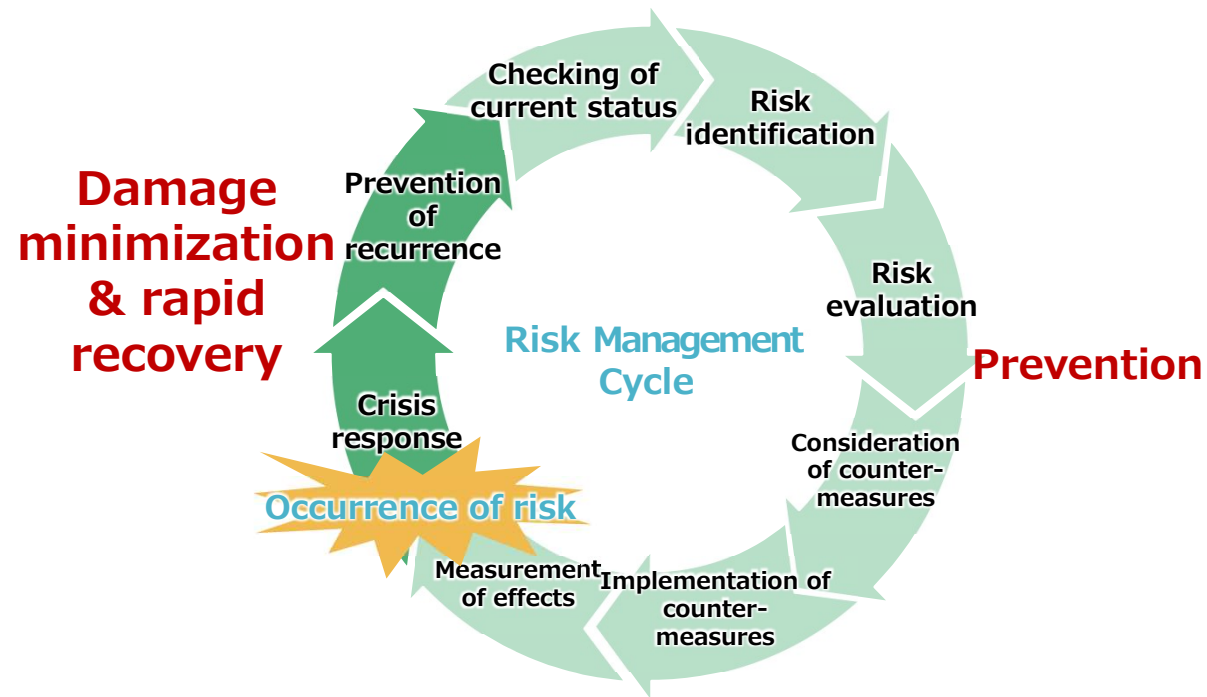
MS&AD Group's Business Model



Value creation story

To realize the Group's mission, we support the creation of an environment where customers can live and conduct their business activities with peace of mind, by providing products and services through our business model to address social issues.

InterRisk's Functions and Role



Delivering "before" and "after" the occurrence of risk

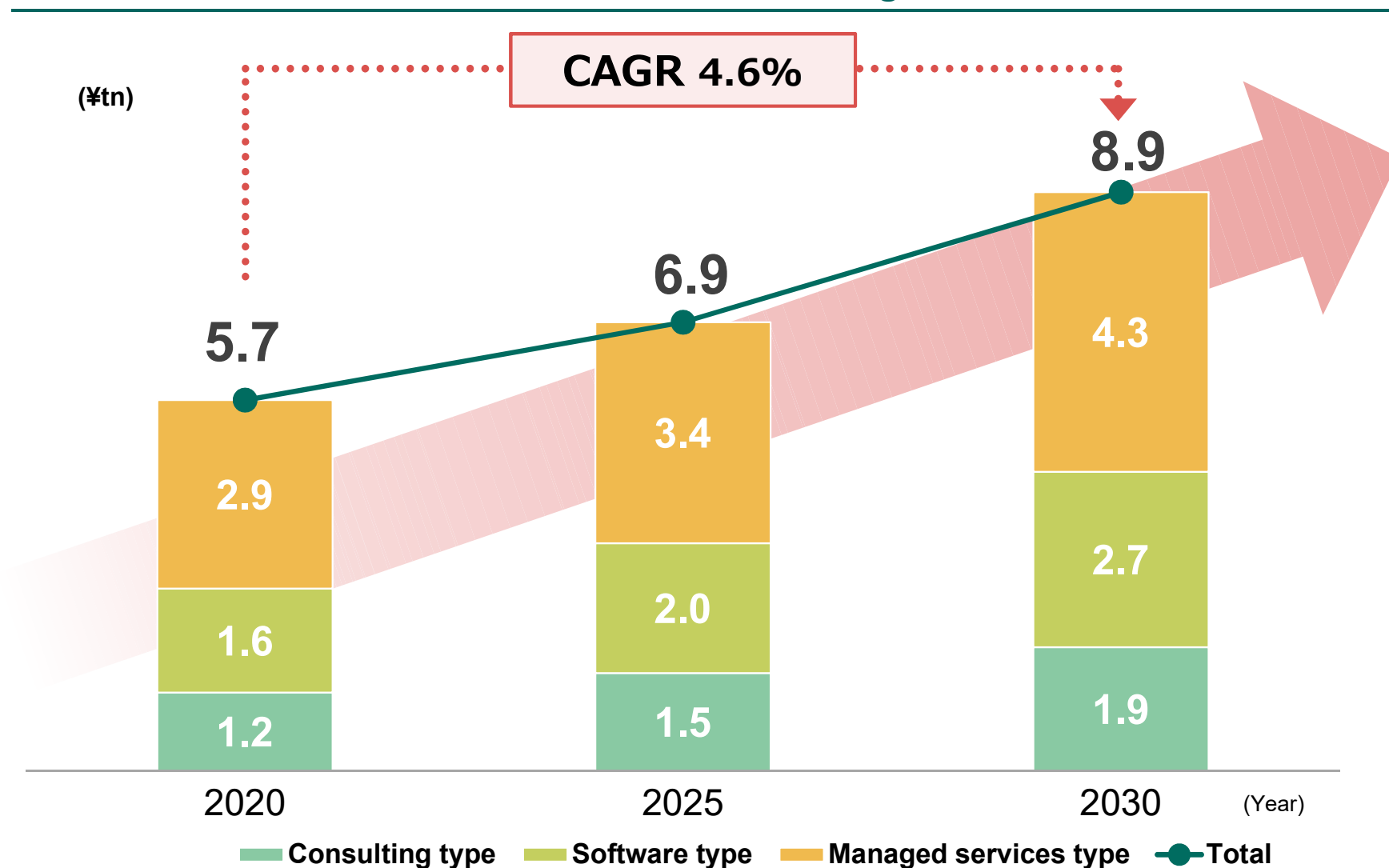
Providing a seamless risk management cycle and creating new services and business opportunities before and after insurance coverage when risks materialize, by using digital technologies and data.

(4) InterRisk's Growth Strategy

(1) Growth of the Risk Management Market

- The current size of the risk management market is about 6 trillion yen. It is expected to continue to grow at an annual rate of over 4%, to reach 9 trillion yen in 2030.

Size of the domestic risk management market*



*Market research conducted by MS&AD InterRisk (November 2021 to January 2022)

(4) InterRisk's Growth Strategy

(2) Achievements and Strengths in Risk Management

- As one of the largest non-life insurance group companies in Japan, we have a solid track record in the field of risk consulting.
- In the field of sustainability and other areas, we demonstrate strengths by taking initiatives ahead of other companies.

A rich service track record backed by the largest customer base in Japan and a strong network

Number of risk surveys conducted

1,000 (811)

Japan: 673 (448) Overseas: 327 (363)

FY2021 (FY 2020)

Number of trainings and seminars conducted

4,098 (3,406)

Number of media appearances

503 (516)

InterRisk'S strengths (examples)

Sustainability

Promoting various initiatives ahead of other companies

< Examples of initiatives >

- Provision of quantitative assessment of climate change impacts (July 2020)
- Launch of carbon neutrality support (September 2021)
- An employee joined the Taskforce on Nature-related Financial Disclosures (TNFD) as the only member from Japan (October 2021)

etc.

Other areas

Leader in BCP and cyber security

< Examples of initiatives >

- Pioneer of BCP consulting in Japan, with strong brand power (conducting about 100 consultations a year)
- "Endpoint Detection & Response Service^{*3}" registered for "Cyber Assistance Team Service^{*2}" established by the Ministry of Economy, Trade and Industry and IPA^{*1}

*1: IPA: Information-Technology Promotion Agency

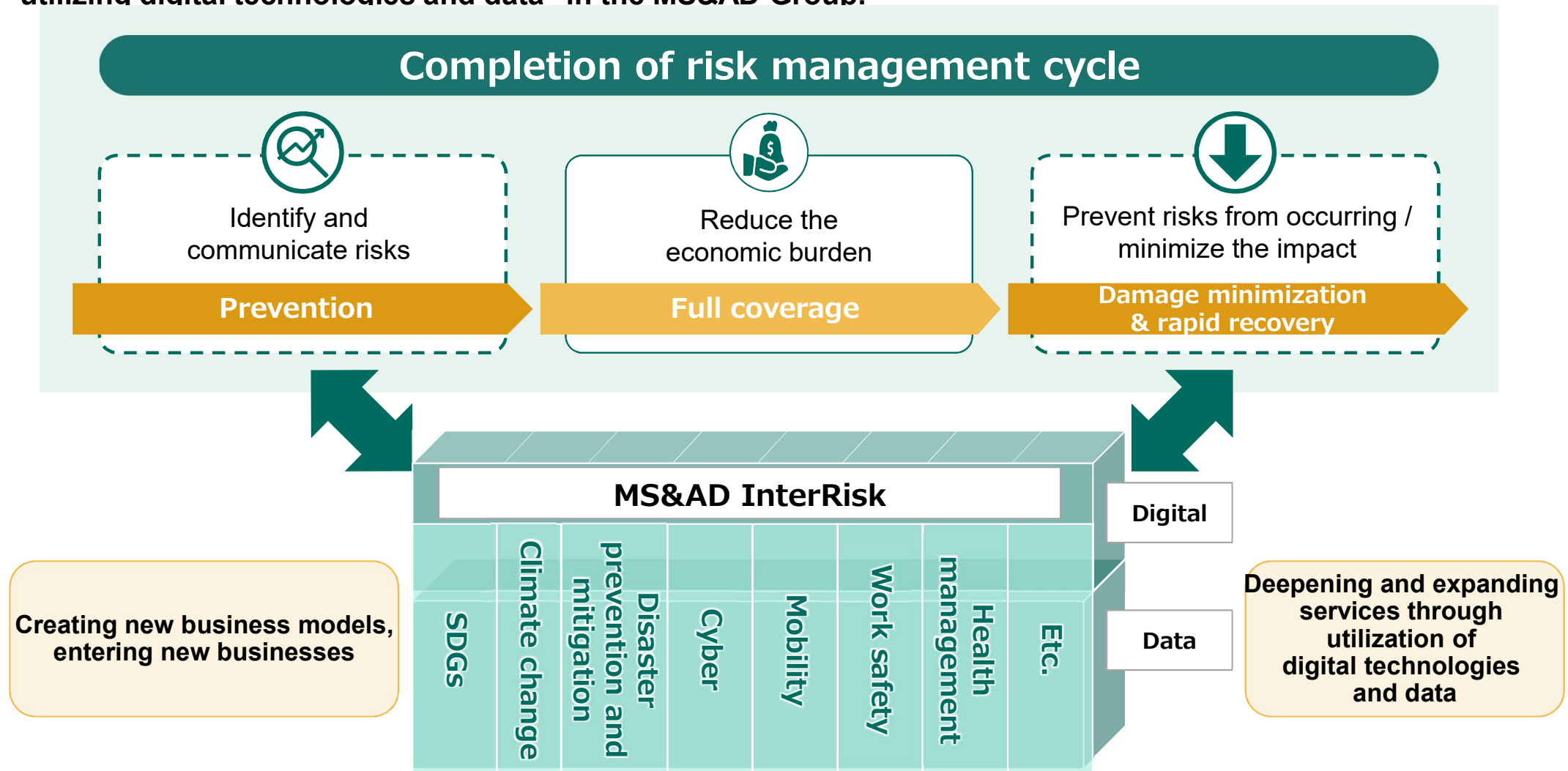
*2: A service system that provides essential services for cybersecurity measures for small and medium-sized enterprises in one package

*3: A service with basic insurance, where an app installed on a terminal performs double checking of behavior detection by AI and monitoring by analysts 24 hours a day, 365 days a year

(4) InterRisk's Growth Strategy

(3) Initiatives in the Medium-Term Management Plan (2022-2025)

- Formulated the Medium-Term Management Plan with a strong awareness of "the core of risk management utilizing digital technologies and data" in the MS&AD Group.



Driving the Group as the core of risk management through the use of digital technologies and data

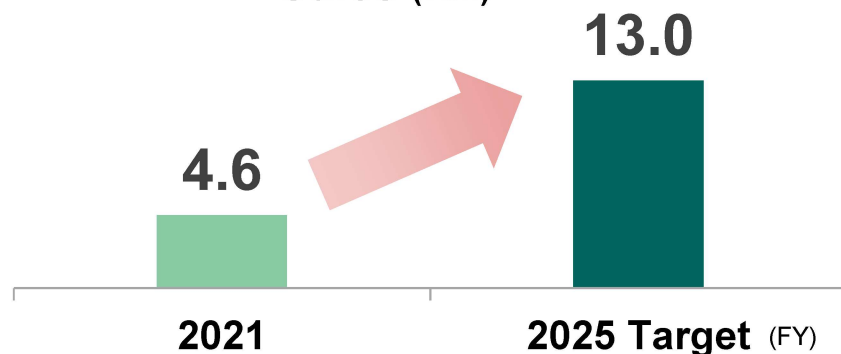
(4) InterRisk's Growth Strategy

(4) Medium-Term Management Plan (2022-2025): Quantitative targets

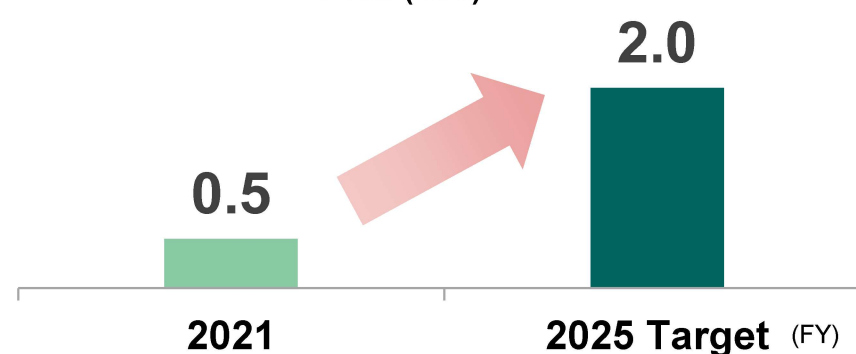
- We will continue our efforts with the aim of growing to 13 billion yen in sales and 2 billion yen in profit in fiscal 2025.
- In the risk management field as one of the growth areas, we will simultaneously achieve scale expansion and profitability improvement.

Quantitative targets in InterRisk's Medium-Term Management Plan (2022-2025)

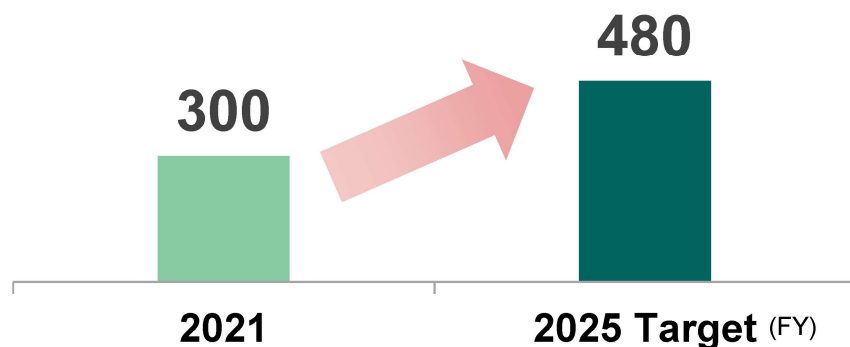
Sales (¥bn)



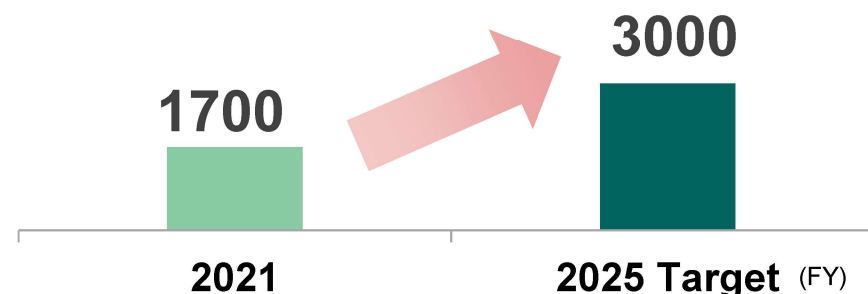
Profit (¥bn)



Number of employees



Sales per employee (10,000 yen)



Scale expansion as a growth area

Increasing profitability by developing new businesses and services

(4) InterRisk's Growth Strategy

(5) Business scale expansion and sustainable growth

- We aim for sustainable growth through “both-handed management” that deepens existing businesses and discovers new business opportunities.
- We will restructure organizations and implement initiatives to expand business scale and achieve sustainable growth.

Expanding risk management business for sustainable growth through “both-handed management” that leverages digital technologies and data

Deepening existing businesses

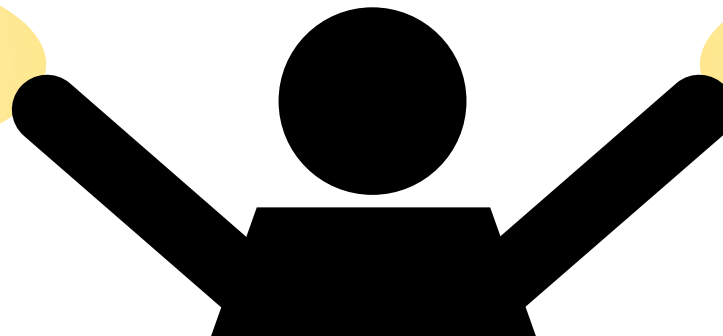
Further deepening services where we have strengths, such as risk consulting and risk surveys, as the largest non-life insurance group in Japan in terms of scale

Discovering new business opportunities

Softwareization of risk consulting through the use of data and digital technologies and expanding business and services, such as risk management operational services, etc.

Both-handed management

Exploitation

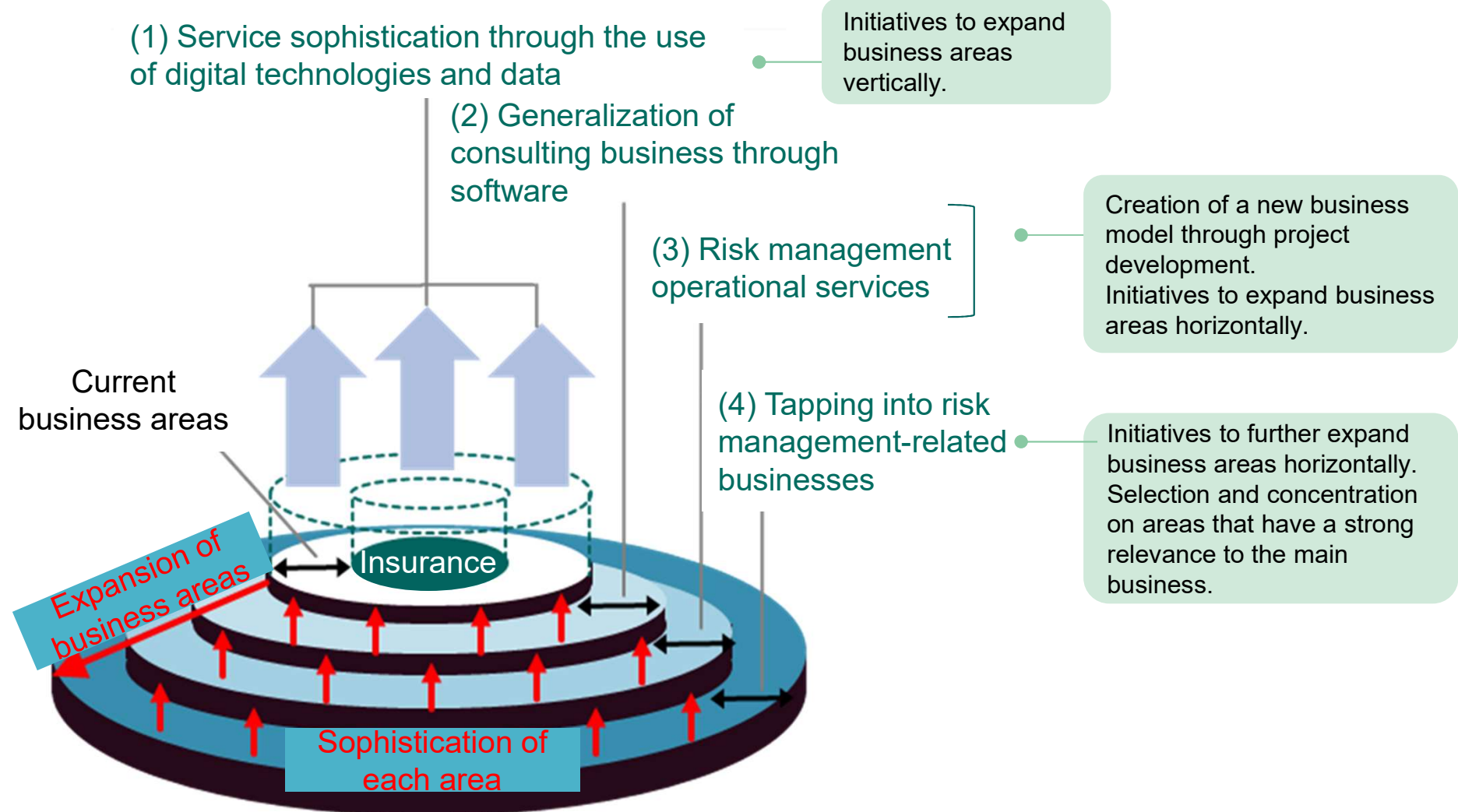


Exploration

(4) InterRisk's Growth Strategy

(6) Growth Model

- Driving the Group's risk-related services business in conjunction with insurance, while also providing risk management services independently.
- We will promote initiatives to expand the current business areas centered on the insurance business.



Wedding Cake Model for Risk Management Services

(4) InterRisk's Growth Strategy

(7) Specific Measures for Business Expansion

- In addition to upgrading consulting services, we will expand business opportunities by generalizing through software and other means.
- We will create new business areas such as monitoring operations using software and database sales.

Sophistication

- Leveraging digital technologies and data

<Examples of initiatives>

- CO2 emission calculation tool
- Human capital management-related services
- TCFD-related services
- TNFD-related services

Generalization

- Ability to expand revenues not limited to the number of consultants
- Leveraged development tools
Developed monitoring services

<Examples of initiatives>

- Accident risk AI assessment
- Cyber risk monitoring service

Expansion of business areas

- Expanding risk management-related businesses, such as selling databases built from software

<Examples of initiatives>

- SARAI FR (Risk and alert information system)
- Human capital management-related services

Details from
page 20

2. Solution Development as a Growth Strategy -- Examples of risk management (RM) operational services --

Takeshi Doi

**Deputy General Manager, Digital Innovation
/ General Manager, Product Development
MS&AD InterRisk Research & Consulting, Inc.**

Solution Development as a Growth Strategy

-- Examples of risk management (RM) operational services --

(1) Example 1: AI assessment of accident risks

Overview

- A service for evaluating and visualizing the risk of potential traffic accidents through the use of AI. Developed jointly with a major domestic non-life insurance company and launched in November 2022.
- This service is the first in the world to assess and visualize the risk of traffic accidents. (Researched by InterRisk)
- Ehime Prefecture and Nara Prefecture decided to introduce this service as a model into their “Urban Risk Analysis Operations” and “Safe and Secure Community Development Consortium of Yamato-Heiya Central City Initiative”.

(2) Example 2: Cyber risk monitoring service

Overview

- In partnership with Coalition, a top company based in the U.S., which is a cyber-advanced country, we developed a new business model that fuses security services utilizing digital technology before and after insurance coverage, in collaboration with two major domestic non-life insurance companies.
- We aim to creating a market with a business model that is ahead of other companies and contribute to improving responsiveness to cyber risks by small and medium-sized enterprises, which is a social issue.

(1) Example 1 - AI Assessment of Accident Risks -

Trends in conventional measures

Preventing recurrence

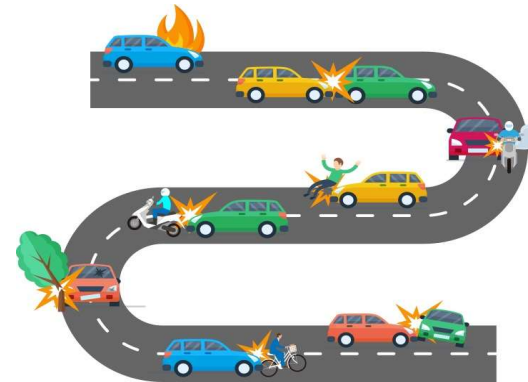
mainly at the point of traffic accidents



New proposal from MS&AD Group

Addressing potential risks

Preventing accidents



Quantitative evaluation and visualization of the magnitude of the potential risk by a risk analyst (AI)



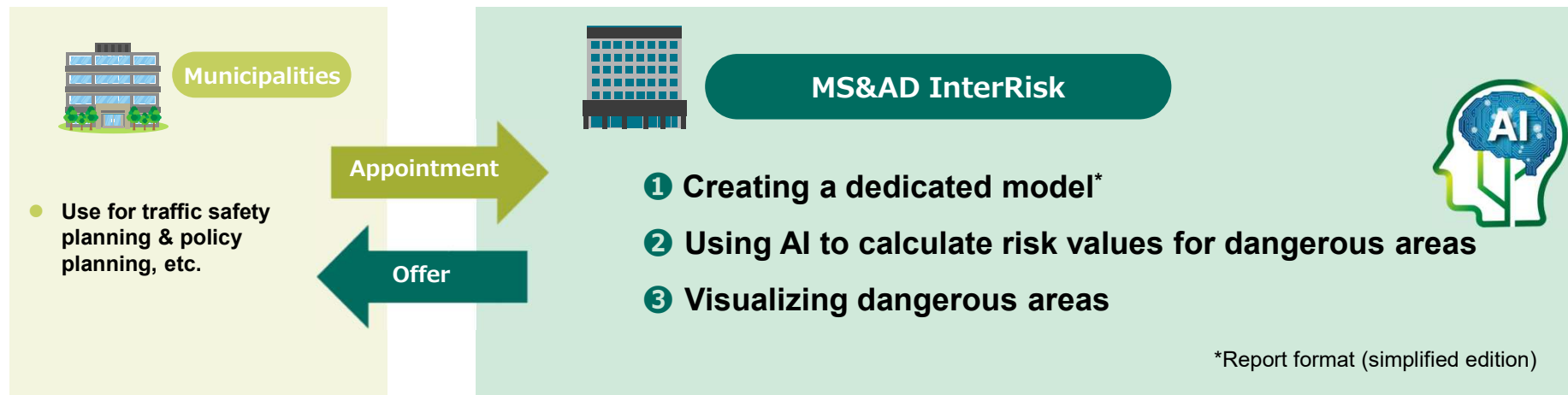
Making it possible to plan and implement traffic safety measures based on objective data

(1) Example 1 - AI Assessment of Accident Risks -

■ Overall picture

Potential use: traffic safety planning, road management, urban planning, crisis management, etc.

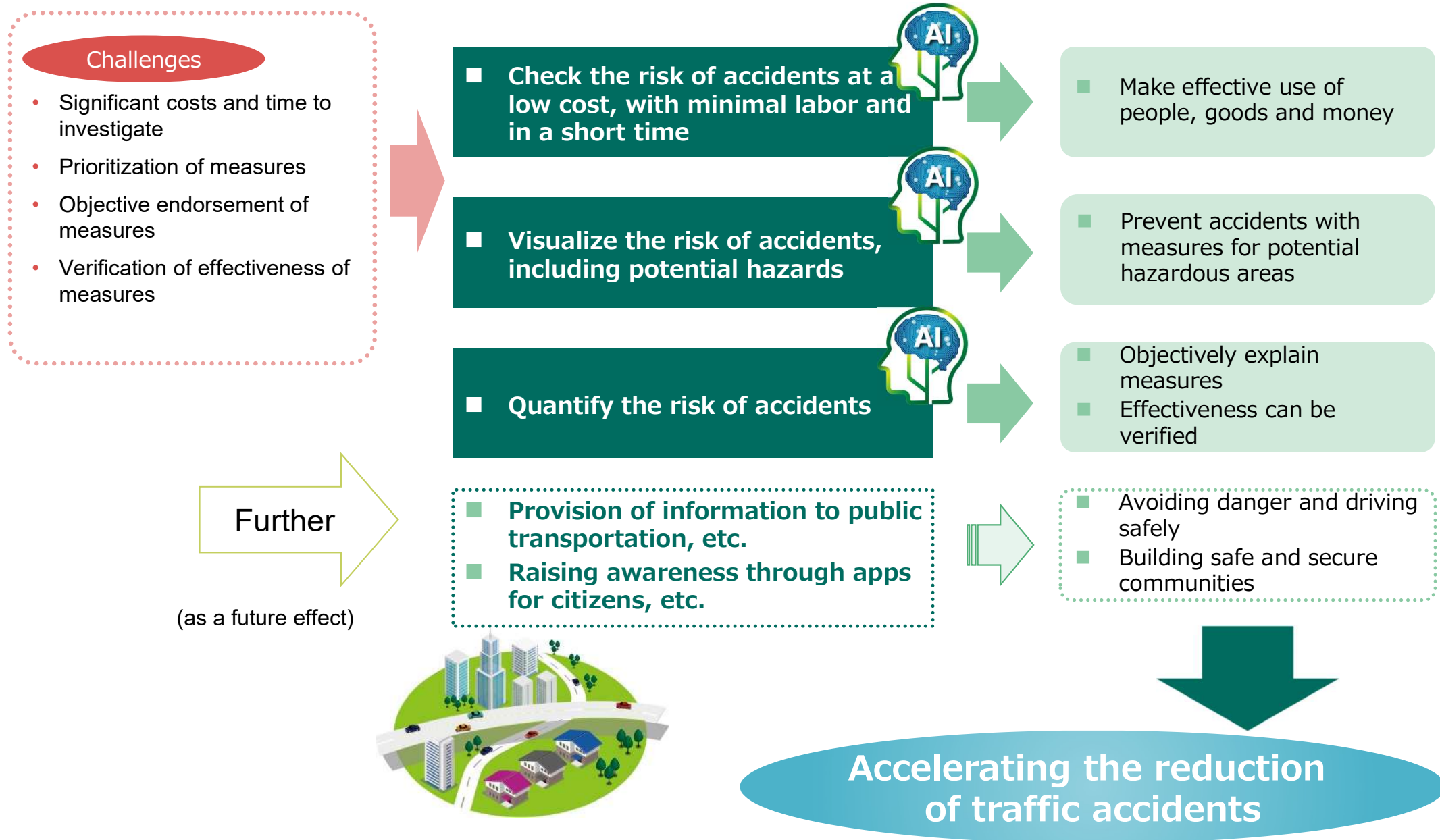
Assessing and visualizing the risk of accidents with AI, including potentially dangerous areas where no accidents have occurred in the past



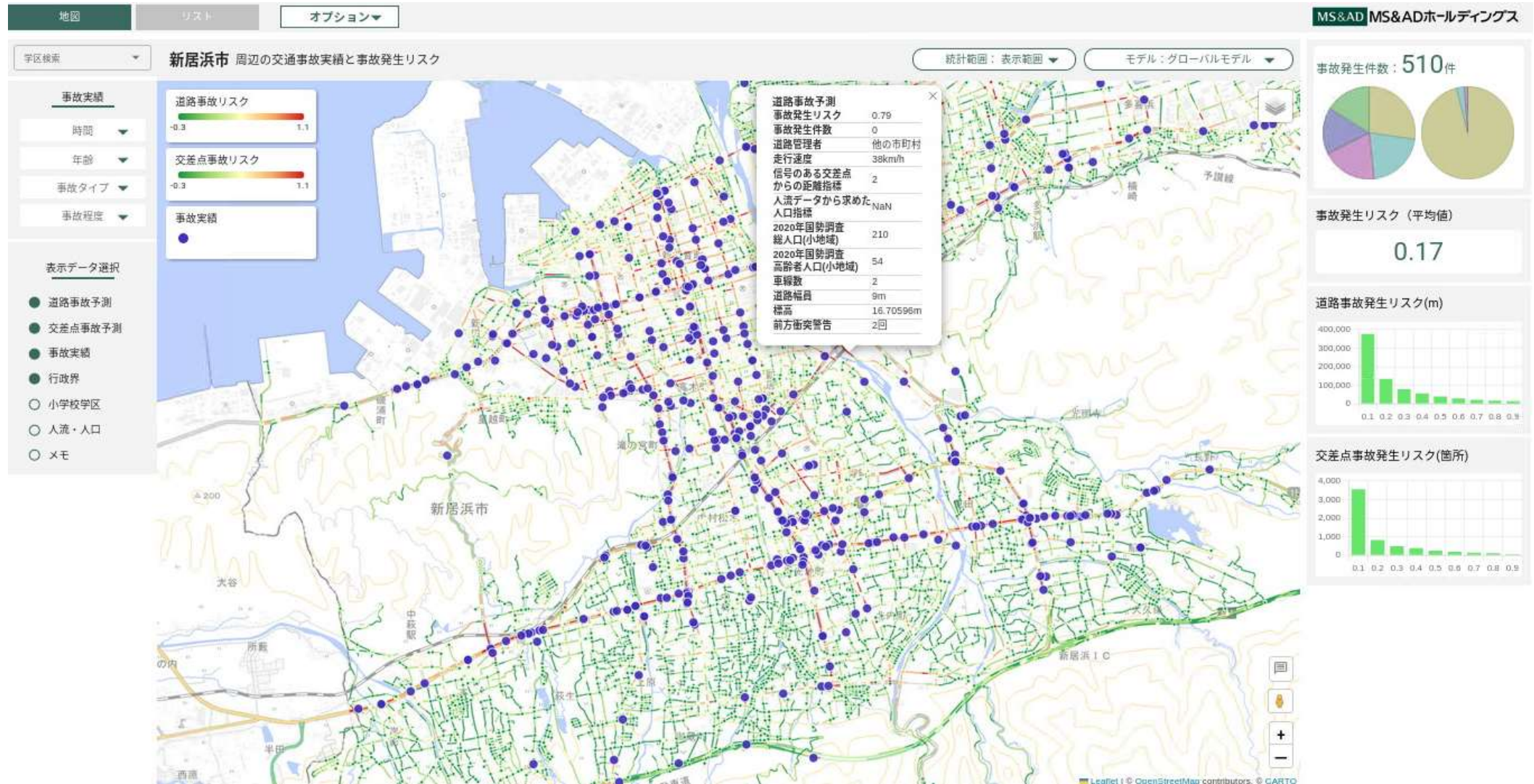
■ Delivery format

	Deliverables summary	Contract start date
Report format (Simplified edition)	Report (Providing a list of the top 50 accident risk points in the relevant area)	From November 2022
Application format (Full edition)	Application (Providing a map and a list of accident risk points in the relevant area)	From July 2023

(1) Example 1 - AI Assessment of Accident Risks -

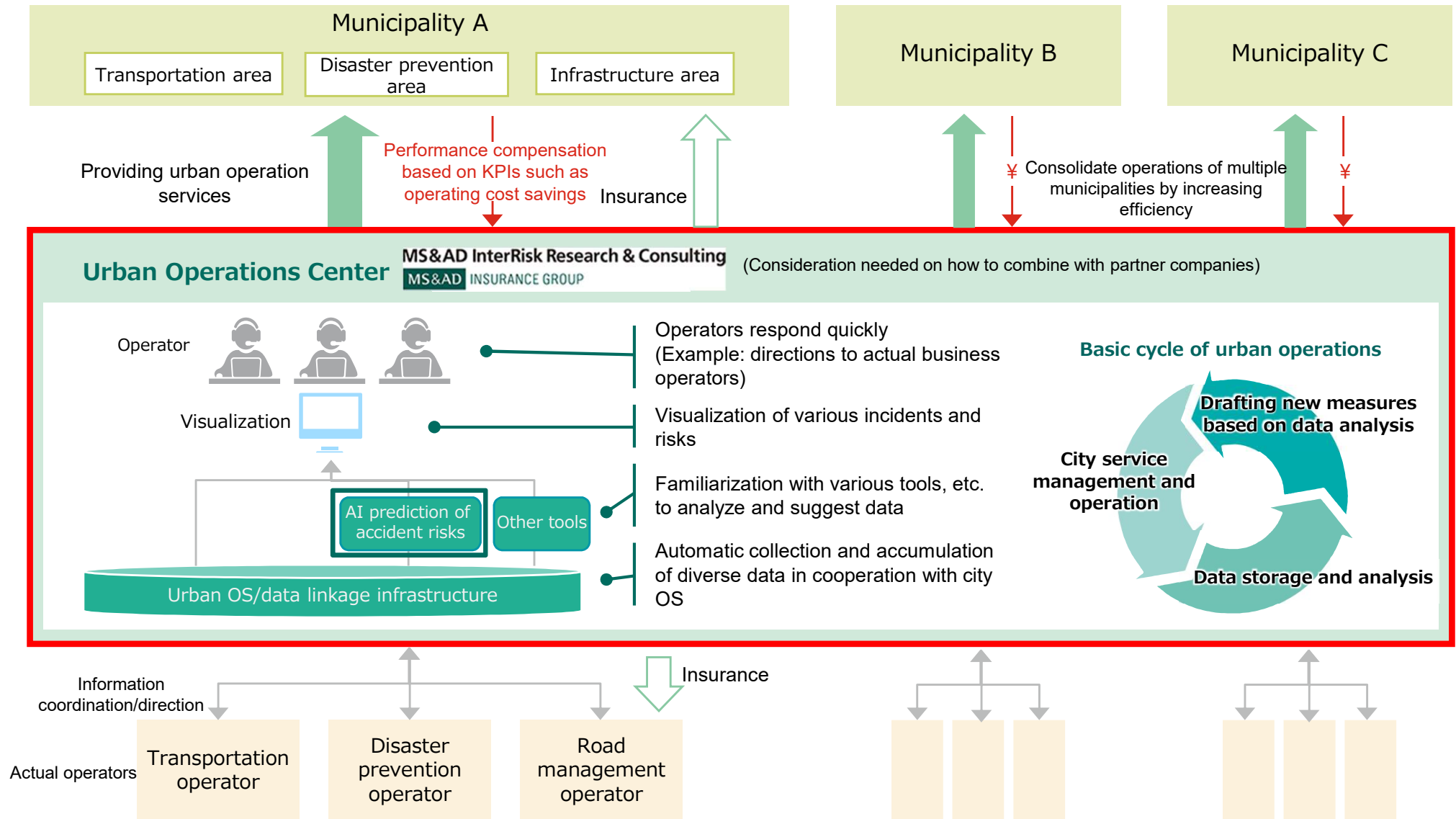


(Reference) Screenshot of the application for municipalities (under development)



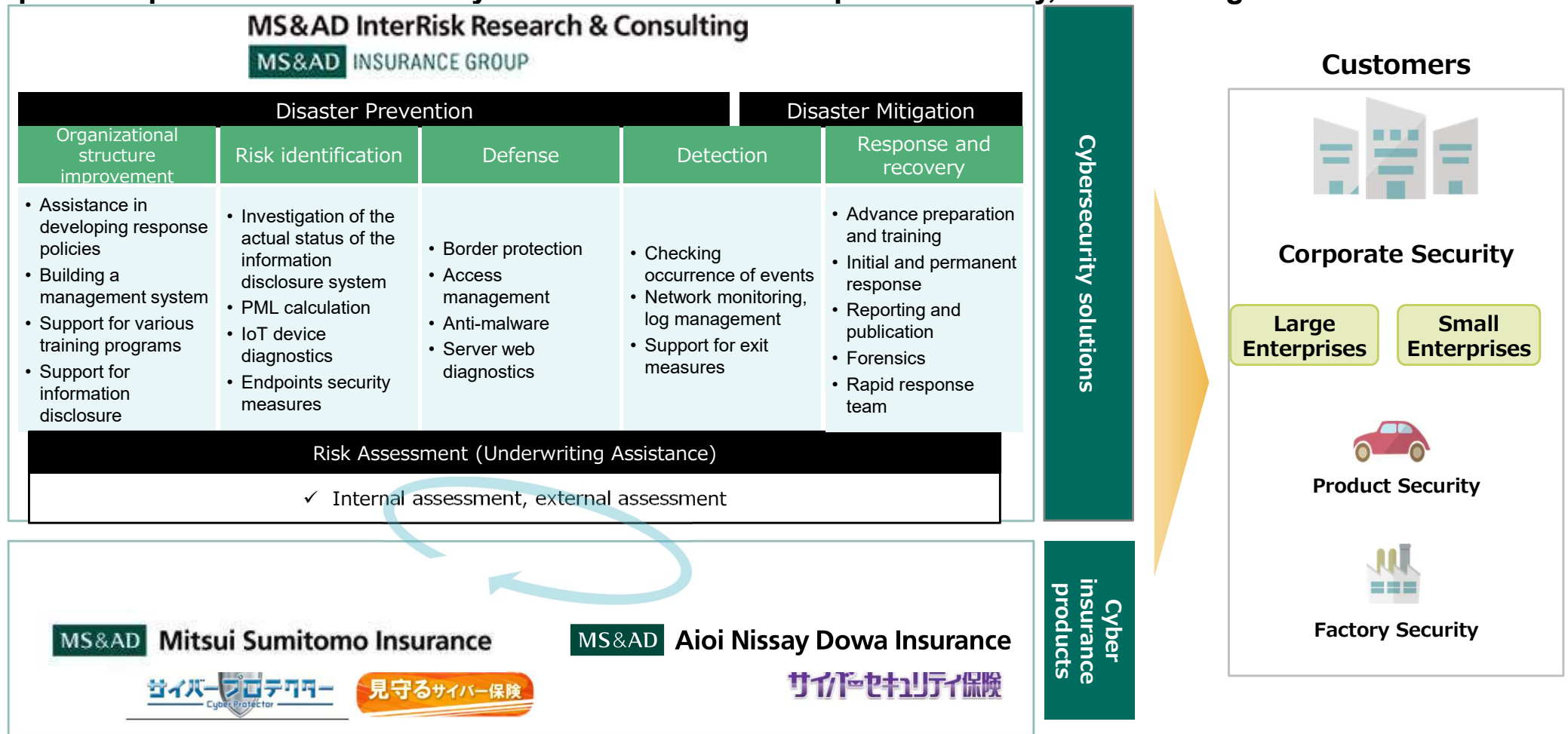
(1) Example 1 - AI Assessment of Accident Risks -

- Although we are building products as generalization through software, we also aim to enter operations and operational services, and to sell the data obtained, in order to expand the sales of services.



(2) Example 2: Cyber risk monitoring Service

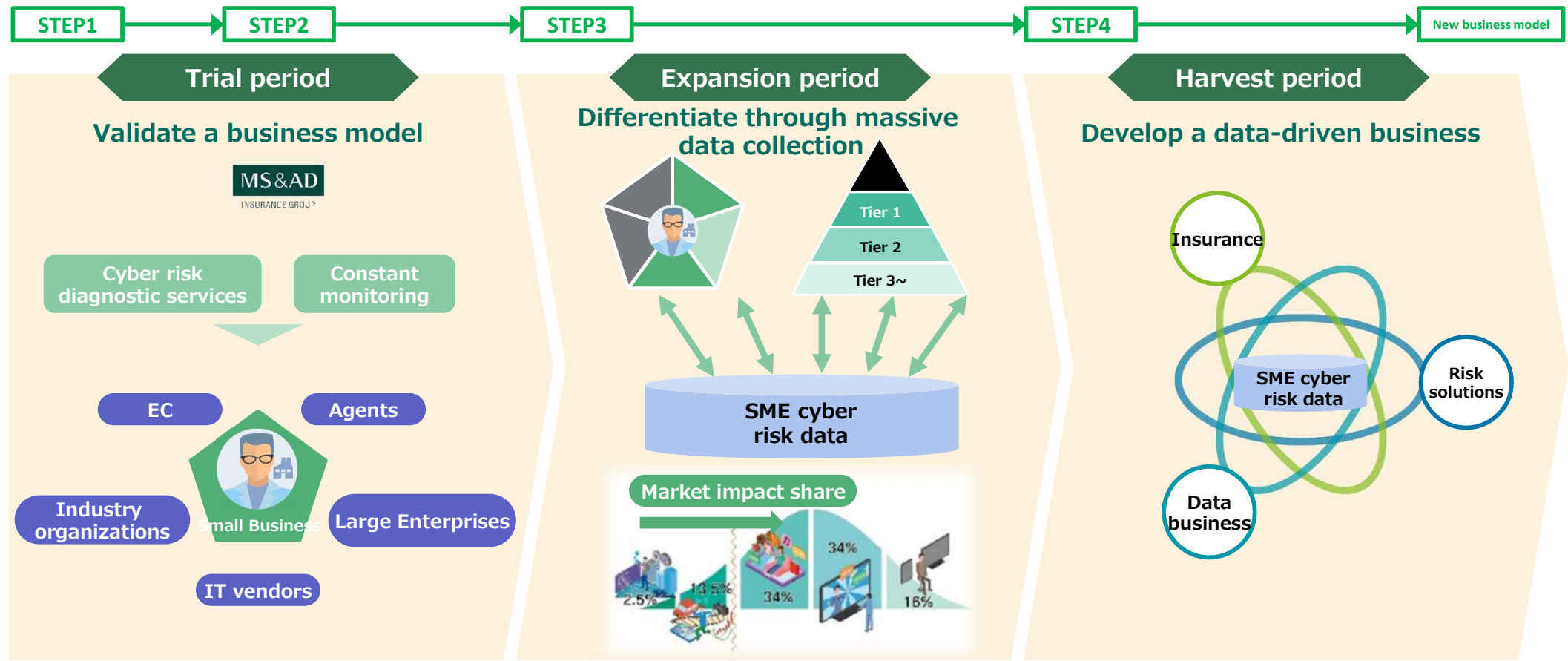
- We aim to be the No. 1 platform provider of risk solutions as a financial institution in Japan and Asia with our ability to assess and respond to cyber risks.
- We aim for the top cyber insurance profit in Japan and Asia as one of the growth drivers, seizing the rise of cyber risks as a business opportunity. We will leverage the data and knowledge that we accumulated as a platform provider to solve the cyber risk issues of the Japanese society, thus leading to social contributions.



(2) Example 2: Cyber risk monitoring Service

- We aim to be a platform provider that holds cyber risk data of overwhelming data quantity & quality about small and medium enterprises, while developing three phases: trial period, expansion period, and harvest period.

■ Maturity stages of the business model



Points

1

Pilot the dominant channels identified in the market research or the five channels in which our company has an advantage, then determine the channels to focus on.

2

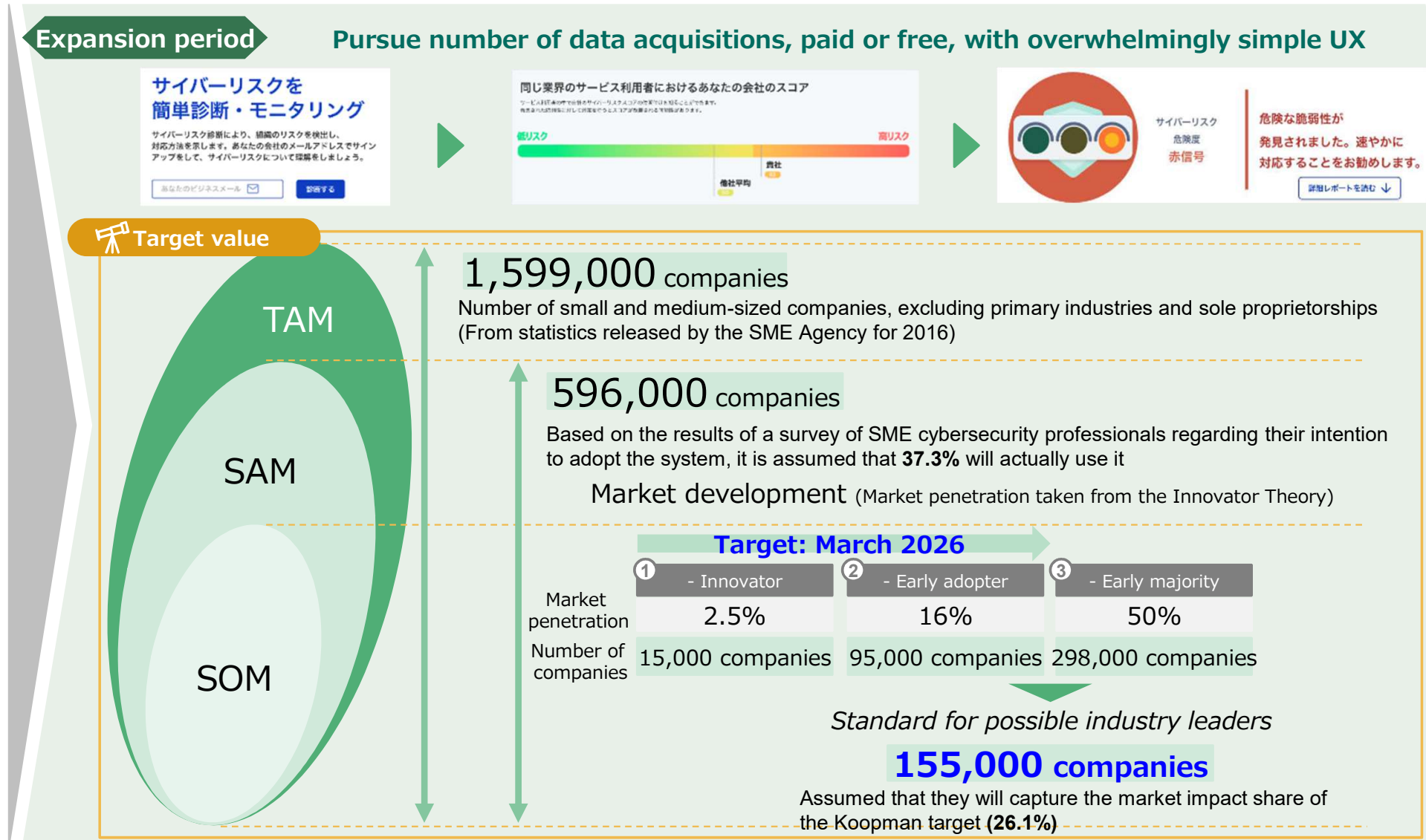
Leverage the effective channels and market characteristics identified in the trial period to capture and differentiate large volumes of SME data

3

Become a platform provider of risk solutions that holds data on hundreds of thousands of small business vulnerabilities

(2) Example 2: Cyber risk monitoring Service

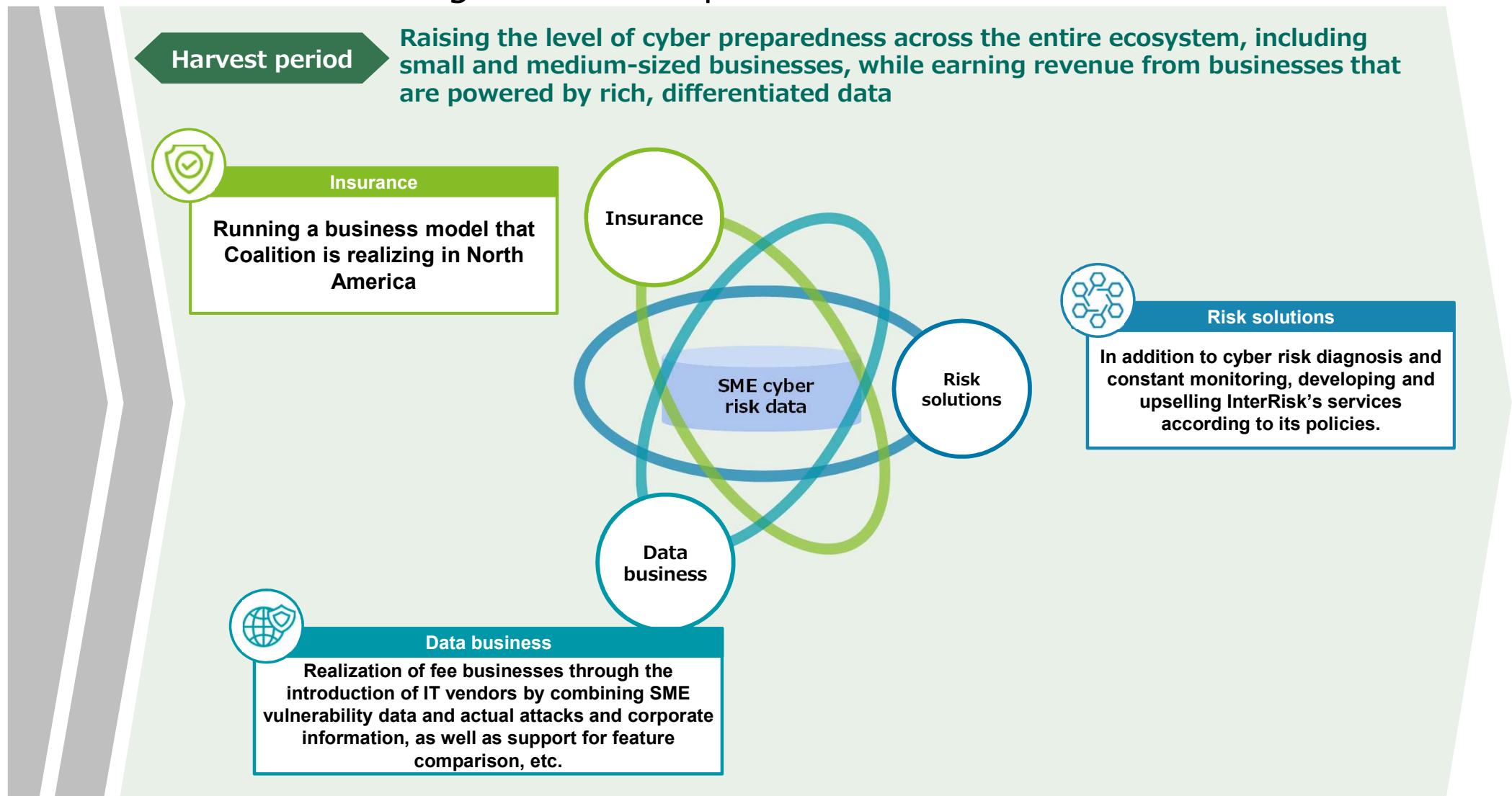
- As a result of the pilot implementation, we focus our approach on highly effective channels to acquire a customer data base of a scale that will have an impact on the market.
- Business model during the expansion period



(2) Example 2: Cyber risk monitoring Service

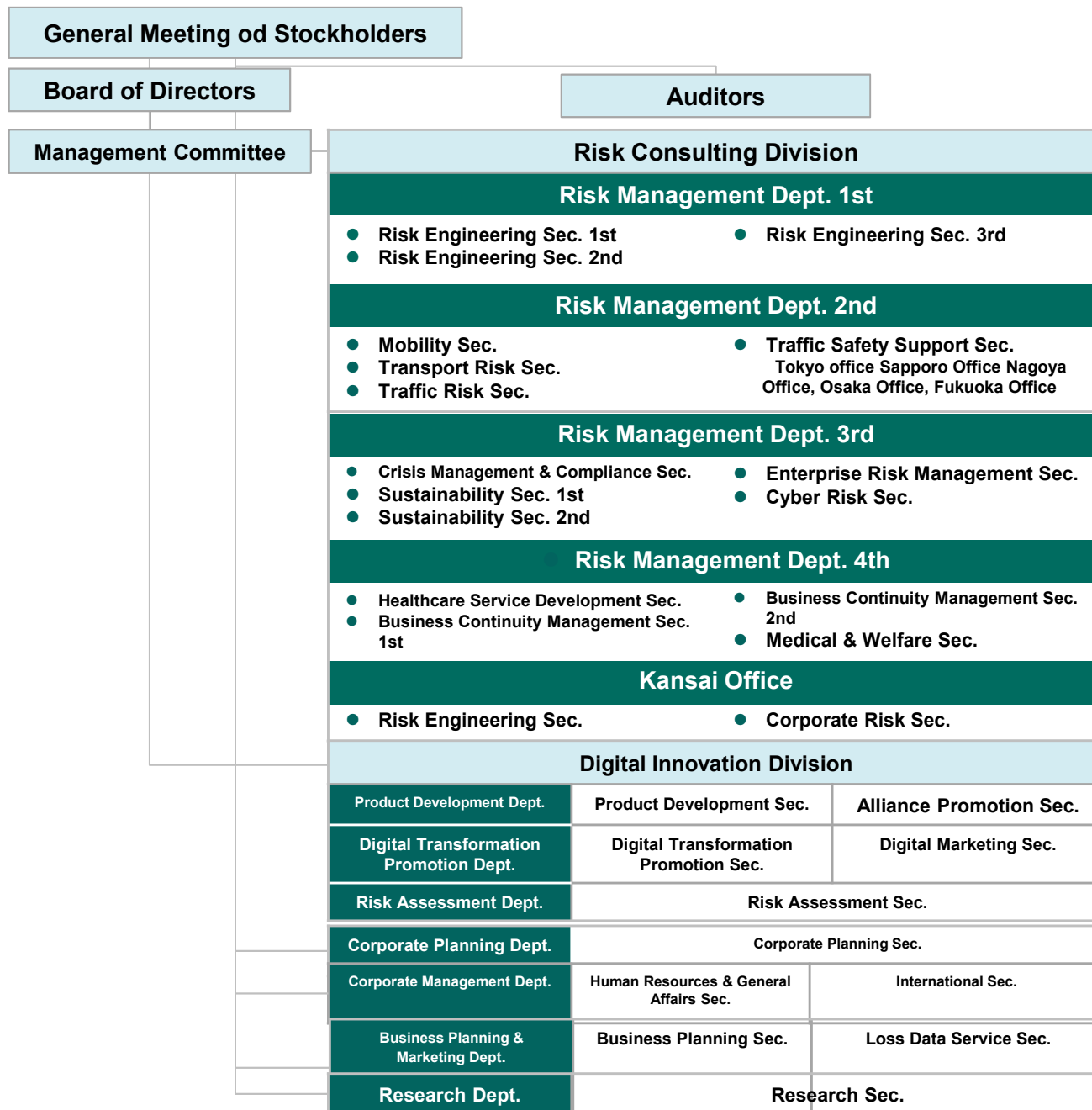
- By differentiating based on the quality of data possessed by Coalition and the amount of SME data acquired, we obtain three revenue streams, while solving the social issue of strengthening cyber measures for SMEs.

■ Business model during the harvest period



References

(Reference) MS&AD InterRisk Research and Consulting Organization Chart



MS&AD InterRisk Research & Consulting MS&AD INSURANCE GROUP

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2-105, Kanda Awajicho,
Chiyoda-ku, Tokyo, Japan

TEL: 03-5296-8911 (Main)



Overseas Subsidiaries



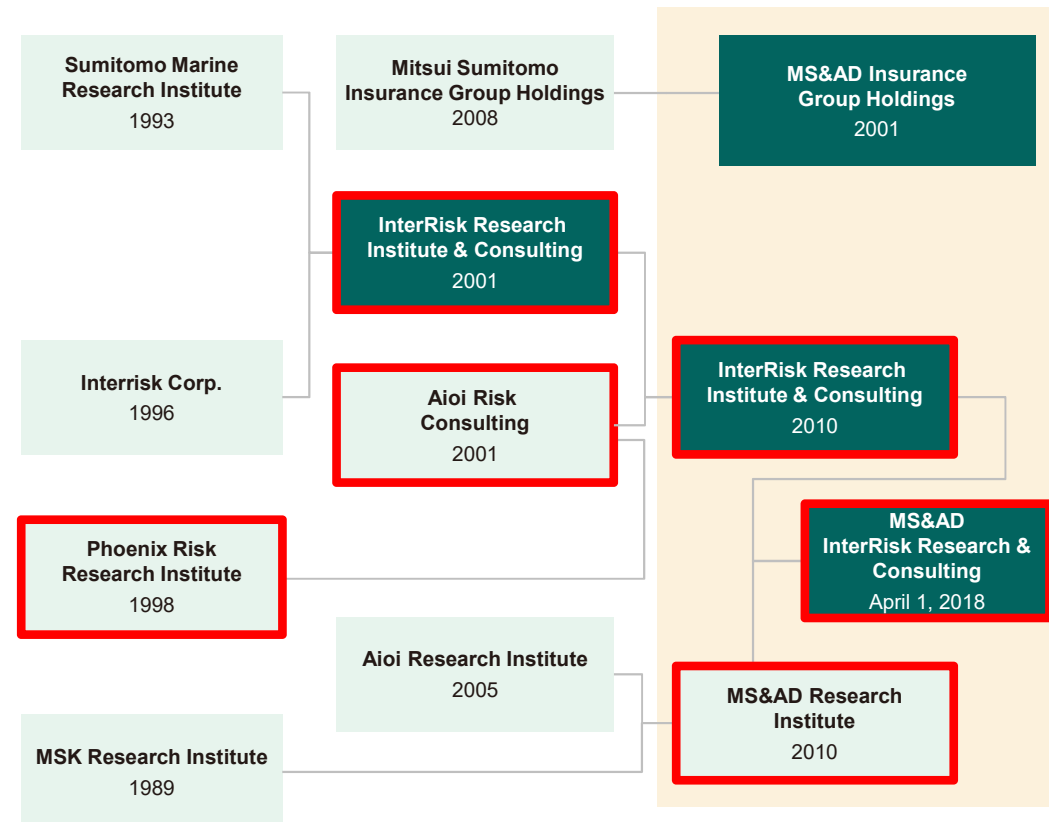
(Reference) MS&AD InterRisk: History and Profile

- **Consulting firm providing risk management services.**
- **Established as a result of merger of Aioi Risk Consulting with Phoenix Risk Research (in 2010), and merger with MS&AD Research Institute (in 2018).**

■ Company Profile

Corporate name	MS&AD InterRisk Research & Consulting, Inc.
Address	WATERRAS ANNEX (10th–11th floors), Kanda-awajicho 2-105, Chiyoda-ku, Tokyo 101-0063 TEL : +81352968911
Date of establishment	January 4, 1993
Capital	330 million yen
Sales	4,268 million yen (April 1, 2020 - March 31, 2021)
President	Terumi Nakamura
Number of employees	310 (as of April 2022)
Business profile	Consulting Consignment Survey & Research Holding Seminars / Dispatching Consultants Publication

History



MS&AD

MS&AD Holdings

Inquiries

**Corporate Communications and Investor Relations Dept.
MS&AD Insurance Group Holdings, Inc.**

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