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**MS&AD Holdings**

**MS&AD** INSURANCE GROUP

MS&AD Insurance Group

# CSR Report 2014



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## CSR in the MS&AD Insurance Group

### Message from the President

Message from Representative Director, President & CEO  
Yasuyoshi Karasawa

### Outline of the Group

Presents the outline and structure of the MS&AD Insurance Group, financial statement highlights, and the development of group business.

### Aspiration and CSR

Presents the Aspiration and Perspective and Pillars of CSR approaches of the MS&AD Insurance Group.

### CSR information Perspective of disclosure

Presents CSR Report 2014 the editing policy, scope of report etc.

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CSR in the MS&AD Insurance Group  
Message from the President



I am Yasuyoshi Karasawa, and I took over as president of this company, effective June 23, 2014. With this CSR Report of FY 2014, I would like to introduce the CSR initiatives of MS&AD Insurance Group.

Since its foundation in April 2010, MS&AD Insurance Group has been consistently working together for the achievement of the medium-term management plan “New Frontier 2013,” which was initiated at the inception of this company, under the philosophy of “bringing security and safety and contributing to the development of a vibrant society and to help secure a sound future for the earth, through the global insurance and financial services business.” Especially for our CSR activities, we have been

promoting our initiatives based on our company philosophy and management vision to fulfill our social responsibilities through all our business activities.

In the meantime, over the past four years, we have experienced major natural disasters in and outside the country, including the Great East Japan Earthquake. We focused our overall group effort on the prompt payment of claims with a vital role as a group of insurance companies, and all our employees in all our group companies recognize anew our social responsibility. We also have been actively working through our initiatives to prevent and reduce disasters as well as support reconstruction activities.

Using the foundation that we have built over the years as a springboard, we have embarked on our new medium-term business plan “Next Challenge 2017,” setting our sights to further develop our company. The basic strategy of the Next Challenge 2017 is to reorganize by function, which was announced in January FY 2013, enhance group governance, and drive forward ERM (Enterprise Risk Management). The reorganization by function strategy is a business model that has never been done before, which will make business concepts of group companies clearer to demonstrate their individual strengths to maximize group synergy, and thereby enhance corporate values across the entire group while meeting the ever diversifying needs of our customers. By following through on this reorganization by function, we will swiftly realize sustainable “growth” and “business efficiency” at the same time.

Our CSR activities in 2014 have two core elements that are based on our group basic strategy of Next Challenge 2017. One is “to earn trust” and the other is “to contribute to solving social issues” through “improving the quality of our products and services.” Also, we will deepen our engagement by making the most of KPI (Key Performance Indicators) to visualize our progress. Toward the goal of “creating a world-leading insurance and financial services group that is always in pursuit of sustainable growth and enhancing enterprise value,” we mobilize and use the strengths of all our employees of all our group companies under the new leadership structure in order to meet the expectations of all our stakeholders every step along the way. We appreciate your continued support for our endeavors.

July, 2014

Representative Director, President & CEO

A handwritten signature in black ink, which appears to read 'Y. Karasawa'.

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## CSR in the MS&AD Insurance Group 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.

### **Outline**

Presents the outline of the Group.

➤ [Company Overview](#)

➤ [Organization Chart](#)

➤ [History](#)

### **Financial Highlights**

Presents the main indicators and business performance of MS&AD Holdings.

### **Group Structure**

Presents organizational structure of the MS&AD Insurance Group.

### **Business Segment and Structure**

Presents the business overall picture, revenue structure, and the structure of the main Group companies.

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## 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.

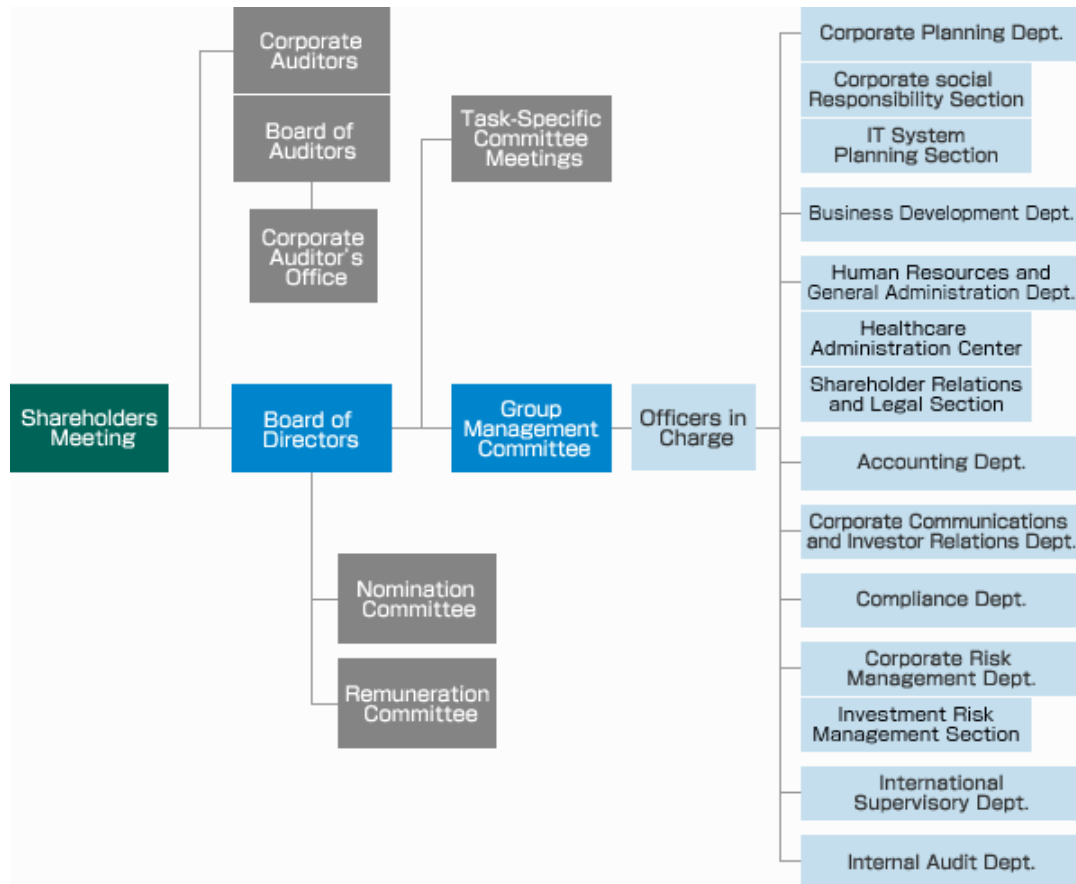
The purpose of MS&AD insurance Group is to achieve sustainable growth and to enhance enterprise value through the creation of a world-class insurance and financial services group that operates globally, by rapidly and significantly improving quality and expanding its operating presence and corporate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

Corporate Name	MS&AD Insurance Group Holdings, Inc. Abbrev.: MS&AD Holdings
Date Established	Apr. 1, 2008 (Name changed in Apr. 1, 2010)
Headquarters	Tokyo Sumitomo Twin Building (West Tower) 27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan ▶ <a href="#">Map</a>
Representative	Yasuyoshi Karasawa, Representative Director, President & CEO
Paid-in Capital	100,000,000,000 yen
Number of Employees	265 (As of March 31, 2014)
Business Description	Our activities as an insurance holding company are: 1. Management of non-life and life insurance companies and companies qualified to become subsidiaries under insurance business law. 2. Any business associated with previous body.
Stock Listing	Tokyo Stock Exchange (First Section) Nagoya Stock Exchange (First Section)

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## Organizational Chart



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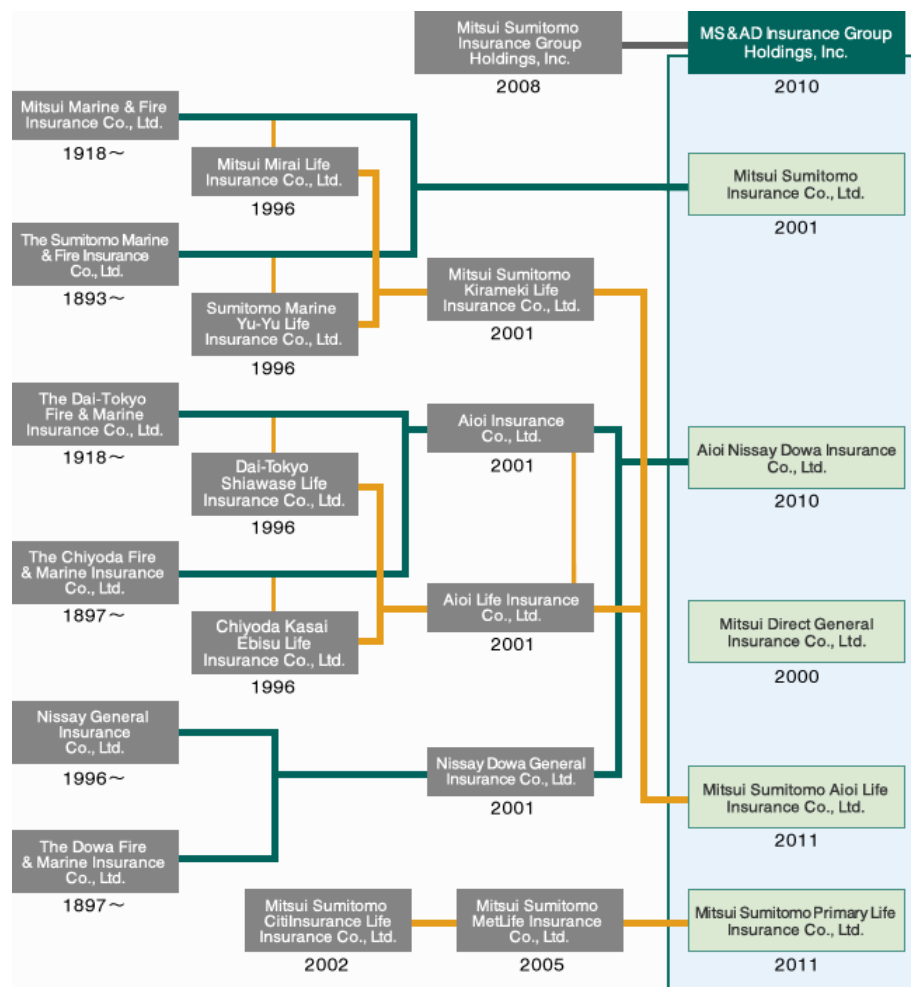
**MS&AD** **MS&AD Holdings**

## History

### History

April 2008	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.
September 2009	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, presidents of the holding companies, addresses, descriptions and corporate name, etc.
April 2010	Mitsui Sumitomo Insurance Group Holdings, Inc. changed its name to MS&AD Insurance Group Holdings, Inc.
October 2010	Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. merged into "Aioi Nissay Dowa Insurance Co., Ltd."
April 2011	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
October 2011	Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd. merged into "Mitsui Sumitomo Aioi Life Co., Ltd."

### Background of Group Integration





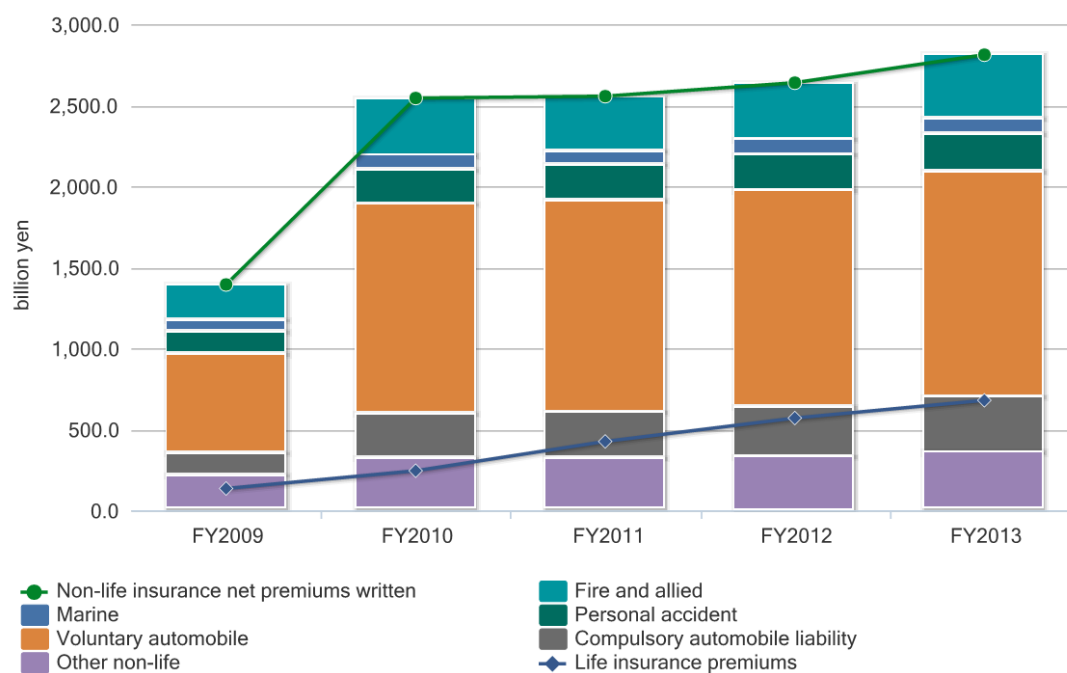
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**MS&AD** **MS&AD Holdings**

Financial Highlights | Financial Information

**MS&AD Holdings (Consolidated)**

## Insurance Premiums



		FY2009	FY2010	FY2011	FY2012	FY2013
Non-life insurance net premiums written	billion yen	1,394.1	2,543.7	2,555.5	2,639.0	2,811.6
Fire and allied	billion yen	218.2	354.5	339.6	354.0	398.1
Marine	billion yen	75.9	89.4	87.3	87.3	97.0
Personal accident	billion yen	135.1	212.7	219.5	222.8	227.5
Voluntary automobile	billion yen	610.9	1,291.9	1,299.4	1,337.1	1,393.1
Compulsory automobile liability	billion yen	134.9	273.8	291.6	310.5	338.2
Other non-life	billion yen	218.9	321.2	317.8	327.1	357.4
Life insurance premiums	billion yen	135.1	244.5	425.6	569.0	678.9

Supplied by © Euroland.com

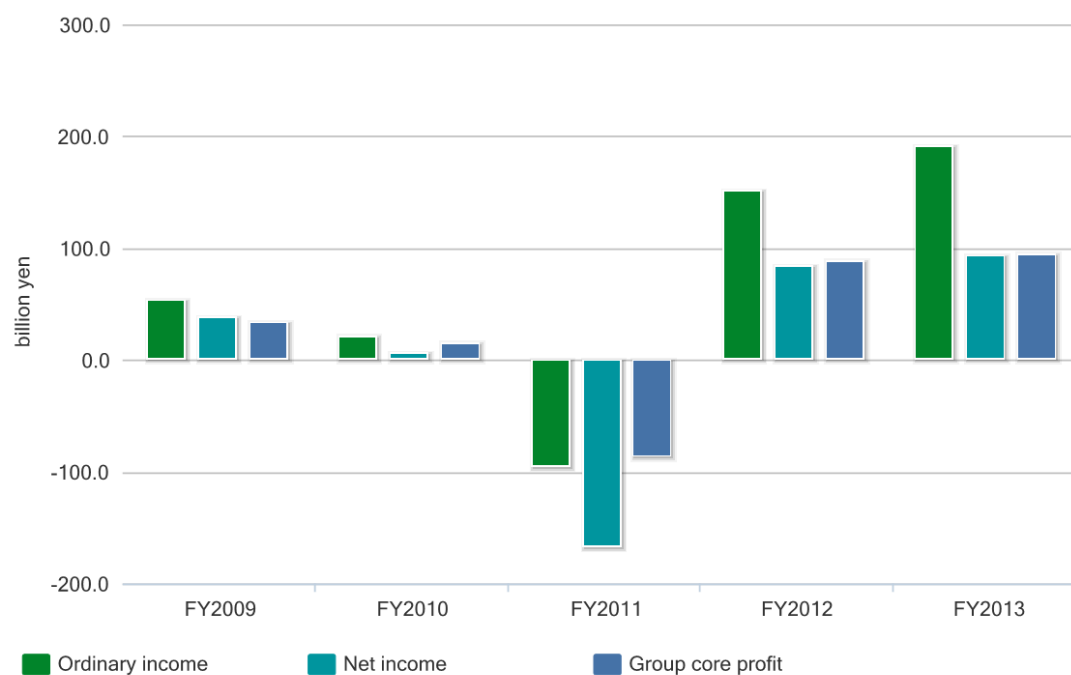
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Financial Highlights | Financial Information

**MS&AD Holdings (Consolidated)**

## Statement of Income



		FY2009	FY2010	FY2011	FY2012	FY2013
Ordinary income	billion yen	52.6	21.0	-96.2	150.3	190.2
Net income	billion yen	37.6	5.4	-169.4	83.6	93.4
Group core profit	billion yen	33.8	14.5	-87.5	87.4	94.8

### Notes

1. Figure of Group core profit for FY2009 is the sum of those for Mitsui Sumitomo Insurance Group Holdings, Aioi Insurance and Nissay Dowa General Insurance.

Supplied by © Euroland.com

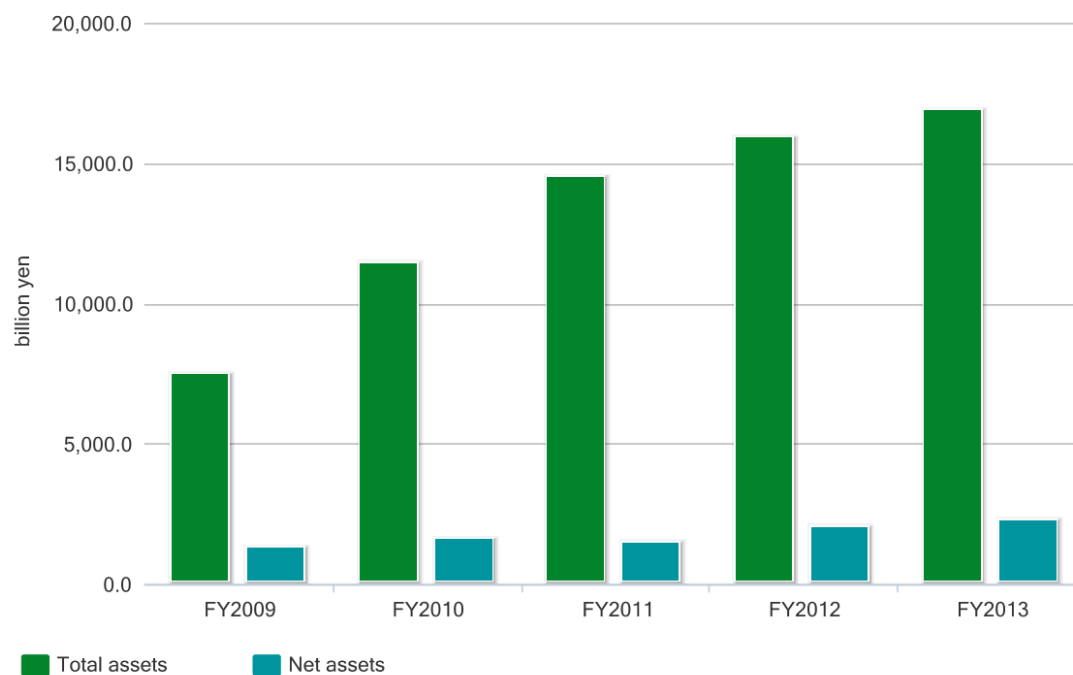
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Financial Highlights | Financial Information

**MS&AD Holdings (Consolidated)**

## Balance Sheet



		FY2009	FY2010	FY2011	FY2012	FY2013
Total assets	billion yen	7,519.6	11,445.0	14,537.2	15,914.6	16,878.1
Net assets	billion yen	1,311.0	1,633.3	1,512.1	2,021.6	2,285.8

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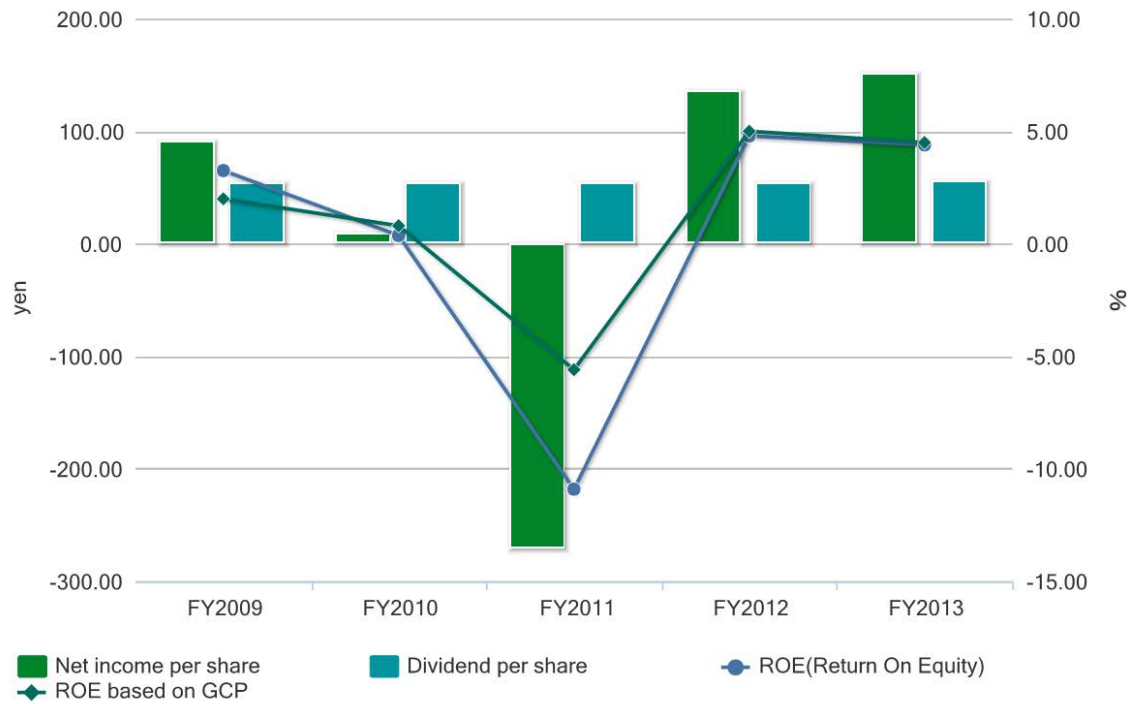
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Financial Highlights | Financial Information

**MS&AD Holdings (Consolidated)**

## Major Indicators



		FY2009	FY2010	FY2011	FY2012	FY2013
Net income per share	yen	89.84	8.68	-272.49	134.46	150.58
Dividend per share	yen	54.00	54.00	54.00	54.00	56.00
ROE(Return On Equity)	%	3.25	0.37	-10.91	4.79	4.39
ROE based on GCP	%	2.0	0.8	-5.6	5.0	4.5

### Notes

- Figure of ROE based on GCP for FY2009 is the sum of those for Mitsui Sumitomo Insurance Group Holdings, Aioi Insurance and Nissay Dowa General Insurance.
- ROE based on GCP - GCP:Group Core Profit

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## 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 seven affiliated operating companies: 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 Research Institute Co., Ltd. and ANSHIN DIAL Co., Ltd.

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

▶ [Company Overview](#)

#### **mitsui sumitomo insurance company, ltd.** <http://www.ms-ins.com/english/>

Mitsui Sumitomo Insurance Co., Ltd. is a company that handles the core non-life insurance operations of the MS&AD Insurance Group.

**V** Outline

#### **AIOI NISSAY DOWA INSURANCE COMPANY, LIMITED** <http://www.aioinissaydowa.co.jp/english/>

Created through the merger of Aioi Insurance Co., Ltd. and Nissay Dowa General Insurance Co., Ltd. in October 2010.

Aioi Nissay Dowa Insurance Co. Ltd. is a company that handles the core non-life insurance operations of the MS&AD Insurance Group.

**V** Outline

#### **mitsui direct general insurance company, limited** <http://www.mitsui-direct.co.jp> (Japanese Only)

Mitsui Direct General Insurance Co., Ltd. is a non-life insurance company specializing in the sale of insurance such as personal automobile and medical insurance via the internet and telephone.

**V** Outline

#### **mitsui sumitomo aioi life insurance company, limited** <http://www.msa-life.co.jp> (Japanese Only)

Created through the merger of Mitsui Sumitomo Kirameki Life Insurance Co., Ltd., and Aioi Life Insurance Co., Ltd. in October 2011.

It is a core company of the MS&AD Insurance Group's domestic life insurance business.

**V** Outline

#### **mitsui sumitomo primary life insurance company, limited** <http://www.ms-primary.com> (Japanese Only)

A life insurance company that provides various insurance products centered on personal annuity insurance as a leader in the personal annuities industry.

**V** Outline

## Directly Invested Affiliated Operating Companies

### **InterRisk Research Institute & Consulting, Inc.** <http://www.irric.co.jp> (Japanese Only)

A risk consulting company that provides optimal solutions for building corporate risk management systems and formulating BCP, etc.

 Outline

### **MS&AD Business Support Co., Ltd.** <http://www.ms-ad-bs.co.jp> (Japanese Only)

Provides printing and logistics infrastructure and employee benefit services to the MS&AD Insurance Group, and is engaged in the real estate management business.

 Outline

### **MS&AD Staffing Service Co., Ltd.** <http://www.ms-ad-staffing.co.jp> (Japanese Only)

A comprehensive staffing service company that utilizes the network of the MS&AD Insurance Group primarily to dispatch personnel to non-life insurance agencies.

 Outline

### **MS&AD Systems Co., Ltd.** <http://www.ms-ad-systems.com> (Japanese Only)

Handles systems planning, design, development and operation as a core member of the MS&AD Insurance Group systems development organization.

 Outline

### **MS&AD Business Service Co., Ltd.** <http://www.msk-info.com> (Japanese Only)

Provides administrative support related to the recording of policies, preparation of computer input data, and creation of documents and forms of the companies in the MS&AD Insurance Group.

 Outline

### **MS&AD Research Institute Co., Ltd.** [http://www.msadri.jp/company\\_e/](http://www.msadri.jp/company_e/)

Conducts research in a wide range of areas, including the organizations and systems of insurance companies and other financial institutions, as well as their economic, social and legal systems.

 Outline

### **ANSHIN DIAL Co., Ltd.** <http://www.anshin-dial.jp> (Japanese Only)

A quality-focused call center specializing in providing assistance to policyholders, and offering roadside, home, and other on-site aid.

 Outline

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Business Segments and Structure | Who We Are

## Business Overview

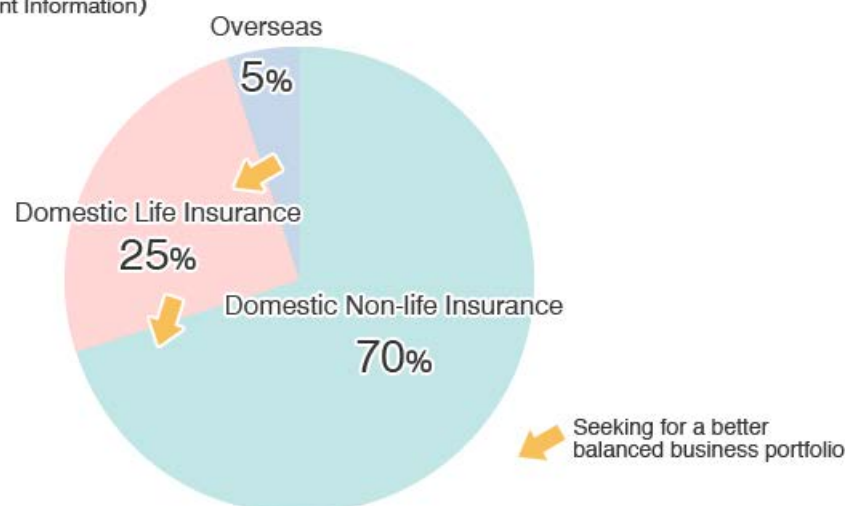
Five business domains drive our continued growth, underpinned by the platform of the domestic non-life insurance business.

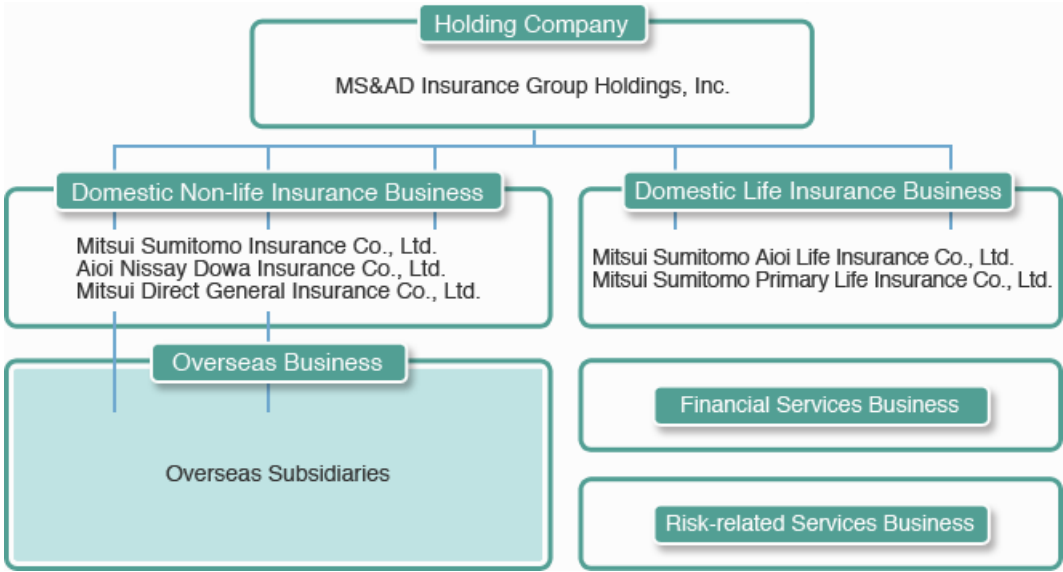


## Revenue Structure

Growth in domestic life insurance and overseas businesses will lead to a better balanced business portfolio.

○ Composition of Ordinary Income  
(FY2012 Segment Information)







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CSR in the MS&AD Insurance Group

Aspiration and CSR

## Perspective of CSR approaches of the MS&AD Insurance Group

The MS&AD Insurance Group fulfills our corporate social responsibility to the stakeholders through all our business activities

- The approach is guided by Our Mission, Our Vision, and Our Values.
- Basic principles of the approach are corporate governance, compliance, risk management, information disclosure, respect for human rights, and environmental conservation.
- Our stakeholders are our customers, shareholders, agents, business partners, employees, the environment, and local /international communities.

### Aspiration of the MS&AD Insurance Group

Through swift and significant improvement and expansion of our operational base and corporate resources in both qualitative and quantitative terms, we intend to create a globally operating and world-leading insurance and financial services group, and to achieve sustainable growth while enhancing enterprise value.

To paint a vivid portrait of the kind of corporate group we aspire to be, we determined our mission, vision, and values, as follows.

#### Our Mission

Significance of the Group existence

To contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business

#### Our Vision

The Midimu-term Aspiration of the Group

To create a world-leading insurance and financial services group that consistently seeks sustainable growth and to enhance enterprise value

#### Our Values

Things to be cherished in our daily activities to realize our mission

<b>Customer Focused</b>	We continuously strive to provide security and achieve customer satisfaction
<b>Integrity</b>	We are sincere, kind, fair and just in all our dealings with everyone
<b>Teamwork</b>	We achieve mutual growth by respecting one another's individuality and opinions and by sharing knowledge and ideas
<b>Innovation</b>	We listen to our stakeholders and continuously seek ways to improve our work and business
<b>Professionalism</b>	We make continuous efforts to improve our skills and proficiency to provide high quality services



## The Medium-Term Management Plan “Next Challenge 2017”

The Company launched the new medium-term management plan “Next Challenge 2017” centered on functional reorganization (FY2014–FY2017) in April 2014.

[Detailed Information](#)

## Regarding the reorganization by business function

[Detailed Information](#)

## Pillars of CSR approaches (group common priority issues)

### Consideration Process

From the founding of MS&AD Insurance Group in April 2010 through March 2014, we have communicated with and listened to the voices of our various stakeholders while putting our medium-term management plan into action. Under the process of formulating our new medium-term management plan, entitled the “Next Challenge 2017,” that commenced in April 2014, MS&AD Insurance Group has held multiple discussions regarding priority issues of CSR that should be addressed, taking into consideration the voices of our stakeholders and ISO26000, so as to realize our management principles anew.

[For information on the consideration process regarding priority issues and results thereof \(materiality matrix\)](#)

## The Medium-term Management Plan and Pillars of CSR Initiatives (priority issues)

We have established the following as one of the basic strategies of the Group under the medium-term management plan, entitled the “Next Challenge 2017,” that was launched in April 2014.

### Group Basic Strategy (Excerpt)

**Earn trust through the improvement of product and service quality based on communication with stakeholders, and contribute to the resolution of social issues.**

Based on the Group's Basic Strategy, under our Mission, our Vision, and our Values, we will take the following two initiatives group-wide, as the “pillars (priority issues) of CSR initiatives” for 2014, and contribute toward enhancing the MS&AD Group's corporate value and resolving social issues.

Priority Issues		Description
I	Earning trust through the improvement of product and service quality	Communicate with stakeholders, with customers at the center, promote the enhancement of product and service quality and improve operations to win trust.
II	Contributing to the resolution of social issues through the improvement of product and service quality	Promote the improvement and development of products and services that contribute to resolving social issues (global environmental conservation, prevention/mitigation of disasters and accidents, low birth rate and aging population), reduce the environmental burden of our business activities and conserve biodiversity.

## Key performance indicators (KPI) to promote our CSR approaches

The MS&AD Insurance Group introduced “KPI for the promotion of CSR approaches at the MS&AD Insurance Group” in three group companies, including MS&AD Holdings, MSI and ADI in fiscal 2012. In fiscal 2013, the KPI was introduced at the three more companies, Mitsui Direct General, MSI Aioi Life, and MSI Primary Life, for the aim to further its approaches effectively in line with the PDCA cycle.

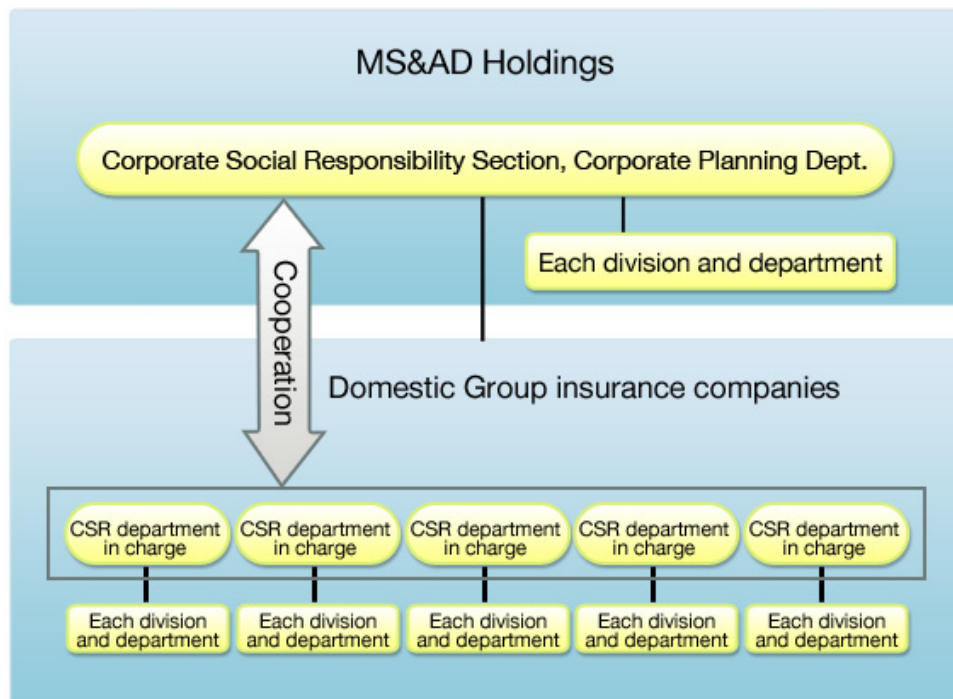
Issues	Index	Covered Companies
Earning trust through the improvement of quality of products and services	(1) Improvements of products/services initiated by customers' voices.	Domestic Group Insurance Companies
	(2) Customer satisfaction for overall response to accidents. (questionnaire results)	MSI ADI
	(3) Ratio of customer recommendation for company/agents (questionnaire results).	
Contribution to solving social issues through improving quality of products and services	(4) Disclosing new issues/risks confronting our society as a result of studies, and developing and improving our products to address these new issues/risks.	MS&AD Holdings Domestic Group Insurance Companies
	(5) Electricity consumption	
	(6) Paper consumption	
	(7) Gasoline consumption	
	(8) Web policy selection rate	MSI ADI
Diversity, Employee Satisfaction, Social Contribution Activities	(9) Number of female managers (section manager or above)	MS&AD Holdings Domestic Group Insurance Companies
	(10) Employee satisfaction (questionnaire results), “Pride, Job satisfaction”	
	(11) Employee satisfaction (questionnaire results), “Working Vigorously”	
	(12) Number of employees practicing social contribution activities	
	(13) Of the above, the number of employees participating in waterside biodiversity conservation activities.	

④ [Results of FY2013 CSR activities](#)

## Promotion System of CSR

The MS&AD Insurance Group has set up a specific department (Corporate Social Responsibility Section, Corporate Planning Dept.) in its holding company for the promotion of CSR activities throughout the entire Group and for supporting individual CSR activities of each domestic Group insurance company.

Each domestic Group insurance company has been promoting CSR activities with its CSR department in charge in line with the holding company initiatives, while taking advantage of individual company characteristics and past approaches.



## Participation to initiatives

### Participation in the U.N. Global Compact \*

The MS&AD Insurance Group, following the declaration of support of the United Nations Global Compact in June 2004, by MSI as the first financial organization, keeps its active participation.

We also actively participate in the local network of the Global Compact Japan Network.

\* U.N. Global Compact is the initiative advocated by former UN Secretary-General Annan and commands global companies to abide by and practice 10 principles for human rights, labor, environment, and prevention of corruptive practices.



## Ten principles in Global Compact

### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- Principle 2: make sure that they are not complicit in human rights abuses.

### Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- Principle 4: the elimination of all forms of forced and compulsory labour.
- Principle 5: the effective abolition of child labour.
- Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: undertake initiatives to promote greater environmental responsibility.
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

④ [Relationship between the 10 principles and MS&AD Insurance Group activities](#)

④ [U.N. Global Compact Japan Network](#)

## Signature to Principles for Sustainable Insurance

MSI and ADI have participated in the United Nations Environment Programme Finance Initiatives (UNEP FI) to search, prevail and promote a desirable business in a financial institution that considers the environment and sustainability. In June 2012, UNEP FI published the "Principles for Sustainable Insurance," requiring insurance companies to consider in their business activities issues related to the environment, society and governance and to play their roles in developing a sustainable world.

MSI has participated in its implementation and signed to endorse the principles.

## Signature to Principles for Financial Action towards a Sustainable Society

In October 2011, "Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)" and "Guidelines by Businesses (Insurance, deposit/loan/lease, fund management/security/investment banking)" were published in Japan. These principles were designed to provide behavioral guidelines for financial institutions that desire to fulfill their roles and maintain their responsibility to build a sustainable society.

MSI, ADI, MSI Aioi Life and InterRisk Research Institute & Consulting signed the principles.

## Principles for Responsible Institutional Investors «Japan's Stewardship Code»

In May 2014, MSI and ADI assented to the main idea of Japan's Stewardship Code from the perspective of fulfilling social responsibility and announced their support.

## External Evaluation

Socially Responsible Investment (SRI) is a method of investing that assesses the company not only through profitability but from a viewpoint of Corporate Social Responsibility (CSR) and this practice is spreading. The MS&AD Insurance Group utilizes the assessment provided by major SRI evaluation organizations to improve its approaches. As of July 2014, The MS&AD Insurance Group is included in the following components of SRI Index.

☐ [FTSE4Good Index Series](#)

☐ [Ethibel EXCELLENCE Investment Registers](#)

☐ [Morningstar Socially Responsible Investment Index\(MS-SRI\)](#)

☐ [ECPI® Indices](#)



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The New Medium-Term Management Plan 2014-2017

# Next Challenge 2017

We will introduce "Next Challenge 2017", the new medium-term management plan, which began in fiscal 2014.

TOP

Management  
Commitment

Numerical  
Management  
Targets

Reorganization  
by Function

Objectives of  
ERM

Shareholder  
Return

## Management Commitment

Yasuyoshi Karasawa  
President & CEO



## Numerical Management Targets



## Reorganization by Function



## Objectives of ERM



## Shareholder Return





## Next Challenge 2017

We will introduce "Next Challenge 2017", the new medium-term management plan, which began in fiscal 2014.

TOP

Management  
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Return

## Management Commitment

Aiming to Create a World-leading Insurance  
and Financial Services Group based on  
"Next Challenge 2017",  
the New Medium-term Management Plan



Yasuyoshi Karasawa  
President & CEO

### Achievements in "New Frontier 2013", the Previous Medium-term Management Plan

Following our business integration in April 2010, the group took various steps to improve the efficiency of group management in Japan and overseas under "New Frontier 2013", the previous medium-term management plan. These included establishing Aioi Nissay Dowa Insurance Co., Ltd. and Mitsui Sumitomo Aioi Life Insurance Co., Ltd.(MSI Aioi Life), and integrating overseas subsidiaries.

During the period, we worked to improve our competitiveness in the domestic non-life insurance business, our Home market, by providing high quality products and services. We also endeavored to enhance profitability, and improved the combined ratio to 98.2%. We were able to grow our domestic life insurance into a business that contributes significantly to the group core profit as a growth business segment for the group by developing attractive new products, improving the structure for sales support and training, and taking other steps to further strengthen product appeal and sales force. In our overseas business, another growth business segment of the group, we worked to further expand our business base and strengthen our competitiveness to further solidify our leading position in non-life insurance in the ASEAN region. We also entered the life insurance business in Asia, and put in place a platform that will enable us to take advantage of the steady market growth, mainly in the Asia market, where future growth is expected.

We believe that these accomplishments achieved during "New Frontier 2013" enabled us to firmly establish the base for making the next leap forward in "Next Challenge 2017", the new medium-term management plan.





## Numerical Management Targets of “Next Challenge 2017”, the New Medium-term Management Plan

The plan period for “Next Challenge 2017” is four years. During this time we will engage in various initiatives to achieve the group core profit goals of 120 billion yen in fiscal 2015 and 160 billion yen in fiscal 2017. In addition to the group core profit, we have also set 3.1 trillion yen in consolidated net premiums written, a combined ratio of 95% or less, an increase in EV (embedded value) for MSI Aioi Life of over 45 billion yen, and the group ROE of 7.0% as numerical management targets for fiscal 2017, and we will strive steadily to achieve these.

### ► [Positioning of the New Medium-Term Management Plan](#)

## Two Main Approaches of “Next Challenge 2017”

Our basic strategy under “Next Challenge 2017” is to enhance enterprise value for the entire group through the fundamental approaches of achieving sustainable growth and soundness, and improving profitability and capital efficiency.

We have positioned four pillars as the drivers for accomplishing the basic strategy: (1) completing our reorganization by function, (2) strengthening group governance and promoting ERM, (3) transforming the business structure to accommodate changes in the environment, and (4) HR training and the establishment of a pervasive corporate culture that is open to new business challenges. Of the four, completing the reorganization by function and promoting ERM are the two themes of particular importance.

Through our reorganization by function, we will establish a structure that can demonstrate diversity, which is one of our group’s strengths, with a sense of speed to achieve growth and improve efficiency for the entire group. We will also promote ERM management and build a structure that provides tight control over the balance of risk, return, and capital for the group as a whole to achieve sustainable growth and improve profitability and capital efficiency underpinned by soundness.

### ► [Basic Group Strategy](#)

## Achieving Growth and Efficiency Simultaneously through Completion of Reorganization by function

For Phase 2 of the business integration in our group, we have chosen, not a merger approach, but a new, unprecedented style of reorganization by function for the insurance companies under the holding company.

We have identified five specific initiatives for the reorganization by function that we are pursuing: (1) reorganization of business and sales channels, (2) reorganization of sales networks and bases and joint use of bases, (3) transfer of long-term contracts in the third sector insurance market to MSI Aioi Life, (4) reorganization of overseas business, and (5) reorganization of headquarter functions and enhancing governance by the Holding Company.

Choosing reorganization by function enables the two core companies with their solid business foundations and different business strategies to provide products and services with their own competitive edge and characteristics, thereby making it possible for the group to respond to various markets and a broad range of diverse customer needs, such as providing numerous options to customers.

If we had opted to go ahead with a merger, the temporary cost and amount of work involved in a merger could temporarily slow down growth. By choosing reorganization by function in our group, we will achieve sustainable growth and enhanced enterprise value for the group by controlling that temporary burden and cost, thereby achieving ongoing growth and efficiency of the group simultaneously.

## Achieving Financial Soundness and Capital Efficiency by Promotion of ERM.

ERM (enterprise risk management) is an approach for determining and evaluating risk from a company-wide perspective, and is a mechanism used in efforts to improve profitability and capital efficiency and enhance enterprise value. Risk is always

involved in business activities aimed at generating profit. An ERM approach that contemplates how to secure the capital to handle unforeseen losses while also considering how to use that capital efficiently to earn a higher profit is extremely important, particularly for us, as an insurance company, since our business model involves underwriting insurance to cover customer risks in return for receiving insurance premiums.

During “New Frontier 2013”, our group engaged in risk management focused on financial soundness and appropriate administration. As a result, we have established a structure that enables us to confirm that we have ascertained and analyzed the degree of risk for the group, and have the capital to withstand that risk at any time.

At the same time, in addition to expanding business activities and sustaining growth, increasing capital efficiency and meeting the expectations of shareholders are also extremely important tasks for corporate management. We have therefore decided that during “Next Challenge 2017” we will take the ERM approach one step further and develop it into “evolved risk management” that improves profitability and capital efficiency while also ensuring financial soundness.

The group will strive to improve capital efficiency by expanding business capable of earning higher profits in return for the risk we underwrite (improved return on risk (ROR), while simultaneously underwriting more risks with the same capital by pairing it with risks that carry a low probability of occurrence (effective diversification of the risk portfolio).

We believe that incorporating the concept of ERM into core management in this manner will enable us to expand business, sustain growth, and achieve greater profitability.



## Looking toward the Next Leap

Equipped with both earning power and the ability to lead the market, we will work toward realizing our goal of becoming a world-leading insurance and financial services group during “Next Challenge 2017”.

The benefits from the growth and improved profitability achieved through reorganization by function will steadily emerge through the already launched “Overseas Crisis Management Expense Insurance”, a new joint product that utilizes the strengths of both companies, and an improved underwriting profits and policy renewal ratio for automotive insurance through the mutual sharing of know-how and the initiatives in the motor channel.

Throughout the “Next Challenge 2017” period, we pledge to continue to work to achieve a positive cycle of growth and improve profitability by investing capital in areas with high profitability and high capital efficiency, and to develop a strategy for taking the next leap forward without hesitation.

## NEXT Numerical Management Targets

TOP	Management Commitment	Numerical Management Targets	Reorganization by Function	Objectives of ERM	Shareholder Return
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# Next Challenge 2017

We will introduce "Next Challenge 2017", the new medium-term management plan, which began in fiscal 2014.

TOP

Management  
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Objectives of  
ERM

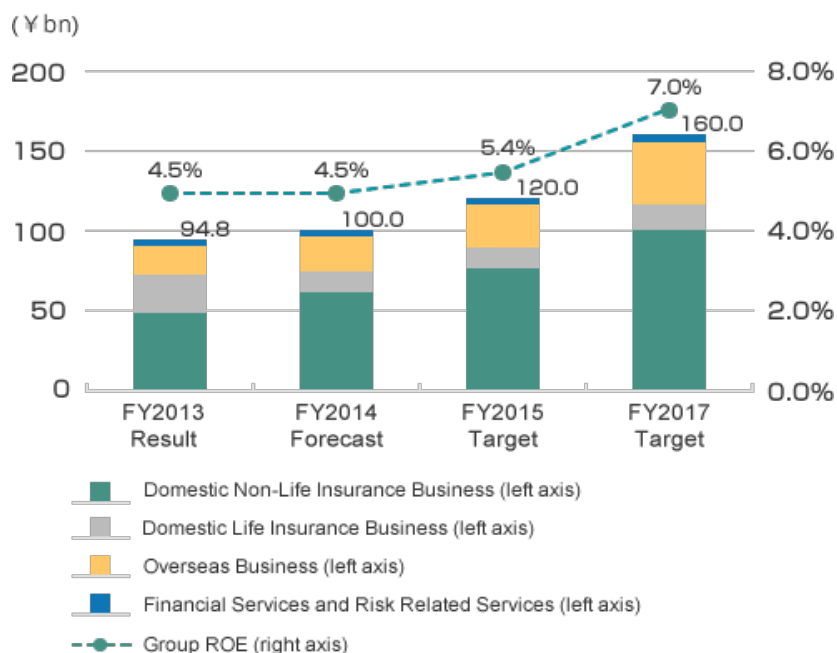
Shareholder  
Return

## Numerical Management Targets

In "Next Challenge 2017", we set numerical management targets of 160 billion yen in group core profit and group ROE of 7% for fiscal 2017, the final year of the plan.

The entire group is committed to achieving these goals to become a world-leading insurance and financial group.

GROUP		
Group Core Profit ¥160.0bn		Group ROE 7.0%
Non-Life		Life
Net Premiums Written (Consolidated) ¥3,100.0 bn	Combined ratio (Domestic Non-life) 95% or less	Increase in EV of MSI Aioi Life Above ¥45.0 bn



( ¥ bn)

	FY2013 Result	FY2014 Forecast	FY2015 Target	FY2017 Target
Group Core Profit *1	94.8	100.0	120.0	160.0
Domestic Non-Life Insurance Business	47.8	61.0	76.0	100.0
Domestic Life Insurance Business	24.4	13.0	13.0	16.0
Overseas Business	18.0	22.0	27.0	39.0
Financial Service Business and Risk Related Service Business	4.4	4.0	4.0	5.0
Consolidated net premiums written	2,809.5	2,925.0	3,000.0	3,100.0
Combined ratio (Domestic Non-Life Insurance Business)	98.2%	100%	Approx. 95%	95% or less
Increase in EV of MSI Aioi Life	91.6	43.0	Above 40.0	Above 45.0
Group ROE *2	4.5%	4.5%	5.4%	7.0%

\*1 Group Core Profit = consolidated net income - net capital gains/losses on stock portfolio (gains/losses from sale)

- net evaluation gains/losses on credit derivatives

- other incidental factors + equity in earnings of the non-consolidated group companies

\*2 Group ROE = Group Core Profit ÷ consolidated total net assets excluding minority interests (average of beginning and ending amounts of B/S)

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## Reorganization by Function

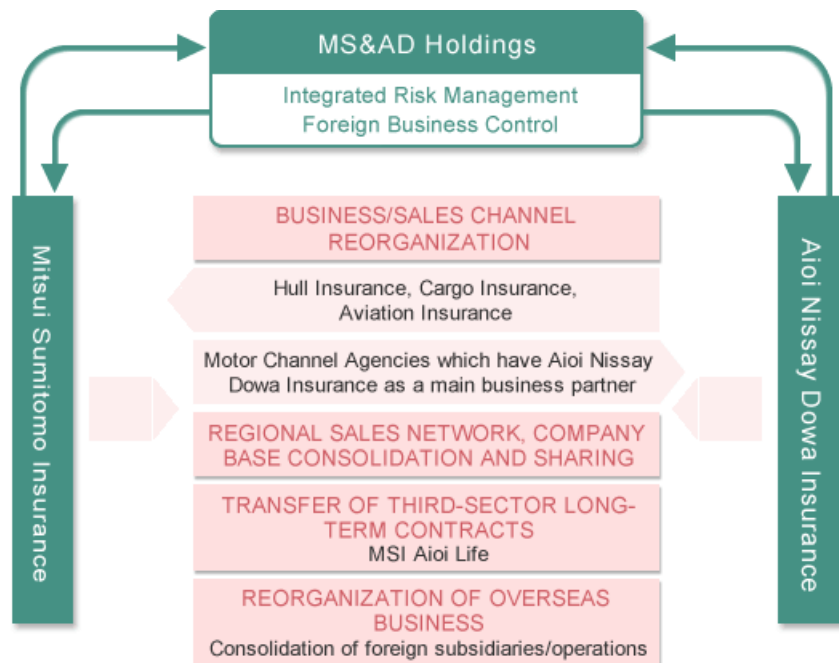
What does  
"reorganization  
by function" mean?

We will reorganize the business and sales channels and clarify the business concepts of the two core companies of our group, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance in a manner that fully utilizes the respective strengths.

We will also be centralize long-term contracts in the third sector insurance market in MSI Aioi Life, and overlapping headquarter functions in the Holding Company.

Taking the above steps will enable the two core companies to achieve higher product quality and competitiveness while also accelerating growth.

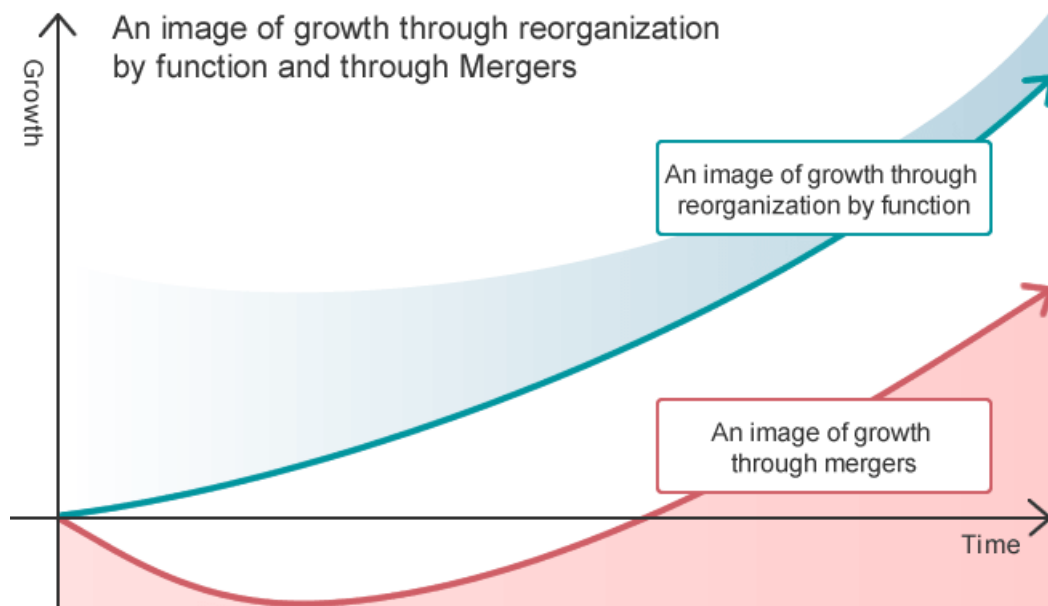
By optimizing functions within the group, we will succeed in improving operational efficiency and strengthening the governance function.



Why not a merger?

We believe that our reorganization by function will enable us to simultaneously achieve growth and efficiency without sacrificing speed or being weighted down by the temporary costs and various time-consuming procedures required for a merger.

Having two non-life insurance companies with their own unique strengths in the group will also enable us as a whole group to provide multiple options for meeting the diverse needs of our customers.



What we aim to achieve from the reorganization by function

Our goal is to achieve sustainable growth and enhance enterprise value for the group as a whole through reorganization by function to simultaneously achieve growth and efficiency, to provide products and services that meet the diverse needs of our customers, and to further strengthen the system of governance with the holding company at its core.

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Objectives of ERM

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## Objectives of ERM

### What is ERM?

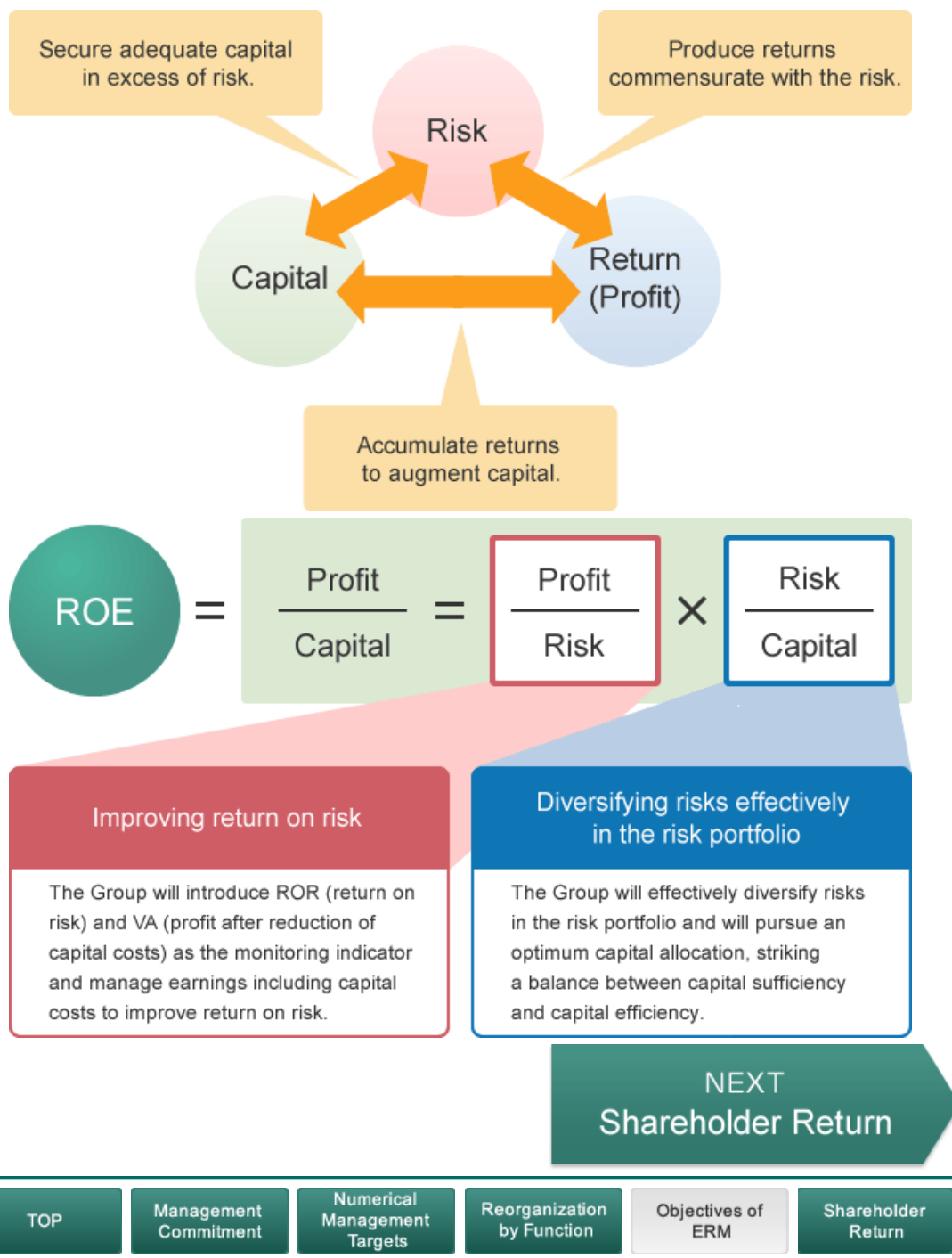
ERM stands for "Enterprise Risk Management." It is a management method that consistently integrates business strategy and risk management and applies these to management judgments and decision-making.

### Why is ERM necessary now?

The occurrence of the global financial crisis and massive disasters has increased the various types of risk we face in recent years, and a higher level of financial soundness is required of insurance companies. Meanwhile, the demands of stakeholders such as shareholders and investors for higher business growth and better capital efficiency are increasing, as can be seen from the increasing tendency to focus on ROE and the introduction of Japan's Stewardship Code. In light of today's business environment, we are adopting ERM as a means of achieving the dual goals of growth and increased profitability and capital efficiency while ensuring financial soundness through ERM.

### Overview of ERM

The goal of ERM is to enhance enterprise value by achieving sustainable growth and improvement in profitability and capital efficiency underpinned by soundness. This is achieved by first ascertaining risks the group faces both quantitatively and qualitatively from a company-wide perspective and, in light of the specific characteristics of those risks, allocating management resources based on risk appetite, which carefully controls the balance of risk, returns, and capital.





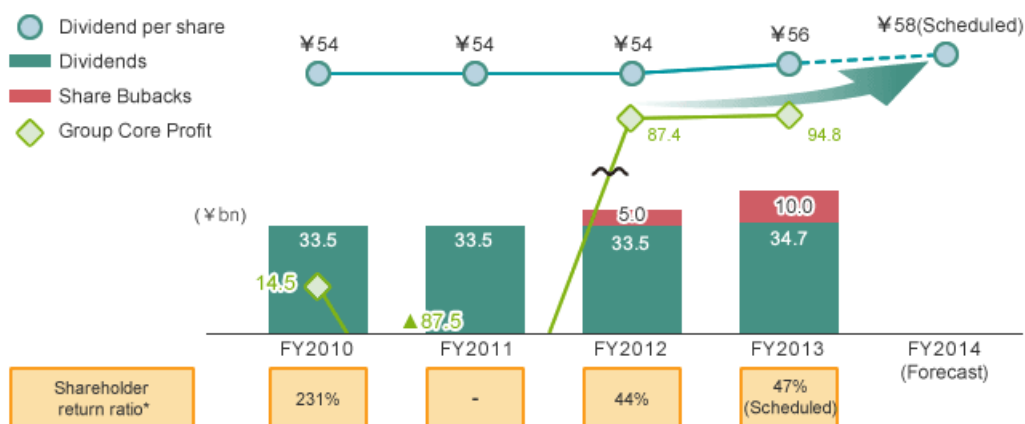
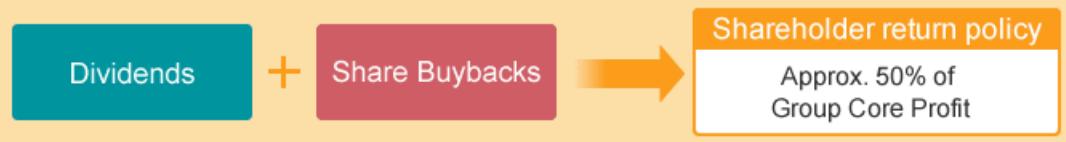
# Next Challenge 2017

We will introduce "Next Challenge 2017", the new medium-term management plan, which began in fiscal 2014.

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## Shareholder Return

In "Next Challenge 2017", the medium-term management plan for the group, we have made a commitment to enhance enterprise value by taking balance of financial soundness, capital efficiency and shareholder return, as our capital policy. Our shareholder return policy is to return approximately 50% of the group core profits by repurchase of our own shares and dividends. We aim to maintain stable dividends and steadily increase dividends by strengthening our earning power over the medium term. At the same time, we will repurchase our own shares flexibly and as opportunities arise, with due consideration to market conditions and the state of our capital.



\* Share holder return ratio is calculated as follows;  
<Calculation Sample for FY 2012>

$$\frac{\text{FY2012 dividends (December 2012 and June 2013)} + \text{Value of share buybacks conducted in FY2013}}{\text{FY2012 Group Core Profit}} = \text{Shareholder return ratio}$$

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**MS&AD** **MS&AD Holdings**

CSR in the MS&AD Insurance Group

## The consideration process for priority issues and results to establish the pillars (priority issues) of MS&AD Insurance Group's CSR initiatives

Under the process of formulating our new medium-term management plan, entitled the "Next Challenge 2017," that commenced in April 2014, MS&AD Insurance Group has held multiple discussions regarding priority issues of CSR that should be addressed, taking into consideration the voices of our stakeholders and ISO26000, so as to realize our management principles anew.

We have organized the 37 issues that have been raised as core issues under ISO26000, the global guideline concerning CSR, from the following two viewpoints whether:

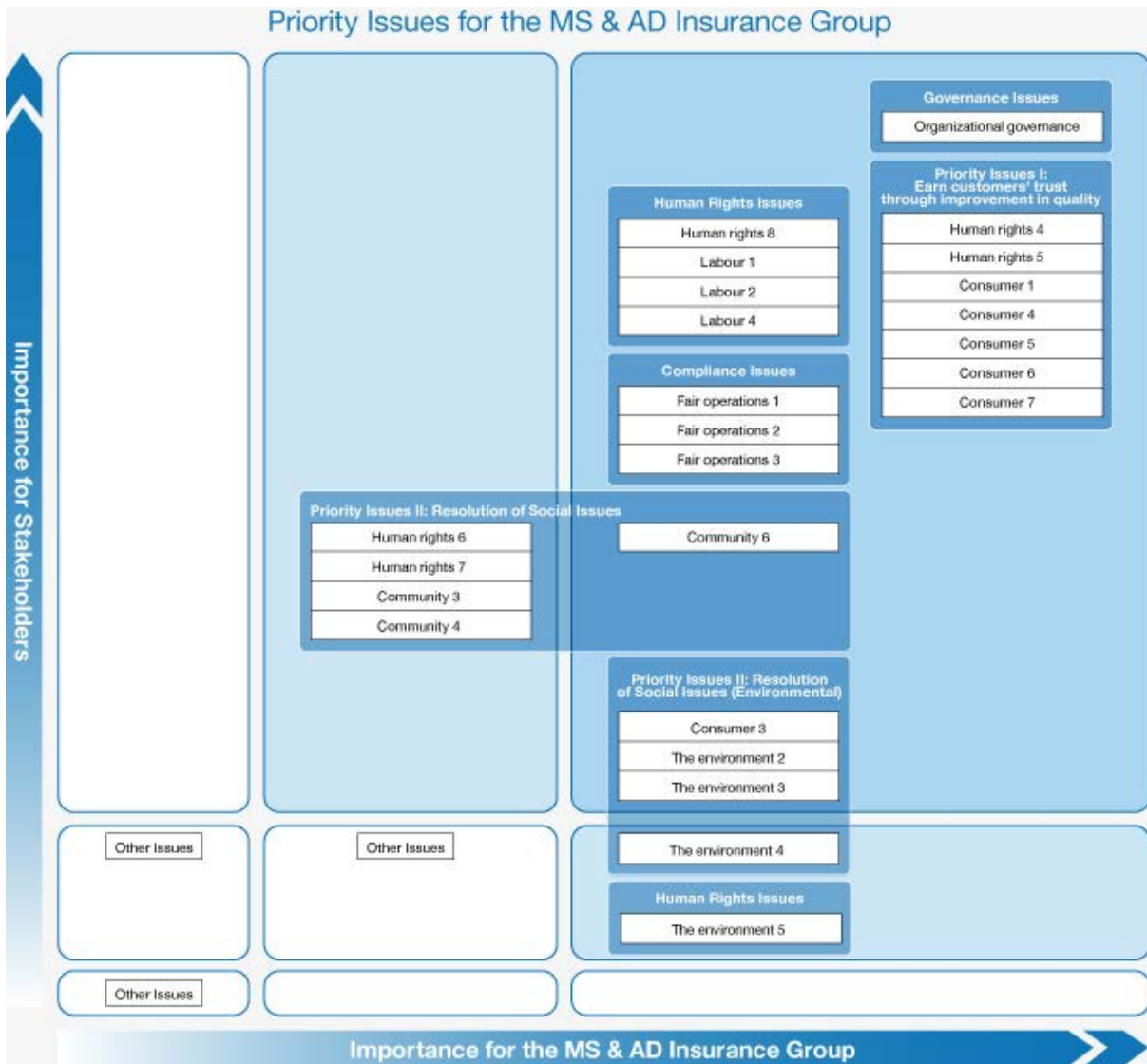
- (i) the issue is a priority for the MS&AD Group; and
- (ii) the stakeholders have special interests in our company (regarding the issue).

With respect to item (i) above, we made our determinations based on aspects (relevance to enhancement of profitability/growth, acquiring of customers' trust) which our group has attached importance as basic strategies of our medium-term management plan and discussions on the formulation of our new medium-term management plan.

With respect to item (ii) above, we held multiple discussions taking into consideration customer surveys and the voices of our shareholders, agents and employees.

Based on the above viewpoints, we have mapped out the initiatives that we consider to be highly material. We will commit to taking the following two Priority Issues (Pillars as material initiatives of our company in 2014.)

Priority Issues		Description
I	Earning trust through the improvement of product and service quality	Communicate with stakeholders, with customers at the center, promote the enhancement of product and service quality and improve operations to win trust.
II	Contributing to the resolution of social issues through the improvement of product and service quality	Promote the improvement and development of products and services that contribute to resolving social issues (global environmental conservation, prevention/mitigation of disasters and accidents, low birth rate and aging population), reduce the environmental burden of our business activities and conserve biodiversity.



Core subject	Organizational governance
Core subject	Human rights
Issue 1	Due diligence
Issue 2	Human rights risk situations
Issue 3	Avoidance of complicity
Issue 4	Resolving grievances
Issue 5	Discrimination and vulnerable groups
Issue 6	Civil and political rights
Issue 7	Economic, social and cultural rights
Issue 8	Fundamental principles and rights at work
Core subject	Labour practices
Issue 1	Employment and employment relationships
Issue 2	Conditions of work and social protection
Issue 3	Social dialogue
Issue 4	Health and safety at work
Issue 5	Human development and training in the workplace
Core subject	The environment
Issue 1	Prevention of pollution
Issue 2	Sustainable resource use
Issue 3	Climate change mitigation and adaptation
Issue 4	Protection of the environment, biodiversity and restoration of natural habitats
Core subject	Fair operating practices
Issue 1	Anti-corruption
Issue 2	Responsible political involvement
Issue 3	Fair competition
Issue 4	Promoting social responsibility in the value chain
Issue 5	Respect for property rights
Core subject	Consumer issues
Issue 1	Fair marketing, factual and unbiased information and fair contractual practices
Issue 2	Protecting consumers' health and safety
Issue 3	Sustainable consumption
Issue 4	Consumer service, support, and complaint and dispute resolution
Issue 5	Consumer data protection and privacy
Issue 6	Access to essential services

Issue 7	Education and awareness
Core subject	Community involvement and development
Issue 1	Community involvement
Issue 2	Education and culture
Issue 3	Employment creation and skills development
Issue 4	Technology development and access
Issue 5	Wealth and income creation
Issue 6	Health
Issue 7	Social investment

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CSR in the MS&AD Insurance Group

## Key performance indicators (KPI) to promote our CSR approaches

Issues			Index	FY2012	FY 2013		FY 2014	Covered Companies
				Performance	Target	Performance	Group Target	
Priority Issues	Pillar I	Earning trust through the improvement of quality of products and services	(1) Improvements of products/services initiated by customers' voices.	–	Continue the approaches	Main figures found below	Continue the approaches	Domestic Group Insurance Companies
			(2) Customer satisfaction for overall response to accidents. (questionnaire results)	Ratio of customers satisfied with accident response for automobile insurance. 89.3%	90.0%	89.4%	Over 90.0%	MSI ADI
			(2) Customer satisfaction for overall response to accidents. (questionnaire results)	Ratio of customers satisfied with accident response for fire, personal accident, and casualty insurance. 89.9%	90.0%	90.5%	Over 90.5%	
			(3) Ratio of customer recommendation for company/agents (questionnaire results).	Ratio of customers who are willing to recommend either MSI or ADI to their friends and acquaintances. 88.7%	90.0%	87.0%	90.0%	
			(3) Ratio of customer recommendation for company/agents (questionnaire results).	Ratio of customers wishing to recommend any agents to their friends and acquaintances. 87.6%	90.0%	87.0%	90.0%	
	Pillar II	Contribution to solving social issues through improving quality of products and services	(4) Disclosing new issues/risks confronting our society as a result of studies, and developing and improving our products to address these new issues/risks.	–	Continue the approaches	Main figures found below	Continue the approaches	MS&AD Holdings Domestic Group Insurance Companies
			(5) Electricity consumption	Electricity consumption of all domestic locations 164,521MWh	163,698MWh (–0.5%)	163,505MWh (–0.6%)	163,249MWh (–0.2%)	
			(6) Paper consumption	Paper consumption of all domestic locations (Copy paper, prints, machine tabulation) 14,431t	16,004t (+10.9%)	15,947t (+10.5%)	13,560t (–15.0%)	
			(7) Gasoline consumption	Gasoline consumption of all domestic locations (From FY2013) –	7,264KL (–2.4%)	7,126KL (–4.1%)	7,612KL (+6.8%)	
			(8) Web policy selection (*1) rate	The ratio of contracts which selected the Web policy 51.7%	65.0%	61.9%	70.0%	MSI ADI

<b>Diversity Employee Satisfaction Social Contribution Activities</b>	(9) Number of female managers (section manager or above)	Number of female employees above section manager	231		296		MS&AD Holdings Domestic Group Insurance Companies
	(10) Employee satisfaction (questionnaire results), "Pride, Job satisfaction"	Ratio of employees feeling pride or job satisfaction (all-employee average on a 6-point scale).	4.3points		4.3points		
	(11) Employee satisfaction (questionnaire results), "Working Vigorously"	Ratio of employees, regardless of sex and age, feeling free and lively at work places (all-employee average on a 6-point scale).	4.1points	Equal to or greater than the previous year	4.0points	Equal to or greater than the previous year	
	(12) Number of employees practicing social contribution activities (*2)		16,142		24,914		
	(13) Of the above, the number of employees participating in waterside biodiversity conservation activities.		5,697		11,168		

(\*1) Former brochure-type covenants are replaced with "Environment-friendly covenants" which are available on the Company website.

(\*2) Number of employees participating in or contributing to volunteer activities at work or in private.

<b>(1) Improvements of products and services initiated by customers' voices</b>	<ul style="list-style-type: none"> <li>• Begun providing services on weekends and holidays to contact, consult, or apply to partial change in contract regarding online-only contract on overseas travel insurance [MSI]</li> <li>• Provided the policies booklets and the explanations about the important matters in accident insurance pamphlets for senior citizens with easily-readable large letters and type style [ADI]</li> <li>• Continued to improve the design and usability of our website [Mitsui Direct General]</li> <li>• Received UCDA certification and was awarded the UCDA Award 2013, as the result of revising our declaration forms to be easy-to-understand and easy-to-fill-out. [MSI Aioi Life]</li> <li>• Prepared the Claims Support Guide that contained the most inquired items regarding death benefit claims and began to enclose the Guide with claims documents. [MSI Primary Life]</li> </ul>
<b>(4) Disclosing new issues/risks confronting our society, and developing and improving our products to address these new issues/risks.</b>	<ul style="list-style-type: none"> <li>• Developed the Small and Medium Sized Hydropower Comprehensive Coverage Plan, the Food &amp; Agribusiness Comprehensive Coverage Plan, and the Healthcare Provider Comprehensive Coverage Plan, as products to addresses new risks. [MSI]</li> <li>• Supported the sustainable development of small and medium sized enterprises. [MSI, ADI]</li> <li>• Posted the driving information, on the dedicated website, that contributes to easing traffic-jams, eco-driving, and preventing traffic accidents [Mitsui Direct General]</li> <li>• Launched the "New Medical Insurance A (Ace)" that covers the short to long term hospitalizations as the main insurance contract with 8 selectable plans. [MSI Aioi Life]</li> <li>• Launched the foreign currency fixed life insurance "Tanoshimi, Zutto" to meet the needs of asset building and dealing with long-term risks with the advent of super-aged society. [MSI Primary Life]</li> </ul>

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CSR in the MS&AD Insurance Group

## CSR information Perspective of disclosure

MS&AD Insurance Group issues CSR report every year so that stakeholders could understand our CSR activities.

While incorporating the detailed information about CSR activity of the Group, in order to consider the resource saving, main knitting is provided through the web. The Digest version is also issued so that the overall picture of the approaches is understandable.

- MS&AD Insurance Group has established 2 pillars as the priority issues shared by the Group.  
Thinking these issues are important to the Group and its stakeholders, we will report centered around the matters relating to these pillars of CSR approaches and the activities based on these pillars.
- The characteristic measures in each company of the MS&AD Insurance Group is reported. (Coverage of report is as follows)
- Presents data related to CSR approaches

### Scope of report

#### Period covered

FY2013 (April, 2013 – March, 2014)

\* The report also includes some activities that began in April 2014 or later.

#### Subject organization and abbreviation

The following is a list of abbreviations for the Group and its member companies.  
(Domestic Group insurance companies are indicated by asterisks.)

- MS&AD Insurance Group
- MS&AD Insurance Group Holdings, Inc.  
    » MS&AD Holdings
- Mitsui Sumitomo Insurance Co., Ltd.  
    » MSI\*
- 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\*

We also report about activities of Affiliated Operating Companies such as InterRisk Research Institute & Consulting.



## Publication

### Publication of This Issue

October 2014

### Previous Publication

October 2013

### Next Publication

September 2015 (planned)

## Reference Guidelines

- GRI, Sustainability Reporting Guidelines (Version 4)
- [Linkage with GRI Guideline](#)
- ISO26000: 2010 Guidance on social responsibility (Japanese Standards Association)

## Past CSR Reports

- ▣ CSR reports of MS&AD Insurance Group ([Full version](#) [Digest version](#))
- ▣ [CSR reports of former Mitsui Sumitomo Insurance Group](#) (before 2009)
- ▣ [CSR reports of Aioi Nissay Daiwa Insurance Co., Ltd.](#) (before 2010) (Japanese only)

## Inquiries

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MS&AD Insurance Group Holdings, Inc.  
27-2, Shinkawa 2-chome, Chuo-ku, Tokyo, Japan  
TEL: +81-3-5117-0306 / FAX: +81-3-5117-0602  
Mail: [aaa703\\_csr@ms-ad-hd.com](mailto:aaa703_csr@ms-ad-hd.com)

## Management

The MS&AD Insurance Group has set following 6 principles in discharging our corporate social responsibility through all our business activities.

### Corporate Governance

We have established a management framework equipped with transparency and internal checking functions, and are striving to heighten our corporate value for the purpose of long-term stability and advancement.

### Risk Management

We have positioned risk management as a key task of the Group's management, and are taking approaches to ensure our ability to fulfill our responsibilities to all of our stakeholders.

### Respect for Human Rights

As a supporting Group on the U.N. Global Compact, we educate our employees to respect basic human rights and act conscientiously and with an awareness of them.

### Compliance

Each and every one of our executives and employees follows laws, regulations, and internal rules, and engages in business activities grounded in a keen sense of ethics.

- [Compliance](#)
- [Information Management](#)
- [Responsibilities in Transactions](#)

### Information Disclosure

We thoroughly put the disclosure rules in practice as set forth by the Financial Instruments Exchange and disclosing information so that respective stakeholders can have a correct understanding of the true status without delay.

- [Basic Policies for Disclosure](#)
- [Disclosure of Information and Investor Relations \(IR\)](#)

### Environmental Protection

Based on our Mission Statement and Group Basic Environmental Policy, we view that approaches to all types of global environmental problems as part of our social mission, we promote them through a concerted effort by all of our employees.

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## Corporate Governance

▸ [Basic Policy Pertaining to System for Internal Controls](#)

Our basic philosophy on corporate governance and management structure.

### Basic Policies on Corporate Governance

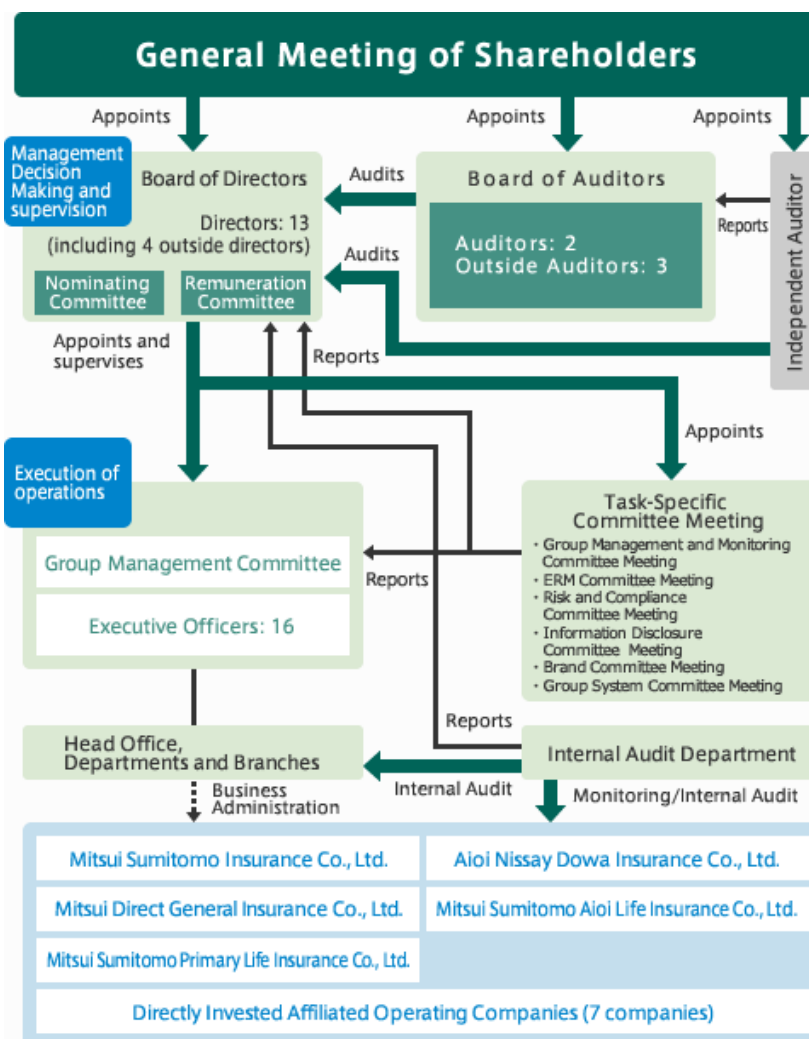
#### Basic Policies

In line with its Management Philosophy, MS&AD, as a holding company overseeing all group businesses, has established a transparent management framework that incorporates internal checking functions. The Company's objectives are to sustain consistent growth over the long term by using corporate resources efficiently and managing risks properly and ultimately, to further increase corporate value.

#### Corporate Governance Structure

As a company whose operations are reviewed by corporate auditors, MS&AD is working to improve corporate governance in large part by reinforcing the functions of the Board of Directors and Board of Corporate Auditors, and through the active disclosure of information.

MS&AD has introduced an executive officer system and is strengthening the control of MS&AD management by clarifying the roles of the Board of Directors, who are responsible for management decision-making and supervision, and the Executive Officers, who are responsible for business execution. Moreover, MS&AD believes that in order to reinforce the management monitoring and supervision functions, and thereby making the management highly transparent, it is crucial to incorporate perspectives independent of the management. Consequently, 4 of the 13 members on the Board of Directors and 3 of the 5 Corporate Auditors are selected from outside. In addition, the Board of Directors has two internal committees: the Nomination Committee and Remuneration Committee, which are chaired by outside directors who also account for the majority of the members.



## Management structure for group business

MS&AD has a business management agreement with its directly invested insurance subsidiaries (Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd., Mitsui Sumitomo Primary Life Insurance Co., Ltd.) to provide business administrative support.

MS&AD believes that obtaining timely and accurate information regarding the business of its subsidiary companies is beneficial to the smooth operations of the group. Therefore, MS&AD board members concurrently serve as directors of the subsidiary companies. Furthermore, directors from the subsidiary companies participate in Group Management Committees depending on the topic.

MS&AD also has a business management agreement with each of its directly invested affiliated business companies to do business administration and management of them as the parent company.

## Board of Directors and Board of Corporate Auditors

### Corporate Relationship with Outside Directors – Applicable supplemental Information

Akira Watanabe: Attorney at Seiwa Meitetsu Law Office.

Daiken Tsunoda: Attorney at Law of Nakamura, Tsunoda and Matsumoto Law Firm.

Tadashi Ogawa: –

Mari Matsunaga: –

## Cooperation between Auditors and Accounting Auditor

Plans, operations and outcomes of auditing shall be reported by Accounting Auditors at regular meetings.

Additionally, various issues surrounding accounting audit shall be discussed when necessary.

## Cooperation between Corporate Auditors and Internal Audit Department

Regular liaison meetings shall be convened to discuss issues such as audit policy and its operations.

All audit results from Internal Audit Department shall be reported to Corporate Auditors.

## **Relationship between Outside Corporate Auditors and MS&AD – supplement to terms of compliance**

Sousuke Yasuda: Senior Adviser of Gyosei & Co., Former Managing Partner of Gyosei & Co.

Kuniaki Nomura: Attorney at Nomura Sogo Law Office

HiroYuki Tezuka: Attorney at Nishimura Asahi Law Office

## **Supplement to Information Disclosure of Board of Directors' Remuneration (total of all Directors combined)**

The total remuneration of all Board of Directors combined as well as the total remuneration of all Corporate Auditors combined shall be disclosed. Of the amounts involved, each shall also disclose the total remuneration of Outside Directors and that of Outside Corporate Auditors respectively.

Directors and Auditors of the Board receive compensation in cash. We have obliged eight Directors who execute businesses of MS&AD or MSI out of the nine internal Directors to buy our stocks monthly at the market price by a specified amount of money or more based on the remuneration rules that apply. We have no stock option grants. We do not make any loans to Directors and Auditors of the Board. We do not have any pension plans for Directors and Auditors of the Board, and do not make any lump-sum payments to them upon retirement.

## **Support system of Outside Directors (Outside Corporate Auditors)**

Outside Directors shall be supported by the Corporate Planning Department and Outside Auditors shall be supported by the Corporate Auditors' Office.

The Corporate Planning Department, serving as the administrative office of the Board of Directors, shall explain the agenda of Board of Directors meeting to Outside Directors and Outside Auditors prior to the meeting. In addition, information regarding risks shall be reported as needed to all Directors and Auditors, including those from outside.

## **Items regarding Execution, Audit, Monitoring, Nomination, and Remuneration**

### **1. Execution and Monitoring Functions**

#### **(1) Board of Directors**

To strengthen the functions of decision-making and monitoring of important business operations, the Board of Directors appoints 4 Outside Directors.

The Chairman chairs the Board and does not serve as the chief executive officer from the standpoint of separating supervision and execution.

#### **(2) Group Management Committee**

The Group Management Committee is responsible for deliberating certain key issues of the Company and MS&AD, including management policy and strategy. It also monitors specific business operations by receiving reports on approved matters from the director in charge.

#### **(3) Task-Specific Committee Meetings**

The Task-Specific Committee Meetings have been set with the aim to deliberate various key issues in management when executing operations as well as to coordinate perspectives across various departments.

- Group Management and Monitoring Committee Meeting (basically 3 times a month)

Upon receiving reports on matters related to board of directors and management committee of directly invested insurance subsidiaries of MS&AD, the committee meeting ensures healthy finance of the group companies and insures appropriate risk management and operation.

- ERM Committee Meeting (basically 4 times a year)

The committee discusses and verifies relating to ERM, to realize "sustainable growth" and "improvement of profitability and capital efficiency" with a foundation of "soundness," for increase corporate value.

- Risk Compliance Committee Meeting (basically 4 times a year)

While monitoring the overall risk management and compliance matters of MS&AD, it also deliberates and coordinates the key issues.

- Information Disclosure Committee Meeting (basically 4 times a year)

With the aim to appropriately disclose MS&AD corporate information including the financial data, it examines operation

procedures and evaluates the effectiveness of internal control.

- Brand Committee Meeting (basically 2 times a year)

The committee deliberates, coordinates and manages issues such as the policy and planning of group brand strategy.

- Group System Committee Meeting (basically once a month)

The committee deliberates, coordinates and manages issues such as IT strategy, system risk management and large-scale system development of the group companies.

## 2. Functions for Nomination and Setting Remuneration

The Nomination Committee and Remuneration Committee have been established as internal committees of the Board of Directors, to ensure transparency.

- Nomination Committee

It advises the Board of Directors by deliberating important personnel matters such as nominees for MS&AD Directors and Corporate Auditors or the appointment of Directors and Corporate Auditors for directly invested insurance subsidiaries.

- Remuneration Committee

It advises the Board of Directors on matters related to remuneration of MS&AD's Directors and Executive Officers as well as the director compensation system of directly invested insurance subsidiaries.

In order for the Remuneration Committee to function sufficiently, there are no overlaps between Directors or Auditors of the Board of MS&AD and the entities to which the outside Directors of the Remuneration Committee belong.

## 3. Audit and Monitoring Functions

### (1) Board of Auditors

The Board of Auditors consists of 2 full-time and 3 part-time Auditors (Outside Auditors). Following the principles and plans of audit laid out by the Board of Auditors, each Corporate Auditor audits the performance of the Directors, internal control and other affairs, by attending key meetings including the Board of Directors Meeting as well as consulting important settlement documents, monitoring each in-house department, and inspecting the subsidiaries. In addition, an Auditor of the Board may utilize outside advisors at MS&AD's expense as required.

### (2) Audit Committee

KPMG AzSA & Co. is to be the appointed accounting auditor, which does not have any conflict of interest with MS&AD.



[MS&AD. Articles of Incorporation \(21KB\)](#)

Presents our articles of incorporation.

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**MS&AD** MS&AD Holdings

## Basic Policy Pertaining to System for Internal Controls

The system stipulated in this policy was established to be in alignment with Japan's Companies Act in addition to holding "securing trust in financial reporting" as its top priority.

### MS&AD Insurance Group Basic Policy Pertaining to System for Internal Controls (Summary)

#### 1. System for Assuring the Proper Conduct of Business at the Corporate Group Consisting of the Holding Company and Its Subsidiaries

Based on the management agreements that it concludes with its directly invested subsidiaries, MS&AD Holdings requires them to comply with the Group Basic Policy as well as to seek approval from and report to MS&AD Holdings on any important matters related to any directly invested subsidiary. Additionally, the directly invested companies, in principle, manage their subsidiaries (subsidiaries in accordance with the Companies Act and the Insurance Business Act) accordingly, as agreed in the management agreements.

#### 2. System to Assure the Effective Execution of Duties by Directors

To realize rapid decision making and appropriate monitoring, MS&AD Holdings has introduced an executive officer system, appoints outside directors and sets the number of directors at fifteen or less.

#### 3. System to Assure that Execution of Business by the Board of Directors and Employees Complies With Applicable Laws and the Articles of Incorporation

- (1) In accordance with the "MS&AD Insurance Group Basic Compliance Policy" set out by MS&AD's Board of Directors, MS&AD Holdings and its Group companies make sure that each and every director and employee is aware of the importance of compliance, ensures compliance with all applicable legislation, internal regulations and other rules, and maintains high ethical standards as part of all business activities. MS&AD Holdings and its Group companies also put in place systems to eliminate the influence of anti-social forces, and thoroughly instruct all directors and employees to take a resolute stance against such forces and never comply with any inappropriate or unjust demand.
- (2) To promote and ensure complete compliance in MS&AD Holdings and the Group companies, MS&AD Holdings maintains organizations and structures such as the Compliance Department and reports regularly on the overall compliance promotion status of the Group to the Board of Directors. To monitor the status of compliance promotion, MS&AD Holdings has a Risk and Compliance Committee and takes necessary measures on issues identified by the Committee.  
Moreover, MS&AD Holdings and the Group companies have an internal reporting system so that all employees may directly report to in-house contacts or outside lawyers on actions by organizations or individuals that are illegal, unjust, or unethical.

#### 4. Provisions for Managing Risk of Loss and Other Systems (Comprehensive Risk Management System)

- (1) In addition to establishing a shared basic approach in accordance with the "MS&AD Insurance Group Risk Management Basic Policy," MS&AD Holdings and its Group companies have established a Risk Management Department and put in place the necessary organizational framework to report regularly to the Board of Directors on risks and risk management across the entire Group. MS&AD Holdings has also established a Risk and Compliance Committee to monitor risk and risk management and formulate necessary measures to eliminate and reduce risks based on the results of consultations held by the Committee (including the confirmation results from comprehensive risk management (quantitative analysis)).
- (2) MS&AD Holdings evaluates the status and operation of crisis management and business continuity management systems at Group companies, and works to increase the effectiveness of crisis management and business continuity management systems for the Group as a whole.

#### 5. System for Assuring the Reliability of Financial Reporting

Out of the corporate auditors, MS&AD Holdings nominates at least one person who is equipped with sufficient

knowledge of accounting or finance. Moreover, in accordance with the “MS&AD Insurance Group Basic Policy for Controlling Disclosure of Information,” MS&AD Holdings and its Group companies have put in place the necessary framework to ensure the timely and appropriate disclosure of financial information and other information relating to the Group. Meanwhile, the Information Disclosure Committee maintains and implements an internal control system for financial reporting of the Company and the Group, and examines the effectiveness of the disclosure system.

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#### **6. System for Assuring the Effectiveness of Internal Auditing**

In line with the “MS&AD Insurance Group Basic Policy for Internal Auditing,” MS&AD Holdings maintains an internal audit system covering all the business activities of the Group in order to ensure efficiency and effectiveness of internal audits. The Internal Audit Department reports all important items from the internal auditing results of MS&AD Holdings and its directly invested domestic insurance companies, as well as improvement progress of the findings in the audited departments, to the Board of Directors.

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#### **7. System for Management and Retention of Information Pertaining to Execution of Business by Directors**

MS&AD Holdings appropriately stores and manages information and documents relating to Directors' and Executive Officers' execution of duties, in accordance with Rules for Management of Documentation. Directors and Corporate Auditors are able to browse the information at all times.

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#### **8. System for Assuring the Effectiveness of Auditing by Statutory Auditors**

##### **(1) System Pertaining to Employees Assisting With Work Performed by Statutory Auditors**

To support the duties of corporate auditors, MS&AD Holdings has a Corporate Auditor Office with full-time employees. Organizational change of the Corporate Auditor Office as well as transfer or discharge of hired employees only takes effect upon reaching a consensus at the Board of Auditors. Employee evaluation also takes place upon consultation with an auditor assigned by the Board of Auditors.

##### **(2) System for Reporting to Auditors**

Directors and executive officers report to the Board of Auditors without delay, by means decided in consultation with the Board of Auditors, about matters governed by law, decisions that greatly influence business operations and organizations, the results of internal audits and the status and content of reporting through the internal reporting system. Employees are able to directly report to corporate auditors about managerial acts that are seriously illegal, unjust, or unethical.

##### **(3) Other Matters**

Corporate auditors attend important meetings including the meetings of The Group's Management Committee. The Holding Company's Chairman of the Board of Directors, President, and Representative Directors convene regular consultations with the Board of Auditors. Additionally, the Internal Audit Department cooperates with the audit upon request from the corporate auditors.



## **MS&AD Insurance Group Holdings, Inc.** **Articles of Incorporation**

### **Chapter I. General Provisions**

(Trade Name)

Article 1.

The name of the Company shall be *MS&AD INSHUARANSU GURUPU HORUDINGUSU KABUSHIKI KAISHA*, which in English shall be MS&AD Insurance Group Holdings, Inc.

(Purpose)

Article 2.

The purpose of the Company shall be to engage in the following businesses as an insurance holding company:

- (1) management and administration of non-life insurance companies, life insurance companies and companies that it may own as its subsidiaries under the Insurance Business Law; and
- (2) any other business incidental to the business provided for in the preceding item.

(Location of Head Office)

Article 3.

The Company shall have its head office in Chuo-ku, Tokyo.

(Governance Structure)

Article 4.

The Company shall have in place, in addition to shareholders meeting and directors:

- (1) a board of directors;
- (2) corporate auditors;
- (3) a board of corporate auditors; and,
- (4) one or more accounting auditors.

(Method of Public Notice)

Article 5.

The method by which public notices are made by the Company shall be electronic public notice, which shall be substituted by publication in the *Nihon Keizai Shimbun* published in Tokyo and Osaka if an electronic public notice is impracticable for such reason as an accident or unavoidable event.

### **Chapter II. Shares**

(Total Number of Authorized Shares)

Article 6.

The total number of authorized shares of the Company shall be 900,000,000.

(Acquisition of Company's Own Shares)

Article 7.

The Company may acquire its own shares through market transactions, etc., upon a resolution of the Board of Directors under Article 165, Paragraph 2, of the Companies Act.

(Number of Shares Constituting One Unit and Non-Issuance of Share Certificates for Less Than One Unit)

Article 8.

The number shares of the Company constituting one unit shall be 100.

(Rights Pertaining to Shares Less Than One Unit)

Article 9.

No shareholder of the Company shall be entitled to exercise any right with respect to shares less than one unit held by such shareholder except for any of the following rights:

- (1) the rights provided in the items in Article 189, Paragraph 2, of the Companies Act;
- (2) the right to allotment of the right to subscribe for shares and stock acquisition rights that are proportionate to the number of shares already held by the shareholder; and
- (3) the right to demand as provided in the following Article.

(Purchase of Shares Less Than One Unit)

Article 10.

Each shareholder may demand the Company to sell to such shareholder such number of shares that, together with the number of shares less than one unit already held by such shareholder, will constitute a unit in accordance with the Share Handling Regulations.

(Administrator of Shareholders Registry)

Article 11.

1. The Company shall have in place an administrator of shareholders registry.
2. The administrator of shareholders registry and the place of its office shall be designated by resolution of the Board of Directors and the Company shall give public notice of them.
3. The preparation, maintenance and other administration relating to the Company's shareholders registry and stock acquisition rights registry shall be delegated to the administrator of shareholders registry; they shall not be handled by the Company.

(Share Handling Regulations)

Article 12.

The administration of, and handling and fees concerning, the Company's shares, and the procedures for exercising shareholder rights and other related matters shall be governed by the Share Handling Regulations, as set out by the Board of Directors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

### **Chapter III. Shareholders Meetings**

(Convening of Shareholders Meetings)

Article 13.

Annual shareholders meetings of the Company shall be convened within 3 months of the close of each business year; extraordinary shareholders meetings shall be convened from time to time when necessary.

(Place of Convocation)

Article 14.

Shareholders meetings of the Company shall be convened within the area of the 23 wards of Tokyo.

(Record Date for Annual Shareholders Meeting)

Article 15.

The record date for the annual shareholders meeting of the Company shall be March 31 every year.

(Chairman of Shareholders Meeting)

Article 16.

1. The President and Director shall chair shareholders meetings. If the President and Director is unable to do so, the Director next in the order previously determined by the Board of Directors shall act in his or her place.
2. The chair of a shareholders meeting convened at a shareholder's demand shall be mutually elected by and from among the shareholders present.

(Reference Documents for Shareholders Meeting, Etc. Deemed Provided)

Article 17.

The Company may deem information relating to matters required to be specified or recorded in reference documents for shareholders meetings, business reports, financial statements, and consolidated financial statements as having being provided to shareholders when such information is disclosed via the Internet in accordance with laws and regulations.

(Manner of Resolution)

Article 18.

1. Except as otherwise provided by laws and regulations or by the Articles of Incorporation, resolutions of shareholders meetings shall be adopted by a majority of votes of the shareholders entitled to exercise their voting rights and present.
2. The resolution provided for in Article 309, Paragraph 2, of the Companies Act shall be adopted by a two thirds or more of votes of the shareholders present at the meeting where the shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Voting by Proxy)

Article 19.

1. A shareholder may vote through a proxy, who must be a shareholder who has a voting right.

2. A shareholder or his or her proxy, shall at each shareholders meeting submit to the Company document evidencing the authority of proxy.

#### **Chapter IV. Directors and the Board of Directors**

(Number of Directors)

Article 20.

The Company shall not have more than 15 Directors.

(Election of Director)

Article 21.

1. Directors shall be elected at shareholders meeting.
2. Resolutions to elect Directors shall be adopted by a majority votes of the shareholders present at the meeting where the shareholders holding one third or more of the voting rights of the shareholders entitled to exercise their voting rights are present.
3. Cumulative voting shall not be used in elections of Directors.

(Term of Office)

Article 22.

The term of a Director shall expire at the close of the annual shareholders meeting for the last business year ending within 1 year of the Director's election.

(Election for Filling a Vacancy)

Article 23.

A vacancy in a Director's position need not be filled unless the number of remaining Directors violates the minimum number of directors provided by laws and regulations.

(Representative Director and Director's Title)

Article 24.

1. The Board of Directors shall by its resolution appoint one or more Representative Directors.
2. The Board of Directors may by its resolution appoint one or more Chairman and Directors, Vice Chairman and Directors, President and Directors, Vice President and Directors, Senior Managing Directors, and Managing Directors.

(Convocation of Board of Directors Meetings)

Article 25.

1. Board of Directors meetings shall be convened by the Chairman and Director except as otherwise provided by laws and regulations.
2. If the office of Chairman and Director is vacant or the Chairman and Director is unable to do so, the President and Director shall act in his or her place. If the President and Director is unable to do so, the Director next in the order previously determined by the Board of Directors shall act in his or her place.

3. The convocation notice for a Board of Directors meeting shall be sent to each Director and each Corporate Auditor at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.

(Omission of Resolution of the Board of Directors)

Article 26.

The Company shall deem that a resolution of the Board of Directors has been adopted when the requirements provided for in Article 370 of the Companies Act have been satisfied.

(Regulations of the Board of Directors)

Article 27.

The administration of the Board of Directors shall be governed by the Regulations of the Board of Directors as set out by the Board of Directors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

(Remuneration of Director)

Article 28.

Compensation and other proprietary interests received from the Company as consideration for performance of duties ("Remuneration") of Directors shall be determined by resolution at a shareholders meeting.

(Exemption of Director's Liability)

Article 29.

1. The Company may, in accordance with Article 426, Paragraph 1, of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations a Director (including retired Director) from liability for damages arising out of breach of the Director's duties.
2. The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an Outside Director limiting the Outside Director's liability for damages arising out of breach of the Outside Director's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.

## **Chapter V. Corporate Auditors and the Board of Corporate Auditors**

(Number of Corporate Auditors)

Article 30.

The Company shall not have more than 6 Corporate Auditors.

(Election of Corporate Auditor)

Article 31.

1. Corporate Auditors shall be elected at shareholders meeting.
2. Resolutions to elect Corporate Auditors shall be adopted by a majority votes of the shareholders present at the meeting where the shareholders holding one third or

more of the voting rights of the shareholders entitled to exercise their voting rights are present.

(Effectiveness of Election of Substitute Corporate Auditor)

Article 32.

The effectiveness of the election of a substitute Corporate Auditor shall expire on the commencement of the annual shareholders meeting for the last business year ending within 4 years of such substitute Corporate Auditor's election, unless the period is shortened at such resolution.

(Term of Office)

Article 33.

The term of a Corporate Auditor shall expire at the close of the annual shareholders meeting for the last business year ending within 4 years of the Corporate Auditor's election.

(Election for Filling a Vacancy)

Article 34.

A vacancy in a Corporate Auditor's position need not be filled unless the number of remaining Corporate Auditors violates the minimum number of corporate auditors provided by laws and regulations.

(Full-time Corporate Auditor and Standing Corporate Auditor)

Article 35.

1. The Board of Corporate Auditors shall by its resolution appoint one or more full-time Corporate Auditors.
2. The Board of Corporate Auditors may by its resolution appoint one or more standing Corporate Auditors.

(Convocation of Board of Corporate Auditors Meeting)

Article 36.

The convocation notice for a Board of Corporate Auditors meeting shall be sent to each Corporate Auditor at least 3 days prior to the date of the meeting. However, that period may be shortened in the event of an emergency.

(Regulations of the Board of Corporate Auditors)

Article 37.

The administration of the Board of Corporate Auditors shall be governed by the Regulations of the Board of Corporate Auditors as set out by the Board of Corporate Auditors, except as otherwise provided by laws and regulations or the Articles of Incorporation.

(Remuneration of Corporate Auditor)

Article 38.

Remuneration of Corporate Auditors shall be determined by resolution at a shareholders meeting.

(Exemption of Corporate Auditor's Liability)

Article 39.

- 1 The Company may, in accordance with Article 426, Paragraph 1, of the Companies Act and by resolution of the Board of Directors, exempt to the extent permitted by laws and regulations a Corporate Auditor (including retired Corporate Auditor) from liability for damages arising out of breach of the Corporate Auditor's duties.
- 2 The Company may, in accordance with Article 427, Paragraph 1, of the Companies Act, enter into an agreement with an Outside Corporate Auditor limiting the Outside Corporate Auditor's liability for damages arising out of breach of the Outside Corporate Auditor's duty. However, the maximum amount to which that liability may be limited by such an agreement shall be the sum of the amounts set out in the items in Article 425, Paragraph 1, of the Companies Act.

## **Chapter VI. Accounts**

(Business Year)

Article 40.

The business year of the Company shall start on April 1 of every year and end on March 31 of the following year.

(Dividends)

Article 41.

1. The record date for year-end dividends of the Company shall be March 31 every year.
2. The Company may, by resolution of the Board of Directors, pay interim dividends, the record date for which shall be September 30 every year.
3. The Company may fix a record date and pay dividends otherwise than as set out in the preceding two paragraphs.
4. If the dividend is payable in cash and 3 full years pass after the date it becomes payable, the Company shall be exempt from any obligation to pay the dividend.
5. No interest shall accrue on the dividend provided for in the preceding paragraph.

Last amended on April 1, 2010

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Management  
Compliance

## Compliance

The MS&AD Insurance Group formulated the “MS&AD Insurance Group Basic Policy on Compliance”, with the aim of imbuing all officers and employees of MS&AD Holdings and the domestic Group insurance companies with a thorough awareness of compliance.

➤ [Detailed information of Compliance](#)

## Information Management

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 “MS&AD Insurance Group Basic Policy for Management of Customer Information” and “MS&AD Insurance Group Basic Policy for Sharing Customer Information”.

➤ [Detailed information of Information Management](#)

## Responsibilities in Transactions

We endeavor to engage in fair and equitable transactions, and to achieve on-going advancement and fulfillment of social responsibilities together with our business partners in various business activities.

➤ [Detailed information of Responsibilities in Transactions](#)



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## Compliance

### Basic Policy on Compliance

We formulated the Basic Policy on Compliance and “MS&AD Insurance Group Basic Policy on Compliance” which is compliance criterion of the Basic Policy. Based on this Basic Policy or each policy, we and MS&AD insurance companies work positively to develop thorough compliance. All officers and employees carry out our social responsibility with responding to confidence of all the stakeholders including customers through the corporate activities based on the high ethical sense without failing to comply with laws and company internal rules.

▶ [MS&AD Insurance Group Basic Compliance Policy](#)

### Compliance Promotion Structure

The Compliance Department carries out unified management of compliance matters.

Departments in charge of compliance at MS&AD insurance companies plan and implement measures and policies for employees and agencies, as well as operational rules for insurance sales. Particularly the relevant departments inquire and investigate the activities that violate the laws and company including those suspected cases.

### Activities

#### Compliance Program

We and MS&AD insurance companies, as a part of the compliance implementation plan, resolve the Compliance Program at the Board Meetings 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

We and MS&AD insurance companies have each Compliance Manual that states their compliance-related policies and regulations, with examples and interpretations, for board members and employees. The Manual is distributed to board members and employees, and its 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

Based on the Compliance Program, we and MS&AD insurance 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

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

#### Monitoring Group Companies

The Compliance Department monitors and reports on compliance-related activities of MS&AD insurance 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.

#### Internal Reporting System

The MS&AD Insurance Group has established various internal reporting systems such as the MS&AD Helpline. Group company employees can contact the helpline to make a report or have a consultation if a compliance-related issue arises. A contact desk has also been established at an external legal office to make it easier for reporters. The identity of reporters is protected and their information is handled carefully to protect them and ensure that they do not suffer any unfair treatment.

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**MS&AD** MS&AD Holdings

## MS&AD Insurance Group Basic Compliance Policy

The MS&AD Insurance Group has established a Basic Compliance Policy as follows.

### MS&AD Insurance Group Basic Compliance Policy

The MS&AD Insurance Group positions compliance as one of the foremost priorities in the management of the Group. We have adopted the following policies to establish a structure in which all of our officers and employees aim to achieve compliance, with a constant awareness of our corporate social responsibility.

#### 1. Basic Policy

- (1) We intend to achieve our mission by ensuring compliance in every aspect of our corporate activities and by establishing corporate ethics.
- (2) We define compliance as “taking 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, relevant guidelines issued by competent government agencies, and regulations of the holding company and Group companies (“laws and regulations, etc.”).”

#### 2. Development of Compliance Structure

##### (1) Development of systems

- (i) We will develop a system under which important compliance matters and breaches of relevant laws and regulations are appropriately reported to Board and senior management.
- (ii) We will manage compliance matters in an integrated manner, establish a department that enforces and monitors compliance, and give the department the authority needed to function the compliance structure effectively.
- (iii) We will develop reporting and consulting systems – for examples when our officers and employees identify any compliance-related misconduct and breaches of laws and regulations.

##### (2) Enforcing compliance

- (i) We will create a Compliance Manual setting out specific guidelines for compliance and will become fully familiar with it.
- (ii) We will develop and implement an annual Compliance Program as a specific plan of action and practice compliance accordingly.
- (iii) We undertake training and inspections to ensure compliance.
- (iv) We will immediately correct any inappropriate behavior related to compliance and analyze the causes to prevent a recurrence.

#### 3. Code of Conduct for Officers and Employees Concerning Compliance

##### (1) Faithful conduct

- (i) 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.
- (ii) 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.
- (iii) We treat every person faithfully, fairly, and appropriately in every situation.

##### (2) Conduct to ensure that corporate activities are appropriate

- (i) We will not engage in unfair trade, such as restricting competition through collusion or acquiring unfair benefits by abusing our position.

- (ii) We will protect our intellectual property rights and will not infringe on the intellectual property rights of others.
- (iii) We will diligently manage customer information we obtain in the course of our work and use such information only for specified approved purposes.
- (iv) We will be resolute in dealing with anti-social forces and will not accept any unjust, unlawful or unethical demands.
- (v) We will appropriately manage conflicts of interests to ensure that our customers' interests are not compromised unfairly.
- (vi) We will ensure that transactions are fair, for instance when we do business within the Group or form a business alliance.
- (vii) We will ensure that our management is transparent, by disclosing information appropriately on a timely basis.
- (viii) We will not engage in insider trading (trading in stocks, etc. using important undisclosed information).
- (ix) We will appropriately manage assets, important information, and trade secrets, etc. of the Group companies.
- (x) We will not seek personal benefits by making use of our position in business.

**(3) Respect for Human Rights and Creating a Positive Working Environment**

- (i) We respect human rights and will not discriminate or harass people based on race, nationality, gender, age, profession, region, faith, disability, or other elements.
- (ii) We will create a safe and comfortable working environment.

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**MS&AD** **MS&AD Holdings**

## Information Management

### Basic View and 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 “MS&AD Insurance Group Basic Policy for Management of Customer Information” and “MS&AD Insurance Group Basic Policy for Shared Use of Customer Information”.

- ▶ [MS&AD Insurance Group Basic Policy for Management of Customer Information](#)
- ▶ [MS&AD Insurance Group Basic Policy for Shared Use of Customer Information](#)

### Structure of Information Management

In accordance with the above Basic Policies, 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

The holding company monitors the status as regards arrangements for information 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 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)

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.

Declaration of Personal Information Protection (Privacy Policy) of each company

[MS&AD Insurance Group Holdings, Inc.](#)

 [Mitsui Sumitomo Insurance Co., Ltd.](#)

 [Mitsui Sumitomo Insurance Co., Ltd.](#)

 [Mitsui Direct General Insurance Co., Ltd.](#)

 [Mitsui Sumitomo Aioi Life Insurance Co., Ltd.](#)

 [Mitsui Sumitomo Primary Life Insurance Co., Ltd.](#)

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**MS&AD** MS&AD Holdings

## Basic Policy for Management of Customer Information

In addition to complying with laws and ordinances such as the Act on the Protection of Personal Information, the MS&AD Insurance Group will continue to strive to build a stronger framework for information management, by establishing internal regulations and rules, improving system security, ensuring information management training is provided to employees and agencies, and reducing the risk of information leaks.

### MS&AD Insurance Group

#### Basic Policy for Management of Customer Information

Given the importance of protecting customer information and to improve the public trust toward the business operations of the Group, the MS&AD Insurance Group shall handle customer information properly and institute measures that are appropriate for its secure management in compliance with the Act on the Protection of Personal Information (the "Personal Information Protection Act") as well as other laws, guidelines and the like. 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.

1. The MS&AD Insurance Group shall acquire customer information to the degree that it is necessary for business by means that are lawful and fair, and except were provided otherwise by applicable law, shall provide notice and public releases regarding the purpose for which personal information is to be used and shall use the same only within the scope of such purpose.
2. Except were provided otherwise by applicable law, the MS&AD Insurance Group shall not provide any personal data pertaining to customers to third parties without prior consent from the concerned persons.
3. The MS&AD Insurance Group may share the use of personal data pertaining to customers within the Group for the purpose of providing better products and services to customers and conducting management of Group companies.
4. The MS&AD Insurance Group shall strive to prevent leaks, loss or degradation of customer information; shall prepare rules for its handling and a system to provide for its safe management; and shall implement adequate security measures. Necessary and appropriate supervision shall be conducted if the handling of customer information is delegated to outside parties.
5. The MS&AD Insurance Group shall be thorough in providing education and guidance to employees so that customer information is handled properly. The procedures for handling and managing customer information at the Group shall be reviewed and improved on an ongoing basis to ensure they are appropriate.
6. The MS&AD Insurance Group shall respond properly and in a timely manner to any complaints or inquiries pertaining to the handling of customer information. Responses to requests for the release or correction of personal data being held by the Group from concerned persons shall be addressed promptly based on applicable law.

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## Basic Policy for Shared Use of Customer Information

The MS&AD Insurance Group has set forth the following provisions on sharing customer information with in the Group.

### MS&AD Insurance Group

#### Basic Policy for Shared Use of Customer Information

In order to provide customers with the highest quality risk solution services centered on activity to achieve "Customer Satisfaction," to the extent that it is necessary, the MS&AD Insurance Group may share the use of personal data of customers within the Group within the scope stated below. When doing so, the handling of such data shall be conducted appropriately in compliance with the Act on the Protection of Personal Information (the "Personal Information Protection Act") as well as other applicable laws, guidelines and the like.

1. In order for the MS&AD Insurance Group Holdings, Inc. (the "Holding Company") to conduct management of the Group companies, the use of personal data may be shared at the MS&AD Insurance Group among the Holding Company and Group companies subject to the following conditions.

##### (1) Types of Personal Data

- (i) Shareholder information (names, addresses, number of shares held, etc.).
- (ii) Customer information maintained by the Holding Company and Group companies (names, addresses, telephone numbers, email addresses, gender, dates of birth, other policy information stated in applications and other documentation, information pertaining to insurance claims, and other information pertaining to transactions with customers).

##### (2) Parties with Which Information is Shared and Party Responsible for Management

The Group companies with which the use of information is shared consist of domestic and foreign insurance companies, reinsurance companies and affiliates of the MS&AD Insurance Group (refer to the [List](#)). The party responsible for supervision and management of shared use shall be the Holding Company.

2. In order to provide information and the like on products and services handled by the Group companies, the use of personal data may be shared at the MS&AD Insurance Group among the Group companies subject to the following conditions.

##### (1) Types of Personal Data

Names, addresses, telephone numbers, email addresses, gender, dates of birth, other policy information stated in applications and other documentation, information pertaining to insurance claims, and other information pertaining to transactions with customers.

##### (2) Parties with Which Information Is Shared and Party Responsible for Management

Refer to the [List](#) of the Group companies with which the use of information is shared. The party responsible for supervision and management of shared use shall be the Holding Company.

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MS&AD Insurance Group Holdings, Inc.

## Declaration of Personal Information Protection (Privacy Policy)

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

#### Declaration of Personal Information Protection (Privacy Policy)

Given the importance of protecting personal information, we will strictly adhere to the Act on the Protection of Personal Information (so-called “Personal Information Protection Act”), as well as other laws, ordinances and guidelines to properly handle personal information and take appropriate measures for secure management. We will also ensure that personal information is not mishandled, and will properly educate and supervise employees on the appropriate handling of personal information. We will continue to review and improve our handling of personal information and our methods for secure management.

#### 1. Collection of Personal Information

We will obtain personal information to the extent necessary for business in a fair and legitimate manner. We may also obtain personal information from phone calls involving questions and consultations, which will be recorded to accurately record their content.

#### 2. Purposes of Use of Personal Information

We will also notify individual respondents of or make public our purposes for using the personal information, and use it only to the extent necessary to accomplish the following purposes. We will define the purposes of use clearly for respondents to understand and we announce it on a Web site as in the following. We limit the purposes of use to an extent relevant to specific cases where personal information is obtained. In cases where obtained personal information is intended to be used beyond the extent necessary to accomplish the said purposes, we should acquire consent from the relevant individuals to such use unless it meet any item of Article 16, paragraph (3) of the Act on the Protection of Personal Information.

Purposes for Using Personal Information

- For corporate management of group companies
- For appropriate and smooth performance of transaction with the relevant individual

#### 3. Provision of Personal Data to Third Parties

We will not offer personal data to third parties without prior consent from the relevant individual except for the following cases:

1. When required to do so by law;
2. When offering the information to consigned companies to the extent necessary for operations;
3. When offering the information to third parties via procedures based on Article 23, paragraph (2) of the Act on the Protection of Personal Information (i.e. opting out);
4. When sharing information between our Group companies (please refer to item 5 below).

#### 4. Consignment of Personal Data Handling

We may provide a certain portion of obtained personal information to external third parties for consigned operations within the extent necessary to accomplish the purposes of use. According to pre-set criteria for selecting consigned companies, we will check their information management system and conduct other necessary and adequate supervision on the consigned company prior to making an order and trusting personal data to it.

#### 5. Shared Use of Personal Data

For MS&AD Insurance Group Holdings, Inc. (hereinafter, the “Holding Company”) to manage the business of the MS&AD Insurance Group companies, MS&AD Insurance Group may share personal data between the Holding Company and the MS&AD Insurance Group companies based on the following conditions.

##### (1) Items of personal data

- a) Shareholder information (name, address, number of shares, etc.)
- b) Customer information held by the Holding Company or the Group companies (name, address, phone number, email address, gender, date of birth, other information related to customer transactions such as those noted in contract forms or information regarding insured events, etc).

## **(2) Scope of users of shared information and management representative**

Users of shared information are domestic and overseas insurance companies, reinsurance companies, and related companies of the MS&AD Insurance Group. (Click [here](#) to see the users.) The management representative for the shared use of information will be the holding company.

▶ [Sharing of Personal Information among Group Companies](#)

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## **6. Handling of Sensitive Information**

In accordance with Article 53–10 of the Enforcement Regulation of Insurance Business Law, we will not obtain, use, or offer to third parties personal information regarding political opinions, faith (religion, thoughts and beliefs), membership of labor unions, race or ethnicity, family and domicile of origin, health condition and medical treatment, sexual orientation or criminal records (hereinafter, “sensitive information”), unless otherwise stipulated by the Act on the Protection of Personal Information, other laws, ordinances or guidelines.

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## **7. Request for Notification, Disclosure, Corrections, etc.**

Please refer to the information desk below for requests for notification, disclosure, corrections, etc. of matters regarding information that we hold under the Act on the Protection of Personal Information or discontinuation, etc. of their use.

We will reserve the right to verify the identity of the claimant, who will be required to complete the prescribed forms and the application procedure. In principle, requests will be answered in writing at a later date. At the time of responding, we will require claimants to pay the standard fees for any requests for disclosure.

If we find that information about the claimant is incorrect, we will correct the information based on the results of our investigation.

▶ [Procedure on Disclosure based on Private Information Protection Law](#)

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## **8. Summary of Secure Management Procedures for Personal Data**

We will make efforts to prevent leakage, damage, or defamation of personal data. It will also ensure adequate security measures such as the maintenance of policies regarding use as well as that of systems in place for secure management procedures.

Please contact the information desk below for queries regarding secure management procedures.

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## **9. Information Desk**

We will respond quickly and appropriately to complaints and requests for consultations regarding its handling of personal information. Please contact the desk below for enquiries, disclosure, corrections, etc. regarding the handling of personal information, requests for discontinuation, etc. of use of personal data, and questions about secure management procedures.

Contact Desk  
MS&AD Insurance Group Holdings, Inc., Compliance Department  
Telephone Number: 03-5117-0312  
Business Hours: 9:00–17:00 (Monday through Friday)  
  
\* The office is closed during the year-end and new-year period and public holidays.



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**MS&AD** MS&AD Holdings

Management

## Responsibilities in Transactions

**Basic perspective and policy**

The MS &AD Insurance Group stipulates in the “MS&AD Insurance Group Basic Policy on Compliance” that all executives/employees of the MS&AD Insurance Group should always be conscious of corporate social responsibilities and comply with all laws and regulations relevant to business activities and practice fair and valid conducts in good faith to live up to the expectations and requirements of the society.

[MS&AD Insurance Group Basic Policy on Compliance](#)

Furthermore, realizing the actual business needs of contracting out various jobs and services to outside sources, the Group has instituted “MS&AD Insurance Group Basic Policy for Management of Outside Vendors”. Taking the above policy into account, the Group companies are conducting proper management upon organizing a setup for managing outside vendors.

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

When engaging the services of outside vendors for business purposes, the MS&AD Insurance Group shall prepare procedures for the proper management of outside vendors based on the following management policy.

**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.

End

## Activities

### Confirmation of eligibility of outside vendors.

MSI and ADI confirm the soundness of information management systems and outside vendors, and the adequacy of job execution progress by referring to the new "Outside Vendor Adequacy Check List". Domestic Group insurance companies do the same by clarifying the standards for selecting vendors, conducting information management once a year, in principle, and checking periodically outside vendors.

### Requests to business partners for environment related considerations

MSI and ADI, as a consistent step toward dealing with ISO14001, explain Group's Environmental Basic Policy once a year to permanent stationing business partners in each company and ask them to cooperate in their considerations regarding the environment.

### Supports for tackling with environmental issues at agents and business partners

MSI and ADI are promoting to their agents and business partners to secure "Eco Action 21" certification, a simplified version of environmental ISO, spread practicing Eco-maintenance\* and utilized recycled automobile parts.

① [Detailed information of Support for certification under Eco Action 21](#)

② [Detailed information of Support for the spread of Eco-maintenance](#)

③ [Detailed information of Use of recycled automobile parts](#)

\* Support for the spread of Eco-maintenance

"Engine cleansing" has been stipulated by the government as one specific requisition item in the "Green Purchase Method" since April, 2008. Support for obtaining Eco Action 21 certification leads directly to spread "Engine cleansing".

### Mitsui Sumitomo Insurance Transaction Policy

MSI determined the Mitsui Sumitomo Insurance Transaction Policy (on May 27, 2005) to lay down minimum requisite basic rules for transactions in areas such as outsourcing and purchase of supplies. MSI is striving for on-going advancement and fulfillment of social responsibilities with its business partners.

#### Mitsui Sumitomo Insurance Transaction Policy

- We shall select business partners (contractors, suppliers, etc.) without being bound by past transaction records and with comprehensive consideration of factors including transaction terms, business status, technical capabilities, and concern for the environment.
- We shall properly manage and protect all information received through transactions.
- We shall ask all business partners (contractors, suppliers, etc.) to observe all related laws, regulations, and social norms.
- We shall ask all business partners (contractors, suppliers, etc.) to constantly provide optimal quality, prices, delivery terms and service.

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## Risk Management

### Basic Policy for Risk Management

We have set out the “MS&AD Insurance Group’s Basic Risk Management Policy,” which underpins common risk management exercised throughout the Group.

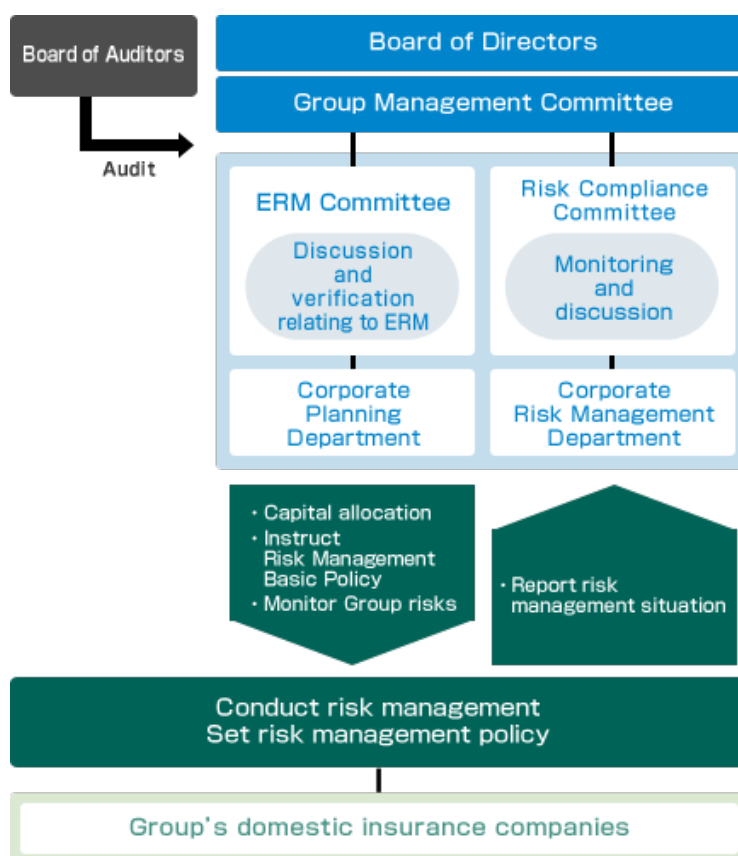
The policy stipulates the basic processes and the Group-wide framework for risk management, and defines the categories of risks which the Group should identify and approaches to managing them.

The Group’s domestic insurance companies follow this basic policy to set out their own individually tailored risk management policies, and be proactive in managing their own risks.

### Risk Management Structure

The Group’s domestic insurance companies and subsidiaries in and outside Japan each implement risk management on an individual basis. As the holding company, we implement an integrated risk management program and monitor Group-wide risks and Group companies’ risk management activities.

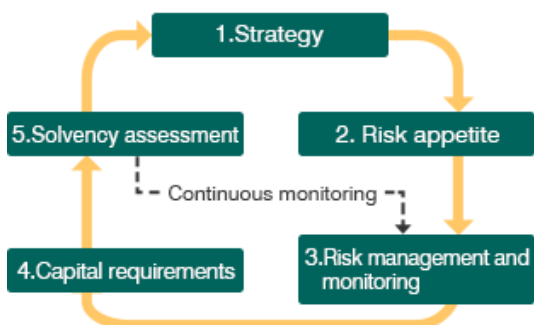
Our Corporate Risk Management Department receives and analyzes reports on risk and risk management from domestic Group insurance companies on a regular basis. Important issues in the reports are discussed at the Risk Compliance Committee and reported to the Board of Directors.



### Enterprise Risk Management

We have set up a Risk Appetite Statement upon executing the MS&AD Insurance Group Medium-Term Management Plan. Based on this Statement, we formulate income and expenditure plans, business plans, and risk management plans. For proceeding with risk management we identify primary risk events that could impact the Group's business portfolio and assess these risk factors based on quantitative and qualitative approaches. Risk management underpins our Group's strategies whose structure we call ORSA (Own Risk and Solvency Assessment) process shown in the chart.

【ORSA Process】



## Quantitative Approach

By using a probabilistic risk assessment model (VaR<sup>\*</sup>), we periodically measure insurance underwriting risk, asset management risk and operational risks to confirm that the risk exposure is well managed within the Group capital.

We also monitor the risk trends and moves of the domestic Group insurance companies to confirm that their risk level does not exceed predetermined limits for each company.

Moreover, we monitor the impact of changes in the market environment on the Group every day, which enables us to identify significant events (or their precursors) at an early stage and respond flexibly and swiftly.

In ascertaining the status of risk and capital, we make medium-term checks based on the management plan (income and expenditure plans) and conduct periodic stress tests to ascertain the effect of an anomalous event such as a large-scale natural disaster or turmoil in the financial markets.

\* VaR (Value at Risk) is the maximum loss expected at a certain level of probability.

## Qualitative Approach

To evaluate insurance underwriting risk, asset management risk, liquidity risk and operational risk, we assess domestic Group insurance companies' risk management activities and risk management frameworks.

We also regulate the accumulation of loans and investments and monitor transactions between Group companies to ensure that the soundness of MS&AD Insurance Group is not compromised by transmission, misdistribution or concentration of risk.

## Insurance Business Risks

There are a variety of risks inherent in the insurance business. Given that the insurance business hinges on insurance claim payments and payment of insurance proceeds and benefits, insurance underwriting risks and asset management risk need to be managed in consideration of the relationship to shareholders' equity and the need to maintain a balance with earnings, rather than simply being repressed. Moreover, we need to manage liquidity risk with respect to its bearing on funding requirements now and in the future. Operational risks stemming from issues such as clerical errors and system failures, on the other hand, need to be minimized by ensuring appropriate operations so as to prevent losses wherever possible.

The MS&AD Insurance Group treats risk management as the highest Group management priority. We strive to manage each of these risks with precision to realize the Group's management vision.

Insurance Underwriting Risks	Insurance underwriting risks are risks for underwriting loss by frequency or damageability which significantly surpass the projection on which the insurance premiums are calculated.
Asset Management Risks	Asset management risks are risks for fluctuation of interest rates, stock prices, exchange rates, real estate prices, rents, etc. or financial situations of investing entities that cause a reduction in value or income, including off-balance assets. They also include risks that we cannot hold assets in alignment with characteristics of liability such as claim payments.
Liquidity Risks	Liquidity risks are risks that cash shortage caused by large claims such as natural disaster such as major earthquake enforces us to secure financing in exchange for selling assets with significantly unfair price (cash management risk) or risks that market disturbance prevents market transaction or enforces unfair trade (market liquidity risk).

## Operational Risks

Operational risks are risks that cause losses by failure of the operational process or business system, misconduct of executives or employees, or external incidents such as accidents or disasters.

## Crisis Management System

To prepare for the development of risks as well as for the potential of these risks to spread within the group, the Group's companies have formulated a crisis management manual and a business continuity plan, and will ensure effectiveness by conducting field training on a regular basis to prepare for actual adverse situations. The Company verifies the status of such preparations in the Group's companies at Group Crisis management meetings held regularly.

Moreover, the Company also evaluates the Business Continuity System and a business continuity plan in the domestic insurance companies of the Group every year and confirms the feasibility of these.

Crisis Management System of Each Company of the Group	Each company of the Group is carrying out timely and suitable measures at the time of crisis by organizing operational structure for crisis management and formulating a crisis management manual. We require each company to report about Group Crisis situations such as the case of economic loss which may have the serious influence to the Group and needs timely disclosure. We shall draft policies for settlement of an identified Group Crisis based on discussions among its members by creation of a Group Crisis Measures Division.
Business Continuity Management System and a Business Continuity Plan in the Domestic Insurance Companies of the Group	The domestic insurance companies of the Group have completed formulating the Business Continuity Management System (instituting the policies, development of rules for management, establishment of management structure), and a business continuity plan for the capital city strong local earthquake and super-flu. We shall continuously review the system through the PDCA cycle, Group Crisis management meetings and having shared field training on a regular basis to prepare for actual adverse situations of trainings in each management system of member companies. We also evaluate the Business Continuity Management System and a Business Continuity plan in the domestic insurance companies of the Group once a year in collaboration with InterRisk Research Institute & Consulting. Through the evaluation, we confirm the feasibility and undertake the necessary revision.
Group Crisis Management Meetings	We hold Group Crisis management meetings once in the quarter on the theme of the Crisis Management System and a business continuity plan for the Crisis Management Department of each group company. We confirm the constant review situation by the PDCA cycle in the management organization of each group company through periodical management of those meetings, and we promote the consolidation of systems for timely and appropriate handling of crisis by sharing information between each group company.

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## Management Information Disclosure

The MS&AD Insurance Group stipulates in “The MS&AD Insurance Group's Basic Policies on Disclosure” its external information disclosure policies for each Group business company. According to the policies, each Group company has thoroughly put the disclosure rules in practice as set forth by the Financial Instruments Exchange and is disclosing information so that respective stakeholders can have a correct understanding of the true status without delay.

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

### Disclosure of Information and Investor Relations (IR)

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

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

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## Basic Policy for Disclosure of Information

MS&AD Holdings has stipulated its policy on external disclosure at domestic Group insurance companies in the “MS&AD Insurance Group Basic Policy for Disclosure of Information.” In accordance with this basic policy, all domestic Group insurance companies strive to thoroughly observe disclosure rules stipulated in laws and regulations and the disclosure rules of stock exchanges. 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 a fair, accurate and timely manner.

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

MS&AD Insurance Group Holdings, Inc. and the domestic Group insurance companies (referring to the five companies of Mitsui Sumitomo Insurance Co., Ltd., Aioi Nissay Dowa Insurance Co., Ltd., Mitsui Direct General Insurance Co., Ltd., Mitsui Sumitomo Aioi Life Insurance Co., Ltd. and Mitsui Sumitomo Primary Insurance Co., Ltd.) shall carry out the disclosure of information as follows for the purpose of communicating important information related to the MS&AD Insurance Group in a manner that is accurate, timely and fair.

#### **1. Basic Stance on Disclosure of Information**

Disclosure of information pertaining to the MS&AD Insurance Group shall be carried out so that parties such as customers, shareholders, and investors can be well informed of and understand the state of the Group.

#### **2. Standards for Disclosure of Information**

Disclosure of information shall be conducted in a timely manner in accordance with the relevant laws and such regulations as “Securities Listing Regulations” and “Rules on Timely Disclosure of Corporate Information by Issuers of Listed Securities” prescribed by financial instruments exchanges (collectively, “Regulations for Timely Disclosures of Information”). In addition, information that would serve for parties such as customers, shareholders and investors to make decisions in relation to contracts, investments and so on shall also be disclosed even if it is not information required by Regulations for Timely Disclosures of Information.

#### **3. Methods for Disclosure of Information**

Disclosure of information from the MS&AD Insurance Group shall be conducted so as to reach the appropriate parties such as customers, shareholders and investors by way of diverse means such as disclosure reports, news releases and the corporate website.

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**MS&AD** **MS&AD Holdings**

Management

## Disclosure of Information and Investor Relations (IR)

MS&AD Insurance Group is actively conducting appropriate information disclosure to earn the trust from a wide variety of stakeholders, which includes 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

MS&AD Insurance Group compiled its stance relating to information disclosure into two basic policies. Based on these basic policies, the Group implemented accurate, timely, and fair information disclosure.

### Basic Policies

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

The “MS&AD Insurance Group Basic Policy for Information Disclosure” 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 and regulations and the disclosure rules of stock exchanges. 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 a accurate, timely, and fair manner.

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

#### 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 or regulations of financial instruments exchanges, the MS&AD Insurance Group proactively releases information for investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving its quality of disclosure. In addition, by disclosing such information, we strive to put out information that is timely, fair and easy-to-understand.

➡ [IR Policy](#)

### Setup for information disclosure

To ensure timely and adequate information disclosure and evaluate the effectiveness of information disclosure controls, the MS&AD Insurance Group established the “Disclosure Committee” and built a timely disclosure system.

#### Disclosure Committee

The “Disclosure Committee” has established by a resolution of the Board of Directors, and is the institution at the core of the information disclosure system.

The committee is composed of outside directors and officers/directors in charge of the planning, the accounting, and other departments related to information disclosure. The MS&AD Insurance Group regularly holds this committee and verifies the appropriateness of procedures and evaluations, and the effectiveness of the information disclosure controls of the entire Group.

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

📎 [Corporate Governance Report \(Japanese Only\) \(2014/07/4\) \(2.5MB\)](#)



## Communication with Shareholders and Investors

The MS&AD Insurance Group is actively implementing dialogue with shareholders, investors, and analysts with management at the core.

In addition to holding the various information meetings for institutional investors and analysts, we provide highly convenient and clear information transmission to shareholders and investors on the MS&AD Holdings website.

MS&AD Insurance Group responds in good faith to enquiries from investors/shareholders and securities analysts. We will share within the company such requests and opinions that we received during the course of our IR activities, and will use them to enhance our corporate value.

## Dialogue with Shareholders, Investors and Analysts

### Holding of various information meetings

In FY2013, we conducted briefings (Information Meetings) regarding the Group's business strategies in June and December, and provided conference calls as briefings for the quarterly business results. We provide individual investors company briefings in January and March. In February, we also conducted a live company briefing that made possible to participate from home by computer.

The presentation materials and scripts at the briefings are available on the MS&AD Holdings [website](#).



Holding of information meetings  
for institutional investors and analysts

Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
		● Earnings Announcement		● 1Q Business Results			● 2Q Business Results			● 3Q Business Results	
		● First Information Meeting						● Second Information Meeting			
		● Annual shareholders Meeting									
		● Year-end Dividend Payment						● Mid-term Dividend Payment			

Information Meetings for institutional investors and analysts (Briefings on Financial results and strategies)	We conduct briefings regarding the Group's business strategies, an overview of interim and full-year business results, business forecasts and other matters, along with Q&A sessions.
Business Results Briefing	We provide conference calls for briefings on quarterly business results and Q&A sessions.
The company briefing for individual investors	The company briefing for individual investors for fiscal 2013 was presented by the president and this briefing was conducted as investors can participate live from their computers. We also held two briefings for individual

investors at securities firms.

### Holding of individual meetings

We promote closer communication with institutional investors and analysts inside and outside Japan through individual meetings and our response to press coverage.

In FY 2013, we held more than 200 individual meetings/telephone conferences and strived to improve communication with institutional investors.

Individual Meetings for Foreign Investors	A total of four visits to the United States, and Europe Conducted about 50 separate meetings and telephone conferences
For Japanese Investors and Analysts	Held about 180 meetings with investors/analysts, which includes individual visits, telephone conferences, and conferences held in Japan.

### Disclosure Publications

We issue the Disclosure Reports in Japanese for MS&AD Holdings and the domestic Group insurance companies. In addition, MS&AD Holdings publishes Annual Reports in English, "Shareholder Newsletter" in Japanese.

All of these publications are available on the MS&AD Holdings website for more widespread disclosure of information.

Disclosure Magazine	Disclosure reports are prepared by MS&AD Holdings and five domestic Group insurance companies, and made readily available to stakeholders.
English Annual Report	MS&AD Holdings prepares annual reports in English to improve overseas shareholders' and investors' understanding of the Company's management policies, financial condition and other matters.
Shareholder Newsletter	In its Shareholder Newsletter, MS&AD Holdings presents an overview of business results and the status of recent business activities in an easy-to-understand format. The newsletter is delivered to shareholders twice a year.

## Improvement of the IR website

We strive to improve MS&AD Holdings' IR website for shareholders/investors and other stakeholders to view timely information about MS&AD Holdings.

MS&AD Insurance Group's IR website received the Daiwa IR "Internet IR Commendation Award 2013" and the Gomez "IR Site Ranking Bronze Award" with high commendation. We designed the website to enhance the convenience of searching for necessary information, and devised features such as displaying easy-to-use graphs of stock prices and financial data, with the aim of making it more easily understandable especially for individual investors



Daiwa Investor Relations  
2013 Internet IR  
Excellence Award



## Capital Management Policies and Shareholder Return Policy

MS&AD Insurance Group aims to ensure that capital is kept in line with the amount of risk while strengthening shareholder returns with "dividends" and "share buybacks."

➤ [Capital Management Policies](#)

➤ [Shareholder Return Policy](#)

## Reference Material

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 Information](#)

➤ [Basic Stocks Information](#)

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**MS&AD** MS&AD Holdings

## IR Policy

We will conduct investor relations (IR) activities under the following core principles to win trust from shareholders and other investors, as well as to have our corporate value assessed fairly and properly.

### **Basic Policy on Disclosure of IR Information**

Besides disclosing such corporate information as we are required to under statutes or regulations of stock exchanges, we will proactively release information that we consider helps investors/shareholders make reasoned investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the disclosure variation. In disclosing such information, we strive to put out timely, fair and easy-to-understand statements.

### **Improvement of Communications**

While providing information through our website and presentation meetings on a broadly disseminated basis, we will respond in good faith to enquiries from investors/shareholders and securities analysts. We will share within the company such requests and opinions as we have received in the course of IR activities, with a view to making use of them to enhance our corporate value.

### **Quiet Period**

In order to ensure fairness in disclosing important information such as financial results, we observe a quiet period with respect to IR activities commencing on the date three weeks prior to the announcement of financial results for each quarter (the “Quiet Period”). During the Quiet Period, we refrain from making comments or responding to enquiries on financial results, and will not in principle hold one-on-one meetings or presentation meetings.

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**MS&AD** MS&AD Holdings

## Capital Management Policy and Shareholder Return Policy | Ongoing Management Plans and Policies

### Capital Management Policy

We will enhance enterprise value by taking balance of financial soundness, capital efficiency, and shareholder return.

#### Financial Soundness

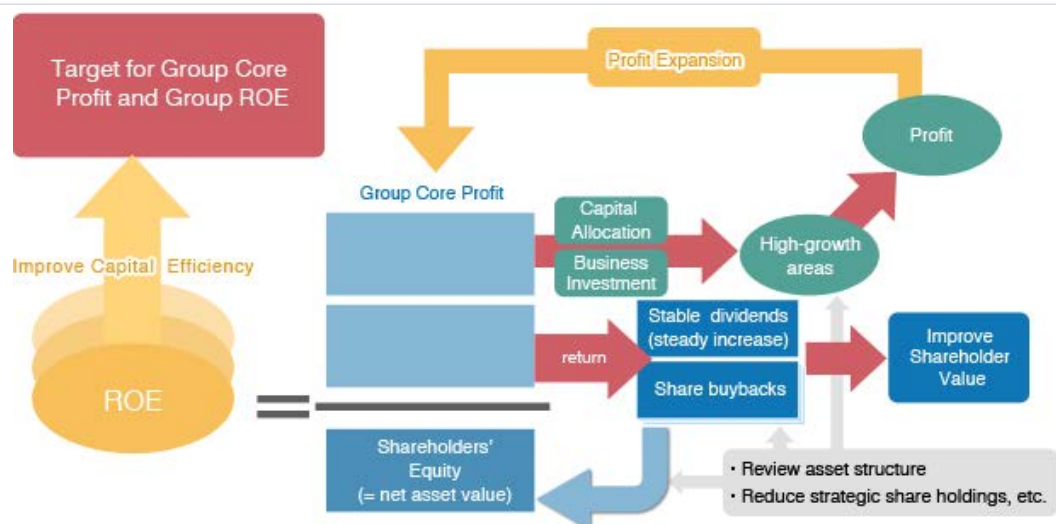
- We will retain financial soundness by strengthening capital position and reducing risk.

#### Capital Efficiency

- We will improve the capital efficiency of the Group by appropriate allocation of management resources, growth, and diversification of business portfolio.

#### Shareholder Return

- We will return approximately 50% of "Group Core Profit" to shareholders.



### Shareholder Return Policy and Track Records

#### Shareholder Return Policy

We will return approximately 50% of "Group Core Profit" to shareholders.

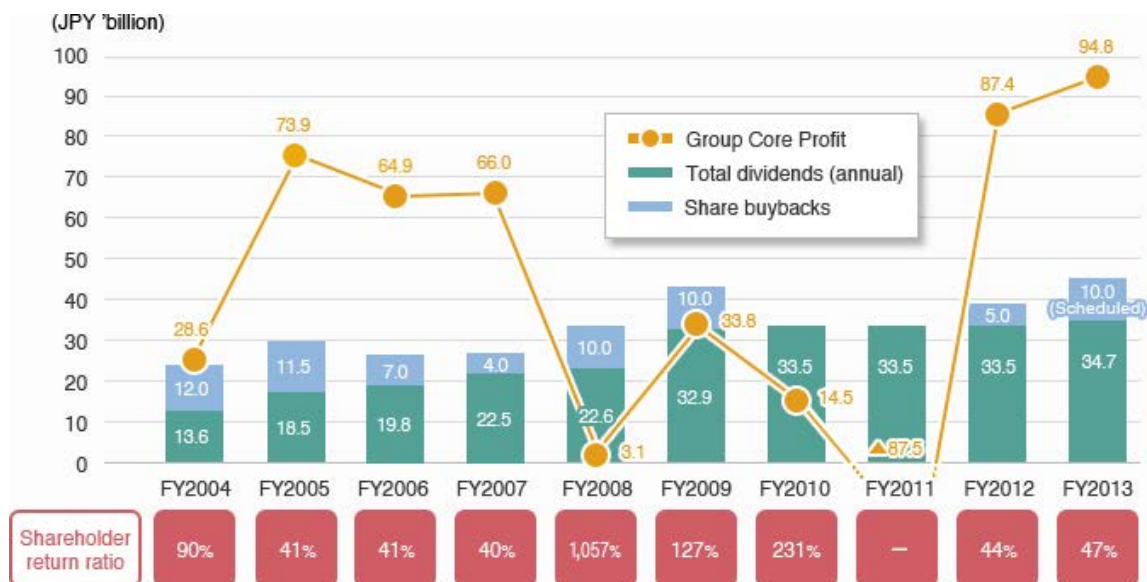
#### Dividend

- We aim to maintain stable dividends, and steadily increase dividends by strengthening our earnings power.

#### Share Buybacks

- We will repurchase our own shares flexibly and as opportunities arise, with due consideration to market conditions and the state of our capital.

#### Track record of total shareholder returns



\* The figures for fiscal years up to FY2007 are figures for MSI. The FY2008 figures are for MSIG. The figures for FY2009 are sums of figures for MSIG, Aioi, and NDI.

\* The shareholder return ratio is calculated as follows (example based on FY2008):

$$\frac{\text{FY2008 dividends (December 2008 and June 2009) + Value of share buybacks conducted in FY2009}}{\text{FY2008 Group Core Profit}}$$

Until FY2008 the definition of Group Core Profit was slightly different from the current definition. Until FY2008, MSIG aimed to provide shareholder returns equivalent to 40% of Group Core Profit under its shareholder return policy. (The ratio has been 50% since FY2009.)

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**MS&AD MS&AD Holdings**

## Dividends | Stock &amp; Bond Information

**Dividend Policy**

Based on the “Capital Management Policy”, the Company aims to maintain an increasing trend of dividends by enhancing profitability over the medium term, while maintaining a stable level of dividend per share.

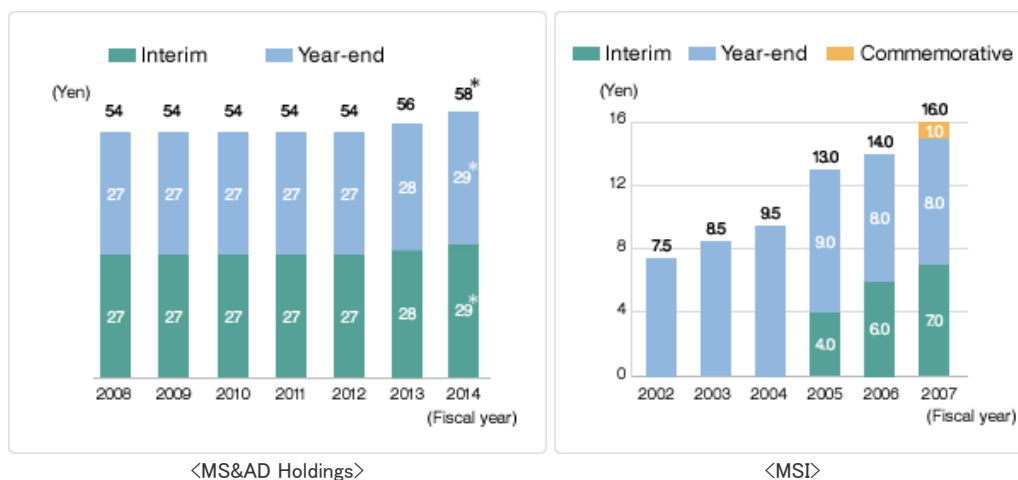
▶ [Capital Management Policy and Shareholder Return Policy](#)

**Track Record of Dividends**

The charts below show the track record of the Company in dividends per share.

The dividend per share is 28 yen for FY2013 year-end.

The Company forecasts its dividend per share of 29 yen for FY2014 year-interim, 29 yen for FY2014 year-end.



\*Forecast

The MSI's FY2007 dividend per share of ¥16.0 is equivalent to ¥53.3 on an MS&AD basis.

Archive

[Track record of dividends \(Aioi insurance FY2005 to FY2009\) \(14KB\)](#)

[Track record of dividends \(Nissay Dowa General Insurance FY2005 to FY2009\) \(14KB\)](#)

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**MS&AD** MS&AD Holdings

## Stock Overview | Stock & Bond Information

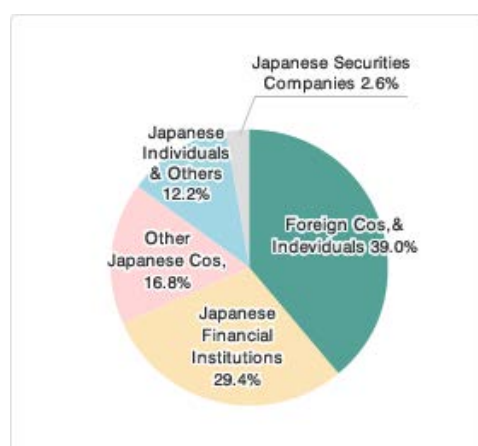
As of Mar 31, 2014

Stock Exchange Listings	Tokyo and Nagoya stock exchanges (first sections)
Securities Code	8725
Class of Stock	Common stock
Authorized Shares	900,000,000 shares
Issued Shares	633,291,754 shares
Number of Shares per Unit	100 shares
Fiscal Year	Apr. 1 to Mar. 31 of the following year
Date of Record for Dividends	Sep. 30 for interim dividends Mar. 31 for year-end dividends
Annual Shareholders' Meeting	Within 3 months of the end of each fiscal year
Administrator of Shareholders' Registry	Sumitomo Mitsui Trust Bank, Limited (1-4-1 Marunouchi, Chiyoda-Ku, Tokyo 100-8233, Japan)
Place of Business of Administrator of Shareholders' Registry	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. (1-4-1 Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan)
Contact	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Dept. (2-8-4 Izumi, Suginami-Ku, Tokyo 168-0063, Japan)

### Shareholding Profile

#### Breakdown of types of shareholders

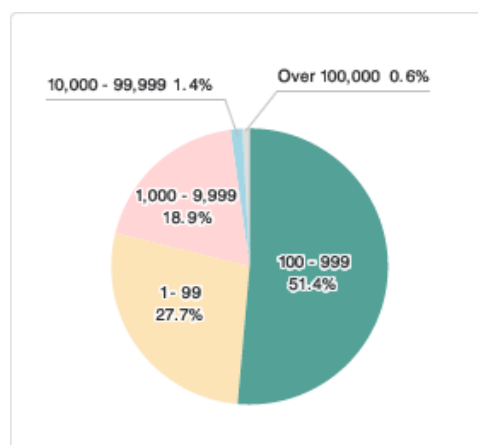
As of Mar 31, 2014



#### Breakdown by number of shares held (Percentage of all shareholders)

As of Mar 31, 2014





## Large Shareholders

As of Mar 31, 2014

Shareholder Name	Shares Held (in thousands)	Percentage to Shares Issued (%)
TOYOTA MOTOR CORPORATION	52,610	8.31
NIPPON LIFE INSURANCE COMPANY	36,325	5.74
The Master Trust Bank of Japan, Ltd. (Trust account)	27,377	4.32
STATE STREET BANK AND TRUST COMPANY	25,923	4.09
Japan Trustee Services Bank, Ltd. (Trust account)	22,406	3.54
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	12,314	1.94
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	9,908	1.56
STATE STREET BANK AND TRUST COMPANY 505225	8,340	1.32
NATSCUMCO	6,749	1.07
NORTHERN TRUST CO. (AVFC) SUB A/C NON TREATY	6,437	1.02
Total	208,394	32.91

Note: Shares Held are shown as rounded down; Percentages to Shares Issued are shown as rounded to the nearest hundredth percent. Apart from the shares shown above, the company holds 13,383 thousand shares (2.11%) as treasury shares.

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**MS&AD** MS&AD Holdings

Pillars of CSR approaches

## Pillar I

**We will earn trust through the improvement of product and service quality.**

Strive to improve the quality of products and services at all times, and promote better business practices based on feedback from stakeholders, thereby earning trust.



### **Pillar I Earning trust through the improvement of product and service quality**

#### **Improvement of quality of products and services**

Our basic strategy for the mid-term management plan is to win customer trust through quality improvement and materializing growth.

- [Quality Improvement in response to stakeholder view](#)
- [Develop and improve products and services from stakeholders perspective](#)
- [Improve the simplicity and convenience for customers](#)
- [Payment of insurance claim service preferable to customers](#)
- [Quality improvement of Contact Center](#)

#### **Growth with our agents**

We strive to maintain and improve quality through the dialogue with agents. And we aspire to grow with them while supporting to improve quality of work by agents and providing high-quality products and services to customers.

- [Growth with our agents](#)

Advancing with you

**MS&AD** **MS&AD Holdings**

## Pillar 1 Earning trust through the improvement of product and service quality Quality Improvement in response to stakeholder view

To remain a corporate group that is truly needed by society, we consider it important to know what our stakeholder views are to improve the quality of products and services. The MS&AD Insurance Group has constructed various schemes to absorb stakeholder opinions, and are reflecting them in efforts to improve our products and services. In addition, stakeholder views are being reflected not only in business processes, but also in discussions at the management level.

### Schemes for receiving feedback from customers

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

## 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.

We disclose the substance and results of these activities for improvement on our website so that the customers can see the actual improvement.

#### Domestic Group insurance companies: Approaches related to customer views

- ☐ [Mitsui Sumitomo insurance Co., Ltd. \(Japanese only\)](#)
- ☐ [Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)
- ☐ [Mitsui Direct General Insurance Co., Ltd. \(Japanese only\)](#)
- ☐ [Mitsui Sumitomo Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)
- ☐ [Mitsui Sumitomo Primary Life Insurance Company, Limited. \(Japanese only\)](#)

## Customer Questionnaires

We conduct questionnaire surveys for customers who bought policies or received payment of insurance claims in an effort to improve quality by actively understanding expectation and needs from customers.

MSI and ADI ask their customers to answer the questionnaire when sending their insurance policies. The questionnaire asks about the “degree of satisfaction” with the services at the time of contract provided by our company/agents and the “advisability” of the products and services to others, and confirms whether the customer could receive appropriate explanations and confirmations.

We also confirm the “degree of satisfaction” to accident response through the questionnaire and reflect those answers in the improvement of our services at payment of insurance claim and development of new products to heighten quality even more.

Major items of the questionnaire are designated as Key Performance Indicators (KPIs) to promote efforts for CSR, and we are working on efforts to gain trust through the improvement of the quality of our products and services.

➡ [Key Performance Indicators \(KPIs\) to promote our approaches](#)

## Customer feedback structure

At the MS&AD Insurance Group, all officers and employees are conscious of the fact that customer communications constitute “important information for assuring trust from customers, realizing corporate growth and further improving quality.”

Also we actively compile and analyze information relating to customer communications and use this information for efforts to improve quality and raise the level of customer satisfaction.

In addition, domestic Group insurance companies have formulated response policies respectively in accordance with the “Basic Policy for Responding to Customer Communications,” sincerely responded to customers’ voices including complaints and managed measures for improvement. The personnel assigned to customers’ voices response at each of these companies regularly hold meetings to share information on awareness of and measures for common issues and work to improve the effectiveness of each company’s system to respond to customer communications.

MS&AD Holdings confirms the status of accepting complaints at each company, checks whether issues regarding responses to customer communications and the handling of each company’s system is properly managed and reports this during MS&AD Holdings management meetings on a quarterly basis.

Situation of customers’ voices (complaint) receipt at each company

☞ [Mitsui Sumitomo insurance Co., Ltd. \(Japanese only\)](#)

☞ [Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)

☞ [Mitsui Direct General Insurance Co., Ltd. \(Japanese only\)](#)

☞ [Mitsui Sumitomo Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)

☞ [Mitsui Sumitomo Primary Life Insurance Company, Limited. \(Japanese only\)](#)

## Conformance of the complaint response management system with the international standard ISO 10002

MSI, ADI, MSI Aioi Life, and MSI Primary Life operate a complaint response system in conformance with the international standard, "ISO10002" (Quality management – Customer satisfaction – Guidelines for complaints handling in organizations).

MSI built a complaint response system in conformance with the international standard, "ISO10002" for the first time in the domestic insurance industry in July 2007, and has continued to appropriately operate the system in line with the PDCA cycle. To embed voluntary improvement activities based on customer's voice (PDCA cycle), we established the annual activity plan and developed the Company-wide quality improvement campaign. We are also working on thoroughly establishing conformity to "proper quality" (which can meet customers' expectation), and pursuing "impressive quality" (which exceeds customers' expectations).

Under the "Full Support Declaration", ADI strives to enhance its complaint response system in conformance with the international standard, "ISO10002", with quick, polite, and reliable responses as a part of our code of conduct. We issue "Okyakusama to no Kakehashi (a bridge to customers)" which introduces activities using "customer's voice" for quality improvement. We make efforts to connect customers with the Company and build trusting relationships to further improve quality.

Since the founding of the new company, MSI Aioi Life has implemented complaint-response arrangements and declared its conformance to ISO10002. We have further promoted "improvements in customer satisfaction" by means of strengthening our complaint response arrangements and integrating customer voices including complaints into betterment of our business practices.

At MSI Primary Life, we created a complaint response system and declared its conformity.

We have seriously listened to customers' voices including complaints etc. and handle them quickly appropriately and in good faith, while utilizing customer communications in business improvement and promoting efforts to improve corporate quality as well as customer satisfaction.

[!\[\]\(10f8862fc183b400327470ea85afe9ae\_img.jpg\) Mitsui Sumitomo insurance Co., Ltd. \(Japanese only\)](#)

[!\[\]\(e1d6102fe77919492c04879c8450f1f5\_img.jpg\) Aioi Nissay Dowa Insurance Co., Ltd. \(Japanese only\)](#)

[!\[\]\(73002692dd5e7a64e60946be3158e719\_img.jpg\) Mitsui Sumitomo Aioi Life Insurance Co., Ltd. \(Japanese only\)](#)

[!\[\]\(d5d7044e5caf6907399af2dced8d6ff8\_img.jpg\) Mitsui Sumitomo Primary Life Insurance Company, Limited. \(Japanese only\)](#)

## Schemes to absorb external experts opinions

At MSI, in order to solicit opinions from customers' viewpoints, periodical exchange of ideas is conducted with insurance professionals and consumer problem specialists to secure advice on customer protection and improved convenience. Expert opinions are reported to management and utilized in quality improvement. And we apply specialists dealing with consumer problems to determine ease of understanding from consumers' viewpoints for brochures, leaflets and application forms to aid sales procedures of insurance policies.

At ADI, external professionals are called in on a monthly basis to address and review business quality improvement related issues.

At this periodic meeting, "Customer's Voices" are used as a basis for identifying tasks for business quality improvement to be enhanced customer contact and validating the effectiveness of measures proposed by relevant departments. In addition, we verify each measure from the consumer's viewpoint, so that satisfactory products and services are provided to our customers. Agenda deliberated at the periodic meetings are reported to the management.

At MSI Aioi Life, outside lawyers, legal scholar, and consumer specialists are invited twice a year to hear opinions on payment of insurance claims etc. At this meeting, reports are made about conditions of payments of insurance claims etc., occurrence of complaints, payment procedures and improvements of claim documents and specialists are requested to provide their advice on the validity and propriety of business operations and potential improvements to be made.

The administrative department responsible for payments of insurance moneys report contents of proposals to the board of directors and improve and strengthen administrative setup for payment management.

## Examination of insurance payment

At MSI, ADI, and Mitsui Direct General, in case it does not seem to correspond to an insurance payout, or in case the customer appeals complaint to the decision, those issues are examined at Claims Payment Examination Council which consists of experts such as an external lawyer.

At MSI and ADI, state of examination is disclosed at the company's website.

☞ [MSI \(Japanese only\)](#)

☞ [ADI \(Japanese only\)](#)

## Schemes to absorb opinions of agents

As one of its measures for closer communication with agents, MSI has "Product Monitor Program" and "Proposal Box" intended for the MSA (Mitsui Sumitomo Insurance Agent Association). The Product Monitor Program was instituted in July 2002 as a means of utilizing the opinions and information of agents for the development and revision of easily understandable products from the customer's perspective. In addition, we set up the "Proposal Box" as a contact point to broadly receive opinions from agencies. Relevant divisions respond to the proposals.

At the ADI Nation-wide Professional Group, opinions and proposals from members are submitted to the company as "products and services improvement proposal reports", and considered by relevant departments. By incorporating the opinions of agencies which have direct contact with customers, we are developing better products and services.

In addition, MSI, ADI, and MSI Aioi Life runs system which receives the request of improvement from our agents through our offices. Those requests to the system are being fully utilized for product development and revision, making forms simpler and improvement of agent system.

## Schemes to absorb employee opinions

At the MS&AD Insurance Group, to reflect employees' ideas in improving quality, employee's voices are assembled for review by the headquarter departments and they put in place a system to feed back the review results.

At MSI, there is the bulletin board on the in-house intranet (entitled Everybody's Circle of Wisdom) which is a tool for the posting of issues that employees cannot resolve at each workplace.

And the assigned corporate executives from the head office divisions have made visits to sites across Japan since fiscal 2006 to hold the Management Meetings for exchange of views with employees in order to utilize the views of employees engaging in sales and claim service. In fiscal 2013, they held 20 meetings.

ADI is conducting a program on the "Door to Achieving No.1 Customer Satisfaction" of its internal company system to receive posts employees regarding the quality improvement requests from the customers viewpoint. Under this program the proposed issues are studied in the head office divisions, the consultations are disclosed on the bulletin board. In addition, post situation and improving trend are reported to management on a regular basis.

At MSI Aioi Life, we have implemented the "Stage Up Program" as one of our efforts to practice the PDCA cycles at each workplace so that each employee improves "quality" at every aspect of operations by seeing things from the vantage point of customers.

Moreover, for tasks that are not resolved at workplace, "Posting Box for No.1 Customer Quality" is set up for employees to turn in various tips and proposals, which are systematically reviewed by the headquarter departments and feedback is provided.

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**MS&AD** **MS&AD Holdings**

Pillar I Earning trust through the improvement of product and service quality

## Develop and improve products and services from stakeholders perspective

The mission of MS&AD Insurance Group is to provide the best solution to social anxiety and risks, reflecting its basic focus on the public nature of the insurance and financial service business. Our aim is to deliver to people security and safety, and supporting the enrichment of their lives. We will achieve this through activities such as publicizing the results of research and studies on new social issues and risks, and developing and improving our products, while always listening to the opinions of our customers and other stakeholders, and taking into account the various changing circumstances of our environment.

### Development of products and services responding to new risks

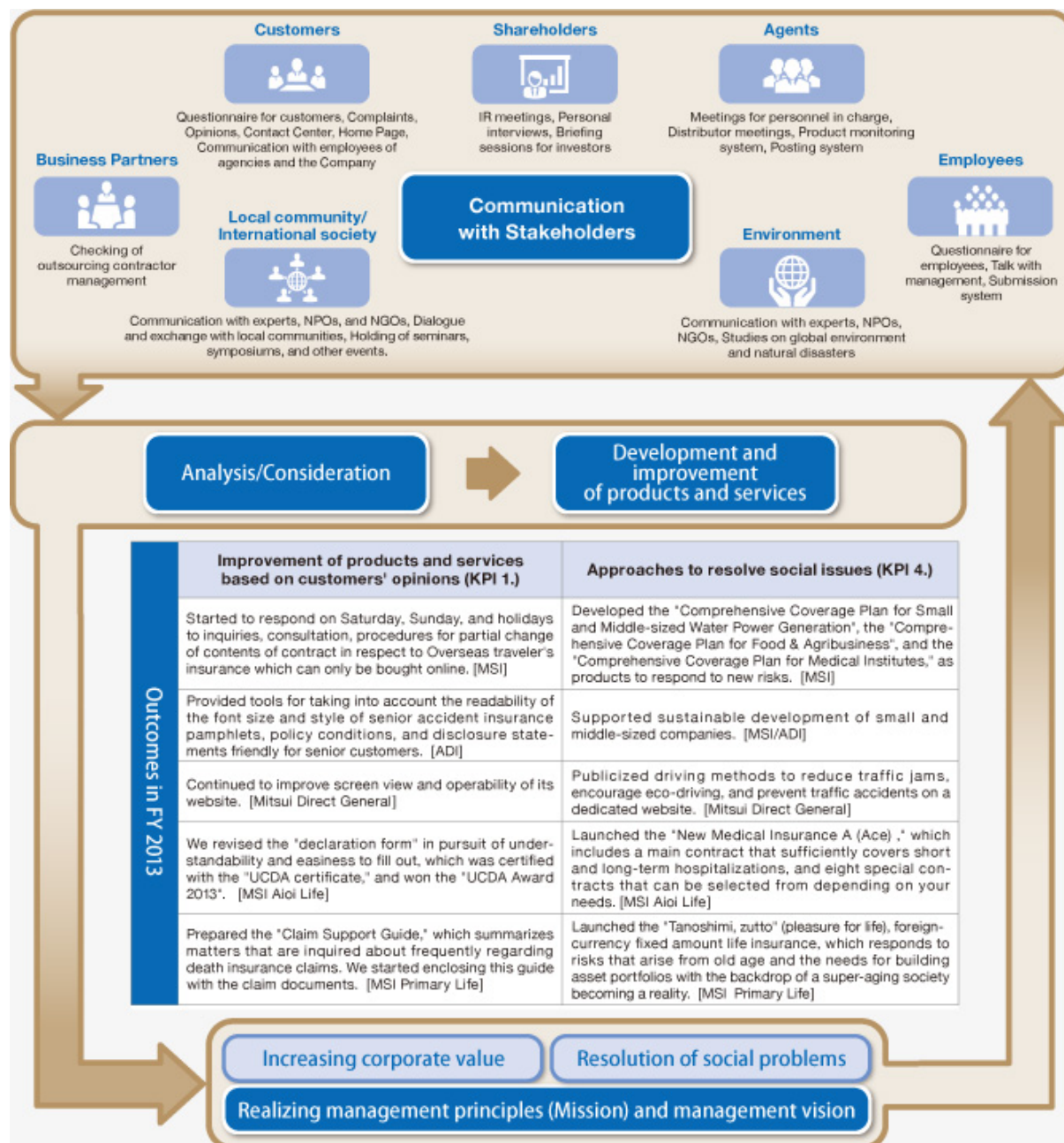
Focusing on the Japanese government's growth strategies that are attracting attention, MS&AD Insurance Group is developing new products to provide optimal coverage for those business areas.

In the renewable energy field which is growing notably, MSI started sales of the "Comprehensive Coverage Plan for Small and Middle-sized Water Power Generation" for small and middle-sized producers of hydropower, one of types of renewable energy, in July 2013, following "Comprehensive Coverage Plan for Mega Solar" which started sales in June 2012. For agriculture, which is an area in the sixth industry that is gathering attention, we started sales of "Comprehensive Coverage Plan for Food & Agribusiness" in May 2013. This was to support the development of the food and agricultural business. Especially in the industrial field of extending healthy life expectancy, which is deeply related to the medical and nursing fields, we started sales of "Comprehensive Coverage Plan for Medical Institutes" in April 2014. This plan targets medical institutes where digitization and mechanization is expected to advance and accelerate. Furthermore, as one of measures against new risks, we released the "Information Leaking Protector" in October 2013, in response to the increasing needs for measures against information leaking risks. We will continue to proactively develop progressive products in response to new risks that would occur with changes in policies and environments, technological innovation, and other factors.



## Mechanism to develop and improve products and services

MS&AD Insurance Group analyzes and considers information obtained at any point of contact with customers and other stakeholders, so as to improve the quality of our products and services, as well as our operations. Through efforts for increasing corporate value and resolving social problems, it aims to fulfill its responsibilities to its stakeholders, and meet their expectations.



## Non-life insurance

The environment surrounding non-life insurance is drastically and quickly changing due to the advance of global climate change and global warming, the emergence of growing industries, the increase in companies expanding overseas operations, the decline of birth rates and rise of aging populations, and the diversification of customer's needs with changes in lifestyles. By taking into account those environmental changes, the Group's domestic non-life insurance will continue to provide products and services that can fulfill customer's needs from their viewpoint, to deliver to security and safety to our customers.

### Branded Product for personal customers "GK" "TOUGH"

At MSI, a series of key products; automobile insurance, fire insurance, and accident insurance under the common brand of "GK ~ Wishing to be your assurance Goal Keeper" are offered for personal customers.

In "GK Automobile Insurance," we have three plans "Basic," "Standard" and "Enhanced" according to the width of the coverage and offer "automobile insurance that is easy to understand and choose."

In addition, by allowing customers to choose a customized contract that fits their car lifestyle from "MY option," we offer optimal automobile insurance for customers.



Product pamphlets

GK Automobile Insurance

ADI marketed "TOUGH" which is leading products for personal customers including automobile, fire and accident insurance under the 3 concepts (our promise to customers) of "Quick", "Reliable" and "Kind". It puts up a brand slogan of "Tough security to you" and provides our customers with "assurance for responding to accidents", "utmost compensation and services" and "opportunities for social contribution through our products".



Product pamphlet

TOUGH automobile insurance

### Automobile insurance "Earthquake, Eruption, Tsunami 'Flat Payment for Total Loss of Automobile' Special Covenants"

At MSI and ADI, responding to the voices of those who desire reparations for their automobiles damaged in the wake of Great East Japan Earthquakes, a new automobile insurance "Earthquake, Eruption, Tsunami 'Flat Payment for Total Loss of Automobiles' Special Covenants" was launched in January, 2012.

Damage risks at times of earthquakes, eruptions and Tsunami are likely to be enormous, and they used to be considered too great to be compensated by commercial insurance companies. By limiting compensations to "total loss" and flat payments, the product offers quick payments of insured amounts at times of large-scale earthquakes.

## Online Contracting

Mitsui Direct General, a specialist direct-sales non-life insurance company, is working on the development of easy-to-understand and simple products and simplified procedures to make contracts, under the concept of "enabling customers to properly understand details of products and services and complete procedures to make contracts on the website". It also carries out the PDCA cycle for appropriate improvement and modification, in response to customers' voices received by the call center. Under another concept of convincing a broad range of customers, we have implemented discount services and premiums that would only be possible for an online mail-order service.



Home Page

## Life Insurance

The environment surrounding life insurance has continued to change. For example, the situation of medical and nursing care is constantly changing in addition to conventional death security with shorter hospitalization periods, increasing customers' needs regarding medical expenses and income coverage in the case of a serious disease. Under such circumstances, the Group's domestic life insurance companies strive to enhance a lineup of life insurance products to respond to various risks, while listening to customers' needs.

### Branded Product "&LIFE" for personal customers

At MSI Aioi Life, a new type of life insurance was introduced under the brand named "&LIFE". "Guard with big 'assurance' against many 'IF Events' in life" characterizes the reliable insurance that leads customers to a bright future. The color blue, symbolizing "&LIFE", is the color of water, air and the earth, which are all indispensable for our lives. "Naturally be with you and provide you with assurance" is how we intend our insurance to be.



Product pamphlets  
&LIFE Income Security Insurance

## Foreign-currency-denominated fixed annuity

At MSI Primary Life, in addition to “Shiawase, zutto” and “Tanoshimi, zutto”, the foreign-currency fixed amount whole life insurance that has been received well., In May 2014, in order to meet needs for pensions with shorter maturity periods, it started to sell “Mirai, Sodateru”, the Foreign-currency-denominated fixed annuity. The New Zealand dollar with a high interest rate can be selected for this pension plan.

Contractual currencies and accumulation periods can be respectively selected from the following five types: US dollar, Australian dollar, Euro, Yen, and New Zealand dollar; and among three, five, seven, ten, fifteen years. Furthermore, in response to customer needs, the two courses, “Accumulation (target) course” and “Periodical payment course,” are made available.



Mirai, Sodateru  
(Fostering the Future)

Advancing with you

**MS&AD MS&AD Holdings**

## Pillar I Earning trust through the improvement of product and service quality Improve the simplicity and convenience for customers

The MS&AD Insurance Group is developing business processes utilizing the Internet and PCs to make products and services simpler and more convenient for customers. We also have systems to provide information about insurance products and services to a wide range of customers regardless of age and ability.

### Provision of understandable explanatory documents

MSI and ADI have laid down in-house rules concerning terms to be used in policy clauses and items for notation in pamphlets, we began using policies and pamphlets with plain terms and figures.

When soliciting insurance with policies effective from and after October 1 2013, we have adopted a fonts type that are easy to read and identify (UD font) in all pamphlets and disclosure statements for explaining to customers about important areas in their documentation such as the “policy summary” and the “information calling for attention.” In response to customers’ opinion that there are too many pages and letters in the disclosure statement, we started to streamline our disclosure statements for fire insurance in July 2014. This was done in order to further facilitate the customers’ understanding about the content of our products. We are striving to make the statement easier to understand by simplifying the contents, reducing the volume of letters to improve readability, and stating matters to be confirmed by a customer in chronological order.



Disclosure statement

In addition to efforts for boosting readability and understandability of documents that are sent to customers, we have also introduced the “eco insurance certificate” and the “insurance clause on the web”, which are available for browsing anywhere with a PC and other devices. This would also eliminate the concern about misplacing the information and makes the letter enlargement and data retrieval functions available.



## Understandable pamphlet

At MSI, a pamphlet called “Book to answer your questions on automobile insurance” is available for children to aged readers, which easily explains what automobile insurance is. With larger prints and full of illustrations, the pamphlet answers customers’ doubts in a question-and-answer session to provide an “easy” image to automobile insurance which is considered to be hard to understand.



“Book to answer your questions on automobile insurance” pamphlet

In the pamphlets of its core “TOUGH Automobile Insurance,” and other products, ADI has made efforts for helping customers get an easy-to-understand general idea about automobile insurance, which is often considered difficult. They do this by providing pages that shows the entire coverage for bodily injury and property damage liabilities. A double-page spread is also provided in a simple pamphlet, which includes summaries of products offered.



“TOUGH Automobile Insurance” pamphlet

For “New Medical Insurance A (Ace),” which was released in December 2013, MSI Aioi Life has prepared pamphlets where the main contract and each special contract are laid out in different colors by category. They provide this pamphlet, which was made to be understandable for customers and to easily communicate with our customers.



New Medical Insurance A (Ace) pamphlet

## Improve the convenience for customers in contracts

### Electronic contracting procedure

MSI is promoting electronic procedures in which a customer can apply for a car and fire insurance contract on a computer screen brought in by staff of an agent.

It is possible to indicate a recommended plan in an easy-to-understand way on the screen, change contents of coverage, and re-estimate the premium there and then. It is not necessary for a customer to prepare a personal seal, fill in or submit an application form.

The function in which the registration site of credit card information can be easily called from a mobile phone was added for customers who want credit card payment, which contributes to paperless and improve the convenience. We hope to expand the usage of electronic procedures by making the functions strengthened and improved.

### Internet Services

MSI sells overseas travel insurance, insurance for bicycle users, golfer insurance, and motor bike liability insurance on the website of agencies. Approximately 1.8 million customers or more have registered with the "Customer Web Service" provided to private customers on the website. Online, customers can confirm the content of policies with the "eco insurance certificate" and "insurance clause on the web," change the address, and take procedures to replace vehicles covered by "GK Automobile Insurance." It is also possible to confirm the contents of policies and take procedures to change your address through the smartphone application "SumaHo."

ADI provides "My Page" to customers with any online environment, for example, PC, smartphone, tablet PC, or cell phone. ADI supports customers with various services, such as the "eco insurance certificate" and the "insurance clause on the web" to confirm policy contents, the "accident progress report" to confirm the status of accident responses, prizes for customers to apply with accumulated points to receive gifts, and donate bell marks. More than 5.6 million customers have used these services as of May 2014.

### CD-ROM Policy Conditions

MSI Aioi Life introduced the "CD-ROM Policy Conditions," which stores the contents of "Policy leaflet/Policy conditions" in one CD-ROM.

Compared to a "brochure", the CD-ROM is eco-friendly as paper usage can be reduced. It is also lighter, compact, and easy to store. This option is selected and used by many customers who newly buy insurance policies.

Pursuing convenience and more understandability for customers, the CD-ROM Policy Conditions obtained the "UCDA certification" from the Universal Communication Design Association (UCDA), which recognized the Policy leaflet/Policy conditions to be "easy to read, understand, and convey information to customers".



CD-ROM Policy Conditions



UCDA Certification Document

## Our declaration form won UCDA Award 2013

MSI Aioi Life has introduced a life insurance declaration form, which was designed with the aim of enabling customers to properly declare their health conditions and fill out the form completely and readily. In the “Category of Life Insurance Declaration Form of UCDA Award 2013” hosted by the Universal Communication Design Association (UCDA), this declaration form won the top prize “UCDA Award 2013” (a prize for design easy to communicate information). Among companies participating in the award, it was highly evaluated in recognition for its solid information design, readability, and usability. The declaration form was recognized as one with the fewest flaws in the expert evaluation, and as one with a notably high task achievement rate (correct answer rate) from the consumer evaluations.

Declaration form

Certificate

## Innovation of the policy management system

MSI Primary Life became able to quickly answer inquiries from customers about policy contents and various trial calculations by making innovations in the “policy management system” to manage customers’ insurance policies in July 2013.

It also improved customer service, for example, by realizing earlier payments of pensions and refund premiums into customer accounts.



## Initiatives for people with disabilities

### Adoption of SP codes

MSI has adopted SP codes, which were developed for older people or those with visual impairment, on the pamphlets for its GK Automobile Insurance, GK Fire Insurance and GK Personal Accident Insurance products. When the codes are read with a special reading unit, the recorded information is reproduced by voice.

SP code

([website of Kosaido Publishing Co., Ltd.](#))



Product pamphlets  
GK Automobile Insurance

### Printed material in using Color Universal Design

MSI and MSI Primary Life prepare pamphlets certified by the Color Universal Design Organization, an NPO entity that presents easy-to-read information to all people regardless of personal differences in color vision.

At MSI, for pamphlets of its "GK Automobile Insurance," "GK Fire Insurance," "GK Personal Accident Insurance" products, and major products for small and medium-sized companies, users' points of view are taken into consideration for colors and designs.

In the pamphlets for "Tough Automobile Insurance" and "Tough Biz Comprehensive Insurance for Automobiles for Business Use" for the policies effective from October 1, 2014, ADI adopted colors and designs that considers differences in color vision due to disability, aging, and other factors. This was to appropriately convey information in a reader-friendly manner to many people.

MSI Aioi Life made efforts to enable customers to completely and readily fill in a life insurance declaration form. For example, they used a font style (Minanomoji) which is easy to read for the elderly.

MSI Primary Life includes with the pension payment invoices that it delivers to its customers a ledger sheet for insurance protection procedures that are much neater and more legible. The design combines "different shapes," "patterns distinguished by line and colors" and other features.

### Internet-based Roadside Services for People with Hearing Impairments

MSI and ADI offer an Internet-based roadside service system for people with hearing impairments. Customers can use the e-mail and Internet functions of mobile phones and smartphones (iPhone and Android) and follow on-screen guidance to transmit the required information, rather than using oral communication.

Advancing with you

**MS&AD** MS&AD Holdings

Pillar I Earning trust through the improvement of product and service quality

## Payment of insurance claim service preferable to customers

The MS&AD Insurance Group is taking various steps toward its goal of constructing setups that will be trusted by all customers, through provision of reliable claim services with high levels of accuracy, speed, and integrity.

### Reliable receipt system for accident report and provision of the course of accident response

At the domestic non-life insurance companies in the Group, each company's accident report reception center accepts domestic accidents reports 24 hours a day, 365 days a year.

In addition, during midweek nights and holidays, in response to the customer's request, the reception center provides initial support such as "contacting with the counter party of the accident." In case of hospitalization due to injury, the company also provides a service for visits by special-assignment staff.

The assigned personnel gives information on the state of progress after accidents and makes efforts to mitigate the anxieties of customers and reply to their queries from their perspective.

In order to ensure the accident response reliable to our customers, MSI installed a "one-accident, one-team" system for reinforcement of coordination when two or more personnel are assigned to a single case. In this and other ways, the work processes constructed in response to customer views are in operation at Service Centers nationwide.

MSI also developed the SPM System, which is designed to support the work processes and is equipped for automatic display of the schedule for action by assigned personnel to provide sure service to the customer.

ADI, holding up a 3-point "Full Support Declaration" for accident response: "Speedy," "Kind" and "Reliable," aims to provide better services. As one, we aim for staff in charge to get in touch with customers who call the "Accident Reception Center" within an hour. In addition, the staff regularly gives the customer "Reassuring Calls (progress report)" to provide an empathetic response to customer's problems and other issues in an effort to make the customers feel at ease.

### Improving customer's satisfaction by responding to incidents

In order to provide good support that surpasses customer expectations, MSI sincerely listens to the customer opinions, and perceives their expectations in advance, when responding to incidents.

At ADI, under the three points and nine promises of the "Full Support Declaration," ADI aims to be an insurance company chosen by customers, by becoming a presence that customers can always rely on and by being committed to working hard so that customers can be happy with us in charge. In particular, we work to improve our skills to respond to customers, by providing regular training to boost the quality of customer response, and holding a national competition of call handling skills. Prize winners of the national competition of call handling skills, who are certified as "Masters", work to enhance the department-wide quality of these skills in each region as a representative.

## Communication site opened for accident-response services

At Mitsui Direct General, a communication site “e-communication site” has been opened on our Website about accident-response services to remove customer’s anxieties and provide assurance. In order to convey our messages of our quality improvement efforts in a literally “visible” manner and carry our customers’ voices who have actually experienced our accident services, our employees assigned to accident services with their photos in place. Adding new contents such as guidance of own “designated repair shop” service and information dissemination using cartoon, we are also putting our best effort so that many of our customers may share their feelings of assurance.

☞ [Mitsui Direct General Nonlife Insurance “e-communication site”](#)



e-communication site

## My Value

**Mariko Naka**  
Senior staff, Service Center  
Mitsui Direct General

I believe that claim adjusting work that I am in charge of can help customers feel reassured the most. I will strive to quickly pay insurance claims, respond empathetically to consultations by accumulating expertise, so that customers who had an accident can rely on me. I am most motivated by customers' saying "I'm lucky that I have an insurance policy".



## Claim Support Guide

In response to customers' opinions saying that “procedures for insurance claims are too complicated”, MSI Primary Life summarized in the “Claim Support Guide” the matters that are inquired most frequently during the procedures for claims of death insurance and lump-sum death benefits. For example, the documents necessary to confirm the relationship between a person who passed away and a claimant, and the required fact checking to prevent the omission of accidental death benefit claims. The guide is enclosed with claim documents to be delivered to customers.

## Provision of recovery services of afflicted facilities

MSI has been providing high-quality recovery services for afflicted facilities since 2011 in 11 Asian countries as well as in Japan<sup>\*1</sup> in collaboration with Belfor Asia and Recovery Pro, the world's top class disaster recovery specialty companies.

In 2013, ADI has also provided similar services in Japan<sup>\*2</sup>. The recovery services of afflicted facilities provide "emergency treatment for corrosion inhibition", which inhibits progressive corrosion and rusting, and "full-scale recovery work", which is conducted by using specialty technologies of dismantling, precision cleaning, drying, reassembly and inspection, to "recover" the afflicted facilities to such status hitherto possible only with "replacement by new facilities", thereby shortening the recovery period dramatically and making "early" and "economical" recovery possible for restarting business.

While corporate awareness of BCP (Business Continuity Plan) is rising in the wake of such natural calamities as Great East Japan Earthquakes and typhoons, we intend to support our afflicted customers for early recovery by providing these afflicted facilities recovery services in support of BCP.

<sup>\*1</sup> MSI, in Japan, automatically included a special contract to cover emergency treatment costs, which had been an optional menu, in all the policies of the Comprehensive Corporate Property Insurance (called "Property Master") from April 1, 2014.

<sup>\*2</sup> ADI, in Japan, provides this service as usual to customers who made the special contract to cover emergency treatment costs in the Comprehensive Corporate Property Insurance.

[Affiliation with Belfor Asia \(Japanese only\)](#)

[Affiliation with Recovery Pro \(Japanese only\)](#)

## Improvement of skills of personnel

Aiming to satisfy our customers with our claim service, MS&AD Insurance Group engages in the quality improvement of personnel responsible for claim services.

### Good Support Campaign

MSI is engaged in activities for qualitative improvement in pursuit of higher levels of customer satisfaction in its Good Job Campaign. A variety of approaches are in place for improving telephone call-handling quality and for implementing role-playing training programs and training of order to prevent complaints for employees assigned to total loss support department that deals with customers with high-quality uniform services.



Scenes at Customer-Response  
Role-Playing Contest

### Business quality improvement project

ADI is promoting improvement of quality of operations to become an insurance company chosen by customers by holding up the "Full Support Declaration" and providing "Speedy," "Kind" and "Reliable" accident handling services. One of these activities is LIPS (Lady Improvement Projects).

Members of LIPS confirm, improve and review the progress of their approaches at each workplace while presenting and sharing results of various activities at the annual national meeting and enhancing performance and quality of the entire claim service department.

\* Lady Improvement Projects

## Work of claims adjusters

Claims adjusters of insurance companies investigate damages of a car accident when such accident occurs, such as the confirmation of damages of a vehicle and the finalization of repair cost.

In April 2014, MSI merged the MSI Claims Adjusting Company, Ltd., an affiliated company. We work to further promote the appropriate certification of repair costs by deepening the cooperation between adjusters and case managers. This is to satisfy customers by performing quick and appropriate handling of accidents.

At ADI, its affiliate, Aioi Nissay Dowa Claims Adjusting Company, Limited holds a national claims adjuster skill contest and a national good practice championship, where adjusters show results of daily self-improvement and good practices and share them nationwide to further improve the skills and capabilities of damage investigations.

## Efforts to improve customer's satisfaction for handling of accidents (Australia)

Aioi Nissay Dowa Insurance Company Australia Pty (ADICA), which is the subsidiary of ADI, Toyota Finance Australia Ltd., and Toyota Motor Corporation Australia Ltd. verified the customer's satisfaction survey results done by a third party company that are conducted every quarter of a year at the Australia Toyota Committee. Based on these results, the ADICA created a business quality improvement team in the company, and is pushing ahead with solution plans, which identifies the problematic points on the basis of feedback from customers. To be more specific, the ADICA has conducted activities always from a viewpoint of customers in an effort to improve business quality and customer satisfaction. For example, they pursue readability by reviewing the renewal notification and contents of insurance clauses, send out a leaflet indicating the procedures after accidents and Q&As to make customers feel at ease and understand.



Business Quality Improvement Team

## Examination for payments of insurance claims

MSI, ADI, and Mitsui Direct General examine cases that are determined to be ineligible for insurance claim, payments and cases where a customer filed complaints. The examinations are conducted by a board of review consisting of outside lawyers and experts.

At MSI and ADI, state of examination is disclosed at the company's website.

▣ [MSI \(Japanese only\)](#)

▣ [ADI \(Japanese only\)](#)

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**MS&AD** MS&AD Holdings

## Pillar I Earning trust through the improvement of product and service quality Quality improvement of Contact Center

The Contact Centers of Domestic Group insurance companies' personnel play a vital role as the "face" of their company. They work together to further raise the quality of dealings with customers. We are also creating synergies such as the system cost reductions from our joint use of the telephone system infrastructure.

### Quality improvement in the Group

#### Contact Center Strategy Meeting and Quality Improvement Committee

The MS&AD Insurance Group holds the Group Contact Center Strategy Meetings and the Group Contact Center Quality Improvement Committee on a regular basis, which is composed of representatives of each Contact Center in the Group. Besides the sharing of information, the meetings are held for the purpose of making the work of each Contact Centers more efficient and improve their service quality. In ratings by HDI (Help Desk Institute), the world's largest membership association for the service and support industry, ADI received three stars, which is the highest score for inquiry counters, and MSI and ADI also received three stars for its support portal site.

#### Personnel exchange system

The personal exchange system between contact centers within the Group was established, and staffs of contact centers actively interact with each other through "SV (Supervisor) networking event," "SV discussion meeting," "Mutual dispatch of trainees" and "Participation in training as an observer."

#### Call handling contest

To "improve call-handling skills" and "enhance motivation" of all contact center staffs, the MS&AD Group is annually conducting the "MS&AD Group Contact Center Call-Handling Contest."

The contest is positioned as a place for cross pollination between contact centers within the Group, where every participating staff goes beyond workplace borders and refines their skills in a friendly competitive climate. In fiscal 2013, among approximately 4,000 staff members working at the Group's contact centers, 15 finalists participated in the contest after elimination bouts to compete their call-handling skills.



Call handling contest

#### Sharing telephone system infrastructure

The contact centers of Domestic Group insurance companies now share a single telephone system.

A similar telephone system infrastructure is placed in two locations; one in Chiba Prefecture and the other in Hyogo Prefecture, so that either one can take the place of the other in times of system failure at one location caused by natural disasters or mechanical hitches.

This integration of telephone system infrastructure has resulted in a synergistic effect, such as the reduction of system maintenance costs.

Advancing with you

**MS&AD MS&AD Holdings**

## Pillar I Earning trust through the improvement of product and service quality Growth with our agents

We strive to maintain and improve quality through ongoing dialogue with agents. We also aspire to grow with them while supporting to improve the work quality of agents and delivering high-quality products and services to customers of all types.

### Improvement of Agent Work Quality

#### Scheme and system for Improvement of Agent Work Quality

At MSI, ADI, and MSI Aioi Life, the headquarters' department in charge of agent education has offered education policies and educational programs for the agents to gain knowledge for insurance sales such as compliance, products, office work/systems and sales skills. The educational programs are offered through Internet and collective trainings, while staffs in charge of education at sales departments promote attendance at sessions and support to raise levels of agent business skills.

#### Support for Improvement of Agent Work Skills

##### Providing an Online Learning Environment

MSI and ADI have a "College" that allows for the integrated management of insurance qualifications, group training attendance, and e-learning progress by participant. The e-learning contents are used by agents and canvassers (\*), delivering preliminary learning for seminars and qualification acquisition on compliance, details of products, and other information, which leads to better solicitation quality.

MSI, every month, delivers the "Agent Educational Program", a studying tool to enable an agent to develop and educate solicitation staff independently. By delivering an information program about insurance matters, "NewsADvance" and a program to introduce good practices related to agent business, "Genba Damashii", ADI introduces information and tools useful for solicitation activities by agents and canvassers.

(\*) Permanently-hired employees engaged in solicitation

##### Training in response to the needs of agents

To fulfill diversifying customer needs and to improve the consulting capability in response to the changes in the operating environment, MSI Primary Life is enhancing various training programs and supporting sales systems of agents.

A new training program for agents, "Financial Knowledge Academy," was developed in FY2013. This training program makes it possible to systematically learn about fundamental financial knowledge (life planning, taxation, pensions, and inheritance) with a focus on practical knowledge.



A scene of training



## Feedback of Customer's Voices (Complaints and Compliments)

MSI proactively uses "questionnaires for customers" in order to understand the expectations and needs of customers and societies (perceive expectations) and conducts practical activities to keep fulfilling the expectations.

MSI works on these improvements by developing mechanisms to give agents feedback from customers. The agents also independently review procedures for daily operations, behaviors, and awareness.

ADI provides agents and canvassers customer opinions, which includes both complaints and compliments. They also provide feedback from the results of online questionnaires collected at the time of policy purchases and insurance claim payments. With this feedback they develop mechanisms for improving quality. They also are striving to establish this mechanism by providing tools, learning materials and other resources for agents.

## Framework to secure quality in agent work

### Basic perspective

Domestic Group insurance companies have long been making efforts to improve quality among agents as the points of contact with customers. MSI and ADI offer support to improve quality of work by agents and have scheme to inspect the state of their business in order to deliver high-quality products and services to customers of all types.

### Agent Quality Certification System

MSI thoroughly makes agents execute a series of operations related to the solicitation of insurance called the "Fundamental Insurance Cycle" at agents. Furthermore, it established an agent quality recognition system (Q mark system) based on the quality index related to the "Fundamental Insurance Cycle" and knowledge about insurance products, damage support, and other information in an effort to boost quality.



Q Mark logo

To improve the quality of agent and canvasser operations, who play an important role as a contact point with customers, ADI clarified the quality standards and action guidelines, which agents and canvassers need to meet for each operational process, and are now promoting joint efforts with agents and canvassers to reform such process to the customer-oriented "Project ADvance".



AD quality standard Guidebook



## Communication with agents

### Regular training and seminar

MSI and ADI hold collective training sessions regularly held for agents in order to strengthen mutual communication and help improve their quality effectively and efficiently. The workshop programs contain other things among the latest information on products, office work/system revisions, and measures for taking advantage of customers' voices.

### Cooperation with organization of agents

MSI and ADI are supporting mutually provoked information exchange between the company and its agents through the agent organization, so that communication is activated and services of higher quality are offered to customers.

At MSI, "Mitsui Sumitomo Insurance Agent Association", organized mainly by professional agents, and "Advanced Club (AC)", formed around automobile mechanic businesses, have been active. Taking into account the reorganization by function, AC will start to be operated jointly with ADI from October 2014. Both agent organizations are putting their best effort to upgrade their organizational setups and boost their growth through organizational activities so that agents can offer high quality services and the most optimal insurance product to customers.

At ADI, the Nation-wide Professional Group (\*) (AD Professional Group) was set up by professional agents. The AD Professional Group works on committee activities for enhancing growth and improve quality. They also conduct local and social contribution activities, to continue providing assurance and satisfaction to customers through mutual efforts between agents and the company.

(\*) Organization consisting of professional agents of ADI and MSI Aioi Life Persons qualified in non-life and life insurance perform the activities.

### Management assistance of agents

Accompanying the growth in size of career agents, more specialty and objectivity as well as middle- to long-term perspective are required in providing high-level support for agent management. Therefore, MSI established a career agent management support office in the sales promotion department. About 90 specialist staff in support of agent management (in 12 branches) were assigned to provide practical management support mainly to career agents. In providing management support, the envisioned career agent is shown in the "certified system (professional special class certification system)" which is promoted for materialization through periodical meetings (once a month) "directly" and "continuously" to drive supported agents to sustain growth and accomplish its goal.

By setting up a "Professional Support Center" in the retail sales development department in April 2014, ADI provided various support and education by special staff to professional agents. ADI strives to expand the business foundation of the professional agents and improve their quality, by supporting agents individually to provide solutions and improvement measures for issues such as management, clerical work, and IT utilization, as well as practical training for insurance solicitors in respect to knowledge on insurance products, peripheral knowledge, sales methods, and other information

Advancing with you

**MS&AD** MS&AD Holdings

Pillars of CSR approaches

## Pillar II

**We will contribute to the resolution of social issues through the improvement of product and service quality.**

Based on the management principle of “we contribute to the development of a vibrant society and help secure a sound future for the earth, by bringing security and safety through the global insurance and financial services business”, we will promote the improvement and development of products and services that contribute to the resolution of social issues (conservation of the global environment, prevention/mitigation of disasters, accident prevention, and declining birth rate/aging population, etc.). We will also promote the reduction of environmental burdens generated in the course of our business activities and biodiversity conservation.



## **Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services**

### **To Create a Secure and Safe Society**

Group-wide efforts have been made to quickly pay insurance money in case of a large-scale disaster, and contribute to the reconstruction of areas hit by disasters. We also work on creating a secure and safe society which is resilient to disasters using know-how to prevent and mitigate disasters, and prevent accidents through non-life insurance business. We also support healthy and enriched lives through our life insurance business.

➤ [To Create a Secure and Safe Society](#)

### **Contributing to a Sustainable Global Environment**

We formulated the environmental basic policy to achieve a sustainable global environment based on our management principles. We also provide products and services that tackles climate change, and we promote the sustainable use of resources. We have also made efforts for biodiversity conservation.

➤ [Environmental Basic Policy](#)

➤ [Contributing to a Sustainable Global Environment](#)

➤ [Reduce the environmental burden incurred in conjunction with our business activities](#)

➤ [Approaches for preserving biodiversity](#)

➤ [Coexistence with society through awareness activities](#)

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## MS&AD MS&AD Holdings

### Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services To Create a Secure and Safe Society

Under the management principle of providing security and safety through the global insurance and financial service business, the entire Group has made efforts so insurance payments can be made immediately in case of a large-scale disaster, and we contribute to the reconstruction of areas hit by disasters. We also work on creating a secure and safe society which is resilient to disasters using know-how to prevent and mitigate disasters, and prevent accidents through our non-life insurance business. We also support healthy and enriched lives through our life insurance business.

#### Response to large-scale disasters

The MS&AD Insurance Group is preparing a company-wide insurance payment scheme to fulfill our mission as an insurance company of paying insurance claims as soon as possible to customers affected by disaster. Measures include setting up local disaster-response rooms and dispatching additional support staff to the field.

Based on our experience in the Great East Japan Earthquake, we are preparing our infrastructure for responding to disasters during normal times and stepping up preparatory disaster-response training.

#### Disaster Relief Donation Matching Gift Program

Under this program, the MS&AD Insurance Group matches the amount of funds collected from employees for victims of disasters.

In FY2013, a total of 37.25 million yen was donated as relief money for nine disasters including typhoon Haiyan in the Philippines. The relief money included funds collected from total 18,086 employees and the funds donated by the Company.

- **Types of disaster covered** Domestic: disasters covered by the Disaster Relief Act, for which donations are collected  
Overseas: large-scale disasters for which the Japan Business Federation provides information related to Assistance
- **Amount of donation** As a general rule, the same as the amount of donations collected from employees.

🔗 [Past donations](#)

#### Supporting Disaster Preparation

We consider supporting the mitigation of damages from disasters and preparation for early restoration as our social responsibility. This is why we work on spreading earthquake insurance, developing countermeasures against risks, and spreading awareness.

#### Spreading Earthquake Insurance

Based on the "Act for Earthquake Insurance", earthquake insurance is managed by both government and the non-life insurance companies, and aims to contribute to rebuilding the stability of disaster victims' lives. After the Great East Japan Earthquake, we received many opinions "it was really good to have joined earthquake insurance" from disaster victims at the time of payment of insurance. MSI and ADI rediscovered the importance of customers understanding the necessity and the contents of earthquake insurance correctly. For many people to get earthquake insurance, we are offering advice about earthquake risks to our customers.

## Starting a consulting service that uses a new tsunami model

Based on experiences from the Great East Japan Earthquake and in anticipation to the damages from a massive Nankai Trough earthquake, risks related to tsunami are attracting more attention. In these circumstances, MSI and InterRisk Research Institute & Consulting, Inc. developed a “new tsunami model” to anticipate damages from tsunami in cooperation with a major U.S. company specialized in natural disaster risk assessment. This “new tsunami model” enables a consulting service that can take into account “damages from tsunami” in addition to the conventional “earthquake risk analysis”.

By using the results of damage estimates based on “probability analysis (\*1)” of tsunami risk, it became possible for the first time among domestic insurance companies to offer “an estimated amount of damages for a return period (the amount to be incurred once in 200 years, etc.)” according to the requests of each customer and to make a proposal on “priority order of measures at multiple bases”, which was difficult with conventional “scenario analysis (\*2).

(\*1) “Probability analysis”: Estimated amounts of damages on covered properties in respect to all expected earthquakes are calculated. The results are then integrated and processed in a stochastic method. With an amount of constructive loss for each return period (excess of loss curve: EP curve), it is possible to visualize the amount of risk based on probability.

(\*2) “Scenario analysis”: Based on the forecast of earthquakes that have occurred on specific active faults and troughs, an estimated amount of damages on covered properties is calculated. It is possible to visualize “how bad the damage would be if a specific earthquake occurs.” For example, the Nankai Trough consolidated type earthquake and the Great Kanto Earthquake during the Taisho era.

## Support for a Business Continuity Plan (BCPs)

Japan is known as one of the most vulnerable countries in the world to earthquakes. With another spell of catastrophic earthquakes predicted to occur in the Nankai Trough nearby, interest in earthquake risks are increasing.

Under these circumstances, MSI, ADI, and InterRisk Research Institute & Consulting have actively been engaged in advisory services for mitigating earthquake and tsunami damage, and formulating Business Continuity Plans (BCPs). They also support operational drills with disaster scenarios, in an effort to “contribute to the creation of a flexible and robust society from the prevention and mitigation of disasters to business continuity”. In 2013, “BCP Kit Kun”, a support tool to formulate BCPs for manufacturers, was newly released. We were also involved in the formulation of “Miyagi Corporate BCP Formulation Guideline” for Miyagi prefecture.

In recognition of our knowledge and experience related to BCM and our activities spreading public awareness that we have conducted so far, an employee of InterRisk Research Institute & Consulting won the “BCI Asia Award (\*)” as the first Japanese individual to receive this award. We will keep on providing valid and useful information on how to cope with the pressing issues of BCP measures.

(\*) An award hosted by an international NPO “BCI (The Business Continuity Institute)” which spreads and raises BCM awareness



BCP Kit Kun

### **Safety campaign at school (Taiwan)**

MSIG Mingtai Insurance Co., Ltd., MSI's local entity in Taiwan, held the events as shown below for the purpose of improving safety and preventing risks on campus for schools (kindergarten – high school) all over Taiwan, which were implemented in continuation from FY2012.

- To provide an opportunity to improve safety consciousness regarding school life, musical theaters were performed at 22 elementary schools. The number of audiences amounted to 7,800 combining parents and students, exceeding 11,000 including the number in 2012.
- To raise safety awareness, edited DVDs were delivered as educational materials to elementary schools all over Taiwan.

### **Support for sustainable development of small and middle-sized companies**

For many companies, overseas expansion is a critical business strategy issue. For example, shrinking domestic markets are triggering expansions into overseas markets, and increasing overseas operations is requiring special measures as a supplier, and requiring diversifying risk factors such as considering natural disasters when locating production sites. The MS&AD Insurance Group provides products and services in preparation for various risks arising from expanding operations overseas.

#### **Supporting small and medium-sized companies to expand overseas operations**

As the first “supporting organization for management innovation” in insurance companies, MSI holds “seminar on overseas expansion” and “seminar for advancing into Asian emerging economies” on a regular basis in collaboration with financial institutes, local governments, and other entities, in order to support small and medium-sized companies to expand overseas operations. They plan to implement new initiatives such as the “global human resource development seminar”. We will continue to expand this kind of support.

We were certified as a “supporting organization for introducers” and “supporting organization for referral receivers” in the “SMEs’ Overseas Development Fastpass” by Japan’s Ministry of Economy, Trade, and Industry. Through this system, we provide appropriate advice regarding local risk management and general matters about insurance using our overseas network, which includes 39 countries.

With the increased overseas expansion of domestic companies, the number of cases where employees and executives are involved in incidents and accidents has increased. MSI and ADI jointly developed and provide insurance products such as “Insurance for overseas crisis management expenses” to respond to such crisis management and risks.

#### **Insurance for Overseas Crisis Management Expenses (joint development)**

MSI and ADI jointly developed Insurance for Overseas Crisis Management Expenses for small- and medium-sized companies expanding overseas operations. This product covers expenses incurred by the company for emergency evacuations of their employees and continuing business in overseas emergency situations such as a war, a terrorist attack, and large scale natural disasters including earthquakes and tsunamis. The product comprehensively covers risks which had been ineligible for coverage, including expenses for initial responses, which would lead to prompt decision-making in an emergency.

Pushing ahead with reorganization by function inside the Group centered around MSI and ADI, MS&AD Insurance Group jointly developed this product in an effort to capitalize on this synergy.

## Support for the reconstruction after the Great East Japan Earthquake

Toward a quick recovery of the areas hit by the Great East Japan Earthquake, the MS&AD Insurance Group has conducted activities, such as quick payments of earthquake insurance claims, donation of relief money, and volunteer activities. In addition to those activities, as the stage shifts from recovery to reconstruction, MSI has worked on various support activities in collaboration with local governments.

Major approaches for each prefecture

Miyagi Prefecture	We were engaged in formulating the “Miyagi Corporate BCP Formulation Guideline” of the prefecture, in cooperation with InterRisk Research Institute & Consulting. We are making an effort to spread awareness and promote corporate BCP.
Iwate Prefecture	We participated in the “Iwate Overseas Development Assistance Consortium,” as the only private company from out of the prefecture. We are making an effort to support corporate overseas development.
Fukushima Prefecture	We have provided risk management services and made contributions through the Green Power Supporter to Fukushima Medical University and Fukushima Medical Device Industry Promotion Agency, which are core sites for the industrial reconstruction of Fukushima.

## My Value

**Yukitaka Sakamoto**  
**Manager, Reconstruction Promotion Section, Tohoku Division**  
**MSI**

While starting with approaches such as donation of relief money, volunteer activities, and other activities shortly after the disaster, MSI believes that, in order to continue to support the reconstruction of the devastated areas in the long term, it is necessary to work not only from the viewpoint of social contribution, but also as a part of the local economic activities. We will sincerely address the reconstruction of the devastated areas for many years to come, in cooperation with local governments and other companies.



## Providing products that considers diverse environments and cultures

### Investment in the Takaful Project, and promotion of reassurance and security by dispatched employees (Malaysia)

In Malaysia where Muslims account for about 60% of its population, MSI has conducted activities to broadly provide services related to life security and compensation for losses to Muslims and the general public by taking stake in Takaful corporations (\*) and dispatching employees. Takaful corporations contribute to social welfare programs by, for example, providing funds to charitable organizations through Zakat (donations to public welfare as stipulated by Islam).

As seen in Zakat, Islam preaches in its doctrine to provide relief for the vulnerable, which is a similar sense of value with CSR. For example, it also prohibits gambling and antisocial behavior. Therefore, Takaful which incorporates such principles into practical operations has been accepted by the general public, regardless of religious faith.

(\*) Takaful corporation: In Islamic finance, Takaful is a transaction corresponding to insurance excluding an element of interest. The Takaful corporation is engaged in solicitation, underwriting, maintenance, and payment to subscribers at time of accidents. In management of funds paid by subscribers corresponding to premium, the corporation does not use bank deposits or invest in alcohol manufacturers, which are prohibited in Islamic belief.

📄 [Hong Leong MSIG Takaful \(link to website\)](#)

## Approaches Related to Traffic Safety

In order to resolve issues, we develop and provide tools, raise awareness and other activities.

### Provision of automobile risk management services to corporate customers

In addition to preventing economic loss and cost cutting, it is a pressing issue for companies to prevent and decrease traffic accidents from the viewpoint of CSR. MSI, ADI, and InterRisk Research Institute & Consulting provide to corporate customers various effective programs and solutions to prevent and decrease accidents.

We invite automobile transportation business operators to “Transport Safety Management Seminar” (certification seminar) for which InterRisk Research Institute & Consulting was certified by the Ministry of Land, Infrastructure and Transport as an implementing agency. Until March 2014, the seminar was held 49 times with 2,296 participants.

📄 [Automobile risk management services \(Japanese Only\)](#)

## SumaHo, Sapo NAVI

At MSI, we offer a free application "SumaHo" for smart phones.

SumaHo's "driving capability" diagnostic application has the function to analyze and diagnose the driver's driving ability, making judgment from how the car wavers, and to provide advice. The drive recorder function records and visually confirms dangerous driving behaviors. It also has the function of delivering the key points of safety driving based on weather information.

Since October 2013, we have newly provided corporate customers "SumaHo's driving capability diagnostic services for corporations" for safer driving of company cars using "SumaHo".



SumaHo

At ADI, we have offered "Sapo NAVI (navigation)", a free application for smartphones. "Sapo NAVI" has the driving diagnostic function to analyze and diagnose individual driving abilities, and provides advice. It also has the function that notifies points on the route to the destination where accidents frequently occur.

To prevent traffic accidents, two kinds of application for tablet PC "Naruhodo Advice" and "Hiyari Hatto Anime" were developed.

We are aware that decreasing the number of traffic accidents is a critical mission of a non-life insurance company, so we will work on various activities.



Sapo NAVI



### Activity to improve driving manners, “MUJICOLOGY! Project”

In May 2011, Mitsui Direct General started the “MUJICOLOGY! Project”, a campaign for the aim of achieving a car society without accidents. Professor Nishinari, the University of Tokyo, Research Center for Advanced Science and Technology, who is an expert in “jamology” (study of traffic jams), was invited as the second president of “MUJICOLOGY! Laboratory”, which is a center for disseminating information. The lecture video on “jamology” and contents related to the “jamology” certification test were publicized.

In April 2014, the “MUJICOLOGY Symposium” was held at Aoyama Spiral.

In Part I, with the keyword “traffic jam,” a wide variety of guest panelists discussed about the future and about communication. In Part II, the professor implemented an extra lesson on “jamology” to explain the relationship between ecology, accidents, and traffic jams in an easy-to-understand way.

We developed the “Give Way = Improve Driving Manners” campaign, along with our original characters “Mujicoro” and “Mujicorin,” for which we were commended with letters of appreciation at the traffic safety event hosted by the Meguro Police Station in March 2014. We will make efforts for the aim of achieving an “automobile society without accidents.”

📄 [“MUJICOLOGY! Laboratory” \(Japanese only\)](#)



Original characters  
“Mujicoro” and “Mujicorin”

### Making a picture book about prevention/decrease of traffic accidents

At ADI, we planned the publication of a picture book for children with the white bear main characters “Toughy & Happy” who are a father and his child. They are mascot characters of our product brand “TOUGH.” From September 2013, the book is on sale at large book stores nationwide and online. As a message to children for preventing/decreasing traffic accidents, the picture book depicts the happy everyday life of “Toughy & Happy” with the theme of the importance of observing traffic rules. From planning and considering through completion, female employees took initiative. In particular, opinions of female employees who have small children were reflected to the story. As part of our community-based social action programs, we donated books to orphanages nationwide, read picture books at nursery schools, and other activities.



Picture book “Tanoshii Mainichi” (happy days)

### Education for Traffic Accident Prevention (Thailand)

Mitsui Sumitomo Insurance Co., Ltd. / Thai Branch is promoting “Contribution of Helmets for Students and Enlightening Accident Prevention” and “Anti-drunk Driving Charity” every year to contribute to the prevention of traffic accidents in the local region. In FY2013, a driving seminar for elementary school students was held in Samut Prakan, and 3,000 helmets for students were donated.

In the Anti-Drunk Driving Charity, a competition for video clips on the elimination of drunk driving was held for college students. These videos were used for the anti-drunk driving campaign.

📄 [Mitsui Sumitomo Insurance Co., Ltd. / Thai Branch \(link to website\)](#)



Donating helmets for children

## Release of insurance for bicycles

In recent years, while the total number of traffic accidents decreased year by year, the ratio of bicycle accidents out of the total number of traffic accidents increased. With an increase in serious accidents caused by bicycles, the court decision to call for heavy reparations, and the trend of local governments enacting an ordinance to encourage insurance policies, social needs for buying insurance policies appear to be rapidly increasing. In response to such needs, MSI released in April 2014 the insurance for bicycles. The procedures for this can be completed online so customers can easily buy insurance policies.

## Bicycle accident prevention campaign

Bicycle accidents account for 20% of the total traffic accidents and are on the increase, compared to 10 years ago. MSI has edited a visually easy-to-understand booklet on safety rules and driving manners that bicycle riders should observe, and built a website. By distributing the booklets, we contribute to the prevention of bicycle accidents. We also delivered to our customers safety and security by offering special coverage of various types of insurance through agencies. (Currently, the booklet is not distributed)

ADI has continued to conduct the "Awareness campaign for preventing bicycle accidents" together with the Tokyo metropolitan government, police offices, and other autonomous bodies since 2011. In FY2013, where there are a lot of bicycle users, such as in front of train stations, we handed out leaflets on safety rules and examples of accidents related to bicycles, appealing for the importance of safe bicycle riding.

## For a healthy and enriched life

We conduct various activities, considering it our social mission to support many people so they can lead healthy and enriched lives, in addition to providing insurance products which can meet customer needs.

## Activities to communicate medical information to customers

### Activities to communicate cutting-edge medical information

MSI Aioi Life released in November 2006 the special coverage for advanced medical care which is the first in the industry to have a mechanism that pays the actual cost of the most-advanced medical procedures and the transportation costs to medical institutions. At the end of September 2013, the number of contracts in-force exceeded 500,000.

Since the release of the special coverage for advanced medical care, we have proactively worked on activities to provide and educate about cutting-edge medical information. For example, we held the open seminar "Cancer treatment without fighting; particle radiotherapy seminar" all over the nation, and delivered the "Guidebook for advanced medical care", a free booklet which explains advanced medical care systems and methods of therapy in an easy-to-understand way.

We also operate "Advanced Medical Care.net," a website where users can browse information on advanced medical care, and "Advanced Medical NAVI," a website where users can retrieve and examine basic information about advanced medical care and the medical institutes that provide them.

📄 [Click here for "Advanced Medical Care.net" \(Japanese Only\)](#)

### Cerebral Stroke Project

MSI Aioi Life promotes the "Cerebral Stroke Project" to increase the awareness of cerebral stroke prevention in collaboration with the Japan Stroke Association.

As of the end of March 2014, over 13,000 customers in total participated in the "Cerebral Stroke Seminar" for the general public held all over the nation. We also operate the "Cerebral Stroke Report", a website containing various information on cerebral stroke, such as what kind of disease cerebral stroke is, its prevention, and ways to handle it in the case of its onset.

## Donation to activities of sending vaccine for the World's Children

In the world, a lot of children die of infections that can only be prevented with vaccines. One of the U.N. Millennium Development Goals is to decrease the death rate of children under five years old to one third of the level in 1990 by 2015.

With the fervent wish to cherish and sustain "life" ever into the future, MSI Aioi Life has launched a campaign to donate funds in the sum corresponding to the number of newly contracted "&Life" brand of insurance products to the "Japan Committee Vaccines for the World's Children (JCV)", a certified NPO incorporation, to defray the purchase cost of vaccine, etc. In fiscal 2013, the corresponding number of new contracts amounted to the donation of 131,000 people equivalent of polio vaccines, and a total of 680,000 people equivalent so far.



Donation to activities of sending vaccine for the World's Children

[Website of Japan Committee Vaccines for the World's Children \(Japanese only\)](#)

## Provision of insurance corresponding to the super-aged society

Elderly people over the age of 65 in Japan, are expected to exceed 25% of the population in 2013, one in three people will become elderly in 2035.

As the arrival of such a super-aged society, at MSI Primary Life, the popular foreign-currency-denominated fixed whole-life insurance "Tanoshimi zutto" has been sold, which meets to the needs of preparing for retirement funds, asset building, and wanting to use the increased amount for yourself while still leaving a future behind for your family. In addition to the higher interest rate than the Japanese yen with this "foreign investment", this life insurance plan features "regular payments" of annual interest returns over 10 years and "death benefit enhancement" that increases death benefits after 10 years.



"Fun, Ever" leaflet

## Approaches Related to Welfare Fields

In response to the advent of a super-aged society, we proactively make approaches related to welfare including nursing care services.

### Provision of Nursing-Care Services

Mitsui Sumitomo Insurance Care Network Co., Ltd. is an affiliate of MSI that provides a wide range of services for the advent of a super-aged society such as nursing homes, “Yu Life Yokohama” (established in 1995) and “Yu Life Setagaya” (established in 2006), as well as in-house nursing care services (Yokohama, Nagoya). We are highly appreciated from various quarters as a business operator selected and trusted by customers by providing high quality nursing care services.

For our nursing homes, we bring in animal volunteers and collaborate with citizens in local communities. For example, we hold nursing care seminars for local residents, and coordinate with nearby nursery schools.

ADI, through the operation of ambulatory nursing-care facilities (four day-service centers) its affiliate Fureai Do-Life Service Co., Ltd. manages, is actively pursuing interchanges with the neighboring elementary and junior high schools, accepting volunteers for on-site welfare experiences. At each facility, community-rooted activities are continually conducted such as open-house of welfare training center to volunteer bodies in the community (122 times in fiscal 2013) and holding public lectures. We provide information by making “First nursing, Easy nursing” videos on nursing care training available on our website. Themes such as “basic nursing care edition”, the “wheel chair edition”, and the “care bed edition” are selected to deepen understanding about dementia and preventative care.



Yu Life Setagaya



Rehabilitation training at Do Life Shinagawa

### Mitsui Sumitomo Insurance Welfare Foundation

The Mitsui Sumitomo Insurance Welfare Foundation\* funds to provide assistance for research and other activities in the two fields of traffic safety and welfare services for the aged. It also presents the MSI Welfare Foundation Prize to the authors of excellent publications and papers. We started to offer overseas aid to South East Asia in FY2007. We subsidized studies in Singapore and Thailand, investigated and considered appropriate subsidy methods to expand subsidization coverage to include more countries. By the end of fiscal 2013, it has furnished 2,172.34 million yen in aid for 1,833 projects (cumulative totals since its establishment).

☞ [Mitsui Sumitomo Insurance Welfare Foundation \(Japanese Only\)](#)

\* Mitsui Sumitomo Insurance Welfare Foundation: Established in 1975; change of status to a public welfare corporation in December 2009

## Approaches Rooted in the Community

### The Regional AD Club

The Regional AD Club has been instituted at Aioi Nissay Dowa. The club is engaged in the activities with three pillars, provision of information, interchange among participating companies, and activities of community contribution. Through these activities, it hopes to be of service to all in the community.

More specifically, it plans and stages various seminars, meetings for exchange among different industries, and events for environmental protection, accident prevention, disaster prevention, and various charities, all in units of communities. In addition, it has divided Japan into 15 areas and launched its own websites in each of them. It provides information closely tied to the community and business information through these websites and e-mail newsletters.

In FY2013, community-based “appreciation assembly” gatherings were held in 31 places nationwide. The collection and donation of bell-marks to schools in the devastated areas was also promoted as one of the continuous means to assist reconstruction in the areas hit by the Great East Japan Earthquake.

By establishing the “Care Friends Meeting,” a club for nursing-care business operators participating in the AD Club, we also provide information to support the risk management and the business management of nursing every month. We also provide various seminars, such as a seminar on care worker management and training. As of the end of March 2014, the number of member companies reached 20,000.

In FY2014, community-based help programs and social action programs for local communities will be carried out continuously, soliciting participation by a range of corporations and bodies in wider geographical areas.



Meeting of appreciation

[The Regional AD Club \(Japanese only\)](#)

### Korea-Japan cultural exchange event (Korea)

At the Mitsui Sumitomo Insurance Co., Ltd. / Korea Branch, 33 staff participated in the “Korea-Japan Culture Festival in Seoul” held in September 2013, and danced “Yosakoi Arirang,” which mixes the Japanese Yosakoi and Korean Arirang folk songs for cultural exchange between Korea and Japan.

The event, which started in the “Korea-Japan Friendship Year” of FY2005, is a festival organized jointly by citizens in both countries of all ages and gender. The purpose of the festival is to help people understand the cultural differences between both countries, and contribute to the development of Korean society. Most Japanese companies in Korea participate in the festival. We encouraged employees who participated in the event from the Korea branch together with us to increase their loyalty to the Company.



Korea-Japan cultural exchange event

### Creation of employment in rural areas (India)

Cholamandalam MS General Insurance Company Limited, a local subsidiary of MSI in India, planned two years ago to entrust the issuance of insurance policies in rural areas to a NGO, to create employment opportunities for residents in rural areas where there are no job opportunities other than agriculture. As a result of education conducted continuously about topics from insurance products to English lessons, approximately 180 staffs are presently engaged in issuing insurance policies for automobile insurance and individual medical insurance. They issue about 600,000 policies annually.

[Cholamandalam MS General Insurance website](#)



## Publish mail magazine (China)

ADI's Chinese local subsidiary ADI Insurance (China) has been issuing mail magazines for the purpose of supporting management of Japanese affiliated companies and their resident staffs' daily living. Information on insurance circumstances in China, legal and tax matters, local community tidbits, etc. are widely covered in the publication, providing close-to community assistance, which is included in the Corporate Philosophy, not only in Japan but also in overseas operation.

 [Aioi Nissay Dowa Insurance \(China\) Co., Ltd. \(link to website\) \(Japanese & Chinese only\)](#)

Advancing with you

**MS&AD** **MS&AD Holdings**

Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services  
**Environmental Basic Policy**

**Environmental Basic Policy**

**MS&AD Insurance Group Environmental Basic Policy**

**Basic Policy**

The MS&AD Insurance Group will continue to make efforts to preserve and improve the global environment through business activities in line with the Group Mission Statement, "Through our insurance and financial service businesses bringing security and safety to people and businesses around the world and making a lasting contribution to the enrichment of society." The Group will also promote stable and sustainable activities based on its action policy summarized below.

**Action Plans**

- (1) Contribute to global environmental protection through our insurance and financial service businesses  
In various departments of our Company and of each company in our Group, we strive to develop, expand and provide products and services that contribute to environmental protection.
- (2) Reduce the environmental burden incurred in conjunction with our business activities and conserve biodiversity  
On top of adhering to environment-related regulations and charter/guidelines set by the industry, and that we have agreed to, each of the MS&AD companies is committed to reducing its environmental burden caused by its business activities and to conserving biodiversity.
- (3) Improve our environmental management system (EMS)  
Through constructing an environmental management system and conducting activities with set environmental goals and objectives, we are committed to sustainable improvement and pollution prevention.
- (4) Coexistence with society through environmental awareness activities  
We are committed to coexisting with society and disclosing environmental information by raising environmental awareness among every executive and employee, encouraging them to actively take part in environmental protection activities and promoting environmental awareness activities internally and externally.

All executives and employees in our Group, as well as the public, will be informed of our environmental policy.

## **Participation to Initiatives**

### **Participation in the CDP (formerly known as the Carbon Disclosure Project)**

The CDP (formerly known as the Carbon Disclosure Project) is an independent nonprofit organization with the world's largest database for corporate measures against climate changes, and corporations and organizations across the world have made public their emissions of greenhouse effect gases and measures against climate change through CDP. The MS&AD Insurance Group subscribes to its approaches and continuously submits CO2 emission data.

### **Signing the United Nations Environment Program Finance Initiative (UNEP FI) Principles for Sustainable Insurance**

MSI and ADI are participating in the United Nations Environment Program Finance Initiative (UNEP FI) to seek the concept of good service, spread and promote the service at financial institution taking into account the environment and social sustainability. In June 2012, UNEP FI published its sustainable insurance principles, requiring all member insurance companies to consider environment/society/governance issues in their business activities and perform respective roles in sustainable global development.

MSI, agreeing to the institution, has signed the principles. Hereafter, through our overseas network especially Asia, we will widely contribute to the development of sustainable society by our insurance products and services.

### **Signing the Japanese Principles for Sustainable Society**

In October 2011, in Japan, "Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)" and "Guidelines by Business Types" were made public. These principles were instituted as basic guidelines for the behaviors of financial organizations wishing to perform respective roles toward building sustainable societies. MSI and ADI participated in its institution.

And, MSI, ADI, MSI Aioi Life and InterRisk Research Institute & Consulting have signed to these principles.



Advancing with you

**MS&AD** **MS&AD Holdings**

## Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services Contributing to a Sustainable Global Environment

The situation of global warming and biodiversity indicate that the sustainability of the world is on the verge of a crisis. The MS&AD Insurance Group works on those issues by providing products and services to secure “a sound future for the earth” with our stakeholders.

### **Support to establish disaster preparation systems**

Climate change is already a reality, with some regions being widely damaged by its serious impacts. As a business that provides risk solutions, we started various activities to assess and control risks caused by climate change impacts to help create a society that can adapt to climate change.

### **Participation in Pacific Disaster Risk Financing Pilot Program**

MSI has been appointed as a risk underwriting insurance company for natural disasters on the “Pacific Disaster Risk Financing Pilot Program,” which was in contract renewal dated 1 November 2013, same as former contract.

This program, set up jointly by the Japanese government and the World Bank in January 2013, is designed to finance quick reconstruction funds to nations and regions in the Pacific Islands (Samoa, Tonga, Marshall Islands, Vanuatu, and Solomon Islands), where insurance markets have not matured sufficiently, that are afflicted by natural disasters (cyclones and earthquakes) of a certain scale.

Amid the increased frequency of large-scale disasters all over the world, Cook Islands was added to this contract as a covered country. The system coverage is expanding, such as the increased upper limit of compensation. By participating in this system, we intend to support measures against natural disasters in the Pacific area, and fulfill social responsibilities for the area.

### **Support on Thailand's Natural-disaster insurance scheme**

With natural disasters taking place repeatedly around the world and the damage growing ruinously, the insurance industry in Thailand has been troubled with insufficient reinsurance financing. Learning from the lessons of the flood damage that occurred in 2011, the Thai government has instituted “Thai Natural Disaster Insurance System” to ensure compensations for damage caused by recent flooding in Thailand, a similar system to earthquake insurance in Japan. MSI assisted the institution by its assistant Thai branch Executive Vice President, Vichai as the top member of the Property Insurance Committee of Thai Non-life Insurance Association.

MSI was awarded in recognition of the contribution to Thai insurance industry with their concerted efforts for recovery from the Thai flooding and institution of the insurance system.

### **Providing products and services to support measures against climate change**

Abnormal weather caused by climate change has various impacts on business activities. By providing measures to mitigate such impacts, we support the development of sustainable business in a society with climate change.

## Weather Derivatives

MSI develops in response to the needs of customers and sells the products of weather derivatives which have positive effects for hedging or mitigating the loss caused by unfavorable weather. We support risk transfer of sales decreased due to rainfall, scorching heat, cool summer, due to cold winter and warm winter, as well as much-expected renewable energy industries such as solar energy generation and small to medium-scale hydro power through underwriting derivative products. Also in overseas, it provides hedging scheme of weather risks through affiliate company.

At MSI GuaranteedWeather (US subsidiary), its worldwide active works of Weather Derivatives and numbers of weather-related transactions intended for various weather elements were awarded the prize in the "Best Dealer, Asia" award, which is held by "Environmental Finance", UK monthly magazine, 4 times in the past.

## Comprehensive Coverage Plan for Food & Agribusiness

For agriculture and the livestock industries, unfavorable weather risks exist. For example, unfavorable weather includes the lack of sunlight, abnormally low and high temperatures, and lack of rainfall which can cause a poor harvest for agricultural raw materials and a decreased output of animal products. As a result of these effects, market prices would surge.

"Comprehensive Coverage Plan for Food & Agribusiness" released by MSI in May 2013 offers climate derivative products for unfavorable weather risks, based on a climate index which influences the yield and output of covered agricultural crops and animal products.

## Provision of risk management services in overseas

Climate change attributable to global warming is occurring all over the world. Existing corporate measures to prevent and mitigate natural disasters have become insufficient, as they were formulated only assuming earthquakes. The flood which took place in Thailand in 2011 highlighted the issue of halted production due to disrupted supply chains (supplier network), in addition to the flood damage of plants and other facilities. The Thai flooding gave momentum to an increasing number of companies in ASEAN regions to plan measures for natural disasters and review business continuation plans. Under the MS&AD Insurance Group, InterRisk Asia (Thailand) Company Limited, a specialized risk management company, the first of its type by a Japanese-affiliated company in Thailand, was established to provide closely localized, high-quality risk management services to our customers, in 2013. With the launch of this new company, the MS&AD Insurance Group has now five outposts in the risk management service network; Japan, Singapore, China (Shanghai), India, and Thailand.

🔗 [For details of InterRisk Thailand, see here. \(Japanese only\)](#)

## Supporting new businesses that leads to climate change mitigation

New businesses have emerged that address the worsening issue of global warming. Through providing insurance and consulting services, we contribute to stimulating the economy and mitigating climate change by proactively supporting the growth of such businesses.

## Support of renewable energy projects

Following the Japanese government initiatives for promoting development of renewable energy, the "feed-in tariff" system was put into practice in July 2012. With this as an opportunity, an increasing number of large-scale construction projects of photovoltaic stations (hereafter called the "mega-solar") are now under way across the nation. The number of private business operators considering entry into the small scale water power generation business has increased. MSI released the "Comprehensive Coverage Plan for Mega Solar" for mega solar power producers in June 2012, and "Comprehensive Coverage Plan for Small and medium-sized Water Power Generation" for small and medium-sized producers of hydropower in July 2013.

These plans comprehensively cover various risks surrounding power producers, (property risk, profit risk, indemnity liability risk, bad weather risk, etc.) making underwriting by risk possible according to the needs of power producers. In response to the need for risk coverage which renewable energy producers including mega solar power producers are exposed, we indirectly support the spread of renewable energy by providing insurance products.

## Environmentally friendly automobile insurance

MS&AD Insurance Group makes efforts to achieve a sustainable global environment by developing and providing products in its core product area of automobile insurance that helps reduce environmental burdens.

### Automobile insurance with Eco Mark

MSI and ADI have obtained Eco-Mark\* certification through the promotion of Eco-insurance certificates and Web policy clauses, provision of information for safe driving and approaches to reduce environmental burden such as encouraging the use of recycled automobile parts.

\* Eco-Mark: Eco-label program which is governed by Japan Environment Association and it certifies the products which contribute protection of the environment or reduction of the environmental burden. Certification criteria for Automobile Insurance was newly established in November 2010.



Eco Mark

### Insurance premium discounts for environment friendly automobiles

To encourage the spread of automobiles making a higher environmental contribution, MSI, ADI and Mitsui Direct General offer insurance discounts for environment-friendly automobiles such as hybrid vehicles, electric vehicles, CNG (Compressed Natural Gas) vehicles.

### “Dohn! to Omakase”

ADI offers discounts on environment-friendly automobiles. Automobiles that reflect improvements to make them less liable to breakdown and easier to repair not only lower repair costs in the event of accidents but also contribute to reduction of the parts to be replaced (= decrease in parts scrapped) because of limitation of the scope of damage. As such, they are also environment-friendly, as they save resources, reduce the burden of work in repair shops, and decrease emissions of paints, solvents, and other environment-burdening substances.

### “PAYD”, automobile insurance linked to driving distance

“PAYD” developed by ADI is a groundbreaking automobile insurance product linked to driving distance, in which drivers pay premiums only for the distance actually driven, as determined by vehicle-mounted terminals. This product supports eco-driving practices by drivers by offering a lower premium, in addition to contributing to environmental conservation.

## Environmental, Society, Governance friendly Investment and Loan

At the MS&AD Insurance Group, we are promoting approaches to diffusion of natural energy generation and corporate tasks (ESG) for environment, society and governance by providing financial investments.

At MSI, as consistent part of our asset management business, investments are made in funds deeply associated with environment. Through the funds of our investment, our capital is being fully utilized in natural energy (wind, solar, etc.) generation in the US and Italy and in clean energy projects in Asia.

Furthermore, investments in equity funds are also made, upon evaluating investment opportunities for individual enterprise's response to environment and society issues.

In order to fulfill their social responsibilities as institutional investors, MSI and ADI expressed in May 2014 their intension to agree with and accept the intent of "Japanese version of Stewardship Code", a code of conduct stipulated for institutional investors. During the "constructive talks" with invested companies, we will promote activities in accordance to the Code.

At MSI Capital, specializing in investments in venture enterprises, are investing actively in a lithium battery manufacturing company (Eliiy Power Co., Ltd.) that develops batteries to store natural energy, a manufacturer of recycled material from waste (Refinverse Inc.), etc. under the theme of "investing in companies contributing to sustainable society".

At MS Asset Management, we signed UN Principles for Responsible Investment (PRI) an Affiliated Company, has taken in not only financial elements but also non-financial elements such as environment/society/governance (ESG) factors into the corporate analysis/evaluation scheme, thereby improving high-quality research and operation performance.

## Reducing the environmental burdens of business processes

We have been able to largely reduce environmental burdens generated during insurance policy and payment procedures by facilitating digitalization. We can also contribute to the environment by saving resources during automobile repair. We share the results of our environmental burden reduction efforts with stakeholders, and work to give back to society through environmental conservation.

## Approach to the "Eco-insurance certificate" and the "Web policy clause"

As a part of their environmental protection activities, MSI and ADI have introduced, in lieu of documented insurance certificates (or continuing insurance certificates) and "policy leaflets", "Eco-insurance certificates" and "Web policy clauses" can be referred to on their websites. Through this effort, we are driving forward the reduction of paper use. To the extent that our customers agree with this idea, we support environmental protection with our donations.

At ADI, customers who selected "Eco-insurance certificate" and "Web policy clause" can receive extra Bell Mark points. Through these activities we are proactively involved in social contribution activities.

☞ [MSI Green Power Supporter and Eco-insurance certificates / Web policy clauses \(Japanese only\)](#)

☞ [ADI Donations through Web policy clauses \(Japanese only\)](#)

## Use of recycled automobile components

MS&AD Insurance Group proposes car repair using recycled components to customers who had car accidents, in an effort to promote a circular society and reduce environmental burdens.

MSI explains to customers and auto-repair shops about recycled components in a careful and easy-to-understand manner. It also asks for customer's desires and requests, and then proposes a repair method. In addition, through alliance maintenance factories, we proactively make an effort for component repair which generates no waste parts and less environmental burdens.

At ADI, the non-life insurance industry's first "total loss vehicle online auction system" was developed in collaboration with \*NGP group. For the purpose of the appropriate disposal of waste cars, and the commercialization of recycling parts, the system was implemented by promoting the use of recycled parts and proposing its use at the time of repair. The auction implementation status of fiscal year 2013, was about 25,700 units, and approximately 1,620 companies participated.

\* NGP Group: National network of dismantling companies

## Green Power Supporter

MSI promotes the "Green Power Supporter program", which engages in the global environment protection with customers through insurance.

According to the level of achievement of the 4 approaches below, MSI donates to environment protection and other activities.: 1) "Web policy clauses/Eco-insurance certificate," 2) "Electronic contracting procedures," which helps reduce paper consumption, 3) "Use of recycled automobile parts," which facilitates eco-friendly car repair, and 4) "Eco-maintenance/Eco-inspection," which helps reduce CO2 emissions and emissions of hazardous substances. In FY2013, we donated to the Indonesia tropical rainforest recovery project and Tohoku reconstruction aid. From 2009, which is when we started our involvement, through March 2013, the total number of cases amounted to 19 million, leading to approximately 149 million yen worth of donations.



Green Power Supporter

[!\[\]\(6bb0e4f14c4133b37d2887cb37e67ddd\_img.jpg\) Green Power Supporter \(Japanese only\)](#)

## Electronic contracting procedure

MSI is promoting electronic contracting procedures in which a customer can apply for a automobile and fire insurance contract on the computer brought in by agent staff.

It is possible to indicate a recommended plan in an easy-to-understand way on the screen, change contents of coverage, and re-estimate premiums there and then. It is not necessary for a customer to prepare a seal for verification, or fill in and submit an application form. For customers who select credit card payment, a function is added to easily access the website for credit card information registration from a mobile phone (a two-dimensional code is displayed onscreen). This is to eliminate paper consumption and improve convenience. We will strive to further expand the use of electronic contracting procedures, and will continue to enhance and improve relevant functions.

## **Supporting the use of sustainable resources**

Using sustainable resources and improving environmental efficiency in various businesses increases the sustainability of the global environment and enables sustainable corporate growth. MS&AD Insurance Group contributes to the global environment and the growth of customers by supporting the use of sustainable resources by companies.

### **Provision of consulting services in the areas of biodiversity**

At InterRisk Research Institute & Consulting, in this area where new environmental management issues are involved, we have leading-edge solutions and abundant knowledge. In particular, in land utilization, we have been serving many top global corporations for over 10 years. Companies are increasingly required to conduct environmental management throughout their value chain. As a result, we now provide more services such as the analysis of biodiversity risks in the entire business including raw material procurement, as well as strategy development support.

### **Provision of energy saving consulting service**

Amid the harsher conditions for companies, such as higher electricity costs and the consumption tax hike, companies have continued to make cost-cutting efforts based on energy and power saving. InterRisk Research Institute & Consulting supports these activities with the following services.

- Energy and power saving diagnosis: The present status is analyzed in terms of operations and facilities, in order to determine where energy is lost and what kinds of efforts should be made. We also recommend subsidies that can be utilized..
- Indoor comfort diagnosis: The present status of factors that influences the comfort of indoor environments are analyzed, taking into account the locations of air conditioners and various facilities inside. We support creating indoor environments that consider the comfort of visitors and work efficiency of employees.

### **Provision of ISO 14001 certification consulting service**

At InterRisk Research Institute & Consulting, not only ISO 14001 certification consulting, but other consulting services are provided to companies already certified to advice on improving environment management, in light of corporate social responsibility (CSR). Further, training/education of internal auditors and consulting for environment CSR reports are also given. We fully support MS&AD Insurance Group's approaches to ISO 14001 certification.

📄 [InterRisk Research Institute & Consulting \(environmental related consulting services\) \(Japanese only\)](#)

## Awareness raising activities for stakeholders

Contributing to a sustainable global environment is an issue to be addressed with people in society. MS&AD Insurance Group has worked and will work on the issue together with stakeholders.

## Support for certification under Eco Action 21

MS&AD Insurance Group supports to obtain certification under Eco Action 21 for environmental management systems of the kind recommended by the Ministry of the Environment.

MSI participates in Partner companies greening program in which auditors in each areas hold seminars and make follow up for the members of Advance Club, an organization of service and repair shop agents, who engage in the Eco-maintenance. By the end of March, 2014, 316 firms were certified under Eco Action 21.

ADI also participate in the Program with The Nationwide Professional Group\* and promoted the suggesting campaign to domestic small and medium-sized enterprise as well as to the agents. Over 900 agents and firms has obtained the certification so far, they are working together for the prevention of global warming.

\* An organization of dedicated agents of ADI and Aioi Life. Its members are persons qualified for business in non-life and life insurance.

## Spread of Eco-maintenance and eco-inspection

Through the Advance Club, an organization of service and repair shop agents, MSI is promoting the spread of eco-maintenance and eco-inspection. Eco-maintenance and eco-inspection consist mainly of engine washing; the interiors of combustion chambers in automobile engines are washed by a special procedure. Besides curtailing emissions of toxic gas, the removal of residue of carbon and other substances in the chambers helps to reduce CO2 emissions because it improves fuel efficiency and thereby decreases fuel use. As of March 31, 2014, the number of repair shops performing engine washing reached 467.

 [Green Power Supporter / Eco-maintenance and eco-inspection \(Japanese only\)](#)

## Promotion of eco safe driving

In the nonlife insurance industry, approaches to building environment-friendly, accident-free society have been pursued by practicing "Eco safety driving".

The MS&AD Insurance Group has prepared tools to assist promotion of eco safe driving, a term referring to practices that are gentle to the environment, help to reduce fuel costs, and also decrease accidents. We are actively advocating these practices to corporate customers.

## Eco-Safety Driving (Indonesia)

Since 2011, PT. Asuransi MSIG Indonesia, MSI's local company in Indonesia, has worked on "Eco-Safety Driving" in reference to activities in Japan, for the purpose of conserving the global environment through CO2 reductions, as well as preventing traffic accidents with safe driving. The company is promoting "Eco-safety driving" by enclosing a pamphlet with the automobile policy, which contains ten recommendations in English and Indonesian, for example, "driving at a constant speed," "idling stop," and "checking air pressure."

Advancing with you

**MS&AD MS&AD Holdings**

Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services  
**Reduce the environmental burden incurred in conjunction with our business activities**

## Medium- and long-term reduction goal of CO2

At the aim of climate change mitigation, the MS&AD Insurance Group set up medium- and long-term reduction goals for CO2 in September, 2010. Based on the reduction targets, we are promoting the development of specific measures by the domestic group companies which take into consideration this CO2 reduction plan.

Fiscal year		Reduction target of CO2 (compare to base year)	CO2 emissions *	Calorific value (GJ)
[Base year]	Fiscal 2009	–	101,906t-CO2	2,554,552
[Medium-term reduction goal]	Fiscal 2012	4%	97,830t-CO2	2,452,370
[Long-term reduction goal]	Fiscal 2020	30%	71,334t-CO2	1,788,186

\* CO2 emissions in this plan

All energy usage at all of locations in Japan of the MS&AD Insurance Group (Calculation based on Rationalization in Energy Use Law) and gasoline consumption of domestic company-owned cars

As for CO2 emission volume, defined by emission factor used for GHG Accounting, Reporting and Publication System under Law Concerning the Promotion of the Measures to Cope with Global Warming

## Reducing CO2 emissions in business activities

All companies and employees of MS&AD Insurance Group work together to reduce environmental burdens from business activities by enhancing environmental management systems.

In FY2013, CO2 emissions decreased just 1.8% compared to the base year, even with the long-term goal to reduce 30%. This is because the CO2 emission coefficient related to power consumption largely increased due to the shutdown of nuclear power plants. As CO2 emissions decreased 17.9% compared to the base year on a calorific value basis, the effort has steadily proved improved results.

Fiscal year	CO2 emissions	Compare to base year	Calorific value (GJ)	Compare to base year
Fiscal 2010	94,934t-CO2	▲6.8%	2,487,742	▲2.6%
Fiscal 2011	86,569t-CO2	▲15.1%	2,115,669	▲17.2%
Fiscal 2012	102,129t-CO2	0.20%	2,091,947	▲18.1%
Fiscal 2013	100,084t-CO2	▲1.8%	2,097,407	▲17.9%



## Reduction status of Environmental Burden

### Status of effort for Reduction of Environmental Burden

We strive to reduce the consumption of energy and paper because these areas have the biggest impacts among the environmental burdens generated by our business activities. We constantly reduce environmental burdens by curbing the increase of special factors such as site relocation and system integration.

	Unit	Fiscal 2013	Fiscal 2012	Fiscal 2011	Compare Fiscal 2013 to Fiscal 2012
Electricity	MWh	168,269	166,109	171,528	1.3%
Gasoline	kℓ	7,126	7,437	7,692	▲4.2%
Paper	t	15,969	14,445	16,445	10.6%

### Purchase of Green Power

Since October 2008, MSI has purchased electricity generated from natural energy resources by utilizing the Green Power Certification system. In 2013, it purchased 3.8 million kilowatts.

### Go Green Program (German)

Aioi Nissay Dowa Insurance Europe (ADE German branch) which is the Europe subsidiary of ADI has been participating in "Go Green Program" held by Deutsche Post DHL since the spring of 2011.

In the "Go Green Program," an environmentally friendly delivery service is practiced in which the amount of carbon dioxide (CO<sub>2</sub>) exhausted when delivering postal mails to customers is calculated and the same amount of CO<sub>2</sub> is reinvested to environmentally friendly projects (like hydroelectric power generation and wind power generation plant). ADE German branch made a donation equivalent to total of about 21 tons of CO<sub>2</sub> in the end of 2013, and was awarded a certification by Deutsche Post DHL. Many Germany companies including the local subsidiary of MS&AD Insurance Group's business partners are participating in the program.

### Promotion of use of forest certified paper \*

At the MS&AD Insurance Group, switch over to forest certified paper has been in progress since 2010 for printing material like pamphlets. By using paper stock made from forest lumbars properly managed, we contribute to conserving forests and maintaining biodiversity.

\* Paper made of wood pulp from forest lumbars properly managed for the purpose of sustainable use and conservation of forest resources.

### Environmentally-friendly building

The new wing of MSI's Surugadai office, completed in February 2012, is an energy-thrift architecture built with the latest environmentally symbiotic technology. Having the full-fledged double-skin (double window pane construction) exterior system installed, the building is expected to allow for more reduction in thermal load in summer and added insulation effects in winter. Moreover, Natural ventilation system is in place and lightings in the office are controlled by sensors for automatically switching on and off, sensitive to lightness and human presence, thus saving energy. On roof-tops, solar battery panels are installed.



MSI Surugadai Building New Annex

### Environmental management

#### Approach for acquisition and maintenance of ISO 14001 certification

For on-going promotion of environmental activities, the MS&AD Insurance Group is promoting the acquisition and maintenance of certification under ISO 14001, the international standard for environmental management systems. In fiscal 2010, MS&AD Insurance Group formed the environmental policy management manual. From fiscal 2013, the approaches will be promoted at the headquarters of 7 Group companies\*.

\* MS&AD Holdings, MSI, ADI, Mitsui Direct General, MSI Aioi Life, MSI Primary Life, InterRisk Research Institute & Consulting

### OUR EARTH Project

The MS&AD Insurance Group has implemented its unique environmental management system since April 2013, and promoted environmental and social contribution activities at the Group's companies under the system named as the "OUR EARTH Project."

The Group as a whole is grappling with activities for saving energy and resources to reduce the consumption of electricity, gasoline and paper, conserving biodiversity, and contributing to society.

Advancing with you

## MS&AD MS&AD Holdings

### Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services Approaches for preserving biodiversity

Natural bounty provided by biodiversity (ecosystem services) is the basis of our lives and economic activities. A business model in consideration of biodiversity supports the sustainability of the entire society, which includes companies.

At the MS&AD Insurance Group, the action plans in the MS&AD Basic Environmental Policy formulated in April 1, 2010 explicitly include approaches to preservation of biodiversity and we promote our approaches.

We also set about constructing a corporate network for joint research on preservation of biodiversity. Besides stepping up Group approaches in this area, we are engaged biodiversity conservation awareness activities targeting corporations and in research regarding mitigation of risks.

#### Consulting service, Research

##### Provision of consulting services

InterRisk Research Institute & Consulting provides services in simple diagnosis of use of land associated with business establishments, factories, and company-owned forests from the perspective of preserving biodiversity.

Throughout the business value chain in general, we analyze biodiversity risks, on which to base our proposals for business opportunities. In this area where new environmental management issues are involved, we have leading-edge solutions and abundant knowledge. In particular, in consulting services regarding sustainable land utilization such as for offices, plants, and corporate forests, we have been serving many top global corporations for over 10 years. We have organized an

Eco-Asset<sup>TM</sup> Consortium with Sumitomo Forestry Landscaping, Regional Environment Planning, and Sumitomo Forestry to provide one-stop services ranging from land utilization strategy formulation to collaboration with regional stakeholders. In recent years, with the global impact of resources problems, requirements for consultation on business continuation and reputational risk are increasing in regards with raw material procurement.

[Environment risk management service \(Japanese Only\)](#)

##### Japan Business Initiative for Biodiversity (JBIB)

April 2008 saw the establishment of the Japan Business Initiative for Conservation and Sustainable Use of Biodiversity (JBIB), which serves as a network for joint research by firms concerned about preserving biodiversity and making sustainable use of biological resources. Ever since its establishment, MSI has been supporting the JBIB's activities as the chair company. To help domestic business approaches to the environment, JBIB has formulated guidelines and published research outcome on land utilization with due care for biodiversity. Activities of JBIB were referred to in the "National Biodiversity Strategy of Japan 2012–2020." JBIB is highly regarded as one of the bodies with which the government should pursue further collaboration and cooperation. Triggered by the activities of JBIB, the "Association for Business Innovation in harmony with Nature and Community" was established in December 2013. The Association promotes activities to spread biodiversity conservation in corporate green spaces.

[Activities for preservation of biodiversity](#)



## The Story of Biology Told by Corporations

Since 2007, MSI has been holding a biodiversity symposium “The Story of Biology Told by Corporations” for corporate staffs as an enlightenment for corporations in approaching biodiversity. In February 2014, with the co-sponsorship of Ministry of Environment and Keidanren Committee on Nature Conservation and the special cooperation of JBIB and InterRisk Research Institute & Consulting, the 7th symposium was held. We talked with participants about the necessity of biodiversity for sustainable consumption and production and the roles companies should play. These discussions were held in light of the latest information of COP12 (the 12th meeting of the Conference of the Parties to the Convention on Biological Diversity) which will be held in Pyeongchang, Korea, in October 2014, as well as the progress of “National Biodiversity Strategy of Japan 2012–2020” to achieve the goals set in Aichi. The event was well-received by the 183 participants.

📄 [Symposium “The Story of Biology Told by Corporations” \(Japanese only\)](#)

## Activities for preservation of biodiversity

### “MS&AD Ramsar Supporters”

MS&AD Insurance Group promote the work of the MS&AD Ramsar Supporters, who are involved in conserving the biodiversity of waterfront areas, particularly focusing on the wetlands registered under the Ramsar Convention. In fiscal 2013, more than 1,000 employees and family members conducted activities to protect ecosystems, clean up, and survey wildlife at 8 wetland sites in Japan.

Because the spread of awareness and education of wetland biodiversity conservation is insufficient, it is required to promote environmental education as stipulated in the Ramsar Convention. In response to this, MS&AD Insurance produced a 45-minute environmental educational program combining 6 video editions and a Q&A, and started traveling lectures in January 2014.



Business trip class



Creature investigation

## My Value

**Yoshinori Yasumoto**  
**Manager, Corporate Planning Department**  
**MS&AD Holdings**

We participated in the Ramsar Supporter activities at Yatsu-higata. My sons observed creatures with many participants from group companies, and observed them doing clean-up activities. My sons really enjoyed the event, saying "I want to do it again!"

Currently, the Group is moving forward with an unprecedented business model "Reorganization by Function". Through daily work and participating in activities like this, I would like to help strengthen the Group's teamwork skills and take on challenges together.



## Supporting the creation of a biodiversity-friendly local communities (Indonesia)

MSI has promoted the Indonesia tropical rain forest recovery project. Since 2005, in cooperation with the Department of Forestry of Indonesia, we have planted approximately 300,000 trees to restore and rehabilitate wildlife sanctuaries, which deteriorated due to illegal logging by local residents during the economic crisis around 1997. To prevent the residents from illegally cutting down trees again, agricultural technical guidance for financial independence and environmental education for teachers of elementary schools were implemented. In this way, we aim at creating a sustainable local community capable of restoring forests. In FY2014, Indonesian parliament members visited and inspected the forest, and highly praised the project, saying it could be a model of reforestation in other regions. Taking advantage of the know-how and experience learned from this project, from 2012 we started a degraded land restoration project in Merapi National Park of the same Java island with cooperation from JICA.

📄 [Indonesia reforestation project](#)



Harvesting during training of agricultural techniques



Education program

### **Contribution to tree planting activities (Beijing/Philippine)**

In 2013, air pollution was a critical problem in Beijing and many other cities covered with smog. Attention to countermeasures against air pollution have gradually been spreading over each strata of society. At the Mitsui Sumitomo Insurance (China) company Limited / Beijing branch, MSI's local subsidiary in China, 26 employees and their family members visited the forestation site in Beijing and planted trees in order to help improve the environment in Beijing as much as possible on their own. Through the tree planting activity, all of the employees increased their environmental awareness. They intend to practice eco-friendly customs and thrift in their everyday lives.



Tree planting in Beijing

Based on the number of cases where "Eco insurance certificate" and "Web policy clause" are selected, ADI makes donations to the "more trees Intermediary Organization", a group working on reforestation activities in the Philippines. The donation is used for tree planting activities in Quirino of north Luzon in the Philippines. It is said that 45% of all species in the Philippines live in the area where this activity is conducted. To conserve the ecological system, we conduct tree planting activities focused on native species, and promote appropriate forest management to contribute to biodiversity conservation. We also aim to mitigate poverty in the region by cultivating fruits at the same time to create cash earning opportunities from selling harvested fruits.

▣ [ADI "Eco insurance certificate" and "Web policy clause" \(Japanese only\)](#)

## The green area favorable to biodiversity

The green area at the Surugadai Building became the first building green area in downtown Tokyo in 2011 that was certified as Superlative Stage, which is the highest rank in Social and Environmental Green Evaluation System (SEGES) managed by Fund for Greening in Cities. And it has obtained maintenance certification in 2014 as well. Since the green area was firstly certified as Excellent Stage 3 in 2005, the activities such as structuring a project team including outside experts and formulating Green area management system to maintain the green area have been evaluated. The green area in the new wing completed in February 2012, has employed various greenery ideas like green canopy or rain garden. In the selection of trees, special care is given to choose types in addition to the local species that birds and butterflies prefer in consideration for biodiversity. As a result, we now have been able to observe wild birds such as Varied Tits and Black-faced Buntings.

The roof garden reopened in the autumn of 2013 on top of the Surugadai Building sets out a zone for autochthonous deciduous broad-leaved trees designed to allure not only birds but also insects and other varieties of creatures.

With the integration of Surugadai Building and its new wing, we form an ecological network with the green areas by connecting the Palace ground with Ueno Park, to provide a wide living area for wild birds, etc.

In recognition of these biodiversity-friendly activities, MSI Surugadai Building and Surugadai New Building obtained the "Business Innovation in Harmony with Nature and Community Certification (city/SC)" operated by the "Association for Business Innovation in harmony with Nature and Community" in February 2014. This is a third-party certification, which is based on the standard "Guideline for Promotion of Business Innovation in harmony with Nature and Community" developed by the "Japan Business Initiative for Biodiversity (JBIB)." 11 facilities including office buildings and commercial facilities that work to conserve biodiversity have obtained the certification. This guideline is introduced as measures to promote biodiversity-friendly management of company-owned lands in the "National Biodiversity Strategy of Japan 2012-2020." Many companies have started the activities in reference to the guideline.

📍 [Green space around Surugadai Building](#)



SEGES  
Superlative Stage  
Certification label



ABINC



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## MS&AD MS&AD Holdings

### Pillar II Contributing to the Resolution of Social Issues through Improving the Quality of Products and Services Coexistence with society through awareness activities

Global environmental issues cannot be resolved by the efforts of a single business working alone. As a first step, the MS&AD Insurance Group is furnishing all of the various stakeholders, including our employees, their families, agents, and local communities, with opportunities to deepen their environmental understanding.

#### Educational activities among employees, their families and agents

##### MS&AD Eco smile check

The MS&AD Insurance Group conducts a campaign, “MS&AD Eco smile check” for the purpose of enhancing the consciousness of environmental protection and social contribution activities of all employees. Employees check and score their own activities such as eco-life practices, eco-activities at office, volunteer works, donation activities. In fiscal 2013, the campaign garnered the participation of an extended total of 50,236 employees.

##### Education to employees

Environmental problems are becoming more serious around us, with the global warming and reduction in living species. The MS&AD Insurance Group, in tackling these environmental problems, is conducting e-learning session once a year for environmental education where all our employees are expected to share the same recognition.

##### Implementation of MS&AD Family Environmental Classes

To bring environmental problems in their midst to the attention of our employees and their families, we hold MS&AD Family Environmental Classes at locations across the country.

By visiting the work place and considering environmental issues with their families they could enjoy closeness and that aims to develop the environmental activities at home.

In fiscal 2013, the classes were held at 3 area and a total of 96 participated in the classes.



Challenging a quiz on the environment   Study session about ecosystems   Making handkerchiefs with plant dyes

##### Environmental statement of ADI

ADI and its affiliated companies announced the “ADI Environmental Declaration” in April 2009. They worked on reducing environmental burdens from business activities, developed and provided insurance products and services that lead to environmental conservation, as well as conducted community-based environmental conservation activities.

The dedicated agents group likewise released an environmental statement at the same time. The company is therefore promoting activities for the preservation of the global environment by its executives, employees, and agents.

📄 [Environmental statement of ADI \(Japanese only\)](#)



### Kids' ISO 14000 program

At ADI, since fiscal 2005, has been collaborating with International Art & Technology Cooperation Organization (ArTech) in their worldwide educational program for children on environment "Kids' ISO 14000 Program".

At the same time, children of our employees' and agents' have also participated in this program, and in fiscal 2013, 25 and 8 children participated respectively in the entry course and the elementary course. To date, over 100 participants obtained the international basic certification, and some of them won special prizes including an award from the Ministry of Education, Culture, Sports, Science and Technology, an award from the Ministry of Environment, and an award from the governor of Saitama Prefecture.



The 13th award ceremony of International Certification of Kids' ISO 14000 programme

### Awareness activities for local communities and the society

#### Traveling lectures on wetland biodiversity

Since 2010, officers, employees, and their family members at MS&AD Insurance Group have supported the activities of "MS&AD Ramsar Supporters" to conserve wetland biodiversity, focusing on wetland areas designated in the Ramsar Convention, which is inhabited by a diverse range of life forms. In order to expand the circle of supporters, we started activities in FY2014 to raise societal awareness about biodiversity in wetland areas, and the importance of its conservation. We produced a 45-minute environmental education program combining 6 video editions with a Q&A, and initiated traveling lectures.



Environmental education program

#### Information transmission from ECOM Surugadai

The public environmental communication space "ECOM Surugadai", was opened on May, 2012. This space has the role of transmitting information to the community such as information about flowering in the green spaces around the MSI Surugadai Building's new wing, pictures of flying wild birds, images of the 4 seasons of the green spaces, and event information in the local chiyoda ward. In addition, events such as lectures and gardening courses are held as a quorum for communication with the local populace. We also proactively promote exchanges with a nearby university. For example, we allow company visits by university seminar participants who study the environment and community development, and hold workshops.



ECOM Surugadai

ECOM Surugadai ([Japanese only](#))

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**MS&AD** MS&AD Holdings

## Community Involvement



### Community Involvement

#### Contribution to Local and International Communities

As a member of local and international communities, our employees voluntarily conduct activities to conserve the environment and contribute to local communities, in addition to activities benefiting communities through our insurance and financial service business. We believe these activities are important not only to help develop our employees, but also to understand what kind of issues the society is facing, and understand what we are expected to do.

[Contribution to Local and International Communities](#)

#### Social contribution in the field of sports, culture and education

We aid Japan's promotion of sports by fostering and supporting players to be successful on the front line in the sports world, and we are working to spread and strengthen sports for the disabled. Furthermore, we also conduct activities to contribute to local communities and the society, for example, we manage concert halls, support local cultural promotion foundations, and endow courses at universities.

[Social contribution in the field of sports, culture and education](#)

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**MS&AD MS&AD Holdings**

Community Involvement

**Contribution to Local and International Communities**

As a member of local and international communities, our employees are involved in a sustainable development of society by, for example, voluntarily conducting activities to conserve the environment and contribute to local communities, in addition to activities benefiting communities through our insurance and financial service business.

**Continued support for the areas hit by the Great East Japan Earthquake**

Three years have passed since the Great East Japan Earthquake, and there are still so many people in the afflicted areas that are in need of support and assistance. With this in mind, the MS&AD Insurance Group is committed to providing continued support through a variety of approaches.

**Employees' volunteer activities to support the restoration of rice paddies**

The MS&AD Insurance Group instituted "reconstruction assistance program". We participated in the reconstruction activity by restoring the tsunami-damaged rice fields in Minami Sanriku-cho in Miyagi Prefecture to the rich rice fields with various living things "Fuyumizutambo". 250 Group employees and their families total took part in debris removal, rice planting, and rice harvesting.

The "Fuyumizu Tambo" is one approach heedful of biodiversity. The MS&AD Insurance Group has been promoting environmental conservation activities on waterfronts since fiscal 2010 and supported rice planting, etc. not only to help rice production but also to restore rice paddies as biotope space for wildlife.

In fiscal 2013, our employees helped with rice planting, mowing, harvesting, and the water-filling ceremony. Every time the employees do these activities with local elementary school students. Our employees purchased the harvested rice, and the proceeds are used as part of the funding to aid reconstruction.

➡ [For details of the volunteers activities to aid the reconstruction](#)



Debris removal



Helping with rice planting



Helping with harvesting

### Use of “Fukko Mai \* (Restored Rice)” at company canteens and provision of menus

Using our experience and network for the rice paddy restoration activities, MSI and ADI are providing menus used “Fukko Mai” at company canteens around the country. On the 11th day of every month, MSI features “Fukko Mai” and serves menus with this rice at all company canteens.

In March, box lunches, curry and rice, rice balls, and other food were offered at company cafeterias in the Ebisu headquarters and the Nagoya Tsurumai building of ADI.

Some of the proceeds from the sales were saved for donations to restore rice paddies devastated by the tsunami.

(\*)The rice was named by combining the meaning of “happy fortune” and “restoration”, with the hope that good fortune will return to the affected areas.



Company cafeteria



Menus offered (one example)

### Donation through eco insurance certificates and Web policy clauses

MSI donated part of the donation for the initiative of “Green Power Supporter” to Tohoku as reconstruction aid. ADI has aided the areas hit by the Great East Japan Earthquake with donations through eco insurance certificates and Web policy clauses.

[Green Power Supporter](#)

[ADI donation activities \(Japanese only\)](#)

### Supporting schools in the devastated areas by donating Bell Marks

ADI started an activity to donate collected Bell Marks to local elementary and junior high schools, with Bell Mark collection boxes set up in the Company in January 2011. After the Great East Japan Earthquake, the destination of donations was changed to elementary and junior high schools in the devastated areas, as part of our measures for reconstruction aid. The activity has been advanced together with the local citizens including customers, agents and canvassers.

The number of companies and organizations that agree with the activity (Bell Mark supporter) has increased year by year, exceeding 2,100 as of the end of March 2014. As a result, Bell Marks equivalent to approx. 7,430,000 points were collected over three years, and donated to 73 schools in total. The activity will continue in fiscal 2014.



Supporting schools in the devastated areas  
by donating Bell Marks

## Support for affected businesses through “Yui no Ba” regional recovery matching activities

MSI resolved to help affected businesses tackle such management issues, has joined other partner entities in participating in the “Regional Recovery Matching Yui-no-Ba Activities”, sponsored by the Reconstruction Agency.

To support business operators engaged in reestablishing their presence and leveraging the reconstruction works to put them back on the path for sustained growth, we are providing seminars on management planning, personnel and labor services, and reinforced customer response, as well as giving advisory services to individual business operators.

As part of the “Yui no Ba” initiative, “Marche (in-house sale)” was held at Surugadai headquarters. In addition to employees of disaster-affected companies, students who have worked at those companies as interns and mascot characters of Tohoku participated in the event, in an effort to help the companies expand sales networks, and transmit information to prevent the memory of the disaster from fading.

Also at ADI, employees voluntarily purchase products of the disaster-affected companies through mail-order “Corporate Marche.”

## Hosting the Reconstruction Support Concert

ADI held the reconstruction support concert in Fukushima city in March 2014. The concert titled “Spring flute notes” aimed for the people in Fukushima prefecture to have a pleasant time, who are still forced to live under rough conditions due to the aftermath of the nuclear accidents even though three years has passed since the Great East Japan Earthquake. About 460 local citizens were invited and enjoyed the performance by a flute ensemble “LYNX.”



Hosting the reconstruction support concert in Fukushima city

## Response to typhoon Haiyan (Philippine)

In November 2013, the typhoon No. 30 (Yolanda in Philippine, Haiyan in Asia) hit eastern Samar in the Philippines, and wreaked enormous damage mainly on the Visayan Islands. MS&AD Insurance Group donated about 10 million yen including relief money collected from employees and the matching gift by the Company. BPI/MS Insurance Corporation, MSI's local company in the Philippines, promptly took action. Staff collected 30 cases of canned goods, drinking water, and sanitary articles in two days, and provided them to the devastated areas as relief supplies.

Relief money of 5,831,875 pesos (approx. 13 million yen) was collected from employees of MS&AD Group in Malaysia, Singapore, Indonesia, U.S., Europe, Thailand, Vietnam, Korea, China, Hong Kong, and India, as well as the staff of BPI/MS. Also in other regions, contributions were made through Red Cross and UNICEF, etc. BPI/MS used funds for Christmas party of agents scheduled at Christmas as donation to the disaster victims.



Donation of relief money

[BPI/MS Insurance Corporation website](#)



## Support activities of social contribution by employees

In our view, action by each employee as a citizen of the local community is not only linked to his or her growth but also vital for learning about the kinds of issues in the society forming the foundation of our business activities, and what is expected of us in it.

### System of Volunteer leave/temporary retirement

MSI, ADI and MSI Aioi Life have instituted the system of Volunteer leave/temporary retirement, and supports employees to participate in the social service activities such as welfare activity, disaster-relief activity, bone-marrow donation.

### Local contribution activities conducted nationwide

Branches of MSI and ADI all over the nation actively conducted activities to conserve the global environment and contribute to society according to needs of each community.

At MSI, which encourages branches to perform at least one environmental or social contribution activity a year, over 80 branches conducted activities with the themes of "Environment", "Safety", "Welfare", or "Support for reconstruction from natural disasters" in fiscal 2013.

At ADI, as a part of activities related to "Appreciation Month (Thank you, local citizens!)", approx. 7,600 employees nationwide conducted 125 activities with the themes of traffic safety, environmental conservation and other topics. to convey their gratitude to each community. In particular, we have proactively worked on activities for traffic safety together with local citizens and police offices, aiming to prevent and reduce accidents.

MSI Aioi Life conducts environmental protection and local contribution activities through employee volunteer activities. For example, they maintain flowerbeds and green spaces at "Zoorasia Yokohama Zoological Gardens", and conduct cleanup activities at "Kasai Rinkai Park (Edogawa-ku, Tokyo)." Furthermore, "Heart Point System" has been implemented, where points are granted to employees who conduct voluntary and active social contribution activities, and contributions are made to NPOs, etc. according to the total number of points. We have also carried out various local community contribution activities with a promoter appointed for each workplace, for example, "community cleanup campaign", "volunteer for visiting nursing homes", and "fund-raising/donation."

[!\[\]\(faf942dc3e59ce8eb64b4ac481eca7e0\_img.jpg\) Efforts made nationwide by MSI \(Japanese only\)](#)

[!\[\]\(cf531ed27e91483460120fcc057b3901\_img.jpg\) Efforts made by ADI \(Japanese only\)](#)



MSI  
Beach cleanup activity and biodiversity learning and tour at Koshien-hama Seaside Park in Hyogo prefecture



ADI  
Traffic safety campaign



MSI Aioi Life  
Maintaining the flowerbeds and green spaces at "Zoorasia Yokohama Zoological Gardens"

## Activities of social contribution by employees

### MS&AD Unison Smile Club

At the MS&AD Insurance Group, employees who support the activity donate 100 yen apiece from their salary to contribute to donations and social contribution activities. The number of participants in the whole Group was about 17,886 as of the end of March 2014. In addition to the activities as the Group, each business company implements their activities such as donating wheelchairs, donating to supporting groups of assistant dogs, and constructing an elementary school building in Thailand.

(Main activities of the Group)

Donation to NPOs matched by the company

Support program of world's children in troubled area / suffered area of the disasters through charity Christmas cards

Let's present knitted goods to children around the world Project

➡ ["MS&AD Unison Smile Club" activities](#)



Let's present knitted goods to children around the world project



Charity Christmas cards



Constructing an elementary school building in Thailand

### Forming the CSR volunteer team (Shanghai)

At Mitsui Sumitomo Insurance (China) Company Limited, MSI's local subsidiary in China, Shanghai headquarters and Shanghai Marketing Division invited CSR volunteers in October 2013, and formed the CSR volunteer team consisting of 23 employees. To decide on activities, opinions and ideas from participants were adopted. In December, "visit to Bo Ai Children's Rehabilitation Center" was implemented as the first CSR activity after the team was formed. Currently at the Bo Ai Children's Rehabilitation Center, an organization for rehabilitation of children with cerebral palsy and autism, 33 children have received various types of training.

Visiting during the Christmas season, the team presented gloves and other gifts to children, and sets of plastic desks and chairs to the school. Furthermore, they interacted actively through singing songs and playing games.

Smiles and cheers of children filling the classroom was the best Christmas present for the CSR volunteer team.

[!\[\]\(a03a7eb2f4046e1d3c76772003e549ea\_img.jpg\) Mitsui Sumitomo Insurance \(China\) Company Limited website](#)



Exchange with children

### CSR Working Group (U.K.)

Deciding to focus on the company-wide CSR activities, Mitsui Sumitomo Insurance (London Management) Ltd., MSI's local subsidiary in U.K., formulated the CSR guideline focusing on environmental protection, contribution to local communities, recruitment and development of human resources at the workplace, and charitable activities, and set up a cross-organizational CSR working group for vigorous activities.

In 2013, the following activities were carried out: the fundraising activity to support breast cancer and genetic studies which are conducted every year; local contribution activities, which includes offering students working and school volunteering experience; setting up a volunteer leave system for employees; environmental protection activities through the promotion of recycling activities; participation in social action programs hosted by Lloyds; and other activities.

[!\[\]\(4fe57c3593bf1b21d272ae7ac8dfaf77\_img.jpg\) Mitsui Sumitomo Insurance \(London Management\) Ltd. website](#)



CSR Working Group

### Contribution to local communities through presenting gifts (U.S.A.)

Mitsui Sumitomo Marine Management (U.S.A.), Inc., MSI's local subsidiary in U.S.A., addressed the program to present coats and gifts equivalent to 1,200 US dollars to children in its home town, Somerset County, New Jersey, in the holiday season in December.

This is a social action program where cards with written requests from children are received from a NPO and the requested gifts are purchased and donated by employees.

[!\[\]\(84f47badaad7772cd95667a7c387a639\_img.jpg\) Mitsui Sumitomo Marine Management \(U.S.A.\), Inc. website](#)



#### Donation of goods to nursing homes (Brazil)

Mitsui Sumitomo Seguros S/A., MSI's local subsidiary in Brazil, makes contributions through its employees, and conducts social action programs with volunteers throughout the year.

On Christmas of 2013, the company solicited employees for contributions to support nursing homes, and collected 102 adult diapers, five sheets, and approx. 4,000 Brazil real (approx. 180,000 yen).

The company purchased additional adult diapers and sheets with the collected money. On December 21, some employees, on behalf of the company, visited a nursing home operated by a social welfare corporation, and donated 2,604 diapers and 81 sheets as Christmas presents.

📄 [Mitsui Sumitomo Seguros S/A. website](#)

#### CSR Week (Malaysia)

Setting the CSR WEEK in July 2013, MSIG Insurance (Malaysia) Bhd., MSI's local subsidiary in Malaysia, held for their local employees a health management seminar by outside lecturers and lessons to learn health management methods with delivered toiletry bags and dental care goods. The company also conducted blood donation activities in cooperation with the National Blood Centre of Malaysia.

Its branches all over Malaysia visit institutions for disabled children to make monetary contributions and donate kitchen goods and furniture.

CSR WEEK has become a good opportunity to internally foster CSR culture in which the company fulfills social responsibilities with the focus on environmental consideration and relationships with a local community, customers, and employees, etc.

📄 [MSIG Insurance \(Malaysia\) Bhd. website](#)



Blood donation

#### Road cleaning / beautification activity (Hawaii)

At the ADI overseas subsidiary, DTRIC in Hawaii, it has been engaging in the cleaning/beautification as part of activities of "Adopt-A-Highway program" \* conducted by Ministry of Transport in Hawaii for more than ten years. A large number of employees and their families and friends participate in the activity everytime that is held every other month and contribute for maintaining the safe and beautiful roads and also for the contribution of prevention of natural water in Hawaii.

\* Road cleaning activity started in Texas, United States in 1985. It describes the direct translation as "bringing the main roads into the family", which means that citizen volunteers and companies become foster parents and take care their "adopted children" (cleaning the roads and engaging in planting activities).

📄 [DTRIC Insurance Co., Ltd. \(link to website\)](#)



Participating in road cleaning  
/ beautification activities

#### Support for autistic children (Hong Kong)

Since 2008, MSIG Insurance (Hong Kong) Limited, MSI's local subsidiary in Hong Kong, has supported young people with autism through donations to Heep Hong Society, a support organization for the disabled, (120,000 Hong Kong dollars in 2013), accepting summer interns, and other activities.

Heep Hong Society provides places for "educational interchange" and "information exchange" to learn child-raising methods from people with experience, coaches and fosters volunteers to master methods to support young people with autism, and offers various programs including "prevocational training" to assist such young people to prepare for job hunting. Details of activities are disclosed internally as necessary, in order to deepen employees' understanding.

📄 [MSIG Insurance \(Hong Kong\) Limited website](#)

### **Support for children with cancer**

MSIG Insurance Europe AG, MSI's local subsidiary whose head office is in Cologne, has assisted an organization to support children fighting cancer through donations from employees, in an effort to contribute to the local community. This activity is conducted as a part of the Christmas party events every year. Christmas presents brought in by each individual become prizes for the raffle. Employees enjoy competing to purchase the raffle tickets, and the entire proceeds from the sale of raffles are donated. The fundraised money from employees in Cologne and Dusseldorf (1,432 euro) was donated to a support organization for children fighting with cancer.

🔗 [MSIG Insurance Europe AG website](#)

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**MS&AD** MS&AD Holdings

Community Involvement

## Social contribution in the field of sports, culture and education

Each company in the MS&AD Insurance Group performs local and social contribution activities in the field of sports, culture and education.

### Support for Sport

#### Woman judo club and woman's track-and-field club

MSI's woman judo club and woman's track-and-field club have taken part in sports promotion, they have produced players who play at forefront of sporting world such as Olympic athletes. Not only participating in those competitions but they are active in social contribution activities such as parent-and-child judo class for local residents held by woman judo club and participation of charity run by woman's track-and-field club.

[Support for Sport \(Japanese only\)](#)



Emi Yamagishi

Misato Nakamura



Yuki Hidaka

Yukako Eto

#### Supporting Corporate Marathon Relay Race

ADI is supporting "Osaka Corporate Marathon Relay Race" as a special corporate cooperator in an effort to boost sports and to co-develop with local activities. The race started in 1948, was deep rooted in Osaka and evolved into a traditional sports event along with the history of Osaka. 4,500 runners participated in the 67th race held in January 2014.

#### Women's soccer

MSI Aioi Life is working for the promotion of sports, supporting athletes actively engaged in the forefront sporting events with a view to reinforcing and developing Japan's sporting power and contributing to social activities. 2 soccer players, belonging to JEF United Ichihara, Chiba Ladies, of the Women's Soccer Nadeshiko League (Japan Women's Football League), are employees of MSI Aioi Life, actively balances their work and sport life.



JEF United Ichihara Chiba Ladies

©JEF UNITED

## Support of sports for people with disabilities

### Wheelchair basketball

ADI wants to help people who have incurred disabilities due to traffic accidents or other such causes to lead self-supporting lives and to return to and participate in society and participation. Out of this desire, the company supports all sorts of tournaments such as becoming an official sponsor for the Japanese national wheelchair basketball team, cooperating with wheelchair twin basketball All Japan Tournament.

Concluding the official partner agreement with Japanese Para-Sports Association/Japanese Paralympic Committee in April 2014, we have worked to spread sports for the disabled and support relevant activities.



Cheer for the Japanese national wheelchair basketball team

PHOTO by JWBF

### Judo for the visually impaired

At MSI Aioi Life, we intend to continue to provide useful support for the disabled to reintegrate into society, find life purpose, and improve their quality of life. To do this, we have assented to the activities of Japanese Para-Sports Association, NPO Japan Judo Association for the Visually Handicapped, and Japan Para Athletics and are working to spread and enhance sports for the disabled.

Every year our employees participate in the All Japan visually impaired person judo tournament as volunteers and it was covered in a webcast and watched by many of within and outside of the company.

In addition, 3 visually impaired judo athletes employees and actively balances their work and sport life.



Support for the All Japan Judo Championships for the visually impaired

## Promotion of Culture

### Introduction of Concert halls

#### Mitusi Sumitomo Insurance Shirakawa Hall

MSI Shirakawa Hall was opened in Nagoya in 1994, as the concert hall equipped with the highest level sound system in the world.

As a premium hall for the community, it contributes to creation of an enriched society and is admired widely by musicians; from the world's top artists to local amateur musicians.

It is playing the positive role as music cultural facility in keeping with its mission of helping music do what it can for a better society.

☞ [Mitusi Sumitomo Insurance Shirakawa Hall \(Japanese only\)](#)

## Aioi Nissay Dowa Insurance THE PHOENIX HALL

ADI has positioned “The Phoenix Hall” as a site for mecenat activities in support of the arts and culture. The Hall continues to provide quality musical programs with a focus on classical music performed by artists in Japan and overseas through concerts planned by the company.

Also, the hall serves as a venue for concerts on over 200 occasions annually, contributing much to the development of musical and cultural activities in the region. To make music more intimate to our customers, we made the hall more accessible and familiar. Further contributions to the local community will be made through a variety of musical activities.

📄 [Aioi Nissay Dowa Insurance THE PHOENIX HALL \(Japanese only\)](#)

## Mitsui Sumitomo Insurance Cultural Foundation

The Mitsui Sumitomo Insurance Cultural Foundation\* engages in activities aimed at supporting efforts to promote culture on the local level, and provides assistance in the fields of music and folk arts. Its main activities are “Concerts for local residents” held in civic halls in various areas and “Assistance for programs of international cultural interchange”. At the end of fiscal 2013, as for “Concerts for local residents”, a total of 681 concerts were held in cities, towns, and villages, around the country. In addition, “Assistance for programs of international cultural interchange”, furnished 421 programs (total of 272 million yen).

📄 [Mitsui Sumitomo Insurance Cultural Foundation \(Japanese only\)](#)

\* Mitsui Sumitomo Insurance Cultural Foundation: Established in 1988, change of status to a public welfare corporation in December 2009

## Exhibition of owned arts, “Tsubaki”

ADI shows its owned arts, “Tsubaki” in public art and natural history museums all around the country so that many people can observe them. Tsubaki is one flower cherished by the Japanese from olden times, which used to be the corporate symbol for the former the Dai-Tokyo Fire and Marine.

A lot of people have appreciated these arts, in which the beauty of Tsubaki are portrayed by Japanese major artists.



Kenzan Ogata  
“Sabie Tsubaki-zu Kakuzara”

## Special performance by “12 Cellists of Berlin Philharmonic Orchestra”

MS Primary Life sponsored the Tokyo performance of the “12 Cellists of Berlin Philharmonic Orchestra” (organized by Nikkei Inc.) held at Suntory Hall in July 2014.

The “12 Cellists of Berlin Philharmonic Orchestra” form the ensemble of cello session of the world’s highest ranking orchestra Berlin Philharmonic Orchestra. They have fulfilled a significant role as a goodwill ambassador connecting Japan and Germany through, for example, performing the command performance to celebrate imperial succession in 1990, and holding a charity concert for the Great Hanshin Awaji Earthquake in 1996.

This is the fifth time we have co-sponsored the concert, which has been held every two years since 1990. The Emperor and Empress who have friendly ties with the ensemble attended the recent concert.



12 Cellists of Berlin Philharmonic  
Orchestra



## Education Support

### Participation in the Bell Mark campaign

In April 2000, ADI became the first financial institution in Japan to participate in the Bell Mark campaign as a supporter, and affixes Bell Mark points to its all “TOUGH” series products which are personal fields products such as automobile insurance, fire insurance, and accident insurance. At present, about 28,000 PTAs across Japan participate in the Bell Mark campaign and are assisting improvement of the education environment through it.

☞ [Participation in the Bell Mark campaign \(Japanese Only\)](#)

### Endow courses at Waseda University

ADI and InterRisk Research Institute & Consulting have held endowed courses at the Waseda University under the title “Insurance Business in the New Age—Facing Global Standards and the Low Birthrate, Aged Society” since 2007. The courses were opened on major subjects of significant changes in the insurance business, expounding on how to respond to the rapidly developing globalization and aging populations as well as on required deployment of customer-oriented business, etc.

In fiscal 2013, a total of fifteen sessions of the course were held with overseas experts invited on “micro insurance,” which is drawing attention to its development in emerging countries.

The courses were conducted, under coordination of university teaching staff, by experts in respective fields and MS&AD Insurance Group executives, utilizing their experience, knowhow, and networks.

### Donation of scholarships to the International University of Health and Welfare

To address the needs of the aged society, ADI supports its scholarship program for students of the International University of Health and Welfare (in the city of Ohtawara, Tochigi Prefecture), which is producing human resources to support services in the medical and welfare field, in areas such as nursing care and rehabilitation for the aged to bolster its approaches to nursing services and senior business.

Students recommended by the University are given scholarship grants by the time of their graduation as a general rule. A total of 123 students have graduated by fiscal 2013, they are active in each specialized field.

### Insurance-related lecture/internship at universities in Asia (Indonesia/Thailand)

PT. Asuransi MSIG Indonesia, MSI's local subsidiary in Indonesia, has continued to hold seminars at major universities in Indonesia since 2007, to spread knowledge about non-life insurance and risk management. The company also implements the internship program every year, in order to enable Indonesian university students to have a working experience at a non-life insurance company. These activities are a part of its strategic CSR activities, because of the synergistic effects such as the penetration of the MSIG brand and the acquisition of excellent graduates.

☞ [PT. Asuransi MSIG Indonesia \(link to website\)](#)

MSIG Insurance (Thailand) Public Company Limited, MSI's local subsidiary in Thailand, accepted 29 university students from Thailand, and 4 from Australia as interns, for the purpose of enabling the students to expand knowledge about non-life insurance, and deepen understanding about its business. If the many students who gained working experience in the annual internship program became engaged in jobs related to non-life insurance in the future, this program could contribute to the development of the non-life insurance industry in Thailand.

☞ [MSIG Insurance \(Thailand\) Public Company Limited \(link to website\)](#)



Risk management seminar  
at Bogor Agricultural University in Indonesia

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**MS&AD** MS&AD Holdings

Basic initiatives

## Respect for human rights and the growth of employees



### Respect for human rights and the growth of employees

#### Respect for human rights

The MS&AD Insurance Group conducts activities while respecting human rights as a company, by supporting the Universal Declaration of Human Rights through signing on to the UN Global Compact, and respecting the ILO Core Labor Standards and the OECD Guidelines for Multinational Enterprises.

➤ [Human rights initiatives](#)

#### Growth of employees

The MS&AD Insurance Group's new medium-term management plan "Next Challenge 2017", positions "embedding a corporate culture where employees take on challenges as professionals and developing human assets" as one of its basic strategies, which we will work on as our duty.

➤ [Employment](#)

➤ [Human asset development](#)

➤ [Communication with employees](#)

➤ [Achievement of Work-life balance](#)

➤ [Promotion of diversity](#)

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**MS&AD** MS&AD Holdings

Respect for human rights and the growth of employees  
Approaches to Human Rights

In June 2004, MS&AD Insurance Group proclaimed its support of the U.N. Global Compact. It defines 10 principles related to human rights, labour, the environment, and anti-corruption and requiring their compliance to the participants.

MS&AD Insurance Group is proceeding the approaches for respects of human rights as the supporting company of the Universal Declaration of Human Rights, ILO Core Labor Standards, and OECD Guidelines for Multinational Enterprises through the participation in the U.N. Global Compact.

➤ [Participation in the United Nations Global Compact](#)

## Basic policies for respecting human rights

The MS&AD Insurance Group stipulates respect for human rights in the “Group Basic Compliance Policy”.

### MS&AD Insurance Group Basic Compliance Policy (excerpt)

The MS&AD Insurance Group positions compliance as one of the foremost priorities in the management of the Group. We have adopted the following policies to establish a structure in which all of our officers and employees aim to achieve compliance, with a constant awareness of our corporate social responsibility.

#### 3. Code of Conduct for Officers and Employees Concerning Compliance

##### (3) Respect for Human Rights and Creating a Positive Working Environment

- (i) We respect human rights and will not discriminate or harass people based on race, nationality, gender, age, profession, region, faith, disability, or other elements.
- (ii) We will create a safe and comfortable working environment.

## Education about Human Rights

### Structure of Education about Human Rights

MSI has the following objectives,

- Achieve a company culture based on the philosophy of respecting human rights through training to increase human rights awareness.
- Train employees to respect basic human rights and act conscientiously.

To achieve these, they organize the head office Human Rights Promotion Headquarter and at each branch office Human Rights Promotion Committee and conduct “Work-place training for all employees” and “Training sessions by ranks for the newly employed/newly appointed managers”.

ADI has established “Human Rights Promotion Meeting”, chaired by the director in charge of human resources, to further human rights awareness and corporate social responsibility, nurture and maintain internal culture to respect human rights, and grow employees with high respect for human rights. The Promotion Meeting deliberates employee enlightenment/training programs and execution outlines, checks execution status of training programs, and verifies improvement in human rights awareness.

Furthermore, they carry out training sessions by ranks to provide employees with opportunities to access human rights issues broadly.



## Training on human rights

In fiscal 2013, the MS&AD Insurance Group provided workplace training for all employees with common training materials under the theme of “considering power harassment during the daily routine at the workplace”, in an effort to create a more comfortable working environment.

In addition to the above-mentioned theme, MSI (including its affiliates) implemented workplace training “consider discriminatory expressions” to promote mutual awareness in accordance with the principle of respecting human rights. Furthermore, the company makes efforts to foster the employees’ sense of human rights, by implementing training by rank—such as training for new employees, promoted employees, and managers—as well as providing self-learning opportunities with e-learning.

ADI implemented workplace training for all employees via Internet TV using the training materials that are common across the Group, as well as through e-learning channels. Through training by rank for newly-appointed line heads, new employees, and other employees as well as through “human right slogans”, the company strives to help employees foster a sense for human rights.

## Consultation

### Reporting system from employees

In order to prevent illegal, unfair and unethical conduct from being neglected and spread, the MS&AD Insurance Group has in place a reporting system that employees can directly report through so the company can promptly recognize the facts and take necessary measures. With this system, the Group pushes ahead with compliance with ethics, laws, and regulations.

To be more specific, the following matters are subject to the reporting system.

- Any matters related to non-compliance
- Employee mental, physical, health and other issues, caused by sexual harassment, power harassment, and other types of harassments
- Any matters related to working environment, such as work hours and overtime work

We make efforts to allow informers to readily use the system by setting up an external contact point at an outside law firm. In addition we protect the informers by paying a sufficient amount of attention to ensure the informers’ privacy and protect their information. We also make sure the informers are not treated disadvantageously.

### Sexual harassment and power harassment consultation

At MSI, the Staff Consultation Office serves as the channel for consultation about and handling of sexual harassment and power harassment cases. Matters are arranged so that employees who feel victimized can consult staff there with peace of mind. Based on the swift performance of fact-finding investigations, it makes corrections and punishment as the need arises. The company is also making efforts for prevention such as by holding seminars and e-learning to educate the employees about harassment prevention.

At ADI, we have a desk especially for consultation about sexual and power harassment within the Personnel Department, and have taken steps enabling the employees to use consultation service without any reluctance by placing counseling desk in an external organ. As for issues taken up, we verify the report immediately, we internally punish those involved severely. As for prevention, we post posters with consultation desk details within the workplace cautioning against power and sexual harassment, and training sessions via internet TV (once a year) and e-learning (once a year) are held to boost employees awareness of human rights.

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**MS&AD MS&AD Holdings**

Respect for human rights and the growth of employees

## Employee's employment

The hiring practices of the MS&AD Insurance Group are transparent, fair, and people-centered.

### The number of employees

Fiscal 2013, Number of employees (Unit: People, as of March, 31, 2014)	
MSI	14,188
ADI	12,812
Mitsui Direct General	528
MSI Aioi Life	2,421
MSI Primary Life	344
MS&AD Holdings	265
Overseas Insurance Affiliates, and others	6,497
<b>Total</b>	<b>37,055</b>

[Detailed information](#)

### Hiring of New Graduates

Under the concept of "Tough Spirits, Big Heart", MSI conducts people-centered hiring practices in accordance with the basic policy that stipulates open, equal, and fair recruitment. We aim to hire human assets\* who have an international perspective and can create a new era with their own creativity and initiative.

With an eye to becoming a "non-life insurance company with the highest customer satisfaction", ADI works on recruiting activities with the concept of "Let's be positive!" Regardless of nationality and gender, the company is aiming to hire diverse human assets\* with personality.

\* Human assets: At MS&AD Insurance Group, in the spirit of valuing the individual, we refer to our employees as "Human assets" rather than "Human resources."

### Internship

MSI implements a five-day MSI internship program, from the standpoint of nurturing human assets in collaboration between industry and academia. By completing this program, participants can experience the social significance of non-life insurance, as well as the work of the sales department and the damage claim support department. In fiscal 2013, approximately 1,500 students participated in the program nationwide.

ADI conducts a 5-day internship "Boss' bag-carrier" that makes hands-on training possible by closely following managers and branch manager of Sales Department. The goal of this internship is improving the understanding the appeal and meaning of non-life insurance through the experience of the work. In fiscal 2013, 181 students from universities throughout Japan took part in the internship.



Internship

## Employment for the elderly

MS&AD Insurance Group has a program to rehire employees who desire to exercise their talents by applying the experience and skills after they have reached retirement age. By setting different work patterns in jobs, days and hours of work, we try to offer various options in work style to choose from.

The number of compulsory retirees who have been reemployed as of the end of March 2014 were 335 at MSI, and 234 at ADI (including both newly and post retirement employed people).

## Employment of people with disabilities

The MS&AD Insurance Group companies continue to engage in hiring activities to expand and anchor places of employment for the disabled. We are also conditioning workplaces and developing duties to facilitate work by people with disabilities.

At the end of fiscal 2013, all of the Group's five domestic insurance companies fulfilled the statutory employment requirement (2.00%) as shown below.

MSI	2.12%
ADI	2.02%
Mitsui Direct General	2.73%
MSI Aioi Life	2.08%
MSI Primary Life	2.08%
<b>Domestic Group insurance companies</b>	<b>2.08%</b>

MSI established a team named "Team WITH\*" to promote the assimilation of people with disabilities into the workplace by providing educational support and creating support systems.

"Team WITH" provides consultations and interviews employees with disabilities, implements questionnaire surveys for them and their bosses, and provides manuals to improve the working environment. An annual seminar is also held for hearing-impaired employees in order to boost the level of skills necessary for business and promote exchange between employees with the same disability.

\* WILLINGLY & THOUGHTFULLY

As a part of promoting diversity, ADI proactively employs people with disabilities. The company of course fulfills the statutory employment requirements, also vigorously works to employ people with mental disorders, aiming to further expand employment. Concluding the official partner agreement with the Japanese Para-Sports Association/Japanese Paralympic Committee, it conducts activities to support sports for the disabled, in order to deepen understanding about the disabled.

Advancing with you

## MS&AD MS&AD Holdings

### Respect for human rights and the growth of employees Human asset development

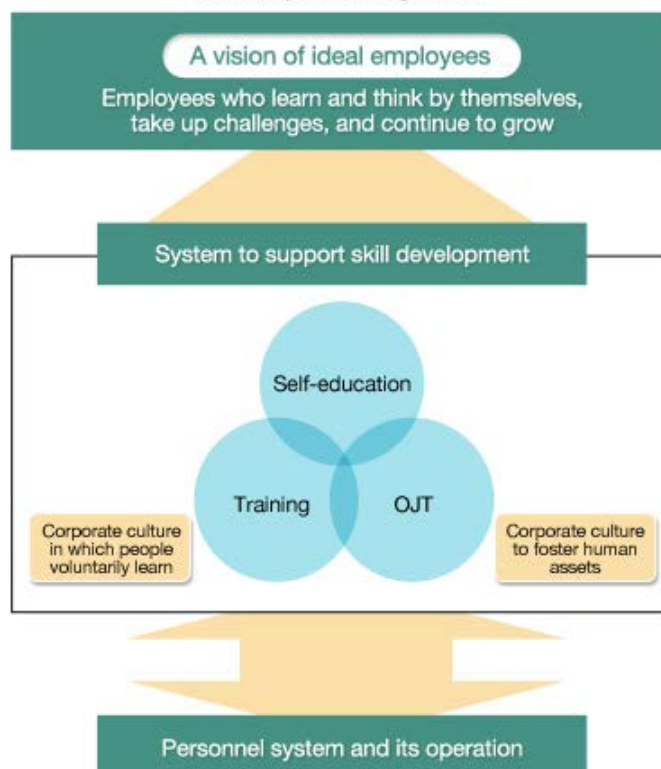
We endeavor to develop human assets\* toward the goals of heightening levels of professionalism among each and every employee, pursuing betterment as opposed to remaining complacent with the status quo, and maximizing the total power on the organizational level as the aggregate of individual capabilities.

\*Human assets: At MS&AD Insurance Group, in the spirit of valuing the individual, we refer to our employees as "Human assets" rather than "Human resources."

## Employee Development Goals

The MS&AD Insurance Group aims to develop employees who learn and think by themselves, take up challenges, and continue to grow. Domestic Group insurance companies offer a full range of education and support, including training, OJT (On the Job Training), and self-education so that employees can work professionally with a sense of pride and fulfillment.

### Conceptual image of the human asset development system



## Education and Training

Domestic Group insurance companies offer various opportunities for self-education, including training sessions and external correspondence courses, to assist employees with their self-directed learning and development.

Training for unit heads is designed to reinforce management skills and workplace communication skills, which sustain overall human asset development. There are also training programs to develop management personnel, and to promote the role of women.

An OJT program has been established to help newly hired employees familiarize themselves smoothly with the workplace, and utilize their work experience while acquiring the knowledge and skills they need.

Moreover, in fiscal 2014 we held a one-day group training session for all new employees of the 10 Group companies in an effort to foster a sense of unity among Group employees.



Joint training for new entry-level employees of 10 Group companies

## Support taking up the challenge

### Trainee system

Domestic Group insurance companies have the In-house Trainee System, which enables employees to have a short-term experience in roles they have not experienced before and workplaces they have an interest in. Through this system, employees can experience the work of other divisions or the work of another company.

Since the corporate culture at MSI to implement the “Trainee System” has matured, from fiscal 2013 individual workplaces started to voluntarily operate the system, which excludes practical training at the head department and other departments.

ADI has expanded the training to bi-directional training between the head department and sales, damage services, and operation departments since 2012. The company also introduced the Trainee System between Group companies, which boosts the sense of unity across the Group and enhances communication. We plan to further expand this system.

FY 2013: Actual use of Trainee system		
	Between Group companies	internal
MSI	26	81*
ADI	26	87
Mitsui Direct General	1	0
MSI Aioi Life	10	35
MSI Primary Life	10	15

\* The number of trainees at the head department, etc.

## My Value

**Atsushi Hosaka**  
**Manager, Claims Section, Policyholder Services Department**  
**MSI Primary Life**

Using the Group's Trainee System, I participated in the training at the Claims Administration department of MSI Aioi Life.

As I often hear customers saying "procedures for life insurance claim are difficult." This is why I work on revising claim documents and preparing a claim support guide with illustrations, while referring to my experiences at the company and giving customers first priority.

In order to reassure and satisfy customers regarding insurance claims, which are apt to be considered difficult, I will keep in mind to sincerely respond to customers.



## In-house application system

MSI, ADI, MSI Aioi Life provide In-house application system. This system contributes for the support of career-building of employees who have a strong challenging spirit and have recorded a certain amount of achievement in their current position.

Among them, the "Post Challenge System" is a job posting system in which an employee communicates to the company the details of the career that they want to build and their dreams. This is a system where they can challenge themselves to realize their goals and through this system, we realize the ability of employees to determine their own career development paths.

## Pursuing Goals

Domestic Group insurance companies have a goal management system, which helps each employee to pursue challenging new work and realize their development and feel more fulfilled on the job.

The employee and his or her superior engage in direct dialogue several times a year. The objective is to build up their consent and fairness in the eyes of the employees by sharing the target, task, achievements of him or her and his or her company and to lead their development.

In addition to the daily communication with superiors, they arrange opportunities for direct dialogue between the two. These dialogues offer support for employees who want to work in new domains or play bigger roles, strengthen their motivations, and help them to feel more fulfilled on the job.

## Initiatives to innovate roles

MSI, as a whole, worked on the "Role Innovation" in which all employees challenge new roles, and expanded the areas where female employees can achieve their potential. From fiscal 2014, the company has further pushed ahead with transforming roles with the newly titled "Be Professional for All" initiative, and enhanced the development of human assets. It will also provide more support for self-learning OJT and other programs. to highly-motivated employees who are willing to take on a challenge, and further promote activities to enable women to be more active.

ADI works on "Innovation of Individual Roles" where each employee plays a new role with a challenging spirit. The company is aiming to become a company where each employee's growth would lead to corporate growth, by promoting the active participation of women and proactively using young employees while breaking through the conventional frameworks of roles.

## Prize for companies supporting career development

In 2013, MSI won the "Award for Companies Providing Career Support in 2013" hosted by the Ministry of Health, Labor and Welfare, for the first time in the insurance industry. The company was highly recognized for its support of voluntary career development, which has led to an increased motivation of employees to work and its contribution to the organization.



Commendation ceremony

## Global human asset development

To produce specialists in each field equipped with an abundance of cosmopolitan sense and expertise, MSI has established "MS Business University". In fiscal 2014, under the training program, it sent 32 employees to overseas subsidiaries for one year as a rule to learn their business, business skills and their language. And for the expansion of the lower end of global human asset, they have "Training Class for Global human assets". The training class helps to understand the minds and skills which are required to the global human asset.

In ADI, such programs as overseas training system in China, JICA's dispatch program, and MBA course participation program at Hitotsubashi University (HMBA program) are practiced to aim the personnel growth that can support the global operation development in various fields. Also, we have the "overseas career challenge internship system" for those who wish to establish the international career to know required knowledge and skills.

## Global trainee system

MSI has the Global Trainee System that enables domestic employees to experience the work at overseas offices and overseas employees to experience the work at offices in Japan. That contributes to the expansion of global human assets and the internationalization of the head office divisions, and contributes to the mutual exchange and understanding between domestic and overseas employees.

In fiscal 2013, 16 domestic employees and 43 local employees hired by overseas bases used the Global Trainee System (50 domestic employees and 114 local employees in total since fiscal 2010).



Program for employees hired overseas in Japan

### Actual use of Global trainee system

	FY 2010	FY 2011	FY 2012	FY 2013	Total
domestic employees	12	11	11	16	50
local employees	14	25	32	43	114



### Temporary transfer system to headquarters from overseas branches

MSI accepts local staffs employed at overseas posts as temporary transferees to the International Department in head office and the East Asia & India Division. In fiscal 2011, the system was extended and about 8 staffs are on the transferred job for a duration of 6 months to 2 years.

Using the system, 33 employees of overseas bases worked in Japan until fiscal 2013.

At their assigned workplaces, they have contributed to improving work quality and efficiency by their performance and to promoting globalization in the process of preparing for their participation in the work environment.

The transferees are given access and opportunities to learn head office structure and functions, which lead them to better understand the MS&AD Group's mission/vision/values while on the job.

They also are active in cross-fertilizing with sections and departments that they seldom have contacts, thus helping mutual understanding.

#### Actual use of Temporary transfer system to headquarters from overseas branches

	FY 2011	FY 2012	FY 2013	Total
overseas employees	8	14	11	33

### Meeting of global compliance controllers

MSI conducted the "6th International Compliance Controller Training" for compliance controllers promoting compliance at overseas outposts.

With 43 participants from 22 countries and regions, the recent meeting included a seminar by an outside lecturer on measures to prevent the occurrence of misconduct, and reports from representative overseas bases about examples of their efforts to promote compliance and to prevent reoccurrence of scandals, in addition to lectures of each department in the headquarters. Through this two-day seminar, we shared information on initiatives in each country, and reconfirmed the importance of promoting compliance.



Participants from all over the world



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**MS&AD** MS&AD Holdings

Respect for human rights and the growth of employees

Communication with employees

## Employees satisfaction

In the MS&AD Insurance Group, an opinion poll is conducted every year for all employees in the Group.

Questions are prepared from the stationary standpoint of “approaches to practicing the Group Mission, Vision, and Values,” “a sense of unity as a Group,” and “a lively working environment” to observe the opinions of the Group’s employees.

As the concept of the Group’s Mission, Vision and Values becomes more known among employees every year, it is confirmed that a sense of unity as a Group is enhanced and employees’ motivation for work and growth is being actualized.

KPI to promote our CSR approaches “Employee satisfaction”

Index		Fiscal 2012	Fiscal 2013	
		Performance	Target	Performance
(10) Employee satisfaction (questionnaire results), “Pride, Job satisfaction”	Ratio of employees feeling pride or job satisfaction (all-employee average on a 6-point scale).	4.3points	Equal to or greater than the previous year	4.3points
(11) Employee satisfaction (questionnaire results), “Working Vigorously”	Ratio of employees, regardless of sex and age, feeling free and lively at workplaces (all-employee average on a 6-point scale).	4.1points	Equal to or greater than the previous year	4.0points

➡ [Key performance indicators \(KPI\) to promote our CSR approaches](#)

## Utilizing employees’ voice for business improvement

Each company in the Group has implemented the message board in intrasystem to collect the views of employees to utilize employees’ voice for business improvement. Their voices are considered at each division at the headquarters and the results are fed back.

➡ [Schemes to absorb employee opinions](#)

## Communication with board members

At MSI, the assigned corporate executives from the head office divisions have made visits to sites across Japan to hold the Management Meetings for exchange views with employees to reflect their views in the management. In fiscal 2013, we held 20 times at Japanese sites. We have kept efforts to utilize the voice of employees for management improvement.

At ADI, from the idea of “Respect the voice of field site”, the dialogs between top-management-group and employees have been carried out. The dialogues are held mainly with younger employees and managers, and their views are being reflected to the management.

MSI Primary Life holds the “Primary Leader Meeting” twice a year to share business issues among all officers and managerial employees. Furthermore, the “Workplace Meeting” is held on a regular basis to share the situation of each department and important issues through direct talks between the president and employees. In this way, the company proactively takes measures for communication between management and employees.

Advancing with you

**MS&AD MS&AD Holdings**

## Respect for human rights and the growth of employees Achievement of Work-life balance

The MS&AD Insurance Group accepts diverse employee values, and gives all ambitious employees the opportunity to grow and demonstrate their talents through their work.

### Building a Friendly Working Environment

#### Approaches as a company supporting the development of the next generation

MSI and ADI and MSI Aioi Life provide various supporting systems for the employees raising children as a company supporting the development of the next generation.



Accreditation mark "KURUMINN"  
(for a company actively striving to support  
the development of the next generation)

### Support of employees raising children

#### Building a Working Environment while raising children

MSI holds a seminar for employees scheduling to take a childcare leave to prepare them to be successful once they return to work. The company also prepares an environment which allows e-learning to be available at home during childcare leave, in an effort to support employees who hope to actively work after their leave.

ADI provides the "Job Return Support Program" with the view to erase all sorts of worries and assist a smooth return to work for employees. The Program provides a guidebook, "Kangaroo Book" and offers seminars "Kangaroo Meeting" for those on childcare leave, which they can attend with their children before returning to work. DVDs are available for rent for those employees unable to attend the seminar.

The "ADI Working Mother Experience Report" has issued to summarize the experiences of senior employees balancing work and childcare.

Since April 2013, we have expanded the scope of eligible users of the in-house nursery school at ADI, allowing employees of the four companies ADI, MSI, MSI Aioi Life, and Mitsui Direct General to use it.



The in-house nursery school

## Posting of substitutes for employees on childcare leave and provisions for shorter hours

To make it easier for female employees who are going to give birth to take childcare leave, MSI has their substitutes work with them starting three months before the maternity leave, to get fully accustomed to the duties. In the shorter working hour system, working hours can be selected from six types which include flextime and rotating shift systems.

ADI has arranged short-hour working system, providing for better terms than what the laws require, that is applicable until the child reaches the fourth grade in elementary school.

Mitsui Direct General, MSI Aioi Life, MSI Primary Life also operate the "Posting of substitutes for employees on childcare leave".

Handbook on work-life balance prepared by MSI for the employees introduces the system to balance work, childcare, and nursing and to support his or her carrier.



"Work-life balance" Handbook

## Leave for daddy activities/Leave for daddy-to-be

MSI provides employees (male employees) who have not taken childbirth leave a paid leave of five days from the date the childcare leave starts.

The company supports male employees to participate in childcare, by sending eligible employees e-mails encouraging them to take this five-day "leave for daddy activities".

To assist employees who prize a good work-life balance and want to be actively involved in childcare, ADI instated "Papa Preparation Leave", a provision for leave so husbands can prepare for impending childbirth by their wives. The husband is given one day of the week before the scheduled day of birth off with pay, to allow him to support the family as the father beginning before the birth of his child.

MSI Aioi Life has introduced a leave system "Ikumen leave" for men to assist childcare in order to support male employees to proactively participate in childcare. It is possible to take the paid leave for three days in total before and after the expected delivery date, or within six months after their spouse gives birth.

## Care support

### Leave for Nursing, Temporary retirement for Nursing

We have in place a system which supports employees to continue work while caring for a family member. MSI and MSI Aioi Life provide leave for nursing relatives and temporary retirement for nursing. Leave for nursing allows employees to leave up to 5 days (in case one in the family requires nursing care) every fiscal year to take care of his or her family who are in need of attendant to go hospital etc. Temporary retirement for nursing allows employees to leave up to 365 days with tenure of office, encourage those motivated employees to work after the nursing.

ADI has provision of shorter hours for nursing and Leave for nursing, and Temporary retirement for Nursing with limit of a year and rehiring of employees for those who retired for nursing.

## Actual use of child-support program, care support program

Fiscal 2013:

Actual use of Provisions for Temporary Leave for Childcare or Nursing  
(Unit: Persons)

	Temporary Leave for Childcare	Provisions for shorter hours for Childcare and Nursing	Temporary Leave for Nursing
MSI	244	185	4
ADI	267	309	8
MSI Aioi Life	25	27	2

## Innovation of work styles

For employees to experience motivation to work and their own growth, MSI considers it important for employees to ensure their health, develop themselves, and enhance their work-life balance with the spare time created by working in highly productive ways within a limited time. To this end, the company has implemented the "No overtime work day" and the "Month for creating more ease" in order to encourage employees to leave the office earlier and take leaves. At each workplace, meetings are held twice a year for the purpose of creating more ease at work.

Aiming to improve time productivity by simultaneously innovating operations and working styles, ADI is promoting the innovation of each employee's role.

Furthermore, the company, as a whole, promotes the campaign for leaving the office earlier twice a week in order to encourage a well-planned execution of business. The company is also working on the "Refresh Growth Plan ~ Aiming at a cooperative workplace" in order to improve productivity by taking leaves systematically, and enhance communication.

Since fiscal 2013, by designating July and August as the "Months for leaving the office earlier", Mitsui Direct General Insurance has made efforts for improving actual working conditions, by holding improving working conditions meetings, as well as setting the company-wide goal of leaving the office earlier.

## Implementation of Family Day (Company tour for family)

MSI holds Family Day, where families who support our employees are invited to the workplace, in order to deepen their understanding about the company and the workplace, and exchange with members of the workplace. By increasing communication at the workplace, this event has led to the creation of a more lively and active working environment.

On December 25, 2013 (Christmas) at the headquarters, ADI held Family Day for families of employees who work at the headquarters. The participants visited each workplace, and saw what kind of place and people their family member works at and with. They also exchanged name cards with the president.



Visiting father's workplace



Exchanging name cards for the first time

## My Value

**Mariko Mita**  
Deputy Manager, Medical Underwriting Section Underwriting Department  
MSI Aioi Life

Presently, I work while raising a child by using the shorter working hour system. While it felt difficult to execute duties efficiently within the prescribed working hours, I have received the cooperation from all the members of my department including the support staff, who are aware of the necessity of mutual support. This is why I really feel the value and preciousness of teamwork every day. I will work hard on my day-to-day duties, so that I will become able to support other members in the future.



## Safeguarding employees' health

The MS&AD Insurance Group aims to create a workplace where all employees can work lively with good physical and mental health.

### Taking paid leaves

MSI believes business efficiency and productivity would increase by ensuring off-time by making sure leaves are taken, which can enhance work-life balance, rest the body, and generate mental leeway, in addition to being an effective opportunity to develop abilities. Especially, we make efforts to enable all members of the workplace to systematically take the Special vacation by formulating a plan to take the vacation at the beginning of a fiscal year. Primary leaves include Ordinary leave (to be carried over from the previous year) and Special vacation (including Summer vacation, Fresh-up vacation, and Anniversary vacation) As for Summer vacation, a consecutive five-day holiday is available during July – August.

Apart from "Annual paid leave", ADI has introduced its own unique leave systems, which include "Summer vacation", "Special consecutive vacation", and "Refresh vacation". The company is also making efforts to have employees take leaves systematically, under the idea that taking leaves leads to mental and physical refreshment, further improvement in productivity, and a corporate culture where people help each other.

Fiscal 2013: Number of vacation days with pay *1 (Unit: Days)		
Company	Items	Average number of days
MSI	Carry-over and ordinary vacation days total	5.1
	Special vacation *2	10.9
ADI	Carry-over and ordinary vacation days total	7.8
	Special vacation *3	9.3

\*1 Scope includes all employees of the company

\*2 Figures for special vacation are totals for summer vacation, Fresh up vacation and Anniversary vacation etc.

\*3 Figures for special vacation are totals for summer vacation, and consecutive special leaves.

## Health management of employees

### Medical Checkup

MS&AD Insurance Group introduced the operation of a Group-unified medical checkup system that provides the services, health check-ups and reviews of their results.

In this way, our group employees are able to receive a homogeneous health diagnosis and result determination wherever Group employees work.

Medical Checkup Systems		
Types of Medical Checkups	Age Group	Characteristics
General Medical Checkup (Items included beyond those required by law)	Employees below the age of 35	<ul style="list-style-type: none"> <li>• Medical checkup items uniform for the Group</li> <li>• Criterion uniform for the Group</li> </ul>
Total Medical Checkup (complete medical checkup)	Employees over the age of 35	

This enabled the group employees to get health check-ups and results no matter where they are employed. For the employees who need a follow-up health check, the welfare guidance by industrial doctors and nurses are provided at each company's health management departments (MSI Health Management Center, ADI Health Management Center, and MSI Aioi Life Health Management Promotion Center , etc).

Also, for the employees who use personal computers over a certain period of time, interview guidance by industrial doctors are conducted.

### For maintaining employees' health (Singapore)

MSIG Insurance (Singapore) Pte. Ltd., MSI's local subsidiary in Singapore, has conducted the following activities, in order to improve the staff's health and keep a sound work-life balance.

- 1) Delivering healthy food to all employees every other month, in order to increase awareness of healthy dietary habits.
- 2) Holding exercise classes aiming to create a healthy life style.
- 3) Holding workshops on healthy food and cooking at lunch time.
- 4) Providing all employees a feast each time a variety of cultural events are held, for the aim of understanding and celebrating multi-racial culture.

📄 [MSIG Insurance \(Singapore\) Pte. Ltd.](#)

## Mental health of employees

To aid mental health care, the MS&AD Insurance Group has established health management centers and employee consultation offices (or officers) and implemented mental health care for employees. The health management centers are staffed with full- and part-time industrial physicians and industrial nurses, and stay with the employee over the entire process from initial consultation to reinstatement in the workplace. In addition to the employee consultation offices that are ready for consultation on any matter, we emphasize support for reinstatement in the workplace, and work in collaboration with the health management centers.

### Activities to support mental health care

MSI supports mental health care activities through the cooperation of the health management center and the employee consultation office. These activities include prevention and workplace reinstatement. In particular, from 2014, We have to strengthen the consultation system by increasing the number of psychiatrists.

■ Prevention activity: Training, E-learning, Stress checking system, Rounds of workplaces etc.

■ Support for patients: Consulting during the recuperation etc.

■ Support for reinstatement: Preparation of reinstatement in the period of recovery etc.

In its e-learning system, ADI has incorporated issues related to mental health and is implementing them.

The Personnel Department provides training about mental health and provides information about self-care for prevention in training programs for new entry-level employees, newly appointed line section heads, and line department managers.

The company constructed a setup for ready consultation by employees about mental health, by establishing EAP centers \* and healthcare centers (health management offices in each region) within the company and a consultation office by an outsourced consultation organization. The company provides a variety of consultation methods, which includes the support of reinstated employees and consultation of those under medical treatment.

It should be noted that mental health care for employees in the afflicted disaster areas from the Great East Japan Earthquake has been provided.

\* Employee Assistance Program to provide general consultation in dealing with employees' problems in mental health, physical health, workplace worries, normalization issues, etc.

## Safety of employees (safe driving, and number of worker injuries)

In the insurance business, a work-related accident which most frequently occurs is a traffic accident while driving a company car.

The Group insurance companies which use company cars make various efforts for safety driving in accordance with safety driving control rules for company cars by managing the status of accident occurrence. Since fiscal 2014, MSI has worked to increase awareness of safety driving by distributing tablet PCs and using the SumaHo "Driving Capability" diagnostic application.

**Fiscal 2013:**  
**Number of claims of work related injuries**  
(Unit: cases)

	Number of worker injuries			
		Work related accident	Accident during commute	Fatalities
MS&AD Insurance Group	173	81	92	0



Advancing with you

**MS&AD MS&AD Holdings**

Respect for human rights and the growth of employees  
Promotion of diversity

In order to promote the Group management consciousness about global environmental changes, it has become more important to combine the abilities of individual employees with diverse values. The MS&AD Insurance Group gives all ambitious employees the opportunity to grow and demonstrate their talents through their work.

### Promotion of the role of female employees

The MS&AD Insurance Group considers it important that female employees take on challenges and bigger roles in the workplace by utilizing their own advantages and characteristics. This leads to the growth of both the employees and the company.

MSI, ADI, MSI Aioi Life established a professional team and they assist the career development, good work-life balance of female employees and create workplace environments that can support this.

In July 2011, the MS&AD Insurance Group established a joint declaration for promotion of female employees and has been conducting activities to support women in their career aspirations.

#### [Joint Declaration]

We will actively work to realize the vision of the Next Challenge 2017, aiming for our new growth without limiting ourselves.

- (1) **In support of career development,**  
we will enhance our knowledge and provide opportunities to broaden our field of vision.
- (2) **In support of balancing our work with life,**  
we will implement measures to assist ambitious employees to continue working while meeting other life commitments.
- (3) **In support of creating a productive workplace atmosphere,**  
we will foster an environment that encourages women to take

On the basis of the joint declaration, specialist teams within the domestic Group insurance companies have posted the goals for our actions jointly and advanced our approaches.

The MS&AD Insurance Group will carry on in fiscal 2014 to promote the success of women.

### Training for female leaders for the next generation

Following fiscal 2012, the "seminar for women" was held, targeting about 100 female employees, who have been candidates for female leaders for the next generation in domestic Group insurance companies. By providing opportunities to understand the expanding women's roles, we support the career development of our female staff who challenge themselves.

MSI is expanding the number of female employees who can aim for a management position, by administering the "MSI Female Leaders School" for management position candidates to master business knowledge and leadership skills, such as management skills. ADI fosters next-generation female leaders by holding the "Career Up Seminar" for assistant section managers to promote exchange with female managerial staff who can act as role models.

## Share of management positions occupied by women

Share of management positions occupied by women (as of 1 April each fiscal year, figures in parentheses indicate number of persons)			
	FY 2011	FY 2012	FY 2013
MSI	1.6%(69)	2.1%(90)	2.9%(120)
ADI	3.5%(123)	4.0%(141)	4.4%(159)
Mitsui Direct General	0%(0)	1.8%(1)	1.8%(1)
MSI Aioi Life	1.3%(3)	1.2%(3)	2.1%(6)
MSI Primary Life	6.0%(10)	6.4%(10)	6.7%(10)

## Support for diverse work styles

### Provisions for change of place of employment

MSI and ADI have introduced provisions for a change of place of employment. The provisions enable area-specific employees\* to move and continue working for the company instead of quitting when they are compelled to move for reasons such as the transfer of their spouse, the marriage or care of parent.

The new provisions are helping to support employees' work-life balance as well as to stem the efflux of first-rate personnel.

\* Area-specific employees: employees who are not subject to transfer entailing a change of residence

### Rehiring Program (Rehirement of employees who retired for personal reasons)

MSI has a personnel system for re-hiring former area-specific employees who left the company on account of life event such as marriage, childbirth or care of parent. In fiscal 2008, the "re-hiring qualifications" have been considerably expanded. Age limits were raised and more lenient determination of separation periods were made to open the door to re-employment wider, thus making it easier for highly motivated previous female employees to reapply after finishing childcare. For female employees of the same industry, the same policy has been applied to make the best use of their experience by offering them better terms.

ADI has a "re-hiring system of retired former employees" which is provided to those former employees who retired/resigned due to certain life events during their working career (childbirth, child rearing, nursing care, spouse's transfer, etc.\*) when they can return to work. This system can put the former employees' knowledge and skills to better use again.

\* Part of the events is limited to area-specific employees.

## Diversity Management Selection 100

ADI won a prize in “2013 Diversity Management Selection 100” hosted by the Ministry of Economy, Trade and Industry, in recognition of its initiatives promoting diversity and the role of female employees.



Diversity Management Selection 100



Diversity Management Selection 100 logo

## My Value

**Tomoko Ishida**  
Manager, Tokyo Kita Branch  
ADI

When challenging a new field, it is necessary to be prepared. Feeling anxious that my potential for growth was limited when continuing to do only administrative work, I challenged myself, such as by transferring to sales from the back-office and getting promoted to section manager. With support from my colleagues, I have continued to take on challenges while preparing myself to do so without complaining. I would like to use my own experience to support others who challenge themselves.



## Employment of people with disabilities

The MS&AD Insurance Group companies continue to engage in hiring activities to expand and anchor places of employment for the disabled. They are also conditioning workplaces and developing duties to facilitate work by people with disabilities.

At the end of fiscal 2013, all of the Group insurance companies fulfilled the statutory employment requirement (2.00%). Please see here for the details on the employment rate of people with disabilities.

[Detailed information](#)

## Support for employees with disabilities

MSI established a team called Team WITH \* to promote assimilation of people with disabilities into the workplace by giving educational support and creating support systems.

“Team WITH” provides consultations and interviews employees with disabilities, implements questionnaire surveys for them and their bosses, and provides manuals to improve the working environment. An annual seminar is held for hearing-impaired employees in order to boost the level of skills necessary for business and promote exchange between employees with the same disability.

\* WILLINGLY & THOUGHTFULLY

As a part of its diversity promotion activities, ADI proactively employs people with disabilities. The company, of course fulfills its statutory employment requirements, also vigorously works to employ people with mental disorders, to further expand the employment of people with disabilities. Signing the official partner agreement with the Japanese Para-Sports Association/Japanese Paralympic Committee, it conducts activities to support sports for the disabled, in order to deepen understanding about the disabled.

## Rehirement of the elderly

MSI and ADI have a rehiring program for the employees who have reached retirement age. The program allows employees who desire to continue exercising their talents by applying their experience and skills they have accumulated in their past work. Employment contracts can be renewed in accordance with such factors as the company’s operating needs and the nature of the job, enabling employees to work until a maximum age of 65. Under the program, several work options are offered by job types, number of working days, and work hours so that a variety of working patterns are available to choose from.

As of April 2014, the number of re-employed retirees (total of new hires and continued employees) was 482 (including 159 loaned employees) at MSI and 330 at ADI, respectively.

[Detailed information](#)

**Data / Reference Material**

The following is the materials and data about CSR approaches of the MS&AD Insurance Group.

Subject period:

FY2013 (April 1, 2013 – March 31, 2014)

Subject organization: (its abbreviation is in parentheses)

Mitsui Sumitomo Insurance Co., Ltd.(MSI), Aioi Nissay Dowa Insurance Co., Ltd. (ADI), Mitsui Direct General Insurance Co., Ltd. (MD), Mitsui Sumitomo Aioi Life Insurance Co., Ltd. (MSA) \*, Mitsui Sumitomo Primary Life Insurance Co., Ltd. (MSP), MS&AD Holdings (HD)

“The Group” indicates above six member companies.

\* The former MSI Krameki Life and the former Aioi Life merged in October, 2011 and formed Mitsui Sumitomo Aioi Life Insurance Co., Ltd. Its results for April, 2011 to September, 2011 are a simple sum of both companies' results and its results after October 2011 are the sum of new company's results.

**ISO 26000 Core subjects (Organizational Governance)****Corporate Governance**

Basic Policies on Corporate Governance

- ▶ [MS&AD Insurance Group The Basic Policy Pertaining to the System for Internal Control](#)
- ▶ [MS&AD Insurance Group The Basic Policy for Management of Conflicts of Interest](#)
- ▶ [MS&AD Insurance Group Basic Policy Concerning Antisocial Forces](#)

**Directors**

Chairman of the Board of Directors	Chairman(In the absence of the Chairman, President serves concurrently.)
Number of Directors	13
Number of Outside Directors	4
Number of independent member in Outside Directors	4

**Auditors**

Existence of Auditors' Meeting	In place
Number of Auditors	5
Number of External Auditors	3
Number of independent member in External Auditors	3

**Incentive compensation**

Remuneration of directors who serve also as executive officers are stipulated in this manner to be commensurate with the company and each individual's performance.

## Board of Directors' Remuneration, Auditors' Remuneration

Remuneration, etc. for each director is determined by a resolution of the board of directors made in response to the proposal of the remuneration committee where outside directors account for a majority of votes for the purpose of securing transparency and the proposal is made on a basis of an incentive for potential business performance and the competitive level of remuneration at a global enterprise within the limits set forth by the resolution of the shareholders meeting. Remuneration, etc. for each auditor is determined by mutual consultation among auditors within the limits set forth by the resolution of the shareholders meeting in consideration of whether the auditor is a full-time or part-time auditor, its assigned share of auditor's responsibility, and director's remuneration and its level, etc.

The shareholders' meeting has resolved that director remuneration shall not exceed 500 million yen per year (excluding salaries for officers in the case of directors serving as executive officers) (of which outside directors' remuneration shall not exceed 60 million yen per year) and that auditor remuneration shall not exceed 110 million yen per year.

## Number of meetings of Board of Directors etc.

Function		Fiscal 2013
Execution, Supervising	Board of Directors	15 <sup>*1</sup>
	Group Management Committee	12
	Task-Specific Committee Meetings	
	Group Management and Monitoring Committee Meeting	36
	Risk Compliance Committee Meeting	6
	Information Disclosure Committee Meeting	7
	Brand Committee Meeting	1
	Group System Committee Meeting	4 <sup>*2</sup>
Audit, Supervising	Board of Auditors	12 <sup>*3</sup>

\*1 Outside Directors average attendance rate 96.7%

\*2 Group System Committee Meeting has been held from the fiscal 2013, first time January 20, 2014.

\*3 External Auditors average attendance rate 91.7%

➡ [Execution, Audit, Supervising, Nomination, Remuneration](#)

## Compliance

- ➡ [MS&AD Insurance Group Basic Policy on Compliance](#)
- ➡ [MS&AD Insurance Group Basic Policy for management of Customer Information](#)
- ➡ [MS&AD Insurance Group Basic Policy for Sharing Customer Information](#)
- ➡ [MS&AD Insurance Group Basic Policy for Management of Outside Vendors](#)

Internal report system	Yes
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## Risk Management

- ➡ [MS&AD Insurance Group Basic Policy for Risk Management](#)

## Information Disclosure

- ➡ [MS&AD Insurance Group Basic Policy for Disclosure](#)

## ISO 26000 Core subjects (Consumer Issues)

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

#### Handling situation of customer's voice

(Comparison with last year in parenthesis)

(Units : cases)

Items	Coverage	Fiscal 2011	Fiscal 2012	Fiscal 2013
Total	MSI	34,432 (-)	38,310 (11.3%)	42,646 (11.3%)
Contracts, Canvassing	MSI	8,060 (-)	8,045 (▲0.2%)	9,166 (13.9%)
Management, Maintaining of contracts, Collection	MSI	13,935 (-)	13,581 (▲2.5%)	15,219 (12.1%)
Insurance payment	MSI	11,685 (-)	15,133 (29.5%)	16,665 (10.1%)
Management of customer information	MSI	194 (-)	191 (▲1.5%)	206 (7.9%)
Other	MSI	558 (-)	1,360 (143.7%)	1,390 (2.2%)
Total	ADI	69,079 (-)	52,116 <sup>*1</sup> (▲24.6%)	50,275 (▲3.5%)
Contracts, Canvassing	ADI	16,899 (-)	11,739 <sup>*1</sup> (▲30.5%)	11,189 (▲4.7%)
Management, Maintaining of contracts, Collection	ADI	30,495 (-)	20,884 <sup>*1</sup> (▲31.5%)	17,006 (▲18.6%)
Insurance payment	ADI	17,820 (-)	15,989 <sup>*1</sup> (▲10.3%)	19,340 (21.0%)
Management of customer information	ADI	653 (-)	666 <sup>*1</sup> (2.0%)	902 (35.4%)
Other	ADI	3,212 (-)	2,838 <sup>*1</sup> (▲11.6%)	1,838 (▲35.2%)
Total	MD	4,880 (-)	4,617 (▲5.4%)	4,991 (8.1%)
Contracts, Canvassing	MD	1,699 (-)	1,240 (▲27.0%)	1,365 (10.1%)
Management, Maintaining of contracts, Collection	MD	49 (-)	35 (▲28.6%)	44 (25.7%)
Insurance payment	MD	2,966 (-)	3,224 (8.7%)	3,316 (2.9%)

	Management of customer information	MD	2 (-)	4 (100.0%)	1 (▲75.0%)
	Other	MD	164 (-)	114 (▲30.5%)	265 (132.5%)
Total		MSA	5,475 (-)	10,641 (94.4%)*2	7,728 (▲27.4%)
	New contracts	MSA	1,729 (-)	2,372 (37.2%)	1,400 (▲41.0%)
	Collection	MSA	551 (-)	1,613 (192.7%)	619 (▲61.6%)
	Maintaining of contracts	MSA	1,226 (-)	2,219 (81.0%)	1,356 (▲38.9%)
	Insurance payment, Payment of benefits	MSA	1,156 (-)	1,237 (7.0%)	1,140 (▲7.8%)
	Other	MSA	813 (-)	3,200 (293.6%)	3,213 (0.4%)
Total		MSP	8,241 (-)	9,341 (13.3%)	12,520 (34.0%)
	New contracts	MSP	661 (-)	793 (20.0%)	1,081 (36.3%)
	Collection	MSP	0 (-)	0 (-)	0 (0.0%)
	Maintaining of contracts	MSP	1,952 (-)	2,171 (11.2%)	4,023 (85.3%)
	Insurance payment, Payment of benefits	MSP	2,001 (-)	1,923 (▲3.9%)	2,065 (7.4%)
	Other	MSP	3,627 (-)	4,454 (22.8%)	5,351 (20.1%)

\*1 The data was reviewed and corrected to increase accuracy

\*2 The newly merged company mailed "life insurance premium deduction certificate" etc., for the first time, then many queries and compliants were received regarding this



## ISO 26000 Core subjects (Environment)

### MS&AD Insurance Group Environmental Basic Policy

## CO2 emissions in business activities

(Comparison with last year in parenthesis)

Items		Coverage	Units	Fiscal 2011	Fiscal 2012	Fiscal 2013
CO2 gross emissions (Scope 1,2,3)	Domestic + Overseas	The Group	t-CO2	108,903 (▲ 7.0%)	124,068 (13.9%)	961,700 –
	CO2 emissions (Scope 1)	Domestic	The Group	22,923 (▲ 15.1%)	22,804 (▲ 0.5%)	22,889 (+0.3%)
		Domestic + Overseas	The Group	23,081 (▲ 15.1%)	23,005 (▲ 0.3%)	23,057 (+0.2%)
	CO2 emissions (Scope 2)	Domestic	The Group	63,646 (▲ 6.3%)	79,325 (24.6%)	77,196 (▲ 2.7%)
		Domestic + Overseas	The Group	75,880 (▲ 4.9%)	91,241 (20.2%)	88,758 (▲ 2.7%)
	CO2 emissions (Scope 3)	Domestic + Overseas	The Group	9,942 (▲ 1.5%)	9,821 (▲ 1.2%)	849,885 <sup>*1</sup> (–)

\*1 In fiscal 2011 and 2012, we report on 2 categories of Scope 3 (“employee commuting” and “business trip”). In fiscal 2013, we report on 9 categories of Scope 3.

## Domestic Data of environmental burden

(Comparison with last year in parenthesis)

Items	Coverage	Units	Fiscal 2011	Fiscal 2012	Fiscal 2013
Electricity	The Group	MWh	171,528 (▲ 14.4%)	166,109 (▲ 3.2%)	168,269 (+1.3%)
Heat supply	The Group	GJ	35,699 (▲ 25.0%)	58,654 (64.3%)	43,914 (▲ 25.1%)
Utility gas	The Group	km <sup>3</sup>	1,928 (▲ 35.4%)	2,038 (5.7%)	2,382 (+16.9%)
Bunker A	The Group	kℓ	54 (▲ 60.6%)	105 (94.4%)	121 (+15.2%)
Kerosene	The Group	kℓ	192 (▲ 34.3%)	202 (5.2%)	189 (▲ 6.4%)
Gasoline	The Group	kℓ	7,692 (▲ 6.2%)	7,437 (▲ 3.3%)	7,126 (▲ 4.2%)
Paper	The Group	t	16,445 (▲ 24.1%)	14,445 (▲ 12.2%)	15,969 (+10.6%)
Proportion of paper on forest certification	MSI, ADI, HD	%	6.1 (–)	12.0 (96.7%)	15.1 (+25.8%)

Total water use	The Group <sup>*1</sup>	<sup>3</sup> km	818 (3.9%)	691 (▲15.5%)	720 ( - )
Total wastage	The Group <sup>*1</sup>	t	6,094 ( - )	5,330 (▲12.5%)	6,677 ( - )
Total waste recycling	The Group <sup>*1</sup>	t	4,521 ( - )	3,554 (▲21.4%)	4,523 ( - )
Business trip (domestic and abroad)	MSI, ADI, MSA <sup>*1</sup>	thousand km	92,528 (4.6%)	79,866 (▲13.7%)	112,735 ( - )

\*1 In fiscal 2011, the scope is MSI and ADI.

[MSI environmental performance data](#)

[ADI environmental performance data](#)

cost reduction effect

Items	Coverage	Units	Fiscal2012	Fiscal2013
Electricity <sup>*1</sup>	The Group	thousand JPY	▲138,210	+55,080
Gasoline <sup>*2</sup>	The Group	thousand JPY	▲38,016	▲48,858
Paper <sup>*3</sup>	The Group	thousand JPY	▲36,480	▲13,440

\*1 Calculated from the average unit price of electricity at MS&AD Holdings

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

\*3 Effects of copy paper reduction

## Environmental approaches through Supply chain

Items	Coverage	Units	Fiscal 2011	Fiscal 2012	Fiscal 2013
Number of Agents, companies with certification under Eco Action 21 <sup>*1</sup>	MSI, ADI	companies	1,159	1,219	1,261
Number of maintenance shops implementing Eco-inspection, Eco-maintenance	MSI	companies	440	434	467

\*1 Number of Agents, companies that obtained the certification by the end of March every year

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

Items		Coverage	Units	Fiscal 2011	Fiscal 2012	Fiscal 2013
Number of acquirer of Volunteer leave		MSI, ADI, MSA	people	62	10	5
Number of acquirer of Temporary retirement for Volunteer		MSI, ADI, MSA	people	2	1	0
Social contribution activities at each division / office		MSI, ADI, HD	%	94.8	99.0	91.5
Number of employees engaged in social contribution activities		MSI, ADI, HD	people	14,864	16,142	10,458
Number of employees participated in Eco Smile Campaign <sup>*1</sup>		The Group	people	22,907	24,771	22,556
MS&AD Unison Smile Club Number of members		The Group	people	9,636	14,795	17,886
Disaster Relief Donation Matching Gift Program	Donated amount <sup>*2</sup>	The Group	¥	48,362,000	31,191,000	37,248,000
	Number of participants	The Group	people	17,398	14,071	18,086

\*1 Total participants

\*2 including Matching Gift

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

### Employment<sup>\*1</sup>

Items		Coverage	Units	Fiscal 2012	Fiscal 2013
Number of employees <sup>*2</sup>	Total	MSI	people	14,478	14,188
	Male and Female	Male	MSI	7,202	7,081
		Female	MSI	7,276	7,107
	Total	ADI	people	12,784	12,812
	Male and Female	Male	ADI	6,911	6,783
		Female	ADI	5,873	6,029
	Total	MD	people	503	528
	Male and Female	Male	MD	322	317
		Female	MD	181	211
	Total	MSA	people	2,366	2,421
	Male and Female	Male	MSA	1,372	1,378

		Female	MSA	people	994	1,043
	Total		MSP	people	342	344
	Male and Female	Male	MSP	people	215	216
		Female	MSP	people	127	128
	Total		HD	people	107	265
	Male and Female	Male	HD	people	85	213
		Female	HD	people	22	52
	Total		The Group	people	30,580	30,558
	Male and Female	Male	The Group	people	16,107	15,988
		Female	The Group	people	14,473	14,570
Average age <sup>*2</sup>	Total		MSI	age	39.0	39.5
	Male and Female	Male	MSI	age	42.5	43.0
		Female	MSI	age	35.4	36.1
	Total		ADI	age	42.8	43.0
	Male and Female	Male	ADI	age	45.3	45.4
		Female	ADI	age	39.9	40.2
	Total		MD	age	46.3	45.2
	Male and Female	Male	MD	age	51.2	50.7
		Female	MD	age	37.6	37.0
	Total		MSA	age	41.4	41.9
	Male and Female	Male	MSA	age	44.8	45.4
		Female	MSA	age	36.6	37.2
	Total		MSP	age	41.1	40.9
	Male and Female	Male	MSP	age	43.2	43.0
		Female	MSP	age	37.6	37.3
	Total		HD	age	45.4	46.8
	Male and Female	Male	HD	age	46.6	47.9
		Female	HD	age	41.0	42.1
	Total		The Group	age	41.0	41.3
	Male and Female	Male	The Group	age	44.1	44.4
		Female	The Group	age	37.4	37.9
Number of regular hires <sup>*3</sup>	Total		MSI	people	398	415
	Male and Female	Male	MSI	people	112	113
		Female	MSI	people	286	302

Total		ADI	people	298	416
Male and Female	Male	ADI	people	102	81
	Female	ADI	people	196	335
Total		MD	people	15	17
Male and Female	Male	MD	people	2	1
	Female	MD	people	13	16
Total		MSA	people	67	100
Male and Female	Male	MSA	people	33	51
	Female	MSA	people	34	49
Total		MSP	people	6	7
Male and Female	Male	MSP	people	0	2
	Female	MSP	people	6	5
Total		HD	people	0	0
Male and Female	Male	HD	people	0	0
	Female	HD	people	0	0
Total		The Group	people	784	955
Male and Female	Male	The Group	people	249	248
	Female	The Group	people	535	707

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

\*2 The end of March of each year

\*3 The number of new hires in April of each year

## Diversity

Items	Coverage	Units	Fiscal 2012	Fiscal 2013
Employment rate of people with disabilities <sup>*1</sup>	MSI	<sup>*2</sup> %	1.96 (271people)	2.12 (273people)
	ADI	<sup>*2</sup> %	1.82 (225people)	2.02 (268people)
	MD	<sup>*2</sup> %	—	2.73 (11people)
	MSA	<sup>*2</sup> %	—	2.08 (29people)
	MSP	<sup>*2</sup> %	—	2.08 (6people)
Rehiring Program after retirement Number of users <sup>*3</sup>	MSI	people	349	394
	ADI	people	231	330
	MD	people	31	33

	MSA	people	15	12
	MSP	people	0	0
	The Group	people	626	769
Share of management positions occupied by women <sup>*4</sup>	MSI	% <sup>*5</sup>	2.1 (90people)	2.9 (120people)
	ADI	% <sup>*5</sup>	4.0 (141people)	4.4 (159people)
	MD	% <sup>*5</sup>	1.8 (1people)	1.8 (1people)
	MSA	% <sup>*5</sup>	1.2 (3people)	2.1 (6people)
	MSP	% <sup>*5</sup>	6.4 (10people)	6.7 (10people)
	The Group	% <sup>*5</sup>	3.0 (245people)	3.6 (296people)

\*1 Monthly average in fiscal 2012

\*2 Number employed in parenthesis

\*3 Number of people newly or re-employed

\*4 Management position: manager or higher position

\*5 Number of female managers in parenthesis

## Human Rights

Items	Coverage	Units	Fiscal 2012	Fiscal 2013
Human rights seminars	MSI	% <sup>*1</sup>	97.1	97.3
	ADI	% <sup>*2</sup>	97.7	92.5

\*1 participation rate of seminars (including employees at affiliated business companies)

\*2 Completion rate of e-learning

## Programs for promoting Work-life Balance

Items			Coverage	Units	Fiscal 2012	Fiscal 2013
Temporary leave before / after childbirth Number of acquirers			MSI	people	244	292
			ADI	people	198	209
			MD	people	5	4
			MSA	people	40	51
			MSP	people	9	8
			The Group	people	496	564
Temporary leave for childcare Number of acquirers	Total Male and Female		MSI	people	239	244
		Male	MSI	people	1	2
		Female	MSI	people	238	242

	Total Male and Female		ADI	people	206	267
		Male	ADI	people	6	5
		Female	ADI	people	200	262
	Total Male and Female		MD	people	5	4
		Male	MD	people	0	0
		Female	MD	people	5	4
	Total Male and Female		MSA	people	19	25
		Male	MSA	people	0	2
		Female	MSA	people	19	23
	Total Male and Female		MSP	people	9	7
		Male	MSP	people	1	0
		Female	MSP	people	8	7
	Total Male and Female		The Group	people	478	547
		Male	The Group	people	8	9
		Female	The Group	people	470	538
Flexible working hours for childcare Number of acquirers	shorter hours		MSI	people	131	165
			ADI	people	239	305
			MD	people	4	4
			MSA	people	12	0
			MSP	people	6	6
			The Group	people	392	480
	flextime		MSI	people	14	16
			MSA	people	2	25
			The Group	people	16	41
	Change of Opening / Finishing time		MSI	people	1	2
			MSA	people	0	1
			MSP	people	1	1
			The Group	people	2	4
Temporary retirement for nursing Number of acquirers	Total Male and Female		MSI	people	5	4
		Male	MSI	people	3	1
		Female	MSI	people	2	3
	Total Male and Female		ADI	people	8	8
		Male	ADI	people	2	2
		Female	ADI	people	6	6

	Total Male and Female		MD	people	0	0
		Male	MD	people	0	0
		Female	MD	people	0	0
	Total Male and Female		MSA	people	1	2
		Male	MSA	people	0	1
		Female	MSA	people	1	1
	Total Male and Female		MSP	people	1	0
		Male	MSP	people	1	0
		Female	MSP	people	0	0
	Total Male and Female		The Group	people	15	14
		Male	The Group	people	6	4
		Female	The Group	people	9	10
Flexible working hours for nursing Number of acquirers			MSI	people	7	2
			ADI	people	3	4
			MD	people	0	0
			MSA	people	0	1
			MSP	people	0	0
			The Group	people	10	7
Ratio of employees taking paid leave <sup>*1</sup>			MSI	%	25.1	26.0
			ADI	%	17.1	32.6
			MD	%	16.6	33.0
			MSA	%	16.9	34.5
			MSP	%	26.2	54.8
			HD	%	14.6	23.0

\*1 Number of days acquired / granted. Including scheduled / vacation and excluding special vacation such as summer vacation and carrying-over vacation.

Except, the following figures does not include carrying-over vacations. ADI(FY2012), MSA(FY2012), MD(FY2012)



Items		Coverage	Units	Fiscal 2012	Fiscal 2013
Number of claims of work related injuries	Total	MSI	cases	80	94
	Work-related accident	MSI	cases	32	40
	Accident during commute	MSI	cases	48	54
	Fatality accident	MSI	cases	0	0
	Total	ADI	cases	55	66
	Work-related accident	ADI	cases	21	36
	Accident during commute	ADI	cases	33	30
	Fatality accident	ADI	cases	1	0
	Total	MD	cases	0	3
	Work-related accident	MD	cases	0	1
	Accident during commute	MD	cases	0	2
	Fatality accident	MD	cases	0	0
	Total	MSA	cases	14	8
	Work-related accident	MSA	cases	5	4
	Accident during commute	MSA	cases	9	4
	Fatality accident	MSA	cases	0	0
	Total	MSP	cases	1	1
	Work-related accident	MSP	cases	1	0
	Accident during commute	MSP	cases	0	1
	Fatality accident	MSP	cases	0	0
	Total	HD	cases	0	1
	Work-related accident	HD	cases	0	0
	Accident during commute	HD	cases	0	1
	Fatality accident	HD	cases	0	0
	Total	The Group	cases	150	173
	Work-related accident	The Group	cases	59	81

		Accident during commute	The Group	cases	90	92
		Fatality accident	The Group	cases	1	0
Consultation rate of Medical Checkup*1			MSI	%	99.7	100.0
			ADI	%	99.0	100.0
			MD	%	100.0	100.0
			MSA	%	95.4	100.0
			MSP	%	99.2	100.0
			The Group	%	99.2	100.0

\*1 Number of consultation / number of employees

## Third-party Opinion

### Kaori Kuroda

Executive Director, CSO Network Japan (August 2011 – present)

- Japan Director, The Asia Foundation (April 2010 – present)
- ISO26000 Social Responsibility Working Group Expert representing Japanese NGOs (2007 – 2010)



The frequency and scale of natural disasters domestically and globally have been increasing in the last several years. Social issues such as poverty and violation of human rights have also been worsening, which in turn makes the society expect and demand more from insurance companies that specialize in controlling, mitigating and dealing with risks. In the international community, Principles for Sustainable Insurance (PSI) was launched by the United Nations Environment Programme's Finance Initiative (UNEP FI) in 2012. In Japan, Principles for Financial Action towards a Sustainable Society, as well as Sector Specific Guidelines were introduced in 2011. I would like to commend MS&AD Insurance Group Holdings, Inc. for signing up to the Principles and Guidelines and advancing the company's CSR activities accordingly. I herewith provide the following third-party opinion for the company's CSR activities based on the two pillars; 'Gaining trust through quality improvement of products and services' and 'Contributing to solving social issues through quality improvement of products and services', as mainly described in the 2014 CSR report, with the main focus on communication between the company and its stakeholders.

### CSR activities in general

Referring to the key principles and core subjects of ISO26000, the priority tasks are set based on the priority items in the company's mid-term management fundamental strategies as well as the voices of the stakeholders, mainly the customers. I commend the company's attitude of taking its communication with stakeholders seriously. The report presented easy-to-understand illustrations explaining the way the dialogues with each stakeholder were carried out. However, it would be better to include concrete examples and opinions.

I also would like to commend that the five group companies set the KPIs which were introduced in 2012, with continuous improvement efforts using the PDCA cycle, as well as the company's yearly disclosures of objectives and performance. I feel the report will improve if it links the report heading 'CSR and Our Aims', with the KPIs, presents a road map to achieve the aims, and discloses the progress. If possible, also disclosing the challenges that the company faces would make the report even more clear..

### On 'Gaining trust through quality improvement of products and services'

I commend the company for its continuous development and improvement of its products and services through communicating with wide range of stakeholders, not only with customers, but also with NPOs/NGOs, specialists, employees, insurance agents and other stakeholders, in order to build trust. My expectation is for the company to include social and environmental perspectives, beyond the view point of CS (Customer Satisfaction) into its product development and improvement processes. If possible, I also would like to see disclosure of the process for reflecting the stakeholder dialogues and communication to the development and improvement of the products and the services.

Development of insurance products and services that contribute to solving global environmental and social issues, investments that take Environment, Society and Governance (ESG) into account, disaster prevention and mitigation, and support of Business Continuity Planning (BCP) are excellent examples of important initiatives that contribute to solving global scale issues in the company's core businesses. The clarity of the report could be greatly improved by elucidating MS&AD Insurance Group Holdings' vision for the future of the company in an ideal society, and presenting a road map that clearly positions the role of each of the company's businesses to achieve this goal..

## Conservation of biodiversity

The company carries out a variety of environmental conservation activities inside and outside Japan, including launching initiatives that encourages companies to get involved in the conservation of biodiversity. The MS&AD Ramsar Supporters initiative, which aims to protect the biodiversity of wildlife in and around aquatic environments and which was carried out involving employees and their families, is particularly worth mentioning due to its scale and impact. I also highly commend the company for delegating sustainable land use consulting functions to group companies for offices, factories, proprietary woodland, and other sites.

## Human resource development and promotion of diversity

The company has clearly defined KPIs in its effort to increase female managers. It is also carrying out a variety of initiatives to address diversity challenges of which the company ranks among the top 100 in the diversity ranking compiled by the Ministry of Economy, Trade and Industry. My request is to present a policy to increase female managers, even if it is not a quantitative target. In addition, I would also like your company to consider establishing a diversity policy.

## Lastly

Overseas stakeholders will increase their presence as globalization, gathers pace especially in Asia. ISO26000 positions stakeholder identification and engagement as important concepts. Though it might be quite challenging to identify stakeholders for each site, I would hope that the company deploys operations rooted in each local region through collaboration and cooperation with local specialists, governmental organizations, NPO/NGO and communities.

### Our Response to the Third-Party Opinion on our CSR report

Thank you very much for your valuable insight into the 2014 CSR Report of MS&AD Insurance Group Holdings, Inc.

MS&AD Insurance Group launched 'Next Challenge 2017,' our mid-term management plan, in April 2014. As a part of our group's fundamental strategy, we pledge in this plan our commitment to build trust and contribute to solving social issues, through offering excellent quality products and services, based on our communication with stakeholders.

It is our social mission to respond to new risks such as more frequent and larger scale natural disasters domestically and globally, emergence of new growth industries and super-aged societies. We believe that offering products and services that are better than ever in this changing world will strengthen our company value.

In this Third-party Opinion, we received recognition for our efforts emphasizing stakeholder communication and received suggestions about the disclosure content of this effort.

Currently, we pursue functional reorganization in the Group and aim to better reflect the increasingly diversified needs of our customers to the reorganization efforts. We will deepen our communication with each stakeholder, improve our products and services in response to the stakeholders' voices and continuously develop and offer products that cover newly emerging social issues and risks. We will also strengthen our efforts in widening the scope of disclosure regarding the process and progress of the efforts, including KPIs (Key Performance Indicators) implemented in 2012 in order to visualize our CSR activities.

We recognize the suggestions for further promoting diversity and the suggestions regarding communication with overseas stakeholders, especially in Asia, as critical for the growth of the Group. The recent trend of increasing social demand for information disclosure with regard to female advancement and of closer company-stakeholders engagement overseas, we will examine and take action on the matters suggested at the group level.

MS&AD Insurance Group Holdings, Inc.  
Takaoki Endo, General Manager, Corporate Planning Department