

MS&AD Insurance Group Holdings, Inc. CSR Report 2013 Index

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MS&AD **MS&AD Holdings**

CSR in the MS&AD Insurance Group

Message from Management

Message Representative Director, President & CEO
Toshiaki Egashira

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 2013 the editing policy, scope of report etc.

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MS&AD **MS&AD Holdings**

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



Three years have passed since the founding of MS&AD Insurance Group in April, 2010. During these three years, such unprecedented large-scale natural disasters, as the Great East Japan Earthquake and the flood in Thailand have occurred one after another in Japan and around the world.

Natural disasters such as these, provided us the opportunity for our Group to recognize again the importance of social responsibility as an insurance company to not only provide our customers prompt insurance payment to those afflicted, but also to aid their recovery.

Our Group has been active with its Corporate Social Responsibility under the management philosophy, "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."

In fiscal 2012, we have reviewed our perspective of CSR, and to make our CSR activities more transparent we have introduced KPI (Key Performance Indicators). We will return to the basics in fiscal 2013, under our 2 pillars of "Improvement of quality of products and services" and "Contribute to create the sustainable environment and society."

Fiscal 2013 is the year for the completion of our medium-term management plan, "New Frontier 2013," which we commenced at the founding of our Group. By achieving our medium-term management targets, we will further pursue sustainable growth and improve our corporate value.

In addition, in January 2013, we announced the functional reorganization of our core non-life insurance business, Mitsui Sumitomo Insurance Co., Ltd. and Aioi Nissay Dowa Insurance Co., Ltd. Through this functional reorganization, we are striving to improve the corporate value across the entire Group, meet our customers' diverse needs, and strengthen our Group's governance by making each Group company's business concepts clear and maximizing each of their strengths.

By combining the abilities of each employee and Group company with these core activities, we will make an effort to respond to the expectations of our various stakeholders.

It is our sincere wish that we will continue to enjoy your continuing patronage.

July, 2013

President & CEO *T. Egashira*

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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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MS&AD **MS&AD Holdings**

Company Overview

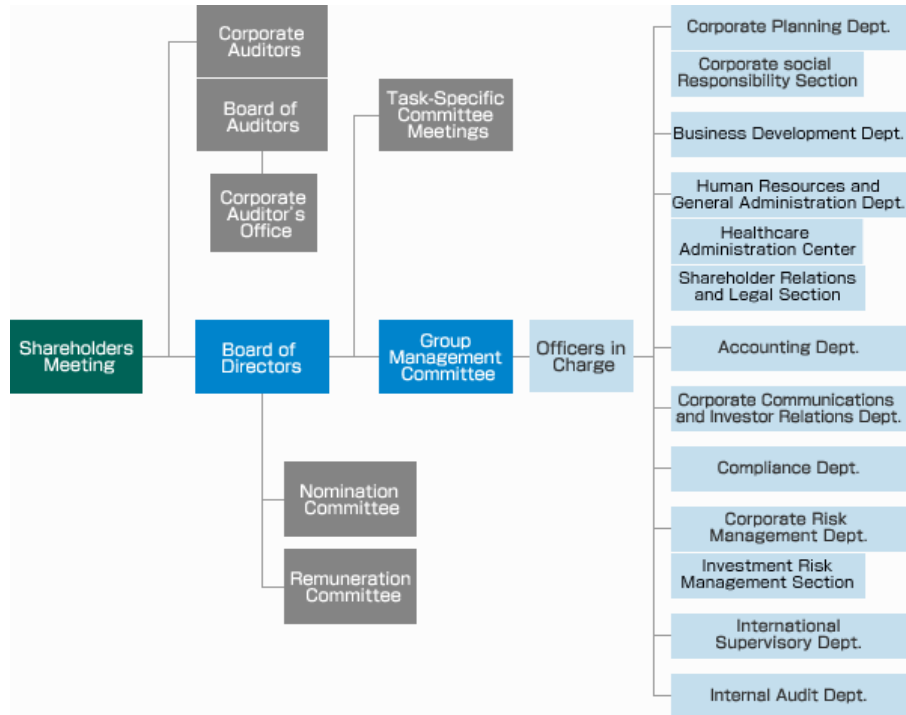
MS&AD Insurance Group Holdings, Inc. is the insurance holding company of the new Group formed in April 2010 through the merger of Aioi Insurance Co., Ltd., Nissay Dowa General Insurance Co., Ltd., and Mitsui Sumitomo Insurance Group. The purpose of MS&AD insurance Group is to achieve sustainable growth 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	Yaesu First Financial Building, 3-7, Yaesu 1-chome, Chuo-ku, Tokyo, Japan ▶ Map
Representative	Representative Director, President & CEO Toshiaki Egashira
Paid-in Capital	100,000,000,000 yen
Number of Employees	107(As of March 31, 2013)
Business Description	Our activities as a holding insurance 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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MS&AD **MS&AD Holdings**

Organizational Chart



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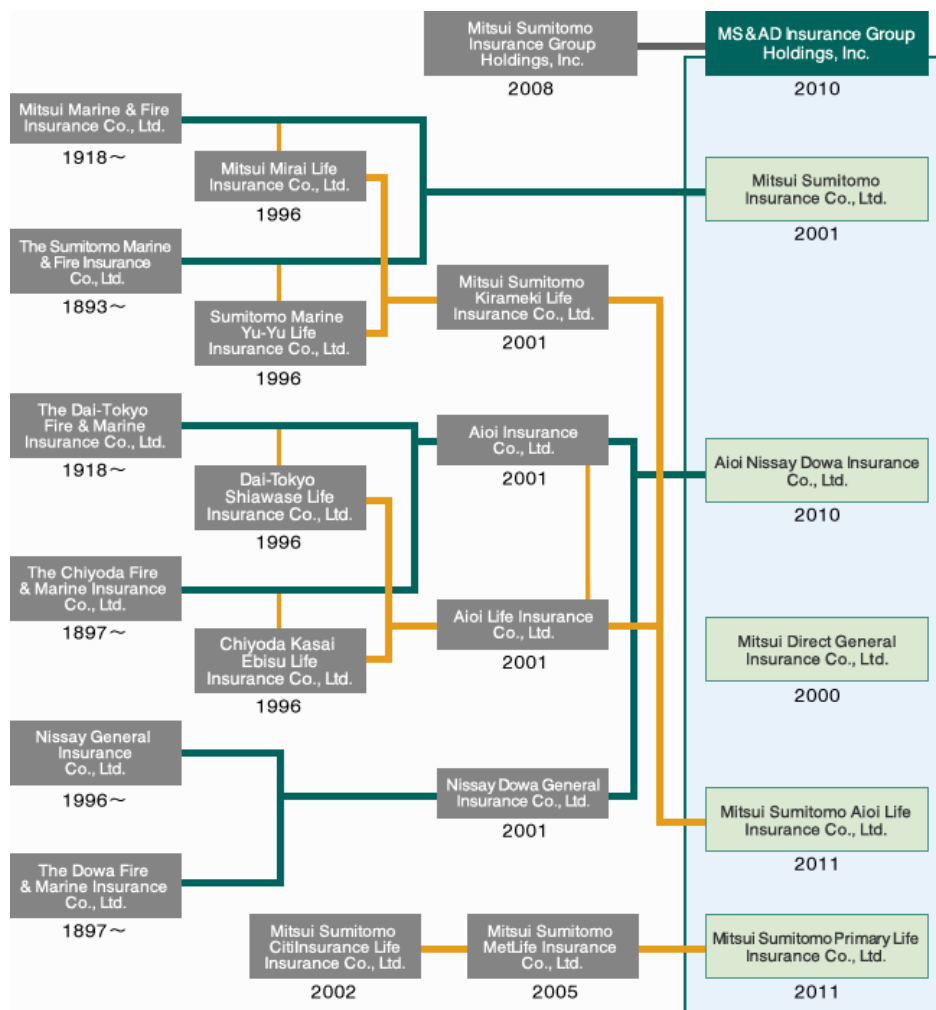
MS&AD MS&AD Holdings

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



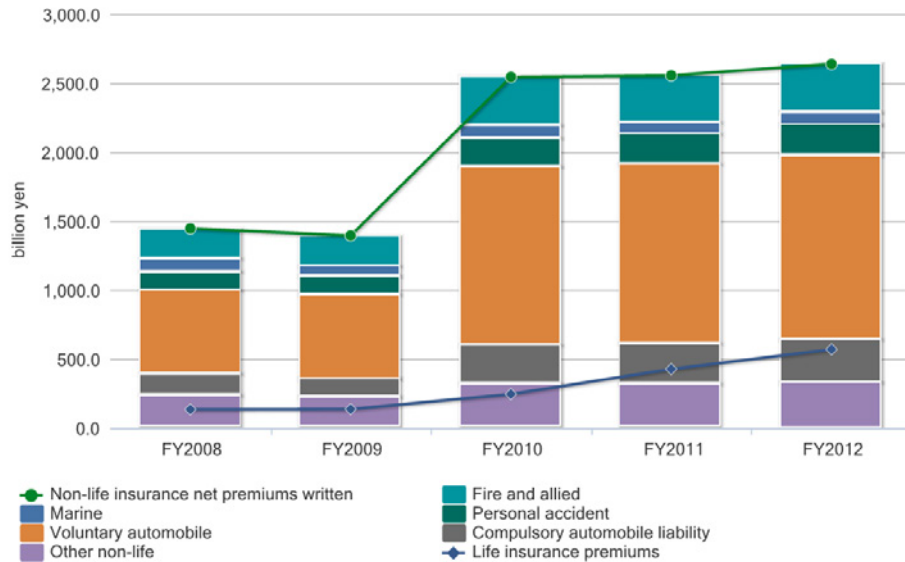
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MS&AD MS&AD Holdings

Financial Highlights | Financial Information

MS&AD Holdings (Consolidated)

Insurance Premiums

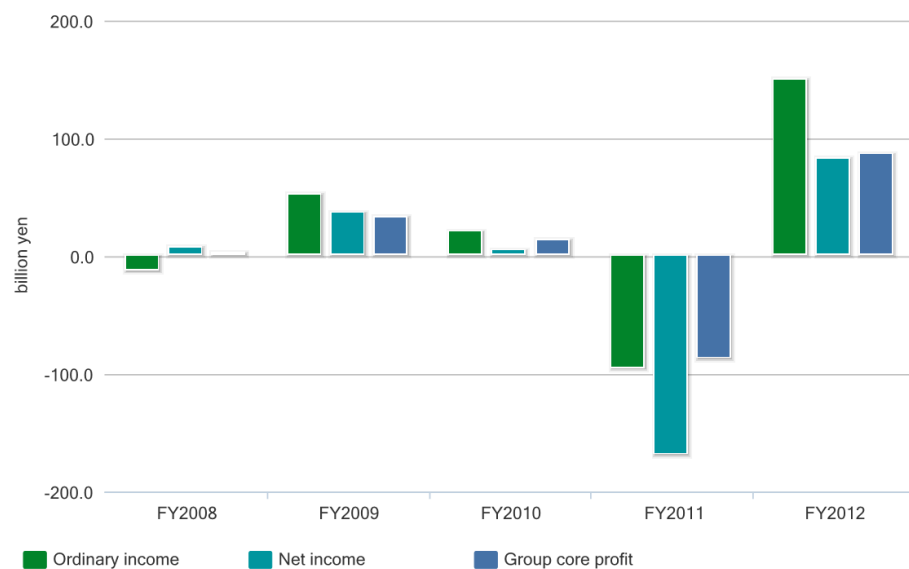


		FY2008	FY2009	FY2010	FY2011	FY2012
Non-life insurance net premiums written	billion yen	1,445.6	1,394.1	2,543.7	2,555.5	2,639.0
Fire and allied	billion yen	220.0	218.2	354.5	339.6	354.0
Marine	billion yen	93.6	75.9	89.4	87.3	87.3
Personal accident	billion yen	135.9	135.1	212.7	219.5	222.8
Voluntary automobile	billion yen	608.6	610.9	1,291.9	1,299.4	1,337.1
Compulsory automobile liability	billion yen	148.5	134.9	273.8	291.6	310.5
Other non-life	billion yen	238.8	218.9	321.2	317.8	327.1
Life insurance premiums	billion yen	133.3	135.1	244.5	425.6	569.0

Supplied by © Euroland.com

MS&AD Holdings (Consolidated)

Statement of Income



		FY2008	FY2009	FY2010	FY2011	FY2012
Ordinary income	billions yen	-13.0	52.6	21.0	-96.2	150.3
Net income	billions yen	8.1	37.6	5.4	-169.4	83.6
Group core profit	billions yen	3.1	33.8	14.5	-87.5	87.4

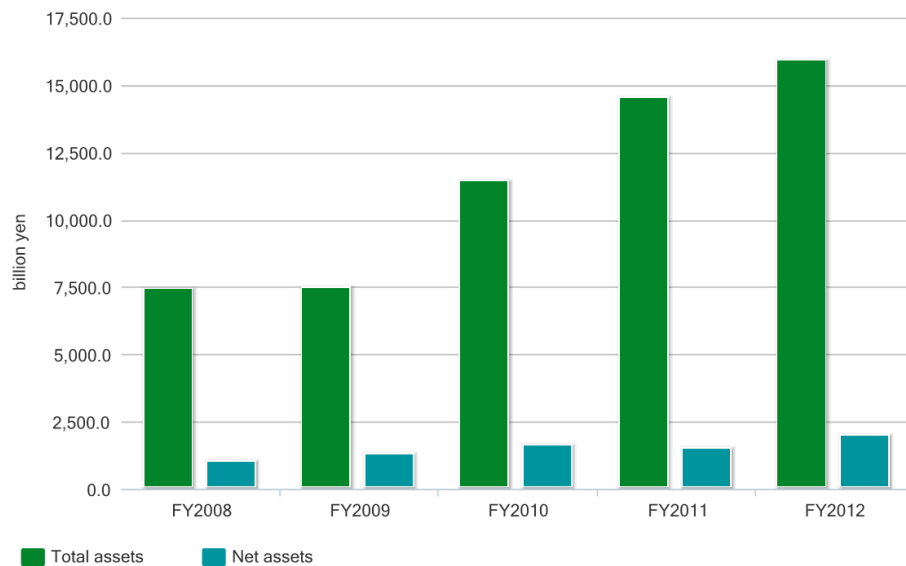
Notes

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

MS&AD Holdings (Consolidated)

Balance Sheet

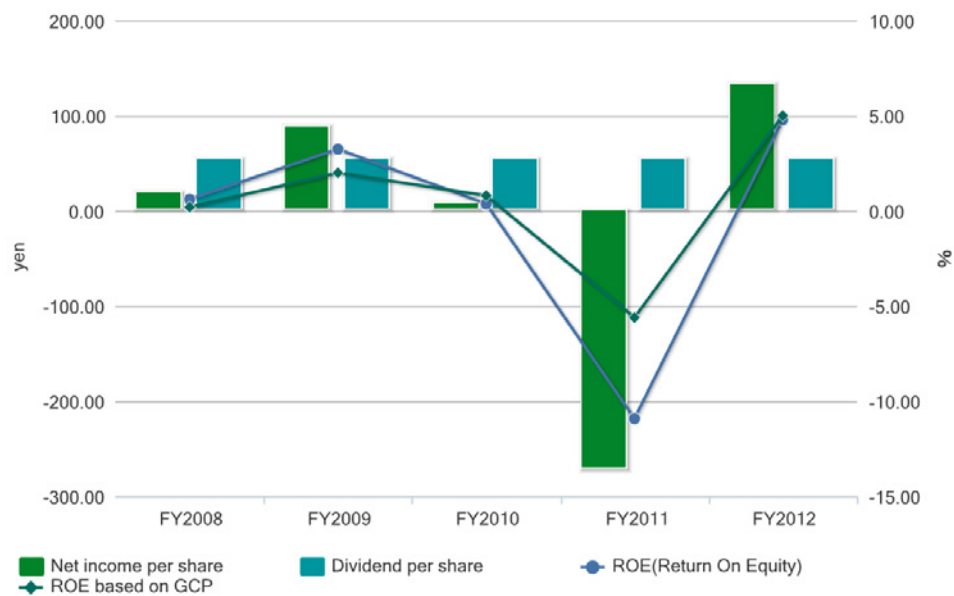


		FY2008	FY2009	FY2010	FY2011	FY2012
Total assets	billion yen	7,440.7	7,519.6	11,445.0	14,537.2	15,914.6
Net assets	billion yen	1,023.0	1,311.0	1,633.3	1,512.1	2,021.6

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MS&AD Holdings (Consolidated)

Major Indicators



		FY2008	FY2009	FY2010	FY2011	FY2012
Net income per share	yen	19.45	89.84	8.68	-272.49	134.46
Dividend per share	yen	54.00	54.00	54.00	54.00	54.00
ROE(Return On Equity)	%	0.61	3.25	0.37	-10.91	4.79
ROE based on GCP	%	0.2	2.0	0.8	-5.6	5.0

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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MS&AD **MS&AD Holdings**

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/

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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MS&AD **MS&AD Holdings**

Business Segments and Structure | Who We Are

Business Overview

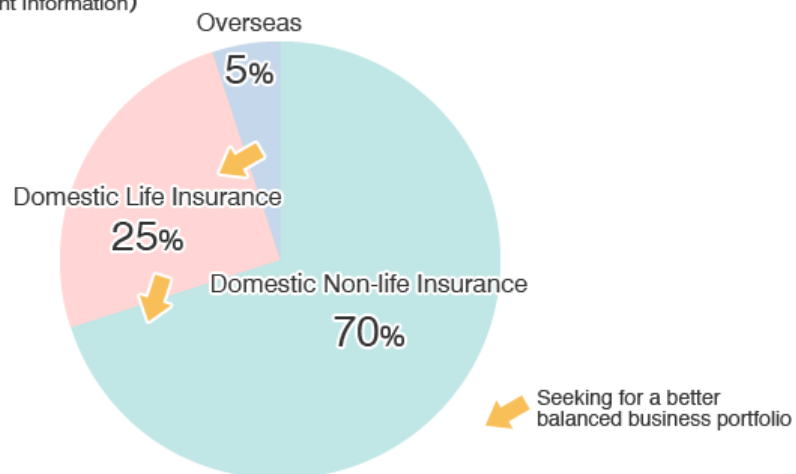
Five business domains drive our continued growth, underpinned by the platform of the domestic non-life insurance business.



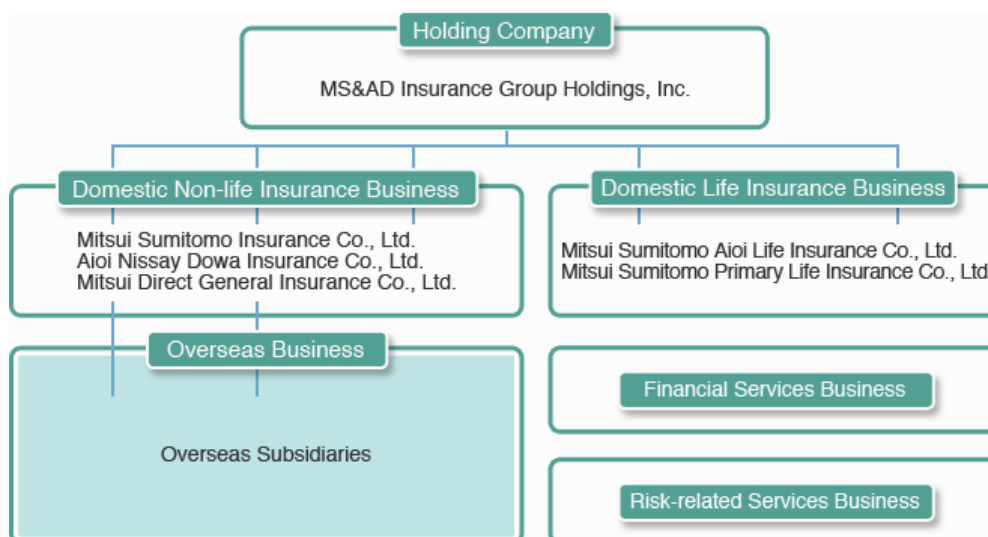
Revenue Structure

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

○ Composition of Ordinary Income
(FY2012 Segment Information)



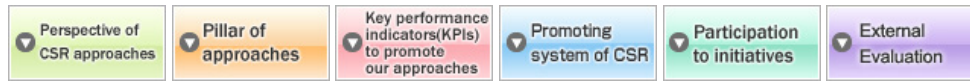
Group Organization Chart



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MS&AD **MS&AD Holdings**

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 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 preservation.**
- **Our stakeholders are our customers, shareholders, agents, business partners, employees, environments, and local /international communities.**

Aspiration of the MS&AD Insurance Group

Through rapid 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 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

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

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

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



Medium-term Management Plan “MS&AD New Frontier 2013”

[Detailed Information](#)

Regarding the corporate restructure by business function

[Detailed Information](#)

Pillars of CSR approaches (priority issues)

The MS&AD Insurance Group, a global business entity, is expected to take approaches to build a sustainable community. We will commit ourselves to build a sustainable society through our business activities by improving quality of our products and services that will meet the demands of our local and international communities.

Intangible products such as insurance and finance are crystallization of our individual employee's thoughts held for our customers. Each employee of the MS&AD Insurance Group shares the Group's missions, visions and values to provide our customers with assurance and security by means of practicing these.

the MS&AD Insurance Group, on the basis of above, tackles the following 2 tasks as pillars of the fiscal 2013 CSR approaches:

Pillar of approach I We will earn the trust of customers through the improvement of quality of products and services.	<ul style="list-style-type: none">● 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 of approach II We will contribute to create the sustainable environment and society.	<ul style="list-style-type: none">● Promote social contributions and global environmental preservation through the provision of products and services● Conduct activities to support the restoration of areas hit by natural disasters, such as the Great East Japan Earthquake, and promote social contribution activities tailored to local needs● Promote various solutions to environmental issues, such as reducing the environmental burden relating to our business activities and conserving 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 3 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		Subjected Companies (※1)					Fiscal 2012		Fiscal 2013	
					MS & AD Holdings	MSI	ADI	Mitsui Direct General	MSI Aioi Life	MSI Primary Life	Target	Performance	Target
Priority Issues	Earning trust through the improvement of quality of products and services	Shared across the Group	(1) Improvements of products/services initiated by customers' voices.			◎	◎		○	○	Continue the approaches	Figure found below the table	Continue the approaches
			Specific to each company	(2) Customer satisfaction (as evidenced in questionnaire results) for overall response to accidents.	Ratio of customers satisfied with accident response for automobile insurance.		◎	◎			89.5%	89.3%	90.0%
				Ratio of customers satisfied with accident response for fire, personal accident and casualty insurance.		◎	◎			90.0%	89.9%	90.0%	
		(3) Ratio of customer recommendation (as evidenced in questionnaire results) for company/agents.		Ratio of customers who are willing to recommend either MSI or ADI to their friends and acquaintances.		◎	◎			90.0%	88.7%	90.0%	
				Ratio of customers wishing to recommend any agents to their friends and acquaintances.		◎	◎			90.0%	87.6%	90.0%	
		Contribution to create the sustainable environment and society	Shared across the Group	(4) Releasing new tasks/risks confronting our society, and developing and improving our products dealing with such new tasks/risks.		◎	◎	◎	○	○	Continue the approaches	Figure found below the table	Continue the approaches
	(5) Electricity consumption			Electricity consumption of all domestic locations						166,275 MWh	161,366 MWh	163,890 MWh(※2)	
	(6) Paper consumption			Paper consumption of all domestic locations (Copy paper, prints, machine tabulation)						13,619t	11,669t	15,998t(※2)	
	(7) Gasoline consumption			Gasoline consumption of all domestic locations								7,233kℓ	
		Specific to each company	(8) Web policy selection rate (※2)	The ratio of contracts which selected the Web policy		◎	◎			60.0%	51.7%	65.0%	
Other Indicators		Shared across the Group	(9) Number of female managers (section manager or above)		◎	◎	◎	○	○	225	231	Equal to or greater than the previous year	
			(10) Employee satisfaction (questionnaire results) “Pride, Job satisfaction”	Ratio of employees feeling pride or job satisfaction (all-employee average on a 6-point scale).						4.4 points	4.3 points		

		(11) Employee satisfaction (questionnaire results) "Working Lively"	Ratio of employees, regardless of sex and age, feeling free and lively at work places (all-employee average on a 6-point scale).							4.3 points	4.1 points
		(12) Number of employees practicing social contribution activities (*4)								Increased relative to last year (14,864 employees for fiscal 2011)	16,142
		(13) Of the above, the number of employees participating in waterside activities of Biodiversity preservation.								Increased relative to last year (4,402 employees for fiscal 2011)	5,697

(*1) ◎→Subjected from fiscal 2012 onwards , ○→Subjected from fiscal 2013 onwards

(*2) The Targets and Performance of fiscal 2012 are figures for the 3 subjected Group companies

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

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

<Examples from fiscal 2012>

Improvements of products/services initiated by customers' voices	<ul style="list-style-type: none"> •The "applicable classes" in the GK Automobile Insurance's expiration guidance was changed to the "Classes for recommended plans 3-1" so it will be more easily understood by customers. [MSI] •On the "Notice of service agreement" for fire insurance, we changed the letters of the disclaimer describing the insurance premiums certificates in red. [MSI] •Regarding the Road Assistance Service, in addition to a pamphlet, a flyer was made to inform our customers about the benefits of this service in an easy-to-understand way. [ADI] •When sending fire insurance certificates, there were many saying that they "don't know how big and where the Bell Marks are enclosed", so we expressed our commitment by designing the guidance document so it can be easily understood by customers. [ADI]
Releasing new tasks/risks confronting our society, and developing and improving our products dealing with such new tasks/risks.	<ul style="list-style-type: none"> •The "Mega-Solar General Compensation Plan" was put on sale for mega-solar business enterprises [MSI] •The smartphone application "SumaHo" which has a drive recorder and a contract status checking feature, and the paperless "eco-insurance certificates" were released. [MSI] •The smartphone application "Sapo NAVI" equipped with accident prevention features was released. [ADI]

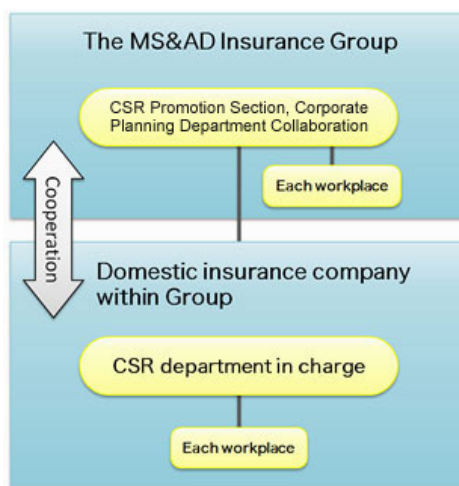
Promoting system of CSR

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

Approaches in fiscal year 2012

- Review of "Pillars of CSR approaches (priority CSR issues)" common in all Group companies for fiscal 2012 and onward.
- Expanding the scope of targeted companies for the KPIs established to promote CSR approaches.
- The use of the Group's common tools for penetration of and putting management philosophy (mission), management visions and code of conducts (value) into practice.

Each domestic Group insurance company, with its CSR department in charge, has been promoting CSR activities in line with the holding company initiatives, upon 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 United Nations Global Compact in June, 2004, by MSI as the first financial organization, will keep its active participation.

* U.N. Global Compact is the initiative advocated by former UN Secretary-General Annan that 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.

• [U.N. Global Compact](#)

Signature to Principles for Sustainable Insurance

MSI and ADI have participated in the United Nations Environment Program Finance Initiatives (UNEP FI) to search, prevail and promote a desirable business in a financial institution that considers environment-friendly 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 environment, society and governance and to play their roles in developing a sustainable environment on earth.

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

• [Principles for Sustainable Insurance](#)

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 have been designed to provide behavioral guidelines for financial institutions desiring to play their required roles and responsibility in building sustainable societies.

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

MSI's "SumaHo" was chosen for the 2012 Good Practice (Insurance Division), and was announced as an example at the 2nd Annual General Meeting.

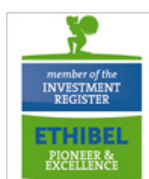
External Evaluation

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 is this practice is spreading. The MS&AD Insurance Group is utilizing the assessment provided by major SRI evaluation organizations to improve its approaches. As of July, 2013, The MS&AD Insurance Group is included in the following components of SRI Index.

• [FTSE4Good Index Series](#)

• [Ethibel PIONEER and EXCELLENCE Investment Registers](#)

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



Advancing with you

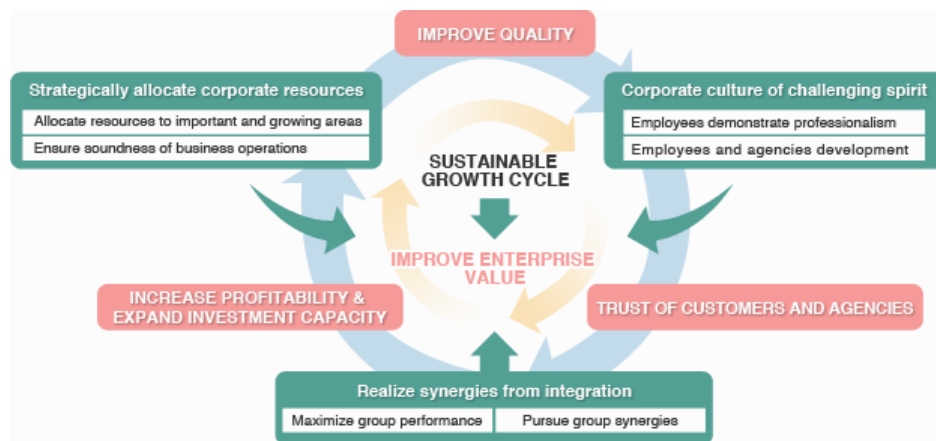
MS&AD **MS&AD Holdings**

"New Frontier 2013" Medium-Term Management Plan | Ongoing Management Plans and Policies
(FY2010 to FY2013)

4 Basic Strategies

1. win customers' trust and realize growth through quality improvement.
2. integrate the total capabilities of the group and pursue group synergies to enhance profitability even further.
3. allocate resources strategically to selected and focused areas, and ensure sound business operations.
4. foster a corporate culture of professional endeavor and grow with employees and agencies.

To improve enterprise value



Business domain and individual strategies

Domestic Non-life insurance business

• Mitsui Sumitomo Insurance Co., Ltd.
• Aioi Nissay Dowa Insurance Co., Ltd.
• Mitsui Direct General Insurance Co., Ltd.

By combining the respective know-how and infrastructures of MSI and ADI, we aim to improve the quality of our business processes and develop attractive products and services to meet the needs of our diverse customer base. We will reduce our operating expenses as far as possible and improve the efficiency of our operations by integration of business processes and systems, as well as sales and claims handling offices. Meanwhile, at Mitsui Direct, we will ensure profitability while expanding business in the high-growth direct sales market.

Domestic Life insurance business

• Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
• Mitsui Sumitomo Primary Life Insurance Co., Ltd.

At MSI Aioi Life, we leverage our expanded sales base to accelerate growth by providing customers with attractive products and services mainly through cross-selling as well as through other sales channels such as financial institutions and life insurance agencies, and through direct sales channels.

MSI Primary Life is offering products tailored to customers' needs and strengthening its sales capabilities in the individual annuities sector, as it establishes itself as a leading company in the field.

Overseas business

In Asia, we utilize our class-leading business base and competitive edge to develop our business. In Europe, we are focusing on geographic expansion and developing a fully fledged service structure in pursuit of greater profits. In the Americas, we will focus on securing a solid profit base. Finally, we will expand our overseas reinsurance business.

Financial services business

We will enhance our capabilities in product development and marketing to expand our asset management business and aggressively promote our 401k business and business related to personal finance. We will also expand our various financial solution services such as the ART, financial guarantees and venture capital businesses.

Risk-related services business

We offer a range of risk solution services outside of insurance, serving customers through our risk management, nursing care, asset appraisal and assistance businesses. We will also examine trends in environmental changes to discover new businesses.

Management Numerical Target

	FY2013(Forecast)	FY2013 (Target)*4
	(unit: JPY 'billion)	(unit: JPY 'billion)
Non-life consolidated net premiums written	2,770.0	2,700.0
Life annualized premium in force*1	333.0	330.0
Group Core Profit*2	110.0	110.0
Domestic non-life insurance	68.0	60.0
Domestic life insurance	16.0	15.0
Overseas business	24.0	30.0
Financial services/ Risk related service business	3.0	5.0
Group ROE*3	5.6%	7.0%

*1: The Annualized premium in force of Mitsui Sumitomo Aioi Life(excluding group insurance)

*2: Group's Core Profit = consolidated net income

- net capital gains/losses on stock portfolio (gains/losses from sale, etc.)
- net evaluation gains/losses on credit derivatives - other incidental factors
- + equity in earnings of the non-consolidated group companies

*3: ROE based on Group Core Profit=Group Core Profit ÷ Consolidated total net assets (excluding minority interest; average of starting and ending amounts)

*4: Management Numerical Target set on June 1, 2012

September 27, 2013

MS & AD Insurance Group Holdings, Inc.
Mitsui Sumitomo Insurance Company, Limited
Aioi Nissay Dowa Insurance Company, Limited
Mitsui Sumitomo Aioi Life Insurance Company, Limited

Reorganization by function of Mitsui Sumitomo Insurance Company, Limited, Aioi Nissay Dowa Insurance Company, Limited and Mitsui Sumitomo Aioi Life Insurance Company, Limited

- Aiming at Becoming a World-leading Insurance and Financial Group -

MS&AD Insurance Group Holdings, Inc. (Mr. Toshiaki Egashira, President) (hereafter known as "MS&AD Holdings" or "the Holding Company"), Mitsui Sumitomo Insurance Company, Limited (Mr. Yasuyoshi Karasawa, President) (hereafter known as "Mitsui Sumitomo Insurance"), Aioi Nissay Dowa Insurance Company, Limited (Mr. Hisahito Suzuki, President) (hereafter known as "Aioi Nissay Dowa Insurance") and Mitsui Sumitomo Aioi Life Insurance Company, Limited (Mr. Shizuka Sasaki, President) (hereafter known as "Mitsui Sumitomo Aioi Life Insurance") have deliberated the reorganization of the insurance companies under the umbrella of the Holding Company for the sustained growth and improvement of corporate value of the MS&AD Group, and today concluded the Agreement on Reorganization by Function. This is based on the assumption that approval will be obtained from the concerned authorities.

I. The aim of reorganization by function

After the inauguration of the MS&AD Group in April 2010, we took the first step towards a business merger by advancing the merger of Aioi Insurance Company, Limited and Nissay Dowa Insurance Company, Limited, and the merger of Mitsui Sumitomo Kirameki Life, Limited and Aioi Life Insurance Company, Limited, to improve the business efficiency of the management of the group. We are also steadily proceeding with preparations for full operation of an integrated information system in October this year (the last year of the current four-year medium-term group management plan, MS&AD New Frontier 2013), since the system integration between Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance (hereafter known as "the Two Core Non-life Insurance Companies") has been earmarked as the most important task in the MS&AD New Frontier 2013.

As the second stage, the group will formulate the next medium-term group management plan to commence in fiscal 2014, but bearing in mind the difficult business environment due to the contraction of the market stemming from a lower birthrate and aging population, and numerous natural disasters in recent years, we have decided to reorganize the insurance companies by function under the umbrella of the Holding Company as the second phase of management integration to respond appropriately with a sense of speed to the diversification of customer needs and sales methods and the regulatory environment in Japan and overseas.

1. Sustained growth and increase in corporate value of the MS&AD Group

By implementing the reorganization by function, we aim to achieve the following objectives to achieve sustained growth and increase the corporate value of the MS&AD Group:

- (1) Realize 'Growth' and 'Efficiency' across the entire group,
- (2) Reinforce our response to diverse customer needs, and
- (3) Straighten the governance system centered on the Holding Company.

2. Clarifying the business concept of the Two Core Non-life Insurance Companies

By clarifying the business concept of the Two Core Non-life Insurance Companies, we will pursue the advantages of having multiple non-life insurance companies with unique characteristics in the group, and aim to solidify our position as the leading non-life insurance group in Japan by increasing customer support and satisfaction.

- (1) Mitsui Sumitomo Insurance will demonstrate its comprehensive strength by providing superior products and services and will develop global insurance and financial services, both in domestic and foreign markets.
- (2) Aioi Nissay Dowa Insurance will reinforce its relationship with its unique partner Toyota Group/Nippon Life Group, which is one of its strengths, and capitalize on this to deliver superior products and services and develop into a region-based business. Furthermore, development in foreign markets will focus on ongoing retail business from Toyota dealers.

3. Centralization of long-term contracts in the third sector insurance market

By centralizing the product supply function in Mitsui Sumitomo Aioi Life Insurance for long-term contracts in the third sector insurance (medical insurance) market, which is set to grow in the future, we aim to realize efficient operations through further improvement of the level of customer support and concentration of management resources, demonstrate the group's comprehensive strength, and to become the number one life insurer of non-life insurance groups in Japan with regard to customer satisfaction, growth potential and earning power.

II. The details of reorganization by function

The details of the reorganization by function are as follows. Mitsui Sumitomo Aioi Life Insurance is a party to the Agreement on Reorganization by function concerning the transfer of long-term contracts in the third sector insurance market to Mitsui Sumitomo Aioi Life Insurance and related matters.

1. Reorganization of business and sales channels

- (1) Hull, cargo, and aviation insurance will move to Mitsui Sumitomo Insurance.

The product supply function of hull, cargo, and aviation insurance contracts will be centralized in Mitsui Sumitomo Insurance. Of the insurance contracts that Aioi Nissay Dowa Insurance underwrites, hull and aviation insurance contracts will switch and transfer to Mitsui Sumitomo Insurance from April 1, 2014, and cargo insurance contracts from October 1, 2014 as the contracts mature. (Transferred insurance premiums for hull, cargo and aviation insurance will total 17.5 billion yen.)

Of these, Mitsui Sumitomo Insurance will entrust cargo insurance to Aioi Nissay Dowa Insurance,

which will sell Mitsui Sumitomo Insurance products through its agencies under a re-entrustment system. To ensure smooth responses to customers and agencies, a dedicated department for providing support and responding to accidents for contracts sold by Aioi Nissay Dowa Insurance agencies will be established in Mitsui Sumitomo Insurance, and employees of Aioi Nissay Dowa Insurance will be seconded to work at Mitsui Sumitomo Insurance.

Furthermore, employees of Aioi Nissay Dowa Insurance will be seconded to Mitsui Sumitomo Insurance and will work together on the sales of hull insurance (see note) and aviation insurance.

Note: The news release dated January 31, 2013 stated that sales of hull insurance would be re-entrusted in the same manner as cargo insurance, but employees of Aioi Nissay Dowa Insurance will be seconded to Mitsui Sumitomo Insurance where they will cooperate with staff there in the sales of said insurance.

By implementing the above strategy, Mitsui Sumitomo Insurance will acquire the leading market share in Japan for hull and cargo insurance, and establish the leading position in marine insurance. Furthermore, we will continue to utilize the sales base of Aioi Nissay Dowa Insurance to achieve group synergies. To do this, we will:

- 1) Develop and provide competitive products and services leveraging the advantage of scale,
- 2) Make steady efforts to strengthen our sales force in logistics networks accompanying the expansion of private sector investment and the growth of emerging economies, etc.,
- 3) Strengthen product lines responding to new risks associated with the development of the environment and energy industry (offshore wind power, methane hydrate, etc.), and
- 4) Increase earning power through the establishment of an efficient, strategic organization and personnel structure and policy on reinsurance held.

In aviation insurance, we are also strengthening our base as a global player and aim to gain the leading market share in Japan by bringing together the strengths of the two companies in terms of performance, know-how, human resources). To do this, we will:

- 1) Increase our presence in the airline sector (including increasing our response to low cost airlines),
- 2) Respond and contribute to the establishment and utilization of Japanese space infrastructure, and
- 3) Increase access to overseas markets in the areas of reinsurance and brokerage (including the training of specialist personnel)

- (2) Migration of the insurance contracts handled by Mitsui Sumitomo Insurance motor channel agencies, which have Aioi Nissay Dowa Insurance as a main business partner

Of the motor channel agencies (see note) in which both Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have proven track records, the insurance contracts for motor channel agencies that Aioi Nissay Dowa Insurance mainly does business that Mitsui Sumitomo Insurance receives will switch over and transfer to Aioi Nissay Dowa Insurance as they mature from October 1, 2014. (The number of agencies to be transferred is approximately 1,600.)

Note: This refers to sideline businesses whose main businesses are repair shops, used car sales, auto-related businesses, and bike sales, etc., and exclude automobile dealers.

By doing this, we aim to eliminate the overlap within the group and improve the efficiency of operations, and through highly productive sales activities and the creation of time to engage in activities in new areas, we will expand business with motor channel agencies and increase revenue. Furthermore, by strengthening measures to support motor channel agencies, we will expand growth to maintain and secure the entire group's leading share in the Japanese domestic market.

- 1) We will implement joint efforts such as the sharing of know-how and the mutual use of support measures and services for motor channel agencies offered by Aioi Nissay Dowa Insurance and Mitsui Sumitomo Insurance.
- 2) In addition to strengthening the provision of support and know-how for accurately responding to needs by further strengthening alliances and collaboration with leading organizations and companies in the motor industry, Aioi Nissay Dowa Insurance will expand the establishment of “dedicated motor industry branches” (from the existing eight to around 20) with employees who have specialist knowledge and response know-how. In this way, the Company will improve productivity, solidify the company's position in the motor channel, and achieve further growth.

2. Reorganization of local sales networks and bases, joint use of bases

(1) Reorganization of local sales networks and bases

In regard to agencies in areas where Mitsui Sumitomo Insurance has bases but Aioi Nissay Dowa Insurance does not or, conversely, where Aioi Nissay Dowa Insurance has bases but Mitsui Sumitomo Insurance does not, or where both companies have bases but the bases are being consolidated according to the scale and efficiency of sales activities, insurance contracts will be transferred to the insurance company with an established base. (The total number of bases in the two companies subject to transfer is approximately 100, and the number of agencies is approximately 3,800.)

Insurance contracts subject to transfer will be transferred upon maturity from April 1, 2015. In some areas, this is scheduled to be implemented in advance from October 1, 2014.

As a group, we will also consider and proceed with further efficient placement of bases in the future.

By doing this, we aim to improve the efficiency of operations, and through highly productive sales activities and the creation of time to engage in activities in new areas, we will expand markets and increase revenue. Furthermore, through sales activities, the mutual use of agency support measures and services implemented by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, we will endeavor to reinforce our sales expertise as a group, enhance our ability to respond to customers and increase benefits to customers through the sharing of base networks.

By taking advantage of the improvement of efficiency in sales activities based on an efficient regional strategy and business expansion in each region, we will proactively target government markets, major corporate markets including large local industries and large professional agencies of rival companies for proposals and development activities, and will also actively promote interaction with local communities and social contribution activities as we increase the number of regions where the group has the highest share (see note) as an insurance company group, with the aim of establishing an overwhelming presence and achieving growth in all regions.

Note: Leading combined group share in 22 of 47 Japan's prefectures in FY2012

(2) Joint use of bases

When Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance have bases in neighboring facilities (buildings), we will consider moving operations into the same building. During the reorganization of bases, we will consolidate bases in approximately 90 regions, which will include the elimination of bases, and we will commence joint use in stages once preparations have been made.

By doing so, we will reduce logistics costs within the group, improve the effectiveness of joint projects, and foster a greater sense of unity within the group.

As we promote efforts to further reduce costs, we will also continue to consider improvements in efficiency through the joint use of other bases, computer and administrative centers, and training facilities and company housing.

3. Transfer of long-term contracts in the third sector insurance market to MSI Aioi Life

We will centralize the product supply function for long-term contracts in the third sector insurance market at Mitsui Sumitomo Aioi Life Insurance.

From April 1, 2014 (see note), Mitsui Sumitomo Aioi Life Insurance products will be sold through agencies of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance through the entrustment of agencies of Mitsui Sumitomo Aioi Life Insurance. Furthermore, Mitsui Sumitomo Aioi Life Insurance is scheduled to be entrusted with the operations of maintenance, collection and payment of insurance claims related to contracts held by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance from January 1, 2015.

We aim to transfer contracts held by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance as of March 31, 2018 to Mitsui Sumitomo Aioi Life Insurance.

By doing this, we will realize efficient operations through the concentration of management resources, and aim to become the number one life insurer of non-life insurance groups in Japan, with regard to customer satisfaction, growth potential and earning power by demonstrating the group's comprehensive strength.

Specifically, we will proceed to strengthen our ability to develop products and services to rapidly respond to changes in market structure with the growing trend toward “healthy living,” and advancements in medical technology in areas such as the practical application of regenerative medicine. To do this, we will:

- 1) Provide high-value products and services that respond to the coverage needs of customers,
- 2) Develop and provide unique products and services in line with reviews of the medical system and the development of medical technology,
- 3) Provide the industry's highest level of sales support by offering various attendant services, conducting training and seminars, providing user-friendly sales tools, and
- 4) Strengthen capture of the employee market including the retiree market by switching non-life group medical policyholders to Mitsui Sumitomo Aioi Life Insurance whole-life medical insurance upon their retirement.

Note: The timing of the transfer of certain products will be determined separately.

4. Reorganization of overseas business

Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance will pursue greater profitability and efficiency as a group through the integrated management of overseas business by centralizing businesses of its Japanese companies in Mitsui Sumitomo Insurance's facilities while Aioi Nissay Dowa Insurance will concentrate on overseas business centered on Toyota dealerships.

- 1) Mitsui Sumitomo Insurance will promote the development of general overseas business including new project investment and M&A.
- 2) Aioi Nissay Dowa Insurance will focus on overseas business related to Toyota dealerships.

There has been an increase in support on a policy level for companies expanding into overseas operations and this is expected to increase the number of companies making forays into overseas markets. Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance will work together to utilize the advantage of overseas business facilities as a group (in 39 countries and regions), and provide indirect support for companies expanding overseas (including not only global corporations, but also small and medium-size companies expanding overseas) through the provision of products and services for use overseas. To do this, we will:

- 1) Develop and provide packaged general-purpose products and product added value type services for comprehensively covering overseas risk, and
- 2) Jointly develop new products in response to crisis management needs overseas.

5. Enhancing governance of the Holding Company and reorganization of headquarters' functions

(1) Enhancing governance of the Holding Company

We will bolster the personnel of the Holding Company, reinforce their responsibilities and authority, and strengthen operational support in order to demonstrate functions for achieving group management strategies, check functions in the internal control system, and enhance management functions. To do this, we will:

1) Enhance the system for formulating and verifying management plans

We will work to enhance the system for active involvement in formulating and reviewing the management plans of domestic group insurance companies.

2) Enhance functions for planning and coordinating the IT strategy

We will work to enhance the system by assigning personnel responsible for the planning and coordination of the IT strategy of the group as a whole.

3) Enhance personnel and general administrative functions

We will assign full-time and/or concurrent managers to the Holding Company.

4) Enhance public relations (media response) functions

We will assign full-time personnel and/or personnel (with main concurrent duties) responsible for media to the Holding Company.

5) Strengthen risk management functions, audit functions and international supervisory functions

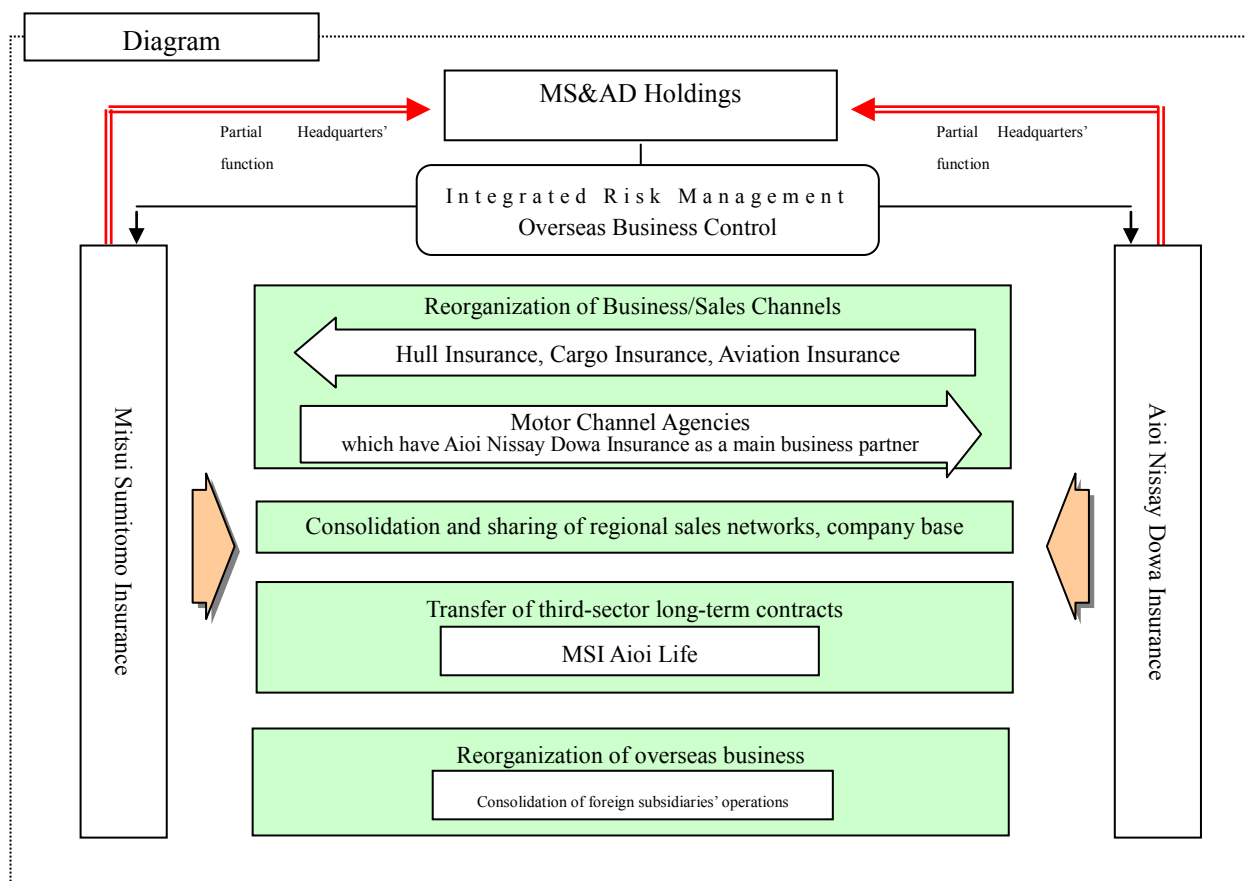
By consolidating the functions described below, the Holding Company will enhance the system for active involvement in risk management, internal auditing and risk management and compliance of overseas business in the Group insurance companies.

(2) Reorganization of the headquarters functionality of the Holding Company and the Two Core Non-life Insurance Companies

As the first stage of the reorganization of headquarters functions, Holding Company organizations will be integrated and newly established as follows on October 1, 2013.

- 1) The Human Resources Department will be integrated with General Administration Department to establish a Human Resources and General Administration Department. After firewalls for the management of insider information and legal support function are appropriately established by operational companies, the document and legal functions of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance will be consolidated in the Document & Legal Office.
- 2) The risk management functions of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance will be consolidated in the Risk Management Department. Furthermore, the investment risk management functions will be consolidated in the Investment Risk Management Office. Through these initiatives, we will enhance the Group's ERM functions.
- 3) The audit planning, investigation, overseas auditing and headquarters auditing functions of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance will be consolidated in the Internal Audit Department.
- 4) An International Supervisory Department will be established to consolidate the international risk management and international compliance management functions of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance.

In addition to arrangements in the above divisions, we will continue to review the overall implementation of the reorganization.



III. Group management after reorganization by function

1. Group management by the Holding Company

With multiple domestic insurance companies including Two Core Non-life Insurance Companies, the MS&AD Group is unparalleled as an insurance group in the Japanese insurance industry, and we will conduct group management that promotes customer support capitalizing on this characteristic.

(1) Leadership by the Holding Company

The Holding Company plays a leading role in the formulation of management plans of the group companies based on the group management plan from the perspective of enhancing leadership aimed at achieving group management strategies, in addition to strengthening its stance on active involvement in the review of such plans and strengthening its stance of providing instructions and coordination functions as a holding company in the pursuit of reorganization by function and group synergies.

(2) Enhancing checks and balances by the Holding Company

To enhance checks and balances on group companies, the Holding Company will be actively involved in checking the stance on internal control in group companies.

2. Synergy effects and growth through the system of Two Core Non-life Insurance Companies

Through synergies created by combining the characteristics and strengths (business concepts) of the Two Core Non-life Insurance Companies, we will achieve growth that will solidify our position as number one non-life insurance group in Japan. Furthermore, by having two non-life insurance companies characterized by different business strategies within the Group, we will maintain our competitive edge and advantages (as

detailed below), and we will respond appropriately to diversifying customer needs and sales methods as well as changes in domestic and overseas regulatory environments. In addition, we will aim to further accelerate sustained growth unrivaled by other groups based on our efficient management and solid business foundations.

Competitive edge and advantages of the system of Two Core Non-life Insurance Companies

- 1) Two companies with solid business foundations and different business strategies providing products and services with their own competitive edge and characteristics make 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. Furthermore, by maintaining Two Core Non-life Insurance Companies, it is possible for the two companies to concentrate management resources on their own strengths and unique business strategies to implement a strategy of offering better quality and being competitive. This can be expected to accelerate their growth.
- 2) It is possible to provide more layers of services and support through the mutual use and sharing of the two companies' unique know-how and management resources. By proceeding with united efforts as a group through the mutual use of the characteristic customer service and agency support services of the Two Core Non-life Insurance Companies and the promotion of joint development of products, we will enhance synergies in our sales activities. Furthermore, using common functions centered on the headquarters makes it possible to further improve productivity and efficiency while maintaining the unique business strategies of each operational company.
- 3) Limiting temporary costs and load while improving the efficiency of management through the flexible implementation of reorganization by function in terms of scheduling makes it possible to expand business with a sense of speed.

IV. Cost reduction effects

The effect of the reorganization by function and the system integration on which it is predicated, as well as the individual efforts of the Two Core Non-life Insurance Companies, is expected to result in cost reductions amounting to 50 billion yen per year (based on FY2011 figures).

V. Reorganization by function implementation system and future schedule

1. Reorganization by function implementation system

The Reorganization by Function Committee established on January 31 this year will continue with its role in the implementation system, and discussions and work, etc. will continue to be carried out by topic-specific expert committees under it to ensure the smooth implementation of the agreed content with a sense of speed.

2. Future schedule

The future schedule for reorganization by function is as follows.

Content of reorganization		Start of reorganization
Transfer of hull, cargo and aviation insurance to Mitsui Sumitomo Insurance	Integration of the organizational framework	April 1, 2014
	Transfer of hull and aviation insurance	April 1, 2014
	Transfer of cargo insurance	October 1, 2014
	Migration of the insurance contracts handled by Mitsui Sumitomo Insurance motor channel agencies, which have Aioi Nissay Dowa Insurance as a main business partner	October 1, 2014
Reorganization of local sales networks and bases		April 1, 2015 (October 1, 2014 in some regions)
Joint use of bases		October 1, 2013
Transfer of long-term contracts in the third sector insurance market to MSI Aioi Life	Centralization to MSI Aioi Life of new contracts	April 1, 2014 (The starting timing of certain products will be determined separately)
	Entrustment of services related to contracts held	January 1, 2015 (April 1, 2015 for the maintenance and collection of Aioi Nissay Dowa Insurance's contracts)
	Transfer of contracts held	Aim for the transfer of contracts held as of March 31, 2018
	Reorganization of overseas business	April 1, 2014 (see note)
Reorganization of headquarters' functions and enhancing governance of the Holding Company		October 1, 2013

Note: This is the commencement date in regions where reorganization has not been carried out. Reorganization has already been completed in 15 countries and regions.

Furthermore, in the future we will pursue further expansion of synergy effects as we promote business development based on the concept of the Two Core Non-life Insurance Companies.

End

<Overview of companies involved>

(End of March, 2013)

	Holding Company	Operational Company	Operational Company	Operational Company
(1) Name	MS & AD Insurance Group Holdings, Inc.	Mitsui Sumitomo Insurance Company, Limited	Aioi Nissay Dowa Insurance Company, Limited	Mitsui Sumitomo Aioi Life Insurance Company, Limited
(2) Location	Yaesu 1-3-7, Chuo-ku, Tokyo	Shinkawa 2-27-2, Chuo-ku, Tokyo	Ebisu 1-28-1, Shibuya-ku, Tokyo	Nihonbashi 3-1-6, Chuo-ku, Tokyo
(3) Representative's name and position	Toshiaki Egashira, President	Yasuyoshi Karasawa, President	Hisahito Suzuki, President	Shizuka Sasaki, President
(4) Description of business	Insurance holding company	Non-life insurance business	Non-life insurance business	Life insurance business
(5) Capital	100,000,000,000 yen	139,595,520,000 yen	100,005,000,000 yen	35,500,000,000 yen
(6) Date founded	April 1, 2008	October 21, 1918	June 30, 1918	August 8, 1996
(7) Number of shares issued	633 million shares	1,404 million shares	734 million shares	960 thousand shares
(8) Net assets	2,021,625 million yen (consolidated)	1,244,958 million yen (consolidated)	536,938 million yen (consolidated)	132,243 million yen
(9) Total assets	15,914,663 million yen (consolidated)	6,309,097 million yen (consolidated)	3,253,469 million yen (consolidated)	2,436,264 million yen
(10) Accounting period	March	March	March	March
(11) Number of employees	36,643 employees (consolidated)	20,157 employees (consolidated)	13,168 employees (consolidated)	2,366 employees
(12) Main shareholder and holding ratios of shares held	Toyota Motor Corporation (8.31%) Nippon Life Insurance Company (5.74%) The Master Trust Bank of Japan, Ltd. (Trust account) (5.05%) Japan Trustee Services Bank, Ltd. (Trust account) (4.61%) STATE STREET BANK AND TRUST COMPANY (3.93%)	MS & AD Insurance Group Holdings, Inc. (100.00%)	MS & AD Insurance Group Holdings, Inc. (100.00%)	MS & AD Insurance Group Holdings, Inc. (100.00%)

(13) Operating results and financial status of the last three years

Accounting period	MS & AD Insurance Group Holdings, Inc. (Consolidated)		
	Year ended March 2011	Year ended March 2012	Year ended March 2013
Ordinary income	3,404,942 million yen	3,764,986 million yen	4,315,787 million yen
Net premiums written	2,543,786 million yen	2,555,551 million yen	2,639,015 million yen
Ordinary profit/(loss)	21,005 million yen	(96,211 million yen)	150,300 million yen
Net income/(loss)	5,420 million yen	(169,469 million yen)	83,625 million yen
Net income/(loss) per share	8.68 yen	(272.49 yen)	134.46 yen
Net assets per share	2,597.19 yen	2,400.48 yen	3,215.33 yen

Accounting period	Mitsui Sumitomo Insurance Company, Limited (Consolidated)		
	Year ended March 2011	Year ended March 2012	Year ended March 2013
Ordinary income	1,865,349 million yen	2,007,933 million yen	1,966,766 million yen
Net premiums written	1,392,072 million yen	1,425,176 million yen	1,479,560 million yen
Ordinary profit/(loss)	36,589 million yen	(101,915 million yen)	76,176 million yen
Net income/(loss)	25,373 million yen	(115,237 million yen)	46,826 million yen
Net income/(loss) per share	18.06 yen	(82.05 yen)	33.34 yen
Net assets per share	726.31 yen	646.89 yen	871.57 yen

Accounting period	Aioi Nissay Dowa Insurance Company, Limited (Consolidated)		
	Year ended March 2011	Year ended March 2012	Year ended March 2013
Ordinary income	1,247,371 million yen	1,452,375 million yen	1,367,780 million yen
Net premiums written	967,903 million yen	1,096,307 million yen	1,124,466 million yen
Ordinary profit/(loss)	7,526 million yen	6,302 million yen	25,809 million yen
Net income/(loss)	(9,259 million yen)	(47,574 million yen)	18,564 million yen
Net income/(loss) per share	(12.61 yen)	(64.80 yen)	25.28 yen
Net assets per share	613.15 yen	531.88 yen	728.62 yen

Accounting period	Mitsui Sumitomo Aioi Life Insurance Company, Limited (Non-consolidated)		
	Year ended March 2011(*)	Year ended March 2012(*)	Year ended March 2013
Number of policies in force	1,992 thousands	2,222 thousands	2,446 thousands
Amount of policies in force	16,432.9 billion yen	18,062.4 billion yen	20,074.6 billion yen
Annualized premiums of policies in force	279.0 billion yen	296.0 billion yen	319.7 billion yen
Ordinary profit/(loss)	(1.0 billion yen)	1.8 billion yen	7.4 billion yen
Core profit/(loss)	(0.2 billion yen)	4.1 billion yen	5.8 billion yen
Net income/(loss)	(7.1 billion yen)	(11.3 billion yen)	(0.4 billion yen)

* The figures for the year ended March 2011 and the first half of the year ended March 2012 are a simple sum of both Mitsui Sumitomo Kirameki Life and Aioi Life before the merger.

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MS&AD **MS&AD Holdings**

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

FY2012 (April, 2012 – March, 2013)

* The report also includes some activities that began in April 2013 or later.

Subject organization (*1) 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.(*2)
» MSI Aioi Life*

•Mitsui Sumitomo Primary Life Insurance Co., Ltd.
» MSI Primary Life*

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

(*2) The former Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and the former Aioi Life Insurance Co., Ltd. merged on October 1, 2011 and formed Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

Publication

Publication of This Issue

October 2013

Previous Publication

October 2012

Next Publication

September 2014 (planned)

Reference Guidelines

- GRI, Sustainability Reporting Guidelines (Version 3.1)
[Index for GRI guidelines](#)
- 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

CSR Section, Corporate Planning Department
MS&AD Insurance Group Holdings, Inc.
Yaesu First Financial Building,
Yaesu 1-3-7, Chuo-ku, Tokyo 103-0028, Japan
TEL: +81-3-6202-5269 / FAX: +81-3-6202-6882
Mail: aaa703_csr@ms-ad-hd.com

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MS&AD **MS&AD Holdings**

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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MS&AD MS&AD Holdings

Corporate Governance

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

Our basic philosophy on corporate governance and management structure.

Basic Policies on Corporate Governance

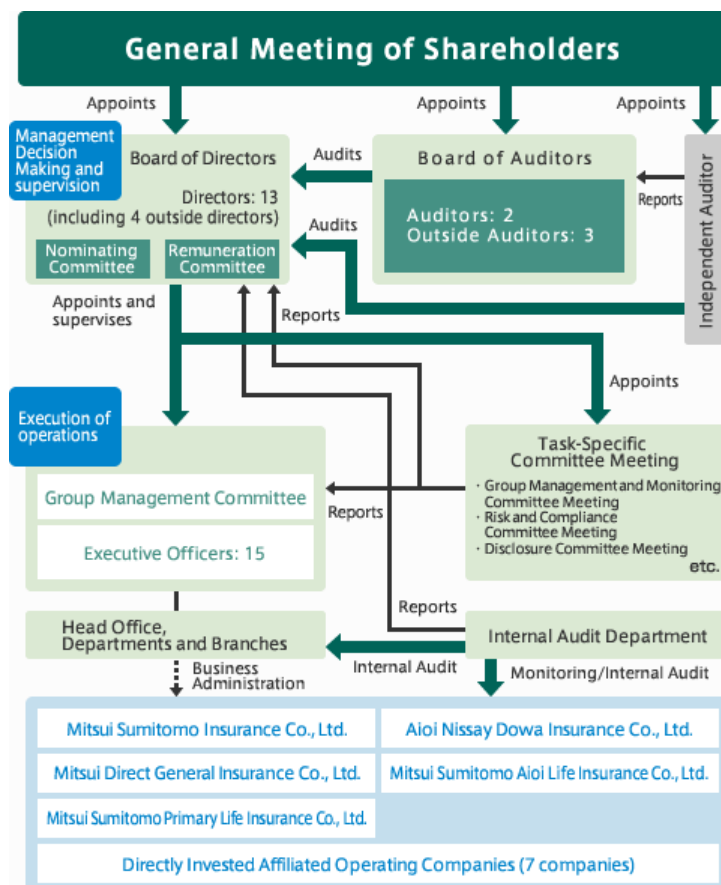
Basic Policies

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: Director–Chairman of The Bank of Yokohama, Ltd.

Mari Matsunaga: President & Director, Mari Matsunaga Office

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. The main committees are listed as below.

- 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 direct subsidiaries of MS&AD, the committee meeting ensures healthy finance of the group companies and insures appropriate risk management and operation.
- 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 in-house operation procedures and evaluates the effectiveness of internal control.

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 subsidiaries directly invested in by MS&AD.
- 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 subsidiaries directly invested in by MS&AD.
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.

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.

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.

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

Advancing with you

MS&AD **MS&AD Holdings**

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 this company 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](#)

Advancing with you

MS&AD MS&AD Holdings

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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MS&AD **MS&AD Holdings**

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 **MS&AD Holdings**

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](#)

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.

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](#)

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.

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: 03-6202-5267
Business Hours: 9:00-20:00 (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

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

The Company 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](#)
- ① [Detailed information of Support for the spread of Eco-maintenance](#)
- ① [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. The company 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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MS&AD **MS&AD Holdings**

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.

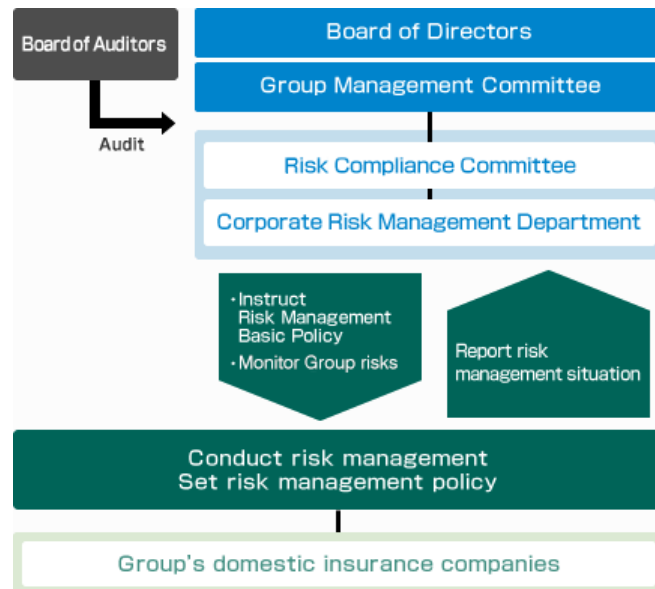
The policy stipulates the basic processes and the Group-wide framework for risk management, and defines the categories of risks which the Group should identify and approaches to managing them.

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.

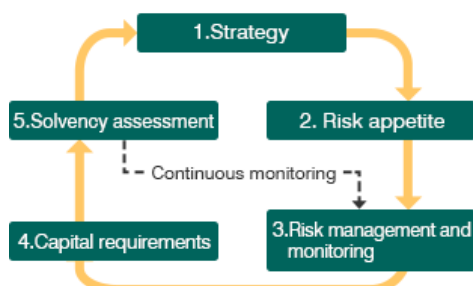
Our Corporate Risk Management Department receives and analyzes reports on risk and risk management from domestic Group insurance companies on a regular basis. Important issues in the reports are discussed at the Risk Compliance Committee and reported to the Board of Directors.



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*), 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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MS&AD **MS&AD Holdings**

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 Policies on Disclosure](#)

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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MS&AD **MS&AD Holdings**

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 win trust from the 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 Structure of approaches

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

Basic Policies

MS&AD Insurance Group Basic Policy for Disclosure of Information

The “MS&AD Insurance Group Basic Policy for Disclosure of Information” is an external information disclosure policy established for domestic Group insurance companies.

In accordance with this policy, all domestic Group insurance companies strive to thoroughly 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](#)

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 release information that help investors/shareholders to make reasonable investment decisions, ranging from basic policies and management plans to business strategies of the Group, thereby improving the disclosure variation. 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” is the institution at the core of the information disclosure system, established by determination of the Board of Directors resolution.

The committee is composed of officers/directors in charge of the planning, the accounting, and other departments related to information disclosure, and outside directors. 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 \(Japanese Only\) \(PDF 261KB/10 pages\)](#)

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 fiscal 2012, in addition to holding the various conventional briefings for institutional investors and analysts, we realized highly convenient and clear information transmission to shareholders and investors by updating 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 as we have received in the course of IR activities, and make use of them to enhance our corporate value.

Dialogue with Shareholders, Investors and Analysts Holding of information meetings

Holding of information meetings



Holding of information meetings

(for institutional investors and analysts)

In fiscal 2012, we conducted briefings regarding the Group's business strategies (Information Meetings) in June and December, and provided conference calls as briefings for the quarterly business results. In addition to these regular briefings, urgent conference calls were held in April 2012, regarding the "Strategic Capital Alliance with Indian Life Insurance Companies" and in February 2013, regarding the "Agreement of the Restructuring by Business Function of MSI and ADI". On these briefings, we explained the MS&AD Insurance Group's important decision-making, and conducted Q&A sessions. The presentation materials and scripts at the briefings are available on the [MS&AD Holdings website](#).

Information Meetings (Briefings on Financial results and strategies)	Twice a year (Jun., Dec.)	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	Quarterly (May., Aug., Nov., Feb.)	We provide conference calls for briefings on quarterly business results and Q&A sessions.
Other	Non-regular	We conduct urgent conference calls, participate in conferences held worldwide, hold small meetings, and visit overseas investors throughout the year as necessary.

Holding of individual meetings

We promote closer communication with institutional investors and analysts inside and outside Japan through individual meetings and/or response to interviews.

In fiscal 2012, we held more than 200 individual meetings/telephone conferences and strived to improve the good communication with institutional investors.

Individual Meetings for Foreign Investors	A total of five visits to the United States, Europe and Asia Conducted about 50 separate meetings and telephone conferences
For Japanese Investors and Analysts	Held about 160 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 and "MS&AD Quarterly Report" 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 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.
MS&AD Quarterly Report	The MS&AD Quarterly Report presents recent topics concerning the MS&AD Insurance Group and an overview of the business results of its two domestic core non-life insurance companies on a quarterly basis. The report is available on MS&AD Holdings website.

Improvement of the IR website

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

MS&AD Insurance Group's IR website has received the Daiwa IR "Internet IR Best Company Prize 2012" with high commendation; nevertheless, in April 2013, we revamped the whole corporate website with the aim to make it more easily understandable especially by individual investors. The new website is designed to enhance the convenience of searching for necessary information, and presents devised features such as the display of easy-to-use graphs of stock prices and financial data.



Capital 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 Policies](#)

• [Shareholder Return Policy](#)

<Reference Material>>

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

• [Dividend Information](#)

• [Basic Stocks Information](#)

Advancing with you

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.

Advancing with you

MS&AD MS&AD Holdings

Dividends | Stock & 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.

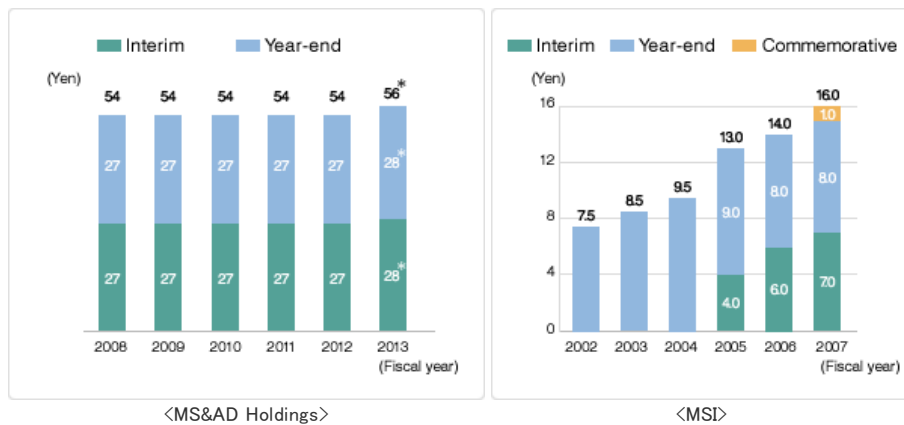
▸ [Capital Management Policy and Shareholder Return Policy](#)

Track Record of Dividends

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

The dividend per share is 27 yen for FY2012 year-end.

The Company forecasts its dividend per share of 28 yen for FY2013 year-interim, 28 yen for FY2013 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 \(Nissay Dowa General Insurance FY2005 to FY2009\) \(14KB\)](#)

Advancing with you

MS&AD **MS&AD Holdings**

Stock Overview | Stock & Bond Information

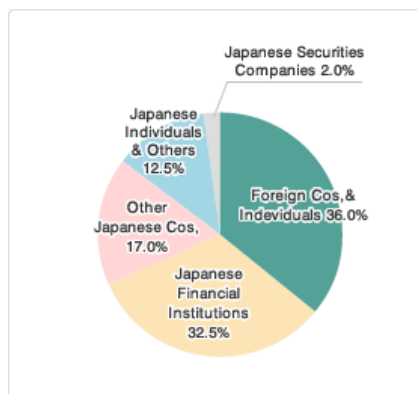
As of Mar. 31, 2013

Stock Exchange Listings	Tokyo, Osaka 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

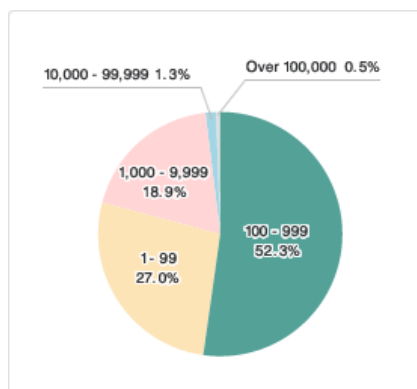
Breakdown of types of shareholders

As of Mar. 31, 2013



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

As of Mar. 31, 2013



Large Shareholders

As of Mar. 31, 2013

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)	31,977	5.05
Japan Trustee Services Bank, Ltd. (Trust account)	29,199	4.61
STATE STREET BANK AND TRUST COMPANY	24,918	3.93
THE CHASE MANHATTAN BANK, N.A. LONDON SECS LENDING OMNIBUS ACCOUNT	13,172	2.08
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	12,005	1.90
STATE STREET BANK AND TRUST COMPANY 505225	8,765	1.38
MELLON BANK, N.A. AS AGENT FOR ITS CLIENT MELLON OMNIBUS US PENSION	7,621	1.20
NATSCUMCO	7,408	1.17
Total	224,004	35.37

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 11,403 thousand shares (1.80%) as treasury shares.

Advancing with you

MS&AD **MS&AD Holdings**

Pillars of CSR approaches

Pillar I

We will earn the trust of customers through the improvement of quality of products and services.



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 quality of products and services

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.

- ① [Quality Improvement in response to stakeholder view](#)
- ② [Develop products from customers perspective](#)
- ③ [Improve the simplicity and convenience for customers](#)
- ④ [Payment of insurance claim service preferable to customers](#)
- ⑤ [Quality improvement of Contact Center](#)
- ⑥ [Overseas approaches \(products and services\)](#)

Growth of our employees

We determine to listen to our stakeholders and continuously seek ways to improve our work and business (Innovation) in Our Values. Our employees practice the Values and strive to improve the quality of products and services.

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.

Advancing with you

MS&AD **MS&AD Holdings**

Pillar I Earn customers' trust through improvement in 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

Through questionnaire surveys we conduct with customers, we ascertain their views and reflect them in business improvement.

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.

- ④ [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.](#)
- ▣ [Aioi Nissay Dowa Insurance Co., Ltd.](#)
- ▣ [Mitsui Direct General Insurance Co., Ltd.](#)
- ▣ [Mitsui Sumitomo Aioi Life Insurance Co., Ltd.](#)
- ▣ [Mitsui Sumitomo Primary Life Insurance Company, Limited.](#)

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

MSI, 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).

At MSI, we reviewed the conventional efforts that were limited to "complaints" and developed a company-wide plan that covers all kinds of "customer communications" in order to appropriately respond to customer communications, thoroughly keep track of progress, and further enforce "efforts to prevent focused complaints (three behaviors that lead to trust)." We are actively utilizing customer communications and promoting efforts to gain trust of our customers to provide products and services that satisfy our customers.

Since the founding of the new company, MSI Aioi Life has implemented complaint-response arrangements and declared its conformance to ISO10002.

Hereafter, we will further promote "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 on April 1st, 2013.

We will seriously listen 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.

❏ [Mitsui Sumitomo insurance Co., Ltd.](#)

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

❏ [Mitsui Sumitomo Primary Life Insurance Company, Limited.](#)

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 specialist organizations 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 issues.

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

At MSI Aioi Life, outside lawyers 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 and ADI, 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.

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 instated the MSA (Mitsui Sumitomo Insurance Agent Association) Product Monitor Program. The 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. By the end of fiscal 2012, the program has been held a total of 23 times.

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

Schemes to absorb employee opinions

At each company in the 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 2012, they held 23 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, and regularly undergo the monitoring of long-term issues. And each head office division conducts questionnaire on the website which collects employees' opinions about corporate initiatives, strategies.

Furthermore, dialogue between the top management and employees is maintained at large on a continuous basis in respect to the concept of "making use of voices from the field". Dialogue is mostly conducted with young staffs and chiefs at field levels, whose voices are reflected in the management.

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.

➤ [Communication with employees](#)

Advancing with you

MS&AD MS&AD Holdings

Pillar I Earn customers' trust through improvement in quality
Develop products from customers perspective

Domestic Group insurance companies are developing readily understandable products from the stakeholders' perspective including our customers.

Non-life insurance

Branded Product for personal customers "GK" "TOUGH"



Product pamphlets

GK Automobile Insurance

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 pamphlet

TOUGH automobile insurance

ADI marketed "TOUGH" which is leading products for personal customers including automobile, fire and third sector insurance (medical) 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".

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



Website

At Mitsui Direct General, a specialist direct-sales non-life insurance company, emphasizes the importance of the “customer’s ability to understand product/services and proceed with contracts on the website”. Therefore, with the concept of offering “easy-to-understand, simple products”, its products are designed with ease of contracting, providing truly essential coverage. With the additional concept of “convincing a wide a range of customers”, it offers discounts and insurance premiums that are only possible with Internet trading.

Life insurance

Branded Product “&LIFE” for personal customers



Product pamphlets

&LIFE Income Security Insurance

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.

Foreign-Currency-Denominated Fixed Whole-Life Insurance



“Fun, Ever” leaflet

At MSI Primary Life, the popular foreign-currency-denominated fixed whole-life insurance “Happiness, Ever” was turned into a series with the additional sale of “Fun, Ever”, a foreign-currency-denominated fixed whole-life insurance, which meets to the needs of 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.

Advancing with you

MS&AD MS&AD Holdings

Pillar I Earn customers' trust through improvement in 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.

Offering "SumaHo" and Sapo NAVI" smartphone applications



"SumaHo"

MSI offers "SumaHo," a free application for smartphones.

"SumaHo," which can be used to check and change customers' policy and provides "Emergency Navigation" that is useful at the time of accident or breakdown and the "Driving Capability diagnosis" that supports safe driving, has had over 270,000 downloads in 10 months since the service launched and was awarded "MCPC Award 2013 Grand Prize" and "The Minister of Internal Affairs and Communications Award" in April 2013. We will add new features such as "Navigation at the Time of Disaster" that supports evacuation activities when a disaster occurs.



The smartphone application

"Sapo NAVI"

At ADI, we have developed and offered "Sapo NAVI (navigation)," an application for smartphones, as a part of accident prevention services.

"Sapo NAVI" consists of the following three contents: "Safe driving," "Accident prevention" and "Accident/Trouble response." Its purpose is to be useful in preventing car accidents and in providing valuable services when an accident occurs. Not only our customers but any smartphone user can use this application for free.

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. Furthermore, the "Web policy" is easily accessible by personal computers, without worry about data security, where functions like enlarged prints and a search engine are available.

MSI started to use a font type that is easy to read and identify (UD font) in all pamphlets and disclosure statements for all the policies effective on October 1, 2013 and after.

"Insurance Proposal Application" for tablet terminals

At ADI, "Tough Automobile Insurance Proposal Application" and others have been launched for agents for use on Android and similar tablet devices. This application allows smooth business negotiation for automobile insurance and so on, making it possible to provide fully realistic presentations to customers.

Understandable pamphlet



"Book to answer your questions on automobile insurance" 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.

This pamphlet was evaluated so highly for its comprehensible and rich information that it has been honored with the "UCDA Award*", the utmost award in the pamphlet category of non-life insurance promotion in "UCDA Award 2012".

* Hosted by Universal Communication Design Association, a general incorporated association, the award evaluates and commends information activities conducted by enterprises. In fiscal 2012, its theme was "A design that protects dwellers".

At ADI, a simple, spreadsheet pamphlet is provided, listing outlines of "Tough Automobile Insurance", its flagship automobile insurance.

It appeals simplicity by large illustrations and letters in explaining the changes of the classified rating system of automobile insurance.

"Raku Raku Navigation," a website for smartphones targeting seniors

ADI provides "Raku Raku Navigation," a website for senior smartphone users with large letters and buttons, consisting of a simple menu, which is mainly for phone communication. The main menu is how to contact during accidents/troubles and the "Veteran Driver Support" in which expert staff gives advice for questions about safe driving.

Improve the convenience for customers in contracts

Electronic contracting procedure

MSI is promoting electronic contracting procedures. Under these procedures, the policy contents are displayed on the screen of a computer brought along by the agent, and the customer signs the policy electronically after confirming the contents. This procedure eliminates the need for customers to have pens and seals on hand. Because changes in content and premium estimates can be easily made on the computer, there is also no need for filling out and submitting paper application forms. Electronic procedures are applied for automobile insurance and fire insurance. As of the end of fiscal 2012, 53.5% of the personal policies (i.e., excluding corporate and group policies) were being contracted

electronically. 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 Service

An extended total of more than 1.5 million customers are registered for use of "Customer Web Service" provided to individual customers on the MSI website. Customers can use the service to check the contents of GK Automobile Insurance, file changes of address, submit notices of vehicle replacement, and perform other procedures on the Internet. They can also check policy contents and perform change of address procedures from the smartphone app "SumaHo".

ADI provides a customer dedicated service, "My Page," which is a service for PC/smartphone/mobile phone users. The service enables customers to view the policy contents ("Online publication of policy clauses" and "eco-insurance certificate") and the status of an accident response from PCs and smartphones. It also presents prizes which are available after earning points through various contents that are useful for driving. Since October 2013, customers can donate their collected Bell Marks.

More than 5 million customers are registered on the service as of May 2013.

At a specialist direct-sales non-life insurance company, Mitsui Direct General, services are fully utilized by the Internet functions with an easy product explanation, convenient estimate service and a simple contracting procedures. Moreover, "My Home Page" is provided to those customers contracted on Internet, whereby customer information, procedure to change compensation package, confirmation of accident-handling information, and application for related leisure services are dealt with.

CD-ROM Policy



CD-ROM Policy and
UCDA Certification Document

MSI Aioi Life instated CD-ROM Policy. The CD-ROM contains the policy explanation and clause. Compared with the conventional paper policy, this compact and convenient method is chosen by over approximately 90% of customers who contract newly.

The CD-ROM Policy has continued to improve for better convenience and ease of understanding for our customers. As a result, its "easier-to-read, -understand and -comprehend" feature was highly evaluated by Universal Communication Design Association, a general incorporated association, and the association has awarded us "UCDA certification". We were the first to receive such certification in the insurance industry.

Deferred payment of initial premium

At MSI Aioi Life, from April 2013, we introduced a deferred payment system of initial premium that starts insurance coverage in a cashless manner. This system starts insurance coverage at the time of receiving “application” and “declaration” in which customers pay initial premium by bank transfer, etc. after insurance policies become effective, so that customers do not need to prepare cash at the time of contract. It also leads to increased efficiency in various operations regarding cash management and issuance/management of receipts. While cashless operations are becoming popular in various commercial transactions, there are requests from customers to introduce cashless contract procedures. Based on these voices, as “Solicitation Process Reform,” we have considered streamlining and improving efficiency of the contract procedure of life insurance in order to further improve customer convenience and operational quality. This “deferred payment system of initial premium” was the first step of this reform.

Declaration form

At MSI Aioi Life, we renewed the design of the declaration form that we ask customers enter health condition at the time of contract by utilizing the analysis results of erroneous omit cases as well as scientific methods. As a result, its easy-to-understand design was evaluated highly, and our new declaration form obtained “UCDA certified ‘Design That Communicates’” by the Universal Communication Design Association (UCDA), the first in the life insurance industry.

Furthermore, this declaration form was awarded “UCDA Award,” the best in the life insurance declaration form category of “UCDA Award 2013(*),” for its easy-to-understand design.

(*) UCDA Award is hosted by the Universal Communication Design Association to evaluate and award information sent from companies. The theme for FY 2013 is “Guarantee of Quality of Information Conveyance.”



Declaration form



Certificate

Books and vouchers made-to-order

MSI Primary Life customized “Pension Payment Invoice” for some of the private pension insurance products from June 2012, and improved customer convenience by printing the invoice according to customer attributes and their contract details.

Initiatives for people with disabilities

Adoption of SP codes



Product pamphlets

GK Automobile Insurance

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.)

Printed material in using Color Universal Design



Certificate of verification

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, which policies become effective on October 1, 2013 and after, and major products for small and medium-sized companies, users’ points of view are taken into consideration for colors and designs.

The design of MSI Primary Life’s disclosure magazine was made more organized and legible by combining “differences of shape” as well as color, “patterns distinguished by line and colors” and other features enabling conveyance of information properly.

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.

Roadside Service



Towing service

The domestic non-life insurance companies in the Group provide various services in towing/transferring a car in the event of accidents and breakdowns, and emergency work on the spot in response to breakdowns and trouble.

“Car rescue QQ team”(Road service) offered by MSI enables customers to receive a wide range of service such as reducing individual payment by combining the service and special contract of conveyance, transferring, taking-over payment.

Under this contract, it enables 1) towing/transferring a car up until approximately 200km, and covers 2) the payment of a crane vehicle for a car of accident, and 3) “GK automobile insurance for home use” provides transferring support services and accommodation support services as well.

The Road Assistance Service offered by ADI was the first service in the industry and has been used by many customers since then. Since October 2010, the service offers ; 1) the distance of free towing/transferring a car from the scene of accident and with the breakdown was extended to 60km, and 2) free quick repairing service at the place of accident within 30 minutes.

MSI and ADI both contract roadside services to MS&AD Insurance Group’s Anshin Dial Co., Ltd. Through Anshin Dial Co., Ltd., which is a general road assistance company at the industry’s top level, they will provide speedy and high-quality services as ever as a unified Group company.

Advancing with you

MS&AD **MS&AD Holdings**

Pillar I Earn customers' trust through improvement in 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 permanently be given high ratings and trust by all customers, through provision of claim services that gratify them 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 all 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.

MSI is promoting the innovation around a revision of all work processes from receipt of accident reports to payment of claims.

The company instated 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 to our customers.

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.

"Communication Site" opened for accident-response services



Communication Site

At Mitsui Direct General, a 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. We are putting our best effort so that many of our customers may share their feelings of assurance.

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

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* 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*. 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.

* In Japan, we offer the services to those customers of Comprehensive Commercial Property Insurance (MSI's petname for this service is "Property Master") who contracted in a set for emergency treatment cost coverage.

☞ [Affiliation with Belfor Asia](#)

☞ [Affiliation with Recovery Pro](#)

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



Scenes at Customer-Response
Role-Playing Contest

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 for employees assigned to total loss support department that deals with customers with high-quality uniform services.

Business improvement project



LIPS group discussion briefing papers

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 capabilities 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.

MSI's subsidiary, Mitsui Sumitomo Insurance Claims Adjusting Co., Ltd. which investigates damages, works on the improvement of adjusters' capabilities of investigation by regularly holding seminars to share best practices within the entire department; for the appropriate certification of repair cost, and the enhancement of cooperation with case managers.

ADI holds a skill contest at its affiliate, Aioi Nissay Dowa Claims Adjusting Company Limited, a national claims adjuster, where adjusters show the results of their self-study to further improve their skills and capabilities of damage investigation.

Examination of insurance payment

At MSI and ADI, in order to make a fair payment of insurance to our customers, in case it does not seem to correspond to an insurance payment, or in case the customer appeals complaint to the decision, those issues are examined at screening panel which consists of experts such as an external lawyer.

State of examination is disclosed at the company's website.

 [MSI \(Japanese only\)](#)

 [ADI \(Japanese only\)](#)

Advancing with you

MS&AD **MS&AD Holdings**

Pillar I Earn customers' trust through improvement in quality Quality improvement of Contact Center

The Contact Centers of each MS&AD Insurance Group company's 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

Each Group company 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 Group company's Contact Centers more efficient and improve its quality.

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



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 2012, among approximately 3,000 staff members working at the Group's contact centers, 14 finalists participated in the contest after elimination bouts to compete their call-handling skills.

Sharing telephone system infrastructure

The contact centers of MSI, ADI, Mitsui Direct General, MSI Aioi Life and MSI Primary Life 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 is positioned as a precedent case of the core systems integration of these companies scheduled in July 2013 and has resulted in a synergistic effect, such as the reduction of system maintenance costs.

Advancing with you

MS&AD MS&AD Holdings

Pillar I Earn customers' trust through improvement in quality
Growth with our agents

We strive to maintain and improve quality through on-going dialogue with agents. We also aspire to grow with them while supporting to improve the work quality of agents and deliver 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 formulated 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 also makes effective use of MS College, a system for centralized management of information for each canvasser*1 on items such as insurance sales qualifications, participation in group seminars, and history of e-learning. MS College makes it possible to support each canvasser to improve the skills in line with each level of them. By the end of fiscal 2012, the total of 100 e-learning courses had been utilized by about 30,000 agents.

ADI has been offering ADWeb Lecture, this Internet-based system is being utilized by about 120,000 canvassers of agents. The learning contents transmits training programs that lead to quality improvement for canvassing such as compliance, contents of products and also offer learning programs and exams to obtain qualifications. Since April 2012, a new program about insurance matters, "News ADvance" has started with the purpose to provide useful information and tools regarding solicitation to agents and canvassers. ADI plans to further enhance learning opportunities and information that contribute to the improvement of agent and canvasser quality.

(*) Permanently-hired employees engaged in solicitation

Training in response to the needs of agents



A scene of training

To respond to diversifying customer needs and changes in the environment, MSI Primary Life is enhancing various training programs for agents and reinforcing its setup for sales support through agent education. Following the Consulting Sales Training, "In-Basket Training," a new hands-on management & leadership skill training program for agents, has been developed and offered to improve their judgment and organizational skills such as their ability to think and handle various issues promptly and accurately.

Feedback of Customer's Voices (Complaints and Compliments)

At MSI, business procedures, behaviors and awareness are reviewed on the basis of customers' voices (complaints and compliments) and identify points of improvements to be tackled are fed into the "three actions leading to trust building", a tool used for agent workshop sessions. The workshop tool is used at the regular workshop session, etc. held once a month or other agent trainings.

At ADI, a system is in place for customers' voices (complaints and compliments) to be fed back to agents and canvassers, and the approaches to quality improvement by making use of customers' voices are widely publicized through information activities in agent magazines and educational tools to help the approaches take root.

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.

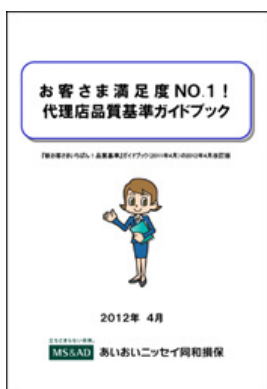


Q Mark logo

Agent Quality Certification System

MSI has established an Agent Quality Certification System (Q Mark system) to make arrangements enabling sure provision of services of uniform quality to customers.

The system operates as a standard for certification of proper execution of various insurance procedures that suit customer's requests and on accurate knowledge regarding insurance products and claim handling.



Guidebook of quality standard
in agent work

To improve the quality 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".

Communication with agents

Regular training and seminar

MSI and ADI hold “Regular Monthly Workshop”, a collective training session 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 Marine National Agents”, organized mainly by professional agencies, and “Advanced Club (AC)”, formed around automobile mechanic businesses, have been active. 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, under the philosophy that “We are devoted to providing assurance and satisfaction to our customers through mutual efforts among agents together with the company”, actively works on providing professional products and services, securing the perpetual prosperity of its business customers and contributing to local communities.

(*) A career agent for ADI and MSI Aioi Life. Qualified personnel of non-life and life insurance.

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 80 specialist staffs 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.

At ADI, Aioi NDI Support Box, an affiliate established in October 2002, as the industry’s first agent support company, is proposing professional know-how, the most promising business process and business model to professional agents to help them grow to attain the targeted presence. And training programs are aggressively offered to boost their agent sales power and improve their customer-handling quality as well as business quality at large.

Advancing with you

MS&AD MS&AD Holdings

Pillars of CSR approaches

Pillar II

We will contribute to create the sustainable environment and society.



- Promote social contributions and global environmental preservation through the provision of products and services
- Conduct activities to support the restoration of areas hit by natural disasters, such as the Great East Japan Earthquake, and promote social contribution activities tailored to local needs
- Promote various solutions to environmental issues, such as reducing the environmental burden relating to our business activities and conserving biodiversity

Pillar II Contribution to create the sustainable environment and society

Response to large-scale disasters and support of affected areas

With the management philosophy of providing assurance and security through our business of insurance/financial services, we will streamline our insurance payment arrangements and tackle Group-wide support to contribute to the recovery of affected regions.

For the resolution of societal issues

We make various efforts for contribution to customers and local communities with full application of its technology and know-how of each group company.

- ① [Contribution to the Global Environmental Protection through our core business](#)
- ② [Resolution of issues in the society](#)

Response to Climate Change, Preservation of Biodiversity

Based on our Mission, “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”, we set the guideline for our action and make an effort for it.

- ① [Environmental Basic Policy](#)
- ② [Reduce the environmental burden incurred in conjunction with our business activities](#)
- ③ [Approaches for preserving biodiversity](#)
- ④ [Coexistence with society through awareness activities](#)

Social contribution

For the growth of each employee as a citizen of the local community we establish various systems and perform local and social contribution activities in the field of sports and culture, and overseas as well.

- ① [Support activities of social contribution by employees](#)
- ② [Social contribution in the field of sports and culture](#)
- ③ [Overseas approaches \(building of sustainable environment and society\)](#)

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society

Response to large-scale disasters and support of affected areas

▼ Response to large-scale disasters

▼ Response to the Great East Japan Earthquake

▼ Response to the flooding in Thailand

As a member of local communities and the international community, we engage in social contribution activities through our insurance and financial service businesses. In addition, our employees voluntarily participate in the environmental protection and community activities to contribute to their sustainable development.

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.

- **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](#)

Response to the Great East Japan Earthquake

Two years have elapsed since the outbreak of the Great East Japan Earthquake, and so many people still remain 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 in a variety of approaches.

Continuous support

Rice field reconstruction volunteering by employees

The MS&AD Insurance Group has instituted “reconstruction assistance program” in Minami Sanriku-cho, Miyagi Prefecture, to help restore Tsunami devastated rice fields to a rich, lively “Fuyumizu Tambo” of biodiversity. 250 Group employees and their families in total participated in rice planting, harvesting, and debris removal. “Fuyumizu Tambo” is one approach to biodiversity. The MS&AD Insurance Group has started waterside environmental conservation activity since 2010 and will sustain our support activities to restore the rice fields not only for rice production but also to revive biotope and to assist with rice planting, etc. as well. In fiscal 2013, with the participation of local elementary school students, we plan to regularly conduct environmental education, which includes rice planting, harvesting of rice fields and wildlife surveys.

● [Detailed information of reconstruction assistance volunteer activities](#)



Clearing the rubble



Helping rice planting



Helping rice harvesting

Donation from the Web Policy Clauses

MSI contributed a part of the donation to the "Green Power Supporter" program, which aids Tohoku reconstruction efforts. ADI also contributes to the Great East Japan Earthquake stricken areas by giving donations through the approaches of the Web Policy Clauses.

[Green Power Supporter](#)

[ADI donation activities](#)

Support of schools in affected area by Bell Mark



Supporting schools in affected area by Bell Mark

At ADI, collection boxes for Bell Mark have been installed since January 2011 in its offices to donate the collected Bell Mark to elementary and secondary schools within the region. After the Great East Japan Earthquake, donors were changed to affected schools as a step for reconstruction assistance, with the concerted efforts by all concerned. The activity has resulted in accumulating 35,000 collection boxes with the support of our agents/canvassers and business partners. As a result, in 2 years, 5.36 million Bell Marks were collected and were donated to a total of 52 elementary schools.

Support for affected businesses through "Yui no Ba" regional recovery matching activities



Personnel management seminar sponsored by the Ishinomaki Chamber of Commerce and Industry

Firms and businesses afflicted in the Great East Japan Earthquake are now confronted with various management issues that defy separate individual efforts, conventional means and mechanisms of resolving the difficulties. MSI resolved to help these affected businesses tackle such management issues, has joined other supporting entities in participating in the "Regional Recovery Matching Yui-no-Ba Activities", sponsored by the Miyagi Reconstruction Bureau of the Reconstruction Agency.

To support business operators engaged in marine product processing in Ishinomaki and Kesenuma cities 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.

Future tasks

On the basis of our experiences in responding to customer requirements in Great East Japan Earthquakes, we now deal with setting up systems against disasters by strengthening preparatory trainings in advance of disasters.

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.

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 compensations for their automobiles damaged in 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 for 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 and is intended to be marketed stably and widely.

Countermeasure for risks



Japan is known as one of the most vulnerable countries in the world to earthquakes, with another spell of catastrophic earthquakes predicted to be originating in the Nankai Trough nearby, raising the earthquake risk. Under such a backdrop, MSI and ADI, along with InterRisk Research Institute & Consulting, a consulting company of the MS&AD Insurance Group, have actively been engaged in advisory services for mitigating earthquake and tsunami damage, and formulating Business Continuation Plans (BCP) as an endeavor to “not forget the recent earthquake disasters.” Moreover, to pass the precious wisdom learned through experiencing the disaster down the generations, we published booklets entitled “How Companies Have Overcome the Great Earthquake” and “Wisdom to Save Children from Earthquakes and Tsunamis.” We will keep on providing valid and useful information on how to cope with the pressing issues of earthquakes.

☞ [InterRisk Research Institute & Consulting, Inc. BCP support](#)

Response to the flooding in Thailand

The monsoon season in Thailand in July 2011 brought flooding that persisted for over three months. Seven major industrial areas were inundated, afflicting damage to many Japanese companies.

With this experience, we are working to strengthen our countermeasures against natural disaster risks.

Assistance in instituting the National Catastrophe Insurance Fund of Thailand

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. The Thai government has instituted "National Catastrophe Insurance Fund of Thailand" to ensure compensations for damage caused by future flooding in Thailand, a similar system to earthquake insurance in Japan. MSI assisted the institution by its assistant Thai branch manager Bichai as the top member of the Property Insurance Committee of Thai General Insurance Association. MSI was the first foreign insurance company to be commended from the Thai Prime Minister with the "Prime Minister's Insurance Awards 2011: Non-Life Insurer with Outstanding Management" in September, 2012, by the Thai Office of Insurance Commission (hereinafter "OIC"), which 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.

➤ [Overseas approaches](#)

Approaches to strengthen risk management overseas during natural disasters

At the MS&AD Insurance Group, we are committed to fulfilling the social mission by providing various solutions to our customers against natural disaster risks and offer advisory services for risk assessment and risk control while underwriting risks.

In the wake of the Thai flooding, we embarked on identifying issues anew that are associated with managing natural disaster risks overseas, streamlining the verification process of natural disaster risk models and reinforcing our risk control capability by reviewing risk underwriting, thereby assuring that our risk management performance is further strengthened and upgraded.

- Streamline verification process of natural disaster risk models
- Reinforce risk control capability by reviewing risk underwriting
- Conduct flood risk surveys in Asian regions and assess the worst-case scenario for projected damages
- Improve accuracy of risk location/information for detailed hazard mapping, and strengthen and upgrade our insurance underwriting risk management

Provision of risk management services in Asia

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. 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.](#)

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 established in January, 2013.

This program, set up jointly by the Japanese government and the World Bank, 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.

As large-scale calamities increase globally, the need for such a system is rapidly rising. By participating in this system, the first in the Pacific Region, we support the region's economic and social activities.

☐ [For the outline and scheme of this system, see here.](#)

“Celent Model Insurer Asia Award 2013” was awarded to the Cloud-utilizing system for Thai flooding countermeasures.

MSI has received the “Celent Model Insurer Asia Award 2013” sponsored by Celent of the US.

The award this time was given in recognition of the Group’s dedicated efforts in providing a quick systemic response to ensure rapid recovery from the Thai flooding of 2011. Our employees constructed the “Global Information Sharing Base” using cloud services in a record time of about a week after the flooding, making possible swift payments of insurance claims to our customers affected by the disaster.



Advancing with you

MS&AD MS&AD Holdings

Pillar II Contribute to a sustainable environment and society

Contribution to the Global Environmental protection through our core business

▼ Offer of products and services	▼ Environmentally friendly Investment and Loan	▼ Environmental Awareness Activities	▼ Risk Consulting
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If global warming continues at the current pace, the world will reportedly be at risk of higher rainfall intensity in the event of torrential rains and stronger typhoons. As a provider of insurance and financial services, it is a vital part of our role to convey the risks of climate change accurately to customers and offer products to prepare for related damage, including insurance products for natural disasters, and climate derivative products for abnormal and unfavorable weather. As we see it, however, our role is not limited to preparing for damage; we consider the discharge of our responsibility to mitigate the worsening of global warming, even if only a little, to be one of our most important tasks for contribution to the building of sustainable societies.

Toward the end of mitigating global warming through our core business, the MS&AD Insurance Group is working to devise and develop new products and services not bound by conventional frameworks.

Offer of products and services

Weather Derivatives

MSI develops in response to the needs of customers and sells the products of weather derivatives and Earthquake Derivatives which have positive effects for hedging or mitigating the loss caused by unfavorable weather or earthquakes. Especially, we intend to keep on supporting much-expected renewable energy industries such as solar energy generation and small to medium-scale hydro power through underwriting derivative products. Also in United States, it provides hedging scheme of weather risks through affiliate company.

Its worldwide active works of Weather Derivatives and numbers of weather-related transactions intended for not only temperatures but 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.

Support of renewable energy projects

Following the 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.

At MSI, "Mega-Solar General Compensation Plan" has been put on sale since June 2012, which comprehensively covers various risks (fire, indemnity liability, lack of sunlight, etc.) surrounding mega-solar business enterprises. The plan is comprised of fire insurance/facility indemnity liability, derivative, etc., and is available to cover risks according to the needs of business enterprises. In response to indemnity risk needs of mega solar companies, we are indirectly support the spread of renewable energy.

Environmentally friendly automobile insurance

The MS&AD Insurance Group offers following products in the fields of automobile insurance for reducing environmental burden.

Automobile insurance with Eco Mark



Eco Mark

MSI and ADI obtained Eco-Mark* certification through the promotion of Web policy clauses and Eco-insurance certificates, 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.

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"

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. ADI offers discounts on environment-friendly automobiles.

PAYD



PAYD, automobile insurance linked to driving distance

ADI developed and is selling a landmark type of automobile insurance in which premiums are linked to the driving distance. In PAYD policies, drivers pay premiums only for the distance actually driven, as determined by vehicle-mounted terminals. The premiums are lower for customers who drive less monthly distance. The insurance is therefore environment-friendly, in that it encourages less use of gasoline and consequently reduction of CO2 emissions.

Reducing environmental burden in business processes

At the MS&AD Insurance Group, we are pushing forward approaches to resource conservation and climate change mitigation through our environment management system by means of determining environmental impacts of business processes and contributing through our core business.

Web policy clauses / Eco-insurance certificates approaches

As part of our environmental protection activity, MSI and ADI have introduced in lieu of agreement booklets and insurance certificates "Web policy clauses" and "Eco-insurance certificates (*)" which can be referred to in our corporate Home Page, promoting conservation of paper resources. And, to the extent that our customer has agreed and cooperated in this regard, we are contributing donations that would lead to supporting environmental protection.

・ Number of web policy clauses : 6,991,808

・ Reduction effect of paper : 524 tons

(*) MSI introduced with automobile insurance policies starting in October, 2012, while ADI is scheduled to introduce this with automobile insurances starting in October 2013.

■ [MSI Green Power Supporter and Web policy clauses / Eco-insurance certificates](#)

■ [ADI Donations through Web policy clauses](#)

For life insurance contracts from March 2010, MSI introduced policy clauses on CD-ROMs to make business more paperless and promote the conservation of paper resources.

Use of recycled automobile parts

The MS&AD Insurance Group encourages customers to use recycled parts when having repairs made after accidents. In this way, the Group is promoting a recycling-oriented society and reducing the environmental burden of repairs.

MSI gives repair shops and customers easy-to-understand explanations about recycled parts and encourages repair shops to make extensive use of recycled parts after asking customers if they would like to use them.

At ADI, to promote the use of the automobile recycling parts, 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 2012, was about 24,600 units, and approximately 1,550 companies participated.

* NGP Group: National network of dismantling companies

Green Power Supporter



Green Power Supporter

Under the Green Power Supporter program MSI engages in the global environment protection with customers through Insurance.

Corresponding with the number of cases of the 4 approaches; Web policy clauses, Eco-insurance certification, and Electronic contracting procedures which help to reduce levels of paper consumption, Eco-maintenance and eco-inspection which helps to reduce CO2 emissions and toxic gas, Use of recycled automobile parts which helps repairing automobiles with environment-friendly parts, MSI donates to environment protection activities, such as the Indonesia tropical rainforest recovery project and donation mechanisms such as Tohoku reconstruction aid. MSI donated 40.65 million yen during a year from February 2012.

[Green Power Supporter \(Japanese only\)](#)

Electronic contracting procedure

At MSI, we have been contributing to global environmental protection by computerizing contract procedures (paperless) since fiscal 2007 for automobile insurance and fiscal 2009 for fire insurance, while at the same time materializing efficient accounting procedures. At the end of fiscal 2012, approximately 54% of personal insurances have been dealt in computerized accounting, except for corporate and group insurances.

Environmentally 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, solar loans, etc.

Environment Investment

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.

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, 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. Moreover, we have agreed to the UN Principles for Responsible Investment (PRI) and executed them by signing in March 2010.

Solar loans

Photovoltaic (PV) power generation systems are the system that converts the energy of solar light into electricity. An environment-friendly energy source free of CO₂ emissions, they are indispensable for building the low-carbon society. Because they can also be installed in ordinary homes, the systems meet the needs of consumers who want to use green power and have heightened conscious of energy saving. MSI and ADI offer credit affiliated loan for purchasing and installation of household solar power system to meet the needs of those consumers and contribute to promote the spread of those system.

Environmental Awareness Activities

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 who engage in the Eco-maintenance. By the end of March, 2013, 314 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, 2013, the number of repair shops performing engine washing reached 434.

[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.

Risk Consulting

At InterRisk Research Institute & Consulting, specialists qualified with professional expertise in environmental issues are putting into practice advanced and highly specialized expertise to provide our customers with high-quality risk solutions by means of consulting services to analyze environmental risks and prevent/mitigate risks that cause damage to enterprises, building environment management systems and providing various types of researches and studies.

Provision of consulting services in the areas of 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 land utilization, we have been serving many top global corporations for over 10 years. In recent years, with the impact of the global resource problem, requirements for consultation on business continuation and reputational risk have been increasing in regards to raw material sourcing.

■ Provision of energy saving consulting service

Due to the impacts of deficient electricity supply in the wake of the Great East Japan Earthquake, needs for energy conservation and electricity-saving measures in corporations are mounting, calling for services provided as follows:

- * Analysis of energy conservation/electricity saving measures: Visualize electricity consumption patterns proper to the facilities and propose sustainable measures that can reasonably be taken. Proposals for abating electricity bills and support for utilizing subsidies provided for introduction of energy-saving equipment, etc. are also given.
- * Analysis of indoor comfort: Service and retails industries where customers' visits to stores count, there are needs to minimize discomfort caused by energy conservation. We advise reasonable and viable energy conservation/electricity saving measures by digitizing the indoor comfort for users.

■ Provision of ISO 14001 certification consulting service

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. As a member of the MS&AD Insurance Group, we fully support Group's approaches to ISO 14001 certification.

▣ [Website of InterRisk Research Institute & Consulting](#)

Advancing with you

MS&AD MS&AD Holdings

Pillar II Contribute to a sustainable environment and society Resolutions of issues in the society



The MS&AD Insurance Group is taking various initiatives to contribute to customers and local communities utilizing each Group company's technology and know-how. As a non-life insurance provider dealing with automobile insurance, we are involved in efforts to prevent traffic accidents, and as a life insurance provider dealing with life and medication, we disseminate correct knowledge about healthcare, and help people to make adequate preparations as one of our important social missions.

Approaches Related to Traffic Safety

Provision of automobile risk management services to corporate customers

For companies, reduction of automobile accidents is linked to a decrease in the cost of insurance premiums and other items as well as economic loss. MSI and ADI provide various services in automobile risk management to corporate customers. Besides collaborating with the MS&AD Insurance Group's consulting company, InterRisk Research Institute & Consulting, Inc., a member of the Group, in various consulting services with the aim of preventing and reducing traffic accidents, the companies send instructors to seminars and makes assessments of driving aptitude.

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

Campaign for education in safe driving for customers



"SumaHo"

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 propensity for driving, making judgment from how the car wavers, and to provide advice, as well as the drive recorder function to record visually and pin point the dangerous driving behaviors.

New additional functions will be provided in support of safe driving such as giving audio advice prior to going out on the drive based on the driver's driving propensity and providing suggestions for safe driving based on the weather forecast.



"Sapo-Navi"

At ADI, a free application "Sapo Navi" has been developed and provided for smart phones as a part of the accident prevention services.

"Sapo Navi" has three basic contents for "safe driving," "accident prevention" and "response to accident/trouble," in order to prevent auto accidents and provide reliable guidance in case of an accident. This application is available for use free-of-charge not only for our policyholders but also for any smart phone users.



Supporting tool

"Eco-Safety Driving Calendar"

Since fiscal 2005, ADI has been conducting nationwide campaign for the prevention of traffic accidents, furnishes all sorts of know-how and tools such as "3 months traffic safety promotion calendar" for the purpose of publicity and education about accident-free driving promotion and safe driving. In the campaign of zero-accident promotion, it interweaves elements of "safe eco-driving" based on measures to preserve the global environment, in fiscal 2012, about 12,000 companies and organizations participated in the campaign.



"Now Don't have to worry! bicycle life"

Brochure

Bicycle accidents account for over 20% of the total traffic accidents and are on the increase, compared to 10 years ago.

MSI has edited an easy-to-understand booklet on safety rules and driving manners for bicycle riders with the view to promote safe and secure bicycle riding. By distributing the booklets, we contribute to the prevention of bicycle accidents, and by offering special coverage of various types of insurance, we try to deliver to our customers safety and security.

Presents of Yellow pennants



Yellow pennants with the company name

ADI, in a campaign to prevent/decrease traffic accidents as a social contribution activity required of a non-life insurance company, has donated a total of 4.3 million “yellow pennants” since 1971 to kindergartens, elementary schools, police stations and community circles during traffic safety movement periods in spring and autumn across the nation. Also, using the yellow pennants, we have been participating in the traffic safety activities on the streets to oversee the safe commuting of elementary and junior high school students in early mornings.

Promoting activity of driving manner, “MUJICOLOGY! Project”



Tokyo, Shinagawa Police Station

Traffic safety event in spring

Under the “MUJICOLOGY! Project” for an automobile society without accidents, Mitsui Direct General has been pursuing the “Give Way = Improve Driving Manners” campaign, along with our original characters “Mujicoro” and “Mujicorin.” During the National Traffic Safety Campaigns in spring and autumn, we actively participate in various traffic safety events such as the “Traffic Safety. Action 2012” (sponsored by the Automobile Business Association of Japan, supported by the Cabinet Office, the Ministry of Land, Infrastructure, Transport and Tourism, and the National Police Agency), events sponsored by the Tokyo Bay Police Station, etc., the Safe Bicycle Riding Class at elementary schools, etc., for which we have been commended with letters of appreciation by the Chief of Tokyo Bay Police Station and the Chairman of Tokyo Bay Traffic Safety Association.

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

Approaches Related to Life and Medical Services

Activities for conveying medical information to customers

Stroke Project

MSI Aioi Life is conducting a campaign to help customers avoid strokes as a stroke prevention awareness initiative. As part of the campaign, the company has concluded a joint project agreement with the Japan Stroke Association to conduct a “Stroke Project”.

The company held seminars on strokes for the general public together with the chapters established by the Association in all prefectures of Japan. These seminars have been held more than 100 times by the end of March 2013 and attended by more than a total of 10,000 customers so far. It also operates a website called “Stroke Report” that contains interviews with doctors of the Japan Stroke Association and columns about approaches to therapy.

Activities conveying the advanced medical technology

MSI Aioi Life is taking approaches to information transmission and publicity activities related to leading-edge medical services. As a part of these activities, it distributes, free of charge, a guidebook for knowledge of advanced medical technology (a pamphlet describing mainly care with the latest medical technology) and a visual DVD on the same subject.

The company also provides information on advanced medical treatment through “Advanced Medical Technology.net”, an IP-oriented dedicated website offering information in the form of in-depth reports and columns by medical institutions performing such treatment, and operates “Advanced Medical Technology Navi”, a search-oriented dedicated website allowing visitors to find basic knowledge about advanced medical treatment and medical institutions where it is available. In addition, the company holds nationwide seminars on particle beam treatment for cancer, which provide simple explanations of this form of advanced medical care.

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



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

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 2012, the corresponding number of new contracts amounted to the donation of 148,000 people equivalent of polio vaccines, and a total of 550,000 people equivalent so far.

■ Approaches Related to Welfare Fields

■ Provision of Nursing-Care Services



Yu Life Setagaya

Mitsui Sumitomo Insurance Care Network Co., Ltd. operates private nursing-care homes, “Yu Life Yokohama” (established in 1995) and “Yu Life Setagaya” (established in 2006), and provides a wide range of nursing-care services designed for the advent of super-aged society such as in-house nursing assistance, visiting nursing-care services, etc. Our high-quality services, aiming to materialize our management philosophy of customer satisfaction, have been valued highly by relevant parties. At our private nursing-care homes, we bring in animal volunteers and also collaborate with nursery schools.

☞ [Mitsui Sumitomo Insurance Care Network \(Japanese only\)](#)



Event at Do-Life Mizuho

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 (training and practical rooms) to volunteer bodies in the community (144 times in fiscal 2012) and holding public lectures. On its home page, the company created, and made available “First time nursing care, easy and cozy care”, a nursing care training video for general public to promote their understanding.

☞ [Fureai Do-Life Service \(Japanese only\)](#)

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. In fiscal 2007, it began a program of aid for overseas research targeting Southeast Asia. By the end of fiscal 2012, it has furnished 2,131.69 million yen in aid for 1,783 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 of 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 other third sector insurance (medical). At present, more than 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



Endow courses at Waseda University

ADI and the MS&AD Research Institute Company Limited have held endowed courses at the Waseda University School of Commerce 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 2012, a total of 15 courses were held, occasionally inviting professionals from abroad, on such subjects as "Takaful" which is expanding lately as an Islamic insurance and "Risk Management Theories in the US."

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 116 students have graduated by fiscal 2012, they are active in each specialized field.

Approaches Rooted in the Community

The Regional AD Club



Meeting of appreciation

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 fiscal 2012, community-based “appreciation gatherings” for interchange were held in 25 places nationwide, while commodity expositions of the regional products and Bell-mark collection activity were also promoted as a means to assisting reconstruction in the wake of the Great East Japan Earthquake.

Furthermore, over 2,500 companies of nursing-care operators joined the “Care Friends Meeting,” bringing the total members to approximately 15,000 companies.

In fiscal 2013, community-based helpful programs and other undertakings to assist the afflicted area will be carried out continuously, soliciting participation by a range of corporations and bodies in wider geographical areas.

■ [The Regional AD Club](#)

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society
Environmental Basic Policy

MS&AD Insurance Group Environmental Basic Policy

Basic policy

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.

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society

Reduce the environmental burden incurred in conjunction with our business activities

Medium- and long-term reduction goal of CO2

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 *
[Base year]	Fiscal 2009	–	101,906t-CO2
[Medium-term reduction goal]	Fiscal 2012	4%	97,830t-CO2
[Long-term reduction goal]	Fiscal 2020	30%	71,334t-CO2

* 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.

CO2 emissions in our business activities

The MS&AD Insurance Group, with the purpose of mitigating climate change, is trying Group company-wide to reduce energy consumption by all employees to attain the mid- to long-term goals of CO2 emission reduction. CO2 emissions in fiscal 2012, increased 0.2% relative to the base year, and we did not meet our mid-term goal of 0.4% reduction. This is because the CO2 emission factor for electricity increased significantly due to the shutdown of the nuclear power plants.

Fiscal year	CO2 emissions	Compare to base year
Fiscal 2010	94,934t-CO2	▲ 6.8%
Fiscal 2011*	86,569t-CO2	▲ 15.1%
Fiscal 2012	102,129t-CO2	0.2%

*The data was reviewed and corrected to increase accuracy.

Reduction status of Environmental Burden

Status of effort for Reduction of Environmental Burden

The MS&AD Insurance Group is promoting a Group-wide campaign for energy conservation and saving resources by reducing consumption of energy and paper in our business activities.

While obtaining the certification under ISO 14001, an international standard for environmental management systems, efforts are under way to maintain and improve the status, and in coping with the requirements for resources saving and energy conservation, major tasks of bringing out issues and implementing measures have resulted in movements for reducing consumption of energy such as electricity and gas and of paper resources.

In addition, in fiscal 2012, continued from the previous year, all Group companies conducted thorough energy-saving efforts in response to electricity supply shortages from the shutdown of the nuclear power plants.

Domestic Environmental burden data of the MS&AD Insurance Group

	Fiscal 2012	Fiscal 2011	Compare to previous fiscal year (Fiscal 2012)
Electricity	166,109MWh	171,528MWh ^(※)	▲ 3.2%
Utility gas	2,038,000m ³	1,928,000m ³	5.7%
Gasoline	7,437kℓ	7,692kℓ	▲ 3.3%
Paper	14,445t	16,445t	▲12.2%

*The data was reviewed and corrected to increase accuracy

Purchasing of Green Power Certification

Since October 2008, MSI has used electricity generated from natural energy, and has purchased 7.6million kilowatts per year by utilizing Green Power Certification system.

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 lumbers properly managed, we contribute to conserving forests and maintaining biodiversity.

* Paper made of wood pulp from forest lumbers properly managed for the purpose of sustainable use and conservation of forest resources.

Environmentally-friendly building



MSI Surugadai Building New Annex

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.

Environmental management

MS&AD Insurance Group has been addressing issues that lead to the mitigation of environmental impacts and the protection of the global environment through "ISO14001" and the Group's unique management system "MS&AD Global Project for Everyone" by extracting the Group's environmental factors to identify priority issues.

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, our Group formed the environmental policy management manual. From fiscal 2013, the ISO 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 and Consulting

OUR EARTH Project

The MS&AD Insurance Group has implemented its unique 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.

Participation to Initiatives

Participation in the Carbon Disclosure Project

The Carbon Disclosure Project (CDP) 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 around 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 and Consulting have signed to these principles.

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society Approaches for preserving biodiversity

Non-life insurance businesses consume paper in large quantities while managing the contracts with our customers and during the sure procedure of the payment of insurance. The MS&AD Insurance Group endeavors the reduction of consumption of paper as a part of its efforts to discharge its responsibility as a big paper consumer.

And 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 realized that risks related to biodiversity could possibly become global risks in the future such as the degradation of ecosystem services. For this reason, 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.

Hosting of side events at the Conference of the Parties to the Convention on Biological Diversity (COP11)



Scene of a side event

In October 2012, at the 11th Conference of the Parties to the Convention on Biological Diversity (COP11) hosted in Hyderabad, India, MSI hosted a series of side events, along with the Japan Business Initiative for Biodiversity (JBIB), InterRisk, Cholamandalam MS Risk Service, the Bombay Natural History Society, and the BirdLife International. A presentation about our approaches to preservation of biodiversity as illustrated in the restoration/rehabilitation project of Palliyan Wild Life Sanctuaries on the island of Java, Indonesia, had met favorable reception.

Consulting service, Research

Provision of biodiversity consulting services

InterRisk Research Institute and 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™ 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. Also, in October 2012, at the 11th meeting of the Conference of the Parties (COP11), along with MSI, JBIB hosted a series of side events and reported on the status of biodiversity, attaining a successful reputation. In the "National Biodiversity Strategy of Japan 2012-2020" approved at a Cabinet Meeting on September 28, the government has named JBIB as one of the bodies with which to develop further collaboration and cooperation.

▣ [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 2013, with the co-sponsorship of Ministry of Environment and Keidanren Committee on Nature Conservation and the special cooperation of JBIB and InterRisk Research and Consulting, the 6th symposium was held.

Introduction of proposed corporate roles and anticipated activities, based on the recent international trend supporting biodiversity was reviewed from the outcome and issues discussed at the COP11 convention held in India in October 2012. The deliberation with the participants on corporate approaches to make the best use of biodiversity for business chances also resulted in receiving high acclaim from a total of 221 participants.

▣ [Symposium "The Story of Biology Told by Corporations"](#)

Activities for preservation of biodiversity

The MS&AD Insurance Group promotes various activities of preservation of biodiversity in the country and overseas based on the MS&AD Environmental Basic Policy.

"MS&AD Ramsar Supporters"

We also 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 2012, more than 1,000 employees and family members conducted activities to protect ecosystems, clean up, and survey wildlife at 8 wetland sites in Japan.

Project for tropical reforestation



Harvesting during training of agricultural techniques

Since April 2005, MSI has been working for the rehabilitation and regeneration of the Paliyan Wildlife Sanctuary (in Java, Indonesia). The project is aimed at restoration of lost plant and animal wildlife and economic contribution to the local area. At the end of March 2011, the first step has completed and from April 2011 MSI has been conducting the second step program which aims to the economic contribution to the local residents through helping to improve their agriculture that leads to income increase and self-support. 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](#)

Activities for preservation of coral reef



Protection of Ishigaki Shiraho coral reef

At ADI, its managers' fund raising plan "MS&AD Unison Smile Club", one of the employees' social contribution activities, is providing support to Shiraho Coral Village, which is a coral reef preservation study center on Ishigaki Island, through the Public-Interest Corporation World Nature Preservation Fund Japan. At Shiraho Coral Village, we are grappling with activities for preservation of coral reefs and sustainable marine resource utilization.

The green area favorable to biodiversity



SEGES
Superlative Stage
Certification label

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 2013 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 to be 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 linking the Palace ground with Ueno Park, to provide a wide living area for wild birds, etc.

[Green area of Surugadai Building](#)

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society

Coexistence with society through awareness activities

Educational activities among employees, their families and agents

Global environmental problems 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.

MS&AD Eco smile

The MS&AD Insurance Group conducts a campaign, "MS&AD Eco smile" 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, volunteer works, donation activities. In fiscal 2012, the campaign garnered the participation of an extended total of 103,447 employees.



MS&AD Eco smile

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 2012, the classes were held at five countries and a total of 192 participated in the classes.



Challenging a quiz on the environment



Study session about ecosystems



Making handkerchiefs with plant dyes

Environmental statement of ADI

Towards the preservation of global environment by concentrating on issues such as climate change mitigation and biodiversity conservation, ADI released the ADI Statement (the former IOI Environmental Statement) in April 2009. 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



The 12th award ceremony of International Certification of
Kids' ISO 14000 programme

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 managers' and agents' have also participated in this program, and in fiscal 2012, 28 and 6 children participated respectively in the entry course and the elementary course. A total of over 100 children have so far been certified internationally in the elementary course, with the program having won Special Awards of the Minister of Education, Culture, Sports, Science and Technology and the Minister of Environment as well as an award of the Governor of Saitama Prefecture.

Local Communication

Information transmission from ECOM Surugadai



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.

[ECOM Surugadai \(Japanese only\)](#)

Advancing with you

MS&AD MS&AD Holdings

Pillar II Contribute to a sustainable environment and society

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.

Employee-participation Social Contribution Activities

Rice fields Reconstruction assistance activity

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, rice planting and harvesting in these rice paddies, inviting local school children, will be conducted as well as other periodical environmental education events including wildlife surveys.

[Details of the recovery aid volunteer activities](#)

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. Also, ADI, on March 11th, 2013, the second anniversary of the Great East Japan Earthquake, sold box lunches and served curry rice. Proceeds from the sales in part were saved for donations to be utilized in restoring rice paddies devastated by the tsunami.

This approach will continue hereafter to support the reconstruction efforts for a long term.

(*) "Happy fortune" and "restoration" are meant in the words, wishing that happy fortune will return to the afflicted areas.



Company cafeteria



Provided menu (one example)

Nationwide activities of community contribution



MSI

Extermination of non-native species in

Tateyama, Toyama Prefecture

At MSI and ADI, each office actively engages in the global environmental protection and social contribution activities in accordance with the local needs.

Those activities are called “One activity a year at each office—activities for contribution to the global environment and community” at MSI and “Month of gratitude” at ADI.

Environmental and Social activity supporters appointed at each office (MSI) and CSR promoting members (ADI) were in charge of planning and actual operations for activities in various fields such as clean-up movements at seashores and river banks at localities, visits to children's nursing homes, holding of a “Marche” to assist the afflicted areas in the Great East Japan Earthquake and others. During fiscal 2012, 99.0% of the departments and branches were engaged in such activities.

 [MSI activities in various regions](#)

 [ADI's community contribution activities](#)



ADI

Traffic safety activity at the headquarters



MSI Aioi Life

Support for greening and flower-bed planting

in Zoorasia Yokoham

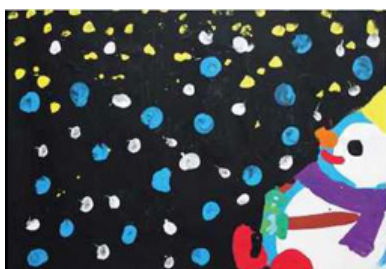
Continued from last year, ADI was awarded “The 4th Make a CHANGE Day” (A day established for volunteers and civic activities one day in a year in many parts of the country or overseas to share social contribution activities) of Executive committee Encouraging Prize in its recognition of these activities.

At MSI Aioi Life, employees, agents and their families participate in the activities for protection of the environment and community contribution, in forms such as the planting of flower beds and green areas on the grounds of Zoorasia Yokohama Zoological Gardens, preservation activities of satoyama in the garden. In addition, other various community service activities include, community clean-up activities, volunteering at elderly welfare facilities, fundraising, and donations.

MS&AD Unison Smile Club



Let's present knitted goods to children around the world project



Charity Christmas cards



Constructing an elementary school building in Thailand

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 14,795 as of the end of March 2013. 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
- Child line Support Program (supporting activities across the country)

● ["MS&AD Unison Smile Club" activities](#)

Advancing with you

MS&AD **MS&AD Holdings**

Pillar II Contribute to a sustainable environment and society

Social contribution in the field of sports and culture

Each company in the MS&AD Insurance Group performs local and social contribution activities in the field of sports, welfare and culture.

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 \(Japanese only\)](#)



Yoshie Ueno

Misato Nakamura

Yoko Shibui

Eri Sato

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. 4,100 runners participated in the 66th race held in January 2013.

Women's soccer



JEF United Ichihara Chiba Chiba Ladies

©JEF UNITED

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, are employees of MSI Aioi Life, actively balances their work and sport life.

Support of sports for people with disabilities

Wheelchair basketball



Cheer for the Japanese national wheelchair basketball team

PHOTO by JWBF

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 national convention.

[☞ Cheer for the wheelchair basketball team \(Japanese only\)](#)

Judo for the visually impaired



Support for Judo match of visually handicapped

MSI Aioi Life is working for the diffusion and reinforcement of sports for the disabled. It supports the activities of the Japan Sports Association for the Disabled, the Japan Judo Association for the Visually Handicapped, and the Japan Association of Athletics Federations for the Disabled. The company also helps the challenged to get back into the community life and find fulfillment. It is committed to continuous support for improvement of the quality of life. Every year our employees participate in the All Japan visually impaired person judo convention as volunteers and it was covered in a webcast and watched by many of within and outside of the company.

In addition, 2 visually impaired judo athletes employees of MSI Aioi Life and actively balances their work and sport life.

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.

It holds various events, "Premium series" performed by the first-class artists in the world, and supporting program of local orchestra and original exhibition such as Nagoya Philharmonic Orchestra and Central Aichi Philharmonic Orchestra, children education project etc. 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](#)

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 2012, as for “Concerts for local residents”, a total of 651 concerts were held in cities, towns, and villages, around the country. In addition, “Assistance for programs of international cultural interchange”, furnished 409 programs (total of 266 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”



Kourin Ogata, “Tsubaki makie suzuribako”

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.

Special performance by “12 Cellists of Berlin Philharmonic Orchestra”



12 Cellists of Berlin Philharmonic
Orchestra

MS Primary Life sponsored the Tokyo performance of the “12 Cellists of Berlin Philharmonic Orchestra” held at Suntory Hall in July 2012. The ensemble performance in Japan, held once in two years since 1990, was the fourth sponsorship by the company.

The “12 Cellists of Berlin Philharmonic Orchestra” form the ensemble of cello section of the world's highest ranking orchestra Berlin Philharmonic Orchestra. This year's performance was both the 40th year anniversary of “The Twelve” and the 10th founding anniversary for the company and was attended by the Japan's Emperor and Empress, who have had a long association with the ensemble.

Advancing with you

MS&AD MS&AD Holdings

Practice of values and the growth of employees



Practice of values and the growth of employees

Practice of values

To realize the mission, vision we believe it is important that employees always consider the linkage of their each work with the society and to practice the value.

Growth of employees

MS&AD New Frontier 2013, the Group's medium-term management plan, positions the growth of employees as one of its basic strategies and we strive for it with high values.

- ① [Employee's situation](#)
- ② [Human asset development](#)
- ③ [Communication with employees](#)
- ④ [Approaches to Human Rights](#)
- ⑤ [Building a Friendly Working Environment](#)
- ⑥ [Promotion of the diversity](#)
- ⑦ [Overseas approaches \(Practice of values\)](#)

Advancing with you

MS&AD **MS&AD Holdings**

Practice of values and the growth of employees Practice of values

The products in our intangible insurance and financial services are the crystallization of our individual employees' consideration for our customers. As they continue to take new challenges and grow, each employee of the MS&AD Insurance Group strives to provide customers with security and safety by sharing and practicing our Mission, Vision and Values.

Approaches to practicing the Mission, Vision, and Values as a Group

The MS&AD Insurance Group takes various approaches to sharing and practicing the Group's Mission, Vision and Values*.

In fiscal 2013, at Group companies in Japan and overseas, we are working to further instill the Group's Mission, Vision and Values by presenting and discussing them at group training sessions and workplace meetings.

[*The Mission, Vision, and Values of the Group](#)

Employee Interviews

Ami Omori
Kita- Kyushu Service Center, Kyushu Claims Dept. 1st
MSI



We believe the genuine value of an insurance company can be shown by providing customers with intangible products that quality exceeds their expectations. Being conscious about customer's needs, we are positively adopting tools to improve the level of customer services from inside and outside of the company. Also, we try to earn customer satisfaction by acquiring cooperation and knowledge from surrounding people so that we can be depended on and be close to our customers. By providing comprehensive services, we hope that more people will become our fans.

Kensuke Hiekata
Deputy Manager
Tachikawa Sub-Branch, Tokyo- Nishi Branch
ADI



In addition to the "Full Support Declaration," which our company emphasizes, our branch emphasizes "Branch's Full Support Declaration" for our correspondence with the agents and canvassers that we work with. Our goal is to gain trust by following the three main principles: "Speedy" = don't make customers wait, "Kind" = sincere attitude, and "Reliable" = support by all of us with professionalism. We always keep these three principles in mind in our daily efforts with the belief that this would lead to customer satisfaction.

Masayoshi Daito
Sub-Manager
Anshin Center Osaka 4th
Claims Dept.
Mitsui Direct General



Besides paying insurance claims, our job requires a wide range of expertise and negotiation skill. Keeping in mind that for customers, an accident is not an everyday occurrence, while we work on accident response daily, we try our best to explain to our customers how the incident is handled without using jargon. We also recognize the importance of making a progress report to customers to ease their worries, so that all customers feel safe and satisfied with our service.

Sayoko Shirai
Manager
Ehime Sub-Branch , Shikoku Production Dept.
MSI Aioi Life



Reminding me such principles as "providing enough support and sense of relief for customers" and "reducing risk as much as possible," I am engaged in daily sales activities. I am motivated by each customer's smile. As the representative of the "insurance company closest to customers," I would like to keep making the best effort to improve my skills and provide sincere responses for our customers.

Masami Kunishima
Operation Planning Group, Policyholder Services Dept.
MSI Primary Life



In our department, we are promoting the revision of our "invoice" during various types of transfer procedures as a part of the services based on the "Customers First" principle. In the first half of 2013, we have been working on the order made of pension invoices.

To send an invoice based on each customer's contract state, we are trying to make better invoices by listening to the voices of customers from call centers, affiliated companies and other departments within companies.

We wish we can contribute by providing service improvement for customers through our "invoices."

Yasukazu Sato
Manager
Corporate Risk Management Dept.
MS&AD Holdings



The corporate risk management department enhances our Group risk management framework, analyzes the Group's exposure to various risks, and monitors if the Group maintain sufficient capital to realize our corporate vision. We aim to keep growing as the insurance and financial groups providing risk solution services for "customer safety" by coping with domestic and international environmental changes, by improving expertise, and by providing the best Group-wide service.

Advancing with you

MS&AD **MS&AD Holdings**

Practice of values and the growth of employees Employee's situation

The hiring practices of the MS&AD Insurance Group are transparent, fair, and people-centered.

The number of employees

Fiscal 2012, Number of employees (Unit: People, as of March, 31, 2013)	
MSI	14,478
ADI	12,784
Mitsui Direct General	503
MSI Aioi Life	2,366
MSI Primary Life	342
MS&AD Holdings	107
Overseas Insurance Affiliates, and others	6,063
Total	36,643

[Detailed information](#)

Hiring of New Graduates

MSI engages in transparent, fair, and people-centered hiring practices under the watchwords "tough spirits, big heart". The company aims to secure human assets* endowed with an international perspective, good powers of independent thought and action, and an ability to help pioneer the new age.

ADI bases its hiring practices on the recognition that talented human assets are the most important factor in building a company that places customer-satisfaction level-No.1 focused, and improving the quality of our services. The company is committed to hiring diverse human assets with individuality regardless of nationality, gender.

* 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



Internship

MSI implements an internship program from the standpoint of nurturing human resources in collaboration between industry and academia. In fiscal 2012, we instituted a 5-day internship where participants learn about non-life insurance industry and experience day-to-day operation of non-life insurance sales, and realize its social significance. Approximately 2,500 students across the country participated in the program.

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 2012, 230 students from universities throughout Japan took part in the 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.

 [Detailed information](#)

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.

 [Detailed information](#)

Advancing with you

MS&AD **MS&AD Holdings**

Practice of values 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.”

Education and Training



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.

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 resource 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 2013 we held a one-day group training session for all new employees of the five Group companies in an effort to foster a sense of unity among Group employees.

In MSI, the “ability development map” that became the guideline for raising the ability as a business person on a mid- and long-term basis, is proposed to back up individual development. In ADI, the “personnel resource growth navigation” that supports employee’s self-actualization image is proposed to back up individual development.

Mitsui Direct General provides trainings for unit heads for reinforcement of management skills every year. The company also provides training by ranks for the newly appointed staffs; new entry-level employee training, senior staff training, assistant manager training, etc.

In MSI Aioi Life, the “skill map by department” is presented to the employees for the aim of developing professional human assets in each department. This enables us to classify and clarify what skills are required by each department.

MSI Primary Life provides layer-specific training for the reinforcement of management skills of all employees.



Joint training for new entry-level employees of 5 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 of 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.

At MSI, Trainees numbered 509 "in the In-house Trainee System", and 53 in the "Intercompany Trainee System". In addition to the training above, MSI has the "In-house Global Trainee System" that enables Japanese employees to experience the work of overseas offices and local employees in overseas office can experience the work in Japan. It contributes to deepen mutual exchange between domestic and overseas employees. 11 trainees participated in the "Global Trainee System".

ADI started the "Trainee System" in fiscal 2011, a short-term on-the-job training by headquarter staffs at sales offices and services centers in metropolitan areas. In 2012, the training was expanded to bi-directional training between the head office division and sales, claim service, and operation departments, which contributed to the promotion of understanding and the enhancement of communication. We are planning to expand this effort further. In ADI, 114 employees participated in the "Trainee System."

In MSI Aioi Life, 69 employees participated in the "In-house Trainee System" and 7 used the "Trainee System between Group Companies."

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.

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.

Upgrading the roles

MSI is engaging in the "Role Innovation" which promotes the innovation of existing way of the challenges. Also in personnel system which is the basic support for the way of work of employees, they abolished the categorization by role. If the "Role Innovation" is realized, it would be a large step for promoting the success of female employees by helping to open the way of promotion as well as increasing the fields female employees could be active.

In ADI, upon switching to the new system, they are emphasizing the "Innovation of Individual Role" to promote the innovation of job function, role and activity. Going over the conventional role's framework, the activity foundation for female employees is structured.

Global human assets

To produce specialists in each field equipped with an abundance of cosmopolitan sense and expertise, MSI has established "MS Business University". Under the training program, it sent 22 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 U.S. and China, 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.

Advancing with you

MS&AD MS&AD Holdings

Practice of values and the growth of employees
Communication with employees

Employees questionnaire

In the MS&AD Insurance Group, the opinion poll is conducted every year for all employees in the Group.

Questions are setup from the stationary standpoint of “approaches to practicing the Mission, Vision, and Values as a Group,” “a sense of unity as a group” and “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 employee’s motivation for work and growth are being actualized.

Utilizing employees’ voice for business improvement

Each company in the Group adopts the system 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.

[Detailed information](#)

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 2012, there were 23 such meetings.

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.

Advancing with you

MS&AD **MS&AD Holdings**

Practice of values 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 through the participation in the U.N. Global Compact.

• [Participation in the United Nations Global Compact](#)

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 and publishes "Human Rights Plaza" regularly to provide employees with opportunities to access human rights issues broadly.

Human rights seminars

MSI (including the affiliated operating companies) practiced the 2012 fiscal year's workplace training with the two themes of "Diversity of and Human rights at Workplace" and "Friendly Working Environment – Using a Checklist of Awareness of Sexual Harassments –." The participation rate was 97.1%. The participants expressed their opinions that these seminars were fruitful since they covered topics beyond their own job type. Some of their reactions about the training were positive, with some saying, "It was a good opportunity for each participant to look back one's daily life and raise the awareness of human rights at workplace" and "It was a nice opportunity for all participants to be conscious about human rights."

To promote a sense of human rights for its employees, ADI set 2 human rights promotion months with "Diversity in workplace and human rights" themed training seminars via Internet TV, and all-employee training by e-learning (with full attendance rate of 97.7% in fiscal 2012). For newly appointed line heads and newly employed, seminars by ranks were given successively, to make easy-to-work environment where human rights are respected.

Consultation

Reporting system from Employees

The MS&AD Insurance Group has put in a reporting system for the employees to report any behaviors that are unjust, illegal or unethical promptly to the company so that necessary measures can be taken to prevent nonfeasance or spreading. Specifically, the following behaviors are to be reported:

- ☐ Any matters related to non-compliance
- ☐ Sexual harassment or the like that affects employees' mental, physical or health conditions
- ☐ Matters related to working hours, overtime work and workplace environment

With the reporting system, we promote compliance with laws, regulations and ethical codes.

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.

Advancing with you

MS&AD **MS&AD Holdings**

Practice of values and the growth of employees

Building a Friendly Working Environment

Approaches for Work-life Balance

We are conditioning work environments and augmenting measures of support so that employees will be able to work lively by finding job satisfaction and growth while striking a good balance with their private-life.

Approaches 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)

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.

(MSI is pending the fourth term of the companies sponsoring the next generation)

Support of employees raising children

Building a Working Environment while raising children

From April 2013, the company's child care facilities of ADI and MSI Aioi Life were made available to MSI as well. Now all three companies can use any facilities.



The in-house nursery school

MSI has facilitated those returning to work by implementing access to the in-house intra-system at home. This enables employees on leave in-house to keep in touch with their superiors or workplace or continue their education via in-house e-learning on a continuous basis to maintain their connection with the company.

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.

In fiscal 2012, the "ADI Working Mother Experience Report" was created and distributed to summarize the experiences of senior employees balancing work and childcare.

MSI Aioi Life has set up a nursing facility within its head office in Nihonbashi, assisting the balance between work and childcare.

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.

The provisions for shorter hours give employees a choice of six patterns, such as flextime and shift work. MSI has taken steps enabling employees on leave for childcare to access the intranet at home, in order to allay their apprehensions about returning to the workplace.

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

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.

"Ikumen leave" / "Papa Preparation Leave"

MSI and MSI Aioi Life instated "Ikumen leave", a provision to support male employees who positively take part in childcare. The husband is given a total of three days before or after scheduled day of birth off with pay and the leave could be acquired during the period of six months after the birth.

In addition, MSI supports childcare participation by male employees by sending emails to the superiors of applicable employees.

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.

Care support

Leave for Nursing, Temporary retirement for Nursing

MSI and MSI Aioi Life provide leave for nursing 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 instated 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 2012: Actual use of Provisions for Temporary Leave for Childcare or Nursing (Unit: Persons, Last year data in parenthesis)			
	Temporary Leave for Childcare	Provisions for shorter hours for Childcare and Nursing	Temporary Leave for Nursing
MSI	239(220)	138(115)	5(8)
ADI	206(166)	242(211)	8(4)
MSI Aioi Life	19(36)	12(23)	1(0)

[Detailed information](#)

Innovation of work styles

MSI thinks increasing productivity during limited hours and improvement of work-life balance heighten the employee's sense of fulfillment and their growth. It encourages its employees to go home early in August, November, and February, which it has designated as "months for creating ease", and treats Wednesdays and Fridays throughout the year as "no-overtime days". Each company also hold meetings twice a year to create more ease at work.

ADI conducts "All Employees Activity Innovation Campaign" which enables the compatibility between innovation of work and work styles, to improve productivity. In the Campaign, the whole company engages in the innovation of business operations, and promotes going-home-early and acquiring consecutive leaves, which contributes to the Innovation of work styles so employees can improve their work-life balance.

Safeguard employees' health

Taking vacation with pay

Fiscal 2012: Number of vacation days with pay *1 (Unit: Days, Last year data in parenthesis)		
社名	Items	Average number of days
MSI	Carry-over and ordinary vacation days total	6.6(6.4)
	Special vacation *2	10.9(10.8)
ADI	Carry-over and ordinary vacation days total	7.3(5.9)
	Special vacation *3	9.2(8.6)

*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.

- Summer vacation
A consecutive five-day holiday is available during July – August.
- Fresh-up vacation
A consecutive five-day holiday is available each year.
- Anniversary vacation
Two days of holiday are available each year to celebrate anniversaries like birthdays of the employee or its family member.

*3 Figures for special vacation are totals for summer vacation, and consecutive special leaves.

- Summer vacation
A consecutive five-day holiday is available during July – August.
- Special consecutive vacation
A consecutive five-day holiday is available each year.

Health management of employees

The MS&AD Insurance Group strives to create workplace environments that facilitates the ability of employees to work lively in good physical and mental health.

Medical Checkup

Starting from fiscal 2013, 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.

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"> •Medical checkup items uniform for the Group •Criterion uniform for the Group
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.

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 (table).

Table	
Type	Contents of support
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

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 in continuation from 2012, mental health care for employees in the afflicted disaster areas from the Great East Japan Earthquake is being 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 (number of worker injuries)

Fiscal 2012: Number of claims of work related injuries (Unit: cases, Last year data in parenthesis)				
	Number of worker injuries			
		Work related accident	Accident during commute	Fatalities
The whole MS&AD Insurance Group	150(151)	59(64)	90(87)	1(0)

Advancing with you

MS&AD MS&AD Holdings

Practice of values and the growth of employees Promotion of the diversity

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.

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 MS&AD New Frontier 2013, 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 challenges.

Our catch phrase and logo symbolize our tenacious stance
"Challenge Yourself! Nice Try!"



"T" in Nice Try is a sprouting leaf, signifying growth. "Challenge Yourself!" represents the ground, nurturing the leaf.

Under the joint declaration, specialist teams within the domestic Group insurance companies have posted the goals for our actions jointly and advanced our approaches.

In fiscal 2012 as well, the "seminar for women" was held, targeting about 100 female employees. By providing opportunities to understand the expanding women's role, we supported the career development for our women who challenge.

The MS&AD Insurance Group will carry on in fiscal 2013 to promote the success of women.

Roundtable discussion with 5 Group companies



Scene of roundtable discussion

In fiscal 2012, a roundtable discussion between the top management and female employees of the domestic Group insurance companies was held. We are providing the opportunity to exchange opinions about the promotion of diversity and the development of female managers. The contents of the discussion were distributed widely within the Group through a Group report, which helped to convey the messages of top management that supports the success of females.

Share of management positions occupied by women

Share of management positions occupied by women (as of 1 April 2012, figures in parentheses indicate number of persons)		
	2011	2012
MSI	1.6%(69)	2.1%(90)
ADI	3.5%(123)	4.0%(141)
Mitsui Direct General	0%(0)	1.8%(1)
MSI Aioi Life	1.3%(3)	1.2%(3)
MSI Primary Life	6.0%(10)	6.4%(10)

Support for diverse work styles

Provisions for change of place of employment

In fiscal 2006, MSI 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 or the marriage.

* Area-specific employees: employees who are not subject to transfer entailing a change of residence

ADI offers provisions for a change of place of employment entitled "Ai Move". The provisions enable areaspecific 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 or care for aged parents. 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 employees who left the company on account of marriage or childbirth. 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.

"Mentor Award 2013" Award of Excellence



"Mentor Award 2013" award ceremony

ADI received the "Award of Excellence" in "Working Women's Empowerment Forum - People's Movement to Support Motivated Working Women and Enterprise - the 5th Mentor Award 2013" for the first time as a non-life insurance company. It is because the "Female Management Career Mentor System" implemented from fiscal 2011 to support female management positions was highly evaluated.

For the purpose to actualize the environment where female employees can work lively with motivations, MSI Aioi Life started the "Executives Mentor System" in the 2013 fiscal year.

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.

In fiscal 2012, the employment rate(monthly average) of the disabled was 1.96% (number 271) at MSI and 1.82%(number 225) at ADI.

[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.

The members of Team WITH engage in dialogue with superiors and employees with disabilities in the workplace, and provide a manual for workplace assimilation. In addition, a special training session for employees with hearing impairments is held once a year. In fiscal 2013 we plan to continue conducting the workplace surveys and seminars where people with disabilities can talk about their successful experiences.

* WILLINGLY & THOUGHTFULLY



ADI is dealing constantly with hiring the physically challenged and has established an in-house general consultation office (EAP Center*) to support them in handling problems related to mental health, physical health, workplace worries, and normalization issues.

We have been actively accepting new mentally challenged employees since fiscal 2012.

* Employee Assistance Program

Rehirement of the elderly

MSI and ADI have the rehiring program for the employees who have reached retirement age. The program allows employees who desire to continue exercising their talents by applying the 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 2013, the number of re-employed retirees (total of new hires and continued employees) was 349 at MSI and 231 at ADI, respectively.

[Detailed information](#)

Advancing with you

MS&AD MS&AD Holdings

Overseas approaches



Improvement of quality of products and services

The 1st Prize and Special Award by "Superior Insurance Company, Thailand Prime Minister Award"

In the "Prime Minister's Insurance Award 2011: Non-Life Insurer with Outstanding Management," MSI Thailand branch won the 1st prize as the first foreign insurance company and the local subsidiary of ADI in Thailand (ABI) was given the Special Award, which was presented by the Prime Minister of Thailand. This award is given to an insurance company with a highly evaluated management index, which includes financial condition and management principle as work efficiency. For MSI, this is the 8th award received consecutively for the last 3 years.

The company's involvement to recover from the flood of Thailand and its contribution for the nation's insurance industry were highly evaluated.

▣ [Mitsui Sumitomo Insurance Co., Ltd. / Thai Branch website](#)

▣ [Aioi Bangkok Insurance Public Company, Limited website](#)



MSI Thailand branch Award Ceremony



ADI Thailand local subsidiary
ABI, Award Ceremony

Received the "Best Life Insurance Company" award two years in a row.



Awards ceremony

Sinarmas MSIG in Indonesia financed by MSI received the "Best Life Insurance Company (over 750 billion rupiahs division)" at the 6th Media Asuransi Insurance Award two years in a row in June 2012, which is given to the "best life insurance company 2012."

The excellent business practice and financial condition of Sinarmas MSIG Life was highly evaluated. Sinarmas MSIG Life was the first company in Indonesia's life insurance industry to receive the award two years in a row.

▣ [PT. Asuransi Jiwa Sinarmas MSIG \(link to website\)](#)

Awarded "Best Performing Insurance Company Award" for Micro-insurance



Awards ceremony

In India where measures for helping the poor are one of the government's critical issues, the health insurance system for poor families by the government (RSBY) is rapidly diffused. Cholamandalam MS, a MSI's local subsidiary in India, is underwriting insurance in support of the measures for helping the poor and underwrote a cumulative total of 2.95 million RSBYs (fiscal 2012) in 5 states.

The company received the "Best Performing Insurance Company Award 2012" for its promotion of its life insurance system, the opera-style outreach activity in the local language, its efforts to promptly payoff the insurance claim to hospitals, and its outreach and correspondence for its "RSBY" insurance payments in 2012. Followed winning of the "Best Claims Settlement Award" in 2011 and 2012, Cholamandalam MS became the first enterprise to receive the awards regarding RSBY for three years consecutively in the India's insurance industry.

MSI has been utilizing global medical insurance knowhow, and provides a wide variety of medical services in India.

☞ [Cholamandalam MS General Insurance \(link to website\)](#)

Investment in Takaful Project, and promotion of assurance and security by dispatched employees



Personnel explaining about Takaful to visitors to the event

Through capital participation and dispatched employees to the Takaful corporation (a kind of mutual-aid business enterprise operated on Islamic doctrines), MSI has engaged in activities to provide assurance and security to the Islamic community in Malaysia where a majority of the population is Islamic and their religion prohibits coverage by insurance. Payment of Zakat (donations to public welfare as stipulated by Islam) allows the company to supply funds to orphanages and contribute to similar social welfare activities.

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

Efforts to improve customer's satisfaction for handling of accidents



ADMA Company,

Accident Research Business Quality Improvement Team

Aioi Nissay Dowa Management Australia Pty Ltd (ADMA), which is the subsidiary of ADI verifies the customer's satisfaction survey results done by a third party company that are conducted every quarter of a year with Toyota Finance Australia Ltd., and Toyota Motor Corporation Australia Ltd. at Australia Toyota Committee. Based on the results, claims department of ADMA created a claims management quality improvement team promoting to conduct solution plans. The team analyzed customers' feedbacks from the contact personnel's view and presented the "Improvement of Accident Reception" to the ADMA management in November 2012. The contents included "improvement of communication level with customers using Email and SMS," "improvement of current letter paper form," and "further enhancement of inside the company training." In response to the presentation, the management team is discussing the presented ideas and how to apply them to the workplace at the earliest opportunity.

Strengthening efforts for compliance promotion and preparedness at foreign outposts



International Compliance Controller Training

MSI conducted the “International Compliance Controller Training” for compliance controllers promoting compliance at overseas outposts. In fiscal 2012, 47 controllers participated from 21 countries and regions, and during the two-day training they confirmed the compliance-first management policy, learned the latest global trends in regulations/supervision, received lectures by external instructors on preventive measures against unlawful cases and listened to reports from representative overseas outposts. All participants were determined further to strengthen the structure for promoting compliance overseas.

Contribution to building a sustainable environment and society

Support on insurance technologies

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. 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.

Lecture to Health Service Supervisory Bureau

At MSI's China General Office, MSI conducted seminars on the theme of complaint handling status and systems in Japan to the China Insurance Association. In China, authorities are emphasizing importance of consumer protection in insurance, and they appreciated our presentation of actual cases in Japan as highly contributory. Hereafter, information and knowhow of Japan's insurance technology will continuously be supplied for assistance.

Lecture and internship about insurance in university



Risk management seminar

at Bogor Agricultural University in Indonesia

The Indonesia local subsidiary of MSI, in order to promote the non-life insurance and risk management knowledge, has been conducting seminars at prestigious Indonesian universities since 2007. This resulted in the commercialization of the MSIG brand name and recruitment of highly qualified students, and became a strategic CSR activity. In addition, for the elementary schools (12 schools) around Paliyan, where we are engaged in a reforestation project, we also are contributing books and sporting goods to improve the educational environment.

PT. Asuransi MSIG Indonesia ([link to website](#))



Internship at a the Thailand subsidiary

MSIG Thailand accepts about 20 students from Thailand universities and 5 students from Australian universities every year as interns, so that the students can gain knowledge and deepen their understanding about non-life insurance. Many of those who participated as interns are employed by insurance companies after graduation. In this way, MSIG contributes to the development of Thailand's insurance industry.

☞ [MSIG Insurance \(Thailand\) Public Company Limited \(link to website\)](#)

Activity under the theme of Safety

Safety campaign at school



Scene of the musical

Upon starting to underwrite general liability insurance for schools in all Taiwan (kindergarten – high school), MSIG Mingtai Insurance, an MSI's subsidiary in Taiwan local entity, used its experiences in underwriting and insurance payments and joined in an event with an NPO, promoting children's safety and protection movement, for the purpose of securing safety and preventing risks on campus. In fiscal 2012, the following four major events were held.

- (1) To provide an opportunity to improve safety consciousness regarding school life, 30 minute musical was played.
- (2) Safety maps within school district of the region the musical was played were created and distributed to the students.
- (3) Employees gave a talk about "Safety inside School" as volunteers.
- (4) 1,000 prints of educational books for teachers and copies of the musical (described above) DVD were distributed to elementary schools in Taiwan.

Our activities were highly evaluated by students and teachers, and we received the "Role Model Award in Education" at the "9th Corporate Social Responsibility Award (CSR award) presented by "Global View Magazine"*.

*Global View Magazine: Monthly business magazine founded in 1986 in Taiwan. Approximately 100 thousand copies are published.

☞ [MSIG Mingtai Insurance Co., Ltd. \(link to website\)](#)

Safety Lesson for Elementary School Students



Students raising hands actively

At the Guangdong branch of the MSI Chinese local subsidiary, a lesson to teach safety knowledge to about 120 elementary school students in Donglian, Guangdong was practiced with the theme, "How much do you know about safety?" along with the cooperation from NPO.

Using the company's know-how about risk management and disaster prevention, escaped routes from natural disasters such as fires, lightning, floods and earthquakes, and how to prevent from getting involved with fraud were introduced. The students actively participated in how to call the emergency number and how to answer when receiving a fraud phone call.

After the lesson, we contributed some school supplies to the students.

☞ [Mitsui Sumitomo Insurance \(China\) Company Limited \(link to website\)](#)

Education for Traffic Accident Prevention



MSI Thailand 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 August 2012, a ceremony to contribute helmets for students in the local area was conducted at the Imperial World Samrong Department.

In the Anti-drunk Driving Charity, a competition for technology innovation of drunk driving prevention for college students was held and ten ideas from six universities on technology innovation were presented. In December, a workshop with a theme of how to proceed with technology innovation was held and 60 students participated.

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

Activity under the theme of the Environment

Rainforest remediation project and environmental education



Environmental education for elementary school teachers

Since 2005, MSI has been working for the rehabilitation and regeneration of the Paliyan Wildlife Sanctuary (in Java, Indonesia) cooperatively with Forestry Department in Indonesia. In 2012, a forest reproduction project was started to reproduce the forest and ecology of Merapi National Park which was damaged by the volcano of Merapi Mountain in 2010.

In order to maintain the recovery of the tropical forest, with a cooperation from the InterRisk Research Institute & Consulting /Gadjah Mada University, “Environment Education” to teach the importance of forest in the area’s elementary school is held and a “Research on biodiversity” is being practiced with the same university. In addition, “Agriculture Technology Guidance” for local residents is held to improve living and prevent illegal tree felling due to economic reasons.

This approach has been evaluated highly by the Indonesian Forestry Ministry, drawing attention as a successful case.



Paliyan in 2006



Paliyan in 2013

☞ [PT. Asuransi MSIG Indonesia \(link to website\)](#)

Participation to "Go Green Program"



Certificate from Deutsche Post DHL

Aioi Nissay Dowa Insurance Europe (ADE German branch) which is the local 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 (CO₂) exhausted when delivering postal mails to customers is calculated and the same amount of CO₂ is reinvested to environmentally friendly projects (like hydroelectric power generation and wind power generation plant). ADE German branch made a donation equivalent to about 14 tons of CO₂ in 2012, and was awarded a certification by Deutsche Post DHL. Many Germany companies including Toyota Deutschland GmbH and Toyota Kreditbank GmbH which are the local subsidiary of Toyota Motor Corporation are participating in the program.

Cleaning activity of Mt. Inwang



Results of cleaning activity

MSI Korea Branch conducted cleaning activities of Inwang Mt. located in Seoul city.

Among 42 branch employees, 41 employees wore a uniform while participating with our CSR activity and climbed to the top of Inwang Mt. (338m). On the way back, groups consisting of seven people collected garbage around the mountain trail. The group that collected the most garbage received an award.

All employees provided social contributions through nature conservation and experienced the importance of preserving nature.

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

Road cleaning / beautification activity



Participating in road cleaning / beautification activities

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. \(link to website\)](#)

■ Contribution to the regional society

Donation for Disaster and Support for Children



Contributions at Mindanao Islands, Philippines

In the Philippines, Manila City and Mindanao Islands were flooded in August 2012 and December 2012, respectively. For the victims, donations from the MS&AD Insurance Group employees (total 3,447 employees) and from the disaster donation matching gift system were gathered (6,616,000 yen). Also, the employees of MSI Philippine's local subsidiary BPI/MS and agents gathered some donations and employees went to the stricken areas to pass out the donations. This news was introduced in local newspapers and we contributed to the aid of victims.

Also, BPI/MS is supporting the children in Pasay Boys Town (Manila City) where families are unemployed and cannot afford to feed their children. As an aid activity, we used the donations gathered within the company and we provided the children with high nutrition lunches and fun activities like games and dances were held after lunch

☞ [BPI/MS Insurance Corporation \(link to website\)](#)

Constructing an elementary school building in Thailand



Constructing an elementary school building
in Thailand

An elementary school was constructed to improve the educational environment for children in Thailand, using a part of the donated money of "MS&AD Unison Smile Club," which is a donation system by officers and employees. It was actualized through the public utility foundation, Plan Japan and this would be the 3rd school since we started supporting in 2009. Also, from the Thailand local company (ABI), 20,000 baht (approximately 65,000 yen) were donated for playground equipment (like balls). In the opening ceremony, children presented folklore dance and there were children's smiles and laughing voices throughout the ceremony.

Support children



Through "MS&AD Unison Smile Club" (the social contribution activity group of the MS&AD group) and World Vision Japan, MSIG Vietnam, a local subsidiary of MSI sent donations gathered by the local company and labor union and hand-knitted sweaters to about 3,600 children in poverty area in Dien Bien Phu of the northern part of Vietnam. The project that has been going for four years is recognized by the local community through local newspapers, which helps to increase the awareness about the social contributions by our employees.

☞ [MSIG Insurance \(Vietnam\) Company Limited \(link to website\)](#)

Contribution to local community through donating presents



With a wish to "Stuff the bus with school supplies"

In Mitsui Sumitomo Marine Management (MSMM), an MSI's US subsidiary, through the NPO of Somerset County, a project (Stuff the Bus) to contribute school supplies to the children in poverty for the September's new school year has been practiced since 2008. Every year, more and more employees are participating in this project. In 2012, school supplies were gifted to 41 elementary and junior high schools through the NPO. MSMM declares the contributions to regional societies and environment as one of the company objectives for fiscal 2013 as well as fiscal 2012, and is raising the employees' awareness about social contributions.

☞ [Mitsui Sumitomo Marine Management \(U.S.A.\), Inc. \(link to website\)](#)

Donation activity for breast cancer and genetic research



Pink costume

Mitsui Sumitomo Insurance London Management, MSI's UK subsidiary which is the local subsidiary of MSI, is supporting research for breast cancer and genetic studies. In October 2012, donation activities were held to gather operation resource of a charity group, and the breast cancer supporters wore pink costumes and genetics supporters wore jeans went around to each office. Many supported these activities and £1,129.31 was gathered. MSILM added the same amount of donation, which totaled to £2,258.62.

☞ [Mitsui Sumitomo Insurance \(London Management\) Ltd. \(link to website\)](#)

Support on organization / facilities for the disabled persons

MS Seguros, a local subsidiary of MSI, has been contributing to local communities throughout the year by means of employees' donations and volunteer support of children with disabilities.

Under cooperation of charitable bodies, continuous support has been given to four facilities for the disabled.

Employees contributed funds to support the challenged children and donated 182 pieces of egg-shaped chocolate at Easter, 670 types of food products during the Harvesting Festival, 210 pieces of toys on Children's Day and presents at Christmas time, while some employees visited the facilities and held events to please the disabled children.

☞ [Mitsui Sumitomo Seguros S/A. \(link to website\)](#)

Publish mail magazine

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. \(link to website\)](#)

Practice of values

Fostering Greater Team Spirit



In MSIG Singapore, a local subsidiary of MSI, the “T4 Session” was planned to promote further growth by fusing different company cultures progressively after the merger of 2010 by the management corporative body (ex-AVIVA’s local operations), mainly consisting of local businesses and Japanese business corporative bodies. T4 means Tea, Talk, Team building and Time, and it is an attempt to spread employee awareness about our values, while providing an opportunity for employees to directly talk with executives. 12 individual sessions were held and over 500 employees participated. The CEO responded to almost 200 questions raised by the employees. In the town hall meeting held in October 10th, 2012 that all employees participated in, the CEO emphasized the importance of communication between the employees and management, and all employees swore to become the No. 1 non-life insurance company in Singapore.

▣ [MSIG Insurance \(Singapore\) Pte. Ltd. \(link to website\)](#)

CSR Week



MSIG CSR WEEK 2012

In MSIG Malaysia, a local subsidiary of MSI, the “MSIG CSR Week” was held from the end of June to the beginning of July to actualize management principles (Mission) and CSR activities are actively conducted to focus on children and social problems. About 1000 local staff participated in the “MSIG CSR Week” and is practicing social contributions based on activity contents defined for each region. In fiscal 2012, we contributed foods to a handicapped children’s facility, and also gathered as much as 450 children’s books from staff to contribute to the National Autism Society of Malaysia (NASOM). It became an opportunity for each local member to think and practice the future vision of the MS&AD Insurance Group.

▣ [MSIG Insurance \(Malaysia\) Bhd. \(link to website\)](#)

Human asset development

Global trainee systems

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 2012, 11 domestic employees and 32 overseas employees utilized this system.

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 headquarters. 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.

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.

Work-life Balance

In MSIG Hong Kong, a local subsidiary of MSI, balance between work and life is considered as an important issue related to daily work tasks. Continued from 2011, the week of October 15th to 19th, 2012 was defined as the work-life balance week and made it an opportunity to be conscious about the issue of work-life balance.

During the week, the employees and their family members received health related news such as self-care using pointillage therapy. Self-care gifts and tea bags were distributed to all employees so they can feel refreshed.

 [MSIG Insurance \(Hong Kong\) Limited \(link to website\)](#)

Advancing with you

MS&AD MS&AD Holdings

Data / Reference Material

The following is the materials and data about CSR approaches of the MS&AD Insurance Group.

Subject period:

FY2012 (April 1, 2012 – March 31, 2013)

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 Kirameki 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	Representative Director President & CEO
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 2012
Execution, Supervising	Board of Directors	14*1
	Group Management Committee	11
	Task-Specific Committee Meetings	
	Group Management and Monitoring Committee Meeting	36
	Risk Compliance Committee Meeting	4
	Information Disclosure Committee Meeting	7
Audit, Supervising	Board of Auditors	12*2

*1 Outside Directors average attendance rate 96.0%

*2 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
Total	MSI	34,432 (-)	38,310 (11.3%)
Contracts, Canvassing	MSI	8,060 (-)	8,045 (▲0.2%)
Management, Maintaining of contracts, Collection	MSI	13,935 (-)	13,581 (▲2.5%)
Insurance payment	MSI	11,685 (-)	15,133 (29.5%)
Management of customer information	MSI	194 (-)	191 (▲1.5%)
Other	MSI	558 (-)	1,360 (143.7%)

Total	ADI	69,079 (-)	52,061 (▲24.6%)
Contracts, Canvassing	ADI	16,899 (-)	11,733 (▲30.6%)
Management, Maintaining of contracts, Collection	ADI	30,495 (-)	20,819 (▲31.7%)
Insurance payment	ADI	17,820 (-)	15,937 (▲10.6%)
Management of customer information	ADI	653 (-)	665 (1.8%)
Other	ADI	3,212 (-)	2,907 (▲9.5%)
Total	MD	4,880 (-)	4,617 (▲5.4%)
Contracts, Canvassing	MD	1,699 (-)	1,240 (▲27.0%)
Management, Maintaining of contracts, Collection	MD	49 (-)	35 (▲28.6%)
Insurance payment	MD	2,966 (-)	3,224 (8.7%)
Management of customer information	MD	2 (-)	4 (100.0%)
Other	MD	164 (-)	114 (▲30.5%)
Total	MSA	5,475*1 (-)	10,641 (94.4%)*2
New contracts	MSA	1,729 (-)	2,372 (37.2%)
Collection	MSA	551 (-)	1,613 (192.7%)
Maintaining of contracts	MSA	1,226 (-)	2,219 (81.0%)
Insurance payment, Payment of benefits	MSA	1,156 (-)	1,237 (7.0%)
Other	MSA	813 (-)	3,200 (293.6%)
Total	MSP	8,241 (-)	9,341 (13.3%)
New contracts	MSP	661 (-)	793 (20.0%)
Collection	MSP	0 (-)	0 (-)
Maintaining of contracts	MSP	1,952 (-)	2,171 (11.2%)
Insurance payment, Payment of benefits	MSP	2,001 (-)	1,923 (▲3.9%)
Other	MSP	3,627 (-)	4,454 (22.8%)

*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 2010	Fiscal 2011	Fiscal 2012
CO2 gross emissions (Scope 1,2,3)	Domestic	The Group	t-CO2	104,312 (-)	95,687*3 (▲ 8.3%)	111,522 (16.5%)
	Domestic + Overseas	The Group	t-CO2	117,076 (-)	108,903*3 (▲ 7.0%)	124,068 (13.9%)
	CO2 emissions (Scope 1)	Domestic*1	The Group	27,008 (-)	22,923 (▲ 15.1%)	22,804 (▲ 0.5%)
		Domestic + Overseas	The Group	27,190 (-)	23,081 (▲ 15.1%)	23,005 (▲ 0.3%)
	CO2 emissions (Scope 2)	Domestic*1	The Group	67,926 (-)	63,646*3 (▲ 6.3%)	79,325 (24.6%)
		Domestic + Overseas	The Group	79,795 (-)	75,880*3 (▲ 4.9%)	91,241 (20.2%)
	CO2 emissions (Scope 3)*2	Domestic	The Group	9,378 (-)	9,118 (▲ 2.8%)	9,394 (3.0%)
		Domestic + Overseas	The Group	10,091 (-)	9,942 (▲ 1.5%)	9,821 (▲ 1.2%)

*1 Medium- and long-term reduction target of CO2 cover the Scope 1 and Scope 2 in domestic activities

*2 Commuting, Business trips (Railroads, aircrafts)

*3 The data was reviewed and corrected to increase accuracy

Domestic Data of environmental burden

(Comparison with last year in parenthesis)

Items	Coverage	Units	Fiscal 2010	Fiscal 2011	Fiscal 2012
Electricity	The Group	MWh	200,276 (-)	171,528*1 (▲ 14.4%)	166,109 (▲ 3.2%)
Heat supply	The Group	GJ	47,582 (-)	35,699 (▲ 25.0%)	58,654 (64.3%)
Utility gas	The Group	m ³	2,983,000 (-)	1,928,000 (▲ 35.4%)	2,038,000 (5.7%)
Bunker A	The Group	kℓ	137 (-)	54 (▲ 60.6%)	105 (94.4%)
Kerosene	The Group	kℓ	293 (-)	192*1 (▲ 34.5%)	202 (5.2%)
Gasoline	The Group	kℓ	8,197 (-)	7,692 (▲ 6.2%)	7,437 (▲ 3.3%)
Paper	The Group	t	21,680 (-)	16,445 (▲ 24.1%)	14,445 (▲ 12.2%)
Proportion of paper on forest certification	MSI, ADI, HD	%	- (-)	6.1 (-)	12.0 (96.7%)
Total water use	MSI, ADI	m ³	787,000 (-)	818,000 (3.9%)	691,000 (▲ 15.5%)

Total wastage	MSI, ADI	t	- (-)	6,094 (-)	5,330 (▲12.5%)
Total waste recycling	MSI, ADI	t	- (-)	4,521 (-)	3,554 (▲21.4%)
Business trip (domestic and abroad)	MSI, ADI	km	88,439,000 (-)	92,528,000 (4.6%)	78,783,000 (▲14.9%)

*1 The data was reviewed and corrected to increase accuracy

Environmental approaches through Supply chain

Items	Coverage	Units	Fiscal 2011	Fiscal 2012
Proportion of Electronic contracting procedure *1	MSI	%	56.6	53.5
Number of Agents, companies with certification under Eco Action 21 *2	MSI, ADI	companies	1,159	1,219
Number of maintenance shops implementing Eco-inspection, Eco-maintenance	MSI	companies	440	434

*1 Proportion of individual contracts excluding corporate and group contracts

*2 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 2010	Fiscal 2011	Fiscal 2012
Number of acquirer of Volunteer leave		MSI, ADI, MSA	people	10	62	10
Number of acquirer of Temporary retirement for Volunteer		MSI, ADI, MSA	people	2	2	1
Social contribution activities at each division / office		MSI, ADI, HD	%	95.0	94.8	99.0
Number of employees engaged in social contribution activities		MSI, ADI, HD	people	13,494	14,864	16,142
Number of employees participated in Eco Smile Campaign		The Group	people*1	85,870	102,062	103,447
MS&AD Unison Smile Club Number of members		The Group	people	9,647	9,636	14,795
Family Environmental Classes	Number of classes	-	classes	4	5	5
	Number of participants	-	people	216	175	192
Disaster Relief Donation Matching Gift Program *2	Donated amount	The Group	¥	179,323,365	48,362,000	31,191,000
	Number of participants	The Group	people	35,533	17,398	14,071

*1 Total participants

*2 including Matching Gift

Employment*1

Items			Coverage	Units	Fiscal 2011	Fiscal 2012
Number of employees*2	Total		MSI	people	14,858	14,478
	Male and Female	Male	MSI	people	7,412	7,202
		Female	MSI	people	7,446	7,276
	Total		ADI	people	12,980	12,784
	Male and Female	Male	ADI	people	7,171	6,911
		Female	ADI	people	5,809	5,873
	Total		MD	people	512	503
	Male and Female	Male	MD	people	332	322
		Female	MD	people	180	181
	Total		MSA	people	2,283	2,366
	Male and Female	Male	MSA	people	1,331	1,372
		Female	MSA	people	952	994
	Total		MSP	people	351	342
	Male and Female	Male	MSP	people	215	215
		Female	MSP	people	136	127
	Total		HD	people	97	107
	Male and Female	Male	HD	people	79	85
		Female	HD	people	18	22
Average age*2	Total		The Group	people	31,081	30,580
	Male and Female	Male	The Group	people	16,540	16,107
		Female	The Group	people	14,523	14,473
	Total		MSI	age	38.6	39.0
	Male and Female	Male	MSI	age	42.4	42.5
		Female	MSI	age	34.8	35.4
	Total		ADI	age	42.4	42.8
	Male and Female	Male	ADI	age	44.9	45.3
		Female	ADI	age	39.5	39.9
	Total		MD	age	46.1	46.3
	Male and Female	Male	MD	age	51.1	51.2
		Female	MD	age	36.9	37.6
	Total		MSA	age	41.4	41.4
	Male and Female	Male	MSA	age	44.8	44.8
		Female	MSA	age	36.7	36.6
	Total		MSP	age	40.5	41.1
	Male and Female	Male	MSP	age	43.1	43.2
		Female	MSP	age	36.4	37.6

	Total Male and Female		HD	age	45.0	45.4
		Male	HD	age	46.3	46.6
		Female	HD	age	39.1	41.0
	Total Male and Female		The Group	age	40.6	41.0
		Male	The Group	age	43.9	44.1
		Female	The Group	age	36.9	37.4
Number of regular hires*3	Total Male and Female		MSI	people	356	398
		Male	MSI	people	95	112
		Female	MSI	people	261	286
	Total Male and Female		ADI	people	296	298
		Male	ADI	people	111	102
		Female	ADI	people	185	196
	Total Male and Female		MD	people	12	15
		Male	MD	people	3	2
		Female	MD	people	9	13
	Total Male and Female		MSA	people	43	67
		Male	MSA	people	19	33
		Female	MSA	people	24	34
	Total Male and Female		MSP	people	0	6
		Male	MSP	people	0	0
		Female	MSP	people	0	6
	Total Male and Female		HD	people	0	0
		Male	HD	people	0	0
		Female	HD	people	0	0
	Total Male and Female		The Group	people	707	784
		Male	The Group	people	228	249
		Female	The Group	people	479	535

*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 2011	Fiscal 2012
Employment rate of people with disabilities*1	MSI	%*2	1.82 (221people)	1.96 (271people)
	ADI	%*2	1.85 (230people)	1.82 (225people)
Rehiring Program after retirement Number of users*3	MSI	people	313	349
	ADI	people	198	231
	MD	people	4	31
	MSA	people	15	15
	MSP	people	0	0
	The Group	people	530	626

Share of management positions occupied by women*4	MSI	%*5	1.6 (69people)	2.1 (90people)
	ADI	%*5	3.5 (123people)	4.0 (141people)
	MD	%*5	0.0 (0people)	1.8 (1people)
	MSA	%*5	1.3 (3people)	1.2 (3people)
	MSP	%*5	6.0 (10people)	6.4 (10people)
	The Group	%*5	2.5 (205people)	3.0 (245people)

*1 Monthly average

*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 2011	Fiscal 2012
Human rights seminars	MSI	%*1	93.4	97.1
	ADI	%*2	96.5	97.7

*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 2011	Fiscal 2012
Temporary leave before / after childbirth Number of acquirers			MSI	people	249	244
			ADI	people	201	198
			MD	people	2	5
			MSA	people	32	40
			MSP	people	8	9
			The Group	people	492	496
Temporary leave for childcare Number of acquirers	Total		MSI	people	220	239
	Male and Female	Male	MSI	people	1	1
		Female	MSI	people	219	238
	Total		ADI	people	166	206
	Male and Female	Male	ADI	people	4	6
		Female	ADI	people	162	200
	Total		MD	people	4	5
	Male and Female	Male	MD	people	0	0
		Female	MD	people	4	5
	Total		MSA	people	36	19
	Male and Female	Male	MSA	people	1	0
		Female	MSA	people	35	19

	Total Male and Female		MSP	people	7	9
		Male	MSP	people	0	1
		Female	MSP	people	7	8
	Total Male and Female		The Group	people	433	478
		Male	The Group	people	6	8
		Female	The Group	people	427	470
	Flexible working hours for childcare Number of acquirers	shorter hours	MSI	people	115	131
			ADI	people	207	239
			MD	people	2	4
			MSA	people	23	12
			MSP	people	5	6
			The Group	people	352	392
		flextime	MSI	people	7	14
			MSA	people	0	2
			The Group	people	7	16
		Change of Opening / Finishing time	MSI	people	1	1
			MSA	people	0	0
			MSP	people	0	1
			The Group	people	1	2
Temporary retirement for nursing Number of acquirers	Total Male and Female		MSI	people	8	5
		Male	MSI	people	0	3
		Female	MSI	people	8	2
	Total Male and Female		ADI	people	4	8
		Male	ADI	people	0	2
		Female	ADI	people	4	6
	Total Male and Female		MD	people	1	0
		Male	MD	people	1	0
		Female	MD	people	0	0
	Total Male and Female		MSA	people	0	1
		Male	MSA	people	0	0
		Female	MSA	people	0	1
	Total Male and Female		MSP	people	0	1
		Male	MSP	people	0	1
		Female	MSP	people	0	0
	Total Male and Female		The Group	people	13	15
		Male	The Group	people	1	6
		Female	The Group	people	12	9

Flexible working hours for nursing Number of acquirers	MSI	people	0	7
	ADI	people	4	3
	MD	people	0	0
	MSA	people	0	0
	MSP	people	0	0
	The Group	people	4	10
Ratio of employees taking paid leave*1	MSI	%	25.2	25.1
	ADI	%	31.4	17.1
	MD	%	18.0	16.6
	MSA	%	35.0	16.9
	MSP	%	26.1	26.2
	HD	%	17.5	14.6

*1 Number of days acquired / granted. Including scheduled / carrying-over vacation and excluding special vacation such as summer vacation.
Except, the following figures do not include carrying-over vacations. MSI (FY2011, 2012), ADI (FY2011), MSA (FY2011), HD (FY2011, 2012)

Health and safety at work

Items		Coverage	Units	Fiscal 2011	Fiscal 2012
Number of claims of work related injuries	Total	MSI	cases	84	80
	Work-related accident	MSI	cases	37	32
	Accident during commute	MSI	cases	47	48
	Fatality accident	MSI	cases	0	0
	Total	ADI	cases	55	55
	Work-related accident	ADI	cases	22	21
	Accident during commute	ADI	cases	33	33
	Fatality accident	ADI	cases	0	1
	Total	MD	cases	0	0
	Work-related accident	MD	cases	0	0
	Accident during commute	MD	cases	0	0
	Fatality accident	MD	cases	0	0
	Total	MSA	cases	8	14
	Work-related accident	MSA	cases	3	5
	Accident during commute	MSA	cases	5	9
	Fatality accident	MSA	cases	0	0
	Total	MSP	cases	4	1
	Work-related accident	MSP	cases	2	1
	Accident during commute	MSP	cases	2	0
	Fatality accident	MSP	cases	0	0

	Total	HD	cases	0	0
	Work-related accident	HD	cases	0	0
	Accident during commute	HD	cases	0	0
	Fatality accident	HD	cases	0	0
	Total	The Group	cases	151	150
	Work-related accident	The Group	cases	64	59
	Accident during commute	The Group	cases	87	90
	Fatality accident	The Group	cases	0	1
Consultation rate of Medical Checkup*1		MSI	%	99.6	99.7
		ADI	%	94.3	99.0
		MD	%	91.2	100.0
		MSA	%	96.9	95.4
		MSP	%	95.3	99.2
		The Group	%	96.8	99.2

*1 Number of consultation / number of employees

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Linkage with core subjects in ISO26000

Linkage with core subjects in ISO26000

Core subjects	Issues	Items
Organizational Governance	Issue1: Organizational Governance	<ul style="list-style-type: none"> ● Message from the President ● Outline of the Group ● Aspiration and CSR ● CSR information Perspective of disclosure ● Corporate Governance ● Compliance ● Risk Management ● Information Disclosure ● Data / Reference Material
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	<ul style="list-style-type: none"> ● Practice of values ● Approaches to Human Rights ● Building a Friendly Working Environment ● Promotion of the diversity ● Overseas approaches (Practice of values) ● Data / Reference Material
Labor 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	<ul style="list-style-type: none"> ● Practice of values ● Employee's situation ● Human asset development ● Communication with employees ● Overseas approaches (Practice of values) ● Data / Reference Material
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	<ul style="list-style-type: none"> ● Contribution to the Global Environment through our core business ● Environmental Basic Policy ● Reduce the environmental burden incurred in conjunction with our business activities ● Approaches for preserving biodiversity ● Coexistence with society through awareness activities ● Overseas approaches (building of sustainable environment and society) ● Data / Reference Material
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	<ul style="list-style-type: none"> ● Compliance ● Responsibilities in Transactions ● Growth with our agents

Consumer Issues	<p>Issue 1: Fair marketing, factual and unbiased information and fair contractual practices</p> <p>Issue 2: Protecting consumers' health and safety</p> <p>Issue 3: Sustainable consumption</p> <p>Issue 4: Consumer service, support, and complaint and dispute resolution</p> <p>Issue 5: Consumer data protection and privacy</p> <p>Issue 6: Access to essential services</p> <p>Issue 7: Education and awareness</p>	<ul style="list-style-type: none"> ④ Quality Improvement in response to stakeholder view ④ Develop products from customers perspective ④ Improve the simplicity and convenience for customers ④ Payment of insurance claim service preferable to customers ④ Quality improvement of Contact Center ④ Responsibility for Customers ④ Overseas approaches (Products, Service) ④ Data / Reference Material
Community Involvement and Development	<p>Issue 1: Community involvement</p> <p>Issue 2: Education and culture</p> <p>Issue 3: Employment creation and skills development</p> <p>Issue 4: Technology development and access</p> <p>Issue 5: Wealth and income creation</p> <p>Issue 6: Health</p> <p>Issue 7: Social investment</p>	<ul style="list-style-type: none"> ④ Response to large scale disasters and support of affected areas ④ Resolutions of issues in the society ④ Support activities of social contribution by employees ④ Social contribution in the field of sports and culture ④ Overseas approaches (building of sustainable environment and society) ④ Data / Reference Material

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Third-party Opinion



Mr. Eichiro Adachi

Counselor, The Japan Research Institute, Limited

- After working in the Management Strategy Research Department, Technology Research Department, he is now head of ESG Research Center.
- He provides corporate information to financial institutions for the purpose of socially responsible investment.
- He mainly conducts industrial surveys and corporate evaluations from the perspective of environmental management and CSR.
- He served as an expert in Japan on ISO26000 from March 2005 to May 2009.

In the last fiscal year, we made proposals to expand activities across companies within MS&AD Group and disclose them and to refer to challenging tasks. We found more examples relating to the companies and other affiliated companies in this year's report in addition to activities of the two core non-life insurance business. In addition, we would like to appreciate that the KPI introduced in the last year was applied to more companies and MS&AD Group disclosed the fiscal 2012 targets, performance of the KPI in fiscal 2012 and targets for fiscal 2013.

In this fiscal year's Third Party Opinion, we will comment from the two perspectives of "consistency of CSR activities with the business strategy" and "prioritization of CSR activities based on the characteristics of the insurance business".

1. We hope to see voluntary reporting in regards to governance.

In the Top Message, it is mentioned that the Group "are striving to improve the corporate value across the entire Group, meet our customers' diverse needs, and strengthen our Group's governance." On the other hand, as described in the Group History and the Structure, the connection of many companies under the Group's holding companies is one of the key characteristics of this Group. It is clear that the improvement of corporate governance is the key to enhance the Group's value. On this point, we would like to follow the progress of this activity.

In April 2013, the guidelines for the "Reports Relating to Corporate Governance" in accordance with the disclosure of the activity status of women was revised. Although in the reports it is recommended to describe the status of female promotion to management and activities of women, we didn't find reports about these types of activities in your Group report issued in June. In this year's report, related activities such as the "Promotion of the diversity" and "Building a Friendly Working Environment" was described. Next time, we would like you to achieve consistent information disclosure by including such information in the Corporate Governance Report.

2. We hope to see initiatives that focus on "adaptation" issues and "flow of money" approaches.

The Top Message describes that "we will return to the basics in fiscal 2013, under our two pillars of "Improvement of quality products and services" and "Contribution to a sustainable environment and society." We understand that this message contains your intention to steadily continue your past efforts as well as shed light on new challenges and continue to launch new initiatives. One of the biggest risks that the world is facing today is "physical effects of climate change on the economic society." The Climate Change Plan announced by the USA in this July highlighted severe storms, droughts, wildfires, disappearance of coastlines, and sea-level rises and calculated the economic losses expected to be caused by these. The world's greenhouse gas concentration is steadily rising and it has become a pressing issue to build an economic society which can adapt to climate change. We think that non-life insurance companies should take advantage of their abundant knowledge about climate change risks and play a role leading the world by consulting their customers and transmitting information to society.

Insurance companies can make a significant impact as an asset holder. It, however, appears as though they don't recognize Environmental, Social, and Governance (ESG) issues in terms of managing asset values and revenues. We hope that you consider incorporating these relevant issues into your investment risk management practices in the near future.

3. We expect “Foreign” CSR initiatives to be integrated with the entire organization.

In the description of the company summary, it indicates the vision to create a globally operating and world-leading insurance and financial services group. In reality, the presence of your foreign subsidiaries is growing. In addition, it is characteristic of your group that foreign individuals and foreign corporations make up a significant portion of your shareholders. With this background, it was a little disappointing that this year’s report did not include perspectives of race or nationality in the content of the “Promotion of diversity.” There is a section on “Global human resources;” however, the main perspective was from Japan to abroad. In the sense of opening up to all types of talented human resources, it appears as though the “promotion of diversity” will be a challenge for the future.

It may be difficult to achieve by next year, but as a way to disclose this report, we would like you to integrate foreign CSR initiatives into the important sections of “Improve product and service quality” and “Contribute to a sustainable environment and society” instead of having “Overseas approaches” as a separate section.

From our stand point of providing corporate information to financial institutions for Social Responsibility Investment (SRI), we have submitted third party opinions in regard to how the MS&AD Insurance Group should perform its CSR activities and disclose such information, based on our understanding through this document. It should be noted, however, that our opinions do not represent our judgment of whether it has been accurately measured and calculated in accordance with the generally accepted valid standards of preparing environmental reports and other standards, or that it contains all material facts without omission.

Response to Third-party Opinion

Since the Great East Japan Earthquake and the floods in Thailand, we have recognized again that it is a critical mission of a non-life insurance company not only to provide our customers prompt insurance payment to those afflicted by large-scale natural disasters both domestically and abroad, but also to provide risk consulting services relating to climate change adaptation or to penetrate earthquake insurance.

Under these circumstances, MS&AD Insurance Group has clearly identified priority issues in fiscal 2012, and implemented KPI (Key Performance Indicators) to be more visible about our activities. From fiscal 2013, to strengthen the activities initiated by the Group, we have expanded the scope of companies subjected to KPI to all the domestic Group insurance companies under the two important issues, “Improvement of quality products and services” and “Contribute to a sustainable environment and society.”

In addition we further strive to enhance our CSR activities by improving corporate value across the entire Group, meeting our customers’ diverse needs, and strengthening our Group’s governance through the functional reorganization of MSI and ADI (Announced in January, 2013).

From this point on, reflecting the opinions given to us, we will review and address how we 1) improve corporate governance through the functional reorganization, 2) expand initiatives across the Group based on priority issues, 3) adapt to climate change, 4) address ESG issues in our business along guidance such as the “Principles for Financial Action towards a Sustainable Society” and “The United Nations Environment Programme Finance Initiative’s Principles for Sustainable Insurance,” and 5) further improve the information we disclose and our disclosure policy suited to global excellent companies.

Mikito Hirano
General Manager, Corporate Planning Dept.
MS&AD Insurance Group Holdings, Inc.