

Identifying Materiality

Step1

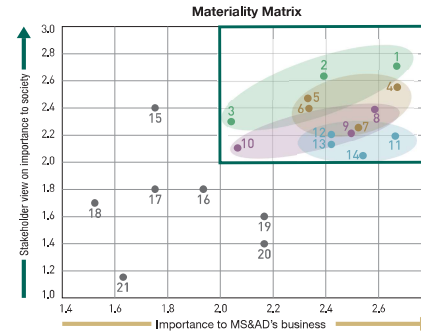
Twenty-one social issues to be resolved were selected from among the social issues listed in national and international government reports, ISO 26000, GRI Standard, SASB, and other guidelines

1 Acceleration of global warming	8 Aging population and declining birthrate	15 Price instability
2 Damage to natural capital (ecosystem degradation and crisis)	9 Human rights violations and exclusion of diversity	16 Hunger and food crises
3 Environmental pollution and noncircular economy	10 Increasing poverty and inequality	17 Debt crises
4 Emergence of new risks	11 Customer responsibility	18 Frequent and spreading regional conflicts and terrorism
5 Spread of infections	12 Compliance	19 Disillusionment among young people
6 Large-scale earthquakes	13 Corporate governance	20 Commodity shock
7 Decline of local industry	14 Human resources	21 Immigration problems

Step2

Evaluate the selected social issues using the materiality matrix

The materiality matrix is analyzed from two perspectives: the impact of us on society (importance to stakeholders) and the impact of society on us (importance to us).



Step3

Organize social issues of high importance to stakeholders and us and set materiality

Symbiosis with the global environment
(Planetary Health)

Safe and secure society
(Resilience)


Happiness of diverse people
(Well-being)

Quality • Human Resources • ERM
 •Quality P.78 • Human Resources P.79 • ERM P.39

Three Key Sustainability Issues

Social issues	Risks and opportunities	Time axis			Examples of Major Measures and Initiatives ● Response to risks ★ Response to opportunities	KPI	FY2022 Results	
		Short	Medium	Long				
1 Acceleration of global warming Symbiosis with the global environment (planetary health)	Risk	Reduction of earnings due to the inability to achieve a rapid transition to a net zero society		●	●	Promotion of information disclosure and strategy in line with the TCFD recommendations Implementation of business activities with sustainability in mind Introduction of renewable energy Diversification of the business portfolio Possession control of natural disasters in the United States	Greenhouse gas emission reduction rate (versus FY2019) [2030] -50% [2050] Net zero	P.29
	Risk	Loss of reputation due to insufficient information disclosure and delayed response to climate change	●	●				
	Opportunity	Deterioration of income and expenditure due to intensification of natural catastrophes, etc., and an increase in capital costs due to increased profit volatility	●	●	●			
	Opportunity	Provision of products and services that contribute to reducing greenhouse gas emissions	●	●				
	Opportunity	Provision of products and services that support corporate decarbonization and climate-related information disclosure	●	●				
	Opportunity	Provision of products and services that prepare for natural disasters	●	●				
2 Damage to natural capital (ecosystem degradation and crisis) 3 Environmental pollution and noncircular economy	Risk	Deterioration of earnings due to business partners' stagnation of economic activities caused by the depletion of natural resources			●	Promotion of initiatives on the themes of preservation of the natural environment and reduction of environmental impact (also corresponding to 11) MS&AD Green Earth Project Efforts for preservation of biodiversity in Asia and Japan Efforts to develop and disseminate the TNFD disclosure framework	Insurance premium growth rate for products that contribute to the Net-Zero society and a circular economy FY2025 Annual average 18%	P.29
	Risk	Decline in earnings caused by the deterioration in business performance of business partners due to tighter regulations on the circular economy, etc.	●	●	●			
	Opportunity	Increased need for risk assessment of natural capital and preservation of biodiversity and its sustainable use	●	●				
Opportunity	Decline in earnings due to an inability to achieve the transition to a circular economy		●					
4 Emergence of new risks 5 Spread of infections 6 Large-scale earthquakes 7 Decline of local industry Safe and secure society (resilience)	Risk	Impact of an increase in large-scale cyberattacks on the Group	●	●		Building an information security management system Provision of goods and services for new risks manifested by changes in society Products and services that address cyber risks Voluntary automobile insurance and accident reduction services using telematics technology Provision of products and services to infectious disease control and healthcare providers Ensuring effectiveness through periodic review of risk management manuals and business continuity plans (also corresponding to 11) Provision of products and services to prepare for massive earthquakes Provision of services that meet the needs of companies for BCP measures Provision of insurance and services in response to local revitalization and regional issues (also corresponding to 11) Seminars to help local companies solve problems	Growth rate of the number of policy for products that contribute to improving social resilience FY2025 Annual average 20%	P.29
	Risk	Emergence of new risks due to the spread of IoT and in the post-digital era	●	●				
	Opportunity	Creation of new markets due to the emergence of new risks such as cyberattacks	●	●				
	Opportunity	Building of new business models through Creating Shared Value and digital transformation (CSV×DX) and social digitalization	●	●				
	Risk	Impact of a new pandemic on operations	●	●	●			
	Opportunity	Business opportunities related to infectious disease control and healthcare providers	●	●				
	Risk	Increase in disaster risks due to the increased probability of huge earthquakes, particularly those concentrated in urban areas	●	●	●			
Opportunity	Increased need for earthquake countermeasures	●	●					
Risk	Declining regional vitality due to depopulation, lack of access to mobility and financial services, and aging social infrastructure	●	●			Number of issues solved by local companies FY2025 10,000 cases		
Opportunity	Increased demand for regional and customer resilience, including expansion of regional economic cycles and support for next-generation mobility services such as CASE and MaaS	●	●					

Three Key Sustainability Issues


Social issues	Risks and opportunities	Time axis			Examples of Major Measures and Initiatives ◎Response to risks ★Response to opportunities	KPI	FY2022 Results	
		Short	Medium	Long				
 <p>8 Aging population and declining birthrate</p> <p>Happiness of diverse people (well-being)</p>	Risk	Decrease in earnings caused by a decline in the total population (labor force) and medium- to long-term contraction of the domestic market due to the ongoing depopulation of local areas		●	◎Prediction of risk development due to market changes through monitoring	Number of policies in force of asset-building products for longevity	FY2025 100,000 cases	
		Crisis of sustainability in social security systems and financial systems		●				
		Loss of earnings due to inability to address needs in an aging society		●				
	Opportunity	Increased interest in local revitalization initiatives that can revive local economies and solve labor shortages	●	●		★Provision of products and services in line with the needs of an aging society <ul style="list-style-type: none"> •Products for pensions, nursing care, dementia, etc. •Financial gerontology training ★Provision of products and services that help solve health-related social issues <ul style="list-style-type: none"> •Health management support insurance and services •Breast, uterine, and colorectal cancer seminars 	Number of policies in force that help solve health-related social issues	FY2025 2.6 million cases
		Increased need for security systems in cooperation with local governments	●	●				
		Services related to nursing care and dementia, increasing the need for asset formation and asset inheritance measures in the super-aged society	●	●				
<p>9 Human rights violations and exclusion of diversity</p> <p>10 Increasing poverty and inequality</p>	Risk	Decrease in reputation due to actual or possible human rights violations	●	●	◎Provision of human rights training to employees and agents ◎Speak-up system (whistleblowing system) and establishment of a consultation service ◎Implementation of business activities with sustainability in mind	Number of companies supporting human rights-related measures	FY2025 1,000 cases	
		Increased awareness of respect for human rights and the increased need for corporate responses	●	●				★Provision of products and services that contribute to respecting human rights and promoting DE&I <ul style="list-style-type: none"> •Human rights risk management support consulting services
	Opportunity	Widening and entrenchment of the gap between the rich and poor due to the escalation of inter-state conflicts, etc., and destabilization of the economic environment from an increase in refugees	●	●	◎★Activities and active disclosure of information related to social contribution and collaborative value			
		Grasping of new markets through financial inclusion	●	●				★Provision of microinsurance

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Impact of CSV Initiatives

Based on the three priority issues identified, we are promoting CSV initiatives based on risks and opportunities. Our group's products and services solve social problems and support a resilient and sustainable society. We are creating a positive impact both in improving corporate value and solving social issues.

Note: Figures are estimates for FY2022.



Symbiosis with the global environment
(Planetary Health)

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

6,640 bases

(Number of companies that provided quantitative assessment services for physical risks from climate change impacts)

Work with Jupiter, a climate analysis company, to provide quantitative risk assessments of climate change impacts

Real-time damage prediction website cmap.dev (cmap)

2.73 million accesses

(Number of page views per year on a site that forecasts and publishes the number of buildings affected by typhoons, heavy rains, and earthquakes in real time)

It is open to the public free of charge as an advance disaster prevention and reduction measure against natural disasters.



Safe and secure society
(Resilience)

Products to cover cyber risks

20,165 companies

(Number of corporations and organizations protected from cyber risks)


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

Telematics-based safety driving support services

2.2 million cases

(Number of automobile insurance policies for monitoring and automobile insurance for connected cars)

We offer automobile insurance that utilizes telematics-based safety driving support services.



Happiness of diverse people
(Well-being)

Tontine pension plans

50,000 cases

(Number of tontine annuity contracts)

A foreign currency-denominated individual pension insurance that meets the usage needs of customers who receive a greater amount of pension the longer they live

Support for companies that address human rights issues

1,111 cases

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

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