MS&AD Digital Day

- MS&AD Group’s Digital Strategy -

March 16, 2021
MS&AD Insurance Group
Today’s Program

9:35-11:50 Presentation
  • Introduction
    - Overall CSV × DX -
  • MS1 Brain and RisTech
    - Promotion of Digitalization by Using AI and Data -
  • Supercity / Smart City Initiatives
  • DX from Silicon Valley

10:50-11:30 Q&A
Message from CDO

Innovation at MS&AD
Group CDO Shinichiro Funabiki

https://www.ms-ad-hd.com/en/group/interview/innovation.html
Medium-to-Long-Term Growth Strategy

CSV × DX
～In Japan, Asia and across the world～

Seven Key Issues For Resilient and Sustainable Society

- Deal new risks
- Create a Safer mobility Society
- Strive for resilient community development
- Contribute to Climate change mitigation and adaption
- Work toward the realization of “leaving no one Behind”
- Strive to improve the sustainability of natural capital
- Support “good health and Longevity”

Digital Technology

- Big Data
- Mobile
- AI
- RPA
- Block chain

Reform Business Style
CSV × DX Growth Strategy

MS&AD’s Strengths

- Broader partnerships
- Largest domestic network of agents
- Largest domestic customer base
- Diverse Group Synergies (various Group companies)
- Network spanning 50 countries and regions
- Presence in potentially growing Asia

CSV × DX

Various data

Versatile development capabilities

Diverse needs

CSV × DX Growth Strategy

- Innovative products and services
- Channels and sales methods transformation
- Creation of new businesses

Global expansion

~In Japan, Asia and across the world~
Innovative Products and Services

Conventional Insurance

Compensating for economic losses due to an accident or illness (providing security)

With more satisfying insurance premiums...

Inform and prevent risks

Compensate (provide security)

Minimize the impact

Recover quickly

Future Products and Services

Pick Up

Safe driving advice  Accident prevention alerts  Discouraging reckless driving

Predicting flood damage  Weather alerts  Taking measures against cyber attacks

Improving health  Preventing illness  Mental health care

Driver behavior data  Natural disaster risk segmentation  Healthcare data

For example...

Cars

Automated emergency call in the event of an accident  Early accident resolution utilizing video footage

Facilities and offices

Surveying flood damage using drones and AI  Repairing disaster-affected facilities

Healthcare

Restoring health  Preventing serious illness

... and more

Seamlessly providing safety and security to customers
Transformation of Sales Channels and Methods

Sales Channels
- Various data
- Digital technology
- Seamless products/services

For each and every customer:
- To fulfill individual needs
- At the best timing
- Offer optimum product/service

Sales Methods
- Propose business models to new market holders of mobility, smart city, healthcare and the like
- Collaboration with digital platformers

Develop new markets and sales channels

Pick Up MS1 Brain
- The first agent sales support system in the non-life insurance industry equipped with AI

MS1 Brain

Built-in Connect
System Integration with an E-commerce Site
- The insurance proposal process is embedded in the checkout procedures
- Product Search
- Purchase Procedures
- Recommendations
- Explanation
- Entry
- Confirmation
- Payment
Creation of New Businesses

We will expand into new fields of business that achieve CSV × DX in step with social changes.

- **Climate change**
  - Working with Jupiter Intelligence to quantitatively assess climate change impact for TCFD
  - Building a prediction model of catastrophes occurring due to climate change, and using it to perform supply chain impact analysis

- **The advance of new automotive technologies**
  - TIMS-type data business in coordination with Toyota's mobility strategy
  - Accident prediction model utilizing accumulated tachograph data

- **Advance of the fourth industrial revolution**
  - SmartCityX program
  - Support for evacuation shelter operation using human flow data and AI camera image data

- **Population aging**
  - Determining cognitive function through voice analysis

- **Aging social capital**
  - Providing dash-cam footage to local governments to develop more advantaged infrastructure inspections

- **New business fields expanding in step with social changes**

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Pick Up RisTech
Smart City
Global Expansion

**Bases to promote DX/DI solutions by taking advantage of characteristics of each region**

**Bases to promote telematics mobility business**

**Base to invest in promising start-up companies and promote collaboration with them**

**Alliance partners’ bases to promote collaboration with start-up companies**

ADIC: Aioi Nissay Dowa Insurance China  
AIS: Aioi Nissay Dowa Insurance Services  
BIG: Box Innovation Group Limited  
DIFI: Direct Insurance – Financial Investment Ltd.  
FinTLV: FinTLV Venture Capital  
GDH: Global Digital Hub  
Mind Foundry: Mind Foundry Limited  
SOSA: SOSA TLV LTD.  
TIMS: Toyota Insurance Management Solutions USA, LLC
**Digital Innovation Challenge Program**

- **Encouraging Ideas**
  1. New business models, products and services
  2. Operational reforms

- **Desired Outcome**
  1. Development and discovery of digital-savvy human assets
  2. Collaborative creation with start-up companies
  3. Promotion of open innovation

- **Approx. 1,200 ideas (FY2019)**
- **Approx. 2,000 ideas (FY2020)**

- **14 are under consideration for implementation**

**Initiatives Supporting Growth**

- **18 advanced digital technologies building the future**
- **Promising growth markets in 2025 (6 areas)**
  - Mobility
  - Medical / Health
  - Network Services
  - Electronics
  - Cities / Spaces / Materials
  - Energy

- **Digital Innovation Challenge Program**

- **Training programs**
  - MS&AD Digital Academy
  - Cooperation with Information Networking for Innovation and Design (INIAD), Toyo University
  - MS&AD Digital College from Kyoto
  - Cooperation with Kyoto University of Advanced Science (KUAS)
  - Data Science Training
  - Cooperation with Shiga University

- **Building a Groupwide database for sharing knowledge and know-how**

- **Examples of use**
  - Collaboration with startups
  - Solutions for issues of clients

- **Examples of use**
  - Gathering information about startups related with MS&AD Group
  - Storing and sharing ideas from MS&AD Group employees

- **Examples of use**
  - Developing human assets with digital skills and knowledge
  - Sharing ideas within the Group and developing new business

- **Domestic / Overseas Group Companies**

- **Promising growth markets in 2025 (6 areas)**
  - Mobility
  - Electronics
  - Medical / Health
  - Network Services
  - Cities / Spaces / Materials
  - Energy

- **Examples of use**
  - Collaboration with startups
  - Solutions for issues of clients
  - Gathering information about startups related with MS&AD Group
  - Storing and sharing ideas from MS&AD Group employees
  - Developing human assets with digital skills and knowledge
  - Sharing ideas within the Group and developing new business

- **Cooperation with Amazon Web Services Japan (AWS) and Scalar**
  - Developing a database for Groupwide sharing of business ideas and information about startups
Today’s Presenters

Tomoyuki Motoyama
General Manager,
Digital Strategy Dept.,
Mitsui Sumitomo Insurance Co., Ltd.

In 2019, became as General Manager of Digital Strategy Department. Promoting digitization on a global scale through the use of multiple sites such as MS1 Brain, RisTech, and Global Digital Hubs.

Yasuhiro Koizumi
Head of Project Promotion Group,
Corporate Planning Dept.,
Aioi Nissay Dowa Insurance Co., Ltd.

In charge of business development at Aioi Nissay Dowa Insurance’s Corporate Planning Department. Promoting research, planning, and development of new business models to maximize the provision of value to customers, not limited to the insurance business.

Jon Soberg
Managing Partner,
MS&AD Ventures, Inc.

Involved in investing in more than 100 companies at Venture Capital and conducted IPO of over 5 companies. Works at MS&AD Ventures since October 2018. Received the "GCV* Powerlist Award" in September 2020.

*TGlobal Corporate Venturing, a global media company, selects and awards the top 2,000 CVC investors each year from around 100 companies around the world.

Takashi Sato
Managing Partner,
MS&AD Ventures, Inc.

Established MS&AD Ventures Inc. in May 2018. Promoting MS&AD Group’s startup investment as a managing partner. In September 2020, he was awarded "GCV Powerlist Award".