

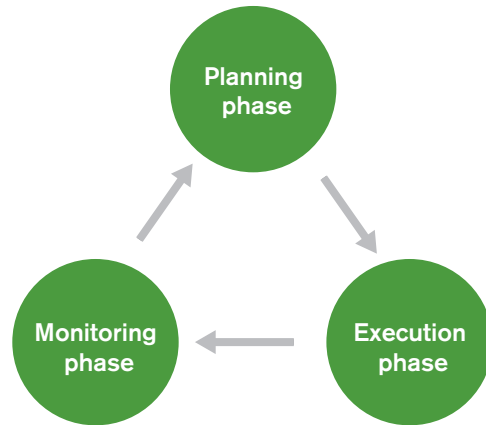
ERM and Risk Management

The MS&AD Insurance Group formulates management plans in accordance with the Group Risk Appetite Statement with the aim of improving profitability and enhancing capital efficiency while ensuring soundness based on the ERM cycle. Capital is allocated in accordance with the ERM cycle and the risks assumed, and by monitoring return on risk (ROR) for the risks assumed, we take steps to strengthen our risk controls and underwriting.

► ERM Cycle

ERM is implemented through planning, execution and monitoring phases.

Planning phase	1. Formulate strategies based on the Group Risk Appetite Statement, and establish capital allocation amounts based on the level of assumable risk.
Execution phase	2. Take risks within the risk limits based on capital allocation amounts.
Monitoring phase	3. Conduct regular monitoring of financial soundness, profitability and capital efficiency. 4. Based on the outcome of monitoring, examine and implement any necessary measures.



► Initiatives to Improve ROR

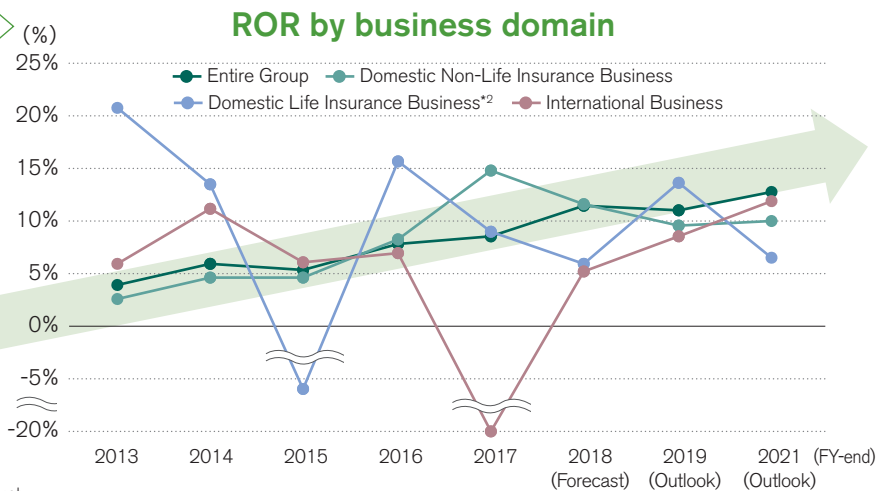
Trends in return on risk (ROR), which are an indicator of the profits that can be earned on risks assumed, are a proxy for the earnings power of the Group’s risk portfolio. The MS&AD Insurance Group aims to continue improving ROR by setting targets for ROR in each business domain, periodically checking ROR and taking initiatives to improve ROR. Although each business domain has performed differently, Groupwide ROR*1 has been on a steady uptrend.

Analyze and manage ROR by line of business and product
Manage budgets based on expected values

Implement growth strategies based on the medium-term management plan
Implement and continue measures to improve lines of business with low ROR
Diversify the portfolio, including business investments
Reinforce controls on natural disaster risks

Set fiscal year targets for each business domain
Allocate capital with consideration paid to ROR and other factors

Improve ROR



1. ROR = Group Adjusted Profit / integrated risk amount
2. Within domestic life insurance, return is calculated as the amount of increase in EEV at Mitsui Sumitomo Aioi Life Insurance. The return of the entire Group is calculated using the Group Adjusted Profit of Mitsui Sumitomo Aioi Life Insurance.

▶ Control of Risk

The MS&AD Group has established the MS&AD Insurance Group Risk Management Basic Policy, which underpins the common risk management exercised throughout the Group. Specifically, the policy identifies the principal types of risk with an impact on the Group's business portfolio, stipulates how risk factors are to be evaluated both quantitatively and qualitatively, and promotes risk management based on those evaluations.

More information on the Group's risk management systems is posted on the Group's official Web site.

Please refer to the Group's official website for more risk management information.

Website Content

- Risk management
(<https://www.ms-ad-hd.com/en/company/value/erm/risk.html>)
- Risk management basic policy
- Risk management structure
- Insurance business risks
- Risk management in the international business
- Crisis management system
(including the Business Continuity Management System)

▶ Specifying Risks

Group Material Risks (FY2018)

The Group specifies material risks to be controlled by management and formulates a Management Action Plan as well as regularly monitors the status with respect to individual risk to maintain a focus on the potential impact of those risks on the Group.

1. Occurrence of a large-scale natural disaster in Japan or overseas
2. Sharp fluctuations in financial markets in Japan or overseas
3. Increase in credit risk and nonperforming loans
4. Occurrence of behavior that loses interest for customers or behavior that violates laws and regulations and is detrimental to the corporate value of the Group
5. Occurrence of cyberattacks that cause large-scale and serious impediments to operations, information leaks, the payment of insurance, and frequent occurrence of large-scale leaks and illicit use of personal information and confidential information
6. Frequent occurrence of IT system failures and the occurrence of critical IT system failures
7. Pandemic of a new highly toxic strain of influenza
8. Occurrence of a serious labor problem (e.g., long working hours, harassment), loss of social credibility

Group Emerging Risks

Group Emerging Risks are defined as **1) events that could affect the Group business from a medium- to longer-term perspective and 2) events that could affect the Group business that management should be aware of but are difficult to measure in terms of scale and timing.** By quickly grasping when such risks rise, we can take specific steps to address them with an eye on the future. Group Emerging Risks are viewed as not only threats but also **potential business opportunities** for solving environmental and social issues. Group Emerging Risks are reflected in developing products and services and formulating management strategies.

Examples of Initiatives



1. Declining Birthrate and Aging Population

The domestic insurance market is anticipated to contract, but growth in the elderly population and longer life spans have created new needs for insurance. The Group is creating new markets by researching and developing insurance products, such as "Tontine Annuities," while addressing the increasing frequency of car accidents caused by elderly drivers by offering new insurance products that utilize telematics technology. In addition, we are strengthening our international business and moving forward with reforms to our business portfolio.



2. Climate Change

The occurrence of unprecedentedly large natural disasters has led to considerable amounts of insurance payments. The Group maintains adequate financial soundness by refining its natural disaster risk analysis model, conducting stress tests and arranging reinsurance protections. In addition, we support the promotion of renewable energy with risk solutions and insurance to mitigate climate change. As a measure to address climate change, we provide risk assessment and consulting services to mitigate customers' losses, and in 2018 we started collaborative research on future disaster risk prediction based on climate change with the University of Tokyo and the Shibaura Institute of Technology.



We aim to advance ERM to address the emergence of new accumulation risks, such as the risk of multiple natural disasters and cyberattacks.

Senior Executive Officer, CRO

Fumiaki Ohkawabata

Strengthening Natural Disaster Risk Management

In 2017, a number of natural disasters struck, including several massive hurricanes and widespread wildfires in North America, resulting in the largest amount of insured losses in the history of the non-life insurance industry.

The MS&AD Insurance Group has built a system able to ensure the soundness of the entire Group by performing stress tests versus large-scale insured losses caused by earthquakes, windstorms and floods in Japan, as well as hurricanes in the United States, while securing the necessary capital based on event probability of once in 200 years to calculate estimated loss amounts. In FY2017, the Group was able to reliably sustain operations while maintaining a proper level of financial soundness.

Recently, however, major hurricanes, typhoons and heavy snowfalls like those seen in FY2017 have occurred with greater frequency, increasing the scale and frequency of natural disasters. Under these circumstances, the Group intends to advance the level of its natural disaster risk management by refining methods for measuring risks related to windstorms, floods and heavy snow in Japan, as well as windstorms and floods in the United States, enhancing stress tests, and promoting research and assessments of natural disaster risks in Asia.

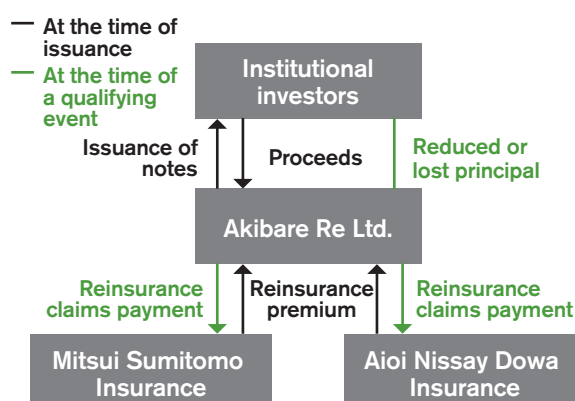
Controlling the Retained Amount of Natural Disaster Risk

In FY2017, although our financial soundness was not affected, the Group's fiscal year earnings were severely affected by large-scale losses caused by natural disasters. Accordingly, we redoubled our efforts to control the retained amount of risk for natural disasters.

Specifically, we 1) strengthened Group management of risks related to windstorms, floods and heavy snow in Japan and windstorms and floods in the United States; 2) began monitoring the amount of risk with reoccurrence intervals of 10 years; and 3) our two Group domestic non-life insurance companies jointly issued catastrophe bonds to cover the domestic risks of windstorms and floods.

Outline of the Catastrophe Bond "Akibare Re 2018-1"

	Class A Notes	Class B Notes
Sponsor	Mitsui Sumitomo Insurance	Aioi Nissay Dowa Insurance
Covered event	Event of typhoons, floods and earthquake fire expenses in Japan	Event of typhoons and floods in Japan
Issuance size	USD 220 million	USD 100 million
Risk spread	1.9% per annum	
Issuer	Akibare Re Ltd.	
Risk period	Four years (from March 31, 2018, to March 31, 2022)	



Strengthening Management of Cyber Risks (Underwriting Risk)

The threat of cyber risks has grown rapidly in the past few years alongside advances in digital technology and the proliferation of products that use this technology. Multiple cyber risks can emerge simultaneously around the world, making it imperative that we strengthen our accumulation management of insurance underwriting risk that covers damages caused by cyberattacks.

The Group has to date viewed information leaks caused by cyberattacks as a material risk for the Group. From FY2018, the Group is reinforcing its accumulation risk management system by adding the risk of insurance payments due to cyberattacks and assessing the scale of cyber risk through stress testing.

ERM

Promotion of Compliance

Positioning compliance as a top Group management priority, the MS&AD Insurance Group requires that all its officers and employees rigorously comply with all laws and regulations related to business activities.

► Mechanism to Ensure the Effectiveness of Rules and Systems

The MS&AD Insurance Group Compliance Basic Policy is shared across the entire Group as the basis for our approach to compliance. The Compliance Program is a companywide plan of action for compliance that was approved by the Board of Directors of each group company. Status updates and issues that need to be addressed for the action plan are reported to the Compliance Committees and Board of Directors of each Group company.

The Quality Improvement and Compliance Committee was formed to improve quality across the Group, ensuring thorough compliance and the monitoring of established corporate ethics.

Important matters are reported to the Board of Directors.

► Initiatives to Protect Customer Information

Based on the MS&AD Insurance Group Basic Policy for Management of Customer Information, internal rules have been created for the proper acquisition, use and storage of customer information, while related security measures have been implemented with employee training and internal inspections as well. Our personal information protection policy is published on the official website as the MS&AD Insurance Group Holdings, Inc., Declaration of Personal Information Protection (Privacy Policy). Group companies are prepared to take appropriate courses of action in the event of an information leak or other incident and have created measures to respond rapidly to incidents and prevent their reoccurrence.

► Initiatives for Anti-Money Laundering and Countering the Financing of Terrorism Fair Operating Practices

Group companies take steps to prevent the use of their products and services from being used in money laundering and the financing of terrorism, and pursue Fair Operating Practices including the “prevention of corruption including bribes” and “compliance with laws and regulations regarding political activities and political funds.” Given tighter regulations overseas, we are strengthening related initiatives at overseas entities, including the updating of necessary systems and training based on compliance manuals used at overseas entities.

Please see our official website for more information on compliance.

Compliance

<https://www.ms-ad-hd.com/en/company/value/compliance.html>

- Compliance Basic Policy
- Compliance promotion structure
- Activities (Compliance Program, Compliance Manual, compliance-related training, compliance-related inspection, monitoring activities and Speak-up system (internal reporting system))
- Anti-Money Laundering and Countering the Financing of Terrorism
- Prevention of Corruption and Bribery
- Compliance promotion structure in the International Business
- Tax compliance efforts (basic approach to taxation)

Information Security

<http://www.ms-ad-hd.com/en/company/value/information.html>

- Basic View and Policy
- Structure of Information Security Management and Monitoring Activities
- Declaration of Personal Information Protection (Privacy Policy)

TOPICS

Response to Global Regulations for Personal Information Protection

As companies around the world share information about individuals amid increasing globalization, governments have moved to strengthen regulations that protect individual rights.

One example is the General Data Protection Regulation (GDPR) that was enacted by the European Union in May 2018. Japanese companies are also subject to the GDPR, exposing them to high financial penalties if found in violation

of the regulations. For this reason, MS&AD Insurance Group Holdings put together a project to examine how the entire Group should respond. We are striving for proper management by putting into place a global management structure, forging agreements within the Group on how to transfer data and setting rules for handling data at subsidiaries in Japan and around the world.

Promoting Diversity in Human Assets

Under its medium-term management plan “Vision 2021,” the MS&AD Insurance Group is positioning initiatives for the creation of management platforms that enable employees to play active roles as the support for putting into practice of stories of value creation. At the same time, the Group is working on human asset* training and diversity & inclusion as sources of the Group's comprehensive strength.

* With the idea that each and every member of the MS&AD Insurance Group is valued, we used the term “human assets” instead of “human resources.”

► Diversity & Inclusion

To enhance the Group's comprehensive strength, under the executive officer in charge of diversity & inclusion, we work to create the management platforms, so that employees with various backgrounds, individuality and a sense of values are able to maximize their abilities and actively demonstrate those abilities.

Promoting the career development of women

The Group actively promotes women, and with 613 women in management positions and a ratio of female managers now at 9.9%,* their numbers are steadily increasing each year. To foster female managers we are holding training sessions and seminars on an ongoing basis and working to improve their leadership skills and awareness of career advancement. In addition, each Group company will continue to provide environments in which women are able to continue to work and actively participate after and during life events, such as childbirth and child rearing.

* The five domestic Group insurance companies + the holding company (as of April 2018)

Promoting career development of global human assets

Possessing a network covering 47 countries and regions, the Group employees at its overseas bases number approximately 9,000 people. To train specialists equipped with an abundance of cosmopolitan sense and expertise, the Group has created systems to promote mutual exchanges between Japan and its various locations throughout the world.

Systems	Content
System for training overseas Secondment system	<ul style="list-style-type: none"> • Training system for studying international business skills, languages, etc., at overseas subsidiaries, local insurance companies and universities • Secondment system to obtain MBA No. of employees who participated in system in fiscal 2017: 55
Global trainee system	Headquarters employees are given work experience at overseas bases, and employees of overseas bases can gain work experience in Japan for short periods. No. of employees who participated in system in fiscal 2017: 67 headquarters employees and 51 overseas employees.
Headquarters postings for overseas base local employees	A system for temporarily posting overseas local employees to the headquarters in Japan. A total of 78 overseas local employees had engaged in business at the Group's headquarters in Japan up to and including fiscal 2017.



Overseas employees participating in a program in Japan.

Employment of people with disabilities

In June 2018, we established a subsidiary, MS&AD ABILITYWORKS Co., Ltd., to promote the employment and active participation of people with disabilities.

Group companies are also promoting the hiring of para-athletes (sports athletes with disabilities) and providing support for their activities as athletes.

Total number and ratio of domestic employees* with disabilities in fiscal 2017

Ratio of domestic employees with disabilities	Number of employees with disabilities
2.37% ✓	719 ✓

* The five domestic Group insurance companies + the holding company (as of June 2018)

The ✓ symbol for fiscal 2017 figures indicates a third-party assurance from KPMG AZSA Sustainability Co., Ltd.

TOPICS

Employee Satisfaction

To connect the power of diverse employees to the Group's comprehensive strength centered on the Group's Mission, Vision, and Values, we are conducting awareness surveys of all Group employees.

Indicator		Fiscal 2016	Fiscal 2017	
		Score*	Target	Score*
Employee satisfaction (pride, job satisfaction)	Level of pride or job satisfaction	4.4 points	Same or higher level compared with previous fiscal year	4.4 points
Employee satisfaction (working vigorously)	Level of feeling free and lively at workplaces regardless of gender and age	4.2 points	Same or higher level compared with previous fiscal year	4.3 points

* All-employee average on a six-point scale

Promoting Diversity & Inclusion, Building a Solid Foundation to Generate Innovation

As we promote Diversity & Inclusion (D&I) throughout the Group, each Group company takes joint ownership of initiatives and works to provide mutual encouragement. Although we have endeavored thus far at individual Group companies to establish environments in which employees can continue to work and participate, going forward we will strive for greater heights by leveraging the diversity of the Group.

Eliminating "unconscious bias" is also important. We must recognize our preconceived notions, such as the belief that "demanding work is men's work," and consciously change our behavior. Women with the preconceived notion that managerial positions are demanding tend to hesitate when offered the opportunity for promotions, but serving as leaders of small projects, for example, to gain experience in decision-making ought to lower the psychological barriers for women when accepting managerial positions.

The most important aspects are, however, an

environment in which a diverse range of employees can express their own opinions under their own initiative and a corporate culture in which everyone can state their objections without fear. It is my firm belief that this type of environment will serve as a foundation for generating innovation and will help the Group to grow. D&I is not a matter that is to be advanced solely by the HR Department. Instead, it is something that we will labor, contemplate, and act on together so that every department throughout the Group can undertake this challenge as their own.



Naomi Motojima

Executive Officer in charge of
Diversity & Inclusion

▶ Human Asset Development

Envisioning ideal employees as those "who learn and think by themselves, take up challenges and continue to grow," the MS&AD Insurance Group educates and supports its staff through measures such as training, OJT and self-education programs.

Groupwide human asset development

While conducting collective training sessions that are shared by the Group, human asset exchanges within the Group, and an exchange training system (trainee system), we are working on improving the skills of our human assets throughout the Group.



Fiscal 2018 Collective training session for newly hired employees from eight group companies

Development of professional human assets

To respond to changes in the social structure, such as advances in digitalization and exposure to new risks, we are systematically cultivating human assets with specialized skills and those capable of excelling on the world stage.

	Fiscal 2015	Fiscal 2016	Fiscal 2017
Number of actuaries*	86	94	100

* Number of professional actuaries employed by the MS&AD Group with specialized skills for making full use of probability, statistical and other mathematical techniques used in product development, risk management, and other processes (as of April 1 of the subsequent fiscal year).

▶ Work-Style Reform and Health Management

To enable our diverse employees to continue working while responding flexibly to life events, we are promoting "Work-Style Reform" that will be beneficial to health, make working easier and increase the sense of job satisfaction as well as enhance productivity. We are working on improving the workplace environment and installing systems that allow employees to work flexibly, such as by deploying thin-client PCs so that they can work from home.

We will also encourage employees to take allotted time off and promote self-development during the created time.

Days of paid vacation used per employee/year*

Fiscal 2015	Fiscal 2016	Fiscal 2017
15.7	15.7	16.0

(Day)
*Average number of vacation days acquired by all employees with respect to "regular/carryover vacation days" as well as "special vacation days"

Such initiatives received high praise

- Awards for Enterprises and Workplaces with Pleasant Working Environments and High Productivity, "Highest award (Minister of Health, Labour and Welfare Award)" (Mitsui Sumitomo Insurance [MSI])
- 10th Work Life Balance Awards (First prize) (Organizer: Japan Productivity Center, Work-Life Balance Promotion Council) (Aioi Nissay Dowa Insurance [ADI])
- Certified as an Excellent Enterprise of Health and Productivity Management under the large enterprise category (White 500) (Holding company, MSI, ADI)

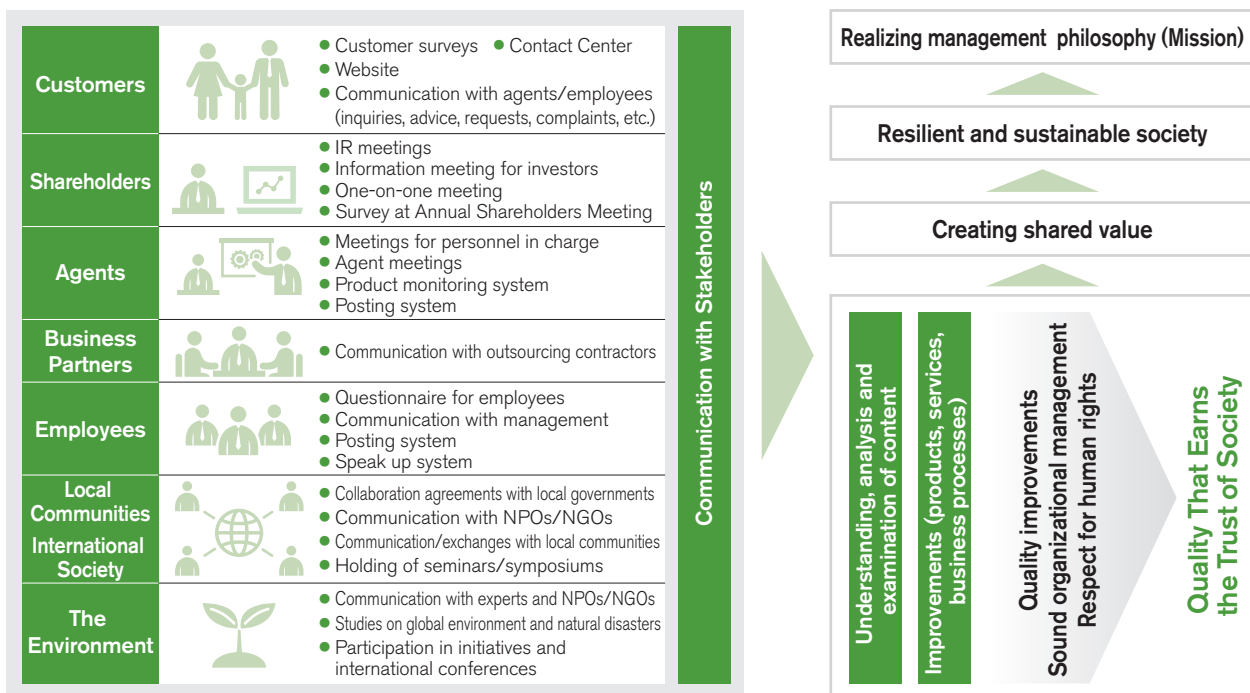


Quality That Earns the Trust of Society

As an initiative to support the creation of shared value, the MS&AD Insurance Group will ensure quality that earns the trust of society based on its communications with its stakeholders.

► Quality Improvements through Communications with Stakeholders

Establishing mechanisms and providing opportunities to listen to the opinions of its customers and other stakeholders, the Group analyzes and examines the information it obtains. In addition to improving the quality of its products and services, the Group also makes use of the information in initiatives relating to, for example, compliance, respect for human rights and the environment.



► Customer-First Business Operations

To continue growing as a company that customers choose based on trust, the Group strives to further promote business operations on a customer-first basis by treating each customer individually.

The six domestic insurance companies in the Group* formulated their “customer-first policy in the operation of their businesses” and released details together with status reports of specific initiatives for fiscal 2017. Having as a Group reviewed the KPIs relating to sustainability in accordance with the medium-term management plan “Vision 2021,” from fiscal 2018 we have set customer satisfaction levels based on questionnaires at the time of the insurance contract procedure or the claim payment as one of the KPIs.

* For details on policies and activities, please see the official websites for each company.
MSI, ADI, Mitsui Direct General, MSI Aioi Life, MSI Primary Life, au Insurance

TOPICS

The Group’s domestic insurance companies specify a period every year for all employees to look back on quality improvement and have employees confirm the importance of the customer-first policy at workplace meetings and other venues, thereby providing opportunities for them to think about putting the policy into practice in the course of their daily tasks.

(Left): Aioi Nissay Dowa Insurance workplace meeting tools
(Right): Mitsui Sumitomo Insurance display booth for employees



Corporate Governance

Corporate Governance

Having adopted the “strengthening of Group governance” as one of the four drivers of implementation in its basic strategy for Next Challenge 2017, the previous medium-term management plan, the MS&AD Insurance Group took a number of initiatives that included the improvement of the Board of Directors’ effectiveness.

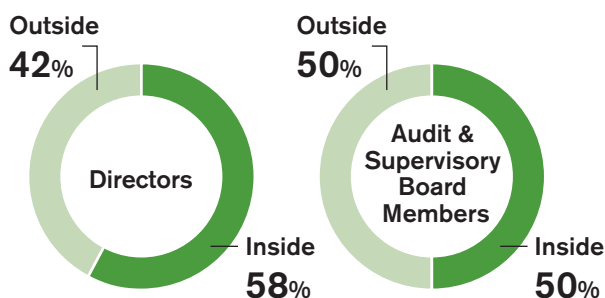
The focus of our coverage includes an evaluation of the effectiveness of the Board of Directors and a status report on the efforts geared toward improving its operations.

In aiming to promote the Group’s sustainable growth and increase its corporate value, we will conduct transparent, fair, swift and decisive decision-making processes and, under the medium-term management plan “Vision 2021,” will also work to strengthen our corporate governance system.

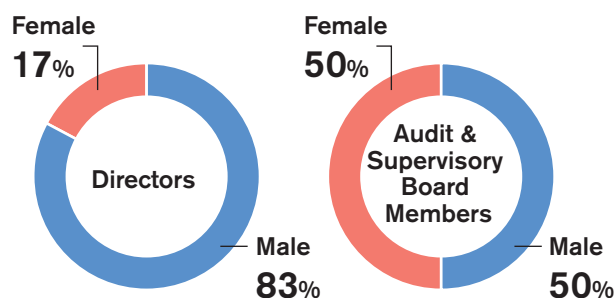
For our basic approach and an overview of our corporate governance structure, please visit our official website: <https://www.ms-ad-hd.com/en/company/value/corporate.html>

▶ Director/Audit & Supervisory Board Member Composition (as at July 1, 2018)

Ratio of Outside Directors

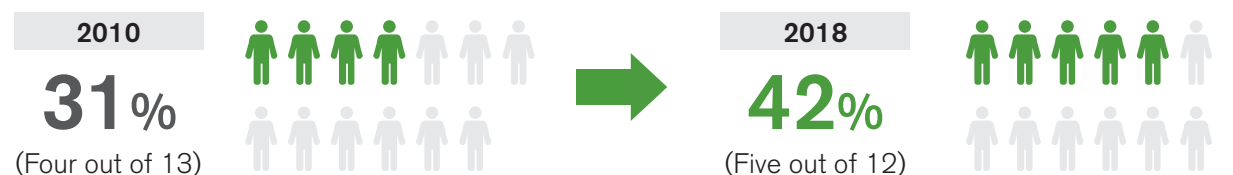


Ratio of Females

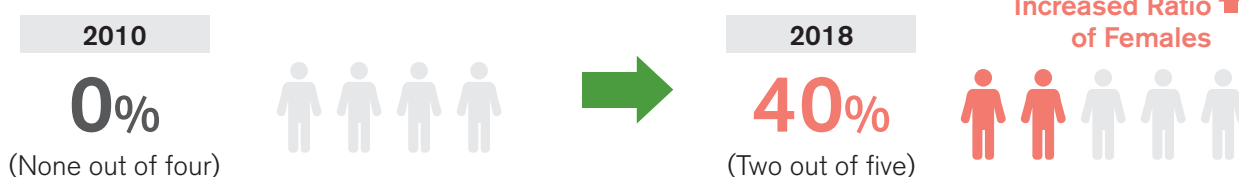


▶ Changes in Outside Director Composition (as at July 1, 2018: compared with July 1, 2010)

Ratio of Outside Directors



Ratio of Female Outside Directors



▶ Selection Process for Newly Appointed Outside Director Candidates

At the 10th Ordinary General Meeting of Shareholders, which was held on June 25, 2018, three new outside directors (Mr. Akira Arima, Mr. Kazuhito Ikeo, and Mr. Junichi Tobimatsu) were appointed. The process leading up to this appointment is as follows.

Fiscal 2016	<p>September 2016 Nomination Committee meeting*</p> <ul style="list-style-type: none"> Decision taken to proceed with nomination of, for example, “an executive (or experienced person) knowledgeable about international business” or “a non-Japanese national knowledgeable about Japanese companies,” taking diversity into consideration.
Fiscal 2017	<p>In addition to the candidate list up to fiscal 2016, we drew up a candidate list that included recommendations from outside directors.</p> <p>September 2017 Nomination Committee meeting</p> <ul style="list-style-type: none"> With the goal of them being appointed at the Ordinary General Meeting of Shareholders in June 2018, decision taken to proceed with selection from the viewpoints of expertise and diversity, with (1) an executive (or experienced person) knowledgeable about international business; (2) a person of learning or experience; (3) an attorney at law or; (4) a non-Japanese national knowledgeable about Japanese companies regarded as ideal candidates. <p>December 2017 Nomination Committee meeting</p> <ul style="list-style-type: none"> Based on candidates’ backgrounds and other factors, we selected the final candidates <p>February 2018 Nomination Committee meeting</p> <ul style="list-style-type: none"> We tentatively decided on the final candidates and, after a resolution of the Board of Directors, announced them on March 1.

* Composed of all outside directors, the Chairman of the Board and the President & CEO. The chairperson is an outside director (as at July 1, 2018, director Ms. Mari Matsunaga)

▶ Director evaluations

Outline of the Analysis and Evaluation

Discussion Content and Functions at the Board of Directors	
Points of improvement	<ul style="list-style-type: none"> • Held discussions focusing on notable technological innovations while formulating the new medium-term management plan "Vision 2021." • While maintaining focus on future changes in the operating environment, actively promoted new business investment to achieve medium-term plan targets. • Reduced number of annual agenda items while increasing time devoted to key proposals relating to strategic decisions. • Entrenched operations quickly providing information on new risk-taking projects such as overseas investment projects. • Promoted the "story of value creation" both within and outside the Group, which illustrates how the daily activities of our employees contributed to the realization of the Group's mission. • Achieved progress in sustainability (CSR) initiatives, including assessments provided by external ESG evaluation organizations.
Points requiring further reinforcement moving forward	<ul style="list-style-type: none"> • Given the pace of change in both the environment and technological innovations, there needs to be deeper discussions on how to adapt to a changing operating environment to achieve Vision 2021 goals. • Management needs to deepen among all employees an understanding of the significance of the Group's sustainability initiatives, the "story of value creation", the corporate mission, and the Group's contribution to SDGs by providing a clear explanation of the medium-term management plan "Vision 2021." • There needs to be greater awareness of the system for letting internal and external voices be heard, including the internal reporting system. The Group needs to create an environment in which employees feel free to speak up and be frank in expressing their concerns.
Board of Directors Management	
Points of improvement	<ul style="list-style-type: none"> • There has been an increase each year in the average amount of time spent discussing each agenda item at regularly scheduled meetings. • Notable progress in the use of visualization, including the use of a graph for agenda items, as well as efforts to reduce page count.
Points requiring further reinforcement moving forward	<ul style="list-style-type: none"> • The Board of Directors needs to be provided with a clear explanation of items covered in past meetings, particularly to new external members. • Explanations of agenda items for the Board of Directors need to be narrowed down to the most concise points.
Other (information and training for Outside Directors)	
Points of improvement	<ul style="list-style-type: none"> • Expanded opportunities for training and the distribution of information • Conducted four study sessions on themes requested by Outside Directors in fiscal 2017 • Conducted tours of operating companies

▶ Analysis and evaluation process

Executing and Compiling the Results of the Director Self-Evaluation Survey



- Interview conducted by the secretariat
- With an eye toward the PDCA cycle, the survey focused on whether measures for functional improvement in the 2016 Directors' evaluation were implemented.

Exchange of Opinions at the Outside Directors Council



- The exchange of opinions at the Outside Directors Council addressed an analysis and assessment based on the survey results

Compilation at the Governance Committee



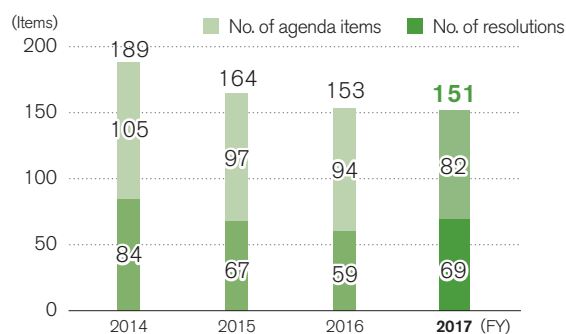
- The Governance Committee, composed of all Outside Directors, the Chairman of the Board, and the President & CEO, conducts analysis and evaluation, followed by the compilation of a functional improvement plan aimed at further strengthening governance in fiscal 2018.

Implementing Functional Improvement Measures Based on the Results

▶ Efforts aimed at improving the operation of the Board of Directors

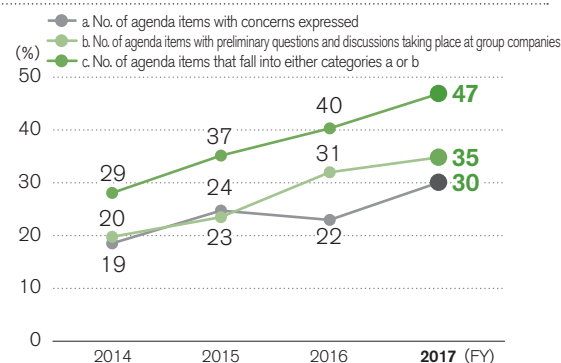
Trends in the number of agenda items

- Thanks to the January 2015 introduction of the so-called package deliberation system simplifying the explanation for some items up for discussion, the January 2016 expansion of items applicable to the package deliberation system, and the April 2016 revision to item selection standards for the Board of Directors, there has been, with the exclusion of package deliberation items, a decline each year in the number of items discussed at Board of Directors meetings.
- This has largely been in line with the initial aim of increasing the amount of time devoted to key proposals relating to strategic decisions.



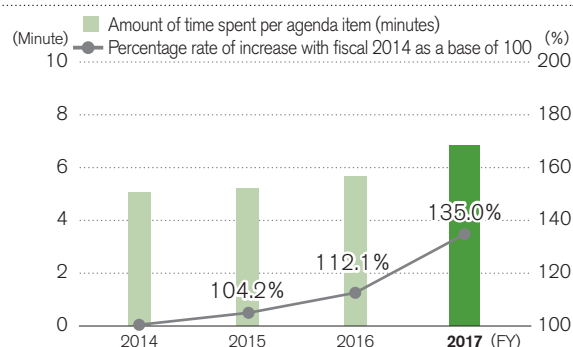
Trends in the number of agenda items where concerns were expressed and the number of agenda items with preliminary questions and discussions taking place at group companies

- The Company in 2014 began implementing measures allowing the questions and opinions of Outside Directors prior to the meeting as well as content from group management meetings and operating company management meetings to be aired at the Board of Directors' meetings.
- The ratio of agenda items where either concerns were expressed or preliminary questions were aired moved from 29% in fiscal 2014 to 40% in fiscal 2016 and 47% in fiscal 2017.



Trends in the average amount of time spent per agenda item at regularly scheduled Board meetings

- The average amount of time spent per agenda item at regularly scheduled Board meetings has continued to increase with each passing year (excluding so-called package deliberation items.)



Implementation of meetings, study sessions, and visits including Outside Directors

In addition to Board of Directors' study sessions, the Company Conducted operating company visits in fiscal 2017.

Date	Name	Content
May 2017	Outside Executives Study Group	• Next medium-term management plan, other topics
July 2017	Joint Council of Outside Directors and Audit & Supervisory Board Members	• Stress scenario and group impact (major earthquake, deterioration in the US economy), other topics
October 2017	Visit to Operating Company	• Visit to domestic group insurance companies (sales and claim services divisions)
October 2017	Outside Directors Council	• Changing work-styles and operations in the sales and claim services divisions, and the outlook moving forward • Changes and issues in the internal auditing division moving forward
November 2017	Visit to the project site of the Palyan Wildlife Sanctuaries in Indonesia	• Visit to elementary school where overseas group company is involved in CSR activities • Commemorative tree planting
November 2017	Group Executives Seminar	• Discussion led by external instructor of the evolution of the automobile and the connected car society
December 2017	Outside Executives Study Group	• Current conditions and issues for the group's internal reporting system (MS&AD Helpline)
February 2018	Outside Executives Study Group	• Exchanging opinions with and receiving information from accounting auditors
March 2018	Outside Executives Study Group	• Survey of employee attitudes, other topics

Strategies for functional improvements in fiscal 2018

Theme	Strategies for functional improvements in fiscal 2018 (key points)
Deliberations on management plans and strategies, commitment to the medium-term management plan	<ul style="list-style-type: none"> The unusually rapid pace of technological change, including the introduction of autonomous driving vehicles and the electrification in vehicles, makes it necessary for the Group to discuss in-depth how to deal with the changing operating environment. These discussions would include Outside Director Council and focus on topics such as how loss ratios might change and what the corresponding impact on the Group would be.
Deliberations on risk-taking projects	<ul style="list-style-type: none"> In regard to risk-taking projects, we will strive at Executive Study Group to better understand trends in competing and related businesses (non-life insurance, life insurance or banking).
Supervising the promotion and practice of the company's code of conduct and management philosophy	<ul style="list-style-type: none"> We will deepen among all employees an understanding of the significance of the Group's initiatives, the "the story of value creation", the corporate mission and the Group's contribution to SDGs by providing a clear explanation of the medium-term management plan "Vision 2021".
Appropriate cooperation with non-shareholder stakeholders (ensuring the voices of those inside and outside the company are heard)	<ul style="list-style-type: none"> We are working to improve environment which enables employees to speak up in frank and positive manner about their questions and concerns by establishing a so-called "speak up" system as part of the internal reporting system to receive input from all our employees.
Report on the issues regarding ESG (Environment, Society and Governance)	<ul style="list-style-type: none"> Given the importance of measures aimed at promoting and entrenching the understanding and significance of new terms such as "sustainability", "SDGs" and "CSV" (creating shared value) among all employees, we are employing a variety of communicative methods, including executive messages, training sessions, integrated reports, and media releases.
Management of the Board of Directors	<ul style="list-style-type: none"> We are focused on a thorough explanation of agenda items for the Board of Directors for the sake of clarification and simplification. In particular, Board of Director management is aimed at encouraging remarks from the Chairman on important items up for discussion.
Others (providing ongoing training opportunities for executives, etc.)	<ul style="list-style-type: none"> We will establish themes for Outside Executives Study Groups based on requests from the Outside Executives. We will continue to create opportunities to visit operating company sites in fiscal 2018. We will identify and discuss measures for future consideration based on the June 2018 revisions to Japan's Corporate Governance Code.

▶ Directors' and Audit & Supervisory Board Members' Remuneration

Remuneration Breakdown

Remuneration for Directors (excluding Outside Directors) consists of fixed remuneration and performance-based remuneration.

- a. Fixed remuneration (monetary remuneration): about 70%
- b. Performance-based remuneration: about 30%, consisting of the following
 - (a) Portion linked to company performance based on an index of Group Core Profit, consolidated net income, etc.
 - (i) Stock options as stock-based compensation system
 - (ii) Monetary remuneration
 - (b) Portion linked to individual performance

Because the Outside Directors are in a position independent from the execution of business, remuneration is limited to fixed (monetary) remuneration.

Total Amount of Remuneration (FY2017)

Remuneration by Category and the Number of Recipients

	Total Remuneration	Total Amount of Remuneration by Category	
		Basic	Stock Option
Directors (8*)	¥199 million	¥188 million	¥10 million
Audit & Supervisory Board Members (3*)	¥51 million	¥51 million	–
Outside Directors/Audit & Supervisory Board Members (9)	¥70 million	¥70 million	–

* Excluding Outside Directors and Audit & Supervisory Board Members.

Persons with Consolidated Remuneration (including remuneration for corporate officer posts at main subsidiaries, etc.) of ¥100 million or more

	Total Remuneration	Total Amount of Remuneration by Category	
		Basic	Stock Option
Director Yasuyoshi Karasawa	¥103 million	¥95 million	¥7 million
Director Noriyuki Hara	¥103 million	¥95 million	¥7 million

- Given the enhanced responsibilities expected of Outside Directors in line with the aim to bolster corporate governance and the increase of one Outside Director in fiscal 2017, the company on June 25, 2018, decided to lift annual remuneration for Outside Directors from ¥60 million or less to ¥100 million or less.

Corporate Governance

Introduction to Directors

(As of June 25, 2018, except for the number of Company shares owned, which is as of the end of March 2018)

Directors



Hisahito Suzuki

Representative Director
Chairman of the Board**Number of Company shares owned**
36,970**Important concurrent positions**
Director & Vice Chairman, ADI**Biography**April 1973 Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
Has business experience in sales, corporate planning, merger preparation, life insurance business, etc.
Present position since June 2014

Yasuyoshi Karasawa

Representative Director
President & CEO**Number of Company shares owned**
25,200**Important concurrent positions**
Director, Chairman of the Board, MSI**Biography**April 1975 Entered The Sumitomo Marine and Fire Insurance Co., Ltd.
Has business experience in corporate planning, sales, corporate communications, financial planning, etc.
Present position since June 2014

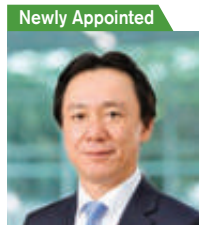
Noriyuki Hara

Representative Director
Executive Officer**Number of Company shares owned**
18,700**Important concurrent positions**
Director, President & CEO, MSI**Biography**April 1978 Entered Taisho Marine and Fire Insurance Co., Ltd.
Has business experience in market development, sales, product operations, corporate planning, etc.
Present position since June 2016

Yasuzo Kanasugi

Representative Director
Executive Officer**Number of Company shares owned**
25,608**Important concurrent positions**
Director & President, ADI**Biography**April 1979 Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
Has business experience in human resources planning, sales, corporate planning, merger preparation, etc.
Present position since June 2016

Shiro Fujii

Director
Executive Vice President,
CFO**Number of Company shares owned**
29,015**Important concurrent positions**
—**Biography**April 1979 Entered Taisho Marine and Fire Insurance Co., Ltd.
Has business experience in corporate planning, product operations, claims services, sales, systems and administrations, etc.
Present position since April 2016

Masahiro Higuchi

Director
Executive Officer

Newly Appointed

Number of Company shares owned
9,160**Important concurrent positions**
Director, Senior Executive Officer, ADI**Biography**April 1982 Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
Has business experience in corporate planning, investment planning, human resources, etc.

Takashi Kuroda

Director
Executive Officer**Number of Company shares owned**
17,900**Important concurrent positions**
Director, Executive Vice President, MSI**Biography**April 1979 Entered the Sumitomo Marine and Fire Insurance Co., Ltd.
Has business experience in sales, corporate planning, claims services, etc.

Mari Matsunaga

Outside Director
(Independent Director)**Meeting attendance (FY2017)**
15 of 15 Board of Directors' meetings (100%)**Number of Company shares owned**
1,100**Reason for appointment**

She was a chief editor of magazines and was involved in planning and development of new services at NTT DOCOMO, INC. She has been stating opinions at meetings of the Company's Board of Directors and other occasions based on her broad knowledge and experience concerning society, culture, consumer lifestyles, and other areas. We elected her to continue reflecting her knowledge and experience in the management of the Company.

Important concurrent positionsOutside Director of Rohto Pharmaceutical Co.
Outside Director of Seiko Epson Corporation

Apr. 1977	Entered Japan Recruit Center (currently, Recruit Holdings Co., Ltd. ["RECRUIT"])
July 1986	Chief editor of SHUSHOKU JOURNAL, published by RECRUIT
July 1988	Chief editor of TRAVAILLE, published by RECRUIT
July 1997	General Manager of Planning Div., Gateway Business Dept., NTT Mobile Communications Network Inc. (currently, NTT DOCOMO, INC.)
Apr. 2000	President & Director, Mari Matsunaga Office
June 2012	Director, the Company (present)



Mariko Bando

Outside Director
(Independent Director)

Meeting attendance

12 of 13 Board of Directors' meetings held after appointed date (92.3%)

Number of Company shares owned
200

Reason for appointment

She previously served as Director General of the Gender Equality Bureau of the Cabinet Office and currently serves as President of Showa Women's University. We elected her to utilize her broad knowledge and experience in public administration and education, as well as wide insight into promotion of diversity.

Important concurrent positions

Chancellor (Rijicho and Socho), Showa Women's University

July 1969	Entered the Prime Minister's Office
Oct. 1985	Counsellor of Cabinet Secretariat, Councillor of Cabinet Secretariat
July 1989	Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency
July 1994	Director of Gender Equality Bureau, Cabinet Secretariat
April 1995	Vice-Governor of Saitama Prefecture
June 1998	Consul General of Japan in Brisbane, Australia
Jan. 2001	Director General of Gender Equality Bureau, Cabinet Office
Oct. 2003	Director, Showa Women's University
April 2007	President, Showa Women's University
April 2014	Chancellor (Rijicho), Showa Women's University (present)
July 2016	Chancellor (Socho), Showa Women's University (present)
June 2017	Director, the Company (present)

Newly Appointed



Akira Arima

Outside Director
(Independent Director)

Meeting attendance

No record due to new appointment

Number of Company shares owned
0

Reason for appointment

He has been a Director of Nippon Telegraph and Telephone Corporation and President Chief Executive Officer of NTT Communications Corporation. We elected him to reflect his broad knowledge and experience from the information and communication business in the management of the Company.

April 1973	Entered Nippon Telegraph and Telephone Public Corporation
June 2002	Director and General Manager, Planning Dept., Nippon Telegraph and Telephone East Corporation
April 2003	Director and General Manager of Corporate Planning Dept., Nippon Telegraph and Telephone East Corporation
June 2005	Director, Nippon Telegraph and Telephone Corporation
June 2007	Executive Vice President, Head of Internet Business Division NTT Communications Corporation
June 2010	President, Chief Executive Officer, NTT Communications Corporation
June 2015	Director and Advisor, NTT Communications Corporation
June 2017	Advisor, NTT Communications Corporation (present)
June 2018	Director, the Company (present)

Newly Appointed



Kazuhito Ikeo

Outside Director
(Independent Director)

Meeting attendance

No record due to new appointment

Number of Company shares owned
1,000

Reason for appointment

He has experienced a number of posts, including university professor, member of the Financial Services Agency's Financial System Council, and chairman of the Council of Experts Concerning the Corporate Governance Code and has broad knowledge and experience in the economic and fiscal fields as well as financial administration. We elected him to reflect his knowledge and experience in the management of the Company.

Important concurrent positions

Professor Emeritus, Keio University
Professor, Faculty of Economics, Ritssho University

April 1984	Associate Professor, Faculty of Economics, Okayama University
April 1986	Associate Professor, Faculty of Economics, Kyoto University
April 1995	Professor, Faculty of Economics, Keio University
April 2018	Professor Emeritus, Keio University (present) Professor, Faculty of Economics, Ritssho University (present)
June 2018	Director, the Company (present)

Newly Appointed



Junichi Tobimatsu

Outside Director
(Independent Director)

Meeting attendance

No record due to new appointment

Number of Company shares owned
0

Reason for appointment

He has a wealth of knowledge and experience concerning overall corporate legal affairs including those overseas companies as an attorney-at-law. We elected him to reflect his knowledge and experience in the management of the Company.

Important concurrent positions

Attorney-at-Law, Tobimatsu Law
Outside Corporate Auditor of amana inc.

April 1998	Admitted as Attorney-at-Law Attorney-at-Law, Mori Sogo (currently, Mori Hamada & Matsumoto)
June 2004	Admitted as Attorney-at-Law, N.Y.
April 2010	Associate Professor, Graduate School of Law and Political Science, the University of Tokyo
July 2016	Attorney-at-Law, Tobimatsu Law (present)
June 2018	Director, the Company (present)

Audit & Supervisory Board Members



Hiroshi Miura

Audit & Supervisory Board Member (Full time)

Number of Company shares owned

21,000

April 1979	Entered Taisho Marine and Fire Insurance Co., Ltd.
April 2010	Executive Officer, General Manager of Investment Planning Dept., Mitsui Sumitomo Insurance Co., Ltd. ("MSI")
April 2013	Managing Executive Officer, General Manager of Financial Services Div., MSI Executive Officer, the Company
April 2014	Director, Managing Executive Officer, General Manager of Financial Services Div., MSI
June 2015	Audit & Supervisory Board Member, the Company (present)



Tomoko Kondo

Audit & Supervisory Board Member (Full time)

Number of Company shares owned

4,579

Apr. 1983	Entered Chiyoda Fire & Marine Insurance Co., Ltd.
Apr. 2015	Executive Officer, Aioi Nissay Dowa Insurance Co., Ltd. ("ADI")
Apr. 2017	Advisor, ADI
June 2017	Audit & Supervisory Board Member, the Company (present)



Kunio Chiyoda

Outside Audit & Supervisory Board Member (Independent Auditor)

Meeting attendance (FY2017)

15 of 15 Board of Directors' meetings
13 of 13 Audit & Supervisory Board meetings

Number of Company shares owned

1,100

Reason for appointment

As an accounting and auditing professional, he has served as a university professor and public-institution committee member, etc., and that extensive knowledge and experience will be reflected in the Company's audits.

Important concurrent positions

Director of Terasaki Electric Co., Ltd. (Outside Director (Audit Committee))

May 1971	Registered Certified Public Accountant
April 1976	Assistant Professor, College of Business Administration, Ritsumeikan University
April 1984	Professor, College of Business Administration, Ritsumeikan University
April 1999	Dean of College of Business Administration, Member of the Board, Ritsumeikan University
April 2009	Professor, Graduate School of Accountancy, Kumamoto Gakuen University
April 2012	Professor of Graduate School of Accountancy, Waseda University
April 2013	Chairperson, Certified Public Accountants and Auditing Oversight Board
June 2016	Audit & Supervisory Board Member, the Company (present)



Kyoko Uemura

Outside Audit & Supervisory Board Member (Independent Auditor)

Meeting attendance

13 of 13 Board of Directors' meetings held after appointed date
11 of 11 Audit & Supervisory Board meetings

Number of Company shares owned

0

Reason for appointment

As a legal expert, she previously served as a judge and practices law as an attorney-at-law, etc. and that wealth of knowledge and experience will be reflected in the management of the Company.

Important concurrent positions

Attorney-at-Law, LM Law Offices

Apr. 1994	Assistant Judge, Osaka District Court
Apr. 2004	Judge, Numazu Branch, Shizuoka Family Court
Apr. 2005	Judge, Yokohama District Court
Apr. 2008	Admitted as Attorney-at-Law, LM Law Offices (present)
June 2017	Audit & Supervisory Board Member, the Company (present)

Executive Officers

Chairman of the Board

Hisahito Suzuki

President & CEO

Yasuyoshi Karasawa

Executive Officers

Noriyuki Hara

Yasuzo Kanasugi

Executive Vice President

Shiro Fujii

Corporate Planning Dept.,
Corporate Communications and Investor Relations Dept.,
Business Development Dept.,
International Life Insurance Business Dept.,
Information Technology Planning Dept.,
International Supervisory Dept.,
Internal Audit Dept.,
Group Capital Policy,
Sustainability,
Chief Financial Officer

Senior Executive Officer

Fumiaki Ohkawabata

Human Resources and General Administration Dept.,
Accounting Dept.,
Compliance Dept.,
Corporate Risk Management Dept.,
Internal Audit Dept.,
Chief Risk Officer

Executive Officers

Masahiro Matsumoto

International Business

Teruhiko Ito

Financial Services Business

Hidema Jinno

General Manager of
Corporate Risk Management Dept.

Masahiro Higuchi

Claims Services

Shinichiro Funabiki

Administration and
Information Systems
Chief Information Officer
Chief Information Security Officer
Chief Digitalization Officer

Tetsuji Higuchi

Assist Management

Takashi Kuroda

Marketing & Sales

Yukio Ogata

Products・Reinsurance

Satoru Tamura

Assist Management

Naomi Motojima

Diversity & Inclusion

* Executive Vice President Shiro Fujii is responsible for internal auditing of the departments which Senior Executive Officer Fumiaki Ohkawabata oversees.

For more information related to corporate governance, see the Group's official website.

Website content

●Corporate Governance

(<https://www.ms-ad-hd.com/en/company/governance/corporate.html>)

- Basic Policies on Corporate Governance
- Supervision System in Detail (Role of the Board of Directors, Composition of the Board of Directors, Expected Roles of Outside Directors, Support Systems for Outside Directors and Outside Audit & Supervisory Board Members)
- Nomination and Remuneration in Detail (Nomination Process, Criteria for the Selection of Director Candidates and Audit & Supervisory Board Member Candidates, Remuneration Determination Processes)
- Responses to 11 Principles of the Corporate Governance Code
- Group Management Structure in Detail
- Internal Control Systems

Message from Outside Director

Outside Director (Independent Director)

Mariko Bando

Having completed your first year as an outside director, please tell us your overall impression about the Board of Directors' management and discussions through the year.

It has been challenging to grasp all of the topics on the table to discuss at the Board of Directors because they were from the different operating companies within the Group. That said, detailed explanations provided in advance have been very helpful. I have realized that every proposal was brought from great efforts each operating company made.

For myself, there is nothing more important as an outside director than sharing the Company's overall goals and vision. Since all matters to be discussed by the Board of Directors have already been deliberated at each operating company, our role is to confirm from various angles that each matter aligns with the overall strategy and vision of the Group. All outside directors, therefore, need to understand the Group's mission, vision, and values thoroughly. Based on this, we should evaluate various issues by our own criteria while drawing upon our expertise and insights to convey fresh perspectives to the Company.

Looking back on the past year, proposals on overseas business have definitely involved protracted deliberations to come to conclusions. Various opinions have been expressed about how to manage the acquired overseas operating company with earnings well below forecasts. In general, the Japanese like to strive harder to meet global standards to follow but are not accustomed to lead setting up new rules by leveraging our own strengths. This is an issue that we need to overcome if we work with overseas companies to build mutually positive relationships.

How do you feel about participating in formulating the new medium-term management plan "Vision 2021"?

In the "Vision 2021," the MS&AD Insurance Group clearly set a goal to realize "a world-leading insurance and financial services group" with new management numerical targets to achieve. In addition, one of the features is integrating SDGs (Sustainable Development Goals) initiatives into business activities to realize a resilient and sustainable society which is an image of society in 2030 the Group aims.

While the greatest purpose of companies is to sustainably increase profits, we are now questioned what value we may provide to society at the same time. There are not a lot of companies yet that incorporate social values into company's business strategy to ensure their business activities help make the world a "better place to live," but the MS&AD Insurance Group does.

Based on re-acknowledging that a critical goal as an insurance company is to bring safety and peace of mind to a society, in "Vision 2021" there are three core strategies based on its long-term objectives that plan to make steady progress in achieving. For example, one of these core strategies "promoting digitalization" is not only aimed at improving operational efficiency, but also enhancing customer experience value. Therefore, this initiative will be expanded into global market to improve customer's value as group worldwide. This strategy includes initiatives to solve social issues such as addressing cyber risks and developing next-generation automobile insurance.



What are your thoughts on the Group's D&I initiatives?

From this fiscal year, the Group has placed an executive officer in charge of Diversity & Inclusion (D&I) to strengthen its Groupwide efforts to this end. It will take time to see the actual effect of diversity. Although it is often said that D&I is a social responsibility to respect human rights, I think the essential role of D&I is to enhance a company's reform over the long term. I believe D&I would be one of triggers to generate innovation and that is the intrinsic value of D&I.

Starting with utilizing women employees, it is important to set numeric targets for females in management positions over the medium- to long-term. Besides, it is also effective in the near term to develop practical training program and to design personnel system. The purpose of training programs provides employees with an opportunity to grow themselves. I propose to target 20-30% of participants as women.

Moreover, it should not be over-concerned when it comes to personnel transfer of female employees. It is really depends on the person, not gender whether the person likes to try new challenges. In any case, everyone should have equal opportunities.

In fact, we should create a structure for assigning employees to desired positions through internal job postings that attract motivated individuals by providing them with open opportunities to engage in challenging positions that leverage their abilities.

I would like to see multiple career paths geared toward employees' goals.

In addition, it is critical to foster a more international workforce in light of the Company's goal to derive 50% of its profits from overseas businesses. While fostering global personnel for Japanese is important, the Company needs to

hire foreigners as part of its diversity initiatives. A corporate culture fostered solely around Japanese employees will be unable to prevail against international competition. This is why D&I is so important, and on this basis what vital to promote D&I initiatives is transparency by revealing all issues and every process.

Diversity means collaboration among people with different backgrounds and values. Therefore, it is important to share mutual goals, rules, and decision-making processes. For example, even though final decisions are made by top management, the whole process should be disclosed because everyone is well informed with the process and starts working with confident of the decision. The Company must take steps to ensure that information is not compartmentalized among employees based on their position, rank, and employment status within the organization.

What is your expectation for the Group?

In terms of non-monetary corporate value, I would like to see the Group gain a reputation of doing right things for society and people, which contributes to make the world a better place. This is what I call "non-monetary corporate value," which is beyond monetary value such as market capitalization. To pursue this, each employee must perform at full potential to achieve Company's goals, which in turn requires cultivating a working environment to foster the employee's motivation.

While tangible assets are important, it is ideal model for a company to sustainably grow by accumulating intangible assets such as human, intellectual, social, and natural capital. Since people are core value for companies, I truly expect the Group to respect people and to foster employee engagement.

Dialogue with Shareholders and Investors (Information Disclosure and IR Activities)

The MS&AD Insurance Group proactively engages in highly transparent information disclosure and constructive dialogue with shareholders and investors in an effort to achieve sustainable growth and increase enterprise value.

Specifically, by providing highly transparent information disclosure, MS&AD Holdings seeks to reduce information asymmetries with shareholders and investors. Also, by obtaining feedback from constructive dialogue with shareholders and investors, MS&AD Holdings is able to share this feedback with its management and the relevant departments and utilize it in formulating its management strategies.

▶ Main Initiatives

- Holding a briefing for the Integrated Report, talked about MS&AD's Story of Value Creation
- Holding of "MS&AD IR Day" with the objectives being to have the top management of each business division explain business details and to carry on a constructive dialogue between management executives and investors
- As measures to strengthen information sharing with management and relevant departments, implementation of regular reporting on IR activities, feedback on how the stock markets view the Company, and quarterly reports on the Company's share price to the Group Management Committee and the Board of Directors
- Creation of a program for feedback meetings to the Group's relevant departments

▶ Activities Undertaken in Fiscal 2017

The Group organized Information Meetings at which the President explained management strategies and performance, as well as MS&AD IR Day, which aimed to have a constructive dialogue between management executives and investors.

Opportunities also were created for the President and the officer in charge of the Corporate Communications and Investor Relations Department to speak directly to major shareholders and investors in Japan and abroad. The opinions of shareholders and investors gleaned from these conversations are being reflected in management strategies with the aim of improving enterprise value.

We held a briefing about the Integrated Report and talked about MS&AD's Story of Value Creation.

We also held several corporate briefings for individual investors around Japan and participated in the Nikkei IR and Investment Fair for the second consecutive year.

() indicates FY2016 figures

Strategy explanation meetings for institutional investors and analysts (Information Meeting)	Twice (Twice)
Telephone conferences (earning results) for institutional investors and analysts	4 (4) times
Telephone conferences for institutional investors and analysts	3 (0) times
Sessions for an exchange of opinions with institutional investors and analysts (MS&AD IR Day)	Once (Once)
Investors' Dialogue on the MS&AD Integrated Report 2017	1 (0) times
Conferences organized by securities companies	5 (6) times
Individual meetings (except conferences)	231 (232) times
Information sessions for individual investors	12 (7) times



Information meeting for institutional investors and analysts



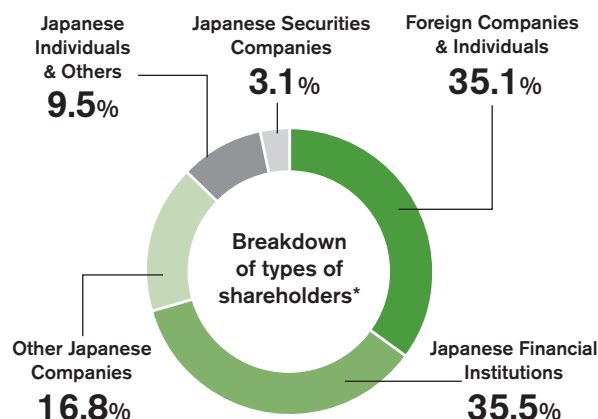
Investors' Dialogue on the MS&AD Integrated Report 2017

▶ IR Activities for Overseas Investors

With foreign investors and foreign corporate investors making up almost 35% of all its investors, MS&AD Holdings has been stepping up efforts for the disclosure and dissemination of information while engaging in a dialogue with overseas investors.

The President and the officer in charge of the Corporate Communications and Investor Relations Department take trips overseas to visit with investors and proactively participate in conferences sponsored by securities firms for foreign investors as a part of our constructive dialogue initiatives.

From the viewpoint of disclosing information in a timely and fair manner, MS&AD Holdings is enhancing information disclosure through the English version of its website, making concerted efforts to augment information for foreign investors.



*As of March 31, 2018

▶ Information Disclosure as the Basis for Dialogue

Website (Japanese/English)

The Group makes prompt and fair information disclosure in both English and Japanese.



Daiwa Investor Relations
"Internet IR Excellence
Award 2017"

Integrated Report (Japanese/English)

The MS&AD Integrated Report 2017, published in 2017, received the Award for Excellence and the Special Award, respectively, from the Fifth WICI Japan Integrated Report Awards and the Nikkei Annual Report Awards.



Japanese version



English version

▶ General Shareholders' Meeting

	FY2016	FY2017	FY2018
Held	June 22 (Wednesday)	June 26 (Monday)	June 25 (Monday)
Shareholders attending	654	633	774
Ratio of the exercise of voting rights	85.8%	85.8%	84.3%
Notice of convocation issue date	May 30 (Monday)	June 2 (Friday)	June 1 (Friday)
Notice of convocation notice website announcement date (Japanese/English)	May 24 (Tuesday)	May 23 (Tuesday) (Japanese) May 26 (Friday) (English)	May 22 (Tuesday) (Japanese) May 23 (Wednesday) (English)



For more shareholder and investor information, see the Company's official website.

Website content

- "Policy for Constructive Dialogue with Shareholders"
- Financial and non-financial reports (timely disclosure information, materials for results briefing – conference call, Corporate Governance Reports, materials for Information Meeting and CSR Reports)
- Streaming videos of presentations by the President (including a summary of the Q&A session)
- Notice of convocation of General Shareholders' Meeting