



**Shinichiro Funabiki**

Representative Director  
President & Group CEO

# We will achieve sustainable growth

by resolutely implementing major reforms of business style based on the premise of “fair competition”

## On assuming the position of CEO

My name is Shinichiro Funabiki, and I was appointed Representative Director, President & CEO of MS&AD Holdings in June 2024.

The major role expected of me is to achieve sustainable growth and enhance corporate value by utilizing the Group’s financial, human, and intellectual capital to the maximum possible extent, on the basic precondition of fair competition, in response to various problems resulting from business practices in the non-life insurance industry, including premium adjustment and improper insurance claims that have occurred in Japan.

Our market capitalization was ¥5.7 trillion as of the end of July 2024. We aim to achieve a market capitalization of ¥10 trillion and return on equity (ROE) in the mid-10% range as soon as possible, as part of our endeavor to catch up with and surpass competitors in Europe and America.

The insurance industry is now at a major crossroads. In Japan, the traditional market is expected to shrink owing to factors such as a declining population, the falling birth rate, and an aging population, and a decrease in traffic accidents caused by the spread of advanced safety devices. Globally, we must also respond to unprecedented circumstances, including climate change, the increasing severity and frequency of natural disasters, the social impact of the rapid evolution of AI, and threats in cyberspace.

To this end, I will make full use of my own strength, the ability to overcome obstacles, to resolutely implement reforms without being constrained by the conventional framework of the insurance business.

## Strengthening the holding company’s functions and improving the independence and objectivity of the Board of Directors

Our highest priority is the development of a system that supports our medium- to long-term growth strategy.

The Group includes five domestic insurance companies, which each have individual characteristics. Since the business integration in 2010, we have continued to grow by utilizing the strengths of each of these companies to the maximum possible extent as the pillar of our management strategy. As a result, in the domestic non-life insurance business,

### Return on equity (ROE)

An indicator of how much profit a company makes in relation to the funds invested by shareholders.

we are the top company in Japan in terms of sales, and we have strong business foundations supported by one of the largest customer and agent networks in Japan.

In addition, to complement our domestic non-life insurance business and build a balanced business portfolio, we have expanded the scope of our business in five business domains, including the international business, domestic life insurance business, financial services business, and digital/risk-related services business.

To further pursue the Group's comprehensive strengths, we will strengthen functions related to the management strategy of the Group as a whole, centered on the holding company, and allocate the necessary capital to growth areas in a timely manner.

From the perspective of corporate governance, to strengthen the supervisory function of the holding company's Board of Directors in response to the demands of the times, we intend to improve its independence and objectivity, while also making prompt management decisions and engaging in bold risk-taking through in-depth discussions with Outside Directors.

## Execute growth strategies that utilize proceeds from the sale of strategic equity holdings

Strategic equity holdings will serve as the source of funds for the implementation of medium- and long-term growth strategies. As of March 31, 2024, the Group's strategic equity holdings had a fair value of approximately ¥3.6 trillion, and we aim to reduce this amount to "zero" by the end of March 2030. We will allocate the funds obtained from the sale of strategic equity holdings to new business investments, next-generation system/DX-related investments, and asset management.

The main targets for business investment will be the United States, the largest market for non-life insurance, and Asia, where the Group has strengths.

In the Lloyd's and reinsurance businesses, which were the core businesses of Amlin (U.K.), which we acquired in 2016, we have faced various hardships, including an increase in large-scale natural disasters, the spread of COVID-19, and the war in Russia and Ukraine, but we have steadily increased profitability through disciplined underwriting and appropriate risk control, and as a result, this business has become a driver of growth in the international business. While building on these foundations, we aim to diversify sources of profit and distribute risks by expanding our business foundations in the United States and Asia.

In the digital/risk-related services business, we feel there is significant potential that goes beyond the concept of the insurance business, such as the creation of business opportunities through the development and sale of new solutions before and after compensation and protection, the provision of products and services that will help solve social issues, and the strengthening of our earnings foundations based on revisions to business processes.

In our Medium-Term Management Plan (2022–2025), we have positioned MS&AD InterRisk Research & Consulting as the core of the digital digital/risk-related services business, and we are promoting the development and sales of solutions that utilize digital data. In the past, we have introduced services that contribute to enhancing the value of our offerings, such as the "MS&AD Cyber Risk Finder," which diagnoses and assesses vulnerability risks across the entire supply chain, to counter the threat of cyberattacks.

Our "Business Innovation Challenge Program," in which all Group employees are invited to submit business ideas, has also led to a succession of new business initiatives. Our "Dashcam Road Manager"



service for local governments, in which a dashcam installed in the customer's vehicle automatically detects road damage, thus supporting road maintenance and management operations, is a typical example of this approach.

We will consider proactive capital allocation on the expectation that business development based on social issues, environmental changes, and customer needs will not only increase earnings but also contribute to improved profitability through the provision of accident prevention and recovery services, as well as synergies with existing businesses.

## “Major reforms of business style”

To firmly establish business operations that are based on the major precondition of fair competition, we will promote major reforms of business style, particularly in the domestic non-life insurance business.

We will engage in a thorough review of excessive core business support and secondment to customers and agents, which have become competitive disincentives, and we will restructure our relationships with agents, which are our business partners.

In addition to the original function of insurance, we will strengthen our solutions for before and after compensation and protection, enabling us to provide the most valuable products and services to our customers and society, and demonstrate our competitiveness and growth in the changing business environment in Japan.

Data, digital technologies, and AI will support stronger solutions for both before and after compensation and protection. At the same time, by digitizing all insurance-related procedures, we will promote bold reforms that will enhance customer satisfaction and convenience, as well as the productivity of the Company and our agents. In addition, we will pursue ease of use for products and convenience for procedures from the customer's perspective and optimize the structure of our IT systems accordingly, thereby changing our earnings structure.

The reduction of our business expense ratio is also a pressing issue. Under our Medium-Term Management Plan, we will take steps to enhance operational efficiency and improve quality through our "One Platform Strategy," whereby we will promote standardization, collaboration, and integration centered on the middle- and back-office divisions of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance. To remain the company of choice for customers in the domestic market, we feel that we are at a point where we must evaluate our options, including a review of our structure of having two core insurance companies.

We believe that the utilization of AI is key to improving operational efficiency. We have already created an environment where approximately 30,000 employees can safely use generative AI, and many examples of improved operational efficiency have emerged. In the Group, we plan to increase our digital human resources to 7,000 by 2025, and we expect these human assets to lead our digitalization efforts, along with approximately 100 data scientists. We also intend to incorporate outside knowledge as necessary to improve the effectiveness of operations that utilize AI.

Price competition might occur in the right competitive environment. If price competition occurs, profitability will undoubtedly decline. To sustainably continue providing products and services under such circumstances, more ingenuity is required, for example, in setting the scope of coverage and calculating optimal premiums. How do we evaluate and select the risks in the world? We have deepened our underwriting knowledge and enhanced our risk management capabilities through our Lloyd's and reinsurance businesses. Now is the time for us to maximize the abundant underwriting expertise that we have accumulated.

## Toward diverse human assets

It is “people” who will implement reforms. The Group has approximately 40,000 employees in Japan and overseas. An important role of management is to create an environment where employees are highly motivated and can work with trust in the Company.

Our business domains are increasingly expanding, both in Japan and overseas. Having each site share our Mission, Vision, and Values as shared values and executing growth strategies across the Group will contribute to our competitiveness in the global insurance market. 2024 marks the

100th anniversary of the establishment of our first overseas office in the United Kingdom. With sites in 48 countries and regions, the Group operates businesses with roots in local communities, and we thus believe this gives us a competitive advantage.

My motto has always been “Be sincere.” This is connected to “integrity,” which is one of the Group’s values, and it is the guiding principle that I consider most important. I think of “integrity” as a concept like the ethical principle of “what people are supposed to do.”

There are many athletes among the Group’s employees, and they actively participate in world-class competitions and have achieved results. Listening to them speak, I feel that top athletes always act with integrity and never forget to express gratitude to

those around them. That is why they are able to practice with all their heart and do their best in games and competitions. This is true in business as well. We are grateful to our stakeholders. We provide better products and services, and in the event of an emergency, we will support our customers through prompt insurance claim payments. I hope that employees will be able to act without being conscious of this and instead take it for granted.

We will also consider introducing a new personnel system, replacing the seniority-based system, to ensure that every employee can grow further. We will allow employees to choose their own posts and duties at their own will. All employees of the Group will thus fully exercise their individuality and abilities as they actively participate. I hope to create such a company in the near future.

## Management that is conscious of the cost of capital and the stock price

In recent years, we have made progress in curbing profit and capital volatility through efforts to improve profitability in the domestic non-life insurance business, improvements in profit levels through disciplined underwriting in the Lloyd’s and reinsurance businesses, reductions in strategic equity holdings, and stronger controls on catastrophe risk. As a result, the Company’s stock price has risen, with the price-to-book ratio (PBR) finally exceeding 1x in the second half of FY2023, and remaining at the 1.2x level as of the end of July 2024. A P/B ratio of 1x is only a passing point, and we aim to further raise the level of our P/B ratio.

To achieve this, we must enhance both profitability and growth, and we will strongly promote improvements to capital efficiency, while also raising our underwriting capabilities and operational efficiency.

We have continued to face difficult conditions concerning insurance underwriting income in the domestic non-life insurance business over the past few years, owing to factors such as the deteriorating profitability of voluntary automobile insurance as a result of the recovery of traffic volume in the post-COVID-19 era and inflation, and the fact that it is taking time to improve the profitability of fire insurance, partly because of the increase in windstorms and hailstorms.

To achieve ROE in the mid-10% range in such an environment, we must, of



Celebrated the 100th anniversary of our expansion into the United Kingdom in the financial district known as the City

### Price-to-book ratio (PBR)

An indicator that measures the level of a company’s stock price based on its assets and financial condition.

course, accelerate the reduction of our business expense ratio through such measures as operational efficiency improvements and reviews of the roles of the two core non-life insurance companies amid major reforms of business style, and at the same time, we must take urgent measures to improve profitability, including implementing premium rate increases after carefully explaining to customers that they are truly necessary.

When executing business investments, we will assess the investment from multiple perspectives, focusing on whether it will contribute to improving the return on risk (ROR) of the Group as a whole, as well as factors such as whether it will help diversify our portfolio and generate synergies with existing businesses, and whether it will provide capabilities that will help accelerate the Group’s growth.

We will also further strengthen profitability improvements in existing businesses. In the first stage of the current Medium-Term Management Plan, we have been reviewing and reconfiguring our portfolio after resolutely deciding to withdraw from the nursing care business in Japan, as well as retail insurance in Brazil, telematics insurance in the United Kingdom, insurtech in the United States, and other businesses overseas. In business management, we will use ROI, which measures return on investment, as a monitoring indicator as we take steps to shift capital from less profitable businesses to more profitable ones.

Furthermore, in terms of shareholder returns, we will realize returns commensurate with steady profit growth in line with our basic policy of stably returning 50% of Group adjusted profit, including gains from the sale of strategic equity holdings. In addition, we will emphasize predictable returns by limiting volatility in profits and capital.

## To shareholders and investors

Since 2021, when I became president of Mitsui Sumitomo Insurance, I have devoted significant time to listening to the views of our stakeholders. We held so-called town hall meetings with employees in 68 departments and branches in Japan and overseas in FY2023 alone. We have promptly utilized the various opinions we have received in product and service development, system development, and human resource policies. For example, we achieved results such as jobs that contribute to society and facilitate reskilling thanks to learning things from employee input.

As CEO, I would like to have as many opportunities as possible to directly engage in dialogue with shareholders and investors. We will take your comments and suggestions seriously as we endeavor to increase shareholder value. We also hope to increase the number of investors who become new shareholders by carefully communicating the Group’s growth story to the stock market.

As the head of the Group, I will exercise leadership, so please look forward to the future growth of the Group.



### Return on Risk (ROR)

An indicator that shows how much profit (return) is secured in relation to the amount of risk.

## Renewing our aspirations

Even if we achieve the targets that we have set for major reforms of business style, it will not mean the end of our reforms. This is because insurance is a business that should change in line with people's mindset and the state of society.

The scroll in the photo was written by my calligraphy teacher. It says "nisshin-no-kokorozashi," which means "a positive attitude of trying to make progress with renewed aspirations day by day." I want to always look at things from new angles and create a world supported by a new sense of values.



## Green resilience—the emergence of businesses that utilize nature's bounty

The Group has identified "Symbiosis with the global environment (Planetary Health)" as one of our key issues among the social issues of high importance to stakeholders, and we are focusing on the two aspects of "addressing climate change (carbon neutrality)" and "improving the sustainability of natural capital (nature positivity)."

Specifically, we actively develop and provide products and services that contribute to the decarbonization of society and the transition to a circular economy, including the "Flood Risk Finder," a SaaS-type platform that facilitates global flood risk assessments, and the provision of nature-related information disclosure services in line with the TNFD. We are also committed to management that considers our impact on the global environment. These efforts will not only mitigate risks related to climate change and natural capital and positively affect sustainable growth but also be viewed as a positive factor in the stock market. This is because natural capital is one of the components in the value creation mechanism of a company, alongside financial and human capital.

In recent years, global attention has been drawn to efforts related to "Nature-Based Solutions," where social issues are solved by utilizing the functions of nature, such as disaster prevention and mitigation utilizing nature, carbon capture and storage using forests and seaweed beds, and the promotion of primary industries that add value through consideration for nature, such as organic farming. We call such efforts "green resilience," and we have been among the first to incorporate this concept into our business activities.

A typical activity is our "Green Earth Project." At three locations in Japan, we are working with governments, research institutions, and NPOs on activities to preserve and restore wetlands, rural mountain villages, seaweed beds, and other landscapes, one of which is the Kuma River basin in Kumamoto Prefecture. Here, we aim to preserve biodiversity and restore disaster prevention and reduction functions through wetland restoration. I visited the site in June 2024 and experienced rice planting and bamboo cutting with the participants.

The progression of global warming and the erosion of natural capital are significantly impacting primary industries such as agriculture, fisheries, and forestry. When you visit regional areas, you can clearly see what is happening in Japan, what industries are undergoing change, and what the local people are

struggling with. As the number of workers decreases, forests and farmlands fall into ruin and biodiversity deteriorates. The more primary industry workers are in an area, the more damage is done.

To solve the critical issues facing regional areas, we must work with local people to understand their aspirations and draw a road map. When entering local communities, it is essential that there is a receiving local government or NPO and that we build a network of industry, government, and academia.

We feel that as the Group has become part of local communities, winds from the outside are blowing and collaboration among various local stakeholders is accelerating. There are issues that cannot be solved by our activities alone, but we intend to act as a catalyst in expanding the circle of cooperation between stakeholders in each region.



### Taskforce on Nature-related Financial Disclosure (TNFD)

This entity provides a framework for companies to understand their relationship to nature and to appropriately disclose information.

### Green Earth Project

A cross-group project focused on the themes of preservation and restoration of the natural environment, reduction of environmental impact, disaster prevention and reduction, and regional development.

## [Response to administrative action and efforts to prevent recurrence]

Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance received business improvement orders from the Financial Services Agency of Japan under the Insurance Business Act for premium adjustment activities in the corporate insurance field, and in February 2024, they formulated improvement plans to prevent such a situation from occurring again.

Currently, the two operating companies and the holding company are taking the following actions to ensure that business operations are conducted in a customer-focused manner, through the steady implementation of measures to prevent recurrence.

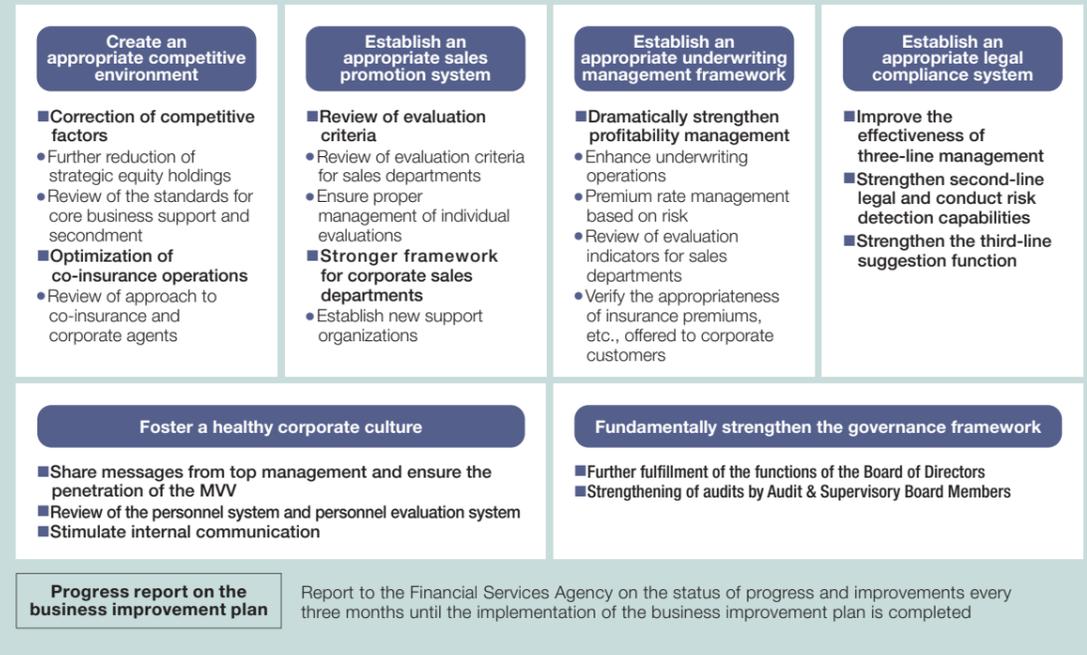
We will regularly report the progress of measures to prevent recurrence and the status of improvements to the Financial Services Agency and appropriately disclose information.

The Group as a whole will continue working to ensure thorough compliance, including compliance with the Antimonopoly Act, and to further strengthen governance.

### ■ Key points of the business improvement plan

#### Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance

We will return to our "Mission," "Vision," and "Values" ("MVV") and reform ourselves into a company that pursues the "best interests of customers"



#### MS&AD Holdings

Establish a framework for appropriate management administration of all Group companies and strengthen governance



Supervision and guidance on the steady implementation of business improvement plans by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance



**Tetsuji Higuchi**  
 Representative Director  
 Executive Vice President, Group CFO

Seizing the opportunity of a major turning point, we are taking on the challenge of a capital management policy to achieve dramatic growth

### Execute growth investments to increase earning power

I was appointed Group CFO in 2020. Since then, I have consistently considered and practiced ways of striking a balance among investment for growth, shareholder returns satisfactory to shareholders, and the maintenance of financial soundness to enhance corporate value and meet shareholders' expectations. Although the business environment surrounding the Company has undergone significant change during this period, I believe that the market has generally valued us positively, for example, our stock-related valuation indicators have remained well above the market average.

Currently, as a response to industry problems that occurred in 2023, including within the Group, we have decided to reduce our strategic equity holdings to zero, and over the next six years, we expect to generate funds (gains on sales) amounting to several trillion yen.

As CFO, I have faced capital policy challenges of a scale never before seen in the Company's history, focused on how to translate these funds into increased corporate and shareholder value.

We have already presented our major policies (see next page and beyond). We will allocate the funds generated from the sale of strategic equity holdings toward growth investments and other initiatives, aiming to enhance our earning power across each business domain. In particular, in our international business, we

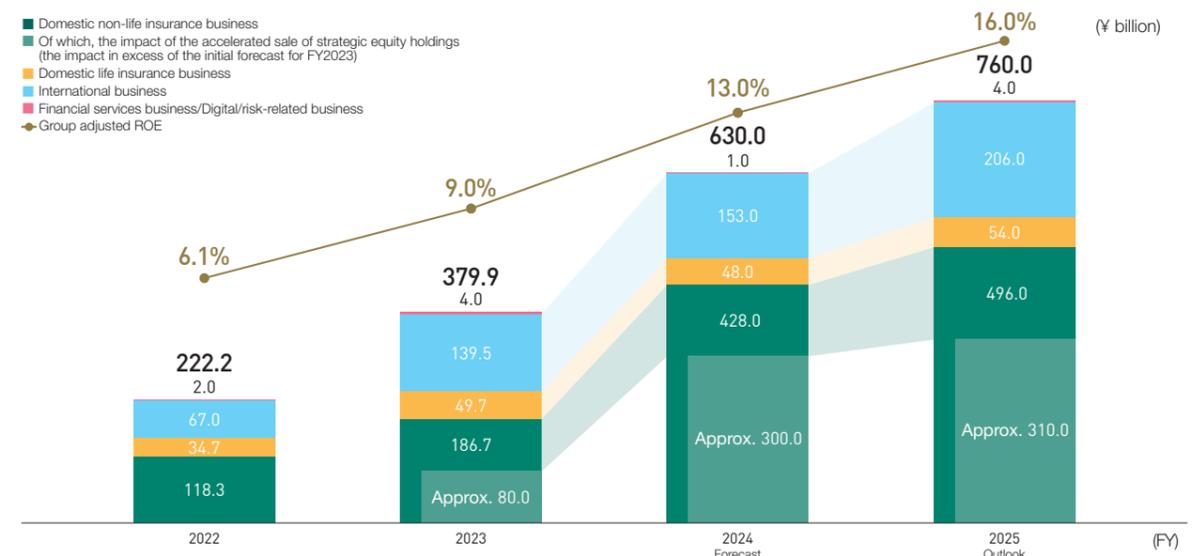
will embark on expanding our business in the United States, the world's largest insurance market. In high-growth-potential Asia, we will leverage our existing advantages with digital transformation (DX) to pursue further growth. We believe it is crucial to significantly enhance our profitability by making disciplined yet bold investments, including M&A, while carefully assessing appropriate valuation levels. Regarding shareholder returns, we will not only adhere to our previously promised return policies but also aim to maintain attractive return levels over the long term.

As CFO, I feel an immense amount of pressure. However, at the same time, I also believe this is an excellent opportunity to achieve discontinuous and exponential growth, not merely an extension of past growth. For instance, while our current market capitalization is approximately ¥6 trillion, I aim to elevate it to a level comparable with our global peers in the not-so-distant future. With this expectation and sense of mission, I will tackle these significant challenges.

### Group adjusted profit, FY2023 results, and outlook

Consolidated net premiums written (non-life) for FY2023 increased 8.4% year on year to ¥4,261.7 billion, thanks to growth in revenues in both domestic non-life insurance and overseas subsidiaries. Group adjusted profit increased 71.0% year on year to ¥379.9 billion, the highest profit since the founding of the MS&AD Group, as a result of factors such as record-high profits from our international business.

We expect Group adjusted profit for the second stage of the Medium-Term Management Plan to be ¥630 billion in FY2024 and ¥760 billion in FY2025, thanks to the impact of accelerated sales of strategic equity holdings, as well as the recovery of profitability in the domestic non-life insurance business, and the further expansion of the international business.

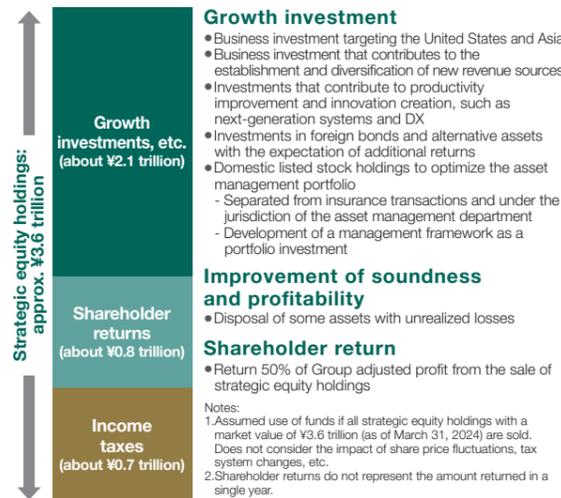
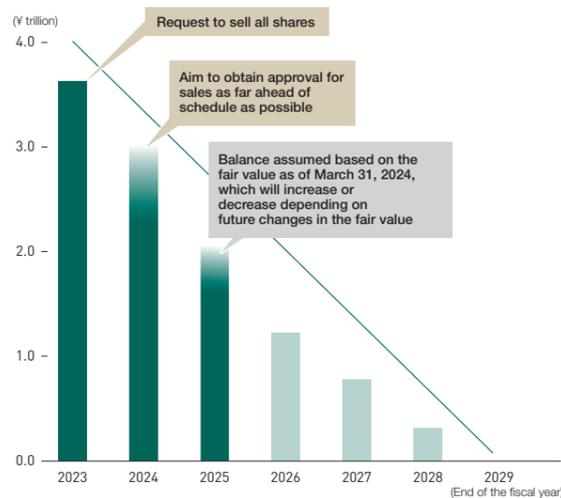


## Reduction of strategic equity holdings and growth investment

We have committed to reduce the balance of strategic equity holdings to zero by the end of FY2029. We believe that the most important issue for our financial and capital strategy for the time being is how we can promote the sale of strategic equity holdings as far in advance of the schedule as possible, rather than evenly over a six-year period, and smoothly allocate the funds generated from these sales to

investments for growth.

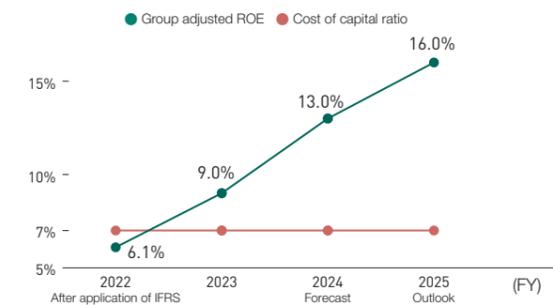
Our main targets for growth investments include business investments to accelerate the growth of the international business, DX investments to improve productivity and create innovation, and investments in domestic listed stocks and other high-return assets as pure investments under the jurisdiction of the asset management department.



## Efforts to increase the equity spread

To sustainably increase corporate and shareholder value, we have maintained a target of achieving a stable Group adjusted ROE of 10% or more, and we have made progress to the point where we can achieve this goal from FY2024 onward.

At the same time, we believe that we will be able to control the volatility of profits and net assets, and reduce the cost of equity ratio, by accelerating the sale of strategic equity holdings, which has been the Group's biggest risk factor, by continuing to appropriately control catastrophe risk in Japan and overseas, and other measures.



**ROE improvement**

- Revision and reconfiguration of the business portfolio
- Profitability improvements in existing businesses
- Maintenance of appropriate capital levels

**Reduction in the cost of capital**

- Reduction in volatility of profits and net assets
- Proactive disclosure and dialogue with the markets

**Natural catastrophe risk**

**[Domestic natural disasters]**

- Continue the reinsurance policy that emphasizes the stability of periodic profit and loss
- Maintain resilience to large-scale domestic natural disasters by continuing aggregate annual coverage for the two companies
- Appropriately control the level of exposure to wind and flood risk
- Strengthen the response to secondary perils such as hailstorms

**[Overseas natural disasters]**

- Continue to control the amount of catastrophe risk
- Cautiously handle the catastrophe risk associated with the expansion of underwriting of high-quality general lines based on the risk/return outlook

**(Reference) Reduction in U.S. wind and flood disaster risk over the past five years (10-year recurrence period)\***

(US\$ million)

MS Amlin(AUL/MS Re combined)    ADI Head Office reinsurance

\*For MS Amlin, the net risk of North American wind and flood disaster (recurrence period: 10-year PML) after the renewal on July 1 of each fiscal year. For ADI Head Office reinsurance, the net risk of U.S. wind and flood disaster (recurrence period: 10 years) as of the end of March of each fiscal year.

## Attractive shareholder returns

We conducted a stock split on April 1, 2024, but the Shareholder Return Policy in the Medium-Term Management Plan remains unchanged. Our basic policy is to return 50% of Group adjusted profit to shareholders, and we will conduct returns through dividends and share

buybacks. In addition, the Company will monitor ESR levels and flexibly implement additional returns as needed. We will return profits from the accelerated sale of strategic equity holdings through special dividends and share buybacks.

### Shareholder return method

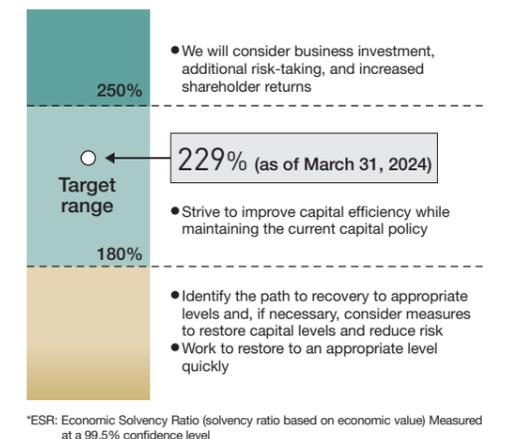
Basic returns	
<b>Total amount of returns</b>	50% of Group adjusted profit
<b>Dividends</b>	(Breakdown) <b>Ordinary dividends:</b> <ul style="list-style-type: none"> <li>Conducted in relation to profit excluding the impact of the accelerated sale of strategic equity holdings</li> <li>The ordinary dividend will not be less than the actual amount paid in the previous year</li> </ul> <b>Special dividends:</b> <ul style="list-style-type: none"> <li>Conducted in relation to profit associated with the impact of the accelerated sale of strategic equity holdings, for the period when strategic equity holdings are sold (up to six years)</li> </ul>
<b>Share buybacks</b>	Conducted for the total amount of returns minus dividends

**Additional returns**

**Guidelines for consideration of additional returns**

- When the ESR is consistently above the upper limit of the target range
- To maintain stable returns in the event of a decline in profits due to large-scale natural disasters, etc.
- When efficient growth investment is not foreseen
- When capital efficiency improvements, etc., are deemed necessary

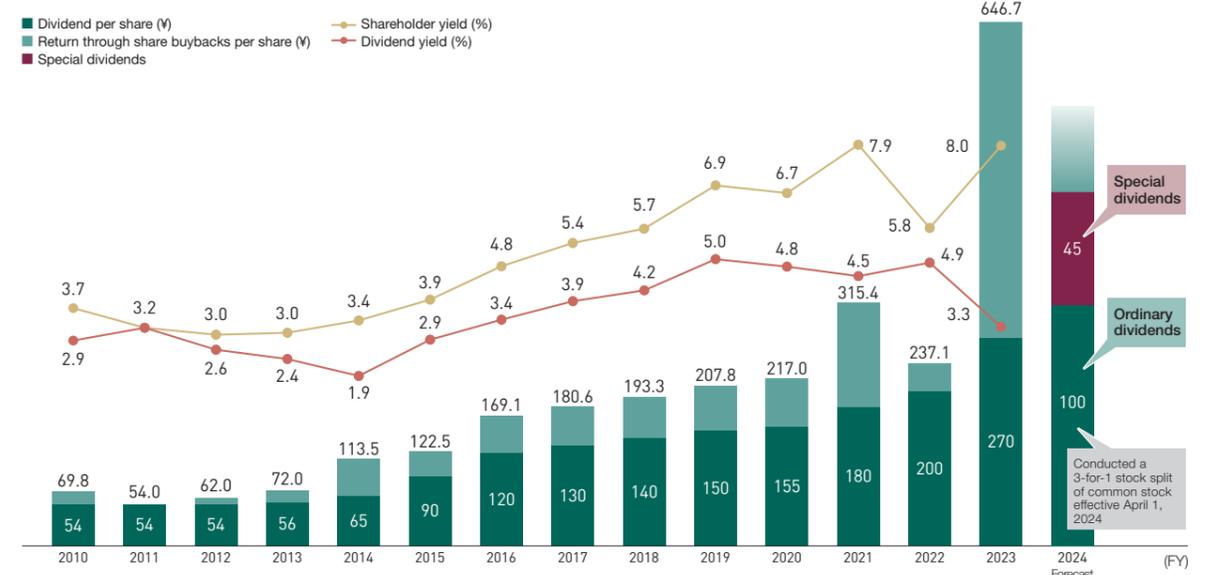
### Status of ESR\*



We have set the shareholder return for FY2023 at ¥270 (¥90 after the 3-for-1 stock split), an increase of ¥70 from the previous fiscal year. In addition, the Company decided to repurchase up to ¥200 billion of its own shares, including

¥150 billion as a capital level adjustment. After the 3-for-1 stock split, the Company expects to pay an annual dividend of ¥145 per share for FY2024 and will endeavor to continue to provide attractive shareholder returns.

### Total return per share, total shareholder yield, and dividend yield



# Enhancing Capital Efficiency and Achieving Sustainable Profit Growth

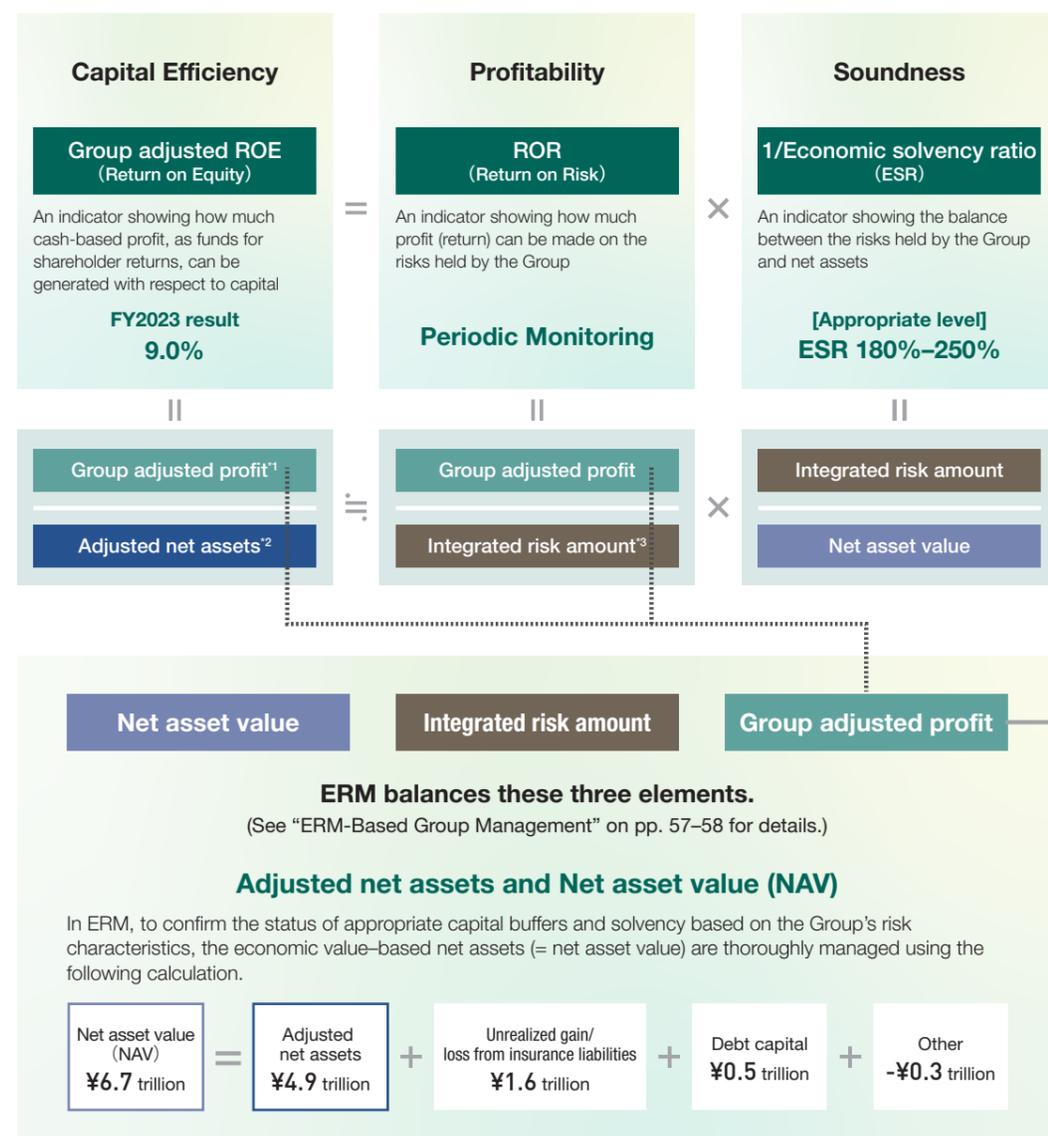
## Group Adjusted ROE

The MS&AD Insurance Group regards Group Adjusted ROE as the most important indicator among the numerical management targets set out in the Medium-Term Management Plan (2022–2025). Group adjusted ROE can be broken down into return on risk (ROR), which shows the balance between the risk the Group faces and return (profit), and ESR, which shows the Group's financial soundness. These indicators can be further broken down into three

elements: Group adjusted Profit, integrated risk amount, and net asset value.

The Group manages to balance these three elements through its ERM. (See "ERM-Based Group Management" on pp. 57–58 for details.)

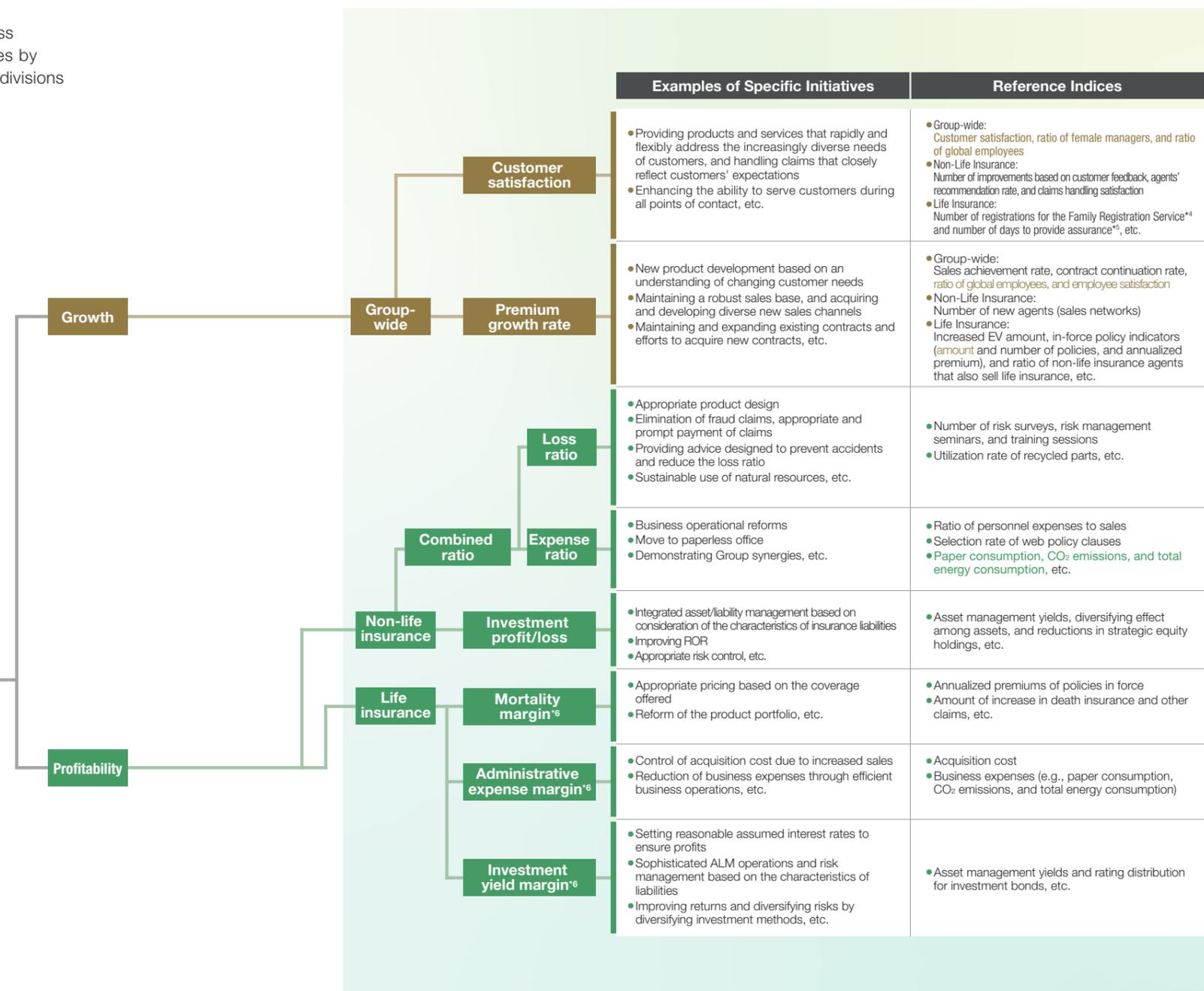
Furthermore, in activities in each business domain, we are promoting various initiatives by setting performance indicators for business divisions to expand Group adjusted Profit.



\*1 Group adjusted profit = Consolidated net income + Provision for catastrophe loss reserve and others – Other incidental factors (amortization of goodwill and other intangible fixed assets)  
\*2 Adjusted net assets = Consolidated net assets + Catastrophe loss reserves and others – Goodwill and other intangible fixed assets  
\*3 The integrated risk amount represents insurance underwriting risk, asset management risk, and operational risk, etc., quantified through stochastic methods.

## Initiatives to Achieve the Group Adjusted Profit Target in Each Business Domain

See pp. 81–82 for Financial and Nonfinancial Highlights



\*4 The Family Registration Service allows pre-registered family members, in addition to the policyholder, to receive information about the insurance policy.  
\*5 Number of days to provide assurance is an indicator of how long it takes for the company to complete administrative tasks for customers, such as applications for new insurance contracts, applications to cancel policies, claims for insurance payments, and claims for other benefits. It is broken down into 1) the average number of days to conclude a new policy, 2) the average number of days required to pay an insurance claim, and 3) the average number of days required to pay a cancellation refund.  
\*6 Mortality margin, administrative expense margin, and investment yield margin are indicators for core profit, which represents the fundamental profitability of life insurance companies. Together, these terms are referred to as the "three surplus factors." Mortality margin is the profit or loss on the difference between projected insurance benefits payments, based on assumed mortality rates, and actual insurance benefits payments. Administrative expense margin is the gain or loss on the difference between projected business expenditures, based on assumed expense ratios, and actual business expenditures. Investment yield margin is the gain or loss on the difference between projected investment income, based on assumed interest rates, and actual investment income.



**Naomi Motojima**  
 Managing Executive Officer  
 Group Chief Sustainability Officer (CSuO)

# Using the challenge of solving social issues to provide insurance value

## Insurance value and sustainability

The MS&AD Insurance Group believes that the role of insurance is “not only to compensate for economic losses but also to find and prevent risks and to reduce the impact of risks,” and we support the safe and secure lives and business activities of our customers accordingly. Accompanying customers in resolving the challenges they face today and in the future is the most important pillar of this effort.

In addition, the sustainability of the insurance business comes from the sustainability of society. This is because the need for insurance arises from the desire to “continue current lifestyles and businesses tomorrow and to make them better tomorrow.” Our key

sustainability issues of “Symbiosis with the global environment,” “Safe and secure society,” and “Happiness of diverse people” are social issues, and at the same time, they are the foundation on which our business depends.

Working together with customers to solve social issues they face, I am convinced that this is the proper role of insurance and the only solution that will enable the sustainable growth of the Group. I also believe that these efforts come from the heartfelt feeling of all officers and employees that their “day-to-day work is connected to solving social issues.”

## Incorporating sustainability into our work and making it into “earning power”

Since FY2024, we have incorporated sustainability into organizational and individual plans and targets to ensure that we put into practice the sharing of

connections between the work of all officers and employees and sustainability. Then, in line with our plans and targets, we implement a cycle of working

together with customers to resolve issues such as climate change, natural capital, biodiversity, and respect for human rights, then reviewing such efforts.

We position the annual “MS&AD Sustainability Contest” as one opportunity to review our efforts. This

fiscal year, the purpose of the contest was to create “earning power” for the Group, and it was an opportunity to encourage employees to take on the challenge of solving our customers’ issues.

## Working together for “Green Resilience”

In November 2023, we set and announced an interim target<sup>1</sup> for 2030 for the reduction of greenhouse gas (“GHG”) emissions by our major business partners in Japan. As part of efforts to address climate change, which is the most important issue, it should be a mission of insurance and financial service providers to reduce the GHG emissions of their business partners through insurance underwriting, investment, and loans, while also working to reduce their own GHG emissions, of course. By confronting this difficult issue head-on together with our many business partners, we hope to increase our contribution to solving the issue, while at the same time capturing business opportunities for the Group. With this in mind, we determined that our targets will apply to all business partners for which premiums income exceeds a certain size, regardless of industry.

We have also been engaged in activities to preserve and restore the natural environment, under our approach of creating a virtuous cycle that mitigates damage from natural disasters and revitalizes communities, while making the most of nature’s bounty and protecting biodiversity, which we call “Green Resilience.” We intend to use the slogan “Green Resilience” as a new value that we offer to customers through the development of our products and services, as it will make it easy for our employees to feel the close connection with our Mission.

Specifically, in collaboration with a start-up company capable of analyzing river and groundwater flows, we have begun providing services to help companies assess and disclose their water-related risks, and we are developing tools to assess how the environmental and biodiversity impacts of corporate activities such as urban and agricultural land development affect companies’

financial position.

We are also taking on the challenge of investing in and fostering start-ups with promising solutions through an alliance of four financial companies<sup>2</sup> formed in February 2023, as well as establishing a “water positive system”<sup>3</sup> in areas where groundwater resources might be depleted owing to the presence of large industries.

Furthermore, we intend for our “environmental and social risk assessment,”<sup>4</sup> which checks the risk of damage to biodiversity associated with large-scale development and the status of certification in the supply chain, to also cover some renewable energy power plants where there is large-scale development, from the perspective of preserving natural capital and disaster prevention and reduction. Addressing climate change requires a balance between both the preservation of natural capital and disaster prevention and reduction, and at the same time, the introduction of renewable energy has been expanding rapidly in recent years, and the increasing burden on the natural environment has become an issue.

We will use the “environmental and social risk assessment” more proactively in our dialogues with business partners, as an effective means of reducing our impact on the environment and local communities.

<sup>1</sup> We will reduce GHG emissions across approximately 3,300 major domestic business partners by 37% compared with FY2019 by FY2030.

<sup>2</sup> “Finance Alliance for Nature Positive Solutions (FANPS)” launched with Sumitomo Mitsui Financial Group, Inc., Development Bank of Japan Inc., and Norinchukin Bank

<sup>3</sup> A system in which businesses that have reduced stormwater infiltration capacity through land use, alteration, etc., pay at least the equivalent amount for restoration to businesses that have increased groundwater recharge capacity through nature-based solutions.

<sup>4</sup> This applies to new projects in agriculture, forestry, fisheries, and hydroelectric power generation that involve large-scale development in currently undeveloped areas.

## Taking pride in changing society

We expect the Group to secure a strong reputation among customers when all officers and employees believe and act on the belief that our role is to work with customers to solve the social issues they face and that this is the value we should provide to them. Through our strong reputation among customers, we

will reaffirm the value of insurance and the pride we take in our work and again ensure that this is a core part of our approach. We intend to involve various stakeholders in this spiral and make it a significant movement that changes society.

That is the Group’s aspiration.



**Jun Suzuki**  
Outside Director

Held prominent positions including as the Chief Representative in Europe of the TEIJIN Group and CEO of TEIJIN LIMITED, etc. He has extensive knowledge of international business and a perspective as a manager. While adapting to the changing business environment, he provides advice and leadership from a wide range of perspectives as an opinion leader, particularly in terms of management that is conscious of increasing corporate value and the stock price.

**Akemi Ishiwata**  
Outside Director

Through her service as an Executive Officer of Kao Corporation, she has a wealth of knowledge on sustainability, public relations, and corporate branding, and has contributed to the promotion of ESG activities. Furthermore, through her experience in consumer counseling and interaction with consumers, she has a perspective from the consumers' standpoint, and has shown the way forward based on a broad perspective in sustainability management to achieve both MS&AD's growth and social development.

**Junichi Tobimatsu**  
Outside Director

He has a wealth of knowledge and experience concerning overall corporate legal affairs including those of overseas companies as an attorney at law. In particular, he contributes to improving governance from a specialist perspective. Now in his seventh year as an Outside Director of MS&AD, he actively contributes at meetings of the Board of Directors, thereby playing an important role in the Company's decision-making process.

At the MS&AD Insurance Group ("MS&AD"), we aim to achieve sustainable growth by strengthening the governance of the Group as a whole, while also undertaking major reforms of business style. The three Outside Directors exchanged opinions on three themes of importance to the Group in charting a new growth story, focusing on issues and areas for improvement.

**Theme 1 Evolution of Group governance and challenges**

Efforts to strengthen relationships between the holding company and Group companies

**Suzuki** While the holding company is in a position for management administration over Group companies, there are also Outside Directors at two wholly owned subsidiaries, Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance, meaning that a dual monitoring mechanism is in place. Under such circumstances, it is regrettable that we received an administrative disposition concerning the price-fixing issues, etc.

**Ishiwata** I think our governance structure itself is solid, including a board composition focused on sustainable growth and proactive information disclosure, but we still failed to notice these events. We are reflecting on the fact that this situation occurred despite effective governance, and we are discussing measures to prevent recurrence.

**Tobimatsu** As a result of this problem, I have become aware of the approach to the division of roles between the

holding company and its subsidiaries. In the case of MS&AD, there are special circumstances in two regards. One, control over subsidiaries that are insurance companies must be limited. For example, when consolidating legal functions into a holding company, regulations under the Insurance Business Act must be considered. The other is the strength of the authority of operating companies. To begin with, the planning departments of operating companies are deeply involved in operating the holding company, and sometimes this also affects the holding company's personnel strategy and individual personnel changes. Nevertheless, the authority of the holding company must be strengthened to implement Group strategies, including the expansion of the international business. In the business improvement plan, Outside Directors and Outside Audit & Supervisory Board Members offered opinions from various

perspectives on proposals put forth by operating companies. We had a series of discussions on matters such as whether the formulated plan could be effectively and continuously operated, and if necessary, whether we should make course corrections in the process of operating the plan. That might act as a touchstone for strengthening the governance of the holding company. **Suzuki** Considering the increase in three-layered governance structures in which foreign operating companies are controlled by wholly owned subsidiaries, I think the time is ripe to discuss how much cost and effort should be spent to develop this system. In addition, as we develop strategies for growing our business overseas through M&A, I think we will face the issue of how to ensure communication between non-Japanese top management and the holding company regarding factors such as the penetration of our Mission, Vision, and Values (MVV) and the realization of Group

Evolution of Group governance and efforts to practice sustainability management

synergies. For example, perhaps we should consider a mechanism where non-Japanese managers of Group companies participate in the Management Committee of the holding company. Although there is a risk that sometimes discussions will not proceed well amid a clash of diverse values, and that progress will take time, we can expect to encounter radical opinions that we were previously unaware of, and that will give us a shot at new growth.

**Ishiwata** Communication is extremely important in a multi-layered Group management administration structure. Based on my experience to date, I value the consumers' perspective. In this sense, I think we should know more about what is happening at operating companies that have contact with our customers. To this end, I think

there should be more opportunities for the Outside Directors of the holding company and the two subsidiaries to exchange information. We have a joint meeting once a year, but that is not enough.

**Tobimatsu** I agree with you regarding the frequency of joint meetings. Although the Outside Directors of the holding company are not involved in execution at the operating companies, we must make progress on "a major business style transformation" as a Group while building appropriate communication and trust between the holding company, Mitsui Sumitomo Insurance, and Aioi Nissay Dowa Insurance, and from this perspective I feel we must increase dialogue between the Board of Directors of the holding company and the Boards of Directors of the operating companies.

**Theme 2 Expectations and challenges for management that is conscious of the cost of capital and the stock price**

Using the sale of strategic equity holdings as an opportunity to take on new challenges

**Tobimatsu** We will review discussions at previous meetings of the Board of Directors. Optimizing the allocation of management resources is a major theme from the perspective of capital cost management. Over the past few years, we have had active discussions about the reorganization of our business portfolio, particularly the treatment of the international business, on numerous occasions. The price-to-book ratio (PBR) has been below 1x for a long time, and the improvement of business performance has been viewed as an issue. I feel, however, that a positive trend is beginning to emerge as the share price rose significantly in FY2023 and our PBR exceeded 1x, partly thanks to profitability improvements in the Lloyd's and reinsurance businesses, as well as the domestic automobile and fire insurance businesses.

**Ishiwata** If we ask ourselves, is it enough if the PBR exceeds 1x? That is certainly not the case. At meetings of the Board of Directors, I stress that it is important that we aim to become a sustainable company by securing sustainable earnings while our raison d'être is recognized by society, and that we must not misunderstand our objectives.

**Suzuki** Business performance was good in FY2023, and I understand the feeling of breathing a sigh of relief that the PBR has exceeded 1x, but 1x is merely a passing mark. Unless the Company can demonstrate to investors that it is a company that will grow over the medium to long term, it will be difficult to sustainably increase corporate value. The Tokyo Stock Exchange, which has requested that companies engage in "action to implement management that is



conscious of the cost of capital and the stock price,” expects multifaceted analysis and evaluation, not just concerning whether the current PBR is above 1x or whether the return on equity (ROE) is above 8%.

**Tobimatsu** Currently, the Company has established a policy of selling all strategic equity holdings over a six-year period. In the non-life insurance industry, the price-fixing issues in the corporate insurance operations have been viewed as a problem, and the Financial Services Agency has pointed out that factors other than the terms of insurance contracts, such as the percentage of strategic equity holdings, can affect the outcome of bidding processes. Given this indication, the Company is implementing a wholesale reduction of strategic equity holdings. This is one of the major themes being discussed at recent meetings of the Board of Directors.

**Suzuki** The planned sale of strategic equity holdings is equivalent to disclosing surplus profits in advance and can be understood as raising shareholders' expectations for higher dividends, which in turn contributes to a higher valuation in terms of stock price. Considering that the Company will continue to increase dividends even after completing the sale of strategic equity holdings, it will become increasingly necessary to further enhance profitability in the core insurance business.

**Ishiwata** In the domestic non-life insurance business, the market is expected to shrink owing to the falling birth rate, aging population, and shrinking population. Even if the Company sets appropriate premium rates, it will surely be difficult to make up for the shrinking of the market. For this reason, MS&AD is oriented toward the expansion of the international business. The Lloyd's and reinsurance businesses, which were the core businesses of Amlin in the United Kingdom, acquired by Mitsui Sumitomo Insurance in 2016, overcame a number of challenges, including withdrawal from unprofitable lines of business, and by 2023 its performance had improved significantly.

**Suzuki** In the international business, we will require time to change our portfolio. The Lloyd's and reinsurance businesses are finally starting to produce results. I believe that the role of an Outside Director is to encourage risk-taking by the company while also restraining the executive side in terms of risk management, that is, to contribute with a kind of accelerate and brake function. Personally, I tend to say that the market is marginal for domestic businesses, but I feel that we should discuss more about the significance of having two non-life insurance brands, Mitsui Sumitomo Insurance and Aioi

Nissay Dowa Insurance, including whether they should be maintained.

**Tobimatsu** I think discussion concerning the integration of Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance was rather more active at meetings of the Board of Directors held before the COVID-19 pandemic. The option of a merger might have been mentioned more often, particularly by Outside Directors, when the Group had not made so much progress with the One Platform Strategy to promote standardization, collaboration, and integration, particularly for the middle- and back-office divisions of the two companies. With the progress of the One Platform Strategy, however, I have the impression that the members of the Board of Directors, including myself, have come to feel that we should wait to see the results of the strategy before considering it. The presence of two brands has advantages, such as expanding the potential trading area with different customer bases, but speed is required in the current market. Again, we must surely fully discuss all options, including mergers. It is also important to fully and objectively measure and evaluate the effectiveness of the One Platform Strategy. I think that if we cannot see the benefits of integration, it will be difficult to differentiate ourselves from our competitors when explaining our growth investments, including externally.

**Ishiwata** I have met people from the two companies many times and they are sincere, earnest, and positive. The things that they have accumulated differ, however, and some might therefore feel that coming together is difficult to accept as a reality. As we share and disseminate the MVV throughout the Group, we might need opportunities to further discuss what kind of business structure is optimal for sustainable growth. The Board of Directors frequently discusses the One Platform Strategy, but I think we need to make further progress.

**Suzuki** If it is recognized that having two brands offers a competitive advantage and cost benefit, it is important that we clearly explain those advantages to investors. For example, customers benefit from having more choices when selecting an insurance company. It could be said that for MS&AD to offer multiple options will also give it an advantage in competition.

**Ishiwata** For MS&AD to grow sustainably, it is important that the Company is highly evaluated by the capital markets, of course. On the other hand, to expand corporate value, value co-creation with diverse stakeholders will be required, including employees, business partners, society, and the environment, in addition to the absolute necessity of support from customers. I believe that a sense of management with a broad perspective will be required, especially as the business environment undergoes major changes.



### Theme 3 Evaluation and issues in the Group's sustainability management

## Contributing to the sustainability of society through our businesses

**Tobimatsu** Insurance companies are unique in that their core business itself has an affinity with sustainability. For example, for non-life insurance, if reductions in carbon dioxide emissions lead to a reduction in extreme weather events, then there will be fewer related insurance accidents, which will be positive for the business side for non-life insurance companies. In this sense, I believe that employees of insurance companies are likely to have an awareness of sustainability.

**Ishiwata** Since 2018, MS&AD has been holding the “MS&AD Sustainability Contest,” in which awards are given to initiatives that contribute to solving social issues. I think this is a wonderful initiative for sharing MS&AD's value creation story with the Group, thereby spreading MS&AD's Mission to approximately 40,000 Group employees and encouraging the expansion of the circle of empathy. On the other hand, if we look only at emissions of carbon dioxide and other greenhouse gases, they might be limited compared to the toiletries and manufacturing industries that I have been involved in. Still, if we look at Scope 3 emissions, there are a diverse range of non-life insurance policyholders, and our influence is not small. I believe that MS&AD can be a leader in Japan because it has set targets for reducing emissions ahead of its competitors and is actively working on them.

**Suzuki** Insurance companies hold the choke point for sustainability. If we decide not to underwrite insurance, financial institutions might stop providing financing. I feel that the range of industries that could be considered customers is broader than that of the manufacturing industry. In addition, the more we can envision the foreseeable future, the more stable our insurance business will be, of course. Accordingly, our activities aimed at achieving a sustainable society should also benefit our own company.

**Tobimatsu** In corporate finance, there is a tendency to focus more on transitions than divestments. In addition to not taking on specific new projects, such as coal-fired power generation, I think we can also choose, for example, to be involved in transitions in cooperation with financial institutions that are active in transition financing.

**Ishiwata** As human assets are the cornerstone of the insurance business, I believe that increasing employee engagement will be fundamental to sustainability management. MS&AD has identified “Symbiosis with the Global Environment (Planetary Health),” “Safe and secure society (Resilience),” and “Happiness of a diverse people (Well-being)” as three key issues. First, it is important to focus on “Well-being” and to work toward “Resilience” to control social risks and catastrophe risk, based on our unique perspective as an insurance company. As these are fields in which we have knowledge, it should be easy to obtain an

understanding of society in this regard.

**Tobimatsu** An increasing number of investors are focusing on KPIs related to human capital as evaluation criteria, and I feel it is important that we are aware of this. The disclosure of information such as the ratio of female managers and duration of male childcare leave are, so to speak, a kind of compulsory exercise, and investors might consider these disclosures alone as insufficient. When setting nonfinancial KPIs for voluntary disclosure based on independent action, it will also be necessary to endeavor to organize and externally communicate information concerning MS&AD's own efforts related to human assets. I think the time has come for us to show that we are willing to improve engagement and to use specific numbers to demonstrate this point.

**Suzuki** How well a company's brand is loved by people is a major factor in determining its corporate value. To achieve this, we must further strengthen employee engagement. The MS&AD brand has become very established in society as a whole. I intend to make every effort to promote our potential as a group with multiple growth drivers.



**Ishiwata** Yes, that's right. Recently, I feel that I see the “MS&AD” logo more often. We naturally associate this logo with safety and security, and I feel this is true for many people. We should take care of the corporate brand to ensure that more people will know and love MS&AD. This will contribute to the growth of our businesses and enrich society.

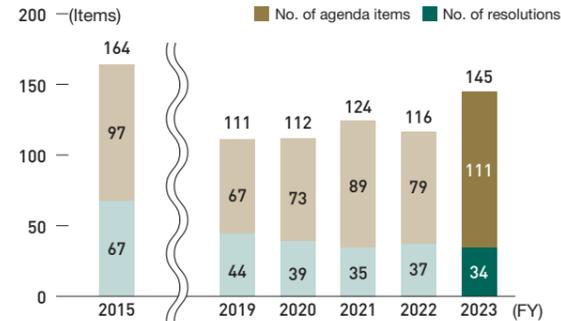
# Content of Discussions at Meetings of the Board of Directors

To improve corporate governance and ensure its effectiveness, we are continuing efforts to improve the operation of the Board of Directors. At meetings of the Board of Directors, top management engages in lively discussions on management issues.

## Efforts aimed at Improving the operation of the Board of Directors

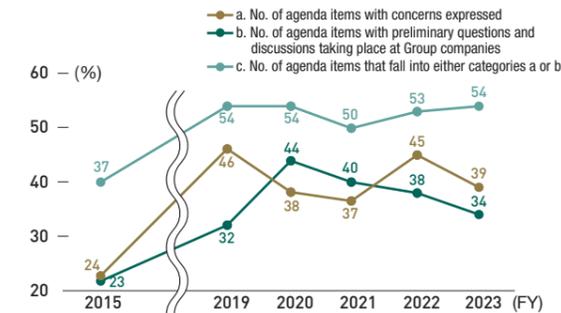
### Number of agenda items

- In FY2023, the total number of agenda items was 145 (116 in the previous fiscal year), consisting of 34 resolution items (37 in the previous fiscal year) and 111 report items (79 in the previous fiscal year), meaning that although the number of resolutions decreased from the previous year, the number of reports increased, resulting in an overall increase of 29 items.
- The increase in the number of report items was mainly due to an increase in the number of items related to the second stage of the Group's Medium-Term Management Plan (2022-2025) (13 items), as well as items related to premium adjustment and fraudulent insurance claims cases (13 items).



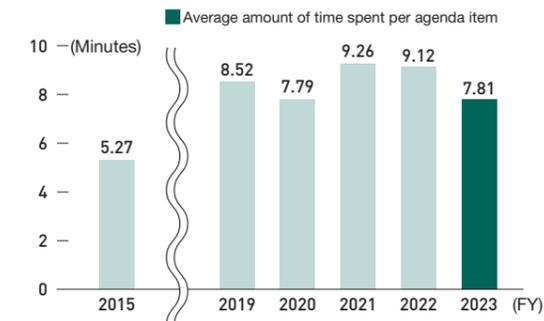
### Assessing the presence of preliminary questions

- As noted, the percentage of agenda items with preliminary questions or where concerns were expressed increased to 54% in FY2023 (53% in the previous year) because of the large number of important agenda items reported.
- In FY2023, all meetings of the Board of Directors were held in a combination of face-to-face meetings and online conference calls. The efficient utilization of time by Directors resulted in 100% attendance at all meetings of the Board of Directors.



### Average amount of time spent per agenda item

- For important agenda items (e.g., premium adjustment cases, fraudulent insurance claims cases), detailed prior explanations, etc., were provided on the content and key points of the agenda, and sufficient time was secured (five agenda items took more than 30 minutes) for deliberation. On the other hand, for agenda items related to regular reports, etc., we prepared summaries of the agenda materials and operated meetings such that explanations were provided as necessary, etc., thereby streamlining and shortening the time required.



### Topics and content of discussion at Board of Directors meetings

Theme	Content of the discussion
Status of response by Mitsui Sumitomo Insurance and Aioi Nissay Dowa Insurance to the Financial Services Agency's reporting and collection order (price fixing issues and fraudulent insurance claims)	<ul style="list-style-type: none"> <li>Discussion and confirmation to ensure functioning governance with a focus on restoring customer trust, including an accurate understanding of the actual situation, investigation of the true cause, investigation methods, measures to prevent recurrence, and confirmation of progress in relation to the Financial Services Agency's reporting and collection order</li> </ul>
Consideration of the second stage of the Group's Medium-Term Management Plan (2022-2025) based on the status of progress of the Group's Medium-Term Management Plan (2022-2025), etc.	<ul style="list-style-type: none"> <li>To achieve our goal of becoming "a corporate group supporting a resilient and sustainable society," we will confirm our progress on the three basic strategies of "Value (value creation)," "Transformation (business reforms)," and "Synergy (demonstration of Group synergies)" and the foundation to support our basic strategies of "Sustainability," "Quality," "Human Resources," and "ERM," and will continue making related efforts.</li> <li>Considerations related to the second stage of the Group's Medium-Term Management Plan (2022-2025) include a fundamental review of existing business practices, and we have added the promotion of major reforms of business style, namely, "reforms to value provided," "transformation of the business structure," and "reforms to productivity and profitability," in order to regain the trust of customers.</li> <li>We confirmed that we will focus on improving Group ROE and lowering the cost of capital to achieve sustainable growth in corporate value, as well as the fact that we will work to lower the cost of capital through zero strategic equity holdings, controls on catastrophe risk, and other factors.</li> <li>The Company confirmed that we will implement measures to achieve our Vision while strengthening the governance framework of the Group as a whole, with the aim of achieving the above initiatives.</li> </ul>

# Group Governance

To fulfill our function as a holding company and achieve sustainable growth with the Group working in unison to generate synergies, we are working to strengthen Group governance.

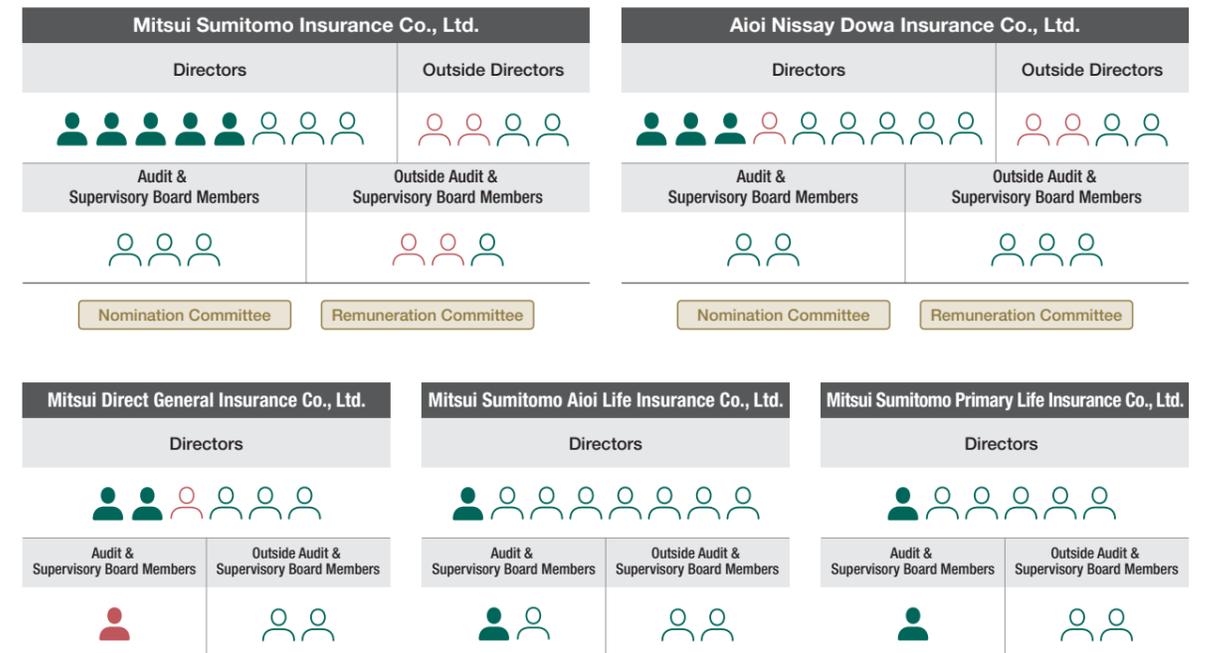
## Group management administration structure

The Company (the holding company) enters into Group management supervision contracts with directly invested operating companies and conducts management administration of each Group company, the main points of which are as follows:

Role of the holding company in the Group	<ul style="list-style-type: none"> <li>Formulate and implement Group management strategies</li> <li>Consider and implement effective capital allocation to Group companies to strengthen our earnings foundation</li> <li>Enhance the Group's comprehensive strength and implement initiatives to further strengthen governance</li> </ul>
Matters to be approved by and reported to the holding company	<p>The approval of the holding company or reports to the holding company are required for important matters at directly invested companies, based on management supervision contracts.</p> <p>[Examples of prior approval items]</p> <ol style="list-style-type: none"> <li>Management plans, Risk Appetite Statement, and income and expenditure plans;</li> <li>election and dismissal of Directors and Audit &amp; Supervisory Board Members;</li> <li>issuance of new shares, stock splits, etc.</li> </ol>
Compliance with the Basic Policy on Group Management and Administration	<p>The holding company has established basic Group policies, including the Basic Policy on the Group Internal Control System, the Risk Management Basic Policy, the Compliance Basic Policy, the Basic Policy for Internal Audits, the Risk Appetite Statement, and the Basic Policy on Information and Technology Governance, and requires compliance by all Group companies.</p>
Conducting internal audits	<p>In accordance with the "Group Basic Policy for Internal Audits," the holding company and the Group's domestic insurance companies have established independent specialized organizations as internal audit departments, which conduct internal audits of the Group as a whole in cooperation with each company.</p>

## Management structure of operating companies

Concurrently an officer of the holding company: ● Male ● Female No concurrent position: ○ Male ○ Female



Notes:  
 1. More than half the members, as well as the committee chairperson, are Outside Directors.  
 2. Concurrent Directors of the holding company refer to executives and employees of the holding company who also serve as Directors and Audit & Supervisory Board Members of the operating companies.

# Our Management Team

**[Directors]** (As of July 1, 2024, and the number of Company shares owned is the number after the April 1, 2024, stock split)



**Noriyuki Hara**      **Yasuzo Kanasugi**      **Shinichiro Funabiki**      **Tetsuji Higuchi**      **Tomoyuki Shimazu**      **Yusuke Shirai**      **Mariko Bando**      **Junichi Tobimatsu**

Chairman & Director  
Chairman Executive Officer

**Date of birth:** July 21, 1955  
**Number of Company shares owned:** 184,890  
**Important concurrent positions:** Chairman & Director, Chairman Executive Officer, Mitsui Sumitomo Insurance Co., Ltd. (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 2024

Representative Director  
Vice Chairman & Director  
Vice Chairman Executive Officer

**Date of birth:** May 29, 1956  
**Number of Company shares owned:** 197,145  
**Important concurrent positions:** Chairman & Director, Aioi Nissay Dowa Insurance Co., Ltd. (ADI)  
**Biography:** April 1979 Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd. Has business experience in human resources, sales, corporate planning, merger preparation, etc. Present position since June 2020

Representative Director  
President & CEO Newly appointed

**Date of birth:** May 11, 1960  
**Number of Company shares owned:** 150,480  
**Important concurrent positions:** President & CEO, MSI  
**Biography:** April 1983 Entered Sumitomo Marine and Fire Insurance Co., Ltd. Has business experience in corporate planning, marketing & sales, administration and information systems, DX promotion, etc. Present position since June 2024

Representative Director  
Executive Vice President

**Date of birth:** June 24, 1961  
**Number of Company shares owned:** 75,042  
**Important concurrent positions:** –  
**Biography:** April 1984 Entered Sumitomo Marine and Fire Insurance Co., Ltd. Has business experience in sales, product operations, human resources, corporate planning, etc. Present position since April 2021

Director  
Executive Officer

**Date of birth:** March 16, 1963  
**Number of Company shares owned:** 62,637  
**Important concurrent positions:** Director, Vice President Executive Officer, MSI  
**Biography:** April 1985 Entered Taisho Marine and Fire Insurance Co., Ltd. Has business experience in human resources, sales, claims support, business planning, etc. Present position since June 2023

Director  
Executive Officer

**Date of birth:** June 13, 1964  
**Number of Company shares owned:** 36,756  
**Important concurrent positions:** Director, Managing Executive Officer, ADI  
**Biography:** April 1988 Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd. Has business experience in corporate planning, compliance, etc. Present position since June 2022

Outside Director Chairperson of the Remuneration Committee

**Date of birth:** Aug. 17, 1946  
**Number of Company shares owned:** 20,700  
**Attendance record:** Board of Directors' meetings 12 of 12 (100%)  
**Important concurrent positions:** President of Showa Women's University  
Director, Mitsubishi Research Institute, Inc. (Outside Director)  
Director, ITOKI CORPORATION (Outside Director)

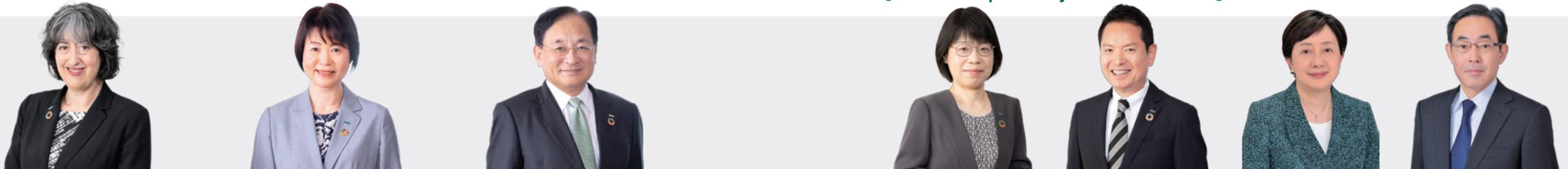
July 1969	Entered the Prime Minister's Office
Oct. 1985	Counselor to the Prime Minister's Secretariat, Cabinet Councilor
July 1989	Director of Consumer Statistics Division, Statistics Bureau, Management and Coordination Agency
July 1994	Director of Gender Equality Bureau, Cabinet Secretariat
April 1995	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, Incorporated Educational Institution, Showa Women's University
April 2007	President, Showa Women's University
April 2014	Chancellor, Incorporated Educational Institution, Showa Women's University
July 2016	Chairperson of the board, Showa Women's University (present)
June 2017	Director, the Company (present)

Outside Director Chairperson of the Governance Committee

**Date of birth:** Aug. 15, 1972  
**Number of Company shares owned:** 0  
**Attendance record:** Board of Directors' meetings 12/12 (100%)  
**Important concurrent positions:** Attorney-at-law, GAIIEN PARTNERS  
Director, CANDEAL Co., Ltd. (Outside Director (Auditor))

April 1998	Registered as Attorney-at-Law
June 2004	Attorney-at-Law, Mori Sogo (currently, Mori Hamada & Matsumoto)
April 2010	Registered as Attorney-at-law in New York
April 2010	Associate Professor, Graduate School of Law and Political Science, the University of Tokyo
July 2016	Attorney-at-law, Tobimatsu Law (currently, GAIIEN PARTNERS) (present)
June 2018	Director, the Company (present)

## [ Audit & Supervisory Board Members ]



**Rochelle Kopp**      **Akemi Ishiwata**      **Jun Suzuki**      **Atsuko Suto**      **Keiji Suzuki**      **Kyoko Uemura**      **Taisei Kunii**

Outside Director Chairperson of the Nomination Committee

**Date of birth:** June 29, 1964  
**Number of Company shares owned:** 0  
**Attendance record:** Board of Directors' meetings 12/12 (100%)  
**Important concurrent positions:** Managing Principal, Japan Intercultural Consulting Director (Outside Director), Lightworks Corporation

June 1986	Business analyst, ZS Associates International, Inc.
June 1987	Senior business analyst, ZS Associates International, Inc.
Aug. 1988	International Public Relations Specialist, The Yasuda Trust & Banking Co., Ltd. (currently, Mizuho Trust & Banking Co., Ltd.)
Oct. 1992	Consultant, IPC Group, Inc.
Jan. 1994	Managing Principal, Japan Intercultural Consulting (present)
July 2015	Professor of Global Leadership Course, Business Break Through University
April 2019	Professor of Faculty of Foreign Studies, The University of Kitakyushu
June 2020	Director, the Company (present)

Outside Director

**Date of birth:** Aug. 23, 1960  
**Number of Company shares owned:** 1,200  
**Attendance record:** Board of Directors' meetings 12/12 (100%)  
**Important concurrent positions:** –

April 1983	Entered Bristol-Myers Company
Dec. 1985	Entered Kao Corporation ("Kao") Assigned to Kao Life Science Laboratory
March 2003	Product Development Manager, Household Business Division, Kao
Dec. 2005	Section Chief, Consumer Research Center, Kao
March 2010	General Manager, Consumer Research Center, Kao
March 2015	Executive Officer, Supervisor of Corporate Communications Division, Kao
Jan. 2021	Executive Fellow, Kao
Jan. 2022	Special Mission Fellow, Kao
June 2022	Director, the Company (present)

Outside Director

**Date of birth:** February 19, 1958  
**Number of Company shares owned:** 7,500  
**Attendance record:** Board of Directors' meetings 10/10 (100%)\*  
**Important concurrent positions:** Director (Outside Director), Idemitsu Kosan Co., Ltd.

\*Mr. Jun Suzuki was newly elected and assumed office as a Director at the 15th Annual Shareholders Meeting held on June 26, 2023, and his attendance at meetings of the Board of Directors held from that date onward is shown.

April 1983	Entered Teijin Limited
April 2011	Teijin Group Chief Representative in Europe, Teijin Limited President, Teijin Holdings Netherlands B.V.
April 2012	Teijin Group Corporate Officer, Teijin Limited
April 2013	Teijin Group Managing Executive Officer, Teijin Limited
June 2013	Director, Managing Executive Officer, Teijin Limited
April 2014	Representative Director, President & CEO, Teijin Limited
April 2022	Director, Chairperson, Teijin Limited
April 2023	Director, Senior Advisor, Teijin Limited
June 2023	Senior Advisor, Teijin Limited (present)
June 2023	Director, the Company (present)

Audit & Supervisory Board Member (Full-time)

**Date of birth:** May 21, 1967  
**Number of Company shares owned:** 22,137  
**Important concurrent positions:** –

April 1990	Entered Dai-Tokyo Fire and Marine Insurance Co., Ltd.
April 2020	Administrative Director, General Manager of Accounting Dept., ADI
April 2021	Advisor, ADI
June 2021	Audit & Supervisory Board Member, the Company (present)

Audit & Supervisory Board Member (Full-time)

**Date of birth:** June 18, 1968  
**Number of Company shares owned:** 7,500  
**Important concurrent positions:** –

April 1991	Entered Mitsui Fire & Marine Insurance Co., Ltd.
April 2016	General Manager, Accounting Dept., MSI
April 2018	General Manager, Corporate Risk Management Dept., MSI
April 2019	General Manager, Corporate Risk Management Dept., the Company
April 2022	Executive Officer, General Manager, Corporate Risk Management Dept.
June 2023	Audit & Supervisory Board Member, the Company (present)

Outside Audit & Supervisory Board Member

**Date of birth:** July 22, 1961  
**Number of Company shares owned:** 1,500  
**Attendance record:** Board of Directors' meetings 12/12 (100%)  
Audit & Supervisory Board meetings 11/11 (100%)  
**Important concurrent positions:** Attorney-at-Law, Miyama, Koganemaru & Associates

April 1994	Assistant Judge, Osaka District Court
April 2004	Judge, Numazu Branch, Shizuoka Family Court
April 2005	Judge, Yokohama District Court
April 2008	Admitted as Attorney-at-Law, LM Law Offices
June 2017	Audit & Supervisory Board Member, the Company (present)
Oct. 2018	Attorney-at-Law, Miyama, Koganemaru & Associates (present)

Outside Audit & Supervisory Board Member Newly appointed

**Date of birth:** June 12, 1959  
**Number of Company shares owned:** 0  
**Important concurrent positions:** Certified Public Accountant, Taisei Kunii Certified Public Accountant Office

Oct. 1985	Entered Tohmatsu, Awaki & Co. (currently Deloitte Touche Tohmatsu LLC)
Aug. 1989	Registered as Certified Public Accountant
Oct. 2013	Executive Officer, General Manager of Tokyo Audit Division, Deloitte Touche Tohmatsu LLC
June 2018	CEO, Deloitte Touche Tohmatsu LLC
Feb. 2023	Certified Public Accountant, Taisei Kunii Certified Public Accountant Office (present)
June 2024	Audit & Supervisory Board Member, the Company (present)

For more information related to corporate governance, see the Group's official website. ● Corporate Governance (<https://www.ms-ad-hd.com/en/group/value/corporate.html>)

- Basic Policies on Corporate Governance
- Corporate Governance Stance
- Supervision System (Board of Directors)
- Support Systems for Outside Directors and Outside Audit & Supervisory Board Members
- Auditing
- Nomination and Remuneration
- Remuneration Committee
- Criteria for the Selection of Board Members and for the Independence of Outside Directors and Outside Audit & Supervisory Board Members
- Appointment of Outside Directors and Outside Audit & Supervisory Board Members and Related Matters