



Yasuyoshi Karasawa

Chairman of the Board

We are now moving into the post-COVID-19 era as our daily lives under COVID-19 have undergone a major transformation spanning more than three years. At this juncture of a new era, companies must proactively address global issues such as climate change and biodiversity.

In the Medium-Term Management Plan that started last year, the Group raised the banner of "As a platform provider of risk solutions, we will help solve climate change and other social issues, while growing together with society." The key to achieving growth is the creation of innovation, including green transformation (GX) and digital transformation (DX). We believe the foundation for innovation lies in the promotion of diversity, which embraces diverse human assets and makes the most of their individuality and strengths.

Ensuring diversity is also important for the Board of Directors. The Board of Directors comprises diverse members: Outside Directors represent about one-half, one-third are women, and there is also a non-Japanese member. In June 2023, we welcomed Jun Suzuki, who has a wealth of knowledge of international business and management, as an independent Outside Director. Going forward, the Board of Directors meetings will be further invigorated in its discussions by members with diverse knowledge, experience, and abilities, including Mr. Suzuki.

Regarding the international business, which is of great interest to Outside Directors, we have been arranging sessions to regularly exchange opinions between them and the top management of overseas entities of insurance operating companies since last year. This provides them with opportunities to understand the management policies and business conditions. Through direct dialogue, we deepen our understanding of the management strategies and policies of the top management of our overseas entities, and we deepen our discussions on the ideal state

of the international business strategy within the Group's business strategy.

In evaluating the effectiveness of the Board of Directors, we identify issues and discuss measures to improve the effectiveness of the board. Such discussions incorporate the knowledge of third-party professional organizations from the perspective of enhancing the transparency of the evaluations. Our Board of Directors has been evaluated as operating at a high level compared to other companies. That said, in an era of rapid change, we are considering the composition of the Board of Directors with a view to sustainable growth and the creation of an environment that will allow for more active discussion.

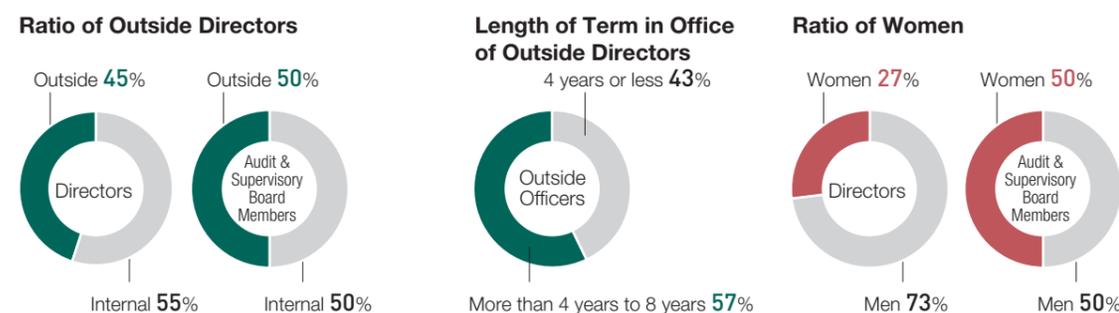
With the mission of "To contribute to the development of a vibrant society and help secure a sound future for the planet," the Group aims to realize a corporate group that supports a resilient and sustainable society through Creating Shared Value (CSV) with society. Our raison d'être will be lost if people's lives and economic activities are not sustainable. The MS&AD Sustainability Contest, which awards initiatives that lead to solutions to social issues, is now in its fifth year. In FY2022, 276 applications were submitted Group-wide, and the Grand prize was awarded to a local subsidiary in India that developed a low-cost "microinsurance for home contents" that disseminates insurance to rural and underprivileged areas and contributes to business continuity measures for female entrepreneurs. By embodying our mission and sharing our know-how, this initiative is expected to expand to other countries and regions, and we hope that it will give birth to the next businesses that will drive new growth in the future.

Together with our stakeholders, we will achieve the sustainable enhancement of corporate value so that we can realize a society in which many people can experience economic affluence and well-being.

Corporate Governance Evolution

	2010-2013	2014-2017	2018-2021	2022-2025
Medium-Term Management Plan	New Frontier 2013	Next Challenge 2017	Vision 2021	Medium-Term Management Plan (2022-25)
Medium-Term Management Plan	Establishing a Group governance system	Strengthening Group governance	Improving the corporate governance system	Practicing highly transparent and effective corporate governance
Governance Evolution	<ul style="list-style-type: none"> Institutional design: Became a company with a board of auditors Introduced an executive officer system Assigned multiple Outside Directors Established the Nomination Committee and the Remuneration Committee 	<ul style="list-style-type: none"> Implemented analysis and evaluation of the Board of Directors' effectiveness and published the evaluation results Introduced performance-based compensation Introduced stock options as a stock-based compensation system for Directors (Inside Directors only) and Executive Officers Published selection criteria for Directors and Audit & Supervisory Board Members (including criteria for independence) Newly established the Governance Committee mainly composed of Outside Directors Newly installed titles such as Group CFO and Group CRO Enacted and released the Basic Policy for Corporate Governance 	<ul style="list-style-type: none"> Introduced the CEO Succession Plan Revised the executive remuneration system (Company business performance linkage and medium- to long-term performance (nonfinancial indicators) evaluation) Promoted diversity among the Board members Reorganized the task-specific committees (launched the Sustainability Committee, the ERM Committee, and the Group Standardization Committee) Newly established the titles of Group CDO, Executive Officer in charge of promotion of D&I (currently Executive Officer in charge of promotion of DE&I) 	<ul style="list-style-type: none"> Introduced stock issuance trust systems Introduced guidelines for holding the Company's own shares Exchanged opinions with third-party organizations on the results of analysis and evaluation of the effectiveness of the Board of Directors Newly established the title of Group CSuO

Director/Audit & Supervisory Board Member Composition (as of July 1, 2023)



Ratio of Outside Directors and Outside Audit & Supervisory Board Members on the Board (compared with July 1, 2010)



Ratio of Women on the Board (compared with July 1, 2010)

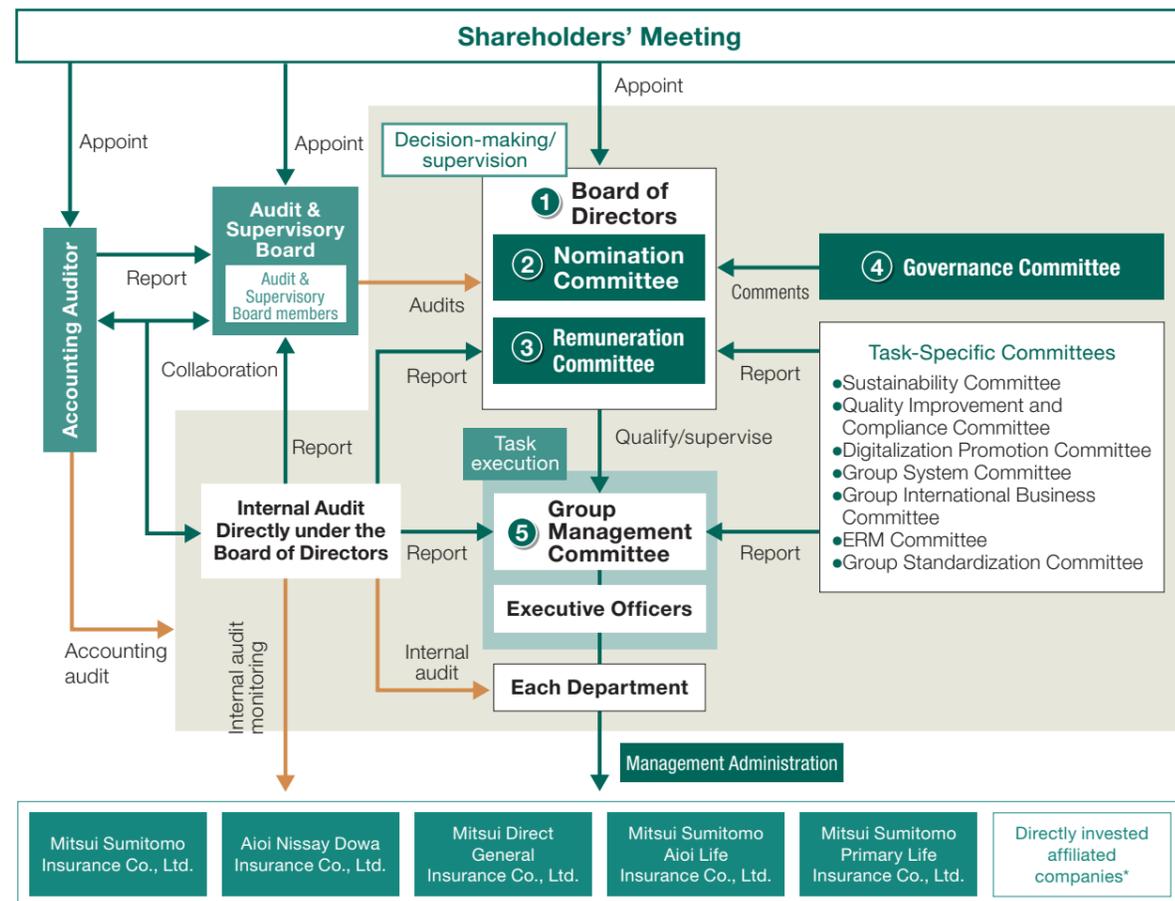


Corporate Governance System

As a company with a board of auditors, the Company shall ensure that the Board of Directors appropriately performs its supervisory functions and that the independent Audit & Supervisory Board members appropriately perform their auditing functions. In strengthening this dual functionality, we actively practice information disclosure in our efforts to heighten governance.

The Company has established the Nomination Committee and the Remuneration Committee (more than half the members, as well as the committee chairperson, are Outside Directors) within the Board of Directors and the Governance Committee (comprising all Outside Directors together with the Chairman, Vice Chairman of the Board, and Representative Director). We are fortifying our stance on corporate governance that is highly effective and transparent.

MS&AD Insurance Group Holdings, Inc. (as of July 1, 2023)



*Related operating companies consist of the following eight: MS&AD InterRisk Research & Consulting, MS&AD Business Support, MS&AD Staff Services, MS&AD Systems, MS&AD Business Service, MS&AD Grand Assistance, MS&AD ABILITYWORKS, and MS&AD Ventures.
 Note: Committees boxed in indicate those under the scope of supervision of the Board of Directors.

1 Board of Directors
 As the ultimate decision-making authority for Group management, the Board of Directors deliberates and decides upon matters of importance for Group management and supervises the execution of duties performed by directors, executive officers, and others.
 Chairman: Yasuyoshi Karasawa
 Internal: Eight members Outside: Seven members / FY2022 meetings held 12 times (excluding board meetings held on paper)
 Director attendance rate 100%, Audit & Supervisory Board Member attendance rate 96%

2 Nomination Committee
 Upon the delegation of the Board of Directors, the committee offers advice to the Board of Directors concerning the nomination policy and nomination of candidates for Directors and Audit & Supervisory Board Members; the nomination, promotions, dismissals, and disciplinary actions pertaining to Executive Officers; and the nomination, dismissals, etc., of Directors and Audit & Supervisory Board Members of the Group's domestic insurance companies.
 Chairperson: Rochelle Kopp (Outside Director)
 Internal: Three members Outside: Five members
 FY2022 meetings held three times
 Attendance rate 100%

3 Remuneration Committee
 Upon the delegation of the Board of Directors, the committee offers advice to the Board of Directors concerning policy for determining remuneration for Directors and Executive Officers, remuneration amount, limits on total remuneration for Directors, and policy for determining Executive Officer remuneration, etc., for the Group's domestic insurance companies.
 Chairperson: Mariko Bando (Outside Director)
 Internal: Three members Outside: Five members / FY2022 meetings held three times
 Attendance rate 100%

5 Group Management Committee
 The Group Management Committee discusses important matters pertaining to management policy and strategy, and management of the Company and the Group. It also deliberates on important matters of the Group's domestic insurance companies.
 Chairperson: Noriyuki Hara
 Members: Executive Officers, President of Mitsui Direct General Insurance, President of Mitsui Sumitomo Aioi Life Insurance, President of Mitsui Sumitomo Primary Life Insurance, two Audit & Supervisory Board Members / FY2022 meetings held 12 times
 Attendance rate 100%

4 Governance Committee
 In the Governance Committee, Outside Directors consult with the Chairman, Vice Chairman, and President on matters pertaining to the status of corporate governance, as well as policies and positions, and make comments to the Board of Directors on an as-needed basis.
 Chairperson: Junichi Tobimatsu (Outside Director)
 Internal: Three members Outside: Five members / FY2022 meetings held three times
 Attendance rate 100%

Task-Specific Committee Approach to Value Creation

Task-specific committees have been established with the objective of holding discussions about important matters of Company management associated with the execution of tasks, and they work to bring the opinions of relevant departments into mutual alignment. The results of the committees' discussions are on an as-needed basis summarized by the officer in charge and reported to the Group Management Committee, the Board of Directors, and others.

Task-Specific Committee Overview

Committee	Administrator	Committee members								FY2022	
		Chairman	Vice Chairman	President	Vice President	Senior Executive Officer	Managing Director	Outside Directors	Audit & Supervisory Board Members	Number of Times Held	Main Agenda Items
Sustainability Committee	CSuO Motojima	●	●	●	●	●	●	●	●	4 times	<ul style="list-style-type: none"> Sustainability initiatives in FY2022 Efforts to achieve net-zero greenhouse gas emissions by 2050 Promotion of DE&I Promotion of Group efforts to respect human rights
Quality Improvement and Compliance Committee	CRO Tamura				●	●	●	●	●	5 times	<ul style="list-style-type: none"> Speak-up system operation status and improvements for the future Cybersecurity readiness assessment and enhancement "Customer-focused" business operation status Assessment of compliance system
Digitalization Promotion Committee	CDO Motoyama	●	●	●	●	●			●	3 times	<ul style="list-style-type: none"> Building of a Group data linkage infrastructure Provision of risk solutions through insurance agents Group healthcare initiatives
Group System Committee	CIO/CISO Tsuda				●				●	12 times	<ul style="list-style-type: none"> Large-scale system development project status Review status of the system (system response policy) Cybersecurity risk events and implementation of countermeasures System failure occurrence status and quality assurance status
Group International Business Committee	Executive officer Kawate	●	●	●	●				●	3 times	<ul style="list-style-type: none"> Efforts to upgrade international business management to improve capital efficiency Offering guidance on international business monitoring
ERM Committee	CFO Higuchi CRO Tamura				●	●			●	8 times	<ul style="list-style-type: none"> Advancement of business management Effective use of in-Group capital Distribution and accumulation of risks in Japan and overseas and responses to natural catastrophe risks
Group Standardization Committee	CFO Higuchi				●	●			●	8 times	<ul style="list-style-type: none"> Consideration of productivity improvement in the head office departments Confirmation of the Group's vision

Skills Matrix of Directors, Audit & Supervisory Board Members, and Executive Officers

To ensure discussions from diverse perspectives toward realizing the Group's growth strategy, the Nomination Committee deliberated on the skills (knowledge, experience, and capabilities) necessary to ensure the effectiveness of the Board of Directors. From the viewpoint of judging important matters such as management strategy and supervising the execution of duties, the Committee determined the following.

i) Basic skills that are generally required



ii) Relevant skills given that the Group's core business is insurance and the Group is operated globally



iii) Skills necessary for business transformation and addressing issues that are considered important by the market, in view of the current business environment of the Company



Furthermore, regarding Audit & Supervisory Board Members, we also consider Finance and Accounting to be important skills.

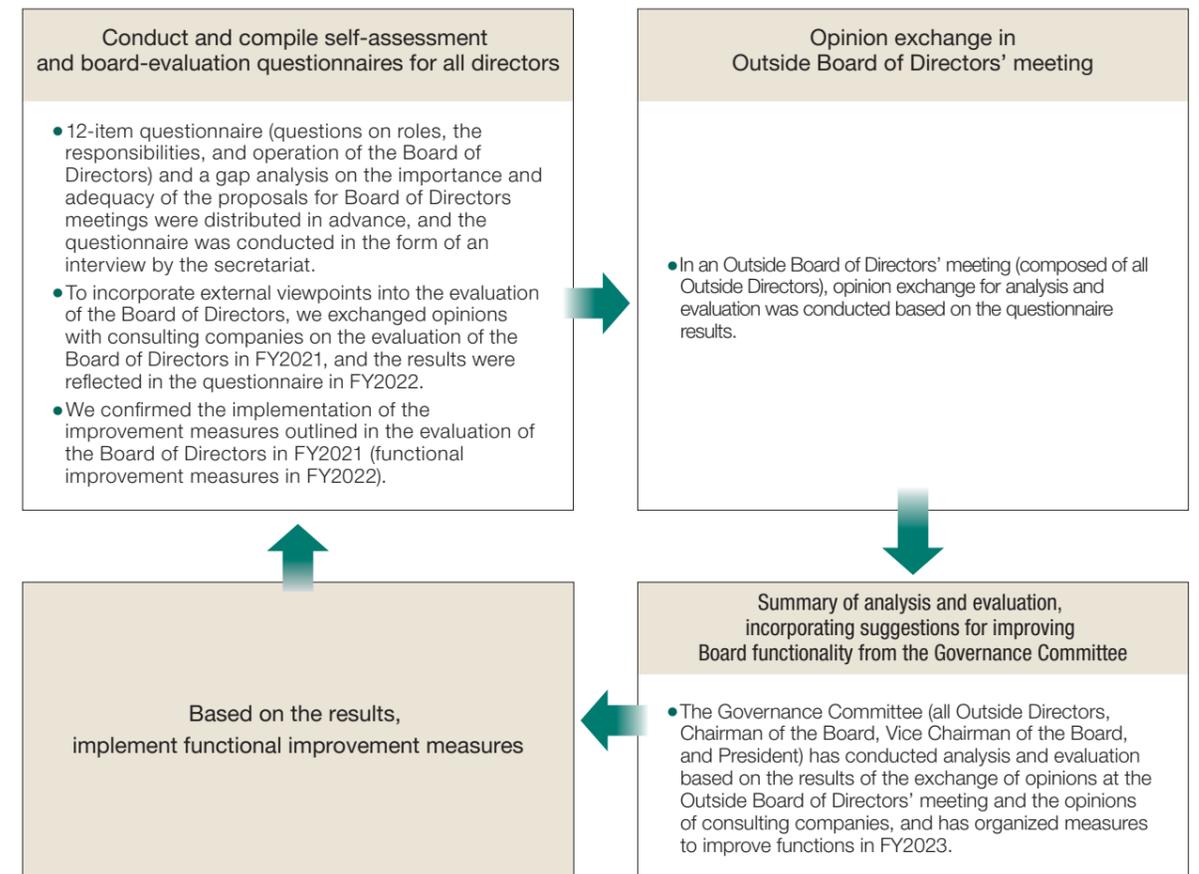
Officer	Skills									
	Corporate Management	Internationality	IT and Digital	Sustainability	Human Resources and Human Asset Development	Legal Affairs and Compliance	Risk Management	Finance and Accounting	Insurance Business	
Director Karasawa	●	●		●	●	●	●	●	●	
Director Kanasugi	●	●		●	●	●			●	
Director Hara	●	●		●	●		●		●	
Director Higuchi	●	●	●	●	●	●	●	●	●	
Director Shimazu		●	●	●	●	●	●		●	
Director Shirai				●		●	●		●	
Outside Director Bando	●	●		●	●	●				
Outside Director Tobimatsu		●				●				
Outside Director Kopp	●	●		●	●					
Outside Director Ishiwata				●						
Outside Director Suzuki	●	●		●	●					
Auditor Suto							●	●	●	
Auditor Suzuki							●	●	●	
Outside Auditor Chiyoda		●						●		
Outside Auditor Uemura						●				

In addition, we have installed an executive officer system. The skills for Executive Officers who are not Directors are as follows.

Executive Officer Tamura		●	●	●	●	●	●	●	●
Executive Officer Motojima	●			●	●				●
Executive Officer Funabiki	●	●	●	●	●				●
Executive Officer Niino	●	●		●	●				●
Executive Officer Kawate	●	●					●		●
Executive Officer Kawabe	●	●		●	●				●
Executive Officer Hayakawa	●	●						●	●
Executive Officer Tsuda	●	●	●		●				●
Executive Officer Owada		●		●	●			●	●
Executive Officer Arakawa	●			●					●
Executive Officer Tatematsu									●
Executive Officer Motoyama			●		●				●
Executive Officer Sato				●		●			●
Executive Officer Hori		●				●	●		●

Evaluation of Board of Directors' Effectiveness and the Analysis Process

Analysis and evaluation process



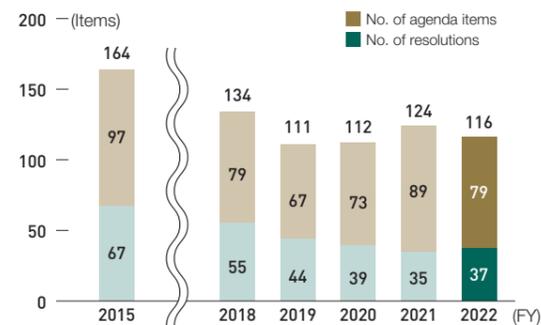
Analysis and assessment of the Board of Directors' effectiveness

Evaluation results	<ul style="list-style-type: none"> All directors strongly recognize that the Medium-Term Management Plan is a commitment to internal and external stakeholders and confirm the plan's progress in a timely manner. The Board of Directors discussed issues and measures and made their best efforts to realize the plan. By holding dialogues with operating company employees and directly listening to their thoughts and opinions, Directors deepened their understanding of the penetration of management principles in the operating companies. Important sustainability issues, such as efforts to reduce greenhouse gas emissions involving stakeholders and efforts to respect human rights including employees, should be discussed in more depth. In the gap analysis, it was found that it would be better to increase the level of discussion on "Sustainability ESG."
Functional improvement measures	<ul style="list-style-type: none"> Provide opportunities to discuss business investment projects from the initial stage of consideration (e.g., in addition to discussions at the Board of Directors meetings, use opportunities such as executive study sessions). Increase opportunities to discuss important sustainability issues, such as efforts to reduce greenhouse gas emissions involving stakeholders and efforts to respect human rights including employees. Provide opportunities for Outside Officers to exchange opinions with internal officers (including the executive officers of the operating companies).

Efforts Aimed at Improving the Operation of the Board of Directors

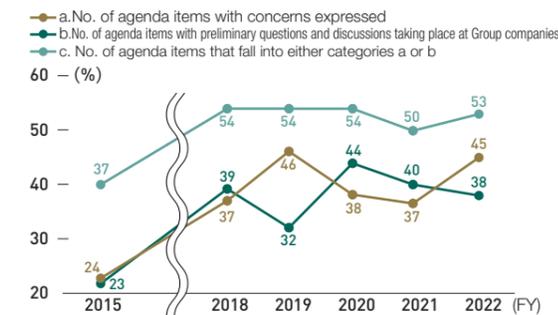
Number of agenda items

- Due to the introduction of the collective deliberation method and other factors, the number of issues excluding collective deliberation matters has decreased.
- In FY2022, the total number of agenda items was 116 (37 resolution items and 79 report items), an increase from the previous year.
- In addition, we are working to secure sufficient time for important matters by reviewing the standards for deliberation by the Board of Directors.



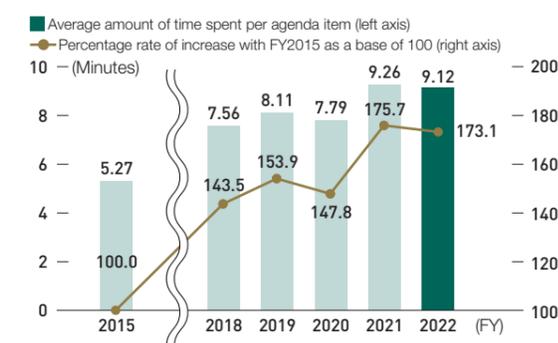
Assessing the presence of preliminary questions

- The ratio of agenda items where either concerns were expressed or there were preliminary questions has been on an upward trend since FY2015, and increased in FY2022 compared with the previous fiscal year.
- To prevent the spread of COVID-19, all meetings of the Board of Directors were held online in FY2022. We also adopted a system in which Outside Officers participate face-to-face, to the extent that sufficient distance can be maintained, to stimulate discussion.



Average amount of time spent per agenda item

- The average deliberation time per agenda item has been increasing since FY2015. We believe this is due to the high quality of discussions thanks to efforts such as narrowing the number of agenda items.
- To ensure sufficient time for deliberating important agenda items, with regard to regularly reported ones, we introduced an operational scheme in which we prepare summaries of the materials and explain them as necessary.



Topics and content of discussion at Board of Directors meetings

Theme	Content of the discussion
Progress and future initiatives in the Group Medium-Term Management Plan (2022–25)	<ul style="list-style-type: none"> • Confirm the progress of the three basic strategies of the Medium-Term Management Plan (Value, Transformation, Synergy). Regarding Synergy, we discussed how to reduce business expenses through the promotion of our "One Platform Strategy" and how to promote integrated management within the Group. • On a business basis, we confirmed that we will continue to increase international business revenues by expanding MS Amlin's underwriting of lines with high profitability and by changing the structure of the U.S. business, as well as expand business opportunities utilizing digital data as the core of MS&AD InterRisk Research & Consulting.
Efforts to improve capital efficiency and corporate value	To ensure capital profitability exceeding the cost of capital on an ongoing basis and to realize corporate value improvement, we confirmed the cost of capital ratio in our Group and discussed measures to achieve a target adjusted ROE above 10%.
Group Material risks	Among the Group's critical risks selected by us, we discussed geopolitical risks that should be taken into consideration, including environmental changes and our response in the event of a large-scale natural disaster.
Policy for responding to climate change	We discussed how to set intermediate targets for realizing net-zero greenhouse gas emissions by 2050 in our business activities and measures for achieving those targets.

Remuneration Plan Targeting Strengthened Governance

Basic Policy

- Our aim is to enhance Group governance and medium- to long-term corporate value.
- The remuneration plan for Directors and Audit & Supervisory Board Members is now linked to the business performance of the Company to serve as an appropriate incentive for sustainable growth.
- The remuneration standard set allows us to be competitive as a global company.

Process for determining remuneration

Remuneration for Directors

- Upon deliberation by the Remuneration Committee, which comprises a majority of Outside Directors so as to achieve transparency, a resolution is made at the Board of Directors and an amount that does not exceed that determined by the Shareholders' Meeting is decided upon.
- The Remuneration Committee advises the Board of Directors regarding policies and other matters pertaining to determining the amount of Directors' remuneration and Executives' remuneration.
- The Board of Directors will to the maximum extent possible adhere to the advice provided by the Remuneration Committee. Furthermore, the amount of remuneration will be determined after assessing whether it is in line with the remuneration system decided through a Board of Directors resolution.

Remuneration for Audit & Supervisory Board Members

- Without exceeding the amount determined by resolution at Shareholders' Meetings, remuneration for Audit & Supervisory Board Members is determined with consideration to the differences of being either full-time or part-time, their burden with regard to auditing tasks, and reference to details and levels of compensation made to Directors, as well as consultations provided by Audit & Supervisory Board Members.

Composition of remuneration

- Fixed remuneration is set separately for each role, and performance-linked remuneration is determined considering company business performance.

	Fixed remuneration	Performance-linked remuneration	
		Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors)	●	●	●
Outside Directors	●	—	—
Audit & Supervisory Board Members	●	—	—

- The standard structure ratio for executive remuneration is as follows, based on role.

President and CEO:

The ratio of performance-linked remuneration is set to be higher than other roles.

Other roles:

Ratios of fixed remuneration and performance-linked remuneration are set to be different for different roles.

(Standard ratio)			(Standard ratio)		
Fixed remuneration	Performance-linked remuneration Monetary remuneration	Performance-linked remuneration Stock-based remuneration	Fixed remuneration	Performance-linked remuneration Monetary remuneration	Performance-linked remuneration Stock-based remuneration
50%	25%	25%	Approx. 60%–70%	Approx. 20%	Approx. 10–20%

Stock-based remuneration details

- Stock-based remuneration is paid through restricted stocks and, as a general rule, the restriction is released upon retirement of the Officer.
- In the case that inappropriate behavior becomes evident during an Officer's tenure, either the restricted stocks will be made available for free acquisition during the period of restriction or they will be returned after the period of restriction has been concluded. (Malus and clawback clauses)

Performance index, etc., related to performance-linked remuneration

- Performance-linked remuneration is linked to business performance and is determined based on both financial and nonfinancial indicators.
- The financial and nonfinancial indicators were selected based on the Group's Medium-Term Management Plan (2022–25). The indicators and reasons for their selection are as follows.

Indicators/Evaluation items		Selection reasons
Financial indicators (single fiscal year performance)		<ul style="list-style-type: none"> • Group Adjusted Profit • Consolidated net income • Group Adjusted ROE <p>We have selected Group Adjusted Profit, which is an indicator of shareholder return; Group Adjusted ROE, which is an indicator of capital efficiency; and consolidated net income, which is an important performance indicator of the Group.</p> <p><small>Note: Following the introduction of IFRS, we plan to change "consolidated net income" to "IFRS net income" and "Group Adjusted ROE" to "IFRS adjusted ROE."</small></p>
Nonfinancial indicators (medium to long term)	Basic strategy	<p>The evaluation items of nonfinancial indicators are the basic strategy and the foundations that support the basic strategy to realize a "corporate group that supports a resilient and sustainable society," which is the goal of the Group's Medium-Term Management Plan (2022–25).</p>
	Foundations	

- In the calculation of performance-linked remuneration, the standard ratio of financial indicators to nonfinancial indicators is 50:50.
- Regarding the application coefficient, financial indicators vary in a range of 0–3.0 and nonfinancial indicators vary in a range of 0.5–1.5 for a standard of 1.0.
- For performance-linked remuneration, monetary remuneration and stock-based remuneration are each calculated as specified below, based on the base amount for each role.
 - Monetary remuneration: Base amount for each role × Company business performance coefficient (financial indicators × 80% + nonfinancial indicators × 20%)
 - Stock-based remuneration: Base amount for each role × Company business performance coefficient (financial indicators × 20% + nonfinancial indicators × 80%)
- Monetary remuneration is set to reflect the performance of a single fiscal year more accurately by placing a higher percentage of financial indicators than nonfinancial indicators.
- By increasing the ratio of nonfinancial indicators to financial indicators, stock-based compensation is set to more accurately reflect the evaluation of initiatives that contribute to the enhancement of corporate value over the medium to long term.

Financial Indicators (FY2022)

	Results	Plan	Achievement ratio/difference
Group Adjusted Profit	¥172.7 billion	¥167.4 billion	103.2%
Consolidated net income	¥161.5 billion	¥138.3 billion	116.8%
Group Adjusted ROE	4.8%	4.6%	+0.2point

Nonfinancial Indicators (FY2022)

Evaluation items	Evaluation results
Basic strategy	<p>As a result of the evaluation based on the following perspectives and other factors, the evaluation was on par with the standard.</p> <ul style="list-style-type: none"> • Development and supply of products and services tailored to new values for solving social issues • Business, product, and risk portfolio transformation • Promotion of the "One Platform Strategy" and the realization of Group synergies <p>etc.</p>
Foundations	<p>As a result of the evaluation based on the following perspectives and other factors, the evaluation was on par with the standard.</p> <ul style="list-style-type: none"> • Initiatives related to coexistence with the global environment, a secure and safe society, and the well-being of diverse people, which are key sustainability issues • Quality improvement initiatives such as improving products and services based on customer feedback • Initiatives related to human assets, such as building an optimal human assets portfolio and developing a working environment that maximizes employees' abilities, skills, and motivation, such as promoting DE&I* • Initiatives related to ERM, such as improving profitability and capital efficiency and reducing strategic equity holdings <p>*Diversity, Equity and Inclusion</p> <p>etc.</p>

Total amount of remuneration (FY2022)

Total remuneration by category, total amount by type of remuneration, and number of applicable corporate officers (¥ million)

Corporate officer category	No. of corporate officers	Total remuneration	Breakdown		
			Fixed remuneration	Performance-linked remuneration	
				Monetary remuneration	Stock-based remuneration
Directors (excluding Outside Directors)	7	313	179	66	67
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	2	56	56	—	—
Outside Directors/Audit & Supervisory Board Members	7	92	92	—	—

Total amount of consolidated remuneration, etc., of those whose total amount of consolidated remuneration, etc., is ¥100 million or more (¥ million)

Name	Corporate officer category	Company category	Total remuneration	Breakdown		
				Fixed remuneration	Performance-linked remuneration	
					Monetary remuneration	Stock-based remuneration
Yasuyoshi Karasawa	Director	Submitting company	111	55	27	29
Yasuzo Kanasugi	Director	Submitting company	106	24	9	10
	Director	Aioi Nissay Dowa Insurance Co., Ltd.		34	12	15
Noriyuki Hara	Director	Submitting company	127	28	12	12
	Director	Mitsui Sumitomo Insurance Co., Ltd.		38	16	18

CEO Succession Plan

- With the aim of achieving sustainable growth and enhancing corporate value in our Group, we have established a succession plan that positions the appointment and dismissal of the Group CEO (hereinafter "CEO") and the development of successors as a key management issue.

Criteria for CEO selection

- Ability to embody the Group's Mission, Vision, and Values and having the concept of CSV (Creating Shared Value) in his/her own system of values
- Ability to plan and build future vision
- Fairness and impartiality
- Ability to develop human assets
- Ability to demonstrate leadership
- Global response capability
- Acting in the Group's best interest

Development plan for CEO candidates

- The CEO plays an important role and can mentor numerous candidates. The candidates (from within the Group) should have the following experience:
 - Experience across departments (administration, operations, international, sales, claims services, systems, and others)
 - Management at a domestic company and/or an overseas subsidiary

CEO dismissal process

- When an Outside Director deems it necessary to discuss dismissal such as when the CEO is subject to the prohibitions stipulated in the Executive Officer Rules (e.g., violating obligations set forth in the Companies Act and other laws and regulations or company regulations) or when it is determined that it is difficult for the CEO to properly continue his/her duties due to health or other reasons, the Outside Director shall deliberate on his/her own initiative with members of the Nomination Committee excluding the CEO. Based on the results of the deliberation, necessary procedures are carried out in accordance with the Companies Act and internal regulations.
- Directors who are not Outside Directors can request a meeting of the Board of Directors to be convened in accordance with the Rules of the Board of Directors and submit proposals for dismissal of Directors at the Shareholders Meeting.

CEO selection process



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"> • Planning and implementation of measures to improve the Group's management efficiency and to realize the Group's management strategy • Planning and implementation of the following matters related to ensuring the financial soundness and appropriateness of business operations of the operating companies: 1) capital adequacy, 2) risk management framework, 3) compliance framework, 4) appropriateness of intra-group transactions, 5) crisis management system, and 6) protection of customer information, etc. • Planning and implementation of matters related to internal audits of the Group and advice on matters related to internal audits of operating companies, etc.
Matters to be approved by and reported to the holding company	<p>The holding company requires the approval of the holding company or reporting to the holding company on important matters of the directly invested companies in accordance with the Group management supervision contracts.</p> <p>Examples of prior approval items</p> <p>1) Management plans, risk management policies, and income and expenditure plans; 2) election and dismissal of Directors and Audit & Supervisory Board Members; (3) issuance of new shares, stock splits, etc.</p>
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>The holding company has put in place an appropriate Group management administration system by, for example, conducting internal audits in cooperation with operating companies as necessary to the extent not in conflict with laws and regulations, in accordance with the Basic Policy for Internal Audits.</p>

Management structure of operating companies

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

Mitsui Sumitomo Insurance Co., Ltd.		Aioi Nissay Dowa Insurance Co., Ltd.			
Directors	Outside Directors	Directors	Outside Directors		
Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members		
<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Nomination Committee</div> <div style="border: 1px solid black; padding: 2px;">Remuneration Committee</div> </div>		<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px;">Nomination Committee</div> <div style="border: 1px solid black; padding: 2px;">Remuneration Committee</div> </div>			
Mitsui Direct General Insurance Co., Ltd.		Mitsui Sumitomo Aioi Life Insurance Co., Ltd.		Mitsui Sumitomo Primary Life Insurance Co., Ltd.	
Directors		Directors		Directors	
Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members	Audit & Supervisory Board Members	Outside Audit & Supervisory Board Members

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 of the operating companies.

Our Management Team

Directors

(As of July 1, 2023, except for the number of Company shares owned, which is as of the end of March 2023)



Yasuyoshi Karasawa

Chairman & Director
Chairman Executive Officer

Number of Company shares owned: 53,460
Important concurrent positions:

Date of birth: Oct. 27, 1950

Biography:
 April 1975 Entered Sumitomo Marine and Fire Insurance Co., Ltd. Has business experience in corporate planning, sales, corporate communications, financial planning, etc. Present position since June 2020



Tomoyuki Shimazu

Director
Executive officer

Newly appointed

Number of Company shares owned: 18,716
Important concurrent positions:

Director, Vice President Executive Officer, MSI

Date of birth: March 16, 1963

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



Yasuzo Kanasugi

Representative Director
Vice Chairman & Director
Vice Chairman Executive Officer

Number of Company shares owned: 60,611
Important concurrent positions:

Chairman & Director, Aioi Nissay Dowa Insurance Co., Ltd. (ADI)

Date of birth: May 29, 1956

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



Yusuke Shirai

Director
Executive Officer

Number of Company shares owned: 10,421
Important concurrent positions:

Director, Managing Executive Officer, ADI

Date of birth: June 13, 1964

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



Noriyuki Hara

Representative Director
President & CEO

Number of Company shares owned: 54,537
Important concurrent positions:

Chairman & Director, Chairman Executive Officer, Mitsui Sumitomo Insurance Co., Ltd. (MSI)

Date of birth: July 21, 1955

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 2020



Mariko Bando

Outside Director

Chairperson of the Remuneration Committee

Attendance record: Board of Directors' meetings 12 of 12 (100%)

Number of Company shares owned: 6,600

Reasons for appointment and expected role:

Held prominent positions as Director of Gender Equality Bureau of the Cabinet Office, President of Showa Women's University, etc. She has a wealth of knowledge and experience in the fields of public administration and education, as well as in the promotion of diversity, and is expected to supervise management and provide advice to management in general.

Important concurrent positions:

President of Showa Women's University

Director, Mitsubishi Research Institute, Inc. (Outside Director)

Director, ITOKI CORPORATION (Outside Director)

Date of birth: Aug. 17, 1946

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)



Tetsuji Higuchi

Representative Director
Executive Vice President

Number of Company shares owned: 22,122
Important concurrent positions:

Date of birth: June 24, 1961

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



Junichi Tobimatsu

Outside Director

Chairperson of Governance Committee

Attendance record: Board of Directors' meetings 12/12 (100%)

Number of Company shares owned: 0

Reasons for appointment and expected role:

He has a wealth of knowledge and experience concerning overall corporate legal affairs including those of overseas companies as an attorney-at-law. We expect him to supervise management and provide advice on all aspects of management in relation to ensuring the soundness of the Group's management.

Important concurrent positions:

Attorney-at-law, GAIEN PARTNERS
Director, amana inc. (Outside Director)
Director, AI, Inc. (Outside Director (Audit and Supervisory Committee Member))
Director, CANDEAL Co., Ltd. (Outside Director (Auditor))

Date of birth: Aug. 15, 1972

April 1998	Registered as Attorney-at-Law Attorney-at-Law, Mori Sogo (currently, Mori Hamada & Matsumoto)
June 2004	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, GAIEN PARTNERS) (present)
June 2018	Director, the Company (present)



Rochelle Kopp

Outside Director

Chairperson of Nomination Committee

Attendance record: Board of Directors' meetings 12/12 (100%)

Number of Company shares owned: 0

Reasons for appointment and expected role:

She has a wealth of knowledge in the field of cross-cultural communication and experience as a management consultant. We expect her to supervise management and provide advice on all aspects of management in relation to the global expansion of the Group.

Important concurrent positions:

Managing Principal, Japan Intercultural Consulting
Director (Outside Director), Lightworks Corporation

Date of birth: June 29, 1964

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.
July 1994	Managing Principal, Japan Intercultural Consulting (present)
Jan. 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)



Akemi Ishiwata

Outside Director

Attendance record: Board of Directors' meetings 10/10 (100%)

Number of Company shares owned: 100

Reasons for appointment and expected role:

As an Executive Officer of Kao Corporation, she has a wealth of knowledge on sustainability and experience in public relations and corporate branding. We expect her to supervise management and provide advice on all aspects of management from a wide range of perspectives.

Important concurrent positions:

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Date of birth: Aug. 23, 1960

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)



Jun Suzuki

Outside Director

Newly appointed

Number of Company shares owned: 2,500

Reasons for appointment and expected role:

Held prominent positions as the General Representative in Europe of the TEIJIN Group of TEIJIN LIMITED, Representative Director, President and CEO of TEIJIN LIMITED, etc. He has extensive knowledge of international business and experience as a manager, and is expected to supervise management and provide advice on management in general.

Important concurrent positions:

Senior Advisor, TEIJIN LIMITED

Date of birth: Feb. 19, 1958

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) Director, the Company (present)

Audit & Supervisory Board Members

Atsuko Suto

Audit & Supervisory Board Member (Full-time)

Number of Company shares owned: 6,579

Important concurrent positions:

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Date of birth: May 21, 1967

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)



Keiji Suzuki

Audit & Supervisory Board Member (Full-time)

Newly appointed

Number of Company shares owned: 2,100

Important concurrent positions:

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Date of birth: June 18, 1968

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 2018	General Manager, Corporate Risk Management Dept., the Company
April 2019	General Manager, Corporate Risk Management Dept.
April 2022	Executive Officer, General Manager, Corporate Risk Management Dept.
June 2023	Audit & Supervisory Board Member, the Company (present)



Kunio Chiyoda

Outside Audit & Supervisory Board Member

Attendance record:

Board of Directors' meetings 11/12 (91.7%)

Audit & Supervisory Board meetings 11/11 (100%)

Number of Company shares owned: 6,300

Reasons for appointment:

As an accounting and auditing professional, he has served in positions such as a university professor and public institution committee member. We appointed him because he performs a supervisory function for management by expressing opinions, recommendations, and other views on accounting and auditing on the Board of Directors and elsewhere.

Important concurrent positions:

Director, Terasaki Electric Co., Ltd. (Outside Director, Audit and Supervisory Committee Member)

Director, Seiwa Electric MFG Co., Ltd. (Outside Director, Audit and Supervisory Committee Member)

Date of birth: Jan. 2, 1944

May 1971	Registered as 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 Gakuin 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

Attendance record:

Board of Directors' meetings 11/12 (91.7%)

Audit & Supervisory Board meetings 10/11 (90.9%)

Number of Company shares owned: 500

Reasons for appointment:

As a legal expert, she previously served as a judge and an attorney-at-law, etc. We appointed her because she performs a supervisory function for management by expressing opinions, recommendations, and other views based on her knowledge and experience on the Board of Directors and elsewhere.

Important concurrent positions:

Attorney-at-Law, Miyama, Koganemaru & Associates

Outside Director of SoftBank Corp.

Date of birth: July 22, 1961

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)



Executive Officers

Chairman of the Board **Yasuyoshi Karasawa**

Vice Chairman of the Board **Yasuzo Kanasugi**

President & Group CEO **Noriyuki Hara**

Executive Vice President, Group CFO **Tetsuji Higuchi**
Corporate Planning Dept., Assistant Supervisor of Digital Innovation Dept., Corporate Communications and Investor Relations Dept., International Supervisory Dept., Assistant Supervisor of International Business Planning Dept., Internal Audit Dept., Capital Policy

Senior Executive Officer, Group CRO **Satoru Tamura**
Human Resources and General Administration Dept., Accounting Dept., Compliance Dept., Corporate Risk Management Dept., Internal Audit Dept.

Managing Executive Officer, Group CSu0 **Naomi Motojima**
Corporate Sustainability Dept., DE&I

*For the Internal Audit Department, Executive Vice President Higuchi is responsible for operations other than those that Senior Executive Officer Tamura oversees.

Executive Officers

Shinichiro Funabiki / Assist Management

Keisuke Niiro / Assist Management

Tamaki Kawate / International Business Planning Dept.

Tomoyuki Shimazu / Assist Management

Toshiya Kawabe / General Manager of Human Resources and General Administration Dept.

Yusuke Shirai / Assist Management

Takuma Hayakawa / Financial Services Business

Takuya Tsuda / Data Management Dept., Information Technology Planning Dept., Group CIO, Group CISO

Hiroyoshi Owada / General Manager of Corporate Planning Dept.

Hiroshi Arakawa / Underwriting & Reinsurance

Hiroshi Tatematsu / Sales

Tomoyuki Motoyama / Digital Innovation Dept., Administration Group CDO (DX Promotion)

Mitsuru Sato / Claims Services

Sachiko Hori / General Manager of Corporate Risk Management Dept.

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

Message from an Outside Director



Akemi Ishiwata
Outside Director (Independent Director)

Q1. What are your impressions of the management of the Board of Directors and the state of discussions after completing your first year as an Outside Director?

I was very nervous at my first board meeting, as it was my first time serving as an Outside Director for the MS&AD Insurance Group (MS&AD). Even in such a situation, I was impressed by the integrity and active exchange of opinions among all members. The fact that the Chairman of the Board of Directors encourages everyone to speak and creates an atmosphere where it is easy to express one's opinions is a major factor.

Another unique feature of the Company is the diversity of its Outside Directors, including Directors and Audit & Supervisory Board Members. I have learned a lot not only from the members as experts in their fields but also from the perspectives of women and of those from countries outside Japan. There were many instances where Internal Directors answered questions posed by Outside Directors, deepening the discussion. For many years, I worked for Kao Corporation, a manufacturer of everyday household products, so I needed to learn about the insurance business from the ground up. However, I was able to feel comfortable attending board

meetings thanks to the attentive support of the secretariat. Overall, I feel that the board meetings have a good atmosphere.

Q2. What is your assessment of MS&AD's human assets strategy and initiatives to promote DE&I?

As of April 2023, the ratio of female managers was 19.5%, which is still far from the target of 30%, but the steady increase in the number is commendable, and I hope it will continue to grow. As about half of new hires are women, it should not take much time to increase the number of sectional managers, but the challenge is how to increase the number of general managers. Although not limited to the insurance industry, it will first be necessary for companies to support women to elevate their mindsets, to help them become more prepared and confident to take on management responsibilities, and to expand the pool of potential candidates.

In selecting human assets, it is a good idea to select several people at the same time, not just one. There's a difference between a single person and multiple people in the team atmosphere and the people chosen can have their concerns eased. This was my impression when I participated in the Association of Female General Managers network

comprising members from group companies, and I found that women have different concerns than men. Therefore, a forum where people can share their concerns is valuable, and I believe it has a motivating and calming effect, so I hope it will continue in the future.

Without diversity, there is no innovation. Human assets strategies must always emphasize diversity, and not just women.

Q3. Which areas are you focusing on in the current Medium-Term Management Plan (2022–2025)?

Because I was involved in sustainability at Kao for a long time, I have been focusing on sustainability as the foundation supporting the basic strategies of the Medium-Term Management Plan and its three priorities: Symbiosis with the global environment, Safe and secure society, and Happiness of diverse people.

The manufacturing and insurance industries are completely different in terms of emissions of carbon dioxide and other greenhouse gases. Emissions obviously vary depending on if the industry has factories. But also, for example, the amount of hot water used to rinse out shampoo in Scope 3, which is related to the use and disposal of products, must be converted into greenhouse gases. This makes a big difference in emission volumes, especially outside of the company. Therefore, while the direction of the efforts toward decarbonization is different between the two companies, they share the same goal of creating a safe and secure society. I therefore feel that there are things in common that transcend industry boundaries.

Sustainability activities are never completed by one company alone, and the involvement of various stakeholders, especially employees, is essential. It is necessary to clearly communicate what MS&AD seeks and gain the empathy and cooperation of stakeholders and engage employees. In my opinion, the most important thing is to help employees integrate sustainability into their own lives, as in, "I am going to change my work in this way."

I find the Sustainability Contest an interesting way to make sustainability a personal issue. Employees come up with their own ideas to solve social issues and propose them to management. Many of the ideas are original, and to me the very act of thinking about CSV (Creating Shared Value with society) and entering the contest is more meaningful than whether the idea wins a prize. Many people will also gain new insights by sharing ideas widely within the Group.

The concept of ESG has evolved dramatically over the past 10 years within the trend toward creating a sustainable society. In line with this, the scope of information disclosure is increasingly broadening. However, rather than simply disclosing information for the sake of disclosing it, I feel that it is also necessary to work toward helping customers and investors better understand the Company's aspirations by effectively presenting proprietary metrics that other companies do not disclose and that are of interest to the public.

Q4. What do you think is needed to improve customer satisfaction and customer experience?

Until now, I was involved in consumer research, qualitatively examining how consumers' sense of values is changing. Regardless of the industry, as people's sense of values changes, products and services must also change in response. Even when speaking of security and safety, what kind of security and safety customers are looking for differs from era to era.

It is difficult to objectively measure which metrics of improvement indicate that customers are truly satisfied or that value has increased, yet such changes should never be overlooked. Knowing what the other party wants is fundamental to business. While the use of data and digital are indeed effective, sometimes it is necessary to make decisions with the human eye.

Q5. What are your expectations of MS&AD in the future?

Society's desire for security and safety is bound to increase in these days of frequent damage from typhoons, torrential rains, and earthquakes, and the increasing severity of natural catastrophe caused by global warming becoming a social problem. I feel that insurance plays a critical role in terms of the social infrastructure that supports people's lives. It is essential for employees to work with a sense of fulfillment and enthusiasm to provide customers and stakeholders with a high level of quality in terms of security and safety.

Last year, I had the opportunity to meet with front-line employees, and that experience made me believe that integrity and diligence are MS&AD's strengths. I would like to see MS&AD continue to grow and boost its corporate value by creating an environment in which such employees can fully demonstrate their abilities and play an active role.